

Securities Code:7157
TSE Mothers



LIFENET

LIFENET INSURANCE COMPANY

Reference Data
for
Third Quarter
Fiscal 2014

LIFENET INSURANCE COMPANY

February 13, 2015

Contents



- 1. Progress of Mid-term Business Plan**
- 2. Results for 3Q of Fiscal 2014**

Mid-term Business Plan



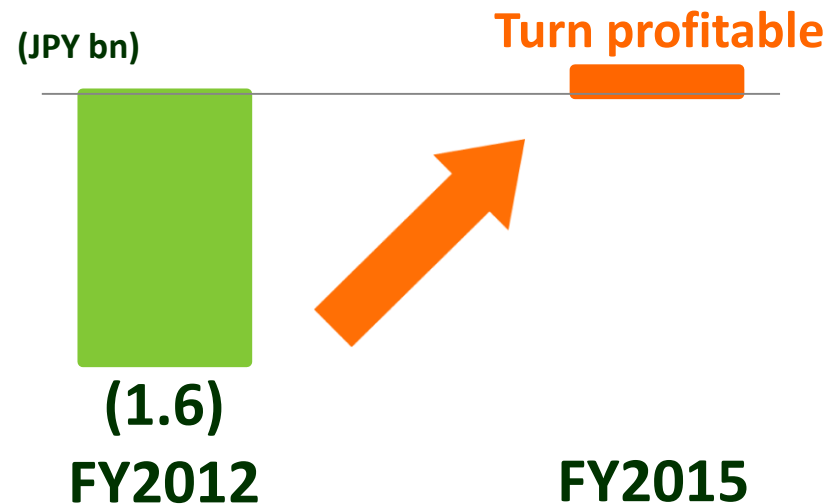
LIFENET 2015

Offer new products and services as an innovator to create a future of life insurance that resonates with stakeholders, and achieve the highest sustainable growth among online life insurance businesses.

Management Goal

- ✓ Achieve **9.5 billion** in ordinary income (FY 2015)
- ✓ Push the company **toward profitability** (FY 2015)

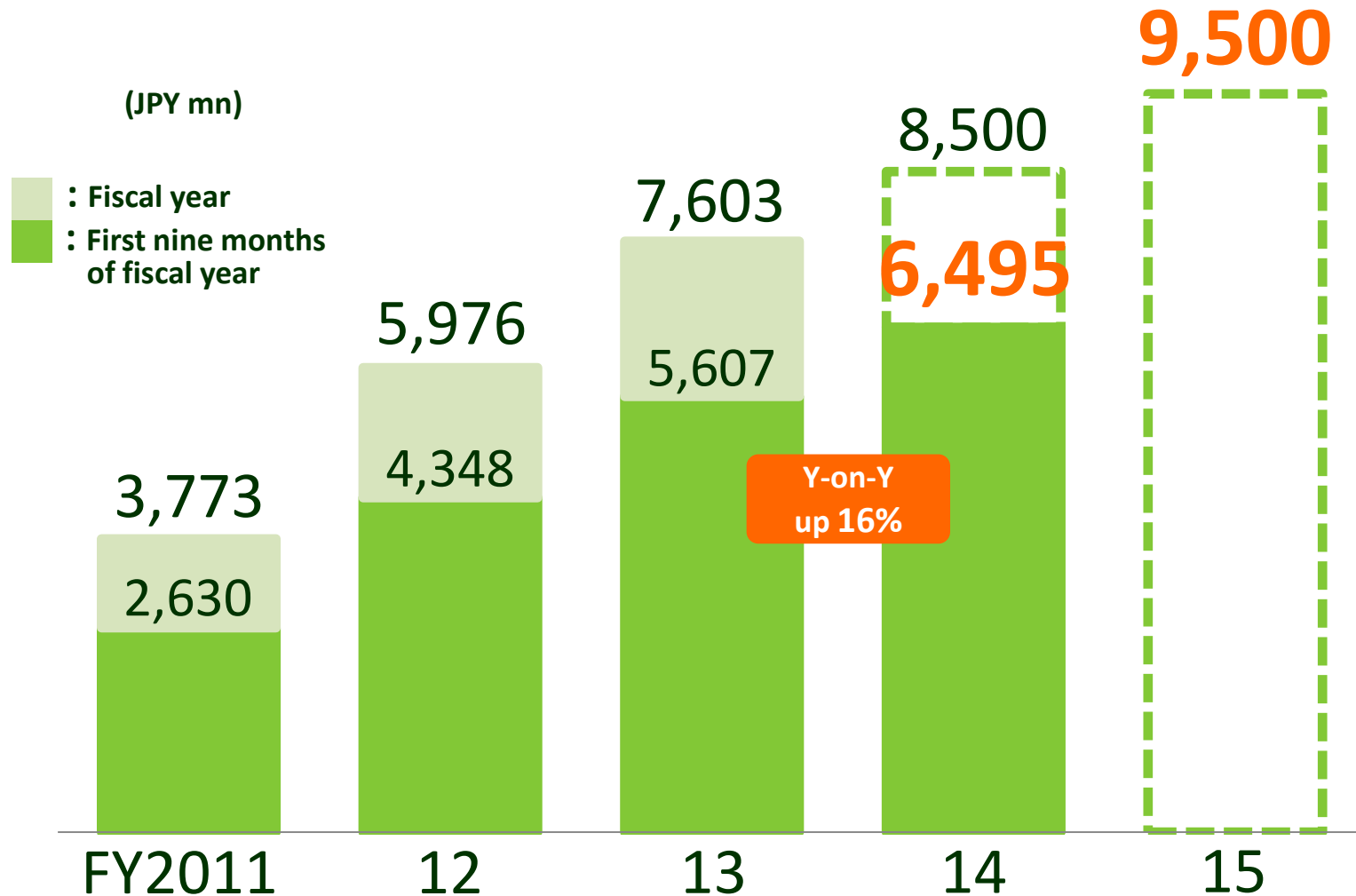
(Based on ordinary profit before amortization of deferred assets under Article 113 of the IBA¹)



1. The ordinary loss before deferred expenses and amortization of deferred assets under Article 113 of the Insurance Business Act for the fiscal 2012 ended March 31, 2013 included the effect of changing calculation formula of policy reserves on provision, 0.5 billion yen. When excluding the effect, it was 2.1 billion yen.

Progress of Mid-term Business Plan (Ordinary Income)

