



LIFENET INSURANCE COMPANY

3Q Financial Results Briefing for the Fiscal Year Ending March 2025

February 12, 2025

[Speaker]

Ryosuke Mori

President and Representative Director

Presentation

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

We announced financial results for Q3 FY2024. Presentation materials are available on our [IR website](#). I would like to provide an overview of the financial results using the presentation materials.

Cumulative 3Q for Fiscal 2024 Key Highlights



Key Indicators

Corporate Value	Growth	Profitability
Comprehensive Equity¹ (CE) ¥165,229mn (YoY 105.8%)	Annualized premium² of policies-in-force ¥33,348mn (YoY 119.6%)	Insurance service results ¥7,193mn (YoY 114.6%)

Notable Achievements

- **Ranked No.1 in the Oricon Customer Satisfaction Survey** as the leading online life insurance company
- **Newly launched "Term" medical insurance** successfully reaching young generations
- **Started to offer "Insurance with V-points" to a new customer base,** as part of our collaboration with the SMBC Group

1. Comprehensive Equity is an indicator defined by the Lifenet Group. It is the sum of "Equity (attributable to owners of the Company)" on the IFRS consolidated statement of financial position (B/S), "CSM", a liability representing unearned profit that the Group expects to earn as it provides insurance services (insurance contracts and reinsurance contracts are aggregated and tax-adjusted), and "GCL contracts value", which is the value of future IFRS earnings, including future renewals for GCL policies-in-force.

2. The amount of money is 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 (for GCL, expected premium income for the next month based on the in-force business) by 12 months

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Please look at page 1. These are the main points of today's financial results presentation.

Comprehensive capital CE, the most important management indicator of corporate value, increased 5.8% from the end of the same period last year to JPY165.229 billion.

Next, annualized premiums of policies-in-force, an indicator of growth potential, increased 19.6% from the end of the same period last year to JPY33.348 billion.

And as for profitability, insurance service results under IFRS increased 14.6% YoY to JPY7.193 billion.

These are notable achievements.

First, we were ranked number one in life insurance overall in the Oricon Customer Satisfaction Survey in addition to being ranked number one in the online life insurance category. This is proof that the digitalization of financial services is progressing rapidly in the life insurance domain.

Secondly, the newly launched term medical insurance is successfully reaching younger customers, and we can feel the early response to the changes targeted in our mid-term plan.

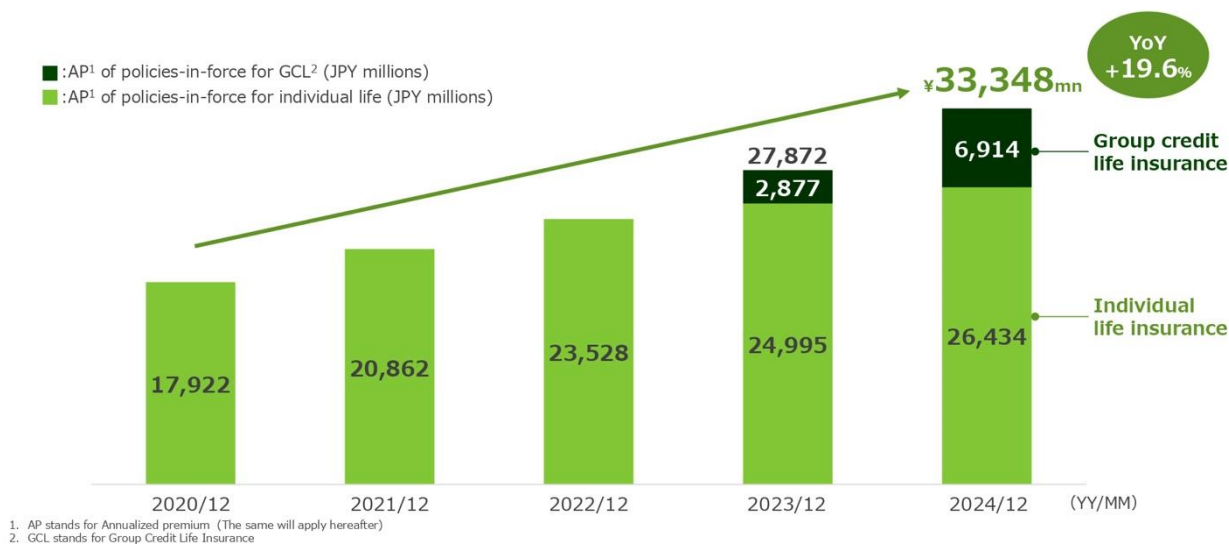
Finally, we have launched a new initiative with the SMBC Group with whom we have a capital and business alliance to offer exclusive products and insurance that earn V-Points to a new customer base.

