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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 9, 2025

Company name: Anicom Holdings, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 8715
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 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 25, 2025
 Scheduled date to file annual securities report: June 20, 2025
 Preparation of supplementary material on financial results: Available
 Holding of financial results briefing: Scheduled (For analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Recurring revenue		Recurring profit		Profit attributable to owners of parent	
	Millions yen	%	Millions yen	%	Millions yen	%
Fiscal year ended March 31, 2025	67,683	12.0	4,941	18.8	3,246	18.9
March 31, 2024	60,437	6.9	4,159	12.9	2,729	19.4

(Note) Comprehensive income: Fiscal year ended March 31, 2025: 2,526 million yen [(16.8)%]
 Fiscal year ended March 31, 2024: 3,036 million yen [183.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ratio of recurring profit to total assets	Ratio of recurring profit to recurring revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	41.98	—	11.2	7.1	7.3
March 31, 2024	34.02	—	9.4	6.5	6.9

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2025: — million yen
 Fiscal year ended March 31, 2024: 8 million yen

Recurring profit before amortization of goodwill (Total of recurring profit and amortization of goodwill):

Fiscal year ended March 31, 2025: 5,191 million yen
 Fiscal year ended March 31, 2024: 4,362 million yen

Net profit before amortization of goodwill (Total of profit attributable to owners of parent and amortization of goodwill):

Fiscal year ended March 31, 2025: 3,496 million yen
 Fiscal year ended March 31, 2024: 2,931 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	72,494	28,066	38.9	376.54
As of March 31, 2024	66,357	30,152	45.1	375.20

(Reference) Equity: As of March 31, 2025: 28,215 million yen

As of March 31, 2024: 29,895 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	6,400	(5,091)	271	22,610
March 31, 2024	5,669	(11,132)	(1,343)	21,029

2. Dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2024	-	0.00	-	5.50	5.50	438	16.2	1.5
March 31, 2025	-	0.00	-	8.50	8.50	636	20.2	2.3
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	9.00	9.00		31.6	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Recurring revenue		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half (cumulative)	35,000	6.4	1,800	(42.5)	1,100	(49.5)	14.79
Full year	73,000	7.9	3,300	(33.2)	2,100	(35.3)	28.45

* Notes:

(1) Significant changes in the scope of consolidation during the year: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the year (including treasury shares):

As of March 31, 2025: 74,939,160 shares

As of March 31, 2024: 81,309,160 shares

2) Total number of treasury shares at the end of the year:

As of March 31, 2025: 4,232 shares

As of March 31, 2024: 1,628,636 shares

3) Average number of shares outstanding during the year:

Fiscal Year ended March 31, 2025: 77,325,267 shares

Fiscal Year ended March 31, 2024: 80,226,378 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Recurring profit		Net profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	2,507	(53.6)	997	(74.3)	907	(76.5)	918	(79.0)
March 31, 2024	5,402	90.7	3,875	208.7	3,854	210.1	4,371	277.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	11.88	—
March 31, 2024	54.49	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	28,865	18,151	62.9	242.24
March 31, 2024	26,602	20,671	77.7	259.43

(Reference) Equity: As of March 31, 2025: 18,151 million yen
As of March 31, 2024: 20,671 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes
(Financial Results Forecast)

The forward-looking statements, such as performance forecasts contained, herein are based on information currently available to Anicom Holdings, Inc. (“the Company”) and certain assumptions that the Company regards as reasonable. They are not intended as the Company’s commitment to achieving such forecasts, and actual results may differ significantly from these forecasts due to a wide range of factors. For assumptions underlying the forecasts and cautionary notes, etc. for using the forecasts, please refer to “1. (1) 2) Financial results forecast for the next consolidated fiscal year” on page 2 of the Attachments.

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

1) Overview of operating results

During the fiscal year under review, the Japanese economy continued to show a moderate recovery, particularly in terms of internal demand, backed by a return to normalcy in social activity, a recovery in inbound demand, and improvements in the employment and income environment. Further, corporate earnings have been comparatively strong. On the other hand, the outlook remained uncertain due to factors such as the situations in Ukraine and the Middle East, an economic slowdown in China, and increased geopolitical and global economic risk caused by fluctuations in international financial markets and other factors.

Under these circumstances, to achieve the “further enhancement of the profitability of pet insurance,” which has been positioned as a priority measure of the Anicom Group’s core subsidiary, Anicom Insurance, Inc., the Company has been making various efforts related to strengthening sales and marketing activities which has also been backed by robust demand for pet ownership. This, combined with the succeeding of contracts from other companies, resulted in a steady increase in the number of policies in force, which reached 1,287,923 policies, an increase of 94,363 or 7.9% from the end of the previous fiscal year. In addition, the E/I loss ratio^{*1} increased by 0.7 points year on year to 60.6%, due to increasing medical expenses, which are, in turn, a result of the longer average lifespan of pets, more advanced veterinary medicine, and inflationary pressures. Expense ratio (based on earned premiums)^{*2} improved by 1.0 points year on year to 32.3% as a result of active investments aimed at expansion of scale and efforts to improve efficiency and reduce costs. As a result, the combined ratio (based on earned premiums), which is the sum of both E/I loss ratio and expense ratio (based on earned premiums), improved by 0.3 points year on year to 92.9%.

The Anicom Group has also been promoting efforts to accelerate its initiatives in the second founding period phase. It has accelerated its efforts toward the priority measures in new businesses to grow into a prevention-type insurance company group that “makes pets healthier” by analyzing diseases and injuries from all data; from upstream to downstream of the animal’s life stage. Upstream, we have been offering support to breeders through our breeding and matching websites which combine medical support with science, technology, and data. Midstream, we have been continuing to expand our health innovation business, including the popularization of animal health checks through our Doubutsu Kenkatsu service as well as the development and sales of oral and intestinal care products based on various diagnostic tests. Downstream, as well as striving for the practical application and expansion of advanced, cutting-edge medicine (surgical assisting robots, cell therapy, and regenerative medicine) in veterinary medicine, along with the expansion of medical records management system business (enhancement of booking systems and other functions), the Group is aiming to use data further in the development of preventive methods and expand the scope of its pet-related businesses.

As a result, the consolidated results for the Anicom Group are as follows.

Underwriting revenue increased by 8.5% year on year to 58,862 million yen, investment revenue increased by 116.2% year on year to 1,586 million yen, other recurring revenue, which includes new business, etc., increased by 33.2% year on year to 7,235 million yen, for the highest ever total recurring revenue of 67,683 million yen, a 12.0% increase from the previous fiscal year. Recurring expenses increased by 11.5% year on year to 62,742 million yen, including underwriting expenses of 41,928 million yen, up 9.1% year on year, and operating and general administrative expenses of 17,857 million yen, up 13.0% year on year. As a result, recurring profit increased by 18.8% year on year to 4,941 million yen, a record high. Profit attributable to owners of parent was 3,246 million yen, up 18.9% year on year.

