

Securities Code: 7157
TSE Prime



Presentation Material for Investors First Quarter for Fiscal 2025

LIFENET INSURANCE COMPANY
August 13, 2025

Creating and Delivering The Ultimate Insurance Experience

- **Create a dominant competitive advantage** by leveraging technology to transform our business model
- **Achieve high growth** by strengthening our own brand and leveraging the strengths of our partners
- **Further expand online life insurance market** through new distribution area and broader GCL partnerships
- **Commit to the current management policy and mid-term business plan** under the new leadership

New President and Representative Director

Junpei Yokozawa

Leveraging career as a systems engineer to drive business forward

Brief career history

- 2003 Joined NTT DATA Net's CORPORATION¹
-Worked as a System Engineer
- 2008 Joined LIFENET INSURANCE COMPANY
-Developed core systems for insurance administration as SE
- 2018 Head of KDDI Business Department
-Responsible for launching the partner business
- 2021 Director, Executive Officer of Customer Services Division,
Information Systems Strategy Division
- 2025 President and Representative Director
-Responsible areas : Partner Business Department and IT Departments²



1. Currently NTT DATA FINANCIAL TECHNOLOGY CORPORATION

2. IT Strategy Department, Information Systems Planning Department, and Information Systems Operations Department (The same will apply hereafter)









1. Strategy of the New Management Team

2. Financial Results for 1Q of FY2025

New Management Team



■ Changing management structure for future growth

Directors ¹		<div>New</div> <div>Junpei Yokozawa President and Representative Director</div> <div>Partner Business Department, IT Departments</div>		<div>New</div> <div>Takeshi Kawasaki Director, Executive Vice President CFO</div> <div>Corporate Planning Department, Investment Department, Accounting & Actuarial Department</div>	
		<div>Hiroki Ito</div> <div>Direct Business Planning Department, Customer Communication Department</div>		<div>Kaoru Katada</div> <div>Creditor Insurance Business Department, Human Resources & General Affairs Department</div>	<div>New</div> <div></div> <div>Takahito Kanasugi</div> <div>Product Development Department, Business Development Department, Data Science Promotion Office</div>
Executive Officers		<div>New</div> <div>Yasuhiro Hagiwara</div> <div>Legal Department, Risk Management Department, Internal Auditing Department</div>		<div>Yasuhiro Hida</div> <div>Marketing Department, Brand Management Department</div>	<div></div> <div>Tsutomu Matsuura</div> <div>CX Design Department, Customer Services Department, Claims Department</div>

1. Inside Directors

- Driven by new challenges and technological opportunities, **evolving our business model to “Next-Generation Model”**

Initial Business Model

From paper to online application

- Reduced personnel and office costs through digitalization
- Achieved horizontal expansion in the partner business



Challenged to build a sustainable advantage amid fierce competition

Next-Generation Model

Transforming the insurance experience

- Committed to game-changing innovations such as AI and the Individual Number system¹
- Creating high-quality, moving experiences for every customer at scale

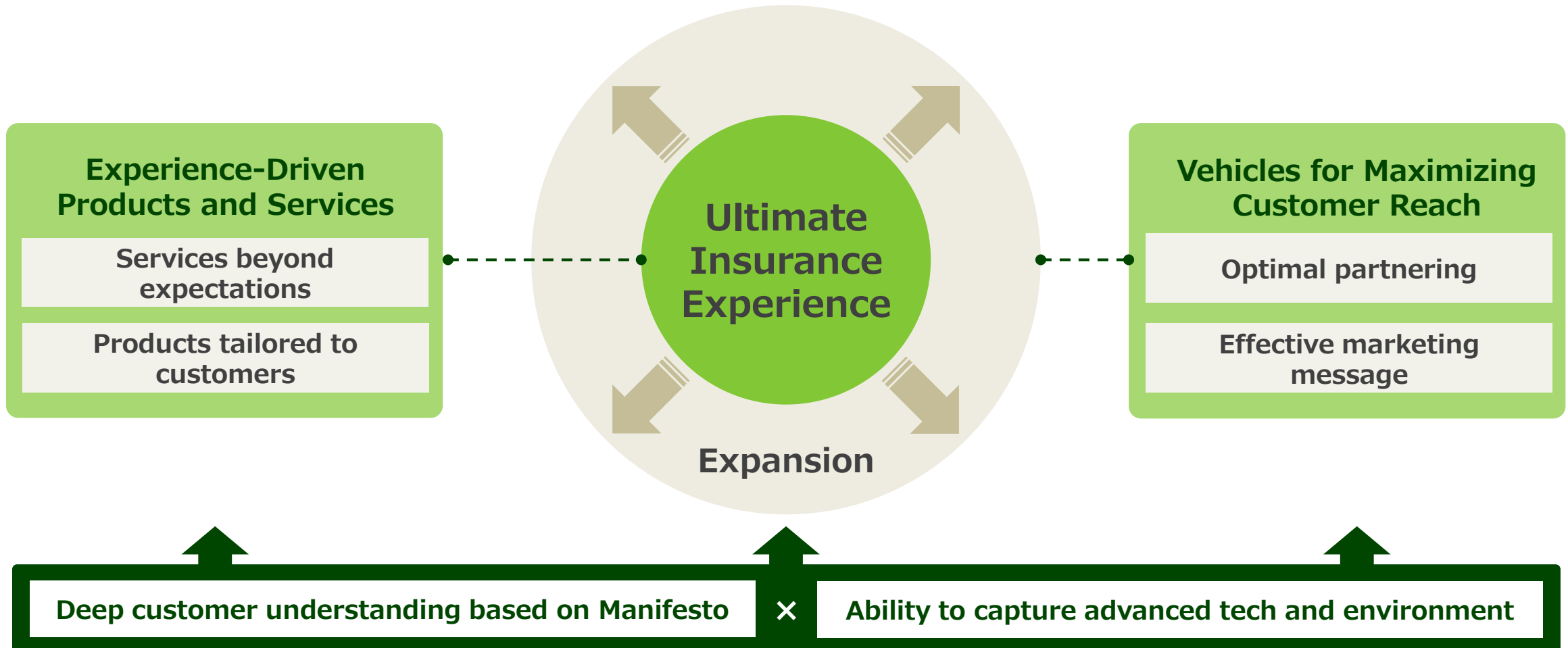


Achieving the “Ultimate Insurance Experience”, elevating LIFENET Manifesto

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

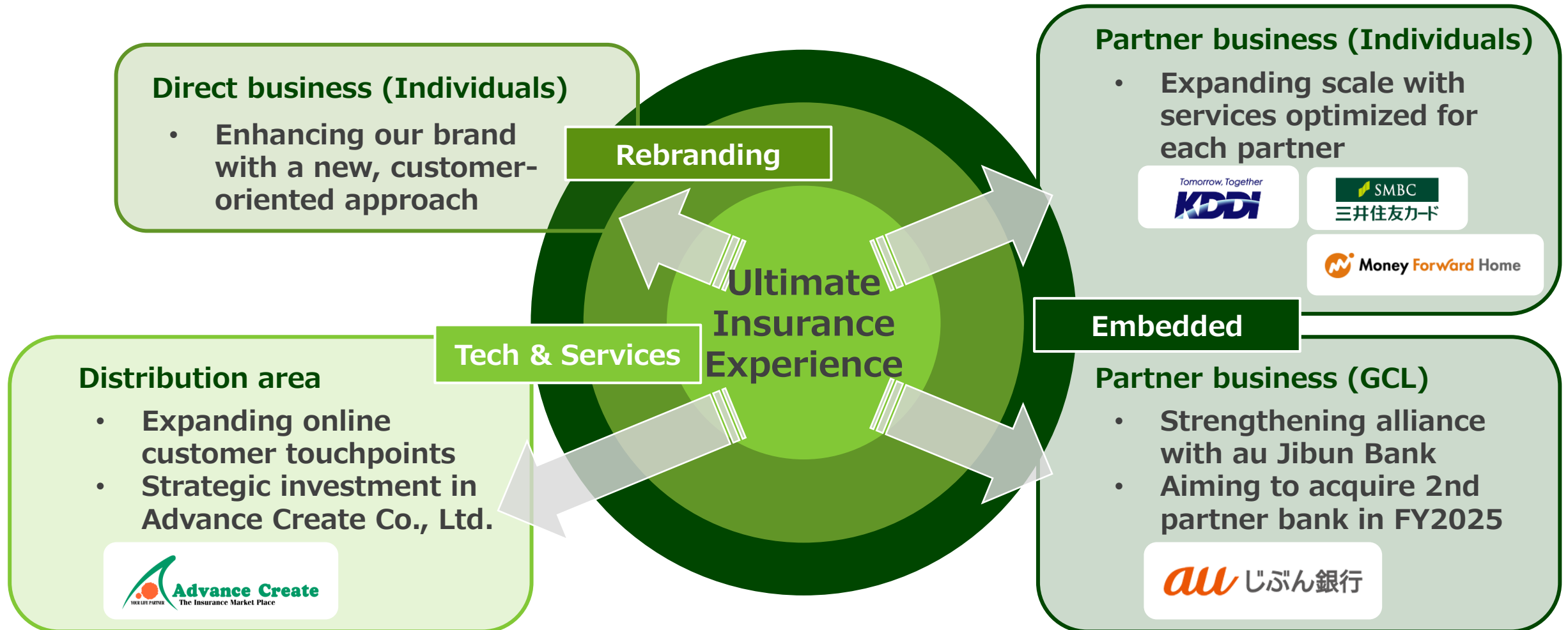
"Ultimate Insurance Experience"

- Creating the “Ultimate Insurance Experience”, aiming to maximize through a digital-first approach



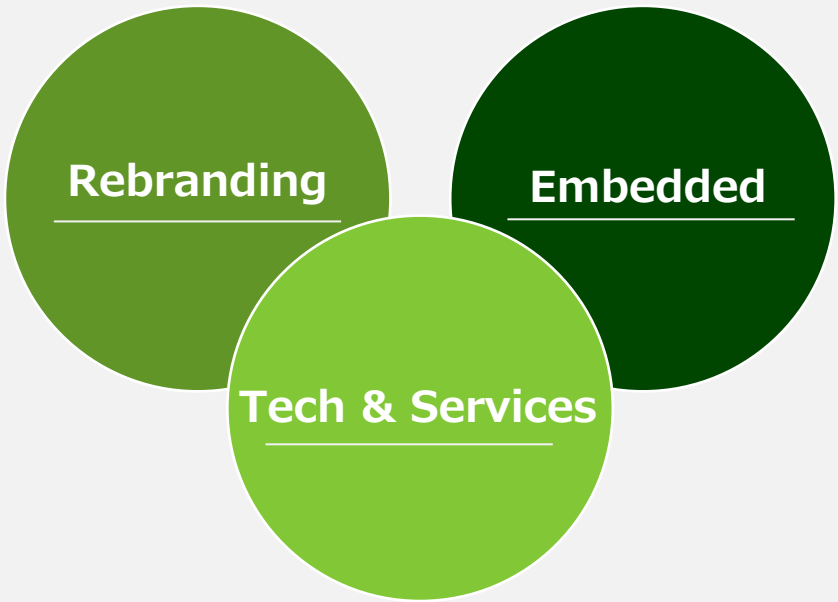
Initiatives to Realize Blueprint

- Driving a dominant competitive advantage and high growth through superior service design and maximized reach



Growth Strategy

Priority Areas



Human Resources Strategy

- Promote organizational transition to focus on priority areas
- Create a virtuous cycle of employee growth and business growth
- Maintain and strengthen an organizational culture based on the LIFENET Manifesto

Goals in Fiscal 2028

Management Goal

Comprehensive Equity (CE) : **¥200-240bn**

Financial Targets

Stock price : **¥3,000+**

Annual growth rate of CE per share :
approx. **10%**

Non-financial Targets (Human capital)

