



Securities Code:7157
TSE Mothers



LIFENET

LIFENET INSURANCE COMPANY

Investor Meeting Presentation for Fiscal 2016

LIFENET INSURANCE COMPANY

May 15, 2017

FY2016 Key Highlight

- ☺ Ordinary income **up 8% year on year**
- ☺ New business performance **bottomed out**
- ☺ **Keeping positive ordinary profit¹**
- ☺ **One-time amortization** of deferred assets under Article 113 of the Insurance Business Act
- ☺ Launched sales of **“au Life Insurance”**

1. Ordinary profit (loss) before amortization of deferred assets under Article 113 of the Insurance Business Act

Summary of FY2016 Results



LIFENET

(JPY mn)

	FY2015	FY2016	Year on year
Ordinary income	9,387	10,096	108%
Operating expenses	3,239	4,047	125%
Ordinary profit (loss) ¹	584	88	15%
Cash flows from operating activities	4,610	3,904	85%
Mortality margin	2,100	2,293	109%
Annualized premium ² of policies-in-force	9,377	10,088	108%
Number of policies-in-force	225,534	239,800	106%
Annualized premium ² of new business	1,189	1,361	115%
Number of new business	25,150	29,741	118%

1. Ordinary profit (loss) before amortization of deferred assets under Article 113 of the Insurance Business Act

2. The amount of money equivalent to what is to be paid to have the insurance coverage for one year. All payments are monthly installments, thus the annualized premium is calculated as multiplying the monthly premium by 12 months.

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1. Results of Mid-term Business Plan

2. Results for Fiscal 2016

3. Challenges for Fiscal 2017

Mid-term Business Plan



■ Summary of Mid-term Business Plan

FY2018 Management Goal	13.5 billion yen in ordinary income Positive profitability of ordinary profit (loss)
Business Strategy	1. The pillars of business : “Online direct sales”, “KDDI (exclusive alliance agent)” and “Over- the-counter agent” 2. Continuous creation of unique sales point in all channels 3. Commitment to business development for future growth
Organization	Change, Challenge and Unity

To Achieve Mid-term Business Plan

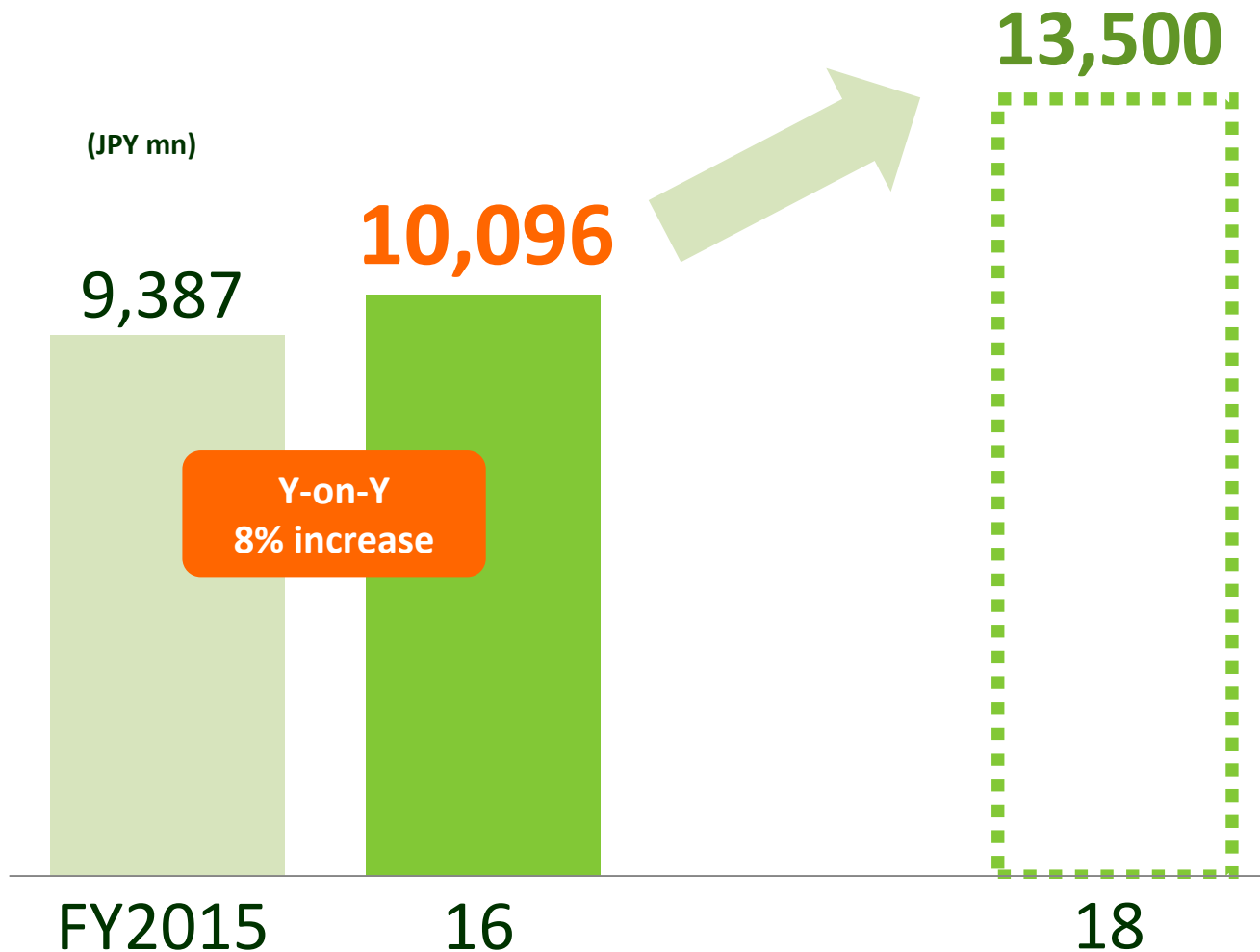
- Goal in fiscal 2016 returned to growth in new business performance



Progress of Mid-term Business Plan (Ordinary Income)



- **Steadily increasing** to achieve 13.5 billion yen in ordinary income in fiscal 2018



Progress of Mid-term Business Plan (Ordinary Profit / Loss)



- Aiming for **positive ordinary profit¹** in fiscal 2018

(JPY mn)

	Business forecasts FY2016	Management Goal FY2018	Results for FY2016
Ordinary profit (loss) before amortization of deferred assets under Article 113 of IBA ² (A)	(300)	-	88
Amortization of deferred assets under Article 113 of IBA ² (B)	1,060	-	2,120
Ordinary profit (loss) (A)-(B)	(1,360)	Turn profitable	(2,031)

1. After completion of amortization of deferred assets under Article 113 in fiscal 2016, management indicator for Mid-term Business Plan ending in fiscal 2018 is positive profitability of accounting ordinary profit (loss).

2. The Insurance Business Act

Contents

1. Results of Mid-term Business Plan

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Overview of FY2016

- ① Launched sales of “au Life Insurance”
- ① Promoted new Long-term Disability
- ① Improved services via smartphone
 - ① For improving customer convenience
 - ① For increasing number of visitors to website
- ① Highly evaluated in Japan market

Launch of “au Life Insurance”



■ Provided as one of au Life Design concept

Medium-Term Target of KDDI

Domestic Telecom Business

Sustainably grow the domestic telecom business

Life Design Business

Maximize the “au Economic Zone”

Global Business

Ambitiously develop global business

Source: “Financial Results for the Fiscal Year Ended March 2017 “(P9), KDDI Corporation

au Life Design

Non-life insurance

auの損害ほけん

Life insurance

auの生命ほけん

auでんき

Electricity

auのローン

Home mortgage

FY2015

FY2016

Apr. 2015 - Capital and Business alliance with KDDI

Dec. 2015
- Jan. 2016

Trial sales of
our product

Apr. - Nov. 2016

“au Life Insurance”
(Internet sales)

Dec. 2016 -

“au Life Insurance”
with Refunds
(Internet sales)

Apr. 2016 -

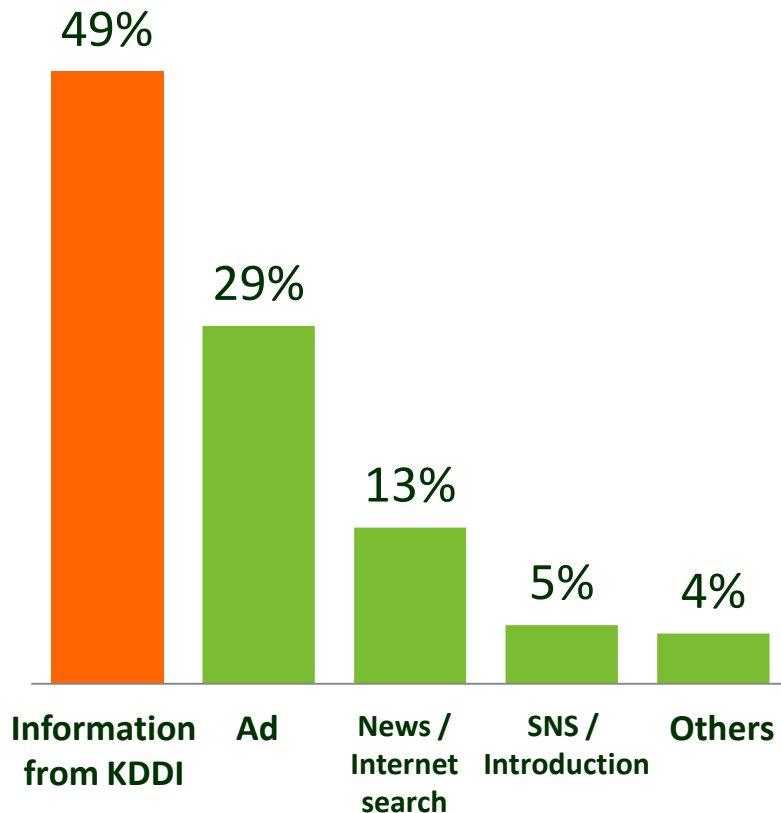
au Financial Support Center (call center)

