

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.

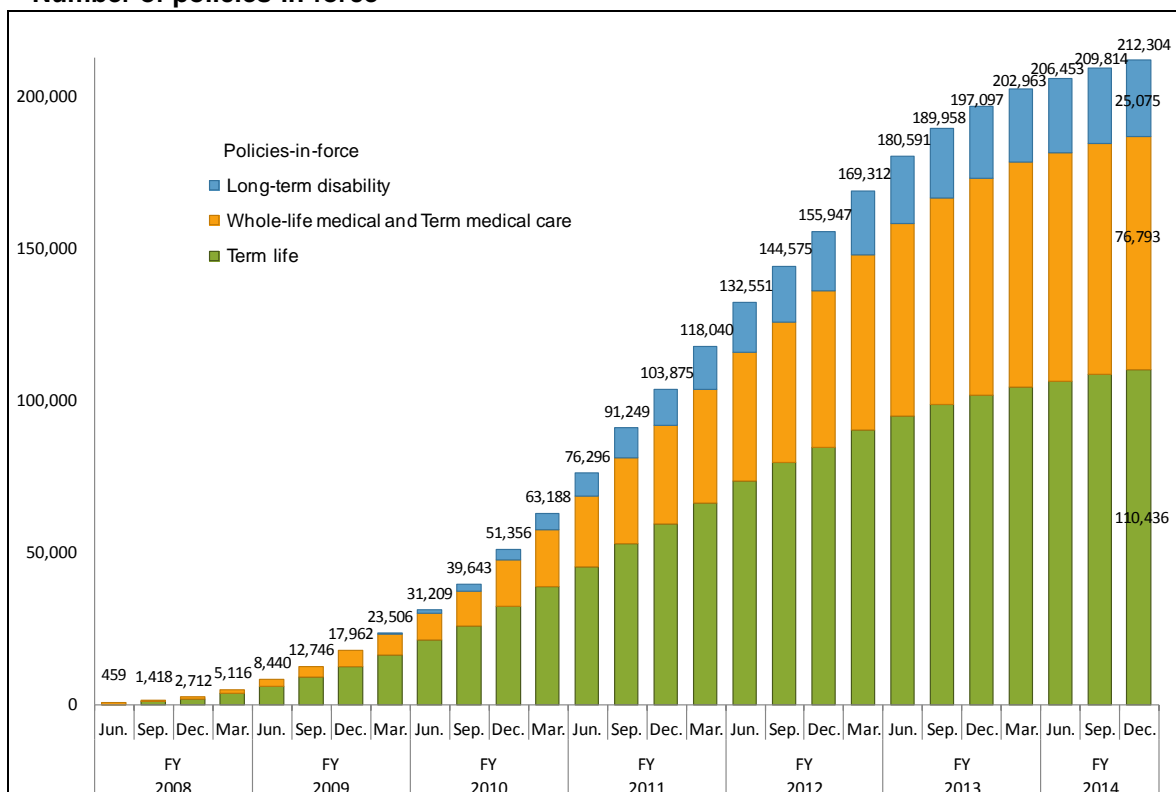
1. Overview of the financial results for 3Q of Fiscal 2014

(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

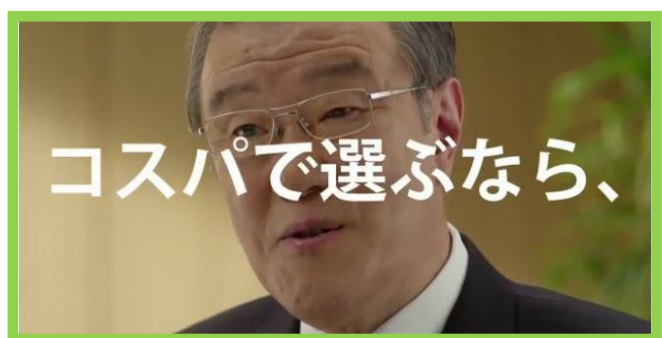
In 3Q of FY2014, Lifenet concluded an agency agreement with SURUGA Bank Ltd., and on October 20, 2014, for the first time ever, Lifenet started selling insurance through a regional bank by enabling insurance applications to be made via the website of SURUGA Bank's D-bank branch. In addition, Lifenet 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/pwg7.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:

