

February 13, 2015
 Daisuke Iwase, President & COO
 LIFENET INSURANCE COMPANY
 (Securities Code: 7157, TSE Mothers)

Financial Results for 3Q of Fiscal 2014 Ending March 31, 2015 Policies-in-force exceeded 210,000

TOKYO, February 13, 2015 - LIFENET INSURANCE COMPANY (TSE Mothers 7157, President & COO Daisuke Iwase, URL: <http://ir.lifenet-seimei.co.jp/en/>) discloses financial results for the third quarter and the nine months ended December 31, 2014.

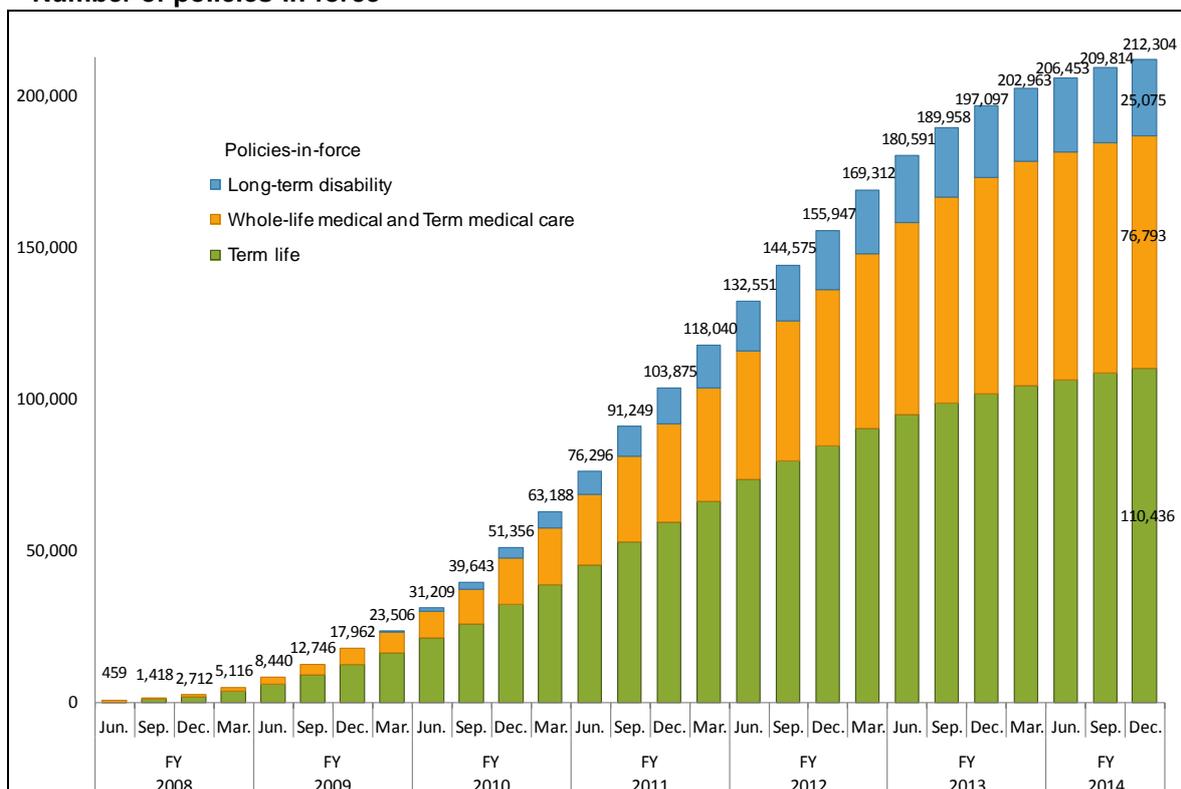
1. Overview of the financial results for 3Q of Fiscal 2014

(1) Business results

Condition of policies-in-force

The number of new business in 3Q ended December 31, 2014 was 6,042 (59.2% of 3Q of FY2013) and annualized premium of new business in the 3Q was 301 million yen (80.1% of 3Q of FY2013) due to an increase in annualized premium per policy by the revised term life product and new whole-life medical products released on May 2, 2014. The number of new business for the nine months ended December 31, 2014 was 21,095 (57.0% of the nine months ended December 31, 2013) and annualized premium of new business for the nine months ended December 31, 2014 was 996 million yen (73.7% of the nine months ended December 31, 2013). The number of policies-in-force as of December 31, 2014 resulted in a total of 212,304 (104.6% of March 31, 2014), exceeded 210,000 policies-in-force in October and annualized premium as of December 31, 2014 stands at 8,611 million yen (106.6% of March 31, 2014). Surrender and lapse ratio for the nine months ended December 31, 2014 was 7.4% (6.6% of the nine months ended December 31, 2013) mainly effected by policy switching from previous products to the revised term life product and new whole-life medical products launched in May.

