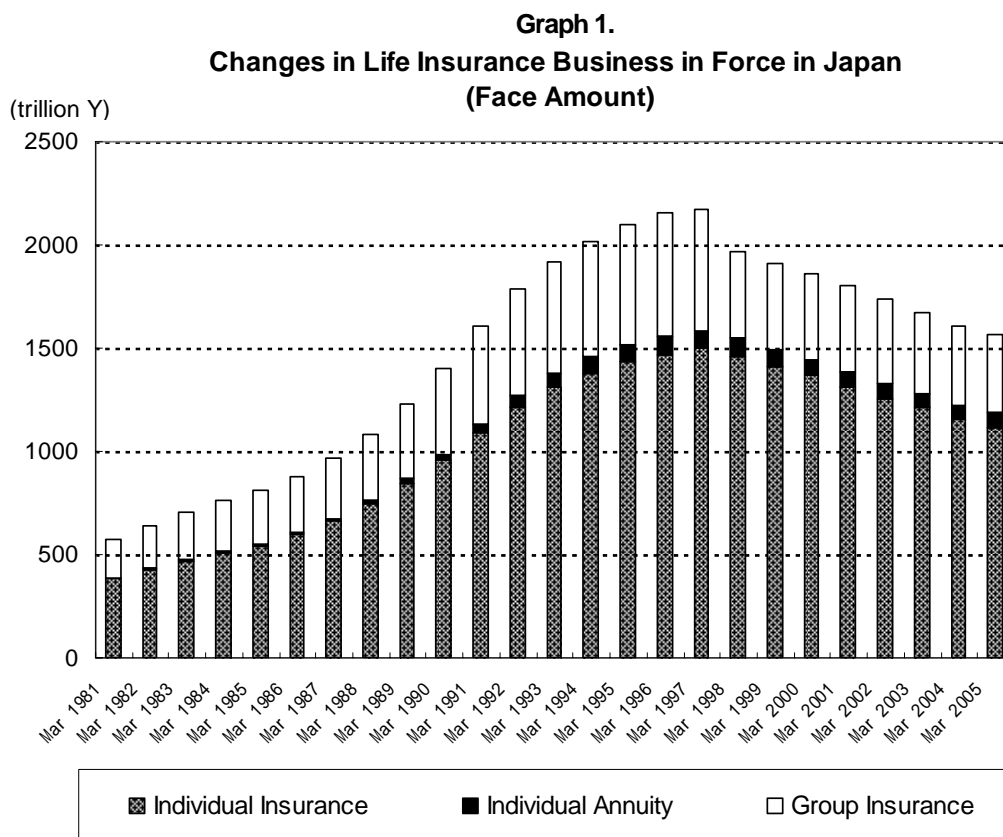


Related Information

A. Changes in Life Insurance Products in Japan

The value of life insurance policies in force (total value of policies in individual insurance, individual annuity, and group insurance) purchased from the private life insurance companies was ¥574 trillion in 1981, then gradually expanded. However, it fell to ¥1,568 trillion in 2005, which has been a continuing trend for eight consecutive years after peaking at ¥2,175 trillion in 1997 (see Graph 1).



Regarding the breakdown in ratio of these figures, in 1981 individual insurance accounted for 66.9 percent, individual annuity for 0.4 percent, group insurance for 32.7 percent. In 2005, individual insurance still occupies the largest share of total value, which is 70.9 percent, and individual annuity 4.7 percent.

The individual life insurance purchased in Japan by type has changed over time, which is explained below in chronological order (see Graph 2).

