

Securities Code: 7157
TSE Growth



Presentation Material for Investors Second Quarter for Fiscal 2024

LIFENET INSURANCE COMPANY
November 14, 2024

1H for Fiscal 2024 Key Highlights



Key Indicators

Corporate Value

Comprehensive Equity¹
(CE)

¥ **164,974**mn

(YoY 107.9%)

Growth

Annualized premium²
of policies-in-force

¥ **32,559**mn

(YoY 119.5%)

Profitability

Insurance service
results

¥ **4,565**mn

(YoY 111.7%)

Notable Achievements

- Achieved CE growth of YoY 7.9% due to GCL³ contracts value increase
- Developed new product and GCL for joint mortgage, leading unique attraction from younger generation
- Aim to align interest by employee stock compensation plan

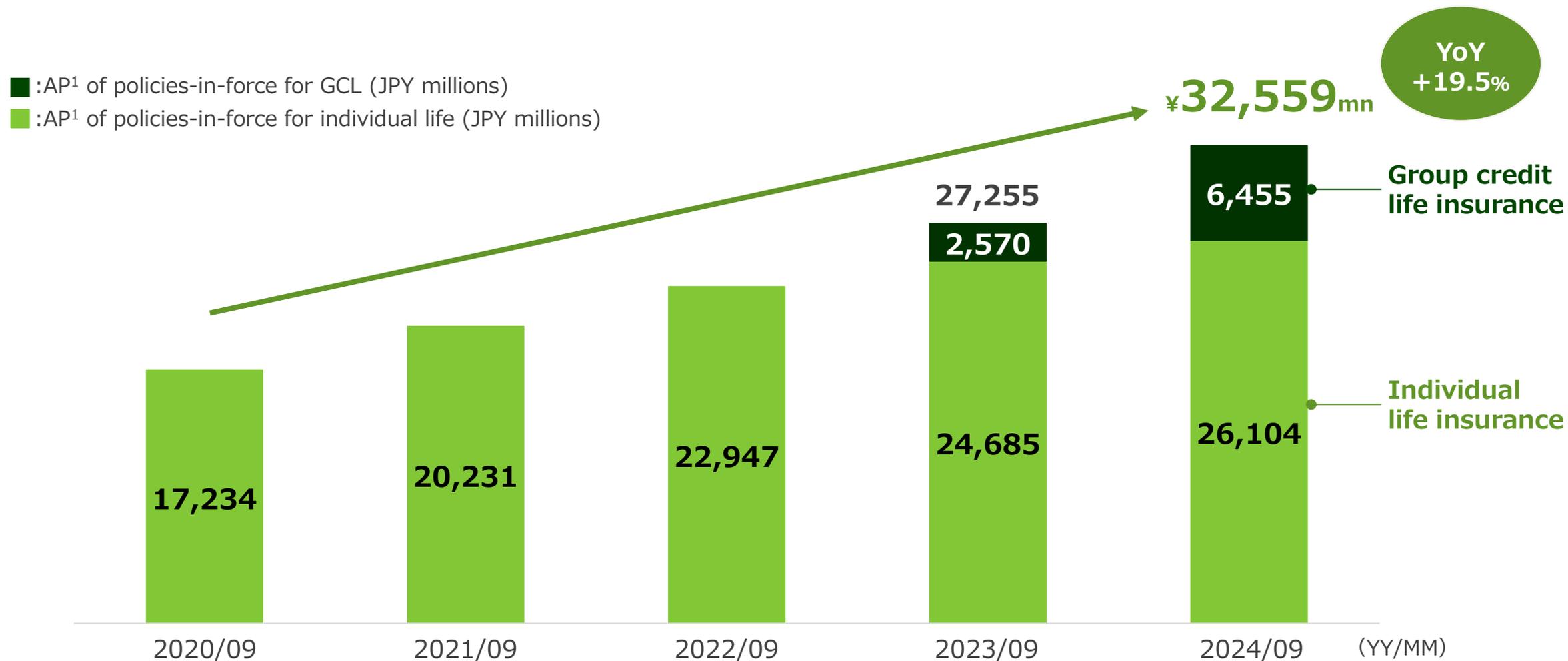
1. Comprehensive Equity is an indicator defined by the Group. It is the sum of "Equity (attributable to owners of the Company)" on the IFRS consolidated statement of financial position (B/S), "CSM", a liability representing unearned profit that the Group expects to earn as it provides insurance services (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 months

3. GCL stands for Group Credit Life Insurance

Annualized Premium of Policies-in-Force

■ Resulted in ¥32,559mn and achieved significant growth of 19.5% YoY



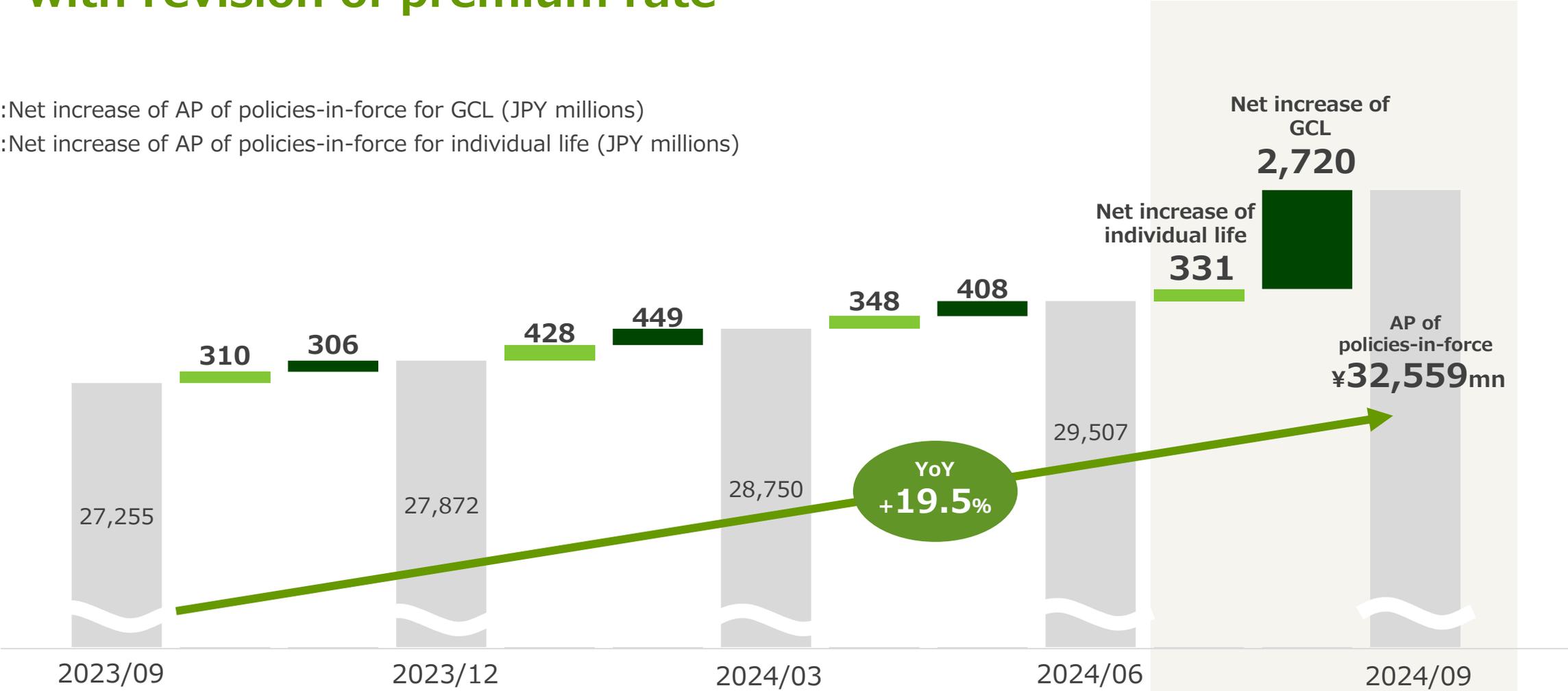
1. AP stands for Annualized premium (The same will apply hereafter)

Policies-in-Force Movement



■ Despite individual life being sluggish, **GCL achieved strong growth with revision of premium rate**

■ : 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 **¥4,565mn** and **¥3,152mn**, respectively

(JPY millions)

| Items | FY2023/1H | FY2024/1H | Change |
|--------------------------------------------------|-----------|-----------|--------|
| Insurance service results | 4,088 | 4,565 | 477 |
| Financial results ¹ | 66 | (57) | (123) |
| Other results | (228) | (129) | 99 |
| Profit before tax | 3,926 | 4,378 | 452 |
| Net income attributable to owners of the Company | 2,759 | 3,152 | 393 |

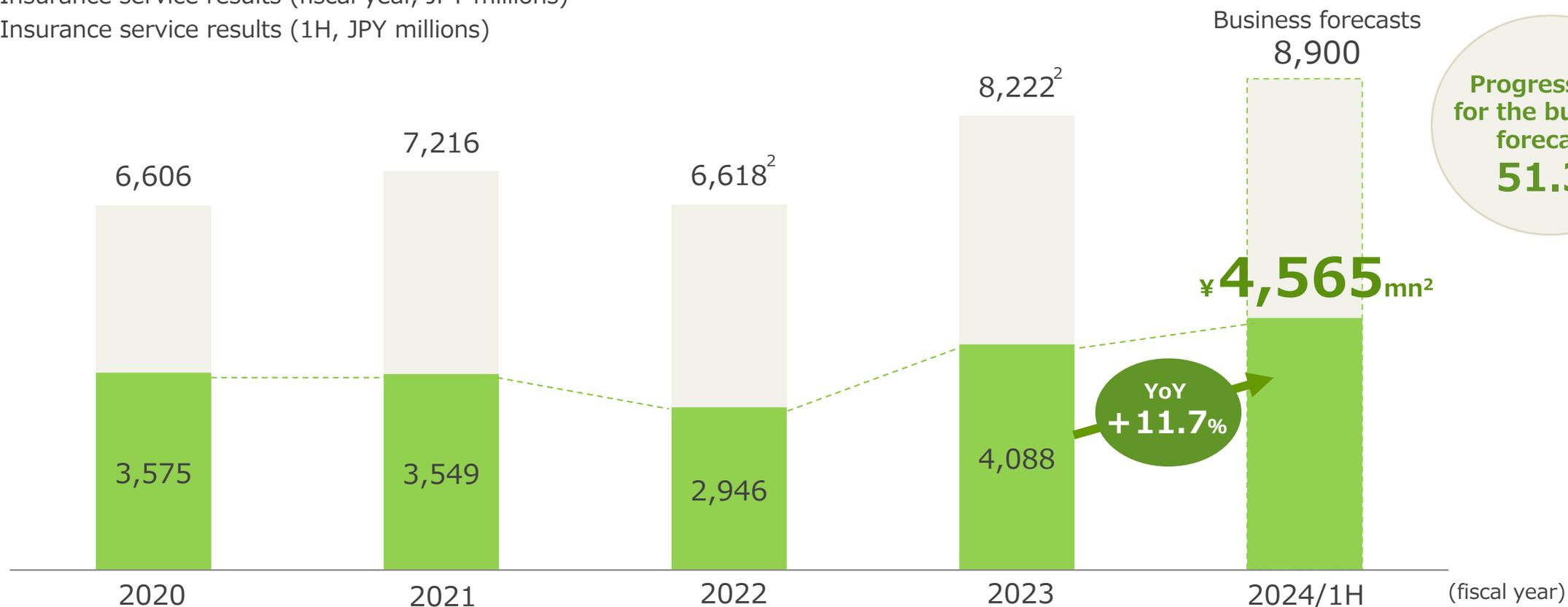
1. Total of investment results from financial assets, insurance finance income or expense and reinsurance finance income or expense

