

November 14, 2013
 Daisuke Iwase, President & COO
 LIFENET INSURANCE COMPANY
 (Securities Code: 7157, TSE Mothers)

Financial Results for 2Q of Fiscal 2013 Ending March 31, 2014
29.7% increase in Ordinary income and 47.7% improving in Ordinary loss before deferred expenses and amortization of deferred assets

TOKYO, November 14, 2013 - LIFENET INSURANCE COMPANY (TSE Mothers 7157, President & COO Daisuke Iwase, URL: <http://ir.lifenet-seimei.co.jp/en/>) discloses the financial results for the second quarter and the six months ended September 30, 2013.

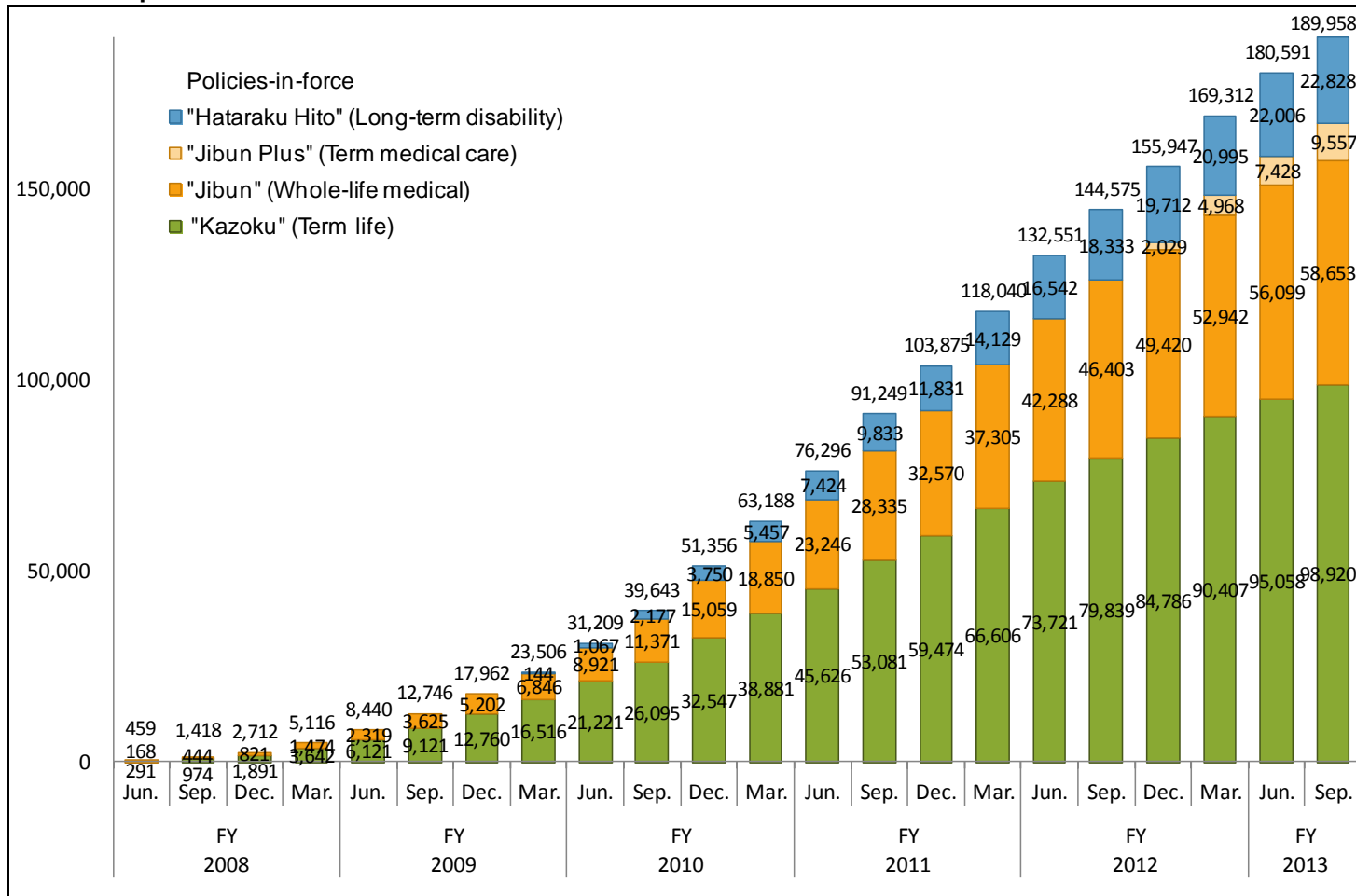
1. Overview of the financial results for 2Q of Fiscal 2013

(1) Business results

Condition of policies-in-force

The number of new business in the 2Q ended September 30, 2013 was 12,498 (88.4% of 2Q of fiscal 2012) and the number for the six months ended September 30, 2013 was 26,777 (87.2% for the six months ended September 30, 2012). The number of policies-in-force as of September 30, 2013 totaled 189,958 (112.2% of March 31, 2013), annualized premium as of the end of 2Q stands at 7,598 million yen (110.5% of March 31, 2013). Policies-in-force totaled 190,000 on October 2, 2013. The surrender and lapse ratio for the six months ended September 30, 2013 was 6.7% (6.3% for the six months ended September 30, 2012).

