

# **Life Insurance Fact Book (2022)**



The Life Insurance Association of Japan

## **Introduction**

“The Life Insurance Fact Book” summarizes key performance indicators of life insurance companies operating in Japan. We hope that this report will provide a better understanding of the life insurance business in Japan.

In addition to this report, The Life Insurance Association of Japan (LIAJ) provides detailed statistical data of the life insurance market in Japan. Please refer to such data as necessary.

\*The LIAJ is not responsible for any losses that may occur through the use of the information contained in this report.

## Contents

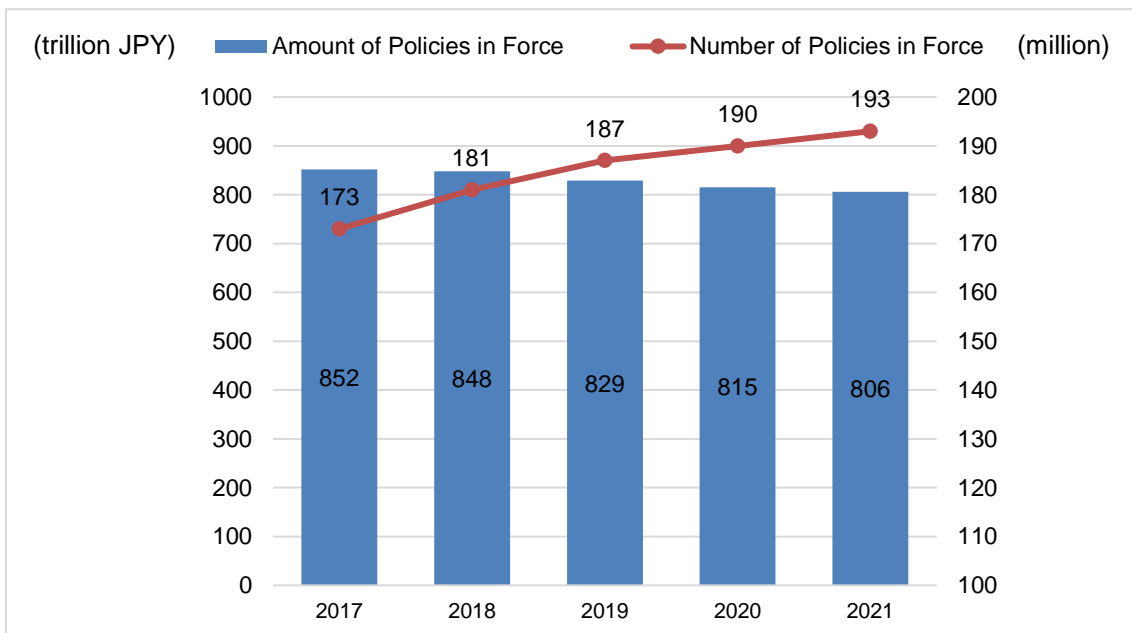
Key Facts of Life Insurance Business .....	1
I. Trends in Life Insurance Business.....	3
1. Insurance Products for Individuals.....	3
(1) Individual Insurance .....	3
(2) Individual Annuity Insurance .....	6
(3) Annualized Premium .....	8
(4) Hospitalization and Surgery Coverage .....	9
(5) Statistical Data by Gender, Age, and Prefecture.....	10
2. Insurance Products for Groups.....	14
(1) Group Insurance .....	14
(2) Group Annuity Insurance.....	17
II. Profit and Loss.....	18
1. Insurance Business Related Profit and Loss .....	18
(1) Premium Income .....	18
(2) Insurance Benefits Paid .....	19
2. Investment Income and Expenses.....	21
3. Operating Expenses.....	23
4. Ordinary Profits and Basic Profits.....	23
III. Investment Results .....	24
1. Overview of Total Assets .....	24
2. Securities.....	25
3. Loans.....	26
4. Tangible Fixed Assets (Real Estate) .....	28
IV. Liabilities and Net Assets .....	28
1. Liabilities and Net Assets .....	28
Reference .....	29
Distribution Channels.....	29
Member Companies .....	30

# Key Facts of Life Insurance Business

## - Trends of Individual Life Insurance Business -

There were 193.01 million individual life insurance policies in force at the end of FY 2021 (101.5% y/y) which was a consecutive increase of 14 years. The recent trend of supplementing medical coverage suppressed the amount of death coverage and the total amount of life insurance benefits was 806.87 trillion JPY which decreased from the previous year (98.9% y/y).

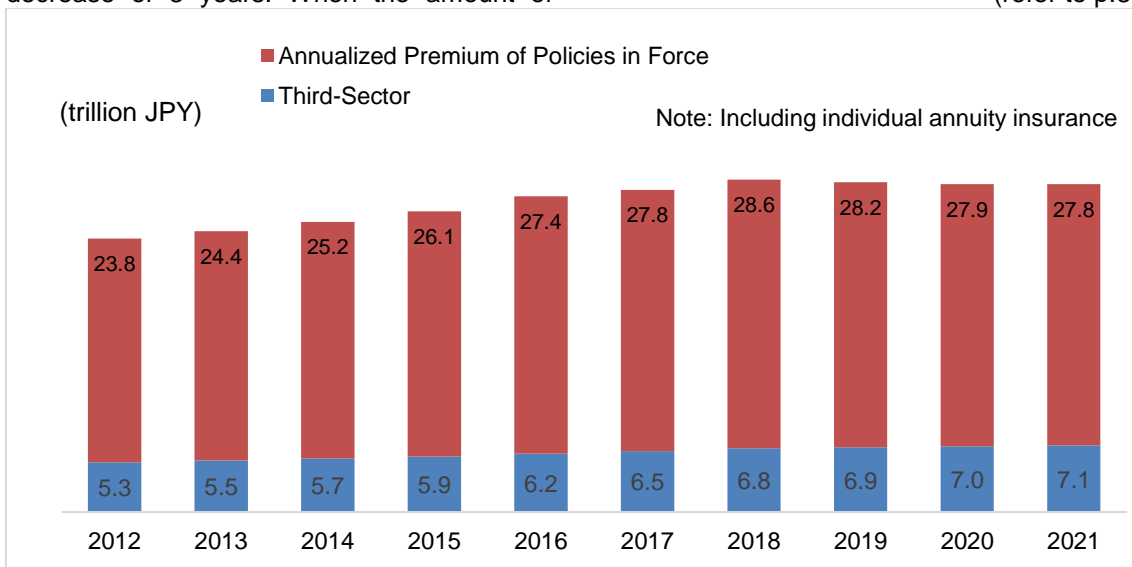
There were 18.87 million new life insurance policies (110.8% y/y) and the total amount was 46.48 trillion JPY (105.3% y/y, includes net increase from converted contracts). The increase for the first time in 3 years was mainly due to factors such as sales activities using digital tools, as well as combining face-to-face sales. (refer to p.3-5)



The annualized premium (average annual premium income of the contract term) of policies in force was 27.8 trillion JPY by the end of FY 2021 (7.1 trillion JPY from the third sector is included), which was a consecutive decrease of 3 years. When the amount of

insurance such as health insurance is minimal (death benefit), and the amount appears less as benefits among many products, the annualized premium is one of the indicators to present business performance.

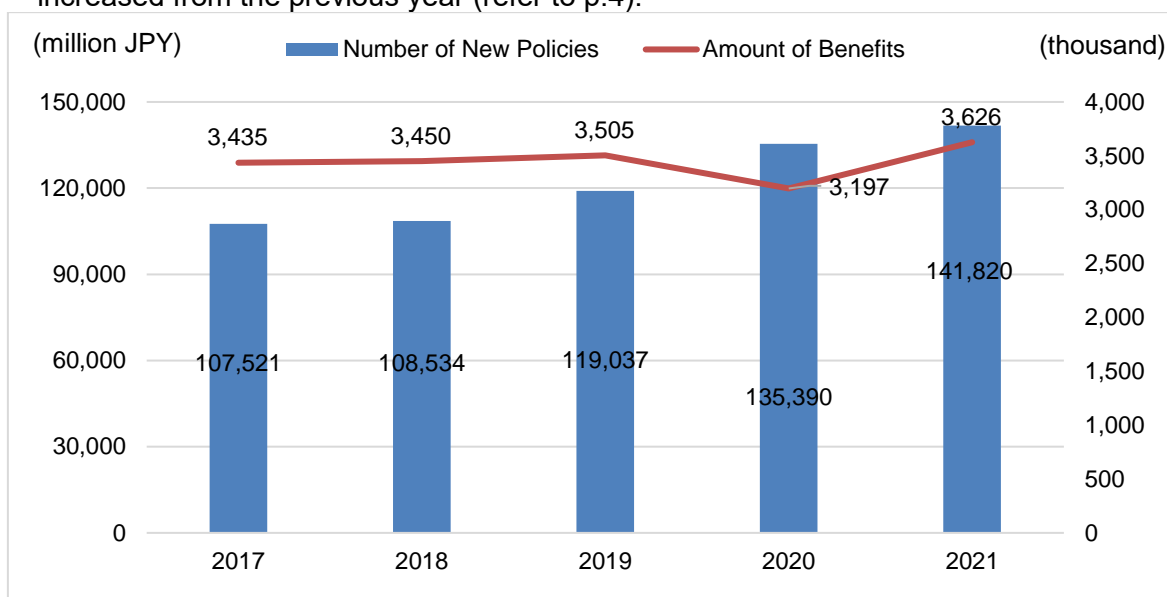
(refer to p.8)



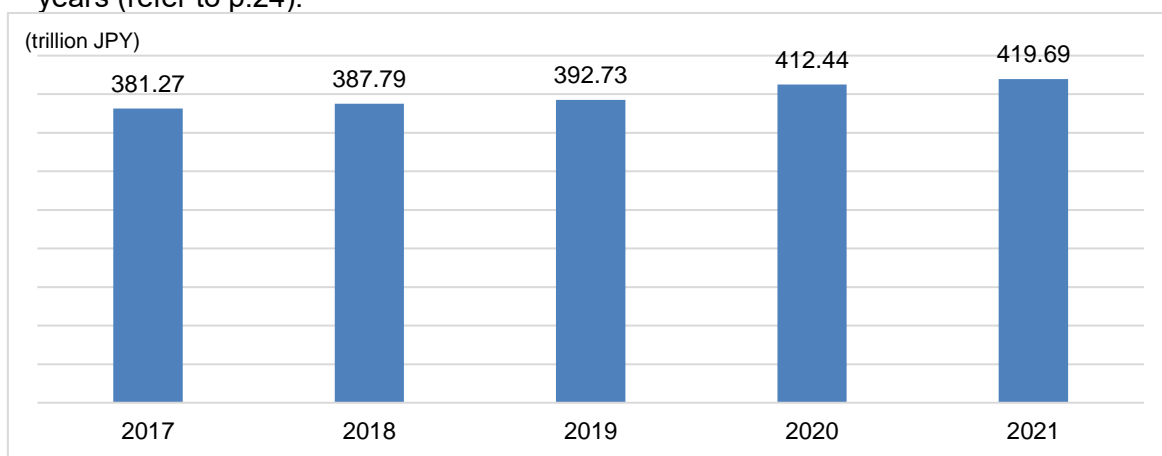
Note: In the third sector, annualized premium for appropriate amounts of health insurance benefits (hospitalization cost, surgery cost, etc.), living benefits (specified diseases, long-term care, etc.), and premium waiver benefit (by reason of specified diseases and long-term care, but excludes disability) are included.

## - Major Business Results -

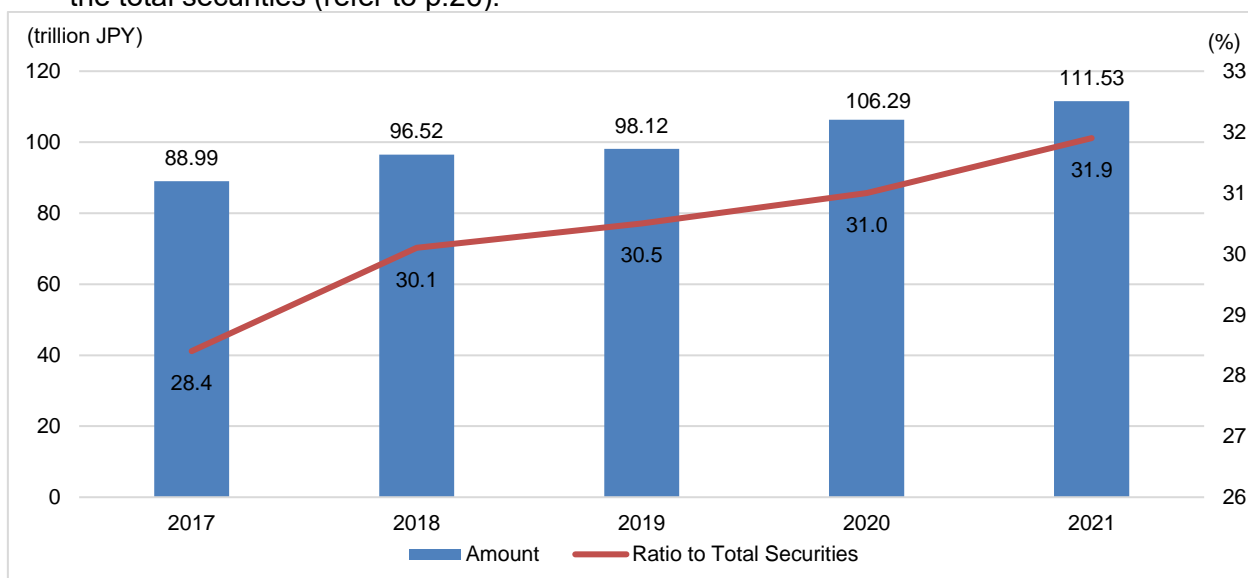
- The number of new policies and the amount of benefits for health insurance increased from the previous year (refer to p.4).



- Total assets was 419.69 trillion JPY (101.8% y/y), increasing for 6 consecutive years (refer to p.24).



- Foreign securities increased for 13 consecutive years which account for 31.9% of the total securities (refer to p.26).



# I. Trends in Life Insurance Business

## 1. Insurance Products for Individuals<sup>1</sup>

### (1) Individual Insurance

#### ◆ New Policies

There were 18.87 million new policies (110.8% y/y, including converted contracts) and the amount of benefits<sup>2</sup> was 46.48 trillion JPY (105.3% y/y, including the net increase arising from the conversions) for new individual insurance policies [Figure 1].

The number of new policies and the amount of benefits increased for the first time in 3 years.

The breakdown of new policies (excluding converted contracts) by type is, health insurance (3.62 million, 29.6%), term life insurance (1.89 million, 15.4%), cancer insurance (1.42 million, 11.6%), whole life insurance (1.30 million, 10.6%), and variable insurance (620 thousand, 5.1%) [Figure 2].

The breakdown of the amount of benefits (excluding converted contracts) by type is, term life insurance (25.97 trillion JPY, 52.0%), whole life insurance (7.89 trillion JPY, 15.8%), variable insurance (6.18 trillion JPY, 12.4%), endowment insurance (1.65 trillion JPY, 3.3%), and juvenile insurance (484.7 billion JPY, 1.0%) [Figure 3].

#### ◆ Policies in Force

There were 193.01 million individual life insurance policies in force (101.5% y/y) and the total amount of benefits was 806.87 trillion JPY (98.9% y/y) [Figure 1].

The number of insurance policies in force has been increasing for 14 consecutive years, and as for the amount of benefits, the recent trend of supplementing medical coverage suppressed the amount of death coverage and decreased from the previous year.

The breakdown of policies in force by type is, health insurance (43.33 million, 22.4%), whole life insurance (37.63 million, 19.5%), term life insurance (28.72 million, 14.9%), cancer insurance (25.21 million, 13.1%) and endowment insurance (10.02 million, 5.2%) [Figure 4].

The breakdown of the amount of benefits by type is, term life insurance (310.10 trillion JPY, 38.4%), whole life insurance (200.72 trillion JPY, 24.9%), whole life insurance with term life rider (48.16 trillion JPY, 6.0%), endowment insurance (34.82 trillion JPY, 4.3%) and whole life insurance with variable accumulation rate (31.36 trillion JPY, 3.9%) [Figure 5].

#### ◆ Lapses and Surrenders

The amount of lapses and surrenders<sup>3</sup> totaled to 40.37 trillion JPY (103.6% y/y), and the lapse and surrender ratio<sup>4</sup> was 4.9% (0.2 point increase from the previous year) [Figure 6].

<sup>1</sup> Individual life and pension insurance where the policyholder is the company insuring executives (so-called "key person insurance"), etc. are included in the statistics.

<sup>2</sup> Amount from major insurance product line such as death insurance.

