



1st half FY2006 Company Presentation

December 1 2006

Aioi Insurance Co., Ltd.

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Reference Materials (1) Supplement to 'Motor insurance strategy' (2) Supplement to 'Business enhancement prompted by claims payment issues' (chart of structural improvement initiatives)

I. FY2006 Interim Earnings Summary

I. FY2006 Interim Earnings Summary

1. Key profit & loss data

Note: Excludes the impact of abolition of the state CALI reinsurance scheme

	1H FY2004	1H FY2005	1st half of FY2006	YoY change (% change)
Direct net premiums	430.7	434.6	444.8	+10.2 (+2.3%)
Net premiums	382.2	385.5	394.1	+ 8.6 (+2.2%)
Underwriting profit	-9.2	-4.2	1.7	+ 5.9 (-)
Net loss ratio <small>(Net loss ratio includes loss adjusting expenses)</small>	60.6%	56.9%	56.9%	0.0P
Net expense ratio	35.1%	35.5%	35.1%	-0.4P
Asset management profit	19.2	16.1	14.1	-1.9 (-12.1%)
Ordinary profit	7.2	8.9	12.9	+ 3.9 (+44.5%)
1st half of net profit	5.1	9.2	9.0	-0.1 (-2.0%)

Key earnings points

Premiums
Revenue growth maintained - both direct and net

Underwriting profit
higher commissions alongside increase in paid revenue, nevertheless profits up ¥5.9bn due to smaller additional transfer to CAT reserve

Asset management profit/loss
¥1.9bn fall in profit on lower gains from the sale of marketable securities, in spite of higher interest income

Ordinary profit
Up 44.5% to ¥3.9bn - a solid increase

1st half of net profit
¥1.0bn up on original projection of ¥8.0bn

Unit: billion yen

Amounts of less than a unit have been discarded; ratios are rounded up

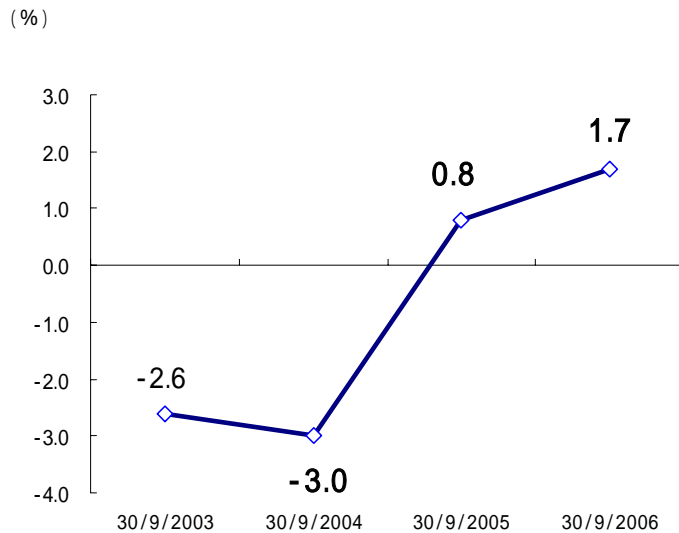
2. Premiums by major class

Note: Net premium basis

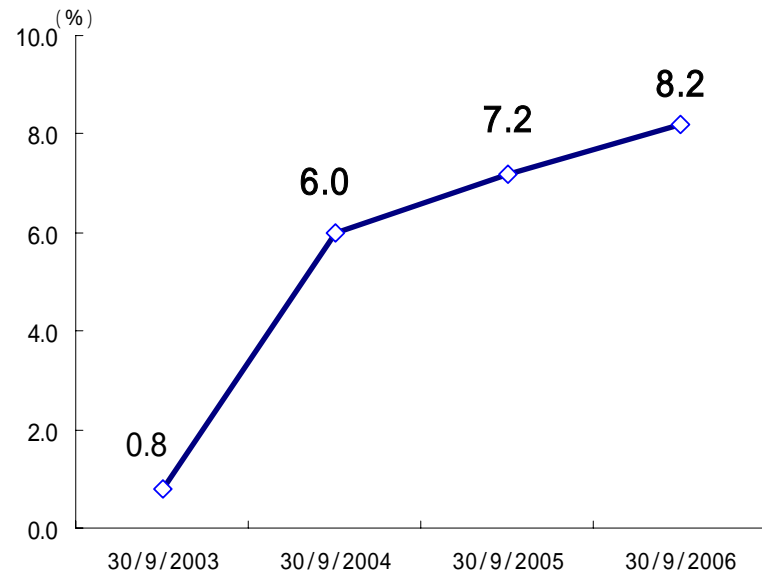
Motor insurance revenue growth is expanding, and the growth ratio exceeds the market level

High rate of growth maintained in fire insurance, due to higher revenues from long-term fire

Motor insurance premium growth trend



Fire insurance premium growth trend

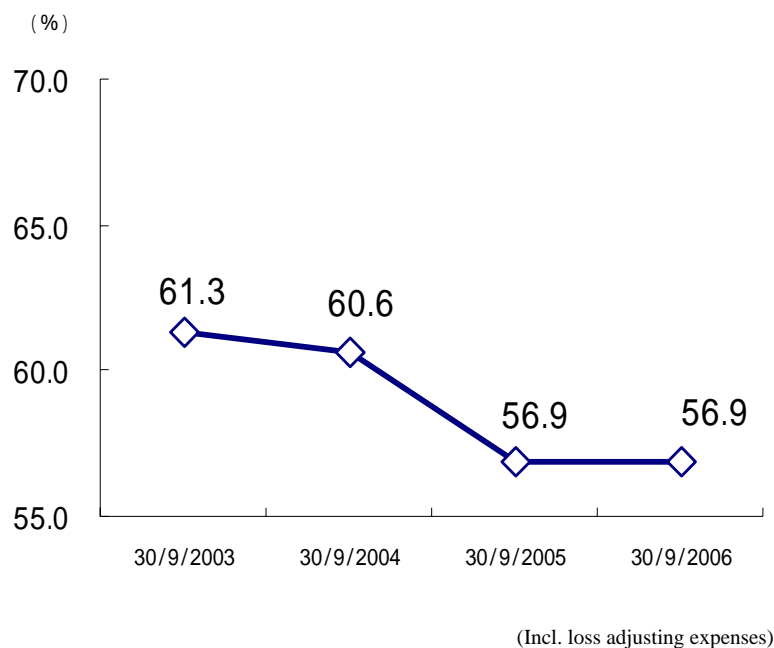


3. Loss ratio and expense ratio

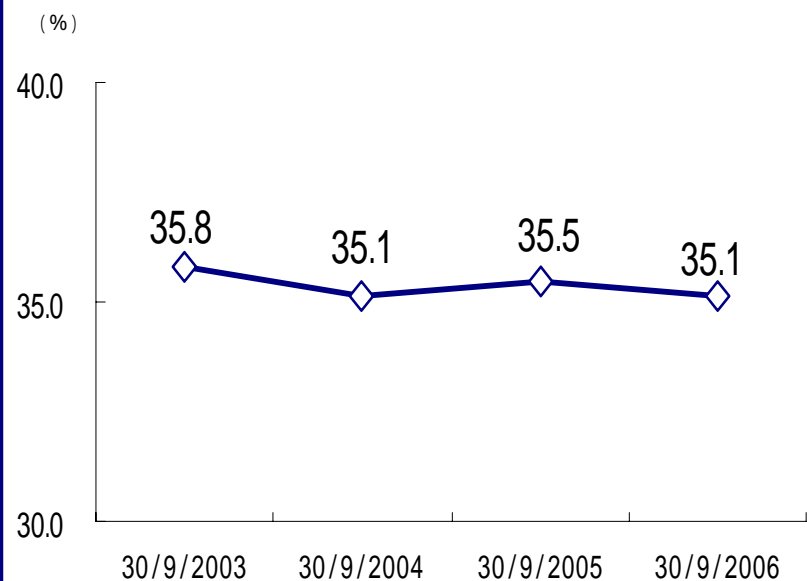
Note: Excludes the impact of abolition of the state CALI reinsurance scheme

Loss and expense ratios continue falling, due to our ongoing, concerted improvement initiatives

Improvement in the net loss ratio



Improvement in the net expense ratio



II. Business Strategy

1. Motor insurance strategy

Note: Operating result basis

Broadening the customer base through a revenue growth strategy focused on increasing the number of vehicles underwritten

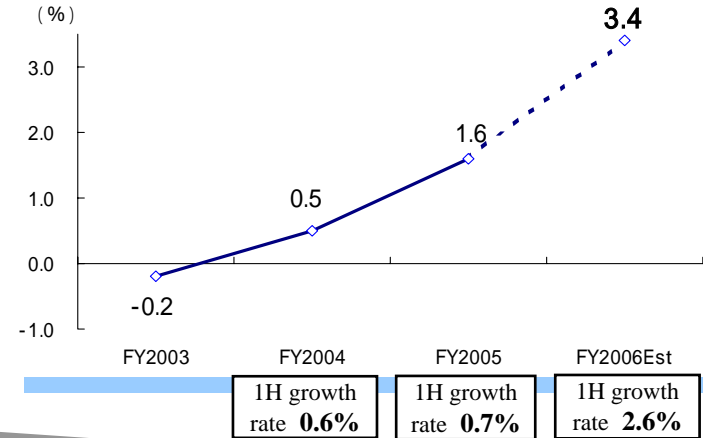
No. of vehicles underwritten

Employ a unique strategy to boost vehicle numbers in excess of the market level

Policy unit prices

Utilize the product strategy to maintain policy unit prices

Motor insurance: growth in vehicles underwritten



Develop a unique market strategy

Toyota market

Provide products matched to user needs in cooperation with Toyota
Support Toyota Group dealers to enhance insurance sales capability

