

Securities Code: 7157
TSE Growth



Presentation Material for Investors Fiscal 2023

LIFENET INSURANCE COMPANY
May 14, 2024

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 Directors¹**
- 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.

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

EEV
(European Embedded Value)

¥ **146,991** mn

(YoY 117.9%)

Growth

**Annualized premium¹
of policies-in-force**

¥ **28,750** mn

(YoY 119.6%)

Profitability

**Insurance service
results**

¥ **8,222** mn

(YoY 124.2%)

Notable Achievements

- Implemented new initiatives aimed at sustainable growth over the mid-term, including **GCL²** 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. Power³**

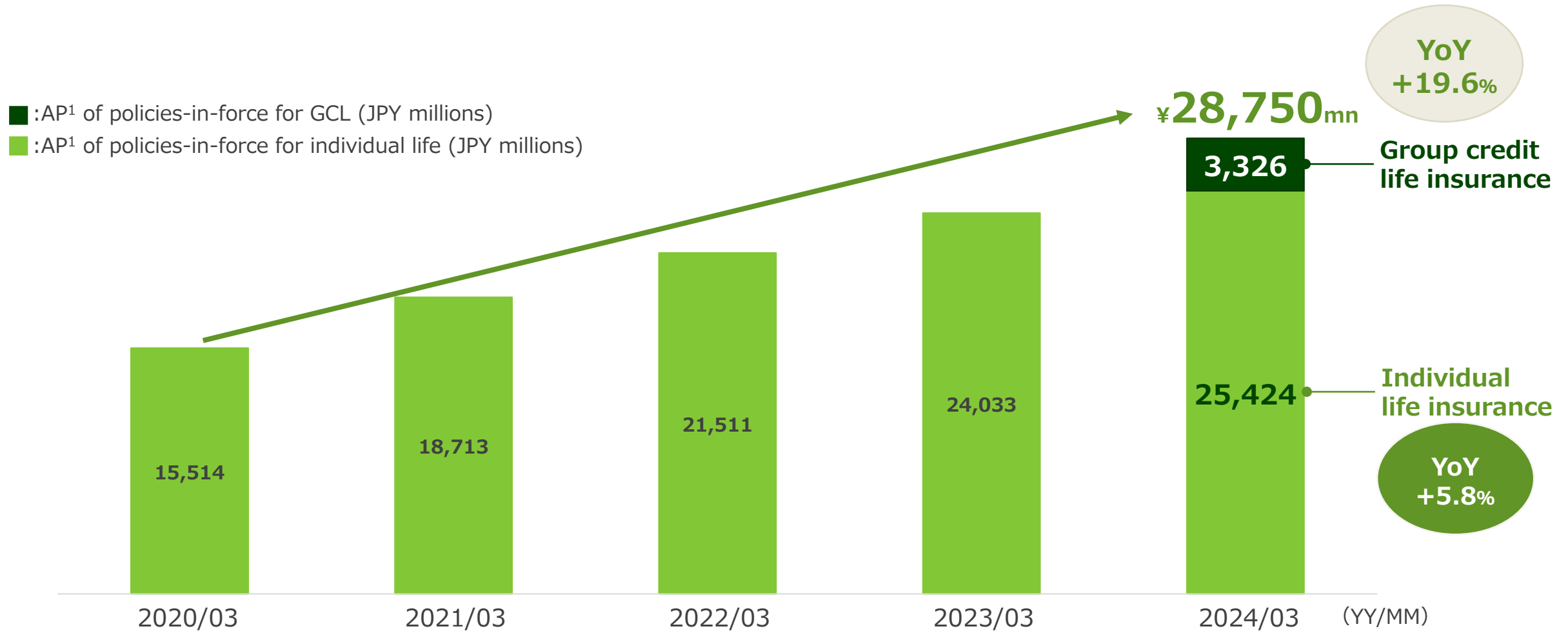
1. The amount of money is equivalent to what is to be paid to have the insurance coverage for one year. All payments are monthly installments, thus the annualized premium is calculated as multiplying the monthly premium (for GCL, expected premium income for the next month based on the in-force business) 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>

Annualized Premium of Policies-in-Force

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



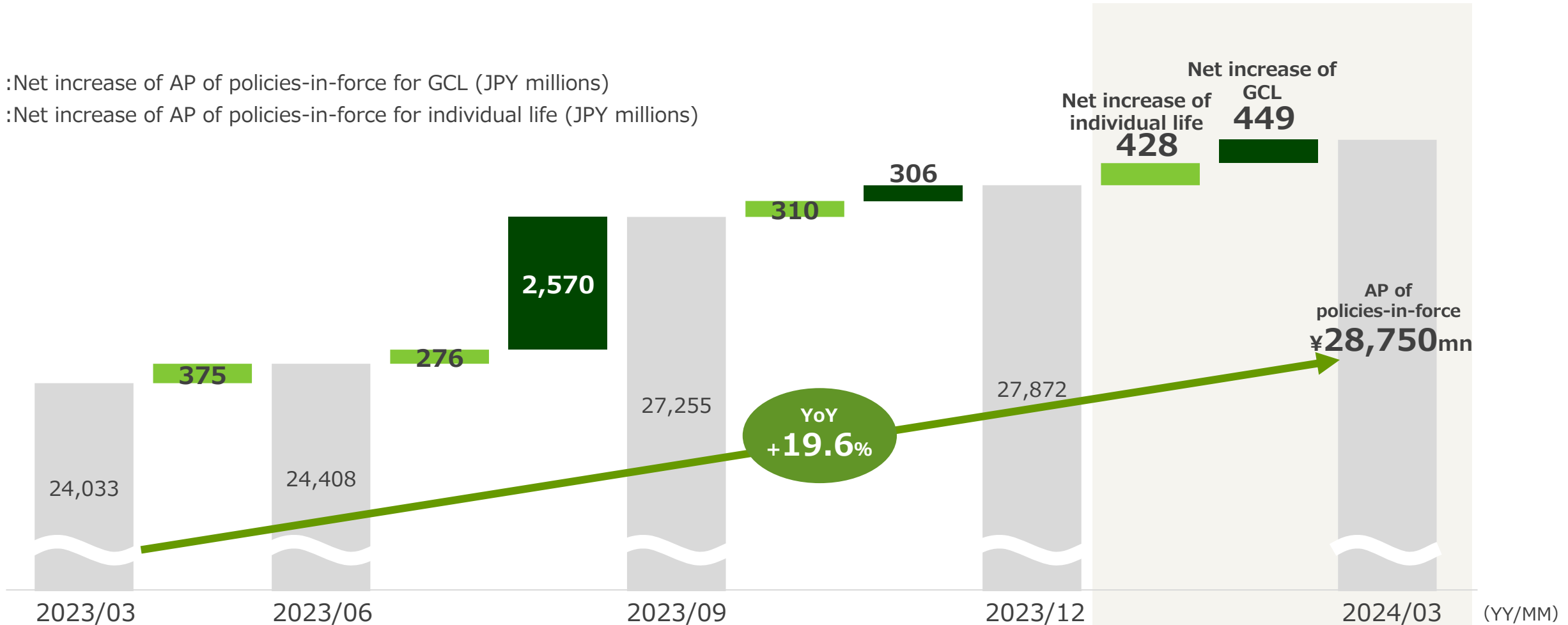
1. Annualized premium

Policies-in-Force Movement



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

■ : Net increase of AP of policies-in-force for GCL (JPY millions)
 ■ : Net increase of AP of policies-in-force for individual life (JPY millions)



Summary IFRS P/L

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

(JPY millions)

Items	FY2022 ²	FY2023 ²	Change
Insurance service results	6,618	8,222	1,604
Financial results ¹	(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

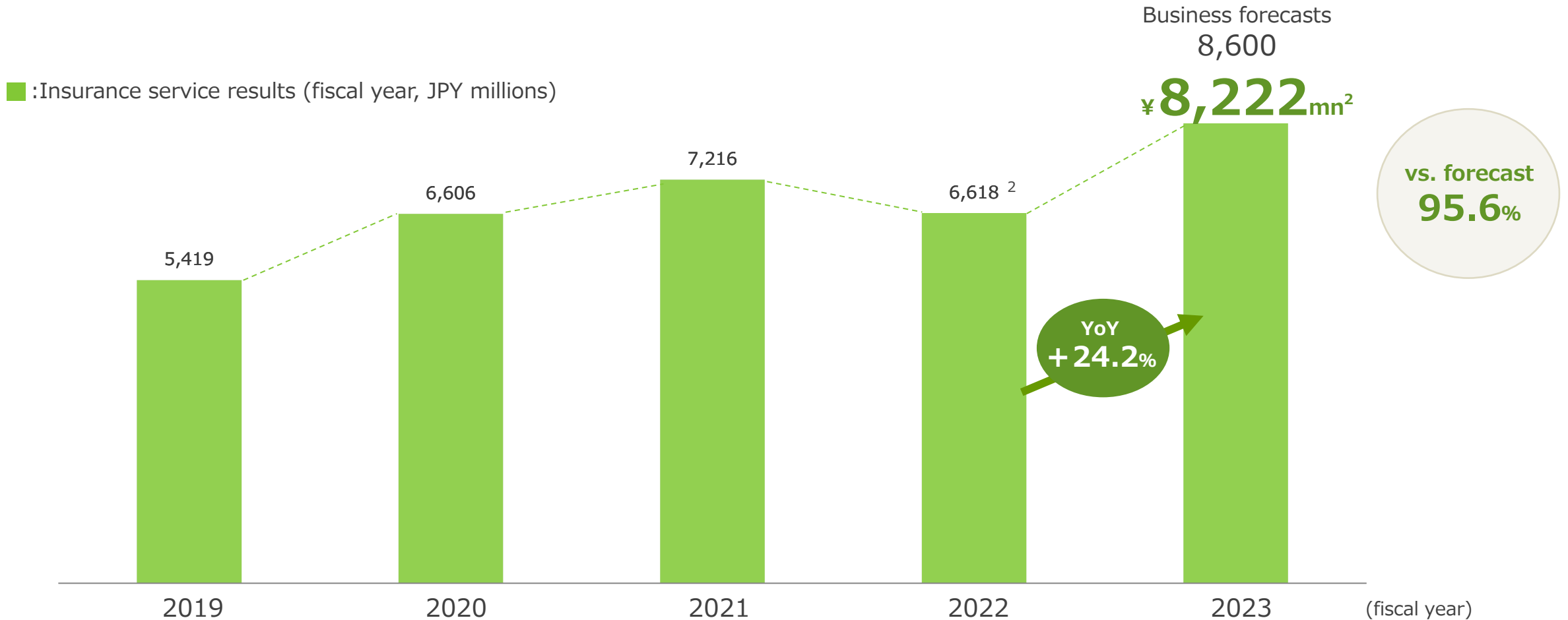
1. Total of investment results from financial assets, insurance finance income or expense and reinsurance finance income or expense

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

Insurance Service Results¹



■ 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

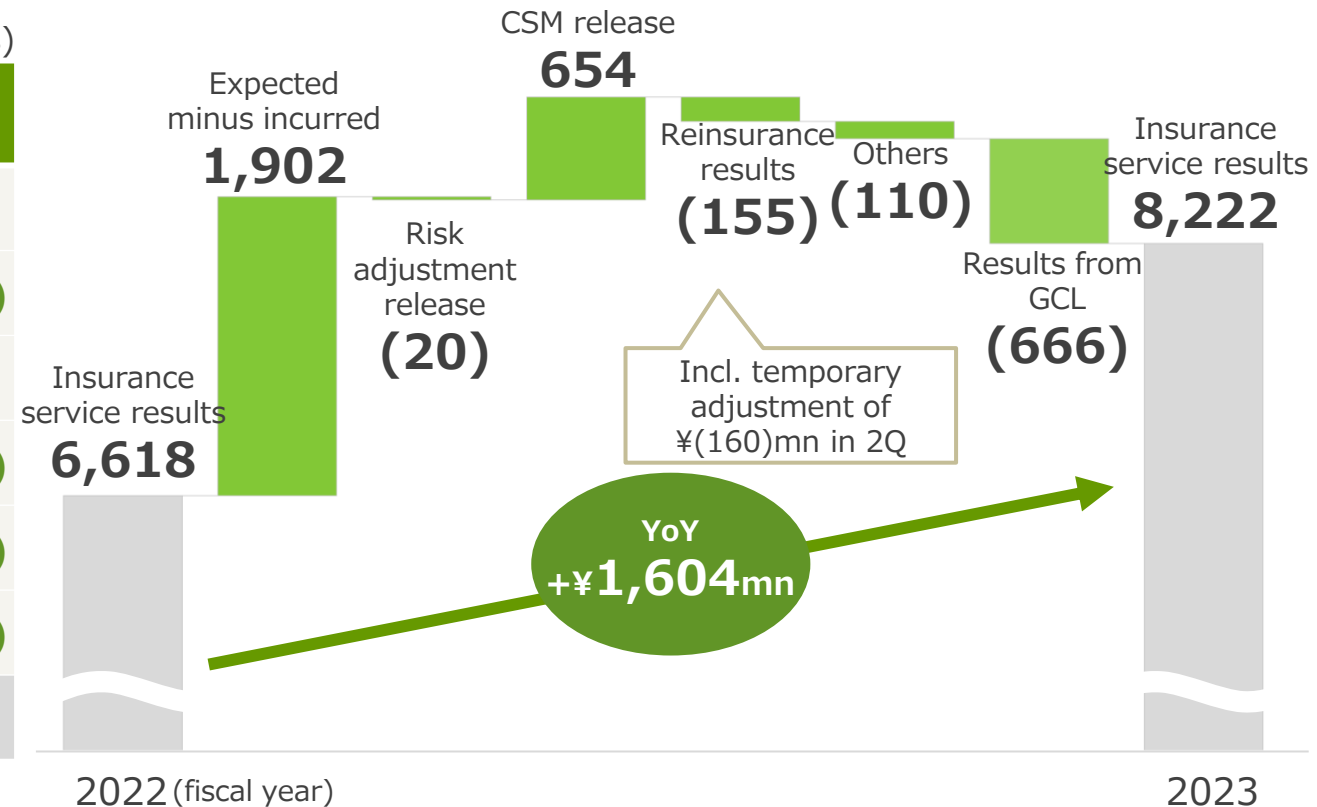
2. FY2022 includes ¥1,378mn and FY2023 includes ¥36mn of insurance claims and benefit related to COVID-19

Insurance Service Results Analysis

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

(JPY millions)

Items	FY2022	FY2023	Change
Expected claims minus incurred claims ¹	(1,118)	784	1,902
Risk adjustment release	1,698	1,678	(20)
CSM release	6,401	7,056	654
Reinsurance results	(239)	(394)	(155)
Others	(123)	(234)	(110)
Results from GCL ²	—	(666)	(666)
Insurance service results	6,618	8,222	1,604



