

JARVIS Tokyo

Journey with Anicom in Robotics & Various Intelligent Services



Anicom Holdings, Inc.

www.anicom.co.jp

anicom Integrated Report 2025

anicom Integrated Report 2025

For the Future of Pets



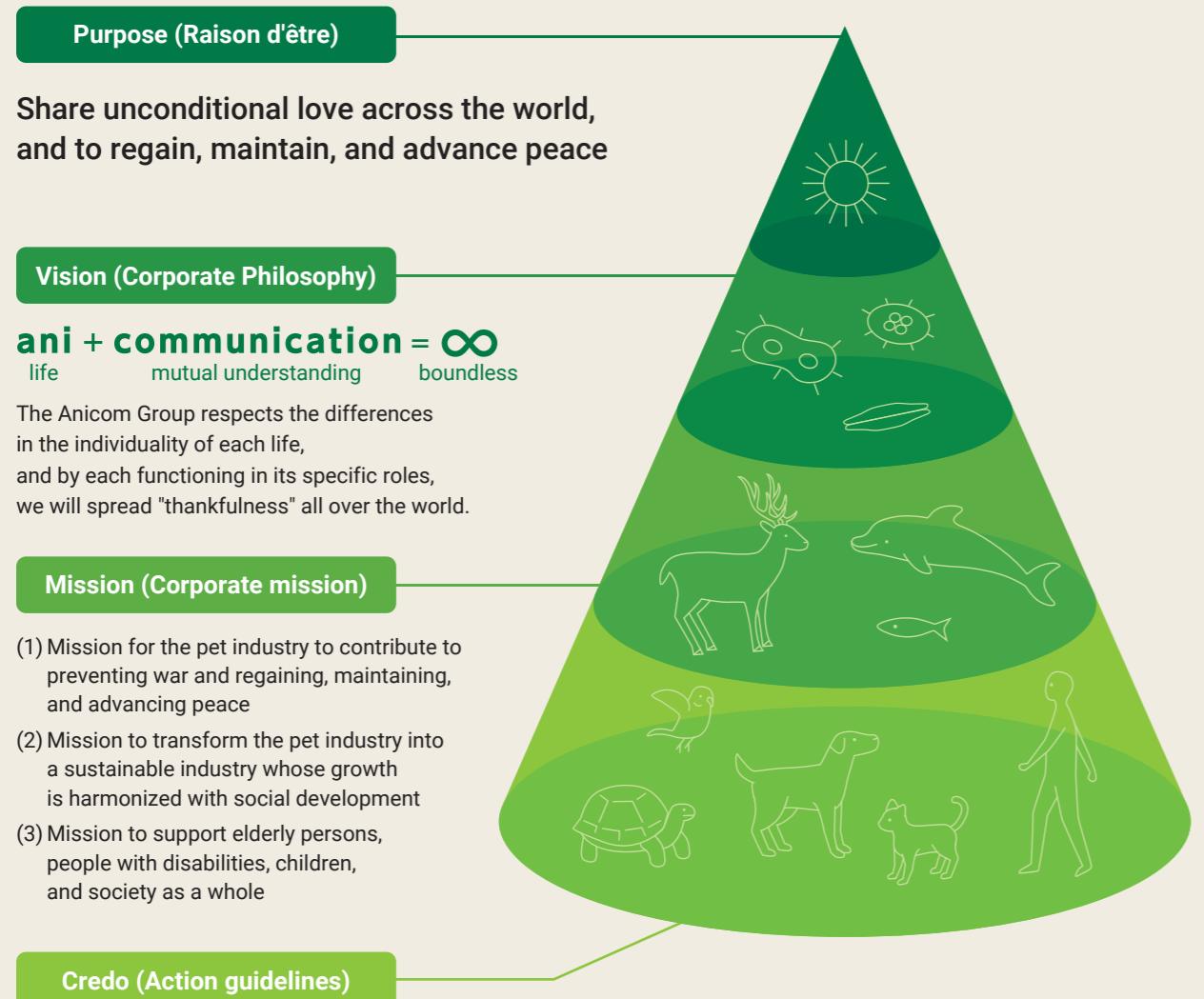
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Anicom Group Philosophy Framework

Our Group Philosophy Framework is our highest-order management concept, consisting of our Purpose (raison d'être), Vision (management principles), Mission (corporate mission), and Credo (action guidelines). Under the new Group Philosophy Framework and principles, we will implement the Mid-term Management Plan and other management strategies to achieve the creation of economic and social value.



(1) Open oriented

Aim to be a company that is open and receptive to dialogue. We will strive to ensure that no matter how large our organization becomes, the voices of our customers and stakeholders will reach every corner of the company. This is consistent with our aim to be a company that is open and receptive to dialogue, where our customers and stakeholders feel seen and heard.

(2) Market-out oriented

We will strive to create new value, and always from the perspective of customers. With the perspective of our customers always in mind, we will thoroughly implement management that consciously looks outward toward the market (responding to customers' true needs), creating services that customers want. In doing so, we will strive to realize our customers' wishes and create new value.

(3) Role oriented: we each fulfill our roles

Promote dramatic growth of both the individual and the organization by each fulfilling their roles to the best of each's abilities. By clarifying the roles of each individual and the organization as a whole, and by playing those roles to the best of our abilities, we will continue to take on any and all challenges boldly, constantly absorb new skills, and practice management that promotes dramatic growth.

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Editorial Policy

In editing this report, we referred to the IFRS Foundation's "International Integrated Reporting Framework", and the Ministry of Economy, Trade and Industry's "Value Creation Guidance" to provide an easy-to-understand explanation of the economic and social value we provide to our stakeholders through our value creation process and business model. This report also serves as disclosure material prepared in accordance with Article 271-25 of the Insurance Business Law and Article 210-10-2 of its Enforcement Regulations.

Anicom's Mission

"I wish we could stay together forever."
Fulfilling the universal wish
of all who live with animals
— to remain together for life.

At Anicom Group,
we analyze big data related to insurance and veterinary care
to explore the causes of disease and to promote risk prevention.
Our goal is to extend healthy lifespans for animals and their families.
Driven by the desire to "live a long and healthy life with
our beloved companions," we are using the power of science
to build a future free from premature goodbyes.



Anicom's Aims

Realizing Preventative Insurance

Our group is committed to enhancing preventive services to realize a simple idea: as customers become policyholders and use our services, their pets become healthier. This approach goes beyond insurance as mere peace of mind: it actively maintains and improves health, ultimately reducing claims payouts. The result is a fundamental shift in our underwriting profit model.

In the pet insurance market, we are setting ourselves apart with distinctive preventive services. One of the challenges in preventive healthcare is that illness can be easily seen, while health is difficult to see. To address this, our group utilizes gut microbiota testing to visualize immunity, "level of health." By doing this our group helps to raise pet owners' awareness of health management, creating motivation for behavioral change, and thus enabling preventive interventions.

Pioneering Advanced Medical Care and Intellectual Property Development

We aim to be the first to secure early regulatory approval in veterinary medicine for next-generation technologies, which are attracting widespread interest. These include robot-assisted surgery and stem-cell based regenerative therapies. In parallel, we will build a strong intellectual property portfolio, advance the field, and work to standardize these treatments, helping to rein in rising medical costs.

By combining our group's extensive big data in the veterinary field with advanced knowledge from human medicine, we will accelerate breakthroughs in diagnostic technologies and treatment development.

Furthermore, through active investment in AI-powered diagnostic support and robot-assisted surgery, we will secure intellectual property related to advanced medical care, improve the quality of healthcare, and achieve the standardization and optimization of medical costs.



Message from the CEO

By leveraging cutting-edge technology and AI to visualize health conditions and promote preventive care, we will continue to support the health and lives of our beloved pets.

Anicom Holdings, Inc.
Representative Director/CEO

森伸昭

Anicom's Purpose Clarified Through the Advancement of Society

Thanks to your support, the Anicom Group has reached its 26th anniversary. Through a quarter-century of challenges, we have arrived at a fundamental question: *“Why does Anicom exist?”*

Frankly speaking, in the early days of our founding, we were constantly worried about whether we could sustain this business. The pet industry was not considered a core industry like the automobile, food, medical, or financial sectors. Instead, it was viewed as a hobby or luxury that would be the first to be cut back during times of war, natural disasters, or economic crises.

However, the situation has changed in recent years. Even during the Great East Japan Earthquake and the Ukraine crisis, people risked their lives to protect their pets. They began to say things like, “If I can't take my pet to the evacuation center, I won't evacuate,” and “If this little one isn't here, surviving has no meaning.” The behavior shown by pet

owners demonstrated that pets are beloved family members and a fundamental part of their own sense of purpose.

We believe this reflects a major structural change in modern society. It is the new social issue of “loneliness” brought about by the evolution of civilization. With the spread of convenience stores, the logistics revolution, the rise of remote work enabled by IT advancements, and the emergence of artificial intelligence (AI), people are now able to live without interacting with others. However, while being freed from the hassles of human relationships, they have simultaneously lost the source of self-affirmation: the joy of being needed by someone.

Humans inherently recognize their sense of purpose and maintain emotional stability through connections with others. As these relationships weaken, a quiet loneliness has spread throughout society. The establishment of ministers responsible for finding solutions to loneliness in countries like the UK and Japan was a symbolic event reflecting this reality.





Together with "Miitan", the meerkat who is part of the family

Pets are the very ones that fill this loneliness.

Paradoxically, as civilization advances, their significance has grown even greater. For more than 10,000 years, animals have lived with people, becoming companions bound by mutual love. Pets seek their people without condition—and people, in turn, are strengthened by their pets.

We use the catchphrase, "You are the powerhouse of the heart." Pets recharge the "emotional energy" that is lacking in modern society.

A Scientific Approach to Extending Pets' Healthy Lifespan

"I wish we could stay together forever." To fulfill this heartfelt wish of pet owners even to a limited extent, it is most important for pets to be healthy and live long lives. Therefore, we have thoroughly analyzed the causes of "premature loss." What we have discovered are three "mysteries." The first mystery consists of cases where young pets die from minor health problems such as diarrhea or vomiting.

The second has to do with cases where chronic kidney disease or heart disease—conditions that typically develop in middle to old age in humans—occur in young pets and lead to death. The third of these three mysteries involve cases where pets die from cancer at an extremely young age. We believe these are not coincidences or fate, but rather due to acquired immune deficiencies—specifically, an "imbalance in immune strength."

The key to this lies in the "diversity of the gut microbiota." Dogs and cats that were once kept outdoors or lived in the wild naturally acquired immunity by licking soil, chasing insects, and interacting with various bacteria. However, modern pets live in clean indoor environments, eat the same dry food every day, and exist within very limited surroundings. While this may seem hygienic at first glance, in reality, it deprives them of opportunities to be exposed to a variety of bacteria.

As a result, the immune balance is disrupted, increasing the risk of developing serious diseases at a young age. Using Anicom Group's industry-leading medical database (largest in the industry), we tested the hypothesis and confirmed a clear correlation between gut microbiota diversity and disease incidence.

Born from these insights is "7Days Food."

7Days Food gives pets the opportunity to eat a rotating variety of ingredients over the course of a week. Rotating pets' diet stimulates their immune system and restores a diet closer to a natural environment. 7Days Food offers a completely new approach, one which is crafted with "immune care" in mind.

Furthermore, in recent years, we have also focused on "oral care." As with humans, periodontal disease and oral inflammation in pets have a significant impact on overall health. Since periodontal bacteria can enter the bloodstream and harm the heart and kidneys, daily tooth brushing and routinely assessing oral health are essential to extending pets' healthy lifespan.

In addition to treating diseases when they occur, we also want to simultaneously place greater emphasis on prevention. Prevention cannot be achieved overnight. It is through the accumulation of small daily habits that we can protect the lives of pets.

From this perspective of prevention, the Anicom Group is undertaking various initiatives aimed at creating a society where pet owners and their pets grow healthier together.

Recognizing these prevention-centered efforts, Anicom Insurance, Inc. was awarded the Good Design Award in 2024

for its insurance product described as "Animal Insurance that Makes Pets Healthier."

Anicom Group Enters Its Third Phase With Advanced Medical Care Powered by AI

While advancing preventive measures and immune care, the Anicom Group is also considering a shift from "defensive medicine" to "proactive medicine." To detect health issues early in animals who cannot speak, and to provide precise treatment, we are actively utilizing AI and advanced technologies.

One example is "Smile AI," a technology that detects subtle changes in animals' facial expressions to identify signs of health abnormalities. For instance, dogs have 28 facial muscles, and from their minute movements, it has become possible to measure a "smile score" and a "pain score." This technology can help quantify an owner's sense of "something is odd," helping lead to the early detection of diseases.

It has also become clear that a low smile score tends to correlate with a higher risk of periodontal disease, dermatitis, and behavioral abnormalities. If this can be continuously monitored at home, it would enable successful "predictive medicine."

Additionally, in the fall of 2025, the 'JARVIS Animal Medical Center Tokyo' (hereafter, "JARVIS Tokyo") will launch a world-first initiative. Its greatest asset will be "Surgical AI," a project that senses the highly complex and delicate techniques of veterinary surgeons, teaches AI through machine learning, and standardizes these skills. We aim to quantify masterful surgical techniques—something that even human medicine has yet to achieve—in the field of veterinary medicine.

JARVIS Tokyo will offer multifaceted medical care, including surgical robotics, regenerative medicine, and treatments for intractable diseases. Our goal, however, is not simply to deliver "cutting-edge medicine", but to provide "veterinary care grounded in empathy for both pets and their owners."

For pets and their owners, medical care is not just a technology—it is hope itself. To realize this hope, the Anicom Group strives to advance a future, founded on the dual pillars of "science" and "empathy."

Furthermore, to integrate medical care and prevention, we are developing a system where simply enrolling in insurance naturally raises health awareness and incorporates preventive actions into daily life. By leveraging the industry's largest database to spread services and products, we are building an ecosystem that encourages owners to actively manage their pets' health. This includes providing health

scores, advice on diet and gut health, and more. Our goal is to realize such a society.

The Anicom Group is currently in the process of transitioning from the second phase—focused on visualizing immunity and promoting immune care—to the third phase, which centers on medical innovation. The Anicom Group aims to create a medical care of the future, one which will be a new "common sense" for society.

Supporting the health and lives of pets also means showing care for their owners. With this conviction, we will continue to take on unprecedented challenges.

Finally, I would like to express my gratitude to all of you and sincerely ask for your continued understanding and support for the Anicom Group's philosophy and challenges. Pets, the "world's cutest power plants," are small lives that can change people's hearts and change society. Believing in this great potential, the Anicom Group will continue to move forward.



On the Greatest Mystery of the Biological World

Our group analyzes the world's largest-scale veterinary medical data, covering 800,000 dogs, 300,000 cats, and 4.5 million annual insurance claims. Through this analysis, we have revealed that dogs and cats have extremely significant "mysteries" related to disease onset compared to other mammals.

We take on this mystery and respond to the boundless love they give us, fulfilling the universal wish of all who live with animals to remain together for life. "I wish we could stay together forever."

1. "Vomiting, diarrhea, and bloody stools" among the leading causes of death

Cause of Death Ranking by Diagnosis in Dogs (All Breeds, Based on Deaths Occurring on the Day of Examination)

All ages

Ranking	Diagnosis Name	Percentage	Number of cases (or Number of animals)
1	Neoplastic diseases (or Tumor-related diseases)	16.5	735
2	Chronic kidney disease	16.0	711
3	Valvular disease	13.7	608
4	Including loss of vitality and loss of appetite	6.6	293
5	Pancreatitis	5.2	233
6	Vomiting, diarrhea, and bloody stool	5.2	231
7	Pneumonia	4.4	196
8	Epilepsy	3.3	148
9	Gastritis, Gastroenteritis, and Enteritis	2.4	107
10	Diabetes mellitus	1.8	81

Ages 0 to 7

Policy termination upon the death of the insured : 4,442 animals

Ranking	Diagnosis Name	Percentage	Number of cases (or Number of animals)
1	Neoplastic diseases (or Tumor-related diseases)	15.3	65
2	Accidents, including traffic accidents	7.5	32
3	Vomiting, diarrhea, and bloody stool	7.1	30
4	Chronic kidney disease	5.9	25
5	Including loss of vitality and loss of appetite	5.0	21
6	Pancreatitis	4.5	19
7	Pneumonia	4.4	178
8	Epilepsy	3.4	135
9	Gastritis, Gastroenteritis, and Enteritis	2.4	95
10	Diabetes mellitus	1.9	77



Ages 8 and above

Policy termination upon the death of the insured : 4,018 animals

Ranking	Diagnosis Name	Percentage	Number of cases (or Number of animals)
1	Chronic kidney disease	17.1	686
2	Neoplastic diseases (or Tumor-related diseases)	16.7	670
3	Valvular disease	14.8	594
4	Including loss of vitality and loss of appetite	6.8	272
5	Pancreatitis	5.3	214
6	Vomiting, diarrhea, and bloody stool	5.0	201
7	Pneumonia	4.4	178
8	Epilepsy	3.4	135
9	Gastritis, Gastroenteritis, and Enteritis	2.4	95
10	Diabetes mellitus	1.9	77



Cause of Death Ranking by Diagnosis in Cats (All Breeds, Based on Deaths Occurring on the Day of Examination)

All ages

Ranking	Diagnosis Name	Percentage	Number of cases (or Number of animals)
1	Chronic kidney disease	26.1	170
2	Neoplastic diseases (or Tumor-related diseases)	13.8	90
3	Cardiomyopathy	12.0	78
4	Including loss of vitality and loss of appetite	7.2	47
5	Feline Infectious Peritonitis (FIP)	5.1	33
6	Vomiting, diarrhea, and bloody stool	3.5	23
7	Diabetes mellitus	3.2	21
8	Valvular disease	3.1	20
9	Pneumonia	2.8	18
10	Pancreatitis	1.7	11

Ages 0 to 7

Policy termination upon the death of the insured : 222 animals

Ranking	Diagnosis Name	Percentage	Number of cases (or Number of animals)
1	Cardiomyopathy	21.6	48
2	Chronic kidney disease	15.8	35
3	Feline Infectious Peritonitis (FIP)	13.5	30
4	Including loss of vitality and loss of appetite	8.1	18
5	Neoplastic diseases (or Tumor-related diseases)	7.2	16
6	Vomiting, diarrhea, and bloody stool	4.0	9
7	Pneumonia	3.6	8
8	Valvular disease	3.2	7
9	Foreign bodies in the digestive tract/accidental ingestion	2.7	6
9	Vomiting, diarrhea, and bloody stool	2.7	6
10	Accidents, including traffic accidents	2.3	5

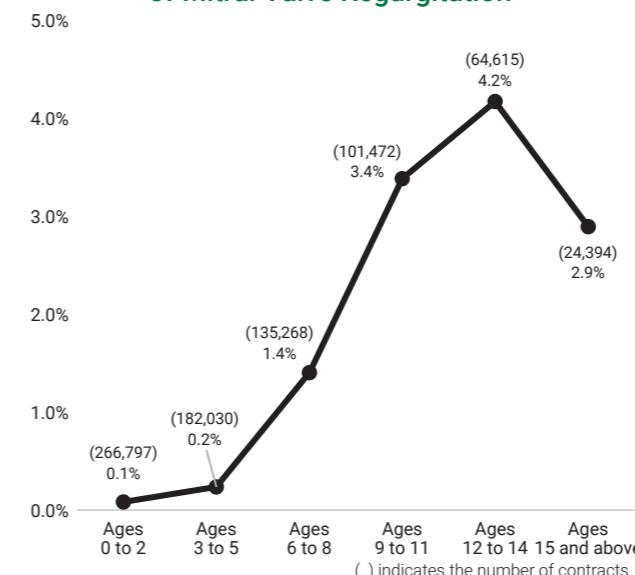
Although **vomiting, diarrhea, and bloody stool** are not usually considered direct causes of death, they actually rank high among causes of death on the day of consultation. These symptoms are clear clinical signs, yet many cases lack corresponding definitive clinical test findings.

In other words, while the basic functions necessary to sustain life were intact, it is believed that there was no observable immune response.

