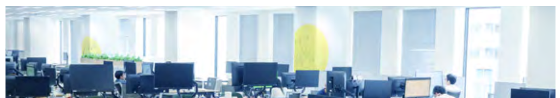
LIFENET INSURANCE COMPANY
Integrated Report 2026

Sincere, Easy-to-understand, Affordable and Convenient







Contents / Editorial Policy

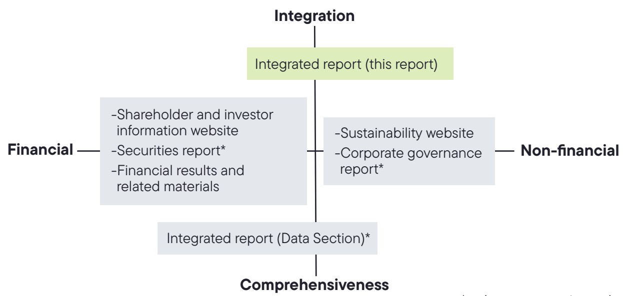
Editorial policy

The *Lifenet Integrated Report 2026* is intended to provide stakeholders, including shareholders and investors, with a deeper understanding of our medium- to long-term value creation based on the LIFENET Manifesto, which has been our guiding principle since the commencement of our business. We share our strategic story for realizing the Group's mission and vision and delivering the "Ultimate Insurance Experience" from both financial and non-financial perspectives.

Scope of the report, etc.

Scope of the report: LIFENET INSURANCE COMPANY and its consolidated subsidiary (1 company).
Reporting period: April 2025 to March 2026. Reports on business activities outside this period are included where necessary.
Publication date: September 2026

Information disclosure framework



* Japanese version only

Forward-looking statements

All information in this document that is not historical fact, including assumptions, plans, forecasts, strategies, and other statements regarding the future, constitutes forward-looking information based on information available at the time of preparation and involves various risks and uncertainties. Actual results may differ materially from these forecasts due to changes in the business environment and other factors. We assume no responsibility for any damages arising from the use of the information in this document. Furthermore, we undertake no obligation to update or revise any forward-looking statements contained in this document, whether as a result of new information, future events, or otherwise.

Disclaimer

This is a translation of the original Japanese document, prepared and provided solely for readers' convenience. In case of any discrepancy or dispute, the Japanese document prevails.

LIFENET Manifesto

Sincere,
Easy-to-understand,
Affordable and Convenient

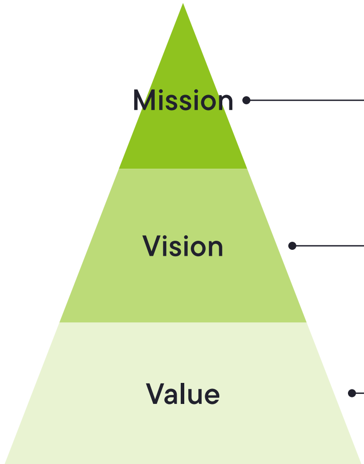
Our "LIFENET Manifesto" was born from our founders' passionate vision to create a brand-new kind of life insurance company.

This Manifesto shows our strong commitment. We deeply value "mutual aid," which is the true origin of life insurance. We run our business with integrity, and offer easy-to-understand, affordable, and convenient products and services by always putting our customers first.

Even after 18 years, this Manifesto remains the core of our corporate philosophy and continues to inspire and guide every executive and employee as we look toward the future.

LIFENET Manifesto

Management Policy



Mission

Help our customers embrace life more fully through management with integrity, and offering easy-to-understand, affordable, convenient products and services

Vision

Be the leading online life insurer creating the future of life insurance

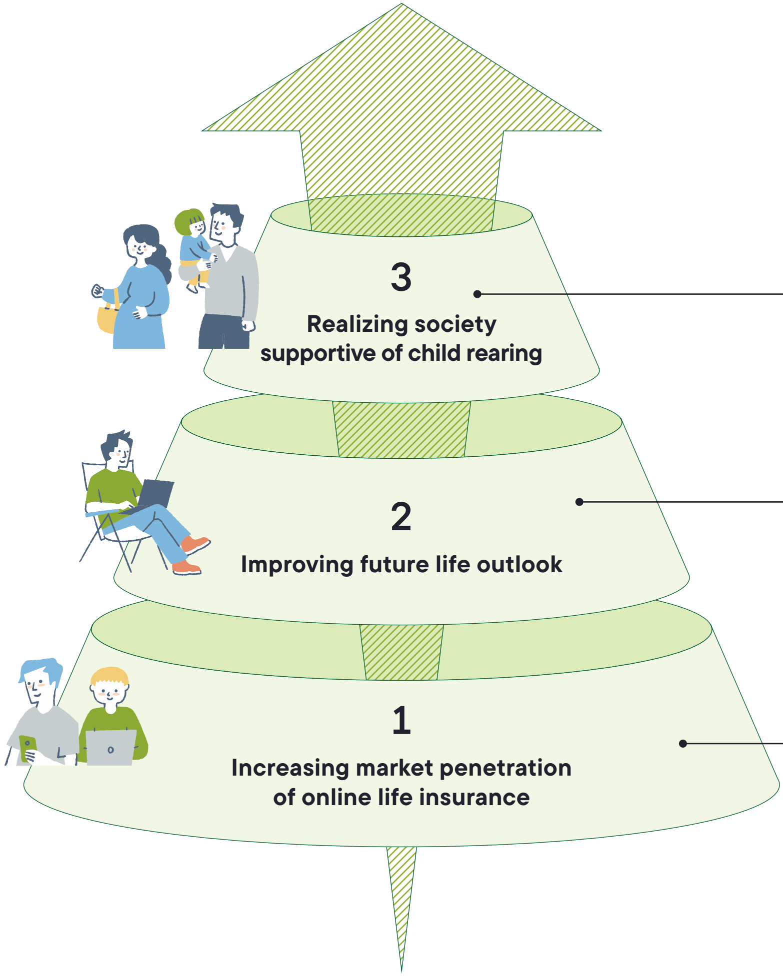
Value

Lifenetter Values

-Manifesto driven
-Ownership
-Teamwork
-Growth mindset
-Be ambitious

Outcome Goal

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



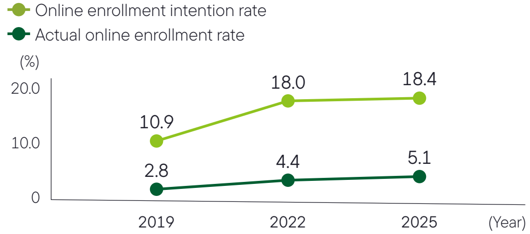
We view the declining birthrate and aging population as particularly critical social issues, and are committed to creating a society where people feel inspired to raise children.

We want our customers to entrust their worries about the future to online life insurance, using the time and money they have saved to move forward positively and focus on what matters most in life.

We will lead the expansion of the online life insurance market by pursuing highly transparent disclosure, easy-to-understand coverage, affordable premiums, and convenient procedures.

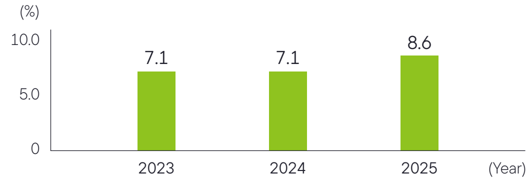
Outcome reference indicators

1 Market penetration rate of online life insurance*1



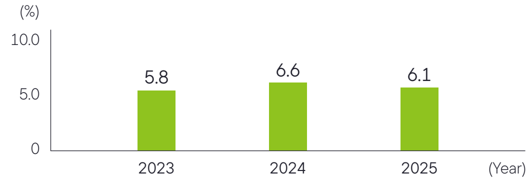
2 Future life outlook

Percentage of respondents who answered “will improve”*2



3 Ease of child rearing

Percentage of respondents who answered “easy to raise children”*3



*1 Percentage of respondents who answered “via the Internet” regarding their intended enrollment channel or the channel used for their most recent policy, in the “Survey on Life Protection” by the Japan Institute of Life Insurance.
*2 Percentage of respondents who answered “will improve” regarding the “Prospect of the future lifestyle” in the “Public Opinion Survey on the Life of the People” by the Cabinet Office.
*3 Percentage of respondents who selected “easy to raise children” regarding “Aspects of satisfaction in current society (Satisfied)” in the “Public Opinion Survey on Social Awareness” by the Cabinet Office.

Journey of Value Creation

Based on the LIFENET Manifesto, "Sincere, Easy-to-understand, Affordable and Convenient"—we have continued our journey while pursuing the provision of customer-centered value.

Annualized premium of policies-in-force
End of FY2025
37,290 million yen

Sincere
Thorough transparency and disclosure

2008 Fully disclosed operating costs (load charge) to obtain customers' understanding and confidence

2011 Listed on TSE Mothers

2014 Launched online magazine (owned media)

2015 Allowed same-sex partners to be designated as death benefit beneficiaries to respect diverse lifestyles

2021 Transitioned to a company with Audit and Supervisory Committee to strengthen oversight function

2023 Adopted IFRS to present business performance more accurately

2025 Changed to TSE Prime

Easy-to-understand
Simple product design
Clear explanations

2022 Formed capital and business alliance with Eisai to collaborate in the dementia field

2024 Launched dementia insurance to encourage early detection and treatment

2025 Introduced AI voicebots to improve phone support quality

Affordable
Lower premiums by going online

2008 Launched simple, easy-to-understand term life and whole-life medical insurance without riders

2009 Launched industry's first personal long-term disability insurance as a new protection against disability risk

2017 Launched whole-life cancer insurance, a new concept to balance treatment and work

2024 Launched term medical insurance adaptable to the life stages of young people

2025 Launched term cancer insurance product with low premiums

Convenient
Fully online via smartphone and quick payment

2009 Launched Japan's first mobile-phone life insurance application service

2012 Launched the industry's first smartphone application service

2015 Launched the industry's first smartphone claim service, making procedures fully online

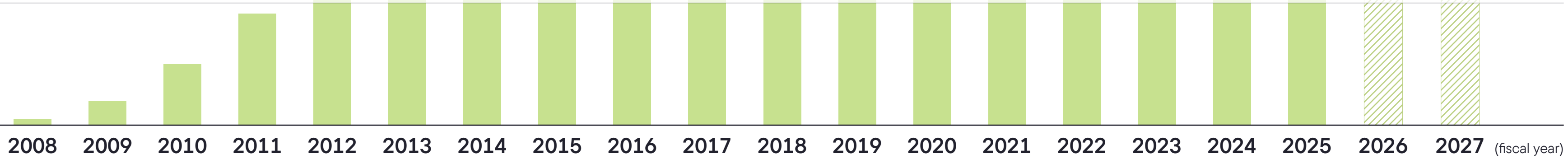
2016 Launched "au Life Insurance," embedded in the KDDI ecosystem

2022–2023 Progressively launched points-earning insurance embedded in telecom and financial ecosystem

2023 Started providing GCL to au Jibun Bank

2025 Launched "Same-Day Payment" for insurance claims and benefits

2026 Formed capital and business alliance with Japan Airlines
Started providing GCL to THE KYOTO SHINKIN BANK



2008: Individual life insurance (direct) started

2016: Individual life insurance (partner) started

2023: Group credit life insurance (GCL) started

Business Domains

Individual life insurance business

Direct business

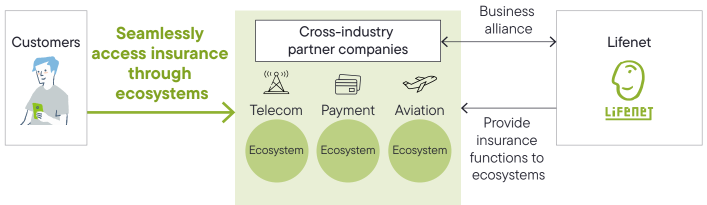
This business has been our foundation since our commencement of operations in 2008. With our website as the primary channel, we deliver coverage directly to customers under our own brand. We provide simple and easy-to-understand products at affordable premiums unique to the internet.

Sales channel

Partner business

We partner with cross-industry companies that possess massive customer bases and high brand power. By being deeply embedded in their financial ecosystems, we integrate the option of insurance into the services customers use daily, creating an environment where they can access it seamlessly whenever needed.

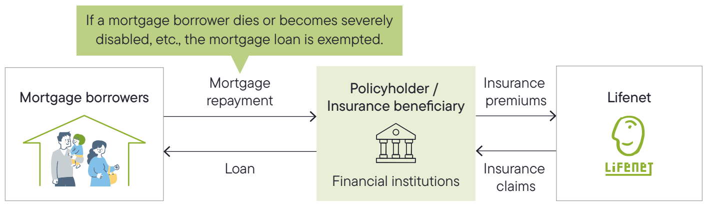
Sales channel



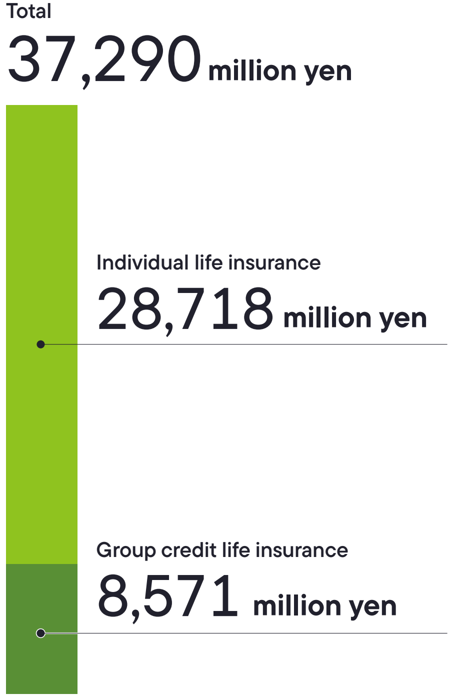
Group credit life insurance business

Group credit life insurance (GCL) is an insurance policy that covers the remaining loan balance in the event of an emergency involving a mortgage borrower. In addition to comprehensive coverage, it offers peace of mind by providing high level of convenience unique to an online life insurer. Our attractive insurance products and services support the growth of the mortgage loan business of financial institutions, including our partner banks, driving the growth of both Lifenet and its partners.

Structure of group credit life insurance



Annualized premium* of policies-in-force (End of FY2025)



* The annualized premium is the amount of money equivalent to what is to be paid to have the insurance coverage for one year, calculated by multiplying the premium per payment (for GCL, expected premium income for the next month based on the in-force business) by a coefficient corresponding to the premium payment method. All payments for our products are monthly installments, thus the annualized premium is calculated by multiplying the monthly premium by 12. Annualized premium of policies-in-force for GCL as of the end of this fiscal year is calculated by applying the premium rate as of March 2026.

02 The Future We Envision

In "The Future We Envision" section, we present our medium- to long-term vision and management direction through President Message, as well as an overview of our Value Creation Process. Starting with the LIFENET Manifesto, we explain Capital Driving Our Growth as the source of value creation and outline the Materiality (key issues) identified for sustainable growth, illustrating how this structure drives social value creation and enhances corporate value.

President Message

As the leading online life insurer, utilizing new ideas and technologies to deliver the "Ultimate Insurance Experience"

Junpei Yokozawa
President and Representative Director

Profile

Born in June 1980. After working at NTT DATA Net's CORPORATION (currently NTT DATA FINANCIAL TECHNOLOGY CORPORATION), he joined Lifenet as a system engineer in 2008 at its business commencement, engaging in a series of system development projects for insurance administration. Subsequently, his roles expanded beyond the systems field, serving as Head of the KDDI Business Department, Head of the Business Planning Department in the Customer Services Division, and Executive Officer, General Manager of Information Systems Strategy Division. He is well-versed in all areas that form the foundation of the online life insurance business, ranging from system development to sales and insurance administration. Most recently, he was Executive Officer of Information systems Strategy Division as Senior Executive Officer, before assuming his current position in June 2025.

President Message

Reflections on my First Year as President

Turnaround in individual life performance with improved expense efficiency

One year has passed since I assumed the presidency. If asked to evaluate this past year, my honest assessment is that our achievements remain insufficient. In light of the targets in our mid-term business plan, we must further improve our performance. This conviction grows stronger with each passing day.

At the same time, fiscal 2025 was a year in which we made solid progress. As a highlight of the year's results, the number of new business in individual life insurance reached 86,990. Since the COVID-19 pandemic was over, we had experienced sluggish growth in this business. Therefore, since becoming president, with a strong commitment to turn around our performance, we have sought to further strengthen our direct business while focusing on expanding and deepening our partner business. As a result, we significantly increased the number of policies while improving expense efficiency. By firmly delivering results in both quality and quantity, motivation among frontline members naturally increased, creating a virtuous cycle within the company that incentivizes the next actions. Furthermore, in the group credit life insurance (GCL) business, we made significant progress, including the conclusion of a new business alliance agreement with THE KYOTO SHINKIN BANK.

While we achieved steady growth in our existing businesses, some initiatives for creating new value to serve as future growth engines are still in the preparation stage. We will further strengthen our initiatives in these areas as well; by fiscal 2028, the final year of our mid-term business plan, we will steadily provide products and services that offer tangible new value, and achieve medium- to long-term growth.

Initiatives that drove the turnaround in individual life performance

To grasp market trends, I continuously monitor Internet search trends for related keywords such as "life insurance" and "medical insurance", as well as the names of our company and competitors. However, in fiscal 2025, search volume trends did not indicate a particularly favorable environment for the online life insurance business during the period our performance grew. In other words, while the market environment itself did not change significantly, we were able to substantially increase the number of policies through our own efforts. We believe there are three main reasons driving the growth in individual life performance.

First, we promoted marketing based on a product strategy tailored to lifecycles by enhancing the synergy between sales and products. Under the priority area of Rebranding, we have continued taking on challenges over the past two years to open up the market for "Term" insurance, and in fiscal 2025, we launched "Term Cancer" insurance to expand the lineup. Together with our flagship product "Term Life" insurance, which accounts for approximately half of our policies-in-force since business commencement, our "Term" series offers three main coverages—death, medical, and cancer—at affordable premiums. This affordable pricing garnered support from our strategic target of younger generations, and the "Term" series significantly contributed to business growth. Going forward, using the "Term" series as an entry point, we will further strengthen engagement with our customers. Based on this strong relationship of trust, we intend to maximize Lifetime Value (LTV) by cross-selling other products or proposing switches to whole-life insurance as customers' life stages change.

While maintaining younger generations as our strategic target, we also advanced product revisions to expand age limits as an initiative to broaden our approach to customers of all ages who are comfortable purchasing insurance online. Because our insurance offers the advantage of lower premiums for generations requiring relatively large coverage, such as those raising children, our promotions are primarily targeted at that demographic to establish a brand image that "Lifenet is always the right choice". After solidifying support from this volume zone, we are striving to be the company of choice for customers of all generations interested in online life insurance, including seniors in their 60s and 70s.

Second, to remain consistently supported by customers of all ages who wish to apply online, we steadily advanced our goal to deliver the "Ultimate Insurance Experience." We believe that making every touchpoint with insurance stress-free and elevating the level of the insurance experience is essential for enhancing our competitive advantage as an online life insurer and for having customers feel that "Lifenet is always the right choice." Therefore, we focused on Tech & Services, a priority area in our mid-term business plan, and provided various services. Key initiatives in fiscal 2025 included implementing Voice AI in the contact center, offering "Same-Day Payment" for claims and benefits, and digitizing the "Lifenet Letter" to notify policyholders of their contract details. We will continue to offer highly convenient services, provide added value that eliminates customer frustrations, and build strong relationships of trust over the long term.

Third, we implemented initiatives to improve the quality as well as the quantity of our marketing and promotions. Regarding our overall marketing strategy, we previously emphasized "advertising volume," mainly through TV commercials, to improve brand recognition. Since fiscal 2025, we have updated this policy, shifting to a phase of enhancing quality while expanding quantity through proactive investments. In our direct channel, we internalized our web advertising operations, which were previously outsourced. By leveraging AI and accumulating operational know-how internally, we achieved the agility to immediately respond to customer trends and improved analytical accuracy; this new advertising operation structure became a driver for improving expense efficiency.

Furthermore, in advertising creatives, in addition to promoting a stress-free customer experience with 10-second quotes, we challenged new appeals such as introducing "Same-Day Payment" for claims and benefits, and developed IP such as the animal character "Lifenekko Mitsumorou"

President Message

for our advertising campaigns. We are also working to further enhance our brand power by incorporating “Sincere”—a guiding principle from the LIFENET Manifesto—into our messaging. In the partner business channel, we fundamentally reviewed our sales approach. We are shifting from short-term promotional tactics to a growth model focused on areas with strong business opportunities, mobilizing partner companies to build long-term foundations for these areas.

Accelerating the Embedded strategy through a new capital and business alliance with the Japan Airlines Group

Significant progress was also made in our Embedded strategy, a priority area of the mid-term business plan, which includes our partner business in individual life insurance and the GCL business.

We have built strategic partnerships with KDDI CORPORATION since 2015 and Sumitomo Mitsui Card Company, Ltd. since 2023, seeking business growth by embedding our insurance services into massive partner ecosystems across different industries. In addition, a new capital and business alliance with Japan Airlines Co., Ltd. (hereinafter “JAL”) commenced in 2026.

We concluded a new capital and business alliance agreement with JAL, which acquired the entire stake in Lifenet previously held by the KDDI Group. Concurrently, we concluded a new business alliance agreement with the KDDI Group, mutually confirming the maintenance and strengthening of our strategic partnership going forward. In promoting the Embedded strategy, aligning incentives between the partner and Lifenet is crucial. In this regard, the JAL Group and Lifenet can complement each other’s required resources. The JAL Group positions the expansion of non-aviation areas as a key strategy in its management vision, while we aim to expand alliance partners and deepen our presence in ecosystems to advance the Embedded strategy. We believe that combining these highly compatible strategies will maximize business synergies.

Specifically, we plan to diversely deploy insurance products and new services optimized for the JAL ecosystem by combining mutual strengths and assets, such as the JAL Group’s massive customer base and overwhelming brand power, and our presence and know-how cultivated as the leading online life insurer.

A key factor in advancing this alliance is the high engagement of the JAL Group’s fan base. While the point-based ecosystems we have built with the KDDI Group and the SMBC Group are centered on the clear, everyday value of “1 point = 1 yen” in daily life, the mileage ecosystem is driven by extraordinarily rich experiences and lifestyles. Because many core fans do not see accumulating rewards as the ultimate goal but focus on what special trips they will take or what status (experience) they will gain, we believe they have strong ties with the company, forming an active customer base. Life insurance is a recurring-revenue business that continues for 10, 20 years, or a lifetime once contracted. Therefore, with the strong foundation of the JAL ecosystem, we see a major opportunity in building stable, long-term trust relationships with highly engaged customers from the outset, aiming to maximize LTV.

If we can provide products with benefits for highly engaged core fans, we expect our products will naturally become an option when they consider insurance. If we are chosen by core fans in the JAL ecosystem in this manner, it will have a tremendous impact on our sustainable growth. Thinking, “I use JAL for daily life and travel, so I might as well unify my insurance with JAL,” will lead to new customer acquisitions and market cultivation for us. We believe the key going forward is to design services that meet the expectations of and are embraced by status-conscious core fans of the JAL Group. Through these initiatives, we are confident this business will grow to a scale comparable to our existing partnerships with the KDDI and SMBC Groups in the near future.

Meanwhile, in the GCL business, we concluded a business alliance agreement with THE KYOTO SHINKIN BANK, as mentioned earlier. Our first business alliance as an underwriting insurer for GCL attached to mortgage loans was with a financial institution under the KDDI Group. Approximately two years later, this marks our first partnership with a financial institution not based on an existing corporate group relationship. The fact that they evaluated us purely on business merits and selected us as their underwriting insurer represents a significant step showing the potential to broadly expand our GCL business. We understand that THE KYOTO SHINKIN BANK highly evaluated two main points: premium competitiveness and GCL business DX (Digital Transformation). These are our major strengths and should be attractive elements for many financial institutions. Leveraging these strengths, we will continue to focus on cultivating new partners for the GCL business, aiming to add approximately two more partner banks by fiscal 2028, the final year of our mid-term business plan.

President Message

Toward the Future We Aim to Realize, and to the Stakeholders Supporting Our Challenges

Realizing next-generation insurance services utilizing AI and data from Japan's Individual Number System

Lifenet was born about 20 years ago from the founder's desire to "create a completely new life insurance company from the customer's perspective," at a time when industry trust was lost due to consecutive bankruptcies of life insurers and the "non-payment of insurance claims" issue. Since our business commencement in 2008, we have continued to grow by consistently creating customer-oriented products and services, such as Japan's first mobile online life insurance application website, web-based claim procedures, and achieving "Same-Day Payment" in 2025. Today, with the internet and smartphones acting as essential social infrastructure and online insurance enrollment becoming a standard option, various life insurance companies are strengthening their online businesses. In this context, to continue demonstrating overwhelming competitive advantages in the industry, we must continuously adopt innovative ideas and advanced technologies to deliver products and services that define the "Ultimate Insurance Experience."