Details of each item will be explained later.

Annualized Premium of Policies-in-Force



■ Resulted in ¥33,348mn and achieved significant growth of 19.6% YoY



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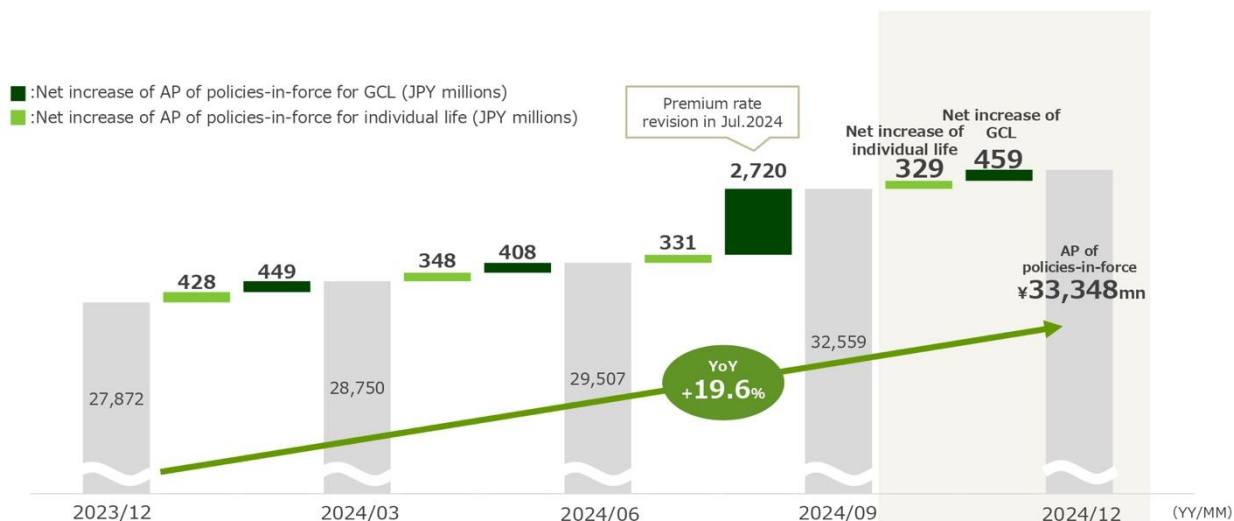
Please refer to page 2.

Annualized premiums of policies-in-force corresponding to annual recurring revenue amounted to JPY33.348 billion as of December 31, 2024. Both the individual insurance business and the group credit life insurance business continued to grow strongly with an increase of 19.6% over the end of the same period last year.

Policies-in-Force Movement



■ Despite individual life being sluggish, GCL continued steady growth



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Page 3 shows the factors that contribute to the growth of its policies-in-force.

Looking at the results by business segment, while the slow growth of individual life continues to be a challenging issue, we have seen signs of a recovery in policy performance since the beginning of this year, as is announced in “January 2025: MONTHLY DISCLOSURE”. We will accelerate this recovery, leading to sustained growth.

In addition, annualized premiums of policies-in-force for the group credit insurance business increased by JPY0.459 billion, showing a steady increase in net premiums in force over the quarter.

We assess that overall policies-in-force is progressing steadily toward our forecast of JPY34 billion.

Summary IFRS P/L



■ Insurance service results and net income resulted in ¥7,193mn and ¥4,956mn, respectively

(JPY millions)

Items	FY2023/3Q (YTD)	FY2024/3Q (YTD)	Change
Insurance service results	6,275	7,193	918
Financial results ¹	276	(67)	(343)
Other results	(335)	(241)	93
Profit before tax	6,215	6,884	668
Net income attributable to owners of the Company	4,365	4,956	591

1. Total of investment results from financial assets, insurance finance income or expense and reinsurance finance income or expense

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Next, please refer to page 4. From here we move on to an explanation of financial reporting under IFRS.

To give you an initial sense of the whole picture, we have provided a summary of the IFRS-based income statement.

To put it simply, insurance service results is the equivalent of so-called operating income, and for a life insurance company like us who focuses on protection type products, insurance service results account for the majority of profits.

