

A photograph of a small, white dog with brown spots and ears, wearing a brown leather collar with a gold buckle. The dog is standing in a grassy field, looking up and to the left with its mouth open, appearing happy. The background is a soft-focus green field with sunlight filtering through the trees, creating a bokeh effect. The entire image is framed by a thick green border.

FY03/25 Financial Report

May 9, 2025

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Review of Mid-Term Management Plan and FY03/26 Profit Forecast

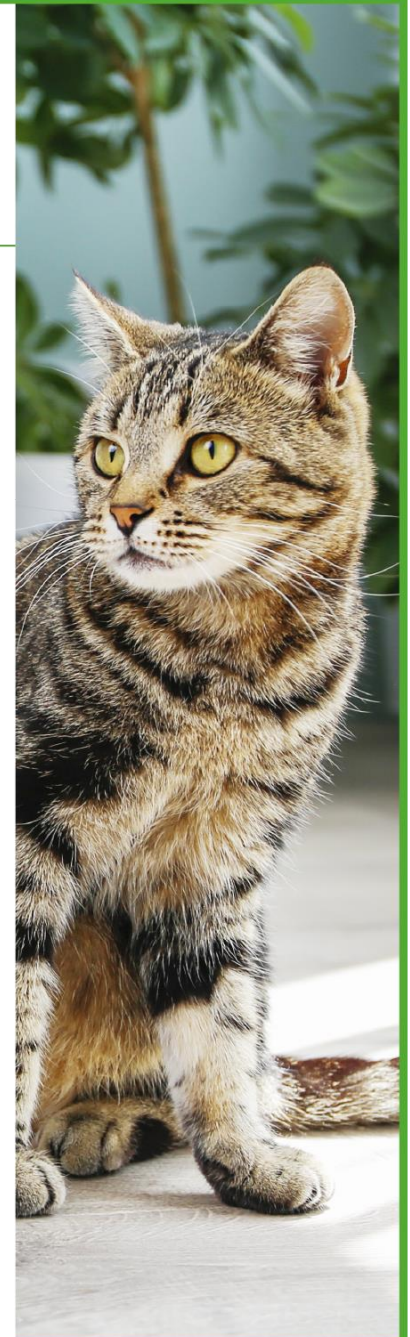
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APPENDIX

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FY03/25 Financial Results Overview

1. Overall Summary (Recurring Revenue and Recurring Profit)
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1. Overall Summary (Recurring Revenue and Recurring Profit)

Recurring revenue	67,683 Million JPY +12.0% YoY (+JPY 7,246 mn) +2.6% vs. Plan (+JPY 1,683 mn) Of which, underwriting revenue: +8.5% YoY (+JPY 4,588 mn)
Recurring profit before amortization of goodwill	5,191 Million JPY +19.0% YoY (+JPY 829 mn)
Recurring profit	4,941 Million JPY +18.8% YoY (+JPY 781 mn) +2.9% vs. Plan (+JPY 141 mn)

Steadily converted demand for pet ownership and changes in the competitive environment into an increase in new policies, while promoting operational efficiency, **to achieve record-high revenue and profit.**

■ Recurring revenue

- The number of new pet insurance policies was 245,000, while the number of policies in force reached 1,287,000 (+7.9%), showing **accelerating growth**.
- Outside the insurance business, other recurring revenue **grew steadily** to JPY 7,235 million (+33.2%).
- Investment revenue was JPY 1,586 million (+116.2%), **exceeding the plan** through agile investment management under uncertain market conditions.

■ Recurring profit

- Despite transfer costs associated with another company's policies, we **achieved increased profit and performance ahead of plan** due to higher revenue and improved efficiency of business operations.

2. Income Statement Summary

(JPYmn)

	FY03/24	FY03/25	Change
Recurring revenue	60,437	67,683	12.0 %
Underwriting revenue	54,273	58,862	8.5 %
Investment revenue	733	1,586	116.2 %
Other recurring revenue	5,430	7,235	33.2 %
Recurring expenses	56,277	62,742	11.5 %
Underwriting expenses	38,436	41,928	9.1 %
• Net claims paid	(30,494)	(33,345)	9.3 %
• Loss adjustment expenses	(1,108)	(1,122)	1.3 %
• Net commission and collection expenses	(5,135)	(5,235)	1.9 %
• Provision for reserve for outstanding losses and claims	(257)	(286)	11.1 %
• Provision for underwriting reserves	(1,439)	(1,937)	34.6 %
Of which unearned premiums	(1,325)	(1,788)	34.9 %
Of which catastrophe reserve	(113)	(148)	30.5 %
Investment expenses	97	263	171.6 %
Operating and general administrative expenses	15,795	17,857	13.0 %
Other recurring expenses	1,948	2,693	38.2 %
Recurring profit before amortization of goodwill	4,362	5,191	19.0 %
Recurring profit	4,159	4,941	18.8 %
Net profit	2,729	3,246	18.9 %

