

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation. The notice in Japanese is also available on the Company's Investor Relations website at <https://ir.lifenet-seimei.co.jp/ja/>.

(Securities Code: 7157)

May 30, 2023

(Start Date of Electronic Provision Measures: May 26, 2023)

To Our Shareholders:

Ryosuke Mori

President and Representative Director

LIFENET INSURANCE COMPANY

2-14-2 Kojimachi, Kojimachi NK Building

Chiyoda-Ku, Tokyo 102-0083

Notice of Convocation of the 17th Annual General Meeting of Shareholders to be held on June 25, 2023

LIFENET INSURANCE COMPANY (the "Company") hereby provides notice of the 17th Annual General Meeting of Shareholders (the "Meeting") as described below.

In convening the Meeting, information contained in the reference documents, etc. for the General Meeting of Shareholders (Electronic Provision Measures) is provided in an electronic format and is posted on the following websites. Please access either of the websites to review the information.

Company's IR website:

<https://ir.lifenet-seimei.co.jp/en/stock/meeting.html>

Please access the above website and refer to the "Notice of Convocation of the 17th Annual General Meeting of Shareholders".

Tokyo Stock Exchange website (Search for a listed company):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website and enter "Lifenet Insurance Company" in "Issue name (company name)" or our security code "7157" in "Code" and press "search". Then select "Documents for public inspection / PR information" and refer to the "Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting".

The Meeting proceedings will also be streamed for those who wish to listen online (Japanese Only).

Please review the attached documents and exercise your voting rights via the Internet or in writing no later than 5:30 p.m. (JST) on Friday, June 23, 2023. Trust management bank or other

nominal shareholders may use the electronic voting platform for institutional investors operated by ICJ, Inc. subject to prior request.

Description

1. Date and time: Sunday, June 25, 2023 at 2:00 p.m., Japan Standard Time
2. Place: Nikkei Conference Room, 6F Nikkei Building, 1-3-7 Otemachi, Chiyoda-ku, Tokyo, Japan

3. Objectives of the Meeting:

Matter to be reported

Reports on the Business Report and Non-consolidated Financial Statements for the 17th Accounting Period (from April 1, 2022 to March 31, 2023)

Matters to be resolved

Proposal 1: Partial Amendment to the Articles of Incorporation

Proposal 2: Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 3: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

REFERENCE MATERIAL FOR THE MEETING

Proposal 1: Partial Amendment to the Articles of Incorporation

1. Purpose of Amendment

With the enforcement of the “Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” (Act No. 70 of 2021), listed companies are allowed to hold general meetings of shareholders without specifying a designated location (fully virtual general meeting of shareholders) under certain conditions by specifying the matter in the Articles of Incorporation.

The Company believes that fully virtual general meeting of shareholders will make it easy for many shareholders to attend the general meetings of shareholders regardless of where they reside and will further vitalize it. Expanding the options for holding the general meeting of shareholders will contribute to the benefit of shareholders in light of the progress in digitalization of the society as a whole. Therefore, the Company proposes to add Article 13, Paragraph 3 of the Articles of Incorporation so that fully virtual general meeting of shareholders can be held.

With regard to the submission of this proposal, the Company has received confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice as of May 9, 2023 in accordance with an Ordinance of the Ministry of Economy, Trade and Industry and an Ordinance of the Ministry of Justice.

2. Details of Amendment

The details of the proposed amendment are as follows:

(Underlines denote amendment)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">CHAPTER III</p> <p style="text-align: center;">GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 13 Convocation of General Meeting of Shareholders</p> <p>13.1 An ordinary general meeting of shareholders of the Company shall be convened within three (3) months from the day immediately following the last day of each business year and an extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p>13.2 Unless otherwise provided for by laws or regulations, the Representative Director previously determined by the Board of Directors shall convene a general meeting of shareholders. However, in the case where the Representative Director is unable so to act, one of the other Directors in the order previously determined by the Board of Directors shall convene a general meeting of shareholders.</p> <p style="text-align: center;">(New)</p>	<p style="text-align: center;">CHAPTER III</p> <p style="text-align: center;">GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 13 Convocation of General Meeting of Shareholders</p> <p>13.1 An ordinary general meeting of shareholders of the Company shall be convened within three (3) months from the day immediately following the last day of each business year and an extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p>13.2 Unless otherwise provided for by laws or regulations, the Representative Director previously determined by the Board of Directors shall convene a general meeting of shareholders. However, in the case where the Representative Director is unable so to act, one of the other Directors in the order previously determined by the Board of Directors shall convene a general meeting of shareholders.</p> <p><u>13.3 The Company may hold the general meeting of shareholders as a fully virtual general meeting of shareholders.</u></p>

Proposal 2: Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

As the terms of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee members; the same below in this proposal) will expire upon conclusion of the Meeting, the election of six (6) Directors is proposed.

The candidates for Director were nominated through a proposal by the discretionary Nomination and Compensation Committee, which consists of the independent Outside Directors and the Representative Director.

The candidates for Directors are as follows:

No.	Name				Current Position
1	Ryosuke Mori	Reelect			President and Representative Director
2	Yasuhiro Koba	Reelect			Director, Executive Vice President, Executive Officer of Business Development Department, Product Development Department, Creditor Insurance Business Department, and Investment Department
3	Ryosuke Kondo	Reelect			Director Executive Officer of Sales & Marketing Division and Data Science Promotion Office
4	Junpei Yokozawa	Reelect			Director Executive Officer of Customer Services Division and Information Systems Strategy Division
5	Jun Hasebe	Reelect	Outside	Independent	Outside Director
6	Takeshi Saito	Reelect	Outside		Outside Director

No.
1

Ryosuke Mori

(Date of birth: March 10, 1984 / Age 39 / Male)

Reelect



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

April 2007 Joined Goldman Sachs Japan Co., Ltd.
 September 2012 Joined Lifenet Insurance Company
 May 2013 Head of Corporate Planning Department
 January 2016 Executive Officer,
 General Manager of Corporate Strategy Division
 April 2017 Executive Officer,
 General Manager of Sales & Marketing Division
 June 2017 Director, Executive Officer,
 General Manager of Sales & Marketing Division
 June 2018 President and Representative Director
 (incumbent)

<Number of Company Shares Owned> 84,339

Qualifications of Director Candidates

Ryosuke Mori has engaged in corporate planning and business management and contributed for sales performance growth since April 2017 as the head of the Sales and Marketing Division in the Company. He has pursued the Company's business strategies as Director, and has demonstrated strong leadership and contributed to greater business performance since June 2018 in his current position as President and Representative Director. We therefore deem Mr. Mori to be an appropriate choice for achieving sustained growth of the Company and propose his reelection as a Director.

