

NON-CONSOLIDATED FINANCIAL STATEMENTS

Meiji Life Insurance Company

Non-Consolidated Balance Sheet

As of March 31, 2002 and 2001

	Millions of Yen		Millions of U.S. Dollars*
	FY2001	FY2000	FY2001
ASSETS			
Cash and deposits:			
Cash	¥ 2,616	¥ 3,313	\$ 19.6
Deposits	194,562	135,732	1,460.1
Call loans	505,000	1,035,300	3,789.9
Monetary claims bought	40,280	13,929	302.3
Money-placed-in-trust	15,042	43,212	112.9
Securities:			
Domestic bonds:			
Government bonds	3,279,933	3,019,048	24,614.9
Municipal bonds	273,486	268,140	2,052.4
Corporate bonds	1,297,386	1,298,046	9,736.5
Domestic stocks	2,983,598	3,740,863	22,391.0
Foreign securities	1,821,600	1,195,237	13,670.5
Other securities	34,823	38,439	261.3
Loans:			
Policy loans	354,383	378,734	2,659.5
Financial loans	4,770,383	5,102,408	35,800.2
Real estate and movables:			
Land	620,234	625,178	4,654.7
Buildings	371,501	335,353	2,788.0
Movable properties	8,301	9,882	62.3
Buildings and repairing suspense account	17,051	40,072	128.0
Agency account receivable	410	—	3.1
Reinsurance account receivable	2,972	3,883	22.3
Other assets:			
Accounts receivable	261,335	45,200	1,961.2
Prepaid expenses	3,435	15,698	25.8
Accrued investment income	65,532	62,012	491.8
Security deposits and rental deposits	6,586	6,988	49.4
Deposits on financial futures	65	62	0.5
Margins on financial futures	4	26	0.0
Derivative financial instruments	1,274	1,128	9.6
Suspense payment	15,323	24,027	115.0
Miscellaneous assets	90,688	60,825	680.6
Deferred tax assets	81,047	—	608.2
Customers' liabilities for acceptances and guarantees	513	10,700	3.8
Reserves for possible loan losses	(37,761)	(43,995)	(283.4)
TOTAL ASSETS	¥17,081,617	¥17,469,453	\$128,192.2

*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥133.25 to US\$1.00 prevailing on March 29, 2002.

	Millions of Yen		Millions of U.S. Dollars*
	FY2001	FY2000	FY2001
LIABILITIES AND SURPLUS			
(Liabilities)			
Policy reserves:			
Reserves for outstanding claims	¥ 100,465	¥ 86,185	\$ 754.0
Liability reserves	14,632,660	14,780,891	109,813.6
Reserves for policyholder dividends	438,087	486,477	3,287.7
Agency account payable	36	—	0.3
Reinsurance account payable	3,248	3,725	24.4
Other liabilities:			
Loans payable	0	1	0.0
Corporate income tax payable and others	—	23,770	—
Account payable	252,031	26,777	1,891.4
Unpaid expenses	42,585	38,487	319.6
Unearned investment income	7,690	9,717	57.7
Employees' and agents' savings deposits	22,948	23,535	172.2
Deposits received for guarantee	34,258	34,800	257.1
Margins on financial futures	0	26	0.0
Derivative financial instruments	36,727	8,508	275.6
Suspense receipts	12,438	19,512	93.3
Deposits received on bonds lending	587,162	741,696	4,406.5
Reserves for retirement benefits	143,711	139,709	1,078.5
Reserves for losses on sales of claims	27	26	0.2
Reserves for support to specific borrowers	—	4,362	—
Reserves for contingent liabilities	4,914	—	36.9
Reserves for asset value fluctuations	69,734	90,100	523.3
Deferred tax liabilities	—	24,073	—
Deferred tax liabilities on revaluation of land	37,445	34,373	281.0
Acceptances and guarantees	513	10,700	3.8
TOTAL LIABILITIES	¥16,426,689	¥16,587,459	\$123,277.2
(Surplus)			
Foundation funds	60,000	80,000	450.3
Legal reserves:			
Revaluation surplus reserves	289	289	2.2
Reserves with amortization of foundation funds	100,000	80,000	750.5
Reserves for losses	1,584	1,343	11.9
Revaluation reserves of land	66,137	60,711	496.3
Surplus retained:			
Voluntary reserves:			
Accumulated reserves of contingencies	41,908	41,908	314.5
Reserves for foreign investment losses	—	9	—
Fund for retirement allowances	1,545	1,382	11.6
Fund for promotion of welfare	317	422	2.4
Reserves for compressed entry of real estate	977	977	7.3
Reserves for separate account for compressed entry of real estate	4,666	—	35.0
Special reserves	2,000	2,000	15.0
Unappropriated surplus for the period	39,074	135,267	293.2
[Surplus for the period]	14,320	118,488	107.5
Net unrealized gains on investments	336,428	477,684	2,524.8
TOTAL SURPLUS	654,928	881,994	4,915.0
TOTAL LIABILITIES AND SURPLUS	¥17,081,617	¥17,469,453	\$128,192.2

*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥133.25 to US\$1.00 prevailing on March 29, 2002.