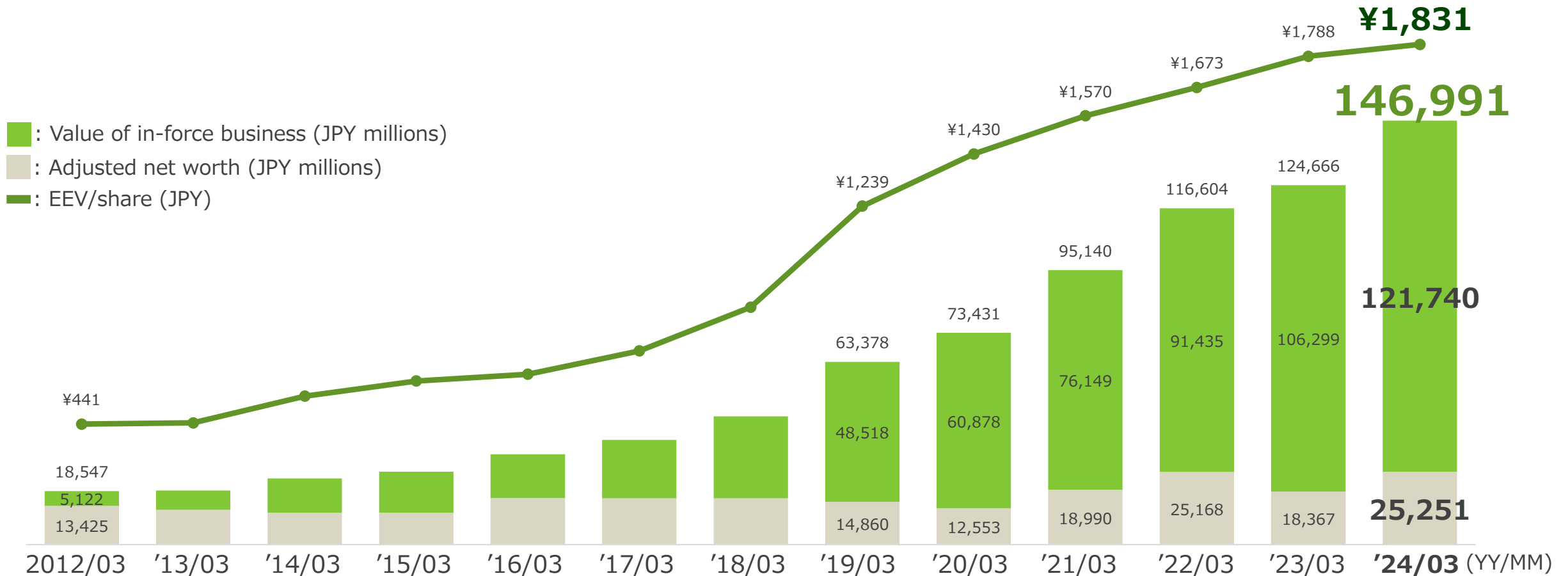
1. Applied only for individual life. FY2022 includes ¥1,378mn and FY2023 includes ¥36mn of insurance claims and benefit related to COVID-19

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

European Embedded Value¹



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

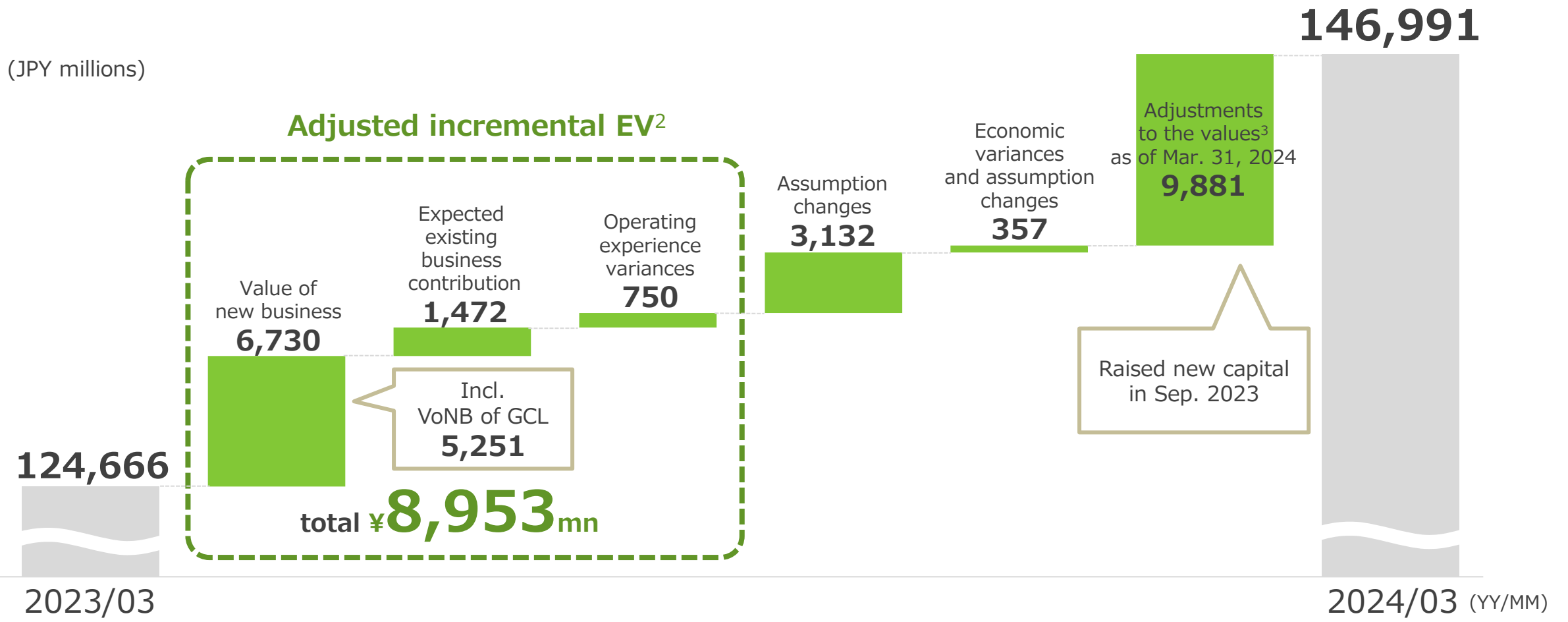


1. Lifenet's EEV is calculated following the EEV Principles and Guidance and in terms of allowance for risk, MCEV Principles (The European Insurance CFO Forum Market Consistent Embedded Value Principles©) is referred. From fiscal 2016 onward, a predetermined ultimate forward rate has been used to extrapolate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

Changing Factors of EEV¹

- 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

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



Key Efforts in Individual Life

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

Direct Business

Initiatives

Implemented new various measures for younger generation



1. J.D. Power 2021-2024 Japan Life Insurance Contract Customer Satisfaction Study <Direct Segment>

Partner Business

Initiatives

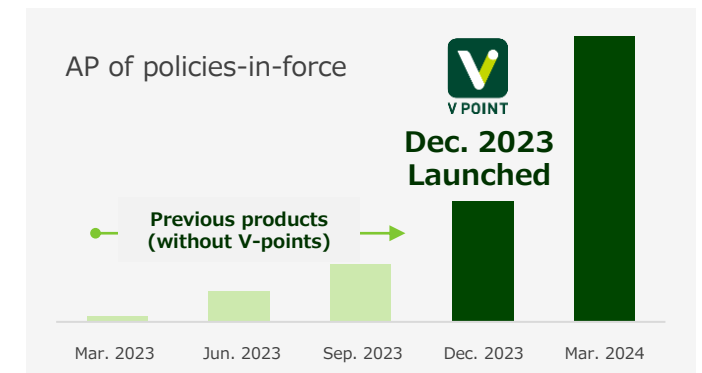
Launched new products embedded into point ecosystem



“au Life Insurance” with Ponta Points



“Insurance with V-points”



Key Efforts in GCL



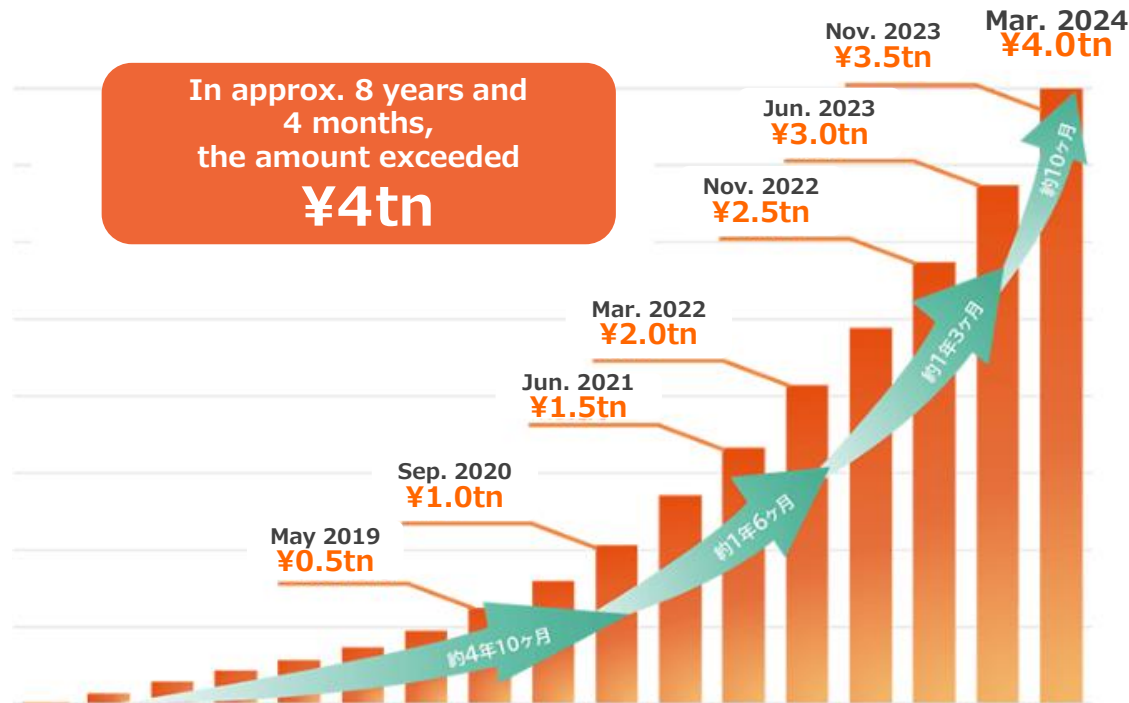
LIFENET

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



au Jibun Bank's rapid growth of mortgage loan

Contribution to key indicators¹



AP of policies-in-force

+ ¥3,326_{mn}

EEV (VoNB)

+ ¥5,251_{mn}

Insurance Service Results

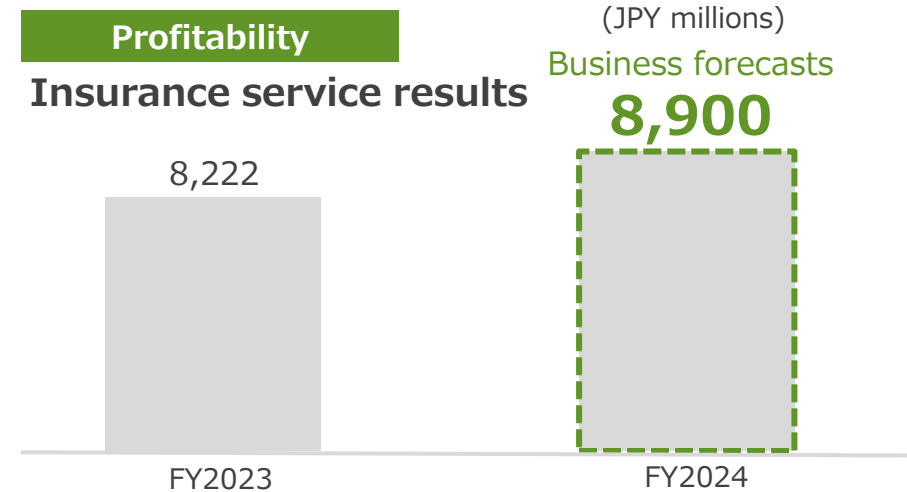
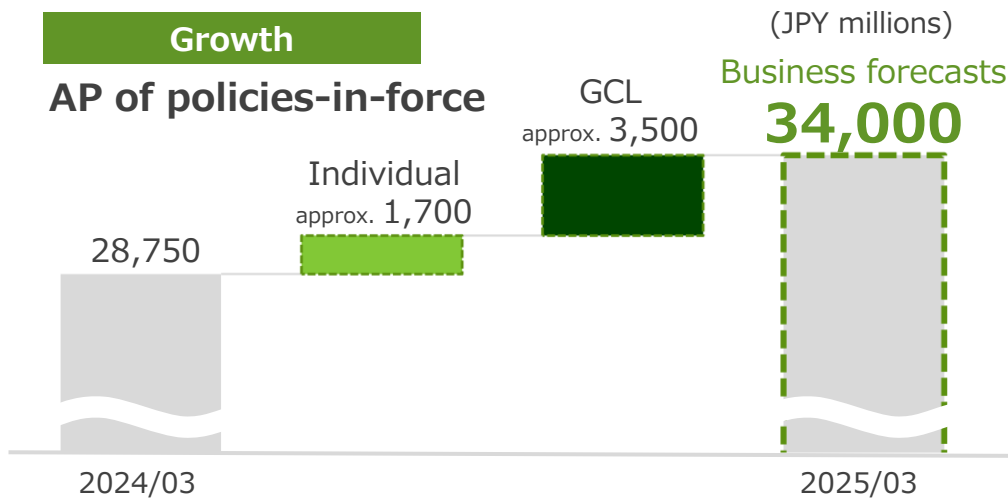
¥(666)_{mn}²

1. As of March 2024

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

Consolidated Business Forecasts for FY2024

- Expect **¥8.9bn** in insurance service results and **¥6.2bn** in net income



	(JPY millions)	FY2023 Results	FY2024 Forecasts
Annualized premium of policies-in-force		28,750	34,000
Insurance revenue		24,698	30,000
Insurance service results		8,222	8,900
Net income attributable to owners of the Company		5,734	6,200

