



## **LIFENET INSURANCE COMPANY**

Full Year Financial Results Briefing for the Fiscal Year Ended March 2024

May 14, 2024

**[Speaker]**

Ryosuke Mori

President and Representative Director

# Presentation

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**Mori:** Thank you very much for attending our financial results briefing today.

The Company announced its financial results for FY2023. Presentation materials are available on our [IR website](#). I would like to provide an overview of the financial results using the presentation materials.

# Key Highlights



## FY2023

- Annualized premium of policies-in-force up **20% YoY**, insurance service results up **24% YoY** and EEV up **18% YoY**

## Future Initiatives

- Established **new Management Policy, FY2028 mid-term business plan and Outcome goal**
- Set **Comprehensive Equity (CE)** as new key indicator  
Aim to **achieve CE of ¥200-240bn** as new management goal
- Enhance governance, changing the the Board of Directors **with a majority of independent Outside Directors<sup>1</sup>**
- Carry out **initiatives to improve market evaluation**

1. Election of Directors is subject to approval at the 18th Annual General Meeting of the Shareholders on June 23, 2024.

Please look at page one.

To begin, I would like to share with you the key points of today's explanation. For FY2023, we achieved strong growth in all key management indicators: annualized premium of policies-in-force were 120% of the end of the previous year, insurance service results was 124% of the previous year, and European Embedded Value ("EEV") was 118% of the end of previous year.

Next, we will explain the key points of our future initiatives. We have now established a new Management Policy, a five-year mid-term business plan from FY2024 to FY2028, and Outcome goal. With the adoption of the International Financial Reporting Standards (IFRS) in FY2023, the most important management indicator for corporate value will be changed from European Embedded Value to Comprehensive Equity, aiming to reach JPY200 billion to 240 billion in fiscal FY2028.

In terms of corporate governance, the Company will transition to a monitoring board with a majority of Independent Outside Directors, with the aim of further strengthening the supervisory function of the Board of Directors.

Finally, as a statement of our intention to our shareholders and investors, we will focus more on improving our corporate value as well as our market evaluation.

Details of each item will be explained later.

## 1. Financial Results for Fiscal 2023

## 2. New Management Policy and Mid-term Plan

## 3. Future Initiatives to Improve Market Evaluation

# Fiscal 2023 Key Highlights



## Key Indicators

Corporate Value	Growth	Profitability
<b>EEV</b> (European Embedded Value) <b>¥146,991mn</b> (YoY 117.9%)	<b>Annualized premium<sup>1</sup> of policies-in-force</b> <b>¥28,750mn</b> (YoY 119.6%)	<b>Insurance service results</b> <b>¥8,222mn</b> (YoY 124.2%)

## Notable Achievements

- Implemented new initiatives aimed at sustainable growth over the mid-term, including **GCL<sup>2</sup>** and **alliance with the SMBC Group**
- **Launched Dementia Insurance** co-developed with Eisai in Apr. 2024
- **Awarded #1 direct life insurer for 4th consecutive year in J.D. Power<sup>3</sup>**

1. 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 (The same will apply hereafter).  
2. GCL stands for Group Credit Life Insurance  
3. J.D. Power 2021-2024 Japan Life Insurance Contract Customer Satisfaction Study <Direct Segment>

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I will now explain the financial results for FY2023. Please refer to page three.

First, let me explain some key points about the full-year results. European Embedded Value, the most important management indicator of corporate value under the previous Management Policy, increased 17.9% from the end of the previous year to JPY146.991 billion.

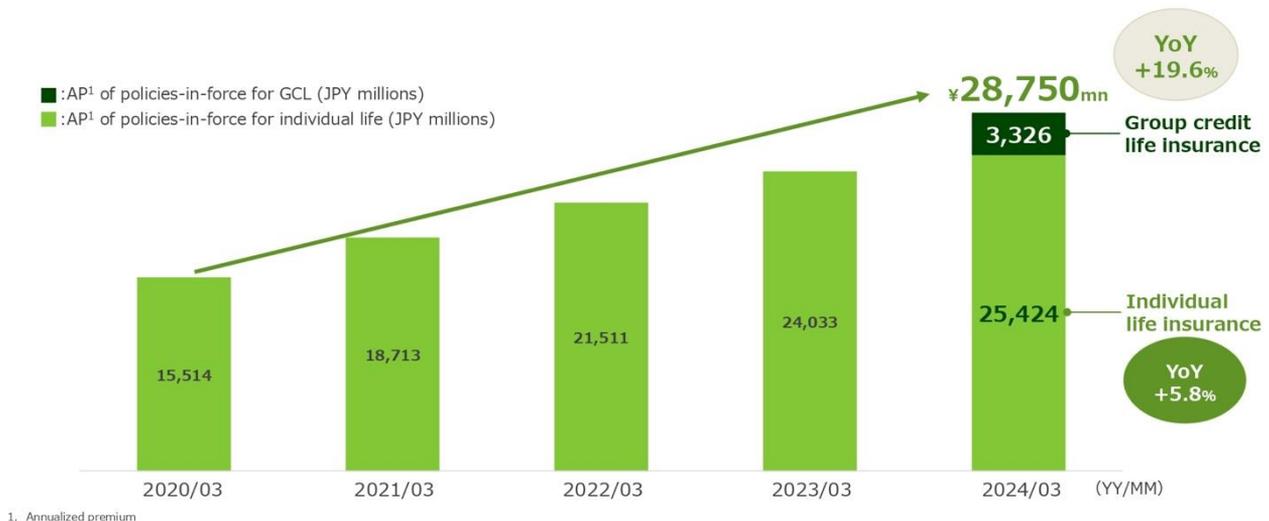
Next, annualized premium of policies-in-force, which represent growth indicator, increased 19.6% from the previous fiscal year to JPY28.75 billion. And insurance service results, which corresponds to the operating income of general companies and represents the profitability of our insurance business, increased 24.2% from the previous year to JPY8.222 billion.

The main topics are as described, but will be explained in more detail in later pages.