Utilization of KDDI Channel

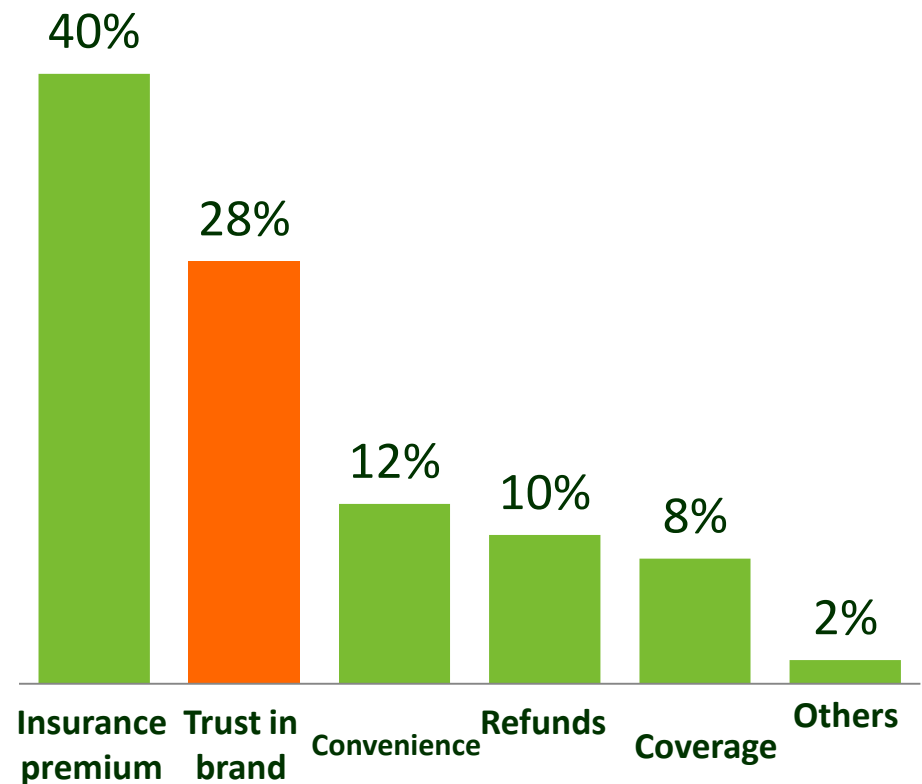


KDDI's advantage of customer platform and brand

■ Principal **trigger** of product choice (single answer)¹



■ Principal **driver** of product choice (single answer)¹

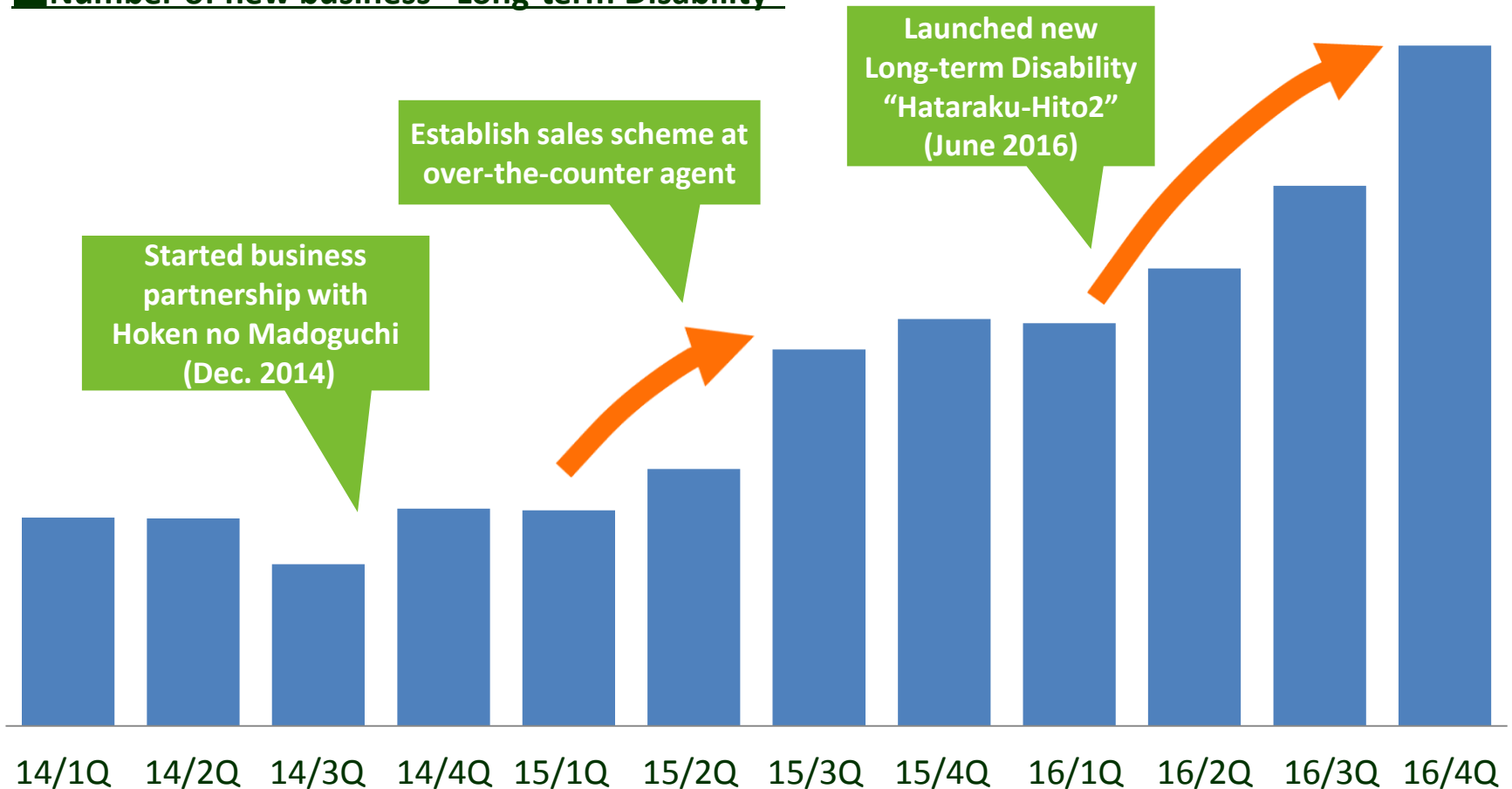


1. Survey result of those who applied "au Life Insurance" with Refunds via smartphone from March 1, 2017 to March 31, 2017 (n=193)

Promotion of Long-term Disability

- **Launched new product** and promoted through over-the-counter agent

■ Number of new business “Long-term Disability”



Improvement of Customer Convenience



■ Counseling, Application and Claim – all completed via smartphone



<https://www.youtube.com/watch?v=rtaAoSj1eL8>

For Increasing Visitors to Website

■ Creating new contact points with customers by utilizing SNS

■ Video advertising via SNS



■ Lifenet official account of LINE



Insurance premium quotation auto-reply service and owned media contents delivery

High Evaluation by Outsider

■ Term Life and Long-term Disability highly evaluated¹

価格.com保険

価格.com保険アワード2017年版「生命保険の部 定期保険」「就業不能保険の部」で総合第1位を獲得



powered by Kakaku.com insurance



powered by Kakaku.com insurance

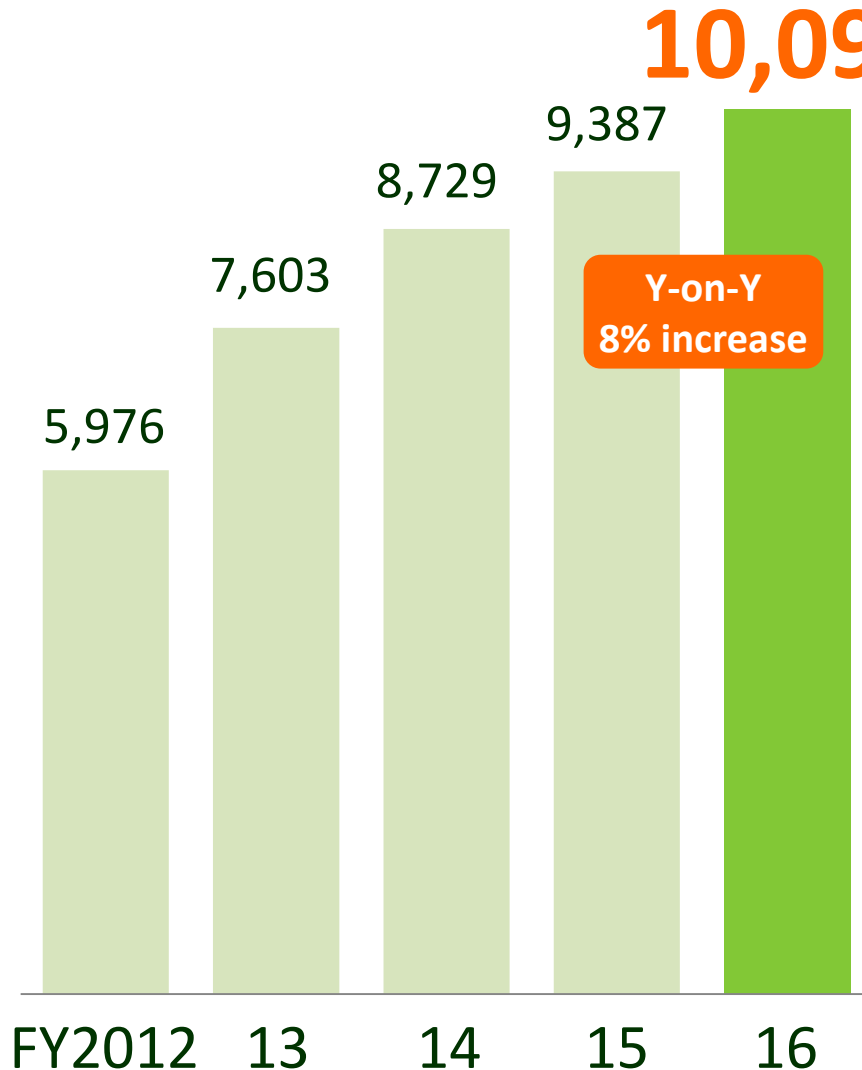
株式会社カカコム・インシュアランスが2017年に発表した『価格.com保険アワード2017年版』において、「定期死亡保険 かぞくへの保険」が生命保険の部定期保険で、「就業不能保険 働く人への保険2」が就業不能保険の部でそれぞれ総合第1位に選ばれました。

▶ [詳細を見る](#)

1. The most popular insurance products in each category from January through December 2016, receiving the highest number of applications in each category of Kakaku.com Insurance, the sales agent company of insurance products.

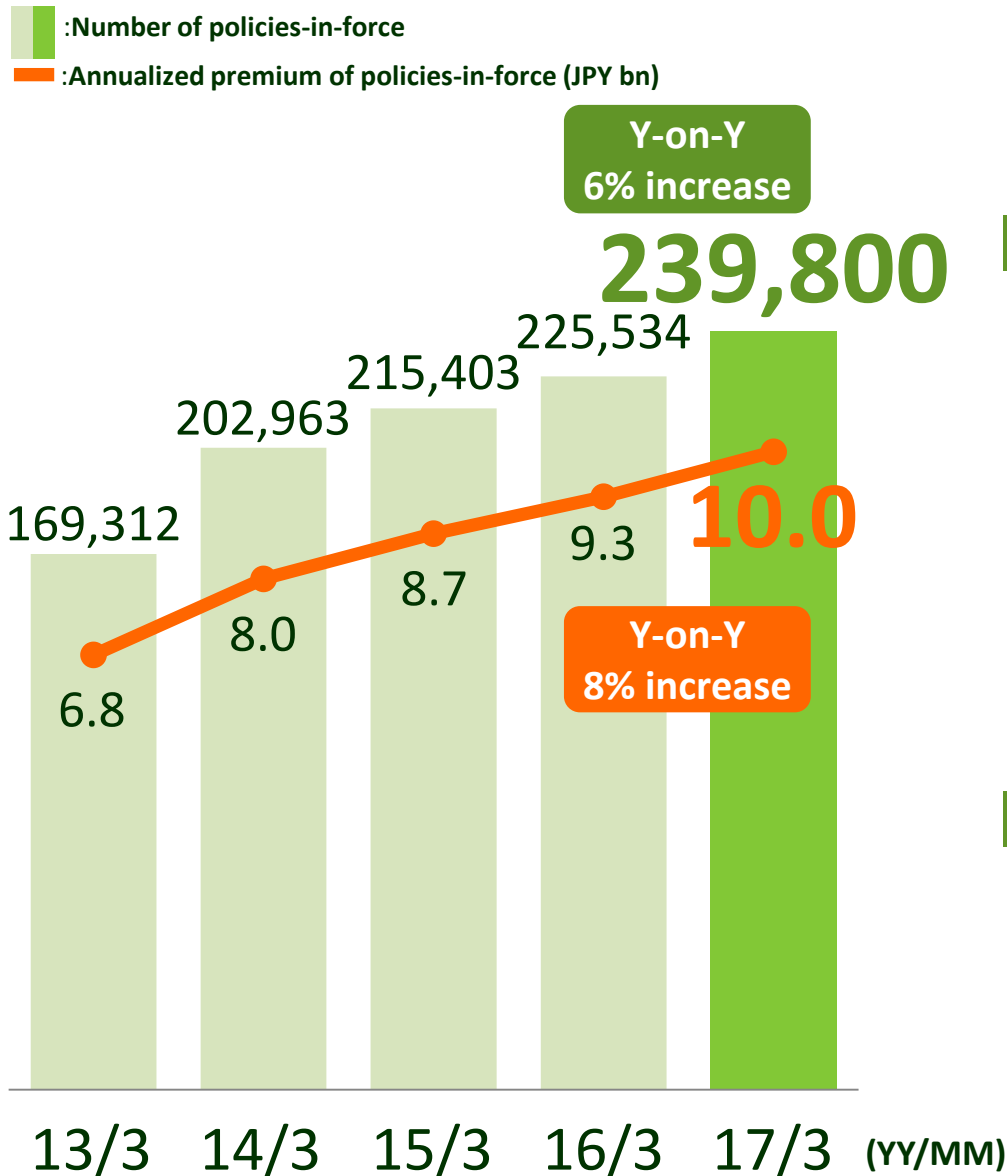
Ordinary Income

(JPY mn)



- Steadily increased
8% year on year
- **9,816 million yen** of insurance premiums and other

Number of Policies-in force / Annualized Premium



■ Annualized premium of policies-in-force increased 8% year on year

■ Policies-in-force exceeded 240,000 in Apr. 2017

Breakdown of Policies-in-force

■ **Over 150,000** in-force policyholders (as of Mar. 31)

(YY/MM)	2016/3	2017/3	Component ratio
Number of policies-in-force	225,534	239,800	100.0%
- Term Life ¹	117,626	122,952	51.3%
- Whole-Life Medical ¹	67,999	71,172	29.7%
- Term Medical Care ¹	11,132	10,462	4.4%
- Long-term Disability ¹	28,777	35,214	14.7%
Sum insured of policies-in-force² (JPY mn)	1,906,269	1,966,965	
Number of policyholders	140,301	152,545	
	FY2015	FY2016	
(Reference) Surrender and lapse ratio³	6.7%	6.6%	

