

For the attention of our Shareholders / Investors / Analysts



Aioi Insurance

Company Presentation

(including FY2003 Interim Earnings)

5 December 2003

Aioi Insurance Co., Ltd.

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FY2003 (Sep) Interim Earnings Data

I. FY2003 Interim Earnings Summary

I. FY2003 Interim Earnings Summary

1. Key Points

Unit: Yen bn

	Sep 2002	Sep 2003	Change	+/- %
	Interim	Interim		
Net Premiums	416.6	419.2	+2.5	+0.6%
Net Claims	214.9	222.3	+7.3	+3.4%
Loss Ratio	56.3%	57.5%	+1.2P	
Net Operating Expenses	148.5	138.0	-10.4	-7.0%
Net Expense Ratio	35.6%	32.9%	- 2.7P	
Combined Ratio	91.9%	90.4%	- 1.5P	
Underwriting Profit	9.1	13.2	+4.0	+44.6%
Asset Management Profit/Loss	9.8	14.0	+4.2	+43.0%
Ordinary Profit	11.0	23.0	+12.0	+108.8%
Interim Net Profit	3.7	9.0	+5.2	+141.1%

* Loss Ratio includes loss adjustment expenses

[Extraordinary Factors (abolition of CALI reinsurance scheme, Fortress Re imp

	Sep 2002	Sep 2003	Change	+/- %
	Interim	Interim		
Net Premiums	25.8	36.7	+10.8	+42.2%
Abolition of CALI R/I	15.0	33.9	+18.8	+125.0%
Fortress Re	10.7	2.7	-7.9	-74.0%
Net Claims	11.3	21.9	+10.6	+93.5%
Abolition of CALI R/I	0.0	4.7	+4.7	-
Fortress Re	11.3	17.2	+5.8	+51.6%
Net Operating Expenses	1.3	0.1	-1.2	-86.3%
Abolition of CALI R/I	-	-	-	-
Fortress Re	1.3	0.1	-1.2	-86.3%

[Excluding Special Factors]

	Sep 2002	Sep 2003	Change	+/- %
	Interim	Interim		
Net Premiums	390.8	382.5	-83	-2.1%
Net Claims	203.6	200.3	-33	- 1.6%
Loss Ratio	57.1%	57.3%	+0.2P	
Net Operating Expenses	147.1	137.8	-9.2	-6.3%
Net Expense Ratio	37.6%	36.0%	- 1.6P	
Combined Ratio	94.7%	93.3%	- 1.4P	

Net Premium Income +0.6% (excl. special factors: -2.1%)

Fortress Re -¥7.9bn, domestic direct (facultative) -¥6.8bn (of which motor -¥4.3bn)

Net Claims Paid +3.4% (excl. special factors: -1.6%)

Fortress Re +¥5.8bn, domestic direct motor -¥4.7bn

Marginal increase in loss ratio on decline in income (excl. special factors +0.2P)

Net Operating Expenses -7.0% (excl. special factors: -6.3%)

Personnel -¥3.5bn, non-personnel -¥1.5bn; improvement in expense ratio thanks to continued enhancement of efficiencies, offsetting fall in income (excl. special factors -1.6P)

(Note: including loss adjusting expenses: personnel -¥3.9bn, non-personnel -¥1.8bn)

Underwriting Profit ¥13.2bn

+¥4.0bn due to cost savings (+44.6%)

Profit on assets under management ¥14.0bn

Loss on revaluation of securities ¥1.1bn (-¥4.2bn)

Ordinary Profit ¥23.0bn

+ ¥12.0bn (+108.8%) – a significant increase in profit

Interim Net Profit ¥9.0bn

+¥5.2bn (+141.1%)

I. FY2003 Interim Earnings Summary

2. Premium Income

Net Premiums by Class

[Excl. special factors (abolition of CALI R/I scheme, Fortress Re impact)]

Unit: Yen bn, %

Class	30 Sep 2002		30 Sep 2003	
	Amount	+/- %	Amount	+/- %
Fire	39.1	-15.0	39.4	+ 0.8
Marine	2.4	+ 0.7	2.5	+ 0.8
Casualty	26.3	-3.2	24.9	-5.3
Motor	245.0	+ 0.2	238.7	-2.6
CALI	42.3	+ 0.7	44.0	+ 4.0
Other	35.5	+ 6.1	32.8	-7.5
TOTAL	390.8	-1.3	382.5	-2.1

Operating Result by Channel

Units: Yen bn, %

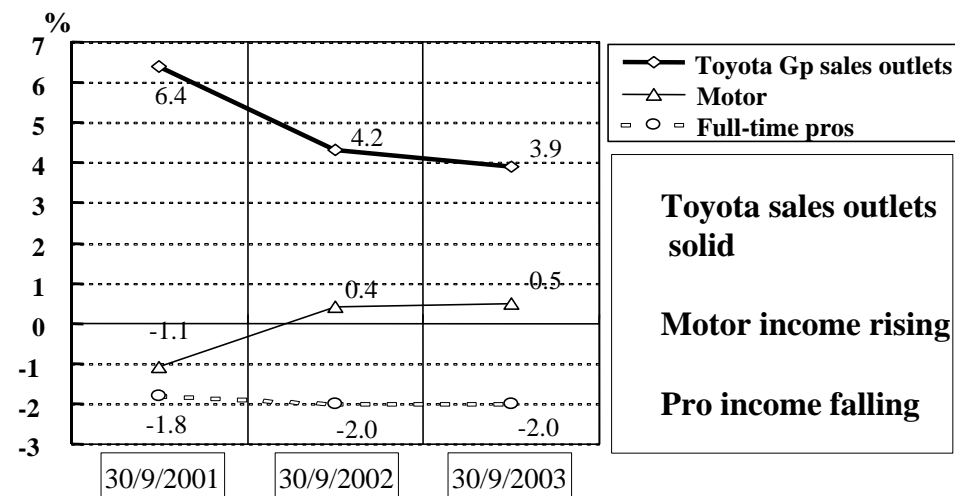
Channel	Sep 2002		Sep 2003	
	Amount	+/- %	Amount	+/- %
Pro	148.5	-2.0	145.5	-2.0
Motor	81.4	+ 0.4	81.9	+ 0.5
Toyota outlets	71.4	+ 4.2	74.0	+ 3.9
Non-Toyota dealers	16.9	-9.1	15.0	-11.1
Corporates/Financial	71.5	+ 2.6	72.4	+ 1.3
Other general	24.4	-11.4	22.0	-9.8
TOTAL	414.2	-0.8	410.8	-0.8

Main Factors

(* result basis)

Reinsurance	Motor	Reduction in overseas inwards R/I -¥1.6bn
Domestic Direct	Fire	Boost from platform products +¥2.2bn* Gvt Housing Loan Corp fire treaty -¥800mn Savings-type fire -¥500mn
	Casualty	3rd Sector +¥1.3bn General casualty -¥900mn Savings-type casualty -¥1.1bn
	Motor	Toyota Group sales outlets/cos. +¥2.7bn* Non-Toyota Group dealers -¥1.1bn* Downturn in unit prices -¥4.4bn*
	Other	Reduction in credit insurance -¥1.7bn