<sup>3</sup> Amount of lapse and surrender = lapse + surrender

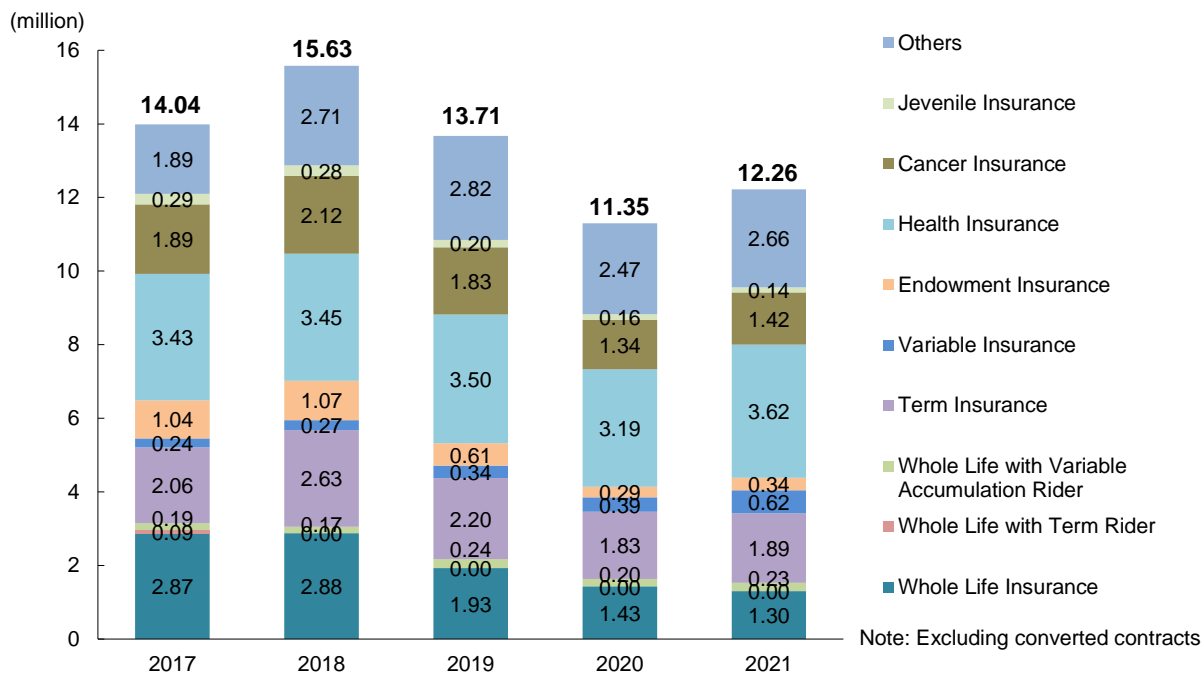
<sup>4</sup> Ratio of lapse and surrender = Amount of lapse and surrender / amount of benefits in force at the beginning of FY×100(%)

**Figure 1: New Policies and Policies in Force for Individual Insurance**

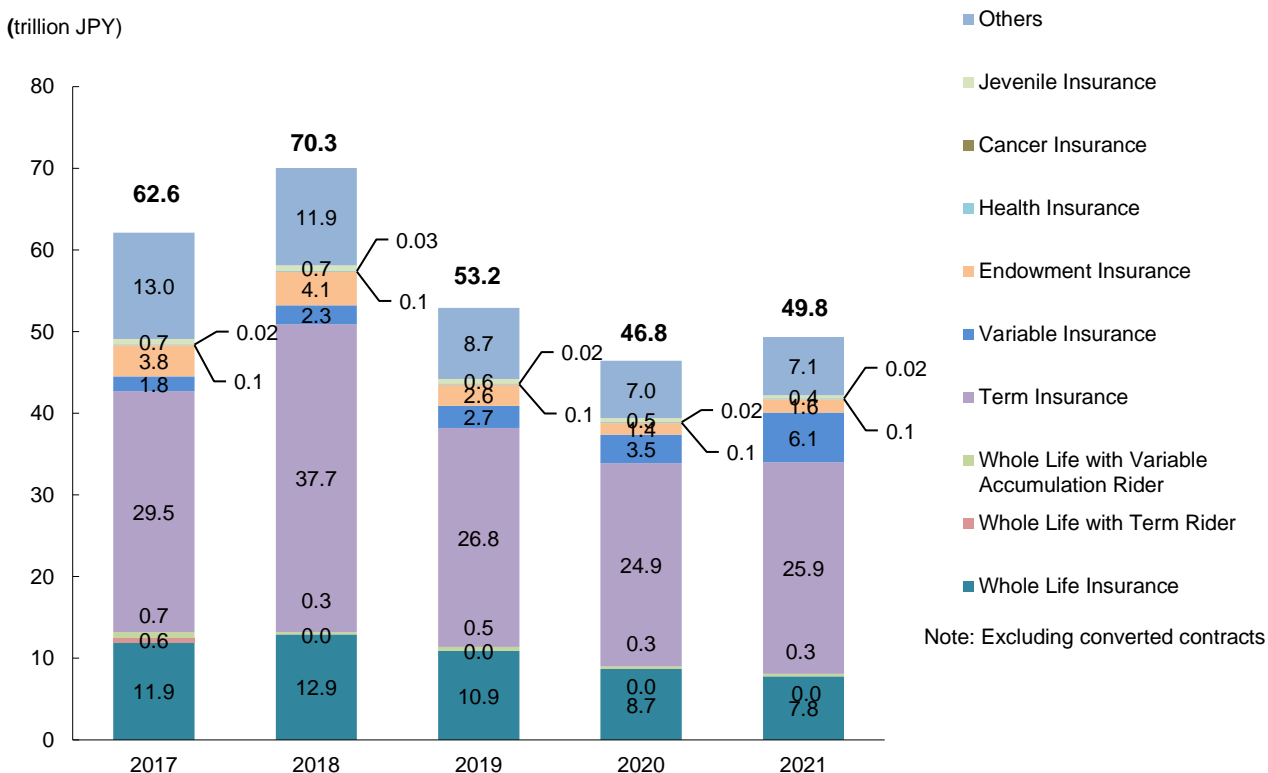
(Number: million, Amount: trillion JPY, y/y: %)

	New Policies				Policies in Force			
	Number		Amount		Number		Amount	
		y/y		y/y		y/y		y/y
2017	17.27	89.5	57.35	83.8	173.02	103.2	852.96	98.8
2018	22.53	130.4	66.73	116.4	181.29	104.8	848.69	99.5
2019	20.80	92.4	49.71	74.5	187.48	103.4	829.90	97.8
2020	17.02	81.8	44.12	88.8	190.24	101.5	815.76	98.3
2021	18.87	110.8	46.48	105.3	193.01	101.5	806.87	98.9

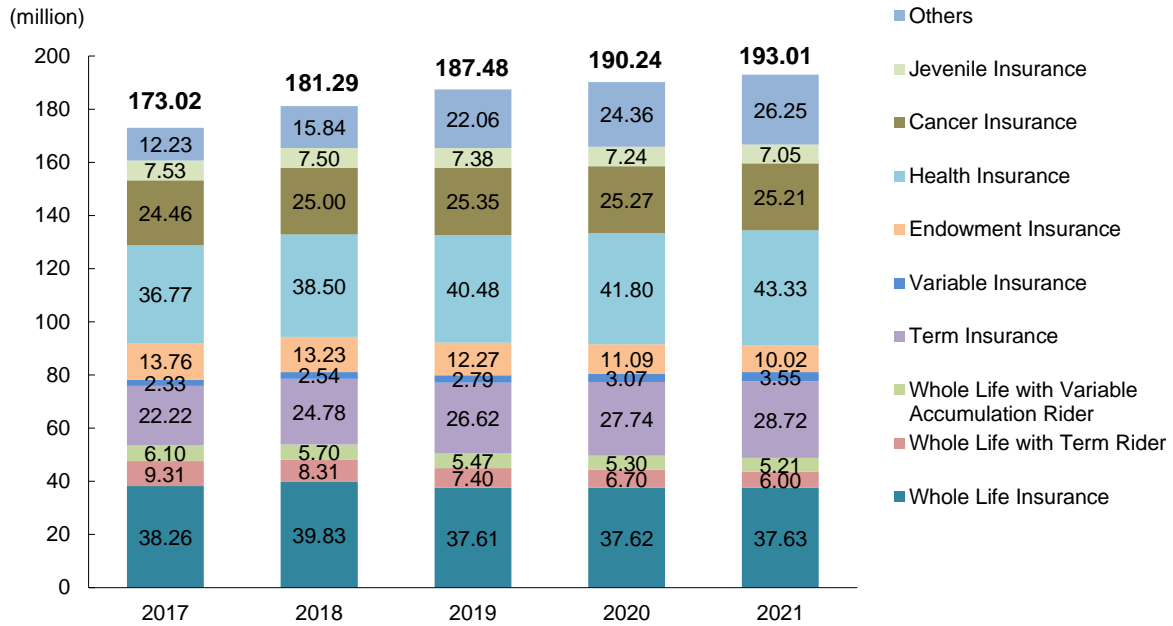
**Figure 2: Number of New Policies for Individual Insurance by Type**



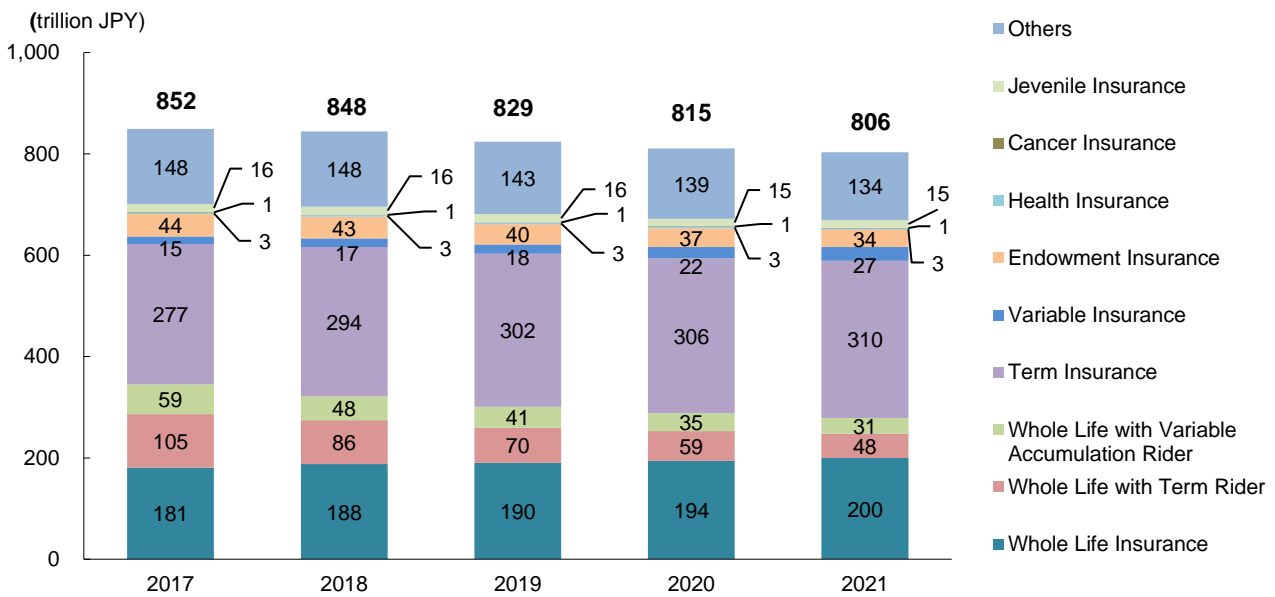
**Figure 3: Amount of New Policies for Individual Insurance by Type**



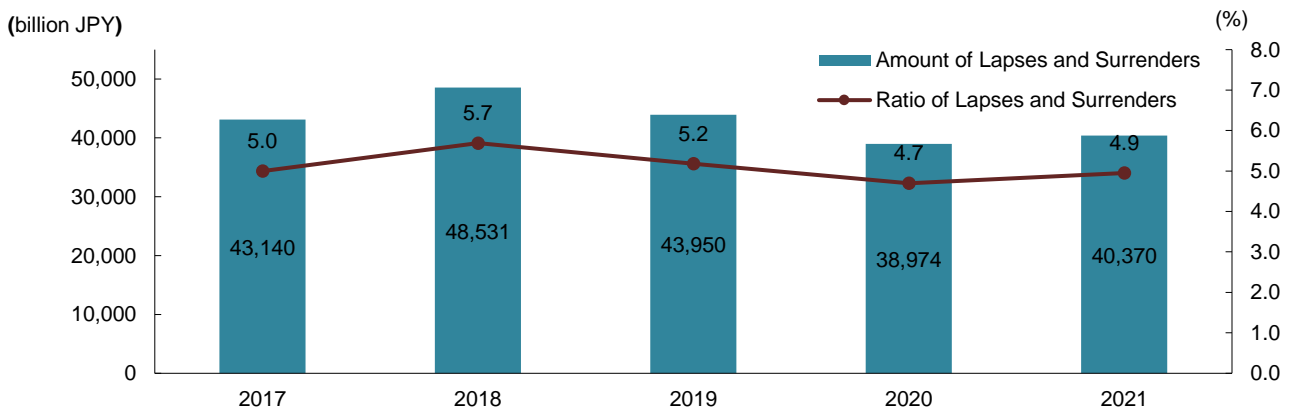
**Figure 4: Number of Individual Insurance Policies in Force by Type**



**Figure 5: Amount of Individual Insurance Policies in Force by Type**



**Figure 6: Amount and Ratio of Lapses and Surrenders of Individual Insurance**





(2) Individual Annuity Insurance

◆ New Policies Insurance

There were 870 thousand new policies for individual annuity insurance (including converted contracts, 129.5% y/y) and the total amount of annuities<sup>5</sup> was 5.26 trillion JPY (132.3% y/y, including the net increase arising from the conversions), increasing for the first time in 3 years [Figure 7].

The breakdown of new policies (excluding converted contracts) by type is, fixed annuities (650 thousand, 74.9%), and variable annuities (210 thousand, 25.1%) [Figure 8].

The breakdown of the amount of new policies for individual annuity insurance by type is, fixed annuities (3.81 trillion JPY, 72.3%), and variable annuities (1.46 trillion JPY, 27.7%) [Figure 9].

◆ Policies in Force

There were 20.39 million individual annuity insurance policies in force (98.1% y/y), and the amount of benefits<sup>6</sup> was 101.11 trillion JPY (99.3% y/y), decreasing for 5 consecutive years [Figure 7].

The breakdown of policies in force by type is, fixed annuities (18.45 million, 90.5%), and variable annuities (1.93 million, 9.5%) [Figure 10].

The breakdown of the amount of annuities by type is, fixed annuities (90.22 trillion JPY, 89.2%), and variable annuities (10.88 trillion JPY, 10.8%) [Figure 11].

◆ Lapses and Surrenders

The amount of lapses and surrenders<sup>7</sup> totaled to 2.39 trillion JPY (112.4% y/y), and the lapse and surrender ratio<sup>8</sup> was 2.8% (0.3 point increase from the previous year) [Figure 12].

**Figure 7: New Policies and Policies in force for Individual Annuity Insurance**

(Number: million, Amount: billion JPY, y/y: %)

	New Policies				Policies in Force			
	Number		Amount		Number		Amount	
		y/y		y/y		y/y		y/y
2017	0.88	42.5	4,803	43.4	21.48	98.7	105,484	97.8
2018	0.99	111.8	5,302	110.4	21.42	99.7	104,358	98.9
2019	0.92	93.5	5,253	99.1	21.23	99.1	102,509	98.2
2020	0.67	73.2	3,976	75.7	20.78	97.9	101,796	99.3
2021	0.87	129.5	5,261	132.3	20.39	98.1	101,113	99.3

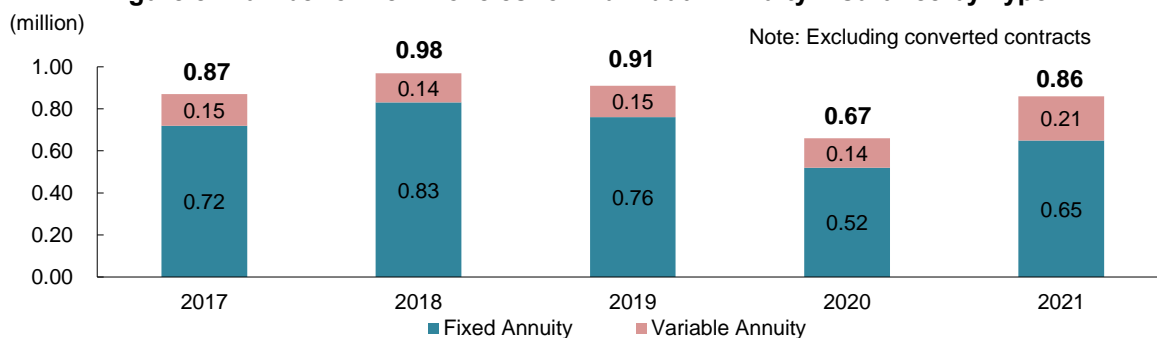
<sup>5</sup> Amount of pension (total pension amount payable in the future calculated at the beginning of annuity payment).

<sup>6</sup> Refers to the annuity funds for policies before payment (total annuity fund payable in the future calculated at the beginning of payment). For policies in payment, it refers to the amount of policy reserve (funds accumulated for future payment).

