

**Securities Code: 7157**  
**TSE Mothers**



**LIFENET**

LIFENET INSURANCE COMPANY

**Reference Data**  
**for**  
**First Quarter**  
**Fiscal 2014**

**LIFENET INSURANCE COMPANY**

**August 6, 2014**

# Contents



- 1. Progress of Mid-term Business Plan**
- 2. Results for 1Q of Fiscal 2014**

# Mid-term Business Plan



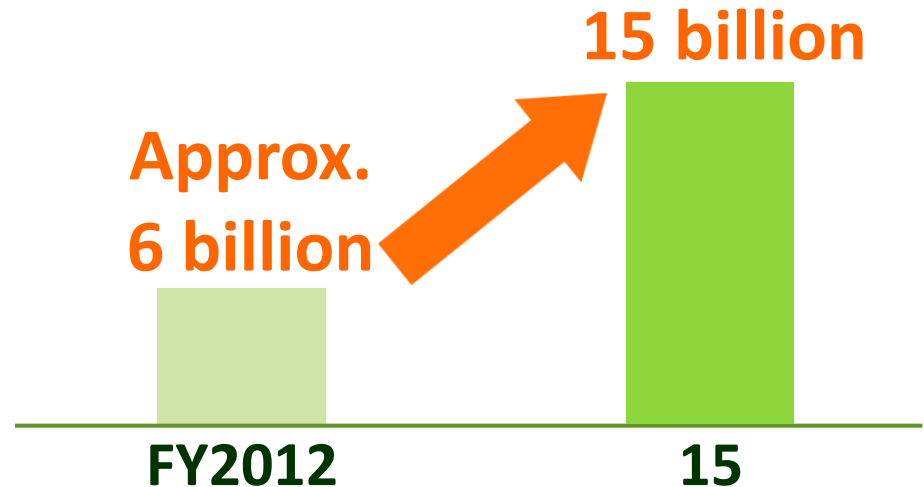
## LIFENET 2015

Offer new products and services as an innovator to create a future of life insurance that resonates with stakeholders, and achieve the highest sustainable growth among online life insurance businesses.

## Management Goal

- ✓ Achieve **15 billion** in ordinary income (FY 2015)
- ✓ Push the company **toward profitability** (FY 2015)

(Based on ordinary profit before amortization of deferred assets under Article 113 of the IBA<sup>1</sup>)



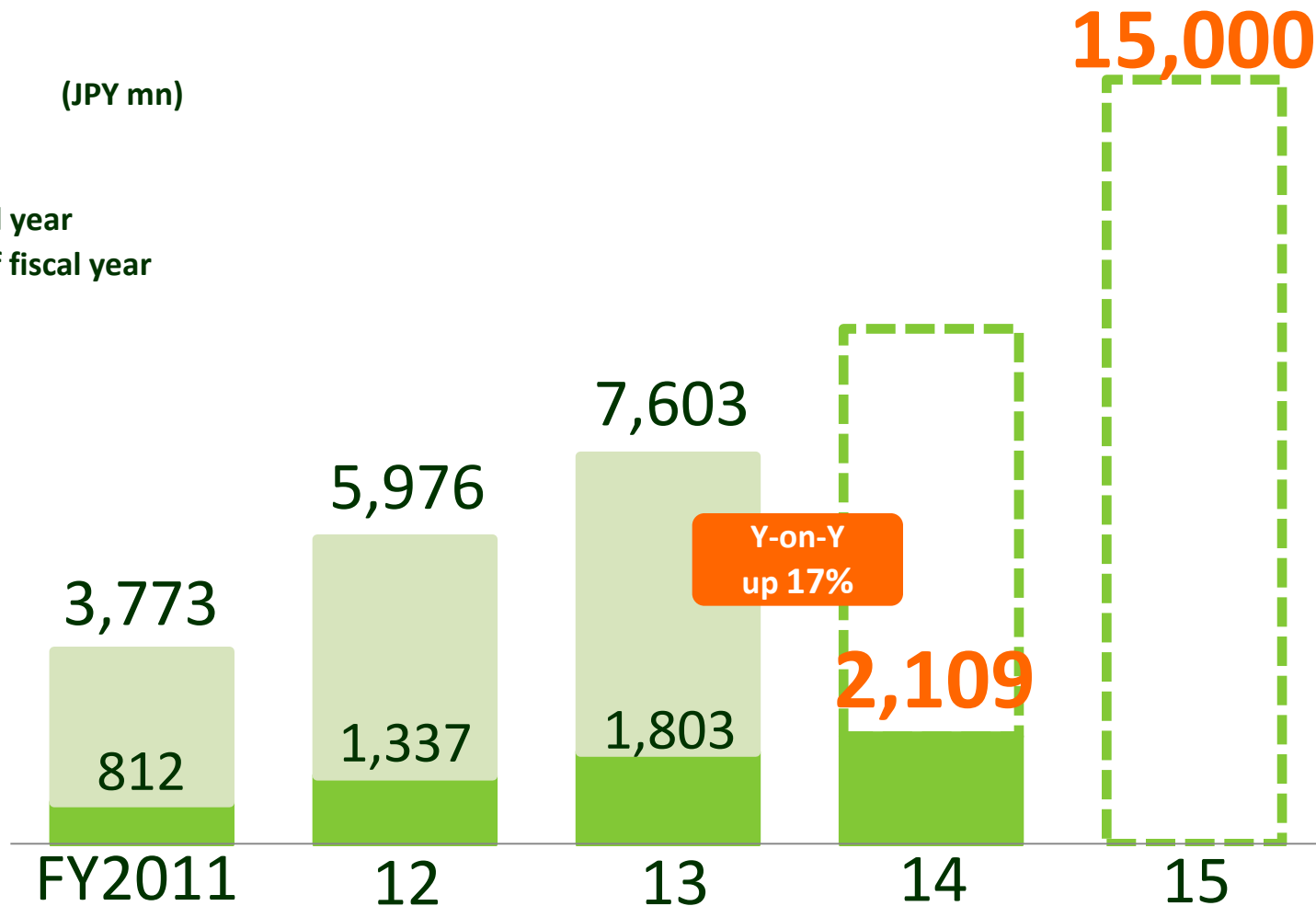
1. IBA: Insurance Business Act

# Progress of Mid-term Business Plan (Ordinary Income)

■ Aiming to achieve ordinary income of 15 billion yen, recorded **117%** year on year

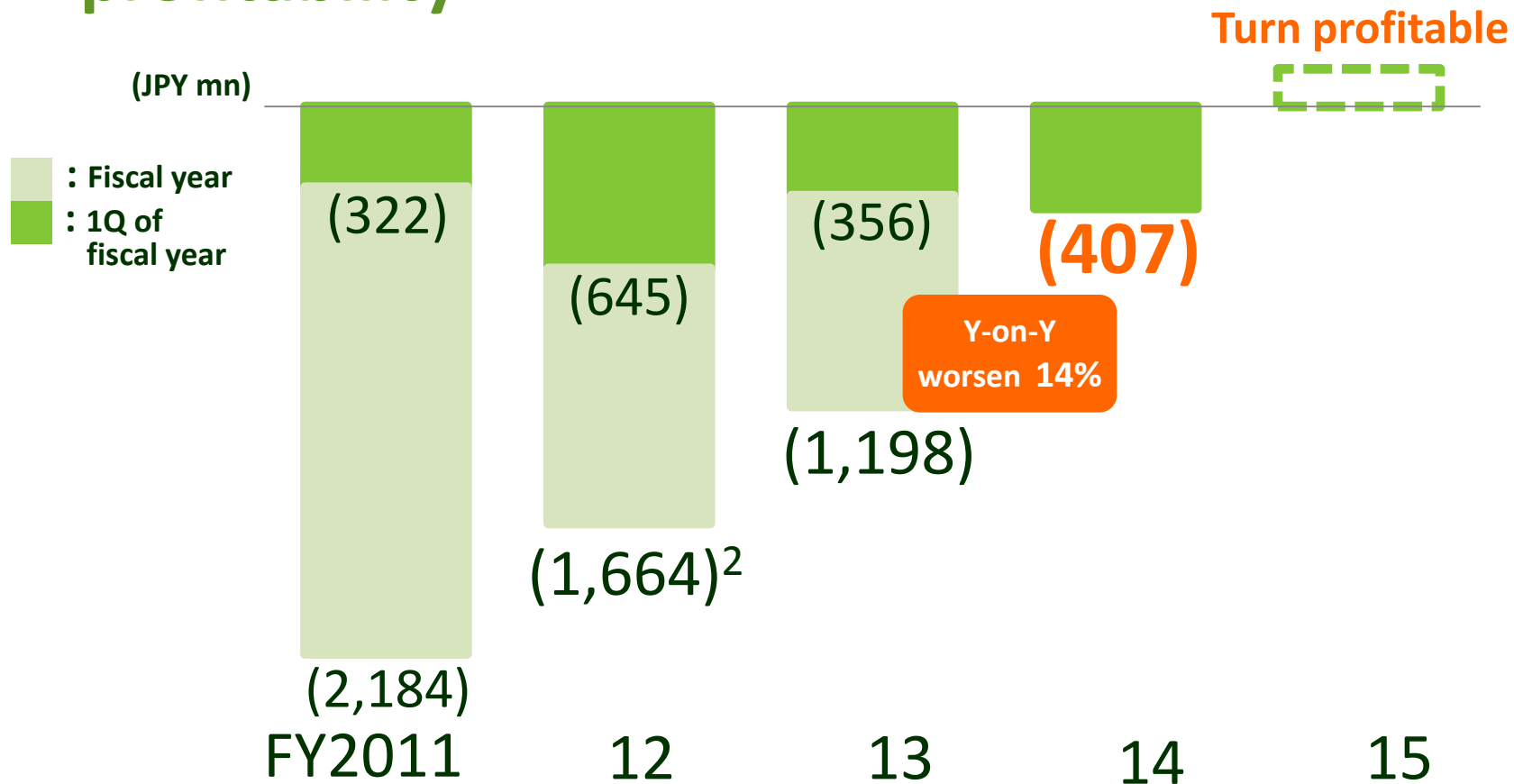
(JPY mn)

