

Securities Code: 7157  
TSE Growth



# Presentation Material for Fiscal 2024

LIFENET INSURANCE COMPANY  
May 14, 2025

# Executive Summary



## Results for FY2024

- Annualized premium of policies-in-force **up 20.1% YoY**, insurance service results **up 16.5%, growing strongly**
- Comprehensive Equity (CE) **steadily growing** despite market factors and tax changes

## Future Initiatives

- **Reaccelerating investment for growth** in FY2025 after 3 years
- Aiming for higher market valuation by disclosing internal ESR to **highlight high risk-return efficiency**
- **Transitioning to new management team** <sup>1</sup> for further business growth

1. Subject to the resolutions at the 19th Annual General Meeting of the Shareholders and the Board of Directors to be held on June 22, 2025

## **1. Financial Results for Fiscal 2024**

## **2. Future Initiatives**

## **3. Improvement of Market Evaluation**

# Fiscal 2024 Key Highlights



## Key Indicators

### Corporate Value

Comprehensive Equity<sup>1</sup>  
(CE)

¥167,090<sub>mn</sub>

(YoY 104.6%)

### Growth

Annualized premium<sup>2</sup>  
of policies-in-force

¥34,518<sub>mn</sub>

(YoY 120.1%)

### Profitability

Insurance service  
results

¥9,576<sub>mn</sub>

(YoY 116.5%)

## Notable Achievements

- **Attracting younger customers** through initiatives such as new product launch and brand message refresh
- **Significantly expanding customer base** by leveraging our partners' point-based ecosystem
- **Group credit life insurance strongly contributed to key indicators in our second year of business**

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.

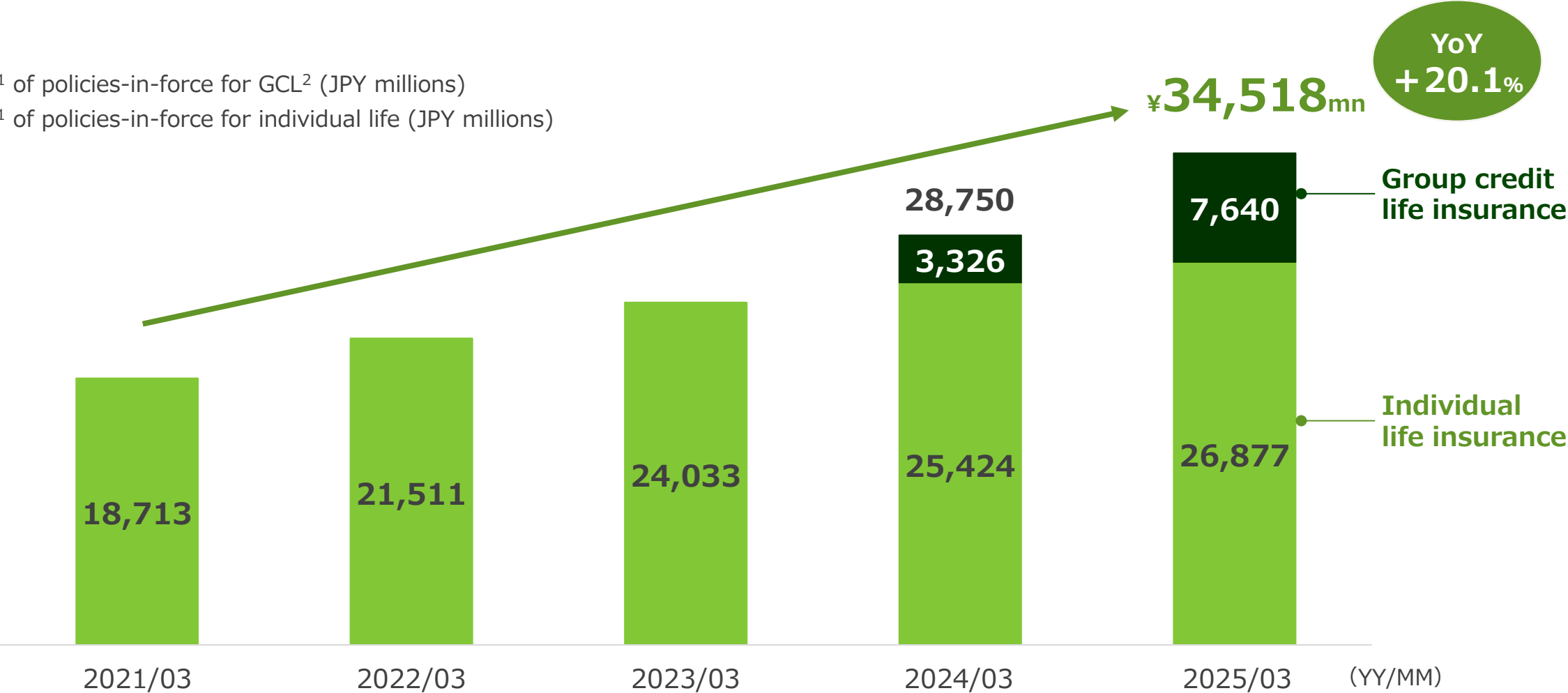
2. The amount of money is equivalent to what is to be paid to have the insurance coverage for one year. All payments are monthly installments, thus the annualized premium is calculated as multiplying the monthly premium (for GCL, expected premium income for the next month based on the in-force business) by 12. Annualized premium of policies-in-force for GCL as of the end of March 2025 is calculated applying premium rate as of March 2025. (The same will appl hereafter)

# Annualized Premium of Policies-in-Force



■ Resulted in ¥34,518mn and achieved significant growth of 20.1% YoY

■ :AP<sup>1</sup> of policies-in-force for GCL<sup>2</sup> (JPY millions)  
■ :AP<sup>1</sup> of policies-in-force for individual life (JPY millions)



1. AP stands for Annualized premium (The same will apply hereafter)

2. GCL stands for Group Credit Life Insurance

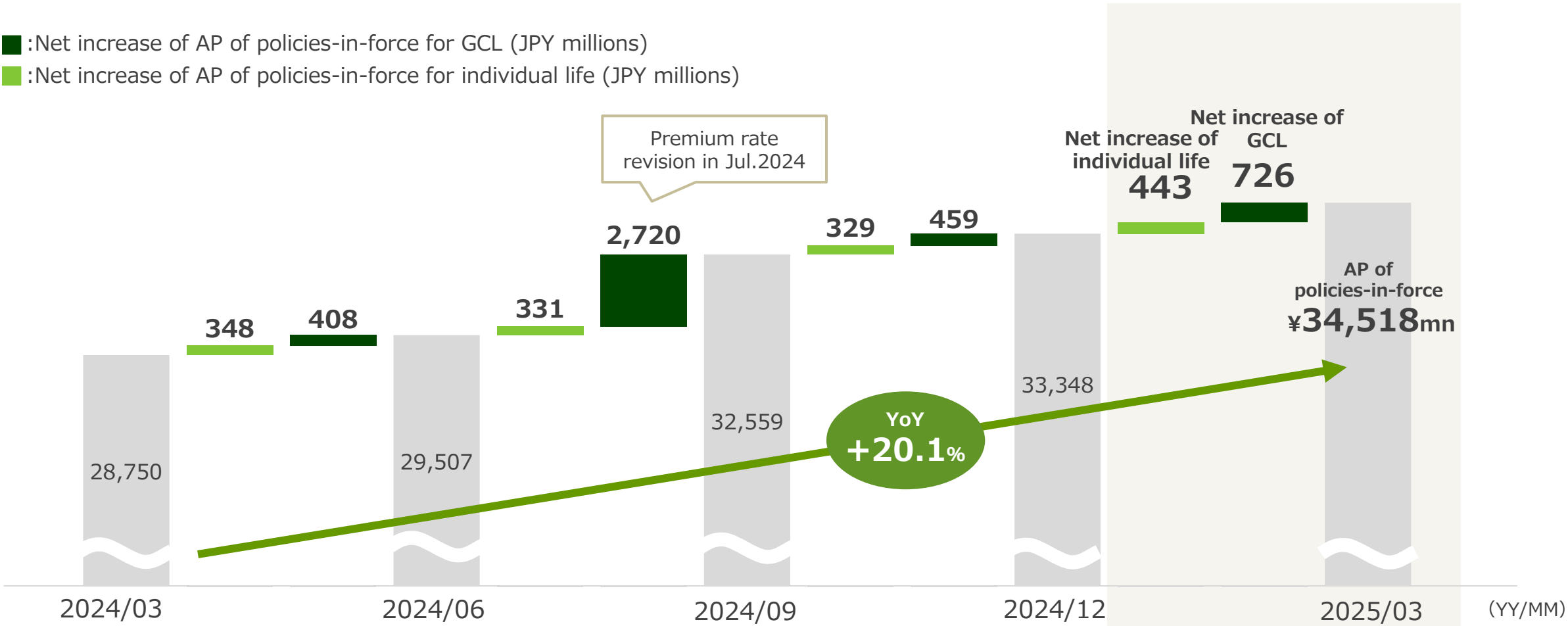
# Policies-in-Force Movement



- Individual life significantly improved QoQ
- GCL continued positive momentum, accelerating quarterly growth

■ :Net increase of AP of policies-in-force for GCL (JPY millions)

■ :Net increase of AP of policies-in-force for individual life (JPY millions)



# Summary IFRS P/L

- Insurance service results and net income resulted in **¥9,576mn** and **¥5,993mn**, respectively
- Net income would **exceed the forecast of ¥6,200mn**, excluding the ¥612mn temporal impact from special defense corporation tax

(JPY millions)

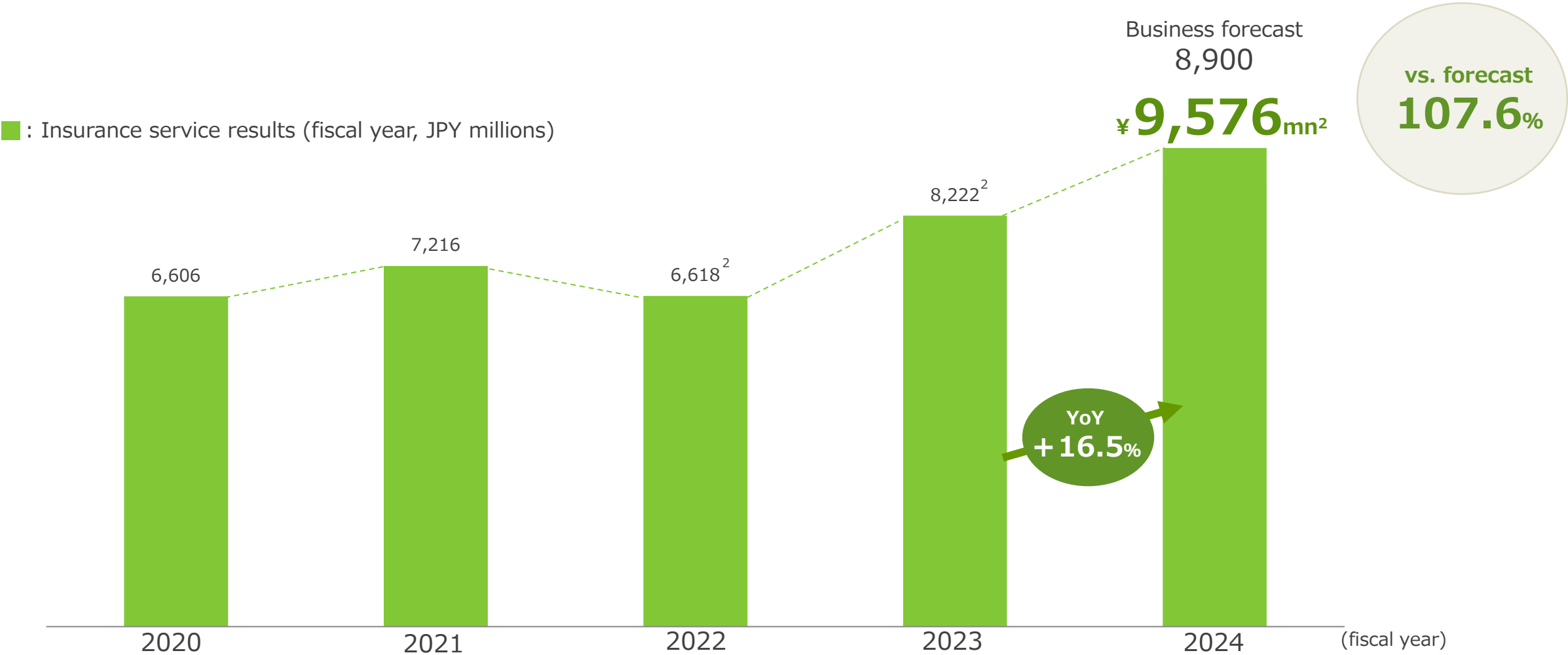
Items	FY2023	FY2024	Change
Insurance service results	8,222	9,576	1,354
Financial results <sup>1</sup>	555	(33)	(589)
Other results	(527)	(363)	163
Profit before tax	8,251	9,179	928
Net income attributable to owners of the Company	5,734	5,993	258

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

# Insurance Service Results<sup>1</sup>



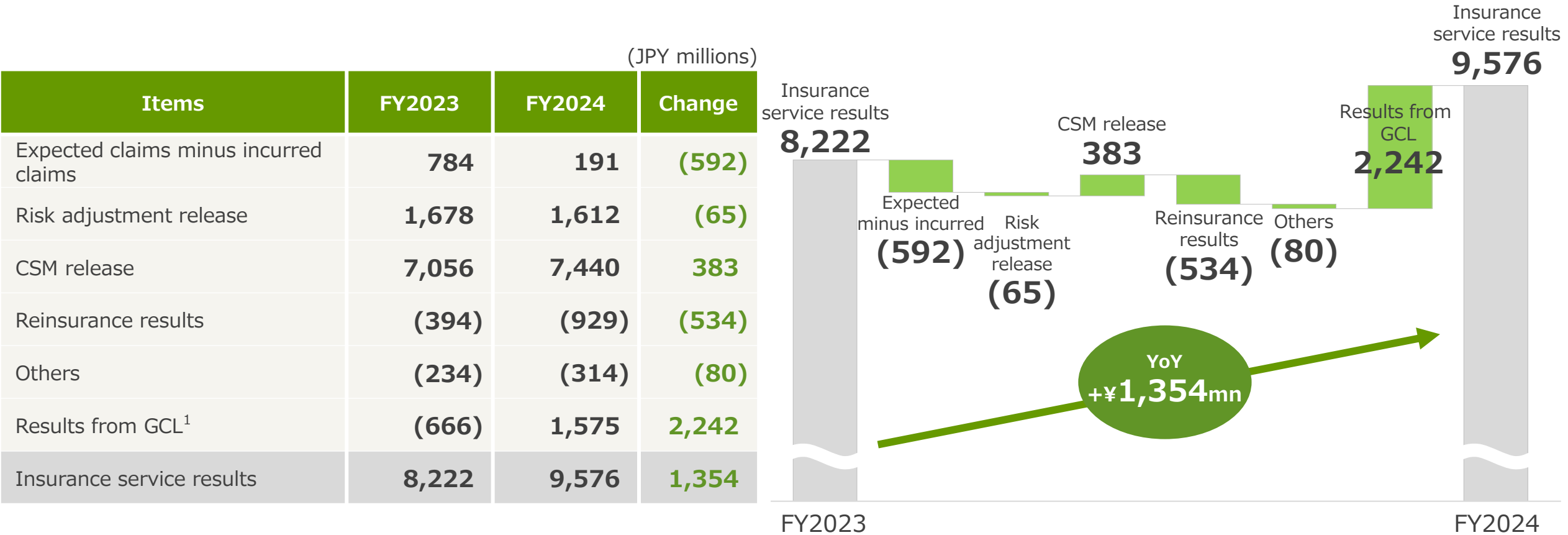
■ Substantially grew 16.5% YoY, surpassing the forecast



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.



