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(Securities Code: 7157, TSE Mothers)

## **Lifenet To Make First-Ever Product Revisions to Core Products Insurance Premiums to be Lowest Premium Levels in the Industry New Medical insurance for Women Product**

**Lifenet will offer lower premiums to help families raising children and needing extensive coverage in light of consumption tax increase**

TOKYO, April 1, 2014 – LIFENET INSURANCE COMPANY (TSE Mothers 7157, President & COO Daisuke Iwase, URL: <http://ir.lifenet-seimei.co.jp/en/>) announces that it will make revisions to its core term life insurance product “Kazoku”, and will launch sales of a new whole-life medical product New “Jibun”<sup>\*1</sup> and New “Jibun” for Women. Both products are planned to be released for sale on May 2, 2014.

**■ In light of the consumption taxes increase, Lifenet will offer younger child-raising generations the opportunity to save by offering products with lower premium levels**

Lifenet commenced business operations in May 2008, building the foundation of a company in the online life insurance industry with the mission to provide the child-raising generations with life insurance products with reasonable premiums. We have increasingly gained the support of this young generation, and roughly 90% of our customers are 20s to 40s.

With consumption taxes increasing from April 1, 2014 from 5% to 8%, it can be assumed that there will be much additional financial strain on young families. Additionally, it is foreseeable that copayment rates may increase while benefits decrease in social security, such as with the copayment rates for medical fees being raised to 20% for those between the 70 and 74 of age.

In light of this situation, Lifenet has strongly felt that we would like to provide more opportunity to save on insurance premiums, a cost that many families allot a large portion of their budgets to, and as a result has decided to review its core products: term life and whole-life medical.

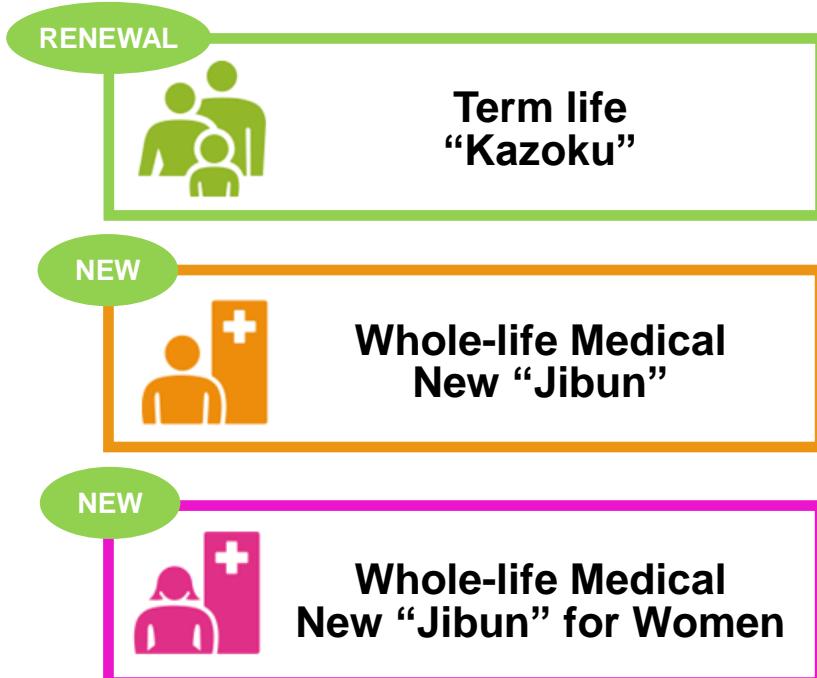
Details of the product revisions are as follows:

- Revision of core term life product “Kazoku” including the revamp of insurance premiums.  
**Revised insurance premiums will be the lowest premium levels in the industry<sup>\*2</sup> for a wide age range of customers.**
- New whole-life medical product New “Jibun” offers more extensive coverage with lower premiums. Under almost the same conditions, **insurance premiums are on average 24% lower when comparing current and new versions of “Jibun”<sup>\*3</sup>.**
- **New “Jibun” for Women, a whole-life medical product specifically designed for women, will also be released for sale.** New “Jibun” for Women has the same coverage as New “Jibun” with more extensive coverage to provide sufficient benefits for any additional costs that may arise, such as babysitting costs.
- New “Jibun” and New “Jibun” for Women have benefits for advanced medical care in addition to the basic hospitalization and surgery benefits offered with “Jibun.” Upon **diagnosis of cancer, customers additionally receive a lump-sum payment that is 100 times their designated daily hospitalization benefit rate. If treatment is ongoing the following year, the same amount will be paid to the customer for up to a maximum 5 consecutive following years.** This will allow for customers to prepare for changes of cancer treatment.
- Lifenet believes that the basis of offering services that are trusted by its customers is full information disclosure. Based on this belief, Lifenet is fully disclosing the loading expenses, which represent the portion of the premiums that cover a life insurance company's operating expenses, for all products. **Lifenet is also fully disclosing the loading expenses for these revised and new insurance products.**

