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Junpei Yokozawa, President

LIFENET INSURANCE COMPANY

(Securities Code: 7157, TSE Prime)

Consolidated Financial Results for 3Q of Fiscal 2025 Ending March 31, 2026 (IFRS)

Comprehensive Equity as key management indicator was 174,507 million yen

TOKYO, February 12, 2026 - LIFENET INSURANCE COMPANY (TSE Prime 7157, President Junpei Yokozawa, URL: <https://ir.lifenet-seimei.co.jp/en/>) discloses the consolidated financial results for the third quarter of fiscal 2025 ending March 31, 2026.

1. Overview of the financial results for 3Q of fiscal 2025 ended December 31, 2025

(1) Business results

Condition of policies-in-force

Annualized premium*1 of policies-in-force for individual life insurance and group credit life insurance ("GCL") combined as of the end of 3Q of fiscal 2025 stands at 36,386 million yen (105.4% of March 31, 2025). Annualized premium of policies-in-force for individual life insurance was 28,154 million yen (104.7% of March 31, 2025), and annualized premium of policies-in-force for GCL was 8,232 million yen (107.8% of March 31, 2025), respectively.

The business performance of individual life insurance is as follows. The number of policies-in-force resulted in a total of 670,589 (105.2% of March 31, 2025). Annualized premium of new business for the nine months ended December 31, 2025 was 2,420 million yen (115.0% of the nine months ended December 31, 2024) and the number of new business was 61,465 (116.5% of the nine months ended December 31, 2024). Surrender and lapse ratio*2 for the nine months ended December 31, 2025 was 5.5% (5.7% of the nine months ended December 31, 2024).

*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)

	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025	Change
Insurance revenue	22,041	25,380	3,338
Insurance service results	7,193	8,758	1,565
Financial results ^{*3}	(67)	334	402
Other results ^{*4}	(241)	(312)	(70)
Net income (loss) before income taxes	6,884	8,781	1,896
Net income (loss) attributable to owners of the Company	4,956	6,240	1,283

Insurance revenue for the nine months ended December 31, 2025 increased to 25,380 million yen (115.1% of the nine months ended December 31, 2024). Insurance revenue for individual life insurance and GCL was 19,436 million yen and 5,944 million yen, respectively. As for individual life insurance, the main components of insurance revenue were 9,025 million yen in expected claims and maintenance costs^{*5}, 1,241 million yen in change in risk adjustment for non-financial risks related to extinguished risks and 5,781 million yen in CSM^{*6} recognized for services provided. Insurance service results increased to 8,758 million yen (121.8% of the nine months ended December 31, 2024) mainly due to lower-than-expected insurance claims and benefit payments in individual life insurance, and an increase in profit from GCL. Financial results were 334 million yen mainly due to an increase in interest income resulting from increased holdings of corporate bonds. Other results were 312 million yen loss mainly because of recording expenses not directly related to insurance services.

As a result, net income before income taxes was 8,781 million yen (127.6% of the nine months ended December 31, 2024). Net income attributable to owners of the Company was 6,240 million yen (125.9% of the nine months ended December 31, 2024).

With respect to expenses related to insurance contract incurred for the nine months ended December 31, 2025, 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 7,463 million yen (104.7% of the nine months ended December 31, 2024). In addition, maintenance costs, which are not included in insurance acquisition cash flows, were 3,619 million yen (96.2% of the nine months ended December 31, 2024).

*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 December 31, 2025 amounted to 122,892 million yen (116,178 million yen as of March 31, 2025). The major account balances were 72,623 million yen in investment securities mainly consisting of government bonds and corporate bonds with high credit ratings and 29,415 million yen in insurance contract assets. Although insurance contracts are generally recorded as liabilities, the Lifenet Group (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 141,711 million yen, risk adjustment of 18,324 million yen and CSM of 93,971 million yen, which are related to individual life insurance. In addition, contracts measured under the premium allocation approach of 928 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)	(141,711)
Risk adjustment	18,324
CSM	93,971
Insurance contract liabilities related to individual life insurance: total	(29,415)
Insurance contract liabilities related to GCL (Contracts measured under the premium allocation approach)	928

Liabilities amounted to 25,496 million yen as of December 31, 2025 (24,058 million yen as of March 31, 2025). The major account balance was 22,037 million yen in deferred tax liabilities.

Equities amounted to 97,396 million yen as of December 31, 2025 (92,120 million yen as of March 31, 2025), due to the recording of net income for the nine months ended December 31, 2025.

The consolidated solvency margin ratio, one of the indicators used in administrative supervision to determine the soundness of management, was 1,670.1% as of December 31, 2025, which indicated that an adequate level of solvency capacity is maintained.

(3) Management indicator “Comprehensive Equity”

The Group has designated Comprehensive Equity*7 based on International Financial Reporting Standards (“IFRS”) as a key management indicator representing our corporate value. As a management goal in the mid-term business plan, the Group aims to achieve Comprehensive Equity of 200 billion yen to 240 billion yen in fiscal 2028. Comprehensive Equity as of the end of 3Q of fiscal 2025 was 174,507 million yen (104.4% of March 31, 2025).