## Achieved strong growth by GCL results and CSM release



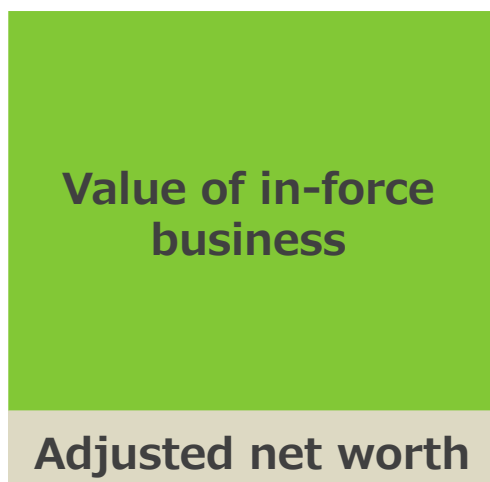
1.

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

# Management Indicator “Comprehensive Equity”

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

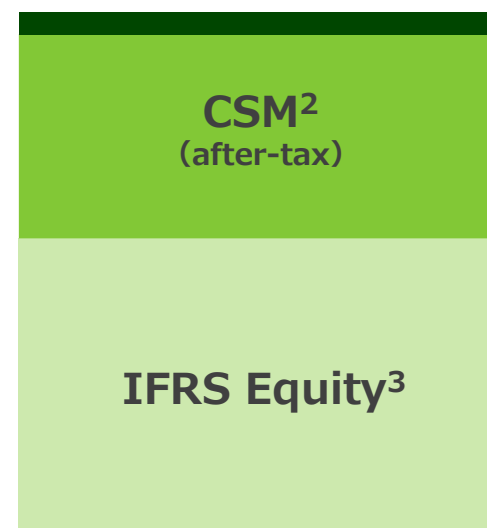
## European Embedded Value (EEV)



Conceptually similar

## Comprehensive Equity (CE)

GCL contracts value<sup>1</sup>



1. The value of future IFRS earnings for GCL policies-in-force (PAA applied) including future renewals as of the valuation date.

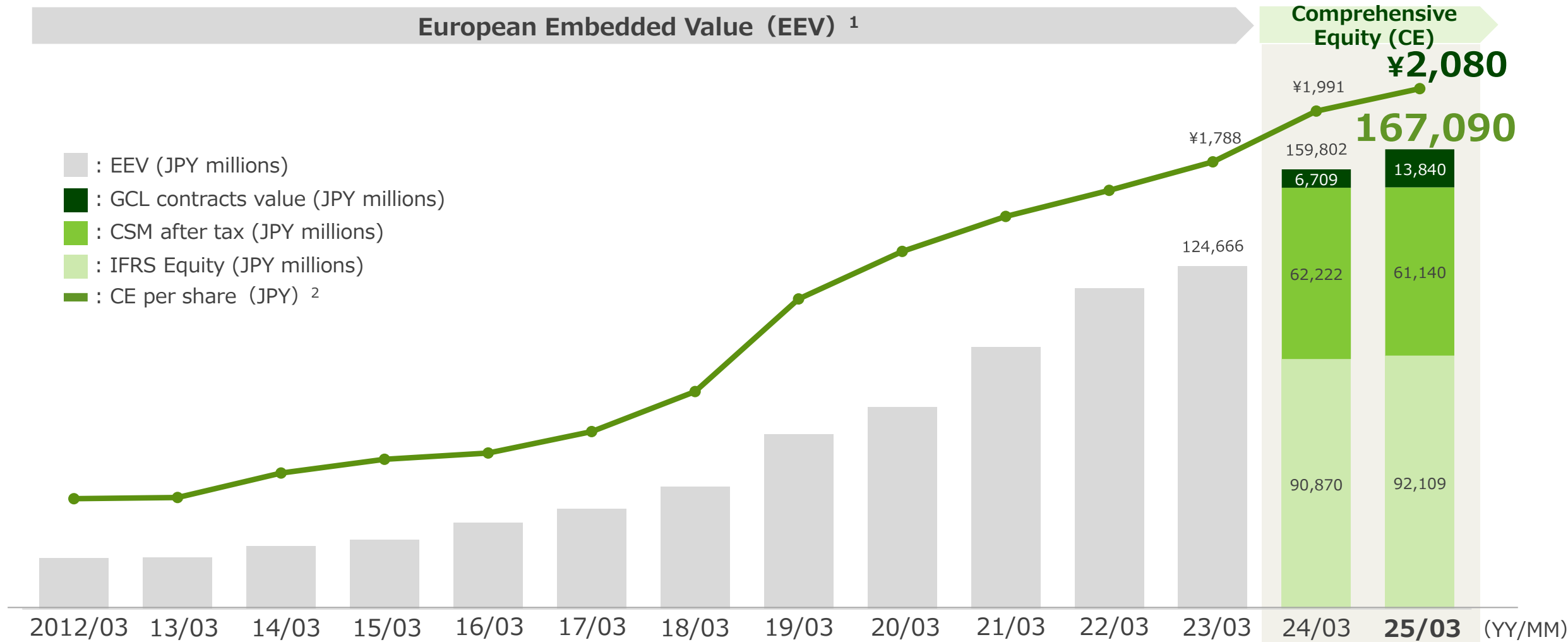
2. Aggregation of insurance contracts and reinsurance contracts with tax effect (29%) adjusted.

3. Attributable to owners of the Company

# Movement of Management Indicators



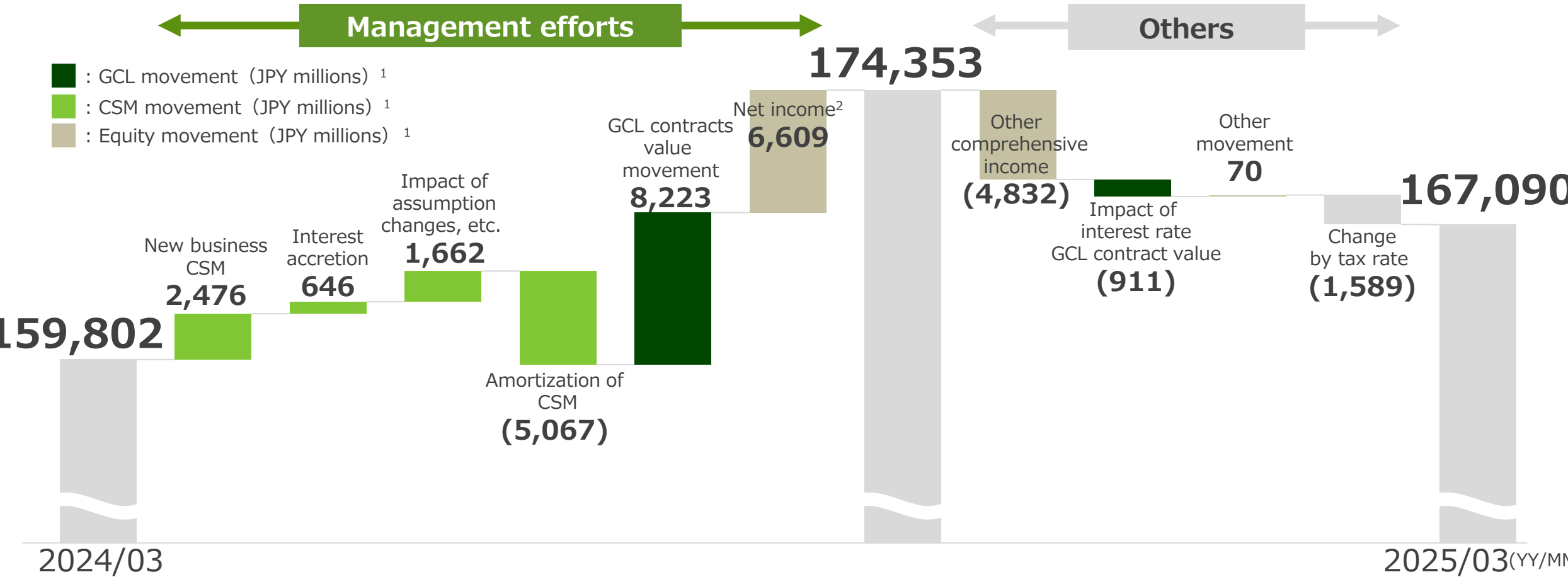
■ Strongly growing at a CAGR of 18% since IPO



1. Lifenet's EEV is calculated following the EEV Principles and Guidance and in terms of allowance for risk, MCEV Principles (The European Insurance CFO Forum Market Consistent Embedded Value Principles©) is referred. From fiscal 2016 onward, a predetermined ultimate forward rate has been used to extrapolate the level of ultra-long-term interest rates past the last liquid data point. This method of extrapolation has also been used to restate EEV as of March 31, 2016.

2. EEV per share before March 2023

- Increased **due to GCL contracts value and net income**
- Valuation losses from high interest rates reduced OCI, but expected to be recovered in the long term



1. Tax effect (28%) before the introduction of the special defense corporation tax adjusted

2. Net income attributable to owners of the Company

# Individual Insurance Key Results



## Expanded customer base through youth market development and partnership strategies, leveraging No.1 online position

### Direct Business

- Promoted sales initiatives targeting the young with new product launches and brand message refresh



Term Medical  
*Jibun Z*



### Partner Business

- Significantly expanded our customer base by leveraging the point-based ecosystem



“au Life Insurance” with  
Ponta Points  
Partnered with au Payment



“Insurance with V-points”  
Customer base expansion



ORICON Customer Satisfaction Survey<sup>1</sup>  
**Online Life Insurance  
No.1**



J.D. Power Japan Life Insurance  
Contract Customer Satisfaction Study<sup>2</sup>  
**Direct Segment  
No.1**

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  
2. For J.D. Power award information, visit [japan.jdpower.com/awards](https://japan.jdpower.com/awards)

# GCL Key Results

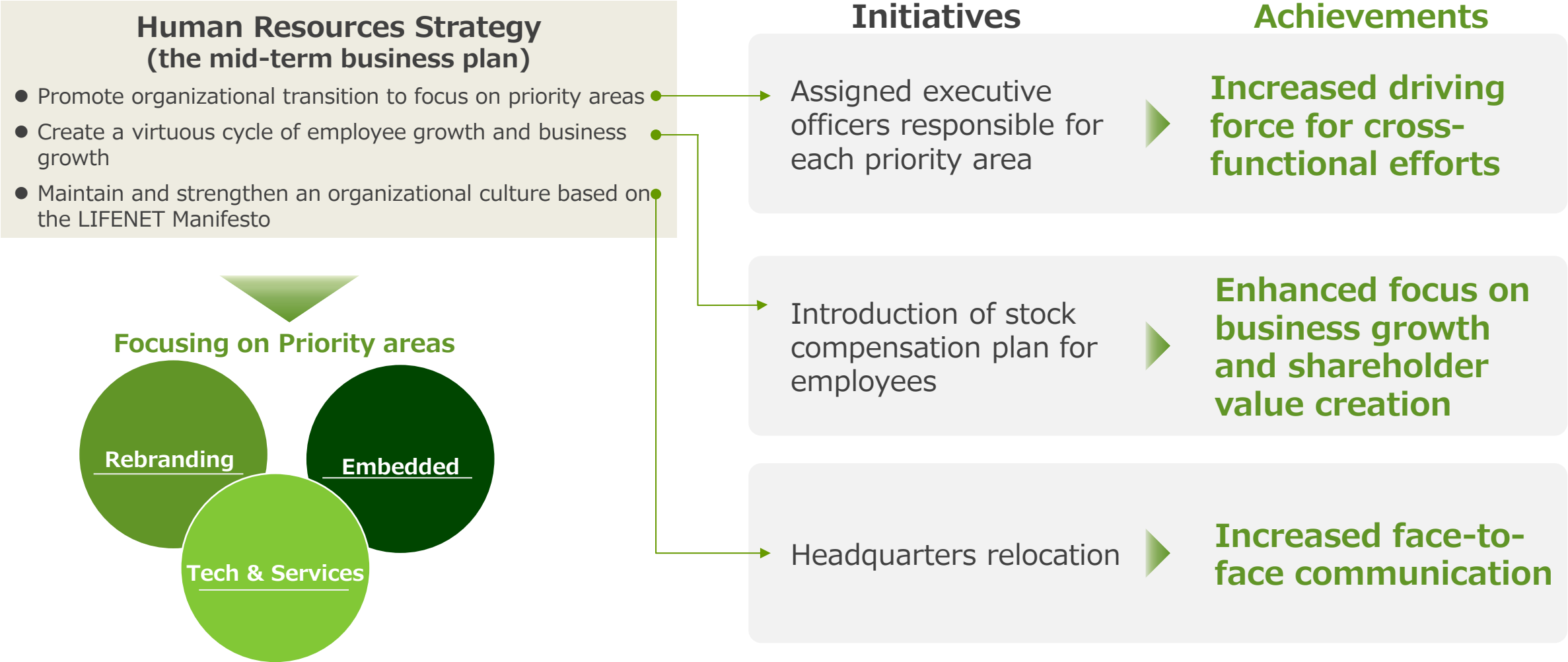


- Started offering GCL for joint mortgage with au Jibun Bank
- Following the revision of premium rate in July 2024, the key indicators achieved strong growth

(JPY millions)



■ **Aim to enhance mid- to long-term corporate value based on human resources strategy**



		FY2023 Results	FY2024 Results	FY2028 Goals
Increase in corporate value	Management Goal			
	Comprehensive Equity	¥159bn	¥167bn	¥200-240bn
	Financial Targets			
	Annual growth rate of CE per share	3.8%	4.5%	approx.10%
✕ Improve-ment of market evaluation	Stock price	¥1,512 <sup>1</sup>	¥1,742 <sup>1</sup>	¥3,000+
	Non-financial Targets (Human capital)			
	Engagement score (Overall)	70	72	continuous improvement
	Diversity			
Ratio of decision-makers:				
Women		23.5%	28.6%	30%+
30s or younger		2.9%	5.7%	15%+
Growth Opportunities	Engagement score (Growth)	66	69	continuous improvement

