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 LIFENET INSURANCE COMPANY
 (Securities Code: 7157, TSE Growth)

Consolidated Financial Results for Fiscal 2023 Ended March 31, 2024 (IFRS)

Insurance service results of 8,222 million yen, up 24.2% year-on-year

TOKYO, May 14, 2024 - LIFENET INSURANCE COMPANY (TSE Growth 7157, President Ryosuke Mori, URL: <https://ir.lifenet-seimei.co.jp/en/>) discloses the consolidated financial results for fiscal 2023 ended March 31, 2024.

The Lifenet Group (the “Group”) has voluntarily adopted International Financial Reporting Standards (“IFRS”) since the first quarter of fiscal 2023 ended March 31, 2024. The figures for fiscal 2022 ended March 31, 2023 have also been restated on the IFRS basis.

1. Overview of the financial results for fiscal 2023

(1) Business results

Condition of policies-in-force

The Group launched group credit life insurance (“GCL”) business in July 2023 with the aim of expanding new opportunity for profit growth. Annualized premium*¹ of policies-in-force for individual life insurance and GCL combined as of the end of fiscal 2023 stands at 28,750 million yen (119.6% of March 31, 2023). Annualized premium of policies-in-force for individual life insurance and GCL was 25,424 million yen (105.8% of March 31, 2023) and 3,326 million yen, respectively.

The business performance of individual life insurance is as follows. The number of policies-in-force exceeded 600,000 in March 2024 and resulted in a total of 600,945 (105.7% of March 31, 2023). Annualized premium of new business for fiscal 2023 was 2,883 million yen (73.6% of fiscal 2022) and the number of new business for fiscal 2023 was 72,434 (73.5% of fiscal 2022). Surrender and lapse ratio*² for fiscal 2023 was 6.5% (6.5% for fiscal 2022).

*1: Annualized premium is the amount of money equivalent to what is to be paid to have the insurance coverage for one year. All payments for Lifenet products are in monthly installments, we calculate annualized premium as multiplying the monthly premium (for GCL, expected premium income for the next month based on the in-force business) by 12 months.

*2: 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.

Results of operations

(In millions of yen)

	Fiscal 2022	Fiscal 2023	Change
Insurance revenue	20,732	24,698	3,966
Insurance service results	6,618	8,222	1,604
Financial results* ³	(452)	555	1,008
Other results* ⁴	(822)	(527)	295
Net income (loss) before income taxes	5,343	8,251	2,908
Net income (loss) attributable to owners of the Company	3,562	5,734	2,171

Insurance revenue for fiscal 2023 resulted in 24,698 million yen (119.1% of fiscal 2022). Insurance revenue for individual life insurance and GCL was 22,694 million yen and 2,004 million yen, respectively.

As for individual life insurance, the main components of insurance revenue were 10,464 million yen in expected claims and maintenance costs^{*5}, 1,678 million yen in change in risk adjustment for non-financial risks related to extinguished risks (“risk adjustment release”) and 7,056 million yen in CSM^{*6} recognized for services provided (“CSM release”). Insurance service results increased to 8,222 million yen (124.2% of fiscal 2022) mainly due to the recording of risk adjustment release and CSM release. Financial results were 555 million yen mainly due to the recording of valuation gains from investment trusts. Other results were 527 million yen loss mainly because of recording expenses not directly related to insurance services.

As a result, net income before income taxes was 8,251 million yen (154.4% of fiscal 2022). Net income attributable to owners of the Company was 5,734 million yen (161.0% of fiscal 2022).

With respect to expenses related to insurance contract incurred for fiscal 2023, insurance acquisition cash flows, which are cost directly attributable to the acquisition of insurance contract groups, the sum of expenses related to marketing, underwriting and systems, etc., were 9,377 million yen (90.3% of fiscal 2022). In addition, maintenance costs, which were not included in insurance acquisition cash flows, were 4,533 million yen (112.0% of fiscal 2022).