Overall engagement score: **continuous improvement**

Diversity

Ratio of decision-makers :
Women **30%+**, Under 30s **15%+**

Growth Opportunities

Engagement score (growth):
continuous improvement

1. Strategy of the New Management Team

2. Financial Results for 1Q of FY2025

1Q for Fiscal 2025 Key Highlights

Key Indicators

Corporate Value

Comprehensive Equity¹

¥ **170,406**mn

(YoY 105.8%)

Growth

Annualized premium²
of policies-in-force

¥ **35,214**mn

(YoY 119.3%)

Profitability

Insurance service
results

¥ **2,945**mn

(YoY 125.8%)

Notable Achievements

- **Aiming to enhance our value proposition in the distribution area through capital and business alliance with Advance Create Co., Ltd.**
- **Uplisted to the TSE Prime Market in July 2025**
- **Entering a phase to achieve a P/CE ratio exceeding 1.0x and further enhance market valuation**

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

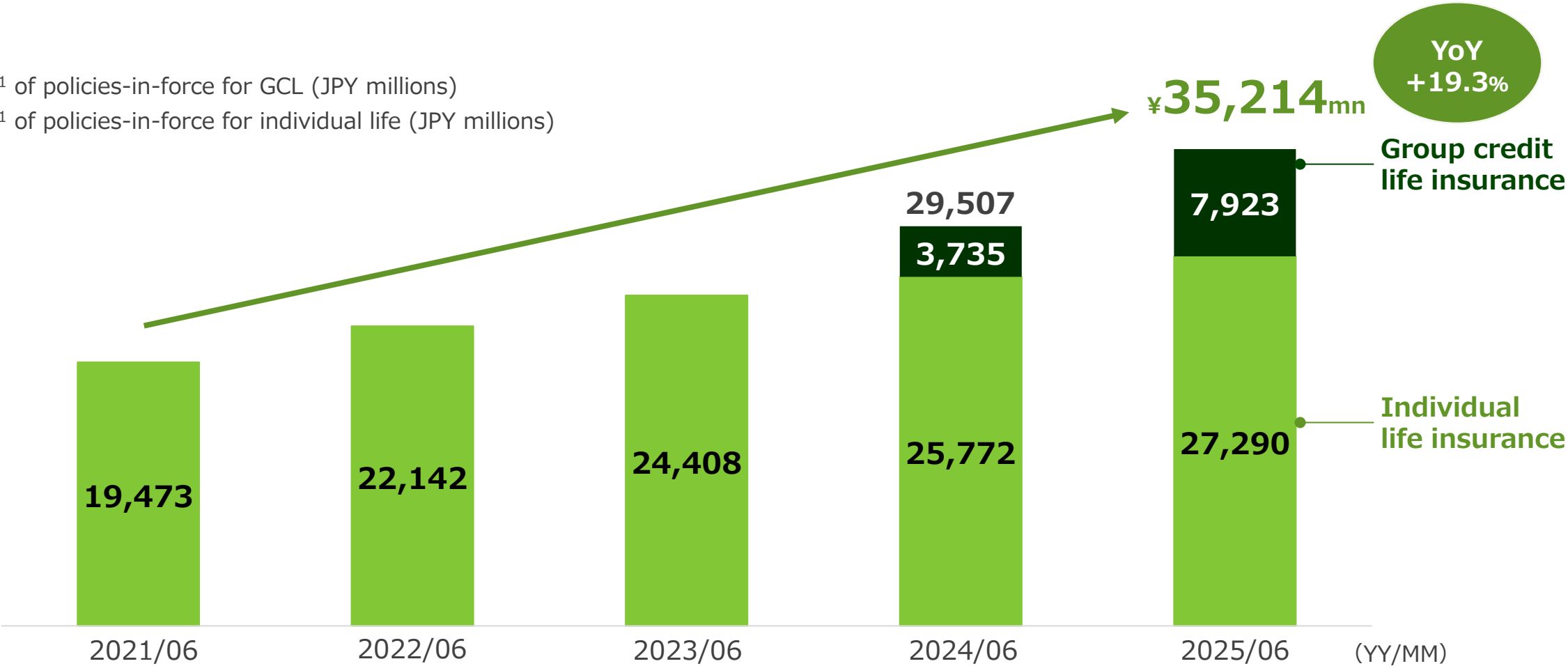
2. The amount of money is equivalent to what is to be paid to have the insurance coverage for one year. All payments are monthly installments, thus the annualized premium is calculated as multiplying the monthly premium (for GCL, expected premium income for the next month based on the in-force business) by 12. Annualized premium of policies-in-force for GCL as of the end of June 2024 is calculated applying premium rate as of June 2024. (The same will apply hereafter)

Annualized Premium of Policies-in-Force



■ Resulted in ¥35,214mn and continued significant growth of 19.3% YoY

■ :AP¹ of policies-in-force for GCL (JPY millions)
■ :AP¹ of policies-in-force for individual life (JPY millions)

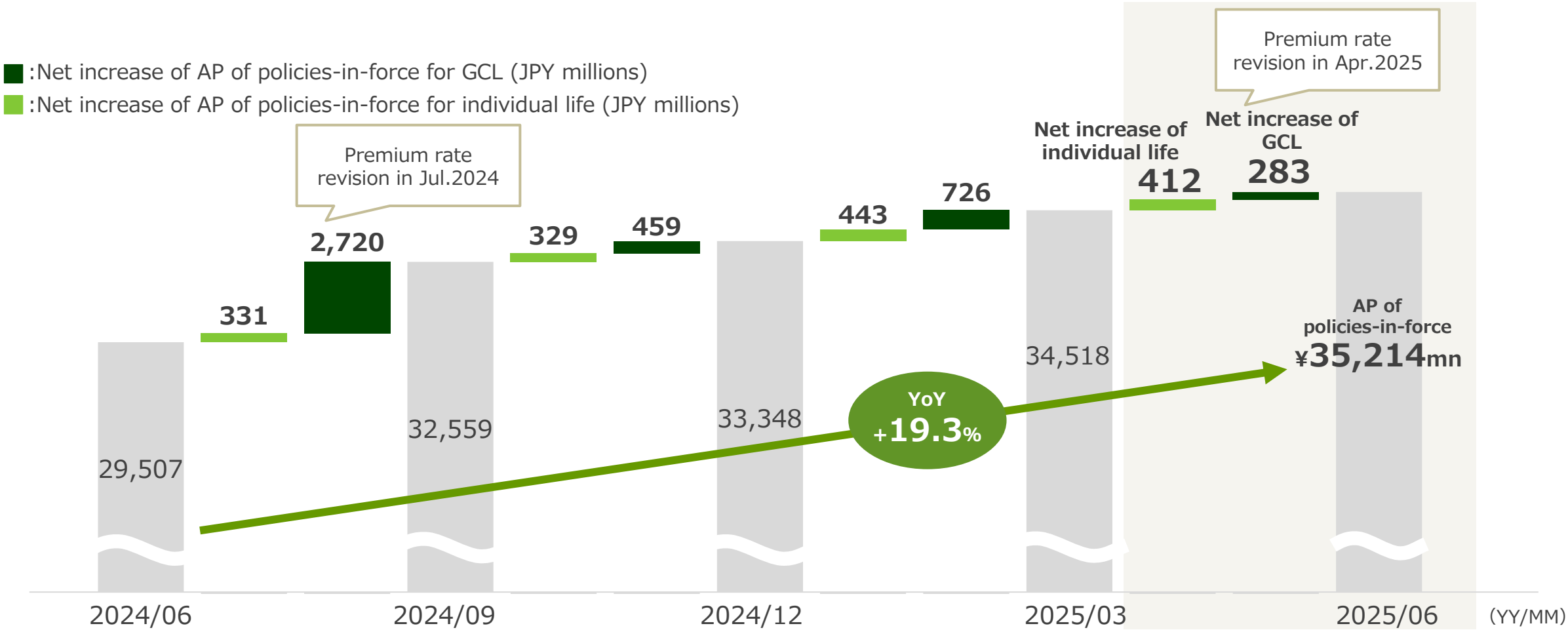


1. AP stands for Annualized premium (The same will apply hereafter)

Policies-in-Force Movement



■ While growth in GCL slows, individual life shows gradual recovery



Summary IFRS P/L



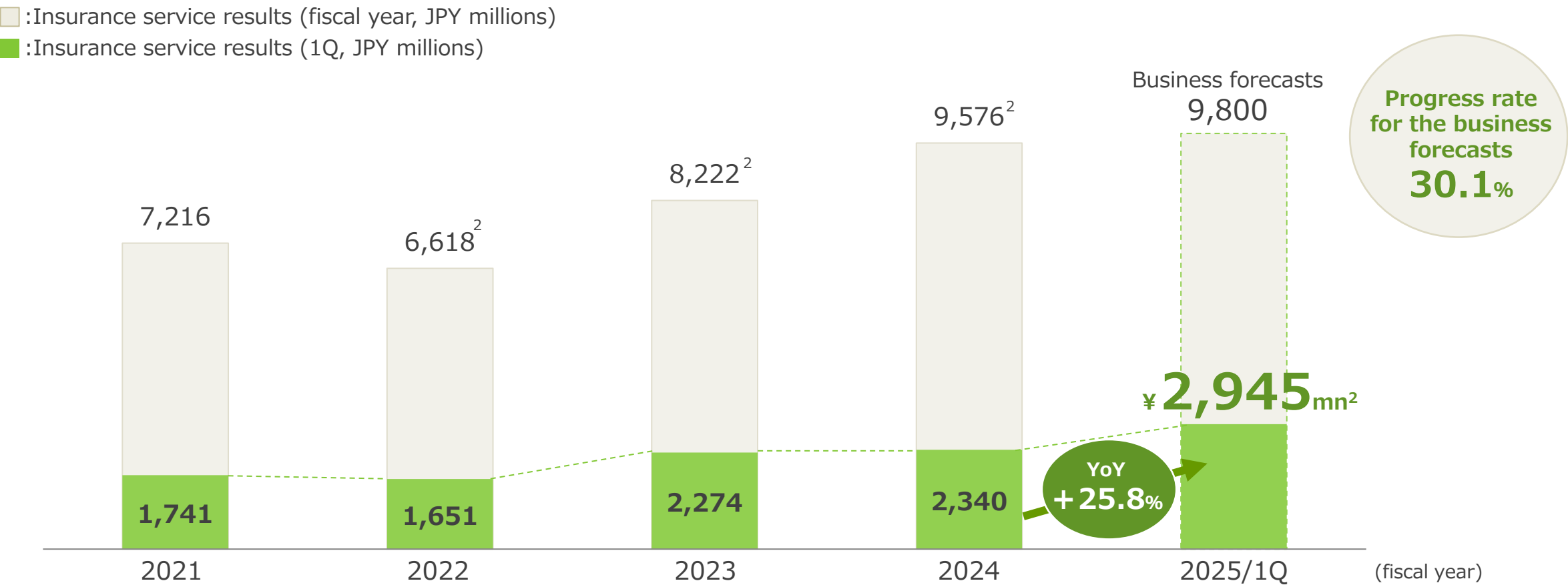
- Insurance service results and net income resulted in **¥2,945mn** and **¥2,177mn**, respectively

(JPY millions)

Items	FY2024/1Q	FY2025/1Q	Change
Insurance service results	2,340	2,945	604
Financial results ¹	338	183	(155)
Other results	(57)	(65)	(7)
Profit before tax	2,621	3,063	442
Net income attributable to owners of the Company	1,887	2,177	290

