LIFENET INSURANCE COMPANY

Q3 Financial Results Briefing for the Fiscal Year Ending March 2023

February 9, 2023

[Speaker]

Ryosuke Mori President and Representative Director

Presentation

Mori: Thank you very much for attending our financial results briefing today.

The Company announced its financial results for Q3 of FY2022 at 15:30 today. Presentation materials are available on our IR website. I would like to provide an overview of the financial results using the presentation materials and then move on to the question-and-answer session.

Cumulative 3Q of FY2022 Key Highlights

LIFENET

- **Annualized premium[1] of policies-in-force up 12.8% YoY to JPY 23.5 billion**
- **COVID-19 claims was within expectation of JPY 1.32 billion**
- **EEV up 7.8% YoY to JPY 122.9 billion**
- **Renewed "au Life Insurance" to strengthen white label business with KDDI**
- **Identified Materiality (key sustainability issues)**

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

2

Please see page 2. These are the main points of today's financial results presentation.

First, annualized premiums of policies-in-force at the end of December 2022 increased 12.8% YoY to JPY23.5 billion, continuing steady double-digit growth.

COVID-19 claims was large in H1 of FY2022, but after we revised the requirements of COVID-19 claims in September, they settled at a certain level, totaling JPY1.32 billion for the first nine months of FY2022.

European embedded value, the most important management indicator in our management policy, increased 7.8% from the end of December 2021 to JPY122.9 billion.

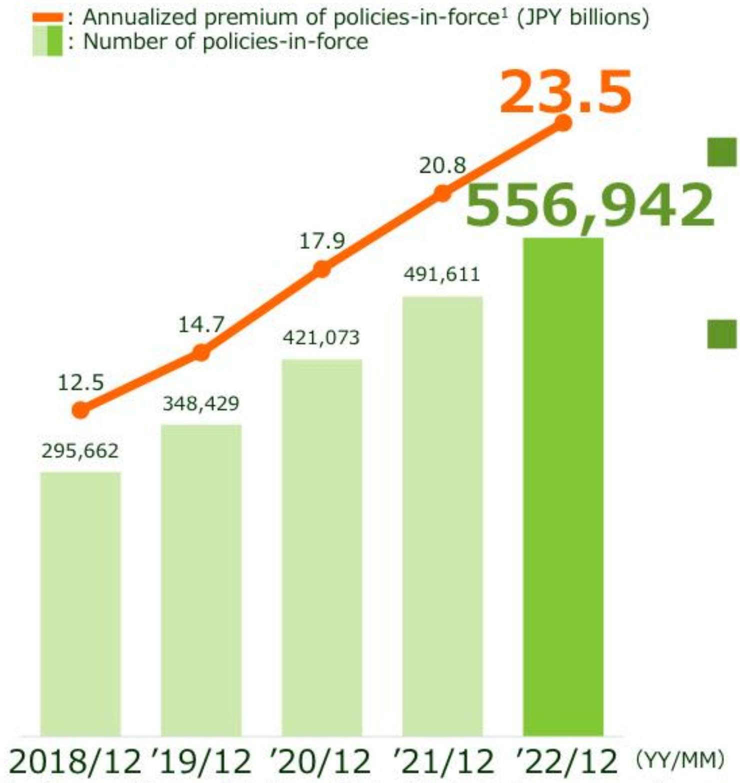
In addition, two of the most significant upcoming initiatives are listed below.

We renewed "au Life Insurance" in February 2023 to strengthen white label business with KDDI.

Furthermore, we identified Materiality (key sustainability issues).

Details of each item will be explained later.

Annualized Premium / Number of Policies-in-Force



- Exceeded 550,000 policies-in-force
- Year-on-year annualized premium 112.8%, number of policies-in-force 113.3%

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.

3

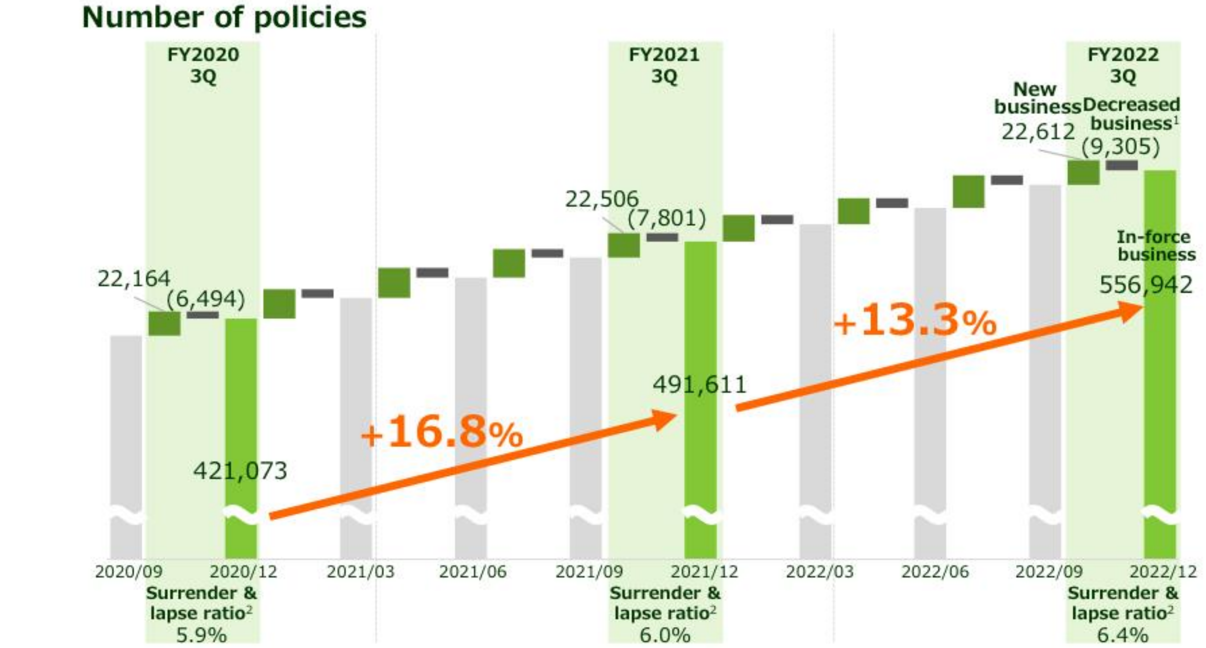
Please see page 3. This is the performance of in-force business.

Annualized premiums of policies-in-force, which correspond to annual recurring revenue, amounted JPY23.5 billion at the end of December 2022, with 556,942 policies-in-force.

Both the annualized premium and the number of policies-in-force reached record highs, with strong growth of more than 10% compared to the end of December 2021.

Policies-in-Force Movement

■ Continues to grow in the mid-term while further acceleration is needed



1. Decreased number of policies include death, expiration and others in addition to surrender and lapse.
2. Surrender and lapse ratio is annualized.

4

Page 4 shows the movement in the number of policies-in-force.

