

Securities Code: 7157
TSE Growth



Overview of LIFENET INSURANCE COMPANY

LIFENET INSURANCE COMPANY
January 2025

- 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 Business Commencement (Individual insurance 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 Group¹
- 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

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: 80,318,340 (as of Sep. 30, 2024)
- Number of Shareholders: 4,660 (as of Sep. 30, 2024)

Major Shareholders (as of September 30, 2024)

- | | |
|---|--------|
| • au Financial Holdings Corporation | 18.33% |
| • GOLDMAN SACHS INTERNATIONAL | 18.03% |
| • ARIAKE MASTER FUND | 6.29% |
| • GOLDMAN,SACHS & CO.REG | 5.30% |
| • Sumitomo Mitsui Card Company, Limited | 4.99% |
| • BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE | 4.56% |
| • Seven Financial Service Co., Ltd. | 4.04% |
| • BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) | 3.53% |
| • Custody Bank of Japan, Ltd.(Trust Account) | 3.10% |
| • BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE CLEARANCE ACC FOR THIRD PARTY | 2.89% |

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

1. Overview of Online Life Insurance Industry

2. Business Model and Our Strength

3. Management Policy and Mid-term Business Plan

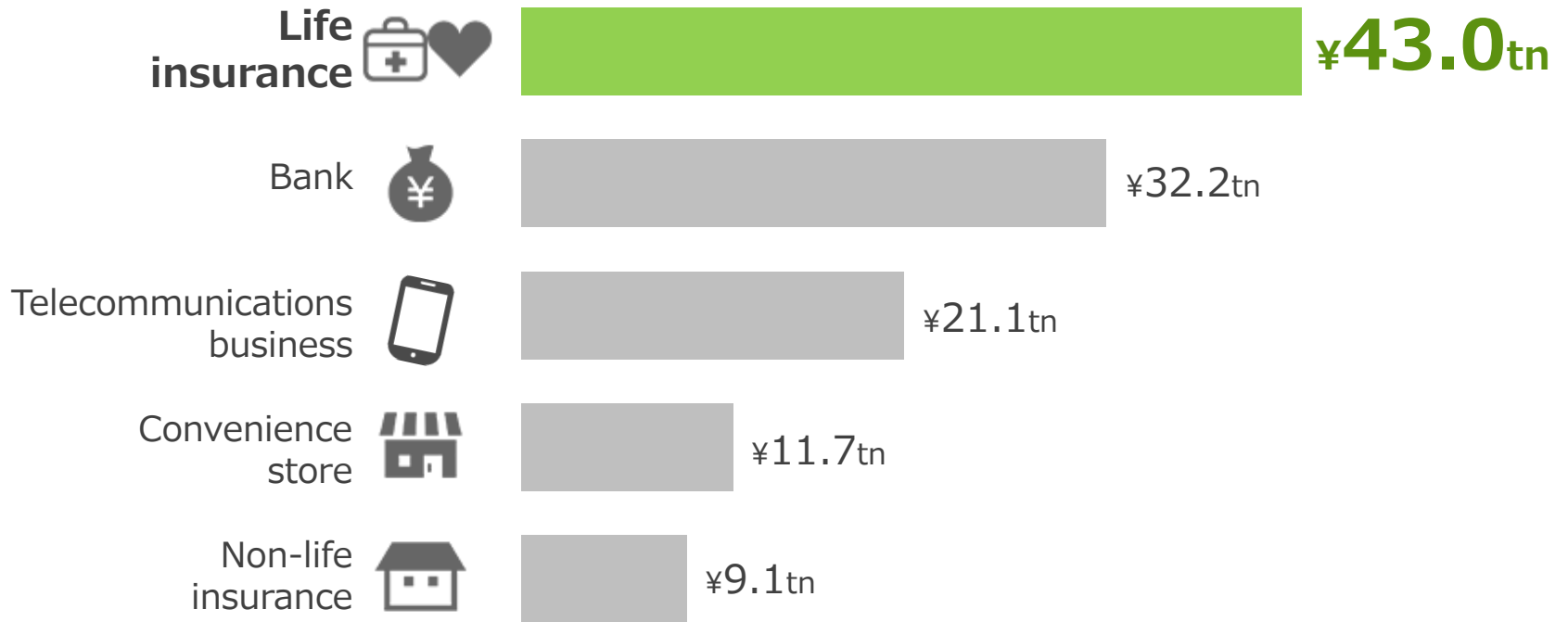
Appendix

Life Insurance Market in Japan



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

Market size by industry in Japan¹



Ratio of households with policies²
89.8%

Average annual premiums per household²
371 thousand yen

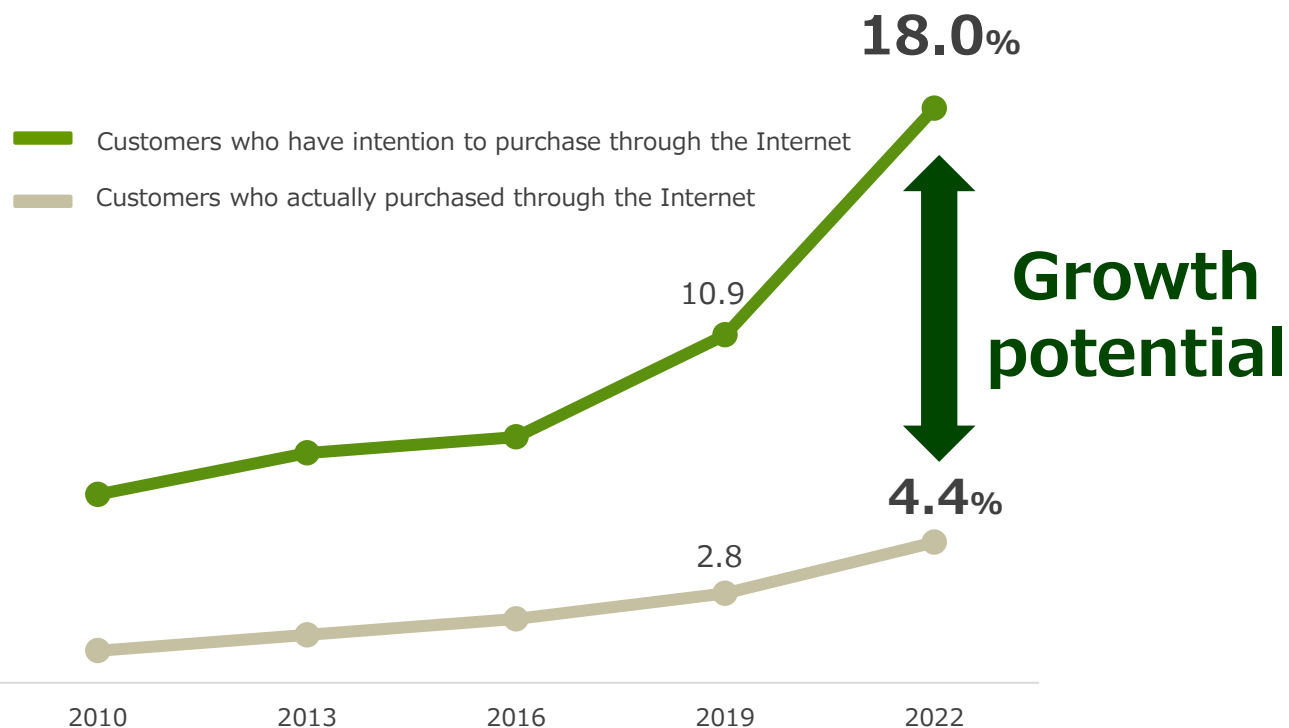
Number of new policies for fiscal 2023³
12.6 million