Regional market

Enhance customer service capability through the Pro channel
Promote sales channel strategy - Aioi's strength

Niche markets

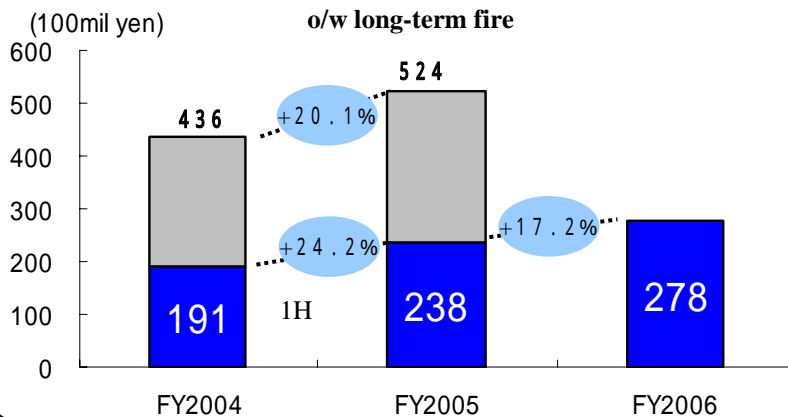
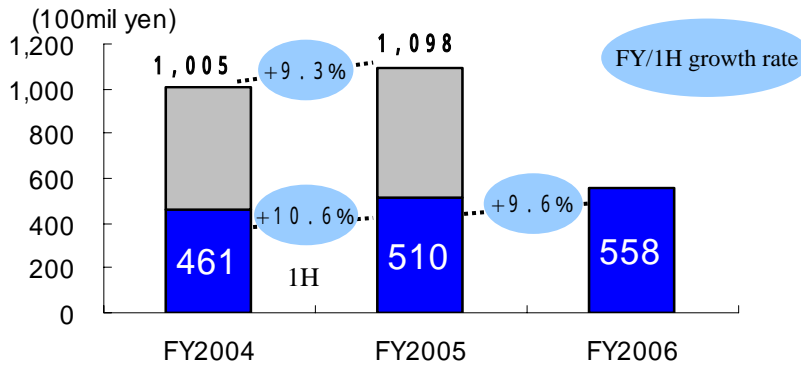
Develop products/channel strategy matched to niche market needs

2. Fire insurance strategy

Note: Operating result basis

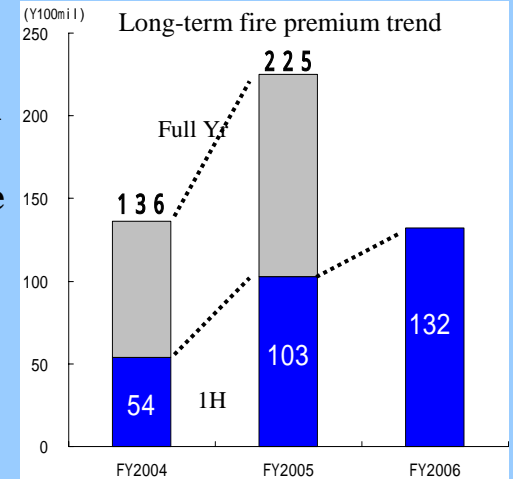
Maintain steep revenue growth by stepping up initiatives in the long-term fire market

Fire insurance premium trend



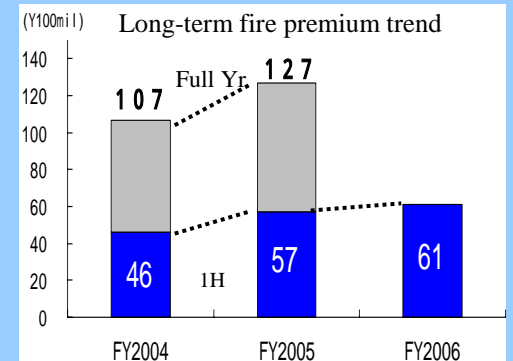
Housing Sector

Steep revenue growth in the housing sector, focused on 'My Home Comprehensive' Continue strengthening channel expansion initiatives



Pro Channel

Pro Channel & Housing sector channels: strengthen cooperative initiatives



3. Toyota market strategy (1) Domestic

Note: Operating result basis

Provide products matched to user needs in cooperation with Toyota

Products allied to Toyota's finance operations, advanced technology

Convini Plan

Nagaraku Plan

"Do-n! to omakase"

Unique products integrated with the Lexus brand

"Lexus Owners' Motor Insurance Plan"

Use launch of LS to further boost sales of specialised Lexus products

Package products designed for users of different models

"Corolla Package" for the new Corolla

Package including generous cover in the event of injury
Package including home garage coverage for individuals

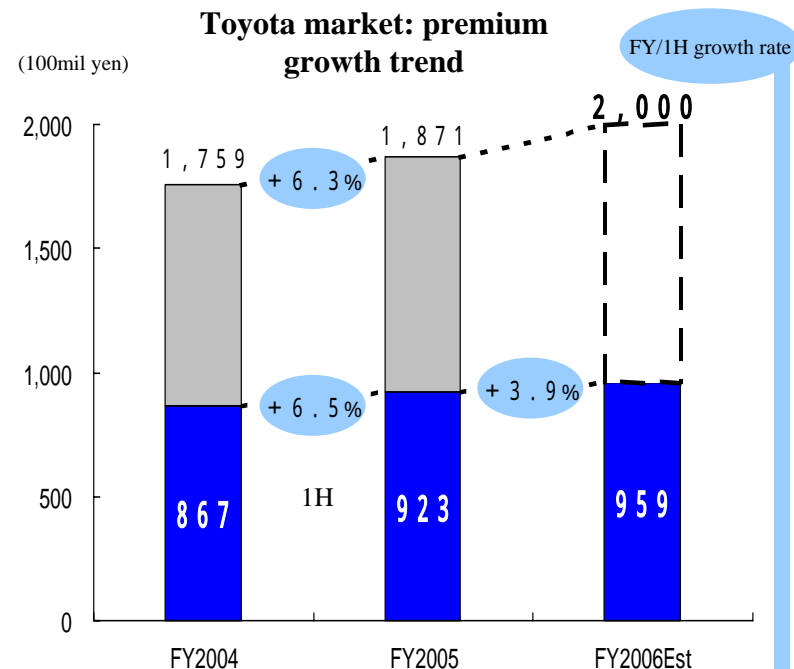
NEW

Support Toyota Group dealers to enhance insurance sales capability

Consistent increase in the number of partner dealers

	FY2001	FY2002	FY2003	FY2004	FY2005	(Dealers)	
New partner dealers (o/w Lexus)	98	80	96	73	206 (152)	30 Sep 2006	FY2006 Target
						27(8)	80 (10)

In the Toyota market, aiming to be the No 1 general insurer, maintaining top-class level of income growth



