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Junpei Yokozawa, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Prime)

Consolidated Financial Results for 1Q of Fiscal 2026 Ending March 31, 2027 (IFRS)

Annualized premium of policies-in-force of 37,810 million yen, up 7.4% year on year

TOKYO, August 12, 2026 - LIFENET INSURANCE COMPANY (TSE Prime 7157, President Junpei Yokozawa, URL: <https://ir.lifenet-seimei.co.jp/en/>) discloses the consolidated financial results for the first quarter of fiscal 2026 ending March 31, 2027.

■ **Note on the scope of consolidation**

For 1Q of fiscal 2026, Lifenet excluded LIFENET MIRAI Inc., its consolidated subsidiary, from the scope of consolidation following the transfer of all shares in the company. As a result, as of the end of 1Q of fiscal 2026, there are no longer any subsidiaries included in Lifenet's scope of consolidation. However, the money trust established by Lifenet for investment purposes continues to be included in the scope of consolidation, as it constitutes a structured entity controlled by Lifenet in accordance with IFRS 10 "Consolidated Financial Statements." Consequently, even when Lifenet has no subsidiaries, consolidated financial statements are prepared in accordance with IFRS.

1. Overview of the financial results for 1Q of fiscal 2026 ended June 30, 2026

(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 1Q of fiscal 2026 stands at 37,810 million yen (101.4% of March 31, 2026). Annualized premium of policies-in-force for individual life insurance and GCL was 29,176 million yen (101.6% of March 31, 2026) and 8,634 million yen (100.7% of March 31, 2026), respectively.

The business performance of individual life insurance is as follows. The number of policies-in-force resulted in a total of 698,946 (101.9% of March 31, 2026). Annualized premium of new business for 1Q of fiscal 2026 was 844 million yen (106.5% of 1Q of fiscal 2025) and the number of new business was 22,244 (111.4% of 1Q of fiscal 2025). Surrender and lapse ratio^{*2} for 1Q of fiscal 2026 was 5.2% (5.6% of 1Q of fiscal 2025).

^{*1}: Annualized premium is the amount of money equivalent to what is to be paid to have the insurance coverage for one year, calculated by multiplying the premium per payment by a coefficient corresponding to the payment method. As all payments for Lifenet products are in monthly installments, we calculate annualized premium by multiplying the monthly premium by 12 (for GCL, expected premium income for the next month based on the in-force business is used. However, if a premium rate revision is implemented at the start of the period following the relevant quarter, it is calculated based on the rate prior to the revision).

^{*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)

	1Q of fiscal 2025	1Q of fiscal 2026	Change
Insurance revenue	8,222	9,030	807
Insurance service results	2,945	2,104	(840)
Financial results ^{*3}	183	323	140
Other results ^{*4}	(65)	(124)	(59)
Net income (loss) before income taxes	3,063	2,303	(759)
Net income (loss) attributable to owners of the Company	2,177	1,637	(540)

Insurance revenue for 1Q of fiscal 2026 increased to 9,030 million yen (109.8% of 1Q of fiscal 2025). Insurance revenue for individual life insurance and GCL stood at 6,891 million yen and 2,138 million yen, respectively. As for individual life insurance, the main components of insurance revenue were 3,192 million yen in expected claims and maintenance costs^{*5}, 419 million yen in change in risk adjustment for non-financial risks related to extinguished risks and 2,029 million yen in CSM^{*6} recognized for services provided. Insurance service results decreased to 2,104 million yen (71.5% of 1Q of fiscal 2025) mainly due to a decrease in profit from GCL caused by an increase in claim payments. Financial results were 323 million yen (176.7% of 1Q of fiscal 2025) mainly reflecting an increase in interest income resulting from higher holdings of corporate bonds. Other results were a loss of 124 million yen mainly because of recording expenses not directly related to insurance services.

As a result, net income before income taxes was 2,303 million yen (75.2% of 1Q of fiscal 2025). Net income attributable to owners of the Company was 1,637 million yen (75.2% of 1Q of fiscal 2025).

With respect to expenses related to insurance contracts incurred for 1Q of fiscal 2026, insurance acquisition cash flows, which are costs directly attributable to the acquisition of insurance contract groups, the sum of expenses related to marketing, underwriting and systems, etc., were 2,748 million yen (107.9% of 1Q of fiscal 2025). In addition, maintenance costs, which were not included in insurance acquisition cash flows, were 1,256 million yen (107.1% of 1Q of fiscal 2025).

*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.

(Note) Insurance contracts pertaining to the reinsurance business launched in January 2026 are included in individual life insurance or GCL according to their characteristics, in consideration of materiality. The same applies to (2) Financial condition and (3) Management indicator "Comprehensive Equity."

(2) Financial condition

Assets, liabilities, and equity

Total assets as of June 30, 2026 amounted to 120,166 million yen (121,834 million yen as of March 31, 2026). The major account balances were 72,821 million yen in investment securities mainly consisting of government bonds and corporate bonds with high credit ratings and 27,534 million yen in insurance contract assets. Although insurance contracts are generally recorded as liabilities, Lifenet records them as insurance contract assets^{*7} because the insurance contract liabilities in individual life insurance are negative as shown in the table below.

Breakdown of insurance contract liabilities related to individual life insurance

(In millions of yen)

Present value of future cash flows (claims minus premiums)	(141,751)
Risk adjustment	17,086
CSM	97,138
Insurance contract liabilities related to individual life insurance: total	(27,527)

Liabilities amounted to 25,483 million yen as of June 30, 2026 (26,223 million yen as of March 31, 2026). The major account balance was 20,492 million yen in deferred tax liabilities.