2. Income Statement Summary

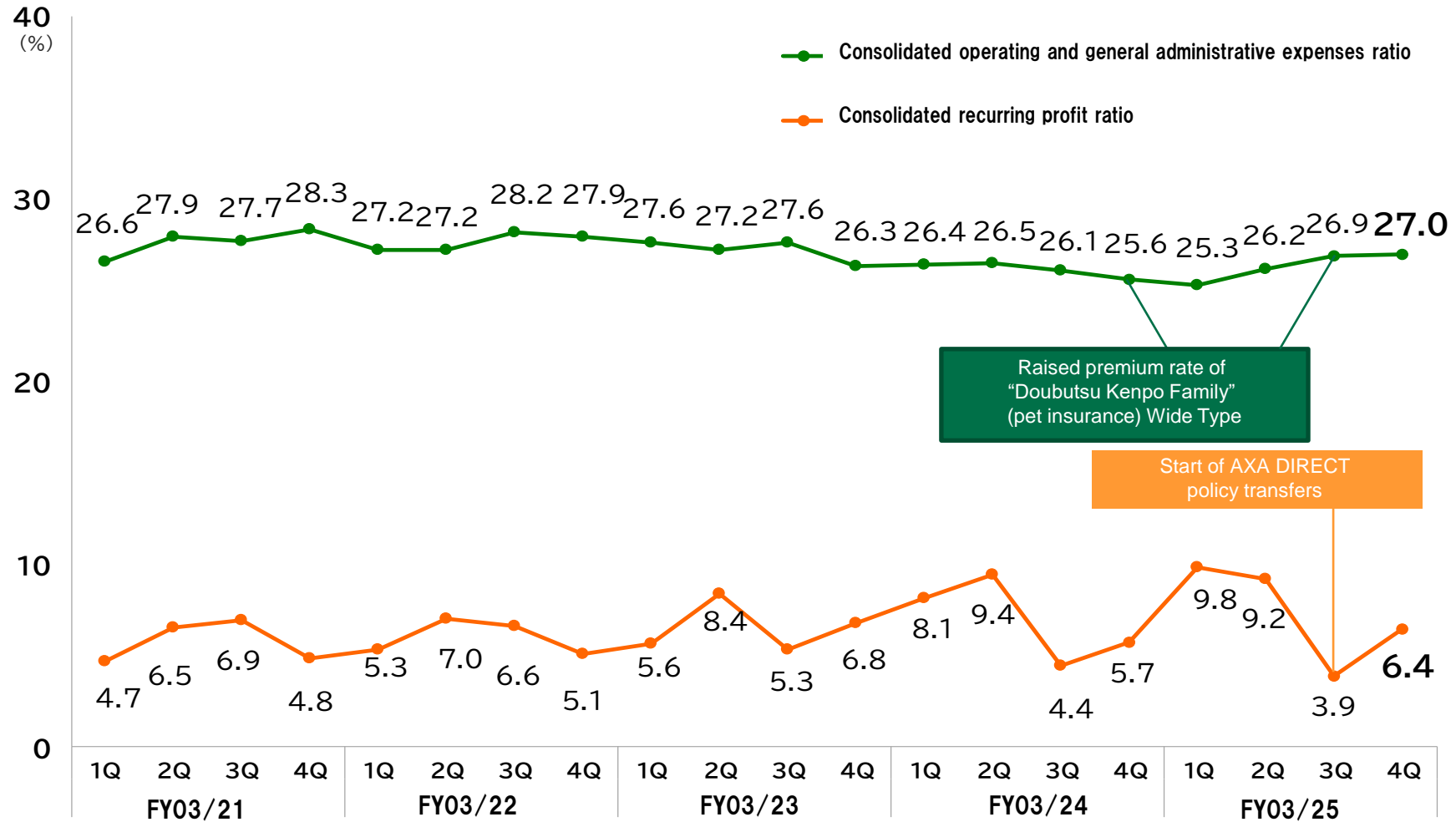
(Reference) Anicom Insurance's key insurance indicators

	FY03/24	FY03/25	(JPYmn) Change
Earned premiums	53,171	57,341	7.8%
Claims incurred (including loss adjustment expenses)	31,860	34,755	9.1%
E/I loss ratio (1)	59.9%	60.6%	0.7pt
Expense ratio (based on earned premiums) (2)	33.3%	32.3%	-1.0pt
(of which, net commission and collection expense ratio)	(10.0%)	(9.6%)	(-0.4pt)
Combined ratio (based on earned premiums) (1)+(2)	93.2%	92.9%	-0.3pt

3. Recurring Expenses and Profit Indicators

* Operating and general administrative expenses ratio, recurring profit ratio (consolidated)

