

Anicom Holdings Q&A Summary of FY03/26 Financial Result Briefing

May 13, 2026

Q: What is the background to the loss ratio being forecast to rise to 63.4% in FY03/27, and what is your policy for future measures aimed at achieving the 61–62% level assumed in the Medium-Term Management Plan?

A: We recognize that the rise in the loss ratio is due to the aging of the portfolio of policies in force, as well as the impact of inflation at animal hospitals and rising medical expenses associated with the development of advanced medical care. However, there is no change to our target of 61–62%, and our policy is to improve the loss ratio by promoting prevention, revising insurance premiums, and taking other measures.

Q: What was the rationale for the ¥1.0 billion repurchase , and what is your view on surplus capital in light of the Economic value-based Solvency Ratio (ESR) scheduled for disclosure in July?

A: For this repurchase, based on our current ESR estimates, we determined that we would be able to maintain an appropriate level of capital, and therefore set the buyback limit at ¥1.0 billion. In addition, although the introduction of ESR may result in a certain amount of surplus capital, we intend to return capital to shareholders while considering the balance between repurchase and dividends, in line with the Medium-Term Management Plan policy of cumulative shareholder returns of ¥6.0 billion.

Q: What is your approach to reviewing the asset management policy?

A: While maintaining risk management as a prerequisite, our policy is to review the allocation with the aim of strengthening investment

income-generating capacity. To date, our investment management has emphasized income, with an allocation between income assets and capital assets of approximately 7:3. Going forward, we intend to revise this to around 6:4 and strengthen efforts to capture capital gains.

Q: What is your view on the future allocation of the asset management portfolio?

A: Up to now, our investments have been centered on bonds, but going forward we intend to reduce part of our bond holdings and expand allocations to relatively higher-yielding assets such as equities. We also plan to gradually review our positions in bond ETFs with no maturity date. For equity investments, we intend to focus mainly on Japanese equities, centered on TOPIX-linked products and high-dividend, relatively low-volatility stocks.

Q: At previous financial results briefings, you explained that there was now a clear path to improving the loss ratio. What was the background to this?

A: In analyzing chronic diseases, we statistically identified the possibility that lifestyle habits, oral health, and other factors have a significant impact on the loss ratio. In particular, we have gained a degree of confidence in the preventive effects of tooth-brushing habits from a young age and improved diet. Going forward, we intend to link these preventive approaches to improving the loss ratio.

Q: Why is the loss ratio still expected to rise even after factoring in the improvement from promoting prevention?

A: Although we expect promoting prevention to improve the loss ratio to a certain extent, this has been factored into the plan

conservatively. In addition, as the unit cost of treatment at animal hospitals continues to rise, the plan also factors in a certain degree of increase in medical expenses.

Q: What is the reason for the weighting toward the first half in the full-year recurring profit forecast of ¥5.0 billion, with ¥4.0 billion expected in the first half and ¥1.0 billion in the second half?

A: This is because reversals of catastrophe reserve reimbursements tend to be concentrated in the first and second quarters, and because we expect investment gains associated with the review of the investment allocation and portfolio to be concentrated mainly in the first quarter. This weighting is attributable to accounting and investment management factors, and there has been no significant change in the seasonality of the business itself.

Q: What is your outlook for investment revenue following the review of asset management operations?

A: On a full-year basis, we expect investment revenue to increase by approximately 1.5 times year on year. We intend to steadily build investment gains while taking into account the market environment and portfolio reviews.

Q: What is the background to nominating Mr. Owada of Hikari Tsushin as an outside director candidate, and what role do you expect him to play?

A: The Hikari Tsushin Group has considerable expertise in improving the efficiency of business operations and in asset management. We therefore expect Mr. Owada to provide improvement proposals and advice on efficiency across our business operations, including the insurance business and pet food sales business. In addition, we

would like to draw on the Group's know-how in the asset management field, which we plan to strengthen going forward.

Q: What is the status of the number of affiliated partner hospitals for JARVIS Animal Medical Center Tokyo, and what is your policy for future expansion?

A: The number of affiliated partner hospitals has recently been increasing and has now expanded to nearly 1,000. However, in recent years, more pet owners have been choosing advanced veterinary care themselves, so expanding the number of partner hospitals no longer directly leads to an increase in referrals. As a certain partner network has already been built in the Kanto region, we now intend to develop advanced veterinary care hubs in each region going forward.