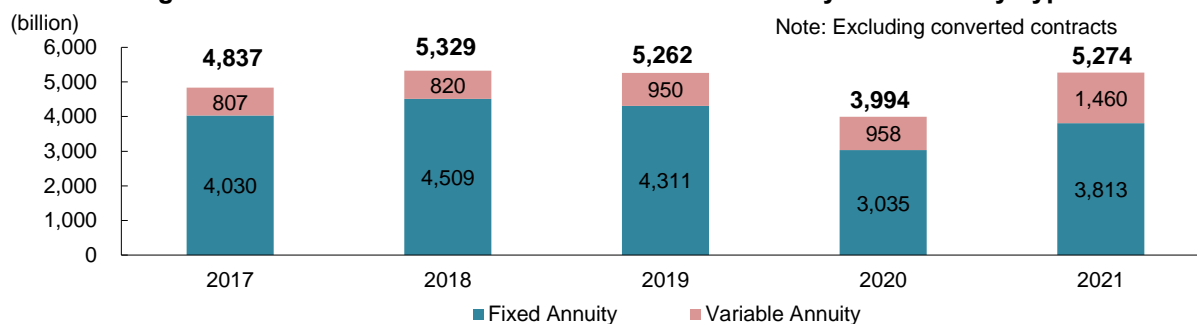
<sup>7</sup> Amount of lapse and surrender = (lapse + surrender)

<sup>8</sup> Ratio of lapse and surrender = Amount of lapse and surrender / amount of benefits in force at the beginning of FY × 100(%)

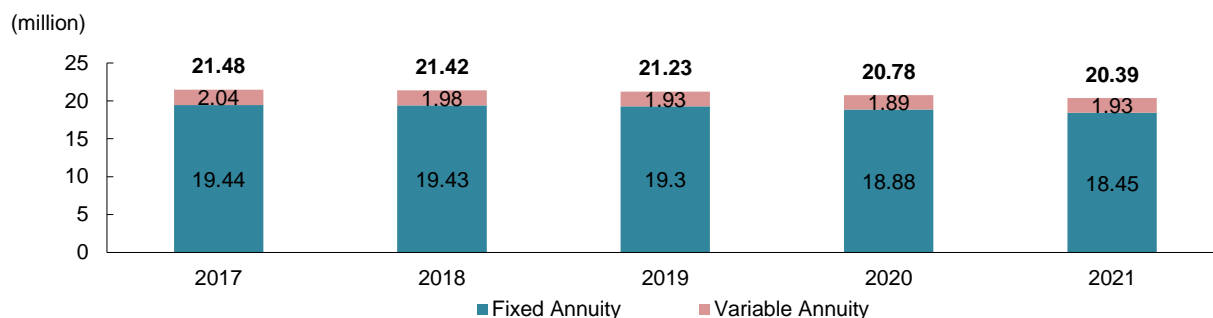
**Figure 8: Number of New Policies for Individual Annuity Insurance by Type**



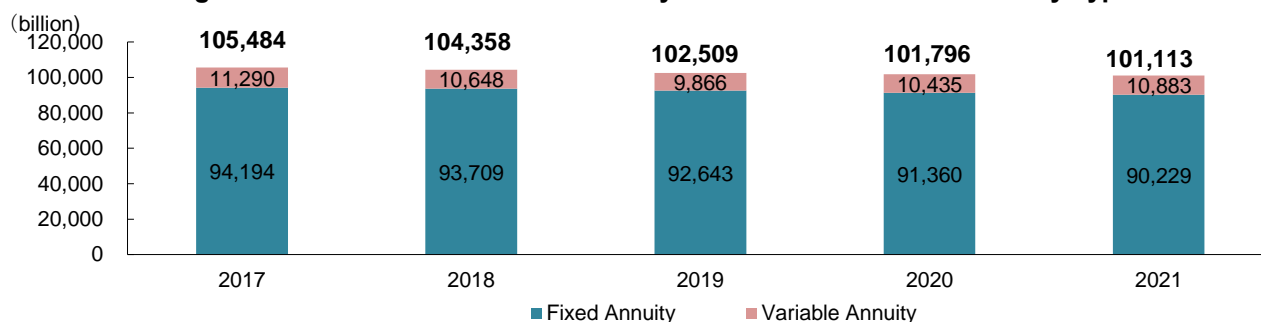
**Figure 9: Amount of New Policies for Individual Annuity Insurance by Type**



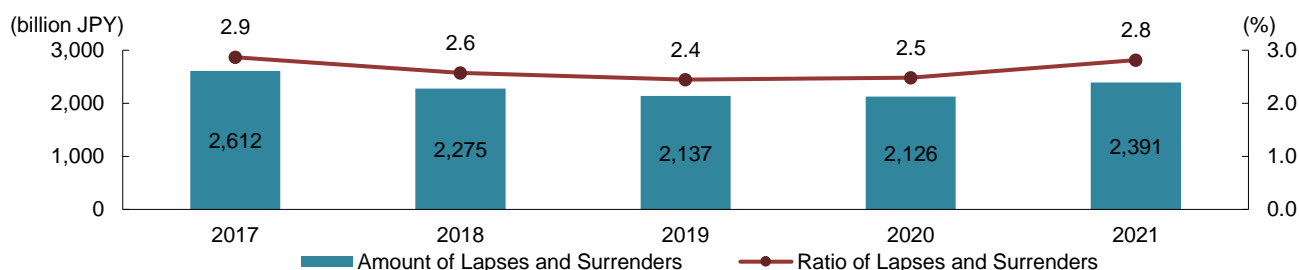
**Figure 10: Number of Individual Annuity Insurance Policies in Force by Type**



**Figure 11: Amount of Individual Annuity Insurance Policies in Force by Type**



**Figure 12: Amount and Ratio of Lapses and Surrenders of Individual Annuity Insurance**



(3) Annualized Premium

The annualized premium on new policies for individual insurance was 1.51 trillion JPY (113.7% y/y), and on new policies for individual annuity insurance was 324.6 billion JPY (124.4% y/y), which both numbers increased for the first time in 3 years [Figure 13].

The annualized premium on policies in force was 21.88 trillion JPY (100.2% y/y) for individual insurance which was an increase for the first time in 3 years, and 6.01 trillion JPY (98.1% y/y) for individual annuity insurance, which was a decrease for 5 consecutive years.

In regards to the third sector, the annualized premium was 541.9 billion JPY (112.2% y/y) for new policies which was an increase for the first time in 3 years, and 7.11 trillion JPY (101.2% y/y) for policies in force which is constantly increasing.

**What is annualized premium?**

Some insurance products have little or no death benefits, such as health, cancer and long-term care insurance. In such circumstance, it might be inappropriate to evaluate business performance solely on the amount of benefits, and the annualized premium was applied as a supplementary indicator.

Consumers may pay premiums monthly, yearly or in a lump sum. Payments can also be made either throughout the entire contract term or within a certain period. Annualized premium is calculated by adjusting these differences in payment methods under the assumption that the premium is equally divided and paid throughout the entire contract term, and indicates the annual average premium income.

Example: In case of a lump-sum premium payment of 1 million JPY for a 5 year contract term

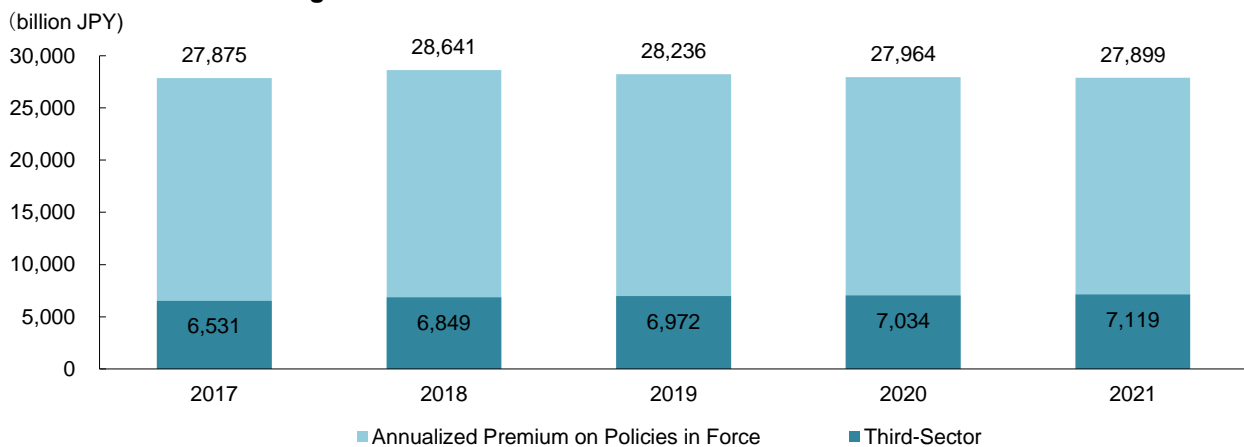
- ✓ premium income: 1 million JPY
- ✓ annualized income: 200 thousand JPY (1 million JPY divided by 5 years)

**Figure 13: Annualized Premium**

	New Policies				Policies in Force			
	(billion JPY)				(billion JPY)			
	Individual Insurance	Individual Annuity Insurance	Total	Third Sector	Individual Insurance	Individual Annuity Insurance	Total	Third Sector
2017	2,226	423	2,650	695	21,503	6,371	27,875	6,531
2018	2,485	501	2,986	779	22,277	6,363	28,641	6,849
2019	1,545	392	1,938	563	22,040	6,195	28,236	6,972
2020	1,333	261	1,594	482	21,832	6,132	27,964	7,034
2021	1,516	324	1,840	541	21,886	6,012	27,899	7,119

Note: In the third sector, annualized premium for appropriate amounts of health insurance benefits (hospitalization cost, surgery cost, etc.), living benefits (specified disease, long-term care, etc.), and premium waiver benefits (by reason of specified disease and long-term care, but excludes disability) are included.

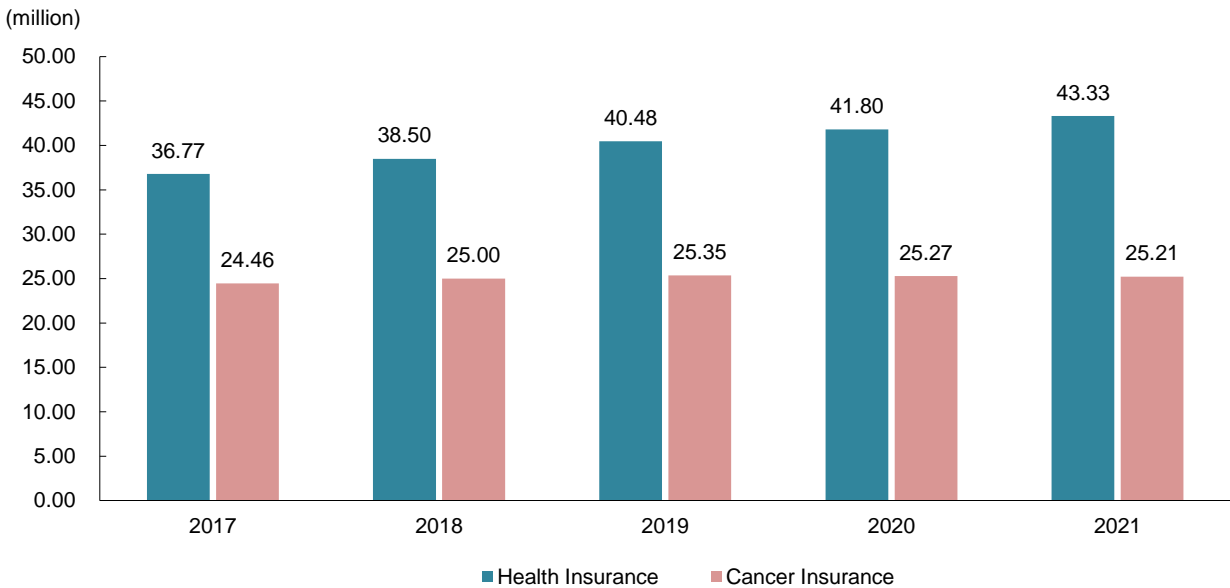
**Figure 14: Annualized Premium on Policies in Force**



(4) Hospitalization and Surgery Coverage

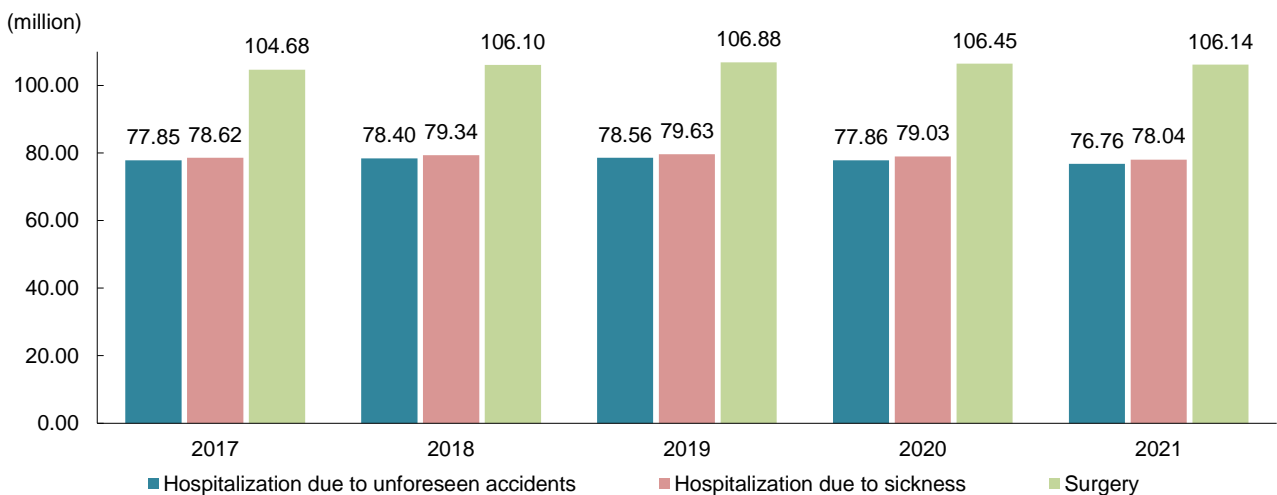
Of all the products for individuals, the number of policies in force for health insurance, which provides hospitalization and surgery coverage as a basic policy, was 43.33 million (103.7% y/y) and has been constantly increasing. The number of cancer insurance policies was 25.21 million (99.8% y/y), which was a decrease from the previous year [Figure 15].

**Figure 15: Number of Health Insurance and Cancer Insurance Policies in Force**



There are also riders which provide health coverage that can be added to basic insurance policies. In regards to the number of policies in force with hospitalization and surgery coverage (total of stand-alone and riders of individual insurance and annuity), there were 76.76 million (98.6% y/y) accidental hospitalization coverage, 78.04 million (98.7% y/y) sickness hospitalization coverage, and 106.14 million (99.7% y/y) surgery coverage, which every number resulted in a decrease [Figure 16].

**Figure 16: Number of in Force Policies with Hospitalization and Surgery Coverage**



Note: Number of coverage for stand-alone and riders of individual insurance policies and annuities. Products with more than one coverage is counted for each coverage.

(5) Statistical Data by Gender, Age, and Prefecture<sup>9</sup>

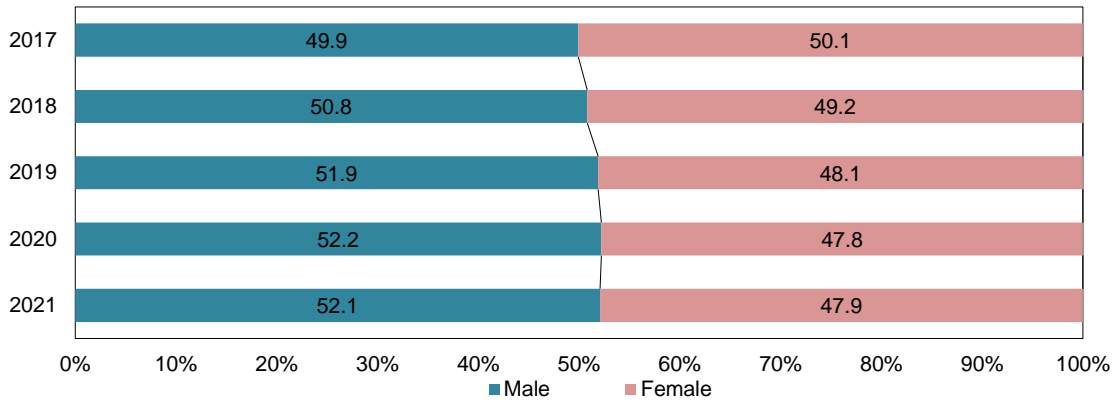
◆ By Gender

Comparing the number of new policies for individual insurance (excluding converted contracts) by gender, the ratio of females exceeded that of males until FY 2017, but in FY 2021, there were more males (52.1%) than females (47.9%) [Figure 17].

