

May 12, 2022

Ryosuke Mori, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Growth)

Financial Results for Fiscal 2021 Ended March 31, 2022

Annualized premium of in-force business of 21,511 million yen, up 15.0% year on year

TOKYO, May 12, 2022 - LIFENET INSURANCE COMPANY (TSE Growth 7157, President Ryosuke Mori, URL: <https://ir.lifenet-seimei.co.jp/en/>) discloses financial results for fiscal 2021 ended March 31, 2022.

1. Overview of the financial results for fiscal 2021

(1) Business results

Condition of policies-in-force

Annualized premium*¹ of new business in 4Q ended March 31, 2022 was 981 million yen (88.9% of 4Q of fiscal 2020). The number of new business was 24,410 (90.7% of 4Q of fiscal 2020). Annualized premium of new business for fiscal 2021 was 4,089 million yen (97.4% of fiscal 2020). The number of new business for fiscal 2021 was 100,636 (100.0% of fiscal 2020) and recorded a historical high.

Annualized premium of policies-in-force as of the end of March 31, 2022 stands at 21,511 million yen (115.0% of March 31, 2021). Sum insured of policies-in-force was 3,351,278 million yen (111.9% of March 31, 2021). The number of policies-in-force exceeded 500,000 in February 2022 and resulted in a total of 507,428 (115.3% of March 31, 2021). The number of policyholders was 322,231. Lifenet has extended grace period for insurance premium payment as one of the special measures in the COVID-19 pandemic. Surrender and lapse ratio*² for fiscal 2021 was 6.6% (6.0% for fiscal 2020) includes the impact of extended policies that were recorded as lapsed policies.

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

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

Results of operations

Insurance premiums and other for fiscal 2021 increased to 25,420 million yen (125.3% of fiscal 2020) due to an increase in premium income by growth of in-force business, and effect from modified co-insurance. Investment income was 665 million yen (153.4% of fiscal 2020). Other ordinary income was 81 million yen. As a result, ordinary income for fiscal 2021 amounted to 26,167 million yen (125.9% of fiscal 2020).

Insurance claims and other was 8,668 million yen (143.7% of fiscal 2020) mainly due to an increase in reinsurance commissions from modified co-insurance. The ratio of insurance payment amounts to insurance premiums was 20.7% for fiscal 2021, compared with 19.5% for fiscal 2020. Provision for policy reserves and other came to 6,903 million yen (109.4% of fiscal 2020). The ratio of provision for policy reserves to insurance premiums was 34.1% for fiscal 2021, compared with 36.2% for fiscal 2020. Operating expenses amounted to 12,140 million yen (121.0% of fiscal 2020) mainly due to the investment in our marketing spend including advertising. The components of operating expenses were 8,262 million yen in marketing expenses (123.1% of fiscal 2020), 1,278 million yen in customer service expenses (119.3% of fiscal 2020), and 2,599 million yen in system and other expenses (115.7% of fiscal 2020). Other

ordinary expenses was 1,693 million yen (112.6% of fiscal 2020). Consequently, ordinary expenses for fiscal 2021 totaled 29,413 million yen (123.2% of fiscal 2020).

As a result, ordinary profit totaled 3,245 million yen loss for fiscal 2021, compared with 3,089 million yen loss for fiscal 2020. Net income was 3,319 million yen loss, compared with 3,114 million yen loss for fiscal 2020.

In addition, fundamental profit, which is an indicator for the profitability of life insurance companies, amounted to 3,213 million yen loss, compared with 2,874 million yen loss for fiscal 2020. The components of fundamental profit were 3,348 million yen in mortality margin, 6,648 million yen loss in expense margin and 86 million yen in interest margin.