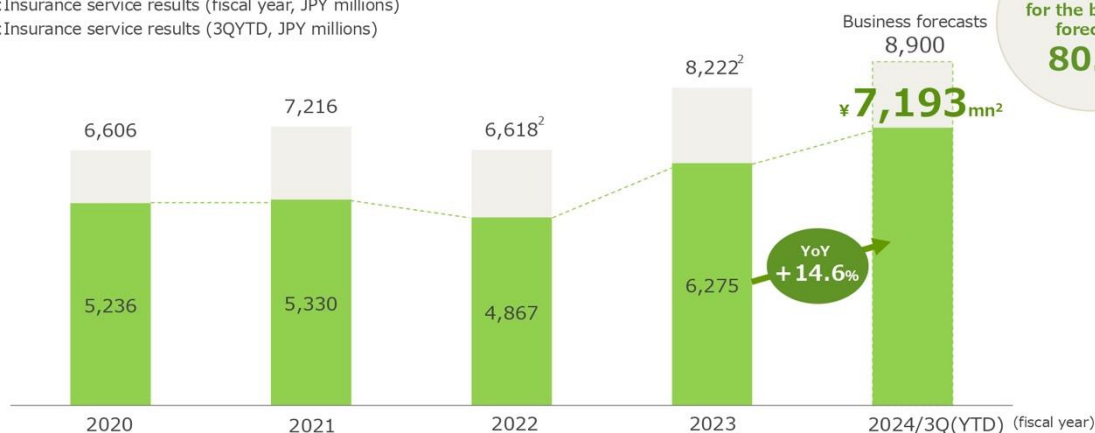
Insurance service results for the first nine months of FY2024 were JPY7.193 billion. Net income attributable to owners of the parent was JPY4.956 billion.

Insurance Service Results¹



■ Progress steadily at 80.8% of business forecasts

□ : Insurance service results (fiscal year, JPY millions)
■ : Insurance service results (3QYTD, JPY millions)



1. Figures for FY2021 and earlier are for reference use only as they are before date of transition to IFRS.
2. COVID-19 related claims was ¥1,378mn in FY2022 and ¥36mn in FY2023. It is also included in FY2024, but detailed calculation has not been performed.

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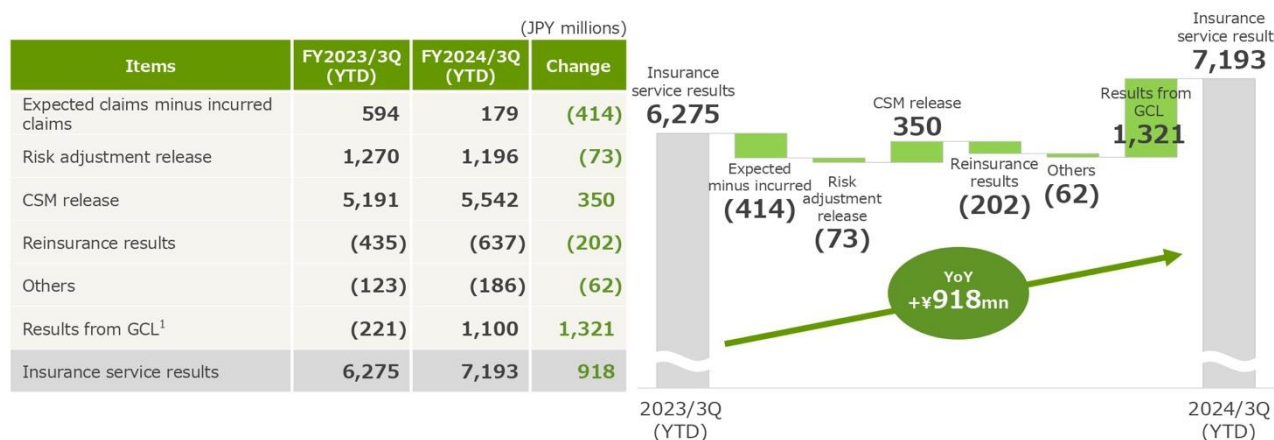
Please refer to page 5. The following graph shows the insurance services.

First, looking at trends over time, with the exception of FY2022, when there was a sharp increase in COVID-19-related benefit payments, net insurance service results has grown steadily, reaching JPY7.193 billion in the first nine months of FY2024. The Company's progress toward the JPY8.9 billion forecast announced in May 2024 is 80.8%, and we are making good progress.

Insurance Service Results Analysis



■ Achieved profit growth of 14.6% YoY by CSM release and GCL results



1. Insurance service results related to contracts measured under the Premium Allocation Approach (excluding reinsurance results)

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Please refer to page 6. The following chart shows the factors that contributed to the change in insurance services results from the first nine months of the last fiscal year to the first nine months of the current fiscal year.

First, see the table on the left. Insurance service results are mainly broken down into the following items: the difference between expected and incurred claims, risk adjustment releases, CSM releases, reinsurance results, and results from GCL.

The graph on the right shows the factors behind the increase from JPY6.275 billion in the same period of the previous year to JPY7.193 billion in the current period.

In Q3 of the current fiscal year, improvements in payments on group credit life insurance contributed to a strong profit of JPY1.321 billion on results from GCL.