Non-Consolidated Operations and Surplus

For the years ended March 31, 2002 and 2001

	Millions of Yen		Millions of U.S. Dollars*
	FY2001	FY2000	FY2001
ORDINARY INCOME			
Premium income and reinsurance refunds:			
Premium income	¥2,276,369	¥2,294,293	\$17,083.4
Refunds on reinsurance	1,313	735	9.9
Investment income and gain:			
Interest and dividends:			
Interest on deposits	419	825	3.1
Interest and dividends on securities	177,562	191,311	1,332.5
Interest on loans	148,471	170,799	1,114.2
Rental income	31,487	34,477	236.3
Other interest and dividends	6,089	6,857	45.7
Gains on securities sold	112,038	96,684	840.8
Gains on securities redeemed	0		0.0
Gains on foreign exchange	573	853	4.3
Other investment income	495	651	3.7
Other ordinary income:			
Annuity supplementary contract premiums	2,257	2,484	16.9
Benefits left to accumulate at interest	191,990	196,800	1,440.8
Reversal of liability reserves	148,231	229,853	1,112.4
Reversal of reserves for retirement benefits	19,076	25,031	143.2
Miscellaneous income	2,167	1,020	16.3
TOTAL ORDINARY INCOME	¥3,118,545	¥3,252,679	\$23,403.7
ORDINARY EXPENSES			
Insurance benefits paid and others:			
Claims paid	631,318	674,101	4,737.8
Annuities paid	139,416	119,902	1,046.3
Benefits on policies paid	470,840	545,560	3,533.5
Surrender benefits paid	626,675	653,645	4,703.0
Other refunds paid	265,976	326,055	1,996.1
Reinsurance premiums	688	731	5.2
Transfers to policy reserves:			
Reserves for outstanding claims	14,280	19,804	107.2
Interest on dividend reserves	1,250	2,238	9.4
Investment expenses and losses:			
Interest paid	783	1,586	5.9
Losses on money-placed-in-trust	4,957	11,393	37.2
Losses on trading securities	2,096	—	15.7
Losses on securities sold	85,950	45,926	645.0
Losses on securities appraised	220,839	15,219	1,657.3
Expenses for derivative financial instruments	13,209	19,302	99.1
Transfer to reserves for possible loan losses	6,575		49.3
Write-off of loans	12	4,647	0.1
Depreciation on real estate for rent	9,399	9,308	70.5
Other investment expenses	9,607	20,562	72.1
Losses on separate account assets investment	51,538	24,870	386.8
Operating expenses	297,807	306,729	2,234.9
Other ordinary expenses:			
Payments of benefits left to accumulate at interest	201,329	232,834	1,510.9
Taxes	18,039	18,219	135.4
Depreciation	19,795	19,663	148.6
Miscellaneous expenses	3,745	149	28.1
TOTAL ORDINARY EXPENSES	¥3,096,135	¥3,072,453	\$23,235.5

	Millions of Yen		Millions of U.S. Dollars*
	FY2001	FY2000	FY2001
ORDINARY PROFITS	¥22,409	¥180,226	\$168.2
Special profits:			
Gains on disposals of real estate and movables	13,675	5,552	102.6
Reversal of reserves for support to specific borrowers	4,362	—	32.7
Reversal of reserves for possible loan losses	—	4,971	—
Reversal of reserves for asset value fluctuations	20,366	—	152.8
Special losses:			
Losses on disposals of real estate and movables	33,578	27,142	252.0
Transfer to reserves for losses on sales of claims	0	0	0.0
Transfer to reserves for asset value fluctuations	—	5,436	—
Transfer to reserves for contingent liabilities	4,914	—	36.9
Losses on compressed entry of real estate	246	123	1.8
Donations for promotion of welfare	804	702	6.0
Amortization of transition amount for retirement benefits	13,751	13,751	103.2
SURPLUS BEFORE TAXES	7,517	143,591	56.4
Provision for corporate income taxes	15,270	35,466	114.6
Corporate income tax equivalent adjustment	(22,073)	(10,363)	(165.7)
SURPLUS FOR THE PERIOD	14,320	118,488	107.5
Surplus brought forward	29,186	32,714	219.0
Reversal of revaluation reserves of land	(5,425)	(16,985)	(40.7)
Reversal of fund for retirement allowances	188	347	1.4
Reversal of fund for promotion of welfare	804	702	6.0
UNAPPROPRIATED SURPLUS FOR THE PERIOD	¥39,074	¥135,267	\$293.2

