

(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,

Table 11. Asset Management

(billion ¥)

Fiscal Year	End of Fiscal Year		Working Assets Income			Asset Management Cost		
	Nikkei 225 Average (¥)	Yen-to-Dollar Rate (¥)	Total	Interests and Dividends	Profit on Sales of Securities	Total	Losses on Sales of Securities	Devaluation Losses on Securities
1960	1,116	360	69	55	12	2	0	0.5
1970	2,523	360	447	408	32	88	3	7
1980	6,556	249.7	1,818	1,785	-	113	43	40
1990	29,980	157.6	11,304	7,041	3,653	3,550	1,964	1,125
1999	20,337	106.15	10,151	5,185	4,057	5,543	2,987	1,199
2000	12,999	123.90	5,873	4,347	1,347	2,597	730	446
2001	11,024	133.25	5,736	4,105	1,326	4,195	831	1,561
2002	7,972	120.20	5,644	3,970	1,283	4,660	909	1,877
2003	11,715	105.64	6,292	3,943	897	1,694	671	55
G.R. (%)	47	14.56 appreciation of yen	11.5	- 0.7	- 30.1	-63.6	- 26.2	- 97.1

(Note) Figure of Nikkei 225 Average and YEN/DOLLAR Rate are as of the end of March.

(3) Income on Invested Assets Held in the General Account

Despite low interest rate, rising stock prices contributed to reducing devaluation losses, and investment yield on assets held in the general account increased 0.79 points from the previous year to 1.94 percent.

Table 12. Yield on Working Assets in General Account

Fiscal Year	Total (%)	Yield on Working Assets in General Account		
		Bond (%)	Stock (%)	Foreign Securities (%)
1960	8.74	-	-	-
1970	7.94	-	8.30	-
1980	7.56	8.08	3.94	11.05
1990	6.42	5.08	10.26	6.44
1999	2.31	2.63	6.23	- 2.69
2000	2.15	2.58	2.44	2.46
2001	1.31	2.38	- 5.14	4.51
2002	1.15	2.60	- 9.58	4.12
2003	1.94	1.70	0.84	2.76
G.R. (%)	0.79	- 0.9	10.42	- 1.36

(Note) Yield on working assets in general account= (working assets income-asset management cost + appraisal profit*)/ average daily balance of working assets in general account × 100 (%)

Appraisal profit referred to here is set forth in Section 112 of the Insurance Business Law.