# Annualized Premium of Policies-in-Force



■ Achieved significant growth of 19.6% YoY with the addition of GCL



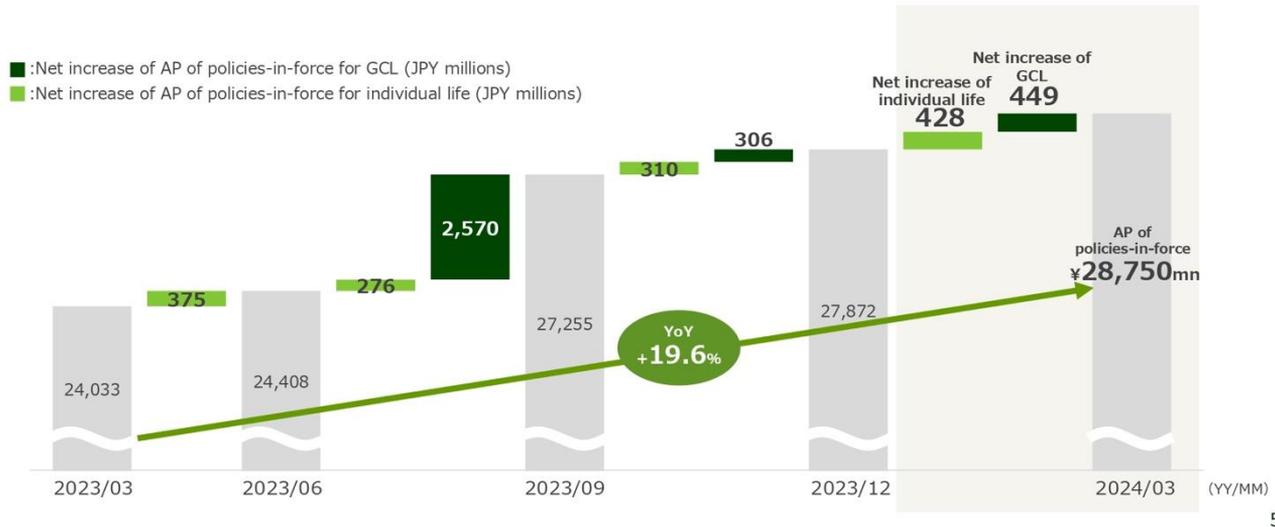
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Please refer to page four. Annualized premium of policies-in-force, which correspond to annual recurring revenue, totaled JPY28.75 billion at the end of March 2024. In FY2023, we achieved strong growth of 19.6% over the end of the previous fiscal year, due in part to the upswing in our group credit life insurance (“GCL”) business, which began last July.

# Policies-in-Force Movement



- GCL remained strong with net increase of ¥449mn in the quarter
- Individual life keep recovery momentum, improving QoQ



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Page five shows the factors that contribute to the fluctuation of its in-force business. The net increase in annualized premium of policies-in-force for GCL during fourth quarter remained strong at JPY449 million.

In addition, the net increase in annualized premium of policies-in-force for individual life insurance was JPY428 million, exceeding the previous quarter for the second consecutive quarter.

■ Insurance service results and net income resulted in **¥8,222mn and ¥5,734mn, respectively**

(JPY millions)

Items	FY2022 <sup>2</sup>	FY2023 <sup>2</sup>	Change
Insurance service results	6,618	8,222	1,604
Financial results <sup>1</sup>	(452)	555	1,008
Other results	(822)	(527)	295
Profit before tax	5,343	8,251	2,908
Net income attributable to owners of the Company	3,562	5,734	2,171

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

2. FY2022 includes ¥1,378mn and FY2023 includes ¥36mn of insurance claims and benefit related to COVID-19

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Next, please refer to page six. We will now move on to an explanation of IFRS. First, we have provided a summary of the IFRS-based income statement.

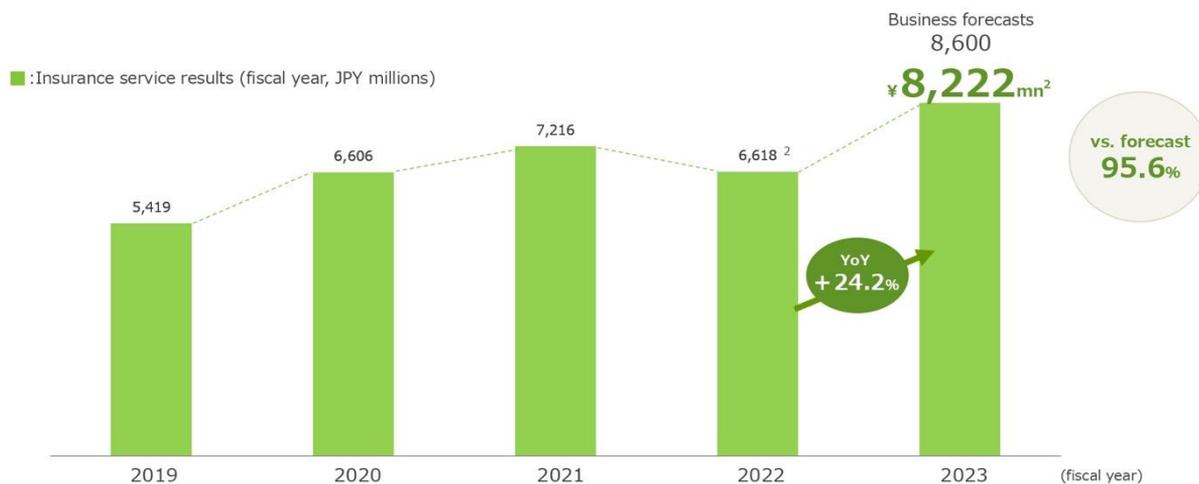
For the full year of FY2023, the Company recorded insurance service results of JPY8.222 billion and net income attributable to owners of the Company of JPY5.734 billion, both of which represent significant profit growth over the previous year.

The most important item of these, insurance service results will be detailed on the next page.

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



- Significantly increased 24.2% YoY to ¥8,222mn despite not achieving the business forecasts



1. Figures for FY2021 and earlier are for reference use only as they are before date of transition to IFRS.  
 2. FY2022 includes ¥1,378mn and FY2023 includes ¥36mn of insurance claims and benefit related to COVID-19

Please refer to page seven. The following table shows the movements of insurance service results. To put it simply, insurance service results is the equivalent of so-called operating income. And for a life insurance company such as ours, which focuses on protection-type products, insurance service results accounts for the majority of profits.