*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥133.25 to US\$1.00 prevailing on March 29, 2002.

Appropriation of Surplus

For the years ended March 31, 2002 and 2001

	Millions of Yen		Millions of U.S. Dollars*
	FY2001	FY2000	FY2001
Unappropriated surplus for the period	¥39,074	¥135,267	\$293.2
Reversal of voluntary reserves:			
Reserves for foreign investment losses	—	9	—
Accumulated reserves for contingencies	41,908	—	314.5
Reserves with separate account compressed entry of real estate	4,666	—	35.0
TOTAL UNAPPROPRIATED SURPLUS	85,648	135,276	642.8
Transfer to reserves for policyholder dividends	28,528	79,404	214.1
Net surplus for the period:			
Transfer to reserves for losses	87	241	0.7
Transfer to reserves with amortization of foundation funds	20,000	20,000	150.1
Interest on foundation funds	326	678	2.4
Bonuses for directors and auditors:			
Bonuses for directors	19	41	0.1
Bonuses for auditors	4	6	0.0
Transfers to voluntary reserves:			
Fund for asset value fluctuations	29,253	—	219.5
Fund for retirement allowances	410	352	3.1
Fund for promotion of welfare	400	700	3.0
Reserves for compressed entry of real estate	6,617	—	49.7
Reserves with separate account compressed entry of real estate	—	4,666	—
SURPLUS CARRIED FORWARD	¥ —	¥ 29,186	\$ —

*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥133.25 to US\$1.00 prevailing on March 29, 2002.

Notes to Non-Consolidated Financial Statements

1. Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with the Insurance Business Law and the Enforcement Regulations thereunder and in accordance with standard accounting principles and procedures followed by life insurance companies in Japan.

2. Significant Accounting Policies

(1) Securities (Including cash, deposits and monetary receivables purchased, and also Securities included in money held in trust.)

- a. Trading Securities are stated at fair value (Cost of their sales is determined by the moving average method).
- b. Held-to-Maturity Debt Securities are stated at amortized cost using the moving average method (straight-line method).
- c. Stock Securities Issued by Subsidiaries and Affiliates are stated at cost using the moving average method.
- d. Other Securities are:
 - Securities for which market quotations are available are stated at fair value based on business year-end closing market price (Cost of their sales is determined by the moving average method).
 - Securities for which market quotations are unavailable
 - i) Bonds and debentures (including bonds issued overseas) for which the difference in acquisition amounts are recognized as the difference in interest rate adjustments are stated at amortized cost using the moving average method (straight-line method).
 - ii) Securities that are not classified in categories (a) through (d-i) are stated at cost using the moving average method. With Other Securities, valuation differences are computed using the capital adjustment method.

(2) Derivative Transactions

Derivative transactions are stated at fair value.

(3) Depreciation of Real Estate and Movable

Depreciation of buildings is determined according to the straight-line method, while depreciation of movables is determined according to the declining balance method.

(4) Depreciation of Computer Software

Depreciation of computer software included under miscellaneous assets is calculated according to the straight-line method based on the useful life of the product.

(5) Foreign Exchange Rate

Assets and liabilities other than the stock issued by subsidiaries and affiliates are converted into yen at the exchange rates prevailing on the last business day of March. The stock issued by subsidiaries and affiliates is converted into yen at the exchange rates prevailing on the date of their acquisition.