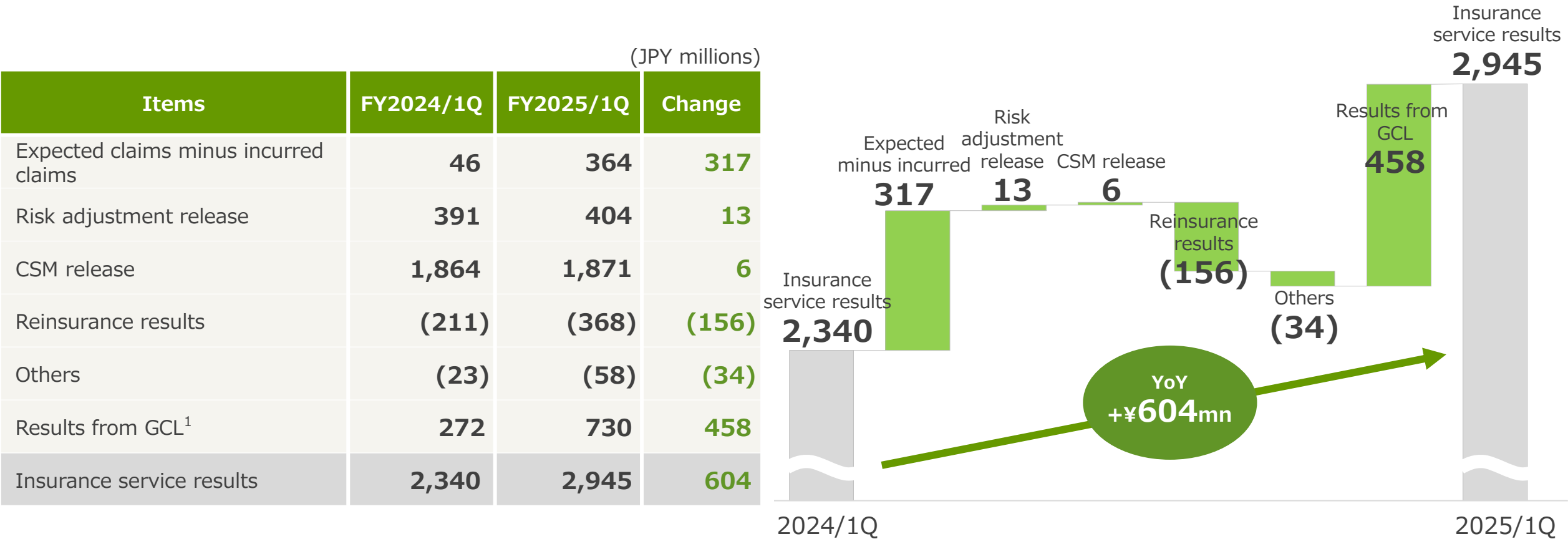
1. Total of investment results from financial assets, insurance finance income or expense and reinsurance finance income or expense

■ Achieved significant growth of 25.8% YoY and 30.1% progress rate for business forecasts



1. Figure for FY2021 is for reference use only as it is before date of transition to IFRS
2. COVID-19 related claims was ¥ 1,378mn in FY2022 and ¥ 36mn in FY2023. It is also included in FY2024 onward, but detailed calculation has not been performed.

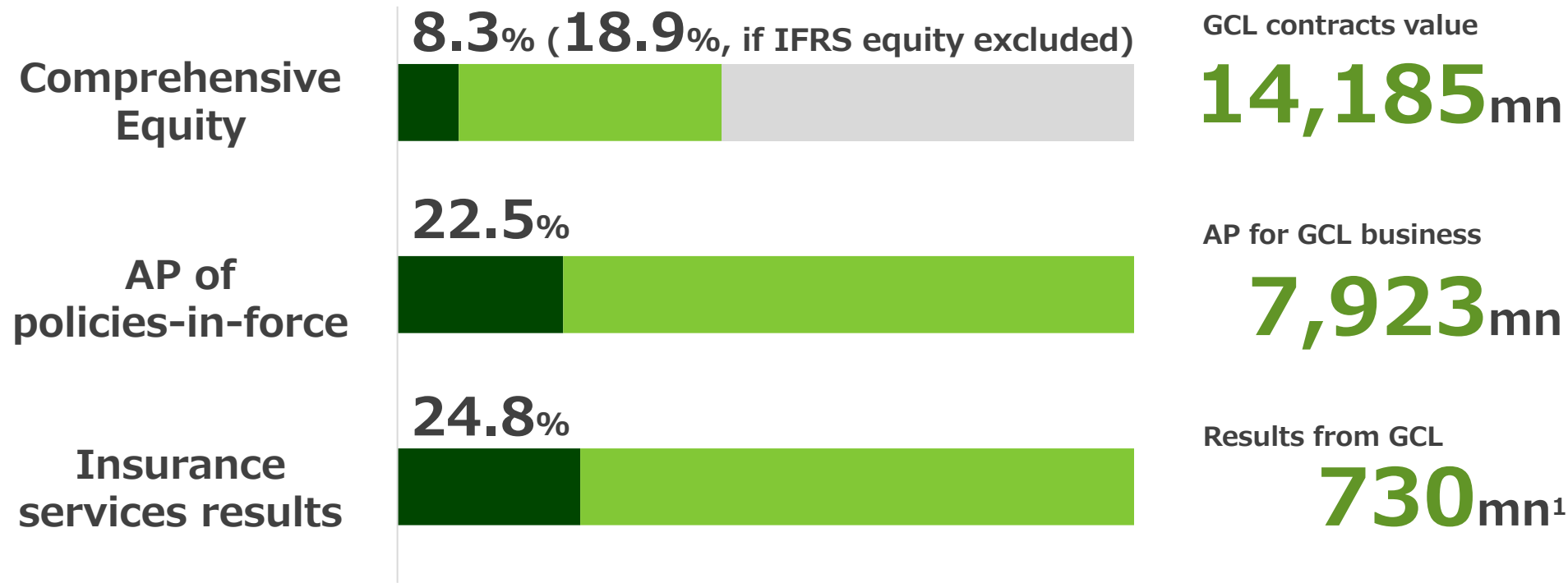
■ Grew strongly driven by GCL profits and lower-than-expected incurred claims of individual life



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

■ Sales through au Jibun Bank are **strongly boosting key indicators**

Key indicator results
(as of Jun. 2025)

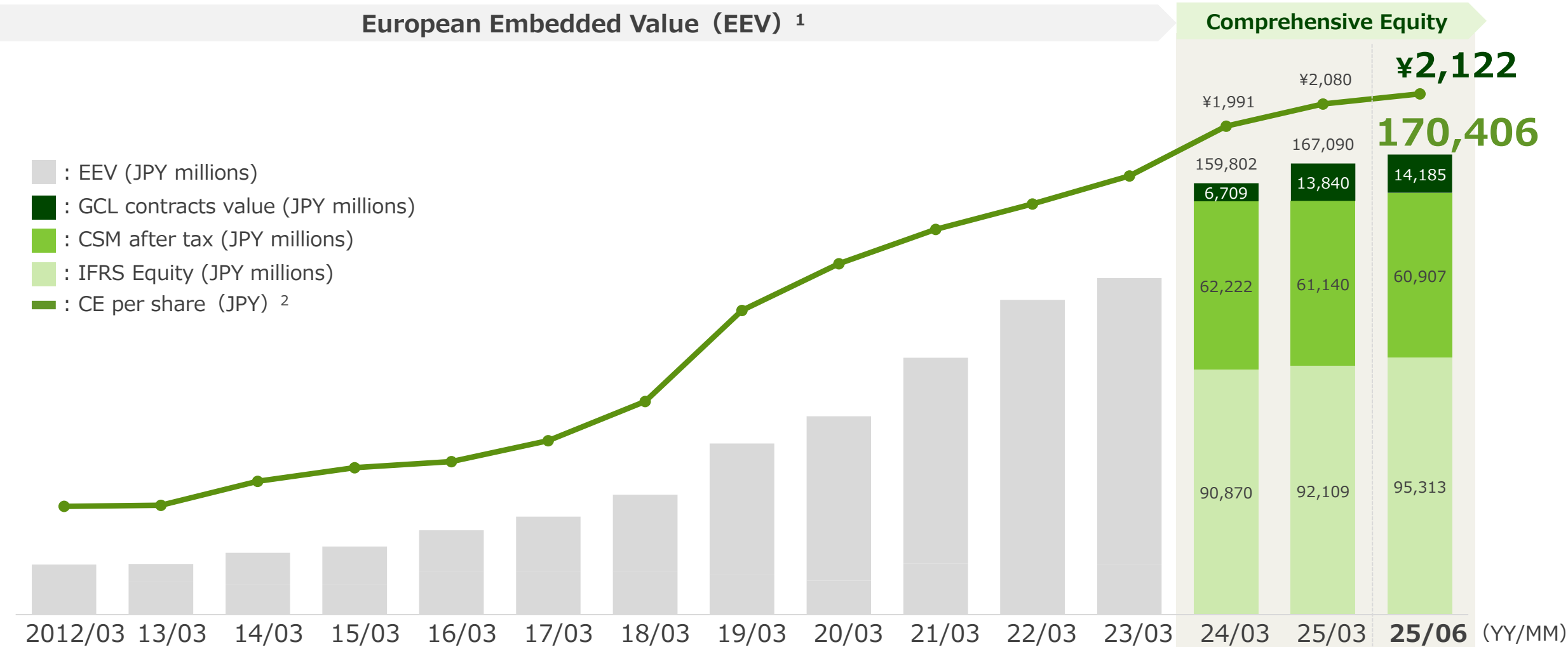


1. Insurance service results related to contracts measured under the Premium Allocation Approach (Excluding reinsurance results) , 1Q results

Movement of Management Indicators



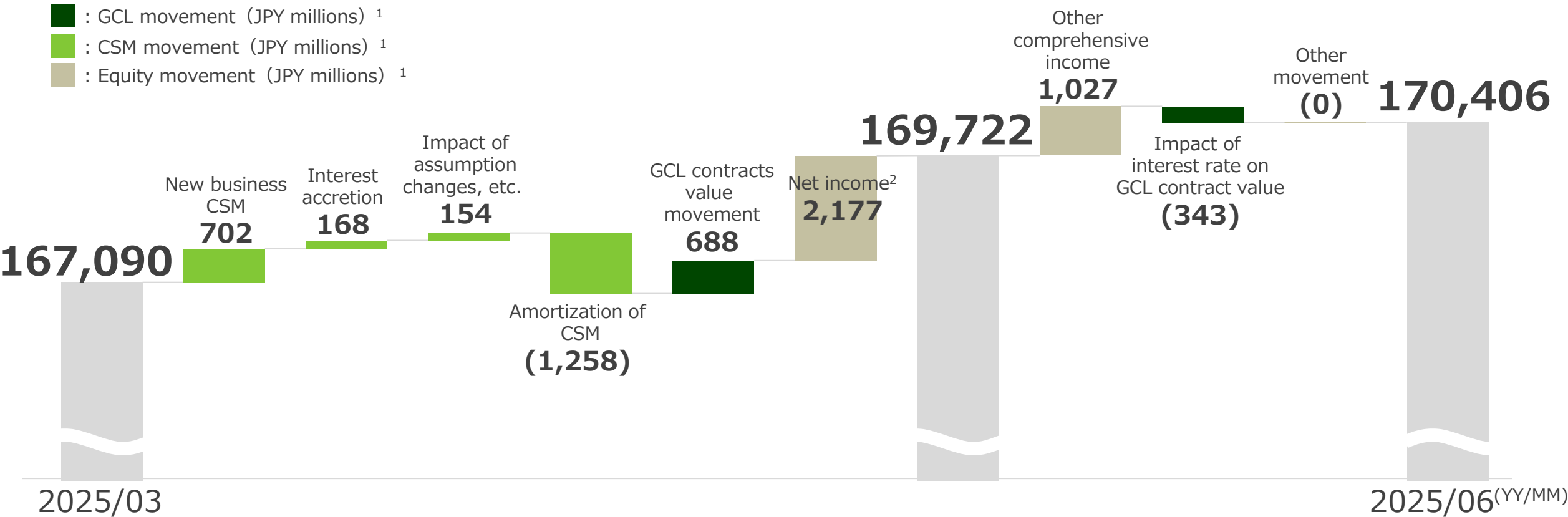
■ Strongly growing at a CAGR of 18% since IPO