(Notes) 1. E/I loss ratio: Loss ratio based on claims

(Net claims paid + Increase (decrease) in loss reserves + Loss adjustment expenses) ÷ Earned premiums

2. Expense ratio (based on earned premiums): Ratio of business expenses based on claims to premiums based on claims made (earned premiums)

Non-life insurance business expenses ÷ Earned premiums

2) Financial results forecast for the next consolidated fiscal year

In the Japanese economic environment moving forward, further increases in uncertainty are anticipated on the back of fluctuations in energy prices, a weak yen, an uncertain outlook with regard to overseas interest rates, geopolitical risk, and the impact of U.S. tariff hikes on global trade, albeit offset by sustained wage increases and

a growth in capital investment helping boost internal demand. Under such an environment, Anicom's main business of pet insurance is trending strongly. We have positioned fiscal year ending March 31, 2026 as a key period as it represents the first year of our Mid-term Management Plan FY2025–FY2027. We will continue to facilitate diversifying sales channels in the pet insurance business, pursuing uniqueness of insurance, and reducing policy acquisition cost, and further accelerate efforts to create synergistic businesses other than insurance, particularly in the veterinary clinic management business and health innovation business. In addition, in our aim to be a major infrastructure player in the pet industry, we will conduct sustainability management to create both economic and social value.

In financial results forecast for the fiscal year ending March 31, 2026, while achieving both business expansion and leading the pet industry in resolving social issues, the Group anticipates recurring revenue of 73,000 million yen and recurring profit of 3,300 million yen. The projections on which these forecasts are assumed are based on the changes in the management environment, trends in the pet insurance market, including the competitive environment, and its further future dissemination, efforts to promote and expand sales, movements in insurance claims that take into account the effects of loss ratio improvement measures, and expenditure forecasts. While the financial results forecast is based on the aforementioned assumptions, actual results may differ significantly from these forecasts.

(2) Overview of Financial Position for the Fiscal Year under Review

1) Assets, liabilities and net assets

Total assets as of the end of the fiscal year under review increased by 6,137 million yen year on year to 72,494 million yen. This was primarily attributable to an increase in cash and bank deposits of 2,581 million yen and an increase in purchase of marketable securities of 1,920 million yen.

Total liabilities as of the end of the fiscal year under review increased by 8,223 million yen year on year to 44,427 million yen. This was primarily attributable to an increase of 5,000 million yen in bond issuance and an increase of 2,223 million yen in reserve for insurance policy liabilities due to an increase in insurance policies.

Total net assets as of the end of the fiscal year under review decreased by 2,086 million yen year on year to 28,066 million yen. This was primarily attributable to a decrease in capital surplus of 819 million yen.

2) Cash flows

Net cash provided by operating activities was 6,400 million yen, primarily due to an increase in underwriting reserves of 1,937 million yen resulting from the steady increase in policies in force. This represents an increase of 731 million yen compared with the previous fiscal year.

Net cash used in investing activities was 5,091 million yen. This represents a decrease in cash outflow of 6,041 million yen compared with the previous fiscal year, primarily due to purchase of marketable securities of 7,524 million yen.

Net cash provided by financing activities was 271 million yen compared to 1,343 million yen used in the previous fiscal year. This was primarily attributable to income of 4,966 million from the issuance of bonds, despite an outgoing of 3,062 million yen from the purchase of treasury shares.

As a result of the above, cash and cash equivalents at the end of the fiscal year under review was 22,610 million yen, an increase of 1,581 million yen from the end of the previous fiscal year.

(3) Basic Policy on Distribution of Profits and Dividends for Fiscal Year under Review and Next Fiscal Year

Under its recognition that the return of profits to shareholders is one of the key management issues, the Company's basic policy on shareholder returns is to conduct ongoing and stable distribution of profits from medium to long-term perspectives while taking into account financial soundness and capital efficiency. During the fiscal year under review, which is the final year of the Mid-term Management Plan FY2022–FY2024 formulated in 2022, the Company plans to achieve even higher corporate value in line with the management vision in the second founding period phase. At the same time, the Company aims to gradually improve shareholder returns, while balancing equity, risk, and return, to achieve a dividend payout ratio at the level of 20%. Based on the policy and the current ongoing solid business performance, the Company plans to pay a year-end dividend of 8.50 yen per share to shareholders for the fiscal year under review, an increase 0.50 yen from the dividend forecast as announced on May 9, 2024, and an increase of 3.00 yen from the previous fiscal year-end dividend paid.

The Company's policy remains the same for the next fiscal year and beyond—that is to gradually improve shareholder returns with an eye on higher shareholder returns, while balancing equity, risk, and return. In the recently announced Mid-term Management Plan FY2025–FY2027, we have set a target dividend payout ratio of 30% ahead of fiscal 2027, which is the final year of the plan. In the next fiscal year, in order to align with the above policy and to meet the expectations of our shareholders, we expect to increase the dividend by 0.50 yen from the current fiscal year's dividend to 9 yen.

2. State of Corporate Group

The Anicom Group comprises five (5) companies: the Company, which is an insurance holding company, and its consolidated subsidiaries, including Anicom Insurance, Inc.

As a holding company that conducts business management and associated operations, the Company ascertains the state of the operating companies' management and strives to manage the Group's risks and strengthen its compliance. Its work also includes the formulation of Group business strategies and promoting the demonstration of intra-Group synergies.

3. Basic Policy on Selection of Accounting Standards

The Anicom Group adopts the Japanese Generally Accepted Accounting Principle (GAAP) to ensure comparability with other Japanese companies in the same industry.

Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Cash and bank deposits	23,879	26,460
Marketable securities	27,510	29,430
Loans receivable	5	44
Property, plant and equipment	3,032	3,070
Land	891	881
Buildings, net	1,330	1,315
Leased assets, net	12	42
Construction in progress	48	95
Other, net	748	735
Intangible assets	3,893	3,944
Software	882	933
Software in progress	523	583
Goodwill	2,482	2,422
Other	4	3
Other assets	6,710	7,837
Coinsurance accounts receivable	-	1
Reinsurance accounts receivable	-	6
Accounts receivable	3,408	3,672
Accrued premiums	678	729
Suspense payments	901	836
Rest of other assets	1,722	2,591
Deferred tax assets	1,335	1,764
Allowance for doubtful accounts	(9)	(57)
Total assets	66,357	72,494
Liabilities		
Reserve for insurance policy liabilities	24,551	26,774
Loss reserves	3,245	3,532
Underwriting reserves	21,305	23,242
Corporate bonds	5,000	10,000
Other liabilities	6,201	7,152
Income taxes payable	1,109	1,183
Accounts payable - other	2,229	2,994
Suspense receipt	2,298	2,437
Rest of other liabilities	563	537
Provision for bonuses	304	325
Reserves under special laws	146	175
Reserve for price fluctuation	146	175
Total liabilities	36,204	44,427

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	8,202	8,202
Capital surplus	8,092	7,272
Retained earnings	15,850	14,660
Treasury shares	(1,001)	(2)
Total shareholders' equity	31,144	30,132
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,248)	(1,916)
Total accumulated other comprehensive income	(1,248)	(1,916)
Share acquisition rights	0	(149)
Non-controlling interests	256	-
Total net assets	30,152	28,066
Total liabilities and net assets	66,357	72,494

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Recurring revenue	60,437	67,683
Underwriting revenue	54,273	58,862
Net premiums written	54,273	58,862
Investment revenue	733	1,586
Interest and dividend income	610	777
Gain on sale of marketable securities	117	808
Net foreign exchange gains	5	-
Other investment income	0	-
Other recurring revenue	5,430	7,235
Share of profit of entities accounted for using equity method	8	-
Other	5,421	7,235
Recurring expenses	56,277	62,742
Underwriting expenses	38,436	41,928
Net claims paid	30,494	33,345
Loss adjustment expenses	1,108	1,122
Net commissions and collection expenses	5,135	5,235
Provision for reserve for outstanding losses and claims	257	286
Provision for underwriting reserves	1,439	1,937
Investment expenses	97	263
Loss on sale of marketable securities	91	19
Loss on valuation of marketable securities	5	243
Net foreign exchange losses	-	0
Operating and general administrative expenses	15,795	17,857
Other recurring expenses	1,948	2,693
Interest expenses	15	37
Provision of allowance for doubtful accounts	0	7
Other	1,932	2,647
Recurring profit	4,159	4,941
Extraordinary income	264	1
Gain on disposal of non-current assets	24	1
Gain on step acquisitions	239	-
Extraordinary losses	227	193
Loss on disposal of non-current assets	8	123
Impairment losses	56	41
Loss on sale of shares of subsidiaries and associates	135	-
Provision of reserves under special laws	27	28
Provision of reserve for price fluctuation	27	28
Profit before income taxes	4,196	4,749
Income taxes - current	1,605	1,689
Income taxes - deferred	(138)	(134)
Total income taxes	1,467	1,555
Net Profit	2,729	3,194
Loss attributable to non-controlling interests	-	(51)
Profit attributable to owners of parent	2,729	3,246

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net profit	2,729	3,194
Other comprehensive income		
Valuation difference on available-for-sale securities	307	(668)
Total other comprehensive income	307	(668)
Comprehensive income	3,036	2,526
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,036	2,578
Comprehensive income attributable to non-controlling interests	-	(51)

Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,202	8,092	13,446	(1)	29,740
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests					-
Capital increase of consolidated subsidiaries					-
Dividends of surplus			(324)		(324)
Profit attributable to owners of parent			2,729		2,729
Purchase of treasury shares				(999)	(999)
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,404	(999)	1,404
Balance at end of period	8,202	8,092	15,850	(1,001)	31,144

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	(1,555)	(1,555)	-	-	28,184
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests					-
Capital increase of consolidated subsidiaries					-
Dividends of surplus					(324)
Profit attributable to owners of parent					2,729
Purchase of treasury shares					(999)
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	307	307	0	256	563
Total changes during period	307	307	0	256	1,968
Balance at end of period	(1,248)	(1,248)	0	256	30,152

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,202	8,092	15,850	(1,001)	31,144
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests		(759)			(759)
Capital increase of consolidated subsidiaries		(60)			(60)
Dividends of surplus			(438)		(438)
Profit attributable to owners of parent			3,246		3,246
Purchase of treasury shares				(3,000)	(3,000)
Cancellation of treasury shares			(3,998)	3,998	-
Purchase of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	(819)	(1,190)	998	(1,011)
Balance at end of period	8,202	7,272	14,660	(2)	30,132

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	(1,248)	(1,248)	0	256	30,152
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests					(759)
Capital increase of consolidated subsidiaries					(60)
Dividends of surplus					(438)
Profit attributable to owners of parent					3,246
Purchase of treasury shares					(3,000)
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	(668)	(668)	(150)	(256)	(1,074)
Total changes during period	(668)	(668)	(150)	(256)	(2,089)
Balance at end of period	(1,916)	(1,916)	(149)	-	28,066

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,196	4,749
Depreciation	745	845
Amortization of goodwill	202	250
Impairment losses	56	41
Increase (decrease) in loss reserves	257	286
Increase (decrease) in underwriting reserves	1,439	1,937
Increase (decrease) in allowance for doubtful accounts	0	7
Increase (decrease) in provision for bonuses	0	20
Increase (decrease) in reserve for price fluctuation	27	28
Interest and dividend income	(610)	(777)
Loss (gain) related to marketable securities	109	(544)
Loss (gain) on step acquisitions	(239)	-
Share of loss (profit) of entities accounted for using equity method	(8)	-
Share-based payment expenses	3	-
Interest expenses	15	37
Loss (gain) related to property, plant and equipment	(15)	121
Decrease (increase) in other investing and financing activities assets	(657)	(358)
Increase (decrease) in investing and financing activities assets	599	631
Other, net	-	76
Subtotal	6,121	7,354
Interest and dividend income received	594	763
Interest paid	(15)	(17)
Income taxes paid	(1,031)	(1,699)
Net cash provided by (used in) operating activities	5,669	6,400
Cash flows from investing activities		
Net decrease (increase) in bank deposits	150	(1,000)
Purchase of marketable securities	(16,202)	(7,524)
Proceeds from sale and redemption of marketable securities	5,775	5,388
Total of net cash provided by (used in) investment transactions	(10,277)	(3,135)
Total of net cash provided by (used in) operating activities and investment transactions	(4,607)	3,265
Purchase of property, plant and equipment	(254)	(586)
Proceeds from sale of property, plant and equipment	324	1
Purchase of intangible assets	(584)	(683)
Payments for acquisition of businesses	-	(224)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(401)	-
Other, net	60	(463)
Net cash provided by (used in) investing activities	(11,132)	(5,091)

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from issuance of bonds	-	4,966
Purchase of treasury shares	(1,010)	(3,062)
Repayments of lease obligations	(8)	(9)
Repayments of borrowings	-	(9)
Dividends paid	(324)	(438)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(1,024)
Payments for purchase of treasury subscription right to share	-	(150)
Net cash provided by (used in) financing activities	(1,343)	271
Net increase (decrease) in cash and cash equivalents	(6,806)	1,581
Cash and cash equivalents at beginning of period	27,835	21,029
Cash and cash equivalents at end of period	21,029	22,610

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

Adoption of Accounting Standard for Current Income Taxes and others

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) and others from the beginning of the fiscal year under review. This change has no impact on the consolidated financial statements.