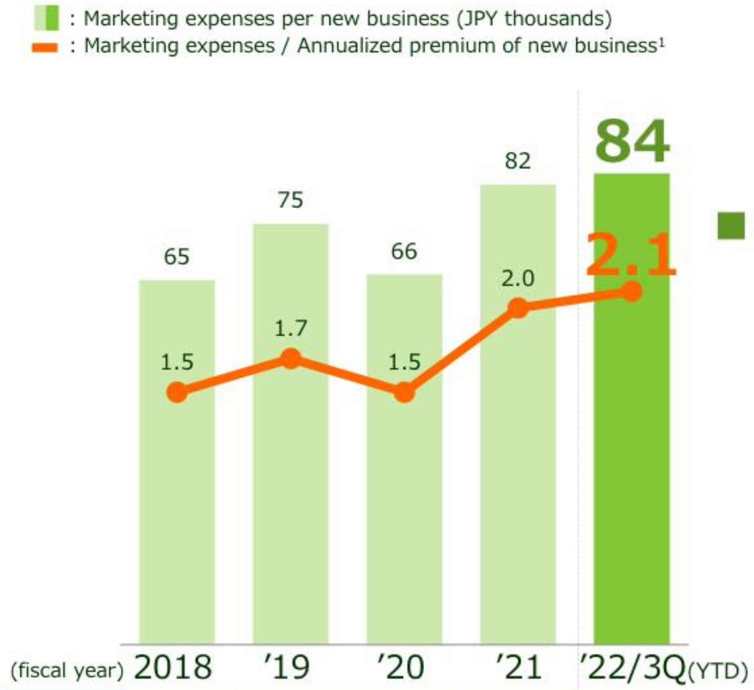
The green bar graph on the far right is for Q3 of FY2022.

The number of new business for Q3 totaled 22,612. The surrender and lapse ratio was 6.4%.

As you can see, we are maintaining our mid-term trend of double-digit growth in policies-in-force. However, we recognize that increasing new business performance is a major challenge in order to further accelerate growth.

Currently, our performance is still affected by short-term changes in the business environment, but we will continue to strengthen our brand power and improve UI/UX in order to capture the structural megatrend of digitization of financial services. Additionally, through active collaboration with other companies, we will strive to achieve sustainable growth of policies-in-force.

Marketing Efficiency



■ Continued a certain scale of marketing investment while carefully monitoring marketing efficiency

Marketing expenses (JPY millions)	2018	'19	'20	'21	'22/3Q(YTD)
	4,216	6,146	6,712	8,262	**6,424**

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.

5

Page 5 shows marketing efficiency.

The table below left shows the marketing expenses invested. Figures from FY2018 to FY2021 stands for the full fiscal year, and that of FY2022 stands for the first nine months of the fiscal year, totaled JPY6,424 million.

As shown in the bar graph, marketing expenses per new business was JPY84,000.

Marketing expenses were generally invested at the same pace as before in order to further enhance the strength of the brand power and achieve sustained growth in in-force business. In Q3 of FY2022, we were in the midst of a short-term decline in insurance demand, which resulted in a deterioration in marketing efficiency.

Improving marketing efficiency is one of our mid-term challenges. However, we will continue to make a certain level of marketing investment based on the idea that to strengthen our position in the online life insurance market leads to the expansion of our business over the mid- to long term.

Operating Expenses Ratio

- **Increased mainly due to investments in new initiatives**
- **Aim to improve in the mid-term by further business expansion and productivity improvement**

1. Operating expenses ratio is calculated by dividing operating expenses excluding marketing expenses by insurance premiums.

6

Next, I will explain the efficiency of operating expenses excluding marketing expenses on page 6.

Operating expenses, excluding marketing expenses, totaled JPY3,499 million for the first nine months of FY2022. The Operating expenses ratio to insurance premium was 21.0%.

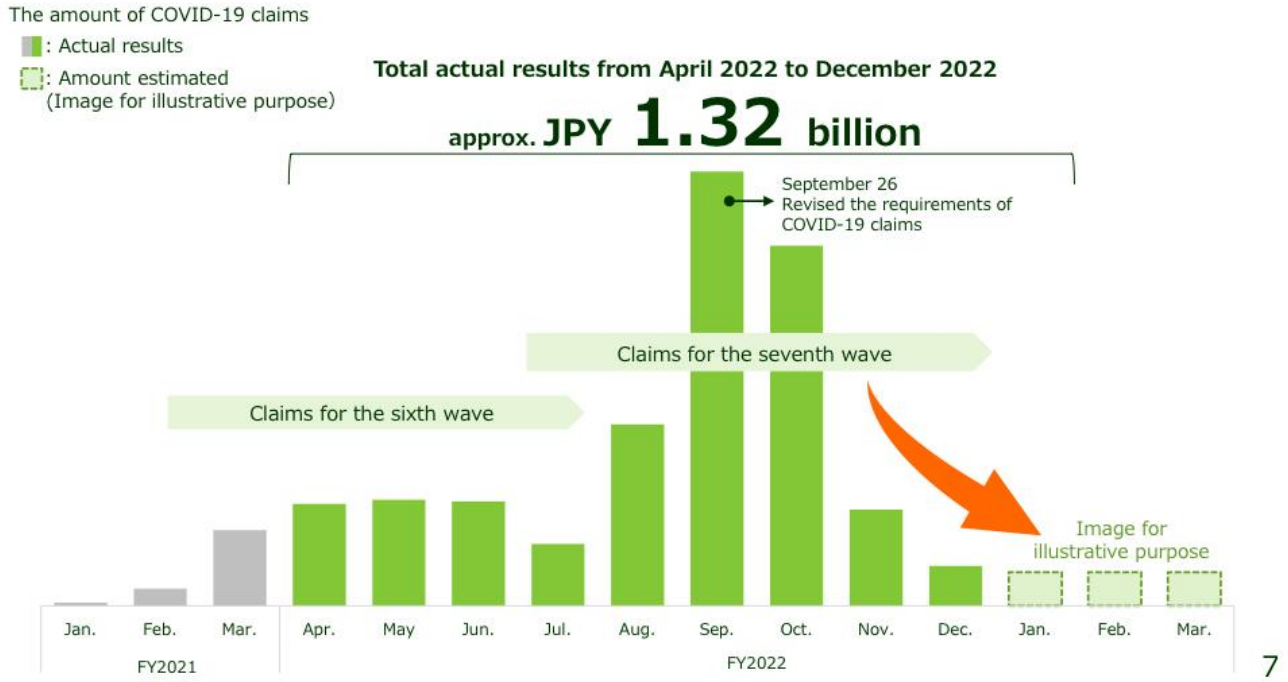
Although insurance premium is steadily increasing, the operating expenses ratio is higher than that of FY2021 due to the investments in new business development, including preparations for the launch of the group credit life insurance business.

An improvement of operating expenses ratio means a decrease in unit costs, which is an important factor for an improvement of profitability and an increase in European Embedded Value.

In the current scale of our business, a certain scale of investment will affect the fluctuations of operating expenses ratio. Thus, we will continue our efforts to stabilize and improve the ratio over the mid-term.

COVID-19 Claims Condition

Decreased to a certain level since revised the requirements of COVID-19 claims



Page 7 shows the condition of COVID-19 claims.

Due to the increase in COVID-19 cases, a large number of COVID-19 claims were incurred in H1 of FY2022. As a result, we revised the business forecasts of ordinary profit and net income downward in our announcement of financial results for Q2 of FY2022.