Number of policies-in-force



New Business (3Q)	FY2014	FY2013	Percentage
Number of applications	8,292	13,385	61.9%
Number of new business	6,042	10,204	59.2%
Sum insured of new business (In millions of yen) ^{*1}	51,243	69,219	74.0%
Annualized premium (In millions of yen) ^{*2}	301	376	80.1%
- excl. death coverage	154	195	78.9%

New Business (nine months ended Dec. 31)	FY2014	FY2013	Percentage
Number of applications	28,566	50,266	56.8%
Number of new business	21,095	36,981	57.0%
Sum insured of new business (In millions of yen) ^{*1}	171,490	245,572	69.8%
Annualized premium (In millions of yen) ^{*2}	996	1,352	73.7%
- excl. death coverage	517	712	72.6%

Policies-in-Force	Dec. 31, 2014	Dec. 31, 2013	Mar. 31, 2014
Number of policies-in-force	212,304	197,097	202,963
- "Kazoku": Term Life	110,436	101,982	104,604
- "Jibun", New "Jibun" and New "Jibun" for Women: Whole-Life Medical ^{*3}	64,733	60,343	61,700
- "Jibun Plus": Term Medical Care	12,060	11,186	12,504
- "Hataraku Hito": Personal Long-term Disability	25,075	23,586	24,155
Sum insured of policies-in-force (In millions of yen) ^{*1}	1,798,389	1,660,682	1,702,381
Annualized premium (In millions of yen) ^{*2}	8,611	7,853	8,077
- excl. death coverage	3,866	3,504	3,613
Number of policy holders	128,889	118,454	121,745

Surrender and Lapse	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2013	FY2013
Surrender and lapse ratio ^{*4}	7.4	6.6	6.6

- *1: Sum insured of new business and sum insured of policies-in-force are the sum of death coverage, and do not include third-sector insurance.
- *2: 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.
- *3: As of the end of December 2014, the number of policies-in-force of Whole-Life Medical "Jibun" was 58,286, New "Jibun" was 3,938, and New "Jibun" for Women was 2,509. The number of policies-in-force as of the end of December 2013 was that of "Jibun" only.
- *4: 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 the nine months ended December 31, 2014 increased to 6,310 million yen (113.5% of the nine months ended December 31, 2013) due to the increase in the number of policies-in-force. Investment income grew to 82 million yen (197.8% of the nine months ended December 31, 2013). Other ordinary income significantly increased to 101 million yen due to recording reversal of reserves for outstanding claims. As a result, ordinary income for the nine months ended December 31, 2014 amounted to 6,495 million yen (115.8% of the nine months ended December 31, 2013).

Insurance claims and other was 1,057 million yen (118.9% of the nine months ended December 31, 2013) mainly due to the increased number of policies-in-force. The percentage of insurance payment amounts in insurance premiums was 15.1% for the nine months ended December 31, 2014, as well as the nine months ended December 31, 2013. Provision for policy reserves and other came to 2,629 million yen (121.3% of the nine months ended December 31, 2013) due to the increased number of policies-in-force despite of reversal of contingency reserves resulting from cession of reinsurance in 1Q of FY2014. The percentage of provision for policy reserves in insurance premiums was 42.3% for the nine months ended December 31, 2014. Tighter control of marketing expenses led to operating expenses amounting to 2,944 million yen (96.9% of the nine months ended December 31, 2013). The components of operating expenses are 1,350 million yen in marketing expenses including advertising (93.4% of the nine months ended December 31, 2013), 423 million yen in customer service expenses (91.8% of the nine months ended December 31, 2013), and 1,170 million yen in system and other expenses (103.5% of the nine months ended December 31, 2013). Marketing expenses per policy totaled 64,028 yen, compared with 39,110 yen for the nine months ended December 31, 2013, due to the increase of marketing expenses in 1Q of FY2014 and the decrease of the number of new business for the nine months ended December 31, 2014 in spite of control of marketing expenses in 3Q of FY2014. Annualized premium of new business per policy was 47,249 yen, compared with 36,567 yen for the nine months ended December 31, 2013, due to the sales of the revised term life product and new whole-life medical products. Amortization of deferred assets under Article 113 of the Insurance Business Act totaled 795 million yen because the deferred assets recognized before FY2012 are to be amortized using the straight-line method until FY2017, the tenth year after commencing business operations. Consequently, ordinary expenses for the nine months ended December 31, 2014 totaled 7,801 million yen (108.6% of the nine months ended December 31, 2013).

As a result, ordinary loss totaled 1,305 million yen for the nine months ended December 31, 2014, compared with 1,577 million yen for the nine months ended December 31, 2013. Ordinary loss before amortization of deferred assets under Article 113 of the Insurance Business Act improved to 510 million yen, compared with 782 million yen for the nine months ended December 31, 2013. Accordingly, net loss was 1,290 million yen, compared with 1,561 million yen for the nine months ended December 31, 2013.

In addition, fundamental profit, which is an indicator for the profitability of life insurance companies, amounted to a 1,288 million yen loss (fundamental profit of 1,439 million yen loss for the nine months ended December 31, 2013). For details, please refer to “(4) Fundamental profit” on page 10.

(In millions of yen)

Business Results (nine months ended Dec. 31)	FY2014	FY2013	Percentage
Ordinary income	6,495	5,607	115.8%
Insurance premiums and other	6,310	5,559	113.5%
Investment income	82	41	197.8%
Other ordinary income	101	5	1,833.2%
Ordinary expenses	7,801	7,184	108.6%
Insurance claims and other	1,057	889	118.9%
Provision for policy reserves and other	2,629	2,168	121.3%
Provision for contingency reserves	17	138	13.0%
Investment expenses	0	0	373.2%
Operating expenses	2,944	3,038	96.9%
Marketing expenses	1,350	1,446	93.4%
Customer service expenses	423	461	91.8%
System and other expenses	1,170	1,130	103.5%
Other ordinary expenses	1,169	1,088	107.4%
Amortization of deferred assets under Article 113 of the Insurance Business Act	795	795	100.0%
Ordinary profit (loss)	(1,305)	(1,577)	-
Net income (loss)	(1,290)	(1,561)	-
Fundamental profit	(1,288)	(1,439)	-
(Reference) Ordinary loss before amortization of deferred assets under Article 113 of the Insurance Business Act	(510)	(782)	-

Insurance payment results

In 3Q of FY2014, there were 1,224 insurance payment cases resulting in 254 million yen; 144 million yen in 13 insurance claims and 110 million yen in 1,211 benefits. As a result, the amount of insurance payments made in the nine months ended December 31, 2014 was 937 million yen in 3,667 cases, 600 million yen in 44 of which were insurance claims and 337 million yen in 3,623 benefits.