We are participating in reinsurance transactions from fiscal 2019 by modified co-insurance on part of new business to achieve continuous growth. By utilizing reinsurance appropriately, we will ease the temporary burden imposed on statutory capital by expenses associated with new business and maintain fiscal soundness. The reinsurance transactions are agreements that transfer the risk and the profit (loss) structure of the reinsured business to the reinsurance company for a certain period of time. We receive ceding commission in accordance with the new business costs associated with the reinsured business in the initial fiscal year. This leads to an increase in ordinary income. On the other hand, after the ceding commission is recorded reinsurance accounts receivable as asset, it is amortized by the profit generated from the reinsured business over following fiscal years. This leads to a decrease in ordinary profit and net profit. Once the balance of reinsurance accounts receivable is amortized to zero, the reinsurance agreement terminates, and subsequent profit on the reinsured business belongs to Lifenet. Accordingly, the modified co-insurance for fiscal 2021 resulted in raising ordinary income by 4,852 million yen (2,778 million yen of fiscal 2020), ordinary profit by 1,283 million yen (804 million yen of fiscal 2020), and net income by 1,283 million yen (804 million yen of fiscal 2020).

(2) Financial condition

Assets, liabilities and net assets

Total assets as of March 31, 2022 amounted to 67,820 million yen (54,501 million yen as of March 31, 2021). The major account balance was 47,425 million yen in securities mainly consisting of government bonds and corporate bonds with high credit ratings. Reinsurance accounts receivable was 3,881 million yen including 3,657 million yen of the balance of unamortized ceding commission for modified co-insurance.

Liabilities amounted to 45,749 million yen as of March 31, 2022 (38,694 million yen as of March 31, 2021), owing to an increase in policy reserves. The major account balances were 42,558 million yen in policy reserves and 984 million yen in reserves for outstanding claims. In terms of policy reserves, new business from fiscal 2018 onward has been transferred from 5-year Zillmer's method to standard policy reserves. The difference in policy reserves has been resolved over five fiscal years, from fiscal 2018 to 2022. From the perspective of *Comprehensive Guidelines for Supervision for Insurance Companies*, Lifenet accumulated the difference in policy reserves in fiscal 2021 which was planned to be enhanced in fiscal 2022. Thus, Lifenet has completed the transition to standard policy reserves in fiscal 2021 ended March 31, 2022.

Net assets amounted to 22,071 million yen as of March 31, 2022 (15,806 million yen as of March 31, 2021) mainly due to raising new capital through overseas public offering despite the recording of net loss for fiscal 2021. It includes the effect of raising retained earnings due to the utilization of modified co-insurance. On the other hand, after the ceding commission is recorded reinsurance accounts receivable as asset, it is amortized by the profit generated from the reinsured business over following fiscal years. This leads to a decrease in net assets accordingly.

The solvency margin ratio as of March 31, 2022 was 3,182.8% (2,647.1% as of March 31, 2021), which indicated that an adequate level of payment capacity was maintained.

(3) Cash flows

For fiscal 2021, net cash provided by operating activities amounted to 2,783 million yen (2,937 million yen provided for fiscal 2020) mainly because of an increase in insurance premium. Net cash used by investing activities amounted to 7,749 million yen (10,435 million yen used for fiscal 2020) mainly due to acquisition of securities. Net cash provided by financing activities amounted to 9,668 million yen (8,879 million yen provided for fiscal 2020) mainly due to issuance of new shares through overseas public offering in September 2021.

Based on these activities described above, cash and cash equivalents as of March 31, 2022 totaled 7,761 million yen (3,059 million yen as of March 31, 2021).

(4) Business forecasts

Business forecasts for fiscal 2022 ending March 31, 2023 are as follows. Lifenet discloses ordinary income, ordinary profit (loss) and net income (loss).

	(In millions of yen)		
	Ordinary income	Ordinary profit (loss)	Net income (loss)
Business forecasts for fiscal 2022	30,300	(3,400)	(3,400)
(Reference) Business results for fiscal 2021	26,167	(3,245)	(3,319)
Change	15.8%	-	-

Lifenet aims for further in-force business growth by undertaking initiatives for the “innovation of customer experience” and “enhancement of promotion capabilities” as disclosed as priority areas in the Management Policy to achieve the management goal. We will proactively invest in marketing to achieve these objectives. We will also invest in expanding our data analysis platform and developing other systems for designing products and services from the customer perspective. This will allow us to respond promptly to changes in the business environment and customer behaviors.