Since then, as you can see, insurance payments related to COVID-19 have calmed down since September 26 in which we reviewed the requirements for COVID-19 claims. It amounted to JPY1.32 billion in the first nine months of FY2022.

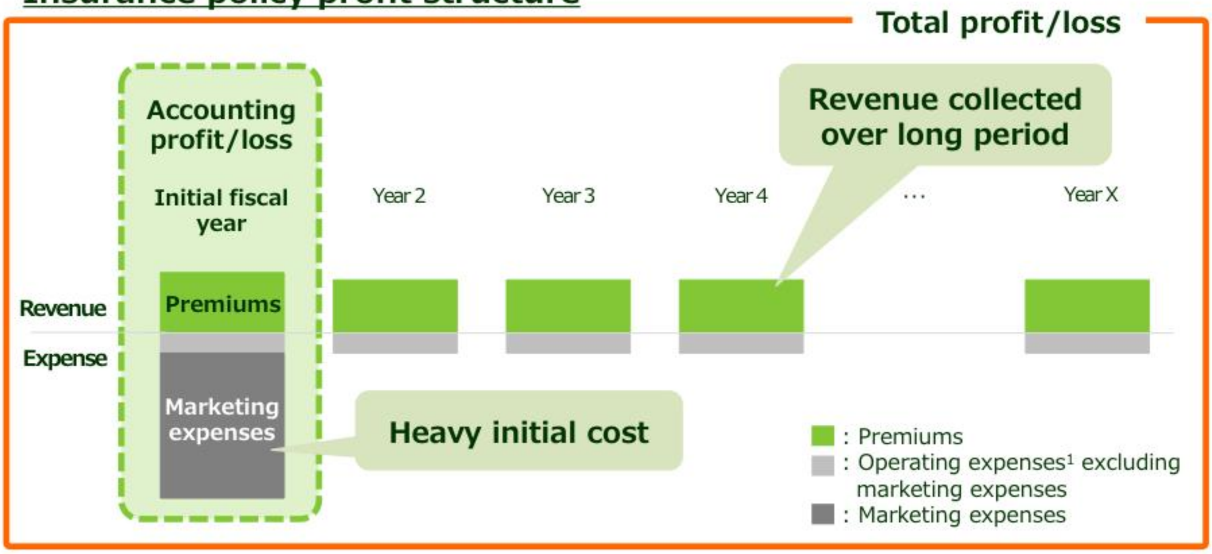
Based on the current situation, we do not expect any significant change in the estimated amount of COVID-19 claims for FY 2022, which is JPY 1.35 billion explained at our Q2 financial results briefing, although there is a possibility of a slight increase from the figure.

Recently, it is said that the status of COVID-19 under the Infectious Diseases Act in Japan will be shifted to the one same as seasonal flu.

Profit Structure under Current Statutory Accounting

- **Time lag is caused between the recognition of costs and revenue as marketing expenses is recognized at the time of acquisition, and revenue is collected gradually over a long period**

Insurance policy profit structure



1. Costs for policy management, payment of insurance claims and benefit claims, etc.

8

Page 8 shows the accounting structure of life insurance companies.

This is important to properly understand our profitability.

Under the current statutory accounting on the profit and loss statement, the entire cost associated with the acquisition of new business is recognized as a current period expense.

Meanwhile, the income from insurance premiums, which is the revenue, is recognized over a long period of time. Consequently, the more new business grows, the greater the profit decline during the current period, due to the growth in costs posted during the current fiscal year.

Statutory accounting therefore does not necessarily provide a picture of the long-term profitability of our business.

Adjusted Profit

■ Steadily recorded profit generated from in-force business, while affected by COVID-19 claims of JPY 1.32 billion

The method for calculating adjusted profit

Adjusted profit = i) Ordinary profit (loss) + ii) Marketing expenses
− iii) Impact of modified co-insurance
± iv) Adjustment based on standard policy reserves[1]

JPY millions / fiscal year	2018	2019	2020	2021	2022/3Q (YTD)
i) Ordinary profit (loss)	(1,719)	(2,382)	(3,089)	(3,245)	(3,731)
ii) Marketing expenses	4,216	6,146	6,712	8,262	6,424
iii) Modified co-insurance	–	(1,526)	(804)	(1,283)	(549)
iv) Adjustment	347	546	739	721	152
Adjusted profit	**2,844**	**2,784**	**3,558**	**4,455**	**2,296**

1. The amount of the adjustment to the policy reserve provision is the adjustment calculated by excluding the provision for contingency reserves and adjusting for the switch in method for calculating the provision from the Zillmer method to provision based on the standard policy reserves.

9

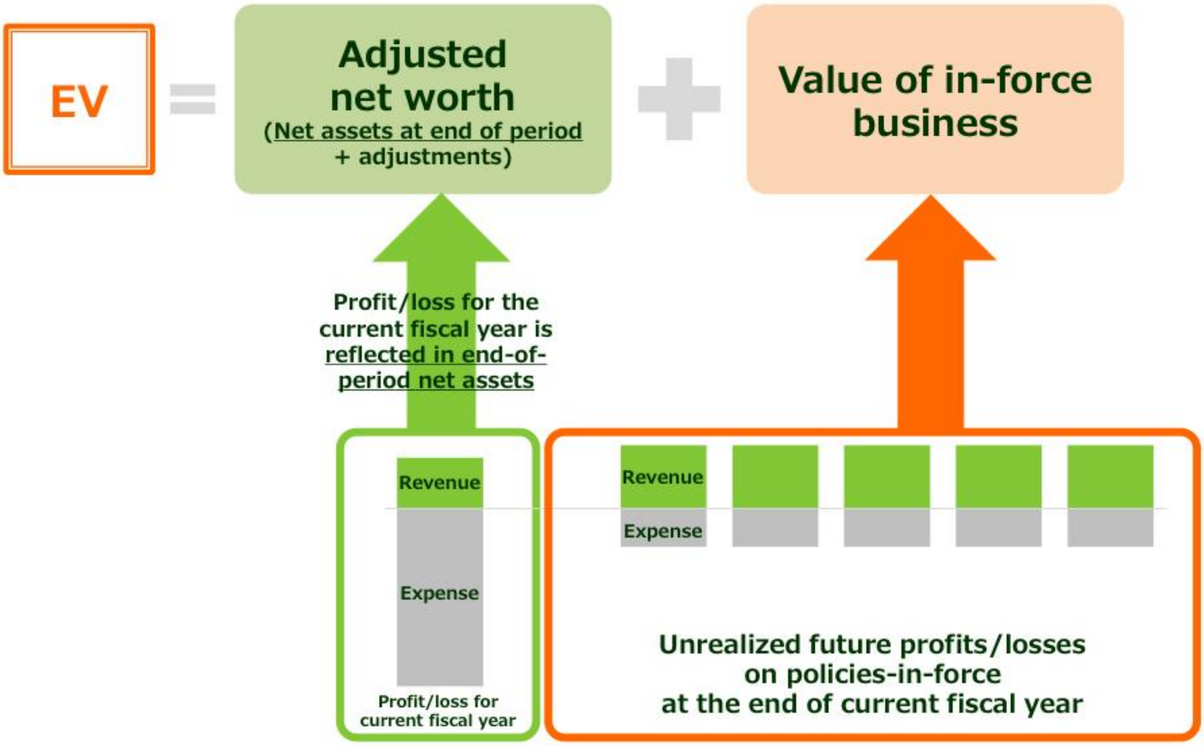
Page 9 shows adjusted profit.

