NEWS RELEASE

November 12, 2026
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LIFENET INSURANCE COMPANY
(Securities Code: 7157, TSE Prime)

Consolidated Financial Results for 2Q of Fiscal 2026 Ending March 31, 2027 (IFRS)

Comprehensive Equity as a key management indicator was 176,816 million yen

TOKYO, November 12, 2026 - LIFENET INSURANCE COMPANY (TSE Prime 7157, President Junpei Yokozawa, URL: https://ir.lifenet-seimei.co.jp/en/) discloses the consolidated financial results for the second quarter of fiscal 2026 ending March 31, 2027.

■ Note on the scope of consolidation

As of the end of 2Q of fiscal 2026, there are no longer any subsidiaries included in Lifenet's scope of consolidation. However, the money trust established by Lifenet for investment purposes continues to be included in the scope of consolidation, as it constitutes a structured entity controlled by Lifenet in accordance with IFRS 10 "Consolidated Financial Statements." Consequently, even when Lifenet has no subsidiaries, consolidated financial statements are prepared in accordance with IFRS.

1. Overview of the financial results for 2Q of fiscal 2026 ended September 30, 2026

(1) Business results

Condition of policies-in-force

Annualized premium[*1] of policies-in-force for individual life insurance and group credit life insurance (“GCL”) combined as of the end of 2Q of fiscal 2026 stands at 38,283 million yen (102.7% of March 31, 2026). Annualized premium of policies-in-force for individual life insurance was 29,556 million yen (102.9% of March 31, 2026), and annualized premium of policies-in-force for GCL was 8,727 million yen (101.8% of March 31, 2026), respectively.

The business performance of individual life insurance is as follows. The number of policies-in-force exceeded 700,000 in July 2026 and resulted in a total of 709,286 (103.4% of March 31, 2026). Annualized premium of new business for the six months ended September 30, 2026 was 1,603 million yen (100.3% of the six months ended September 30, 2025) and the number of new business was 41,879 (103.6% of the six months ended September 30, 2025). Surrender and lapse ratio[*2] for the six months ended September 30, 2026 was 5.1% (5.5% for the six months ended September 30, 2025).

*1: 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 by a coefficient corresponding to the payment method. As all payments for Lifenet products are in monthly installments, we calculate annualized premium by multiplying the monthly premium by 12 (for GCL, expected premium income for the next month based on the in-force business is used. However, if a premium rate revision is implemented at the start of the period following the relevant quarter, it is calculated based on the rate prior to the revision). Annualized premium of policies-in-force for GCL is based on data available as of aggregation.
*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.

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Results of operations

(In millions of yen)

	1H of fiscal 2025	1H of fiscal 2026	Change
Insurance revenue	16,767	18,295	1,527
Insurance service results	6,089	4,968	(1,120)
Financial results*3	388	564	176
Other results*4	(176)	(244)	(67)
Net income (loss) before income taxes	6,301	5,289	(1,011)
Net income (loss) attributable to owners of the Company	4,478	3,760	(718)

Insurance revenue for the six months ended September 30, 2026 increased to 18,295 million yen (109.1% of the six months ended September 30, 2025). Insurance revenue for individual life insurance and GCL was 13,981 million yen and 4,313 million yen, respectively. As for individual life insurance, the main components of insurance revenue were 6,451 million yen in expected claims and maintenance costs*5, 851 million yen in change in risk adjustment for non-financial risks related to extinguished risks and 4,135 million yen in CSM*6 recognized for services provided. Insurance service results decreased to 4,968 million yen (81.6% of the six months ended September 30, 2025) mainly due to a decrease in profit from GCL caused by an increase in claim payments. Financial results were 564 million yen mainly reflecting an increase in interest income resulting from higher holdings of corporate bonds. Other results were a 244 million yen loss mainly because of recording expenses not directly related to insurance services.

As a result, net income before income taxes was 5,289 million yen (83.9% of the six months ended September 30, 2025). Net income attributable to owners of the Company was 3,760 million yen (84.0% of the six months ended September 30, 2025).

With respect to expenses related to insurance contract incurred for the six months ended September 30, 2026, insurance acquisition cash flows, which are costs directly attributable to the acquisition of insurance contract groups, the sum of expenses related to marketing, underwriting and systems, etc., were 5,363 million yen (107.4% of the six months ended September 30, 2025). In addition, maintenance costs, which are not included in insurance acquisition cash flows, were 2,532 million yen (107.0% of the six months ended September 30, 2025).