We are participating in reinsurance transactions from fiscal 2019 by modified co-insurance and continue to utilize the reinsurance in fiscal 2022. We expect the impact of these reinsurance transactions on fiscal 2022 results forecasts to increase ordinary income by around 6,300 million yen, ordinary profit by around 1,000 million yen and net income by around 1,000 million yen, given that new business will be acquired as expected. This impact includes the effects of amortization of reinsurance accounts receivable generated from reinsured business in past years.

Accordingly, Lifenet is forecasting ordinary income of 30,300 million yen, ordinary profit of 3,400 million yen loss and net profit of 3,400 million yen loss for fiscal 2022, including the impact of modified co-insurance. As the table below indicates, we project annualized premium of policies-in-force of 24,400 million yen and annualized premium of new business of 4,400 million yen.

(Reference) Annualized premium

(In millions of yen)

	Policies-in-force	New business
Business forecasts for fiscal 2022	24,400	4,400
Business results for fiscal 2021	21,511	4,089

(5) Dividend policy

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

In the future, we will continue to target business expansion and profit generation by implementing measures to increase recognition of the Company, developing new products and services, and effectively utilizing financing for investment in systems and other aspects of the business. In addition to this, the Company will consider implementing measures to provide shareholder return that include payment of dividends from future retained earnings.

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

2. Business policy

(1) Basic management policy

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

(2) Target indicator

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

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

To accelerate investment in growth based on the business environment and our Management Policy, we plan to move the timing for turning a profit at the ordinary profit level on a statutory accounting basis back from the mid-2020s. Lifenet is aiming for the voluntary adoption of International Financial Reporting Standards (IFRS) in fiscal 2023 and we expect to record a profit in the initial year of adoption under IFRS, though it is not certain at this time.

(3) Mid to long term business strategy and challenges

We formulated our Management Policy in November 2018 and have achieved vigorous growth. We upgraded the management goal to achieving 200 billion yen in EEV over the medium term in May 2021 because we were nearing the initial management goal of achieving 100 billion yen in EEV over the medium term. We will strive to achieve even greater growth and high profitability over the medium and long term based on the policy.

Summary of Management Policy

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

In fiscal 2021, Lifenet has been steadily growing. We achieved 100 billion yen in EEV as of September 30, 2021 and the number of policies-in-force reached 500,000 in February 2022. These goals were achieved through initiatives in the priority areas of “innovation of customer experience” and “enhancement of promotion capabilities” based on the Management Policy. Our subsidiary, LIFENET MIRAI Inc., was established and launched as an online insurance agency business from July 2021. This is part of the initiatives to build an online insurance platform to become an Internet service company of life insurance.

Since we have commenced our business in 2008, new entrants into the online channel by competitors are increasing due to changes in the business environment, and the online life insurance market is becoming competitive. In this situation, Lifenet will continue to invest in growth in fiscal 2022 to maintain our presence as the leading online insurance company driving the market. We will engage in active investment utilizing the capital we obtained through overseas public offerings in fiscal 2020 and fiscal 2021, in order to achieve even greater growth and accelerate transformation into an Internet service company of life insurance. We will also pursue initiatives that address the following issues with the aim of achieving 200 billion yen in EEV.

i Sustained Growth in In-force Business Performance

We aim to achieve double-digit growth in in-force business performance through initiatives in the priority areas of “innovation of customer experience” and “enhancement of promotion capabilities”.

To achieve “innovation of customer experience”, we will capitalize on the business opportunities presented by the increasing need for customers of all ages to purchase insurance online and will expand in-force business by accommodating those diverse needs. We will also improve the convenience of the various customer processes by focusing on application process and other website improvements and data analysis. We will particularly focus on providing a stress-free experience from the initial visit to the website to application.