Therefore, we positioned Tech & Services at the forefront of the priority areas in our mid-term business plan, concentrating on developing new services utilizing information infrastructure such as the Individual Number System* and advanced technologies including AI.

As a representative initiative, we conducted a proof-of-concept for an insurance underwriting assessment operation using an "AI engine for underwriting risk prediction" based on Individual Number medical data in collaboration with JMDC Inc. This attempt seeks to expand underwriting scope and optimize criteria by utilizing AI to predict future disease occurrence based on medical insurance information and applying it to underwriting operations. The proof-of-concept utilized virtual data extracted from anonymized medical data held by JMDC Inc. The effectiveness was proven in this experiment; if deployed in actual operations, it will not only improve the efficiency of underwriting but also further enhance convenience for customers in the insurance contract process.

In addition, we are exploring the practical application of a claim recommendation service that allows policyholders to self-check for any missed insurance claims utilizing this data. Furthermore, in the future, if the environment for obtaining electronic medical record information is established, the concept of completing insurance operations—from application and underwriting to claim requests and payments—with almost no human intervention will move closer to reality.

With colleagues who embrace environmental changes and practice new ways of working

In today's rapidly changing era, marked by digital technological innovations and AI advancements, accurately predicting future trends is extremely difficult. Therefore, an attitude of constantly grasping the times and adapting flexibly is required.

This attitude of discerning changes and responding flexibly will also be important in our future human resources strategy. Reflecting our pure online model, we have actively recruited work-ready talent in their 30s and 40s with a certain level of experience and track records. However, as work styles are expected to change significantly with the spread of AI

President Message

and other factors, we are currently discussing the necessity of proactively acquiring talent, including new graduates and early-career professionals, who can drive change with flexible thinking. Our policy is to build an optimal human resource portfolio by proactively acquiring talent with a mindset to autonomously act while embracing changes across departmental boundaries, including highly specialized professionals and younger talent. We intend to actively recruit talent with a mindset that embraces societal and business environment changes without fear—practicing new ways of working themselves—regardless of age or the presence of specific experience or track records.

Leading the online life insurance market and achieving sustainable business growth

I was seconded to KDDI in 2016, where I learned the management philosophy of Kazuo Inamori, founder of the Kyocera Group. Among his many maxims, the philosophy "Asking ourselves if our motives are righteous or selfish." resonated deeply and remains the axis of my management decisions today. In summary, it teaches that when painting a grand dream and attempting to realize it, one must question oneself to confirm the virtue of the motive, and when advancing work, one must self-inspect to ensure it is not based on self-centered thinking.

Based on this philosophy, when making a decision or taking action as an executive, I always ask myself whether the motive is virtuous and free from self-righteousness. I strive to communicate my intentions confidently to officers and employees, explaining clearly what I want to do and why. If the executive themself is not convinced that a policy or measure is beneficial to both the company and society, no amount of explanation will move people's hearts, and management cohesion will not be generated. Conversely, if approached with absolute conviction of its benefit, people and organizations will move even if the measure involves difficulties. Serving at the helm as top management, I have come to realize this anew.

My mission as president is to enhance corporate value through the growth of the life insurance business. Lifenet upholds "Sincere, Easy-to-understand, Affordable and Convenient" in the LIFENET Manifesto. This Manifesto forms the axis of our corporate values, embodying the idea of virtuous motives. Therefore, our highest priority is to stay closely aligned with our customers and create new experiential value in insurance that only Lifenet can provide. Becoming an insurance company chosen by more customers as a result will ultimately lead to sustainable growth and the enhancement of corporate value. I believe accelerating this positive cycle is my major role.

We have worked to improve our market valuation, targeting a PCE (Price/CE per Share) ratio—the stock price divided by Comprehensive Equity (CE) per share—of 1.0x or higher. To further enhance this market valuation, we must concretely present our medium- to long-term growth potential to the market.

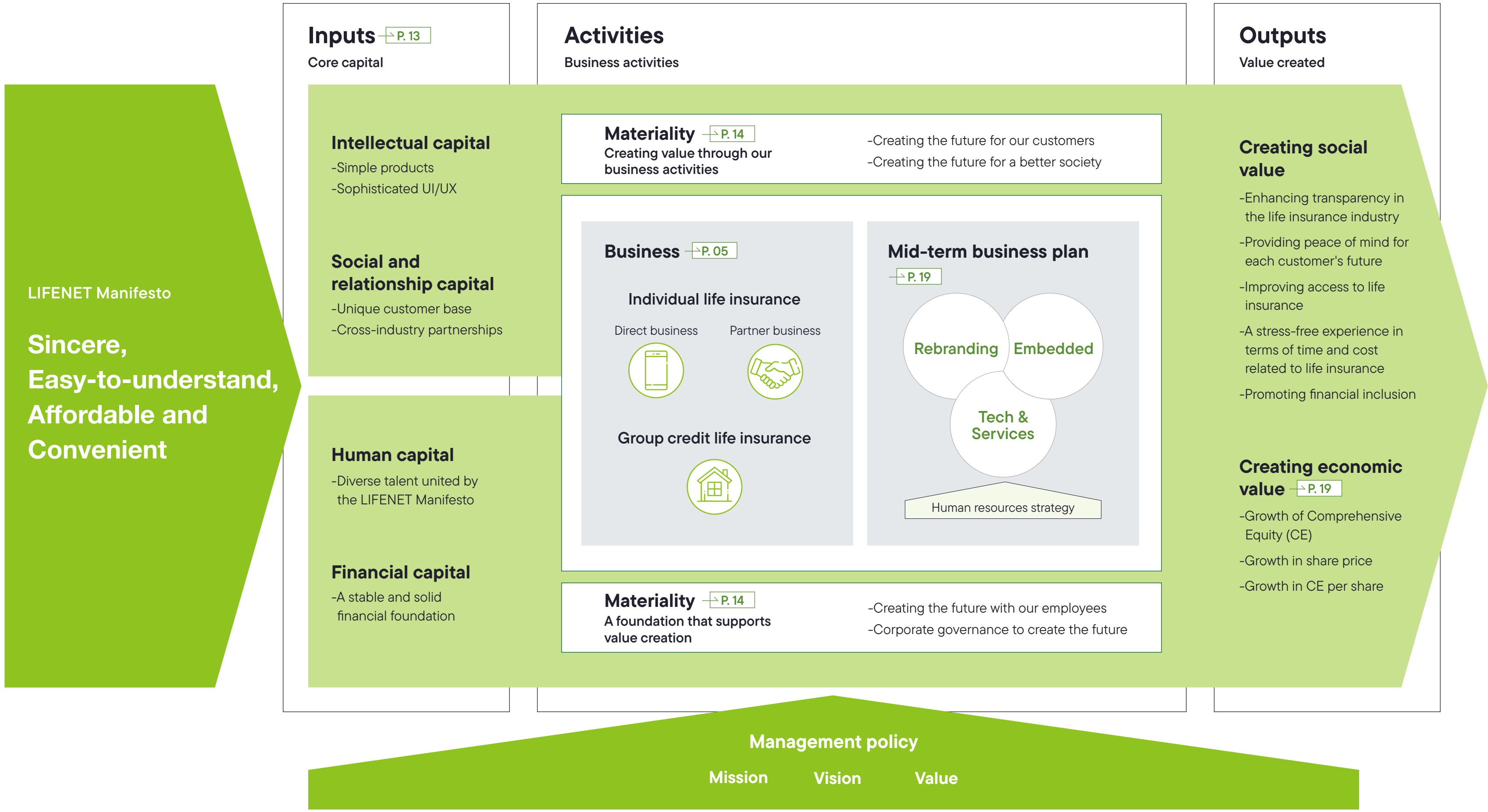
In fact, we believe there is still significant room for growth in the online life insurance business. According to a 2025 survey conducted by the Japan Institute of Life Insurance, while 18.4% of respondents answered that they "would like to purchase life insurance online," only 5.1%—less than a third of that number—actually did so, indicating a significant gap. This data clearly shows that online life insurance has massive potential for growth.

We will continue to steadily uncover this latent demand and achieve sustainable business growth by creating attractive products and services from the customer's perspective. Furthermore, we aim to further improve our market valuation by engaging in proactive dialogue with the market and ensuring a correct understanding of our business strategy and medium- to long-term growth potential.

* The Individual Number System assigns a unique identification number to all residents of Japan to improve administrative efficiency and convenience. It also supports online access to public services, including one-stop procedures related to childcare and notifications from government agencies.

Value Creation Process

With the LIFENET Manifesto, which we have valued since our business commencement, as our starting point, our four core types of capital serve as the source of value creation. While advancing initiatives for materiality (key issues) to be addressed over the long term, we will promote the priority areas of our mid-term business plan: Tech & Services, Rebranding, and Embedded. Through these foundations and business activities, we will create social and economic value, contributing to the realization of "a society where next generations can be nurtured with confidence in the future."



Outcome goal

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

Capital Driving Our Growth

Intellectual capital

Creating superior customer experiences through simple product design and technology

Our intellectual capital is defined by two core strengths: simple product design that enables customers to choose with confidence and the capability to build optimized online UI/UX. As we transform life insurance from "something that is sold" to "something customers actively choose," we have expanded beyond traditional life insurance models, building our own technological capabilities and expertise as an internet company. Leveraging these strengths, we strive to create the "Ultimate Insurance Experience" by powerfully driving our priority area of Tech & Services.

Initiatives to strengthen capital: Tech & Services P. 29

Policyholder recommendation rate*1

Percentage of respondents who answered that they would "highly recommend" or "somewhat recommend" Lifenet to family or friends: **83.3%**

Continuously evolving the insurance experience

Utilization of voice AI	Shortened contact center operator response time 95 sec. → 65 sec.
Introduction of "Same-Day Payment"	Shortened average business days until payment of claims & benefits*2 1.91 days (FY2024) → 1.08 days (FY2025)

Social & relationship capital

Unique customer base and co-creation with cross-industry partners

Our primary social and relationship capital stems from our younger customer base and partnerships across industries. In a mature market where the household penetration rate for life insurance reaches approximately 90%, we have built strong relationships, becoming the first choice for life insurance among younger, tech-savvy generations. Building on our position as an online life insurance pioneer, we are developing robust alliances with cross-industry partners. Driven by these strong relationships, we will powerfully advance our priority areas of Rebranding and Embedded to create new value.

Initiatives to strengthen capital: Rebranding P. 32
nitiatives to strengthen capital: Embedded P. 34

Customer profile

Ratio of 20s to 40s in new business*3: **73%**

Ratio of first-time insurance buyers to total applicants*4: **67%**

Major cross-industry partners

KDDI
Money Forward Home
au じぶん銀行
JAPAN AIRLINES
SMBC 三井住友カード

Human capital

Diverse team united by our Manifesto

Diversity is the core of our human capital, attracting talented individuals who resonate with our Manifesto and bring a wide range of backgrounds and expertise. Every employee embodies our Lifenetter values in their daily work, taking ownership and engaging in open, flat discussions across positions. By combining these diverse professionals with our mindset of driving transformation, we will pursue the creation of the "Ultimate Insurance Experience" through our mid-term business plan.

Initiatives to strengthen capital: Human Resources Strategy P. 41

Diversity

Ratio of mid-career hires from other industries: **63%**

Ratio of women decision-makers*5: **27.3%**

Ratio of decision-makers in their 30s or younger: **9.1%**

Financial capital

Solid financial foundation supporting growth investments

Leveraging the recurring revenue nature of life insurance business, we secure sustainable and stable premium income and accumulate Comprehensive Equity by expanding highly profitable contracts. Furthermore, our financial foundation is supported by high-quality risk-taking. By mitigating market and credit risks while proactively taking on underwriting risk, the core function of a life insurer, we maintain a solid financial position that is highly resilient to the external environment. Based on this stable financial foundation, we will flexibly execute medium- to long-term growth investments, aiming to deliver the "Ultimate Insurance Experience."

Initiatives to strengthen capital: Mid-term Business Plan P. 19

Growth

Comprehensive Equity: **176.1 billion yen**

Financial soundness

Economic Solvency Ratio (internal ESR)*6: **394.5%**

Profitability

Insurance service results: **11.6 billion yen**

*1 Please refer to footnote 3 on page 17 for an explanation of the recommendation rate. *2 The number of business days from the business day following the document receipt date to the payment completion date, excluding Saturdays, Sundays, and national holidays. For example, if the payment decision is made on the day the documents arrive and the payment is completed within the same day, it is counted as "0 days." *3 Calculated based on the number of new business policies (86,990 policies) generated in FY2025 by Lifenet. *4 Calculated based on 919 valid responses from applicants in FY2025.
*5 Refers to directors and department heads or above. *6 Refers to the internal management ESR calculated by aligning target risks, etc. with the actual conditions of our business.

Materiality

We have established the "Basic Sustainability Policy" to realize a sustainable society and enhance corporate value. Under the theme of "Creating the future of life insurance," we have identified 10 material issues to address over the long term. Along with advancing initiatives for our stakeholders—customers, society, and employees—we will continuously strengthen governance as the foundation of our management.

Lifenet Materiality

Creating the future of life insurance

Creating the future for our customers

1 Be Sincere, Easy-to-understand, Affordable and Convenient

2 Increase security

Creating the future for a better society

3 Actively utilize partnerships

4 Respond to climate change

5 Make responsible investments

Creating the future with our employees

6 Value diversity

7 Create opportunities for growth

Corporate governance to create the future

8 Strengthen corporate governance

9 Enhance risk management

10 Respect corporate ethics

Materiality identification process

Step 1 — Extracting issues

Based on the LIFENET Manifesto and our management policy, we extract issues by referring to the opinions of shareholders and investors, guidelines including those of the Sustainability Accounting Standards Board (SASB), and the evaluation criteria of ESG rating agencies.

Step 2 — Selecting candidate material issues

From the extracted issues, we select candidate material issues based on two perspectives: their importance to stakeholders and their importance to Lifenet.

Step 3 — Identifying material issues

We identify material issues through discussions at the Board of Directors and the Management Meeting. We review the material issues annually and revise them as necessary based on changes in the external environment and our business environment.

Materiality

We have organized the risks and opportunities underlying our material issues from three perspectives: changes in our business environment, the management foundation supporting sustainable growth, and our social responsibility.

Risks and opportunities for key management themes and alignment with materiality

	Management theme	Risks	Opportunities	Related materiality
Business environment	Evolution of digital technology	- Obsolescence of our business model, decline in customer satisfaction, and loss of competitive advantage due to failure to keep pace with technological innovation - Impacts on the insurance business due to the evolution of AI (e.g., tightening of regulations)	- Capturing growth opportunities in the online life insurance market by offering new value through the utilization of advanced technology - Improving operational efficiency and quality by automating and enhancing customer service, administrative operations, etc., through the utilization of AI	1, 3, 9, 10
	Demographic changes	- Decline in demand for flagship products and lower profitability due to a decrease in the younger generation, our primary customer segment - Increase in support costs for assisting elderly policyholders in exercising their rights and obligations	- Developing products and services that contribute to reducing the burden on the younger generation amid the declining birthrate and aging population - Creating new value by strengthening collaboration with partners to solve challenges in the era of a declining birthrate and aging population - Increasing earning opportunities for online life insurance due to shifts in the life insurance business model against the backdrop of a declining workforce	1, 3
	Diversification of consumer lifestyles	- Decline in competitiveness, market contraction, and lower profitability due to failure to keep pace with diversifying consumer attitudes toward insurance and their needs - Decrease in opportunities to consider insurance against the backdrop of diversifying family structures and values	- Creating value by providing new products and services that address diversifying lifestyles	1, 3
	Changes in the competitive environment	- Decline in competitiveness due to a loss of uniqueness in our business model, products, and services caused by the entry of companies from other industries and follower companies - Decline in market share and profitability due to intensifying competition - Market contraction due to competitors withdrawing from the online life insurance market	- Creating new customer value through alliances with other industries - Expanding the market and promoting innovation - Establishing a dominant position as competitors are weeded out due to intensifying competition	1, 3
Management foundation	Human resources	- Intensifying competition for talent against the backdrop of a declining working-age population, leading to difficulties in securing diverse human resources, as well as a decline in innovation capabilities and competitiveness - Loss of competitiveness and growth opportunities due to a lack of alignment in organizational direction and a decline in venture spirit as corporate scale expands	- Creating new value by securing diverse talent with high expertise and entrepreneurial spirit - Creating a virtuous cycle that links individual growth through taking on challenges to organizational growth, thereby driving business results - Fostering mutual inspiration through mechanisms that leverage individual diversity	6, 7
	Information security	- Risk of business suspension and lost business opportunities due to system failures, etc., arising from information security vulnerabilities - Business suspension, burden of damages, and loss of trust from stakeholders due to incidents such as customer information leaks	–	2, 9
	Governance and compliance	- Risk of business suspension and economic losses due to deficiencies in corporate governance or internal control functions - Loss of trust from stakeholders and damage to corporate value due to increased related costs arising from violations of laws and regulations - Risk of business suspension and decline in social reputation due to failure to respond appropriately to unforeseen situations	- Gaining trust from stakeholders by improving decision-making transparency - Acquiring growth opportunities and creating innovation by flexibly adapting to changes in the external environment and taking appropriate risks	8, 9, 10
Social responsibility	Investment and financing	- Decline in social reputation due to failure to respond to societal demands - Indirect decline in social reputation as an investor due to investees' insufficient response to social issues - Customer outflow and loss of trust from stakeholders if financial soundness deteriorates and impacts the payment of insurance claims, etc.	- Contribution to a sustainable society through investment and financing - Enhancing our reputation as a company that fulfills its social responsibility	5
	Climate change	- See "Response to Climate Change" on page 57	- See "Response to Climate Change" on page 57	4

Materiality	
1	Be Sincere, Easy-to-understand, Affordable and Convenient
2	Increase security
3	Actively utilize partnerships
4	Respond to climate change
5	Make responsible investments
6	Value diversity
7	Create opportunities for growth
8	Strengthen corporate governance
9	Enhance risk management
10	Respect corporate ethics

Materiality

Materiality metrics and results

Materiality	Metrics	FY2024 results	FY2025 results
1 Be Sincere, Easy-to-understand, Affordable and Convenient Mid-term Business Plan P. 19	[Management Goal] Achieve 200 to 240 billion yen in Comprehensive Equity (corporate value)	167.0 billion yen	176.1 billion yen
	Annualized premium*1 of policies-in-force	34,518 million yen	37,290 million yen
	Employee engagement scores (Philosophy)*2	73	72
	Policyholder recommendation rate*3	82.4%	83.3%
	Service improvement leveraging technology (new metric from FY2025)	–	- Introduced interactive AI and AI voicebots in contact center*13 - Commenced “Same-Day Payment” service for claims & benefits
2 Increase security Information Security P. 55	Acquisition of major external certifications	- Obtained PrivacyMark certification	- Maintained PrivacyMark certification - Won the Grand Prize in the Security Measures and Operations Category (Private Sector) at the Japan Security Awards 2025
	Continuation of regular CSIRT activities*4	- Continued	- Continued
	Continuation of training for officers and employees	- Continued	- Continued
3 Actively utilize partnerships Embedded P. 34	Initiatives with partner companies	- Strengthened services for customers reviewing insurance in collaboration with Money Forward Home, Inc. - Expanded the eligibility for point rewards for “Insurance with V-points” provided in collaboration with Sumitomo Mitsui Card Company, Limited - Launched sales of dementia insurance “be” developed in collaboration with Eisai Co., Ltd.	- Commenced capital and business alliance with Advance Create Co., Ltd. - Concluded a business alliance agreement in group credit life insurance with THE KYOTO SHINKIN BANK - Launched a joint project with Spark+, Dyna.AI aiming to apply voice agents to the field of insurance solicitation
4 Respond to climate change Response to Climate Change P. 57	Scope 1	23.1 t-CO_2	0.0 t-CO_2
	Scope 2*5	411.1 t-CO_2	417.2 t-CO_2
	Scope 1 + Scope 2 Total*6	434.2 t-CO_2	417.2 t-CO_2
5 Make responsible investments CFO Message P. 21	Maintaining a sound level of Economic Solvency Ratio (internal ESR)*7	356.8%	394.5%
	Implementation of negative screening	- Continued	- Continued
6 Value diversity Human Resources Strategy P. 41	[Mid-term business plan target] Continuous improvement of employee engagement score (Overall)*2	72	72
	[Mid-term business plan target] Ratio of decision-makers*8: - Women: 30%+ - 30s or younger: 15%+	28.6% 5.7%	27.3% 9.1%
	Continuation of “Gold” rating in the PRIDE Index*9	- Obtained “Gold” rating	- Obtained “Gold” rating
	Return-to-work rate after maternity and childcare leave: 100%	100%	100%
	Continuation of certification as a Health & Productivity Management Outstanding Organization*10	- Certified as a Health & Productivity Management Outstanding Organization 2025	- Certified as a Health & Productivity Management Outstanding Organization 2026

Introduction
The Future We Envision
Mid-term business plan
Progress of the mid-term business plan
Human Resources Strategy
Sustainability
Data

Materiality

Materiality	Metrics	FY2024 results	FY2025 results
7 Create opportunities for growth Human Resources Strategy → P. 41	[Mid-term business plan target] Continuous improvement of employee engagement score (Growth)*2	69	69
	Peer bonus usage rate*11: 90%+	93.2%	96.6%
	1on1 meeting implementation rate*12: 90%+	98.6%	99.1%
	Training hours per employee: 24+ hours	24.6 hours	25.1 hours
8 Strengthen corporate governance Corporate Governance → P. 48	Continuous implementation of measures to strengthen the supervisory function of the Board of Directors	- Transitioned to a board majority of independent outside directors in preparation for shifting to a monitoring board - Newly formulated the "Policy on the Composition of the Board of Directors" - Maintained the diversity of the Board of Directors (4 out of 7 independent outside directors, 2 out of 7 women directors) - Maintained the structure where the chairperson of the discretionary Nomination and Compensation Committee is an independent outside director, and the majority of its members (4 out of 5) are independent outside directors - Held the Outside Directors' Meeting*14 (4 times) - Reviewed matters to be submitted to the Board of Directors	- Maintained the diversity of the Board of Directors (4 out of 7 independent outside directors, 2 out of 7 women directors) - Maintained the structure where the chairperson of the discretionary Nomination and Compensation Committee is an independent outside director, and the majority of its members (4 out of 5) are independent outside directors - Promoted continuous initiatives to build a better monitoring board, including the regular implementation of off-agenda discussions of the Board of Directors - Held the Outside Directors' Meeting (9 times)
	Ratio of independent outside directors	57%	57%
9 Enhance risk management Risk Management → P. 55	Regularly holding Risk Management Committee meetings and implementing the PDCA cycle for its initiatives	- Held the Risk Management Committee once every three months - Identified overall risks; to appropriately manage each risk in accordance with regulations, each department reported the status of risks and responses to the Risk Management Committee, which conducted reviews.	- Held the Risk Management Committee once every three months - Identified overall risks; to appropriately manage each risk in accordance with regulations, each department reported the status of risks and responses to the Risk Management Committee, which conducted reviews.
10 Respect corporate ethics Compliance → P. 55	Regularly holding Compliance Committee meetings and implementing the PDCA cycle for its initiatives	- To ensure strict compliance with laws and regulations, held the Compliance Committee once every three months based on matters specified in the Basic Compliance Policy, etc., with each department reporting and conducting reviews - Formulated a compliance program and implemented various initiatives	- To ensure strict compliance with laws and regulations, held the Compliance Committee once every three months based on matters specified in the Basic Compliance Policy, etc., with each department reporting and conducting reviews - Formulated a compliance program and implemented various initiatives
	Continuation of compliance training for employees	- Continued	- Continued

*1 Please refer to page 5 for an explanation of annualized premium of policies-in-force.
*2 The employee engagement score is a value calculated from an engagement survey that visualizes the state of each employee and the organization, with a maximum value of 100. "Overall" represents the score including all survey items, while "Philosophy/Strategy" and "Growth" represent the scores for items related to philosophy/strategy and growth opportunities, respectively, among multiple survey items.
*3 The policyholder recommendation rate is the percentage of customers who gave a recommendation rating (an 11-point scale from 0 to 10) of either "highly recommend (10 or 9)" or "somewhat recommend (8 or 7)" when asked if they would recommend Lifenet to family or friends. We adopt Net Promoter Score (NPS) as an indicator of policyholder evaluations, and calculate the policyholder recommendation rate based on NPS. Net Promoter Score (NPS) is a registered trademark or service mark of Bain & Company, Inc., Fred Reichheld, and NICE Systems, Inc.
*4 Refers to monthly and other activities by CSIRT, which centrally manages and responds to cybersecurity incidents.
*5 Scope 2 emissions are calculated using the market-based method of the GHG Protocol.
*6 The scope covers the head offices of Lifenet and its consolidated subsidiary (Lifenet MIRAI Inc.), and two data centers (located in Osaka City, Osaka, and Ashigarakami District, Kanagawa). The calculations include electricity and city gas consumption before and after the head office relocation for FY2024, and electricity consumption after the relocation for FY2025. Please note that data center emissions are calculated based on contracted power, which may differ from the actual electricity consumption of the Lifenet Group.
*7 Refers to the Economic Solvency Ratio (ESR) on an economic value basis. This is the internal management ESR calculated by aligning the target risks, etc., with the actual conditions of our business.
*8 Refers to directors and department heads or above.
*9 The PRIDE Index is an index developed by "work with Pride" to evaluate the initiatives of companies and organizations regarding LGBTQ and other sexual minorities, with "Gold" being the highest rating.
*10 Certified based on the Health & Productivity Management Outstanding Organization recognition program run by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi. Applications from companies and other organizations are evaluated based on the assessment criteria established by the Health and Investment Working Group of the Next-Generation Industrial Development Committee, and certifications are granted by the Nippon Kenko Kaigi.
*11 For FY2024, this represents the average monthly percentage of employees who accessed the peer bonus application. For FY2025, it represents the average monthly percentage of employees who accessed teamwork applications, including peer bonuses.
*12 The percentage of 1on1 meetings actually held during the fiscal year out of the 12 annual meetings (once a month) scheduled with supervisors.
*13 Refers to the voicebot of the automated AI voice response system.
*14 The Outside Directors' Meeting is a voluntary meeting body consisting of outside directors to conduct discussions based on the evaluation of the effectiveness of the Board of Directors.