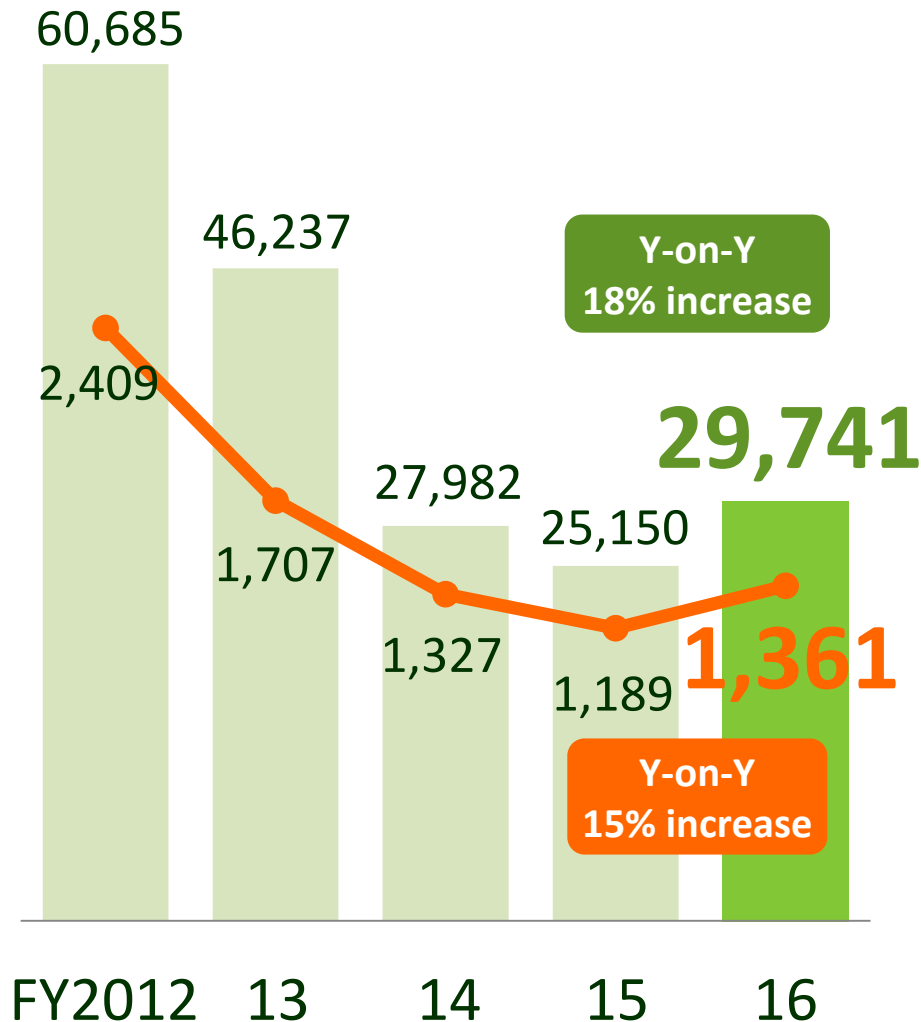
1. Term Life insurance: “Kazoku” and “au Term Insurance”, Whole-Life Medical insurance: “Jibun”, New “Jibun”, New “Jibun” for Women, “au Medical Insurance” and “au Medical Insurance for Women”, Term Medical Care insurance: “Jibun Plus”, Long-term Disability insurance: “Hataraku-Hito”, “Hataraku-Hito 2” and “au Long-term Disability Insurance”

2. Sum insured of polices-in-force is the sum of death coverage, and does not include third-sector insurance.

3. 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.

Number of New Business / Annualized Premium

■: Number of new business
■: Annualized premium of new business (JPY mn)



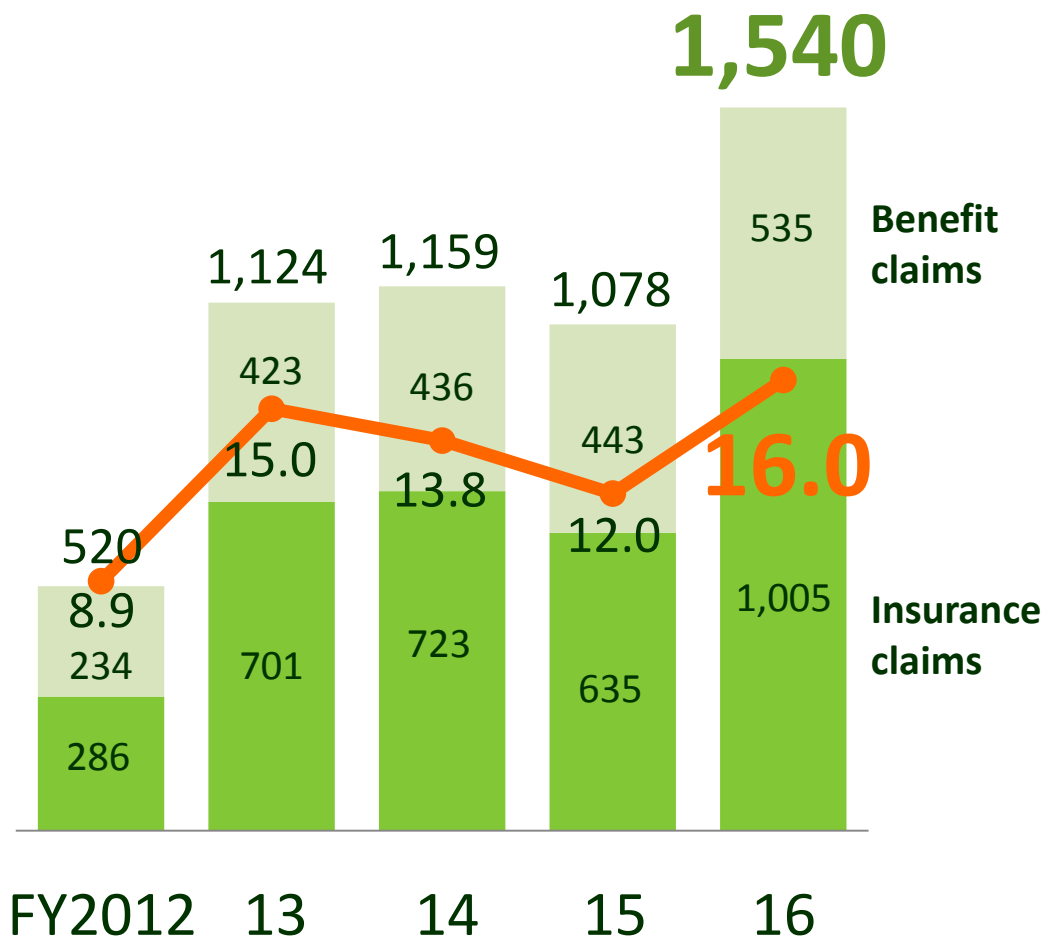
■ Increased for the first time in 5 fiscal years

■ Number of new business increased 18% year on year

Insurance Claims and Benefits



■ : Amount of insurance payments (JPY mn)
— : Amount of insurance payments / Premiums income (%)

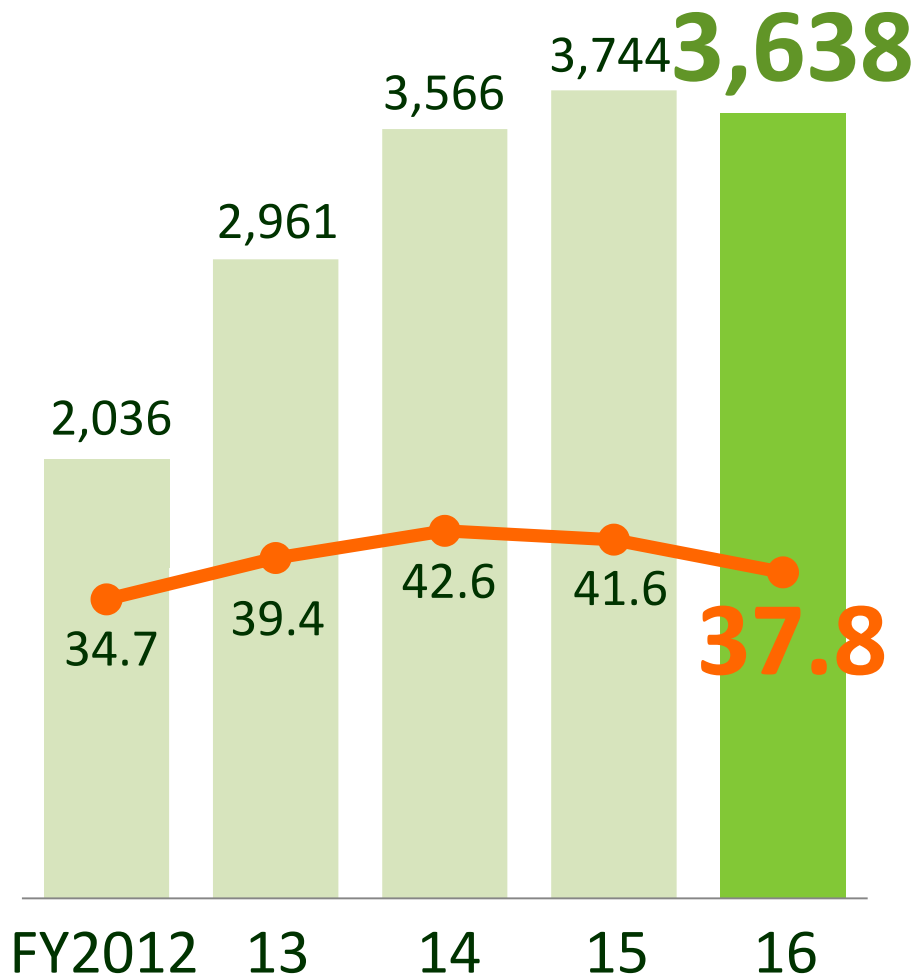


■ **68** insurance claims and **5,756** benefit claims

■ Ratio to premiums income **16%**

Provision for Policy Reserves

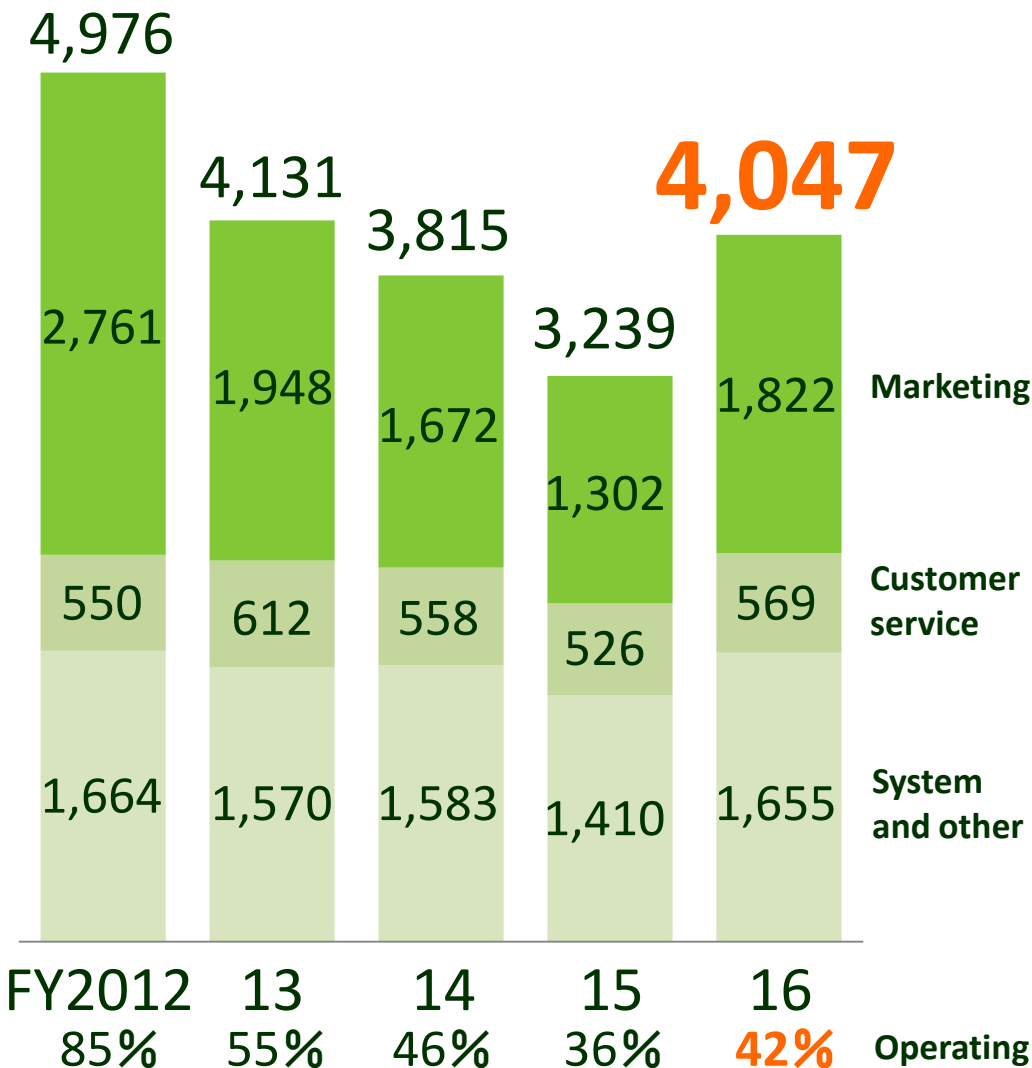
■ : Provision for policy reserves (JPY mn)
— : Provision for policy reserves / Premiums income (%)



■ Slightly decreased
in accordance with
elapsed years

Operating Expenses

(JPY mn)



■ Increased marketing expenses for returning to growth of new business performance