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

2. EEV per share before March 2023

■ Increased due to new business CSM, GCL contracts value and net income



2025/03

2025/06^(YY/MM)

1. Tax effect (28.9%) before the introduction of the special defense corporation tax adjusted
2. Net income attributable to owners of the Company

New Initiatives

■ Design a top-tier customer experience, from comparison to payment

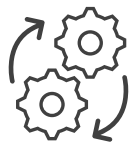
Improving CX in the comparison phase



Formed capital and business alliance with Advance Create Co., Ltd., aiming for equity-method affiliate



Market leader in online life insurance



Leading distributor with major insurance marketplace



Enhancing brand with new focus

Quote



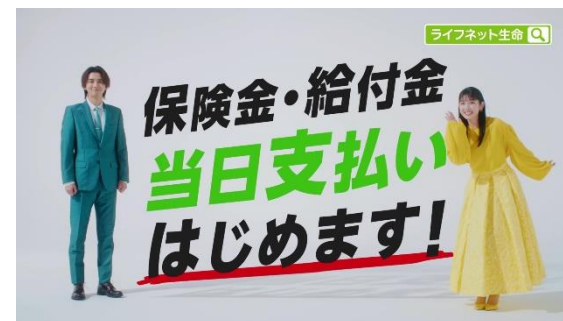
New message emphasizing "Integrity"



Claim



Promoting "Convenience and Peace of Mind" with launch of same-day claim payments



Uplisting to the TSE Prime Market

- **Advancing to the next stage of growth** by changing our market segment in July 2025, aiming to enhance corporate value and improving market valuation

Key benefits

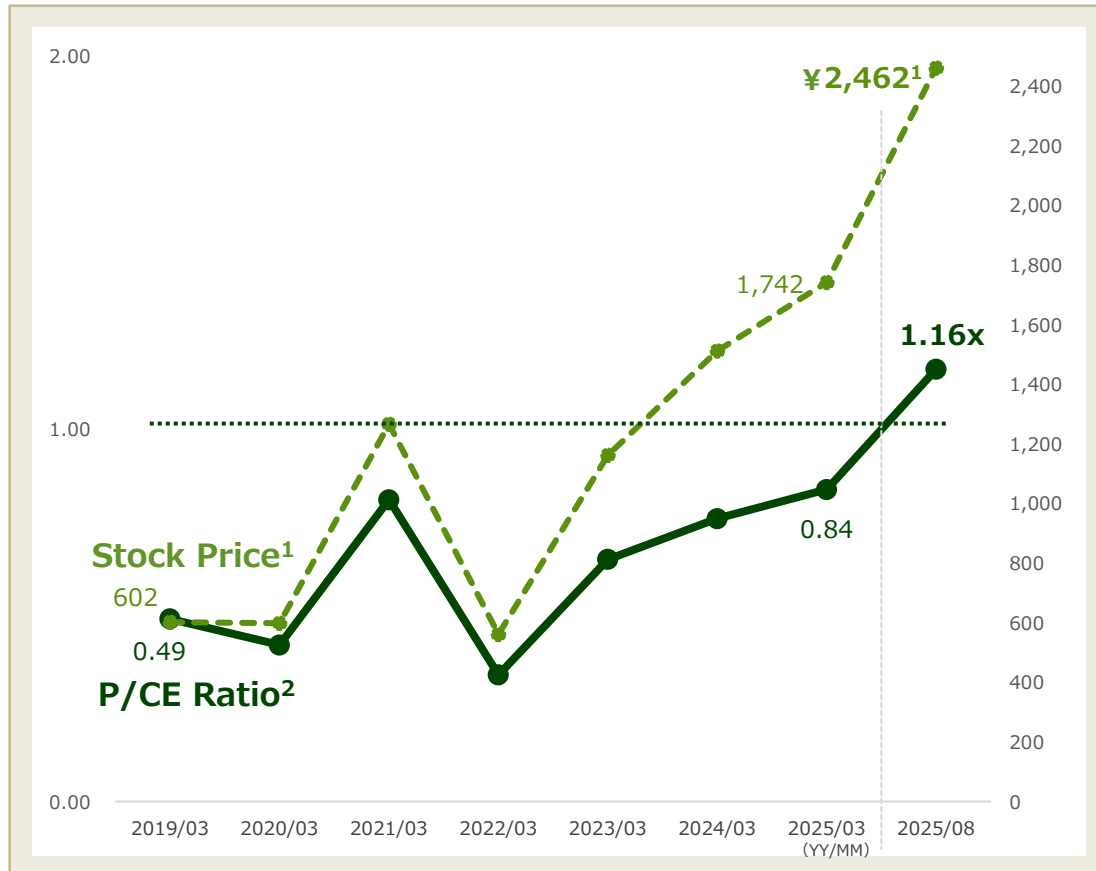
- Expansion of customer base and securing of top talent by earning greater public trust
- Stable capital inflow from index funds via inclusion in TOPIX index
- Increase in liquidity through the expansion of investor base
- Expansion of business opportunities through enhanced credibility and brand awareness



Enhancing Market Valuation

- Transition from valuation based on current in-force business value to an expectation-driven valuation incorporating future growth potential

Current valuation



Approach to improving valuation

Addressing the P/CE ratio of below 1x

Securing fair valuation for current in-force business value

Securing P/CE above 1x and targeting future upside

Driving valuation based on future growth potential

- Accelerating the CE growth rate
- Strengthening financial soundness under J-GAAP
- Initiatives and disclosure to reduce the cost of capital, etc.

1. Closing price as of August 12, 2025
2. Price/EEV per Share before March 2023

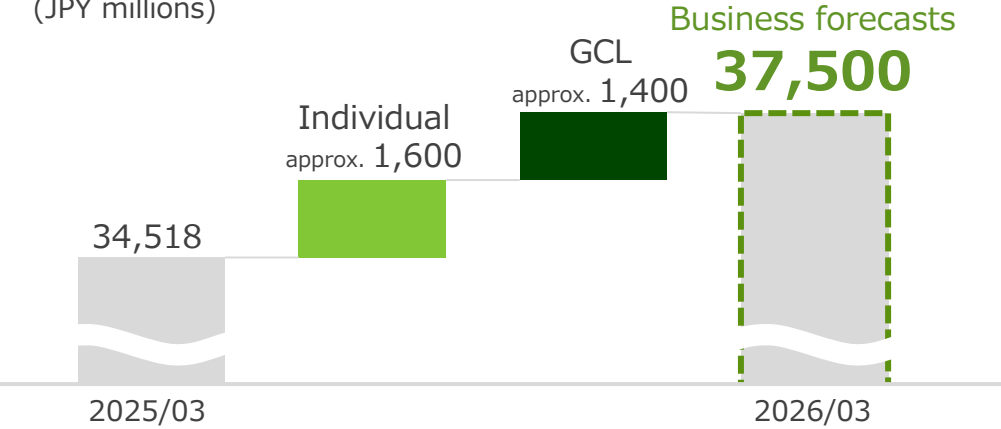
Consolidated Business Forecasts for FY2025



■ Remains unchanged since May 2025

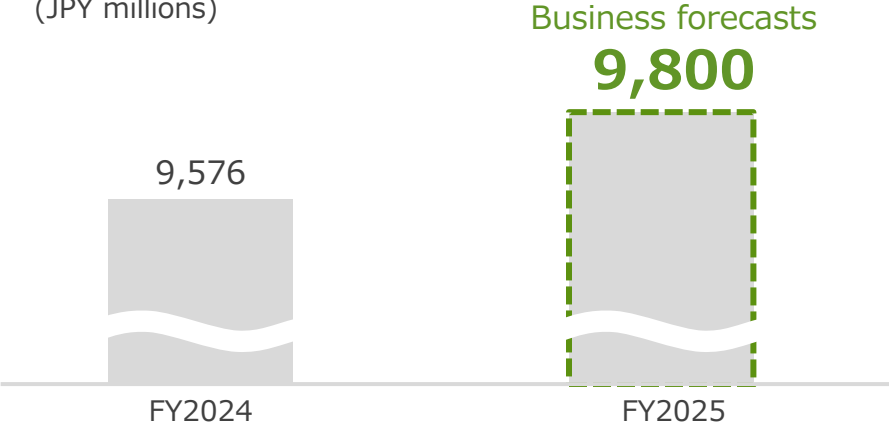
Growth

AP of policies-in-force
(JPY millions)



Profitability

Insurance service results
(JPY millions)

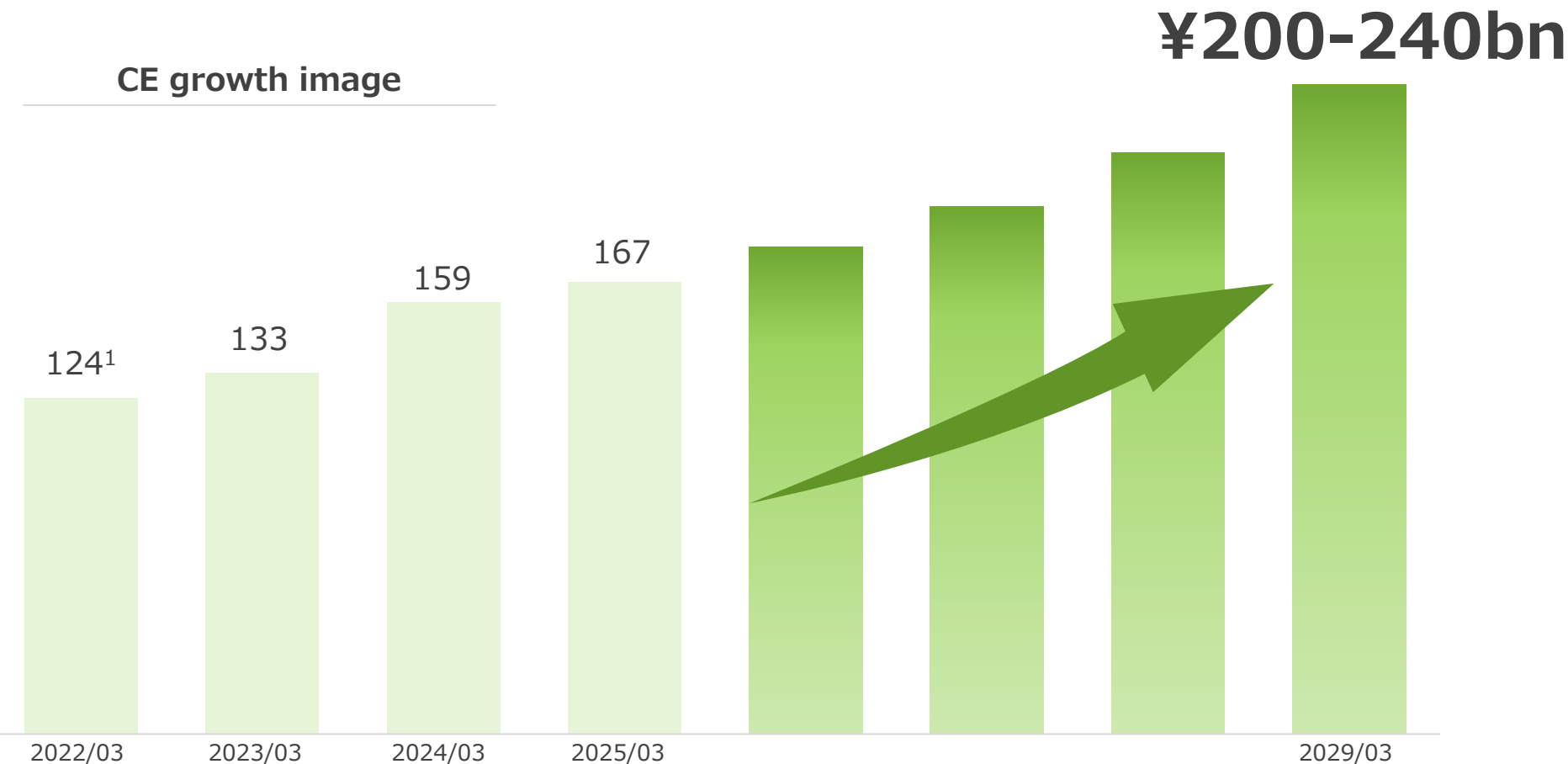


(JPY millions)	FY2024	FY2025	
	Results	1Q Results	Forecasts
Annualized premium of policies-in-force	34,518	35,214	37,500
Insurance revenue	30,081	8,222	33,000
Insurance service results	9,576	2,945	9,800
Net income attributable to owners of the Company	5,993	2,177	6,900

Achieving Mid-term Business Plan



- **Aim to achieve FY2028 management goal** by realizing sustainable growth through investment in priority areas



FY 2028 Financial goals

Stock price
¥3,000+

Annual growth rate of CE per share
approx. 10%

1. For reference use only as it is before date of transition to IFRS



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Sincere, Easy-to-understand, Affordable and Convenient

I. Our Guiding Principles

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

III. Making Life Insurance Accessible Again - Affordable

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

II. Making Life Insurance Accessible Again - Headache-free

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

IV. Making Life Insurance Accessible Again - Convenient

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

We wish to be a company that help our customers embrace life more fully through management with integrity, and offering easy-to-understand, affordable, convenient products and services.