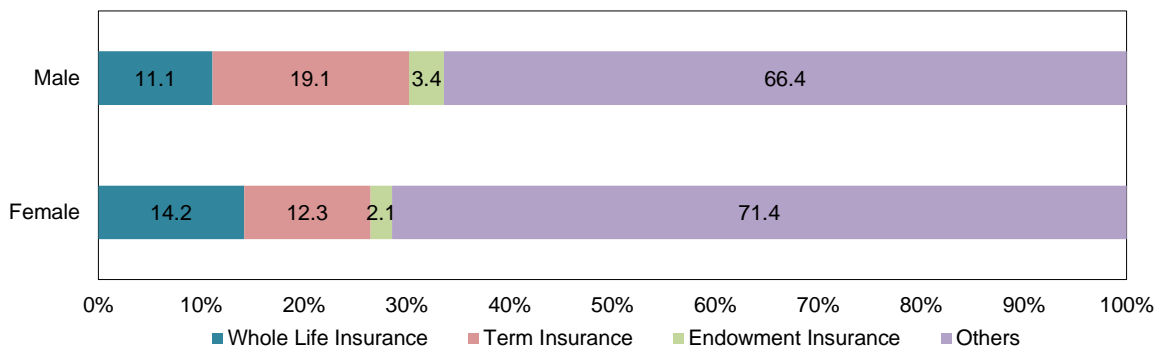
In terms of the number of new policies, over 65% of both males and females ranked insurance products such as “others” that include cancer and health insurance at the top, followed by for males, term life, whole life and endowment insurance. For females, it was in the order of whole life, term life and endowment insurance [Figure 18].

Comparing the number of new policies for individual annuity insurance, the ratio was 48.3% for males and 51.7% for females for FY 2021 [Figure 19].

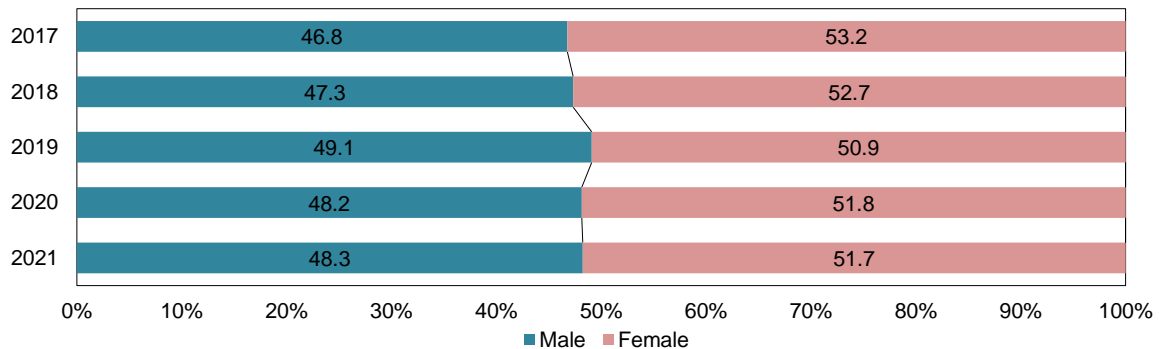
**Figure 17: Ratio of Number of New Policies for Individual Insurance by Gender**



**Figure 18: Ratio by Gender of New Policies for Individual Insurance by Type (Based on Policy Numbers, FY 2021)**



**Figure 19: Ratio of Individual Annuity Insurance by Gender (Based on Number of New Policies)**



<sup>9</sup> Statistical data by gender, age, and prefecture is calculated by insureds.

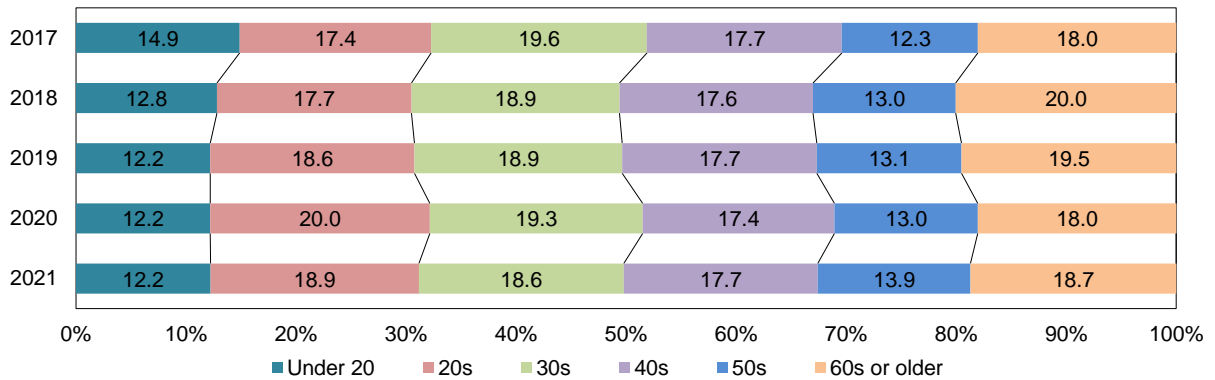
◆ By Age

Comparing the number of new individual insurance policies (excluding converted contracts) by age group, the ratio of those aged 40s, 50s and 60s or older increased slightly, and the ratio of those aged 20s and 30s decreased slightly, and the ratio of those aged under 20 is nearly equal to the previous year [Figure 20].

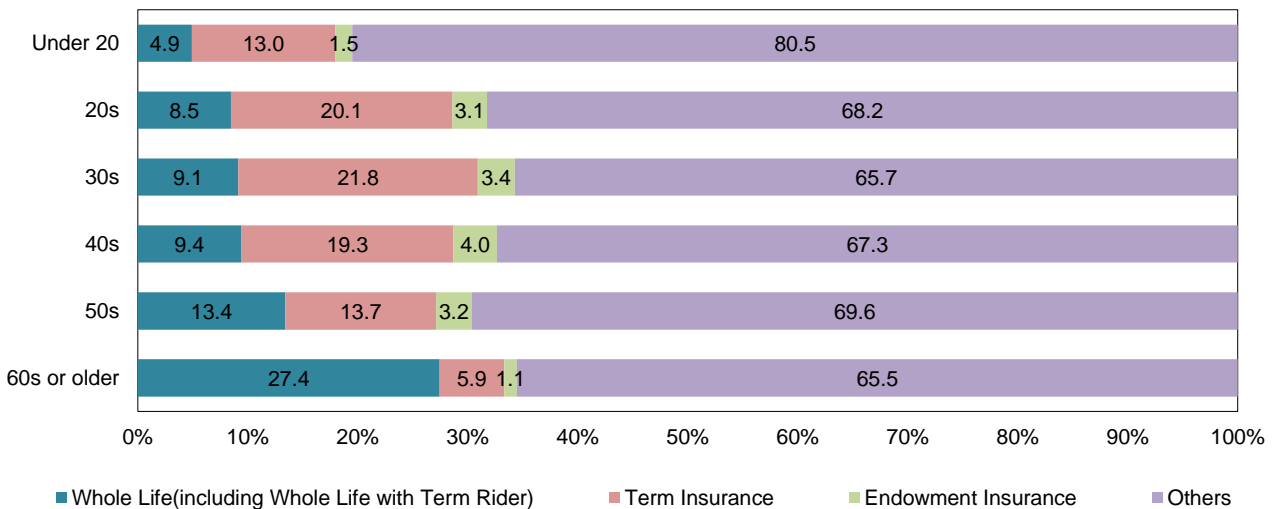
In terms of insurance products, the ratio of “others” (including health insurance and juvenile insurance) was the highest amongst those aged under 20 reaching 80.5%. For those aged over 20, “others” ranked highest as well at over 65%, for 20s~50s the second highest ratio was term life insurance, and for those over 60, the second highest ratio was whole life insurance [Figure 21].

Looking at individual annuities by age group, the ratio of under 20, 20s, 40s and 50s increased for FY 2021 [Figure 22]

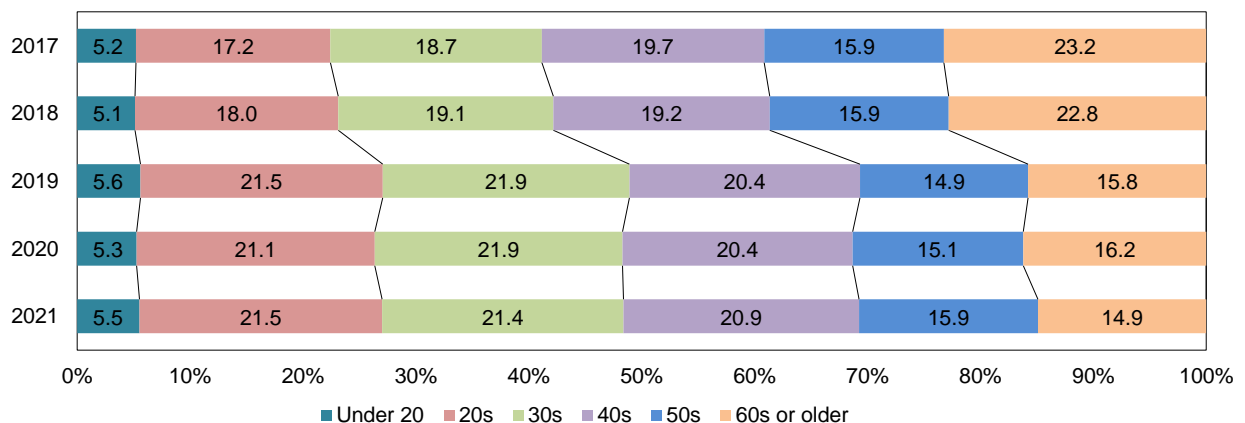
**Figure20: Ratio of Individual Insurance by Age (Based on Number of New Policies)**



**Figure21: Ratio of Individual Insurance by Type (Based on Number of New Policies by Age, FY 2021)**



**Figure 22: Ratio of Individual Annuity Insurance by Age (Based on Number of New Policies)**



◆ By Prefecture

Regarding the individual insurance policies by prefecture, [Figure 23] provides the details for new policies, [Figure 24] for policies in force.

**Figure 23: New Policies for Individual Insurance by Prefecture (FY 2021)**

Prefecture	Individual Insurance		Amount per Policy (thousand JPY)	Policies per Household (number)	Amount per Household (thousand JPY)	Population (ten thousand)	Household (ten thousand)
	Number	Amount					
	(ten thousand)	(billion JPY)					
Hokkaido	49	1,566	3,191	0.17	565	514	277
Aomori	11	382	3,304	0.19	647	123	59
Iwate	9	371	3,726	0.18	703	119	52
Miyagi	23	891	3,811	0.23	882	224	101
Akita	8	259	3,204	0.19	613	95	42
Yamagata	11	397	3,579	0.26	954	104	41
Fukushima	17	679	3,877	0.22	863	182	78
Ibaraki	23	925	4,020	0.18	746	282	124
Tochigi	18	752	4,008	0.22	906	190	82
Gunma	18	747	4,151	0.21	897	188	83
Saitama	62	2,508	4,038	0.18	753	719	333
Chiba	54	2,189	4,026	0.18	754	614	290
Tokyo	157	7,167	4,540	0.22	1,014	1,327	706
Kanagawa	78	3,315	4,213	0.18	760	899	435
Niigata	19	846	4,422	0.21	938	217	90
Toyama	10	434	4,134	0.25	1,040	101	41
Ishikawa	12	467	3,890	0.24	964	111	48
Fukui	8	372	4,221	0.30	1,279	75	29
Yamanashi	8	328	4,065	0.22	916	79	35
Nagano	17	732	4,172	0.20	845	202	86
Gifu	18	819	4,345	0.23	1,015	194	80
Shizuoka	39	1,485	3,726	0.25	946	356	156
Aichi	71	3,287	4,585	0.22	1,011	726	325
Mie	16	665	3,994	0.21	856	173	77
Shiga	12	525	4,173	0.21	901	138	58
Kyoto	22	953	4,199	0.18	796	245	119
Osaka	91	4,066	4,457	0.21	947	855	429
Hyogo	49	2,131	4,293	0.19	845	537	252
Nara	10	462	4,266	0.18	776	132	59
Wakayama	9	330	3,594	0.20	753	92	43
Tottori	5	223	3,779	0.24	942	54	23
Shimane	5	208	3,485	0.20	723	65	28
Okayama	18	772	4,112	0.22	917	185	84
Hiroshima	25	1,086	4,182	0.20	837	273	129
Yamaguchi	13	460	3,472	0.20	710	132	64
Tokushima	7	266	3,734	0.21	798	72	33
Kagawa	10	444	4,434	0.22	1,018	95	43
Ehime	13	485	3,637	0.20	751	132	64
Kochi	6	226	3,333	0.19	651	68	34
Fukuoka	57	2,222	3,861	0.23	911	503	243
Saga	9	331	3,521	0.28	986	80	33
Nagasaki	14	505	3,390	0.23	807	131	62
Kumamoto	20	750	3,714	0.25	956	173	78
Oita	12	414	3,381	0.22	776	111	53
Miyazaki	12	379	3,147	0.22	721	107	52
Kagoshima	16	596	3,574	0.20	743	159	80
Okinawa	12	461	3,566	0.19	684	146	67
<b>Total</b>	<b>1,226</b>	<b>49,899</b>	<b>4,069</b>	<b>0.21</b>	<b>856</b>	<b>12,322</b>	<b>5,822</b>

Note1: Population and number of households are based on "Population, Demography, and Number of Households based on the Basic Resident Registers (as of 1 January, 2022)" of the Ministry of Internal Affairs and Communications.

Note2: Figures shown are numbers of new policies excluding policy conversions.

Note3: The population does not include non-Japanese residents

**Figure 24: Individual Insurance Policies in Force by Prefecture (as of the end of FY 2021)**

Prefecture	Individual Insurance		Amount per Policy (thousand JPY)	Policies per Household (number)	Amount per Household (thousand JPY)
	Number	Amount			
	(ten thousand)	(billion JPY)			
Hokkaido	792	26,421	3,334	2.85	9,534
Aomori	188	7,013	3,724	3.19	11,882
Iwate	174	6,809	3,902	3.30	12,901
Miyagi	372	14,666	3,940	3.68	14,511
Akita	140	5,135	3,663	3.31	12,129
Yamagata	190	7,260	3,805	4.58	17,446
Fukushima	286	11,630	4,064	3.63	14,793
Ibaraki	380	15,316	4,021	3.06	12,343
Tochigi	313	13,423	4,286	3.77	16,176
Gunma	298	12,478	4,178	3.58	14,986
Saitama	1,033	42,847	4,146	3.10	12,864
Chiba	913	37,450	4,101	3.14	12,908
Tokyo	2,194	107,717	4,909	3.10	15,248
Kanagawa	1,317	55,712	4,227	3.02	12,783
Niigata	343	14,469	4,215	3.80	16,056
Toyama	185	8,051	4,333	4.44	19,278
Ishikawa	194	8,134	4,175	4.02	16,805
Fukui	149	6,338	4,244	5.13	21,789
Yamanashi	130	5,414	4,135	3.65	15,098
Nagano	304	12,639	4,157	3.51	14,594
Gifu	300	13,224	4,406	3.71	16,382
Shizuoka	608	24,409	4,010	3.87	15,549
Aichi	1,170	51,802	4,427	3.59	15,936
Mie	275	11,357	4,128	3.54	14,613
Shiga	215	9,027	4,185	3.69	15,483
Kyoto	374	15,823	4,220	3.13	13,215
Osaka	1,352	60,871	4,502	3.15	14,185
Hyogo	793	33,453	4,215	3.14	13,274
Nara	189	8,181	4,311	3.18	13,732
Wakayama	148	5,805	3,919	3.37	13,241
Tottori	101	3,933	3,891	4.26	16,604
Shimane	103	3,913	3,798	3.57	13,590
Okayama	299	12,601	4,205	3.56	14,976
Hiroshima	427	17,898	4,188	3.29	13,804
Yamaguchi	210	7,865	3,745	3.23	12,124
Tokushima	126	5,148	4,055	3.81	15,452
Kagawa	158	7,011	4,421	3.63	16,066
Ehime	202	8,107	4,002	3.13	12,536
Kochi	112	4,257	3,768	3.25	12,246
Fukuoka	815	31,966	3,921	3.34	13,111
Saga	142	5,416	3,805	4.23	16,118
Nagasaki	218	8,030	3,672	3.49	12,828
Kumamoto	289	10,941	3,773	3.69	13,952
Oita	187	6,622	3,532	3.51	12,412
Miyazaki	165	5,657	3,414	3.15	10,772
Kagoshima	252	8,906	3,524	3.14	11,098
Okinawa	156	5,708	3,658	2.31	8,472
<b>Total</b>	<b>19,301</b>	<b>806,878</b>	<b>4,180</b>	<b>3.31</b>	<b>13,857</b>

Note: Population and number of households are based on "Population, Demography, and Number of Households based on the Basic Resident Registers (as of 1 January, 2022)" of the Ministry of Internal Affairs and Communications.



