

# Consolidated Financial Statements

Meiji Life Insurance Company and Consolidated Subsidiaries

## Consolidated Balance Sheet

As of March 31, 2003 and 2002

	Millions of Yen		Millions of U.S. Dollars*
	FY2002	FY2001	FY2002
<b>ASSETS</b>			
Cash and deposits .....	¥ 272,493	¥ 207,252	\$ 2,267.0
Call loans .....	350,000	505,000	2,911.8
Monetary claims bought .....	42,541	40,280	353.9
Money-placed-in-trust .....	—	15,042	—
Securities .....	9,085,198	9,698,337	75,584.0
Loans .....	4,926,017	5,123,246	40,981.8
Real estate and movables .....	1,032,787	1,064,278	8,592.2
Agency account receivable .....	1,034	1,031	8.6
Reinsurance account receivable .....	2,733	3,071	22.7
Other assets .....	371,057	458,583	3,086.9
Deferred tax assets .....	252,676	89,920	2,102.1
Customers' liabilities for acceptances and guarantees .....	513	513	4.2
Reserves for possible loan losses .....	(21,678)	(36,165)	(180.3)
<b>TOTAL ASSETS .....</b>	<b>¥16,315,376</b>	<b>¥17,170,394</b>	<b>\$135,735.2</b>
<b>LIABILITIES AND SURPLUS</b>			
<b>(Liabilities)</b>			
Policy reserves:			
Reserves for outstanding claims .....	¥ 101,441	¥ 105,351	\$ 843.9
Liability reserves .....	14,395,700	14,703,347	119,764.5
Reserves for policyholder dividends .....	356,298	438,087	2,964.2
Agency account payable .....	14	51	0.1
Reinsurance account payable .....	3,050	3,613	25.3
Other liabilities .....	775,859	1,027,436	6,454.7
Reserves for retirement benefits .....	63,105	144,131	525.0
Reserves for losses on sales of claims .....	27	27	0.2
Reserves for contingent liabilities .....	32,429	4,914	269.7
Reserves for asset value fluctuations .....	72,846	70,386	606.0
Deferred tax liabilities .....	2,227	2,087	18.5
Deferred tax liabilities on revaluation of land .....	37,270	37,445	310.0
Acceptances and guarantees .....	513	513	4.2
<b>TOTAL LIABILITIES .....</b>	<b>15,840,785</b>	<b>16,537,394</b>	<b>131,786.9</b>
<b>MINORITY INTERESTS .....</b>	<b>3,684</b>	<b>3,468</b>	<b>30.6</b>
<b>(Surplus)</b>			
Foundation funds.....	100,000	—	831.9
Reserves with amortization of foundation funds .....	120,000	—	998.3
Revaluation surplus reserves .....	289	—	2.4
Consolidated surplus .....	61,775	—	513.9
Revaluation reserves for land .....	65,828	—	547.6
Net unrealized gains on investments .....	130,819	—	1,088.3
Currency translation adjustment .....	(7,805)	—	(64.9)
<b>TOTAL SURPLUS .....</b>	<b>470,906</b>	<b>—</b>	<b>3,917.6</b>
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SURPLUS .....</b>	<b>¥16,315,376</b>	<b>—</b>	<b>\$135,735.2</b>
<b>(Surplus)</b>			
Foundation funds.....	—	60,000	—
Revaluation surplus reserves .....	—	289	—
Reserves with amortization of foundation funds .....	—	100,000	—
Revaluation reserves for land .....	—	66,137	—
Consolidated surplus .....	—	58,759	—
Net unrealized gains on investments .....	—	340,116	—
Currency translation adjustment .....	—	4,229	—
<b>TOTAL SURPLUS .....</b>	<b>—</b>	<b>629,531</b>	<b>—</b>
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SURPLUS .....</b>	<b>¥ —</b>	<b>¥17,170,394</b>	<b>\$ —</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥120.20 to US\$1.00 prevailing on March 31, 2003.

