

May 13, 2021
Ryosuke Mori, President
LIFENET INSURANCE COMPANY
(Securities Code: 7157, TSE Mothers)

Notice Regarding the Partial Amendment to Articles of Incorporation

TOKYO, May 13, 2021 – LIFENET INSURANCE COMPANY (TSE Mothers 7157, President Ryosuke Mori, URL: <https://ir.lifenet-seimei.co.jp/en/>) announces that it decided to propose a partial amendment to its Articles of Incorporation for approval at the 15th Annual General Meeting of Shareholders scheduled to be held on June 20, 2021.

1. Purpose of Amendment

(1) Amendments regarding the transition to a company with an Audit and Supervisory Committee

The Company has determined to make the transition from the current company with the Audit and Supervisory Board to a company with an Audit and Supervisory Committee to further strengthen the supervisory function of the Board of Directors and enhance corporate governance. Accordingly, the Company proposes to newly establish provisions relating to the Directors who are Audit and Supervisory Committee Members and Audit and Supervisory Committee, delete provisions relating to the Audit and Supervisory Board Members and the Audit and Supervisory Board, and make other necessary amendments.

(2) The deletion of supplementary provision regarding amortization of operating expenses under Article 113 of the Insurance Business Act

Article 113, paragraph (1) of the Insurance Business Act allows deferral of all or part of operating expenses for the first five years after business commencement because the initial acquisition costs are significant in the insurance business. The deferred assets are allowed to be amortized within ten years.

The Company recorded a part of operating expenses incurred from fiscal 2008, its business commencement, until fiscal 2012 as the deferred assets, and amortized the entire deferred assets over a period of nine years to fiscal 2016. Accordingly, the Company proposes to delete this supplementary provision.

(3) Other overall-related amendments

In connection with the addition and deletion of provisions, subsequent numbering of Articles and other necessary amendments are proposed.

2. Details of Amendment

The details of the proposed amendment are as follows:

(Underlines denote amendments)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I GENERAL PROVISION	CHAPTER I GENERAL PROVISION
Articles 1 to 3 (Text omitted)	Articles 1 to 3 (Unchanged)
Article 4 Organs The Company shall establish the following organs in addition to the general meeting of shareholders and Directors:	Article 4 Organs The Company shall establish the following organs in addition to the general meeting of shareholders and Directors:
(1) Board of Directors;	(1) Board of Directors;
(2) <u>Corporate Auditors;</u>	(2) <u>Audit and Supervisory Committee; and</u>
(3) <u>Board of Corporate Auditors; and</u>	(Deleted)
(4) <u>Accounting Auditor.</u>	(3) Accounting Auditor.
Article 5 (Text omitted)	Article 5 (Unchanged)
CHAPTER II SHARES	CHAPTER II SHARES
Articles 6 to 12 (Text omitted)	Articles 6 to 12 (Unchanged)
CHAPTER III GENERAL MEETING OF SHAREHOLDERS	CHAPTER III GENERAL MEETING OF SHAREHOLDERS
Articles 13 to 17 (Text omitted)	Articles 13 to 17 (Unchanged)
CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS, <u>AND AUDIT AND SUPERVISORY COMMITTEE</u>
Article 18 Number of Directors The number of Directors of the Company shall be eleven (11) or fewer.	Article 18 Number of Directors <u>18.1</u> The number of Directors of the Company <u>(excluding those who are Audit and Supervisory Committee Members)</u> shall be eleven (11) or fewer.
(New)	<u>18.2</u> The number of Directors of the Company <u>who are members of the Audit and Supervisory Committee (hereinafter referred to as "Audit and Supervisory Committee Members")</u> shall be five (5) or <u>fewer.</u>
Article 19 Election of Directors	Article 19 Election of Directors
19.1 Directors shall be elected by a resolution of the general meeting of shareholders.	19.1 Directors shall be elected by a resolution of the general meeting of shareholders <u>by distinguishing Audit and Supervisory Committee Members from other</u>
19.2 (Text omitted)	<u>Directors.</u>
19.3 (Text omitted)	19.2 (Unchanged)
	19.3 (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p>Article 20 Term of Office of Directors The term of office of each Director shall continue until the conclusion of the ordinary general meeting of shareholders for the last business year which ends within one (1) year from the time of his/her election.</p>	<p>Article 20 Term of Office of Directors <u>20.1 The term of office of each Director (excluding Audit and Supervisory Committee Members) shall continue until the conclusion of the ordinary general meeting of shareholders for the last business year which ends within one (1) year from the time of his/her election.</u></p>
<p>(New)</p>	<p><u>20.2 The term of office of each Audit and Supervisory Committee Member shall continue until the conclusion of the ordinary general meeting of shareholders for the last business year which ends within two (2) years from the time of his/her election.</u></p>
<p>(New)</p>	<p><u>20.3 The term of office of an Audit and Supervisory Committee Member elected as the substitute for another Audit and Supervisory Committee Member who has retired from office before the expiration of his/her term of office shall continue until the expiration of the term of office of the retired Audit and Supervisory Committee Member.</u></p>
<p>(New)</p>	<p><u>20.4 The resolution of election of substitute Audit and Supervisory Committee Members pursuant to Article 329, paragraph 3 of the Companies Act shall be effective for a period that ends at the beginning of the ordinary general meeting of shareholders for the last business year which ends within two (2) years from the time of that resolution, unless the period is shortened by that resolution.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 21 Directors with Titles, etc. 21.1 The Company may appoint one (1) Chairman and Director, one (1) President and Director and a few Directors with Titles by a resolution of the Board of Directors. 21.2 The Company may appoint one (1) Chief Executive Officer (CEO) and one (1) Chief Operating Officer (COO) by a resolution of the Board of Directors.</p>	<p>Article 21 Directors with Titles, etc. 21.1 The Company may appoint one (1) Chairman and Director, one (1) President and Director and a few Directors with Titles out of the Directors <u>(excluding Audit and Supervisory Committee Members)</u> by a resolution of the Board of Directors. 21.2 The Company may appoint one (1) Chief Executive Officer (CEO) and one (1) Chief Operating Officer (COO) <u>out of the Directors (excluding Audit and Supervisory Committee Members)</u> by a resolution of the Board of Directors.</p>
<p>Article 22 Representative Directors The Company shall elect Representative Directors by a resolution of the Board of Directors.</p>	<p>Article 22 Representative Directors The Company shall elect Representative Directors <u>out of the Directors (excluding Audit and Supervisory Committee Members)</u> by a resolution of the Board of Directors.</p>
<p>Article 23 Board of Directors 23.1 (Text omitted) 23.2 Notice to convene a meeting of the Board of Directors shall be given to each Director <u>and each Corporate Auditor</u> at least three (3) days prior to the date of the meeting; provided, however, that the notice period may be shortened in case of an emergency. 23.3 (Text omitted)</p>	<p>Article 23 Board of Directors 23.1 (Unchanged) 23.2 Notice to convene a meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the date of the meeting; provided, however, that the notice period may be shortened in case of an emergency. 23.3 (Unchanged)</p>
<p>Article 24 (Text omitted) (New)</p>	<p>Article 24 (Unchanged) <u>Article 25 Delegation to Directors</u> <u>The Company may, pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, delegate to the Directors all or part of decisions of execution of important operations (excluding the matters listed in the items of paragraph 5 of the same Article) by a resolution of the Board of Directors.</u></p>
<p>Article <u>25</u> Remuneration, etc. for Directors The financial benefits received from the Company as a consideration for the execution of the duties, such as remunerations and bonuses (hereinafter referred to as “Remuneration, etc.”) of Directors shall be determined by a resolution of the general meeting of shareholders.</p>	<p>Article <u>26</u> Remuneration, etc. for Directors The financial benefits received from the Company as a consideration for the execution of the duties, such as remunerations and bonuses (hereinafter referred to as “Remuneration, etc.”) of Directors shall be determined by a resolution of the general meeting of shareholders <u>by distinguishing Audit and Supervisory Committee Members from other Directors.</u></p>

