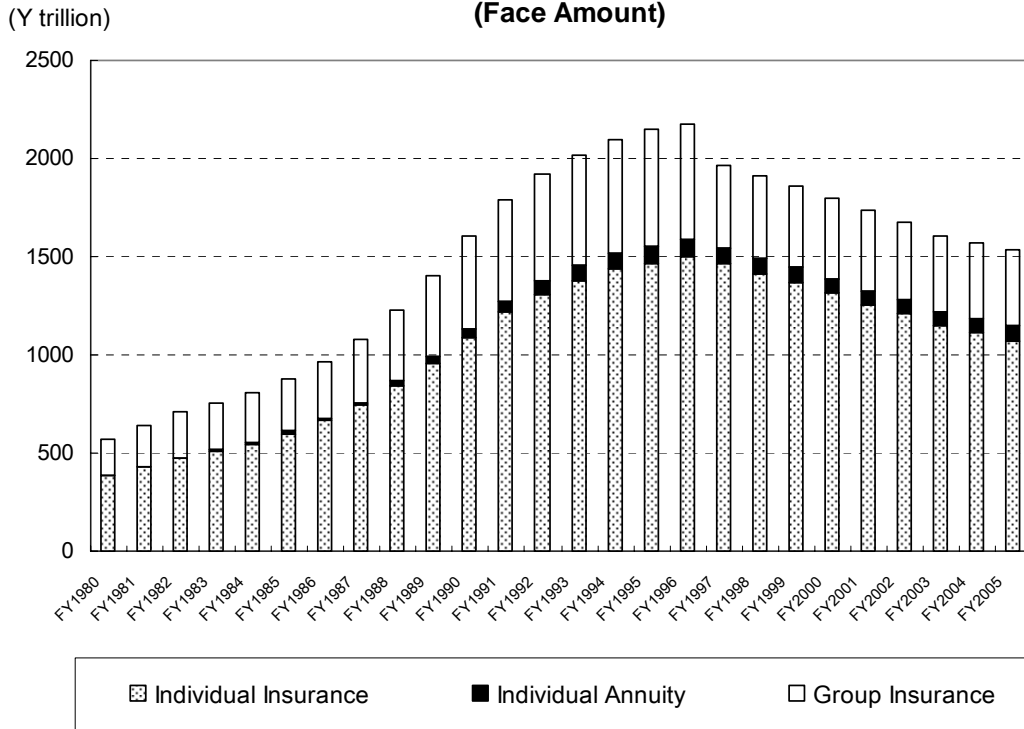


Related Information

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 stood at Y574 trillion in FY1980 (ending in March 1981) (hereinafter figures are at the end of each fiscal year), then it had gradually expanded. However, after peaking at Y2,175 trillion in FY1996, it has continued to fall for nine consecutive years, to Y1,531 trillion in FY2005 (see Graph 1).

Graph 1.
Changes in Life Insurance Business in Force in Japan
(Face Amount)



Regarding the breakdown in percentage of these figures, in FY1980 individual insurance accounted for 66.9 percent, individual annuity for 0.4 percent, group insurance for 32.7 percent. In FY2005, individual insurance still occupied the largest share of total value, which is 69.9 percent, while individual annuity exceeded five percent for the first time at 5.2 percent.

The individual life insurance purchased in Japan by type has changed over time, as explained in the following pages in chronological order (see Graph 2).

1. From the Beginning of the 60's through the First Oil Crisis (around 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 families. As a result, after the mid-60's, the core product of the insurance industry shifted away from Endowment Insurance to Endowment with Term Insurance.

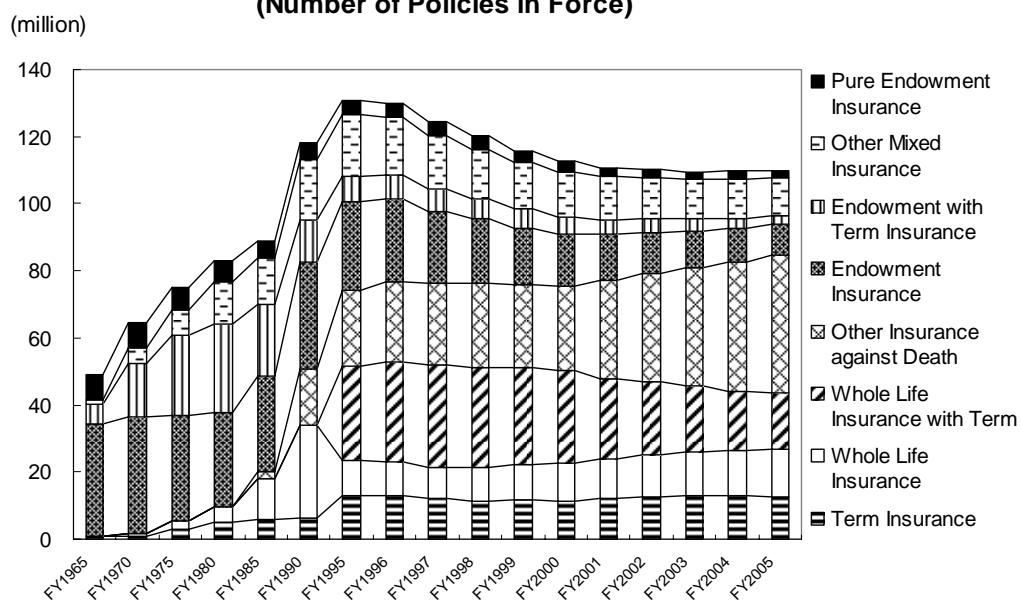
2. From the Middle of the 70's through the Beginning of the 80's

Endowment with Term Insurance with multiple protection became further popular, especially with the protection rates at ten or fifteen times. Since such industrial trend 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 increased, 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.

Graph 2.
Individual Life Insurance Products Purchased in Japan
(Number of Policies in Force)



- Since around FY1992, 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, Accident, Sickness & Life Insurance on Travel Abroad, 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 death protection products became saturated. In addition, lower interest rates forced insurance companies to bring down the assumed interest rate. Under such circumstances, making the most of each company's original strength, each life insurer is striving to develop and offer various products and services with different purposes, which are described as follows.

a) Providing Advantageous Premium Rates:

Premium discount to each policyholder who took out two or more insurance policies within an insurer.

Insurance policy with low premium and low cash surrender value.

b) Upgrading the Benefits for Coverage:

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

Nursing care insurance

Waiver of premium during disability arising from sickness such as cancer

Riders for hospitalization to cover extended hospital stay

c) Seeking Flexibility:

Products that require no policy conversion when renewing the contents of the coverage

Products that allow changes in the payment pattern of premium or suspension of premium payment

d) Developing Investment Type Life Insurance Products:

Individual variable annuity products

e) Enriching Optional Services:

Enhancing convenience in card-related services such as withdrawal of accumulated dividends and policyholder loan, repayment of the policyholder loan, as well as services for CD/ATM at postal offices or banks, etc.

Referring cardholders to nursing care providers and offering health and/or nursing care consultation services.

Providing insurance products and the relevant information on the Internet.