

Securities Code: 7157  
TSE Growth



# Overview of LIFENET INSURANCE COMPANY

LIFENET INSURANCE COMPANY  
June 2024

- Based on our mission of “**Help our customers embrace life more fully by offering comprehensible, cost-competitive and convenient products and services,**” we have consistently provided life insurance from the customer’s perspectives since starting our business.



**Comprehensible**

**Cost-Competitive**

**Convenient**

## History

- Oct. 2006 Establishment
- May 2008 Commencement of business
- Mar. 2012 Listing on the Mothers market of Tokyo Stock Exchange
- Apr. 2015 Capital and business alliance with KDDI CORPORATION (“KDDI”)
- May 2015 Issuance of new shares through third-party allotment to KDDI CORPORATION
- Dec. 2019 Business alliance with KDDI and au Financial Holdings Corporation (“au Financial Holdings”)
- Jul. 2020 Issuance of new shares by way of international offering
- Feb. 2021 Business alliance with Money Forward, Inc.
- Sep. 2021 Issuance of new shares by way of international offering
- Aug. 2022 Capital and business alliance with Eisai Co., Ltd.  
Business alliance with au Jibun Bank Corporation
- Jul. 2023 Launch of group credit life insurance business
- Aug. 2023 Capital and business alliance among Lifenet Group and SMBC Group<sup>1</sup>
- Sep. 2023 Issuance of new shares by way of public offering and third-party allotment to au Financial Holdings and Sumitomo Mitsui Card Company, Limited
- Mar. 2024 Achievement of 600,000 policies-in-force in individual life insurance

1. Capital and business alliance among Lifenet, Lifenet MIRAI Inc. and Sumitomo Mitsui Card Company, Limited, Sumitomo Mitsui Financial Group, Inc.

## Stock Information

- Tokyo Stock Exchange, Growth  
– Market of the high growth and emerging stocks
- Ticker: 7157
- Total number of authorized shares: 200,000,000
- Total number of issued shares: 80,279,827 (as of Mar. 31, 2024)
- Number of Shareholders: 4,955 (as of Mar. 31, 2024)

## Major Shareholders (as of March 31, 2024)

- |   |        |
|---|--------|
| • au Financial Holdings Corporation   | 18.34% |
| • GOLDMAN SACHS INTERNATIONAL   | 18.31% |
| • GOLDMAN,SACHS & CO.REG  | 6.24%  |
| • Sumitomo Mitsui Card Company, Limited                                       | 5.00%  |
| • Custody Bank of Japan, Ltd.(Trust Account)                                  | 4.35%  |
| • Seven Financial Service Co., Ltd.   | 4.04%  |
| • BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE CLEARANCE ACC FOR THIRD PARTY | 3.59%  |
| • MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB                    | 3.00%  |
| • BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)                                  | 2.77%  |
| • THE BANK OF NEW YORK 133652   | 2.21%  |

## 1. Overview of Online Life Insurance Industry

## 2. Business Model and Our Strength

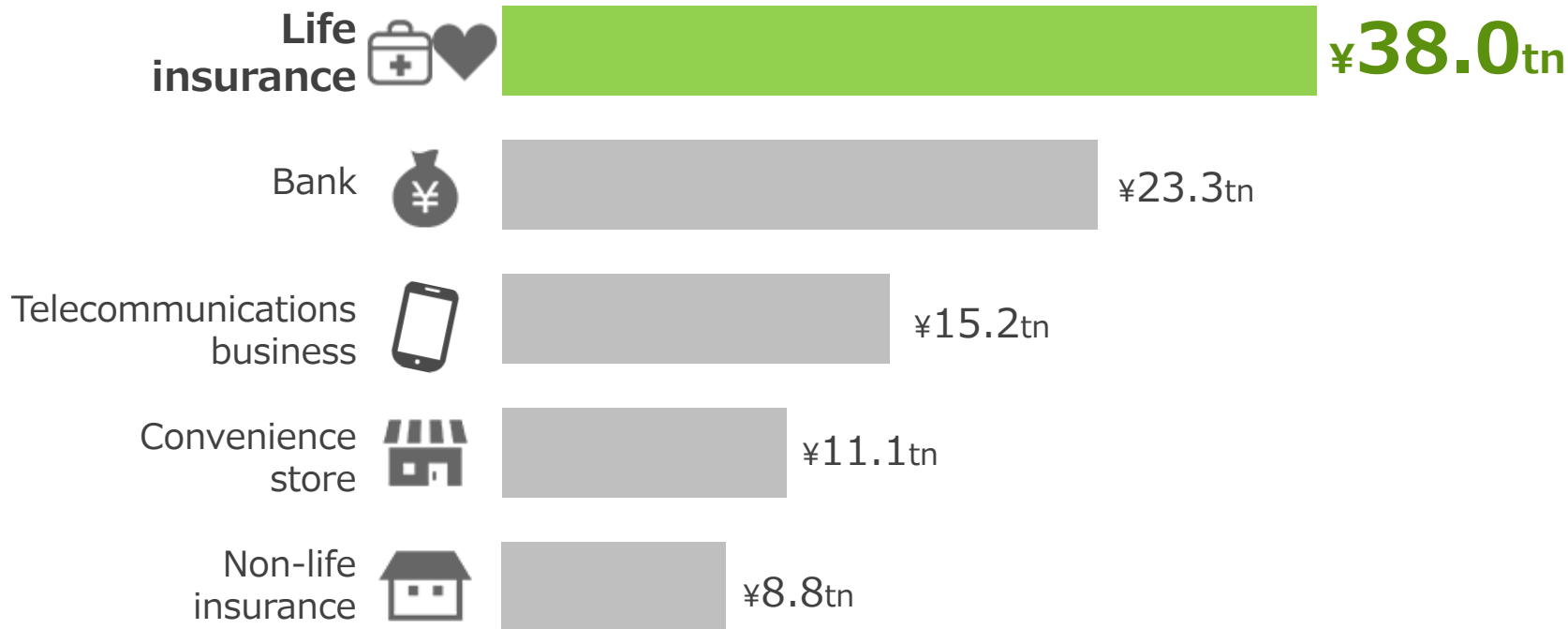
## 3. Management Policy and Mid-term Business Plan

## Appendix

# Life Insurance Market in Japan

- Demand for life insurance is high in huge market, with **approx. 90%** of penetration

## Market size by industry in Japan<sup>1</sup>



Ratio of households with policies<sup>2</sup>

**89.8%**

Average annual premiums per household<sup>2</sup>

**371 thousand yen**

Number of new policies for fiscal 2022<sup>3</sup>

**12.9 million**

1. life insurance: Insurance premiums and other, bank: Ordinary income, telecommunication business and convenience store: operating revenue, non-life insurance: Net premiums written. Annual statistics (FY2022) compiled by The Life Insurance Association of Japan, Financial Statements Statistics of Corporation by Industry (fiscal 2021) compiled by Ministry of Finance, The Basic Survey Result for information and communications industry (FY2020) compiled by the Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry, Convenience store FC statistics compiled (2022) by Japan Franchise Association, Data by insurance type (FY2021) compiled by The General Insurance Association of Japan.

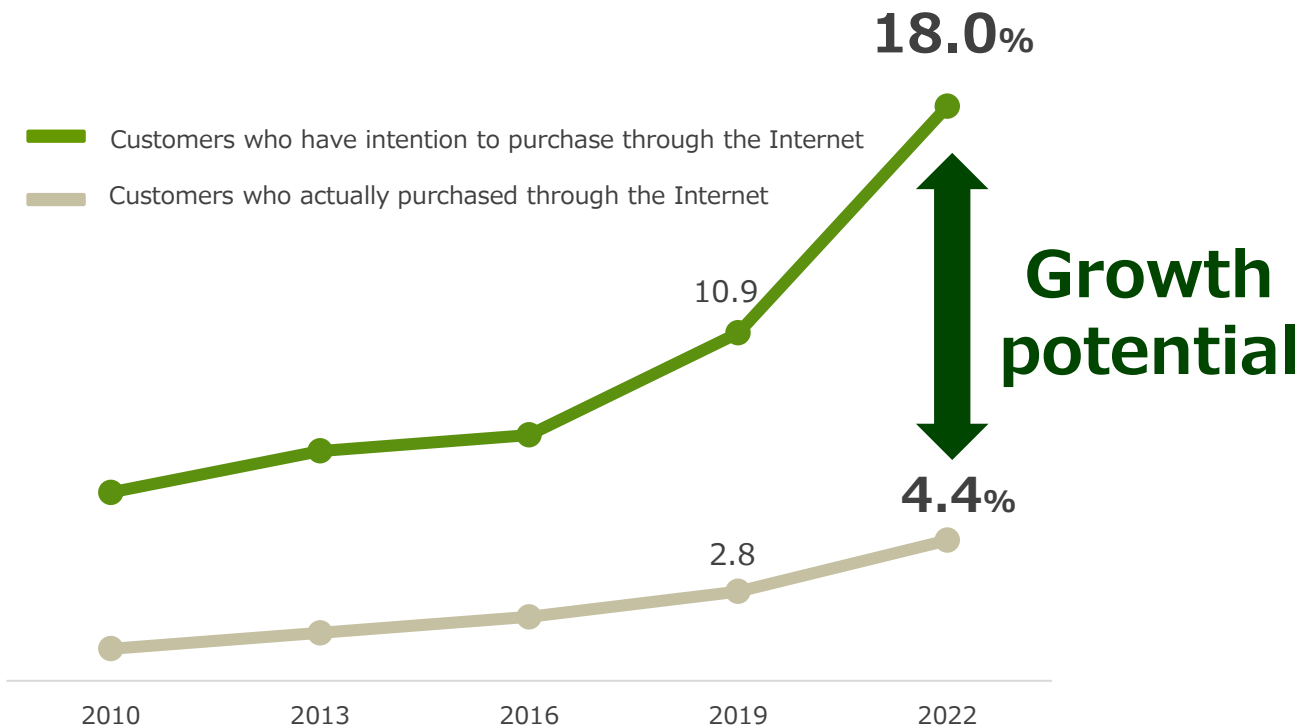
2. Data for FY2021 compiled by a nationwide report on the life insurance industry by Japan Institute of Life Insurance.

