

(Summarized Translation)

**Notice of Convocation of the 7th Annual General Meeting
of Shareholders to be held on June 23, 2013**

LIFENET INSURANCE COMPANY
JAPAN
(Securities code: 7157, ISIN: JP3966660007)

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(Securities Code: 7157)

May 31, 2013

To our shareholders:

Haruaki Deguchi, President/Founder
LIFENET INSURANCE COMPANY
2-14-2 Kojimachi, Kojimachi NK Building 5F
Chiyoda-Ku, Tokyo 102-0083

Notice of Convocation of the 7th Annual General Meeting of Shareholders to be held on June 23, 2013

Notice is hereby given that the 7th Annual General Meeting of Shareholders of the Company will be held as described hereunder and your attendance is cordially requested. You are entitled to vote in writing if you are unable to attend the meeting in person. In this regard, we cordially request that you study the following documents, and indicate your approval or disapproval of the proposal on the voting directive form, and return it to us no later than 5:30 pm, June 21, 2013, Japan time.

Description

1. Date and time: 2:00 p.m. on Sunday, June 23, 2013, Japan time
2. Place: Hibiya Public Hall, 1-3 Hibiya Park, Chiyoda-ku, Tokyo, Japan
3. Objectives of the meeting:

Matters for report:

Reports on the Business Report, Non-consolidated Financial Statements for the 7th Accounting Period (from April 1, 2012 to March 31, 2013), and Reports on Results of the Audit of the Accounting Auditor and the Board of Corporate Auditors on Non-consolidated Financial Statements

Matters for resolution:

Agenda Item No. 1. Partial Amendment to the Articles of Incorporation

Agenda Item No. 2. Election of Seven (7) Individuals as Directors

REFERENCE MATERIAL FOR SHAREHOLDERS MEETING

Agenda Item No. 1. Partial Amendment to the Articles of Incorporation

The Company commenced its business operations in May 2008 and was listed on the Mothers section of the Tokyo Stock Exchange in March 2012. In November 2012, it achieved the management target to reach 150,000 within five years of commencing business operations. With the aim to continue sustainable growth, the Company has created the posts of Chairman and Chief Executive Officer (CEO), and Chief Operating Officer (COO) to further strengthen the corporate governance system. Changes to the provisions of the Company's Articles of Incorporation have become necessary with these new positions. Details of the proposed amendment are as follows:

(Underlines denote amendments)

Current Articles of Incorporation	Proposed Change
<p>(Convening of general meetings of shareholders) Article 13(Omitted)</p> <p>2 Unless otherwise provided for by laws or regulations, the <u>President</u> shall convene a general meeting of shareholders. However, in the case where the <u>President is</u> unable so to act, one of the other Directors in the order previously determined by the Board of Directors shall convene a general meeting of shareholders.</p>	<p>(Convening of general meetings of shareholders) Article 13 (Unchanged)</p> <p>2 Unless otherwise provided for by laws or regulations, the <u>Chairman and Representative Director</u> shall convene a general meeting of shareholders. However, in the case where the <u>Chairman and Representative Director is absent or</u> unable so to act, one of the other Directors in the order previously determined by the Board of Directors shall convene a general meeting of shareholders.</p>
<p>(Chairman of general meeting of shareholders) Article 14The <u>President</u> shall preside over the general meeting of shareholders. However, in the case where the <u>President is</u> unable so to act, one of the other Directors in the order previously determined by the Board of Directors shall preside over the general meeting of shareholders.</p>	<p>(Chairman of general meeting of shareholders) Article 14The <u>Chairman and Representative Director</u> shall preside over the general meeting of shareholders. However, in the case where the <u>Chairman and Representative Director is absent or</u> unable so to act, one of the other Directors in the order previously determined by the Board of Directors shall preside over the general meeting of shareholders.</p>
Articles 15 to 20 (Omitted)	Articles 15 to 20 (Unchanged)
<p>(Director(s) with titles) Article 21The Company may appoint one President and a number of Directors with titles from among the Directors by a resolution of the Board of Directors.</p>	<p>(Director(s) with titles) Article 21The Company may appoint <u>one Chairman</u>, one President and a number of Directors with titles from among the Directors by a resolution of the Board of Directors.</p>