■ : Fiscal year  
■ : 1Q of fiscal year



# Progress of Mid-term Business Plan (Ordinary Profit<sup>1</sup> / Loss)

■ Aim to increase ordinary income and improve productivity, pushing the company toward profitability



1. Ordinary profit before amortization of deferred assets under Article 113 of the Insurance Business Act  
 2. The ordinary loss before deferred expenses and amortization of deferred assets under Article 113 of the Insurance Business Act for the fiscal 2012 ended March 31, 2013 included the effect of changing calculation formula of policy reserves on provision, 501 million yen. When excluding the effect, it was 2,165 million yen.

# Contents



- 1. Progress of Mid-term Business Plan**
- 2. Results for 1Q of Fiscal 2014**

# Summary of 1Q Results



LIFENET

(JPY mn)

	1Q of FY2013	1Q of FY2014	Percentage
<b>Number of policies-in-force</b>	180,591	206,453	114.3%
<b>Annualized premium</b>	7,271	8,249	113.5%
<b>Number of new business</b>	14,279	7,967	55.8%
<b>Annualized premium</b>	520	348	66.9%
<b>Ordinary income</b>	1,803	2,109	117.0%
<b>Operating expenses</b>	1,060	1,172	110.5%
<b>Ordinary profit (loss)<sup>1</sup></b>	(356)	(407)	-
<b>Cash flows from operating activities</b>	322	448	139.1%
<b>Mortality margin</b>	229	320	139.4%

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

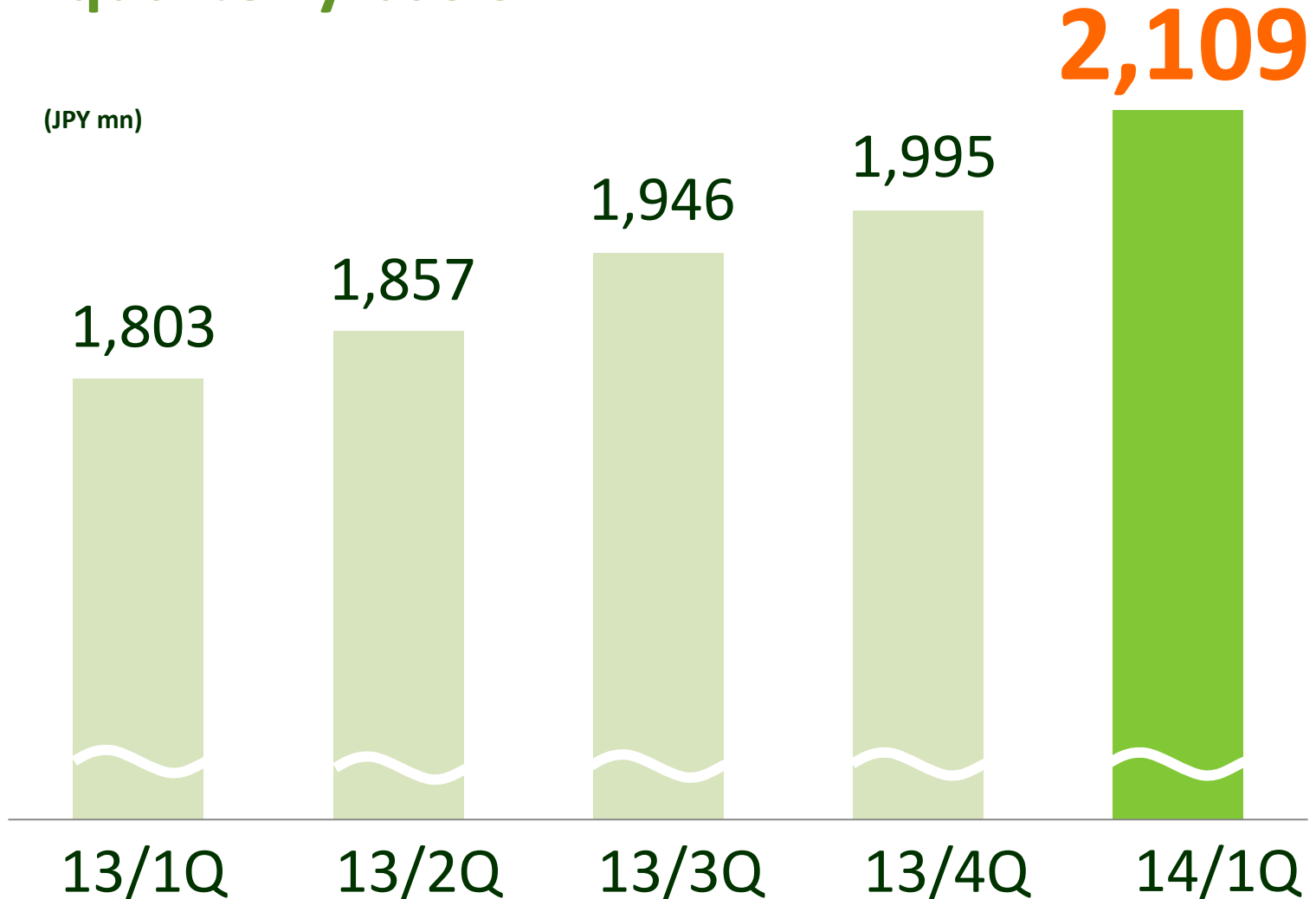
# 1Q FY2014 Financial Results

- Ordinary income **exceeded 2 billion** for the first time on quarterly basis
- Decreasing trend of number of new business
- **Increased** annualized premium per policy
- Utilization of **reinsurance**
- **Increased marketing expenses** due to new products launch
- **Positive** cash flows from operating activities
- **Steadily recorded** mortality margin