■ **Increased 16%** from 3Q FY2013



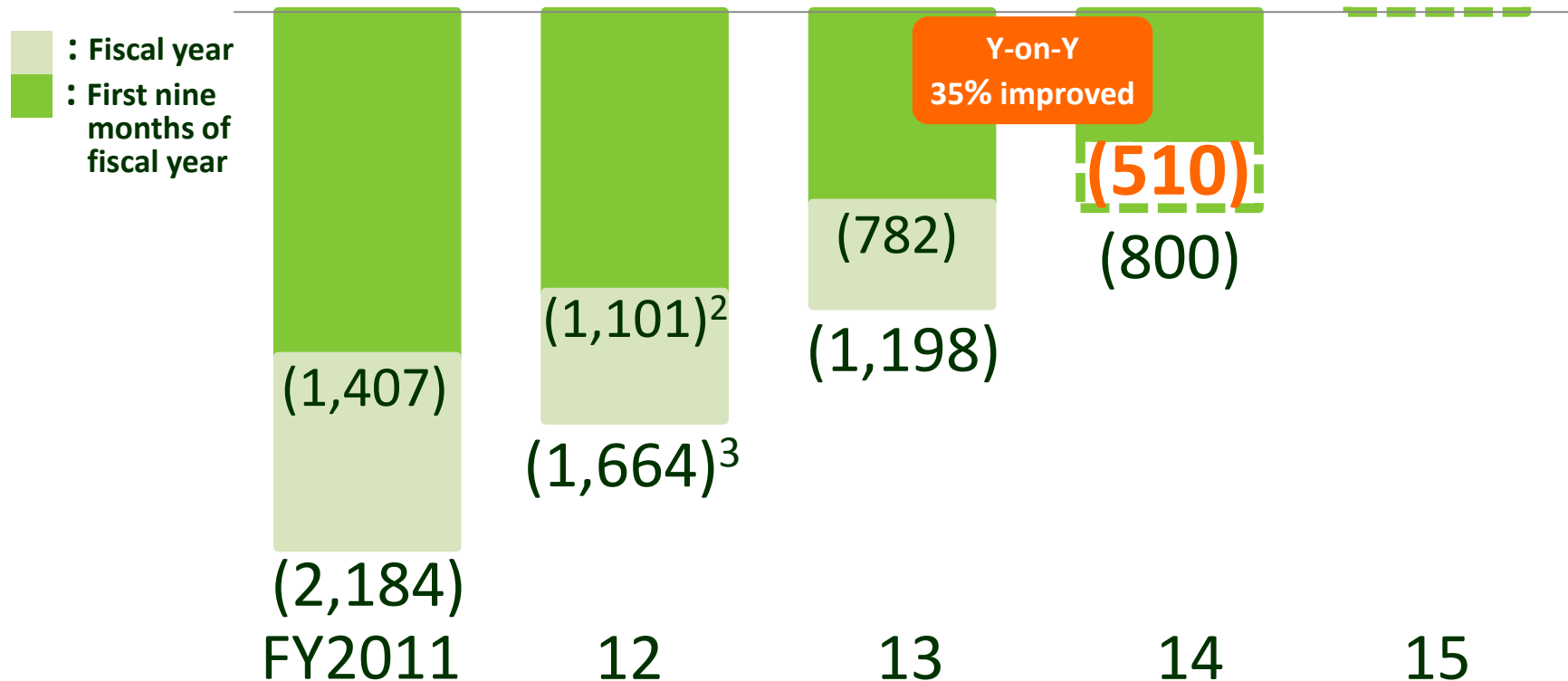
Progress of Mid-term Business Plan (Ordinary Profit¹ / Loss)



Aiming to increase ordinary income and improve productivity

(JPY mn)

Turn profitable



1. Ordinary profit (loss) before amortization of deferred assets under Article 113 of the Insurance Business Act
2. The ordinary loss before deferred expenses and amortization of deferred assets under Article 113 of the Insurance Business Act for the first nine months of fiscal 2012 included the effect of changing calculation formula of policy reserves on provision, 445 million yen. When excluding the effect, it was 1,546 million yen.
3. The ordinary loss before deferred expenses and amortization of deferred assets under Article 113 of the Insurance Business Act for the fiscal 2012 included the effect of changing calculation formula of policy reserves on provision, 501 million yen. When excluding the effect, it was 2,165 million yen.

Contents



- 1. Progress of Mid-term Business Plan**
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Summary of 3Q Results



LIFENET

(JPY mn)

	First 9 months of FY2013	First 9 months of FY2014	Year on year
Ordinary income	5,607	6,495	115.8%
Operating expenses	3,038	2,944	96.9%
Ordinary profit (loss) ¹	(782)	(510)	-
Cash flows from operating activities	1,373	2,098	152.8%
Mortality margin	876	1,251	142.8%
Number of policies-in-force	197,097	212,304	107.7%
Annualized premium	7,853	8,611	109.6%
Number of new business	36,981	21,095	57.0%
Annualized premium	1,352	996	73.7%

1. Ordinary profit (loss) before amortization of deferred assets under Article 113 of the Insurance Business Act

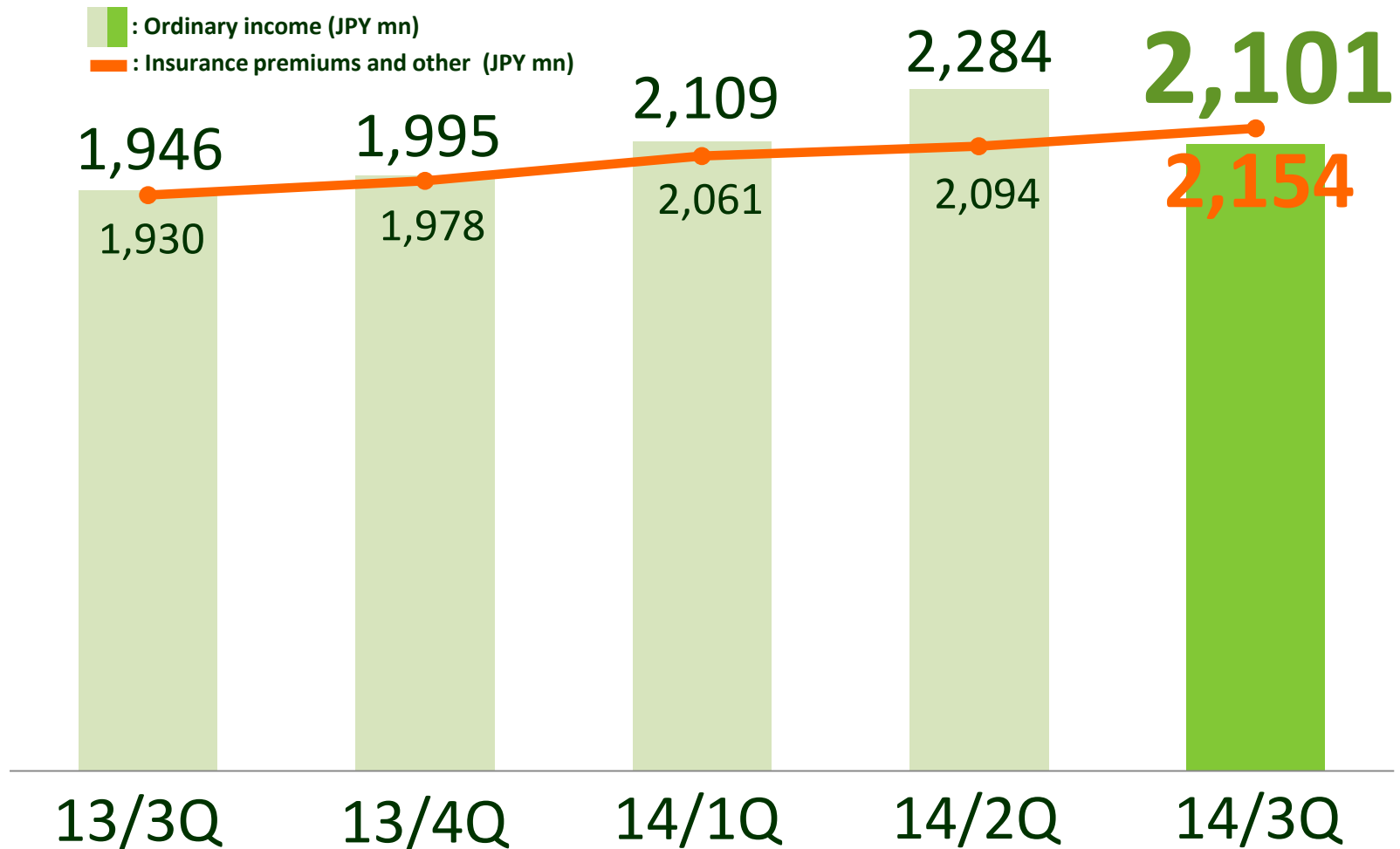
3Q FY2014 Financial Results



- Ordinary income **up 16%** year on year
- Policies-in-force **exceeded 210,000**
- Primary challenge is still **return to growth in new business performance**
- **Severe control** of marketing expense
- **Steady progress** toward profitability¹
- Positive cash flows from operating activities and mortality margin **recorded steadily**

Ordinary Income (Quarterly)

- Up 8% year on year due to growth of policies-in-force



Ordinary Profit/ Loss (Quarterly)



- Steadily increased insurance premiums and other although reversal in reserves for outstanding claims