Income Trend in Main Channels

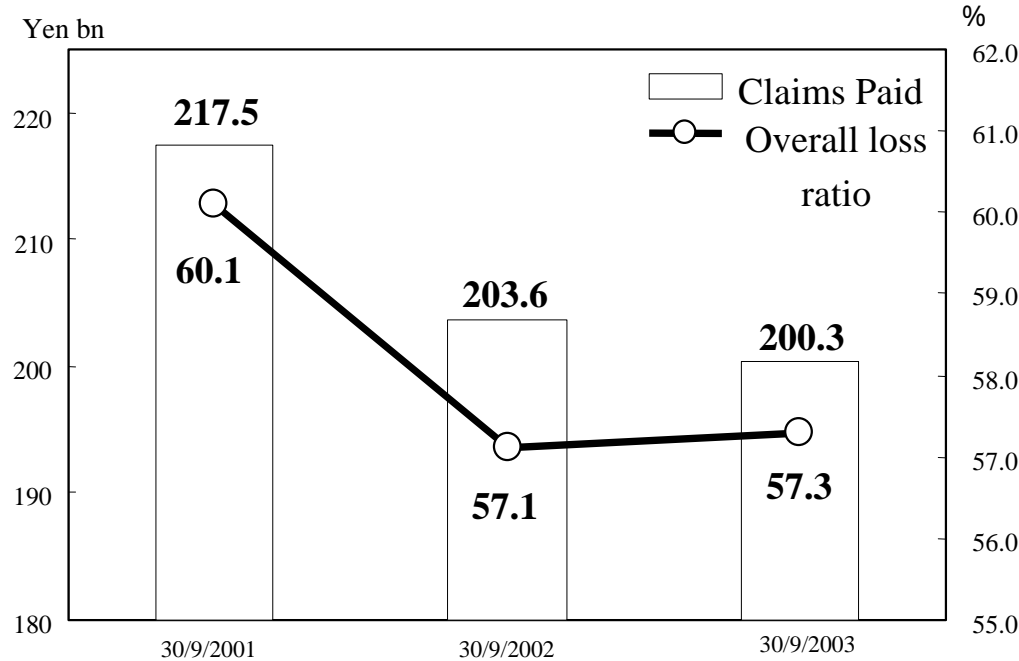


I. FY2003 Interim Earnings Summary

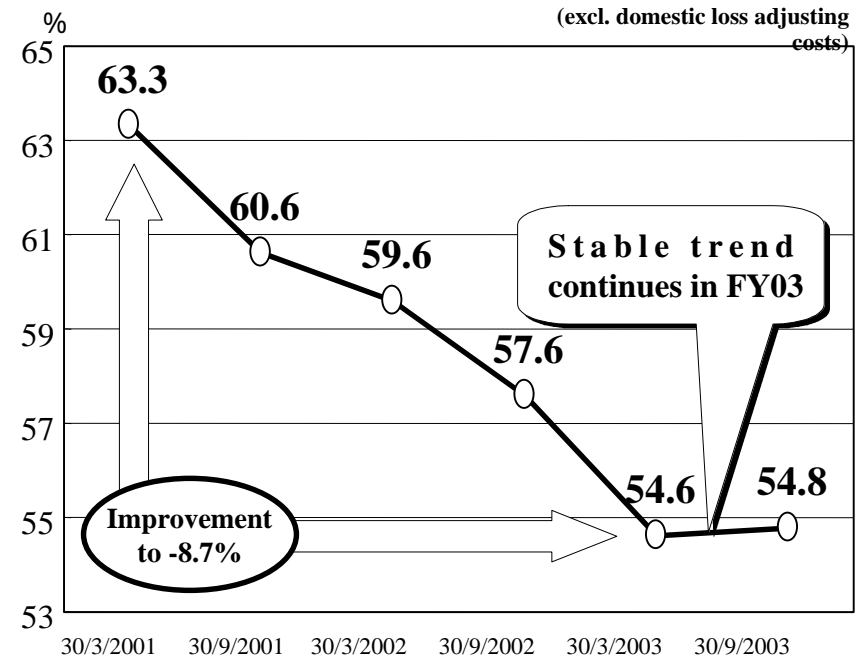
3. Claims Paid

[Excl. special factors (abolition of CALI R/I, Fortress Re impact)]

Net Claims by Class



Motor E/I Loss Ratio Trend



Class	30/9/2001		30/9/2002		30/9/2003		yoy
	Net Claims	Loss Ratio	Net Claims	Loss Ratio	Net Claims	Loss Ratio	
Fire	22.2	50.6	17.2	46.4	16.8	44.7	- 1.7P
Marine	1.9	80.8	1.1	52.2	2.1	90.1	+ 37.9P
Casualty	10.1	42.0	9.4	40.4	8.5	39.2	- 1.2P
Motor	137.9	61.4	129.1	57.5	125.5	57.2	- 0.3P
CALI	24.6	68.8	25.5	69.9	25.1	65.8	- 4.1P
Other	20.6	65.9	20.9	63.4	22.0	73.0	+ 9.6P
TOTAL	217.5	60.1	203.6	57.1	200.3	57.3	+ 0.2P

* Loss Ratio includes loss adjusting expenses

Reduction in claims, but overall loss ratio up 0.2% due to fall in income

Significant improvement in motor loss ratio, stable development continues in FY03

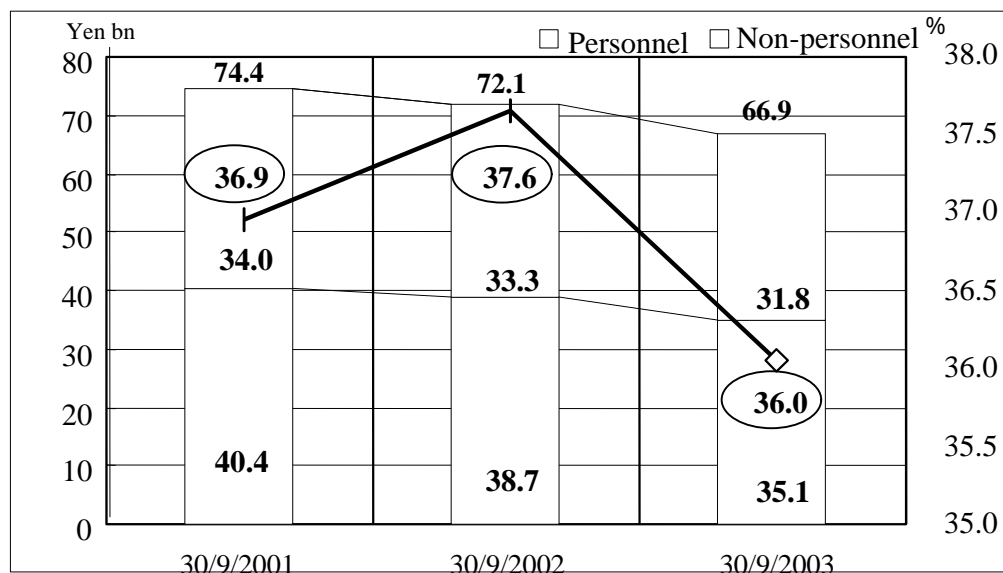
Increase in marine loss ratio due to large loss

I. FY2003 Interim Earnings Summary

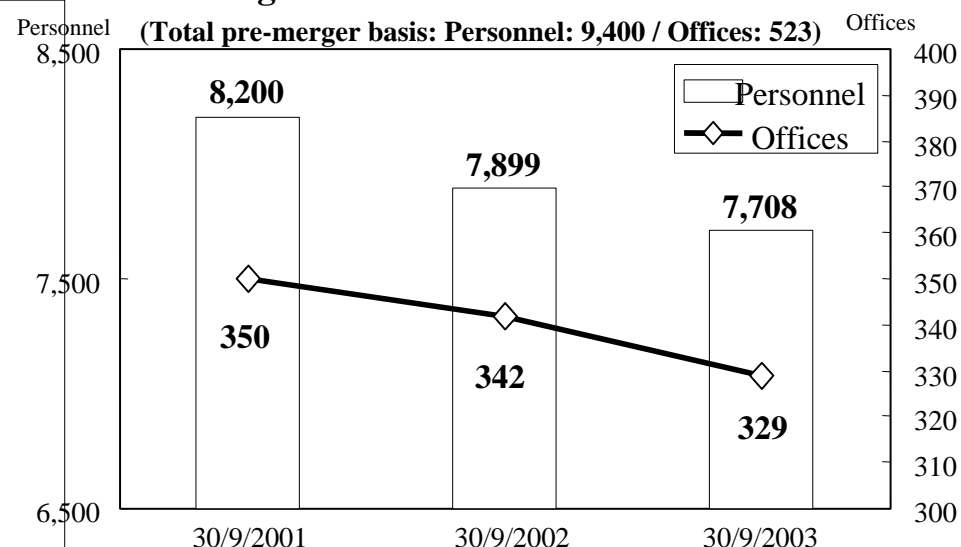
4. Operating Expenses

[Excl. special factors (abolition of CALI R/I, Fortress Re impact)]

Expense Ratio & Operating Expense Reduction



Streamlining



IT Investment

	Unit: Yen bn		
	FY2001	FY2002	FY2003 Est
System costs	20.1	21.6	21.1
of which: new administrative/agency systems investment	-	2.0	4.6

	Unit: Yen bn			Change yoy (prior year)	Change % yoy (prior year)
	30/9/2001	30/9/2002	30/9/2003		
Underwriting related and general expenses	74.4	72.1	66.9	-5.1 (-7.5)	-7.2% (-10.1%)
Personnel	40.4	38.7	35.1	-3.5 (-5.3)	-9.3% (-13.1%)
Non-personnel	34.0	33.3	31.8	-1.5 (-2.2)	-4.7% (-6.5%)
Net Operating Expenses	145.8	147.1	137.8	-9.2	-6.3%
Net Operating Ratio	36.9%	37.6%	36.0%	-1.6P	

Note: Non-personnel expenses include donations/burden charges/taxes.

Improvement in operating expense ratio through restructuring, offsetting fall in income

Personnel: review of pay structure, staff cuts, return of pension assets (*daiko henjo*) etc.

Non-Personnel: reduction in printing/communications costs, systems costs through efficiencies, offsetting new IT investment

Recruitment Costs: review of agency fee structure

I. FY2003 Interim Earnings Summary

5. Asset Management

Asset Management Profit/Loss

Unit: Yen bn

	30/9/2002	30/9/2003	Change
Profit/loss on assets managed	9.8	14.0	+4.2
Interest & dividend income	20.7	19.1	-1.6
Profit/loss on sale of securities	11.5	3.5	-8
Loss on revaluation of securities	5.4	1.1	-4.2
Other profit/loss	-5.4	3.1	+8.5
Transfer to investment profit, incl. reserve premiums	-11.6	-10.6	+1.0

P/L on Asset Management: improvement
to + ¥4.2bn

Interest income down ¥1.6bn due to low rates

Revaluation loss down due to market rally

Significant improvement in Other profit/loss, due to enhanced profits from money trusts etc.

Loss on Revaluation of Securities

Unit: Yen bn

	30/9/2002	30/9/2003	Change
Government bonds	0	-	0
Shares	4.1	1.1	- 3.0
Overseas securities	0.7	-	-0.7
Other	0.4	-	- 0.4
TOTAL	5.4	1.1	- 4.2

**Impairment value down due to market rally:
¥3.0bn reduction**

(Note: all issues with price falls over 50% affected.
Recovery judged to be possible for 30-50%.)