*3: Financial results are mainly total of investment results from financial assets, insurance finance income or expense and reinsurance finance income or expense.

*4: Other results are the costs not directly related to insurance services and income/loss other than insurance business including product development costs and results of subsidiaries.

*5: Maintenance costs are the costs directly related to fulfilling contracts and not included in insurance acquisition cash flows. They are mainly included in costs related to maintenance of insurance contracts and overhead costs for providing insurance services.

*6: CSM stands for Contractual Service Margin, which represents the unearned profit that the Company will recognize as it provides services over the coverage period.

(2) Financial condition

Assets, liabilities and equities

Total assets as of March 31, 2024 amounted to 112,417 million yen (93,814 million yen as of March 31, 2023). The major account balances were 51,564 million yen in investment securities mainly consisting of government bonds and corporate bonds with high credit ratings and 32,378 million yen in insurance contract assets. Although insurance contracts are generally recorded as liabilities, the Group records them as insurance contract assets because the insurance contract liabilities in individual life insurance are negative as shown in the table below. Breakdown of insurance contract liabilities are present value of future cash flows of minus 150,693 million yen, risk adjustment of 26,141 million yen and CSM of 92,173 million yen, which are related to individual life insurance. In addition, contracts measured under the premium allocation approach of 685 million yen, which are related to GCL, were recorded as insurance contract liabilities.

Breakdown of insurance contract liabilities

(In millions of yen)

Present value of future cash flows (claims minus premiums)	(150,693)
Risk adjustment	26,141
CSM	92,173
Insurance contract liabilities related to individual life insurance: total	(32,378)
Insurance contract liabilities related to GCL (Contracts measured under the premium allocation approach)	685

Liabilities amounted to 21,535 million yen as of March 31, 2024 (18,110 million yen as of March 31, 2023), owing to an increase in deferred tax liabilities. The major account balance was 18,610 million yen in deferred tax liabilities.

Equities amounted to 90,882 million yen as of March 31, 2024 (75,704 million yen as of March 31, 2023), due to raising new capital through public offering and third-party allotment and recording of net income for fiscal 2023.

The consolidated solvency margin ratio, one of the indicators used in administrative supervision to determine the soundness of management, was 2,192.9% as of March 31, 2024, which indicated that an adequate level of solvency capacity is maintained.

(3) Cash flows

For fiscal 2023, net cash provided by operating activities amounted to 6,016 million yen (2,681 million yen provided for fiscal 2022) mainly due to recording of net income before income taxes though the increase in insurance contract assets had a negative impact. Net cash used by investing activities amounted to 3,443 million yen (763 million yen provided for fiscal 2022) mainly due to acquisition of investment securities. Net cash provided by financing activities amounted to 9,681 million yen (109 million yen used for fiscal 2022) due to the issuance of new shares through public offering and third-party allotment.

Based on these activities described above, cash and cash equivalents as of March 31, 2024 totaled 24,423 million yen (12,137 million yen as of March 31, 2023).

(4) Business forecasts

The consolidated business forecasts for fiscal 2024 are as follows. We disclose insurance revenue, insurance service results and net income attributable to owners of the Company based on IFRS in addition to annualized premium of policies-in-force for individual life insurance and GCL combined.

(In millions of yen)

	Annualized premium of policies-in-force	Insurance revenue	Insurance service results	Net income attributable to owners of the Company
Business forecasts for fiscal 2024	34,000	30,000	8,900	6,200
(Reference) Business results for fiscal 2023	28,750	24,698	8,222	5,734

We announced our new Management Policy and a five-year mid-term business plan ending in fiscal 2028 on May 14, 2024. For details, see “2. Business policy (3) Medium-to long-term business strategy and challenges” on page 5. We will focus on the three priority areas of “Tech & Services,” “Rebranding,” and “Embedded,” which are listed in our growth strategies, with the aim of achieving Comprehensive Equity of 200 billion yen to 240 billion yen in fiscal 2028 as our management goal. In this fiscal year, we will make investments that contribute to the promotion of initiatives with alliance partners in addition to investments in IT services and new marketing measures aimed at further improving customer experience.