Insurance Service Results¹

■ Progress steadily at 51.3% of business forecasts

□ :Insurance service results (fiscal year, JPY millions)

■ :Insurance service results (1H, JPY millions)



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

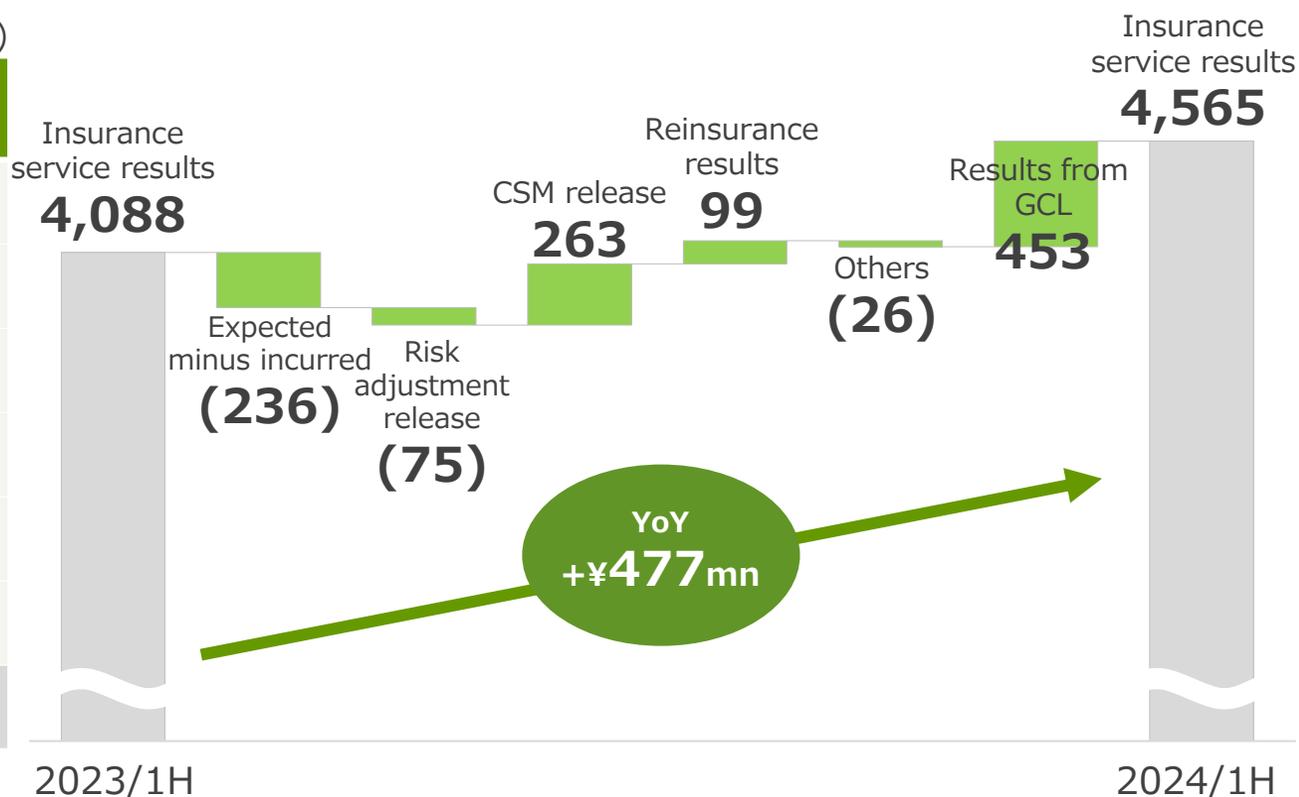
2. COVID-19 related claims was ¥1,378mn in FY2022 and ¥36mn in FY2023. It is also included in FY2024, but detailed calculation has not been performed.

Insurance Service Results Analysis

■ Achieved profit growth of 11.7% YoY by CSM release and GCL results

(JPY millions)

| Items | FY2023/1H | FY2024/1H | Change |
|---------------------------------------|--------------|--------------|------------|
| Expected claims minus incurred claims | 263 | 26 | (236) |
| Risk adjustment release | 872 | 797 | (75) |
| CSM release | 3,435 | 3,699 | 263 |
| Reinsurance results | (383) | (283) | 99 |
| Others | (95) | (122) | (26) |
| Results from GCL ¹ | (4) | 448 | 453 |
| Insurance service results | 4,088 | 4,565 | 477 |



1. Insurance service results related to contracts measured under the Premium Allocation Approach (Excluding reinsurance results)

New Management Indicator “Comprehensive Equity”

- Having changed our management indicator from EEV to “Comprehensive Equity” based on IFRS, aim to achieve ¥200-240bn in fiscal 2028

European Embedded Value (EEV)

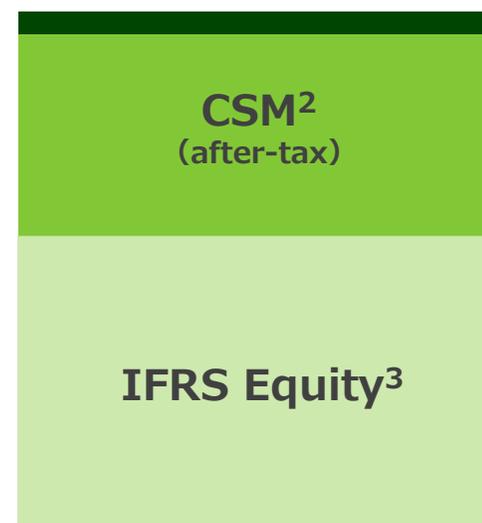


Conceptually similar



Comprehensive Equity (CE)

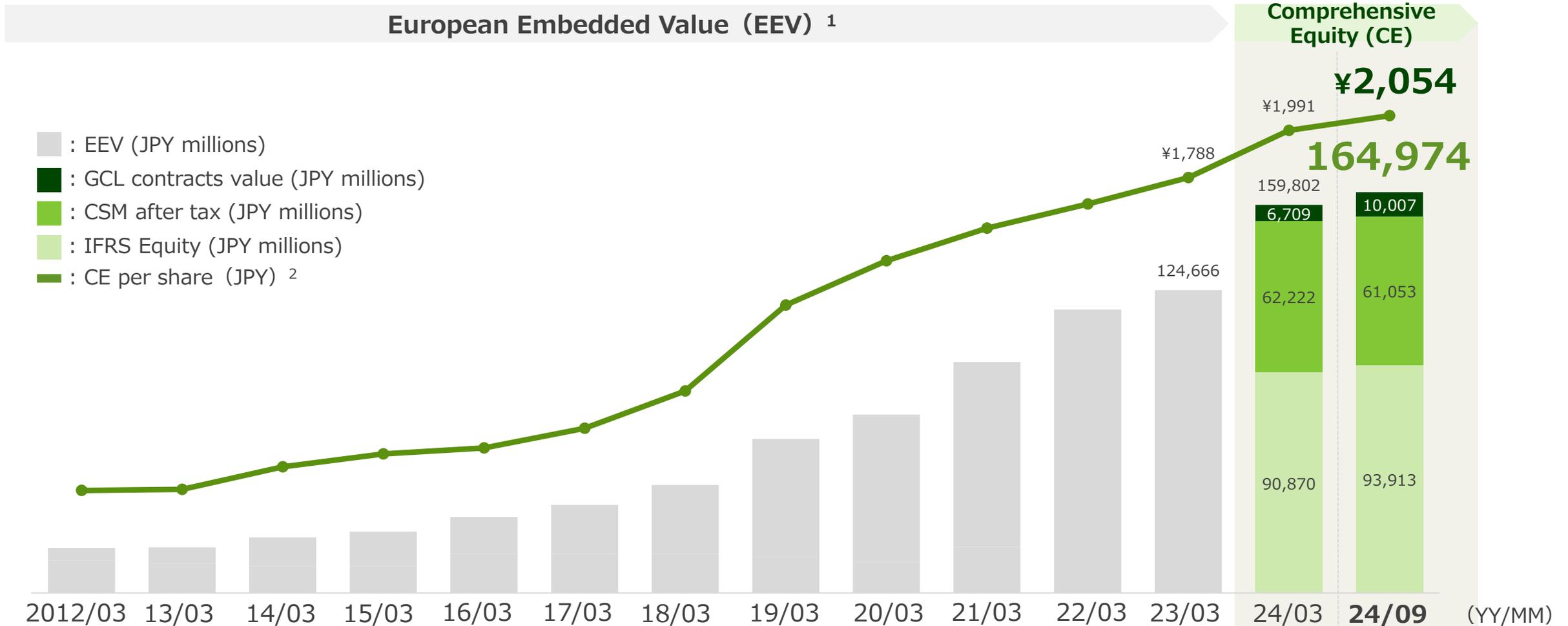
GCL contracts value¹



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 (28%) adjusted.
 3. Attributable to owners of the Company