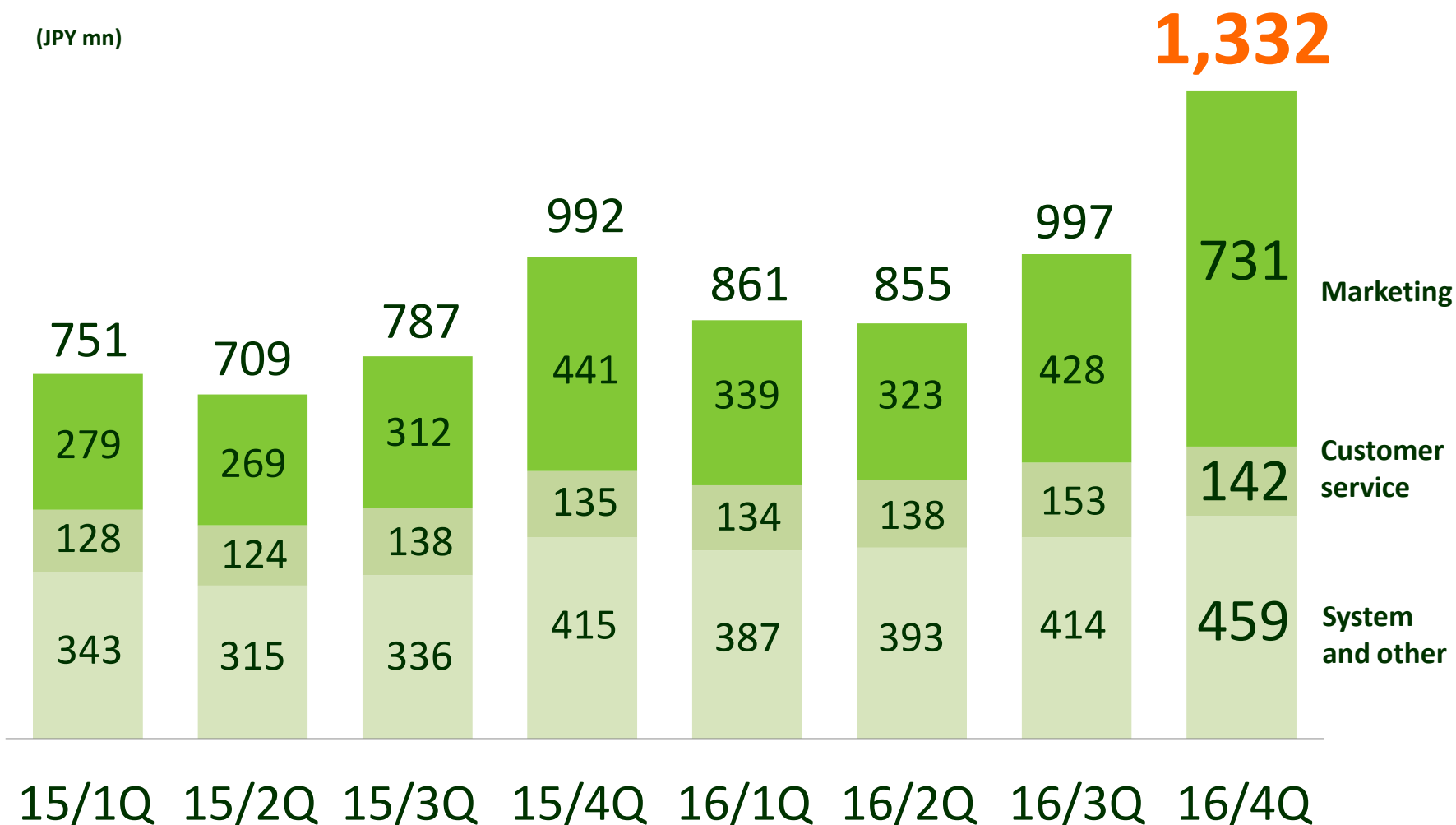
■ Operating expenses ratio¹ 42%

1. The ratio of operating expenses to premiums income

Operating Expenses (Quarterly)

■ Increased of advertising expenses for 4Q

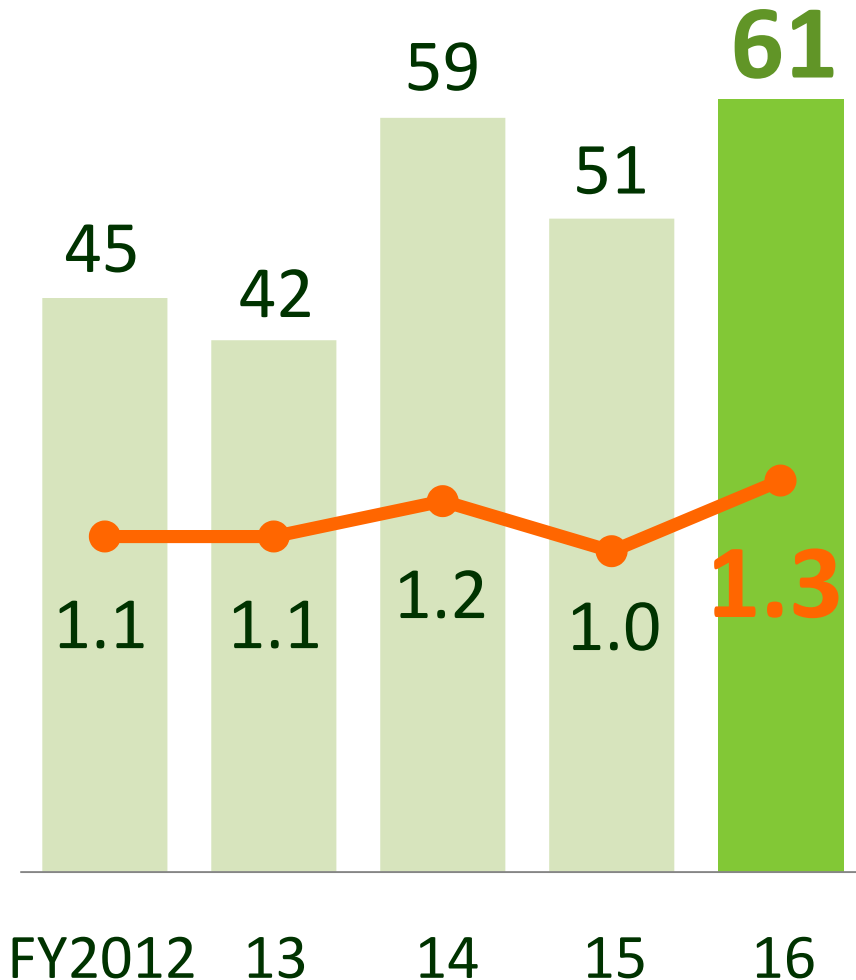
(JPY mn)



Marketing Expenses per New Business



■ :Marketing expenses per new business (JPY thousand)
■ :Marketing expenses/Annualized premium of new business (%)



■ Declined efficiency because of **investing to grow in new business performance**

Ordinary Profit (Loss)

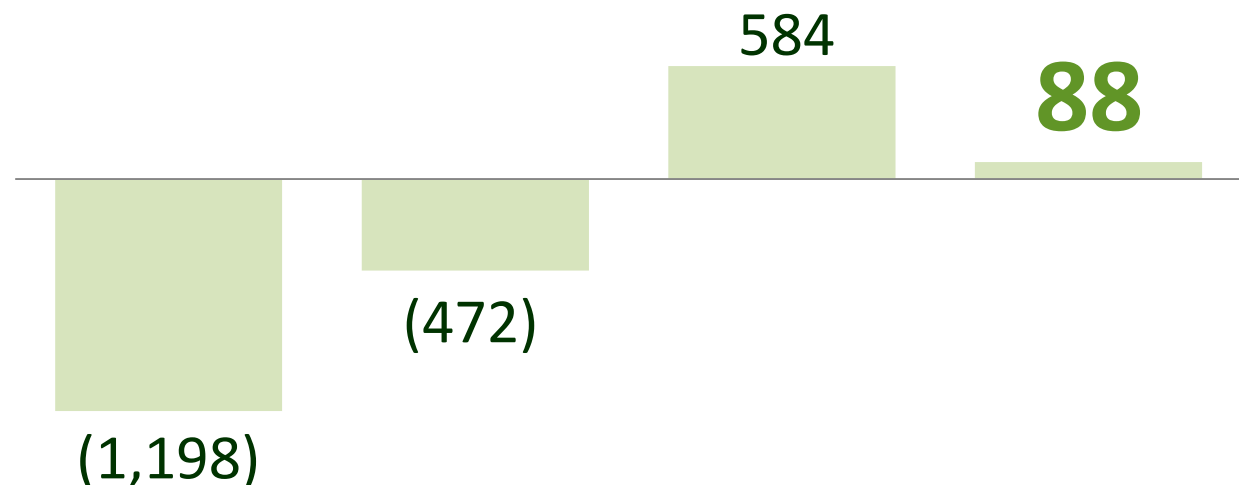
■ Keeping positive ordinary profit¹ for the second consecutive year

(JPY mn)

	FY2013	FY2014	FY2015	FY2016
Ordinary profit (loss) before amortization of deferred assets under Article 113 of IBA	(1,198)	(472)	584	88
Amortization cost	(1,060)	(1,060)	(1,060)	(2,120) ²
Ordinary profit (loss)	(2,258)	(1,532)	(475)	(2,031)

Ordinary profit¹

(JPY mn)



1. The ordinary profit/loss before deferred expenses and amortization of deferred assets under Article 113 of the Insurance Business Act.

2. One-time amortization of deferred assets for FY2016 and FY2017

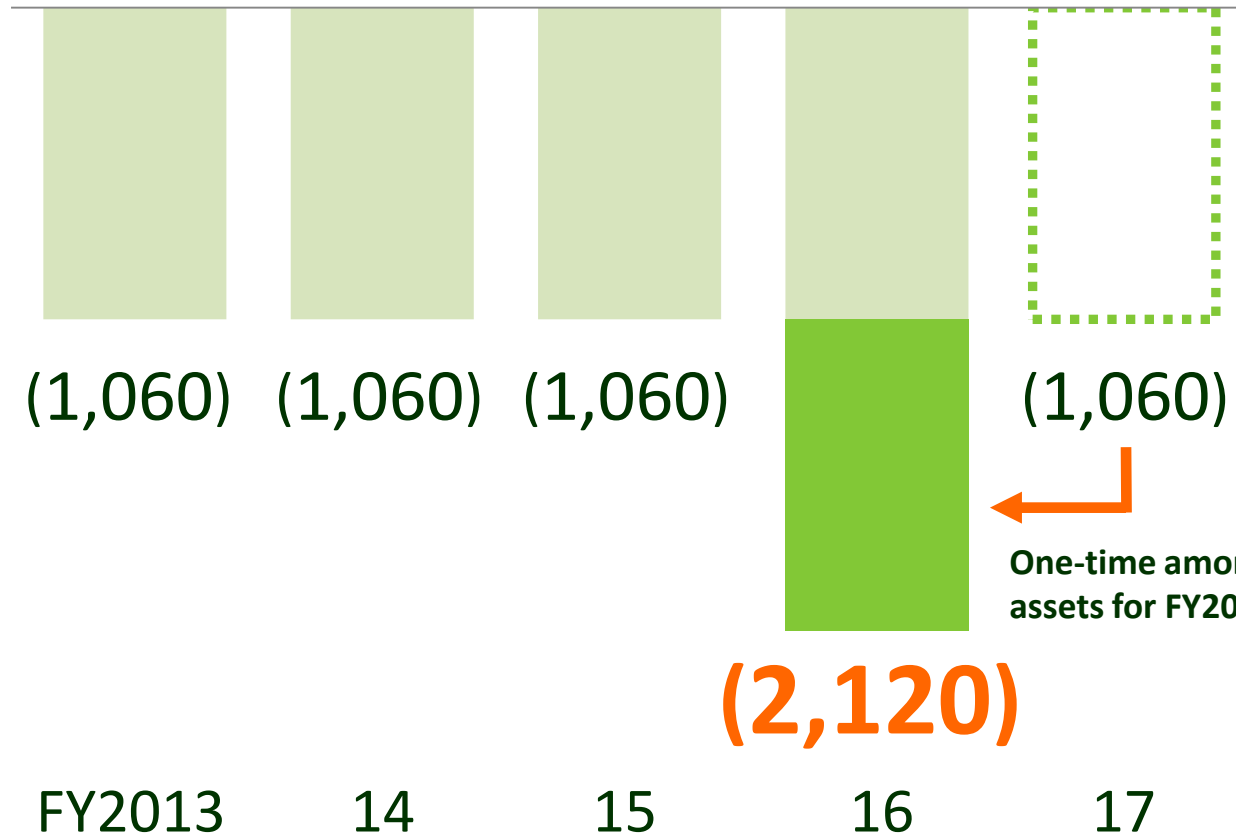
One-time Amortization of Deferred Assets under Article 113 of the Insurance Business Act



Amortized deferred assets one year ahead of schedule due to establishment of stable financial base

Effect on ordinary profit (loss)
by amortization of deferred assets under Article 113 of the Insurance Business Act

(JPY mn)

