

ECONOMICAL ENVIRONMENT

In the consolidated accounting period ended March 31, 2001, the Japanese economy followed a gradual recovery trend, supported by the benefits of corporate restructuring and the buoyant performance of the U.S. economy. However, the economy ended the year on a decelerating trend. This reflects a sharper than expected slowdown in the U.S. economy, falling Japanese share prices, and slumps in corporate equipment investment and consumer spending.

The non-life insurance business had to cope not only with economic stagnation, but also with escalating competition as a result of full-scale liberalization, including the expansion of coverage, falling premiums, influx of foreign non-life insurers and new entrants from other industries. Loss ratios also rose because of an upward trend in automobile thefts and the effects of natural disasters, including hail damage in Chiba Prefecture and localized downpour which caused flooding in the Tokai region. Non-life insurance companies sought to ensure their survival in this difficult business environment through major restructuring, including mergers across industry and group boundaries.

BUSINESS RESULTS OF DAI-TOKYO FIRE & MARINE INSURANCE

Net Premiums Written in the consolidated accounting period ended March 31, 2001, declined by ¥4,517 million, or 1.0%, compared with the previous year's result to ¥444,946 million. Net income amounted to ¥7,220 million, an increase of ¥526 million, or 7.9%, compared with the result for the previous accounting period.

BUSINESS RESULTS OF CHIYODA FIRE & MARINE INSURANCE

Net Premiums Written in the consolidated accounting year ended March 31, 2001, declined by ¥16,932 million, or 4.2%, compared with the previous year's result to ¥387,408 million. After adjustment for extraordinary income and loss, income taxes, etc., there was a net loss of ¥6,364 million, a decline of ¥9,932 million from the previous year's net income figure.

Consolidated Five Year-Summary

Aioi Insurance Company, Limited (Formerly The Dai-Tokyo Fire and Marine Insurance Company, Limited) and Consolidated Subsidiaries Years Ended March 31

	Millions of Yen					Thousands of U.S.Dollars
	2001	2000	1999	1998	1997	2001
Net Premiums Written	¥ 444,946	¥ 449,464	¥ 435,152	¥ 450,238	¥ 447,664	\$ 3,591,176
Interest and Dividend Income	28,468	41,072	44,216	45,936	43,978	229,773
Net Income	7,220	6,693	5,622	6,205	6,139	58,277
Total Assets	¥1,677,181	¥1,547,262	¥1,587,610	¥1,569,589	¥1,546,299	\$13,536,570

	Yen					U.S.Dollars
Net Income per Share	¥17.73	¥16.44	¥13.80	¥15.24	¥15.07	\$0.14

Note: Net premiums written include life insurance premiums.

Non-Life Insurance

Net Premiums Written and Net Losses Paid in 2001 (Year Ended March 31) millions of yen, %

Class of Business	Net Premiums Written	Component Ratio	Net Losses Paid	Component Ratio
Fire and Allied Lines	¥ 46,190	10.98	¥ 20,661	8.44
Marine	810	0.19	453	0.19
Personal Accident	31,786	7.56	13,665	5.58
Voluntary Automobile	268,047	63.73	164,634	67.29
Compulsory Automobile Liability	40,088	9.53	25,293	10.34
Other	33,664	8.01	19,968	8.16
Total	¥420,588	100.00	¥244,675	100.00

Net Premiums Written and Net Losses Paid in 2000 (Year Ended March 31) millions of yen, %

Class of Business	Net Premiums Written	Component Ratio	Net Losses Paid	Component Ratio
Fire and Allied Lines	¥ 52,975	12.42	¥ 21,388	9.02
Marine	1,000	0.23	1,186	0.50
Personal Accident	33,576	7.87	13,421	5.66
Voluntary Automobile	269,169	63.11	158,511	66.86
Compulsory Automobile Liability	40,217	9.43	24,373	10.28
Other	29,582	6.94	18,201	7.68
Total	¥426,521	100.00	¥237,083	100.00

Life Insurance

Life Insurance in Force (Years Ended March 31) millions of yen

	2001	2000
Individual Life Insurance	¥1,563,658	¥1,299,861
Individual Annuity Insurance	69,577	62,703
Group Life Insurance	107,653	86,900

New Business (Years Ended March 31) millions of yen

	2001	2000
Individual Life Insurance	¥468,503	¥420,648
Individual Annuity Insurance	13,932	14,621
Group Life Insurance	25,734	20,051

Consolidated Five Year-Summary

Aioi Insurance Company, Limited (Formerly The Chiyoda Fire and Marine Insurance Company, Limited) and Consolidated Subsidiaries

Years Ended March 31

Year ended March 31,	Millions of Yen					Thousands of
	2001	2000	1999	1998	1997	U.S. Dollars
Net Premiums Written	¥ 387,408	¥ 404,340	¥ 406,693	¥ 418,414	¥ 414,649	\$ 3,126,783
Interest and Dividend Income	28,245	28,002	31,484	36,024	37,428	227,970
Net Income (Loss)	(6,364)	3,568	3,436	4,533	4,662	(51,367)
Total Assets	¥1,394,148	¥1,361,295	¥1,351,833	¥1,330,279	¥1,325,379	\$11,252,211

	Yen					U.S.Dollars
Net Income per Share	¥(16.46)	¥9.22	¥9.10	¥12.32	¥13.30	\$ (0.133)

Note: Net premiums written include life insurance premiums.

Non-Life Insurance

Net Premiums Written and Net Losses Paid in 2001 (Year Ended March 31)					Millions of yen, %
Class of Business	Net Premiums	Component	Net Losses	Component	
	Written	Ratio	Paid	Ratio	
Fire and Allied Lines	¥ 50,819	13.69	¥ 27,263	11.79	
Marine	4,765	1.28	3,090	1.34	
Personal Accident	25,433	6.85	11,544	4.99	
Voluntary Automobile	225,803	60.82	146,948	63.57	
Compulsory Automobile Liability	41,067	11.06	25,352	10.97	
Others	23,375	6.30	16,974	7.34	
Total	¥371,265	100.00	¥231,173	100.00	

Net Premiums Written and Net Losses Paid in 2000 (Year Ended March 31)					Millions of yen, %
Class of Business	Net Premiums	Component	Net Losses	Component	
	Written	Ratio	Paid	Ratio	
Fire and Allied Lines	¥ 64,854	16.58	¥ 27,227	12.44	
Marine	4,816	1.23	3,211	1.47	
Personal Accident	29,336	7.50	11,889	5.43	
Voluntary Automobile	224,872	57.50	133,103	60.84	
Compulsory Automobile Liability	40,580	10.38	24,684	11.28	
Others	26,653	6.81	18,677	8.54	
Total	¥391,113	100.00	¥218,793	100.00	

Life Insurance

Life Insurance in Force (Years Ended March 31)			Millions of yen
	2001	2000	
Individual Life Insurance	¥884,497	¥761,627	
Individual Annuity Insurance	14,331	13,706	
Group Life Insurance	446,246	261,288	
Group Annuity Insurance	20	—	

New Business (Years Ended March 31)			Millions of yen
	2001	2000	
Individual Life Insurance	¥229,282	¥245,483	
Individual Annuity Insurance	1,893	2,765	
Group Life Insurance	68,375	128,695	
Group Annuity Insurance	3	—	