1. Closing price as of the end of March



**1. Financial Results for Fiscal 2024**

**2. Future Initiatives**

**3. Improvement of Market Evaluation**

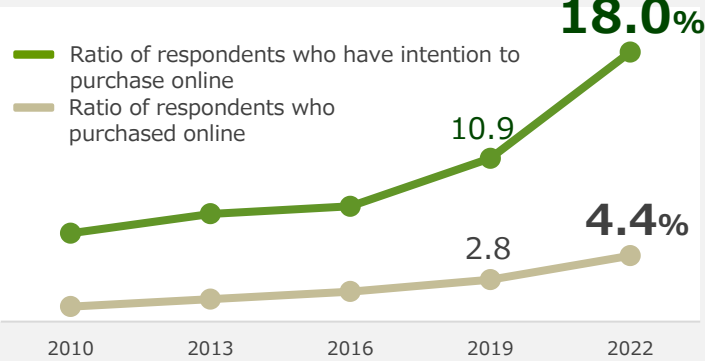
■ External environment changes will be a major tailwind for business growth

1

Expansion of online life insurance market

- COVID-19 accelerated online financial services
- Online insurance players increased

Intention to purchase life insurance online<sup>1</sup>

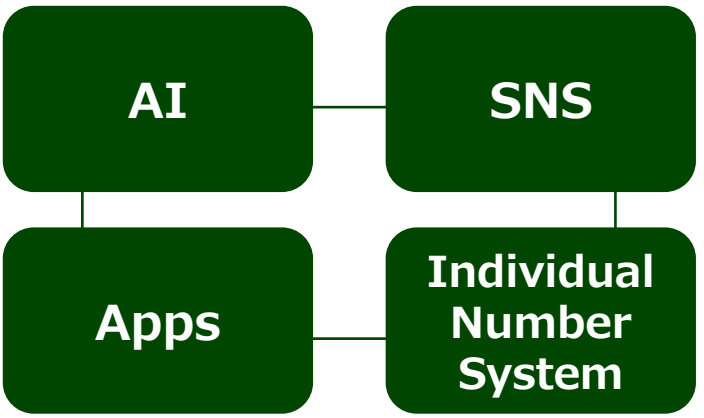


Year	Ratio of respondents who have intention to purchase online (%)	Ratio of respondents who purchased online (%)
2010	~8.0	~1.0
2013	~9.0	~1.5
2016	~10.0	~2.0
2019	10.9	2.8
2022	18.0	4.4

2

Younger generation × technologies

- Emerging new technologies penetrate a wide range of consumers, starting with younger generations