1. From the Beginning of the 60's through the First Oil Crisis (1973)

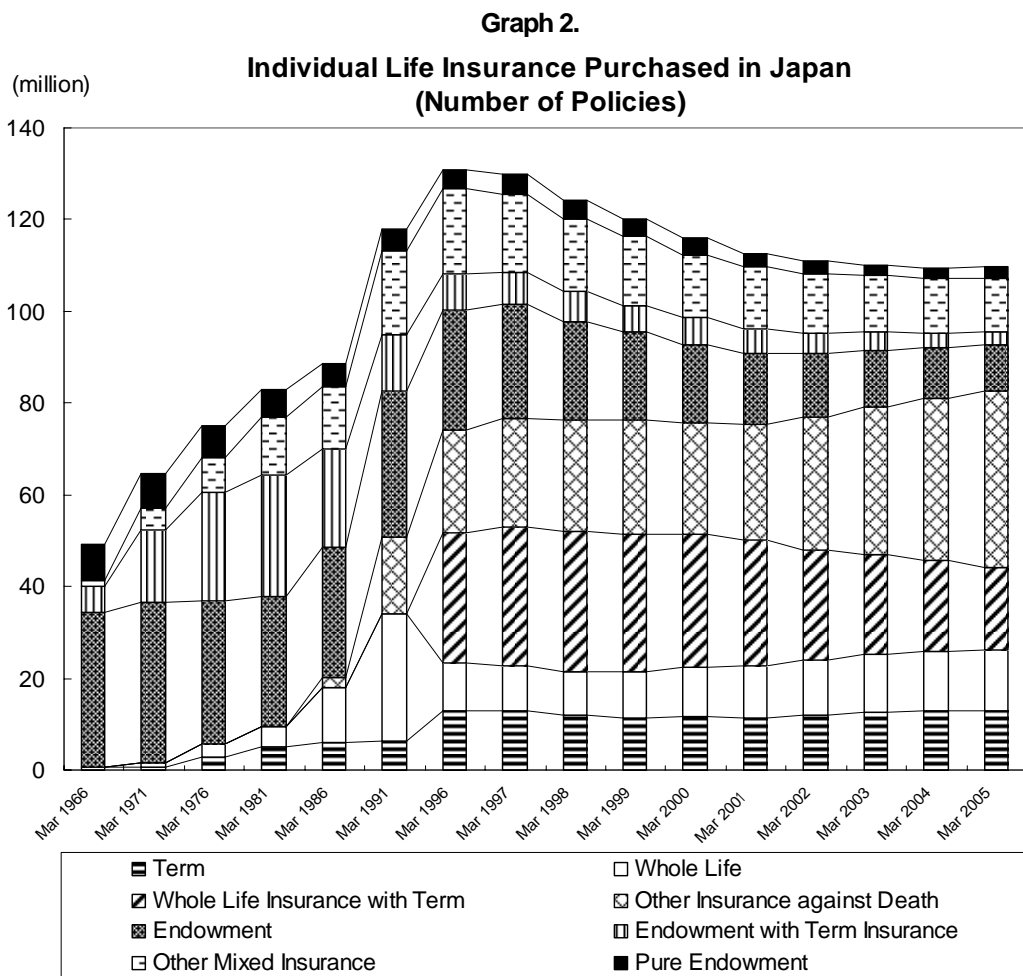
The trend of seeking larger protection with minimum premium payment became apparent, reflecting the accelerating inflation triggered by rapid economic growth and the increasing number of nuclear family type households. As a result, after the mid 60's, the core product of the insurance industry shifted from endowment insurance to endowment with term insurance.

2. From the Middle of the 70's through the Beginning of the 80's

Endowment with term insurance with multiple rate protection (10 times, 15 times) appeared. Since such industrial movement timely matched the people's preference for larger protection with minimum premium payment, endowment with term insurance established a solid position as a primary insurance product in the Japanese market.

3. 1980's

As average life expectancy went up, people became more interested in whole life insurance that provides life-time coverage with minimum premium payment, and rapidly shifted away from endowment with term insurance to whole life insurance, especially after the rate of premium payment was brought down in 1985.



- Since around 1993, endowment with term insurance has been separated from whole life insurance.
- "Other insurance against death" is the sum of variable life insurance (whole life type), joint life insurance, medical life insurance, nursing care insurance, overseas travel accident insurance and others.
- "Other mixed insurance" is the sum of variable life insurance (definite term type), term insurance with survival benefits, joint life insurance, juvenile insurance, and others.
- "Pure endowment" is the sum of juvenile insurance, savings insurance, and others.

4. 1990's through Present

After the so-called bursting of the bubble, the market for protection against death insurance became saturated. In addition, lower interest rates forced insurance companies to bring down the assumed interest rate, and as a result, savings type insurance became less appealing to consumers. This was effectively the beginning of the hard time for the life insurance industry.

The number of individual insurances in force peaked at the end of March 1997, but after that kept decreasing for eight consecutive years, and that is still the continuing trend as of the end of March 2005. Under this circumstance, each life insurance company is making a rigorous effort to develop original and unique products as described below.

a) For Responding to the Rate of Premium:

Offer overall premium discount to each customer individually.

Offer insurance policy with low premium and low cash surrender value.

b) For Upgrading the Benefits for Coverage:

Offer medical insurance that covers even short-time (e.g. one night two days) hospitalization.

Offer nursing care insurance.

Offer waiver of premium during disability in the event of sickness such as cancer.

Offer a rider for hospitalization to cover extended hospital stay.

c) For Seeking Flexibility:

Offer a life insurance product that requires no conversion of policy when renewing the content of coverage.

Offer a product that allows the changing of premium and suspension of payment.

d) For Developing an Investment Type Life Insurance Product:

Offer individual variable annuity.

e) For Developing Optional Service:

Offer more comprehensive card service for the withdrawal of accumulated dividend, and loans to policyholder, repayment, usage of CD, ATM at the post office, bank, etc.

Offer referral and agency service to nursing care providers, and provide health and nursing care counseling.

Provide information and sell insurance policies through the Internet.