

May 13, 2021

Ryosuke Mori, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Mothers)

Financial Results for Fiscal 2020 Ended March 31, 2021 **Annualized premium of in-force business of 18,713 million yen, up 20.6% year on year**

TOKYO, May 13, 2021 - LIFENET INSURANCE COMPANY (TSE Mothers 7157, President Ryosuke Mori, URL: <https://ir.lifenet-seimei.co.jp/en/>) discloses financial results for fiscal 2020 ended March 31, 2021.

1. Overview of the financial results for fiscal 2020

(1) Business results

Condition of policies-in-force

Annualized premium*¹ of new business in 4Q ended March 31, 2021 was 1,104 million yen (111.5% of 4Q of fiscal 2019). The number of new business was 26,918 (115.5% of 4Q of fiscal 2019). New business performance for fiscal 2020 recorded a historical high. Annualized premium of new business for fiscal 2020 was 4,197 million yen (122.5% of fiscal 2019). The number of new business for fiscal 2020 was 100,587 (124.3% of fiscal 2019). Regarding the impact from the spread of the novel coronavirus disease (COVID-19) for fiscal 2020, it led to a great increase in the new business in the short term under the state of emergency in April 2020 because of expanding consumers' needs for life insurance.

Annualized premium of policies-in-force as of the end of March 31, 2021 stands at 18,713 million yen (120.6% of March 31, 2020). Sum insured of policies-in-force was 2,994,198 million yen (116.7% of March 31, 2020). The number of policies-in-force resulted in a total of 439,945 (120.5% of March 31, 2020). The number of policyholders was 279,243. Surrender and lapse ratio*² for fiscal 2020 was 6.0% (7.0% for fiscal 2019).

*1: Annualized premium is the amount of money equivalent to what is to be paid to have the insurance coverage for one year. All payments for Lifenet products are in monthly installments, we calculate annualized premium as multiplying the monthly premium by 12 months.

*2: The surrender and lapse ratio is the annual equivalent of the monthly number of policies surrendered and/or lapsed divided by the monthly average number of policies-in-force.

Results of operations

Insurance premiums and other for fiscal 2020 increased to 20,282 million yen (123.3% of fiscal 2019) due to an increase in premium income by growth of in-force business and an increase in reinsurance income from modified co-insurance. Investment income was 433 million yen (127.8% of fiscal 2019). Other ordinary income was 73 million yen. As a result, ordinary income for fiscal 2020 amounted to 20,789 million yen (123.4% of fiscal 2019).

Insurance claims and other was 6,031 million yen (160.5% of fiscal 2019) mainly due to an increase in reinsurance commissions from modified co-insurance. The ratio of insurance payment amounts to insurance premiums was 19.5% for fiscal 2020, compared with 18.9% for fiscal 2019. Provision for policy reserves and other came to 6,310 million yen (124.4% of fiscal 2019). The ratio of provision for policy reserves to insurance premiums was 36.2% for fiscal 2020, compared with 35.1% for fiscal 2019. Operating expenses amounted to 10,030 million yen (109.4% of fiscal 2019) mainly due to the investment in our marketing spend including advertising. The components of operating expenses were 6,712 million yen in marketing expenses (109.2% of fiscal 2019), 1,071 million yen in customer service expenses (120.1% of fiscal 2019), and 2,246 million yen in system and other expenses (105.4% of fiscal 2019). Other ordinary expenses was 1,503 million yen (139.0% of fiscal 2019) mainly due to share issuance

costs through overseas public offering in July 2020 and an increase in the consumption tax rate in October 2019. Consequently, ordinary expenses for fiscal 2020 totaled 23,879 million yen (124.2% of fiscal 2019).

As a result, ordinary profit totaled 3,089 million yen loss for fiscal 2020, compared with 2,382 million yen loss for fiscal 2019. Net income was 3,114 million yen loss, compared with 2,400 million yen loss for fiscal 2019.