03

Mid-term Business Plan

In the “Mid-term Business Plan” section, we present an overview of the plan as a roadmap toward our envisioned future. This section features our financial strategy through the Message from the CFO, our stance on constructive dialogue with shareholders and investors, and a message from an outside director reflecting on the mid-term business plan and addressing future challenges. We convey the management team’s commitment to enhancing corporate value over the medium- to long-term as well as the effectiveness of the plan.

Mid-term Business Plan

Summary of mid-term business plan

We have formulated a five-year mid-term business plan ending in fiscal 2028. Following the adoption of International Financial Reporting Standards (IFRS) in fiscal 2023, we have set Comprehensive Equity, an indicator linked to IFRS financial statements, as our most important management indicator representing corporate value, aiming to reach JPY 200 billion to JPY 240 billion in fiscal 2028.

To achieve our fiscal 2028 goals, our growth strategy in the mid-term business plan includes three priority areas and a human resources strategy to support them. The priority areas of Tech & Services, Rebranding, and Embedded are crucial for us to achieve further growth.

The diagram below illustrates our growth loop driven by the three priority areas. In Tech & Services, we leverage technologies such as AI to deliver the "Ultimate Insurance Experience" to our customers, creating new value in life insurance. Using this insurance experience as our core strength, we strongly drive Rebranding to further enhance Lifenet's brand awareness and brand power, maintaining and strengthening our brand as a leading online life insurer and our unique positioning. This solid brand and positioning create Embedded collaboration opportunities with powerful partners aiming to build financial ecosystems. By seamlessly embedding our insurance into partner services, we will achieve further market expansion. We believe that this unique growth strategy, in which these three priority areas work in synergy, will further solidify our competitive advantage.

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*1:
Continuous improvement

Diversity
Ratio of decision-makers*2:
Women 30%+
30s or younger 15%+

Growth opportunities
Engagement score (Growth):
Continuous improvement

*1 Please see page 58 for the details of engagement score.
*2 Decision-makers are directors and employees at the department head level and above.

Mid-term Business Plan

Progress toward FY2028 goals

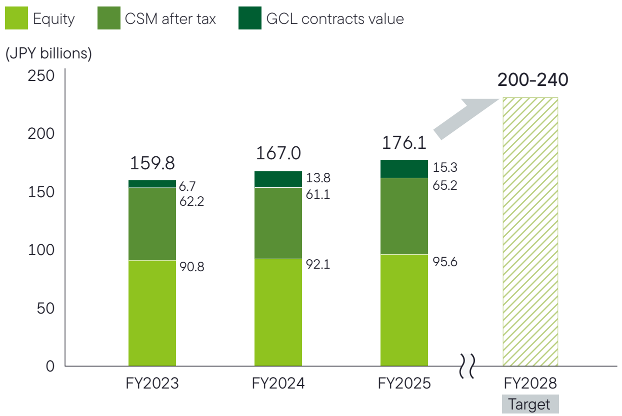
In our mid-term business plan, we have set Comprehensive Equity, an indicator linked to IFRS financial statements, as our management indicator representing corporate value. Furthermore, we have established financial targets and non-financial targets related to human capital to support the achievement of our Management Goal, working toward the continuous enhancement of corporate value.

Although Comprehensive Equity was negatively affected by changes in the external environment, such as rising interest rates, it increased by approximately JPY 9.0 billion from the end of the previous fiscal year. This growth was driven by the expansion of new business performance with high sales efficiency in individual life insurance, as well as significant improvements in operating expense efficiency.

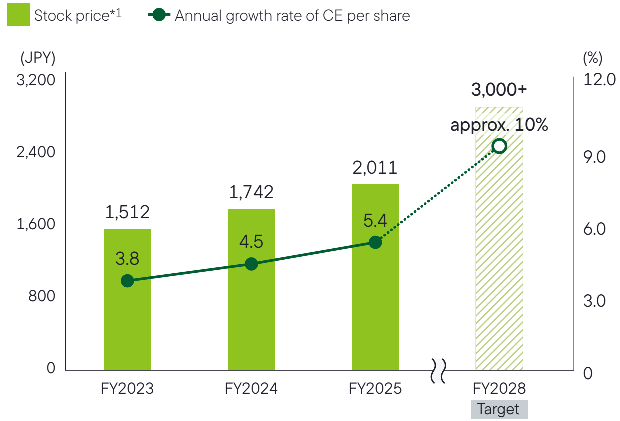
Regarding the stock price set as a financial target, following our listing on the TSE Prime Market, we strived to improve our market valuation through proactive and open dialogue with shareholders and investors, as well as governance reinforcement by enhancing the functionality of the Board of Directors.

With respect to non-financial targets related to human capital, to increase employee engagement scores and the ratio of women and individuals aged 30s or younger in decision-making positions, we promoted initiatives such as training programs aimed at the growth of young and next-generation talent, the operation of goal-setting and evaluation systems that encourage taking on challenges, and the penetration of Lifenetter Values.

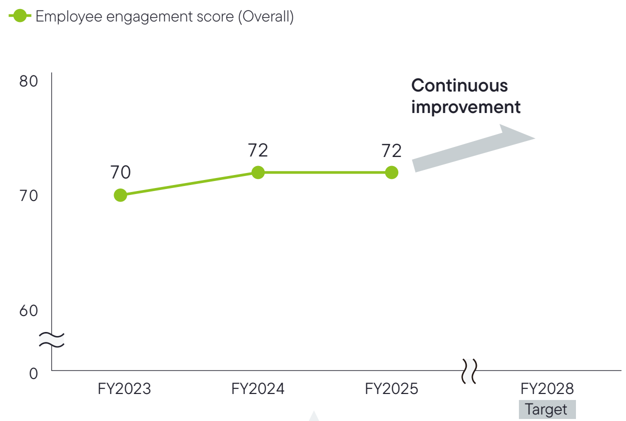
Management Goal (Comprehensive Equity)



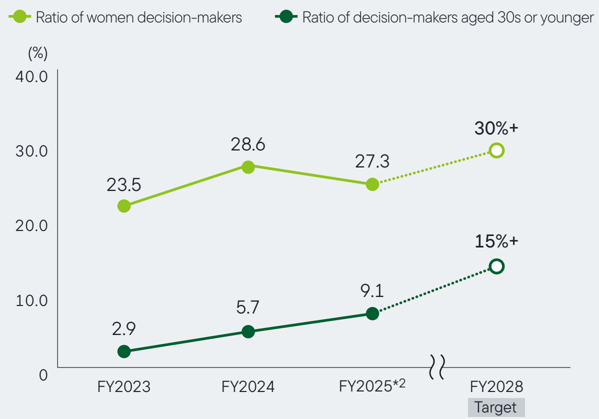
Financial targets



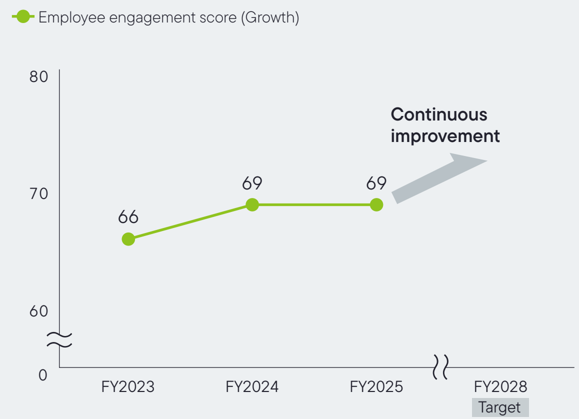
Non-financial targets (human capital)



Non-financial targets Diversity



Non-financial targets Growth opportunities



*1 Closing stock price as of the end of March for each fiscal year
*2 As of April 1, 2026, women accounted for 32.4% of those in decision-making positions, while individuals aged 30s or younger represented 11.8%

CFO Message

From Concept to Commitment in Action -Driving Sustainable Growth through Proactive Financial Discipline

Takeshi Kawasaki
Director,
Executive Vice President CFO

Profile

Born in April 1979. After working at Citibank, N.A., Japan Branches (currently Citibank, N.A., Tokyo Branch) and Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.), he joined Regional Economy Vitalization Corporation of Japan, where he was mainly engaged in corporate finance and private equity investments. He joined Lifenet in August 2020. After serving as Head of the Corporate Planning Department, and Executive Officer overseeing the Corporate Planning Department and the Accounting & Actuarial Department, he assumed his current position in June 2025.

CFO Message

Fiscal 2025 review:
A year of evolution toward top-line regrowth under the new management team

Fiscal 2025, the second year of our mid-term business plan, marked a year of significant transition to the next stage.

Our most critical mission in fiscal 2025 was to return the acquisition of new business in the individual life insurance business, which had been slowing down since fiscal 2023, to a strong growth trajectory and achieve a trend reversal. Focusing on the priority areas of the mid-term business plan and reviewing our marketing strategies in terms of both quality and quantity proved successful. Even as the external environment continued to offer less than favorable tailwinds for us, through our management efforts, the net increase in annualized premium of policies-in-force grew strongly by approximately 26% compared to the end of fiscal 2024.

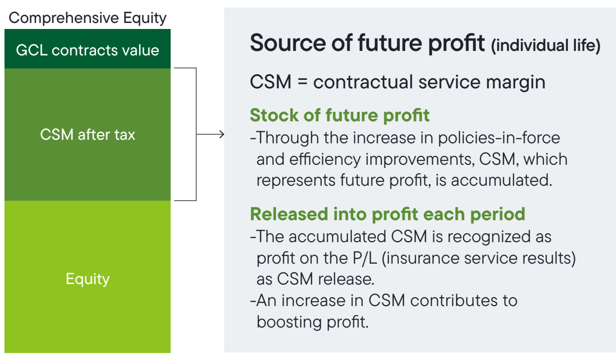
This return to a growth trajectory represents more than just an increase in the number of policies. The achievement that gave us the most confidence was growing the contractual service margin (CSM), which serves as the source of future profit for life insurance companies, beyond our initial expectations. Taking the slight year-on-year decrease in CSM at the end of fiscal 2024 very seriously, I executed improvement measures with a strong sense of urgency. Accumulating CSM is not merely about contributing to single-year results; it is about building a solid revenue base for future profit growth, and it directly links to the sustainable growth of Comprehensive Equity (CE), our management indicator.

Over the past year, President and Representative Director Yokozawa and I have worked closely together under a clear division of roles to accelerate decision-making and execute management transformation. Yokozawa is an exceptionally execution-driven leader who builds a solid track record by steadily tackling business initiatives step by step, and I am confident that this instills great reassurance in the market. Therefore, I believe my role as CFO is to present the steady progress Yokozawa achieves as a broader future picture of long-term corporate value creation, and to establish the financial discipline necessary to reach that goal.

Based on this understanding of our roles, our top priority in the first year under the new management team was laying the groundwork to increase the probability and feasibility of our growth strategy in the second half of the mid-term business plan. As part of these efforts, in addition to paving the way for regrowth in individual life insurance, we launched a new partnership with THE KYOTO SHINKIN BANK in the group credit life insurance (GCL) business, making steady progress in building a foundation to accelerate corporate value growth.

Furthermore, in July 2025, we achieved an uplisting from the Growth Market to the Prime Market of the Tokyo Stock Exchange. Although challenges such as improving market liquidity and expanding the investor base remain, this marked a significant milestone that greatly elevated our stage as a company in our pursuit of sustainable corporate value enhancement.

Components of Comprehensive Equity and the role of CSM

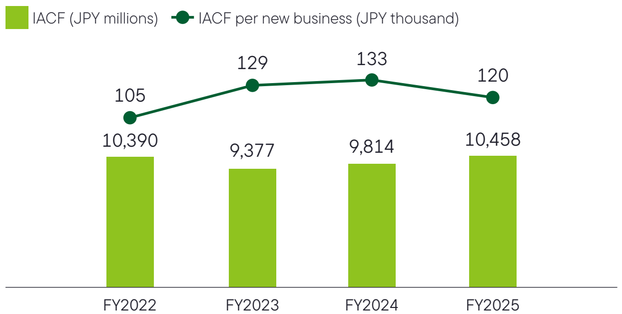


Financial discipline:
Avoiding defensive contraction and optimizing inputs and outputs

Underlying the results for fiscal 2025 was a significant improvement in return on investment across both marketing activities and operating expenses.

On the marketing side, to drive the regrowth of individual life, we increased our investments for acquiring new business (insurance acquisition cash flows) by approximately 6.5% year on year. As part of Rebranding, a priority area of the mid-term business plan, we efficiently promoted our unique value proposition of being “Sincere, Easy-to-understand, Affordable and Convenient” to customers by leveraging the reach of social media and influencers. In addition, by bringing web advertising in-house, we accelerated the PDCA cycle and established a system to operate effective ads in a highly repeatable manner. As a result, this led not only to a turnaround in new business performance but also to a significant improvement in marketing efficiency.

Insurance acquisition cash flows (IACF) efficiency

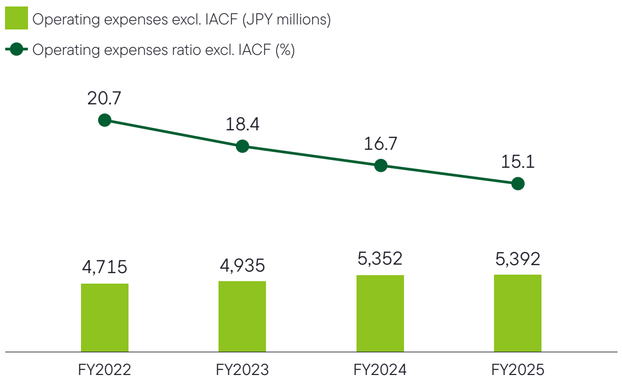


CFO Message

On the operating expenses efficiency side, the sophistication of our management accounting also yielded significant results. Following the adoption of IFRS in fiscal 2023, the Corporate Planning Department and the Accounting & Actuarial Department collaborated to establish a framework for profitability management by product and by channel. Identified issues and corresponding action plans were incorporated into the initial budgets. As a result, we were able to improve operating expenses efficiency beyond our initial plan, and this initiative has greatly contributed to the increase in CSM, the source of future profit.

In advancing efficiency improvements, my primary focus is to ensure that cost reductions do not cause the organization's mindset to drive the business toward a defensive contraction. For us, cost reduction and efficiency improvements are not goals in themselves, but means to accelerate business growth. While maintaining proactive growth investments, we executed initiatives with a shared commitment across our frontline operations to maximize return on investment. Rather than being swayed by single-year results, we will further enforce disciplined operations across the entire organization to ensure these efficiency improvements continue to strongly support our medium- to long-term growth.

Operating expenses ratio excluding insurance acquisition cash flows*



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

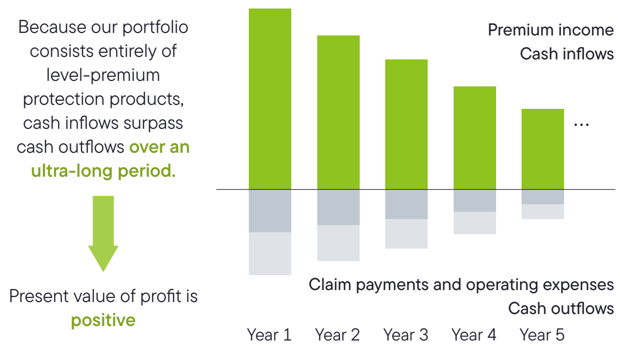
Comprehensive Equity growth: Driven by core earning power, resilient to external factors

In our mid-term business plan, Comprehensive Equity (CE) is the most important indicator. We have set goals to reach Comprehensive Equity of JPY 200-240 billion and an annual growth rate of CE per share of approximately 10% in fiscal 2028. Although the annual growth rate of CE per share over the past three years has shown a steady upward trend at 3.8%, 4.5%, and 5.4%, there is still a significant gap from our final goal of 10% in the mid-term business plan. Taking this current situation seriously, we must ensure we reach this goal during the remaining three years, which constitute the second half of our mid-term business plan.

Comprehensive Equity fluctuates mainly based on two factors: improvement in underlying capabilities driven by management efforts, and impacts from external environments such as interest rates. Specifically, Comprehensive Equity is an indicator calculated by adding the CSM of the individual life business and the GCL contracts value of the GCL business to the equity on the balance sheet, and evaluating the present value of future cash flows generated. Therefore, it has the characteristic of moving in tandem with fluctuations in interest rates (discount rates).

We sometimes receive questions from shareholders and investors regarding accounting valuation losses in a rising interest rate environment. Our interest rate risk on the asset management side is limited because our asset management portfolio consists primarily of bonds with short durations. The main impact lies on the insurance contract side, namely the valuation of future cash flows. Since all of our insurance products are protection-type products, we possess a robust earnings structure in which the premium income we collect consistently exceeds the claim payments over a long period. When interest rates rise, converting these future profits into present value makes the figures appear temporarily reduced. However, this is a technical accounting effect that does not alter the fundamental nature of our medium- to long-term corporate value.

Cash flow structure of policies-in-force (illustration)



Therefore, in our pursuit of enhancing corporate value, we believe that the fundamental focus must be on expanding our core earning power, where management efforts directly lead to results.

In fact, excluding external impacts such as interest rates, the growth rate of CE per share based on our underlying performance reached nearly 10% in both fiscal 2024 and 2025. During the mid-term business plan period, we anticipate continued gradual negative impacts from the macro environment. Precisely for this reason, to achieve an annual growth rate of CE per share of approximately 10% including the interest rate impact, we will steadily realize growth exceeding 10% on an underlying basis driven by our management efforts. This is my crucial mission for the second half of the mid-term business plan.

CFO Message

Multi-layered strategy execution:
Reaccelerating CSM and expanding GCL leverage across three priority areas

Increasing Comprehensive Equity depends on how reliably and quickly we can accumulate CSM and GCL contracts value by accelerating our core earning power, namely the individual life insurance and GCL businesses. Aligned with the three priority areas (Tech & Services, Rebranding, Embedded) set out in the mid-term business plan, we are driving multiple initiatives in a multilayered manner.

First, the core of Tech & Services is the rapid implementation of technology into the insurance experience. Going beyond internal operational improvements such as AI-powered contact centers, we are progressively integrating AI into insurance application procedures, underwriting, and checks for unclaimed benefits, all to deliver the "Ultimate Insurance Experience" to our customers. It is not our strategy to invest massive development costs in new technologies like large corporations do. I am confident that we hold a clear competitive edge in our know-how to swiftly implement excellent existing technologies into our current operations and services to provide customers with new insurance experiences.

The transformation in our second area, Rebranding, centers on optimizing and elevating our investment allocation. Previously, we grew the number of individual life insurance policies through quantitative expansion of promotions, primarily TV commercials. However, as our brand awareness increased, the cost-effectiveness tended to diminish. The qualitative shift we initiated in fiscal 2025, such as bringing web advertising in-house and strengthening the use of social media, improved marketing efficiency and yielded clear results in driving the regrowth of new business.

Encouraged by these positive responses, we plan to comprehensively redesign the channel mix of our overall promotions, including TV commercials, moving forward. Furthermore, while keeping the younger generation as our core, we have confirmed strong online needs among increasingly digital-savvy seniors. Through optimal investment allocation, we will maximize our business growth.

The third area, Embedded, is a strategy to pursue significant scale-up efficiently with limited management resources by leveraging the customer bases of our partner companies. In addition to our existing alliance partners, the KDDI Group and the SMBC Group, we announced a capital and business alliance with Japan Airlines Co., Ltd. in April 2026, which enables us to reach a third major ecosystem. We recognize that access to robust customer bases will contribute to the expansion of Comprehensive Equity during the mid-term business plan period through the joint development of individual life insurance and the deployment of group insurance.

Also, while the capital alliance with the KDDI Group was dissolved in conjunction with this alliance, our important business alliance relationships in individual life insurance and in GCL remain fully intact. There is no impact on our existing revenue base, and this has been factored into our business forecasts for the current fiscal year. We will continue to build strong partnerships.

We are making steady progress on Embedded in the GCL business. We welcomed THE KYOTO SHINKIN BANK as a new partner and commenced our collaboration in July 2026. The greatest strength of the GCL business is that expanding alliances with financial institutions provides powerful leverage against fixed costs, enabling us to simultaneously expand business scale and improve operating expense efficiency. Furthermore, this alliance marks our first endeavor beyond our existing partner framework, representing an important step toward further expanding our partner network. Particularly in a macro environment with rising interest rates, reducing costs (premiums) for the mortgage loan business and streamlining operations have become critical priorities for financial institutions. Our cost advantage and simple business model possess extremely strong competitiveness in this market environment. We have set financial institutions that hold or are growing a certain scale of outstanding mortgage loan balances as our core targets, and we are actively pursuing new partnerships with the goal of announcing alliances with approximately two more banks by fiscal 2028. We will steadily develop the GCL business into a second pillar that drives the achievement of an annual growth rate of CE per share of approximately 10%.

Introduction
The Future We Envision
Mid-term business plan
Progress of the mid-term business plan
Human Resources Strategy
Sustainability
Data

CFO Message

Capital policy and investment criteria:

Deploying growth capital in quality and quantity into the immense potential of online life insurance

Nearly 20 years since commencing business in 2008, we remain in the midst of a major growth stage. Even today, although purchasing life insurance online has become a standard option, the online penetration rate for life insurance remains in the single digits. This stands in stark contrast to the online penetration rates of other financial products—approximately 80% for securities trading, around 50% for mortgage loans, and about 10% for automobile insurance. The low transaction frequency of life insurance, industry customs dominated by face-to-face channels, and the complexity of product features are cited as factors. However, this very area represents our immense upside potential as the massive life insurance market significantly shifts toward digital. Accordingly, we will continue to pursue a capital policy centered on growth investments in order to accelerate the pace of expanding our new business performance.

In September 2025, we disclosed our cost of capital level as 6% to 8% and proactively sought candid feedback from our shareholders and investors. Through dialogues, we gained clear insight into the reality of market expectations. In an environment where investments in market indices (such as TOPIX) are expected to yield a return of around 8%, investors expect an individual stock like ours to deliver at least 8% as a baseline, and ideally returns exceeding that. Correctly recognizing this gap in perspectives between our calculated cost of capital and the market's required return, I will take the lead in engaging in deep dialogues with our shareholders and investors.

To enhance the TSR (Total Shareholder Return) ultimately sought by investors, the primary requirement is to grow corporate value, specifically by improving the annual growth rate of CE per share. I am acutely aware of the fundamental sequence of cause and effect. Market valuation will reliably follow only as this foundation is continuously strengthened.

For this reason, our selection criteria for growth investments emphasize both the quality and quantity of returns. We rigorously evaluate not only whether a project promises a profit margin (quality) exceeding the cost of capital, but also whether it can develop into a business scale (quantity) that has a substantial impact on the expansion of Comprehensive Equity. This is because even if the profit margin is high, merely accumulating small-scale projects would result in a limited contribution to the overall expansion of Comprehensive Equity. Of course, we will also strengthen our post-investment monitoring systems and pursue disciplined capital efficiency. At the same time, investment in non-financial capital, especially human capital, which underpins this corporate value growth, is the very source of our competitiveness. We are an organization of merely 240 people, but I take pride in the exceptionally high level of our per capita productivity. To further polish this strength as a small group of highly talented professionals, we are reviewing our human resources systems, including revising the compensation structures, and we will deploy capital toward acquiring even more outstanding talent and improving engagement.