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 (FY2023) compiled by The Life Insurance Association of Japan, Financial Statements Statistics of Corporation by Industry (fiscal 2022) compiled by Ministry of Finance, The Basic Survey Result for information and communications industry (FY2022) compiled by the Ministry of Internal Affairs and Communications, Convenience store FC statistics compiled (2023) by Japan Franchise Association, Data by insurance type (FY2023) 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 (2023)

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 online¹



Ratio of intention to purchase insurance online by age group

	2019	2022
Total	10.9%	18.0%
29 or lower	12.0%	18.0%
30s	12.2%	21.3%
40s	13.1%	20.5%
50s	11.1%	18.2%
60s	6.5%	12.3%

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

1. Overview of Online Life Insurance Industry

2. Business Model and Our Strength

3. Management Policy and Mid-term Business Plan

Appendix

■ 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>¹

1st
for 4th consecutive year

1st in Overall Life Insurance Category of 2025 Oricon Customer Satisfaction Survey²



Lifenet's Contact Center and Website Awarded 3 Stars for the 12th Time, the Industry Record³



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. Survey period:2024/8/26~2024/9/24, 2023/9/26~2023/10/04, 2022/8/10~2022/8/31 Number of respondents:10,365
3. The 2024 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 products¹



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



Term Medical
Jibun Z

Medical insurance for young generation



Cancer
Double Yell

For double support of treatment and income decreases



Dementia
“be”

For the age of living with dementia

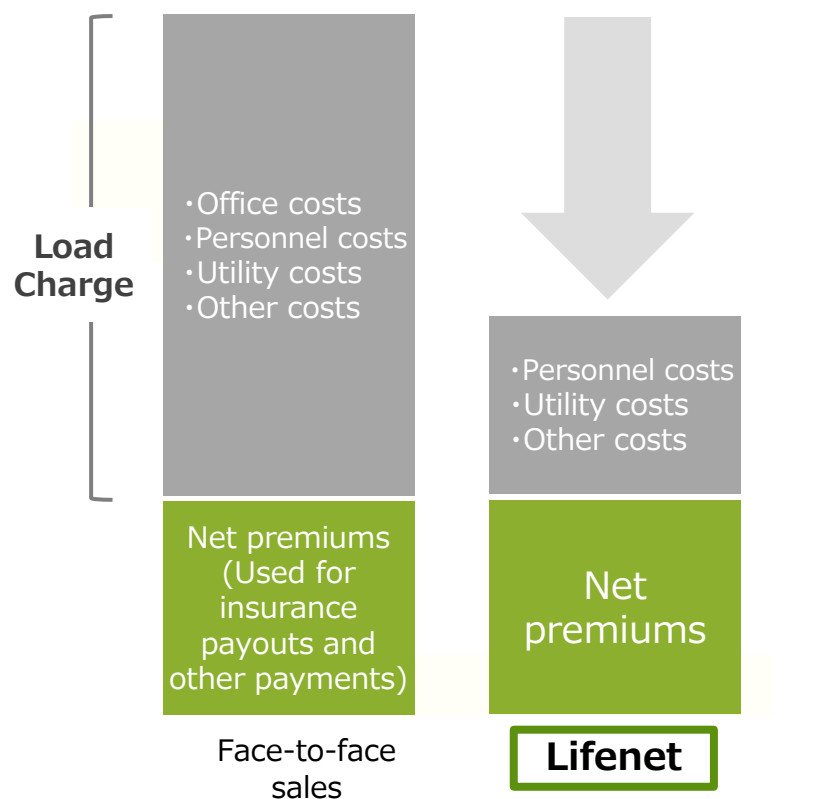
1. Our products have no maturity insurance, no dividends and no cash surrender value on our products.

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 HOME, Inc. and Insurance with V-points through Sumitomo Mitsui Card Company, Limited.

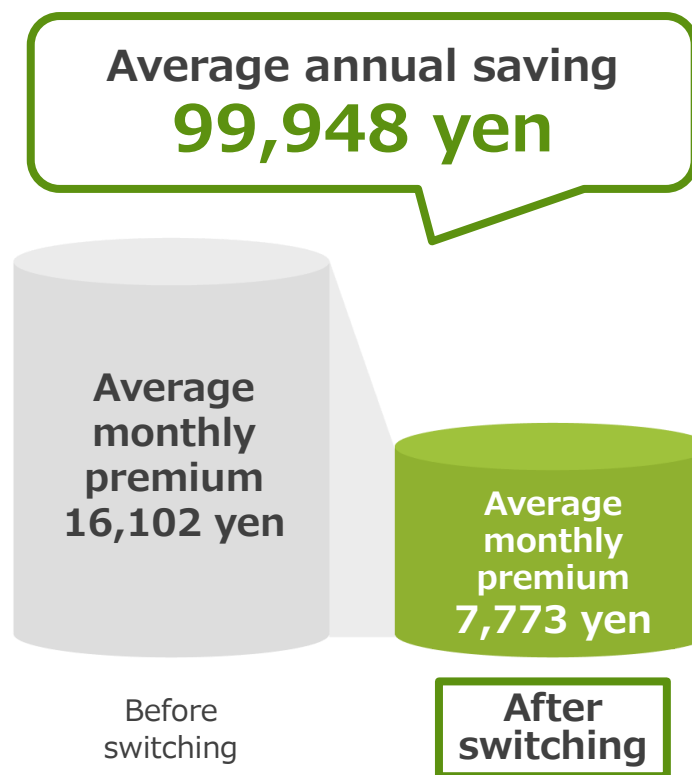
Competitively Priced Products

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

Structure of premium
(Term life insurance)



The average amount saved by those who reported reducing their premiums after switching to LIFENET



1. 2023 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

Insurance Consultation

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



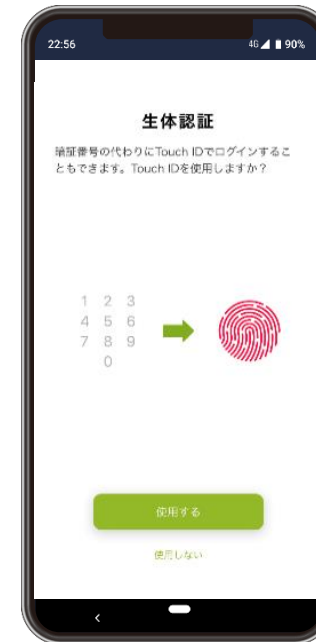
Application

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



Procedures while enrolled in a policy

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



Claim payments

- Medical certification submission no longer necessary for most medical claims¹
- 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
MetLife Insurance K.K.