# Ordinary Income (Quarterly)

- Exceeded 2 billion yen for the first time on quarterly basis



# Number of Policies-in-force (Quarterly)

**Steadily increased**  
after new products launch



**206,453**

202,963  
24,469

75,383

106,601

Policies-in-force

■ Long-term disability

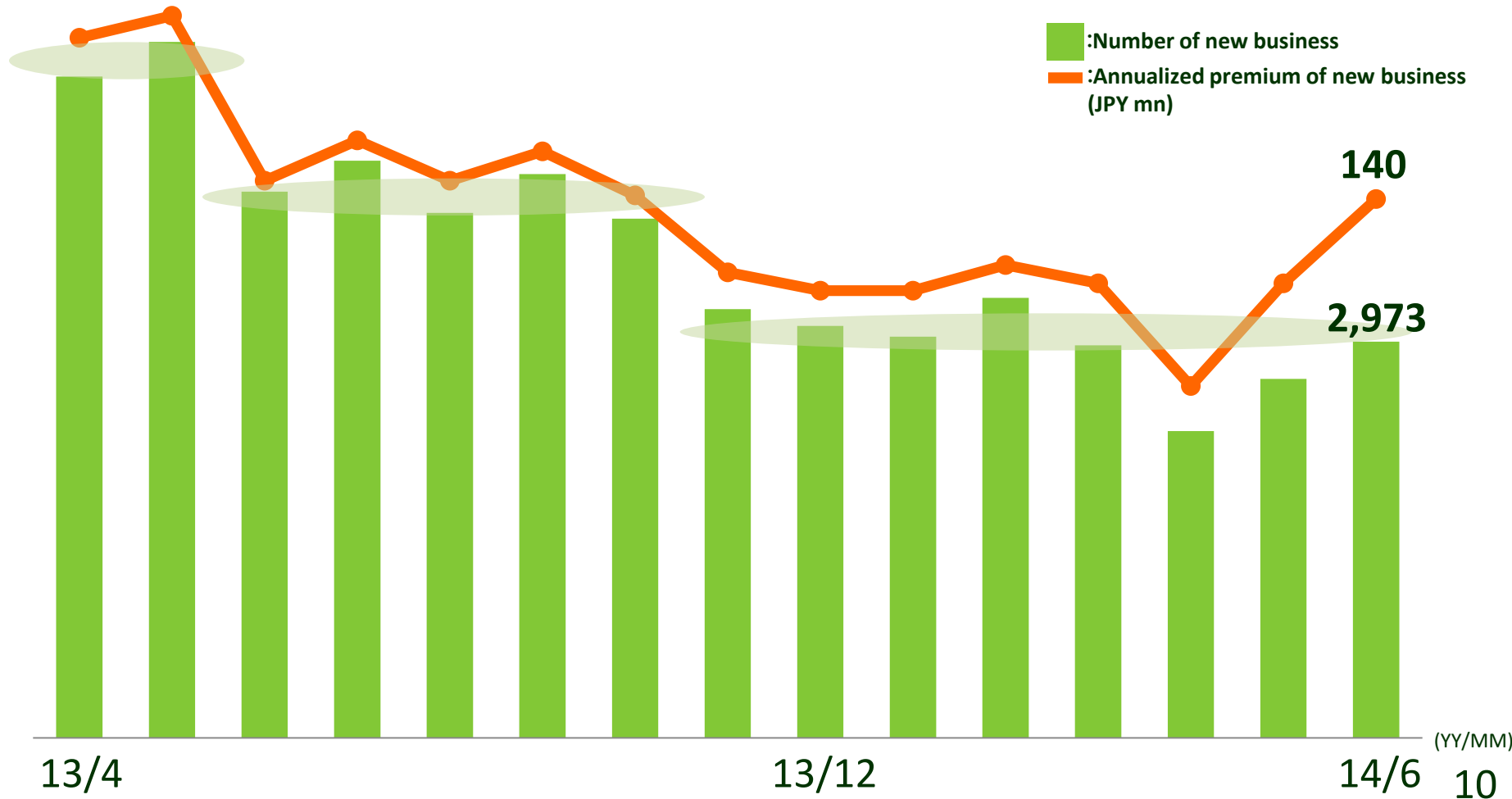
■ Whole-life medical and Term medical care

■ Term life



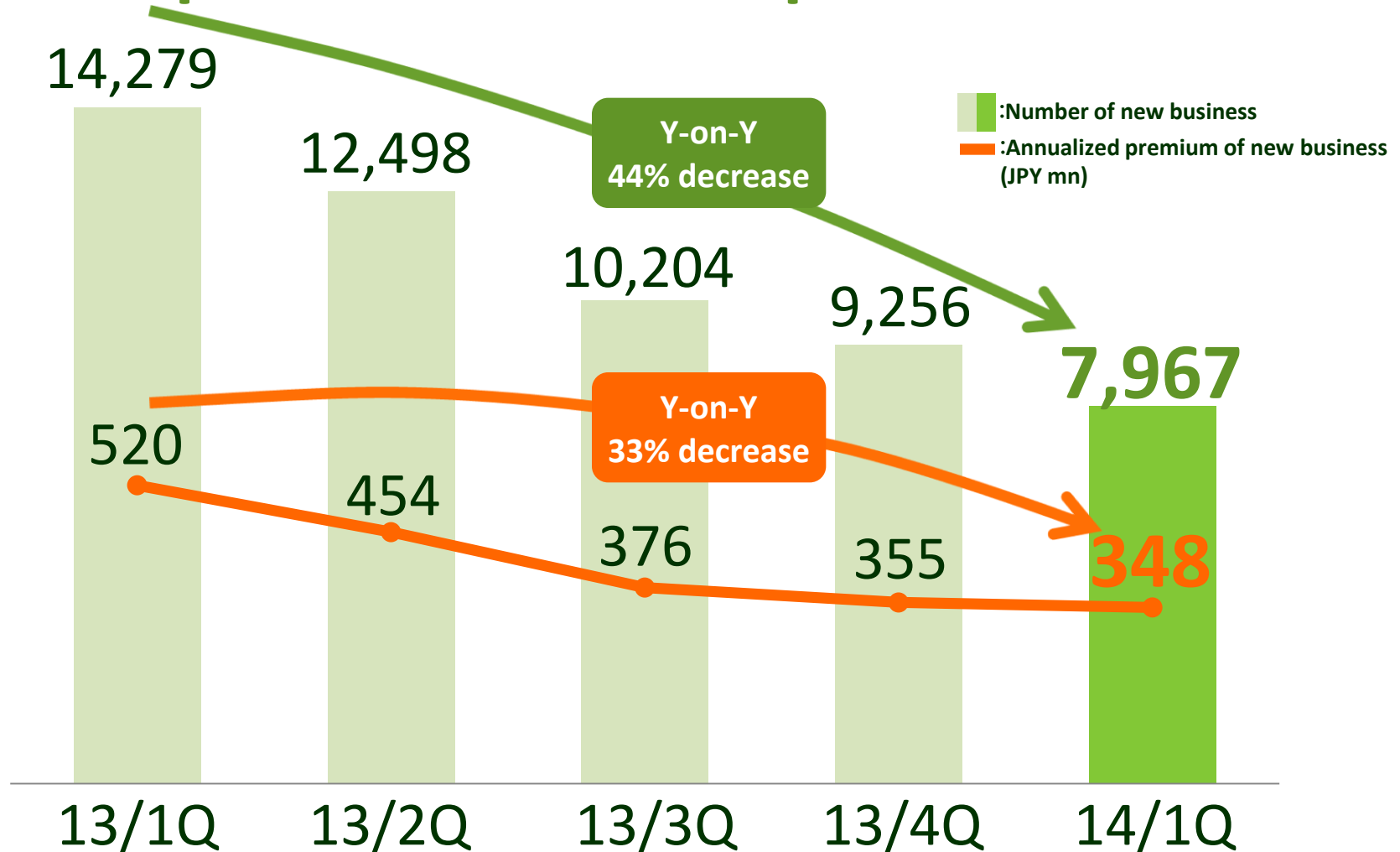
# Number of New Business (Monthly)

■ **Annualized premium** increased with new products launch despite stepwise decrease of number of new business