3. Annual statistics by The Life Insurance Association of Japan (2022)

# Growing Needs of Online Life Insurance

- Gap between intention and actual purchase of online insurance remains large, recognizing high growth potential
- Intention to purchase online is increasing across all generations

Intention to purchase life insurance online<sup>1</sup>



Ratio of intention to purchase insurance online by age group

	2015	2021
Total	9.1%	17.4%
29 or lower	12.5%	19.2%
30s	11.2%	19.0%
40s	14.6%	23.7%
50s	13.3%	20.9%
60s	7.9%	19.9%
70 and over	2.2%	7.4%

1. Source: Survey on Life Protection by the Japan Institute of Life Insurance

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Appendix

# Core Strength

## Five unique characteristics make us the leading online life insurer

- 1 Dedicated to Online, Simple Products
- 2 Sophisticated UI/UX
- 3 Diverse Human Resources Drawn to Our Philosophy
- 4 Unique Customer Base
- 5 Cross-Industry Partnerships



J.D. Power 2024 Japan Life Insurance Contract Customer Satisfaction Study <Direct Segment> <sup>1</sup>

**1st**  
for 4th consecutive year

Lifenet's Insurance Products Ranked 1st<sup>2</sup>



定期保険



Lifenet's Contact Center and Website Awarded 3 Stars for the 11th Time, the Industry Record<sup>3</sup>



1. J.D. Power 2021-2024 Japan Life Insurance Contract Customer Satisfaction Study <Direct Segment>. The 2024 study is based upon the responses of 1,331 policyholders who have purchased new life insurance policies or renewed a policy during past 12 months. <https://japan.jdpower.com/awards>

2. Kakaku.com Insurance Award 2024 The Most Chosen Insurance Ranking 2024 of HOKEN ICHIBA

3. The 2023 HDI Benchmarking (Life Insurance Industry) in two categories: "Phone Support (Contact Center)" and "Web Support (Website)". Based on data collected by Lifenet




# Dedicated to Online, Simple Products

## ■ Easy to understand and pure protection-type products<sup>1</sup>



**Term Life**  
*Kazoku*

For death due to illness, accident or disaster



**Long-term Disability**  
*Hataraku-Hito 3*

For being unable to work due to disease or injuries



**Whole-life Medical**  
*Jibun 3*

For hospitalization, surgery and advanced medical care



**Whole-life Medical**  
*Jibun 3 for Women*

For more extensive coverage for women



**Cancer**  
*Double Yell*

For double support of treatment and income decreases



**Dementia**  
*“be”*

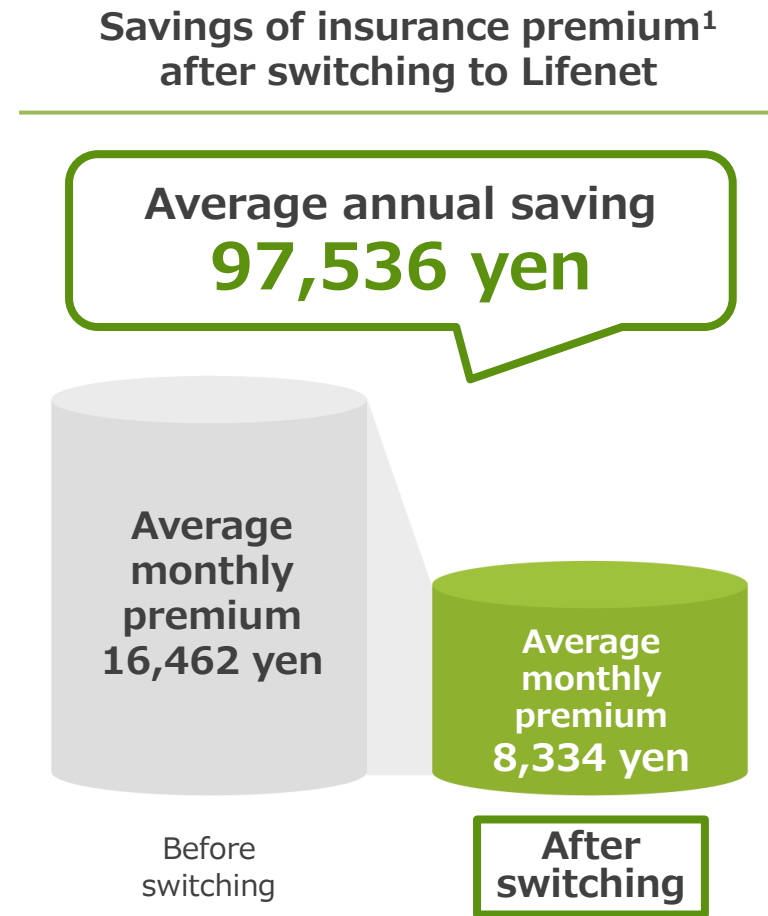
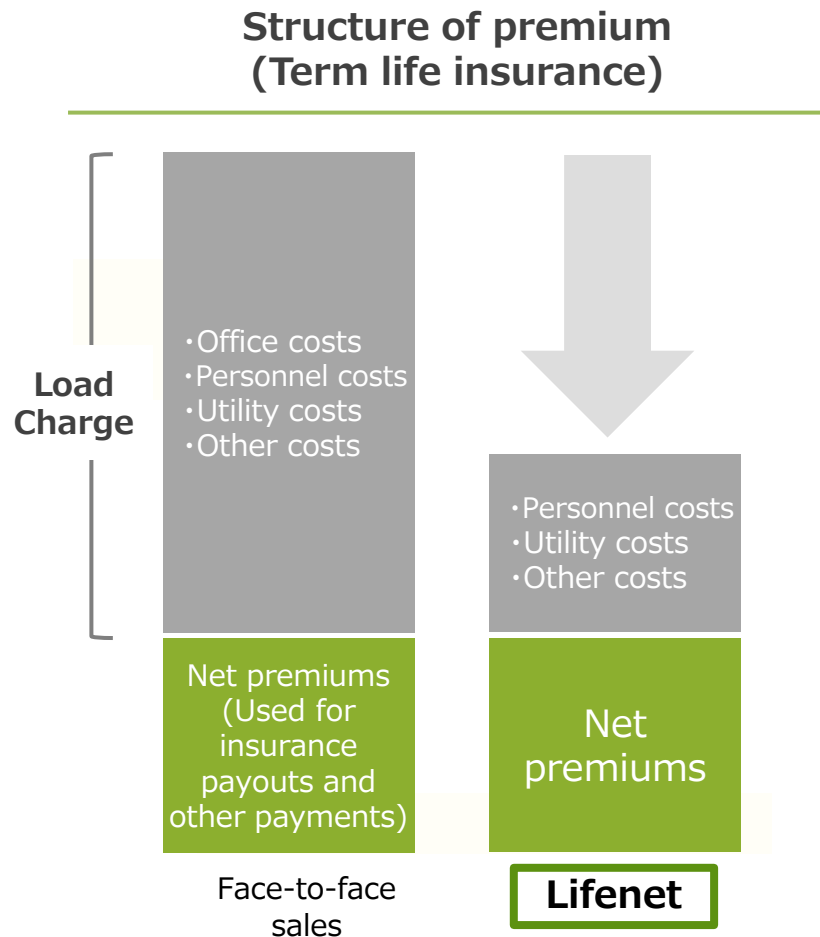
For the age of living with dementia

1. Our products have no maturity insurance, no dividends and no cash surrender value on our products.

2. As of June 2024, we offer au Life Insurance with Ponta Points through KDDI CORPORATION, Seven Financial Service Life Insurance through Seven Financial Service Co., Ltd., Money Forward Life Insurance through Money Forward, Inc. and Insurance with V-points through Sumitomo Mitsui Card Company, Limited.

# Competitively Priced Products

- Utilization of online allows us to **reduce sales costs** and offer **affordable premiums to customers**



1. 2022 survey results of the "Customer-oriented business management policy" by Lifenet. Average annual cost saving does not take into account any changes in scope of insurance coverage.

## Offer convenient services unique to online life insurance by adapting to the changing customers' needs over time



- Using LINE enables customers to seek consultation on insurance via chat.