In addition, fundamental profit, which is an indicator for the profitability of life insurance companies, amounted to 2,874 million yen loss, compared with 2,195 million yen loss for fiscal 2019, mainly due to an increase in operating expenses. The components of fundamental profit were 3,274 million yen in mortality margin, 6,164 million yen loss in expense margin and 16 million yen in interest margin.

We are participating in reinsurance transactions from fiscal 2019 by modified co-insurance on part of new business to achieve continuous growth. By utilizing reinsurance appropriately, we will ease the temporary burden imposed on statutory capital by expenses associated with new business and maintain fiscal soundness. The reinsurance transactions are agreements that transfer the risk and the profit (loss) structure of the reinsured business to the reinsurance company for a certain period of time. We receive ceding commission in accordance with the new business costs associated with the reinsured business in the initial fiscal year. This leads to an increase in ordinary income. On the other hand, after the ceding commission is recorded reinsurance accounts receivable as asset, it is amortized by the profit generated from the reinsured business over following fiscal years. This leads to a decrease in ordinary profit and net profit. Once the balance of reinsurance accounts receivable is amortized to zero, the reinsurance agreement terminates, and subsequent profit on the reinsured business belongs to Lifenet. Accordingly, the modified co-insurance for fiscal 2020 resulted in raising ordinary income by 2,778 million yen (2,034 million yen of fiscal 2019), ordinary profit by 804 million yen (1,526 million yen of fiscal 2019), and net income by 804 million yen (1,526 million yen of fiscal 2019).

(2) Financial condition

Assets, liabilities and net assets

Total assets as of March 31, 2021 amounted to 54,501 million yen (41,144 million yen as of March 31, 2020). The major account balance was 40,007 million yen in securities mainly consisting of government bonds and corporate bonds with high credit ratings. Reinsurance accounts receivable was 2,569 million yen including 2,352 million yen of the balance of unamortized ceding commission for modified co-insurance.

Liabilities amounted to 38,694 million yen as of March 31, 2021 (31,744 million yen as of March 31, 2020), owing to an increase in policy reserves. The major account balances were 35,801 million yen in policy reserves and 837 million yen in reserves for outstanding claims. In terms of policy reserves, new business from fiscal 2018 onward has been transferred from 5-year Zillmer's method to standard policy reserves. The difference in policy reserves will be resolved over five fiscal years, from fiscal 2018 to 2022, with the standing difference at the end of fiscal 2020 at 498 million yen.

Net assets amounted to 15,806 million yen as of March 31, 2021 (9,400 million yen as of March 31, 2020) mainly due to raising new capital through overseas public offering despite the recording of net loss for fiscal 2020. It includes the effect of raising retained earnings due to the utilization of modified co-insurance. On the other hand, after the ceding commission is recorded reinsurance accounts receivable as asset, it is amortized by the profit generated from the reinsured business over following fiscal years. This leads to a decrease in net assets accordingly.

The solvency margin ratio as of March 31, 2021 was 2,647.1% (2,117.1% as of March 31, 2020), which indicated that an adequate level of payment capacity was maintained.

(3) Cash flows

For fiscal 2020, net cash provided by operating activities amounted to 2,937 million yen (1,613 million yen provided for fiscal 2019) mainly because of an increase in insurance premium. Net cash used by investing activities amounted to 10,435 million yen (2,204 million yen used for fiscal 2019) mainly due to acquisition of securities. Net cash provided by financing activities amounted to 8,879 million yen (75 million yen provided for fiscal 2019) mainly due to issuance of new shares through overseas public offering in July 2020.

Based on these activities described above, cash and cash equivalents as of March 31, 2021 totaled 3,059 million yen (1,677 million yen as of March 31, 2020).

(4) Business forecasts

Business forecasts for fiscal 2021 ending March 31, 2022 are as follows. Lifenet discloses ordinary income, ordinary profit (loss) and net income (loss).

