

B. Balance Sheet

At the end of FY2005, the assets held by all member life insurers in Japan amounted to about Y209 trillion (or roughly \$1.787 trillion)², an increase of 9.6 percent from the previous fiscal year.

Liabilities expanded by 7.1 percent as a result of the buildup of liability reserves (up 5.8 percent) as well as other reserves and other liabilities. Following the recovery of stock prices in particular, price fluctuation reserves were built up substantially, adding Y204.2 billion (\$1.7 billion) to the prior year's Y1,007 billion.

The total capital held by all member life insurers has surpassed Y15 trillion (\$131 billion), a spectacular increase of 53.7 percent from the previous period.

Table 2. Balance Sheet of Member Companies as a Whole³ (Y billion)

Fiscal Year	Assets		Liabilities			Capital
	Total	Nominal GDP(%)	Total ^b	Liability Reserves	Price Fluctuation Reserves	Total
1960	752	4.5	710	628	0	41
1970	5,854	7.8	5,567	5,070	0	287
1980	26,257	10.7	24,689	22,019	-	1,568
1990	131,618	29.7	127,939	118,032	-	3,679
2001	184,370	36.6	177,299	161,221	603	7,071
2002	179,831	36.1	174,276	159,649	467	5,554
2003	184,329	36.7	175,326	160,714	770	9,003
2004	191,523	37.9	181,442	165,705	1,007	10,080
2005	209,879	41.5	194,387	175,388	1,211	15,491
Growth	9.6%	3.6 percentage points	7.1%	5.8%	20.3%	53.7%

^b The total amount of liabilities includes other liabilities not shown in the above table.

² Hereinafter Yen-based figures in the report are in principle round off, and dollar-based figures in parentheses represent approximate values converted using the Yen/US dollar currency rate at Y117.40 as of the end of March 2006.

³ As fractional figures in the tables are round off in terms of amount and round down in terms of percentage, rounding errors may be observed.