

Securities Code: 7157
TSE Prime



Presentation Material for Investors First Quarter for Fiscal 2026

LIFENET INSURANCE COMPANY
August 12, 2026

1. Main Initiatives for 1Q of FY2026

2. Financial Results for 1Q of FY2026

1Q for Fiscal 2026 Key Highlights

Key Indicators

Corporate Value

Comprehensive Equity¹
(CE)

¥ **174,854**mn
(YoY 102.6%)

Growth

Annualized premium²
of policies-in-force

¥ **37,810**mn
(YoY 107.4%)

Profitability

Insurance service
results

¥ **2,104**mn
(YoY 71.5%)

Notable Achievements

- Advanced JAL alliance, establishing framework for JAL mileage ecosystem customers
- Steady progress in priority areas, driving individual life insurance growth through both direct and partner channels
- Published first Integrated Report to deepen capital market dialogue on mid- to long-term value creation

1. Comprehensive Equity is an indicator defined by the Lifenet. 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 Company 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 and other policies-in-force.

2. The amount of money is equivalent to what is to be paid to have the insurance coverage for one year. All payments are monthly installments, thus the annualized premium is calculated as multiplying the monthly premium (for GCL, expected premium income for the next month based on in-force business. However, if a premium rate revision is implemented at the start of the period following the relevant quarter, it is calculated based on the rate prior to the revision.) by 12. The same will apply hereafter.

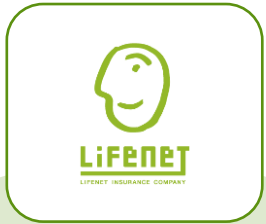
Progress on the Capital and Business Alliance with JAL



- Completed capital transaction in June 2026, **aiming to maximize LTV targeting JAL Mileage Bank (JMB) members**

Significance

Alignment of strategies



Mid-term business plan
Strengthening
"Embedded"



JAL Vision 2035
Expansion of
"Non-aviation Domains"

Foundation

Highly engaged JMB member base

- **Characteristics of Customers in the JAL Ecosystem**
Driven by the experiential value of "earning in daily life and spending on extraordinary experiences"
- **High Affinity with "Life Insurance" as a Long-Term Stock Business Model**
Customer segment seeking brand affinity
"If travel and daily life are with JAL, let's align insurance with JAL too"

From June 2026: Holding Alliance Promotion Committee meetings

Maximizing LTV through long-lasting trust and engagement with customers

Initiatives in Priority Areas

■ Delivering the “Ultimate Insurance Experience” with high external recognition

Tech & Services

- **Promoted AI agent adoption** to boost productivity & lower the expense ratio

Rebranding

- **Enhanced the LIFENET manifesto-based branding** via new TV ads
- **Expanded entry ages** for evolving customer needs

Embedded

- Individual: **Sustained growth momentum** despite partnership structure shift
- GCL¹: Launched with **THE KYOTO SHINKIN BANK**

High external recognition supporting the Ultimate Insurance Experience



Zaikai BEST AI 100²
First insurance company selected



2026 Oricon
Customer Satisfaction
Survey³ Life Insurance
Overall No.1
2 consecutive years



Kakaku.com Insurance
Awards 2026 (Term Life)⁴
No.1
10 consecutive years

1. GCL stands for Group Credit Life Insurance

2. Zaikai BEST AI AWARD recognizes companies achieving outstanding results through AI technology. "Zaikai BEST AI 100" is awarded to 100 companies transforming business processes through innovative initiatives.

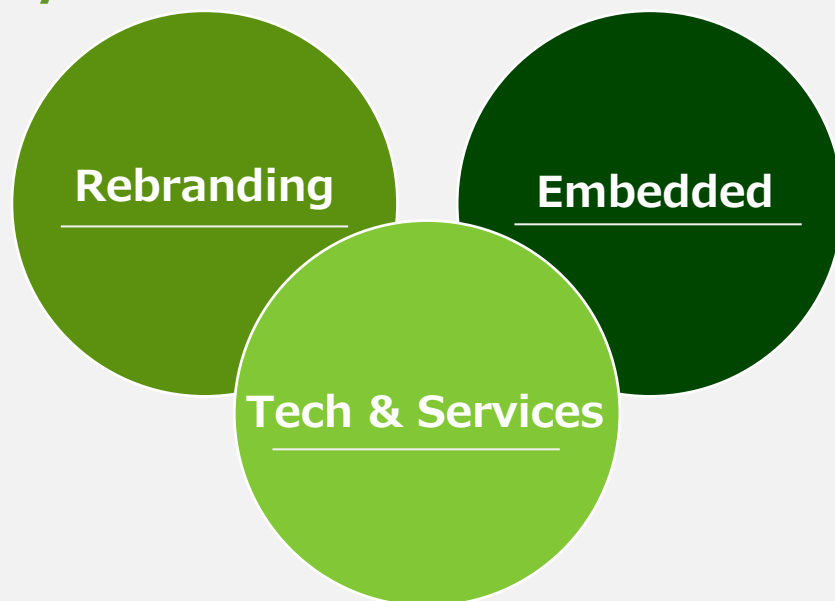
3. Survey: Oricon ME Co., Ltd. Survey period: September 1-22 2025, August 26-September 24 2024 and September 26-October 4 2023, Number of respondents: 10,995

4. The insurance product with the highest number of applications across all sales channels among 15 products in the Life Insurance category (term life insurance) on Kakaku.com Insurance during the period from January 1 to December 31, 2025. Winner of this same award for 10 consecutive years since 2017.

FY2024-2028 Mid-term Business Plan

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

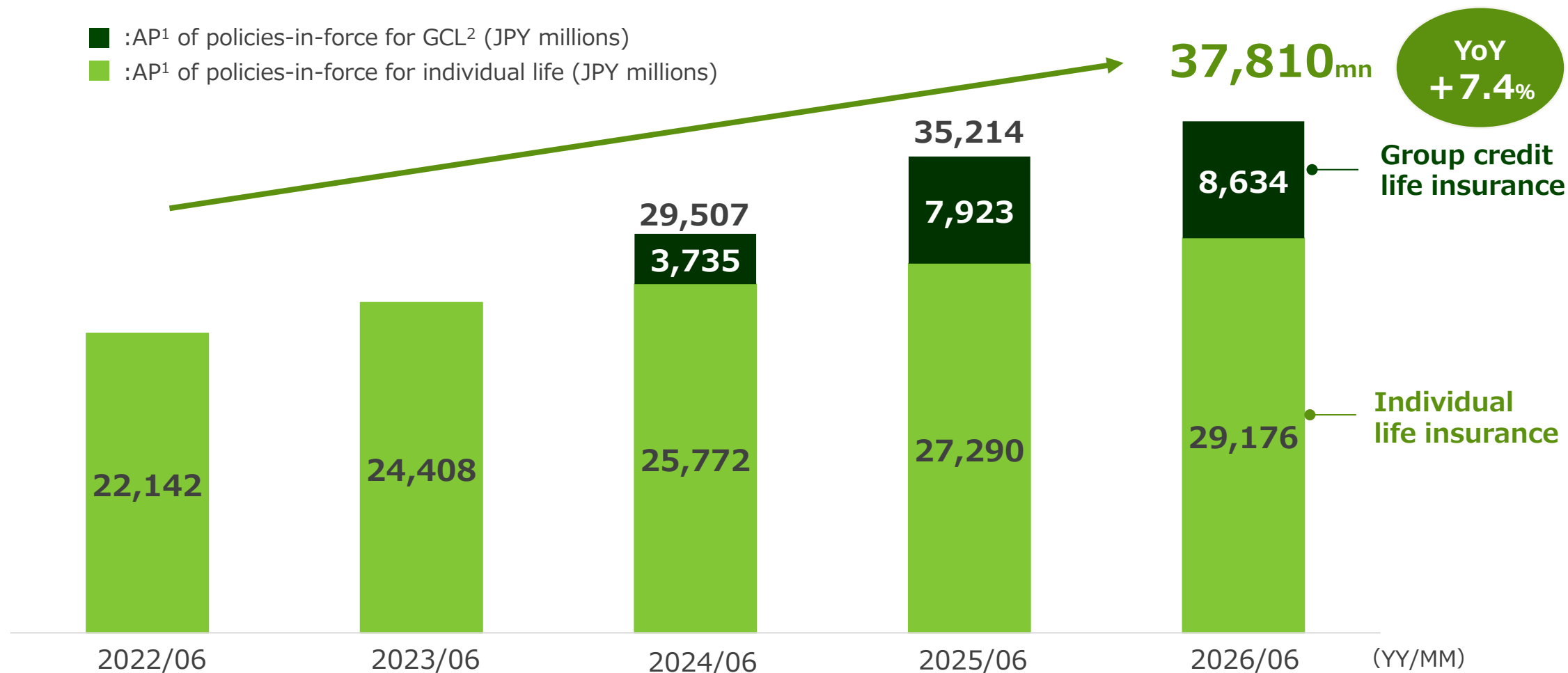
Engagement score (growth):
continuous improvement

1. Main Initiatives for 1Q of FY2026

2. Financial Results for 1Q of FY2026

Annualized Premium of Policies-in-Force

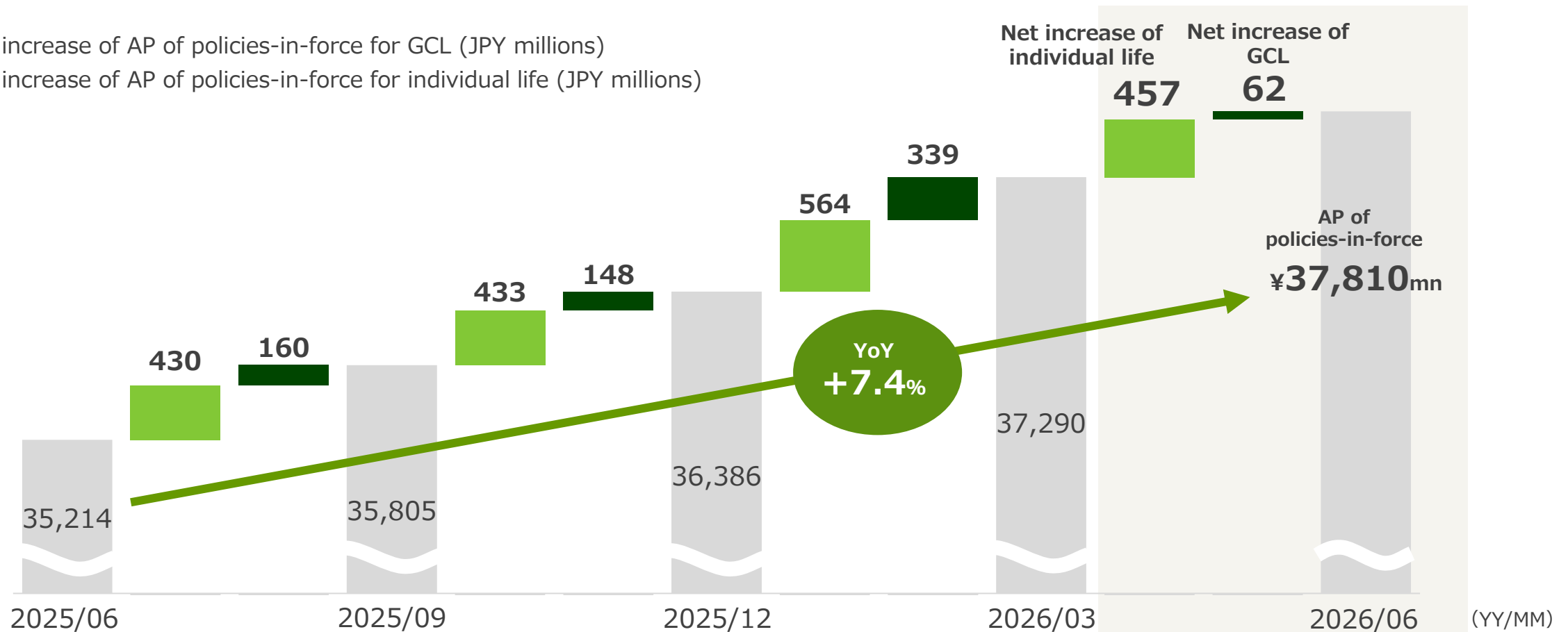
■ Resulted in ¥37,810mn and **achieved steady growth of 7.4% YoY**