No.
2

Yasuhiro Koba

(Date of birth: April 9, 1979 / Age 44 / Male)

Reelect



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

April 2002 Joined Ministry of Health, Labour and Welfare
 September 2010 Joined Lifenet Insurance Company
 October 2013 Head of Legal Department
 June 2015 Executive Officer, Chief Compliance Officer
 January 2016 Executive Officer, General Manager of Corporate Administration Division, Chief Compliance Officer
 April 2017 Executive Officer, General Manager of Corporate Strategy Division
 June 2017 Director, Executive Officer, General Manager of Corporate Strategy Division
 July 2019 Director, Executive Officer, General Manager of Sales & Marketing Division
 May 2021 Director, LIFENET MIRAI Inc.
 June 2021 Director, Executive Vice President, General Manager of Sales & Marketing Division
 January 2022 Director, Executive Vice President, Executive Officer of Corporate Planning Department, Product Development, and Investment Department
 January 2023 Director, Executive Vice President, Executive Officer of Business Development Department, Product Development Department, Creditor Insurance Business Department, and Investment Department (incumbent)

<Number of Company Shares Owned> 59,757

Qualifications of Director Candidates

Yasuhiro Koba has served as the officer in charge of legal affairs, risk management, personnel and general affairs, corporate planning and business management in the Company, and possesses knowledge and experience pertaining to life insurance business operations. He has led growth in performance as a General Manager of Sales & Marketing Division since July 2019 and contributed to expand the business base as a Director, Executive Vice President since June 2021. We therefore deem Mr. Koba to be an appropriate choice for achieving sustained growth of the Company and propose his reelection as a Director.

No.
3

Ryosuke Kondo

(Date of birth: September 5, 1980 / Age 42 / Male)

Reelect



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

April 2003	Joined PIONEER CORPORATION
October 2009	Joined JAPAN POST INSURANCE Co., Ltd.
March 2012	Joined Lifenet Insurance Company
January 2016	Head of Corporate Planning Department, Corporate Strategy Division
April 2017	Head of Sales Planning Department, Sales & Marketing Division
June 2018	Executive Officer, General Manager of Sales & Marketing Division
July 2019	Executive Officer of Corporate Planning Department, Product Development Department, and Investment Department
June 2021	Director, Executive Officer of Corporate Planning Department, Product Development Department, and Investment Department
January 2022	Director, Executive Officer, General Manager of Sales & Marketing Division
June 2022	Director, LIFENET MIRAI Inc. (incumbent)
June 2022	Director, Executive Officer of Sales & Marketing Division and Data Science Promotion Office (incumbent)

<Number of Company Shares Owned> 22,082

Qualifications of Director Candidates

Ryosuke Kondo has experience of work in business management, investor relations (IR), and has served as the Head of the Corporate Planning Department and General Manager of Sales & Marketing Division in the Company. He possesses knowledge and experience pertaining to life insurance business operations. He has led growth in performance as a Director since June 2021. We therefore deem Mr. Kondo to be an appropriate choice for achieving sustained growth of the Company and propose his reelection as a Director.

No.
4

Junpei Yokozawa (Date of birth: June 18, 1980 / Age 42 / Male)
Reelect



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

April 2003	Joined NTT DATA Net's CORPORATION (currently NTT DATA Financial Technology Corporation)
May 2008	Joined Lifenet Insurance Company
April 2018	Head of KDDI Business Department, Sales & Marketing Division
July 2020	Head of Operations Planning Department, Customer Services Division
April 2021	Executive Officer, General Manager of Information Systems Strategy Division
June 2021	Director, Executive Officer of Customer Services Division and Information Systems Strategy Division (incumbent)

<Number of Company Shares Owned> 39,727

Qualifications of Director Candidates

Junpei Yokozawa has experience of work in system development and the promotion of a business alliance with KDDI CORPORATION and has served as the Head of the KDDI Business Department and the Head of the Operations Planning Department in the Company. He possesses knowledge and experience pertaining to life insurance business operations. He has promoted the improvement of customer services and the information systems strategy as Director since June 2021. We therefore deem Mr. Yokozawa to be an appropriate choice for achieving sustained growth of the Company and propose his reelection as a Director.

No.
5

Jun Hasebe

(Date of birth: November 9, 1965 / Age 57 / Male)

Reelect Outside Independent



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

April 1990 Joined Daiwa Securities Co. Ltd.
 July 2010 Director, COLOPL, Inc.
 January 2019 Outside Director, Speee, Inc. (incumbent)
 April 2020 Representative Director and President,
 Tokyo Relations Inc. (incumbent)
 November 2020 Outside Director, toridori Inc. (incumbent)
 June 2022 Outside Director, Lifenet Insurance Company
 (incumbent)

<Number of Company Shares Owned> None

Qualifications and expected roles of Outside Director Candidates

Jun Hasebe has extensive experiences in finance services and possesses broad business knowledge that includes experiences as a senior executive of Internet services and a technology area. Accordingly, we expect that he will use this knowledge to provide supervision and advice on the execution of duties by the Directors from the perspective of formulating management and financial strategy. We also expect that he will take part in and supervise the nomination of candidates to be officers in the Company and the determination of officers' compensation from an objective and neutral standpoint. We therefore propose his reelection as an Outside Director.

No.
6

Takeshi Saito

(Date of birth: September 19, 1966 / Age 56 / Male)

Reelect Outside



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

March 1989	Joined DDI Corporation (currently KDDI CORPORATION)
April 2014	General Manager, Consumer Business Management Department, Consumer Business Strategy Division
April 2019	General Manager, Finance Analysis & Planning Department, Corporate Management Division
April 2021	Managing Executive Officer, au Financial Holdings Corporation
April 2021	Director, au Financial Service Corporation
April 2021	Director, au Payment Corporation
June 2021	Outside Director, Lifenet Insurance Company (incumbent)
June 2022	Director, au Jibun Bank Corporation
June 2022	Managing Director and Chief Financial Officer, au Financial Holdings Corporation
April 2023	Senior Managing Director and Chief Financial Officer, au Financial Holdings Corporation (incumbent)

<Number of Company Shares Owned> None

Qualifications and expected roles of Outside Director Candidates

Takeshi Saito has a wealth of knowledge about consumer business and business management at KDDI CORPORATION. Accordingly, we expect that he will use this knowledge to provide supervision and advice on the execution of duties by the Directors from his professional perspective. We therefore propose his reelection as an Outside Director.