To achieve “enhancement of promotion capabilities”, we will provide Lifenet product value through both the Internet channel and white label channel and aim for further growth. In the Internet channel, we will increase our brand recognition through active advertising. We also diversify promotions to attract more customers in their 30s and other young customers, our main customer segment since our business commencement. In the white label channel, we continue to position it as a channel with med to long term growth potential and will strengthen initiatives with the current corporate partners including KDDI CORPORATION (KDDI) and Money Forward, Inc (Money Forward). With KDDI, both KDDI and Lifenet are pursuing initiatives that utilize KDDI Group assets. With Money Forward, we will focus on improving the application rate and creating a convenient customer experience on website. We will provide our product value with customers while utilizing the high brand value and broad customer bases of partner companies.

ii Transformation into a Internet Service Company of Life Insurance

Lifenet aims to be the leading company driving growth of the online insurance market and is accelerating efforts to transform into an Internet service company of life insurance. We aim to build an online life insurance platform that connects customers with life insurance services by utilizing the expertise we have accumulated as an online life insurer since our business commencement.

As a part of that, the subsidiary we established in fiscal 2021 has begun operating an online insurance agency business and is providing Lifenet’s and other products suitable for online

sales. In the future, we will expand to products other than life insurance while making a series of improvements to the website. Through the subsidiary, we aim to be a platform capable of providing solutions to issues related with life insurance from the customer's perspective.

In addition, we will also strengthen the organizational structure to successfully transform into an Internet service company of life insurance. Lifenet will step up hiring activities and focus most intently on securing talent mainly in the systems area to achieve "innovation of customer experience". We will evolve evaluation system that supports employee's growth and challenges. We also work on creating a good workplace environment for both working in the office and working from home which we introduced after the COVID-19. Thus, we will also strive to achieve the management goal by establishing human resource systems to improve productivity and efficiency.

3. Basic Rationale for Selection of Accounting Standards

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

4. Non-consolidated Financial Statements

(1) Balance Sheets

	(In millions of yen)	
	March 31	
	2021	2022
ASSETS		
Cash and deposits.....	2,059	3,761
Bank deposits.....	2,059	3,761
Monetary claims bought.....	999	3,999
Money held in trust	5,895	5,460
Securities	40,007	47,425
Government bonds	9,004	8,946
Municipal bonds.....	1,482	1,469
Corporate bonds	21,301	24,042
Stocks	397	492
Foreign securities.....	0	98
Other securities	7,821	12,375
Tangible fixed assets	95	97
Buildings	12	25
Leased assets	11	7
Other tangible fixed assets	71	64
Intangible fixed assets	1,252	1,293
Software.....	520	1,123
Software in progress	732	170
Agency accounts receivable	9	7
Reinsurance accounts receivable.....	2,569	3,881
Other assets.....	1,612	1,892
Accounts receivable.....	1,362	1,585
Prepaid expenses	103	131
Accrued income	71	101
Deposits.....	73	73
Suspense payments	1	1
Total assets	54,501	67,820

	(In millions of yen)	
	March 31	
	2021	2022
<u>LIABILITIES</u>		
Policy reserves and other	36,639	43,542
Reserves for outstanding claims	837	984
Policy reserves	35,801	42,558
Agency accounts payable	69	48
Reinsurance accounts payable.....	301	404
Other liabilities	1,234	1,379
Income taxes payable	3	3
Accounts payable.....	71	30
Accrued expenses.....	1,082	1,270
Deposits received.....	15	16
Lease liabilities	11	7
Asset retirement obligations.....	33	34
Suspense receipt	16	17
Reserves under the special laws.....	76	102
Reserve for price fluctuations.....	76	102
Deferred tax liabilities	373	271
Total liabilities	38,694	45,749
<u>NET ASSETS</u>		
Capital stock	16,731	21,655
Capital surplus.....	16,731	21,655
Legal capital surplus	16,731	21,655
Retained earnings	(18,616)	(21,936)
Other retained earnings	(18,616)	(21,936)
Retained earnings brought forward	(18,616)	(21,936)
Treasury shares	(0)	(0)
Shareholders' equity	14,846	21,373
Valuation difference on available-for-sale securities	960	697
Valuation and translation adjustments.....	960	697
Total net assets	15,806	22,071
Total liabilities and net assets	54,501	67,820