LIFENET
LIFENET INSURANCE COMPANY

Appendix

Glossary 1

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

Glossary 2

Glossary	Explanation
Comprehensive Equity (CE)	An indicator defined by the Group. It is the sum of “Equity (attributable to owners of the Company)” on the IFRS balance sheets, “CSM”, a liability representing unearned profit that the Group expects to earn as it provides insurance services (insurance contracts and reinsurance contracts are aggregated and tax-adjusted), and "GCL contracts value". We have defined it as the indicator that represents the corporate value of the Group as it includes the value of future profits of policies-in-force.
Group Credit Life Insurance (GCL) contracts value	An indicator defined by the Group. It is the value of future IFRS earnings for GCL policies-in-force including future renewals as of the valuation date.
Premium Allocation Approach (PAA)	A simplified approach which can be applied for measuring insurance contracts with short coverage periods which is defined under IFRS17. We applied it for GCL contracts which have 1 year insurance period.
Insurance acquisition cash flows (IACF)	Cash flows from expenses which are directly attributable to acquisition of insurance contracts. Advertising expenses for new business, agency commissions and administrative expenses for underwriting new business are included. The difference from marketing expenses we had used for J-GAAP is addition of administrative expenses for underwriting.
Maintenance expenses	Expenses directly related to fulfillment of insurance contracts other than insurance acquisition cash flows. Administrative expenses for the maintenance of contracts and overhead expenses for the provision of insurance services are included.
Economic Solvency Ratio(ESR)	ESR is the indicator to assess the soundness of insurers. Based on the economic valuation of assets and liabilities of insurance companies, ESR is calculated as the ratio of the eligible capital against the required capital which is evaluated as the risk amount for the losses. Regulatory ESR is the administrative indicator which will be disclosed for the closing from March 2026 onwards. It assesses the capital adequacy of insurers in place of existing SMR. Internal ESR is the ESR which the Group uniquely calculates as an internal indicator.
Eligible capital	The numerator of ESR as the capital that insurers hold. Based on the value of the net asset on the economic-value based balance sheet under a market consistent approach, necessary adjustments are made regarding the eligibility as the capital for the risk.
Required capital	The denominator of ESR as the risk amount that insurers take. For each risk category, the risk amount is calculated at a certain level and then the amounts are aggregated with the prescribed methodology. In many of the risk categories, the required capital is defined as the changes in the value of (economic value-based) net assets under prescribed stresses.

Breakdown of Policies-in-Force

	2024/06	2025/06	Component ratio
Number of policies-in-force	609,888	647,914	100%
- Term Life	297,565	313,522	48%
- Whole-life Medical & Term Medical	166,558	178,209	28%
- Long-term Disability	70,242	72,634	11%
- Cancer	68,455	76,426	12%
- Other ¹	7,068	7,123	1%
Sum insured of policies-in-force² (JPY millions)	3,842,513	4,009,929	
Number of policyholders	386,503	407,592	

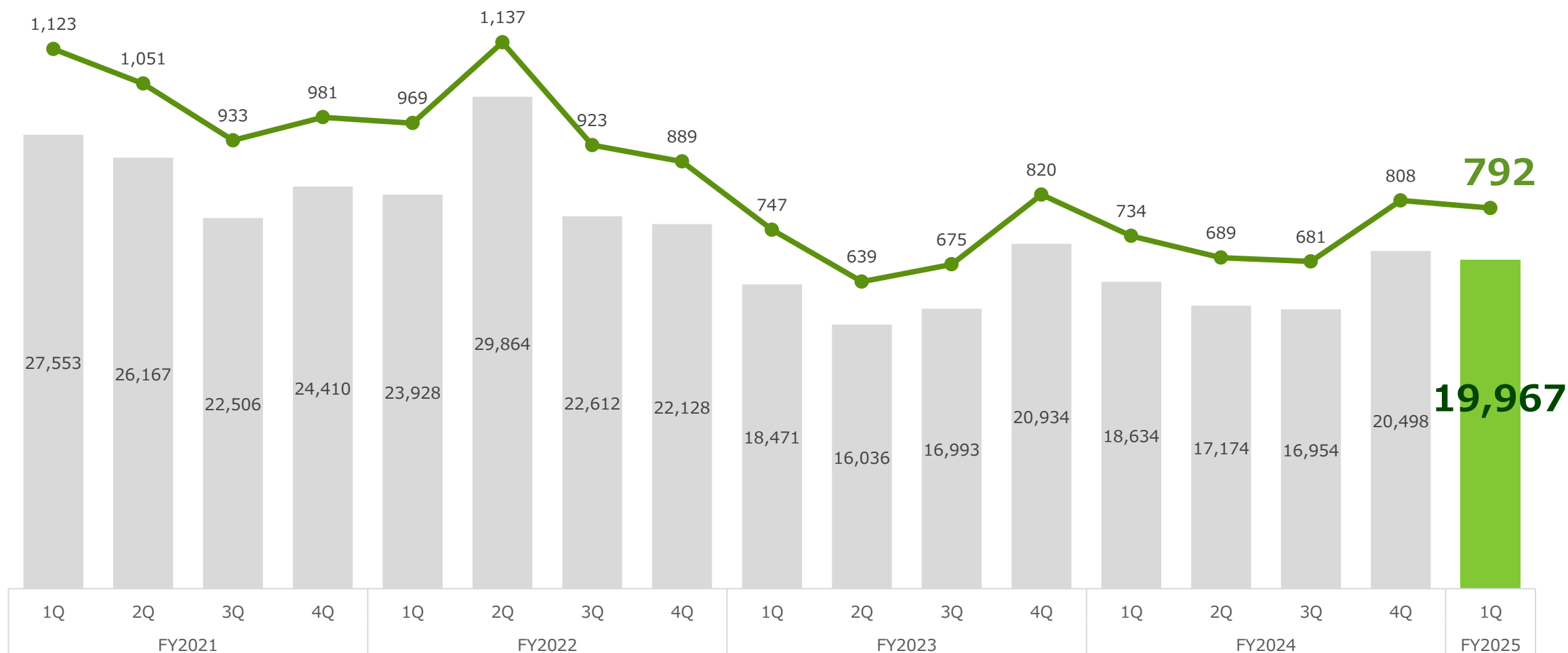
1. Term Medical Care and Dementia

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

Annualized Premium / Number of New Business

— :AP¹ of new business (JPY millions)

■ :Number of new business

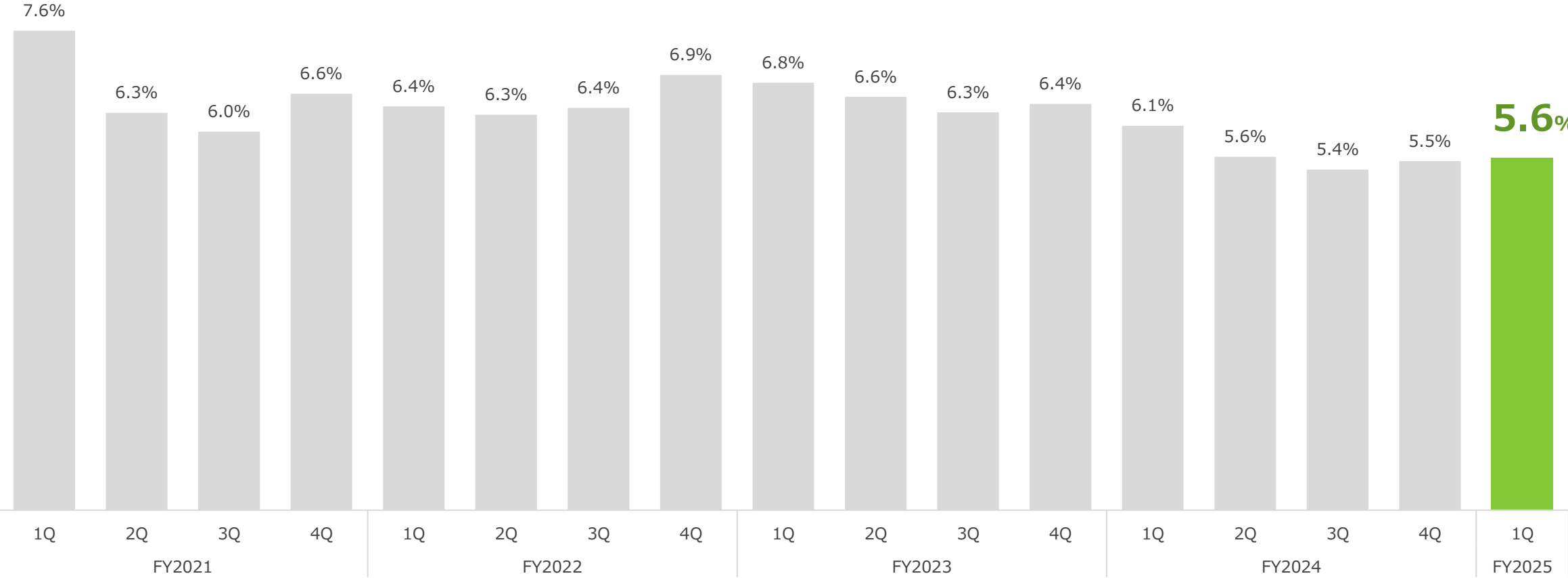


1. The amount of money equivalent to what is to be paid to have the insurance coverage for one year. All payments are monthly installments, thus the annualized premium is calculated as multiplying the monthly premium by 12.