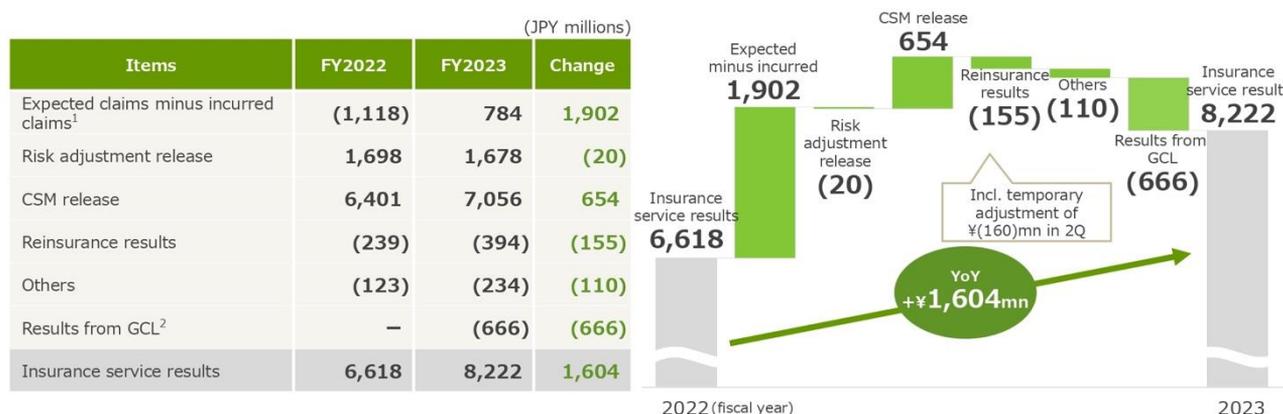
While insurance service results in FY2023 grew by 24.2% over the previous year to JPY8.222 billion, it fell short of the JPY8.6 billion forecast that was revised upward last August.

Factors contributing to the underachievement are explained on the next page.

# Insurance Service Results Analysis



## ■ Negatively affected by GCL payments more than expected and temporary impact of reinsurance results



1. Applied only for individual life. FY2022 includes ¥1,378mn and FY2023 includes ¥36mn of insurance claims and benefit related to COVID-19  
 2. Insurance service results related to contracts measured under the Premium Allocation Approach (Excluding reinsurance results)

This page shows the factors that affected insurance services results from FY2022 to FY2023. The graph on the right illustrates, by item, the factors that led to the increase in insurance services results from JPY6.6 billion in the previous year to JPY8.2 billion in FY2023.

First, one of the factors contributing to the increase is the “Expected claims minus incurred claims.” While FY2022 was a year of many benefit payments due to the spread of COVID-19, FY2023 saw an increase of JPY1.902 billion, mainly due to the convergence of COVID-19-related payments.

Another factor contributing to the increase is “CSM release.” In line with the growth of policies-in-force, the CSM release amount for FY2023 was JPY7.056 billion, as shown in the third line of the table on the left side, a factor that contributed JPY654 million to the increase.

On the other hand, “Results from GCL,” before reinsurance, amounted to minus JPY666 million due to higher-than-expected insurance payments to mortgage borrowers in Q3 and Q4, which was the main reason the business forecast for insurance service results was not achieved.

# European Embedded Value<sup>1</sup>



- EEV and value of in-force business have been strongly growing at a CAGR of 19%<sup>2</sup> and 30%, respectively since IPO
- EEV per share continued its growth trend, offset dilution by capital raising in Sep.



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. The calculation includes ¥3,040mn in proceeds from a third-party allotment in May 2015 and ¥9,005mn from overseas public offering in July 2020 and ¥9,771mn from overseas public offering in September 2021 and ¥9,770mn from public offering and third-party allotment in September 2023.

Please refer to page nine. Moving on to an explanation of European Embedded Value.

European Embedded Value is the present value of the net assets, so to speak, after considering the after-tax value of unrealized future profits that the in-force business will generate in the future, as defined in statutory accounting.

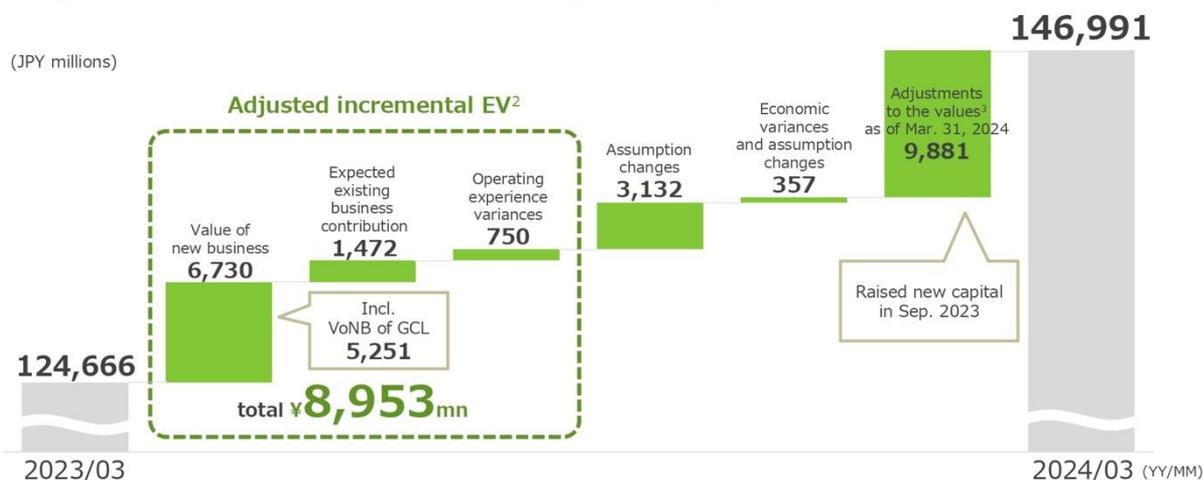
European Embedded Value as of March 31, 2024 was JPY146.991 billion, due to growth in value of in-force business, as well as an increase in adjusted net worth from the capital raising last September. The CAGR (compound annual growth rate) since listing in March 2012 has been 19%, with the value of in-force business, which is the unrealized future profits from in-force business, growing at a CAGR of 30%, driving EEV's growth strongly.

The line graph shows the EEV per share. EEV per share as of March 31, 2024 was JPY1,831, recovering the dilution caused by the capital raising implemented during the current fiscal year and continuing the growth trend in the current fiscal year.

# Changing Factors of EEV<sup>1</sup>



- Increased due to the growth of VoNB including GCL, the improvement of opex ratio, revision of mortality assumptions and capital raising



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

Page 10 shows a factor analysis of EEV changes over a one-year period, from the end of March 31, 2023 to the end of March 31, 2024. The adjusted incremental EV for FY2023 was JPY8.953 billion. Of this amount, the value of new business was JPY6.73 billion, with a particularly large contribution from JPY5.251 billion in value of new business of GCL.

In addition, as assumption changes, economies of scale from the addition of GCL business have led to an improvement in the operating expense ratio, and the revision to mortality assumptions has also made a positive contribution.

# New Product Co-developed with Eisai



- Launched new product in Apr. 2024 to address social issues related to dementia



Approx. one in five people aged 65 or older will be living with dementia by 2025 in Japan. Co-developed dementia insurance supports early detection and treatment of dementia and mild cognitive impairment.

Started "Brenavi" on LINE for dementia information and services



Next, I will explain the main initiatives for FY2023. Please refer to page 11.

