

Securities Code: 7157  
TSE Growth



# Presentation Material for Investors Third Quarter for Fiscal 2024

**LIFENET INSURANCE COMPANY**  
**February 12, 2025**

# Cumulative 3Q for Fiscal 2024 Key Highlights

## Key Indicators

### Corporate Value

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

**¥165,229**mn

(YoY 105.8%)

### Growth

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

**¥33,348**mn

(YoY 119.6%)

### Profitability

**Insurance service  
results**

**¥7,193**mn

(YoY 114.6%)

## Notable Achievements

- **Ranked No.1 in the Oricon Customer Satisfaction Survey as the leading online life insurance company**
- **Newly launched "Term" medical insurance successfully reaching young generations**
- **Started to offer "Insurance with V-points" to a new customer base, as part of our collaboration with the SMBC Group**

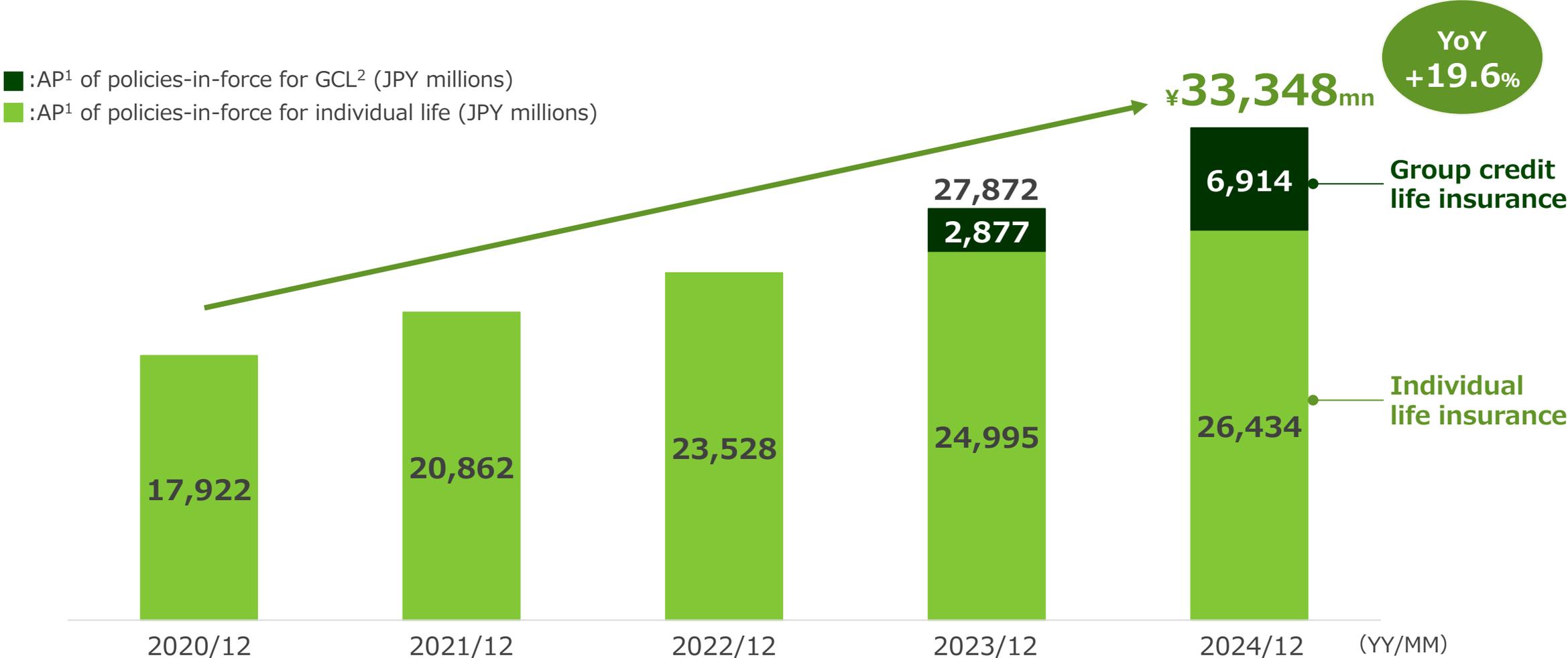
1. Comprehensive Equity is an indicator defined by the Lifenet Group. It is the sum of "Equity (attributable to owners of the Company)" on the IFRS consolidated statement of financial position (B/S), "CSM", a liability representing unearned profit that the Group expects to earn as it provides insurance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

# Annualized Premium of Policies-in-Force



■ Resulted in ¥33,348mn and achieved significant growth of 19.6% YoY

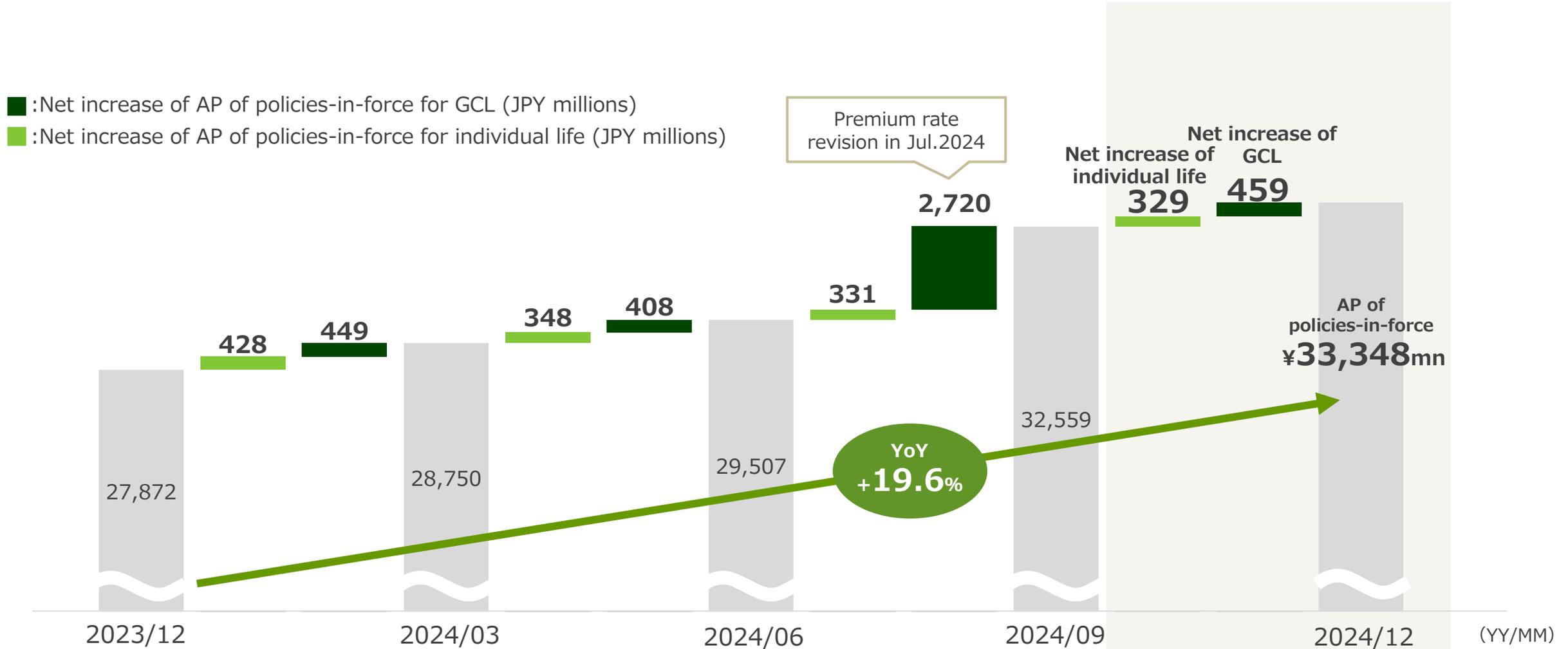


1. AP stands for Annualized premium (The same will apply hereafter)  
 2. GCL stands for Group Credit Life Insurance

# Policies-in-Force Movement



■ Despite individual life being sluggish, **GCL continued steady growth**



# Summary IFRS P/L

- Insurance service results and net income resulted in **¥7,193mn** and **¥4,956mn**, respectively

(JPY millions)

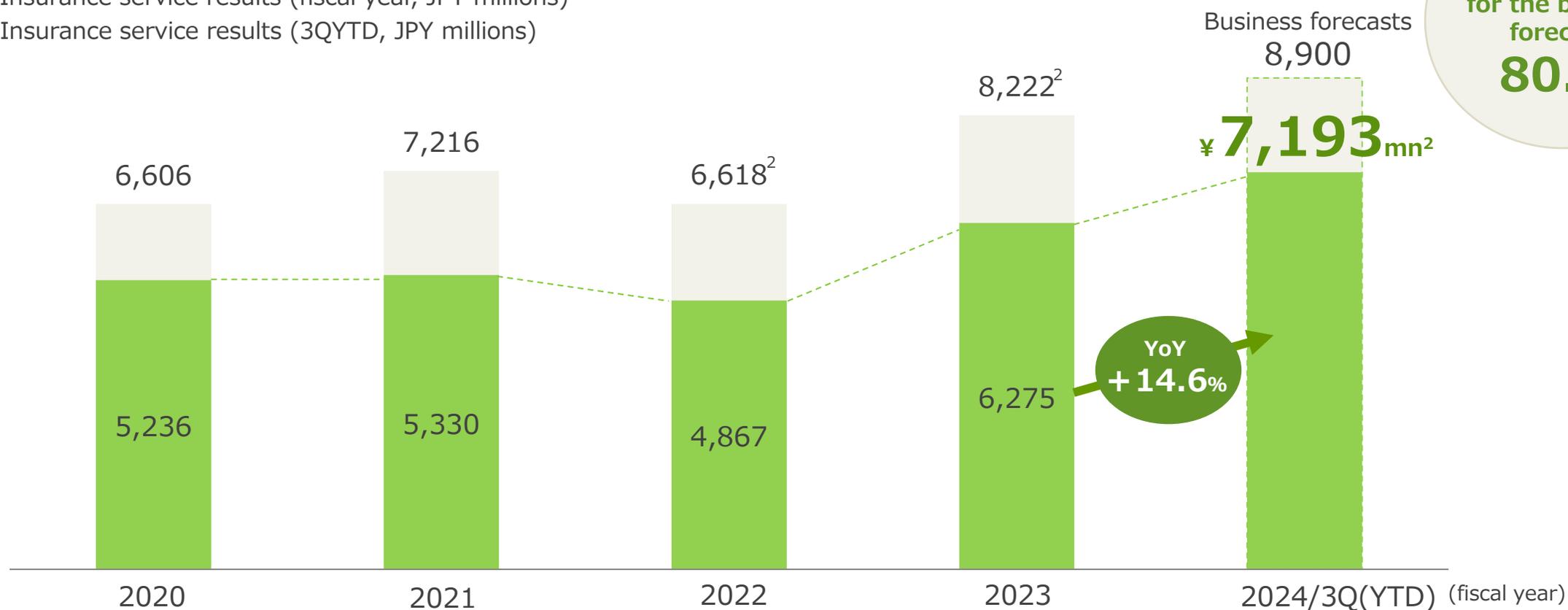
Items	FY2023/3Q (YTD)	FY2024/3Q (YTD)	Change
Insurance service results	6,275	7,193	918
Financial results <sup>1</sup>	276	(67)	(343)
Other results	(335)	(241)	93
Profit before tax	6,215	6,884	668
Net income attributable to owners of the Company	4,365	4,956	591

