Financial Section and Corporate Information

FIVE-YEAR FINANCIAL SUMMARY

Aioi Insurance Company, Limited and consolidated subsidiaries
Years ended March 31

Consolidated		Millions of Yen 2005	2004	2003	2002	2001	Thousands of U.S. Dollars (Note) 2005
Net premiums written	Aioi	**¥ 838,740**	¥ 843,552	¥ 845,669	¥ 788,275		**$ 7,810,225**
	Dai-Tokyo					¥ 420,587	
	Chiyoda					371,265	
Net income (loss)	Aioi	**19,701**	29,359	13,927	(88,247)		**183,457**
	Dai-Tokyo					7,220	
	Chiyoda					(6,364)	
Total shareholders' equity	Aioi	**445,147**	435,597	295,670	378,644		**4,145,151**
	Dai-Tokyo					316,860	
	Chiyoda					223,419	
Total assets	Aioi	**2,797,920**	2,791,994	2,651,212	2,792,102		**26,053,831**
	Dai-Tokyo					1,677,181	
	Chiyoda					1,394,148	

		Yen					U.S. Dollars (Note)
Net asset value per share	Aioi	**¥ 609.31**	¥ 596.01	¥ 396.34	¥ 501.52		**$ 5.67**
	Dai-Tokyo					¥ 778.24	
	Chiyoda					577.93	
Net income (loss) per share	Aioi	**26.96**	39.67	18.60	(116.87)		**0.25**
	Dai-Tokyo					17.73	
	Chiyoda					(16.46)	

Note: U.S. dollar amounts are converted from yen, for convenience only, at the prevailing rate of ¥107.39 to U.S.$1 on March 31, 2005.

Non-Consolidated		Millions of Yen 2005	2004	2003	2002	2001	Thousands of U.S. Dollars (Note) 2005
Net premiums written	Aioi	**¥ 827,807**	¥ 836,596	¥ 836,841	¥ 777,361		**$7,708,421**
	Dai-Tokyo					¥ 420,588	
	Chiyoda					372,172	
Net income (loss)	Aioi	**16,132**	27,322	10,304	(83,413)		**150,226**
	Dai-Tokyo					7,563	
	Chiyoda					4,815	
Total shareholders' equity	Aioi	**452,040**	446,820	308,888	394,390		**4,209,331**
	Dai-Tokyo					315,853	
	Chiyoda					239,253	
Total assets	Aioi	**2,569,113**	2,597,891	2,496,328	2,663,459		**23,923,213**
	Dai-Tokyo					1,625,746	
	Chiyoda					1,328,166	
Loss ratio	Aioi	**64.58%**	60.80%	60.06%	66.95%		
	Dai-Tokyo					62.42%	
	Chiyoda					65.23%	
Expense ratio	Aioi	**33.15%**	33.45%	35.29%	38.94%		
	Dai-Tokyo					36.90%	
	Chiyoda					38.72%	

		Yen					U.S. Dollars (Note)
Net asset value per share	Aioi	**¥ 618.75**	¥ 611.37	¥ 414.06	¥ 522.38		**$ 5.76**
	Dai-Tokyo					¥ 775.75	
	Chiyoda					616.92	
Net income (loss) per share	Aioi	**22.07**	36.91	13.76	(110.47)		**0.20**
	Dai-Tokyo					18.57	
	Chiyoda					12.41	
Cash dividends per share	Aioi	**8.00**	8.00	7.00	7.00		**0.07**
	Dai-Tokyo					7.00	
	Chiyoda					7.00	

Note: U.S. dollar amounts are converted from yen, for convenience only, at the prevailing rate of ¥107.39 to U.S.$1 on March 31, 2005.

REVIEW OF OPERATIONS

OPERATING ENVIRONMENT

The Japanese economy recovered moderately in the year ended March 31, 2005 due to growing demand driven by a strong global economy, particularly manifest in the United States and Asia, and revitalized capital investment in accord with improving corporate performance.

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements show that the total operating income reduced from ¥1,091.9 billion to ¥1,073.9 billion.

The income before income taxes and minority interests decreased from ¥47.7 billion to ¥27.2 billion, and the net income decreased from ¥29.3 billion to ¥19.7 billion.
Brief analyses of underwriting income and expenses, investment, and operating and general administrative expenses are given below.

1. Analysis of Underwriting Income and Expenses

Underwriting Income

Underwriting income decreased by 0.8% to ¥999.5 billion. Net premiums written decreased by 0.6% to ¥838.7 billion. The following outlines the breakdown by the class of business.

Net Premiums Written (Millions of Yen)

Class of Business	Years ended March 31, 2005	2004	% Change
Fire and Allied Lines	**¥ 89,384**	¥ 83,631	6.9
Marine	**5,302**	5,260	0.8
Personal Accident	**49,314**	49,070	0.5
Voluntary Automobile	**470,679**	478,869	(1.7)
Compulsory Automobile Liability	**154,454**	153,634	0.5
Other	**69,605**	73,085	(4.8)
Total	**¥838,740**	¥843,552	(0.6)

(Note) Any figures are amounts after the offset of intersegment transactions.

Underwriting Expenses

Underwriting expenses increased by 1.6% to ¥867.5 billion. Net claims paid increased by 9.0%, to ¥509.3 billion. The following outlines the breakdown by the class of business.

Net Claims Paid (Millions of Yen)

Class of Business	Years ended March 31, 2005	2004	% Change
Fire and Allied Lines	**¥ 57,737**	¥ 31,875	81.1
Marine	**2,940**	4,014	(26.8)
Personal Accident	**16,987**	17,048	(0.4)
Voluntary Automobile	**270,807**	268,490	0.9
Compulsory Automobile Liability	**85,243**	64,304	32.6
Other	**75,678**	81,606	(7.3)
Total	**¥509,393**	¥467,340	9.0

(Note) Any figures are amounts after the offset of intersegment transactions.

Commissions and brokerage decreased by 0.6% to ¥146.5 billion, and also, maturity refunds and dividends to policyholders for long-term insurance dropped by 10.7% to ¥154.4 billion.

2. Analysis of Investment

Investment Income

Investment income decreased by 13.2% to ¥54.7 billion. Interest and dividend income increased by 10.1% to ¥44.4 billion due mainly to the increase in dividends from investment trusts. Gain on sales of investment in securities amounted to ¥29.4 billion as we promoted the sale of securities in line with rising domestic stock prices.

Investment Expenses

Although loss on sales of investment in securities totaled ¥9.3 billion, primarily due to the sale of foreign bonds in line with the appreciating yen, loss on valuation of investment in securities increased to ¥1.3 billion. As a result, investment expenses decreased by 29.6% to ¥12.2 billion.

3. Analysis of Operating and General Administrative Expenses

Operating and general administrative expenses decreased by 1.4% to ¥152.6 billion. Primary factors behind this were a reduction in personnel costs achieved through a review of pay structure and lower business expenses through enhanced efficiency of general expenses.

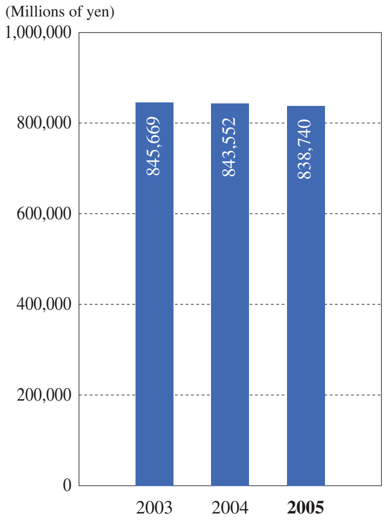
As a result, net income for the fiscal year decreased by ¥29.3 billion to ¥19.7 billion.

SUMMARY OF FINANCIAL CONDITION

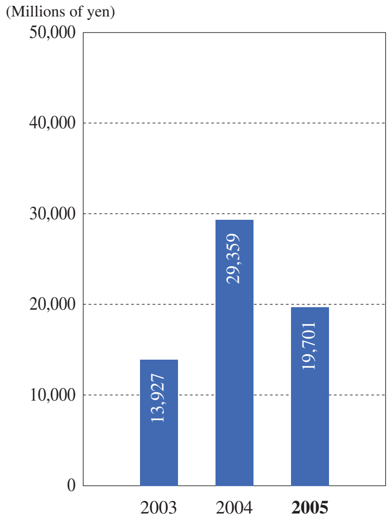
1. Total Assets and Shareholders' Equity

Total assets at the end of the fiscal year were up ¥5.9 billion to ¥2,797.9 billion, due mainly to an increase in investment in securities in line with the growth of life insurance policy amount in forth. Shareholders' equity amounted to ¥445.1 billion, up ¥9.5 billion. The main reason was an increase of ¥13.8 billion in retained earnings, which stood at ¥172.8 billion. As a result, the shareholders' equity ratio at year-end was 15.9%, an improvement of 0.3 percentage points.