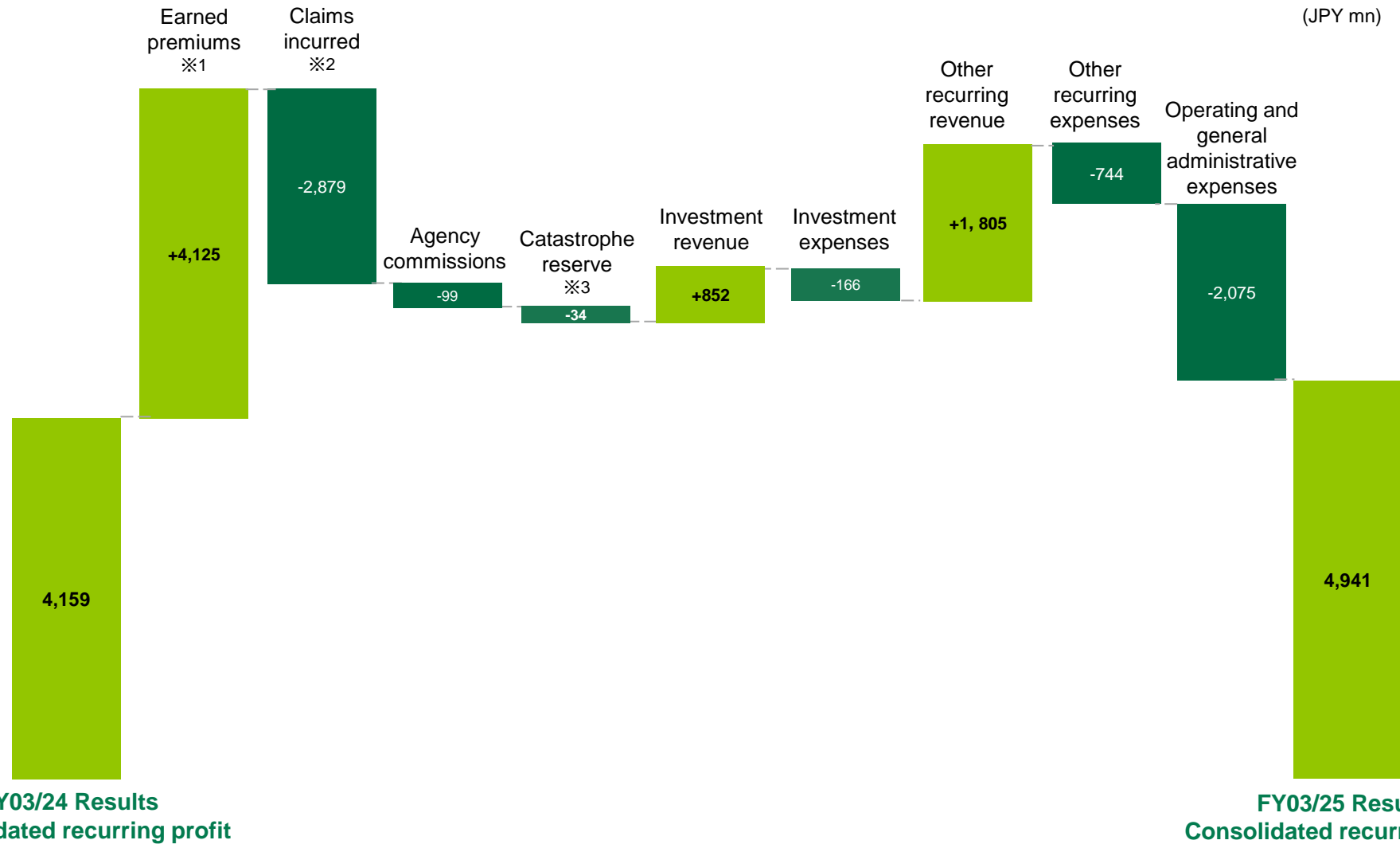
*Refer to the appendix for management indicators for Anicom Insurance on a non-consolidated basis (loss ratio, expense ratio, number of policies)



4. Factors Behind Changes in Recurring Profit (YoY Analysis)

Note 1) Earned premiums = Underwriting revenue - Provision for normal underwriting reserves (Unearned premiums)
 Note 2) Claims incurred = Net claims paid + Provision for reserve for outstanding losses and claims
 Note 3) Catastrophe reserve = Provision for catastrophe reserve losses and claims + Reversal of catastrophe reserve reimbursements

(JPY mn)



5. Balance Sheet Summary

(JPY mn)

	FY03/24	FY03/25	Change
Total assets	66,357	72,494	5.5 %
Cash and bank deposits	23,879	26,460	4.9 %
Marketable securities	27,510	29,430	3.1 %
Tangible fixed assets	6,925	7,014	1.3 %
Other assets	8,041	9,588	19.2 %
Total liabilities	36,204	44,427	15.6 %
Reserve for insurance policy liabilities	24,551	26,774	4.3 %
Of which loss reserves	3,245	3,532	7.4 %
Of which underwriting reserves	21,305	23,242	3.8 %
Corporate bonds	5,000	10,000	100.0 %
Other liabilities	6,653	7,653	15.0 %
Total net assets	30,152	28,066	-6.6 %
Shareholders' equity	31,144	30,132	-3.5 %
Valuation and transaction adjustments	-1,248	-1,916	— %
Other	256	-149	— %
Total liabilities and net assets	66,357	72,494	5.5 %

6. Progress of Priority Measures (Part 1):

Insurance Business, Investment, and Other

Insurance Business

Status of new policies and policies in force

The number of new policies exceeded 245,000 for the full year, with a record high of 66,000 on a quarterly basis. The number of policies in force surpassed 1.28 million as of the end of FY03/25.

Impact of policy transfers from AXA DIRECT

Transfers from AXA DIRECT commenced from December 2024.

[Impact during the current fiscal year]

Accounting Period	No. of Policies Transferred	Transfer Commissions
3Q FY03/25	Approx. 3,000 (actual)	Approx. JPY 150 mn (actual)
4Q FY03/25	Approx. 8,000 (actual)	Approx. JPY 400 mn (actual)

Expanding products and services

Owing to a steady increase in Doubutsu Kenkatsu applications, the annual renewal rate remained stable and high at 88.2%.

Investment

As a result of flexible and opportunistic investment, we achieved the plan.