(Notes)

- 1) There are no special interests between the Company and each of the candidates.
- 2) Jun Hasebe and Takeshi Saito are candidates for Outside Directors of the Company under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The matters of note regarding candidates for Outside Directors are as follows:
 - (1) Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Jun Hasebe and Takeshi Saito to limit their liability stipulated in Article 423, Paragraph 1 of the same Act. The liability in such instances shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the same Act. If Jun Hasebe and Takeshi Saito are reelected, the Company intends to enter into the same agreement with each directors.
 - (2) Takeshi Saito has been a person executing business at KDDI CORPORATION over the past 10 years. KDDI CORPORATION is an important business partner of the Company.
 - (3) Jun Hasebe and Takeshi Saito are incumbent Outside Directors of the Company. Jun Hasebe will have served as Outside Director for one year and Takeshi Saito will have served as Outside Director for two years as of the conclusion of the Meeting.
 - (4) The Company has notified of Jun Hasebe as independent officer under the regulations of the Tokyo Stock Exchange. In the event that he is reelected, the Company will notify Jun Hasebe as independent officer.

- 3) The Company has not entered into a contract of indemnity with any of the candidates for Director.
- 4) The Company has entered into a directors and officers' liability insurance agreement with an insurance company. This insurance contract covers compensation for damages, legal costs and costs to respond to public inquiries incurred due to claims for compensation for damages caused by acts performed by the insured parties, including the Directors of the Company, based on their positions. If the candidates are elected as Directors and assume their positions, they will become insured parties of this insurance contract. In addition, the Company plans to renew the insurance contract with the same content at the time of its next renewal.

Audit and Supervisory Committee Opinion

The Audit and Supervisory Committee has reviewed the contents and process for the election of candidates for Directors (excluding Directors who are Audit and Supervisory Committee members). The Committee considered the contents of the Nomination and Dismissal Policy of Officers and the status of deliberations on the application of the Policy to each candidate by the Nomination and Compensation Committee and has concluded contents and deliberations are appropriate. In addition, the Audit and Supervisory Committee has not recognized any problem in the process for determination of compensation, etc. of Directors (excluding Directors who are Audit and Supervisory Committee members) and has concluded contents are also appropriate.

Proposal 3: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

As the terms of all three (3) Directors who are Audit and Supervisory Committee members will expire upon conclusion of the Meeting, the election of four (4) Directors is proposed, with one (1) additional member to further strengthen and enhance the audit system.

We have obtained the consent of the Audit and Supervisory Committee for this proposal.

The candidates for Directors who are Audit and Supervisory Committee members are as follows:

No.	Name				Current Position
1	Takahiro Yamasaki	Reelect			Director (Full-Time Audit and Supervisory Committee Member)
2	Keiko Hayashi	Reelect	Outside	Independent	Outside Director (Audit and Supervisory Committee Member)
3	Tomoyuki Yamashita	Reelect	Outside	Independent	Outside Director (Audit and Supervisory Committee Member)
4	Emima Abe	Newly elect	Outside	Independent	-

No.
1

Takahiro Yamasaki (Date of birth: December 23, 1957 / Age 65 / Male)
Reelect



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

April 1981	Joined Nippon Life Insurance Company
March 2004	General Manager of International Business Department
March 2005	President of NLI International Inc. (currently Nippon Life Insurance Company of America)
December 2007	General Manager of Securities Administration Department
June 2009	Full-time Corporate Auditor, Nippon Venture Capital Co., Ltd.
June 2013	Director, General Manager of Planning & Investment Management Department
June 2015	Joined Lifenet Insurance Company, Executive Officer, Head of Claims Department
January 2016	Executive Officer, General Manager of Customer Services Division
June 2018	Assistant General Manager of Customer Services Division
February 2019	Assistant General Manager of Corporate Strategy Division
June 2019	Full-time Corporate Auditor
May 2021	Corporate Auditor, LIFENET MIRAI Inc. (incumbent)
June 2021	Director (Full-Time Audit and Supervisory Committee Member) (incumbent)

<Number of Company Shares Owned> 6,200

Qualifications of Director Candidates who is an Audit and Supervisory Committee Member

Takahiro Yamasaki has a high degree of expertise based on his experience as a full-time corporate auditor in an investment company. In addition, he has held important posts in another insurance company and the Company. He has served as a full-time Corporate Auditor in the Company since June 2019 and as a Director who is an Audit and Supervisory Committee member since June 2021. Accordingly, he has the business knowledge and experience to be able to accurately, fairly and efficiently audit the execution of duties in a life insurance company. We therefore propose his reelection as a Director who is an Audit and Supervisory Committee member.

No.
2

Keiko Hayashi

(Date of birth: August 11, 1960 / Age 62 / Female)

Reelect Outside Independent



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

April 1986	Joined Tokyo Regional Taxation Bureau
October 1990	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
March 1994	Registered as C.P.A.
July 2006	Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
October 2013	Group D&I Owners D&I Partner, Deloitte Tohmatsu Group
July 2016	Executive Board Member, The Japanese Institute of Certified Public Accountants
November 2018	President, Tohmatsu Challenged Co., Ltd.
June 2020	Outside Director, Lifenet Insurance Company
June 2020	Outside Director (Audit and Supervisory Committee Member), MEIDENSHA CORPORATION (incumbent)
February 2021	Outside Corporate Auditor, NIPPON FILCON CO., LTD.
March 2021	Supervisory director, Nippon Building Fund Inc. (incumbent)
June 2021	Outside Director (Audit and Supervisory Committee Member), Lifenet Insurance Company (incumbent)
April 2023	Professor, Faculty of Commerce Graduate School of Accountancy, Waseda University (incumbent)

<Number of Company Shares Owned> 1,500

Qualifications and expected roles of Outside Director Candidates who is an Audit and Supervisory Committee Member

Keiko Hayashi has experience as a corporate executive manager, a high level of expertise in accounting and financial affairs as a certified public accountant, and extensive experience and knowledge on venture support and Diversity & Inclusion. Accordingly, we expect that she will continue to reflect this knowledge into audits of the Company and the activities of the Board of Directors to further strengthen our auditing and supervision functions. We also expect that she will take part in and supervise the nomination of candidates to be officers in the Company and the determination of officer's compensation from an objective and neutral standpoint. We therefore propose her reelection as an Outside Director who is an Audit and Supervisory Committee member.