Movement of Management Indicators

Strongly growing at a CAGR of 19% since IPO

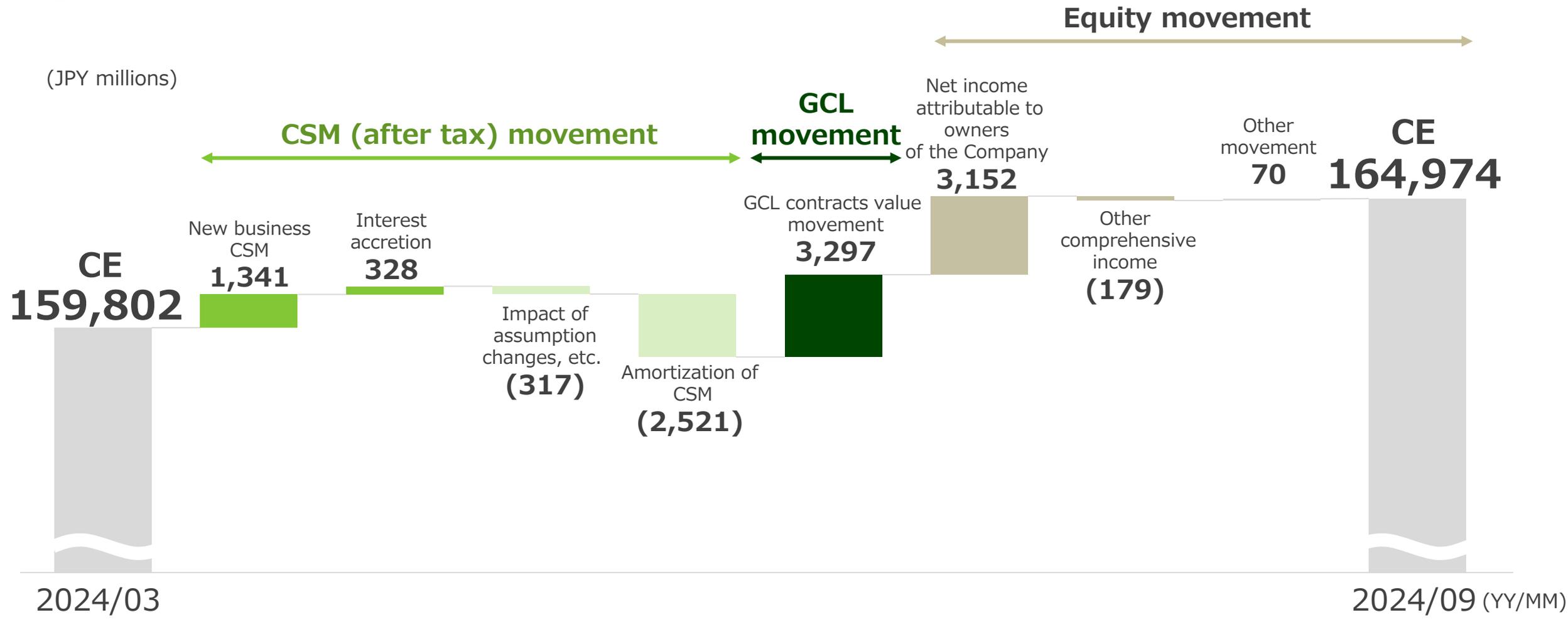


1. Lifenet's EEV is calculated following the EEV Principles and Guidance and in terms of allowance for risk, MCEV Principles (The European Insurance CFO Forum Market Consistent Embedded Value Principles©) is referred. From fiscal 2016 onward, a predetermined ultimate forward rate has been used to extrapolate 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

Changing Factors of Comprehensive Equity

- Increased due to GCL contracts value and net income, while CSM growth limited



- Plan to launch GCL for joint mortgage **to support young homebuyers**
- Contributed to key indicators by premium revision in July and growth in mortgage loans

Offer GCL for joint mortgage from Jan. 2025

GCL for joint mortgage



GCL ¥40mn

In case of death of one borrower,
loan debt becomes

¥0

Conventional GCL



GCL
¥20mn

GCL
¥20mn

In case of death of one
borrower, the other is still
responsible for

¥20mn

Contribution to key indicators (FY2024/1H)

Comprehensive
Equity

¥10,007mn¹

AP of
policies-in-force

¥6,455mn²

Insurance service
results (1H)

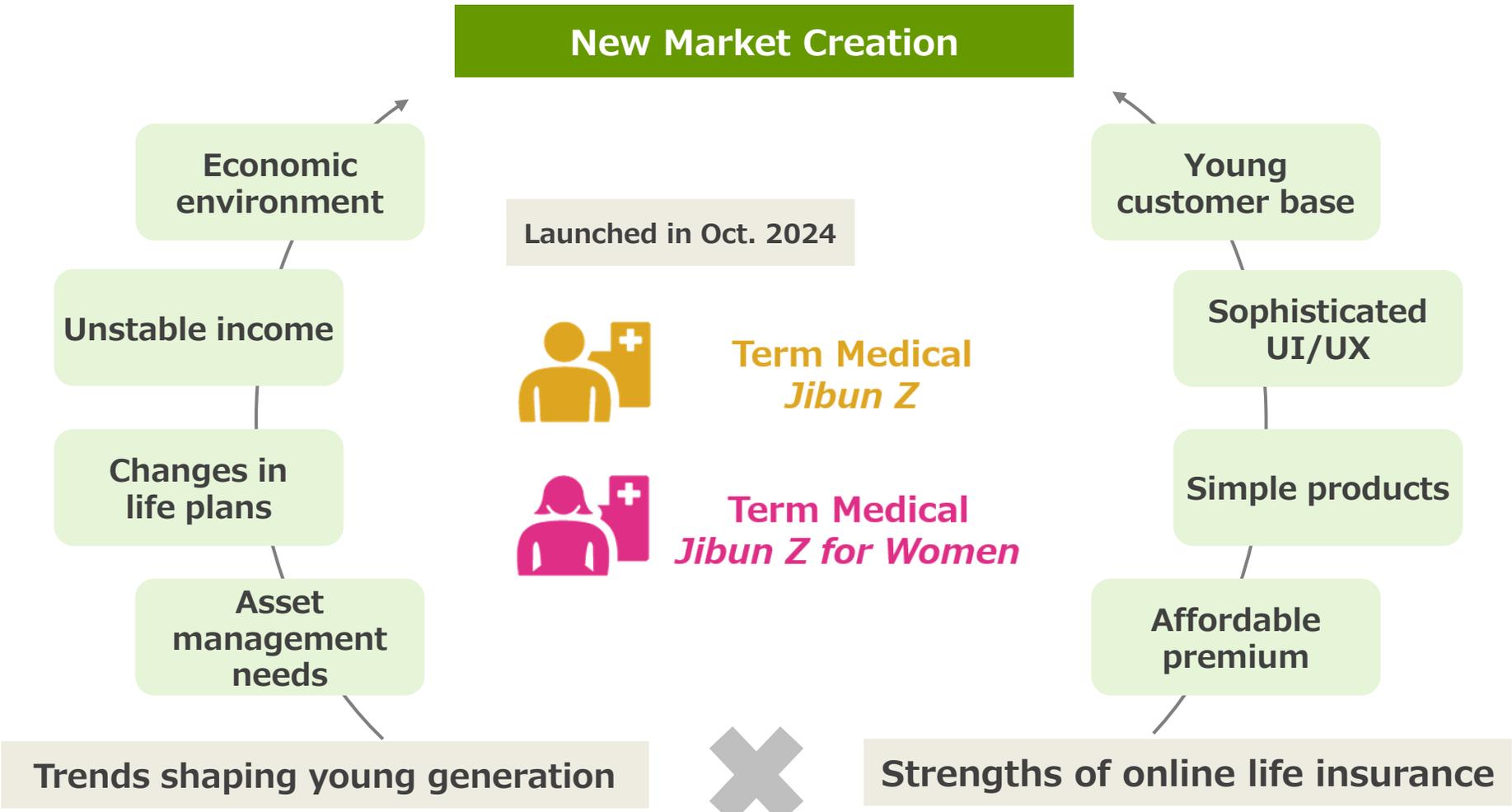
¥448mn³

1. GCL contracts value in Comprehensive Equity as of the end of September 2024
 2. Annualized premium of policies-in-force for GCL as of the end of September 2024
 3. Insurance service results related to contracts measured under the Premium Allocation Approach (Excluding reinsurance results)

New Product for Young Generation



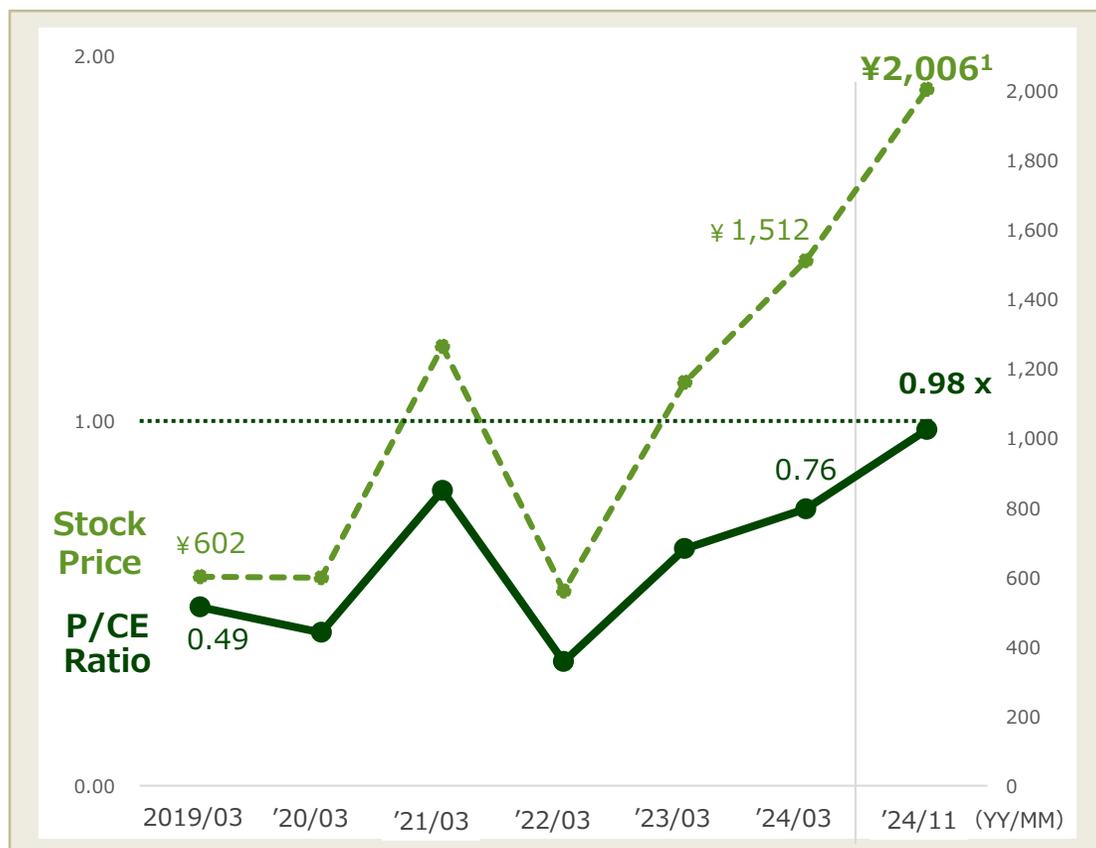
■ Create new market by offering “term” medical insurance online



Improvement of Capital Market Evaluation

- **Maintain P/CE ratio of 1.0x as a base**, and further improve capital market evaluation

Stock price / CE per share (P/CE)



Drivers for improvements

Adopt corporate value indicators linked to IFRS

- Change indicator from "EV" to IFRS-based "CE"

Commit to shareholder value

- Commit to stock price target
- **Introduce stock compensation plan for employees (Nov. 2024)**