Lifenet believes the most important responsibility for an insurance company is to make claim payments accurately without delay, based on our Manifesto (<http://ir.lifenet-seimei.co.jp/en/company/manifesto.html>), and we strive to continue to accomplish this. Lifenet makes every effort possible to ensure payment of insurance claims and benefits are made to the designated account within 5 business days of receiving all necessary documents. In the nine months ended December 31, 2014, the average insurance payments were made in 2.76 business days. This was due to make improvements to the insurance claim and benefit payment process to be made in a minimum of 2 days in February 2014.

Insurance Payments Results (3Q)	FY2014	FY2013	Percentage
Number of insurance payments	1,224	1,348	90.8%
Insurance claims	13	11	118.2%
Insurance benefits	1,211	1,337	90.6%
Amount of insurance payments (In millions of yen)	254	266	95.3%
Insurance claims	144	150	96.0%
Insurance benefits	110	116	94.4%

Insurance Payments Results (nine months ended Dec. 31)	FY2014	FY2013	Percentage
Number of insurance payments	3,667	3,338	109.9%
Insurance claims	44	33	133.3%
Insurance benefits	3,623	3,305	109.6%
Amount of insurance payments (In millions of yen)	937	837	112.0%
Insurance claims	600	528	113.6%
Insurance benefits	337	309	109.1%

Customer inquiry report

In 3Q of FY2014, we received a total of 14,719 inquiries, with 218 cases being complaints. The total number of inquiries received in the nine months ended December 31, 2014 stands at 43,760 with a total of 692 complaints.

At Lifenet, we view customer inquiries as a valuable asset to continuously better our products and services. All inquiries received are compiled and analyzed, and are reflected directly in our daily operations by the company as a whole for the purpose of maximizing customer satisfaction.

Customer Inquiries (3Q)	FY2014	FY2013	Percentage
Number of customer inquiries	14,719	15,865	92.8%
Number of complaints	218	290	75.2%

Customer Inquiries (nine months ended Dec. 31)	FY2014	FY2013	Percentage
Number of customer inquiries	43,760	49,436	88.5%
Number of complaints	692	911	76.0%

Asset management

Through 3Q of FY2014, the assets continued to be mainly invested in yen-denominated interest-bearing assets such as public and corporate bonds with high credit ratings, centered on Japanese government bonds based on its policy of limiting risks. Lifenet has invested in long-term bonds for the sake of ALM in accordance with the increase of policy reserves. We have started investing in foreign bonds since 2Q of FY2014 using money held in trust for the purpose of diversifying our investment portfolio. Lifenet is holding shares of Advance Create Co., Ltd., an insurance sales agent for the purpose of maintaining equity and business partnerships, and Kyobo Lifeplanet Life Insurance Company, which is an online life insurer jointly established in Korea with Kyobo Life Insurance Co., Ltd. in September 2013.

Under this asset management policy, total assets as of December 31, 2014 amounted to 22,607 million yen (21,188 million yen as of March 31, 2014). Among these, assets under management totaled 17,736 million yen (15,573 million yen as of March 31, 2014), which is the sum of cash and deposits, money held in trust and securities. In the nine months ended December 31, 2014, the yield rate of all assets under management was 0.66%, and the modified duration of the securities was approximately 9.14 years as of December 31, 2014, compared with approximately 3.49 years as of March 31, 2014, due to the investment in long-term bonds.

Other accomplishments

In 3Q of FY2014, Lifenet concluded an agency agreement with SURUGA Bank Ltd., and on October 20, 2014, for the first time ever, Lifenet started selling insurance through a regional bank by enabling insurance applications to be made via the website of SURUGA Bank's D-bank branch. In addition, Lifenet concluded an agency agreement with TOYOTA TSUSHO INSURANCE PARTNERS CORPORATION and on November 5, 2014, started offering insurance subscription opportunities to freelance workers registered on "CrowdWorks", a crowdsourcing service provided by CrowdWorks Inc. Lifenet also concluded an agency agreement with HOKEN NO MADOGUCHI GROUP INC. and started selling Lifenet's insurance products at "Hoken No Madoguchi" shops nationwide on December 1, 2014. These partnerships enable Lifenet to reach a wider range of customers.

On October 7, 2014, Lifenet awarded three stars in the 2014 HDI Contact Center Rankings (Life Insurance Industry) in two categories, "Contact Center" and "Support Portal (Website)" for third consecutive year. On October 9, 2014, Lifenet awarded the "Another Voice" Award for Payment Procedure and Documents in the life insurance category in the UCDA Awards 2014. On December 1, 2014, Lifenet ranked number 1 in Oricon Client Satisfaction Rankings 2015 in the Overall Life Insurance Category.

Furthermore, Lifenet started airing a new TV commercial series from November 27, 2014 with a focus on cost-performance. One of them, the "OPEN" version, appeals for the disclosure of a breakdown of insurance premiums, and the other, the "Good story by Chairman & CEO" version, features Misako Renbutsu, a Japanese actress, interrupting and summarizing a long story by Chairman & CEO, Haruaki Deguchi.

Kyobo Lifeplanet Life Insurance Company in Korea issued new common shares on November 20, 2014. As a result, Lifenet's voting rights ratio in Kyobo Lifeplanet changed into 11.7% from 25.5% and Kyobo Lifeplanet is no longer an affiliated company of Lifenet.

Please refer to (3) Topics on page 9.