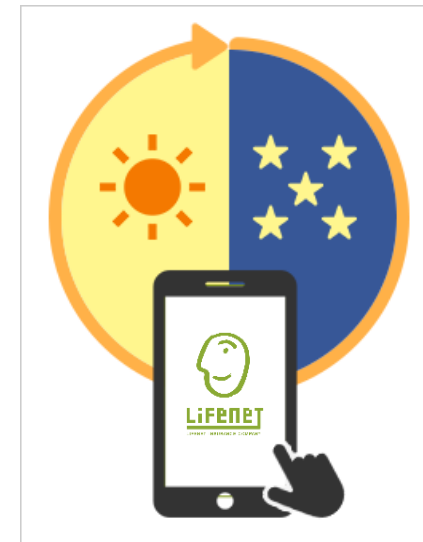
- A paperless application process that customers can complete by submitting photos of necessary documents



- Enable to log-in to My Page, using fingerprint and face recognition technology



- Medical certification submission no longer necessary for most medical claims<sup>1</sup>
- Claim medical insurance benefits online, 24 hours a day, 7days a week



1. It is possible to omit the medical certification submission only for medical insurance. The submission is required under certain conditions.

# Diverse Human Resources Drawn to Our Philosophy



## ■ Create the future of life insurance by gathering members with diverse backgrounds

### Inside Directors



**Ryosuke Mori**  
Representative Director and President  
Goldman Sachs Japan



**Yasuhiro Koba**  
Director, Executive Vice President  
Ministry of Health, Labour and Welfare

### Executive Officers



**Takeshi Kawasaki**  
Senior Executive Officer  
Citibank, N.A



**Ryosuke Kondo**  
Senior Executive Officer  
PIONEER



**Junpei Yokozawa**  
Senior Executive Officer  
NTT DATA FINANCIAL TECHNOLOGY



**Hiroki Ito**  
Executive Officer  
American Life Insurance Company



**Kaoru Katada**  
Executive Officer  
TAISAY Building Management



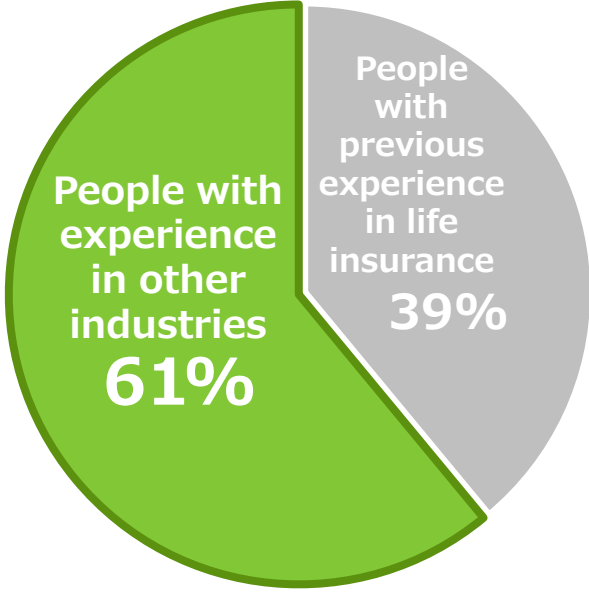
**Yasuhiro Hida**  
Executive Officer  
Dentsu Public Relations



**Tsutomu Matsuura**  
Executive Officer  
Aflac

### Employees

Employees with Experience in Other Industries<sup>1</sup>  
60%+



1. As of June 2023, the proportion of mid career hires entering outside the life insurance industry.

# Unique Customer Base

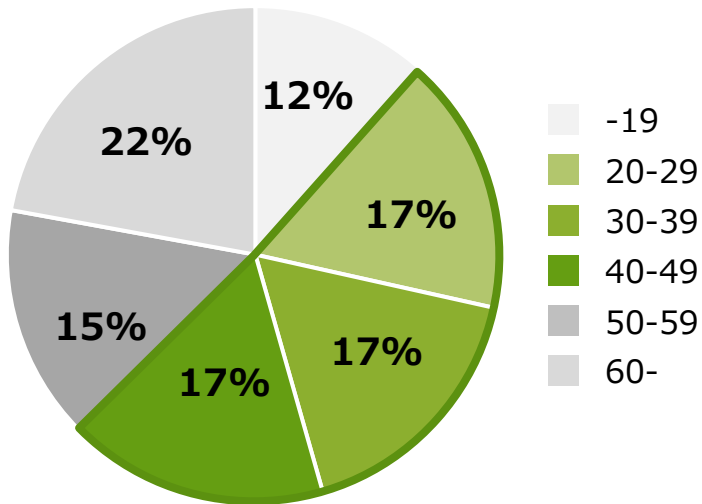


- 74% of new policyholders are in their 20's to 40's
- Under 90% life insurance penetration, over half of new policyholders are "first insurance purchase"

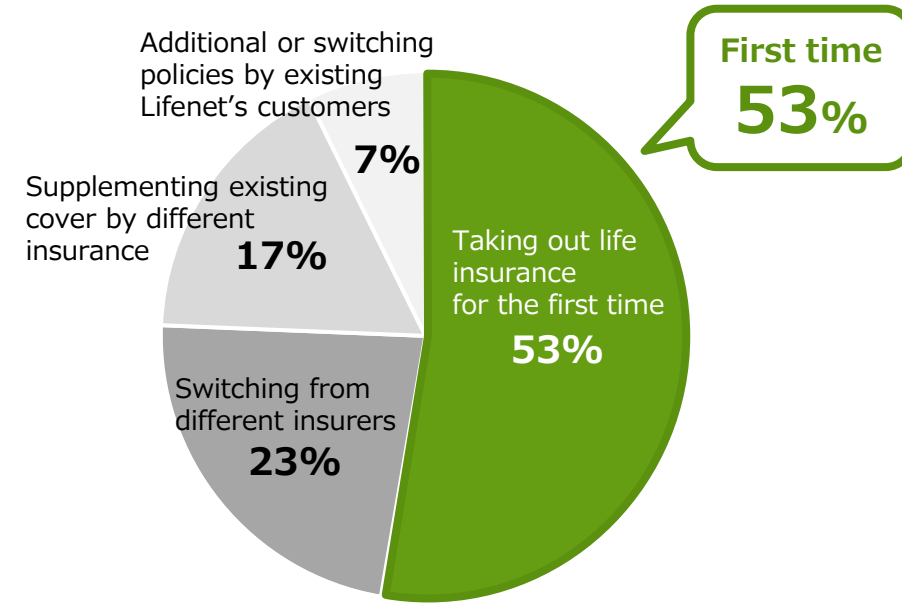
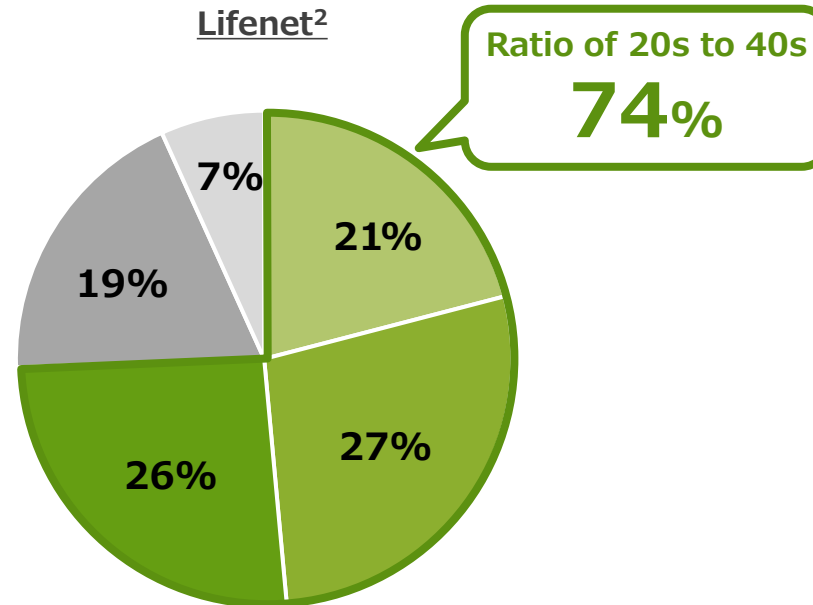
Number of new policies by age group

Customer Situation<sup>3</sup>

Reference: Industry average<sup>1</sup>



Lifenet<sup>2</sup>



1. Annual statistics on customer age and gender (FY2022) compiled by The Life Insurance Association of Japan. Based on number of new policies.  
 2. Lifenet Insurance new customer data (FY2022, N = 98,532) compiled by Lifenet customer survey.  
 3. FY2022 valid responses of 1,634.