Steadily accumulated income gains, landing roughly in line with the plan

The sale of strategic shareholdings and other assets resulted in investment gains that exceeded the original plan

Other

Promotion of “Strategy of One Patent per Employee”

144 inventors as of the end of FY03/25 (13 inventors as of December 31, 2020)

[Number of Patents by Field] (As of the end of FY03/25)

	Image Recognition AI	Genes, Food, and Gut Microbiota	Regenerative Medicine	Other	Total
Patents granted	9	8	2	3	22

[Example of a Granted Patent]

Patent No. 7636958

Cut Style Identification System and Cut Style Identification Method

A system that uses AI to determine the cut style of an animal in a photo.

6. Progress of Priority Measures (Part 2):

Businesses Generating Synergies



Before birth

Day-to-day routines

Curing the incurable

Upstream

Midstream

Downstream



Strengthening breeding support

We have been actively advancing various initiatives, taking into account the amended Act on Welfare and Management of Animals and other developments.

Strengthening the matching service business

Contracts for “Minna no Breeder” and “Minna no Koneko Breeder” are steadily increasing.



Results of the matching service business (SIMNET) for FY2024

- Net sales: JPY 2,767 million (Previous year: JPY 2,371 million)
- Recurring profit: JPY 264 million (Previous year: JPY 188 million)

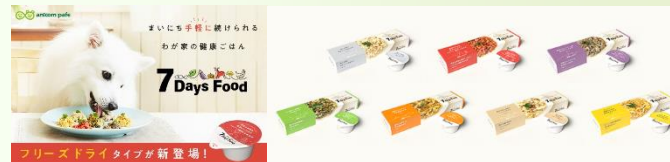
Note: Recurring profit above does not include amortization of goodwill.



Health checkups + commercialization of oral and intestinal care products

Strengthened variations of oral and intestinal care products through Doubutsu Kenkatsu.

- A more convenient and easy-to-use freeze-dried version of “7 Days Food” is now available!



- Toothbrushing workshops using CRYSTAL JOY were held at group hospitals!



Business related to animal healthcare treatments

(from prevention to general practice and advanced medical care)

Joint Research and Development Agreement with Riverfield, Inc. a Surgical Robotics Company



6. Progress of Priority Measures (Part 3):

Capital Policy and Shareholder Returns

- Repurchase JPY 3.0 billion in FY03/25 (completed in February 2025)
- Improved Dividend Payout Ratio 20.2% in FY03/25 (vs. 16.2% in the previous year)
- Improved Consolidated ROE 11.2% in FY03/25 (vs. 9.4% in the previous year)

*Capital cost: 6.6% (previous year: 7.0%) → Equity spread expanded by 2.2pts



Shareholder returns (dividend payout ratio / DOE)

FY2021 result:
Dividend payout ratio **9.6%**
(after dividend increase)




FY2024 target:
Dividend payout ratio around 20%



FY2030 vision:
Replace dividend payout ratio
with disclosure of dividend on equity (DOE) ratio

6. Progress of Priority Measures (Part 4): Sustainability

Promoting sustainability initiatives that create both economic and social value

	Initiatives	Related Data	FY03/24	FY03/25
People	■ Diversity Promoting the advancement of women so that diverse talent can fully demonstrate their abilities, while also encouraging both men and women to actively take childcare leave. ■ Disaster Relief • Fundraising activities for the following disasters: Offshore earthquake in eastern Taiwan, Morocco earthquake, Floods in Libya, Major earthquake in Myanmar, Wildfires in Los Angeles	Percentage of Female Employees (%)	61.4	63.8
		Percentage of Female Managers (%)	33.7	36.5
		Male Childcare Leave Utilization Rate (%)	68.0	69.0
		Total Number of Inventors	127	144
Animals	■ Zero Euthanasia Organizing adoption events through the ani TERRACE shelter for rescued dogs and cats and through partner organizations  ■ Health Promoting Doubutsu Kenkatsu (gut microbiota testing) to support early diseases	Number of Adoptions via hugU	3,701	4,910
		Number of Adoption Events Supported	19	17
		Number of Rescued Dogs and Cats Adopted	74	69
		Number of Doubutsu Kenkatsu Applications	220,413	242,420
Environment	■ Climate Change • Established and disclosed net greenhouse gas emissions for Scope 1 and 2 as a key metric • Achieved 100% use of renewable energy • Aiming to reduce total emissions including Scope 3 by more than 50% compared to FY2020 by 2030, and to achieve carbon neutrality by 2050	Scope 1 Emissions (t-CO ₂)	271	180 *4,5
		Electricity Consumption (1,000 kW)*1	2,513	2,625
		Renewable Energy Usage*2	2,728	2,666
		Scope 2 Emissions*1,3 (t-CO ₂)	0 *6	0 *6
		Emissions per Employee Scope1*4,5,+2*1,3 (t-CO ₂)	0.29	0.18

*1. Includes some provisional figures *2. Electricity derived from renewable energy and non-fossil fuel certificates *3. Market-based standard *4. All CO₂ emissions from company vehicles in FY2024 were offset using J-Credits, achieving carbon neutrality *5. Estimated figures excluding Flowens Co., Ltd. *6. After deducting renewable energy portion

2 Review of Mid-term Management Plan and FY03/26 Profit Forecast

- 1. Review of the Mid-term Management Plan**
- 2. Overview of Basic Strategy**
- 3. FY03/26 Profit Forecast**
(Full Year and Cumulative First Half)