# NEWS RELEASE

Lifenet's business model of not having sales representatives and allowing customers applying for life insurance policies online by themselves has made it possible for Lifenet to lower insurance premiums. With this model, of the customers whose insurance premiums decreased as a result of switching to Lifenet from other insurance companies, the average decrease in insurance premiums was 9,014 yen/month; 52% of their previous insurance premiums, which is the equivalent to approximately 108,168 yen a year<sup>\*4</sup>.

Lifenet believes that the revision of "Kazoku" and the sales release of New "Jibun" will offer more customers the opportunity to reconsider their current insurance policies to hopefully, as a result, lead to a decrease in insurance premiums.



- \*1 Lifenet will be ending sales of the current whole-life medical product "Jibun" as of April 30, 2014.
- \*2 Comparison of Lifenet and 3 other online life insurance companies' term life insurance products (excluding risk sub-divided insurance products) under the following conditions: Insurance coverage amount 10,000 thousand yen / Insurance term 10 years.
- \*3 When comparing insurance premiums of New "Jibun" and current "Jibun" under the following conditions: Hospitalization benefits 10,000 yen/day / Surgery benefits 100,000 yen / Age at issue 20 years of age through 70 years of age.
- \*4 From Customer Survey conducted January 29, 2014 to February 6, 2014. Of the 3,041 valid surveys, 1,278 replied that they were able to decrease their insurance premiums upon switching to Lifenet from a different insurance company. The average decrease of these 1,278 customers in monthly insurance premiums was 9,014, with 51% replying that they decrease the amount of coverage, 23% increased coverage, and 26% did not change their coverage upon switching insurance companies.

# NEWS RELEASE

## ■ Complete disclosure of information including the full disclosure of loading expenses

Lifenet believes that the basis of offering services that are trusted by its customers is full information disclosure. Based on this belief, Lifenet is again disclosing the loading expenses for all products, thus informing the public how much of the customers' premiums are being used to cover the company's operating expenses. The loading expenses for the revised and new products are shown below:

### ▼ Monthly premiums of Term life "Kazoku"

(Insurance coverage amount: 10,000 thousand yen / Insurance term: 10 years)

Male	Monthly premium	(yen)	
		Net premiums	Loading expenses
20 years old	1,027	633	394
30 years old	1,230	812	418
40 years old	2,374	1,818	556
50 years old	5,393	4,474	919

Female	Monthly premium	(yen)	
		Net premiums	Loading expenses
20 years old	641	293	348
30 years old	896	518	378
40 years old	1,547	1,091	456
50 years old	2,890	2,272	618

### ▼ Monthly premiums of Whole-life Medical New "Jibun"

(Insurance term and premium payment period: whole-life / Benefit amount per 1 day hospitalization: 5,000 yen / Maximum length of one hospitalization: 60 days / Economy plan)

Male	Monthly premium	(yen)	
		Net premiums	Loading expenses
20 years old	1,102	865	237
30 years old	1,470	1,168	302
40 years old	2,000	1,605	395
50 years old	2,721	2,198	523
60 years old	3,690	2,993	697

Female	Monthly premium	(yen)	
		Net premiums	Loading expenses
20 years old	1,169	921	248
30 years old	1,463	1,164	299
40 years old	1,807	1,447	360
50 years old	2,357	1,900	457
60 years old	3,137	2,541	596

# NEWS RELEASE



## ▼ Monthly premiums of Whole-life Medical New “Jibun” for Women

(Insurance term and premium payment period: whole-life / Benefit amount per 1 day hospitalization:  
5,000 yen / Maximum length of one hospitalization: 60 days / Economy plan)