# Cross-Industry Partnerships

## ■ Embed our insurance business to partners' ecosystem



**Telecom-  
munications**



Offer "au Life Insurance with Ponta point"  
Entered into GCL<sup>2</sup> business through partnership with au Jibun Bank in KDDI Group

**Retail**



Offer Seven Financial Service-branded life insurance product

**PFM Service<sup>1</sup>**



Offer Money Forward-branded life insurance product

**Health care**



Co-developed dementia insurance product "be"

**Payments**



Offer exclusive products "Insurance with V-points" with SMCC<sup>3</sup>

1. PFM stands for Personal Financial Management  
2. GCL stands for Group Credit Life Insurance  
3. Sumitomo Mitsui Card Company, Limited

- Unique position as No.1 online life insurer contributes to expansion of partner business

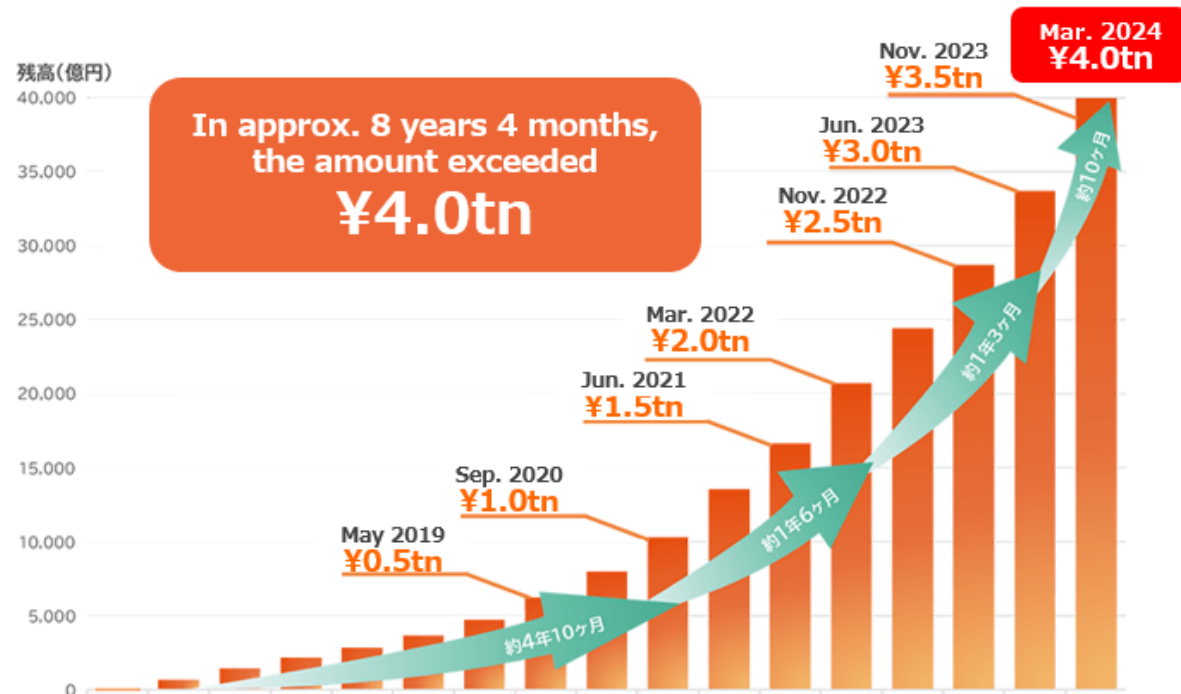


# Group Credit Life Insurance

- Newly launched GCL<sup>1</sup> business since July 2023, **Strengthening earnings opportunities** through expansion of business domain

**au** じぶん銀行

au Jibun Bank's rapid growth of mortgage loan



**LIFENET**  
LIFENET INSURANCE COMPANY

Group Credit Life Insurance

- Change au Jibun Bank's underwriting insurer of GCL policies to Lifenet
- Provide products and services with utilizing online business

1. GCL stands for group credit life insurance.

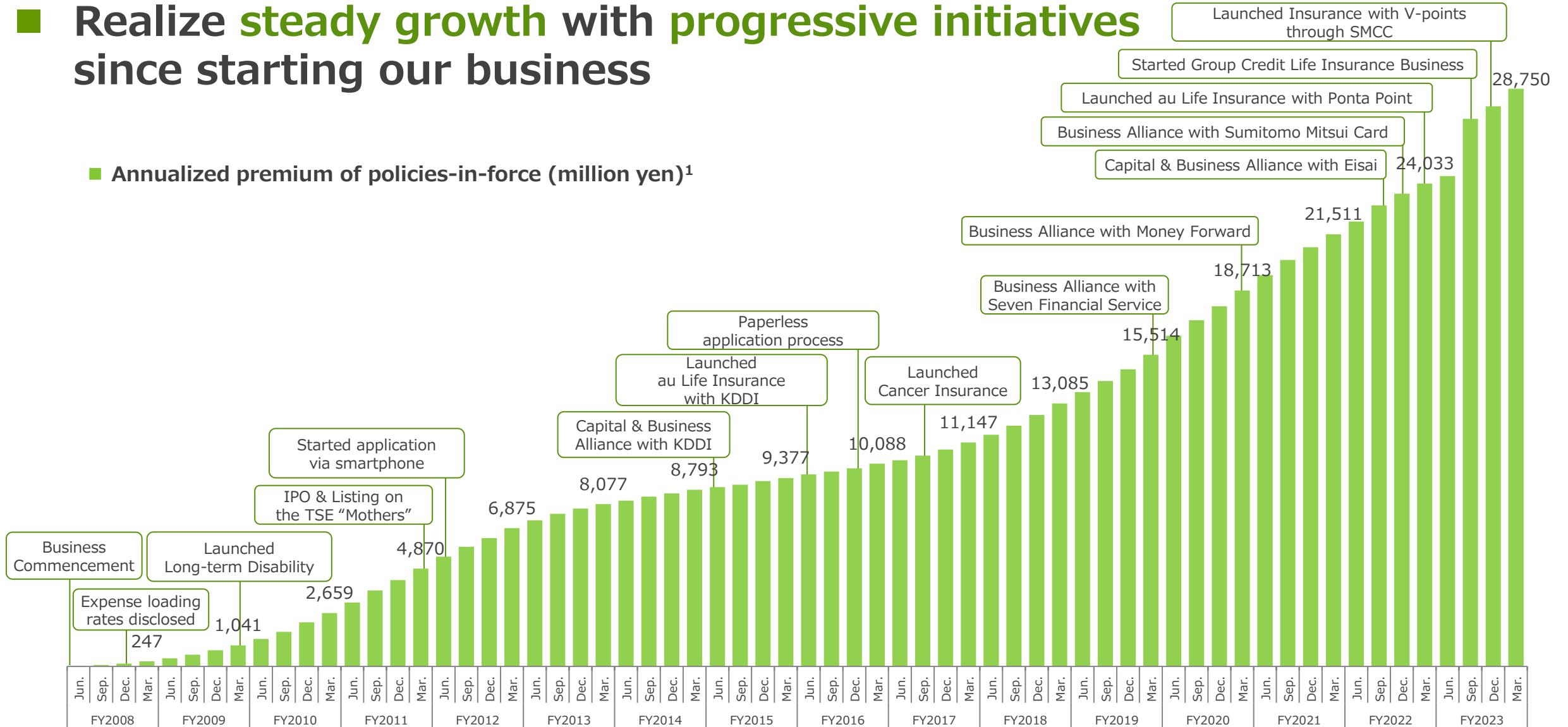


# Policies-in-force Performance & Initiatives



## Realize steady growth with progressive initiatives since starting our business

Annualized premium of policies-in-force (million yen)<sup>1</sup>



1. Annualized premium of policies-in-force from July 2023 is the sum of individual life insurance and group credit life insurance.