New TV commercial series (<http://www.lifenet-seimei.co.jp/cm/>)

(2) Financial condition

Assets, liabilities and net assets

Total assets as of December 31, 2014 amounted to 22,607 million yen (21,188 million yen as of March 31, 2014). The major account balances were 16,147 million yen in securities mainly consisting of government bonds, municipal bonds and corporate bonds with high credit ratings. Lifenet has invested in long-term bonds for the sake of ALM in accordance with the increase of policy reserves. We also have started investing in foreign bonds since 2Q of FY2014 using money held in trust for the purpose of diversifying our investment portfolio. Deferred assets under Article 113 of the Insurance Business Act decreased to 3,445 million yen due to amortization.

Liabilities amounted to 9,777 million yen as of December 31, 2014 (7,252 million yen as of March 31, 2014), owing to an increase in policy reserves as a result of the increased number of policies-in-force. The major account balances were 8,870 million yen in policy reserves (including 1,185 million yen in contingency reserves), and 284 million yen in reserves for outstanding claims.

Net assets decreased to 12,830 million yen as of December 31, 2014 (13,935 million yen as of March 31, 2014), as a result of recording a net loss for the nine months ended December 31, 2014.

The solvency margin ratio as of December 31, 2014 was 2,095.7% (1,922.2% as of March 31, 2014), which indicated that an adequate level of payment capacity was maintained. For details, please refer to “(5) Solvency margin ratio” on page 12.

(In millions of yen)

Assets, Liabilities and Net Assets	Dec. 31, 2014	Dec. 31, 2013	Mar. 31, 2014
Total assets	22,607	20,879	21,188
Money held in trust	1,023	1,000	1,000
Securities	16,147	13,563	14,154
Government bonds	7,940	6,044	6,636
Municipal bonds	636	-	-
Corporate bonds	6,460	6,548	6,547
Stocks	213	205	206
Foreign Securities	895	764	764
Deferred assets under Article 113 of the Insurance Business Act	3,445	4,505	4,240
Total liabilities	9,777	6,314	7,252
Reserves for outstanding claims	284	301	375
Policy reserves	8,870	5,410	6,240
Contingency reserves	1,185	1,136	1,167
Total net assets	12,830	14,564	13,935
Solvency margin ratio	2,095.7%	1,816.2%	1,922.2%

Cash flows

For the nine months ended December 31, 2014, net cash provided by operating activities amounted to 2,098 million yen (1,373 million yen provided for the nine months ended December 31, 2013) due to an increase in insurance premiums despite an increase in insurance payments. Net cash used by investing activities amounted to 1,946 million yen (1,290 million yen used for the nine months ended December 31, 2013) mainly due to the investment in long-term bonds. Net cash used by financing activities amounted to 6 million yen (24 million yen provided for the nine months ended December 31, 2013).

Based on these activities described above, cash and cash equivalents as of December 31, 2014 totaled 565 million yen (418 million yen as of March 31, 2014).

(In millions of yen)

Cash Flows (nine months ended Dec. 31)	FY2014	FY2013	Increase/ Decrease
Cash flows from operating activities	2,098	1,373	725
Cash flows from investing activities	(1,946)	(1,290)	(655)
Cash flows from financing activities	(6)	24	(30)
Cash and cash equivalents, beginning of the year	418	353	-
Cash and cash equivalents, end of the period	565	459	-

(3) Topics

3Q of FY2014

- Oct. 7 Contact Center and Website Awarded Three Stars in the 2014 HDI Contact Center Rankings for 3rd Consecutive Year
<http://pdf.irpocket.com/C7157/XN1V/QINo/Ndu8.pdf>
- Oct. 9 Awarded the UCDA Awards 2014 “Another Voice ” Award for Payment Procedure and Documents
<http://pdf.irpocket.com/C7157/XN1V/l2dZ/gitv.pdf>
- Oct. 20 Started Sales of Insurance Through Suruga Bank’s D-Bank Branch
<http://pdf.irpocket.com/C7157/XN1V/F9Sd/Ytt4.pdf>
- Nov. 5 Started to Provide CrowdWorks Members (freelancers) with Opportunities to Apply for Insurance with Toyota Tsusho Insurance Partners
<http://pdf.irpocket.com/C7157/XN1V/xSg0/pwq7.pdf>
- Nov. 27 Started Airing New TV Commercial Series
- Dec. 1 Ranked Number 1 in Oricon Client Satisfaction Rankings 2015
<http://pdf.irpocket.com/C7157/bSZL/loz3/Nq0x.pdf>
- Started Over-the-Counter Sales of Insurance at “Hoken No Madoguchi” Shops
<http://pdf.irpocket.com/C7157/XN1V/Ow9U/W2mK.pdf>

(4) Fundamental profit

Life insurance premiums are calculated based on three factors: expected incidence rate (mortality rate, hospitalization rate, etc), expected business expense rate (covered by expense loading), and expected return. Profits (basic income) at a life insurance company are generated by the difference between these expected rates and actual rates. Profit analysis, in the case of life insurers, means identifying the factors that affect basic income by calculating the difference between expected rates and actual rates.*¹

- Mortality margin : The difference between expected insurance claim and benefit payouts (expected incidence rate) and actual payouts
- Expense margin : The difference between expected business expenses (expected business expense rate) and actual business expenses
- Interest margin : The difference between the expected asset management yield (expected return) and the actual yield

*1: Lifenet has adopted actuarially reasonable methods for its profit analysis. Details of calculation methods, however, may differ from those adopted by other life insurance companies. The five-year Zillmer method is used for calculations of premium breakdowns, and gains from lapsed or surrendered policies are included in the expense margin.

