

May 13, 2026

Junpei Yokozawa, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Prime)

Consolidated Financial Results for Fiscal 2025 Ended March 31, 2026 (IFRS)

Comprehensive Equity as key management indicator was 176,149 million yen

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

1. Overview of the financial results for fiscal 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 fiscal 2025 stands at 37,290 million yen (108.0% of March 31, 2025). Annualized premium of policies-in-force for individual life insurance was 28,718 million yen (106.8% of March 31, 2025), and annualized premium of policies-in-force for GCL was 8,571 million yen (112.2% of March 31, 2025).

The business performance of individual life insurance is as follows. The number of policies-in-force resulted in a total of 686,237 (107.7% of March 31, 2025). Annualized premium of new business for fiscal 2025 was 3,384 million yen (116.1% of fiscal 2024) and the number of new business for fiscal 2025 was 86,990 (118.7% of fiscal 2024). Surrender and lapse ratio*2 for fiscal 2025 was 5.5% (5.7% for fiscal 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. Annualized premium of policies-in-force for GCL as of the end of fiscal 2025 and 2024 are calculated applying premium rates as of March 2026 and 2025, respectively.

*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)

	Fiscal 2024	Fiscal 2025	Change
Insurance revenue	30,081	34,388	4,306
Insurance service results	9,576	11,606	2,029
Financial results*3	(33)	266	300
Other results*4	(363)	(483)	(119)
Net income (loss) before income taxes	9,179	11,389	2,210
Net income (loss) attributable to owners of the Company	5,993	8,041	2,048

Insurance revenue for fiscal 2025 resulted in 34,388 million yen (114.3% of fiscal 2024). Insurance revenue for individual life insurance and GCL was 26,370 million yen and 8,018 million yen, respectively.

As for individual life insurance, the main components of insurance revenue were 12,197 million yen in expected claims and maintenance costs^{*5}, 1,676 million yen in change in risk adjustment for non-financial risks related to extinguished risks and 7,871 million yen in CSM^{*6} recognized for services provided. Insurance service results increased to 11,606 million yen (121.2% of fiscal 2024) mainly due to lower-than-expected insurance claims and benefit payments in individual life insurance, and an increase in profit from GCL. Financial results were 266 million yen mainly due to an increase in interest income resulting from increased holdings of corporate bonds. Other results were 483 million yen loss mainly because of recording expenses not directly related to insurance services.

As a result, net income before income taxes was 11,389 million yen (124.1% of fiscal 2024). Net income attributable to owners of the Company was 8,041 million yen (134.2% of fiscal 2024).

With respect to expenses related to insurance contract incurred for fiscal 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 10,458 million yen (106.6% of fiscal 2024). In addition, maintenance costs, which were not included in insurance acquisition cash flows, were 4,977 million yen (98.2% of fiscal 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 March 31, 2026 amounted to 121,834 million yen (116,178 million yen as of March 31, 2025). The major account balances were 72,503 million yen in investment securities mainly consisting of government bonds and corporate bonds with high credit ratings and 28,290 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 143,094 million yen, risk adjustment of 17,418 million yen and CSM of 97,385 million yen, which are related to individual life insurance. In addition, contracts measured under the premium allocation approach of 786 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)	(143,094)
Risk adjustment	17,418
CSM	97,385
Insurance contract liabilities related to individual life insurance: total	(28,290)
Insurance contract liabilities related to GCL (Contracts measured under the premium allocation approach)	786

Liabilities amounted to 26,223 million yen as of March 31, 2026 (24,058 million yen as of March 31, 2025). The major account balance was 20,865 million yen in deferred tax liabilities.

Equities amounted to 95,610 million yen as of March 31, 2026 (92,120 million yen as of March 31, 2025) due to recording of net income, despite a decrease in insurance finance expense reserve for fiscal 2025.

As a regulatory supervisory indicator for assessing management soundness, the "Economic Value-based Solvency Framework" was introduced starting from the end of March 2026. The new Economic Solvency Ratio (ESR)^{*7} stood at 333% as of March 31, 2026, indicating that we maintain sufficient solvency. In addition, the internal ESR^{*8}, which adjusts for risks and other factors to reflect the actual condition of our business, was 394% as of March 31, 2026 (356% as of March 31, 2025).

^{*7, *8}: The figures for the ESR and internal ESR as of March 31, 2026 are preliminary. The external audit for these figures has not been completed, and they may differ from the final results.

(3) Cash flows

For fiscal 2025, net cash provided by operating activities amounted to 8,820 million yen (7,279 million yen provided for fiscal 2024) mainly due to an increase in premium income by growth of in-force business. Net cash used by investing activities amounted to 12,181 million yen (14,295 million yen used for fiscal 2024) mainly due to acquisition of investment securities. Net cash used by financing activities amounted to 282 million yen (164 million yen used for fiscal 2024) due to the repayments of lease obligations.

Based on these activities described above, cash and cash equivalents as of March 31, 2026 totaled 13,598 million yen (17,234 million yen as of March 31, 2025).