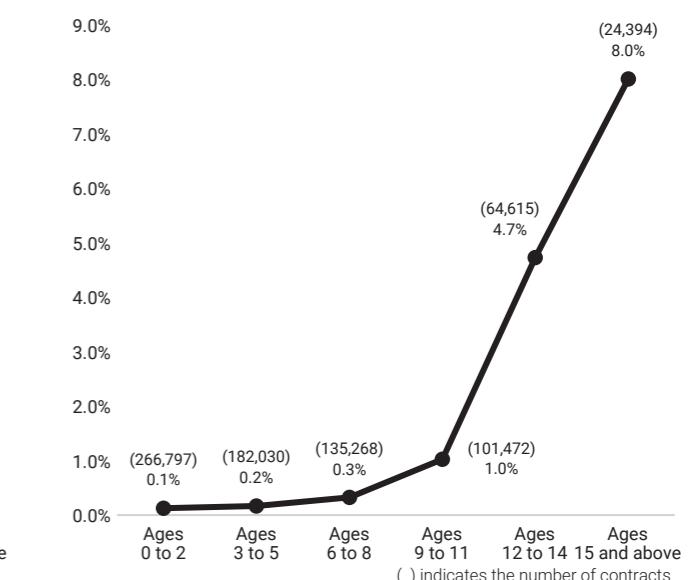
2. Onset of lifestyle-related diseases at a young age

Dogs and cats develop conditions commonly described as "lifestyle diseases" in humans, such as cancer, mitral valve regurgitation, and chronic kidney disease (CKD) at a remarkably young age compared to humans. Unlike humans, factors such as alcohol consumption, smoking, and excessive stress are unlikely causes, and since their diets are primarily based on complete nutritional foods, the onset due to nutritional imbalances is also considered unlikely. Additionally, these diseases frequently occur in mixed breeds, making it difficult to explain their development solely through genetic factors.

[Dogs] Trends in the Incidence Rate of Mitral Valve Regurgitation



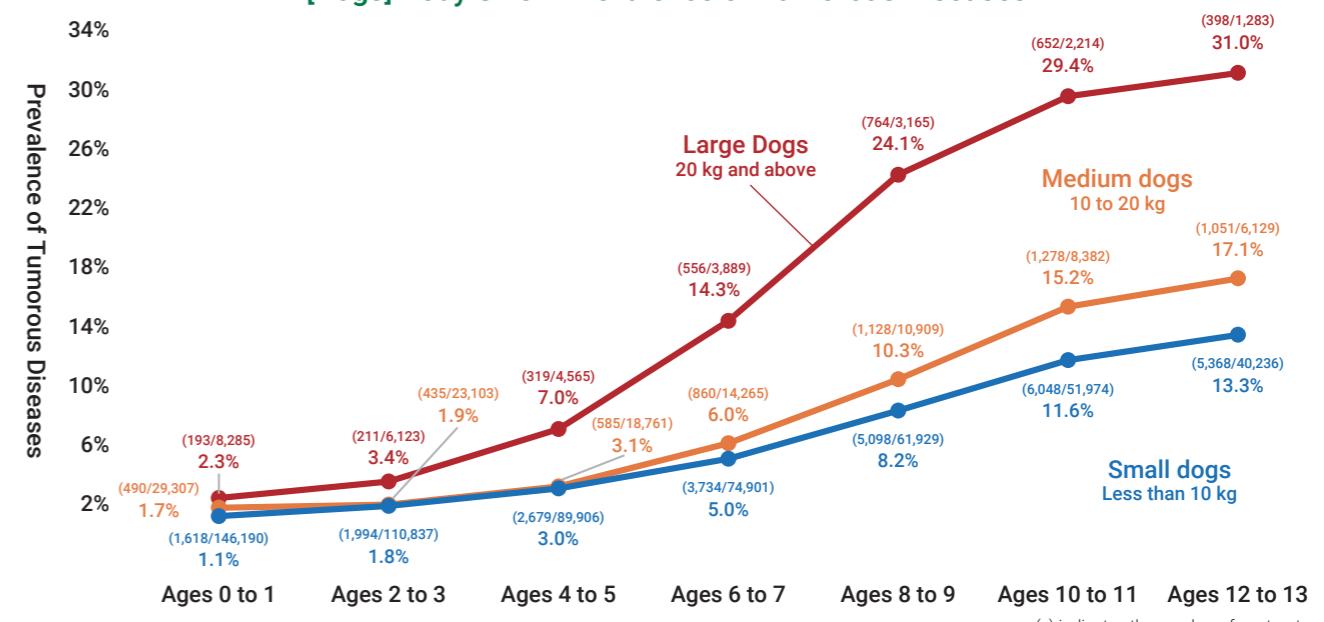
[Dogs] Trends in CKD Incidence Rates



3. Tumorous diseases occur in proportion to body weight

Regarding cancer, it is known that very large animals like elephants and whales, despite having many more cells, have an extremely low incidence of cancer. This phenomenon is known as "Peto's paradox." On the other hand, in dogs and cats, larger individuals tend to have a higher incidence of cancer, which is considered a highly unusual phenomenon among mammals, as larger mammals have generally evolved more advanced cancer suppression mechanisms.

[Dogs] Body Size x Prevalence of Tumorous Diseases



Background Events

1. A monotonous diet of highly processed foods unique to dogs and cats in developed countries

Modern dogs and cats in developed countries consume monotonous, highly processed foods daily, which may reduce their exposure to diverse natural antigens and potentially affect the healthy maturation of their acquired immune system. The gut microbiota is believed to be involved in the production of nutrients related to skin and immunity, and a decrease in its diversity may impact immune function, immune memory, and overall health maintenance.

In fact, feeding only highly processed foods to canids and felids in zoos in developed countries is rarely observed. For example, at the San Diego Zoo in the United States and the London Zoo in the United Kingdom, a variety of raw meats, vegetables, and fruits are provided, and it is considered normal to offer diverse diets to maintain health.

References:

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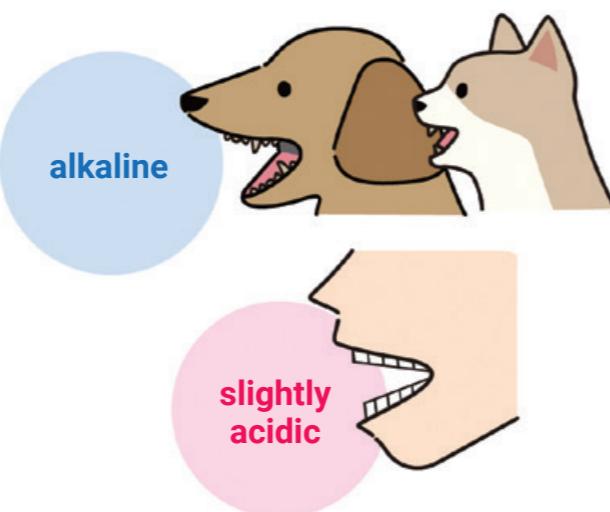


2. The spread of periodontal disease due to insufficient oral care

The human oral cavity is acidic, whereas the oral cavities of dogs and cats are alkaline, which is the exact opposite. In alkaline conditions, calcification progresses easily, and in dogs and cats, plaque forms within 24 hours and turns into tartar within a few days.

Dogs and cats have fewer antimicrobial peptides called "lysozymes" in their oral cavities. Additionally, since periodontal disease has long been misunderstood as a disease of old age in humans, oral care for dogs and cats has lagged behind. However, it has been said for a long time that "periodontal disease is the root of all illnesses." In fact, our company group's analysis has revealed that periodontal bacteria— "invisible invaders"—are one of the factors that reduce the diversity of the intestinal microbiota.

In recent years, understanding of the importance of oral health for maintaining overall health and for treating diseases has been spreading among veterinary clinics, pet shops, breeders, and grooming salons. However, we need to broaden this awareness even further.



3. Immature acquired immunity syndrome (provisional name)

Multicellular organisms limit large-scale genetic mutations throughout their lifetime and need to constantly upgrade their acquired immune system to overcome structural vulnerabilities. However, the maturation (upgrade) of this immune system requires safe exposure to a variety of beneficial natural antigens. Consuming only monotonous, highly processed foods daily reduces opportunities for exposure to diverse natural antigens, which may result in insufficient maturation of acquired immunity and could be one of the factors contributing to the onset of "Immature Acquired Immunity Syndrome" (provisional name).

— From "Disease Diagnosis" to "Immune Diagnosis" —

A diverse gut microbiota can be described as a treasure trove of effectively functioning genetic information.

- (i) The presence of diverse gut bacteria, formed through selective immune tolerance to specific bacteria acquired by multicellular organisms during evolution, plays an important role in maintaining immune balance regulation.
- (ii) Furthermore, the diversity of the gut microbiota creates a competitive exclusion environment that prevents the colonization and proliferation of pathogenic bacteria such as periodontal disease-related bacteria, including protein-degrading bacteria, thereby greatly contributing to our health maintenance.
- (iii) It also contributes to the safe transfer of diverse and beneficial natural antigen information, which is essential for acquired immunity, playing a crucial role in helping the host win the ongoing information battle. Conversely, a decrease in gut microbiota diversity leads to a shortage of natural antigen information, creating overwhelming vulnerability in this information battle, which can reduce the chances of winning not only against infectious diseases but also against cancer.

Cancer development may signify a defeat in the information battle, resulting from a breakdown in information control caused by insufficient acquisition of immune information. In particular, early-onset cancers with shallow levels of malignancy can be seen as a loss in this information battle due to a lack of immune information.

Behind these pathways of onset lie common factors: the monotonous consumption of highly processed foods typical of dogs and cats in developed countries, and the spread of periodontal disease due to insufficient oral care.

These two simple yet fundamental issues may cause a chronically immature state of the immune system, which in turn could increase the risk of various diseases.

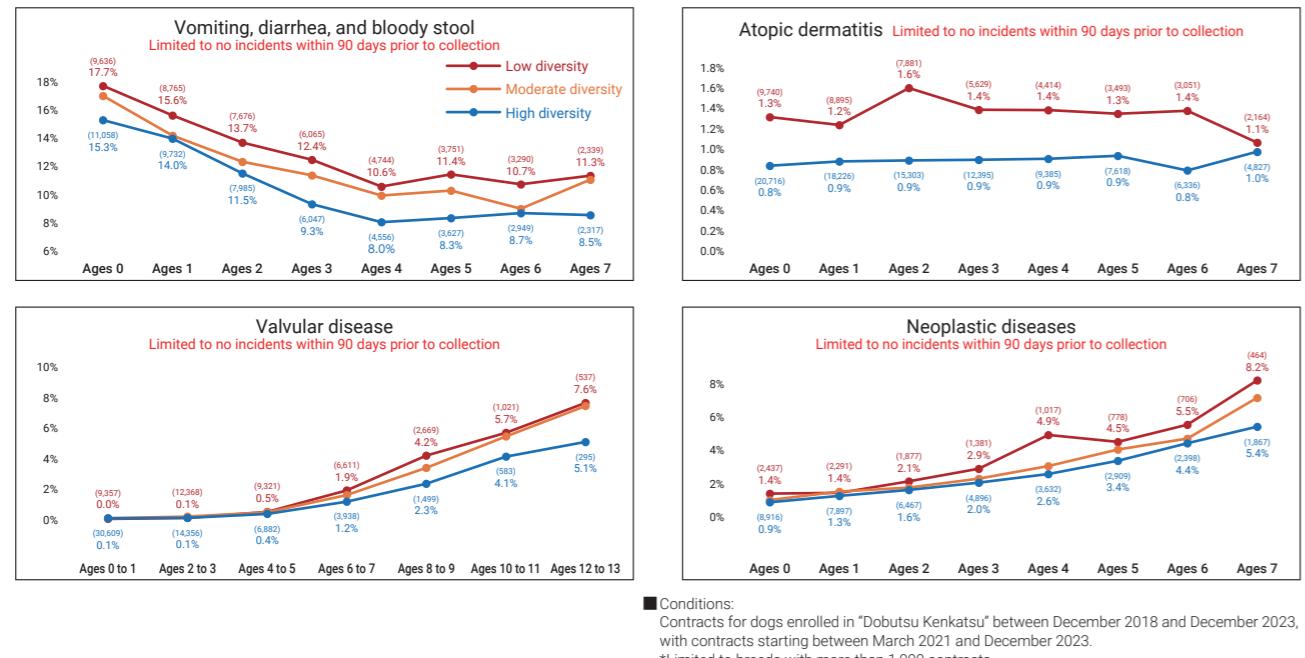
Furthermore, insights from these new disease models may extend beyond dogs and cats, potentially serving as a foundation for human health management and new healthcare models.



Hypotheses About Causality

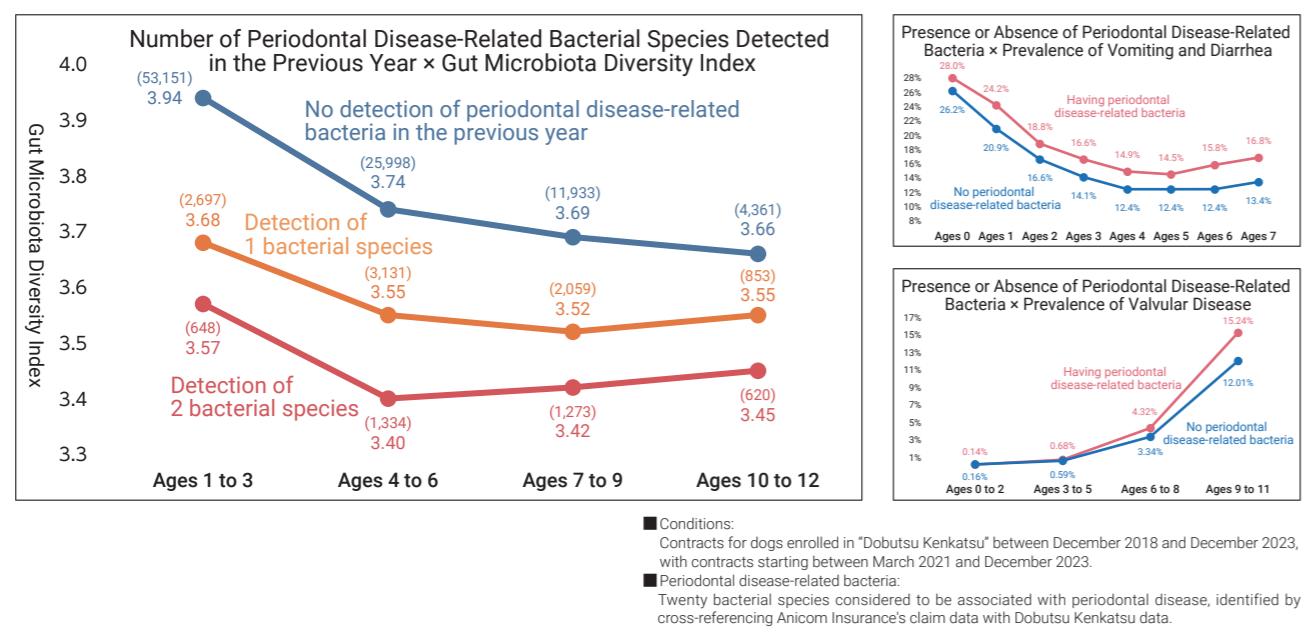
1. Correlation between gut microbiota diversity and disease

Daily consumption of monotonous, highly processed foods can reduce the diversity of the gut microbiota and disrupt the competitive exclusion environment, potentially causing chronic low-grade inflammation, primarily in the digestive tract. In fact, analysis of insurance claim data alongside gut microbiota data from over 600,000 dog samples and 220,000 cat samples revealed correlations between gut microbiome diversity and a wide range of diseases.



2. Impact of periodontal disease-related bacteria

Across all age groups, the diversity of the gut microbiota is reduced in individuals where periodontal disease-related bacteria are detected. Moreover, the greater the number of detected bacterial species, the more pronounced the decrease in diversity. In fact, the presence of periodontal disease-related bacteria has been associated not only with common conditions such as vomiting and diarrhea but also with advanced diseases including valvular disease, chronic kidney disease, and neoplastic diseases. Based on these findings, it is not an exaggeration to say that periodontal disease-related bacteria act as "silent invaders" of the gut environment.



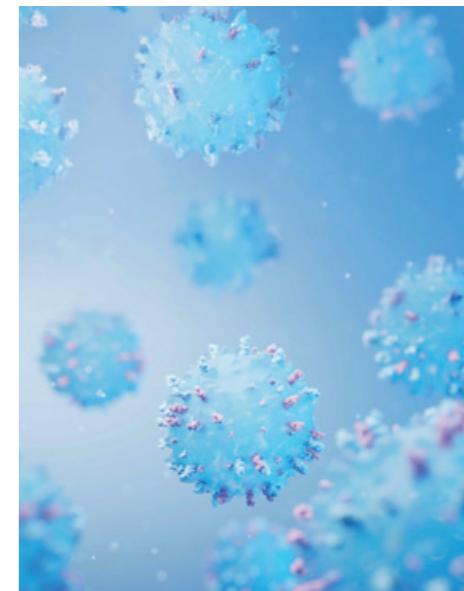
3. Warp carcinogenesis theory

Cancer typically develops in older humans, but in dogs and cats, it can occur at a very young age.

Regarding this mystery, based on the previously mentioned background and statistical facts about dogs and cats, early-onset cancer in these animals is viewed not as an accumulation of random mutations but as a "Warp phenomenon" caused by the sudden insertion of gene fragments. This has led to the proposal of a new theory called the "Warp Carcinogenesis Theory."

- (i) In the gut-associated lymphoid tissue (GALT), B cells uptake natural antigens.
- (ii) If chronic low-grade inflammation persists, B cells may take up bacterial-derived gene fragments. (This is a hypothesis and a new concept currently under investigation.)
- (iii) The immune system may overreact to abnormal B cell proliferation, potentially leading to immune function exhaustion within a relatively short period. (This is also a hypothesis currently under investigation.)
- (iv) We propose the hypothesis that if these two warp pathways are activated, rapid onset of B-cell lymphoma (warp-type carcinogenesis) may occur at a young age.

*This theory is a new medical hypothesis currently under investigation and does not deny existing diagnostic or treatment methods. Furthermore, at this stage, no diagnostic or treatment methods based on this hypothesis are being offered.



Utilization of Surgical Support Robots and AI

Japan's medical technology is highly regarded internationally for its precision, also highly regarded are the techniques and experience of Japan's surgeons. In particular, since many pets in Japan are small in size, Japanese veterinary medicine has developed exceptionally delicate and advanced skills that are unparalleled worldwide.

To make the most of these delicate and advanced skills, we aim to accelerate the development of surgical support robots equipped with "haptic feedback technology" and promote the use of AI. Through these efforts, Japan will drive global advancements in medical care while fulfilling the wishes of all who love animals and want to "stay together forever."



*Image is for illustrative purposes only.