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

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

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

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

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(2) Financial condition

Assets, liabilities and equities

Total assets as of September 30, 2026 amounted to 118,349 million yen (121,834 million yen as of March 31, 2026). The major account balances were 71,225 million yen in investment securities mainly consisting of government bonds and corporate bonds with high credit ratings and 26,533 million yen in insurance contract assets. Although insurance contracts are generally recorded as liabilities, Lifenet records them as insurance contract assets because the insurance contract liabilities in individual life insurance are negative as shown in the table below.

Breakdown of insurance contract liabilities related to individual life insurance

(In millions of yen)

Present value of future cash flows (claims minus premiums)	(143,387)
Risk adjustment	17,313
CSM	99,539
Insurance contract liabilities related to individual life insurance: total	(26,533)

Liabilities amounted to 24,380 million yen as of September 30, 2026 (26,223 million yen as of March 31, 2026). The major account balance was 20,179 million yen in deferred tax liabilities.

Equity amounted to 93,969 million yen as of September 30, 2026 (95,610 million yen as of March 31, 2026), mainly due to a decrease in insurance finance expense reserve, despite the recording of net income for the six months ended September 30, 2026.

As a regulatory supervisory indicator for assessing management soundness, the "Economic Value-based Solvency Framework" was introduced starting from the end of March 2026. The new Economic Solvency Ratio (ESR)*8 stood at 334% as of September 30, 2026 (333.7% as of March 31, 2026), indicating that we maintain sufficient solvency. In addition, the internal ESR*9, which adjusts for risks and other factors to reflect the actual condition of our business, was 396% as of September 30, 2026 (394.5% as of March 31, 2026).

*7: Classification as either insurance contract assets or insurance contract liabilities is determined for each category based on product characteristics and therefore may differ from the total insurance contract liabilities (assets) for individual life insurance.

*8, *9: The figures for the ESR and internal ESR as of September 30, 2026 are for reference only.

Cash flows

For the six months ended September 30, 2026, net cash provided by operating activities amounted to 3,170 million yen (4,700 million yen provided for the six months ended September 30, 2025) mainly due to an increase in insurance claims resulting from an increase in GCL payments. Net cash used in investing activities amounted to 2,546 million yen (8,069 million yen used for the six months ended September 30, 2025) mainly due to the purchase of investment securities. Net cash used by financing activities amounted to 141 million yen (141 million yen used for the six months ended September 30, 2025) mainly due to the repayment of lease liabilities.

Based on these activities described above, cash and cash equivalents as of September 30, 2026 totaled 14,075 million yen (13,598 million yen as of March 31, 2026).

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(3) Management indicator "Comprehensive Equity"

Lifenet has designated Comprehensive Equity*10 based on International Financial Reporting Standards ("IFRS") as a key management indicator representing our corporate value.
As a management goal in the mid-term business plan, Lifenet aims to achieve Comprehensive Equity of 200 billion yen to 240 billion yen in fiscal 2028. Comprehensive Equity as of the end of 2Q of fiscal 2026 was 176,816 million yen (100.4% of March 31, 2026).

(In millions of yen)

		Mar. 31, 2026	Sep. 30, 2026	Change
Comprehensive Equity		176,149	176,816	667
	IFRS equity	95,600	93,969	(1,631)
	CSM (tax-adjusted)	65,232	67,820	2,587
	GCL contracts value	15,315	15,027	(288)

*10: Comprehensive Equity is an indicator defined by Lifenet. It is the sum of "Equity (attributable to owners of the Company)" on the IFRS consolidated statement of financial position (B/S), "CSM", a liability representing unearned profit that Lifenet expects to earn as it provides insurance services (insurance contracts and reinsurance contracts are aggregated and tax-adjusted), and "GCL contracts value", which is the value of future IFRS earnings, including future renewals for GCL policies-in-force. We have defined it as the indicator that represents the corporate value of Lifenet as it includes the value of future profits of policies-in-force.

(4) Business forecasts

The consolidated business forecasts for fiscal 2026 announced on May 13, 2026 remain unchanged as shown below.