In August 2022, we entered into a capital and business alliance agreement with Eisai Co., Ltd. to collaborate in the field of dementia and other areas. And in April 2024, we newly began selling a dementia insurance product co-developed by the two companies. The number of patients with dementia is increasing every year, and it is predicted that approximately one in five people over the age of 65 will have dementia by 2025 in Japan. Medical costs continue to increase due to the super-aging society and the burden on the younger generation in the form of social insurance premiums continues to rise. We believe that we, as a private insurance company, can play a role in supporting an environment in which many people can receive early detection and early treatment in the field of dementia, which will in turn reduce the financial burden on the younger generation.

We believe that this dementia insurance product is a necessary coverage for the future, and we will deliver it to many customers.

## Key Efforts in Individual Life



- Carried out initiatives to accelerate growth of in-force business even in environment of declining demand



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Please refer to page 12. I would like to briefly review our businesses in FY2023.

Looking back on the past year, it was a year in which we focused on measures to reaccelerate the growth of in-force business, despite the headwind environment in the individual life insurance business, where the economic reopening led to a prolonged decline in life insurance demand.

In the direct business, we have continuously improved the customer experience and invested in marketing. As a result, we have been ranked as number one direct life insurer for four consecutive years in the J.D. Power 2024 Japan Life Insurance Contract Customer Satisfaction Study, which is an evaluation by customers who have actually had the experience of purchasing insurance. We believe that this is a significant contribution to the formation of our brand as the number one online life insurance company.

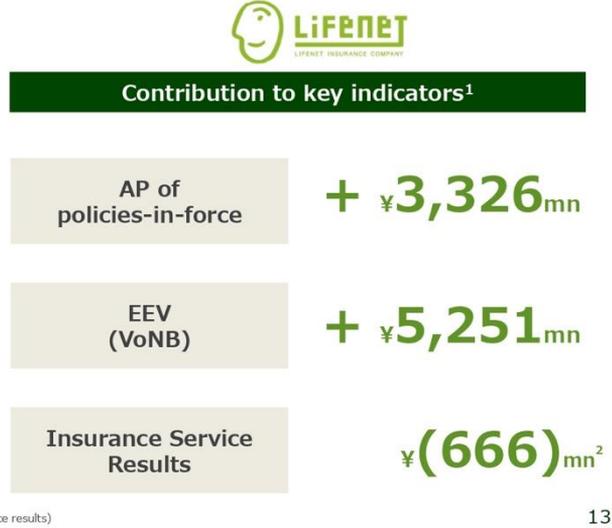
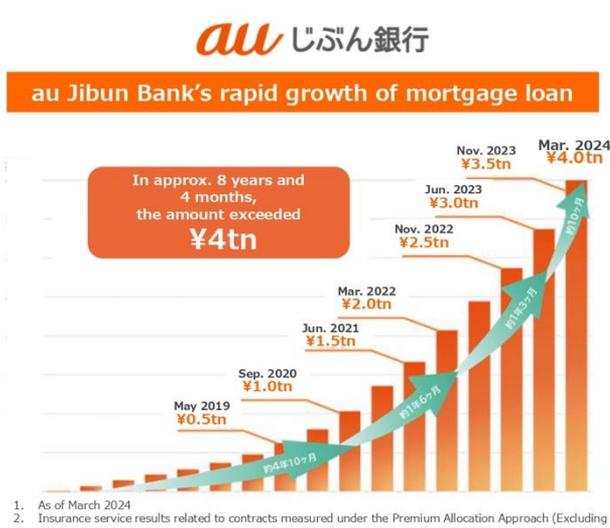
This brand of “leading online life insurance company” has also contributed to the promotion of partner business with different industries, creating a virtuous cycle in which we are chosen by companies in attractive ecosystems.

In FY2023, the collaboration with the SMBC Group started and we were able to be embedded in the new financial and point ecosystems. We see this as a year that left remarkable results for future business expansion.

# Key Efforts in GCL



- Achieved strong growth in in-force business although higher than expected payments
- Forecast to record profit from FY2024 due to planned premium rate revisions



Please refer to page 13. One of the major achievements in FY2023 is to launch the GCL business with au Jibun Bank, which started last July as part of the business domain expansion. As you can see, our annualized premium of policies-in-force for GCL have achieved strong growth on the backdrop of growing au Jibun Bank mortgage loan.

On the other hand, as mentioned above, claim payments were higher than expected in FY2023, putting pressure on insurance service results. For FY2024, the premium rate is scheduled to be revised in July, and the GCL business is expected to contribute to profits from FY2024 onward.

# Consolidated Business Forecasts for FY2024



## ■ Expect ¥8.9bn in insurance service results and ¥6.2bn in net income



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Please refer to page 14.

Based on the above explanation of the FY2023 financial results, we are presenting our consolidated business forecasts for FY2024. First, as growth indicator, we expect annualized premium of policies-in-force at the end of March 2025 to increase 18.2% from the end of March 2024 to JPY34 billion. Then, as profitability indicator, we project that insurance service results in FY2024 will increase by 8% over the previous year to JPY8.9 billion. On top of that, net income attributable to owners of the Company, is expected to be positive JPY6.2 billion, up 8% from the previous year.

1. Financial Results for Fiscal 2023

2. **New Management Policy and Mid-term Plan**

3. Future Initiatives to Improve Market Evaluation

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Then, on page 15 and beyond, we will explain the details of today's new announcement. We have established a new Management Policy and a five-year mid-term business plan ending in FY2028.



## Outcome goal

# A Society where next generations can be nurtured with confidence in the future

we contribute to creating a future where next generations can be nurtured by society as a whole through delivering the value of insurance based on the LIFENET Manifesto.

### Outcome Reference Indicator<sup>1</sup>

- 1** Market penetration rate of online life insurance
- 2** Prospect for the future life
- 3** Ease of raising children

<sup>1</sup>. See details on page 37

In formulating this new Management Policy, we have once again considered the social issues that we need to address, and have set the Outcome goal of the society we hope to realize as "a society where next generations can be nurtured with confidence in the future."

We have set this Outcome goal because we want to contribute to the creation of a society in which each and every customer can choose the way of life they want, especially the challenges facing Japanese society, such as the declining birthrate and aging population, and to create a society where next generations can be nurtured with confidence in the future.



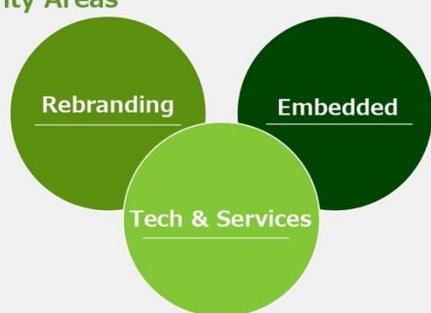
17

Please refer to page 17. This is new Management Policy.