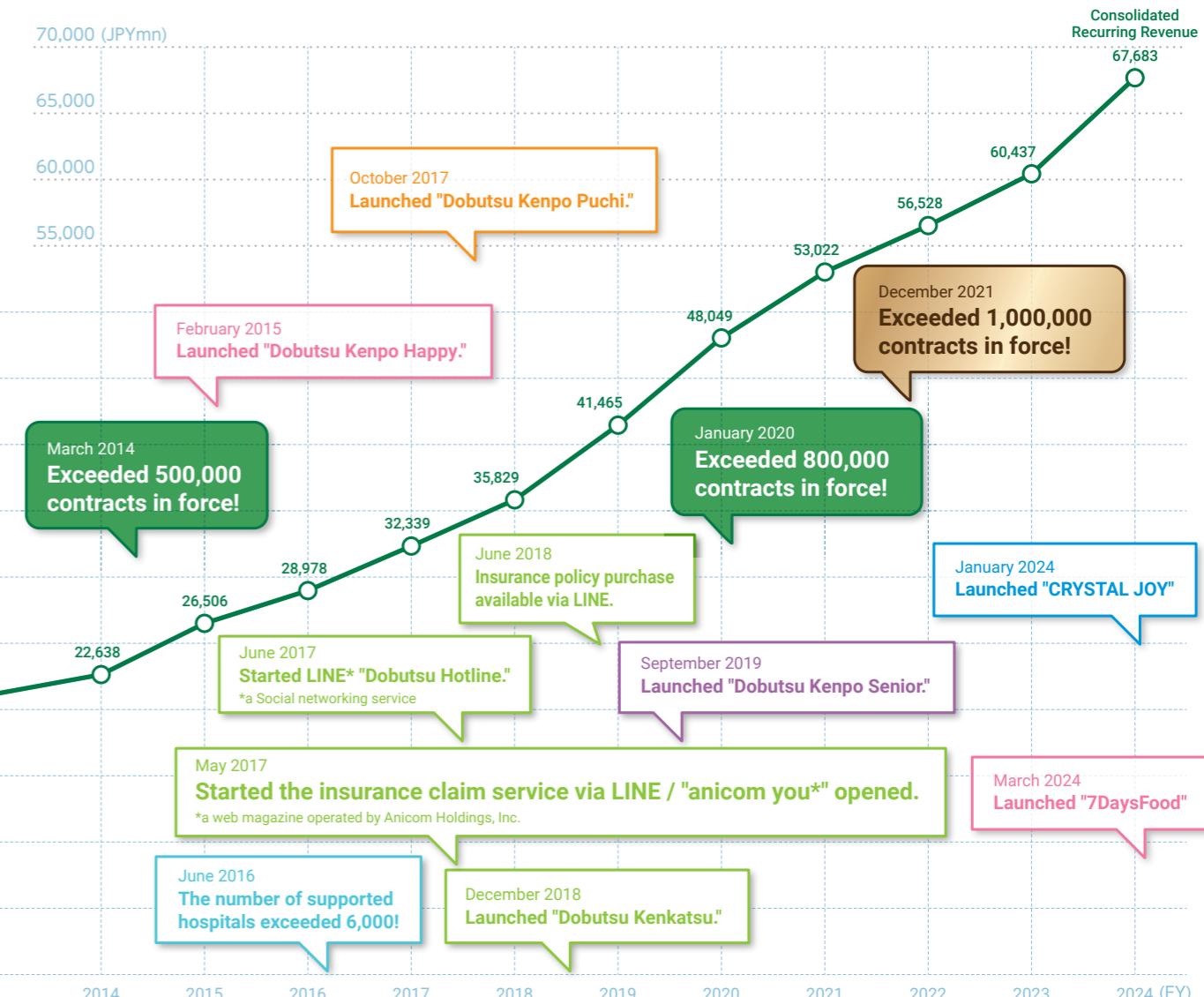
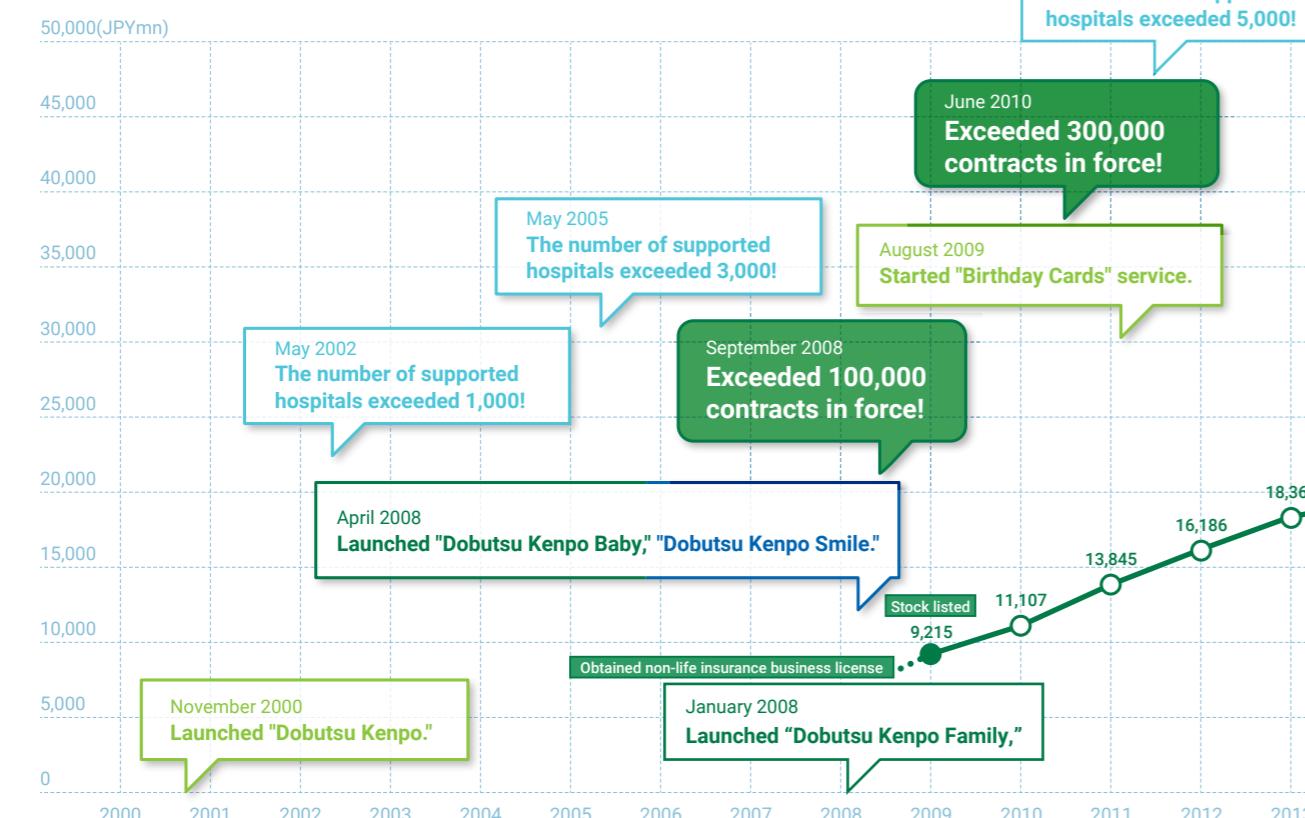
Anicom's History

The company name "Anicom" is derived from the Latin "ani," taken from the latin word "anima" meaning "life, soul" and "com" from "communication" meaning "mutual understanding." We combined these to express our core idea: "When living beings understand each other and work together toward a common goal, the impossible becomes possible." This is the basis of our business activities.

We have achieved sustained growth by transforming ourselves in response to the changing times. We do this as we carry on the ideas that have guided us since our founding.

The results of our pursuit to provide added value to our customers and to solve changing social issues have led to the strengths of Anicom today.

■ Indicators of growth trajectory such as ordinary revenues



History

July 2000 Established BSP Inc.	January 2006 Established Anicom Insurance Planning, Inc. as a preparatory subsidiary for establishing an insurance company	January 2008 Anicom Insurance, Inc. starts business	January 2014 Established the Anicom Specialty Medical Institute, Inc.	April 2016 CellTrust Animal Therapeutics, Inc. established (49% by Anicom Holdings, Inc. and 51% by Fujifilm Corporation)	February 2022 Increased the capital of Hong Kong Anicom Company Limited and made it a subsidiary
December 2004 Anicom Pafe, Inc. Established	June 2008 Trade name changed from Anicom International, Inc. to Anicom Holdings, Inc.	June 2008 Trade name changed from Anicom International, Inc. to Anicom Holdings, Inc.	May 2014 Tohoku Branch opened	March 2017 Hong Kong Anicom Company Limited established	April 2022 Moved from the First Section to the Prime Market due to the revision of the market classification of the Tokyo Stock Exchange
January 2005 Trade name changed from BSP Corporation to Anicom International, Inc.	August 2006 Chubu Branch opened	January 2009 Starts online application procedures	June 2014 Anicom Holdings, Inc. shares moved to the First Section of the Tokyo Stock Exchange	January 2020 Simnet Co.,Ltd. becomes a wholly owned subsidiary	October 2022 Anicom Pafe, Inc. merged with Anicom Frontier, Inc.
February 2005 Anicom Frontier, Inc. Established	December 2007 Anicom Insurance Planning, Inc. changed trade name to Anicom Insurance, Inc.	April 2009 anicom (mutual aid association for pets) submits notification of business discontinuation to the Kanto Local Finance Bureau	October 2014 Chushikoku Branch opened	March 2021 Joint venture agreement with FUJIFILM Corporation is dissolved, and CellTrust Animal Therapeutics Co., Ltd. business is transferred to Anicom Advanced Medical Research Institute, Inc.	March 2024 Acquired shares in Flowens, Inc. and made it a consolidated subsidiary.
June 2005 Call Center opened	Anicom International, Inc. acquired certification as an insurance holding company	March 2010 Anicom Holdings, Inc. listed on the Tokyo Stock Exchange Mothers	July 2015 Anicom Capital, Inc. established	Anicom Capital, Inc. is dissolved.	
July 2005 Kinki Branch opened	Anicom Insurance, Inc. acquired a non-life insurance business license	September 2015 Yokohama Laboratory of Anicom Advanced Medical Research Institute Co. established	September 2015 Yokohama Laboratory of Anicom Advanced Medical Research Institute Co. established		
October 2005 Hokkaido Branch and Kyushu Branch opened					

Foundation building phase from inception

Anicom was founded in 2000 as Japan's first pet insurance company with the idea of creating a "preventive insurance company." In order to realize preventive insurance, we need data on what kind of pets suffer from what kind of injuries and illnesses. Therefore, from the time of its establishment and during its foundational period Anicom has worked to popularize pet insurance. We were able to increase the number of policies in force to over 750,000 as of the end of fiscal 2018. One effort that has helped to accomplish this has been the health insurance cards issued to all policy holders. These cards are proof of family members (pets) and show the popularization of the over-the-counter payment system. This system allows a policy holder to have their insurance payment applied directly at the animal hospital counter at check out, thus eliminating the need for insurance claim procedures; i.e. no paperwork.

In the second founding phase starting in FY 2019: we aim to promote further dissemination and evolution of pet insurance. We also aim to develop and expand CSV management that creates economic and social value through synergies with synergy-generating businesses outside of, and in addition to the insurance business. As a result of our continued efforts to popularize pet insurance, the number of policies in force has reached 1.19 million as of FY2023, and the annual number of insurance claims has exceeded 4.3 million. By analyzing injuries and illnesses from insurance big data, we will accelerate our efforts to become a preventive insurance company group that supports health and prevents accidents from happening.

Anicom's Business Development

Insurance Business



Anicom
 アニコム損害保険株式会社



Non-life Insurance Business

Pet insurance is our group's core business, and therefore our priority policy. With this in mind, we constantly strive to improve its profitability. We aim to further increase profitability by promoting the uniqueness and advantages of our insurance products, and by strengthening the sales force of our sales channels. We also aim to improve profitability by improving the loss ratio, reducing policy acquisition costs, and cutting costs through improved operations.

Synergy Generation Business



Anicom pafe
 アニコム・ペーフェ株式会社



Genetic Testing Business

We offer genetic testing to breeders and pet stores. We aim to generate revenue by testing puppies and kittens for genetic diseases, and reduce insurance claims by eradicating genetic diseases. Furthermore, we aim to develop and expand both the market penetration, and testing range of our panel tests. These panel tests measure various potential genetic abnormalities at one time, allowing us to support breeding operations; for example by improving breeding efficiency.



Gut Microbiome Testing Business

Gut microbiome diversity, and stabilising the gut environment are fundamentally connected to overall health. We therefore offer gut microbiome testing to check the health of client and partner animals. By offering this service as a part of our insurance offering, we aim to pursue the unique qualities which, our insurance business possesses. This will enable us to expand into the food business. Analysing the pet gut microbiome will allow us to create just the right food to achieve the best gut health for each animal.



Healthcare Innovation Business

Using big data from our pet insurance operations we develop products for oral and intestinal care necessary for maintaining the health of pets. The goal of this business is to generate revenue independently while also supporting pet health and thereby reducing the amount paid out for insurance claims.



Anicom medical
 アニコム・メディカル株式会社



Animal Hospital Business

Medical costs are one of the primary drivers of insurance claims. Our goal is, therefore, to standardize veterinary care by expanding and increasing the presence of our group hospitals and to create a medical cost suppression effect (stabilizer effect). To do this we need to expand the scale of our hospital business in the future. Further, as expansion depends on the results of M&A, we will effectively use our hospital business to generate synergies with our insurance business (e.g., direct our policyholders to our hospitals). We aim to expand the scale of the business in the near term.



Regenerative Medicine Business

By providing regenerative medicine to cure incurable diseases, we aim to both reduce insurance claims and generate revenue. In order to generate revenue, we are promoting our business in two axes: 1) therapeutic (utilizing the Animal Regenerative Medicine Technology Research Association) and 2) preventive (improvement of health, prevention of specific diseases, anti-aging, etc.). These measures are being researched at group hospitals and affiliated companies.



SIMNET



Matching Service Business

We operate a matching website that connects breeders and potential owners. Through the matching service business, we aim to build a stable supply system for puppies and kittens, and expand our business domain by recommending insurance, products, etc. at the time of in person meetings.



Flowens



Breeding Business

We operate a dog and cat breeding business that prioritizes environmental enrichment. By focusing on quality food and regular exercise, we ensure that we deliver healthy and energetic puppies and kittens to their owners.

Anicom Group utilizes its vast data resources on disease, collected through its pet insurance operations in the development of solutions for both congenital and acquired diseases in pets.

Specifically, we are striving to eradicate hereditary diseases by expanding our genetic testing services, conducting research and analysis to discover the relationship between oral and intestinal health, and overall health and acquired diseases. Further, we are working to develop and offer health solutions based on these findings. We are also engaged in regenerative medicine, providing new options for diseases previously considered incurable. All of this is being done with the goal of supporting the health and happiness of animals.

Leveraging AI and other advances in information technology in these research and service offerings, we aim to deliver new value to society and continue increasing the smiles of animals.

The diagram illustrates the interconnected nature of Anicom's business units. At the center is the **Pet Insurance** unit. Surrounding it are seven other units, each represented by a circular icon and a brief description: **Genetic Testing** (a dog and a person), **Gut Microbiome Testing** (a person working in a lab), **Healthcare Innovation** (a dog eating from a bowl), **Animal Hospital** (a doctor examining a dog), **Regenerative Medicine** (a dog being treated by a doctor), **Matching Service** (a family with a dog), and **Breeding** (a person holding a puppy). Lines connect the central **Pet Insurance** unit to each of the surrounding units, emphasizing the interconnectedness and synergy between them.

Creation of new value through high-level data analysis of vast data resources

Realizing the Vision for FY 2030

Delivering boundless value to society
 with infrastructure that connects services from upstream to downstream in a way that contributes to pet industry development

19

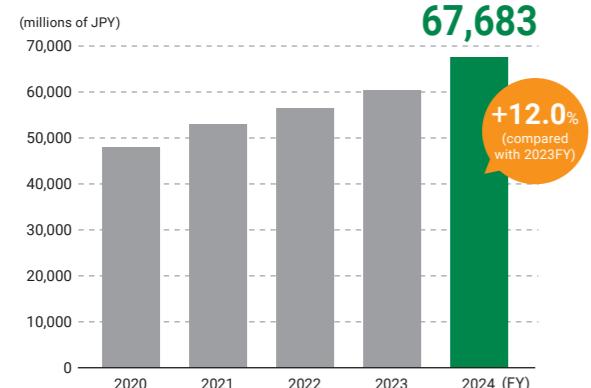
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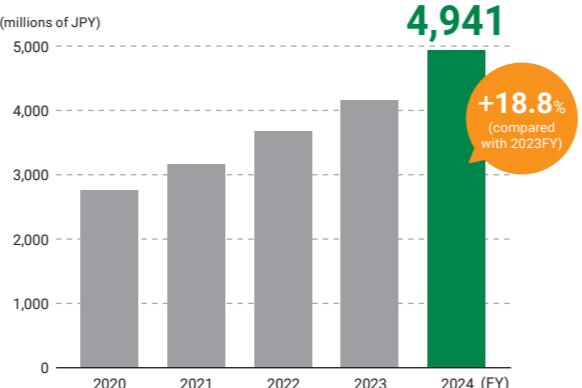
Financial Highlights

Consolidated recurring revenue

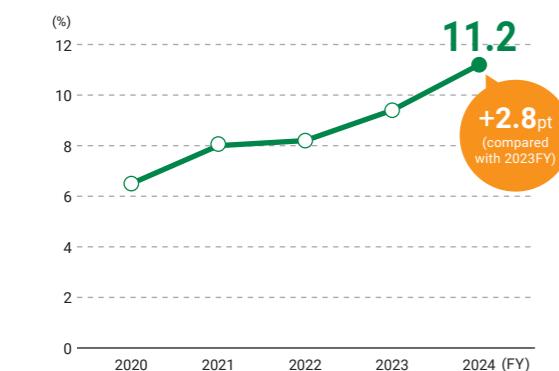


Our insurance business has continued to perform steadily, supported by robust demand for pet ownership and the enhancement of sales channels. Despite the impact of inflation, cost efficiency improved through operational streamlining and cost reductions. In addition, revenues from our synergy-creation businesses have grown steadily. These initiatives have enabled us to achieve stable growth and enhance corporate value.

Consolidated recurring profit

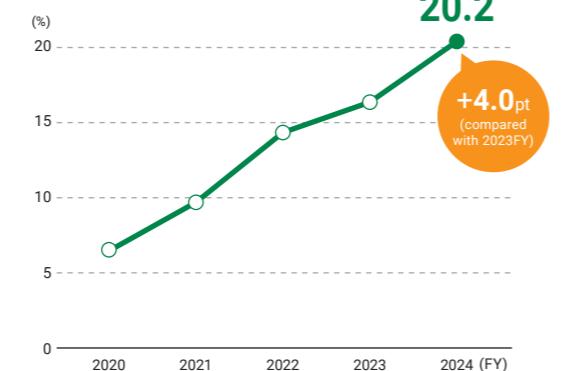


Consolidated ROE



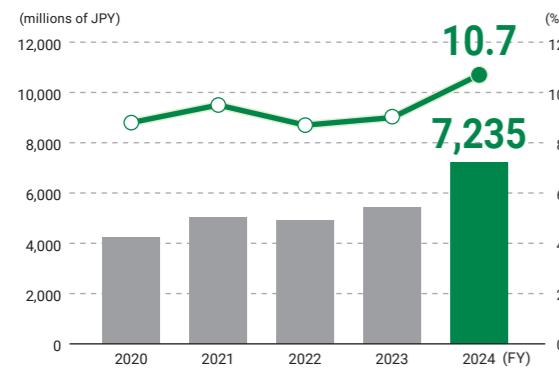
In fiscal year 2024, ROE reached 11.2%, exceeding the target level of 10% set out in the "Mid-Term Management Plan 2022–2024."

Dividend payout ratio



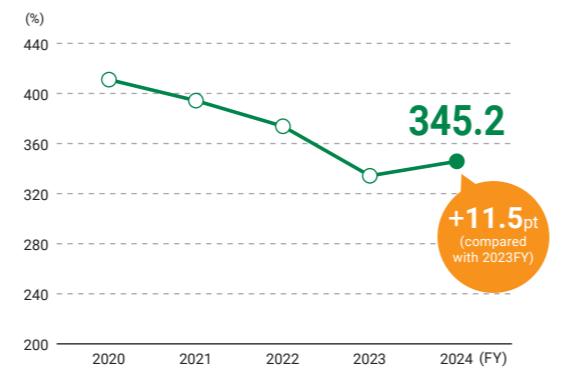
In fiscal year 2024, the dividend payout ratio reached 20.2%, exceeding the target level of 20% set out in the "Mid-Term Management Plan 2022–2024."

Synergy generation business sales and sales ratio



We aim to expand business that has synergy with our pet insurance business. This includes the implementation of mergers and acquisitions to achieve sales growth.

Solvency margin ratio (non-consolidated)



We will strive to achieve an optimal capital structure going forward. Concurrent to this, discussions related to the review of regulations (risk coefficients) and pertaining to insurance soundness over the medium term are underway.

