

November 25, 2019

Ryosuke Mori, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Mothers)

## Notice of Changes to Capital and Business Alliance Agreement

### Three-way business alliance agreement concluded, adding au Financial Holdings Corporation as an alliance partner in addition to KDDI CORPORATION

TOKYO, November 25, 2019 - LIFENET INSURANCE COMPANY (TSE Mothers 7157, President Ryosuke Mori, URL: <https://ir.lifenet-seimei.co.jp/en/>) announces the decision to conclude a business alliance agreement with au Financial Holdings Corporation (“au Financial Holdings”), as the new shareholder in LIFENET INSURANCE COMPANY (“Lifenet”) (24.99%<sup>\*1</sup>), in addition to the alliance agreement with KDDI CORPORATION (“KDDI”). The Board of Directors approved the decision today.

#### ■ Changes to Business Alliance

KDDI will implement a company spin-off (absorption-type split) on December 2, 2019 (scheduled date) and will transfer all shares held in Lifenet to au Financial Holdings, the intermediate financial holdings company. This will make au Financial Holdings the top major shareholder of Lifenet. In conjunction with this change, these three companies will conclude a business alliance agreement.

Lifenet entered a capital and business alliance with KDDI, a company with strong brand power and a broad customer base in the telecommunications business, in April 2015 as part of Lifenet’s growth strategy to deliver simple, convenient, and cost-competitive products and services to a wider range of customers. The goal of this alliance is to provide new financial services to customers by combining life insurance and telecommunications. KDDI subsequently became a channel for selling Lifenet’s life insurance products beginning in December 2016 and sells *au Life Insurance* that enables customers who are au mobile phone users to receive refunds on their insurance premiums of 200 yen a month for up to 60 months, resulting in growth in policies-in-force. KDDI also established au Financial Holdings in April 2019 to strengthen its payments and financial settlements business and is pursuing the “Smart Money Concept” of providing a comprehensive smartphone-centric settlement and financial transaction experience to customers through alliances with various group companies.

Lifenet will continue to strengthen its business alliance with KDDI and other companies of au Financial Group in the future, and will utilize the customer base, brand, business expertise, and other strengths of the KDDI Group in the joint provision of products and services.

#### ■ Changes to Capital Alliance

As part of KDDI’s organizational restructuring of its financial business, KDDI is transferring all of the 12,800,000 shares (24.99%<sup>\*1</sup>) it owns in Lifenet to au Financial Holdings, and as a result, Lifenet’s capital alliance will be switching to au Financial Holdings.

## ■ New Capital and Business Alliance Partner Profile (as of September 30, 2019)

(1) Company name	au Financial Holdings Corporation		
(2) Location	1-19-1, Nihonbashi, Chuo-ku, Tokyo		
(3) Representative	Tomohiko Katsuki, President		
(4) Business description	Management of and business pertaining to the management of subsidiary companies as determined by Banking Act		
(5) Capital	20,000 million yen		
(6) Date established	January 30, 2019		
(7) Major shareholder & percentage of shares held	KDDI CORPORATION 100%		
(8) Shareholder's relationship with Lifenet	Capital relationship	Not applicable	
	Personnel relationship	Yasuhiro Morita, Managing Executive Officer of au Financial Holdings Corporation, is Outside Director of Lifenet.	
	Transactional relationship	Not applicable	
	Related party status	Not applicable	
(9) Financial results of au Financial Holdings Corporation (non-consolidated)			
Fiscal term	Fiscal year ended March 2017	Fiscal year ended March 2018	Fiscal year ended March 2019
Net assets (million yen)	—	—	83
Total assets (million yen)	—	—	312
Net assets per share (yen)	—	—	20,823
Operating revenue (million yen)	—	—	—
Operating income (million yen)	—	—	(31)
Ordinary income (million yen)	—	—	(31)
Net income (million yen)	—	—	(116)
Net income per share (yen)	—	—	(29,176)

(Note: Since au Financial Holdings (former LDF Incorporation Preparation Company) was established on January 30, 2019, only the fiscal results of FY2019 is shown above.)

## ■ Date of Conclusion

December 2, 2019 (scheduled)

## ■ Future Prospects

This change is in accordance with organizational changes within the KDDI Group and the impact on the operating results of Lifenet will be minor.

\*1 as of September 30, 2019

**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.

Contact: Investor Relations, Corporate Planning Department

Tel: +81-3-5216-7900

e-mail: [ir@lifenet-seimei.co.jp](mailto:ir@lifenet-seimei.co.jp)

*Disclaimer: This is a summarized translation of the original Japanese document, prepared and provided solely for readers' convenience. In case of any discrepancy or dispute, the Japanese document prevails.*