(In millions of yen)

	Annualized premium of policies-in-force	Insurance revenue	Insurance service results	Net income attributable to owners of the Company
Business forecasts for fiscal 2026	41,300	37,500	11,200	8,200
(Reference) Business results for fiscal 2025	37,290	34,388	11,606	8,041

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

(In millions of yen)

	Individual Life Insurance	Group Credit Life Insurance	Total
Business forecasts for fiscal 2026	30,800	10,500	41,300
(Reference) Business results for fiscal 2025	28,718	8,571	37,290

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2. Consolidated Financial Statements

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

(1) Consolidated statement of financial position

(In millions of yen)

	March 31, 2026	Sep. 30, 2026
ASSETS		
Cash and cash equivalents	13,598	14,075
Investment securities	72,503	71,225
Other financial assets	2,198	1,294
Insurance contract assets	28,290	26,533
Reinsurance contract assets	1,176	1,242
Property and equipment	427	387
Right-of-use assets	928	799
Intangible assets	2,170	2,233
Other assets	539	558
Total assets	121,834	118,349
LIABILITIES		
Derivative liabilities	209	262
Income taxes payable	521	—
Other financial liabilities	2,250	1,145
Insurance contract liabilities	786	1,551
Provisions	142	143
Lease liabilities	1,013	871
Deferred tax liabilities	20,865	20,179
Other liabilities	433	227
Total liabilities	26,223	24,380
EQUITY		
Share capital	26,675	26,702
Capital surplus	26,608	26,635
Retained earnings	47,516	51,276
Treasury shares	(0)	(0)
Other components of equity	(5,200)	(10,644)
Total equity attributable to owners of the Company	95,600	93,969
Non-controlling interests	9	—
Total equity	95,610	93,969
Total liabilities and equity	121,834	118,349

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(2) Consolidated statement of profit or loss

(In millions of yen)

	Six months ended Sep. 30	
	2025	2026
Insurance revenue	16,767	18,295
Insurance service expense	(9,795)	(13,140)
Net expenses from reinsurance contract held	(883)	(186)
Insurance service result	6,089	4,968
Interest income	596	724
Impairment losses on financial assets, net	(1)	2
Other financial income	(207)	(246)
Net investment income	386	480
Insurance finance income (expense)	(6)	76
Reinsurance finance income (expense)	8	7
Other revenue	57	54
Other expense	(224)	(289)
Other financial expense	(9)	(8)
Net income (loss) before income taxes	6,301	5,289
Income taxes expense	(1,822)	(1,528)
Net income (loss)	4,478	3,760
Net income (loss) attributable to:		
Owners of the Company	4,478	3,760
Non-controlling interests	(0)	0
Net income (loss)	4,478	3,760
Net income (loss) per share attributable to owners of the Company		
Basic	55.75	46.80
Diluted	—	—

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(3) Consolidated statement of comprehensive income

(In millions of yen)

	Six months ended Sep. 30	
	2025	2026
Net income (loss)	4,478	3,760
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	2,149	(1,236)
Items that will not be reclassified to profit or loss	2,149	(1,236)
Items that may be reclassified subsequently to profit and loss:		
Financial assets measured at fair value through other comprehensive income	(240)	(1,119)
Insurance finance income (expense)	(553)	(3,012)
Reinsurance finance income (expense)	188	(75)
Items that may be reclassified subsequently to profit and loss	(605)	(4,207)
Other comprehensive income net of tax	1,543	(5,444)
Total comprehensive income	6,021	(1,684)
Total comprehensive income attributable to:		
Owners of the Company	6,022	(1,684)
Non-controlling interests	(0)	0
Total comprehensive income	6,021	(1,684)

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(4) Consolidated statement of changes in equity

(In millions of yen)

