

August 10, 2022

Ryosuke Mori, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Growth)

Lifenet Announces Business Alliance Agreement in the Group Credit Life Insurance with au Jibun Bank Corporation

TOKYO, August 10, 2022 – LIFENET INSURANCE COMPANY (TSE Growth 7157, President Ryosuke Mori, URL: <https://ir.lifenet-seimei.co.jp/en/>, hereafter, “Lifenet”) announces the decision to conclude a business alliance agreement in the group credit life insurance with au Jibun Bank Corporation (Representative Director Toshihiro Inoue, URL: <https://www.jibunbank.co.jp/>, hereafter, “au Jibun Bank”).

1. Purpose and Reason for Business Alliance in the Group Credit Life Insurance

Lifenet offers customer-oriented life insurance products and services over the Internet based on the [LIFENET Manifesto](#): Comprehensible, Cost-competitive and Convenient. As is shown in the priority areas in our management policy, Lifenet has been focusing on “innovation of customer experience” and “enhancement of promotion capabilities” and aim to provide customers with new value in life insurance. As part of such initiatives, Lifenet has concluded a three-company business alliance agreement with KDDI CORPORATION (hereafter, “KDDI”), and au Financial Holdings Corporation (hereafter, “au Financial Holdings”), an intermediate financial holding company that is a wholly owned subsidiary of KDDI. Through this alliance, we have been focusing on the white label business utilizing the brand power and broad customer base of the KDDI Group.

au Jibun Bank in au Financial Group is pursuing the “Smart Money Concept” to provide payment and financial services better adapted to customers’ daily lives through smartphones, which have become central to customers’ lives and is creating new value to become the bank that customers feel familiar with.

The purpose of the business alliance is that Lifenet will become the underwriting insurance company of the group credit life insurance for the mortgage provided by au Jibun Bank. Based on this business alliance, we will further strengthen the alliance within the KDDI Group and will explore products and services of high convenience to customers leveraging the strengths of both companies offering online financial service.

au Financial Holdings is a major shareholder in Lifenet, the largest shareholder, which holds 18.36% of our shares as of March 31, 2022, as well as an “insurance holding company” as defined under Insurance Business Act. It is also Lifenet’s other associated company whose one of directors serves concurrently as an outside director at Lifenet.

2. Description of Business Alliance in the Group Credit Life Insurance

Group credit life insurance is an insurance policy in which the creditor of the mortgage loan including bank, etc., is the policyholder and insurance beneficiary, and user receiving the mortgage loan from the bank, etc., is the insured. Under the business alliance agreement, subject to obtaining regulatory approval, Lifenet will become the underwriting insurance company of the group credit life insurance policies currently provided by au Jibun Bank in the second quarter of fiscal year ending March 31, 2024.

au Jibun Bank was the first Japanese bank which started providing the online mortgage loans in 2015. It has been steadily growing, and cumulative amount of mortgage loans exceeded two trillion yen in March 2022, mainly as a result of attractive interest rates. In the future, Lifenet and au Jibun Bank will develop products and services that exceed the level of the products which au Jibun Bank currently provides.

3. New Business Alliance Partner Profile

(1)	Company name	au Jibun Bank Corporation		
(2)	Location	1-19-1, Nihonbashi, Chuo-ku, Tokyo		
(3)	Representative	Representative Director Toshihiro Inoue		
(4)	Business description	Financial service business		
(5)	Capital	73,500 million yen		
(6)	Date established	June 17, 2008		
(7)	Major shareholder & percentage of shares held	au Financial Holdings Corporation 70.5% MUFG Bank, Ltd. 29.5%		
(8)	Shareholder's relationship with Lifenet	Capital relationship	Not applicable	
		Personnel relationship	Takeshi Saito, a part-time director of au Jibun Bank, is an outside director of Lifenet.	
		Transactional relationship	Lifenet mainly maintains deposit transactions with au Jibun Bank.	
		Related party status	au Jibun Bank is a subsidiary of au Financial Holdings, which is an other associated company of Lifenet.	
(9)	Financial results of au Jibun Bank Corporation			
	Financial term	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	Net assets (million yen)	92,887	104,574	118,568
	Total assets (million yen)	1,736,401	2,228,445	2,707,834
	Net assets per share (yen)	42,056.84	42,823.95	43,688.23
	Ordinary income (million yen)	43,653	51,077	59,617
	Ordinary profit (million yen)	2,835	3,067	7,041
	Net income (million yen)	1,889	2,520	5,503
	Net income per share (yen)	855.52	1,140.20	2,172.19

4. Schedule

(1)	Date of the resolution of the Board of Directors	August 10, 2022
(2)	Date of the conclusion of the agreement	August 10, 2022
(3)	Date of the business commencement	Second quarter, fiscal year ending March 31, 2024 (planned)

5. Future Prospects

We project expenditures of around 580 million yen on this business alliance, including system development expenses to be recoded as assets. The conclusion of this business alliance will have a minor impact on Lifenet's business forecasts for fiscal year ending March 31, 2023. If events requiring disclosure occur in the future, Lifenet will promptly disclose them.

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

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. We aim to be the leading company driving the growth of the online life insurance market.

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