(4) Management indicator "Comprehensive Equity"

The Group has designated Comprehensive Equity^{*9} 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 fiscal 2025 was 176,149 million yen (105.4% of March 31, 2025).

^{*9}: 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.

(5) Business forecasts

The consolidated business forecasts for fiscal 2026 are as follows. We disclose insurance revenue, insurance service results and net income attributable to owners of the Company based on IFRS in addition to annualized premium of policies-in-force for individual life insurance and GCL combined.

(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 2026	41,300	37,500	11,200	8,200
(Reference) Business results for fiscal 2025	37,290	34,388	11,606	8,041

The Group will focus on the three priority areas of “Tech & Services”, “Rebranding”, and “Embedded”, which are listed in our growth strategies of the mid-term business plan, with the aim of achieving Comprehensive Equity of 200 billion yen to 240 billion yen in fiscal 2028 as our management goal. In this fiscal year, we plan to actively invest in marketing initiatives and utilization of IT services such as AI and Individual Number System aimed at further improving customer experience. In addition, we will make investments designed to promote collaboration with our business partners. On April 30, 2026, Lifenet entered into a capital and business alliance agreement with Japan Airlines Co., Ltd. Although the impact of this transaction on the business results for fiscal 2026 is expected to be minimal, we have not incorporated it into the business forecasts, given that specific details regarding the business alliance and the timeline are still undetermined.

Accordingly, we are forecasting annualized premium of policies-in-force for individual life insurance and GCL combined of 41,300 million yen, insurance revenue of 37,500 million yen, insurance service results of 11,200 million yen and net income attributable to owners of the Company of 8,200 million yen for fiscal 2026. The annualized premium of policies-in-force is expected to be 30,800 million yen for individual life insurance and 10,500 million yen for GCL for fiscal 2026.

For fiscal 2026, we expect to continue a steady increase in annualized premium of policies-in-force by focusing on priority areas. Regarding insurance service results, while the fiscal 2025 performed strongly due to actual payments of insurance claims and benefits being lower than expected, our business forecast for fiscal 2026 is based on the assumption that such payments will occur at a standard level.

(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 2026	30,800	10,500	41,300
(Reference) Business results for fiscal 2025	28,718	8,571	37,290

(6) Dividend policy

Lifenet's Articles of Incorporation stipulates that a decision on the distribution of retained earnings as specified in each Item of Paragraph 1, Article 459 of the Companies Act can be made by a resolution of the Board of Directors, except as otherwise determined by law.

Although we intend to consider implementing measures to provide shareholder return that include payment of dividends from future retained earnings, Lifenet has yet to determine its specific dividend policies and dates for the start of distributing retained earnings as dividends. This is primarily because we still have a cumulative loss under Japanese GAAP and prioritize strengthening our growth base to increase medium-to long-term profitability. Going forward, we will continue to effectively utilize capital for growth initiatives such as rebranding, developing new products and services leveraging technology, and strengthening collaborations with business partners, as well as for investing in systems. Through these efforts, we will strive to expand our business and generate profits. We have voluntarily adopted IFRS in our consolidated financial statements since fiscal 2023 ended March 31, 2024, however, distribution of retained earnings is based on non-consolidated financial statements in accordance with Japanese GAAP.

2. Basic Rationale for Selection of Accounting Standards

The Group has voluntarily adopted IFRS for its consolidated financial statements since the first quarter of the fiscal year ended March 31, 2024 for the purpose of more appropriately representing its periodic profit/loss and profitability and improving the international comparability of financial information.

3. 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	March 31, 2026
ASSETS		
Cash and cash equivalents	17,234	13,598
Investment securities	62,180	72,503
Other financial assets	1,237	2,198
Income tax receivable	5	—
Insurance contract assets	30,224	28,290
Reinsurance contract assets	869	1,176
Property and equipment	549	427
Right-of-use assets	1,187	928
Intangible assets	2,073	2,170
Other assets	616	539
Total assets	116,178	121,834
LIABILITIES		
Derivative liabilities	186	209
Income taxes payable	—	521
Other financial liabilities	1,228	2,250
Insurance contract liabilities	880	786
Reinsurance contract liabilities	11	—
Provisions	141	142
Lease liabilities	1,294	1,013
Deferred tax liabilities	19,909	20,865
Other liabilities	407	433
Total liabilities	24,058	26,223
EQUITY		
Share capital	26,652	26,675
Capital surplus	26,585	26,608
Retained earnings	39,475	47,516
Treasury shares	(0)	(0)
Other components of equity	(603)	(5,200)
Total equity attributable to owners of the Company	92,109	95,600
Non-controlling interests	11	9
Total equity	92,120	95,610
Total liabilities and equity	116,178	121,834