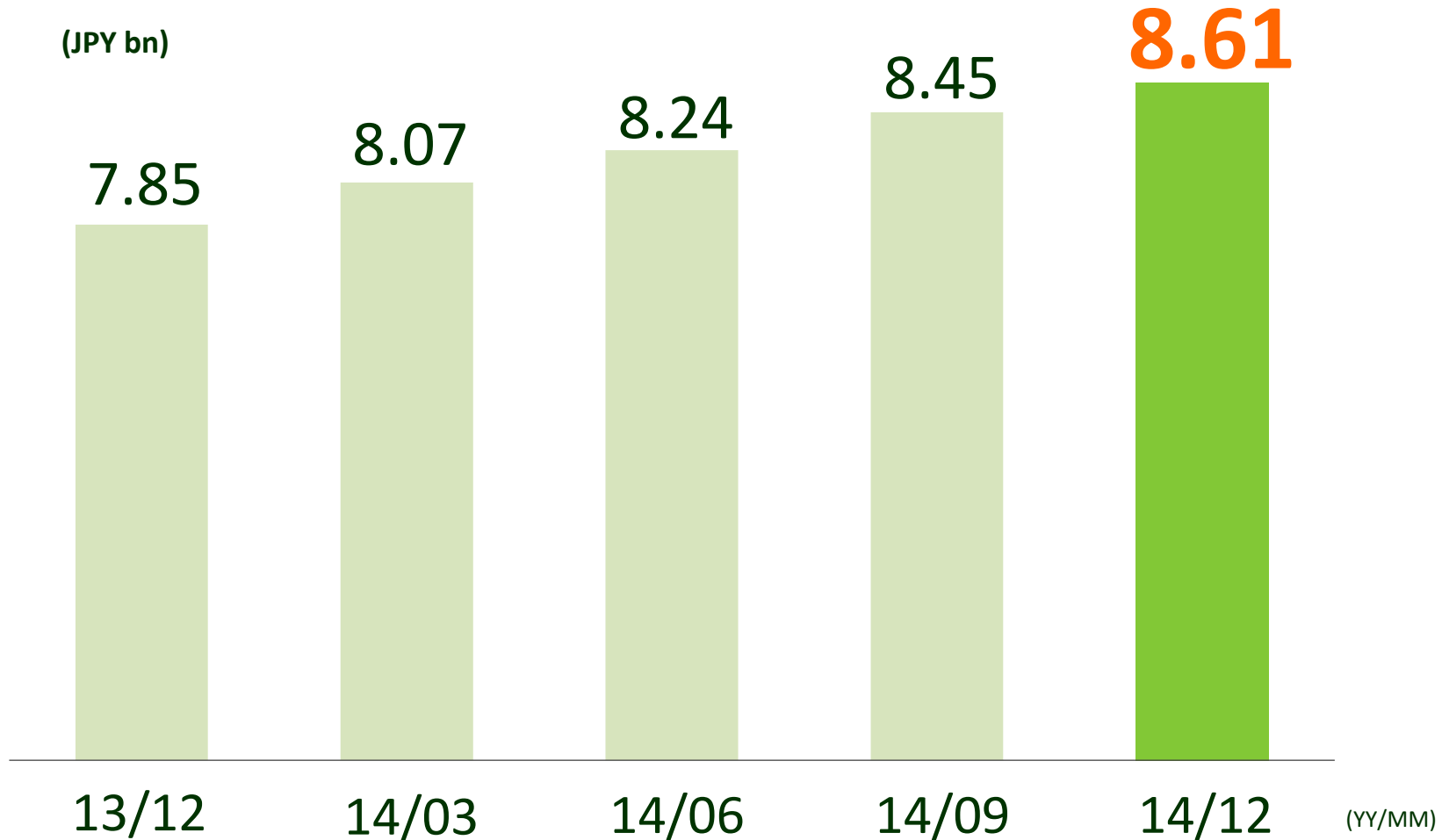
(JPY mn)

	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q
Insurance premiums and other	1,930	1,978	2,061	2,094	2,154
Investment income	12	15	20	30	31
Reversal in reserves for outstanding claims	-	-	24	157	(89)
Other ordinary income (Exclude reversal of outstanding claims)	3	1	2	3	4
Ordinary profit	1,946	1,995	2,109	2,284	2,101

Annualized Premium of Policies-in-Force¹



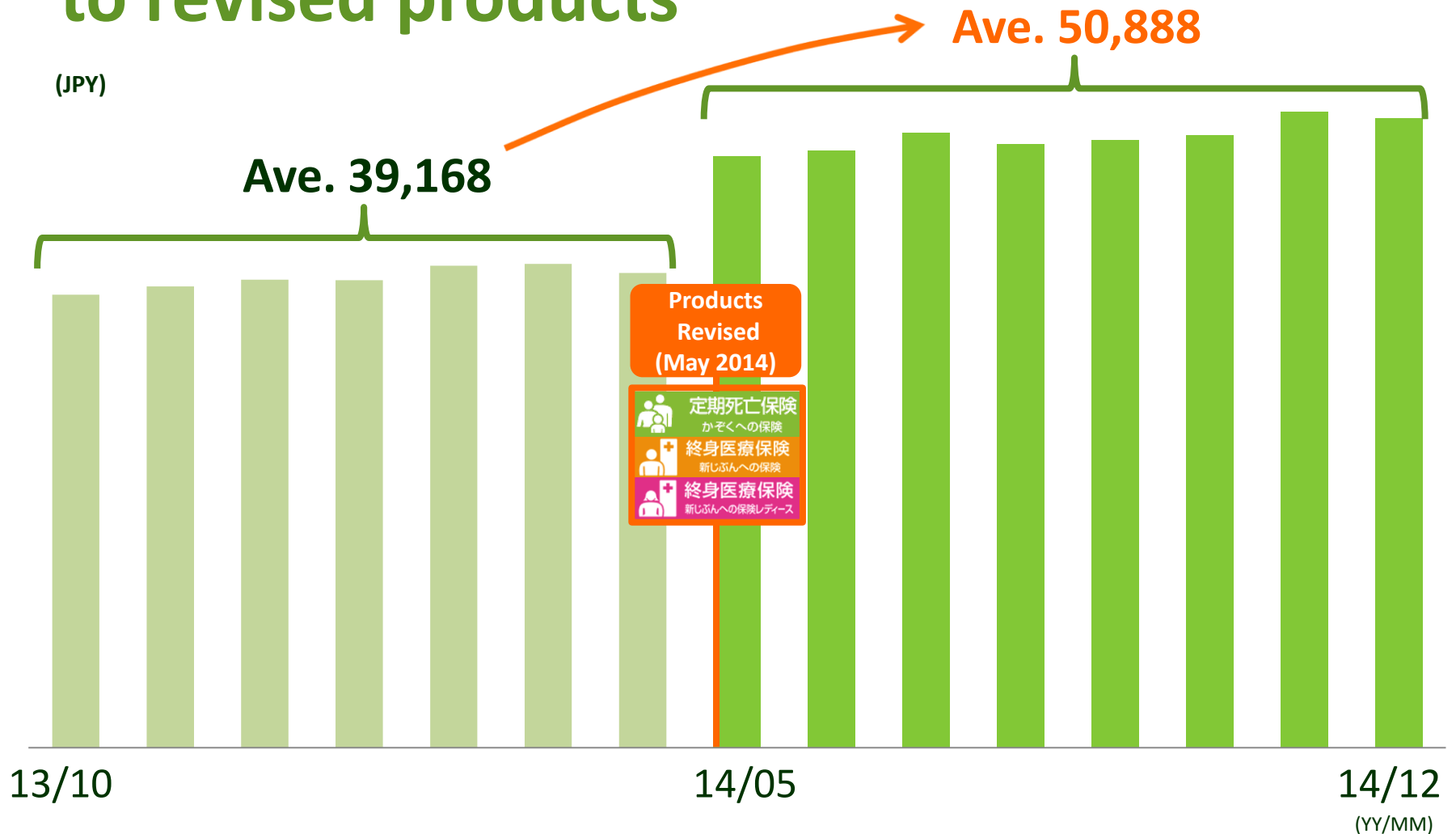
■ **Increased 10%** from December 31, 2013



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.