1. Review of the Mid-term Management Plan (Part 1)

Generally achieved the numerical targets set in the Mid-term Management Plan

【Key Management Targets】

	FY03/23 Results	FY03/24 Results	FY03/25 Results	Initial Mid-Term Plan
Consolidated Recurring Revenue	JPY 56.52 bn	JPY 60.43 bn	JPY 67.68 bn	JPY 65–70 bn
Consolidated Recurring Profit	JPY 3.68 bn	JPY 4.15 bn	JPY 4.94 bn	JPY 4.5–5.0 bn
Consolidated ROE	8.2% (prev. 8.0%)	9.4%	11.2%	Around 10%
Shareholder Returns (Dividend Payout Ratio)	14.2% (prev. 9.6%)	16.2%	20.2%	Around 20%
Businesses Generating Synergies Revenue / Ratio	JPY 4.91 bn 8.7%	JPY 5.43 bn 9.0%	JPY 7.23 bn 10.7%	JPY 7.8–8.4 bn Around 12%
Solvency Margin Ratio (non-consolidated)	373.1% (prev. 393.5%)	333.7%	345.2%	300–320%



1. Review of the Mid-term Management Plan (Part 2)

The insurance business offset the rise in the loss ratio by reducing the expense ratio.

【Key KPI Targets】

	FY03/23 Results	FY03/24 Results	FY03/25 Results	Initial Mid-Term Plan
Insurance Business				
Loss Ratio	58.9% (prev. 58.1%)	59.9%	60.6%	58–59%
Expense Ratio	34.9% (prev. 36.7%)	33.3%	32.3%	35–36%
Combined Ratio	93.8% (prev. 94.8%)	93.2%	92.9%	93–94%
Businesses Generating Synergies				
Number of Genetic Test Samples	92,000 / year	67,000 / year	66,000 / year	120,000–150,000 / year
Number of Gut Microbiota Test Applications	211,000 / year	220,000 / year	242,000 / year	200,000–250,000 / year
Health Innovation Business Revenue	JPY 63 mn	JPY 176 mn	JPY 290 mn	Target: JPY 800 mn - 1 bn in revenue
Animal Hospital Business*	Revenue : JPY 1.76 bn Profit after goodwill amortization : -JPY 260 mn	Revenue : JPY 1.87 bn Profit after goodwill amortization : -JPY 170 mn	Revenue : JPY 2.19 bn Profit after goodwill amortization : -JPY 30 mn	Target: JPY 3 billion in revenue with profit after goodwill amortization

* Figures include past fiscal years and reflect allocation of indirect expenses.

2. Overview of Basic Strategy



Providing insurance that “**Makes Pets Healthier upon Entry**”, more fulfilling lives



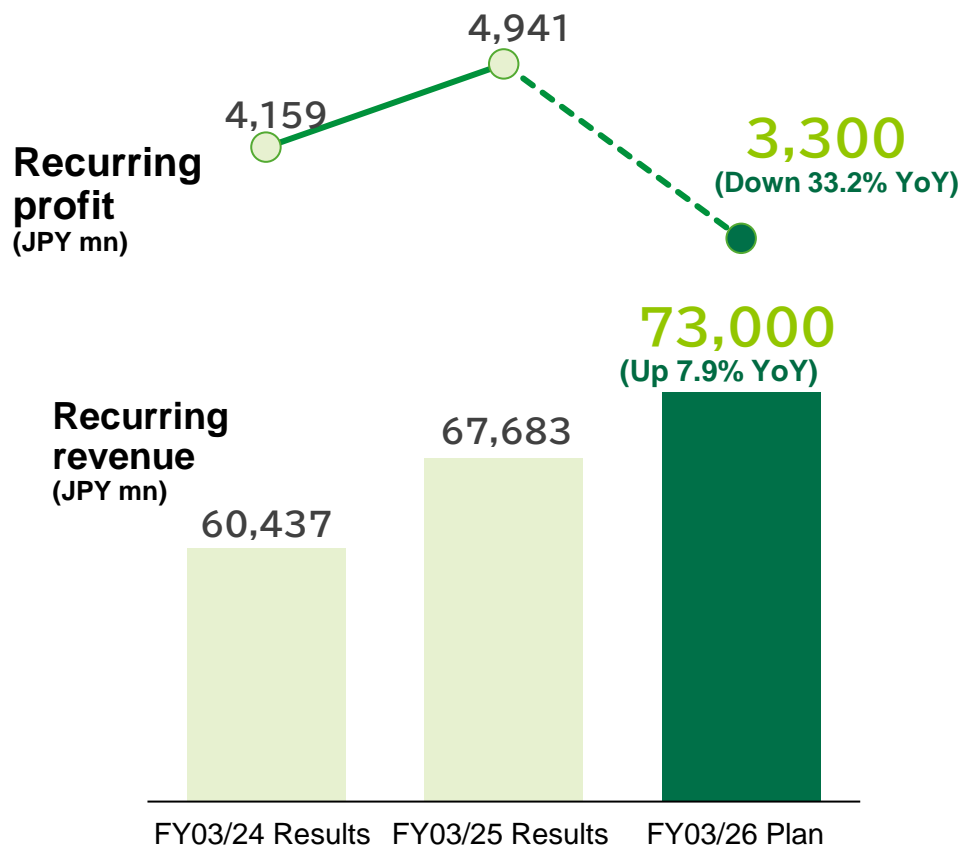
External Environment

- The surge in pet ownership during the COVID-19 pandemic has settled but remains steady
- Major corporations and other new entrants are continuing to enter the pet insurance market
- Following the tightening of regulations under the Animal Welfare Act, the integration of breeders and pet shops is accelerating a transformation in pet distribution
- Increasing frequency of visits to animal hospitals and rising unit costs of medical care