(6) Reserves for Possible Loan Losses

- a. Reserves for possible loan losses are calculated according to the Company's internal standards for risk assessment of assets and the rules for the write-off and provision of reserves. All loans are asseted by the departments concerned and the results are audited by an independent Auditing Department.
- b. For loans to legally bankrupt and substantially bankrupt borrowers, reserves are provided at the balance outstanding after the direct deduction shown below and deduction of the net amount collectible through the disposal of collateral or the execution of guarantees.
- c. For loans to borrowers with high likelihood of bankruptcy, reserves are provided at the required portion of the balance outstanding, based on a general assessment of financial solvency, after deduction of the net amount collectible through the disposal of collateral or the execution of guarantees.
- d. Reserves for possible loan losses on other loans are calculated on a historical basis according to the actual rate of loan losses over a given period.
- e. For overseas loans in specific countries, specific reserves for country risk are provided at the balance considered uncollectible, based on the assessment of the political and economic conditions of the individual countries. Specific reserves for country risk include reserves for foreign investment losses.
- f. Where loans to legally bankrupt or substantially bankrupt borrowers are covered by collateral or guarantees, the balance after deduction of the assessed value of the collateral and the amount considered to be collectible through the execution of guarantees is directly deducted from the loans outstanding. In FY2001, these direct deductions amounted to ¥23,130 million.

(7) Reserves for Retirement Benefits

To provide for the payment of retirement benefits in the future, the retirement benefits are provided at the amount accrued at the end of the year, based on the Accounting Standards for Retirement Benefits.

(8) Reserves for Losses on Sales of Claims

Reserves for losses on sales of claims are for those claims sold to the Cooperative Credit Purchasing Company, Ltd., in accordance with Article 287-2 of the Commercial Law.

(9) Reserves for Contingent Liabilities

Reserves for contingent liabilities are provided based on the amount of estimated possible losses in the future with respect to current liabilities. These reserves are provided in compliance with Article 287-2 of the Commercial Law.

(10) Reserves for Asset Value Fluctuations

Reserves for asset value fluctuations are calculated in accordance with Article 115 of the Insurance Business Law.

(11) Accumulated Reserves for Contingencies

Accumulated reserves for contingencies are provided in accordance with Article 11-2 of the Enforcement Regulations of the Insurance Business Law.

(12) Method of Hedge Accounting

Hedging transactions have been accounted for in accordance with the Opinion on Setting Accounting Standards for Financial Instruments (the Business Accounting Deliberation Council, January 22, 1999). Mainly, interest rate swaps are used for the purpose of hedging the risk of future interest rate changes related to loans, which are treated exceptionally. And current price hedge is used as a hedge against exchange rate fluctuations for some foreign currency denominated securities. Hedge efficiency is determined primarily by comparative analysis of fluctuations in current price. market-based hedges to mitigate currency risks with fixed-income securities denominated in foreign currencies. Decisions on the effectiveness of market-based hedges are based on comparative analyses of variations in fair value of the underlying hedge variables and the hedging method used.

(13) Consumption Tax

Consumption and local consumption taxes and the base price are recorded separately. Note that deferred consumption taxes on assets that do not qualify as deductible expenses are recorded as prepaid expenses and amortized on a straight-line basis over a five year period. Other consumption taxes that do not qualify as deductible expenses are recorded as expenses for the fiscal year in which they are incurred.

(14) Liability Reserves

Liability reserves are provided in accordance with Article 116 of the Insurance Business Law. The amounts are calculated using the following methods.

- a. Reserves for policies subject to the standard liability reserve requirement are calculated according to ordinances stipulated by the Prime Minister.
- b. Reserves for other policies are calculated on the basis of the net level premium method.

3. Balance Sheets**(1) Depreciation on Real Estate and Movables**

Accumulated depreciation on real estate and movables totaled ¥339,697 million.

(2) Assets and Liabilities for Separate Accounts

Combined assets and liabilities for separate accounts, prescribed in Article 118 of the Insurance Business Law, amounted to ¥832,165 million.

(3) Net Assets

The amount of net assets in accordance with the provisions of Article 55-2-6 of the Insurance Business Law is ¥332,323 million.

(4) Monetary Claims on and Liabilities to Subsidiaries

Total monetary claims receivable from the Company's subsidiaries amounted to ¥20,094 million, while total monetary liabilities owed to subsidiaries amounted to ¥1,613 million.

(5) Leased Movables

The Company holds leased movables, including computers and peripherals, in addition to the real estate and movables reported on the Balance Sheets.

(6) Reserves for Policyholder Dividends

Changes in the reserves for policyholder dividends for FY2001 are shown below:

a. Amount at the end of FY2000	¥486,477 million
b. Transfer from surplus for FY2000	¥79,404 million
c. Dividends to policyholders in FY2001	¥129,045 million
d. Interest on reserves	¥1,250 million
e. Balance at the end of FY2001	¥438,087 million

(7) Assets and Liabilities Denominated in Foreign Currencies

Assets denominated in foreign currencies totaled ¥1,725,304 million. (The main foreign currencies are US\$8,219 million and EUR3,989 million.) Liabilities denominated in foreign currencies totaled ¥2,528 million. (The main foreign currency is US\$12 million.)