(In millions of yen)			
	Ordinary income	Ordinary profit (loss)	Net income (loss)
Business forecasts for fiscal 2021	25,500	(3,800)	(3,800)
(Reference) Business results for fiscal 2020	20,789	(3,089)	(3,114)
Change	22.7%	-	-

Lifenet aims for further in-force business growth by undertaking initiatives for the “innovation of customer experience” and “enhancement of promotion capabilities” as disclosed as priority areas in the Management Policy to achieve the management goal. We will proactively invest in marketing to aim for continuous growth, and also develop products and services from the customer perspective to respond promptly to changes in the business environment and customer behaviors under the COVID-19 pandemic.

We are participating in reinsurance transactions from fiscal 2019 by modified co-insurance and continue to utilize the reinsurance in fiscal 2021. We expect the impact of these reinsurance transactions on fiscal 2021 results forecasts to increase ordinary income by around 4,400 million yen, ordinary profit by around 700 million yen and net income by around 700 million yen, given that new business will be acquired as expected. This impact includes the effects of amortization of reinsurance accounts receivable generated from reinsured business in past years.

Accordingly, Lifenet is forecasting ordinary income of 25,500 million yen, ordinary profit of 3,800 million yen loss and net profit of 3,800 million yen loss for fiscal 2021, including the impact of modified co-insurance. As the table below indicates, we project annualized premium of policies-in-force of 21,800 million yen and annualized premium of new business of 4,400 million yen.

(Reference) Annualized premium

(In millions of yen)		
	Policies-in-force	New business
Business forecasts for fiscal 2021	21,800	4,400
Business results for fiscal 2020	18,713	4,197

Actual results of ordinary profit (loss) and net income (loss) may greatly diverge from forecasts if the amount of insurance claims and benefits fluctuates beyond our expectation.

In addition, future prospects remain uncertain due to COVID-19. Any items requiring disclosure will be announced promptly.

(5) Dividend policy

Lifenet has yet to determine its specific dividend policies and dates for the start of distributing retained earnings as dividends as we still record cumulative loss and will be prioritizing strengthening our growth base to increase mid to long term profitability.

In the future, we will continue to target business expansion and profit generation by implementing measures to increase recognition of the Company, developing new products and services, and effectively utilizing financing for investment in systems and other aspects of the business.

In addition to this, the Company will consider implementing measures to provide shareholder return that include payment of dividends from future retained earnings after the company is turning a profit at the ordinary profit level in statutory accounting in the mid-2020s.

Lifenet's Articles of Incorporation stipulates that a decision on the distribution of retained earnings as specified in each Item of Paragraph 1, Article 459 of the Companies Act can be made by a resolution of the Board of Directors, except as otherwise determined by law.

2. Business policy

(1) Basic management policy

Lifenet’s management philosophy is helping our customers embrace life more fully by offering comprehensible, cost-competitive and convenient products and services based on the highest levels of business integrity. With the internet as our main sales channel, we utilize technology and strive to be the leading company driving the growth of the online life insurance market through our customer-centric products and services.

(2) Target indicator

Lifenet regards European Embedded Value (EEV), noted in the management goals set in our Management Policy, as the important management indicator of corporate value.

We have also established three types of indicators for growth, profitability, and financial soundness to supporting sustainable growth of EEV. The indicators for growth are the number of policies-in-force and new business; the indicators for profitability are the operating expense ratio (operating expenses excluding marketing expenses divided by insurance premium) and marketing efficiency of new business; and the indicator for soundness is the solvency margin ratio. We are also aiming to turn a profit at the ordinary profit level in statutory accounting in the mid-2020s.

(3) Mid to long-term business strategy and challenges

We formulated our Management Policy in November 2018 and set the management goal of achieving 100 billion yen in EEV over the medium term. The company continues to achieve steady growth through initiatives in the two priority areas of “innovation of customer experience” and “enhancement of promotion capabilities.” EEV has reached 95.1 billion yen as of March 31, 2021 and is getting closer to the management goal of 100 billion yen.

