

CHAPTER

6

OPERATIONAL DATA

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[STATUS OF FINANCIAL ASSETS (NON-CONSOLIDATED)]

[1] Status of Non-Performing Assets According to Borrower Classification

As of March 31	Millions of Yen, %		
	2005	2004	2003
Bankrupt and Quasi-Bankrupt	¥ 11,268	¥ 16,797	¥ 18,952
Doubtful	55,696	69,461	77,601
Substandard	6,782	21,642	34,564
Subtotal	73,747	107,902	131,118
[Percent of total] (%)	[0.63]	[0.85]	[1.02]
Normal	11,663,741	12,519,641	12,715,392
Total	¥11,737,488	¥12,627,543	¥12,846,510

Notes: 1. 1) Bankrupt and quasi-bankrupt are non-performing assets and similar debt made to an obligor that has fallen into bankruptcy due to reasons including the start of bankruptcy proceedings, start of reorganization proceedings, an application to start rehabilitation proceedings.
 2) Doubtful are non-performing assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract, owing to difficulties in the financial condition and business performance of the obligor who has not yet entered bankruptcy.
 3) Substandard are delinquent loans past three months or more and restructured loans. Delinquent loans past three months or more are loans in arrears three months or more from the due date of interest or principal under terms of the related loan agreements are loans in arrears. Restructured loans are loans where certain concessions favorable to borrowers, (such as interest reduction or exemption, postponement of principal or interest payment, release of credit, and other methods, were made with the object of reconstructing and supporting the operations of borrowers).
 4) Normal are loans that do not fall under the classifications for 1) to 3) above, and where the obligor has no financial or business performance problems.
 2. Classifications and calculation methods used in this table are based on the Enforcement Regulation of the Insurance Business Law. The table includes loans, securities lend, accrued interest, suspense payments, and customers' liabilities for acceptances and guarantees.
 3. Loans subject to bankruptcy rehabilitation, reorganization and other proceedings are directly deducted from total loans as estimated uncollectible amounts calculated by subtracting estimated collectable amounts based on collateral and guarantees from total loans. These amounts were ¥8,284 million for bankruptcy and quasi-bankruptcy and ¥3,190 million for doubtful as of March 31, 2005; ¥26,188 million for bankruptcy and quasi-bankruptcy and ¥2,458 million for doubtful as of March 31, 2004; ¥86,779 million for bankruptcy and quasi-bankruptcy and ¥1,743 million for doubtful as of March 31, 2003.

[2] Status of Risk-Monitored Loans

As of March 31		Millions of Yen, %		
		2005	2004	2003
Loans to bankrupt borrowers	1	¥ 5,164	¥ 7,621	¥ 7,301
Delinquent Loans	2	61,756	78,564	88,488
Loans three months or more in arrears	3	572	496	1,305
Restructured Loans	4	6,210	21,145	33,259
Total 1+2+3+4		¥73,703	¥107,828	¥130,354
[Percent of total loans receivable] (%)		[0.71]	[0.98]	[1.13]

Notes: 1. Loans to bankrupt borrowers and quasi-bankrupt borrowers (including collateralized and guaranteed loans) are directly deducted from total loans as estimated uncollectible amounts calculated by subtracting estimated collectable amounts based on collateral and guarantees from total loans. These amounts were ¥4,021 million for loans to bankrupt borrowers and ¥7,453 million for delinquent loans as of March 31, 2005; ¥12,974 million for loans to bankrupt borrowers and ¥12,502 million for delinquent loans as of March 31, 2004; ¥74,654 million for loans to bankrupt borrowers and ¥13,857 million for delinquent loans as of March 31, 2003.
 2. 1) Loans to bankrupt borrowers are loans to obligors that are legally bankrupt through filings for proceedings under the Corporate Reorganization Law, Civil Rehabilitation Law, Bankruptcy Law, or Commercial Law; loans to obligors that have notes suspended from trading on exchanges; and loans to obligors that have filed for legal proceedings similar to the aforementioned proceedings based on overseas laws, within loans (accrued interest unrecorded loans) for which accrued interest was not recorded and on which principal and interest payments have remained in arrears or other reason for not expecting repayment or collection of principal or interest.
 2) Delinquent loans are loans other than those with flexible interest payment terms and conditions in order to support the business rebuilding of obligors, and the aforementioned loans to bankrupt borrowers as accrued interest unrecorded loans.
 3) Loans three months or more in arrears are loans that are neither loans to bankrupt borrowers or loans in arrears, with principal and interest payment in arrears for more than three months after the day following the contract payment date.
 4) Restructured loans are loans with beneficial arrangements given to the obligor, including interest reduction or exemption, relaxed interest payments, relaxed principal repayments, and loan forgiveness, in order to support the rebuilding of operations at the obligor, and are neither loans to bankrupt borrowers, loans in arrears or loans three months or more in arrears.
 3. Based on the results of assets self-assessment, accrued interest on loans is not recorded as revenues for obligors that are bankrupt, essentially bankrupt or nearing bankruptcy.
 4. Restructured loans include loans with lowered interests rates to support the rebuilding of operations at obligors, and are not absolute interest levels.

[3] Status of Loans in Trust with Contract for Replacement of Losses

NONE

[4] Ability to Pay Benefits (Solvency Margin Ratio)

		Millions of Yen		
As of March 31		2005	2004	2003
Solvency margin gross amount		¥6,760,605	¥6,011,632	¥4,032,868
Foundation funds, reserves, etc. (A)		2,834,739	2,469,971	2,119,743
Total capital		915,263	912,638	910,299
Reserve for price fluctuations of investments in securities		390,262	255,261	150,260
Contingency reserve		1,274,373	1,013,988	733,943
General allowance for doubtful accounts		19,275	43,563	63,511
Other		235,565	244,519	261,729
Net unrealized gains/losses on securities X 90%		3,008,445	2,628,001	928,653
Net unrealized gains/losses on real estate X 85% (if negative, X 100%)		(182,638)	(181,204)	(134,374)
Revaluation reserve for land, net of taxes		61,881	68,620	72,250
Deductions		(1,859)	(2,026)	(2,200)
Other		1,040,036	1,028,271	1,048,796
Total amount of risk $\sqrt{R_1^2+(R_2+R_3)^2} + R_4$ (B)		1,386,544	1,345,185	1,279,030
Underwriting risk		260,386	257,259	263,506
Anticipated rate of return risk		240,490	242,648	250,730
Investment risk		1,088,997	1,046,190	970,499
Business management risk		31,797	30,921	29,694
Solvency margin ratio		975.2%	893.8%	630.6%
$\frac{(A)}{(1/2) \times (B)} \times 100$				

Note: These figures are calculated based on Article 86 and Article 87 of the Enforcement Regulation of the Insurance Business Law and ordinance No. 50 issued by the Ministry of Finance in 1996. Total capital is calculated by subtracting net unrealized gains/losses on securities and revaluation reserve for land, net of taxes from total capital on the balance sheets after the appropriation of surplus.

[5] Unrealized Gains/Losses from Assets (Company Total)

		Billions of Yen		
As of March 31		2005	2004	2003
Cash, deposits and call loans	Book value	¥ 727.1	¥ 671.2	¥ 687.9
	Market value (appraisal value)	727.1	671.2	687.9
	Net gains/losses	(0)	(0)	(0)
	Gains	0	—	0
	Losses	(0)	(0)	(0)
Trading securities*1	Book value	2.9	2.9	5.9
	Market value (appraisal value)	2.9	2.9	5.9
	Net gains/losses	—	—	—
	Gains	—	—	—
	Losses	—	—	—
Money held in trust*2	Book value	144.6	155.0	248.3
	Market value (appraisal value)	144.6	155.0	248.3
	Net gains/losses	—	—	—
	Gains	—	—	—
	Losses	—	—	—
Investments in securities*3	Book value	27,989.0	27,079.6	26,483.4
	Market value (appraisal value)	31,795.5	30,340.9	28,538.1
	Net gains/losses	3,806.4	3,261.3	2,054.6
	Gains	4,177.1	3,669.2	2,632.9
	Losses	(370.7)	(407.9)	(578.2)
Loans receivable	Book value	10,317.2	11,011.5	11,586.8
	Market value (appraisal value)	10,317.2	11,011.5	11,586.8
	Net gains/losses	—	—	—
	Gains	—	—	—
	Losses	—	—	—
Real estate*4	Book value	1,258.7	1,285.7	1,309.5
	Market value (appraisal value)	1,076.0	1,104.5	1,175.1
	Net gains/losses	(182.6)	(181.2)	(134.3)
	Gains	60.0	48.2	46.3
	Losses	(242.6)	(229.4)	(180.6)
Other assets	Book value	2,776.8	2,144.4	2,332.4
	Market value (appraisal value)	2,784.6	2,146.3	2,335.1
	Net gains/losses	7.7	1.8	2.6
	Gains	7.7	1.9	2.6
	Losses	(0)	(0)	(0)
Total assets	Book value	43,216.7	42,350.7	42,654.6
	Market value (appraisal value)	46,848.2	45,432.7	44,577.6
	Net gains/losses	3,631.5	3,081.9	1,922.9
	Gains	4,244.9	3,719.4	2,681.9
	Losses	(613.4)	(637.5)	(758.9)

Notes: 1. Trading securities, include securities with market values calculated using theoretical prices.

2. Market value calculations are based on prices rationally calculated by the trustee of money held in trust. Book value includes net gains/losses related to derivative transactions within money held in trust.

3. Investments in securities include securities with market values calculated using theoretical prices. Securities also include securities loaned.

4. Real estate is the total of the land account and Leasehold account. The market value of real estate (land + land lease rights) is calculated with reference to appraisal values disclosed in public. On March 31, 2002, the Company reappraised land for business use based on the Law for the Revaluation of Land. Book value includes revaluation differences of ¥96.8 billion as of March 31, 2005; ¥107.3 billion as of March 31, 2004; and ¥113.0 billion for as of March 31, 2003.

Asset Self-Assessment

Asset self-assessment is used to categorize retained assets in rankings based on the debtor's income status and recoverability through collateral, etc. In addition to defining strict assessment standards that are in compliance with the FSA's *Inspection Manuals for Insurance Companies*, Nissay has ensured the objectivity of self-assessments and made them highly reliable by conducting internal audits via an auditing division that is independent of the division implementing the assessment, and by undergoing external audits conducted by an external auditing firm.

[Self-assessment categories]

Debtor category	Recoverability through collateral and guarantees (see Notes)				Status of debtors
	a)	b)	c)	d)	
Normal	Non-Categorized 1				Debtors whose performance is sound and for whom there are no specific concerns regarding their financial situation.
On caution	Non-Categorized 2	II Categorized 2	II Categorized 3		Debtors with caution needed such as debtors whose loan terms and conditions have been eased or whose loan repayment performance is poor, and debtors posting a loss, or whose performance is sluggish or unstable.
Substandard					Of above, debtors whose loan terms and conditions have been eased or delinquent for the past three months or more from the due date.
Doubtful	Non-Categorized	II Categorized	III Categorized 4		Debtors who are not bankrupt at present, but for whom the possibility of bankruptcy in the near future is high owing to their financial difficulties.
Quasi-Bankrupt	Non-Categorized	II Categorized	III Categorized 4	IV Categorized 5	Debtors who are essentially bankrupt. Although there is no legal or formal evidence of bankruptcy, the debtor is in serious financial difficulties and there is no prospect of revitalization.
Bankrupt	Non-Categorized	II Categorized	III Categorized 4	IV Categorized 5	Debtors that are legally or formally bankrupt as a result of having entered bankruptcy, liquidation, corporate reorganization, corporate rehabilitation, or civil rehabilitation procedures.

Notes: Categories for collateral/guarantee-based recoverability

- Estimation of disposal of good collateral and good guarantee
- Estimation of disposal of general collateral and general guarantee
- Difference between estimated amount and actual disposal where the portion for recovery through guarantees is uncertain.
- Portions other than a-c that are deemed irrecoverable

[Self-assessment debtor classifications and relationship of disclosed non-performing debt] (as of March 31, 2005)

Self-assessment debt classification	Debts based on Financial Reconstruction Law Applicable: Categories related to loans (Loans, securities loaned*, accrued interest, suspense receivable, acceptance and guarantees) *Bonds attached via bond loan transactions with attached cash collateral are not included	Risk Monitored Loans (Applicable: Only to loans)
Normal	Normal	Restructured loan
On caution	Substandard	Loans in default for three months or more from the due date.
Doubtful	Doubtful	Delinquent
Quasi-Bankrupt	Bankrupt and Quasi-Bankrupt	Bankrupt
Bankrupt		
73.7 billion Percentage of total bonds 0.63%		73.7 billion Percentage of total bonds 0.71%

[State of loan category amount]

As of March 31, 2005	Money available	Percentage of whole
Loan balances (After direct write-off IV categorized)	¥10,317.2	100.0%
Non-categorized	10,200.3	98.9
II Categorized	87.4	0.8
III Categorized	29.4	0.3
IV Categorized	—	—

Notes: IV categorized was ¥11.4 billion after direct write-off of loans.

[Standards for reserve for bad debt]

In order to take appropriate measures against bad debt, Nissay has created the following types of reserve principles for self-assessment categories ①-⑤, noted in the table of category results based on self-assessment, and builds reserves (bad-debt accounting) in accordance with these principles.

• Reserve principles

- Normal: General bad-debt reserve accounting based on bad-debt performance in the past single year.
- On caution: General bad-debt reserve accounting based on bad-debt performance over the past three accumulated years (unrecovered ratio over three years from a certain point in time).
- Substandard: Approximately 24% of corporate loans not covered by collateral or guarantees are recorded as the general bad-debt reserve.
- Regarding doubtful, quasi-bankrupt, and bankrupt, record as individual reserves for bad debt the amount required to cover the balance when amounts recoverable through collateral and guarantees are written off from the loan amount. Then, for the category IV portion, directly write off this amount from the loan amount.

[6] Data on Market Value of Securities (Company Total)

1. Net valuation gains/losses from trading securities

Millions of Yen						
As of March 31	2005		2004		2003	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Securities held for sale	¥2,093,645	¥3,048	¥2,172,076	¥338,617	¥2,490,549	¥(163,397)

Notes: 1. The carrying value on balance sheets of money held in trust included in trading securities, and net valuation gains/losses included in the profits/losses for the current period include net gains/losses on derivative transactions.

2. The carrying value above excludes cash equivalents and call loans within money held in trust included in trading securities.

2. Data on market value of securities (Securities with market value other than trading securities)

Millions of Yen										
As of March 31	2005					2004				
	Book value	Market value	Net Gains/Losses			Book value	Market value	Net Gains/Losses		
			Gains	Losses				Gains	Losses	
Policy-reserve-matching bonds	¥16,114,189	¥16,595,643	¥ 481,454	¥ 605,294	¥(123,840)	¥14,852,231	¥15,205,343	¥ 353,112	¥ 516,965	¥(163,852)
Held-to-maturity debt securities	151,860	152,786	926	926	—	201,944	202,055	110	628	(517)
Investments in subsidiaries and affiliates	53,718	77,244	23,526	23,526	—	53,718	80,394	26,676	26,676	—
Other securities	10,752,008	14,098,266	3,346,258	3,554,214	(207,955)	10,437,664	13,364,103	2,926,438	3,125,174	(198,735)
Domestic bonds	17,375	17,335	(40)	56	(97)	10,956	11,559	602	602	—
Domestic stocks	4,426,624	7,370,160	2,943,536	3,045,163	(101,627)	4,552,703	7,157,151	2,604,448	2,687,522	(83,074)
Foreign securities	4,661,346	5,055,238	393,892	497,793	(103,900)	4,537,959	4,864,741	326,781	433,032	(106,251)
Foreign bonds	3,902,742	4,171,105	268,363	332,176	(63,813)	3,764,554	4,014,057	249,503	307,505	(58,002)
Foreign stocks and other securities	758,603	884,133	125,529	165,617	(40,087)	773,405	850,683	77,278	125,527	(48,248)
Other securities	488,641	497,530	8,888	11,199	(2,310)	624,049	618,662	(5,386)	4,014	(9,401)
Monetary receivables purchased	916,020	916,003	(17)	0	(18)	570,995	570,989	(6)	0	(7)
Negotiable deposits	242,000	241,998	(1)	0	(1)	141,000	140,999	(0)	—	(0)
Total	27,071,776	30,923,941	3,852,165	4,183,961	(331,796)	25,545,559	28,851,897	3,306,337	3,669,444	(363,106)
Domestic bonds	15,375,825	15,847,024	471,198	594,735	(123,536)	14,304,223	14,652,932	348,708	512,316	(163,608)
Domestic stocks	4,480,342	7,447,405	2,967,062	3,068,690	(101,627)	4,606,422	7,237,546	2,631,124	2,714,199	(83,074)
Foreign securities	5,036,725	5,433,978	397,252	501,538	(104,286)	4,968,717	5,298,740	330,023	436,969	(106,946)
Foreign bonds	4,278,121	4,549,845	271,723	335,921	(64,198)	4,195,311	4,448,056	252,744	311,442	(58,697)
Foreign stocks and other securities	758,603	884,133	125,529	165,617	(40,087)	773,405	850,683	77,278	125,527	(48,248)
Other securities	488,641	497,530	8,888	11,199	(2,310)	624,049	618,662	(5,386)	4,014	(9,401)
Monetary receivables purchased	1,448,240	1,456,005	7,764	7,798	(33)	901,147	903,016	1,869	1,943	(74)
Negotiable deposits	242,000	241,998	(1)	0	(1)	141,000	140,999	(0)	—	(0)
Money held in trust	—	—	—	—	—	—	—	—	—	—

As of March 31	2003				
	Book value	Market value	Net Gains/losses		
			Gains	Losses	
Policy-reserve-matching bonds	¥13,767,513	¥14,801,368	¥1,033,855	¥1,035,149	¥ (1,293)
Held-to-maturity debt securities	252,729	254,601	1,872	1,980	(108)
Investments in subsidiaries and affiliates	53,718	54,646	928	928	—
Other securities	10,379,713	11,410,195	1,030,482	1,594,727	(564,244)
Domestic bonds	991	1,447	455	455	—
Domestic stocks	4,718,841	5,386,915	668,073	1,081,392	(413,318)
Foreign securities	4,247,848	4,670,188	422,339	512,222	(89,883)
Foreign bonds	3,363,089	3,764,902	401,812	403,486	(1,673)
Foreign stocks and other securities	884,758	905,285	20,527	108,736	(88,209)
Other securities	974,416	914,019	(60,396)	644	(61,040)
Monetary receivables purchased	382,615	382,625	9	12	(2)
Negotiable deposits	55,000	54,999	(0)	0	(0)
Total	24,453,674	26,520,812	2,067,137	2,632,784	(565,647)
Domestic bonds	13,359,007	14,386,994	1,027,987	1,028,724	(737)
Domestic stocks	4,772,560	5,441,562	669,002	1,082,320	(413,318)
Foreign securities	4,606,907	5,034,803	427,896	518,437	(90,541)
Foreign bonds	3,722,148	4,129,517	407,368	409,700	(2,331)
Foreign stocks and other securities	884,758	905,285	20,527	108,736	(88,209)
Other securities	974,416	914,019	(60,396)	644	(61,040)
Monetary receivables purchased	685,783	688,433	2,649	2,658	(9)
Negotiable deposits	55,000	54,999	(0)	0	(0)
Money held in trust	—	—	—	—	—

Notes: 1. This table includes negotiable deposits and other items deemed appropriate to be handled as securities under the Securities and Exchange Act of Japan.

2. Money held in trust excludes cash equivalents and call loans within money held in trust.

[6] Data on Market Value of Securities (Company Total), continued

○ Book value of securities with market value unavailable is as follows:

As of March 31	Millions of Yen					
	2005		2004		2003	
Policy-reserve-matching bonds	¥	—	¥	—	¥	—
Held-to-maturity debt securities		—		—		—
Unlisted foreign bonds		—		—		—
Others		—		—		—
Investments in subsidiaries and affiliates		282,129		277,869		263,838
Other securities		386,962		283,239		269,921
Unlisted domestic stocks (excluding stocks sold over-the-counter)		165,476		68,532		72,423
Unlisted foreign stocks (excluding stocks sold over-the-counter)		86,542		86,796		88,978
Unlisted foreign bonds		—		—		—
Others		134,943		127,910		108,519
Total		¥669,091		¥561,108		¥533,760

Note: Of securities with market value unavailable, net gains/losses on currency exchange valuation of assets denominated in foreign currencies were as follows:
 March 31, 2005, ¥(37,972) million; March 31, 2004, ¥(43,152) million; March 31, 2003, ¥(9,793) million

Policy-reserve-matching bonds

We have established the following target portfolios that correspond to a specific type of insurance product.

- Regarding single-payment products (single-payment endowment, single-payment annuities, single-payment whole life insurance) and guaranteed fixed-term rate group annuities, we have established an ALM portfolio that aims to avoid interest fluctuation risks by predicting future cash flow from debt securities.
- In terms of other types of insurance, we have established an ALM portfolio that has a goal of expanding long-term future revenue by evaluating debt characteristics and operating within a specific range of risk allowance.

Given the characteristics of these insurance products and this type of asset management, we have specified and sub-categorized the following insurance policies based on Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry (Japan Institute of Certified Public Accountants Industry Audit Committee Release No. 21).

- All policies for single-payment products.
- All policies for guaranteed fixed-term rate group annuities.
- For group annuities other than guaranteed fixed-term rate policies, policy reserves corresponding to cash flow projections over the next 15 years.
- For those not listed above, policies with less than 30 years remaining.*

Through these sub-categories, the Risk Management Committee regularly confirms that the liability reserves for insurance policies and the duration (level of market price fluctuations against fluctuations in interest rates) of yen-based bonds retained as investment assets are in a state of generally consistency.

Based on such confirmation, we classify most of yen-based debt securities into policy-reserve-matching bonds.

*Note: In fiscal 2003, this was policies with less than 20 years remaining, but an increase in the issued amount of long-term government bonds created an environment requiring bond investment that took into account long-term debt. Therefore, this was changed in fiscal 2004 to policies with less than 30 years remaining.

[7] Data on Market Value of Money Held in Trust (Company Total)

As of March 31		Millions of Yen		
		2005	2004	2003
Money held in trust	Carrying value on balance sheets	¥144,614	¥155,054	¥248,379
	Market value	144,614	155,054	248,379
	Net unrealized gains/losses	—	—	—
	Gains	—	—	—
	Losses	—	—	—

Notes: 1. Market value calculations are based on prices rationally calculated by the trustee of money held in trust.
2. Carrying value on the balance sheets include net gains/losses related to derivative transactions within money held in trust.

○ Money held in trust for trading purposes

As of March 31		2005		2004		2003	
		Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Money held in trust for trading purposes		¥144,614	¥5,833	¥155,054	¥12,606	¥248,379	¥(25,740)

Note: Carrying value of money held in trust on the balance sheets and net valuation gains/losses included in profits/losses for the current period include net gains/losses related to derivative transactions.

○ Money held in trust classified as held to maturity, held for reserves, and other

As of March 31		2005					2004				
		Book value	Market value	Net Gains/losses	Gains	Losses	Book value	Market value	Net Gains/losses	Gains	Losses
Trust held to maturity		¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—
Trust held for reserves		—	—	—	—	—	—	—	—	—	—
Other money in trust		—	—	—	—	—	—	—	—	—	—

As of March 31		2003				
		Book value	Market value	Net Gains/losses	Gains	Losses
Trust held to maturity		¥—	¥—	¥—	¥—	¥—
Trust held for reserves		—	—	—	—	—
Other money in trust		—	—	—	—	—

Note: Market value calculations are based on prices rationally calculated by the trustee of money held in trust.

[8] Data on Market Value of Derivatives Transactions, with and without Hedge Accounting Applied (Company Total)

1. Breakdown of gains/losses (Hedge accounting applied/Hedge accounting not applied)

						Millions of Yen
	Interest	Currencies	Stocks	Bonds	Other	Total
As of March 31						
						2005
Hedge accounting applied	¥ —	¥(54,206)	¥ —	¥—	¥—	¥(54,206)
Hedge accounting not applied	7,621	(2,053)	(114)	—	—	5,453
Total	¥7,621	¥(56,260)	¥(114)	¥—	¥—	¥(48,752)
						2004
Hedge accounting applied	¥ —	¥48,484	¥ —	¥—	¥—	¥48,484
Hedge accounting not applied	16,989	14,163	98	—	—	31,251
Total	¥16,989	¥62,647	¥98	¥—	¥—	¥79,735
						2003
Hedge accounting applied	¥ —	¥(23,865)	¥ —	¥—	¥—	¥(23,865)
Hedge accounting not applied	21,681	(3,778)	15	—	—	17,918
Total	¥21,681	¥(27,644)	¥ 15	¥—	¥—	¥ (5,947)

Note: Net gains/losses from applying the mark-to-market hedge accounting included in hedge accounting applied, and net gains/losses included in hedge accounting not applied other than deferred gains to be amortized from the discontinuation of hedge accounting, are recorded on the statements of operations.

2. Interest-rate related

				Millions of Yen				
As of March 31				2005	2004	2003		
Over-the-counter Interest-rate swap	Variable interest-rate payment	Fixed interest-rate receipt	Contract amount	¥550,000	¥600,000	¥690,000		
			Over 1 year	170,000	550,000	630,000		
			Market value	8,679	19,167	34,069		
			Gains/losses	8,679	19,167	34,069		
			Variable interest-rate receipt	Fixed interest-rate payment	Contract amount	200,000	305,460	521,870
					Over 1 year	150,000	255,460	450,770
	Market value	(1,057)			(2,178)	(12,388)		
	Gains/losses	(1,057)			(2,178)	(12,388)		
	Total		Gains/losses	¥ 7,621	¥ 16,989	¥ 21,681		

Notes: 1. Gains/losses show the current market value; present value of swap transactions.

2. Gains/losses as of March 31, 2003, 2004, and 2005 are recorded on the statements of operations as losses from derivative financial instruments, net other than deferred gains to be amortized from the discontinuation of hedge accounting.