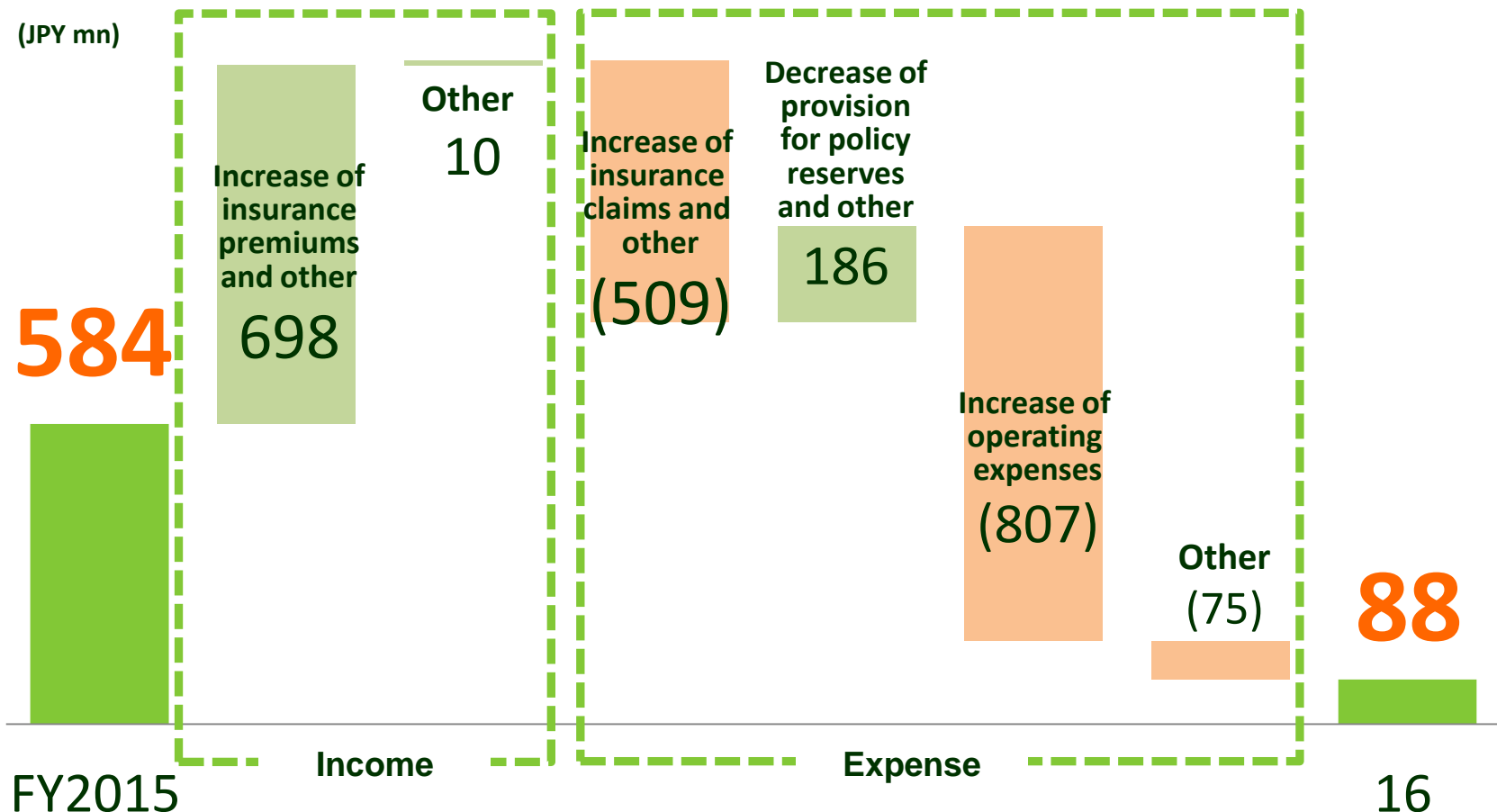


One-time amortization of deferred assets for FY2016 and FY2017

Structure Breakdown of Ordinary Profit

Decreased due to increase of insurance claims and other and operating expenses

Transition of ordinary profit¹



1. The ordinary profit (loss) before amortization of deferred assets under Article 113 of the Insurance Business Act.

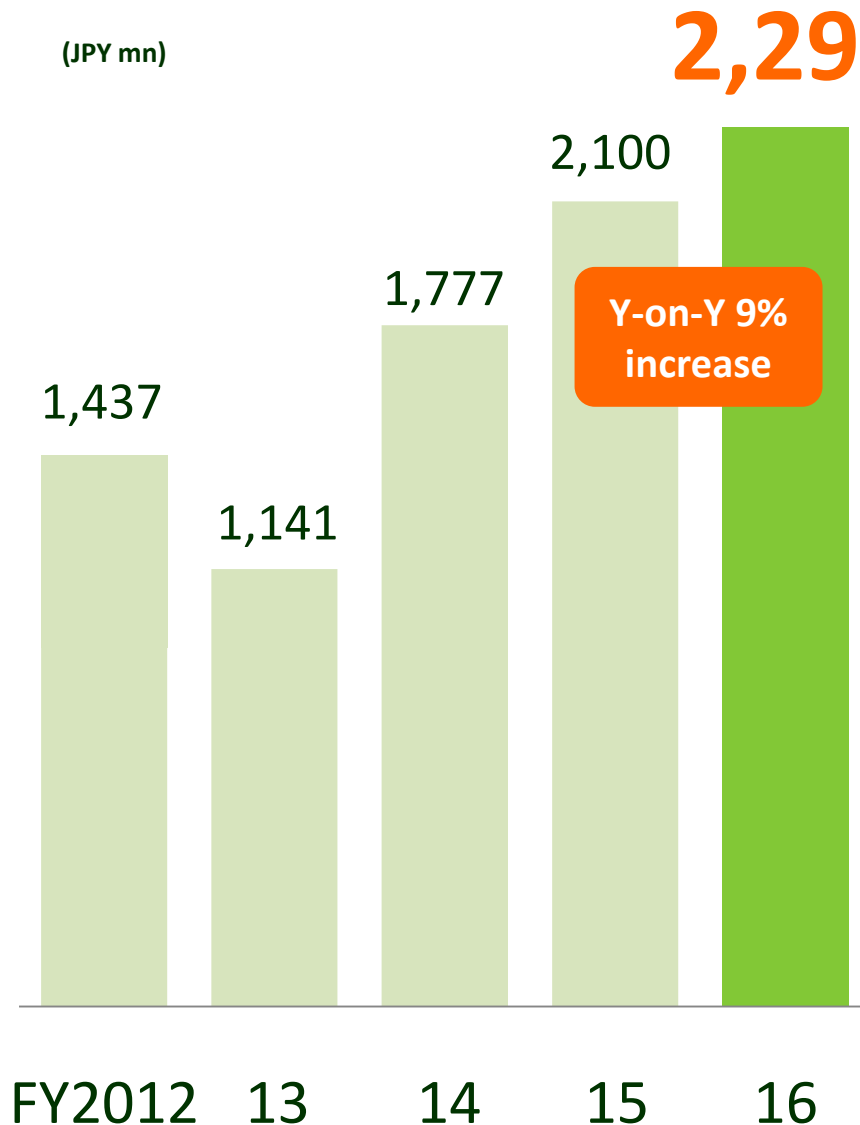
Condensed Statements of Operation



(JPY mn)

	FY2015	FY2016	Change
Insurance premiums and other	9,117	9,816	698
Other	269	280	10
Ordinary income (A)	9,387	10,096	708
Insurance claims and other	1,287	1,796	509
Provision for policy reserves and other	3,824	3,638	(186)
Operating expenses	3,239	4,047	807
Other	451	526	75
Ordinary expenses (B)	8,802	10,008	1,205
Ordinary profit (loss) before amortization of deferred assets under Article 113 of IBA (A-B)	584	88	(496)
Amortization of deferred assets under Article 113 of IBA (C)	1,060	2,120	1,060
Ordinary loss (A-B)-(C)	(475)	(2,031)	(1,556)

Mortality Margin



- Steadily recorded mortality margin
- Increased 9% year on year due to premiums income up

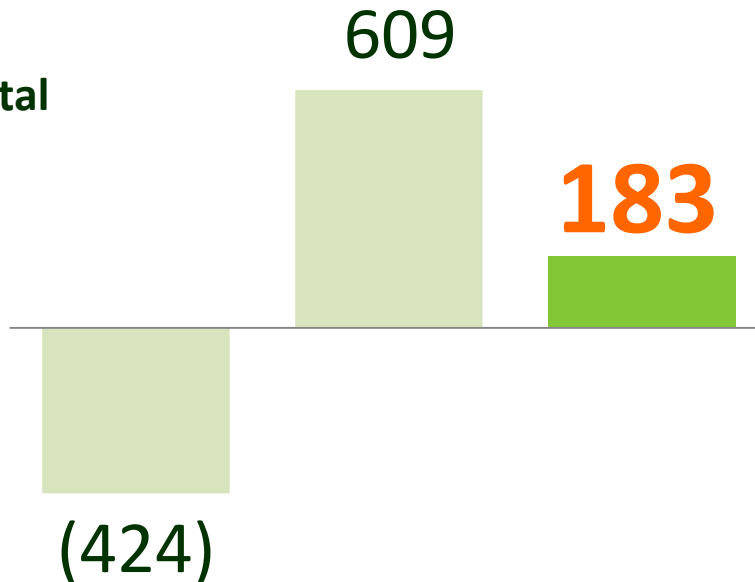
Fundamental Profit

(JPY mn)

	FY2014	FY2015	FY2016
Mortality margin	1,777	2,100	2,293
Expense margin (loss)	(3,282)	(2,595)	(4,247)
Interest margin	19	43	17
Fundamental profit	(1,484)	(450)	(1,936)
(ref.) Insurance premiums and other	8,493	9,117	9,816

Adjusted fundamental profit¹

(JPY mn)

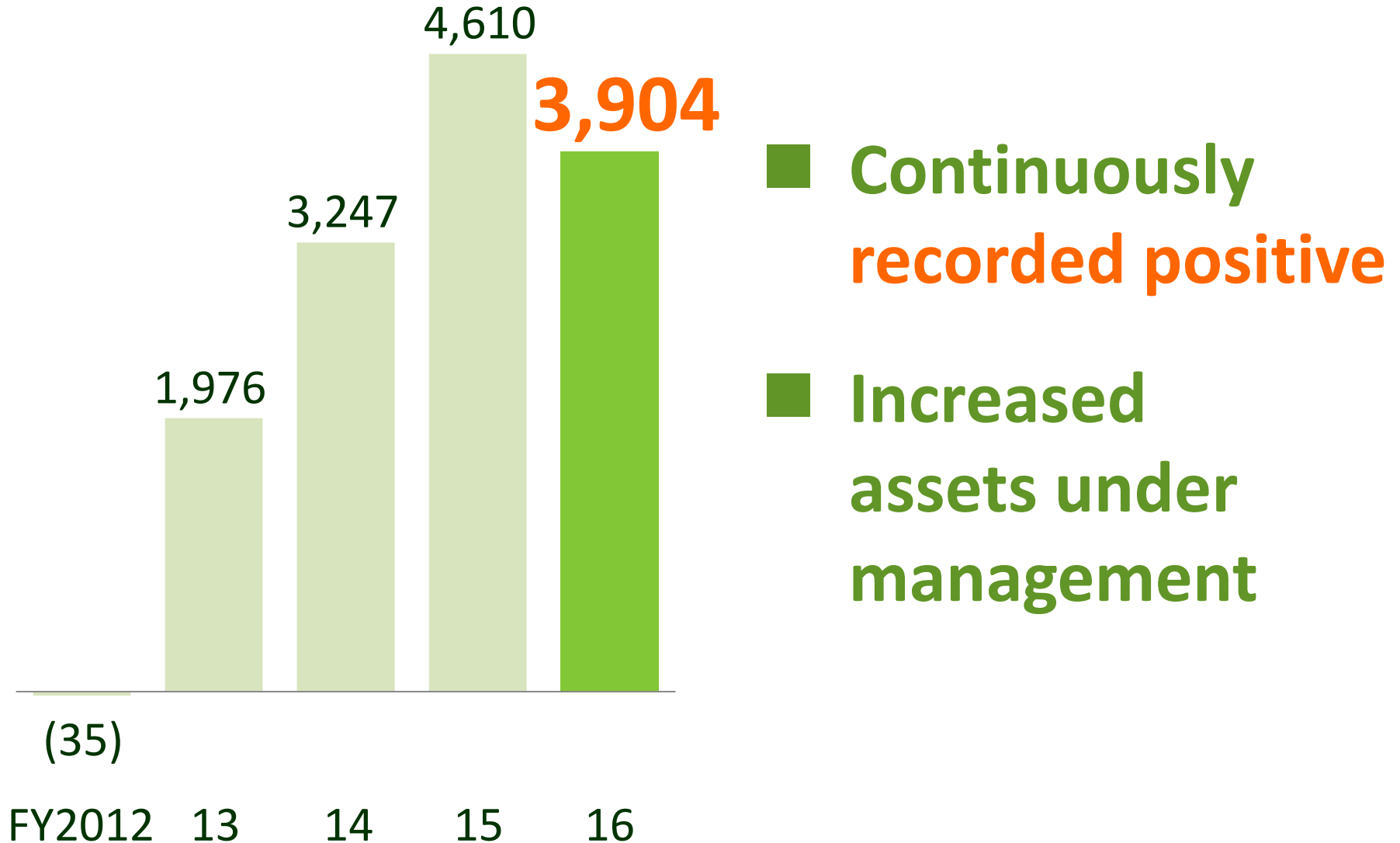


- Expanded expense margin (loss) due to **one-time amortization of deferred assets under Article 113 of the Insurance Business Act**
- **Keeping positive ordinary profit¹**

Cash Flows from Operating Activities



(JPY mn)



Financial Condition

(JPY mn)	(YY/MM)	15/3	16/3	17/3
Total assets		23,387	30,317	31,934
Cash and deposits		731	734	1,004
Monetary claims bought		-	1,999	1,999
Money held in trust		1,033	1,035	995
Securities		17,082	23,067	26,372
Government bonds		8,227	10,102	9,876
Municipal bonds		851	1,521	1,496
Corporate bonds		6,894	10,428	11,751
Stocks ¹		222	211	334
Foreign securities ²		886	804	819
Other securities ³		-	-	2,095
Total liabilities		10,899	14,893	18,288
Policy reserves and other		10,084	13,908	17,501
Total net assets		12,487	15,423	13,645