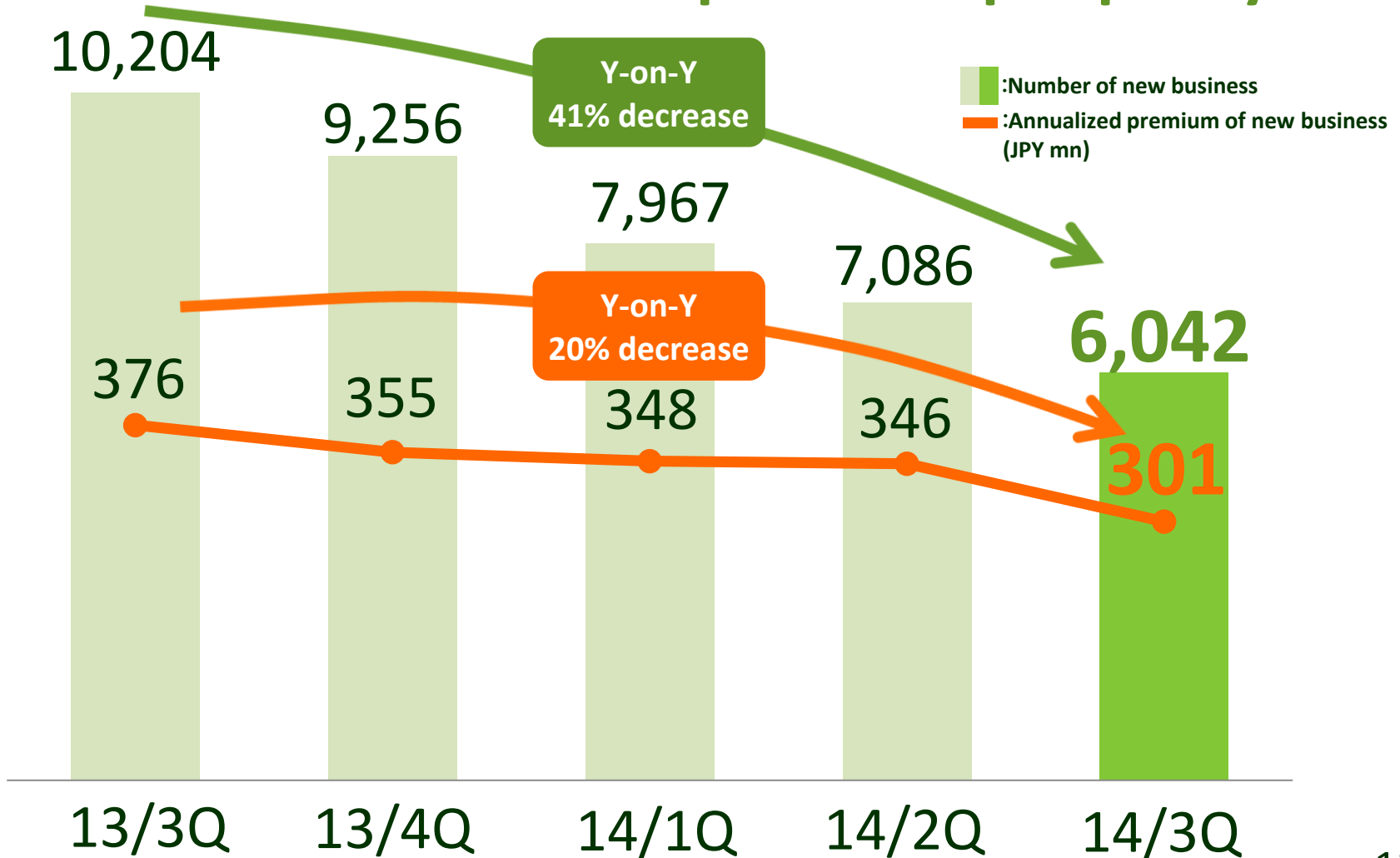
Annualized Premium per Application

■ Steady increased premium per policy due to revised products



Number of New Business/ Annualized Premium (Quarterly)

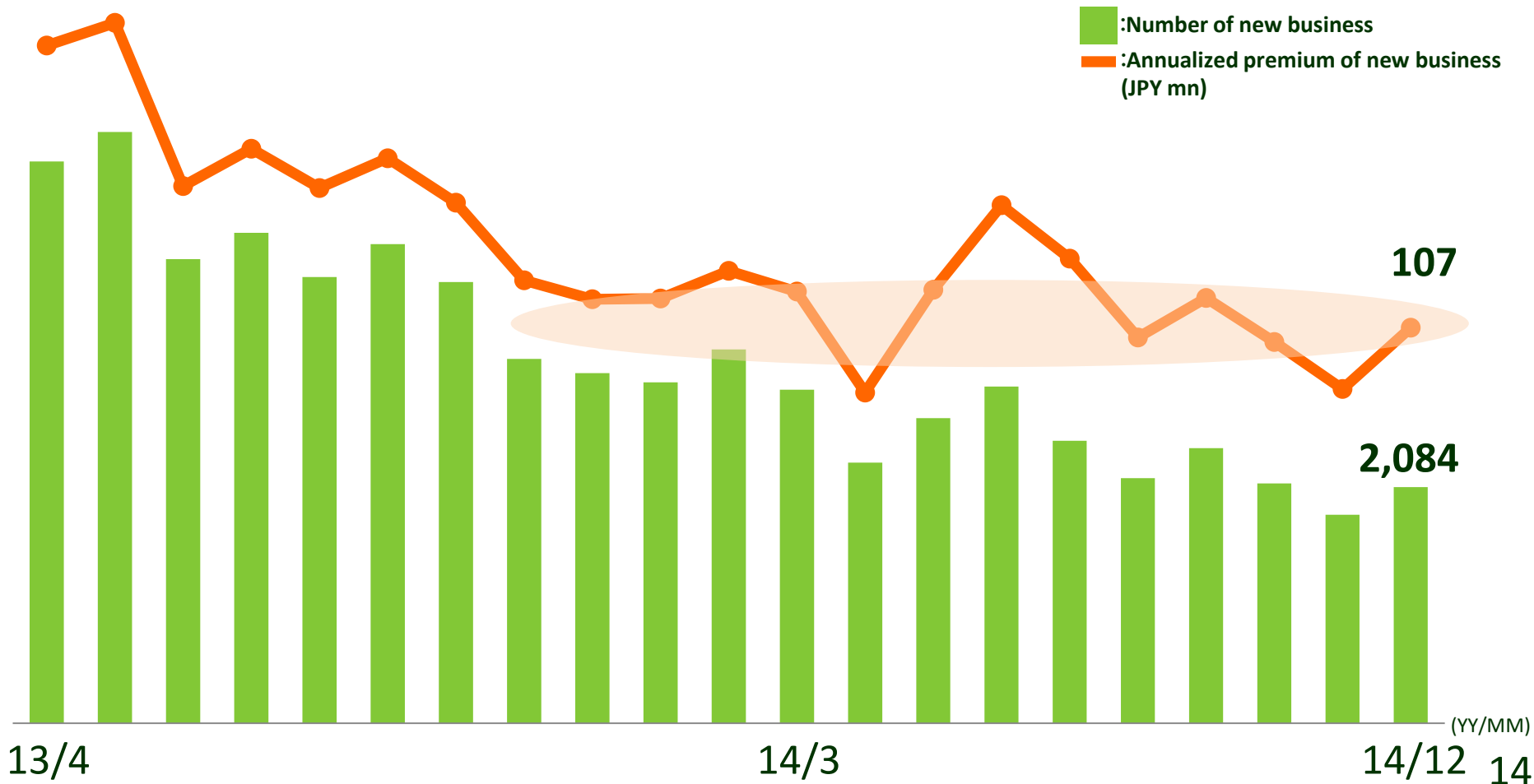
- Primary challenge is still return to growth in new business while increased premium per policy