Non-Financial Highlights

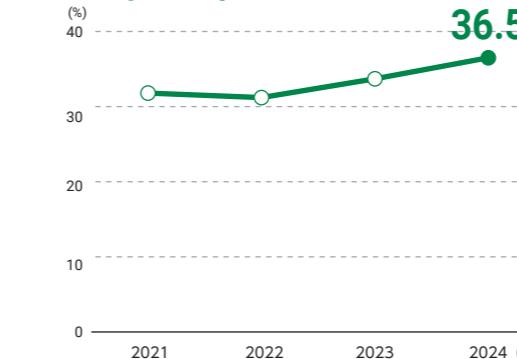
People

To close the gender gap, we are actively promoting women to management positions and encouraging men to take maternity leave.

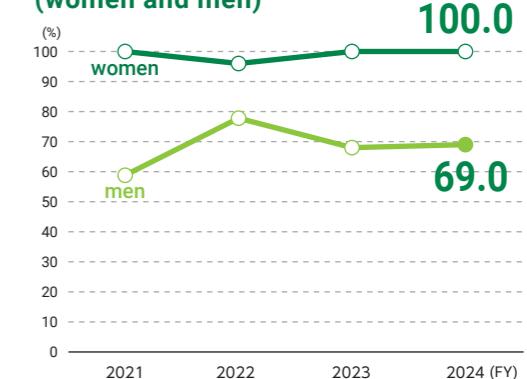
*1 Calculated for the Company and its consolidated subsidiaries.

*2 Managers are defined as "those with subordinates, and higher positions. Those who are in equivalent positions even if they do not have "subordinates," excluding "executives" are also defined as managers.

Percentage of women in managerial positions



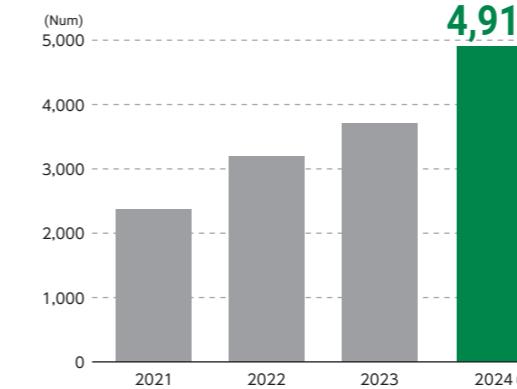
Rate of maternity leave taken (women and men)



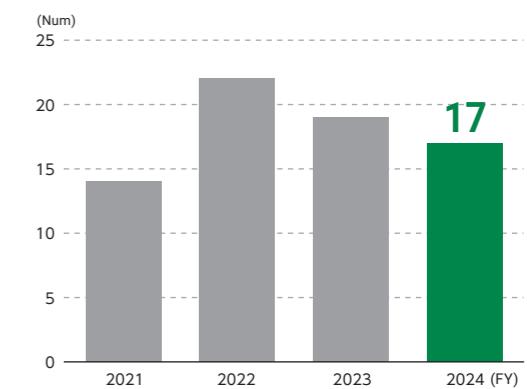
Pets

Supporting the adoption of shelter dogs and cats, is one of the things we do to solve the culling problem which is an issue in the pet industry.

Number of adoption through "hugU" a foster parent matching website



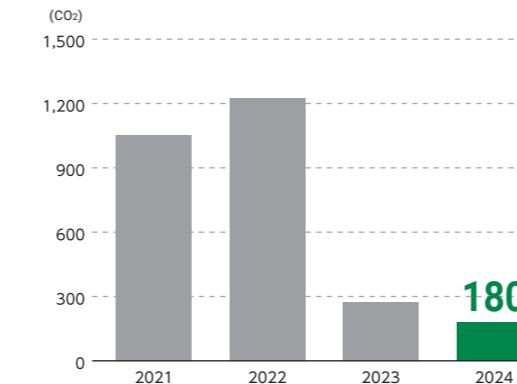
Number of adoption events assisted



Environment

To achieve carbon neutrality, we will work to reduce CO₂ emissions.

Scope1+2 emissions



* The scope of calculation covers the Company and its consolidated subsidiaries. Animal hospitals without an established data collection system were excluded from the scope up to fiscal year 2022; from fiscal year 2023, the average emissions by hospital size have been included. In addition, Flowens Inc., which became a consolidated subsidiary in fiscal year 2024, has been excluded from the scope as its data collection system is not yet in place.

* Gases covered under category 6.5 are excluded from calculation.

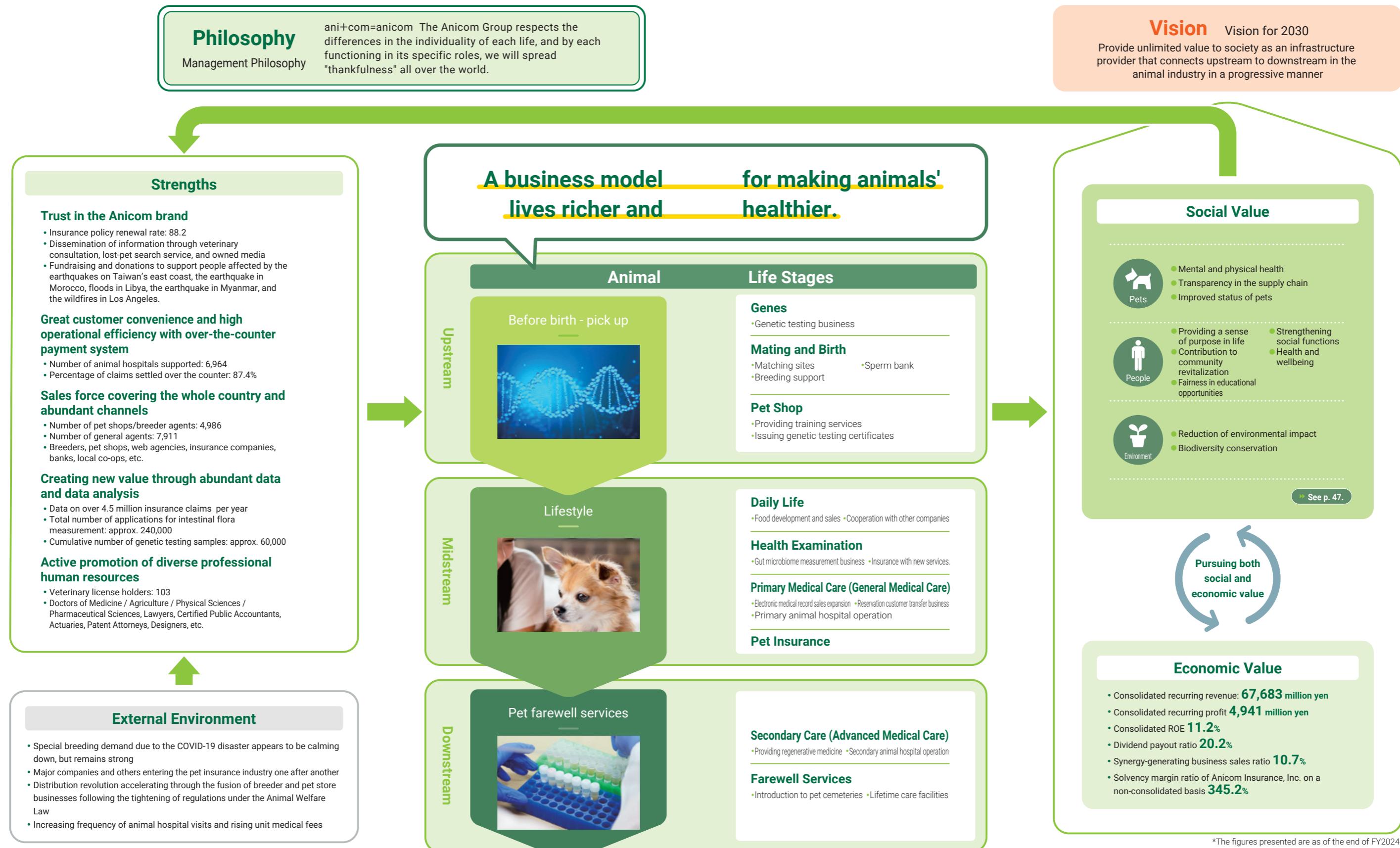
* Calculations are based on the "adjusted emission factors" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry for each electric power company.

* In fiscal year 2023, we achieved a 100% renewable energy ratio for Scope 2 by purchasing Non-Fossil Certificates.

* In fiscal year 2024, we achieved carbon neutrality by using renewable electricity and purchasing Non-Fossil Certificates, as well as fully offsetting CO₂ emissions from company vehicles through the use of J-Credits.

The Value Creation Process

Through the investment and optimization of management resources, we are executing our business strategy and seeking the solution of social issues. We aim to realize our long-term vision by building a cycle that enables continuous and sustainable value creation, and by creating a virtuous cycle with our stakeholders.



Our Positioning in the Pet Insurance Industry

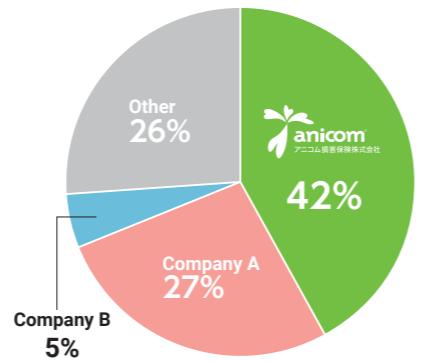
The Changing Environment of the Pet Insurance Industry

In recent years, Japan's population under the age of 15 has continued to decline. It has slipped to approximately 14 million, while the number of dogs and cats kept as pets is estimated to be 16 million. The market size of the pet industry also grew to 1.7 trillion yen in 2021. As people's anxiety and loneliness increase due to the COVID-19 disaster and Russia's invasion of Ukraine they look more and more to pets as a way to relieve anxiety and loneliness, and the demand for pets is therefore increasing. As a result, pet insurance has been attracting particular attention in the insurance industry, and major insurance companies have entered the pet insurance market one after another. Against this backdrop, Anicom Insurance has maintained the No. 1 market share* in Japan for 15 consecutive years from 2009 to 2023. We believe the reason for this is the following competitive advantages.

*Estimated by Anicom Group based on the disclosure magazine of pet insurance companies, financial statements, and the 2024 Pet-related Market Marketing Overview by Fuji Keizai Co., Ltd.

*Calculation method changed from FY2023.

Market share of pet insurance industry: companies
(Approximate estimate based on insurance premiums)



Our Competitive Advantage: "A System for Generating Stable Profits Through the Insurance Business"

Customer Convenience and Operational Efficiency

The direct payment system works similarly to human health insurance: by presenting the Anicom insurance card at the counter, customers only need to pay the out-of-pocket expenses. This system is available at approximately 6,900 animal hospitals, which is more than half of all such facilities nationwide. Tailored to the nature of pet medical care—characterized by small, frequent expenses—this user-friendly insurance system is Anicom Insurance's greatest strength. Even if direct payment isn't possible, convenience is maintained by the introduction of insurance claim submissions via LINE (a messaging app. widely used in Japan), the first such system in Japan, allowing claims to be processed without the hassle of mailing documents.

Compared to traditional mail-in claims, which incur costs such as transfer fees, postage, and assessment for each claim, the direct payment system significantly reduces administrative costs. Of the over 4.5 million insurance claims filed annually, about 90% are processed through the direct payment system, achieving high operational efficiency.



Uniqueness

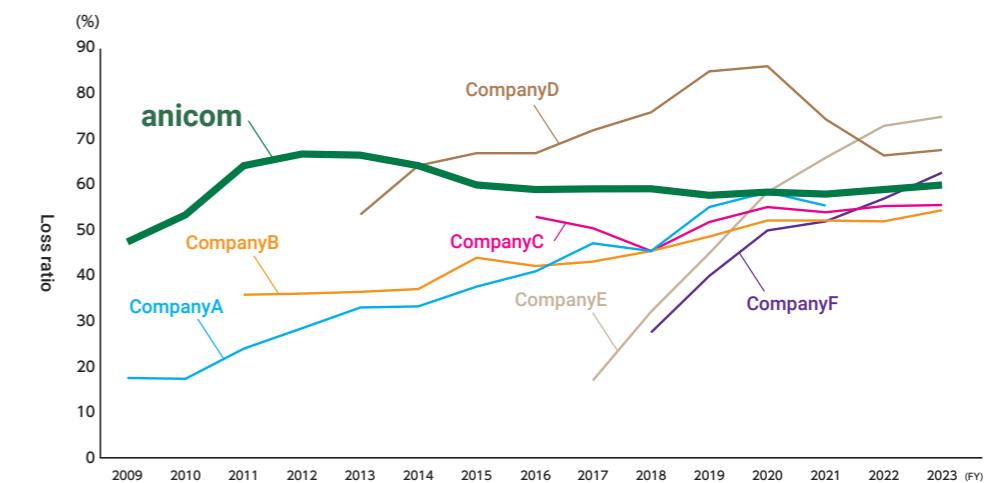
A unique feature of Anicom Insurance is "Dobutsu Kenkatsu," a gut microbiota analysis service available to policyholders. Based on tens of thousands of research data points on gut microbiota accumulated by our group and disease data obtained from insurance claims statistics, we have developed an original index to assess pets' risk of illness. If a pet is judged to be at "high risk," the owner can receive a free health checkup at a designated animal hospital. This is an exclusive, industry-first service in the insurance sector.

Sales Strength

Anicom Insurance's primary sales channel is the "NB (New Born) Channel," targeting newborn pets. We have established agency contracts with major pet shops and breeders nationwide, enabling sales at over 4,900 locations. Approximately 80% of our annual new contracts are acquired through the NB Channel. Additionally, for pets already owned—such as dogs, cats, birds, rabbits, and ferrets—our "General Channel" offers online contracts via the Anicom Insurance website, sales through web agencies, and over-the-counter sales at financial institutions.

Comparison of Loss Ratios in the Pet Insurance Industry

While loss ratios among pet insurance companies are rising, Anicom Insurance's loss ratio remains stable at a consistent level.



Source:
Disclosures and financial statements of each company

*Rakuten is excluded as the loss ratio for pet insurance alone has been unavailable since fiscal year 2022 due to its transition to a non-life insurance company.

Value Creation Through Collaboration with Other Companies

Through Anicom Insurance, the Anicom Group, is advancing collaborations with major life and non-life insurance companies as well as businesses from other industries. These collaborations reflect a new phase where the pet industry is breaking down barriers and creating inter-industry connections. Pets serve as key relationship anchors with customers and play an important role in Anicom's inter-industry business initiatives. We believe this signifies the growing expectation for the pet industry to generate new value for society. As the industry transforms from a "hobby" sector to one focused on "value creation," the entire group will continue to further promote these initiatives.



"Animal Insurance that Makes Pets Healthier" Winner of the 2024 Good Design Award!

Our pet insurance product, "Dobutsu Kenpo," has been awarded the 2024 Good Design Award, hosted by the Japan Institute of Design Promotion. This marks the first time a pet insurance product has received the Good Design Award.*

Since our founding, we have offered the "Animal Health Insurance Card", which represents our philosophy "insurance you can use." However, no pet owner is ever happy to use insurance—because "using it" means their beloved pet is injured or sick. That's why we provide insurance that helps visualize the health status of pets, offering "Animal Insurance that Makes Pets Healthier."

*According to the award recipient



Promoting a Group Strategy Centered on “Prevention”

Living organisms have adapted to infinite environmental changes with finite capabilities. In other words, through breeding, organisms have combined the DNA base sequences (ATGC)—often called the blueprint of life—in countless ways, entrusting their hopes to their offspring.

Reputed to be the world's oldest set of laws, The Code of Hammurabi also includes prohibitions against inbreeding; close breeding has been considered a fundamental taboo since ancient times. Nevertheless, humanity has imposed inbreeding on pets for over 10,000 years. As a result, pets have become genetically fragile—"a bundle of love with 0% ability to survive alone and 100% capacity to love and be loved."

By performing optimal breeding practices, it has become possible to avoid the onset of diseases caused by genetic and other congenital factors. However, completely eliminating diseases in pets remains difficult, and the prevention of diseases arising from acquired factors is also an important challenge. Pets have a higher likelihood than humans of developing almost all diseases from a young age, including cancer. Various confounding factors such as diet, alcohol consumption, smoking, and interpersonal stress contribute to disease onset in humans. Pets on the other hand, don't smoke or consume alcohol, therefore proportionally, diet constitutes a much greater lifestyle factor in the health of pets.

Our group's research has revealed that the lower the diversity of gut microbiota in dogs, the higher the prevalence of all diseases. Based on this, we believe that the diversity of gut microbiota constitutes a part of the immune system. In other words, incorporating a variety of foods to maintain and improve gut microbiota diversity is an important factor in disease prevention. Additionally, it has been shown that when a dog suffers from periodontal disease, the diversity of its gut microbiota declines the following year. As the saying goes, "periodontal disease is the root of all illnesses." The fact that periodontal disease increases disease prevalence across all ages in dogs suggests that oral care is crucial for disease prevention.

Our group investigates the drivers of disease—including cancer—by analyzing large-scale insurance and healthcare data to "visualize immunity." We also advance prevention: encouraging oral care to curb periodontal disease and promoting a diverse and healthy gut microbiome, thereby strengthening immunity and lowering disease risk. By making prevention part of daily life, we aim to help pets avoid severe illness and enjoy longer, healthier lives.



Creating the Future of Veterinary Medicine: The Grand Opening of “JARVIS Animal Medical Center Tokyo” is Approaching!

Anicom Specialty Medical Institute, Inc. plans to open the "JARVIS Animal Medical Center Tokyo," a veterinary hospital offering cutting-edge advanced veterinary care including robotic surgery, targeting autumn 2025 for its launch.

"JARVIS Animal Medical Center Tokyo" is a veterinary hospital offering state-of-the-art advanced medical care. It has specialists in various fields—including orthopedic surgery, neurosurgery, spinal surgery, cardiovascular surgery, soft tissue surgery, as well as dentistry, gastroenterology, cardiology, diagnostic imaging, anesthesiology, and rehabilitation—who provide comprehensive care for animals.

At JARVIS, the introduction of surgical support robots contributes to the further advancement of Japan's already highly refined veterinary surgical standards and to advancing veterinary medicine not only in Japan but worldwide. On July 4, 2025, as part of this research and development initiative, Japan's first* robot-assisted canine spaying surgery was successfully completed.

*First in Japan: Based on our research as of July 2025.



*Image is for illustrative purposes only.



*The surgical robot shown in the image is an experimental model for research purposes.

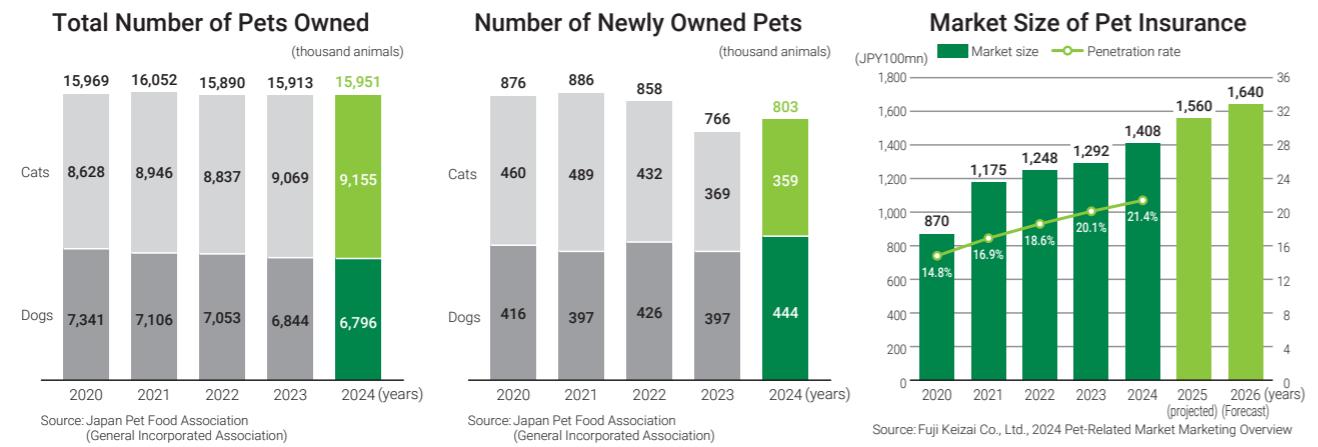
Insurance Business

Management Environment and Issues to Be Addressed

<Management Environment, etc.>

In 2024, the overall pet industry saw a halt in the decline of new pet ownership that had continued since the COVID-19 pandemic. This resulted in an increase of approximately 30,000 pets year-on-year, reaching around 800,000 in total. Simultaneously, as pets increasingly become regarded as family members, more owners are becoming conscious of their pets' health management, contributing to the growth of the domestic pet insurance market, with a penetration rate reaching 21.4%.