Current Articles of Incorporation	Proposed Change
(Representative Directors) Article 22The President shall be a Representative Director. 2 (Omitted) (Newly Established)	(Representative Directors) Article 22The <u>Chairman and</u> the President shall be Representative Directors. 2 (Unchanged) 3 <u>The Company shall designate the Chairman or the President as the Chief Executive Officer (CEO) and appoint one Chief Operating Officer (COO) from among the Representative Directors by a resolution of the Board of Directors.</u>

Agenda Item No. 2. Election of Seven (7) Individuals as Directors

As the term of office for the current seven (7) directors expires at the conclusion of this annual general meeting of shareholders, the Company proposes the election seven (7) directors. All members are reelected candidates. Candidates for director are as follows:

No.	Name (Date of Birth)	Brief career history and positions and areas of responsibility in Lifenet as well as significant concurrent positions outside Lifenet
1	 Haruaki Deguchi (April 18, 1948)	April 1972 Joined Nippon Life Insurance Company April 1992 General Manager, London Branch April 1995 Director, International Business Dept. April 1998 Director, Governmental Affairs Dept. April 2003 Property Management / PFI, Taisay Building Management June 2005 Board Director October 2006 President and Representative Director, Lifenet Insurance Company July 2011 President and Representative Director, Executive Officer (incumbent) In charge of Audit Department
2	 Daisuke Iwase (March 17, 1976)	April 1998 Joined The Boston Consulting Group December 2001 Joined Ripplewood Japan October 2006 Executive Vice President, Lifenet insurance Company February 2009 Executive Vice President and Representative Director July 2011 Executive Vice President and Representative Director, Executive Officer (incumbent)

No.	Name (Date of Birth)	Brief career history and positions and areas of responsibility in Lifenet as well as significant concurrent positions outside Lifenet
3	 Kazuko Nakada (January 15, 1965)	<p>April 1987 Joined Dentsu Young & Rubicam Inc.</p> <p>January 1997 Manager of Marketing & PR, Starbucks Coffee Japan Limited</p> <p>June 2001 Chief Public Relations Officer / Corporate Officer</p> <p>February 2005 Director of Marketing Division, GABA Corporation</p> <p>January 2006 Managing Officer in charge of the Marketing Division</p> <p>April 2008 General Manager of Marketing Department, Lifenet Insurance Company</p> <p>February 2009 Director</p> <p>April 2011 Managing Director</p> <p>July 2011 Managing Director, Executive Officer (incumbent) In charge of Marketing Department, Product Development Department and Contact Center</p>
4	 Shunichiro Higuchi (November 2, 1953)	<p>April 1977 Joined Ministry of Finance Japan</p> <p>July 1997 Director-General of the Budget Bureau</p> <p>June 1998 Manager of Insurance Business Division, Supervisory Bureau, Financial Services Agency of Japan</p> <p>July 2005 Director of Japan Finance Corporation</p> <p>July 2007 Chief of Kinki Local Finance Bureau, Ministry of Finance</p> <p>July 2008 President of Policy Research Institute</p> <p>April 2011 Visiting Professor of Department of Cross-Cultural Studies, Faculty of Policy Studies, Chuo University (incumbent)</p> <p>November 2011 Corporate Advisor, Lifenet Insurance Company</p> <p>June 2012 Managing Director, Executive Officer, Chief Compliance Officer (incumbent) In charge of Legal Department, Risk Management Department and Customer Affairs Department</p>
5	 Sakuya Fujiwara (January 14, 1937)	<p>April 1962 Joined Jiji Press, Ltd.</p> <p>June 1994 Chairman of Expositive Commission</p> <p>April 1997 Advisor of Expositive Commission</p> <p>March 1998 Deputy Governor, the Bank of Japan</p> <p>June 2003 President of Hitachi Research Institute Corporate Auditor, Tohoku Electric Power Co., Inc. (incumbent)</p> <p>June 2011 Corporate Auditor, the Mainichi Newspapers Group Holdings (incumbent)</p> <p>June 2012 Director, Lifenet Insurance Company (incumbent)</p>