## 2. Insurance Products for Groups

### (1) Group Insurance

#### ◆ New Policies

The aggregated number of newly insureds (the number after adjusting double counting of coinsurance undertaken by multiple insurers) were 450 thousand (86.7% y/y), which decreased and the amount of benefits for new group insurance were 4.52 trillion JPY (101.5% y/y), which increased [Figure 25 and 28].

The breakdown of new group insurance benefits in order of distribution is, group credit life insurance (3.14 trillion JPY, 69.4%), general welfare group term insurance (1.01 trillion JPY, 22.5%), and group term insurance (363.6 billion JPY, 8.0%) [Figure 26].

#### ◆ Policies in Force

The aggregated number of insureds for group insurance policies in force was 41.51 million (100.2% y/y) and the amount of benefits was 408.83 trillion JPY (101.0% y/y), both of which increased [Figure 25 and 29].

The breakdown of the amount of benefits in force in order of distribution is, group credit life insurance (209.90 trillion JPY, 51.3%), group term insurance (105.96 trillion JPY, 25.9%), and general welfare group term insurance (92.50 trillion JPY, 22.6%) [Figure 27].

#### ◆ Lapses and Surrenders

The amount of lapses and surrenders<sup>10</sup> was 594.8 billion JPY (105.0% y/y), and the lapse and surrender ratio<sup>11</sup> was 0.1% (same as the previous year) [Figure 30].

#### [Major types of group insurance]

**Group term insurance:** a voluntary type of insurance provided by the employer to the employees for welfare purpose. Employees become the insureds and bear the responsibility for premium payment.

**General welfare group term insurance:** a mandatory type of group insurance provided by the employer to the employees for its beneficiaries' life security. Generally it is a 1 year term life insurance renewed annually and the employer bears the responsibility for premium payment.

**Group credit life insurance:** a type of mortgage insurance which protects the lender in case the loaner defaults on a loan such as home mortgage. The loaner will be the insured, the credit provider such as banks, or a credit guarantee institution will be the policyholder and beneficiary of the policy. In case the insured deceases or falls under a certain state of disability, the remaining loan amount will be paid to the policyholder to pay off the debt.

**Figure 25: New Policies and Policies in Force for Group Insurance**

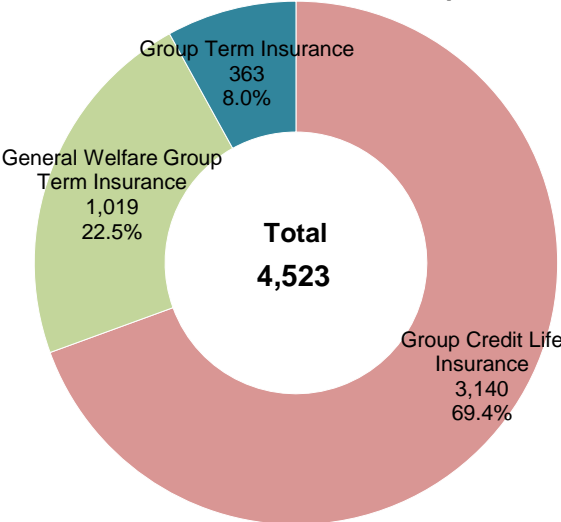
(Number: million, Amount: billion JPY, y/y: %)

	New Policies				Policies in Force			
	Aggregated Number of Insured		Amount		Aggregated Number of Insured		Amount	
		y/y		y/y		y/y		y/y
2017	0.62	145.0	4,939	163.0	40.18	103.4	383,743	101.2
2018	0.68	108.5	4,719	95.6	40.53	100.9	391,708	102.1
2019	0.56	82.6	4,556	96.5	40.88	100.9	398,120	101.6
2020	0.52	93.3	4,457	97.8	41.44	101.4	404,837	101.7
2021	0.45	86.7	4,523	101.5	41.51	100.2	408,830	101.0

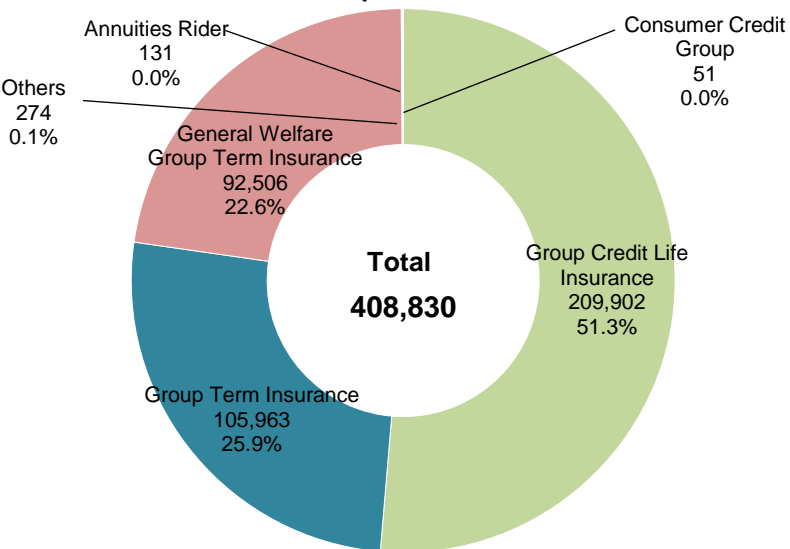
<sup>10</sup> Amount of lapse and surrender = lapse + surrender

<sup>11</sup> Ratio of lapse and surrender = Amount of lapse and surrender / amount of benefits in force at the beginning of FY × 100(%)

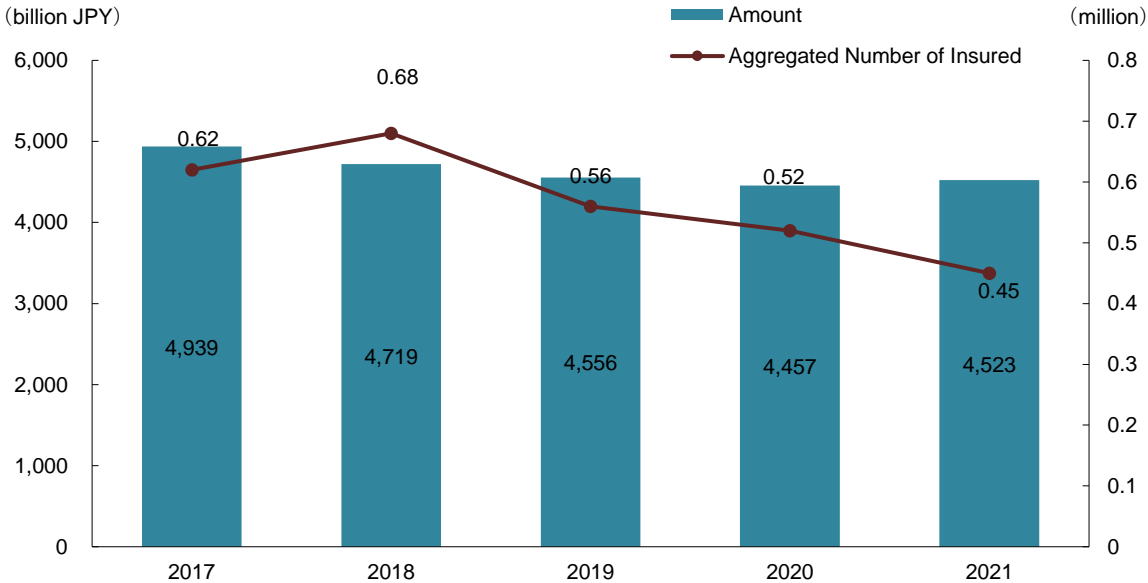
**Figure 26: Breakdown of Amount of New Policies for Group Insurance in FY 2021 (billion JPY)**



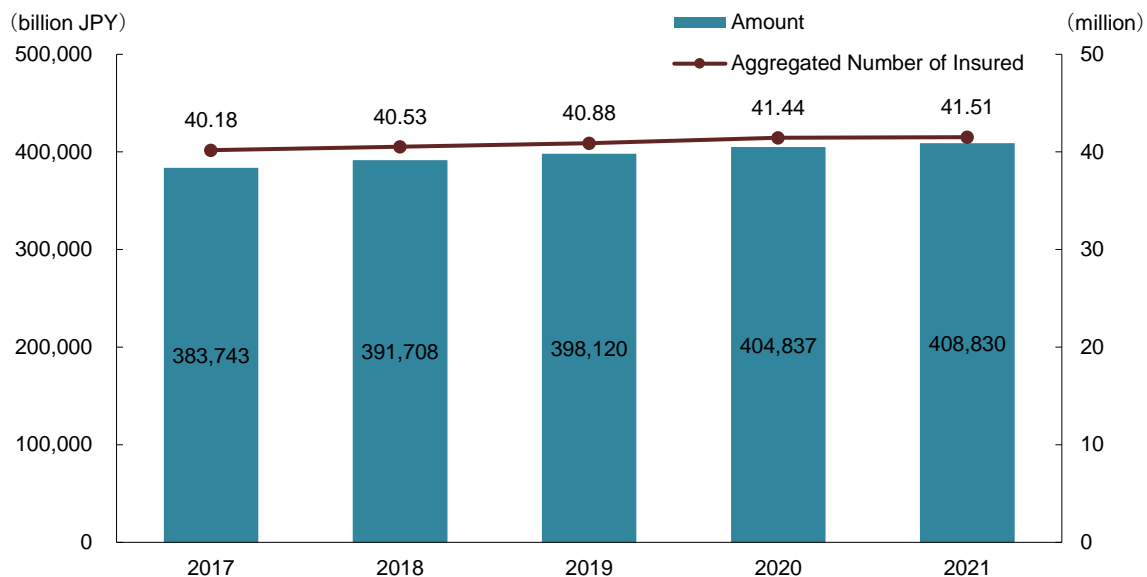
**Figure 27: Breakdown of Amount of Group Insurance Policies in Force FY 2021 (billion JPY)**



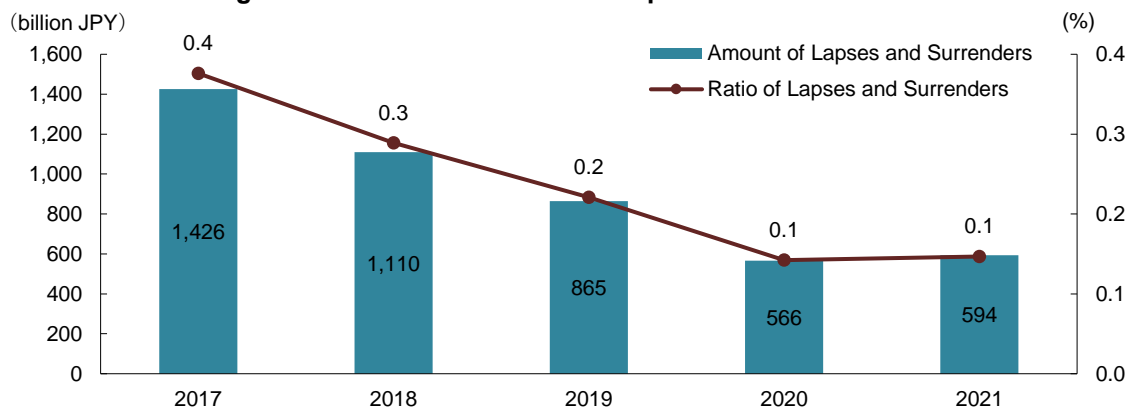
**Figure 28: Number of Insureds and Amount of New Policies for Group Insurance**



**Figure 29: Number of Insureds and Amount of Group Insurance Policies in Force**



**Figure 30: Amount and Ratio of Lapses and Surrenders**



(2) Group Annuity Insurance

The amount of policies in force for group annuity insurance (the amount of policy reserve) was 35.91 trillion JPY (100.1% y/y) which increased from the previous year for 11 consecutive years since FY 2011 [Figure 31 and 32].

Looking at the asset for defined benefit corporate pension, it decreased slightly from the previous year reaching 16.66 trillion JPY (99.8% y/y). As for the employee's pension funds, the asset decreased from the previous year reaching 607.7 billion JPY (95.8% y/y) [Figure 33].

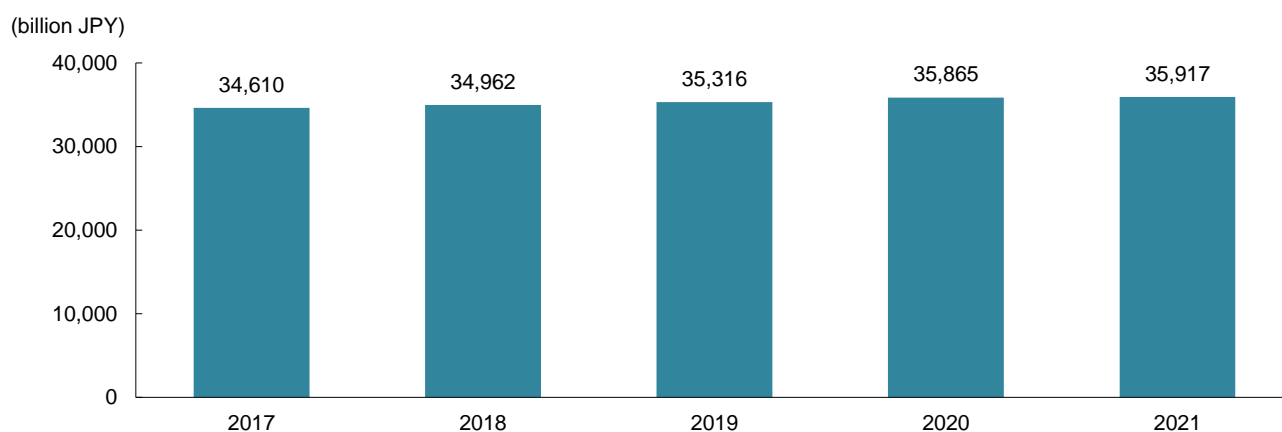
**Figure 31: New Policies and Policies in Force for Group Annuity Insurance**

(Number: million, Amount: billion JPY, y/y: %)

	New Policies				Policies in Force			
	Aggregated Number of Insured		Amount		Aggregated Number of Insured		Amount	
		y/y		y/y		y/y		y/y
2017	0.0010	31.8	16.4	211.8	16.52	96.5	34,610	101.5
2018	0.0080	668.6	0.7	4.9	16.04	97.0	34,962	101.0
2019	0.0000	3.4	0.5	66.8	16.08	100.2	35,316	101.0
2020	0.0001	68.0	7.2	1,360.8	16.06	99.8	35,865	101.6
2021	0.0007	388.5	1.3	18.9	16.22	101.0	35,917	100.1

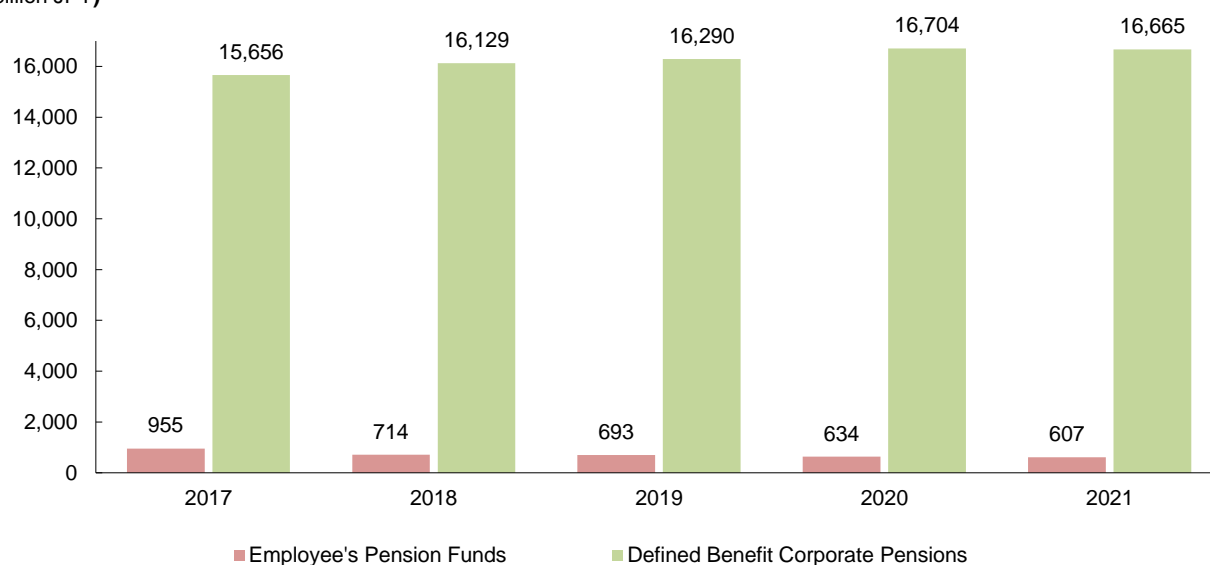
Note: Double count of insureds under coinsurance underwritten by multiple insurers are adjusted.