(Financial instruments)

1. Matters related to the status of financial instruments

(1) Policy for handling financial instruments

The Company and its consolidated subsidiaries are primarily engaged in the non-life insurance business. In our asset management, we make a comprehensive determination of safety, profitability, liquidity, and public interest, taking into account the nature of the assets being invested in, with the aim of contributing to society and public welfare.

Our main investments are in bank deposits, corporate and government bonds, corporate and government bond investment trusts, shares, share investment trusts, and real estate investment trusts, and we conduct our investments according to an annual investment plan.

In procuring funds, we issue corporate bonds for the primary purpose of securing funds to invest in our businesses. When we need to raise funds, we decide on amounts and methods based on the Group’s cash flow status.

(2) Details of financial instruments and associated risks

The financial instruments held by the Company and its consolidated subsidiaries include bank deposits, corporate and government bonds, corporate and government bond investment trusts, shares, share investment trusts, and real estate investment trust. These instruments are exposed to the following risks.

1) Market-related risks

Risk of incurring losses with the fluctuation in portfolio value due to fluctuations in interest rates, foreign exchange rates, and share and other markets.

2) Credit risk

Risk of incurring losses with the fluctuation in portfolio values due to changes in the creditworthiness of individual borrowers.

3) Liquidity risk

Risk of being unable to make transactions in markets due to disorderly market conditions or being forced to make transactions at extremely unfavorable prices compared to usual.

(3) Risk management framework for financial instruments

Anicom Insurance, Inc. has established an investment division (Finance Department), clerical administration

division (Accounting Department), and risk management division (Risk Management Department) as its framework for managing risks, which has a function of mutual checks and balances based on Investment Risk Management Regulations.

1) Management of market-related risks

For marketable securities, namely shares and bonds, etc., the company determines fair value and the degree of risk, and continuously reviews the status of its holdings.

2) Management of credit risks

The company manages the credit risk of the issuers of marketable securities by determining credit rating information and fair value, etc. for each issue. In addition, regarding marketable securities held for strategic purposes, it regularly monitors the market environment and business performance, etc. of business partners.

The status of asset management, including risk management, is reported to the Board of Directors on a monthly basis. The results of monitoring are confirmed, and risk management preparedness is constantly improved.

3) Management of liquidity risks

The company, while securing the minimum level of funds, appropriately controls liquidity risks by understanding the status of highly liquid assets held, cash flow conditions, the status of individual financial instruments, etc. In addition, the company has categorized liquidity risk levels into normal, anxious, and crisis based on its cash flow conditions, and has established procedures for dealing with cases which are deemed to fall into these categories. Additionally, the company has established a structure under which it will be able to respond swiftly in the event of emergency situations that affect our funds management.

(4) Supplemental explanation on the fair value, etc. of financial instruments

The fair values of financial instruments have been calculated using certain premises and assumptions, and may differ if calculated based on different assumptions and other factors.

2. Matters related to fair value, etc. of financial instruments

Amount recorded in the consolidated balance sheets, fair values, and the difference between them are as follows.

Previous fiscal year (as of March 31, 2024)

(Million yen)

	Amount recorded in consolidated balance sheets	Fair value	Difference
(1) Marketable securities			
Held-to-maturity securities	3,100	3,107	7
Available-for-sale securities (*2) (*3)	23,363	23,363	—
(2) Loans receivable	5	5	—
Total assets	26,468	26,475	7
(1) Corporate bonds	5,000	4,979	(20)
(2) Borrowings	124	121	(2)
Total liabilities	5,124	5,101	(22)

(*1) “Cash and bank deposits” and “Accounts receivable” are omitted as they are settled in a short period of time and their fair value approximates their book value.

(*2) Some of investment trusts are included in available-for-sale securities with their net asset value being deemed to be their fair value in accordance with generally accepted accounting principles.

(*3) Shares, etc. without market prices and investments in partnerships are as indicated below and are not included in “(1) Marketable securities.”

(Million yen)

	Previous fiscal year (as of March 31, 2024)
Shares, etc. without market prices (*1)	662
Investments in partnerships (*2)	384
Total	1,046

*1 Shares, etc. without market prices refer to unlisted shares and, pursuant to Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020), are not subject to fair value disclosure.

*2 Investments in partnerships refer to investment limited partnerships and silent partnerships. Pursuant to Paragraph 24–16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021), these are not subject to fair value disclosure.

Fiscal year under review (as of March 31, 2025)

(Million yen)

	Amount recorded in consolidated balance sheets	Fair value	Difference
(1) Marketable securities			
Held-to-maturity securities	4,400	4,242	(157)
Available-for-sale securities (*2) (*3)	23,829	23,829	—
(2) Loans receivable	44		
Allowance for doubtful accounts (*4)	(43)		
	1	1	—
Total assets	28,230	28,072	(157)

(1) Corporate bonds	10,000	9,872	(127)
(2) Borrowings	115	110	(4)
Total liabilities	10,115	9,982	(132)

(*1) “Cash and bank deposits” and “Accounts receivable” are omitted as they are settled in a short period of time and their fair value approximates their book value.

(*2) Some of investment trusts are included in available-for-sale securities with their net asset value being deemed to be their fair value in accordance with generally accepted accounting principles.

(*3) Shares, etc. without market prices and investments in partnerships are as indicated below and are not included in “(1) Marketable securities.”

(Million yen)	
	Fiscal year under review (as of March 31, 2025)
Shares, etc. without market prices (*1)	821
Investments in partnerships (*2)	379
Total	1,201

*1 Shares, etc. without market prices refer to unlisted shares and, pursuant to Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020), are not subject to fair value disclosure.

*2 Investments in partnerships refer to investment limited partnerships and silent partnerships. Pursuant to Paragraph 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021), these are not subject to fair value disclosure.

(*4) This represents the deduction of specific allowances for doubtful accounts corresponding to loans receivable.

(Notes)

1. Scheduled redemption amounts of monetary claims and marketable securities with maturity after consolidated closing date

Previous fiscal year (as of March 31, 2024)

(Million yen)				
	Within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Bank deposits	23,820	—	—	—
Securities				
Held-to-maturity securities				
Local government bonds	—	500	700	—
Corporate bonds	—	600	1,300	—
Available-for-sale securities with maturities				
Local government bonds	—	—	1,300	—
Corporate bonds	—	1,000	500	—
Loans receivable	—	5	—	—
Accounts receivable (*)	3,401	—	—	—
Total	27,221	2,105	3,800	—

(*) Allowance for doubtful accounts on accounts receivable is immaterial and is directly deducted from the amount recorded in the consolidated balance sheets.