(Reference) Interest-rate swap contracts by maturity dates

		Millions of Yen, %							
As of March 31			1 year or under	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years	Total
2005	Notional amount (receipts fixed/payments variable)		¥380,000	¥120,000	¥ 50,000	¥ —	¥ —	¥ —	¥550,000
	Average fixed rate (receipt)		3.00	0.79	0.49	—	—	—	2.29
	Average variable rate (payment)		0.08	0.08	0.08	—	—	—	0.08
	Notional amount (payments fixed/receipts variable)		50,000	100,000	50,000	—	—	—	200,000
	Average fixed rate (payment)		1.30	0.41	0.64	—	—	—	0.69
	Average variable rate (receipt)		0.08	0.08	0.08	—	—	—	0.08
2004	Notional amount (receipts fixed/payments variable)		¥ 50,000	¥450,000	¥100,000	¥ —	¥ —	¥ —	¥600,000
	Average fixed rate (receipt)		1.12	2.70	0.42	—	—	—	2.19
	Average variable rate (payment)		0.08	0.08	0.08	—	—	—	0.08
	Notional amount (payments fixed/receipts variable)		50,000	100,000	100,000	52,620	2,840	—	305,460
	Average fixed rate (payment)		1.08	0.82	0.56	1.32	1.37	—	0.87
	Average variable rate (receipt)		0.08	0.08	0.08	0.07	0.08	—	0.08
2003	Notional amount (receipts fixed/payments variable)		¥ 60,000	¥430,000	¥120,000	¥50,000	¥30,000	¥ —	¥690,000
	Average fixed rate (receipt)		1.53	2.78	0.79	0.49	0.95	—	2.08
	Average variable rate (payment)		0.08	0.08	0.08	0.08	0.08	—	0.08
	Notional amount (payments fixed/receipts variable)		71,100	172,050	100,000	60,000	118,720	—	521,870
	Average fixed rate (payment)		1.86	0.75	0.41	0.81	1.26	—	0.96
	Average variable rate (receipt)		0.08	0.08	0.08	0.08	0.07	—	0.08

[8] Data on Market Value of Derivatives Transactions, with and without Hedge Accounting Applied (Company Total), continued

3. Currency-related

As of March 31					Millions of Yen			
					2005	2004	2003	
Over-the-counter	Foreign exchange forward contract	U.S. Dollar	Contract amount		¥1,400,390	¥1,477,608	¥ 930,840	
			Over 1 year		—	—	—	
			Market value		1,437,681	1,452,559	939,128	
				Net gains/losses		(37,290)	25,049	(8,287)
		Euro	Contract amount		794,957	879,109	865,580	
			Over 1 year		—	—	—	
			Market value		812,341	845,552	882,078	
				Net gains/losses		(17,383)	33,557	(16,498)
		British Pound	Contract amount		1,574	1,260	2,620	
			Over 1 year		—	—	—	
			Market value		1,584	1,225	2,606	
				Net gains/losses		(10)	34	14
		Other, net		Contract amount		2,222,855	2,381,318	1,829,550
				Over 1 year		—	—	—
				Market value		2,278,548	2,322,662	1,855,887
		Net gains/losses		(55,693)	58,655	(26,336)		
Purchased		U.S. Dollar	Contract amount		518,941	81,254	101,498	
			Over 1 year		—	—	—	
			Market value		520,877	80,441	101,344	
				Net gains/losses		1,935	(812)	(153)
		Euro	Contract amount		10,263	8,832	73,219	
			Over 1 year		—	—	—	
			Market value		10,306	8,793	73,774	
				Net gains/losses		43	(39)	555
		British Pound	Contract amount		5,829	695	1,576	
			Over 1 year		—	—	—	
			Market value		5,898	689	1,565	
				Net gains/losses		69	(6)	(10)
		Other, net		Contract amount		540,019	91,253	188,193
				Over 1 year		—	—	—
				Market value		542,054	90,389	188,620
		Net gains/losses		2,034	(864)	426		

[8] Data on Market Value of Derivatives Transactions, with and without Hedge Accounting Applied (Company Total), continued

3. Currency-related, continued

As of March 31						Millions of Yen			
Over-the-counter	Currency option	Sold	Call	U.S. Dollar	Contract amount	2005	2004	2003	
					Contract amount	¥477,885	¥58,129	¥438,730	
						[974]	[376]	[1,458]	
					Over 1 year	—	—	—	
						[—]	[—]	[—]	
					Market value	1,854	97	899	
					Net gains/losses	(880)	279	559	
				Euro	Contract amount	41,661	70,884	103,864	
						[223]	[462]	[819]	
					Over 1 year	—	—	—	
						[—]	[—]	[—]	
					Market value	183	129	925	
					Net gains/losses	39	333	(105)	
				Other, net	Contract amount	534,244	158,522	594,423	
						[1,273]	[951]	[2,424]	
					Over 1 year	—	—	—	
						[—]	[—]	[—]	
					Market value	2,140	292	1,984	
					Net gains/losses	(867)	659	439	
				Put	U.S. Dollar	Contract amount	—	—	36,060
						[—]	[—]	[56]	
					Over 1 year	—	—	—	
						[—]	[—]	[—]	
					Market value	—	—	0	
					Net gains/losses	—	—	56	
				Euro	Contract amount	—	—	—	
						[—]	[—]	[—]	
					Over 1 year	—	—	—	
						[—]	[—]	[—]	
					Market value	—	—	—	
					Net gains/losses	—	—	—	
				British Pound	Contract amount	—	—	—	
						[—]	[—]	[—]	
					Over 1 year	—	—	—	
						[—]	[—]	[—]	
					Market value	—	—	—	
					Net gains/losses	—	—	—	
				Other, net	Contract amount	—	—	36,060	
						[—]	[—]	[56]	
					Over 1 year	—	—	—	
						[—]	[—]	(—)	
					Market value	—	—	0	
					Net gains/losses	—	—	56	

[8] Data on Market Value of Derivatives Transactions, with and without Hedge Accounting Applied (Company Total), continued

3. Currency-related, continued

As of March 31						Millions of Yen		
Over-the-counter	Currency option	Purchased	Call	U.S. Dollar		2005	2004	2003
					Contract amount	¥ —	¥200,811	¥ 72,120
						[—]	[1,014]	[89]
					Over 1 year	—	—	—
						[—]	[—]	[—]
					Market value	—	153	16
					Net gains/losses	—	(860)	(73)
				Euro	Contract amount	—	—	—
						[—]	[—]	[—]
					Over 1 year	—	—	—
						[—]	[—]	[—]
					Market value	—	—	—
					Net gains/losses	—	—	—
				British Pound	Contract amount	—	—	—
						[—]	[—]	[—]
					Over 1 year	—	—	—
						[—]	[—]	[—]
					Market value	—	—	—
					Net gains/losses	—	—	—
				Other, net	Contract amount	—	200,811	72,120
						[—]	[1,014]	[89]
					Over 1 year	—	—	—
						[—]	[—]	[—]
					Market value	—	153	16
					Net gains/losses	—	(860)	(73)
				Put	U.S. Dollar	Contract amount	574,536	274,794
						[1,821]	[2,424]	450,750
						[—]	[—]	[1,737]
					Over 1 year	—	—	—
						[—]	[—]	[—]
					Market value	268	7,217	292
					Net gains/losses	(1,553)	4,792	(1,444)
				Euro	Contract amount	41,661	122,436	103,864
						[222]	[900]	[814]
					Over 1 year	—	—	—
						[—]	[—]	[—]
					Market value	96	1,133	218
					Net gains/losses	(125)	232	(596)
				Other, net	Contract amount	630,895	428,760	606,443
						[2,116]	[3,430]	[2,685]
					Over 1 year	—	—	—
						[—]	[—]	[—]
					Market value	381	8,488	528
					Net gains/losses	(1,735)	5,058	(2,157)
	Currency swap			U.S. Dollar	Contract amount	533	—	—
					Over 1 year	533	—	—
					Market value	0	—	—
					Net gains/losses	0	—	—
				Other, net	Contract amount	533	—	—
					Over 1 year	533	—	—
					Market value	0	—	—
					Net gain/loss	0	—	—
Total					Net gains/losses	¥(56,260)	¥ 62,647	¥(27,644)

Notes: 1. Figures in brackets show options fees recorded on the balance sheets. However, these options fees include already contracted options as of the balance sheet date.

2. Net gains/losses shows the difference between the contract amount and market value for forward agreements, the difference between the options fee and market value for option transactions, and the current market value for swap transactions.

3. Net gains/losses as of March 31, 2003, is recorded on the statements of operations as losses from derivative financial instruments, net and losses from the separate accounts, net excluding currency options with hedge accounting applied. Net gains/losses as of March 31, 2004 and 2005 is recorded on the statements of operations as losses from derivative financial instruments, net and gains from separate accounts, net excluding currency options with hedge accounting applied.

[8] Data on Market Value of Derivatives Transactions, with and without Hedge Accounting Applied (Company Total), continued

4. Stock-related

As of March 31				Millions of Yen		
Exchange	Stock index futures			2005	2004	2003
		Sold	Contract value	—	—	—
			Over 1 year	—	—	—
			Market value	—	—	—
			Net gains/losses	—	—	—
		Purchased	Contract value	¥14,718	¥9,866	¥3,804
			Over 1 year	—	—	—
			Market value	14,604	9,965	3,819
			Net gains/losses	(114)	98	15
Total			Net gains/losses	¥ (114)	¥ 98	¥ 15

Notes: 1. Net gains/losses shows the difference between the contracted amount and market value for future agreements.

2. Net gains/losses as of March 31, 2003, is recorded on the statements of operations as losses from the separate account, net. Net gains/losses as of March 31, 2004 and 2005, is recorded on the statements of operations as gains from the separate account.

5. Bond-related

As of March 31				Millions of Yen		
Exchange	Bond futures			2005	2004	2003
		Sold	Contract value	¥—	¥—	¥—
			Over 1 year	—	—	—
			Market value	—	—	—
			Net gains/losses	—	—	—
		Purchased	Contract value	—	—	—
			Over 1 year	—	—	—
			Market value	—	—	—
			Net gains/losses	—	—	—
Total			Net gains/losses	¥—	¥—	¥—

Notes: 1. Net gains/losses shows the difference between the contracted value and market value for future agreements.

2. Includes derivative transactions in trading securities

6. Others

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

[9] Operating Income (Ordinary Income)

As of March 31	Millions of Yen		
	2005	2004	2003
Ordinary Revenues	¥6,177,860	¥6,886,980	¥7,055,101
Income from premiums	4,829,784	5,142,809	5,420,729
Insurance premiums	4,829,055	5,142,270	5,420,252
Reinsurance premiums	729	538	476
Investment income	1,068,198	1,330,171	1,001,463
Interest, dividends, and other income	980,473	980,099	999,239
Gains from redemption of securities	217	30	286
Other investment income	1,597	1,635	1,937
Gains from separate account	85,909	348,404	—
Other revenues	279,878	413,999	632,908
Income from annuity riders	4,759	5,771	5,566
Income from deferred benefits	252,021	358,362	361,452
Reversal of reserve for outstanding claims	6,541	33,718	—
Reversal of policy reserves*	—	—	252,551
Reversal of accrued severance indemnities	—	—	—
Other	16,555	16,147	13,338
Ordinary Expenditures	¥5,627,676	¥6,327,119	¥6,509,955
Insurance claims and other payments	4,647,849	5,422,885	4,954,526
Insurance claims	1,253,711	1,580,871	1,546,085
Annuity payments	410,990	388,094	351,191
Benefits	810,849	874,013	954,332
Surrender benefits	1,228,264	1,284,092	1,320,828
Other refunds	943,099	1,295,117	781,315
Reinsurance premiums	934	695	772
Provision for policy reserves*	(67,711)	(207,447)	89,774
Investment expenses	58,273	59,981	406,708
Interest expenses	1,339	1,468	1,539
Losses on redemption of securities	—	—	—
Transfer to general allowance for doubtful accounts	—	—	—
Depreciation for rental real estate and other assets	31,250	32,737	35,197
Other expenses for investment	25,683	25,774	30,098
Losses from separate account	—	—	339,873
Operating expenses	545,234	558,951	608,242
Other expenditures	444,029	492,749	450,703
Deferred benefit payments	340,291	376,450	342,056
Taxes	37,015	36,772	40,072
Depreciation	39,276	40,033	41,230
Provision for accrued severance indemnities	13,196	25,167	12,830
Deferred asset amortization (Insurance Business Law, Article 113)	—	—	—
Other	14,250	14,325	14,512
Ordinary Income (core operating profit) (A)	¥ 550,184	¥ 559,860	¥ 545,145

As of March 31	Millions of Yen		
	2005	2004	2003
Capital gains	¥220,159	¥214,924	¥ 301,419
Gains from trading securities	—	—	83
Gains from money held in trust	18,409	24,016	—
Gains from trading securities held for sale	—	—	—
Gains on sales of securities	201,749	188,761	301,336
Gains from derivative financial instruments	—	—	—
Foreign exchange gains	—	2,145	—
Other capital gains	—	—	—
Capital losses	¥152,517	¥128,241	¥ 724,970
Losses from trading securities	3	48	—
Losses from money held in trust	—	—	22,063
Losses from trading securities held for sale	—	—	—
Losses on sales of securities	52,814	57,286	126,348
Losses on valuation of securities	31,175	23,344	524,300
Losses from derivative financial instruments	66,340	47,561	49,899
Foreign exchange losses	2,183	—	2,358
Other capital losses	—	—	—
Net capital gains/losses (B)	¥ 67,642	¥ 86,682	¥(423,550)
Income including net capital gains/losses (A+B)	¥617,826	¥646,543	¥ 121,594
Non-recurring income	—	—	—
Income from reinsurance premiums	—	—	—
Reversal of contingency reserve	—	—	—
Other non-recurring income	—	—	—
Non-recurring losses	¥260,405	¥280,393	¥5,067
Reinsurance premiums	—	—	—
Provision for contingency reserve	260,385	280,045	4,889
Provision for individual allowance for doubtful accounts	—	—	—
Provision for allowance for specialized overseas debts	—	—	—
Loan write-offs and write-downs	20	348	178
Other non-recurring losses	—	—	—
Non-recurring income and losses (C)	(260,405)	(280,393)	(5,067)
Operating income (A+B+C)	¥357,421	¥366,149	¥ 116,526

Note: *Reversal of policy reserves and provision for policy reserves exclude provision for contingency reserve.

[MAIN BUSINESS INDICATORS]

[10] Policies in Force and New Policies

(1) Policies in force

1. Number of policies

As of March 31	2005		2004		2003	Number of policies, %
		Rate of increase		Rate of increase		
Individual insurance	13,850,346	(3.9)	14,408,659	(5.4)	15,223,775	
Individual annuities	2,491,360	1.6	2,452,852	(1.0)	2,477,541	

2. Policy amount

As of March 31	2005		2004		2003	Millions of Yen, %
		Rate of increase		Rate of increase		
Individual insurance	¥250,443,519	(4.7)	¥262,785,989	(5.9)	¥279,133,482	
Individual annuities	15,970,025	2.8	15,534,542	(0.1)	15,545,853	
Group insurance	81,864,614	1.8	80,415,395	0.5	80,054,221	
Group annuities	8,797,125	(6.7)	9,425,531	(3.4)	9,760,814	

Notes: 1. The amount of individual annuities is the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments, and policy reserves for policies after the start of annuity payments.

2. The amount of group annuities are equal to the policy reserve balance.

(2) New policies in force

1. Number of policies

As of March 31	2005	2004	2003	Number of policies
	Individual insurance	1,150,850	1,302,526	1,415,723
Individual annuities	129,126	89,912	91,348	

Note: Number of policies includes policies that were converted into new policies.

2. Policy amount

As of March 31		Millions of Yen		
		2005	2004	2003
Individual insurance	New policies, including conversions	¥17,010,697	¥18,661,349	¥24,525,420
	New policies, excluding conversions	15,456,944	16,695,413	21,102,045
	By conversion	1,553,752	1,965,936	3,423,375
Individual annuities	New policies, including conversions	1,140,618	806,843	717,246
	New policies, excluding conversions	1,136,355	803,749	719,349
	By conversion	4,263	3,094	(2,103)
Group insurance	New policies, including conversions	1,150,488	1,116,241	1,160,474
	New policies, excluding conversions	1,150,488	1,116,241	1,160,474
	By conversion	[7,255,009]	[7,806,382]	[12,230,235]
Group annuities	New policies, including conversions	8,418	15,072	2,175
	New policies, excluding conversions	8,418	15,072	2,175
	By conversion	—	—	—

Notes: 1. The amount for new policies for individual annuities represents annuity resources at the start of annuity payments.

2. Figures in brackets in group insurance is the amount that includes the increase in premiums and the net increase in premiums from midway subscriptions and withdrawals.

3. Figures for group annuities for new policies represent the first premium revenues.

[11] New Policies by Product

As of March 31		Number of policies, Millions of Yen					
		2005		2004		2003	
		Policies	Amount	Policies	Amount	Policies	Amount
Individual insurance	Mortality insurance	[859,872]	¥[24,786,169]	[1,005,810]	¥[27,430,494]	[1,088,799]	¥[34,675,679]
		506,568	12,843,798	555,945	14,033,545	691,390	18,135,397
	Term life insurance	[27,798]	[1,462,644]	[29,457]	[1,463,018]	[33,098]	[1,582,762]
		25,231	1,270,121	27,202	1,288,169	30,168	1,351,529
	Whole life insurance	[70,053]	[539,815]	[105,132]	[420,056]	[55,087]	[655,034]
		43,571	423,178	33,999	346,083	49,796	576,900
	Whole life insurance with term rider	[679,828]	[22,048,157]	[775,047]	[24,917,223]	[864,662]	[31,558,882]
		355,573	10,520,173	398,570	11,897,523	475,474	15,507,737
	Variable life insurance [whole life type]	—	—	—	—	—	—
	Term life insurance with dread disease term rider	1,681	10,267	1,656	10,091	1,533	9,513
	Whole life insurance with dread disease term rider	315	2,259	238	1,678	281	2,019
	Cancer insurance	65,707	11,796	82,788	14,441	123,558	23,216
	Increasing term life insurance	11,118	527,950	7,129	373,189	9,798	498,833
	Medical life insurance	1,493	83	2,598	140	489	27
	Single premium whole life insurance for retirement	459	1,667	433	1,622	293	992
	Medical insurance for retirement	1,420	556	1,332	486	—	—
	Term rider	[46,455]	[180,971]	[58,639]	[228,545]	[85,123]	[344,396]
		20,002	75,744	26,296	100,119	40,934	164,627
	Life and mortality insurance	[286,552]	[2,851,600]	[290,533]	[2,913,435]	[320,269]	[3,314,657]
		277,931	2,611,027	281,295	2,658,813	307,599	2,963,091
	Endowment insurance	[119,298]	[504,053]	[114,320]	[487,167]	[115,541]	[497,224]
		118,909	500,702	114,044	485,302	115,211	495,395
	Endowment insurance with term rider <i>Kurashino Hoken</i>	[20,675]	[437,271]	[19,032]	[368,865]	[28,490]	[523,272]
		12,443	284,396	10,070	206,155	16,150	296,934
	Variable life insurance [defined term type]	—	—	—	—	—	—
	Term life with survival benefit insurance <i>Melody</i>	9	47	13	51	22	96
	Term life with survival benefit insurance <i>BIG YOU</i>	97,729	1,395,592	107,628	1,531,824	119,492	1,648,822
	Juvenile insurance	48,841	371,433	49,540	374,305	56,724	433,018
	Multi increase endowment rider	833	100	905	110	1,024	125
	Term rider with survival benefit	[74,686]	[143,101]	[78,845]	[151,110]	[107,476]	[212,096]
		32,424	58,755	34,181	61,064	47,756	88,698
	Pure endowment	4,426	2,118	6,183	3,054	6,655	3,556
	Family pure endowment	4,426	2,118	6,183	3,054	6,655	3,556
		[1,150,850]	[27,639,888]	[1,302,526]	[30,346,983]	[1,415,723]	[37,993,892]
	Subtotal	788,925	15,456,944	843,423	16,695,413	1,005,644	21,102,045
			<17,010,697>		<18,661,349>		<24,525,420>

[11] New Policies by Product, continued

As of March 31		2005		2004		2003	
		Policies	Amount	Policies	Amount	Policies	Amount
Individual annuities	Nissay annuity	[87,915]	¥[861,843]	[55,845]	¥[577,588]	[53,365]	¥[476,434]
		87,336	851,717	55,358	569,788	52,827	467,828
	Annuity focused on survival coverage	[28,779]	[208,049]	[23,491]	[172,734]	[24,834]	[178,383]
		28,669	206,614	23,261	169,226	24,656	175,936
	Variable assumed rate type annuity	503	1,287	2,115	4,094	2,340	3,960
	Accumulation type variable rate annuity	4,259	20,083	—	—	—	—
	Nissay investment type annuity	7,670	56,652	8,461	60,639	10,809	71,624
	Subtotal	[129,126]	[1,147,916]	[89,912]	[815,057]	[91,348]	[730,402]
		128,437	1,136,355	89,195	803,749	90,632	719,349
			<1,140,618>		<806,843>		<717,246>
Group insurance	Group term life insurance	280,387	1,056,449	607,561	978,673	682,633	1,028,614
	Group credit life insurance	28,252	94,039	37,849	56,938	45,120	129,123
	Consumer credit group insurance	—	—	1,717,325	80,629	170,432	2,736
	Group endowment insurance	—	—	—	—	—	—
	Group whole life insurance	—	—	—	—	—	—
	Life insurance for dependents of disabled	—	—	—	—	—	—
	Annuities rider [group term life insurance]	—	—	—	—	—	—
	Subtotal	308,639	1,150,488	2,362,735	1,116,241	898,185	1,160,474
Group annuities	Insured pension plans	—	—	—	—	—	—
	New insured pension plans	11,909	206	19,633	344	35,955	301
	Insured contributory pension plans	—	—	96,868	14,339	6,790	31
	Defined benefit corporate pension plans	—	858	—	84	—	640
	Government pension investment fund variable insurance	—	—	—	—	—	—
	National pension fund insurance	—	—	—	0	—	—
	Employees' pension fund insurance	—	—	8,430	0	31,347	43
	Employees' pension association insurance	—	—	—	—	—	—
	Group pure endowment insurance	—	7,051	—	—	—	1,077
	Defined contribution pension plans	—	302	—	304	—	80
	Subtotal	11,909	8,418	124,931	15,072	74,092	2,175
Workers' asset-formation savings insurance	Workers' asset-formation savings insurance	10,871	966	11,410	677	13,456	851
	Workers' asset-formation housing funding insurance	1,840	190	2,094	172	2,463	211
	Workers' asset-formation benefits savings insurance	—	—	270	2	—	—
	Workers' asset-formation fund savings insurance	—	—	—	—	—	—
	Subtotal	12,711	1,156	13,774	852	15,919	1,062
Workers' asset-formation annuities	Workers' asset-formation annuities	—	—	—	—	—	—
	Workers' asset-formation funding annuities	2,759	228	2,532	193	2,795	201
	Subtotal	2,759	228	2,532	193	2,795	201
Medical life insurance	Individual type	160	0	77	0	30	0
	Group type	82,740	483	9,951	10	65,107	55
	Subtotal	82,900	484	10,028	10	65,137	55
Disability income insurance	Disability income insurance	—	—	—	—	—	—
	Group disability income insurance	304	109	17,336	670	1,354	67
	Subtotal	304	109	17,336	670	1,354	67
	Reinsurance assumed	—	—	—	—	—	—

Notes: 1. Figures in brackets include policies that were converted into new policies, except for subtotal figures in angle brackets, which exclude policies prior to conversion.

2. Term life insurance includes term life insurance (group type).

3. Whole life insurance includes comprehensive whole life insurance.

4. Term rider includes juvenile term life insurance riders and spouse term life insurance riders.

5. Term rider, multi increase endowment rider, term rider with survival benefit, life insurance for dependents of disabled and employees' pension association insurance are not included in subtotals.

6. The number of policies for group insurance, group annuities, workers' asset-formation savings insurance, workers' asset-formation annuities, medical life insurance, disability income insurance and reinsurance assumed is the number of insured persons.

7. Figures for individual annuities, group insurance (annuities rider), and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) represent annuity resources at the start of annuity payments.

8. New policy amounts for group annuities, workers' asset-formation savings insurance, workers' asset-formation funding annuities are first premium revenues.

9. Amounts for medical life insurance show daily amounts of hospitalization benefit.

10. Amounts for disability income insurance show monthly amounts of disability income insurance benefit.

[12] Policies in Force by Product

As of March 31		2005		2004		2003	
		Policies	Amount	Policies	Amount	Policies	Amount
Individual insurance	Mortality insurance	9,185,260	¥221,995,475	9,377,282	¥232,124,082	9,615,057	¥245,609,197
	Term life insurance	152,942	7,181,082	143,841	6,552,096	134,020	5,916,391
	Whole life insurance	2,300,596	22,303,007	2,184,334	22,109,358	2,045,965	22,531,431
	Whole life insurance with term rider	5,845,796	184,807,043	6,080,302	195,429,344	6,344,610	208,502,712
	Variable life insurance [whole life type]	39,847	634,410	40,580	653,689	41,631	680,808
	Variable life insurance with term rider [whole life type]	2,770	91,887	3,033	101,244	3,306	111,055
	Term life insurance with dread disease term rider	376,989	2,029,499	453,533	2,487,910	556,678	3,114,504
	Whole life insurance with dread disease term rider	40,570	273,100	42,146	286,034	44,763	307,270
	Cancer insurance	354,202	52,255	367,081	54,921	387,995	60,727
	Increasing term life insurance	29,336	1,475,575	21,038	1,081,793	15,617	785,179
	Medical life insurance	4,327	237	3,003	163	480	27
	Single premium whole life insurance for retirement	5,010	18,025	4,623	16,611	4,255	15,222
	Medical insurance for retirement	2,717	1,034	1,331	483	—	—
	Former Dowa Life Insurance	30,158	338,396	32,437	373,982	35,737	421,503
	Term rider	595,763	2,789,918	640,580	2,976,447	686,184	3,162,363
	Life and mortality insurance	4,628,225	28,425,328	4,973,681	30,626,817	5,440,062	33,403,100
	Endowment insurance	2,419,237	9,052,363	2,599,209	9,551,533	2,891,096	10,510,300
	Endowment insurance with term rider <i>Kurashino Hoken</i>	432,007	5,108,283	505,464	5,833,591	588,202	6,746,023
	Variable life insurance [defined term type]	3,910	22,052	4,146	23,524	4,505	25,574
	Term life with survival benefit insurance <i>Melody</i>	8,746	34,749	10,355	41,800	12,025	49,244
	Term life with survival benefit insurance <i>BIG YOU</i>	601,623	7,088,834	658,593	7,582,188	710,674	7,930,717
	Juvenile insurance	1,154,156	5,916,518	1,186,546	6,279,223	1,222,963	6,665,552
	Former Ryukyu Life Insurance	—	—	—	—	5	9
	Former Dowa Life Insurance	8,546	19,061	9,368	21,761	10,592	24,376
	Multi increase endowment rider	20,253	10,915	20,157	11,305	20,363	12,029
	Term rider with survival benefit	589,964	1,172,549	641,901	1,281,888	717,130	1,439,271
	Pure endowment	36,861	22,715	57,696	35,090	168,656	121,184
	Juvenile pure endowment	—	—	—	—	—	—
	Family pure endowment	36,636	18,721	57,453	30,628	168,393	116,237
	Pure endowment with nursing care benefit	225	3,993	243	4,462	263	4,947
Former Dowa Life Insurance	—	—	—	—	—	—	
Subtotal	13,850,346	¥250,443,519	14,408,659	¥262,785,989	15,223,775	¥279,133,482	

Notes: 1. Term life insurance includes term life insurance (group type).

2. Whole life insurance includes comprehensive whole life insurance.

3. Term rider includes juvenile term life insurance riders and spouse term life insurance riders.

4. Term rider, multi increase endowment rider, term rider with survival benefit, life insurance for dependents of disabled and employees' pension association insurance are not included in subtotals.

5. The number of policies for group insurance, group annuities, workers' asset-formation savings insurance, workers' asset-formation annuities, medical life insurance, disability income insurance and reinsurance assumed is the number of insured persons.