Female	Monthly premium	(yen)	
		Net premiums	Loading expenses
20 years old	1,437	1,144	293
30 years old	1,776	1,424	352
40 years old	2,130	1,715	415
50 years old	2,761	2,235	526
60 years old	3,659	2,974	685

# NEWS RELEASE

## ■ Features of Term Life “Kazoku”

- Decrease in insurance premiums for term life “Kazoku” for a wide range of ages
- Lowest premium levels in the industry<sup>\*1</sup> – providing younger child-raising generations with the opportunity to save on insurance premiums in light of consumption tax increase

1. Revised premium to be the lowest premium level in the industry<sup>\*1</sup>. Extensive coverage remains unchanged, but premiums will now be more reasonable for household budgets
2. In response to customers' requests, extending insurance term to a maximum age of 80
3. Beginning underwriting under the “exclusion of specific disabilities”  
More customers will be able to take out policies
4. Same claim amount paid where the death is the result of illness, accident or disaster
5. Wide range of claim amounts are available, from 5 million yen to 100 million yen, in increments of 1 million yen
6. Simple application process based on self-reporting with no medical exam

\*1 Comparison of Lifenet and 3 other online insurer term life insurance products (excluding risk sub-divided insurance products) under the following conditions: Insurance coverage amount 10,000 thousand yen / Insurance term 10 years

## ■ Beginning underwriting under “exclusion of specific disabilities”

Lifenet has been offering term life “Kazoku” based on its founding principle of offering simple, convenient and competitively priced products and services. However, more than a few people have been unable to enroll because their health conditions do not conform with our standards.

Lifenet has decided to begin underwriting death coverage under the exclusion of specific disabilities method, offering our products and services to a wider range of customers.

### Details of exclusion of specific disabilities

Exclusion of specific disabilities is an underwriting method which gives people who have previously been unable to apply for a life insurance policy because they did not conform with Lifenet's standards the opportunity to apply. This is done by providing insurance based on the condition that the policyholder will not be given coverage for severe disability benefits caused by specific disabilities.

Specific disability	Disabled	Exclusion	Indication (example)
Vision impairment	Permanent loss of vision in both eyes	Invalid care benefit	Glaucoma, Pigmentary degeneration of the retina
	Permanent loss of vision in one eye	Waiver of premium	
Hearing impairment	Permanent loss of hearing in both ears	Waiver of premium	Difficulty of hearing

# NEWS RELEASE

## ■ Features of Whole-life Medical New “Jibun”

- Sales release of New “Jibun” with lump sum payment upon cancer diagnosis
- Average of 24% decrease<sup>\*1</sup> in insurance payments in comparison to “Jibun” under the same conditions

1. **Covers one-day hospitalizations.** Uniformed payment of 5 days' worth of benefits even for hospitalizations within 5 days
2. **Payment for surgeries tenfold the daily hospitalization benefits**
3. **Extensive lifetime coverage at the reasonable premiums**
4. **Unlimited payment days for hospitalizations due to the 3 major lifestyle-related diseases (cancer, heart disease and stroke)**
5. **Lump-sum payment upon cancer diagnosis.** If treatment is ongoing the following year, the same amount will be paid the following year and each year thereafter
6. **Advanced medical care also covered**
7. **Policyholders can choose to make premium payments for their entire life, until age 60, or until age 65**

\*1 When comparing “Jibun” and New “Jibun” (Economy plan), whole-life medical products with hospitalization and surgery benefits under the following conditions: hospitalization benefits: 10,000 yen/day, Surgery benefits: 100 thousand yen )

## ■ Feature of Whole-life Medical New “Jibun” for Women

- First-ever medical insurance product for women: New “Jibun” for Women covers illnesses specific to women including cancer

1. **Extensive coverage for illnesses specific to women. If hospitalized for an illness specific to women, hospitalization benefits are paid additionally**
2. **Covers one-day hospitalizations.** Uniformed payment of 5 days' worth of benefits even for hospitalizations within 5 days
3. **Benefit payment for surgery tenfold daily hospitalization benefits**
4. **Unlimited payment days for hospitalizations due to the 3 major lifestyle-related diseases (cancer, heart disease and stroke)**
5. **Lump-sum payment upon cancer diagnosis. If treatment is ongoing, the same amount will be paid the following year and each year thereafter**
6. **Advanced medical care also covered**
7. **Policyholders can choose to make premium payments for their entire life, until age 60, or until age 65**

### 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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