Number of New Business (Monthly)



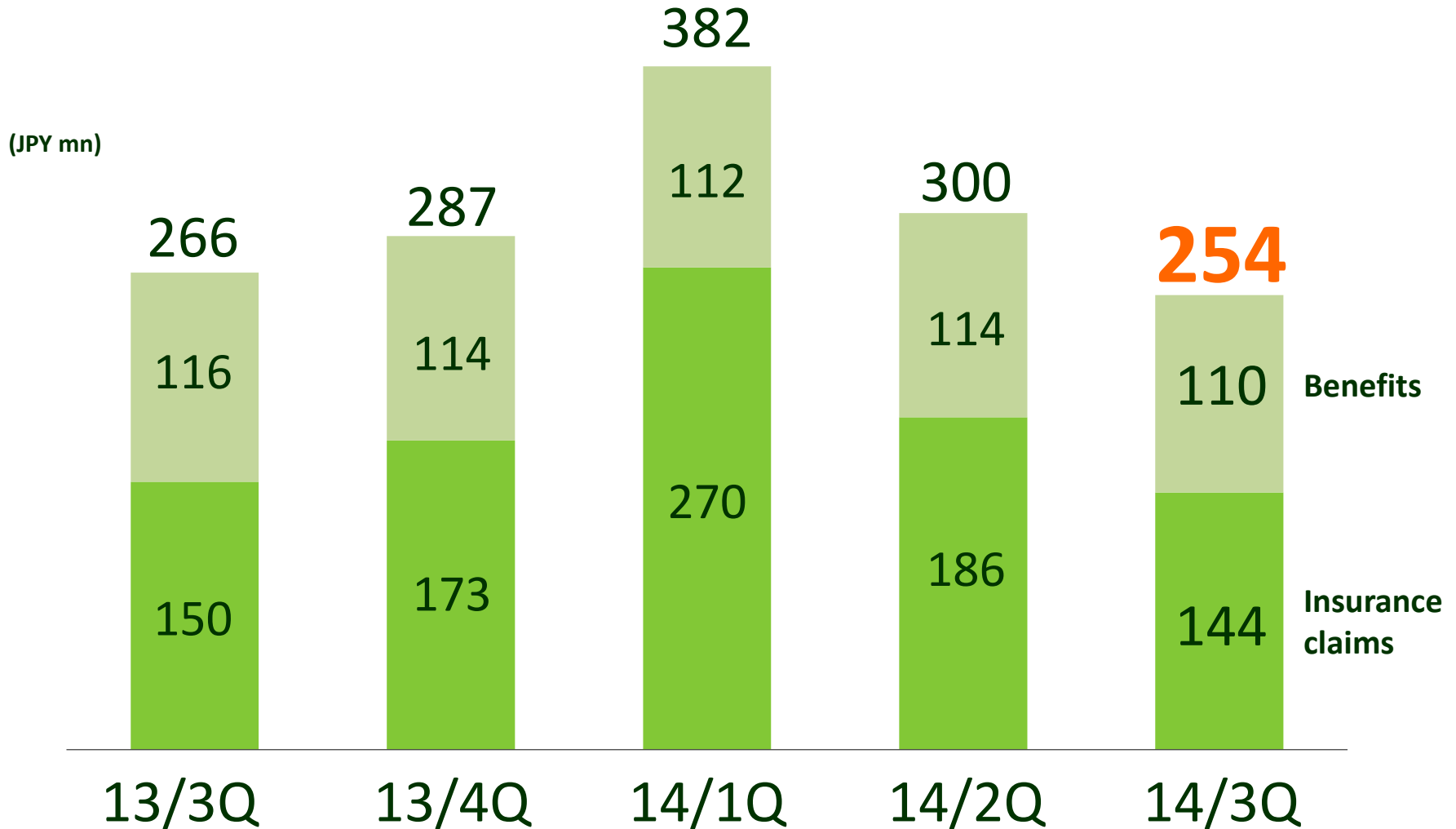
■ Still decreasing trend despite annualized premium bottoming-out



Insurance Claims and Benefits (Quarterly)