[Trends in the Number of Dogs and Cats Owned and the Market Size of Pet Insurance]



Source: Japan Pet Food Association (General Incorporated Association)

In addition, in fiscal year 2024, factors such as increased pet longevity, advancements in veterinary medicine, and rising medical costs due to inflation have further heightened interest in pet insurance. However, intensified competition and rising loss ratios have led to a series of business withdrawals, mainly among online insurers, accelerating industry consolidation. Our group, taking these environmental changes into account, aims to utilize all the resources cultivated across the entire group to improve the management efficiency of our pet insurance business and, ultimately, enhance the overall management efficiency of the pet industry.

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]								
		<table border="1"> <thead> <tr> <th>Accounting Period</th> <th>No. of Policies Transferred</th> <th>Transfer Commissions</th> </tr> </thead> <tbody> <tr> <td>3Q FY03/25</td> <td>Approx. 3,000 (actual)</td> <td>Approx. JPY 150 mn (actual)</td> </tr> <tr> <td>4Q FY03/25</td> <td>Approx. 8,000 (actual)</td> <td>Approx. JPY 400 mn (actual)</td> </tr> </tbody> </table>	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)
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%.								

Asset Management

Environmental Awareness (Risks and Opportunities)

- To balance financial soundness and stable profitability as an insurance company group, we monitor capital market risks including liquidity risk, interest rate risk, price fluctuation risk, real estate risk, foreign exchange risk, and asset concentration risk and manage investments based on our annual investment policy.
- With regard to securities management, and considering that our business is primarily centered in Japan, we mainly focus on domestic stocks and bonds. However, from the perspective of Return on Risk (ROR), we also invest in overseas assets when the market environment is deemed attractive, managing FX risk accordingly.
- As it relates to investments in real estate and venture businesses, we selectively invest in projects, where we expect to create synergies based on our knowledge of pet insurance and veterinary care.

Strengths

- In real estate management, based on the concept of "realizing a sustainable society where people and animals coexist," we develop high-value-added pet-friendly rental housing and provide facilities related to social contribution activities.
- Leveraging our extensive performance data in pet insurance and rich experience and talent in animal healthcare, we invest in joint ventures that create synergy effects for pet medical care and people living with pets.

Challenges

- In asset management, it is necessary to manage risk amounts based on risk management policy following the transition to the new SMR in 2025. We are strengthening our risk management framework for asset management. While maintaining financial soundness, we aim to undertake asset management with an appropriate level of risk from the perspective of Return on Risk (ROR).

Initiatives

- We have entered into a capital and business alliance with Canary Co., Ltd., which operates the real estate information app "Canary." Our aim is to support better housing searches for pets and their owners and to promote pet-friendly housing.
- We have started operating a senior dog home at the animal welfare and adoption facility "ani TERRACE."
- The animal welfare complex facility "Shippo no Sato," located within the International Business Academy in Ishikawa Prefecture, where we engage in industry-academia collaboration, includes a dog café and dog run. It is used as a training and educational facility for future professionals in the pet industry. "Shippo no Sato" also provides shelter for pets affected by the Noto Peninsula earthquake.
- The pet-friendly housing "Anico Flora Higashi-Nakano" is currently fully occupied and operating with high popularity.

Stakeholder Relations

As a leading company in the pet industry with over 20 years of knowledge and more than 1.28 million policies, we believe that we have a responsibility to contribute to the sound development of the industry. To fulfill this responsibility, we strive to enhance our corporate value and social value through engagement with our stakeholders, aiming to realize a society where humans and animals can live happily together.



Based on the spirit of being “openness-oriented” as set forth in our Credo (Code of Conduct), we have established a basic disclosure policy. Through timely and appropriate information disclosure, we gather the opinions of our stakeholders and apply them to management and improvement.

*Visit the website for the full text on the basic disclosure policy.
<https://www.anicom.co.jp/ir/library/disclosure/policy.html>



Stakeholder Expectations/Responsibilities		Structure to Meet Stakeholder Expectations and Fulfill Responsibilities
Customers	 <p>Our Group's policy is to “always put ourselves in the customer's position and thoroughly manage our business with an awareness of market-out (meeting the true needs of our customers)” to create the services that our customers want. Our action guideline is “We will strive to create services our customers demand.”</p>	<ul style="list-style-type: none"> ■ 01 Efforts to utilize customer feedback in management <ul style="list-style-type: none"> • Total number of complaints: 15,625 • Mini-Market Out Committee meetings: 4 times ■ 02 Provision of products and services suitable for customers ■ 03 Provision of easy-to-understand information ■ 04 Prompt and appropriate payment of insurance claims ■ 05 Appropriate management of conflicts of interest ■ 06 Efforts toward customer-oriented business operations
Shareholders and Investors	 <p>We aim to build a relationship of trust with our shareholders and investors through active and effective information disclosure and accountability; to ensure timeliness and fairness in information disclosure, to form an appropriate share price that accurately reflects our corporate value, and to shape our social reputation; and to use the feedback of our shareholders and investors to improve our corporate value through two-way communication and by providing feedback to management.</p>	<ul style="list-style-type: none"> ■ 01 Financial results and business strategy briefings for institutional investors and analysts (4 times) ■ 02 Conducted individual meetings (146 times) with domestic and foreign investors ■ 03 Dialogue with shareholders at general shareholders' meetings and encouragement to exercise voting rights ■ 04 Appropriate information disclosure through website and disclosure materials
Partners	 <p>We believe our various business partners, such as breeders, pet shops, and animal hospitals, to be important partners in creating value. To transform the pet industry into a more sustainable industry, we work together to improve animal welfare and animal protection, and promote fair and equitable transactions based on trust.</p>	<ul style="list-style-type: none"> ■ 01 Providing Breeding Support ■ 02 Insurance managers and insurance key person system ■ 03 Conducting audits for fair and equitable transactions
Employees	 <p>We promote diversity with the aim of encouraging all employees to respect and learn from the relationships between people, thereby promoting their own growth and contributing to the growth of the company and the development of society. We also strive to educate and develop human resources by always providing open and fair educational opportunities, respecting individual abilities and aptitudes while cooperating and freely competing with each other in order to achieve accelerated growth.</p>	<ul style="list-style-type: none"> ■ 01 Conducting regular employee engagement surveys ■ 02 Publication of in-house newsletters “Anicom Diary” and “Anico Smile” ■ 03 Established the Basic Policy on Customer Harassment
Local Communities	 <p>As a member of local communities, we work in partnership and collaboration with local governments and other organizations throughout Japan to resolve social issues on themes such as animal welfare and disaster prevention. We are also promoting carbon neutral initiatives to address climate change and other social issues.</p>	<ul style="list-style-type: none"> ■ 01 Implementing animal welfare initiatives in cooperation and collaboration with local governments nationwide <ul style="list-style-type: none"> • Number of municipalities with which agreements have been concluded: 5 ■ 02 Promote initiatives to achieve net zero CO₂ emissions <ul style="list-style-type: none"> • Scope 1+2 emissions 180 t-CO₂

Mid-term Management Plan

Performance of the “Mid-term Management Plan 2022-2024”

Our group has designated the three-year period starting fiscal year 2022 as the initial groundwork stage to realize the “Second Founding Phase,” scheduled for completion by fiscal 2030. During this time, Anicom Group has pursued management that balances capital, risk, and return while giving due consideration to shareholder returns. We do this while also steadily pursuing key management numerical targets and KPI objectives.

In the latest year, fiscal 2024, both new and existing contract numbers for Anicom Insurance grew steadily, leading to record-high ordinary income and ordinary profit for the entire company group, thus achieving strong growth. Furthermore, the dividend payout ratio settled above the targeted 20%, and the solvency margin ratio also exceeded the target level. As a result, we were able to generally achieve the initially set goals in terms of profitability, soundness, and shareholder returns.

	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%

	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%
Synergistic Businesses				
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

*The figures include those after the allocation of indirect department expenses, including previous fiscal years.

Overview of the “Mid-term Management Plan 2025-2027”

Positioned as Phase 2 toward realizing the management vision, with an eye on completing the Second Founding Phase by FY2030



Realizing the FY2030 vision

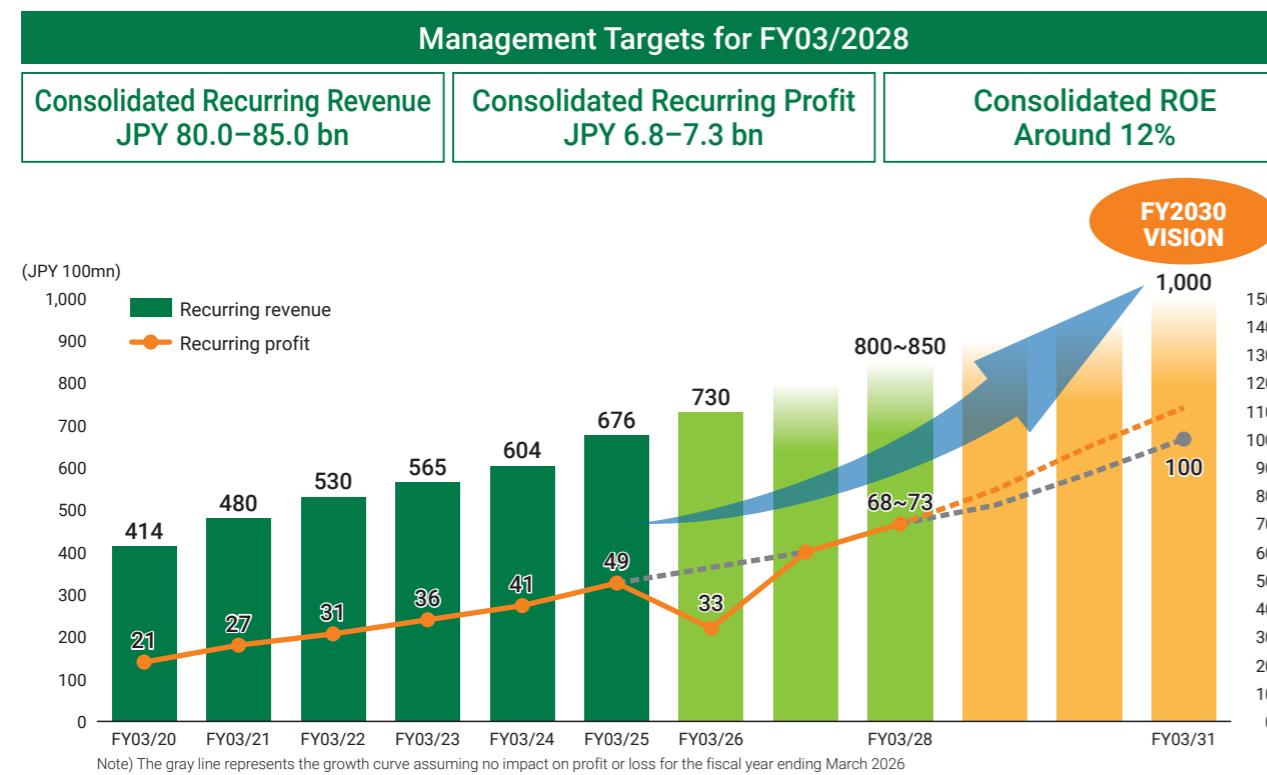
As an infrastructure provider linking the entire animal-industry value chain—from upstream to downstream—we will deliver boundless value to society.

Providing “Animal Insurance that Makes Pets Healthier”, and lives more fulfilling



Key Performance Indicators/ KPI

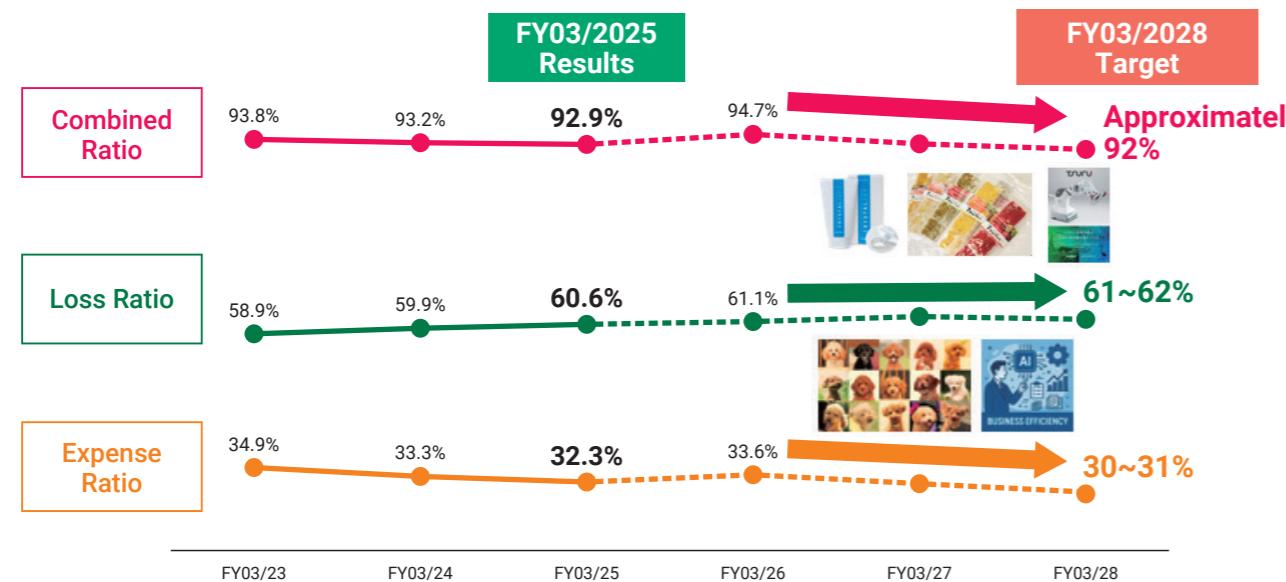
We will make investments in the short-term to realize prevention-based insurance, aiming for further profit growth over the medium to long-term.



Insurance Business Main KPIs

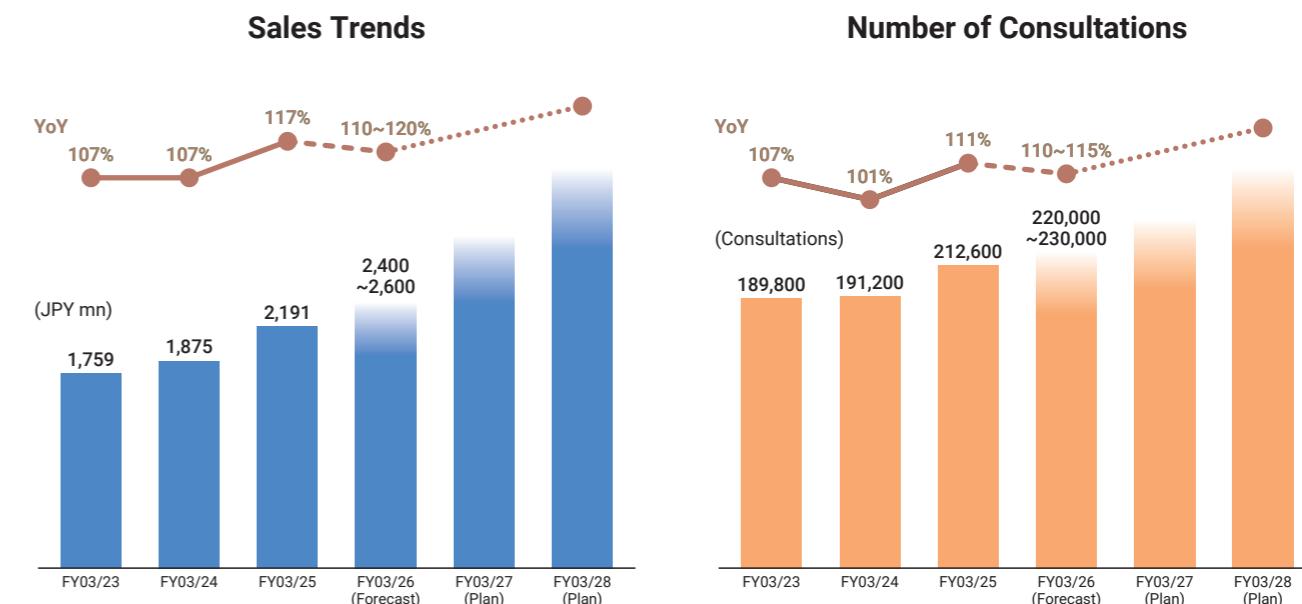
The target for the fiscal year ending March 2028 is designated Phase 2 in achieving the FY2030 vision.

By further expanding sales channels, offering preventive solutions, and utilizing AI for efficient business operations, we will control the loss ratio and business expense ratio as appropriate, thereby achieving stable growth in the insurance business.



KPIs for Veterinary Clinic Management Business

Trends in sales and the number of consultations at Group hospitals will be disclosed. Regular updates are planned going forward.



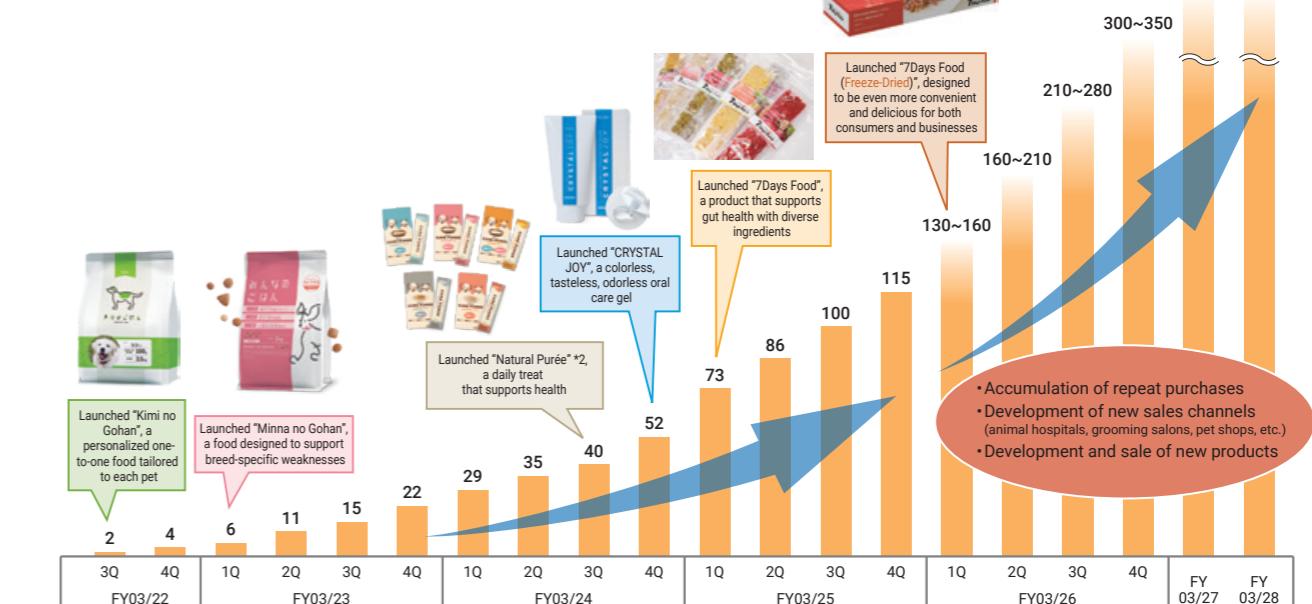
KPIs for the Health Innovation Business

Sales trends for products and services will be disclosed. Regular updates are planned going forward.