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

## ■ Progress steadily at 80.8% of business forecasts

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

■ : Insurance service results (3QYTD, JPY millions)



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

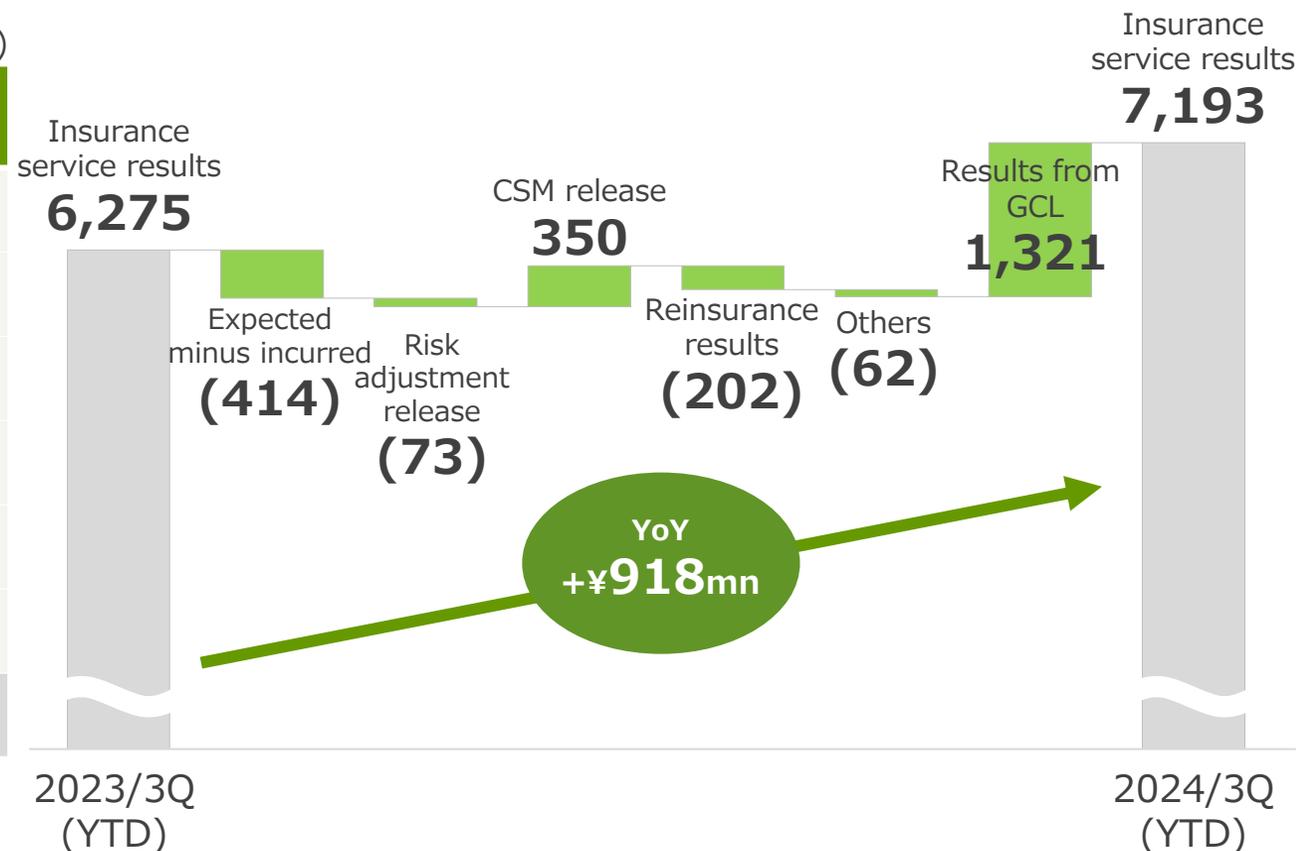
2. COVID-19 related claims was ¥1,378mn in FY2022 and ¥36mn in FY2023. It is also included in FY2024, but detailed calculation has not been performed.

# Insurance Service Results Analysis

## ■ Achieved profit growth of 14.6% YoY by CSM release and GCL results

(JPY millions)

Items	FY2023/3Q (YTD)	FY2024/3Q (YTD)	Change
Expected claims minus incurred claims	594	179	(414)
Risk adjustment release	1,270	1,196	(73)
CSM release	5,191	5,542	350
Reinsurance results	(435)	(637)	(202)
Others	(123)	(186)	(62)
Results from GCL <sup>1</sup>	(221)	1,100	1,321
<b>Insurance service results</b>	<b>6,275</b>	<b>7,193</b>	<b>918</b>



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 FY2028

European Embedded Value (EEV)

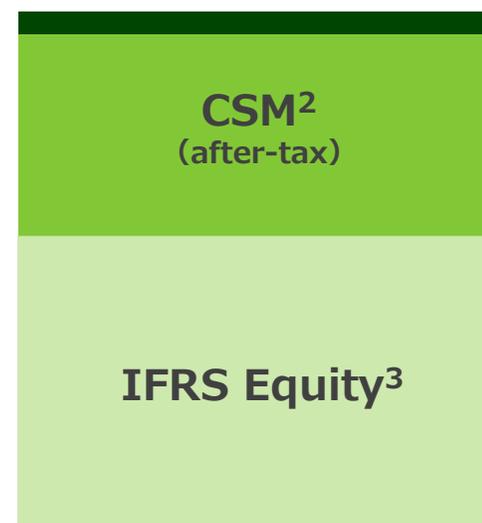


Conceptually similar



Comprehensive Equity (CE)

GCL contracts value<sup>1</sup>



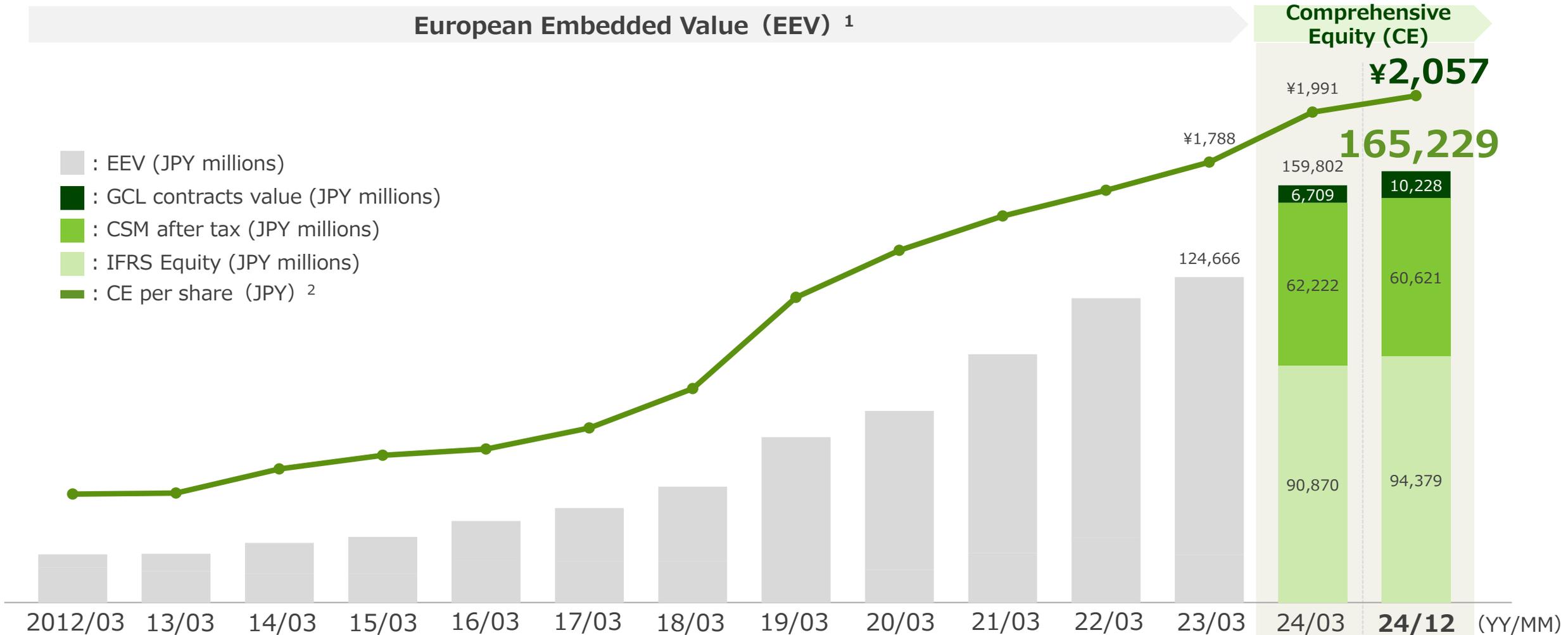
1. The value of future IFRS earnings for GCL policies-in-force (PAA applied) including future renewals as of the valuation date.