6. Figures for individual annuities, group insurance (annuities rider), and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) represent the total of annuity resources at the start of annuities for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.

7. New policy amounts for group annuities, workers' asset-formation savings insurance, workers' asset-formation funding annuities are amounts for policy reserves.

8. Amounts for medical life insurance show daily amounts of hospitalization benefit.

9. Amounts for disability income insurance show monthly amounts of disability income insurance benefit.

[12] Policies in Force by Product, continued

As of March 31		2005		2004		2003	
		Policies	Amount	Policies	Amount	Policies	Amount
		Number of policies, Millions of Yen					
Individual annuities	Nissay annuity	1,899,914	¥12,278,415	1,876,901	¥11,942,160	1,904,239	¥11,989,672
	Individual fixed annuity <i>Sounen no Sekkei</i>	5,182	10,832	5,945	13,699	6,665	16,842
	Annuity focused on survival coverage	499,154	3,196,076	493,912	3,153,486	501,160	3,192,324
	Variable assumed rate type annuity	27,797	111,703	29,163	128,607	28,120	132,151
	Accumulation type variable rate annuity	4,257	20,062	—	—	—	—
	Nissay investment type annuity	26,609	201,493	19,933	147,508	12,092	71,167
	Former Dowa Life Insurance	5,324	24,366	5,604	25,702	5,929	27,217
	Annuity rider	18,767	71,382	17,437	69,075	15,789	64,062
	Term rider annualized payment	4,354	55,689	3,955	54,296	3,545	52,408
	Annuity for spouse term rider	2	4	2	5	2	6
Subtotal		2,491,360	15,970,025	2,452,852	15,534,542	2,477,541	15,545,853
Group insurance	Group term life insurance	14,911,776	46,586,543	15,336,987	45,992,260	15,821,513	46,047,794
	Group credit life insurance	14,261,801	33,520,400	14,534,146	32,630,600	14,816,382	32,447,953
	Consumer credit group insurance	19,927,207	1,707,899	19,638,892	1,742,115	18,038,135	1,510,316
	Group endowment insurance	1,318	2,365	1,854	3,037	2,755	3,923
	Group whole life insurance	198	129	207	135	216	144
	Life insurance for dependents of disabled	68,974	35,919	70,660	36,716	72,034	34,325
	Annuities rider [group term life insurance]	10,904	11,357	10,675	10,530	10,209	9,763
	Subtotal	49,113,204	81,864,614	49,522,761	80,415,395	48,689,210	80,054,221
Group annuities	Insured pension plans	55,323	42,818	55,934	44,508	86,000	66,043
	New insured pension plans	11,132,970	3,408,078	11,853,415	3,862,640	13,052,346	3,881,385
	Insured contributory pension plans	4,015,127	2,525,892	4,099,169	2,490,932	4,137,094	2,372,737
	Defined benefit corporate pension plans	—	1,204,473	—	510,644	—	4,065
	Government pension investment fund variable insurance	—	—	—	—	—	—
	National pension fund insurance	—	7,478	—	15,496	—	12,184
	Employees' pension fund insurance	4,956,749	1,319,969	6,910,045	2,254,557	9,557,069	3,229,573
	Employees' pension association insurance	—	—	—	—	—	—
	Group pure endowment insurance	—	201,907	—	206,765	—	188,909
	Defined contribution pension plans	—	86,507	—	39,986	—	5,916
Subtotal	20,160,169	8,797,125	22,918,563	9,425,531	26,832,509	9,760,814	
Workers' asset-formation savings insurance	Workers' asset-formation savings insurance	148,771	236,611	155,464	230,416	164,207	225,353
	Workers' asset-formation housing funding insurance	31,161	76,324	33,425	79,424	35,962	82,303
	Workers' asset-formation benefits savings insurance	25,602	1,815	26,818	1,573	28,520	1,501
	Workers' asset-formation fund savings insurance	726	15	745	15	745	17
Subtotal	206,260	314,766	216,452	311,431	229,434	309,174	
Workers' asset-formation annuities	Workers' asset-formation annuities	489	2,078	513	2,183	537	2,309
	Workers' asset-formation funding annuities	71,531	158,707	72,241	159,936	73,580	161,119
Subtotal	72,020	160,785	72,754	162,120	74,117	163,429	
Medical life insurance	Individual type	2,668	12	2,915	13	3,554	16
	Group type	845,625	2,034	831,271	1,599	822,070	1,092
Subtotal	848,293	2,046	834,186	1,612	825,624	1,109	
Disability income insurance	Disability income insurance	—	—	—	—	—	—
	Group disability income insurance	104,735	8,224	116,112	8,608	140,248	12,413
Subtotal	104,735	8,224	116,112	8,608	140,248	12,413	
Reinsurance assumed		27,430	31,782	223,412	141,405	185,332	144,597

[13] Amount of Policies in Force by Coverage Type

As of March 31		2005	2004	2003	
Millions of Yen					
Death protection	Death protection due to illness/accident	Individual insurance	¥250,417,320	¥262,747,097	¥279,008,109
		Individual annuities	—	—	—
		Group insurance	81,853,257	80,404,865	80,044,458
		Group annuities	—	—	—
	Net including other types	332,302,360	343,185,098	359,090,826	
	Death protection due to accident	Individual insurance	[48,471,417]	[52,033,748]	[56,161,829]
		Individual annuities	[393,109]	[456,522]	[488,427]
		Group insurance	[4,685,882]	[4,821,668]	[4,782,800]
		Group annuities	—	—	—
Net including other types	[53,577,334]	[57,471,216]	[61,567,994]		
Death protection due to specific causes	Individual insurance	[473,599]	[500,025]	[575,593]	
	Individual annuities	—	—	—	
	Group insurance	[150,706]	[150,952]	[159,413]	
	Group annuities	—	—	—	
Net including other types	[624,305]	[650,977]	[735,006]		
Pure endowment	Maturity and survival benefits	Individual insurance	26,199	38,892	125,372
		Individual annuities	15,257,716	14,895,902	14,971,494
		Group insurance	766	701	735
		Group annuities	—	—	—
	Net including other types	15,402,255	15,056,508	15,222,618	
	Annuity	Individual insurance	[902,970]	[1,021,032]	[1,010,168]
		Individual annuities	[1,839,633]	[1,797,134]	[1,806,349]
		Group insurance	[1,385]	[1,282]	[1,188]
		Group annuities	—	—	—
Net including other types	[2,751,190]	[2,826,123]	[2,823,926]		
Other	Individual insurance	—	—	—	
	Individual annuities	712,309	638,640	574,359	
	Group insurance	10,590	9,828	9,028	
	Group annuities	8,797,125	9,425,531	9,760,814	
Net including other types	9,878,004	10,426,539	10,691,790		
Hospitalization coverage	Coverage for hospitalization due to accident	Individual insurance	[56,329]	[58,223]	[60,641]
		Individual annuities	[1,818]	[1,870]	[1,951]
		Group insurance	[2,415]	[2,653]	[2,802]
		Group annuities	—	—	—
	Net including other types	[62,610]	[64,360]	[66,504]	
	Coverage for hospitalization due to illness	Individual insurance	[54,952]	[56,654]	[58,780]
		Individual annuities	[1,798]	[1,849]	[1,929]
		Group insurance	—	—	—
		Group annuities	—	—	—
Net including other types	[58,798]	[60,117]	[61,818]		
Coverage for hospitalization due to other causes	Individual insurance	[65,159]	[60,635]	[54,025]	
	Individual annuities	[496]	[512]	[538]	
	Group insurance	[61]	[61]	[55]	
	Group annuities	—	—	—	
Net including other types	[65,717]	[61,208]	[54,619]		
Disability coverage	Individual insurance	—	—	—	
	Individual annuities	—	—	—	
	Group insurance	—	—	—	
	Group annuities	—	—	—	
Net including other types	8,224	8,608	12,413		

- Notes: 1. Figures in brackets show additional coverage and rider coverage attached to primary policies. However, term riders of death protection due to illness/accident are recorded under primary coverage.
2. Figures for maturity and survival benefits of pure endowment show annuity resources at the start of annuity payments for policies prior to the start of annuity payments for individual annuities and group insurance [annuities rider].
3. Figures for annuity within pure endowment show annual annuity amounts.
4. Figures for other within pure endowment show policy reserves for individual annuities (after start of annuity payments), group insurance (after start of annuities rider annuities payments), and group annuities.
5. Figures for hospitalization coverage show daily hospitalization benefits.
6. Figures for net including other types of coverage for hospitalization due to illness within hospitalization coverage show the total of primary coverage portions and rider coverage.

As of March 31		2005	2004	2003
Number of policies				
Disability coverage	Individual insurance	[9,726,018]	[10,161,760]	[10,610,947]
	Individual annuities	[95,050]	[97,432]	[101,587]
	Group insurance	[3,515,122]	[3,695,341]	[3,596,819]
	Group annuities	—	—	—
Net including other types	[13,336,190]	[13,954,533]	[14,309,353]	
Surgical coverage	Individual insurance	[14,228,687]	[14,312,745]	[14,283,135]
	Individual annuities	[405,400]	[417,038]	[435,106]
	Group insurance	—	—	—
	Group annuities	—	—	—
Net including other types	[14,634,087]	[14,729,783]	[14,718,241]	

Note: Figures in brackets show attached coverage portions of primary policies and rider coverage.

[14] Individual Insurance and Annuity Policy Amounts in Force by Product

As of March 31		Millions of Yen		
		2005	2004	2003
Mortality insurance	Whole life insurance	¥ 22,628,982	¥ 22,450,629	¥ 22,899,429
	Whole life insurance with term rider	184,807,043	195,429,344	208,502,712
	Term life insurance	10,686,810	10,122,132	9,816,102
	Net including other types	221,995,475	232,124,082	245,609,197
Life and mortality insurance	Endowment insurance	9,052,363	9,551,533	10,510,300
	Endowment insurance with term rider	5,108,283	5,833,591	6,746,023
	Term life insurance with survival benefits	7,123,584	7,623,989	7,979,961
	Net including other types	28,425,328	30,626,817	33,403,100
Pure endowment	Family pure endowment	18,721	30,628	116,237
	Juvenile pure endowment	—	—	—
	Net including other types	22,715	35,090	121,184
Annuities	Individual annuities	15,970,025	15,534,542	15,545,853
Hospitalization/accident riders	Accident rider with extra premium	16,918,346	18,436,739	20,289,178
	Injury rider	31,654,521	33,556,906	35,725,285
	Accident coverage rider	156,825	307,398	428,059
	Hospitalization due to accident rider	57,895	59,613	61,930
	Hospitalization due to illness rider	56,541	58,190	60,344
	Hospitalization due to adult disease rider	9,514	9,668	9,811
	Hospital visit rider	11,422	11,779	12,178
	Long-term hospitalization rider	171	199	224
	Hospitalization rider for women	5,499	5,423	5,311
	Limited injury rider	164,389	162,705	160,640
	Hospitalization due to cancer rider	17,422	15,111	11,576
Short-term hospitalization rider	16,504	13,670	9,625	

- Notes: 1. Whole life insurance includes whole life insurance with dread disease term rider, comprehensive whole life insurance, cancer insurance, and medical insurance for retirement (whole life).
 2. Term life insurance includes term life insurance with dread disease term rider, group term life insurance, increasing term life insurance, medical life insurance and medical insurance for retirement (defined term).
 3. Term life insurance with survival benefits is the total of term life with survival benefit insurance BIG YOU, and term life with survival benefit insurance Melody.
 4. Figures for individual annuities are the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments, and policy reserves for policies after the start of annuity payments.
 5. Figures for hospitalization and hospital visit riders show the daily hospitalization and hospital visit benefit.

[15] Trends and Transitions of Policies

1. Individual insurance

As of March 31	2005		2004		2003	
	Policies	Amount	Policies	Amount	Policies	Amount
At the beginning of the fiscal year	14,408,659	¥262,785,989	15,223,775	¥279,133,482	15,931,315	¥289,109,766
New policies	788,925	15,456,944	843,423	16,695,413	1,005,644	21,102,045
Renewals	47,352	1,592,845	50,977	1,545,063	63,159	2,234,796
Reinstatements	18,773	396,541	21,867	455,145	22,819	452,969
Increase from employee dividends	—	139	—	187	—	563
Increase from conversion	361,925	12,182,943	459,103	13,651,570	410,079	16,891,847
Increase from variable amount	—	281	—	326	—	172
Death	50,093	652,886	51,080	663,470	53,032	687,513
Maturity	382,593	1,750,134	540,581	2,059,832	496,756	1,937,604
Decrease of benefits	—	3,549,625	—	4,404,666	—	4,441,232
Decrease from conversion	355,353	10,629,191	379,702	11,685,634	461,727	13,468,471
Cancellation	706,289	14,640,582	855,374	17,325,767	840,279	16,793,476
Lapse	274,891	6,073,280	355,662	7,791,156	348,431	7,240,206
Decrease from variable amount	—	182	—	26	—	291
Decrease due to other changes	6,069	4,676,283	8,087	4,764,645	9,016	6,089,881
At the end of the fiscal year	13,850,346	250,443,519	14,408,659	262,785,989	15,223,775	279,133,482
[Rate of increase] (%)	[(3.9)]	[(4.7)]	[(5.4)]	[(5.9)]	[(4.4)]	[(3.5)]
Net increase	(558,313)	(12,342,470)	(815,116)	(16,347,492)	(707,540)	(9,976,283)
[Rate of net increase] (%)	[—]	[—]	[—]	[—]	[—]	[—]

Note: Figures show the total of primary coverage portions for mortality insurance, life and mortality insurance, and pure endowment.

2. Individual annuities

As of March 31	2005		2004		2003	
	Policies	Amount	Policies	Amount	Policies	Amount
At the beginning of the fiscal year		¥<1,794,356>		¥<1,803,428>		¥<1,828,812>
	2,452,852	15,534,542	2,477,541	15,545,853	2,511,276	15,713,484
New policies		<114,291>		<79,109>		<69,172>
	128,437	1,136,355	89,195	803,749	90,632	719,349
Reinstatements	708	4,593	597	4,195	656	4,357
Increase from conversion	689	11,561	717	11,308	716	11,052
Death	5,406	27,495	5,045	25,971	4,653	23,274
Completion of payments	2,521	2,076	2,126	1,563	1,605	1,261
Decrease of insurance amount	—	33,403	—	27,516	—	24,879
Decrease from conversion	981	7,297	1,203	8,213	1,817	13,155
Cancellation	73,675	504,906	98,918	661,855	109,603	718,783
Lapse	10,052	69,146	10,180	71,730	10,570	72,187
Decrease due to other changes	(1,309)	4,102	(2,274)	(22,411)	(2,509)	1,348
At the end of the fiscal year		<1,836,740>		<1,794,356>		<1,803,428>
	2,491,360	15,970,025	2,452,852	15,534,542	2,477,541	15,545,853
[Rate of increase] (%)	[1.6]	[2.8]	[(1.0)]	[(0.1)]	[(1.3)]	[(1.1)]
Net increase	38,508	435,482	(24,689)	(11,310)	(33,735)	(167,630)
[Rate of net increase] (%)	[—]	[—]	[—]	[—]	[—]	[—]

Notes: 1. Figures are the total of annuity resources at the start of annuity payments for policies prior to annuity payments and policy reserves for policies after the start of annuity payments.
2. Figures in angle brackets show annual amounts of annuities.

[15] Trends and Transitions of Policies, continued

3. Group insurance

As of March 31	2005		2004		2003	
	Policies	Amount	Policies	Amount	Policies	Amount
At the beginning of the fiscal year	49,522,761	¥80,415,395	48,689,210	¥80,054,221	49,089,813	76,120,437
New policies	308,639	1,150,488	2,362,735	1,116,241	898,195	1,160,474
Renewals	14,696,511	44,742,467	14,860,208	44,570,883	15,327,569	41,018,836
Reinstatements	—	—	—	—	—	—
Midterm enrollment	9,837,033	7,122,647	7,728,751	7,783,461	8,531,440	8,724,316
Increase of insurance amount	—	4,906,825	—	5,848,018	—	9,155,934
Death	112,535	135,509	115,825	136,941	111,069	135,904
Maturity	15,064,903	45,461,901	15,492,353	45,712,902	15,918,634	41,974,116
Withdrawal	9,516,605	5,924,952	8,288,670	6,941,338	8,190,037	6,810,489
Decrease of insurance amount	—	4,583,793	—	5,753,007	—	5,390,242
Cancellation	456,176	264,283	149,403	291,495	190,138	299,825
Lapse	2,202	5,134	10,755	25,573	4,137	13,516
Decrease due to other changes	99,319	96,694	61,137	95,319	743,782	1,500,937
At the end of the fiscal year	49,113,204	81,864,614	49,522,761	80,415,395	48,689,210	80,054,221
[Rate of increase] (%)	[(0.8)]	[1.8]	[1.7]	[0.5]	[(0.8)]	[5.2]
Net increase	(409,557)	1,449,219	833,551	361,173	(400,603)	3,933,784
[Rate of increase] (%)	[—]	[301.3]	[—]	[(90.8)]	[—]	[(56.1)]

Notes: 1. Figures show the total of primary coverage portions of mortality insurance, life and mortality insurance, and annuity riders.
2. Number of policies shows the number of insured persons.

4. Group annuities

As of March 31	2005		2004		2003	
	Policies	Amount	Policies	Amount	Policies	Amount
At the beginning of the fiscal year	22,918,563	¥9,425,531	26,832,509	¥9,760,814	28,554,270	¥10,412,096
New policies	11,909	8,418	124,931	15,072	74,092	2,175
Annuity payments	5,479,912	215,936	7,172,801	216,598	8,284,187	203,246
Lump-sum payments	1,104,465	459,368	1,320,071	517,751	1,561,153	604,952
Cancellation	185,154	330,916	263,830	146,556	465,520	289,827
At the end of the fiscal year	20,160,169	8,797,125	22,918,563	9,425,531	26,832,509	9,760,814
[Rate of increase] (%)	[(12.0)]	[(6.7)]	[(14.6)]	[(3.4)]	[(6.0)]	[(6.3)]
Net increase	(2,758,394)	(628,405)	(3,913,946)	(335,283)	(1,721,761)	(651,281)
[Rate of increase] (%)	[—]	[—]	[—]	[—]	[—]	[—]

Notes: 1. Figures for the beginning of the fiscal year and the end of the fiscal year represent policy reserve amounts at that time.
2. Amount of new policies represent first premium revenues.
3. Number of policies shows the number of insured persons.

[INSURANCE POLICY INDICATORS]

[16] Increase in Policy Amounts in Force

1. Number of policies in force and rate of increase

Fiscal years ended March 31	2005		2004		2003	
	Policies	Rate of increase	Policies	Rate of increase	Policies	Rate of increase
Individual insurance	13,850,346	(3.9)%	14,408,659	(5.4)%	15,223,775	(4.4)%
Mortality insurance	9,185,260	(2.0)	9,377,282	(2.5)	9,615,057	(2.1)
Life and mortality insurance	4,628,225	(6.9)	4,973,681	(8.6)	5,440,062	(7.8)
Pure endowment	36,861	(36.1)	57,696	(65.8)	168,656	(18.6)
Individual annuities	2,491,360	1.6	2,452,852	(1.0)	2,477,541	(1.3)
Group insurance	49,113,204	(0.8)	49,522,761	1.7	48,689,210	(0.8)
Group annuities	20,160,169	(12.0)	22,918,563	(14.6)	26,832,509	(6.0)
Workers' asset-formation savings insurance	206,260	(4.7)	216,452	(5.7)	229,434	(6.2)
Workers' asset-formation annuities	72,020	(1.0)	72,754	(1.8)	74,117	(2.1)
Medical life insurance	848,293	1.7	834,186	1.0	825,624	4.2
Disability income insurance	104,735	(9.8)	116,112	(17.2)	140,248	(22.7)

Note: Number of policies for group insurance, group annuities, workers' asset-formation savings insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance is the number of insured persons.

2. Amount of insurance policies in force and rate of increase

Fiscal years ended March 31	2005		2004		2003	
	Amount	Rate of increase	Amount	Rate of increase	Amount	Rate of increase
Individual insurance	¥2,504,435	(4.7)%	¥2,627,859	(5.9)%	¥2,791,334	(3.5)%
Mortality insurance	2,219,954	(4.4)	2,321,240	(5.5)	2,456,091	(3.1)
Life and mortality insurance	284,253	(7.2)	306,268	(8.3)	334,031	(6.1)
Pure endowment	227	(35.3)	350	(71.0)	1,211	(16.3)
Individual annuities	159,700	2.8	155,345	(0.1)	155,458	(1.1)
Group insurance	818,646	1.8	804,153	0.5	800,542	5.2
Group annuities	87,971	(6.7)	94,255	(3.4)	97,608	(6.3)
Workers' asset-formation savings insurance	3,147	1.1	3,114	0.7	3,091	0.0
Workers' asset-formation annuities	1,607	(0.8)	1,621	(0.8)	1,634	(0.7)
Medical life insurance	20	26.9	16	45.4	11	19.2
Disability income insurance	82	(4.5)	86	(30.6)	124	(16.3)

Notes: 1. Figures for individual annuities, group insurance (annuities rider), and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) are the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.

2. Figures for group annuities, workers' asset-formation savings insurance, and workers' asset-formation annuities (workers' asset-formation funding annuities) are amounts for policy reserves.

3. Amounts for medical life insurance are daily amounts of hospitalization benefit.

4. Amounts for disability income insurance are monthly amounts of disability income insurance benefit.

[17] Increase in New Policies

1. Number of new policies and rate of increase

Fiscal years ended March 31	2005		2004		2003	
	Policies	Rate of increase	Policies	Rate of increase	Policies	Rate of increase
Individual insurance	788,925	(6.5)%	843,423	(16.1)%	1,005,644	(0.7)%
Mortality insurance	506,568	(8.9)	555,945	(19.6)	691,390	(6.3)
Life and mortality insurance	277,931	(1.2)	281,295	(8.6)	307,599	15.2
Pure endowment	4,426	(28.4)	6,183	(7.1)	6,655	(14.1)
Individual annuities	128,437	44.0	89,195	(1.6)	90,632	13.7
Group insurance	308,639	(86.9)	2,362,735	163.1	898,185	(78.7)
Group annuities	11,909	(90.5)	124,931	68.6	74,092	(60.2)
Workers' asset-formation savings insurance	12,711	(7.7)	13,774	(13.5)	15,919	(9.9)
Workers' asset-formation annuities	2,759	9.0	2,532	(9.4)	2,795	3.1
Medical life insurance	82,900	726.7	10,028	(84.6)	65,137	71.2
Disability income insurance	304	(98.2)	17,336	1,180.4	1,354	(86.6)

Notes: 1. Number of policies is the number of insured persons for group insurance, group annuities, workers' asset-formation savings insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance.

2. Excludes converted policies.

[17] Increase in New Policies, continued

2. Increase in new policy amounts and rate of increase

Fiscal year ended March 31	2005		2004		2003	
	Amount	Rate of increase	Amount	Rate of increase	Amount	Rate of increase
Individual insurance	¥15,456.9	(7.4)%	¥16,695.4	(20.9)%	¥21,102.0	12.6%
Mortality insurance	12,843.7	(8.5)	14,033.5	(22.6)	18,135.3	8.4
Life and mortality insurance	2,611.0	(1.8)	2,658.8	(10.3)	2,963.0	47.5
Pure endowment	2.1	(30.6)	3.0	(14.1)	3.5	(11.9)
Individual annuities	1,136.3	41.4	803.7	11.7	719.3	26.6
Group insurance	1,150.4	3.1	1,116.2	(3.8)	1,160.4	(59.9)
Group annuities	8.4	(44.1)	15.0	592.9	2.1	(14.7)
Workers' asset-formation savings insurance	1.1	35.7	0.8	(19.8)	1.0	(2.4)
Workers' asset-formation annuities	0.2	18.1	0.1	(4.0)	0.2	70.3
Medical life insurance	0.4	4,559.6	0.0	(81.4)	0.0	103.8
Disability income insurance	0.1	(83.7)	0.6	891.1	0.0	(87.2)

Billions of Yen, %

Notes: 1. Figures for individual annuities and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) are annuity resources at the start of annuity payments.
 2. Figures for group annuities, workers' asset-formation savings insurance, and workers' asset-formation annuities (workers' asset-formation funding annuities) represent the first premium revenues.
 3. Amounts for medical life insurance are daily amounts of hospitalization benefit.
 4. Amounts for disability income insurance are monthly amounts of disability income insurance benefit.
 5. Excludes converted policies.

[18] Average Policy Coverage (Individual Insurance)

Fiscal years ended March 31	New policy amounts excluding conversions			Policy amounts in force		
	2005	2004	2003	2005	2004	2003
Mortality insurance	¥25,354	¥25,242	¥26,230	¥24,168	¥24,753	¥25,544
Life and mortality insurance	9,394	9,452	9,632	6,141	6,157	6,140
Pure endowment	478	493	534	616	608	718
Total	¥19,592	¥19,794	¥20,983	¥18,082	¥18,238	¥18,335

Thousands of Yen

Note: Average policy coverage for new policies excludes converted policies.

[19] Rate of Increase in Number of New Policies (Versus Beginning of Same Fiscal Year)

Fiscal years ended March 31	2005	2004	2003
Individual insurance	5.9	6.0	7.3
Individual annuities	7.6	5.4	4.7
Group insurance	1.4	1.4	1.5

%

Notes: 1. Excludes converted policies.
 2. For individual annuities, the ratio of policies prior to start of annuity payments is provided.

[20] Rate of Cancellation and Lapses (Versus Beginning of Same Fiscal Year)

Fiscal years ended March 31	2005	2004	2003
Individual insurance	9.1	10.4	9.7
Individual annuities	4.0	5.0	5.3
Group insurance	(0.1)	0.3	(4.5)

%

Notes: 1. The rate of cancellation and lapses is adjusted for net cancellations and lapses considering for net increases or decreases in policies and policy reinstatements.
 2. For individual annuities, the percentage of policies prior to the start of annuity payments is provided.

[21] Average New Policy Premium (Individual Insurance Policies with Annualized Monthly Payments)

Fiscal years ended March 31	Yen		
	2005	2004	2003
Average premium of new individual policies (monthly payment policies)	189,018	183,873	187,019

Note: Excludes converted policies.

[22] Mortality Rate (Primary Individual Insurance Policies)

Fiscal years ended March 31	%o		
	2005	2004	2003
Number of policies	3.54	3.44	3.40
Insurance amount	2.54	2.45	2.42

Notes: 1. Mortality rate is calculated by dividing mortality incidence policies by outstanding policies.

2. Outstanding policies are calculated by dividing the total of policies at the start of the fiscal year, policies at the end of the fiscal year and mortality incidence policies by two.