**Figure 32: Amount of Group Annuity Insurance Policies in Force**



**Figure 33: Asset Balance of Employees' Pension Funds and Defined Benefit Corporate Pensions**

(billion JPY)



## II. Profit and Loss

### 1. Insurance Business Related Profit and Loss

#### (1) Premium Income

The total premium income was 29.82 trillion JPY (102.1% y/y) which increased for the first time in 3 years [Figure 34].

The following results are based on insurance product type, individual insurance (22.29 trillion JPY, 101.8% y/y), individual annuity insurance (3.28 trillion JPY, 106.5% y/y), group insurance (1.09 trillion JPY, 102.1% y/y) and group annuity insurance (2.60 trillion JPY, 102.3% y/y) [Figure 35].

Looking at the premium income for individual insurance based on payment methods, monthly ranked top (51.7%), followed by annually (21.6%), lump sum (18.1%), and monthly payment through payroll deduction (8.1%), which resulted overall in an increase in the ratio of lump sum payment [Figure 36].

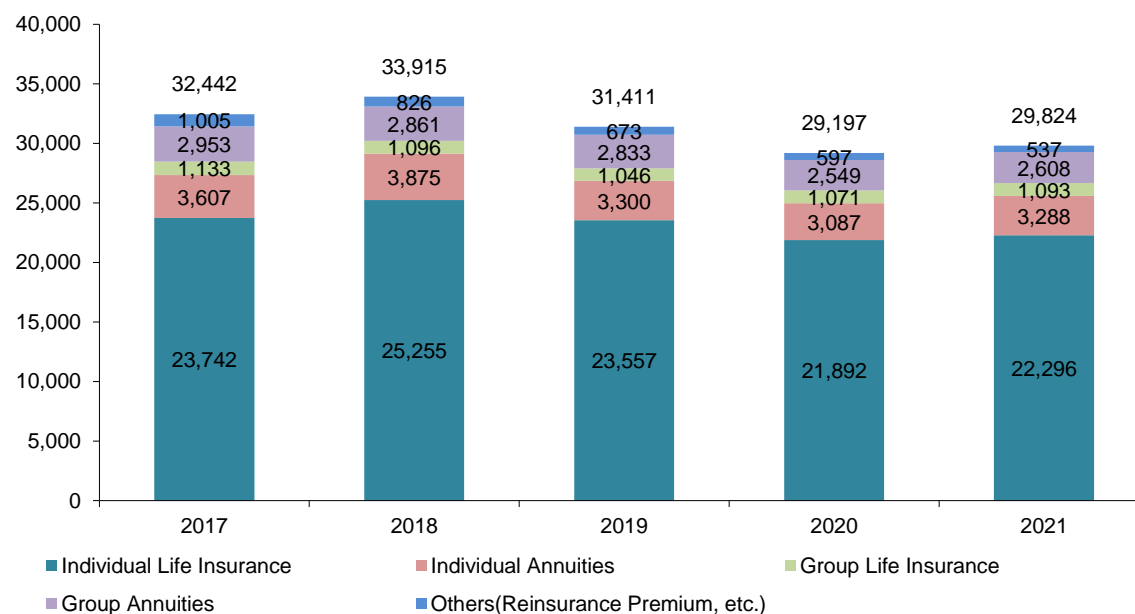
**Figure 34: Profit and Loss**

(billion JPY)

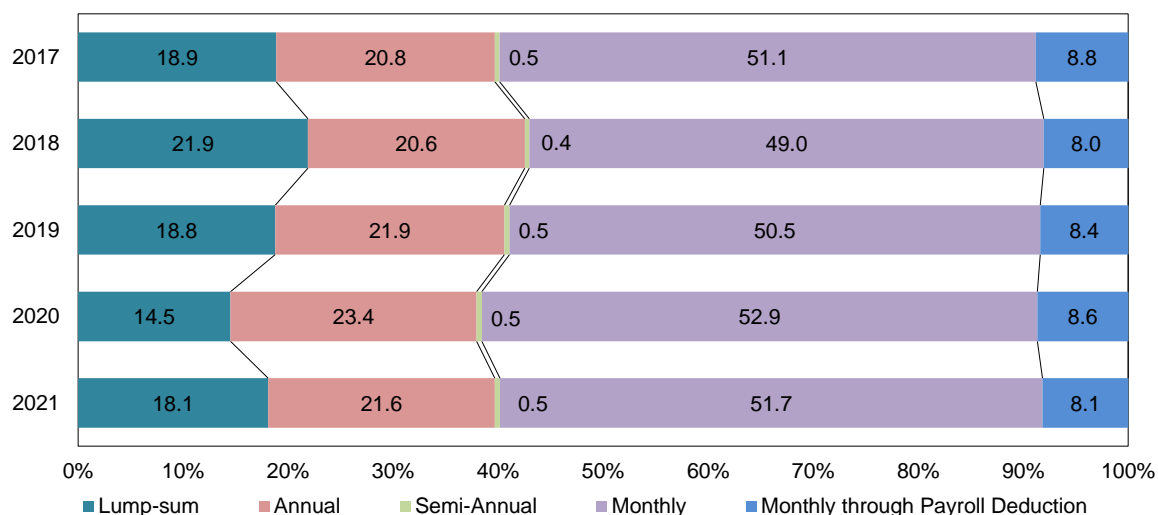
	Revenue						Expenses						Ordinary Profit
	Ordinary Revenue	Premium Income and Others	of Which Premium Income	Investment Profit	of Which: Interests & Dividends	Others	Ordinary Expenses	Benefits Paid	Provision for Insurance Reserves	Investment Expenses	Operating Expenses	Others	
2017	47,268	33,779	32,442	9,461	7,239	4,026	44,348	28,943	6,754	2,559	4,751	1,340	2,919
2018	48,523	35,254	33,915	9,176	7,365	4,092	45,507	28,786	8,312	2,136	4,879	1,392	3,016
2019	46,818	33,012	31,411	9,078	7,469	4,727	44,613	29,547	4,829	4,118	4,714	1,403	2,205
2020	49,043	30,943	29,197	14,126	7,320	3,973	45,849	30,138	8,021	1,774	4,601	1,313	3,193
2021	50,337	32,014	29,824	13,180	7,727	5,143	47,168	31,436	7,785	1,945	4,658	1,342	3,169

**Figure 35: Premium Income by Type**

(billion JPY)



**Figure 36: Ratio of Premium Income for Individual Insurance by Premium Payment Methods**



(2) Insurance Benefits Paid

The total insurance benefits paid was 31.43 trillion JPY (104.3% y/y).

The breakdown of benefits paid was, insurance claims (9.22 trillion JPY, 98.7% y/y), annuities (4.55 trillion JPY, 99.0% y/y), benefits (4.25 trillion JPY, 106.8% y/y), surrender cash value (8.01 trillion JPY, 101.1% y/y), other refunds (1.00 trillion JPY, 103.2% y/y), and reinsurance (4.38 trillion JPY, 132.7% y/y).

Looking at insurance claims, annuities and benefits, the insurance claims decreased for 14 consecutive years since 2008. Annuities decreased for 2 consecutive years. Benefits increased from the previous year [Figure 37].

**Figure 37: Insurance Benefits Paid**

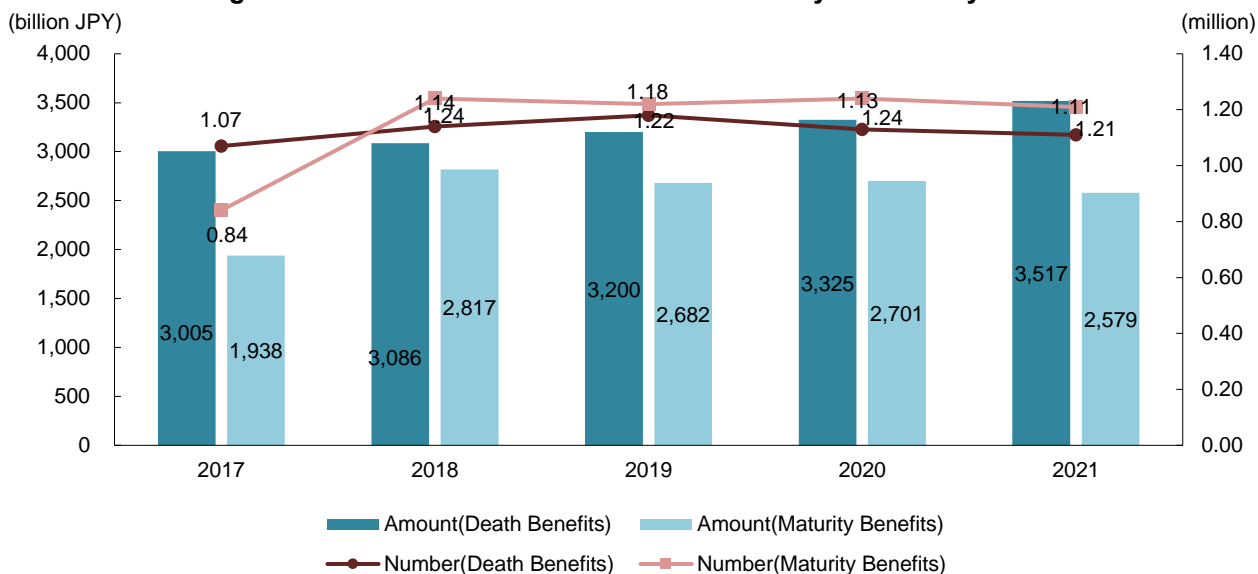
(billion JPY)

	Insurance Claims		Annuities	Benefits		Surrender Cash Value	Other Refunds	Reinsurance Premium	Total
		(Death/Maturity)			(Hospitalization/Surgery Benefit)				
2017	10,406	4,943	4,754	3,862	1,132	6,406	1,434	2,077	28,943
2018	10,289	5,903	4,603	3,898	1,160	6,310	1,220	2,463	28,786
2019	9,598	5,883	4,898	4,006	1,201	6,434	903	3,706	29,547
2020	9,344	6,027	4,600	3,989	1,142	7,925	972	3,305	30,138
2021	9,220	6,096	4,552	4,259	1,206	8,012	1,003	4,387	31,436

Note: Japan Post (until 2007) is reflected on the revenues and expenditures of the Japan Post Insurance, through underwriting reinsurance from the Management Organization for Postal Savings and Postal Life Insurance that succeeded the contracts. Also, amounts equivalent to the insurance benefits paid (including annuities) relating to the postal life insurance is included in the "claims paid" of the Japan Post Insurance.

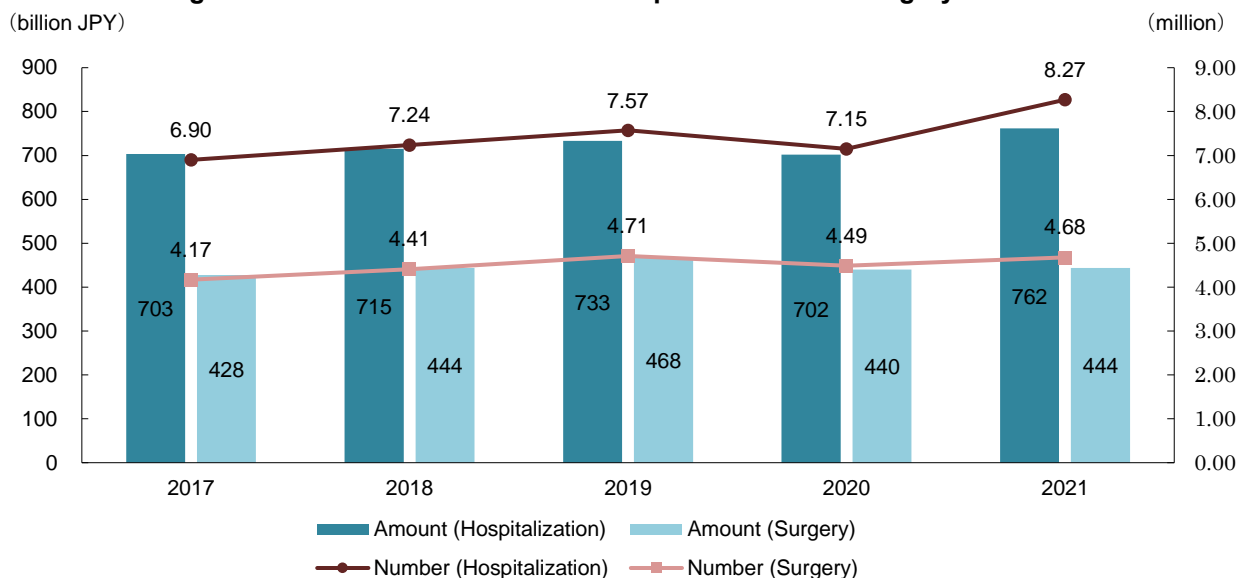
Of all the insurance claims paid, the number and the amount of death benefits were 1.11 million (98.7% y/y) and 3.51 trillion JPY (105.8% y/y). The living proceeds paid at contract maturity were 1.21 million (97.9% y/y) and 2.57 trillion JPY (95.5% y/y). [Figure 38].

**Figure 38: Number and Amount of Death/Maturity Benefit Payments**



Of all the benefits paid, the number and the amount for hospitalization benefits were 8.27 million (115.5% y/y), and 762.2 billion JPY (108.6%), surgery benefits were 4.68 million (104.1% y/y) and 444.5 billion JPY (101.0% y/y) in which both benefits increased in numbers and amounts [Figure 39]

**Figure 39: Number and Amount of Hospitalization and Surgery Benefits**



## 2. Investment Income and Expenses

The investment income was 13.18 trillion JPY (93.3% y/y), which decreased from the previous year. Of all the investment income, interest and dividend income increased to 7.72 trillion JPY (105.6% y/y), profit on sales of securities decreased to 1.29 trillion JPY (81.3% y/y), and other income (including profits on asset management of separate accounts) also decreased to 1.21 trillion JPY (41.7% y/y). In addition, the profits on asset management of separate accounts included in the other income was 667 billion JPY (2.13 trillion JPY in FY 2020) [Figure 40].

Of all the interests and dividends, the amount of interests and dividends from securities was 6.74 trillion JPY (106.3% y/y) and for loan interests was 528.8 billion JPY (97.4% y/y).

Of all the investment expenses, the losses on sales of securities was 685.8 billion JPY (160.5% y/y) and losses on revaluation of securities was 54.1 billion JPY (211.2% y/y).

The amount of the balance of foreign exchange profits minus foreign exchange losses was 2.93 trillion JPY (2.24 trillion JPY profits for the previous year) [Figure 41].

The investment yield on assets in general account was 2.78% (2.75% in FY 2020), which was a consecutive increase of 2 years. The breakdown was, bonds; 1.51% (1.62% in FY 2020), domestic stocks; 10.63% (5.88% in FY 2020), foreign securities; 5.36% (5.50% in FY 2020), financial loans; 2.59% (2.20% in FY 2020), and real estate; 2.78% (2.91% in FY 2020) [Figure 42].

**Figure 40: Investment Income**

(Amount: billion JPY, y/y: %)

	Interest and Dividends	Securities	Loans	Rent of Real Estate	Deposits and Others	Profit on Sales of Securities	Foreign Exchange Profit	Others	Total
2017	7,239 <103.1>	6,182 <104.3>	656 <94.0>	316 <99.1>	84 <110.3>	1,004 <93.2>	36 <46.4>	1,179 <131.4>	9,461 <104.2>
2018	7,365 <101.7>	6,293 <101.8>	625 <95.3>	324 <102.6>	122 <143.6>	945 <94.1>	276 <748.2>	589 <49.9>	9,176 <97.0>
2019	7,469 <101.4>	6,424 <102.1>	593 <94.8>	338 <104.2>	113 <93.0>	1,189 <125.8>	0 <0.0>	419 <71.2>	9,078 <98.9>
2020	7,320 <98.0>	6,348 <98.8>	543 <91.6>	336 <99.4>	93 <82.2>	1,594 <134.0>	2,302 <28786575.0>	2,909 <693.5>	14,126 <155.6>
2021	7,727 <105.6>	6,749 <106.3>	528 <97.4>	357 <106.3>	92 <98.8>	1,295 <81.3>	2,945 <127.9>	1,211 <41.7>	13,180 <93.3>

Note1: Others include profits and gains on money trusts, financial derivatives and separate accounts.

Note2: Numbers in <> refer to year-on-year rate.



**Figure 41: Investment Expenses**

(Amount: billion JPY, y/y: %)

	Interest Paid	Losses on Sales of Securities	Losses on Revaluation of Securities	Foreign Exchange Losses	Others	Total
2017	86 <117.1>	490 <89.1>	29 <41.7>	1,113 <582.1>	837 <94.1>	2,559 <143.9>
2018	111 <128.3>	596 <121.5>	64 <216.0>	314 <28.2>	1,049 <125.3>	2,136 <83.5>
2019	117 <105.1>	256 <43.1>	525 <818.4>	1,851 <588.5>	1,367 <130.3>	4,118 <192.8>
2020	86 <73.8>	427 <166.4>	25 <4.9>	59 <3.2>	1,175 <86.0>	1,774 <43.1>
2021	90 <104.9>	685 <160.5>	54 <211.2>	10 <17.8>	1,103 <93.9>	1,940 <109.6>

Note1: Others include losses on money trusts and separate accounts, as well as financial derivative expenses.