# Number of New Business/ Annualized Premium (Quarterly)

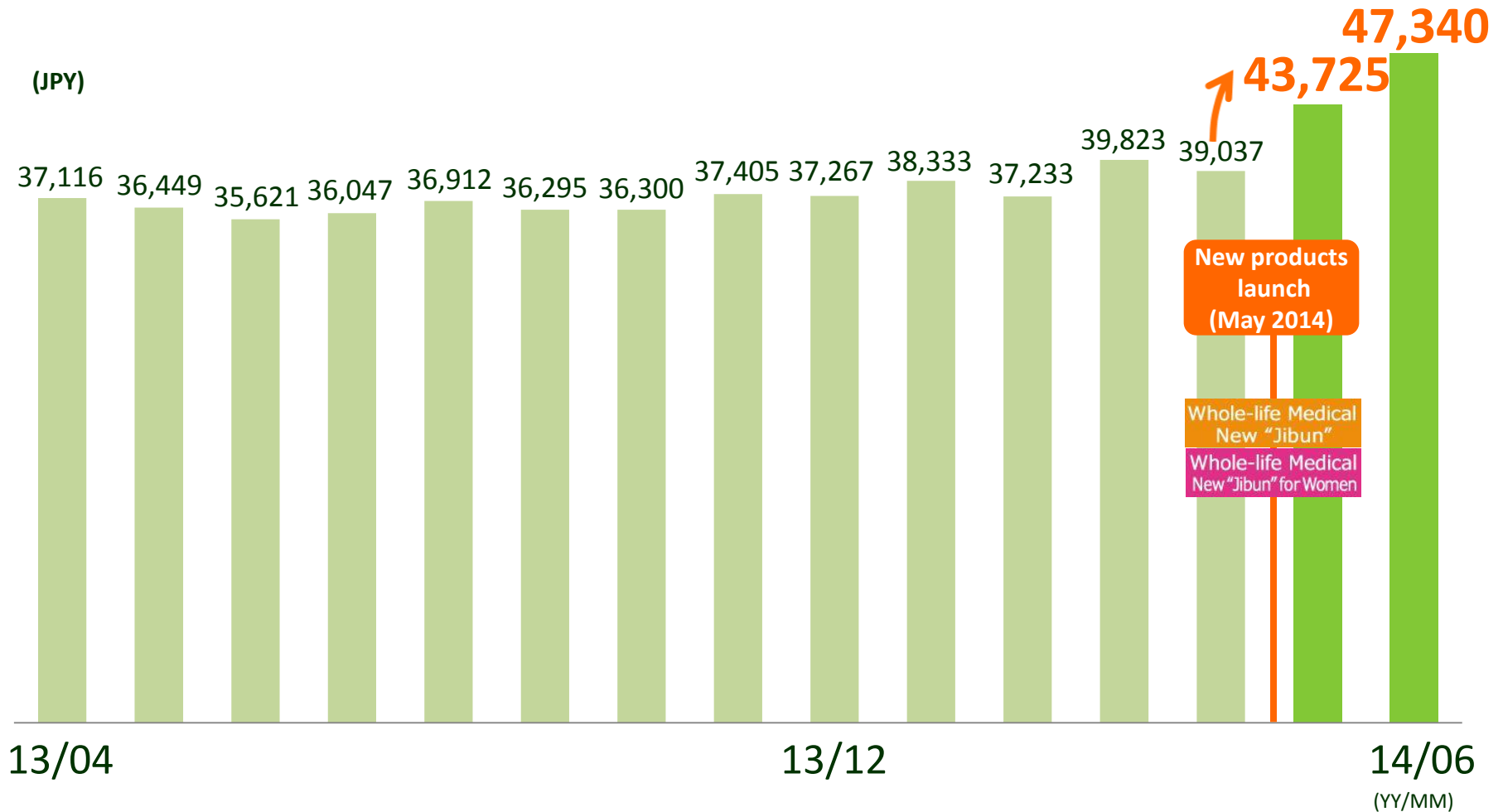
- **Increased premium per policy** mitigated the impact on insurance premium decrease