(2) Statements of Operations

	(In millions of yen)	
	Year ended March 31	
	2021	2022
Ordinary income.....	20,789	26,167
Insurance premiums and other	20,282	25,420
Premiums income	16,892	19,835
Reinsurance income	3,389	5,585
Investment income	433	665
Interest, dividends and other income	320	415
Interest from deposits	0	0
Interest and dividends from securities.....	320	415
Other interest and dividends.....	0	0
Gain on money held in trust.....	110	70
Gain on sales of securities	2	178
Other ordinary income.....	73	81
Other.....	73	81
Ordinary expenses	23,879	29,413
Insurance claims and other.....	6,031	8,668
Insurance claims.....	2,146	2,546
Benefits	1,140	1,563
Other refunds	0	1
Reinsurance commissions	2,743	4,558
Provision for policy reserves and other.....	6,310	6,903
Provision for reserves for outstanding claims.....	199	146
Provision for policy reserves	6,111	6,756
Investment expenses	2	8
Interest expenses.....	0	0
Foreign exchange losses	0	0
Other investment expenses	2	7
Operating expenses.....	10,030	12,140
Other ordinary expenses.....	1,503	1,693
Taxes	998	1,169
Depreciation	364	390
Other.....	140	133
Ordinary profit (loss)	(3,089)	(3,245)
Extraordinary losses	20	68
Loss on disposal of non-current assets	—	42
Provision of reserves under the special laws	20	26
Provision of reserve for price fluctuations	20	26
Income (loss) before income taxes.....	(3,109)	(3,314)
Income taxes-current	4	4
Income taxes.....	4	4
Net income (loss)	(3,114)	(3,319)

(3) Statements of Changes in Net Assets

	(In millions of yen)	
	Year ended March 31	
	2021	2022
Shareholders' equity:		
Capital stock		
Balance at the beginning of the year	12,200	16,731
Changes of items during the period		
Issuance of new shares	4,502	4,885
Issuance of new shares-restricted stock	20	21
Issuance of new shares-exercise of subscription rights to shares	8	15
Total changes of items during the period	<u>4,531</u>	<u>4,923</u>
Balance at the end of the period	<u>16,731</u>	<u>21,655</u>
Capital surplus		
Legal capital surplus		
Legal capital surplus	12,200	16,731
Changes of items during the period		
Issuance of new shares	4,502	4,885
Issuance of new shares-restricted stock	20	21
Issuance of new shares-exercise of subscription rights to shares	8	15
Total changes of items during the period	<u>4,531</u>	<u>4,923</u>
Legal capital surplus	<u>16,731</u>	<u>21,655</u>
Total capital surplus		
Capital surplus	12,200	16,731
Changes of items during the period		
Issuance of new shares	4,502	4,885
Issuance of new shares-restricted stock	20	21
Issuance of new shares-exercise of subscription rights to shares	8	15
Total changes of items during the period	<u>4,531</u>	<u>4,923</u>
Capital surplus	<u>16,731</u>	<u>21,655</u>
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Retained earnings brought forward	(15,502)	(18,616)
Total changes of items during the period		
Net income (loss)	(3,114)	(3,319)
Total changes of items during the period	<u>(3,114)</u>	<u>(3,319)</u>
Retained earnings brought forward	<u>(18,616)</u>	<u>(21,936)</u>
Total retained earnings		
Retained earnings	(15,502)	(18,616)
Changes of items during the period		
Net income (loss)	(3,114)	(3,319)
Total changes of items during the period	<u>(3,114)</u>	<u>(3,319)</u>
Retained earnings	<u>(18,616)</u>	<u>(21,936)</u>
Treasury shares		
Balance at the beginning of the year	—	(0)
Changes of items during the period		
Purchase of treasury shares	(0)	(0)
Total changes of items during the period	<u>(0)</u>	<u>(0)</u>
Balance at the end of the period	<u>(0)</u>	<u>(0)</u>

LIFENET INSURANCE COMPANY

(In millions of yen)

