

Question and Answer Summary for the Full-Year Financial Results Briefing  
for the Fiscal Year Ended March 31, 2026

May 13, 2026

LIFENET INSURANCE COMPANY

We disclose the summary of the Q&A session held during the full-year financial results briefing for fiscal 2025 ended March 2026.

<Answerers>

Junpei Yokozawa	President and Representative Director
Takeshi Kawasaki	Director, Executive Vice President, CFO
Kota Matsubara	Head of Accounting and Actuarial Department

**Question:** Regarding the new business performance for fiscal 2025 on [page 38 of the presentation material](#), what is the reason behind achieving growth while maintaining the insurance acquisition cash flows efficiency, as shown on [page 40 of the presentation material](#)? In addition, do you plan to increase insurance acquisition cash flows in fiscal 2026?

**Yokozawa:** Both the direct business and partner business expanded through our initiatives in "Rebranding" and "Embedded," which are the priority areas of our mid-term business plan. For "Rebranding," which mainly targets the direct channel, a major factor was the improvement of our marketing capabilities. This was driven by expanding the product lineup of the "Term" series, reviewing the allocation of advertising investment, and accelerating the PDCA cycle by the shift to in-house web advertising operations. Regarding "Embedded," our initiative for the partner business, I took over as the executive officer in charge in July 2025. In addition to optimizing the appeal message through the analysis of the customer journey, we successfully secured solid exposure opportunities at customer touchpoints, such as the partner companies' apps, at the time of the new product launch and product renewal in December 2025. We believe this significantly contributed to the growth of new business. We aim to continue growing our business performance in fiscal 2026 while paying close attention to efficiency.

**Kawasaki:** In fiscal 2026, we plan to invest insurance acquisition cash flows commensurate with that growth to continue prioritizing the growth of business performance. In fiscal 2025, while growing our business performance, efficiency improved even more than expected. We recognize that the insurance acquisition cash flows per new business improved significantly to 120,000 yen. For fiscal 2026, we do not expect further significant improvement, but we aim to maintain efficiency while increasing insurance acquisition cash flows.

**Question:** Looking at the quarterly trends, incurred claims and benefits increased in the fourth quarter of fiscal 2025. Do you evaluate this as being due to structural factors, or within the range of fluctuations?

**Yokozawa:** Given our current scale of policies-in-force, the payment of claims and benefits is still subject to quarterly fluctuations. In fiscal 2025, the incurred amount was considerably low in the first half of the year, but progress in the second half was tracking almost as expected.

**Question:** How was the premium rate for Group Credit Life Insurance ("GCL") updated in April 2026?

**Yokozawa:** Although a single-year performance is not directly reflected in the review of the premium rate, we reviewed and updated the premium rate through discussions with au Jibun Bank Corporation ("au Jibun Bank"), based on the fact that the payment of claims and benefits in GCL had been tracking better than expected over the past two years. This review was to adjust the rate to an appropriate level to promote the mortgage and GCL business, and it is an update that will contribute to strengthening au Jibun Bank's competitiveness. We will continue to engage in ongoing dialogue with au Jibun Bank to jointly aim for the expansion of the mortgage business and GCL business.

**Question:** What kind of management strategy options will become available as a result of achieving profitability under Japanese GAAP on [page 15 of the presentation material](#)? Also, does achieving profitability change the future utilization of modified co-insurance?

**Yokozawa:** While we are not considering any specific actions at this moment, options such as M&A could be considered.

**Kawasaki:** Under the Insurance Business Act, there were restrictions on executing M&A when statutory accounting (Japanese GAAP) was in a deficit. However, we recognize that such restrictions will be resolved by achieving profitability. We have been utilizing modified co-insurance as part of our capital policy and plan to continue doing so in the future.

**Question:** Regarding the response to interest rate trends and inflation on [page 26 of the presentation material](#), do you plan to utilize existing protection products, or are you considering new initiatives?

**Yokozawa:** We intend to discuss this internally while carefully identifying customer needs moving forward. Since our inception, we have consistently delivered the message that "insurance, savings, and investment should be considered separately." For example, one possibility is that by offering our protection products at affordable premiums, customers can allocate their surplus funds toward investments. However, we would like to continually consider our options from the ground up, taking into account the external environment and customer preferences.

**Question:** How does achieving profitability under Japanese GAAP affect the option of M&A? Also, will it have an impact on shareholder returns?

**Yokozawa:** Our capital and business alliances have primarily been those where capital was invested into our company. However, moving forward, we recognize that our flexibility will increase in cases where we make investments. As we focus on "Embedded," one of our priority areas, we believe this will expand the range of available options for our future growth in terms of what format would be win-win for both the partner companies and us.

**Kawasaki:** Although we achieved profitability on a single-year basis, we still have a retained deficit (retained losses) of over 30 billion yen under Japanese GAAP. Therefore, the specific timing for the start of distributing retained earnings (dividend distribution) remains undetermined at this moment.

**Question:** Are the effects of the collaboration with Japan Airlines Co., Ltd. factored into the consolidated business forecasts for fiscal 2026 on [page 17 of the presentation material](#)?

**Yokozawa:** Since we are at the stage of considering specific details moving forward, it is not factored in at this moment. We would like to discuss initiatives with them to maximize synergies while leveraging our respective strengths.

**Kawasaki:** While the impact on the financial results for fiscal 2026 will be minimal, we believe this is a partnership that can firmly contribute to our performance under the mid-term business plan, and represents significant progress for our future partner business.

**Question:** Regarding the insurance service results in the consolidated business forecasts for fiscal 2026 on [page 17 of the presentation material](#), the year-on-year growth rate excluding the impact of the payment of claims and benefits for fiscal 2025 is slightly above 5%, and the increase is limited to approximately 600 million yen. Are you assuming that profit growth for fiscal 2026 will be moderate?