Surrender and Lapse Ratio



 : Surrender and lapse ratio¹ (%)



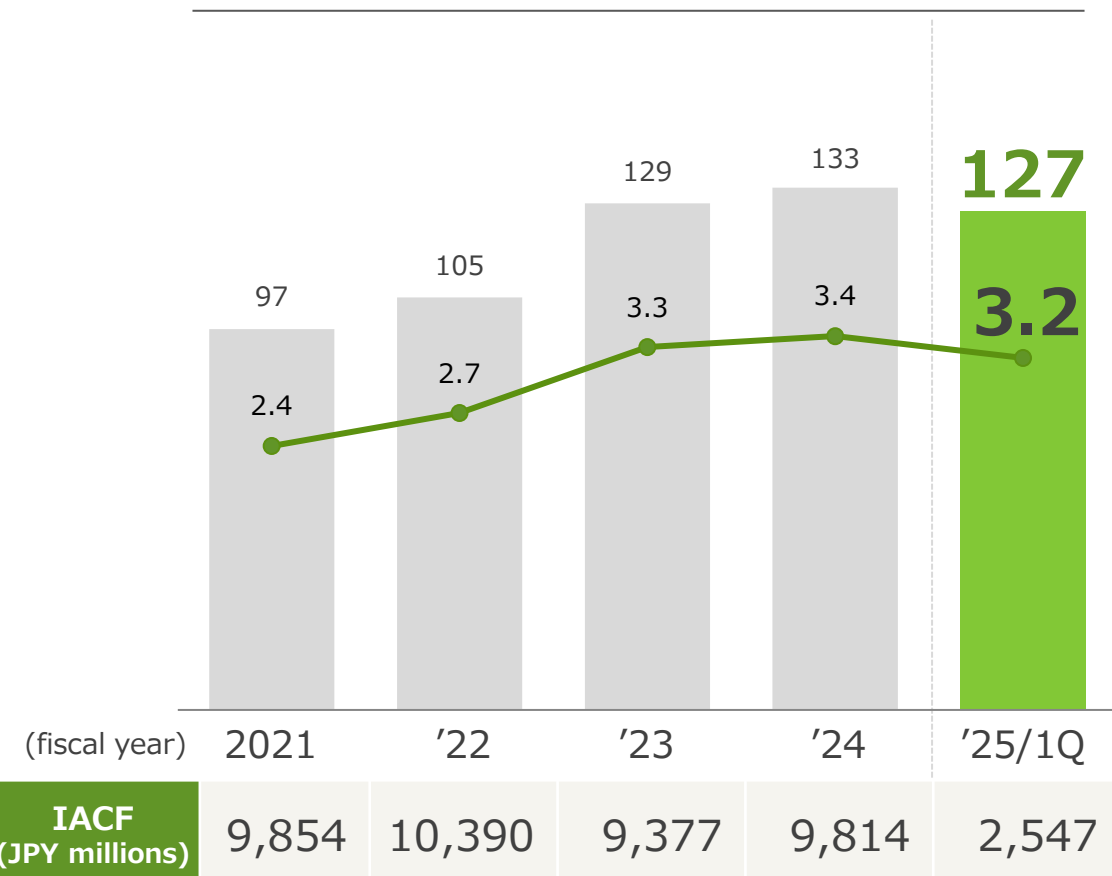
1. The surrender and lapse ratio is the annual equivalent of the monthly number of policies surrendered and/or lapsed divided by the monthly average number of policies-in-force.

Insurance Acquisition Cash Flows (IACF) Efficiency

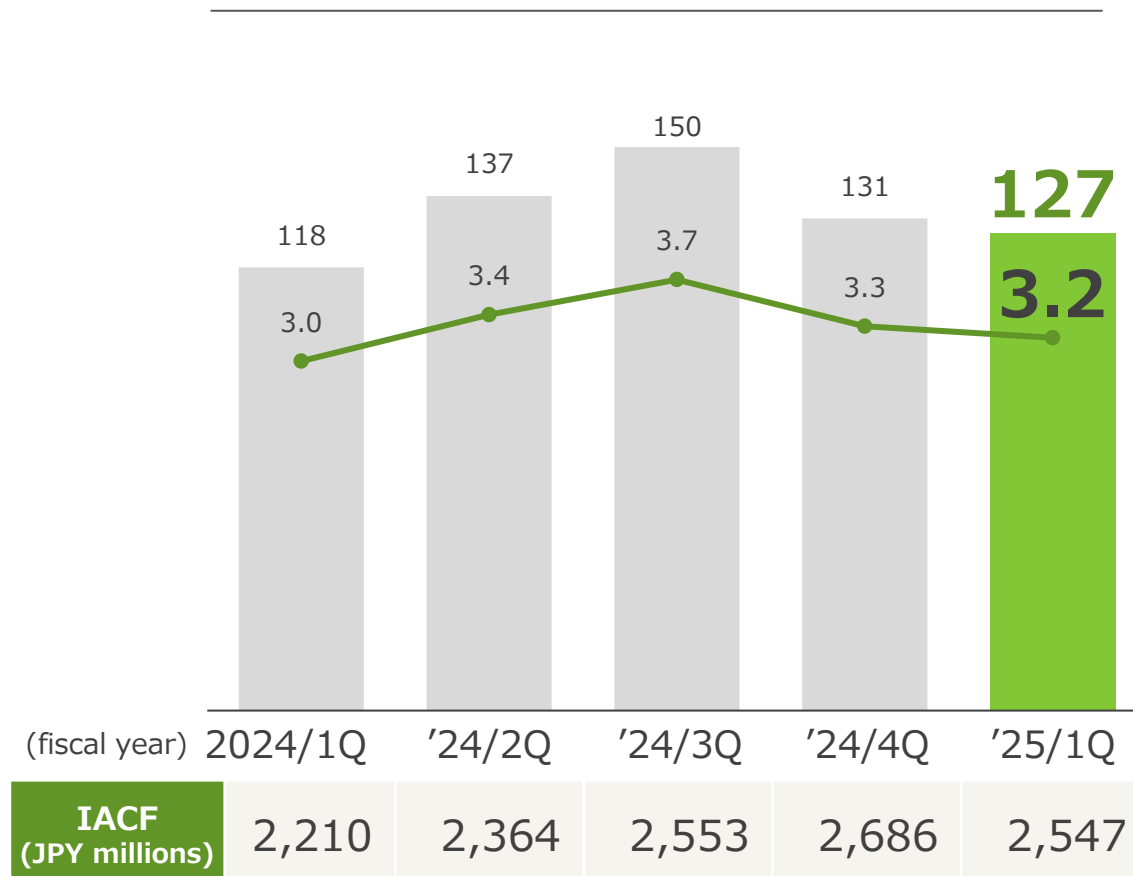
■ : Insurance acquisition cash flows / AP of new business

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

Fiscal year¹



Quarter



1. Figure for FY2021 is for reference use only as it is before date of transition to IFRS.

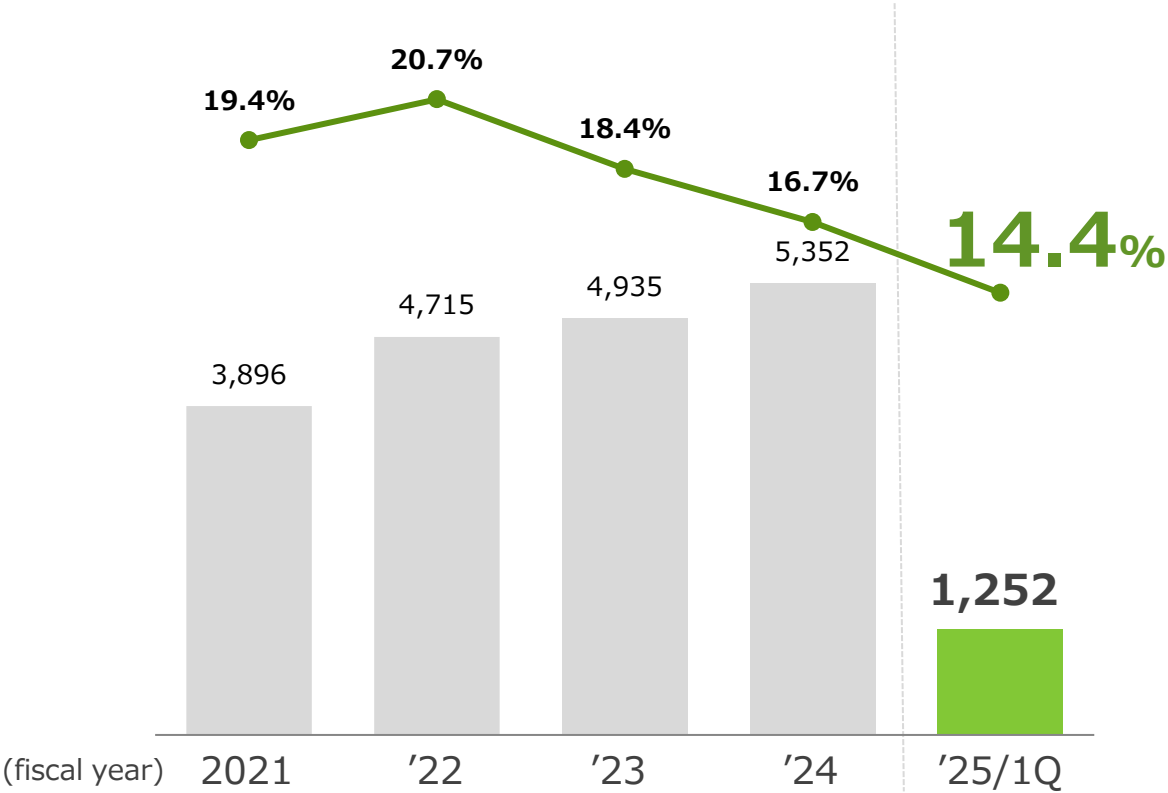
Operating Expenses Ratio¹



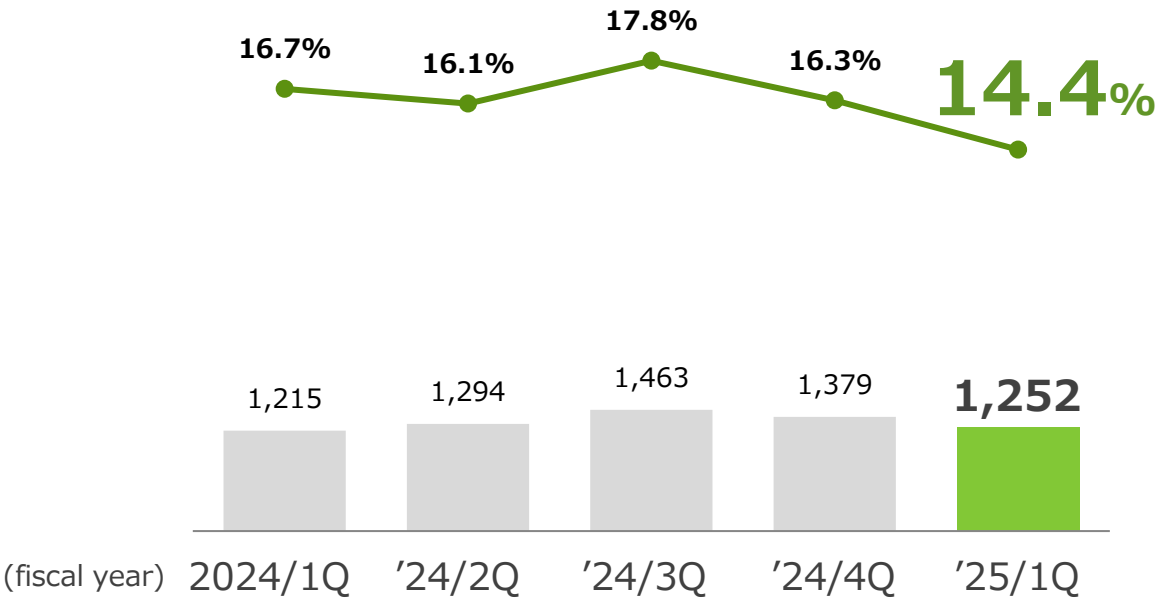
■ :Operating Expenses Ratio (%)

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

Fiscal year²



Quarter



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

2. Figure for FY2021 is for reference use only as it is before date of transition to IFRS.

Summary IFRS P/L (Quarter)

(JPY millions)

Items	2024/1Q	2024/2Q	2024/3Q	2024/4Q	2025/1Q	Note
Insurance service results	2,340	2,224	2,628	2,383	2,945	
Expected claims minus incurred claims ¹	46	(19)	153	12	364	Incurred claim payments for individual life decreased
Risk adjustment release	391	405	399	416	404	
CSM release	1,864	1,834	1,842	1,898	1,871	
Reinsurance results	(211)	(72)	(354)	(291)	(368)	Changed due to decrease in GCL and individual life claim payments
Results from GCL ²	272	175	651	475	730	Due to increase in premium and decrease in claim payments
Financial results³	338	(395)	(10)	33	183	
Other results	(57)	(71)	(112)	(121)	(65)	
Profit before tax	2,621	1,757	2,505	2,294	3,063	Due to increase in insurance service results
Net income attributable to owners of the Company	1,887	1,265	1,804	1,036	2,177	