Policies-in-Force Movement

- **Maintained steady growth trend, with individual life growth offsetting the impact of GCL premium rate revision in April**

■ :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 reached **¥2,104mn**, with quarterly profit attributable to owners of parent at **¥1,637mn**

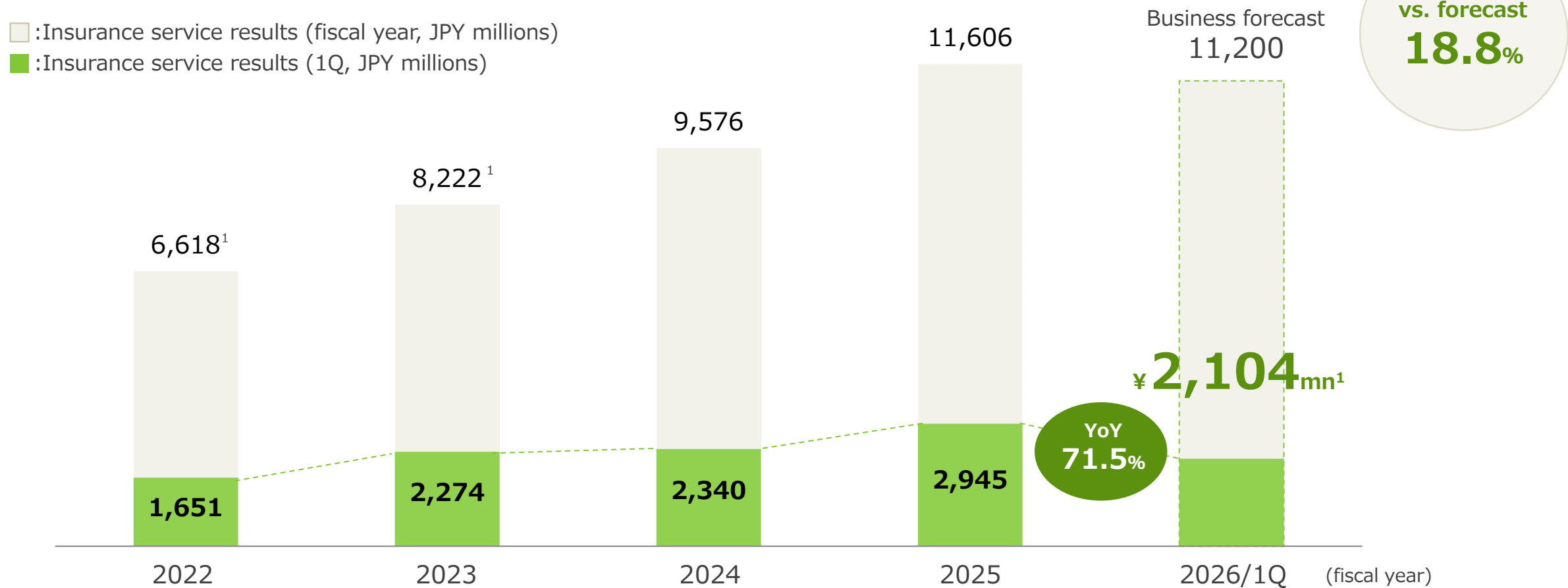
(JPY millions)

Items	2025/1Q	2026/1Q	Change
Insurance service results	2,945	2,104	(840)
Financial results ¹	183	323	140
Other results	(65)	(124)	(59)
Profit before tax	3,063	2,303	(759)
Net income attributable to owners of the Company	2,177	1,637	(540)

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

Insurance Service Results

■ Decreased YoY due to high claim payments, compared to a low level in prior year period



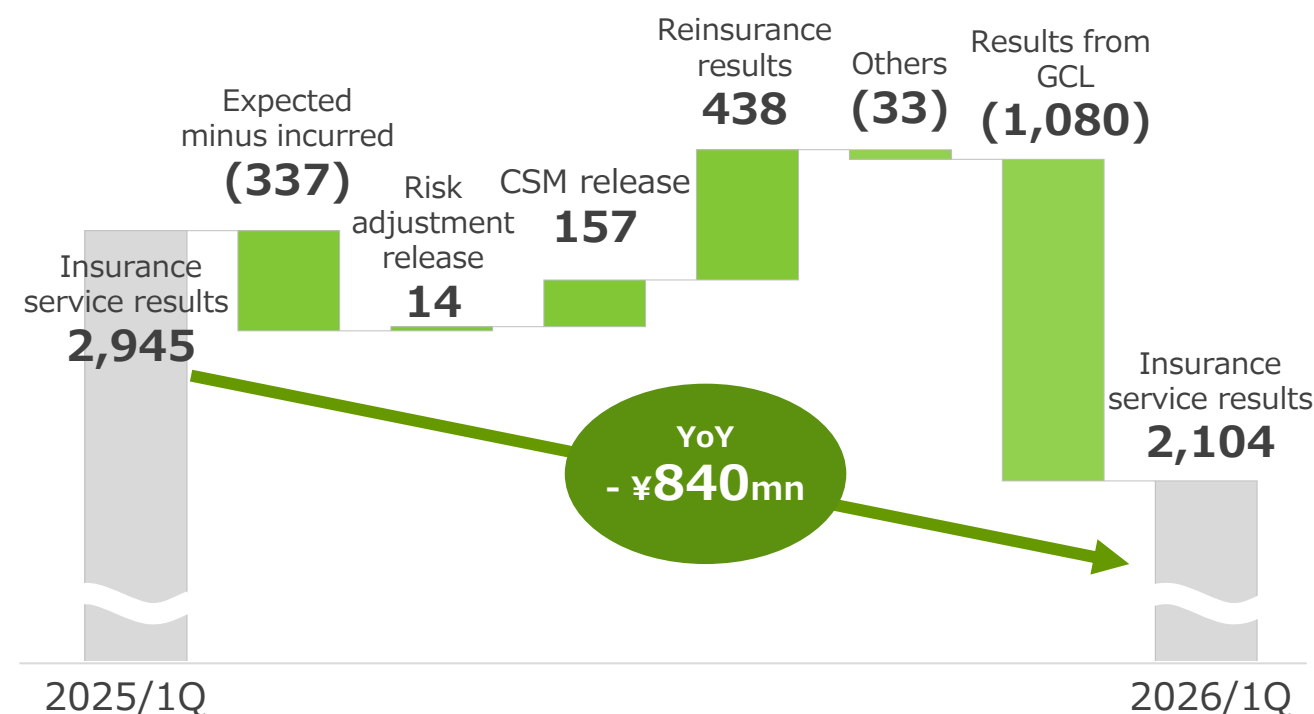
1. COVID-19 related claims was ¥1,378mn in FY2022 and ¥36mn in FY2023. It is also included in FY2024 onwards, but detailed calculation has not been performed.

Insurance Service Results Analysis

- CSM release contributed, but **weighed down by higher claim payments** in individual life and GCL

(JPY millions)

Items	2025/1Q	2026/1Q	Change
Expected claims minus incurred claims	364	26	(337)
Risk adjustment release	404	419	14
CSM release	1,871	2,029	157
Reinsurance results	(368)	70	438
Others	(58)	(91)	(33)
Results from GCL ¹	730	(349)	(1,080)
Insurance service results	2,945	2,104	(840)



1. Insurance service results related to GCL contracts applying the Premium Allocation Approach (PAA), excluding result from reinsurance contracts.

Progress of GCL Business

- Steadily contributed to corporate value and growth, while profit turned negative due to higher claim payments
- **Launched business with The KYOTO SHINKIN BANK in July 2026**

Performance for Key Indicators (As of June 30, 2026)

Corporate Value

GCL Contracts Value

¥ **15,054**mn

Shares of CE:

8.6%

18.8% excl. IFRS equity

Growth

AP of policies-in-force

¥ **8,634**mn

Shares of total AP:

22.8%

Profitability

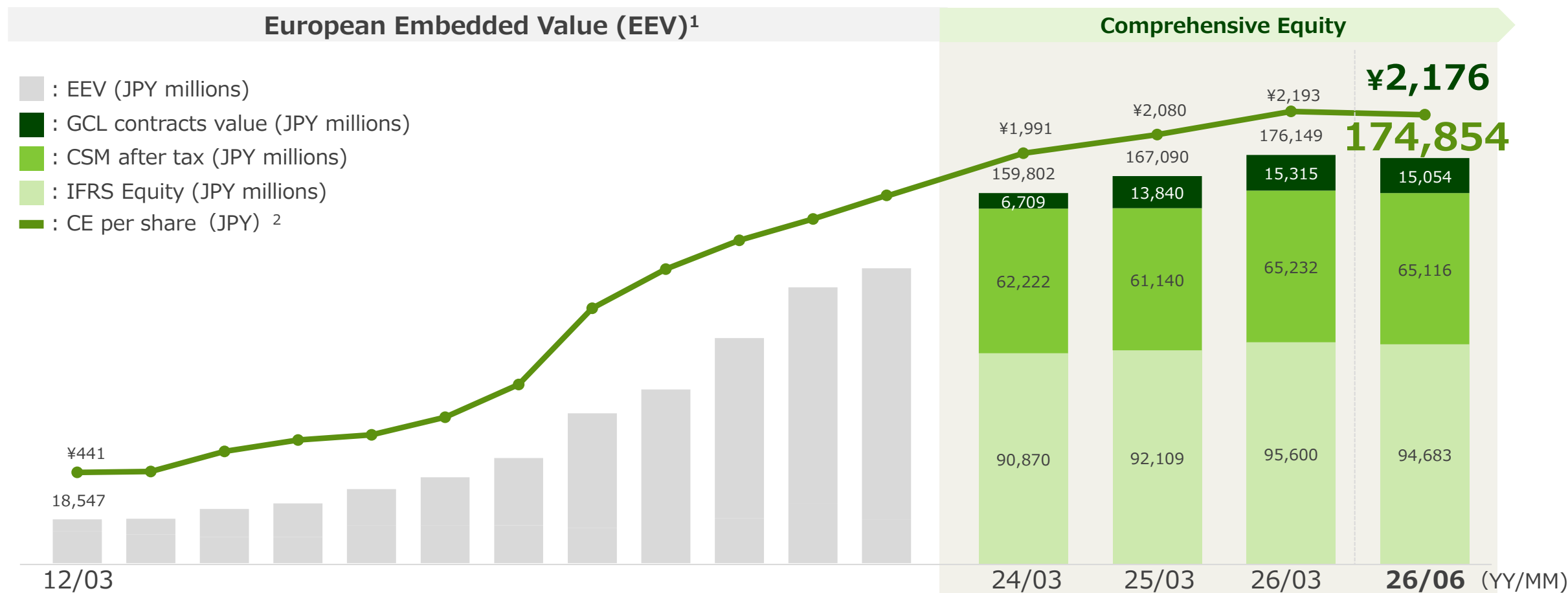
GCL results

¥ **(349)**mn

Shares of insurance
service results: -

Movement of Management Indicators

■ Maintained strong 17% CAGR since 2012 IPO despite slight decrease vs. prior FY-end

