

October 31, 2003

Peter Clark
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International Accounting Standards Board
30 Cannon Street, London EC4M 6XH, United Kingdom

Dear Mr. Clark:

Subject: Comments on ED5

I appreciate the opportunity to comment on the Exposure Draft 5 and would like to submit the comments on the proposed questions of ED5 as follows:

Question 1 (a) (i)

Without taking into consideration asset/liability mismatching, the assets held to back insurance contracts should not be covered by IAS 39. I would suggest to allow to use the assets held to back the insurance liabilities.

Question 2

Considering the lack of a clear definition to judge the significance of insurance risks, a contract should be qualified as an insurance contract if, and only if, it contains any insurance risk.

Question 4 (a)

The proposal might enforce two times major changes to insurers. In order to avoid such unnecessary disruptions, an exemption should be allowed during Phase I.

Question 5

Changes in accounting policies should not be granted in Phase I. Differences in accounting policies between companies might make it impossible for users to compare the financial statements.

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Question 6

Unbundling should not be required in Phase I. The extent to which unbundling is required differs depending on the definition of the insurance contract. In addition, there is no clear distinction between cases for which unbundling is required and cases for which unbundling is not required. Further discussion shall be made about these matters.

Question 9

Proposal 24(b) should be dismissed. From the viewpoint of a mutual life insurance company, it might rather be appropriate to classify the unallocated surplus as an intermediate category that is neither liability nor equity. This aspect calls for further discussion.

Question 10

Considering the lack of rules to measure the fair value of insurance liabilities, I believe that the disclosure of fair value of insurance liabilities should not be required in Phase I. The proposal seems to handle this matter with more haste than caution. I believe that unnecessary disruptions should be avoided for companies.

Question 11

Considering that companies are during Phase I allowed to apply existing practices, I believe that items to be additionally disclosed should be left, in principle, to insurers. From the viewpoint of our existing practices, the proposal contains too many unnecessary items.

Our company is a mutual company which is among the leading life insurance companies in the Japanese market. Total amount of business in force is 51.0 trillion yen and total assets amount to 4732.9 billion yen at the end of fiscal 2002.

Best regards,

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