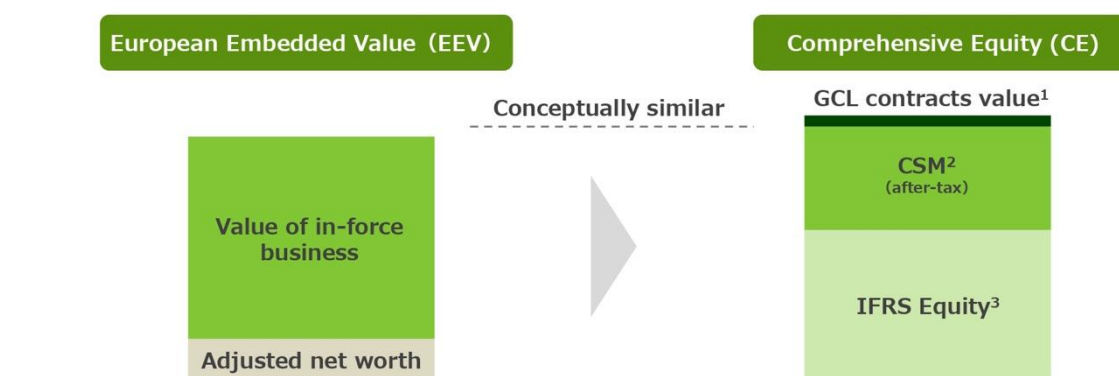
The CSM release of JPY0.35 billion was also a factor in the increase in profits, resulting in overall profit growth of JPY0.918 billion or 14.6% over the same period last year.

We will continue to aim for further profit growth through CSM releases and results from group credit life insurance.

New Management Indicator “Comprehensive Equity”



- Having changed our management indicator from EEV to **“Comprehensive Equity” based on IFRS**, aim to achieve ¥200-240bn in FY2028



1. The value of future IFRS earnings for GCL policies-in-force (PAA applied) including future renewals as of the valuation date.
2. Aggregation of insurance contracts and reinsurance contracts with tax effect (28%) adjusted.
3. Attributable to owners of the Company

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Next, please refer to page 7. We have changed our management indicator from “European Embedded Value” to “Comprehensive Equity”. Comprehensive Equity is an indicator of our corporate value, the same as EEV.

Comprehensive Equity, which we define as our own measure, is the sum of three components: equity on the IFRS balance sheet, CSM, which is a liability representing future profits, and GCL contracts value, which represents the future value of the policies-in-force of GCL.

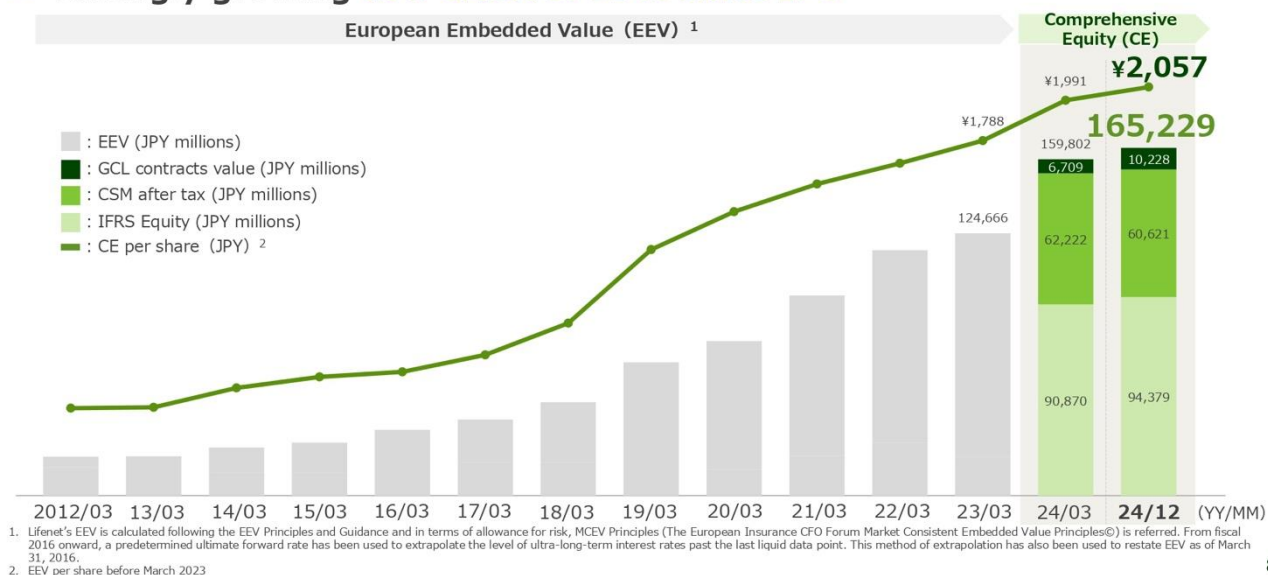
We believe that the change from EEV, an indicator unique to life insurance companies, to Comprehensive Equity, an indicator linked to IFRS financial statements, will be more trustful for shareholders and investors in our corporate value indicators than before.