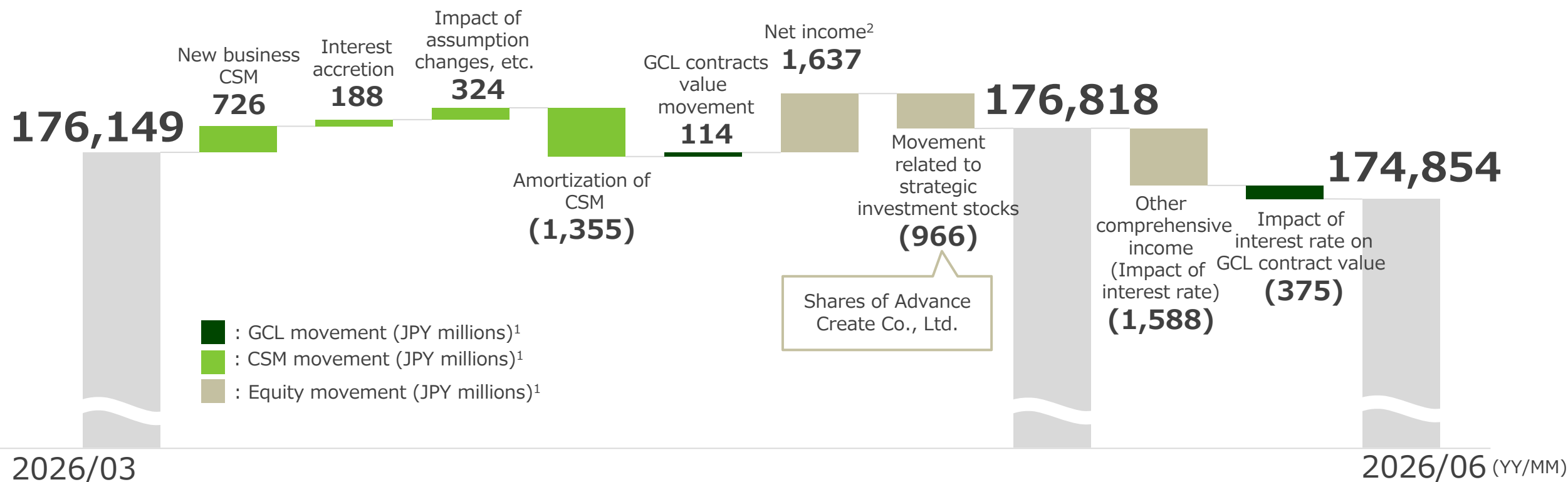


1. Lifenet's EEV is calculated following the EEV Principles and Guidance and in terms of allowance for risk, MCEV Principles (The European Insurance CFO Forum Market Consistent Embedded Value Principles©) is referred. From fiscal 2016 onward, a predetermined ultimate forward rate has been used to extrapolate the level of ultra-long-term interest rates past the last liquid data point. This method of extrapolation has also been used to restate EEV as of March 31, 2016.

2. EEV per share before March 2023

Changing Factors of Comprehensive Equity (CE)

- New business CSM grew, but management effort gains were limited
- Decreased on failure to absorb rising interest rate impact

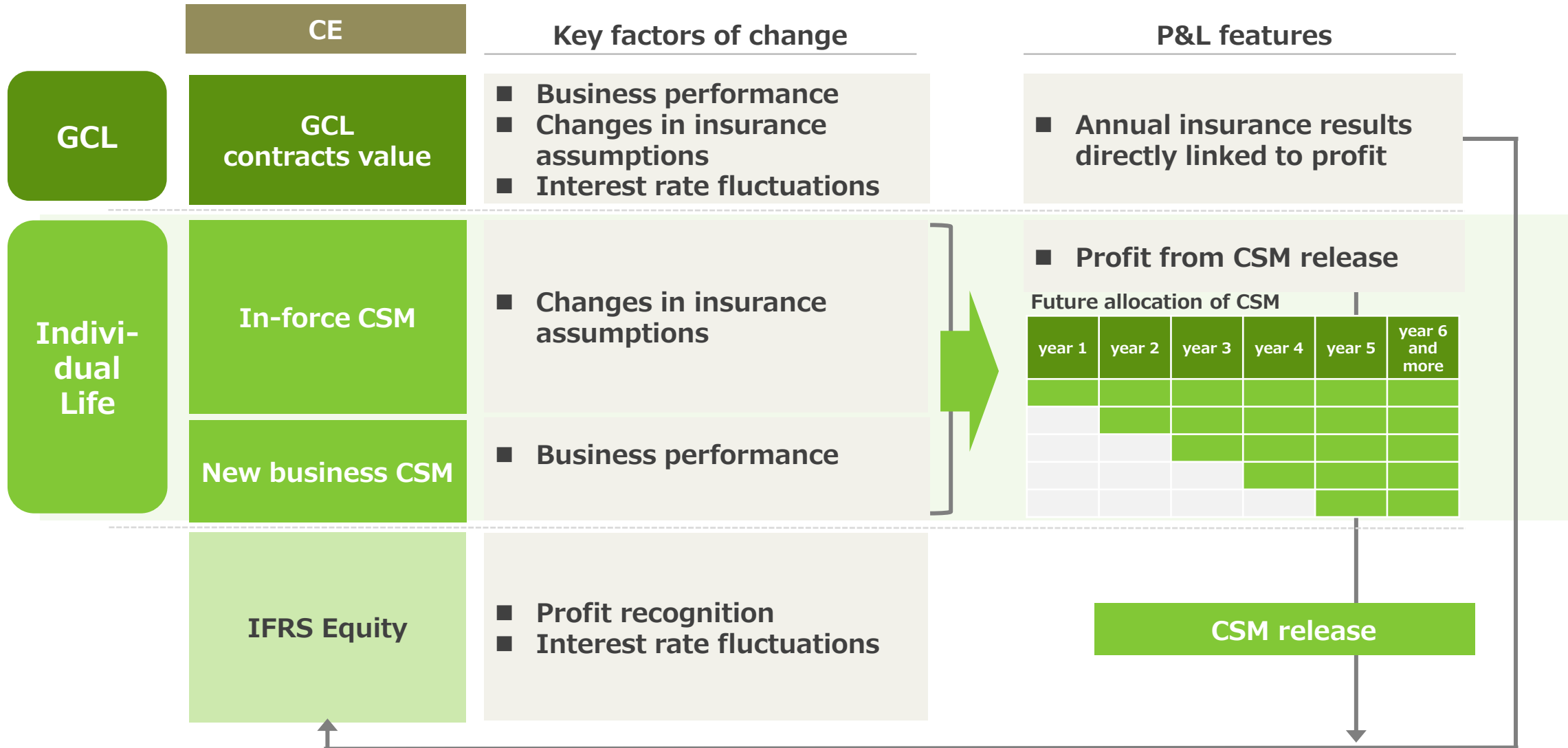


1. After tax effect (28.9%)

2. Net income attributable to owners of the Company

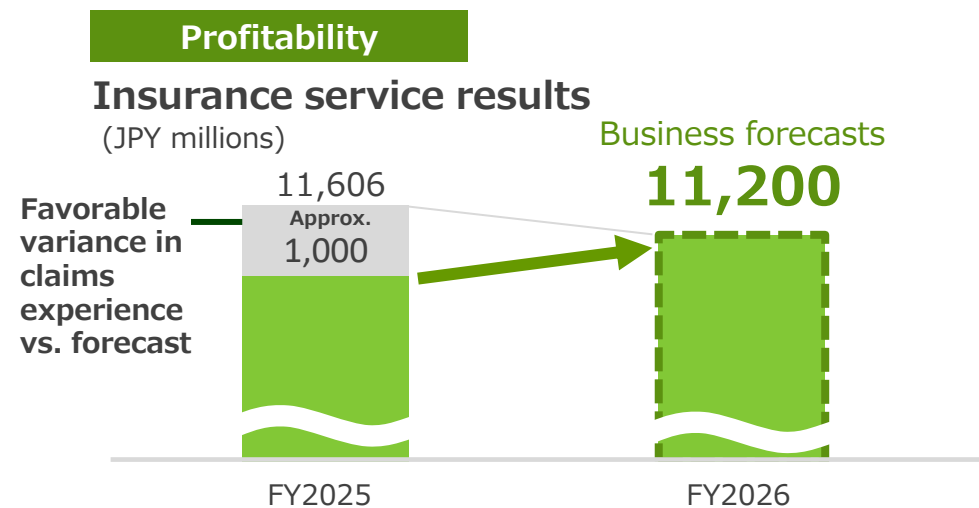
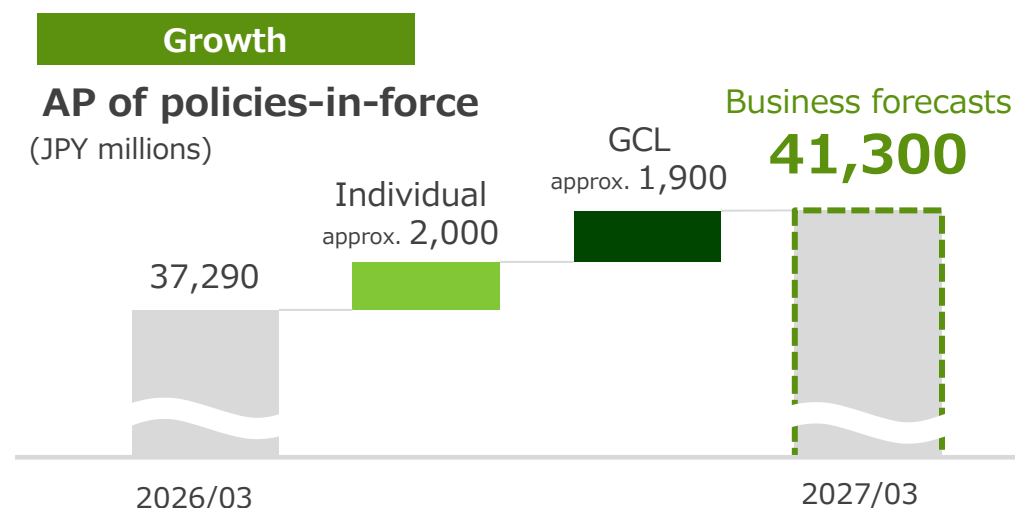
Key Drivers of CE Changes and Linkage to P&L