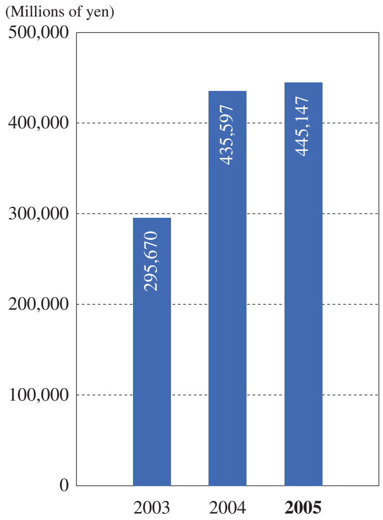
Net Premiums Written (Consolidated)



Net Income (Consolidated)



Total Shareholders' Equity (Consolidated)



2. Solvency Margin Ratio

The solvency margin ratio for Aioi Insurance improved from 910.1% to 951.9%, and that of Aioi Life Insurance was found to be 1,874.0%, based on computations specified by the Japanese Insurance Business Law. Both marks far exceed the 200%, which are deemed to be sufficient to cover insurance payouts and other expenditures.

RESULTS BY BUSINESS SEGMENT

1. Non-Life Insurance

In non-life insurance, Aioi insurance's core business segment, intensifying competition has forced companies to develop new products and improve operational efficiency.

Under this backdrop, in the key automobile insurance field, we launched a risk-segmented automobile insurance, "Top Run", in April 2004, for individual customers. We also introduced innovative automobile insurance program "PAYD (Pay As You Drive)" to collect mileage data from an on-board device and to give customers the opportunity to pay premiums based on their driving data, which both met customer needs.

We launched a new platform product comprehensive goods in transit insurance (Liability) in addition to comprehensive home insurance (Fire and allied lines), comprehensive corporate business insurance (Fire and allied lines) and comprehensive construction insurance (Liability) to encourage our automobile insurance policyholders to use other products and steadily expanded premiums for the platform products.

In reference to customer services, we set up our original networks "Aioi Club" which offers various services includes road assistance to our policyholders. We also broadened our risk consulting services which include cost controls, business taking over, and employee's welfare for corporate customers.

We achieved services level up by development of the new system of paperless renewals for automobile insurance.

We started to provide products to chambers of commerce by co-operating with AXA Life Insurance Company Limited. We also decided to launch 401k business with Nomura Group to enhance the level of financial services for medium and small businesses and retired employees market.

We established a new company, Aioi Motor and General Insurance Company of Europe Limited in November 2004 which concentrated on F & I business, financial and insurance services for Toyota users with Toyota Financial Services Corporation and general insurance for corporate business in Europe.Aioi Insurance Company of Europe Limited mainly controls run-off business.

The non-life insurance business segment posted a 0.6% decrease in net premiums written to ¥838.7 billion.

2. Life Insurance

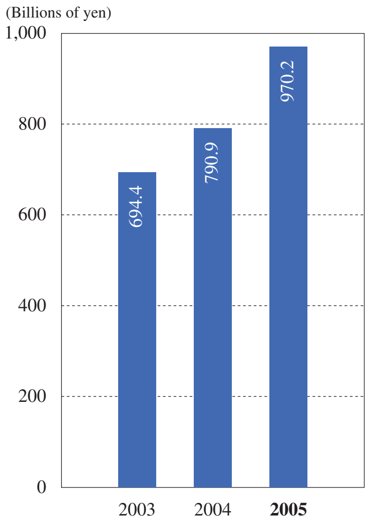
Aioi Life Insurance Co., Ltd. provided new products, “Just One” which covered income indemnity and medical care, “non-selective type individual annuity insurance with dividends” and launched “Zutto Luck” for TS CUBIC CARD holders with credit card payments.

Aioi Life Insurance Co., Ltd. started to provide hot lines “Direct service for procedures” to enhance service level for customers.

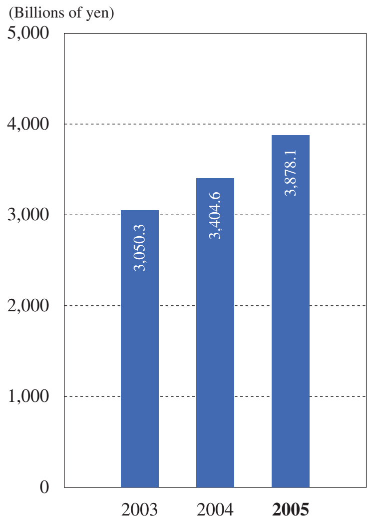
As a result, the new business for individuals increased by 22.7% to ¥970.2 billion and the amount of life insurance in force for individuals at the end of this fiscal year reached ¥3.8 trillion.

The life insurance business segment posted an 8.2% increase in life insurance premiums to ¥51.2 billion.

New Business



Total Amount of Life Insurance in Force



CASH FLOWS

Net cash provided by the operating activities decreased ¥38.9 billion compared with the previous fiscal year, to ¥34.2 billion, due primarily to highly increase in net claims paid for typhoons and other natural disasters. Net cash used in the investing activities amounted to ¥79.2 billion, as we increased investments in securities, which outweighed proceeds from the sale of investments in securities. Net cash used in the financing activities decreased ¥5.2 billion, to ¥5.9 billion, due predominantly to repurchase of treasury stock in the previous fiscal year.

As a result, cash and cash equivalents at the end of the year were down ¥49.5 billion compared with the end of the previous fiscal year, to ¥188.5 billion.

CONSOLIDATED BALANCE SHEETS

Aioi Insurance Company, Limited and consolidated subsidiaries
March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	**2005**
ASSETS			
Cash and cash equivalents	**¥ 188,553**	¥ 238,094	**$ 1,755,781**
Money held in trust (Note 3)	**7,124**	8,081	**66,341**
Investments in securities (Notes 4 and 5)	**1,757,159**	1,664,406	**16,362,412**
Loans (Note 6)	**348,869**	358,265	**3,248,622**
Property and equipment—net (Note 7)	**157,510**	171,705	**1,466,712**
Premiums receivable from policyholders and agents	**43,716**	45,831	**407,082**
Reinsurance receivable and recoverable on paid losses	**70,080**	80,391	**652,576**
Deferred tax assets (Note 11)	**95,543**	99,775	**889,690**
Customers' liabilities for acceptances and guarantees	**2,500**	2,500	**23,279**
Other assets (Note 4)	**133,140**	136,436	**1,239,784**
Allowance for doubtful accounts	**(6,277)**	(13,492)	**(58,452)**
TOTAL	**¥2,797,920**	¥2,791,994	**$26,053,831**
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Underwriting funds:			
Outstanding claims	**¥ 376,719**	¥ 377,006	**$ 3,507,955**
Underwriting reserves	**1,836,903**	1,825,386	**17,104,975**
Reinsurance payable and due to other insurance companies	**59,387**	69,145	**553,008**
Income taxes payable (Note 11)	**2,085**	2,885	**19,416**
Liability for employees' retirement benefits (Note 9)	**19,163**	18,572	**178,445**
Reserve for price fluctuation	**3,704**	2,500	**34,492**
Acceptances and guarantees	**2,500**	2,500	**23,279**
Other liabilities (Note 5)	**52,255**	58,353	**486,595**
Total liabilities	**2,352,718**	2,356,350	**21,908,170**
MINORITY INTERESTS	**54**	46	**509**
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 12 and 13)	**—**	—	**—**
SHAREHOLDERS' EQUITY (Notes 10 and 18):			
Common stock—authorized, 2,000,000 thousand shares; issued, 756,201 thousand shares in 2005 and 2004	**¥ 100,005**	¥ 100,005	**$ 931,231**
Capital surplus	**44,084**	44,082	**410,504**
Retained earnings	**172,874**	159,067	**1,609,786**
Unrealized gain on available-for-sale securities	**135,420**	140,340	**1,261,012**
Foreign currency translation adjustments	**1,746**	986	**16,263**
Treasury stock—at cost, 25,631 thousand shares in 2005 and 25,429 thousand shares in 2004	**(8,982)**	(8,883)	**(83,646)**
Total shareholders' equity	**445,147**	435,597	**4,145,151**
TOTAL	**¥2,797,920**	¥2,791,994	**$26,053,831**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Aioi Insurance Company, Limited and consolidated subsidiaries
Years ended March 31, 2005 and 2004