Fiscal year under review (as of March 31, 2025)

(Million yen)

	Within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Bank deposits	26,399	—	—	—
Securities				
Held-to-maturity securities				
Local government bonds	—	800	1,200	—
Corporate bonds	—	1,100	1,300	—
Available-for-sale securities with maturities				
Local government bonds	—	1,000	1,600	—
Corporate bonds	—	1,000	1,100	—
Loans receivable (*)	1	—	—	—
Accounts receivable (*)	3,660	—	—	—
Total	30,061	3,900	5,200	—

(*) Allowance for doubtful accounts on loans receivable and accounts receivable is immaterial and is directly deducted from the amount recorded in the consolidated balance sheets.

2. Scheduled repayment amounts of corporate bonds and borrowings after consolidated closing date

Previous fiscal year (as of March 31, 2024)

(Million yen)

	Within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Corporate bonds	—	5,000	—	—	—	—
Borrowings	9	9	9	9	9	77
Total	9	5,009	9	9	9	77

Fiscal year under review (as of March 31, 2025)

(Million yen)

	Within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Corporate bonds	5,000	—	—	—	5,000	—
Borrowings	9	9	9	9	9	68
Total	5,009	9	9	9	5,009	68

(Marketable securities)

1. Trading securities

Not applicable.

2. Held-to-maturity securities

Previous fiscal year (as of March 31, 2024)

(Million yen)

	Amount recorded in consolidated balance sheets	Fair value	Difference
Those for which the fair value exceeds the amount recorded in consolidated balance sheets			
Corporate and government bonds			
Local government bonds	900	905	5
Corporate bonds	1,000	1,003	3
Subtotal	1,900	1,909	9
Those for which the fair value does not exceed the amount recorded in consolidated balance sheets			
Corporate and government bonds			
Local government bonds	300	299	(0)
Corporate bonds	900	898	(1)
Subtotal	1,200	1,197	(2)
Total	3,100	3,107	7

Fiscal year under review (as of March 31, 2025)

(Million yen)

	Amount recorded in consolidated balance sheets	Fair value	Difference
Those for which the fair value exceeds the amount recorded in consolidated balance sheets			
Corporate and government bonds			
Local government bonds	—	—	—
Corporate bonds	—	—	—
Subtotal	—	—	—
Those for which the fair value does not exceed the amount recorded in consolidated balance sheets			
Corporate and government bonds			
Local government bonds	2,000	1,920	(79)
Corporate bonds	2,400	2,321	(78)
Subtotal	4,400	4,242	(157)
Total	4,400	4,242	(157)

3. Available-for-sale securities

Previous fiscal year (as of March 31, 2024)

(Million yen)

		Amount recorded in consolidated balance sheets	Acquisition cost	Difference
Those for which the amount recorded in consolidated balance sheets exceeds the acquisition cost	Shares	1,040	813	227
	Corporate and government bonds			
	Local government bonds	803	800	3
	Corporate bonds	200	200	0
	Other	5,514	4,736	777
	Subtotal	7,558	6,549	1,008
Those for which the amount recorded in consolidated balance sheets does not exceed the acquisition cost	Shares	—	—	—
	Corporate and government bonds			
	Local government bonds	499	500	(0)
	Corporate bonds	1,295	1,300	(4)
	Other	14,009	16,748	(2,738)
	Subtotal	15,804	18,548	(2,743)
Total		23,363	25,097	(1,734)

(Note) Shares, etc. without market prices and investments in partnerships are not included in the above table.

Fiscal year under review (as of March 31, 2025)

(Million yen)

		Amount recorded in consolidated balance sheets	Acquisition cost	Difference
Those for which the amount recorded in consolidated balance sheets exceeds the acquisition cost	Shares	1,314	955	359
	Corporate and government bonds			
	Local government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	3,089	2,502	586
	Subtotal	4,404	3,458	946
Those for which the amount recorded in consolidated balance sheets does not exceed the acquisition cost	Shares	243	269	(25)
	Corporate and government bonds			
	Local government bonds	2,488	2,600	(111)
	Corporate bonds	2,028	2,100	(71)
	Other	14,664	18,098	(3,434)
	Subtotal	19,424	23,068	(3,643)
Total		23,829	26,526	(2,697)

(Note) Shares, etc. without market prices and investments in partnerships are not included in the above table.

4. Held-to-maturity securities sold during the fiscal year under review

Not applicable.

5. Available-for-sales securities sold during the fiscal year under review

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

Type	Proceeds from sales	Total gains on sales	Total losses on sales
Shares	331	3	—
Other	3,959	114	(91)
Total	4,290	117	(91)

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

Type	Proceeds from sales	Total gains on sales	Total losses on sales
Shares	642	542	—
Other	4,847	266	(19)
Total	5,490	808	(19)

6. Marketable securities for which holding purposes have been changed

Not applicable.

7. Marketable securities for which impairment losses were recognized during the fiscal year under review

In the previous fiscal year, an impairment loss of 3 million yen (including 3 million yen for shares) was recognized for available-for-sale securities that are shares, etc. without market prices.

In the fiscal year under review, an impairment loss of 239 million yen (including 239 million yen for shares) was recognized for available-for-sale securities that are shares, etc. without market prices.

In the event that the actual value of shares, etc. without market prices declines by more than 50% from their book value, an impairment loss is recognized for the amount deemed necessary, taking into account factors such as recoverability.

(Business combinations)

Common control transactions, etc.

Additional acquisition of shares of a subsidiary

(1) Overview of the transaction

1) Name and business description of the acquiree

Name of the acquiree: Flowens, Inc.

Business description: Pet breeding business

2) Dates of business combinations

August 16, 2024

November 29, 2024

January 24, 2025

January 31, 2025

3) Legal form of the business combination

Acquisition of shares through third-party allotment and the purchase of shares from non-controlling shareholders

4) Name after the business combination

Unchanged

5) Other matters concerning the overview of the transaction

The additional shares acquired represent 25.82% of all voting rights, and Flowens, Inc. became a consolidated subsidiary of the Company as a result of the transaction. The Company acquired the additional shares because it judged that strengthening the cooperative relationship between the Group and Flowens, Inc. would lead to the enhancement of the Group's corporate value.

(2) Overview of the accounting treatment

The Company has accounted for the business combination as a transaction with non-controlling shareholders, a type of common control transaction, based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10).