Kaoru Katada
Executive Officer
TAISAY Building Management



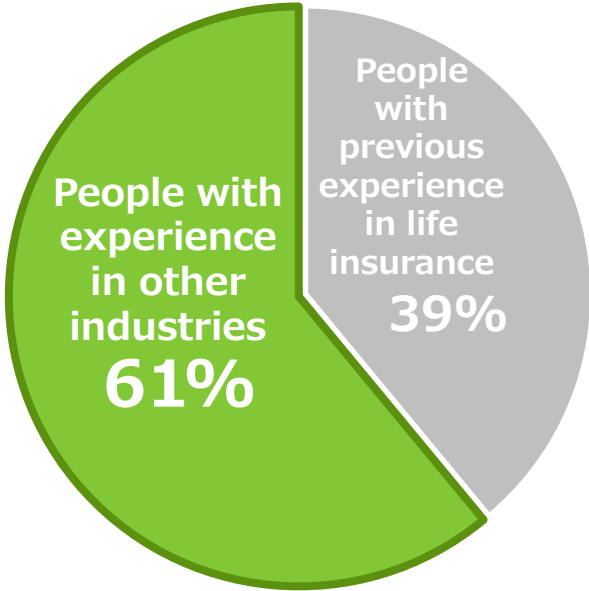
Yasuhiro Hida
Executive Officer
PR Consulting Dentsu Inc.



Tsutomu Matsuura
Executive Officer
Aflac

Employees

Employees with Experience in Other Industries¹
60%+



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

Unique Customer Base

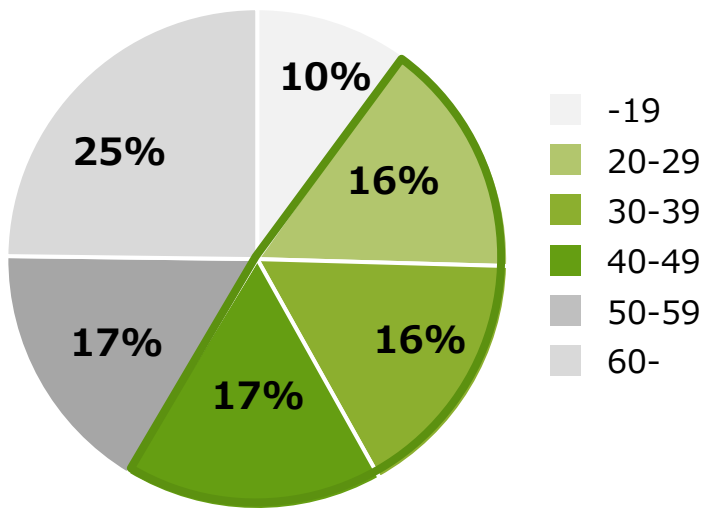


- 73% of new policyholders are in their 20's to 40's
- Under 90% life insurance penetration, over half of new policyholders are "first insurance purchase"

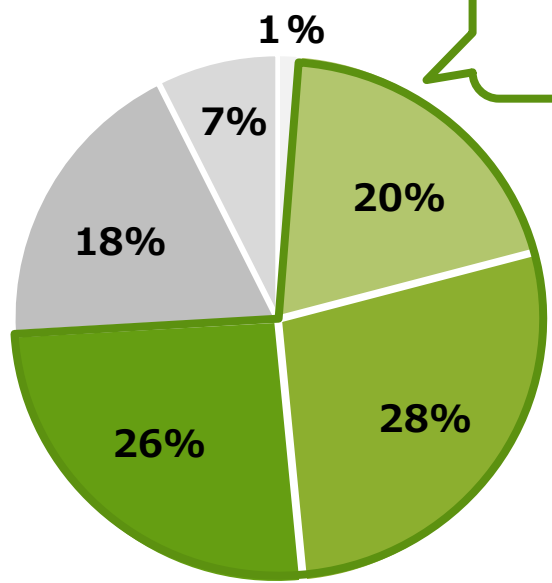
Number of new policies by age group

Customer Situation³

Reference: Industry average¹

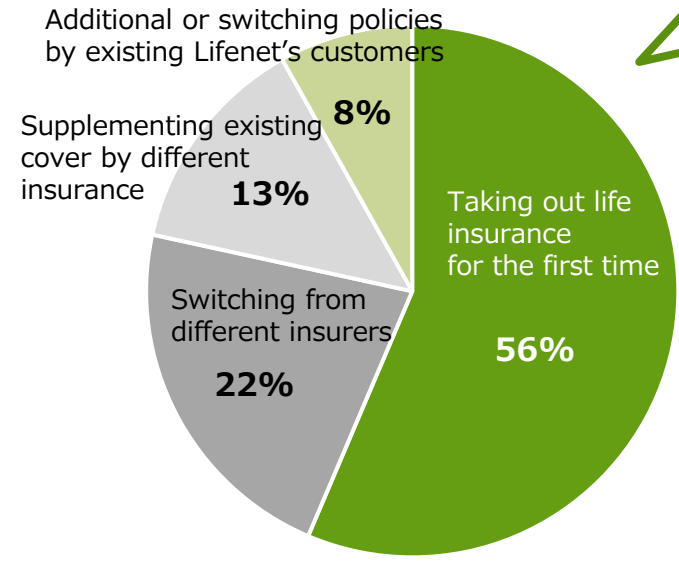


Lifenet²



Ratio of 20s to 40s
73%

First time
56%









1. Annual statistics on customer age and gender (FY2023) compiled by The Life Insurance Association of Japan. Based on number of new policies.
 2. Lifenet Insurance new customer data (FY2023, N = 72,434) compiled by Lifenet customer survey.
 3. FY2023 valid responses of 922.

Cross-Industry Partnerships

■ Embed our insurance business to partners' ecosystem



Telecom- munications		Offer "au Life Insurance with Ponta point" Entered into GCL ² business through partnership with au Jibun Bank in KDDI Group
Retail		Offer Seven Financial Service-branded life insurance product
PFM Service ¹		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 ³