3. Mortality includes serious disability.

[23] Incidence of the Events Covered by Riders Occurring (Individual Insurance)

Fiscal years ended March 31	2005		2004		2003	
	Policies	Amount	Policies	Amount	Policies	Amount
Accidental death insurance	0.192	0.182	0.186	0.170	0.205	0.179
Disability insurance	0.217	0.074	0.209	0.070	0.208	0.068
Hospitalization due to accident	4.768	150.2	4.955	155.8	5.095	165.2
Hospitalization due to illness	36.980	937.9	37.104	950.2	36.296	960.7
Hospitalization due to adult disease	6.338	186.3	5.928	178.6	5.353	172.2
Surgery due to illness or injury	25.114		24.641		22.991	
Surgery due to adult disease	3.091		2.877		2.512	

Notes: 1. The incidence of the events covered by riders occurring is calculated by dividing incidence of events covered by riders by outstanding policies.

2. Outstanding expired policies are calculated by dividing the total of policies at the start of the fiscal year, policies at the end of the fiscal year and accidental death incidence policies by two for accidental death insurance, and by dividing the total of policies at the start of the fiscal year and policies at the end of the fiscal year by two for policies other than accidental death insurance.

3. Accidental death includes serious disability.

[24] Operating Efficiency (Operating Expenses as a Percentage of Premium Revenues)

Fiscal years ended March 31	%		
	2005	2004	2003
Operating efficiency (Operating expenses as a percentage of premium revenues)	11.3	10.9	11.2

[ACCOUNTING INDICATORS]

[25] Reserves for Outstanding Claims

As of March 31		Millions of Yen		
		2005	2004	2003
Insurance claims	Mortality insurance claims	¥ 97,509	¥ 96,504	¥ 96,454
	Accident insurance claims	3,368	4,185	4,904
	Serious disability insurance claims	20,324	18,509	17,305
	Maturity insurance amount	9,694	8,551	8,580
	Others	2	4	21
	Subtotal	130,899	127,754	127,266
Annuities		3,162	3,306	3,142
Benefits		26,694	27,220	25,187
Refunds		75,996	84,868	121,422
Deferred insurance amount		2,078	2,148	2,119
Net, including other reserves		239,230	245,772	279,491

[26] Policy Reserves

As of March 31		Millions of Yen		
		2005	2004	2003
Policy reserves (Excluding contingency reserve)	Individual Account	¥ 22,732,040	¥ 22,615,589	¥ 22,892,808
	[General Account]	[22,568,885]	[22,449,213]	[22,740,437]
	[Separate Account]	[163,155]	[166,375]	[152,371]
	Individual Annuities	5,479,605	5,080,775	4,722,007
	[General Account]	[5,278,112]	[4,933,266]	[4,650,840]
	[Separate Account]	[201,493]	[147,508]	[71,167]
	Group Insurance	34,181	31,680	30,097
	[General Account]	[34,181]	[31,680]	[30,097]
	[Separate Account]	[—]	[—]	[—]
	Group Annuities	8,797,125	9,425,531	9,760,814
	[General Account]	[7,065,578]	[7,502,157]	[7,532,453]
	[Separate Account]	[1,731,547]	[1,923,374]	[2,228,361]
	Other	477,019	475,106	473,899
	[General Account]	[477,019]	[475,106]	[473,899]
	[Separate Account]	[—]	[—]	[—]
	Subtotal	37,519,972	37,628,684	37,879,627
	[General Account]	[35,423,776]	[35,391,425]	[35,427,727]
	[Separate Account]	[2,096,196]	[2,237,258]	[2,451,900]
Contingency reserve		1,274,373	1,013,988	733,943
Total		¥ 38,794,345	¥ 38,642,672	¥ 38,613,570
	[General Account]	[366,698,149]	[36,405,413]	[36,161,670]
	[Separate Account]	[2,096,196]	[2,237,258]	[2,451,900]

[27] Policy Reserves for Individual Insurance and Pensions (by policy year)

1. Policy reserves accumulation method and rate

As of March 31		2005			2004			2003		
Accumulation method	Policies subject to standard policy reserves	Net level premium method	Net level premium method	Net level premium method	Net level premium method	Net level premium method	Net level premium method	Net level premium method	Net level premium method	
	Policies not subject to standard policy reserves	Net level premium method	Net level premium method	Net level premium method	Net level premium method	Net level premium method	Net level premium method	Net level premium method	Net level premium method	
Accumulation rate (excluding contingency reserve)		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Notes: 1. Accumulation method and rate applies to policy reserves for individual insurance and annuities. Policy reserves for group insurance and annuities are not included in the above figures due to the absence of an accumulation method.

2. Accumulation rates are calculated by considering premium reserves under the methods defined in ordinance No. 48 issued by the Ministry of Finance in 1996 for policies subject to standard policy reserves and unearned premiums. For policies not subject to standard policy reserves, accumulation rates are calculated by considering premium reserves under the net level premium method and unearned premiums.

2. Policy reserves (breakdown by policy year)

Policy year	Balance of policy reserves, as of March 31,			Anticipated rate of return
	Millions of Yen, %			
	2005	2004	2003	
-1980	¥1,483,281	¥1,693,823	¥1,882,059	4.00—5.00%
1981—1985	2,918,552	2,972,579	3,070,654	5.00—6.00
1986—1990	6,378,443	6,417,830	6,540,009	5.50—6.00
1991—1995	7,174,613	7,231,121	7,618,981	2.25—5.75
1996—2000	5,705,432	5,850,738	6,128,858	1.50—2.90
2001	1,110,496	1,112,735	1,085,637	1.50—1.85
2002	1,125,659	1,096,364	1,065,077	1.00—1.50
2003	1,034,056	1,007,287	—	1.00—1.50
2004	916,461	—	—	1.00—1.50
Total	¥27,846,997	¥27,382,480	¥27,391,277	

Notes: 1. Balance of policy reserves shows policy reserves for individual insurance and individual annuities, excluding policy reserves for the separate account and contingency reserve.

2. Anticipated rate of return shows the main anticipated rate of return on policy reserves for each policy year.

[28] An Insurance Policy that Includes Separate Account: The Policy Reserve Balance of the General Account, as well as the Calculation Method and Integer Used as the Basis for Calculations Related to Insurance Policies that Guarantee a Minimum Amount of Insurance Benefits.

(1) Policy reserve balance (general account)

As of March 31	Millions of Yen 2005
Policy reserve balance (general account)	0

Notes: 1. Applicable to insurance policies (policies applicable to standard liability reserves) as defined in the Insurance Industry Enforcement Regulation, Article 68.
2. Policy reserve balance (general account) includes the premium reserve fund related to minimum guarantees.
3. Applied to insurance policies executed following April 1, 2004.

(2) Calculation method and integers used as the basis for calculations

In terms of the calculation method, we use the standard method defined in Section 5, No. 1 of the ordinance No. 48 issued by the Ministry of Finance in 1996.
Regarding the integers used as the basis for calculations (volatility), we use 0.3% for short-term loans that have not been defined and the amount defined in Section 5, No. 1 of the aforementioned bulletin in all other cases.

[29] Reserve for Dividends to Policyholders

Millions of Yen							
Fiscal year ended March 31	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation savings insurance and annuities	Other insurance	Total
2005							
Balance at the end of previous fiscal year	¥1,348,011	¥23,240	¥10,929	¥10,499	¥9,450	¥13,494	¥1,415,625
Transfer to reserves from surplus in previous fiscal year	34,057	1,203	82,581	12,786	—	4,495	135,123
Increase in interest	40,213	772	1	0	11	0	41,000
Other increases	—	—	—	—	—	—	—
Policyholders dividends paid out in fiscal year	130,308	2,044	85,670	13,012	969	2,297	234,302
Other decreases	—	—	—	—	—	—	—
Balance at the end of current fiscal year	¥1,291,973	¥23,171	¥7,842	¥10,273	¥8,492	¥15,693	¥1,357,447
	[1,079,918]	[18,556]	[1,837]	[81]	[6,939]	[66]	[1,107,399]
2004							
Balance at the end of previous fiscal year	¥1,431,661	¥23,993	¥12,205	¥11,208	¥10,633	¥10,447	¥1,500,148
Transfer to reserves from surplus in previous fiscal year	29,316	689	81,306	—	—	4,846	116,158
Increase in interest	42,646	833	2	0	13	0	43,495
Other increases	—	—	—	—	—	—	—
Policyholders dividends paid out in fiscal year	155,612	2,275	82,584	709	1,195	1,799	244,177
Other decreases	—	—	—	—	—	—	—
Balance at the end of current fiscal year	¥1,348,011	¥23,240	¥10,929	¥10,499	¥ 9,450	¥13,494	¥1,415,625
	[1,121,647]	[19,718]	[1,616]	[114]	[7,894]	[67]	[1,151,059]
2003							
Balance at the end of previous fiscal year	¥1,485,011	¥25,556	¥ 2,050	¥10,402	¥10,633	¥ 8,352	¥1,542,007
Transfer to reserves from surplus in previous fiscal year	88,453	13	90,514	3,466	1,361	3,827	187,637
Increase in interest	46,383	904	7	0	99	0	47,395
Other increases	—	—	—	—	—	—	—
Policyholders dividends paid out in fiscal year	188,187	2,481	80,367	2,661	1,462	1,732	276,891
Other decreases	—	—	—	—	—	—	—
Balance at the end of current fiscal year	¥1,431,661	¥23,993	¥12,205	¥11,208	¥10,633	¥10,447	¥1,500,148
	[1,199,042]	[21,103]	[1,283]	[114]	[9,076]	[70]	[1,230,691]

Note: Brackets indicate accumulated dividends reserved.

[30] Allowance for Doubtful Accounts and Other Reserves

As of March 31	2005		2004		2003	
		Increase/ decrease		Increase/ decrease		Increase/ decrease
Allowance for doubtful accounts* ¹						
General allowance for doubtful accounts	19,275	(24,288)	43,563	(19,947)	63,511	(21,227)
Specific allowance for doubtful accounts	27,262	(14,062)	41,324	(3,584)	44,909	(26,983)
Allowance for specialized overseas debts	—	(4)	4	(40)	44	(55)
Accrued severance indemnities* ²	392,937	(58,677)	451,614	25,167	426,447	52,264
Accrued losses from supporting closely related companies* ³	656	(49)	705	(49)	755	(44)
Reserve for price fluctuations of investments in securities* ⁴	390,262	135,000	255,261	105,000	150,260	17,000
Reserve for securities transaction liabilities* ⁵	—	—	—	—	—	(0)

Notes: *Reason for recording

1. Allowance for doubtful accounts is recorded to cover bad-debt losses.

2. Accrued severance indemnities is recorded to prepare for employee retirement benefit and pension payments.

3. Accrued losses from supporting closely related companies is recorded to cover losses related to reconstruction aid.

4. Reserve for price fluctuations of investments in securities is recorded based on Article 115 of the Insurance Business Law.

5. Reserve for securities transaction liabilities is recorded based on Article 65-2-7 and Article 51 of the Securities and Exchange Act.

[31] Status of Allowance for Specialized Overseas Debts

1. Allowance for specialized overseas debts

As of March 31	2005		2004		2003	
Number of creditor countries	—		1 country		1 country	
Amount of debt	—		67		202	
Net amount provided for the year	(4)		(40)		(55)	
Balance of allowance	—		4		44	

2. Balance of debt by creditor countries

As of March 31	2005		2004		2003	
Indonesia	—		67		202	
Total	—		67		202	
[Versus percent among assets in General Account]	[—]		[0.0]		[0.0]	

[32] Reserves (Capital) and Surplus

Millions of Yen

	Prior year balance	Current year increase	Current year decrease	Current year balance
Fiscal year ended March 31				
2005				
Reserve for redemption of foundation funds	¥500,000	¥ 50,000	¥ —	¥550,000
Reserve for revaluation	651	—	—	651
Surplus	300,755	209,784	196,101	314,438
Legal reserve for deficiency	6,199	584	—	6,783
Voluntary surplus reserve—reserves for general purpose	100,697	5,248	2,242	103,704
Contingency reserve	71,917	—	—	71,917
Reserves for retirement benefits	3,500	—	—	3,500
Reserves for assisting social public welfare	0	1,500	1,500	0
Reserve for condensed booking of fixed assets for tax purpose	25,110	—	742	24,367
Reserve for condensed booking of fixed assets, not purchased yet	—	3,748	—	3,748
Other reserves	170	—	—	170
Unappropriated surplus	193,859	203,951	193,859	203,951
Total	¥801,407	¥259,784	¥196,101	¥865,090
Fiscal year ended March 31				
2004				
Reserve for redemption of foundation funds	¥450,000	¥ 50,000	¥ —	¥500,000
Reserve for revaluation	651	—	—	651
Surplus	280,099	197,503	176,846	300,755
Legal reserve for deficiency	5,676	523	—	6,199
Voluntary surplus reserve—reserves for general purpose	156,154	3,121	58,577	100,697
Contingency reserve	126,917	—	55,000	71,917
Reserves for retirement benefits	3,500	—	—	3,500
Reserves for assisting social public welfare	1,252	1,500	2,752	0
Reserve for condensed booking of fixed assets for tax purpose	24,314	1,621	825	25,110
Other reserves	170	—	—	170
Unappropriated surplus	118,269	193,859	118,269	193,859
Total	¥730,750	¥247,503	¥176,846	¥801,407
Fiscal year ended March 31				
2003				
Reserve for redemption of foundation funds	¥150,000	¥300,000	¥ —	¥450,000
Reserve for revaluation	651	—	—	651
Surplus	658,043	145,783	523,727	280,099
Legal reserve for deficiency	4,918	758	—	5,676
Voluntary surplus reserve—reserves for general purpose	404,198	26,756	274,800	156,154
Reserve for redemption of foundation funds	250,000	20,000	270,000	—
Contingency reserve	126,917	—	—	126,917
Reserves for retirement benefits	3,500	—	—	3,500
Reserves for assisting social public welfare	1,015	1,500	1,263	1,252
Reserve for condensed booking of fixed assets for tax purpose	19,932	5,256	874	24,314
Separate account reserve for transfer of real estate	2,663	—	2,663	—
Other reserves	170	—	—	170
Unappropriated surplus	248,926	118,269	248,926	118,269
Total	¥808,694	¥445,783	¥523,727	¥730,750

[33] Insurance Premiums

1. Premium payment method

		Millions of Yen		
Fiscal years ended March 31		2005	2004	2003
Individual insurance		¥2,810,793	¥2,893,791	¥3,152,829
Single payment		331,040	310,577	417,327
Annual payment		391,586	394,577	431,123
Semiannual payment		24,385	26,587	29,381
Monthly payment		2,063,781	2,162,048	2,274,996
Individual annuities		505,130	466,513	482,388
Single payment		140,437	116,831	123,897
Annual payment		93,529	76,712	75,933
Semiannual payment		3,910	3,721	3,830
Monthly payment		267,253	269,248	278,727
Group insurance		257,638	251,503	249,340
Group annuities		1,184,588	1,458,466	1,461,775
Net including other premiums		¥4,829,055	¥5,142,270	¥5,420,252

Note: Net including other premiums includes premium revenues from workers' asset-formation savings insurance, workers' asset-formation annuities, medical life insurance, disability income insurance, and reinsurance assumed.

2. Premium revenue by fiscal year

		Millions of Yen, %		
Fiscal years ended March 31		2005	2004	2003
Individual insurance				
	Initial year premium	¥ 728,371	¥ 700,552	¥ 843,948
Individual annuities				
	Subsequent year premiums	2,587,552	2,659,752	2,791,269
		Subtotal	3,315,924	3,635,218
Group insurance				
	Initial year premium	3,095	2,906	3,892
	Subsequent year premiums	254,542	248,597	245,447
		Subtotal	257,638	251,503
Group annuities				
	Initial year premium	16,238	24,394	10,368
	Subsequent year premiums	1,168,350	1,434,071	1,451,406
		Subtotal	1,184,588	1,461,775
Net including premiums				
	Initial year premium	753,843	733,934	864,931
	Subsequent year premiums	4,075,211	4,408,336	4,555,321
		Subtotal	4,829,055	5,142,270
		[percent increase]	[(6.1)]	[(4.4)]

Note: Net including premiums includes premium revenues from workers' asset-formation savings insurance, workers' asset-formation annuities, medical life insurance, disability income insurance, and reinsurance assumed.

[34] Death and Other Insurance Claims

1. Amount

		Millions of Yen								
		Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation savings insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31		2005								
Mortality insurance	¥	505,487	¥693	¥127,328	¥ —	¥ 4	¥25	¥1	¥251	¥ 633,792
Accident		10,063	38	379	—	46	—	—	—	10,528
Serious disability		61,960	59	6,382	—	—	—	—	3	68,405
Maturity		503,579	66	647	33,244	3,441	—	—	—	540,980
Other —		—	—	—	—	—	—	4	—	4
Total		¥1,081,090	¥858	¥134,738	¥33,244	¥3,492	¥25	¥6	¥254	¥1,253,711
Fiscal year ended March 31		2004								
Mortality insurance	¥	524,194	¥693	¥129,782	¥ —	¥ —	¥29	¥1	¥185	¥ 654,887
Accident		9,328	20	449	—	120	—	—	53	9,971
Serious disability		57,340	58	6,301	—	—	—	—	9	63,709
Maturity		820,218	73	713	26,485	4,471	—	—	—	851,963
Other —		333	—	—	—	—	—	4	—	338
Total		¥1,411,415	¥846	¥137,247	¥26,485	¥4,592	¥29	¥6	¥247	¥1,580,871
Fiscal year ended March 31		2003								
Mortality insurance	¥	550,105	¥779	¥128,999	¥ —	¥ 11	¥33	¥3	¥166	¥ 680,098
Accident		10,555	19	534	—	107	—	—	85	11,302
Serious disability		58,365	89	5,680	—	—	—	—	—	64,134
Maturity		744,516	82	573	39,908	5,444	—	—	3	790,527
Other —		—	—	—	—	—	—	22	—	22
Total		¥1,363,542	¥971	¥135,787	¥39,908	¥5,562	¥33	¥26	¥255	¥1,546,085

[34] Death and Other Insurance Claim, continued

2. Number of claims paid

										Number of claims
	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation savings insurance & annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total	
Fiscal year ended March 31										2005
Mortality insurance	44,471	158	110,652	—	1	524	34	190	156,030	
Accident	1,468	14	320	—	10	—	—	—	1,812	
Serious disability	10,352	13	3,056	—	—	—	—	2	13,423	
Maturity	231,856	1,561	517	7	4,939	—	—	—	238,880	
Other	—	—	—	—	—	—	26	—	26	
Total	288,147	1,746	114,545	7	4,950	524	60	192	410,171	
Fiscal year ended March 31										2004
Mortality insurance	46,168	160	113,057	—	—	608	29	120	160,142	
Accident	1,290	8	350	—	11	—	—	59	1,718	
Serious disability	9,436	14	3,252	—	—	—	—	6	12,708	
Maturity	402,072	1,577	690	7	6,233	—	—	—	410,579	
Other	138	—	—	—	—	—	19	—	157	
Total	459,104	1,759	117,349	7	6,244	608	48	185	585,304	
Fiscal year ended March 31										2003
Mortality insurance	47,881	185	109,337	—	2	781	74	88	158,348	
Accident	1,641	15	420	—	26	—	—	80	2,182	
Serious disability	8,581	19	2,999	—	—	—	—	—	11,599	
Maturity	354,876	1,699	653	9	9,702	—	—	15	366,954	
Other	—	—	—	—	—	—	64	—	64	
Total	412,979	1,918	113,409	9	9,730	781	138	183	539,147	

3. Mortality insurance claims paid by age and cause of death

														Number of claims paid, %
As of March 31														2005
	Less than 20 years old		Over 20 years old		Over 30 years old		Over 40 years old		Over 50 years old		Over 60 years old		Total	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Tuberculosis	—	—	—	—	—	—	2	0.1	11	0.1	108	0.3	121	0.3
Legally-designated contagious disease	1	1.1	7	1.3	16	1.0	43	1.3	125	1.6	606	1.9	798	1.8
Malignant neoplasm	11	12.6	55	9.9	358	21.3	1,055	32.5	3,721	46.6	14,159	44.5	19,359	42.7
Cerebrovascular disease	3	3.4	7	1.3	113	6.7	240	7.4	553	6.9	2,217	7.0	3,133	6.9
Heart disease	2	2.3	24	4.3	126	7.5	313	9.6	604	7.6	3,014	9.5	4,083	9.0
Pneumonia and bronchitis	—	—	3	0.5	18	1.1	52	1.6	182	2.3	2,801	8.8	3,056	6.7
Gastric and duodenal ulcers	—	—	—	—	2	0.1	2	0.1	10	0.1	75	0.2	89	0.2
Liver cirrhosis	—	—	—	—	28	1.7	121	3.7	337	4.2	1,207	3.8	1,693	3.7
Kidney inflammation and nephrosis	—	—	—	—	2	0.1	12	0.4	48	0.6	406	1.3	468	1.0
Accident	38	43.7	196	35.3	242	14.4	223	6.9	421	5.3	897	2.8	2,017	4.4
Suicide and self-inflicted injuries	21	24.1	198	35.7	484	28.8	636	19.6	863	10.8	762	2.4	2,964	6.5
Other	11	12.6	65	11.7	289	17.2	547	16.9	1,105	13.8	5,581	17.5	7,598	16.7
Total	87	100.0	555	100.0	1,678	100.0	3,246	100.0	7,980	100.0	31,833	100.0	45,379	100.0

Note: Applies to endowment insurance, endowment insurance with term rider Kurashino Hoken, term life insurance, whole life insurance, and whole life insurance with term rider.

[35] Annuity Payments

										Millions of Yen, Number of payments
	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation savings insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total	
Fiscal year ended March 31										2005
Annuities paid	¥87,904	¥ 98,325	¥ 1,452	¥ 215,931	¥ 7,351	¥—	¥—	¥25	¥ 410,990	
Number of contracts	35,274	154,361	40,972	6,797,841	20,907	—	—	45	7,049,400	
Fiscal year ended March 31										2004
Annuities paid	¥82,415	¥ 80,777	¥ 1,415	¥ 216,596	¥ 6,882	¥—	¥—	¥ 7	¥ 388,094	
Number of contracts	32,733	134,476	39,424	7,269,332	19,114	—	—	19	7,495,098	
Fiscal year ended March 31										2003
Annuities paid	¥71,404	¥ 68,881	¥ 1,295	¥ 203,246	¥ 6,350	¥—	¥—	¥12	¥ 351,191	
Number of contracts	29,722	119,889	37,353	9,039,275	17,263	—	—	10	9,243,512	

[36] Health and Other Benefits

I. Value

Millions of Yen

	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation savings insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31 2005									
Hospitalization due to accident benefits	¥ 9,829	¥ 200	¥221	¥ —	¥ —	¥ 286	¥—	¥—	¥ 10,539
Hospitalization due to illness benefits	65,171	1,494	—	—	—	658	—	—	67,323
Disability benefits	3,382	11	74	—	1	—	—	—	3,469
Surgical benefits	31,501	879	—	—	—	139	—	—	32,521
Survival benefits	207,696	317	—	—	6,634	—	—	—	214,648
Death benefits	4,241	14,422	3	—	594	1	—	—	19,263
Group annuity lump-sum benefits	—	—	—	457,426	—	—	—	—	457,426
Other benefits	3	—	9	5,644	—	—	—	—	5,657
Total	¥321,826	¥17,326	¥309	¥463,071	¥7,229	¥1,085	¥—	¥—	¥810,849
Fiscal year ended March 31 2004									
Hospitalization due to accident benefits	¥ 10,547	¥ 218	¥271	¥ —	¥ —	¥ 343	¥—	¥—	¥ 11,381
Hospitalization due to illness benefits	66,952	1,597	—	—	—	421	—	—	68,972
Disability benefits	3,520	7	92	—	15	—	—	—	3,635
Surgical benefits	31,801	933	—	—	—	60	—	—	32,795
Survival benefits	212,419	50	—	—	6,918	—	—	—	219,388
Death benefits	4,025	12,403	3	—	581	—	—	13	17,026
Group annuity lump-sum benefits	—	—	—	517,059	—	—	—	—	517,059
Other benefits	0	—	29	3,724	—	—	—	—	3,754
Total	¥329,267	¥15,211	¥396	¥520,784	¥7,514	¥ 825	¥—	¥13	¥874,013
Fiscal year ended March 31 2003									
Hospitalization due to accident benefits	¥ 11,382	¥ 241	¥291	¥ —	¥ —	¥ 284	¥—	¥—	¥ 12,199
Hospitalization due to illness benefits	67,254	1,713	—	—	—	335	—	—	69,304
Disability benefits	3,433	11	46	—	—	—	—	—	3,491
Surgical benefits	30,195	941	—	—	—	1	—	—	31,138
Survival benefits	209,798	126	—	—	6,739	—	—	—	216,664
Death benefits	3,006	10,467	3	29	659	—	—	—	14,165
Group annuity lump-sum benefits	—	—	—	603,181	—	—	—	—	603,181
Other benefits	0	—	34	4,151	—	—	—	—	4,186
Total	¥325,071	¥13,502	¥376	¥607,363	¥7,398	¥ 621	—	—	¥954,332

[36] Health and Other Benefits, continued

2. Number of policies

Number of policies

	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation savings insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31 2005									
Hospitalization due to accident	79,260	1,656	5,519	—	—	15,077	—	—	101,512
Hospitalization due to illness	615,041	17,454	—	—	—	9,193	—	—	641,688
Disability	30,870	77	184	—	2	—	—	—	31,133
Surgical	282,563	10,180	—	—	—	1,114	—	—	293,857
Survival benefits	706,888	2,323	—	—	3,250	—	—	—	712,461
Death	3,687	3,845	512	—	333	2	—	—	8,379
Group pension lump-sum	—	—	—	1,269,620	—	—	—	—	1,269,620
Other	7	—	448	12	—	—	—	—	467
Total	1,718,316	35,535	6,663	1,269,632	3,585	25,386	—	—	3,059,117
Fiscal year ended March 31 2004									
Hospitalization due to accident	80,679	1,822	5,388	—	—	18,044	—	—	105,933
Hospitalization due to illness	596,810	18,184	—	—	—	6,085	—	—	621,079
Disability	32,591	66	194	—	4	—	—	—	32,855
Surgical	288,136	10,837	—	—	—	463	—	—	299,436
Survival benefits	753,870	348	—	—	3,648	—	—	—	757,866
Death	3,431	3,601	452	—	336	—	—	3	7,823
Group pension lump-sum	—	—	—	1,339,494	—	—	—	—	1,339,494
Other	4	—	554	12	—	—	—	—	570
Total	1,755,521	34,858	6,588	1,339,506	3,988	24,592	—	3	3,165,056
Fiscal year ended March 31 2003									
Hospitalization due to accident	80,680	1,984	5,997	—	—	18,841	—	—	107,502
Hospitalization due to illness	561,437	18,764	—	—	—	4,389	—	—	584,590
Disability	31,449	64	171	—	—	—	—	—	31,684
Surgical	277,480	11,045	—	—	—	13	—	—	288,538
Survival benefits	767,192	911	—	—	3,552	—	—	—	771,655
Death	2,604	4,074	479	—	411	—	—	—	7,568
Group pension lump-sum	—	—	—	1,564,657	—	—	—	—	1,564,657
Other	3	—	682	13	—	—	—	—	698
Total	1,720,845	36,842	7,329	1,564,670	3,963	23,243	—	—	3,356,892

[37] Surrender Benefits

Millions of Yen

Fiscal years ended March 31									
	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation savings insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
2005	¥710,114	¥130,895	¥35	¥339,129	¥48,089	¥—	¥—	¥—	¥1,228,264
2004	893,115	154,670	24	185,636	50,645	—	—	—	1,284,092
2003	861,463	153,109	51	248,117	55,183	—	—	2,903	1,320,828

[38] Depreciation

Millions of Yen, %

	Acquisition cost	Current year depreciation	Accumulated depreciation	Balance as of March 31	Accumulated depreciation percentage
Fiscal year ended March 31 2005					
Buildings	¥480,896	¥13,011	¥286,733	¥194,162	59.6%
Movable assets	76,817	4,987	50,911	25,905	66.3
Other	134,678	21,277	72,473	62,204	53.8
Total	¥692,392	¥39,276	¥410,119	¥282,272	59.2%
Fiscal year ended March 31 2004					
Buildings	¥465,825	¥12,653	¥282,769	¥183,055	60.7%
Movable assets	82,342	5,377	65,205	17,137	79.2
Other	141,332	22,002	81,259	60,073	57.5
Total	¥689,501	¥40,033	¥429,234	¥260,266	62.3%
Fiscal year ended March 31 2003					
Buildings	¥469,507	¥13,625	¥277,664	¥191,843	59.1%
Movable assets	83,419	6,330	63,450	19,968	76.1
Other	131,838	21,274	73,668	58,170	55.9
Total	¥684,765	¥41,230	¥414,783	¥269,982	60.6%

[39] Operating Expenses

Millions of Yen

Fiscal years ended March 31	2005	2004	2003
Marketing operations	¥208,125	¥219,941	¥243,650
Marketing administration	86,975	86,207	89,531
General expenses	250,132	252,802	275,059
Total	¥545,234	¥558,951	¥608,242

Notes: 1. Marketing operations and marketing administration includes expenditures for underwriting new policies. Marketing operations include expenses related to new policy solicitation and examination. Marketing administration primarily includes expenses related to advertising and sales force.
2. General expenses include expenditures for managing policies with insurance handling systems, and for asset management.