**1. Overview of Online Life Insurance Industry**

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**Appendix**

# Committed to Outcome Goal

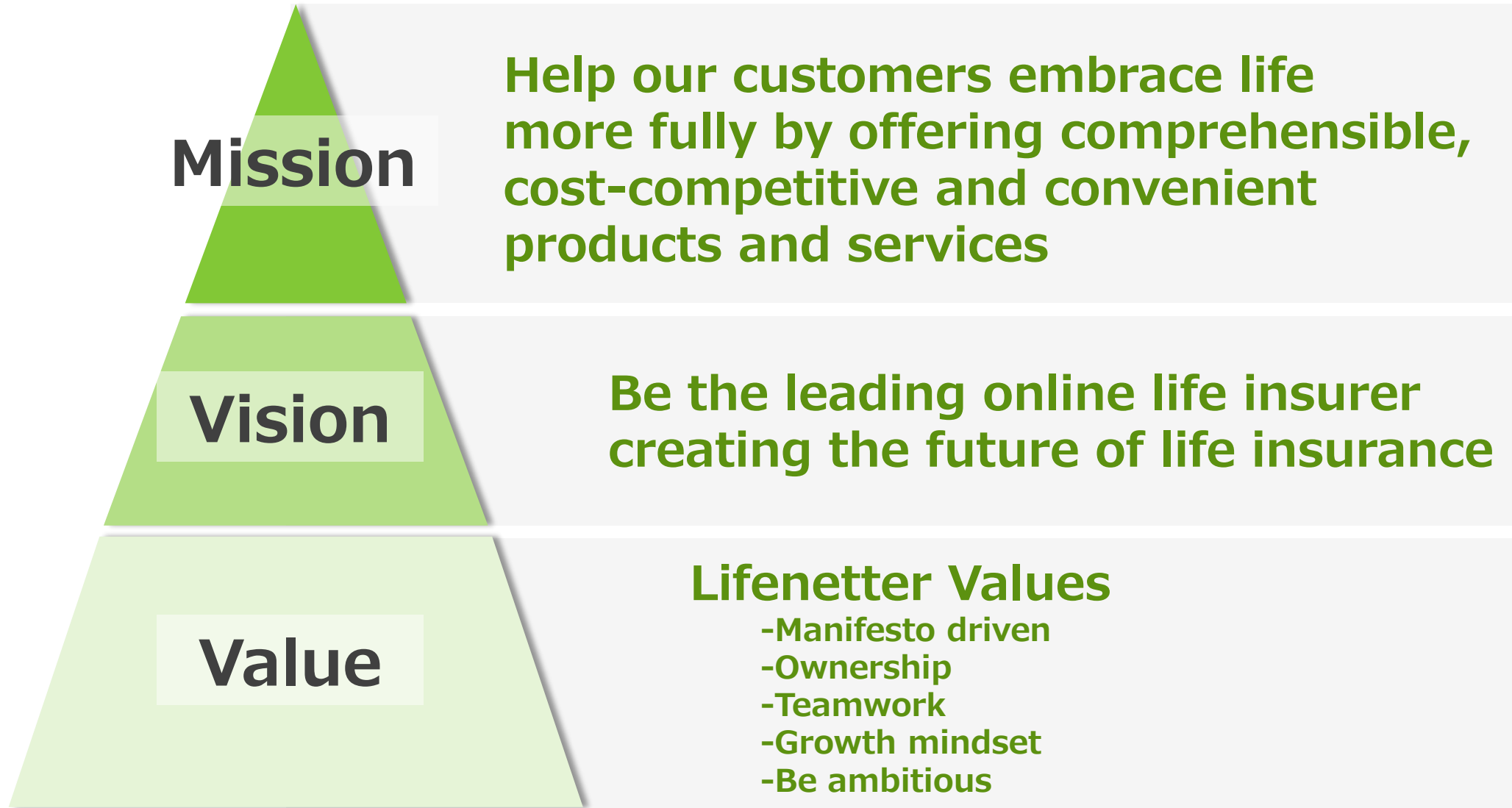
## Outcome goal

# A Society where next generations can be nurtured with confidence in the future

we contribute to creating a future where next generations can be nurtured by society as a whole through delivering the value of insurance based on the LIFENET Manifesto.

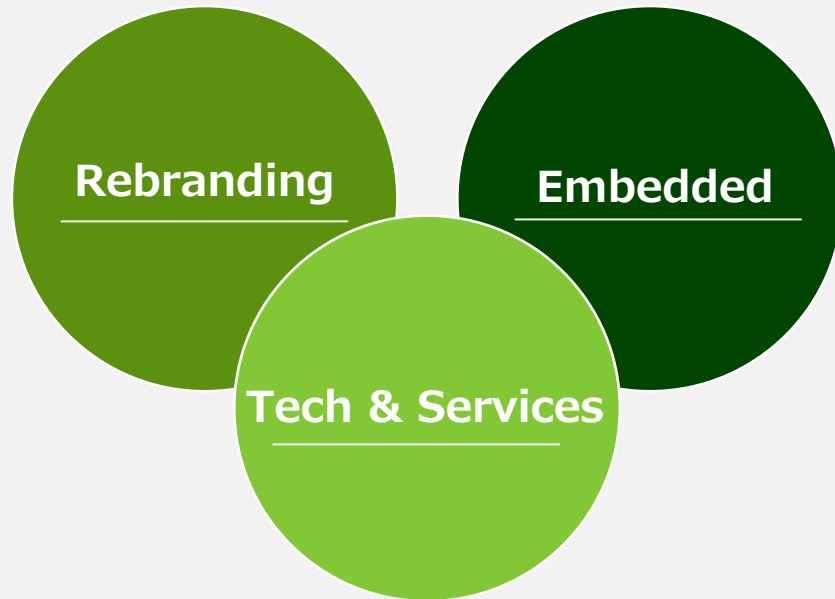
## Outcome Reference Indicator<sup>1</sup>

- 1** Market penetration rate of online life insurance
- 2** Prospect for the future life
- 3** Ease of raising children



## Growth Strategy

### Priority Areas



### Human Resources Strategy

- Promote organizational transition to focus on priority areas
- Create a virtuous cycle of employee growth and business growth
- Maintain and strengthen an organizational culture based on the LIFENET Manifesto

## Goals in Fiscal 2028

### Management Goal

Comprehensive Equity (CE) : **¥200-240bn**

### Financial Targets

Stock price : **¥3,000+**

Annual growth rate of CE per share :  
approx. **10%**

### Non-financial Targets (Human capital)

Overall engagement score: **continuous improvement**

#### Diversity

Ratio of decision-makers :  
Women **30%+**, Under 30s **15%+**

#### Growth Opportunities

Engagement score (growth):  
**continuous improvement**

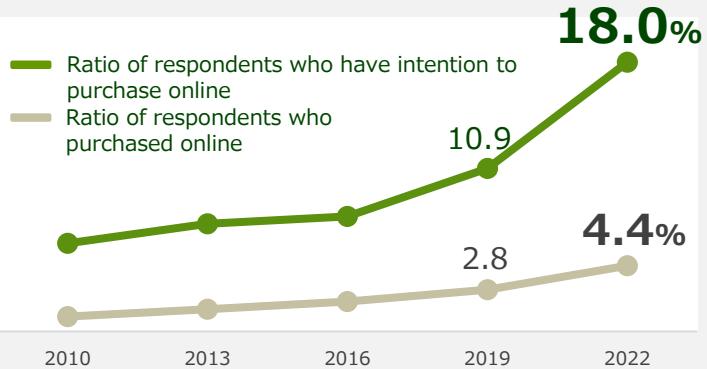
# Our Business Environment

## External environment changes will be a major tailwind for business growth

### 1 Expansion of online life insurance market

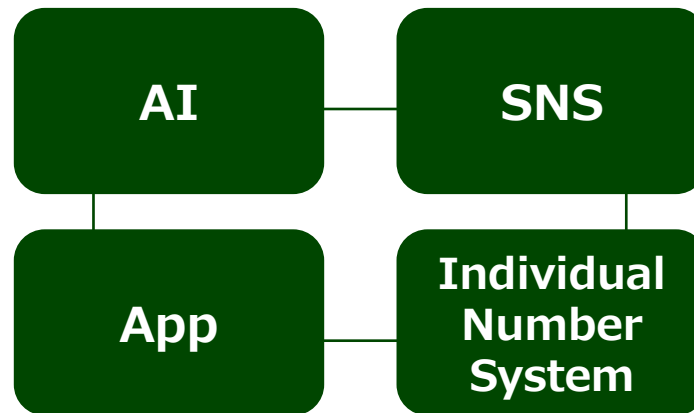
- COVID-19 accelerated online financial services
- Online insurance players increased

Intention to purchase life insurance online<sup>1</sup>



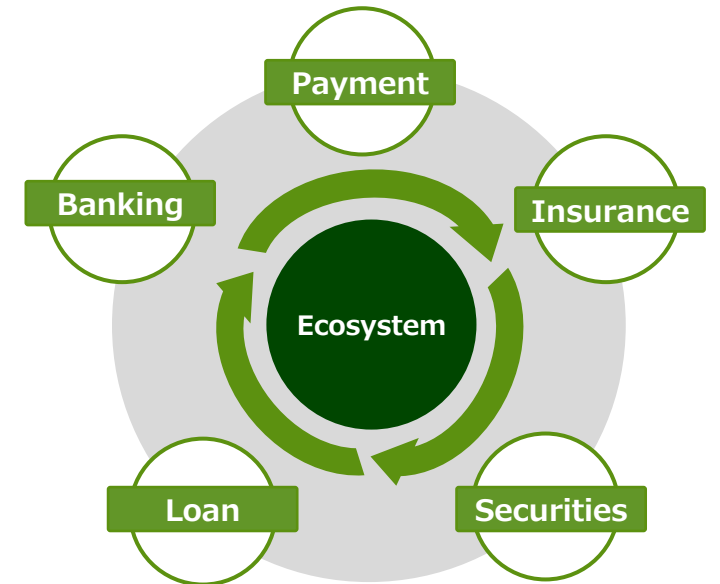
### 2 Younger generation × technologies

- Emerging new technologies penetrate a wide range of consumers, starting with younger generations



### 3 Trend of financial ecosystem

- High interest in online insurance business from other sectors



1. Source: Survey on Life Protection by the Japan Institute of Life Insurance

# Priority Areas for Further Growth

- **Three priority areas** to move toward the next stage of growth



# New Management Indicator “Comprehensive Equity”

- Adopt “Comprehensive Equity” as new management indicator representing corporate value to replace EEV