2. Aggregation of insurance contracts and reinsurance contracts with tax effect (28%) adjusted.

3. Attributable to owners of the Company

# Movement of Management Indicators

## Strongly growing at a CAGR of 19% since IPO

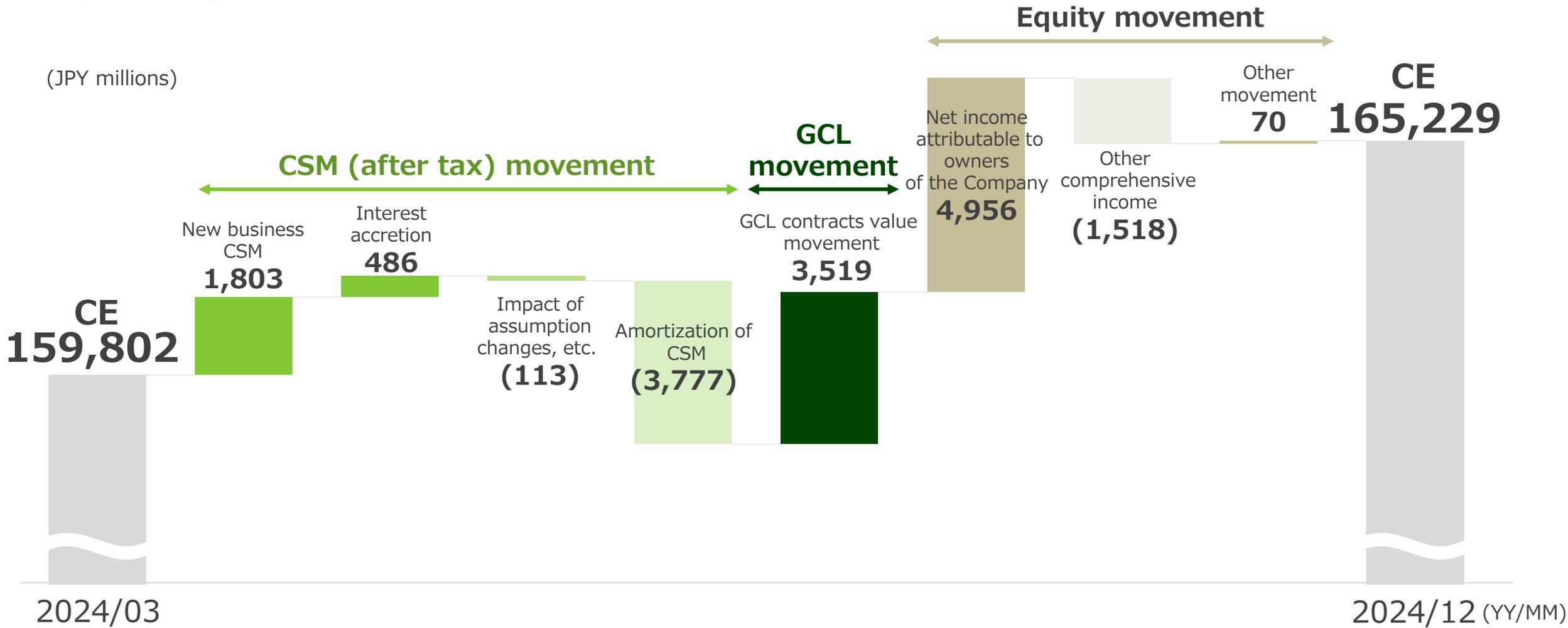


1. Lifenet's EEV is calculated following the EEV Principles and Guidance and in terms of allowance for risk, MCEV Principles (The European Insurance CFO Forum Market Consistent Embedded Value Principles©) is referred. From fiscal 2016 onward, a predetermined ultimate forward rate has been used to extrapolate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

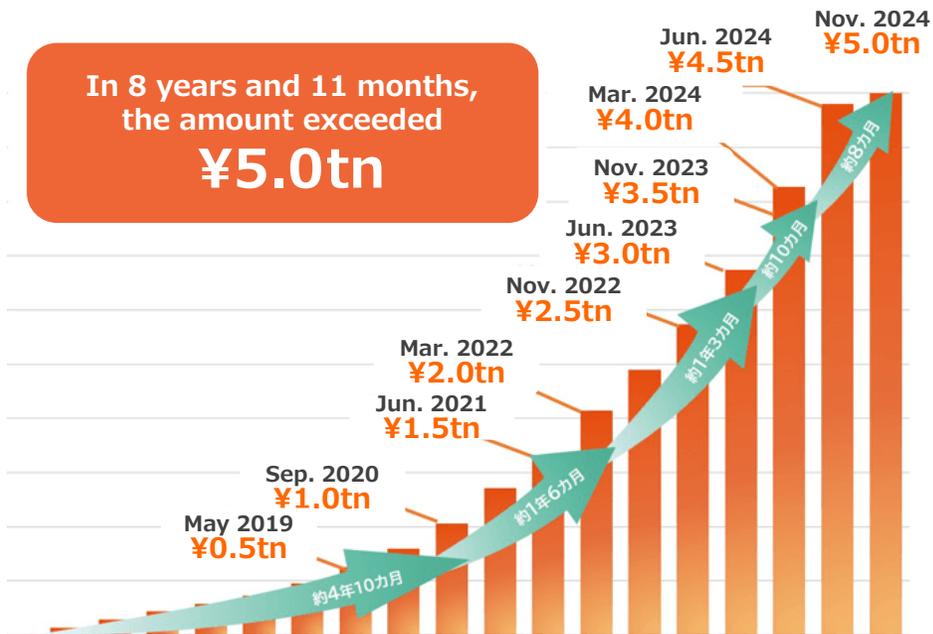
# Changing Factors of Comprehensive Equity (CE)

- Increased due to GCL contracts value and net income, though affected by rising interest rates



- Aim to further contribute to key indicators with the launch of new product, GCL for joint mortgage in January 2025

## au Jibun Bank's rapid growth of mortgage loan



## Contribution to key indicators (as of Dec. 2024)

Comprehensive Equity

¥ **10,228**mn<sup>1</sup>

AP of policies-in-force

¥ **6,914**mn<sup>2</sup>

Insurance service results

¥ **1,100**mn<sup>3</sup>

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

- **Leading online life insurer** ranked No.1 in life insurance overall as well



Oricon® Customer Satisfaction Survey<sup>1</sup>

**Life Insurance**  
**Overall No.1**

Achieved the overall No.1 ranking for the third time

- Application Procedure
- Product Coverage
- Insurance Premium
- After-sales Service



Oricon® Customer Satisfaction Survey<sup>1</sup>

**Online Life Insurance**  
**No.1**

- Ranked No.1 in the newly established "Online Life Insurance Category"
- Convenient services were evaluated

# New Product Launch



## Newly launched "Term" medical insurance successfully reaching younger generations

Launched in Oct. 2024



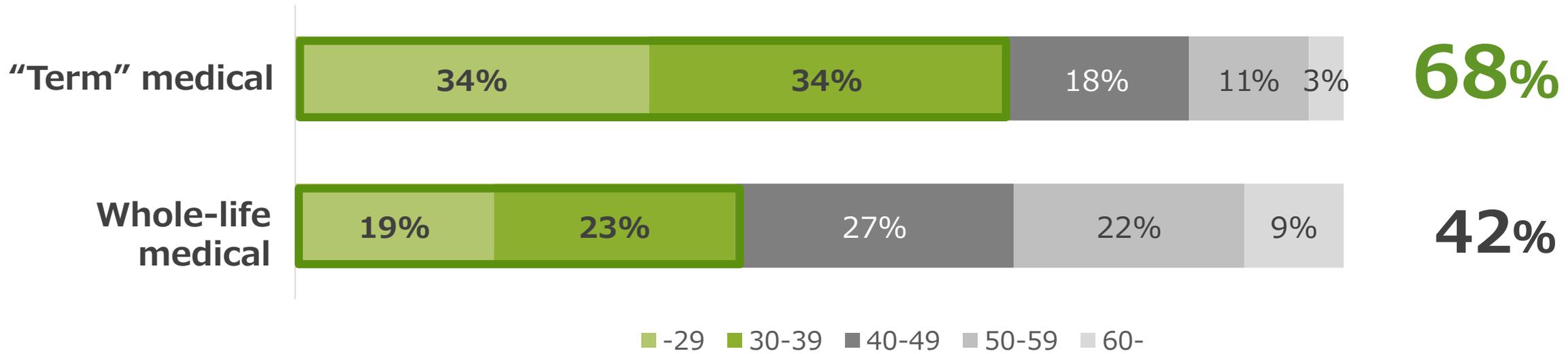
Term Medical  
*Jibun Z*



Term Medical  
*Jibun Z for Women*

Number of new policies by age group<sup>1</sup>

% of under 30s



1. Lifenet Insurance new business data (from October 2024 to December 2024)

# Progress in Partner Business

Rebranding

Tech & Services

Embedded



## ■ Promoting collaboration with partners with a large customer base, strong brand and rich data



Approx. ¥5tn<sup>1</sup> mortgage loan execution amount

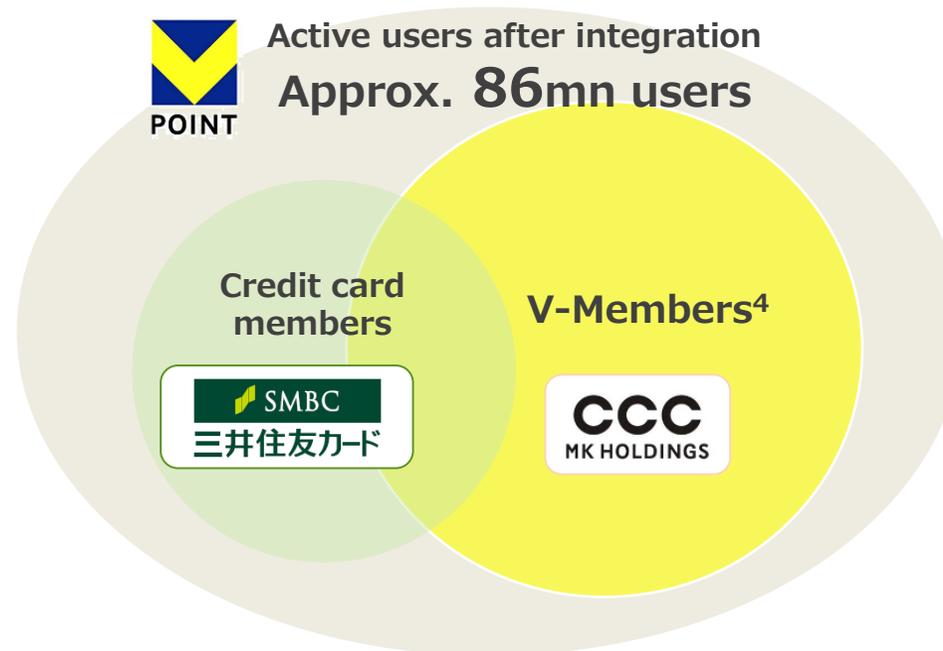
Started offering GCL for joint mortgage from Jan. 2025