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

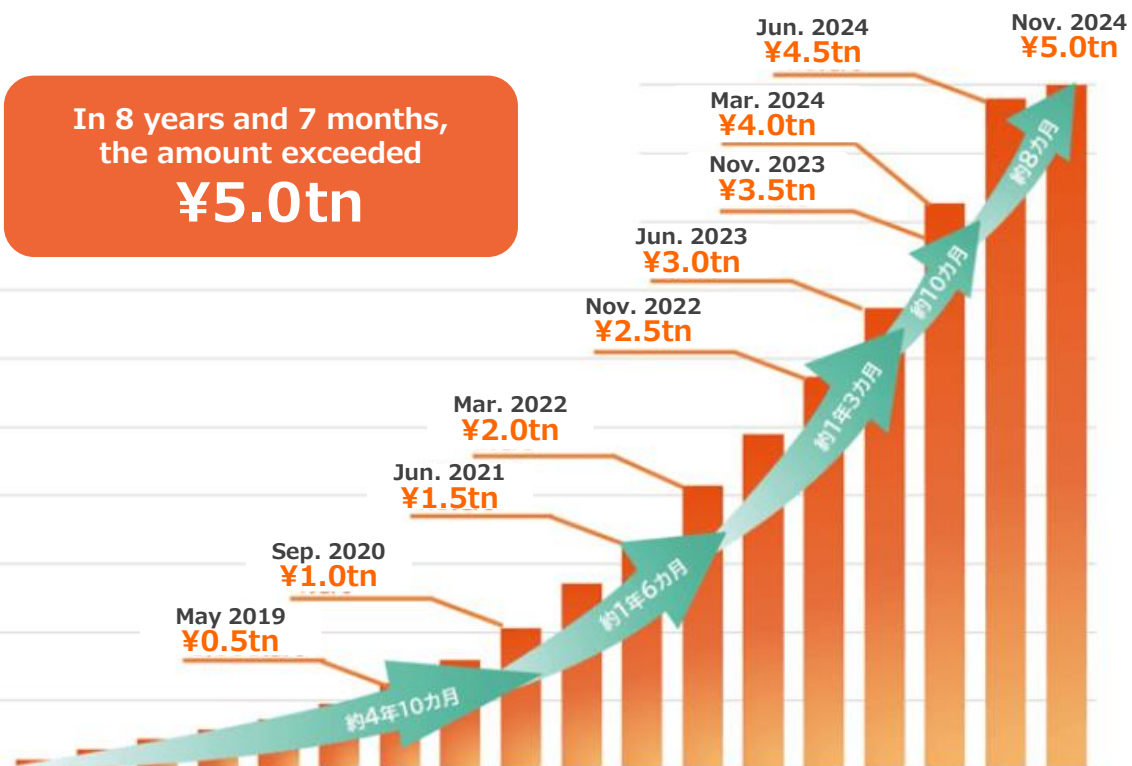


Group Credit Life Insurance

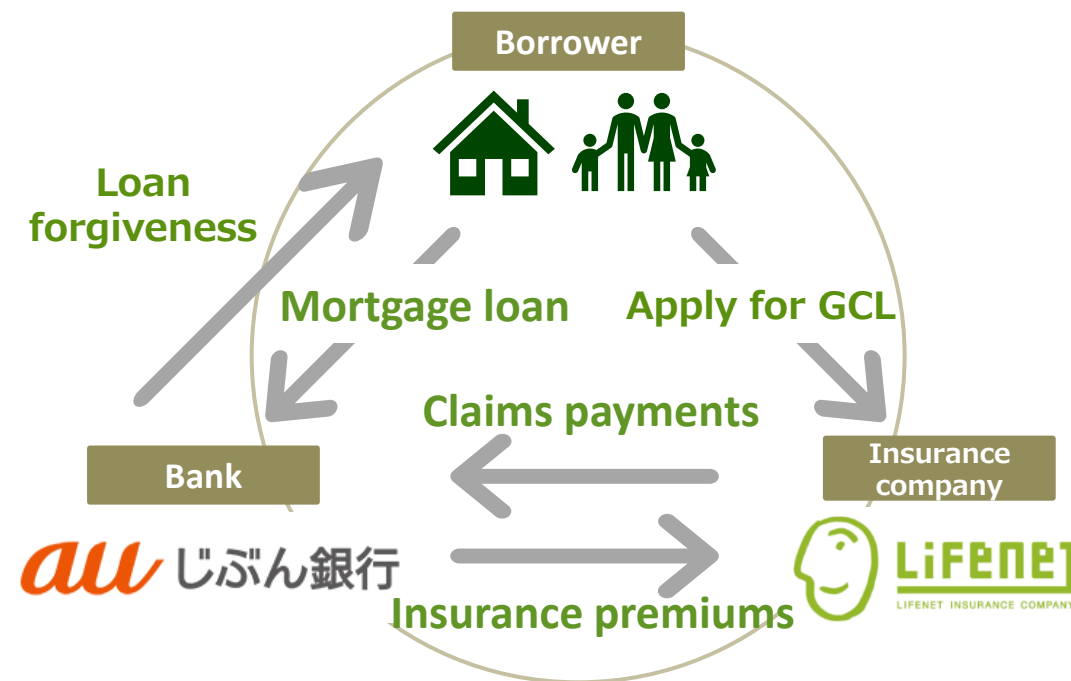
- Providing GCL for au Jibun Bank's mortgage loan borrowers
- Expanding business domain by leveraging the characteristics of the online business to **enhance revenue opportunities**