As a management goal, we aim to achieve Comprehensive Equity of JPY200 billion to JPY240 billion in FY2028, the final year of the mid-term business plan.

Movement of Management Indicators



■ Strongly growing at a CAGR of 19% since IPO



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Page 8 shows trends in management indicators.

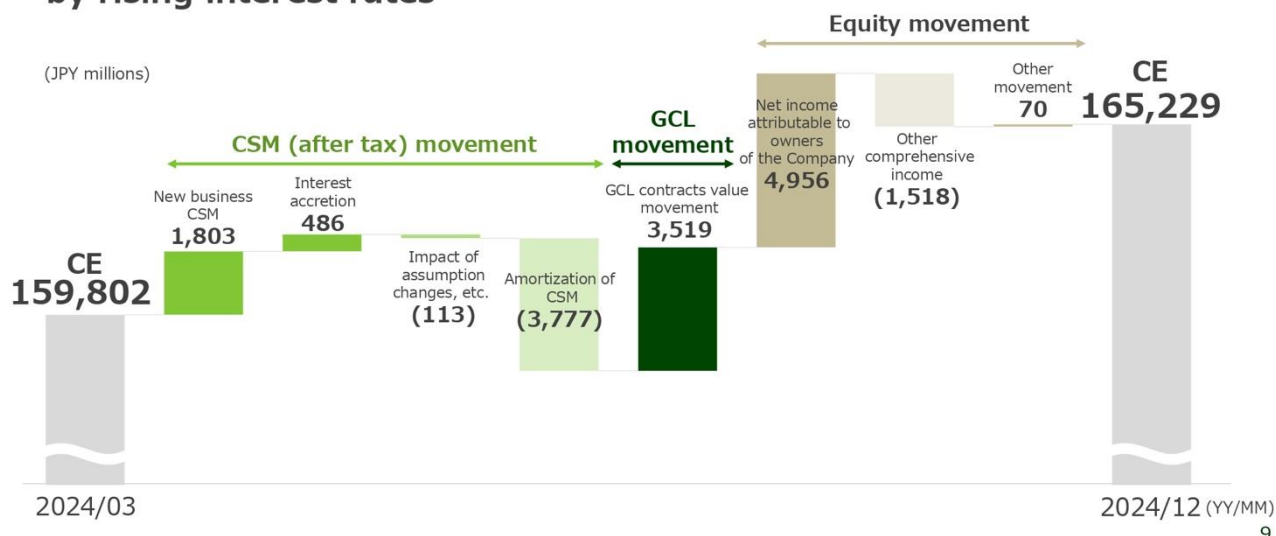
We show EEV through the end of March 2023, March 2024, and Comprehensive Equity at the end of December 2024. Comprehensive Equity at the end of December 2024 was JPY165.2 billion and management indicators have achieved high growth since IPO, with an average annual growth rate of 19%.

The line graph also shows the EEV per share or CE per share. As of the end of December, CE per share was JPY2,057.

Changing Factors of Comprehensive Equity (CE)



- Increased due to GCL contracts value and net income, though affected by rising interest rates



Please refer to page 9. Here is a changing factor of Comprehensive Equity for the 9-month period from the end of March 2024 to the end of December 2024.

The increase in interest rates during Q3 negatively affected “Other comprehensive income”, but “GCL contracts value” and “net income” increased it to JPY165.2 billion.

Going forward, our efforts to reaccelerate growth in “new business CSM” in individual insurance and to increase CSM will be directed toward strong growth in Comprehensive Equity.

■ Aim to further contribute to key indicators with the launch of new product, GCL for joint mortgage in January 2025

au Jibun Bank's rapid growth of mortgage loan



Contribution to key indicators (as of Dec. 2024)

Comprehensive Equity

¥10,228mn¹

AP of policies-in-force

¥6,914mn²

Insurance service results

¥1,100mn³

1. GCL contracts value in Comprehensive Equity as of the end of December 2024
2. Annualized premium of policies-in-force for GCL as of the end of December 2024
3. Insurance service results related to contracts measured under the Premium Allocation Approach (Excluding reinsurance results) , cumulative 3Q results

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From this point on, we will explain the main initiatives and evaluations for the current fiscal year. Please refer to page 10.

In January 2025, we began offering GCL for joint mortgage for customers who take out a mortgage loan through au Jibun Bank's pair loan program.

As shown on the right side of the slide, the group credit business made a strong contribution to each of the three key indicators of CE, annualized premiums of policies-in-force, and insurance service results during the 9 months.