I. FY2003 Interim Earnings Summary

6. Capital

Unit: Yen bn

	30/9/2002	31/3/2003	30/9/2003	
				Change
Total assets	2,613.2	2,496.3	2,569.9	73.6
Net worth equity capital	346.1	308.8	375.4	66.5
Loss reserves	1,711.7	1,676.2	1,679.2	3.0
Catastrophe reserves	187.8	184.4	198.0	13.5
Solvency margin	746.7%	683.4%	798.8%	+115.4P

Continued recovery in net worth, both qualitative and quantitative, due to restoration of latent profits and reduction of strategic shareholdings

Latent profit/loss on securities

Unit: Yen bn

	30/9/2002	31/3/2003	30/9/2003	
				Change
Government	10.0	15.2	2.4	-12.7
Shares	84.0	21.6	139.7	118.1
Overseas securities	6.6	-0.7	-16.3	-15.5
Other	-4.4	-8.2	0.1	8.4
TOTAL	96.2	27.8	126.0	98.2

Rebound in latent profits due to market rally

Reduction of strategic shareholdings (book value basis)

Yen bn

	FY2002	30/9/2003
Reduction	13.7	29.5
Balance	465.8	435.3*

* After impairment accounting (Yen 1.1bn)

¥70bn sold by 30 November

Target: ¥100bn reduction this FY

Ref: Stock Market Conditions

[Share price trend (closing price basis)]

Original	High	Low	FY02 Close	Year High	Recent
2001.4. 2	2001.8.24	2001.12.4	2003.3.31	2003.11.7	2003.12.4
¥384	¥454	¥196	¥242	¥437	¥399

Aioi's share price (which had stagnated in the ¥200 range) has also recovered to its original level, supported by the market upturn

I. FY2003 Interim Earnings Summary

Ref: Fortress Re aviation reinsurance data

June 2002: agency contract with Fortress Re cancelled

Administration of contract run-off started in-house, as adequate data obtained

Major international auditor closely examines the claims estimate at each accounts settlement

No fluctuation in Sep 2003 interim claims estimate

Contract run-off to be concluded as of 31/12/2003

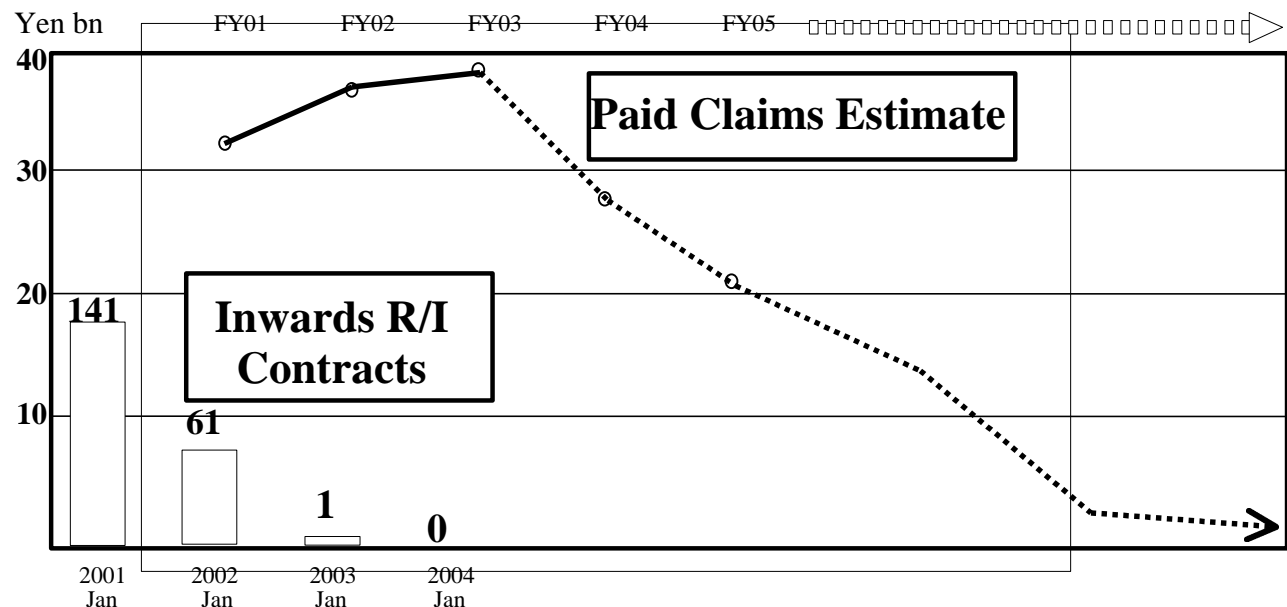
Claims peaking in FY03, thanks to accelerated payments; rapid reduction expected from FY04

Claims Payments

	FY2001	FY2002	30/9/2003
Claims Paid	32.2bn	36.2bn	17.2bn
O/S Reserve	116.7bn	88.4bn	70.5bn

Note: Draw-down on claims reserves
= (claims – reinstatement premiums) ± forex

FY03 Estimated Payment: ¥38.3bn



II. FY2003 Earnings Forecast

II. FY2003 Earnings Forecast

1. Key Points

Unit: Yen bn

	FY2002	FY2003		
		Est	Change	+/- %
Net Premiums	836.8	838.0	+1.1	+0.1%
Net Claims	463.6	478.0	+14.3	+3.1%
Loss Ratio	60.1%	61.5%	+1.4P	
Net Operating Expenses	295.2	282.9	-12.3	-4.2%
Net Expense Ratio	35.3%	33.8%	- 1.5P	
Combined Ratio	95.3%	95.2%	- 0.1P	
Operating Balance	38.9	39.9	+0.9	+2.4%
Underwriting Profit	7.3	12.5	+5.1	+70.4%
Asset Management Profit/Loss	19.3	37.2	+17.8	+92.5%
Ordinary Profit	20.3	43.0	+22.6	+111.6%
Net Profit	10.3	20.0	+9.6	+94.1%

* Loss Ratio includes loss adjustment expenses

[Extraordinary Factors (abolition of CALI reinsurance scheme, Fortress Re impact)]

	FY2002	FY2003		
		Est	Change	+/- %
Net Premiums	63.6	73.1	+9.5	+14.9%
Abolition of CALI R/I	48.3	67.1	+18.7	+38.8%
Fortress Re	15.2	6.0	- 9.2	-60.7%
Net Claims	36.8	54.1	+17.2	+46.8%
Abolition of CALI R/I	0.6	15.8	+15.1	-
Fortress Re	36.2	38.3	+2.0	+5.6%
Net Operating Expenses	1.9	0.5	- 1.4	-74.6%
Abolition of CALI R/I	-	-	-	-
Fortress Re	1.9	0.5	-1.4	-74.6%

[Excluding Special Factors]

	FY2002	FY2003		
		Est	Change	+/- %
Net Premiums	773.2	764.9	-8.3	-1.1%
Net Claims	426.7	423.9	-2.8	-0.7%
Loss Ratio	60.2%	60.3%	+0.1P	
Net Operating Expenses	293.3	282.4	-10.9	-3.7%
Net Expense Ratio	37.9%	36.9%	- 1.0P	
Combined Ratio	98.2%	97.2%	- 1.0P	

Net Premiums by Class [Excl. special factors]

	FY2002		FY2003 Est			30/9/2003
	Premiums	+/- %	Premiums	Change	+/- %	+/- %
Fire	81.0	-11.0	84.1	+3.0	+3.8	+0.8
Marine	5.2	-2.2	4.9	-0.3	-6.2	+0.8
Casualty	49.8	-3.8	48.5	-1.3	-2.8	-5.3
Motor	490.0	+0.4	477.3	-12.7	-2.6	-2.6
CALI	83.1	+5.9	88.4	+5.2	+6.3	+4.0
Other	63.8	+3.8	61.7	-2.1	-3.4	-7.5
TOTAL	773.2	-0.4	764.9	-8.3	-1.1	-2.1

Net Claims by Class [Excl. special factors]

	FY2002		FY2003 Est		
	Claims	Loss Ratio	Claims	Loss Ratio	Change
Fire	37.1	48.2	36.2	45.2	- 3.0P
Marine	2.7	55.0	3.8	82.0	+27.0P
Casualty	18.7	42.8	17.0	39.6	- 3.2P
Motor	273.3	60.4	269.8	61.0	+0.6P
CALI	50.6	70.5	49.6	65.1	- 5.4P
Other	44.1	74.7	47.5	82.8	+8.1P
TOTAL	426.7	60.2	423.9	60.3	+0.1P

Net Operating Expenses [Excl. special factors]

	FY2002	FY2003		
		Est	Change	+/- %
Underwriting related and general expenses	146.5	140.2	-6.3	-4.3
Non-personnel	76.9	71.0	-5.9	-7.7
	69.6	69.2	-0.4	-0.6
Net Operating Expenses	293.3	282.4	-10.9	-3.7
Net Operating Ratio	3.79	3.69	-1.0P	

Note: Non-personnel expenses include donations, burden charges, tax.