# Annualized Premium per Policy of New Business

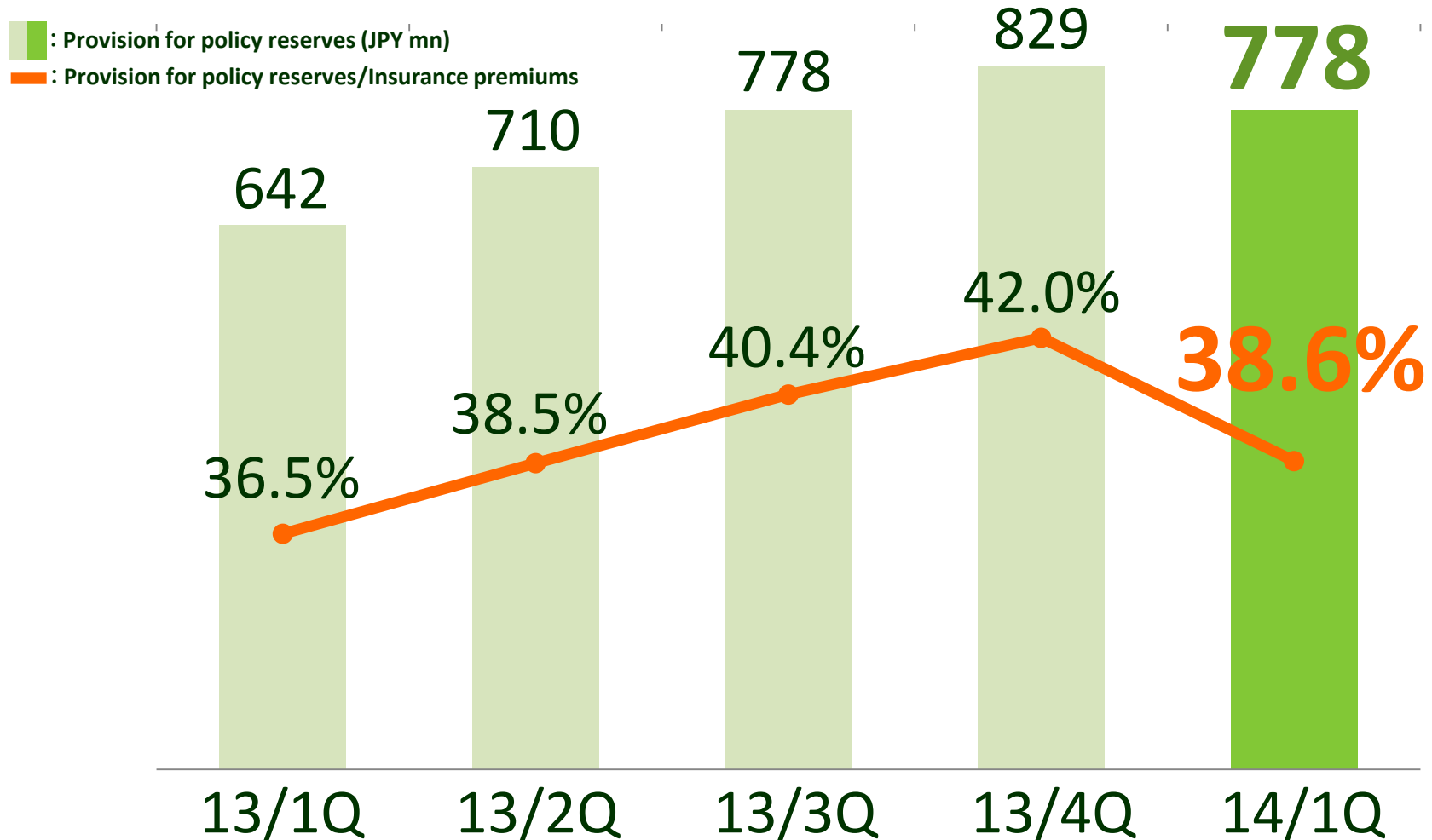


■ **Increasing trend** due to new Whole-life Medical products launch



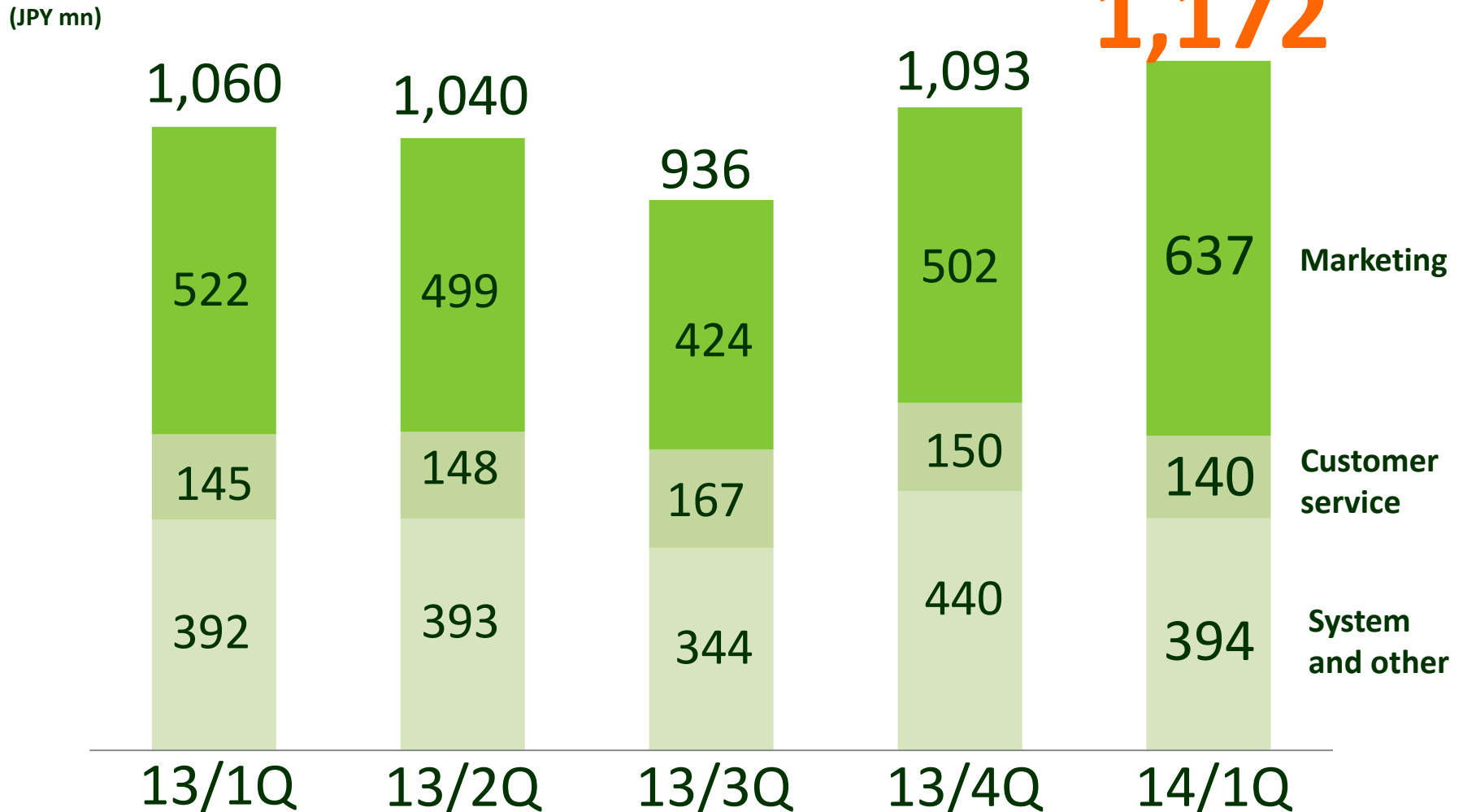
# Provision for Policy Reserves (Quarterly)

■ Decreased due to **reversal of contingency reserves** resulting from effect of reinsurance



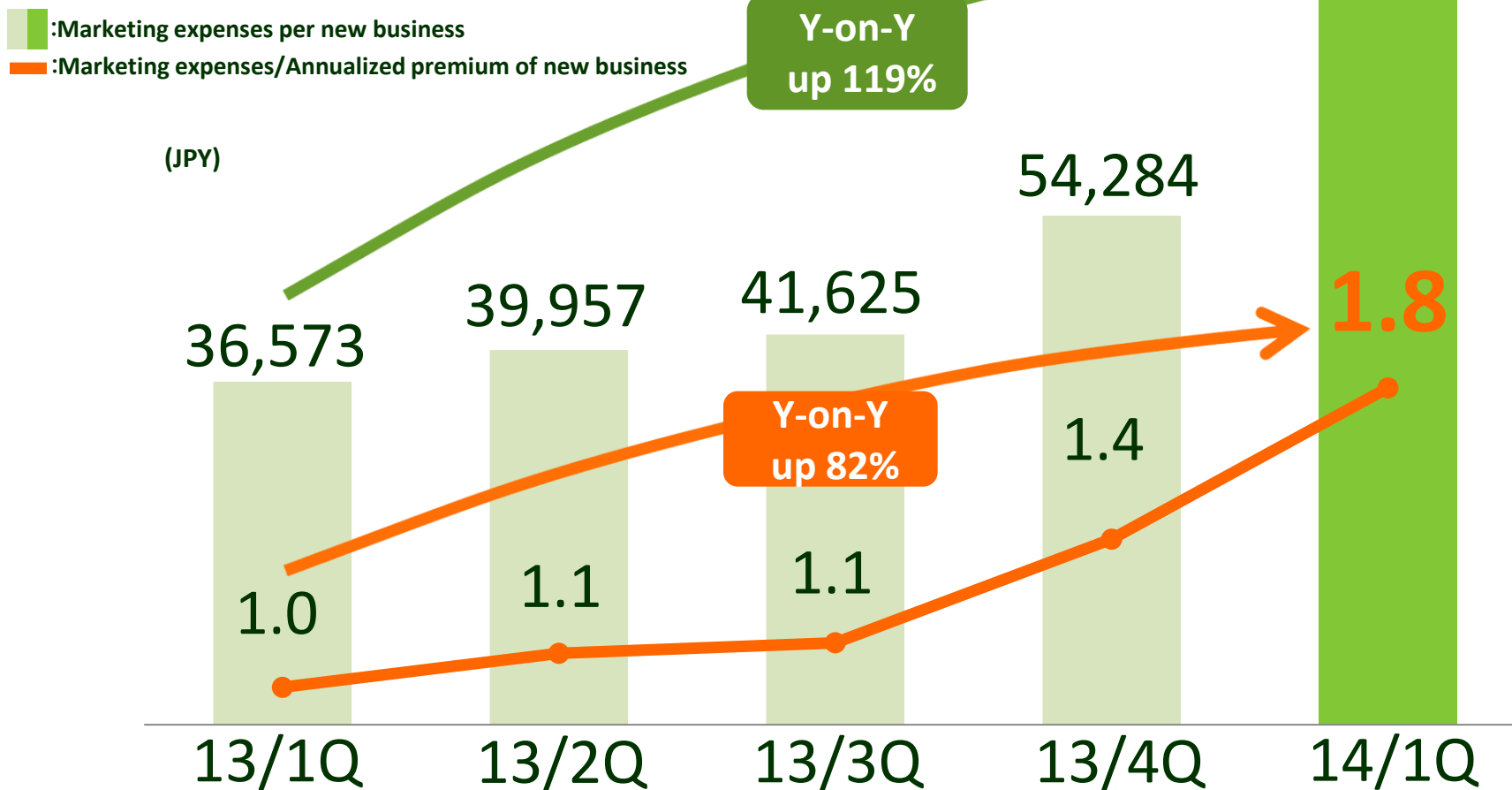
# Operating Expenses (Quarterly)

■ Marketing expenses increased with **advertising new products**



# Marketing Expenses per New Business (Quarterly)

■ **Grew worse on a short-term basis** due to increased marketing expenses and decreased number of new business





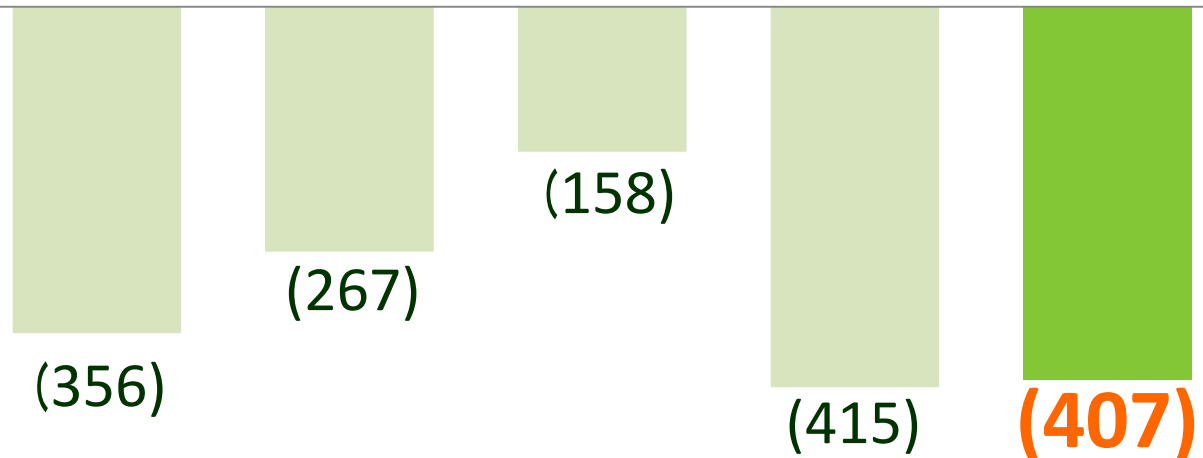
# Ordinary Profit / Loss (Quarterly)

- **Maintained same level** as previous quarter despite decrease from 13/1Q

(JPY mn)