Number of policies-in-force



New Business (2Q)	FY2013	FY2012	Year on year
Number of applications	17,343	20,850	83.2%
Number of new business	12,498	14,139	88.4%
Sum insured of new business (in millions of yen)* ¹	82,594	113,522	72.8%
Annualized premium (in millions of yen)	454	588	77.3%
- excl. death coverage	242	284	85.2%

New Business (six months ended Sep. 30)	FY2013	FY2012	Year on year
Number of applications	36,881	45,688	80.7%
Number of new business	26,777	30,709	87.2%
Sum insured of new business (in millions of yen)* ¹	176,353	239,930	73.5%
Annualized premium (in millions of yen)	975	1,267	76.9%
- excl. death coverage	516	624	82.8%

Policies-in-Force	Sep. 30, 2013	Sep. 30, 2012	Mar. 31, 2013
Number of policies-in-force	189,958	144,575	169,312
- "Kazoku": Term Life	98,920	79,839	90,407
- "Jibun": Whole-life Medical	58,653	46,403	52,942
- "Jibun Plus": Term Medical Care	9,557	-	4,968
- "Hataraku Hito": Long-term Disability	22,828	18,333	20,995
Sum insured of policies-in-force (in millions of yen)* ¹	1,612,358	1,311,643	1,480,395
Annualized premium (in millions of yen)	7,598	5,953	6,875
- excl. death coverage	3,375	2,525	2,992
Number of policy holders	114,731	91,125	103,816

Surrender and Lapse	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2012	FY2012
Surrender and lapse ratio* ²	6.7%	6.3%	6.4%

*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: 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 six months ended September 30, 2013 increased significantly to 3,629 million yen (133.4% of the six months ended September 30, 2012) due to the increase in the number of policies-in-force. Investment income grew to 28 million yen (116.3% of the six months ended September 30, 2012). Other ordinary income was 2 million yen. As a result, ordinary income for the six months ended September 30, 2013 amounted to 3,660 million yen (129.7% of the six months ended September 30, 2012).

Insurance claims and other increased significantly to 604 million yen (231.1% of the six months ended September 30, 2012) due largely to the increased number of policies-in-force and claim payments for the term life insurance “Kazoku”. Provision for policy reserves and other came to 1,380 million yen (155.9% of the six months ended September 30, 2012). Tighter control of advertising expenses led to operating expenses amounting to 2,101 million yen (80.2% of the six months ended September 30, 2012). The components of operating expenses are 1,021 million yen in marketing expenses including advertising (65.2% of the six months ended September 30, 2012), 293 million yen in customer service expenses (113.6% of the six months ended September 30, 2012), and 786 million yen in system and other expenses (98.9% of the six months ended September 30, 2012). Marketing expenses per number of new business totaled 38,152 yen, compared with 51,050 yen for the six months ended September 30, 2012.

Amortization cost of deferred assets under Article 113 of the Insurance Business Act totaled 530 million yen. In fiscal 2013 the sixth year after commencing business operations, newly incurred expenses can no longer be recognized as deferred assets under Article 113 of the Insurance Business Act – which recorded 1,535 million yen in the six months ended September 30, 2012 –, while the deferred assets recognized before fiscal 2012 will continue to be amortized using the straight-line method until fiscal 2017, the tenth year after commencing business operations.

Consequently, ordinary expenses for the six months ended September 30, 2013 totaled 4,814 million yen (166.6% of the six months ended September 30, 2012).

As a result, ordinary loss totaled 1,154 million yen for the six months ended September 30, 2013, compared with ordinary loss of 68 million yen for the six months ended September 30, 2012. Ordinary loss before deferred expenses and amortization of deferred assets under Article 113 of the Insurance Business Act improved 624 million yen, compared with 1,192 million yen in the six months ended September 30, 2012. Accordingly, net loss was 1,147 million yen, compared with the net loss of 154 million yen for the six months ended September 30, 2012.

In addition, fundamental profit, which is an indicator for the profitability of life insurance companies, amounted to a 1,052 million yen loss (fundamental profit of 71 million yen for the six months ended September 30, 2012). For details, please refer to “(4) Fundamental profit” on page 11.

(In millions of yen)

Business Results (Six months ended Sep. 30)	FY2013	FY2012	Year on year
Ordinary income	3,660	2,821	129.7%
Insurance premiums and other	3,629	2,719	133.4%
Investment income	28	24	116.3%
Other ordinary income	2	77	3.3%
Ordinary expenses	4,814	2,890	166.6%
Insurance claims and other	604	261	231.1%
Provision for policy reserves and other	1,380	885	155.9%
Provision for contingency reserves	101	140	72.4%
Investment expenses	0	0	27.2%
Operating expenses	2,101	2,621	80.2%
Marketing expenses	1,021	1,567	65.2%
Customer service expenses	293	258	113.6%
System and other expenses	786	794	98.9%
Other ordinary expenses	728	657	110.8%
Amortization cost of deferred assets under Article 113 of the Insurance Business Act	530	411	128.8%
Deferred expenses under Article 113 of the Insurance Business Act	-	(1,535)	-
Ordinary profit (loss)	(1,154)	(68)	-
Net income (loss)	(1,147)	(154)	-
Fundamental profit	(1,052)	71	-
(Reference) Ordinary profit (loss) before deferred expenses and amortization of deferred assets under Article 113 of the Insurance Business Act	(624)	(1,192)	-

Insurance payment results

In the 2Q of fiscal 2013, there were 1,079 insurance payment cases resulting in 226 million yen; 119 million yen in 8 insurance claims and 107 million yen in 1,071 benefits. As a result, the amount of insurance payments made in the six months ended September 30, 2013 was 570 million yen in 1,990 cases, 378 million yen in 22 of which were insurance claims and 192 million yen in 1,968 benefits.

Lifenet believes the most important responsibility for an insurance company is to make claim payments accurately and 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 six months ended September 30, 2013, the average insurance payments were made in average of 3.61 business days.

