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(Securities Code: 7157, TSE Mothers)

Lifenet Starts Over-the-Counter Sales of Insurance at “Hoken No Madoguchi” Shops

**On Dec. 1, 2014, face-to-face consultations and internet applications
of Lifenet’s products start at 308 “Hoken No Madoguchi” shops**

TOKYO, November 27, 2014 – LIFENET INSURANCE COMPANY (TSE Mothers 7157, President & COO Daisuke Iwase, URL: <http://ir.lifenet-seimei.co.jp/en/>) announces that it has concluded an agency agreement with HOKEN NO MADOGUCHI GROUP INC. (CEO Yasuhiko Kubota, URL: <http://www.lifeplaza.co.jp/>), and plans to start selling Lifenet’s products at “Hoken No Madoguchi” shops nationwide on December 1, 2014.

This initiative will enable our customers to apply for Lifenet’s products on the Internet based on face-to-face consultations at 308 “Hoken No Madoguchi” directly-managed shops nationwide. This covers all of Lifenet’s insurance products including “Hataraku Hito”, individual long-term disability product which provides insurance against the risk of the long-term disability to earn income due to illness or injury.

■ Background of initiative

Both companies believe in the social value of the spread of a new category of life insurance with living benefit

Progression in the diversification of needs for life insurance is driving new growth in a new category of life insurance with living benefit in addition to traditional death and medical coverage. In light of this trend, Hoken No Madoguchi Group – striving to strengthen its ability to propose life insurance with living benefit that matches the needs based on consultations – and Lifenet, who offers long-term disability insurance that provides coverage in place of monthly income in the case of long-term incapacity to work, have joined together to start sales through this initiative.

Lifenet started sales of long-term disability insurance for individuals providing coverage up to the age of 65 in February 2010, with approximately 25,000 policies-in-force as of the end of October 2014. With the trend towards shorter hospitalization and the gradual spread of home care, there is still much room in Japan for the growth of long-term disability insurance needs. Although countering the risk of long-term disability with the use of long-term disability insurance as a company scheme or a measure taken by individuals is becoming the common in the U.S. and other countries, there are still only a few companies which offer such products in Japan, and familiarity with the products’ features remains still low. In light of this situation, Lifenet believes that the market for long-term disability insurance will grow through sales based on not only the Internet but also face-to-face explanations of products. At “Hoken No Madoguchi” shops nationwide, insurance sales professionals communicate with customers, carefully probe for their needs, and provide consultation on the necessity for insurance that provides coverage in the case of long-term disability.

Living while dealing with a long-term disability is not covered sufficiently under the current social insurance system

Methods of securing generous coverage for medical fees for short-term hospitalization and hospital visits due to illness or injury are becoming more extensive, even in cases with coverage by the social insurance system. On the other hand, although the social insurance system offers “injury and disease allowance” as coverage for people who need long-term care and have become disable to work, this is not sufficient mainly because the maximum period of coverage is 18 months and self-employed workers are not eligible.

If the head of a household becomes disable to work for a long period due to illness or injury in an field where coverage by the social insurance system is insufficient, there is a risk of economic loss on household budgets, not only due to medical fees but also because of continuing expenditures such as housing expenses and other living costs. In fact, the reason for households starting to receive public welfare assistance is almost injury or disease afflicting the head of the household, demonstrating that households are largely exposed to the risk of not being able to maintain the current standard of living due to illness or injury.

As described above, by taking out long-term disability insurance, people can protect themselves against the risk of losing income due to becoming incapable of work as a result of illness or injury. This new category of insurance will enable policyholders to continue their daily lives with peace of mind by having continuous coverage up to the age of 65 when they become eligible for public pensions.

About Lifenet URL: <http://ir.lifenet-seimei.co.jp/en/>

Returning to 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. By using the Internet, we are able to offer highly cost-competitive products and accept applications from customers at any given time.

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