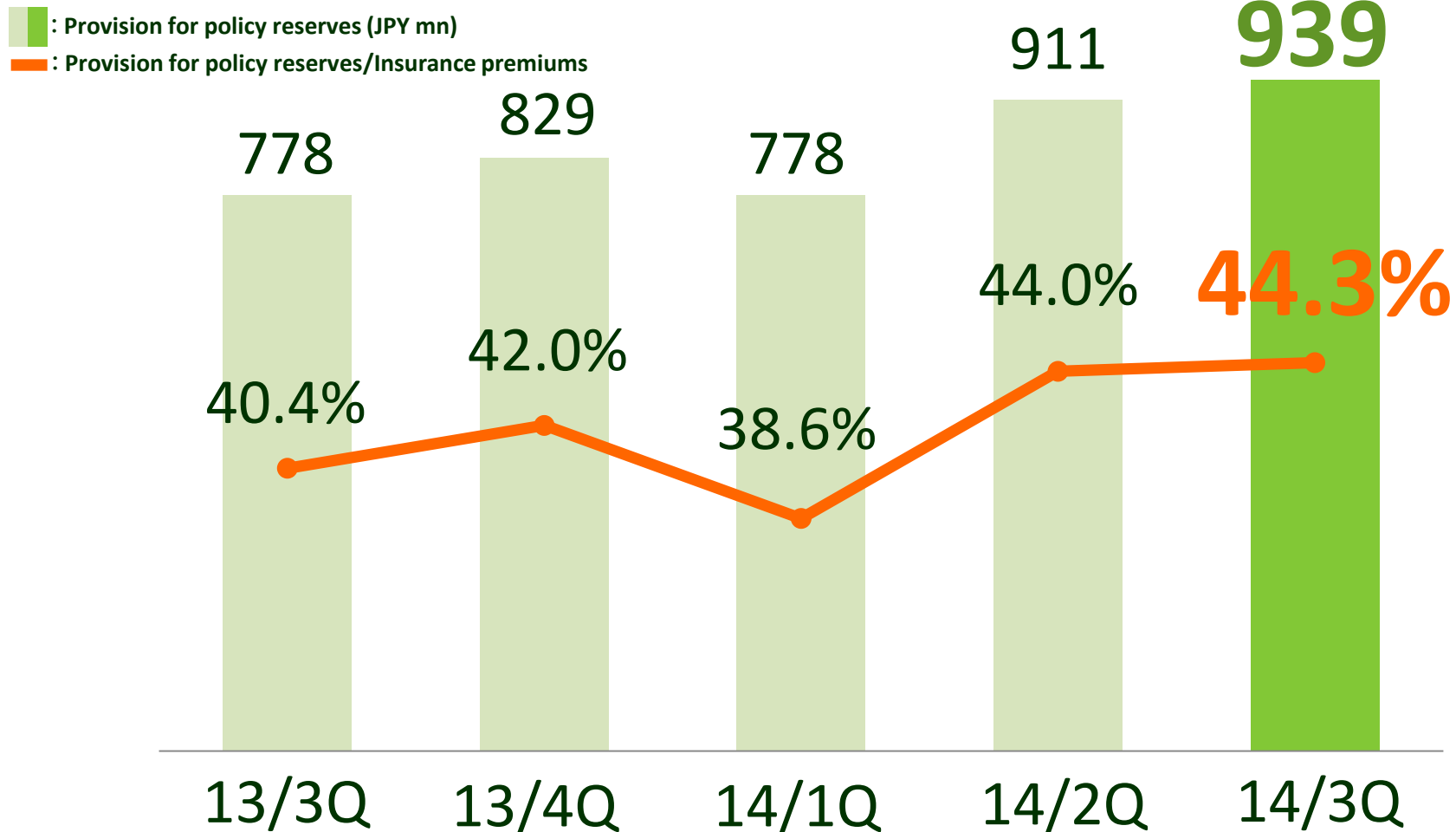


■ 13 insurance claims and 1,211 benefit claims



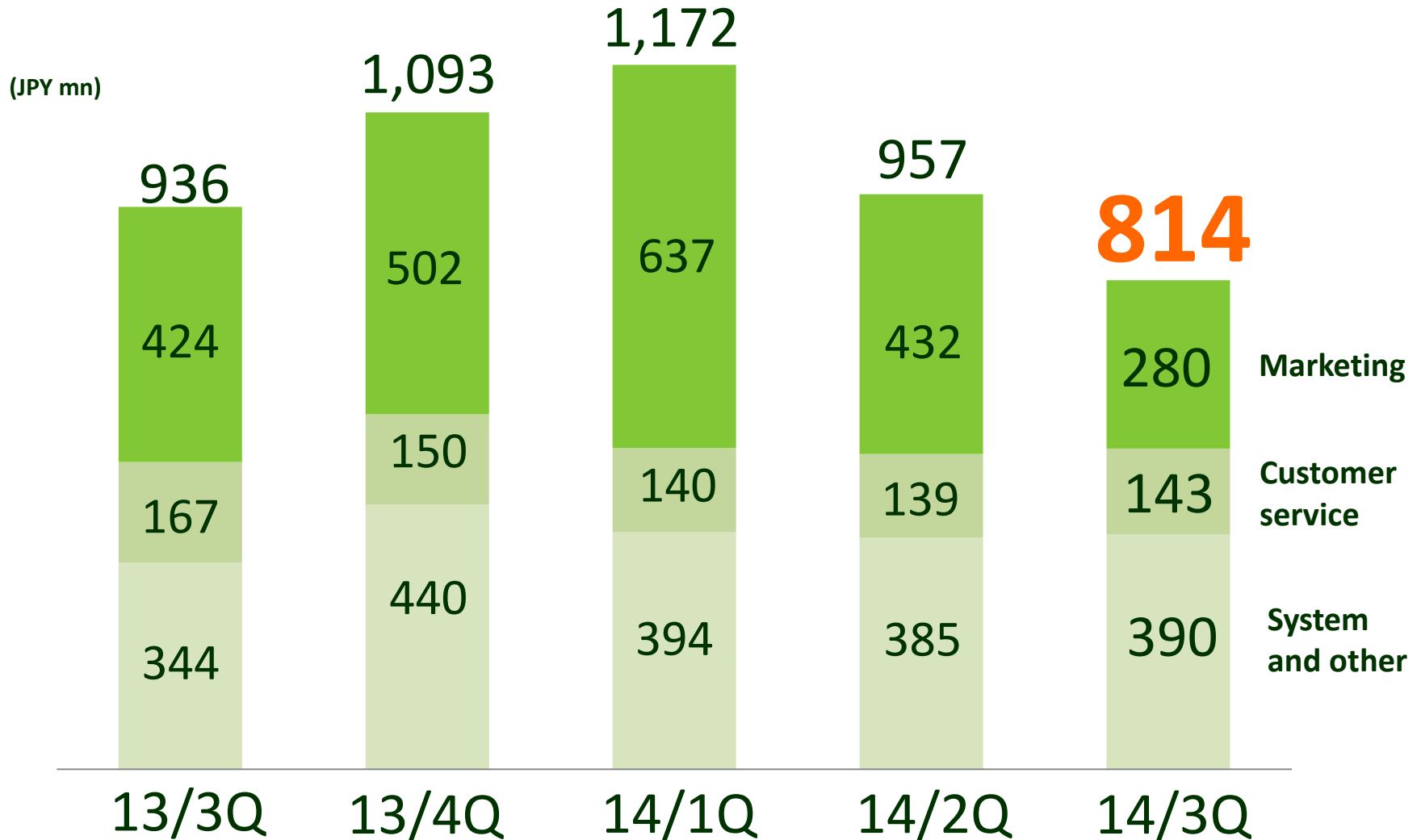
Provision for Policy Reserves (Quarterly)

■ While decreased temporarily due to reinsurance, increased due to growth of policies-in-force



Operating Expenses (Quarterly)

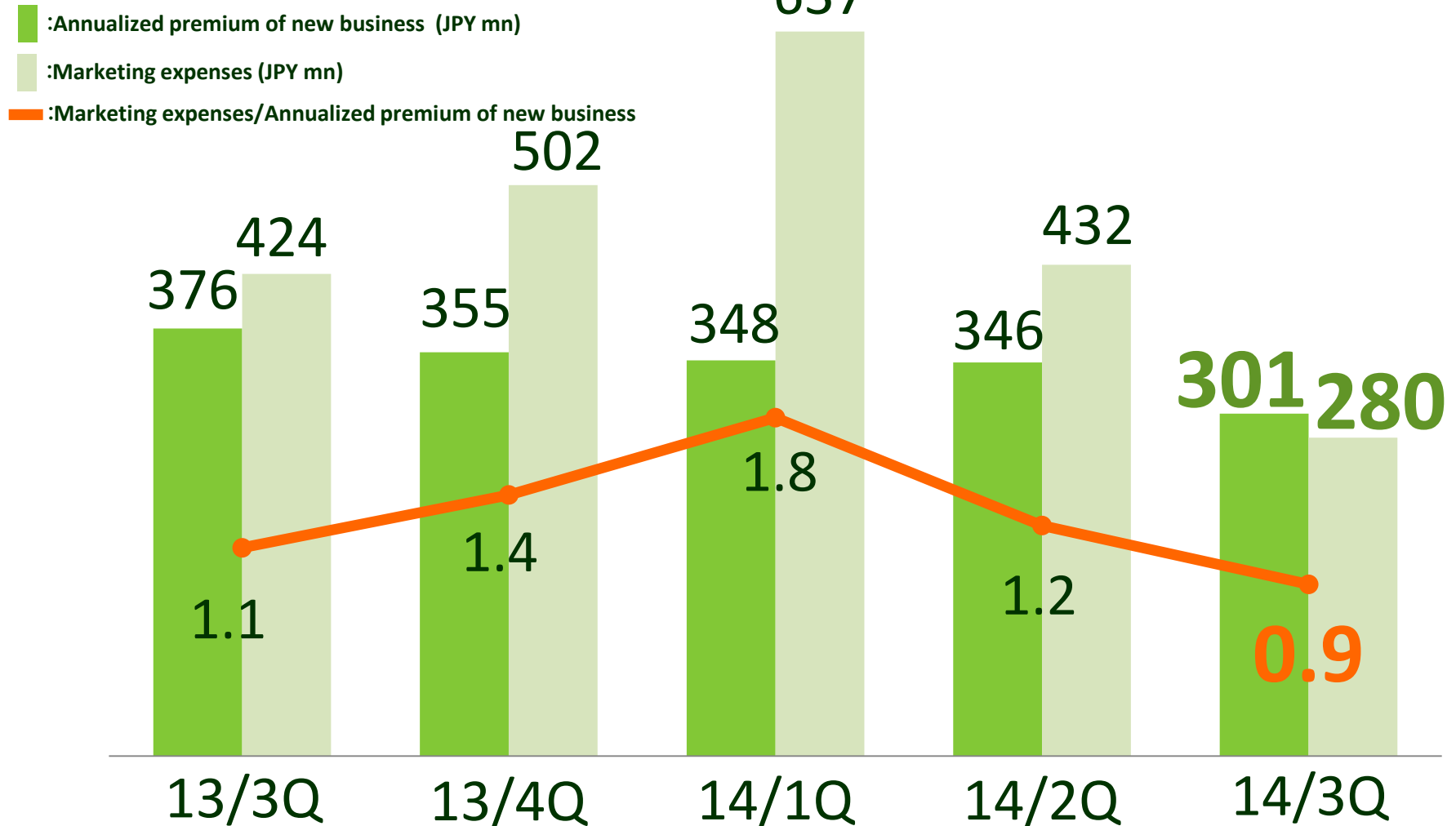
Steadily controlling by marketing expenses