Improve market liquidity

- Plan transition to TSE Prime Market by around 2025

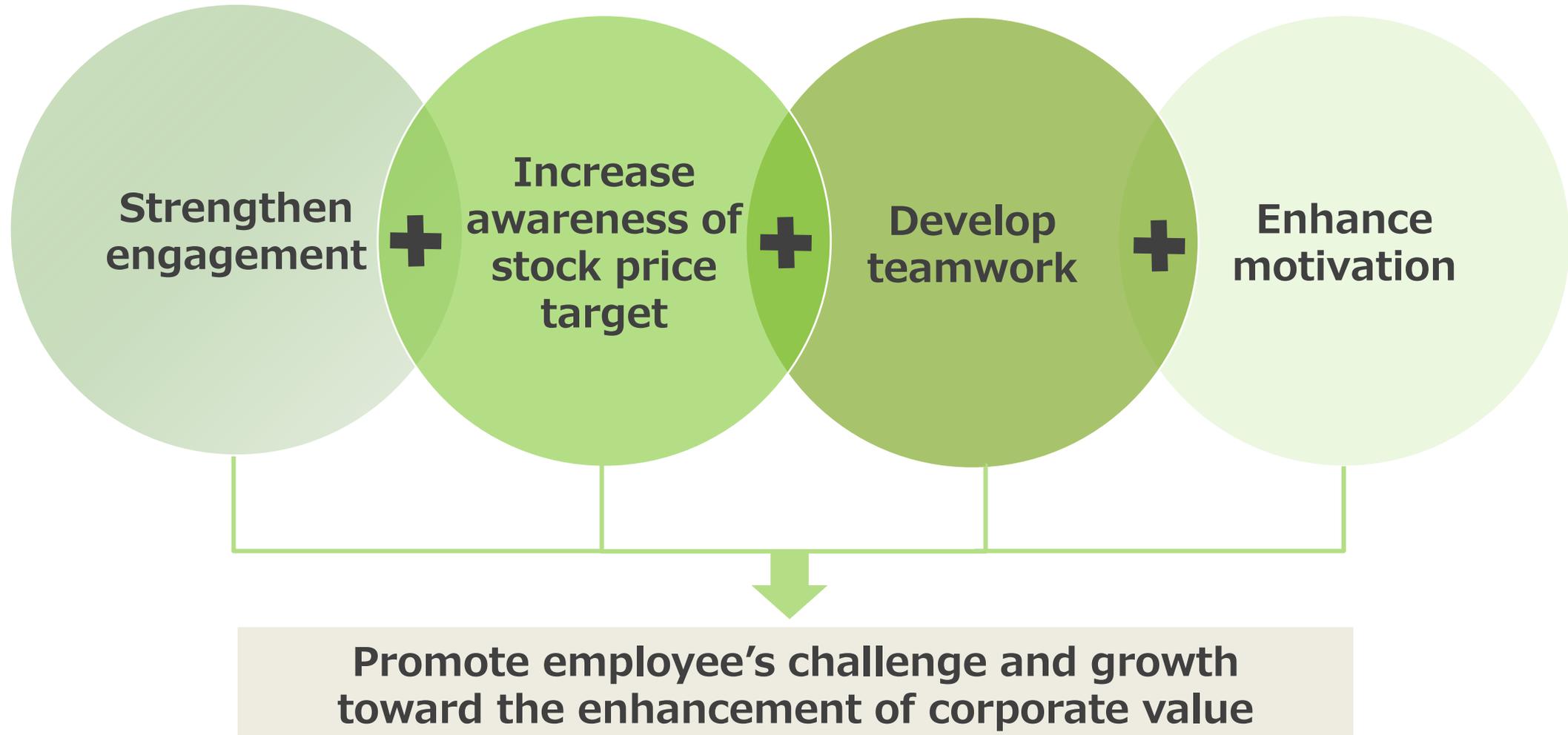
Strengthen corporate governance

- Strengthen the Board of Directors as a Monitoring Board
- **Establish Sustainability Committee (Oct. 2024)**

1. Closing price as of November 13, 2024
 2. Price/EEV per Share before March 2023

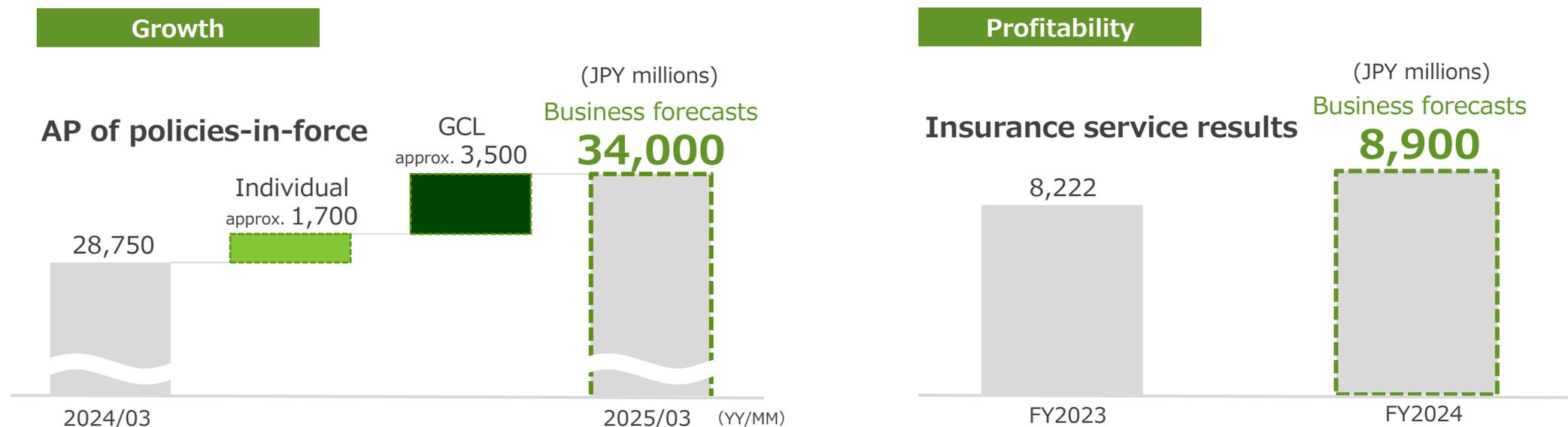
Introduction of Stock Compensation Plan for Employees

- Aim to align shareholder and employee interest and **invest in human capital to enhance corporate value**



Consolidated Business Forecasts for FY2024

■ Remains unchanged since May 2024

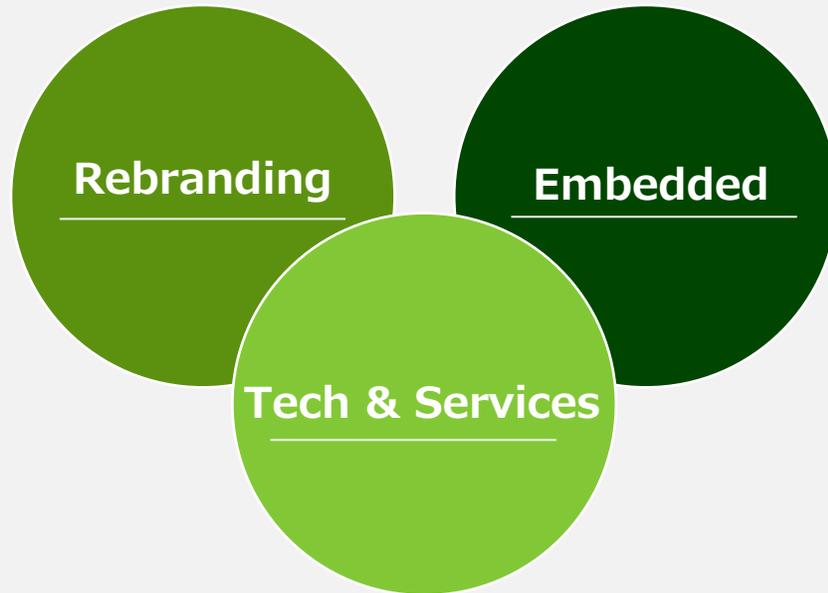


| | (JPY millions) | | |
|--------------------------------------------------|----------------|------------|-----------|
| | FY2023 | FY2024 | |
| | Results | 1H Results | Forecasts |
| Annualized premium of policies-in-force | 28,750 | 32,559 | 34,000 |
| Insurance revenue | 24,698 | 14,297 | 30,000 |
| Insurance service results | 8,222 | 4,565 | 8,900 |
| Net income attributable to owners of the Company | 5,734 | 3,152 | 6,200 |

FY2024-2028 Mid-term Business Plan

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

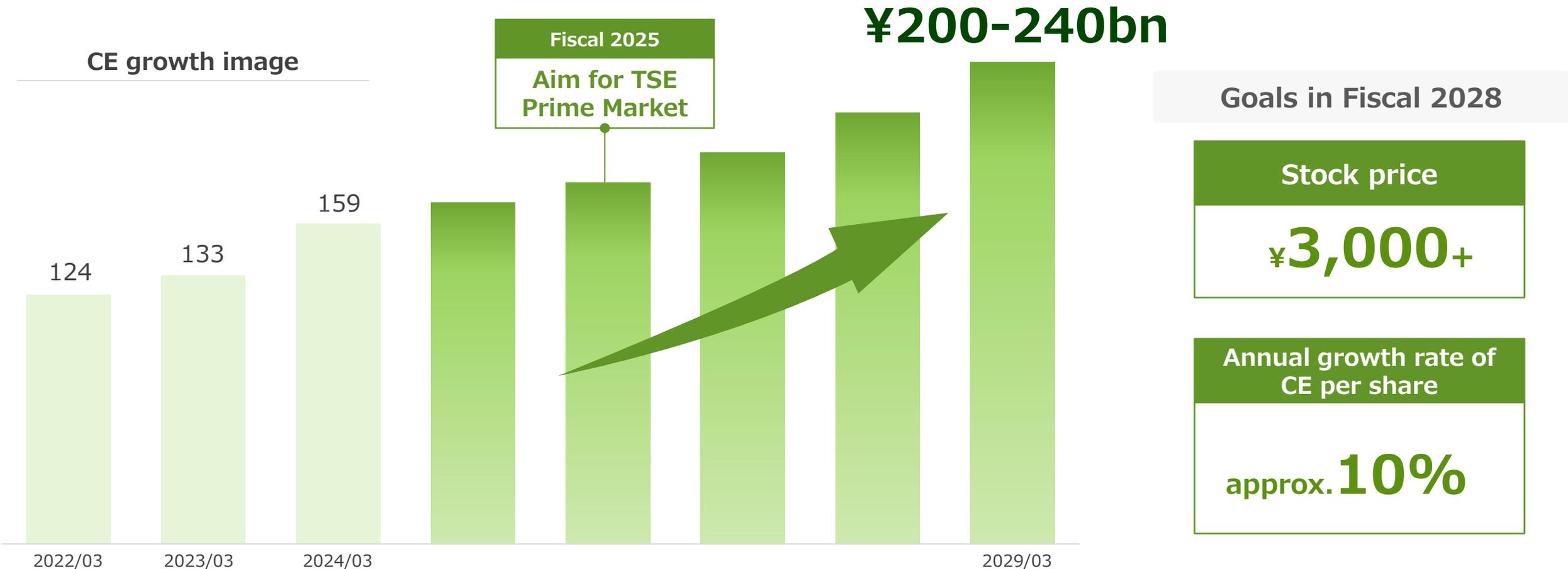
Ratio of decision-makers :
Women **30%+**, Under 30s **15%+**