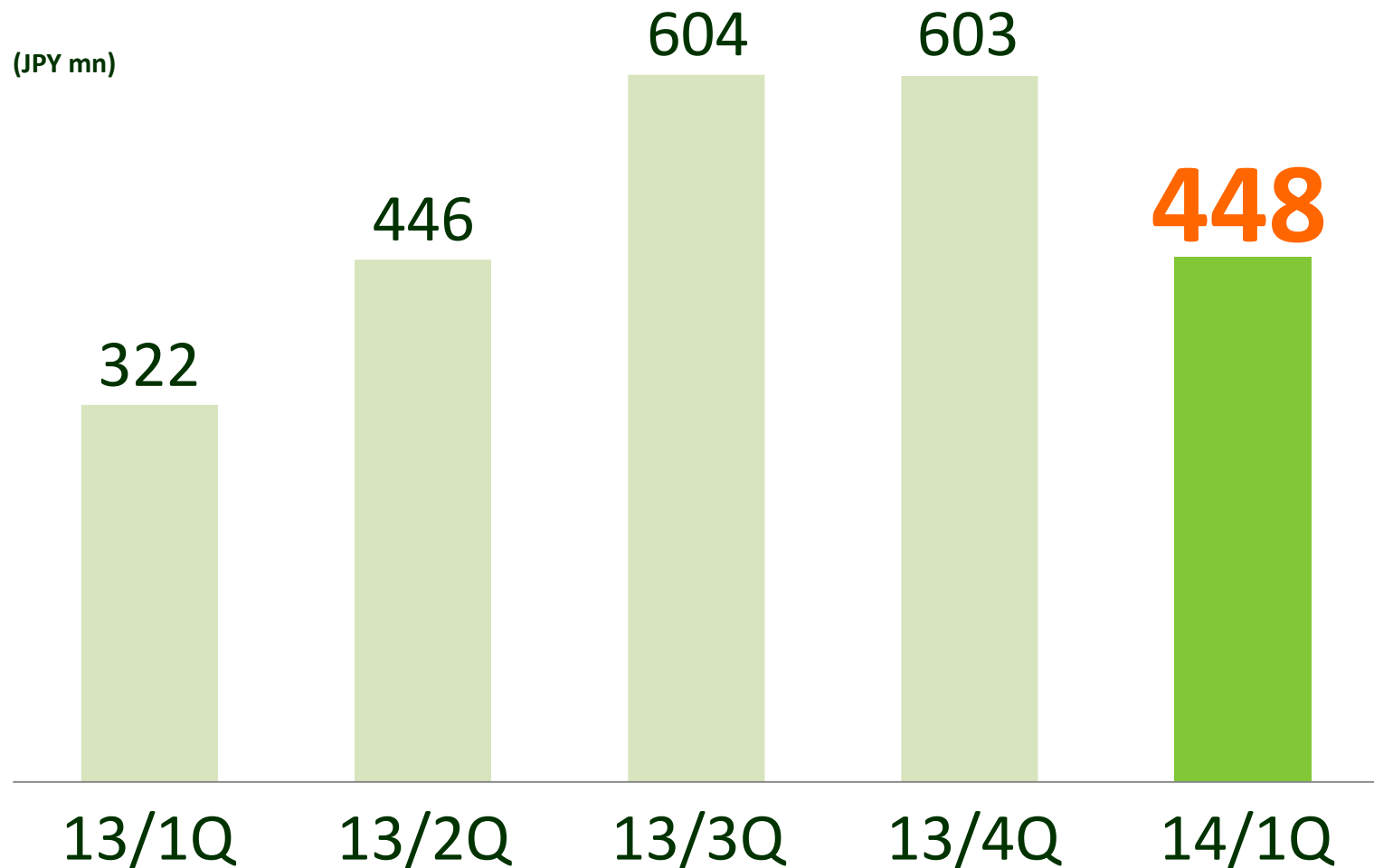
	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q
Ordinary loss before deferred expenses and amortization	(356)	(267)	(158)	(415)	(407)
Amortization cost	(265)	(265)	(265)	(265)	(265)
Ordinary profit (loss)	(622)	(532)	(423)	(680)	(672)

Ordinary loss before deferred expenses and amortization  
(JPY mn)



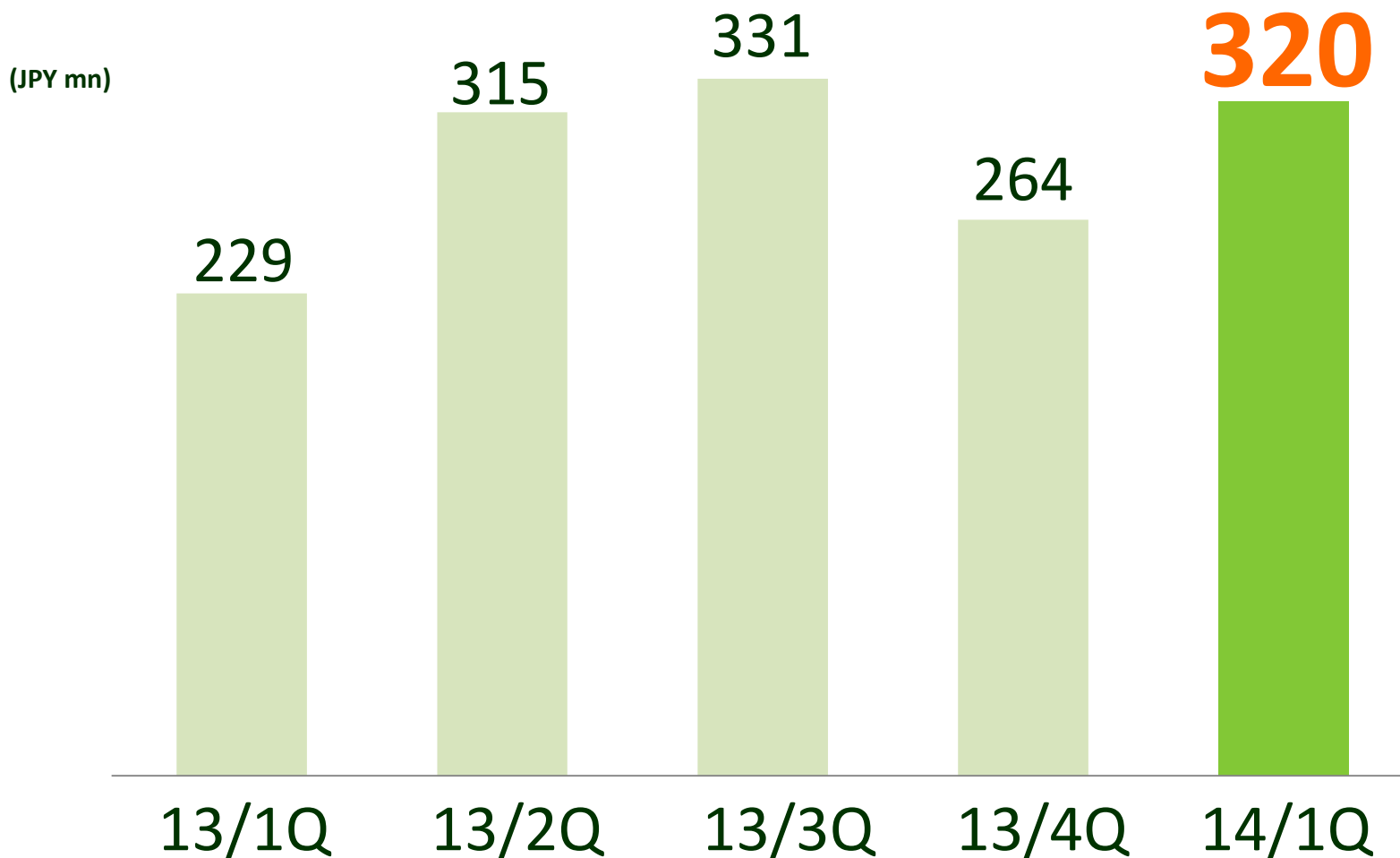
# Cash Flows from Operating Activities (Quarterly)

- **Steadily recorded positive cash flows backed by increased policies-in-force**



# Mortality Margin (Quarterly)

■ **Steadily acquired** mortality margin despite increase of insurance payments



# Other Accomplishments



- **First revisions of core products since business launch**
  - **Renewal** of Term life
  - Launched **new Whole-life Medical**
- **Challenges towards the “Second Stage” as an online life insurer**
  - Enhance customer **follow-up**
  - Renewal of our **website**
  - Enrich **customer services**