No.
3

Tomoyuki
Yamashita

(Date of birth: September 14, 1975 / Age 47 / Male)

Reelect Outside Independent



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

April 1998	Joined The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)
February 2000	Joined Towers Perrin (currently Willis Towers Watson)
June 2004	Joined Goldman Sachs Japan Co., Ltd.
January 2010	Vice President, Investment Banking Division, Advisory Group
March 2012	Joined McLagan Partners Asia Incorporated (currently Aon Solutions Japan Ltd.)
April 2015	Head of Japan, McLagan Partners Asia Incorporated
January 2017	Head of Japan, McLagan at Aon Hewitt Japan (currently Aon Solutions Japan Ltd.)
July 2019	Representative Director and President (incumbent)
June 2021	Outside Director (Audit and Supervisory Committee Member), Lifenet Insurance Company (incumbent)

<Number of Company Shares Owned> 6,700

Qualifications and expected roles of Outside Director Candidates who is an Audit and Supervisory Committee Member

Tomoyuki Yamashita has experience as a corporate executive manager and a wealth of experience and extensive knowledge of finance. Accordingly, we expect that he will use that knowledge to provide supervision and advice on the execution of duties by the Directors in relation to the strengthening of governance and the formulation of management strategies in particular. We also expect that he will take part in and supervise the nomination of candidates to be officers in the Company and the determination of officer's compensation from an objective and neutral standpoint. We therefore propose his reelection as an Outside Director who is an Audit and Supervisory Committee member.

No.
4

Emima Abe

(Date of birth: December 31, 1979 / Age 43 / Female)

Newly elect Outside Independent



Brief career history and positions and areas of responsibility in Lifenet and significant concurrent positions outside Lifenet

April 2002 Joined Beacon Communications K.K.
 December 2013 Registered as an attorney
 January 2014 Joined BOOKSCAN Co., Ltd.
 November 2015 Joined COLOPL, Inc.
 August 2016 Joined Max General Law Firm
 (currently Miyamasuzaka the Firm Law &
 Accounting Office) (incumbent)
 December 2018 Outside Director,
 Noevir Holdings Co., Ltd. (incumbent)
 March 2022 Outside Director,
 B-R 31 Ice Cream Co., Ltd. (incumbent)

<Number of Company Shares Owned> None

Qualifications and expected roles of Outside Director Candidates who is an Audit and Supervisory Committee Member

Emima Abe has experience as an attorney and a wealth of experience and extensive knowledge of legal and governance. Accordingly, we expect that she will use that knowledge to provide supervision and advice on the execution of duties by the Directors in relation to the strengthening of governance in particular. We also expect that she will take part in and supervise the nomination of candidates to be officers in the Company and the determination of officer's compensation from an objective and neutral standpoint. We therefore propose her election as a new Outside Director who is an Audit and Supervisory Committee member. While she has not been involved in corporate management in the past, except as an Outside Officer, we have concluded that she will be able to perform her duties appropriately as an Outside Director for the reasons mentioned above.

(Notes)

- 1) There are no special interests between the Company and each of the candidates.
- 2) Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Takahiro Yamasaki, Keiko Hayashi and Tomoyuki Yamashita to limit their liability stipulated in Article 423, Paragraph 1 of the same Act. The liability in such instances shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the same Act. If Takahiro Yamasaki, Keiko Hayashi and Tomoyuki Yamashita are reelected, the Company intends to enter into the same agreement with each directors. If Emima Abe is elected, the Company intends to enter into the same agreement with her.
- 3) Keiko Hayashi, Tomoyuki Yamashita and Emima Abe are candidates for Outside Directors of the Company under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The matters of note regarding candidates for Outside Directors are as follows:
 - (1) Keiko Hayashi and Tomoyuki Yamashita are incumbent Outside Directors Who are an Audit and Supervisory Committee Member of the Company. Keiko Hayashi and Tomoyuki Yamashita will have served as Outside Directors Who are an Audit and Supervisory Committee Member for two years as of the conclusion of the Meeting. Keiko Hayashi held the position of an Outside Director from June 2020 to June 2021, and her cumulative years in the Company is three years.
 - (2) The Company has notified of Keiko Hayashi and Tomoyuki Yamashita as independent officers under the regulations of the Tokyo Stock Exchange. In the event that they are reelected, the Company will notify Keiko Hayashi and Tomoyuki Yamashita as independent officer. If the election of Emima Abe is approved, the Company will notify

Emima Abe as an independent officer because she satisfies the requirements for independent officer under the regulations of the Tokyo Stock Exchange.

- 4) The Company has not entered into a contract of indemnity with any of the candidates for Director.
- 5) The Company has entered into a directors and officers' liability insurance contract with an insurance company. This insurance contract covers compensation for damages, legal costs and costs to respond to public inquiries incurred due to claims for compensation for damages caused by acts performed by the insured parties, including the Directors of the Company, based on their positions. If the candidates are elected as Directors and assume their posts, they will become insured parties of this insurance contract. In addition, we plan to renew this insurance contract with the same kind of content at the time of its next renewal.

(Reference) Skills Matrix of Directors

The composition of the Board of Directors and the knowledge, experience and abilities of the Directors if Proposal 2 and Proposal 3 are approved as proposed at the Meeting will be as follows:

Name	Position	Knowledge, Experience and Abilities of the Directors					
		Corporate Management and Sustainability	Law and Governance	Financial services	Accounting and Finance	Technology	Marketing and Sales
Ryosuke Mori	President and Representative Director	○	○	○	○		○
Yasuhiro Koba	Director Executive Vice President	○	○	○	○		○
Ryosuke Kondo	Director		○	○	○		○
Junpei Yokozawa	Director			○		○	
Jun Hasebe	Outside Director	○		○	○	○	
Takeshi Saito	Outside Director		○		○	○	○
Takahiro Yamasaki	Director (Full-Time Audit and Supervisory Committee Member)	○	○	○	○		
Keiko Hayashi	Outside Director (Audit and Supervisory Committee Member)	○	○	○	○		
Tomoyuki Yamashita	Outside Director (Audit and Supervisory Committee Member)	○	○	○	○		○
Emima Abe	Outside Director (Audit and Supervisory Committee Member)	○	○				

Notes:

1. We plan to determine the Directors with titles at a meeting of the Board of Directors after the conclusion of the Meeting. We plan to determine the Full-Time Audit and Supervisory Committee Member at a meeting of the Audit and Supervisory Committee after the conclusion of the Meeting.
2. The above table does not represent all the knowledge, experience and abilities of the Directors.