The top row, the mission remains unchanged from the previous Management Policy.

Next, we have renewed our vision. It captures our determination to create the future of life insurance on our own, with the confidence that we have expanded the market as a leading online life insurance player under the previous Management Policy.

Value is newly created based on the idea that human capital is essential for our vision to realize. As the organization grows with the expansion of our businesses, we will once again clarify our shared values as “Lifenetter Values” that the officers and employees who gather under the LIFENET Manifesto should value and strengthen customer-oriented business operations.

<div style="border: 1px solid black; padding: 5px; text-align: center; margin-bottom: 10px;"><b>Growth Strategy</b></div> <div style="border: 1px solid black; padding: 10px;"> <p><b>Priority Areas</b></p>  </div> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p><b>Human Resources Strategy</b></p> <ul style="list-style-type: none"> <li>• Promote organizational transition to focus on priority areas</li> <li>• Create a virtuous cycle of employee growth and business growth</li> <li>• Maintain and strengthen an organizational culture based on the LIFENET Manifesto</li> </ul> </div>	<div style="background-color: #004a99; color: white; padding: 5px; text-align: center; margin-bottom: 10px;"><b>Goals in Fiscal 2028</b></div> <div style="background-color: #004a99; color: white; padding: 5px; text-align: center; margin-bottom: 10px;"><b>Management Goal</b></div> <p style="text-align: center;"><b>Comprehensive Equity (CE) : ¥200-240bn</b></p> <div style="background-color: #004a99; color: white; padding: 5px; text-align: center; margin-bottom: 10px;"><b>Financial Targets</b></div> <p style="text-align: center;"><b>Stock price : ¥3,000+</b>  <b>Annual growth rate of CE per share : approx. 10%</b></p> <div style="background-color: #004a99; color: white; padding: 5px; text-align: center; margin-bottom: 10px;"><b>Non-financial Targets (Human capital)</b></div> <p style="text-align: center;"><b>Overall engagement score: continuous improvement</b></p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e0e0e0; padding: 5px; text-align: center; width: 30%;"><b>Diversity</b></td> <td style="padding: 5px;">Ratio of decision-makers : Women <b>30%+</b>, Under 30s <b>15%+</b></td> </tr> <tr> <td style="background-color: #e0e0e0; padding: 5px; text-align: center;"><b>Growth Opportunities</b></td> <td style="padding: 5px;">Engagement score (growth): <b>continuous improvement</b></td> </tr> </table>	<b>Diversity</b>	Ratio of decision-makers : Women <b>30%+</b> , Under 30s <b>15%+</b>	<b>Growth Opportunities</b>	Engagement score (growth): <b>continuous improvement</b>
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<b>Growth Opportunities</b>	Engagement score (growth): <b>continuous improvement</b>				

Next, please refer to page 18.

We have developed a five-year mid-term business plan ending in FY2028.

As for our growth strategy, we have newly established three priority areas and human resources strategy to move us toward the next stage of growth.

As for our next goals, we have set “Comprehensive Equity” as a new management indicator, and aim to achieve JPY200 billion to JPY240 billion in fiscal 2028.

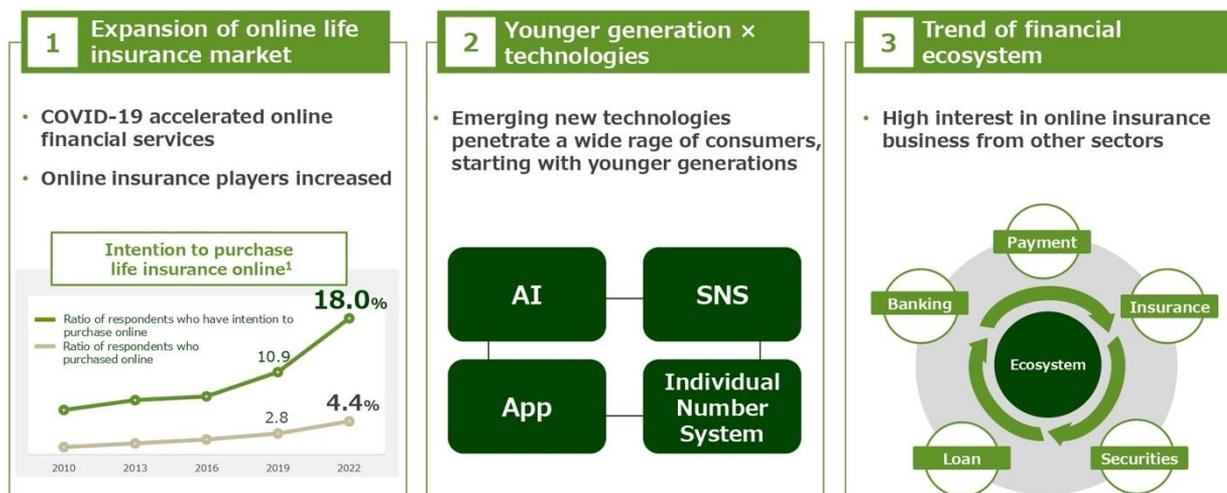
We have also set non-financial targets with the objective of strengthening our human capital in order to achieve our management goals.

The details are explained in the following pages.

# Our Business Environment



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



1. Source: Survey on Life Protection by the Japan Institute of Life Insurance

Please refer to page 19. First, I would like to explain three points regarding our perception of the business environment.

The first point is the expansion of the online life insurance market. The shift of online financial services, not just life insurance, is irreversible, and after COVID-19, we expect further growth potential as this shift moves forward.

The second point is the expansion of the utilization of technology starting with young people. Recently, more and more convenient IT services have emerged, and there is a growing trend for these services to be adopted by mainly younger generations at an early stage and then spread to a wider range of generations. We believe that this change in consumer behavior will be a further tailwind for our company operating business online.

And the third point is the entry of companies with huge ecosystems into online financial services. We see the trend toward a financial ecosystem based on payment services and point programs as a trend that will significantly grow our partner business and the GCL business.

Considering the business environment described above, we have newly defined the priority areas for our future business operations.