Growth Opportunities

Engagement score (growth):
continuous improvement

Achieving Mid-term Business Plan

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



Comprehensible, Cost-Competitive, 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 helps our customers embrace life more fully.
In order to live out that vision, we continue to challenge ourselves.**



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LIFENET
LIFENET INSURANCE COMPANY

Appendix

Glossary 1



| Glossary | Explanation |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurance revenue | 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. |
| Insurance service expenses | 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. |
| Insurance service results | Insurance revenue less insurance service expenses, plus reinsurance results. |
| Financial results | 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). |
| Other results | 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. |
| CSM (Contractual Service Margin) | 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. |
| New business CSM | CSM at the time of acquisition of new contracts during the period. |
| Risk adjustment | 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 |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Comprehensive Equity (CE) | 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. |
| Group Credit Life Insurance (GCL) contracts value | 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. |
| Premium Allocation Approach (PAA) | 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. |
| Insurance acquisition cash flows (IACF) | 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. |
| Maintenance expenses | 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. |

Breakdown of Policies-in-Force

| | 2023/09 | 2024/09 | Component ratio |
|------------------------------------------------------------------------|-----------|------------------|-----------------|
| Number of policies-in-force | 582,784 | 618,039 | 100% |
| - Term Life | 284,123 | 301,426 | 49% |
| - Whole-life Medical | 159,705 | 168,639 | 27% |
| - Long-term Disability | 68,638 | 70,713 | 11% |
| - Cancer | 62,899 | 70,157 | 11% |
| - Other ¹ | 7,419 | 7,104 | 1% |
| Sum insured of policies-in-force² (JPY millions) | 3,708,366 | 3,882,078 | |
| Number of policyholders | 370,017 | 391,284 | |

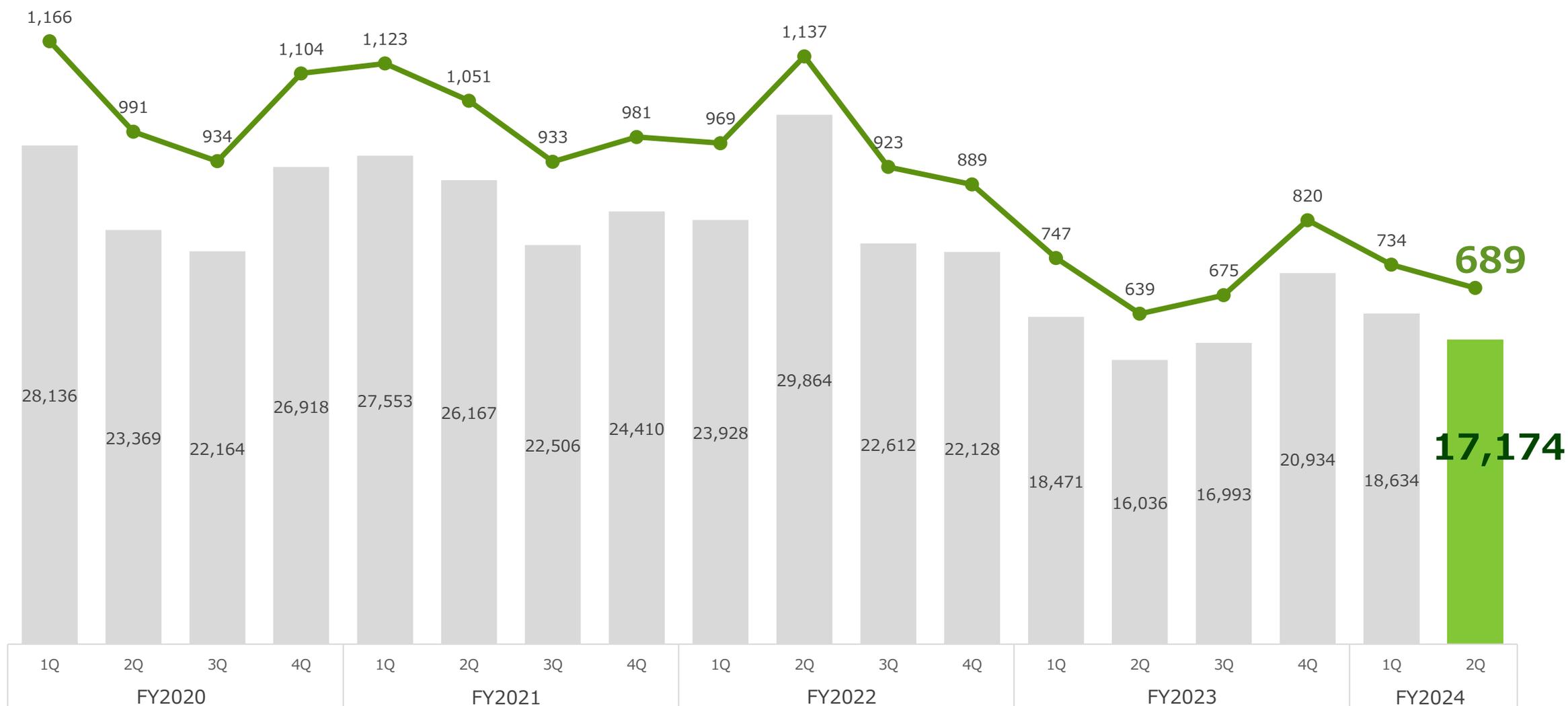
1. Term Medical Care and Dementia

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

■ :AP¹ of new business (JPY millions)

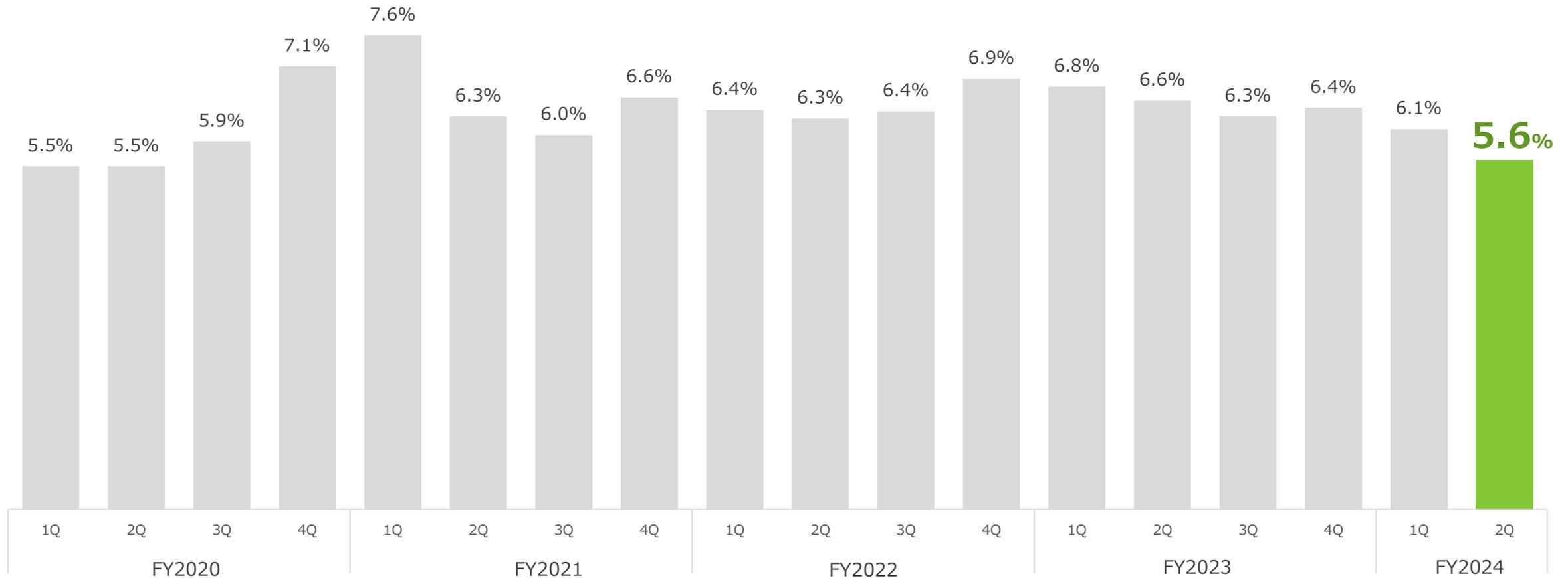
■ :Number of new business



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

■ : Surrender and lapse ratio¹ (%)

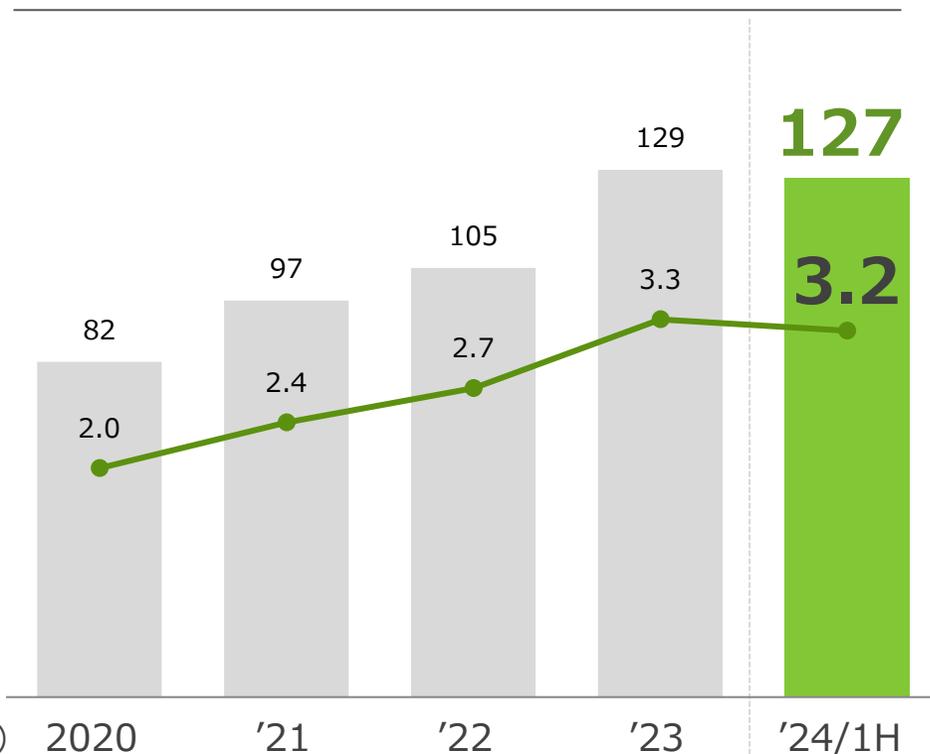


1. The surrender and lapse ratio is the annual equivalent of the monthly number of policies surrendered and/or lapsed divided by the monthly average number of policies-in-force.