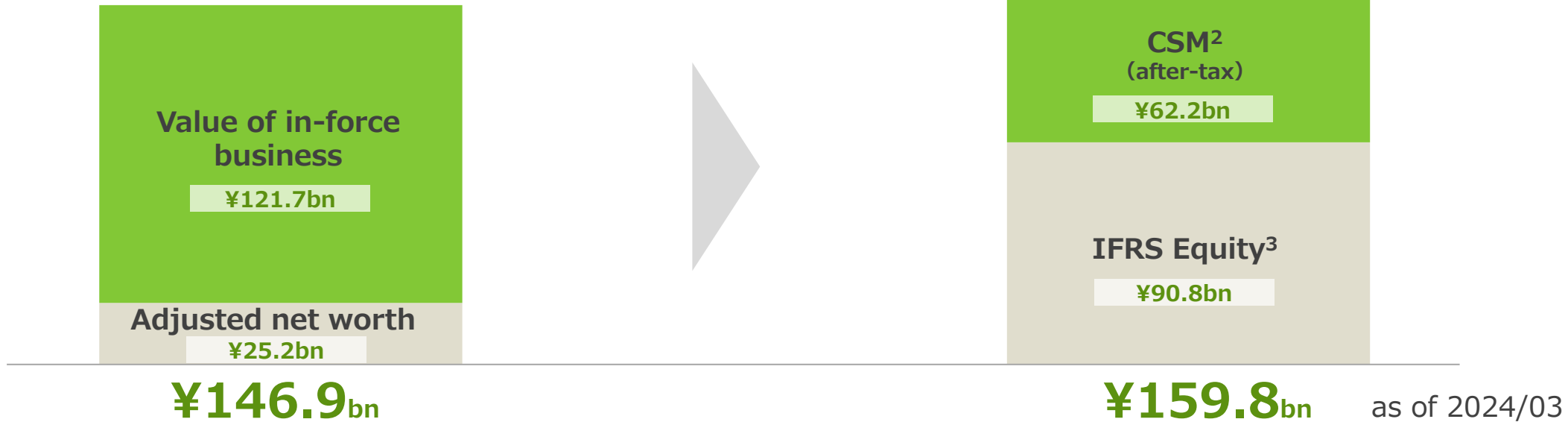
**Management Goal**

**Comprehensive Equity (CE)** Aim to achieve ¥200-240bn in FY2028

**European Embedded Value (EEV)**

**Comprehensive Equity (CE)**

Conceptually similar



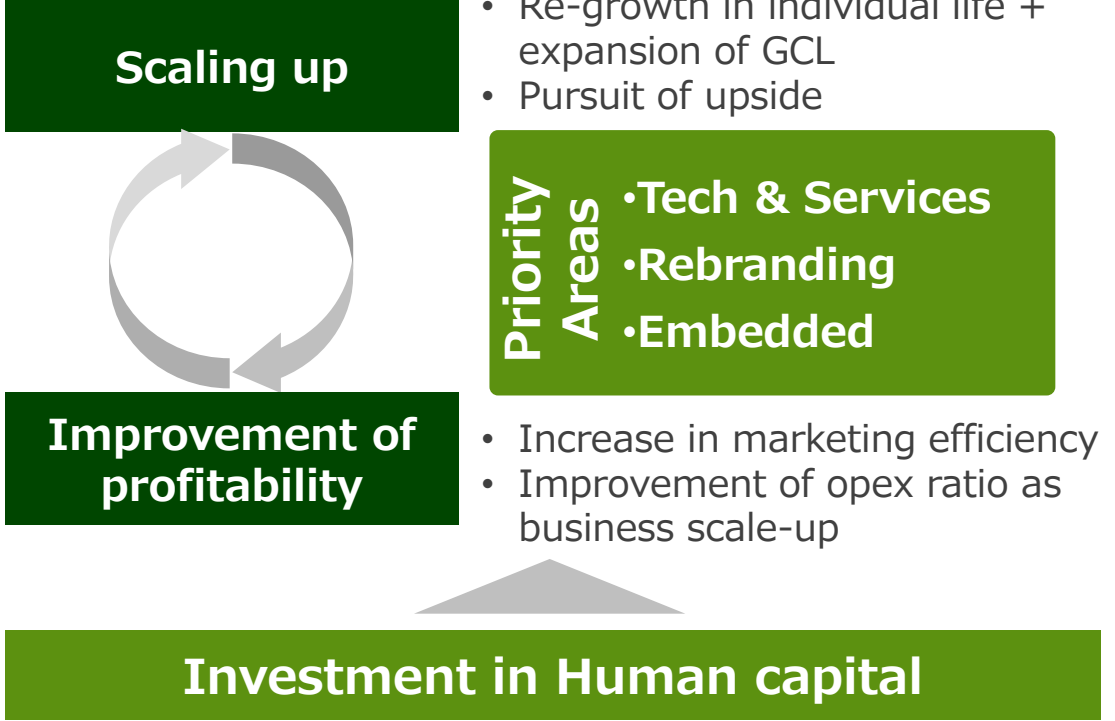
1. The value of future IFRS earnings for GCL policies-in-force (PAA applied) including future renewals as of the valuation date.  
 2. Aggregation of insurance contracts and reinsurance contracts with tax effect (28%) adjusted.  
 3. Attributable to owners of the Company



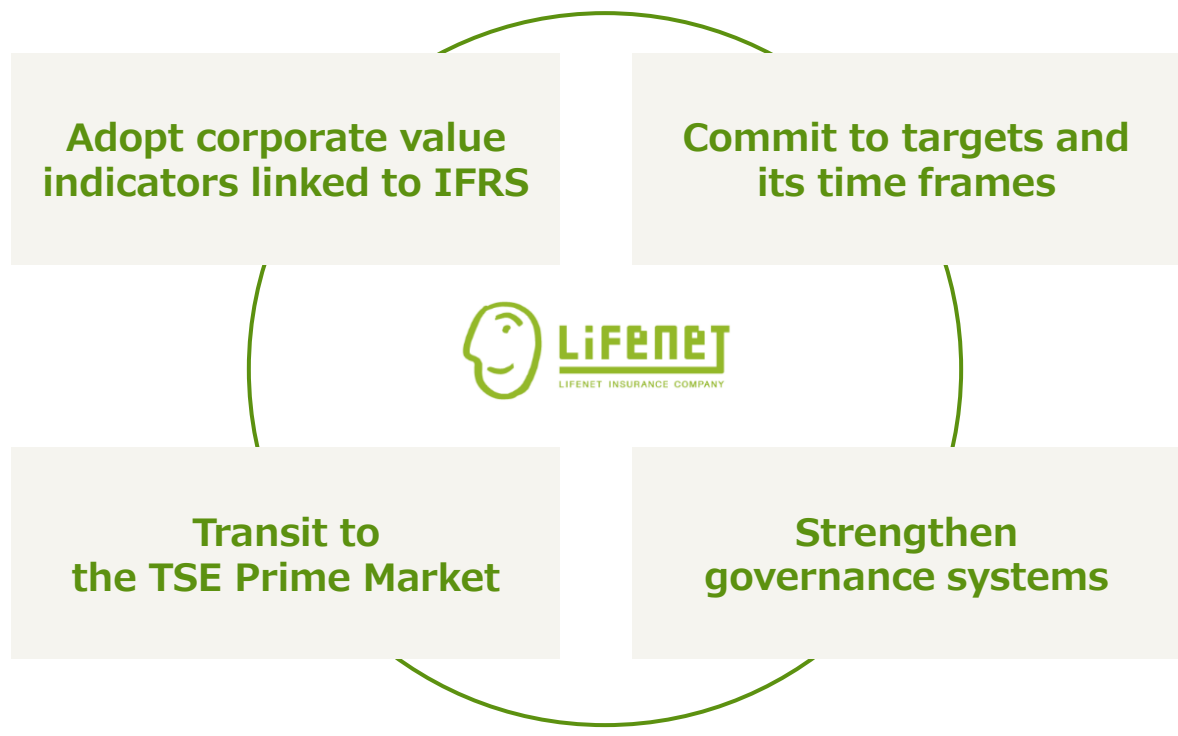
# Increase in Shareholder Value over Mid-to-long Term

- Aiming to both increase corporate value by expanding business scale and improve market evaluation