au Jibun Bank's rapid growth of mortgage loan



Group Credit Life Insurance

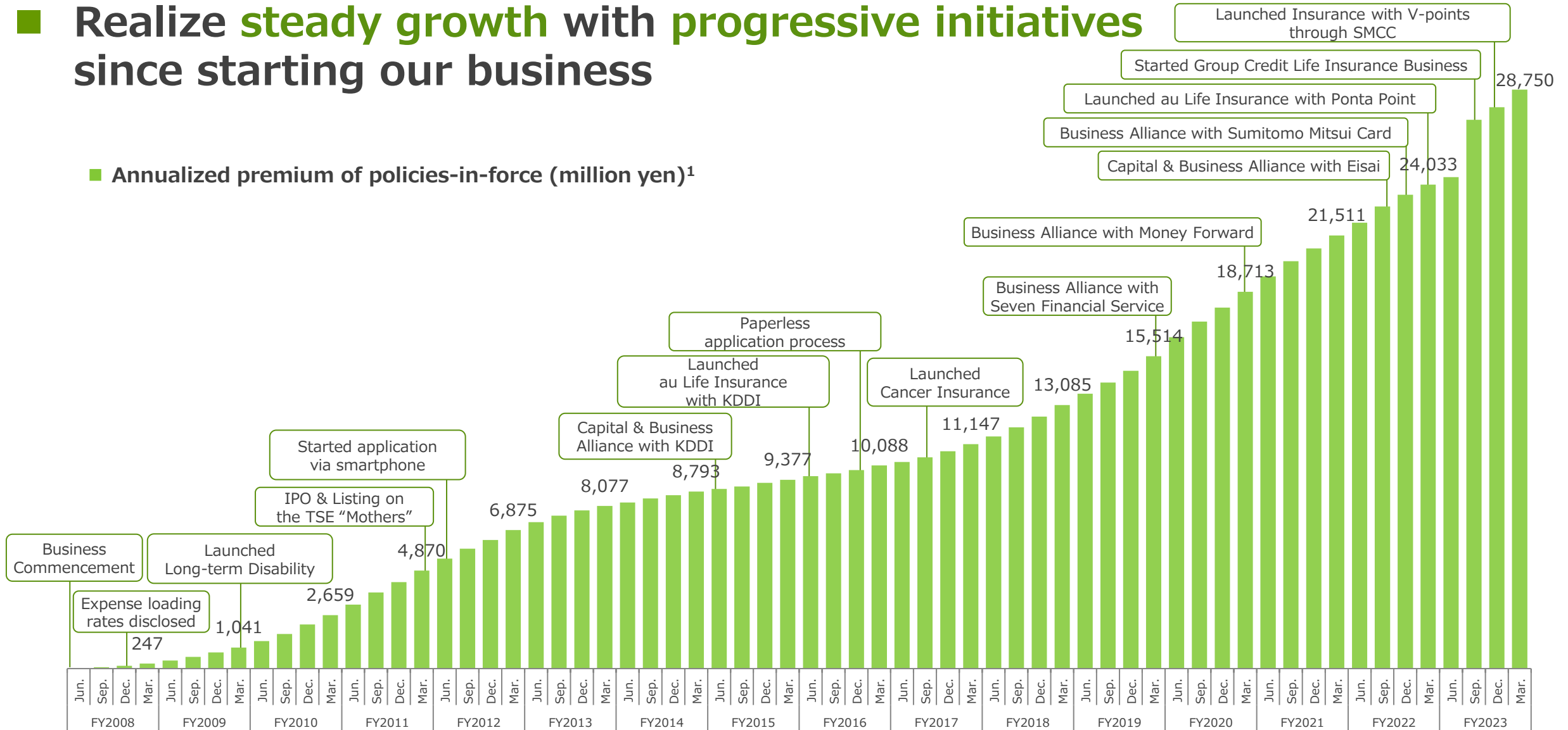


Policies-in-force Performance & Initiatives



Realize steady growth with progressive initiatives since starting our business

Annualized premium of policies-in-force (million yen)¹



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

2. Business Model and Our Strength

3. Management Policy and Mid-term Business Plan

Appendix

Committed to Outcome Goal

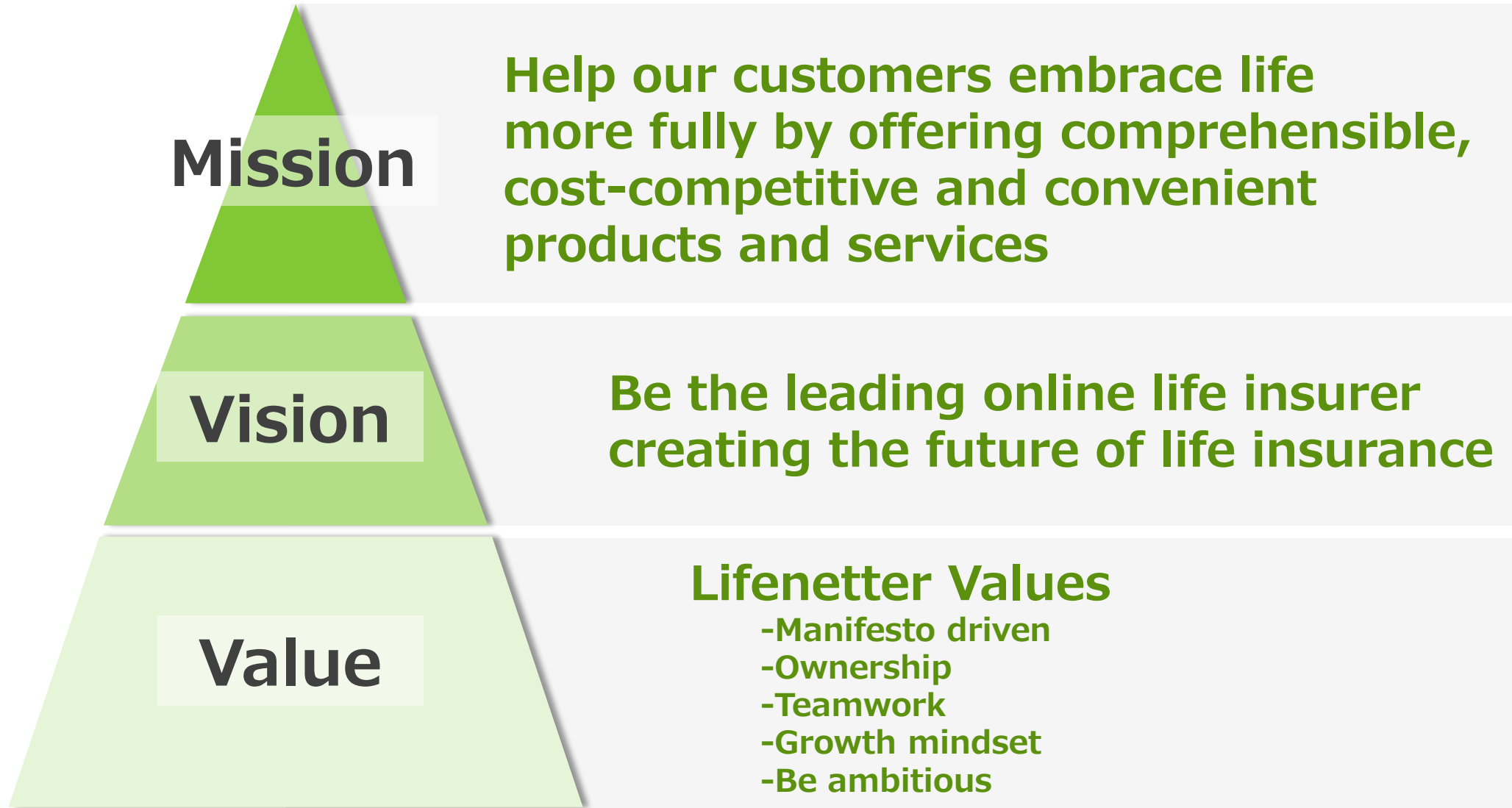
Outcome goal

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.