(Reference) Nomination and Dismissal Policy of Officers

We have established a discretionary Nomination and Compensation Committee to strengthen the independence, objectivity and accountability of the functions of the Board of Directors concerning the nomination, dismissal, and compensation of officers. The Nomination and Compensation Committee consists of 3 Independent Outside Directors and President and Representative Director. The Board of Directors enacts the nomination and dismissal policy of officers upon deliberations by the Nomination and Compensation Committee. The nomination and dismissal policy is below.

1. Nomination Policy of Candidates for Directors Who Are Not Audit and Supervisory Committee Members
 - (1) With regard to candidates for Internal Directors Who Are Not Audit and Supervisory Committee Members, following the deliberations at the Nomination and Compensation Committee, the Board of Directors shall nominate the candidates who satisfy the following particulars in principle.
 - Individuals with knowledge and experience to carry out business management in appropriate, fair and efficient manner.
 - Individuals who have sufficient social credibility.
 - (2) With regard to candidates for Outside Directors Who Are Not Audit and Supervisory Committee Members, following the deliberations at the Nomination and Compensation Committee, the Board of Directors shall nominate the candidates who satisfy the following particulars in principle.
 - Individuals with high level of expertise and rich experience in fields such as corporate management, laws and governance, financial services, financial accounting and finance, technology, and marketing and sales, and have made adequate accomplishments in those fields.
 - Individuals capable of providing advice on management policies and management improvement from the perspective of promoting sustainable growth of the Company and enhancing corporate value for the mid- to long-term.
 - With regard to “Independent Outside Directors,” individuals without any risk of conflict of interest with general shareholders. In this case, the existence of the risk of conflict of interest with general shareholders shall be judged in accordance with “3. Independence Criteria for Independent Outside Officers” and the independence criteria of the Tokyo Stock Exchange.
2. Nomination Policy of Candidates for Directors Who Are Audit and Supervisory Committee Members

With regard to candidates for Directors Who Are Audit and Supervisory Committee Members, following the deliberations at the Nomination and Compensation Committee, the Board of Directors shall nominate candidates who fulfill the following particulars in principle upon obtaining the consent of the Audit and Supervisory Committee.

 - Individuals who can objectively, appropriately, fairly and efficiently audit and supervise the execution of duties by Directors based on a high level of expertise and rich experience in fields such as corporate management, laws and governance, financial services, financial accounting and finance, technology, and marketing and sales.
 - Individuals who have sufficient social credibility.
 - With regard to “Independent Outside Directors,” individuals without any risk of conflict of interest with general shareholders. In this case, the existence of the

risk of conflict of interest with general shareholders shall be judged in accordance with “3. Independence Criteria for Independent Outside Officers” and the independence criteria of the Tokyo Stock Exchange.

3. Independence Criteria for Independent Outside Officers

The Company deems that any Outside Directors or candidates for Outside Directors that fall under any of the following items do not possess independence from the Company as Independent Outside Directors.

- (1) Persons executing business in the Company or subsidiaries of the Company;
- (2) Persons whose major business partner is the Company (an entity for which the amount of annual transactions with the Company in the most recent fiscal year is 2% or more of its consolidated sales) or executes business at said company;
- (3) Major business partner of the Company (a business partner for which the amount of annual transactions with the Company in the most recent fiscal year is 2% or more of the sales of the Company) or executes business at said company;
- (4) Persons executing business in a company where any person executing in the Company serves as officer;
- (5) Major shareholder of the Company holding either directly or indirectly 10% or more of total number of the voting rights of the Company or persons who execute business at said company;
- (6) Persons providing professional services such as consultants or professionals in accounting or law who receives from the Company a large amount of money (an amount of 10 million yen or more for individuals or an amount that is 2% or more of total income for corporations, associations and other groups in the most recent fiscal year) or other property other than officer compensation;
- (7) Persons who have fallen under (1) above during any period in the past ten years;
- (8) Persons who have fallen under any of (2) to (7) above during any period in the past three years; or
- (9) Close relatives of persons who fall under any of (1) to (8) above (excluding those deemed not important).

4. Dismissal Criteria for Directors

If there is a fact concerning a Director that may meet the Dismissal Criteria given below, following the deliberations at the Nomination and Compensation Committee, the Board of Directors shall decide to propose a dismissal of the subject Director for approval at the General Meeting of Shareholders upon obtaining the consent of the Audit and Supervisory Committee if the subject Director is an Audit and Supervisory Committee Member.

(Dismissal Criteria)

- (1) If a Director acts against public policy;
- (2) If a Director cannot continue to perform the Director's duties for health reasons;
- (3) If a Director is neglecting its duties and deemed to be failing to fulfill its duties.

(Reference) Overview of the evaluation of the effectiveness of the Board of Directors

We have been evaluating the effectiveness of the Board of Directors through a self-evaluation once a year in principle since fiscal 2016 to ensure the effectiveness and suitability of the Board of Directors. The Board of Directors receives a report of the results and deliberates on it. Then it formulates an improvement plan to make its functions more enhanced. We also evaluate all aspects of the governance system, in addition to the Board of Directors, including the Audit and Supervisory Committee, the discretionary Nomination and Compensation Committee, and the meetings for outside officers.

A summary of the fiscal 2022 evaluation of the effectiveness of the Board of Directors is as follows:

•Evaluation Process

The Board of Directors Secretariat distributed a questionnaire to all Directors and obtained their answers for the evaluation of the effectiveness of the Board of Directors. In addition, it individually interviewed all the Directors based on the results of their answers in the questionnaire.

•Evaluation Items

The overall evaluation of the Board of Directors, the composition of the Board of Directors, the operation of the Board of Directors, the quality of discussions by the Board of Directors, communication among officers, information provision and training, engagement with investors and shareholders, Future of the Board of Directors (transition to Monitoring Board), management of the Audit and Supervisory Committee, the discretionary Nomination and Compensation Committee, and the meetings for outside officers.

