

Question and Answer Summary for the Second Quarter Financial Results Briefing  
for Fiscal Year Ending March 2026

November 13, 2025

LIFENET INSURANCE COMPANY

We disclose the summary of the Q&A session held during the financial results briefing on the second quarter of fiscal 2025 ending 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:** Please explain the factors behind the improvement in insurance acquisition cash flow efficiency for the second quarter of fiscal 2025, as shown on [page 30 of the presentation material](#).

**Yokozawa:** In fiscal 2025, we are strengthening marketing investments while focusing on efficiency. In addition, we believe various initiatives, such as website improvements and nurturing activities based on our priority area of “Rebranding”, are contributing to new business acquisition, and we are seeing tangible results from these investments.

**Question:** Regarding consolidated business forecasts for fiscal 2025 on [page 17 of the presentation material](#), the progress rate for “Net income attributable to owners of the Company” has already reached approximately 65% in the cumulative 2Q. Could you explain why you did not revise the forecasts?

**Kawasaki:** We recognize that the progress of net income is exceeding our initial expectations. Cumulative 2Q performance is progressing at a pace exceeding our expectations. The primary factor is that insurance claims payments and benefits for both individual life insurance and group credit life insurance (“GCL”) were lower than anticipated. However, we believe it is necessary to closely monitor progress in the second half of fiscal 2025, taking into account payment fluctuations, and therefore we have not revised our business forecasts at this time.

**Question:** Given the significant year-on-year increase in results from GCL for the first half of fiscal 2025, is there a possibility that premiums for GCL will be reduced in fiscal 2026?

**Kawasaki:** Premium rates are not revised based solely on a single-year performance. They are determined through discussions with partner banks, taking into account mid-term trends in

insurance payments and other factors. However, since claims trends for GCL have been lower than expected since fiscal 2024, there is a possibility that this could have some impact on premium rates from the next fiscal year onwards.

**Question:** Regarding the new business alliance with THE KYOTO SHINKIN BANK (“Kyoto Shinkin Bank”), the new partner for GCL business on [page 6 of the presentation material](#), please explain its contribution to insurance service results and its impact on capital adequacy under Japanese GAAP.

**Kawasaki:** We would like to refrain from commenting on the specific impact on our financial performance, as it is before launch. As for capital adequacy, we recognize that the current level is sufficient for this newly added partner and no additional capital is required.

**Question:** Is the collaboration with Kyoto Shinkin Bank expected to be conducted online? Please explain the reason they chose Lifenet as new underwriting insurer.

**Yokozawa:** We believe there are two main reasons they selected us. First, our GCL premium was at an attractive and low level for them. Second, as they advance their DX (digital transformation) initiatives, they recognized we could support operational efficiency improvements, such as enabling paperless processes.

**Question:** It is expected that Kyoto Shinkin Bank will incur development costs. Will this have any impact on Lifenet?

**Yokozawa:** While the partner will bear its own development costs, we believe that they found the benefits and attractiveness of collaborating with us, such as competitive premium rates for GCL and improved operational efficiency.

**Question:** Regarding renewal of whole-life cancer, on [page 4 of the presentation material](#), could you elaborate on the pricing strategy for the new product, specifically in comparison to the premiums of existing products?

**Yokozawa:** First and foremost, we believe it is essential to provide insurance products that align closely with customer needs for appropriate coverage at affordable premiums.

Based on this, we determined the pricing by balancing enhanced coverage with profitability for our new whole-life cancer insurance.

Furthermore, younger people generally tend to prefer lower premium levels. We recognize that they face various future life events. This makes them hesitant to commit to whole-life products. With this in mind, we decided to launch a new term cancer insurance as part of our

“term” series. Our product strategy envisions customers enrolling in the “term” type first and potentially switching to the “whole-life” type in the future.

**Question:** Please explain the background behind the lower-than-expected insurance claims incurred during the first half of fiscal 2025. Is this mainly due to accidental factors, or have you identified any specific underlying causes?

**Yokozawa:** We have not observed any significant trends and believe this is primarily due to accidental factors. Therefore, regarding the necessity of revising our business forecasts, we intend to make a determination while closely monitoring trends in the second half.

**Kawasaki:** Particularly regarding payments for GCL, given the scale of in-force business, the number of claims is relatively small, while the benefit amount per claim is large. This makes the portfolio highly susceptible to fluctuation.

While we recognize profit to exceed our initial plan based on current performance, we have decided not to revise the business forecasts for the 2Q results, given the significant potential for volatility.

**Question:** Regarding the "Impact of assumption changes, etc." in the changing factors of Comprehensive Equity on [page 16 of the presentation material](#), in the past increases the figure was negative mainly due to an increase in the inflation rate. What factors contributed positively as of September 30, 2025?

**Kawasaki:** The main factor was the improvement in operating expenses, specifically the improvement in running costs per policy. Regarding the inflation rate, we raised our assumptions as of September 30, 2025, which had a negative impact. However, various measures implemented to enhance productivity contributed to the improvement in operating expenses. Consequently, the "Impact of assumption changes, etc." turned positive overall. We view this as a very positive sign for our future business expansion and will strive to maintain and expand this trend.

**Question:** According to disclosure materials from Kyoto Shinkin Bank, their outstanding mortgage loan balance is approximately 500 billion yen. To what extent do you anticipate this will impact on your GCL contracts value?

**Kawasaki:** While we would like to refrain from going into specific details, as you recognize, the scale of the outstanding mortgage loan balance is one useful reference data for making rough estimates.

**Question:** Regarding the improvement in operating expenses, which was the main factor contributing to the positive "Impact of assumption changes, etc.," how did you control costs in an environment where the number of policies-in-force increased and inflation persisted?

**Matsubara:** By promoting various initiatives to improve operating expenses, we have achieved improvements in the running costs per policy.

**Question:** As of the end of 2Q of fiscal 2025, "stock" on the balance sheet under Japanese GAAP increased significantly to approximately 6.4 billion yen, up from approximately 0.3 billion yen at the end of the previous fiscal year. I understand this increase was primarily due to the investment in Advance Create Co., Ltd. Were there any other contributing factors?

**Matsubara:** As you correctly noted, in addition to the investment in Advance Create Co., Ltd., unrealized gains were recognized from the time of acquisition of its shares to the end of the 2Q. Apart from stock investments, we increased holdings of corporate bonds and foreign bonds within "money held in trust".