

c) Revenues and Expenditures

1) Premium Income

Total premium income declined to Y26, 182 billion (97.0% y/y) for the third successive year. (Including Japan Post Insurance, it was Y34, 063 billion.) As shown below, except individual insurance (Y14, 956 billion, 100.3% y/y), the amount decreased from the previous year in individual annuity (Y6, 099 billion, 92.7% y/y), group insurance (Y1, 128 billion, 94.5% y/y) and group annuity (Y3,737 billion, 92.1% y/y).

Table 3 Breakdown of Premium Income

(Amount: Y billion)

Fiscal Year	Total Premium Income ^a	Individual Insurance	Individual Annuity	Group Insurance	Group Annuity	Reinsurance
2004	27,022	14,885	6,294	1,274	4,297	12
2005	28,332	15,072	7,584	1,264	4,151	14
2006	27,766	15,039	7,340	1,252	3,883	14
2007A	27,032	14,947	6,577	1,195	4,060	15
2008A	26,182	14,956	6,099	1,128	3,737	47
Y/Y (%)A	97.0	100.3	92.7	94.5	92.1	304.2
2007B	30,909	15,383	6,769	1,195	4,060	3,274
2008B	34,063	16,634	6,670	1,128	3,737	5,677
Y/Y (%)B	110.2	108.1	98.5	94.3	92.1	173.3

a. Including other premium income

2) Investment Results

Although profit on sales of securities increased to Y1, 038 billion (142.3% y/y) from the previous year, interest and dividends, which account for nearly 80% of total investment income, declined to Y4, 577 billion (93.7% y/y) from the previous year. Therefore, the total of investment income declined to Y5,834 billion (99.9% y/y). The breakdown of interest and dividends is interest income and dividends from securities Y3, 345 billion (92.4% y/y), interest income from loans Y741 billion (97.6% y/y), income from real estate for rent Y377 billion (102.3% y/y) and others Y112 billion (82.6% y/y).

Including Japan Post Insurance, interest and dividends was Y6, 223 billion (108.4% y/y) and its total is Y7, 548 billion (112.1% y/y).

The investment yield on assets in general accounts was ▲0.02%, decreasing from the previous year. Its breakdown was bonds 2.25%, domestic stocks ▲4.35% and foreign securities ▲2.98%. (Including Japan Post Insurance, the investment yield on assets in general accounts is 0.41 %.)

Table 4 Investment Income

(Y billion)

Fiscal Year	Total	Interest and Dividends				Profit on Sales of Securities	Total Investment Income ^a
		Securities	Loans	Real Estate	Others		
2004	4,005	2,667	922	357	57	736	5,441
2005	4,262	3,030	809	356	66	766	8,185
2006	4,617	3,379	776	357	103	833	6,664
2007A	4,901	3,633	760	370	136	736	5,861
2008A	4,577	3,345	741	377	112	1,038	5,834
Y/Y (%)A	93.7	92.4	97.6	102.3	82.6	142.3	99.9
2007B	5,740	4,180	1,046	370	143	767	6,732
2008B	6,223	4,451	1,265	377	129	1,104	7,548
Y/Y (%)B	108.4	106.4	120.9	101.8	90.2	143.9	112.1

a. Including other investment income

Table 5 Investment Yield on Assets

(%)

Fiscal Year	Total ^a	General Investment Yield on Assets in General Accounts		
		Bonds	Domestic Stocks	Foreign Securities
2004	2.15	1.56	3.75	3.03
2005	2.42	1.53	4.68	3.96
2006	2.45	1.42	5.30	4.03
2007A	1.90	1.77	3.26	2.18
2008A	▲0.02	2.25	▲4.35	▲2.98
2007B	1.30	1.12	3.26	1.85
2008B	0.41	1.72	▲4.35	▲3.01

a. Including other investment yields on assets

1. Overview of the Life Insurance Business in Japan in Fiscal 2008

3) Payments

The total amount paid by all member companies under life insurance contracts in fiscal 2008 was Y21,882 billion. (Including Japan Post Insurance, it was Y35,818 billion.)

Payment of insurance money decreased this year to Y6,098 billion (98.8% y/y). Meanwhile, payments of benefits and annuity were on an upward trend, with both of them rising again this year; payments of benefits was Y4,062 billion (103.5% y/y) and those of annuity was Y2,336 billion (111.0% y/y).

This year, operating expenses slightly increased from the previous year to Y3,776 billion (100.9% y/y). (Including Japan Post Insurance, the expenses were Y4,324 billion.)

Table 6 Breakdown of Payments

(Y billion)

Fiscal Year	Total Payments ^a	Payments under Life Insurance Contracts				Provision for Reserves	Operating Expenses
		Insurance Money	Benefits	Annuity	Repayments		
2004	21,336	6,341	3,846	1,659	8,605	5,756	3,567
2005	20,536	6,543	3,678	1,767	7,551	9,149	3,667
2006	18,972	5,727	3,742	1,914	6,612	8,663	3,714
2007A	20,141	6,194	3,930	2,106	7,034	3,563	3,750
2008A	21,882	6,098	4,062	2,336	7,687	2,057	3,776
Y/Y (%)A	108.8	98.8	103.5	111.0	109.2	57.7	100.9
2007B	26,291	12,342	3,930	2,107	7,035	3,563	4,017
2008B	35,818	19,965	4,063	2,351	7,741	2,057	4,324
Y/Y (%)B	136.2	161.7	103.3	111.5	110.0	57.7	107.6

a. Including reinsurance premium

4) Ordinary Profit and Basic Profit

The ordinary profit (after subtraction of ordinary expenses from ordinary revenue) of member companies significantly shrank to ▲Y1,000 billion due to substantial net capital losses by expanding devaluation losses on securities.

The basic profit of member companies, which represents the profitability of the life insurance business for the fiscal year, significantly decreased to Y1,731 billion (67.7% y/y) from the previous year due to the decline of premium income and investment income and the increase in investment expenses and payments of insurance claims.

Table 7 Ordinary Profit and Basic Profit

(Y billion)

Fiscal Year	Ordinary Profit	Basic Profit*
2004	1,593	2,462
2005	1,822	2,668
2006	1,754	2,893
2007A	1,332	2,555
2008A	▲1,000	1,731
Y/Y (%)A		67.7
2007B	1,344	2,822
2008B	▲786	2,163
Y/Y (%)B	-	76.6

*Basic Profit = Ordinary Profit – Capital Gain/Loss – Nonrecurring income/loss