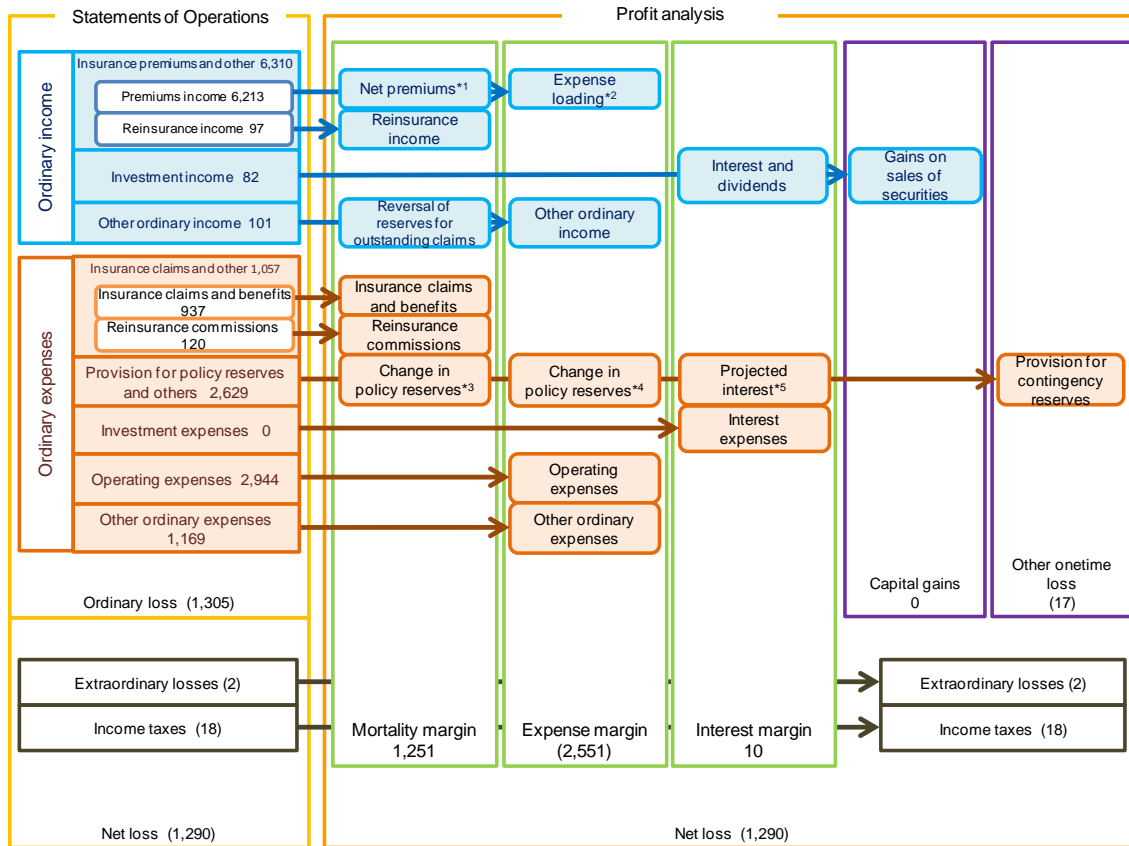
The mortality margin increased to 1,251 million yen due to an increase in insurance premiums and a reversal in reserves for outstanding claims, the expense margin was a 2,551 million yen loss due to a decrease in the number of new business despite a decrease of ordinary expenses, and the interest margin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

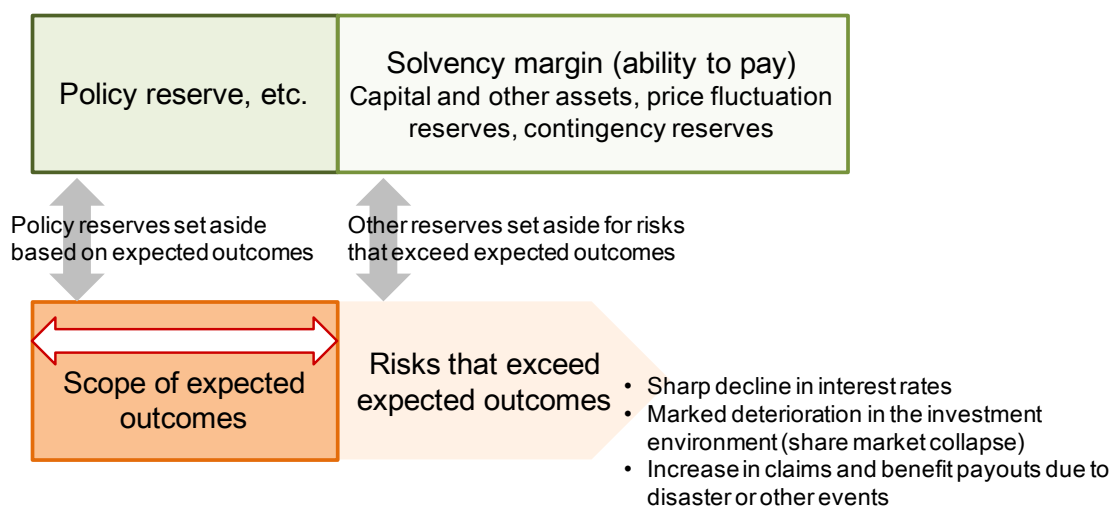
As of December 31, 2014, the solvency margin ratio was 2,095.7%, an increase from March 31, 2014. This is mainly due to the decline in the amount of total risk by the decline in the amount of asset management risk resulting from Kyobo Lifeplanet Life Insurance Company no longer being an affiliated company 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% |