•Questionnaire Respondents

All Directors (nine directors)

•Schedule

Mar. 2023: Distributed questionnaire on the effectiveness of the Board of Directors

Mar. - Apr. 2023: Conducted individual interviews

May 2023: Made report for the Board of Directors and formulated improvement plan

•Results and Issues

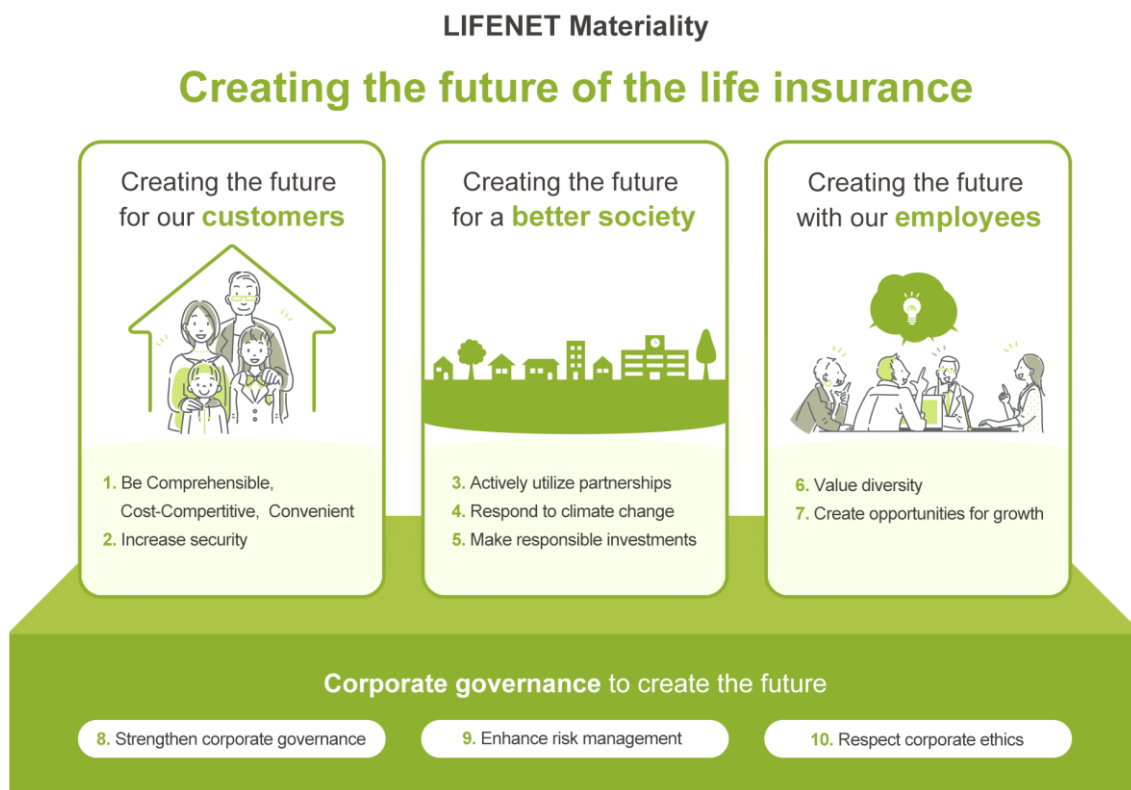
As for the overall evaluation of the Board of Directors, while dealing with a wide range of subjects in a limited amount of time, we were able to continuously improve our operations and focus our discussion on important subjects such as the mid-term business plan and sustainability. At the same time, it was pointed out that the discussions by the Board of Directors should also be conducted from a medium- to long-term perspective. Therefore, we are working to improve the quality and quantity of discussions.

With regard to the composition of the Board of Directors, there were opinions regarding the revision of the number of Directors, the Independent Outside Directors becoming the majority over the medium term in order to further strengthen supervisory functions and ensure diversity, and the increase the ratio of female Directors.

In terms of provision of information and training, we held a corporate governance training course with an external lecturer on timely topics in fiscal 2022 as well, and it was a valuable opportunity. Regarding the operation of the meetings for outside officers, we were able to provide an opportunity for Outside Directors to express their opinions on agenda set by Outside Directors themselves. However, it was pointed out that discussions among Outside Directors should become more active, so we will continue to review the operation of the meetings for outside officers.

(Reference) LIFENET Materiality

We have identified ten materialities (priority issues) that should be addressed over the long term with the aim of achieving a sustainable society and improving corporate value. Under the theme of “Creating the future of the life insurance,” we will promote initiatives for our stakeholders, including “customers,” “society” and “employees,” as we continue to enhance “corporate governance,” which is the foundation of our management.



For more information, please visit the Sustainability page on our Investor Relations website.
<https://ir.lifenet-seimei.co.jp/en/sustainability/materiality.html>

BUSINESS REPORT

1. Business results

Condition of policies-in-force

Annualized premium*¹ of new business for fiscal 2022 was 3,919 million yen (95.9% of fiscal 2021). The number of new business for fiscal 2022 was 98,532 (97.9% of fiscal 2021).

Annualized premium of policies-in-force as of the end of March 31, 2023 stands at 24,033 million yen (111.7% of March 31, 2022). Sum insured of policies-in-force was 3,633,704 million yen (108.4% of March 31, 2022). The number of policies-in-force resulted in a total of 568,674 (112.1% of March 31, 2022). The number of policyholders was 360,364. Surrender and lapse ratio*² for fiscal 2022 was 6.5% (6.6% for fiscal 2021).

*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 2022 increased to 29,207 million yen (114.9% of fiscal 2021) due to an increase in premium income by growth of in-force business, and effect from modified co-insurance. Investment income was 977 million yen (146.9% of fiscal 2021) mainly due to an increase in gain on money held in trust and gain on sales of securities. Other ordinary income was 83 million yen. As a result, ordinary income for fiscal 2022 amounted to 30,268 million yen (115.7% of fiscal 2021).

Insurance claims and other was 12,445 million yen (143.6% of fiscal 2021) mainly due to an increase in insurance benefits related to COVID-19 and reinsurance commission from modified co-insurance. The ratio of insurance payment amounts to insurance premiums was 27.4% for fiscal 2022, compared with 20.7% for fiscal 2021. In addition, payment of insurance claims and benefits related to COVID-19 was 1,378 million yen for fiscal 2022. Provision for policy reserves and other came to 7,453 million yen (108.0% of fiscal 2021). The ratio of provision for policy reserves to insurance premiums was 31.5% for fiscal 2022, compared with 34.1% for fiscal 2021. Investment expenses was 185 million yen mainly due to the recording of loss on sale of securities. Operating expenses amounted to 13,463 million yen (110.9% of fiscal 2021) mainly due to the investment in our marketing spend including advertising. The components of operating expenses were 8,672 million yen in marketing expenses (105.0% of fiscal 2021), 1,506 million yen in customer service expenses (117.9% of fiscal 2021), and 3,284 million yen in system and other expenses (126.4% of fiscal 2021). Other ordinary expenses was 1,669 million yen (98.6% of fiscal 2021). Consequently, ordinary expenses for fiscal 2022 totaled 35,217 million yen (119.7% of fiscal 2021).

As a result, ordinary profit totaled 4,949 million yen loss for fiscal 2022, compared with 3,245 million yen loss for fiscal 2021. Net income was 5,164 million yen loss, compared with 3,319 million yen loss for fiscal 2021.