Under current statutory accounting, there is a time lag between the recognition timing of revenues and cost, and we believe that marketing expenses, which are the cost of acquiring new business, make it difficult to understand the actual state of our profitability.

As a result, the Company discloses periodic earnings from policies-in-force as adjusted profit by deducting marketing expenses where the timing of revenue and expenses differs and adjusting for the impact of other technical profit and loss factors, such as reinsurance and policy reserves.

Adjusted profit for the first nine months of FY2022 was JPY2,296 million. Although profit generated from in-force business itself has been steadily recorded, the increase was limited compared to the previous year, mainly due to the payment of JPY1.32 billion for COVID-19 for the first nine months of the current fiscal year.

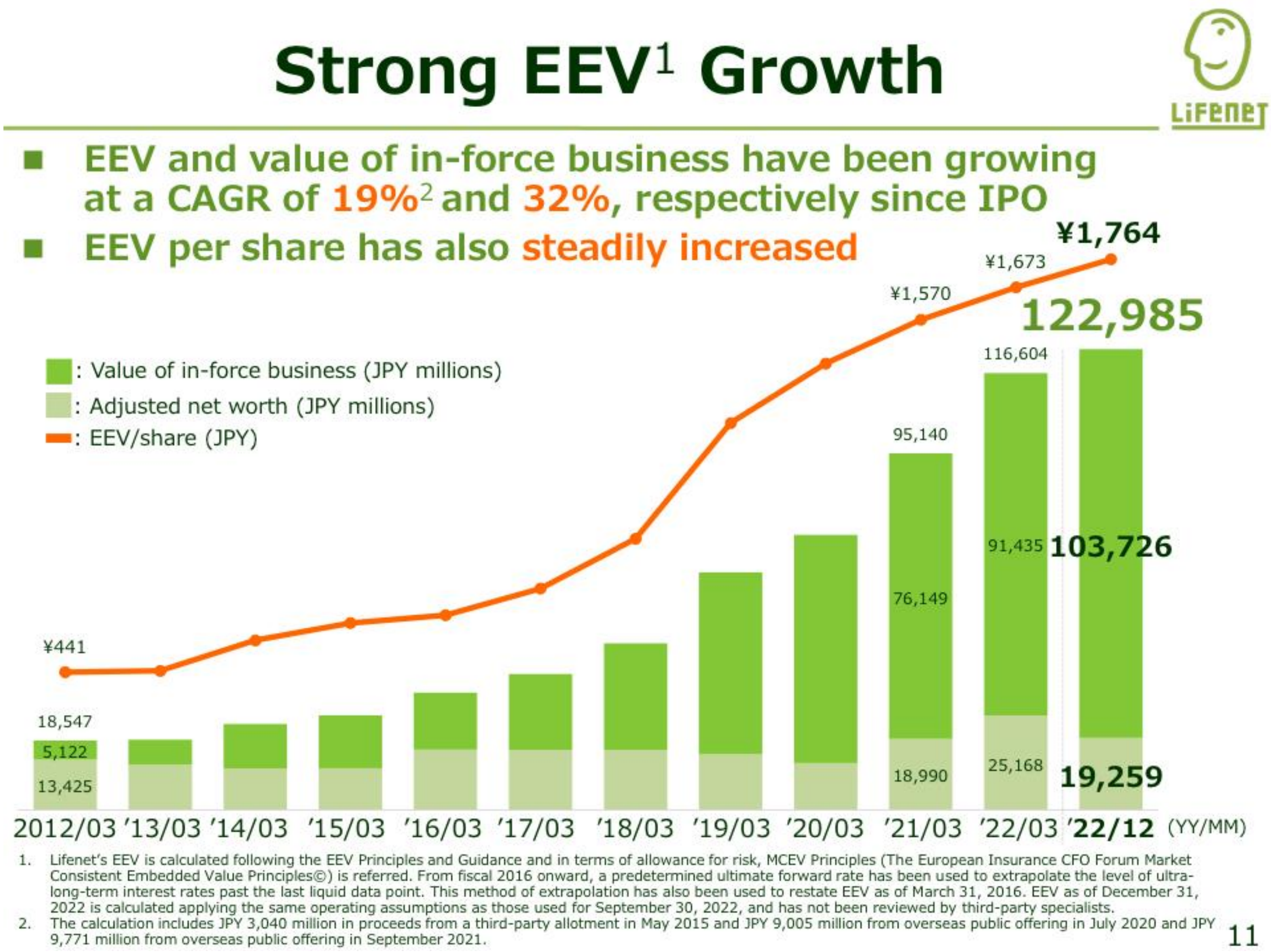
Structure of Embedded Value



10

Page 10 is the structure of Embedded Value.

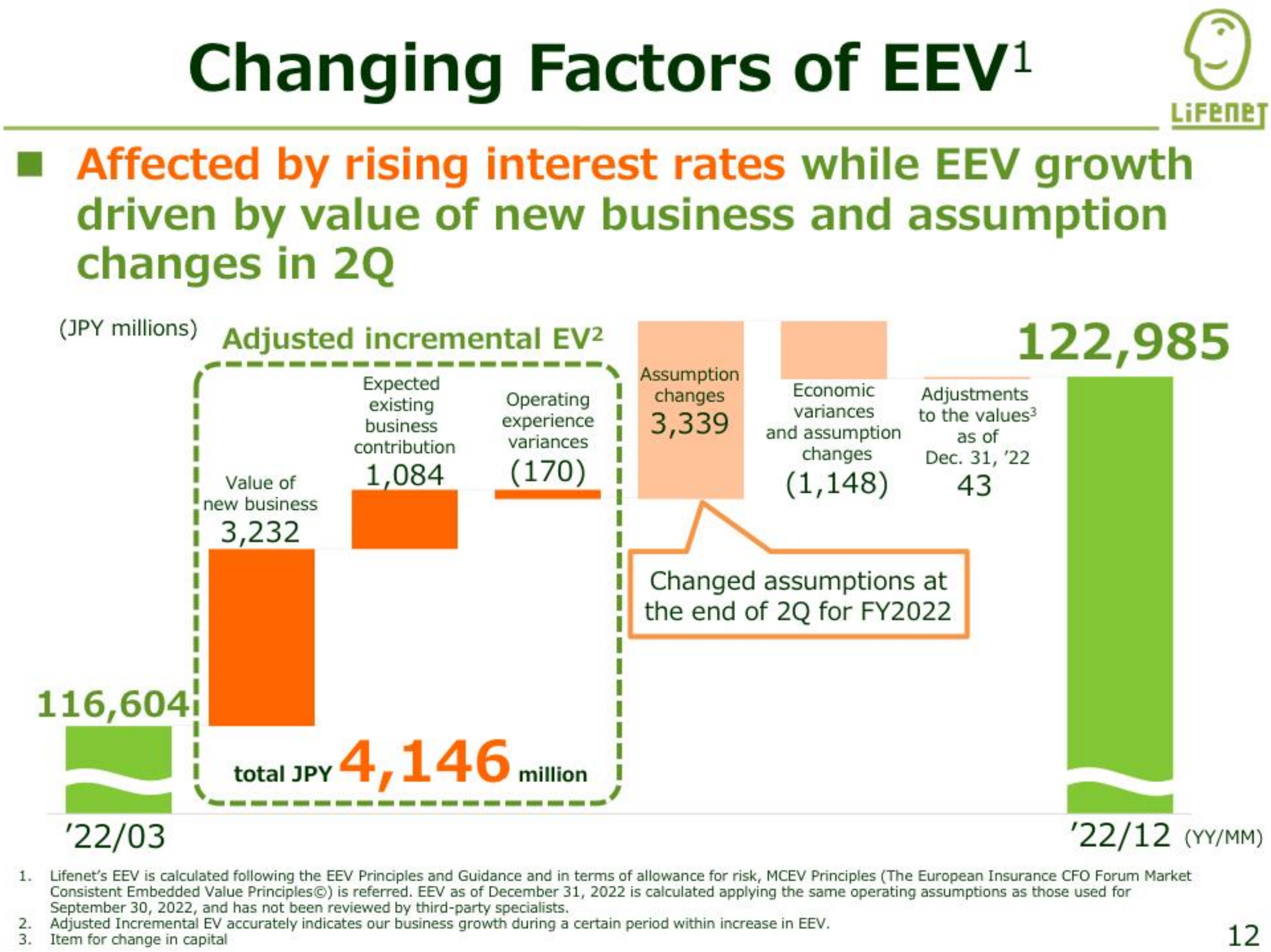
European Embedded Value, or EEV, is the present value of net assets, or net worth, after taking into account the after-tax value of unrealized future profits that the in-force business will generate in the future under statutory accounting.