(2) Consolidated statement of profit or loss

	(In millions of yen)	
	Fiscal year ended March 31	
	2025	2026
Insurance revenue	30,081	34,388
Insurance service expense	(19,575)	(21,393)
Net expenses from reinsurance contract held	(929)	(1,388)
Insurance service result	9,576	11,606
Interest income	974	1,255
Impairment losses on financial assets, net	(5)	(3)
Other financial income	(915)	(938)
Net investment income	53	313
Insurance finance income (expense)	(105)	(63)
Reinsurance finance income (expense)	17	16
Other revenue	82	63
Other expense	(431)	(529)
Other financial expense	(13)	(17)
Net income (loss) before income taxes	9,179	11,389
Income taxes expense	(3,186)	(3,349)
Net income (loss)	5,992	8,040
Net income (loss) attributable to:		
Owners of the Company	5,993	8,041
Non-controlling interests	(0)	(1)
Net income (loss)	5,992	8,040
Net income (loss) per share attributable to owners of the Company		
Basic	74.63	100.11
Diluted	—	—

(3) Consolidated statement of comprehensive income

	(In millions of yen)	
	Fiscal year ended March 31	
	2025	2026
Net income (loss).....	5,992	8,040
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income.....	—	557
Items that will not be reclassified to profit or loss.....	—	557
Items that may be reclassified subsequently to profit or loss:		
Financial assets measured at fair value through other comprehensive income.....	(1,216)	(748)
Insurance finance income (expense)	(4,010)	(4,686)
Reinsurance finance income (expense).....	402	281
Items that may be reclassified subsequently to profit or loss.....	(4,824)	(5,153)
Other comprehensive income net of tax	(4,824)	(4,596)
Total comprehensive income	1,168	3,443
Total comprehensive income attributable to:		
Owners of the Company.....	1,168	3,445
Non-controlling interests.....	(0)	(1)
Total comprehensive income	1,168	3,443

(4) Consolidated statement of changes in equity

	(In millions of yen)	
	Fiscal year ended March 31	
	2025	2026
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)	5,993	8,041
Total Comprehensive income	5,993	8,041
Balance at the end of the period	39,475	47,516
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	(1,216)	(191)
Total Comprehensive income	(1,216)	(191)
Balance at the end of the period	(1,641)	(1,832)
Insurance finance expense reserve		
Balance at the beginning of the year	4,645	1,037
Comprehensive income		
Other comprehensive income	(3,608)	(4,405)
Total Comprehensive income	(3,608)	(4,405)
Balance at the end of the period	1,037	(3,367)

	(In millions of yen)	
	Fiscal year ended March 31	
	2025	2026
Total other components of equity		
Balance at the beginning of the year	4,221	(603)
Comprehensive income		
Other comprehensive income	(4,824)	(4,596)
Total Comprehensive income	(4,824)	(4,596)
Balance at the end of the period	(603)	(5,200)
Equity attributable to owners of the company		
Balance at the beginning of the year	90,870	92,109
Comprehensive income		
Net income (loss)	5,993	8,041
Other comprehensive income	(4,824)	(4,596)
Total Comprehensive income	1,168	3,445
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	92,109	95,600
Non-controlling interests:		
Balance at the beginning of the year	11	11
Comprehensive income		
Net income (loss)	(0)	(1)
Total Comprehensive income	(0)	(1)
Balance at the end of the period	11	9
Equity:		
Balance at the beginning of the year	90,882	92,120
Comprehensive income		
Net income (loss)	5,992	8,040
Other comprehensive income	(4,824)	(4,596)
Total Comprehensive income	1,168	3,443
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	92,120	95,610

(5) Consolidated statement of cash flows

	(In millions of yen)	
	Fiscal year ended March 31	
	2025	2026
Cash flows from operating activities		
Net income (losses) before income taxes	9,179	11,389
Depreciation and amortization	948	1,073
Impairment losses (reversal of impairment losses)	0	—
Investment losses (gains)	(71)	(332)
Other financial expenses	13	17
Losses (gains) related to fixed assets	3	9
Insurance and reinsurance contract	(3,009)	(4,676)
Decrease (increase) in other assets	(427)	80
Increase (decrease) in other liabilities	(270)	148
Other, net	63	52
Subtotal	6,430	7,763
Interest received	812	1,068
Dividends received	37	—
Interest expenses paid	(13)	(16)
Income taxes refund (paid)	12	5
Net cash provided by (used in) operating activities	7,279	8,820
Cash flows from investing activities		
Purchase of property, equipment and intangible assets	(1,177)	(830)
Used in investment transactions	(25,314)	(16,641)
Proceeds from sales and redemption of investment	12,665	6,558
Other	(468)	(1,267)
Net cash provided by (used in) investing activities	(14,295)	(12,181)
Cash flows from financing activities		
Repayments of lease obligations	(164)	(282)
Payments of treasury stocks	(0)	(0)
Net cash provided by (used in) financing activities	(164)	(282)
Net increase (decrease) in cash and cash equivalents	(7,180)	(3,644)
Cash and cash equivalents, beginning of the year	24,423	17,234
Currency exchange in cash and cash equivalents	(8)	7
Cash and cash equivalents, end of the period	17,234	13,598

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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