Motor premiums at Lexus dealers

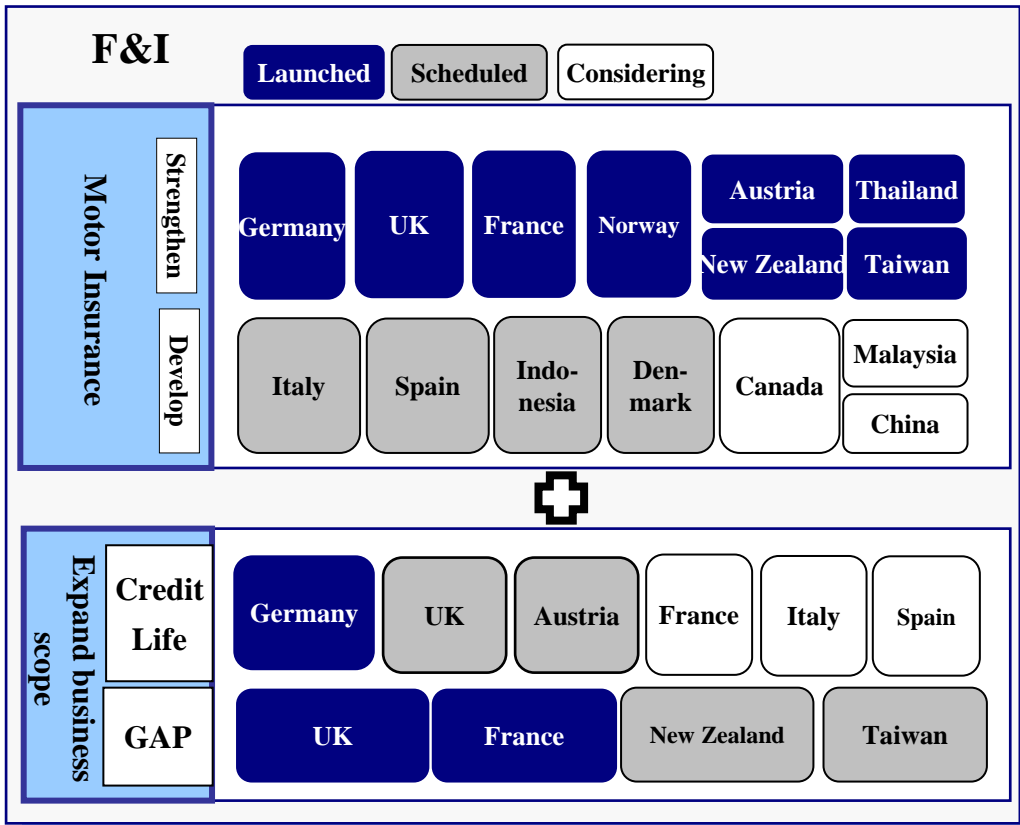
¥0.7BN

¥2.0BN

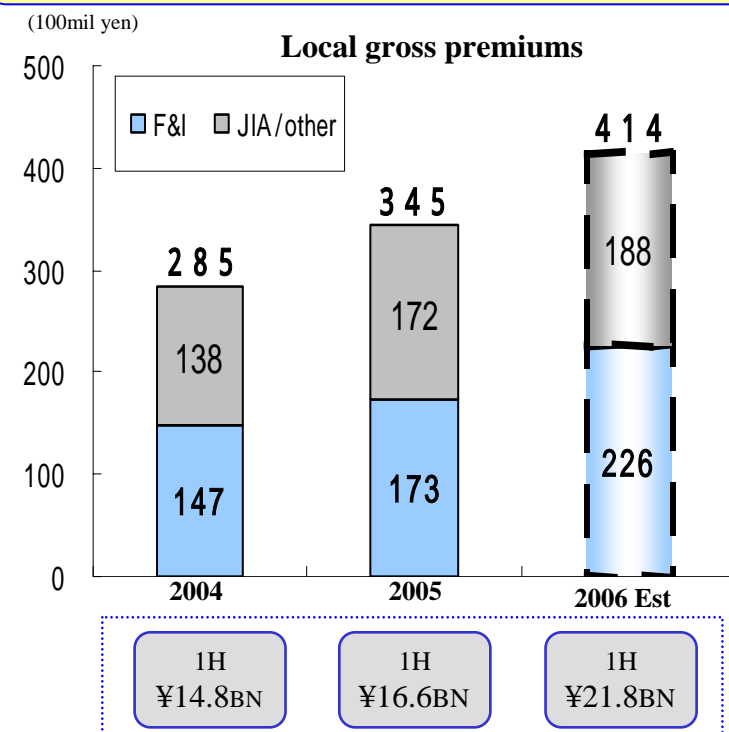
Aug 2005: Launch of the Lexus Owners' Motor Insurance plan significantly boosted revenues in a short time

3. Toyota market strategy (2) Overseas

Aioi's unique F&I business model, allied to Toyota's global strategy, is firmly entrenched in Europe
 Moving forward, build an earnings base by accelerating initiatives into new countries and broadening the scope of the business



2010-2015: Aiming for ¥100BN
 (Total local gross premiums, incl. F&I)



F&I business: The provision of financial and insurance services to purchasers of Toyota vehicles, in cooperation with Toyota Financial Services (TFS)

Credit life business: Life insurance aimed at TFS's finance clients

GAP business: A product that covers the difference between the outstanding loan value and the vehicle's market value in the event of a total loss to the vehicle during the loan/lease period

4. Asset management strategy

Medium-term policy

I Consolidate stable earnings base, focused on core assets (domestic and overseas bonds/stocks)

Sell strategic shares with high price volatility risk
Reduce low-margin short-term funds
Restructure assets when interest rates rise

Allocate to domestic bonds, promote liability matching
Allocate to overseas shares with high growth potential
Raise yields on domestic/overseas bonds

II Expand sources of earnings through diversifying product investment initiatives, while tightening risk controls

Expand credit investment utilising CDO/CDS transactions
Expand investment in hedge funds/Japanese and overseas private equity to contribute to medium-term earnings

Investment policy this term

Strengthen earnings base

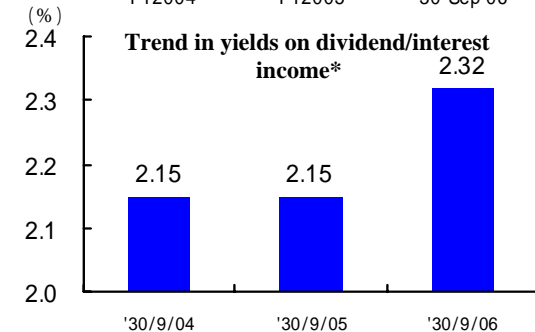
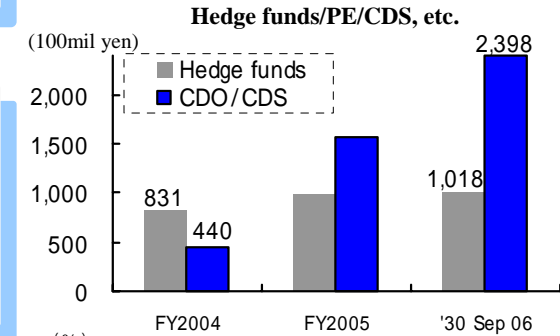
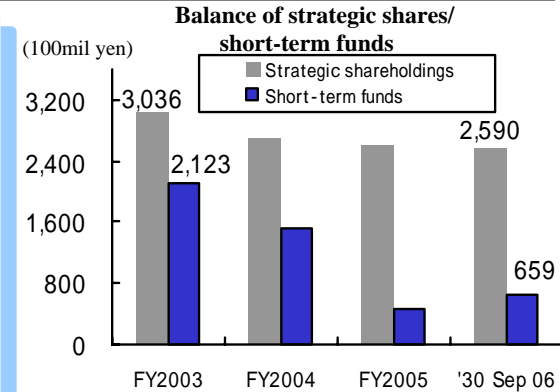
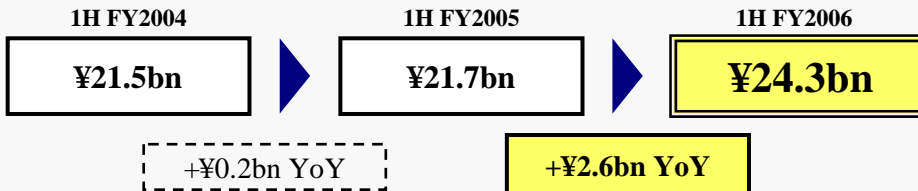
Increase foreign shareholdings
Expand private financing

Increase earnings sources

Step up private equity investment, both in domestic and overseas
Start investing in Asian stocks and commodities

Achieving steady growth in asset management profit

Dividend/
interest income



*1H interest/dividend income x 2 / 1H average balance of assets under management

5. Aioi Life

Aiming for continuous growth by increasing the new policy in total, at the same time consolidating the business foundation

Strengthening the business foundation	<p>Significant improvement in cancellation/lapse rate -4.2P</p> <p>Monthly Monitoring by specialist business enhancement/guidance dpt Marked improvement through 'current status analysis', 'info/promotion & guidance', 'enhancement measures'</p>	<p>Cancellation/lapse rate trend (internal control basis)</p> <p>30 Sep 2005 31 Mar 2006 30 Sep 2006</p> <p style="text-align: center;"> 13.2% ⇒ 13.5% ⇒ ↓ 9.3% </p>
	<p>Enhance business quality from customer's perspective</p> <p>Strengthen customer service policy: Set up a Customer Service Committee Strengthen marketing controls: Systemize the Policy Summary and enhance training Strengthen claims payment controls: Set up a Claims Payment Control Committee</p> <p>Reform of administration/business processes</p> <p>Reform business processes for new policies / introduce an image-based workflow system · Promote direct accounting by introducing the agency online system</p>	
Expanding the new policy in total	<p>Launch unique products to meet customer needs</p> <p> New Super Whole Life Premium NEW New Income Protection Insurance NEW 'Just One' Aioi Lump Sum Whole Life Insurance NEW "Dream One" </p>	
	<p>Fortify Sales Base</p> <p>Bolster agency sales capability: Promote cooperation with LIMs (Life Insurance Managers), introduce a LT (Life Insurance Trainee) system</p> <p>Launch initiatives using new sales schemes</p> <p>Promote IT/Internet usage: Use an efficient hybrid sales technique, directing customers to the website and closing the sale face-to-face</p>	

III. Business enhancement in conjunction with claims payment issues

1. Payment of incidental claims

Key points of inspection: providing advice on making claims from the customer's standpoint and robust payment assessment criteria

Inspection on incidental claims, including extraordinary expenses

Wide-ranging

- Identify riders and expense claims within the same policy, for which claims could be payable
- Re-verify that there were no omissions in data sampling, and systematically extract data

Penetrating

- Clarify the assessment criteria for claims payments and re-verify the payment decision in all cases

Thorough

- Examine the customer's intentions for each and every claim
- Send a confirmation letter to customers who have withdrawn claims

Key preventative measures

Ensure that customers are kept informed

- Keep the customer informed in writing, from claims reported to claim payments, and establish a policy and proprietary system

Build an easy-to-understand product structure

- Build an easy-to-understand product structure by strengthening cooperation between the claims payment and product development departments

Bolster the organisation/structure

- Enhance 'self-cleansing' and external third party monitoring/checking functions, strengthen improvement initiatives incorporating customer feedback

Strengthening the claims payment infrastructure

- Seek the views of outside experts regarding claims payments and build a basis for improvement

Main types of eligible claim

- <Approved repair shop rider>
13,100 policies
- <Extraordinary expense rider for third party property damage>
11,600 policies
- <Extraordinary expense rider for bodily injury>
16,900 policies

Oct 2006
Ceased sales

Apr 2004
Wording revised

2. Establishment of a unique customer claims advisory system

Carry out a sweeping review of the system and build a proprietary claims advisory system for customers, from the customer's standpoint

Keep customers informed in writing, from claims reported to claims payments

When claims reported

- Advise customers in writing of riders/extraordinary expenses for which claims could be payable, for each policy, according to the nature of the incident
- Send customers a notification of claims reported and claims form

When claim payments made

- Inform the customer in writing of payment amounts in respect of riders/extraordinary expenses advised when the claim was reported
- If the claim is not eligible for payment, advise the reason in writing

Establish a failsafe policy so that final confirmation of the customer's claim is implemented