## Consolidated of Operations and Surplus

	Millions of Yen		Millions of U.S. Dollars*
	FY2002	FY2001	FY2002
<b>ORDINARY INCOME</b>			
Premium income and reinsurance refunds .....	¥2,215,130	¥2,308,620	\$18,428.7
Investment income and gain:			
Interest and dividends .....	360,282	369,606	2,997.3
Money-placed-in-trust income .....	920	—	7.6
Gains on securities sold .....	83,712	112,512	696.4
Gains on securities redeemed .....	—	0	—
Gains on foreign exchange .....	—	2,053	—
Other investment income .....	24,456	8,609	203.4
Other ordinary income .....	511,408	361,476	4,254.6
<b>TOTAL ORDINARY INCOME</b> .....	<b>3,195,910</b>	<b>3,162,878</b>	<b>26,588.2</b>
<b>ORDINARY EXPENSES</b>			
Insurance benefits paid and others:			
Claims paid .....	760,244	641,709	6,324.8
Annuities paid .....	156,007	140,300	1,297.9
Benefits on policies paid .....	459,594	472,500	3,823.5
Surrender benefits paid .....	603,747	628,112	5,022.8
Other refunds paid and expenses .....	196,220	268,139	1,632.4
Transfers to policy reserves:			
Reserves for outstanding claims .....	—	15,361	—
Interest on dividend reserves .....	554	1,250	4.6
Investment expenses and losses:			
Interest paid .....	1,859	2,338	15.4
Losses on money-placed-in-trust .....	—	4,957	—
Losses on trading securities .....	—	2,096	—
Losses on securities sold .....	73,379	86,816	610.4
Losses on securities appraised .....	124,817	221,231	1,038.4
Losses on securities redeemed .....	0	—	0
Expenses for derivative financial instruments .....	14,566	13,209	121.1
Losses on foreign exchange .....	278	—	2.3
Transfer to reserves for possible loan losses .....	—	7,882	—
Write-off of loans .....	418	12	3.4
Depreciation on real estate for rent .....	11,843	11,668	98.5
Other investment expenses .....	11,175	14,809	92.9
Losses on separate account assets investment .....	92,831	51,538	772.3
Operating expenses .....	280,935	311,255	2,337.2
Other ordinary expenses .....	260,681	249,699	2,168.7
<b>TOTAL ORDINARY EXPENSES</b> .....	<b>3,049,157</b>	<b>3,144,892</b>	<b>25,367.3</b>
<b>ORDINARY PROFITS</b> .....	<b>146,753</b>	<b>17,985</b>	<b>1,220.9</b>
Special profits:			
Gains on disposals of real estate and movables .....	1,670	13,007	13.8
Reversal of reserves for asset value fluctuations .....	—	20,350	—
Reversal of reserves for possible loan losses .....	9,277	—	77.1
Other special profits .....	—	4,618	—
Special losses:			
Losses on disposals of real estate and movables .....	14,160	37,374	117.8
Transfer to reserves for losses on sales of claims .....	0	—	0
Transfer to reserves for contingent liabilities .....	10,133	4,914	84.3
Transfer to reserves for asset value fluctuations .....	2,518	—	20.9
Losses on compressed entry of real estate .....	342	246	2.8
Donations for promotion of welfare .....	397	804	3.3
Amortization of transition amount for retirement benefits .....	13,753	13,753	114.4
Other special losses .....	58,104	9,205	483.3
<b>NET SURPLUS BEFORE TAXES</b> .....	<b>58,290</b>	<b>(10,336)</b>	<b>484.9</b>
Provision for corporate income taxes .....	50,804	16,614	422.6
Corporate income tax equivalent adjustment .....	(44,332)	(41,383)	(368.8)
Minority interests .....	239	(278)	1.9
<b>NET SURPLUS FOR THE PERIOD</b> .....	<b>¥ 51,579</b>	<b>¥ 14,711</b>	<b>\$ 429.1</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥120.20 to US\$1.00 prevailing on March 31, 2003.

## Consolidated Statement of Surplus

For the years ended March 31, 2003 and 2002

	Millions of Yen		Millions of
	FY2002	FY2001	U.S. Dollars*
Consolidated surplus at the beginning of the period .....	¥58,759	¥ —	\$488.8
Increase in consolidated surplus:			
Net surplus for the period .....	51,579	—	429.1
Reversal of revaluation reserves of land .....	308	—	2.5
Decrease in consolidated surplus:			
Transfer to reserves for policyholder dividends .....	28,520	—	237.2
Transfer to reserves with amortization of foundation funds .....	20,000	—	166.3
Interest on foundation funds .....	326	—	2.7
Bonuses for directors and auditors .....	24	—	0.2
<b>CONSOLIDATED SURPLUS AT THE END OF THE PERIOD .....</b>	<b>¥61,775</b>	<b>¥ —</b>	<b>\$513.9</b>
Consolidated surplus at the beginning of the period .....	—	¥160,983	—
Decrease in consolidated surplus:			
Reversal of revaluation reserves of land .....	—	5,425	—
Transfer to reserves for policyholder dividends .....	—	79,399	—
Transfer to reserves with amortization of foundation funds .....	—	20,000	—
Interest on foundation funds .....	—	678	—
Bonuses for directors and auditors .....	—	51	—
Decrease of surplus due to exclusion of consolidated companies .....	—	11,380	—
Net surplus for the period .....	—	14,711	—
<b>CONSOLIDATED SURPLUS AT THE END OF THE PERIOD .....</b>	<b>¥ —</b>	<b>¥ 58,759</b>	<b>\$ —</b>

\* Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥120.20 to US\$1.00 prevailing on March 31, 2003.

Note: Consolidated companies include Meiji Life Insurance Agency, Ltd., Meisei System Service Co., Ltd., MEIJI Dresdner Asset Management Co., Ltd., Meiji General Insurance Co., Ltd., Pacific Guardian Life Insurance Co., Ltd., Meijiseimei Property U.K. Ltd., Meijiseimei Property Germany GmbH (Immobilieninvestitionen), Meijiseimei Realty (USA), Inc., and Meijiseimei Properties (USA), Inc.