We have therefore upgraded our management goal to achieving 200 billion yen in EEV over the medium term and will strive to achieve even greater growth and high profitability.

The policy is summarized below:

Summary of Management Policy

Mission	Help our customers embrace life more fully by offering comprehensible, cost-competitive and convenient products and services
Vision	Be the leading company driving the growth of the online life insurance market
Priority areas	<ul style="list-style-type: none"> ● <u>Innovation of customer experience</u> Enhancing and evolving the quality of all services with digital technology ● <u>Enhancement of promotion capabilities</u> Generating massive customer traffic by active promotion and expansion of agent sales and white label business
Management goal	Aim to achieve EEV (indicator of corporate value) of 200 billion yen by business growth in a mid-term

Fiscal 2020 was a year in which the COVID-19 pandemic caused major changes in behavioral patterns in society as a whole. Lifenet, which operates an online insurance business, sees these changes as a business opportunity to provide wider range of customers with our products and services. We will utilize the growth capital we obtained through an overseas public offering in July 2020 to focus on the priority areas and thereby achieve even greater growth and transformation into Internet service company of life insurance.

Lifenet will therefore pursue the following initiatives to address challenges that we face.

i Response to COVID-19

COVID-19 has caused rapid changes in the business environment and behavioral patterns of customers. Lifenet will develop systems and take other steps to enable the company to respond flexibly to these major changes and provide products and services that meet the needs of the times. From the perspective of employee workstyles, Lifenet will enhance internal structure that make it possible to improve productivity and operate our business efficiently while respecting diversity. We will also implement initiatives aimed at reinforcing organizational strengths.

ii Sustained Growth in In-force Business Performance

We aim to achieve double-digit growth in in-force business performance by sustained growth in new business performance and improvement in the surrender and lapse ratio. We will implement initiatives in the priority areas of “innovation of customer experience” and “enhancement of promotion capabilities.”

To achieve “innovation of customer experience,” we will design and develop stress-free products and services from the customer’s point of view and increase customer engagement with the company to build long-term relationships of trust and expand in-force business. We will achieve high-quality communication through the means best suited to each customer and provide products and services that meet their individual needs by focusing on digital data analysis and through integrated management of customer contact points.

Lifenet also plans to launch new long-term disability insurance product *Hataraku-Hito 3* in June 2021. As the first company in the life insurance industry to start sales of long-term disability insurance for individuals, in addition to just securing the risk of being unable to work, we enhance coverage based on the novel concept of supporting recovery and a return to work. We believe what Lifenet provide customers is not only life insurance coverage alone, but a better customer experience in all processes where we interact with our customers. We pursue the improvement of the value of that experience.

To achieve “enhancement of promotion capabilities,” we will provide Lifenet value to more customers through two channels: The Internet channel and the white label channel.

In the Internet channel, we will pursue marketing targeted mainly at young people in addition to further enhancing brand power through ongoing investment in television commercials and effective use of online advertising. In the white label channel, we will continue to utilize the brand power of corporate partners to provide Lifenet products and services that are comprehensible, cost-competitive, and convenient to the customer bases of the partners. Since April 2020, we have been selling products through Seven Financial Service Co., Ltd., in addition to selling *au Life Insurance* through KDDI CORPORATION. Lifenet has also entered a business alliance with Money Forward, Inc. and will provide services with them from the summer of 2021.

iii Transformation into a Internet Service Company of Life Insurance

Lifenet aims to be a leading company driving growth of the online insurance market and is accelerating efforts to become an Internet service company of life insurance. More specifically, we aim to build an online life insurance platform that connects customers with life insurance services by utilizing the expertise and our website traffic we have accumulated since the

company was established.

