

November 13, 2025

Junpei Yokozawa, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Prime)

Consolidated Financial Results for 2Q of Fiscal 2025 Ending March 31, 2026 (IFRS)

Comprehensive Equity as key management indicator was 175,566 million yen

TOKYO, November 13, 2025 - LIFENET INSURANCE COMPANY (TSE Prime 7157, President Junpei Yokozawa, URL: <https://ir.lifenet-seimei.co.jp/en/>) discloses the consolidated financial results for the second quarter of fiscal 2025 ending March 31, 2026.

1. Overview of the financial results for 2Q of fiscal 2025 ended September 30, 2025

(1) Business results

Condition of policies-in-force

Annualized premium*1 of policies-in-force for individual life insurance and group credit life insurance ("GCL") combined as of the end of 2Q of fiscal 2025 stands at 35,805 million yen (103.7% of March 31, 2025). Annualized premium of policies-in-force for individual life insurance was 27,720 million yen (103.1% of March 31, 2025), and annualized premium of policies-in-force for GCL was 8,084 million yen (105.8% of March 31, 2025), respectively.

The business performance of individual life insurance is as follows. The number of policies-in-force resulted in a total of 659,078 (103.4% of March 31, 2025). Annualized premium of new business for the six months ended September 30, 2025 was 1,599 million yen (112.3% of the six months ended September 30, 2024) and the number of new business was 40,441 (112.9% of the six months ended September 30, 2024). Surrender and lapse ratio*2 for the six months ended September 30, 2025 was 5.5% (5.8% of the six months ended September 30, 2024).

*1: Annualized premium is the amount of money equivalent to what is to be paid to have the insurance coverage for one year. All payments for Lifenet products are in monthly installments, we calculate annualized premium as multiplying the monthly premium (for GCL, expected premium income for the next month based on the in-force business) by 12 months.

*2: 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.

Results of operations

(In millions of yen)

	1H of fiscal 2024	1H of fiscal 2025	Change
Insurance revenue	14,297	16,767	2,470
Insurance service results	4,565	6,089	1,523
Financial results ^{*3}	(57)	388	445
Other results ^{*4}	(129)	(176)	(46)
Net income (loss) before income taxes	4,378	6,301	1,922
Net income (loss) attributable to owners of the Company	3,152	4,478	1,325

Insurance revenue for the six months ended September 30, 2025 increased to 16,767 million yen (117.3% of the six months ended September 30, 2024). Insurance revenue for individual life insurance and GCL was 12,854 million yen and 3,913 million yen, respectively. As for individual life insurance, the main components of insurance revenue were 5,957 million yen in expected claims and maintenance costs^{*5}, 824 million yen in change in risk adjustment for non-financial risks related to extinguished risks and 3,845 million yen in CSM^{*6} recognized for services provided. Insurance service results increased to 6,089 million yen (133.4% of the six months ended September 30, 2024) mainly due to an increase in profit from GCL. Financial results were 388 million yen mainly due to an increase in interest income resulting from increased holdings of corporate bonds. Other results were 176 million yen loss mainly because of recording expenses not directly related to insurance services.

As a result, net income before income taxes was 6,301 million yen (143.9% of the six months ended September 30, 2024). Net income attributable to owners of the Company was 4,478 million yen (142.1% of the six months ended September 30, 2024).

With respect to expenses related to insurance contract incurred for the six months ended September 30, 2025, insurance acquisition cash flows, which are cost directly attributable to the acquisition of insurance contract groups, the sum of expenses related to marketing, underwriting and systems, etc., were 4,992 million yen (109.1% of the six months ended September 30, 2024). In addition, maintenance costs, which are not included in insurance acquisition cash flows, were 2,367 million yen (100.1% of the six months ended September 30, 2024).

^{*3}: Financial results are mainly total of investment results from financial assets, insurance finance income or expense and reinsurance finance income or expense.

^{*4}: Other results are the costs not directly related to insurance services and income/loss other than insurance business including product development costs and results of subsidiaries.