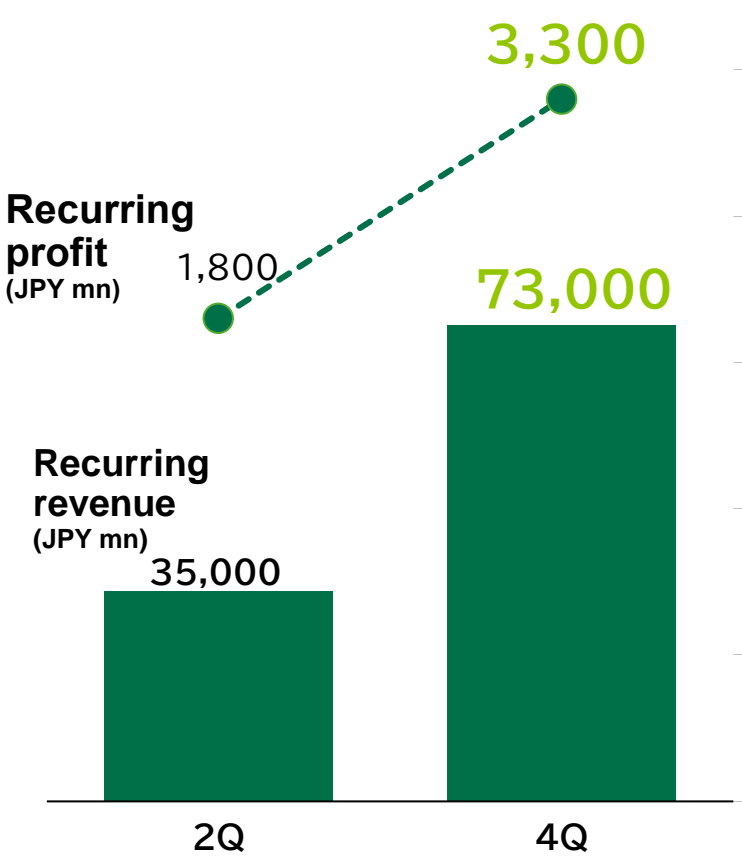
3. FY03/26 Profit Forecast (Full Year and Cumulative First Half)

For details, refer to the Mid-term Management Plan 2025–2027

Full-Year Plan



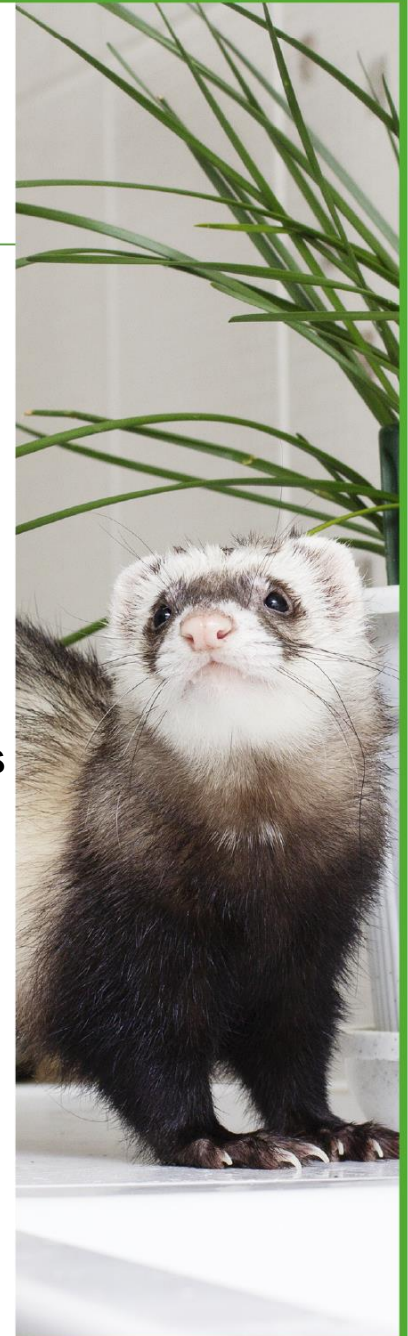
Cumulative First-Half Plan



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APPENDIX

1. **Major Management Indicators**
2. **Anicom Insurance (Non-Consolidated): Recurring Revenue Indicators**
(Trend in New Policies / Number of Pet Insurance Policies in Force)
3. **Anicom Insurance (Non-Consolidated): Recurring Expenses Indicators**
(Loss Ratio (E/I), Expense Ratio based on Earned Premiums)



1. Major Management Indicators

	End-FY03/24	End-FY03/25	YoY Change		End-FY03/26 (forecast as of May 9)
			Numbers	Rate	
(1) Policies in force	1,193,560	1,287,923	94,363	7.9%	1,390,000
(2) New policies	223,289	245,741	22,452	10.1 %	280,000
(3) Renewal rate	88.2 %	88.2 %	-	0.0 pt	88.2 %
(4) Insurnce payout cases	4,381,000	4,564,000	183,000	4.2 %	4,804,000

