

### (3) Basic Profit

Despite harsh environment for sales and investing activities, the basic profit of life insurers slightly increased from the previous year to ¥ 2.1916 trillion yen (roughly \$20 billion) This is mainly attributed to companies' effort to curtail business expenditures.

**Table 6. Basic Profit** (billion ¥)

Fiscal Year	Basic Profit
1999	
2000	2,237
2001	2,259
2002	2,151
2003	2,191

## 5. Sales

### (1) New Business and Business in Force

Because of continued shift in consumers' needs to medical and nursing insurance products from sizable life insurance products, new business written for individuals decreased by 4.8 percent in terms of number, or 16.0 percent in terms of amount. Accordingly, business in force at the end of fiscal 2003 (sum of individual insurance, individual annuity, group insurance) declined by 3.9 percent to ¥1609.2730 trillion (or roughly \$15233 billion).

Individual insurance, group insurance, and group annuity except for individual annuity declined from the previous year.

**Table 7. Growth of New Business**

Fiscal Year	New Business				
	Individual Insurance		Individual Annuity		Group Insurance
	Number (million)	Amount (billion ¥)	Number (thousand)	Amount (billion ¥)	Amount (billion ¥)
1960	6.5	1,913	1	(0.1)	134
1970	9.8	19,151	76	(11)	4,154
1980	12.1	80,020	168	(76)	6,938
1990	16.6	207,535	2,167	13,076	23,175
1999	12.4	134,278	815	3,215	8,951
2000	12.4	133,559	886	3,605	7,054
2001	14.1	128,098	511	1,910	16,603
2002	13.8	120,712	750	3,408	14,189
2003	13.1	101,381	1,113	5,199	13,797
G.R. (%)	- 4.8	- 16.0	48.4	52.6	- 2.8

(Note) For individual insurance and individual annuity, number includes ones after conversion, and amount includes net increase from conversion. As to amount of individual annuity, figures from 1960 through 1980 represent annual amount, and after 1990, figures show accumulated capital.

**Table 8. Growth of Business in Force**

Fiscal Year	Business in Force					Business in Force (Group Annuity)	
	Total Amount (billion ¥)	Individual Insurance	Individual Annuity	Group Insurance		Amount (billion ¥)	Number of Groups (thousand)
		Amount (billion ¥)	Amount (billion ¥)	Amount (billion ¥)	Number of Groups (thousand)		
1960	6,996	6,002	(0.1)	994	-	-	-
1970	78,262	60,674	(32)	17,556	-	222	-
1980	572,487	384,331	(160)	187,996	-	3,292	-
1990	1,605,337	1,092,117	41,790	471,430	-	31,439	-
1999	1,859,880	1,364,751	77,873	417,256	104	46,145	95
2000	1,802,073	1,311,992	74,096	415,985	93	44,807	90
2001	1,734,211	1,255,623	69,593	408,995	83	40,395	84
2002	1,675,181	1,210,245	68,276	396,658	73	37,360	74
2003	1,609,273	1,152,648	69,563	387,060	66	34,937	65
G.R. (%)	- 3.9	- 4.8	1.9	- 2.4	- 10.3	- 6.5	- 11.2

(Note) For Individual Annuity, figures from 1960 through 1980 represent annual amount, which is not included in total, and figures from 1990 represent the sum total of amount of accumulated capital before the start of annuity payments and amount of liability reserves of after the start of annuity payments.

(2) Business in Force and National Economy

Business in force per household and per person was ¥32.66 million (or roughly \$ 0.30 million), 12.69 million (or roughly \$0.12 million), respectively.

**Table 9. Size of Business in Force**

Fiscal Year	Business in Force / National Income (%)	Business in Force / Households (10 thousand ¥)	Business in Force / Population (10 thousand ¥)
1999	487	3,973	1,478
2000	473	3,800	1,429
2001	467	3,612	1,373
2002	452	3,444	1,315
2003	434	3,266	1,269

(Note) 1. Business in force represent total amount of policies in individual insurance, individual annuity and group insurance.

(3) Percentage of Types of Policies Written

Whole life-with-term insurance, the mainstay of individual life insurance accounted for some 45 percent of total business in force. Meanwhile, in terms of amount of new business written during fiscal 2003, the percentage of whole life-with-term insurance fell to 21 percent, whereas term insurance accounted for 26 percent. Adjustable interest rate funding whole life insurance accounted for 19 percent, which indicated that wider range of insurance policies had been purchased.

**Table 10. Individual Insurance by Type (2003)**

	Business in Force		New Business	
	Number ( % )	Amount ( % )	Number ( % )	Amount ( % )
Whole Life	11.8	7.7	11.4	5.5
Whole Life-with-Term	18.2	44.7	6.7	20.7
Adjustable Interest Rate Funding Whole Life	4.8	10.1	9.5	18.5
Term	11.8	13.1	16.7	25.8
Endowment	10.1	3.1	5.1	2.1
Endowment-with-Term	3.1	2.4	0.6	1.0
Variable	0.1	0.0	0.0	0.0
Others	40.1	18.9	50.0	26.4

## 6. Summary of Portfolio Investment

(1) Investment Income

As for the investment environment for fiscal 2003, despite the Bank of Japan's super-low interest rates policy and uncertainty of country's economic outlook, the rising stock prices by approximately 47 percent, and some other factors contributed to the increase in investment income and dividends by 11.5 percent from the previous year to ¥ 6.2925 trillion (or roughly \$ 59 billion), offsetting the decrease in profit for interest and dividend resulting from lowering interest rate.

(2) Investment Expenses

In fiscal 2003, the investment expenses decreased by 63.6 percent from the previous year to ¥ 1.6940 trillion yen (or roughly \$16 billion) since the devaluation losses on securities, mainly on stock, dropped sharply by 97.1 percent,