	Millions of Yen 2005	Millions of Yen 2004	Thousands of U.S. Dollars (Note 1) 2005
OPERATING INCOME:			
Underwriting income:			
Net premiums written	**¥ 838,740**	¥ 843,552	**$ 7,810,225**
Premiums for maturity of refundable portion of long-term insurance	**84,710**	87,593	**788,814**
Investment income on premiums for maturity of refundable portion of long-term and other insurance	**20,794**	21,069	**193,637**
Life insurance premiums	**51,262**	47,382	**477,350**
Reversal of outstanding claims	**1,341**	8,098	**12,490**
Other underwriting income	**2,747**	334	**25,582**
Total underwriting income	**999,597**	1,008,032	**9,308,101**
Investment income:			
Interest and dividend income	**44,427**	40,344	**413,700**
Gain on money held in trust	**235**	2,553	**2,193**
Gain on trading securities	**1,180**	853	**10,990**
Gain on sales of investment in securities (Note 4)	**29,417**	36,725	**273,930**
Gain from securities redemption	**11**	240	**103**
Gain on derivatives	**—**	2,785	**—**
Other investment income	**258**	643	**2,410**
Transfer of investment income on premiums for maturity of refundable portion of long-term and other insurance	**(20,794)**	(21,069)	**(193,637)**
Total investment income	**54,735**	63,077	**509,692**
Other income (Note 15)	**19,570**	20,816	**182,237**
Total operating income	**1,073,903**	1,091,926	**10,000,031**
OPERATING EXPENSES:			
Underwriting expenses:			
Net claims paid	**509,393**	467,340	**4,743,398**
Loss adjustment expenses	**36,278**	37,796	**337,817**
Commissions and brokerage	**146,567**	147,499	**1,364,815**
Maturity refunds and dividends to policyholders for long-term insurance	**154,441**	173,030	**1,438,137**
Life insurance claims and other payments	**8,901**	6,665	**82,891**
Provision for underwriting reserves	**11,357**	10,386	**105,760**
Other underwriting expenses	**610**	10,850	**5,682**
Total underwriting expenses	**867,550**	853,570	**8,078,503**
Investment expenses:			
Loss on money held in trust	**145**	3	**1,358**
Loss on sales of investment in securities (Note 4)	**9,399**	15,874	**87,522**
Loss on devaluation of investment in securities (Note 4)	**1,381**	942	**12,860**
Other investment expenses	**1,359**	622	**12,662**
Total investment expenses	**12,285**	17,442	**114,403**
Operating and general administrative expenses	**152,695**	154,903	**1,421,882**
Other expenses (Note 16)	**14,140**	18,299	**131,672**
Total operating expenses	**1,046,672**	1,044,215	**9,746,462**
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	**27,230**	47,711	**253,569**
INCOME TAXES (Note 11):			
Current	**513**	1,633	**4,784**
Deferred	**7,009**	16,682	**65,272**
Total income taxes	**7,523**	18,315	**70,056**
MINORITY INTERESTS IN NET INCOME	**5**	36	**55**
NET INCOME	**¥ 19,701**	¥ 29,359	**$ 183,457**

	Yen		U.S. Dollars (Note 1)
PER SHARE OF COMMON STOCK (Notes 2.p and 17):			
Basic net income	**¥26.96**	¥39.67	**$0.25**
Diluted net income	**26.90**	39.64	**0.25**
Cash dividends applicable to the year	**8.00**	8.00	**0.07**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Aioi Insurance Company, Limited and consolidated subsidiaries

Years ended March 31, 2005 and 2004

	Thousands	Millions of Yen					
	Outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Treasury stock
BALANCE, APRIL 1, 2003	745,985	¥100,005	¥44,081	¥134,930	¥ 18,416	¥1,172	¥(2,936)
Net income	—	—	—	29,359	—	—	—
Cash dividends	—	—	—	(5,221)	—	—	—
Purchase of treasury stock	(15,230)	—	—	—	—	—	(5,952)
Disposal of treasury stock	18	—	0	—	—	—	5
Net increase in unrealized gain on available-for-sale securities	—	—	—	—	121,923	—	—
Net decrease in foreign currency translation adjustments	—	—	—	—	—	(186)	—
BALANCE, MARCH 31, 2004	730,772	100,005	44,082	159,067	140,340	986	(8,883)
Net income	**—**	**—**	**—**	**19,701**	**—**	**—**	**—**
Cash dividends	**—**	**—**	**—**	**(5,846)**	**—**	**—**	**—**
Directors' bonuses	**—**	**—**	**—**	**(48)**	**—**	**—**	**—**
Purchase of treasury stock	**(218)**	**—**	**—**	**—**	**—**	**—**	**(104)**
Disposal of treasury stock	**15**	**—**	**1**	**—**	**—**	**—**	**5**
Net decrease in unrealized gain on available-for-sale securities	**—**	**—**	**—**	**—**	**(4,919)**	**—**	**—**
Net increase in foreign currency translation adjustments	**—**	**—**	**—**	**—**	**—**	**760**	**—**
BALANCE, MARCH 31, 2005	**730,569**	**¥100,005**	**¥44,084**	**¥172,874**	**¥135,420**	**¥1,746**	**¥(8,982)**

	Thousands of U.S. Dollars (Note 1)					
	Common stock	Capital surplus	Retained earnings	Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Treasury stock
BALANCE, MARCH 31, 2004	$931,231	$410,488	$1,481,214	$1,306,825	$ 9,183	$(82,723)
Net income	**—**	**—**	**183,457**	**—**	**—**	**—**
Cash dividends	**—**	**—**	**(54,438)**	**—**	**—**	**—**
Directors' bonuses	**—**	**—**	**(446)**	**—**	**—**	**—**
Purchase of treasury stock	**—**	**—**	**—**	**—**	**—**	**(973)**
Disposal of treasury stock	**—**	**16**	**—**	**—**	**—**	**50**
Net decrease in unrealized gain on available-for-sale securities	**—**	**—**	**—**	**(45,813)**	**—**	**—**
Net increase in foreign currency translation adjustments	**—**	**—**	**—**	**—**	**7,080**	**—**
BALANCE, MARCH 31, 2005	**$931,231**	**$410,504**	**$1,609,786**	**$1,261,012**	**$16,263**	**$(83,646)**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Aioi Insurance Company, Limited and consolidated subsidiaries
Years ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	**2005**
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	**¥ 27,230**	¥ 47,711	**$ 253,569**
Adjustments for:			
Depreciation	**11,863**	12,482	**110,471**
Impairment losses	**8,531**	—	**79,445**
Reversal of outstanding claims	**(1,341)**	(7,581)	**(12,490)**
Provision for underwriting reserves	**11,357**	11,035	**105,760**
Decrease in allowance for doubtful accounts	**(7,269)**	(2,927)	**(67,692)**
Increase in liability for employees' retirement benefits	**590**	659	**5,497**
Increase in price fluctuation reserve	**1,203**	1,160	**11,205**
Interest and dividend income	**(44,427)**	(40,344)	**(413,700)**
Net gain arising from sale, redemption or devaluation of investments in securities	**(19,826)**	(20,999)	**(184,625)**
Interest expenses	**27**	328	**253**
Foreign exchange losses	**124**	40	**1,159**
Net loss on sale of property and equipment	**549**	6,704	**5,117**
Others—net	**(2,516)**	23,653	**(23,428)**
Interest and dividends received	**50,417**	44,261	**469,476**
Interest paid	**(27)**	(328)	**(253)**
Income taxes paid	**(2,194)**	(2,585)	**(20,433)**
Total adjustments	**7,062**	25,558	**65,761**
Net cash provided by operating activities	**34,292**	73,270	**319,330**
INVESTING ACTIVITIES:			
Net increase in bank deposits	**625**	1,326	**5,821**
Purchase of debts	**(10,711)**	(2,000)	**(99,746)**
Proceeds from sale or redemption of debts purchased	**4,188**	3,764	**39,000**
Purchase of money held in trust	**(6,995)**	(10,000)	**(65,143)**
Proceeds from decrease in money held in trust	**6,866**	16,187	**63,935**
Purchase of investments in securities	**(732,031)**	(671,699)	**(6,816,570)**
Proceeds from sales or maturities of investments in securities	**661,596**	662,462	**6,160,687**
Loans made	**(84,943)**	(87,363)	**(790,984)**
Collection of loans	**92,479**	97,522	**861,151**
Purchases of property and equipment	**(10,683)**	(11,763)	**(99,484)**
Proceeds from sale of property and equipment	**5,518**	8,256	**51,390**
Others—net	**(5,182)**	3,093	**(48,260)**
Net cash (used in) provided by investing activities	**(79,275)**	9,785	**(738,202)**
	¥(44,982)	¥83,055	**$(418,871)**
FINANCING ACTIVITIES:			
Purchase of treasury stock	**(97)**	(5,946)	**(906)**
Cash dividends	**(5,846)**	(5,221)	**(54,438)**
Others—net	**(37)**	(40)	**(351)**
Net cash used in financing activities	**(5,981)**	(11,208)	**(55,696)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,422**	1	**13,248**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(49,541)**	71,848	**(461,319)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**238,094**	166,246	**2,217,100**
CASH AND CASH EQUIVALENTS, END OF YEAR	**¥188,553**	¥238,094	**$1,755,781**

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Aioi Insurance Company, Limited and consolidated subsidiaries
Years ended March 31, 2005 and 2004

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Aioi Insurance Company, Limited ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law, the Insurance Business Law and related regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2004 financial statements to conform to the classifications used in 2005.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. Figures stated in yen and U.S. dollars have been rounded down to millions of yen and thousands of U.S. dollars, respectively. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and are stated at the rate of ¥107.39 to U.S.$1, the approximate exchange rate at March 31, 2005. The translations should not be construed as representations that the Japanese yen amounts could be converted to U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation

The consolidated financial statements as of March 31, 2005 include the accounts of the Company and its five significant (four in 2004) subsidiaries (together, "the Group").

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and shares of those companies over which the Company and its consolidated subsidiaries have the ability to exercise significant influence are accounted for by the equity method. Investments in affiliated companies are accounted for by the equity method.

The financial statements of the unconsolidated subsidiaries would not have a material effect on the accompanying consolidated financial statements. Investments in the remaining unconsolidated subsidiaries and affiliated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

Four of the subsidiaries are consolidated on the basis of the fiscal year ending December 31, which differs from that of the Company; however, significant effects arising from transactions occurring in the period from January 1 to March 31 have been adjusted for consolidation purposes.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and call loans. Money held in trust, as well as time deposits and debts purchased with original maturities exceeding three months, have been excluded from cash equivalents.

c. Foreign Currency Translation

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statements of income to the extent that they are not hedged by forward exchange contracts.