Please see page 11.

European Embedded Value as of December 31, 2022 was JPY122.9 billion. The compound average growth rate (CAGR) of EEV since listing in March 2012 has been 19%. Especially, the value of in-force business, which means the unrealized future profits arising from in-force business has been growing at a CAGR of 32% and is a strong driver of EEV's growth.

The orange line graph also shows the trend of EEV per share. EEV per share as of December 31, 2022 was JPY1,764.



Page 12 is an analysis of factors contributing to the change in EEV from the end of March 2022 to the end of December 2022.

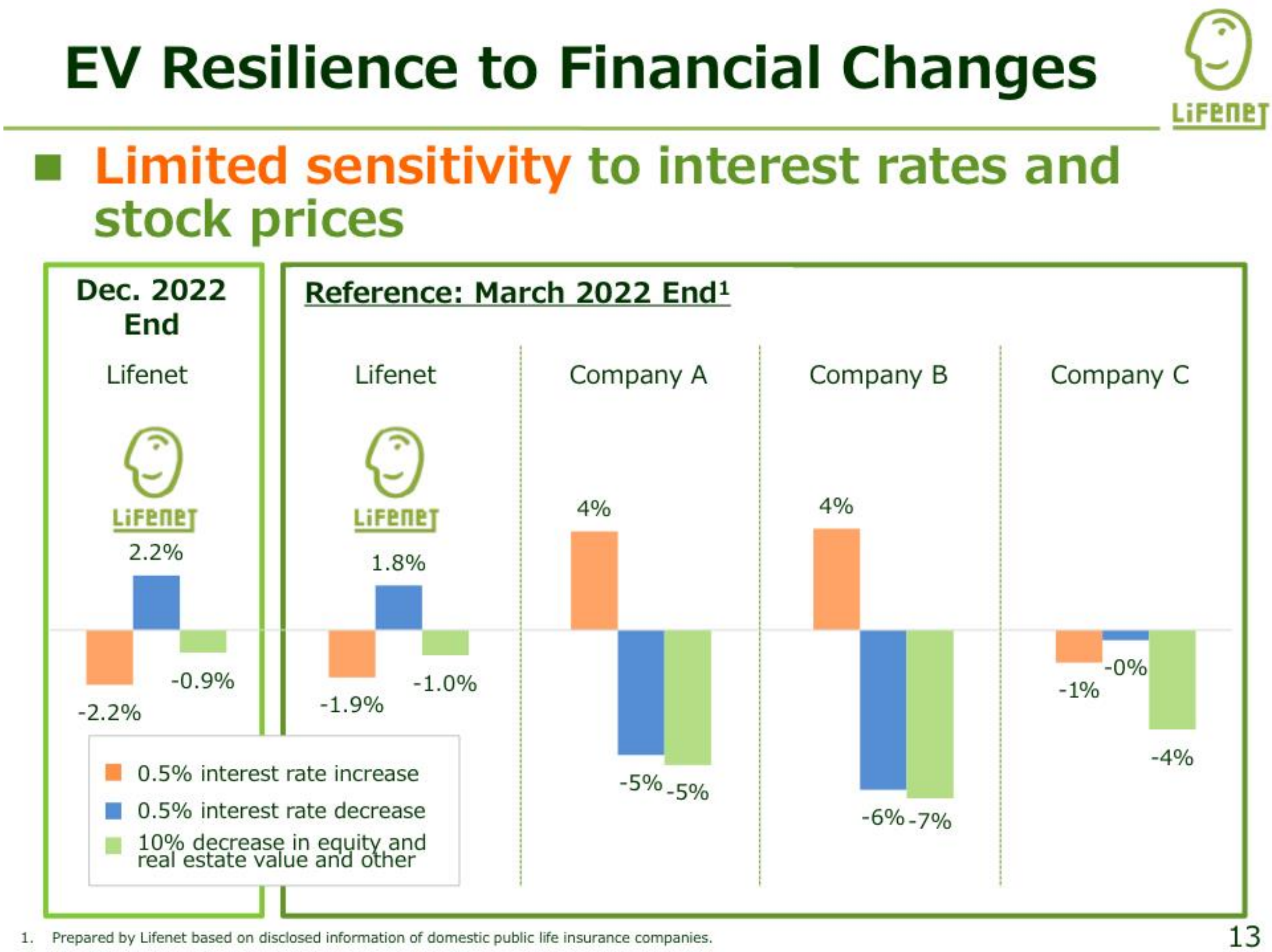
We define adjusted incremental EV as the sum of the three components that represents our performance: (1) value of new business, (2) expected existing business contribution, and (3) operating experience variances, which are shown in the green dotted box on the slide.

The increase in adjusted incremental EV for the first nine months was JPY4,146 million. Of this amount, value of new business was JPY3,232 million, which contributed to the increase in EEV. However, as I explained earlier, the growth in value of new business was somewhat slower in Q3 because new business performance and the marketing expenses have deteriorated during the period.

The difference between operating experience variances was minus JPY170 million, mainly due to JPY1.32 billion in payments related to COVID-19.

Also, economic variances and assumption changes was minus JPY1,148 million, mainly due to a decline in the valuation of securities held by the Company as a result of the current rise in interest rates.