1. Financial Results for Fiscal 2023

2. New Management Policy and Mid-term Plan

3. Future Initiatives to Improve Market Evaluation

Committed to Outcome Goal

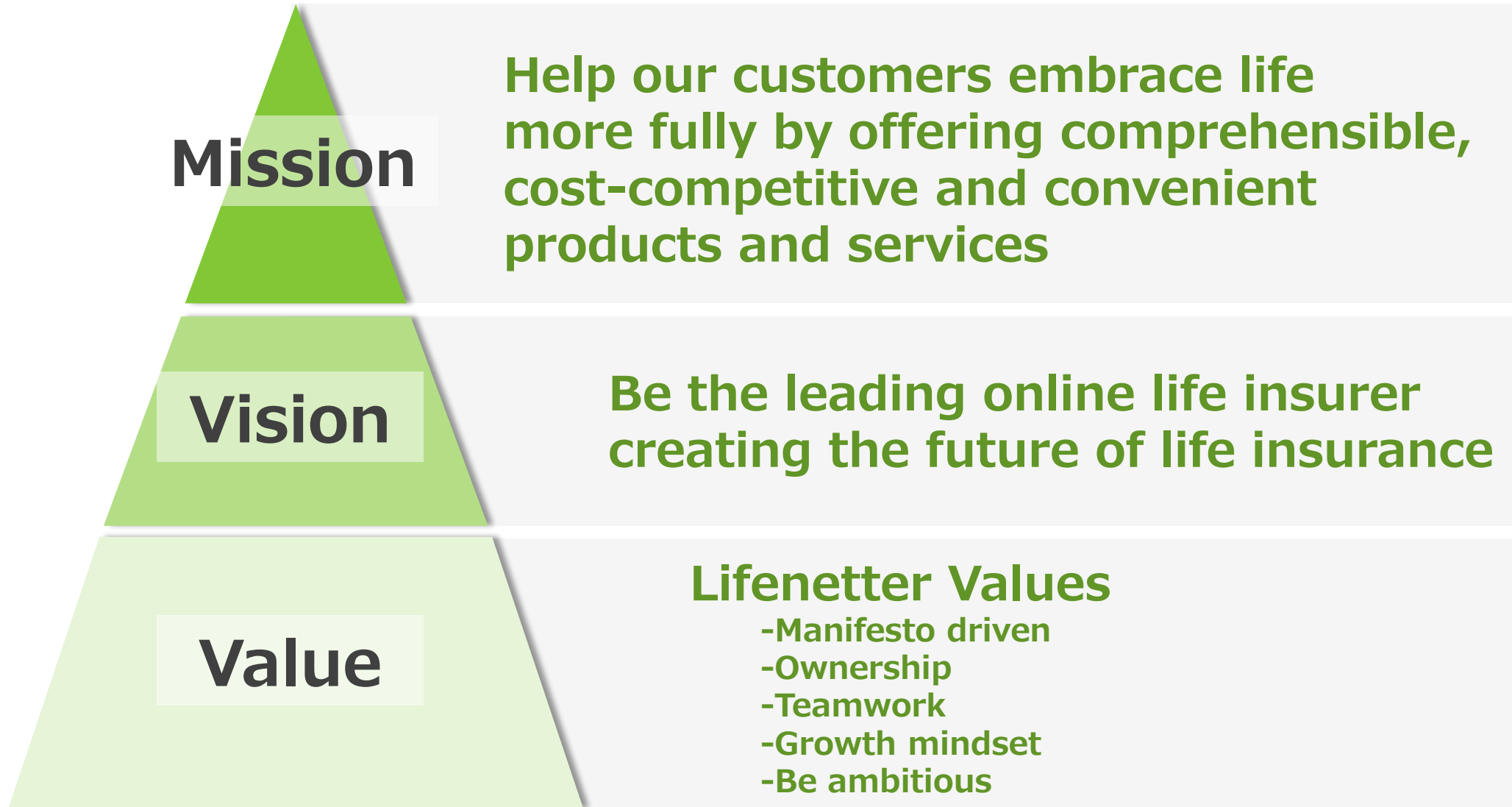
Outcome goal

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.

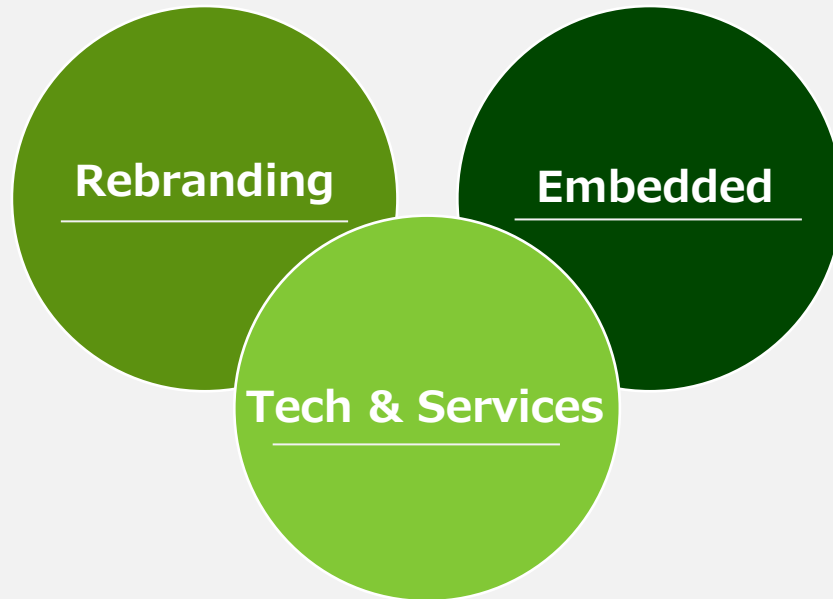
Outcome Reference Indicator¹

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



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

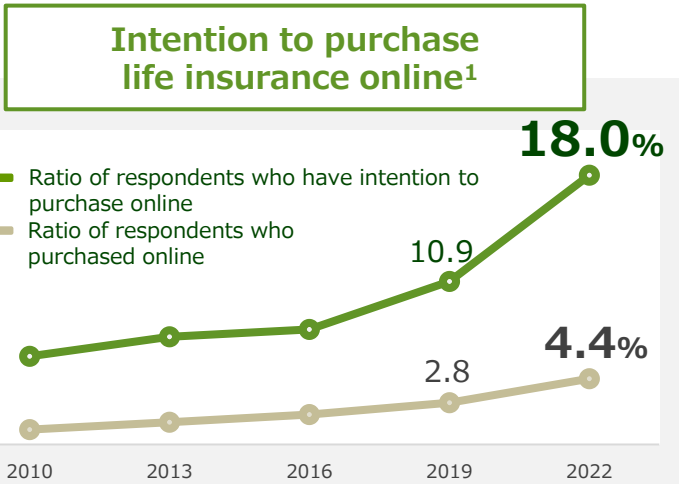
Engagement score (growth):
continuous improvement

Our Business Environment

External environment changes will be a major tailwind for business growth

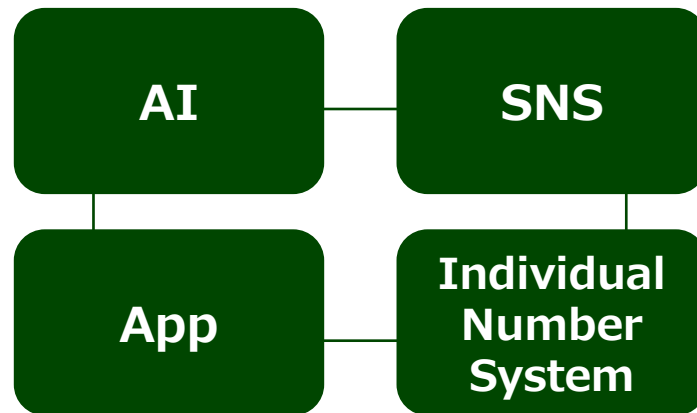
1 Expansion of online life insurance market

- COVID-19 accelerated online financial services
- Online insurance players increased



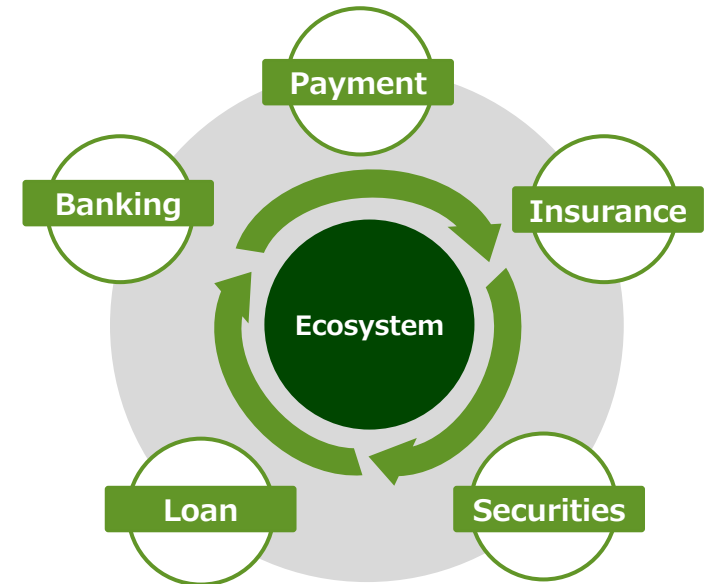
2 Younger generation × technologies

- Emerging new technologies penetrate a wide range of consumers, starting with younger generations



3 Trend of financial ecosystem

- High interest in online insurance business from other sectors



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

Priority Areas for Further Growth

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



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



Focus areas of marketing centered on younger generation



Rebranding



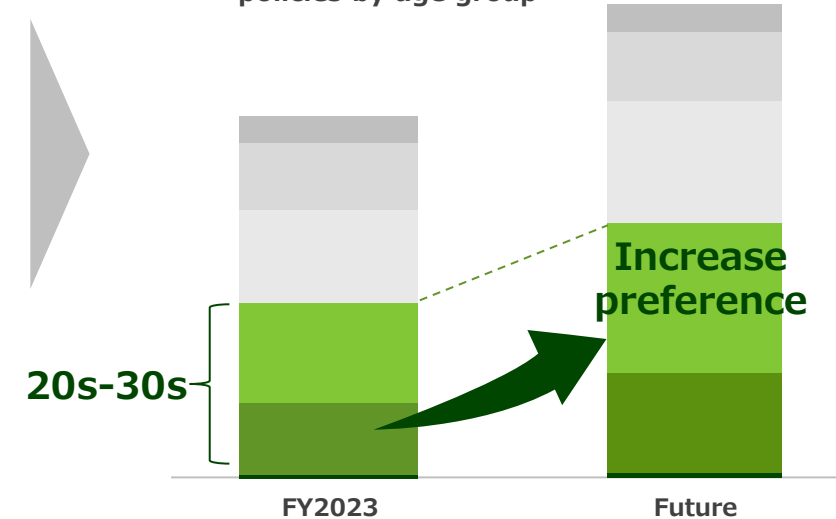
Nurture Marketing



Enhancement of Products & Services



Number of new policies by age group



Individual : Partner Business

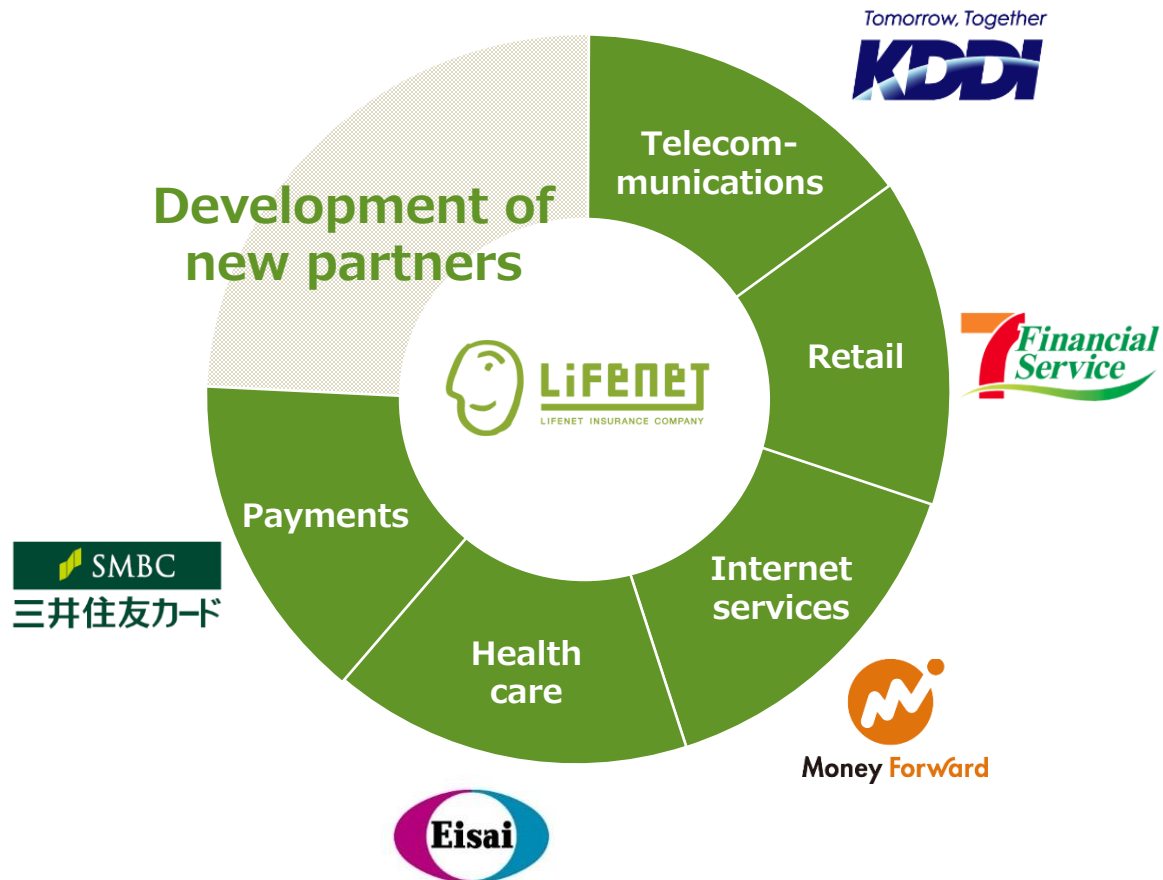
Rebranding

Tech & Services

Embedded



- 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

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

Deepening of alliance with au Jibun Bank

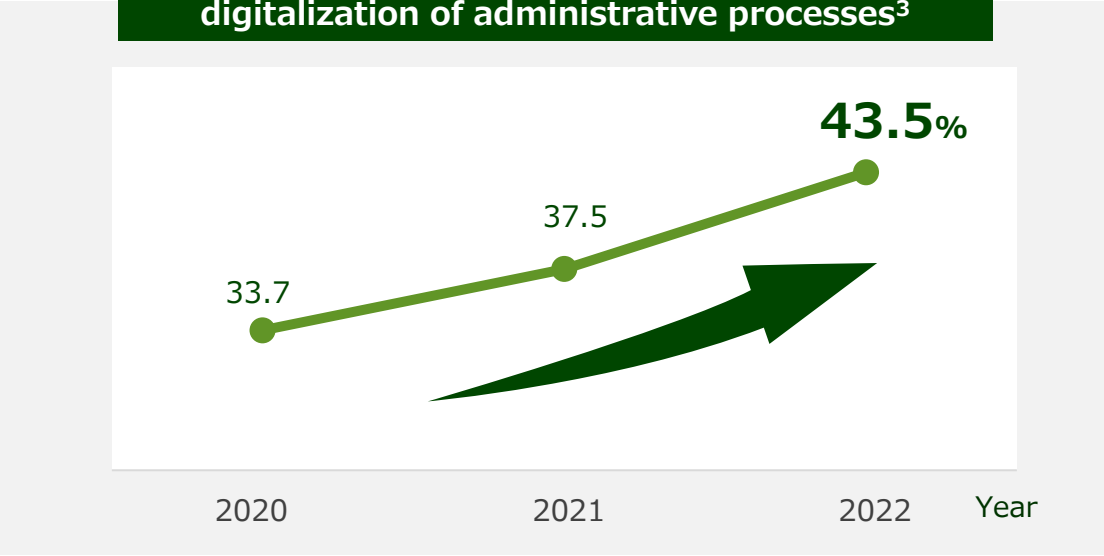
- Contribute to enhancing competitiveness of mortgage loan through develop our high-quality insurance products and services



