

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

February 12, 2026

LIFENET INSURANCE COMPANY

We disclose the summary of the Q&A session held during the financial results briefing on the third 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:** Insurance Acquisition Cash Flows (“IACF”) efficiency on [page 30 of the presentation material](#) has been improving quarter on quarter. Do you feel any tailwinds resulting from the misconduct at other life insurance companies that has recently been reported in the news in Japan?

**Yokozawa:** We do not feel any tailwind. We believe the growth in business performance for the cumulative third quarter of fiscal 2025 is the result of our own marketing efforts to date, such as improving the efficiency of advertising operations and customer nurturing activities. We believe the success of this third quarter was driven by the shift to in-house online advertising operation, which we evaluate as a highly reproducible initiative. We have been able to achieve robust growth while simultaneously improving efficiency.

**Question:** Regarding “Incurred claims” of both individual life and GCL on [page 33 of the presentation material](#), the figure for the third quarter of fiscal 2025 alone shows an increase compared to the first and second quarters. Was the low level of claims and benefits paid during the first half of fiscal 2025 due to structural factors?

**Kawasaki:** The amount of payments in the first half was significantly lower than our initial projections. The performance in the third quarter remains within the expected range. At this stage, we recognize that there are significant fluctuations in payments on a quarterly basis, particularly in group credit life insurance (“GCL”) business.

**Question:** Are there any plans to revise the premium rates for GCL in fiscal 2026?

**Kawasaki:** We plan to consult with our partner bank based on the understanding that the premium rates will be updated in April. However, these rates will not be determined solely based on the favorable claims payment status observed in the first half of fiscal 2025. Since we take mid-term trends in claims payments into account, we do not currently anticipate any drastic changes in premium rates.

**Question:** Regarding the [newly launched reinsurance business](#), please tell us about the regions and risk profiles you plan to underwrite. While you mentioned that its impact on the business forecasts for fiscal 2025 is immaterial, will there be any impact on profit/loss or capital from the next fiscal year onward?

**Matsubara:** While we do not disclose specific details, we intend to underwrite pure insurance risks. Our future direction is to scale this business gradually in coordination with our existing businesses to contribute to their growth. Therefore, we expect the impact on capital to be immaterial. We also recognize that the impact on profit/loss from the next fiscal year onward will be immaterial.

**Question:** Is the newly launched cancer insurance contributing to the recovery in momentum of new business performance? If so, what product features do you believe are evaluated by customers?

**Yokozawa:** The cancer insurance launched in December 2025 has had a positive impact. In particular, by offering term-type cancer insurance, we have been able to propose affordable premiums that have gained support from the younger generation.

On the other hand, we believe our recent growth is driven not only by the new product launch but mainly by the effects of bringing our online advertising in-house. This effect was clearly reflected in our December performance. Traditionally, we have adjusted advertising volume in December because the unit costs of TV commercials tend to be higher during such season. However, since our online marketing functioned effectively, we were able to grow overall new business this time.

**Question:** In addition to the new business performance in the third quarter of fiscal 2025, the results for January 2026 have also been strong. Are there any changes in trends across each channel?

**Kawasaki:** There are no changes in trends by channel. While the direct channel drove new business performance during the first half of fiscal 2025, the partner business channel also contributed to generating growth momentum in the third quarter. This was achieved through the concentrated allocation of resources and the establishment of a robust sales structure to coincide with the launch of our new cancer insurance.

**Question:** What specifically do the "external factors" mentioned as the reason for the slowdown in GCL growth on [page 11 of the presentation material](#) refer to?

**Kawasaki:** It primarily refers to rising interest rates. While we recognize that our GCL partner bank is making steady progress in its efforts to increase their loan-to-deposit ratios, we believe that the changing interest rate environment this fiscal year has made it more difficult to demonstrate their conventional competitive advantage. The GCL business is a prime example of our "Embedded" strategy, one of our priority areas, and by its nature, it is influenced by the trends of our partners. To address this, we believe that increasing the number of new alliance partners will contribute to business expansion and risk diversification. As announced in the second quarter financial results, we have signed a business alliance agreement with THE KYOTO SHINKIN BANK and intend to continue expanding to other banks.