No.	Name (Date of Birth)	Brief career history and positions and areas of responsibility in Lifenet as well as significant concurrent positions outside Lifenet
6	 <p data-bbox="341 667 555 757">Yoko Ishikura (Yoko Kurita) (March 19, 1949)</p>	<p data-bbox="614 295 1390 327">July 1985 Manager, McKinsey & Company Japan</p> <p data-bbox="614 331 1390 430">April 1992 Professor, School of International Politics, Economics and Communication of Aoyama Gakuin University</p> <p data-bbox="614 434 1390 506">April 2000 Professor, Hitotsubashi University Graduate School of International Corporate Strategy</p> <p data-bbox="614 510 1390 542">April 2004 Outside Director, Japan Post</p> <p data-bbox="614 546 1390 577">October 2005 Vice President, Science Council of Japan</p> <p data-bbox="614 582 1390 613">June 2006 Director, Mitsui O.S.K. Lines</p> <p data-bbox="614 618 1390 689">June 2010 Director, Nissin Foods Holdings Co., Ltd. (incumbent)</p> <p data-bbox="614 694 1390 725"> Director, Fujitsu Limited (incumbent)</p> <p data-bbox="614 730 1390 801">April 2011 Professor, Graduate School of Media Design, Keio University (incumbent)</p> <p data-bbox="614 806 1390 837">June 2012 Director, Lifenet Insurance Company (incumbent)</p>
7	 <p data-bbox="341 1263 555 1330">Kazunari Uchida (October 31, 1951)</p>	<p data-bbox="614 833 1390 864">April 1974 Joined Japan Airlines Co., Ltd.</p> <p data-bbox="614 869 1390 940">November Senior Vice President, the Boston Consulting 1999 Group</p> <p data-bbox="614 945 1390 976">June 2000 Japan Representative</p> <p data-bbox="614 981 1390 1012">January 2005 Senior Vice President</p> <p data-bbox="614 1016 1390 1088">March 2006 Corporate Auditor, Suntory (currently Suntory Holdings Limited)</p> <p data-bbox="614 1093 1390 1164">April 2006 Professor, the Graduate School of Commerce, Waseda University (incumbent)</p> <p data-bbox="614 1169 1390 1240">April 2007 Professor, Waseda Business School, Waseda University (incumbent)</p> <p data-bbox="614 1245 1390 1317">February Corporate Auditor, Kewpie Corporation 2012 (incumbent)</p> <p data-bbox="614 1321 1390 1393">June 2012 Director, Lifenet Insurance Company (incumbent) Director, Mitsui-Soko Co., Ltd. (incumbent)</p> <p data-bbox="614 1397 1390 1429">August 2012 Director, Japan ERI Co., Ltd. (incumbent)</p>

(Notes) 1. Each nominee holds no shares of Lifenet.

2. There are no special interests between each nominee and Lifenet.

3. Sakuya Fujiwara, Yoko Ishikura, and Kazunari Uchida are incumbent outside directors of Lifenet. The matters regarding outside directors are as follows:

(1) The term of office of each nominee will be one year upon conclusion of this General Meeting.

(2) The Company has notified the Tokyo Stock Exchange of our designation of them as independent directors/auditors under the regulations of the exchange because there is no chance of conflicts of interest arising between each nominee and general shareholders. In the event that they are reelected, Lifenet plans to notify the exchange of our designation of them as such.

(3) Lifenet has entered into agreements, with each outside director, that stipulate that, in the event that an outside director in his/her tenure of office neglects his/her duties resulting in damages incurred to Lifenet, his/her liability for damages

stipulated in Article 423(1) of the Companies Act will be limited, if the relevant outside director is without knowledge and is not grossly negligent in performing his/her duties; provided, however, such amount shall be limited to the extent of the amount stipulated by relevant laws and regulations.