Net premiums solid in 2H, expected to fall 1.1% for full year. Loss ratio set to increase 0.1% on fall in income, expense ratio set to improve to -1.0% (excl. special factors in both cases). Net profit for the period expected to reach ¥20.0bn (+¥9.6bn) on higher underwriting profit / profit on the sale of shares

III. 2H Progress in Key Areas

III. 2H Progress in Key Areas

1. Measures to raise income



III. 2H Progress in Key Areas

1. Measures to raise income (1) Accelerated development of Toyota market

Increase in income as at 30/9/2003

Unit: Yen bn

	30/9/2002	30/9/2003	Increase	Change %
Group sales outlets	71.4	74.0	+2.7	+3.9%
Toyota	63.2	65.4	+2.3	+3.6%
Rentalease etc.	4.2	4.6	+0.3	+7.9%
Daihatsu	3.7	3.8	+0.1	+3.1%
Hino	0.3	0.3	+0.03	+12.3%
Group cos.	8.5	10.1	+1.7	+17.8%
Toyota Motor	5.8	7.3	+1.5	+23.1%
Group cos.	2.2	2.4	+0.2	+5.2%
Daihatsu	0.4	0.4	+0.02	+7.4%
Hino	0.03	0.0	+0	+9.4%
TOTAL	79.9	84.2	+4.4	+5.5%

Sales of jointly developed products

	FY2001		FY2002		30/9/2003	
	Policies	Premiums	Policies	Premiums	Policies	Premiums
<i>Convini Plan</i>	22,000	2.4bn	38,000	4.2bn	23,000	2.4bn
<i>Ashinaga Plan</i>			21,000	4.6bn	10,000	2.2bn
By Toyota sales outlets			13,000	2.9bn	6,000	1.4bn
By other channels			8,000	1.7bn	3,000	0.8bn
<i>Nagaraku Plan</i>					3,000	0.3bn
<i>Hosho ga tsukushi / Long Run Warranty</i>		3.0bn		3.9bn		2.6bn
TOTAL	22,000	5.4bn	59,000	12.7bn	36,000	7.5bn

* 'Convini Plan' = motor insurance with auto-loan

'Ashinaga Plan', 'Nagaraku Plan' = long-term motor insurance for TS³ card members

'Hosho ga tsukushi', 'Longrun Warranty' = extended warranty insurance

Business with Toyota Group sales outlets

	FY2001			FY2002			30/9/2003		
	Newly Gained	Newly Gained (Coinsurer)	Now Lead Insurer	Newly Gained	Newly Gained (Coinsurer)	Now Lead Insurer	Newly Gained	Newly Gained (Coinsurer)	Now Lead Insurer
Toyota	69		4 cos.	55		1 co.	36		1 co.
Rentalease etc.	4	7 cos.		9	8 cos.		4	4 cos.	
Daihatsu	17			12			13		1 co.
Hino	6	12 cos.		5	2 cos.		4		
TOTAL	96	19 cos.	4 cos.	81	10 cos.	1 co.	57	4 cos.	2 cos.

Steady business expansion focused on Toyota sales outlets / Toyota Motor group contracts

Toyota Sales Outlets

Promoting joint product development

Promoting enhanced insurance administration



Contribution to higher earnings at sales outlets/ business expansion

Toyota Group Cos.

Higher share of group contracts/property insurance contracts

Promote horizontal development with group cos.

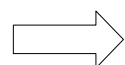
III. 2H Progress in Key Areas

1. Measures to raise income (2) Promotion of dealer introductions and shift to large repair shops

Fall in income from highly weighted repair shops, solid sales at used car dealers

Units: shops, Yen bn, %

	FY2002			Change as at 30-Sep-03
	Outlets	Premiums	Change	
Motor total	2,287	162	+0.6	+0.5
Repair shops	1,377	105	-0.1	-0.7
Used car dealers	352	24	+3.0	+3.5
SS	108	9	+3.7	-1.7
Car shops	4	1	+39.3	+62.8
Bikes	168	12	-2.8	+1.1
Other	280	12	+6.5	+2.9



Increase in revenues at strategic Body Pro (BP) / pro repair shops

Unit: %

	FY02 Revenue Growth			FY03 Growth as at 30 Sep		
	Motor	CALI	General	Motor	CALI	General
Repair shops total	-1.8	+1.7	-10.0%	-2.6	+1.5	-70.0%
of which: strategic BP shops	+2.6	+12.8	+7.1	+2.7	+12.1	+6.5
of which: pro repair shops	+0.8	+8.9	+4.8	+0.4	+7.6	+3.7

Strategic BP shops means those pro body (auto body repair) shops with which Aioi has formed a no-fee contract, designated by sales outlets as being likely to see an increase in revenues

Introducing damaged cars to repair networks

Expand no. of vehicles introduced & shift to strategic BP shops

Expand the no. of damaged vehicles introduced to support the business, promote shift to strategic BP (body pro) shops with high revenue growth

Shift to large, top quality repair shops that will see out the competition

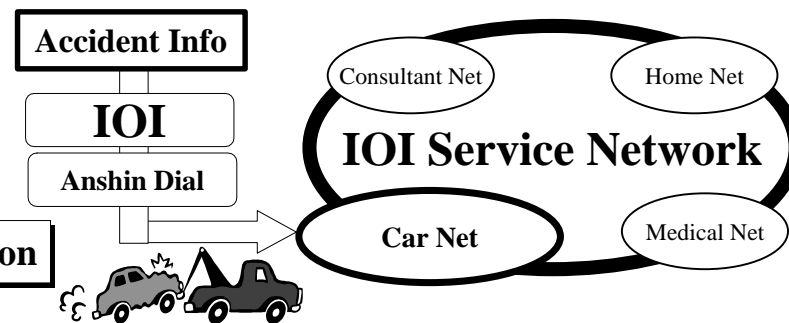
Strengthen measures to respond to 'winner' pro repair shops

Bring top quality repair shop agents in-house

4,000 of Aioi's repair shop agents with premiums over ¥10mn belong to 'MAC' ('Motor Address Club')

Support to differentiate partner pro repair shops / MAC repair shops

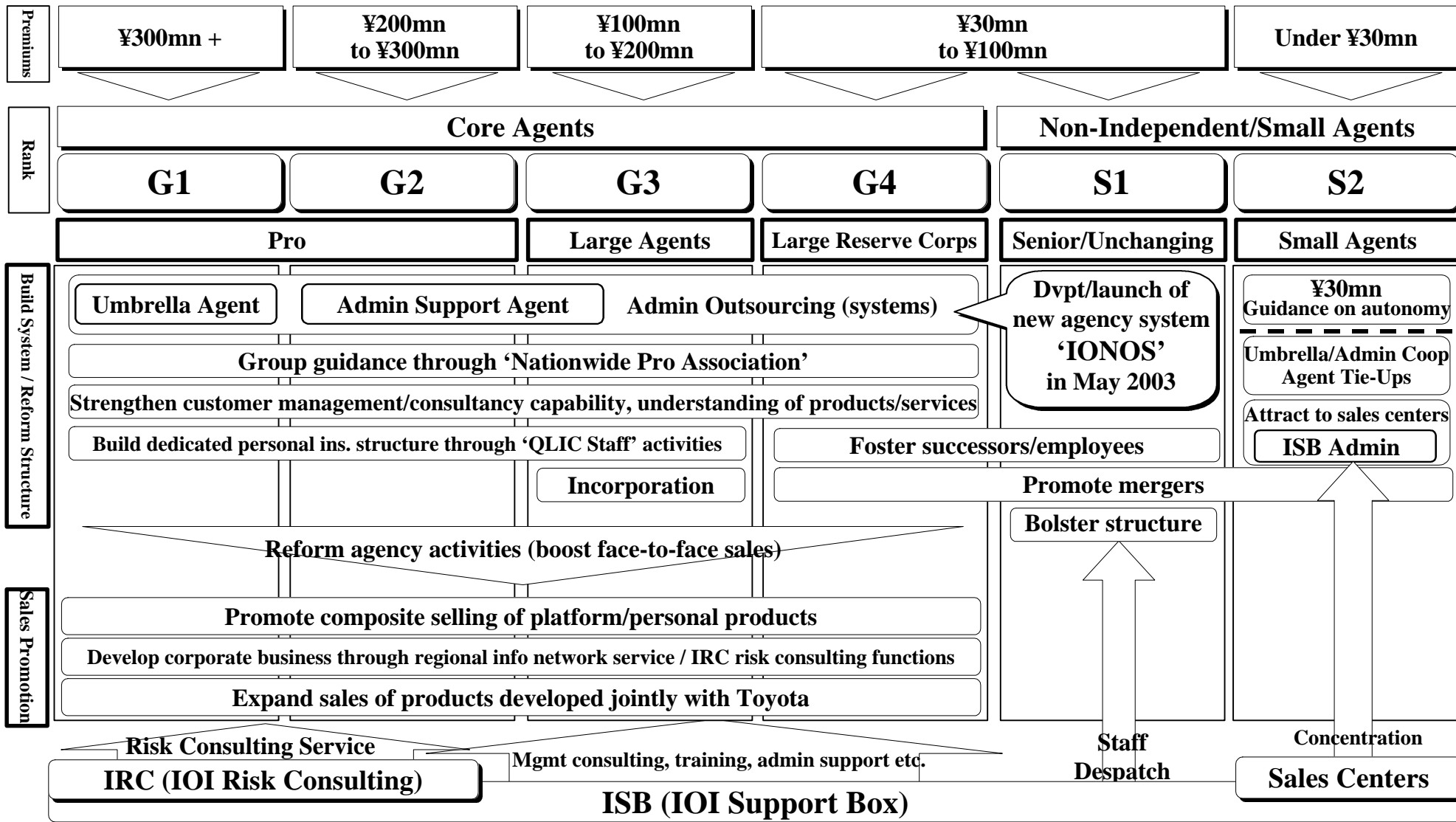
Bolster environmental support measures (recycling / Nox/PM methods, diesel regulations response support), strengthen insurance sales guidance



III. 2H Progress in Key Areas

1. Measures to raise income (3) Reform of pro channel activities

Strengthen hierarchical segment-based guidance/support to help pros expand/become independent, whilst focusing response on non-independent/small-scale layers.