**Question:** Why did the shift to in-house online advertising operation lead to an increase in new business acquisition?

**Yokozawa:** The primary reason for the shift to in-house operations was a challenge we identified regarding the speed of the PDCA cycle in our online advertising. Previously, we outsourced operations to advertising agencies; however, due to factors such as the insurance industry's unique and rigorous review process for solicitation materials, revising and improving creatives took considerable time. By utilizing AI, we were able to bring the operations in-house with a small team and achieve a high-speed PDCA cycle. Furthermore, we improved operational efficiency by reinvesting the fees previously paid to agencies directly into our advertising budget.

**Question:** Regarding the held bonds on [page 35 of the presentation material](#), the duration of each category of JPY bonds is approximately one year shorter than at the end of the previous quarter. Was this an intentional adjustment?

**Kawasaki:** We have been consistently working to shorten the duration of our bond holdings, and our fundamental approach remains unchanged. While the impact was quite limited, it is possible that the sale of certain ultra-long-term bonds influenced the overall duration.

**Question:** While new business performance in December 2025 showed remarkably strong growth of 37% year-on-year, the growth rate for January 2026 was 17%. How should we interpret this difference? In addition, how will such recent performance impact new business CSM?

**Kawasaki:** The strong performance in December was driven by the launch of our new product and the cumulative effects of our ongoing initiatives. While new business acquisition in December typically tends to be more moderate than in other months as we control our advertising investment, this time we were able to deliver solid results while effectively controlling investment levels. In January, although the growth rate was not as high as in December, we have maintained a pace that significantly exceeded the previous year's performance. Regarding the impact on new business CSM, as shown on [page 30 of the presentation material](#), we are gradually improving our IACF efficiency. We recognize that both the expansion of scale through business growth and these efficiency improvements will positively contribute to CSM.

**Question:** We understand that annualized premium per new business is on a downward trend, reflecting a shift in the product mix from whole-life to term-type products. Could you provide the percentage of term-type insurance in new business? Also, how do you expect this shift to impact future surrender and lapse ratio?

**Yokozawa:** While the breakdown of policies-in-force by product is disclosed on [page 27 of the presentation material](#), we do not disclose the specific breakdown of term-type versus whole-life products for new business. Although whole-life products have higher premiums than term-type products for the same level of coverage, we observe a trend where customers who select term-type insurance choose to increase their overall coverage amount. Therefore, rather than a "simple shift" to term-type, we view this trend as a change in our customer' age demographics, driven by expanding support from the younger generation.

As part of our product strategy, we intend to use term-type products as an entry point and continuously enhance our services after enrollment. By deepening relationships with

policyholders over the mid- to long-term, we aim to improve surrender and lapse ratio through cross-selling and encouraging customers to switch from term-type to whole-life products.

**Question:** Regarding the low level of insurance claims and benefits paid in the first half of fiscal 2025, which specific coverages saw a decrease compared to typical years? Also, will these payment results affect the assumption changes for CSM at the end of fiscal 2025?

**Kawasaki:** We have not recognized any significant changes in trends for either individual life insurance or GCL. In GCL particularly, the coverage amount per claim is large, and we expect quarterly fluctuations to continue going forward.

Regarding the assumption changes, current results for both individual life insurance and GCL do not directly reflect short-term insurance incident rates. However, for individual life insurance, if favorable payment results continue, it could positively impact future assumption changes. For GCL, we intend to consider revising premium rates by taking the first-half payment results into account. Nevertheless, as this decision will be based on mid-term trends, we do not anticipate any drastic changes in a negative direction in the short term.