^{*5}: Maintenance costs are the costs directly related to fulfilling contracts and not included in insurance acquisition cash flows. They are mainly included in costs related to maintenance of insurance contracts and overhead costs for providing insurance services.

^{*6}: CSM stands for Contractual Service Margin, which represents the unearned profit that the company will recognize as it provides services over the coverage period.

(2) Financial condition

Assets, liabilities and equities

Total assets as of September 30, 2025 amounted to 124,201 million yen (116,178 million yen as of March 31, 2025). The major account balances were 72,360 million yen in investment securities mainly consisting of government bonds and corporate bonds with high credit ratings and 31,643 million yen in insurance contract assets. Although insurance contracts are generally recorded as liabilities, the Lifenet Group (the “Group”) records them as insurance contract assets because the insurance contract liabilities in individual life insurance are negative as shown in the table below. Breakdown of insurance contract liabilities are present value of future cash flows of minus 144,694 million yen, risk adjustment of 19,007 million yen and CSM of 94,043 million yen, which are related to individual life insurance. In addition, contracts measured under the premium allocation approach of 833 million yen, which are related to GCL, were recorded as insurance contract liabilities.

Breakdown of insurance contract liabilities

(In millions of yen)

Present value of future cash flows (claims minus premiums)	(144,694)
Risk adjustment	19,007
CSM	94,043
Insurance contract liabilities related to individual life insurance: total	(31,643)
Insurance contract liabilities related to GCL (Contracts measured under the premium allocation approach)	833

Liabilities amounted to 26,013 million yen as of September 30, 2025 (24,058 million yen as of March 31, 2025). The major account balance was 22,360 million yen in deferred tax liabilities.

Equities amounted to 98,188 million yen as of September 30, 2025 (92,120 million yen as of March 31, 2025), due to the recording of net income for the six months ended September 30, 2025.

The consolidated solvency margin ratio, one of the indicators used in administrative supervision to determine the soundness of management, was 1,704.5% as of September 30, 2025, which indicated that an adequate level of solvency capacity is maintained.

Cash flows

For the six months ended September 30, 2025, net cash provided by operating activities amounted to 4,700 million yen (2,891 million yen provided for the six months ended September 30, 2024) mainly due to an increase in insurance premiums resulting from the growth in policies-in-force in the GCL business. Net cash used by investing activities amounted to 8,069 million yen (8,573 million yen used for the six months ended September 30, 2024) mainly due to acquisition of investment securities. Net cash used by financing activities amounted to 141 million yen (59 million yen used for the six months ended September 30, 2024) mainly due to the repayment of lease liabilities.

Based on these activities described above, cash and cash equivalents as of September 30, 2025 totaled 13,723 million yen (17,234 million yen as of March 31, 2025).

(3) Management indicator “Comprehensive Equity”

The Group has designated Comprehensive Equity*7 based on International Financial Reporting Standards (“IFRS”) as a key management indicator representing our corporate value. As a management goal in the mid-term business plan, the Group aims to achieve Comprehensive Equity of 200 billion yen to 240 billion yen in fiscal 2028. Comprehensive Equity as of the end of 2Q of fiscal 2025 was 175,566 million yen (105.1% of March 31, 2025).

(In millions of yen)

	Mar. 31, 2025	Sep. 30, 2025	Change
Comprehensive Equity	167,090	175,566	8,475
IFRS equity	92,109	98,177	6,068
CSM (tax-adjusted)	61,140	62,453	1,312
GCL contracts value	13,840	14,935	1,094

*7: Comprehensive Equity is an indicator defined by the 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. We have defined it as the indicator that represents the corporate value of the Group as it includes the value of future profits of policies-in-force.

(4) Business forecasts

The consolidated business forecasts for fiscal 2025 announced on May 14, 2025 remains unchanged as shown below.