(In millions of yen)

Insurance Payment Results (2Q)	FY2013	FY2012	Year on year
Number of insurance payments	1,079	537	200.9%
Insurance claims	8	4	200.0%
Insurance benefits	1,071	533	200.9%
Amount of insurance payments	226	107	211.5%
Insurance claims	119	50	238.0%
Insurance benefits	107	57	188.3%

(In millions of yen)

Insurance Payment Results (Six months ended Sep. 30)	FY2013	FY2012	Year on year
Number of insurance payments	1,990	1,017	195.7%
Insurance claims	22	9	244.4%
Insurance benefits	1,968	1,008	195.2%
Amount of insurance payments	570	236	241.1%
Insurance claims	378	131	288.5%
Insurance benefits	192	105	182.2%

Customer inquiry report

In the 2Q of fiscal 2013, we received a total of 16,509 inquiries, with 331 cases being complaints. The total number of inquiries received in the six months ended September 30, 2013 stands at 33,571 with a total of 621 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 (2Q)	FY2013	FY2012	Year on year
Number of customer inquiries	16,509	16,026	103.0%
Number of complaints	331	128	258.6%

Customer Inquiries (Six months ended Sep. 30)	FY2013	FY2012	Year on year
Number of customer inquiries	33,571	34,908	96.2%
Number of complaints	621	252	246.4%

Asset Management

In the 2Q of fiscal 2013, all assets under management excluding securities held for capital alliances continued to be invested in yen-denominated interest-bearing assets such as public and corporate bonds with high credit ratings, centered on Japanese government bonds. Lifenet recognizes the impact of changes in the macro investment environment on its investment income is limited, given that its assets are managed based on its policy of limiting risks as explained above. However, Lifenet will consider the possibility of diversifying of its asset management by investing in foreign bonds and other measures in the future. Lifenet is holding shares of Advance Create Co., Ltd., an insurance sales agent for the purpose of maintaining equity and business partnerships. Lifenet has also acquired shares of a new joint venture in Korea, Kyobo Lifeplanet Life Insurance Company, which is an online life insurer, with Kyobo Life Insurance Co., Ltd.

Under this asset management policy, total assets as of September 30, 2013 amounted to 20,559 million yen (20,450 million yen as of March 31, 2013). Among these, assets under management totaled 14,433 million yen (13,841 million yen as of March 31, 2013), which is the sum of cash and deposits, and securities. In the six months ended September 30, 2013, the yield rate of all assets under management was 0.41%, and the modified duration of the securities was approximately 3.41 years as of September 30, 2013, compared with approximately 2.20 years as of March 31, 2013, due to the investment in long-term bonds.

Other Accomplishments

In the 2Q of fiscal 2013, Lifenet and Kyobo Life signed a shareholders' agreement regarding the establishment of a joint venture in Korea on September 13, 2013. This joint venture, which is the first online life insurer in Korea, will offer life insurance products and services directly to customers over the Internet. The joint venture was founded on September 27, and Lifenet holds 34% of voting rights. In October, this joint venture acquired a formal Life Insurance License by the Financial Services Commission in Korea. The joint venture named Kyobo Lifeplanet Life Insurance Company plans to commence its business operations in December 2013. The Korean life insurance market is the world's eighth-largest in terms of insurance premium revenue (Swiss Re sigma (No 3/2013)), and is in a time of significant change due to a deregulation, leading to changes such as the diversification of sales channels. Lifenet and Kyobo Life believe this is an ideal environment in which to establish an online life insurance company.

Lifenet has also started airing a new series of television commercials in August, the first of which was titled "Hokkaido Nippon-Ham Fighters" and stars two players, Atsunori Inaba and Sho Nakata, from the professional baseball team. This was followed by two different TV commercial versions, one targeting "newlyweds" in which a husband and wife who, owing to their newly married status, give serious thought to taking out a life insurance policy, and the other which features a group of mothers and a couple who are reconsidering their insurance options as the mothers holds their newborn babies in their arms.

We also updated our customer support website with the new FAQ content under the banner "What you want to know about Lifenet", to help customers find answers and dispel any uncertainties. This new segment of the website provides customers with direct replies from our executives and employees regarding a variety of questions, such as those regarding the overall company, pointers for selecting insurance policies, specifics of our products, and the process of making an insurance claim. As a result, we are now able to relieve customers' anxiety of not speaking to a representative face-to-face, while addressing concerns they may have regarding the online insurance application process.

On top of the initiatives above, we also conducted a survey on attitudes toward maternity/paternity leave, and have continued to take an active approach to disclosing information such as by releasing the results of the questionnaire of our June Annual General Meeting of Shareholders, and participating in the Nikkei IR Fair 2013 at the end of August where we conducted multiple information sessions about Lifenet.

Please refer to "(3) Topics" on page 10.

New TV Commercial Series from August



(2) Financial condition

Assets, liabilities and net assets

Total assets as of September 30, 2013 amounted to 20,559 million yen (20,450 million yen as of March 31, 2013). The major account balances were 14,002 million yen in securities mainly consisting of government bonds and corporate bonds with high credit ratings. Lifenet has invested 764 million yen in the new joint venture Kyobo Lifeplanet Life Insurance Company with Kyobo Life in Korea, amounting to a total of 968 million yen in stocks, and 4,770 million yen in deferred assets under Article 113 of the Insurance Business Act.

Liabilities amounted to 5,609 million yen as of September 30, 2013 (4,379 million yen as of March 31, 2013), owing to an increase in policy reserves as a result of the increased number of policies-in-force. The major account balances were 4,632 million yen in policy reserves (including 1,099 million yen in contingency reserves), and 291 million yen in reserves for outstanding claims.

Net assets decreased to 14,949 million yen as of September 30, 2013 (16,071 million yen as of March 31, 2013), as a result of recording a net loss for the six months ended September 30, 2013.