Enhancing market valuation:

Achieving a PCE ratio above 1.0x with a clear and concrete equity story

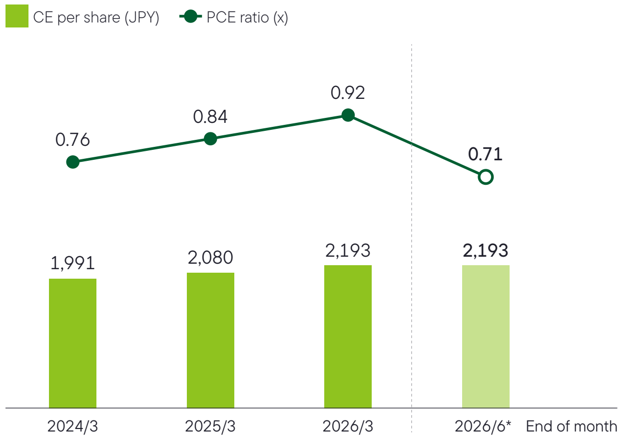
Our current PCE ratio (price to CE per share ratio) is emerging from the undervalued levels of the past few years, but it has continued to stagnate below 1.0x since our listing on the Prime Market. To break through this situation, we are fully committed to continually presenting the path to our future growth as a clear and concrete equity story detailing how we will evolve going forward, while basing it on the track record of our currently strong fundamentals.

Since commencing business, we have delivered steady growth even while navigating a path that has been far from smooth. However, precisely because of this solid track record of growth, our organization can be susceptible to a status quo bias, carrying the risk of settling for modest growth that merely extends past trends. What the market expects from us is not the pace of a mature company, but the drive of a growth company that breaks through the inefficiencies of the traditional industry and spearheads the online life insurance market itself.

That is why we must not allow our vision for the future to be constrained to something small that merely extends the past. We must free ourselves from past success stories, occasionally set out grand visions, and present the financial logic and highly clear roadmaps needed to achieve them.

Even if we draw a magnificent growth story, if we ultimately fail to meet market expectations, it amounts to nothing more than self-satisfaction. We must sincerely commit to our stated vision and prove our solid progress through numbers. While sharing this discipline both internally and externally, we will continue to evolve as a player that transforms the industry. We ask our shareholders and investors for your continued, unwavering support as we strive for sustainable corporate value enhancement.

Corporate value and market valuation



* The CE per share as of the end of June 2026 is the figure as of the end of March 2026, and the PCE ratio is calculated using the stock price at the end of June and the CE per share at the end of March.

Introduction
The Future We Envision
Mid-term business plan
Progress of the mid-term business plan
Human Resources Strategy
Sustainability
Data

Dialogue with Shareholders and Investors

Based on our IR Manifesto, we promote IR activities anchored on five core principles: Open communication, Comprehensible, Fair, Long-term perspective, and Innovative. We strive to engage in active dialogue with investors, feed their input back to management and employees, enhance our information disclosure, and reflect their insights into our management strategies to improve corporate value over the medium to long term.

Individual dialogue with institutional investors

Before meetings

- Organize key check items for meetings internally
- Confirm investment status in peer companies
- Verify proxy voting policies

During meetings

- President and CFO handle approximately 70% of individual meetings
- Engage with a proactive attitude and seek opportunities to enhance corporate value through dialogue

After meetings

- Conduct internal reviews
- Follow up on additional requests and inquiries
- Report to the Executive Officers' Meeting and the Board of Directors (once a quarter)

Proactive dialogue approach to enhance corporate value

Main dialogue themes and key interests

Theme	Key interests
Changes in management structure	- Future focus areas based on the new president's strengths
Individual life insurance business	- Factors driving growth in direct business and partner business - Investment policy and allocation for sales and marketing expenses
Group credit life insurance (GCL) business	- Possibility of acquiring new partner financial institutions - Strengths required to be selected by partner financial institutions
AI-related	- Potential for top-line growth and operational efficiency improvement through AI - Opportunities and threats for us regarding the penetration of AI into business
Interest rate trends	- Impact of rising domestic interest rates and inflation on product strategy, and our future approach
Corporate and market valuation	- Expectations and initiatives for growing CE per share and PCE ratio

FY2025 activities and achievements

In fiscal 2025, amidst major corporate events such as the leadership transition and our listing on the TSE Prime Market, we established an IR structure led by the CFO. We focused on proactive communication, including hosting four quarterly financial results briefings, actively engaging in individual dialogue with institutional investors (including international investor visits), organizing seminars for individual investors, and disclosing our cost of capital.

Activity	FY2023	FY2024	FY2025
Financial results briefings for institutional investors and sell-side analysts	4 times	4 times	4 times
Small meetings hosted by sell-side analysts	3 times	4 times	4 times
Individual meetings with proxy voting executives at institutional investors	–	7 times	5 times
Individual dialogue with institutional investors	185 times	180 times	172 times
Online briefings for individual investors	1 time	1 time	3 times

Examples of improvements based on feedback from shareholders and investors

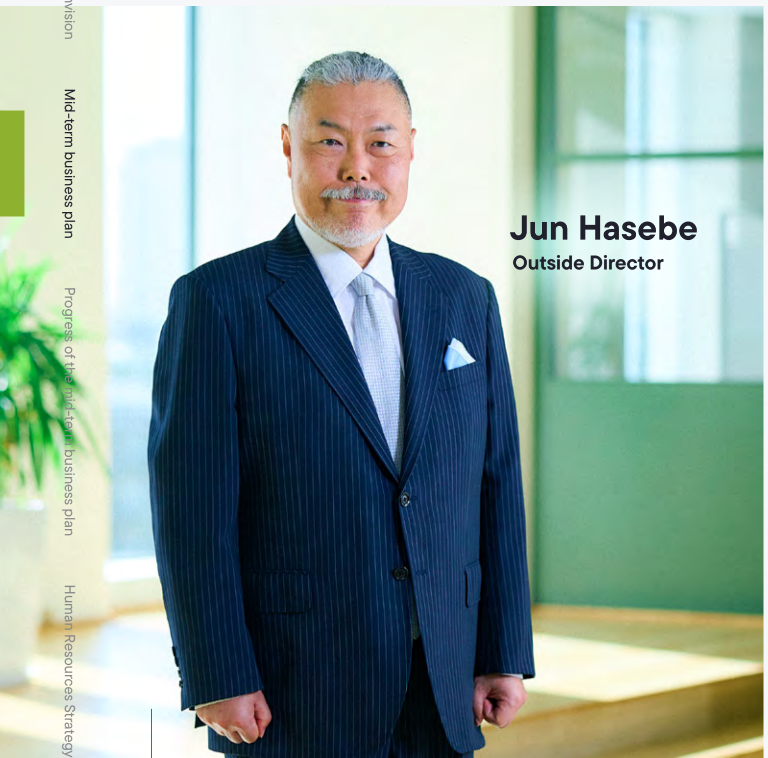
Through our dialogue with capital market participants, we frequently received feedback stating that "the relationships between individual indicators (KPIs) are difficult to understand, and it would be helpful to show more clearly how these indicators interact to contribute to the growth of Comprehensive Equity (CE), which represents corporate value." In response, we integrated disclosure materials that clarify the relationship between Comprehensive Equity (CE) and the IFRS Income Statement into our full-year financial results briefing materials.

External evaluation of our IR activities (FY2025)

IR website	Nikko Investor Relations Co., Ltd. FY2025 All Listed Company Website Quality Ranking, Overall Category: Excellent Website	Corporate Websites 2025 Nikko Investor Relations Co.,Ltd All Markets Ranking in Japan
Overall IR activities	Selected as a constituent of the "JPX Startup Growth 100 Index," a new index composed of high-growth startups representing Japan	JPX Startup 100

Message from Outside Director

Bridging Capital Markets and Management to Drive Next Growth



Jun Hasebe
Outside Director

Profile

After working as a securities analyst, Jun Hasebe served as Director and CFO at an entertainment company. Subsequently, he was involved in management and governance across multiple companies, including IT companies and startups. In 2020, he established Tokyo Relations Inc., an IPO and IR consulting firm, where he currently serves as Representative Director and President. He has served as Outside Director of Lifenet since June 2022.

Addressing the gap between business progress and market valuation

About two years have passed since the launch of the mid-term business plan, and we are making steady progress in line with our strategic direction, as demonstrated by the accumulation of policies-in-force and the increase in Comprehensive Equity (CE).

On the other hand, as an outside director, I am closely monitoring how these achievements are evaluated by capital markets. The market maintains a cautious view regarding our future growth. For this reason, the Board of Directors emphasizes both the quality and speed of growth. I believe it is essential to clearly demonstrate the pathway by which our current initiatives will translate into future earnings and enhanced capital efficiency.

Linking Tech & Services to corporate value

The key to this effort lies in the priority area Tech & Services, driven by President Yokozawa's leadership. As a purely online life insurer with no legacy systems, Lifenet operates with agility and swift decision-making capabilities. This provides an operational foundation that allows us to readily leverage technology. I view this area as a key theme that will shape Lifenet's future.

From the perspective of capital markets, however, the pathway connecting this strategy to higher profitability and capital efficiency is not yet sufficiently visible. Nevertheless, the strategic direction itself is extremely rational. For example, enhancing underwriting and policy administration through the use of AI has the potential to improve our operating expenses ratio and increase Lifetime Value (LTV) in the future. Furthermore, as data utilization advances, we can establish continuous touchpoints with customers beyond the policy contracts, paving the way to deliver new value that extends beyond the traditional framework of life insurance.

We must more clearly demonstrate how initiatives like AI utilization and Individual Number System integration will drive specific KPIs, and outline the timeline for how these will translate into corporate value.

Closing the gap with capital markets

Throughout my career as a securities analyst and CFO, I have actively engaged with capital markets. Based on that experience, I recognize that Lifenet's market valuation is somewhat discounted due to uncertainty and the extended timelines for realizing returns.

For instance, under IFRS, the contractual service margin (CSM)—the source of future profits—is recognized as profit over an extended period corresponding to the insurance coverage term. Consequently, a time lag occurs between the accumulation of business value and the manifestation of accounting profits. Even when value is steadily accumulating, the structure makes it difficult to observe through capital efficiency or earnings growth.

Additionally, in dialogues with investors, I sometimes hear comments such as, "While we have high expectations for the strategic direction, it is difficult to see when and how it will translate into revenue." I believe this stems not from skepticism toward the strategy itself, but from limited visibility regarding its connection to corporate value.

This is precisely why, as an outside director, I aim to fulfill the role of a "translator" bridging management and capital markets. I will convey investor perspectives to management while communicating Lifenet's value creation mechanism to investors. I believe that strengthening this connection directly leads to enhanced corporate value.

Envisioning three steps into the future

The "future three steps ahead" that I envision goes beyond the boundaries of a traditional life insurance company. It represents an evolution into a "Comprehensive Life AI Support Service Company" that leverages AI and data to continuously support each customer throughout their life. Insurance serves as the entry point, starting from a foundation of trust built with customers and holding the potential to expand into delivering broader value.

Areas that were previously unprofitable due to labor constraints are becoming feasible through technological advances. As a company without legacy systems, Lifenet is uniquely positioned to turn these changes into a competitive advantage. The second half of the mid-term business plan represents a crucial transition period toward realizing this future vision. As an outside director, I will maintain a constructive tension with executive management, support ambitious initiatives, and engage in ongoing discussions to link these outcomes to corporate value.

As a "translator" connecting capital markets and management, and as an outside director who foresees the possibilities of technology, I remain committed to contributing to Lifenet's next growth stage.

04

Progress of the Mid-term Business Plan

In the "Progress of the Mid-term Business Plan" section, we share specific initiatives in priority areas aimed at achieving the mid-term business plan, along with future developments. These include Tech & Services, which evolves our unique value through technology; Rebranding, which rebuilds our brand value; and Embedded, which expands customer touchpoints through co-creation with partners. We illustrate how these three strategies work together to enhance our competitive advantage and drive sustainable growth.

Tech & Services

Individual life insurance (direct) | Individual life insurance (partner) | Group credit life insurance (GCL)

Takahito Kanasugi
Executive Officer
Product Development Department,
Business Development Department,
Data & AI Transformation Department

Tsutomu Matsuura
Executive Officer
CX Design Department,
Customer Services Department,
Claims Department

Executive interview

Transforming Life Insurance through Digital Reliability

What we aim for is to make life insurance services based on digital reliability the new standard. Because life insurance supports customers' lives over the long term, we leverage the stability and certainty of digital technology to pursue convenience where systems support customers before they even realize it. The services generated by Tech & Services will serve as the foundation supporting the expansion of Rebranding and Embedded strategies.

Maximizing individual capabilities through technology

While face-to-face communication is decreasing, especially among the younger generation, there remains a deep-rooted perception that life insurance requires human explanation. However, our goal is to create a new value of digital reliability. Going beyond the comfort of human interaction, the pursuit of absolute reliability where systems function flawlessly leads to the "Ultimate Insurance Experience." As a company that has connected directly with customers digitally since our inception, we have the advantage of fully utilizing AI and other technologies. By leveraging technology to augment individual capabilities, we will elevate the execution capabilities and quality of our entire organization beyond the limits of a small, elite team, establishing a competitive advantage with our unique speed.

Full-scale strategy rollout and integration of AI utilization

Fiscal 2025 was a year of elevating our concepts into concrete services. One such initiative was the launch of "Same-Day Payment" service made possible by API integration connecting our systems directly to bank accounts. By challenging the preconceived notion that same-day remittance is difficult due to existing system constraints, we dramatically shortened the time to payment through modifications to business workflows and other processes.

In addition, we have launched initiatives that balance convenience and sustainability, such as introducing 24-hour acceptance to reissue life insurance premium deduction certificates via an AI voicebot and digitizing the Lifenet Letter (annual notice for policyholders). Furthermore, the utilization rate of internal AI tools* has reached 100%, laying the groundwork for redesigning operations with AI as a prerequisite.

* Percentage of full-time employees (excluding those on leave) who have used AI tools (in-house LLM tools, Google Workspace with Gemini) as of March 31, 2026.

Transforming the organizational structure itself into an AI-driven model

On the other hand, our achievements so far have been limited to introducing AI into individual tasks. Going forward, it is crucial to connect these efforts and transition the entire organization into an AI-driven, lean structure. Radically redesigning existing workflows based on the premise of technology utilization and elevating individual expertise into organizational systems will be the focus of our next leap forward. Please refer to page 31 for the AI strategy that outlines this concept.

Toward a future where customers feel "Lifenet is always the right choice"

To achieve our mid-term business plan, we will accelerate improvements in both productivity and convenience. The time and resources freed up by automating routine tasks will be reinvested into refining the customer experience and providing advanced services. By establishing this virtuous cycle, we will continue to provide value that makes customers feel, over the long term, that "Lifenet is always the right choice."

Tech & Services

Initiatives in fiscal 2025

Launch of "Same-Day Payment" Service for Claims and Benefits

In August 2025, we launched the "Same-Day Payment" service for claims and benefits. Previously, even when preparations for payment were complete, system specifications required remittance requests to banks to be made the following day, meaning customers had to wait at least two days to receive their funds.

For claims and benefits payments, we integrated APIs (a mechanism for instantly exchanging data between systems) to connect our systems with bank accounts, enabling a real-time remittance infrastructure. This enables payment as early as the same day the documents arrive.

The most important responsibility of a life insurance company is to deliver claims and benefits swiftly and reliably when policyholders face unexpected events or illness. Aiming to further enhance the convenience championed by Tech & Services, we fundamentally reviewed the system constraints that made same-day remittance difficult, which had been taken for granted in the industry. Beyond merely adding a function, we built a swift and reliable payment system as a strategic investment to enhance brand reliability.

Within about a month of launching the service, out of 302 policyholders who used the Quick Online Claim service, 59 received their benefits on the same day, and 200 on the following business day*1. We received positive feedback from those who actually received same-day payments, such as "I was surprised it was transferred the same day" and "The speed is extremely fast." Our strength in speed directly contributes to improving customer satisfaction. As these initiatives took root, the average number of business days to payment for fiscal 2025 was 1.08 days*2, establishing a swift and reliable payment system as our new standard.

*1 When payment assessment is completed on the day the documents arrive at Lifenet, and the financial institution designated by the policyholder supports instant transfers.
*2 Excludes group credit life insurance. The number of days from the business day following the document receipt date to the payment receipt date, excluding weekends and holidays. For example, if payment is decided on the day the documents arrive and the funds are received on the same day, it is counted as "0 days."

With the Quick Online Claim service, payment in as early as the same day after contacting us

Payment in as early as the same day after document receipt

Step 1
Claim Notification
Policyholders notify Lifenet via online portal or phone, and receive guidance on the required documentation.

Step 2
Document Submission
Required documents are submitted either by mail **or digitally by uploading smartphone photos.**

Step 3
Payment of Claims and Benefits
Approved claims and benefits are transferred directly to the policyholder's designated bank account.

COMMENT

Akinobu Masuda
Manager, CX Design Department*3

Sumito Nakamura
Claims Department

Delivering to customers even one day sooner: Accelerating claim payments without compromising assessment quality

Masuda: As the overall project manager, I led the service consistently from the conceptual stage to its implementation. The biggest challenge was how to balance payment quality and speed while maintaining a sustainable operational structure. When customers are troubled by unexpected events, delivering benefits as quickly as possible represents our integrity as a life insurance company. We radically reviewed our long-standing conventional business processes to enable same-day payment of claims and benefits at the shortest upon the arrival of claim documents. Through repeated communication tests with banks on the new system and coordination with partner companies, we successfully carried it through to the service launch. We will continue to pursue more convenient and sincere services across our various touchpoints with customers.

*3 Currently Manager of the Claims Department.

Nakamura: I was responsible for designing operations for actual use after the release. What I struggled with the most was building an administrative workflow to complete payments to customers as quickly and reliably as possible. While API integration enables instant remittance instructions, I paid careful attention to developing a backup workflow so that payments would not be delayed even in the event of remittance errors or system failures. As a result of cross-departmental coordination, we realized faster payments and a robust operation that ensures payments never stop, even during emergencies.

Tech & Services —— AI Strategy

Management issues to be addressed

Amid major changes in our business environment, such as the advancement of AI and the Individual Number System, our AI Strategy aims to address three key challenges through the utilization of AI:

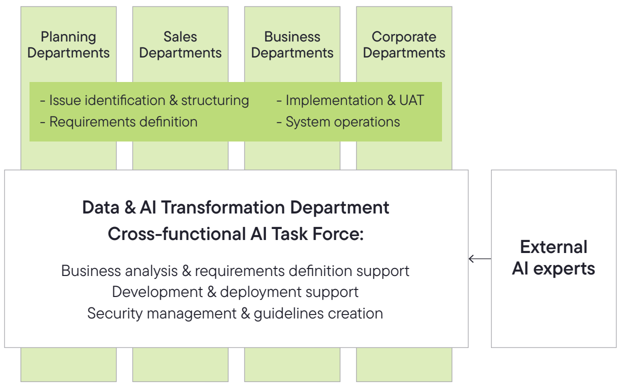
- "Expanding business performance" for new business and policies-in-force
- "Improving efficiency" for insurance acquisition cash flows and maintenance expenses
- "Elevating service levels" to enhance customer convenience through fast, simple, and fully automated experiences

By further refining our core strengths of having a select, high-caliber team and an online-based model, we will unleash the potential of AI company-wide to realize value creation driven by AI.

Company-wide AI promotion structure

To powerfully drive our AI strategy, the Data & AI Transformation Department and a specialized cross-departmental team (AI Task Force) collaborate to build a cross-functional structure that supports infrastructure development and governance reinforcement.

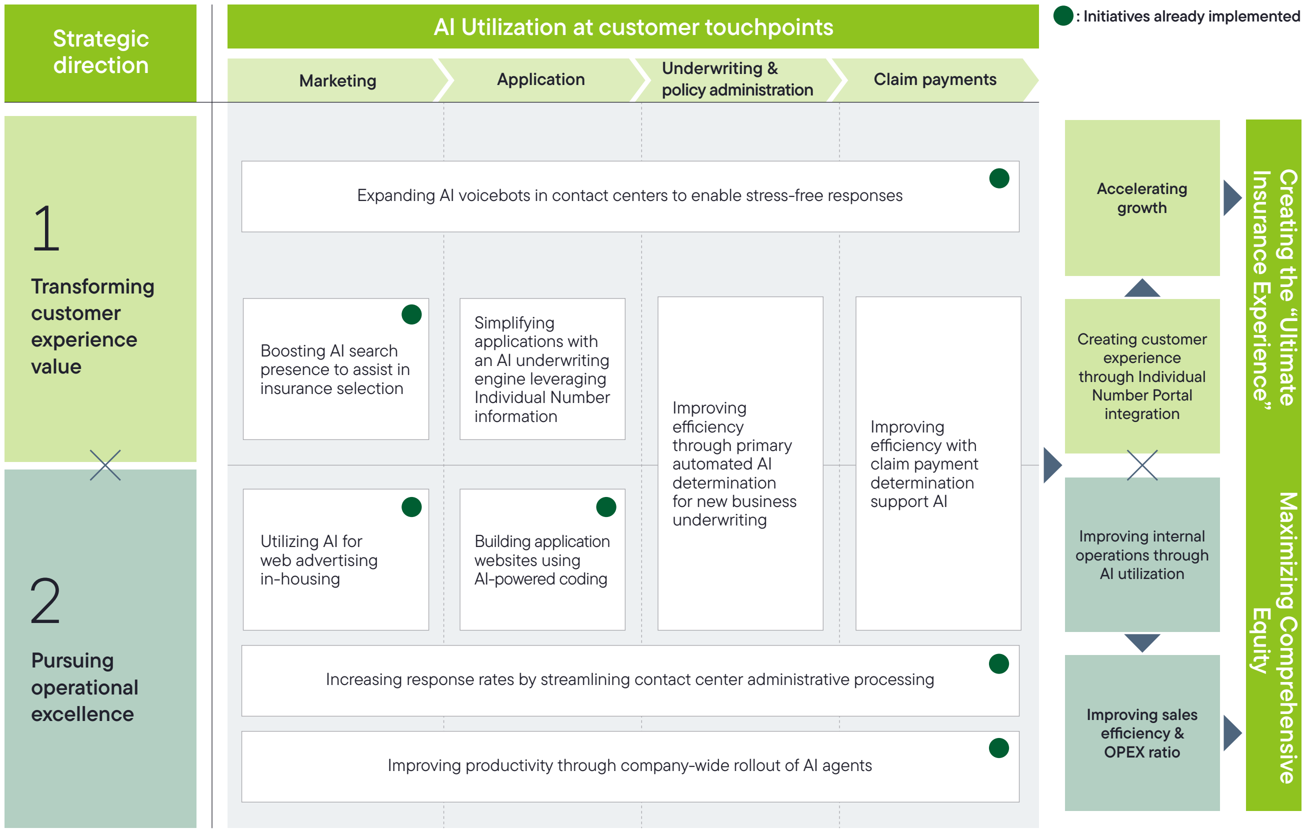
The main drivers of AI utilization are the employees in each department. We aim to become an "organization where everyone can use AI" by upgrading the AI skills of all employees, including non-engineers, and promoting the use of AI-powered coding. Integrating insights from external experts, we aim to rapidly implement AI company-wide and boost productivity.



The insurance experience we deliver

With "Transforming customer experience value" and "Pursuing operational excellence" as our two pillars, we are advancing the utilization of AI across all customer touchpoints: marketing, application, underwriting & policy administration, and claim payments. In "Transforming customer experience value," we focus on creating new customer experiences through a reduced burden associated with medical declarations and rapid underwriting—such as integrating medical data via Individual Number Portal integration with an AI underwriting engine—thereby accelerating growth in contract performance.

Furthermore, in "Pursuing operational excellence," we will significantly boost internal productivity through measures such as the company-wide rollout of AI agents, aiming for sustainable growth by improving sales efficiency and OPEX ratio, and reinvesting resources into growth investments. Through these efforts, we will deliver the "Ultimate Insurance Experience" while striving to maximize Comprehensive Equity.



Rebranding

Individual life insurance (direct)

Hiroki Ito
Executive Officer
Direct Business Planning Department,
Customer Communication Department

Lifenekko Mitsumorou

Yasuhiro Hida
Executive Officer
Marketing Department,
Brand Management Department

Executive interview

Delivering the Confidence that "Lifenet Is Always the Right Choice"

Rebranding is an initiative to update the Lifenet brand in line with the times and customers' values. We are promoting the enhancement of products and services that meet customer needs, the modernization of our brand image, and the review of communication strategies such as lead nurturing. Through these efforts, we aim to remain the preferred choice, particularly among younger customers, ensuring they feel "Lifenet is always the right choice."

Differentiation through online customer experience

As purchasing insurance online has become common, differentiating ourselves from competitors solely based on affordable premiums and convenience—our traditional strengths against face-to-face sales—has become increasingly difficult. Therefore, creating new value that only an online life insurer, and above all, only Lifenet can provide, is essential. Rather than remaining merely an affordable and easy-to-apply channel, we will evolve our customer experience to deliver digital reliability.