When no claim is made after claims reported

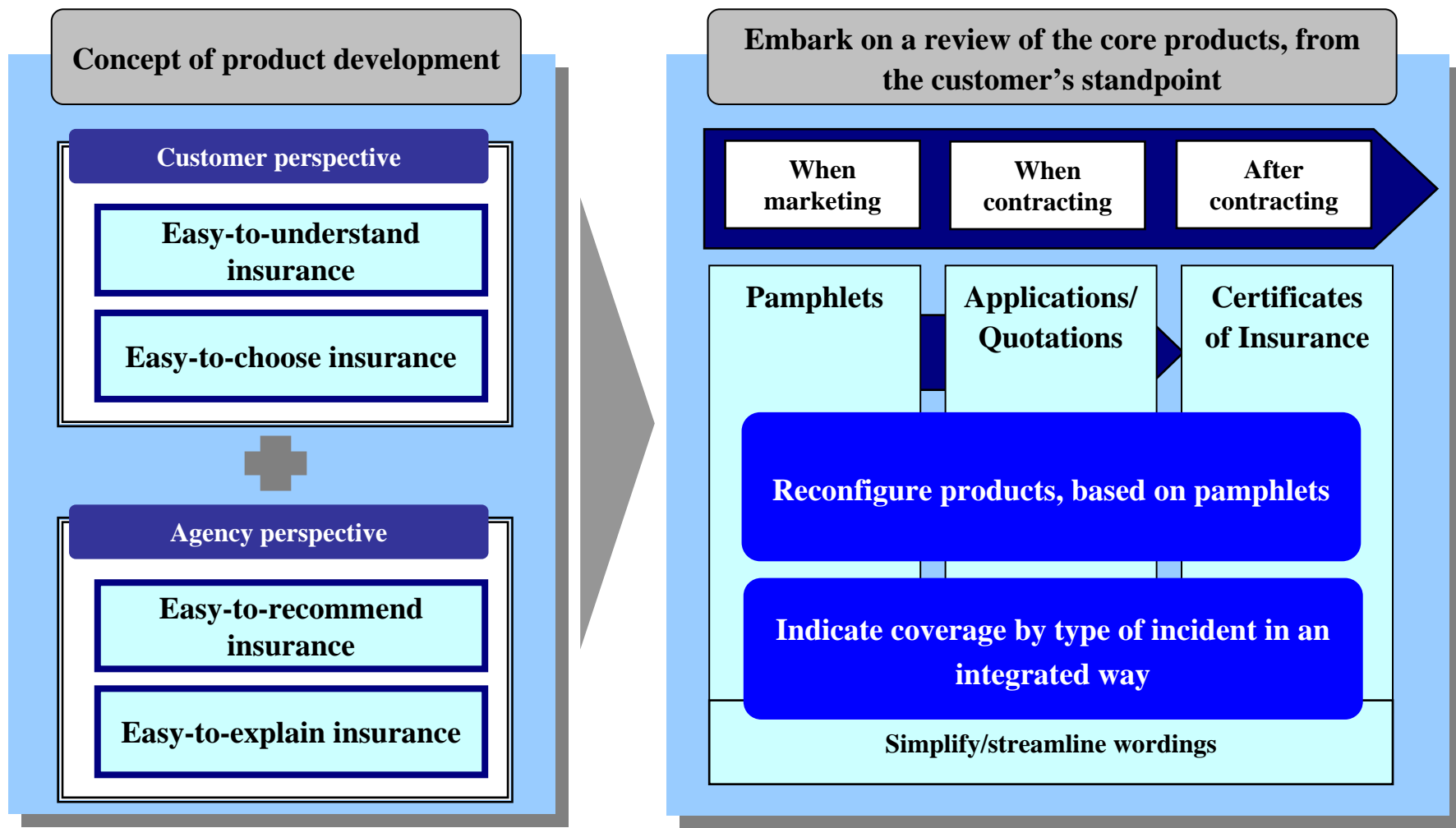
- Confirm in writing the customer's intentions regarding making a claim

When a claim is withdrawn

- Manage the customer confirmation process online
- Provide the customer with written confirmation of their intentions

3. Development of easy-to-understand products to our customers

Rebuild the product structure with a focus on ease of understanding from the customer's perspective



4. Payment of third sector product claims

Reconstruction of marketing/payment management structure in relation to 3rd sector products, from the customer's perspective

Inspection on third sector product claims

Wide-ranging

- Re-examine all instances of coverage exclusion and withdrawn claims during the relevant period

Penetrating

- Re-examine claims from the customer's standpoint, based on wordings/laws/Aioi's own criteria, using the life insurance guidelines

Thorough

- Explain each and every incident to the customer face-to-face and verify the customer's intentions on making a claim in all cases
- All incidents should be re-verified by a department other than the claims dpts

Main causes

Inadequate management structure for claims payments, etc.

Inadequate controls associated with cancellations and coverage exclusions, through breach of duty of disclosure

Insufficient knowledge/awareness of wordings

Key preventative measures

Reinforcing the claims payment infrastructure

- Enhance customer service by creating uniform and centralised business standards through a unified claims service structure

Restructure controls over policy cancellation

- Clarify cancellation rules and tighten the management structure

Review business process in solicitation and underwriting

- Newly set up a disclosure Support Centre for centralised receipt of questions regarding disclosure, etc.
- Ensure that solicitation to customers reflects the degree of their awareness/understanding, and re-configure the sales policy
- Employ a post-contractual confirmation system to expand checks on the appropriateness of a policy at the point of marketing

Tighten the verification function in relation to coverage exclusions

- Check the validity of coverage exclusions from an external third party perspective, by means of a Claim Reexamination Request Service and Claims Payment Committee

IV. Management Strategy

1. Aiming to be a customer-oriented company

Transforming into a company that has the respect, trust and support from its customers

Aim to enhance business quality from the customer's perspective and reflecting customer feedback

Current enhancement tasks

Improve field operations in sales/claims services

Enhance customer service capability

Re-establish an appropriate marketing policy
Prevent the recurrence of overlooked claims payments

Improve operations based on customer feedback

Appropriate operations
Speedy processing
Easy-to-understand and courteous service

Mid-term initiatives

Sweeping reforms of business processes

Product Development

Rebuild as easy-to-understand policies

Insurance Marketing

Rebuild sales channels so as to enhance customer service capability

Policy Controls

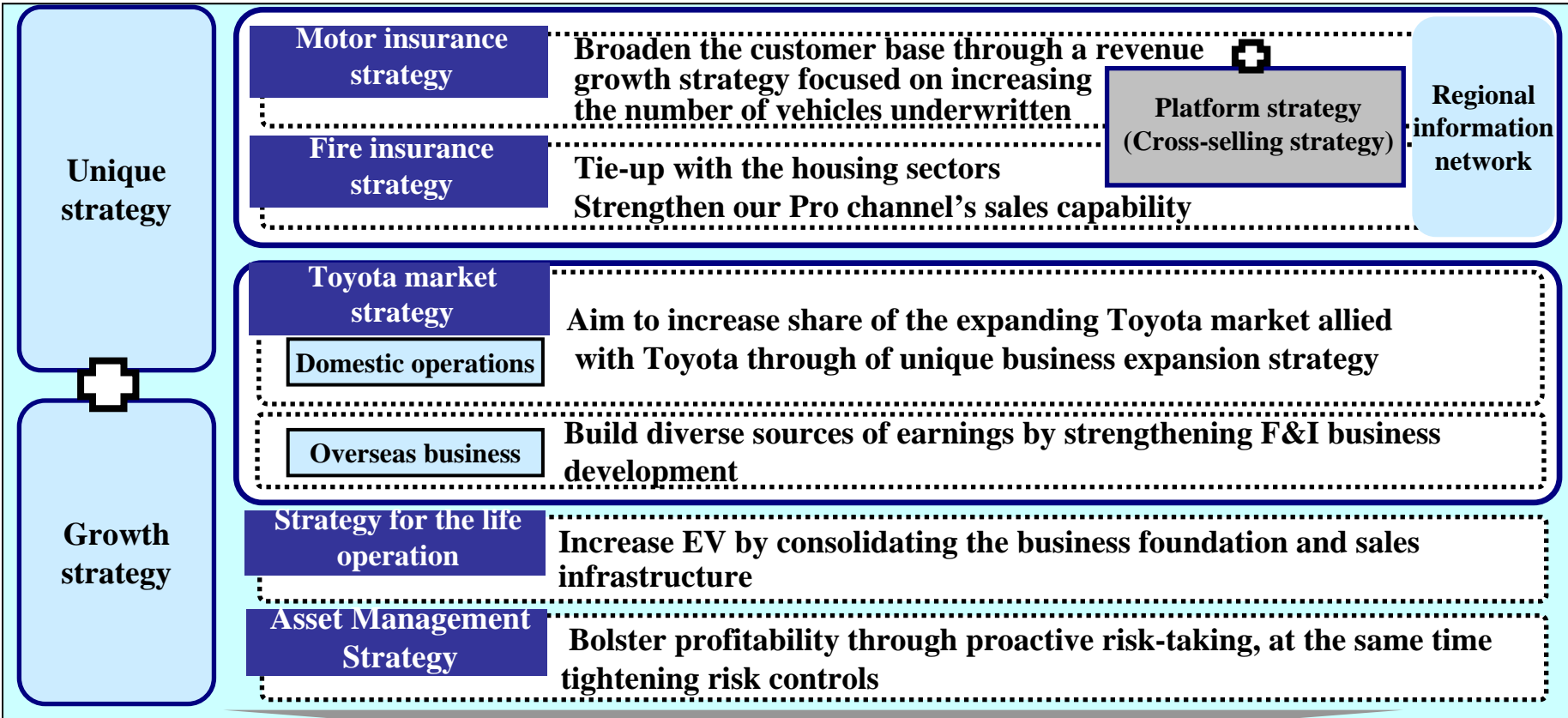
Strengthen direct access to the customer

Claims Payment

Further reinforce the claims service policy from the customer's perspective



2. Enhancing corporate value



Enhancing corporate value

Ensure that operations in all areas are implemented from the customer's standpoint, transform into a company that has the respect, trust and support of its customers
 Aim to establish a basis for continual profit growth, reforming the earnings structure
 Realize continuous, stable dividends