**Kawasaki:** We have set the figures by steadily accumulating the factors that can be anticipated at this moment. In fiscal 2025, business performance for individual life insurance expanded alongside improved efficiency, resulting in an increase in the CSM balance by approximately 5.3 billion yen. This is expected to be steadily reflected as a profit contribution from the current fiscal year onward through the allocation of CSM (CSM release). While this forecast for fiscal 2026 is not necessarily conservative, there is a possibility of a certain upside depending on factors such as additional improvements in business efficiency.

**Question:** The economic value-based solvency ratio (ESR) on [page 50 of the presentation material](#) is at a high level. Are you considering actively taking risks by utilizing surplus capital?

**Matsubara:** As you recognized, our ESR is at a high level on both an internal and regulatory basis. There are two main factors for this. First, because we handle protection products, our market and credit risks are relatively low. Second, while the risk associated with protection products increases as the number of policies grows, future profits are factored in in advance on an economic value basis. Therefore, even if we take risks, both the eligible capital in the numerator and the required capital in the denominator increase, resulting in a structure where the ESR does not decrease. We have no intention of decreasing our ESR by taking inefficient risks.

**Question:** Regarding the changing factors of Comprehensive Equity (CE) on [page 12 of the presentation material](#), could you provide a breakdown of approximately 5.3 billion yen for the impact of assumption changes, etc.?

**Kawasaki:** Although we do not disclose the specific details, the vast majority arises from the improvement in the operating expenses ratio. In addition, the variance between the expected and incurred mortality rates (claims experience variance) has also had a positive effect. On the other hand, upwardly revising the assumption for the inflation rate to 1.6% has acted as a negative factor.

**Question:** According to the Comprehensive Equity sensitivity analysis on [page 48 of the presentation material](#), when the operating expenses ratio decreases by 10%, the CSM increases by approximately 5.2 billion yen. Since this is almost the same level as the impact of assumption changes, etc. this time, can we understand that this impact is recognized due to the improvement in the operating expenses ratio?

**Kawasaki:** Although it includes various factors, as a result, you may understand that it is mainly due to the improvement in the operating expenses ratio.

**Question:** According to the operating expenses ratio on [page 41 of the presentation material](#), it has improved by approximately 10% each year over the past three years. Based on the sensitivity, we can estimate that this contributes to an annual increase of approximately 5 billion yen. Is it possible to maintain a similar level of improvement moving forward?

**Kawasaki:** Although the operating expenses ratio has been improving year by year, the factors behind it vary. It improved significantly due to different factors each year: in fiscal 2023, the scale of our business expanded with the launch of GCL; in fiscal 2024, we implemented a major review of the GCL premium rate; and in fiscal 2025, business performance for individual life insurance expanded alongside improved efficiency. Since the factors differ every year like this, we cannot say definitively that it will continue to improve by 10% each year. However, given our current business scale, we believe there is still room for further improvement, and we anticipate that the increase in Comprehensive Equity (CE) based on this improvement can continue to be expected.

**Question:** You plan to provide GCL to THE KYOTO SHINKIN BANK (“Kyoto Shinkin Bank”) starting in July 2026. What level of performance contribution do you expect? Also, what kind of upside and downside scenarios are you assuming?

**Kawasaki:** The impact of the collaboration with Kyoto Shinkin Bank is factored into the annualized premium of policies-in-force for GCL of approximately 1.9 billion yen in the consolidated business forecasts for fiscal 2026 on [page 17 of the presentation material](#).

For us, there is no downside. As for the positive effects, we believe that in addition to contributing to the top-line performance, it will also lead to an improvement in the operating expenses ratio through the expansion of our business scale. Furthermore, this initiative is with a financial institution outside our existing alliance partner groups, and we consider it a major step forward for expanding our partner network in the future.

**Question:** Could you share the progress of the collaboration with Advance Create Co., Ltd., in which you invested in July 2025?

**Yokozawa:** We are currently at the stage of engaging in ongoing discussions with them to fully demonstrate the effects of the alliance. The purpose of this alliance is the further expansion of the online life insurance market over the medium to long term. We will strive to implement initiatives that leverage the strengths of both companies to drive further business growth.

**Question:** How do you evaluate the new business performance for individual life insurance in the preliminary business results for April 2026?

**Yokozawa:** We achieved 20% growth year-on-year, successfully maintaining the momentum from fiscal 2025. We will continue to focus on the priority areas of our mid-term business plan and strive to accelerate the growth of our business performance.

<Summary of Q&A Received via Text>

**Question:** During the peak of the COVID-19 pandemic, you achieved 100,000 new policies for individual life insurance. Is it possible to aim for a similar level during fiscal 2026? Regarding the net increase in annualized premium of policies-in-force for individual life, the business forecast for fiscal 2026 is approximately 2.0 billion yen against the fiscal 2025 result of 1.84 billion yen. Given the current growth, does this forecast seem somewhat moderate?

**Yokozawa:** In fiscal 2026, while aiming for growth in business performance that exceeds fiscal 2025, we would also like to take on the challenge of reaching the 100,000 policies level seen during the COVID-19 pandemic.

**Kawasaki:** In the consolidated business forecasts for fiscal 2026 on [page 17 of the presentation material](#), the net increase in annualized premium of policies-in-force for individual life is stated as approximately 2.0 billion yen. However, if you subtract the fiscal 2025 results (28,718 million yen) from the fiscal 2026 forecast (30,800 million yen) in the consolidated business forecasts on [page 5 of the Consolidated Financial Results for Fiscal 2025 Ended March 31, 2026 \(IFRS\)](#), the amount is 2.08 billion yen. We are aiming for double-digit growth in fiscal 2026 as well.