The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the exchange rate as of the balance sheet date except for shareholders' equity, which is translated at the historical rate. Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of shareholders' equity.

Income and expense accounts of consolidated foreign subsidiaries are translated into yen at the exchange rate as of the balance sheet date.

d. Investments in Securities

All applicable securities are classified and accounted for, depending on management's intent, as follows: (1) Trading securities, which are held for the purpose of earning capital gains in the near term are reported at fair value, and the related unrealized gains and losses are included in the statements of income for the period. Cost of the securities is determined by the moving-average method; (2) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost; (3) Available-for-sale securities, which are not classified as either trading or held-to-maturity, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. Cost of the securities is determined by the moving-average method. Unlisted securities that do not have a quoted market price in an active market are reported at moving-average cost or amortized cost.

Listed securities in the money held in trust are stated at fair value.

Aioi Life Insurance Company, Limited, a consolidated subsidiary, owns debt securities earmarked for underwriting reserves, which meet the terms and conditions for special accounting treatment for investments in securities prescribed in the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Securities Earmarked for Policy Reserve in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants.

In accordance with the report, securities for which the durations are matched with those of underwriting reserves in the specific range stipulated in the report are stated at amortized cost using the moving-average method.

e. Derivatives

The Company uses the following derivative financial instruments to manage its exposures to fluctuating foreign currency exchange rates, interest rates, stock prices and bond prices. The derivatives utilized by the Company include foreign exchange forward contracts, currency swaps, currency option contracts, interest rate swaps, stock index futures, stock index options, bond futures contracts, bond option contracts, credit derivatives and weather derivatives.

As to derivatives activities, the standards require that: (a) all derivatives be recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the statements of income, and (b) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between changes in the value of the hedging instruments and changes in the value of the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

f. Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Significant renewals and additions are capitalized; maintenance and repairs, and minor renewals and improvements are charged to expense as incurred.

The Company and the domestic subsidiary compute depreciation of property and equipment using the declining-balance method except that the straight-line method is applied to buildings acquired on or after April 1, 1998.

g. Impairment of Fixed Assets

In August 2002, the Business Accounting Council issued a Statement of Opinion, "Accounting for Impairment of Fixed Assets" and in October 2003 the Accounting Standards Board of Japan ("ASB") issued ASB Guidance No. 6, "Guidance for Accounting Standard for Impairment of Fixed Assets". These new pronouncements are effective for fiscal years beginning on or after April 1, 2005 with early adoption permitted for fiscal years ending on or after March 31, 2004.

The Group adopted the new accounting standard for impairment of fixed assets as of April 1, 2004. The Group reviews its fixed assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

The effect of adoption of the new accounting standard for impairment of fixed assets was to decrease income before income taxes and minority interests for the year ended March 31, 2005 by ¥6,235 million ($58,059 thousand).

h. Policy Acquisition Costs

Policy acquisition costs are charged to expense as incurred.

i. Underwriting Funds

Underwriting funds are established for outstanding claims and underwriting reserves, and are calculated pursuant to the Insurance Business Law, by each line of insurance and type of policy.

Outstanding claims

Provision is made for claims reported prior to the close of the accounting period based on the estimated ultimate cost of settling such claims. In addition to the above, provision is made for incurred but not reported claims ("IBNR") based on past experience.

Underwriting reserves

Pursuant to the provisions of the Insurance Business Law and related rules and regulations, the Company is required to maintain underwriting reserves in amounts determined as follows:

(1) Premium reserve:

• Property and casualty insurance

Insurance other than Compulsory Automobile Liability Insurance and Earthquake Insurance

Greater of the unearned premiums or the underwriting balance at the end of the year for policies written during the year, by lines of insurance and types of policy.

Compulsory Automobile Liability Insurance

Accumulated total sum of premiums written less claims incurred and related net investment income less income taxes and contributions to the Japan Red Cross Society and other Japanese institutions. Insurance companies are not permitted to recognize any profit or loss from underwriting Compulsory Automobile Liability Insurance.

Earthquake Insurance

Accumulated total amounts of underwriting balance and related net investment income less income taxes.

In addition to the above, in order to provide for any extraordinary risks which might arise from a catastrophe, the Company is required to maintain a contingency reserve at an amount determined based on net premiums written by lines of business.

• Life insurance

Future policy benefits for life insurance contracts are mainly calculated pursuant to the five-year zillmerized reserve method.

(2) Deposits by policyholders:

The Company maintains reserves for the deposit portion of premiums and investment income on such portion, which are refundable to policyholders under long-term insurance.

j. Reinsurance

Reinsurance covers, which are the estimated portion of original insurance claims to be compensated by reinsurers under reinsurance contracts, were reduced from gross insurance liabilities shown as outstanding claims in the accompanying consolidated balance sheets.

The amounts of net premiums written and net claims paid reported in the consolidated statements of income are calculated by offsetting premiums and claims under direct insurance contracts by those ceded to reinsurers under reinsurance contracts.

k. Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

l. Allowance for Doubtful Accounts

The allowance for doubtful accounts included in the financial statements of the Company and its domestic subsidiary is determined based on management's judgment and assessment of future losses using the self-assessment system. This method reflects past history of credit losses, possible credit losses, business and economic conditions, in addition to the character, quality and performance of debtors' business activities, and other pertinent indicators.

The amount of the allowance for doubtful accounts is then calculated in accordance with the rules of self-assessment of assets and the rules for provision or write-offs of doubtful accounts.

For loans to counterparties who are in legal or perfunctory bankruptcy and are not allowed to participate in the bank clearing process, and for loans to counterparties who are substantially in bankruptcy, provision is made at amounts equal to the loan balance less the estimated amounts recoverable through disposal of encumbered pledges or discharges of guarantees.

For loans to borrowers who are likely to be in future bankruptcy, a provision equal to the anticipated uncollectible amount is estimated by management based on their knowledge of the borrower's solvency. In determining the anticipated uncollectible amount, management considers the recoverable amount of the balance of loans in question through disposal of pledges encumbranced or discharged guarantees.

For debts other than the loans described above, provision is calculated by multiplying the balance of debts at the closing date by the actual bad debt ratio computed based on bad debts incurred in the past.

All debts of the Company and its domestic subsidiary are subject to the self-assessment conducted by departments handling the debts in question. The result of that self-assessment is required to be reviewed by the inspection department independent of each department conducting the self-assessment.

The allowance for doubtful accounts included in the financial statements for the remaining consolidated subsidiaries is determined based on management's judgments of the uncollectible amount of each receivable.

m. Employees' Retirement Benefits and Pension Plan

The Company has a contributory funded pension plan, a non-contributory funded pension plan and a termination allowance plan covering substantially all of its employees. The domestic subsidiary also has a termination allowance plan.

In accordance with the accounting standard for employees' retirement benefits, the Company and the consolidated domestic subsidiary account for the liability for retirement benefits based on the present value of the projected benefit obligations and the fair value of plan assets at the balance sheet date.

Changes in the projected benefit obligation, recognized in the preceding year, arising from modified actuarial assumptions are amortized to expense by the straight-line method over the average remaining service life of the employees (12 years).

The Company changed the period of amortizing from 15 years to 12 years due to the reduction of the average remaining service life of the employees from the year ended March 31, 2005. The effect of this change was to decrease income before income taxes and minority interests for the year ended March 31, 2005 by ¥364 million ($3,397 thousand).

n. Reserve for Price Fluctuation

In conformity with the Insurance Business Law, insurance companies are required to establish a provision for losses resulting from fluctuations in market values of securities, bank deposits and loans denominated in foreign currencies.

The amount of the reserve for price fluctuation and the maximum balances are calculated using percentages set forth in the Insurance Business Law for each type of assets.

o. Leases

All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed. See Note 12.

p. Per Share Information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if warrants were exercised. Diluted net income per share of common stock assumes full exercise of the outstanding warrants at the beginning of the year (or at the time of issuance).