Accordingly, Lifenet is forecasting annualized premium of policies-in-force for individual life insurance and GCL combined of 34,000 million yen, insurance revenue of 30,000 million yen, insurance service results of 8,900 million yen and net income attributable to owners of the Company of 6,200 million yen for fiscal 2024. The annualized premium of policies-in-force is expected to be 27,200 million yen for individual life insurance and 6,800 million yen for GCL for fiscal 2024.

(Reference) Breakdown of business forecasts for annualized premium of policies-in-force
(In millions of yen)

	Individual Life Insurance	Group Credit Life Insurance	Total
Business forecasts for fiscal 2024	27,200	6,800	34,000
(Reference) Business results for fiscal 2023	25,424	3,326	28,750

(5) Dividend policy

Lifenet has yet to determine its specific dividend policies and dates for the start of distributing retained earnings as dividends as we still record cumulative loss under Japanese GAAP and will be prioritizing strengthening our growth base to increase medium-to long-term profitability. In the future, we will continue to target business expansion and profit generation by implementing measures to increase recognition of the Company, developing new products and services, and effectively utilizing financing for investment in systems and other aspects of the business. In addition to this, we will consider implementing measures to provide shareholder return that include payment of dividends from future retained earnings. Lifenet's Articles of Incorporation stipulates that a decision on the distribution of retained earnings as specified in each Item of Paragraph 1, Article 459 of the Companies Act can be made by a resolution of the Board of Directors, except as otherwise determined by law. We have voluntarily adopted IFRS in its consolidated financial statements since fiscal 2023 ended March 31, 2024, however, distribution of retained earnings is based on non-consolidated financial statements in accordance with Japanese GAAP.

2. Business policy

(1) Basic management policy

Since its business commencement in 2008, the Lifenet Group has adopted the “LIFENET Manifesto” and has defined mission as “Help our customers embrace life more fully by offering comprehensible, cost-competitive and convenient products and services.” We consistently provide customer-oriented products and services utilizing digital technology. By becoming a leading company of online life insurance creating the future of life insurance, we aim to realize “a society where next generations can be nurtured with confidence in the future.”

(2) Target indicator

On May 14, 2024, the Group announced its new mid-term business plan from fiscal 2024 to fiscal 2028. As the Group has applied IFRS since fiscal 2023, the plan sets “Comprehensive Equity^{*1}” based on IFRS as a key management indicator representing our corporate value, and management goal is to achieve Comprehensive Equity of 200 billion yen to 240 billion yen in fiscal 2028.

As sub-business management indicators supporting the sustainable growth of Comprehensive Equity, we have set policies-in-force performance and new business performance as growth indicators, insurance acquisition cash flows efficiency and expense ratio excluding insurance acquisition cash flows as profitability indicators, and solvency margin ratio as soundness indicators.

*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. 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.

(3) Medium-to long-term business strategy and challenges

The Group has established a new Management Policy and a five-year mid-term business plan ending in fiscal 2028. We also set “Outcome goal” as the society we contribute to realize through these plans, to enhance corporate value and address social issues while sustaining strong growth.

■ Outline of the new Management Policy

Mission	Help our customers embrace life more fully by offering comprehensible, cost-competitive and convenient products and services
Vision	Be the leading online life insurer creating the future of life insurance
Value	Lifenetter Values 1. Manifesto-driven 2. Ownership 3. Teamwork 4. Growth mindset 5. Be ambitious

■ Outline of the five-year mid-term business plan (fiscal 2024 to fiscal 2028)