Diversification of marketing methods and completion of the "Term" product lineup

Fiscal 2025 was a dynamic year in which we achieved growth through both a qualitative shift in marketing methods and an expansion in promotional volume. In terms of products, in addition to Term Medical launched in 2024, we launched Term Cancer in December 2025. This completed a lineup that allows customers to prepare for necessary coverage periods at affordable premiums across the three key areas of death, medical care, and cancer, steadily evolving Lifenet into a brand supported by the younger generation. Providing products with such affordable premiums is a unique strength we can realize precisely because we are an online life insurer capable of minimizing personnel and physical branch costs.

Furthermore, to convert our sincere approach into trust, we rolled out a new image strategy, including new TV commercials and social media campaigns featuring the character "Lifenekko Mitsumorou." In promotions, by bringing web ads operations in-house and strengthening lead nurturing, we achieved agile communication tailored to the situation, yielding solid results.

Delivering new reliability generated by technology

Promoting the "Same-Day Payment" of claims and benefits in our TV commercials generated a greater-than-expected response, providing significant implications for our future. Going forward, we will sincerely address the needs and challenges that online life insurers have not yet fully met, presenting technology-driven services not merely as features, but as undeniable evidence that proves our sincerity. By delivering new reliability through technology, we are determined to evolve online life insurance to the next stage and create a new standard based on deep trust.

Rebranding

Initiatives in fiscal 2025

Launch of Term Cancer and Renewal of Whole-life Cancer

In December 2025, we launched the new Term Cancer product and renewed the Whole-life Cancer product. As cancer treatments shift from inpatient to outpatient care, and economic anxieties such as the burden of treatment costs and decreased income become challenges, we aim to provide coverage tailored to the needs of the younger generation and the latest treatment realities at affordable premiums.

One of the major features is a mechanism focusing on the waiting period (uncovered period) unique to cancer insurance. We designed it so that customers do not need to pay premiums for the three months from the contract date until the coverage begins. This rational and sincere approach of "not charging premiums during the uncovered period" embodies the LIFENET Manifesto. In addition to the whole-life type that ensures lifelong coverage, adding the term type, which allows customers to prepare only for the necessary period, has made it possible to design optimal coverage tailored to life stages.

Based on results from the launch through the end of March 2026, 58% of applicants aged 39 and under selected the term type. In particular, the average total monthly premium for those combining the three term products (Term Life, Term Medical, and Term Cancer) is in the 6,000 yen range, indicating a trend toward securing coverage while keeping financial burdens low. A new standard of choosing insurance to "prepare only the necessary amount for the necessary period" is beginning to penetrate, mainly among the younger generation.

Term Cancer Insurance

ライフネット生命の
定期がん保険

Whole-life Cancer Insurance

ライフネット生命の
終身がん保険

COMMENT

Kaori Ikeno
Brand Management Department

Tetsukazu Kawamoto
Manager, Marketing Department

Empowering customers to choose for themselves through brand communication and website design

Ikeno: Upon launching Term Cancer, we considered it essential not merely to deliver the product but to promote an understanding of cancer and the necessity of coverage. Therefore, we conducted a survey of cancer survivors to bring to light their pressing concerns regarding treatment costs and anxieties. By widely disseminating these results, we focus on arousing social awareness and providing accurate information, while also posting them on our website to support customers in making informed, confident considerations. Precisely because we are an online life insurer, we aim to swiftly and accurately deliver empathetic information and insights learned from financial planners who consider coverage from the customer's perspective, realizing a stress-free insurance experience. We will push forward to become a company that stimulates society beyond the boundaries of insurance.

Kawamoto: Upon launching the new products, we dedicated our efforts to designing user pathways that accommodate the expanded product lineup, in addition to intuitive operability and clear information provision that make it easier for customers to consider their options. On the web page tailored for women, we made it easier to compare medical and cancer insurance and introduced actual payment examples. Furthermore, we maintain a customer-centric perspective down to the details, such as using gentle color schemes to ease cancer-specific anxieties and providing illustrations of our sincere design where "no premiums are required for the three months before coverage begins." Going forward, we will continue building unwavering trust with our customers by delivering a consistent experience that conveys our sincere approach.

Embedded

Individual life insurance (partner)

Junpei Yokozawa
President and Representative Director
Partner Business Department,
IT Strategy Department,
Information Systems Planning Department,
Information Systems Operations Department

Executive interview

Leveraging Accumulated Expertise to Deliver the "Ultimate Insurance Experience" with Our Partners

Embedded serves as an accelerator to deliver the "Ultimate Insurance Experience," refined through Tech & Services and Rebranding, to the broader society through the vast customer bases of our partner companies. By seamlessly integrating insurance into our partners' services, we provide value to customer segments that are difficult to reach independently. This area consists of two pillars: the individual life insurance business and the group credit life insurance (GCL) business, which supports mortgage loan borrowers. Here, we focus on the strategy of the individual life insurance business, which made significant progress in fiscal 2025.

Expansion of digital ecosystems and the shift to seamless experiences

As consumer behavior shifts toward completing transactions within familiar applications, the trend of integrating diverse services, including finance, into digital ecosystems is strengthening further. Capturing these changes in the market environment, providing a seamless insurance experience integrated with our partners' UI/UX will be more crucial than ever in the future.

Rebuilding marketing by leveraging customer base analysis and solid results

Keeping this future vision in sight, fiscal 2025 was a turning point for growth, during which we rebuilt our complex business by returning to a simple equation of customer inflow and conversion rate. We thoroughly analyzed the customer bases of our partners, taking accurate approaches that capture the timing when the need for insurance increases in customers' lives, and redesigned our product introduction pages and quotation sites to deepen understanding. As a result of steadily repeating this PDCA cycle, our business performance showed strong growth toward the second half of the fiscal year, building solid growth momentum for the next fiscal year.

Maximizing co-created value with partners and scaling up

The partnership we aim for is not simply about maximizing sales. By providing our digital technologies and expertise as an online life insurer to partner companies whose core business is not insurance, we aim to contribute to improving customer engagement within their digital ecosystems. Our top priority going forward is to refine our partnerships to support customers in making informed, confident choices while agilely responding to the latest regulatory changes. Building on this, we will establish a structure that allows us to rapidly roll out specific success cases to diverse partners, both existing and new, to further scale our business.

Creating the future together with partners

From fiscal 2026, we will advance this embedded model from creating customer touchpoints to the next stage of providing more in-depth experiences. We challenge ourselves to continuously refine the insurance experience within our partners' services, transforming stress-free insurance selection into the new standard. To achieve our mid-term business plan, we will deliver the ultimate experience to our customers together with our partners and open a new future for insurance.

Embedded

Initiatives in fiscal 2025

Co-creating Insurance that Blends into Daily Life with the KDDI Group

In fiscal 2025, our partnership with the KDDI Group marked a turning point, advancing our collaboration to the next level. Through continuous dialogue, from the second half of the year, we restructured our marketing methods to go beyond simply introducing products on the platform, to deliver guidance tailored to each customer's lifestyle and circumstances, while giving full consideration to their privacy. We collaborated closely with the development teams of major apps, including payment services, to implement an approach that enables customers to naturally recognize and comfortably consider insurance during their daily use of services.

Specifically, we analyzed user pathways and usage trends on the apps, meticulously adjusting the placement and the timing of our guidance. Furthermore, to help customers deepen their understanding and enhance confidence in their choices, we thoroughly redesigned our website. Thanks to these precise approaches and building confidence, various indicators have shown an improving trend.

In addition, coinciding with the launch of the new cancer insurance products in December, we undertook initiatives leveraging the group's multifaceted customer touchpoints. Here, instead of uniform guidance, we thoroughly implemented communication that proposes coverage potentially matching their needs, tailored to each customer's interests and consideration status. As a result, our services became widely known even to those with whom we previously had no contact, and more customers than initially expected chose our products. This successful experience is more than just a quantitative achievement; it provides solid confirmation that we have created an experience where we are chosen together with our partner.

Initiatives with the KDDI Group

Accumulation of dialogue beyond corporate boundaries

- Appropriate approaches based on usage trends
- Website design that deepens customer understanding and confidence

COMMENT

Yohei Sato
Manager,
Partner Business Department

Shusuke Nakajima
Partner Business Department

Refining customer convenience through cross-company trust and commitment to detail

Sato: My mission was to evolve our relationship with the KDDI team beyond the framework of an insurance agent and an insurance company, into a single team that mutually supports customers' lives. In fiscal 2025, we held numerous discussions from the perspective of how to enhance the value of their entire platform. By sharing our expertise and jointly pursuing customer convenience, I feel we have built a trusting relationship where we can help each other across corporate boundaries. Precisely because of this strong partnership, we can deliver seamless services without confusing customers. This realization is a major driving force for us.

Nakajima: As the person in charge of on-site operations, I focused on resolving each point of hesitation for customers navigating the app. Customers' reactions change surprisingly with even slight differences in button placement or wording. The process of facing the data and repeatedly making improvements side-by-side with our partner's representatives required very careful, step-by-step effort. However, it was a great joy when we could tangibly feel the customers' response in the form of an improved application completion rate. Going forward, I want to continue refining the experience, valuing a commitment to details that stay close to our customers.

Embedded

Group credit life insurance (GCL)

Kaoru Katada
Senior Executive Officer
Creditor Insurance Business Department,
Human Resources & General Affairs Department

Executive interview

Expanding Partnership and Foundations to Build Another Pillar of Sustainable Growth

The group credit life insurance (GCL) business plays a vital role in Embedded, an initiative where we leverage the brand power and customer bases of our partner companies to deliver the values of the LIFENET Manifesto—"Sincere, Easy-to-understand, Affordable and Convenient"— to a broader range of customers. We strive to deliver these values through digital technology at major life milestones, such as purchasing a home. Rather than simply waiting for customers to visit Lifenet's website, our approach is akin to opening a virtual branch right beside our customers as their life stages change. For our partner financial institutions, we help enhance the competitiveness of their mortgage and other businesses, while driving digital transformation (DX) to reduce administrative burdens and elevate customer experience. For borrowers (the insured customers), we create an environment where they can smoothly gain great peace of mind, even within the limited timeframe of the mortgage application process. By seamlessly embedding peace of mind into partner financial institutions' services, we will continue to provide unprecedented convenience and value.

Shifting to an environment of rising interest rates and the importance of coverage and digitalization

The mortgage market is at a historic turning point, shifting from years of low interest rates to an environment of rising interest rates. While this shift leads to stricter scrutiny of interest costs, disease coverage—such as cancer coverage—that alleviates anxiety surrounding a major home purchase continues to be valued as a critical element alongside interest rates. Amid growing expectations for digitalization, such as fully online processes, the key to remaining the partner of choice lies in achieving a high-level balance among interest rates, coverage, and superior convenience.

Deepening existing partnerships and expanding beyond the group

Fiscal 2025 marked a major turning point for future business expansion, while further deepening ties with existing partners. With au Jibun Bank Corporation, a KDDI Group financial institution that has been our partner since the launch of GCL, we have focused on refining services to enhance customer convenience. Furthermore, in November 2025, we announced a business alliance with THE KYOTO SHINKIN BANK, securing our first partner bank outside our existing alliance groups. This is a symbolic milestone demonstrating that our GCL products and services can be expanded to a wide variety of financial institutions, giving us confidence in achieving sustainable growth.

Strengthening foundation and expanding business for further growth

To achieve further growth, we will establish a scalable framework and agile operations to accelerate partnerships with diverse financial institutions by making our system infrastructure versatile and developing our organizational structure. Toward achieving our targets for the end of fiscal 2028, we will enhance our presence as a pillar of growth alongside the individual life insurance business by balancing scale expansion through new partner development with the deepening of existing relationships. As the executive officer in charge, I will continue to take on challenges with integrity, working as one team with our partners to deliver the "Ultimate Insurance Experience" through mortgages and other services to as many customers as possible.

Embedded

Initiatives in fiscal 2025

Business Alliance with THE KYOTO SHINKIN BANK: Launching GCL in July 2026

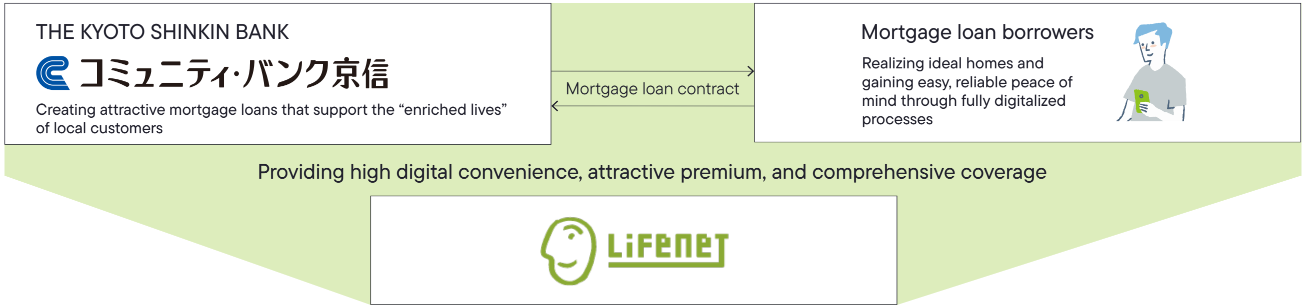
In November 2025, we announced a business alliance for GCL with THE KYOTO SHINKIN BANK. This marked our first partnership extending beyond the framework of our existing alliance partner, the KDDI Group. For our GCL business, which has grown alongside au Jibun Bank Corporation, a KDDI Group financial institution, this initiative symbolizes a transition to a new stage of expanding partnerships based on the competitiveness of our products and services.

THE KYOTO SHINKIN BANK is a frontrunner in regional finance, known for its forward-looking initiatives while valuing tradition. This alliance was realized because the bank's commitment to "affluent lifestyles, enhanced corporate value, and the formation of a socially good regional society and rich communities" resonated with the LIFENET Manifesto—"Sincere, Easy-to-understand, Affordable and Convenient."

Through this alliance, customers considering mortgage loans at THE KYOTO SHINKIN BANK can now easily complete GCL procedures via smartphones or PCs. By combining such high digital convenience with attractive premium rates and comprehensive coverage, we will support the bank on multiple fronts to strengthen the competitiveness of its mortgage business.

This initiative demonstrates that our GCL business model is not limited to specific corporate groups, but can adapt and deliver value to diverse financial institutions nationwide. Starting with this milestone, we will accelerate the creation of new customer experiences in the mortgage market together with partners across Japan.

Provision of GCL to THE KYOTO SHINKIN BANK



C O M M E N T

Nami Kato
Senior Manager,
Creditor Insurance
Business Department

Kinya Kojima
Senior Sales Manager,
Creditor Insurance
Business Department

Responding to partners' feedback leading to reliability for customers beyond. A relay connecting trust to practical operations

Kojima: We are leveraging the strengths of our individual life insurance business to promote GCL partner development through an "All-Lifenet" approach. By visiting financial institutions nationwide in person and gaining a deep understanding of their mortgage outlooks and challenges, we explore how we can contribute as an insurance company. Although we are an online life insurer, we highly value steady dialogue and a hands-on approach. In our alliance with THE KYOTO SHINKIN BANK, we built solid trust by promptly proposing optimal solutions tailored to their requests. Moving forward, we will continue to engage in sincere dialogue and expand the circle of partnerships nationwide to support the peace of mind of customers taking out mortgages.

Kato: My role is to build an operational foundation that achieves a high-level balance between "flexible customization" tailored to our partners and "swift, stable operations". Going forward, we will implement improvements reflecting feedback from partners and customers, aiming to establish a framework that delivers peace of mind and convenience to more customers. In addition, we will proactively take on the challenge of providing new services that pursue Lifenet's unique added value, strongly driving business growth from an operational perspective.

Lifenetter Talk

Re-accelerating Growth through In-house Web Advertising

Kei Watanabe
Head of the Marketing Department

Profile
Joined in February 2024. After gaining extensive experience in direct marketing within the cosmetics and education industries, sought a career change to work in an environment where individual results directly drive corporate performance. Joined Lifenet after resonating with its corporate philosophy of deeply valuing customers. Has served as Head of the Marketing Department since April 2025.

Riku Harayama
Marketing Department

Profile
Joined in August 2025. In his previous role at a web advertising agency, handled a wide range of responsibilities from creative production, operations, and reporting to frontline client sales. Joined Lifenet, the leading online life insurer, out of a strong desire to deeply engage with the core business challenges on the client side.

At Lifenet, young employees took the lead in launching the in-housing of our web advertising operations in October 2025. This initiative was driven by our determination to accumulate in-house marketing capabilities rooted in a deep understanding of our customers. Our small team's challenge was empowered by the utilization of AI and cross-departmental collaboration. We sat down with Kei Watanabe, who leads the Marketing Department, and Riku Harayama, who played a central role in hands-on operations, to discuss the objectives, outcomes, and future outlook of this in-housing initiative.

Taking control of advertising operations with customer understanding as the starting point

Could you explain the background behind the decision to in-house web advertising operations?

Watanabe: To accelerate our growth speed to the next level across the entire company, we felt it was necessary to re-evaluate the way the Marketing Department manages advertising operations. Historically, our customer acquisition approach primarily centered on TV commercials. However, we recognized that we needed to further promote a diverse media mix that incorporates online channels.

While we do have talent skilled in digital marketing within the company, many employees joined us from other industries outside the insurance sector. Therefore, there was room to further enhance the quality of our advertising by deepening our customer understanding regarding what kind of messages resonate with customers who need insurance. Furthermore, relying entirely on outsourcing to external advertising agencies under those circumstances limited our ability to run high-quality advertising operations with agility, and we began to feel the constraints of that model. We believed it was essential to understand our customers firsthand, manage advertisements ourselves, and retain that experience within the organization as a core marketing capability. Although the in-housing transition was fully implemented in October 2025, the actual decision to move forward was made just three to four months prior. It was a project executed over a very short timeframe.

Harayama: Shortly after joining the company, I joined the in-housing project alongside another young colleague. Drawing from my experience at my previous job with a web advertising agency, I felt that Lifenet's digital marketing still possessed significant room for growth.

Lifenetter Talk

Leveraging AI to enable in-housing with a small team

How exactly was AI utilized in this project?

Harayama: Basically, we in-housed everything related to web advertising. A team of just a few members took over operations previously handled by an external agency, including creating advertising frameworks, planning, effectiveness measurement, ad trafficking and delivery, and reporting. Since the volume of work was immensely large, a lack of resources was a major concern.

Among these tasks, I felt a particularly heavy responsibility for reporting. On the front lines, advertising results and figures are visible in highly specific detail, but the granularity of information seen at the management layer is vastly different. Bridging this gap took more time than expected. Therefore, we had AI format the current advertising status, our front-line situational awareness, and our ideas for next steps into a report. This enabled us to report to executive management with a strong sense of speed.

In addition, what I was particularly conscious of during the in-housing process was converting all of our thoughts, operational details, plans, and things we wanted to try into text. By training the AI on this text to align closely with our way of thinking, we believed we could make more processes efficient.

Watanabe: Having an existing foundation for AI utilization within the company was a significant advantage. We have a department called the Data & AI Promotion Office (currently the Data & AI Transformation Department), which independently developed and built an internal LLM for document proofreading in 2024, promoting its use company-wide. In in-housing advertising, we had to take full responsibility for operations that were previously supported by numerous agency representatives. To achieve this, we needed an overwhelming boost in productivity, so we had members from the Data & AI Promotion Department join the web in-housing team. I believe that connecting the marketing front lines with data analysis expertise across departmental boundaries led to agile and speedy in-housing.

Supporting over 20% growth in individual life insurance performance

What kind of outcomes did you achieve through in-housing?

Watanabe: This fiscal year, we were tasked with achieving individual policy targets through both policy growth and efficiency improvements, and we were able to accomplish both simultaneously. In-housing increased both the speed and accuracy of our analysis, allowing us to make investment decisions for web advertising with much higher resolution than before.

Harayama: What I personally feel we improved the most was the KPI framework. Previously, our understanding of KPIs for each advertising medium was somewhat ambiguous. Upon in-housing, we reviewed our goal settings and evaluation methods for each medium to clarify the metrics we should pursue. As a result, we curbed areas of over-investment, and in some cases, we significantly reduced operating expenses without dropping the number of applications. Budget efficiency allowed us to reallocate those savings to other initiatives, which enhanced our overall performance.

Watanabe: The critical factor is not simply increasing the number of customers visiting our website, but rather "which customer segments we invite to get price quotes." By managing operations ourselves, we became capable of making decisions rooted in a deep understanding of our customers. I believe that was the true significance of in-housing. Initially, there were concerns regarding the sudden shift to in-housing, but we delivered excellent results. Harayama was even selected for an internal award, and everyone celebrated the achievement.

Harayama: Before we began, I thought it would be a high-risk, high-reward battle, but we were safely able to secure the rewards.

Trust born from high-frequency communication

What was the reason you were able to move the in-housing process forward in a positive manner?

Watanabe: I believe it was high-frequency communication. There were times when we couldn't secure sufficient meeting time, but I asked team members to share everything via chat—business matters, industry updates, and sometimes even casual small talk. By doing so, even if face-to-face time was limited, we could naturally sense what others were thinking. Because everyone understood the context of our considerations, it accelerated our decision-making.

Harayama: The environment in the Marketing Department makes me feel a great sense of respect for the advertising operations I handle; whenever I ask, "Can I try this?" they almost always give me the green light. However, they aren't just rubber-stamping proposals; if anything seems unnatural, they provide solid feedback. Even if we fail, the culture ensures that responsibility isn't pinned on an individual but is embraced collectively by the team, which served as a massive source of emotional support for me.

Transforming the in-housing experience into further organizational capability

How do you intend to develop this initiative going forward?

Watanabe: Going forward, I believe the most critical challenge is how to transform in-housing into an organizational capability. Currently, we have Harayama, who built the in-housing framework, but it defeats the purpose if operations become dependent on a single individual again. It is essential to institutionalize this as an organizational strength so that it remains reproducible over time.

Harayama: There are still many things we want to do and must do at Lifenet. Within that context, training team members to "enhance organizational capability" is absolutely essential for our future. We have begun taking step-by-step initiatives, such as setting up dashboards so that everyone can understand the advertising metrics, and having other members gain experience by taking over parts of the operations.

Watanabe: How we continue to leverage AI will also become increasingly critical. We need to clearly differentiate between tasks that can be delegated to AI and areas where humans must continuously engage as core operations. I believe this web advertising in-housing initiative serves as an excellent case study for AI utilization. We hope to expand these insights beyond the Marketing Department and spread them company-wide.

05

Human Resources Strategy

In "Human Resources Strategy" section, we introduce our human capital investments and initiatives, which serve as the source of sustainable value creation and support the execution of all strategies. We present the overall picture of our human resources strategy linked to the mid-term business plan, along with our progress in creating an environment where employees from diverse backgrounds can maximize their potential. We also convey our stance on strengthening organizational capabilities to continue taking on challenges without fear of change, such as improving engagement and developing next-generation leaders.

Human Resources Strategy

Tomoyuki Yamauchi

Head of the Human Resources & General Affairs Department
Secretariat of the Nomination and Compensation Committee

Profile

After engaging in network design and construction for a major city bank at an SIer (System Integrator) for eight years, joined Lifenet in August 2024. In the Information Systems Operations Department, involved in the cloud lift of insurance service infrastructure and improving workstyles through internal IT modernization, subsequently becoming the head of the department. Leveraging his background as an engineer and frontline management experience, has been leading our human resources strategy and human capital management as Head of the Human Resources & General Affairs Department since 2025.

Message from Head of the Human Resources & General Affairs Department

Toward an Organization that Enjoys Change and Generates Co-creation and Empathy: A Human Resources Strategy to Deliver the “Ultimate Insurance Experience”

With the emergence and widespread adoption of technologies such as the Individual Number System and AI, the era has arrived where we, as an online life insurance company, can deliver an unprecedented “Ultimate Insurance Experience” to our customers. Furthermore, with a compact team of approximately 240 employees, our company retains the aspects of a venture enterprise, which we believe makes our organization well-suited for an era of rapid social change. To firmly seize this opportunity, it is essential to lead the organization through our human resources strategy and link the results to business growth.

Therefore, when linking the priority areas of our management strategy with our human resources strategy, building the following type of organization becomes vital:

Tech & Services
Using technology and expertise as core strengths to deliver the “Ultimate Insurance Experience,” increasing talent with a flexible mindset, and being an organization that can find genuine enjoyment in change.

Rebranding
Appropriately delivering our story and the underlying philosophy of the LIFENET Manifesto to foster a sense of empathy.

Embedded
As the formation of financial ecosystems progresses, being an organization with the co-creative power to build relationships of trust with partner companies and generate robust synergies.