Health Innovation Business^{*1} Sales Trends

- *1 Products and services considered to contribute to maintaining animal health, and ultimately expected to help reduce the loss ratio in the insurance business.

*2 Currently discontinued and relaunched under the name "CARE PURE".





APPROACH 1

Oral Care Strategy

Maintaining oral health is generally accepted as vitally important for overall human health. Oral health is equally important for pet health. Periodontal disease in particular is known as the root of many illnesses. We, therefore, believe that oral care from an early age is essential.

Through daily oral care, we aim to prevent the onset of serious diseases in the future.

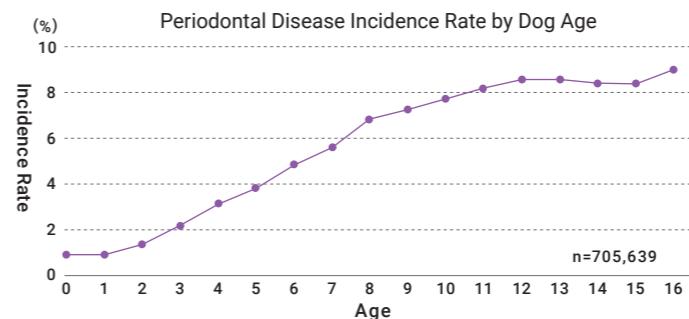


Periodontal Disease is the Root of All Illnesses

"Periodontal disease is the root of all illnesses." This is widely recognized in human medicine, and it is also true for pets.

The bacteria causing periodontal disease can easily enter the bloodstream through swollen gums, spreading throughout the body. The constant circulation of these bacteria and their toxins may lower overall immunity, leading to slower recovery from various diseases or even be the cause of the diseases themselves.

Additionally, pets are more prone to periodontal disease than people are, with cases found in pets even before they are one year old.

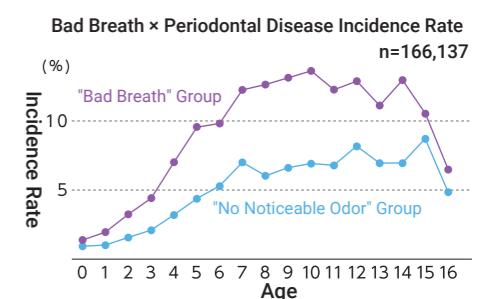
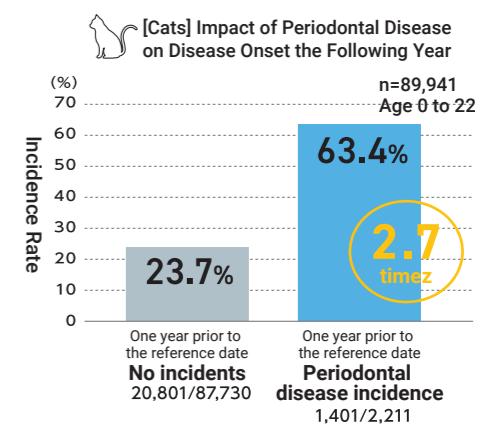
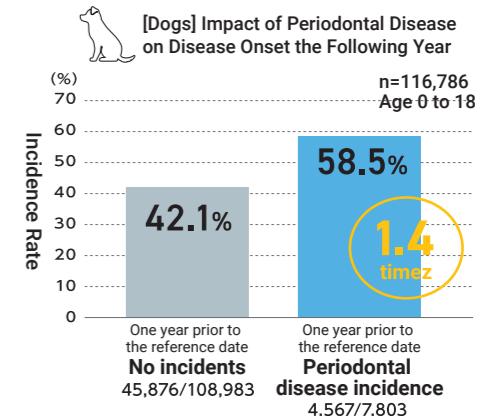


After analyzing data of over 4.3 million Anicom insurance claims, we found that dogs with periodontal disease had an approximately 1.4 times higher incidence rate of all diseases the following year compared to healthy dogs. Similarly, cats with periodontal disease had incidence rates that were 2.7 times higher than healthy cats for all diseases. Thus, "periodontal disease is the root of all illnesses" for both dogs and cats, and daily brushing is crucial for preventing periodontal disease.

Additionally, there is evidence suggesting a correlation between periodontal disease and bad breath, with dogs and cats suffering from bad breath showing a higher incidence of periodontal disease. In other words, bad breath can be a sign of periodontal disease.

To help reduce the risk of serious diseases by preventing periodontal disease, the Anicom Group, in collaboration with Earth Corporation, has developed an oral care gel "CRYSTAL JOY" using innovative oxidation control technology (MA-T[®]: Matching Transformation System[®]). Sales have already begun at some animal hospitals, and many customers have reported a reduction in their pets' bad breath.

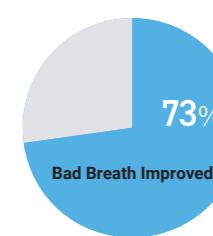
We will continue to promote the importance of oral care to improve pet health.



CRYSTAL JOY



The Mouth Guardian



* Results of physically removing plaque using a toothbrush with the gel
* Survey on the reduction of bad breath after using "CRYSTAL JOY" conducted via Anicom Insurance's customer survey site (ani voice). Approximately 73% of respondents (n=257) selected "strongly agree," "agree," or "somewhat agree" after two weeks of use.

APPROACH 2

Gut Care Strategy

Genes, or what some might call "destiny," are deeply related to disease but they do not determine everything.

One of the most influential among the "acquired and direct factors" that can impact pet health is the status of the gut.

Even if a pet is genetically weak, its overall health can be improved by optimizing gut health through diet.



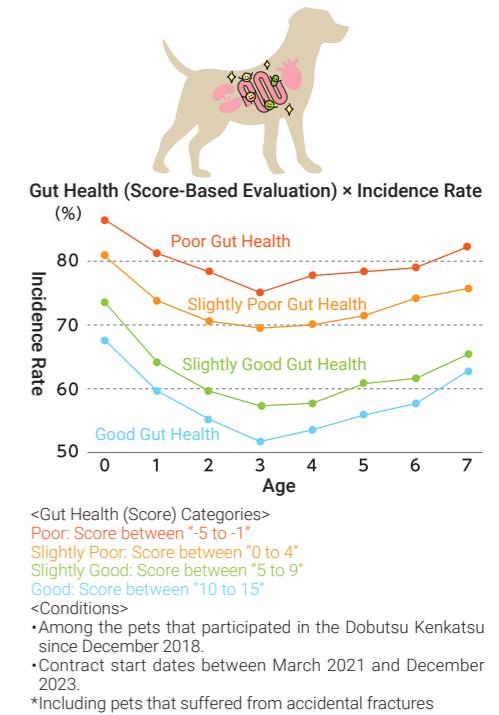
Gut Health as a Barometer of Immunity

All living beings, including pets, live with gut bacteria, which enhance their immunity through the stimulation provided by a diverse diet.

However, many modern pets are fed the same "complete and balanced" diet every day, which, while nutritionally adequate, may lack the necessary dietary stimulation.

This can lead to a decline in immunity and an increased susceptibility to various diseases.

Since immunity is crucial for protecting the body from illness, there is a strong correlation between the diversity of a pet's gut microbiome and its susceptibility to diseases. This correlation exists regardless of the dog's breed or age, making gut health a true "barometer of immunity."

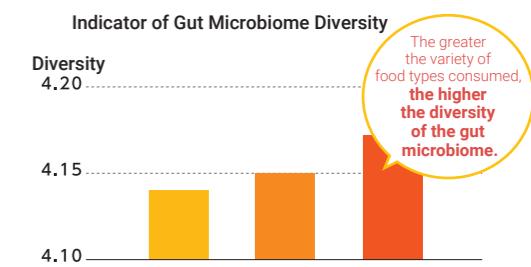


Food for Proper Gut Care

All living beings, humans included, support immunity and adapt to everyday environmental shifts by varying their diet with the seasons and weather. Incorporating a variety of foods also enhances the diversity of the gut microbiome, which in turn improves immunity.

To enhance the dietary stimulation in pets' daily lives, Anicom Group has developed "7 Days Food," a product designed to increase the diversity of gut bacteria. The diverse smells, tastes, textures, and colors of the food stimulate the senses, awakening and restoring the pet's natural immunity by appropriately enhancing gut immunity.

Additionally, 'Dobutsu Kenkatsu,' a gut microbiome testing service is offered free once a year to insurance holders. Anicom Insurance, conducts over 200,000 tests annually. Through these services, we continue to offer preventive services that begin with gut health.



* We compared diet diversity based on the number of different types of food usually eaten, as reported in the questionnaire completed prior to gut microbiome measurement.

We measured the diversity of gut bacteria in dogs aged 0 to 3 years by feeding them one type of dry food (34,955 dogs), two types (3,292 dogs), or three types (290 dogs).



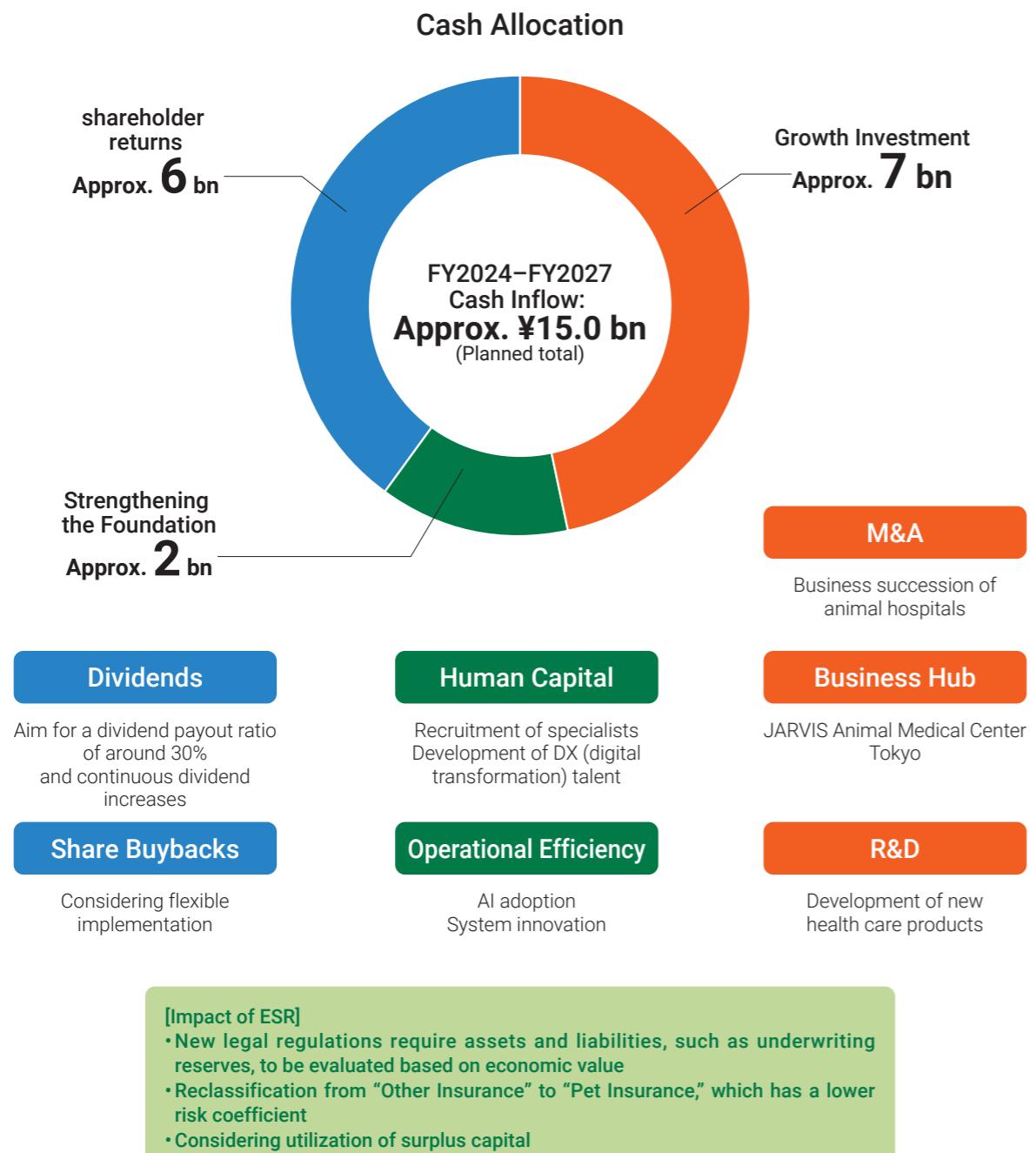
7 Days Food



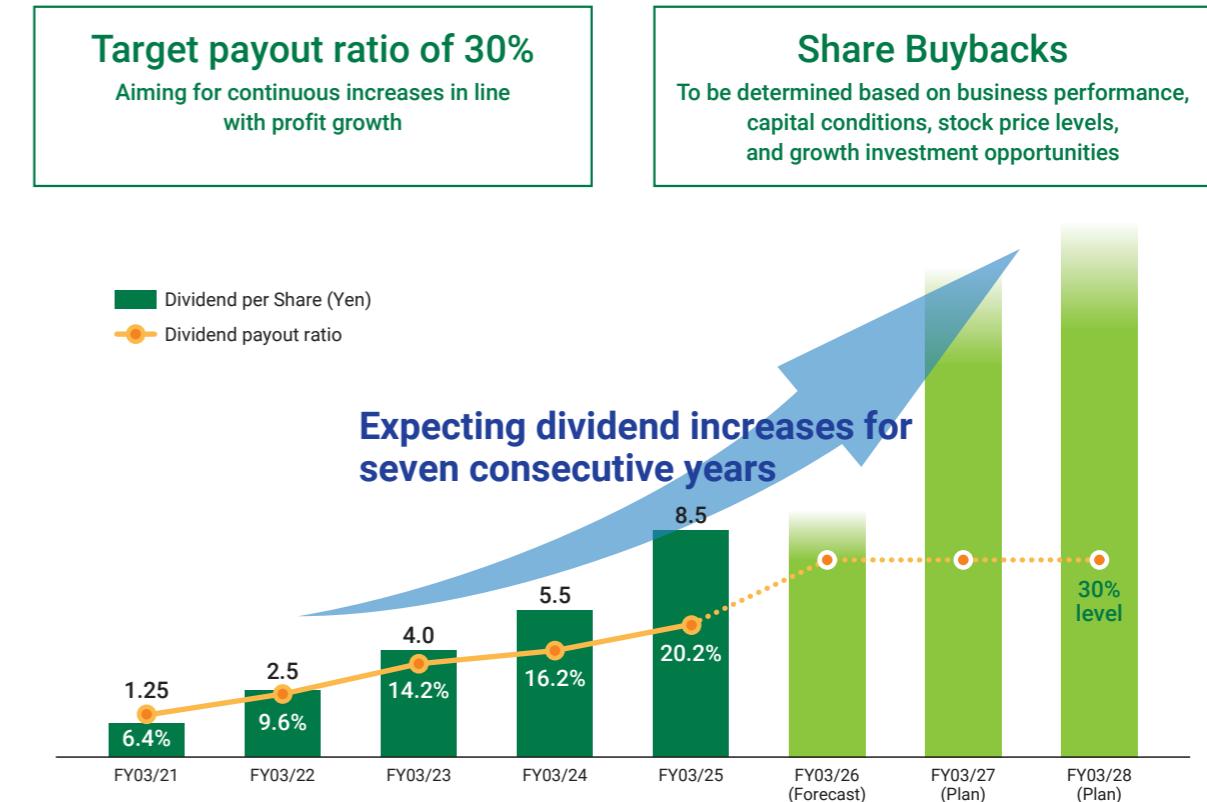
12 or more food items per day, and over 55 food items in 7 days

Capital Policy

While maintaining ESR at an appropriate level, we aim to strike the optimal balance, taking into account growth investment, foundation strengthening, and shareholder returns.



Shareholder returns will primarily consist of dividends. Share buybacks will also be implemented with flexibility.



Human Capital

We view human resources as "capital," and aim for human capital management that will lead to mid-to long-term corporate value improvement. Therefore, we are taking the following steps to maximize this value.

Human Resource Development Policy and Internal Environment Improvement Policy

Both the Human Resources Development policy, and Internal Environment Improvement policy are set forth in Article 3 of the "Group Basic Policy on Personnel Management" as follows.

(Basic Philosophy) Article 3.

(5) Human Resource and Skills Development

1. Each company in the group shall strive to develop human resources and skills with the aim of achieving accelerated growth through cooperation, and free competition with each other. This will always be done while providing open and fair educational opportunities, and while respecting the abilities and aptitudes of each individual.
2. Each Group company strives to foster an organizational culture in which employees play their roles effectively in all situations, act with courage, pursue personal growth through practice, and work to develop into true professionals.

(7) Benefits and Welfare

Each Group company strives to enhance its employee benefits and welfare system to support the healthy and fulfilling lives of employees and their families. We carry this out taking into account the diverse values, lifestyles, and individual needs of our employees.

Indicators and Targets

	Item ^{*1}	Results				Target
		FY2021	FY2022	FY2023	FY2024	
Contribution to People	Percentage of female employees	61.2%	60.9%	61.4%	63.8%	50~60%
	Percentage of women in management positions ^{*2}	31.8%	31.2%	33.7%	36.5%	50~60%
	Male childcare leave utilization rate	58.8%	77.8%	68.0%	69.0%	100%
	Female childcare leave utilization rate	100.0%	96.0%	100.0%	100.0%	100%
	Paid leave utilization rate ^{*3}	62.7%	64.6%	75.0%	62.6%	80%
	Voluntary turnover rate ^{*4}	12.3%	11.8%	13.4%	14.9%	10%
	Training expenses (total company amount)	¥12,350,455	¥12,784,247	¥14,137,183	¥15,757,720	—
	Training expenses (per employee average)	¥14,581	¥14,364	¥16,119	¥16,178	¥15,000
	Number of inventors	51 (Cumulative total: 66)	37 (Cumulative total: 103)	24 (Cumulative total: 127)	17 (Cumulative total: 144)	Annual target: 60
	Interaction events for the elderly, people with disabilities, and children	—	—	3	3	20
	Educational support for children (number in animal hospital experience programs, etc.)	—	—	12	16	100

(Notes) *1. The scope of calculation includes the Company and its consolidated subsidiaries (excluding the paid leave utilization rate for FY2022 and earlier).

*2. "Management positions" are defined as employees in roles with subordinates, or those in equivalent positions even without subordinates, excluding officers.

*3. Excludes Simnet Inc. for FY2022 and earlier.

*4. Excludes Flowens Inc. for FY2023 and earlier.

Human Resource Development

We have established an education system called "Anicom University." Anicom University is a place that always provides open and fair educational opportunities. In addition to training to acquire the necessary skills and attitudes for one's job level, we also conduct self-development seminars for employees. Additionally, through job rotation, in which employees are strategically reassigned and transferred for the purpose of skill development, we are developing human resources with a managerial perspective, and creating new businesses by allowing employees to engage in a wide range of work without being limited to a single field. For veterinarians and other specialists, we promote skill development aimed at the early growth of true professionals. Our skill development efforts include working on case studies across group hospitals, surgical training, subsidies for participation in academic conferences, and other programs.