[40] Taxes Expenses

		Millions of Yen		
Fiscal years ended March 31		2005	2004	2003
National tax		¥14,978	¥15,065	¥16,498
	Consumption tax	14,445	14,454	15,779
	Documentary stamp tax	530	606	672
	Registration and license tax	0	2	52
	Other national tax	1	1	(5)
Local tax		¥22,037	¥21,707	¥23,574
	Local consumption tax	3,611	3,609	3,914
	Corporate enterprise tax	12,235	12,017	12,926
	Fixed asset tax	4,986	5,241	5,607
	Real-estate acquisition tax	408	7	249
	Corporate income tax	784	821	865
	Special land acquisition tax	—	—	3
	Automobile tax	4	4	3
	Special local consumption tax	—	—	—
	Bath tax	—	—	0
	Other local tax	6	5	5
Total		¥37,015	¥36,772	¥40,072

[41] Lease Transactions

1. Acquisition cost, accumulated depreciation, and year-end balance of leased properties

		Millions of Yen		
As of March 31		2005	2004	2003
Acquisition cost	Movable assets	¥1,643	¥3,060	¥2,555
	Total	¥1,643	¥3,060	¥2,555
Accumulated depreciation	Movable assets	¥733	¥1,273	¥1,070
	Total	¥733	¥1,273	¥1,070
Year-end balance of leased properties	Movable assets	¥909	¥1,787	¥1,485
	Total	¥909	¥1,787	¥1,485

Note: The fiscal year-end balance of uninitiated lease payments is calculated using methods that do not deduct interest amounts.

2. Future minimum lease payment year-end balance

		Millions of Yen		
Fiscal years ended March 31		2005	2004	2003
Future minimum lease payment year-end balance	Within 1 year	¥327	¥ 379	¥ 487
	In more than 1 year	468	914	972
	Total	¥795	¥1,293	¥1,460

3. Lease fees paid and depreciation

		Millions of Yen		
Fiscal years ended March 31		2005	2004	2003
Lease fees paid		¥342	¥470	¥583
Depreciation		342	587	436

4. Calculation method for depreciation

Straight-line method

[42] Overview of Fiscal 2004 Asset Management (General Account)

(1) Investment environment

The Japanese economy enjoyed continuing recovery during fiscal 2004, mainly in exports and facilities; investments were sparked by positive trends in overseas economies. Factors such as improved corporate earnings pushed a steady recovery but the latter half of the year saw a break in the improvement of corporate economies, that resulted in a slowdown in the pace of recovery.

- The Nikkei average briefly passed ¥12,000 early in the year but a worsening of the overseas environment, including factors such as increases in crude oil prices and a higher yen, contributed to pushing back stock price gains. Transitions subsequently continued on a narrow scale; however, with the New Year came an ease in fears of a higher yen and excessive slowdown in the economy, which helping to up the average to end the year at ¥11,668.
- After oscillating 1.5%, the yield rate on 10-year bonds at one point rose to a level above 1.9% in June following the release of a report on positive economic indicators. After August, there was a sense that the pace of economic recovery was slowing, and although this brought a drop in interest rates to below the 1% level, rates reached 1.32% by the end of year.
- On the yen-dollar route, concerns about an increase in US interest rates at the beginning of the year caused the yen to devalue to ¥115; in the latter half of the year, however, concerns regarding ordinary profit deficits in the U.S. caused the yen to climb back to ¥102. After the start of the year, an increase in the difference between U.S. and Japanese interest rates resulted in a weakening yen, with the Nikkei average falling to ¥10,739 by the end of the year.

(2) Investment policy

Nissay creates portfolios that serve as an axis for medium-term investment, based on our approach to ALMs that appropriately control assets and liabilities. We also create investment plans based on market projections.

Specifically, while we mainly invest in domestic bonds that provide stable revenue, we also invest in domestic and foreign stock markets, representing a process in which careful attention is paid to risk control while constantly adjusting portfolios in order to increase medium-term profits.

In fiscal 2004, we increased domestic bonds in order to maintain a level of yen-based interest assets allowing us to achieve stable interest income. Regarding foreign securities, we paid careful attention to the internal/external rate differences and currency exchange risks as we increased our public and corporate bond levels.

(3) Overview of investment results

[Loans]

Given recovery in asset demand realized on the back of increases in the level of corporate facilities developments, we aggressively incorporated loans as a central asset in our portfolio; however, loan balances have decreased because of a continuing trend of recovery exceeding lending in foreign and domestic markets.

[Domestic bonds]

We continue to increase balances as a core asset in our portfolio. While mainly investing in government bonds as a stable asset, we also were aggressive with investments in corporate bonds with a goal of improving our interest yield rate.

[Domestic stocks]

Given our focus on the medium-term perspective, we managed issues based on the overall state of returns to investors including corporate profitability and dividends, with a goal of increasing portfolio profitability. We also have been active in terms of investment in unlisted companies indicating future growth potential.

[Foreign securities]

Regarding foreign bonds, we paid careful attention to internal/external rate differences and currency exchange risks as we increased our levels of foreign securities. In terms of investments where exchange risks were hedged by attaching exchange contracts, we looked to reduce balances because an increase in US interest rates resulted in a drop in yield rates.

With respect to foreign stocks, we managed issues with a focus on medium-term growth rates and issues showing future profitability and dividends.

[Real estate]

We have worked to to secure net profits by improving existing properties' efficiency, controlling the number of vacant rooms, negotiating for decreases in lease rates, and increasing competitiveness through renovation projects where needed. Furthermore, we have worked to sell off inefficient property with a view toward increasing asset efficiency.

Fiscal year ended March 31	Billions of Yen, %		
	2005	Increases*	Breakdown
Assets at end of period	¥44,410.2	¥1,096.5	100.0%
Loans	10,317.2	(694.3)	23.2
Domestic bonds	15,375.7	1,071.4	34.6
Domestic stocks	7,625.6	(26.8)	17.2
Foreign securities	5,844.2	79.9	13.2
Real estate	1,773.8	(46.6)	4.0

*Indicates asset decline when the market price valuation in [other marketable securities] is not conducted.

[43] Portfolio Trends (General Account)

1. Asset structure

As of March 31	Millions of Yen, %					
	2005		2004		2003	
Cash, deposits, and call loans	¥ 601,053	1.4%	¥ 472,231	1.1%	¥ 512,886	
Monetary receivables purchased	1,456,619	3.3	901,904	2.1	687,501	
Trading securities	2,999	0.0	2,999	0.0	5,999	
Money held in trust	144,614	0.3	155,054	0.4	248,379	
Investments in securities	29,384,967	66.2	27,984,529	65.1	25,277,638	
Domestic bonds	15,375,785	34.6	14,305,026	33.3	13,359,463	
Domestic stocks	7,625,658	17.2	7,313,427	17.0	5,547,092	
Foreign securities	5,844,222	13.2	5,694,235	13.2	5,402,516	
Foreign bonds	4,546,485	10.2	4,444,815	10.3	4,123,961	
Foreign stocks and other securities	1,297,736	2.9	1,249,420	2.9	1,278,555	
Other securities	539,302	1.2	671,839	1.6	968,565	
Loans receivable	10,317,263	23.2	11,011,571	25.6	11,586,894	
Policy loans	1,325,898	3.0	1,371,769	3.2	1,423,831	
Industrial and consumer loans	8,991,365	20.2	9,639,801	22.4	10,163,063	
Real estate	1,773,869	4.0	1,820,507	4.2	1,860,666	
Investment property	1,128,594	2.5	1,169,569	2.7	1,193,511	
Deferred tax assets	—	—	—	—	303,190	
Other	775,420	1.7	730,403	1.7	805,350	
Allowance for doubtful accounts	(46,537)	(0.1)	(84,893)	(0.2)	(108,465)	
General Account total	44,410,271	100.0	42,994,308	100.0	41,180,042	
Foreign currency denominated assets	5,597,040	12.6	5,286,674	12.3	4,998,240	

Note: The above assets include cash received as collateral under securities lending contracts. Guarantees received through these transactions are recorded in other liabilities.
(As of March 31, 2005, ¥804,989 million; as of March 31, 2004, ¥277,137 million; as of March 31, 2003, ¥256,195 million)

2. Increases/decreases in assets

Fiscal years ended March 31	Millions of Yen		
	2005	2004	2003
Cash, deposits, and call loans	¥ 128,822	¥ (40,654)	¥ 1,420
Monetary receivables purchased	554,714	214,403	11,320
Trading securities	—	(2,999)	2,999
Money held in trust	(10,439)	(93,325)	(300,365)
Investments in securities	1,400,438	2,706,891	(360,037)
Domestic bonds	1,070,758	945,563	1,022,989
Domestic stocks	312,230	1,766,335	(1,860,843)
Foreign securities	149,986	291,719	271,125
Foreign bonds	101,670	320,853	631,808
Foreign stocks and other securities	48,316	(29,134)	(360,683)
Other securities	(132,536)	(296,726)	206,692
Loans receivable	(694,307)	(575,323)	(607,348)
Policy loans	(45,871)	(52,061)	(12,904)
Industrial and consumer loans	(648,435)	(523,262)	(594,443)
Real estate	(46,637)	(40,159)	(45,081)
Investment property	(40,975)	(23,941)	(21,058)
Deferred tax assets	—	(303,190)	303,190
Other	45,017	(74,947)	116,576
Allowance for doubtful accounts	38,355	23,572	48,266
General Account total	1,415,962	1,814,266	(829,058)
Foreign currency denominated assets	310,366	288,433	168,405

Note: Increases/decreases in cash received as collateral under securities lending contracts were as follows:
fiscal year ended March 31, 2005, ¥527,851 million; fiscal year ended March 31, 2004, ¥20,942 million; fiscal year ended March 31, 2003, ¥(309,493) million.

[44] Yield on Primary Assets (General Account)

Fiscal years ended March 31	2005		2004		2003	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Cash, deposits and call loans	¥ 642,703	0.06%	¥ 581,522	(0.04)%	¥ 498,022	0.02%
Cash collateral pledged for bonds borrowed	6,503	0.01	13,959	0.02	—	—
Monetary receivables purchased	848,603	0.40	651,215	0.34	501,181	0.20
Trading securities	3,300	(0.11)	3,310	(1.47)	4,131	2.02
Money held in trust	167,336	11.00	190,674	12.60	559,952	(3.94)
Domestic bonds	14,880,940	1.72	14,001,921	1.65	12,785,563	2.54
Domestic stocks	4,634,752	5.56	4,799,909	3.61	5,551,941	(6.77)
		[5.56]		[3.61]		[(6.77)]
Foreign securities	5,574,959	2.91	5,365,871	3.59	4,675,168	4.81
Foreign bonds	4,381,089	3.14	4,112,462	3.70	3,355,142	5.82
Foreign stocks and other securities	1,193,870	2.08	1,253,408	3.21	1,320,025	2.23
Loans receivable	10,492,280	2.31	11,321,391	2.58	11,788,680	2.76
Industrial and consumer loans	9,142,230	1.91	9,930,404	2.23	10,360,713	2.44
Real estate	1,822,122	2.37	1,866,167	2.48	1,912,105	2.65
Investment property	1,160,645	3.71	1,200,200	3.84	1,227,773	4.11
General Account total	40,971,029	2.42	40,680,238	2.48	40,256,872	1.27
		[2.42]		[2.48]		[1.27]
Overseas investment	6,454,895	3.15	6,604,568	3.82	6,126,736	4.07

Notes: 1. Yields are calculated by dividing investment income less investment expenses by the daily average balance based on book value.

2. For the calculation of yields for domestic stocks and general account total appraisal gains under article 112 of the Insurance Business Law are not included in the numerator. Brackets show investment yield.

3. Overseas investment is the total of assets denominated in foreign currencies and yen.

[45] Investment Income (General Account)

Fiscal years ended March 31	Millions of Yen		
	2005	2004	2003
Interest, dividends and other income	¥ 980,473	¥ 980,099	¥ 999,239
Gains from trading securities	18,409	24,016	—
Gains from money held in trust, net	—	—	83
Gains on sales of securities	201,749	188,761	301,336
Gains from redemption of securities	217	30	286
Foreign exchange gains, net	—	2,145	—
Other investment income	1,597	1,635	1,937
Total	¥1,202,448	¥1,196,690	¥1,302,883

Note: In addition to the above, appraisal gains under article 112 of the Insurance Business Law are also recorded.

[46] Investment Expenses (General Account)

Fiscal years ended March 31	Millions of Yen		
	2005	2004	2003
Interest expenses	¥ 1,339	¥ 1,468	¥ 1,539
Commodity investment losses	3	48	—
Losses from money held in trust, net	—	—	22,063
Losses on sales of securities	52,814	57,286	126,348
Losses on valuation of securities	31,175	23,344	524,300
Losses on derivative financial instruments, net	66,340	47,561	49,899
Foreign exchange losses, net	2,183	—	2,358
Write-downs of loans	20	348	178
Depreciation of real estate and other assets	31,250	32,737	35,197
Other investment expenses	25,683	25,774	30,098
Total	¥210,811	¥188,571	¥791,984

Note: In addition to the above, reversal of allowance for doubtful accounts is recorded as an extraordinary profit.

(Fiscal year ended March 31, 2005, ¥37,312 million; fiscal year ended March 31, 2004, ¥16,587 million; fiscal year ended March 31, 2003, ¥34,021 million)

[47] Interest, Dividends, and Other Income (General Account)

		Millions of Yen		
Fiscal years ended March 31		2005	2004	2003
Interest on deposits and savings	¥	67	¥ 41	¥ 48
Interest/dividends on domestic securities		621,417	568,829	545,490
Interest on domestic bonds		259,782	255,153	269,176
Domestic stock dividends		93,914	80,060	73,676
Interest/dividends on foreign securities		254,110	226,785	200,712
Interest on loans receivable		242,376	292,905	326,400
Rent on real estate		98,063	102,191	112,899
Net including other income		¥980,473	¥980,099	¥999,239

[48] Analysis of Interest, Dividends, and Other Income (General Account)

		Millions of Yen							
Fiscal years ended March 31	2005			2004			2003		
	Change in asset allocation balance	Increase/decrease from interest variance	Total Increase/decrease	Change in asset allocation balance	Increase/decrease from interest variance	Total Increase/decrease	Change in asset allocation balance	Increase/decrease from interest variance	Total Increase/decrease
Interest, dividends and other income	¥7,005	¥(6,632)	¥373	¥10,508	¥(29,648)	¥(19,139)	¥20,766	¥(6,970)	¥13,796
Cash equivalents and call loans	8	4	13	17	(40)	(22)	(307)	(219)	(527)
Securities	18,576	34,010	52,587	25,178	(1,839)	23,339	40,241	8,516	48,757
Loans receivable	(21,450)	(29,077)	(50,528)	(12,938)	(20,556)	(33,494)	(15,470)	(15,832)	(31,303)
Real estate	(2,411)	(1,716)	(4,128)	(2,712)	(7,995)	(10,707)	5,693	(7,533)	(1,839)

[49] Gains on Sales of Securities (General Account)

		Millions of Yen		
Fiscal years ended March 31		2005	2004	2003
Domestic bonds	¥	2,669	¥ 2,523	¥ 60,685
Domestic stocks and other securities		181,768	142,267	114,965
Foreign securities		17,311	43,963	125,685
Net including other gains on sales of securities		¥201,749	¥188,761	¥301,336

[50] Losses on Sales of Securities (General Account)

		Millions of Yen		
Fiscal years ended March 31		2005	2004	2003
Domestic bonds	¥	7,034	¥ 6,864	¥ 5,903
Domestic stocks and other securities		5,855	21,572	66,263
Foreign securities		39,343	28,840	54,181
Net including other losses on sales of securities		¥52,814	¥57,286	¥126,348

[51] Losses on Valuation of Securities (General Account)

		Millions of Yen		
Fiscal years ended March 31		2005	2004	2003
Domestic bonds	¥	—	¥ —	¥ —
Domestic stocks and other securities		3,568	3,413	506,036
Foreign securities		27,607	19,926	16,872
Net including other losses on valuation of securities		¥31,175	¥23,344	¥524,300

[52] Trading Securities (General Account)

As of March 31	2005		2004		2003
	Millions of Yen	%	Millions of Yen	%	Millions of Yen
Trading government bonds	¥2,999	100.0%	¥2,999	100.0%	¥5,999
Total	¥2,999	100.0%	¥2,999	100.0%	¥5,999

[53] Proceeds on Sales of Trading Securities (General Account)

Fiscal years ended March 31	2005	2004	2003
	Millions of Yen	Millions of Yen	Millions of Yen
Trading government bonds	¥41,159	¥47,369	¥57,020
Total	¥41,159	¥47,369	¥57,020

[54] Securities Composition (General Account)

As of March 31	2005		2004		2003
	Millions of Yen	%	Millions of Yen	%	Millions of Yen
Domestic bonds	¥15,375,785	52.3%	¥14,305,026	51.1%	¥13,359,463
National government bonds	10,636,097	36.2	9,264,636	33.1	8,270,875
Local government bonds	1,552,396	5.3	1,624,264	5.8	1,534,270
Corporate bonds	3,187,290	10.8	3,416,125	12.2	3,554,316
Public entity bonds	1,484,722	5.1	1,669,063	6.0	1,680,467
Domestic stocks	7,625,658	26.0	7,313,427	26.1	5,547,092
Foreign securities	5,844,222	19.9	5,694,235	20.3	5,402,516
Foreign bonds	4,546,485	15.5	4,444,815	15.9	4,123,961
Foreign stocks and other securities	1,297,736	4.4	1,249,420	4.5	1,278,555
Other securities	539,302	1.8	671,839	2.4	968,565
Total	¥29,384,967	100.0%	¥27,984,529	100.0%	¥25,277,638
Subordinated bonds	—	—	—	—	—

[55] Securities by Maturity Dates (General Account)

Millions of Yen

	1 year or under	Over 1 year through 3 years	Over 3 years through 5 years	Over 5 years through 7 years	Over 7 years through 10 years	Over 10 years	No fixed maturity	Total
As of March 31								
2005								
Domestic bonds								
National government bonds	¥ 492,574	¥1,114,961	¥2,114,516	¥2,250,275	¥ 938,574	¥3,725,194	¥ —	¥10,636,097
Local government bonds	187,864	255,191	126,747	313,879	658,737	9,976	—	1,552,396
Corporate bonds	389,698	695,138	592,987	549,163	577,549	382,752	—	3,187,290
Domestic Stocks	—	—	—	—	—	—	7,625,658	7,625,658
Foreign securities	323,364	874,307	810,522	837,879	973,293	1,295,118	729,736	5,844,222
Foreign bonds	321,540	858,154	800,150	813,722	965,865	787,050	—	4,546,485
Foreign stocks and other securities	1,823	16,153	10,371	24,156	7,427	508,068	729,736	1,297,736
Other securities	62	2,860	12,572	784	6,061	—	516,960	539,302
Total	¥1,393,564	¥2,942,459	¥3,657,347	¥3,951,982	¥3,154,216	¥5,413,042	¥8,872,355	¥29,384,967
As of March 31								
2004								
Domestic bonds								
National government bonds	¥ 396,743	¥1,109,381	¥1,441,011	¥1,754,632	¥1,726,600	¥2,836,266	¥ —	¥ 9,264,636
Local government bonds	195,065	321,012	216,432	126,634	747,698	17,420	—	1,624,264
Corporate bonds	428,579	733,745	654,431	584,955	623,560	390,852	—	3,416,125
Domestic Stocks	—	—	—	—	—	—	7,313,427	7,313,427
Foreign securities	405,420	1,010,378	777,804	667,880	800,274	1,317,438	715,038	5,694,235
Foreign bonds	405,420	989,172	760,023	649,531	783,730	856,936	—	4,444,815
Foreign stocks and other securities	0	21,205	17,781	18,349	16,543	460,501	715,038	1,249,420
Other securities	4	3,289	7,304	8,809	562	—	651,868	671,839
Total	¥1,425,814	¥3,177,807	¥3,096,984	¥3,142,912	¥3,898,696	¥4,561,979	¥8,680,335	¥27,984,529
As of March 31								
2003								
Domestic bonds								
National government bonds	¥ 477,696	¥ 998,965	¥1,168,529	¥1,586,056	¥2,308,007	¥1,731,620	¥ —	¥8,270,875
Local government bonds	177,153	493,954	252,728	86,129	506,040	18,264	—	1,534,270
Corporate bonds	401,054	962,772	591,605	458,501	739,908	400,473	—	3,554,316
Domestic Stocks	—	—	—	—	—	—	5,547,092	5,547,092
Foreign securities	224,448	910,809	1,065,933	585,217	1,190,606	697,913	727,589	5,402,516
Foreign bonds	224,236	905,257	1,028,930	564,279	715,378	685,878	—	4,123,961
Foreign stocks and other securities	211	5,551	37,002	20,937	475,228	12,034	727,589	1,278,555
Other securities	47	120	3,754	15,874	1,099	—	947,668	968,565
Total	¥1,280,400	¥3,366,622	¥3,082,550	¥2,731,779	¥4,745,662	¥2,848,271	¥7,222,350	¥25,277,638

[56] Bond Yield (General Account)

As of March 31	%		
	2005	2004	2003
Domestic bonds	1.90	2.01	2.28
Foreign bonds	4.83	4.78	4.90
Yen denominated	1.07	1.30	1.47
Foreign currency denominated	5.20	5.18	5.29

[57] Stocks Held—Breakdown by Industry (General Account)

As of March 31	Millions of Yen, %					
	2005		2004		2003	
Fishery, agriculture and forestry	¥ 6,310	0.1%	¥ 5,586	0.1%	¥ 5,215	
Mining	2,947	0.0	2,275	0.0	1,814	
Construction	119,765	1.6	118,205	1.6	74,692	
Manufacturing:						
Foods	186,790	2.4	174,962	2.4	162,459	
Textiles and apparel	120,120	1.6	108,454	1.5	77,084	
Pulp and paper	41,915	0.5	45,039	0.6	34,595	
Chemicals	566,959	7.4	556,461	7.6	452,701	
Pharmaceuticals	638,530	8.4	604,297	8.3	542,257	
Oil and coal products	25,038	0.3	20,834	0.3	14,603	
Rubber products	39,994	0.5	35,184	0.5	28,781	
Glass and ceramic products	116,956	1.5	121,863	1.7	87,818	
Iron and steel	192,438	2.5	159,423	2.2	93,010	
Nonferrous metals	74,609	1.0	63,898	0.9	53,505	
Metal products	41,185	0.5	45,012	0.6	30,190	
Machinery	319,152	4.2	288,841	3.9	196,317	
Electric appliances	975,167	12.8	1,055,742	14.4	835,062	
Transportation equipment	932,361	12.2	889,820	12.2	648,257	
Precision instruments	135,333	1.8	131,409	1.8	114,066	
Other products	106,025	1.4	121,334	1.7	84,146	
Electric power and gas	651,568	8.5	587,626	8.0	508,712	
Transportation, information and communication:						
Land transportation	364,394	4.8	370,393	5.1	303,921	
Marine transportation	24,833	0.3	20,703	0.3	11,633	
Air transportation	25,557	0.3	25,971	0.4	18,268	
Warehousing and harbor transportation services	11,628	0.2	10,346	0.1	7,491	
Information and communication	157,560	2.1	178,244	2.4	128,312	
Trade and services:						
Wholesale trade	193,823	2.5	168,428	2.3	114,121	
Retail trade	230,571	3.0	253,142	3.5	172,866	
Finance and insurance:						
Banking	844,009	11.1	660,053	9.0	403,155	
Securities and trading	121,264	1.6	131,358	1.8	88,896	
Insurance	115,412	1.5	116,149	1.6	90,189	
Other financial services	114,088	1.5	109,008	1.5	64,081	
Real estate	30,754	0.4	32,018	0.4	19,470	
Services	98,588	1.3	101,337	1.4	79,387	
Total	¥7,625,658	100.0%	¥7,313,427	100.0%	¥5,547,092	

[58] Loans Receivable (General Account)

		Millions of Yen		
As of March 31		2005	2004	2003
Policy loans		¥ 1,325,898	¥ 1,371,769	¥ 1,423,831
Premium loans		127,769	131,434	135,235
Policyholder loans		1,198,128	1,240,335	1,288,595
Industrial and consumer loans		8,991,365	9,639,801	10,163,063
[Loans to non-residents]		[596,687]	[961,164]	[1,161,411]
Corporate loans—international and domestic		6,636,664	6,834,392	7,017,928
[Corporate loans—domestic]		[6,428,691]	[6,530,864]	[6,696,408]
Loans to national, international, and government-affiliated organizations		398,108	618,158	734,214
Loans to public entities		474,152	612,810	782,381
Housing loans		1,033,227	1,115,547	1,194,343
Consumer loans		419,150	415,819	389,975
Other loans		30,062	43,073	44,219
Total		¥10,317,263	¥11,011,571	¥11,586,894

[59] Loans by Contractual Maturity Dates (General Account)

		Millions of Yen							
As of March 31		1 year or under	Over 1 year through 3 years	Over 3 years through 5 years	Over 5 years through 7 years	Over 7 years through 10 years	Over 10 years	Maturity not fixed	Total
As of March 31		2005							
Fixed rate loans		¥1,774,524	¥2,328,105	¥1,511,435	¥790,021	¥659,733	¥450,642	¥70,000	¥7,584,463
Variable rate loans		224,397	335,172	209,798	232,176	186,545	208,811	10,000	1,406,902
Total loans		¥1,998,921	¥2,663,278	¥1,721,233	¥1,022,198	¥846,279	¥659,454	¥80,000	¥8,991,365
As of March 31		2004							
Fixed rate loans		¥1,981,582	¥2,683,582	¥1,464,841	¥801,621	¥520,522	¥431,275	¥70,000	¥7,953,426
Variable rate loans		280,680	423,815	224,399	177,029	318,251	252,197	10,000	1,686,375
Total loans		¥2,262,263	¥3,107,397	¥1,689,240	¥978,651	¥838,774	¥683,472	¥80,000	¥9,639,801
As of March 31		2003							
Fixed rate loans		¥1,720,439	¥3,123,382	¥1,637,406	¥689,098	¥489,910	¥459,316	¥70,000	¥8,189,555
Variable rate loans		336,006	424,756	311,802	239,974	339,544	291,422	30,000	1,973,508
Total loans		¥2,056,446	¥3,548,139	¥1,949,209	¥929,073	¥829,455	¥750,739	¥100,000	¥10,163,063

[60] Loans to Domestic Companies by Company Size (General Account)

		Number, Millions of Yen, %					
As of March 31		2005		2004		2003	
Large companies	Number of borrowers	1,106	35.3%	1,183	33.4%	1,257	
	Amount of loans	¥5,151,329	80.1	¥5,222,788	80.0	¥5,264,834	
Medium-sized companies	Number of borrowers	535	17.1	588	16.6	673	
	Amount of loans	262,296	4.1	265,541	4.1	299,819	
Small-sized companies	Number of borrowers	1,495	47.7	1,772	50.0	2,173	
	Amount of loans	1,015,065	15.8	1,042,534	16.0	1,131,755	
Total loans to domestic companies	Number of borrowers	3,136	100.0	3,543	100.0	4,103	
	Total amount of loans	¥6,428,691	100.0%	¥6,530,864	100.0%	¥6,696,408	

Notes: 1. Classifications are defined as follows.