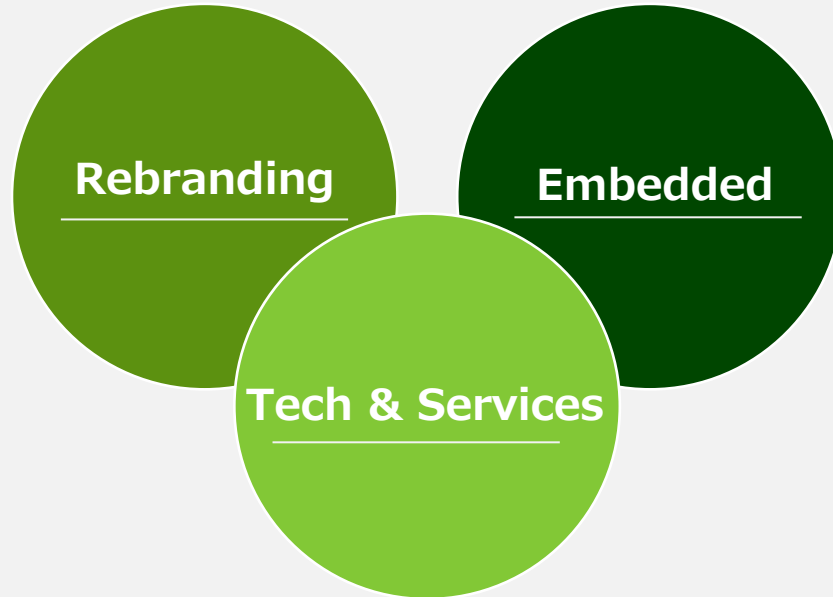
Outcome Reference Indicator¹

- 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

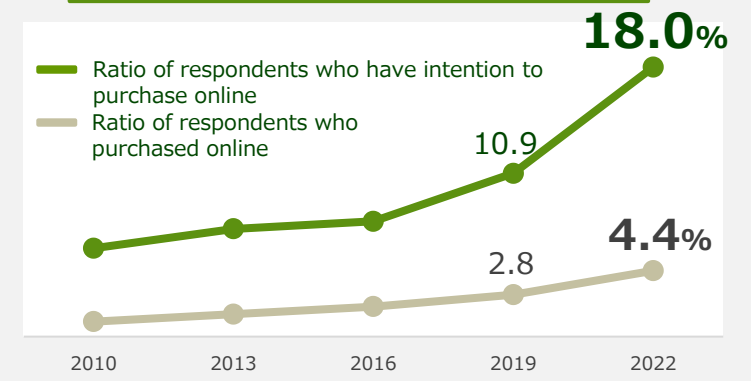
Our Business Environment

External environment changes will be a major tailwind for business growth

1 Expansion of online life insurance market

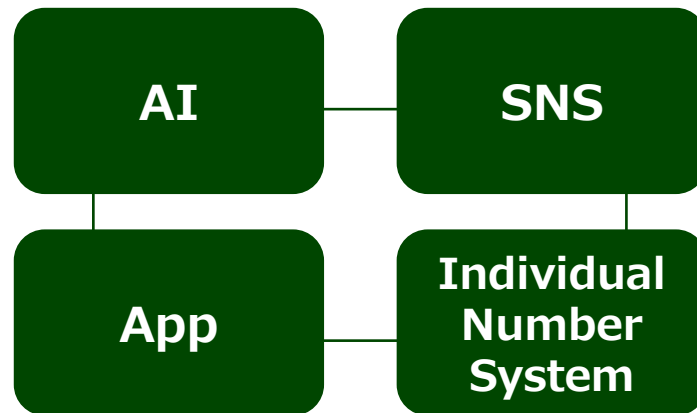
- COVID-19 accelerated online financial services
- Online insurance players increased

Intention to purchase life insurance online¹



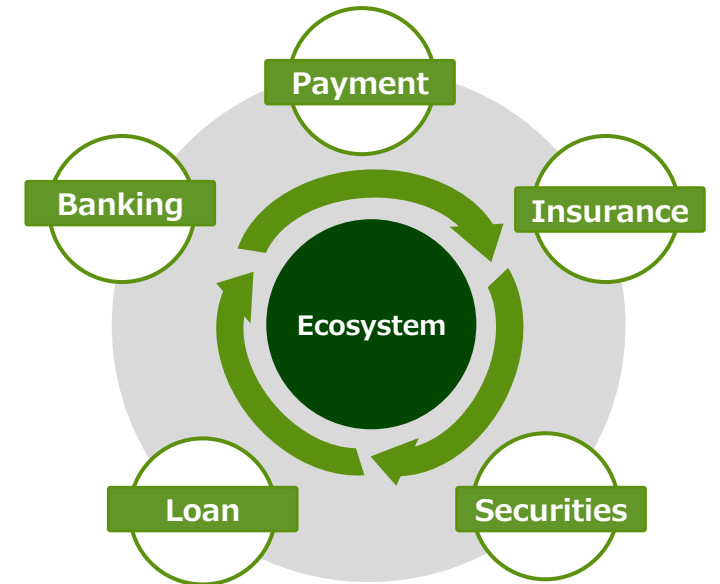
2 Younger generation × technologies

- 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”

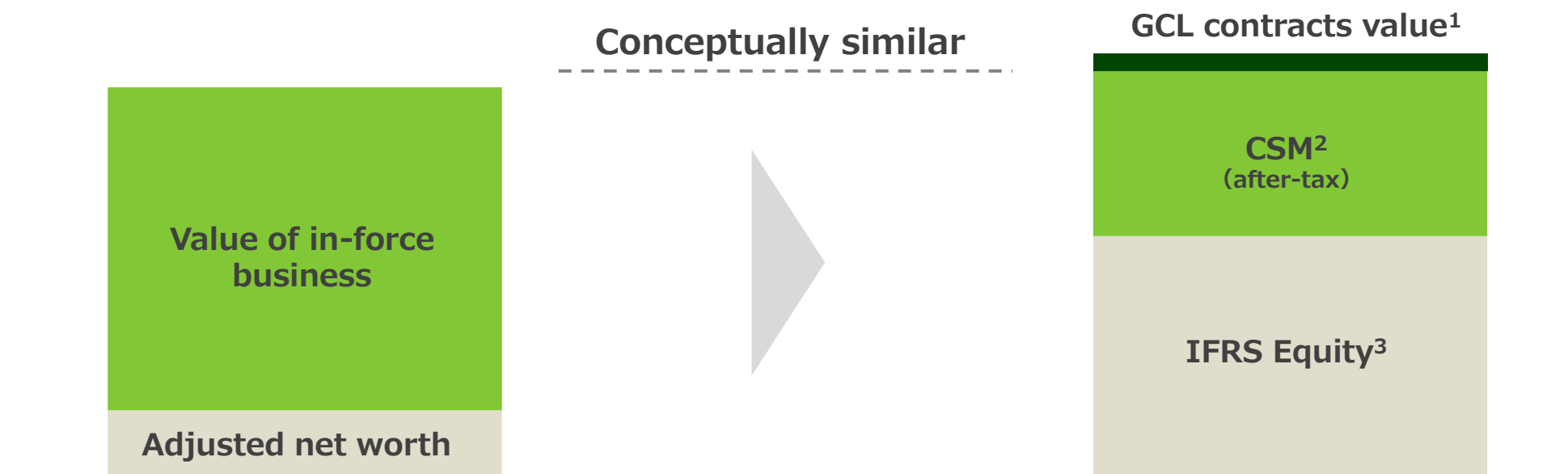
- Adopt “**Comprehensive Equity**” as new management indicator representing corporate value to replace EEV

Management Goal

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

European Embedded Value (EEV)

Comprehensive Equity (CE)



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)

Scaling up

- Re-growth in individual life + expansion of GCL
- Pursuit of upside

Priority Areas

- Tech & Services
- Rebranding
- Embedded

Improvement of profitability

- Increase in marketing efficiency
- Improvement of opex ratio as business scale-up

