

September 13, 2013

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LIFENET INSURANCE COMPANY  
(Securities Code: 7157, TSE Mothers)

## Lifenet and Kyobo Life to Establish New Joint Venture in Korea

LIFENET INSURANCE COMPANY (“Lifenet”, TSE Mothers 7157, President & COO Daisuke Iwase, URL: <http://ir.lifenet-seimei.co.jp/en/>) announces that Lifenet and Kyobo Life Insurance Co, Ltd. (“Kyobo Life”, Chairman and CEO: Chang-Jae Shin) signed a shareholders’ agreement regarding the establishment of a joint venture in Korea. This joint venture will offer life insurance products and services directly to customers over the Internet. Brief details are as follows.

### 1. Background and Objectives of the New Joint Venture’s Establishment

The Korean life insurance market is the world’s eighth-largest market in terms of insurance premium revenue<sup>\*1</sup>, and is in a time of significant change due to the deregulation, leading to changes such as the diversification of sales channels. Korea is also one of top-ranking countries in terms of Internet penetration, and online-based financial activities have been growing largely, mainly among the youth of the country. Lifenet and Kyobo Life believe this is an ideal environment in which to establish an online-based life insurance company, bringing together the experience and knowledge of Lifenet’s customer-focused online distribution and the well-established and strong business base of Kyobo Life.

Kyobo Life will aim to create new value for customers in life insurance industry in Korea, establishing the first online-based life insurance company and building a company brand the customers find most favorable.

This joint venture will be an investment for Lifenet, firstly as an earning opportunity in an overseas market, and will simultaneously aim to obtain the knowledge and know-how for further overseas development in the future, and is in accordance with the use of proceeds disclosed at the time of our IPO.

\*1 Swiss Re Sigma (No 3/2013)

### 2. Overview of Joint Venture

Company name	To be determined
Headquarter location	Seoul, the Republic of Korea
Representative	To be determined
Establishment	September 2013 (tentative)
Business	Preparations for starting a life insurance business
Capital	32.0 billion KRW
Ownership	Kyobo Life (Voting rights: 66.0%) Lifenet (Voting rights: 34.0%)

\*1 Lifenet plans to dispatch one non-standing director to the joint venture.

\*2 Kyobo Life will subscribe 25% of capital in the joint venture as non-voting preferred shares.

### 3. Overview of Kyobo Life

Company name	KYOBO LIFE INSURANCE CO., LTD.
Headquarter location	Seoul, the Republic of Korea
Representative	Chairman and CEO, Chang-Jae Shin
Establishment	August 1958
Business	Life insurance
Capital	102.5 billion KRW (as of March 31, 2013)
Largest shareholder	Chang-Jae Shin 33.78% (as of March 31, 2013)
Business Results (Kyobo Life Only) (Fiscal 2012 ended March 31, 2013)	
Total assets	69,956.3 billion KRW
Total equity	5,894.7 billion KRW
Operating revenues	12,713.7 billion KRW
Operating income	586.4 billion KRW
Net income	572.2 billion KRW

### 4. Outlook

This joint venture is expected to apply for a formal life insurance license to the Financial Services Commission in Korea this month. Subject to the grant of a formal life insurance license, it plans to commence its business operations in this fiscal year ending March 31, 2014.

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

Returning to the original purpose of life insurance - mutual support - LIFENET INSURANCE 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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