As one part of that plan, our subsidiary, LIFENET MIRAI Inc., was established and will launch online insurance agency business from July 2021. Our subsidiary is a joint venture of Lifenet and MILIZE Inc. LIFENET MIRAI intends to utilize the AI and financial engineering technology that MILIZE possesses to provide greater convenience in insurance sales while also offering the solution regarding life insurance problems to customers with providing close-to-the-customer services.

We will continue to invest in system infrastructure and will develop services for customers more rapidly by utilizing the system infrastructure.

3. Basic Rationale for Selection of Accounting Standards

Lifenet is evaluating International Financial Reporting Standards (IFRS), assuming that we will adopt IFRS in the future. Regarding the new accounting standards for insurance contracts (IFRS 17) which the International Accounting Standards Board (IASB) published, taking into account the potential effect on the method of creating financial statements, we are continuously conducting its study.

4. Non-consolidated Financial Statements

(1) Balance Sheets

	(In millions of yen)	
	March 31	
	2020	2021
ASSETS		
Cash and deposits	1,377	2,059
Cash	0	—
Bank deposits	1,377	2,059
Monetary claims bought	299	999
Money held in trust	3,539	5,895
Securities	32,058	40,007
Government bonds	8,065	9,004
Municipal bonds	1,391	1,482
Corporate bonds	18,119	21,301
Stocks	313	397
Foreign securities	0	0
Other securities	4,167	7,821
Tangible fixed assets	96	95
Buildings	14	12
Leased assets	7	11
Other tangible fixed assets	75	71
Intangible fixed assets	742	1,252
Software	597	520
Software in progress	144	732
Agency accounts receivable	9	9
Reinsurance accounts receivable	1,663	2,569
Other assets	1,356	1,612
Accounts receivable	1,132	1,362
Prepaid expenses	98	103
Accrued income	52	71
Deposits	73	73
Suspense payments	0	1
Total assets	41,144	54,501

(In millions of yen)

March 31

	2020	2021
<u>LIABILITIES</u>		
Policy reserves and other	30,328	36,639
Reserves for outstanding claims.....	638	837
Policy reserves	29,690	35,801
Agency accounts payable	55	69
Reinsurance accounts payable	225	301
Other liabilities.....	882	1,234
Income taxes payable	3	3
Accounts payable.....	35	71
Accrued expenses.....	775	1,082
Deposits received	13	15
Lease liabilities	7	11
Asset retirement obligations	33	33
Suspense receipt	13	16
Reserves under the special laws	56	76
Reserve for price fluctuations	56	76
Deferred tax liabilities	195	373
Total liabilities	<u>31,744</u>	<u>38,694</u>
<u>NET ASSETS</u>		
Capital stock	12,200	16,731
Capital surplus	12,200	16,731
Legal capital surplus	12,200	16,731
Retained earnings	(15,502)	(18,616)
Other retained earnings.....	(15,502)	(18,616)
Retained earnings brought forward	(15,502)	(18,616)
Treasury shares	—	(0)
Shareholders' equity	<u>8,898</u>	<u>14,846</u>
Valuation difference on available-for-sale securities	502	960
Valuation and translation adjustments	502	960
Total net assets.....	<u>9,400</u>	<u>15,806</u>
Total liabilities and net assets.....	<u><u>41,144</u></u>	<u><u>54,501</u></u>