(3) Additional acquisition of shares of a subsidiary

Disaggregation of acquisition cost and consideration by type

1) Acquisition of shares through third-party allotment

Consideration	Cash and bank deposits	690 million yen
Acquisition cost		690 million yen

2) Purchase of shares from non-controlling shareholders

Consideration	Cash and bank deposits	1,024 million yen
Acquisition cost		1,024 million yen

(4) Changes in the Company's equity associated with the transaction with non-controlling shareholders

1) Main cause of change in capital surplus

Additional acquisition of shares of a subsidiary

2) Decrease in the amount of capital surplus

819 million yen

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Anicom Group are components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors for the purpose of making decisions about the allocation of management resources and evaluating their performance.

The core business of the Group is the non-life insurance business conducted by Anicom Insurance, Inc., which has obtained a non-life insurance business license under the provisions of Article 3 of the Insurance Business Act. Accordingly, the Group classifies the non-life insurance business as a reportable segment. The “Non-life insurance business” comprises underwriting of pet insurance and related investment operations. In addition, “Pet-related internet services business,” which is the operation of a breeder matching website and pet adoption matching website, including transfer of ownership, and other businesses conducted by SIMNET Co., Ltd., is also classified as a reportable segment.

2. Methods for calculating net sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting treatment for reported business segments is generally the same as described in “Significant matters for preparation of consolidated financial statements.” Profits of reportable segment are based on figures for recurring profit.

3. Information on the amounts of net sales, profit (loss), assets, liabilities and other items by reportable segment

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustments	Amount recorded in consolidated financial statements (Note 2)
	Non-life insurance business	Pet-related internet services business	Total				
Recurring revenue from sales to external customers	55,024	2,027	57,051	3,385	60,437	–	60,437
Inter-segment recurring revenue or transfers	289	344	633	202	836	(836)	–
Total	55,313	2,371	57,685	3,588	61,273	(836)	60,437
Segment profit (loss)	4,793	188	4,982	(822)	4,159	–	4,159
Segment assets	56,617	3,094	59,712	6,666	66,378	(21)	66,357
Segment liabilities	34,538	532	35,070	1,154	36,225	(21)	36,204
Other items							
Depreciation	426	6	433	312	745	–	745
Amortization of goodwill	–	133	133	68	202	–	202
Investment revenue	741	0	741	1	743	(9)	733
Interest expenses	14	–	14	0	15	–	15
Share of profit of entities accounted for using equity method	–	–	–	8	8	–	8
Increase in property, plant and equipment and intangible assets	599	1	600	321	922	–	922
Reference: Segment profit (loss) before amortization of goodwill	4,793	322	5,116	(754)	4,362	–	4,362

- (Notes) 1. “Other” refers to business segments not included in the reportable segments and includes the veterinary clinic support operations, insurance agency operations, and clinical and research operations in the veterinary medicine area.
2. Segment profit (loss) coincides with recurring profit in the consolidated statements of income.
3. The adjustment amount of segment assets and segment liabilities of (21) million yen refers to elimination of inter-segment receivable/payable amounting to (21) million yen.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustments	Amount recorded in consolidated financial statements (Note 2)
	Non-life insurance business	Pet-related internet services business	Total				
Recurring revenue from sales to external customers	60,479	2,263	62,742	4,940	67,683	—	67,683
Inter-segment recurring revenue or transfers	325	504	829	280	1,109	(1,109)	—
Total	60,805	2,767	63,572	5,221	68,793	(1,109)	67,683
Segment profit (loss)	5,602	264	5,867	△925	4,941	—	4,941
Segment assets	61,298	3,763	65,062	7,454	72,517	(22)	72,494
Segment liabilities	42,562	546	43,108	1,341	44,450	(22)	44,427
Other items							
Depreciation	459	6	465	380	845	(0)	845
Amortization of goodwill	—	133	133	116	250	—	250
Investment revenue	1,589	0	1,589	6	1,595	(9)	1,586
Interest expenses	33	—	33	4	37	—	37
Share of profit of entities accounted for using equity method	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	728	1	729	675	1,405	—	1,405
Reference: Segment profit (loss) before amortization of goodwill	5,602	398	6,001	(809)	5,191	—	5,191

- (Notes) 1. “Other” refers to business segments not included in the reportable segments and includes the veterinary clinic support operations, insurance agency operations, and clinical and research operations in the veterinary medicine area.
2. Segment profit (loss) coincides with recurring profit in the consolidated statements of income.
3. The adjustment amount of segment assets and segment liabilities of (22) million yen refers to elimination of inter-segment receivable/payable amounting to (22) million yen.

[Related information]

1. Information by product and service

This information is omitted because recurring revenue from sales to external customers in a single product and service category exceeds 90% of the recurring revenue recorded in the consolidated statements of income.

2. Information by geographical area

(1) Net sales

Not applicable as there are no consolidated subsidiaries or overseas branches in countries or regions other than Japan.

(2) Property, plant and equipment

Not applicable as there are no consolidated subsidiaries or overseas branches in countries or regions other than Japan.

3. Information by major customer

Not applicable.

[Information on impairment losses on non-current assets by reportable segment]

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

An impairment loss of 56 million yen was recorded for the fiscal year ended March 31, 2024 in “Other.”

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

An impairment loss of 41 million yen was recorded for the fiscal year ended March 31, 2025 in “Other.”

[Information on the amortization of goodwill and unamortized balance by reportable segment]

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Non-life insurance business	Pet-related internet services business	Other	Corporate/ eliminations	Total
Amortization of Goodwill	—	133	68	—	202
Balance at end of the fiscal year	—	1,470	1,011	—	2,482

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Non-life insurance business	Pet-related internet services business	Other	Corporate/ eliminations	Total
Amortization of goodwill	—	133	116	—	250
Balance at end of the fiscal year	—	1,337	1,085	—	2,422

[Information on the gains on bargain purchase by reportable segment]

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

(Per share information)

(Yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	375.20	376.54
Basic earnings per share	34.02	41.98

(Notes) 1. Diluted earnings per share is not indicated as there are no potential shares.

2. The basis for the calculation of basic earnings per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	2,729	3,246
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	2,729	3,246
Average number of common shares outstanding during the period (Shares)	80,226,378	77,325,267

(Significant subsequent events)

Repurchase of the Company's Shares

The Company's board of directors has resolved at its meeting held on May 9, 2025 to repurchase the Company's shares under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same.

1. Reason for repurchase

Under its recognition that the return of profits to shareholders is one of the key management issues, the Company's basic policy on shareholder returns is to conduct ongoing and stable distribution of profits from medium to long-term perspectives while taking into account financial soundness and capital efficiency.

In its "Mid-term Management Plan for FY2025–FY2027", announced on May 9, 2025, the Company indicates that it will primarily use dividends to return profits to shareholders. The Company will also conduct share repurchases flexibly as part of its shareholder return strategy. Based on the Company's financial results for FY2024, the Board of Directors has resolved to repurchase the Company's shares up to a total of 1.0 billion yen, as described in Section 2 below.