Note2: Numbers in &lt;&gt; refer to year-on-year rate.

**Figure 42: Portfolio Yields by Type of Assets**

(%)

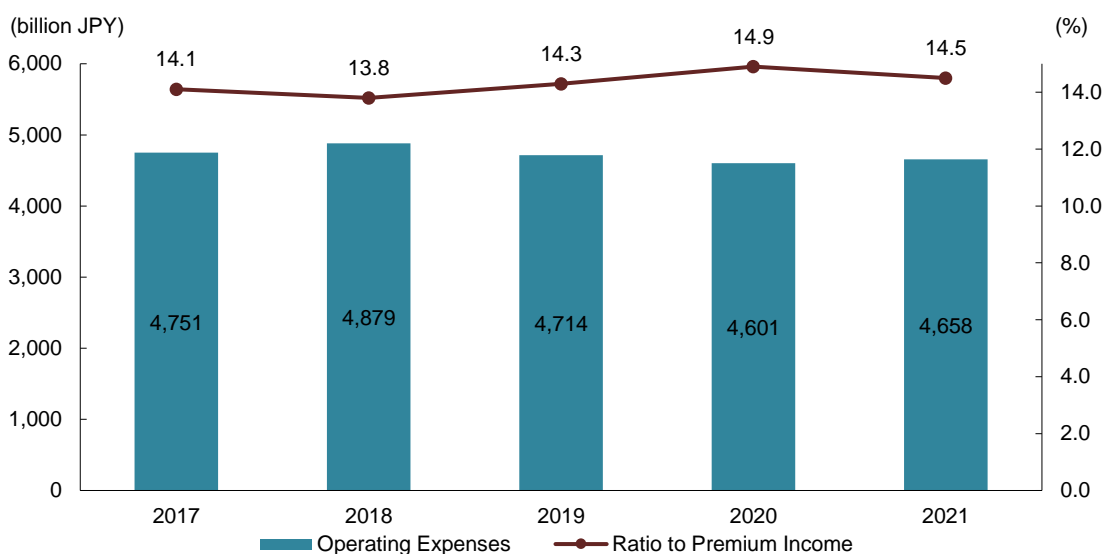
	Bonds	Domestic Stocks	Foreign Securities	Financial Loans	Real Estate	General Account Assets
2017	1.80	6.63	1.36	1.46	2.81	1.76
2018	1.75	6.66	2.16	1.82	2.85	1.91
2019	1.69	3.21	1.22	1.22	2.96	1.48
2020	1.62	5.88	5.50	2.20	2.91	2.75
2021	1.51	10.63	5.36	2.59	2.78	2.78

Note: Yields are calculated by dividing (investment income – investment expense + appraisal gains under Article 112 of the Insurance Business Act) by the average daily balance.

### 3. Operating Expenses

Operating expenses was 4.65 trillion JPY (101.2% y/y), which remained nearly flat since FY 2015. The ratio of operating expense to premium income was 14.5% (0.4 point decrease from the previous year) [Figure 43].

**Figure 43: Operating Expenses**



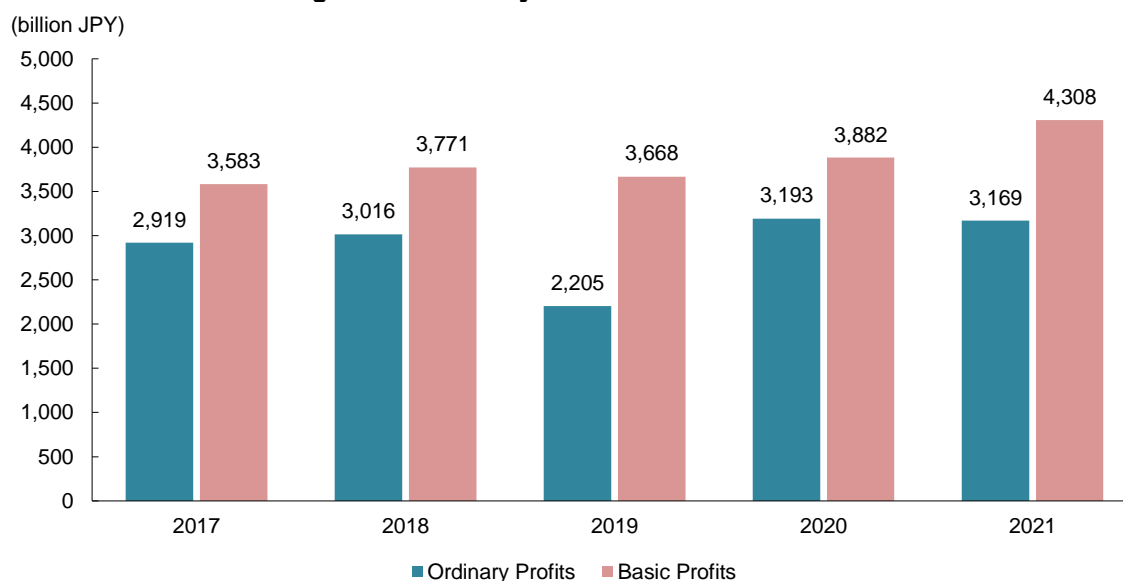
### 4. Ordinary Profits and Basic Profits

Ordinary profits was 3.16 trillion JPY (99.2% y/y) which decreased slightly from the previous year. Meanwhile, the basic profits which represents the profitability of life insurance companies, was 4.30 trillion JPY (111.0% y/y), increasing for 2 consecutive years [Figure 44].

#### What is Basic Profit?

Basic profit is the indicator for the basic periodic profit and loss status of life insurance companies, which is comprised of insurance business related income and expenditure such as premium income, claim payments and operating expenses. It also includes income and expenditure from investment related business such as income from interests and dividends. It is calculated by deducting the capital gain/loss and extraordinary profit/loss (e.g., gain/loss from sales of securities) from the ordinary profits.

**Figure 44: Ordinary Profits and Basic Profits**



### III. Investment Results

#### 1. Overview of Total Assets

As of the end of FY2021, the total assets reached a record high at 419.69 trillion JPY (101.8% y/y), increasing for 6 consecutive years since FY 2016.

The key items of the assets were, securities (349.50 trillion JPY, 101.9%) which accounted for 83.3% of the total, followed by loans at 6.9% (29.16 trillion JPY, 98.6%) [Figures 45 and 46].

**Figure 45: Total Assets**

(billion JPY)

	Cash, Deposits and Savings	Call Loans	Money Trust	Securities	Loans	Tangible Fixed Assets	Others	Total Assets
2017	8,029	1,594	5,590	313,746	32,973	6,092	13,247	381,275
2018	8,994	1,654	6,171	320,309	31,878	6,156	12,629	387,794
2019	10,532	2,108	6,999	321,838	30,198	6,162	14,895	392,735
2020	10,874	1,645	8,575	343,113	29,586	6,199	12,451	412,446
2021	10,102	1,561	9,414	349,506	29,165	6,156	13,789	419,696

**Figure 46: Ratio of Total Assets**

(%)

	Cash, Deposits and Savings	Call Loans	Money Trust	Securities	Loans	Tangible Fixed Assets	Others	Total Assets
2017	2.1	0.4	1.5	82.3	8.6	1.6	3.5	100.0
2018	2.3	0.4	1.6	82.6	8.2	1.6	3.3	100.0
2019	2.7	0.5	1.8	81.9	7.7	1.6	3.8	100.0
2020	2.6	0.4	2.1	83.2	7.2	1.5	3.0	100.0
2021	2.4	0.4	2.2	83.3	6.9	1.5	3.3	100.0

## 2. Securities

By the type of securities (349.50 trillion JPY in total), Japanese government bonds ranked top with 162.42 trillion JPY (103.0% y/y) accounting for 46.5% of the total securities, followed by the balance of foreign securities, reaching a record high at 111.53 trillion JPY (104.9% y/y), corporate bonds at 27.35 trillion JPY (95.9% y/y), stocks at 24.31 trillion JPY (97.1% y/y) and local government bonds at 7.80 trillion JPY (86.6% y/y). [Figure 47].

The amount of public and corporate bonds (total of government bonds, local government bonds, and corporate bonds) increased for 4 consecutive years (197.58 trillion JPY, 101.2% y/y). The amount of stocks decreased for the first time in 2 years. Among the assets, the amount of public and corporate bonds accounted for 47.1%, foreign securities for 26.6%, and stocks for 5.8% of the total in FY 2021 [Figures 48 and 49].

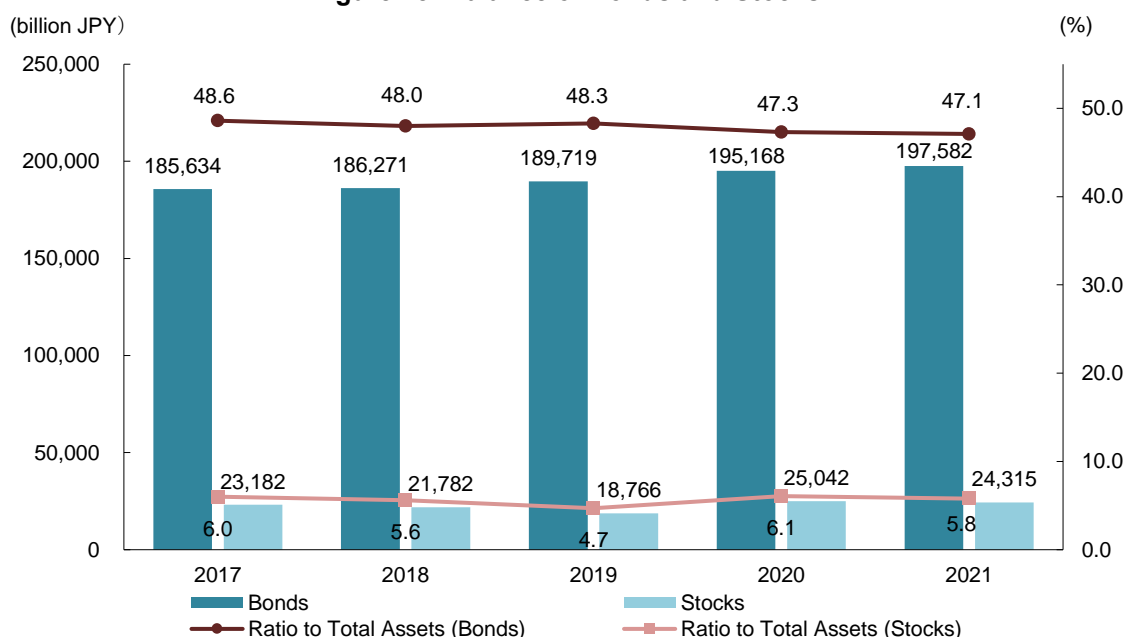
Of all the foreign securities, the amount of public and corporate bonds, etc. (total of government bonds, local government bonds, corporate bonds, and other foreign securities) stood at 105.71 trillion JPY (104.6% y/y), and the amount of stocks stood at 5.81 trillion JPY (111.5% y/y) [Figure 49].

**Figure 47: Breakdown of Securities**

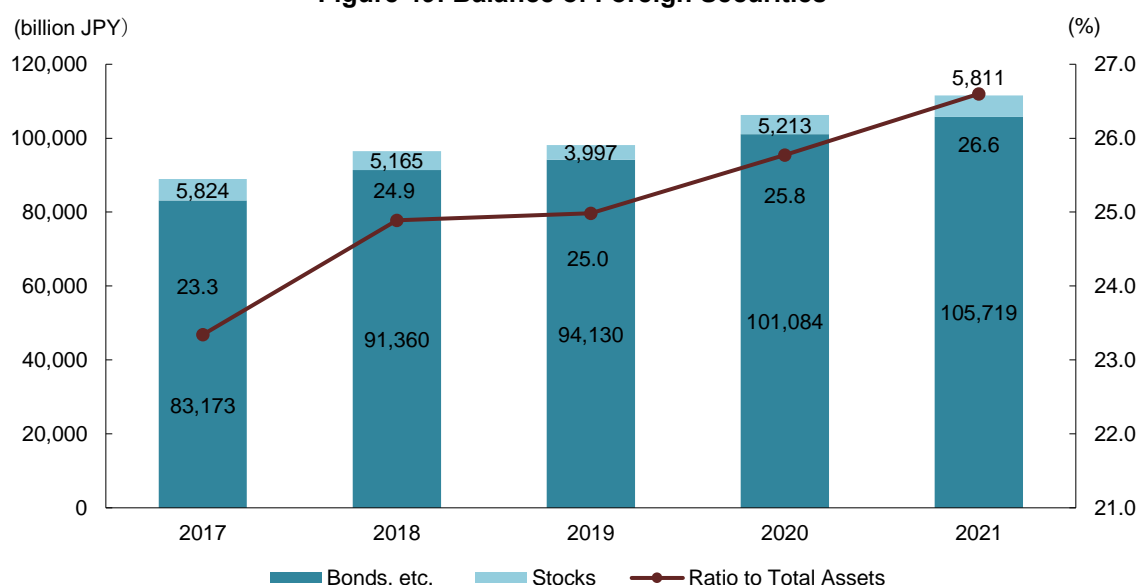
(billion JPY, %)

	Government Bonds		Local Government Bonds		Corporate Bonds		Stocks		Foreign Securities		Others Securities		Total
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	
2017	147,365	47.0	12,081	3.9	26,187	8.3	23,182	7.4	88,998	28.4	15,931	5.1	313,746
2018	148,223	46.3	10,940	3.4	27,108	8.5	21,782	6.8	96,526	30.1	15,729	4.9	320,309
2019	151,202	47.0	10,134	3.1	28,383	8.8	18,766	5.8	98,128	30.5	15,223	4.7	321,838
2020	157,619	45.9	9,016	2.6	28,532	8.3	25,042	7.3	106,297	31.0	16,603	4.8	343,113
2021	162,424	46.5	7,804	2.2	27,353	7.8	24,315	7.0	111,531	31.9	16,076	4.6	349,506

**Figure 48: Balance of Bonds and Stocks**



**Figure 49: Balance of Foreign Securities**



### 3. Loans

The balance of loans was 29.16 trillion JPY (98.6% y/y), accounting for 6.9% of the total assets (decrease of 0.3 point from the previous year).

Loans were the main items in the investment portfolios of life insurers from the late 1960s to early 1970s accounting for almost 70% over the total assets. However, the amount has been decreasing in the long run. Financial loans, accounting for 91.2% of total loans, decreased from the previous year to 26.61 trillion JPY (98.9% y/y), and policy loans also decreased from the previous year to 2.55 trillion JPY (94.9% y/y) [Figure 50].

As for the breakdown of financial loans, loans to entities accounted for 85.0%, followed by loans to individuals for 6.2% [Figure 51].

As for loans under the Insurance Business Act, the total of bankrupt or de facto bankrupt loans, doubtful loans, loans past due for 3 months or more and restructured loans was 127.5 billion JPY, which accounted for 0.2% of the total loans (57.70 trillion JPY), including performing loans (57.57 trillion JPY).

The breakdown was, bankrupt or de facto bankrupt loans (23.7 billion JPY), doubtful loans (62.3 billion JPY), loans past due for 3 months or more (1.3 billion JPY), and restructured loans (40.2 billion JPY). [Figure 52]

\*Figure 52 refers to non-performing loans for years until FY2020 but for FY2021, it is referred as loans based on the Insurance Business Act due to the partial amendment to the Ordinance for Enforcement of the Insurance Business Act in Japan.

Aside from loans, loans under the Insurance Business Act includes, for example, securities lending, accrued interest, suspense payments and customers' liability for acceptance and guarantees.

**Figure 50: Breakdown of Loans**

	(billion JPY, %)			
	Financial Loans	Policy Loans	Total Loans	Ratio to Total Assets
2017	30,083	2,889	32,973	8.6
2018	29,013	2,865	31,878	8.2
2019	27,337	2,861	30,198	7.7
2020	26,898	2,687	29,586	7.2
2021	26,613	2,551	29,165	6.9

**Figure 51: Financial Loans to Entities and Individuals**

(Amount: billion JPY, y/y: %)

	Loans to Entities				Loans to Individuals	
		Large Entities	Leading Medium-Sized Entities	SMEs	Home Mortgage	Consumer Loans
2017	25,445 <96.6>	13,979 <94.1>	116 <89.4>	8,583 <94.9>	1,118 <97.9>	554 <94.4>
2018	24,182 <95.0>	13,113 <93.8>	110 <95.0>	7,695 <89.7>	1,102 <98.5>	542 <97.9>
2019	23,308 <96.4>	12,883 <98.2>	97 <88.2>	6,778 <88.1>	1,096 <99.5>	543 <100.2>
2020	23,111 <99.2>	12,788 <99.3>	91 <94.0>	6,161 <90.9>	1,083 <98.8>	557 <102.5>
2021	22,622 <97.9>	12,522 <97.9>	92 <100.9>	5,449 <88.4>	1,080 <99.7>	575 <103.3>

Note1: Loans to entities include loans to foreign entities in addition to the items described in the above table.