	Year ended March 31	
	2021	2022
Total shareholders' equity		
Balance at the beginning of the year.....	8,898	14,846
Changes of items during the period		
Issuance of new shares.....	9,005	9,771
Issuance of new shares-restricted stock.....	41	43
Issuance of new shares-exercise of subscription rights to shares	16	31
Net income (loss)	(3,114)	(3,319)
Purchase of treasury shares	(0)	(0)
Total changes of items during the period	5,948	6,526
Balance at the end of the period	14,846	21,373
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities		
Balance at the beginning of the year.....	502	960
Changes of items during the period		
Net changes of items other than shareholders' equity	457	(262)
Total changes of items during the period	457	(262)
Balance at the end of the period	960	697
Total valuation and translation adjustments		
Balance at the beginning of the year.....	502	960
Changes of items during the period		
Net changes of items other than shareholders' equity	457	(262)
Total changes of items during the period	457	(262)
Balance at the end of the period	960	697
Net assets:		
Balance at the beginning of the year	9,400	15,806
Changes of items during the period		
Issuance of new shares	9,005	9,771
Issuance of new shares-restricted stock	41	43
Issuance of new shares-exercise of subscription rights to shares	16	31
Net income (loss)	(3,114)	(3,319)
Purchase of treasury shares	(0)	(0)
Net changes of items other than shareholders' equity	457	(262)
Total changes of items during the period	6,406	6,264
Balance at the end of the period.....	15,806	22,071

(4) Statements of Cash Flows

	(In millions of yen)	
	Year ended March 31	
	2021	2022
Cash flows from operating activities		
Income (loss) before income taxes	(3,109)	(3,314)
Depreciation and amortization	364	390
Increase (decrease) in reserves for outstanding claims	199	146
Increase (decrease) in policy reserves	6,111	6,756
Increase (decrease) in reserve for price fluctuations	20	26
Interest, dividends and other income	(320)	(415)
Loss (gain) related to securities	(2)	(178)
Interest expenses	0	1
Loss (gain) property plant and equipment	—	5
Share issuance costs	137	130
Decrease (increase) in agency accounts receivable	0	1
Decrease (increase) in reinsurance accounts receivable	(906)	(1,311)
Decrease (increase) in other assets <excluding assets for investing and financing activities > ..	(235)	(235)
Increase (decrease) in agency accounts payable	14	(21)
Increase (decrease) in reinsurance accounts payable	75	103
Increase (decrease) in other liabilities <excluding assets for investing and financing activities > ..	311	189
Other, net	(69)	9
Subtotal	<u>2,591</u>	<u>2,283</u>
Interest and dividends income received	350	520
Interest expenses paid	(0)	(1)
Income taxes (paid) refund	(4)	(19)
Net cash provided by (used in) operating activities	<u>2,937</u>	<u>2,783</u>
Cash flows from investing activities		
Purchase of money held in trust	(1,800)	—
Proceeds from decrease in money held in trust	—	500
Purchase of securities	(9,518)	(9,809)
Proceeds from sales and redemption of securities	1,713	2,076
Total of net cash provided by (used in) investment transactions ...	<u>(9,605)</u>	<u>(7,232)</u>
Total of net cash provided by (used in) operating activities and investment transactions ...	<u>(6,667)</u>	<u>(4,448)</u>
Purchase of tangible fixed assets	(39)	(38)
Purchase of intangible fixed assets	(791)	(478)
Net cash provided by (used in) investing activities	<u>(10,435)</u>	<u>(7,749)</u>
Cash flows from financing activities		
Proceeds from issuance of shares	8,868	9,641
Proceeds from issuance of stock resulting from exercise of subscription rights to shares ...	16	31
Purchase of treasury shares	(0)	(0)
Repayments of lease obligations	(4)	(4)
Net cash provided by (used in) financing activities	<u>8,879</u>	<u>9,668</u>
Net increase (decrease) in cash and cash equivalents	<u>1,381</u>	<u>4,702</u>
Cash and cash equivalents, beginning of the year	<u>1,677</u>	<u>3,059</u>
Cash and cash equivalents, end of the year	<u>3,059</u>	<u>7,761</u>

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

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

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