IV. Management Strategy

3. FY2006 earnings forecast

Property & Casualty*1	FY2005	FY2006	Change (YoY %)	FY2006 Original Target
Net premiums	768.9	785.0	+ 16.0 (2.1%)	785.0 (2.1%)
Underwriting profit	1.9	10.5	+ 8.5 (-%)	14.5
Net loss ratio	61.2%	60.3%	-0.9P	59.4%
(Net loss ratio includes loss adjusting expenses)	35.9%	35.6%	-0.3P	35.4%
Net expense ratio				
Asset management profit	28.4	27.0	-1.4 (-5.2%)	23.9
Ordinary profit	24.9	32.0	+ 7.0 (+28.5%)	32.0
Net profit	19.7	20.0	+ 0.2 (+1.3%)	20.0
Dividend per share	¥10/share	¥10/share	-	¥10/share
Life				
New personal policies/pensions	1,015.6	1,060.0	+ 44.4 (+4.4%)	1,060.0
Policies in force*2	5,584.9	6,495.0	+ 910.1 (+16.3%)	6,145.0
o/w personal/pensions	4,313.6	4,840.0	+ 526.4 (+12.2%)	4,840.0
Real ordinary profit*3	3.3	4.7	+ 1.3 (+40.3%)	4.2

Unit: billion yen

Amounts of less than a unit have been discarded; ratios are rounded up

Net premiums
On track to achieve original target through ongoing revenue growth

Underwriting Profit
Higher commissions alongside increase in revenue, but significant increase in profit expected due to smaller additional transfer to CAT reserve

Asset Management Profit
Expecting to beat original target by just over ¥3.0bn due to increase in interest and dividend income

Ordinary Profit & Net Profit
Expecting to achieve original targets

New policy in total
Expecting to achieve original targets

Policies in force
Significant increase expected on improving cancellation/lapse rates and expansion of group insurance

Real ordinary profit
Steady expansion on improved productivity, etc.

*Note 1: Excludes the impact of abolition of the state reinsurance scheme for CALI

*2 Excludes group annuity insurance *3 Before increase in statutory reserve

(1) Motor insurance strategy: Supplement

Broaden the customer base through a revenue growth strategy focused on increasing the number of vehicles underwritten

Strengthen new business acquisition

Bolster market strategy initiatives
Strengthen price competitiveness in our focused areas

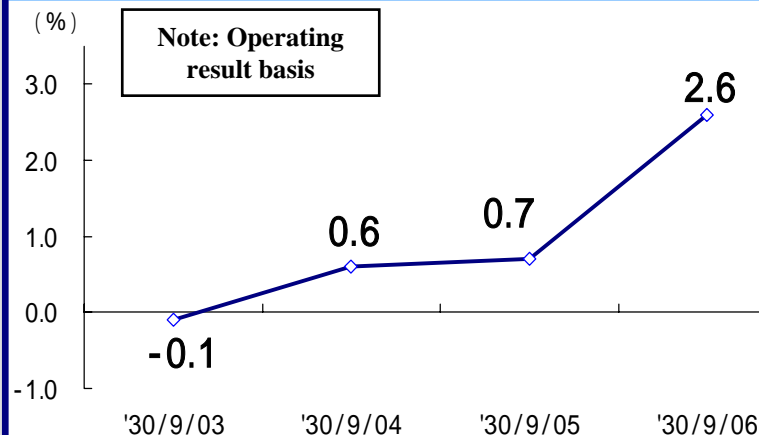
Measures to improve retention rate

Promote switchover to Top Run

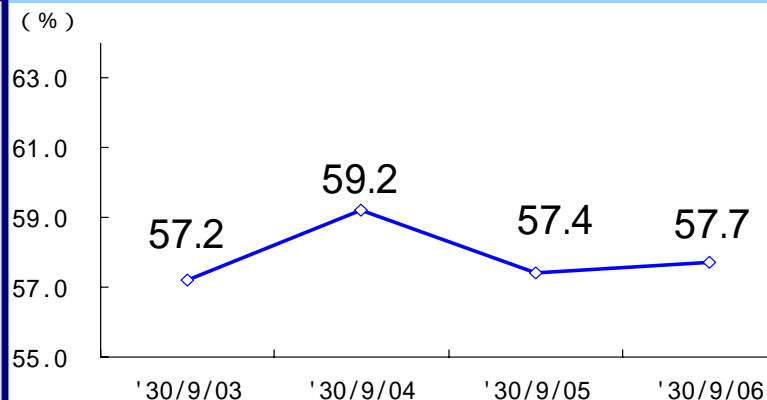
Strengthen profitability

Continue initiatives to stabilise the loss ratio
Promote cross-selling strategy

Motor insurance: growth rate in vehicles underwritten

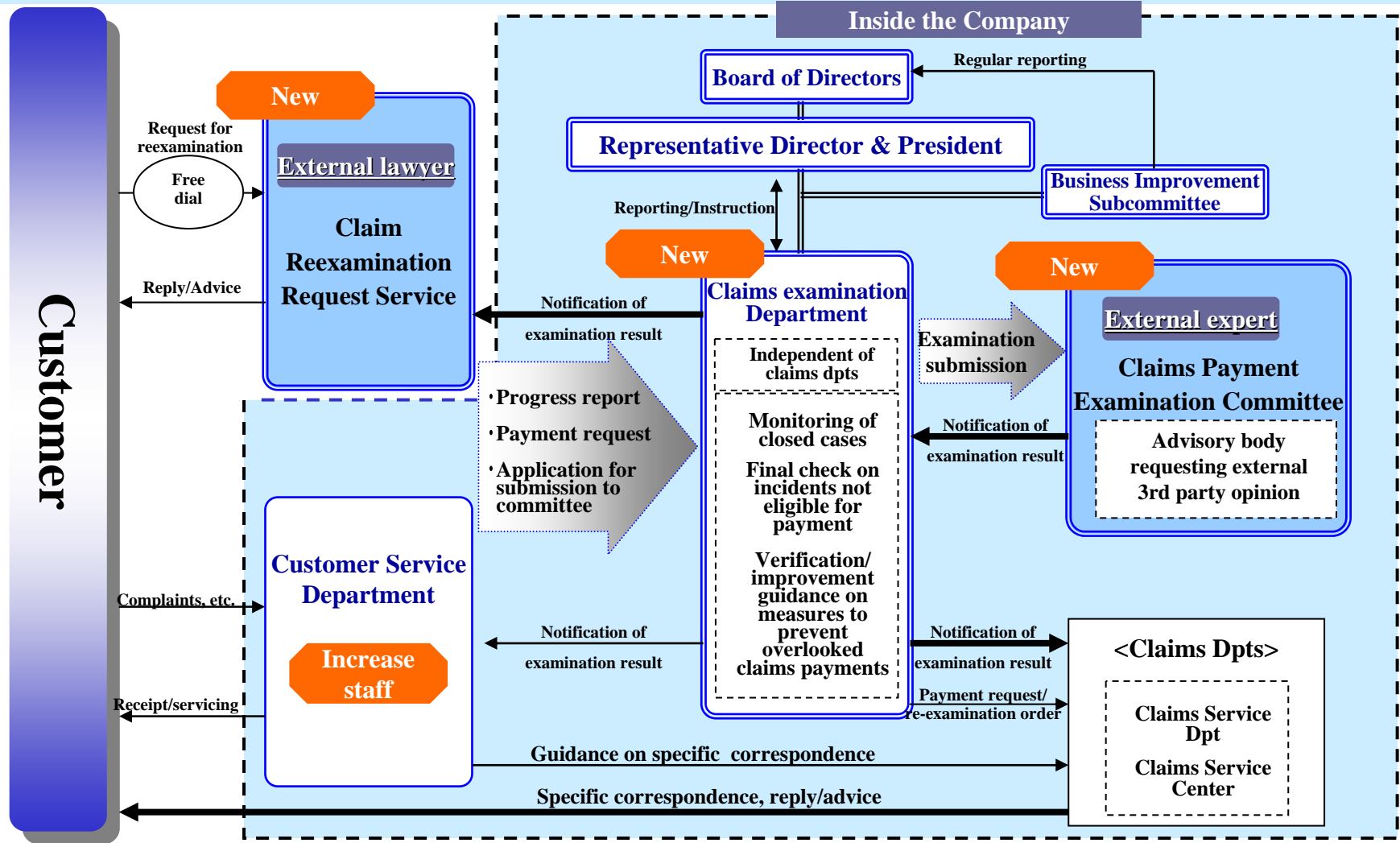


Motor insurance: net loss ratio



(2) Business enhancement in conjunction with claims payment incident issues: Supplement

Enhance customer service, build a management policy which external 3rd party monitors/checks our claims payment



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

Please note that our future performance, management policy or strategy could be subject to change or fluctuation due to changes in the external environment.