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

3. MONEY HELD IN TRUST

All securities held as money held in trust are classified as trading securities. Aggregate cost at March 31, 2005 and 2004 and gains recognized in the consolidated statements of income were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Aggregate cost	**¥7,124**	¥8,081	**$66,341**
Gains recognized	**113**	1,200	**1,061**

4. INVESTMENTS IN SECURITIES

Investments in securities at March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Government and municipal bonds	**¥ 477,199**	¥ 365,210	**$ 4,443,616**
Corporate bonds	**335,681**	348,292	**3,125,815**
Equity securities	**481,274**	531,659	**4,481,561**
Foreign securities	**374,886**	351,645	**3,490,886**
Other securities	**88,117**	67,599	**820,534**
Total	**¥1,757,159**	¥1,664,406	**$16,362,412**

Information regarding each category of the securities classified as trading, available-for-sale and held-to-maturity at March 31, 2005 and 2004 was as follows:

	Millions of Yen			
March 31, 2005	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Trading				**¥ 66,322**
Available-for-sale:				
Bonds	**¥ 618,192**	**¥ 12,253**	**¥ (4,050)**	**¥ 626,395**
Equity securities	**257,157**	**207,599**	**(708)**	**464,049**
Foreign securities	**329,925**	**9,609**	**(17,049)**	**322,485**
Other securities*	**69,906**	**4,463**	**(224)**	**74,145**
Total available-for-sale	**¥1,275,182**	**¥233,926**	**¥(22,032)**	**¥1,487,076**

	Millions of Yen			
March 31, 2004	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Trading				¥ 53,034
Available-for-sale:				
Bonds	¥ 542,059	¥ 9,559	¥ (5,602)	¥ 546,016
Equity securities	287,750	226,139	(1,347)	512,542
Foreign securities	322,255	4,762	(19,821)	307,196
Other securities*	53,971	6,593	(692)	59,872
Total available-for-sale	¥1,206,036	¥247,055	¥(27,463)	¥1,425,628
Held-to-maturity—Bonds	¥ 206	¥ 44	¥ —	¥ 251

	Thousands of U.S. Dollars			
March 31, 2005	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Trading				**$ 617,580**
Available-for-sale:				
Bonds	**$ 5,756,519**	**$ 114,104**	**$ (37,717)**	**$ 5,832,906**
Equity securities	**2,394,617**	**1,933,139**	**(6,596)**	**4,321,161**
Foreign securities	**3,072,214**	**89,482**	**(158,760)**	**3,002,936**
Other securities*	**650,957**	**41,564**	**(2,088)**	**690,432**
Total available-for-sale	**$11,874,310**	**$2,178,290**	**$(205,163)**	**$13,847,437**

* Other securities include debts purchased classified as other assets at March 31, 2005 and 2004.

Debt securities earmarked for underwriting reserves at March 31, 2005 and 2004 were as follows:

	Millions of Yen			
March 31, 2005	Cost	Unrealized gains	Unrealized losses	Fair value
Bonds	**¥184,057**	**¥8,506**	**¥(1,991)**	**¥190,571**
Foreign securities	**799**	**57**	**—**	**857**
Total	**¥184,856**	**¥8,564**	**¥(1,991)**	**¥191,428**
March 31, 2004				
Bonds	¥158,047	¥ 6,410	¥(2,557)	¥161,901
Foreign securities	799	51	—	850
Total	¥158,847	¥ 6,461	¥(2,557)	¥162,751

	Thousands of U.S. Dollars			
March 31, 2005	Cost	Unrealized gains	Unrealized losses	Fair value
Bonds	**$1,713,912**	**$79,212**	**$(18,547)**	**$1,774,577**
Foreign securities	**7,444**	**536**	**—**	**7,981**
Total	**$1,721,356**	**$79,748**	**$(18,547)**	**$1,782,558**

Available-for-sale securities and held-to-maturity securities whose fair value was not readily determinable at March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Available-for-sale:			
Bonds	**¥ 200**	¥ 200	**$ 1,862**
Equity securities	**15,633**	17,539	**145,574**
Foreign securities	**7,000**	7,000	**65,182**
Other securities*	**5,544**	4,097	**51,628**
Total available-for-sale	**¥28,377**	¥28,836	**$264,249**
Held-to-maturity—Bonds	**¥ 2,228**	¥ 3,475	**$ 20,749**

* Other securities include debts purchased classified as other assets at March 31, 2005 and 2004.

Proceeds from sales of available-for-sale securities for the years ended March 31, 2005 and 2004 were ¥417,960 million ($3,891,991 thousand) and ¥559,621 million, respectively. Gross realized gains and losses on these sales, computed using the moving average cost basis, were ¥29,417 million ($273,930 thousand) and ¥9,399 million ($87,522 thousand), respectively, for the year ended March 31, 2005 and ¥36,725 million and ¥15,874 million, respectively, for the year ended March 31, 2004.

Carrying amounts of debt securities with contractual maturities classified as available-for-sale, held-to-maturity and debt securities earmarked for underwriting reserves at March 31, 2005 were as follows:

	Millions of Yen			
March 31, 2005	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Government bonds	**¥12,735**	**¥137,832**	**¥101,644**	**¥218,176**
Municipal bonds	**698**	**5,987**	**124**	**—**
Corporate bonds	**49,613**	**162,623**	**71,132**	**52,311**
Foreign securities	**33,260**	**78,479**	**101,116**	**15,673**
Other securities*	**176**	**10,343**	**10,665**	**8,069**
Total	**¥96,484**	**¥395,267**	**¥284,683**	**¥294,230**

March 31, 2005	Thousands of U.S. Dollars Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Government bonds	**$118,588**	**$1,283,474**	**$ 946,501**	**$2,031,624**
Municipal bonds	**6,507**	**55,759**	**1,159**	**—**
Corporate bonds	**461,996**	**1,514,327**	**662,373**	**487,116**
Foreign securities	**309,716**	**730,788**	**941,581**	**145,949**
Other securities*	**1,641**	**96,320**	**99,314**	**75,143**
Total	**$898,450**	**$3,680,670**	**$2,650,930**	**$2,739,834**

* Other securities include debts purchased classified as other assets at March 31, 2005.

Investments in unconsolidated subsidiaries and affiliated companies were ¥4,897 million ($45,604 thousand) and ¥4,766 million at March 31, 2005 and 2004, respectively.

The Company and the domestic subsidiary recognized ¥1,381 million ($12,860 thousand) and ¥911 million loss on devaluation of available-for-sale securities, respectively, for the years ended March 31, 2005 and 2004. Losses on devaluation of available-for-sale securities for the years ended March 31, 2005 and 2004 were recognized in the consolidated statements of income when their fair value declined by more than 30%.

5. COLLATERAL

The carrying amounts of investments in securities pledged as collateral were ¥48,239 million ($449,200 thousand) at March 31, 2005. This includes collateral for loans payable of ¥79 million ($744 thousand) classified as other liabilities, collateral for letters of credit issued and collateral pledged in lieu of guarantee deposits for future transactions.

The carrying amounts of investments in securities pledged as collateral were ¥64,325 million at March 31, 2004.

6. LOANS

Loans which are in default, delinquent, past due and under mitigating conditions are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Defaulted loans	**¥ 167**	¥ 198	**$ 1,562**
Delinquent loans (non-performing loans)	**11,551**	18,353	**107,565**
Past due loans (over three months)	**404**	656	**3,765**
Loans under mitigating conditions	**331**	5,643	**3,086**
Total	**¥12,455**	¥24,852	**$115,979**

Defaulted loans represent loans for which the Company estimates that the prospect of recovery or repayment of principal or interest is unlikely and therefore, has ceased to accrue interest.

Delinquent loans represent loans for which the Company estimates there are very few prospects for recovery or repayment of principal or interest and therefore, has ceased to accrue interest. For delinquent loans, management does not intend to mitigate conditions to support the recovery of the counterparties as mentioned in the definition of loans under mitigating conditions below.

Past due loans (over three months) represent loans in which the repayment of principal or payment of interest accrued are past due over three months from the due date set forth in the loan agreements and not falling into either the categories of defaulted loans or delinquent loans.

Loans under mitigating conditions represent loans to counterparties in which the Company accepted a reduction in its interest rates or revised repayment schedule of principal and/or interest, or waived certain amounts owed in order to provide financial support to facilitate the recovery of the counterparties and not falling into the categories of either defaulted loans, delinquent loans or past due loans.

7. PROPERTY AND EQUIPMENT

Accumulated depreciation on property and equipment totaled ¥169,204 million ($1,575,607 thousand) and ¥171,679 million at March 31, 2005 and 2004, respectively. Property and equipment were stated at cost less deferred gains of ¥7,633 million ($71,084 thousand) and ¥8,260 million on sale and replacement of assets under certain conditions in accordance with the Japanese tax law for the years ended March 31, 2005 and 2004, respectively.

8. IMPAIRMENT OF FIXED ASSETS

a. Method of Grouping

Assets used for insurance business operations are classified as a single group. Lease assets and idle property, which are able to estimate future cash flows of each separately, are classified as other groups individually.

b. Detail of Impairment Losses

Details of the groups that impairment losses were recognized, the impairment loss total amount and the asset type are as follows:

Purpose of use	Location	Millions of Yen Land	Millions of Yen Buildings	Millions of Yen Total	Thousands of U.S. Dollars Land	Thousands of U.S. Dollars Buildings	Thousands of U.S. Dollars Total
Lease	25 assets in Niigata city, etc.	**¥4,799**	**¥3,265**	**¥8,065**	**$44,690**	**$30,410**	**$75,100**
Idle	17 assets in Kujukuri town, etc.	**286**	**180**	**466**	**2,668**	**1,676**	**4,345**
Total		**¥5,085**	**¥3,445**	**¥8,531**	**$47,358**	**$32,087**	**$79,445**

c. Recognition of Impairment

With regard to a portion of the lease use asset group and the idle asset group, because there was a severe fall in the market price of these assets, impairment losses were recognized.

d. Recoverable Amount

To calculate the recoverable amount in respect of the lease use assets, either the net sale value or use value is applied while in respect of idle assets the net sale value is applied.

In respect of the net sale value, the value appraised is based upon accepted real estate appraisal standards. With respect to the use value calculation, a discount rate between 6.0%—15.0% is applied.