In particular, the decrease in economic variances and assumption changes had a significant impact on the change from September 30, 2022 to December 31, 2022, a three-month period in which the EEV decreased slightly.



Page 13 shows the sensitivity of EV to changes in interest rates, stock prices, and other factors for the Company and listed domestic life insurance companies.

As explained on page 12, although our EEV is also affected by rising interest rates right now, our EEV's nature of limited sensitivity to interest rates remains unchanged. It is because of our asset management and product lineup which are relatively resilient to changes in interest rates, stock prices, and other factors.

While there are various drivers for EEV growth, we will seek to grow EEV per share through the growth of in-force business and improvement of business efficiency.

Financial Condition

(JPY millions) (YY/MM)	'22/03	'22/12
Total assets	**67,820**	**67,897**
Cash and deposits	3,761	4,092
Monetary claims bought	3,999	2,999
Money held in trust	5,460	5,221
Securities	47,425	47,583
Government bonds	8,946	8,619
Municipal bonds	1,469	1,431
Corporate bonds	24,042	24,331
Stocks	492	577
Foreign securities	98	597
Other securities[1]	12,375	12,025
Total liabilities	**45,749**	**51,031**
Policy reserves and other	43,542	49,155
Total net assets	**22,071**	**16,866**
Valuation difference on available-for-sale securities	697	(795)
Solvency margin ratio[2]	**3,182%**	**3,140%**
Modified duration (year)[3]	**9.9**	**8.7**

- **Maintained sufficient financial stability as indicated by solvency margin ratio[2]**
- **Mitigating negative impact on net assets by reducing yen interest rate risk**

1. Investment trust including foreign bonds and others.
2. The solvency margin ratio is a key benchmark for industry regulators. It measures a life insurance company's ability to pay out claims when unforeseen events occur.
3. Duration of yen-denominated bonds

14

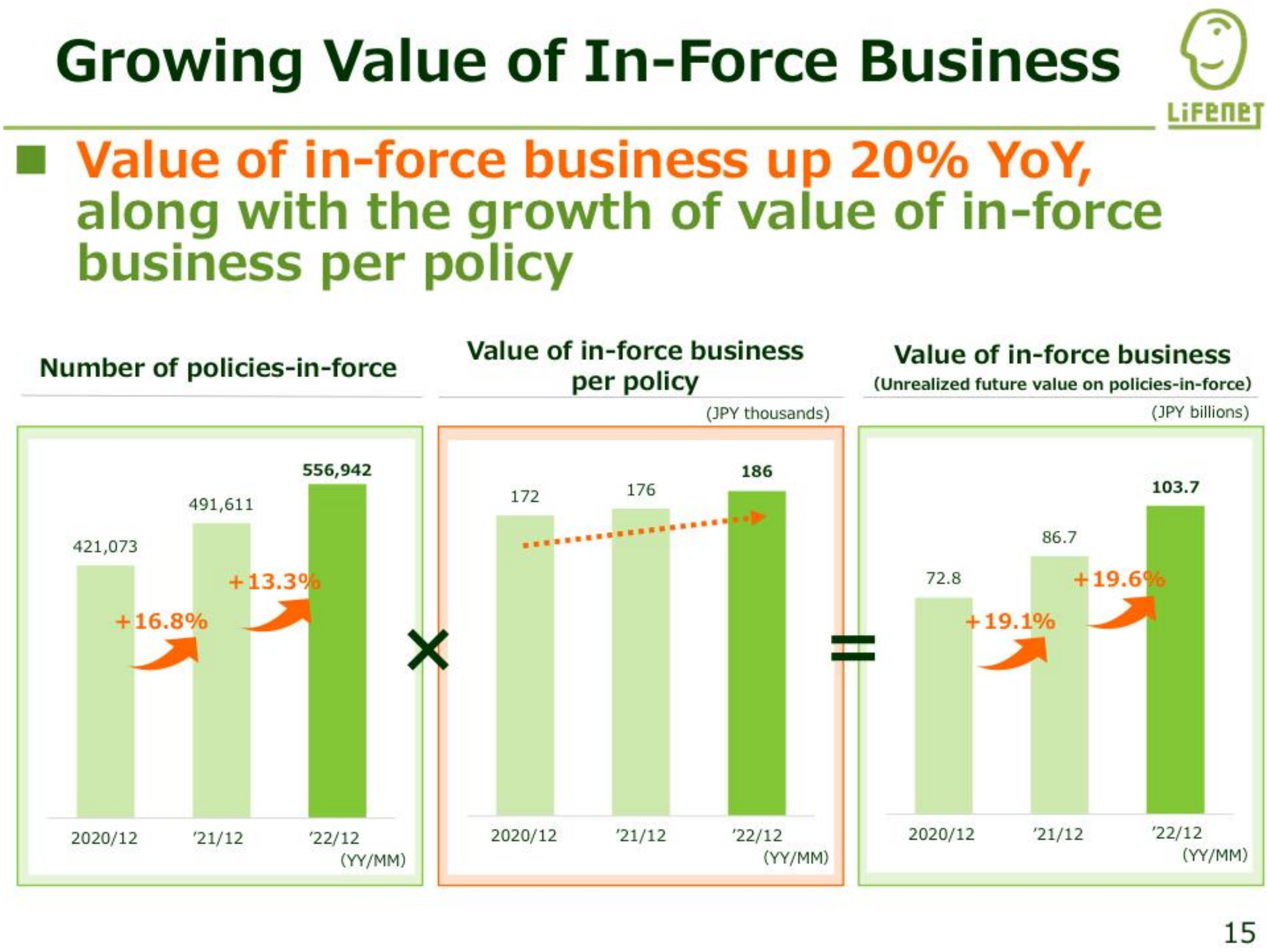
Page 14 is the summary of the balance sheet.

As of December 31, 2022, total assets were JPY67.897 billion, liabilities were JPY51.031 billion, and net assets were JPY16.866 billion. The solvency margin ratio, an indicator for the level of payment capacity, is 3,140%, which is sufficient in terms of capital adequacy.

As for the impact of the current interest rate situation on the Company's financial accounting, the table on the left shows minus JPY795 million in valuation difference on available-for-sale securities, which is one line below total net assets.

In the short term, we will shorten the duration of yen bonds to reduce the duration risk. In addition, we will gradually sell the long-term portion of available-for-sale securities and shift to held-to-maturity securities in order to enhance our ability to withstand rising interest rates.

We believe that we will continue to be affected by interest rate to a certain extent and we will continue to closely monitor the investment environment to make our financial structure more resilient.