Equity amounted to 94,683 million yen as of June 30, 2026 (95,610 million yen as of March 31, 2026), mainly due to a decrease in insurance finance expense reserve, despite the recording of net income for 1Q of fiscal 2026.

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)^{*8} stood at 339% as of June 30, 2026 (333.7% as of March 31, 2026), indicating that we maintain sufficient solvency. In addition, the internal ESR^{*9}, which adjusts for risks and other factors to reflect the actual condition of our business, was 402% as of June 30, 2026 (394.5% as of March 31, 2026).

^{*7}: Classification as either insurance contract assets or insurance contract liabilities is determined for each category based on product characteristics, and therefore may differ from the total insurance contract liabilities (assets) for individual life insurance.

^{*8}, ^{*9}: The figures for the ESR and internal ESR as of June 30, 2026 are for reference only.

(3) Management indicator "Comprehensive Equity"

Lifenet has designated Comprehensive Equity^{*10} 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, we aim to achieve Comprehensive Equity of 200 billion yen to 240 billion yen in fiscal 2028. Comprehensive Equity as of the end of 1Q of fiscal 2026 was 174,854 million yen (99.3% of March 31, 2026).

(In millions of yen)

	Mar. 31, 2026	Jun. 30, 2026	Change
Comprehensive Equity	176,149	174,854	(1,294)
IFRS equity	95,600	94,683	(917)
CSM (tax-adjusted)	65,232	65,116	(116)
GCL contracts value	15,315	15,054	(260)

^{*10}: Comprehensive Equity is an indicator defined by Lifenet. 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 Lifenet 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 and other policies-in-force. We have defined it as the indicator that represents the corporate value of Lifenet as it includes the value of future profits of policies-in-force.

(4) Business forecasts

The consolidated business forecasts for fiscal 2026 announced on May 13, 2026 remain 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 (May 13, 2026)	41,300	37,500	11,200	8,200
(Reference) Business results for fiscal 2025	37,290	34,388	11,606	8,041

(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 (May 13, 2026)	30,800	10,500	41,300
(Reference) Business results for fiscal 2025	28,718	8,571	37,290

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, 2026	June 30, 2026
ASSETS		
Cash and cash equivalents	13,598	12,808
Investment securities	72,503	72,821
Other financial assets	2,198	1,319
Insurance contract assets	28,290	27,534
Reinsurance contract assets	1,176	1,596
Property and equipment	427	404
Right-of-use assets	928	863
Intangible assets	2,170	2,274
Other assets	539	542
Total assets	<u>121,834</u>	<u>120,166</u>
LIABILITIES		
Derivative liabilities	209	190
Income taxes payable	521	1
Other financial liabilities	2,250	1,389
Insurance contract liabilities	786	2,135
Provisions	142	142
Lease liabilities	1,013	942
Deferred tax liabilities	20,865	20,492
Other liabilities	433	190
Total liabilities	<u>26,223</u>	<u>25,483</u>
EQUITY		
Share capital	26,675	26,675
Capital surplus	26,608	26,608
Retained earnings	47,516	49,153
Treasury shares	(0)	(0)
Other components of equity	(5,200)	(7,754)
Total equity attributable to owners of the Company	95,600	94,683
Non-controlling interests	9	—
Total equity	<u>95,610</u>	<u>94,683</u>
Total liabilities and equity	<u>121,834</u>	<u>120,166</u>

(2) Consolidated statement of profit or loss

	(In millions of yen)	
	Three months ended June 30	
	2025	2026
Insurance revenue	8,222	9,030
Insurance service expense	(4,909)	(6,995)
Net expenses from reinsurance contract held	(368)	70
Insurance service result	2,945	2,104
Interest income	284	358
Impairment losses on financial assets, net	(0)	(0)
Other financial income	(99)	(71)
Net investment income	184	286
Insurance finance income (expense)	(5)	33
Reinsurance finance income (expense)	4	3
Other revenue	34	29
Other expense	(94)	(150)
Other financial expense	(4)	(4)
Net income (loss) before income taxes	3,063	2,303
Income taxes expense	(886)	(666)
Net income (loss)	2,176	1,637
Net income (loss) attributable to:		
Owners of the Company	2,177	1,637
Non-controlling interests	(0)	0
Net income (loss)	2,176	1,637
Net income (loss) per share attributable to owners of the Company		
Basic	27.11	20.38
Diluted	—	—

(3) Consolidated statement of comprehensive income

	(In millions of yen)	
	Three months ended June 30	
	2025	2026
Net income (loss).....	2,176	1,637
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	—	(966)
Items that will not be reclassified to profit or loss	—	(966)
Items that may be reclassified subsequently to profit or loss:		
Financial assets measured at fair value through other comprehensive income	54	(209)
Insurance finance income (expense).....	931	(1,443)
Reinsurance finance income (expense).....	41	64
Items that may be reclassified subsequently to profit or loss	1,027	(1,588)
Other comprehensive income net of tax	1,027	(2,554)
Total comprehensive income	3,204	(917)
Total comprehensive income attributable to:		
Owners of the Company.....	3,204	(917)
Non-controlling interests.....	(0)	0
Total comprehensive income	3,204	(917)

About LIFENET URL: <https://ir.lifenet-seimei.co.jp/en/>

LIFENET INSURANCE COMPANY has developed the LIFENET Manifesto that embodies our mission of “Helping 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 leverage digital technology to fulfill our commitment to “delivering the Ultimate Insurance Experience.”

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