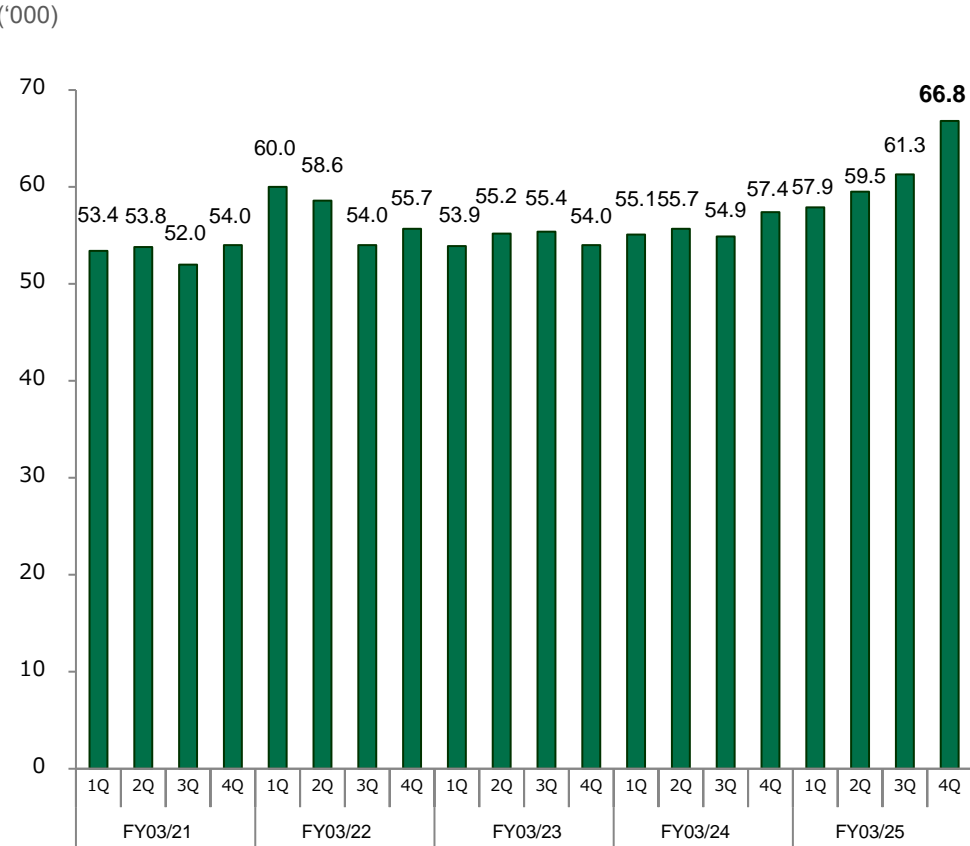
	End-FY03/24	End-FY03/25	YoY Change	End-FY03/26 (forecast as of May 9)
(5) E/I loss ratio	59.9 %	60.6%	0.7 pt	61.1 %
(6) Expense ratio (based on earned premiums)	33.3 %	32.3%	-1.0 pt	33.6 %
(7) Combined ratio (based on earned premiums)	93.2 %	92.9%	-0.3 pt	94.7 %

	End-FY03/24	End-FY03/25	YoY Change
(8) Solvency margin ratio (non-consolidated)	333.7 %	345.2 %	11.5 pt

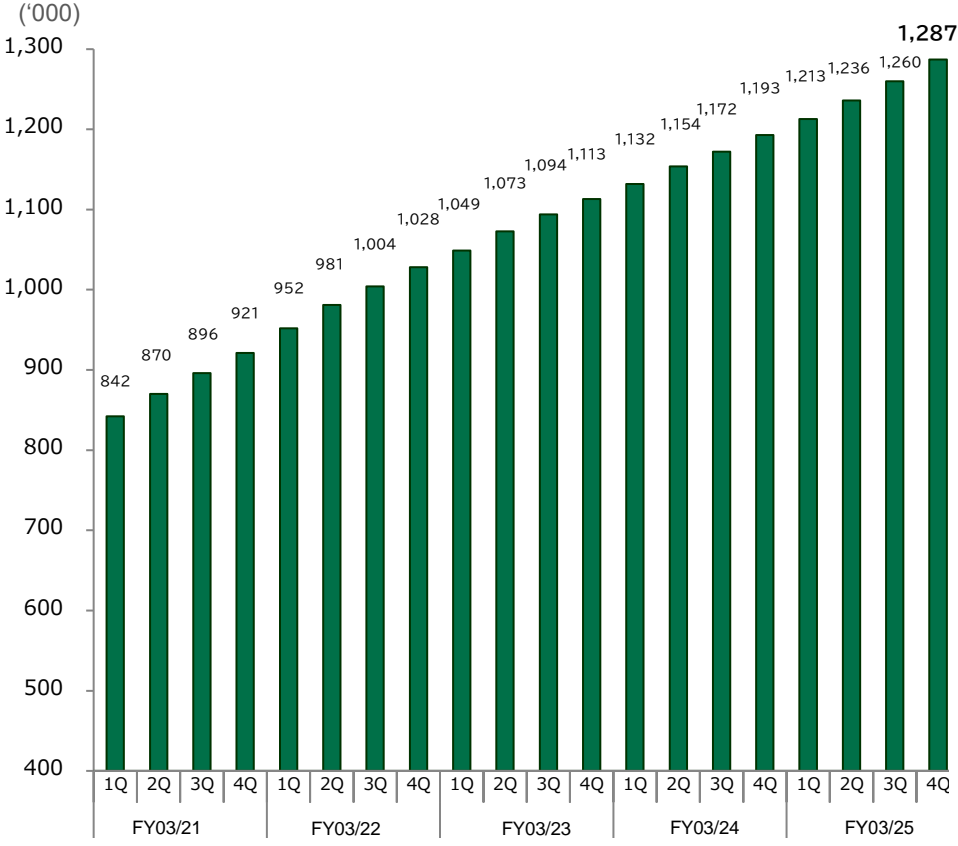
	End-FY03/24	3Q FY03/25	YoY Change
(9) No. of applicants of Doubutsu Kenkatsu (gut microbiota testing)	220,413	242,420	10.0 %
(10) Animal hospitals accepting Anicom	6,879	6,964	1.2 %
(11) No. of samples for genetic testing	67,801	66,276	-2.2 %