■ Current CSM growth in individual life drives future annual profit



Consolidated Business Forecasts for FY2026

■ Maintained business forecasts announced in May 2026

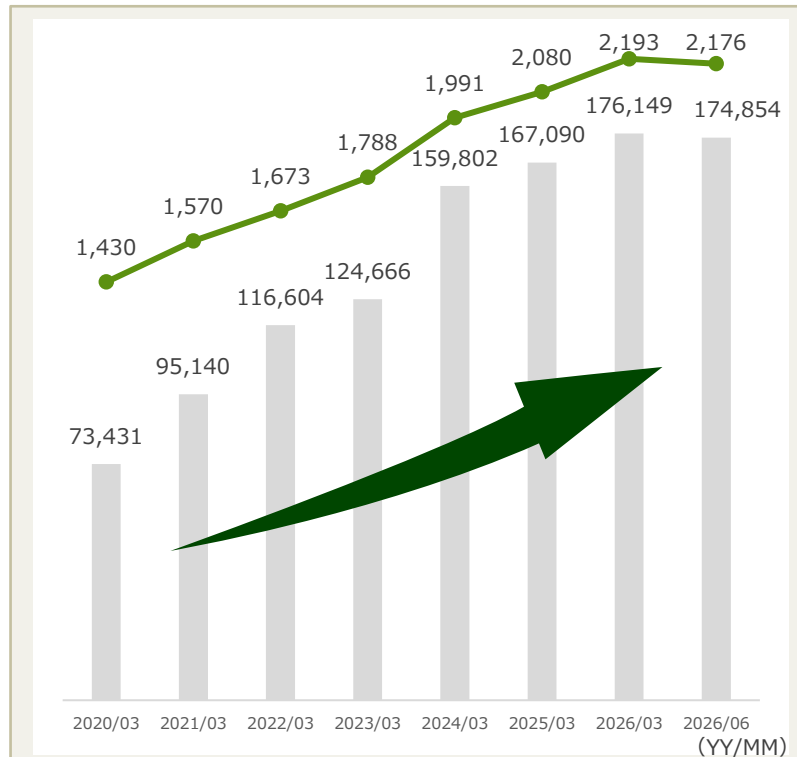


(JPY millions)	FY2025	FY2026	
	Results	1Q Results	Forecasts
Annualized premium of policies-in-force	37,290	37,810	41,300
Insurance revenue	34,388	9,030	37,500
Insurance service results	11,606	2,104	11,200
Net income attributable to owners of the Company	8,041	1,637	8,200

Current Market Evaluation

- **Focusing on both expanding corporate value and improving market valuation** as Price to CE ratio continues below 1.0x

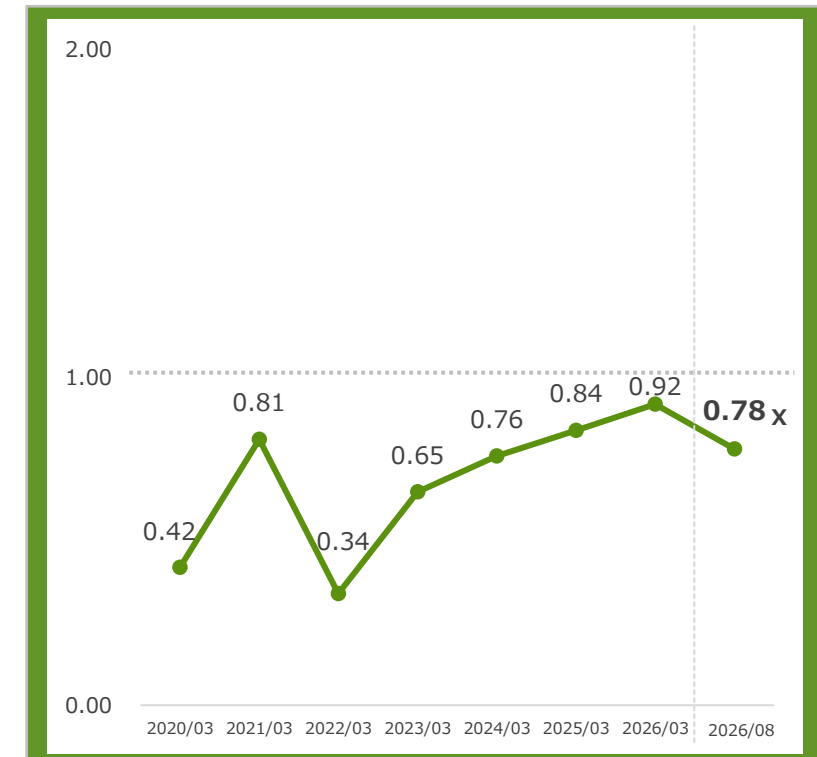
CE per Share¹



Stock Price²



Price/CE per Share¹



1. EEV per share and price/EEV before the end of March 2023

2. Closing price as of August 10, 2026

Initiatives to Improve the PCE Ratio

■ Increasing the PCE ratio by enhancing corporate value and market valuation through individual and group insurance

Enhancing corporate value (CE)

Expanding business scale

Growth of individual and group insurance businesses based on priority areas

- Driving renewed growth in individual insurance via advanced strategic marketing
- Driving business expansion in group insurance by securing new partner banks



Improving profitability

Expanding CSM through enhanced efficiency in insurance acquisition cash flows and operating expenses.

- Executing Initiatives for Mid-term Sales Efficiency
- Improving running cost per unit through productivity gains



Initiatives to improve market valuation

Details for page25

Proactive and open
dialogue with
shareholders and
investors

Strong
commitment to
shareholder value



Expanding the
investor base and
improving market
liquidity

Strengthening
management and
governance
structures

New Initiatives for Strengthening Dialogue

■ Published Integrated Report (English edition coming Sept 2026) to deepen dialogue on value creation



Main Points

- Messages from President and Executives on the future vision
- Evolution of customer experience accelerated by technology and AI
- Expanding value creation through co-creation with partners
- Human resources strategy and governance supporting sustainable growth

Toward Accelerating Future Growth

■ Aiming for scale expansion and profitability improvement through online model strengths and deepening partner strategy

AI-era competitive advantage created by the "Ultimate Insurance Experience"

- Accelerate online life insurer differentiation by driving brand strengthening through Individual Number System portal¹ integration
- Drive growth and productivity using AI tailwinds with a lean expert team and online model

Sustainable scale expansion driven by partner strategy

- Individual life: Expand through two pillars, deepening ecosystems (centered on KDDI, SMBC Group, JAL) and adding new alliance partners
- GCL: Accelerate alliance expansion with financial institutions, leveraging competitive premiums and operational strengths

Future-oriented business development

- Explore growth opportunities (incl. M&A) by expanding strategic options through J-GAAP profitability

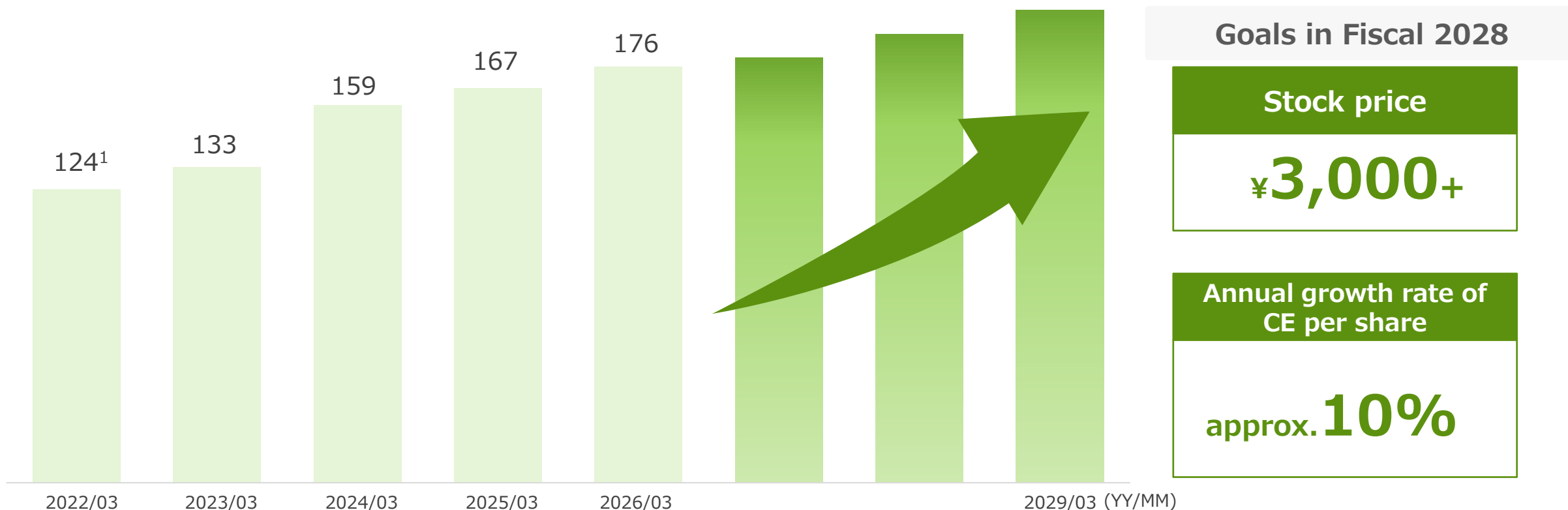
1. Individual Number System is a system in which all people living in Japan are given an individual identification number for the purpose of improving convenience and others for citizens. It is also available online and you can apply to services online related to parenting by the one-stop service and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

Achieving Mid-term Business Plan

- **Aim to achieve the FY2028 management targets** by realizing sustainable growth through growth investments in priority areas

CE growth image

¥200-240bn





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Forward-looking statements in this material, such as financial forecasts, plans, outlooks, and strategies, are based on information available at the time of preparation and involve inherent risks and uncertainties. Actual results may differ materially from these statements due to changes in the operating environment and other factors. The Company assumes no liability for any damages arising from the use of the information contained in this document. Furthermore, the Company undertakes no obligation to update or publicly release any revisions to these forward-looking statements to reflect new information or future events.

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



Sincere, Easy-to-understand, Affordable and 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 help our customers embrace life more fully through management with integrity, and offering easy-to-understand, affordable, convenient products and services.



Appendix

Current initiatives to Improve Market Valuation

Proactive and open dialogue with shareholders and investors

Strong commitment to shareholder value

Expansion of the investor base and improving market liquidity

Improvement of management and governance structures

- Disclosing cost of capital (6-8%) to facilitate ongoing dialogue, with reviews planned based on feedback
- Promoting valuable risk-taking in alignment with the implementation of economic value-based solvency regulations
- **Published new Integrated Report to communicate mid- to long-term value creation story** **New**
- Setting share price and CE per share (an indicator of corporate value) as financial targets for the mid-term business plan
- Attracting index fund inflows following the Prime Market listing
- Proactive on-site visits to international investors
- Promoting initiatives for individual investors, including specialized seminars
- Continuing initiatives to enhance the functionality of the Board of Directors
EX: Continuing regular meetings of independent outside directors, and reforming Board operations by refining submission criteria to place a greater emphasis on discussion

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)	An indicator defined by Lifenet. 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 Company 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 as it includes the value of future profits of policies-in-force.
Group Credit Life Insurance (GCL) contracts value	An indicator defined by Lifenet. It is the value of future IFRS earnings for GCL and other policies-in-force including future renewals as of the valuation date.
Premium Allocation Approach (PAA)	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 and other contracts which have 1 year insurance period.
Insurance acquisition cash flows (IACF)	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.
Maintenance expenses	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.
ESR (Economic Solvency Ratio)	ESR is the indicator to assess the soundness of insurers. Based on the economic valuation of assets and liabilities of insurance companies, ESR is calculated as the ratio of the eligible capital against the required capital which is evaluated as the risk amount for the losses. Regulatory ESR is the administrative indicator which is disclosed for the closing from March 2026 onwards. It assesses the capital adequacy of insurers in place of existing SMR. Internal ESR is the ESR which the Company uniquely calculates as an internal indicator.
Eligible capital	The numerator of ESR as the capital that insurers hold. Based on the value of the net asset on the economic-value based balance sheet under a market consistent approach, necessary adjustments are made regarding the eligibility as the capital for the risk.
Required capital	The denominator of ESR as the risk amount that insurers take. For each risk category, the risk amount is calculated at a certain level and then the amounts are aggregated with the prescribed methodology. In many of the risk categories, the required capital is defined as the changes in the value of (economic value-based) net assets under prescribed stresses.