9. EMPLOYEES' RETIREMENT BENEFITS AND PENSION PLAN

Under the pension plan of the Company, employees terminating their employment are entitled to pension payments and lump-sum payments based on their average pay during their employment, length of service and certain other factors. Under the pension plan of the consolidated domestic subsidiary, employees terminating their employment are entitled to a lump-sum payment based on their average pay during their employment, length of service and certain other factors.

The Company has two types of pension plans for employees; a non-contributory and a contributory funded defined benefit pension plan. The contributory funded defined benefit pension plan, which is established under the Japanese Defined Benefit Corporate Pension Plan Law, covers substantially all employees other than directors and auditors. According to the enactment of the Japanese Defined Benefit Corporate Pension Plan Law in April 2002, the Company applied for an exemption from obligation to pay benefits for future employee services related to the substitutional portion which would result in the transfer of the pension obligations and related assets to the government by another subsequent application. The Company obtained an approval of exemption from future obligation by the Ministry of Health, Labour and Welfare on March 14, 2003.

In the current year, the Company applied for transfer of the substitutional portion of past pension obligations to the government and obtained approval by the Ministry of Health, Labour and Welfare on November 30, 2004. The actual transfer of the pension obligations and related assets to the government is to take place subsequently after the government approval.

Based upon the above approval in November 2004, there was no effect on the consolidated statements of income for the year ended March 31, 2005.

The liability for employees' retirement benefits at March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Projected benefit obligation	**¥(137,839)**	¥(136,076)	**$(1,283,539)**
Fair value of plan assets	**115,341**	110,516	**1,074,045**
Unrecognized actuarial loss	**8,617**	11,924	**80,243**
Prepaid pension cost	**(5,283)**	(4,936)	**(49,195)**
Net liability for employees' retirement benefits	**¥ (19,163)**	¥ (18,572)	**$ (178,445)**

The components of net periodic benefit costs for the years ended March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Service cost	**¥ 4,676**	¥ 4,915	**$ 43,547**
Interest cost	**2,627**	2,601	**24,465**
Expected return on plan assets	**(1,177)**	(957)	**(10,968)**
Amortization of unrecognized actuarial loss	**1,428**	2,612	**13,298**
Net periodic benefit costs	**¥ 7,554**	¥ 9,171	**$ 70,343**

Assumptions used for the years ended March 31, 2005 and 2004 were as follows:

	2005	2004
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**2.0%**	2.0%
Amortization period of unrecognized actuarial gain/loss	**12 years**	15 years
Amortization period of prior service cost	**1 year**	1 year

10. SHAREHOLDERS' EQUITY

Japanese companies are subject to the Japanese Commercial Code (the "Code").

The Code requires that all shares of common stock are recorded with no par value and at least 50% of the issue price of new shares is required to be recorded as common stock and the remaining net proceeds as additional paid-in capital, which is included in capital surplus. The Code permits Japanese companies, upon approval of the Board of Directors, to issue shares to existing shareholders without consideration as a stock split. Such issuance of shares generally does not give rise to changes within the shareholders' accounts.

The Insurance Business Law provides that an amount at least equal to 20% of the aggregate amount of cash dividends and certain other cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated and set aside as a legal reserve. The Company's legal reserve amount, which is included in retained earnings, totaled ¥28,358 million ($264,065 thousand) and ¥27,158 million as of March 31, 2005 and 2004, respectively.

The Code allows Japanese companies to repurchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The repurchased amount of treasury stock cannot exceed the amount available for future dividends plus the amount of common stock, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the shareholders' meeting.

In addition to the provision that requires an appropriation for a legal reserve in connection with the cash payment, the Code imposes certain limitations on the amount of retained earnings available for dividends. The amount of retained earnings available for dividends under the Code was ¥119,119 million ($1,109,227 thousand) as of March 31, 2005, based on the amount recorded in the parent company's general books of account.

Dividends are approved by the shareholders at the shareholders' meeting held subsequent to the fiscal year to which the dividends are applicable.

The stock option plan, which was approved at the general shareholders' meeting held on June 27, 2003, provided for granting options to directors and key employees to purchase up to 4,350 thousand shares of the Company's common stock in the period from July 1, 2005 to June 30, 2007. The options would be granted at an exercise price of ¥311,000 per 1,000 shares of the Company's common stock at the date of option grant. The Company planned to issue acquired treasury stock upon exercise of the stock options. The number of shares and the exercise price were subject to adjustment in case of stock splits or reverse stock splits.

11. INCOME TAXES

The Company and its domestic subsidiary are subject to corporate income tax and inhabitant tax which, in the aggregate, resulted in a normal statutory tax rate of 36.09% for the years ended March 31, 2005 and 2004. The tax effects of temporary differences between the book basis and tax basis of assets and liabilities which create deferred tax assets and liabilities at March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Deferred tax assets:			
Underwriting reserves	**¥ 93,247**	¥ 96,106	**$ 868,302**
Outstanding claims	**24,702**	26,272	**230,030**
Devaluation of securities	**12,993**	18,213	**120,998**
Depreciation	**10,117**	11,162	**94,216**
Assets contributed to employees' retirement benefit trusts	**9,466**	9,296	**88,150**
Other	**29,967**	21,858	**279,053**
Total	**180,495**	182,910	**1,680,751**
Valuation allowance	**(6,811)**	(2,555)	**(63,423)**
Deferred tax assets	**173,684**	180,354	**1,617,328**
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	**(76,474)**	(79,252)	**(712,115)**
Other	**(1,666)**	(1,327)	**(15,522)**
Total	**(78,141)**	(80,579)	**(727,637)**
Net deferred tax assets	**¥ 95,543**	¥ 99,775	**$ 889,690**

Reconciliation between the statutory tax rates and the effective income tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2005 and 2004 is as follows:

	2005	2004
Statutory tax rate	**36.09%**	36.09%
Expenses not deductible for income tax purposes	**3.28**	1.75
Tax credit for dividends received	**(5.54)**	(2.32)
Per capita inhabitant tax	**1.39**	0.79
Devaluation loss on shares of subsidiary	**(22.36)**	—
Change in valuation allowance	**15.63**	—
Tax benefits not recognized on operating losses of a subsidiary	**—**	2.36
Other—net	**(0.86)**	(0.28)
Effective income tax rate	**27.63%**	38.39%

12. LEASE TRANSACTIONS

a. Finance Leases

Information regarding finance leases other than those which deem to transfer ownership of the leased property to the lessee, of the Company and consolidated subsidiaries, is as follows:

On an "as if capitalized" basis, pro forma information of leased property of the Company and consolidated subsidiaries such as acquisition cost, accumulated depreciation, accumulated impairment loss, lease payment obligations, depreciation expense and interest expense of finance leases that do not transfer ownership of the leased property to the lessee for the years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Acquisition cost	**¥249**	¥495	**$2,327**
Accumulated depreciation	**151**	347	**1,409**
Accumulated impairment loss	**—**	—	**—**
Net leased property	**¥ 98**	¥147	**$ 917**

The imputed interest expense portion is included in the above acquisition cost.

Obligations under finance leases and total payments for finance leases as of March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Due in 1 year or less	**¥57**	¥ 88	**$531**
Due after 1 year	**41**	58	**385**
Total	**¥98**	¥147	**$917**
Total payments for finance leases	**¥95**	¥156	**$891**

The amounts of obligations under finance leases include the imputed interest expense portion.

Depreciation expense, which is not reflected in the accompanying consolidated statements of operations, computed by the straight-line method was equal to the above total payment for finance leases.

b. Operating Leases

Obligations under operating leases as of March 31, 2005 and 2004, and total payments for the years were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Due in 1 year or less	**¥152**	¥197	**$1,422**
Due after 1 year	**288**	438	**2,684**
Total	**¥441**	¥635	**$4,106**

13. COMMITMENTS AND CONTINGENT LIABILITIES

Contracts of Loan Commitment Limits

Contracts of loan commitment limits are contracts by which the Company lends to customers up to the prescribed limits in response to customers' loan applications as long as there is no violation of any condition in the contracts. The unutilized amount within the prescribed limits relating to these contracts totaled ¥8,656 million ($80,606 thousand) and ¥8,428 million at March 31, 2005 and 2004, respectively.

14. DERIVATIVES

a. Utilization

The Company utilizes various derivative financial instruments ("derivatives") in its investing activities to mitigate the risk of fluctuating foreign currency exchange rates, interest rates, stock prices and bond prices. The derivatives utilized by the Company include foreign exchange forward contracts, currency swaps, currency option contracts, interest rate swaps, stock index futures, stock index options, bond futures contracts, bond option contracts, credit derivatives and weather derivatives.

The Company enters into these contracts with major financial institutions in order to minimize credit loss in the event of nonperformance by counterparties to the contracts. Exposure to market risk is managed through position limits, approvals and monitoring procedures. Daily risk control consists of confirmation procedures and analyses conducted by the administrative and supervisory sections, respectively. The confirmation procedures require a collaboration of operational reports prepared by the executive section with transaction reports sent directly from financial institutions to the administrative section. The risk management section, which is independent from the executive section, then performs analysis of the positions and the possible risk incurred in the transactions by using the Value at Risk method. As a periodic measure for internal risk control, the risk management committee meets regularly to evaluate the transactions and to review procedures performed in that period by the aforementioned sections. The current status of derivative activities is also reported regularly by the supervisory section to the Board of Directors.

b. Fair Value Information

The Company had the following derivatives contracts outstanding at March 31, 2005 and 2004.