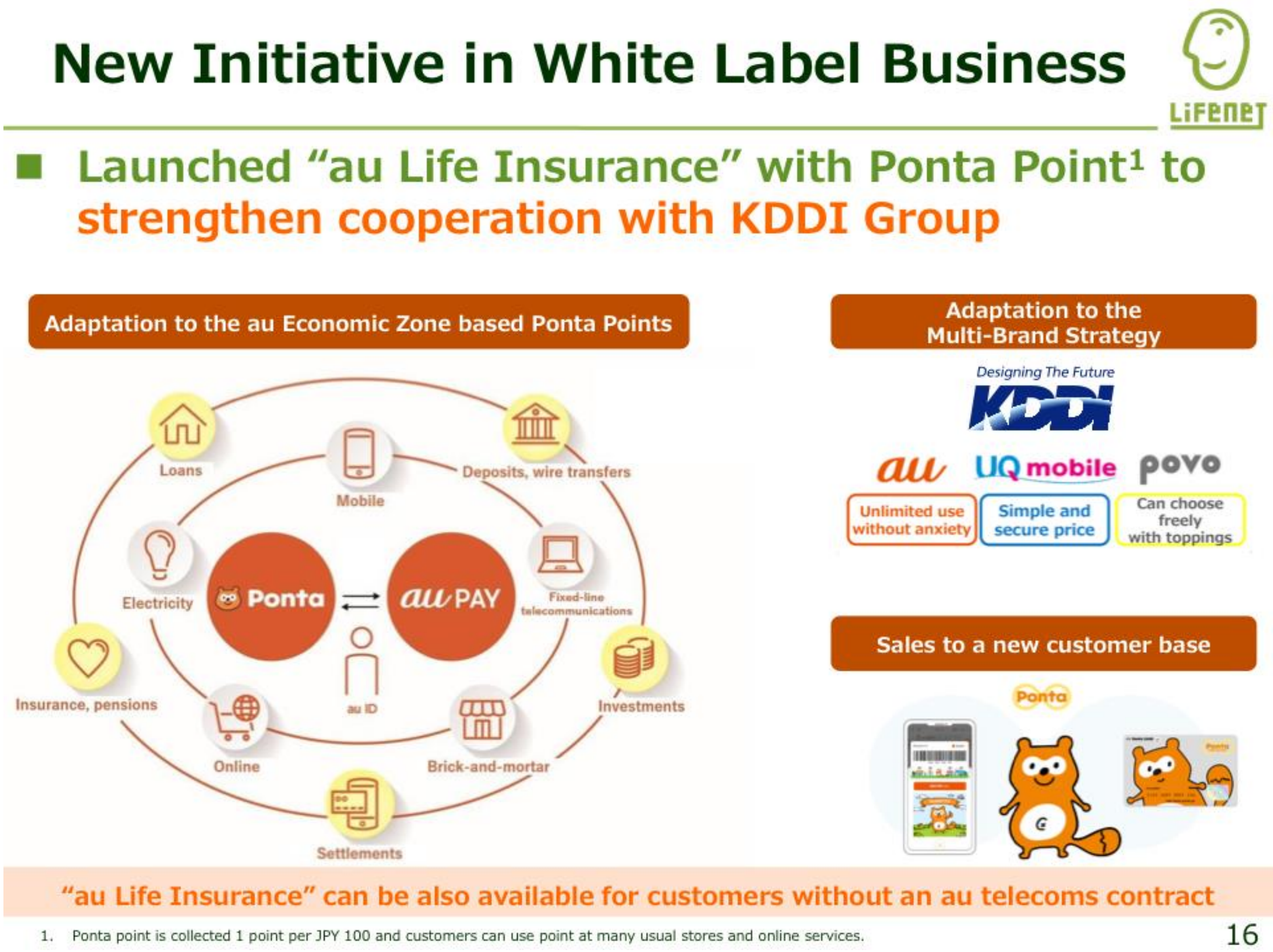
On page 15, I would like to explain the growth of the value of in-force business.

The number of policies-in-force on the left side steadily has been increasing, indicating that the scale of our business is expanding.

In addition, the value of in-force business per policy shown in the center has not been damaged by the current business environment, and it has increased steadily.

As a result, the value of in-force business, which shows the unrealized future value of in-force business on the right side, has increased by 19.6% YoY.

We will continue the sustained growth in our corporate value by achieving strong growth in the value of in-force business.



Please see page 16. I will explain our main initiatives in Q3 of FY2022.

We have positioned the white label channel as one of the major drivers that will support our mid- to long-term growth, and we are working with partners who have broad customer bases and brand power to provide the value of our insurance products and services to a large number of customers.

The first of these, in the white label with KDDI Corporation, we renewed “au life insurance” with Refunds as “au life insurance” with Ponta Point and started sales in February 2023.

There are three main points in this initiative.

The first point is that the KDDI Group is committed to expanding au Economic Zone based on Ponta points, and this renewal was based on that strategy.

As for the second point, given the recent trend toward multi-branding of telecommunications services offered by the KDDI Group, we will be able to widely deliver the benefits of “au life insurance” to customers who do not have an au telecommunications contract.

As for the third point, we are pleased to announce that we have signed an agency consignment agreement with Loyalty Marketing, Inc., which operates Ponta points. This enables au life insurance policies that accumulate Ponta points to be sold not only to the KDDI Group’s customer base, but also to the more than 100 million Ponta members.

Thus, this initiative is more than just a renewal of product. It also creates new sales opportunities, and we will strive to take advantage of this new product to further grow our in-force business performance.

Please go to page 17.

In October 2022, together with our subsidiary LIFENET MIRAI Inc., we concluded a business alliance agreement with Sumitomo Mitsui Card Company. I will briefly explain the update regarding on this collaboration.

Last week it was announced that Sumitomo Mitsui Financial Group, Sumitomo Mitsui Banking Corporation, and Sumitomo Mitsui Card Company will begin offering “Olive”, comprehensive financial services for individual customers starting March 2023.

We understand that “Olive” will launch a so-called financial super-app, comprehensive financial services that seamlessly combines a bank account, card payment, finance, online securities, online insurance, and other functions on an app.

In this context, Lifenet and its subsidiary Lifenet MIRAI will play a role in the insurance area. We will aim to provide wide range of insurance products and services mainly in the insurance portal website released by Sumitomo Mitsui Card Company in November 2022.

We intend to disclose specific initiatives in the future.

Initiative for Sustainability

■ Identified Materiality (key sustainability issues) based on the concept of mutual support, the original purpose of life insurance

LIFENET Materiality

Creating the future of the life insurance

https://ir.lifenet-seimei.co.jp/en/sustainability/materiality.html

18

Please see page 18. We have recently identified Materiality, key sustainability issues.

In identifying Materiality, we considered two perspectives: key issues of society as a whole and that of our company.