IR Meeting Reference Data

I. Earnings Data

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I. Earnings Data

1. 1H FY2006 Earnings Summary

(Unit: Billion yen, %)

	1H FY2005	1H FY2006	Change	Change %	Key Points
1. Direct Premiums Written	434.6	444.8	10.2	2.3	Fire +Y4.6bn(incl E/Q); motor +Y3.2bn
2. Net Premiums Written	418.8	426.9	8.0	1.9	Fire +Y3.6bn(incl E/Q); motor +Y3.8bn
3. Net Claims Paid	226.5	235.1	8.6	3.8	Fire +Y2.7bn(incl E/Q); Motor +Y2.9bn CALI +Y2.8bn YoY (impact of abolition of the state CALI reinsurance scheme +Y3.3bn)
4. Loss Adjustment Expenses	17.8	17.4	0.3	2.0	Personnel expenses -Y1.8bn; non-personnel +Y0.5bn Marketing costs in domestic direct business +Y2.4bn
5. Net Operating Expenses	136.8	138.5	1.6	1.2	
Operating Income	37.6	35.7	1.8	5.0	
6. Increase in Claims Reserve	4.0	2.1	1.8		
7. Increase in CAT Reserve	30.8	15.2	15.6		
Underwriting Profit (Loss)	4.2	1.7	5.9	-	
Asset Management Profit & Loss	16.1	14.1	1.9		
(of which interest/dividend income)	(21.7)	(24.3)	(2.6)		o/w Interest/dividend income on securities +Y18.2bn(+Y2.3bn)
(of which gain (loss) on sale of securities)	(4.4)	(1.4)	(2.9)		o/w Gain (loss) on sale of domestic shares 1.3bn(-Y1.3bn)
(of which valuation loss on securities)	(0.9)	(0.8)	(0.1)		
Ordinary profit	8.9	12.9	3.9	44.5	
Extraordinary profit	11.5	0.4	11.0		FR-related litigation Y11.0bn
Extraordinary loss	5.6	0.6	5.0		Subsidiary-related loss Y3.1bn
(Impairment loss)	(1.6)	(0.2)	(1.4)		
(Other extraordinary loss)	(3.1)	(-)	(3.1)		
Net profit	9.2	9.0	0.1	2.0	

(Ratios)

	1H FY2005	1H FY2006	Change
Net premium growth ratio	0.6%	1.9%	1.3%
Net loss ratio	58.3%	59.2%	0.9%
Net expense ratio	32.7%	32.4%	0.3%
Combined ratio	91.0%	91.6%	0.6%
U/W profit ratio	9.0%	8.4%	0.6%

(Ratios [excl. impact of abolition of CALI state R/I scheme])

	1H FY2005	1H FY2006	Change
Net premium growth ratio	0.9%	2.2%	1.3%
Net loss ratio	56.9%	56.9%	0.0%
Net expense ratio	35.5%	35.1%	0.4%
Combined ratio	92.4%	92.0%	0.4%
U/W profit ratio	7.6%	8.0%	0.4%

Financial Position

	1H FY2005	1H FY2006	Change
Total assets	2,663.8	2,734.1	70.2
Equity capital	524.1	595.0	70.9
Catastrophe Reserves	225.6	238.7	13.0
Solvency Margin Ratio	960.6%	1,021.1%	60.5%

Natural Disasters [details on P10]

	Direct	Net	1H FY2006	
			Claims paid	Claims Reserve
Fire/casualty	5.3	5.1	0.0	5.1
Motor	0.8	0.8	0.1	0.7
Total	6.1	5.9	0.1	5.8

2. Premiums & Claims by Class

(1) Direct Premiums Written by Class

(Unit: Million yen, %)

Class \ FY	1H FY2005		1H FY2006	
		Change %		Change %
Fire	52,744	13.1	57,389	8.8
Marine	2,704	5.8	2,639	2.4
P.A.	26,442	0.6	26,632	0.7
Motor	231,598	0.7	234,895	1.4
CALI	84,469	3.5	85,712	1.5
Other	36,642	2.8	37,536	2.4
Total	434,603	0.9	444,807	2.3

FY 2005		FY 2006 Forecast	
	Change %		Change %
112,658	10.3	121,000	7.4
5,085	3.6	5,000	1.7
51,224	1.3	52,200	1.9
461,197	0.8	467,900	1.5
169,696	2.8	173,500	2.2
68,652	0.2	70,400	2.5
868,516	1.2	890,000	2.5

(2) Net Premiums Written by Class

(Unit: Million yen, %)

Class \ FY	1H FY2005		1H FY2006	
		Change %		Change %
Fire	44,796	7.2	48,461	8.2
Marine	2,800	8.9	2,887	3.1
P.A.	25,349	0.3	25,242	0.4
Motor	233,239	0.8	237,108	1.7
CALI	76,767	2.3	76,144	0.8
Other	35,914	2.2	37,102	3.3
Total	418,868	0.6	426,946	1.9

FY 2005		FY 2006 Forecast	
	Change %		Change %
95,256	7.5	102,800	7.9
5,660	5.4	5,600	1.1
49,265	0.1	49,900	1.3
464,357	0.8	471,800	1.6
151,083	2.2	149,900	0.8
68,661	1.2	70,000	2.0
834,284	0.8	850,000	1.9

(3) Net Claims Paid by Class

(Unit: Million yen, %)

Class \ FY	1H FY2005			1H FY2006		
		Loss ratio	Change		Loss ratio	Change
Fire	15,924	37.4	5.0	18,719	40.3	2.9
Marine	1,410	52.4	1.5	1,370	48.8	3.6
P.A.	7,905	34.8	0.7	8,740	38.0	3.2
Motor	123,411	57.4	1.8	126,350	57.7	0.3
CALI	47,764	67.5	11.4	50,612	71.6	4.1
Other	30,134	87.9	18.7	29,397	82.8	5.1
Total	226,551	58.3	1.3	235,189	59.2	0.9

FY 2005			FY 2006 Forecast		
	Loss ratio	Change		Loss ratio	Change
41,330	45.0	20.0	40,300	40.8	4.2
3,118	56.6	0.5	3,000	55.4	1.2
16,704	37.1	0.6	17,900	39.3	2.2
263,690	61.3	0.7	269,100	61.6	0.3
97,473	69.9	9.5	103,600	74.4	4.5
65,729	99.6	11.6	62,400	93.0	6.6
488,046	62.7	1.9	496,300	62.6	0.1

Note: Net Loss Ratio (%) = (net claims paid + loss adjustment expenses) ÷ net premiums written

3. Premiums & Claims by Class (excl. special factors)

(1) Net premiums written by class (excl. impact of abolition of the state CALI reinsurance scheme)

(Unit: Million yen, %)

Class	FY		1H FY2005		1H FY2006		FY 2005		FY 2006 Forecast	
				Change %		Change %		Change %		Change %
Fire			44,796	7.2	48,461	8.2	95,256	7.5	102,800	7.9
Marine			2,800	8.9	2,887	3.1	5,660	5.4	5,600	1.1
P.A.			25,349	0.3	25,242	0.4	49,265	0.1	49,900	1.3
Motor			233,239	0.8	237,108	1.7	464,357	0.8	471,800	1.6
CALI			43,472	2.3	43,389	0.2	85,793	2.0	84,900	1.0
Other			35,914	2.2	37,102	3.3	68,661	1.2	70,000	2.0
Total			385,574	0.9	394,191	2.2	768,994	1.1	785,000	2.1

(2) Net claims paid by class (excl. impact of abolition of the state CALI reinsurance scheme)

(Unit: Million yen, %)

Class	FY		1H FY2005		1H FY2006		FY 2005		FY 2006 Forecast					
			Loss ratio	Change	Loss ratio	Change	Loss ratio	Change	Loss ratio	Change				
Fire			15,924	37.4	5.0	18,719	40.3	2.9	41,330	45.0	20.0	40,300	40.8	4.2
Marine			1,410	52.4	1.5	1,370	48.8	3.6	3,118	56.6	0.5	3,000	55.4	1.2
P.A.			7,905	34.8	0.7	8,740	38.0	3.2	16,704	37.1	0.6	17,900	39.3	2.2
Motor			123,411	57.4	1.8	126,350	57.7	0.3	263,690	61.3	0.7	269,100	61.6	0.3
CALI			22,708	61.6	0.2	22,228	60.2	1.4	45,160	62.1	0.6	45,000	62.3	0.2
Other			30,134	87.9	18.7	29,397	82.8	5.1	65,729	99.6	11.6	62,400	93.0	6.6
Total			201,495	56.9	3.7	206,806	56.9	-	435,733	61.2	4.0	437,700	60.3	0.9

Note: Net Loss Ratio (%) = (net claims paid + loss adjustment expenses) ÷ net premiums written

4. Inwards Reinsurance Premiums & Claims by Class

(1) Net Inwards Reinsurance Premiums by Class

(Unit: Million yen, %)

Class \ FY	1H FY2005		1H FY2006	
		Change %		Change %
Fire	4,866	26.0	5,376	10.5
Marine	852	17.1	956	12.2
P.A.	363	588.9	275	24.1
Motor	4,400	1.5	5,159	17.3
CALI	56,985	2.3	56,063	1.6
Other	4,327	7.9	4,914	13.6
Total	71,794	3.0	72,745	1.3

FY 2005		Change %
	8,865	30.6
	1,823	6.8
	945	1.1
	8,360	5.3
	111,746	2.4
	10,418	23.7
	142,160	3.4

(2) Net Inwards Reinsurance Claims by Class

(Unit: Million yen, %)

Class \ FY	1H FY2005			1H FY2006		
		Loss ratio	Change		Loss ratio	Change
Fire	1,841	37.8	0.3	2,932	54.5	16.7
Marine	897	105.3	18.7	711	74.4	30.9
P.A.	156	43.0	-	191	69.4	26.4
Motor	2,815	64.0	20.6	2,942	57.0	7.0
CALI	47,764	83.8	14.8	50,612	90.3	6.5
Other	15,057	348.0	83.3	10,337	210.4	137.6
Total	68,532	95.5	8.7	67,728	93.1	2.4

FY 2005		
	Loss ratio	Change
	11,495	129.7
	1,897	104.1
	307	32.6
	5,415	64.8
	97,473	87.2
	32,033	307.5
	148,622	104.5

5. Breakdown of Net Operating Expenses

(Unit: Million yen, %)