(1) Currency-related transactions

	Millions of Yen						Thousands of U.S. Dollars		
	2005			2004			**2005**		
	Contract amount	Fair value	Unrealized gain (loss)	Contract amount	Fair value	Unrealized loss	Contract amount	Fair value	Unrealized gain (loss)
Foreign exchange contracts—forward:									
Selling U.S.$	**¥14,562**	**¥15,008**	**¥ (445)**	¥20,049	¥20,062	¥ (12)	**$135,602**	**$139,752**	**$ (4,149)**
Selling Euro.........	**3,727**	**3,743**	**(16)**	—	—	—	**34,710**	**34,860**	**(149)**
Buying U.S.$	**62,856**	**65,275**	**2,418**	71,481	70,183	(1,297)	**585,307**	**607,832**	**22,524**
Buying Euro	**1,379**	**1,386**	**7**	—	—	—	**12,841**	**12,909**	**68**
Total			**¥1,964**			¥(1,310)			**$18,293**

Note: Fair values of foreign exchange transactions are based on the forward exchange rate as of the year-end date.

(2) Interest rate-related transactions

	Millions of Yen						Thousands of U.S. Dollars		
	2005			2004			**2005**		
	Contract amount	Fair value	Unrealized gain	Contract amount	Fair value	Unrealized gain	Contract amount	Fair value	Unrealized gain
Interest rate swaps—fixed rate receipts, floating rate payment	**¥9,500**	**¥268**	**¥268**	¥26,400	¥386	¥386	**$88,462**	**$2,498**	**$2,498**
Total			**¥268**			¥386			**$2,498**

Notes: 1. Fair values are based on the indicated figure from financial institutions.
2. Derivatives which qualify for hedge-accounting are excluded from the above table.

(3) Bond-related transactions

	Millions of Yen						Thousands of U.S. Dollars		
	2005			2004			**2005**		
	Contract amount	Fair value	Unrealized gain	Contract amount	Fair value	Unrealized gain	Contract amount	Fair value	Unrealized gain
Over-the-counter option:									
Selling, call	**¥—**	**¥—**	**¥—**	¥6,011			**$—**	**$—**	**$—**
Options premiums...				14	¥—	¥14			
Buying, put	**—**	**—**	**—**	6,011			**—**	**—**	**—**
Options premiums ..				20	62	42			
Total			**¥—**			¥56			**$—**

Note: Fair values are based on the indicated figure from financial institutions.

(4) Other transactions

	Millions of Yen						Thousands of U.S. Dollars		
	2005			2004			**2005**		
	Contract amount	Fair value	Unrealized loss	Contract amount	Fair value	Unrealized gain	Contract amount	Fair value	Unrealized loss
Credit derivatives—									
Selling.................	**¥44,000**	**¥(26)**	**¥(26)**	¥—	¥—	¥—	**$409,721**	**$(249)**	**$(249)**
Total			**¥(26)**			¥—			**$(249)**

Note: Fair values are based on the indicated figure from financial institutions.

15. OTHER INCOME

Other income for the year ended March 31, 2005 included ¥2,062 million ($19,209 thousand) of gains on sales of properties, ¥10,366 million ($96,527 thousand) of a settlement of claim against Fortress Re, a reinsurance agent, and ¥5,068 million ($47,194 thousand) of a reversal of allowance for doubtful accounts.

Other income for the year ended March 31, 2004 included ¥3,671 million of gains on sales of properties, ¥13,498 million of a partial settlement of claim against Fortress Re, and ¥1,697 million of a reversal of allowance for doubtful accounts.

16. OTHER EXPENSES

Other expenses for the year ended March 31, 2005 included ¥2,612 million ($24,327 thousand) of losses on sales of properties and ¥8,531 million ($79,445 thousand) of impairment losses.

Other expenses for the year ended March 31, 2004 included ¥8,919 million of losses on sales of properties, ¥2,590 million of early retirement benefits and ¥1,456 million of losses on devaluation of properties.

17. NET INCOME PER SHARE

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the year ended March 31, 2005 and 2004 is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year ended March 31, 2005	Net income	Weighted-average shares	EPS	
Basic EPS—Net income available to common shareholders...	**¥19,701**	**730,688**	**¥26.96**	**$0.25**
Effect of dilutive securities—Warrants................................	**—**	**1,515**		
Diluted EPS—Net income for computation	**¥19,701**	**732,203**	**¥26.90**	**$0.25**

	Millions of Yen	Thousands of Shares	Yen
Year ended March 31, 2004	Net income	Weighted-average shares	EPS
Basic EPS—Net income available to common shareholders............	¥29,311	738,760	¥39.67
Effect of dilutive securities—Warrants..	—	608	
Diluted EPS—Net income for computation	¥29,311	739,368	¥39.64

18. SUBSEQUENT EVENT

At the general shareholders' meeting held on June 29, 2005, the following appropriation of retained earnings was resolved:

Appropriations of Retained Earnings

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥8 ($0.07) per share	¥5,844	$54,423

19. SEGMENT INFORMATION

Segment information is not disclosed as the Company and its consolidated subsidiaries do not operate significant businesses other than the insurance business, and foreign operations and sales to foreign customers were immaterial for the years ended March 31, 2005 and 2004.

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Aioi Insurance Company, Limited:

We have audited the accompanying consolidated balance sheets of Aioi Insurance Company, Limited and consolidated subsidiaries (together, the "Group") as of March 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Aioi Insurance Company, Limited and consolidated subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As discussed in Note 2.g to the consolidated financial statements, the Group adopted the new accounting standard for impairment of fixed assets as of April 1, 2004.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

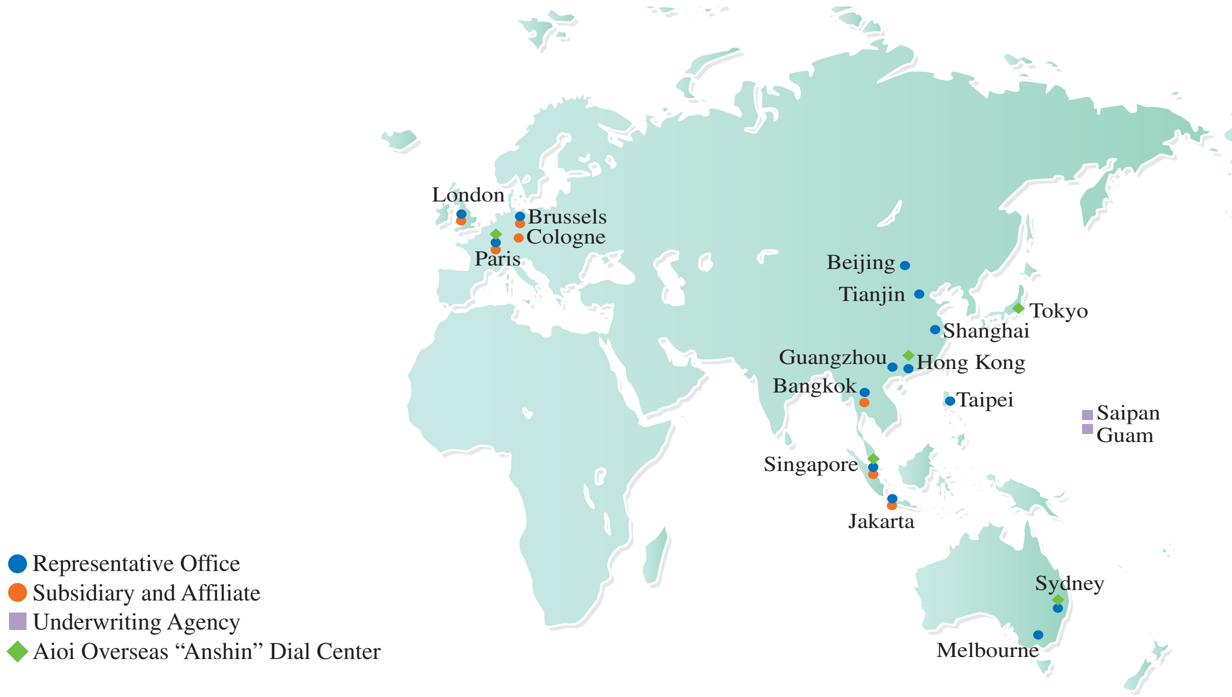
Deloitte Touche Tohmatsu

June 29, 2005

Member of
Deloitte Touche Tohmatsu

OVERSEAS NETWORK

As of XXXX, 2005



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Takagi & Associates, Inc. (Saipan Branch)
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Aioi Insurance Management Ltd.
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Toyota Insurance Management Ltd.
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NETHERLANDS
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c/o WA Hienfeld BV, Drentestraat 5, 1083 HK, Amsterdam, Netherlands

NORWAY
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c/o Tennant Forsikring AS, P.O. Box 418, Sentrum, 0103 Oslo, Norway

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Paladin Reinsurance Corporation
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SUBSIDIARIES AND AFFILIATES