■ Promote
diversification
 asset with
 investment trust

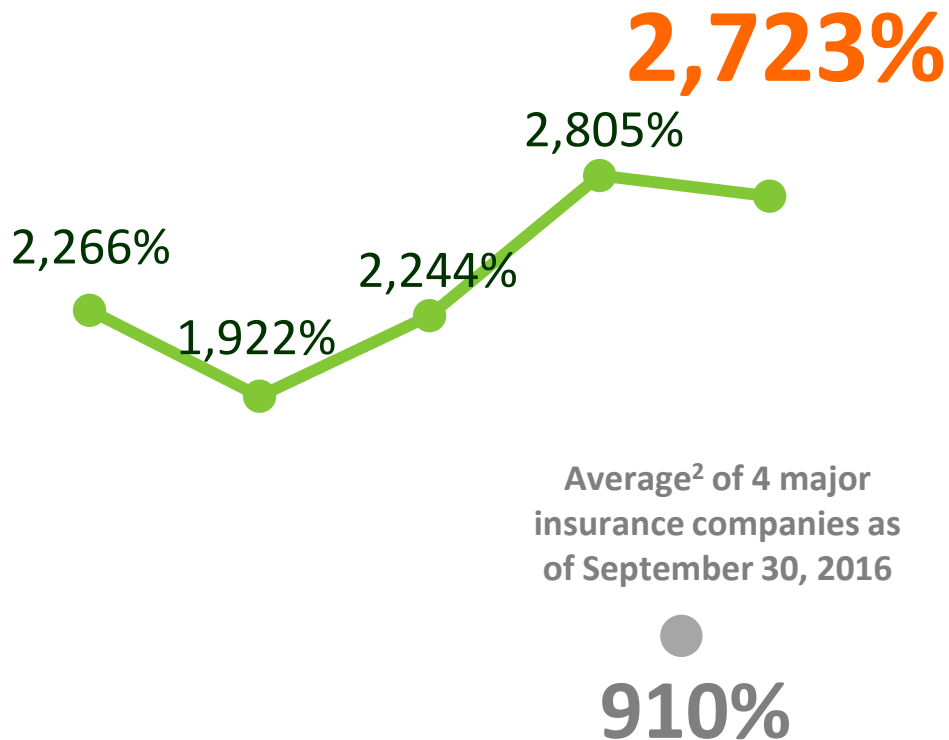
■ Modified duration
11.9 years

1. Lifenet is holding shares of Advance Create Co., Ltd., its insurance sales agent, for the purpose of maintaining equity and business partnership.

2. Investment in Kyobo Lifeplanet Life Insurance Company in Korea

3. Investment trust including foreign bonds

Solvency Margin Ratio¹



■ **Continuously maintained at healthy level**

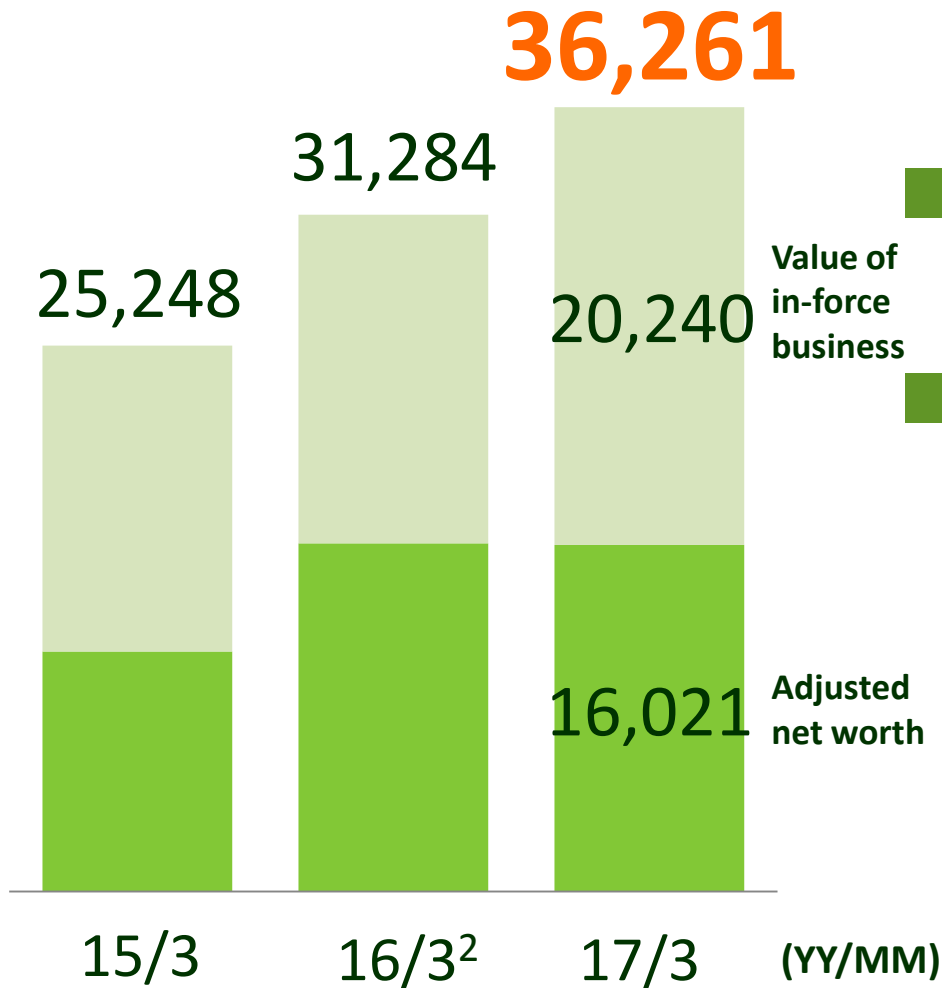
13/3 14/3 15/3 16/3 17/3 (YY/MM)

1. The solvency margin ratio measures a life insurance company's ability to pay out claims when unforeseen events occurs, such as natural disaster or a stock market collapse.
2. Simple arithmetic average

European Embedded Value¹



(JPY mn)



■ **EEV JPY 36.2 bn**

■ **Caused by refined risk assessment while reflecting sophistication of risk management**

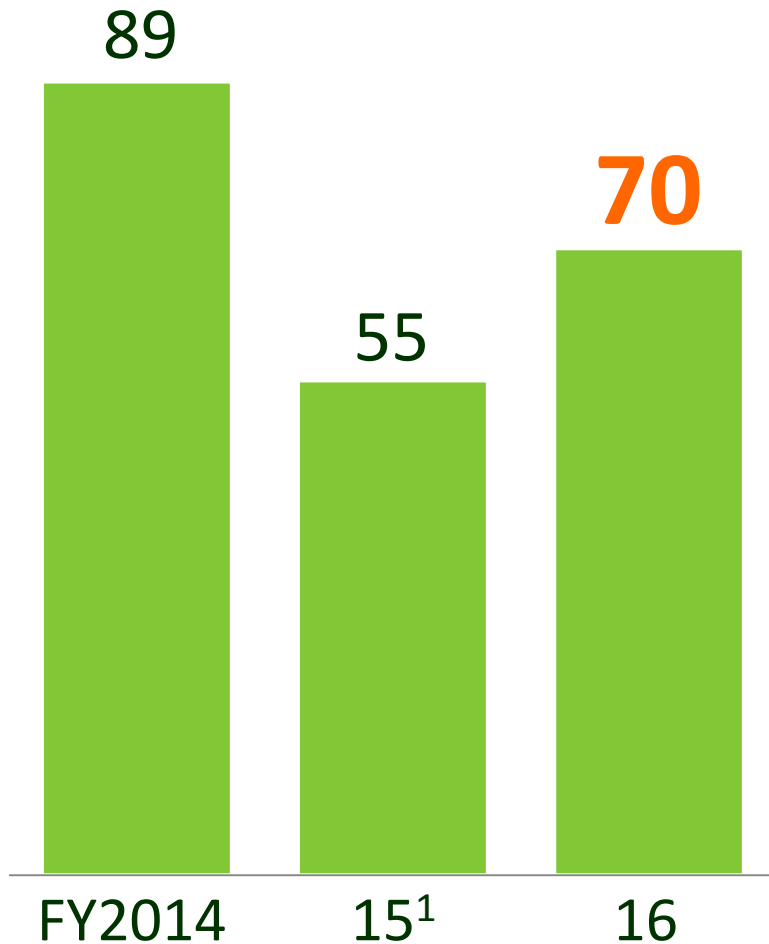
1. Lifenet's EEV is calculated following the EEV Principles and Guidance and in terms of allowance for risk, MCEV Principles (The European Insurance CFO Forum Market Consistent Embedded Value Principles©) is referred.

2. EEV as of March 31 2016 is restated by changing extrapolation method of interest rates.

Value of New Business (VoNB)



(JPY mn)



■ Increased due to **new business growth** and **refined risk assessment** and others

1. Restated by changing extrapolation method of interest rates for fiscal 2015

VoNB

(JPY mn)		FY2015 ¹	FY2016	Per new business (JPY thousand)
Certainty equivalent present value of future profit		3,104	3,604	121
—)	Time value of financial options and guarantees	—	—	—
—)	Frictional cost of capital	8	11	0
—)	Allowance for non-hedgeable risk	1,953	1,830	61
Value of in-force business		1,141	1,762	59
—)	Adjusted net worth	1,086	1,691	56
Value of new business		55	70	2

(Ref.) Present value of in-force business premiums

18,974

19,601

Number of new business

25,150

29,741

1. Restated by changing extrapolation method of interest rates.

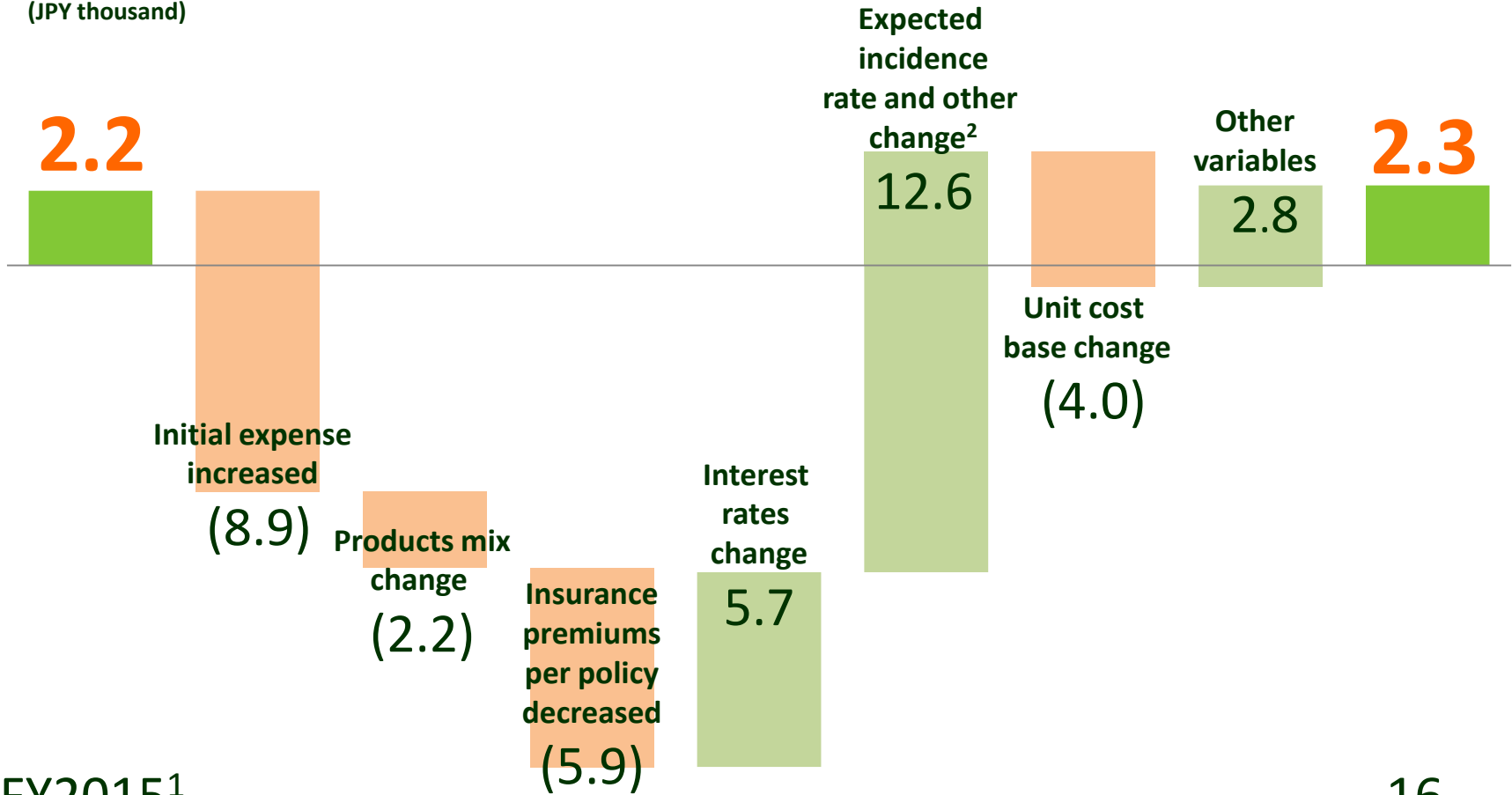
Structure Breakdown of VoNB per Policy



- Remaining at the same level due to **refined risk assessment** while **initial cost increased**