III. 2H Progress in Key Areas

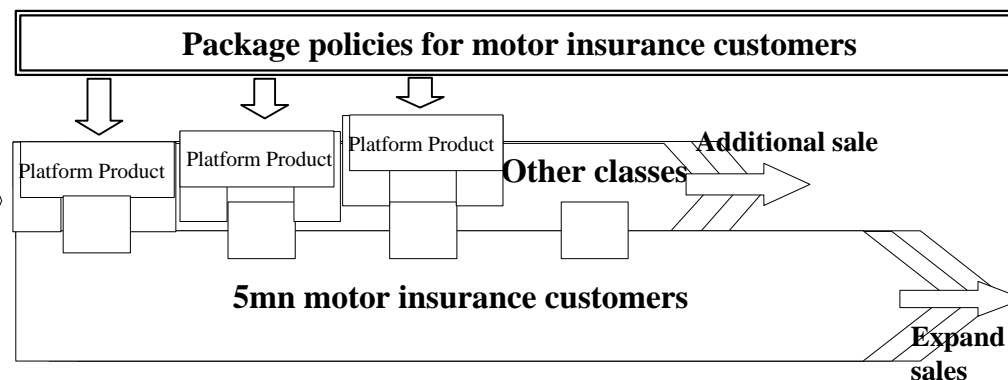
1. Measures to raise income (4) Expanded selling of platform products

Platform strategy – promote composite selling around motor insurance (packaged with other classes)

Sales of platform products

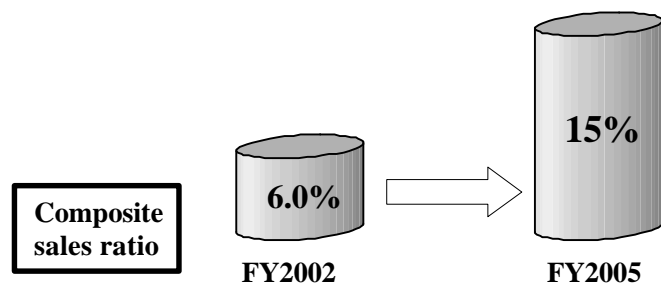
Platform product features

- Simultaneous renewal** of other policies when renewing motor
- Max 10%** discount for taking out package with motor
- Cash-less contract process OK**
(other companies: bank transfer in expiry month)



First shot: 'New Household Comp Policy' (out Jan 03)

Pro channel: 'Motor + Fire' composite target



Expanded product line-up

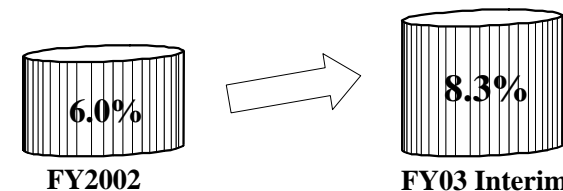
- Fire: 'Issho Raku Raku' (Trader's Comprehensive)** (out Jan 2003)
- Casualty: 'Builders' Comprehensive'** (out Dec 2003)

Platform product sales (as at 30/9/2003)

Units: 1,000 policies / Yen bn

	Policies	Premiums	Change	
			Change	+/- %
Total Platform	145	6.9	+3.9	+130.0%
New Household	136	4.8	+ 2.0	+71.4%
Traders Comp	4	0.4	+0.2	+100.0%
Builders Comp	5	1.7	+1.7	-

Ratio of composite 'motor + fire' sales by pros



III. 2H Progress in Key Areas

1. Measures to raise income (5) Expanded selling of personal insurance products

Health Insurance 'Health Club' (Jan 2003)
 Package Product: 3 major needs of the ageing society + specialist doctor introduction service

Treatment

Nursing

Pension

+

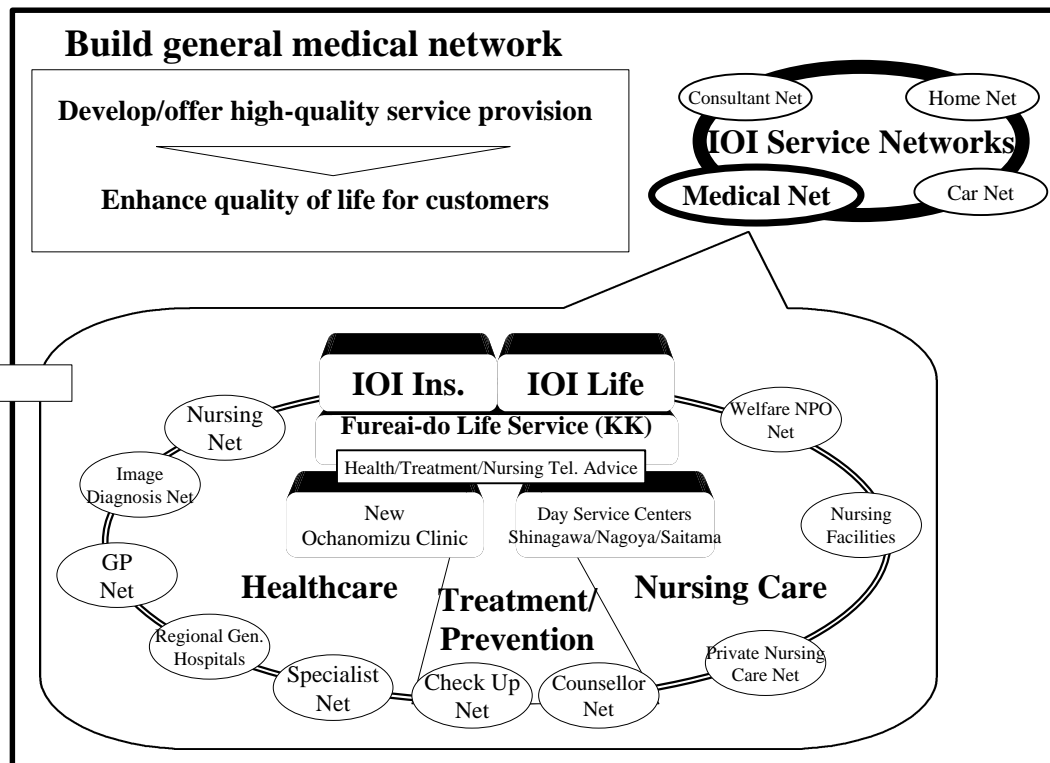
Prime Doctor's Service
 Introduction of specialist doctor/hospital on serious illness (incl. abroad)

Industry First!!

↓

Life/General Set Plan: 'Health Club Ado' (Oct 03)

Total guide on personal/general in combined pamphlet
 Advanced & Simple sales plans prepared
 Promotes life insurance sales at agents new to life ins.



Strengthen personal insurance sales structure

Bolster sales structure	358 personnel nationwide assigned to promote personal policy sales – both 3rd sector & life
Build dedicated channel	Launch 'QLIC' structure for dedicated personal insurance sales contract staff; expand to 300 staff (recruitment started Aug 03)

3rd Sector Product Sales (as at 30/9/2003)
 Units: 1,000 policies / Yen bn

	Policies	Premiums	Change	
			Change	+/- %
3rd Sector Total	45	3.7	+0.9	+32.1%
of which: Health Comp	30	1.2	+1.2	-

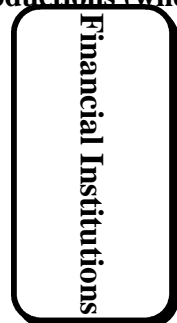
III. 2H Progress in Key Areas

1. Measures to raise income (6) Development of household fire insurance market

Promote development of emerging household fire channel

Regional financial institution channel

Alliance strategy through regional info networks
 Develop alliances by opening up IOI service network call center function
 Development through housing sector alliances/introductions (where Aioi share is high)



Open up services

Unique product strategy

Develop business by offering unique product
 'Small Loan Credit Insurance for Medium/Small Cos.' to financial institutions
 Develop business with dedicated bancassurance product 'Home Plus'

Strategic investment strategy

Develop business by investing in financial institutions yet to offer 3rd party products, or offering only at a low level

FY2003 Interim (Sep 30) Status	
New 3rd party outlets	11 financial inst.
Premiums (Fire)	Yen 2.4bn
Change %	35.30%

Housing sector channel

Alliance strategy through regional info networks
 Develop alliances by opening up IOI service network call center function, participation in service network (Home Net)
 Open up through alliances with financial institutions with which Aioi has close relationships