Company size	Industry Type			
	1. All industries (excluding 2-4)		2. Retail and restaurant	
Large companies	More than 300 employees and	Paid-in Capital over ¥1 billion	More than 50 employees and	Paid-in Capital over ¥1 billion
Medium-sized companies	More than 300 employees and	Paid-in Capital between 0.3 billion and ¥1 billion	More than 50 employees and	Paid-in Capital between ¥50 million over ¥1 billion
Small-sized companies	Paid-in capital under ¥0.3 billion and less than 300 employees		Paid-in capital under ¥50 million and less than 50 employees	
	3. Service		4. Wholesale	
Large companies	More than 100 employees and	Paid-in Capital over ¥1 billion	More than 100 employees and	Paid-in Capital over ¥1 billion
Medium-sized companies	More than 100 employees and	Paid-in Capital between ¥50 million and ¥1 billion	More than 100 employees and	Paid-in Capital between ¥100 million and ¥1 billion
Small-sized companies	Paid-in capital under ¥50 million and less than 100 employees		Paid-in capital under ¥100 million and less than 100 employees	

2. Number of borrowers is the number of borrowers identified by name and is not the number of loans.

[61] Breakdown of Loans by Industry (General Account)

		Millions of Yen, %			
As of March 31	2005		2004		2003
Domestic					
Manufacturing	¥1,443,660	16.1%	¥1,464,836	15.2%	¥ 1,420,370
Foods	129,492	1.4	146,200	1.5	147,362
Textiles and apparel	37,213	0.4	35,838	0.4	42,943
Wood, wood products, pulp and paper	79,301	0.9	74,187	0.8	62,603
Printing	16,348	0.2	18,303	0.2	17,247
Chemicals	159,345	1.8	163,896	1.7	162,862
Oil and coal products	98,038	1.1	88,973	0.9	86,006
Ceramics, soil and stone	40,488	0.5	43,683	0.5	49,236
Iron and steel	231,628	2.6	264,095	2.7	269,141
Nonferrous metals	41,775	0.5	49,235	0.5	54,484
Metal products	28,941	0.3	33,727	0.3	29,852
Machinery	102,561	1.1	102,377	1.1	96,163
Electric appliances	225,651	2.5	201,000	2.1	182,795
Transportation equipment	183,064	2.0	169,967	1.8	145,023
Precision instruments	17,986	0.2	20,051	0.2	22,675
Other manufacturing products	51,822	0.6	53,295	0.6	51,972
Fishery, agriculture and forestry	6,170	0.1	6,933	0.1	7,184
Mining	9,810	0.1	9,502	0.1	9,575
Construction	55,995	0.6	80,869	0.8	103,268
Electric power, gas, heat supply and waterworks	980,272	10.9	966,246	10.0	960,511
Information and communication	215,873	2.4	230,984	2.4	300,448
Transportation	545,661	6.1	554,093	5.7	533,784
Wholesale trade	744,567	8.3	702,727	7.3	748,924
Retail trade	117,600	1.3	123,926	1.3	128,197
Financing and insurance	1,452,992	16.2	1,552,279	16.1	1,676,447
Real estate	422,042	4.7	473,481	4.9	508,153
Services	784,737	8.7	815,936	8.5	842,710
Local organizations and public entities	155,267	1.7	156,496	1.6	167,221
Individuals (residential/consumption/local taxes/other)	1,460,026	16.2	1,540,322	16.0	1,594,854
Total	¥8,394,677	93.4%	¥8,678,637	90.0%	¥ 9,001,651
Overseas					
Governments and public entities	388,714	4.3	657,636	6.8	839,892
Financial institutions	68,500	0.8	135,500	1.4	167,500
Commerce and industry	139,473	1.6	168,027	1.7	154,019
Total	¥ 596,687	6.6%	¥ 961,164	10.0%	¥ 1,161,411
Total loans	¥8,991,365	100.0%	¥9,639,801	100.0%	¥10,163,063

[62] Breakdown of Industrial Loans by Use (General Account)

		Millions of Yen, %			
As of March 31	2005		2004		2003
Capital investments	¥3,152,613	35.1%	¥3,303,321	34.3%	¥ 3,564,772
Operations	5,838,752	64.9	6,336,480	65.7	6,598,290
Total loans	¥8,991,365	100.0%	¥9,639,801	100.0%	¥10,163,063

[63] Breakdown of Loans by Region (General Account)

As of March 31	Millions of Yen, %					
	2005		2004		2003	
Hokkaido	¥ 47,918	0.7%	¥ 47,588	0.7%	¥ 51,040	
Tohoku	85,171	1.3	87,175	1.3	95,988	
Kanto	4,335,429	67.4	4,403,689	67.4	4,489,941	
Chubu	540,078	8.4	497,567	7.6	457,189	
Kinki	1,026,291	16.0	1,119,268	17.1	1,194,850	
Chugoku	130,628	2.0	117,015	1.8	122,518	
Shikoku	111,964	1.7	110,735	1.7	124,587	
Kyushu	151,208	2.4	147,824	2.3	160,292	
Total	¥6,428,691	100.0%	¥6,530,864	100.0%	¥6,696,408	

Notes: 1. Excludes personal loans, loans to non-residents, and policy loans.

2. Regional classifications are based on the headquarters' location of borrowers.

[64] Breakdown of Loans by Collateral (General Account)

As of March 31	Millions of Yen, %					
	2005		2004		2003	
Secured loans	¥ 245,343	2.7%	¥ 308,276	3.2%	¥ 400,700	
Loans secured by securities	66,758	0.7	82,264	0.9	112,704	
Loans secured by real estate, movable assets, and foundations	157,129	1.7	195,423	2.0	250,460	
Loans secured by personal guarantees	21,455	0.2	30,588	0.3	37,535	
Guarantee loans	341,732	3.8	345,684	3.6	354,584	
Fiduciary loans	6,951,912	77.3	7,454,473	77.3	7,823,459	
Other loans	1,452,377	16.2	1,531,366	15.9	1,584,318	
Ordinary loans	8,991,365	100.0	9,639,801	100.0	10,163,063	
Subordinated loans	394,000	4.4	410,000	4.3	455,000	

[65] Real Estate and Movable (General Account)

Fiscal year ended March 31	Millions of Yen, %							
	Balance at end of prior period	Increase in current period	Decrease in current period	Depreciation in current period	Balance at end of current period	Accumulated depreciation	Rate of accumulated depreciation	
Fiscal year ended March 31	2005							
Land	¥1,139,070	¥ 32,236	¥ 59,525	¥ —	¥1,111,781	¥ —	¥ —	
Buildings	644,273	68,795	18,085	44,096	650,887	885,367	57.6	
Movables	18,248	16,391	2,628	5,152	26,859	60,880	69.4	
Construction in progress	37,163	84,136	110,098	—	11,200	—	—	
Total	¥1,838,755	¥201,560	¥190,338	¥49,249	¥1,800,729	¥946,247	¥ —	
Fiscal year ended March 31	2004							
Land	¥1,157,354	¥ 6,152	¥ 24,436	¥ —	¥1,139,070	¥ —	¥ —	
Buildings	673,585	26,360	10,527	45,144	644,273	860,721	57.2	
Movables	21,302	2,939	368	5,624	18,248	75,195	80.5	
Construction in progress	29,726	10,985	3,549	—	37,163	—	—	
Total	¥1,881,969	¥ 46,438	¥ 38,882	¥50,768	¥1,838,755	¥935,917	¥ —	
Fiscal year ended March 31	2003							
Land	¥1,175,446	¥ 2,958	¥ 21,050	¥ —	¥1,157,354	¥ —	¥ —	
Buildings	717,386	11,555	6,886	48,470	673,585	830,230	55.2	
Movables	25,598	2,839	452	6,683	21,302	73,158	77.4	
Construction in progress	12,914	18,622	1,810	—	29,726	—	—	
Total	¥1,931,347	¥ 35,976	¥ 30,200	¥55,153	¥1,881,969	¥903,388	¥ —	

Note: The rate of accumulated depreciation shows the percentage of accumulated depreciation versus acquisition cost.

[66] Appraisal Value of Real Estate (General Account)

As of March 31	Billions of Yen		
	2005	2004	2003
Land and leaseholds			
Carrying value on balance sheets	¥1,258.7	¥1,285.7	¥1,309.5
Market value (appraisal value)	1,076.0	1,104.5	1,175.1
Net unrealized gains/losses (1)	(182.6)	(181.2)	(134.3)
Gains	60.0	48.2	46.3
Losses	(242.6)	(229.4)	(180.6)
Revaluation (2)	96.8	107.3	113.0
(1) + (2)	¥ (85.7)	¥ (73.8)	¥ (21.3)

Note: Appraisal value is based on the value of land disclosed in public.

[67] Breakdown of Real Estate Holdings by Use (General Account)

As of March 31	Millions of Yen		
	2005	2004	2003
Value of real estate holdings	¥1,773,869	¥1,820,507	¥1,860,666
For business operations	645,275	650,937	667,155
For lease	1,128,594	1,169,569	1,193,511
Number of buildings held for leasing	422	441	446

[68] Gains and Losses on the Disposal of Real Estate and Movable (General Account)

Fiscal years ended March 31	Millions of Yen					
	2005		2004		2003	
	Gains	Losses	Gains	Losses	Gains	Losses
Real estate	¥4,685	¥42,444	¥3,145	¥15,245	¥944	¥13,731
Movables	0	2,666	0	371	0	446
Other	6	2,518	3,438	7,392	19	2,914
Total	¥4,692	¥47,629	¥6,584	¥23,008	¥964	¥17,092

[69] Depreciation on Real Estate and Other Assets Held for Leasing (General Account)

Fiscal year ended March 31	Millions of Yen, %				
	Acquisition cost	Depreciation in current period	Accumulated depreciation	Balance at end of current period	Rate of accumulated depreciation
Fiscal year ended March 31	2005				
Buildings	¥1,055,357	¥31,085	¥598,633	¥456,724	56.7%
Movables	10,922	164	9,968	953	91.3
Other assets	—	—	—	—	—
Total	¥1,066,279	¥31,250	¥608,601	¥457,677	57.1%
Fiscal year ended March 31	2004				
Buildings	¥1,039,169	¥32,490	¥577,952	¥461,217	55.6%
Movables	11,101	246	9,990	1,110	90.0
Other assets	—	—	—	—	—
Total	¥1,050,271	¥32,737	¥587,942	¥462,328	56.0%
Fiscal year ended March 31	2003				
Buildings	¥1,034,308	¥34,844	¥552,565	¥481,742	53.4%
Movables	11,041	353	9,707	1,333	87.9
Other assets	—	—	—	—	—
Total	¥1,045,349	¥35,197	¥562,273	¥483,075	53.8%

[70] Loan Interest Rates

										%					
										Type of loan					
Prime rate (extra long-term 10 year prime rate loan)		Prime rate (long-term prime rate loan)		Housing loans				Consumer loans							
				Fixed interest rate	Variable interest rate optional with fixed interest rate	Variable interest rate (long-term loan)	Variable interest rate (short-term loan)	Fixed interest rate	Variable interest rate (long-term loan)	Variable interest rate (short-term loan)					
Fiscal year ended March 31										2006					
4/8	1.65	4/8	1.55			4/15	1.55			4/15	1.85				
5/10	1.60	5/10	1.50	5/17	3.40-4.40	5/17	2.00-4.00	5/17	1.50	5/17	3.40-4.00	5/17	1.80		
Fiscal year ended March 31										2005					
4/9	1.85	4/9	1.70	4/16	3.80-4.70	4/16	2.00-4.40	4/16	1.70	4/16	3.80-4.40	4/16	2.00		
				5/18	3.80-4.75	5/18	2.00-4.50			5/18	3.80-4.50				
6/10	2.05	6/10	1.90	6/17	3.80-4.75	6/17	2.00-4.40	6/17	1.90	6/17	3.80-4.40	6/17	2.20		
7/9	2.15	7/9	1.80	7/16	4.20-5.00	7/16	2.00-4.80	7/16	1.80	7/16	4.20-4.80	7/16	2.10		
8/10	2.05	8/10	1.75	8/17	4.10-5.00			8/17	1.75	8/17	4.10-4.80	8/17	2.05		
9/10	2.00	9/10	1.70	9/17	3.75-4.85	9/17	2.00-4.60	9/17	1.70	9/17	3.75-4.60	9/17	2.00		
				10/18	3.75-4.52	10/18	2.00-4.30			10/18	3.75-4.30				
				11/17	3.75-4.50	11/17	2.00-4.10			11/17	3.75-4.10				
12/10	1.70	12/10	1.55	12/17	3.55-4.50			12/17	1.55	12/17	3.55-4.10	12/17	1.85		
				1/19	3.45-4.50	1/19	2.00-4.05			1/19	3.45-4.05				
2/10	1.65			2/18	3.40-4.50					2/18	3.40-4.05				
3/10	1.80	3/10	1.65					3/17	1.65			3/17	1.95		
Fiscal year ended March 31										2004					
4/10	1.55	4/10	1.40	4/17	3.20-5.10			4/17	1.40	4/17	3.20-4.55	4/17	1.70		
5/9	1.45	5/9	1.35	5/16	3.05-5.10			5/16	1.35	5/16	3.05-4.55	5/16	1.65		
6/10	1.40	6/10	1.25					6/17	1.25			6/17	1.55		
7/10	1.70	7/10	1.60					7/17	1.60			7/17	1.90		
8/8	1.60	8/8	1.50	8/15	3.30-5.25	8/15	1.85-4.65	8/15	1.50	8/15	3.30-4.65	8/15	1.80		
9/10	1.95	9/10	1.85	9/18	3.80-5.55	9/18	1.85-5.10	9/18	1.85	9/18	3.80-5.10	9/18	2.15		
10/10	1.75	10/10	1.65	10/20	3.80-5.50			10/20	1.65			10/20	1.95		
11/11	1.90	11/11	1.80	11/18	3.70-5.45	11/18	1.85-5.00	11/18	1.80	11/18	3.70-5.00	11/18	2.10		
12/10	1.80	12/10	1.70					12/17	1.70			12/17	2.00		
2/10	1.70	2/10	1.60	2/18	3.65-5.45			2/18	1.60	2/18	3.65-5.00	2/18	1.90		
3/10	1.75	3/10	1.65	3/17	3.55-5.35	3/17	1.85-4.90	3/17	1.65	3/17	3.55-4.90	3/17	1.95		
Fiscal year ended March 31										2003					
				4/1	3.50-5.10			4/1	2.30	2.375*	4/1	3.50-4.55	4/1	2.60	2.675*
4/10	2.20	4/10	2.10	5/1	3.55-5.10			5/1	2.10			5/1	3.55-4.55	5/1	2.40
				5/14	3.50-5.10	5/9	1.85-4.55					5/14	3.50-4.55		
6/11	2.05	6/11	1.95	6/13	3.45-5.10			6/13	1.95	6/13	3.45-4.55	6/13	2.25		
8/9	2.00	8/9	1.90					8/13	1.90			8/13	2.20		
9/10	1.80	9/10	1.70					9/12	1.70			9/12	2.00		
								10/15	1.60			10/15	1.90		
11/8	1.70	12/10	1.65												
12/10	1.75			12/12	3.40-5.10			12/12	1.65	12/12	3.40-4.55	12/12	1.95		
2/12	1.65	2/12	1.55	2/14	3.35-5.10			2/14	1.55	2/14	3.35-4.55	2/14	1.85		
3/11	1.60	3/11	1.50	3/13	3.30-5.10			3/13	1.50	3/13	3.30-4.55	3/13	1.80		

Notes: 1. The prime rate (extra long-term 10-year prime rate loan) is shown as a standard rate for fixed interest rate loans with loan periods excess of five years.

2. Fixed interest rates for housing loans and consumer loans are set at interest rates according to lending period.

3. For housing loans, variable interest rate optional with fixed interest rate are set according to the fixed interest rate period of 3, 5, 10 or 15 years.

4. Housing loan interest rates show interest rates at the time of initial lending.

5. Housing loan interest rates include group credit life insurance warranty fees.

6. Consumer loans show traditional mortgage-backed loans.

*April 12, 2001

[71] Status of Overseas Loans and Investments (General Account)

1. Breakdown by assets compositions

		Millions of Yen, %			
As of March 31	2005		2004		2003
Foreign currency denominated assets					
Foreign bonds	¥4,186,806	60.6%	¥4,023,123	57.9%	¥3,741,481
Foreign stocks	584,545	8.5	571,953	8.2	511,884
Cash and cash equivalents	825,689	11.9	691,596	10.0	744,874
Subtotal	5,597,040	81.0	5,286,674	76.1	4,998,240
Foreign currency denominated assets with fixed yen value					
Foreign bonds	—	—	—	—	—
Cash and cash equivalents	97,101	1.4	78,297	1.1	46,162
Subtotal	97,101	1.4	78,297	1.1	46,162
Yen denominated assets					
Loans to non-residents	546,942	7.9	905,957	13.0	1,138,161
Foreign bonds and other assets	671,032	9.7	671,524	9.7	597,370
Subtotal	1,217,975	17.6	1,577,482	22.7	1,735,531
Net overseas loans and investment					
Overseas real estate	263,699	3.8	266,745	3.8	222,359

Note: Foreign currency denominated assets with fixed yen value are recorded under assets on the balance sheets as the fixed yen value that was determined at settlement with foreign exchange forward contracts.

2. Composition of foreign currency denominated assets by currency

		Millions of Yen, %			
As of March 31	2005		2004		2003
U.S. Dollar	¥3,646,438	65.1%	¥3,359,171	63.5%	¥3,090,696
Euro	1,719,432	30.7	1,697,439	32.1	1,653,006
Canadian Dollar	95,519	1.7	89,039	1.7	104,442
British Pound	75,918	1.4	89,004	1.7	114,644
Hong Kong Dollar	33,787	0.6	30,761	0.6	24,270
Swiss Franc	11,260	0.2	8,798	0.2	4,635
Other	14,683	0.3	12,459	0.2	6,544
Net foreign currency denominated assets	5,597,040	100.0	5,286,674	100.0	4,998,240

[71] Status of Overseas Loans and Investments (General Account), continued

3. Overseas loans and investment by geographic area

Millions of Yen, %

	Foreign securities								Loans to non-residents	
	Value		Percent		Bonds		Stocks and other securities		Value	Percent
					Value	Percent	Value	Percent		
As of March 31	2005									
North America	¥2,722,147	46.6%	¥2,249,543	49.5%	¥ 472,604	36.4%	¥ 88,675	14.9%		
Europe	2,134,069	36.5	1,884,684	41.5	249,385	19.2	323,583	54.2		
Oceania	15,000	0.3	15,000	0.3	—	—	—	—		
Asia	58,337	1.0	46,773	1.0	11,563	0.9	57,505	9.6		
Central and South America	662,236	11.3	98,053	2.2	564,183	43.5	22,459	3.8		
Middle East	—	—	—	—	—	—	188	0.0		
Africa	—	—	—	—	—	—	—	—		
International organizations	252,431	4.3	252,431	5.6	—	—	104,274	17.5		
Total	¥5,844,222	100.0%	¥4,546,485	100.0%	¥1,297,736	100.0%	¥ 596,687	100.0%		
As of March 31	2004									
North America	¥2,609,180	45.8%	¥2,150,757	48.4%	¥ 458,423	36.7%	¥ 118,421	12.3%		
Europe	1,979,403	34.8	1,762,109	39.6	217,294	17.4	529,486	55.1		
Oceania	15,000	0.3	15,000	0.3	—	—	81,000	8.4		
Asia	59,912	1.1	48,337	1.1	11,574	0.9	61,408	6.4		
Central and South America	677,988	11.9	115,860	2.6	562,127	45.0	43,282	4.5		
Middle East	—	—	—	—	—	—	592	0.1		
Africa	—	—	—	—	—	—	—	—		
International organizations	352,750	6.2	352,750	7.9	—	—	126,973	13.2		
Total	¥5,694,235	100.0%	¥4,444,815	100.0%	¥1,249,420	100.0%	¥ 961,164	100.0%		
As of March 31	2003									
North America	¥2,387,819	44.2%	¥1,965,564	47.7%	¥ 422,254	33.0%	¥ 139,682	12.0%		
Europe	1,803,253	33.4	1,627,054	39.5	176,199	13.8	627,808	54.1		
Oceania	12,000	0.2	12,000	0.3	—	—	111,000	9.6		
Asia	44,114	0.8	36,055	0.9	8,059	0.6	98,069	8.4		
Central and South America	809,039	15.0	136,998	3.3	672,041	52.6	45,017	3.9		
Middle East	—	—	—	—	—	—	825	0.1		
Africa	—	—	—	—	—	—	100	0.0		
International organizations	346,289	6.4	346,289	8.4	—	—	138,908	12.0		
Total	¥5,402,516	100.0%	¥4,123,961	100.0%	¥1,278,555	100.0%	¥1,161,411	100.0%		

Note: Applies to foreign securities and loans to non-residents within overseas investments

[72] Yield on Overseas Loans and Investments (General Account)

%			
Fiscal years ended March 31	2005	2004	2003
Yield on overseas loans and investments	3.15%	3.82%	4.07%

[73] Summary of Investment in the Public Sector (New Underwriting Amount, Loan Amount) (General Account)

As of March 31		2005		2004		2003	
		Millions of Yen, %					
Public bonds	National government bonds	¥382,546	88.1%	¥177,628	78.0%	¥562,839	
	Local government bonds	1,169	0.3	2,530	1.1	2,199	
	Subtotal	383,716	88.3	180,158	79.1	565,039	
Loans	Public corporations and agencies	27,375	6.3	35,347	15.5	66,792	
	Other public entities	23,285	5.4	12,305	5.4	10,601	
	Subtotal	50,661	11.7	47,652	20.9	77,393	
Total	¥434,377	100.0%	¥227,810	100.0%	¥642,432		

[74] Breakdown of Other Assets (General Account)

						Millions of Yen	
	Acquisition cost	Increase in current period	Decrease in current period	Accumulated depreciation	Balance at end of current period		
Fiscal year ended March 31						2005	
Leaseholds	¥146,789	¥ 285	¥ 20	¥ —	¥147,054		
Intangible fixed assets	101,489	23,521	407	66,122	58,481		
Deferred assets	6,437	907	196	3,531	3,617		
Other	50,963	870	5,065	2,820	43,947		
Total	¥305,680	¥25,584	¥ 5,689	¥72,473	¥253,101		
Fiscal year ended March 31						2004	
Leaseholds	¥152,264	¥ —	¥ 5,474	¥ —	¥146,789		
Intangible fixed assets	105,002	24,911	1,410	72,184	56,319		
Deferred assets	6,853	79	395	3,435	3,100		
Other	58,376	698	8,112	5,638	45,324		
Total	¥322,497	¥25,688	¥15,393	¥81,259	¥251,534		
Fiscal year ended March 31						2003	
Leaseholds	¥152,594	¥ 22	¥ 352	¥ —	¥152,264		
Intangible fixed assets	103,151	19,944	4,359	64,681	54,055		
Deferred assets	6,678	303	101	3,161	3,717		
Other	58,938	760	1,322	5,824	52,551		
Total	¥321,362	¥21,030	¥ 6,136	¥73,668	¥262,589		

[SECURITIES INDICATORS]

[75] Market Value of Securities (General Account)

1. Net valuation gains/losses of trading securities

As of March 31	2005		2004		2003	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Securities held for sale	¥146,787	¥5,834	¥156,939	¥12,607	¥252,940	¥(25,741)

Millions of Yen

Notes: 1. Money held in trust included in trading securities recorded on the balance sheets, and net valuation gains/losses included in profits/losses for the current period include net gains/losses related to derivative transactions.

