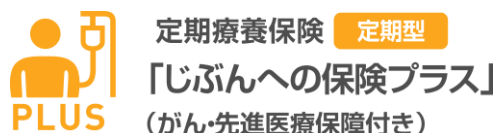


September 19, 2012

Haruaki Deguchi, President/Founder  
LIFENET INSURANCE COMPANY  
(Code: 7157, TSE Mothers)

**Lifenet launches the new copayment-linked medical insurance  
“Jibun Plus ” (with cancer and advanced medical care coverage)  
in early October**

TOKYO, September 19, 2012 - LIFENET INSURANCE COMPANY (TSE Mothers 7157, President/Founder: Haruaki Deguchi, URL: <http://ir.lifenet-seimei.co.jp/en/>) announces the launch of its copayment-linked medical insurance “Jibun Plus” (with cancer and advanced medical care coverage) in early October 2012.



Lifenet Insurance, based on its Manifesto; to offer comprehensible, cost-competitive, and convenient, has been selling the whole-life medical insurance “Jibun” characterized by its simple and comprehensible coverage with no riders since its business operation started in May 2008. Meanwhile, the company has been studying “what private medical insurance should be like” considering Japan’s medical environment and inquiries to the company made by its customers, and has developed the new copayment-linked medical insurance “Jibun Plus” (with cancer and advanced medical care coverage).

Currently in the Japanese medical environment such phenomena are observed as shorter hospitalization periods, higher hospitalization costs per day, and the shift from hospitalization to out-patient in the treatment of cancer which is said to be almost a national disease. As a result, there have emerged cases where the actual medical care does not match the content of insurance benefits offered in **whole-life medical insurance with fixed benefits linked to hospitalization periods** which is the mainstream of private medical insurance.

Under such circumstances, the company hereby launches the new **copayment-linked term medical insurance “Jibun Plus” (with cancer and advanced medical care coverage)**. This medical insurance product not only offers copayment-linked benefits that help reduce policyholders’ copayment in the public health care insurance system, but also meets wide-ranging needs related to medical expenses with its coverage for cancers and advanced medical care.

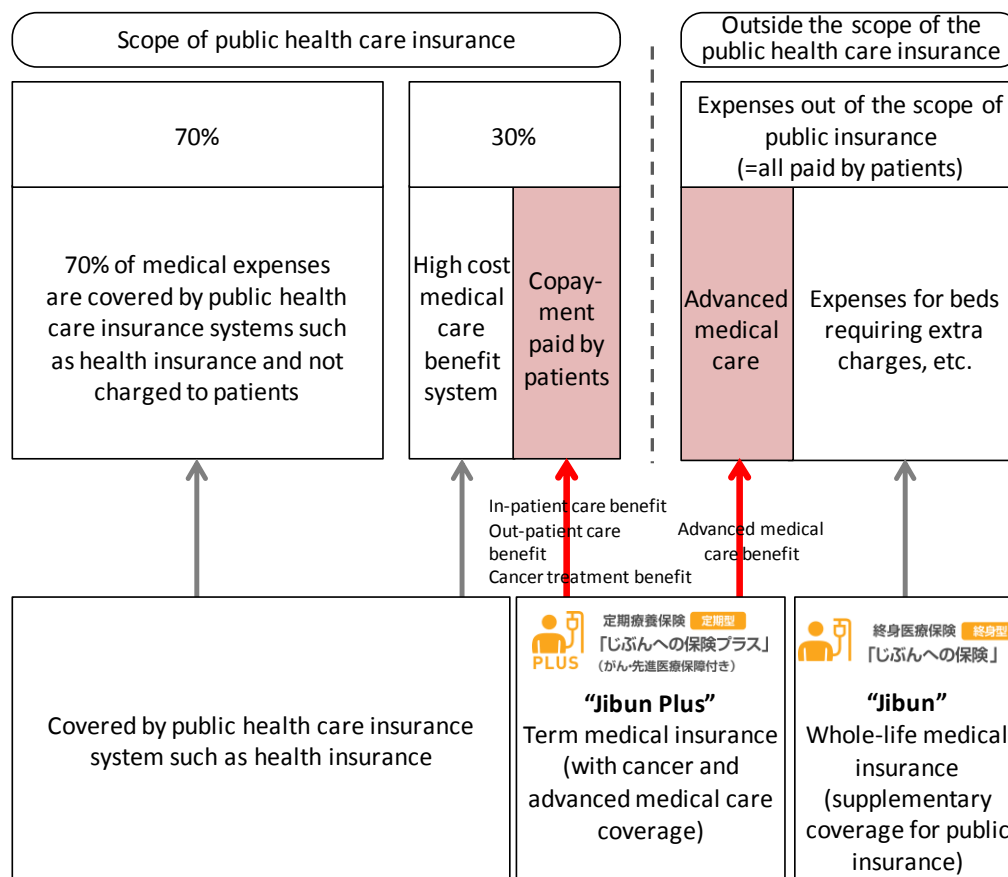
The background of the product development and product details are explained in the following attachments.