## Priority Areas for Further Growth



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



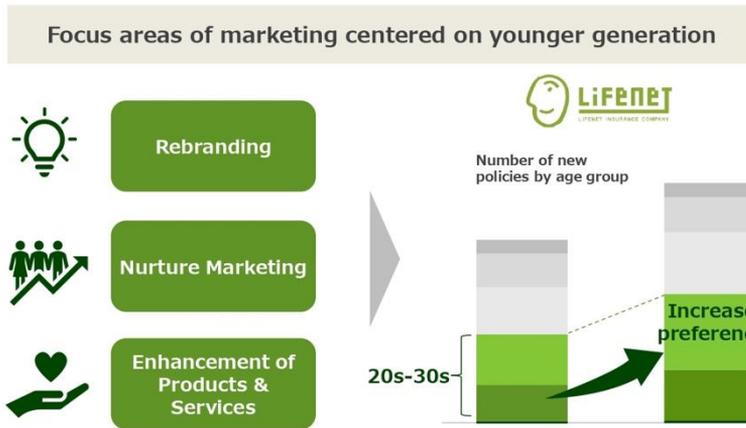
20

Please refer to page 20. These are the three priority areas that will contribute to our future business growth.

Rebranding, Tech & Services, and Embedded are the three key themes that we believe will take us to the next stage of growth and continue to establish our dominant position in the online life insurance market.

We will now move on to an explanation of the future growth strategies of each business in these priority areas.

- Aim for further growth by updating the Lifenet brand and being unique for younger generation



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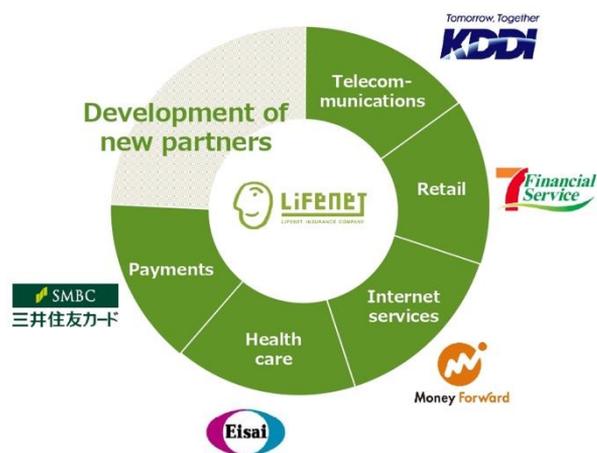
Please see page 21.

In the direct business of the individual insurance business, we will update the Lifenet brand, which we have built up over the years, to match the current times and customer values, with the aim of becoming an insurance company that continues to be the choice of younger generations of customers.

In addition, we will focus on initiatives from the perspective of Tech & Services, such as promoting nurture marketing through the use of various data and enhancing necessary products and services for young people.



■ Accelerate growth by embedding our business into partners' ecosystem



Deepening ties with existing partners

- Initiatives to enhance business synergy in partners' ecosystem

Development of new business partners

- Alliances with companies having a broad customer base, attractive brands, and extensive data

Please refer to page 22.

In the partner business of the individual insurance business, in response to the recent trend toward a financial ecosystem based on payment services and point programs, we will further strengthen our investment of management resources and strive to deepen and expand business with partner companies.

In particular, we believe that the key to our efforts with existing partners is to be embedded more than ever into each partner's key strategies and ecosystems with a strong commitment.

Through deepening cooperation with existing partners and cultivating new partners, we will make the partner business a major pillar contributing to Lifenet Insurance's medium- to long-term growth.

## Aim for business expansion by alliance with au Jibun Bank and development of new partner banks

### Deepening of alliance with au Jibun Bank

- Contribute to enhancing competitiveness of mortgage loan through develop our high-quality insurance products and services



\*1



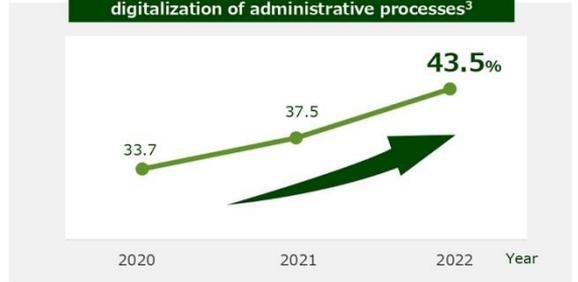
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1. The 2023 Oricon Client Satisfaction Survey hosted by Oricon Inc.  
 2. Searched by Mogechek, online mortgage comparison service  
 3. Source: Japan Housing Finance Agency "Mortgage Lending Trends Survey"

### Expansion of partner banks

- Aim to develop new partner banks by capitalizing on the shift to DX in the mortgage loan business in the banking industry

#### The proportion of institutions working on digitalization of administrative processes<sup>3</sup>



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Please refer to page 23.

In the GCL business, we will promote initiatives based on two pillars: initiatives with our existing partner, au Jibun Bank, and expansion of partner banks.

First, regarding the collaboration with au Jibun Bank that began last July, we believe that Lifenet will be responsible for developing high-quality insurance products and services and helping au Jibun Bank strengthen the competitiveness of its mortgage loans, and we expect significant growth in the future.

On top of that, we will also work to expand our GCL business by developing new partner banks, driven by digital transformation of the mortgage loan business in the banking industry.

- Further strengthen initiatives for human capital based on **diversity and growth opportunities**



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Please refer to page 24.

In order to strongly realize the growth strategies explained so far, it is important to create an environment in which employees can thrive. We will also strengthen our commitment to and investment in human resources, focusing on diversity and growth opportunities.

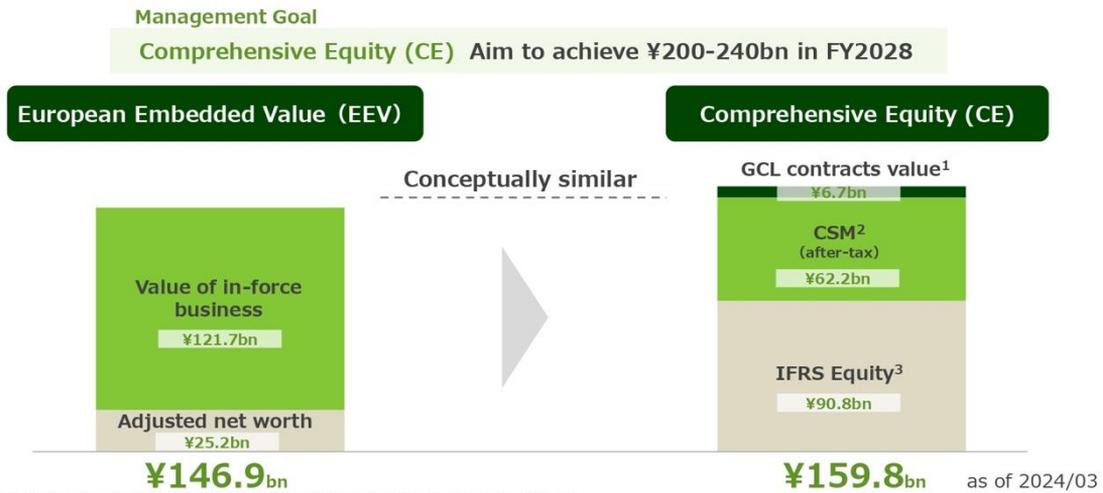
Specifically, we will promote a shift in organizational structure to focus on these priority areas, create a virtuous cycle of employee growth and business growth, and maintain and strengthen an organizational culture based on the Manifesto.