The solvency margin ratio as of September 30, 2013 was 1,885.5% (2,266.0% as of March 31, 2013), which indicated that an adequate level of payment capacity was maintained. For details, please refer to “(5) Solvency margin ratio” on page 13.

(In millions of yen)

Assets, Liabilities and Net Assets	Sep. 30, 2013	Sep. 30, 2012	Mar. 31, 2013
Total assets	20,559	19,548	20,450
Securities	14,002	13,182	13,488
Government bonds	6,653	6,453	7,331
Corporate bonds	6,379	6,592	5,982
Stocks	968	136	174
Deferred assets under Article 113 of the Insurance Business Act	4,770	4,783	5,300
Total liabilities	5,609	3,540	4,379
Reserves for outstanding claims	291	123	265
Policy reserves	4,632	2,629	3,278
Contingency reserves	1,099	870	997
Total net assets	14,949	16,008	16,071
Solvency margin ratio	1,885.5%	2,643.2%	2,266.0%

Cash flows

For the six months ended September 30, 2013, net cash provided by operating activities amounted to 768 million yen (433 million yen used for the six months ended September 30, 2012), recording quarterly positive operating cash flows continuously from the third quarter ended December 31, 2012. This is attributable to the fact that, despite an increase in insurance payments, there was an increase in insurance premiums and other and controlled operating expenses. Net cash used by investing activities amounted to 690 million yen (406 million yen provided for the six months ended September 30, 2012). Net cash provided by financing activities amounted to 0 million yen (5 million yen used for the six months ended September 30, 2012).

Based on these activities described above, cash and cash equivalents as of September 30, 2013 totaled 431 million yen (353 million yen as of March 31, 2013).

(In millions of yen)

Cash Flows (Six months ended Sep. 30)	FY2013	FY2012	Increase/ Decrease
Cash flows from operating activities	768	(433)	1,202
Cash flows from investing activities	(690)	406	(1,097)
Cash flows from financing activities	0	(5)	5
Cash and cash equivalents, beginning of the period	353	428	-
Cash and cash equivalents, end of the period	431	395	-

(3) Topics

2Q fiscal 2013

- Jul. 10 Disclosed questionnaire results of shareholders' meeting (Japanese only)
<http://www.lifenet-seimei.co.jp/newsrelease/2013/4896.html>
- Jul. 22 Published annual disclosure material 2013 (Japanese only)
<http://ir.lifenet-seimei.co.jp/library/disclosure.html>
- Aug. 1 Aired new TV Commercial series (Japanese only)
<http://www.lifenet-seimei.co.jp/newsrelease/2013/4938.html>
- Aug. 5 Conducted a survey about childcare leave (Japanese Only)
<http://www.lifenet-seimei.co.jp/newsrelease/2013/4940.html>
- Aug. 15 Started summer campaign promotion (Japanese only)
<http://www.lifenet-seimei.co.jp/information/2013/4969.html>
 "What you want to know about Lifenet" web pages opened (Japanese only)
<http://www.lifenet-seimei.co.jp/about/answer/>
- Aug. 18 Haruaki Deguchi, Chairman & CEO appeared on the TV program "Solomon-Ryu" broadcasted by TV Tokyo (Japanese only)
<http://www.lifenet-seimei.co.jp/information/2013/4971.html>
<http://www.tv-tokyo.co.jp/solomon/backnumber/20130818/>
- Aug. 21 Held FAMILY DAY 2013 for employee's families (Japanese only)
<http://www.lifenet-seimei.co.jp/newsrelease/2013/4995.html>
- Sep.13 Signed a shareholders' agreement with Kyobo Life Insurance Co., Ltd. regarding the establishment of a joint venture in Korea
<http://pdf.irpocket.com/C7157/qnwX/YtOj/w5mz.pdf>

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お申し込みからお支払いまで、全社員がお客さまとつながっています。私たちライフネット生命は、1件1件のご契約に対して一人ひとりの社員が、それぞれの思いを込めて、大切に対応しています。



シンプルな保険商品

本誌に必要な保険だけをシンプルに、わかりやすく。

→ **PAGE 6**

マーケティング

費用対効果を重視した、共感マーケティングで、ファンを作ります。

→ **PAGE 8**

ウェブсай

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→ **PAGE 9**

会社概要

ライフネット生命はインターネットを主な販売チャネルとする戦後初の独立系生命保険会社です。

社名 ライフネット生命保険株式会社
 英文社名 LIFENET INSURANCE COMPANY
 資本金 200億5,840万円(資本準備金 104億3,420万円を含む)
 URL <http://www.lifenet-seimei.co.jp/>
 役員 代表取締役社長兼CEO 出口 洋明
 代表取締役社長兼COO 菅原 大輔
 常務取締役 藤田 昌孝子 樋口 隆一郎
 取締役 佐藤 正樹 内田 和成
 監事 伊佐 健次郎 佐々 孝治 樋田 謙一 河野 謙
(2013年8月23日現在)



コンタクトセンター

受付時間は平日22時、土曜日は18時まで、相談できるネットを大切に。

→ **PAGE 10**

情報セキュリティ

お客さまの個人情報を守るため、厳格なセキュリティ体制を。

→ **PAGE 12**

お引き受け

ウェブサイト上で申し込みたい内容も、ウェブサイトで申し込めない内容も、丁寧に承ります。

→ **PAGE 11**

お支払い

保険金・給付金を請求に、迅速に、後付保証の発行も請求時の診断書提出を原則不要に。

→ **PAGE 13**

Annual disclosure material 2013

(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 rate. Fundamental profit at a life insurance company is 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 fundamental profit by calculating the differences.*¹