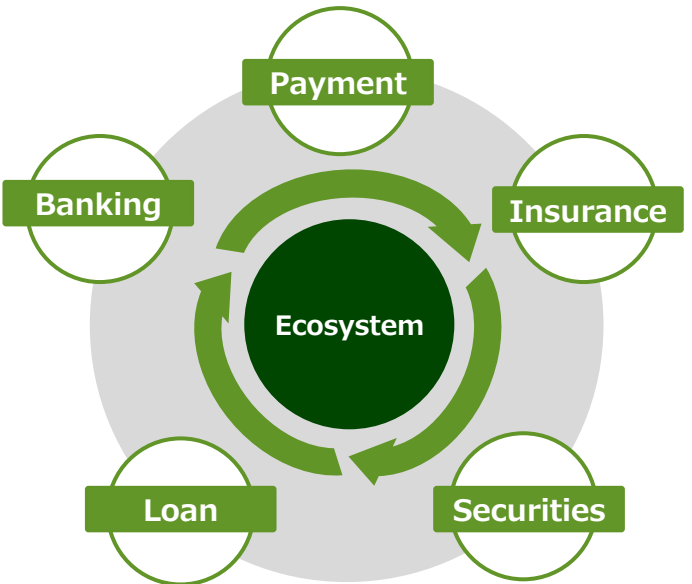


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graph TD; AI[AI] --- SNS[SNS]; Apps[Apps] --- Individual[Individual Number System]; AI --- Apps; SNS --- Individual
```

3

Trend of financial ecosystem

- High interest in online insurance business from other sectors



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graph TD; Ecosystem((Ecosystem)) --- Banking((Banking)); Ecosystem --- Insurance1((Insurance)); Ecosystem --- Securities((Securities)); Ecosystem --- Loan((Loan)); Ecosystem --- Payment((Payment)); Ecosystem --- Insurance2((Insurance)); Banking --> Insurance1; Insurance1 --> Securities; Securities --> Loan; Loan --> Payment; Payment --> Insurance2; Insurance2 --> Banking
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1. Source: Survey on Life Protection by the Japan Institute of Life Insurance FY2010-2022

# Priority Areas for Further Growth

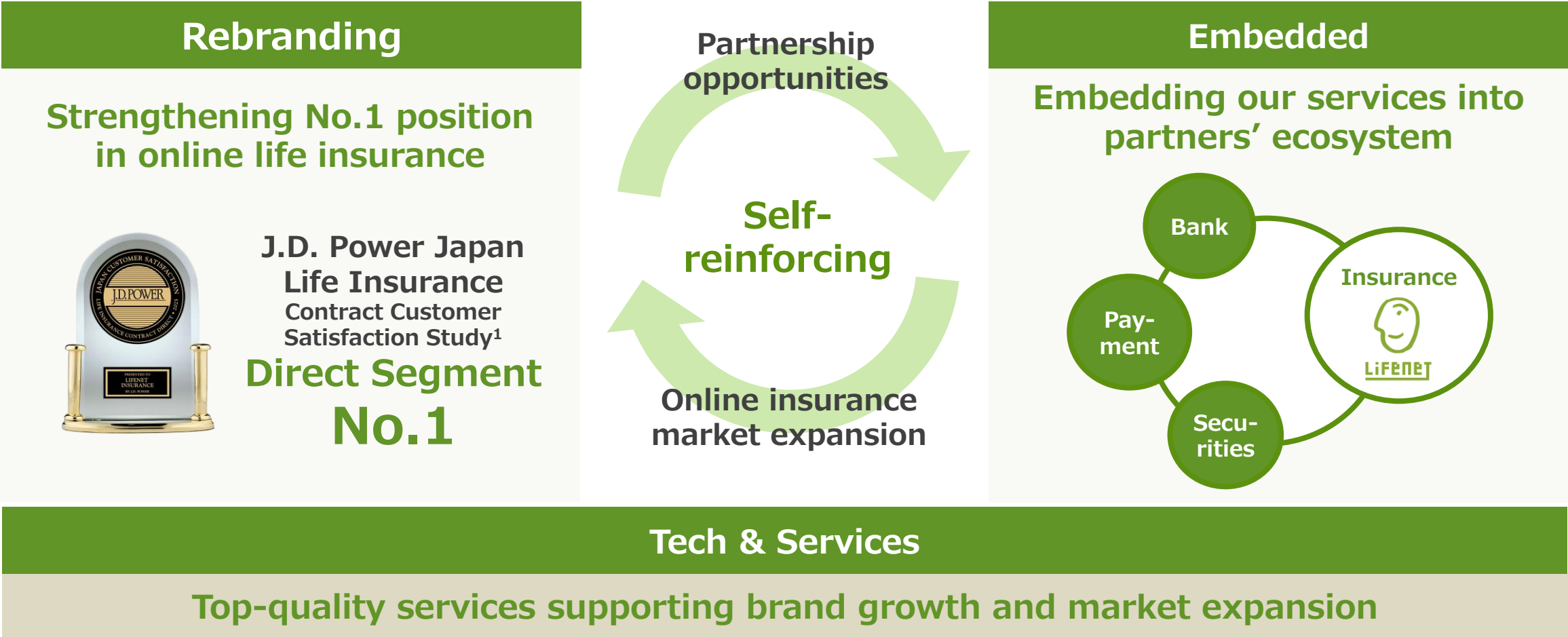
- **Three priority areas** to move toward the next stage of growth



# Online Life Insurance Growth Loop



- Aim for virtuous cycle of No.1 position and partner expansion with tech-driven and best-in-class services



1. For J.D. Power award information, visit [japan.jdpower.com/awards](http://japan.jdpower.com/awards)

# Challenges to Lead the AI Era

Rebranding

Tech & Services

Embedded



- Create new customer value **leveraging cutting-edge technology to maximize the potential of online life insurance**

## AI voice tech

Enhancing customer convenience through AI operators

Continuous Support

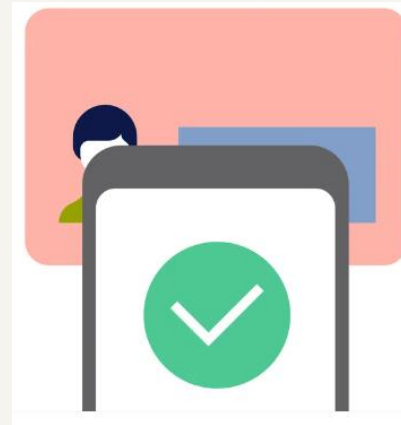
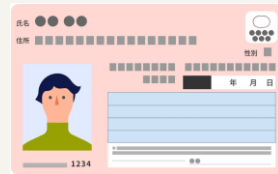


Digital Transformation of our call center



## Individual number<sup>1</sup>×AI

Revolutionizing UX by fusing the Digital Agency's infrastructure with AI



## AI-powered search

Seizing AI-powered search shift as a growth opportunity and pioneering future traffic

"Recommended life insurance"

One of the popular ones are Lifenet and...

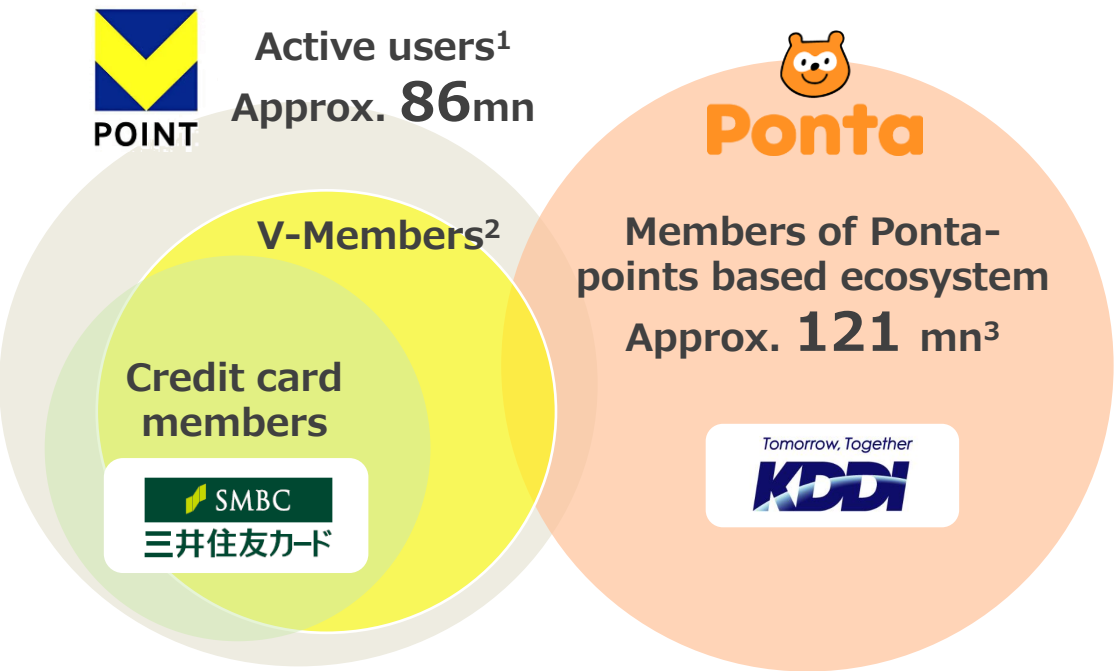


1. Individual Number System is a system in which all people living in Japan are given an individual identification number for the purpose of improving convenience and others for citizens. It is also available online and you can apply to services online related to parenting by the one-stop service and can receive notifications from administrative organizations.

## ■ Further embedding our products and services with partners by fully leveraging their customer base

### Individual Life

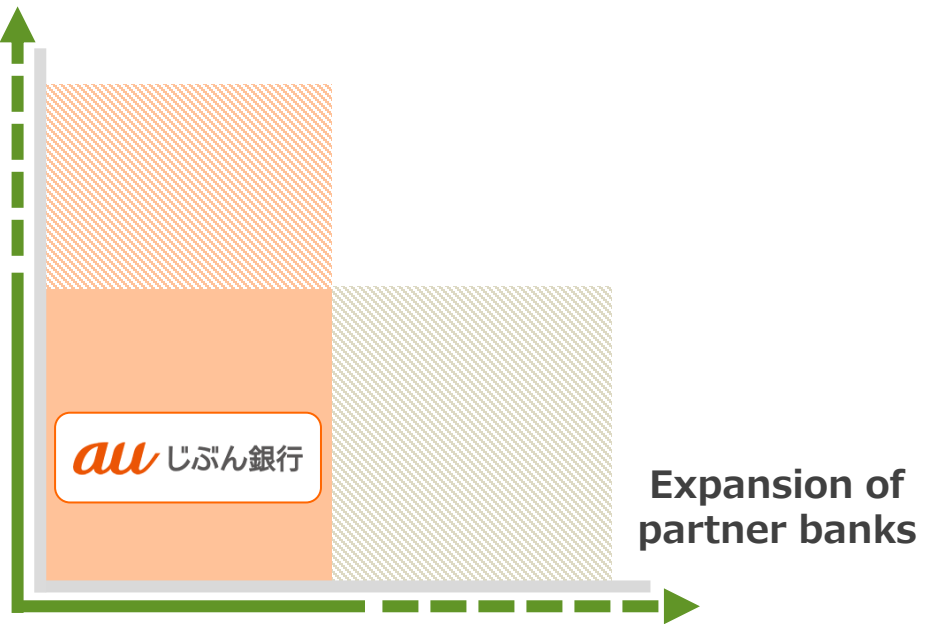
- Leveraging SMBC Group and KDDI Group as key partners to embed our products into partners' point-based ecosystem



### Group Credit Life

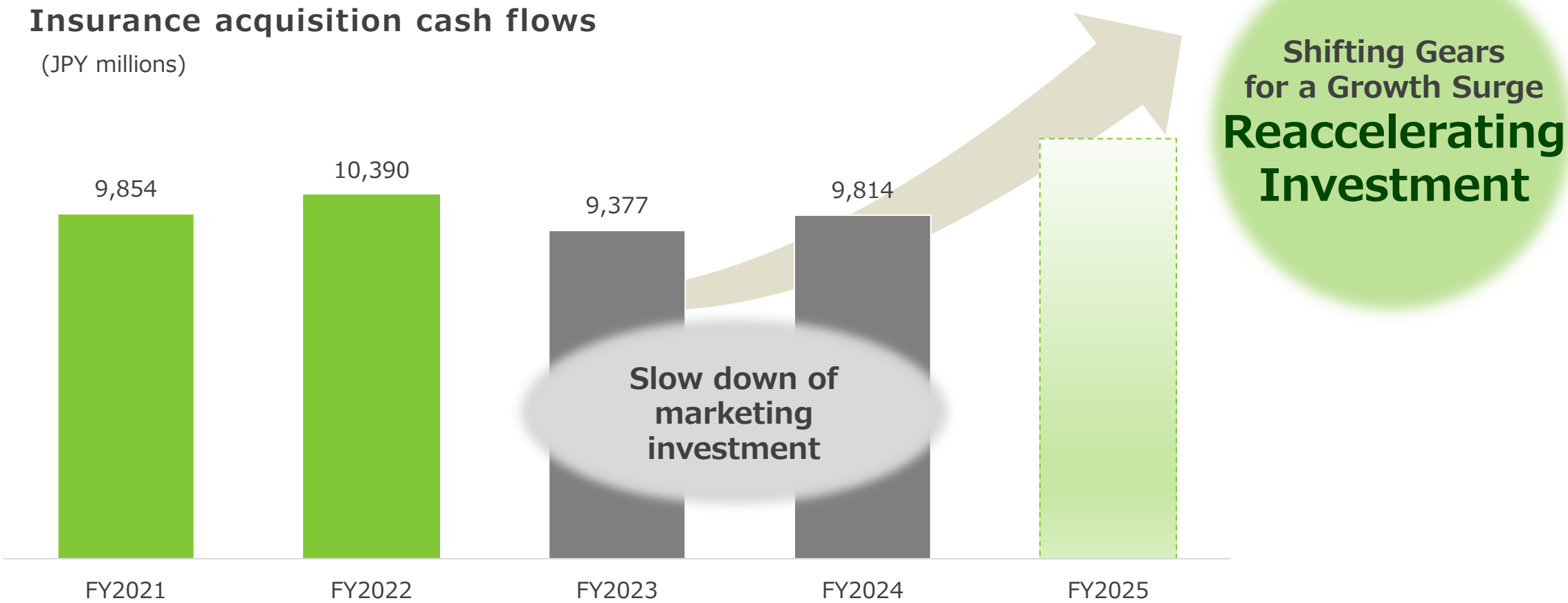
- Supporting au Jibun Bank in enhancing the competitive edge of its mortgage loan
- Aiming to expand business scale acquiring the 2nd partner bank

#### Volume expansion



1. V-Points and T-Points have been integrated since April 2024  
2. V-Members stands for ex-T-Points members  
3. As of March 2025

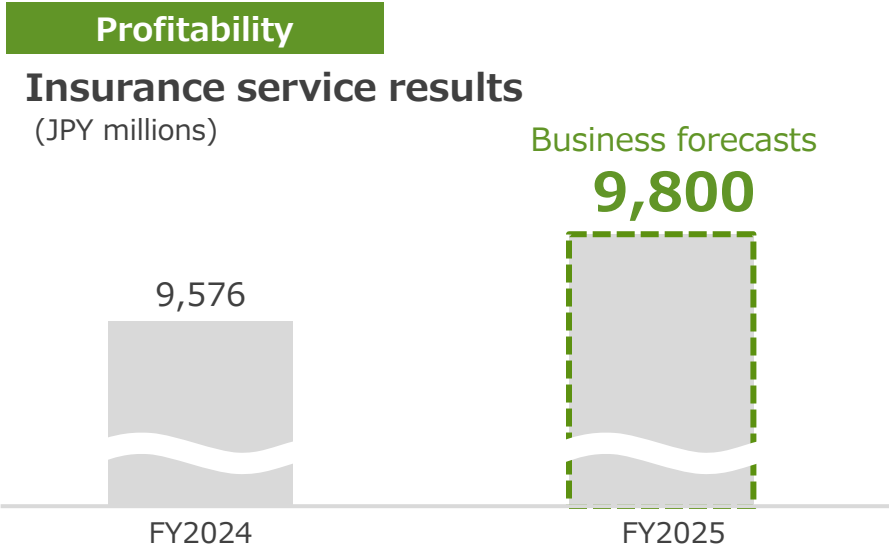
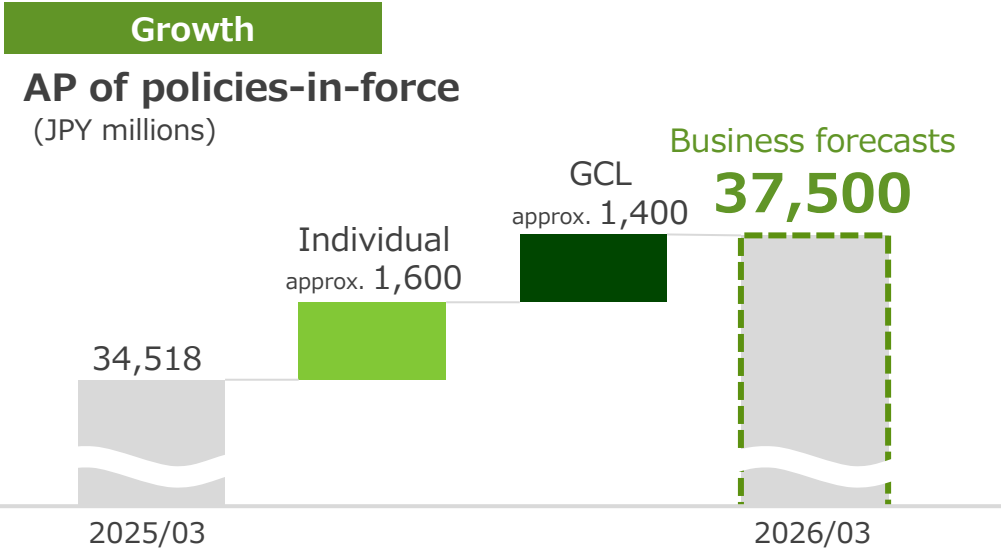
- Aiming for reboosting in individual life’s performance through the first proactive investment in 3 years under new management team



# Consolidated Business Forecasts for FY2025



■ Expect ¥9.8bn in insurance service results and ¥6.9bn in net income



(JPY millions)	FY2024 Results	FY2025 Forecasts
Annualized premium of policies-in-force	34,518	37,500
Insurance revenue	30,081	33,000
Insurance service results	9,576	9,800
Net income attributable to owners of the Company	5,993	6,900

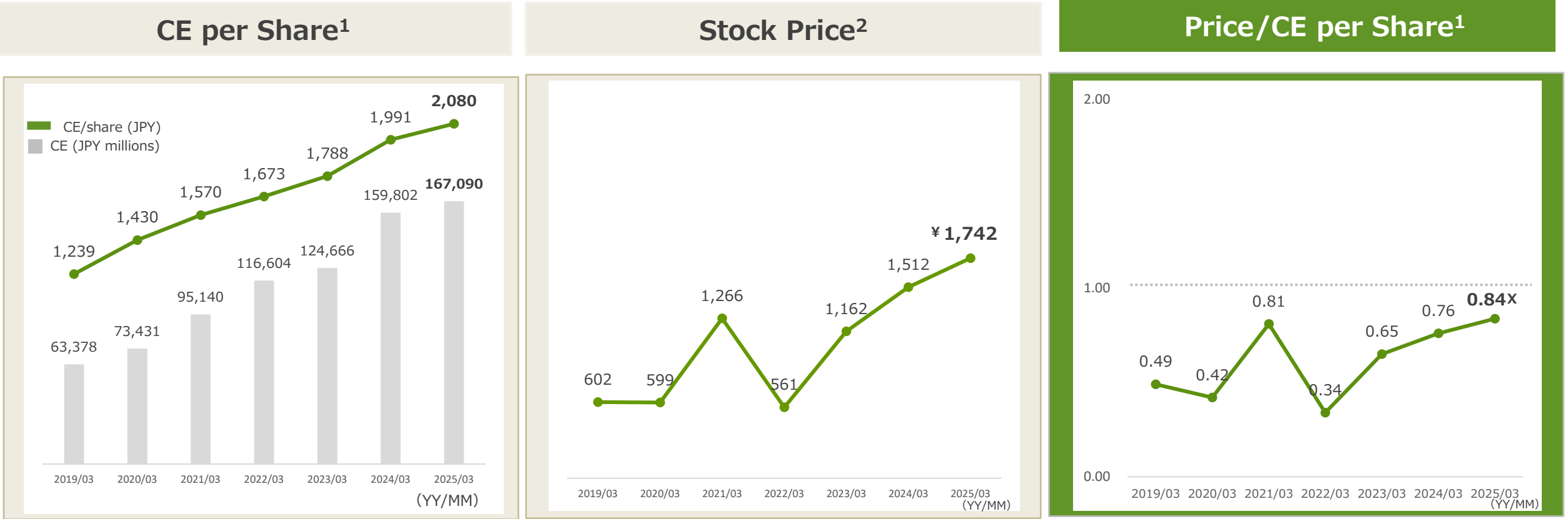


**1. Financial Results for Fiscal 2024**

**2. Future Initiatives**

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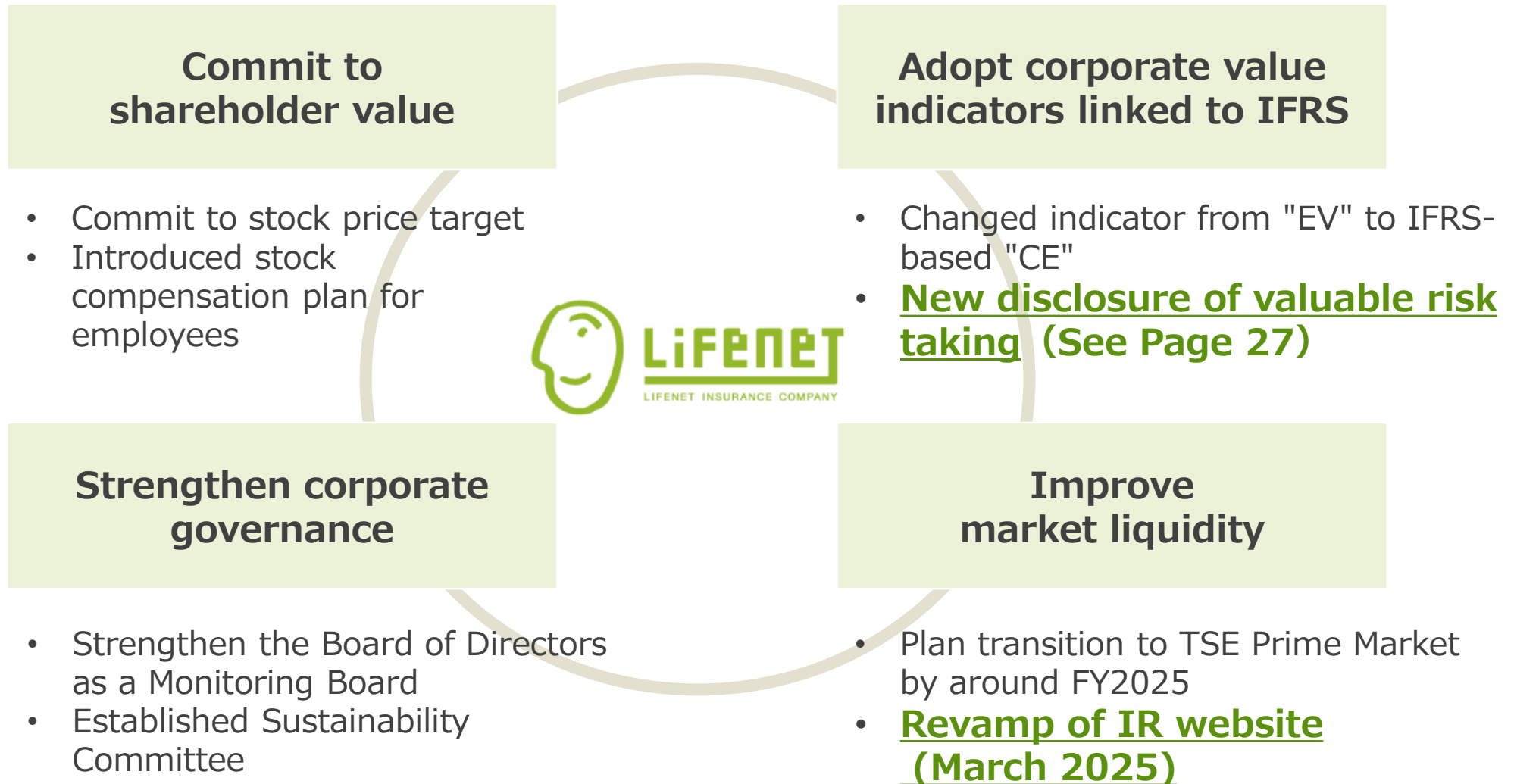
■ **Market evaluation has room for improvement** while our corporate value has been growing



1. EEV per share and price/EEV before the end of March 2023  
2. Closing price

# Major Initiatives to Improve Market Evaluation

## ■ Implementing various initiatives to achieve a P/CE ratio exceeding 1x



# Valuable Risk Take on Economic Base

- Internal ESR<sup>1</sup> 364%, sufficient capital against potential risks
- Good financial soundness and high growth for the corporate value  
**create business model with high risk-return efficiency**

Risk mgmt. and corp.  
value enhancement

**High risk-return  
efficiency**

Return  
Risk

=

Good financial  
soundness

**ESR**

Capital  
Risk

×

High impact  
growth

**CE  
Growth**

Return  
Capital

# New Management Team<sup>1</sup>

- Change the management team to focus on further business growth, looking ahead a new growth phase
- Maintaining a board with a majority of independent outside directors

New