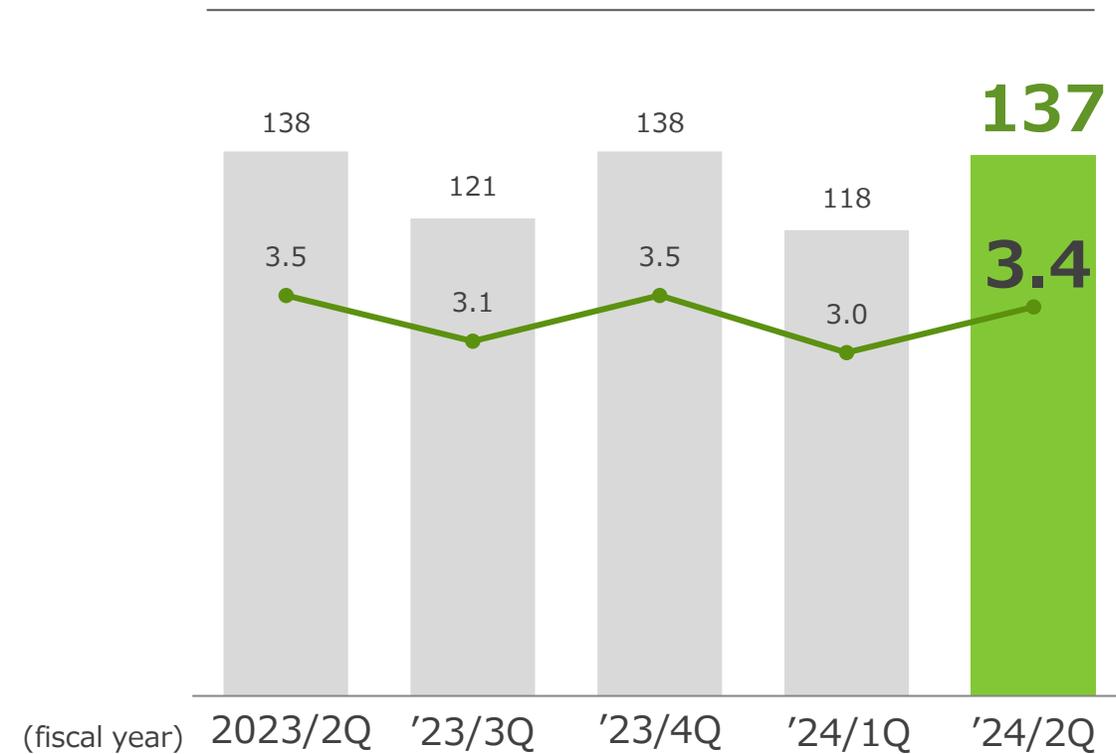
Insurance Acquisition Cash Flows (IACF) Efficiency

-  :Insurance acquisition cash flows / AP of new business
-  :Insurance acquisition cash flows per new business (JPY thousands)

Fiscal year¹



Quarter



| IACF (JPY millions) | 8,339 | 9,854 | 10,390 | 9,377 | 4,575 |
|---------------------|-------|-------|--------|-------|-------|
|---------------------|-------|-------|--------|-------|-------|

| IACF (JPY millions) | 2,222 | 2,072 | 2,904 | 2,210 | 2,364 |
|---------------------|-------|-------|-------|-------|-------|
|---------------------|-------|-------|-------|-------|-------|

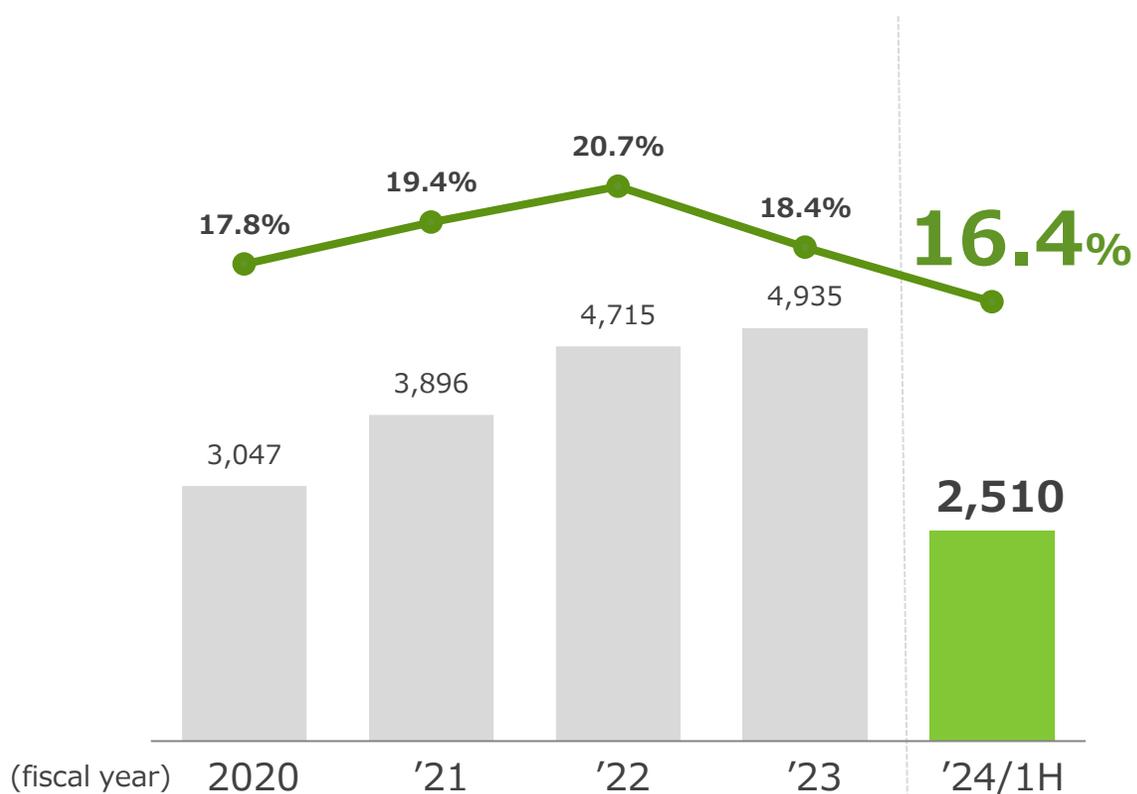
1. Figures for FY2021 and earlier are for reference use only as they are before date of transition to IFRS.

Operating Expenses Ratio¹

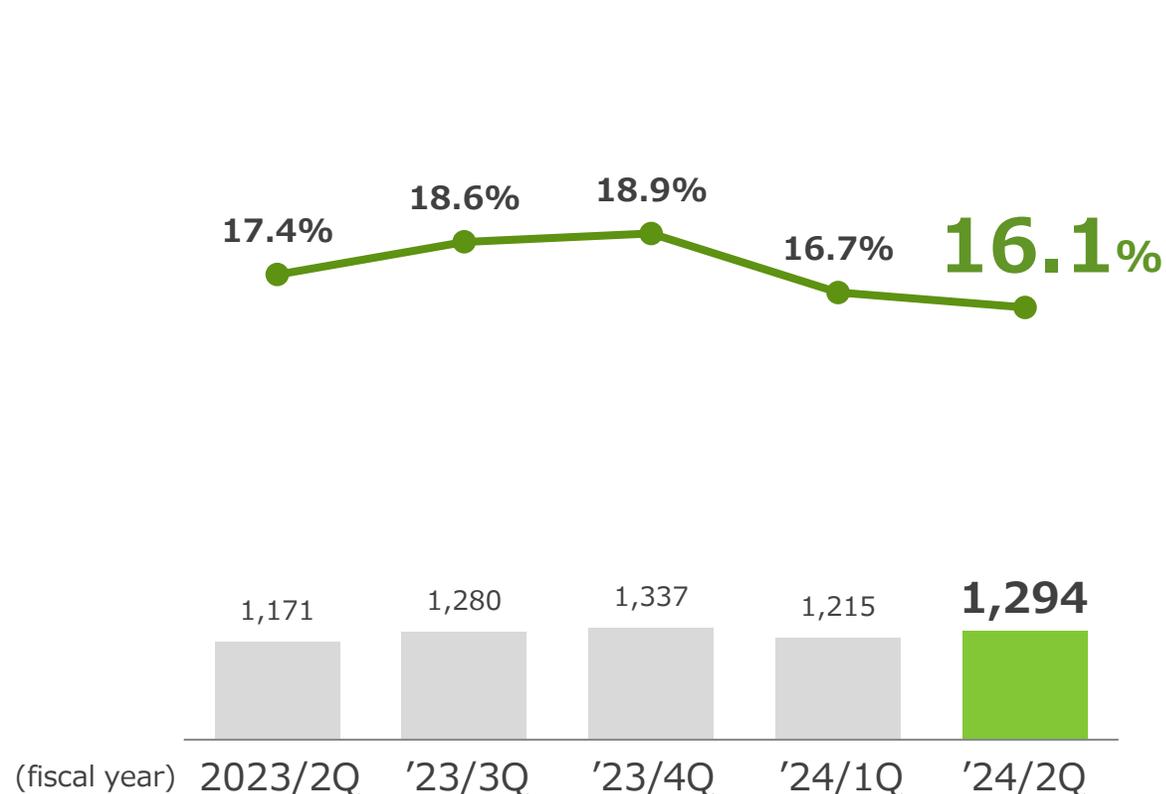
■ : Operating Expenses Ratio (%)

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

Fiscal year²



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.