(In millions of yen)

	Annualized premium of policies-in-force	Insurance revenue	Insurance service results	Net income attributable to owners of the Company
Business forecasts for fiscal 2025	37,500	33,000	9,800	6,900
(Reference) Business results for fiscal 2024	34,518	30,081	9,576	5,993

(Reference) Breakdown of business forecasts for annualized premium of policies-in-force

(In millions of yen)

	Individual Life Insurance	Group Credit Life Insurance	Total
Business forecasts for fiscal 2025	28,500	9,000	37,500
(Reference) Business results for fiscal 2024	26,877	7,640	34,518

2. Consolidated Financial Statements

The following financial information was prepared in accordance with International Financial Reporting Standards ("IFRS").

(1) Consolidated statement of financial position

	(In millions of yen)	
	March 31, 2025	Sep. 30, 2025
ASSETS		
Cash and cash equivalents	17,234	13,723
Investment securities	62,180	72,360
Other financial assets	1,237	1,206
Income tax receivable	5	0
Insurance contract assets	30,224	31,643
Reinsurance contract assets	869	975
Property and equipment	549	493
Right-of-use assets	1,187	1,058
Intangible assets	2,073	2,158
Other assets	616	584
Total assets	116,178	124,201
LIABILITIES		
Derivative liabilities	186	167
Other financial liabilities	1,228	1,096
Insurance contract liabilities	880	833
Reinsurance contract liabilities	11	9
Provisions	141	141
Lease liabilities	1,294	1,154
Deferred tax liabilities	19,909	22,360
Other liabilities	407	249
Total liabilities	24,058	26,013
EQUITY		
Share capital	26,652	26,675
Capital surplus	26,585	26,608
Retained earnings	39,475	43,953
Treasury shares	(0)	(0)
Other components of equity	(603)	940
Total equity attributable to owners of the Company	92,109	98,177
Non-controlling interests	11	11
Total equity	92,120	98,188
Total liabilities and equity	116,178	124,201

(2) Consolidated statement of profit or loss

	(In millions of yen)	
	Six months ended Sep. 30	
	2024	2025
Insurance revenue	14,297	16,767
Insurance service expense	(9,448)	(9,795)
Net expenses from reinsurance contract held	(283)	(883)
Insurance service result	4,565	6,089
Interest income	467	596
Impairment losses on financial assets, net	(3)	(1)
Other financial income	(473)	(207)
Net investment income	(9)	386
Insurance finance income (expense)	(56)	(6)
Reinsurance finance income (expense)	9	8
Other revenue	113	57
Other expense	(238)	(224)
Other financial expense	(3)	(9)
Net income (loss) before income taxes	4,378	6,301
Income taxes expense	(1,226)	(1,822)
Net income (loss)	3,152	4,478
Net income (loss) attributable to:		
Owners of the Company	3,152	4,478
Non-controlling interests	0	(0)
Net income (loss)	3,152	4,478
Net income (loss) per share attributable to owners of the Company		
Basic	39.26	55.75
Diluted	—	—

(3) Consolidated statement of comprehensive income

	(In millions of yen)	
	Six months ended Sep. 30	
	2024	2025
Net income (loss).....	3,152	4,478
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	—	2,149
Items that will not be reclassified to profit or loss	—	2,149
Items that may be reclassified subsequently to profit and loss:		
Financial assets measured at fair value through other comprehensive income	(142)	(240)
Insurance finance income (expense).....	(171)	(553)
Reinsurance finance income (expense).....	134	188
Items that may be reclassified subsequently to profit and loss	(179)	(605)
Other comprehensive income net of tax	(179)	1,543
Total comprehensive income	2,972	6,021
Total comprehensive income attributable to:		
Owners of the Company.....	2,972	6,022
Non-controlling interests.....	0	(0)
Total comprehensive income	2,972	6,021

(4) Consolidated statement of changes in equity

(In millions of yen)