Approx. 37mn<sup>2</sup> au PAY members

Became a sales agent from Jan. 2025

Started to offer "Insurance with V-points" to a new customer base from Feb. 2025<sup>3</sup>



Improved UX in the app to strengthen service for insurance reviewer

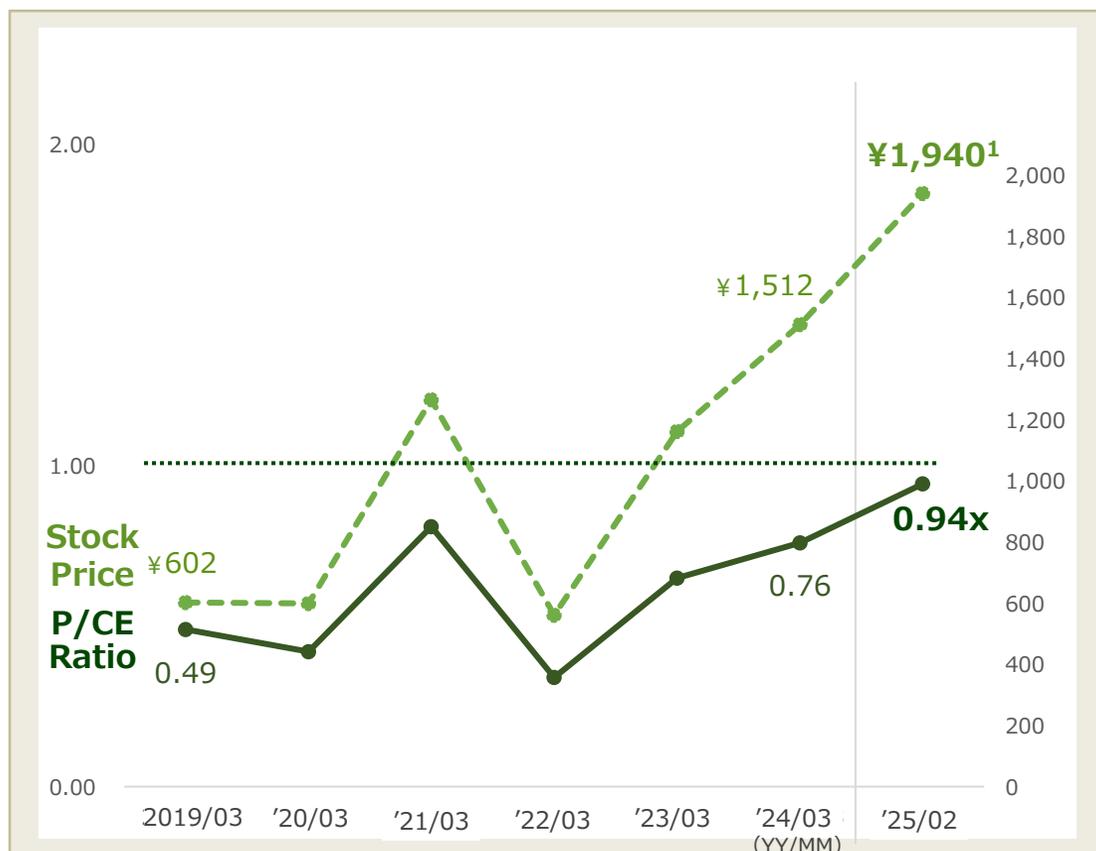


1. As of November 2024  
2. As of the end of December 2024, Fiscal Year Ending March 31, 2025 Q3 Financial Results, 2025 KDDI Corporation  
3. V-Points and T-Points have been integrated since April 2024  
4. V-Members stands for ex-T-Points members

# 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 improvement

**Adopt corporate value indicators linked to IFRS**

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

**Commit to shareholder value**

- Commit to stock price target
- Introduced stock compensation plan for employees

**Improve market liquidity**

- Plan transition to TSE Prime Market by around 2025

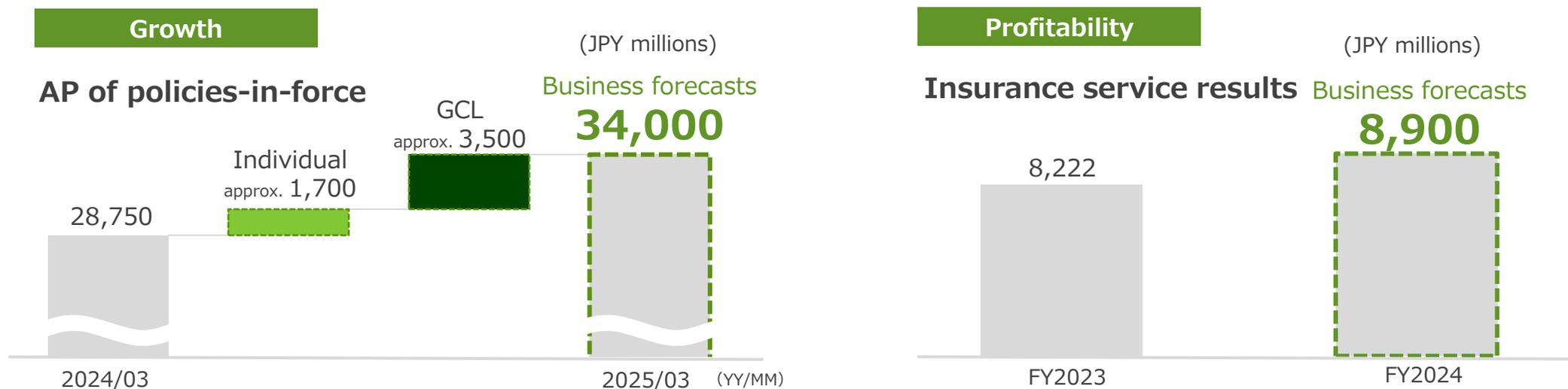
**Strengthen corporate governance**

- Strengthen the Board of Directors as a Monitoring Board
- Established Sustainability Committee

1. Closing price as of February 10, 2025  
 2. Price/EEV per Share before March 2023

# Consolidated Business Forecasts for FY2024

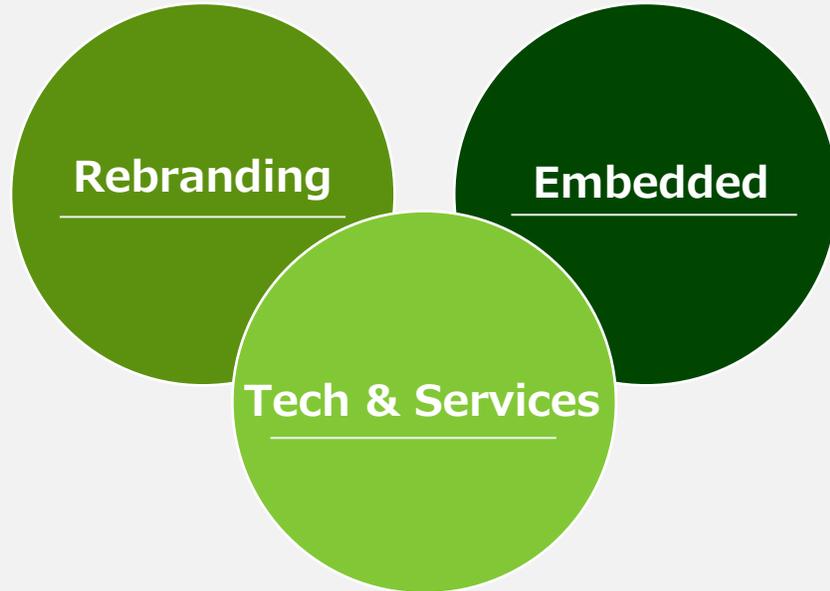
- **Remains unchanged** while corporate tax rate change may temporarily reduce net income by ¥600-700mn and CE by ¥1.5-2.0bn (See page 21)



	FY2023		FY2024	
	Results	3Q(YTD) Results	Results	Forecasts
Annualized premium of policies-in-force (JPY millions)	28,750	33,348	34,000	
Insurance revenue	24,698	22,041	30,000	
Insurance service results	8,222	7,193	8,900	
Net income attributable to owners of the Company	5,734	4,956	6,200	

## 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

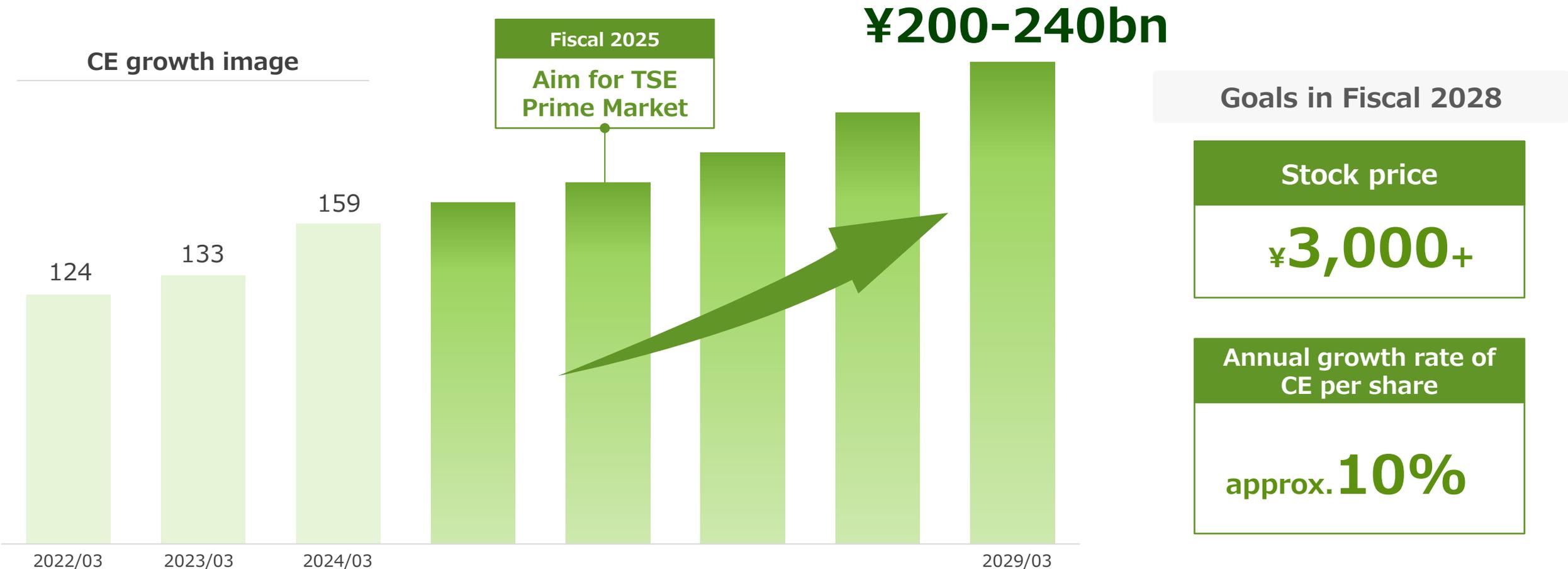
Ratio of decision-makers :  
Women **30%+**, Under 30s **15%+**