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

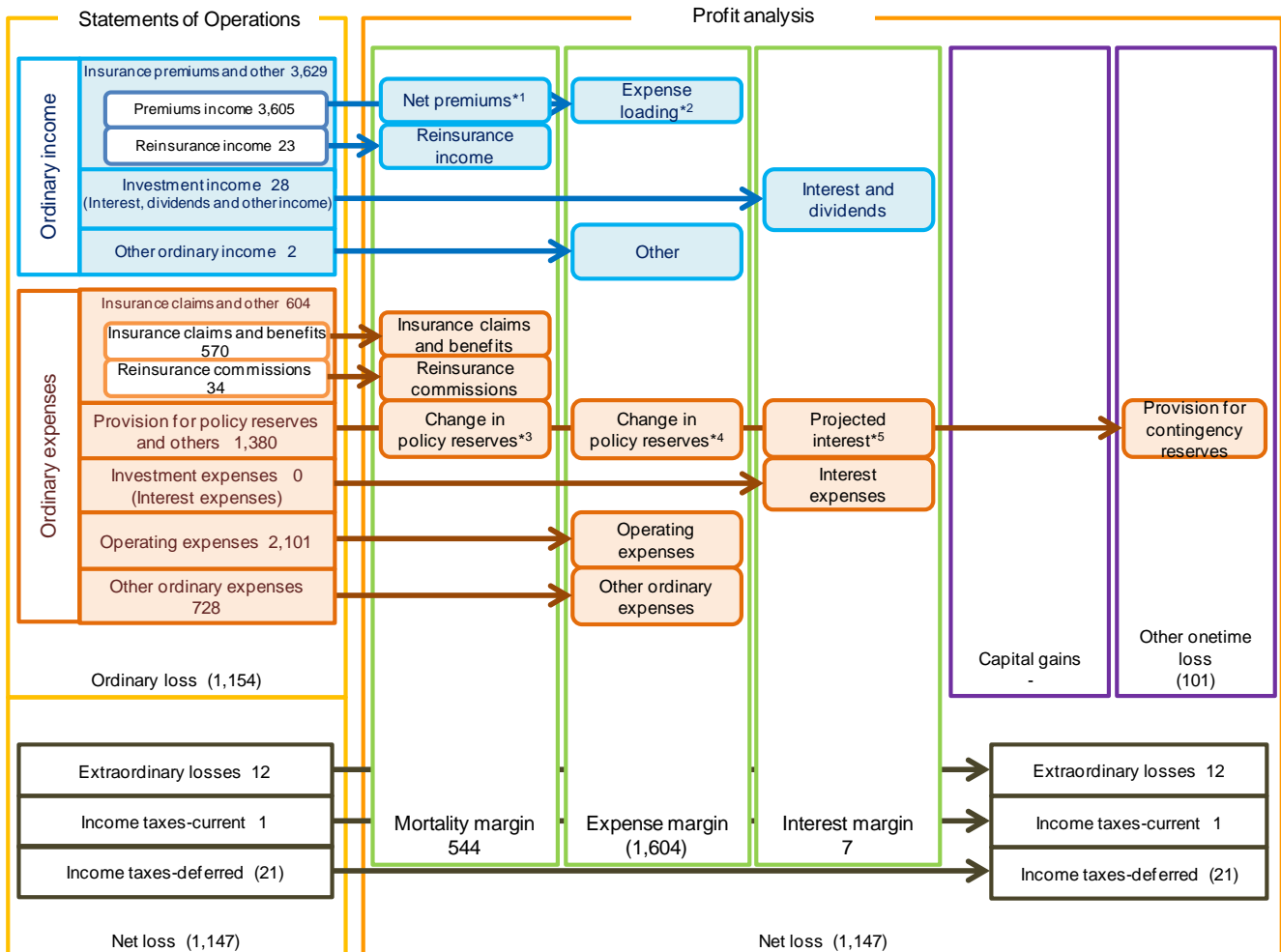
In the six months ended September 30, 2013, fundamental profit and three surplus factors are as follows: the mortality margin recorded a profit of 544 million yen due to an increase in insurance premiums in spite of the increase in insurance payments, the interest margin was 7 million yen due to investment income and the expense margin was a 1,604 million yen loss because newly incurred expenses can no longer be recognized as deferred assets under Article 113 of the Insurance Business Act from this fiscal year. As a result, fundamental profit recorded 1,052 million yen loss.

(In millions of yen)

Fundamental profit (Six months ended Sep. 30)		FY2013	FY2012	Year on year
Fundamental profit	(i)	(1,052)	71	-
Mortality margin		544	471	115.5%
Expense margin		(1,604)	(414)	-
Interest margin		7	14	50.9%
Capital gains	(ii)	-	-	-
Other onetime loss	(iii)	(101)	(140)	-
Ordinary profit (loss)	(iv)=(i)+(ii)+(iii)	(1,154)	(68)	-
Extraordinary loss, income tax, etc.	(v)	6	(85)	-
Net income (loss)	(vi)=(iv)+(v)	(1,147)	(154)	-

Three Surplus Factors

(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: Change in the claim reserve, 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