Anicom University

Improving one's skills	Career enhancement	General
<p>Post-employment training</p> <ul style="list-style-type: none"> • New employee training (for 3 weeks after joining the company) • Mid-career employee training (for 2 weeks after joining the company) • OJT by department • Subsidise costs of taking the non-life insurance salesperson qualification exam • New graduate OJT trainer (SP) system/Junior employee training 	<p>Self-development support</p> <ul style="list-style-type: none"> • In-house study abroad system • 360 degree feedback • Goal challenge system • Job rotation system • Division Managers Meeting/Management Meeting Observation Opportunities 	<p>General training</p> <ul style="list-style-type: none"> • Compliance training (6 times a year) • All employees test (once a month) • Harassment training (twice a year)  
<p>Self-improvement</p> <ul style="list-style-type: none"> • E-learning (Benefit Station) • Anicom University Mini Seminar (formerly Anicom University) • Subsidise costs to attend veterinary conferences • Training for new recruits • Subsidise costs for attending General Insurance Institute of Japan courses 	<p>Hierarchy-specific training</p> <ul style="list-style-type: none"> • Follow-up training (for employees hired directly out of University who are in their 1st to 3rd year of employment with Anicom) • Mid-level leader development training (selected) • Next-generation manager training (selected) • New manager training (division manager/section manager) • External training for executive candidates 	

Human Capital

One Patent Per Employee Strategy for All Employees

In order to create an organization that can effectively solve difficult social issues related to sustainability, we are building a system that enables employees to carry out their work based on their own spontaneous spirit of inquiry and sense of mission. We believe that this will enable a diverse workforce with various personalities to work more freely and earnestly, and thus further draw out the power of human collective intelligence.

The Anicom Group's unique system for making this possible is different from conventional organizations in that it is based on a "Strategy of one patent (e.g. thesis papers) per employee," in which individual efforts, and discoveries made through the performance of ones duties are linked to the life of each individual, widely recognized, communicated to society, and left behind to enrich society. Through this initiative, we aim to enable all employees to leave behind, as it were, a social legacy – a testament to having lived through and shared the laughter, tears, and struggles of our times.

In doing so, we seek to advance a people strategy that gives even deeper meaning to each individual's existence.

Improvement of Workplace Environment

At Anicom Group, the company and its employees stand on equal footing, and cooperate with each other based on mutual understanding and trust. In order to promote the sound development of the company, improve the social and economic status of employees, and to maintain normal labor-management relations, we comply with labor-related laws and regulations and is so doing maintain a safe, healthy, and comfortable working environment.

• Engagement Survey

In order to increase employees' sense of growth and make Anicom a stronger and more attractive organization, we have been conducting an employee engagement survey targeting all employees annually since 2023. We analyze the results and use them to improve the work environment.

• Remote-work System

A home-based remote-work system is available to employees. We are striving to create an environment that is receptive to flexible work styles and which aims to further improve work-life balance.

• Special Leave for Family Members, Including Pets

In addition to maternity, paternity, and nursing care leave, we also offer special leave for "family members" including pets. These include marriage, maternity, and family support leave, birthday leave (leave for employees, family members up to the second degree, and pets), pet congratulation leave for new pets, and condolence leave for the death of a pet. We place great importance on this system.

Diversity & Inclusion

The Anicom Group respects diversity in accordance with its management philosophy. We are committed to promoting an environment in which capable human resources, regardless of gender, nationality, race, or work experience, can maximize their abilities, and play an active role in the company.

• Employment of Veterinarians and Other Specialists Human capital

The Anicom Group has 103 employees with veterinary qualifications (as of March 31, 2025). Anicom therefore, has one of the largest concentrations of veterinarians employed in Japan. Taking advantage of this group of specialists, we are working to improve the quality of our insurance underwriting and underwriting systems in a way that other companies cannot. Additionally, in order to connect our brand of "trust," to our customer service, we are developing additional programs. For example, customers can consult with veterinarians by phone or by "LINE" (an SNS service in Japan). Furthermore, we contribute to the development of the veterinary industry through our expertise in extracting and analyzing disease statistics, conducting research on genetics, and gut bacteria, through publishing papers and making presentations at conferences, writing for specialized journals, and conducting seminars for veterinarians. We also actively employ a wide variety of other professionals, including doctors of medicine/agriculture/science/pharmacy, lawyers, certified public accountants, actuaries, data scientists, patent attorneys, and designers.

VOICE 1 Toyofumi Takahashi, Public Relations Planning Section, Corporate Planning Department

As an art director and designer, I'm responsible for all creative aspects of our Group. In 2024, we entered the Good Design Award competition for the first time in Anicom's history. Our 'Dōbutsu Kenpo' (animal health insurance) has product strengths that are unmatched by any other company. Even so, as competition has intensified year by year, I wanted to create a spark that would make our employees proud and have pet owners feel, 'I'm glad I chose Anicom' – and with that came pressure; we simply couldn't afford to lose. We began preparations in early spring and, after many discussions with the team and progressing through the first and second rounds, more than half a year passed. Being selected for the award is, to me, clear proof that Anicom's design has been recognized by the wider world, and I'm genuinely delighted.



• Promotion of Female Employees

In accordance with the "Group Human Resources Management Basic Policy," we are working to promote the advancement of women by providing an environment where people of ability can exercise their abilities to the fullest and play an active role in the company, based on mutual respect and without regard to gender.

• Childcare Support

We encourage employees of both genders to actively take childcare leave. Almost all women who have given birth have taken maternity or childcare leave, and more than half of men have taken childcare leave. In addition, the maximum age of childcare leave can be extended up to the care for a 3-year-old child. This exceeds the statutory requirement. To help balance work and childcare after returning to work, employees can continue to work shorter hours until their child completes the sixth grade of elementary school, also exceeding the statutory requirement.

VOICE 2 Kensuke Watanabe, Underwriting Section, Product and Service Department

While primarily engaged in work related to compensation standards in the Benefits Planning Section and involved in a wide range of projects including regenerative medicine, I took parental leave driven by my desire to experience child-rearing together with my wife. Since I had a good, open relationship with my supervisor, I felt no hesitation in discussing it. I received positive feedback that it would be a valuable experience and could encourage other male employees to take parental leave, which allowed me to make the decision with confidence.

Upon returning to work, I had concerns about the gap in my career and changing departments, but by adopting a positive outlook, my perspective broadened. I was subsequently transferred to the Underwriting Section and earned a promotion. Through my parental leave experience, I began to focus more on a family-centered life plan and deepened my understanding of working parents. I feel it was a valuable opportunity to enhance my ability to balance work and family life.



• Employment of Persons with Disabilities

The Human Resources Department takes the lead in actively promoting the employment of people with disabilities. We have adopted a mentor system in which a "supporter" is assigned to the department to which the employee is assigned as necessary, tailored to individual circumstances.

• Expansion of the Definition of Spouse

The work regulations explicitly include same-sex partners within the definition of spouse for special leave related to marriage, childbirth, and death.

Promoting Sustainability Management

The Anicom Group aims to improve corporate value and realize a sustainable society with management that creates economic and social value.

Basic Policy on Sustainability

The Anicom Group has declared as its purpose to share unconditional love across the world, and to restore, maintain, and advance peace. Inspired by our company name, which is derived from "ani (life) + communication (mutual understanding) = oo (boundless)," we will deliver boundless value as an infrastructure provider for animal industries. As we work to do this we will be guided by our corporate philosophy that "by all living things understanding each other and working together toward a common goal", we make possible what was previously impossible.

The Anicom Group has identified key material issues related to social challenges and global environment) that the pet industry is able to address. We will conduct initiatives designed to make the following specific contributions to people, pets, and the environment. These initiatives are consistent with our aims to enhance corporate value and realize a sustainable society.



1 Contribution to pets

To achieve respect for the diversity and well-being of all life, we will undertake activities for physical and mental health, supply chain traceability, animal welfare, disaster relief, and wildlife protection.



2 Contribution to people

Providing people a sense of purpose in life through their co-existence with pets, we will simultaneously engage in activities that contribute to regional revitalization and promote equal access to educational opportunities. Further, through the promotion of our "one patent per employee" strategy, we strive to ensure that each group employee leaves behind a lasting mark – a social legacy of their life and work.



3 Contribution to the environment

We will undertake activities that respond to climate change, such as reducing our greenhouse gas emissions and reducing and recycling waste. Further we will strive to preserve biodiversity in all we do.

[Materiality]



Numerical Targets for Addressing Each Challenge			
Strategy of one patent per employee	Community events for the elderly, people with disabilities, and children	Support programs for the elderly and employment for people with disabilities	Child education support (number of participants in animal hospital experience, etc.)
Over 100 inventors	20 times/year	to be launched in phases (progress will be announced as it is made)	100 people/year



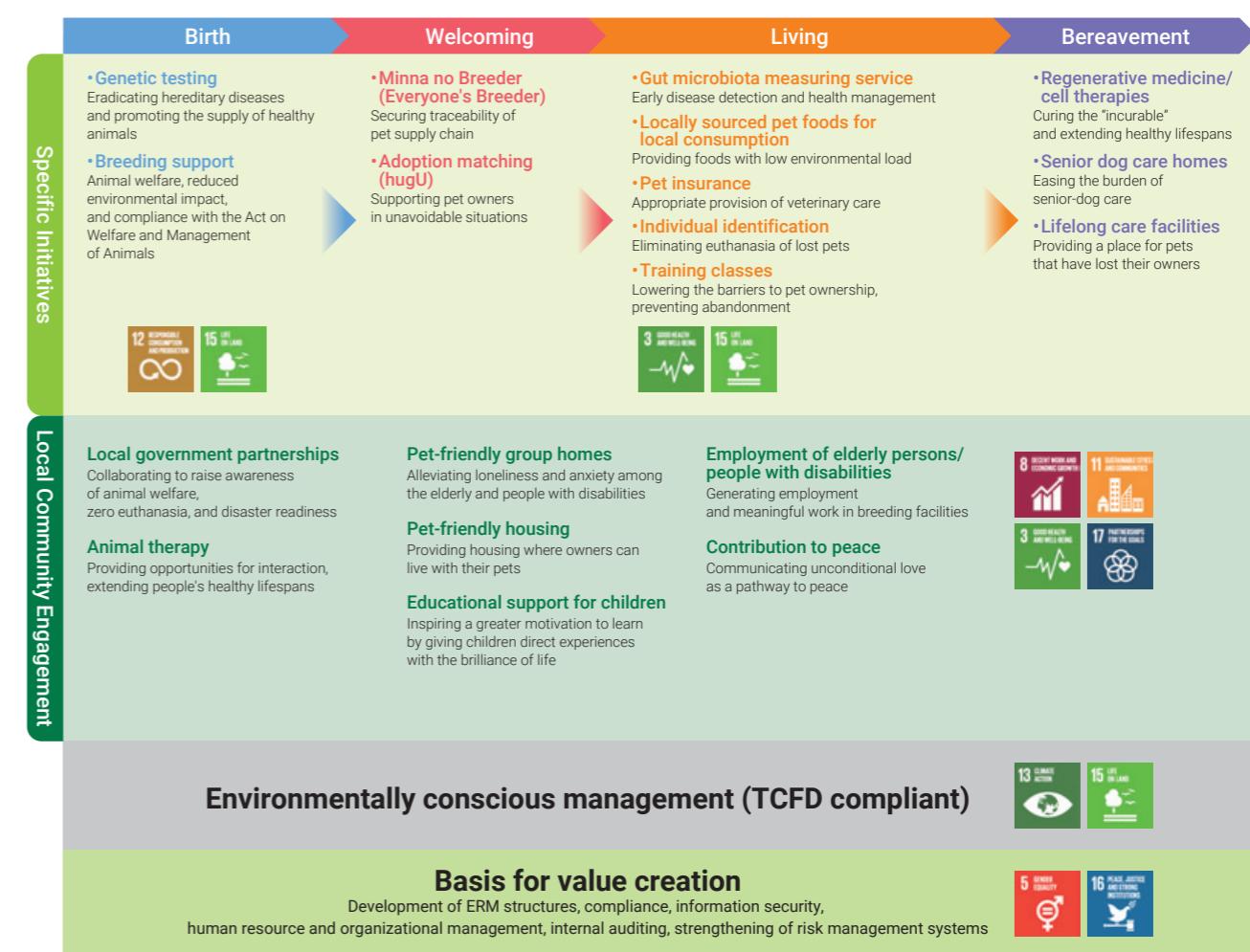
Sustainability Promotion System

In order to promote stable governance across the entire group, Anicom has set up a group management system. This system is purposed to enhance discussions on leadership decision-making and on controlling the management situation under the supervision of the Board of Directors; the decision-making body. The progress of measures which promote company stability, are discussed and reported to the Board of Directors about once every six months. The Group Management Committee consists of full-time directors, executive officers of Anicom Insurance, Inc. and presidents of other operating subsidiaries.

The Board of Directors receives reports on the content of discussions at the "Group Management Meeting", and considers policies and action plans for the Group's sustainability initiatives.



[Anicom's CSV Activities across the Value Chain (ESG/SDGs-aligned)]



Respect for Animal Dignity

Declaration on Animal Dignity

As a company involved with animals, the Anicom Group, places 'animal dignity' at the core of its CSR policy actions, and has adopted the "Declaration on the Dignity of Animals." The Declaration states that "all animals have dignity" and "no animal shall be mistreated." Based on this Declaration, the Anicom Group is implementing specific initiatives in animal welfare, disaster relief, and wildlife protection. The preservation of animal dignity is also clearly stated in the Group's Basic Human Rights Policy, and the entire Group is involved in activities related to respect for animal dignity.

Anicom Group Initiatives

• Aiming for the Health of All Animals

At Anicom Group, we provide solutions to promote the health of all animals so they can lead healthy and happy lives. These include oral care focused on preventing periodontal disease and gut care targeting gut health, which is considered a barometer of immunity.

*For more details, please refer to "Oral Care Strategy (p.37)" and "Gut Care Strategy (p.39)."

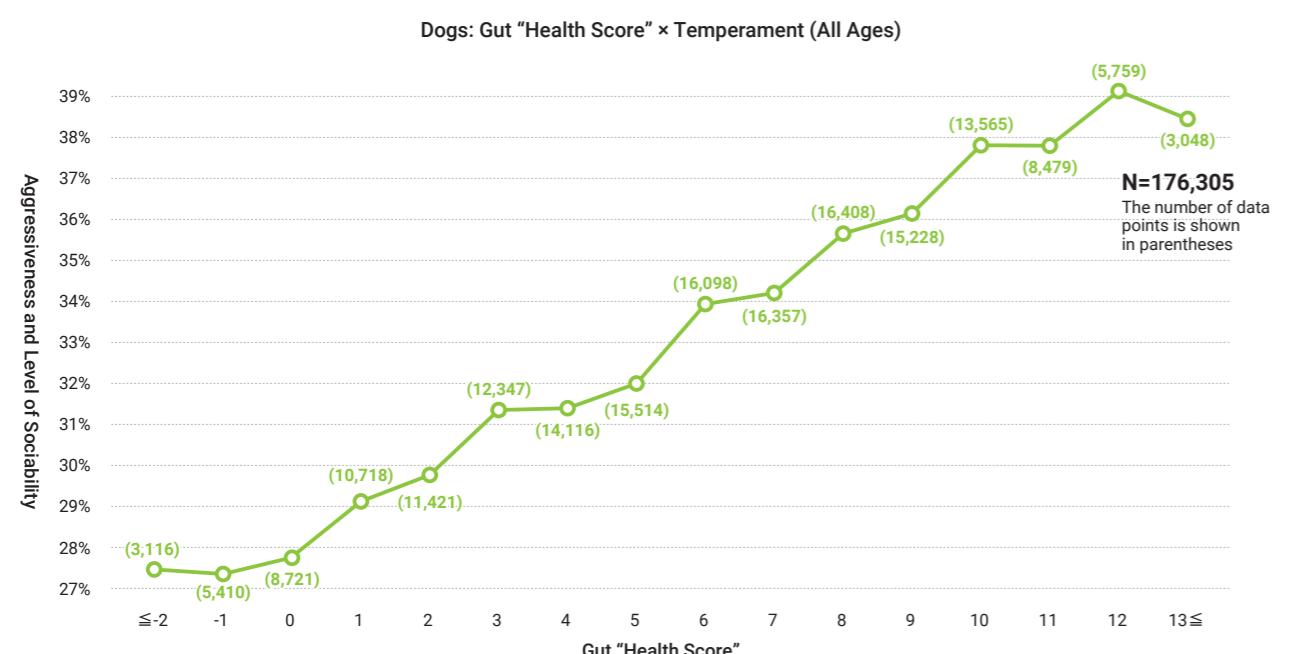
• Toward Zero Euthanasia

According to a survey by the Ministry of the Environment, in 2022, approximately 12,000 dogs and cats were taken into administrative facilities due to reasons such as being lost, stray animals, abandonment, or difficulty in care, and were subsequently euthanized after failing to find new owners.

One common reason leading to abandonment is that pets that have "aggressive behavior, don't listen, and cannot be trained." Research by Anicom Group has revealed a correlation showing that dogs with higher "health scores*" for their gut tend to exhibit lower levels of aggression and reduced wariness toward strangers.

*Health Score

The Health Score is an index devised by the Anicom Group that incorporates parameters such as the count, composition and interaction of gut bacteria in its quantification of gut health.



We believe that making animals healthier will ultimately lead to a reduction in the number of animals that are euthanized.

Anicom Group will keep pursuing initiatives to eliminate the birth of animals at high risk of euthanasia.

Anicom Group Initiatives

• Shelter Operations

Since April 2022, we have been operating an animal shelter called "ani TERRACE" at the resort facility VISON in Taki Town, Mie Prefecture. There we connect dogs and cats with new families.

While animal shelters are often associated with being "dark," "lonely," and "pitiful," ani TERRACE is designed with the concept of being "bright," "warm," and "happy." The aim is to attract not only those already interested in animals but also those who had not been interested in animals before.



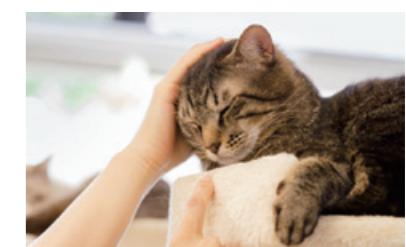
• Operation of the Adoptive Parent Matching Site "hugU"

We operate hugU, an adoption-matching platform that connects animals, such as dogs, cats, and small companion animals, who can no longer be kept for various reasons, with potential adopters. hugU's mission is to create more chances for good matches and help each animal thrive in a loving new home.



• Support for Adoption Events

Driven by the desire to find families for as many rescue dogs and cats as possible, we collaborate with other groups including animal welfare organizations. We provide venues and other support for adoption events. Utilizing Anicom Group facilities that allow pets, such as Anicom Insurance's branch offices and the Anicom Advanced Medical Research Institute's animal hospitals and labs, we continue to work towards creating happy connections for dogs and cats without owners.



• Disaster Support

Japan is known as a disaster-prone country, with high natural disaster occurrence posing significant risks to life. In response, the Anicom Group provides disaster support focused on pet owners and their pets. Specifically, this includes operating a website where owners can learn essential information to prepare for disasters, holding disaster preparedness seminars, and dispatching mobile veterinary clinics during emergencies.



Indicators and Goals

Contributions to Animals	Item	Results			
		FY2021	FY2022	FY2023	FY2024
	Number of hugU Adoptions	2,377 adoptions	3,200 adoptions	3,701 adoptions	4,910 adoptions
	Number of Adoption Support Events	14 times	22 times	19 times	17 times
	Number of Adopted Rescue Dogs and Cats	—	18 animals	74 animals	69 animals

*FY2022 figures include only those from "ani TERRACE"; Figures starting in FY2023 include those from adoption support events as well.

Promoting Animal Welfare

PAW Initiatives

① What is PAW?

Anicom operates a project called PAW (Project Animal Welfare).

Formed in 2012 by volunteer employees who share the desire to "make animals happy," PAW is centered on the principle of 'animal dignity,' it serves as Anicom Group's hands-on CSR unit for all animal-related initiatives, working toward zero euthanasia, pet disaster preparedness, and other welfare awareness activities. PAW operates primarily on the basis of the following four missions:

1. Promoting Awareness of Animal Welfare and Protection:

Collaborating with local governments and other partners, PAW works to raise awareness and spread understanding of animal welfare and protection through a wide range of initiatives.

2. Disaster Relief Activities:

To promote knowledge of disaster preparedness for pets, PAW organizes events and shares information through the specialized pet disaster preparedness media outlet "Doubutsu Bousai Zukan" (Animal Disaster Preparedness Encyclopedia).

3. Promoting Animal-Assisted Activities and Education:

PAW works to increase recognition and understanding of animal-assisted activities and education through seminars and information dissemination via "anicom you."