We will aim to grow our business and further enhance our corporate value through these human resources strategy.

# New Management Indicator “Comprehensive Equity”



- Adopt “Comprehensive Equity” as new management indicator representing corporate value to replace EEV



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

Please refer to page 25. This is the last part of this section.

The Company will change its management indicator from “European Embedded Value” to “Comprehensive Equity.” Like EEV, Comprehensive Equity is an indicator of our corporate value, abbreviated as CE.

We believe that the change from European Embedded Value, an indicator unique to life insurance companies, to Comprehensive Equity, an indicator linked to IFRS financial statements, will provide shareholders and investors with greater confidence in our corporate value indicators than before.

As a management goal, the Company aims to achieve Comprehensive Equity of JPY200 billion to JPY240 billion in FY2028, the final year of the mid-term business plan.

This is the end of the explanation of the new Management Policy and mid-term business plan.

**1. Financial Results for Fiscal 2023**

**2. New Management Policy and Mid-term Plan**

**3. Future Initiatives to Improve Market Evaluation**

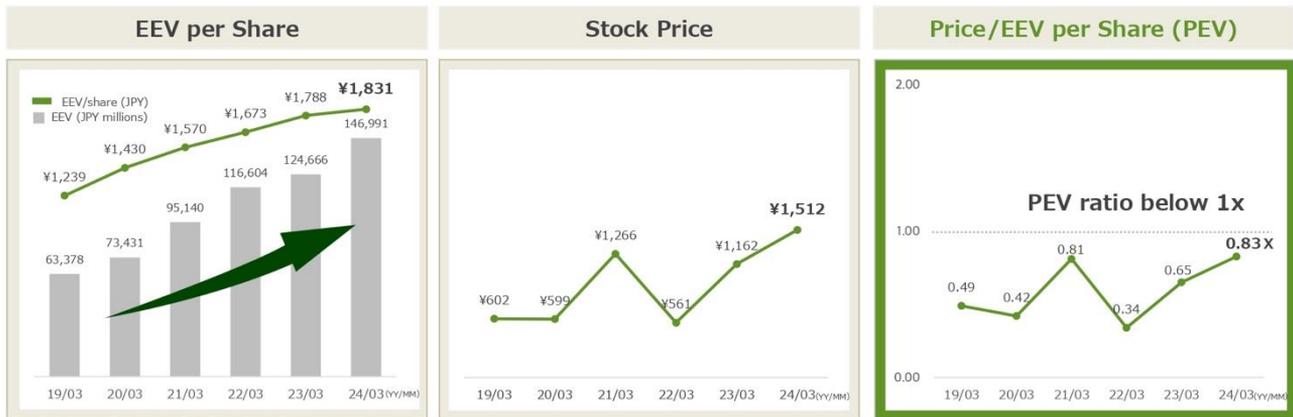
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I will now explain our future initiatives to improve market evaluation in the last section.

# Current Market Evaluation



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



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Please refer to page 27.

This page shows various indicators related to our market evaluation in chronological order. The graphs on the left-hand side show the EEV, which represents corporate value, and the EEV per share. As you can see, EEV per share has continued to grow strongly each year.

On the other hand, the graph on the right side shows the P/EV multiple, which is the multiple of the stock price divided by the EEV per share. As you can see, the P/EV multiple has been continuously below 1x, and we recognize that there is room for improvement in the capital market's evaluation of the Company.

# Major Initiatives to Improve Market Evaluation



Major initiatives	Key points
<b>1</b> Adopt corporate value indicators linked to IFRS	<ul style="list-style-type: none"><li>• Increase the credibility of corporate value indicators by changing from "EV" to "Comprehensive Equity"</li><li>• Enable investors to compare with global peers applying IFRS17</li></ul>
<b>2</b> Commit to targets and its time frames	<ul style="list-style-type: none"><li>• Align our shareholders and investors with our interests by committing to per share value and its time frames</li></ul>
<b>3</b> Transit to the TSE Prime Market	<ul style="list-style-type: none"><li>• Aim to expand the investor base and improve market liquidity by listing on the TSE Prime Market by around 2025</li></ul>
<b>4</b> Strengthen governance systems	<ul style="list-style-type: none"><li>• Strengthen the function of the Board of Directors as a <b>Monitoring Board</b> (see the next page for details)</li></ul>

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Please refer to page 28.

We would like to take this opportunity to express to our shareholders and investors our intention to further strengthen our efforts to improve from the current market evaluation, and examples of our efforts are described on this page.

Major initiatives are as follows:

“adopting corporate value indicators linked to IFRS” with the aim of improving the credibility of corporate value indicators and making them more comparable to those of overseas insurance companies,

“committing to per share targets and timeframes for achieving them,” such as mid-term business plans and stock price targets, to increase commitment to the market,

“transiting to the TSE Prime Market” with the aim of expanding the investor base and improving market liquidity, and

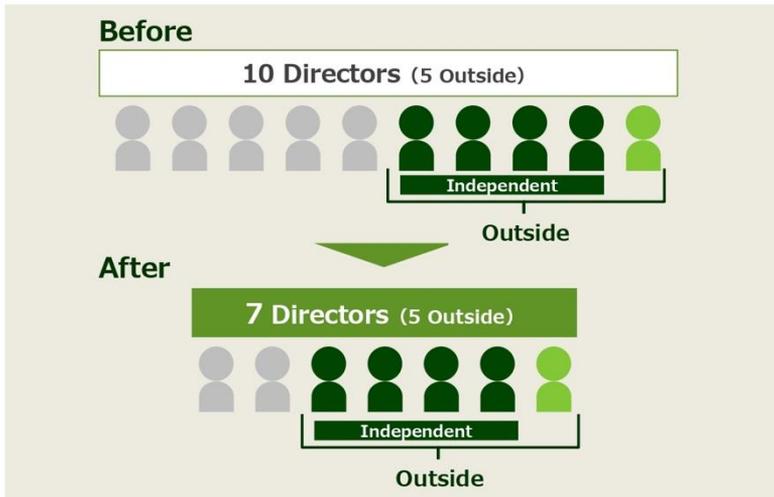
“strengthening of governance systems” by transitioning the Board of Directors to a monitoring board.