#### 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

# Impact of Change in the Effective Corporate Tax Rate

- If the special defense corporation tax is introduced in the Diet, the effective statutory tax rate is expected to rise from 28.0% to 28.9%
- While an impact on performance at the end of March 2025 is expected, **it is temporary and only for this period<sup>1</sup>**

## Impact on net income

- FY 2024 performance: If the effective tax rate changes, Deferred Tax Liability, which is a liability for future corporate tax payments, will increase due to recalculation at the new tax rate, and the increase of approximately ¥600-700mn<sup>2</sup> will temporarily depress net income
- FY 2025 and after: No downward pressure from the recalculation described above

## Impact on CE

- FY 2024 performance: In addition to the impact on net income described above, tax rate change in the future calculation of "CSM after tax" and "GCL contracts value," push down CE by approximately ¥1.5 to 2.0bn<sup>2</sup>

1. In case of the introduction of the special defense corporation tax, which is currently being considered by the National Diet of Japan, is approved. Deferred tax liabilities recorded in previous years will be recalculated using the new tax rate, and the increase will be recorded as a lump sum in income taxes expense in FY2024. There will be no impact from the recalculation in subsequent years.

2. Based on our projection as of the end of the December 2024, it is subject to change

# 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.

# Breakdown of Policies-in-Force

	2023/12	2024/12	Component ratio
<b>Number of policies-in-force</b>	590,097	<b>626,146</b>	<b>100%</b>
- Term Life	288,013	<b>304,831</b>	<b>49%</b>
- Whole-life Medical & Term Medical	161,384	<b>171,163</b>	<b>27%</b>
- Long-term Disability	69,074	<b>71,263</b>	<b>11%</b>
- Cancer	64,378	<b>71,812</b>	<b>11%</b>
- Other <sup>1</sup>	7,248	<b>7,077</b>	<b>1%</b>
<b>Sum insured of policies-in-force<sup>2</sup> (JPY millions)</b>	3,746,702	<b>3,918,668</b>	
<b>Number of policyholders</b>	374,671	<b>395,724</b>	

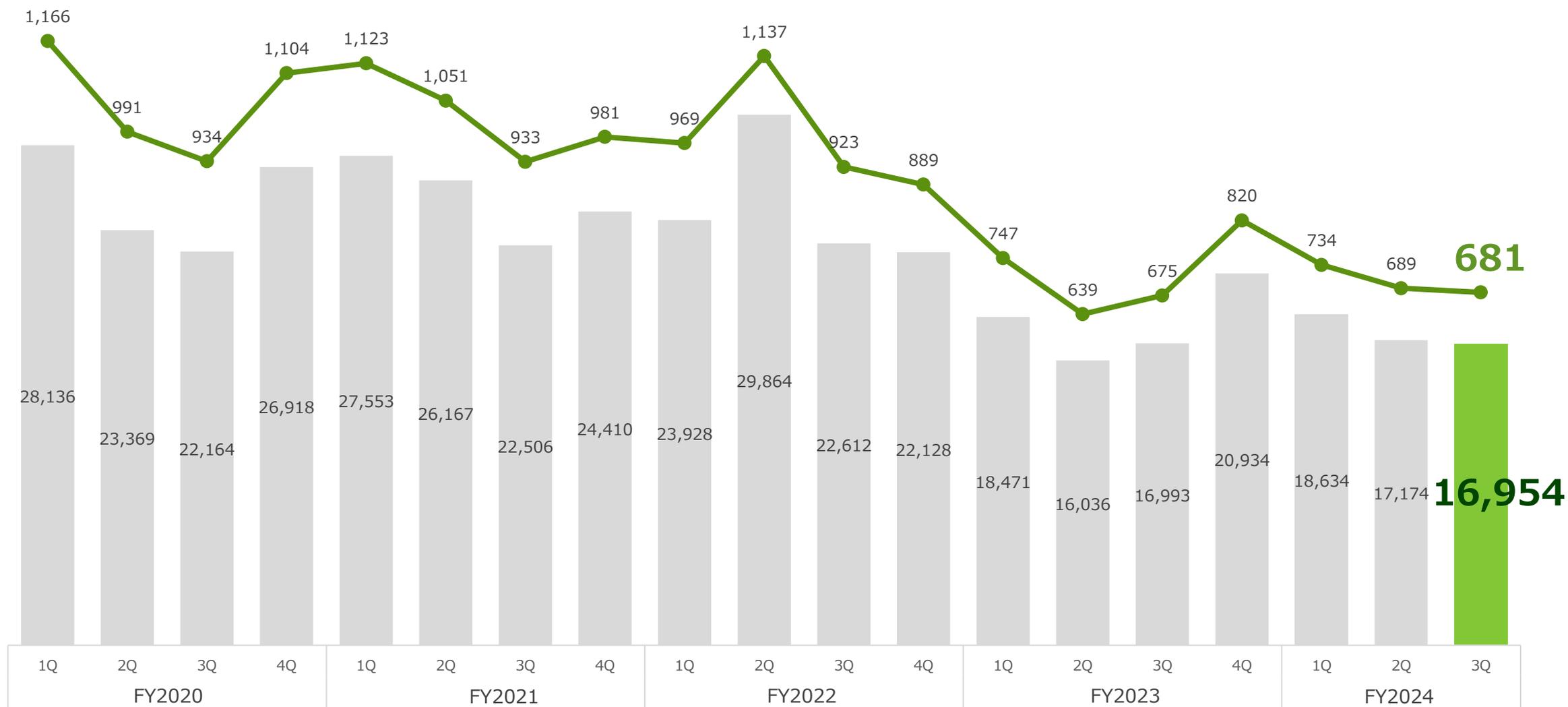
1. Term Medical Care and Dementia

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)