2. Details of the Repurchase

- (1) Class of shares to be repurchased : Shares of common stock of the company
- (2) Total number of shares to be repurchased : 2,000,000 shares (Maximum)
- (3) Aggregate amount of repurchase price : 1,000 million yen (Maximum)
- (4) Period of repurchase : From June 2, 2025 to September 30, 2025
- (5) Method of repurchase : Market purchase at the Tokyo Stock Exchange

Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,911	6,023
Prepaid expenses	17	25
Accounts receivable - other	180	206
Income taxes refund receivable	-	86
Other	0	0
Total current assets	7,109	6,343
Non-current assets		
Property, plant and equipment		
Buildings, net	12	10
Tools, furniture and fixtures, net	55	53
Leased assets	1	9
Total property, plant and equipment	68	73
Intangible assets		
Patent right	1	1
Software	30	33
Software in progress	1	-
Total intangible assets	33	35
Investments and other assets		
Shares of subsidiaries and associates	18,876	21,891
Long-term prepaid expenses	11	7
Leasehold deposits	473	473
Deferred tax assets	29	10
Total investments and other assets	19,390	22,382
Total non-current assets	19,492	22,491
Deferred assets		
Bond issuance costs	-	30
Total deferred assets	-	30
Total assets	26,602	28,865
Liabilities		
Current liabilities		
Current portion of bonds payable	-	5,000
Lease liabilities	0	2
Income taxes payable	207	-
Accrued expenses	0	21
Accounts payable - other	254	217
Deposits received	12	11
Provision for bonuses	15	14
Other	-	0
Total current liabilities	492	5,267
Non-current liabilities		
Bonds payable	5,000	5,000
Lease liabilities	0	7
Long-term guarantee deposits	438	438
Total non-current liabilities	5,438	5,445
Total liabilities	5,930	10,713

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	8,202	8,202
Capital surplus		
Legal capital surplus	8,092	8,092
Total capital surplus	8,092	8,092
Retained earnings		
Other retained earnings		
Retained earnings brought forward	5,377	1,859
Total retained earnings	5,377	1,859
Treasury shares	(1,001)	(2)
Total shareholders' equity	20,671	18,151
Total net assets	20,671	18,151
Total liabilities and net assets	26,602	28,865

(2) Non-consolidated Statements Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Operating revenue		
Management fee income	1,589	1,489
Dividends from subsidiaries and associates	3,813	1,018
Total operating revenue	5,402	2,507
Operating expenses		
Selling, general and administrative expenses	1,527	1,510
Total operating expenses	1,527	1,510
Operating profit	3,875	997
Non-operating income		
Interest income	0	3
Other	3	3
Total non-operating income	3	6
Non-operating expenses		
Interest expenses	0	0
Interest expenses on bonds	15	35
Bond issuance costs	-	2
Other	10	58
Total non-operating expenses	25	96
Recurring profit	3,854	907
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	938	-
Total extraordinary income	938	-
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	0
Loss on valuation of shares of subsidiaries and associates	100	-
Total extraordinary losses	102	0
Profit before income taxes	4,690	907
Income taxes - current	330	(29)
Income taxes - deferred	(11)	18
Total income taxes	319	(11)
Net profit	4,371	918

Non-consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	8,202	8,092	8,092	1,331	1,331
Changes during period					
Dividends of surplus				(324)	(324)
Net Profit				4,371	4,371
Purchase of treasury shares					
Cancellation of treasury shares					
Total changes during period	-	-	-	4,046	4,046
Balance at end of period	8,202	8,092	8,092	5,377	5,377

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of period	(1)	17,625	17,625
Changes during period			
Dividends of surplus		(324)	(324)
Net Profit		4,371	4,371
Purchase of treasury shares	(999)	(999)	(999)
Cancellation of treasury shares		-	-
Total changes during period	(999)	3,046	3,046
Balance at end of period	(1,001)	20,671	20,671

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward	
Balance at beginning of period	8,202	8,092	8,092	5,377	5,377
Changes during period					
Dividends of surplus				(438)	(438)
Net Profit				918	918
Purchase of treasury shares					
Cancellation of treasury shares				(3,998)	(3,998)
Total changes during period	-	-	-	(3,518)	(3,518)
Balance at end of period	8,202	8,092	8,092	1,859	1,859

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of period	(1,001)	20,671	20,671
Changes during period			
Dividends of surplus		(438)	(438)
Net Profit		918	918
Purchase of treasury shares	(3,000)	(3,000)	(3,000)
Cancellation of treasury shares	3,998	-	-
Total changes during period	998	(2,519)	(2,519)
Balance at end of period	(2)	18,151	18,151

6. Other

(1) Comparison of status of profit and loss with the previous fiscal year

(Million yen)

		For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	Year-on-year change	Year-on-year change rate (%)
Recurring profit (loss)	Underwriting revenue	54,273	58,862	4,588	8.5
	[Of which, net premiums written]	[54,273]	[58,862]	[4,588]	[8.5]
	Underwriting expenses	38,436	41,928	3,491	9.1
	[Of which, net claims paid]	[30,494]	[33,345]	[2,851]	[9.3]
	[Of which, loss adjustment expenses]	[1,108]	[1,122]	[14]	[1.3]
	[Of which, net commission and collection expenses]	[5,135]	[5,235]	[99]	[1.9]
	[Of which, provision for reserve for outstanding losses and claims]	[257]	[286]	[28]	[11.1]
	[Of which, provision for underwriting reserves]	[1,439]	[1,937]	[497]	[34.6]
	Investment revenue	733	1,586	852	116.2
	[Of which, interest and dividend income]	[610]	[777]	[167]	[27.4]
	[Of which, gain on sale of marketable securities]	[117]	[808]	[690]	[586.4]
	Investment expenses	97	263	166	171.6
Extraordinary income (losses)	[Of which, loss on sale of marketable securities]	[91]	[19]	[(72)]	[(78.8)]
	[Of which, loss on valuation of marketable securities]	[5]	[243]	[238]	[–]
	Operating and general administrative expenses	15,795	17,857	2,061	13.0
	Other recurring expenses	3,481	4,541	1,060	30.4
	Recurring profit	4,159	4,941	781	18.8
Extraordinary income (losses)	Extraordinary income	264	1	(262)	(99.4)
	Extraordinary losses	227	193	(34)	(15.2)
	Extraordinary income (losses)	36	(191)	(228)	–
Profit before income taxes		4,196	4,749	553	13.2
Income taxes - current		1,605	1,689	83	5.2
Income taxes - deferred		(138)	(134)	4	(3.1)
Total income taxes		1,467	1,555	88	6.0
Net profit		2,729	3,194	465	17.1
Profit attributable to owners of parent		2,729	3,246	517	18.9

(2) Status of recurring revenue

The table below shows recurring revenue by segment for the past two fiscal years.