Open up services

Service Net. participation

Unique product strategy

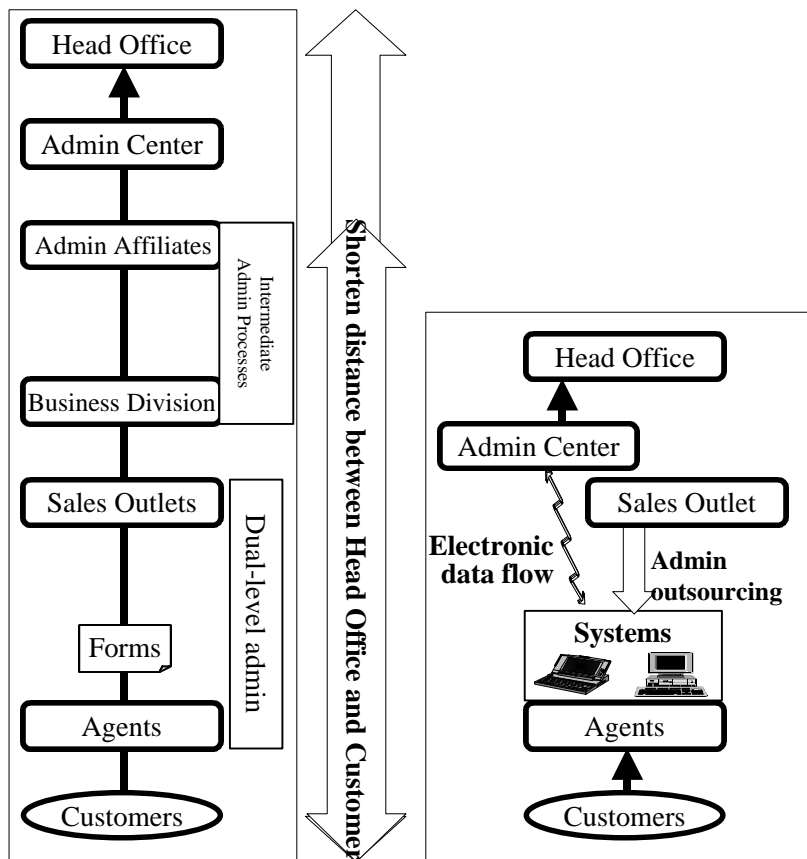
Develop business through platform product 'New Household Comp'
 Develop business with dedicated rental market product 'Super Contents Quick'
 Newly establish large business volume by utilizing fee system for agents handling only one class of insurance

FY2003 Interim (Sep 30) Status	
New housing sector channels	140 agents
Housing sector premiums	Yen 13.6bn
Change %	4.1%

III. 2H Progress in Key Areas

2. Drastic enhancement of efficiency through business model reform

Streamline admin to enhance productivity



Admin outsourcing/cooperation/umbrella agents (30/9/2003)

Outsourcing agents	832
of which: cooperating agents	49
of which: umbrella agents	4

Administrative Reform

Promote administrative reform

Introduce new system for core agents, promote direct accounting/daily settlement
Outsource sales administration to core agents using the system

Launch of new agency systems
'IONOS', 'I-BROAD'
in May 2003

Develop admin cooperation/umbrella agency system

Bring small, non-autonomous/non-mechanized agents under the wing of agents handling administrative tasks, promoting cooperation
Small agents to outsource guidance on sales promotion/delivery to umbrella agents

Reform Sales Outlets

Build a specialist tri-function sales structure

Consolidate agencies outsourcing admin, establish a 'Pro Sales Section' specializing in sales promotion guidance/new business for core agents
Establish an 'Administration Promotion Center' specializing in admin/agency system guidance
Establish a 'Sales Center' to manage non-autonomous/small agents centrally

Remove low-productivity tasks from sales outlets (admin, delivery etc.)

Reform Sales Activities

Build structure weighted with 30% new activities

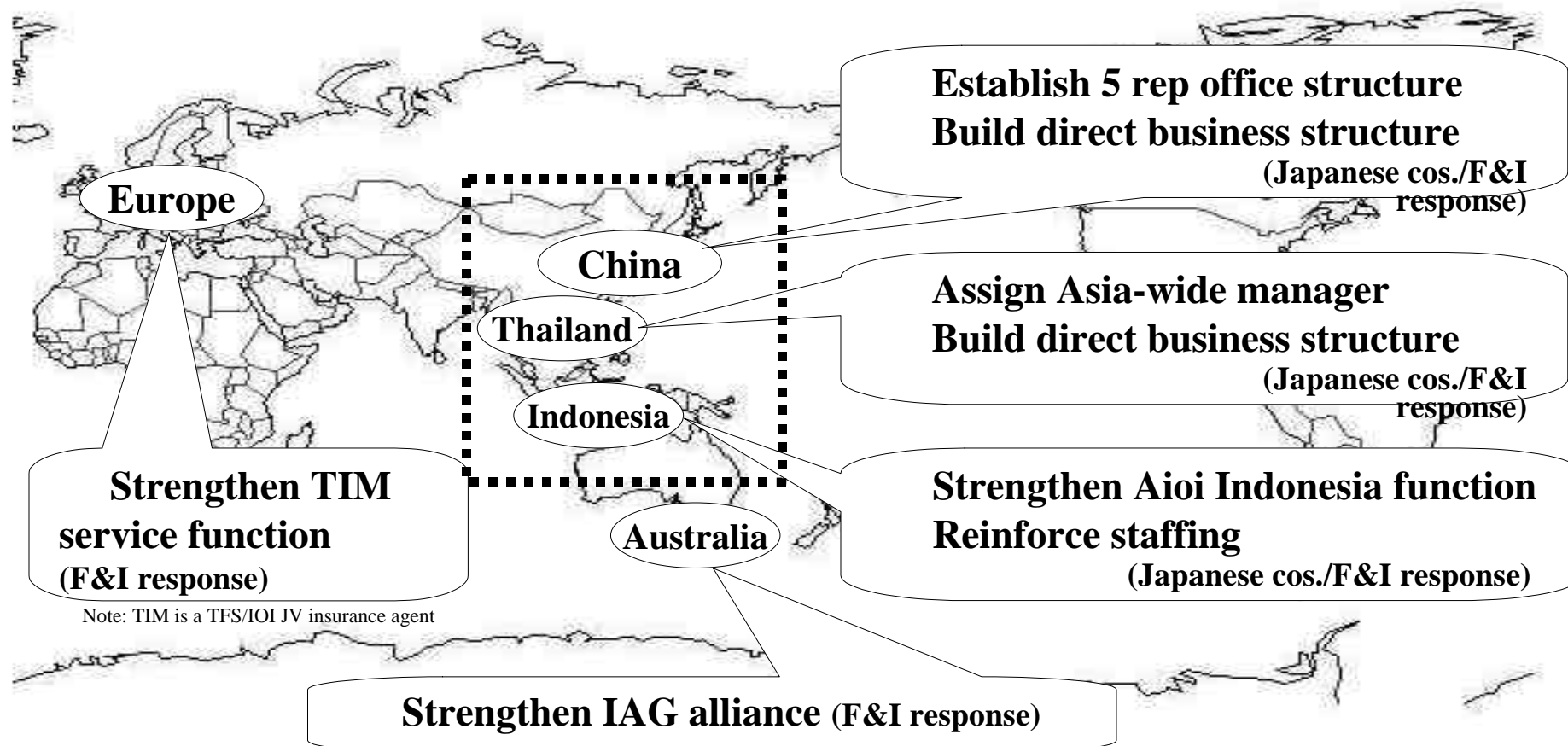
Shift sales staff to core tasks (agency guidance/planning & proposals/new business etc)
Enhance output of office-based tasks (shift from admin to sales etc)

Enhance sales/office staffing efficiencies, re-focus on key areas

III. 2H Progress in Key Areas

3. Overseas strategy

Promote F&I operation through enhanced cooperation between TMC/TFS
Strengthen sales activities of Japanese cos. in emerging Asian markets + invest now in China



IV. Aioi Life Interim Earnings Summary

IV. Aioi Life Interim Earnings Summary

Interim Earnings

Steady expansion in business scope/earnings
Interim profit (¥1.33bn) allocated to normal reserves
(FY2002: ¥320mn increase implemented)

Units: Yen bn, %

	Sep 2002 Interim	Sep 2003 Interim	Change	+/- %
New policy total	380.7	402.0	+21.2	+5.6
Personal / pensions	335.1	367.0	+31.8	+9.5
Group / group pensions	45.5	34.9	-10.5	-23
Policies in force	3,512.0	3,945.4	+433.3	+12.3
Personal / pensions	2,916.0	3,201.9	+285.9	+9.8
Group / group pensions	596.0	743.4	+147.4	+24.7
Base profit	1.5	1.8	+0.3	+18.7
Asset management profit	1.4	1.6	+0.2	+15.4
Total assets	148.4	180.4	+31.9	+21.5
Solvency margin	2002.9%	1951.9%	-51.0P	

Full Year Forecast

Units: Yen bn, %

	FY2002	FY2003 Forecast	Change	+/- %
New policy total	782.3	958.0	+175.6	+22.5
Personal / pensions	694.4	865.0	+170.5	+24.6
Group / group pensions	87.8	93.0	+5.1	+5.8
Policies in force	3,714.7	4,152.0	+437.2	+11.8
Personal / pensions	3,050.3	3,462.0	+411.6	+13.5
Group / group pensions	664.4	690.0	+25.5	+3.8

Strengthen Sales Promotion Structure

Allocated 60 dedicated life sales staff (Apr 2003)

Strengthen Sales Base

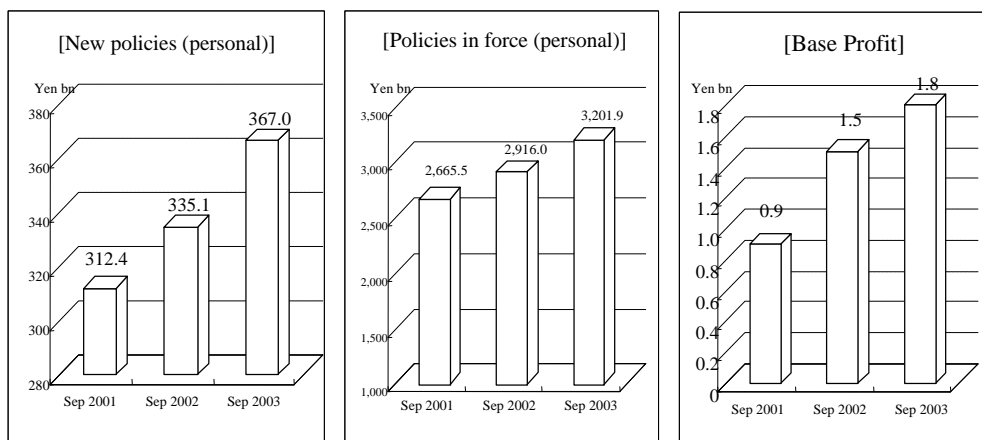
- Foster/reinforce core agents, promote operations
- Promote agency creation based on unified general/life proposals
- Strengthen bancassurance
- Expand sales of low-cancellation refund-type term policy (70% refund) (launched Jun 03)
- Note: 'Non-Discriminatory Term Life' policy launched to meet customer needs (Oct 03)

Strengthen Consulting

- Sales of large warranty products to corporate market
- Recruit Life Insurance Managers (LIM) to boost structure to 100 staff

Control Cancellations/Lapses

- Offer guidance/build structure to prevent cancellations/control lapses
- Enhance customer service by utilizing customer centers



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This presentation contains statements relating to future performance, which entail certain risks and uncertainties.