With the new product offering, we will continue to make even greater contributions to our key indicators.

We will also support the growth of au Jibun Bank by offering our products so that it can offer attractive interest rates. As a result, we are confident that our contribution to the three indicators will be even greater.

On top of that, we will also work to expand GCL business by developing new partner banks, driven by the DX of the mortgage loan business in the banking industry.

■ Leading online life insurer ranked No.1 in life insurance overall as well



Oricon® Customer Satisfaction Survey¹
**Life Insurance
Overall No.1**

Achieved the overall No.1 ranking for the third time

- Application Procedure
- Product Coverage
- Insurance Premium
- After-sales Service



Oricon® Customer Satisfaction Survey¹
**Online Life Insurance
No.1**

- Ranked No.1 in the newly established "Online Life Insurance Category"
- Convenient services were evaluated

1. Survey: Oricon ME Co., Ltd. Survey period: August 26-September 24 2024, September 26-October 4 2023 and August 10-August 31 2022, Number of respondents: 10,365

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Please refer to page 11.

In the Oricon Customer Satisfaction Survey released in January 2025, we were ranked 1st in the online life insurance category, as well as first in life insurance overall, literally the highest rating in the life insurance rankings.

This not only reaffirms our position as a leading online life insurance company but also clearly shows that the era has arrived when the number one online life insurance company will become the number one company in the industry. This is a clear indication that the structural mega-trend of digitalization of financial services is progressing well in the life insurance sector as well.

To further solidify this superior positioning and significant advantage, we are also working on product strategy, which I will show in the next slide.

New Product Launch

■ Newly launched "Term" medical insurance successfully reaching younger generations

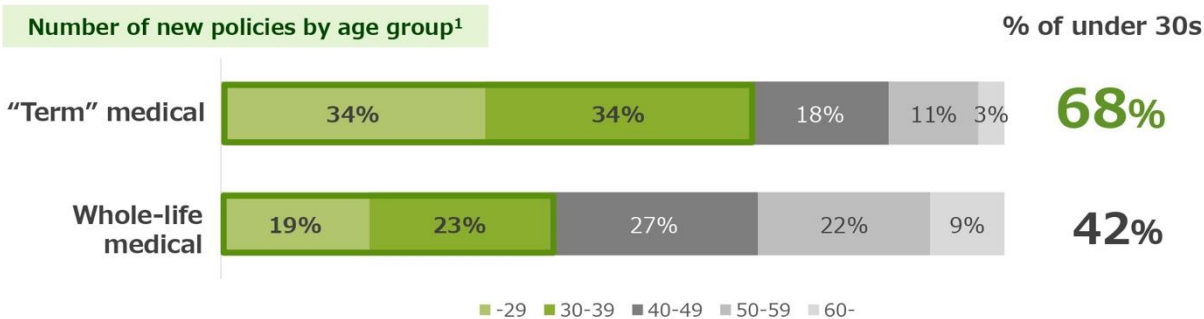
Launched in Oct. 2024



Term Medical
Jibun Z



Term Medical
Jibun Z for Women



1. Lifenet Insurance new business data (from October 2024 to December 2024)

Please refer to page 12.

In an effort to create a new market, we launched a new product, term medical insurance, in October 2024, taking advantage of our high business efficiency as an online life insurance company and our young customer base of child-rearing generation.

Term medical insurance is marketed to younger customers who need to adapt to evolving medical technologies and lifestyle changes. As shown in the graph, approximately 68% of new business accounts for customers in their 30s or younger, indicating that term medical insurance is supported by younger customers, as we originally intended.

Today, we disclosed "January 2025: MONTHLY DISCLOSURE", and we are pleased to report that individual insurance results for January showed a significant recovery, 143% over the previous month. In addition to the high level of customer satisfaction I explained earlier, we believe that the success of the efforts of "Rebranding", as well as the priority areas including new product sales, have contributed to the success. We will continue to focus on providing products and services that customers continue to choose.

Progress in Partner Business

Rebranding

Tech & Services

Embedded



■ Promoting collaboration with partners with a large customer base, strong brand and rich data



au Jibun Bank

Approx. ¥5tn¹ mortgage loan execution amount

Started offering GCL for joint mortgage from Jan. 2025

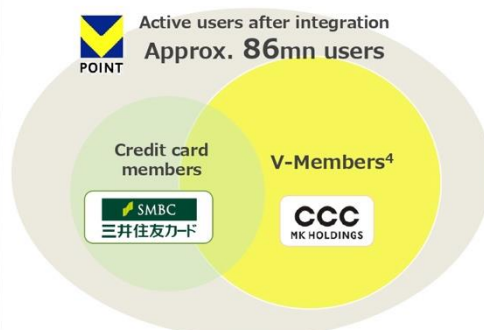
au Payment

Approx. 37mn² au PAY members

Became a sales agent from Jan. 2025



Started to offer "Insurance with V-points" to a new customer base from Feb. 2025³



Improved UX in the app to strengthen service for insurance reviewer



1. As of November 2024
2. As of the end of December 2024, Fiscal Year Ending March 31, 2025 Q3 Financial Results, 2025 KDDI Corporation
3. V-Points and T-Points have been integrated since April 2024
4. V-Members stands for ex-T-Points members

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Please refer to page 13. This page introduces the progress of our efforts with each of our current partners.