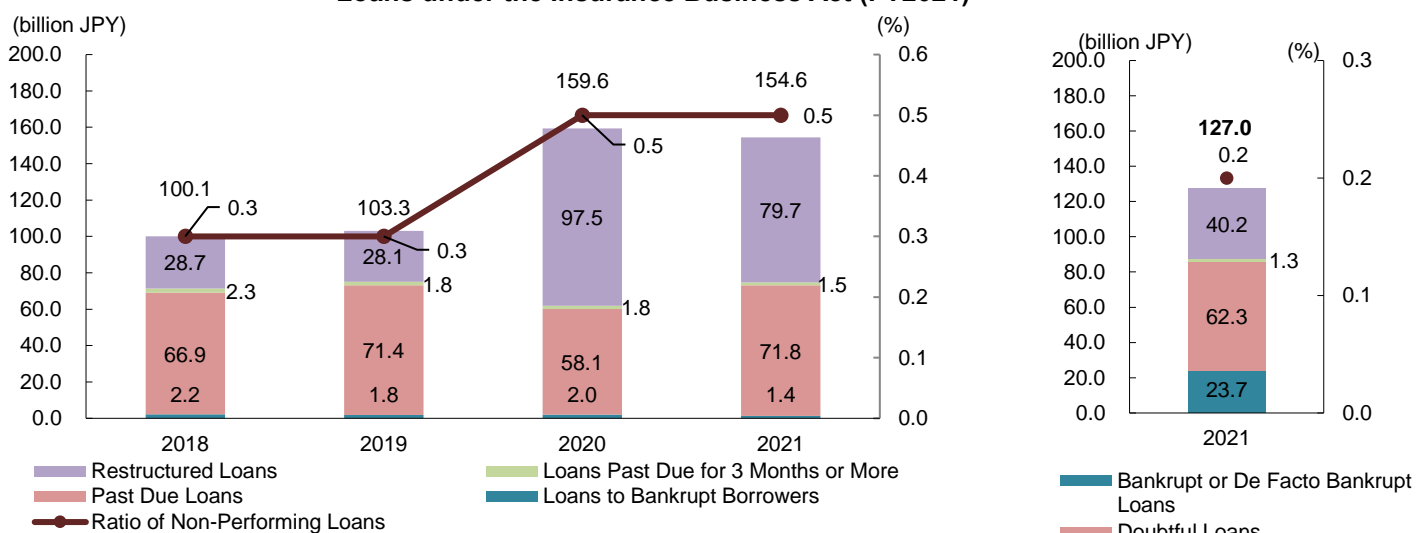
Note2: Loans from Japan Post Insurance to SMEs include loans to Management Organization for Postal Savings and Postal Life Insurance.

Note3: Numbers in <> refer to year-on-year rate.

(Classification of scale of entities by the type of business)

Type of business	① All types of Business Except for ② to ④		② Retail and Eating and Drinking Business		③ Service Business		④ Wholesale Business	
Large		Capital of 1 billion JPY or more		Capital of 1 billion JPY or more		Capital of 1 billion JPY or more		Capital of 1 billion JPY or more
Leading Medium-Sized	With more than 300 employees and;	Capital of more than 300 million JPY and less than 1 billion JPY	With more than 50 employees and;	Capital of more than 50 million JPY and less than 1 billion JPY	With more than 100 employees and;	Capital of more than 50 million JPY and less than 1 billion JPY	With more than 100 employees and;	Capital of more than 100 million JPY and less than 1 billion JPY
SMEs	With capital of 300 million JPY or less, or 300 or less full-time employees		With capital of 50 million JPY or less, or 50 or less full-time employees		With capital of 50 million JPY or less, or 100 or less full-time employees		With capital of 100 million JPY or less, or 100 or less full-time employees	

**Figure 52: Amount of Non-Performing Loans (until FY2020) and Loans under the Insurance Business Act (FY2021)**



\*1 Figure 52 refers to non-performing loans for years until FY2020 but for FY2021, it is referred as loans under the Insurance Business Act due to the partial amendment to the Ordinance for Enforcement of the Insurance Business Act in Japan. Aside from loans, loans under the Insurance Business Act includes, for example, securities lending, accrued interest, suspense payments and customers' liability for acceptance and guarantees.

\*2 Bankrupt or de facto bankrupt loans are non-performing assets and similar loans that have fallen into bankruptcy due to reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.

\*3 Doubtful Loans are nonperforming assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract because of difficulties in the financial condition and business performance of the debtor who has not yet entered into bankruptcy (excluding those described in \*2 above).

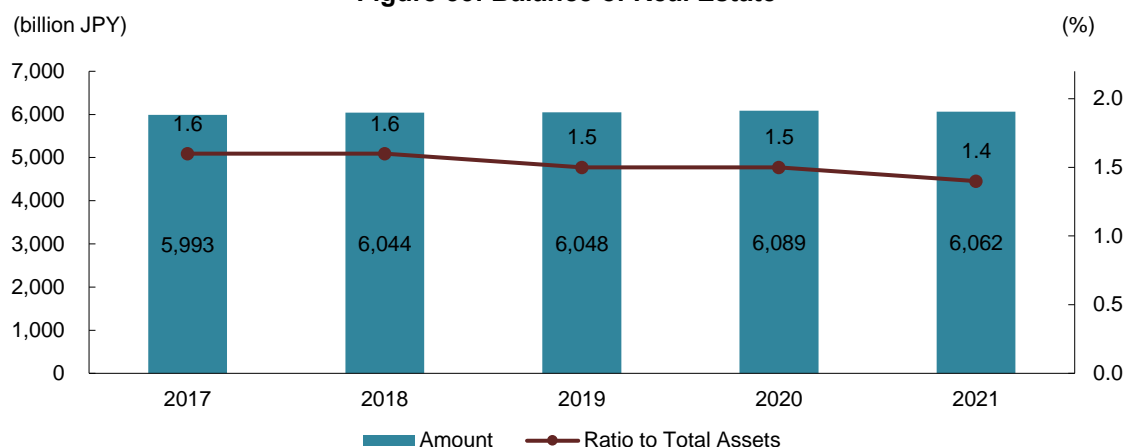
\*4 Loans past due for three month or more are loans with principal or interest unpaid for over three months counting from the day after the due date based on the loan agreement (excluding those described in \*2 and \*3 above).

\*5 Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers (excluding those described in \*2 to \*4 above).

#### 4. Tangible Fixed Assets (Real Estate)

Of the total amount of tangible fixed assets (6.15 trillion JPY), the amount of real estate, which is the total amount of land, buildings, and construction in process, was 6.06 trillion JPY (99.6% y/y). The total amount of tangible fixed assets accounted for 1.4% of the total assets for FY 2021 [Figures 45 and 53].

**Figure 53: Balance of Real Estate**



## IV. Liabilities and Net Assets

### 1. Liabilities and Net Assets

Total liabilities was 392.81 trillion JPY (102.6% y/y) and accounted for 93.6% of gross capital (total of liabilities and net assets). 87.7% of liabilities is comprised of insurance reserves and of the reserves, 98.3% accounts for policy reserves which is a reserve accumulated for future claim payments. Other than that, reserves for policyholder dividends, which are accumulated for paying dividends on insurance contracts, accounted for 1.0% and reserves for outstanding claims, which is accumulated for unclaimed benefits, accounted for 0.6% [Figure 54 (upper panel)].

Meanwhile, total net assets were 26.87 trillion JPY (90.4% y/y), which accounted for 6.4% of gross capital [Figure 54 (lower panel)].

**Figure 54: Liabilities and Net Assets**

(億円、%)			
Breakdown of Liabilities	Amount	Ratio of Liabilities	Ratio
Insurance Reserves	344,428	87.7	82.1
Reserves for Outstanding Claims	2,103	0.5	0.5
Policy Reserves	338,726	86.2	80.7
Reserves for Policyholder Dividends	3,599	0.9	0.9
Reserves for Price Fluctuations	6,145	1.6	1.5
Others	42,244	10.8	10.1
<b>Total Liabilities</b>	<b>392,817</b>	<b>100.0</b>	<b>93.6</b>
Breakdown of Net Assets	Amount	Ratio of Net Assets	Ratio
Total Foundation Funds and Others or Total Stockholders' Equity	12,318	45.8	2.9
Fund or Capital	2,590	9.6	0.6
Accumulated Redeemed Foundation Funds	3,101	11.5	0.7
Capital Surplus	1,688	6.3	0.4
Surplus or Retained Earnings	4,929	18.3	1.2
Others	8	0.0	0.0
Total Valuation, Translation Adjustment, and Others	14,560	54.2	3.5
Share Award Rights	0	0.0	0.0
Share Acquisition Rights	0	0.0	0.0
<b>Total Net Assets</b>	<b>26,878</b>	<b>100.0</b>	<b>6.4</b>
<b>Total Liabilities and Net Assets</b>	<b>419,696</b>	<b>—</b>	<b>100.0</b>

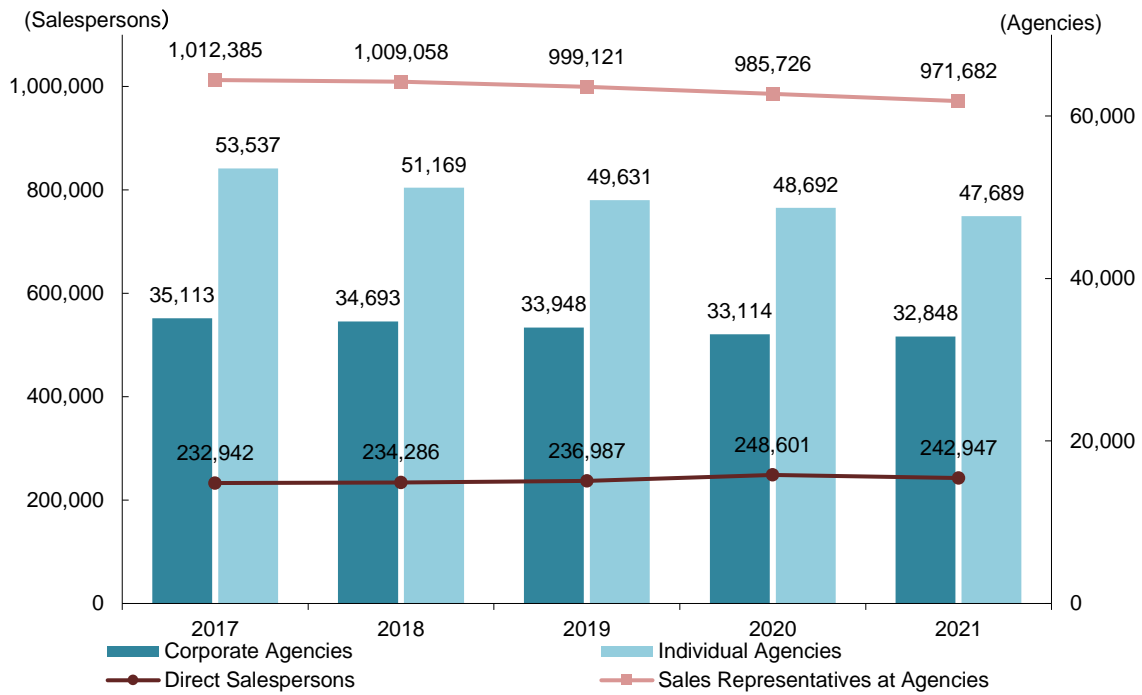
# Reference

## Distribution Channels

The distribution channel of an insurance company is diversified. Most insurance companies have sales branches throughout the country and direct salespersons employed at each branch conduct sales activities and provide services directly to consumers. Other than the direct salespersons, insurance companies outsource their sales activities to agencies. There are also sales via direct marketing and internet. The solicitation of life insurance is conducted by direct salespersons, agencies (corporate and individual), and sales representatives at agencies engage in the solicitation of insurance. All of them are required by the Insurance Business Act to be registered with FSA as a person authorized to be involved in life insurance solicitation activities.

There are 242.94 thousand (97.7% y/y) registered in FY 2021, as direct salespersons, which decreased for the first time in 7 years. As for agencies, there are 32.84 thousand corporate agencies (99.2% y/y) in FY 2021, which has been decreasing gradually in recent years, and 47.68 thousand individual agencies (97.9% y/y), decreasing for 7 consecutive years. There are 971.68 thousand (98.6% y/y) sales representatives at agencies, which was a consecutive decrease of 4 years [Figure 55].

**Figure 55: Number of Direct Salespersons, Agencies and Sales Representatives at Agencies at the End of FY 2021**

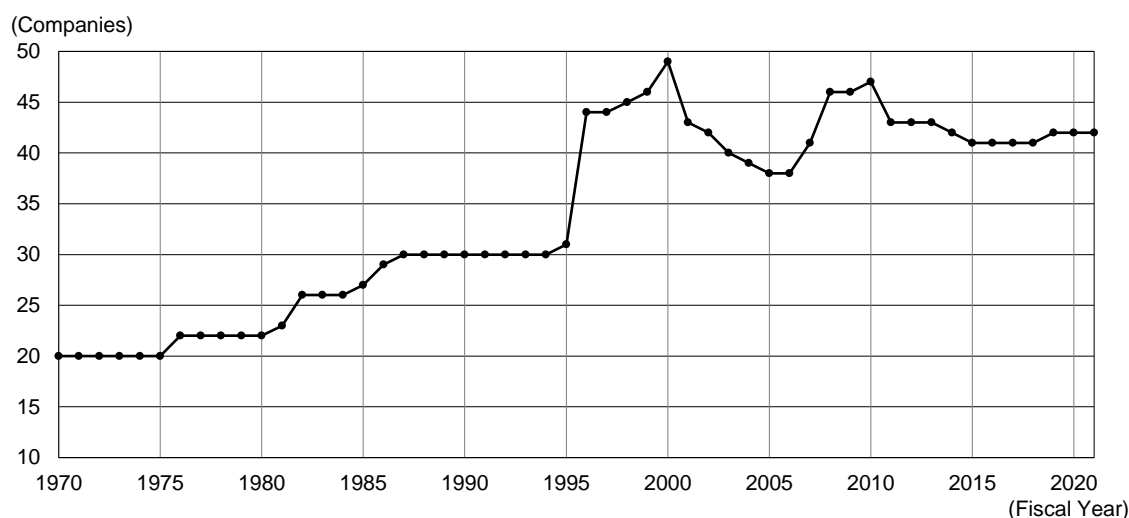


Note: The number of sales representative at agencies is the sum of corporate agencies and individual agencies.



## Member Companies

### Number of Member Companies



Note: Number of companies are as of the end of each fiscal year.

### List of member companies of the LIAJ (42 companies as of the end of March 2022)

AXA Life Insurance Co., Ltd.	Zurich Life Insurance Japan Company Ltd.
AXA Direct Life Insurance Company Limited	T&D FINANCIAL LIFE INSURANCE COMPANY
Asahi Mutual Life Insurance Company	Tokio Marine & Nichido Life Insurance Co., Ltd.
Aflac Life Insurance Japan Ltd.	Nanairo Life Insurance Co., Ltd.
AEON Allianz Life Insurance Co., Ltd.	Nippon Wealth Life Insurance Company Limited
SBI Life Insurance Co., Ltd.	NIPPON LIFE INSURANCE COMPANY
NN Life Insurance Company, Ltd.	The Neo First Life Insurance Company, Limited
FWD Life Insurance Company, Limited	HANASAKU LIFE INSURANCE Co., Ltd.
ORIX Life Insurance Corporation	Fukoku Mutual Life Insurance Company
Cardif Assurance Vie Japan	Fukokushinrai Life Insurance Company, Limited
JAPAN POST INSURANCE Co., Ltd.	The Prudential Life Insurance Co., Ltd.
Crédit Agricole Life Insurance Company Japan Ltd.	The Prudential Gibraltar Financial Life Insurance Co., Ltd.
The Gibraltar Life Insurance Co., Ltd.	Manulife Life Insurance Company
SUMITOMO LIFE INSURANCE COMPANY	Mitsui Sumitomo Aioi Life Insurance Company, Limited.
Sony Life Insurance Co., Ltd.	Mitsui Sumitomo Primary Life Insurance Company, Limited
Sompo Himawari Life Insurance, Inc.	Midori Life Insurance Co., Ltd.
The Dai-ichi Life Insurance Company, Limited	Meiji Yasuda Life Insurance Company
The Dai-ichi Frontier Life Insurance Co., Ltd.	MetLife Insurance K.K.
TAIJU LIFE INSURANCE COMPANY LIMITED	Medicare Life Insurance Co., Ltd.
DAIDO LIFE INSURANCE COMPANY	LIFENET INSURANCE COMPANY
Taiyo Life Insurance Company	Rakuten Life Insurance Co., Ltd.