

d) Balance Sheet

The assets held by all member life insurers in Japan as of the end of fiscal 2007 amounted to Y213, 899 billion, a decrease of 2.9 percent from the previous year. Liabilities slightly increased by 0.1 percent as a result of the buildup of liability reserves and other reserves, with an increase of liability reserves by 1.6 percent. Net assets shrank to Y10, 938 billion, down by 37.2%.

Table-5 Balance Sheet of Member Companies as a Whole

(Amount: Y billion)

Fiscal Year	Assets		Liabilities			Capital
	Total	Nominal GDP (%)	Total ^a	Liability Reserves	Price Fluctuation Reserves	Total
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
2006	220,217	43.7	202,804	183,891	1,352	17,412 ^b
2007A	213,899	41.5	202,960	186,856	1,459	10,938 ^b
Y/Y (%)	97.1	-	100.1	101.6	107.9	62.8
2007B	326,423	63.3	314,580	291,591	2,018	11,843 ^b

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

b. Due to a change in accounting standards, the figures represent the amount of "net assets".

e) Ordinary Profit and Basic Profit

The ordinary profit (after subtraction of ordinary expenses from ordinary revenue) of member companies shrank to Y1, 332 billion (75.9 percent y/y) due to net capital loss and net nonrecurring loss.

The basic profit of member companies, which represent profitability of life insurance business for the fiscal year, decreased to Y2, 555 billion (88.3 percent y/y) from the previous year due to diminution of premium and other incomes, a lower return on asset management and increases in insurance and other payments.

Table-6 Ordinary Profit and Basic Profit

(Amount: Y billion)

Fiscal Year	Ordinary Profit	Basic Profit
2003	1,509	2,191
2004	1,593	2,462
2005	1,822	2,668
2006	1,754	2,893
2007A	1,332	2,555
Y/Y (%)	75.9	88.3
2007B	1,344	2,822

* Basic profit = ordinary profit - capital gain/loss - nonrecurring income/loss