Investment in Human capital



Improvement market evaluation

Adopt corporate value indicators linked to IFRS

Commit to targets and its time frames

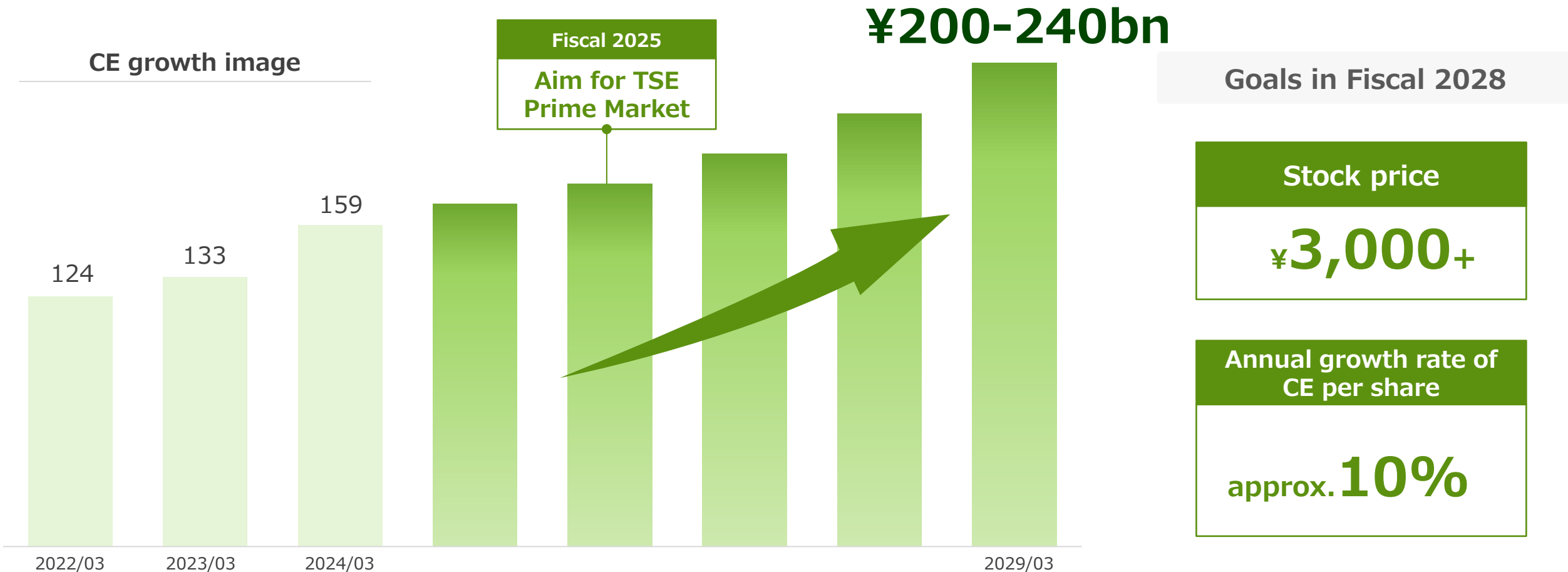


Transit to the TSE Prime Market

Strengthen governance systems

Fiscal 2028 goals image

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



1. Overview of Online Life Insurance Industry

2. Business Model and Our Strength

3. Management Policy and Mid-term Business Plan

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 and Reference Indicators



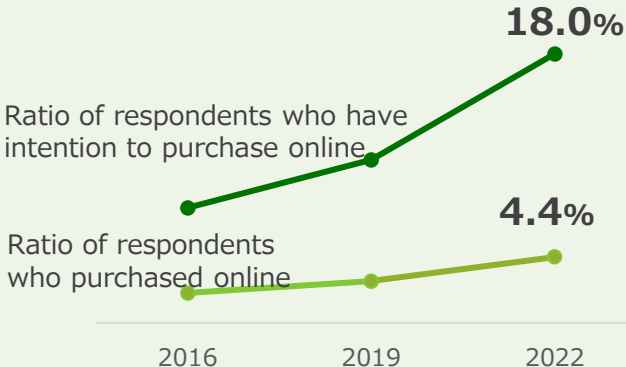
Outcome Goal

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

Reference Indicators¹

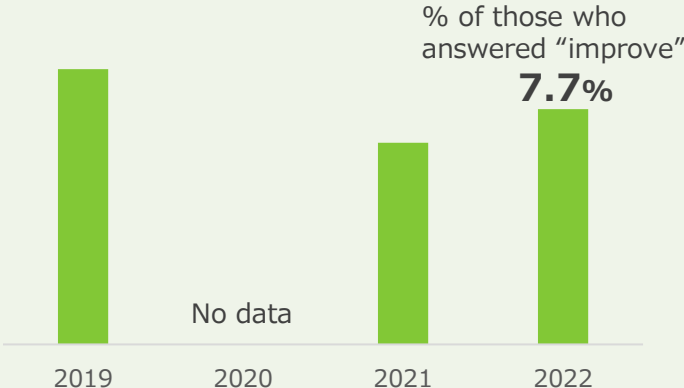
01 | Market penetration rate of online life insurance

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



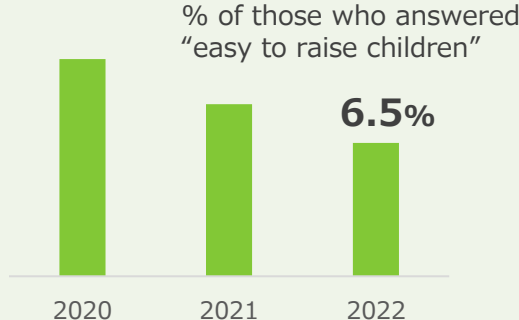
02 | Prospect for the future life

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.

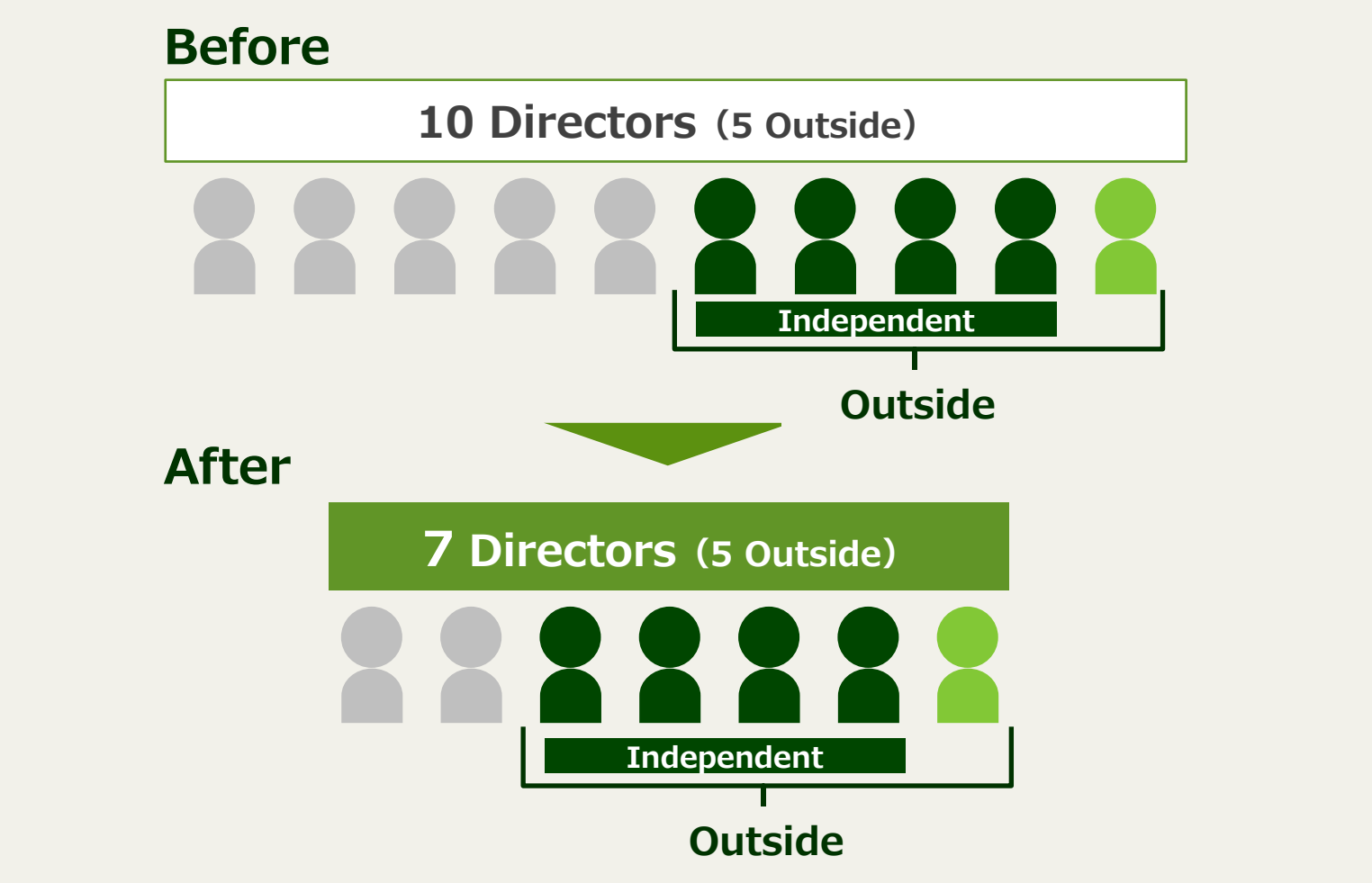


1. The market penetration rate of online life insurance is measured based on "the percentage of respondents who want to purchase via the Internet in the future" and "the percentage of those who have actually purchased via the Internet" in the "Survey on Life Protection" by the Japan Institute of Life 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.