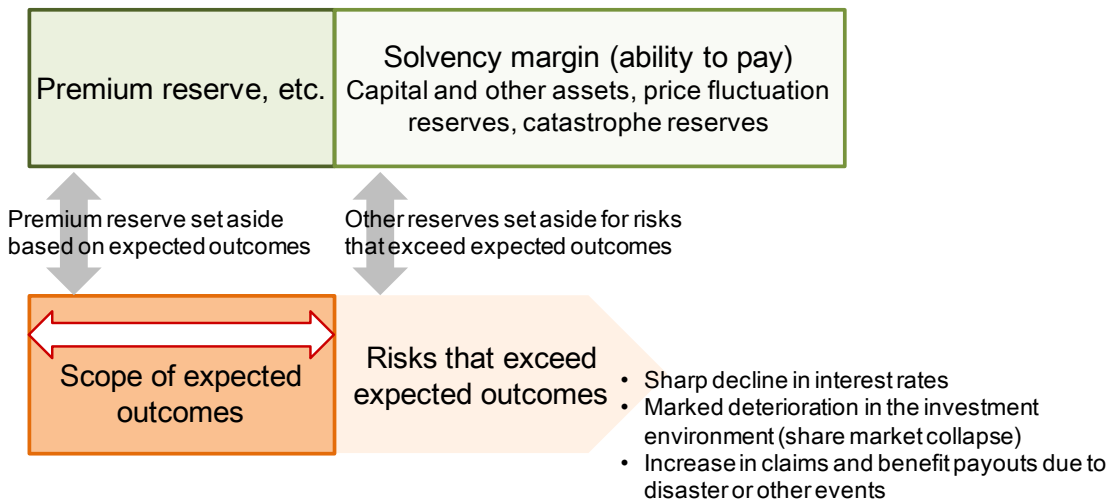
As of September 30, 2013, the solvency margin ratio was 1,885.5%, a decrease from March 31, 2013. This is due to the increase in policies-in-force and the investment in Kyobo Lifeplanet, the joint venture in Korea leading to a rise in the amount of total risks.

(In millions of yen)

	Solvency margin	÷	Risk total × (1/2)	=	Solvency margin ratio
September 30, 2013	11,308		1,199 × (1/2)		1,885.5%
March 31, 2013	11,790		1,040 × (1/2)		2,266.0%
September 30, 2012	12,107		916 × (1/2)		2,643.2%

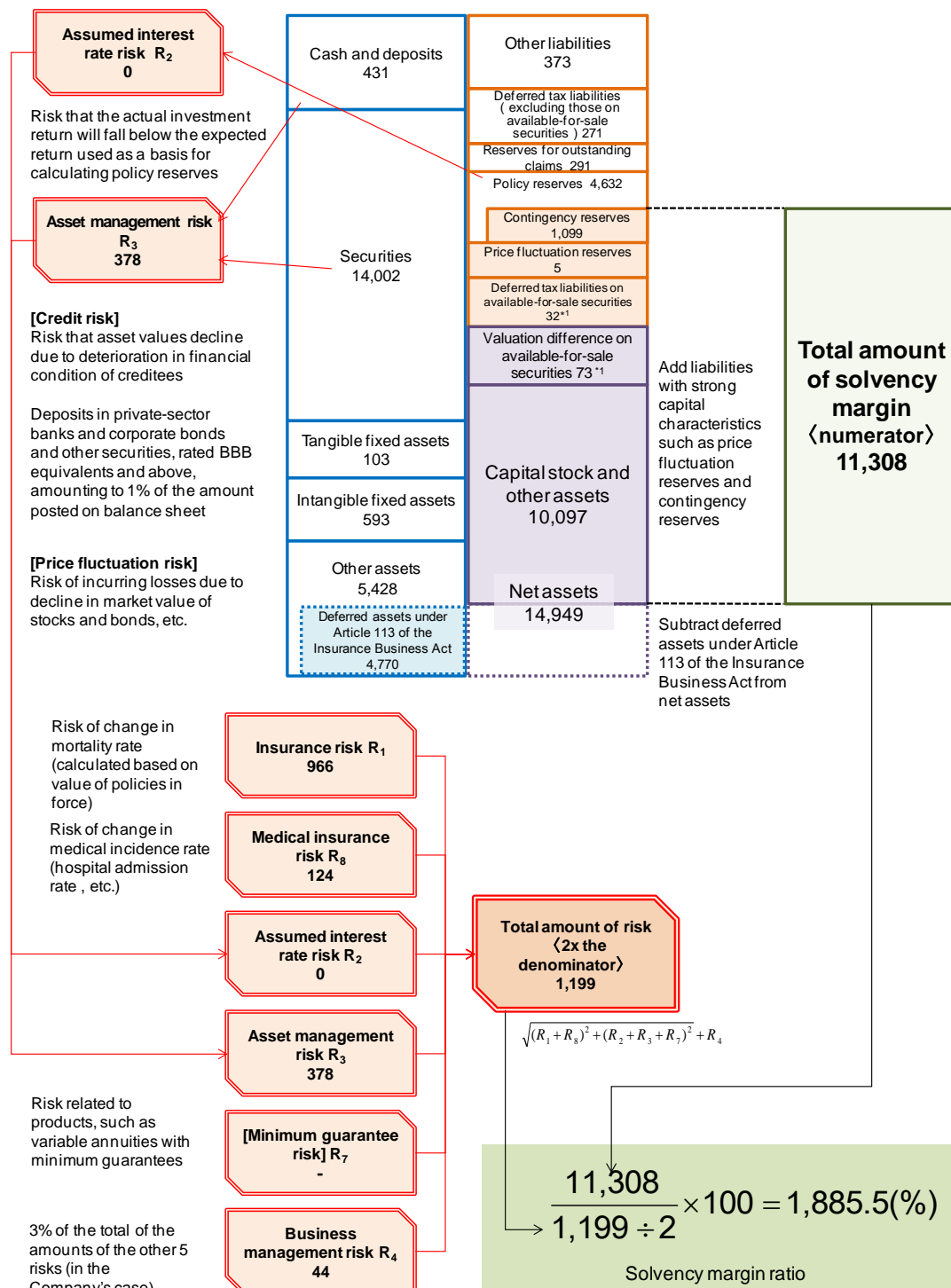
What Is the Solvency Margin Ratio?