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 processes³



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

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

Human Resources Strategy



New Management Indicator “Comprehensive Equity”

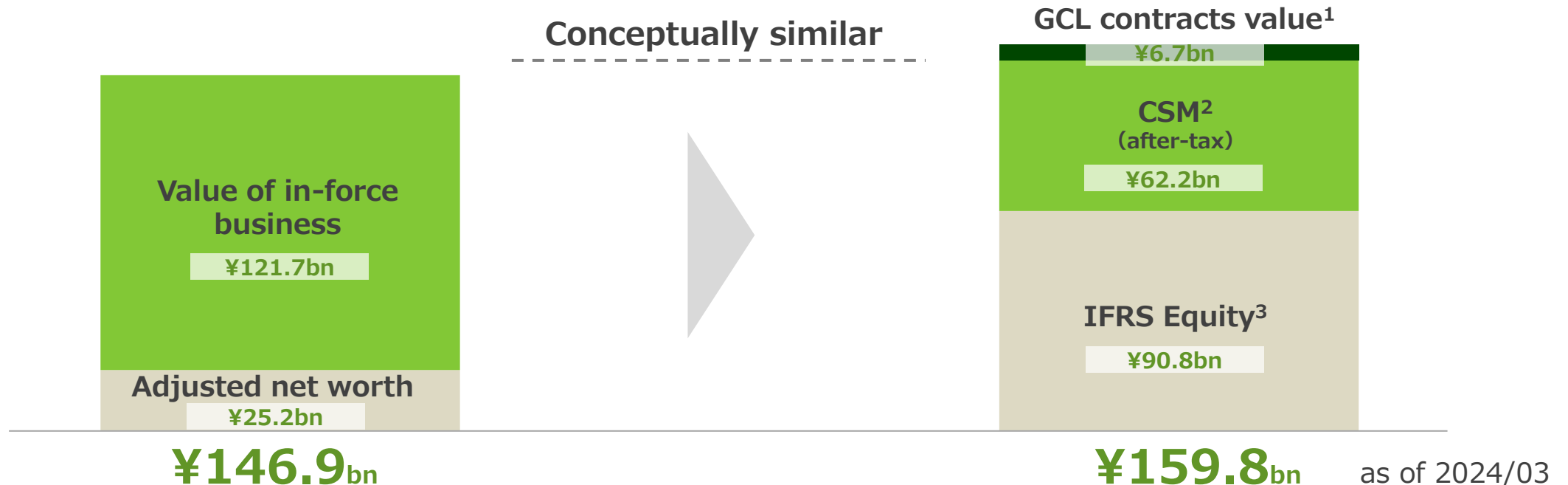
- Adopt “Comprehensive Equity” as new management indicator representing corporate value to replace EEV

Management Goal

Comprehensive Equity (CE) Aim to achieve ¥200-240bn in FY2028

European Embedded Value (EEV)

Comprehensive Equity (CE)



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

1. Financial Results for Fiscal 2023

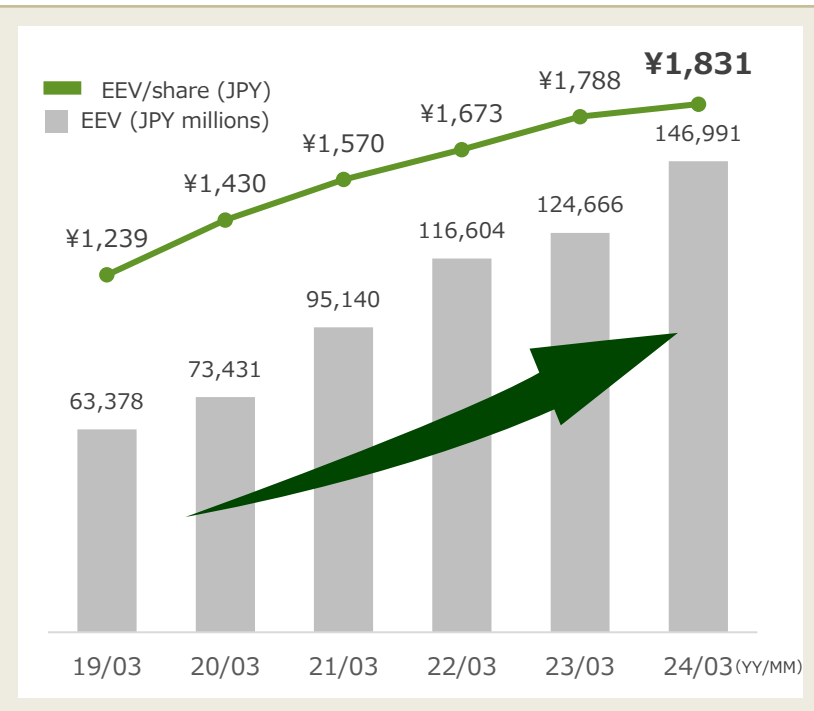
2. New Management Policy and Mid-term Plan

3. Future Initiatives to Improve Market Evaluation

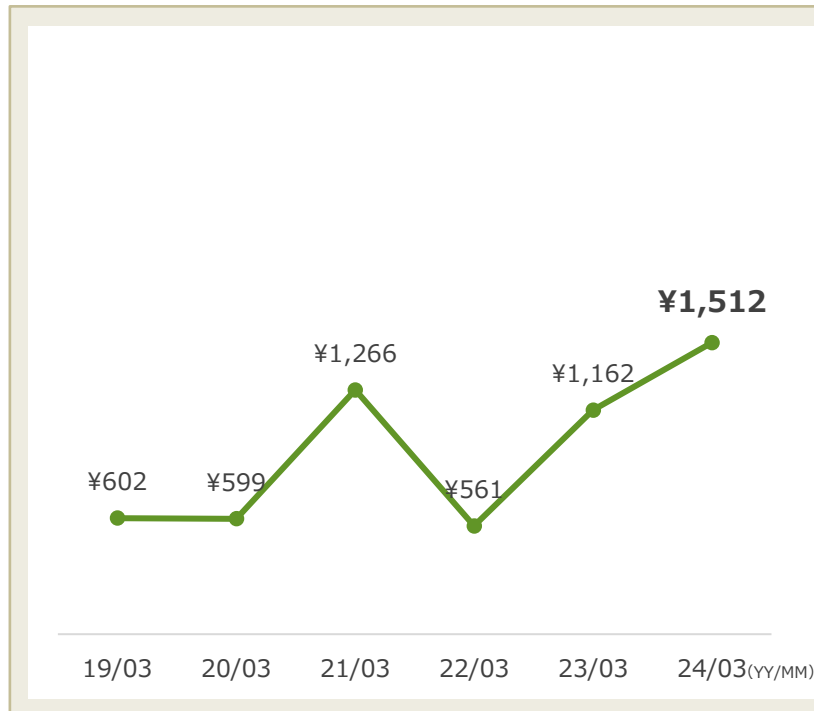
Current Market Evaluation

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

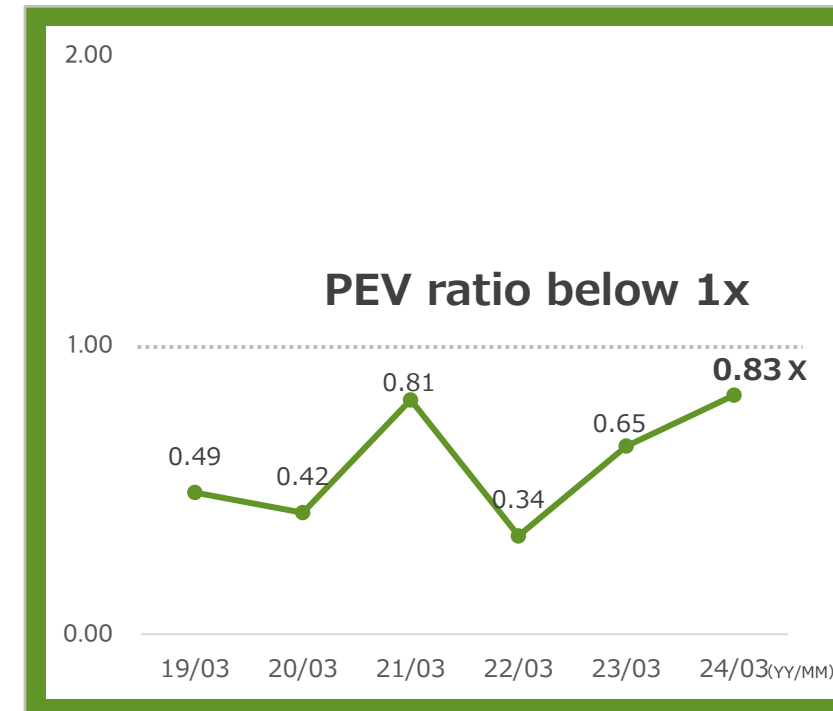
EEV per Share



Stock Price



Price/EEV per Share (PEV)



Major Initiatives to Improve Market Evaluation

Major initiatives

Key points

1 Adopt corporate value indicators linked to IFRS

- Increase the credibility of corporate value indicators by changing from "EV" to "Comprehensive Equity"
- Enable investors to compare with global peers applying IFRS17

2 Commit to targets and its time frames

- Align our shareholders and investors with our interests by committing to per share value and its time frames

3 Transit to the TSE Prime Market

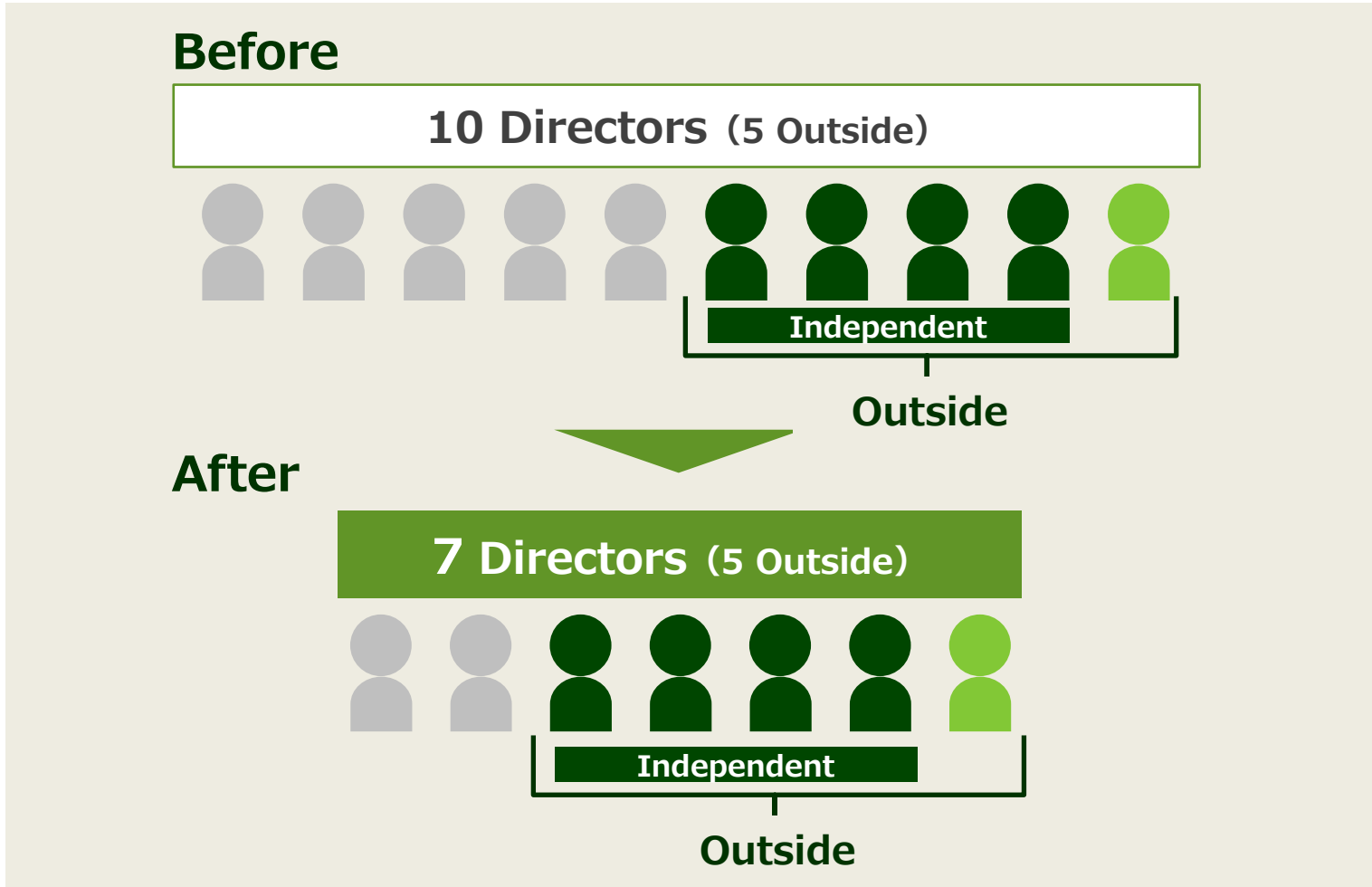
- Aim to expand the investor base and improve market liquidity by listing on the TSE Prime Market by around 2025

4 Strengthen governance systems

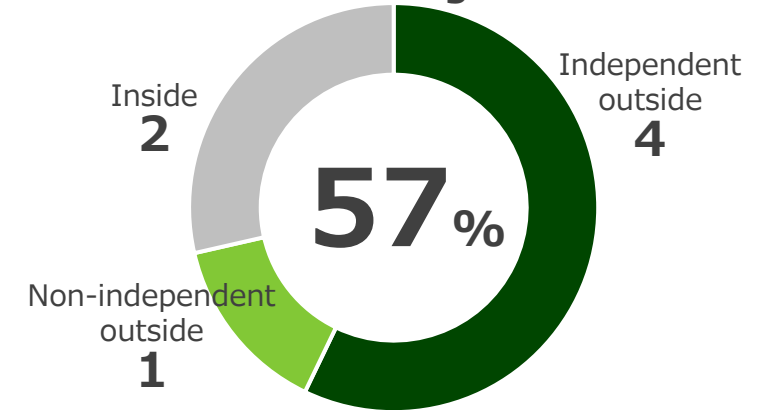
- Strengthen the function of the Board of Directors as a **Monitoring Board** (see the next page for details)

Further Strengthening of Corporate Governance

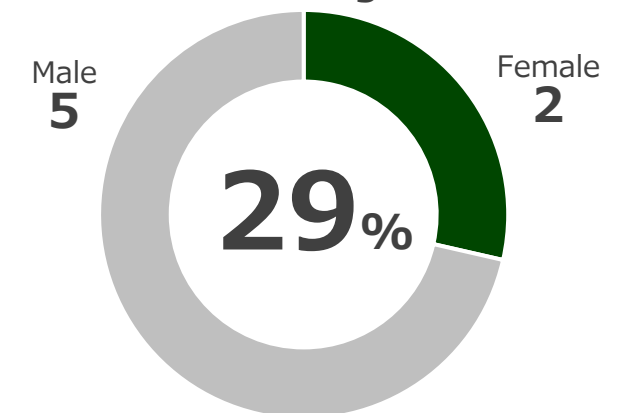
- **Shift to structure with a majority of Independent Outside Directors¹** with aim of strengthening the supervisory function of the Board of Directors and further enhancement of the separation of supervisory and executive functions



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.