You should bear in mind that future performance, management policy or strategy could be subject to alteration or fluctuation due to changes in the external environment.

FY2003 (Sep) Interim Earnings Data

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FY2003 Interim Earnings Summary

(Unit: Yen bn)

FR = Fortress Re

	Sep 2002	Sep 2003	Change	YoY %	
1. Net Premiums	416.6	419.2	2.5	0.6	Key Points Domestic direct (fac): -¥6.8bn YoY (-2.0%), FR -¥7.9bn YoY Abolition of CALI reinsurance scheme: +¥18.8bn Domestic direct (fac) -¥4.9bn YoY (of which motor -¥4.7bn) FR: +¥5.8bn YoY > response using previous FY reserve } Greater efficiencies due to staffing/general cost savings } Personnel costs -¥3.9bn, non-personnel -¥1.8bn, domestic direct marketing -¥3.4bn FR change in reserve: -¥17.9bn Forex loss due to ¥ appreciation from end March > response using reserves YoY increase due to abolition of CALI reinsurance Increase in CAT reserve = transfer minus drawdown
2. Net Claims Paid	214.9	222.3	7.3	3.4	
3. Loss Adjusting Expenses	19.4	18.7	- 0.6	- 3.4	
4. Net Operating Expenses	148.5	138.0	- 10.4	- 7.0	
Operating Balance	33.7	40.1	6.3	18.9	
5. Increase in Reserve	- 13.1	- 11.6	1.5		
6. Forex Differential	- 9.3	- 6.5	2.8		
7. Increase in CALI Reserve	12.4	27.3	14.9		
8. Increase in CAT Reserve	15.3	13.5	- 1.7		
Underwriting Profit	9.1	13.2	4.0	44.6	
Profit/loss on assets under management	9.8	14.0	4.2	43.0	* Latent P/L on Other securities: ¥126.0bn [+¥98.2bn on 31/3/03] (of which shares ¥139.7bn [+¥118.1bn on 31/03/03])
(of which interest/dividend income)	(20.7)	(19.1)	(- 1.6)	(- 7.8)	
(of which appraisal loss on securities)	(5.4)	(1.1)	(- 4.2)		
Other ordinary profit/loss	- 3.1	0.2	3.4	-	(Last year: transfer to bad debt provision)
Ordinary Profit	11.0	23.0	12.0	108.8	
Extraordinary Profit	1.3	0.7	- 0.6		
Extraordinary Loss	6.9	2.3	- 4.5		(Last year: systems related merger costs ¥5.4bn)
Interim Profit	37	90	52	141.1	
(Ratios)					
Net Premium Increase Ratio	1.2%	0.6%	-0.6%		Breakdown of Special Factors: Abolition of CALI R/I scheme Net Premiums 15.0bn Net Claims 0 Net Premiums 10.7bn Net Claims 11.3bn Net Expenses 1.3bn Impact of R/I contracts through FR Net Premiums 70.5bn Net Claims 17.2bn Net Expenses 0.1bn
Net Loss Ratio	56.3%	57.5%	1.2%		
Net Expense Ratio	35.6%	32.9%	-2.7%		
Combined Ratio	91.9%	90.4%	-1.5%		
Income/Outgo Balance Ratio	8.1%	9.6%	1.5%		
(Ratios excluding Special Factors)					
Net Premium Increase Ratio	-1.3%	-2.1%	-0.8%		[FR related claims reserves]
Net Loss Ratio	57.1%	57.3%	0.2%		FY03 interim balance
Net Expense Ratio	37.6%	36.0%	-1.6%		YoY change
Combined Ratio	94.7%	93.3%	-1.4%		
Income/Outgo Balance Ratio	5.3%	6.7%	1.4%		

2. Direct Net Premiums by Class

(Units: Yen million, %)

Period \ Class	Sep 2002 Interim		Sep 2003 Interim		FY2002		FY2003 Forecast	
		Change %		Change %		Change %		Change %
Fire	44,754	-6.3	45,523	1.7	92,817	-0.8	95,000	2.4
Marine	2,496	2.0	2,615	4.7	4,991	-0.6	5,000	0.2
Casualty	26,216	-6.5	25,518	-2.7	50,081	-3.8	49,600	-1.0
Motor	239,589	-1.3	235,220	-1.8	476,841	-0.9	469,400	-1.6
CALI	93,606	19.8	86,873	-7.2	170,681	20.9	173,400	1.6
Other	38,678	9.8	36,213	-6.4	69,164	4.2	67,900	-1.8
TOTAL	445,342	2.5	431,964	-3.0	864,579	3.0	860,300	-0.5

3. Net Premiums by Class

(Units: Yen million, %)

Period \ Class	Sep 2002 Interim		Sep 2003 Interim		FY2002		FY2003 Forecast	
		Change %		Change %		Change %		Change %
Fire	39,128	-36.7	39,440	0.8	81,042	-11.0	84,100	3.8
Marine	2,481	0.7	2,500	0.8	5,224	-2.2	4,900	-6.2
Casualty	26,381	-3.2	24,991	-5.3	49,887	-3.8	48,500	-2.8
Motor	245,026	0.2	238,718	-2.6	490,025	0.4	477,300	-2.6
CALI	57,378	36.6	77,926	35.8	131,531	67.5	155,500	18.2
Other	46,260	38.1	35,660	-22.9	79,128	26.8	67,700	-14.4
TOTAL	416,655	1.2	419,238	0.6	836,841	7.7	838,000	0.1

4. Net Claims Paid by Class

(Units: Yen million, %)

Period \ Class	Sep 2002 Interim			Sep 2003 Interim			FY2002			FY2003 Forecast		
		Loss Ratio	Change		Loss Ratio	Change		Loss Ratio	Change		Loss Ratio	Change
Fire	17,293	46.4	8.7	16,808	44.7	-1.7	37,188	48.2	-38.6	36,200	45.2	-3.0
Marine	1,193	52.2	-28.6	2,159	90.1	37.9	2,711	55.0	-22.3	3,800	82.0	27.0
Casualty	9,432	40.4	-1.6	8,546	39.2	-1.2	18,767	42.8	-0.9	17,000	39.6	-3.2
Motor	129,176	57.5	-3.9	125,566	57.2	-0.3	273,352	60.4	-3.1	269,800	61.0	0.6
CALI	25,575	51.6	-17.2	29,926	43.3	-8.3	51,236	45.0	-28.6	65,400	47.2	2.2
Other	32,328	73.2	7.3	39,298	115.5	42.3	80,400	106.1	31.3	85,800	132.0	25.9
TOTAL	214,999	56.3	-1.5	222,305	57.5	1.2	463,655	60.1	-6.9	478,000	61.5	1.4

NB: Net Loss Ratio (%) = (net claims paid + loss adjusting expenses) ÷ net premium income

2. Direct Net Premiums by Class

This data excludes the impact of abolition of the gvt CALI reinsurance scheme and Fortress Re.

Excl. Special Factors

(Units: Yen million, %)

Period	Class	Sep 2002 Interim		Sep 2003 Interim		FY2002		FY2003 Forecast	
			Change %		Change %		Change %		Change %
	Fire	44,754	-6.3	45,523	1.7	92,817	-0.8	95,000	2.4
	Marine	2,496	2.0	2,615	4.7	4,991	-0.6	5,000	0.2
	Casualty	26,216	-6.5	25,518	-2.7	50,081	-3.8	49,600	-1.0
	Motor	239,589	-1.3	235,220	-1.8	476,841	-0.9	469,400	-1.6
	CALI	93,606	19.8	86,873	-7.2	170,681	20.9	173,400	1.6
	Other	38,678	9.8	36,213	-6.4	69,164	4.2	67,900	-1.8
	TOTAL	445,342	2.5	431,964	-3.0	864,579	3.0	860,300	-0.5

3. Net Premiums by Class

(Units: Yen million, %)

Period	Class	Sep 2002 Interim		Sep 2003 Interim		FY2002		FY2003 Forecast	
			Change %		Change %		Change %		Change %
	Fire	39,128	-15.0	39,440	0.8	81,042	-11.0	84,100	3.8
	Marine	2,481	0.7	2,500	0.8	5,224	-2.2	4,900	-6.2
	Casualty	26,381	-3.2	24,991	-5.3	49,887	-3.8	48,500	-2.8
	Motor	245,026	0.2	238,718	-2.6	490,025	0.4	477,300	-2.6
	CALI	42,311	0.7	44,019	4.0	83,180	5.9	88,400	6.3
	Other	35,518	6.1	32,866	-7.5	63,852	3.8	61,700	-3.4
	TOTAL	390,846	-1.3	382,537	-2.1	773,213	-0.4	764,900	-1.1