In addition to the partnership with au Jibun Bank in the Group's group credit business, au Payment Corporation became a sales agent, enabling us to reach more customers in the au economic zone through the au PAY app.

In addition, with Sumitomo Mitsui Card Co., Ltd., we have been selling "insurance with V-points". With the integration of V-points and T-points in April 2024, we expanded our customer base to reach former T-points members by selling products that redeem points, and we expect strong growth in the future.

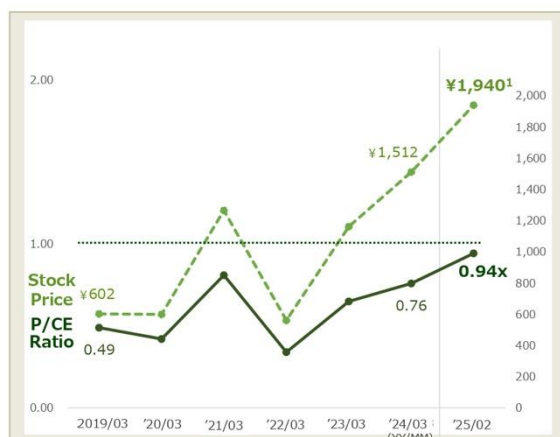
In addition, in November 2024, we entered into service with Money Forward Home, Inc. which sells products through its housekeeping app, "Money Forward ME", to improve the UI/UX to encourage fixed cost review in the application. We will strengthen the lead-in to insurance simulation and aim to further strengthen our services for the insurance review segment.

Improvement of Capital Market Evaluation



■ Maintain P/CE ratio of 1.0x as a base, and further improve capital market evaluation

Stock price / CE per share (P/CE)



1. Closing price as of February 10, 2025
2. Price/EEV per Share before March 2023

Drivers for improvement

Adopt corporate value indicators linked to IFRS

- Changed indicator from "EV" to IFRS-based "CE"

Commit to shareholder value

- Commit to stock price target
- Introduced stock compensation plan for employees

Improve market liquidity

- Plan transition to TSE Prime Market by around 2025

Strengthen corporate governance

- Strengthen the Board of Directors as a Monitoring Board
- Established Sustainability Committee

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The initiatives in the priority areas described so far will be the drivers of growth in Comprehensive Equity CE, a measure of corporate value.

In this slide, we present our current awareness of and efforts to improve our current share price and P/CE multiple in order for the market to properly reflect and value our Comprehensive Equity in our share price.

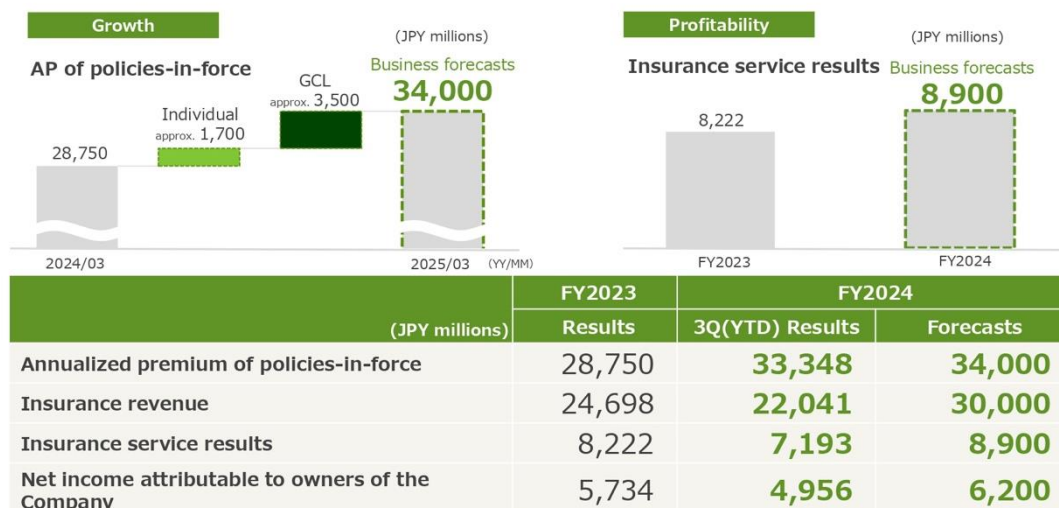
The dark green line on the left side of the graph shows the price-to-CE ratio, which is the ratio of the stock price divided by the Comprehensive Equity per share.