To realize such an organization, we are promoting a human resources strategy in our mid-term business plan. At the beginning of the mid-term business plan, amid the diversification of workstyles due to the COVID-19 pandemic and other factors, along with the impact of an increasing headcount, fostering a sense of unity to generate cross-organizational outcomes and ensuring psychological safety were key challenges. Therefore, we focused on establishing cross-organizational promotional structures, fostering a culture of sharing know-how, and providing frequent communication opportunities.

Moving forward, with the established psychological safety as a baseline, we will further encourage employees to confidently step out of their comfort zones and provide a growth environment that supports autonomous career development. In addition, while building a talent portfolio characterized by diversity and advanced expertise, we will deepen an organizational culture where each and every individual can truly feel the meaning of working at our company.

Our long-term goal is to become an organization like a professional soccer team that can flexibly change formations and tactics in response to changing situations. While each individual possesses high expertise, we will promote reforms toward a strong organization where members autonomously collaborate based on a shared understanding of strategy to deliver their best performance.

Even after 18 years of history, we wish to retain a select, high-caliber venture spirit, maintaining a culture where everyone continuously asks, “What would I do if I were the manager?” and proactively exchanges ideas. As the leading online life insurer shaping the future of life insurance, we will continue to deliver the “Ultimate Insurance Experience” to our customers. We will realize the organization that serves as the driving force behind this through our human resources strategy.

Introduction
The Future We Envision
Mid-term business plan
Progress of the mid-term business plan
Human Resources Strategy
Sustainability
Data

Human Resources Strategy in the Mid-term Business Plan

In today's unpredictable and rapidly changing society, the themes of human resources strategy for the realization of our Manifesto are continuously changing in response to changing environmental factors. During the first phase of the mid-term business plan, following the COVID-19 pandemic, the theme was "expanding the organization and building a company-wide promotion framework." In the second phase, the theme has shifted to "talent portfolio optimization and employee growth."

	FY2024–FY2025	FY2026–FY2028
External environment and social factors	- Increase in demand for protection-oriented life insurance during the pandemic and subsequent slowdown in demand - The "redefinition of work styles" gained traction across society	- Business models evolved due to AI and other technologies - Heightened expectations for corporate value enhancement through human resources investments resulting from human capital disclosures and revision of the Corporate Governance Code in Japan - Growing difficulty in securing job-ready talent resulting from the intensification of competition in the recruitment market
Company situation and management issues	- Entered a phase requiring qualitative changes as well as quantitative expansion. To address solutions to management issues, identification of priority areas and their promotion across the entire organization became an urgent priority - Due to expansion of scale, approximately half of our workforce joined the Company during or after the pandemic. Insufficient seating capacity meant it became impossible for the office to accommodate all employees at the same time - Work-from-home and staff increases led to insufficient communication volume. A decline in "psychological safety," which is the foundation of healthy disagreement, emerged as an issue	- Re-entered a phase of "quantitative expansion" amid advancement of efforts toward qualitative transformation. Strengthening the next-generation organizational foundation has become essential to support a new stage of growth - Specialist professionals who will drive business and cross-organizational projects and young talent who have the values of the child-rearing generation have become increasingly important. Need to secure such talent and build educational frameworks to support their growth - Enhancing employees' motivation to contribute and strengthening organizational cohesion have become key challenges for the enhancement of corporate value

Human resources strategy	Themes of initiatives in the mid-term business plan phases (FY2024–FY2025)	(FY2026–FY2028)	Non-financial targets of the mid-term business plan P. 20
1 Advance transition to an organizational structure designed to focus efforts on priority areas P. 43	Establish a company-wide framework for promotion of priority areas	Optimize talent portfolio and revise personnel systems	Ratio of decision-makers Women: **30%+** 30s or younger: **15%+**
	With a collaborative framework that transcends departmental boundaries as a foundation, combine the expertise of highly specialized professionals with the customer perspectives of the child-rearing generation to build an optimal talent portfolio capable of responding to market needs. At the same time, leverage system revisions to draw out individuals' motivation to contribute and aim to be an organization that maximizes value creation.		
2 Create a virtuous cycle of employee growth and business growth P. 44	Foster a culture of knowledge sharing and build the foundations for human resources development	Improve productivity and create next-generation leaders	Employee engagement score (Growth) **Continuous improvement**
	Leveraging the fundamental organizational capabilities that have been strengthened through a culture of knowledge sharing and enhanced training, promote the delegation of responsibilities to foster the growth of younger employees and encourage experienced employees to shift to higher value-added work. Through this virtuous cycle, aim to improve productivity and create next-generation leaders.		
3 Maintain and strengthen an organizational culture based on the Manifesto P. 45	Ensure mutual understanding and psychological safety	Bring together organizational cohesion and encourage voluntary value creation	Employee engagement score (Overall) **Continuous improvement**
	Based on a foundation of psychological safety, further enhance the cohesive ability of the Manifesto through dialogue and praise. Aim to foster a proactive organizational culture in which every individual voluntarily creates value.		

Human Resources Strategy in the Mid-term Business Plan

1

Advancing the transition to an organizational structure designed to focus efforts on priority areas

Background and challenges

While rapid and flexible responses were required to achieve the mid-term business plan, accelerated recruitment during the COVID-19 pandemic and the expansion of remote work led to departmental siloing and local optimization, resulting in a decline in company-wide organizational capabilities—a major challenge for the Company.

Now in the middle phase of the mid-term business plan, intensifying competition in the recruitment market makes it difficult to continue relying solely on experienced professionals. Consequently, there is an increasing risk that delays in securing timely talent will become a bottleneck for business growth. Furthermore, we anticipate imbalances in our talent portfolio driven by the rising average age of employees, as well as organizational rigidity.

Initiative 1: Enhancing organizational frameworks to drive strategic execution

To address business challenges on a cross-organizational basis, we have established a framework where executive officers demonstrate leadership as priority area owners. Under this framework, commonly referred to as the Tate-Yoko (matrix-style) teams, we are implementing the following initiatives in parallel to enhance strategic effectiveness:

- Developing systems and organizational structures through agile restructuring and reassignments
- Fostering awareness and cultural integration by sharing progress at company-wide meetings

Initiative 2: Reforming HR systems and compensation to encourage new challenges

We updated our evaluation and compensation systems to fairly reward employee contributions and growth. This fosters a strong sense of satisfaction and a commitment to thriving at Lifenet. To support continuous personal challenges and development, we are driving the following reforms:

- Enhancing the transparency of compensation rules: Disclosed previously confidential pay bands for each grade and salary increase rules upon promotion, thereby improving system transparency
- Promoting development and advancement for mid-level employees: Redefined grades and expected roles to foster mid-level managers and secure promotion opportunities
- Improving compensation levels: Raised the level of salary bands company-wide
- Introducing salary bands for specific job categories: Established dedicated pay scales aligned with external market rates to secure highly specialized professionals

Initiative 3: Securing diverse talent centered on customer perspectives

We shifted our hiring strategy from relying heavily on experienced talent to diversifying our talent portfolio. This shift aims to address evolving customer needs driven by changing times and environments, and to strengthen our capability to drive priority areas. Specifically, we will reinforce recruitment along two main pillars:

- Recruiting highly specialized professionals: Securing highly skilled experts to strongly drive specific business areas
- Strengthening early-career recruitment: Securing next-generation talent, including new graduates and other early-career professionals, to support sustainable growth

Example of a key initiative

Company-wide meetings

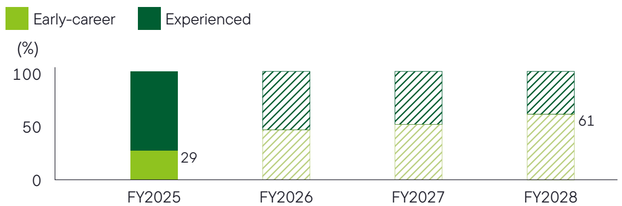
Executive officers and employees gather together to share management strategies. These meetings were held five times in fiscal 2025.

Employee feedback

- It is valuable to have opportunities to hear explanations of our vision and current situation directly from management.
- I would like more opportunities for open, two-way dialogue to discuss matters candidly with management.
- I want to hear more details about our current challenges so that we can better consider what to do next.

Results and targets for early-career and experienced hiring

We plan to expand the ratio of early-career hires from approximately 30% in fiscal 2025 to over 60% in fiscal 2028.



(persons)	Actual	Targets		
	FY2025	FY2026	FY2027	FY2028
Experienced	17	20	16	15
Early-career	7	17	18	23
Total	24	37	34	38

Introduction
The Future We Envision
Mid-term business plan
Progress of the mid-term business plan
Human Resources Strategy
Sustainability
Data

Human Resources Strategy in the Mid-term Business Plan

2

Create a virtuous cycle of employee growth and business growth

Background and challenges

In operating an organization with a select, high-caliber team, mid-career hiring focused on job-ready talent is effective for rapidly generating results. On the other hand, it naturally leads to operations becoming dependent on particular individuals.

Looking ahead to further business growth and organizational expansion, building a foundation that achieves both "reproducible business execution as an organization" and the "development of younger employees" is essential.

If tacit knowledge and management know-how remain confined within individuals, there are concerns that it may lead to a slowdown in the growth of both employees and the business.

Initiative 1: Knowledge sharing and standardization

To eliminate individual dependency and build a foundation for human resources development, we are advancing initiatives to transform tacit knowledge into organizational assets. To foster a culture where employees voluntarily learn from one another, we are promoting the following measures:

- Standardization of operations and conversion of tacit knowledge into explicit knowledge: Reviewing operational processes to promote turning previously individual-dependent tasks into organizational knowledge.
- Timely information dissemination: Integrating our portal site, company-wide morning assemblies, and internal social media to invigorate information sharing within the organization.
- Regular peer learning sessions: Establishing a framework where employees serve as instructors to share practical frontline insights with their colleagues.

Initiative 2: Development and management foundation supporting autonomous growth

In anticipation of an expanding workforce of young talent, we are strengthening our framework to balance daily business execution with employee development. To support employees in taking on autonomous challenges and achieving growth, we are promoting the following initiatives and operational improvements:

- Expansion of level-specific and theme-specific training: Conducting "portable skills training" that employees can select based on their needs, as well as "management training using a common language" targeting non-managerial employees as well.
- Multifaceted management support: Encouraging individual growth from multiple angles through 1-on-1 Interviews and "Lighthouse" (360-degree evaluation).
- Technology utilization and standardization of methodologies (Future plans): Enhancing the development foundation through operational improvements, such as leveraging AI in goal setting and standardizing 1-on-1 dialogue methodologies.

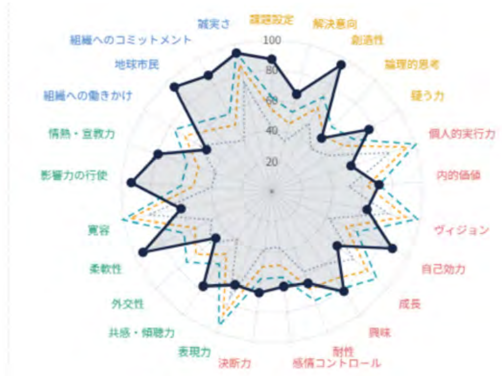
Initiative 3: Improving productivity and elevating talent capabilities through opportunities for taking on challenges

In line with the expansion of young talent, we will promote the delegation of tasks that were previously prone to individual dependency to younger employees. At the same time, we will encourage experienced staff (mid-level and veteran employees) whose tasks have been unbundled to shift toward higher value-added operations with greater complexity. Through these efforts, we will raise overall organizational productivity and drive sustainable elevation of talent capabilities.

Example of a key initiative

360-degree evaluation

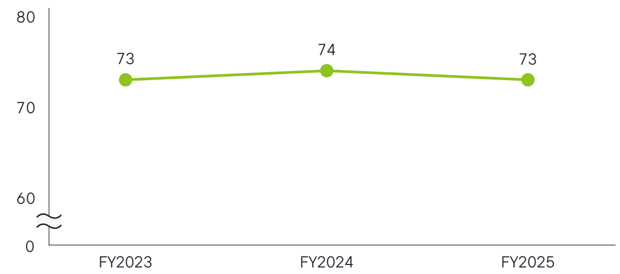
Targeting all officers and employees, this initiative enables individuals to recognize and reflect on their respective competencies, linking these insights to future actions.



Performance related to growth and development

Employee engagement score (Support)*

To ensure expanding growth opportunities lead to actual growth, we will strengthen our support framework to enhance individual potential.



* The Employee Engagement Score is a numerical metric calculated from engagement surveys that visualize the state of each employee and the organization, with a maximum score of 100. This metric represents the score for items related to support.

Human Resources Strategy in the Mid-term Business Plan

3

Maintaining and strengthening an organizational culture based on the Manifesto

Background and challenges

Driven by the growth of our individual life insurance business and expansion into the group credit life insurance (GCL) business, the Company has expanded rapidly, with our workforce growing approximately 1.5 times over the past five years. On the other hand, with nearly half of our employees joining during or after the COVID-19 pandemic, the spread of remote work physically limited opportunities for face-to-face communication.

As a result, it became difficult to build mutual understanding of individual personalities and backgrounds. This led to a decline in psychological safety, which is a critical foundation for engaging in "healthy disagreement" where employees can express their candid opinions. In addition, employee awareness increasingly became confined to individual roles (departmental siloing). These challenges are deeply linked to those addressed in "Human Resources Strategy 1: Advancing the transition to an organizational structure designed to focus efforts on priority areas."

Initiative 1: Improving psychological safety and engagement

We maintain a continuous improvement cycle by identifying issues through regular engagement surveys and reflecting them in specific improvement measures. As part of this effort, we are driving the following initiatives to remove physical barriers to face-to-face communication and deepen mutual understanding:

- Relocating the head office: Revitalizing face-to-face communication and culture sharing
- Hosting internal events: Providing opportunities for mutual understanding across departments through regular events such as random lunches

Initiative 2: Fostering a culture of challenge and recognition

We aim to build an organization where employees feel empowered to take on challenges without fear of failure. We have established frameworks that encourage a challenging mindset, alongside multi-layered recognition programs to acknowledge daily efforts:

- New business competition "Doors": Providing opportunities to bring ideas to fruition and inspiring a company-wide culture of taking on challenges
- Internal recognition "LIFENET Award": Recognizing employees who embody our core "Lifenetter Values" company-wide to enhance motivation and clarify shared goals
- Introducing peer bonuses: Enabling members to give real-time recognition and express daily gratitude to one another

Initiative 3: Embedding values and fostering unity

To align our expanding organization toward shared goals, we are actively instilling our "Lifenetter Values" established in 2024. We foster a sense of unity by linking these values with daily operations.

- Integration into performance evaluations: Reflecting core values in the evaluation system as behavioral guidelines
- Linkage with peer bonuses: Linking Lifenetter Values with peer recognition to promote daily practice and embedding of core values
- Sharing at company-wide morning assemblies: Introducing excellent actions that embody our values to the entire company to establish a culture of recognition

Example of a key initiative

"Doors," an internal competition

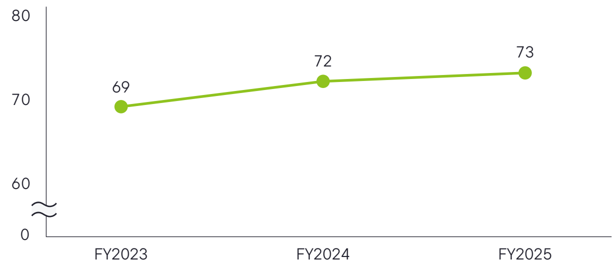
Since 2023, we have held the internal business competition "Doors" to encourage employee challenge and innovation. Our reinsurance business was born from this initiative. A bottom-up proposal from an employee moved management to action, leading to its launch as a new business. A culture that supports challenges is yielding concrete results.

Employee interview: The journey to launching the reinsurance business born from "Doors"

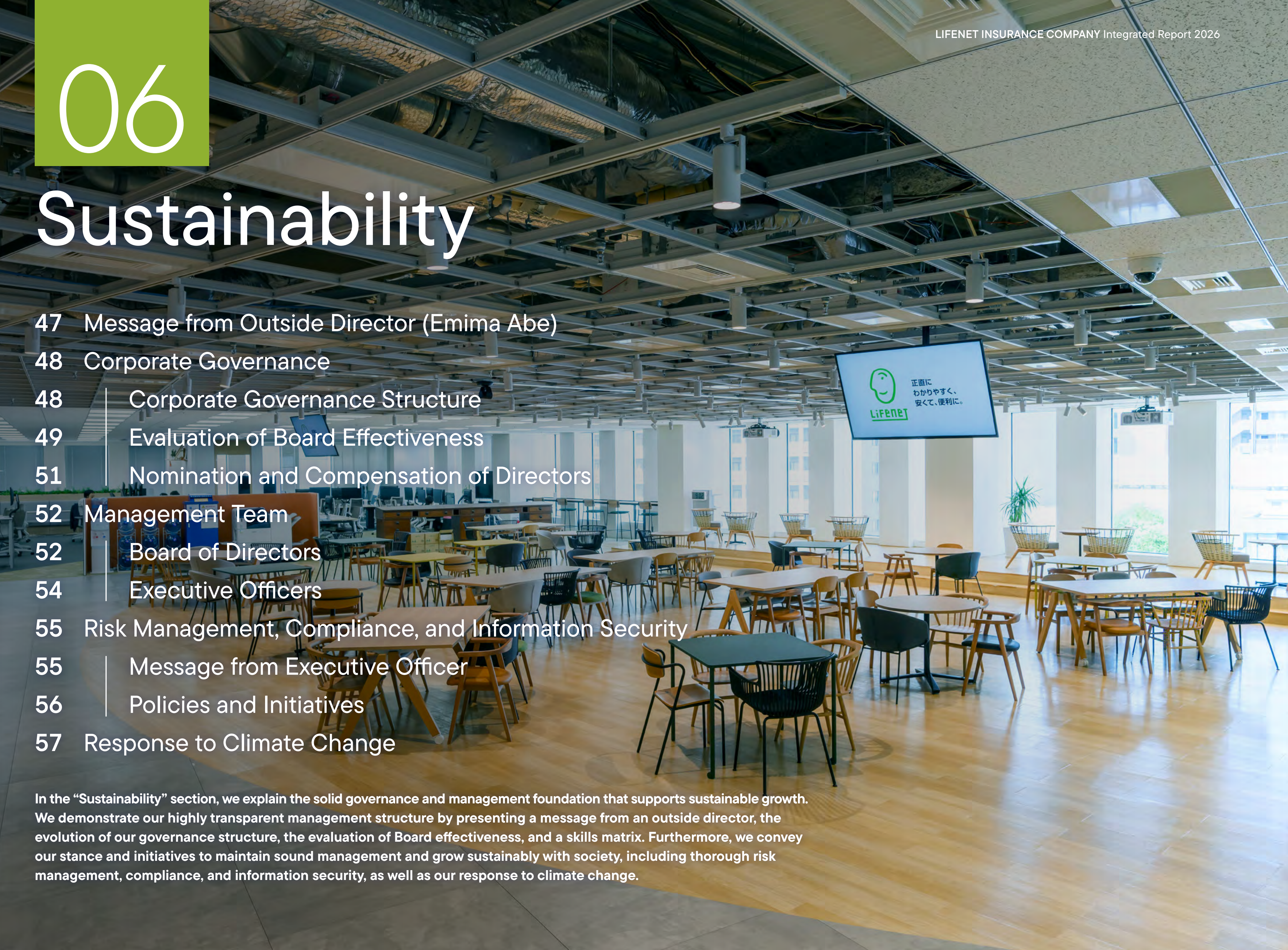
Progress in building a culture of challenge

Employee engagement score (Culture of challenge)*

We will further strengthen a culture that recognizes the act of taking on a challenge, regardless of the outcome.



* The employee engagement score is a value calculated from an engagement survey that visualizes the state of each employee and the organization, with a maximum value of 100. This metric is the score for items related to a culture of challenge.



06 Sustainability

In the "Sustainability" section, we explain the solid governance and management foundation that supports sustainable growth. We demonstrate our highly transparent management structure by presenting a message from an outside director, the evolution of our governance structure, the evaluation of Board effectiveness, and a skills matrix. Furthermore, we convey our stance and initiatives to maintain sound management and grow sustainably with society, including thorough risk management, compliance, and information security, as well as our response to climate change.

Message from Outside Director

Proactive Governance for Next-Stage Growth

Emima Abe

Outside Director
Audit and Supervisory Committee Member

Chairperson of the Audit and Supervisory Committee
Nomination and Compensation Committee Member

Profile

After gaining practical experience in sales at a commercial enterprise, she transitioned to a career as a lawyer. After engaging in legal affairs and corporate planning as an in-house counsel, she served as an outside director at multiple companies. She has served as Outside Director of Lifenet since June 2023.

Evolving discussions guided by the LIFENET Manifesto

This marks my fourth year since assuming office as an outside director, and I truly feel that our Board of Directors has undergone further evolution in terms of its effectiveness. I observe that open, vibrant, and constructive discussions are being held while maintaining an appropriate sense of tension toward the executive side. Outside directors always keep a macro perspective in mind, casting questions that cut to the core—not just limited to the pros and cons of individual measures, but asking, “Is this measure aligned with our LIFENET Manifesto?” and “Will this lead to the enhancement of corporate value over the medium to long term?”

In addition to the Board of Directors, opportunities for Outside Directors’ Meetings and off-agenda discussions are provided. The Outside Directors’ Meeting, which commenced a year ago, allows us to discuss in greater depth points that could not be fully reviewed or themes we wish to deepen, thereby accelerating the PDCA cycle for improvement. Furthermore, the off-agenda discussions at the Board of Directors, newly established in fiscal 2024, have achieved highly effective operations where the executive side and outside directors discuss the medium- to long-term future on an equal footing. Here, lively discussions take place on themes that are difficult to handle during regular Board of Directors meetings, such as M&A concepts and the optimization of the shareholder structure.

Supporting these fruitful discussions is the strong commitment of the Secretariat. They ensure that the Board of Directors functions as a forum for substantive debate through considerate arrangements, such as conducting individual pre-briefings for each outside director and sharing the questions raised during those sessions. Thanks to this meticulous process, we can dive into discussions that touch upon the core from the very beginning on the day of the meeting, without having to spend time confirming premises.

Practicing proactive governance

As important decisions followed one another including the share transfer of our subsidiary, LIFENET MIRAI Inc. (resulting in its deconsolidation), and new investment deals, I was strongly conscious of the perspective of minority shareholders. At the Board of Directors meetings, we repeatedly conducted rigorous verifications from multifaceted perspectives regarding the feasibility of the subsidiary’s business plan and investment risks presented by the executive side. Our governance is not a style of merely waiting for information to be provided by the executive side. I feel that the process is functioning effectively, with the executive side explaining the issues and underlying assumptions and the outside directors providing an additional layer of scrutiny. As the chairperson of the Audit and Supervisory Committee, leveraging close collaboration with the Internal Auditing Department and the accounting auditor, I strive for the early identification of internal risk information and proactive improvement proposals based on that information.

Partnering in executive development with the Nomination & Compensation Committee

From the standpoint of a Nomination and Compensation Committee member, I evaluate the alignment of President Yokozawa, who leads the business by leveraging technology, and Executive Vice President CFO Kawasaki, who oversees overall finance, as a solid management structure where they complement each other’s strengths at a high level. However, looking ahead to sustainable growth, the development process for next-generation management talent remains in a nascent stage. I will remain deeply involved in my position on the Nomination and Compensation Committee, including the selection criteria and the way feedback that prompts growth should be structured, to promote further sophistication of the program.

Furthermore, we will deepen discussions by stepping into specific aspects of the compensation framework, such as raising the ratio of performance-linked compensation and optimizing non-financial targets related to customer satisfaction and human capital, so that it serves as a powerful incentive for long-term corporate value enhancement.

Challenging internal norms as a growth accelerator

Since I became a lawyer after working in a sales role at a commercial enterprise, I have brought perspectives from both frontline business experience and legal risk management. While the position of Audit and Supervisory Committee member tends to give an impression of focusing heavily on defense, a solid compliance awareness is already deeply rooted in our organization. That is precisely why my role is to practice proactive governance that pushes the management team forward so they can take risks without fear.

To achieve this, I am conscious of introducing fresh perspectives to challenge what is taken for granted within the company. For instance, I deliberately raise questions that challenge the fundamental assumptions of our business model, such as asking, “Are there really as many as 18% of customers who intend to purchase life insurance online?” I will also go as far as proposing improvements to further strengthen our organizational culture in response to the findings from the culture audit initiated in fiscal 2025.

As an accelerator that questions internal common sense and prompts organizational evolution, I will work together to open up the next growth stage for Lifenet.

Corporate Governance

Basic approach

Guided by the LIFENET Manifesto to “Help our customers embrace life more fully through management with integrity, and offering easy-to-understand, affordable, convenient products and services,” and as a life insurance company with a highly social and public nature, Lifenet aims to achieve sustainable enhancement of corporate value by ensuring management transparency and strengthening corporate governance through enhanced oversight and more effective management structure.