2. Anicom Insurance (Non-Consolidated): Recurring Revenue Indicators

Quarterly trend in number of new policies



Quarterly trend in number of policies in force



3. Anicom Insurance (Non-Consolidated): Recurring Expenses Indicators



[Reference information]

- 1Q FY03/15
- Raised premium rate

• Average revision of 12%
- 3Q FY03/15
- New products with limited hospital days

■ Launch of “health discount/extra premium” system
- 2Q FY03/18
- Raised premium rate

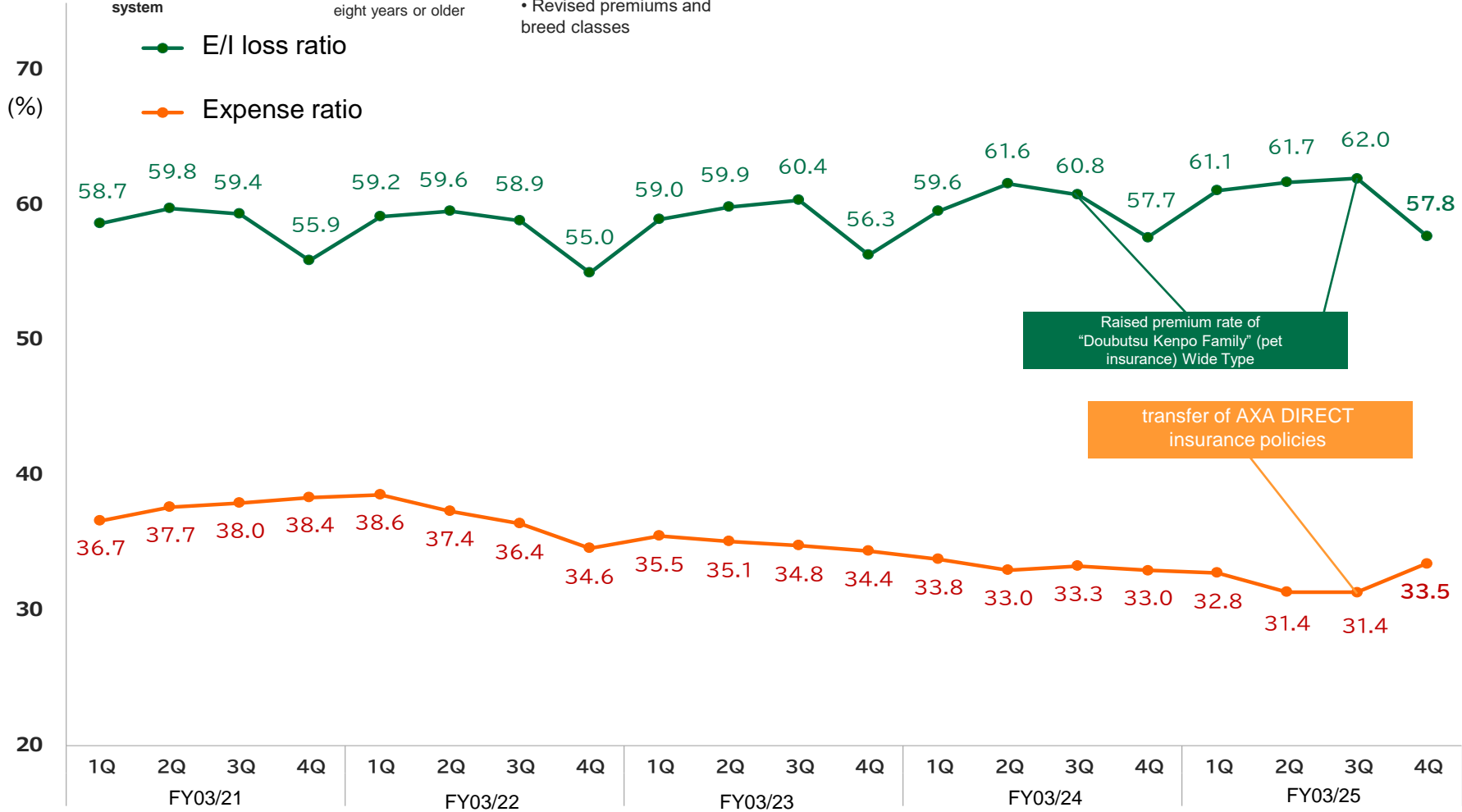
• Raised premium rate for animals that are eight years or older
- 3Q FY03/19
- Launch of “Doubutsu Kenkatsu”

■ Raised premium rate

• Revised premiums and breed classes

Note 1: The graph below shows quarterly average values, and the data therefore may differ from average values for current period.

Note 2: The expense ratio represents the “expense ratio based on earned premiums” (insurance business expenses / earned premiums).





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