Increase in Shareholder Value over Mid-to-long Term

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

Increase in corporate value (CE)

Scaling up

- Re-growth in individual life + expansion of GCL
- Pursuit of upside

Priority Areas

- Tech & Services
- Rebranding
- Embedded

Improvement of profitability

- Increase in marketing efficiency
- Improvement of opex ratio as business scale-up

Investment in Human capital



Improvement market evaluation

Adopt corporate value indicators linked to IFRS

Commit to targets and its time frames



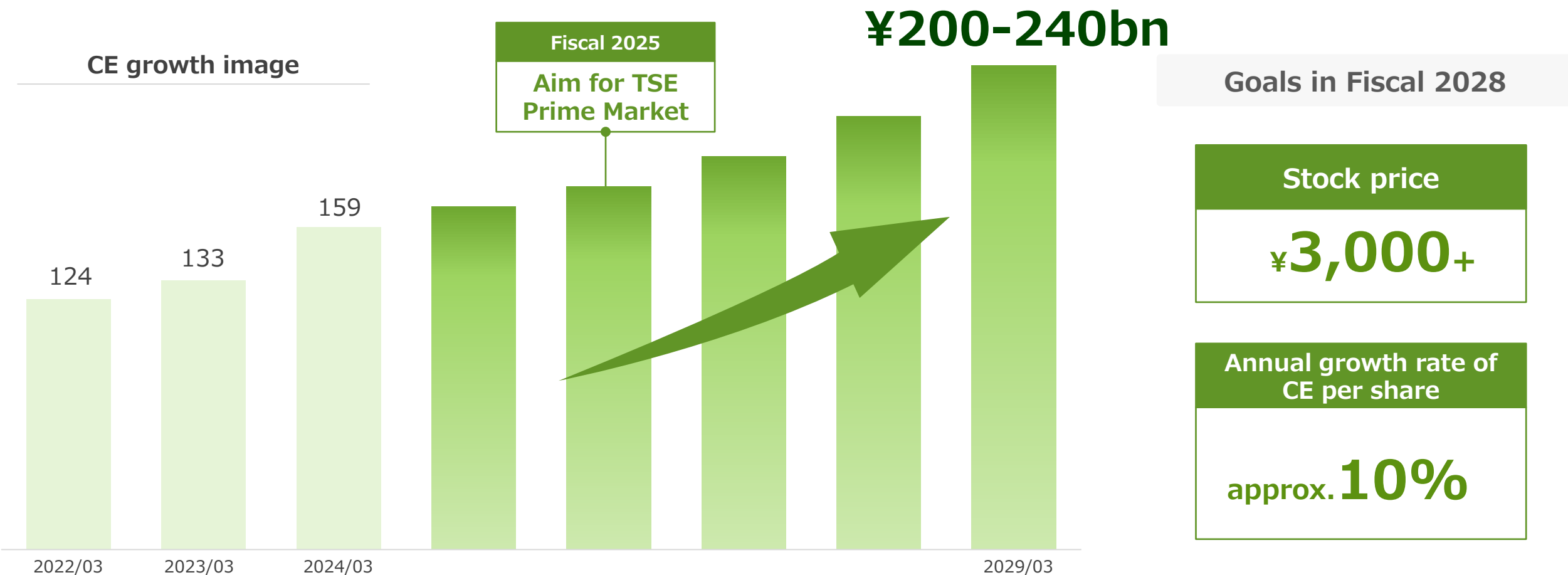
Transit to the TSE Prime Market

Strengthen governance systems

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



Comprehensible, Cost-Competitive, Convenient

I. Our Guiding Principles

- (1) Creating the future of the life insurance without losing sight of its original premise: “an ounce of prevention is worth more than a pound of cure.”
- (2) Listening to what our customers are saying. Recognizing their needs and acting accordingly. Allowing our actions to be borne out of their voices and needs.
- (3) Delivering the caliber of products and services that we would feel confident recommending to our own friends and families.
- (4) Being a “straight-shooter”. Committing to transparency. Communicating openly about our management team, our products, and our employees.
- (5) Embracing diversity and dialogue to keep us abreast of changing needs and preferences. Delivering peace of mind that we’ll be around in 100 years.
- (6) Acting in good faith means always taking the high road when it comes to compliance and ethics.

III. Making Life Insurance Accessible Again - Affordable

- (1) Giving the customer what he/she needs. No more, no less at a fair price.
- (2) Staying vigilant as to how we can provide our products more cost-efficiently.
- (3) Always putting ourselves in our customers’ shoes in thinking about how to minimize their premiums.

II. Making Life Insurance Accessible Again - Headache-free

- (1) Helping the customers help themselves. By making our materials easy to understand, customers can determine which coverage is truly the best fit.
- (2) Turning “clauses” in the insurance contract into succinct points that your grandmother could grasp.
- (3) Making all touch points headache-free. Beyond the application process, ensuring the claims and billing processes are also easy to understand.

IV. Making Life Insurance Accessible Again - Convenient

- (1) Thinking about our customers’ convenience from every angle and every touch point along the way.
- (2) Forming alliances with like-minded partners who can add value above and beyond our products and services to our customers.
- (3) Providing health and wellness tips beyond the framework of life insurance to create value in our policyholders’ lives.
- (4) Creating a precedent for future generations as to what life insurance is (and should be) all about.

**We wish to be a company that helps our customers embrace life more fully.
In order to live out that vision, we continue to challenge ourselves.**



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LIFENET
LIFENET INSURANCE COMPANY

Appendix

Glossary 1



Glossary	Explanation
Insurance revenue	Revenue accrued for fulfillment of insurance services. Mainly, expected claims, expected maintenance expenses, risk adjustment release, CSM release and recovery of insurance acquisition cash flows. Investment components which will be paid regardless of insurance event are excluded from expected claims.
Insurance service expenses	Expenses incurred related to insurance service. Mainly, incurred claims, incurred maintenance expenses, amortization of insurance acquisition cash flows and losses on onerous contracts. Investment components which will be paid regardless of insurance event are excluded from incurred claims.
Insurance service results	Insurance revenue less insurance service expenses, plus reinsurance results.
Financial results	Total of investment results from financial assets, insurance finance income or expenses from insurance contract liabilities (or assets) and reinsurance finance income or expenses from reinsurance contract liabilities (or assets).
Other results	Expenses not directly related to insurance services such as product development costs and income/loss on other than insurance businesses such as results of subsidiaries.
CSM (Contractual Service Margin)	A component of insurance contract liabilities (or assets), which represents the unearned profit that the company will recognize as it provides services over the coverage period. Accumulation of CSM is important for future profit growth.
New business CSM	CSM at the time of acquisition of new contracts during the period.
Risk adjustment	A component of insurance contract liabilities (or assets), which is the adjustment for uncertainty of future cash flows (addition on liabilities).

Glossary 2



Glossary	Explanation
Comprehensive Equity (CE)	<p>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.</p>
Group Credit Life Insurance (GCL) contracts value	<p>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.</p>
Premium Allocation Approach (PAA)	<p>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.</p>
Insurance acquisition cash flows (IACF)	<p>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.</p>
Maintenance expenses	<p>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.</p>

Outcome Goal and Reference Indicators

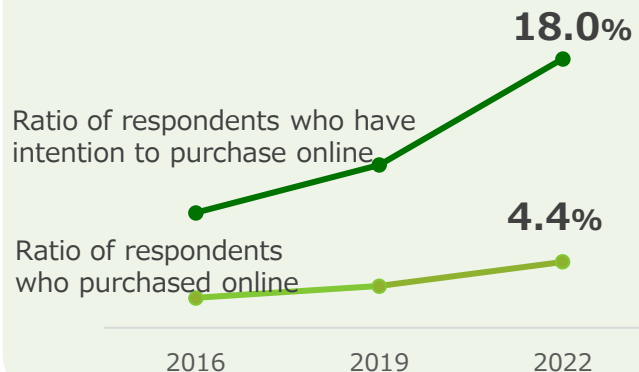
Outcome Goal

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

Reference Indicators*1

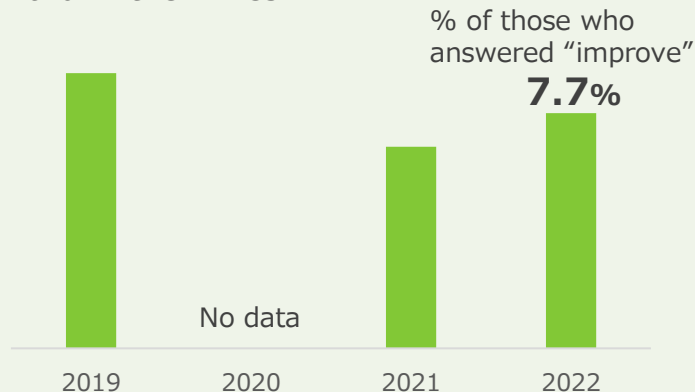
01 | Market penetration rate of online life insurance

We offer simple coverages, affordable premiums, and convenient procedure online, and contribute to expansion of online life insurance market.



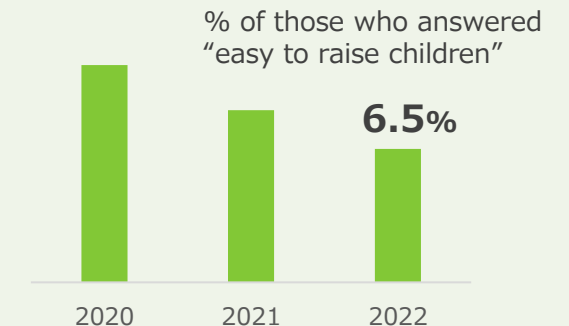
02 | Prospect for the future life

We want customers to leave their worries about the future to convenient and useful online life insurance and use the money and time they have saved to help them move forward in their lives.



03 | Ease of raising children

In particular, we see the declining birthrate and aging population as important social issues, and we contribute to creating a society where people want to raise children.



1. 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.

Goals and Targets



Management Goals

Comprehensive Equity(CE)

FY2023 results

¥159bn

Goals in FY2028

¥200-240bn

Financial Targets

Annual growth rate of CE per share

3.8%

Approx.10%

Stock price

¥1,512

¥3,000+

Non-financial Targets (Human capital)

Engagement score(Overall)

70

Continuous improvement

Diversity

Ratio of decision-makers:Women

23.5%

30%+

Ratio of decision-makers:30s or younger

2.9%

15%+

Growth Opportunities

Engagement score(Growth)

66

Continuous improvement

Breakdown of Policies-in-Force

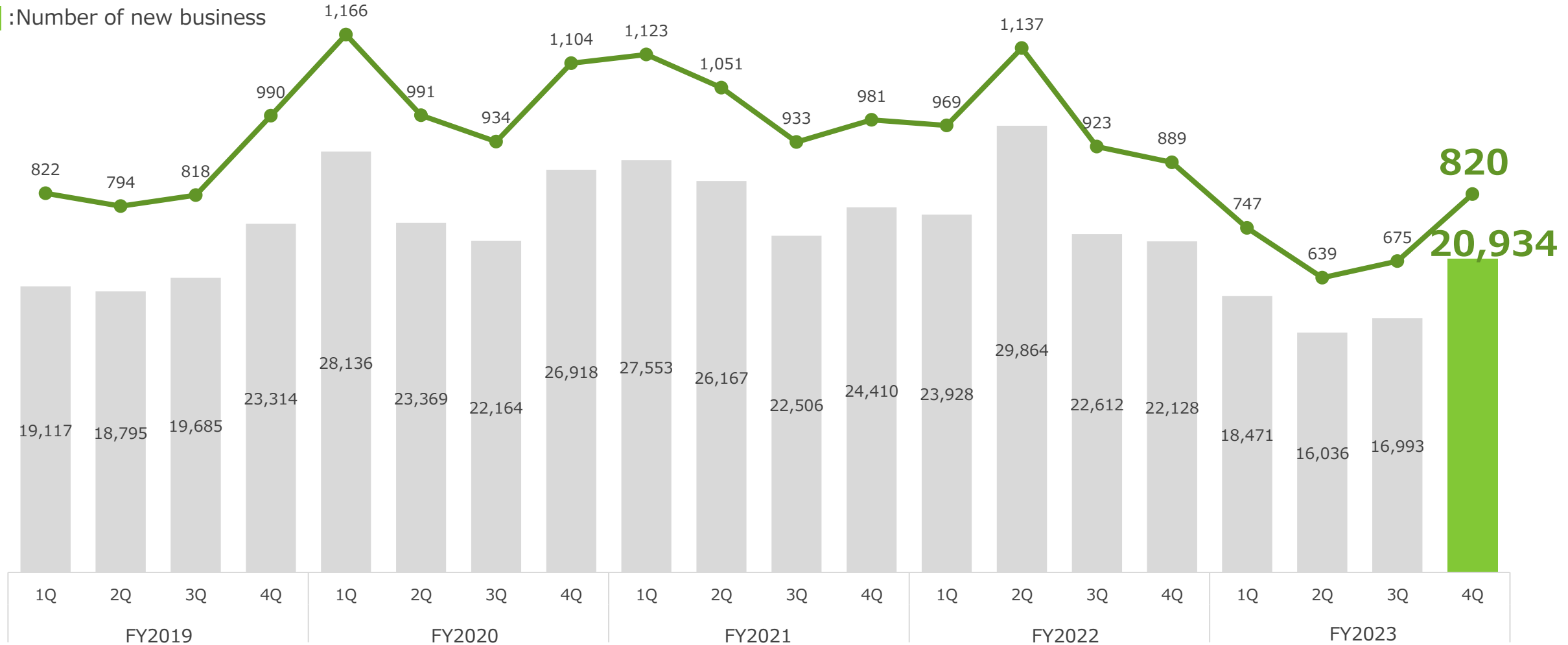
	2023/03	2024/03	Component ratio
Number of policies-in-force	568,674	600,945	100%
- Term Life	276,566	293,384	49%
- Whole-life Medical	156,402	164,207	27%
- Term Medical Care	7,870	7,067	1%
- Long-term Disability	68,142	69,670	12%
- Cancer	59,694	66,617	11%
Sum insured of policies-in-force¹ (JPY millions)	3,633,704	3,801,181	
Number of policyholders	360,364	381,266	