Breakdown of Policies-in-Force

	2025/06	2026/06	Component ratio
Number of policies-in-force	647,914	698,946	100%
- Term Life	313,522	333,334	48%
- Whole-life Medical & Term Medical	178,209	193,807	28%
- Long-term Disability	72,634	77,047	11%
- Whole-life Cancer & Term Cancer	76,426	87,302	12%
- Others ¹	7,123	7,456	1%
Sum insured of policies-in-force² (JPY millions)	4,009,929	4,227,153	
Number of policyholders	407,592	435,245	

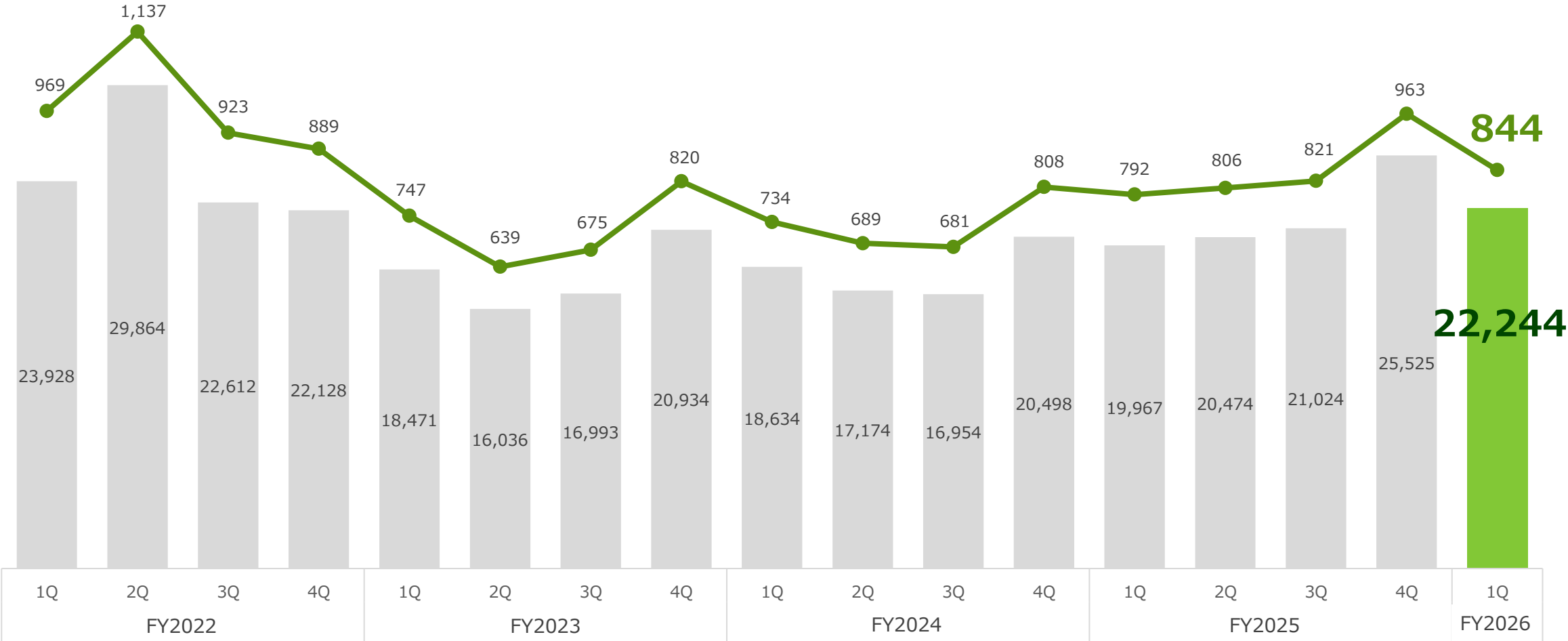
1. Term Medical Care and Dementia

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

Annualized Premium / Number of New Business



■ :AP¹ of new business (JPY millions)
■ :Number of new business

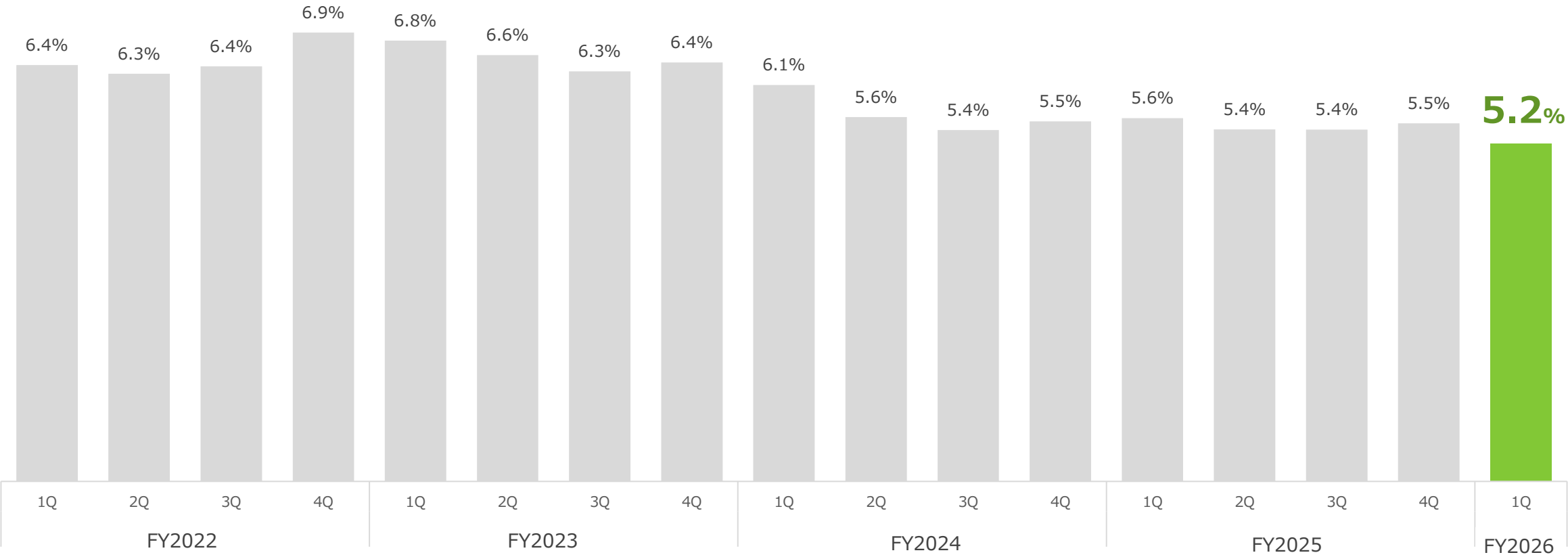


1. The amount of money equivalent to what is to be paid to have the insurance coverage for one year. All payments are monthly installments, thus the annualized premium is calculated as multiplying the monthly premium by 12.

Surrender and Lapse Ratio



 : Surrender and lapse ratio¹ (%)



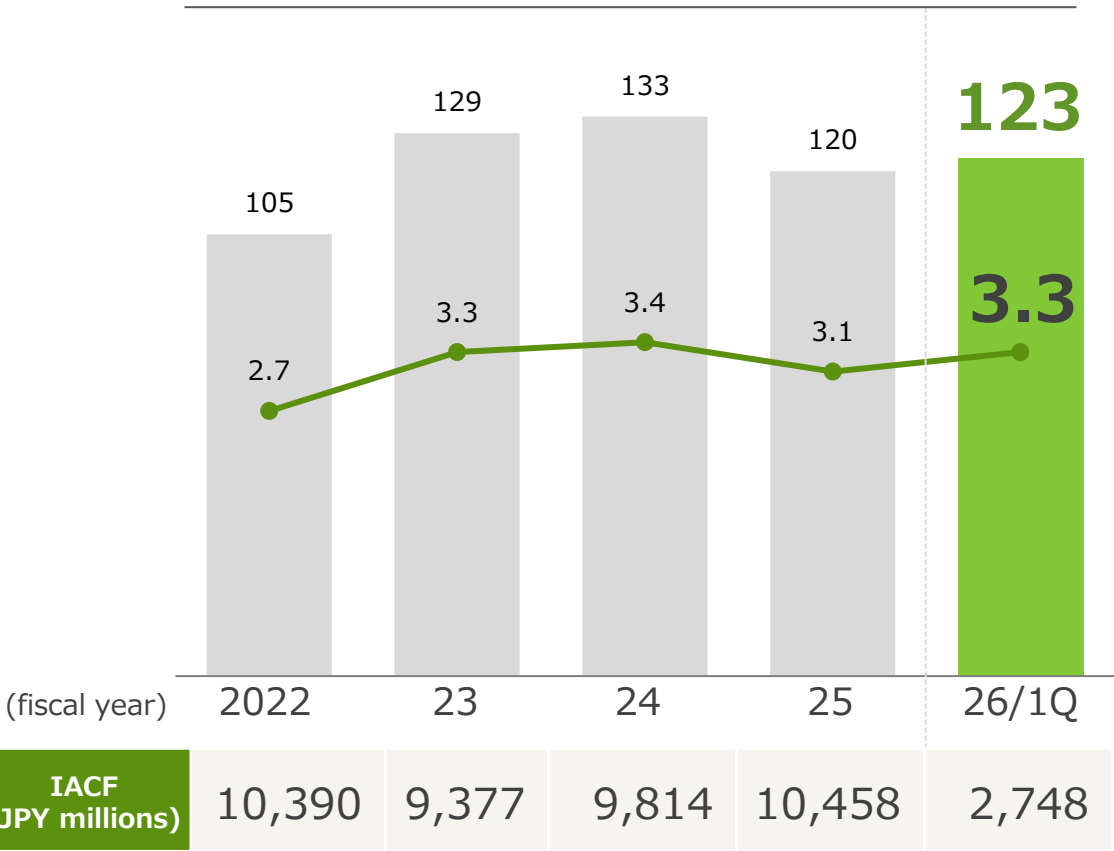
1. The surrender and lapse ratio is the annual equivalent of the monthly number of policies surrendered and/or lapsed divided by the monthly average number of policies-in-force.