In the nine months ended December 31, 2014, fundamental profit and three surplus factors are as follows:

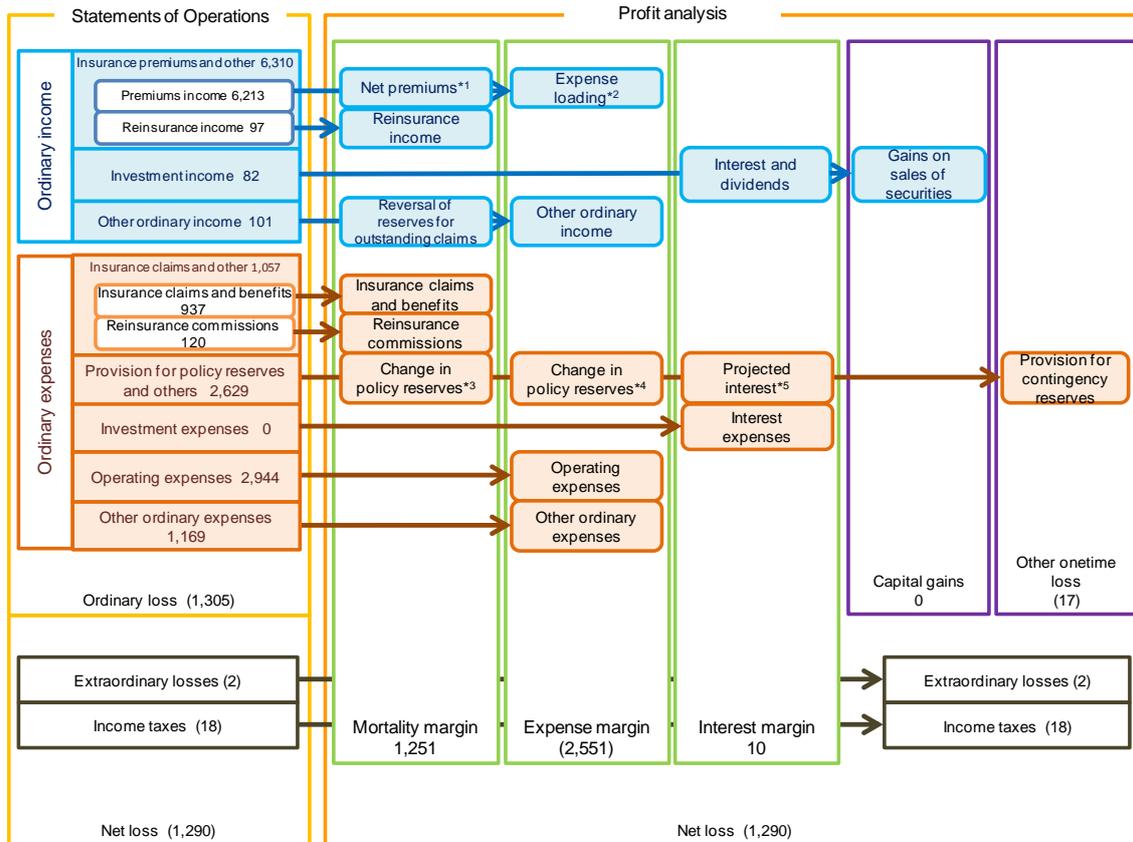
The mortality margin increased to 1,251 million yen due to an increase in insurance premiums and a reversal in reserves for outstanding claims, the expense margin was a 2,551 million yen loss due to a decrease in the number of new business despite a decrease of ordinary expenses, and the interest margin was 10 million yen due to an increase in investment income. As a result, fundamental profit was a 1,288 million yen loss.

(In millions of yen)

Fundamental Profit (nine months ended Dec. 31)	FY2014	FY2013	Percentage
Fundamental profit (i)	(1,288)	(1,439)	-
Mortality margin	1,251	876	142.8%
Expense margin (loss)	(2,551)	(2,321)	-
Interest margin	10	5	204.6%
Capital gains (ii)	0	0	1,824.6%
Other onetime profit (loss) (iii)	(17)	(138)	-
Ordinary loss (iv)=(i)+(ii)+(iii)	(1,305)	(1,577)	-
Extraordinary loss, income tax, etc. (v)	15	16	97.2%
Net loss (vi)=(iv)+(v)	(1,290)	(1,561)	-

Three surplus factors (Nine months ended December 31, 2014)

(In millions of yen)



*1: Insurance premiums are comprised of the “risk premium,” which is applied to the payment of insurance claims for the applicable year, and the “investment portion of the premium,” which is applied to accumulate the premium reserve in preparation for future payments.

*2: The portion of the insurance premium that is applied to business expenses and other company expenditures.

*3: Comprised of the net increase in the premium reserve (covered by the investment portion of the premium) and the portion that is tapped in order to make payments, such as on death policies, etc.

*4: The premium reserve that is tapped due to the fact that accumulation is no longer necessary as a result of policy surrender or lapse.

*5: The interest portion factored into the calculation of the premium reserve in advance.

*6: Some items with minimal amounts have been omitted.