Evolution of corporate governance enhancement

- **2008**
  - Formed the Board of Directors with outside directors constituting a majority of all directors
- **2011**
  - Introduced the executive officer system
- **2016**
  - Established the discretionary Nomination and Compensation Committee
    - Chairperson: Independent outside director
    - Members: Independent outside directors constitute a majority
  - Started evaluating the effectiveness of the Board of Directors
- **2019**
  - Introduced restricted stock compensation for executive remuneration
- **2020**
  - Expanded the evaluation of the effectiveness of the Board of Directors
- **2021**
  - Transitioned to a company with Audit and Supervisory Committee
  - Introduced performance-linked compensation for executive remuneration
  - Disclosed the skills matrix
- **2022**
  - Revised the restricted stock compensation plan
- **2023**
  - Revised the performance-linked compensation plan
  - Expanded the evaluation of the effectiveness of the Board of Directors
- **2024**
  - Transitioned to a monitoring board of directors
  - Expanded the skills matrix

Corporate governance structure (as of June 21, 2026)

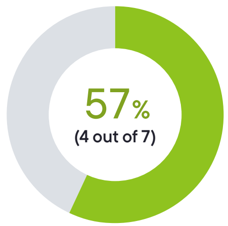
Board of Directors

The Board of Directors, chaired by the president and representative director, meets monthly in principle. Extraordinary meetings are held as necessary to make important management decisions and supervise business execution. To strengthen its function as a monitoring board, independent outside directors constitute a majority of the Board. We also strive to ensure the diversity of the Board of Directors, which includes two women.

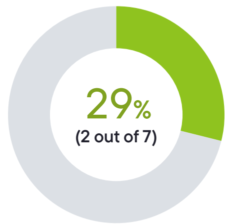
Audit and Supervisory Committee

The Audit and Supervisory Committee consists entirely of three outside directors, including the chairperson. The committee meets monthly in principle and holds extraordinary meetings as necessary. Independent from the Board of Directors, the Audit and Supervisory Committee primarily audits the status of business execution by directors, receives reports on relevant important matters, and conducts discussions and resolutions.

Ratio of independent outside directors

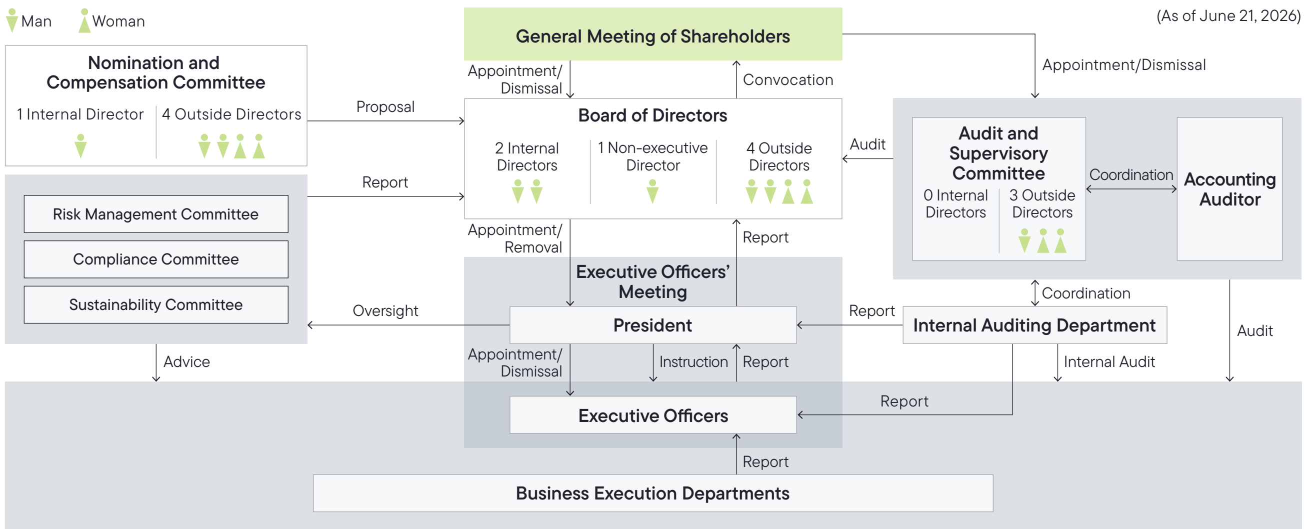


Ratio of women directors



Ratio of independent outside directors

Corporate governance structure diagram



Corporate Governance

Evaluation of board effectiveness

To ensure the effectiveness and appropriateness of the Board of Directors, we have been conducting an evaluation of the effectiveness of the Board of Directors in the form of a self-evaluation, in principle, once a year since fiscal 2016. The results are reported to the Board of Directors for discussion, and improvement plans are formulated to further enhance the functions of the Board of Directors. In addition to the Board of Directors, we also evaluate the overall governance structure, including the Audit and Supervisory Committee, the discretionary Nomination and Compensation Committee, and the Outside Directors' Meeting.

Overview of the evaluation of the effectiveness of the Board of Directors for fiscal 2025

Evaluation period	March to May 2026
Respondents	- All directors (seven directors)* * Including two executive officers who also serve as directors * An outside director who resigned on March 31, 2026, responded to the questionnaire and participated in an individual interview, but did not participate in the discussion - Executive officers who do not concurrently serve as directors (six executive officers)
Evaluation process	Questionnaire and individual interviews
Evaluation items	- The overall evaluation of the Board of Directors - Evaluation of the state of cooperation between the Board of Directors and each committee - Evaluation of main agenda items (including discussions on alliances with other companies, etc.) - Evaluation of the operation of the Board of Directors (information sharing and training, communication among directors and officers, 1-on-1 meeting between the chairperson and each outside director, etc.) - Operation of the Audit and Supervisory Committee - State and operation of the discretionary Nomination and Compensation Committee - Operation of the Outside Directors' Meeting

Evaluation process

Distribution of questionnaire: To internal/outside directors and executive officers → Individual interviews: Conducted between the chairperson of the Board of Directors and outside directors → Report and discussion: Held at the Board of Directors with internal/outside directors and executive officers → Formulation of plans: Formulation of future improvement plans

Evaluation of effectiveness and subsequent initiatives

Challenges to be tackled in fiscal 2024

- More constructive discussions based on information shared through IR activities & dialogue with shareholders and investors
- More specific discussions on strategies to achieve Management Goal
- Clarification of the purpose of discussions for certain agenda items to ensure discussions go beyond superficial levels

Initiatives in fiscal 2025

- Management frequently and transparently shared the opinions and expectations of shareholders and investors with the supervisory side
- Directors deeply discussed key agenda items such as alliances with potential partner companies and new investments
- Shared relevant discussions at the Audit and Supervisory Committee and the Nomination and Compensation Committee by the chairpersons with the Board of Directors
- Selected particularly important themes for Lifenet's management and conducted training for directors

Evaluation for fiscal 2025

As a result of the initiatives in fiscal 2025, it has been evaluated that Lifenet's corporate governance is functioning sufficiently, and the Board of Directors is effective. Specific evaluations regarding each measure and issues for fiscal 2026 are as follows.

- Overall quality of discussion: It has been evaluated that active discussions from the shareholders' perspectives are being held. It was pointed out that, moving forward, the executive side should present management policies with greater clarity, and the supervisory side should make remarks that go beyond mere status verification for deeper deliberation and effective oversight.
- Decision-making on strategic agendas: Regarding discussions on alliances with other companies and related matters, while the supervisory side initially raised concerns about insufficient explanations, it was evaluated that input from the executive side ultimately enabled decision-making backed by a sufficient amount of information. Moving forward, we will enhance explanations regarding post-investment progress and the process for realizing the objectives of such investments.
- Coordination between the Board and committees: While information sharing from the chairpersons was evaluated as worthwhile for its visualization of the activities, it was pointed out that it should be regularly reported as an agenda item of the Board of Directors beyond mere information sharing, moving forward.
- Advancement of training programs: While the selected themes were evaluated as meaningful, as the training content becomes more advanced, going forward we will place greater focus on selecting external lecturers and refine the format to center on interactive discussions.

Corporate Governance

Case studies supporting the effectiveness evaluation

Deliberation on the transfer of shares in subsidiary LIFENET MIRAI (exclusion from consolidation)

In fiscal 2025, with the launch of the new management team, a business continuity plan for LIFENET MIRAI Inc., a subsidiary operating the online insurance agency business, was presented to the Board of Directors. In response to management's proposed growth strategy utilizing AI, outside directors raised questions from an objective perspective, deepening constructive dialogue. The deliberation process that led to a disciplined management decision through this dialogue is illustrated in the chart on the right.

Examples of feedback from outside directors on management themes

Clarity and rationale in marketing strategy

Since business commencement in 2008, Lifenet has targeted primarily families with children in their 20s to 40s. Recently, with the penetration of online financial services and changing customer needs, purchasing insurance online is becoming a standard option across a broad range of age groups. The customer base in the online life insurance market is steadily expanding beyond specific generations. Given these environmental changes and future growth potential, Lifenet has established a policy to expand our target to all generations who wish to purchase insurance online.

In response, at the Board of Directors meeting, outside directors pointed out issues regarding the clarity of the target expansion strategy and the sufficiency of execution know-how. In addition, practical questions were raised, such as the need to deepen relationships with existing customers and improve Lifetime Value (LTV) alongside acquiring new business. They also asked how to materialize our unique brand values of peace of mind and convenience without falling into price competition amid an intensifying competitive environment.

Market valuation and quality of dialogue in IR strategy

Regarding stock price trends and the approach to investor relations (IR), outside directors have also expressed multifaceted opinions and raised questions from the perspective of capital markets. Specifically, they pointed out that while business fundamentals, such as new business acquisitions, are steadily improving, these results are not fully reflected in the recent stock price. They urged management to take further initiatives on how to appropriately communicate the pace of growth, the medium- to long-term growth story, and its feasibility to shareholders and investors.

Furthermore, regarding the planning and operation of the IR briefing by outside directors proposed by management, they suggested positioning it as an opportunity to proactively communicate our business model, governance structure, and medium- to long-term growth potential, rather than focusing solely on Q&A regarding short-term financial results.

Deliberation process on the transfer of shares in subsidiary LIFENET MIRAI (exclusion from consolidation)

	Executives	Oversight (outside directors)
Plan proposal	**Presenting a forward-looking business continuity plan** - Creating new growth drivers using AI to expand the online life insurance market - Scaling the business by adding more management resources - Outlining a forward-looking path toward higher profitability	
Sharing questions & common issues	**Taking feedback seriously and organizing key points based on shared issues** - Building a shared understanding of core issues in our current business model, and deepening discussions on how to solve key bottlenecks	**Objectively questioning business KPIs and sustainable growth** - Asking objective questions: "Without clear evidence enhancing the plan's feasibility and demonstrating strengths such as AI, sustainable growth will be difficult."
Re-evaluation	**Factoring in additional risk scenarios and re-evaluating the plan** - Running repeated simulations that rigorously reflect rapid changes in the market environment - Identifying risks: higher uncertainty than initially expected and lower return on investment	
Management decision	**Deciding on a share transfer based on objective evaluation** - Reporting: "While we recognize the potential of the online agency business and remain enthusiastic about continuing it, our re-evaluation shows that operating it on our own carries high risks. Therefore, we decided to reallocate management resources to higher-growth areas."	**Supporting the decision and expecting lessons for the future** - Positively evaluating the decision: "We support this decision. We hope the team uses these lessons learned for our next challenge."

Corporate Governance

Nomination and compensation of directors

Nomination and Compensation Committee

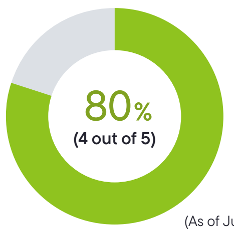
We have established a discretionary Nomination and Compensation Committee to enhance the independence, objectivity, and accountability of the Board of Directors regarding the nomination and compensation of directors, and to design the executive compensation system.

The Committee deliberates and proposes to the Board of Directors the appointment and dismissal of directors, the selection and dismissal of the representative director and executive directors, the executive compensation systems, and individual compensation for directors who are not Audit and Supervisory Committee members. The Committee is composed of five members: all four independent outside directors and one representative director designated in advance by the Board of Directors. The chairperson is selected by mutual vote among the independent outside directors.

Major agenda items at the Nomination and Compensation Committee meetings

- Election of candidates for directors who are not Audit and Supervisory Committee members
- Election of candidates for directors who are Audit and Supervisory Committee members
- Goals and evaluation items for internal directors
- Composition of the Board of Directors
- Succession plan
- Review of skills matrix
- Executive compensation

Ratio of independent outside directors



(As of June 21, 2026)

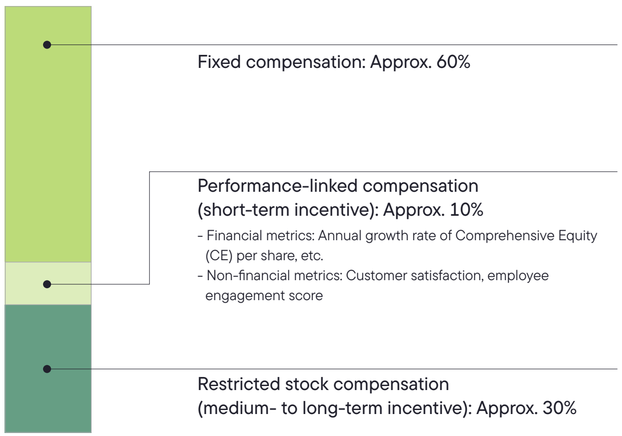
Executive compensation

We have established a “Policy for Determining Individual Compensation for Directors.” Compensation consists of fixed compensation, performance-linked compensation tied to short-term business performance, and restricted stock compensation aimed at the sustainable enhancement of corporate value.

Individual compensation for directors (excluding Audit and Supervisory Committee members) is determined by the Board of Directors after deliberation at the discretionary Nomination and Compensation Committee, taking into account the duties and responsibilities of each director, as well as benchmark surveys on the executive compensation levels in Japan conducted by third parties.

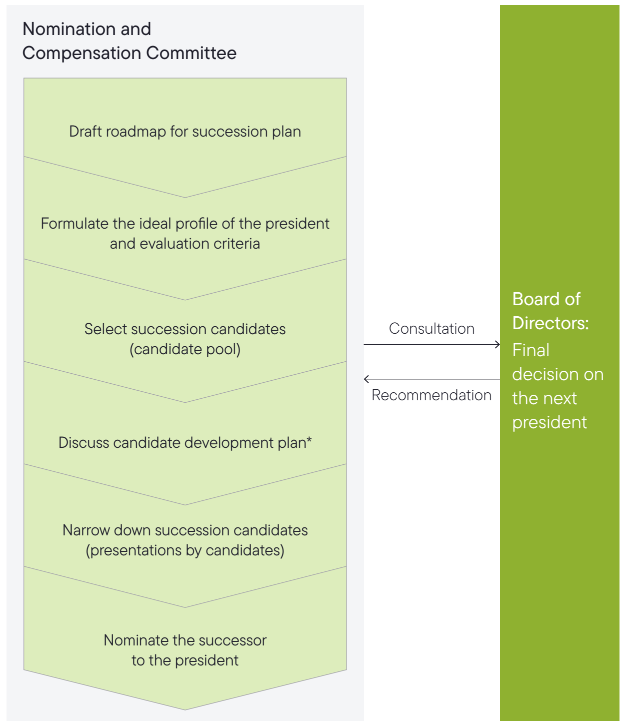
For performance-linked compensation, based on the amount calculated using fixed compensation as a baseline, the Board of Directors sets financial metrics (e.g., indicators reflecting corporate value enhancement) and non-financial metrics (e.g., customer satisfaction). The payout amount is determined based on the degree of target achievement.

Individual compensation for directors who are Audit and Supervisory Committee members is determined through discussion within the Audit and Supervisory Committee. To ensure the Audit and Supervisory Committee fully performs its role, compensation for its members is limited to fixed compensation.



Succession plan

The succession plan for the president and representative director is discussed at the discretionary Nomination and Compensation Committee, in response to consultation from the Board of Directors. Based on the “Policy for Appointment and Dismissal of Officers,” the Committee discusses the “ideal profile of the president” and narrows down succession candidates. Through this process, the Committee nominates the successor to the president and submits recommendations to the Board of Directors.



* In the case of internal candidate appointment

Board of Directors (As of June 21, 2026)

My Manifesto: In the LIFENET Manifesto, each director shares their favorite guiding principle and the reason behind their choice.

Junpei Yokozawa

President and Representative Director

My Manifesto

Delivering the caliber of products and services that we would feel confident recommending to our own friends and families.

From an employee's perspective, I believe that a cycle where creating and delivering quality offerings drives our financial results gives more meaning and fulfillment to our work than simply chasing numbers.

Takeshi Kawasaki

Director, Executive Vice President, CFO

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.

New perspectives and ideas born from diversity and collaboration transform difficult challenges into inspiring breakthroughs. Believing that individual growth naturally accelerates organizational growth, I will continue to enjoy change and take on new challenges to ensure Lifenet remains a company that delivers peace of mind to future generations 100 years from now.

Outside | Independent

Jun Hasebe

Outside Director

Always putting ourselves in our customers' shoes in thinking about how to minimize their premiums.

Life insurance companies are often perceived as helping people face life's difficulties, but I really like how this focuses on the exact opposite: enjoying life. It carries a gentle tone that softly conveys how insurance connects to our lives.

Shingo Nishida

Non-executive Director

Creating a precedent for future generations as to what life insurance is (and should be) all about.

I feel this deeply resonates with the JAL Group corporate policy of "delivering unparalleled service to our customers" and "contributing to the betterment of society." As a partner sharing common values, we will co-create products that support the safety and peace of mind of our customers, delivering new value in life insurance.

My Manifesto

Outside | Independent

Emima Abe

Outside Director
Audit and Supervisory Committee Member
Chairperson of the Audit and Supervisory Committee

Helping the customers help themselves. By making our materials easy to understand, customers can determine which coverage is truly the best fit.

As a lawyer, I always strive to explain legal concepts in simple terms. I want to deliver insurance, which is often considered complicated and tedious, in a way that anyone can easily understand. I believe that making independent choices, rather than relying solely on recommendations, leads to true satisfaction.

Outside | Independent

Tomoyuki Yamashita

Outside Director
Audit and Supervisory Committee Member
Chairperson of the Nomination and Compensation Committee

Being a "straight-shooter." Committing to transparency. Communicating openly about our management team, our products, and our employees.

Communicating openly is one of the most important principles I prioritize in leading my business. Staying consistently honest and sincere with our customers and employees is a commitment I will continue to thoroughly uphold.

Outside | Independent

Natsuyo Hara

Outside Director
Audit and Supervisory Committee Member

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.

I believe that adapting to change by respecting diversity and collaborating is the foundation of sustainable corporate growth. Leveraging my experience and knowledge in DE&I, I will supervise management to ensure Lifenet remains a company that delivers peace of mind to customers 100 years from now.

Board Skills Matrix

	 Junpei Yokozawa	 Takeshi Kawasaki	 Outside Jun Hasebe	 Shingo Nishida	 Outside Emima Abe	 Outside Tomoyuki Yamashita	 Outside Natsuyo Hara
Position	President and Representative Director	Director Executive Vice President CFO	Independent Outside Director	Non-executive Director	Independent Outside Director Audit and Supervisory Committee Member	Independent Outside Director Audit and Supervisory Committee Member	Independent Outside Director Audit and Supervisory Committee Member
Tenure	1	1	4	— (Newly elected)	3	5	1
Reasons for appointment	Joined Lifenet at its inception as a systems engineer. He possesses high expertise and strong execution capabilities, having led core system development, the KDDI partnership, customer experience (CX) enhancement, and IT strategy.	With a background in investment banking and private equity, he joined Lifenet in 2020. He possesses extensive knowledge in finance and corporate planning, along with strong execution capabilities, having led capital raising, the IFRS transition, and mid-term business plan formulation.	He possesses extensive experience in the financial sector, as well as broad business insight gained as a corporate executive in the internet service and technology sectors.	He possesses extensive experience in mileage programs and new business creation at Japan Airlines Co., Ltd., along with broad business insight gained as a corporate executive at JAL Group companies.	Transitioning to a lawyer after working in corporate sales, she possesses high expertise in law and corporate governance, alongside experience in legal affairs and corporate planning as a corporate lawyer.	He possesses broad knowledge in finance, gained as a corporate executive and by providing financial advisory services, such as M&A and fundraising, in the investment banking division of a securities company.	With a long career as a certified public accountant, she possesses high expertise in financial accounting, as well as extensive experience and insight into diversity and inclusion.

Link between strategy and skills	Skills	Reasons for selection	Junpei Yokozawa	Takeshi Kawasaki	Jun Hasebe	Shingo Nishida	Emima Abe	Tomoyuki Yamashita	Natsuyo Hara
Management policy	Corporate management and sustainability	The Company believes that promoting sustainability initiatives along with corporate management will contribute to the realization of a sustainable society and the enhancement of the Company's corporate value.	✓	✓	✓	✓	✓	✓	✓
Management policy	Financial services	Because we are engaged in the financial sector, it is necessary to formulate a sustainable growth strategy and understand the business environment.	✓	✓	✓			✓	✓
Mid-term business plan – **Priority areas** – **Tech & Services**	Technology	The Company is a life insurance company whose main sales channel is the Internet. In the Internet-related market, technological innovation and changes in customer needs occur very quickly, and it is necessary to constantly grasp the latest technological trends and environmental changes and respond accordingly.	✓		✓				
Mid-term business plan – **Priority areas** – **Rebranding** / **Embedded**	Marketing and alliance	As a leading online life insurance company, in order to realize further expansion of the online life insurance market, it is necessary to offer products and services to more customers.	✓			✓		✓	
Mid-term business plan – **Human resources strategy**	Human capital and corporate culture	In order to realize the LIFENET Manifesto, the Company's philosophy, it is essential to further develop the "people" who are the pillars of our business. It is also necessary to create a better organization, and improve engagement through empathy with our corporate culture.		✓				✓	✓
Mid-term business plan – **Growth strategy**	Investment and M&A	To achieve non-linear growth in addition to organic growth in existing businesses, it is essential to consider investments and M&A in both existing and new domains from a medium- to long-term perspective.		✓	✓			✓	
Foundation of our management	Accounting and engagement with capital markets	In order to realize sustainable growth as a listed company, it is necessary to build a strong financial base, as well as to conduct continuous investment activities and active dialogue with shareholders and investors.		✓	✓	✓		✓	✓
Foundation of our management	Legal affairs, risk management and governance	In order to realize sustainable growth as a life insurance company, it is necessary to build a compliance system based on strong ethical standards, appropriately manage risks, and further strengthen corporate governance.		✓			✓	✓	✓

Executive Officers (As of June 21, 2026)

My Manifesto: In the LIFENET Manifesto, each executive officer shares their favorite guiding principle and the reason behind their choice.

Kaoru Katada

Senior Executive Officer

Responsibilities:
Creditor Insurance Business Department, Human Resources & General Affairs Department

My Manifesto

Delivering the caliber of products and services that we would feel confident recommending to our own friends and families.

We will thoroughly think through the essential issues behind our customers' feedback until we can proudly declare to ourselves and those close to us that we are offering "truly valuable products and services." I believe this statement embodies our dedication to "sincerity."

Hiroki Ito

Executive Officer

Responsibilities:
Direct Business Planning Department, Customer Communication Department

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.

My core starting point was analyzing customer feedback surveys and sharing those insights internally right after joining Lifenet. I remain committed to delivering what our customers truly need by listening to their latent needs, just as we did with our term medical and term cancer insurance.

Takahito Kanasugi

Executive Officer

Responsibilities:
Product Development Department, Business Development Department, Data & AI Transformation Department

Making all touch points headache-free. Beyond the application process, ensuring the claims and billing processes are also easy to understand.

Insurance claim and benefit payments are our top priority. By leveraging the Individual Number System, we aim to realize "fully automated life insurance" that allows customers to receive claim and benefit payments automatically when the unexpected happens, without the need to undergo administrative procedures.

Yasuhiro Hagiwara

Executive Officer
CCO, CISO

Responsibilities:
Legal Department, Risk Management Department, Internal Auditing Department

My Manifesto

Acting in good faith means always taking the high road when it comes to compliance and ethics.

I believe that a strong ethical compass is a crucial foundation for a company to remain trusted over the long term. I am dedicated to upholding this compass, as it serves as the essential prerequisite for fulfilling our long-term commitments to all stakeholders, including shareholders, policyholders, employees, and society.

Yasuhiro Hida

Executive Officer

Responsibilities:
Marketing Department, Brand Management Department

Delivering the caliber of products and services that we would feel confident recommending to our own friends and families.