Insurance Acquisition Cash Flows (IACF) Efficiency

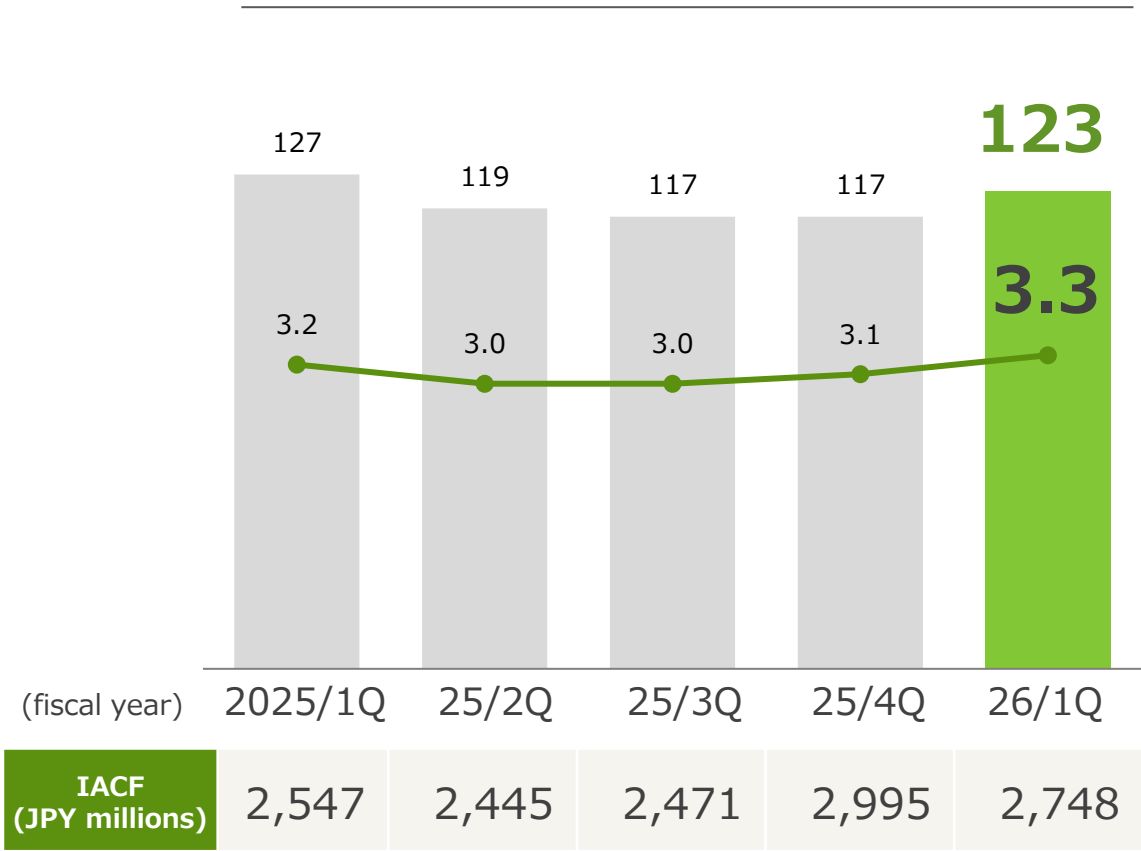


- :Insurance acquisition cash flows / AP of new business
- :Insurance acquisition cash flows per new business (JPY thousands)

Fiscal year



Quarter



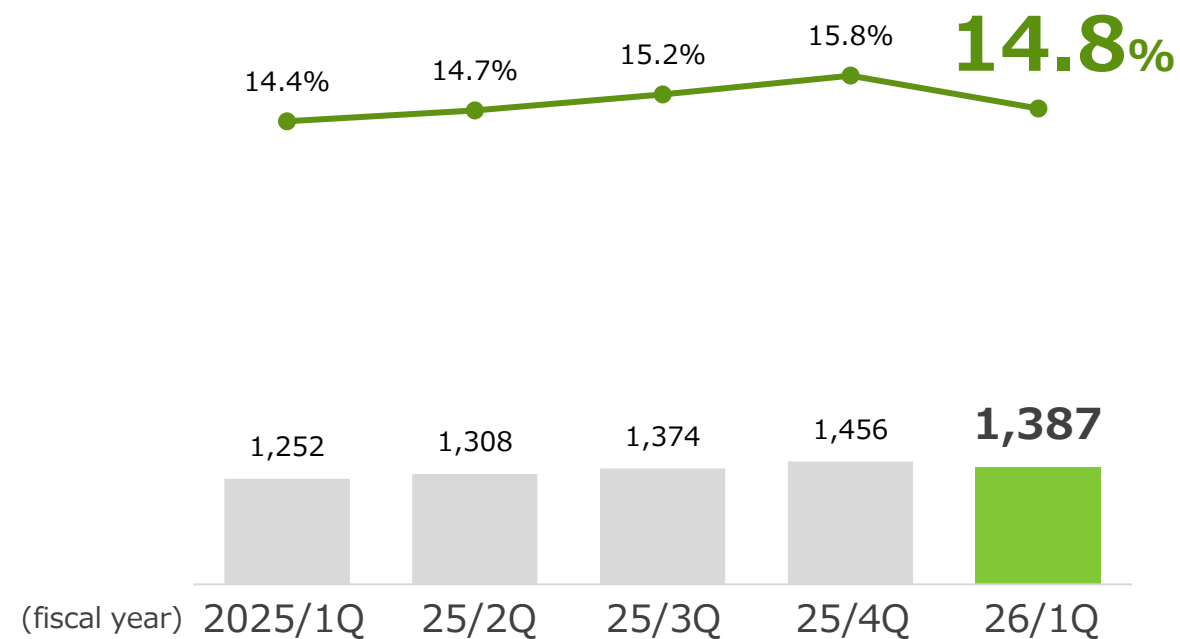
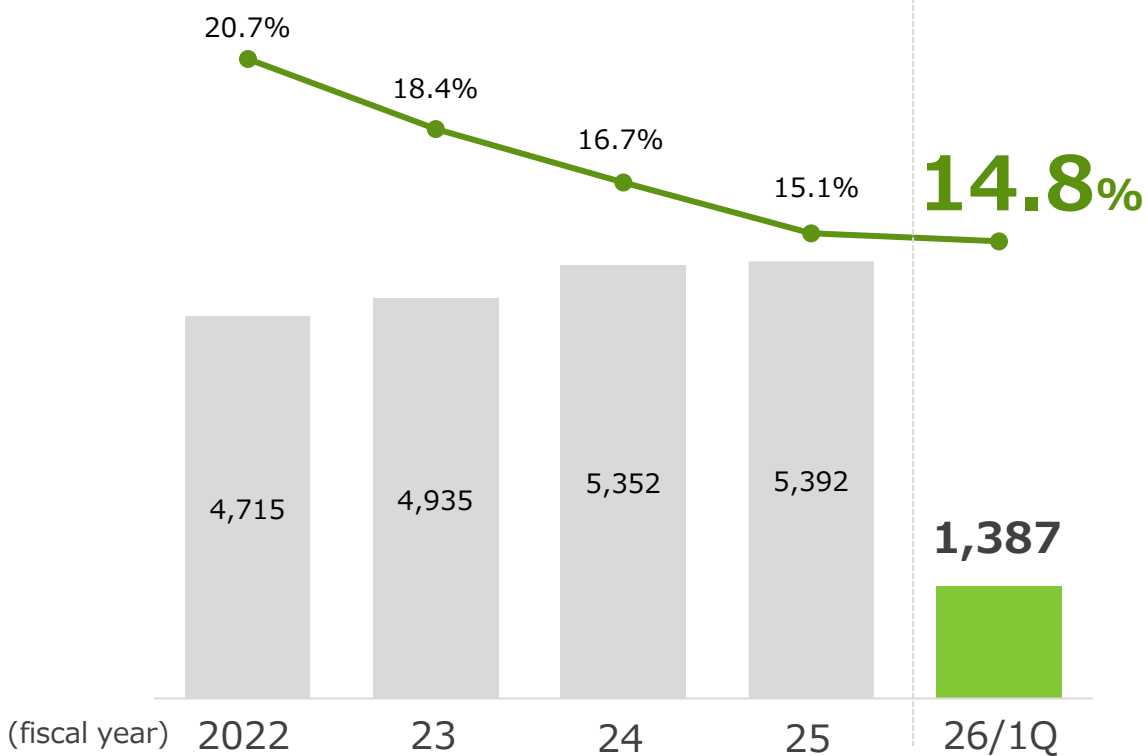
Operating Expenses Ratio¹

■ :Operating Expenses Ratio (%)

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

Fiscal year

Quarter



1. Ratio of operating expenses excluding IACF divided by average in-force annualized premium for the period (annualized).

Summary IFRS P/L (Quarter)

(JPY millions)

Items	2025/1Q	2025/2Q	2025/3Q	2025/4Q	2026/1Q	Note
Insurance service results	2,945	3,143	2,669	2,847	2,104	
Expected claims minus incurred claims	364	308	58	(167)	26	
Risk adjustment release	404	420	416	434	419	
CSM release	1,871	1,974	1,935	2,090	2,029	
Reinsurance results	(368)	(515)	(223)	(281)	70	
Results from GCL ¹	730	1,073	498	626	(349)	Increased in claims
Financial results²	183	205	(53)	(68)	323	Increased due to the absence of loss on sales of bonds
Other results	(65)	(111)	(135)	(171)	(124)	
Profit before tax	3,063	3,237	2,480	2,608	2,303	Decreased in insurance service results
Net income attributable to owners of the Company	2,177	2,300	1,762	1,800	1,637	

1. Insurance service results related to GCL contracts applying the Premium Allocation Approach (PAA), excluding result from reinsurance contracts.

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

Breakdown of Insurance Service Results

Items	(JPY millions)		
	FY2025		FY2026
	(Ref.) Fiscal Year	1 Q	1 Q
Insurance revenue	34,388	8,222	9,030
Expected claims	12,197	2,944	3,192
Risk adjustment release	1,676	404	419
CSM release	7,871	1,871	2,029
Recovery of IACF	4,722	1,123	1,290
Others	(97)	(40)	(40)
Premium income of GCL etc.	8,018	1,918	2,138
Insurance service expenses	21,393	4,909	6,995
Incurred claims (Individual life)	11,633	2,580	3,165
Incurred claims (GCL)	5,089	1,187	2,481
Amortization of IACF	4,722	1,123	1,290
Others	(52)	18	57
Reinsurance results	(1,388)	(368)	70
Insurance service results	11,606	2,945	2,104

Breakdown of Financial Results

- Increased due to higher interest income from additional corporate bond purchases, etc

(JPY millions)

Items	FY2025/1Q	FY2026/1Q	Change
Investment results	184	286	102
Interest income	284	358	73
Impairment losses on financial assets, net	(0)	(0)	0
Other investment income	(99)	(71)	28
Insurance finance income (expense)	(5)	33	39
Reinsurance finance income (expense)	4	3	(0)
Financial results	183	323	140