		1H FY2005			1H FY2006			FY 2005			FY 2006 Forecast		
			Change %	% of premium		Change %	% of premium		Change %	% of premium		Change %	% of premium
Loss Adjustment Expenses + Op. Expenses & SG&A	Personnel	46,610	0.4	11.1	44,850	3.8	10.5	92,836	1.2	11.1	90,000	3.1	10.6
	Non-Personnel	35,500	3.8	8.5	36,049	1.5	8.4	75,102	0.2	9.0	76,200	1.5	9.0
	Taxes etc.	5,945	2.0	1.4	5,872	1.2	1.4	9,942	1.4	1.2	10,300	3.6	1.2
	Total	88,056	1.2	21.0	86,772	1.5	20.3	177,881	0.6	21.3	176,500	0.8	20.8
Operating expenses & SGA associated with underwriting		66,188	1.7	15.8	65,201	1.5	15.3	135,071	0.4	16.2	133,100	1.5	15.7
Fees & collection expenses		70,654	2.2	16.9	73,336	3.8	17.2	140,788	1.4	16.9	146,300	3.9	17.2
Operating Expenses		136,843	1.9	32.7 (35.5)	138,537	1.2	32.4 (35.1)	275,859	0.5	33.1 (35.9)	279,400	1.3	32.9 (35.6)

* Figures in brackets exclude the impact of abolition of the state CALI reinsurance scheme

6. Catastrophe Reserves

(Unit: Million yen, %)

Class	FY	1H FY2005	FY 2005	1H FY2006		
		(Reserve ratio)	(Reserve ratio)	(Reserve ratio)	HoH	YoY
Fire		70,379 (80.1)	74,136 (79.3)	77,854 (81.9)	7,474	3,717
Marine		3,628 (64.8)	3,719 (65.7)	3,809 (66.0)	180	90
P.A.		29,178 (57.6)	29,885 (60.7)	30,655 (60.7)	1,476	769
Motor		102,507 (22.0)	97,114 (20.9)	106,739 (22.5)	4,231	9,625
Other		19,984 (27.8)	18,692 (27.2)	19,704 (26.6)	279	1,012
Total		225,679 (33.1)	223,547 (32.8)	238,763 (34.1)	13,083	15,215

1H FY2006

Draw-down	Transfer
-	3,717
35	126
-	769
7,080	16,705
650	1,662
7,766	22,982

[Transfer ratios]
Ordinary fire 8.0%
Motor 7.0%

Reserve ratio = o/s catastrophe reserve ÷ net premiums written (excl. dwelling EQ / CALI) × 100
In 1H, calculated on the basis of twice net premiums (excl. dwelling EQ / CALI).

7. Underwriting Reserve

(Unit: Million yen)

Class \ FY	1H FY2005	1H FY2006	Change	FY 2005
Fire	492,342	510,519	18,177	502,257
Marine	5,522	6,146	624	6,545
P.A.	539,244	521,449	17,794	526,138
Motor	250,410	254,050	3,640	241,462
CALI	252,181	265,672	13,490	257,309
Other	120,448	120,975	526	117,011
Total	1,660,148	1,678,813	18,665	1,650,724

8. Claims Reserve

(Unit: Million yen)

Class \ FY	1H FY2005	1H FY2006	Change	FY 2005
Fire	39,841	30,826	9,015	33,639
Marine	7,351	6,731	619	5,634
P.A.	11,621	13,396	1,775	12,366
Motor	175,342	175,045	297	172,836
CALI	34,761	35,558	796	36,765
Other	78,546	72,285	6,260	74,787
Total	347,465	333,844	13,621	336,030

9. Total Assets/Managed Assets

(Unit: Million yen)

	1H FY2005	1H FY2006	Change	FY2005
Marketable Securities	1,676,250	1,931,158	254,908	1,984,055
Gvt/corp bonds	592,582	738,036	145,454	750,541
Shares	601,173	646,026	44,852	707,270
Foreign securities	384,951	440,341	55,389	418,123
Other securities	97,542	106,753	9,210	108,119
Loans	342,419	349,557	7,138	347,965
Land/buildings	141,290	142,687	1,397	140,416
Other	503,911	310,719	193,192	288,679
Total assets	2,663,871	2,734,123	70,252	2,761,116
(o/w managed assets)	2,399,238	2,513,775	114,537	2,546,709

(For Reference)

(Unit: Million yen)

	1H FY2005	1H FY2006	Change	FY2005
Long-Lived Assets	651,580	620,308	31,272	632,404

10. Solvency Margin Ratio

(Unit: Billion yen)

	1H FY2005	FY2005	1H FY2006		
				HoH	YoY
(A) Total solvency margin (amount)	942.8	1,086.1	1,059.1	116.3	27.0
Total capital (excl. expected outflow, deferred assets & other valuation gain on securities)	318.7	325.0	330.4	11.7	5.3
Price fluctuation reserve	4.0	4.7	4.3	0.2	0.3
CAT reserve (incl. E/Q insurance loss reserve)	260.6	259.5	275.8	15.1	16.2
Allowance for bad debt	0.4	0.2	0.2	0.2	0.0
90% of valuation difference on other securities (before tax effect deduction)	285.1	419.9	367.5	82.3	52.4
85% of unrealized gains on land	0.0	0.0	1.6	1.5	1.5
Deductions (negative)	12.5	12.5	12.5	-	-
Other	86.1	89.0	91.6	5.5	2.6
(B) Total risk ($\sqrt{R1^2+(R2+R3)^2 +R4+R5}$)	196.3	205.1	207.4	11.1	2.2
General insurance risk (R1)	46.9	47.0	47.1	0.1	0.0
Projected interest risk (R2)	1.4	1.3	1.3	0.0	0.0
Asset management risk (R3)	107.5	115.7	113.6	6.1	2.0
Business management risk (R4)	4.5	4.7	4.8	0.2	0.0
Catastrophe risk (R5)	73.0	74.2	78.2	5.1	4.0
Solvency margin ratio ((A) / [(B) x 0.5] x 100)	960.6%	1,058.7%	1,021.1%	60.5P	37.6P

11. Asset Evaluation (Loans)

(Unit: Million yen, %)

		1H FY2005 (Share)	1H FY2006 (Share)	Change (Share)	FY2005 (Share)
Total		342,419 (100.0)	349,557 (100.0)	7,138 (-)	347,965 (100.0)
	Total non-classified assets	326,919 (95.5)	335,904 (96.1)	8,985 (0.6)	332,860 (95.7)
	Total classified assets	15,500 (4.5)	13,653 (3.9)	1,846 (0.6)	15,104 (4.3)
	Class II	11,030 (3.2)	9,268 (2.7)	1,761 (0.5)	10,884 (3.1)
	Class III	4,298 (1.3)	2,528 (0.7)	1,770 (0.6)	2,353 (0.7)
	Class IV	171 (0.1)	1,856 (0.5)	1,684 (0.4)	1,865 (0.5)

12. Debt Subject to Risk Control

(Unit: Million yen, %)

		1H FY2005	1H FY2006	Change	FY2005
Total debt subject to risk control		11,903	10,954	948	10,962
	Debts with failed companies	18	1,835	1,817	32
	Debts overdue	11,273	8,780	2,493	10,494
	Debts overdue for more than 3 months	336	82	253	170
	Debts with relaxed repayment terms	275	256	19	265
Loans		342,419	349,557	7,138	347,965
As a proportion of loans		3.5	3.1	0.4	3.2

13. Shareholdings by Sector

(Unit: Million yen, %)

Category	FY	1H FY2005		1H FY2006		Change		FY2005	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
Finance & Insurance		116,021	19.3	122,454	18.9	6,432	0.4	134,731	19.1
Transport Equipment		82,502	13.7	93,160	14.4	10,658	0.7	96,043	13.6
Commerce		74,369	12.4	80,478	12.5	6,109	0.1	92,157	13.0
Electrical Machinery		55,451	9.2	62,565	9.7	7,114	0.5	63,028	8.9
Chemicals		56,872	9.5	59,517	9.2	2,645	0.3	61,047	8.6
Construction		40,528	6.8	44,372	6.9	3,843	0.1	53,810	7.6
Land Transport		31,327	5.2	36,628	5.7	5,300	0.5	39,876	5.6
Machinery		24,217	4.0	25,669	4.0	1,452	0.0	30,958	4.4
Real Estate		14,296	2.4	19,679	3.0	5,383	0.6	20,807	2.9
Oil & Coal Products		21,737	3.6	18,209	2.8	3,528	0.8	20,354	2.9
Other		83,848	13.9	83,288	12.9	559	1.0	94,454	13.4
Total		601,173	100.0	646,026	100.0	44,852	0.0	707,270	100.0

14. Asset Management Profit & Loss

	1H FY2005	1H FY2006	Change	(Unit: Billion yen)
Asset Management Profit & Loss	16.1	14.1	1.9	28.4
Interest and dividend income	21.7	24.3	2.6	42.1
Gain on sale of marketable securities	4.4	1.4	2.9	6.9
Valuation loss on marketable securities	0.9	0.8	0.1	0.9
Other profit/loss on assets managed	1.1	0.0	1.0	1.0
Profit/loss on money in trust	0.0	0.1	0.1	0.3
Profit/loss on financial derivatives	0.6	0.1	0.7	0.7
Profit/loss on securities held for trading	1.5	0.0	1.5	1.9
Other profit/loss on assets managed	0.1	0.0	0.2	0.2
Transfer to profit, incl. reserve premiums	10.1	10.8	0.7	20.7

	1H FY2005	1H FY2006	(Unit: Billion yen)
(Reference) Breakdown of interest and dividend income			
Securities	15.8	18.2	30.5
Gvt/corp bonds	3.3	4.6	7.0
Shares	3.7	4.2	6.5
Other	8.7	9.3	17.0
Loan	3.0	3.0	5.9
Land/buildings	2.4	2.5	4.8
Other	0.3	0.4	0.7
Total	21.7	24.3	42.1

15. Marketable Securities

(1) Unrealized profit (loss) on securities

	1H FY2005	1H FY2006	Change	(Unit: Billion yen)
Gvt/corp bonds	5.3	5.6	0.3	8.1
Shares	290.8	346.8	56.0	407.2
Foreign securities	8.7	39.5	30.8	30.8
Other	11.9	16.2	4.2	20.3
Total	316.8	408.3	91.4	466.6