1. Sum insured of policies-in-force are the sum of death coverage, and do not include third-sector insurance.

Annualized Premium / Number of New Business

— :AP¹ of new business (JPY millions)

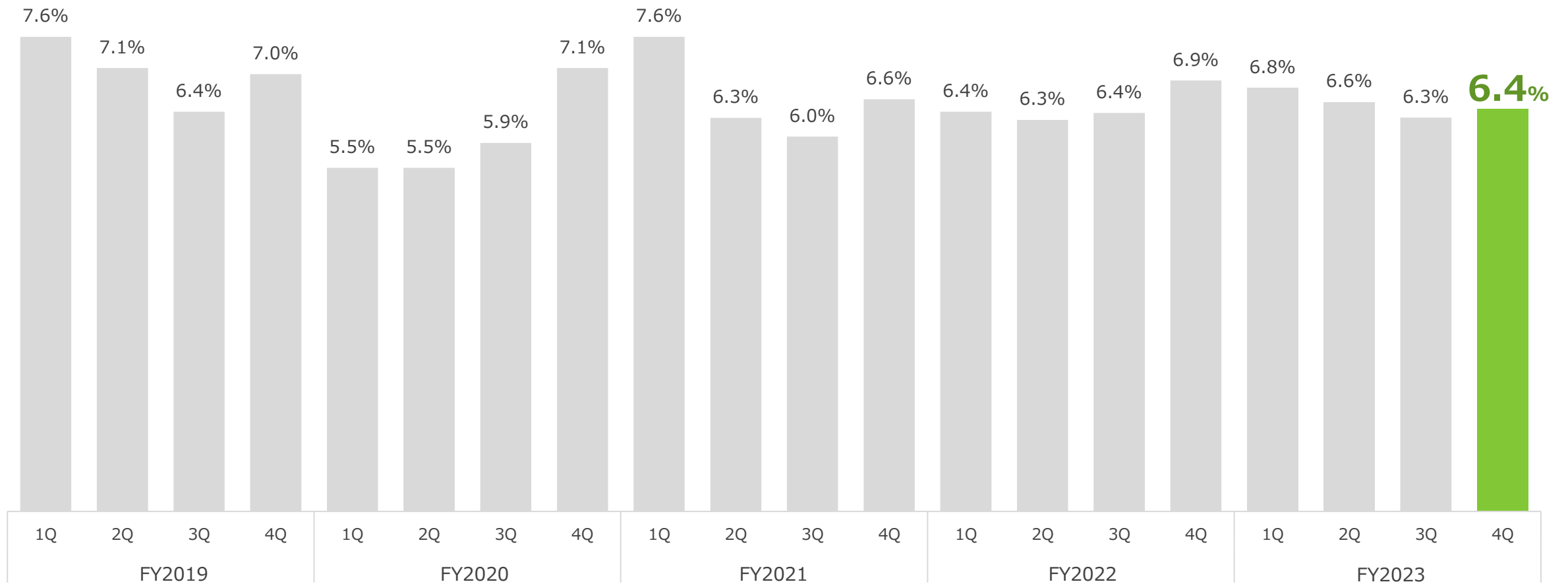
■ :Number of new business



1. The amount of money equivalent to what is to be paid to have the insurance coverage for one year. All payments are monthly installments, thus the annualized premium is calculated as multiplying the monthly premium by 12 months.

Surrender and Lapse Ratio

■ : Surrender and lapse ratio¹ (%)



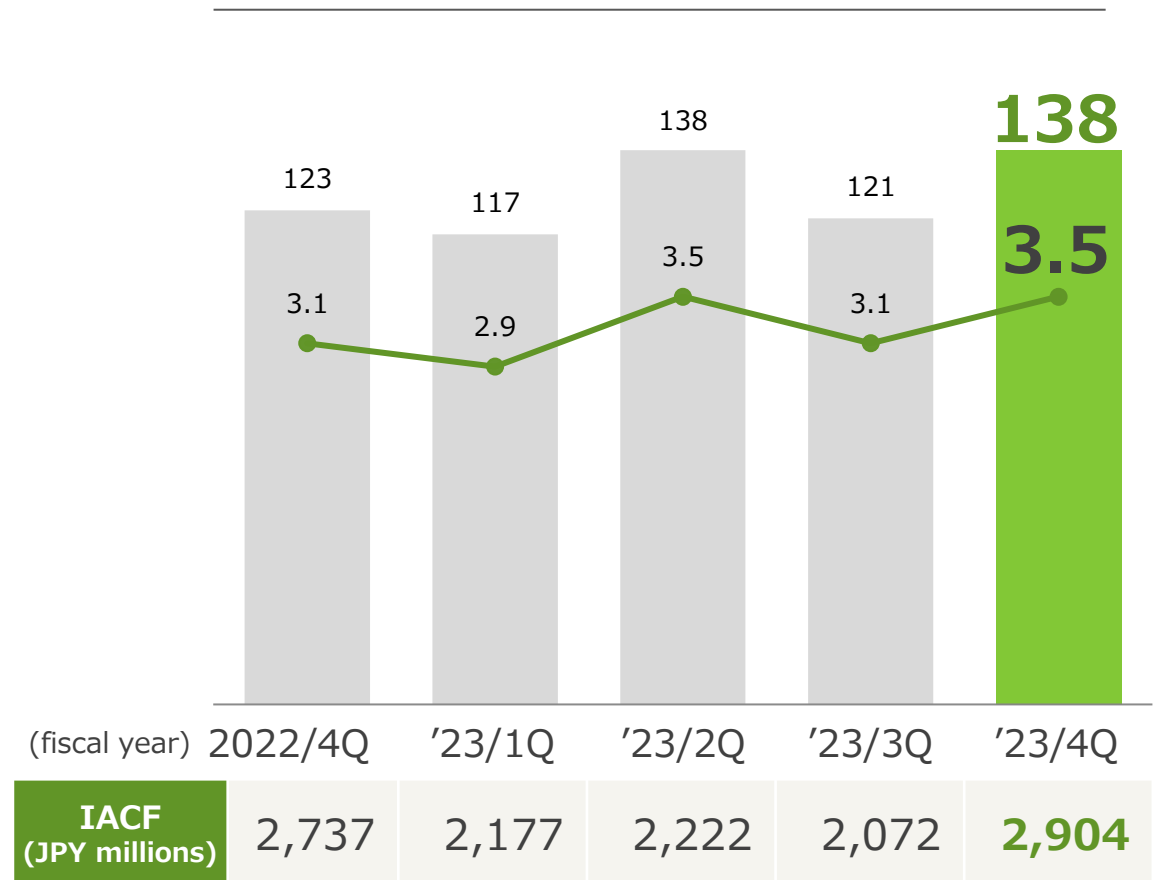
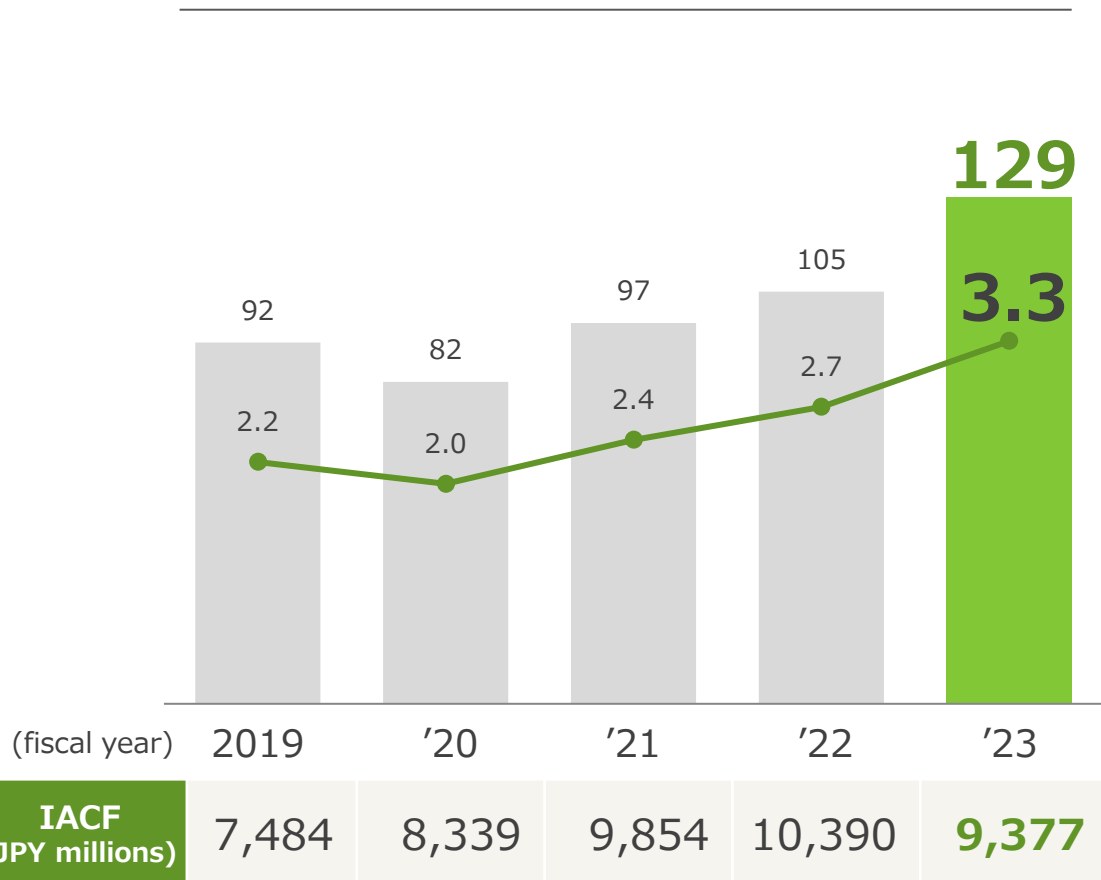
1. The surrender and lapse ratio is the annual equivalent of the monthly number of policies surrendered and/or lapsed divided by the monthly average number of policies-in-force.

Insurance Acquisition Cash Flows (IACF) Efficiency

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

Fiscal year¹

Quarter

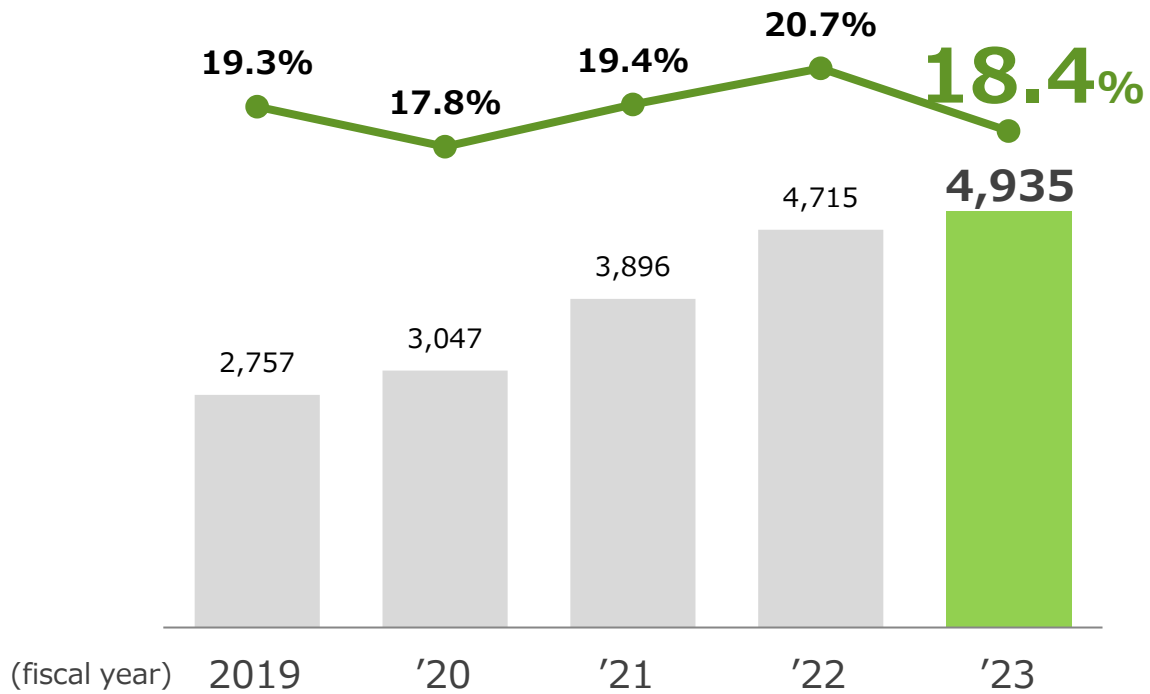


1. Figures for FY2021 and earlier are for reference use only as they are before date of transition to IFRS.

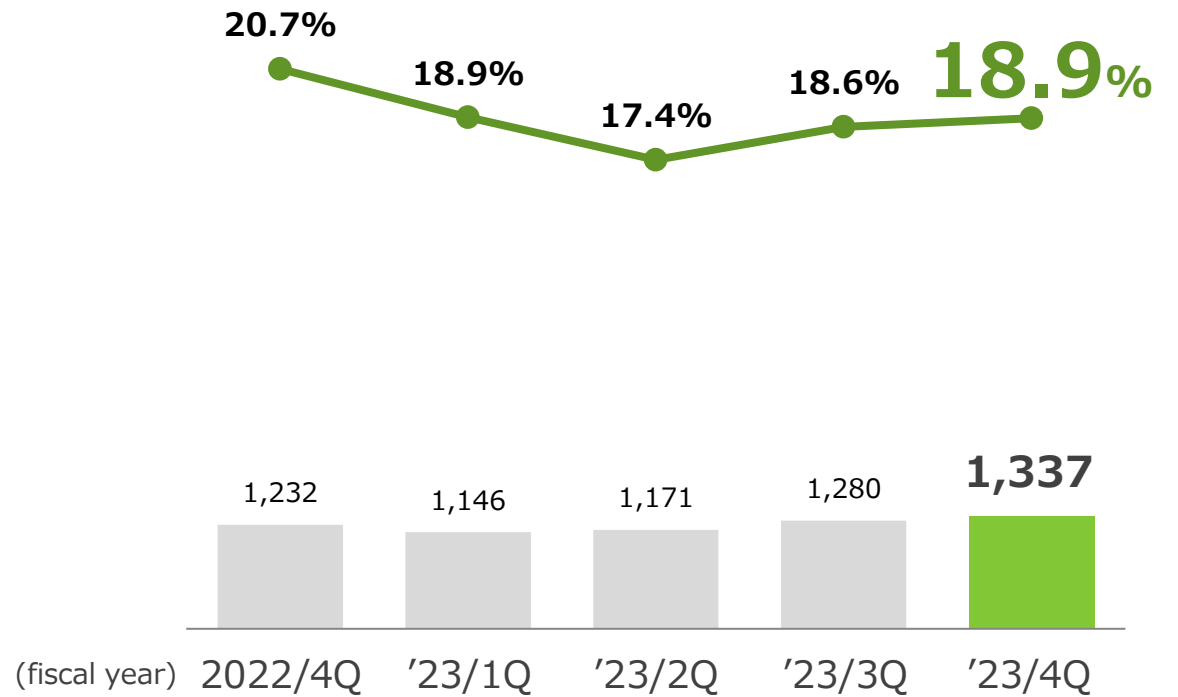
Operating Expenses Ratio¹

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

Fiscal year²



Quarter



1. Ratio of operating expenses excluding IACF divided by average in-force annualized premium for the period (annualized).
 2. Figures for FY2021 and earlier are for reference use only as they are before date of transition to IFRS.