2. Excludes cash, deposits, and call loans within money held in trust included in trading securities.

2. Market value information of securities (with market value, other than trading securities)

As of March 31	2005					2004				
	Book value	Market value	Gains/losses	Gains	Losses	Book value	Market value	Gains/losses	Gains	Losses
Types of securities										
Policy-reserve-matching bonds	¥16,114,189	¥16,595,643	¥481,454	¥605,294	¥(123,840)	¥14,852,231	¥15,205,343	¥ 353,112	¥ 516,965	¥(163,852)
Held-to-maturity debt securities	151,860	152,786	926	926	—	201,944	202,055	110	628	(517)
Investments in subsidiaries and affiliates	53,718	77,244	23,526	23,526	—	53,718	80,394	26,676	26,676	—
Other securities	10,752,008	14,098,266	3,346,258	3,554,214	(207,955)	10,437,664	13,364,103	2,926,438	3,125,174	(198,735)
Domestic bonds	17,375	17,335	(40)	56	(97)	10,956	11,559	602	602	—
Domestic stocks	4,426,624	7,370,160	2,943,536	3,045,163	(101,627)	4,552,703	7,157,151	2,604,448	2,687,522	(83,074)
Foreign securities	4,661,346	5,055,238	393,892	497,793	(103,900)	4,537,959	4,864,741	326,781	433,032	(106,251)
Foreign bonds	3,902,742	4,171,105	268,363	332,176	(63,813)	3,764,554	4,014,057	249,503	307,505	(58,002)
Foreign stocks and other securities	758,603	884,133	125,529	165,617	(40,087)	773,405	850,683	77,278	125,527	(48,248)
Other securities	488,641	497,530	8,888	11,199	(2,310)	624,049	618,662	(5,386)	4,014	(9,401)
Monetary receivables purchased	916,020	916,003	(17)	0	(18)	570,995	570,989	(6)	0	(7)
Negotiable deposits	242,000	241,998	(1)	0	(1)	141,000	140,999	(0)	—	(0)
Total	¥27,071,776	¥30,923,941	¥3,852,165	¥4,183,961	¥(331,796)	¥25,545,559	¥28,851,897	¥3,306,337	¥3,669,444	¥(363,106)
Domestic bonds	¥15,375,825	¥15,847,024	¥471,198	¥594,735	¥(123,536)	¥14,304,223	¥14,652,932	¥348,708	¥512,316	¥(163,608)
Domestic stocks	4,480,342	7,447,405	2,967,062	3,068,690	(101,627)	4,606,422	7,237,546	2,631,124	2,714,199	(83,074)
Foreign securities	5,036,725	5,433,978	397,252	501,538	(104,286)	4,968,717	5,298,740	330,023	436,969	(106,946)
Foreign bonds	4,278,121	4,549,845	271,723	335,921	(64,198)	4,195,311	4,448,056	252,744	311,442	(58,697)
Foreign stocks and other securities	758,603	884,133	125,529	165,617	(40,087)	773,405	850,683	77,278	125,527	(48,248)
Other securities	488,641	497,530	8,888	11,199	(2,310)	624,049	618,662	(5,386)	4,014	(9,401)
Monetary receivables purchased	1,448,240	1,456,005	7,764	7,798	(33)	901,147	903,016	1,869	1,943	(74)
Negotiable deposits	242,000	241,998	(1)	0	(1)	141,000	140,999	(0)	—	(0)
Money held in trust	—	—	—	—	—	—	—	—	—	—

Millions of Yen

As of March 31	2003				
	Book value	Market value	Gains/losses	Gains	Losses
Types of securities					
Policy-reserve-matching bonds	¥13,767,513	¥14,801,368	¥1,033,855	¥1,035,149	¥ (1,293)
Held-to-maturity debt securities	252,729	254,601	1,872	1,980	(108)
Investments in subsidiaries and affiliates	53,718	54,646	928	928	—
Other securities	10,379,713	11,410,195	1,030,482	1,594,727	(564,244)
Domestic bonds	991	1,447	455	455	—
Domestic stocks	4,718,841	5,386,915	668,073	1,081,392	(413,318)
Foreign securities	4,247,848	4,670,188	422,339	512,222	(89,883)
Foreign bonds	3,363,089	3,764,902	401,812	403,486	(1,673)
Foreign stocks and other securities	884,758	905,285	20,527	108,736	(88,209)
Other securities	974,416	914,019	(60,396)	644	(61,040)
Monetary receivables purchased	382,615	382,625	9	12	(2)
Negotiable deposits	55,000	54,999	(0)	0	(0)
Total	¥24,453,674	¥26,520,812	¥2,067,137	¥2,632,784	¥(565,647)
Domestic bonds	13,359,007	14,386,994	1,027,987	1,028,724	(737)
Domestic stocks	4,772,560	5,441,562	669,002	1,082,320	(413,318)
Foreign securities	4,606,907	5,034,803	427,896	518,437	(90,541)
Foreign bonds	3,722,148	4,129,517	407,368	409,700	(2,331)
Foreign stocks and other securities	884,758	905,285	20,527	108,736	(88,209)
Other securities	974,416	914,019	(60,396)	644	(61,040)
Monetary receivables purchased	685,783	688,433	2,649	2,658	(9)
Negotiable deposits	55,000	54,999	(0)	0	(0)
Money held in trust	—	—	—	—	—

Notes: 1. This table includes negotiable deposits and other items deemed appropriate for handling as securities under the Securities and Exchange Act of Japan.

2. Money held in trust excludes cash, deposits, and call loans within money held in trust.

[75] Market Value of Securities (General Account), continued

2. Market value information of securities (with market value, other than trading securities), continued

Book value of securities with market value unavailable

		Millions of Yen		
As of March 31		2005	2004	2003
Policy-reserve-matching bonds		—	—	—
Held-to-maturity debt securities		—	—	—
Unlisted foreign bonds		—	—	—
Other		—	—	—
Investments in subsidiaries and affiliates		¥282,129	¥277,869	¥263,838
Other securities		386,962	283,239	269,921
Unlisted domestic stocks (excluding over-the-counter stocks)		165,476	68,532	72,423
Unlisted foreign stocks (excluding over-the-counter stocks)		86,542	86,796	88,978
Unlisted foreign bonds		—	—	—
Other		134,943	127,910	108,519
Total		¥669,091	¥561,108	¥533,760

Note: Of securities with market value unavailable, net gains/losses on foreign exchange valuation of assets denominated in foreign currencies were as follows:
As of March 31, 2005, ¥(37,972) million; as of March 31, 2004, ¥(43,152) million; as of March 31, 2003, ¥(9,793) million.

[76] Data on Market Value of Money Held in Trust (General Account)

		Millions of Yen		
As of March 31		2005	2004	2003
Money held in trust	Carrying value on balance sheets	¥144,614	¥155,054	¥248,379
	Market value	144,614	155,054	248,379
	Net unrealized gains/losses	—	—	—
	Gains	—	—	—
	Losses	—	—	—

Notes: 1. Market value calculations are based on prices rationally calculated by the trustee of money held in trust.
2. Amounts on the balance sheet include net gains/losses on derivative transactions within money held in trust.

Money held in trust for investment

		Millions of Yen				
As of March 31	2005		2004		2003	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Money held in trust for investment	144,614	5,833	155,054	12,606	248,379	(25,740)

Note: Money held in trust on the balance sheets and net valuation gains/losses included in current period include net gains/losses on derivative transactions.

[77] Qualitative Information on Derivatives Transactions (General Account: Excludes Trading Securities)

1. Transaction details

The following are derivatives transactions that we use.

Interest-related: interest futures, interest swaps, swaptions

Currency-related: exchange contracts, currency options, currency swaps

Stock-related: stock price index futures, stock price index options, stock options

Bond-related: bond futures, bond futures options, bond sales with attached option

2. Policy

Given our goal of achieving efficient asset investment, we mainly use derivatives for the purpose of controlling investment risks.

3. Purpose

We mainly use derivatives to hedge and manage market risk exposures related to investment assets, in order to ensure stable profit from assets entrusted to us by our policyholders.

4. Risk details

The derivatives transactions we conduct involve market risks (fluctuations in interest rate, stock prices, currency exchange rate, etc.) and credit risks (transaction partner's inability to fulfill obligations due to bankruptcy, etc.). We recognize market risks as limited given that derivatives transactions are mainly for the purpose of controlling investment risks. In terms of credit risks, our transactions are through domestic and foreign exchange markets or with transaction counterparties with a high credit rating; thus, the risk of unfulfilled obligations remains low.

5. Risk management system

We established a system that maintains the necessary transaction limits for derivatives transactions based on the purpose and type of transaction. In addition, this system incorporates front office controls, whereby the back office confirms transaction details through collation with external vouchers. Furthermore, the system is designed such that the state of market risks, is monitored and analyzed quantitatively; information on the amount of risk, as well as on position and the status of profits and losses, is reported periodically to the Risk Management Committee.

6. Information regarding quantitative reports

(1) Supplementary explanation regarding national amount (amount of contract)

The national amounts for swap transactions and contract amounts of options transactions are nominal values related to interest conversions, etc., and not meant to indicate a level of risk amount.

The credit risk of derivatives transactions refers to latent costs required to replace the same position in the market when a transaction partner defaults. We calculate this risk using the current exposure method.

(2) Supplementary explanation regarding market price calculations

[Futures and other market transactions]

Liquidation value or closing market price at year-end

[Exchange contract, currency option, and currency swap transactions]

We calculate theoretical values based on Time-to-Market (TTM) and discount rates obtained from brokers.

[Interest swap transactions]

Theoretical present value calculated by discounting future cash flows based on published market interest rates.

(3) Supplementary explanation regarding transaction gains and losses

We mainly utilize derivative transactions as a complementary measure in controlling market risks inherent in spot investments.

For example, yen-interest swap transactions are used to manage the risk of interest rate exposure associated with yen-interest assets such as bonds, loans, and short-term loans. For risks related to interest rate fluctuations, not simply risks based on interest rate predictions, but we implement controls that take into account insurance debt characteristics from the perspective of Asset/Liability Management (ALM).

Therefore, gains and losses from interest rate swaps cannot be evaluated individually but should be reviewed on a combined basis with the related yen-interest spot assets.

Similarly, foreign exchange forward contracts, currency options, and currency swap transactions are used mainly to hedge foreign currency exchange fluctuations; it is thus necessary to measure profits combined with foreign bonds, stocks, and other foreign currency spot assets.

7. Hedge accounting methods

As hedge accounting, applied are the mark-to-market method, matching foreign exchange forward contracts with certain investment assets and the special treatment for interest swap agreements.

Effectiveness of hedging activities is mainly evaluated by ratio analysis to compare market value movements on the hedging instruments and the positions being hedged in accordance with the internal risk management policies.

[78] Credit Risk Amounts (General Account)

As of March 31	2005		2004		2003	
	Notional principal (Contract amount)	Credit risk estimate	Notional principal (Contract amount)	Credit risk estimate	Notional principal (Contract amount)	Credit risk estimate
Interest-rate swaps	¥ 750,000	¥13,590	¥ 905,460	¥ 27,410	¥1,211,870	¥45,740
Currency swaps	533	41	—	—	—	—
Foreign exchange forward contracts	2,730,264	29,380	2,357,936	82,199	1,903,127	21,023
Currency options (purchase)	630,895	6,308	629,571	11,663	678,563	6,903
Total	¥4,111,693	¥49,321	¥3,892,968	¥121,273	¥3,793,560	¥73,666

Note: Excludes currency-related derivatives corresponding to debts and credits denominated in foreign currencies.

[79] Market Value of Derivatives Transactions, with and without Hedge Accounting Applied (General Account)

General Account (excluding trading securities)

1. Breakdown of gains and losses

						Millions of Yen	
		Interest	Currencies	Stocks	Bonds	Other	Total
As of March 31		2005					
Hedge accounting applied	¥	—	¥(54,206)	¥—	¥—	¥—	¥(54,206)
Hedge accounting not applied		7,621	(1,821)	—	—	—	5,799
Total		¥ 7,621	¥(56,028)	¥—	¥—	¥—	¥(48,406)
As of March 31		2004					
Hedge accounting applied	¥	—	¥48,484	¥—	¥—	¥—	¥48,484
Hedge accounting not applied		16,989	13,835	—	—	—	30,824
Total		¥16,989	¥62,319	¥—	¥—	¥—	¥79,308
As of March 31		2003					
Hedge accounting applied	¥	—	¥(23,865)	¥—	¥—	¥—	¥(23,865)
Hedge accounting not applied		21,681	(3,345)	—	—	—	18,336
Total		¥21,681	¥(27,211)	¥—	¥—	¥—	¥(5,529)

Note: Net gains/losses from applying the mark-to-market hedge accounting included in hedge accounting applied, and net gains/losses included in hedge accounting applied other than deferred gains to be amortized from the discontinuation of hedge accounting are recorded on the statements of operations.

2. Breakdown of interest-rate related derivative transactions

				Millions of Yen		
As of March 31				2005	2004	2003
Over-the-counter	Interest-rate swap	Variable interest-rate payment	Contract amount	¥550,000	¥600,000	¥690,000
			Over 1 year	170,000	550,000	630,000
			Market value	8,679	19,167	34,069
		Gains/losses	8,679	19,167	34,069	
		Variable interest-rate receipt	Contract amount	200,000	305,460	521,870
			Over 1 year	150,000	255,460	450,770
	Market value		(1,057)	(2,178)	(12,388)	
	Fixed interest-rate payment	Contract amount	—	—	—	
		Over 1 year	—	—	—	
		Market value	—	—	—	
	Fixed interest-rate receipt	Contract amount	—	—	—	
		Over 1 year	—	—	—	
Market value		—	—	—		
Total		Net gains/losses	¥ 7,621	¥ 16,989	¥ 21,681	

Notes: 1. Gains/losses shows the current market value; present value of swap transactions.

2. Gains/losses for March 31, 2003, 2004, and 2005 are recorded on the statements of operations as losses from derivative financial instruments, net other than net gains/losses included in hedge accounting applied other than deferred gains to be amortized from the discontinuation of hedge accounting.

[79] Market Value of Derivatives Transactions, with and without Hedge Accounting Applied (General Account), continued

2. Breakdown of interest-rate related derivative transactions, continued (Reference) Interest-rate swap contracts by maturity

								Millions of Yen, %
		1 year or under	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years	Total
As of March 31		2005						
Notional amount (receipts fixed/payments variable)		¥380,000	¥120,000	¥50,000	¥ —	¥ —	¥—	¥550,000
Average fixed rate (receipt)		3.00%	0.79%	0.49%	—%	—%	—%	2.29%
Average variable rate (payment)		0.08	0.08	0.08	—	—	—	0.08
Notional amount (payments fixed/receipts variable)		¥ 50,000	¥100,000	¥50,000	¥ —	¥ —	¥—	¥200,000
Average fixed rate (payment)		1.30%	0.41%	0.64%	—%	—%	—%	0.69%
Average variable rate (receipt)		0.08	0.08	0.08	—	—	—	0.08
As of March 31		2004						
Notional amount (receipts fixed/payments variable)		¥ 50,000	¥450,000	¥100,000	¥ —	¥ —	¥—	¥600,000
Average fixed rate (receipt)		1.12%	2.7%	0.42%	—%	—%	—%	2.19%
Average variable rate (payment)		0.08	0.08	0.08	—	—	—	0.08
Notional amount (payments fixed/receipts variable)		¥ 50,000	¥100,000	¥100,000	¥52,620	¥ 2,840	—	¥305,460
Average fixed rate (payment)		1.08%	0.82%	0.56%	1.32%	1.37%	—	0.87%
Average variable rate (receipt)		0.08	0.08	0.08	0.07	0.08	—	0.08
As of March 31		2003						
Notional amount (receipts fixed/payments variable)		¥ 60,000	¥430,000	¥120,000	¥50,000	¥ 30,000	¥—	¥690,000
Average fixed rate (receipt)		1.53%	2.78%	0.79%	0.49%	0.95%	—	2.08%
Average variable rate (payment)		0.08	0.08	0.08	0.08	0.08	—	0.08
Notional amount (payments fixed/receipts variable)		¥ 71,100	¥172,050	¥100,000	¥60,000	¥118,720	¥—	¥521,870
Average fixed rate (payment)		1.86%	0.75%	0.41%	0.81%	1.26%	—	0.96%
Average variable rate (receipt)		0.08	0.08	0.08	0.08	0.07	—	0.08

3. Currency-related

					Millions of Yen		
As of March 31					2005	2004	2003
Over-the-counter	Foreign exchange forward contracts	Sold	U.S. Dollar	Contract amount	¥1,375,919	¥1,473,597	¥ 898,622
				Over 1 year	—	—	—
				Market value	1,412,739	1,448,649	907,307
			Net gains/losses	(36,819)	24,947	(8,684)	
			Euro	Contract amount	771,590	853,319	825,525
				Over 1 year	—	—	—
	Market value	788,911		820,384	841,411		
	Net gains/losses	(17,321)	32,934	(15,885)			
	Other, net	Contract amount	2,170,978	2,349,366	1,752,128		
		Over 1 year	—	—	—		
		Market value	2,226,071	2,291,488	1,778,268		
		Net gains/losses	(55,092)	57,877	(26,140)		
Purchased		U.S. Dollar	Contract amount	502,526	66,863	66,974	
			Over 1 year	—	—	—	
			Market value	504,192	66,448	67,212	
		Net gains/losses	1,666	(414)	237		
		Euro	Contract amount	—	—	57,220	
			Over 1 year	—	—	—	
	Market value		—	—	57,646		
	Net gains/losses	—	—	425			
	Other, net	Contract amount	502,526	66,863	124,195		
		Over 1 year	—	—	—		
		Market value	504,192	66,448	124,858		
		Net gains/losses	1,666	(414)	663		

[79] Market Value of Derivatives Transactions, with and without Hedge Accounting Applied (General Account), continued

3. Currency-related, continued

						Millions of Yen		
As of March 31						2005	2004	2003
Over-the-counter	Currency option	Sold	Call	U.S. Dollar	Contract amount	¥477,885 [974]	¥ 58,129 [376]	¥438,730 [1,458]
					Over 1 year	—	—	—
					Market value	1,854	97	899
					Net gains/losses	(880)	279	559
				Euro	Contract amount	41,661 [223]	70,884 [462]	103,864 [819]
					Over 1 year	—	—	—
					Market value	183	129	925
					Net gains/losses	39	333	(105)
				Other, net	Contract amount	534,244 [1,273]	158,522 [951]	594,423 [2,424]
					Over 1 year	—	—	—
					Market value	2,140	292	1,984
					Net gains/losses	(867)	659	439
			Put	U.S. Dollar	Contract amount	—	—	36,060 [56]
					Over 1 year	—	—	—
					Market value	—	—	0
					Net gains/losses	—	—	56
				Euro	Contract amount	—	—	—
					Over 1 year	—	—	—
					Market value	—	—	—
					Net gains/losses	—	—	—
				British Pound	Contract amount	—	—	—
					Over 1 year	—	—	—
					Market value	—	—	—
					Net gains/losses	—	—	—
				Other, net	Contract amount	—	—	36,060 [56]
					Over 1 year	—	—	—
					Market value	—	—	0
					Net gains/losses	—	—	56
		Purchased	Call	U.S. Dollar	Contract amount	—	200,811 [1,014]	72,120 [89]
					Over 1 year	—	—	—
					Market value	—	153	16
					Net gains/losses	—	(860)	(73)
				Euro	Contract amount	—	—	—
					Over 1 year	—	—	—
					Market value	—	—	—
					Net gains/losses	—	—	—
				British Pound	Contract amount	—	—	—
					Over 1 year	—	—	—
					Market value	—	—	—
					Net gains/losses	—	—	—
				Other, net	Contract amount	—	200,811 [1,014]	72,120 [89]
					Over 1 year	—	—	—
					Market value	—	153	16
					Net gains/losses	—	(860)	(73)
			Put	U.S. Dollar	Contract amount	574,536 [1,821]	274,794 [2,424]	450,750 [1,737]
					Over 1 year	—	—	—
					Market value	268	7,217	292
					Net gains/losses	(1,553)	4,792	(1,444)
				Euro	Contract amount	41,661 [222]	122,436 [900]	103,864 [814]
					Over 1 year	—	—	—
					Market value	96	1,133	218
					Net gains/losses	(125)	232	(596)
				Other, net	Contract amount	630,895 [2,116]	428,760 [3,430]	606,443 [2,685]
					Over 1 year	—	—	—
					Market value	381	8,488	528
					Net gains/losses	(1,735)	5,058	(2,157)
		Currency Swap		U.S. Dollar	Contract amount	533	—	—
					Over 1 year	533	—	—
					Market value	0	—	—
					Net gains/losses	0	—	—
				Other, net	Contract amount	533	—	—
					Over 1 year	533	—	—
					Market value	0	—	—
					Net gains/losses	0	—	—
Total					Net gains/losses	¥ (56,028)	¥ 62,319	¥ (27,211)

Notes: 1. Brackets show option fees recorded on the balance sheets. However, these option fees include commitments made as of the balance sheet date.

2. Net gains/losses shows the difference between the contract amount and market value for forward agreements, the difference between option fees and market value for options transactions, and the current market value for swap transactions.

3. Except for transactions with hedge accounting applied, net gains/losses are recorded on the statements of operations as losses from derivative financial instruments, net.

[79] Market Value of Derivatives Transactions, with and without Hedge Accounting Applied (General Account), continued

4. Stock-related

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

5. Bond-related

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

6. Other

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

[SEPARATE ACCOUNT]

[80] Separate Account Asset Balance

As of March 31	2005		2004		2003	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Individual variable insurance	¥167,264	7.8%	¥170,267	7.5%	¥154,093	
Individual variable annuities	201,667	9.4	147,744	6.5	71,176	
Group annuities	1,780,254	82.8	1,958,438	86.0	2,281,155	
Separate Account total	¥2,149,186	100.0%	¥2,276,451	100.0%	¥2,506,425	

About the General Account and Separate Account

A life insurance company classifies and manages its assets in two accounts, the separate account and the general account.

Individual variable insurance, individual variable annuities and certain group pensions, which change in terms of insurance amount and accumulated value based on investment performance in assets, are managed as a separate account with a clear division from the general account.

[81] Status of Separate Account Assets for Individual Variable Insurance

In the fiscal year ended March 31, 2005, domestic and foreign stocks oscillated up and down after making significant gains in the previous fiscal year. The Nikkei Stock Average declined approximately 0.4% while the New York Dow Jones Index rose about 1.4%. Meanwhile, the yen weakened approximately ¥11 against the euro and about ¥3 against the dollar, providing support for investments in assets denominated in foreign currencies. Amid these investment conditions, investment yield for individual variable insurance was +3.74% during the fiscal year under review, building on the positive investment yield in the previous fiscal year. Investment yield is +42.73% since investment started on November 1, 1986, for an annualized return of +1.95%.

In individual variable annuities, we continued our investment policy of holding a certain amount of cash and deposits to prepare for changes in insurance policies, while maintaining in principle a high allocation ratio in investment trusts, the main investment vehicle for the separate account.

Investment Yields on the Separate Account for Individual Variable Insurance

Investment yields on the separate account for individual variable insurance reflect growth rates on premiums received from policyholders, less portions allocated for death protection, and are not total insurance premiums.

[STATUS OF SEPARATE ACCOUNT FOR INDIVIDUAL VARIABLE INSURANCE]

[82] Amounts of Policies in Force (Separate Account for Individual Variable Insurance)

As of March 31	2005		2004		2003	
	Number of policies	Millions of Yen	Number of policies	Millions of Yen	Number of policies	Millions of Yen
Variable life insurance (defined term type)	3,910	¥22,052	4,146	¥23,524	4,505	¥25,574
Variable life insurance (whole life type)	42,617	726,298	43,613	754,934	44,937	791,864
Total	46,527	¥748,351	47,759	¥778,458	49,442	¥817,438

Note: Amounts include term life insurance riders.

[83] Breakdown of Separate Account Assets Year-End Balance (Individual Variable Insurance)

As of March 31	Millions of Yen, %					
	2005		2004		2003	
Cash, deposits, and call loans	¥ 8,009	4.8%	¥ 8,002	4.7%	¥ 8,002	
Securities	148,246	88.6	150,786	88.6	135,126	
Domestic bonds	54,002	32.3	56,620	33.3	51,443	
Domestic stocks	51,746	30.9	55,620	32.7	43,728	
Foreign securities	42,497	25.4	38,545	22.6	39,955	
Foreign bonds	20,265	12.1	12,228	7.2	20,095	
Foreign stocks and other securities	22,231	13.3	26,317	15.5	19,859	
Other securities	—	—	—	—	—	
Loans receivable	—	—	—	—	—	
Other	11,009	6.6	11,479	6.7	10,963	
Allowance for doubtful accounts	—	—	—	—	—	
Total	¥167,264	100.0%	¥170,267	100%	¥154,093	

[84] Investment Income from Separate Account (Individual Variable Insurance)

As of March 31	Millions of Yen		
	2005	2004	2003
Interest, dividends, and other income	¥2,806	¥ 2,760	¥ 3,219
Gains on sales of securities	7,488	6,769	4,503
Gains from redemption of securities	5	0	—
Gains on valuation of securities	(1,426)	9,439	(3,189)
Foreign exchange, net	—	—	—
Gains from derivative financial instruments	18	39	65
Other income	4	3	2
Losses on sales of securities	¥3,542	¥10,668	¥ 22,923
Losses from redemption of securities	13	3	4
Losses on valuation of securities	(732)	(16,505)	1,150
Foreign exchange, net	12	44	53
Losses from derivative financial instruments	—	—	—
Other expenses	1	3	4
Net income	¥6,060	¥24,799	¥(19,533)

Note: Investment income and investment expenses related to the separate account are recorded on the statements of operations as gains/losses from separate account, net.

[85] Data on Market Value of Securities in Separate Account (Individual Variable Insurance)

Losses from valuation of securities held for sale

As of March 31	Millions of Yen					
	2005		2004		2003	
	Carrying value on balance sheets	Net valuation gain/loss included in profits/losses	Carrying value on balance sheets	Net valuation gain/loss included in profits/losses	Carrying value on balance sheets	Net valuation gain/loss included in profits/losses
Securities held for sale	¥148,246	¥(694)	¥150,786	¥25,945	¥135,126	¥(4,339)

[86] Data on Market Value of Money Held in Trust in Separate Account (Individual Variable Insurance)

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

[87] Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Insurance)

(1) Transaction detail

The following derivative transactions are currently used in the separate account.

Currency related: Foreign exchange contract transactions

(2) Policy

Derivative transactions are used as complementary instruments with the aim of efficient asset investment, and are not used for speculative purposes to gain profit.

(3) Purpose

Derivative transactions are used to hedge against market risks that relate to assets held.

(4) Risk detail

With respect to credit risk, our transactions are implemented through domestic exchange markets or counterparties with high credit ratings, so that we can lower the credit risk, derivative transactions conducted in the separate account are exposed to market risk (price fluctuation and foreign exchange risks).

(5) Risk management system

Transaction execution is governed by internal rules such as limitations on transaction amounts. Transactions are executed under a framework including front office and back office functions, where the back office is completely separated from the front office and confirms transactions by verifying external vouchers.

(6) Supplementary explanation of quantitative information

Market transactions such as futures transactions use liquidation value or settlement prices to determine market value.

Foreign exchange contracts use theoretical prices calculated by Nippon Life as based on reference prices such as TTM and discount rates, other than matched to certain credits and debits denominated in foreign currency.

As to derivative transactions for the separate account for individual variable insurance we do not apply hedge accounting.

[88] Qualitative Data on Derivative Transactions, with and without Hedge Accounting Applied (Separate Account for Individual Variable Insurance)

1. Breakdown of Separate Account gains/losses, with and without hedge accounting applied

Millions of Yen						
	Interest	Currencies	Stocks	Bonds	Other	Total
As of March 31						
2005						
Hedge accounting applied	¥—	¥ —	¥—	¥—	¥—	¥ —
Hedge accounting not applied	—	(9)	—	—	—	(9)
Total	¥—	¥ (9)	¥—	¥—	¥—	¥ (9)
As of March 31						
2004						
Hedge accounting applied	¥—	¥ —	¥—	¥—	¥—	¥ —
Hedge accounting not applied	—	3	—	—	—	3
Total	¥—	¥ 3	¥—	¥—	¥—	¥ 3
As of March 31						
2003						
Hedge accounting applied	¥—	¥ —	¥—	¥—	¥—	¥ —
Hedge accounting not applied	—	(12)	—	—	—	(12)
Total	¥—	¥(12)	¥—	¥—	¥—	¥(12)

Note: Net gains/losses on separate account not including hedge accounting are recorded on the statements of operations.