In addition, fundamental profit, which is an indicator for the profitability of life insurance companies, amounted to 5,072 million yen loss, compared with 3,213 million yen loss for fiscal 2021 mainly due to an increase in insurance benefits related to COVID-19 and operating expenses. The components of fundamental profit were 2,292 million yen in mortality margin, 7,429 million yen loss in expense margin and 64 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 2022 resulted in raising ordinary income by 5,671 million yen (4,852 million yen of fiscal 2021), ordinary profit by 608 million yen (1,283 million yen of fiscal 2021), and net income by 608 million yen (1,283 million yen of fiscal 2021).

Assets, liabilities and net assets

Total assets as of March 31, 2023 amounted to 68,600 million yen (67,820 million yen as of March 31, 2022). The major account balance was 45,606 million yen in securities mainly consisting of government bonds and corporate bonds with high credit ratings. Reinsurance accounts receivable was 4,602 million yen including 4,295 million yen of the balance of unamortized ceding commission for modified co-insurance.

Liabilities amounted to 53,026 million yen as of March 31, 2023 (45,749 million yen as of March 31, 2022), owing to an increase in policy reserves. The major account balances were 49,632 million yen in policy reserves and 1,364 million yen in reserves for outstanding claims.

Net assets amounted to 15,574 million yen as of March 31, 2023 (22,071 million yen as of March 31, 2022) mainly due to the recording of net loss for fiscal 2022 and a decrease in valuation difference on available-for-sale securities. 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, 2023 was 3,158.2% (3,182.8% as of March 31, 2022), which indicated that an adequate level of payment capacity was maintained.

European Embedded Value

The embedded value on an EEV (European Embedded Value) basis as of March 31, 2023, was 124,666 million yen (116,604 million yen as of March 31, 2022). The adjusted net worth decreased to 18,367 million yen. The value of in-force business increased to 106,299 million yen, mainly due to acquisition of new business and updates made to mortality and morbidity assumptions.

Other accomplishments

In this fiscal year, we actively promoted partnerships and initiatives with partner companies to achieve sustained growth over the mid to long term. In August 2022, we concluded a business alliance agreement in the group credit life insurance with au Jibun Bank Corporation, and we plan to start the group credit life insurance business from July 2023 in addition to our individual insurance business. We also entered into a capital and business alliance agreement with Eisai Co., Ltd. and will collaborate in dementia and other areas to help reducing the burden of medical and nursing expenses. Furthermore, in October 2022, we concluded a business alliance agreement with Sumitomo Mitsui Card Co., Ltd. and our subsidiary, LIFENET MIRAI Inc., and we have started providing our products and services on the SMBC group membership website since March 2023.

We also focused on product development with existing partner companies. We renewed our product sold through KDDI CORPORATION as "au Life Insurance," with Ponta point, and we started offering a special plan for "Whole-life Medical Jibun3" exclusively on Kakaku.com.

Furthermore, we improved the customer experience. For instance, we introduced "electronic insurance certificate" so that policyholders can check their insurance certificate using smartphone and we also introduced "second-contact registration system" in order for policyholders' family to inquire about policy details. These initiatives encouraged our policyholders to use our services more conveniently.

In addition, we received many evaluations from external organizations in this fiscal year. In terms of products, our term life insurance "Kazoku" ranked first place for the sixth consecutive year in the category of applying insurance via online in Kakaku.com Insurance Award 2022. In terms of services, our contact center and website were awarded top ratings for the 10th times in the 2022 HDI Benchmarking (Life Insurance Industry). Furthermore, in J.D. Power 2023 Japan Life Insurance Contract Customer Satisfaction StudySM, we were chosen as the No.1 in the direct distribution channel for the third consecutive year. We believe that our efforts to focus on "innovation of customer experience," which is the one of the priority areas of our management policy, have led to high customer satisfaction ratings.

2. Challenges

Mid to long term business strategy and challenges

We formulated our Management Policy to achieve even greater growth and high profitability over the mid to long term.

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 2022, the external environment of the life insurance industry changed significantly due to the COVID-19 situation and interest rate fluctuations, which also affected our performance. In addition, compared with the time when we commenced our business in 2008, new entries into online channels have increased and the competitive landscape has become even more severe. Under these circumstances, we achieved steady growth, with the number of policies-in-force exceeding 550,000 and EEV, a management indicator, reaching 120 billion yen, while leveraging our strengths as the leading company of online life insurance. We will pursue initiatives that address the following issues with the aim of achieving further growth in in-force business and the management goal of achieving 200 billion yen in EEV.

(1) Reaccelerating of the mid to long term growth of Internet channel

We aim to reaccelerate the growth of internet channel through initiatives in the two priority areas of “innovation of customer experience” and “enhancement of promotion capabilities” over the mid to long term.

First, we will continue to invest in advertising and promotion, mainly in TV commercials and online advertising to promote the increase of our brand awareness so that customers can recall Lifenet at the timing of their purchases.

Next, we believe that it is important to be able to give our customers, who recognize us, a sense of security in choosing us as the competitive environment becomes more severe. Therefore, we will deliver our products and services centered on our value of “Comprehensible, Cost-Competitive, Convenient” to our customers more clearly and will provide products and services that are chosen by customers with focusing on system development and data analysis to improve the customer experience.

In fiscal 2023, in particular for younger generation, our main customer base, we will promote a sales strategy that goes beyond the promotion domain. Since we commenced our business, our performance has grown with the support of many young customers. In recent years, our performance has grown as an online life insurance company of choice among middle-aged and elderly customers. In order to further increase our scale and improve operating efficiency over

the mid to long term, we need to make the foundations for reacceleration of the growth of our in-force business. To achieve this, we aim to increase the performance of the Internet channel by focusing on attracting younger customers, who prefer digital customer experiences. As we mark the 15th anniversary of our business commencement in 2023, we will return to the LIFENET Manifesto and take on the challenge of strengthening customer touchpoints and providing products and services from the perspective of younger customers.

(2) Expanding the online life insurance market through collaboration with partners

By taking advantage of our unique position as an independent company and the leading company in the online life insurance market, we will actively engage in collaboration with partner companies and aim to expand online life insurance market. With a view to mid to long term growth in the future, in fiscal 2023, we will strengthen our individual insurance businesses with partner companies and our platform businesses, as well as expand new business domain, group credit life insurance businesses.

As for individual insurance businesses, we aim to increase the contribution to the in-force business performance by focusing on white label businesses. We leverage the broad customer base and brand power of partner companies such as KDDI Corporation and Money Forward, Inc..