NB: Monetary claims purchased are included under 'Other'

(2) Gain (loss) on sale of securities

	1H FY2005	1H FY2006	Change	(Unit: Billion yen)
Gvt/corp bonds	1.2	0.3	0.8	2.8
Shares	2.6	1.3	1.3	14.0
Foreign securities	0.3	0.2	0.6	4.7
Other	0.1	0.1	0.0	0.5
Total	4.4	1.4	2.9	6.9

(3) Valuation loss on securities after impairment

	1H FY2005	1H FY2006	Change	(Unit: Billion yen)
Gvt/corp bonds	-	-	-	-
Shares	0.9	0.8	0.1	0.9
Foreign securities	-	0.0	0.0	-
Other	-	-	-	-
Total	0.9	0.8	0.1	0.9

16. Reduction in Strategic Shareholdings

(Unit: Billion yen)

	1H FY2005	FY2005	1H FY2006
Reduction	0.5	10.9	0.9
Balance	270.3	259.9	259.0

Note: Reduction and Balance figures are book value basis, after impairment

17. Fixed Asset Impairment

(Unit: Billion yen)

	1H FY2005	1H FY2006	Change	FY2005
Land	0.5	0.0	0.4	0.5
Buildings	1.0	0.1	0.9	1.0
Total	1.6	0.2	1.4	1.6

18. Impact of Natural Disasters

(Unit: Billion yen)

		1H FY2005	1H FY2006	Change	FY2005
Direct	Fire	0.8	0.0	0.8	3.3
	Motor	0.3	0.1	0.2	0.8
	Other	0.0	0.0	0.0	0.2
	Claims paid	1.1	0.1	1.0	4.3
	Claims Reserve	1.8	6.0	4.2	0.2
	Total	2.9	6.1	3.2	4.5
Reinsurance	Fire	0.0	0.0	0.0	0.1
	Motor	0.0	0.0	0.0	0.0
	Other	0.0	0.0	0.0	0.0
	Claims recovered	0.0	0.0	0.0	0.1
	Reserves recovered	0.1	0.2	0.1	0.0
	Total	0.1	0.2	0.1	0.1
Net	Fire	0.8	0.0	0.8	3.2
	Motor	0.3	0.1	0.2	0.8
	Other	0.0	0.0	0.0	0.2
	Claims paid	1.1	0.1	1.0	4.2
	Claims Reserve	1.7	5.8	4.1	0.2
	Total	2.8	5.9	3.1	4.4
Draw-down on Cat reserves		0.3	0.1	0.2	0.8
Net impact (negative)		2.5	5.8	3.3	3.6

19. Aoi Life - Earnings Summary

(Unit: Billion yen,%)

	1H FY2005	1H FY2006		FY2005	
			Change		Change%
New policy total	520.4	393.5	126.8	24.4	1,086.6
Personal/pensions	486.6	378.5	108.0	22.2	1,015.6
Group	33.7	14.9	18.7	55.6	70.9
Policies in force	5,113.0	5,933.3	820.2	16.0	5,584.9
Personal/pensions	4,081.1	4,460.3	379.2	9.3	4,313.6
Group	1,031.9	1,472.9	441.0	42.7	1,271.2
Premium and other income	33.7	39.9	6.2	18.6	72.4
Asset management profit	2.2	2.6	0.4	20.0	4.5
Claims and other payments	10.5	11.8	1.2	12.0	23.0
Asset management expenses	0.0	0.0	0.0	-	0.0
Total assets	246.4	289.6	43.2	17.5	267.4
Solvency Margin Ratio	1,788.2	1,705.1	83.1P		1,733.9

(Reference) Annualized Premiums

(Unit: Billion yen,%)

New policy	5.4	5.8	0.3	6.4	12.9
Policies in force	52.9	61.0	8.1	15.3	57.6

II. Operating Result Data

1. Operating Premiums

(1) By Class

(Unit: Billion yen,%)

	1H FY2005		1H FY2006			FY2005	
	Amount	Change%	Amount	Change	Change%	Amount	Change%
Motor	235.0	0.7	238.5	3.4	1.5	464.1	0.8
CALI	78.1	10.5	80.7	2.7	3.4	161.2	10.7
Fire	51.0	10.6	55.8	4.9	9.6	109.8	9.3
P.A.	23.4	6.6	24.4	1.0	4.2	43.6	5.6
Marine	4.5	3.0	4.3	0.2	3.6	8.6	1.7
Other	35.0	1.6	35.9	0.8	2.4	62.8	3.0
Total	427.0	3.9	439.7	12.6	3.0	850.2	4.0

(2) By Channel

(Unit: Billion yen,%)

	1H FY2005		1H FY2006			FY2005	
	Amount	Change%	Amount	Change	Change%	Amount	Change%
Pro	149.7	2.4	150.6	0.9	0.6	294.6	1.7
Motor	86.4	5.3	89.0	2.7	3.1	172.5	5.6
Toyota Group	92.3	6.5	95.9	3.6	3.9	187.1	6.3
Toyota Gp dealers	79.9	7.2	83.8	3.9	4.8	164.0	7.4
Toyota Gp cos.	12.4	2.3	12.1	0.3	2.2	23.1	0.6
Other dealers	13.7	0.4	13.2	0.5	3.5	27.3	0.8
Corporates	45.2	5.3	49.5	4.3	9.4	88.9	4.5
Financial	13.6	4.6	12.9	0.7	5.4	26.2	0.1
o/w bancassurance	1.8	16.0	1.9	0.1	5.8	3.9	10.0
Other	26.1	4.4	28.5	2.4	9.1	53.6	8.5
Total	427.0	3.9	439.7	12.6	3.0	850.2	4.0

(3) Direct Premiums income in overseas

(Unit: Billion yen,%)

	1H FY2005	1H FY2006			FY2005	
		Amount	Change	Change%	Amount	Change%
F & I	9.2	12.5	3.3	36.4	17.3	17.7
JIA etc.	7.4	9.2	1.8	24.2	17.2	24.6
Total	16.6	21.8	5.1	31.0	34.5	21.0

2. Motor Insurance

(1) Vehicle/unit price trend (FY2005, quarterly)

	1H FY2005	FY2005	1Q FY2006	2Q FY2006	1H FY2006
Premiums	0.7%	0.8%	1.2%	1.8%	1.5%
Vehicles	0.7%	1.6%	3.1%	2.1%	2.6%
Unit Prices	0.0%	0.8%	1.9%	0.3%	1.1%

(2) Fleet, non-fleet vehicle/unit price trend

	2005年度中間期			2005年度			2006年度中間期		
	Premiums increase %	Vehicle increase %	Unit price increase %	Premiums increase %	Vehicle increase %	Unit price increase %	Premiums increase %	Vehicle increase %	Unit price increase %
Total	0.7%	0.7%	0.0%	0.8%	1.6%	0.8%	1.5%	2.6%	1.1%
Fleet	2.5%	4.2%	1.7%	3.2%	9.4%	5.7%	5.7%	13.9%	8.2%
Non-fleet	0.5%	0.2%	0.3%	0.6%	0.6%	0.0%	0.9%	1.0%	0.1%

(3) Switchover to "Top Run"

	1H FY2005	FY2005	1H FY2006
Total	58.7%	55.4%	57.7%
New	51.1%	49.4%	45.1%
Renewal	59.5%	56.0%	58.9%

(4) Sales of dedicated Toyota market products

(Unit: 1,000 policies, Billion yen)

	1H FY2005		FY2005		1H FY2006	
	Policies	Premiums	Policies	Premiums	Policies	Premiums
Convini Plan	27	2.8	57	5.9	28	2.9
Nagaraku Plan	12	1.0	27	2.3	17	1.4
Lexus Owners' Motor Insurance Plan	0	0.0	2	0.5	2	0.5

3. Platform Products

(Unit: 1,000 policies, Billion yen)

	1H FY2005		1H FY2006		FY2005	
	Policies	Premiums	Policies	Premiums	Policies	Premiums
Health Comp. (Live Lead)	63	3.9	33	4.8	103	7.4
Home Comp.	142	5.6	147	5.9	315	12.8
Traders Comp	9	0.7	15	1.2	24	2.0
Construction Comp	7	2.4	8	2.7	14	4.7
Transportation Comp.	0	0.2	0	0.2	1	0.4

Note: Total policies, operating result basis

4. Long-Term Fire Products

(Unit: 1,000 policies, Billion yen)

	1H FY2005		1H FY2006		FY2005	
	Policies	Premiums	Policies	Premiums	Policies	Premiums
My Home Comprehensive	28	6.3	58	11.5	82	17.0
Hyper household contents	128	3.3	132	3.5	264	6.8

5. Aioi Life

Sales of Main Products

< Personal >

Launch Date	Product Name	FY2004 Policies	FY2005 Policies	1H FY2006 Policies	Cumulative Policies (since launch)
Jun 2004	"New Income Protection Insurance <i>Just One</i> "	13,161	9,533	3,067	25,761
Nov 2004	" <i>Zutto Luck</i> "	745	2,037	701	3,483
Apr 2005	" <i>Doru Monogatari</i> "	-	530	280	810
Jun 2005	"Super Whole Life Premium"	-	4,734	1,758	6,492
Dec 2005	"New increasing term insurance"	-	435	465	900
(Ref) Variable Whole Life Insurance (incl. "Super Whole Life Premium", "CARNA")			28,070	14,368	42,438

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Launch Date	Product Name	FY2004 No. of insureds	FY2005 No. of insureds	1H FY2006 No. of insureds
Feb 2004	Group credit life cover with cancer diagnosis benefit	1,980	13,030	24,823