Current Articles of Incorporation	Proposed Amendments
Article <u>26</u> Exemption from Liability of Directors	Article <u>27</u> Exemption from Liability of Directors
<u>26.1</u> (Text omitted)	<u>27.1</u> (Unchanged)
<u>26.2</u> (Text omitted)	<u>27.2</u> (Unchanged)
(New)	<u>Article 28 Audit and Supervisory Committee</u>
(New)	<u>28.1 The Audit and Supervisory Committee shall be constituted of all of the Audit and Supervisory Committee Members.</u>
(New)	<u>28.2 Notice to convene a meeting of the Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee Member at least three (3) days prior to the date of the meeting; provided, however, that the notice period may be shortened in case of an emergency.</u>
(New)	<u>28.3 Unless otherwise provided for by laws or regulations or these Articles of Incorporation, the other matters relating to the Audit and Supervisory Committee shall be subject to the Regulations of the Audit and Supervisory Committee stipulated by the Audit and Supervisory Committee.</u>
(New)	<u>Article 29 Full-time Audit and Supervisory Committee Members</u> <u>The Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Members from the Audit and Supervisory Committee Members by its resolution.</u>
	(Deleted)
<u>CHAPTER V</u> <u>CORPORATE AUDITORS AND BOARD OF</u> <u>CORPORATE AUDITORS</u>	
<u>Article 27 Number of Corporate Auditors</u>	(Deleted)
<u>The number of Corporate Auditors of the Company shall be five (5) or fewer.</u>	