Reference1: Trends in Japan’s medical care and private medical insurance

Reference2: Overview of “Jibun Plus” (with cancer and advanced medical care coverage)

Lifenet hereby suggests new ways of purchasing medical insurance by positioning **“Jibun Plus” as a medical insurance with benefits linked with policyholders’ copayment in the public health care insurance system and fees related to advanced medical care**, and **“Jibun” as one with benefits linked with hospitalization-related expenses that is not covered by the public health care insurance such as expenses for beds requiring extra charges**.

## ■ Scope of public health care insurance and Lifenet medical insurance products



Lifenet Insurance, with its goal of offering simple, convenient and competitively priced products and services, will work hard to meet customers’ expectation and trust, and to provide innovative products that match the current trend.

**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.

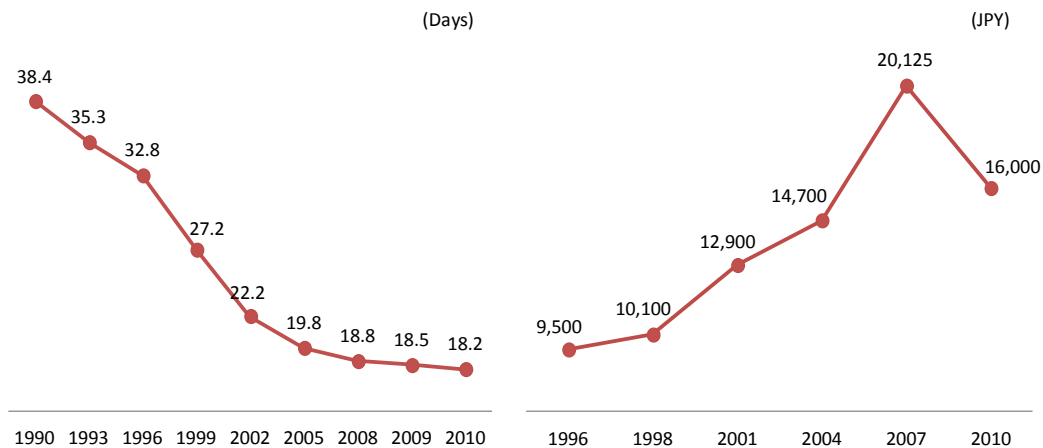
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## Reference1: Trends in Japan’s medical care and private medical insurance

### ■[Trends in medical care 1] Shorter hospitalization periods and higher hospitalization expenses

In Japan, the average numbers of days of hospitalization have been continuously decreasing due to various factors such as the improvement of medical technologies, social security measures by the nation and authorities, and awareness of the improvement of patients’ QOL (Quality of Life) in the medical care. In addition, patients’ copayment per hospitalization has been on the increase (See Table1). On the other hand, insurance with benefits linked with the number of days of hospitalization has been the mainstream of private medical insurance. Therefore, the gap between the trends in medical care and the content of insurance benefits is gradually widening.

Table 1: Average numbers of days of hospitalization (left) and patients’ copayment per day during hospitalization (right)\*



\* (right) Up to and including fiscal year 2001, the most recent period of hospitalization during the preceding year was used for the average, whereas from fiscal year 2004, the most recent period of hospitalization during the preceding five years was used for the average. In the case that the high cost medical care benefit system is used, payment amounts shown are those after use, including charges for medical care, food and expenses for beds requiring extra charges.

Source: “Hospital Report,” the Ministry of Health, Labour and Welfare (left), “Research on awareness and the state of preparations for life security,” Japan Institute of Life Insurance (right)

### ■ [Trends in medical care 2] Long-term hospitalization with larger copayment occurring with a fixed probability

Despite the decrease in the average numbers of days of hospitalization, cases of serious diseases or injuries that require long-term hospitalizations occur with a fixed probability. Even though the absolute rates of occurrence are low, 5.8% of all inpatients need to be hospitalized for 2 months or longer, 0.7% for 6 months or longer (See Table2) and high medical expenses occur over long periods in such cases. Private medical insurance policies where the maximum number of days eligible for hospitalization benefit payments is limited to 60 days, 180 days, etc., are sometimes not enough to cover expenses during an entire hospitalization period.