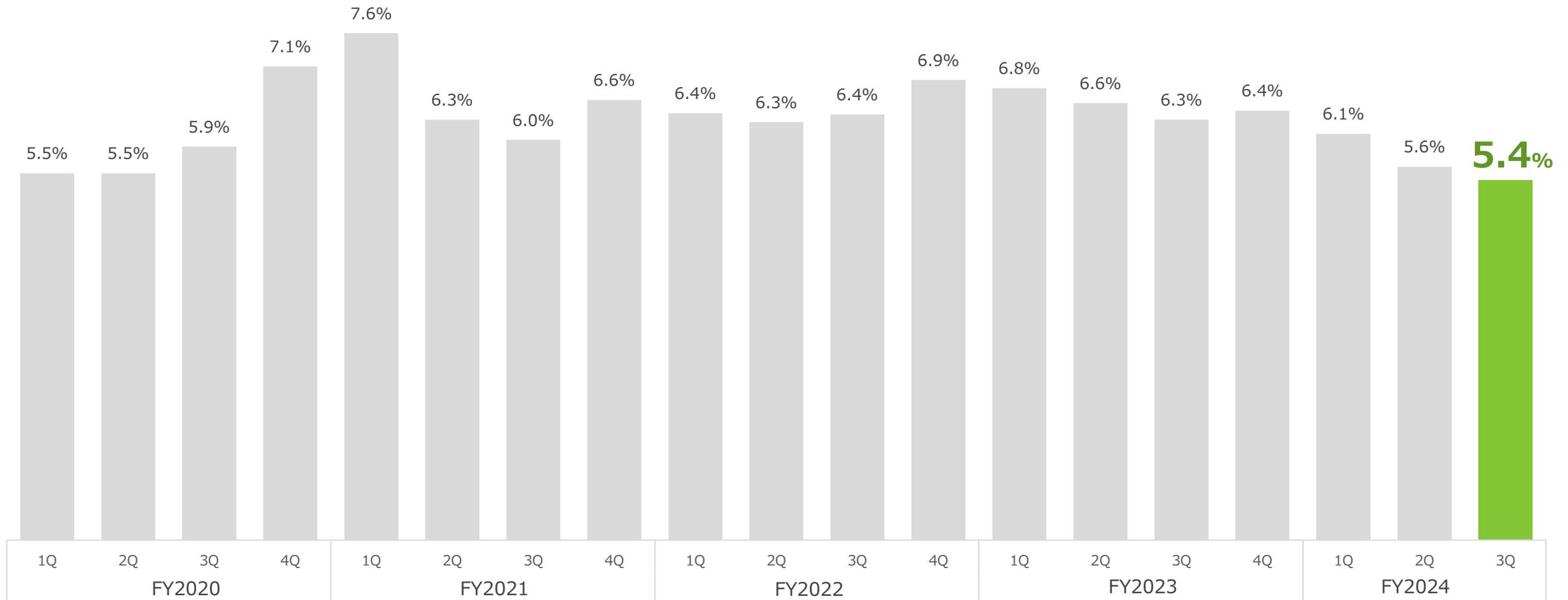
■ :Number of new business



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

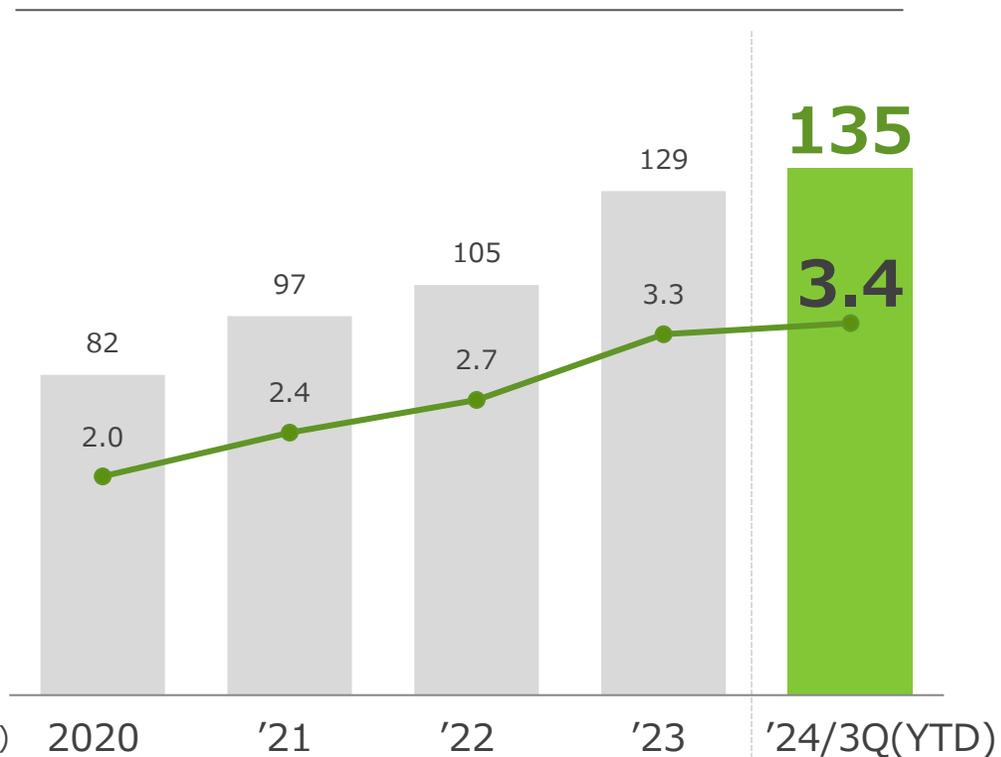
■ : Surrender and lapse ratio<sup>1</sup> (%)



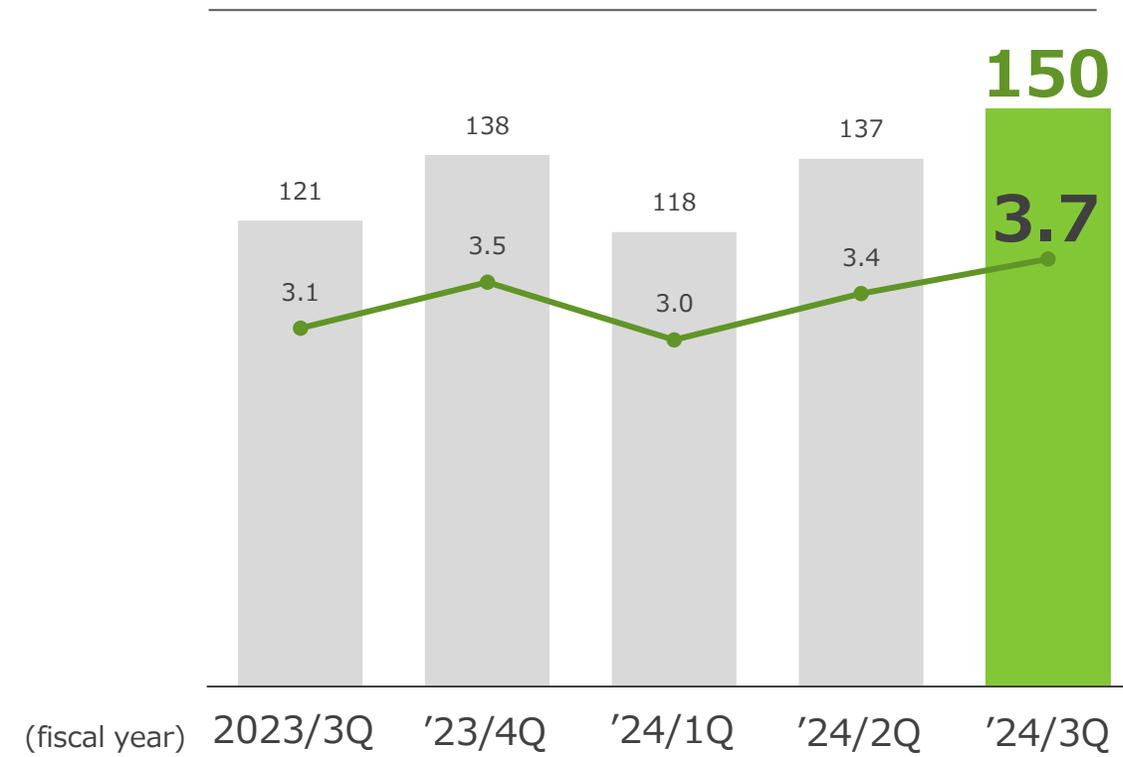
1. The surrender and lapse ratio is the annual equivalent of the monthly number of policies surrendered and/or lapsed divided by the monthly average number of policies-in-force.

# 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



IACF (JPY millions)	8,339	9,854	10,390	9,377	7,128
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IACF (JPY millions)	2,072	2,904	2,210	2,364	2,553
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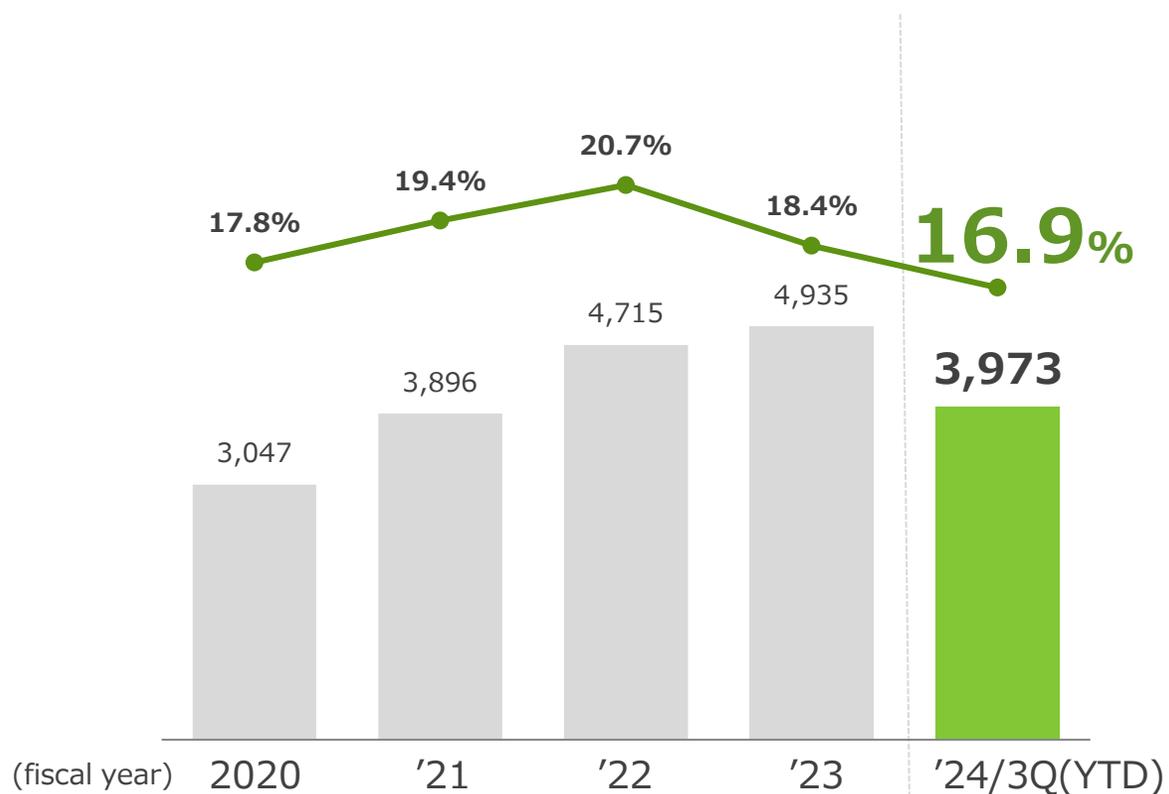
1. Figures for FY2021 and earlier are for reference use only as they are before date of transition to IFRS.

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

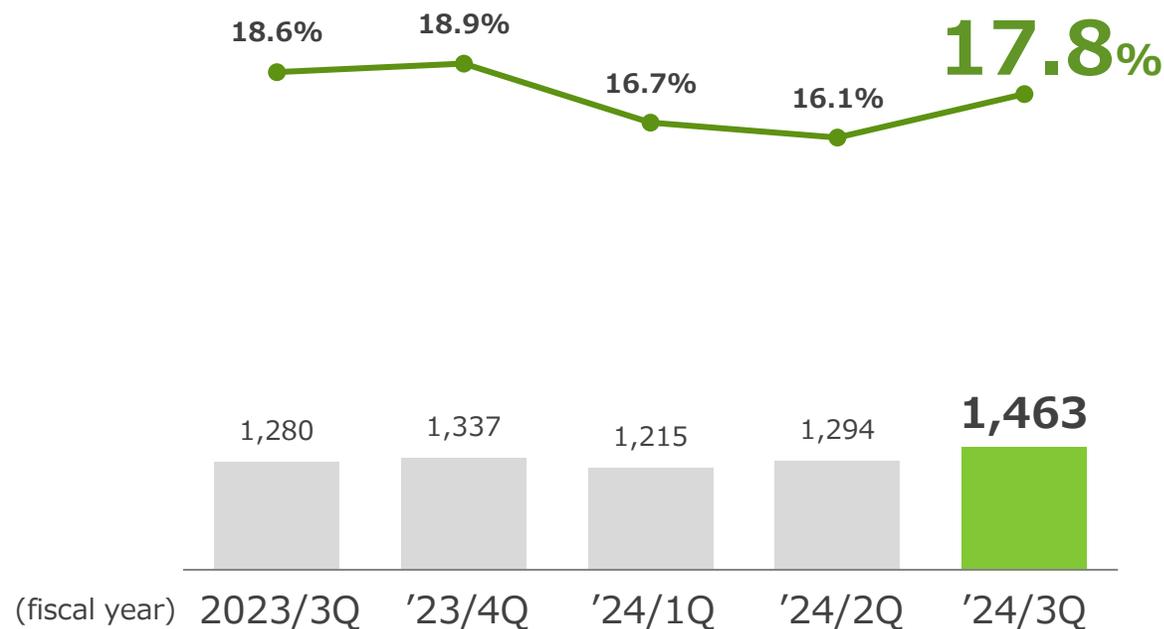
■ : Operating Expenses Ratio (%)