Summary IFRS P/L (Quarter)

Items	FY2023/1Q	FY2023/2Q	FY2023/3Q	FY2023/4Q	Note
Insurance service results	2,274	1,813	2,186	1,947	
Expected claims minus incurred claims ¹	368	(104)	331	189	Due to individual life's lower incurred claims than expected
Risk adjustment release	433	438	397	407	
CSM release	1,677	1,758	1,755	1,864	
Reinsurance results	(157)	(225)	(52)	41	Due to an increase in GCL payments
Results from GCL ²	–	(4)	(217)	(445)	Due to GCL's higher incurred claims than expected
Financial results³	367	(300)	209	279	Due to an increase in foreign exchange gains on foreign bonds (non-currency hedged)
Other results	(120)	(108)	(106)	(191)	
Profit before tax	2,521	1,404	2,289	2,035	
Net income attributable to owners of the Company	1,765	993	1,606	1,368	

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	FY2022	FY2023
Insurance revenue	20,732	24,698
Expected claims	9,569	10,464
Risk adjustment release	1,698	1,678
CSM release	6,401	7,056
Recovery of IACF	3,184	3,647
Others	(121)	(150)
Premium income of GCL ¹	–	2,004
Insurance service expenses	13,874	16,081
Incurred claims (Individual life)	10,688	9,679
Incurred claims (GCL)	–	2,671
Amortization of IACF	3,184	3,647
Others	2	83
Reinsurance results	(239)	(394)
Insurance service results	6,618	8,222

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

Breakdown of Financial Results

- Increase in foreign interest rates has been mitigated, **resulting in a recovery in the valuation of investment trusts and other assets**

(JPY millions)

Items	FY2022	FY2023	Change
Investment results	(381)	670	1,051
Interest income	293	450	157
Impairment losses on financial assets, net	(0)	(5)	(5)
Other investment income	(674)	225	899
Insurance finance income (expense)	(67)	(126)	(58)
Reinsurance finance income (expense)	(3)	11	15
Financial results	(452)	555	1,008

Detail of Bond Portfolio¹

As of March 31, 2024

(JPY millions)

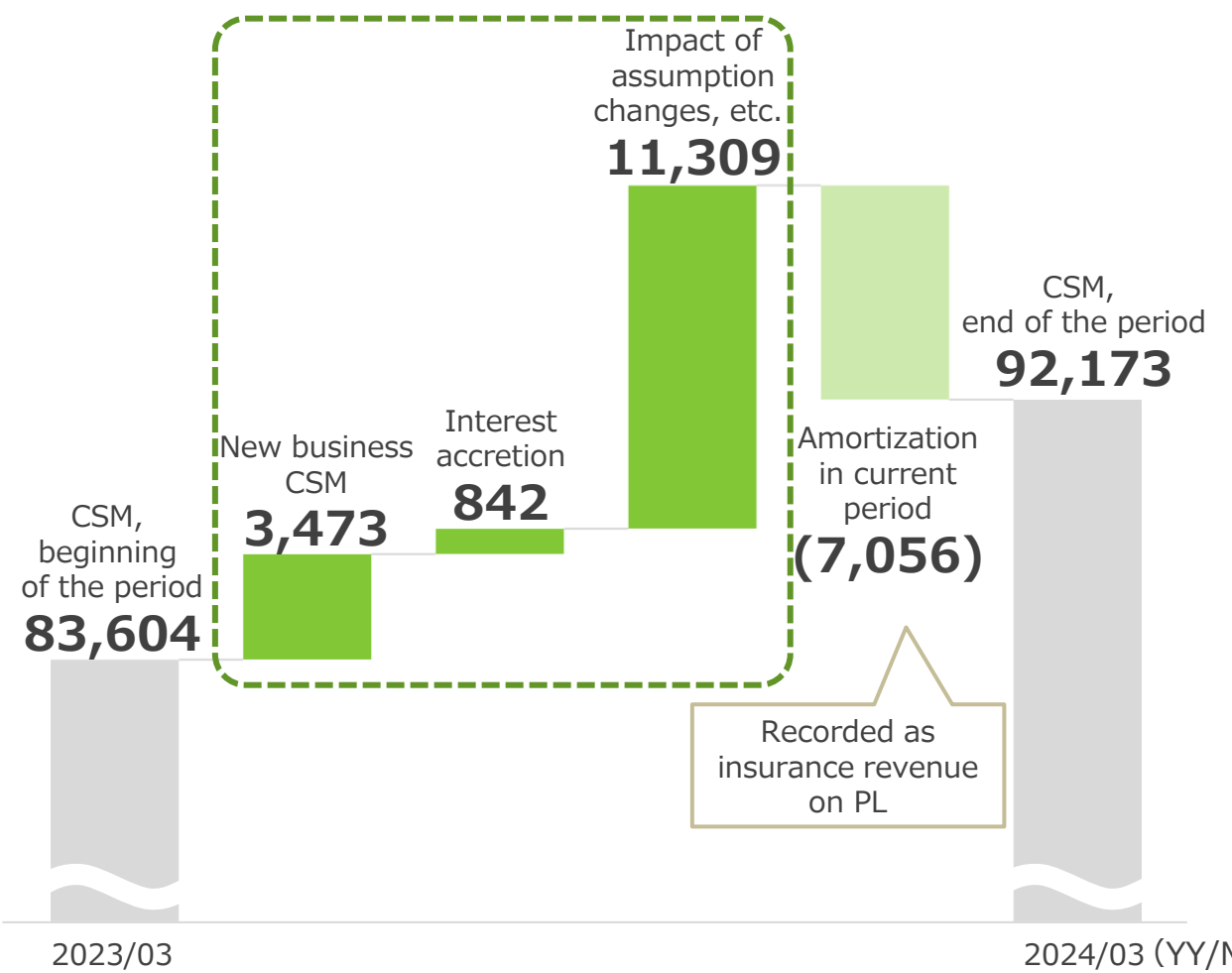
	Available-for-Sale	Held-to-Maturity	Total
JPY Bonds	17,224	22,682	39,906
Duration ²	4 years	9 years	7 years
Foreign Currency Bonds	11,478	—	11,478
Duration ²			5 years
Non-Currency Hedged	1,447	—	1,447
Currency Hedged	10,030	—	10,030

1. Based on J-GAAP balance sheet

2. Calculated by Lifenet

CSM Movement

- Increased due to new business CSM of individual life, improvement of opex ratio from GCL and revision of mortality assumptions



(JPY millions)

Items	FY2022	FY2023
CSM, beginning of the period	74,907	83,604
New business CSM	6,879	3,473
Interest accretion	710	842
Assumption changes, etc.	7,508	11,309
Amortization of CSM	(6,401)	(7,056)
CSM, end of the period	83,604	92,173

CSM Future Allocation

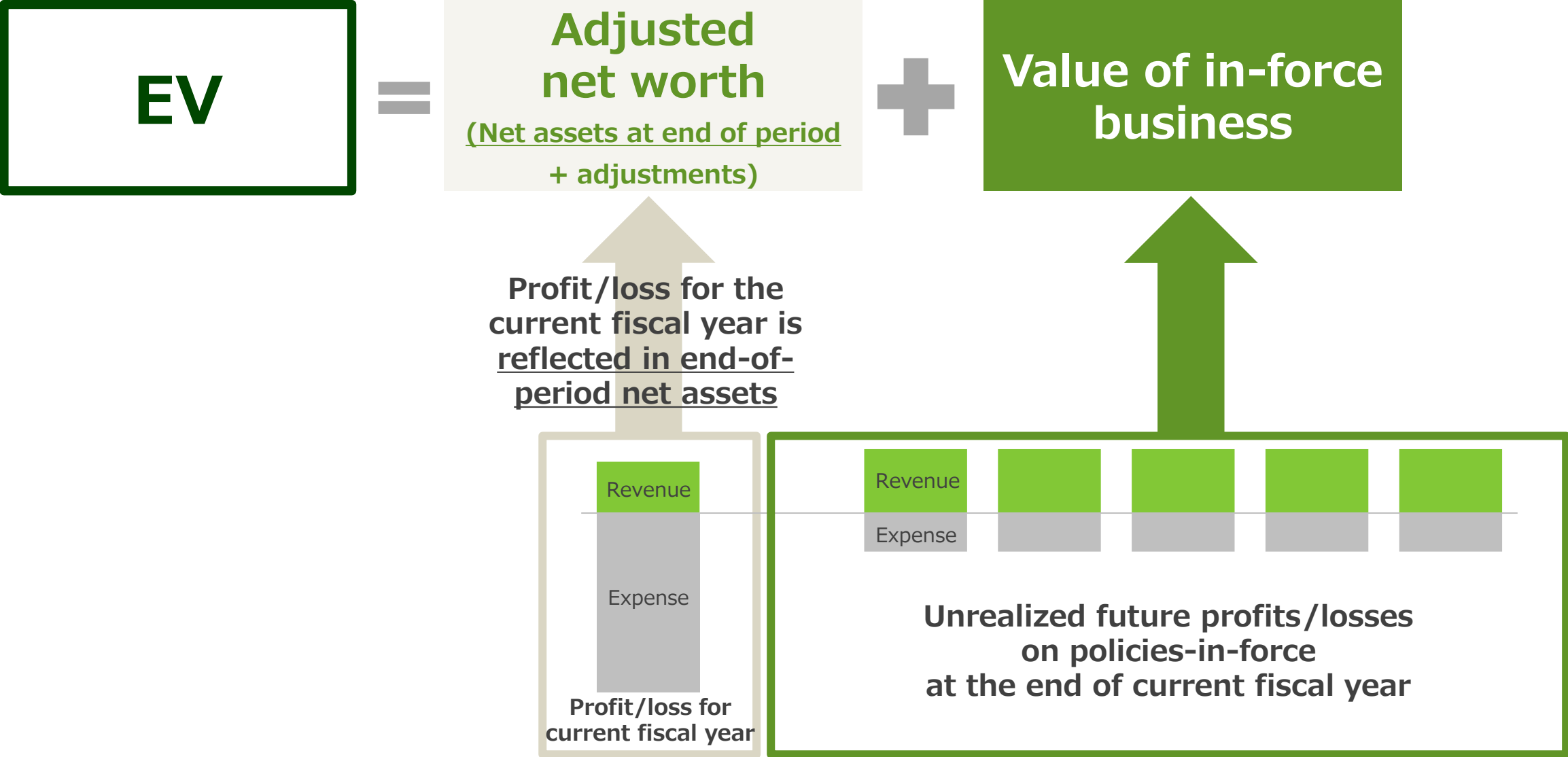
- Stable profits will be realized **over long period** from in-force CSM
- Aim for CSM release growth **by adding CSM generated from future acquired new business**

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 Mar. 2024 (A)	92.1	7.2	6.8	6.5	6.2	6.0	59.1
Fore- cast	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

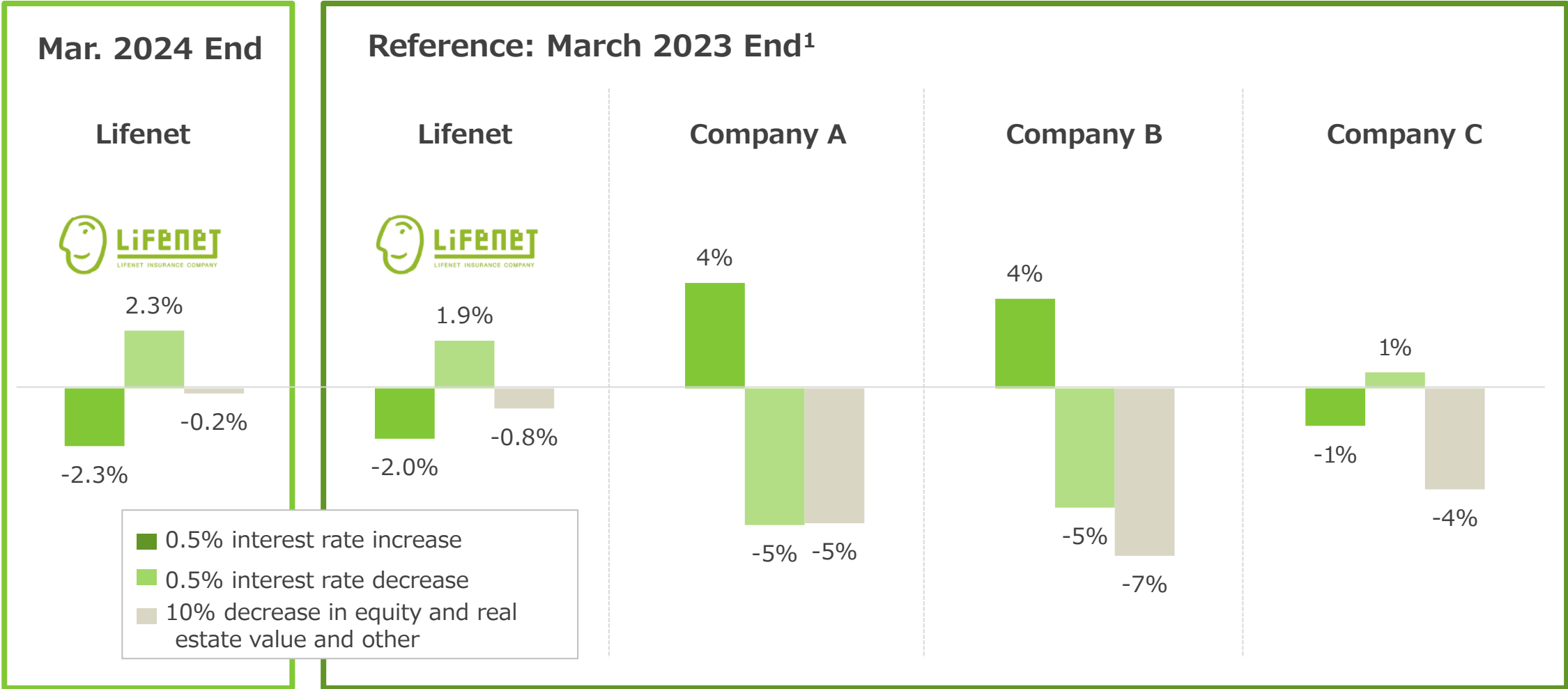
Structure of Embedded Value



EV Resilience to Financial Changes



Limited sensitivity to interest rates and stock prices



1. Prepared by Lifenet based on disclosed information of domestic public life insurance companies.

EV Sensitivity Analysis¹

■ Impacts of changes in assumptions (sensitivities)