2. Interest rate-related

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

3. Currency-related

Millions of Yen						
As of March 31				2005	2004	2003
Over-the-counter	Currency options	Sold				
		U.S. Dollar	Contract amount	¥1,212	¥ —	¥ 113
			Over 1 year	—	—	—
			Market value	1,246	—	114
			Net gains/losses	(34)	—	(1)
		Euro	Contract amount	277	783	986
			Over 1 year	—	—	—
			Market value	277	767	1,015
			Net gains/losses	0	16	(28)
		British Pound	Contract amount	—	—	—
			Over 1 year	—	—	—
			Market value	—	—	—
			Net gains/losses	—	—	—
		Other, net	Contract amount	1,612	783	1,099
			Over 1 year	—	—	—
			Market value	1,648	767	1,129
			Net gains/losses	(36)	16	(30)
		Purchased	U.S. Dollar	808	764	318
			Over 1 year	—	—	—
			Market value	830	752	322
			Net gains/losses	22	(12)	4
		Euro	Contract amount	—	—	81
			Over 1 year	—	—	—
			Market value	—	—	83
			Net gains/losses	—	—	2
		Canadian Dollar	Contract amount	—	—	661
			Over 1 year	—	—	—
			Market value	—	—	672
			Net gains/losses	—	—	11
		Other, net	Contract amount	1,585	764	1,060
			Over 1 year	—	—	—
			Market value	1,612	752	1,078
			Net gains/losses	26	(12)	17
		Total	Net gains/losses	¥ (9)	¥ 3	¥ (12)

Notes: 1. Net gains/losses shows the difference between contract amount and market value for forward transactions.

2. Net gains/losses was recorded as loss from separate account, net for March 31, 2003, and as gains from separate account, net for March 31, 2004 and 2005, on the statements of operations.

4. Stock-related

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

5. Bond-related

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

6. Other

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

[STATUS OF SEPARATE ACCOUNT FOR INDIVIDUAL ANNUITIES]

[89] Amounts of Policies in Force (Separate Account for Individual Variable Annuities)

As of March 31	Number of policies, Millions of Yen					
	2005		2004		2003	
	Policies	Value	Policies	Value	Policies	Value
Individual variable annuities	26,609	201,493	19,933	147,508	12,092	71,167

Note: Amounts represent policy reserves

[90] Breakdown of Separate Account Assets and Year-End Balance (Separate Account for Individual Variable Annuities)

As of March 31	Millions of Yen, %					
	2005		2004		2003	
Cash, deposits, and call loans	¥ 6,000	3.0%	¥ 7,000	4.7%	¥ 5,000	7.0%
Securities	188,217	93.3	134,220	90.8	61,106	85.9
Domestic bonds	24,457	12.1	6,247	4.2	—	—
Domestic stocks	—	—	—	—	—	—
Foreign securities	—	—	—	—	—	—
Foreign bonds	—	—	—	—	—	—
Foreign stocks and other securities	—	—	—	—	—	—
Other securities	163,759	81.2	127,973	86.6	61,106	85.9
Loans receivable	—	—	—	—	—	—
Other	7,449	3.7	6,524	4.4	5,070	7.1
Allowance for doubtful accounts	—	—	—	—	—	—
Total	¥201,667	100.0%	¥147,744	100.0%	¥71,176	100.0%

[91] Investment Income from Separate Account (Separate Account for Individual Variable Annuities)

Fiscal years ended March 31	Millions of Yen		
	2005	2004	2003
Interest, dividend, and other income	¥1,454	¥ 724	¥ 7
Gains on sales of securities	5	0	0
Gains from redemption of securities	—	—	—
Gains on valuation of securities	2,933	12,373	(222)
Foreign exchange, net	—	—	—
Gains from derivative financial instruments	—	—	—
Other income	0	0	—
Losses on sales of securities	141	187	189
Losses from redemption of securities	—	—	—
Losses on valuation of securities	(519)	(5,912)	7,203
Foreign exchange, net	—	—	—
Losses from derivative financial instruments	—	—	—
Other expenses	—	—	—
Net income	¥4,771	¥18,823	¥(7,608)

[92] Market Value of Securities in Separate Account (Separate Account for Individual Variable Annuities)

Net gains/losses from valuation of securities held for sale

As of March 31	Millions of Yen					
	2005		2004		2003	
	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses	Carrying value on balance sheets	Net valuation gains/losses included in profits/losses
Securities held for sale	¥188,217	¥3,452	¥134,220	¥18,285	¥61,106	¥(7,425)

[93] Market Value of Money Held in Trust in Separate Account (Separate Account for Individual Variable Annuities)

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

[94] Qualitative Data on Derivatives Transactions in Separate Account (Separate Account for Individual Variable Annuities)

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

[95] Data on Market Value of Derivatives Transactions in Separate Account (Separate Account for Individual Variable Annuities)

No data as there was not an ending balance from the 2002 fiscal year-end to the fiscal 2004 year-end.

[STATUS OF SEPARATE ACCOUNT FOR GROUP ANNUITIES]

[96] Separate Account Assets by Product (Separate Account for Group Annuities)

Millions of Yen

As of March 31	2005	2004	2003
Separate account 1st treaty	¥1,665,021	¥1,836,308	¥2,138,095
Comprehensive account	1,237,576	1,361,405	1,690,867
Account by investment categories	427,445	474,903	447,227
Separate account 2nd treaty	114,028	115,077	141,955
Separate account 3rd treaty	—	6,692	1,075
Government variable annuities fund	—	—	—
Defined contribution pension plans	1,205	359	30
Total	¥1,780,254	¥1,958,438	¥2,281,155

Separate account 1st treaty ... Joint management of several pension funds and qualified retirement pension funds

Comprehensive account ... Balanced portfolio management

Account by investment categories ... Investments made in specific assets for closer matching with customer needs

Separate account 2nd treaty ... Independent management of annuity assets for each customer

Separate account 3rd treaty ... Joint management of funds allocated to annuity and other benefits within several pension funds

Government variable annuities fund ... Government public pension assets are independently managed (variable annuity welfare group insurance until fiscal year ended March 31, 2001)

Defined contribution pension plans ... Joint management of funds for defined contribution pensions

[97] Status of First Treaty (Comprehensive Account) (Separate Account for Group Annuities)

(1) Asset management principles and fiscal 2004 performance

Asset management principles

The comprehensive account aims to achieve a balanced portfolio, with goals of middle-risk, middle-return.

Based on the standard asset allocation* used to benchmark asset allocation over medium to long term, we make adjustments to asset allocation in response to changes in domestic and foreign financial and economic developments. At the same time, we aim at improvement of total profitability by appropriate risk management for each asset.

*Note: Standard asset allocation refers to that asset allocation considered best based on a medium- to long-term investment period under a certain degree of risk tolerance.

Performance in fiscal 2004

Following large rises in Japanese and foreign stock markets in fiscal 2003, stock markets shifted to a back-and-forth movement (the Nikkei stock average declined 0.4%, while the Dow Jones industrial average rose 1.4%). The yen depreciated in value (about 11 yen against the euro and around three yen against the US dollar). As a result, there were double-digit gains in investment yields on foreign currency-denominated assets (foreign bonds: 12.75%; foreign stocks: 12.94%). We achieved a 4.44% asset management return (gains in unit price) for the fiscal year under review.

(2) Asset allocation in fiscal year 2005 (Comprehensive Account)

	Standard asset allocation	Asset allocation results					Asset management results compared with standard asset allocation	
		2005						2004
		End of Mar.	End of Dec.	End of Sept.	End of June	End of Mar.		
Yen denominated bonds, etc.	38.0	37.1	36.0	35.7	36.4	39.0	We distributed more than the standard early in the fiscal year, but, after 1Q, distribution was changed lower than the standard and we took a neutral position in 4Q.	
Yen denominated stocks	33.0	31.0	32.8	34.9	35.8	33.2	At the beginning of the fiscal year, we started with the same position as the standard and increased in 1Q. Since 3Q, we decreased distribution and took a lower position in 4Q.	
Foreign currency denominated bonds	10.0	12.8	11.9	8.2	6.6	7.6	At the beginning of the fiscal year, we started with a lower position than the standard, but took a higher position in 3Q and maintained this position until the year end.	
Foreign currency denominated stocks	16.0	15.1	15.9	17.0	16.7	17.0	At the beginning of the fiscal year, we started with a higher position, but it decreased in 3Q and maintained this lower position until the year end.	
Call loans and other short term assets	3.0	4.0	3.4	4.1	4.5	3.2	—	
Total	100.0	100.0	100.0	100.0	100.0	100.0	—	

(3) Movement of market value balance by asset (Comprehensive Account)

Millions of Yen

As of March 31	2005	2004	2003
	Market value	Market value	Market value
Yen denominated bonds, etc.	¥ 450,344	¥ 528,179	¥ 623,584
Yen denominated bonds	450,344	511,663	589,754
Convertible bonds	—	16,516	33,831
Loans receivable	—	—	—
Yen denominated stocks	375,638	443,091	474,720
Foreign currency denominated bonds	155,895	102,909	223,741
Foreign currency denominated stocks	182,809	230,969	234,918
Call loans and other short term assets	48,596	50,221	131,761
Total	¥1,213,281	¥1,355,369	¥1,688,725

(4) Investment return ratio (Comprehensive Account)

Fiscal years ended March 31	2005	2004	2003
Unit price fluctuation	4.44%	17.25%	(11.39)%

[98] Status of First Treaty (Accounts by Investment Categories) (Separate Account for Group Annuities)

(1) Asset management principles and fiscal 2004 performance (accounts by investment categories)

1. Domestic bond accounts

• Asset management methods

We make any necessary adjustments to bring our portfolio mix in line with benchmarks for duration, maturity structure, and portfolio diversification. We minimize credit risk by investing primarily in investment-grade securities.

Benchmark: Nomura Bond Performance Index (overall)

• Performance in fiscal 2004

The duration of our portfolio initially was longer than market benchmarks, but we shortened this in June based on our view that upward pressure on long-term interest rates would remain in place for some time. We brought the portfolio to neutral in early September. Expectations of lower interest rates took hold on the back of concerns about slowing economic growth, so we shifted to a neutral-to-long stance by January 2005. In late January, however, we again shortened the duration of our portfolio and adjusted further to the short side by the end of the fiscal year.

2. Domestic equities accounts

• Asset management methods

Our stock selection process emphasizes analysis of fundamentals, and we make adjustments as necessary to bring our portfolio mix in line with market benchmarks.

Benchmark: TOPIX (dividends included)

• Performance in fiscal 2004

At the beginning of the fiscal year under review, we made a full-scale commitment to the introduction of a Stock Valuation System (SVS), which we used in making investment decisions. Based on an analysis of medium- and long-term growth prospects, SVS enabled us to select stocks with projected high returns.

As a result, our portfolio mix in 1H showed an overweighting of scientific and transport equipment issues, with an underweighting of information technology stocks. In 2H, we increased our overweighting of pharmaceuticals, non-ferrous metals, and electrical machinery shares, while also overweighting steel shares; by the end of the fiscal year, we had shifted to underweighting of steel shares and overweighting banks.

3. OTC/small-cap equities accounts

• Asset management principles

Our stock selection process emphasizes analysis of fundamentals, and we make any necessary adjustments to keep our portfolio in line with benchmarks for portfolio mix and market diversification. Our primary investment targets are yen-denominated small-cap equities listed on the first section of the Tokyo Stock Exchange (TSE) and yen-denominated equities not listed on the first section of the TSE.

Benchmark: Russell/Nomura Japan stock index (small-cap index)

• Performance in fiscal 2004

For the entire fiscal year, we overweighted the export processing sector in our portfolio mix. The consumer/retail sector shifted from underweight to overweight, and we increased our underweighting of the public works/infrastructure sector.

Throughout the year, in picking individual stocks, we focused on profit growth prospects and sought out issues that appeared to be undervalued, actively substituting attractive stocks for those that were less attractive.

4. Foreign bond accounts

We make adjustments as necessary to keep our portfolio in line with benchmarks for duration, country mix, and currency mix. As a means of minimizing credit risk, we invest mainly in bonds of leading industrialized nations.

Benchmark: Citigroup Global Bond Index (excluding Japan, yen-based)

• Performance in fiscal 2004

We made flexible adjustments to the duration of our portfolio in 1H of the fiscal year, but our duration was long in 2H relative to the benchmark. In terms of country mix, we underweighted dollar-based securities relative to European securities and underweighted sterling securities relative to dollar-based and other European securities. In terms of currencies, we hedged our exposure to the strong yen and made flexible adjustments throughout the year.

5. Foreign bond accounts with currency hedging

• Asset management principles

We make any necessary adjustments to keep our portfolio in line with benchmarks for duration and country mix. As a means of minimizing credit risk, we invest mainly in bonds of leading industrialized nations. In principle, we use currency hedges as a means of avoiding currency risk.

Benchmark: Citigroup World Government Bond Index (excluding Japan, yen-hedge basis)

• Performance in fiscal 2004

We made flexible adjustments to the duration of our portfolio in 1H of the fiscal year, but our duration was long in 2H relative to the benchmark. In terms of country mix, we underweighted dollar-based securities relative to European securities and underweighted sterling securities relative to dollar-based and other European securities.

6. Foreign equities accounts

• Asset management principles

Our stock selection process emphasizes analysis of fundamentals, and we make adjustments as necessary to bring our portfolio mix in line with market benchmarks for country mix, currency mix, and industry sector mix.

Benchmark: Morgan Stanley Capital International Kokusai Index (dividend reinvestment, yen-basis, excluding withholding tax)

• Performance in fiscal 2004

A breakdown by region shows that we underweighted North America and overweighted Europe in 2Q. A breakdown by industry/sector shows that we adjusted our weighting based on market trends and interest rate developments. In selecting individual stocks, we used SVS to make our choices based on ratings.

7. Money market accounts

• Asset management principles

These accounts are invested in call loans, deposits, and other short-term financial instruments, with the aim of achieving stable income gains.

Benchmark: Weighted average of unsecured call loan (overnight) rates

• Performance in fiscal 2004

Interest rates on call loans and term deposits remained low throughout the year due to the Bank of Japan's quantitative easing policy; in the interest of maintaining liquidity, we invested mainly in unsecured overnight call loans throughout the year.

(2) Market value breakdown by investment category

As of March 31	Millions of Yen		
	2005	2004	2003
	Market value	Market value	Market value
Domestic bond accounts	¥124,046	¥125,092	¥134,559
Convertible bond accounts	—	283	555
Domestic stock accounts	109,591	108,985	99,435
OTC/small-cap equities accounts	2,820	2,867	2,309
Foreign bond accounts	66,391	54,954	59,390
Foreign bond accounts with currency hedging	15,626	8,427	5,151
Foreign equities accounts	34,933	33,798	71,270
Emerging company stock accounts	—	0	141
Money market accounts	59,692	128,450	26,868
Total	¥413,099	¥462,857	¥399,678

(3) Investment return ratio (investment specific)

As of March 31	%		
	2005	2004	2003
	Unit price fluctuation	Unit price fluctuation	Unit price fluctuation
Domestic bond accounts	1.90%	(1.70)%	4.25%
Convertible bond accounts	—	4.44	(6.02)
Domestic stock accounts	1.76	47.02	(27.33)
OTC/small-cap equities accounts	15.49	74.91	(12.71)
Foreign bonds accounts	12.60	0.61	15.53
Foreign bond accounts with currency hedging	2.56	3.11	8.98
Foreign stocks accounts	12.63	19.23	(31.79)
Emerging company stock accounts	—	38.62	(31.66)
Money market accounts	0.01	0.01	0.02

Note: Percentage changes are shown for convertible bond accounts in fiscal 2004 until February 2004, and shown for emerging company stock accounts in fiscal 2004 until November 2003.

[99] Nippon Life Group Performance

■ Performance Overview in Fiscal Year Under Review

In the fiscal year under review, despite showing signs of a moderate recovery, the Japanese economy did not turn the corner on account of stagnant consumer spending and seesaw movements in long-term interest rates and share prices.

Under these economic conditions, the Nippon Life Group unified its efforts and concentrated on improving services and developing products to provide customers with the finest in comprehensive insurance services. Specifically, we took the following measures in the four fields of life insurance, non-life insurance, asset management and information systems.

The Nippon Life Group has 13 consolidated subsidiaries and six equity-method affiliates.

<Non-Life Insurance Field>

As a part of providing comprehensive insurance services, Nippon Life has continued to promote the sales of non-life insurance through sales representative channels in the individual market. At the same time, we continued efforts to market non-life insurance in the corporate market by jointly developing business with Nissay Dowa General Insurance.

In fiscal year 2004, net premiums written at Nissay Dowa General Insurance dropped 0.2% to ¥321.8 billion, and net claims paid rose 22.4% to ¥199.4 billion. On the other hand, general and administrative expenses fell 5.6% to 50.7 billion. In the asset management field, gains on sales of marketable securities rose 317.6% to ¥27.8 billion. Accordingly, income before income taxes at Nissay Dowa General Insurance rose 17.1% to ¥10.7 billion and net income declined 9.2% to 5.0 billion.

<Asset Management Field>

Nissay Asset Management strives to meet the diversifying and growing asset-building needs of its individual customers and the employee benefit planning needs of its corporate customers by offering a broad range of investment products and services.

In the fiscal year ended March 31, 2005, Nissay Asset Management's total assets under management increased 8.8% to ¥2,102.3 billion, owing to significant growth in the account balances of products such as *Nissay/Putnam Income Open*

mainly through bank channels in the investment trust business, as customer needs were met for products that aim to pay regular dividends.

In the investment advisory business, total assets declined 1.8% to ¥4,730.0 billion on account of the continued dissolution and return of pension funds managed on behalf of the government, as well as the cancellation of some investment products at partner Putnam Investments, which countered an increase in the market value of investment assets. As a result, operating income in the asset management segment grew 22.1% to ¥4.1 billion, and net income was ¥2.3 billion, an increase of 19.7% from the previous fiscal year.

<Information Technology Field>

Nissay Information Technology strived to increase the sophistication and efficiency of business systems as a part of ongoing efforts to improve customer services. In January 2004, Nissay Information Technology finished converting sales office's systems over to the Web. In addition, Nissay Information Technology transferred and consolidated headquarters functions as well as up-graded basic systems to comply with the Personal Information Protection Law.

In fiscal 2004, Nissay Information Technology focused efforts on steadily building customer bases in the insurance, medicine and asset management fields outside the Nippon Life Group. As a result, sales rose 1.5% to ¥34.6 billion, but operating income declined 51.4% to ¥0.2 billion and net income fell 28.0% to ¥0.1 billion.

Conclusion

As a result of these overall activities, consolidated total revenues amounted to ¥6,504.3 billion, a decrease of 9.8% from the previous fiscal year. Total expenditures declined 10.2% to ¥6,131.2 billion. Operating income decreased 2.4% from the previous fiscal year to ¥373.0 billion. Extraordinary profits for the fiscal year amounted to ¥41.8 billion, and extraordinary losses were ¥187.0 billion. After income taxes, tax adjustments and minority interests, surplus in the current year increased 2.1% to ¥202.7 billion. On the consolidated balance sheets, surplus at the end of the fiscal year amounted to ¥428.2 billion, an increase of 4.2% from a year earlier. Total assets grew 2.8% to ¥46,777.9 billion.

[100] Principal Indicators of Operating Performance (Consolidated)

As of March 31	Billions of Yen, Number		
	2005	2004	2003
Total revenues	¥ 6,504.3	¥ 7,211.1	¥ 7,454.1
Operating income	373.0	382.2	125.8
Surplus in the current year	202.7	198.6	112.9
Total assets	46,777.9	45,492.3	43,914.8
Net cash provided by (used in) operating activities	97.7	(46.0)	497.5
Net cash provided by (used in) investing activities	58.4	363.9	(231.5)
Net cash provided by (used in) financing activities	(54.5)	(55.9)	(160.7)
Cash and cash equivalents at the end of year	1,470.3	1,381.1	1,135.3
Number of consolidated subsidiaries and affiliates	13	13	12
Number of affiliates accounted for under the equity method	6	6	4
Number of employees*	69,182	70,073	72,784

*Number of employees shows the total number of employees at Nippon Life and its consolidated subsidiaries excluding employees on loan to other companies.

[101] Status of Non-Performing Assets According to Borrower Classification (Consolidated)

Millions of Yen					
As of March 31	2005		2004		2003
Bankrupt and Quasi-Bankrupt	¥	13,201	¥	18,731	¥ 21,544
Doubtful		56,445		70,233	78,488
Substandard		16,611		31,745	45,942
Subtotal		86,257		120,710	145,976
Normal		11,633,839		12,491,060	12,715,400
Total		¥11,720,097		¥12,611,771	¥12,861,376

Notes: 1. 1) Bankrupt and quasi-bankrupt are non-performing assets and similar debt made to an obligor that has fallen into bankruptcy due to reasons including the start of bankruptcy proceedings, start of reorganization proceedings, an application to start rehabilitation proceedings.
 2) Doubtful are non-performing assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract, owing to difficulties in the financial condition and business performance of the obligor who has not yet entered bankruptcy.
 3) Substandard are delinquent loans past three months or more and restructured loans. Delinquent loans past three months or more from the due date of interest or principal under terms of the related loan agreements are loans in arrears. Restructured loans are loans where certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payment, release of credit, and other methods, were made with the object of reconstructing and supporting operation of the borrowers.
 4) Normal are loans that do not fall under the classifications for 1) to 3) above, and where the obligor has no financial or business performance problems.
 2. The table includes loans, rental securities, accrued interest, suspense payments and customers' liabilities for acceptances and guarantees.
 3. Loans subject to bankruptcy rehabilitation, reorganization and other proceedings are directly deducted from total loans as estimated uncollectible amounts calculated by subtracting estimated collectable amounts based on collateral and guarantees from total loans. These amounts were ¥12,698 million for bankrupt and quasi-bankrupt and ¥3,190 million for doubtful as of March 31, 2005, ¥30,794 million; for bankrupt and quasi-bankrupt and ¥2,458 million for doubtful as of March 31, 2004, ¥93,214 million; for bankrupt and quasi-bankrupt and ¥1,743 million for doubtful as of March 31, 2003.

[102] Status of Risk-Monitored Loans (Consolidated)

Millions of Yen, %				
As of March 31		2005	2004	2003
Loans to bankrupt borrowers	1	¥ 5,229	¥ 7,727	¥ 7,427
Delinquent Loans	2	64,372	81,164	91,842
Loans three months or more in arrears	3	572	496	1,305
Restructured loans	4	16,038	31,249	44,637
Total 1+2+3+4		¥86,213	¥120,637	¥145,213
[Percent of total loans receivable]		[0.84%]	[1.10%]	[1.25%]

Notes: 1. Loans to bankrupt borrowers and quasi-bankrupt borrowers (including collateralized and guaranteed loans) are directly deducted from total loans as estimated uncollectible amounts calculated by subtracting estimated collectable amounts based on collateral and guarantees from total loans. These amounts were ¥4340 million for loans to bankrupt borrowers and ¥11,5493 million for delinquent loans as of March 31, 2005; ¥13,394 million for loans to bankrupt borrowers and ¥17,399 million for delinquent loans as of March 31, 2004; ¥75,561 million for loans to bankrupt borrowers and ¥19,396 million for delinquent loans as of March 31, 2003.
 2. 1) Loans to bankrupt borrowers are loans to obligors that are legally bankrupt through filings for proceedings under the Corporate Reorganization Law, Civil Rehabilitation Law, Bankruptcy Law, or Commercial Law; loans to obligors that have notes suspended from trading on exchanges; and loans to obligors that have filed for legal proceedings similar to the aforementioned proceedings based on overseas laws, within loans (accrued interest unrecorded loans) for which accrued interest was not recorded and on which principal and interest payments have remained in arrears or other reason for not expecting repayment or collection of principal or interest.
 2) Delinquent loans are loans other than those with flexible interest payment terms and conditions in order to support the business rebuilding of obligors, and the aforementioned loans to bankrupt borrowers as accrued interest unrecorded loans.
 3) Loans three months or more in arrears are loans that are neither loans to bankrupt borrowers or loans in arrears, with principal and interest payment in arrears for more than three months after the day following the contract payment date.
 4) Restructured loans are loans with beneficial arrangements given to the obligor, including interest reduction or exemption, relaxed interest payments, relaxed principal repayments, and loan forgiveness, in order to support the rebuilding of operations at the obligor, and are neither loans to bankrupt borrowers, delinquent loans or loans three months or more in arrears.
 3. Based on the results of assets self-assessment, accrued interest on loans is not recorded as revenues for obligors that are bankrupt, essentially bankrupt or nearing bankruptcy.
 4. Restructured loans include loans with lowered interests rates to support the rebuilding of operations at obligors, and are not absolute interest levels.

[103] Status of Insurance Claims Paying Ability of Insurance Subsidiaries (Solvency Margin Ratio)

Nissay Dowa General Insurance

Nissay Dowa General Insurance was established in the merger of Nissay General Insurance and Dowa Fire & Marine Insurance in April 2001.

As of March 31		Millions of Yen		
		2005	2004	2003
Solvency margin gross amount	(A)	¥489,075	¥494,713	¥389,212
Total capital (excluding planned outflows, deferred tax assets and net unrealized gains/losses on securities)		154,341	154,345	156,696
Reserve for price fluctuations of investments in securities		5,147	4,569	4,021
Contingency reserve		115,645	116,201	104,466
General allowance for doubtful accounts		140	224	358
Net unrealized gains/losses on securities (Prior to tax effect deductions)		171,248	174,162	78,499
Net unrealized gains/losses on real estate		4,639	6,068	7,641
Deductions		—	—	—
Other		37,912	39,140	37,528
Total amount of risk	$\sqrt{R_1^2 + (R_2 + R_3)^2 + R_4} + R_4 + R_5$ (B)	79,026	78,517	67,920
Underwriting risk (R ₁)		17,661	16,932	16,576
Anticipated rate of return risk (R ₂)		641	665	705
Investment risk (R ₃)		42,912	45,016	36,516
Business management risk (R ₄)		1,828	1,812	1,587
Catastrophe risk (R ₅)		30,198	27,987	25,586
Solvency margin ratio		1237.8%	1260.1%	1146.1%
$\frac{(A)}{(1/2) \times (B)} \times 100$				

Note: The aforementioned amounts and figures were calculated based on Article 86 and Article 87 of the Enforcement Regulation of the Insurance Business Law, as well as ordinance no. 50 issued by the Ministry of Finance in 1996.

[104] Segment Information

From fiscal 2002 to fiscal 2004, Nippon Life, its consolidated subsidiaries* and its subsidiaries have engaged in non-life insurance operations including the acquisition, management, sale, and mortgaging of real estate for lease. Segment information is omitted due to its immaterial impact relative to all business segments.

*Subsidiary is defined in Article 2-12 of the Insurance Business Law and in Article 2-3-2 of the Enforcement Regulation of the Insurance Business Law.