VoNB per policy

(JPY thousand)



FY2015¹

16

1. Restated by changing extrapolation method of interest rates

2. Including refined risk assessment

EV Sensitivity Analysis¹

■ Impacts of changes in assumptions (sensitivities)

(JPY mn)	Change in EEV as of March 31, 2017	Change in value of new business
EEV and new business value as of March 31, 2017	36,261	70
Sensitivity 1a: 1.0% increase in interest rates	492	339
Sensitivity 1b: 1.0% decrease in interest rates	(1,319)	(535)
Sensitivity 1c: 0.5% increase in interest rates	327	189
Sensitivity 1d: 0.5% decrease in interest rates	(532)	(238)
Sensitivity 1e: Interest rates based on JGB yields	(340)	(44)
Sensitivity 2: 10% decrease in value of equity, real estate and investment trust	(233)	—
Sensitivity 3: 10% decrease in operating expenses	2,006	241
Sensitivity 4: 10% decrease in lapse ratio	(1,115)	(172)
Sensitivity 5: 5% decrease in claim incidence rates for life business	3,099	223
Sensitivity 6: 5% decrease in mortality for annuity business	—	—
Sensitivity 7: Change the required capital to the statutory minimum	69	8

1. For each sensitivity, only one specific assumption is changed and other assumptions remain unchanged. It should be noted that the effect of the change of more than one assumption at a time is likely to be different from the sum of sensitivities carried out separately. As Japanese policy reserves are calculated in accordance with the IBR, the sensitivities carried out do not affect the reserves at the valuation date. The sensitivity on the value of new business excludes the impact on the adjusted net worth.

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3. Challenges for Fiscal 2017

Mid-term Business Plan



■ Summary of Mid-term Business Plan

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Business Strategy	1. The pillars of business : “Online direct sales”, “KDDI (exclusive alliance agent)” and “Over- the-counter agent” 2. Continuous creation of unique sales point in all channels 3. Commitment to business development for future growth
Organization	Change, Challenge and Unity

To Achieve Mid-term Business Plan

- Aiming for **establishing a system realizing sustainable profitability** in fiscal 2017

■ Achieve
Management Goal

■ Return to
growth in new
business
performance

■ Establish a system
realizing sustainable
profitability

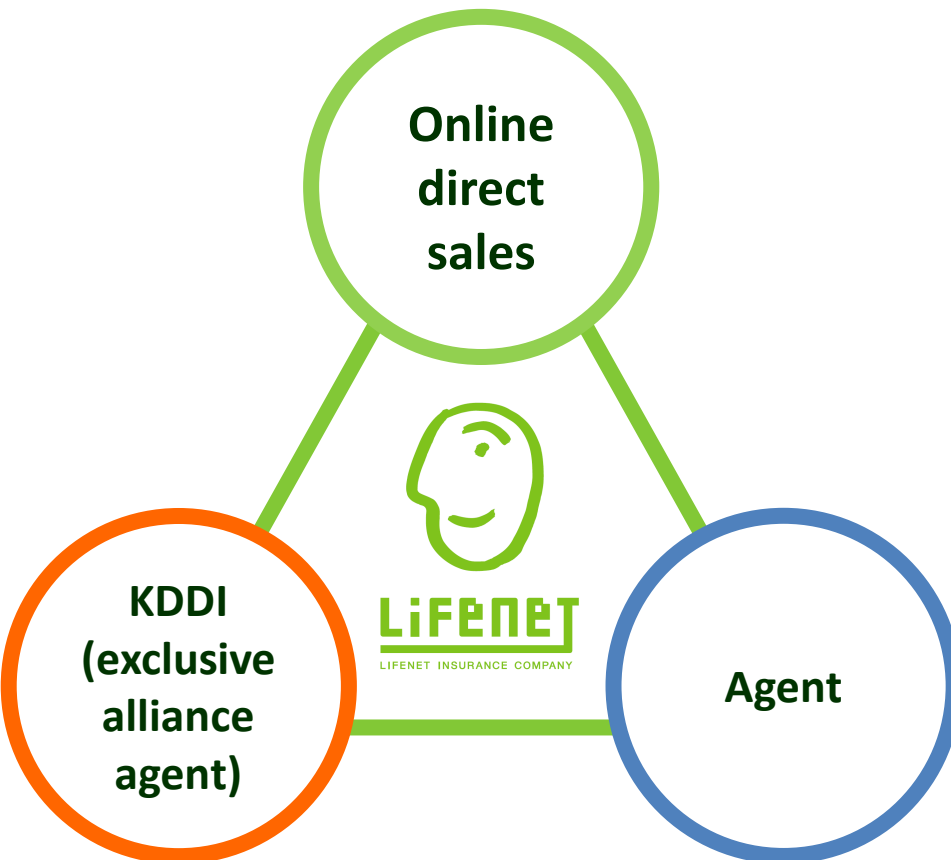


Challenges

-  Stable growth of new business performance **with three core channels**
-  Improvement of **operating expenses efficiency**
-  Enhancement of proactive **product development** and services utilizing **smartphone**

Utilization of Three Core Channels

- Aim for **steady growth** of new business performance



Online direct sales

- Launch **new products** and improve **services** via **smartphone**

KDDI (exclusive alliance agent)

- Utilize **au shops** and **au Financial Support Center**

Agent

- Promote sales of **Long-term Disability** through **over-the-counter agent**

Utilization of KDDI Channel

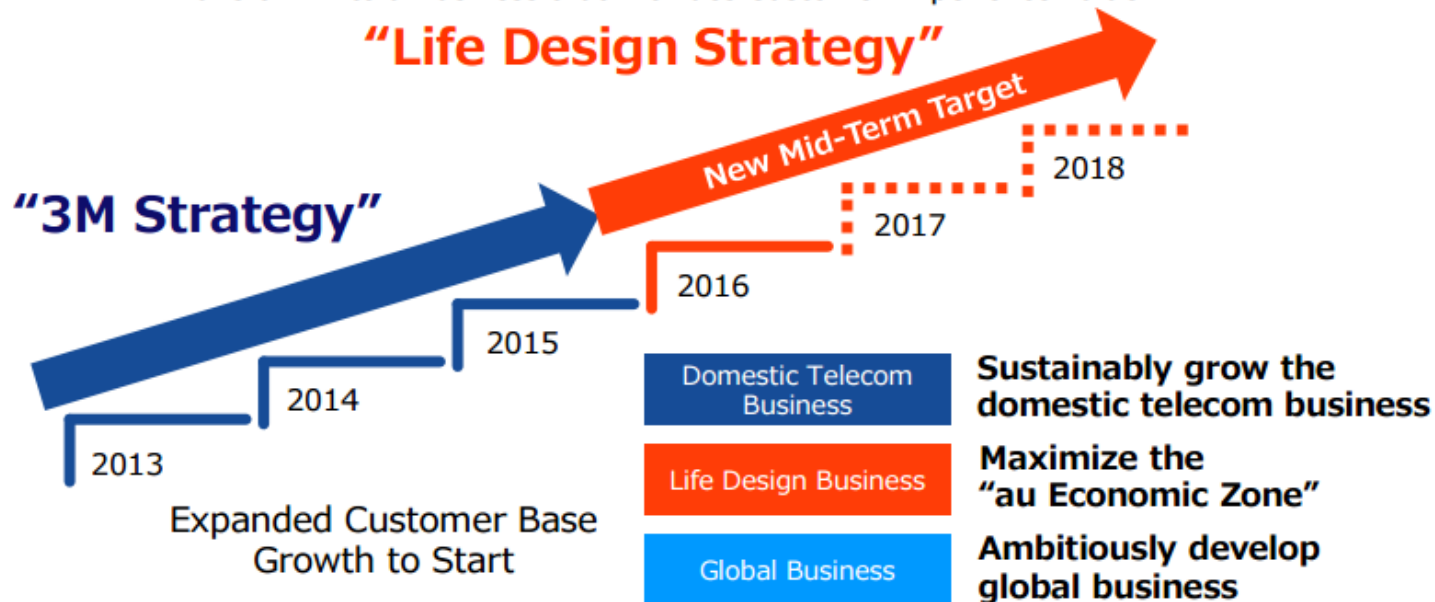
- **au Life Design strategy** is new growth pillar of Medium-Term Target of KDDI

Medium-Term Target Framework

Sustainably Grow the Domestic Telecom Business and Establish New Growth Pillars

Transform into a Business that Provides Customer Experience Value

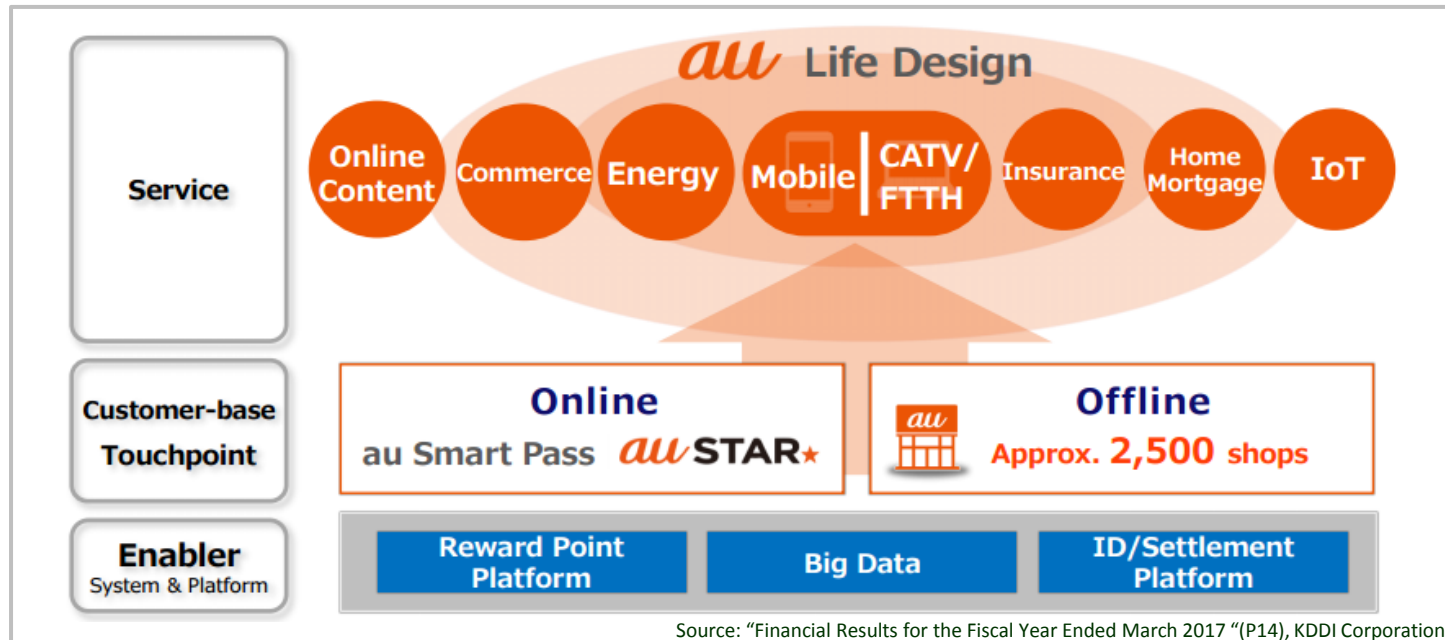
"Life Design Strategy"



Source: "Financial Results for the Fiscal Year Ended March 2017" (P9), KDDI Corporation

Sales Growth of “au Life Insurance”

- Planning trial sales at some au shops as one of au Life Design services



Source: “Financial Results for the Fiscal Year Ended March 2017”(P14), KDDI Corporation