(JPY millions)

| Items | 2023/2Q | 2023/3Q | 2023/4Q | 2024/1Q | 2024/2Q | Note |
|---------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|-------------------------------------------------------------------|
| Insurance service results | 1,813 | 2,186 | 1,947 | 2,340 | 2,224 | |
| Expected claims minus incurred claims ¹ | (104) | 331 | 189 | 46 | (19) | Decreased due to increase in claim payments for individual life |
| Risk adjustment release | 438 | 397 | 407 | 391 | 405 | |
| CSM release | 1,758 | 1,755 | 1,864 | 1,864 | 1,834 | |
| Reinsurance results | (225) | (52) | 41 | (211) | (72) | Improved due to increase in claim payments for GCL and individual |
| Results from GCL ² | (4) | (217) | (445) | 272 | 175 | Claim payments increased despite premium revision |
| Financial results³ | (300) | 209 | 279 | 338 | (395) | Due to the recording of exchange loss from strong yen |
| Other results | (108) | (106) | (191) | (57) | (71) | |
| Profit before tax | 1,404 | 2,289 | 2,035 | 2,621 | 1,757 | Due to decrease in financial results |
| Net income attributable to owners of the Company | 993 | 1,606 | 1,368 | 1,887 | 1,265 | |

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 |
|------------------------------------|--------------------|---------------|---------------|
| | (Ref.) Fiscal Year | 1 H | 1 H |
| Insurance revenue | 24,698 | 11,766 | 14,297 |
| Expected claims | 10,464 | 5,177 | 5,447 |
| Risk adjustment release | 1,678 | 872 | 797 |
| CSM release | 7,056 | 3,435 | 3,699 |
| Recovery of IACF | 3,647 | 1,765 | 2,008 |
| Others | (150) | (81) | (40) |
| Premium income of GCL ¹ | 2,004 | 595 | 2,385 |
| Insurance service expenses | 16,081 | 7,294 | 9,448 |
| Incurred claims (Individual life) | 9,679 | 4,914 | 5,421 |
| Incurred claims (GCL) | 2,671 | 600 | 1,937 |
| Amortization of IACF | 3,647 | 1,765 | 2,008 |
| Others | 83 | 14 | 81 |
| Reinsurance results | (394) | (383) | (283) |
| Insurance service results | 8,222 | 4,088 | 4,565 |

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

Impact from Rising Interest Rates

■ Impact on Comprehensive Equity and net income is limited

Impact on corporate value & net income

- CE : Sensitivity to interest rate changes in IFRS equity is limited due to protection type products line-up (See page 34 for details)
- IFRS-based net income : By shortening the duration of yen bonds and holding them in "OCI" in B/S, **the impact on financial results is mitigated**

Opportunity for interest income

- **Stable interest income is expected** from high turnover asset management of short duration bonds

Breakdown of Financial Results

- Decreased by exchange loss from strong yen while **interest income rose due to increased foreign securities**

(JPY millions)

| Items | FY2023/1H | FY2024/1H | Change |
|---------------------------------------------|-------------|-------------|--------------|
| Investment results | 116 | (9) | (126) |
| Interest income | 151 | 467 | 315 |
| Impairment losses on financial assets, net | (1) | (3) | (2) |
| Other investment income | (33) | (473) | (439) |
| Insurance finance income (expense) | (58) | (56) | 1 |
| Reinsurance finance income (expense) | 7 | 9 | 1 |
| Financial results | 66 | (57) | (123) |

Detail of Bond Portfolio¹

As of September 30, 2024

(JPY millions)

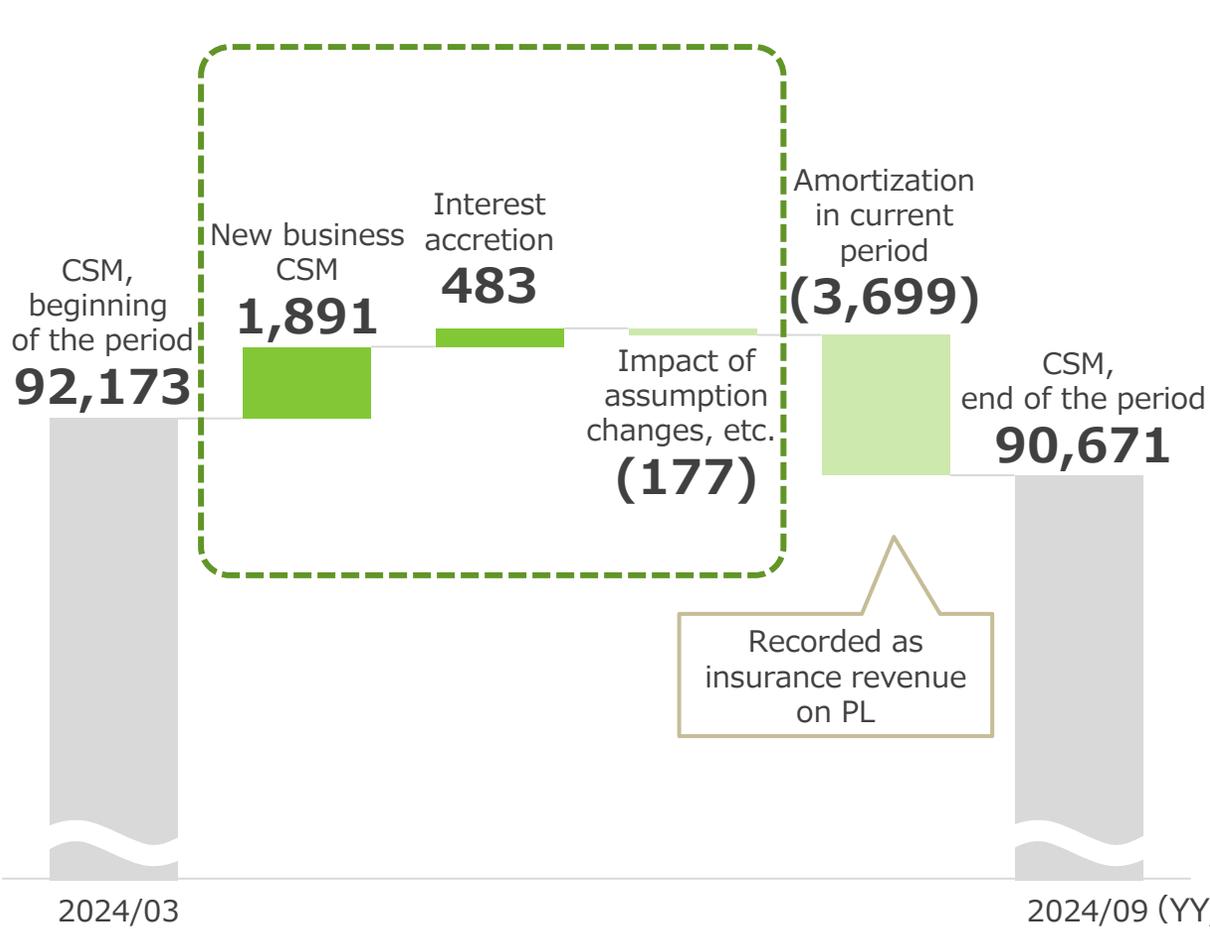
| | Available-for-Sale | Held-to-Maturity | Total |
|-------------------------------|--------------------|------------------|---------------|
| JPY Bonds | 17,573 | 30,926 | 48,499 |
| Duration ² | 4 years | 7 years | 6 years |
| Foreign Currency Bonds | 10,866 | — | 10,866 |
| Duration ² | | | 4 years |
| Non-Currency Hedged | 348 | — | 348 |
| Currency Hedged | 10,518 | — | 10,518 |

1. Based on J-GAAP balance sheet

2. Calculated by Lifenet

CSM Movement

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



(JPY millions)

| Items | FY2023 | FY2024/1H |
|------------------------------|---------|-----------|
| CSM, beginning of the period | 83,604 | 92,173 |
| New business CSM | 3,473 | 1,891 |
| Interest accretion | 842 | 483 |
| Assumption changes, etc. | 11,309 | (177) |
| Amortization of CSM | (7,056) | (3,699) |
| CSM, end of the period | 92,173 | 90,671 |

2024/03

2024/09 (YY/MM)

CSM Future Allocation

- 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 Sep. 2024 (A) | 90.6 | 7.1 | 6.8 | 6.5 | 6.2 | 5.9 | 57.8 |
| | | | | | | | | | |
| 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 Analysis¹

■ Impacts of changes in assumptions (sensitivities)

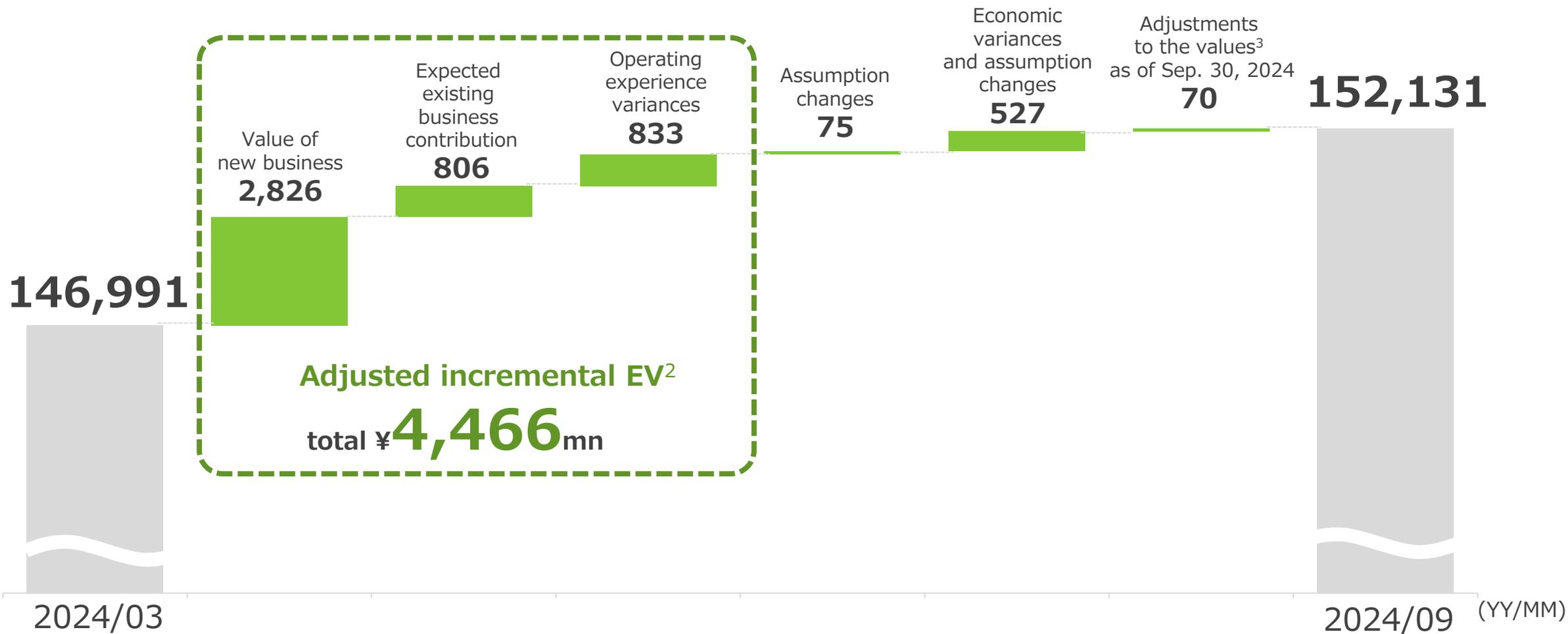
| | Changes in Comprehensive Equity (CE) as of September 30, 2024 | | | |
|--------------------------------------------------------|------------------------------------------------------------------|---------------|-----------|-----------------------------------------|
| | (JPY millions) | Changes in CE | % changes | Of which changes in CSM ² |
| Comprehensive Equity as of September 30, 2024 | | 164,974 | — | 61,053 |
| 0.5% increase in risk-free rate | | (3,781) | (2.3%) | — |
| 0.5% decrease in risk-free rate | | 4,317 | 2.6% | — |
| 10% decrease in equity and real estate value and other | | (396) | (0.2%) | — |
| 10% decrease in operating expenses rate | | 6,160 | 3.7% | 5,134 |
| 10% decrease in surrender and lapse rate | | 1,708 | 1.0% | 1,462 |
| 5% decrease in claim incidence rates for life business | | 6,561 | 4.0% | 6,678 |
| 10% decrease in non-renewal rate | | 5,705 | 3.5% | 5,705 |

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 (28%) adjusted.