## Increase in corporate value (CE)

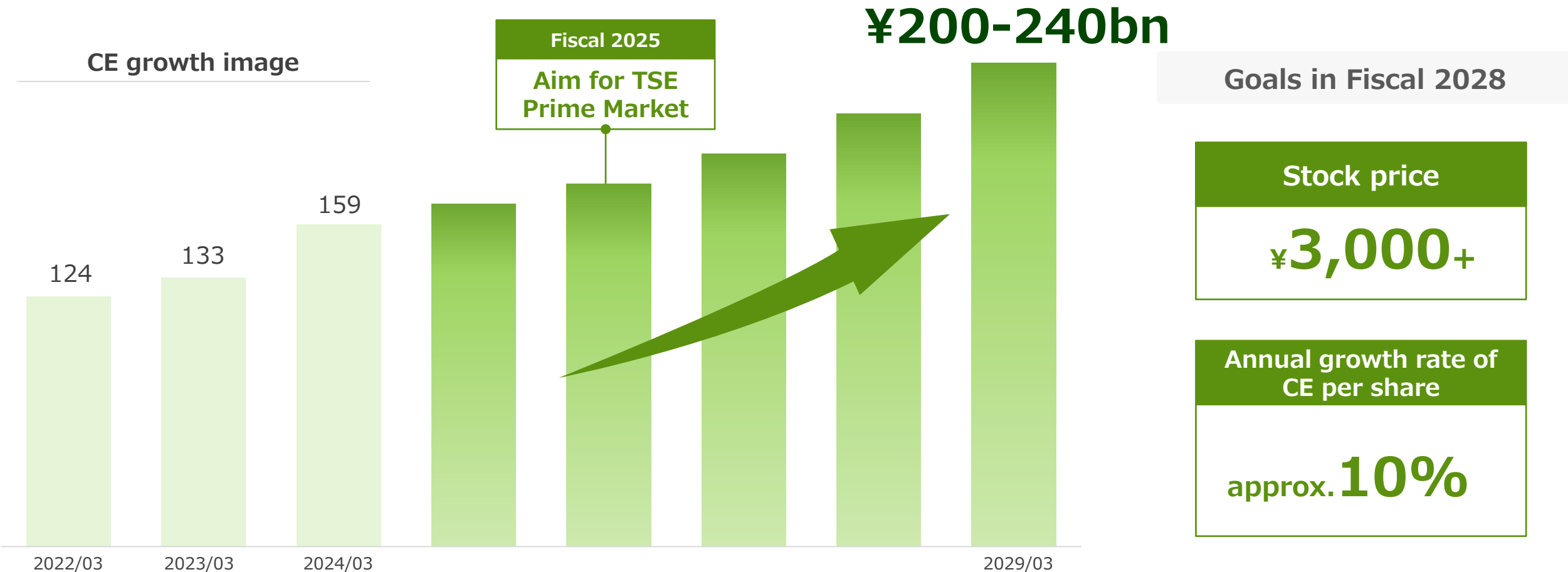


## Improvement market evaluation



# Fiscal 2028 goals image

- Aim to achieve Comprehensive Equity of ¥200-240bn in FY2028 by realizing sustainable growth through investment in new priority areas



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Appendix

# Management Team (as of June 23, 2024)



## Directors



**Ryosuke Mori**  
Representative Director and President  
Internal Auditing Department  
Goldman Sachs Japan Co., Ltd.  
Head of Corporate Planning Department and General  
Manager of Corporate Strategy Division at Lifenet



**Yasuhiro Koba**  
Director, Executive Vice President  
Business Development Department, Product Development Department,  
Creditor Insurance Business Department and Investment Department  
Ministry of Health, Labour and Welfare  
Head of Legal Department, General Manager of Corporate  
Administration Division and General Manager of Sales & Marketing  
Division at Lifenet



**Jun Hasebe**  
Outside Director  
Representative Director and President,  
Tokyo Relations Inc.



**Hiro Koya**  
Outside Director  
Executive Officer,  
au Financial Holdings Corporation

## Directors (the Audit and Supervisory Committee Members)



**Keiko Hayashi**  
Outside Director  
Professor, Faculty of Commerce  
Graduate School of Accountancy,  
Waseda University



**Tomoyuki Yamashita**  
Outside Director  
Representative Director and  
President,  
Aon Solutions Japan Ltd.



**Emima Abe**  
Outside Director  
Attorney, Miyamasuzaka the Firm  
Law & Accounting Office

## Outcome Goal

# A Society where next generations can be nurtured with confidence in the future

## Reference Indicators<sup>1</sup>

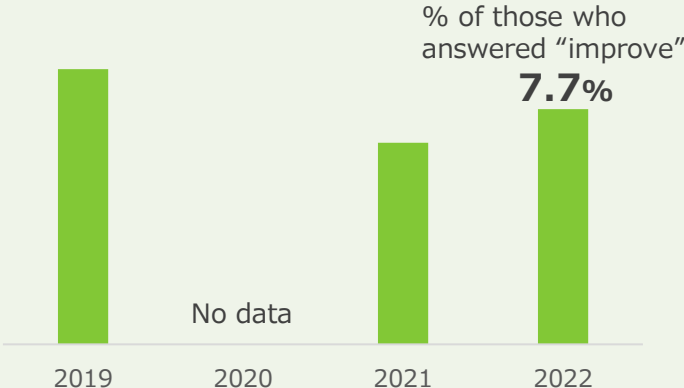
### 01 | Market penetration rate of online life insurance

We offer simple coverages, affordable premiums, and convenient procedure online, and contribute to expansion of online life insurance market.



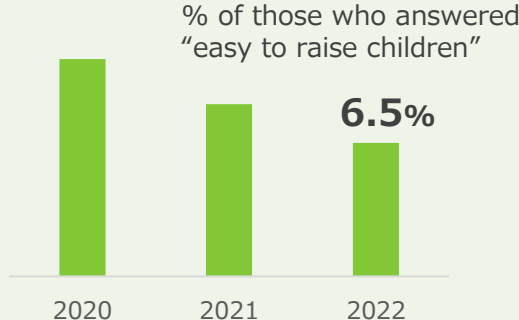
### 02 | Prospect for the future life

We want customers to leave their worries about the future to convenient and useful online life insurance and use the money and time they have saved to help them move forward in their lives.



### 03 | Ease of raising children

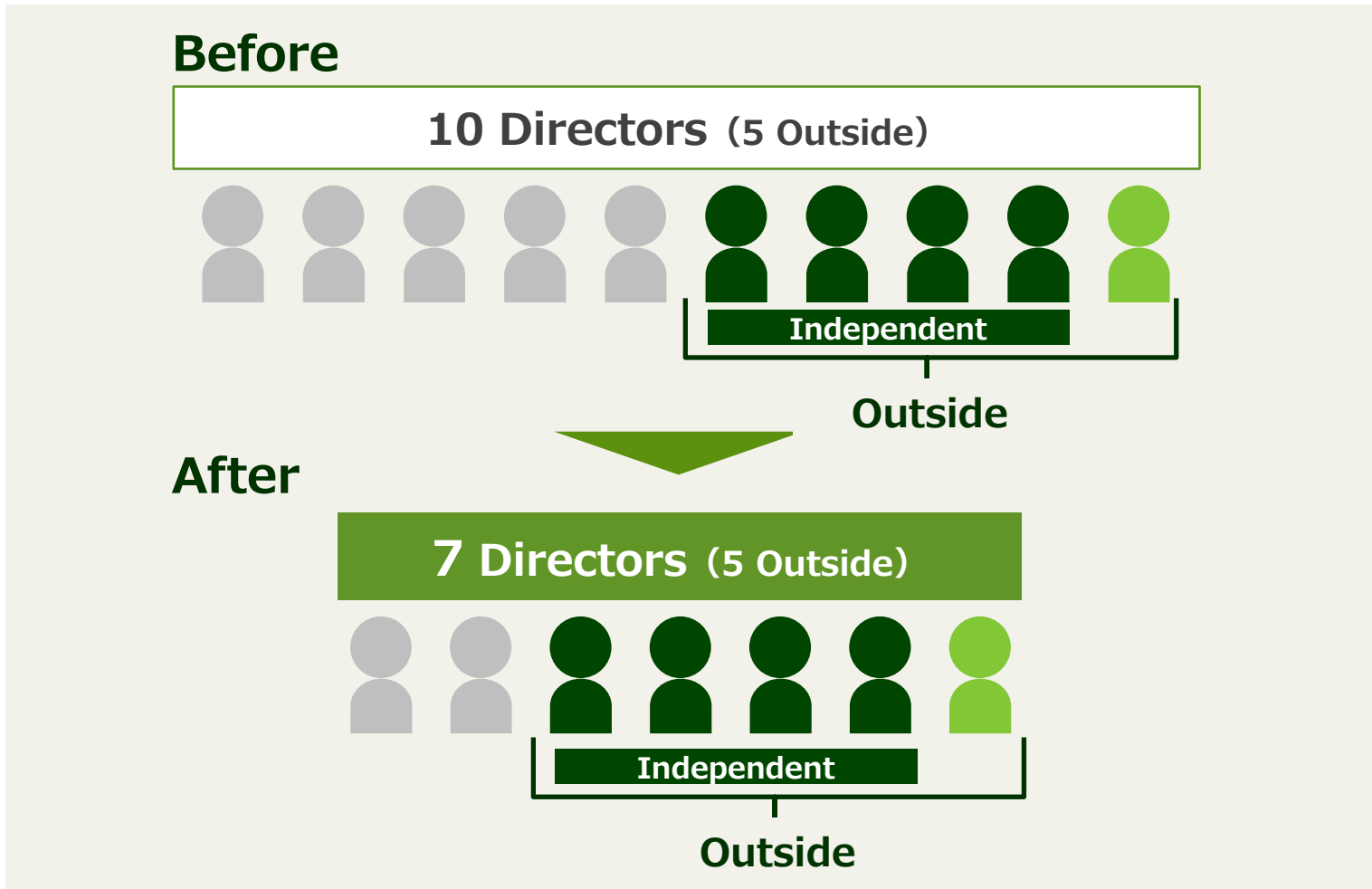
In particular, we see the declining birthrate and aging population as important social issues, and we contribute to creating a society where people want to raise children.