1. Applied only for individual life

2. Insurance service results related to contracts measured under the premium allocation approach (excluding reinsurance results)

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

Breakdown of Insurance Service Results

Items			(JPY millions)
	FY2024		FY2025
	(Ref.) Fiscal Year	1 Q	1 Q
Insurance revenue	30,081	6,776	8,222
Expected claims	11,170	2,694	2,944
Risk adjustment release	1,612	391	404
CSM release	7,440	1,864	1,871
Recovery of IACF	4,143	990	1,123
Others	(83)	(34)	(40)
Premium income of GCL ¹	5,797	870	1,918
Insurance service expenses	19,575	4,225	4,909
Incurred claims (Individual life)	10,978	2,647	2,580
Incurred claims (GCL)	4,221	597	1,187
Amortization of IACF	4,143	990	1,123
Others	231	(10)	18
Reinsurance results	(929)	(211)	(368)
Insurance service results	9,576	2,340	2,945

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

Breakdown of Financial Results

- Decreased due to foreign exchange valuation losses while **additional bond purchases increase interest income**

(JPY millions)

Items	FY2024/1Q	FY2025/1Q	Change
Investment results	360	184	(176)
Interest income	237	284	46
Impairment losses on financial assets, net	(3)	(0)	3
Other investment income	126	(99)	(226)
Insurance finance income (expense)	(26)	(5)	21
Reinsurance finance income (expense)	4	4	(0)
Financial results	338	183	(155)

Detail of Bond Portfolio¹



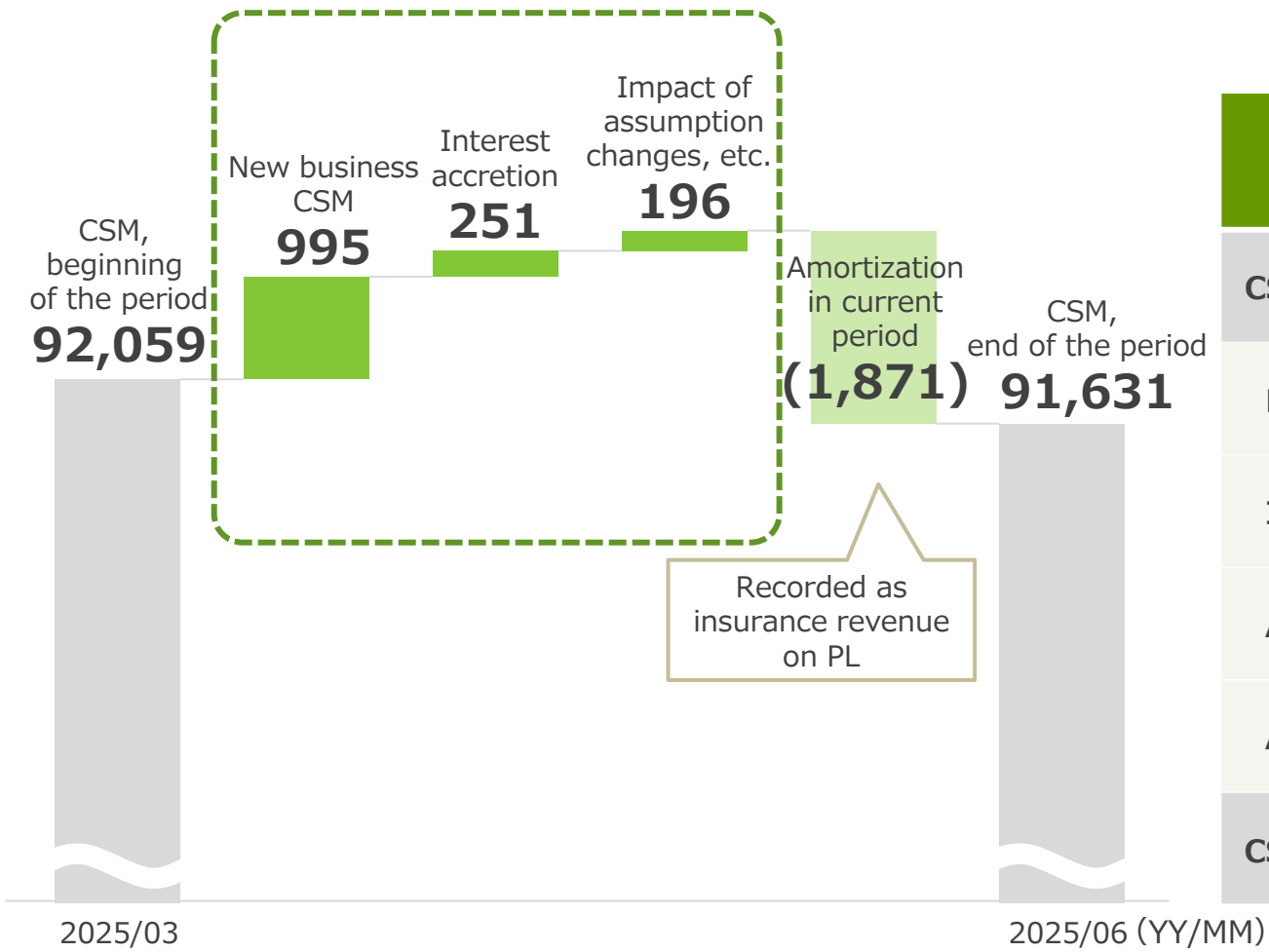
As of June 30, 2025

(JPY millions)

	Available-for-Sale	Held-to-Maturity	Total
JPY Bonds	15,792	36,792	52,585
Duration ²	4 years	6 years	5 years
Foreign Currency Bonds	13,054	—	13,054
Duration ²			4 years
Non-Currency Hedged	2,030	—	2,030
Currency Hedged	11,023	—	11,023

1. Based on J-GAAP balance sheet
2. Calculated by Lifenet

CSM Movement



(JPY millions)

Items	FY2024	FY2025/1Q
CSM, beginning of the period	92,173	92,059
New business CSM	3,486	995
Interest accretion	952	251
Assumption changes, etc.	2,887	196
Amortization of CSM	(7,440)	(1,871)
CSM, end of the period	92,059	91,631

CSM Future Allocation

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

Future allocation of CSM

(JPY billions)

			Amount	Expected timing when CSM is recognized in PL					
				A+year 1	A+year 2	A+year 3	A+year 4	A+year 5	A+year 6 and more
Actual	In-force CSM	As of Jun. 2025 (A)	91.6	7.2	6.9	6.6	6.3	6.0	58.3
Fore-cast	New Business CSM (B)	A + year 1	XX	X	X	X	X	X	XX
		A + year 2	XX		X	X	X	X	XX
		A + year 3	XX			X	X	X	XX
		A + year 4	XX				X	X	XX
		A + year 5	XX					X	XX
	CSM release (A+B)			XX	XX	XX	XX	XX	XXX

Comprehensive Equity Sensitivity Analysis¹

■ Impacts of changes in assumptions (sensitivities)

(JPY millions)	Changes in Comprehensive Equity (CE) as of June 30, 2025		
	Changes in CE	% changes	Of which changes in CSM ²
Comprehensive Equity as of June 30, 2025	170,406	—	60,907
1.0% increase in risk-free rate ³	(8,433)	(4.9%)	—
1.0% decrease in risk-free rate ³	9,071	5.3%	—
0.5% increase in risk-free rate ³	(4,299)	(2.5%)	—
0.5% decrease in risk-free rate ³	4,460	2.6%	—
10% decrease in equity and real estate value and other	(297)	(0.2%)	—
10% decrease in operating expenses rate	6,389	3.7%	5,310
10% decrease in surrender and lapse rate	1,855	1.1%	1,518
5% decrease in claim incidence rates for life business	6,750	4.0%	6,802
10% decrease in non-renewal rate	5,890	3.5%	5,890

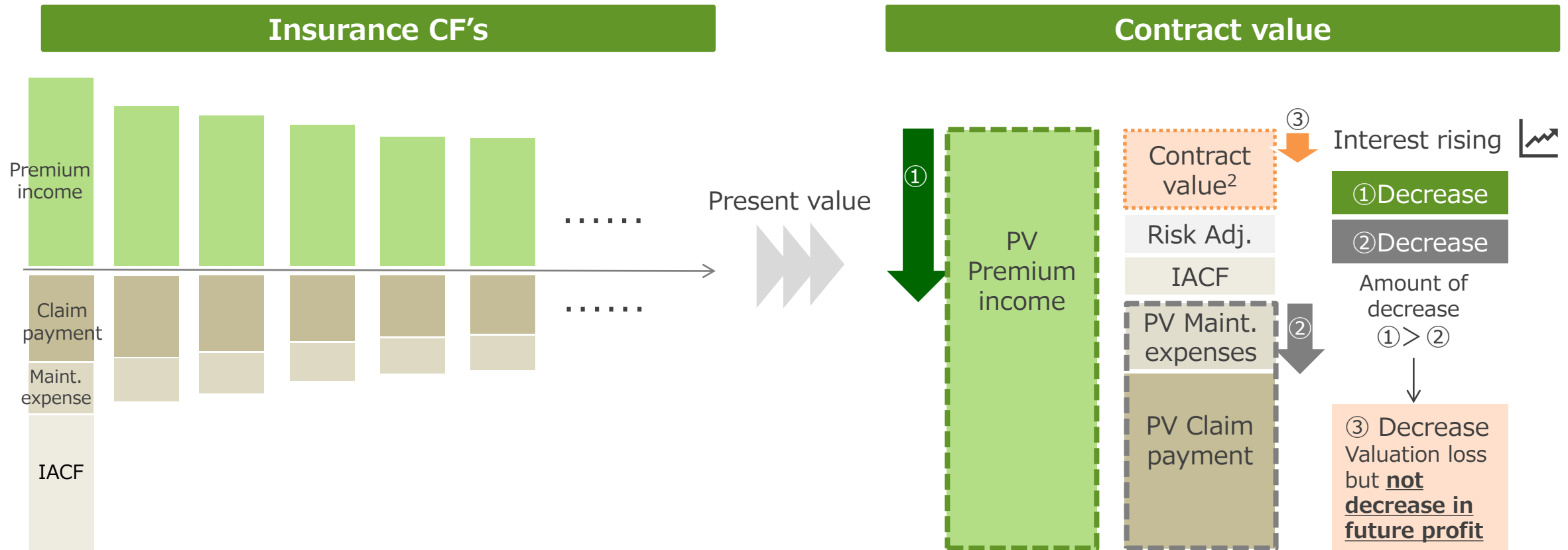
1. For each sensitivity, only one specific assumption is changed and other assumptions remain unchanged. It should be noted that the effect of the change of more than one assumption at a time is likely to be different from the sum of sensitivities carried out separately.

