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Ryosuke Mori, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Growth)

Revision of Business Forecasts for Fiscal 2022 Ending March 31, 2023

Mainly because of the increase of insurance payment related to COVID-19

TOKYO, November 10, 2022 - LIFENET INSURANCE COMPANY (TSE Growth 7157, President Ryosuke Mori, URL: <https://ir.lifenet-seimei.co.jp/en/>) announces a revision of its business forecasts for fiscal 2022 ending March 31, 2023, which was announced on May 12, 2022.

1. Business Forecasts for Fiscal 2022¹

(In millions of yen)

	Ordinary income	Ordinary profit (loss)	Net income (loss)
Previous forecast (A)	30,300	(3,400)	(3,400)
Revised forecast (B)	30,000	(5,000)	(5,000)
Difference (B) – (A)	(300)	(1,600)	(1,600)
Change (%)	(1.0%)	–	–
(Ref.) Business results for FY2021	26,167	(3,245)	(3,319)

1. The above business forecasts for fiscal 2022 includes the impact of reinsurance transactions by modified co-insurance. We expect the impact of these reinsurance transactions on fiscal 2022 forecasts to increase ordinary income by around 5,900 million yen (6,300 million yen as of previous forecast), ordinary profit and net income by around 800 million yen (1,000 million yen as of previous forecast). Figures mentioned above are based on the information available as of the date of this release and certain assumptions deemed rational. The actual results to be disclosed in the future may differ from the forecasted figures due to various factors.

(Reference) Annualized premium²

(In millions of yen)

	Annualized premium of policies-in-force	Annualized premium of new business
Previous forecasts (May 12, 2022)	24,400	4,400
Revised forecasts (November 10, 2022)	24,300	4,200
(Reference) Business results for fiscal 2021	21,511	4,089

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

2. Reasons for Revision

The payments of insurance claims and benefits related to COVID-19 increased due to the spread of COVID-19 and the amount of the payments reached 883 million yen for the six months ended September 30, 2022. Based on this, Lifenet has revised its business forecasts for fiscal year 2022 ending March 31, 2023, as the amount of insurance claims and benefits is expected to be higher than initially expected.

In addition, as for the reserves for outstanding claims, which is required to be accumulated under the Insurance Business Acts, we expect to record higher amount as a provision for reserves for outstanding claims than initially expected due to an increase in payments of insurance claims and benefits for the six months ended September 30, 2022. We have included the impact in our revision of the business forecasts.

Since April 2020, Lifenet has regarded patients with COVID-19 recuperating at home or accommodations as equivalent to those who have been hospitalized and are eligible for claiming benefits. However, in line with the recent government's policy to simplify COVID-19 case count rules, benefit payments are limited to those who have high risk when they are diagnosed with COVID-19 after September 26. As a result, future payments of claims and benefits related to COVID-19 are expected to be limited, while we carefully monitor the situation and will promptly announce any events that should be disclosed.

Subsequently, the forecasts for annualized premium of policies-in-force and of new business were also revised for the performance has not progressed as expected. Lifenet continuously aims to achieve double-digit growth in in-force business.

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

Remembering the original purpose of life insurance - mutual support - LIFENET INSURANCE COMPANY was founded with the goal of offering simple, convenient and competitively priced products and services based on the highest levels of business integrity. We sell these products and services directly to customers over the Internet. We aim to be the leading company driving the growth of the online life insurance market.

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