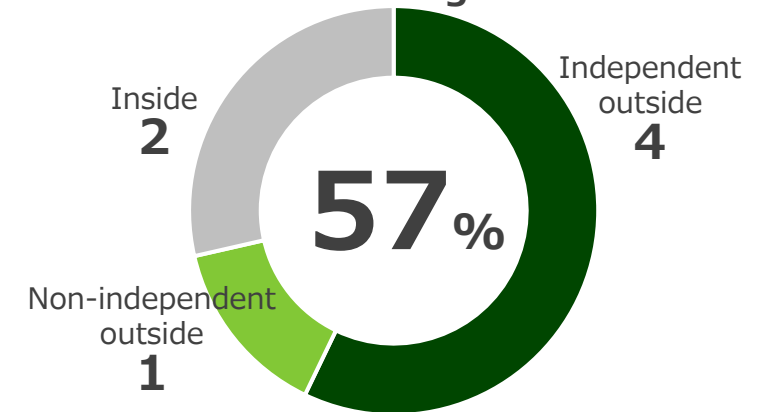
1. The market penetration rate of online life insurance is measured based on "the percentage of respondents who want to purchase via the Internet in the future" and "the percentage of those who have actually purchased via the Internet" in the "Survey on Life Protection" by the Japan Institute of Life Insurance." Prospect for the future life is measured based on "the percentage of respondents who answered "improve" about the prospect of the future lifestyle" in the "Public Opinion Survey on the Life of the People" by the Cabinet Office. Ease of raising children is measured based on "the percentage of respondents who answered "It is easy to raise children" in the "Public Opinion Survey on Social Awareness" by the Cabinet Office.

# Further Strengthening of Corporate Governance

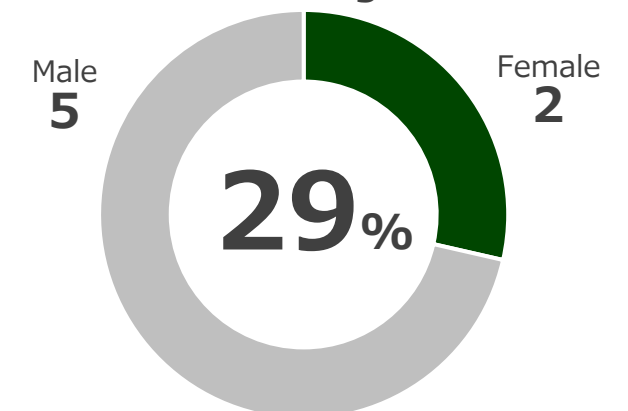
- **Shift to structure with a majority of Independent Outside Directors** with aim of strengthening the supervisory function of the Board of Directors and further enhancement of the separation of supervisory and executive functions



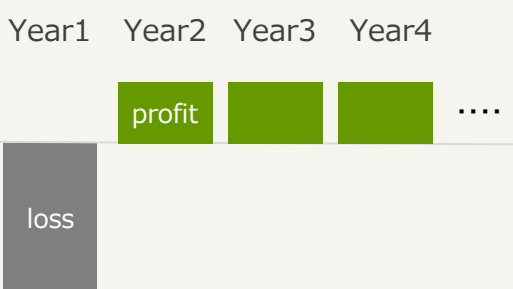
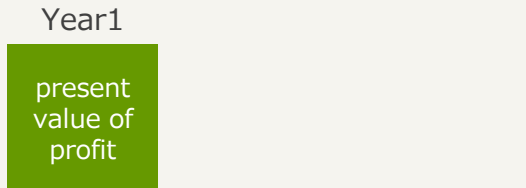
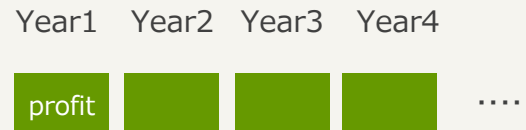
Ratio of Independent Outside Directors after change



Ratio of Female Directors after change



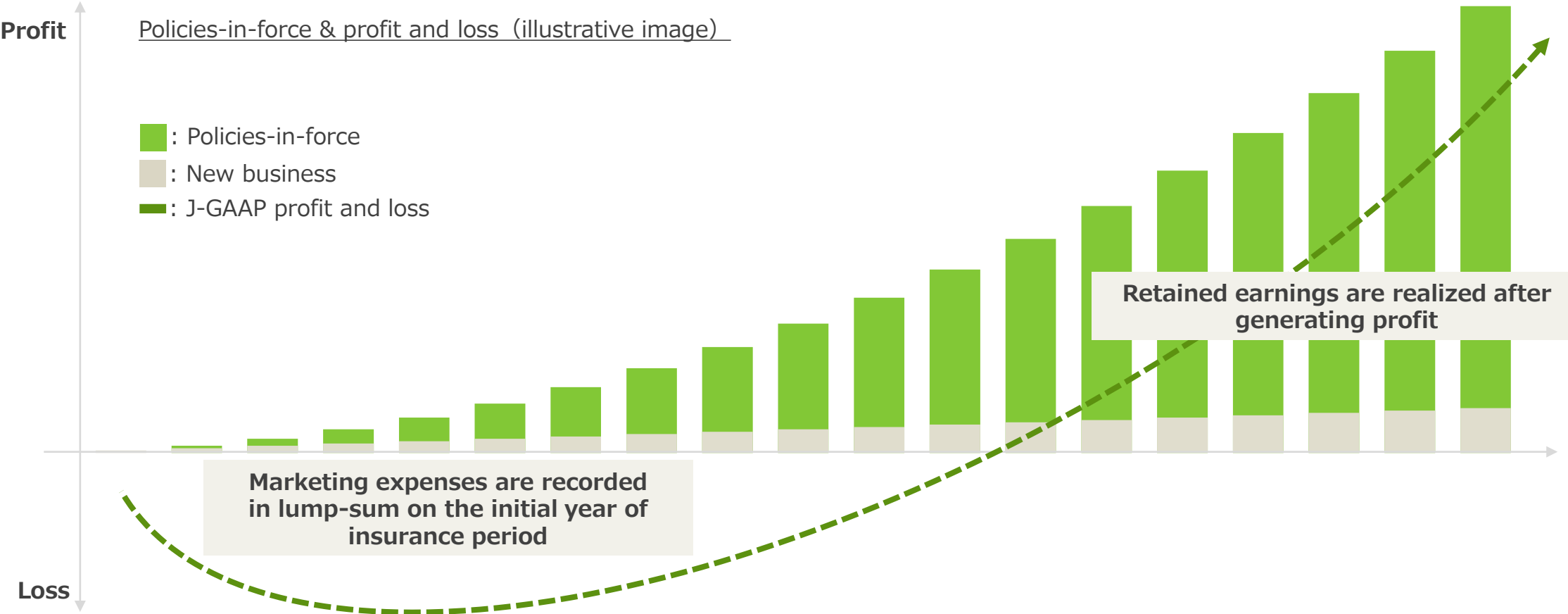
- IFRS adoption **better presents periodic performance and profitability from policies-in-force**
- Capital adequacy and dividends are **regulated by statutory accounting standards (J-GAAP)**

	Statutory Accounting (J-GAAP)	Embedded Value	IFRS 17
<b>Important perspective</b>	Financial soundness for policyholder protection	Economic value of insurance policies including future profit	Recognition of revenue based on the retention of in-force business
<b>Timing of profit recognition</b>	<p><u>Acquisition expense is recognized at the time of acquisition.</u></p> 	<p>The expected profit for the policy period is <u>immediately</u> recognized.</p> 	<p>The expected profit is allocated <u>over the term of the policy.</u></p> 

# Dividend Policy



- Aim for the increase in total shareholder return by capital gain<sup>1</sup>



1. Lifenet has yet to determine its specific dividend policies and dates for the start of distributing retained earnings, as we prioritize strengthening our growth base to increase mid to long term profitability.



## Comprehensible, Cost-Competitive, Convenient

### I. Our Guiding Principles

- (1) Creating the future of the life insurance without losing sight of its original premise: “an ounce of prevention is worth more than a pound of cure.”
- (2) Listening to what our customers are saying. Recognizing their needs and acting accordingly. Allowing our actions to be borne out of their voices and needs.
- (3) Delivering the caliber of products and services that we would feel confident recommending to our own friends and families.
- (4) Being a “straight-shooter”. Committing to transparency. Communicating openly about our management team, our products, and our employees.
- (5) Embracing diversity and dialogue to keep us abreast of changing needs and preferences. Delivering peace of mind that we’ll be around in 100 years.
- (6) Acting in good faith means always taking the high road when it comes to compliance and ethics.

### III. Making Life Insurance Accessible Again - Affordable

- (1) Giving the customer what he/she needs. No more, no less at a fair price.
- (2) Staying vigilant as to how we can provide our products more cost-efficiently.
- (3) Always putting ourselves in our customers’ shoes in thinking about how to minimize their premiums.

### II. Making Life Insurance Accessible Again - Headache-free

- (1) Helping the customers help themselves. By making our materials easy to understand, customers can determine which coverage is truly the best fit.
- (2) Turning “clauses” in the insurance contract into succinct points that your grandmother could grasp.
- (3) Making all touch points headache-free. Beyond the application process, ensuring the claims and billing processes are also easy to understand.

### IV. Making Life Insurance Accessible Again - Convenient

- (1) Thinking about our customers’ convenience from every angle and every touch point along the way.
- (2) Forming alliances with like-minded partners who can add value above and beyond our products and services to our customers.
- (3) Providing health and wellness tips beyond the framework of life insurance to create value in our policyholders’ lives.
- (4) Creating a precedent for future generations as to what life insurance is (and should be) all about.

**We wish to be a company that helps our customers embrace life more fully.  
In order to live out that vision, we continue to challenge ourselves.**



**LIFENET**

LIFENET INSURANCE COMPANY

This material is based on information at the time of preparation. 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.

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