

## Financial Summary for Fiscal 2011, Ended March 31, 2012

May 15, 2012

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: Haruaki Deguchi, President/Founder

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

### 1. Financial Data for the Fiscal Year Ended March 31, 2012 (April 1, 2011 - March 31, 2012)

#### (1) Results of Operations

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

Fiscal Year ended	Ordinary Revenues		Ordinary Profit (Loss)		Net Income (Loss)	
	millions of yen	%	millions of yen	%	millions of yen	%
March 31, 2012	3,773	106.4	(687)	—	(900)	—
March 31, 2011	1,827	177.5	(820)	—	(834)	—

Fiscal Year ended	Net Income (Loss) per Share	Diluted Net Income per Share	Net Income (Loss) on Shareholders' Equity	Ordinary Income (Loss) on Total Assets	Ordinary Income (Loss) on Ordinary Revenues
	yen		%	%	%
March 31, 2012	(26.37)	—	(7.1)	(4.7)	(18.2)
March 31, 2011	(24.76)	—	(8.6)	(7.8)	(44.9)

Note: The Company implemented a 1,000-for-1 stock split on January 24, 2012. Figures in net income per share for fiscal 2010, ended March 31, 2011, represents the result of retroactive adjustments of the stock split.

#### (2) Financial Conditions

Fiscal Year ended	Total Assets	Total Net Assets	Ratio of Shareholders' Equity to Total Assets	Total Net Assets per Share
	millions of yen	millions of yen	%	yen
March 31, 2012	18,861	16,159	85.6	383.75
March 31, 2011	10,523	9,292	88.1	275.01

Note: Net assets attributable to the Company's shareholders as of March 31, 2012 and March 31, 2011 were 16,139 million yen and 9,272 million yen, respectively.

#### (3) Cash Flows

Fiscal Year ended	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Year
	millions of yen	millions of yen	millions of yen	millions of yen
March 31, 2012	(799)	(6,881)	7,728	428
March 31, 2011	(1,153)	1,037	(27)	380

## 2. Dividends

	Dividend per Share					Total dividends (Annual)	Dividend Payout Ratio	Dividend on Net Assets
	1Q	2Q	3Q	4Q	Total			
Fiscal Year ended	yen	yen	yen	yen	yen	millions of yen	%	%
March 31, 2011	—	0.00	—	0.00	0.00	—	—	—
March 31, 2012	—	0.00	—	0.00	0.00	—	—	—
March 31, 2013 (forecast)		0.00	—	0.00	0.00		—	

## 3. Earnings Forecasts for the Fiscal Year ending March 31, 2013

LIFENET will not disclose earnings forecasts for fiscal year 2012, ending March 31, 2013.

## 4. Other

### (1) Changes in Accounting Principles, Procedures and Presentation Methods for Financial Statements:

1. Changes due to the revision of accounting standards: Applicable
2. Changes due to other factors: None

### (2) Number of shares outstanding (common stock)

	As of March 31, 2012	As of March 31, 2011
Total shares outstanding	42,057,000 shares	33,717,000 shares
Number of treasury stock	—	—
	Year ended March 31, 2012	Year ended March 31, 2011
Average outstanding shares	34,127,164 shares	33,717,000 shares

Notes: 1. The Company implemented a 1,000-for-1 stock split on January 24, 2012. Figures for Fiscal 2010, ended March 31, 2011, represents the result of retroactive adjustment of the stock split.

2. The Company issued 8,340,000 new shares on March 14, 2012.

## Financial Statements for Fiscal 2011, Ended March 31, 2012

TOKYO, May 15, 2012 - LIFENET INSURANCE COMPANY (TSE Mothers 7157, President/Founder: Haruaki Deguchi) discloses financial statements for fiscal 2011, ended March 31, 2012.