(In millions of yen)

	Mar. 31, 2025	Dec. 31, 2025	Change
Comprehensive Equity	167,090	174,507	7,417
IFRS equity	92,109	97,385	5,275
CSM (tax-adjusted)	61,140	62,461	1,321
GCL contracts value	13,840	14,660	820

*7: 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.

(4) Business forecasts

The consolidated business forecasts for fiscal 2025 announced on May 14, 2025 were revised as shown below.

(In millions of yen)

	Annualized premium of policies-in-force	Insurance revenue	Insurance service results	Net income attributable to owners of the Company
Previous forecasts (May 14, 2025)	37,500	33,000	9,800	6,900
Revised forecasts (February 12, 2026)	37,100	33,000	11,200	7,800
(Reference) Business results for fiscal 2024	34,518	30,081	9,576	5,993

Reasons for revision

For the nine months ended December 31, 2025, while individual life insurance achieved strong growth exceeding initial expectations by promoting priority areas of the mid-term business plan, GCL has not progressed as expected due to the impact of the external environment. Consequently, annualized premium of policies-in-force is expected to fall below the previous forecast, and we have revised the forecast accordingly. We have also revised the breakdown of this forecast, which is disclosed for reference.

In addition, based on the actual payments for the nine months, insurance claims and benefit payments for fiscal 2025 are projected to be lower than expected. As a result, insurance service results and net income attributable to owners of the Company are expected to exceed the previous forecasts, and we have upwardly revised these forecasts accordingly. The forecast for insurance revenue remains unchanged from the previous announcement.

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

(In millions of yen)

	Individual life insurance	Group credit life insurance	Total
Previous forecasts (May 14, 2025)	28,500	9,000	37,500
Revised forecasts (February 12, 2026)	28,700	8,400	37,100
(Reference) Business results for fiscal 2024	26,877	7,640	34,518

2. 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)	
	Mar. 31, 2025	Dec. 31, 2025
ASSETS		
Cash and cash equivalents	17,234	14,107
Investment securities	62,180	72,623
Other financial assets	1,237	1,272
Income tax receivable	5	0
Insurance contract assets	30,224	29,415
Reinsurance contract assets	869	1,281
Property and equipment	549	459
Right-of-use assets	1,187	993
Intangible assets	2,073	2,205
Other assets	616	534
Total assets	116,178	122,892
LIABILITIES		
Derivative liabilities	186	120
Other financial liabilities	1,228	923
Insurance contract liabilities	880	928
Reinsurance contract liabilities	11	—
Provisions	141	142
Lease liabilities	1,294	1,083
Deferred tax liabilities	19,909	22,037
Other liabilities	407	260
Total liabilities	24,058	25,496
EQUITY		
Share capital	26,652	26,675
Capital surplus	26,585	26,608
Retained earnings	39,475	45,715
Treasury shares	(0)	(0)
Other components of equity	(603)	(1,614)
Total equity attributable to owners of the Company	92,109	97,385
Non-controlling interests	11	11
Total equity	92,120	97,396
Total liabilities and equity	116,178	122,892

(2) Consolidated statement of profit or loss

	(In millions of yen)	
	Nine months ended Dec. 31	
	2024	2025
Insurance revenue	22,041	25,380
Insurance service expense	(14,209)	(15,514)
Net expenses from reinsurance contract held	(637)	(1,107)
Insurance service result	7,193	8,758
Interest income	716	919
Impairment losses on financial assets, net	(4)	(2)
Other financial income	(728)	(576)
Net investment income	(16)	340
Insurance finance income (expense)	(64)	(18)
Reinsurance finance income (expense)	13	12
Other revenue	89	65
Other expense	(322)	(364)
Other financial expense	(9)	(13)
Net income (loss) before income taxes	6,884	8,781
Income taxes expense	(1,927)	(2,540)
Net income (loss)	4,956	6,240
Net income (loss) attributable to:		
Owners of the Company	4,956	6,240
Non-controlling interests	(0)	0
Net income (loss)	4,956	6,240
Net income (loss) per share attributable to owners of the Company		
Basic	61.73	77.69
Diluted	—	—

(3) Consolidated statement of comprehensive income

	(In millions of yen)	
	Nine months ended Dec. 31	
	2024	2025
Net income (loss).....	4,956	6,240
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	—	1,907
Items that will not be reclassified to profit or loss	—	1,907
Items that may be reclassified subsequently to profit or loss:		
Financial assets measured at fair value through other comprehensive income	(728)	(455)
Insurance finance income (expense).....	(990)	(2,769)
Reinsurance finance income (expense).....	199	305
Items that may be reclassified subsequently to profit or loss	(1,518)	(2,918)
Other comprehensive income net of tax	(1,518)	(1,011)
Total comprehensive income	3,438	5,229
Total comprehensive income attributable to:		
Owners of the Company.....	3,438	5,229
Non-controlling interests.....	(0)	0
Total comprehensive income	3,438	5,229

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 through management with integrity, and offering easy-to-understand, affordable, 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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