When I was hospitalized last year, the benefit payment arrived before my credit card bill for the hospital expenses was deducted, instantly eliminating my financial anxiety. Having experienced this peace of mind firsthand, I am deeply convinced once again that our products and services are ones we can truly recommend with confidence.

Tsutomu Matsuura

Executive Officer

Responsibilities:
CX Design Department, Customer Services Department, Claims Department

Creating a precedent for future generations as to what life insurance is (and should be) all about.

Ever since I joined Lifenet, I have dedicated myself to my work with the belief that there is a unique level of peace of mind and convenience that only an online life insurer can provide. By leveraging AI, we aim to minimize customer effort during various procedures while remaining an empathetic presence right by their side.

Risk Management, Compliance, and Information Security

Yasuhiro Hagiwara

Executive Officer
Chief Compliance Officer (CCO)
Chief Information Security Officer (CISO)

Profile

After gaining extensive experience in various operations at a foreign-affiliated life insurance company, joined Lifenet in October 2021 and spearheaded the enhancement of the compliance framework as Head of the Legal Department. Leveraging his extensive industry experience and specialized knowledge, currently oversees risk management, compliance, information security, and internal audit.

Message from Executive Officer

Robust Governance Driving Digital Reliability — Securing Trust and Corporate Soundness through Three Lines of Defense

As a leading online life insurer, Lifenet aims to deliver the "Ultimate Insurance Experience" by leveraging technology. For Lifenet, which operates as a digital-first life insurance company and bears social responsibility as a listed company, ensuring information security, enhancing risk management, strictly enforcing compliance, and establishing a verification framework for these areas are among the top management priorities. As the executive overseeing these domains, I am dedicated to building a highly transparent and effective governance framework to meet the expectations and earn the trust of all our stakeholders.

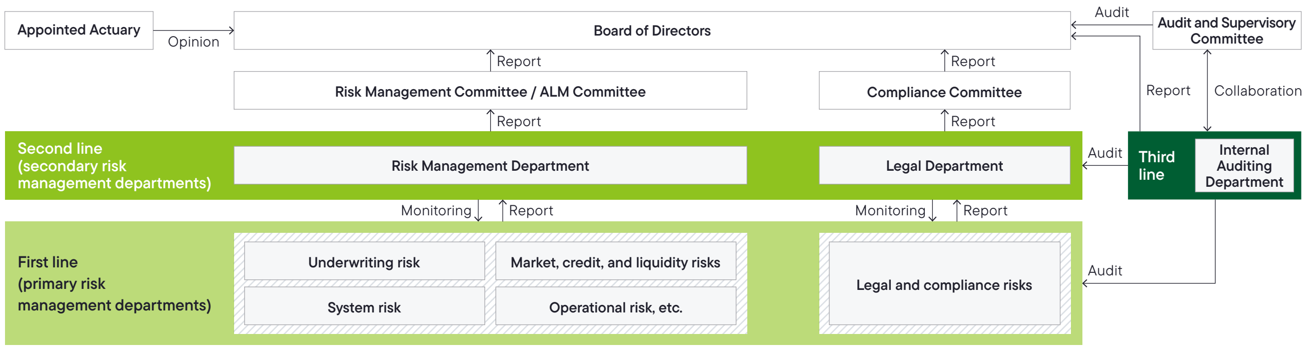
Under the Board of Directors, we have established the Risk Management Committee and the Compliance Committee, both chaired by the president, to ensure appropriate management and operations. Meeting quarterly in principle, these committees discuss critical risks and challenges, including information security, from specialized perspectives. The matters discussed are reported to the Board of Directors, creating a mechanism that ensures agile direction and control are implemented throughout the entire organization.

At the operational level, this framework is implemented through a multi-layered check mechanism based on the three lines of defense. First, the business departments in the first line autonomously manage the risks inherent in their daily operations as risk owners. By clearly defining the departments and managers responsible for each risk category, we enable prompt and reliable responses even in an increasingly complex risk environment.

In the second line, the Risk Management Department and the Legal Department leverage their specialized knowledge to provide company-wide oversight and support, ensuring appropriate checks and balances. Furthermore, the Internal Auditing Department, serving as an independent third line, rigorously verifies the adequacy of the framework from an objective standpoint and upholds management discipline, thereby safeguarding organizational soundness at a high level.

Through robust governance and integrity-driven management, Lifenet will continue to create the future of life insurance.

Risk management framework (three lines of defense)



Risk Management, Compliance, and Information Security

Risk management policies and initiatives

Appropriate risk-taking for value creation

At Lifenet, to achieve sustainable enhancement of corporate value and meet our Management Goal for Comprehensive Equity (CE), we have established the Basic Policy on Risk Appetite, which serves as a guideline for appropriate risk-taking. Specifically, we promote active underwriting in the mortality and medical coverage sectors and diversified asset management within permissible limits. To soundly control these and other risks, we have enacted the Basic Policy on Risk Management and developed an appropriate governance structure.

Robust risk management framework supporting sound business growth

Under the management framework based on the three lines of defense described on the previous page, we categorize the risks we face into areas such as underwriting, market, credit, liquidity, and operational, and manage them comprehensively. For quantifiable risks, we set risk limits using VaR and other metrics to perform rigorous monitoring. For risks that are difficult to quantify, we evaluate their impact based on hypothetical scenarios and prioritize responses to those with high business impact.

Furthermore, we have established the ALM Committee to conduct comprehensive asset and liability management (ALM) while ensuring capital adequacy on both an economic value and regulatory basis. By managing various risks in an integrated manner, we strive to maintain and improve a robust financial base that can adapt flexibly to sudden changes in the market environment.

Compliance policies and initiatives

Fostering high corporate ethics rooted in integrity

Guided by the spirit of the LIFENET Manifesto, which states, "Acting in good faith means always taking the high road when it comes to compliance and ethics," we position strict compliance as one of our most critical management priorities. Based on the Basic Policy on Compliance, we maintain a framework ensuring that all officers and employees execute their duties with a high sense of ethics. We ensure widespread awareness of our Compliance Manual, which provides detailed explanations of laws and regulations to be observed, and formulate a Compliance Program each fiscal year. In its execution, we pursue continuous improvement through the PDCA cycle while striving to raise awareness across the entire organization through regular training and other initiatives.

Compliance framework supporting sincere corporate activities

We have introduced a whistleblowing system to ensure early detection and correction of illegal acts and to preserve public trust as a life insurance company. This system is accessible not only to officers and regular employees but also to part-time, temporary, and dispatched workers. We ensure a user-friendly environment and thorough whistleblower protection, including a strict prohibition against disadvantageous treatment of whistleblowers. In addition, we have established the "Conflict of Interest Management Policy" and the "Basic Policy on Responding to Anti-Social Forces" to protect the interests of our stakeholders and promote fair and sincere corporate activities.

Information security policies and initiatives

Pursuing security to deliver digital reliability

As a leading online life insurer operating on a digital foundation, we position the secure management of information assets required for sustainable growth and our customers' valuable personal information as the core of our business. To ensure robust information security, we have built a solid management framework led by the chief information security officer (CISO).

While preparing for new threats arising from technological evolution, we strive to provide services that balance safety and convenience at a high level. Furthermore, we have obtained the PrivacyMark certification, which testifies to a management framework that complies with Japanese Industrial Standards (JIS).

Building a robust defense framework driven by every employee

Under the policy that "all employees play a leading role," CSIRT, a specialized team preparing for incidents such as cyberattacks, consists of members selected from all departments. In addition to technical measures such as preventing and monitoring unauthorized intrusions to defend against external attacks, we regularly conduct incident response drills simulating emergencies, as well as education and training for all employees. Our organizational culture, where each employee takes personal ownership of security, was highly acclaimed, winning the Grand Prize in the Security Measures and Operations Category (Private Sector) at the Japan Security Awards 2025.

Response to Climate Change

We disclose information in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework to understand how future climate change will affect our business.

Governance

The Board of Directors discusses and oversees risks and opportunities related to sustainability, including climate change, as well as the progress of our initiatives, from the perspective of enhancing corporate value over the medium to long term. Furthermore, to swiftly drive cross-functional sustainability initiatives, we have established the Sustainability Committee, chaired by the president and representative director. The Committee consists of internal directors, executive officers, and relevant employees. It discusses matters that contribute to social and environmental sustainability and the enhancement of our corporate value, taking into account changes in the external environment and the expectations and demands of stakeholders, and reports its findings to the Board of Directors.

Risk management

Business and other risks, including climate change risks, are reported to the Board of Directors following reports to the Risk Management Committee and deliberations by the Executive Officers' Meeting. We recognize potential risks to our medium- to long-term business performance, such as an increase in insurance claims and benefit payments due to global warming and extreme weather, as well as the impact on our held assets (such as corporate bonds). On the other hand, taking into account our business model and business scale, we believe that the direct risk that climate change poses to the soundness of our management is limited at present. Therefore, instead of establishing a standalone framework for climate change, we have incorporated these risks into our company-wide risk management process overseen by the Risk Management Committee, which is chaired by the president.

Metrics and targets

Given our business model and scale, we have not established specific targets at present. However, we will consider our response from a medium- to long-term perspective. Our greenhouse gas (GHG) emissions are shown in the table below.

GHG emissions (t-CO_2)*1

	FY2024	FY2025
Scope 1 (Direct emissions from the company)	23.1	0.0
Scope 2*2 (Emissions associated with the use of electricity, etc. supplied by third parties)	411.1	417.2
Total (Scope 1+Scope 2)	434.2	417.2

Strategy (risks and opportunities)

To properly assess the impacts of climate change, we analyze changes in the business environment under two scenarios: one in which the transition to a low-carbon economy progresses, and the other in which temperature rise accelerates due to insufficient reductions in greenhouse gas (GHG) emissions.

*1 For the scope of calculation, please refer to footnote 11 on page 58.
*2 Scope 2 emissions are calculated using the market-based method of the GHG Protocol.
*3 The assumed time horizons for each risk and opportunity to materialize are defined as short-term (up to approx. 3 years), medium-term (approx. 3 to 10 years), and long-term (over 10 years). In addition, the impact level of each risk and opportunity is set on a three-tier scale of large, medium, and small, based on a comprehensive assessment of the anticipated business and financial impacts.

Climate-related risks and opportunities*3

		Category	Drivers	Timeframe	Impacts of climate change	Impact level	Countermeasures
Risk	Transition risks	Policies and law	Introduction of carbon tax and rise in carbon prices	Mid-term	Energy costs will increase due to the imposition of a carbon tax on greenhouse gas (GHG) emissions.	Small	- Visualize GHG emissions - Consider reducing energy consumption through non-fossil certificates
Risk	Transition risks	Technology	Expansion of renewable energy adoption	Short- to mid-term	Energy costs will increase due to switching existing energy contracts to renewable energy.	Small	- Introduce energy-saving equipment such as LED lighting
Risk	Transition risks	Reputation	Increased concerns from stakeholders	Mid- to long-term	If investees fail to adequately address carbon-related regulations, the value of our investment assets may decline.	Medium	- Enhance disclosure of information through frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD)
Risk	Transition risks	Market	Inadequate response by investees to related regulations	Mid- to long-term	If investees fail to adequately address carbon-related regulations, the value of the company's investment assets may decline.	Small	- Implement investments and financing considering ESG factors
Risk	Physical risks	Acute	Increase and intensification of natural disasters	Short- to long-term	Intensification of natural disasters could damage business sites and infrastructure, disrupting business operations, contract underwriting, customer support, and other activities, leading to a decrease in revenue.	Medium	- Strengthen BCP (Business Continuity Plan)
					The frequency of typhoons and floods will increase due to intensification of natural disasters, leading to an increase in the payment of insurance claims.	Small	- Ensure capital adequacy for expected losses
					If investees are affected by disasters and their corporate value declines, the value of our investment and financing assets may decrease.	Small	- Invest in a diversified portfolio centered on high-rated public and corporate bonds
Risk	Physical risks	Chronic	Rise in average temperatures	Short- to long-term	Rising average temperatures will increase health problems such as heatstroke and infectious diseases, leading to an increase in the payment of insurance claims.	Small	- Ensure capital adequacy for expected losses - Monitor insurance balance and establish response standards for when risks materialize
Opportunities		Products and services	Acceleration of DX	Short- to long-term	As DX advances as part of the response to climate change, consumer behavior will shift further toward online channels, expanding opportunities for providing insurance online.	Large	- Promote the provision of convenient and stress-free products and services by leveraging AI and technology - Expand the online life insurance market by strengthening our brand positioning and partner business relationships
			Changes in consumer behavior	Mid- to long-term	Rising average temperatures will increase health problems such as heatstroke and infectious diseases, raising consumer concern about health risks and increasing demand for our insurance products.	Small	- Consider products addressing diverse health risks
Opportunities		Markets	Changes in consumer behavior	Mid-term	The emergence of needs for coverage against new risks will lead to the provision of new products and services, thereby expanding earnings.	Medium	- Consider products and services that meet new insurance needs
Opportunities		Resource efficiency	Introduction of energy-saving products	Short- to mid-term	Introducing energy-saving equipment in offices will reduce costs.	Small	- Introduce energy-saving equipment such as LED lighting
Opportunities		Resilience	Utilization of ESG indicators in investment and financing	Mid- to long-term	By utilizing ESG indicators in investment and financing, the resilience of the investment portfolio is enhanced, leading to increased revenue.	Small	- Implement investment and financing that considers ESG factors

Introduction
The Future We Envision
Mid-term business plan
Progress of the mid-term business plan
Human Resources Strategy
Sustainability
Data

Financial and Non-financial Highlights

Financial highlights

(JPY millions)

		FY2021	FY2022	FY2023	FY2024	FY2025
Business performance	Annualized premium*1 of policies-in-force	21,511	24,033	28,750	34,518	37,290
	Individual life insurance	21,511	24,033	25,424	26,877	28,718
	Group credit life insurance	–	–	3,326	7,640	8,571
	Individual life insurance					
	Number of policies-in-force	507,428	568,674	600,945	637,417	686,237
	Number of new business	100,636	98,532	72,434	73,260	86,990
	Annualized premium of new business	4,089	3,919	2,883	2,914	3,384
	Surrender and lapse ratio (%)*2	6.6%	6.5%	6.5%	5.7%	5.5%
Operating results*3	Insurance revenue	–	20,732	24,698	30,081	34,388
	Insurance service results	–	6,618	8,222	9,576	11,606
	Net income attributable to owners of the Company	–	3,562	5,734	5,993	8,041
	Insurance acquisition cash flows (IACF)*4	–	10,390	9,377	9,814	10,458
	IACF per new business (JPY thousands)	–	105	129	133	120
	Operating expenses excluding IACF	–	4,715	4,935	5,352	5,392
	Operating expenses ratio (%)*5	–	20.7	18.4	16.7	15.1
Financial position*3	Total assets	–	93,814	112,417	116,178	121,834
	Total liabilities	–	18,110	21,535	24,058	26,223
	Total equity	–	75,704	90,882	92,120	95,610
Corporate value/related indicators	Comprehensive Equity (CE)*6	–	–	159,802	167,090	176,149
	Equity*7	–	–	90,870	92,109	95,600
	CSM after tax	–	–	62,222	61,140	65,232
	GCL contracts value	–	–	6,709	13,840	15,315
	CE per share (JPY)	–	–	1,991	2,080	2,193
	Annual growth rate of CE per share (%)	–	–	3.8	4.5	5.4
	Stock price (JPY)*8	561	1,162	1,512	1,742	2,011
	TSR (%)*9	44.3	91.8	119.4	137.6	158.8
Financial soundness indicators	Solvency margin ratio (%)	3,182.8	3,158.2	2,065.0	1,590.5	–
	Internal ESR (%)*10	–	–	–	–	394.5

*1 Annualized premium is the amount converted to an annual basis by multiplying the premium per payment (for group credit life insurance (GCL), expected premium income for the next month based on the in-force business) by a coefficient corresponding to the payment method. As all payments for our products are in monthly installments, the annualized premium is calculated by multiplying the monthly premium by 12. Annualized premium of policies-in-force for GCL as of the end of fiscal 2025 is calculated by applying the premium rate as of March 2026.

*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.

*3 The Company has voluntarily applied International Financial Reporting Standards (IFRS) to its consolidated financial statements from the first quarter of fiscal 2023. Accordingly, figures for fiscal 2021, which are prior to the IFRS transition date, are not calculated based on IFRS.

*4 Insurance acquisition cash flows represent cash flows from expenses directly attributable to the acquisition of a group of insurance contracts. It is primarily the sum of conventional marketing expenses, administrative expenses for underwriting new business and system-related expenses.

*5 Ratio of operating expenses excluding insurance acquisition cash flows (maintenance expenses, etc.) divided by average in-force annualized premium for the period.

*6 Following the adoption of IFRS, this has been defined as an indicator representing the corporate value of the Company from fiscal 2024.

*7 Total equity attributable to owners of the Company.

*8 Closing stock price at the end of March of each fiscal year.

*9 Cumulative stock price at the end of each fiscal year, assuming the stock price at the end of March 2021 is 100%. As the Company does not pay dividends from surplus, only the stock price is used.

*10 Economic value-based solvency regulations were introduced from the end of March 2026 as a regulatory supervisory indicator to assess management soundness. Internal ESR is the Economic Solvency Ratio (ESR) calculated by the Group as an internal management indicator evaluating target risks in accordance with the actual state of our business.

Non-financial highlights

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Environment	GHG emissions (Scope 1 + Scope 2 total)*11	t-CO_2	–	105.4	258.3	434.2	417.2
	Scope 1	t-CO_2	–	25.6	24.5	23.1	0.0
	Scope 2*12	t-CO_2	–	79.7	233.8	411.1	417.2
Social	Policyholder recommendation rate*13	%	–	82.2	82.5	82.4	83.3
	Number of employees	persons	174	208	224	239	242
	Ratio of decision-makers*14						
	Women	%	13.3	21.9	23.5	28.6	27.3
	30s or younger	%	16.7	9.4	2.9	5.7	9.1
	Ratio of male employees taking childcare leave*15	%	–	–	–	250	100
	Return rate after maternity/childcare leave	%	–	100	100	100	100
	Ratio of mid-career hires from other industries*16	%	59	60	62	61	63
	Employee engagement score*17						
	Overall	–	70	70	70	72	72
	Corporate philosophy and strategy	–	74	73	72	73	72
	Growth	–	67	67	66	69	69
Governance	Number of directors	persons	9	9	10	7	7
	Number of independent outside directors (ratio)	persons (%)	3(33%)	3(33%)	4(40%)	4(57%)	4(57%)
	Number of women directors (ratio)	persons (%)	1(11%)	1(11%)	2(20%)	2(29%)	2(29%)
	Average attendance rate at Board of Directors meetings	%	100	100	100	100	100

*11 The scope of calculation basically covers the Company and its consolidated subsidiary, LIFENET MIRAI Inc. In addition, one data center is included for fiscal 2023, and two data centers for fiscal 2024 and 2025. For fiscal 2024, due to the head office relocation, emissions from both the pre-relocation and post-relocation offices are included in the calculation. Since the electricity consumption of data centers is calculated based on contracted power, it may differ from actual usage.

*12 Scope 2 emissions are calculated based on the market-based method under the GHG Protocol.

*13 The percentage of customers who gave a recommendation rating (an 11-point scale from 0 to 10) of either "highly recommend (10 or 9)" or "somewhat recommend (8 or 7)" when asked if they would recommend Lifenet to family or friends. We adopt Net Promoter Score (NPS) as an indicator of policyholder evaluations, and calculate the policyholder recommendation rate based on NPS. Net Promoter Score (NPS) is a registered trademark or service mark of Bain & Company, Inc., Fred Reichheld, and NICE Systems, Inc.

*14 Refers to directors and department heads or above.

*15 Calculated based on the provisions of the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" for the ratio of taking childcare leave, etc. and leave for childcare purposes.

*16 Percentage of mid-career hires who are from industries other than life insurance.

*17 The employee engagement score is a numerical value calculated from an engagement survey that visualizes the condition of each employee and the organization, with a maximum value of 100. "Overall" is the overall score including all items in the engagement survey, while "Corporate philosophy and strategy" and "Growth" are the scores for items related to corporate philosophy/strategy and growth opportunities, respectively, among multiple engagement survey items.

Corporate and Stock Information (As of March 31, 2026)

Corporate data

Company name: LIFENET INSURANCE COMPANY

Head office: Nibancho Center Building, 5-25 Niban-cho, Chiyoda-ku, Tokyo 102-0084, Japan

Subsidiary: LIFENET MIRAI Inc.*1

Established: October 23, 2006 (Commenced operations on May 18, 2008)

Capital: 26,675 million yen

Number of employees: 242

Stock information

Securities code: 7157

Stock listing: Tokyo Stock Exchange, Prime

Fiscal year: From April 1 to March 31 of the following year

Shareholder registry administrator: Mitsubishi UFJ Trust and Banking Corporation

Shares per unit: 100

Total number of shares issued: 80,340,768

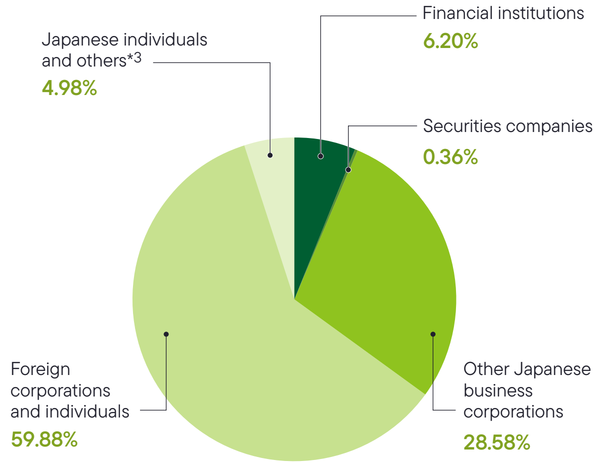
Number of shareholders: 4,427

*1 The Company transferred all common shares held in its consolidated subsidiary, LIFENET MIRAI Inc., in response to a share repurchase executed on June 29, 2026. Accordingly, LIFENET MIRAI Inc. was excluded from the scope of consolidation.
*2 On June 18, 2026, au Financial Holdings Corporation transferred 14,726,100 of the Company's common shares (representing 18.32% of the total issued shares) to Japan Airlines Co., Ltd.
*3 The figure for "Japanese individuals and others" includes 447 shares of treasury stock.

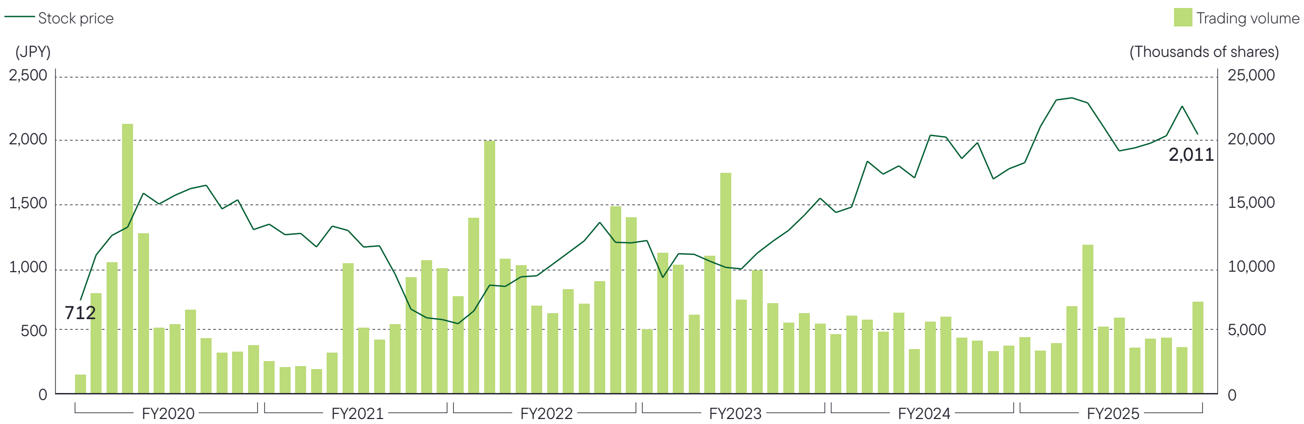
Major shareholders

Name	Number of shares held	Shareholding ratio (%)
au Financial Holdings Corporation*2	14,726,100	18.32
GOLDMAN SACHS INTERNATIONAL	11,487,967	14.29
ARIAKE MASTER FUND	5,661,400	7.04
Sumitomo Mitsui Card Company, Limited	4,014,000	4.99
GOLDMAN, SACHS & CO. REG	3,022,079	3.76
Seven Financial Service Co., Ltd.	3,000,000	3.73
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	2,598,076	3.23
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,568,200	3.19
MLI FOR SEGREGATED PB CLIENT	2,355,100	2.93
Custody Bank of Japan, Ltd. (Trust Account)	1,862,600	2.31

Distribution by shareholder type



Stock price and trading volume



LIFENET INSURANCE COMPANY

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