(2) Statements of Operations

	(In millions of yen)	
	Year ended March 31	
	2020	2021
Ordinary income	16,850	20,789
Insurance premiums and other.....	16,455	20,282
Premiums income	13,982	16,892
Reinsurance income	2,473	3,389
Investment income	339	433
Interest, dividends and other income.....	291	320
Interest from deposits.....	0	0
Interest and dividends from securities.....	291	320
Other interest and dividends	0	0
Gain on money held in trust.....	31	110
Gain on sales of securities	16	2
Other ordinary income.....	55	73
Other.....	55	73
Ordinary expenses	19,233	23,879
Insurance claims and other	3,759	6,031
Insurance claims	1,694	2,146
Benefits.....	941	1,140
Other refunds	0	0
Reinsurance commissions	1,122	2,743
Provision for policy reserves and other	5,072	6,310
Provision for reserves for outstanding claims ..	168	199
Provision for policy reserves	4,903	6,111
Investment expenses.....	151	2
Interest expenses.....	0	0
Loss on sales of securities	53	—
Loss on valuation of securities	95	—
Foreign exchange losses	0	0
Other investment expenses.....	1	2
Operating expenses	9,169	10,030
Other ordinary expenses	1,081	1,503
Taxes.....	769	998
Depreciation.....	300	364
Other.....	11	140
Ordinary profit (loss)	(2,382)	(3,089)
Extraordinary losses	13	20
Provision of reserves under the special laws.....	13	20
Provision of reserve for price fluctuations	13	20
Income (loss) before income taxes	(2,396)	(3,109)
Income taxes-current.....	4	4
Income taxes	4	4
Net income (loss).....	(2,400)	(3,114)

(3) Statements of Changes in Net Assets

	(In millions of yen)	
	Year ended March 31	
	2020	2021
Shareholders' equity:		
Capital stock		
Balance at the beginning of the year.....	12,136	12,200
Changes of items during the period		
Issuance of new shares	—	4,502
Issuance of new shares-restricted stock.....	20	20
Issuance of new shares-exercise of subscription rights to shares	42	8
Total changes of items during the period	<u>63</u>	<u>4,531</u>
Balance at the end of the period	<u>12,200</u>	<u>16,731</u>
Capital surplus		
Legal capital surplus		
Legal capital surplus	12,136	12,200
Changes of items during the period		
Issuance of new shares	—	4,502
Issuance of new shares-restricted stock.....	20	20
Issuance of new shares-exercise of subscription rights to shares ..	42	8
Total changes of items during the period	<u>63</u>	<u>4,531</u>
Legal capital surplus	<u>12,200</u>	<u>16,731</u>
Total capital surplus		
Capital surplus.....	12,136	12,200
Changes of items during the period		
Issuance of new shares	—	4,502
Issuance of new shares-restricted stock.....	20	20
Issuance of new shares-exercise of subscription rights to shares ..	42	8
Total changes of items during the period	<u>63</u>	<u>4,531</u>
Capital surplus.....	<u>12,200</u>	<u>16,731</u>
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Retained earnings brought forward	(13,101)	(15,502)
Total changes of items during the period		
Net income (loss)	(2,400)	(3,114)
Total changes of items during the period ...	<u>(2,400)</u>	<u>(3,114)</u>
Retained earnings brought forward	<u>(15,502)</u>	<u>(18,616)</u>
Total retained earnings		
Retained earnings	(13,101)	(15,502)
Changes of items during the period		
Net income (loss)	(2,400)	(3,114)
Total changes of items during the period	<u>(2,400)</u>	<u>(3,114)</u>
Retained earnings	<u>(15,502)</u>	<u>(18,616)</u>
Treasury shares		
Balance at the beginning of the year.....	—	—
Changes of items during the period		
Purchase of treasury shares	—	(0)
Total changes of items during the period	<u>—</u>	<u>(0)</u>
Balance at the end of the period	<u>—</u>	<u>(0)</u>