Junpei Yokozawa  
President and  
Representative Director

New



Takeshi Kawasaki  
Director, Executive Vice  
President CFO

## Outside Directors

### Independent Outside Directors



Jun Hasebe



Emima Abe



Tomoyuki Yamashita

New



Natsuyo Hara

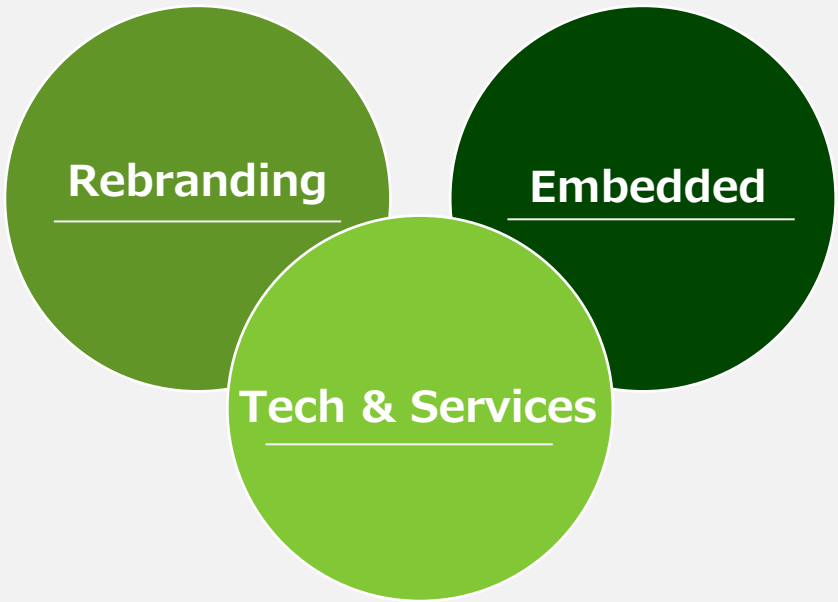


Hiro Koya

1. Subject to the resolutions at the 19th Annual General Meeting of the Shareholders and the Board of Directors to be held on June 22, 2025

## Growth Strategy

### Priority Areas



### Human Resources Strategy

- Promote organizational transition to focus on priority areas
- Create a virtuous cycle of employee growth and business growth
- Maintain and strengthen an organizational culture based on the LIFENET Manifesto

## Goals in Fiscal 2028

### Management Goal

Comprehensive Equity (CE) : **¥200-240bn**

### Financial Targets

Stock price : **¥3,000+**

Annual growth rate of CE per share :  
approx. **10%**

### Non-financial Targets (Human capital)

Overall engagement score: **continuous improvement**

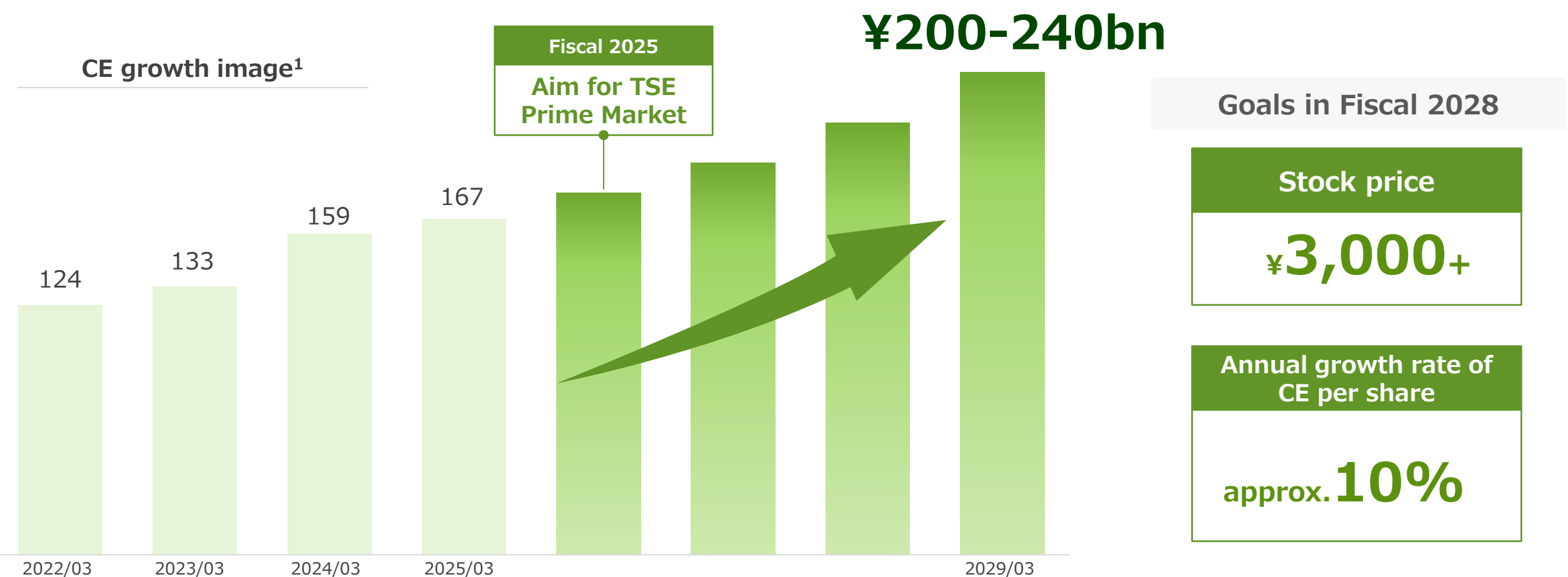
#### Diversity

Ratio of decision-makers :  
Women **30%+**, Under 30s **15%+**

#### Growth Opportunities

Engagement score (growth):  
**continuous improvement**

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



## Sincere, Easy-to-understand, Affordable and Convenient

### I. Our Guiding Principles

- (1) Creating the future of the life insurance without losing sight of its original premise: “an ounce of prevention is worth more than a pound of cure.”
- (2) Listening to what our customers are saying. Recognizing their needs and acting accordingly. Allowing our actions to be borne out of their voices and needs.
- (3) Delivering the caliber of products and services that we would feel confident recommending to our own friends and families.
- (4) Being a “straight-shooter”. Committing to transparency. Communicating openly about our management team, our products, and our employees.
- (5) Embracing diversity and dialogue to keep us abreast of changing needs and preferences. Delivering peace of mind that we’ll be around in 100 years.
- (6) Acting in good faith means always taking the high road when it comes to compliance and ethics.

### III. Making Life Insurance Accessible Again - Affordable

- (1) Giving the customer what he/she needs. No more, no less at a fair price.
- (2) Staying vigilant as to how we can provide our products more cost-efficiently.
- (3) Always putting ourselves in our customers’ shoes in thinking about how to minimize their premiums.

### II. Making Life Insurance Accessible Again - Headache-free

- (1) Helping the customers help themselves. By making our materials easy to understand, customers can determine which coverage is truly the best fit.
- (2) Turning “clauses” in the insurance contract into succinct points that your grandmother could grasp.
- (3) Making all touch points headache-free. Beyond the application process, ensuring the claims and billing processes are also easy to understand.

### IV. Making Life Insurance Accessible Again - Convenient

- (1) Thinking about our customers’ convenience from every angle and every touch point along the way.
- (2) Forming alliances with like-minded partners who can add value above and beyond our products and services to our customers.
- (3) Providing health and wellness tips beyond the framework of life insurance to create value in our policyholders’ lives.
- (4) Creating a precedent for future generations as to what life insurance is (and should be) all about.

We wish to be a company that help our customers embrace life more fully through management with integrity, and offering easy-to-understand, affordable, convenient products and services.





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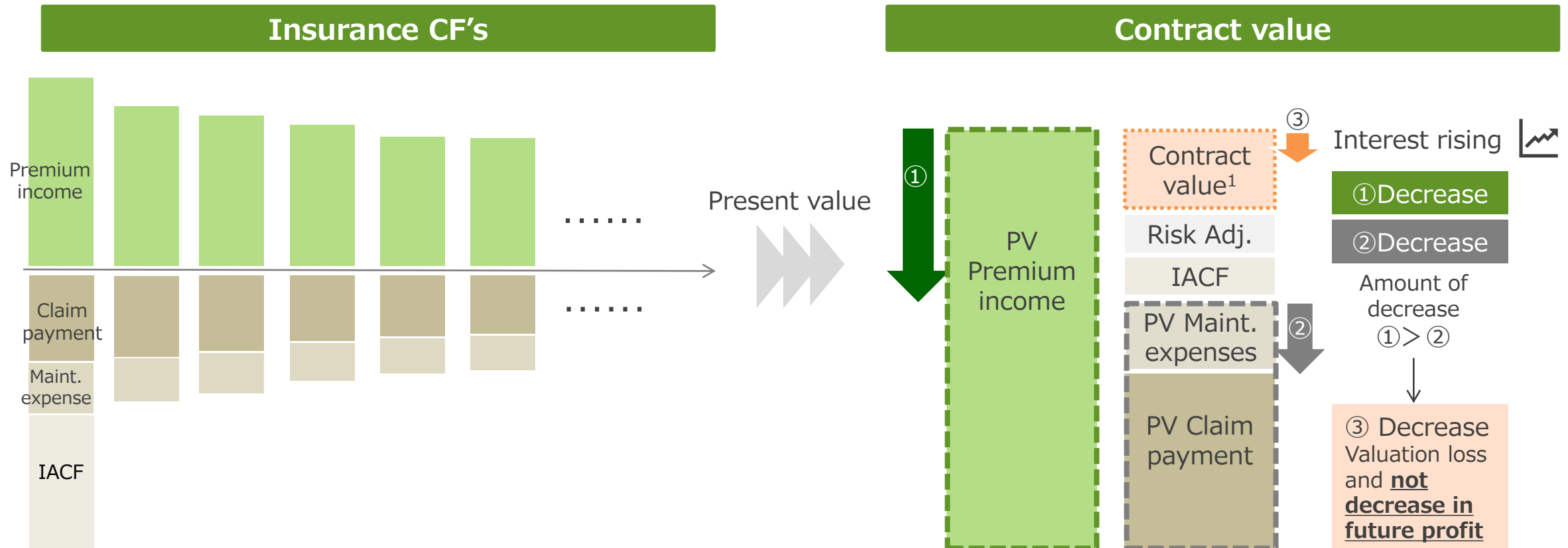


**LIFENET**  
LIFENET INSURANCE COMPANY

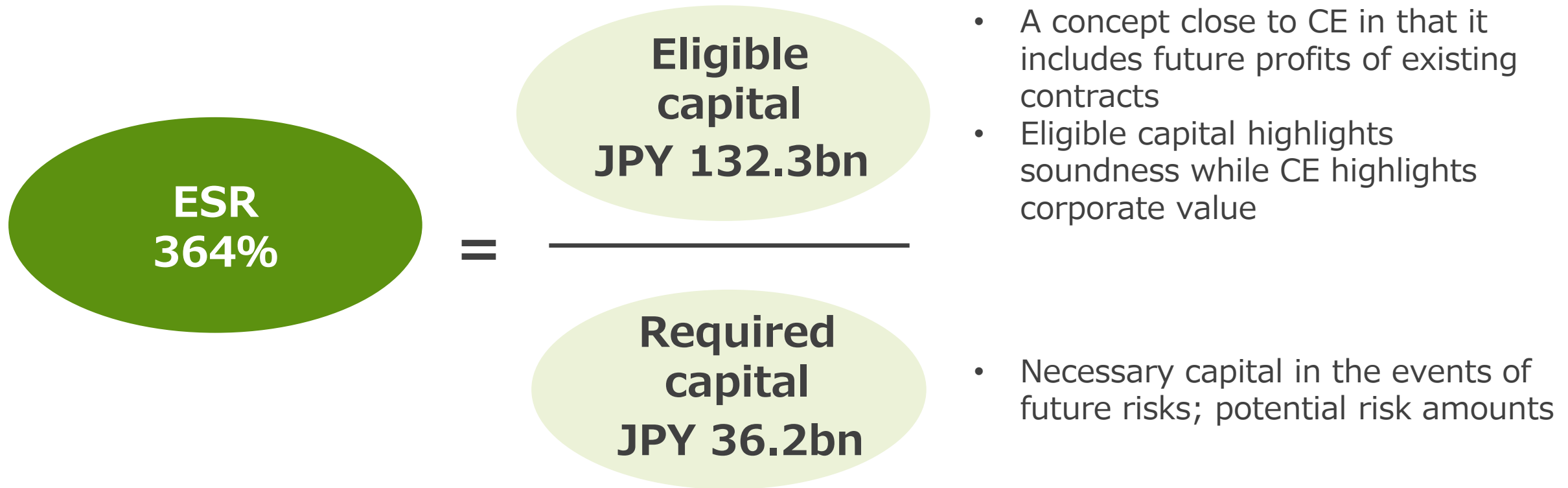
# Appendix

# Impact on CE by Rising Interest Rates

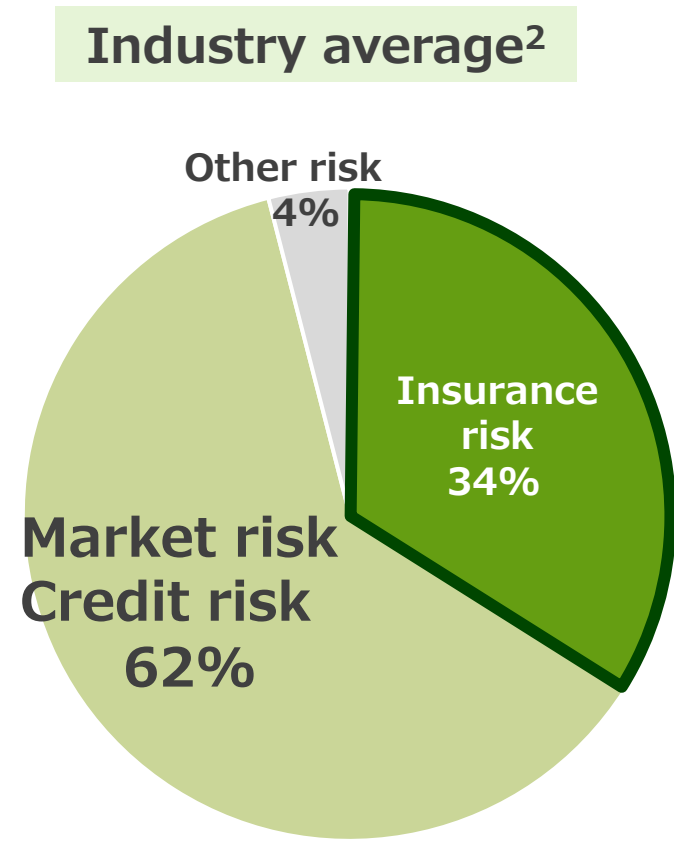
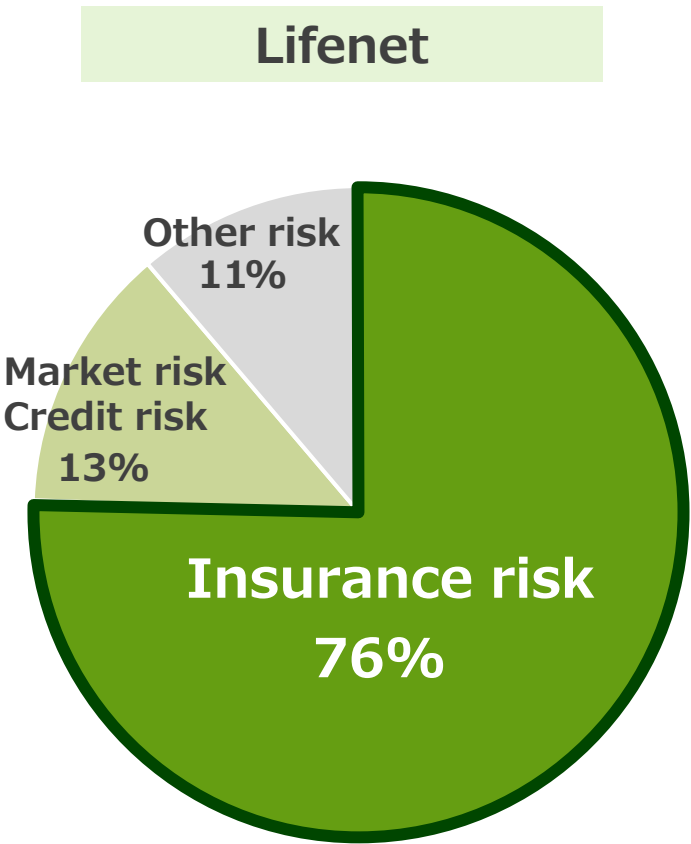
- Due to product characteristics, future revenue surpasses expenditures in insurance CF's, positive on CE as contract value
- CE would be decreased through valuation losses with rising interest rates but the impact would be limited



- In addition to the responses to statutory accounting and capital funding for the business growth, low market risk nature from protection type focused strategy contributes to high level of ESR



- Due to our focus on protection products, insurance risk constitutes majority of the risk profile



1. Ratio to the total risk before diversifying effect and tax effect

2. FY2022 data of life insurance (Non-consolidated basis)

Source: Overview of the Results of the 2023 Field Test on Economic Value-based Evaluation and Supervisory Methods (Japan Financial Services Agency, May 2024)