Current Articles of Incorporation	Proposed Amendments
<u>Article 28 Election of Corporate Auditors</u>	(Deleted)
<u>28.1 Corporate Auditors shall be elected by a resolution of the general meeting of shareholders.</u>	(Deleted)
<u>28.2 Resolutions for the election of Corporate Auditors shall be made by a majority of the voting rights held by shareholders present at the meeting where shareholders holding one-third (1/3) or more of the voting rights of the shareholders entitled to vote at such meeting are present.</u>	(Deleted)
<u>Article 29 Term of Office of Corporate Auditors</u>	(Deleted)
<u>29.1 The term of office of each Corporate Auditor shall continue until the conclusion of the ordinary general meeting of shareholders for the last business year which ends within four (4) year from the time of his/her election.</u>	(Deleted)
<u>29.2 The term of office of a Corporate Auditor, who is elected as the substitute for a Corporate Auditor who retired from office before the expiration of his/her term of office, shall continue until the time the term of office of the Corporate Auditor who retired from office expires.</u>	(Deleted)
<u>Article 30 Full-time Corporate Auditor</u> <u>The Board of Corporate Auditors shall appoint one (1) or more full-time Corporate Auditor(s) from among the Corporate Auditors.</u>	(Deleted)
<u>Article 31 Board of Corporate Auditors</u>	(Deleted)
<u>31.1 The Board of Corporate Auditors shall be constituted of all the Corporate Auditors.</u>	(Deleted)
<u>31.2 Notice to convene a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that the notice period may be shortened in case of an emergency.</u>	(Deleted)
<u>31.3 Unless otherwise provided for by laws or regulations or these Articles of Incorporation, the other matters relating to the Board of Corporate Auditors shall be subject to the Regulations of the Board of Corporate Auditors stipulated by the Board of Corporate Auditors.</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 32 Remuneration, etc. for Corporate Auditors</u> <u>Remuneration, etc. for a Corporate Auditor shall be determined by a resolution of the general meeting of shareholders.</u></p>	(Deleted)
<p><u>Article 33 Exemption from Liability of Corporate Auditors</u></p>	(Deleted)
<p><u>33.1 Under the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from their liabilities provided for in Article 423, paragraph 1 of the said Act within the limits stipulated by applicable laws and regulations.</u></p>	(Deleted)
<p><u>33.2 Under the provision of Article 427, paragraph 1 of the Companies Act, the Company may enter into individual agreements with each Corporate Auditor to limit their liabilities under Article 423, paragraph 1 of the said Act. The limit of liability for damages under the agreement shall be the minimum liability amount stipulated by laws and regulations.</u></p>	(Deleted)
<p>CHAPTER <u>VI</u> ACCOUNTING AUDITOR</p>	<p>CHAPTER <u>V</u> ACCOUNTING AUDITOR</p>
<p>Article <u>34</u> (Text omitted) Article <u>35</u> (Text omitted) <u>35.1</u> (Text omitted) <u>35.2</u> (Text omitted)</p>	<p>Article <u>30</u> (Unchanged) Article <u>31</u> (Unchanged) <u>31.1</u> (Unchanged) <u>31.2</u> (Unchanged)</p>
<p>Article <u>36</u> Remuneration, etc. for Accounting Auditor Remuneration, etc. for the Accounting Auditor shall be determined by a resolution of the Board of Directors with the consent of the <u>Board of Corporate Auditors.</u></p>	<p>Article <u>32</u> Remuneration, etc. for Accounting Auditor Remuneration, etc. for the Accounting Auditor shall be determined by a resolution of the Board of Directors with the consent of the <u>Audit and Supervisory Committee.</u></p>
<p>CHAPTER <u>VII</u> ACCOUNTING</p>	<p>CHAPTER <u>VI</u> ACCOUNTING</p>
<p>Articles <u>37</u> to <u>41</u> (Text omitted)</p>	<p>Articles <u>33</u> to <u>37</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER <u>VIII</u></p> <p style="text-align: center;">SUPPLEMENTARY PROVISIONS</p> <p><u>Article 42 Amortization of Incorporation</u></p> <p style="text-align: center;"><u>Expenditures and Business</u></p> <p style="text-align: center;"><u>Expenditures</u></p> <p><u>42.1 The business expenditures for the first five (5) years following the establishment of the Company to be amortized pursuant to the provisions of Article 113 of the Insurance Business Act shall be amortized in accordance with the method prescribed in the following paragraph.</u></p> <p><u>42.2 The business expenditures for the first five (5) years following the establishment of the Company shall be included in the deferred assets limited to the maximum of the part exceeding the total amount of the net income from the insurance business and the net income from the asset investment for each business year, and not less than the straight-line amount shall be amortized in each of the business years within ten (10) years from the establishment of the Company.</u></p>	<p style="text-align: center;">CHAPTER <u>VII</u></p> <p style="text-align: center;">SUPPLEMENTARY PROVISIONS</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
(New)	<u>Article 38 Transitional Measures that Exempt Corporate Auditors from their Liabilities</u>
(New)	<u>38.1 The Company may, by a resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from their liabilities for damages as provided for in Article 423, paragraph 1 of the Companies Act that have arisen in connection with any of the acts they committed before the conclusion of the 15th ordinary general meeting of shareholders, within the limits stipulated by laws and regulations.</u>
(New)	<u>38.2 The agreements that limit liabilities for damages of Corporate Auditors (including former Corporate Auditors) as provided for in Article 423, paragraph 1 of the Companies Act that have arisen in connection with any of the acts they committed before the conclusion of the 15th ordinary general meeting of shareholders shall still be subject to Article 33, paragraph 2 of the Articles of Incorporations before amended by the resolution passed at the same ordinary general meeting of shareholders.</u>

3. Schedule

Date of the General Meeting of Shareholders for amending the Article of Incorporation: June 20, 2021

Effective date of the amendments to the Article of Incorporation: June 20, 2021

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

Remember 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, and by doing so, are able to offer highly cost-competitive products and accept applications from customers at all hours of the day.

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