

November 12, 2018
 Ryosuke Mori, President
 LIFENET INSURANCE COMPANY
 (Securities Code: 7157, TSE Mothers)

**Revision of Business Forecast
 for Fiscal 2018 Ending March 31, 2019**
**With our new management policy, aggressive spending for further growth
 after robust performance**

TOKYO, November 12, 2018 - LIFENET INSURANCE COMPANY (TSE Mothers 7157, President Ryosuke Mori, URL: <https://ir.lifenet-seimei.co.jp/en/>) announces a revision of its business forecast for fiscal 2018 ended March 31, 2019, which was announced on August 10, 2018.

1. Business Forecast for Fiscal 2018

(In millions of yen)

	Ordinary income	Ordinary profit (loss)	Net income (loss)
Previous forecast (A)	12,300	(800)	(600)
Revised forecast (B)	12,600	(1,600)	(1,600)
Difference (B) – (A)	300	(800)	(1,000)
Change (%)	2.4%	–	–
(Ref.) Business results for FY2017	10,962	(197)	(249)

(Reference)

(In millions of yen)

	Initial forecast (May 15, 2018)	Revised forecast (Aug. 10, 2018)	Second revised forecast (Nov. 12, 2018)
Annualized premium ¹ of new business	1,800	2,200	2,600

2. Reasons for Revision

LIFENET transitioned to a new management structure at the 12th ordinary general meeting of shareholders held in June 2018. Today, we have released a new management policy (for details, see “Lifenet Insurance’s New Management Policy” announced today). By following this policy to scale our business and raise operating efficiency, we seek to lift corporate value and achieve high profitability for the medium- to long-term. To that end, scaling the business is of higher priority than short-term profitability. We therefore plan to spend aggressively, primarily by investing in marketing promotions, mainly advertising.

It should be noted that the current profit and loss statement by statutory accounting recognizes spending to gain new business as expenses for the current year and tabulates them as a lump sum in the first year of the policy. However, the insurance premiums that bring in revenue will be collected and booked in our accounting procedures over the long term. Therefore, as an insurer with a comparatively small number of policies-in-force and a relatively small amount of insurance premium revenues, the amount of growth in new policy business will

LIFENET INSURANCE COMPANY

trend toward a negative impact on profitability over the short-term and will have a limited effect on annual profit and loss, while expenses will raise.

The company has performed well with new business and continued to raise the number in the first quarter of fiscal 2018, thanks to the launch of Cancer Insurance in fiscal 2017, as we made aggressive investment in marketing with a focus on advertising and promotions. Under this virtuous cycle that currently stands, we announced a revised business forecast on August 10, 2018 and we have spent aggressively so as to further scale our business. The success of this strategy resulted in the company achieving a near record high level of new business in the second quarter of fiscal 2018 and we reached record high of monthly new business performance in October 2018, while maintaining consistent operating efficiency from fiscal 2017 to gain each new policy in the first half of fiscal 2018.

In light of the strong results and consistent spending efficiency in gaining new business, we have determined that following the newly formulated management policy to continue with the aggressive spending in a way that perpetuates this virtuous cycle will help scale the business by boosting brand power and raising recognition. That decision led to this second revision to the business forecast for the current fiscal year.

Due to the aforementioned, we project lower ordinary profit and net income this fiscal year than the previous forecast. However, we project annualized premium of new business¹ of 2,600 million yen, up from 1,800 million yen in the initial business forecast. We aim to achieve this record high in new business.

1. The amount of money equivalent to what is to be paid to have the insurance coverage for one year. All payments are monthly installments; thus the annualized premium is calculated as multiplying the monthly premium by 12 months.

Note: The financial results forecasts for fiscal 2018 and other figures mentioned above are based on the information available as of the date of this release and certain assumptions deemed rational. The actual results to be disclosed in the future may differ from the forecasted figures due to various factors.

About LIFENET (Website: <https://www.lifenet-seimei.co.jp/>)

Remembering 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. Through complete information disclosure and insurance consultations via email, over the telephone and in-person, we wish to offer customers a transparent way to choose a life insurance policy so they can compare, understand and approve of plans before signing up, as well as to spread the idea that LIFENET is the customer's connection to life insurance.

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