# Glossary 1

Glossary	Explanation
<b>Insurance revenue</b>	Revenue accrued for fulfillment of insurance services. Mainly, expected claims, expected maintenance expenses, risk adjustment release, CSM release and recovery of insurance acquisition cash flows. Investment components which will be paid regardless of insurance event are excluded from expected claims.
<b>Insurance service expenses</b>	Expenses incurred related to insurance service. Mainly, incurred claims, incurred maintenance expenses, amortization of insurance acquisition cash flows and losses on onerous contracts. Investment components which will be paid regardless of insurance event are excluded from incurred claims.
<b>Insurance service results</b>	Insurance revenue less insurance service expenses, plus reinsurance results.
<b>Financial results</b>	Total of investment results from financial assets, insurance finance income or expenses from insurance contract liabilities (or assets) and reinsurance finance income or expenses from reinsurance contract liabilities (or assets).
<b>Other results</b>	Expenses not directly related to insurance services such as product development costs and income/loss on other than insurance businesses such as results of subsidiaries.
<b>CSM (Contractual Service Margin)</b>	A component of insurance contract liabilities (or assets), which represents the unearned profit that the company will recognize as it provides services over the coverage period. Accumulation of CSM is important for future profit growth.
<b>New business CSM</b>	CSM at the time of acquisition of new contracts during the period.
<b>Risk adjustment</b>	A component of insurance contract liabilities (or assets), which is the adjustment for uncertainty of future cash flows (addition on liabilities).

# Glossary 2

Glossary	Explanation
<b>Comprehensive Equity (CE)</b>	An indicator defined by the Group. It is the sum of “Equity (attributable to owners of the Company)” on the IFRS balance sheets, “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". 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.
<b>Group Credit Life Insurance (GCL) contracts value</b>	An indicator defined by the Group. It is the value of future IFRS earnings for GCL policies-in-force including future renewals as of the valuation date.
<b>Premium Allocation Approach (PAA)</b>	A simplified approach which can be applied for measuring insurance contracts with short coverage periods which is defined under IFRS17. We applied it for GCL contracts which have 1 year insurance period.
<b>Insurance acquisition cash flows (IACF)</b>	Cash flows from expenses which are directly attributable to acquisition of insurance contracts. Advertising expenses for new business, agency commissions and administrative expenses for underwriting new business are included. The difference from marketing expenses we had used for J-GAAP is addition of administrative expenses for underwriting.
<b>Maintenance expenses</b>	Expenses directly related to fulfillment of insurance contracts other than insurance acquisition cash flows. Administrative expenses for the maintenance of contracts and overhead expenses for the provision of insurance services are included.
<b>Economic Solvency Ratio(ESR)</b>	ESR is the indicator to assess the soundness of insurers. Based on the economic valuation of assets and liabilities of insurance companies, ESR is calculated as the ratio of the eligible capital against the required capital which is evaluated as the risk amount for the losses. Regulatory ESR is the administrative indicator which will be disclosed for the closing from March 2026 onwards. It assesses the capital adequacy of insurers in place of existing SMR. Internal ESR is the ESR which the Group uniquely calculates as an internal indicator.
<b>Eligible capital</b>	The numerator of ESR as the capital that insurers hold. Based on the value of the net asset on the economic-value based balance sheet under a market consistent approach, necessary adjustments are made regarding the eligibility as the capital for the risk.
<b>Required capital</b>	The denominator of ESR as the risk amount that insurers take. For each risk category, the risk amount is calculated at a certain level and then the amounts are aggregated with the prescribed methodology. In many of the risk categories, the required capital is defined as the changes in the value of (economic value-based) net assets under prescribed stresses.

# Breakdown of Policies-in-Force

	2024/03	2025/03	Component ratio
<b>Number of policies-in-force</b>	600,945	<b>637,417</b>	<b>100%</b>
- Term Life	293,384	<b>309,489</b>	<b>49%</b>
- Whole-life Medical & Term Medical	164,207	<b>174,797</b>	<b>27%</b>
- Long-term Disability	69,670	<b>71,947</b>	<b>11%</b>