Transition of Annualized Premium and Marketing Expenses



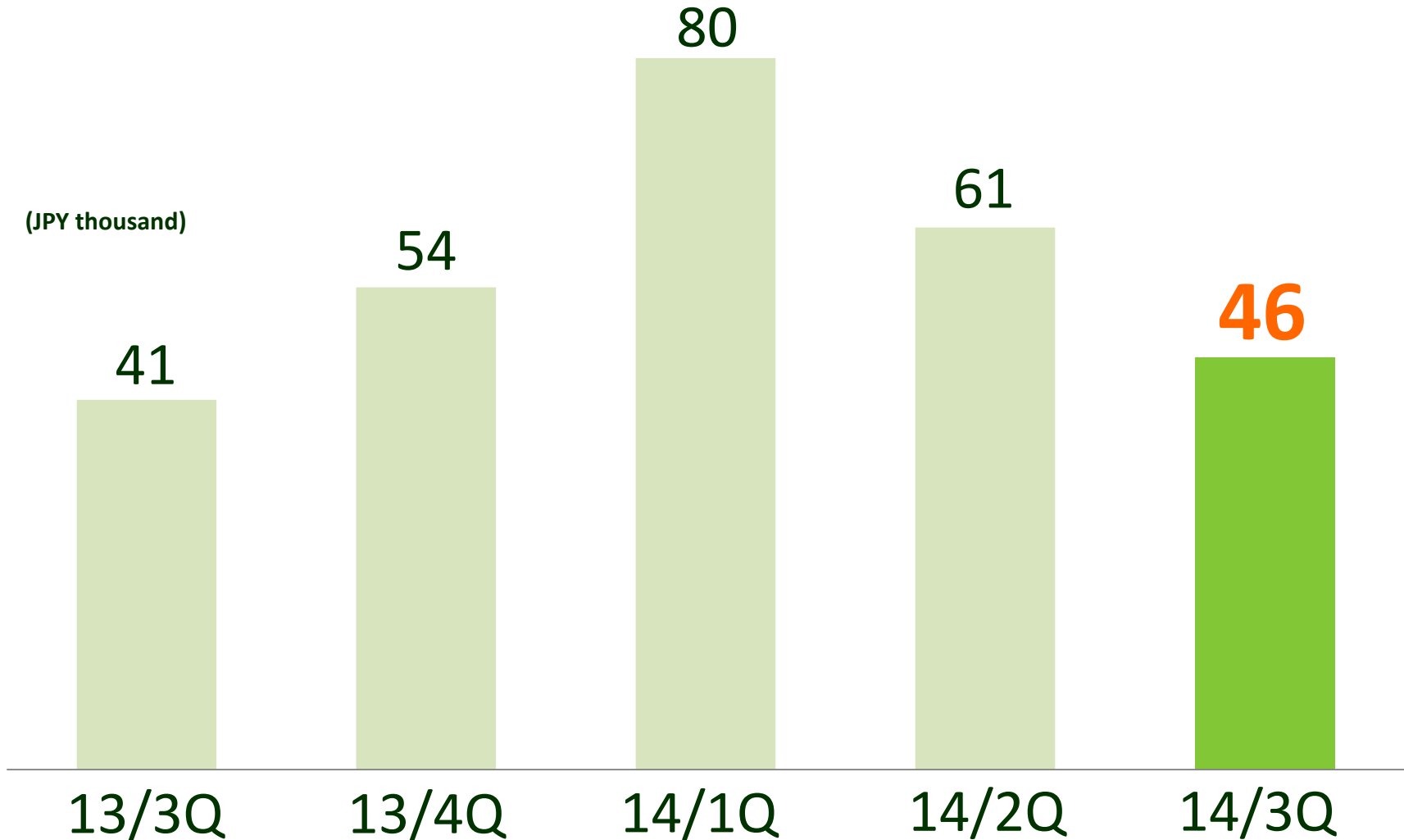
■ Efficiency in obtaining policies improved year on year



Marketing Expenses per New Business (Quarterly)



■ Improved by controlling marketing expenses



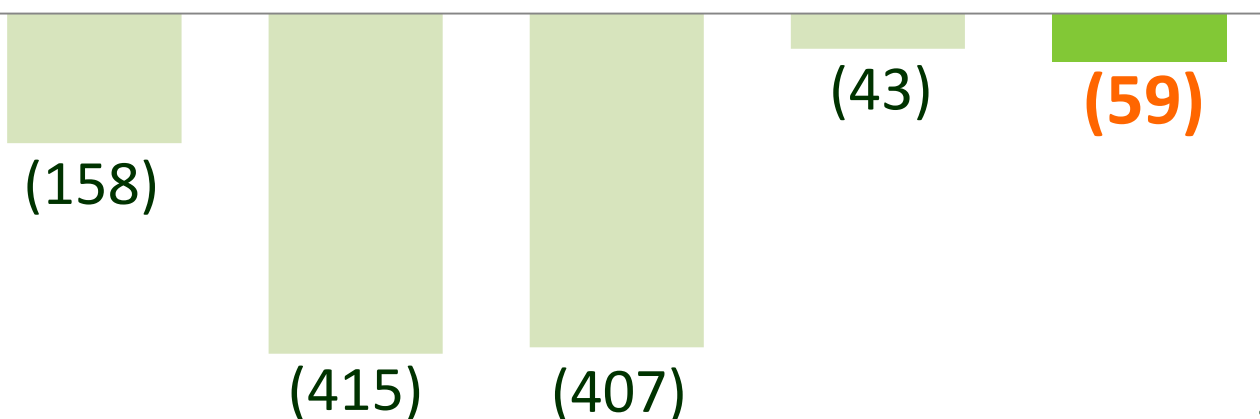
Ordinary Profit / Loss (Quarterly)

■ Improved steadily toward profitability

(JPY mn)

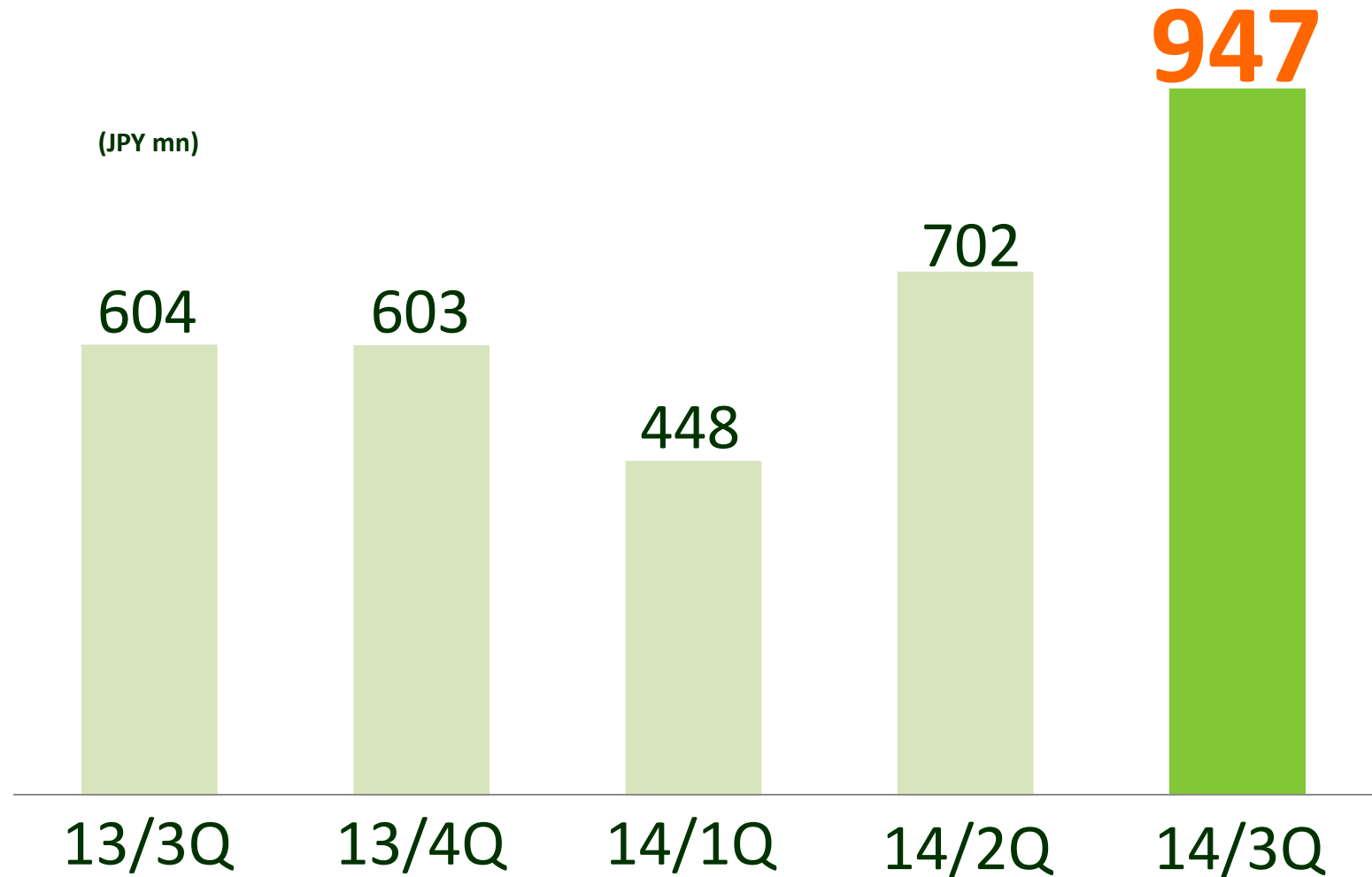
	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q
Ordinary loss before amortization of deferred assets	(158)	(415)	(407)	(43)	(59)
Amortization cost	(265)	(265)	(265)	(265)	(265)
Ordinary Profit (loss)	(423)	(680)	(672)	(308)	(324)