Table 2: Average length of stay for estimated discharged patients in general beds (hospitals)

Length of stay	Number of patients (Thousands)	Ratio	Payment of hospital benefits to medical insurance policyholders	
			Max. number of days= 60 days	Max. number of days=180 days
0 - 14 days	719.3	67.6%	Paid 94.2%	Paid 99.3%
15 days - less than 1 month	177.4	16.7%		
1 month - less than 2 months	102.7	9.7%	Not paid 5.8%	Not paid 0.7%
2 months - less than 6 months	54.7	5.1%		
6 months - less than 1 year	4.7	0.4%		
1 year or more	2.7	0.3%		
Unknown	2.3	0.2%		

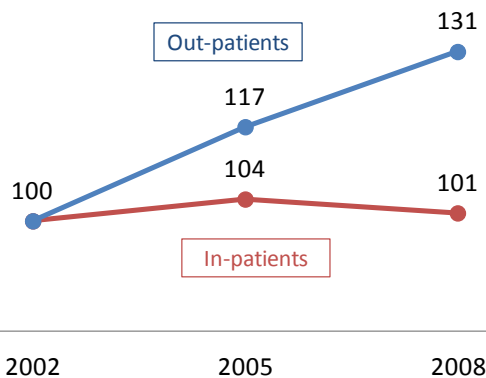
Source: "Patient Survey 2008," the Ministry of Health, Labour and Welfare

### ■ [Trends in medical care 3] Shift from hospitalization to out-patient in cancer treatments

Statistics estimate that one out of every two Japanese suffers from cancer, which is the leading cause of death in Japan. Cancer used to be called an "incurable disease," but it is now becoming a "curable disease" thanks to the improvement in medical technologies. However, the treatment of cancer accompanies long-term care and the forms of treatment are shifting from hospitalization to out-patient due to the spread of anticancer drug treatments (Table 3). On the other hand, standard private medical insurance and cancer insurance still cover hospitalization mainly and are not matching with trends in cancer treatment.

Table 3: Number of in-patients and out-patients in cancer treatment

#### Indices of the number of patients using 2002 as base-year



(Unit: Thousand)

	In-patients	Out-patients
2002	139	120
2005	145	140
2008	141	156

Source: "Patient Survey," the Ministry of Health, Labour and Welfare

## ■ [Trends in medical care 4] Public health care insurance system’s generous coverage for the elderly aged 70 and over

Japan has a quite advanced public health care insurance system even compared with other advanced countries, and special consideration has been given to the elderly people’s medical expenses by implementing “Reduction of maximum copayment in high cost medical care benefit system (for the elderly aged 70 and over),” “Long life medical care system for the elderly aged 75 and over,” etc. In private medical insurance, on the other hand, whole-life medical insurance remains the mainstream and amounts of benefit are fixed regardless of age and income in this type of insurance. This may lead to excess of benefits over copayment and eventually cause the increase in national medical expenditures and the impediment to the stable operation of the entire social security system.

Table 4: Patients’ copayment in public health care insurance system


	Age 6	Age 70	Age 75
Patients’ copayment for medical expenditures	20%	30%	10%
Individual limit	high cost medical care benefit system (General class income) $\frac{\text{JPY } 80,100}{+(100\% \text{ of medical expenses} - \text{JPY } 267,000) \times 1\%}$		high cost medical care benefit system (General class income) $\frac{\text{JPY } 44,400}{(\text{Out-patient: JPY } 12,000)}$

Source: Prepared by Lifenet Insurance based on the Ministry of Health, Labour and Welfare’s website

## ■ Private medical insurance needs to change in response to changes in medical care

Currently private medical insurance mainly offers “whole-life” medical insurance products, benefits of which are “linked with the number of days of hospitalization” and “limited to the maximum number of days such as 60 days and 180 days etc.” However, Lifenet Insurance believes that private medical insurance should change in response to the great change in environment surrounding medical care such as “shorter hospitalization period,” “higher hospitalization expenses per day,” and “shift from hospitalization to out-patient in cancer treatment” etc. The answer Lifenet Insurance has reached after pondering “what private medical insurance should be like” is “term” medical insurance benefits of which are “linked with copayment regardless of hospitalization period” and which “covers cancer and advanced medical care.”