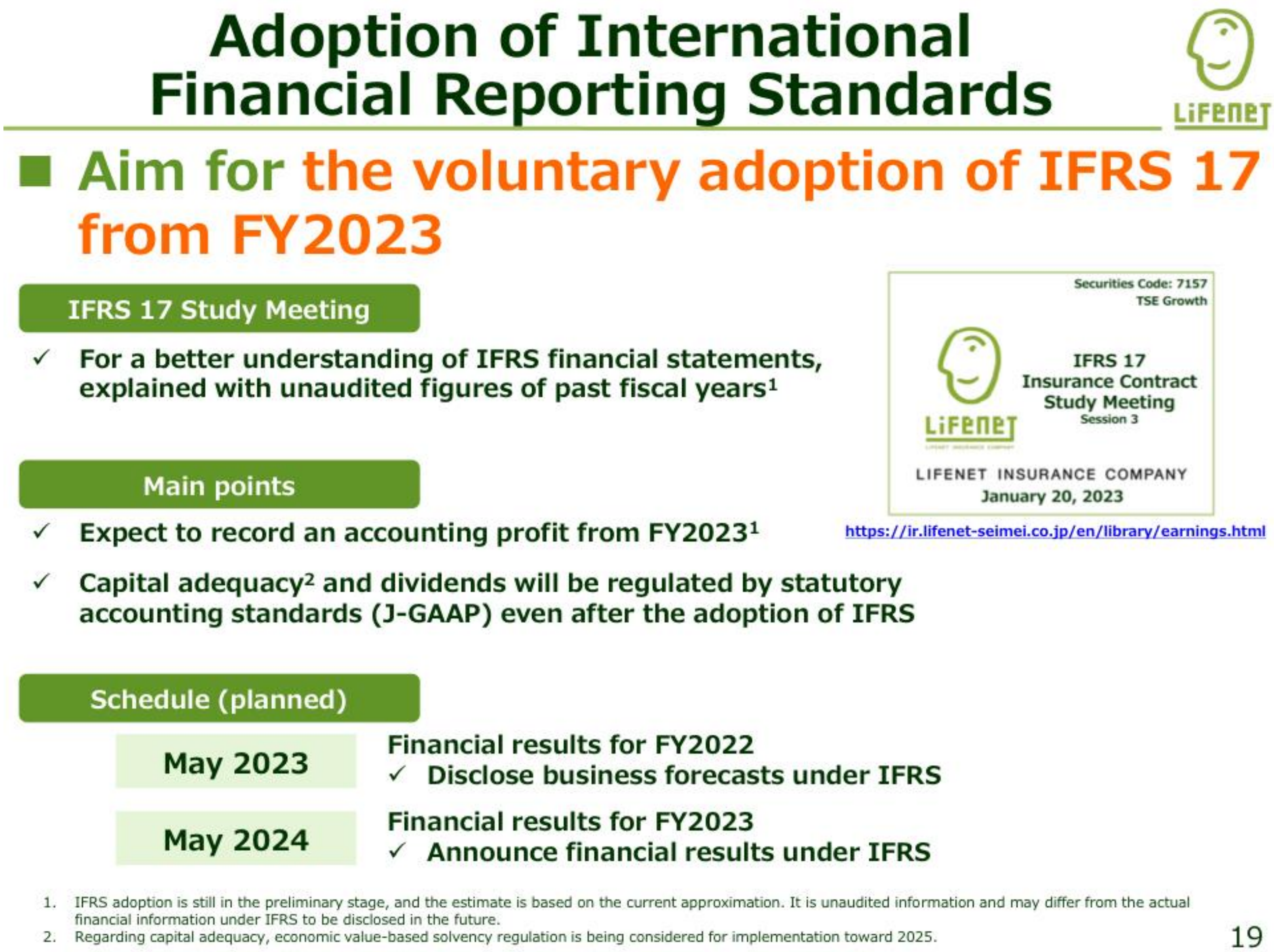
In initiatives for sustainability, we place importance on the concept of mutual support, which is original purpose of life insurance.

In our mutual support with each stakeholder, our mission is to “offer simple, convenient and competitively priced products and services based on the highest levels of business integrity.”

We have discussed how to contribute to coping with the issues faced by our customers and society, while how to enhance corporate governance and cherish our employees, the foundation of management.

As a result, we have come to the conclusion that our business growth itself will contribute to solving social issues, which led to the identification of Materiality.

We will continue to promote initiatives based on each materiality and strive to enhance disclosure while engaging in further communication with investors.



Please see page 19. In the announcement of our FY2021 financial results in May 2022, we announced that we aim for the voluntary adoption of IFRS 17 starting in FY2023 and we are currently proceeding with various preparations.

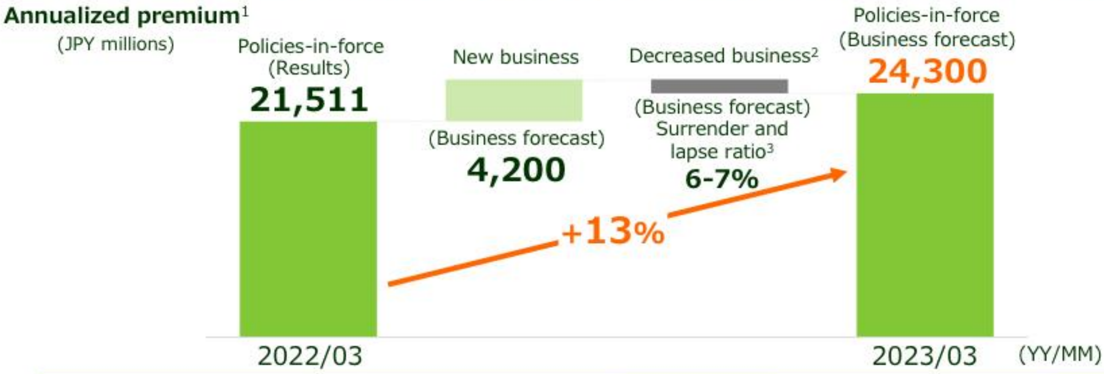
As part of this effort, we held the third IFRS study session for institutional investors and analysts in January 2023. In this study session, in order to facilitate everyone's understanding of the new financial statements for FY2023 and beyond, we explained the main points of the IFRS-based income statement and balance sheet, using figures from previous years, even though they were unaudited. The presentation materials for the study session are available on our IR website.

There has been no change in the schedule since our previous announcement. We have made an institutional decision to adopt IFRS on a voluntary basis by the end of FY2022 and hope to disclose our business forecasts for FY2023 under IFRS in May 2023. At that time, we would like to make an effort to disclose the results of the current fiscal year, FY2022, in IFRS, although these figures will also be unaudited.

In May 2024, we plan to announce financial results for FY 2023, in which we will present our full-year financial figures under the voluntary adoption of IFRS.

Business Forecasts FY2022

- No change from November 2022 disclosure
- Aim for double-digit growth in in-force business



(JPY millions)	FY2022 Forecasts	of which impact of modified co-insurance	FY2021 Results	of which impact of modified co-insurance
Ordinary income	30,000	5,900	26,167	4,852
Ordinary profit (loss)	(5,000)	800	(3,245)	1,283
Net income (loss)	(5,000)	800	(3,319)	1,283

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.
2. Including death, expiration and others in addition to surrender and lapse.
3. The surrender and lapse ratio is the annual equivalent of the monthly number of policies surrendered and/or lapsed divided by the monthly average number of policies-in-force.

20

Page 20 is the business forecasts for FY2022.

This is unchanged from what we announced in November 2022.

Although the business environment is uncertain in the short term, we will continue to aim for double-digit growth in in-force business, and we will also make investments that will also contribute to the growth in FY2023 and beyond, leading to mid-to long term growth.

Finally, here is the management policy.

There is no change in our major policy of pursuing growth with the aim of expanding the scale of our business while capturing structural trends.

We will continue to further expand the online life insurance market through our own strengths and internal marketing efforts, and we aim to achieve an EEV of JPY200 billion in a mid-term by remaining a leading company in this market.

This concludes the presentation of the financial results for Q3 of FY2022. Thank you for your attention.