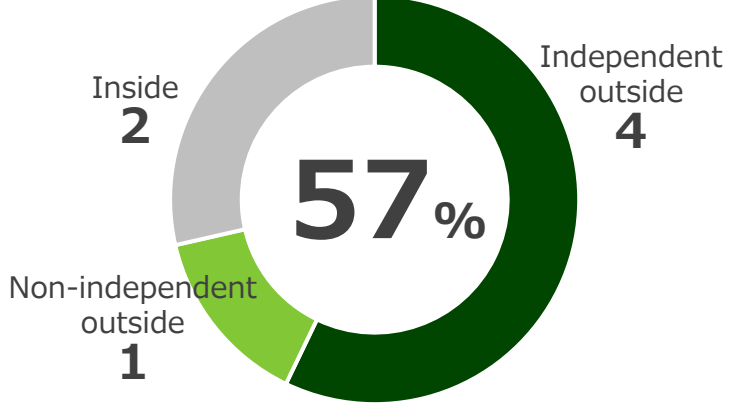
Further Strengthening of Corporate Governance



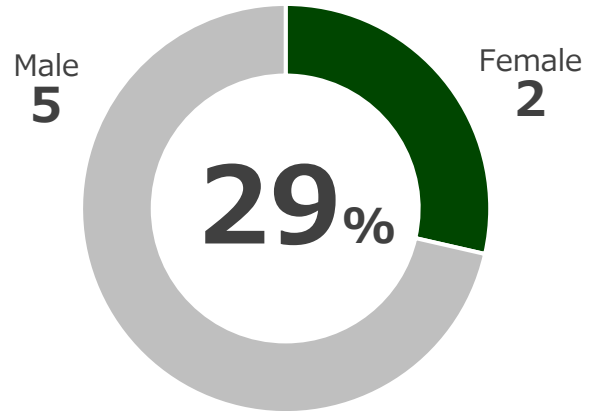
- **Shift to structure with a majority of Independent Outside Directors** with aim of strengthening the supervisory function of the Board of Directors and further enhancement of the separation of supervisory and executive functions



Ratio of Independent Outside Directors after change

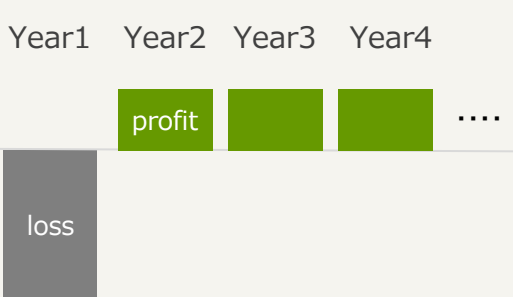
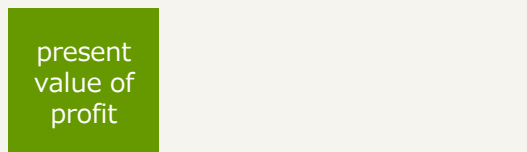



Ratio of Female Directors after change



IFRS Reporting

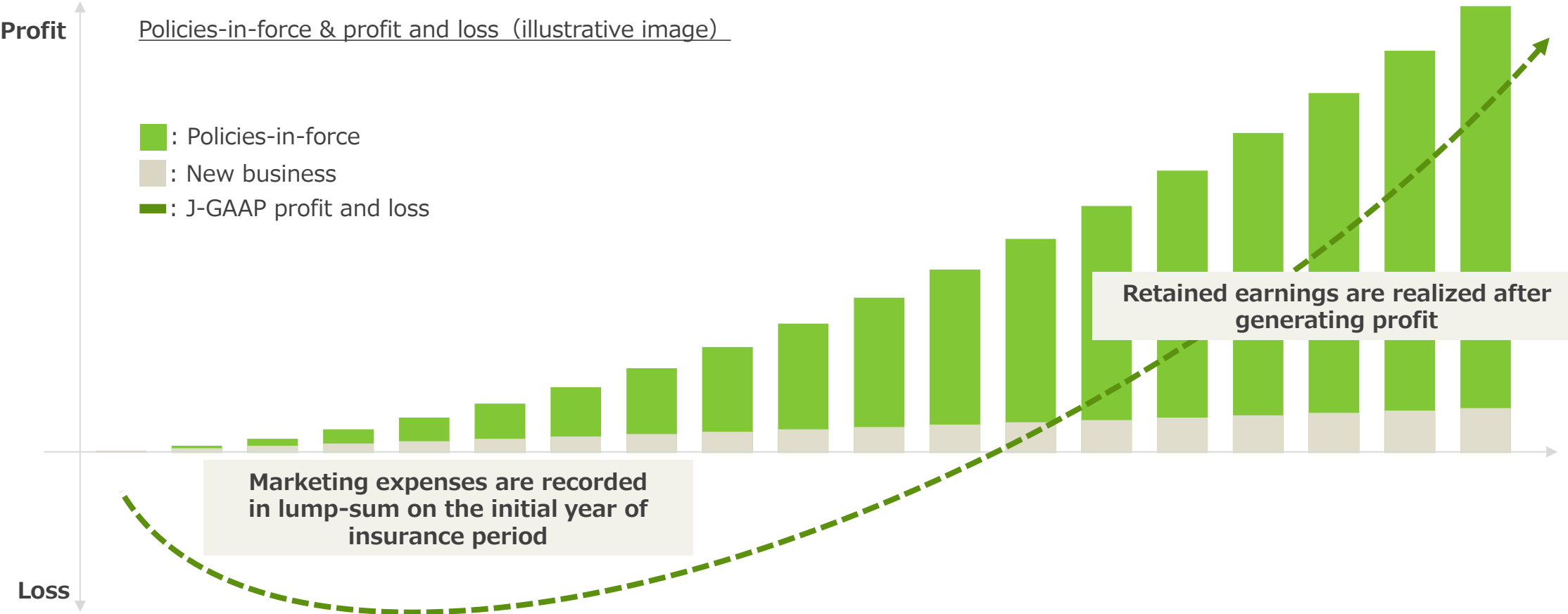
- IFRS adoption **better presents periodic performance and profitability from policies-in-force**
- Capital adequacy and dividends are **regulated by statutory accounting standards (J-GAAP)**

	Statutory Accounting (J-GAAP)	Embedded Value	IFRS 17
Important perspective	Financial soundness for policyholder protection	Economic value of insurance policies including future profit	Recognition of revenue based on the retention of in-force business
Timing of profit recognition	<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 gain¹



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.

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

Subscribe to our "IR email service" to receive news releases and website updates via email.

 E-mail Notices