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 September 30, 2013)

(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

In the mid-term business plan for fiscal 2015, Lifenet decided its management goal of achieving 15 billion yen in ordinary income, pushing the company toward profitability (based on ordinary profit before amortization of deferred assets under Article 113 of the Insurance Business Act) in fiscal 2015.

Lifenet will not be disclosing earnings forecasts for fiscal 2013, however, for the following reasons:

- * There is a significant risk of fluctuation in profit and loss due to insurance claims and benefits payments, as the number of policies-in-force is still insufficient.
- * Results in financial statements tend to differ from economic reality due to the conservative stance of life insurance accounting pursuant to the Insurance Business Act which emphasizes the protection of policyholders.

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, and enrichment of the content of its mid- to long-term business plans and strategies among other efforts.

In fiscal 2013, the sixth year after commencing business operations, newly incurred expenses can no longer be recognized as deferred assets under Article 113 of the Insurance Business Act, while the deferred assets recognized before fiscal 2012 will continue to be amortized using the straight-line method until fiscal 2017, the tenth year after commencing business operations. Therefore, the only negative impact of the amortization of deferred assets will be recognized in the business results for the fiscal years from fiscal 2013 through fiscal 2017 and amortization cost of deferred assets will record 1,060 million yen each year from fiscal 2013 onward.

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.

Contact:

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

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, 2013	Sep. 30, 2013
<u>ASSETS</u>		
Cash and deposits.....	¥ 353	¥ 431
Securities.....	13,488	14,002
Government bonds	7,331	6,653
Corporate bonds	5,982	6,379
Stocks	174	968
Tangible fixed assets	97	103
Intangible fixed assets.....	590	593
Agency accounts receivable	0	0
Reinsurance accounts receivable	13	1
Other assets	5,907	5,428
Accounts receivable.....	498	551
Deferred assets under Article 113 of the Insurance Business Act	5,300	4,770
Other	108	105
Total assets	<u>¥ 20,450</u>	<u>¥ 20,559</u>

	(In millions of yen)	
	March 31, 2013	Sep. 30, 2013
LIABILITIES		
Policy reserves and other	¥ 3,544	¥ 4,924
Reserves for outstanding claims	265	291
Policy reserves	3,278	4,632
Agency accounts payable	3	3
Reinsurance accounts payable	15	17
Other liabilities	493	351
Income taxes payable	3	1
Accrued expenses	320	245
Lease liabilities	18	38
Asset retirement obligations	32	32
Suspense receipt	118	33
Reserves under the special laws	3	5
Reserve for price fluctuations	3	5
Deferred tax liabilities	318	307
Total liabilities	¥ 4,379	¥ 5,609
NET ASSETS		
Capital stock	¥ 10,484	¥ 10,487
Capital surplus	10,484	10,487
Legal capital surplus	10,484	10,487
Retained earnings	(4,978)	(6,126)
Other retained earnings	(4,978)	(6,126)
Retained earnings brought forward	(4,978)	(6,126)
Shareholders' equity	15,990	14,848
Valuation difference on available-for-sale securities	60	81
Valuation and translation adjustments	60	81
Subscription rights to shares	20	20
Total net assets	16,071	14,949
Total liabilities and net assets	¥ 20,450	¥ 20,559

(2) Statements of Operations

	(In millions of yen)	
	Six months ended Sep. 30	
	2012	2013
Ordinary income	¥ 2,821	¥ 3,660
Insurance premiums and other	2,719	3,629
Premiums income	2,695	3,605
Reinsurance income	24	23
Investment income	24	28
Interest, dividends and other income	24	28
Other ordinary income	77	2
Reversal of reserves for outstanding claims	73	-
Other	3	2
Ordinary expenses	2,890	4,814
Insurance claims and other	261	604
Insurance claims	131	378
Benefits	105	192
Reinsurance commissions	24	34
Provision for policy reserves and other	885	1,380
Provision for reserves for outstanding claims	-	26
Provision for policy reserves	885	1,353
Investment expenses	0	0
Interest expenses	0	0
Operating expenses	2,621	2,101
Other ordinary expenses	657	728
Deferred expenses under Article 113 of the Insurance Business Act	(1,535)	-
Ordinary profit (loss)	(68)	(1,154)
Extraordinary losses	0	12
Impairment loss	-	10
Provision of reserves under the special laws	0	1
Provision of reserve for price fluctuations	0	1
Income (loss) before income taxes	(69)	(1,166)
Income taxes-current	1	1
Income taxes-deferred	83	(21)
Income taxes	84	(19)
Net income (loss)	¥ (154)	¥ (1,147)

(3) Statements of Changes in Net Assets

	(In millions of yen)	
	Six months ended Sep. 30	2013
	2012	2013
Shareholders' equity:		
Capital stock		
Capital stock	¥ 10,478	¥ 10,484
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	3	2
Total changes of items during the period	3	2
Capital stock	10,481	10,487
Deposit for subscriptions to shares		
Deposit for subscriptions to shares	-	-
Changes of items during the period		
Payment of Deposit for subscriptions to shares	1	-
Total changes of items during the period	1	-
Capital stock	1	-
Capital surplus		
Legal capital surplus		
Legal capital surplus	10,478	10,484
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	3	2
Total changes of items during the period	3	2
Legal capital surplus	10,481	10,487
Total capital surplus		
Capital surplus	10,478	10,484
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	3	2
Total changes of items during the period	3	2
Capital surplus	10,481	10,487
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Retained earnings brought forward	(4,852)	(4,978)
Changes of items during the period		
Net income (loss)	(154)	(1,147)
Total changes of items during the period	(154)	(1,147)
Retained earnings brought forward	(5,006)	(6,126)
Total retained earnings		
Retained earnings	(4,852)	(4,978)
Changes of items during the period		
Net income (loss)	(154)	(1,147)
Total changes of items during the period	(154)	(1,147)
Retained earnings	¥ (5,006)	(6,126)

