

July 17, 2024

Ryosuke Mori, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Growth)

Notice of New Share Issue for Restricted Stock Compensation

TOKYO, July 17, 2024 – LIFENET INSURANCE COMPANY (TSE Growth 7157, President Ryosuke Mori; URL: <https://ir.lifenet-seimei.co.jp/en/>; hereafter, “the Company”) approved the issuance of new shares (hereafter, “new share issue”) for restricted stock compensation described below at its Board of Directors meeting today.

1. Summary of Share Issue

(1) Pay-in date	August 8, 2024
(2) Class and number of shares issued	Ordinary shares: 38,513 shares
(3) Issue price	1,822 yen per share
(4) Total issue amount	70,170,686 yen
(5) Directors and executive officers eligible for share allocation, number of eligible directors and executive officers, and number of shares to be allocated	Company directors (excluding directors who are audit and supervisory committee members and outside directors), 2, 19,867 shares Company executive officers (excluding executive officers who serve concurrently as directors), 7, 18,646 shares

2. Purpose and Reason for Issue

The Company decided to introduce a restricted stock compensation system for directors (hereafter, the “system for directors”) for compensating directors (excluding directors who are audit and supervisory committee members and outside directors, hereafter “eligible directors”). The purpose of the system for directors is to give eligible directors the incentive to work for continual enhancement of the corporate value of the Company and to promote greater shared value with shareholders over the medium and long-term. The eligible directors will receive the payment of monetary compensation for the restricted stock granted under this system for directors (hereafter, “restricted stock compensation”), within the total amount of compensation approved at the 15th General Meeting of Shareholders held on June 20, 2021.

In addition, in June 2024, the Company introduced the same system for its executive officers, excluding executive officers who serve concurrently as directors (hereafter, collectively with the eligible directors, the “eligible directors and executive officers”), which will be called the “system” collectively with the system for directors.

An overview of the system is provided below.

[Overview of the system]

Eligible directors and executive officers shall pay in the entire amount of monetary compensation claims paid to them under this system as a cash investment asset, and will receive ordinary shares issued or distributed by the Company. The total number of shares issued or distributed to eligible directors and executive officers under this system shall be 200,000 shares a year or less. The amount to be paid in per share will be determined by the Board of Directors based on the closing price of the Company's ordinary shares on the Tokyo Stock Exchange Growth on the business day immediately preceding the date of the each Board of Directors resolution (the closing price on the most recent day on which trading has taken place if there is no trading on that day), and will be an amount that does not provide the eligible directors and executive officers who receive the ordinary shares with a particularly advantageous price.

Moreover, issuance or distribution of ordinary shares of the Company under this system shall be conditioned upon a restricted transfer stock allocation agreement concluded between the Company and each eligible director and executive officer who will receive payment of the restricted stock compensation. The agreement shall contain the following provisions: 1) transfer, pledging as collateral, or any other disposition of allocated shares to third parties by an eligible director and executive officer is prohibited for the specified time period, and 2) the Company will acquire the shares for free under certain conditions.

The purpose of this system is to further increase the motivation of each eligible director and executive officer, while taking business conditions, the scope of responsibilities of each eligible director and executive officer, and various other circumstances into consideration. The company has therefore set total monetary compensation claims at 70,170,686 yen (hereafter, "monetary compensation claims") and the number of ordinary shares at 38,513 shares.

The nine eligible directors and executive officers whom the company will allocate shares to under the system will pay in the entire amount of monetary compensation claims paid to them under the new share issue as a cash investment asset, and will receive ordinary shares issued by the Company (hereafter, "allocated shares"). A summary of the restricted transfer stock allocation agreement (hereafter, "Allocation Agreement") for the new share issue which the Company will conclude with eligible directors and executive officers is provided below.

3. Summary of the Allocation Agreement

1) Restricted transfer period

From August 8, 2024 to a day eligible directors and executive officers resign or retire from any positions of Director, executive officer, or corresponding position, or the position of employee in the Company or the Company's subsidiary (However, if the day of resignation or retirement is before June 30, 2025, the period will be until July 1, 2025.)

2) Release of Restriction on Transfer

The Company will release the restriction on transfer once the transfer restriction period

on the allocated shares has expired. However, if the Board of Directors finds the condition that is not considered to be appropriate in general societal terms, the Company can postpone the release of the restriction.

3) Share management

In order to ensure that allocated shares are not transferred, pledged as collateral, or otherwise disposed of by each eligible director and executive officer during the transfer restriction period, the shares will be managed by Nomura Securities Co., Ltd. in a dedicated account opened by each eligible director and executive officer during the transfer restriction period. The Company has concluded an agreement with Nomura Securities Co., Ltd. on management of accounts for the allocated shares held by each eligible director and executive officer to ensure effectiveness of transfer restrictions and other aspects of managing the allocated shares. The eligible directors and executive officers shall also consent to the details of management of these accounts.

4) Handling in organizational restructurings and similar circumstances

In the event that a merger agreement that renders the Company a defunct company, a share exchange agreement making the company a wholly owned subsidiary, a share transfer plan, or other organizational restructuring approved at the General Meeting of Shareholders (however, this shall be the Board of Directors for such organizational restructuring or other events that do not require the approval of the General Meeting of Shareholders) occurs during the transfer restriction period, the restrictions on transfer may be released on a reasonably prorated number of shares allocated in advance, based on the time period from the date on which the transfer restriction period began to the date on which the organizational restructuring or other event occurred, when approved by the Board of Directors of the Company notwithstanding 1) above. When the above rules are applied, the Company will naturally acquire the allocated shares on which the transfer restrictions have not been released for free, immediately after the transfer restrictions have been released.

4. Grounds for calculating the amount to be paid in and the specific supporting reasons

The issue of new shares to the eligible directors and executive officers will be made using the monetary compensation claims paid to the eligible directors and executive officers under the system as the contribution asset. To ensure that the issue price is reasonable, it shall be set at 1,822 yen, which is the closing price for the Company's ordinary shares on the TSE Growth on July 16, 2024 (the business day immediately preceding the date of the Board of Directors meeting). This is the market price for the shares immediately prior to the date of the Board of Directors meeting, and we have judged it to be reasonable and a price level that will not confer any particular advantage to the eligible directors and executive officers.

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

LIFENET INSURANCE COMPANY has developed the LIFENET Manifesto that embodies our mission of “Help our customers embrace life more fully by offering comprehensible, cost-competitive and convenient products and services.” We have consistently delivered customer-oriented products and services since our business commencement. As the leading online life insurer, we aim to realize “a society where next generation can be nurtured with confidence in the future.”

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