(8) Foundation Fund Amortization

The foundation fund was amortized in the amount of ¥20,000 million.

(9) Assets Pledged as Collateral

Assets pledged as collateral amounted to ¥51,019 million.

(10) Non-Performing Loans

- a. Non-performing loans, including loans to borrowers under bankruptcy proceedings, past due loans, and restructured loans totaled ¥29,018 million. Loans to borrowers under bankruptcy proceedings amounted to ¥1,251 million and past due loans totaled ¥16,484 million.
- b. Loans to borrowers under bankruptcy proceedings are nonaccrual loans for which events defined in Articles 96-1, Subparagraphs 3 (i-v) and 4 of the Enforcement Regulations of the Corporate Income Tax Law (the Ordinance No. 97, 1965) have taken place. Accrued interest is not recorded as income due to substantial doubt over the ability to collect interest or principal because of delay in payment for extended periods.
- c. Past due loans are nonaccrual loans, other than loans to bankrupt borrowers, and loans whose interest payments are postponed to support the reconstruction efforts of borrowers.
- d. Restructured loans, excluding the above, totaled ¥11,282 million. Restructured loans are those subject to certain favorable concessions, including reduced interest rates or moratorium on interest payments, moratorium on repayments, or release of credit, which are made to support the reconstruction efforts of borrowers.
- e. The estimated uncollectible amount for loans to bankrupt borrowers and past due loans was directly deducted from the outstanding balance. These deductions came to ¥15,395 million for loans to bankrupt borrowers and ¥7,734 million for past due loans.

(11) Securities Lent

The balance sheet amount of the securities lent under consumption loan agreements, including sales and repurchase transactions ("repo") was ¥605,825 million.

(12) The Balance of Funds not yet Provided in Financing through Commitment Line Agreements for Loans

The balance of funds not yet provided in financing through commitment line agreements for loans totaled ¥65,408 million.

(13) Contribution to Policyholders' Protection Fund

The amount of the future contribution to the Policyholders Protection Fund, which was succeeded by the Life Insurance Policyholders Protection Corporation of Japan in accordance with Article 140-5 of the Supplementary Provisions of the Financial System Reform Law, is estimated at ¥10,604 million. The contribution is recorded as an operating expense at the time of payment.

(14) Contribution to Life Insurance Policyholders' Protection Corporation of Japan

The amount of the future contribution to the Life Insurance Policyholders Protection Corporation of Japan, founded in accordance with Article 259 of the Insurance Business Law, is estimated at ¥36,503 million. The contribution is recorded as an operating expense at the time of payment.

(15) Liability for Retirement Benefits

The itemization of the Liability for Retirement Benefits is as listed below:

a. Benefit obligation	¥281,852 million
b. Plan assets	¥112,383 million
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c. Non-accumulated liability for retirement benefits (a+b)	¥169,469 million
d. Unrecognized transition amount	¥41,254 million
e. Unrecognized actuarial loss	¥8,631 million
f. Unrecognized prior service cost	¥1,844 million
g. Pre-paid plan cost	¥22,284 million
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h. Reserves for retirement benefits (c+d+e+f-g)	¥143,711 million

A calculation of Liability for Retirement Benefits is as listed below:

a. Allocation of expected retirement benefit payments	Fixed payments over a period of time
b. Discount rate	3.0%
c. Expected rate of return on plan assets	3.0%
d. Years for amortization of transition amount	5 years
e. Years for amortization of actuarial loss	10 years
f. Years for amortization of prior service cost	10 years

(16) Deferred Tax Assets and Liabilities

- a. Deferred tax assets, which amount to ¥280,910 million, consist mainly of ¥99,790 million on policy reserves, ¥74,231 million on losses on securities appraised, ¥40,662 million on reserves for retirement benefits, ¥25,208 million on reserves for asset value fluctuations, and ¥16,505 million on reserves for possible loan losses.
- b. Deferred tax liabilities, which amount to ¥199,862 million, consists mainly of ¥190,476 million on unrealized gains on other securities.
- c. The statutory effective income tax rate for FY2001 was 36.15%, while the tax burden ratio came to 32.38% as a result of tax effect accounting.

