

E. Sales

1. New Business and Business in Force

Because of the continuing shift in consumers' demand to products highlighting especially medical and nursing benefits away from products with sizable death protection, new business written for individuals was down from fiscal 2003 both in terms of number (by 4.4 percent) and in terms of amount (by 10.1 percent).

Accordingly, the business in force (the sum of individual insurance, individual annuity and group insurance) at the end of fiscal 2004 shrank slightly by 2.5 percent to ¥1,568.662 trillion (\$14,664 billion) from the previous year. The business in force of individual insurance, group insurance, and group annuity also declined, while individual annuity continues to enjoy robust growth.

Table 7. New Business (Number: in thousand, Amount: in billion Yen)

Fiscal Year	New Business				
	Individual Insurance ^a		Individual Annuity ^a		Group Insurance
	Number	Amount	Number	Amount	Amount
1960	6,568	1,913	1	(0.1) ^b	134
1970	9,807	19,151	76	(11)	4,154
1980	12,135	80,020	168	(76)	6,938
1990	16,686	207,535	2,167	13,076	23,175
2000	12,430	133,559	886	3,605	7,054
2001	14,109	128,098	511	1,910	16,603
2002	13,830	120,712	750	3,408	14,189
2003	13,166	101,381	1,113	5,199	13,797
2004	12,592	91,159	1,369	7,467	10,165
G.R.(%)	-4.4	-10.1	22.9	43.6	-26.3

^a The number of contracts of both individual insurance and individual annuity includes converted contracts. The amount of the contracts of individual insurance and individual annuity reflects the net increase arising from the conversion accordingly.

^b As regards the amount of individual annuity, the figures in parentheses from 1960 through 1980 represent the annual annuity amount, and from 1990 onward, the amount shows the accumulated capital for annuity at the commencement of annuity payments.

Table 8. Business in Force (Number: in thousand, Amount: in billion Yen)

Fiscal Year	Business in Force						
	Total Amount (excluding Group Annuity)	Individual Insurance	Individual Annuity	Group Insurance		Group Annuity	
		Amount	Amount	Amount	Number	Amount	Number
1960	6,996	6,002	(0.1) ^a	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 ^b	471,430	-	31,439	-
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
2004	1,568,662	1,112,170	74,109	382,382	66	32,666	59
G.R. (%)	-2.5	-4.4	6.5	-1.2	-1.2	-6.5	-10.4

^a The figures of the individual annuity from 1960 through 1980 in parentheses represent the annual amount (not the accumulated amount) and are excluded from the total amount which is shown in *italics*.

^b The figures of the individual annuity from 1990 onward represent the sum of the accumulated capital at the commencement of annuity payments and the amount of liability reserves after the commencement of annuity payments.

2. Business in Force and the Domestic Economy

The amount of business in force per household and per person shrank slightly to ¥31.47 million (\$0.29 million) and to ¥12.36 million (\$0.12 million), respectively.

Table 9. Scale of Business in Force^a in the Domestic Economy

Fiscal Year	As a Percentage of National Income (%)	Per Household ^b (million ¥)	Per Capita ^c (million ¥)
2000	473	38.00	14.29
2001	467	36.12	13.73
2002	452	34.44	13.15
2003	434	32.66	12.69
2004	429	31.47	12.36

^a The "Business in force" represents the total amount of individual insurance, individual annuity and group insurance policies.

^b The number of households is based on the "Population Summary of the Basic Resident Registers" from the Japan Geographic Data Center (JGDC).

^c The data on population are taken from the Statistics Bureau of the Ministry of Internal Affairs and Communications (MIC).

3. Percentage of the Types of Policies

The whole life-with-term insurance has been the mainstay of individual life insurance sales, accounting for nearly 40 percent of the total business in force in terms of amount. However, in terms of the amount of new business written during fiscal 2004, its share plunged to 14 percent, whereas adjustable interest rate funding whole life insurance and term insurance products remain relatively firm with rising shares of approximately 20 percent and 27 percent respectively. These shifts suggest the preference of customers for diversifying types of insurance products.

Table 10. Individual Insurance Share by Type (Fiscal 2004) (%)

	Business in Force		New Business	
	Number	Amount	Number	Amount
Whole Life	12.3	8.0	11.8	6.1
Whole Life-with-Term	16.3	39.7	4.3	14.0
Adjustable Interest Rate Funding Whole Life	5.7	11.8	9.9	20.4
Term	11.7	14.0	15.8	26.6
Endowment	9.2	3.0	5.3	2.3
Endowment-with-Term	2.7	2.1	0.6	1.1
Variable	1.0	0.7	1.4	0.9
Others	41.1	20.7	50.9	28.6