Growth strategy	Priority areas (Business)	<p>Tech & Services</p> <ul style="list-style-type: none"> Pursue customer convenience by utilizing IT services such as AI and Individual Number System^{*2} <p>Rebranding</p> <ul style="list-style-type: none"> Rebuild unique Lifenet brand aligned with current era and customer values <p>Embedded</p> <ul style="list-style-type: none"> Deliver insurance and services seamlessly with our partners
	Human resources strategy	<p>Promote organizational transition to focus on priority areas</p> <p>Create a virtuous cycle of employee growth and business growth</p> <p>Maintain and strengthen an organizational culture based on the LIFENET Manifesto</p>
Fiscal 2028 goals	Management goal	Achieve Comprehensive Equity of 200 billion yen to 240 billion yen
	Financial target	<p>Stock price: 3,000 yen or more</p> <p>Annual growth rate of Comprehensive Equity per share: approximately 10%</p>
	Non-financial target (Human capital)	<p>Overall: Continuous improvement in engagement score</p> <p>[Diversity]</p> <p>Achieve 30%+ ratio of women decision-makers^{*3} and 15%+ ratio of decision-makers under 30s</p> <p>[Growth opportunities]</p> <p>Continuous improvement in engagement score for growth</p>

*2: Individual Number System is a system in which all people living in Japan are given an individual identification number for the purpose of improving convenience and others for citizens. It is also available online and you can apply to services online related to parenting by the one-stop service and can receive notifications from administrative organizations.

*3: Decision-makers are directors and employees at the department head level and above.

■ Committed to Outcome goal

Outcome goal	A society where next generations can be nurtured with confidence in the future
Reference indicator ^{*4}	Market penetration rate of online life insurance, Prospect for the future life, ease of raising children

*4: The market penetration rate of online life insurance is measured based on “the percentage of respondents who want to purchase via the Internet in the future” and “the percentage of those who have actually purchased via the Internet” in the “Survey on Life Protection” by the Japan Institute of Life Insurance. Prospect for the future life is measured based on “the percentage of respondents who answered “improve” about the prospect of the future lifestyle” in the “Public Opinion Survey on the Life of the People” by the Cabinet Office. Ease of raising children is measured based on “the percentage of respondents who answered “It is easy to raise children” in the “Public Opinion Survey on Social Awareness” by the Cabinet Office.

■ Review of the previous Management Policy

In the previous Management Policy formulated in November 2018, having recognized the high growth potential of online life insurance market, we proactively invested in priority areas of “innovation of customer experience” and “enhancement of promotion capabilities” in order to reliably meet customer needs and drive the growth of the online life insurance market. As for the direct business of individual insurance business, the Group made efforts to continuously

sophisticate our website's UI/UX and actively carried out marketing investment, mainly through television commercials, resulting in significant growth in policies-in-force performance. Meanwhile, we have also accelerated alliances with partner companies in other industries. Because of our leading position in the online life insurance industry, we have been selected by attractive partner companies and have been able to create a virtuous cycle model that leads to further expansion of the online life insurance market. Furthermore, by leveraging the group business synergy with our partner company, KDDI CORPORATION, we achieved entry into GCL business.

As a result of these efforts, we achieved our management goal of achieving 100 billion yen in European Embedded Value ("EEV") at the end of September 2021, and subsequently renewed the target to 200 billion yen. In the previous Management Policy period, the COVID-19 outbreak occurred, and our business performance was significantly fluctuated by the spread of COVID-19. Even so, we achieved steady growth. As of the end of March 2024, EEV reached 146,991 million yen. Annualized premium of policies-in-force increased significantly from 13,085 million yen at the end of March 2019, the end of fiscal year in which the previous Management Policy began, to 28,750 million yen at the end of March 2024. As of March 31, 2024, there were 600,945 policies-in-force in individual insurance business, compared with 308,854 as of March 31, 2019.

■ Recognition of the business environment behind the establishment of the new Management Policy and the mid-term business plan

Based on the review of the previous Management Policy, we are aware of the following three points regarding the business environment surrounding the Group : (i) Continuous expansion and further growth potential of online life insurance market; (ii) Expansion of technology utilization starting from younger generations; and (iii) Entry into online finance services by companies with a huge ecosystem.