	(In millions of yen)	
	Six months ended Sep. 30	
	2012	2013
Total shareholders' equity		
Shareholders' equity	¥ 16,103	¥ 15,990
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	7	4
Payment of deposit for subscriptions to shares	1	-
Net income (loss)	(154)	(1,147)
Total changes of items during the period	(145)	(1,142)
Shareholders' equity	15,957	14,848
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities		
Valuation difference on available-for-sale securities	35	60
Changes of items during the period		
Net changes of items other than shareholders' equity	(5)	21
Total changes of items during the period	(5)	21
Valuation difference on available-for-sale securities	30	81
Total valuation and translation adjustments		
Total valuation and translation adjustments	35	60
Changes of items during the period		
Net changes of items other than shareholders' equity	(5)	21
Total changes of items during the period	(5)	21
Total valuation and translation adjustments	30	81
Subscription rights to shares:		
Subscription rights to shares	20	20
Changes of items during the period		
Net changes of items other than shareholders' equity	-	-
Total changes of items during the period	-	-
Subscription rights to shares	20	20
Net assets:		
Net assets	16,159	16,071
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	7	4
Payment of deposit for subscriptions to shares	1	-
Net income (loss)	(154)	(1,147)
Net changes of items other than shareholders' equity	(5)	21
Total changes of items during the period	(151)	(1,121)
Net assets	¥ 16,008	¥ 14,949

(4) Statements of Cash Flows

	(In millions of yen)	
	Six months ended Sep. 30	
	2012	2013
Cash flows from operating activities		
Income (loss) before income taxes	¥ (69)	¥ (1,166)
Depreciation and amortization	112	96
Impairment loss	-	10
Increase (decrease) in reserves for outstanding claims	(73)	26
Increase (decrease) in policy reserves	885	1,353
Increase (decrease) in reserve for price fluctuations	0	1
Interest, dividends and other income	(24)	(28)
Interest expenses	0	0
Decrease (increase) in agency accounts receivable	0	0
Decrease (increase) in reinsurance accounts receivable	0	11
Decrease (increase) in other assets <excluding assets for investing and financing activities >..	(1,235)	477
Increase (decrease) in agency accounts payable	0	0
Increase (decrease) in reinsurance accounts payable	1	2
Increase (decrease) in other liabilities <excluding liabilities for investing and financing activities >..	(79)	(75)
Other, net.....	(19)	0
Subtotal	(499)	709
Interest and dividends income received.....	70	63
Interest expenses paid	(0)	(0)
Income taxes paid	(3)	(3)
Net cash provided by (used in) operating activities	(433)	768
Cash flows from investing activities		
Purchase of securities	(10,924)	(10,515)
Proceeds from sales and redemption of securities.....	11,500	10,000
Total of net cash provided by (used in) investment transactions	575	(515)
Total of net cash provided by (used in) operating activities and investment transactions	142	253
Purchase of tangible fixed assets	(35)	(22)
Purchase of intangible fixed assets.....	(133)	(153)
Net cash provided by (used in) investing activities	406	(690)
Cash flows from financing activities		
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	7	4
Proceeds from payment of deposit for subscriptions to shares ...	1	-
Repayments of lease obligations	(14)	(4)
Net cash provided by (used in) financing activities.....	(5)	0
Net increase (decrease) in cash and cash equivalents	(32)	78
Cash and cash equivalents, beginning of period	428	353
Cash and cash equivalents, end of period	¥ 395	¥ 431

Financial Summary for 2Q of Fiscal 2013 Ending March 31, 2014

November 14, 2013

Name of Company: LIFENET INSURANCE COMPANY
 Stock Exchange Listings: Tokyo Stock Exchange, Mothers
 Securities 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 Six Months Ended September 30, 2013 (April 1, 2013 – September 30, 2013)

(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	%
Six months ended September 30, 2013	3,660	29.7	(1,154)	-	(1,147)	-
September 30, 2012	2,821	75.1	(68)	-	(154)	-

	Net Income (Loss) per Share		Diluted Net Income per Share	
	yen		yen	
Six months ended September 30, 2013	(27.26)		-	
September 30, 2012	(3.67)		-	

(2) Financial Conditions

	Total Assets	Total Net Assets	Ratio of Equity Capital to Total Assets	Total Net Assets per Share
	millions of yen	millions of yen	%	yen
September 30, 2013	20,559	14,949	72.6	354.65
March 31, 2013	20,450	16,071	78.5	381.40

Note: Net assets attributable to the Company's shareholders as of September 30, 2013 and March 31, 2013 were 14,929 million yen and 16,051 million yen, respectively.

2. Dividends

	Dividend per Share				
	1Q	2Q	3Q	4Q	Total
Fiscal Year ended	yen	yen	yen	yen	yen
March 31, 2013	—	0.00	—	0.00	0.00
March 31, 2014	—	0.00			
March 31, 2014 (forecast)			—	0.00	0.00

3. Earnings Forecasts for the Fiscal Year ending March 31, 2014

Lifenet will not be disclosing earnings forecasts, for details, please refer to page 15.

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 Issued (common stock)

	<u>As of September 30, 2013</u>	<u>As of March 31, 2013</u>
Total shares issued	42,097,000 shares	42,085,000 shares
Number of treasury stock	—	—
	<u>Six months ended September 30, 2013</u>	<u>Six months ended September 30, 2012</u>
Average issued shares	42,093,131 shares	42,065,355 shares