# First Revisions of Core Products since Business Commencement

## Reduced premium while realized extensive coverage

Term Life  
"Kazoku"



Revised premium to be **the lowest premium level in the industry<sup>(\*)</sup>** while extensive coverage remains unchanged

- Wide range of claim amounts is available, from 5 million yen to 100 million yen
- Same coverage regardless of illness, accident or natural disaster
- Extending insurance term to a maximum age of 80

Whole-life Medical  
New "Jibun"



Extensive lifetime coverage at the reasonable premiums **Economy plan**

More extensive coverage **Recommended Plan**

- Covers one-day hospitalizations
- Unlimited payment days for hospitalizations due to the 3 major lifestyle-related diseases (cancer, heart disease and stroke) **Recommended Plan**
- Lump-sum payment upon cancer diagnosis and advanced medical care also covered **Recommended Plan**
- Fixed premium

Whole-life Medical  
New "Jibun" for Women



Extensive lifetime coverage at the reasonable premiums **Economy plan**


More extensive coverage for women **Recommended Plan**

- Extensive coverage for illnesses specific to women
- Covers one-day hospitalizations
- Unlimited payment days for hospitalizations due to the 3 major lifestyle-related diseases (cancer, heart disease and stroke) **Recommended Plan**
- Lump-sum payment upon cancer diagnosis and advanced medical care also covered **Recommended Plan**
- Fixed premium

# Renewal of Term Life “Kazoku”

## ■ Lowest premium levels<sup>1</sup> in the industry

Term Life  
“Kazoku”



Revised premium to be the lowest premium level in the industry<sup>(\*)</sup> while extensive coverage remains unchanged

- Wide range of claim amounts is available, from 5 million yen to 100 million yen
- Same coverage regardless of illness, accident or natural disaster
- Extending insurance term to a maximum age of 80

## ■ Extended insurance term to a maximum **age of 80**


– Applications for the longest insurance period increased from 4% (up to 70) to 5% (up to 80)

1. Comparison of Lifenet and 3 other online life insurers' term life insurance products (excluding risk sub-divided insurance products) under the following conditions: Insurance coverage amount 10 million yen / Insurance term 10 years.

# Launched New Whole-life Medical

## ■ Providing “Economy Plan” and “Recommended Plan”

Whole-life Medical New “Jibun”




**おすすめコース Recommended Plan**

- Hospitalization benefit
- Surgery benefit
- Unlimited payment days for 3 major lifestyle-related diseases
- Cancer treatment benefit
- Advanced medical care benefit

**エコノミーコース Economy Plan**

- Hospitalization benefit
- Surgery benefit

Whole-life Medical New “Jibun” for Women



**おすすめコース Recommended Plan**

- Hospitalization benefit for women
- Unlimited payment days for 3 major lifestyle-related diseases
- がん Cancer treatment benefit
- Advanced medical care benefit
- Hospitalization benefit
- Surgery benefit

**エコノミーコース Economy Plan**

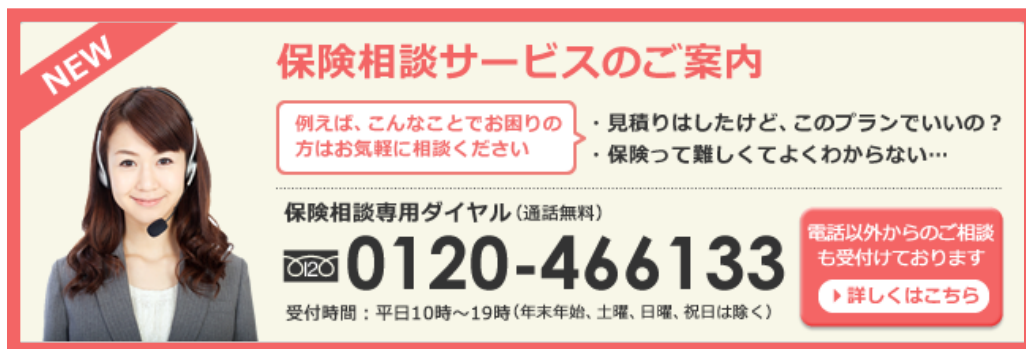
- Hospitalization benefit for women
- Hospitalization benefit
- Surgery benefit

## ■ Customers tend to select “Recommended Plan”

# Enhancing Free Consultation Services

## ■ Over 1,000 calls for consultation per month

### Number of calls



**NEW**

### 保険相談サービスのご案内

例えば、こんなことでお困りの方はお気軽に相談ください

- ・見積りはしたけど、このプランでいいの？
- ・保険って難しくてよくわからない…

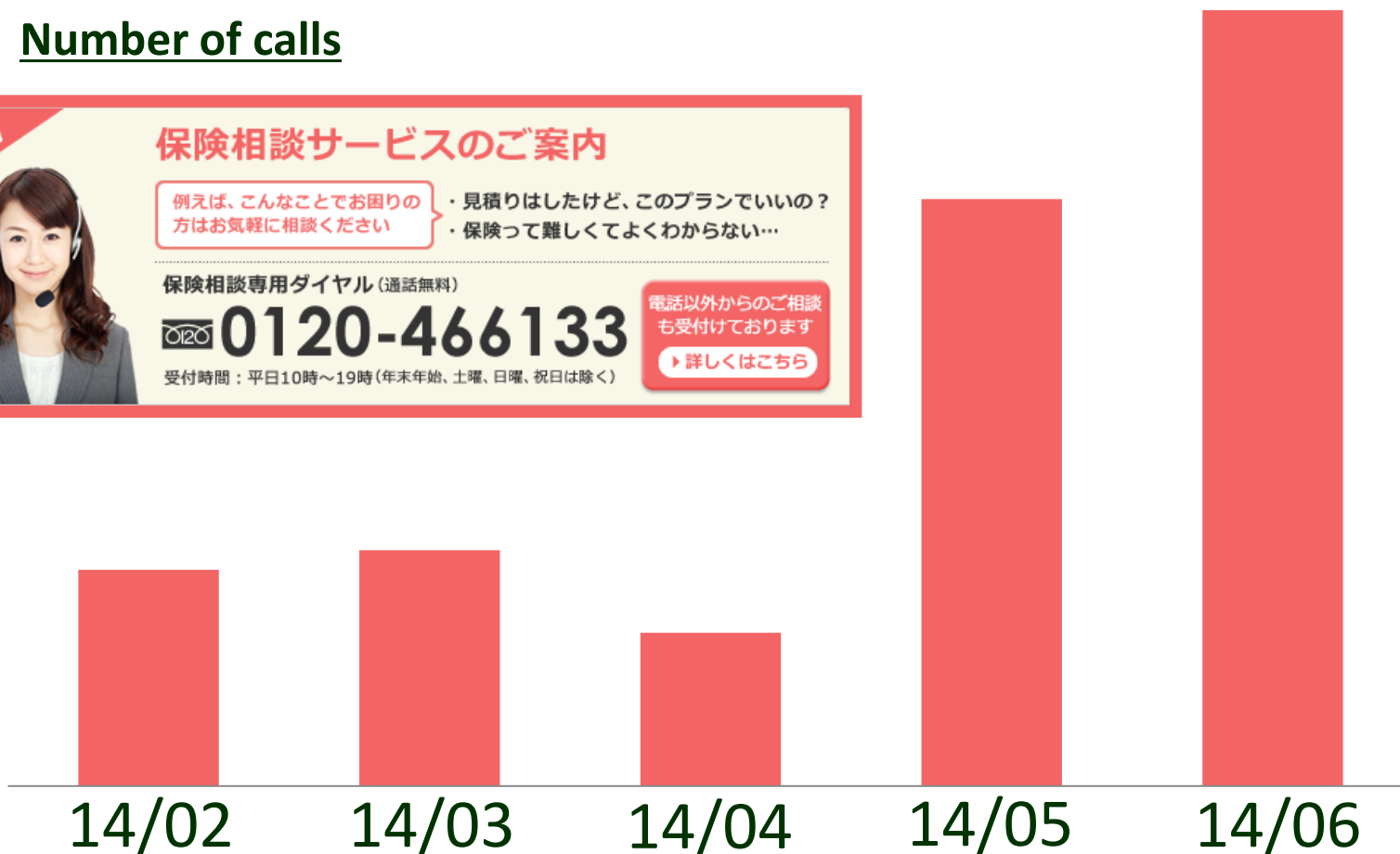
保険相談専用ダイヤル (通話無料)