4. Sakuya Fujiwara, Yoko Ishikura, and Kazunari Uchida are nominees for outside directors as stipulated in Article 2 (3) (vii) of the Ordinance for Enforcement of the Companies Act. The reasons for their nomination as outside directors are as follows:
- (1) Lifenet proposes the election of Sakuya Fujiwara as outside director since he has engaged in the Japanese financial policy as Deputy Governor of the Bank of Japan and has rich experiences and a wealth of expertise in finance.
 - (2) Lifenet proposes the election of Yoko Ishikura since, although she has never been directly engaged in company management, she has rich experiences and a wealth of expertise in corporate management as an expert of international politics and economics and international business strategies.
 - (3) Lifenet proposes the election of Kazunari Uchida since he has rich experiences and a wealth of expertise in corporate management from his experience as a corporate manager at a consulting firm.

(References)

Non-consolidated Financial Statements

(1) Balance Sheets

	(In millions of yen)	
	March 31	
	2012	2013
ASSETS		
Cash and deposits.....	¥ 428	¥ 353
Deposits.....	428	353
Securities.....	13,800	13,488
Government bonds.....	9,939	7,331
Corporate bonds.....	3,721	5,982
Stocks.....	139	174
Tangible fixed assets.....	90	97
Buildings.....	34	21
Leased assets.....	21	8
Other tangible fixed assets.....	34	68
Intangible fixed assets.....	424	590
Software.....	393	378
Software in progress.....	28	199
Leased assets.....	—	8
Other intangible fixed assets.....	3	2
Agency accounts receivable.....	0	0
Reinsurance accounts receivable.....	0	13
Other assets.....	4,116	5,907
Accounts receivable.....	348	498
Prepaid expenses.....	11	9
Accrued income.....	18	23
Deposits.....	78	75
Suspense payments.....	0	0
Deferred assets under Article 113 of the Insurance Business Act...	3,659	5,300
Assets.....	¥ 18,861	¥ 20,450

(In millions of yen)

March 31

	2012	2013
<u>LIABILITIES</u>		
Policy reserves and others	¥ 1,940	¥ 3,544
Reserves for outstanding claims	196	265
Policy reserves	1,743	3,278
Agency accounts payable	2	3
Reinsurance accounts payable	11	15
Other liabilities	535	493
Income taxes payable	3	3
Accounts payable	26	106
Accrued expenses	441	320
Deposits received	7	11
Lease liabilities	23	18
Asset retirement obligations	32	32
Suspense receipt	0	0
Reserves under the special laws	2	3
Reserve for price fluctuations	2	3
Deferred tax liabilities	209	318
Total liabilities	<u>¥ 2,702</u>	<u>¥ 4,379</u>
<u>NET ASSETS</u>		
Capital stock	¥ 10,478	¥ 10,484
Capital surplus	10,478	10,484
Legal capital surplus	10,478	10,484
Retained earnings	(4,852)	(4,978)
Other retained earnings	(4,852)	(4,978)
Retained earnings brought forward	(4,852)	(4,978)
Shareholders' equity	<u>16,103</u>	<u>15,990</u>
Valuation difference on available-for-sale securities	35	60
Valuation and translation adjustments	35	60
Subscription rights to shares	20	20
Net assets	<u>16,159</u>	<u>16,071</u>
Liabilities and net assets	<u>¥ 18,861</u>	<u>¥ 20,450</u>

(2) Statements of Operations

(In millions of yen)