(i) Continuous expansion and further growth potential of online life insurance market

The first point is the potential for continued expansion and further growth of the online life insurance market. We believe that the digitization of financial services, which has continued since before the COVID-19 outbreak, has accelerated due to COVID-19 and has brought huge changes to customer behavior patterns and corporate awareness of the business environment. In the life insurance industry, we believe that the structural shift to online services is irreversible and that the online life insurance market will continue to expand. Amid increasing competitors offering insurance products and services online and intensifying competitive landscape, we need to enhance our value proposition and create new value in order to maintain a leading position in the online life insurance market.

(ii) Expansion of technology utilization starting from younger generations

The second point is to expand the use of technology starting with young people. Since its business commencement, the Group has expanded its business with the support of young customers, mainly those with small children. In the previous Management Policy, combined with the expansion of online businesses in other industries, our customers have expanded to the middle-aged and elderly. At the same time, as convenient IT services continue to emerge, we believe that it is important to be selected by the younger generation of the time in order to apply ongoing technologies. This is because we aim to adapt customer behavior patterns that change with the times and to further expand our business scale.

(iii) Entry into online finance services by companies with a huge ecosystem

The third point is the entry of companies with a huge ecosystem into online finance services. We recognize that interest in online financial services by companies in other industries has been increasing significantly in recent years. As mentioned above, the Group has formed alliances with partner companies in various industries. We recognize that there is potential for further growth of the online life insurance market through the integration of our insurance business into the

strategies and ecosystem of our partner companies. We will continue to develop and provide products and services that are attractive to our partner companies. At the same time, we believe it is significant to strengthen our own brand equity and continue to be the company of choice for our partner companies.

■ Challenges to be addressed

Based on the above, we have established a new Management Policy and a new five-year mid-term business plan. The Group will address the following challenges with the aim of achieving sustainable enhancement of its corporate value.

(i) Enhance the value provided as the online life insurance company

By focusing on “Tech & Services” in priority areas, we aim to further enhance convenience for customers in individual insurance business and GCL business, as well as to improve operating expenses ratio by enhancing production efficiency. We will utilize IT services such as AI and the Individual Number System to provide customers with innovative insurance services as an Internet service company for life insurance. We aim to further improve customer experience to provide a more sophisticated approach for prospective customers and to increase convenience for customers in various procedures (application, while in-contract, making claims for insurance and benefits, etc.). In addition, we will further promote the use of various types of data in order to provide better services to our customers and strive to improve operating expenses ratio by raising production efficiency.

(ii) Strengthen initiatives for qualitative changes in Internet direct business

By working on “Rebranding” in priority areas, we further polish the value that we provide as a leading company in the online life insurance industry and aim to have a unique presence that sets it apart from others by updating the Lifenet brand in line with the current era. In the middle of the intensifying competitive landscape, we recognize that we will establish a new growth model in the main Internet direct business and build a strong re-growth trajectory. In order to achieve them, it is important to continue to be chosen by younger customers. We will strive to develop a new growth model that enables quantitative expansion by strengthening our products and services, rebuilding our corporate image, and establishing nurturing methods in order to gain the support of younger customers.

(iii) Deepen and expand business with alliance partners

The Group will focus on the priority area “Embedded,” strengthen initiatives with each alliance with the aim of pursuing growth opportunities and strive to develop new alliance in partner businesses of individual life insurance and GCL business.

First, in our partner businesses for individual insurance business, we will invest more of our management resources with the aim of actively integrating our insurance businesses into the priority areas and ecosystem operations of our partner companies. As for our current major alliance partners, we are working with Sumitomo Mitsui Card Company, Limited to create new sources of growth based on our “Insurance with V-points,” which we began offering in December 2023. Additionally, we will work to strengthen integration into the au ecosystem through cooperation within the KDDI CORPORATION Group. We will continue to work with Money Forward, Inc. to strengthen collaboration with the PFM (Personal Financial Management) services and contribute to the growth. In addition, we will actively consider alliance with new companies that have strong brand power and a broad customer base. In the future, we aim to make our partner business a pillar that contributes to the expansion of the online life insurance market together with our Internet direct sales.