By steadily implementing these initiatives one by one, we aim to improve from the current market evaluation.

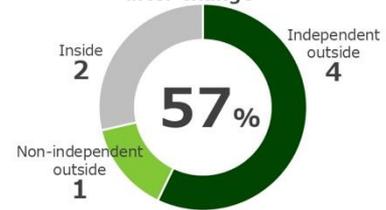
# Further Strengthening of Corporate Governance



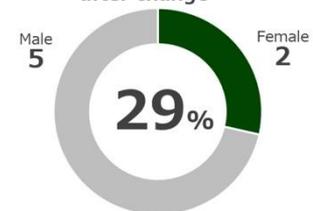
- **Shift to structure with a majority of Independent Outside Directors<sup>1</sup>** with aim of strengthening the supervisory function of the Board of Directors and further enhancement of the separation of supervisory and executive functions



Ratio of Independent Outside Directors after change



Ratio of Female Directors after change



1. Election of Directors is subject to approval at the 18th Annual General Meeting of the Shareholders on June 23, 2024.

On page 29, we introduce one of our initiatives, our corporate governance efforts. In order to further strengthen the supervisory function of the Board of Directors, subject to approval at the 18th Annual General Meeting of Shareholders to be held on June 23, 2024, the composition of the Board of Directors will be changed to have a majority of Independent Outside Directors to further enhance the effectiveness and efficiency as the monitoring board.

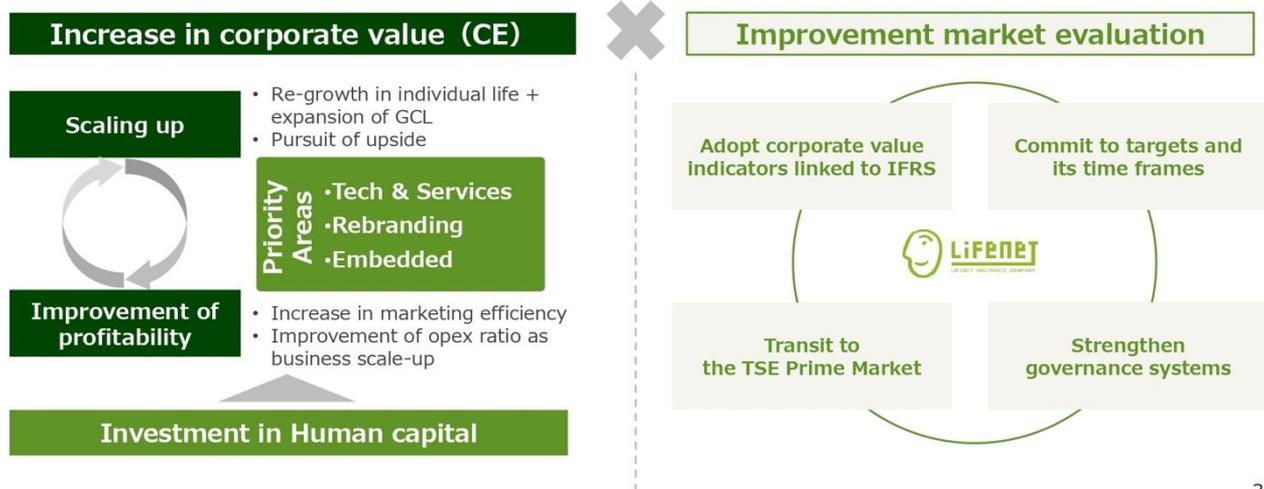
In addition, the ratio of female directors will be increased from the current 20% to 29% to ensure diversity.

We will continue to strive to further strengthen and enhance corporate governance by improving the effectiveness of the Board of Directors from various perspectives.

# Increase in Shareholder Value over Mid-to-long Term



- Aiming to both increase corporate value by expanding business scale and improve market evaluation



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Please refer to page 30. This is a summary of the previous explanations.

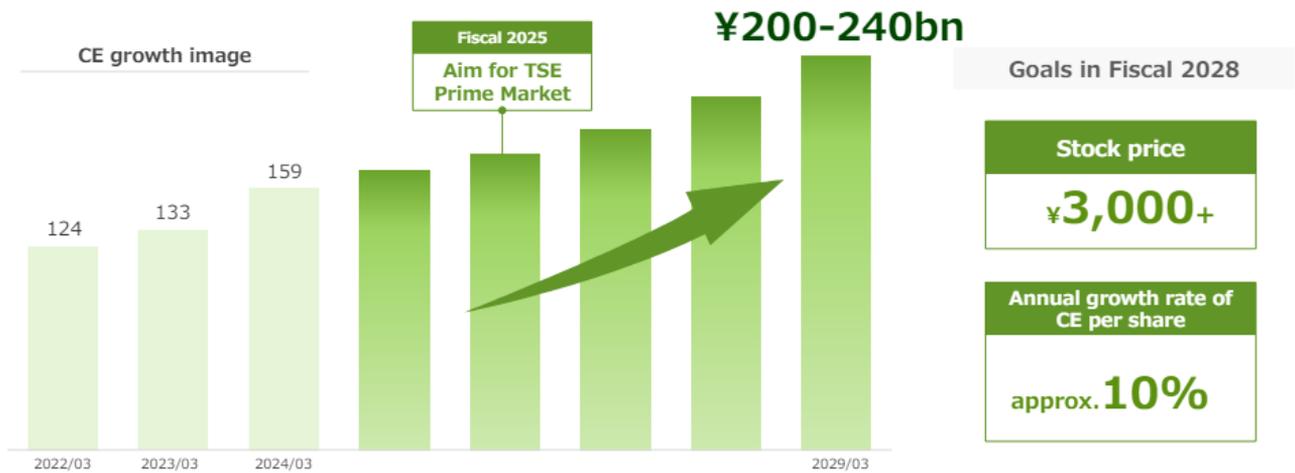
In addition to aiming to enhance corporate value through the new Management Policy and mid-term business plan as explained, we will further focus on efforts to improve our market evaluation as I have just explained.

We believe that efforts in both of these areas will lead to medium- and long-term improvements in shareholder value.

## For Achieving Mid-term Business Plan



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



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In this last part of my presentation, I would like to show you a picture of achieving our mid-term business plan.

We will continue to pursue growth to expand the scale of our business while capturing the structural trend of digitization of financial services.

On this basis, we will strive to achieve strong and sustainable growth through both the individual life insurance and GCL businesses, aiming to reach our new management goal, Comprehensive Equity of JPY200 billion to JPY240 billion in FY2028.

In addition, by working to improve market evaluation, we will face the financial target of a share price of JPY3,000 or more in FY2028.

This is the end of my explanation. Thank you very much for your kind attention.