DOMESTIC COMPANIES

As of July 2005

Company	Capital (¥ million)	Ownership of Parent Company (%)	Ownership of Subsidiaries (%)	Establishment	Business Line
Aioi Life Insurance Co., Ltd.*	25,000	100.0	—	1996	Life insurance
Aioi Claim Research Co., Ltd.	25	100.0	—	1975	Claim research
Aioi Business Services Co., Ltd.	47	100.0	—	1982	Administration of non-life insurance and data entry
Aioi Insurance Total Services Co., Ltd.	23	99.6	0.4	1983	Administration of real estate and facilities, warehousing, forwarding, management of printed matters, and temporary staffing
Aioi Insurance Systems Co., Ltd.	60	100.0	—	1995	Development and maintenance of software
Fureai Do-Life Services Co., Ltd.	221.5	100.0	—	2000	Nursing care related services
Aioi Support Box Co., Ltd.	30	70.0	30.0	1999	Management consultation and training support services for insurance agencies
Toyota Asset Management Co., Ltd.	600	50.0	—	1990	Investment management
Aioi Insurance Finance Co., Ltd.	86.5	41.4	—	1985	Finance and loans
Aioi Risk Consulting Co., Ltd.	17.5	10.0	38.6	1987	Risk consultation and research services
Aioi Insurance Auto Technical Research Center Co., Ltd.	10	10.0	25.0	1994	Automobile repair technical research, training, and advisory services

OVERSEAS COMPANIES

Aioi Motor and General Insurance Company of Europe Ltd. (U.K.)*	£40 million	100	—	2004	Non-life insurance
Aioi Insurance Company of Europe Ltd. (U.K.)*	£156 million	100	—	1976	Non-life insurance
Aioi Insurance Management Ltd. (U.K.)*	£10,000	—	100	1988	Non-life insurance general agency
Toyota Insurance Management Ltd. (U.K.)*	£500,000	—	75	1999	Insurance agency
Watershed Claims Services Ltd. (U.K.)	£5,000	—	30	1997	Claim research
DTRIC Insurance Co., Ltd. (U.S.A.)	US$2.5 million	74.77	—	1978	Non-life insurance
Aioi Insurance Company of America (U.S.A.)	US$5 million	100	—	1994	Non-life insurance
PT. Asuransi Aioi Indonesia (Indonesia)	Rupy15 billion	80	—	1996	Non-life insurance
Aioi Bangkok Insurance Co., Ltd. (Thailand)**	THB45 million	19	—	1951	Non-life insurance
Aioi Management Services Singapore Pte, Ltd. (Singapore)	S$200,000	100	—	1998	Risk management
Bangkok Chayoratn Co., Ltd. (Thailand)	THB2 million	39	—	1973	Non-life insurance broker
Paladin Reinsurance Corporation (U.S.A.)	US$500,000	20	—	1980	Non-life reinsurance

*Consolidated subsidiaries

**Aioi Bangkok Insurance Co., Ltd. became an affiliate of Aioi Insurance as of January 1, 2005.

MILESTONES

1918 Tokyo Movable Property Fire Insurance Company established

1920 Toshin Fire Insurance Co., Ltd. (sister company), established

1944 Merger of Tokyo Movable Property Fire Insurance and Toshin Fire Insurance; name changed to Dai-Tokyo Fire Insurance Co., Ltd.

1949 Name changed to The Dai-Tokyo Fire & Marine Insurance Co., Ltd.

1959 Policy of active involvement in automobile insurance adopted

1968 50th anniversary, approval gained for long-term comprehensive insurance (Echo Insurance)

1983 24-hour claim reception service introduced

1989 The Dai-Tokyo Fire & Marine Insurance Shinjuku Building completed

1996 Head office relocated to Dai-Tokyo Fire & Marine Insurance Shinjuku Building; start of life insurance operations by newly established subsidiary (The Dai-Tokyo Shiawase Life Insurance Co., Ltd.)

1897 Otaru Cargo Insurance Co., Ltd., established

1913 Chiyoda Fire Insurance Co., Ltd., established

1919 Approval gained for involvement in general fire insurance, marine insurance, transportation insurance, and related reinsurance activities, enabling Otaru Cargo Insurance to become a general insurance company

1922 Name changed to Fukoku Fire & Marine Insurance Co., Ltd.

1942 Chitose Fire & Marine Reinsurance Co., Ltd., absorbed by Chiyoda Fire Insurance; Chiyoda Fire Insurance renamed Chiyoda Fire & Marine Insurance Co., Ltd.

1944 Merger of Fukoku Fire & Marine Insurance with Okura Fire & Marine Insurance Co., Ltd.

1945 Equal merger of Okura Fire & Marine Insurance and Chiyoda Fire & Marine Insurance to form Okura Chiyoda Fire & Marine Insurance Co., Ltd.

1946 Name changed to The Chiyoda Fire & Marine Insurance Co., Ltd.

1959 Tie-up with Chukyo business circles, including Toyota Motor Corporation and Tokai Bank, Limited

1996 Start of life insurance operations by newly established subsidiary (The Chiyoda Kasai Ebisu Life Insurance Co., Ltd.)

The Path to Merger

March 1, 2000 Merger of The Chiyoda Fire & Marine Insurance Co., Ltd., and The Dai-Tokyo Fire & Marine Insurance Co., Ltd., announced at the Imperial Hotel, Hibiya, Tokyo

September 8, 2000 Merger agreement signed; details of new company announced
Name: Aioi Insurance Company, Limited
Head Office: Ebisu, Tokyo

April 1, 2001 Aioi Insurance Company, Limited, established

ORGANIZATION

As of April 1, 2005

- Shareholders' Meeting
  - Board of Corporate Auditors
    - Auditors' Office
    - Corporate Auditors
  - Board of Directors' Meeting
    - Actuary
    - President
      - Executive Meeting
        - Business Promotion Unit
          - Business Promotion Dept.
          - Market Development Dept.
          - Financial Services Dept.
          - Agents Business Promotion Dept.
          - Automobile Agents Business Promotion Dept.
          - Financial Sales Promotion Dept.
          - Financial Institutions Dept.
        - Product Develpment Unit
          - Product Development Dept.
          - Underwriting Dept.
          - Reinsurance Dept.
        - Toyota Business Unit
          - Toyota Dept.
          - Toyota Dealership Agents Promotion Dept.
        - Overseas Business Unit
          - International Dept.
        - Financial Unit
          - Financial Planning Dept.
          - Assets Management Dept.
          - Investment and Loan Dept.
          - Real Estate Dept.
          - Financial Management Dept.
        - Claims Services Dept.
        - Operating Control Dept.
        - System Control Dept.
        - Personnel Planning Dept.
        - Accounting Dept.
        - General Affairs Dept.
        - Compliance Control Dept.
        - Customer Services Dept.
        - Agents System Operating Dept.
        - Internal Auditing Dept.
        - Corporate Planning Dept.
        - Management Resources Innovation Dept.
        - Risk Management Dept.
        - Public Relations Dept.

BOARD OF DIRECTORS AND AUDITORS

As of June 29, 2005

CHAIRMANS, DIRECTORS
Ryuji Araki
Akira Seshimo*

PRESIDENT, DIRECTOR
Tadashi Kodama*

VICE PRESIDENTS, DIRECTORS
Yasuhiko Kubota*
Hiromasa Kaneko*
Masao Adachi*

SENIOR MANAGING DIRECTORS
Hisahito Suzuki*
Shigeru Sudo
Masahiko Oji

* Representative Director

MANAGING DIRECTOR
Kaoru Matsuda

DIRECTORS
Fujio Cho
Masayoshi Nakamura
Takayoshi Umemura

CORPORATE AUDITORS
Nobuo Tamamoto
Masashi Horie

AUDITORS
Shozo Hashimoto
Hideo Ogasawara
Yoshio Ishizaka

SENIOR EXECUTIVE OFFICERS
Toshihiko Nakagawa
Masami Sasaki
Yoshiaki Kondo
Shusuke Kobayashi
Tsukasa Yorifuji

EXECUTIVE OFFICERS
Hiroshi Aizawa
Hiroaki Nagasue
Takao Shida
Yasukazu Nagasaki
Naotatsu Momoi
Tsutomu Matsumoto
Shigeki Kitazume
Kenji Toda
Kenichi Ito
Katsumi Inuta
Hirokazu Mizogami
Takashi Suenaga
Itaru Akihisa
Kaoru Choda
Hideo Murakami
Yoshitaka Sawamura
Takashi Matsumoto
Atsushi Hasegawa
Hiroshi Kunie

CORPORATE DATA (Non-Consolidated)

As of March 31, 2005

Company Name:	Aioi Insurance Company, Limited
Date of Establishment:	June 30, 1918
Business Line:	Non-life insurance business
Head Office:	28-1, Ebisu 1-chome, Shibuya-ku, Tokyo, Japan 150-8488
Capital:	¥100.0 billion
Total Assets:	¥2,569.1 billion
Stock Listings:	Tokyo, Nagoya, Osaka, Sapporo
Number of Shares Issued:	756,201,411
Number of Shareholders:	26,894
Ratings: (As of August 1, 2005)	A^- (Standard and Poor's) A3 (Moody's) A (A.M.BEST) A (R&I Rating & Investment Information, Inc.)
Net Premiums Written:	¥827.8 billion
Sales Branch Offices:	108
Sales Offices:	524
Claim Service Offices:	215
Agents:	44,332
Employees:	8,578

Aioi Insurance Company, Limited
1-28-1, Ebisu, Shibuya-ku, Tokyo 150-8488, Japan

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