■ : 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	2023/3Q	2023/4Q	2024/1Q	2024/2Q	2024/3Q	Note
<b>Insurance service results</b>	<b>2,186</b>	<b>1,947</b>	<b>2,340</b>	<b>2,224</b>	<b>2,628</b>	
Expected claims minus incurred claims <sup>1</sup>	331	189	46	(19)	153	Increased due to a decrease in claim payments for individual life
Risk adjustment release	397	407	391	405	399	
CSM release	1,755	1,864	1,864	1,834	1,842	
Reinsurance results	(52)	41	(211)	(72)	(354)	Due to a decrease in claim payments for GCL and individual
Results from GCL <sup>2</sup>	(217)	(445)	272	175	651	Increased due to the decrease in claim payments
<b>Financial results<sup>3</sup></b>	<b>209</b>	<b>279</b>	<b>338</b>	<b>(395)</b>	<b>(10)</b>	Exchange loss improved
<b>Other results</b>	<b>(106)</b>	<b>(191)</b>	<b>(57)</b>	<b>(71)</b>	<b>(112)</b>	
<b>Profit before tax</b>	<b>2,289</b>	<b>2,035</b>	<b>2,621</b>	<b>1,757</b>	<b>2,505</b>	Insurance service results and financial results improved
<b>Net income attributable to owners of the Company</b>	<b>1,606</b>	<b>1,368</b>	<b>1,887</b>	<b>1,265</b>	<b>1,804</b>	

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	3Q(YTD)	3Q(YTD)
<b>Insurance revenue</b>	<b>24,698</b>	<b>18,087</b>	<b>22,041</b>
Expected claims	10,464	7,788	8,276
Risk adjustment release	1,678	1,270	1,196
CSM release	7,056	5,191	5,542
Recovery of IACF	3,647	2,687	3,062
Others	(150)	(110)	(71)
Premium income of GCL <sup>1</sup>	2,004	1,261	4,034
<b>Insurance service expenses</b>	<b>16,081</b>	<b>11,377</b>	<b>14,209</b>
Incurred claims (Individual life)	9,679	7,193	8,096
Incurred claims (GCL)	2,671	1,483	2,934
Amortization of IACF	3,647	2,687	3,062
Others	83	13	115
<b>Reinsurance results</b>	<b>(394)</b>	<b>(435)</b>	<b>(637)</b>
<b>Insurance service results</b>	<b>8,222</b>	<b>6,275</b>	<b>7,193</b>

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 36 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 while **interest income rose due to increased foreign securities**

(JPY millions)

Items	FY2023/3Q(YTD)	FY2024/3Q(YTD)	Change
<b>Investment results</b>	<b>371</b>	<b>(16)</b>	<b>(387)</b>
Interest income	272	716	444
Impairment losses on financial assets, net	(3)	(4)	(1)
Other investment income	102	(728)	(830)
<b>Insurance finance income (expense)</b>	<b>(104)</b>	<b>(64)</b>	<b>39</b>
<b>Reinsurance finance income (expense)</b>	<b>9</b>	<b>13</b>	<b>4</b>
<b>Financial results</b>	<b>276</b>	<b>(67)</b>	<b>(343)</b>

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

As of December 31, 2024

(JPY millions)

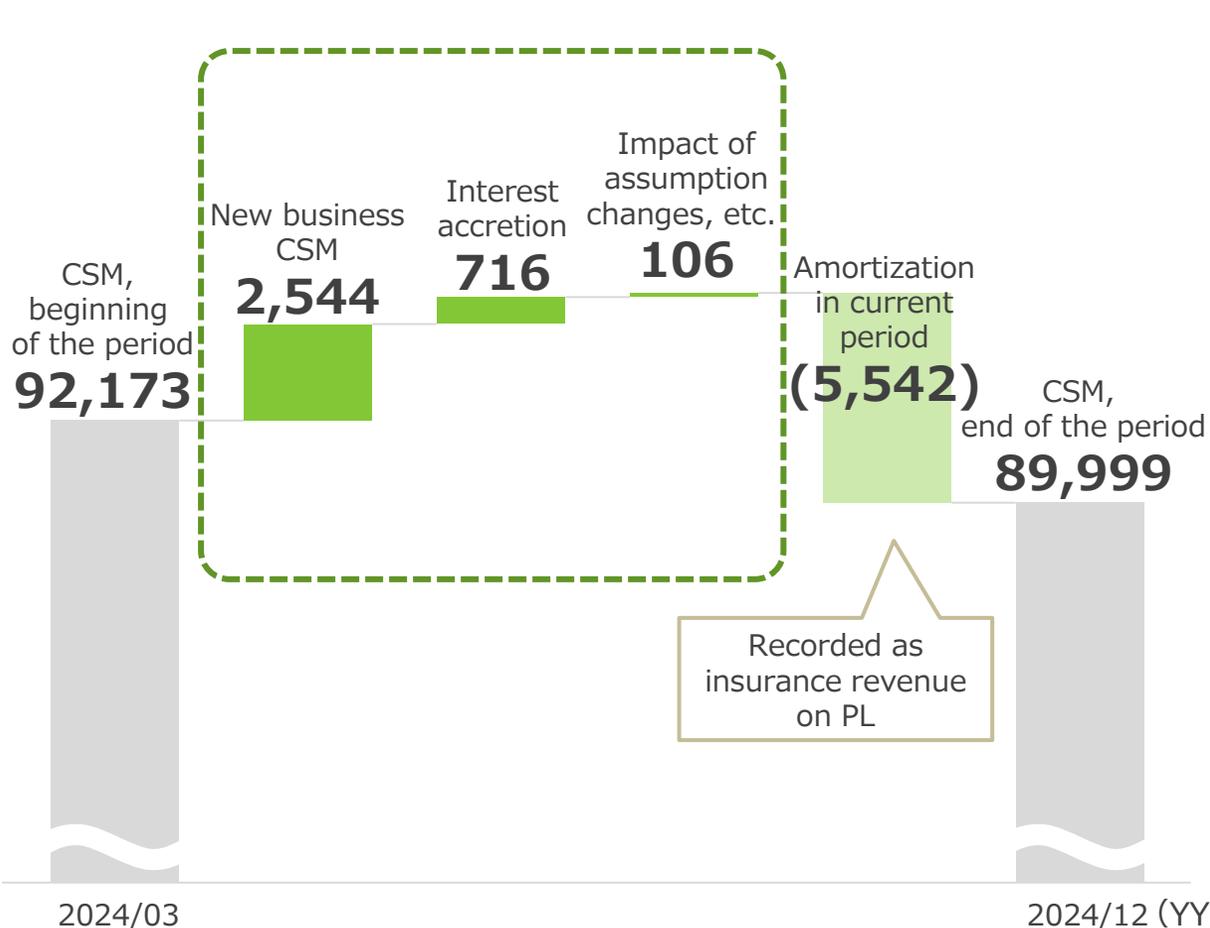
	Available-for-Sale	Held-to-Maturity	Total
<b>JPY Bonds</b>	<b>16,858</b>	<b>33,993</b>	<b>50,851</b>
Duration <sup>2</sup>	4 years	7 years	6 years
<b>Foreign Currency Bonds</b>	<b>11,063</b>	—	<b>11,063</b>
Duration <sup>2</sup>			4 years
<b>Non-Currency Hedged</b>	—	—	—
<b>Currency Hedged</b>	<b>11,063</b>	—	<b>11,063</b>

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 assumption changes



Items	FY2023	FY2024/3Q (YTD)
CSM, beginning of the period	83,604	92,173
New business CSM	3,473	2,544
Interest accretion	842	716
Assumption changes, etc.	11,309	106
Amortization of CSM	(7,056)	(5,542)
CSM, end of the period	92,173	89,999

# 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 Dec. 2024 (A)	89.9	7.1	6.8	6.5	6.2	5.9	57.2
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>

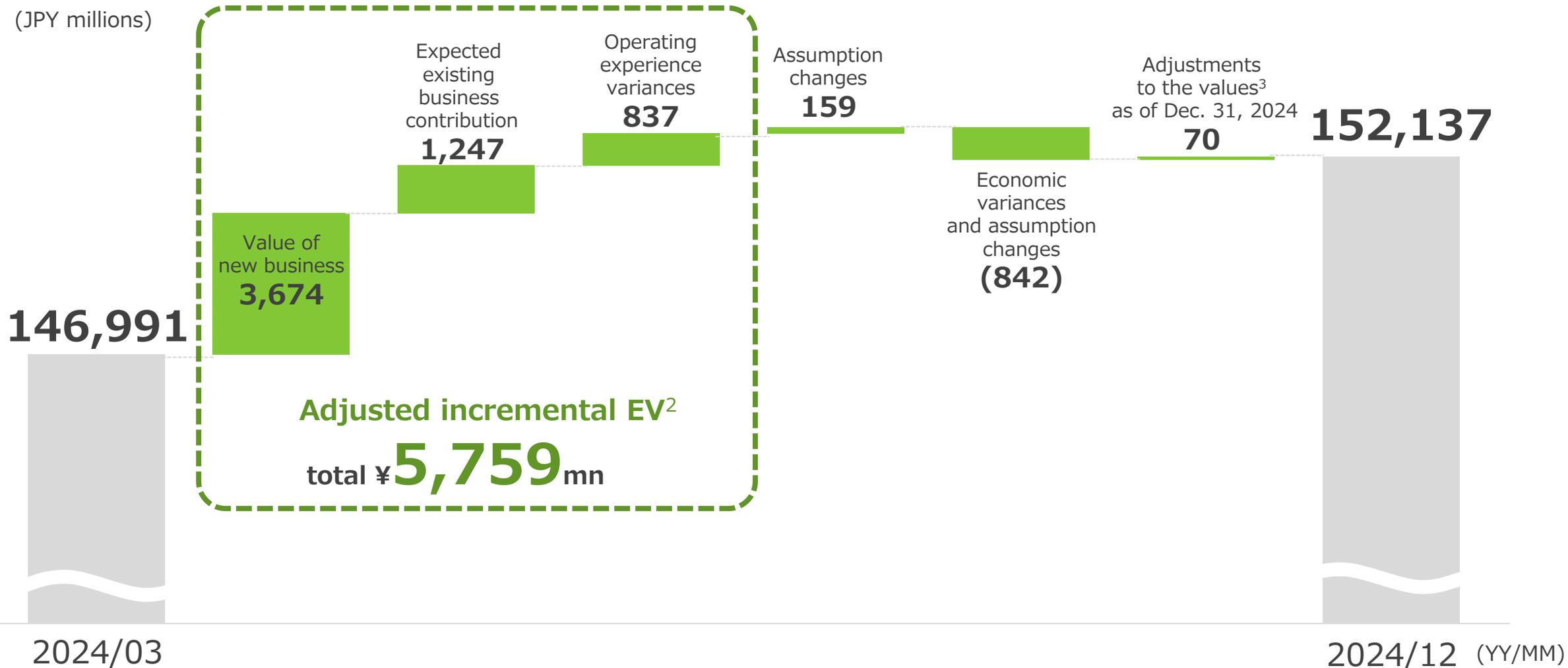
## ■ Impacts of changes in assumptions (sensitivities)