(17) Revaluation of Land for Business

- a. Land used for the Company's business was revalued at publicly disclosed prices, in accordance with the Law concerning the Revaluation of the Land (Law No. 34, promulgated on March 31, 1998).
- b. Estimated taxes on the balance of the revaluation of land are reported as deferred tax liabilities on revaluation of land under Liabilities. The net gains on revaluation of land after deducting the estimated taxes are reported as revaluation reserves for land under Surplus.
- c. The difference in the total market value at the end of FY2000 for the land for business use revalued in accordance with Article 10 of the law and the total book value of the said land for business use after revaluation.....¥48,567 million
- d. Date of revaluation: March 31, 2000
Method of revaluation as provided in Article 3, Item 3 of the law: The fair value of land is determined based on revisions to the Law Concerning Public Notification of Land Prices, as stipulated in Article 2-1 of the Law Concerning the Revaluation of Land (Law No. 119, issued on March 31, 1998) after making reasonable adjustments.

(18) Subsidiaries' Shares

The shares of subsidiaries were valued at ¥133,738 million.

4. Operations and Surplus**(1) Transactions with Subsidiaries**

Total profits from transactions with the Company's subsidiaries amounted to ¥7,311 million, while total expenses amounted to ¥18,143 million.

(2) Gains and Losses on Securities

- a. Gains on securities sold are ¥8,269 million from domestic bonds, ¥46,538 million from domestic stocks, and ¥57,106 million from foreign securities.
- b. Losses on securities sold are ¥2,237 million from domestic bonds and ¥81,474 million from domestic stocks.
- c. Losses on securities appraised are ¥162 million from domestic bonds, ¥220,584 million from domestic stocks, and ¥92 million from foreign securities.

(3) Losses on Trading Securities

Losses on trading securities principally consist of losses on disposals of ¥481 million and expenses related to financial derivative instruments of ¥1,614 million.

(4) Losses on Money-Placed-in-Trust

Losses on money-placed-in-trust included valuation losses of ¥1,047 million.

(5) Expenses for Derivative Financial Instruments

Expenses for derivative financial instruments include valuation gains of ¥3,359 million.

(6) Cost of Retirement Benefits

The itemization of cost of retirement benefits is as listed below:

a. Service cost	¥8,900 million
b. Interest cost	¥8,618 million
c. Expected return on plan assets	-¥3,165 million
d. Amortization of transition amount	¥13,751 million
e. Amortization of actuarial loss	¥1,002 million
f. Amortization of prior service cost	-¥223 million
g. Others	¥443 million

Net Benefit Cost amounted to ¥29,327 million (a+b+c+d+e+f+g).

Supplementary Financial Information (Non-Consolidated Basis)

1. Outline of Life Insurance and Group Pension Business

1-1. Life Insurance and Group Pensions in Force

	(Millions of Yen)	
	FY2001	FY2000
Individual life insurance	¥114,239,524	¥118,108,417
Individual annuities	7,686,696	8,039,171
Group life insurance	53,201,609	47,561,926
Group pensions*	4,740,016	4,803,208

*Group pensions in force are the sum total of liability reserves for group pensions.

1-2. Life Insurance and Group Pensions New Business

	(Millions of Yen)	
	FY2001	FY2000
Individual life insurance	¥12,138,103	¥13,229,310
Individual annuities	120,014	131,702
Group life insurance	1,565,249	650,454
Group pensions*	2,059	16,237

*New business of group pensions is the sum total of first premiums.

1-3. Premium Income

	(Millions of Yen)	
	FY2001	FY2000
Individual life insurance	¥1,093,841	¥1,132,345
Individual annuities	193,626	203,642
Group life insurance	168,146	154,891
Group pensions	774,502	755,863
TOTAL*	¥2,276,369	¥2,294,293

*Total includes premium income from other types of insurance and annuities.

1-4. Insurance Benefits Paid

	(Millions of Yen)					
	FY2001					FY2000
	Individual life	Individual annuities	Group life	Group pensions	Total*	Total*
Claims paid:						
Death benefits	¥221,871	¥ 2,194	¥93,798	¥ —	¥323,297	¥323,899
Accidental death benefits	4,042	5	119	—	4,195	5,244
Disability benefits	11,220	109	4,020	—	15,350	19,197
Maturity benefits	277,689	—	8	9,118	288,458	325,743
Others	—	—	4	—	16	16
Annuities paid	16,700	39,612	994	79,662	139,416	119,902
Benefits on policies paid:						
Death benefits	589	6,585	2	—	7,418	6,833
Hospitalization benefits	33,459	1,653	141	—	35,537	38,234
Operation benefits	8,840	564	—	—	9,405	9,028
Injury benefits	697	2	24	—	733	780
Survivor benefits	92,597	3,460	—	1,358	100,241	107,660
Lump sum benefits	—	—	8	298,511	298,519	372,194
Others	14,416	128	—	4,366	18,982	10,829
Surrender benefits paid	255,901	98,295	7	234,361	626,675	653,645

*Total includes insurance benefits paid to other types of insurance and annuities.