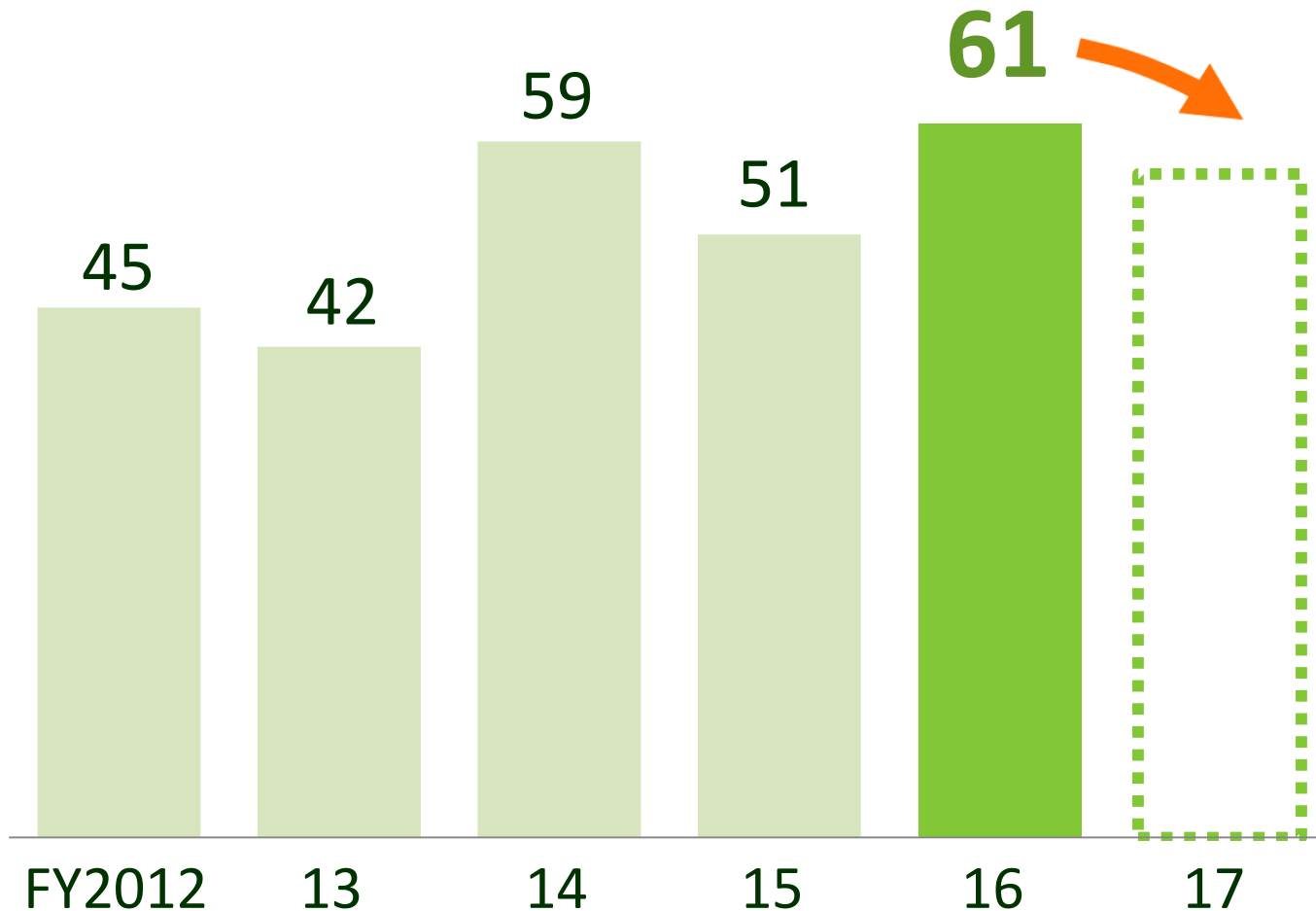


Improved Efficiency of Operating Expenses



■ For **efficient** acquisition of new business

■ : Marketing expenses per new business (JPY thousand)



Enhancement of Smartphone Services

Improving existing customers **convenience**

■ Paperless application
(from Dec. 2016)



■ Services for existing customers
To be launched



■ LINE Counseling
(from July 2016)



■ Online claim service
(from Mar. 2016)



Business Forecasts




- Ordinary income up 8.9%, **11 billion yen**
- Invest necessary operating expenses to establish **a system realizing sustainable profitability**

(JPY mn)

	Ordinary income	Ordinary profit (loss)	Net income (loss)
Business forecasts	11,000	(300)	(300)
(Reference) Results for FY2016	10,096	(2,031)*	(1,889)*

*Amortization of the deferred assets under Article 113 of the Insurance Business Act was 2,120 million yen due to the one-time amortization. The ordinary profit before amortization of deferred assets under Article 113 of the Insurance Business Act was 88 million yen.

Shareholder Return Policy

-  Completed amortization of deferred assets under Article 113 of the IBA in fiscal 2016
-  Specific policies and dates for distributing retained earnings as dividends is not yet determined
-  Plan to consider shareholder return in the future upon having taken into account amounts of cumulative loss and others

New Management Team

■ Change of management team in the 10th year since business commencement

Masayuki Nishida
Executive Vice President, Director



Yasuhiro Koba
Director
New



Daisuke Iwase
President & Representative Director

Hitoshi Hatta
Executive Managing Director



Ryosuke Mori
Director
New



LIFENET
LIFENET INSURANCE COMPANY



Eiko Shinotsuka
Outside Director



Masanobu Takatani
Outside Director



Yutaka Mizukoshi
Outside Director



Tomohiko Katsuki
Outside Director

Election of Directors is subject to the approval of the proposals at the 11th Annual General Meeting of Shareholders scheduled on June 25, 2017.

LIFENET is...



Comprehensible
Cost-Competitive
Convenient

- Returning to **the original purpose** of life insurance – mutual support –
- Plugged-in way to reach customers who need insurance products with necessary coverage

LIFENET Manifesto



I. Our Guiding Principles

- (1) We believe that our responsibility to society is to return life insurance to its original state. Life insurance is for the customers, not for the company. In order to achieve this goal, we will only offer products we can recommend with confidence.
- (2) We will be transparent. We will disclose information on our management, products and company as a whole on our website to actively communicate with customers and society.
- (3) We will be fair. We believe that our services will be more benevolent if the employees are free of any and all limitations they may feel in the work environment, and as such, we will not discriminate against education, gender, age, nationality, or familial situations.
- (4) We will adhere to laws protecting personal information and comply with laws, regulations, and other social standards. We pledge to be respectable global citizens, acting fairly and ethically.

III. Life Insurance will be Cost-Competitive

- (1) We believe that no one should pay premiums that are more expensive than necessary, and will be innovative and creative in order to develop and maintain the most cost-competitive products possible.
- (2) We will handle every step of the process in providing good products to our customers; from the development of the products to the sales. This allows for us to maintain our cost-competitive prices.
- (3) Our products will be cost-competitive, but the content of the products and our services will not be sacrificed. All communication with customers will be conducted accurately and quickly, including claim processes.
- (4) Life insurance is a very expensive purchase, and life is also very expensive. We want for our customers to spend less on life insurance, and more on enjoying life.

II. Life Insurance will be Comprehensive

- (1) Our products will be simple and comprehensible. There will not be complex policies with special provisions.
- (2) Life insurance is a financial product designed to mitigate risk, and we believe the customer should decide what products are necessary for them. As we feel it is critical for customers to be well informed of products and policies, we will make accessible any and all relevant information on our website for customers to make logical and rational decisions. The Customer Contact Center is also available for further clarifications and questions.
- (3) Our website will promote the understanding of not only our company's products, but of life insurance in general.
- (4) We will make life insurance products tangible via clearly written policies and comprehensible terms and conditions.

IV. Life Insurance will be Convenient

- (1) We know our customers have very busy lives. That is why our customers can apply for our life insurance policies via the internet, 24 hours a day, 7 days a week.
- (2) Our documents require only a signature. There are no other typical official items required to verify personal identification.
- (3) Our definition of "surgery" is aligned with the national healthcare insurance point table, making the claim process much more convenient and comprehensible.
- (4) We have a proxy claim system, allowing for the third party designated by the claim holder to file a claim. The appointed proxy need simply to make a phone call to our contact center for necessary documents.

**This manifesto is not simply as a declaration. This is how we do things.
Join us on our journey.**



All information on this document that is not historical fact constitutes forward-looking information and is based on assumptions and forecasts available to the company at the time of preparation. The company cannot guarantee the accuracy of these assumptions and forecasts. Earnings projections and other information on this may differ materially from actual performance due to various risks and uncertainties. This is a translation of the original Japanese document, prepared and provided solely for readers' convenience. In case of any discrepancy or dispute, the Japanese document prevails.

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

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 E-mail Notices

Appendix

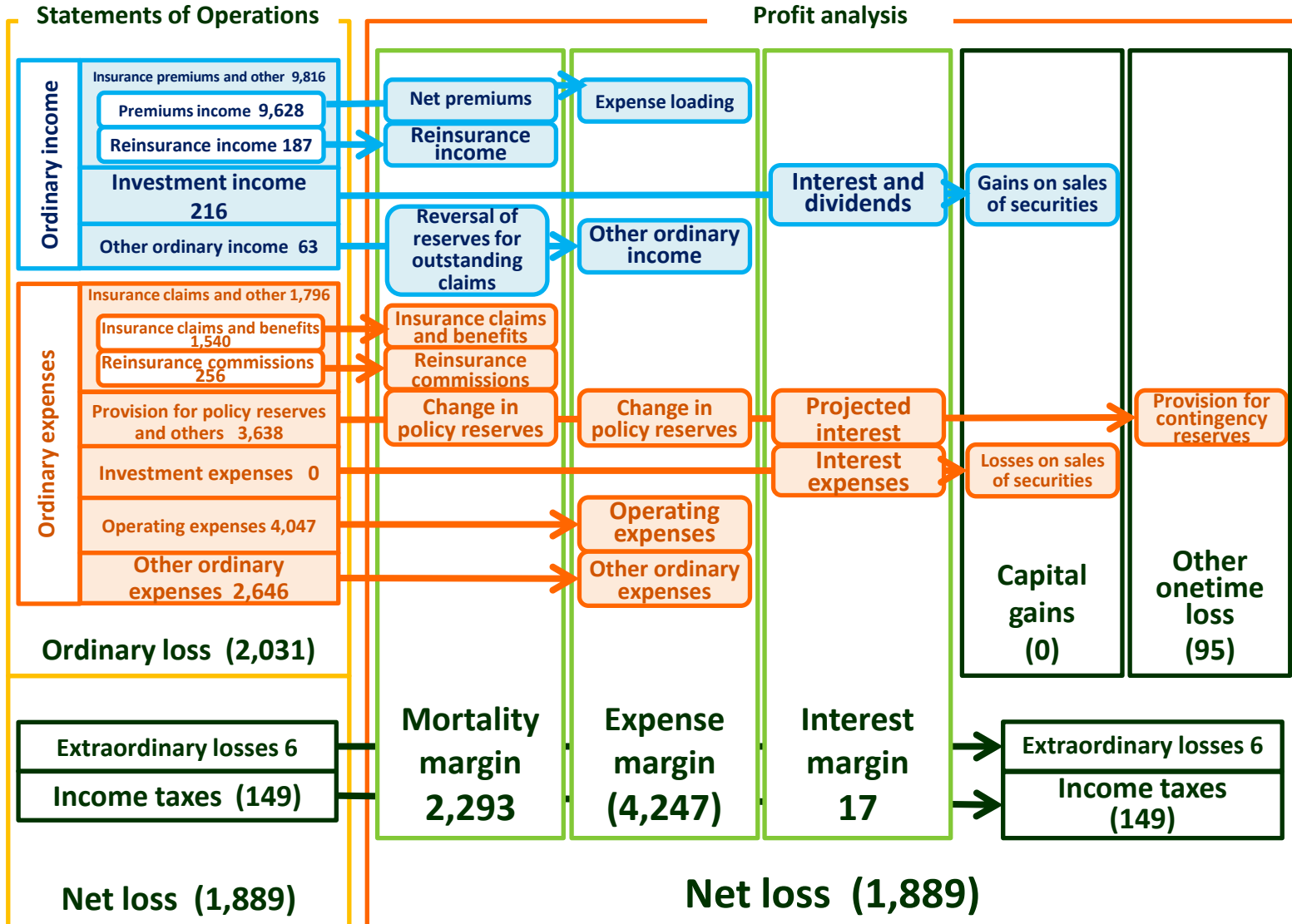


LIFENET

LIFENET INSURANCE COMPANY

Three Surplus Factors of Fundamental Profit

FY2016



1. Some items with minimal amounts have been omitted.

Solvency Margin Ratio Calculation



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As of Mar. 31, 2017

Solvency margin ratio
2,723.0%

=

Total amount of solvency margin
<numerator>
20,357

÷

Total amount of risk/2
< the denominator>
1,495/2

$$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4 / 2$$

Cash and deposits 1,004	Other liabilities 577
Monetary claims bought 1,999	Reserves for outstanding claims 311
Money held in trust 995	Policy reserves 17,189
Securities 26,372	Contingency reserves 1,402
	Excess over the full-Zillmerized reserve 5,167
	Price fluctuation reserves 19
	Deferred tax liabilities on available-for-sale securities 170 ¹
	Valuation difference on available-for-sale securities 439 ¹
Tangible fixed assets 123	Capital stock and other assets 13,157
Intangible fixed assets 502	Net assets 13,645
Other assets 935	

Add liabilities with strong capital characteristics such as price fluctuation reserves and contingency reserves

Insurance risk R₁ 1,044

Risk of change in mortality rate (calculated based on value of policies in force)

Medical insurance risk R₈ 314

Risk of change in medical incidence rate (hospital admission rate, etc.)

Assumed interest rate risk R₂ 2

Risk that the actual investment return will fall below the expected return used as a basis for calculating policy reserves

[Minimum guarantee risk] R₇ —

Risk related to products, such as variable annuities with minimum guarantees

Asset management risk R₃ 473

[Credit risk] Risk that asset values decline due to deterioration in financial condition of creditors

[Price fluctuation risk] Risk of incurring losses due to decline in market value of stocks and bonds, etc.

Business management risk R₄ 55

3% of the total of the amounts of the other 5 risks (in the Company's case)

1. 90% of the valuation difference on available-for-sale securities and deferred gains or losses on hedges (pre-tax) (if negative, 100%)
2. Items that do not apply to the Company or for which the amount is minimal have been omitted, except for certain bracketed items.