Table 5: Trends in medical care and private medical insurance coverage in Japan

Trends in medical practice	Mainstream private medical insurance	 <b>“Jibun Plus”</b> 定期療養保険 定期型 「じぶんへの保険プラス」 (がん・先進医療保障付き)
1. Shorter periods and higher expenses of hospitalization	Benefits linked with the number of days of hospitalization	Benefits linked with copayment regardless of hospitalization period
2. Long-term hospitalization occurring with a fixed probability	Limit for number of days covered per hospitalization (60 days and 180 days etc.)	
3. Shift from hospitalization to out-patient in cancer treatment	Hospitalization/Outpatient-period-linked benefits	Lump-sum diagnosis and treatment benefit of JPY 1 million + benefits linked with copayment for both hospitalization and out-patient
4. Generous coverage for the elderly aged 70 and over by public health care insurance system	Whole-life	Term (renewed every 10 years)

### ■Up-to-date medical insurance linked with copayment regardless of hospitalization period

Considering the entire situation explained above, Lifenet Insurance, in order to respond to customer’s constant request for “Lifenet Insurance’s original insurance product”, and to achieve its Manifesto to offer simple, convenient, and competitively priced products and services based on the highest levels of business integrity, launches the copayment-linked term medical insurance that covers copayment portion of medical expenses during hospitalization and out-patient regardless of the number of days of hospitalization.

Table 6: Position of “Jibun Plus” in private medical insurance

		Type of benefits	
		Linked with hospitalization period	Linked with copayment
Insured period	Term (10 years, etc.)	Conventional medical insurance	 <b>“Jibun Plus”</b> 定期療養保険 定期型 「じぶんへの保険プラス」 (がん・先進医療保障付き)
	Whole-life (lifetime)	Current mainstream medical insurance	Not available* *based on research by Lifenet Insurance

## Reference2: Overview of “Jibun Plus” (with cancer and advanced medical care coverage)

### ■Product Features

#### • **In-patient care and Out-patient care benefits liked with the copayment portion of the public health care insurance system**

[In-patient care benefit]

Copayment amount of medical expenses (\*1) is paid for hospitalization of 1 night or longer

[Out-patient care benefit]

Half of copayment amount of medical expenses (\*2) is paid for out-patient (including one-day hospitalization) within 30 days prior to and 90 days after hospitalization covered by In-patient care benefit.

\*1: Medical service fee points related to In-patient care X JPY 3

\*2: Medical service fee points related to Out-patient care X JPY 1.5

Note: The maximum amount for the total of In-patient care and Out-patient care benefits for one month (from the first calendar day to the last calendar day) is JPY 100,000. The maximum amount for Out-patient care benefits only for the same period is JPY 50,000.

#### • **“Cancer” and “Advanced medical care” are also covered**

[Cancer treatment benefit]

Lump-sum benefit of JPY 1 million is paid on the first-time diagnosis of cancer (malignant neoplasm).

In addition, JPY 1 million is paid every year when receiving continued cancer treatment.

[Advanced medical care benefit]

As for advanced medical care to be fully charged to patients, the same amount as technical fees related to advanced medical care is paid.

#### • **Total maximum payment of JPY 20 million**

The maximum limit of benefit payment is JPY 20 million totaling In-patient care benefit, Out-patient care benefit, Cancer treatment benefit, and Advanced medical care benefit through the policy term.

Note: In case of renewal of the policy, the maximum payment limit is applied to the total amount paid through the original policy term and renewals, and the insurance policy is terminated when the total payment reaches the limit.

#### • **Use of 10-year “term” to keep premiums for younger people at cost-competitive levels**

Guaranteed up to the age of 70 and matched with the timing at which benefits become more generous in the present public health care insurance system

#### • **Affordable insurance premiums realized by online sales**

Example: the monthly insurance premiums are JPY 1,499 for 30 year-old males, and JPY 2,207 for 30 year-old females

#### • **24-hour online application is available, and coverage starts on the application date**

Application can be made just by answering questions about health condition on the online application form.

Note: In case there is any history of illness or abnormal findings in past medical exams, documents such as photocopies of periodic medical exam reports may be requested regardless of type of insurance, insured amounts, and benefit amounts.