2. Outline of Investments (General Account)

2-1. Breakdown of Assets

	(Millions of Yen)	
	FY2001	FY2000
Cash, deposits and call loans	¥ 666,891	¥ 1,148,882
Monetary claims bought	40,280	13,929
Money-placed-in-trust	15,042	43,212
Securities:		
Domestic bonds	4,577,183	4,238,720
Domestic stocks	2,714,339	3,347,385
Foreign securities:		
Foreign bonds	1,032,275	450,188
Foreign stocks	553,987	463,720
Others	34,823	38,439
Loans:		
Policy loans	354,383	378,734
Financial loans	4,770,369	5,102,379
Real estate	1,008,787	1,000,604
Deferred tax assets	81,047	
Others	451,206	234,066
Reserves for possible loan losses	(37,761)	(43,995)
TOTAL	¥16,262,856	¥16,416,269
(Assets denominated in foreign currencies)	¥ 1,491,332	¥ 795,331

2-2. Average Balances of Assets

	(Millions of Yen)	
	FY2001	FY2000
Cash, deposits and call loans	¥ 615,480	¥ 410,172
Repurchase account	23,447	—
Monetary claims bought	34,027	79,199
Money-placed-in-trust	43,256	102,135
Domestic bonds	4,375,223	4,196,739
Domestic stocks	2,809,593	2,875,834
Foreign securities:		
Foreign bonds	621,601	459,879
Foreign stocks	368,398	388,975
Loans	5,349,522	5,702,537
(Financial loans)	4,986,251	5,319,917
Real estate	1,018,369	988,881
TOTAL	¥15,827,602	¥15,789,679
(Overseas investments)	¥ 1,758,342	¥ 1,623,741

2-3. Investment Income and Gain

	(Millions of Yen)	
	FY2001	FY2000
Interest and dividends	¥364,030	¥404,272
Gains on securities sold	112,038	96,684
Gains on securities redeemed.....	0	
Gains on foreign exchange	573	853
Others	495	651
TOTAL	¥477,139	¥502,460

2-4. Investment Expenses and Losses

	(Millions of Yen)	
	FY2001	FY2000
Interest paid	¥783	¥ 1,586
Losses on money-placed-in-trust	4,957	11,393
Losses on investment securities	2,096	—
Losses on securities sold	85,950	45,926
Losses on securities appraised	220,839	15,219
Expenses for derivative financial instruments.....	13,209	19,302
Transfer to reserves for possible loan losses	6,575	
Write-off of loans	12	4,647
Depreciation of real estate for rent.....	9,399	9,308
Others	9,607	20,562
TOTAL	¥353,432	¥127,946

2-5. Net Investment Returns

	(%)	
	FY2001	FY2000
Cash, deposits and call loans	0.06	0.20
Repurchase account	0.03	—
Monetary claims bought	(3.61)	0.39
Money-placed-in-trust	(11.43)	(11.17)
Domestic bonds	2.41	2.28
Domestic stocks	(8.14)	3.46
Foreign securities:		
Foreign bonds	6.64	0.72
Foreign stocks	15.69	0.95
Loans	2.72	2.90
(Financial loans)	2.55	2.74
Real estate	1.49	1.72
TOTAL	0.78	2.37
(Overseas investments)	7.33	2.22

2-6. Breakdown of Securities Investment

	(Millions of Yen)	
	FY2001	FY2000
Domestic bonds:		
Government bonds	¥3,040,132	¥2,778,777
Municipal bonds	272,727	267,810
Corporate bonds	1,264,323	1,192,133
(Public corporation bonds)	711,984	678,207
Domestic stocks	2,714,339	3,347,385
Foreign securities:		
Foreign bonds	1,032,275	450,188
Foreign stocks	553,987	463,720
Others	34,823	38,439
TOTAL	¥8,912,609	¥8,538,455

2-7. Breakdown of Loans

	(Millions of Yen)	
	FY2001	FY2000
Policy loans	¥ 354,383	¥ 378,734
Financial loans:		
(Overseas loans)	659,064	696,179
Corporate loans	3,669,082	3,722,797
(to domestic corporations)	3,445,206	3,464,328
Loans to governments and supranationals	308,394	310,212
Loans to public organizations	347,895	353,035
Housing loans	247,172	486,476
Consumer loans	173,556	202,976
Others	24,267	26,881
TOTAL	¥5,124,753	¥5,481,114