	Changes in Comprehensive Equity (CE) as of December 31, 2024			
	(JPY millions)	Changes in CE	% changes	Of which changes in CSM <sup>2</sup>
Comprehensive Equity as of December 31, 2024		165,229	—	60,621
0.5% increase in risk-free rate		(4,053)	(2.5%)	—
0.5% decrease in risk-free rate		4,155	2.5%	—
10% decrease in equity and real estate value and other		(308)	(0.2%)	—
10% decrease in operating expenses rate		6,231	3.8%	5,153
10% decrease in surrender and lapse rate		1,706	1.0%	1,446
5% decrease in claim incidence rates for life business		6,665	4.0%	6,760
10% decrease in non-renewal rate		5,794	3.5%	5,794

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 EEV<sup>1</sup>

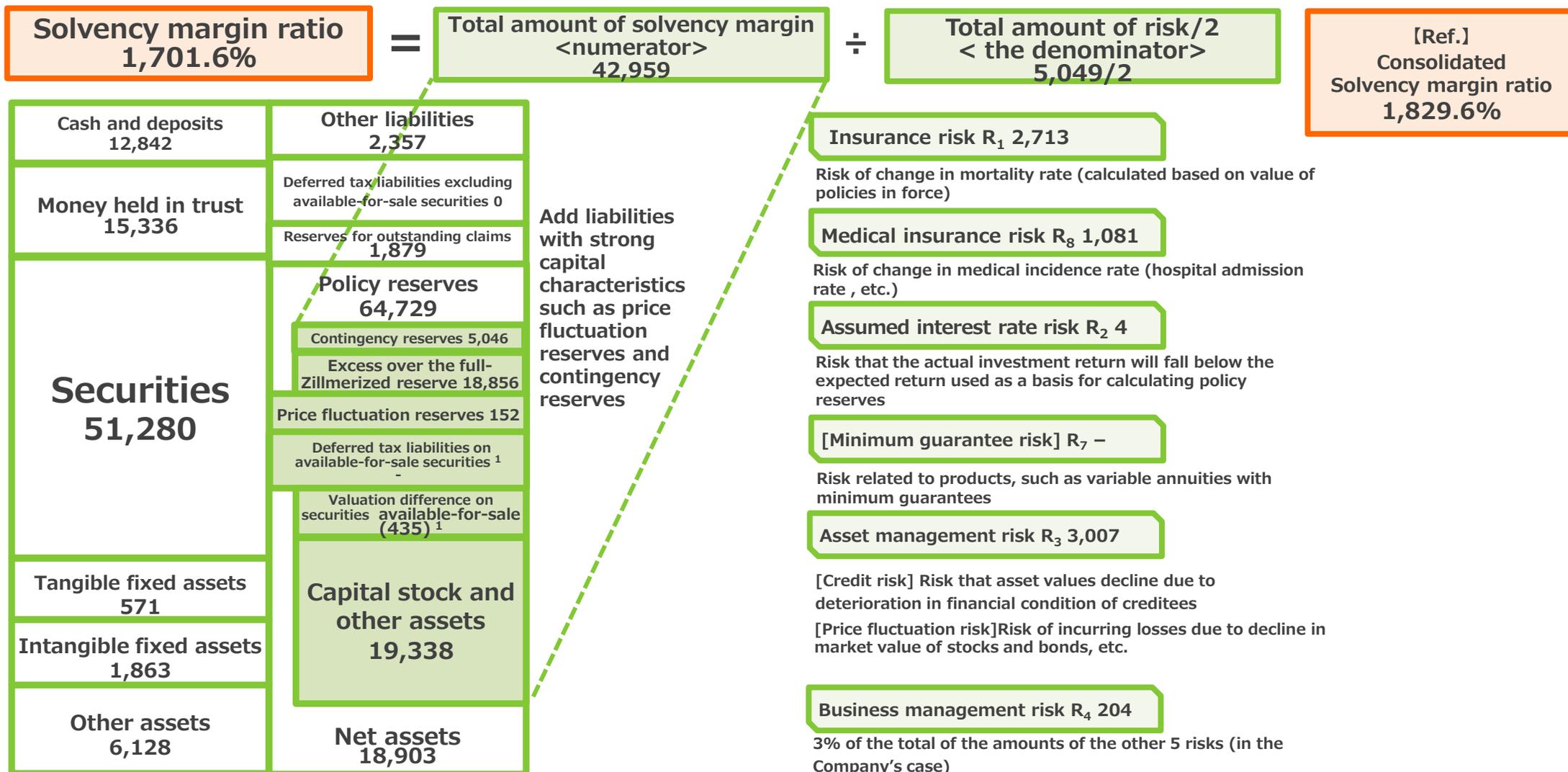


1. Lifenet's EEV is calculated following the EEV Principles and Guidance and in terms of allowance for risk, MCEV Principles (The European Insurance CFO Forum Market Consistent Embedded Value Principles©) is referred.  
 2. Adjusted Incremental EV accurately indicates our business growth during a certain period within increase in EEV.  
 3. Item for change in capital

# Solvency Margin Ratio Calculation

As of December 31, 2024

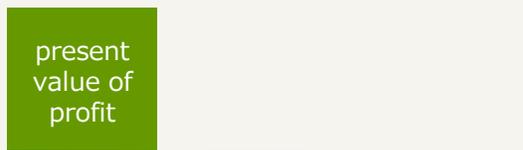
$(\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4) / 2$  (JPY millions)



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
<b>Important perspective</b>	Financial soundness for policyholder protection	Economic value of insurance policies including future profit	Recognition of revenue based on the retention of in-force business
<b>Timing of profit recognition</b>	<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)

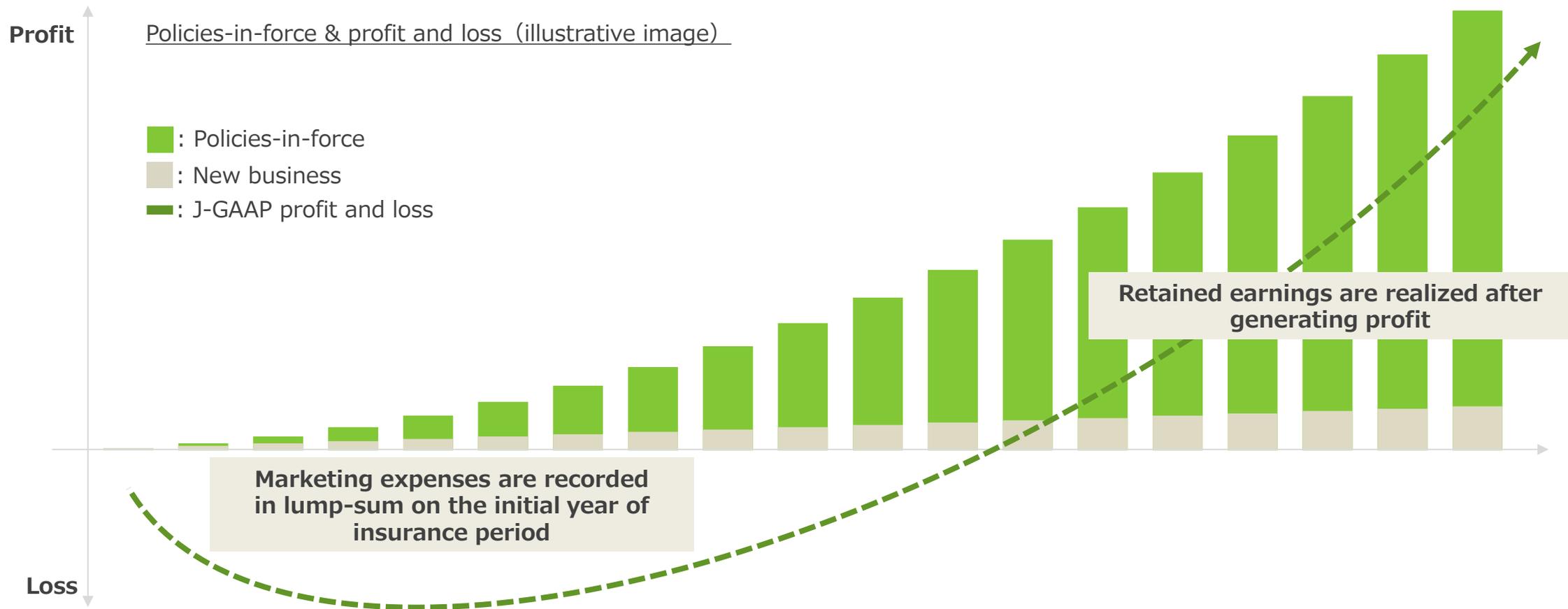
(JPY millions)

Items	FY2023	FY2023/3Q (YTD)	FY2024/3Q (YTD)	Items	FY2023	FY2024/3Q
<b>Ordinary income</b>	<b>35,964</b>	<b>26,038</b>	<b>30,952</b>	<b>Total assets</b>	<b>84,194</b>	<b>88,023</b>
Insurance premiums and other	34,264	24,933	30,489	Cash and deposits	20,009	12,842
<b>Ordinary expenses</b>	<b>40,634</b>	<b>29,269</b>	<b>33,258</b>	Money held in trust	13,358	15,336
Insurance claims and other	15,547	10,955	15,190	Securities	42,992	51,280
Provision for policy reserves and other	9,472	7,365	6,174	<b>Total liabilities</b>	<b>63,130</b>	<b>69,120</b>
Operating expenses	12,607	8,925	9,813	Policy reserves and other	60,469	66,609
<b>Ordinary profit (loss)</b>	<b>(4,670)</b>	<b>(3,230)</b>	<b>(2,306)</b>	<b>Total net assets</b>	<b>21,063</b>	<b>18,903</b>
<b>Net income (loss)</b>	<b>(4,720)</b>	<b>(3,276)</b>	<b>(2,322)</b>	Retained earnings	(31,643)	(33,966)

# Dividend Policy



## 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.