### Non-consolidated Financial Statements

#### (1) Balance Sheets

	(In millions of yen)	
	March 31	
	2011	2012
<b>ASSETS</b>		
Cash and deposits.....	¥ 380	¥ 428
Deposits.....	380	428
Securities.....	7,200	13,800
Government bonds.....	3,556	9,939
Corporate bonds.....	3,532	3,721
Stocks.....	111	139
Property, plant and equipment.....	99	90
Buildings, net.....	26	34
Lease assets, net.....	55	21
Other, net.....	18	34
Intangible assets.....	401	424
Software.....	218	393
Software in progress.....	179	28
Other.....	3	3
Agency accounts receivable.....	0	0
Reinsurance accounts receivable.....	8	0
Other assets.....	2,431	4,116
Accounts receivable.....	188	348
Prepaid expenses.....	6	11
Accrued income.....	19	18
Cash segregated as deposits.....	54	78
Suspense payments.....	0	0
Deferred assets under Article 113 of the Insurance Business Law.....	2,162	3,659
Assets.....	<u>¥ 10,523</u>	<u>¥ 18,861</u>

(In millions of yen)

March 31

	2011	2012
<b><u>LIABILITIES</u></b>		
Reserve for insurance policy liabilities .....	¥ 810	¥ 1,940
Outstanding claims .....	129	196
Policy reserve .....	680	1,743
Agency accounts payable .....	1	2
Reinsurance accounts payable .....	8	11
Other liabilities .....	394	535
Income taxes payable .....	3	3
Accounts payable-other .....	73	26
Accrued expenses .....	244	441
Deposits received .....	4	7
Lease obligations .....	50	23
Asset retirement obligations .....	17	32
Suspense receipt .....	0	0
Reserves under the special laws .....	1	2
Reserve for price fluctuation .....	1	2
Deferred tax liabilities .....	14	209
Total liabilities .....	<u>1,230</u>	<u>2,702</u>
<b><u>NET ASSETS</u></b>		
Capital stock .....	6,600	10,478
Capital surplus .....	6,600	10,478
Legal capital surplus .....	6,600	10,478
Retained earnings .....	(3,952)	(4,852)
Other retained earnings .....	(3,952)	(4,852)
Retained earnings brought forward .....	(3,952)	(4,852)
Shareholders' equity .....	<u>9,247</u>	<u>16,103</u>
Valuation difference on available-for-sale securities .....	24	35
Valuation and translation adjustments .....	24	35
Subscription rights to shares .....	20	20
Net assets .....	<u>9,292</u>	<u>16,159</u>
Liabilities and net assets .....	<u>¥ 10,523</u>	<u>¥ 18,861</u>

## (2) Statements of Operations

(In millions of yen)

	Year ended March 31	
	2011	2012
Operating income .....	¥ 1,827	¥ 3,773
Insurance premiums and other .....	1,765	3,720
Insurance premiums .....	1,756	3,707
Reinsurance commissions .....	8	12
Investment income .....	60	47
Interest, dividends and other income .....	60	47
Interest on deposits .....	0	0
Interest and dividends on securities .....	60	47
Other operating income .....	1	5
Other .....	1	5
Operating expenses .....	2,648	4,461
Insurance claims and other .....	154	410
Insurance claims .....	85	251
Benefits .....	48	119
Reinsurance premiums .....	21	40
Provision of policy reserve and other .....	565	1,130
Provision of outstanding claims .....	106	66
Provision of policy reserve .....	458	1,063
Investment expenses .....	0	0
Interest expenses .....	0	0
Project expenses .....	2,724	3,984
Other operating expenses .....	595	1,041
Taxes .....	131	192
Depreciation .....	152	192
Amortization of deferred assets under Article 113 of the Insurance Business Law .....	308	609
Other .....	2	46
Deferred expenses under Article 113 of the Insurance Business Law .....	(1,392)	(2,106)
Ordinary income .....	(820)	(687)
Extraordinary loss .....	10	14
Impairment loss .....	-	13
Provision of reserves under the special laws .....	0	0
Provision of reserve for price fluctuation .....	0	0
Other .....	3	-
Loss on adjustment for changes of accounting standard for asset retirement obligations .....	5	-
Income before income taxes .....	(831)	(702)
Income taxes-current .....	3	3
Income taxes-deferred .....	-	194
Income taxes .....	3	197
Net income .....	¥ (834)	¥ (900)

## (3) Statements of Changes in Net Assets

(In millions of yen)