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

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

Impact on CE by Rising Interest Rates

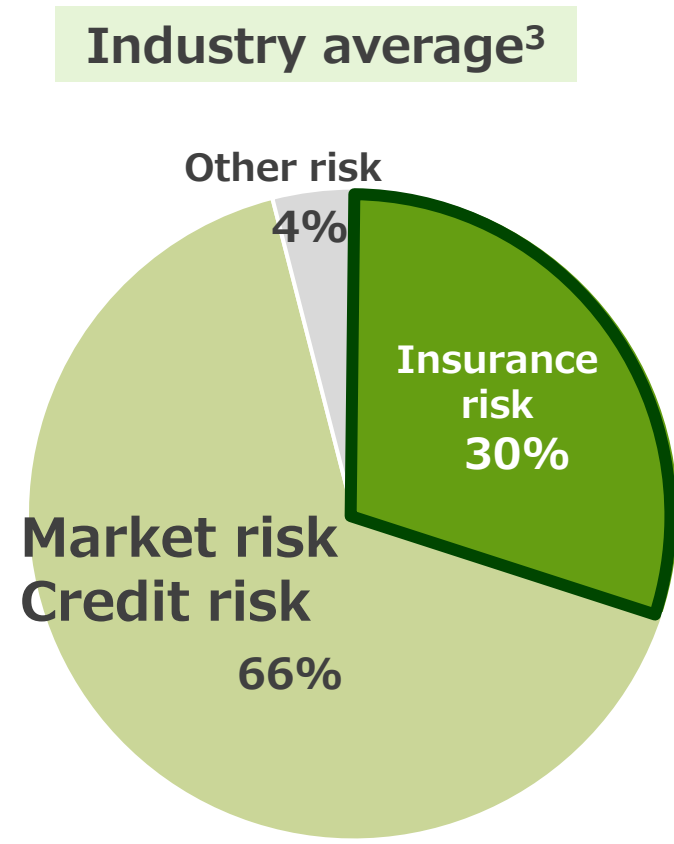
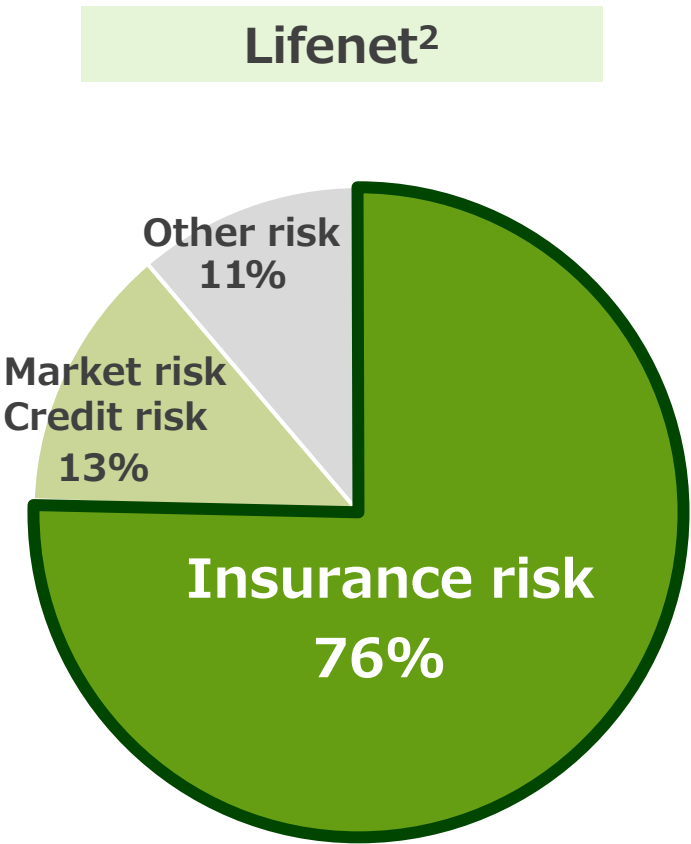
- Due to product characteristics, future revenue surpasses expenditures in insurance CF's, positive on CE as contract value
- CE would be decreased through valuation losses with rising interest rates but the impact would be limited¹



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

2. Before tax adjustment

- Due to our focus on protection products, insurance risk constitutes majority of the risk profile



1. Ratio to the total risk before diversifying effect and tax effect

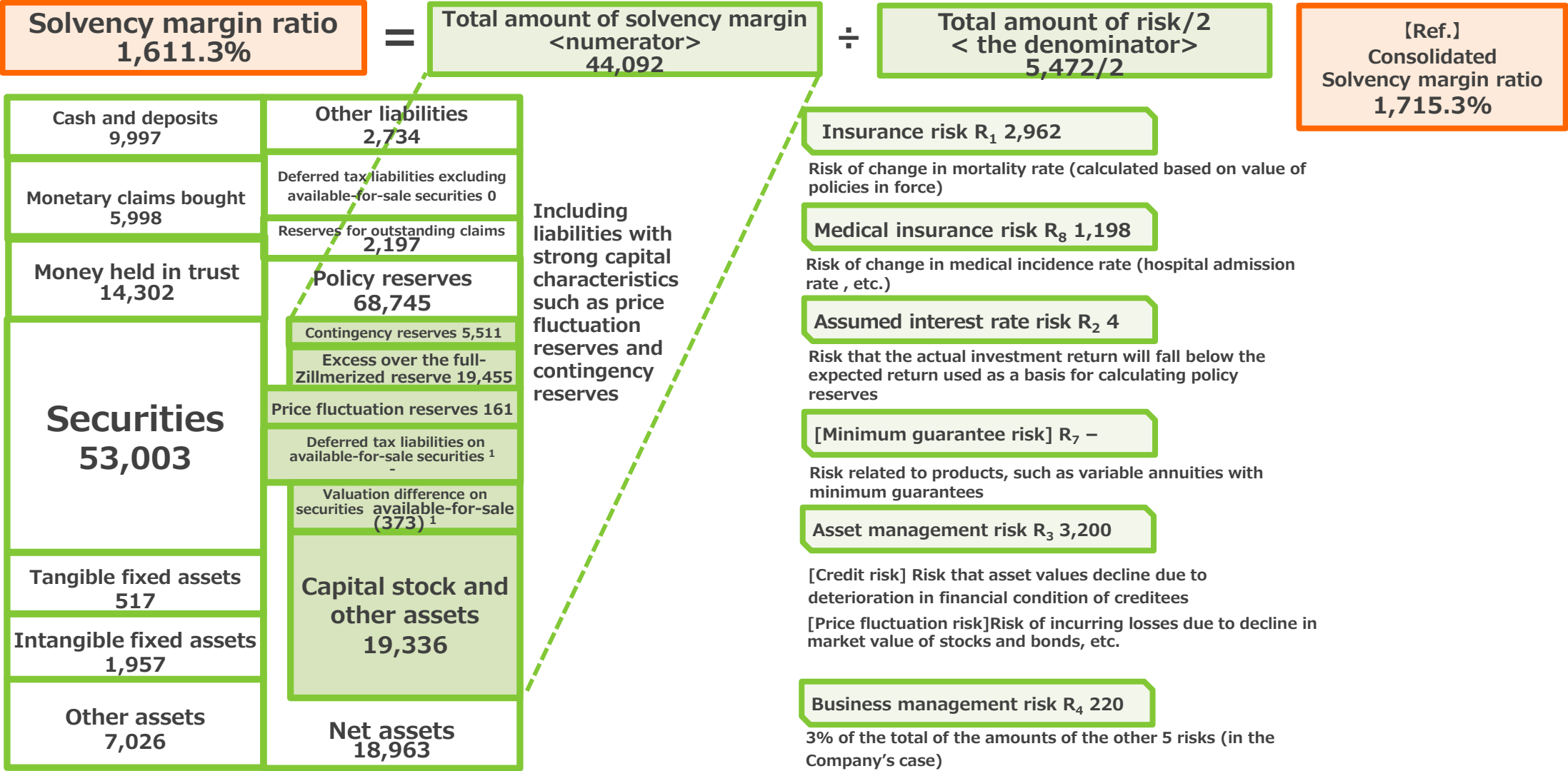
2. As of March 2025

3. FY2023 data of life insurance (Non-consolidated basis)









Source: Overview of the Results of the 2024 Field Test on Economic Value-based Evaluation and Supervisory Methods (Japan Financial Services Agency, June 2025)

As of June 30, 2025

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



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

	Statutory Accounting (J-GAAP)	Embedded Value	IFRS 17
Important perspective	Financial soundness for policyholder protection	Economic value of insurance policies including future profit	Recognition of revenue based on the retention of in-force business
Timing of profit recognition	<p><u>Acquisition expense is recognized at the time of acquisition.</u></p> <p>Year1 Year2 Year3 Year4 </p> <p>loss profit   </p> <p> loss</p>	<p>The expected profit for the policy period is <u>immediately</u> recognized.</p> <p>Year1</p> <p> present value of profit</p>	<p>The expected profit is allocated <u>over the term of the policy.</u></p> <p>Year1 Year2 Year3 Year4 </p> <p> profit    </p>

Summary J-GAAP P/L & B/S

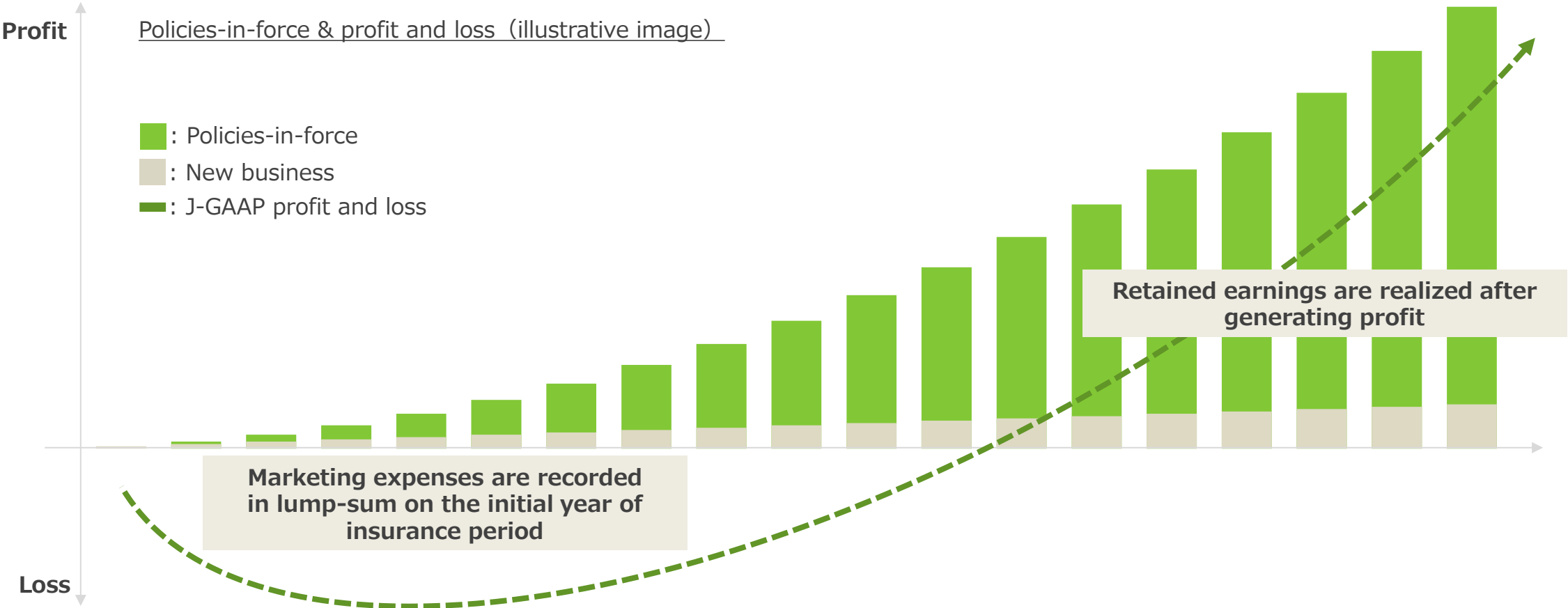
- Strengthen modified co-insurance in FY2025 to mitigate the decline in capital and aim to improve the financial condition

(JPY millions)

Items	FY2024	FY2024/1Q	FY2025/1Q
Ordinary income	41,994	10,437	12,467
Insurance premiums and other	41,438	9,580	12,289
Ordinary expenses	45,022	10,984	11,450
Insurance claims and other	20,569	4,944	5,666
Provision for policy reserves and other	8,551	2,048	1,941
Operating expenses	13,296	3,034	3,342
Ordinary profit (loss)	(3,027)	(546)	1,017
Net income (loss)	(3,052)	(552)	728

Items	FY2024	FY2025/1Q
Total assets	89,866	92,803
Cash and deposits	16,044	9,997
Money held in trust	13,202	14,302
Securities	52,045	53,003
Total liabilities	71,796	73,840
Policy reserves and other	69,020	70,943
Total net assets	18,069	18,963
Retained earnings	(34,696)	(33,968)

■ Aim for the increase in total shareholder return **by capital gain**¹



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