**0120-466133**

受付時間：平日10時～19時(年末年始、土曜、日曜、祝日は除く)

電話以外からのご相談も受付けております

[詳しくはこちら](#)



(YY/MM)



# Renewal of Our Website

## Simple and comprehensible homepage

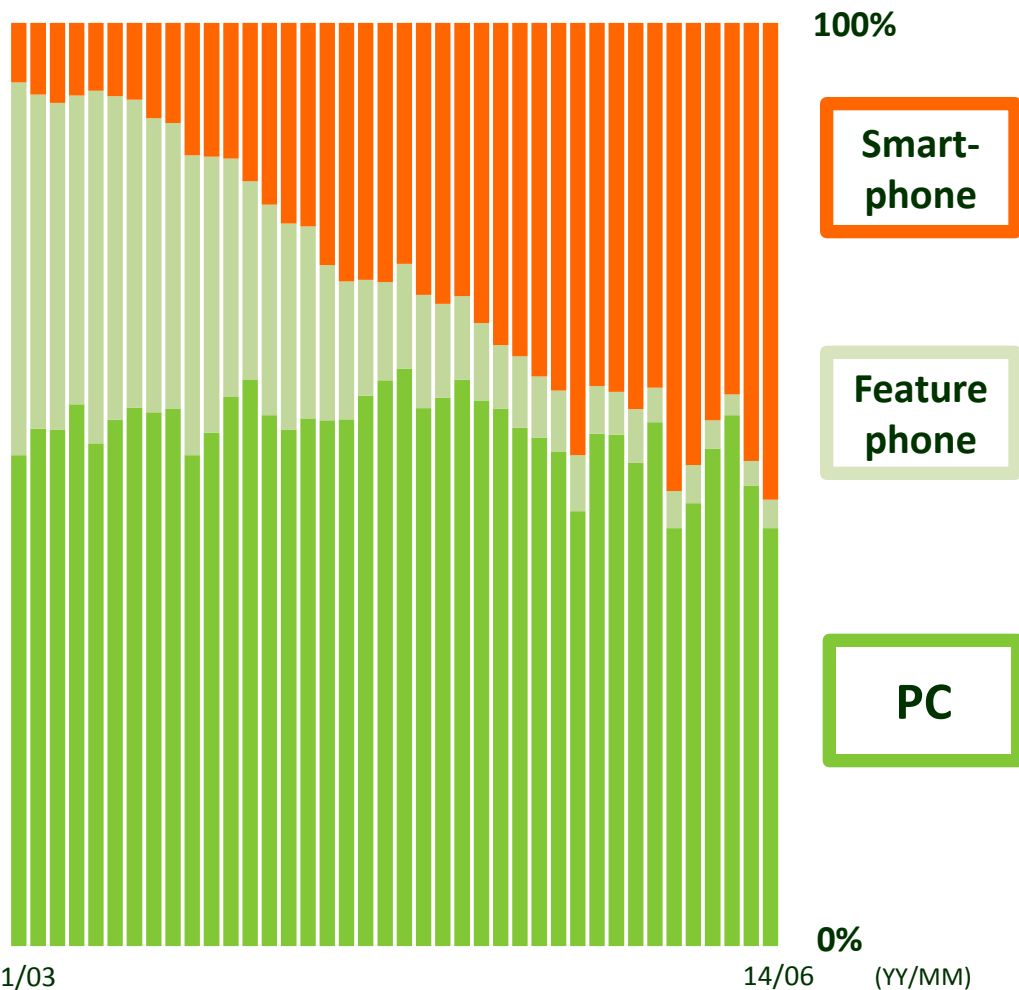


The screenshot shows the LIFENET website homepage with a light green and white color scheme. At the top left is the LIFENET logo and the text 'ライフネット生命保険株式会社' and '人生に、大切なことを、わかりやすく。'. To the right is a contact number '0120-205566' with a note 'お問い合わせ 資料請求も受付' and '受付: 平日 9時~22時/土曜9時~18時 年末年始、日曜、祝日は除く'. Further right is a 'ログイン (マイページ)' button and a note about insurance and payment requests. The main content area features a woman holding a sign that says 'わたしの場合は 月額保険料 689円!' and '定期死亡保険 「かぞくへの保険」 保険金額1,000万円 保険期間10年 ※女性、契約年齢23歳の場合'. To the right of the sign is the text '手厚い保障はそのままに 保険料もお手頃です。 まずは安さを実感!' and '今すぐスタート!'. A circular badge says '無料 プランの相談をする 0120-466133 受付時間: 平日10時~19時 > 詳しくみる'. Below the main content are three buttons: '安さを実感してください まずはお見積り!', '保険選びを強力サポート パンフレットをもらう', and 'ネットだからカンタン 申し込みをする'. At the bottom is a banner for a '保険も、足元も スッキリ キャンペーン' with a '5,000円分 クーポン' and a deadline of '2014年8月31日(日) 23:59まで'.

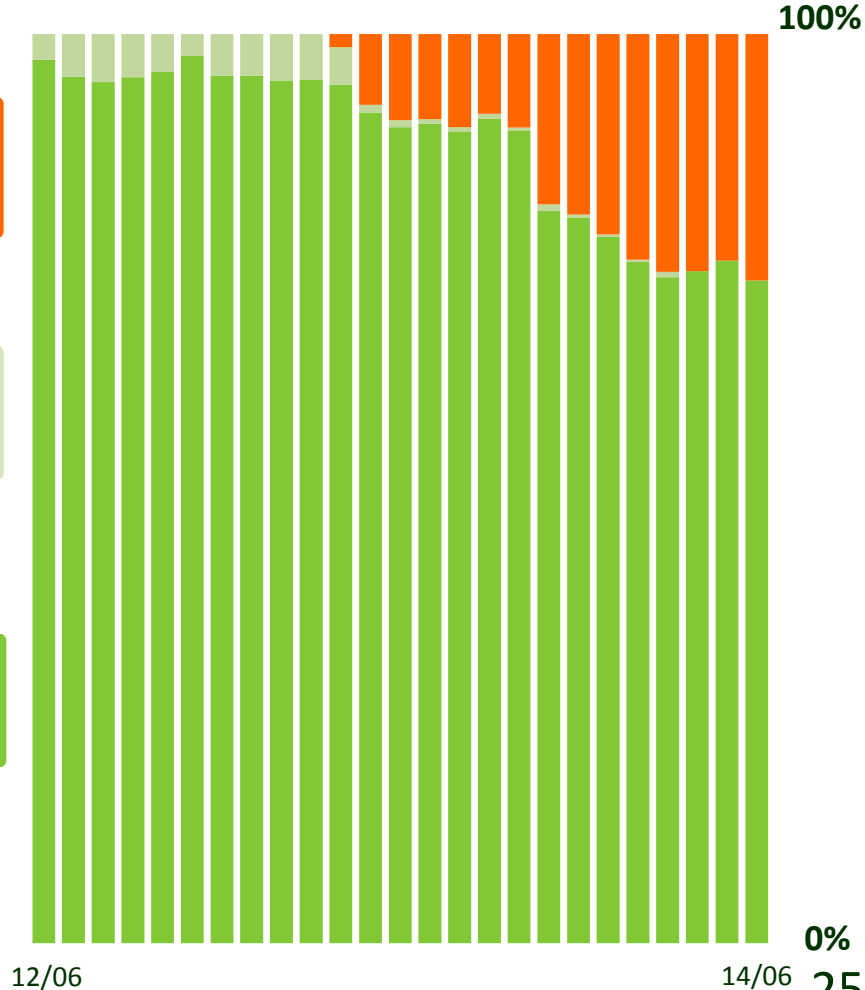
# Clear Trend of Shift to Smartphone

■ Devices shift to Smartphones continuously

Brochure request composition by device



Application by device



# Enrich Customer Services



## Regular contact by HTML email

Free online health consultation service

Doctors Me



ライフネット生命のご契約者さま専用!

**健康相談サービス  
ご利用ください!**

医師がいつでも  
応えてくれる

ちょっとした  
相談・不安にも

無料でWebから医師に相談し放題!

**Doctors Me** とは?  
医師が伝える Q&A サイト

Doctors Meとは、(株)サイバー・バズが提供するQ&Aサービスです。  
体のちょっとした心配や悩みについて、Webサイトで医師に無料で  
相談することができます。

スマホ PC

Lifenet email letter - Summer 2014





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