*Securities and Others with Market Value

	(Millions of Yen)				
	FY2001				
	Book value	Market value	Equivalent of net unrealized gains	Equivalent of gross unrealized gains	Equivalent of gross unrealized losses
Domestic bonds	¥4,537,711	¥4,750,065	¥212,354	¥214,862	¥ 2,508
Domestic stocks	2,203,761	2,510,193	306,432	409,914	103,482
Foreign securities:					
Foreign bonds	991,353	1,035,433	44,079	57,422	13,343
Foreign stocks	222,898	375,716	152,518	157,097	4,279
Other securities	20,513	18,026	(2,486)	907	3,394
Others**	12,527	12,878	351	355	4
TOTAL	¥7,988,765	¥8,702,313	¥713,548	¥840,561	¥127,012

* The above table shows information regarding securities and other instruments with market price. Trading securities are not included.

** Others include those instruments treated as securities regulated by the Securities and Exchange Law, such as monetary claims bought.

	(Millions of Yen)				
	FY2000				
	Balance sheet amount	Market value	Net unrealized gains	Gross unrealized gains	Gross unrealized losses
Domestic bonds	¥4,182,346	¥4,443,497	¥261,150	¥ 262,068	¥ 917
Domestic stocks	2,658,370	3,144,954	486,584	666,311	179,727
Foreign securities:					
Foreign bonds	401,037	454,738	53,701	53,904	203
Foreign stocks	170,830	328,893	158,063	161,109	3,046
Other securities	19,572	16,911	(2660)	39	2,700
Others**	10,073	10,394	321	321	
TOTAL	¥7,442,230	¥8,399,390	¥957,159	¥1,143,754	¥186,594

* The above table shows information regarding securities and other instruments with market price. Trading securities are not included.

** Others include those instruments treated as securities regulated by the Securities and Exchange Law, such as monetary claims bought.

2-8. Distribution of Foreign Securities Investment and Overseas Loans

	(Millions of Yen)							
	FY2001				FY2000			
	Foreign securities			Overseas loans	Foreign securities			Overseas loans
Total	Bonds	Stocks	Total		Bonds	Stocks		
North America	¥ 801,808	¥ 681,790	¥120,017	¥152,957	¥252,536	¥149,387	¥103,148	¥160,048
Europe	500,560	268,719	231,841	232,357	508,660	238,161	270,498	241,893
Oceania	13,000	13,000	—	71,820	8,000	8,000	—	72,320
Asia	11,320	4,000	7,320	67,794	9,146	2,000	7,146	78,897
Latin America	245,016	50,207	194,808	5,802	120,237	37,310	82,927	11,405
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	5,887	—	—	—	9,280
Supranationals	14,557	14,557	—	122,445	15,328	15,328	—	122,334
TOTAL	¥1,586,263	¥1,032,275	¥553,987	¥659,064	¥913,909	¥450,188	¥463,720	¥696,179

3. Non-performing Loans

	(Millions of Yen)	
	FY2001	FY2000
Nonaccrual loans:		
Loans to bankrupt borrowers	¥ 1,251	¥ 3,136
Past due loans	16,484	16,957
Restructured loans	11,282	22,589
TOTAL	¥29,018	¥42,684
Non-performing loans/total loans	0.57%	0.78%

4. Outline of Reserves

4-1. Liability Reserves

	(Millions of Yen)	
	FY2001	FY2000
Liability reserves:		
Individual life insurance	¥ 6,692,482	¥ 6,890,677
Individual annuities	2,709,825	2,597,819
Group life insurance	14,706	12,101
Group pensions	4,740,016	4,803,208
Others	232,648	239,431
Reserves for contingencies	242,981	237,653
TOTAL	¥14,632,660	¥14,780,891

4-2. Other Reserves

	(Millions of Yen)	
	FY2001	FY2000
Reserves for possible loan losses:		
General reserves for possible loan losses	¥ 29,488	¥ 38,826
Specific reserves for possible loan losses	8,270	5,143
Specific reserves for country risk	3	25
Reserves for retirement benefits	143,711	139,709
Reserves for losses on sales of claims	27	26
Reserves for support to specific borrowers	—	4,362
Reserves for contingent liabilities	4,914	—
Reserves for asset value fluctuations	69,734	90,100