As for GCL business, which we started in July 2023, we aim to expand our operations so that it can become a new source of earnings in the future. By providing products and services that pursue convenience, we will deliver value unique to online life insurance to mortgage borrowers

insured by GCL products and banks as policyholders. Our efforts in GCL business with au Jibun Bank Corporation started last year were off to a good start. We will contribute to the acquisition of new mortgage contracts by refining our GCL products. We will also work on expansion of new partner banks in addition to au Jibun Bank Corporation new partner banks. Not only providing attractive GCL products, but we aim to contribute to digital transformation (DX) of banks in Japan by its alliance amid the recent trend toward online financial services.

(iv) Strengthen human capital for priority areas

The Group aims to achieve robust growth, regardless of industry norms, and will strengthen human capital based on our policy of “value diversity” and “create opportunities for growth,” which are listed in our materiality of our sustainability. As part of these efforts, we will promote the transition of our organizational structure in order to focus on the three priority areas across the individual life insurance and GCL business in the human resources strategy of the new mid-term business plan. We will also strive to create a virtuous cycle of employee growth and business growth, and to maintain and strengthen an organizational culture based on the LIFENET Manifesto.

As for the promotion of the organizational transition, we will strengthen activities beyond the organizational framework and strategically allocate human resources to work together in the three priority areas. As for the creation of a virtuous cycle of employee development through challenges and business growth, we believe that we have been actively recruiting people with diverse backgrounds since our business commencement and have created a unique business model of an online life insurance company. In the future, we will focus on in-house human resource development as well, and will strengthen employee training by encouraging employees to take on new tasks while making the most of their own unique skills. We will also aim to improve corporate value by linking individual growth with company’s business growth. Furthermore, with regard to maintaining and strengthening the organizational culture based on the Manifesto, we recognize that continuing to provide consistent customer-oriented products and services based on the Manifesto is the embodiment of our mission. It also contributes to securing attractive and diverse human resources. While our organization grows as our business expands, we will maintain and strengthen our internal corporate culture based on the Manifesto. We will strengthen an environment where employees with diverse knowledge, experience, and ideas can play active roles and our promotion system that we can focus on priority areas.

3. Basic Rationale for Selection of Accounting Standards

Lifenet has voluntarily adopted IFRS for its consolidated financial statements since the first quarter of the fiscal year ended March 31, 2024 for the purpose of more appropriately representing its periodic profit/loss and profitability and improving the international comparability of financial information.

4. Consolidated Financial Statements

The following financial information was prepared in accordance with International Financial Reporting Standards (“IFRS”).

(1) Consolidated statement of financial position

	(In millions of yen)		
	April 1, 2022	March 31, 2023	March 31, 2024
ASSETS			
Cash and cash equivalents	8,801	12,137	24,423
Derivative assets	—	—	0
Investment securities	52,839	49,318	51,564
Other financial assets	1,660	954	1,073
Income tax receivable	27	37	17
Insurance contract assets	21,912	28,526	32,378
Reinsurance contract assets	854	579	571
Property and equipment	90	70	62
Right-of-use assets	363	254	110
Intangible assets	1,432	1,693	1,892
Other assets	213	243	322
Total assets	88,196	93,814	112,417
LIABILITIES			
Derivative liabilities	—	—	171
Other financial liabilities	1,232	1,190	1,485
Insurance contract liabilities	—	—	685
Reinsurance contract liabilities	93	94	78
Provisions	34	34	34
Lease liabilities	363	255	110
Deferred tax liabilities	14,352	16,248	18,610
Other liabilities	248	287	357
Total liabilities	16,324	18,110	21,535
EQUITY			
Share capital	21,655	21,676	26,617
Capital surplus	21,655	21,663	26,550
Retained earnings	24,184	27,747	33,481
Treasury shares	(0)	(0)	(0)
Other components of equity	4,353	4,600	4,221
Total equity attributable to owners of the Company	71,848	75,687	90,870
Non-controlling interests	23	16	11
Total equity	71,871	75,704	90,882
Total liabilities and equity	88,196	93,814	112,417