	Six months ended Sep. 30	
	2025	2026
Equity attributable to owners of the Company:		
Share capital		
Balance at the beginning of the year	26,652	26,675
Transactions with owners		
Issuance of new shares-restricted stock	23	26
Total transactions with owners	23	26
Balance at the end of the period	26,675	26,702
Capital surplus		
Balance at the beginning of the year	26,585	26,608
Transactions with owners		
Issuance of new shares-restricted stock	23	26
Total transactions with owners	23	26
Balance at the end of the period	26,608	26,635
Retained earnings		
Balance at the beginning of the year	39,475	47,516
Comprehensive income		
Net income (loss)	4,478	3,760
Total comprehensive income	4,478	3,760
Balance at the end of the period	43,953	51,276
Treasury shares		
Balance at the beginning of the year	(0)	(0)
Transactions with owners		
Purchase of treasury shares	(0)	—
Total transactions with owners	(0)	—
Balance at the end of the period	(0)	(0)
Other components of equity		
Financial assets measured at fair value through other comprehensive income		
Balance at the beginning of the year	(1,641)	(1,832)
Comprehensive income		
Other comprehensive income	1,908	(2,356)
Total comprehensive income	1,908	(2,356)
Balance at the end of the period	267	(4,189)
Insurance finance expense reserve		
Balance at the beginning of the year	1,037	(3,367)
Comprehensive income		
Other comprehensive income	(364)	(3,087)
Total comprehensive income	(364)	(3,087)
Balance at the end of the period	672	(6,455)

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(In millions of yen)

	Six months ended Sep. 30	
	2025	2026
Total other components of equity		
Balance at the beginning of the year	(603)	(5,200)
Comprehensive income		
Other comprehensive income	1,543	(5,444)
Total comprehensive income	1,543	(5,444)
Balance at the end of the period	940	(10,644)
Equity attributable to owners of the company		
Balance at the beginning of the year	92,109	95,600
Comprehensive income		
Net income (loss)	4,478	3,760
Other comprehensive income	1,543	(5,444)
Total comprehensive income	6,022	(1,684)
Transactions with owners		
Purchase of treasury shares	(0)	—
Issuance of new shares-restricted stock	46	52
Total transactions with owners	46	52
Balance at the end of the period	98,177	93,969
Non-controlling interests:		
Balance at the beginning of the year	11	9
Comprehensive income		
Net income (loss)	(0)	0
Total comprehensive income	(0)	0
Transactions with owners		
Loss of control of subsidiaries	—	(9)
Total transactions with owners	—	(9)
Balance at the end of the period	11	—
Equity:		
Balance at the beginning of the year	92,120	95,610
Comprehensive income		
Net income (loss)	4,478	3,760
Other comprehensive income	1,543	(5,444)
Total comprehensive income	6,021	(1,684)
Transactions with owners		
Purchase of treasury shares	(0)	—
Issuance of new shares-restricted stock	46	52
Loss of control of subsidiaries	—	(9)
Total transactions with owners	46	42
Balance at the end of the period	98,188	93,969

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(5) Consolidated statement of cash flows

(In millions of yen)

	Six months ended Sep. 30	
	2025	2026
Cash flows from operating activities		
Net income (losses) before income taxes	6,301	5,289
Depreciation and amortization	520	526
Investment losses (gains)	(394)	(481)
Other financial expenses	9	8
Losses (gains) related to fixed assets	0	0
Insurance and reinsurance contract	(2,085)	(1,888)
Decrease (increase) in other assets	95	(12)
Increase (decrease) in other liabilities	(276)	(356)
Other, net	29	25
Subtotal	4,197	3,109
Interest received	505	589
Interest expenses paid	(8)	(7)
Income taxes refund (paid)	5	(520)
Net cash provided by (used in) operating activities	4,700	3,170
Cash flows from investing activities		
Purchase of property, equipment and intangible assets	(432)	(440)
Used in investment transactions	(10,052)	(5,219)
Proceeds from sales and redemption of investment	2,635	3,058
Net cash outflow on disposal of subsidiaries	—	(10)
Other	(219)	65
Net cash provided by (used in) investing activities	(8,069)	(2,546)
Cash flows from financing activities		
Repayments of lease obligations	(141)	(141)
Payments of treasury stocks	(0)	—
Net cash provided by (used in) financing activities	(141)	(141)
Net increase (decrease) in cash and cash equivalents	(3,510)	481
Cash and cash equivalents, beginning of the year	17,234	13,598
Currency exchange in cash and cash equivalents	(0)	(4)
Cash and cash equivalents, end of the period	13,723	14,075

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LIFENET INSURANCE COMPANY has developed the LIFENET Manifesto that embodies our mission of “Helping our customers embrace life more fully through management with integrity, and offering easy-to-understand, affordable, convenient products and services.” We have consistently delivered customer-oriented products and services since our business commencement. As the leading online life insurer, we leverage digital technology to fulfill our commitment to delivering the “Ultimate Insurance Experience.”

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