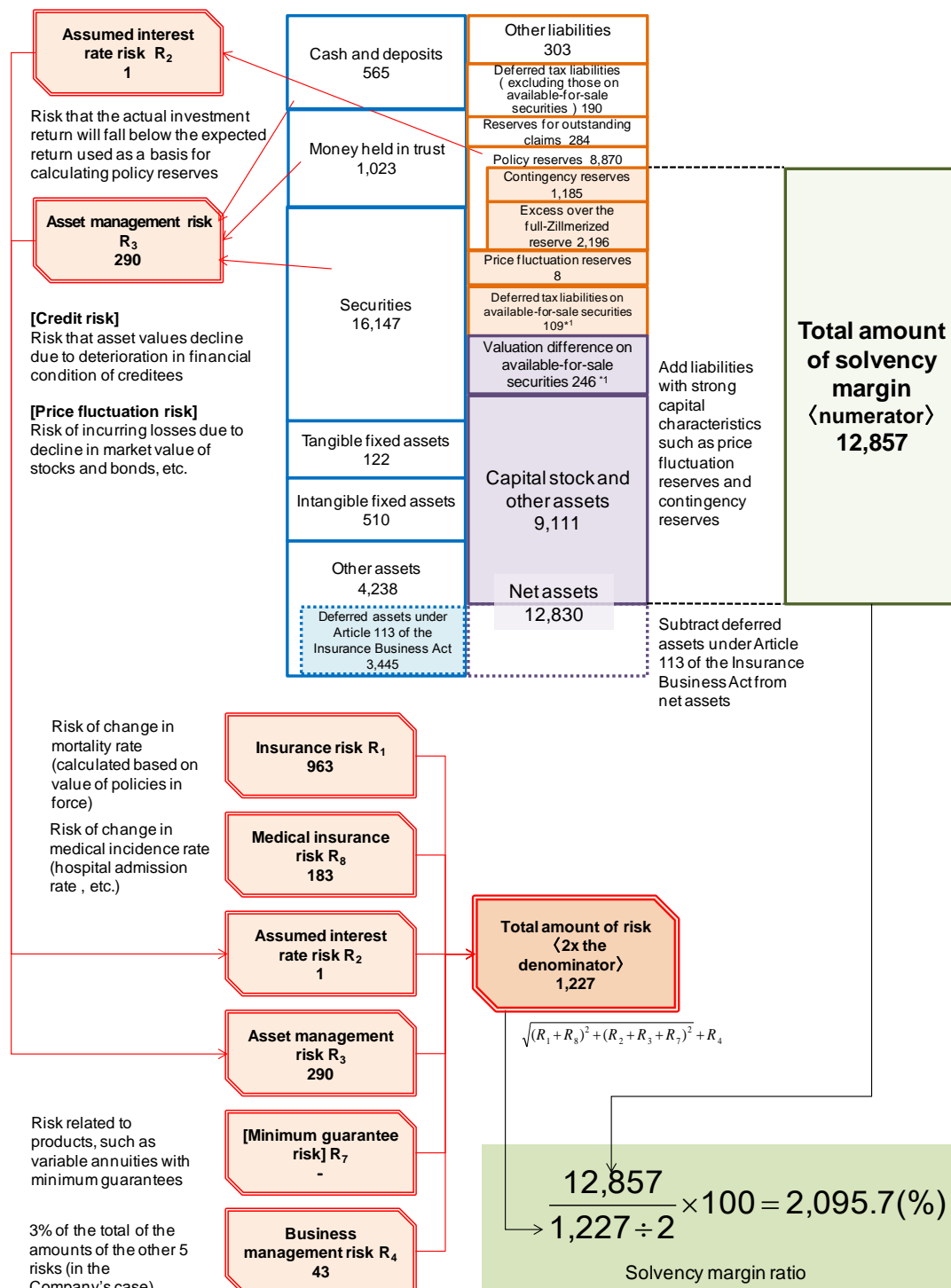
What is the solvency margin ratio?

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.

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| <p>Contact: Investor Relations, Corporate Development Department Tel: +81-3-5216-7900 e-mail: ir@lifenet-seimei.co.jp</p> |
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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 | 1,288 | 2,003 |
| 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 | 1,373 | 2,098 |
| 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 ... | (1,087) | (1,786) |
| Total of net cash provided by (used in) operating activities and investment transactions ... | 286 | 312 |
| Purchase of tangible fixed assets | (44) | (80) |
| Purchase of intangible fixed assets | (159) | (79) |
| Net cash provided by (used in) investing activities | (1,290) | (1,946) |
| 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 | 24 | (6) |
| Net increase (decrease) in cash and cash equivalents | 106 | 146 |
| Cash and cash equivalents, beginning of the year | 353 | 418 |
| Cash and cash equivalents, end of the period | 459 | 565 |

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.)

| Fiscal Year ended March 31, 2015 (forecasts) | Ordinary Income | |
|--|-----------------|------|
| | 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 |