	Year ended March 31	
	2012	2013
Ordinary income	¥ 3,773	¥ 5,976
Insurance premiums and other	3,720	5,915
Premiums income	3,707	5,876
Reinsurance income	12	39
Investment income	47	51
Interest, dividends and other income	47	51
Interest from deposits	0	0
Interest and dividends from securities	47	51
Other ordinary income	5	9
Other	5	9
Ordinary expenses	4,461	5,999
Insurance claims and other	410	575
Insurance claims	251	286
Benefits	119	234
Other refunds	—	0
Reinsurance premiums	40	54
Provision for policy reserves and others	1,130	1,603
Provision for reserves for outstanding claims	66	68
Provision for policy reserves	1,063	1,535
Investment expenses	0	0
Interest expenses	0	0
Operating expenses	3,984	4,976
Other ordinary expenses	1,041	1,544
Taxes	192	250
Depreciation	192	228
Amortization of deferred assets under Article 113 of the Insurance Business Act	609	1,060
Other	46	4
Deferred assets under Article 113 of the Insurance Business Act	(2,106)	(2,701)
Ordinary profit (loss)	(687)	(23)
Extraordinary losses	14	1
Impairment loss	13	—
Provision of reserves under the special laws	0	1
Provision of reserve for price fluctuations	0	1
Income (loss) before income taxes	(702)	(24)
Income taxes-current	3	3
Income taxes-deferred	194	98
Income taxes	197	101
Net income (loss)	¥ (900)	¥ (126)

(3) Statements of Changes in Net Assets

(In millions of yen)

	Year ended March 31	
	2012	2013
Shareholders' equity:		
Capital stock		
Capital stock	¥ 6,600	¥ 10,478
Changes of items during the period		
Issuance of new shares	3,878	—
Issuance of new shares-exercise of subscription rights to shares	—	6
Total changes of items during the period	3,878	6
Capital stock	10,478	10,484
Capital surplus		
Legal capital surplus		
Legal capital surplus	6,600	10,478
Changes of items during the period		
Issuance of new shares	3,878	—
Issuance of new shares-exercise of subscription rights to shares	—	6
Total changes of items during the period	3,878	6
Legal capital surplus	10,478	10,484
Total capital surplus		
Capital surplus	6,600	10,478
Changes of items during the period		
Issuance of new shares	3,878	—
Issuance of new shares-exercise of subscription rights to shares	—	6
Total changes of items during the period	3,878	6
Capital surplus	10,478	10,484
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Retained earnings brought forward	(3,952)	(4,852)
Total changes of items during the period		
Net income (loss)	(900)	(126)
Total changes of items during the period	(900)	(126)
Retained earnings brought forward	(4,852)	(4,978)
Total retained earnings		
Retained earnings	(3,952)	(4,852)
Changes of items during the period		
Net income (loss)	(900)	(126)
Total changes of items during the period	(900)	(126)
Retained earnings	(4,852)	(4,978)
Total shareholders' equity		
Shareholders' equity	9,247	16,103
Changes of items during the period		
Issuance of new shares	7,756	—
Issuance of new shares-exercise of subscription rights to shares	—	13
Net income (loss)	(900)	(126)
Total changes of items during the period	6,856	(112)
Shareholders' equity	¥ 16,103	¥ 15,990

	(In millions of yen)	
	Year ended March 31	
	2012	2013
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities		
Valuation difference on available-for-sale securities	¥ 24	¥ 35
Changes of items during the period		
Net changes of items other than shareholders' equity	10	24
Total changes of items during the period	10	24
Valuation difference on available-for-sale securities	35	60
Total valuation and translation adjustments		
Total valuation and translation adjustments	24	35
Changes of items during the period		
Net changes of items other than shareholders' equity	10	24
Total changes of items during the period	10	24
Total valuation and translation adjustments	35	60
Subscription rights to shares:		
Subscription rights to shares	20	20
Changes of items during the period		
Net changes of items other than shareholders' equity	-	-
Total changes of items during the period	-	-
Subscription rights to shares	20	20
Net assets:		
Net assets	9,292	16,159
Changes of items during the period		
Issuance of new shares	7,756	—
Issuance of new shares-exercise of subscription rights to shares	—	13
Net income (loss)	(900)	(126)
Net changes of items other than shareholders' equity	10	24
Total changes of items during the period	6,866	(88)
Net assets	¥ 16,159	¥ 16,071