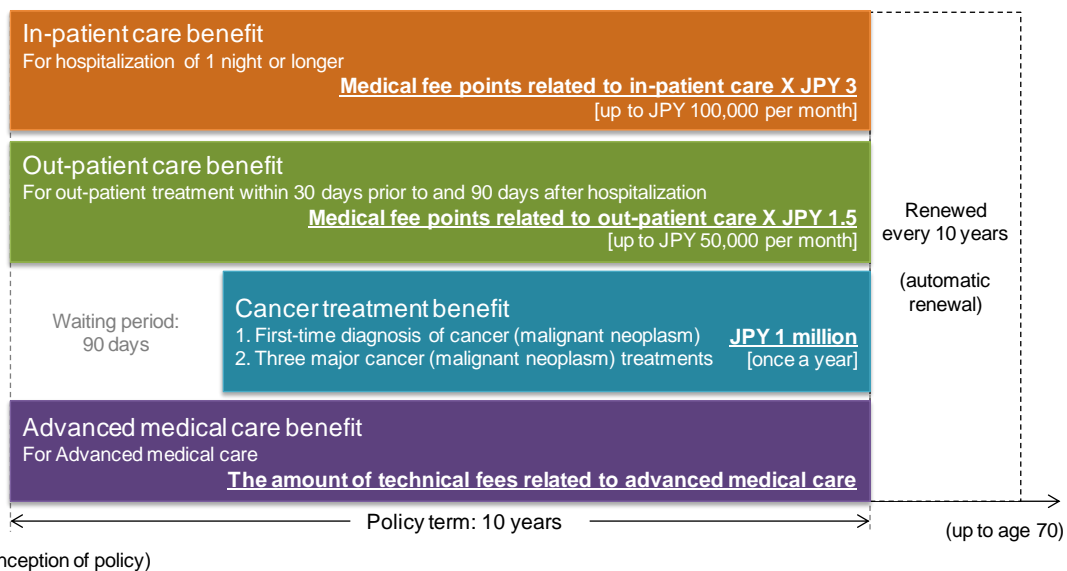
▪ **Application is available on PC, mobile phone, and smart phone websites**

Application is available anytime anywhere, even when you are outside or in your living room, including our existing products (term life, whole-life medical, and personal long-term disability insurance)

▪ **Simple design with no riders, cash surrender value, or policyholder dividends, etc.**

Simple design enables clarification of coverage content, prevention of non-payment of benefits, and affordable insurance premiums.

## ■ Product Composition



Note: The maximum limit of payment is JPY 20 million totaling all benefits



## ■Product Details

<b>Sales name</b>	“Jibun Plus” (with cancer and advanced medical care coverage)	
<b>Age at issue</b>	18 to 60	
<b>Benefits</b>	<b>1. In-patient care benefit</b>	Medical service fee points related to In-patient care covered by public health care insurance X JPY 3 (Copayment amount of medical expenses) for hospitalization of 1 night or longer
	<b>2. Out-patient care benefit</b>	Medical service fee points related to out-patient care covered by public health care insurance X JPY 1.5 (half of copayment amount of medical expenses) for out-patient (including one-day hospitalization) within 30 days prior to and 90 days after hospitalization
	<b>3. Cancer treatment benefit</b>	1. On first-time diagnosis of cancer (malignant neoplasm) JPY 1 million 2. For three major cancer (malignant neoplasm) treatments JPY 1 million (once a year)
	<b>4. Advanced medical care benefit</b>	The same amount as technical fees related to advanced medical care received
<b>Policy term</b>	10 years (automatic renewal up to age 70)	
<b>Premium payment period</b>	Same as policy term	
<b>Mode of premium payment</b>	Monthly payment only (account transfer or credit card)	
<b>Waiver of premium</b>	Available	
<b>Cash surrender value</b>	N/A	
<b>Policyholder dividends</b>	N/A	
<b>Riders</b>	N/A	

## ■Example of premiums

(Policy term: 10 years, premium payment period: 10 years, monthly payments)

(JPY)

Age at issue	Male	Female
20	1,197	1,473
30	1,499	2,207
40	2,508	3,371
50	4,855	4,790
60	9,627	6,772

Note: Other examples of premiums will be announced together with loading premiums at the launch of the product.

## ■Examples of benefits

The following is a case of a company employee with health insurance and a general class income, who was found to have colon cancer (non-advanced) at a medical exam and hospitalized, had surgery during the hospitalization, and was discharged after 15 days (within the same month).

Treatments	Copayment by patient	Benefits of “Jibun Plus”
Medical service fee points during hospitalization = 128,288 pt.	<b>JPY 90,259</b> Total hospitalization expenses covered by insurance were JPY 1,282,880 (128,288 medical service fee points). Copayment ratio is 30 % and copayment amount after public health care insurance coverage was JPY 384,864. High Cost medical care benefit system (general income class) were also applied and the final copayment amount totalled JPY 90,259.	<b>In-patient care benefit: JPY 100,000</b> Medical service fee points (128,288 pt.) $\times$ JPY 3 = JPY 384,864 The maximum payment limit for a month (first day to the last day of the month) of JPY 100,000 was applied.
First-time diagnosis of cancer (malignant neoplasm)	<b>JPY 0</b>	<b>Cancer treatment benefit: Lump-sum benefit JPY 1,000,000</b>
	<b>Total copayment JPY 90,259</b>	<b>Total benefits JPY 1,100,000</b>