Ordinary loss before
amortization of deferred assets
(JPY mn)



Cash Flows (Quarterly)

■ Highest past level due to decrease expenses



Fundamental Profit

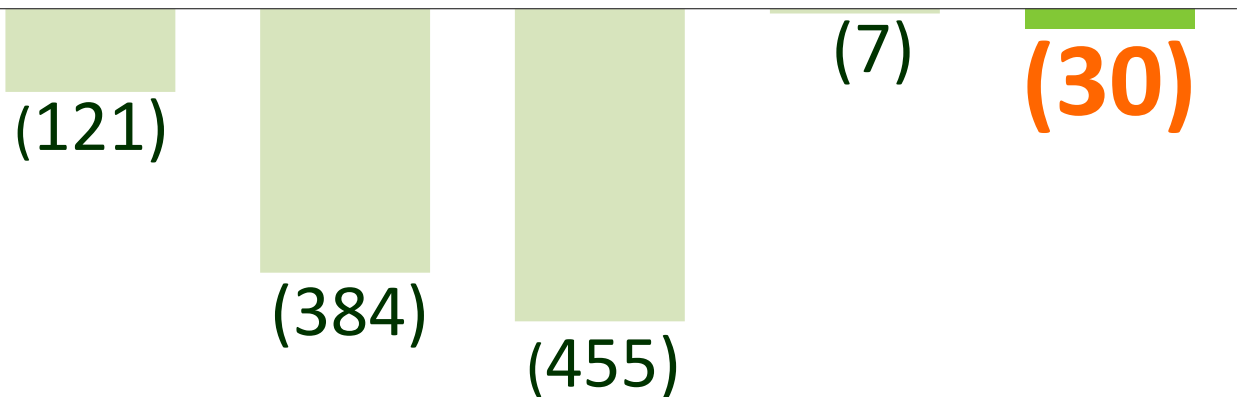
■ Mortality margin recorded steadily and expense margin improved

(JPY mn)

	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q
Mortality margin	331	264	320	549	382
Expense margin (loss)	(716)	(912)	(1,040)	(828)	(683)
Interest margin (loss)	(1)	(1)	(0)	6	4
Fundamental profit	(386)	(649)	(720)	(272)	(295)
(ref.) Insurance premiums and other	1,930	1,978	2,061	2,094	2,154

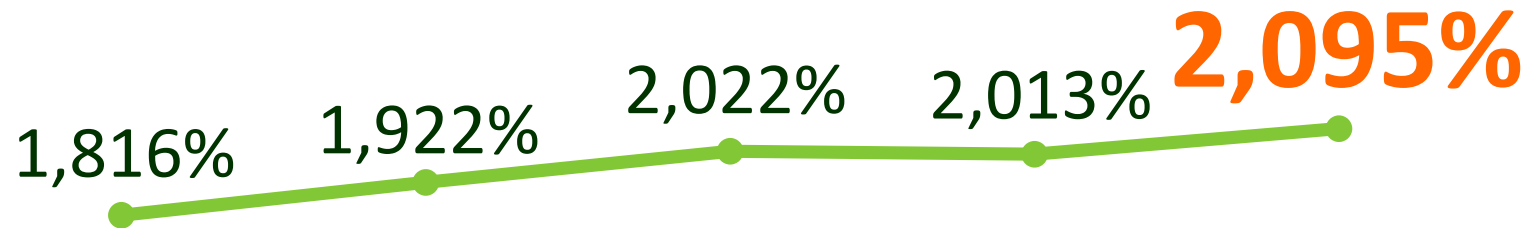
Fundamental Profit before amortization of deferred assets

(JPY mn)



Solvency Margin Ratio¹

■ Increased due to decrease asset management risk



Average of 4 major insurance companies²

846%

Average of 4 major insurance companies²

903%

13/12

14/03

14/06

14/09

14/12 (YY/MM)

1. The solvency margin ratio measures a life insurance company's ability to pay out claims when unforeseen events occurs, such as natural disaster or a stock market collapse.

2. Simple arithmetic average

Third Parties' Evaluation

■ Each process highly evaluated externally

Product

Consult

Apply

Claim



Number 1 in Oricon
Client Satisfaction
Rankings 2015 in
Overall Life Insurance
Category



Highest rating three stars in the
2014 HDI Contact Center rankings
for 3 consecutive years (Contact
Center and Website)



UCDA Awards 2014
“Another Voice”
Award for Payment
Procedure and
Documents

Enhance Business Partnership



- For wider range of customers' needs
 - D-bank users of **SURUGA Bank**
 - **CrowdWorks** freelancers thru **TOYOTA**
TSUSHO INSURANCE PARTNERS
Aim to expand partners to support for people working in diverse
 - Customers of **Hoken No Madoguchi** shops
For expansion of **Long-term Disability** utilizing over-the-counter sales

Published Benefit Payments Case of Long-term Disability

- Moving image is available on website



<http://www.lifenet-seimei.co.jp/product/disability/>

Enhance Free Consultation Services

■ Offer enriched services by structure reinforcement

Started booking services of free consultation



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ご希望の時間帯に、保険プランナーよりお電話いたします。

<https://frm.lifenet-seimei.co.jp/reserve/>

Expanded business hour of free consultation services

Before

Weekdays

From



10am

To



7pm



After
Weekdays

From



9am

To



10pm

Saturdays

From



9am

To



6pm

New TV Commercial

■ Emphasize our uniqueness

CEO Deguchi version



Open version



<http://www.lifenet-seimei.co.jp/cm/>

Keeping on “Edgy” challenges with “Social Cause”



■ Thoroughly simplified website top page

保険料を半分にして、子育て世代を応援したい。



代表取締役社長兼 COO 岩瀬 大輔

代表取締役会長兼 CEO 出口 治明

OPEN

お手頃な保険料を実現できたウケ

2015年度版 「生命保険部門」 総合第1位

過去3年以内にご自身名義の生命保険に加入した全国の男女7,694人へのアンケート

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 保険料を見積る >

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