(2) Consolidated statement of profit or loss

	(In millions of yen)	
	Fiscal year ended March 31	
	2023	2024
Insurance revenue	20,732	24,698
Insurance service expense	(13,874)	(16,081)
Net expenses from reinsurance contract held	(239)	(394)
Insurance service result	6,618	8,222
Interest income	293	450
Impairment losses on financial assets, net	(0)	(5)
Other financial income	(674)	225
Net investment income	(381)	670
Insurance finance income (expense)	(67)	(126)
Reinsurance finance income (expense)	(3)	11
Other revenue	22	22
Other expense	(841)	(547)
Other financial expense	(3)	(2)
Net income (loss) before income taxes	5,343	8,251
Income taxes expense	(1,800)	(2,527)
Net income (loss)	3,542	5,723
Net income (loss) attributable to:		
Owners of the Company	3,562	5,734
Non-controlling interests	(20)	(10)
Net income (loss)	3,542	5,723
Net income (loss) per share attributable to owners of the Company		
Basic	51.10	75.97
Diluted	—	—

(3) Consolidated statement of comprehensive income

	(In millions of yen)	
	Fiscal year ended March 31	
	2023	2024
Net income (loss).....	3,542	5,723
Other comprehensive income.....		
Items that may be reclassified subsequently to profit and loss:		
Financial assets measured at fair value through other comprehensive income	(870)	(481)
Insurance finance income (expense).....	1,276	63
Reinsurance finance income (expense).....	(160)	38
Items that may be reclassified subsequently to profit and loss	<u>246</u>	<u>(378)</u>
Other comprehensive income net of tax	246	(378)
Total comprehensive income	<u>3,788</u>	<u>5,344</u>
Total comprehensive income attributable to:		
Owners of the Company.....	<u>3,808</u>	<u>5,355</u>
Non-controlling interests.....	(20)	(10)
Total comprehensive income	<u>3,788</u>	<u>5,344</u>

(4) Consolidated statement of changes in equity

	(In millions of yen)	
	Fiscal year ended March 31	
	2023	2024
Equity attributable to owners of the Company:		
Share capital		
Balance at the beginning of the year	21,655	21,676
Transactions with owners		
Issuance of new shares.....	—	4,918
Issuance of new shares-restricted stock.....	21	21
Total transactions with owners	21	4,940
Balance at the end of the period	21,676	26,617
Capital surplus		
Balance at the beginning of the year	21,655	21,663
Transactions with owners		
Issuance of new shares.....	—	4,871
Issuance of new shares-restricted stock.....	21	21
Changes in interests in subsidiaries	(12)	(6)
Total transactions with owners	8	4,886
Balance at the end of the period	21,663	26,550
Retained earnings		
Balance at the beginning of the year	24,184	27,747
Comprehensive income		
Net income (loss).....	3,562	5,734
Total Comprehensive income.....	3,562	5,734
Balance at the end of the period	27,747	33,481
Treasury shares		
Balance at the beginning of the year	(0)	(0)
Transactions with owners		
Purchase of treasury shares	(0)	(0)
Total transactions with owners.....	(0)	(0)
Balance at the end of the period	(0)	(0)
Other components of equity		
Financial assets measured at fair value through other comprehensive income		
Balance at the beginning of the year	926	56
Comprehensive income		
Other comprehensive income	(870)	(481)
Total Comprehensive income	(870)	(481)
Balance at the end of the period.....	56	(424)
Insurance finance expense reserve		
Balance at the beginning of the year	3,427	4,543
Comprehensive income		
Other comprehensive income.....	1,116	102
Total Comprehensive income	1,116	102
Balance at the end of the period.....	4,543	4,645