	(In millions of yen)	
	Year ended March 31	
	2020	2021
Total shareholders' equity		
Balance at the beginning of the year	11,172	8,898
Changes of items during the period		
Issuance of new shares	—	9,005
Issuance of new shares-restricted stock	41	41
Issuance of new shares-exercise of subscription rights to shares	85	16
Net income (loss)	(2,400)	(3,114)
Purchase of treasury shares	—	(0)
Total changes of items during the period	(2,273)	5,948
Balance at the end of the period	8,898	14,864
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities		
Balance at the beginning of the year	600	502
Changes of items during the period		
Net changes of items other than shareholders' equity	(98)	457
Total changes of items during the period	(98)	457
Balance at the end of the period	502	960
Total valuation and translation adjustments		
Balance at the beginning of the year	600	502
Changes of items during the period		
Net changes of items other than shareholders' equity	(98)	457
Total changes of items during the period	(98)	457
Balance at the end of the period	502	960
Net assets:		
Balance at the beginning of the year	11,773	9,400
Changes of items during the period		
Issuance of new shares	—	9,005
Issuance of new shares-restricted stock	41	41
Issuance of new shares-exercise of subscription rights to shares	85	16
Net income (loss)	(2,400)	(3,114)
Purchase of treasury shares	—	(0)
Net changes of items other than shareholders' equity ...	(98)	457
Total changes of items during the period	(2,372)	6,406
Balance at the end of the period	9,400	15,806

(4) Statements of Cash Flows

	(In millions of yen)	
	Year ended March 31	
	2020	2021
Cash flows from operating activities		
Income (loss) before income taxes	(2,396)	(3,109)
Depreciation and amortization	300	364
Increase (decrease) in reserves for outstanding claims	168	199
Increase (decrease) in policy reserves	4,903	6,111
Increase (decrease) in reserve for price fluctuations	13	20
Interest, dividends and other income	(291)	(320)
Loss (gain) related to securities	132	(2)
Interest expenses	0	0
Share issuance costs	—	137
Decrease (increase) in agency accounts receivable.....	(2)	0
Decrease (increase) in reinsurance accounts receivable.....	(1,593)	(906)
Decrease (increase) in other assets <excluding assets for investing and financing activities >..	(197)	(235)
Increase (decrease) in agency accounts payable	(17)	14
Increase (decrease) in reinsurance accounts payable	64	75
Increase (decrease) in other liabilities <excluding assets for investing and financing activities >..	184	311
Other, net.....	1	(69)
Subtotal	<u>1,271</u>	<u>2,591</u>
Interest and dividends income received.....	340	350
Interest expenses paid.....	(0)	(0)
Income taxes (paid) refund	2	(4)
Net cash provided by (used in) operating activities.....	<u>1,613</u>	<u>2,937</u>
Cash flows from investing activities		
Purchase of money held in trust.....	(450)	(1,800)
Purchase of securities	(4,030)	(9,518)
Proceeds from sales and redemption of securities.....	2,690	1,713
Total of net cash provided by (used in) investment transactions	<u>(1,789)</u>	<u>(9,605)</u>
Total of net cash provided by (used in) operating activities and investment transactions	<u>(175)</u>	<u>(6,667)</u>
Purchase of tangible fixed assets.....	(56)	(39)
Purchase of intangible fixed assets	(358)	(791)
Net cash provided by (used in) investing activities	<u>(2,204)</u>	<u>(10,435)</u>
Cash flows from financing activities		
Proceeds from issuance of shares	—	8,868
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	85	16
Purchase of treasury shares	—	(0)
Repayments of lease obligations	(9)	(4)
Net cash provided by (used in) financing activities.....	<u>75</u>	<u>8,879</u>
Net increase (decrease) in cash and cash equivalents	<u>(514)</u>	<u>1,381</u>
Cash and cash equivalents, beginning of the year.....	<u>2,192</u>	<u>1,677</u>
Cash and cash equivalents, end of the year	<u>1,677</u>	<u>3,059</u>

About LIFENET URL: <https://ir.lifenet-seimei.co.jp/en/>

Remembering the original purpose of life insurance - mutual support - LIFENET INSURANCE COMPANY was founded with the goal of offering simple, convenient and competitively priced products and services based on the highest levels of business integrity. We sell these products and services directly to customers over the Internet. We aim to be the leading company driving the growth of the online life insurance market.

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