To date, we have continuously grown its CE per share and EEV per share without being significantly affected by market factors such as interest rates and stock prices. However, a major challenge in market valuation is that the price-to-CE multiple has remained below 1x. We will continue to work toward further evaluation improvement through the initiatives described on the right.

Consolidated Business Forecasts for FY2024



- **Remains unchanged** while corporate tax rate change may temporarily reduce net income by ¥600-700mn and CE by ¥1.5-2.0bn (See page 21)



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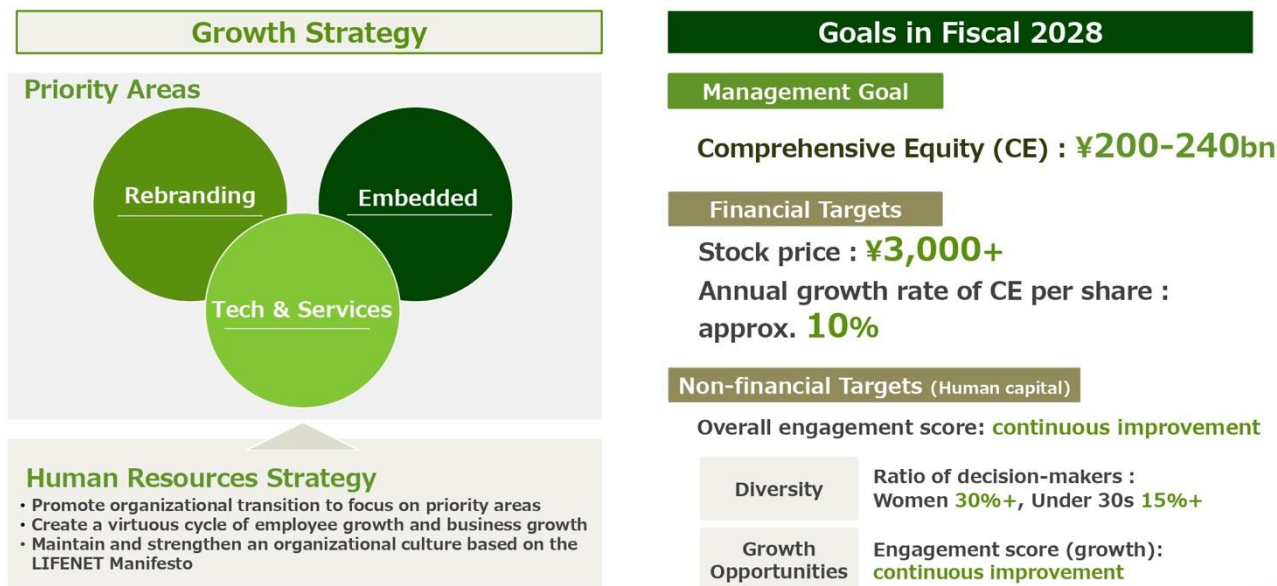
Please refer to page 15, showing the business forecasts for FY2024.

Although our business forecasts remain unchanged from those announced in May, there is a point that we would like to bring to your attention today.

If a special defense corporation tax is introduced during FY2024 by a resolution of the Diet in Japan, the statutory effective tax rate will increase, which may have a negative impact of JPY0.6 billion to JPY0.7 billion on net income due to the tax effect. Please refer to page 21 of the appendix for details.

I would like to emphasize that the impact of this recalculation will only be a one-time impact for the current period only and is not expected to have any particular impact on final income in the next fiscal year or thereafter.

FY2024-2028 Mid-term Business Plan



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Please refer to page 16. This is an overview of the five-year mid-term business plan ending in FY2028.

Through the implementation of our three priority areas and human resources strategy to move us to the next stage of growth, we aim to achieve our financial targets of a stock price of over JPY3,000 and 10% growth in Comprehensive Equity per share in FY2028, in addition to our management goal of Comprehensive Equity.

Achieving Mid-term Business Plan



- **Aim to achieve Comprehensive Equity of ¥200-240bn in FY2028**
by realizing sustainable growth through investment in priority areas



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Lastly, please refer to page 17. We will continue to pursue growth to expand the scale of our business while capturing the structural megatrend of financial services going online.

On this basis, we aim to reach our management target of JPY200 billion to JPY240 billion in Comprehensive Equity in FY2028 by achieving strong and sustainable growth through both the individual life insurance business and GCL business.

This concludes with the presentation of the financial results for Q3 of FY2024.

Thank you very much for your attention.