- Cancer	66,617	<b>74,126</b>	<b>12%</b>
- Others <sup>1</sup>	7,067	<b>7,058</b>	<b>1%</b>
<b>Sum insured of policies-in-force<sup>2</sup> (JPY millions)</b>	3,801,181	<b>3,966,912</b>	
<b>Number of policyholders</b>	381,266	<b>401,897</b>	

1. Term Medical Care and Dementia

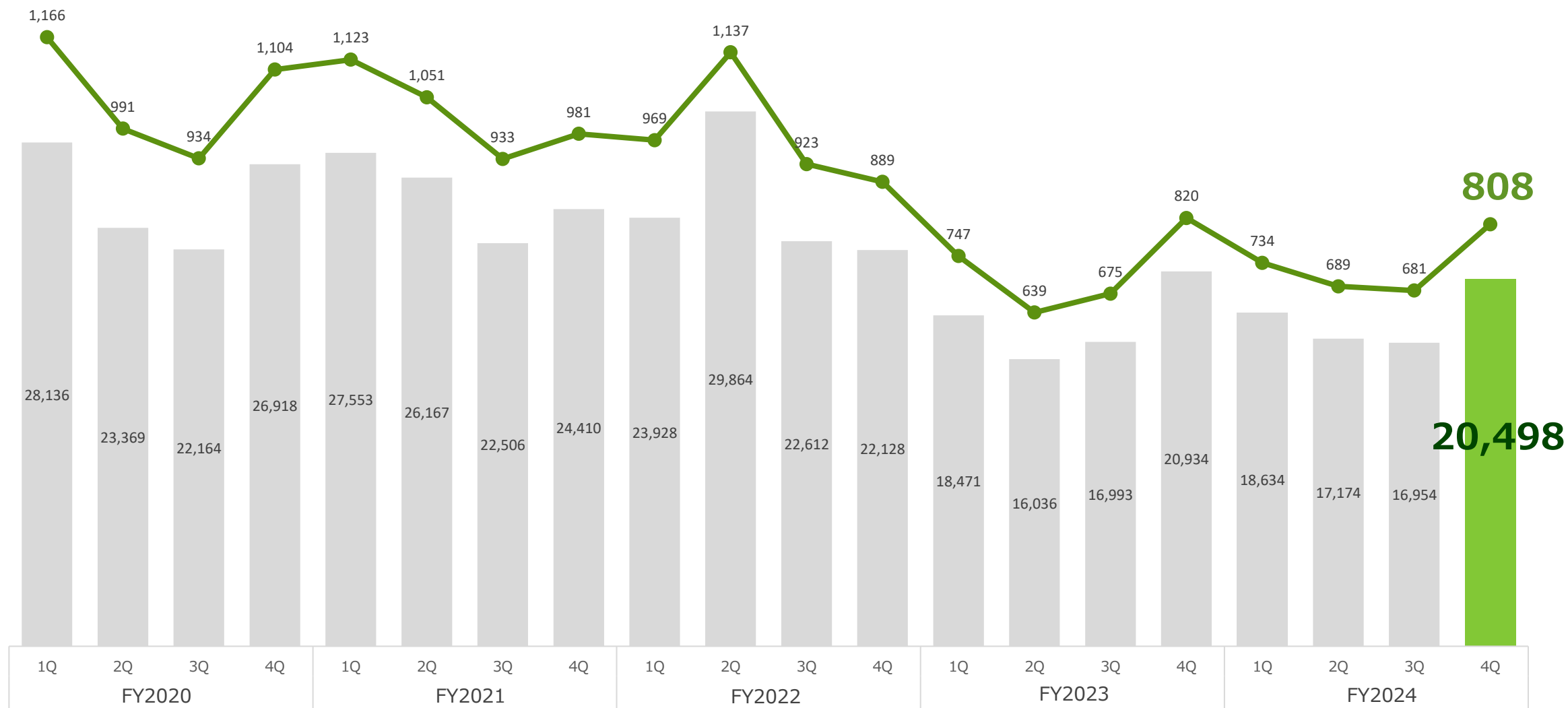
2. Sum insured of policies-in-force are the sum of death coverage, and do not include third-sector insurance.



# Annualized Premium / Number of New Business

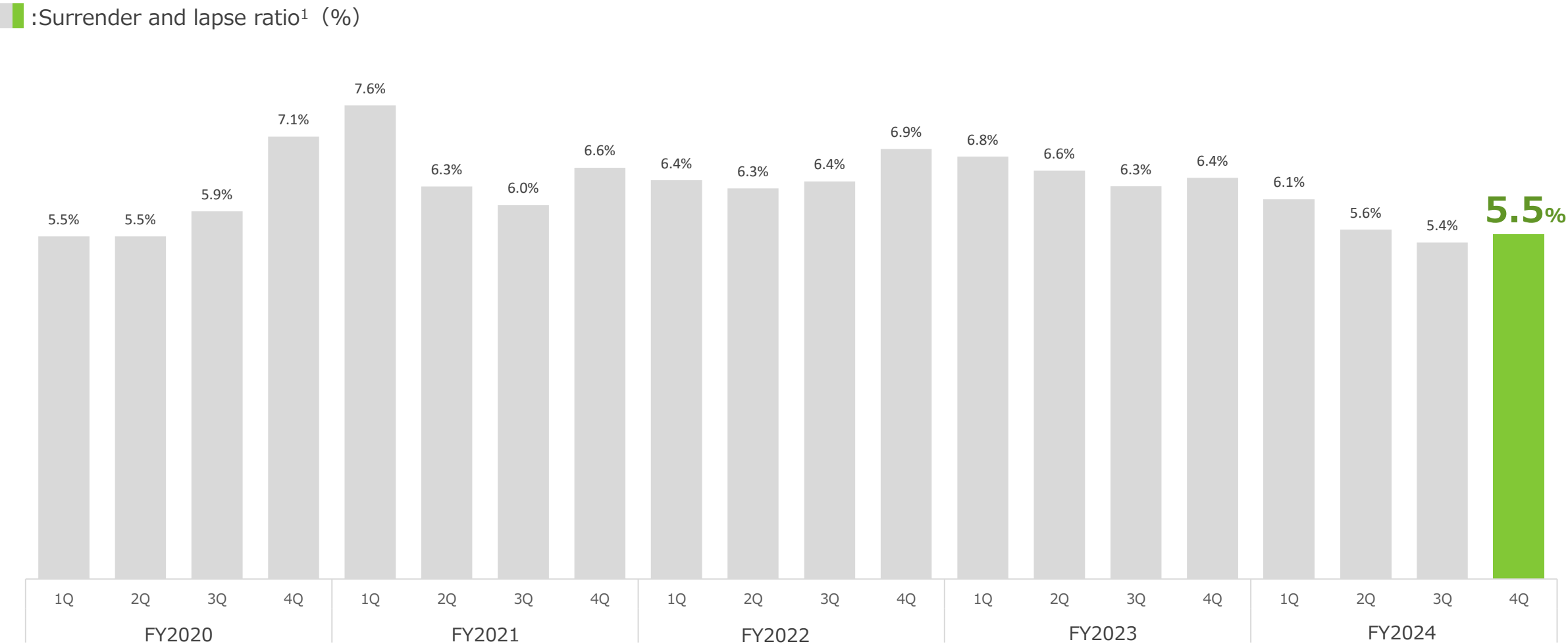
— :AP<sup>1</sup> of new business (JPY millions)

■ :Number of new business



1. The amount of money 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 by 12.

# Surrender and Lapse Ratio



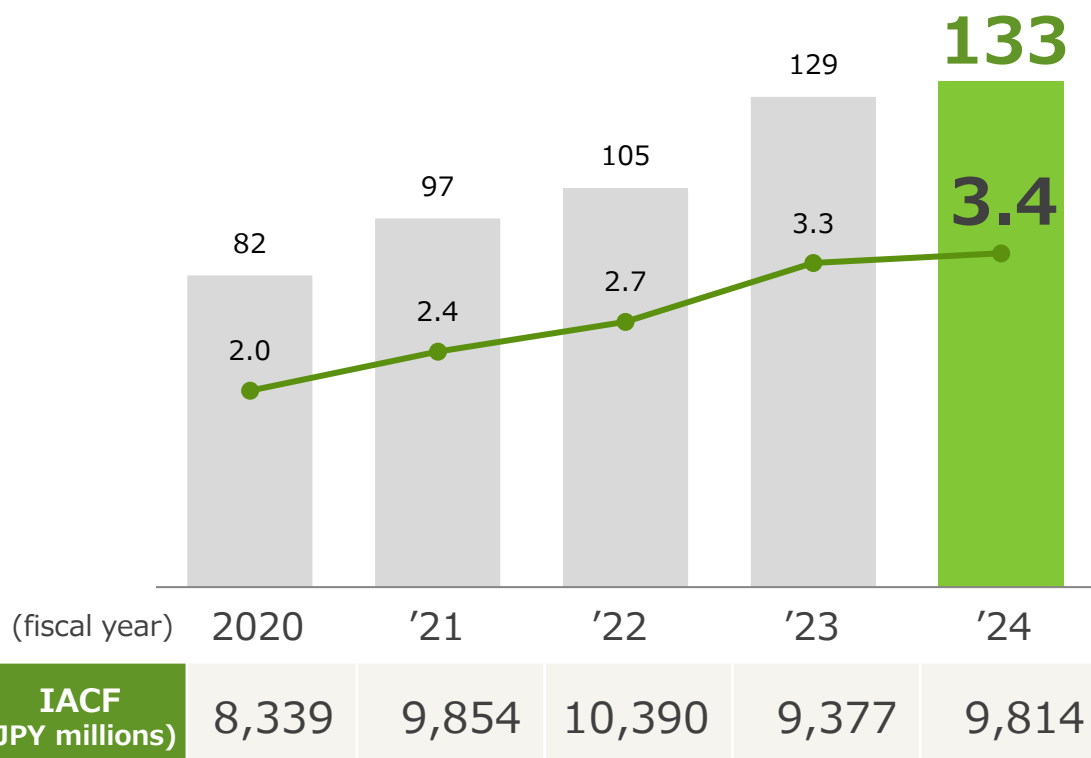
1. The surrender and lapse ratio is the annual equivalent of the monthly number of policies surrendered and/or lapsed divided by the monthly average number of policies-in-force.

# Insurance Acquisition Cash Flows (IACF) Efficiency

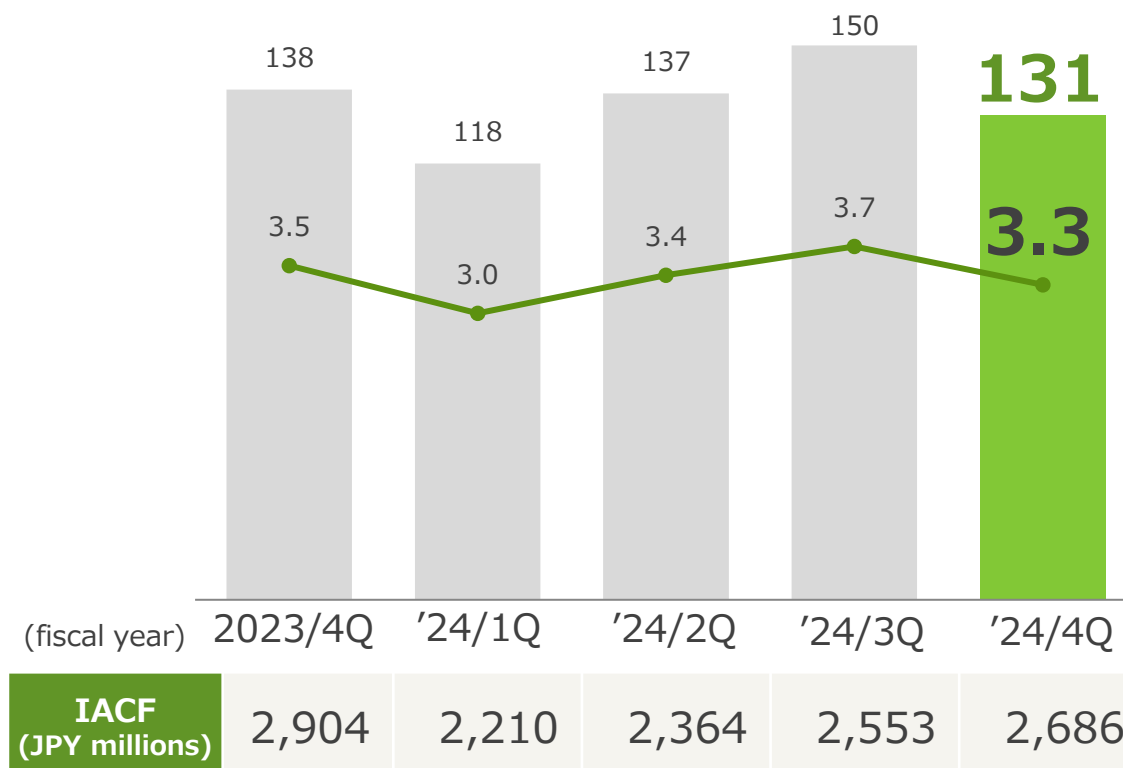
■ :Insurance acquisition cash flows / AP of new business

■ :Insurance acquisition cash flows per new business (JPY thousands)

## Fiscal year<sup>1</sup>



## Quarter



1. Figures for FY2021 and earlier are for reference use only as they are before date of transition to IFRS.

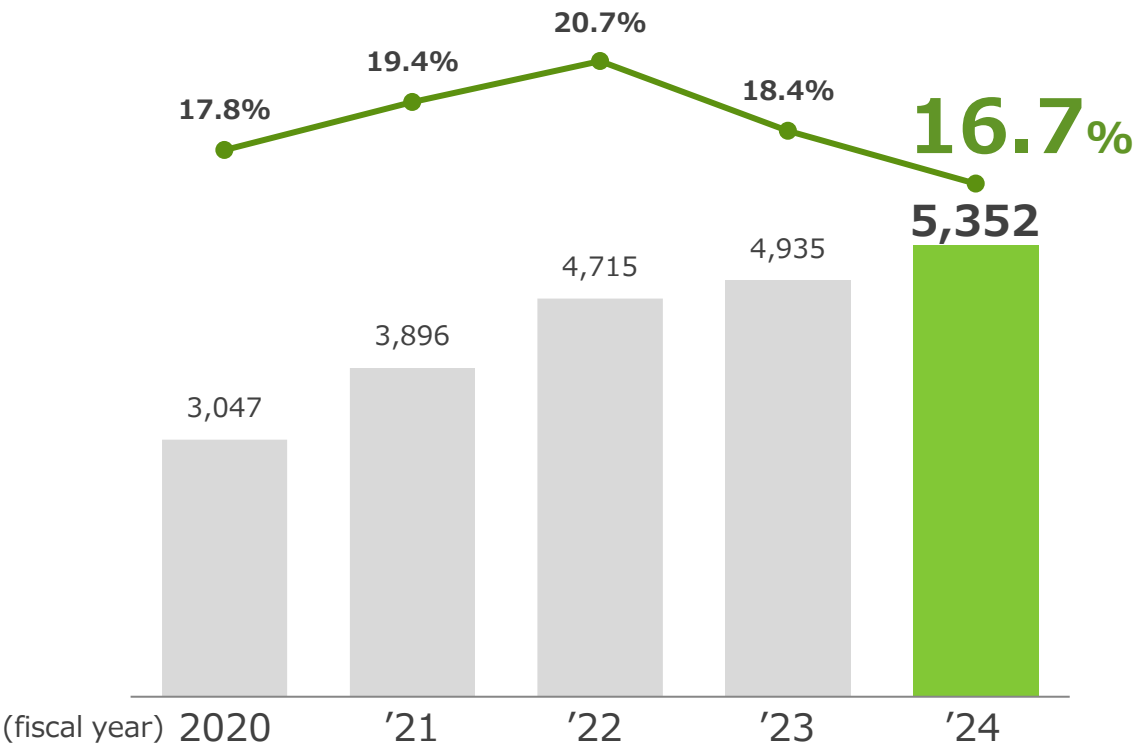
# Operating Expenses Ratio<sup>1</sup>



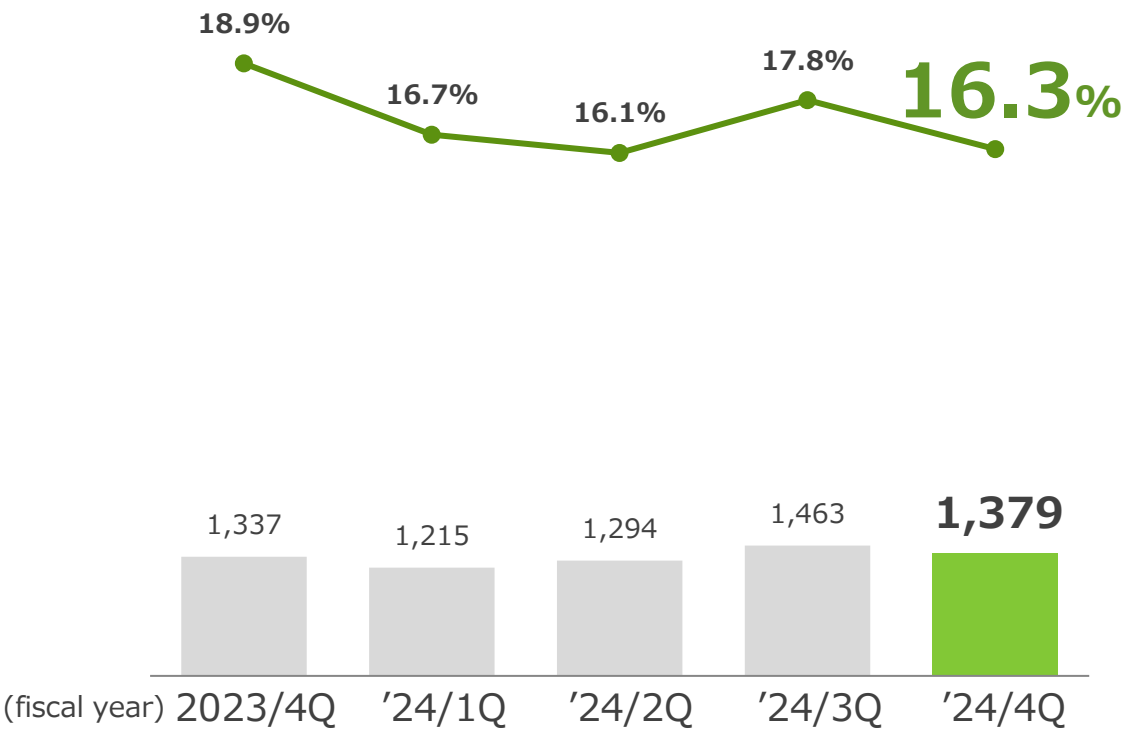
■ :Operating Expenses Ratio (%)

■ :Operating expenses excl. insurance acquisition cash flows (JPY millions)

Fiscal year<sup>2</sup>



Quarter



1. Ratio of operating expenses excluding IACF divided by average in-force annualized premium for the period (annualized).

2. Figures for FY2021 and earlier are for reference use only as they are before date of transition to IFRS.

# Summary IFRS P/L (Quarter)

(JPY millions)

Items	2023/4Q	2024/1Q	2024/2Q	2024/3Q	2024/4Q	Note
<b>Insurance service results</b>	<b>1,947</b>	<b>2,340</b>	<b>2,224</b>	<b>2,628</b>	<b>2,383</b>	
Expected claims minus incurred claims <sup>1</sup>	189	46	(19)	153	12	Increased in claim payments for individual life
Risk adjustment release	407	391	405	399	416	
CSM release	1,864	1,864	1,834	1,842	1,898	
Reinsurance results	41	(211)	(72)	(354)	(291)	Due to an increase in claim payments for GCL
Results from GCL <sup>2</sup>	(445)	272	175	651	475	Increased in claim payments
<b>Financial results<sup>3</sup></b>	<b>279</b>	<b>338</b>	<b>(395)</b>	<b>(10)</b>	<b>33</b>	
<b>Other results</b>	<b>(191)</b>	<b>(57)</b>	<b>(71)</b>	<b>(112)</b>	<b>(121)</b>	
<b>Profit before tax</b>	<b>2,035</b>	<b>2,621</b>	<b>1,757</b>	<b>2,505</b>	<b>2,294</b>	Due to a decrease in insurance service results
<b>Net income attributable to owners of the Company</b>	<b>1,368</b>	<b>1,887</b>	<b>1,265</b>	<b>1,804</b>	<b>1,036</b>	Included the impact from the special defense corporation tax

1. Applied only for individual life

2. Insurance service results related to contracts measured under the premium allocation approach (excluding reinsurance results)

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

# Breakdown of Insurance Service Results

(JPY millions)

Items	FY2023	FY2024
<b>Insurance revenue</b>	<b>24,698</b>	<b>30,081</b>
Expected claims	10,464	11,170
Risk adjustment release	1,678	1,612
CSM release	7,056	7,440
Recovery of IACF	3,647	4,143
Others	(150)	(83)
Premium income of GCL <sup>1</sup>	2,004	5,797
<b>Insurance service expenses</b>	<b>16,081</b>	<b>19,575</b>
Incurred claims (Individual life)	9,679	10,978
Incurred claims (GCL)	2,671	4,221
Amortization of IACF	3,647	4,143
Others	83	231
<b>Reinsurance results</b>	<b>(394)</b>	<b>(929)</b>
<b>Insurance service results</b>	<b>8,222</b>	<b>9,576</b>

1. Insurance revenue related to contracts measured under the premium allocation approach

# Breakdown of Financial Results

- Decreased due to foreign exchange valuation losses up to Q2 and rising hedging costs from Q3 while **an increase in the outstanding balance of foreign securities boosted interest income**

(JPY millions)

Items	FY2023	FY2024	Change
<b>Investment results</b>	<b>670</b>	<b>53</b>	<b>(616)</b>
Interest income	450	974	523
Impairment losses on financial assets, net	(5)	(5)	0
Other investment income	225	(915)	(1,140)
<b>Insurance finance income (expense)</b>	<b>(126)</b>	<b>(105)</b>	<b>20</b>
<b>Reinsurance finance income (expense)</b>	<b>11</b>	<b>17</b>	<b>6</b>
<b>Financial results</b>	<b>555</b>	<b>(33)</b>	<b>(589)</b>

# Detail of Bond Portfolio<sup>1</sup>



As of March 31, 2025

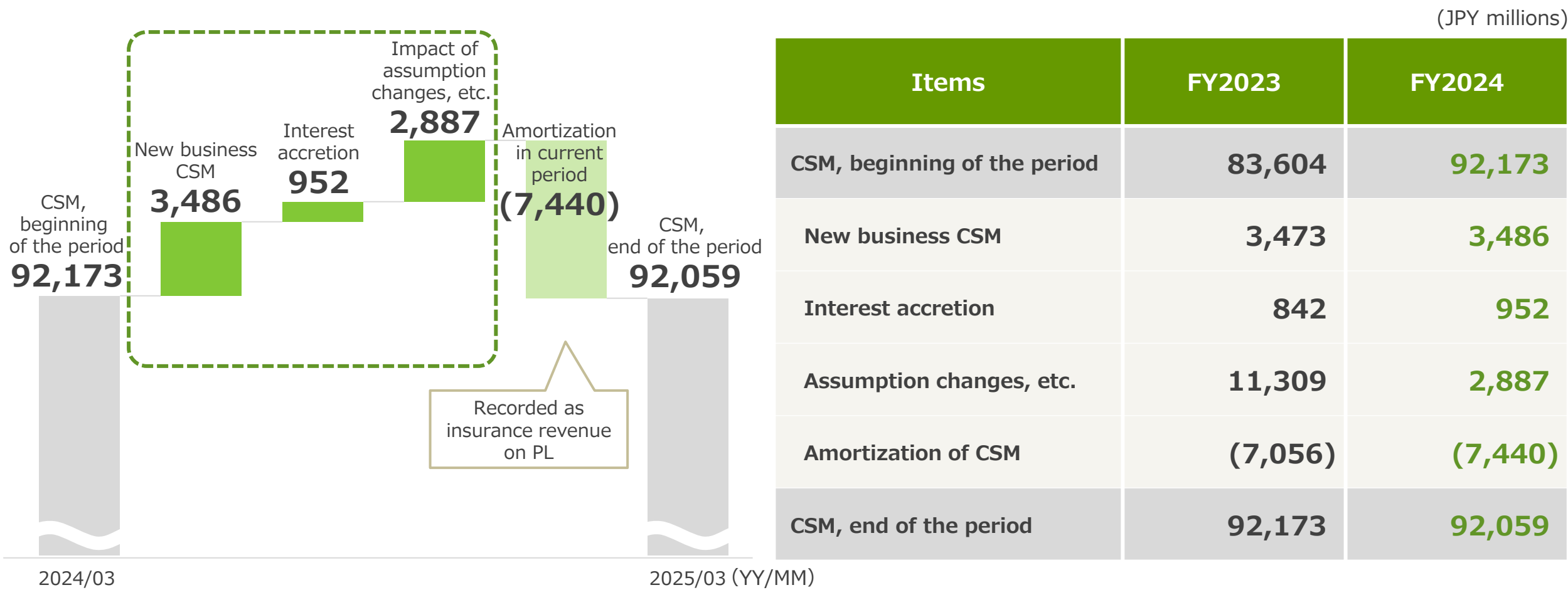
(JPY millions)

	Available-for-Sale	Held-to-Maturity	Total
JPY Bonds	16,364	35,296	51,661
Duration <sup>2</sup>	4 years	7 years	6 years
Foreign Currency Bonds	12,189	—	12,189
Duration <sup>2</sup>			4 years