	Six months ended Sep. 30	
	2024	2025
Equity attributable to owners of the Company:		
Share capital		
Balance at the beginning of the year	26,617	26,652
Transactions with owners		
Issuance of new shares-restricted stock	35	23
Total transactions with owners	35	23
Balance at the end of the period	26,652	26,675
Capital surplus		
Balance at the beginning of the year	26,550	26,585
Transactions with owners		
Issuance of new shares-restricted stock	35	23
Total transactions with owners	35	23
Balance at the end of the period	26,585	26,608
Retained earnings		
Balance at the beginning of the year	33,481	39,475
Comprehensive income		
Net income (loss)	3,152	4,478
Total Comprehensive income	3,152	4,478
Balance at the end of the period	36,634	43,953
Treasury shares		
Balance at the beginning of the year	(0)	(0)
Transactions with owners		
Purchase of treasury shares	(0)	(0)
Total transactions with owners	(0)	(0)
Balance at the end of the period	(0)	(0)
Other components of equity		
Financial assets measured at fair value through other comprehensive income		
Balance at the beginning of the year	(424)	(1,641)
Comprehensive income		
Other comprehensive income	(142)	1,908
Total Comprehensive income	(142)	1,908
Balance at the end of the period	(567)	267
Insurance finance expense reserve		
Balance at the beginning of the year	4,645	1,037
Comprehensive income		
Other comprehensive income	(36)	(364)
Total Comprehensive income	(36)	(364)
Balance at the end of the period	4,608	672

		(In millions of yen)	
		Six months ended Sep. 30	
		2024	2025
Total other components of equity			
Balance at the beginning of the year	4,221	(603)	
Comprehensive income			
Other comprehensive income	(179)	1,543	
Total Comprehensive income	(179)	1,543	
Balance at the end of the period	4,041	940	
Equity attributable to owners of the company			
Balance at the beginning of the year	90,870	92,109	
Comprehensive income			
Net income (loss)	3,152	4,478	
Other comprehensive income	(179)	1,543	
Total Comprehensive income	2,972	6,022	
Transactions with owners			
Purchase of treasury shares	(0)	(0)	
Issuance of new shares-restricted stock	70	46	
Total transactions with owners	70	46	
Balance at the end of the period	93,913	98,177	
Non-controlling interests:			
Balance at the beginning of the year	11	11	
Comprehensive income			
Net income (loss)	0	(0)	
Total Comprehensive income	0	(0)	
Balance at the end of the period	11	11	
Equity:			
Balance at the beginning of the year	90,882	92,120	
Comprehensive income			
Net income (loss)	3,152	4,478	
Other comprehensive income	(179)	1,543	
Total Comprehensive income	2,972	6,021	
Transactions with owners			
Purchase of treasury shares	(0)	(0)	
Issuance of new shares-restricted stock	70	46	
Total transactions with owners	70	46	
Balance at the end of the period	93,925	98,188	

(5) Consolidated statement of cash flows

	(In millions of yen)	
	Six months ended Sep. 30	
	2024	2025
Cash flows from operating activities		
Net income (losses) before income taxes	4,378	6,301
Depreciation and amortization	403	520
Impairment losses (reversal of impairment losses)	0	—
Investment income	6	(394)
Other financial expenses	3	9
Losses (gains) related to fixed assets	—	0
Insurance and reinsurance contract	(1,445)	(2,085)
Decrease (increase) in other assets	(363)	95
Increase (decrease) in other liabilities	(538)	(276)
Other, net	28	29
Subtotal	2,474	4,197
Interest received	372	505
Dividends received	37	—
Interest expenses paid	(3)	(8)
Income taxes paid	12	5
Net cash provided by (used in) operating activities	2,891	4,700
Cash flows from investing activities		
Purchase of property, equipment and intangible assets	(446)	(432)
Used in investment transactions	(16,058)	(10,052)
Proceeds from sales and redemption of investment	7,816	2,635
Other	115	(219)
Net cash provided by (used in) investing activities	(8,573)	(8,069)
Cash flows from financing activities		
Repayments of lease obligations	(59)	(141)
Payments of treasury stocks	(0)	(0)
Net cash provided by (used in) financing activities	(59)	(141)
Net increase (decrease) in cash and cash equivalents	(5,741)	(3,510)
Cash and cash equivalents, beginning of the year	24,423	17,234
Currency exchange in cash and cash equivalents	(17)	(0)
Cash and cash equivalents, end of the period	18,664	13,723

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 through management with integrity, and offering easy-to-understand, affordable, 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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