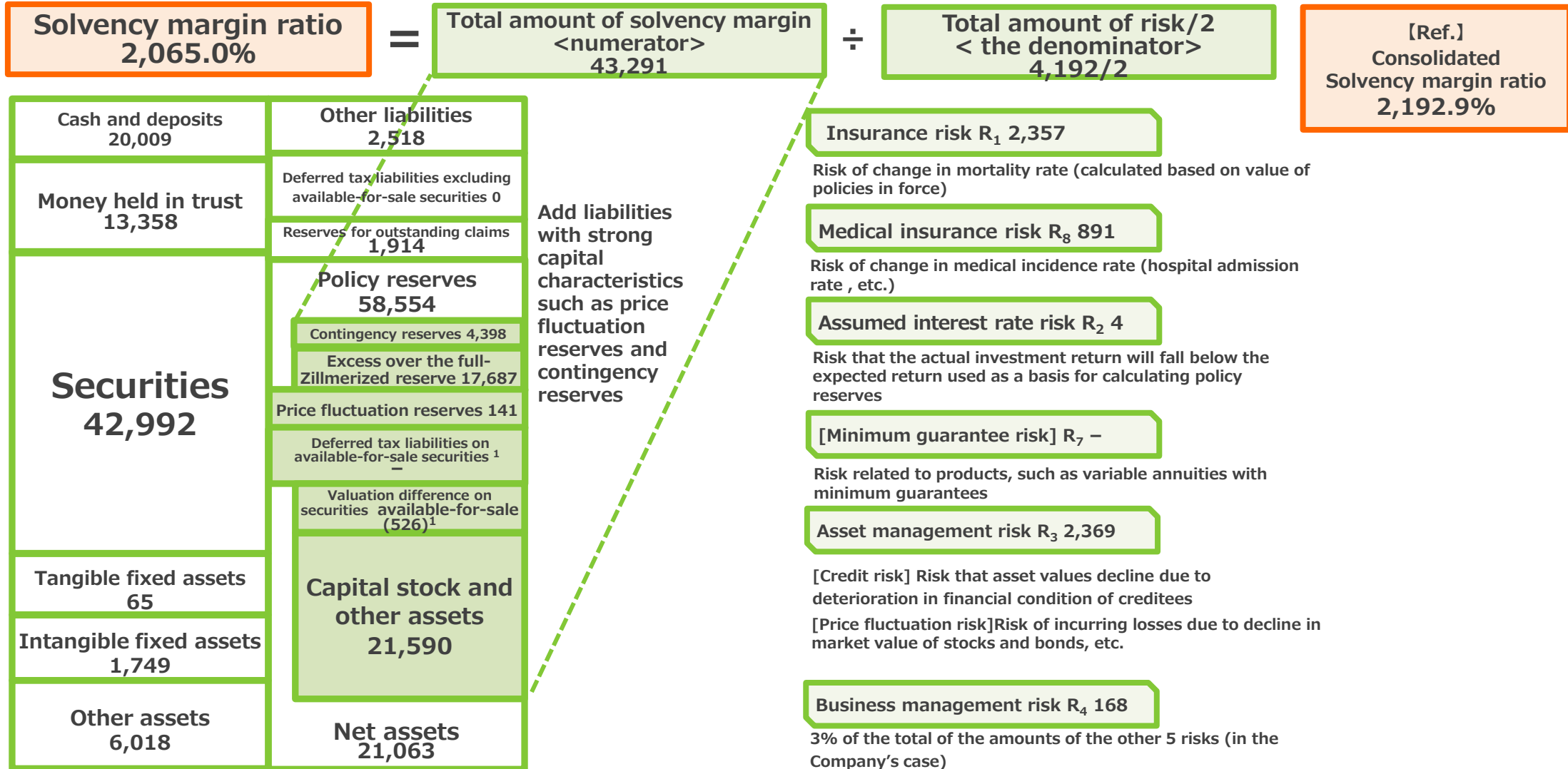
	(JPY millions)	Change in EEV as of Mar. 31, 2024	Change in VoNB
EEV and new business value as of March 31, 2024		146,991	6,730
Sensitivity 1a: 1.0% increase in risk-free rate		(6,606)	(1,129)
Sensitivity 1b: 1.0% decrease in risk-free rate		6,653	1,219
Sensitivity 1c: 0.5% increase in risk-free rate		(3,326)	(576)
Sensitivity 1d: 0.5% decrease in risk-free rate		3,341	599
Sensitivity 2: 10% decrease in equity and real estate value and other		(222)	—
Sensitivity 3: 10% decrease in operating expenses		6,066	1,408
Sensitivity 4: 10% decrease in lapse rate		1,590	363
Sensitivity 5: 5% decrease in claim incidence rates for life business		6,121	342
Sensitivity 6: Change the required capital to the statutory minimum		452	135

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. As Japanese policy reserves are calculated in accordance with the IBR, the sensitivities carried out do not affect the reserves at the valuation date. The sensitivity on the value of new business excludes the impact on the adjusted net worth.

Solvency Margin Ratio Calculation

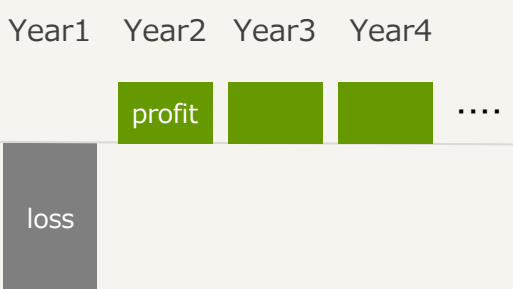
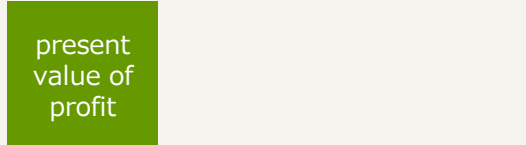

As of Mar. 31, 2024

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



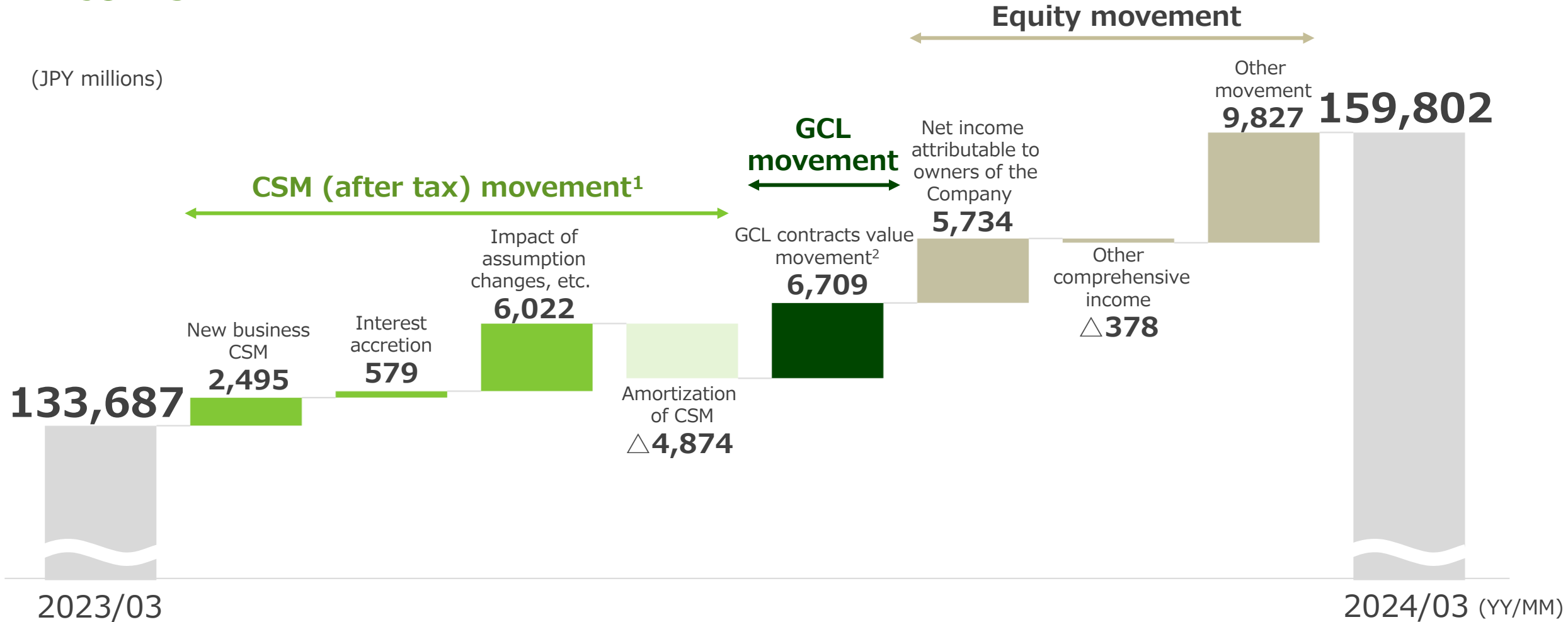
1. 90% of the valuation difference on available-for-sale securities and deferred gains or losses on hedges (pre-tax) (if negative, 100%)
 2. Items that do not apply to the Company or for which the amount is minimal have been omitted, except for certain bracketed items.

- IFRS adoption **better presents periodic performance and profitability from policies-in-force**
- Capital adequacy and dividends are **regulated by statutory accounting standards (J-GAAP)**

	Statutory Accounting (J-GAAP)	Embedded Value	IFRS 17
Important perspective	Financial soundness for policyholder protection	Economic value of insurance policies including future profit	Recognition of revenue based on the retention of in-force business
Timing of profit recognition	<p><u>Acquisition expense is recognized at the time of acquisition.</u></p> 	<p>The expected profit for the policy period is <u>immediately</u> recognized.</p> <p>Year1</p> 	<p>The expected profit is allocated <u>over the term of the policy.</u></p> 

Changing Factors of Comprehensive Equity

- CE increases through growth in CSM, GCL contracts value and net income.

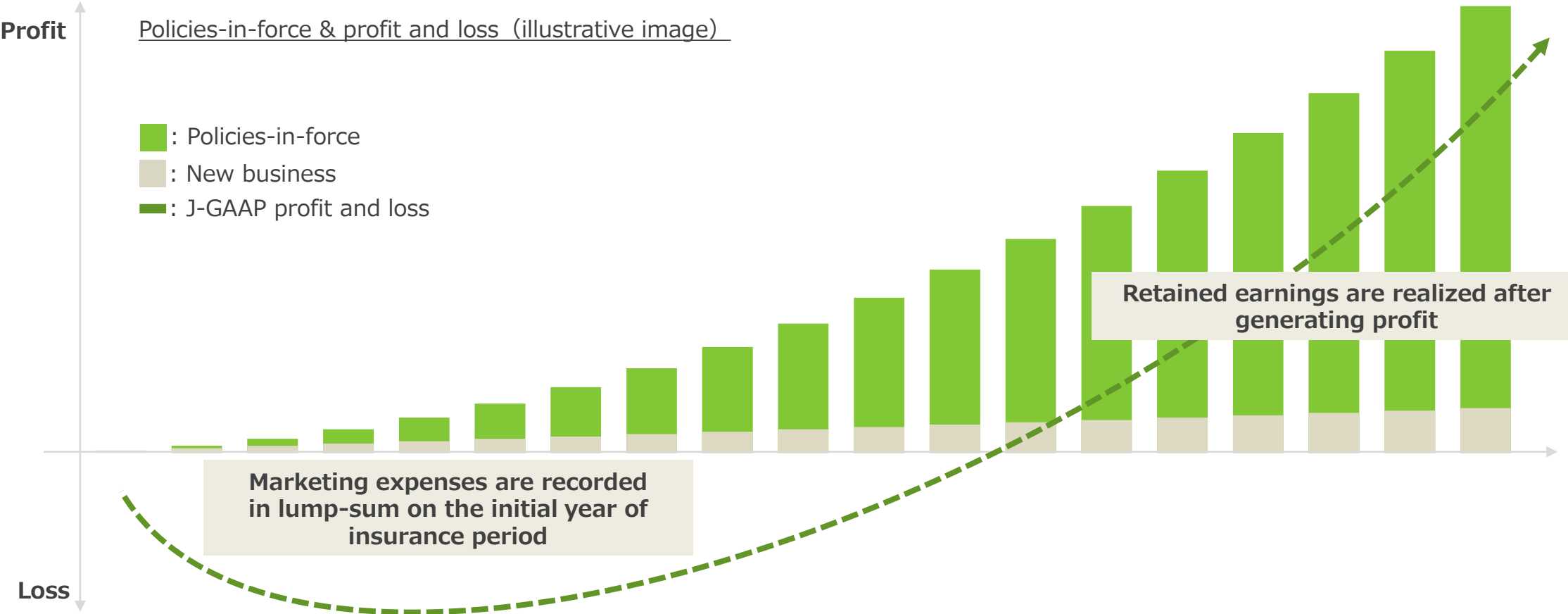


1. Aggregation of insurance contracts and reinsurance contracts with tax effect (28%) adjusted.
 2. The value of future IFRS earnings for GCL policies-in-force (PAA applied) including future renewals as of the valuation date.

Dividend Policy



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



1. Lifenet has yet to determine its specific dividend policies and dates for the start of distributing retained earnings, as we prioritize strengthening our growth base to increase mid to long term profitability.