(5) Solvency margin ratio

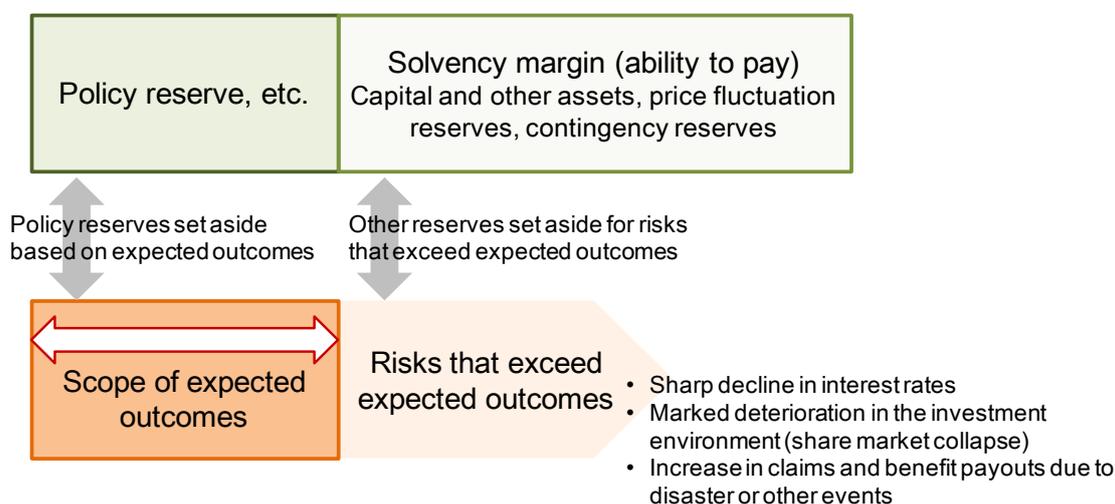
As of December 31, 2014, the solvency margin ratio was 2,095.7%, an increase from March 31, 2014. This is mainly due to the decline in the amount of total risk by the decline in the amount of asset management risk resulting from Kyobo Lifeplanet Life Insurance Company no longer being an affiliated company and the effects of the conclusion of reinsurance contracts, which more than offset the decrease in net assets.

(In millions of yen)

	Solvency margin	÷	Risk total × (1/2)	=	Solvency margin ratio
December 31, 2014	12,857		1,227 × (1/2)		2,095.7%
March 31, 2014	12,173		1,266 × (1/2)		1,922.2%
December 31, 2013	11,226		1,236 × (1/2)		1,816.2%

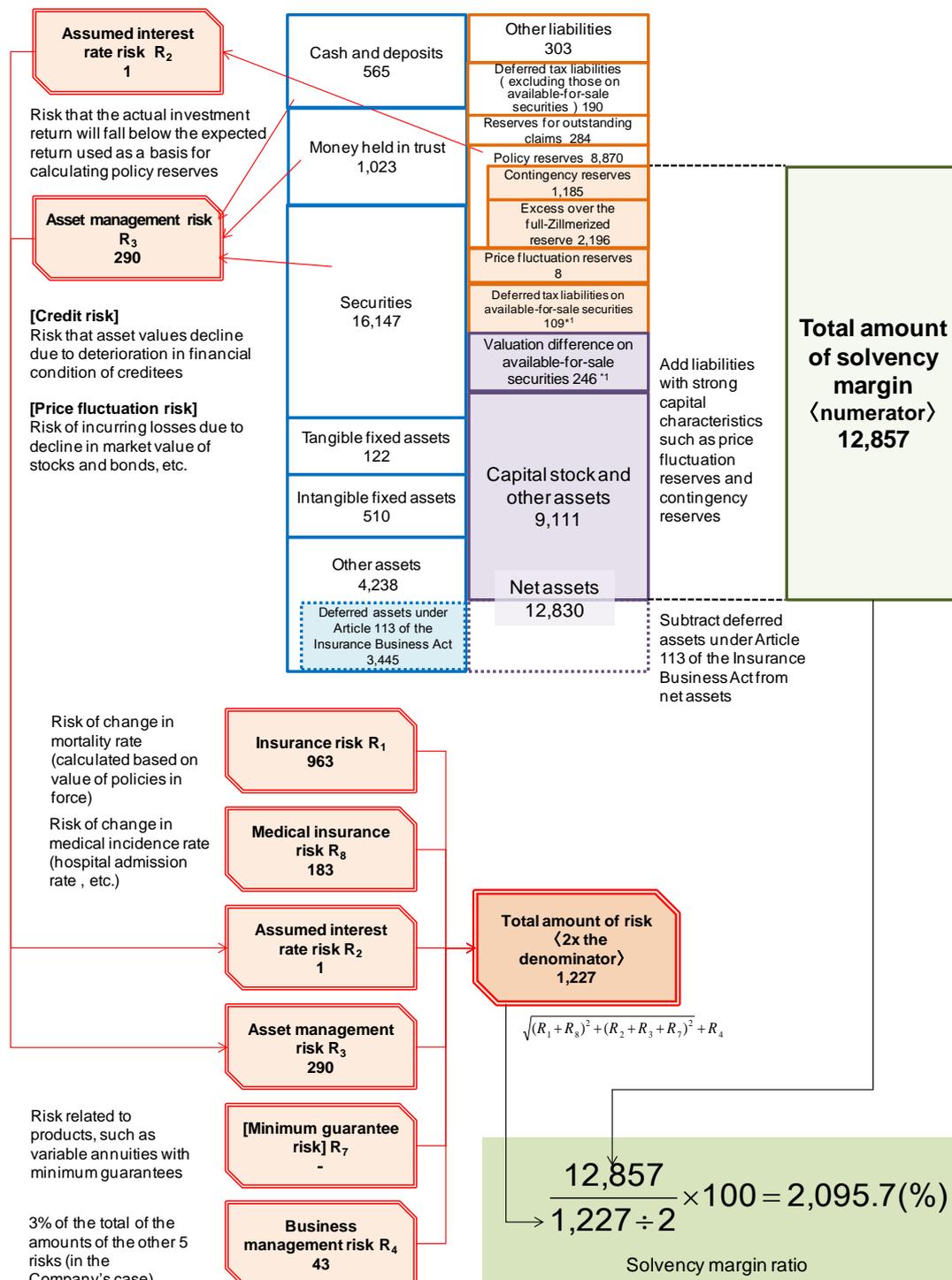
What is the solvency margin ratio?