Non-Currency Hedged	—	—	—
Currency Hedged	12,189	—	12,189

1. Based on J-GAAP balance sheet  
2. Calculated by Lifenet



■ Decreased due to slower growth in new business CSM for individual life and assumption changes



- Stable profits will be realized **over long period** from in-force CSM
- Aim for CSM release growth **by adding CSM** generated from **future acquired new business**

Future allocation of CSM				(JPY billions)					
		Amount	Expected timing when CSM is recognized in PL						
			A year 1	A year 2	A year 3	A year 4	A year 5	A year 6 and more	
Actual	In-force CSM	As of Mar. 2025 (A)	92.0	7.2	6.9	6.6	6.3	6.0	58.7
Forecast	New Business CSM (B)	A + year 1	XX	X	X	X	X	X	XX
		A + year 2	XX		X	X	X	X	XX
		A + year 3	XX			X	X	X	XX
		A + year 4	XX				X	X	XX
		A + year 5	XX					X	XX
	CSM release (A+B)			XX	XX	XX	XX	XX	XXX

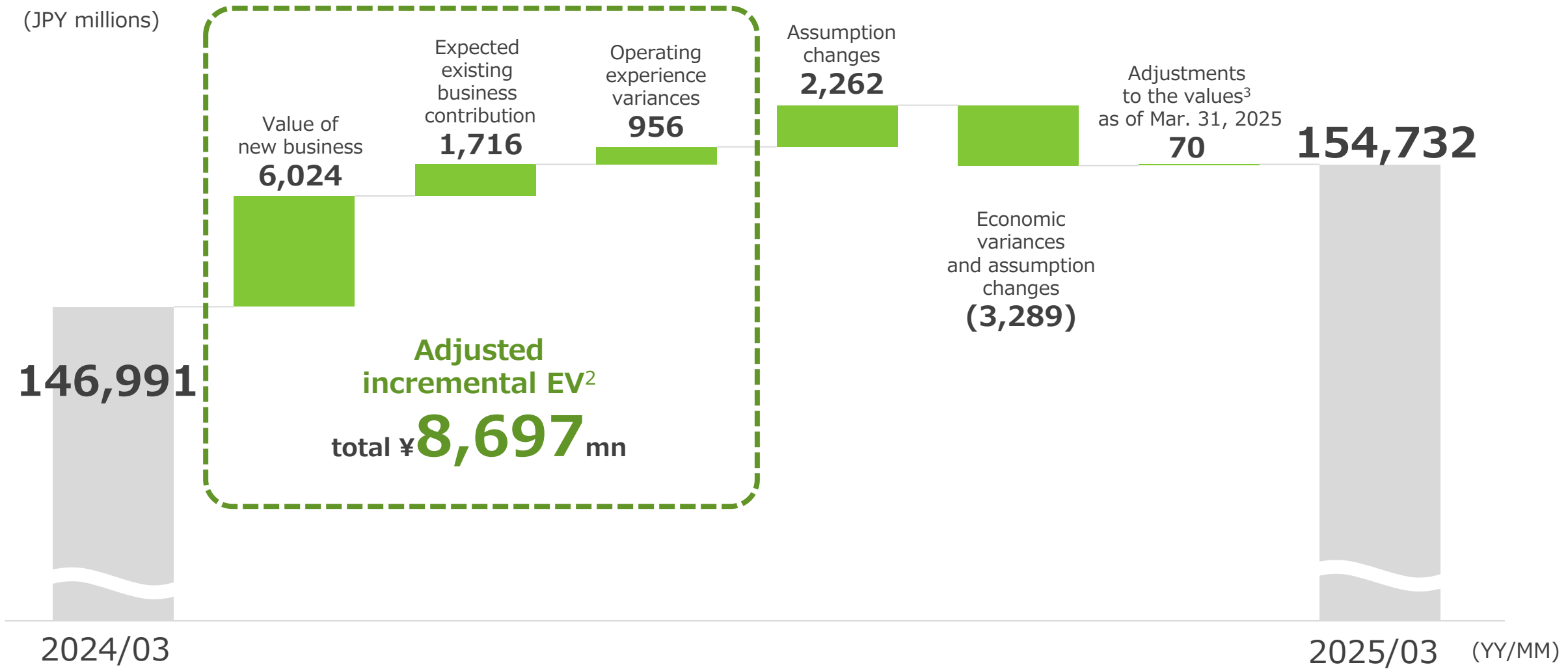
# Comprehensive Equity Sensitivity Analysis<sup>1</sup>

## ■ Impacts of changes in assumptions (sensitivities)

(JPY millions)	Changes in Comprehensive Equity (CE) as of March 31, 2025		
	Changes in CE	% changes	Of which changes in CSM <sup>2</sup>
Comprehensive Equity as of March 31, 2025	167,090	—	61,140
1.0% increase in risk-free rate	(8,160)	(4.9%)	—
1.0% decrease in risk-free rate	8,556	5.1%	—
0.5% increase in risk-free rate	(4,158)	(2.5%)	—
0.5% decrease in risk-free rate	4,225	2.5%	—
10% decrease in equity and real estate value and other	(273)	(0.2%)	—
10% decrease in operating expenses rate	6,334	3.8%	5,274
10% decrease in surrender and lapse rate	1,851	1.1%	1,510
5% decrease in claim incidence rates for life business	6,656	4.0%	6,706
10% decrease in non-renewal rate	5,815	3.5%	5,815

1. For each sensitivity, only one specific assumption is changed and other assumptions remain unchanged. It should be noted that the effect of the change of more than one assumption at a time is likely to be different from the sum of sensitivities carried out separately.

2. Aggregation of insurance contracts and reinsurance contracts with tax effect (29%) adjusted.



1. Lifenet's EEV is calculated following the EEV Principles and Guidance and in terms of allowance for risk, MCEV Principles (The European Insurance CFO Forum Market Consistent Embedded Value Principles©) is referred.

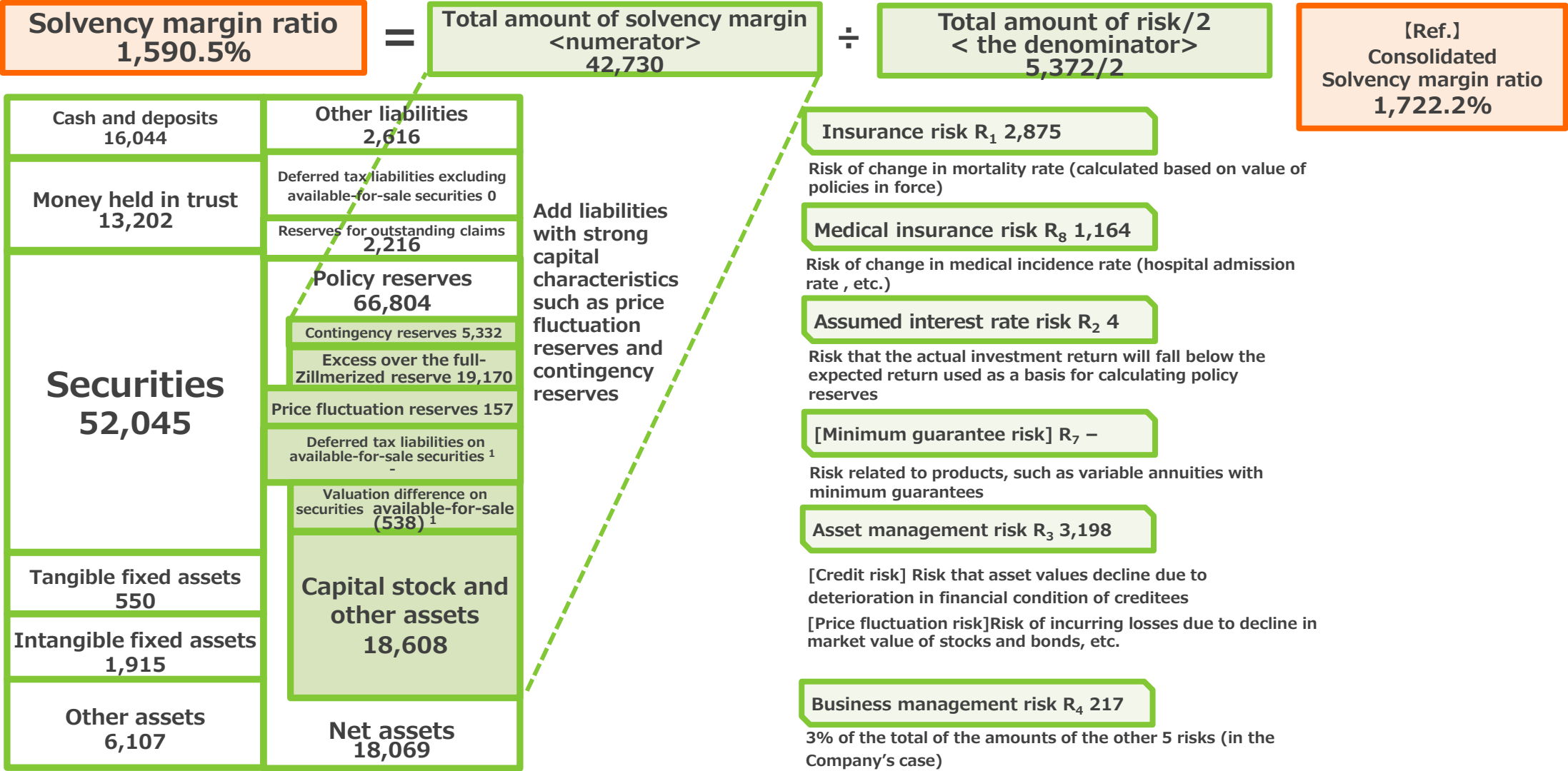
2. Adjusted Incremental EV accurately indicates our business growth during a certain period within increase in EEV.

3. Item for change in capital








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As of Mar. 31, 2025

$$\frac{(\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4)/2}{\text{(JPY millions)}}$$



- IFRS adoption **better presents periodic performance and profitability from policies-in-force**
- Capital adequacy and dividends are **regulated by statutory accounting standards (J-GAAP)**

	Statutory Accounting (J-GAAP)	Embedded Value	IFRS 17
Important perspective	Financial soundness for policyholder protection	Economic value of insurance policies including future profit	Recognition of revenue based on the retention of in-force business
Timing of profit recognition	<p><u>Acquisition expense is recognized at the time of acquisition.</u></p> <p>Year1   Year2   Year3   Year4   ....</p> <p>loss   profit     ....</p>	<p>The expected profit for the policy period is <u>immediately</u> recognized.</p> <p>Year1</p> <p> present value of profit</p>	<p>The expected profit is allocated <u>over the term of the policy.</u></p> <p>Year1   Year2   Year3   Year4   ....</p> <p> profit      ....</p>

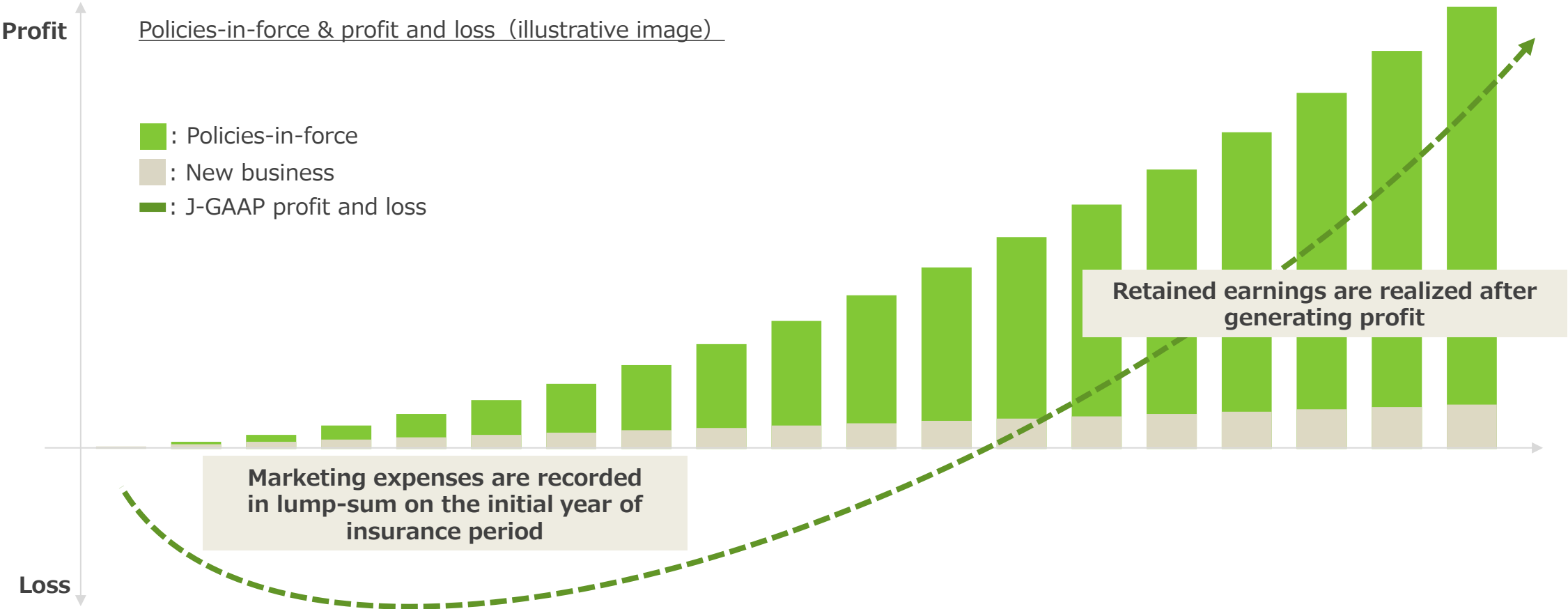
# Summary J-GAAP P/L & B/S

- Strengthen modified co-insurance in FY2025 to mitigate the decline in capital and aim to improve the financial condition

(JPY millions)

Items	FY2023	FY2024	Items	End of FY2023	End of FY2024
<b>Ordinary income</b>	<b>35,964</b>	<b>41,994</b>	<b>Total assets</b>	<b>84,194</b>	<b>89,866</b>
Insurance premiums and other	34,264	41,438	Cash and deposits	20,009	16,044
<b>Ordinary expenses</b>	<b>40,634</b>	<b>45,022</b>	Money held in trust	13,358	13,202
Insurance claims and other	15,547	20,569	Securities	42,992	52,045
Provision for policy reserves and other	9,472	8,551	<b>Total liabilities</b>	<b>63,130</b>	<b>71,796</b>
Operating expenses	12,607	13,296	Policy reserves and other	60,469	69,020
<b>Ordinary profit (loss)</b>	<b>(4,670)</b>	<b>(3,027)</b>	<b>Total net assets</b>	<b>21,063</b>	<b>18,069</b>
<b>Net income (loss)</b>	<b>(4,720)</b>	<b>(3,052)</b>	Retained earnings	(31,643)	(34,696)

■ Aim for the increase in total shareholder return **by capital gain**<sup>1</sup>



1. Lifenet has yet to determine its specific dividend policies and dates for the start of distributing retained earnings, as we prioritize strengthening our growth base to increase mid to long term profitability.