Detail of Bond Portfolio¹

As of June 30, 2026

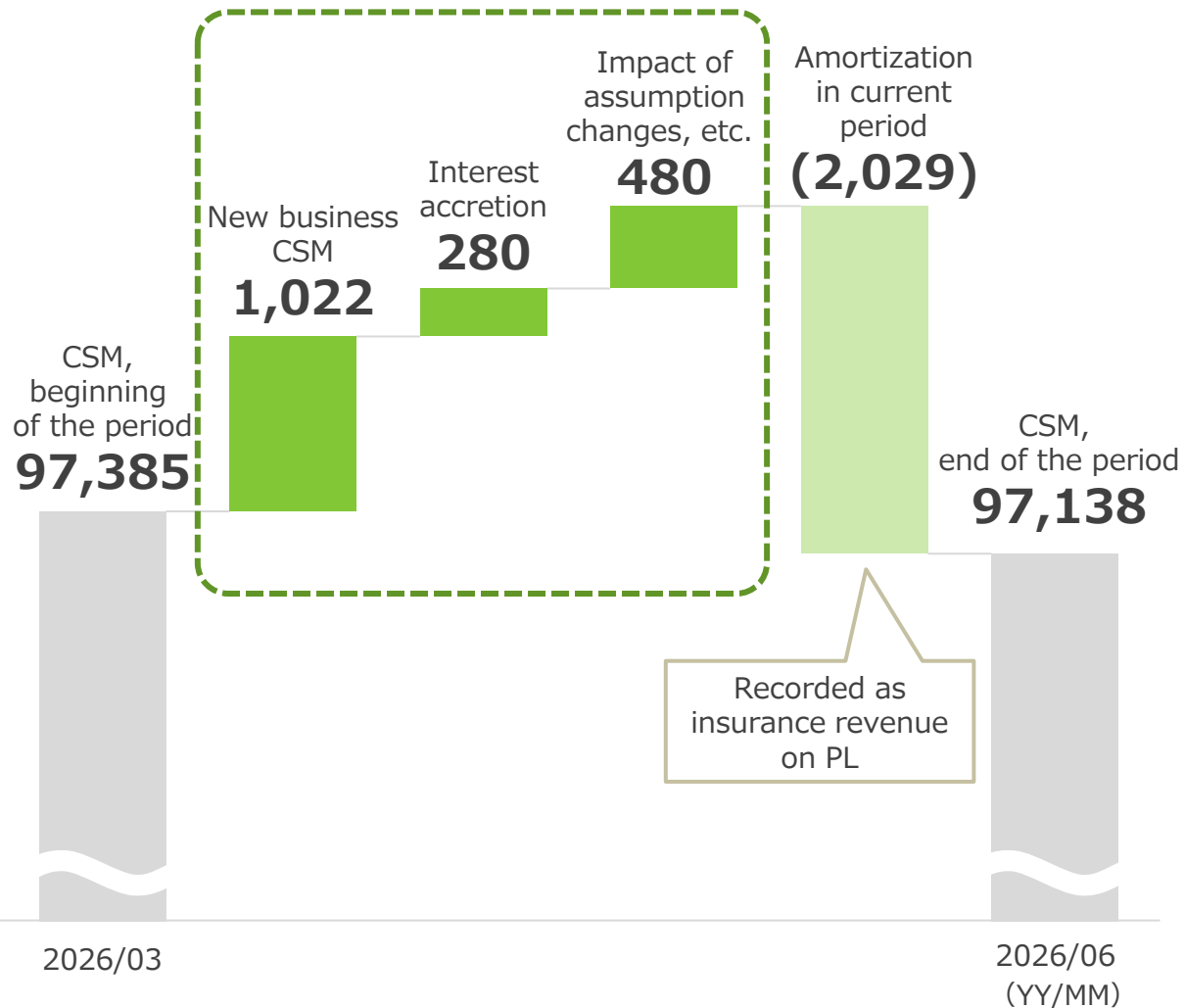
(JPY millions)

	Available-for-Sale	Held-to-Maturity	Total
JPY Bonds	13,687	44,821	58,508
Duration ²	3 years	5 years	4 years
Foreign Currency Bonds	15,221	—	15,221
Duration ²			4 years
Non-Currency Hedged	2,284	—	2,284
Currency Hedged	12,937	—	12,937

1. Based on J-GAAP balance sheet

2. Calculated by Lifenet

CSM Movement



(JPY Millions)

Items	FY2025	FY2026/1Q
CSM, beginning of the period	92,059	97,385
New business CSM	4,726	1,022
Interest accretion	1,020	280
Assumption changes, etc.	7,450	480
Amortization of CSM	(7,871)	(2,029)
CSM, end of the period	97,385	97,138

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 Jun. 2026 (A)	97.1	7.9	7.5	7.2	6.8	6.3	61.2
Forecast	New Business CSM (B)	A + year 1	XX	X	X	X	X	X	XX
		A + year 2	XX		X	X	X	X	XX
		A + year 3	XX			X	X	X	XX
		A + year 4	XX				X	X	XX
		A + year 5	XX					X	XX
	CSM release (A+B)			XX	XX	XX	XX	XX	XXX

Comprehensive Equity Sensitivity Analysis¹

■ Impacts of changes in assumptions (sensitivities)

(JPY millions)	Changes in Comprehensive Equity (CE) as of June 30, 2026		
	Changes in CE	% changes	Of which changes in CSM ²
Comprehensive Equity as of June 30, 2026	174,854	—	65,116
1.0% increase in risk-free rate ³	(8,201)	(4.7%)	—
1.0% decrease in risk-free rate ³	8,836	5.1%	—
0.5% increase in risk-free rate ³	(4,181)	(2.4%)	—
0.5% decrease in risk-free rate ³	4,341	2.5%	—
10% decrease in equity and real estate value and other	(184)	(0.1%)	—
10% decrease in operating expenses rate	6,060	3.5%	5,207
10% decrease in surrender and lapse rate	2,321	1.3%	1,960
5% decrease in claim incidence rates for life business	7,398	4.2%	7,454
10% decrease in non-renewal rate	6,377	3.6%	6,376

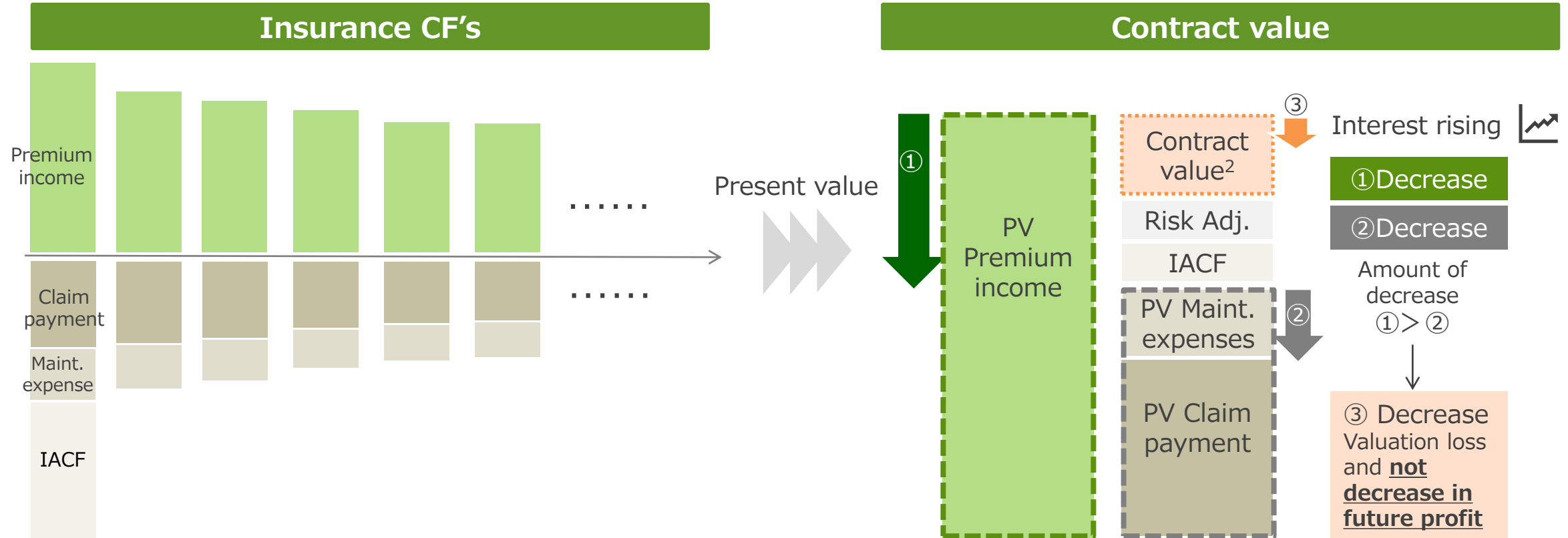
1. For each sensitivity, only one specific assumption is changed and other assumptions remain unchanged. It should be noted that the effect of the change of more than one assumption at a time is likely to be different from the sum of sensitivities carried out separately.

2. Aggregation of insurance contracts and reinsurance contracts with tax effect (28.9%) adjusted.

3. Impact of a parallel upward or downward shift for all duration in interest rates

Impact of Rising Interest Rates on CE

- Due to product characteristics, future revenue surpasses expenditures in insurance CF's, positive on CE as contract value
- CE would be decreased through valuation losses with rising interest rates but the impact would be limited¹



1. Impact of parallel upward or downward shifts in interest rates across all maturities
 2. Before tax adjustments

Conceptual Illustration of Internal ESR¹

As of June 30, 2026²

Internal ESR
402%

=

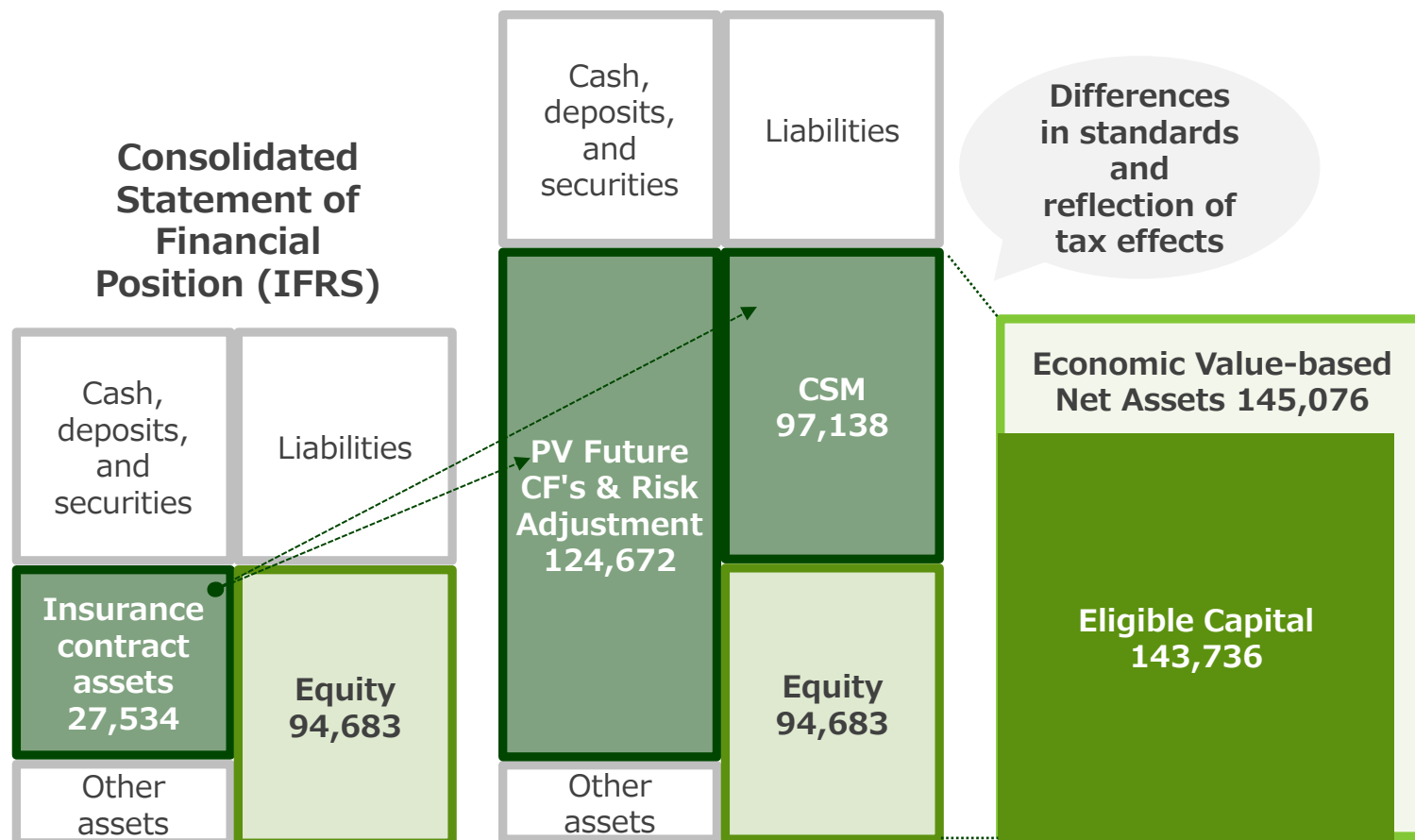
Eligible Capital
143,736

÷

Required capital
35,752

JPY millions

[Reference]
Regulatory ESR
339%



Insurance underwriting risk	36,191
Catastrophe risk	11,004
Market risk	10,421
Credit risk	1,636
Operational risk	1,413
Diversification effect	(14,149)
Tax effects	(10,766)