Changing Factors of EEV¹

(JPY millions)



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.

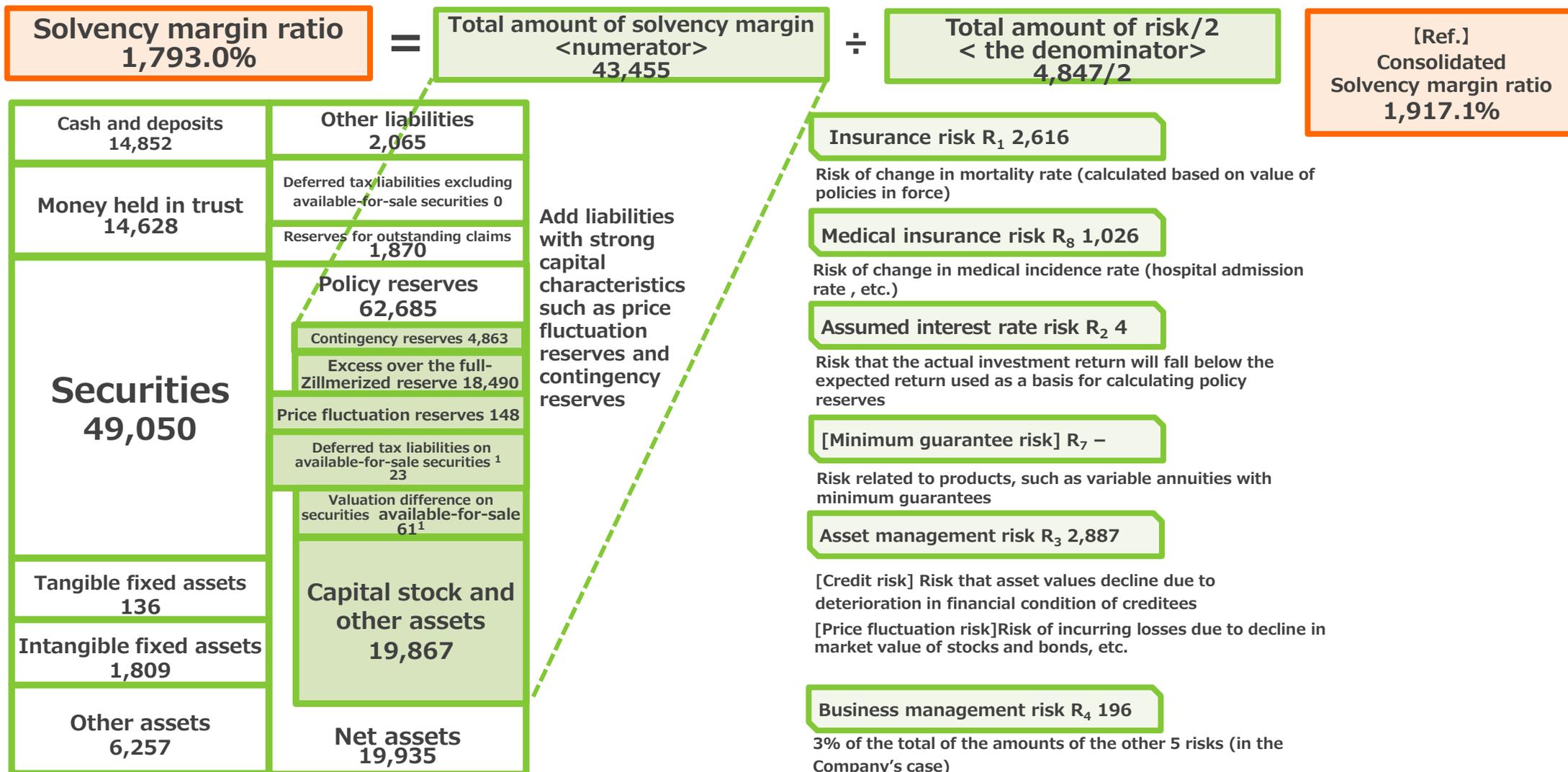
2. Adjusted Incremental EV accurately indicates our business growth during a certain period within increase in EEV.

3. Item for change in capital

Solvency Margin Ratio Calculation

As of September 30, 2024

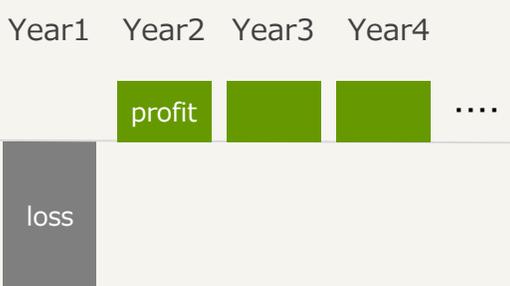
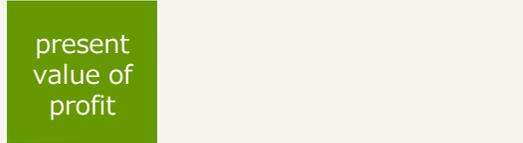
$(\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4) / 2$ (JPY millions)



1. 90% of the valuation difference on available-for-sale securities and deferred gains or losses on hedges (pre-tax) (if negative, 100%)
2. Items that do not apply to the Company or for which the amount is minimal have been omitted, except for certain bracketed items.

IFRS Reporting

- 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>The expected profit for the policy period is <u>immediately</u> recognized.</p>  | <p>The expected profit is allocated <u>over the term of the policy.</u></p>  |

Summary J-GAAP P/L & B/S

(JPY millions)

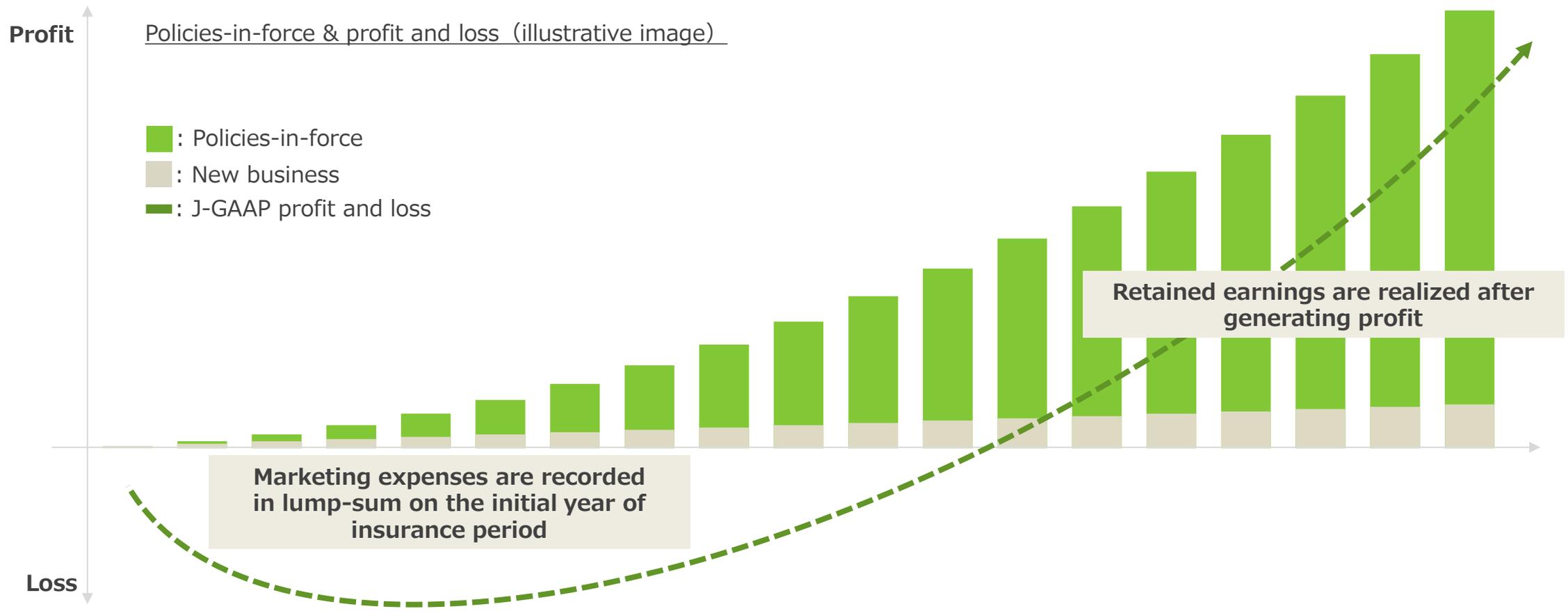
(JPY millions)

| Items | FY2023 | FY2023/1H | FY2024/1H | Items | FY2023 | FY2024/1H |
|-----------------------------------------|----------------|----------------|----------------|---------------------------|---------------|---------------|
| Ordinary income | 35,964 | 16,403 | 20,291 | Total assets | 84,194 | 86,734 |
| Insurance premiums and other | 34,264 | 16,106 | 19,942 | Cash and deposits | 20,009 | 14,852 |
| Ordinary expenses | 40,634 | 19,124 | 22,074 | Money held in trust | 13,358 | 14,628 |
| Insurance claims and other | 15,547 | 6,869 | 10,079 | Securities | 42,992 | 49,050 |
| Provision for policy reserves and other | 9,472 | 5,322 | 4,131 | Total liabilities | 63,130 | 66,798 |
| Operating expenses | 12,607 | 5,970 | 6,278 | Policy reserves and other | 60,469 | 64,556 |
| Ordinary profit (loss) | (4,670) | (2,720) | (1,782) | Total net assets | 21,063 | 19,935 |
| Net income (loss) | (4,720) | (2,737) | (1,793) | Retained earnings | (31,643) | (33,437) |

Dividend Policy



- Aim for the increase in total shareholder return by capital gain¹



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.