In our platform business, as for “B to C”, we aim to expand the business scale by improving the UIUX of our online insurance agent website provided by LIFENET MIRAI Inc., our subsidiary. We also aim to provide a service for “B to B” customers with the systems and digital tools necessary for the online insurance business by utilizing the functions and know-how of current agent business for “B to C” customer. As part of this, in October 2022, we concluded a business alliance agreement with Sumitomo Mitsui Card Co., Ltd., and start working to realize a digital customer experience. We aim to contribute to the expansion of online life insurance market by building financial services that are even closer to our customers through the interaction of “B to B” and “B to C” business.

As for our new group credit life insurance business, in July 2023, we will begin offering group credit life insurance to mortgage loan borrowers of au Jibun Bank Corporation. In the current fiscal year, we will steadily launch this business so that it will become a new earnings opportunity. In the future, we will work to establish a stable earnings base with a view to increasing alliance partners.

(3) Strengthening efforts to address human capital to support business growth

In order to provide customer-friendly products and services and achieve strong growth while responding to the changing environment, we believe that it is important to create better work environment in which employees can play an active role. To that end, we will focus on “value diversity” and “create opportunities for growth”.

As part of our efforts to become a company that “value diversity,” we aim to create better work environment where employees with diverse knowledge, experience and ideas can play an active role through age-, nationality- and gender-free recruitment. We also aim to create an

organization where each employee can work in a healthy, cheerful, and pleasant manner while making most of their personality and respecting each other.

As part of our efforts to “create opportunities for growth,” we will support the challenge and growth of employees through unique evaluation systems and the provision of opportunities for employees to learn together. We encourage our employees to take on challenges and grow and promote initiatives to link individual growth to organizational growth.

3. Others

Dividend policy

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

The Company 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.

From fiscal 2023 ending March 31, 2024, we will voluntarily adopt IFRS in its consolidated financial statements, however, distribution of retained earnings will be based on non-consolidated financial statements in accordance with Japanese GAAP.

NON-CONSOLIDATED FINANCIAL STATEMENTS

1. Balance Sheets

	(In millions of yen)	
	March 31	
	2022	2023
ASSETS		
Cash and deposits.....	3,761	5,719
Bank deposits.....	3,761	5,719
Monetary claims bought.....	3,999	4,499
Money held in trust	5,460	5,322
Securities	47,425	45,606
Government bonds	8,946	7,689
Municipal bonds.....	1,469	1,442
Corporate bonds	24,042	24,994
Stocks	492	435
Foreign securities.....	98	596
Other securities	12,375	10,447
Tangible fixed assets.....	97	75
Buildings	25	22
Leased assets	7	5
Other tangible fixed assets	64	47
Intangible fixed assets.....	1,293	1,544
Software.....	1,123	1,098
Software in progress	170	445
Agency accounts receivable	7	9
Reinsurance accounts receivable.....	3,881	4,602
Other assets.....	1,892	1,219
Accounts receivable.....	1,585	880
Prepaid expenses	131	150
Accrued income	101	112
Deposits.....	73	73
Suspense payments	1	3
Total assets	67,820	68,600

(In millions of yen)

March 31

	2022	2023
<u>LIABILITIES</u>		
Policy reserves and other	43,542	50,996
Reserves for outstanding claims	984	1,364
Policy reserves	42,558	49,632
Agency accounts payable	48	64
Reinsurance accounts payable.....	404	495
Other liabilities	1,379	1,344
Income taxes payable	3	3
Accounts payable.....	30	68
Accrued expenses.....	1,270	1,195
Deposits received.....	16	18
Lease liabilities	7	5
Asset retirement obligations.....	34	34
Suspense receipt	17	17
Reserves under the special laws.....	102	124
Reserve for price fluctuations.....	102	124
Deferred tax liabilities	271	—
Total liabilities	<u>45,749</u>	<u>53,026</u>
<u>NET ASSETS</u>		
Capital stock	21,655	21,676
Capital surplus.....	21,655	21,676
Legal capital surplus	21,655	21,676
Retained earnings	(21,936)	(27,100)
Other retained earnings	(21,936)	(27,100)
Retained earnings brought forward	(21,936)	(27,100)
Treasury shares	(0)	(0)
Shareholders' equity	<u>21,373</u>	<u>16,252</u>
Valuation difference on available-for-sale securities	697	(678)
Valuation and translation adjustments	697	(678)
Total net assets	<u>22,071</u>	<u>15,574</u>
Total liabilities and net assets	<u><u>67,820</u></u>	<u><u>68,600</u></u>

2. Statements of Operations

	(In millions of yen)	
	Year ended March 31	
	2022	2023
Ordinary income.....	26,167	30,268
Insurance premiums and other.....	25,420	29,207
Premiums income.....	19,835	22,469
Reinsurance income.....	5,585	6,738
Investment income.....	665	977
Interest, dividends and other income.....	415	497
Interest from deposits.....	0	0
Interest and dividends from securities.....	415	497
Other interest and dividends.....	0	0
Gain on money held in trust.....	70	183
Gain on sales of securities.....	178	296
Other ordinary income.....	81	83
Other.....	81	83
Ordinary expenses.....	29,413	35,217
Insurance claims and other.....	8,668	12,445
Insurance claims.....	2,546	3,123
Benefits.....	1,563	3,030
Other refunds.....	1	1
Reinsurance commissions.....	4,558	6,290
Provision for policy reserves and other.....	6,903	7,453
Provision for reserves for outstanding claims.....	146	379
Provision for policy reserves.....	6,756	7,074
Investment expenses.....	8	185
Interest expenses.....	0	2
Loss on sales of securities.....	—	180
Foreign exchange losses.....	0	0
Other investment expenses.....	7	3
Operating expenses.....	12,140	13,463
Other ordinary expenses.....	1,693	1,669
Taxes.....	1,169	1,273
Depreciation.....	390	392
Other.....	133	3
Ordinary profit (loss).....	(3,245)	(4,949)
Extraordinary losses.....	68	209
Loss on valuation of shares of subsidiaries and affiliates.....	—	185
Loss on disposal of non-current assets.....	42	2
Provision of reserves under the special laws.....	26	22
Provision of reserve for price fluctuations.....	26	22
Income (loss) before income taxes.....	(3,314)	(5,159)
Income taxes-current.....	4	4
Income taxes.....	4	4
Net income (loss).....	(3,319)	(5,164)

###

LIFENET INSURANCE COMPANY

Copyright© LIFENET INSURANCE COMPANY All rights reserved.