Segment	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	Year-on-year increase (decrease) rate
	Amount (Million yen)	Amount (Million yen)	(%)
Non-life insurance business (pet insurance)	55,024	60,479	9.9
Non-life insurance (Anicom Insurance, Inc.)	55,024	60,479	9.9
(Of which, net premiums written)	54,273	58,862	8.5
Pet-related internet services business	2,027	2,263	11.6
Other businesses	3,385	4,940	45.9
Insurance agencies	15	14	(5.8)
Veterinary clinic support	338	349	3.4
Clinical and research operations in the veterinary medicine area	1,979	2,348	18.6
Genetic testing, etc.	319	320	0.5
Other	733	1,907	160.2
Total	60,437	67,683	12.0

(Note) Sales results by major customer and the ratio of those sales results to total sales results are not stated as there were no customers that accounted for more than 10% of total sales.

(3) Insurance premiums and insurance claims by type

The table below shows the insurance underwriting results by Anicom Insurance, Inc.

1) Direct net premiums (including premiums of saving-type insurance)

	For the fiscal year ended March 31, 2024			For the fiscal year ended March 31, 2025		
	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)
Pet insurance	54,273	100.0	6.9	58,836	100.0	8.4
Total	54,273	100.0	6.9	58,836	100.0	8.4
[Of which, premiums of saving-type insurance]	[-]	[-]	[-]	[-]	[-]	[-]

(Notes) 1. Direct net premiums (including premiums of saving-type insurance) refers to direct premiums from which direct cash surrender value and direct other refunds have been deducted. (Includes deposit premiums for savings-type insurance)

2. Figures are amounts after the elimination of inter-segment transactions.

2) Net premiums written

	For the fiscal year ended March 31, 2024			For the fiscal year ended March 31, 2025		
	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)
Pet insurance	54,273	100.0	6.9	58,862	100.0	8.5
Total	54,273	100.0	6.9	58,862	100.0	8.5

(Note) Figures are amounts after the elimination of inter-segment transactions.

3) Net claims paid

	For the fiscal year ended March 31, 2024			For the fiscal year ended March 31, 2025		
	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)
Pet insurance	30,494	100.0	9.2	33,345	100.0	9.3
Total	30,494	100.0	9.2	33,345	100.0	9.3

(Note) Figures are amounts after the elimination of inter-segment transactions.

(4) Solvency margin ratio

The table below shows solvency margin ratio of Anicom Insurance, Inc.

	For the fiscal year ended March 31, 2024 (Million yen)	For the fiscal year ended March 31, 2025 (Million yen)
(A) Total amount of solvency margin	24,659	27,559
Stated capital or funds, etc.	20,839	23,501
Reserve for price fluctuation	146	175
Contingency reserve	—	—
Catastrophe reserve	1,747	1,895
General allowance for doubtful accounts	2	3
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	(1,734)	(2,697)
Unrealized gains (losses) on land	42	108
Excess of premium refund reserve	—	—
Subordinated debt, etc.	—	—
Amounts within “Excess of premium refund reserve” and “Subordinated debt, etc.” not calculated into the margin	—	—
Deductions	—	—
Other	3,616	4,572
(B) Total amount of risk $\sqrt{\{(R1 + R2)^2 + (R3 + R4)^2\}} + R5 + R6$	14,777	15,965
General insurance risk (R1)	14,356	15,482
Third sector insurance risk (R2)	—	—
Assumed interest rate risk (R3)	—	—
Asset management risk (R4)	1,695	2,031
Business administration risk (R5)	321	350
Major catastrophe risk (R6)	—	—
(C) Solvency margin ratio on a non-consolidated basis (%) $[(A) / \{(B) \times 1/2\}] \times 100$	333.7%	345.2%

(Note) The above amounts and figures are calculated in accordance with Articles 86 and 87 of the Regulation for Enforcement of the Insurance Business Act and Public Notice No. 50 issued by the Ministry of Finance in 1996.

Solvency Margin Ratio

- Non-life insurance companies set aside reserves to cover the payment of insurance claims in the event of an insured event and payments of maturity refunds for savings-type insurance policies. However, they must also maintain sufficient solvency in order to cover risks that exceed the normally predictable range, such as the occurrence of a major catastrophe or a significant decline in the value of assets held by the non-life insurance companies.
- The “solvency margin ratio on a non-consolidated basis” ((C) in the above table) indicates the ratio of the “solvency margin of an insurance company in terms of its stated capital, reserves, etc.” (i.e. total amount of solvency margin: (A) in the above table) to the “total amount of risk” ((B) in the above table), which represents “risks that exceed the normally predictable range,” calculated in accordance with the Business Insurance Act, etc.
- “Risks that exceed the normally predictable range” are the total amount of the risks described below.

1) Risk on underwriting of insurance (General insurance risk) (Third-sector insurance risk)	:	Risk that may occur due to the incidence rate of insured events being in excess of normally predictable range (excluding major catastrophe risk)
2) Assumed interest rate risk	:	Risk that may occur due to the actual yields of invested assets falling below the yields assumed for the calculation of premiums for savings-type insurance
3) Asset management risk	:	Risk that may occur due to the value of assets such as marketable securities held fluctuating in excess of the normally predictable range
4) Business administration risk	:	Risks that may occur in the operation of business in excess of the normally predictable range other than 1) to 3) above and 5) below
5) Major catastrophe risk	:	Risk that may occur due to a major catastrophe (equivalent to the Great Kanto Earthquake or the Isewan Typhoon) in excess of the normally predictable range
- The “solvency margin of an insurance company in terms of its stated capital, reserves, etc.” (total amount of solvency margin) refers to the total of the insurance company’s net assets (excluding the amount of scheduled disbursement, etc.), various reserves (reserve for price fluctuation, catastrophe reserve, etc.), part of its unrealized gains on land, etc.
- The solvency margin ratio is one objective indicator used by government authorities to determine the soundness of insurance companies’ management in its supervision of insurance companies. It is understood that a ratio of 200% or more indicates an appropriate level of solvency of an insurance company in terms of its ability to pay insurance claims, etc.

(5) Changes in Directors and Audit & Supervisory Board Members

To further strengthen its corporate governance framework to increase management soundness and further enhance its corporate value, the Company plans to propose the election of Directors and/or Audit & Supervisory Board Members at the 25th Annual General Meeting of Shareholders scheduled for June 24, 2025, but this proposal has not been finalized at this time.

The Company plans to propose the election of two (2) or more Outside Directors.