	(In millions of yen)	
	Fiscal year ended March 31	
	2023	2024
Total other components of equity		
Balance at the beginning of the year	4,353	4,600
Comprehensive income		
Other comprehensive income	246	(378)
Total Comprehensive income	246	(378)
Balance at the end of the period	4,600	4,221
Equity attributable to owners of the Company		
Balance at the beginning of the year	71,848	75,687
Comprehensive income		
Net income (loss)	3,562	5,734
Other comprehensive income	246	(378)
Total Comprehensive income	3,808	5,355
Transactions with owners		
Issuance of new shares	—	9,789
Purchase of treasury shares	(0)	(0)
Issuance of new shares-restricted stock	43	43
Changes in interests in subsidiaries	(12)	(6)
Total transactions with owners	30	9,827
Balance at the end of the period	75,687	90,870
Non-controlling interests:		
Balance at the beginning of the year	23	16
Comprehensive income		
Net income (loss)	(20)	(10)
Total Comprehensive income	(20)	(10)
Transactions with owners		
Changes in interests in subsidiaries	12	6
Total transactions with owners	12	6
Balance at the end of the period	16	11
Equity:		
Balance at the beginning of the year	71,871	75,704
Comprehensive income		
Net income (loss)	3,542	5,723
Other comprehensive income	246	(378)
Total Comprehensive income	3,788	5,344
Transactions with owners		
Issuance of new shares	—	9,789
Purchase of treasury shares	(0)	(0)
Issuance of new shares-restricted stock	43	43
Total transactions with owners	43	9,833
Balance at the end of the period	75,704	90,882

(5) Consolidated statement of cash flows

	(In millions of yen)	
	Fiscal year ended March 31	
	2023	2024
Cash flows from operating activities		
Net income (losses) before income taxes	5,343	8,251
Depreciation and amortization	554	631
Impairment losses (reversal of impairment losses)	—	53
Investment income	381	(670)
Other financial expenses	3	2
Losses (gains) related to fixed assets	2	5
Insurance and reinsurance contract	(4,786)	(3,032)
Decrease (increase) in other assets	684	(197)
Decrease (increase) related to other liabilities	(39)	372
Other, net	56	43
Subtotal	<u>2,199</u>	<u>5,459</u>
Interest received	320	398
Dividends received	175	159
Interest expenses paid	(3)	(1)
Income taxes paid	(9)	0
Net cash provided by (used in) operating activities	<u>2,681</u>	<u>6,016</u>
Cash flows from investing activities		
Purchase of property, equipment and intangible assets	(650)	(783)
Used in investment transactions	(9,189)	(20,547)
Proceeds from sales and redemption of investment	10,603	18,035
Other	—	(147)
Net cash provided by (used in) investing activities	<u>763</u>	<u>(3,443)</u>
Cash flows from financing activities		
Repayments of lease obligations	(108)	(108)
Issuance of new shares	—	9,789
Payments of treasury stocks	(0)	(0)
Net cash provided by (used in) financing activities	<u>(109)</u>	<u>9,681</u>
Net increase (decrease) in cash and cash equivalents	<u>3,336</u>	<u>12,253</u>
Cash and cash equivalents, beginning of the year	8,801	12,137
Currency exchange in cash and cash equivalents	(0)	32
Cash and cash equivalents, end of the period	<u><u>12,137</u></u>	<u><u>24,423</u></u>

About LIFENET URL: <https://ir.lifenet-seimei.co.jp/en/>

LIFENET INSURANCE COMPANY has developed the LIFENET Manifesto that embodies our mission of “Help our customers embrace life more fully by offering comprehensible, cost-competitive and convenient products and services.” We have consistently delivered customer-oriented products and services since our business commencement. As the leading online life insurer, we aim to realize “a society where next generation can be nurtured with confidence in the future.”

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