4. Net Claims Paid by Class

(Units: Yen million, %)

Period	Class	Sep 2002 Interim			Sep 2003 Interim			FY2002			FY2003 Forecast		
		Loss Ratio	Change		Loss Ratio	Change		Loss Ratio	Change		Loss Ratio	Change	
	Fire	17,293	46.4	-4.2	16,808	44.7	-1.7	37,188	48.2	-3.1	36,200	45.2	-3.0
	Marine	1,193	52.2	-28.6	2,159	90.1	37.9	2,711	55.0	-22.3	3,800	82.0	27.0
	Casualty	9,432	40.4	-1.6	8,546	39.2	-1.2	18,767	42.8	-0.9	17,000	39.6	-3.2
	Motor	129,176	57.5	-3.9	125,566	57.2	-0.3	273,352	60.4	-3.1	269,800	61.0	0.6
	CALI	25,575	69.9	1.1	25,162	65.8	-4.1	50,630	70.5	-3.1	49,600	65.1	-5.4
	Other	20,968	63.4	-2.5	22,079	73.0	9.6	44,144	74.7	-1.1	47,500	82.8	8.1
	TOTAL	203,639	57.1	-3.0	200,323	57.3	0.2	426,794	60.2	-2.7	423,900	60.3	0.1

NB: Net Loss Ratio (%) = (net claims paid + loss adjusting expenses) ÷ net premium income

5. Inwards Reinsurance Premiums by Class

(Units: Yen million, %)

Period	Class	Sep 2002 Interim		Sep 2003 Interim	
			Change %		Change %
	Fire	7,143	-73.6	7,076	-0.9
	Marine	654	-8.4	640	-2.1
	Casualty	252	769.3	33	-86.6
	Motor	8,344	40.1	6,716	-19.5
	CALI	36,085	88.0	57,880	60.4
	Other	19,836	976.0	8,207	-58.6
	TOTAL	72,317	31.9	80,556	11.4

FY2002			FY2003 Forecast		
	Change %			Change %	
14,710	-35.6	14,700	-0.1		
1,490	-12.6	1,300	-12.8		
289	-61.5	700	141.9		
19,234	32.2	13,700	-28.8		
92,855	147.1	116,200	25.1		
31,994	215.4	14,700	-54.1		
160,575	83.3	161,300	0.5		

6. Net Claims on Inwards Reinsurance by Class

(Units: Yen million, %)

Period	Class	Sep 2002 Interim			Sep 2003 Interim		
		Loss Ratio	Change		Loss Ratio	Change	
	Fire	7,002	98.0	62.2	6,947	98.2	0.2
	Marine	405	62.0	-68.5	1,725	269.2	207.2
	Casualty	171	68.0	-20.6	33	99.9	31.9
	Motor	5,515	66.1	-9.9	6,334	94.3	28.2
	CALI	25,575	70.9	-57.4	29,926	51.7	-19.2
	Other	13,268	66.9	-47.3	18,962	231.0	164.1
	TOTAL	51,938	71.8	-4.6	63,930	79.4	7.6

FY2002			FY2003 Forecast		
	Loss Ratio	Change		Loss Ratio	Change
16,702	113.5	-127.8	14,800	100.7	-12.8
1,483	99.5	-7.5	2,600	200.0	100.5
294	101.9	79.8	200	28.6	-73.3
12,966	67.4	-4.2	13,700	100.0	32.6
51,236	55.2	-76.1	65,400	56.3	1.1
40,558	126.8	87.7	41,900	285.0	158.2
123,242	76.8	-61.2	138,600	85.9	9.1

7. Breakdown of Net Operating Expenses

(Units: Yen million, %)

		Sep 2002 Interim			Sep 2003 Interim			FY2002			FY2003 Forecast		
			Change %	% of Premium		Change %	% of Premium		Change %	% of Premium		Change %	% of Premium
Loss Adjusting	Personnel	51,691	-4.1	12.4	47,687	-7.7	11.4	102,543	-1.6	12.3	96,200	-6.2	11.5
+	Non-Personnel	37,839	-2.0	9.1	36,096	-4.6	8.6	80,708	-3.6	9.6	78,900	-2.2	9.4
Op. Expenses &	Tax etc.	6,560	-2.5	1.6	6,340	-3.4	1.5	10,813	-4.4	1.3	10,800	-0.1	1.3
SG&A	TOTAL	96,091	-3.1	23.1	90,124	-6.2	21.5	194,065	-2.6	23.2	185,900	-4.2	22.2
Operating expenses and SG&A relating to insurance underwriting costs		72,129	-3.2	17.3	66,961	-7.2	16.0	146,539	-2.5	17.5	140,200	-4.3	16.7
		76,373	-0.1	18.3	71,100	-6.9	17.0	148,746	-2.4	17.8	142,700	-4.1	17.0
Operating Expenses		148,502	-1.6	35.6	138,062	-7.0	32.9	295,286	-2.4	35.3	282,900	-4.2	33.8
		(147,104)	(0.8)	(37.6)	(137,870)	-6.3	(36.0)	(293,316)	-0.9	(37.9)	(282,400)	-3.7	(36.9)

NB: Figures in brackets exclude Special Factors (abolition of gvt CALI reinsurance & Fortress Re related impact)

8. Catastrophe Reserves

(Units: Yen million, %)

Period Class	Sep 2002 Interim	FY2002	Sep 2003 Interim		
	(% of premium)	(% of premium)	(% of premium)	Change on 30/9/2002	Change on 31/3/2003
Fire	60,049 (78.1)	61,359 (77.0)	62,621 (80.8)	2,571	1,262
Marine	3,864 (77.9)	3,941 (75.4)	3,443 (68.8)	-421	-498
Casualty	25,585 (48.5)	25,549 (51.2)	25,549 (51.1)	-35	-
Motor	81,702 (16.7)	78,889 (16.1)	92,456 (19.4)	10,753	13,566
Other	16,614 (18.0)	14,695 (18.6)	13,963 (19.6)	-2,650	-731
TOTAL	187,816 (26.2)	184,435 (26.2)	198,034 (29.1)	10,217	13,598

% of premium = o/s catastrophe reserve ÷ net premium income (excl. dwelling EQ / CALI) × 100
 Calculation for the half year based on twice the net premium income (excl. household EQ and CALI).

9. Asset Evaluation (Loans)

(Units: Yen million, %)

	Sep 2002 Interim (Share)	Sep 2003 Interim (Share)	Change (Share)	FY2002 (Share)
TOTAL	387,665 (100.0)	355,115 (100.0)	-32,550 (-)	364,359 (100.0)
Total non-classified assets	354,921 (91.6)	325,883 (91.8)	-29,038 (0.2)	334,289 (91.7)
Total classified assets	32,744 (8.4)	29,232 (8.2)	-3,512 (-0.2)	30,070 (8.3)
Class II	16,951 (4.4)	17,941 (5.1)	989 (0.7)	18,539 (5.1)
Class III	14,207 (3.7)	9,564 (2.7)	-4,643 (-1.0)	10,006 (2.7)
Class IV	1,585 (0.4)	1,726 (0.5)	140 (0.1)	1,523 (0.4)

10. Debt Subject to Risk Control

(Units: Yen million, %)

	Sep 2002 Interim	Sep 2003 Interim	Change	FY2002
Debts with failed companies	331	379	47	314
Debts overdue	19,686	20,093	407	20,101
Debts overdue for more than 3 months	1,063	763	-300	872
Loans with eased conditions	2,574	3,941	1,367	3,872
Total debt subject to risk control	23,655	25,177	1,521	25,159
Loans	387,665	355,115	-32,550	364,359
As a proportion of loans	6.1	7.1	1.0	6.9

11. Long-Lived Assets

(Unit: Yen million)

	Sep 2002 Interim	Sep 2003 Interim	Change	FY2002
Long-lived assets	857,768	769,598	-88,170	800,275

12. Securities

(1) Latent profit/loss on securities

(Unit: Yen bn)

	Sep 2002 Interim	Sep 2003 Interim	FY2002
Government bonds	10.0	2.4	15.2
Shares	84.0	139.7	21.6
Overseas securities	6.6	- 16.3	- 0.7
Other	- 4.4	- 0.1	- 8.2
TOTAL	96.2	126.0	27.8

Note: Monetary debt purchased is included within 'Other'

(2) Impairment loss on revaluation of securities

(Unit: Yen bn)

	Sep 2002 Interim	Sep 2003 Interim	FY2002
Government bonds	0.0		-
Shares	4.1	1.1	28.8
Overseas securities	0.7		0.8
Other	0.4		0.4
TOTAL	5.4	1.1	30.2

13. Other

(1) Losses from Motor Theft

(Unit: Payments, Yen bn)

	Sep 2002 Interim	Sep 2003 Interim
Payments	3,229	3,675
Claims Paid	3.3	3.4
Loss Reserve	1.2	1.3

FY2002
6,825
6.8
1.2

Note: Own portion of contracts where Aioi is the lead insurer (direct basis)

(2) Impact of natural disasters

(Unit: Yen bn)

	Sep 2002 Interim	Sep 2003 Interim
Direct Claims	0.3	1.4
Net Claims	0.2	1.1
Outstanding Claims*	0.0	0.3

FY2002
2.4
2.1
0.1

* Outstanding Claims = net after claims reserves and recoveries

Note: no large losses from natural disasters