The solvency margin ratio is an important financial indicator and a key benchmark for industry regulators. It measures a life insurance company's ability to pay out claims when unforeseen events occur, such as a natural disaster or a stock market collapse. Specifically, the solvency margin ratio is calculated by dividing the total for net assets and other internal reserves and items such as unrealized gains (solvency margin total = ability to pay) by the total for quantified risks. In Japan, a solvency margin ratio of at least 200% is seen by industry regulators as one indicator for a healthy life insurance company.



Solvency margin ratio calculation (as of December 31, 2014)

(In millions of yen)



Items that do not apply to the Company or for which the amount is minimal have been omitted, except for certain bracketed items.

*1: 90% of the valuation difference on available-for-sale securities (pre-tax) (if negative, 100%)

(6) Business forecasts

Business forecasts for FY2014 remains unchanged since Lifenet announced on November 13, 2014. The business forecasts for FY2014 is as shown below.

Please note that business forecasts will be disclosed as items in accordance with the management goal in the mid-term business plan until the end of FY2015.

	(In millions of yen)	
	Ordinary income	Ordinary profit ^{*1}
Business forecasts (FY2014)	8,500	(800)

*1 Based on ordinary profit (loss) before amortization of deferred assets under Article 113 of the Insurance Business Act

The deferred assets recognized before FY2012 are to be amortized using the straight-line method until FY2017, the tenth year after commencing business operations, and amortization of deferred assets will record 1,060 million yen each year onward. Accordingly, ordinary profit or loss before amortization of deferred assets under Article 113 of the Insurance Business Act, which is the effective ordinary profit or loss, is disclosed as the business forecasts.

Lifenet will strive to gain support and understanding from all of its stakeholders by promoting active information disclosure in accordance with its Manifesto. This includes enhanced and accelerated disclosure of various reports such as quarterly financial statements and monthly sales results.

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

Returning to the original purpose of life insurance - mutual support - LIFENET INSURANCE 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. By using the Internet, we are able to offer highly cost-competitive products and accept applications from customers at any given time.

<p>Contact: Investor Relations, Corporate Development Department Tel: +81-3-5216-7900 e-mail: ir@lifenet-seimei.co.jp</p>

Disclaimer: This is a summarized translation of the original Japanese document, prepared and provided solely for readers' convenience. In case of any discrepancy or dispute, the Japanese document prevails.

2. Non-consolidated Financial Statements

(1) Balance Sheets

	(In millions of yen)	
	March 31, 2014	Dec. 31, 2014
ASSETS		
Cash and deposits	418	565
Money held in trust	1,000	1,023
Securities	14,154	16,147
Government bonds	6,636	7,940
Municipal bonds	—	636
Corporate bonds	6,547	6,460
Stocks	206	213
Foreign securities	764	895
Tangible fixed assets	82	122
Intangible fixed assets	589	510
Agency accounts receivable	0	0
Reinsurance accounts receivable	1	34
Other assets	4,941	4,204
Accounts receivable	590	631
Deferred assets under Article 113 of the Insurance Business Act ..	4,240	3,445
Other	110	126
Total assets	<u>21,188</u>	<u>22,607</u>
LIABILITIES		
Policy reserves and other	6,616	9,154
Reserves for outstanding claims	375	284
Policy reserves	6,240	8,870
Agency accounts payable	4	4
Reinsurance accounts payable	19	42
Other liabilities	356	257
Reserves under the special laws	6	8
Reserve for price fluctuations	6	8
Deferred tax liabilities	250	311
Total liabilities	<u>7,252</u>	<u>9,777</u>
NET ASSETS		
Capital stock	10,500	10,500
Capital surplus	10,500	10,500
Retained earnings	(7,173)	(8,463)
Shareholders' equity	<u>13,827</u>	<u>12,537</u>
Valuation difference on available-for-sale securities	89	273
Valuation and translation adjustments	89	273
Subscription rights to shares	19	19
Total net assets	<u>13,935</u>	<u>12,830</u>
Total liabilities and net assets	<u>21,188</u>	<u>22,607</u>

(2) Statements of Operations

	(In millions of yen)	
	Nine months ended Dec. 31	
	2013	2014
Ordinary income.....	5,607	6,495
Insurance premiums and other	5,559	6,310
Premiums income	5,531	6,213
Reinsurance income	28	97
Investment income	41	82
Interest, dividends and other income	41	80
Gains on money held in trust	0	1
Gains on sales of securities.....	—	0
Other ordinary income.....	5	101
Reversal of reserves for outstanding claims	—	91
Other.....	5	10
Ordinary expenses	7,184	7,801
Insurance claims and other.....	889	1,057
Insurance claims.....	528	600
Benefits	309	337
Other refunds	0	0
Reinsurance commissions	52	120
Provision for policy reserves and other.....	2,168	2,629
Provision for reserves for outstanding claims.....	36	—
Provision for policy reserves	2,131	2,629
Investment expenses	0	0
Interest expenses.....	0	0
Other investment expenses.....	—	0
Operating expenses.....	3,038	2,944
Other ordinary expenses.....	1,088	1,169
Ordinary profit (loss)	(1,577)	(1,305)
Extraordinary losses	12	2
Impairment loss	10	—
Provision of reserves under the special laws	1	2
Provision of reserve for price fluctuations	1	2
Income (loss) before income taxes	(1,590)	(1,308)
Income taxes-current	2	2
Income taxes-deferred.....	(32)	(21)
Income taxes.....	(29)	(18)
Net income (loss)	(1,561)	(1,290)