	Year ended March 31	
	2011	2012
Shareholders' equity:		
Capital stock		
Capital stock .....	¥ 6,600	¥ 6,600
Changes of items during the period		
Issuance of new shares .....	-	3,878
Total changes of items during the period .....	-	3,878
Capital stock .....	6,600	10,478
Capital surplus		
Legal capital surplus		
Legal capital surplus .....	6,600	6,600
Changes of items during the period		
Issuance of new shares .....	-	3,878
Total changes of items during the period .....	-	3,878
Legal capital surplus .....	6,600	10,478
Total capital surplus		
Capital surplus .....	6,600	6,600
Changes of items during the period		
Issuance of new shares .....	-	3,878
Total changes of items during the period .....	-	3,878
Capital surplus .....	6,600	10,478
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Retained earnings brought forward .....	(3,117)	(3,952)
Total changes of items during the period		
Net income .....	(834)	(900)
Total changes of items during the period .....	(834)	(900)
Retained earnings brought forward .....	(3,952)	(4,852)
Total retained earnings		
Retained earnings .....	(3,117)	(3,952)
Changes of items during the period		
Net income .....	(834)	(900)
Total changes of items during the period .....	(834)	(900)
Retained earnings .....	(3,952)	(4,852)
Total shareholders' equity		
Shareholders' equity .....	10,082	9,247
Changes of items during the period		
Issuance of new shares .....	-	7,756
Net income .....	(834)	(900)
Total changes of items during the period .....	(834)	6,856
Shareholders' equity .....	¥ 9,247	¥ 16,103

(In millions of yen)

	Year ended March 31	
	2011	2012
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities		
Valuation difference on available-for-sale securities ....	¥ 19	¥ 24
Changes of items during the period		
Net changes of items other than shareholders' equity .....	4	10
Total changes of items during the period .....	4	10
Valuation difference on available-for-sale securities	24	35
Total valuation and translation adjustments		
Total valuation and translation adjustments .....	19	24
Changes of items during the period		
Net changes of items other than shareholders' equity .....	4	10
Total changes of items during the period .....	4	10
Total valuation and translation adjustments .....	24	35
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 .....	10,122	9,292
Changes of items during the period		
Issuance of new shares .....	-	7,756
Net income .....	(834)	(900)
Net changes of items other than shareholders' equity .....	4	10
Total changes of items during the period .....	(829)	(6,866)
Net assets .....	¥ 9,292	¥ 16,159

## (4) Statements of Cash Flows

(In millions of yen)

	Year ended March 31	
	2011	2012
Net cash provided by (used in) operating activities		
Income before income taxes.....	¥ (831)	¥ (702)
Depreciation and amortization.....	152	192
Impairment loss .....	-	13
Increase (decrease) in outstanding claims	106	66
Increase (decrease) in policy reserve.....	458	1,063
Increase (decrease) in reserve for price fluctuation.....	0	0
Interest, dividends and other income.....	(60)	(47)
Interest expenses .....	2	2
Decrease (increase) in agency accounts receivable .....	0	(0)
Decrease (increase) in reinsurance accounts receivable .....	(8)	7
Decrease (increase) in other investing and financing activities assets.....	(1,215)	(1,685)
Increase (decrease) in agency accounts payable .....	1	0
Increase (decrease) in reinsurance accounts payable .....	8	2
Increase (decrease) in other investing and financing activities liabilities .....	123	200
Other, net .....	8	2
Subtotal.....	(1,252)	(882)
Interest and dividends income received .....	104	88
Interest expenses paid.....	(2)	(1)
Income taxes paid.....	(3)	(3)
Net cash provided by (used in) operating activities .....	(1,153)	(799)
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities .....	(1,125)	(9,314)
Proceeds from sales and redemption of securities.....	2,299	2,689
Total of net cash provided by (used in) investment transactions .....	1,174	(6,625)
Total of net cash provided by (used in) operating activities and investment transactions.....	20	(7,424)
Purchase of property, plant and equipment .....	(22)	(49)
Purchase of intangible assets.....	(114)	(206)
Net cash provided by (used in) investing activities .....	1,037	(6,881)



(In millions of yen)

Year ended March 31

	2011	2012
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	-	7,756
Repayments of lease obligations	(27)	(27)
Net cash provided by (used in) financing activities	(27)	7,728
Net increase (decrease) in cash and cash equivalents	(143)	47
Cash and cash equivalents, beginning of year	523	380
Cash and cash equivalents, end of year	¥ 380	¥ 428

**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:                  Corporate Development Department, Investor Relations                  Tel: +81-3-5216-7900                  e-mail: <a href="mailto:ir@lifenet-seimei.co.jp">ir@lifenet-seimei.co.jp</a></p>
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