1. While actual calculations for the economic value-based balance sheet are derived from Japanese GAAP, this illustration employs a comparison with IFRS to facilitate conceptual understanding
 2. The figures for the ESR and internal ESR as of June 30, 2026 are for reference only.

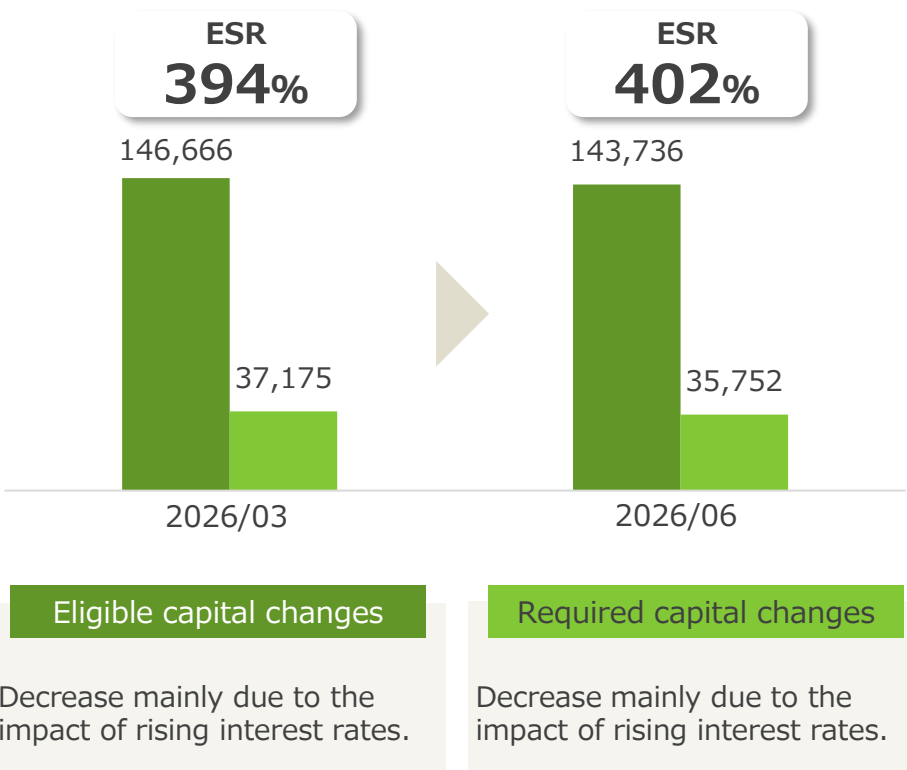
Internal ESR¹

■ Sustained robust financial soundness through valuable risk-taking with internal ESR of 402%

Internal ESR

■ : Eligible capital (JPY millions)

■ : Required capital (JPY millions)



Internal ESR Sensitivity Analysis

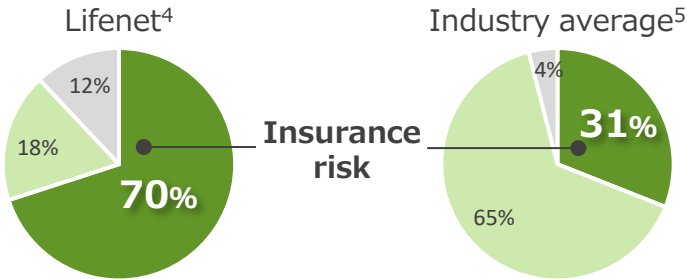
Changes as of June 30, 2026 (based on parallel shift) JPY millions

	Internal ESR	Eligible capital	Required capital
As of June 30, 2026	402%	143,736	35,752
0.5% increase in risk-free rate ²	16%	(2,256)	(1,898)
0.5% decrease in risk-free rate ²	(16%)	2,267	2,112
10% decrease in equity and real estate value and other	(0%)	(184)	(19)
10% decrease in operating expenses rate	14%	4,616	(112)
10% decrease in surrender and lapse rate	(8%)	1,514	1,150
5% decrease in claim incidence rates for life business	7%	5,534	792
10% decrease in non-renewal rate	(4%)	3,504	1,269

Breakdown of Required Capital³

■ : Market and credit risks

■ : Other risk



1. The figures for the internal ESR as of June 30, 2026 are for reference only.

2. Impact of a 0.5% parallel upward or downward shift in interest rates

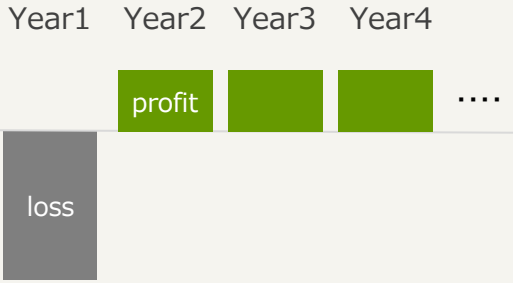
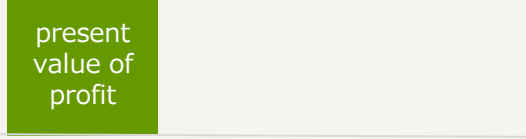
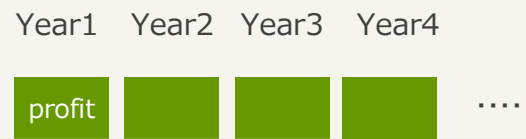
3. Composition of required capital for Regulatory ESR (calculated as 100% of total risk before diversification and tax effects).

4. As of March 31, 2026

5. FY2024 data of life insurance (Non-consolidated basis) Source: Overview of the Results of the 2025 Field Test on Economic Value-based Evaluation and Supervisory Methods (Japan Financial Services Agency, March 2025)

IFRS Reporting

- IFRS adoption **better presents periodic performance and profitability** from policies-in-force
- Capital adequacy and dividends are **regulated by statutory accounting (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	<u>Acquisition expense is recognized at the time of acquisition.</u> 	The expected profit for the policy period is <u>immediately</u> recognized. 	The expected profit is allocated <u>over the term of the policy.</u> 

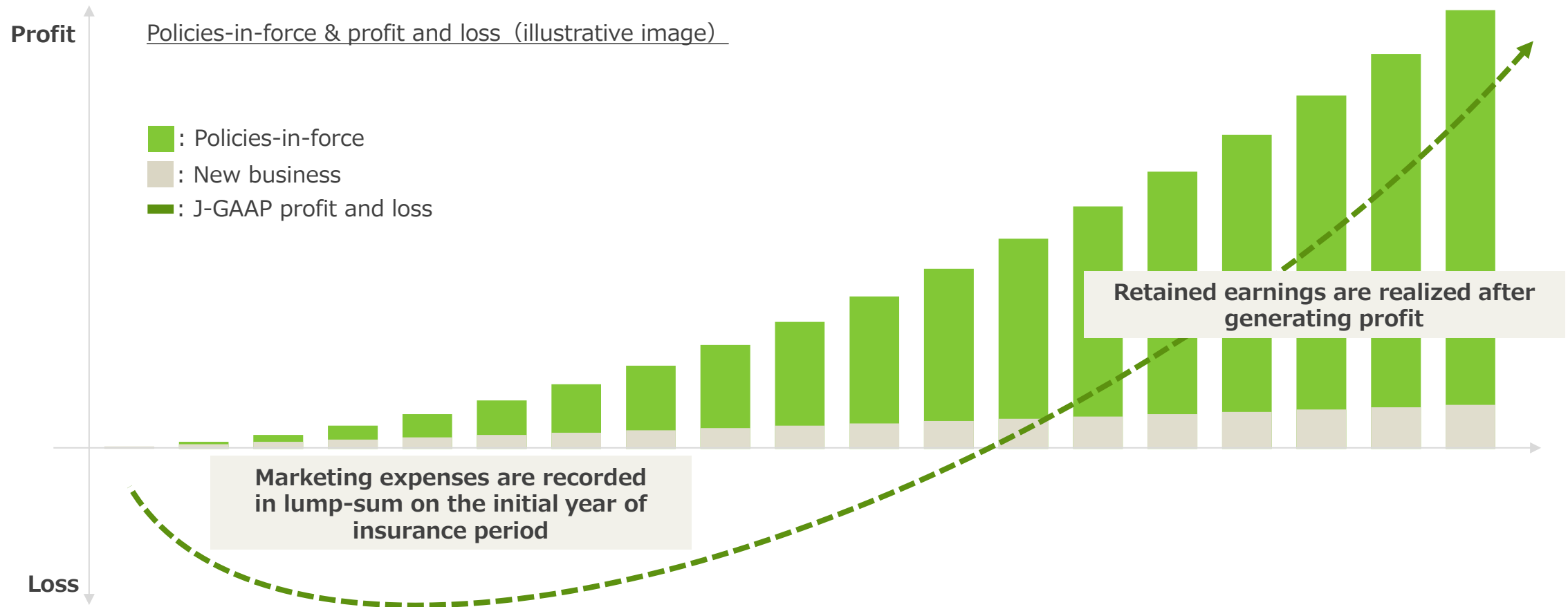
Summary J-GAAP P/L & B/S

(JPY millions)

Items	FY2025/1Q	FY2026/1Q	Items	End of FY2025	FY2026/1Q
Ordinary income	12,467	13,805	Total assets	103,745	103,749
Insurance premiums and other	12,289	13,500	Cash and deposits	11,321	11,725
Ordinary expenses	11,450	13,621	Money held in trust	14,975	15,278
Insurance claims and other	5,666	6,736	Securities	60,998	61,101
Provision for policy reserves and other	1,941	2,715	Total liabilities	81,265	82,419
Operating expenses	3,342	3,633	Policy reserves and other	76,811	79,526
Ordinary profit (loss)	1,017	184	Total net assets	22,479	21,329
Net income (loss)	728	114	Retained earnings	(31,290)	(31,176)

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.