(3) Statements of Cash Flows

	(In millions of yen)	
	Nine months ended Dec. 31	
	2013	2014
Cash flows from operating activities		
Income (loss) before income taxes	(1,590)	(1,308)
Depreciation and amortization	148	166
Impairment loss	10	—
Increase (decrease) in reserves for outstanding claims	36	(91)
Increase (decrease) in policy reserves.....	2,131	2,629
Increase (decrease) in reserve for price fluctuations	1	2
Interest, dividends and other income	(41)	(80)
Loss (gain) related to securities.....	—	(0)
Interest expenses	0	0
Decrease (increase) in agency accounts receivable	0	0
Decrease (increase) in reinsurance accounts receivable.....	8	(32)
Decrease (increase) in other assets <excluding assets for investing and financing activities > ..	714	756
Increase (decrease) in agency accounts payable.....	0	(0)
Increase (decrease) in reinsurance accounts payable	3	23
Increase (decrease) in other liabilities <excluding assets for investing and financing activities > ..	(136)	(59)
Other, net	0	(1)
Subtotal	<u>1,288</u>	<u>2,003</u>
Interest and dividends income received	89	99
Interest expenses paid	(0)	(0)
Income taxes paid	(3)	(4)
Net cash provided by (used in) operating activities	<u>1,373</u>	<u>2,098</u>
Cash flows from investing activities		
Purchase of money held in trust	(1,000)	—
Purchase of securities.....	(13,207)	(5,201)
Proceeds from sales and redemption of securities	13,120	3,415
Total of net cash provided by (used in) investment transactions ...	<u>(1,087)</u>	<u>(1,786)</u>
Total of net cash provided by (used in) operating activities and investment transactions ...	<u>286</u>	<u>312</u>
Purchase of tangible fixed assets	(44)	(80)
Purchase of intangible fixed assets	(159)	(79)
Net cash provided by (used in) investing activities	<u>(1,290)</u>	<u>(1,946)</u>
Cash flows from financing activities		
Proceeds from issuance of stock resulting from exercise of subscription rights to shares ...	30	—
Repayments of lease liabilities	(6)	(6)
Net cash provided by (used in) financing activities	<u>24</u>	<u>(6)</u>
Net increase (decrease) in cash and cash equivalents	<u>106</u>	<u>146</u>
Cash and cash equivalents, beginning of the year	<u>353</u>	<u>418</u>
Cash and cash equivalents, end of the period	<u><u>459</u></u>	<u><u>565</u></u>

Financial Summary for 3Q of Fiscal 2014, Ending March 31, 2015

February 13, 2015

Name of Company: LIFENET INSURANCE COMPANY
 Stock Exchange Listings: Tokyo Stock Exchange, Mothers
 Stock code: 7157
 URL: <http://ir.lifenet-seimei.co.jp/en/>
 Representative: Daisuke Iwase, President & COO

(Amounts of less than one million yen are truncated.)

1. Financial Data for the Nine Months Ended December 31, 2014 (April 1, 2014 - December 31, 2014)

(1) Results of Operations

(% changes are presented in comparison with the corresponding period of the previous fiscal year.)

	Ordinary Income		Ordinary Profit (Loss)		Net Income (Loss)	
	millions of yen	%	millions of yen	%	millions of yen	%
Nine months ended December 31, 2014	6,495	15.8	(1,305)	—	(1,290)	—
December 31, 2013	5,607	28.9	(1,577)	—	(1,561)	—

	Net Income (Loss) per Share	Diluted Net Income per Share
	yen	
Nine months ended December 31, 2014	(30.59)	—
December 31, 2013	(37.08)	—

(2) Financial Conditions

	Total Assets	Total Net Assets	Ratio of Shareholders' Equity to Total Assets	Total Net Assets per Share
	millions of yen	millions of yen	%	yen
December 31, 2014	22,607	12,830	56.7	303.75
March 31, 2014	21,188	13,935	65.7	329.96

Note: Net assets attributable to the Company's shareholders as of December 31, 2014 and March 31, 2014 were 12,810 million yen and 13,916 million yen, respectively.

2. Dividends

	Dividend per Share				
	1Q	2Q	3Q	4Q	Total
Fiscal Year ended	yen	yen	yen	yen	yen
March 31, 2014	—	0.00	—	0.00	0.00
March 31, 2015	—	0.00	—		
March 31, 2015 (forecast)				0.00	0.00

3. Earnings Forecasts

(% changes are presented in comparison with the corresponding period of the previous fiscal year.)

	Ordinary Income	
Fiscal Year ended March 31, 2015 (forecasts)	millions of yen 8,500	% 11.8

Note: Revision of earnings forecasts: None

In addition, ordinary loss before amortization of deferred assets under Article 113 of the Insurance Business Act is disclosed 800 million yen, compared with 1,198 million yen for the year ended March 31, 2014, as the business forecasts.

The deferred assets recognized before fiscal 2012 are to be amortized using the straight-line method until fiscal 2017, the tenth year after commencing business operations, and amortization of deferred assets will record 1,060 million yen each year onward. For details, please refer to page 14.

4. Other

(1) Adoption of Unique Accounting Methods Applied Only to Quarterly Financial Statements:
None

(2) Changes in Accounting Principles, Procedures and Presentation Methods for Financial Statements:None

(3) Number of shares outstanding (common stock)

	As of December 31, 2014	As of March 31, 2014
Total shares outstanding	42,175,000 shares	42,175,000 shares
Number of treasury stock	—	—
	Nine months ended December 31, 2014	Nine months ended December 31, 2013
Average outstanding shares	42,175,000 shares	42,105,815 shares