4. Wildlife Protection Activities:

Aiming to protect wildlife and reduce or eliminate illegal trade to ensure the soundness of the pet industry, PAW conducts awareness-raising efforts by publishing articles on "anicom you" and holding internal seminars.

② FY2024 Activity Report

[Animal Welfare & Protection Team]

By taking part in Saitama Prefecture's Animal Welfare Week campaign and the Animal Welfare Festival, the team raised awareness of the value of both animal and human life. Through community-focused education, they acted as a bridge between government and the community.



[Disaster Preparedness Team]

In collaboration with local municipalities, the team has conducted disaster preparedness seminars. In Chiba Prefecture, a lecture on "Pet Measures in Times of Disaster" was held for animal welfare volunteers, while in Kanagawa Prefecture, a seminar, "Disaster Preparedness for Protecting Both Yourself and Your Pet" was held for pet owners. This seminar included a hands-on workshop to create a personal disaster-preparedness handbook.



[Animal-Assisted Activities Team]

As part of animal-assisted education, a program was held for the children of Anicom Group employees to foster empathy and an appreciation for life. Lectures were given on canine personality, physical traits, and appropriate ways to interact with dogs. Afterward, participants received hands-on veterinary and nursing experiences.



[Wildlife Protection Team]

The team regularly holds in-house lectures on wildlife smuggling and the keeping of wild animals as pets. For example, In FY2024, a seminar on the Asian small-clawed otter, a prime example of wild animals kept as pets in Japan, was held for Anicom employees.

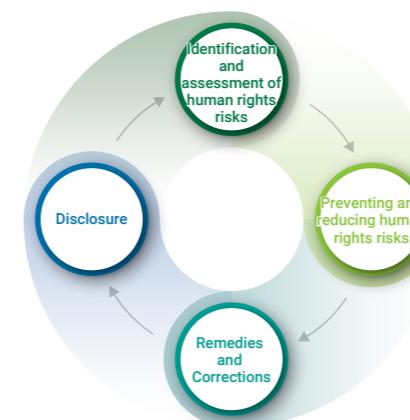


Respect for Human Rights

Basic Policy for Human Rights

The Anicom Group has established a human rights policy and is committed to promoting human rights awareness both within and outside the organization. The Anicom group also works to foster a positive work environment. Specific initiatives include compliance with human rights norms based on national laws and international standards, prohibition of discrimination and harassment, and appropriate management of personal information. Furthermore, we have established an internal reporting system (hotline) with internal and external contact points to resolve human rights issues. Click here for full text ▶ (<https://www.anicom.co.jp/company/human-policy/>)

Human Rights Due Diligence



Human risk management regulations define human risks as risks arising from unfairness and discriminatory behavior. Anicom formulates and revises internal rules and regulations to mitigate this risk. Furthermore, Anicom provides training so that employees thoroughly understand the company's approach to mitigating unfairness and discrimination. The results of regular inspections and monitoring, including of serious problems are reported to the Group Risk Management Committee. Corrective actions are then taken. We also disclose related information on our website as necessary.

Potential Risk and Countermeasures in Our Business Model

Stakeholders	Risks	Countermeasure
Customer	Discriminatory treatment in insurance contracts	Expansion of spousal coverage
Partners	Personal information being leaked and occurrence of human rights issues at contractors, for example at insurance agencies	Continuous auditing/guidance and application of internal reporting system
Employees	Employee attrition resulting from unfair treatment and workplace harassment	Internal reporting system, expanded spouse coverage, human rights awareness training, harassment prevention training

Our Initiatives

• Whistleblower system (hotline)

In order to resolve human rights issues such as harassment, we have established an internal reporting system (hotline) with internal and external contact points to create a more comfortable working environment for executives and employees. The hotline is also available to retired employees and workers of businesses that have a contractual relationship with the Group.

• Expansion of spouse coverage

In the policy terms and conditions of Anicom Insurance's pet insurance, it is explicitly stated that the term "spouse" included under "insured person" also covers partners in de facto (common-law) marriages and same-sex partnerships. Furthermore, the company's employment regulations clearly specify that same-sex partners are included within the definition of "spouse" eligible for special leave.

Climate Change Initiatives

Response to TCFD Recommendations

Environmental challenges such as climate change have become increasingly serious around the world. Climate change has affected Japan as well, becoming one of the most significant social issues, with many large-scale natural disasters occurring due to abnormal weather conditions.

However, as our Group's main business is pet insurance, and does not compensate for expenses caused by natural disasters, we do not expect to be affected by such disasters in the way other non-life insurance companies are. Therefore, the direct impact of climate change on the Group's business activities is considered to be limited.

Nevertheless, we recognize that addressing climate change is indispensable for realizing a sustainable society, and is an issue that our Group must address. In the "Basic Policy on Sustainability" established in June 2022, we have designated "contribution to the environment" as an important issue. Towards these ends we are working on activities to address climate change and to promote the conservation biodiversity. For example, the "Basic Sustainability Policy" includes initiatives that focus on reducing greenhouse gas emissions, and activities which promote waste reduction and reuse.

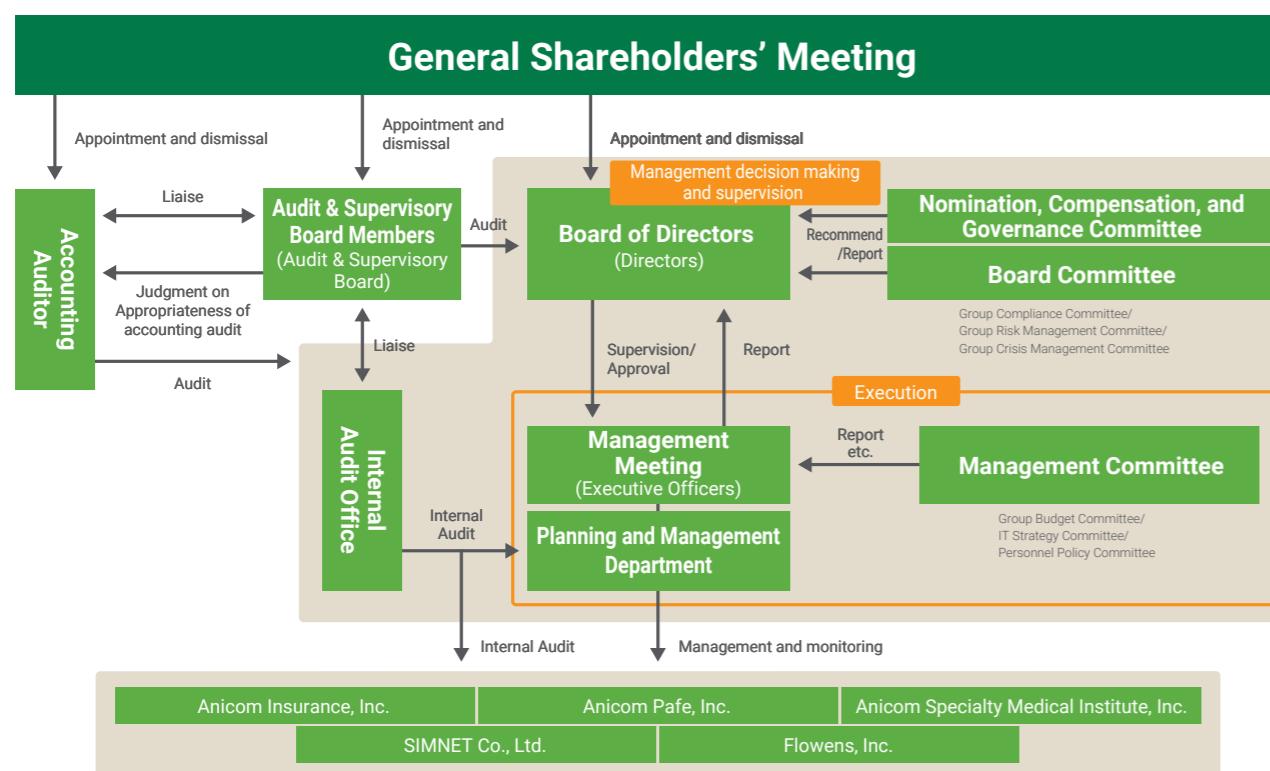
In April 2023, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We believe that disclosures based on the TCFD recommendations will be beneficial in promoting our efforts to address climate change, and have therefore taken steps to disclose information in four areas: Governance, Strategy, Risk Management, and Indicators and Targets.

① Governance

Governance related to climate change is managed in tandem with governance in the promotion of sustainability.

The "Group Management Committee," discusses the progress of sustainability initiatives once every half year and reports to the Board of Directors. This serves to promote sustainability management across the Anicom Group. The "Group Management Committee" consists of directors and executive officers of our group companies responsible for business execution under the supervision of the Board of Directors, the management decision-making body.

The Board of Directors receives reports on the discussions at the "Group Management Meeting" and considers Anicom Group's policies and action plans for addressing environmental challenges.



② Strategy

We identify and evaluate the impact of climate change risks on our group by identifying risk events, and anticipating changes in the external and business environment that may occur as a result of the manifestation of climate change risks. The main climate change risks and opportunities for Anicom Group's business are as follows:

	Type	Potential impact of climate change on the Group: both risks to the Group and opportunities created for the Group
Transition risk	Policies and regulations	Increased energy costs due to introduction of policies and tighter regulations to curb greenhouse gas emissions
	Reputation	Reputation damage due to insufficient low-carbon initiatives
Physical risk	Acute (physical) risks	Damage to the Group's business locations caused by natural disasters Increase in insurance claims due to increase in natural disasters
	Chronic (physical) risks	Higher loss ratio and lower profitability due to increased pet health risks
Opportunity	Market	Increased demand for pet insurance due to increased pet health risks Increasing demand for oral care and other health promotion services
	Products/Services	New services which offer support before, during and after disasters: help for those evacuating with pets, assistance during disasters, recovery support for disaster hit areas, and pet disaster prevention related services

③ Risk Management

The Anicom Group's main business is pet insurance, and consequently we do not provide coverage for natural disasters. Therefore, unlike other non-life insurance companies, we do not anticipate losses arising from such events. Based on this, we recognize that the direct impact of climate change on our business activities is limited. On this basis, we manage risks related to climate change in an integrated manner with risk management utilized in the promotion of sustainability. Anicom Group has established the "Group Risk Management Basic Policy" and strives to foresee and control risks that may affect the Group's governance, and is constantly preparing response activities that anticipate environmental changes, with regard to business stability and profitability. We do this with the aim to maintain the quality of products and services, and to ensure business continuity even in unforeseen circumstances. Further, we are working to build a risk management system to achieve these very aims. The Group Risk Management Committee discusses the status of specific risk management issues of the Group, and includes discussions on business stability initiatives, as well as the integrated assessment of risk status. The findings of this committee are reported to the Board of Directors, thereby promoting risk governance efforts in management. Additionally, the "Group Code of Ethics" clearly states that it is essential to establish a risk management system, and to develop internal controls for the purpose of insuring sustainability, and further, that we must do our utmost to achieve this goal. In order to correctly identify the risks that our Group faces, we have developed a comprehensive risk profile that includes emerging risks (possible risks, which may have a significant impact on our Group's operations). We regularly prepare a risk profile that includes risks related to sustainability.

④ Indicators and Targets

Anicom Group is working to reduce greenhouse gas emissions to realize the aims stated in the Paris Agreement. We have designated Scope 1+2 real greenhouse gas emissions as indicators for managing climate-related risks and opportunities. In line with the "Mid-term Management Plan 2022-2024," we have set a target of reducing Scope 1+2 real greenhouse gas emissions by 50% in FY2023 and 100% in FY2024, using FY2020 as the base year. Additionally, we will work to identify Scope 3 targets, calculate and disclose emissions, and aim to reduce total emissions, including Scope 3 targets, by at least 50% by 2030 compared to FY2020. Anicom Group will work to achieve carbon neutrality by 2050.

(GHG Emissions Results)

Item	Results				Target
	FY2021	FY2022	FY2023	FY2024	
Scope 1+2 GHG emissions (Unit: tCO ₂)	1,050	1,225	271	180	0

(Notes) 1. We use our company and its consolidated subsidiaries as the calculation base. Certain Group veterinary hospitals without an established data-collection system were excluded from the calculation scope through FY2022; beginning in FY2023, we include imputed average emissions by hospital size. In addition, Flowens Inc., which became a consolidated subsidiary in FY2024, is excluded from the calculation scope at this time due to the absence of a data-collection system.
2. 6.5 gas is excluded from the calculation.
3. Emissions are calculated using the "adjusted emission factors" for each electric power company published by the Ministry of the Environment and the Ministry of Economy, Trade, and Industry.
4. In FY2023, we achieved a 100% renewable energy ratio for Scope 2 by purchasing non-fossil certificates.
5. In FY2024, we achieved carbon neutrality by using electricity derived from renewable energy sources and purchasing non-fossil certificates. Additionally, we fully offset CO₂ emissions from company vehicles through the use of J-Credits.

Directors, Audit & Supervisory Board Members



Representative Director, President Executive Officer
Komori Nobuaki Date of birth May 2, 1969

Term of Office 24 years and 11 months
Attendance Record Board of Directors (14/14)

1992 Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)
 2000 Established the Company
 President and Representative Director of the Company
 2017 Director of AHB Inc. (current position)

2018 Director, Chairman, and Executive Officer of Anicom Insurance, Inc. (current position)
 Representative Director of the Company (current position)
 2020 Director of Anicom Specialty Medical Institute, Inc. (current position)
 2021 Director of Anicom Pafe, Inc. (current position)



Representative Director, Vice President Executive Officer
Momose Yumiko Date of birth September 8, 1967

Term of Office 4 years and 9 months
Attendance Record Board of Directors (14/14)
 Nomination, Compensation, and Governance Committee (5/5 meetings)

1991 Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)
 2000 Joined the Company
 2003 Director of the Company
 2005 Managing Director of the Company
 2010 Managing Director of Anicom Insurance, Inc.

2015 Senior Managing Director of Anicom Insurance, Inc.
 2018 Director and Senior Managing Executive Officer of Anicom Insurance, Inc. (current position)
 Senior Managing Executive Officer of the Company
 2020 Director and Senior Managing Executive Officer of the Company
 2022 Representative Director, Vice President Executive Officer (current position)



Outside Director
Tanaka Eiichi Date of birth November 25, 1953

Term of Office 4 years and 9 months
Attendance Record Board of Directors (14/14 meetings),
 Nomination, Compensation, and Governance Committee (5/5 meetings)
 Independent Directors Meeting (6/6 meetings)

1978 Joined the Ministry of Posts and Telecommunications
 2007 Director-General of the Radio Department, Telecommunications Bureau, Ministry of Internal Affairs and Communications
 2008 Director-General for Policy Coordination, Minister's Secretariat
 2010 Director-General of Minister's Secretariat
 Director-General for Information and Communications Bureau
 2012 Vice-Minister for Policy Coordination

2013 Adviser of Sompo Japan Nipponkoa Insurance Inc. (currently Sompo Japan Insurance Inc.)
 2015 Executive Vice President of NTT Communications Corporation
 2019 Director of Secure Broadcasting Authorization and Research Center (current position)
 Audit & Supervisory Board Member of GC Story co., Ltd. (current position)
 2020 Outside Director of the Company (current position)

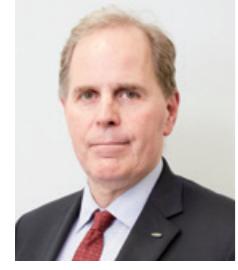


Outside Director
Shoyama Katsuji Date of birth February 21, 1955

Term of Office 2 year and 9 months
Attendance Record Board of Directors (14/14 meetings),
 Nomination, Compensation, and Governance Committee (5/5 meetings)
 Independent Directors Meeting (6/6 meetings)

1978 Joined ASAHI BREWERIES, LTD. (currently Asahi Group Holdings, Ltd.)
 2008 Senior Officer and General Manager of Higashikanto Regional Headquarters
 2011 Corporate Officer and General Manager of Chugoku Regional Headquarters
 2013 President and Representative Director of LB Co., Ltd.

2016 Senior Managing Director of Asahi Group Foods, Ltd.
 2017 President and Representative Director
 2021 Company Friend of Asahi Group Holdings, Ltd. (current position)
 2022 Outside Director of KAMEDA SEIKA CO., LTD. (current position)
 Outside Director of the Company (current position)



Outside Director
David G. Litt Date of birth October 10, 1962

Term of Office 2 year and 9 months
Attendance Record Board of Directors (14/14 meetings),
 Nomination, Compensation, and Governance Committee (5/5 meetings)
 Independent Directors Meeting (6/6 meetings)

1988 Judicial Clerk to the Chief Judge Alfred T. Goodwin of the U.S. Court of Appeals for the Ninth Circuit
 1989 Admission to the State Bar of California
 1990 Judicial Clerk to Justice Anthony M. Kennedy of the U.S. Supreme Court
 1991 Admission to the District of Columbia Bar
 Joined O'Melveny & Myers LLP, Partner
 2007 Joined Morrison & Foerster LLP, Partner

2012 JCEO and Representative Director, Deneb Renewable Energy KK
 2015 Professor, Keio University Law School (current position)
 2020 Joined O'Melveny & Myers LLP, Foreign lawyer (current position)
 2022 Outside Director of the Company (current position)



Outside Director
Takemi Hiromitsu Date of birth December 16, 1952

Term of Office 2 year and 9 months
Attendance Record Board of Directors (14/14 meetings),
 Nomination, Compensation, and Governance Committee (5/5 meetings)
 Independent Directors Meeting (6/6 meetings)

1975 Joined Japan Development Bank (currently Development Bank of Japan)
 1982 MBA, University of Rochester, USA
 1998 Harvard Business School, USA Completed Advanced Management Program
 2001 Vice Director of Research Institute of Capital Formation, Development Bank of Japan
 2004 Executive Officer of ShinGinko Tokyo, Limited (currently Kiraboshi Bank, Ltd.)

2006 Professor of Graduate School of Accounting & Finance, Chiba University of Commerce (Field of academic interests: Corporate governance and corporate finance)
 2007 PhD, Graduate School of Policy Studies, Chiba University of Commerce
 2017 Outside Audit & Supervisory Board Member of the Company
 2022 Outside Director of the Company (current position)
 2023 Professor Emeritus and Visiting Professor of Graduate School of Accounting & Finance, Chiba University of Commerce (Field of academic interests: Corporate governance, corporate ethics, finance and economics) (current position)



Full-time Audit & Supervisory Board Member
Suda Kazuo Date of birth April 21, 1949

Term of Office 9 years and 9 months
Attendance Record Board of Directors (14/14 meetings),
 Audit Committee (14/14 meetings)
 Independent Directors Meeting (6/6 meetings)

1974 Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)
 2005 Director and Vice President of Tokio Marine Seguradora S.A.
 2009 Joined Anicom Insurance, Inc.
 2010 Director of Anicom Insurance, Inc.
 2011 Director of the Company



Audit & Supervisory Board Member
Hanaoka Makoto Date of birth April 3, 1969

Term of Office 2 year and 8 months
Attendance Record Board of Directors (14/14 meetings),
 Audit Committee (14/14 meetings)
 Independent Directors Meeting (6/6 meetings)

1992 Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)
 2014 Joined Anicom Insurance, Inc. Executive Officer
 2018 Director and Executive Officer
 2022 Director of ATE Co., LTD
 Audit & Supervisory Board Member of the Company (current position)



Outside Audit & Supervisory Board Member
Ito Koichi Date of birth December 30, 1969

Term of Office 2 year and 8 months
Attendance Record Board of Directors (14/14 meetings),
 Audit Committee (14/14 meetings)
 Independent Directors Meeting (6/6 meetings)

1998 PhD MD, PhD MD Course, Graduate School of Medicine and Faculty of Medicine, The University of Tokyo
 Research Associate of The Tokyo University of Pharmacy and Life Sciences and Japan Society for the Promotion of Science
 2000 Research Associate of Kurume University
 2001 Researcher of The University of Texas Medical Branch at Galveston
 2005 Assistant Professor of the Graduate School of the University of Tokyo



Outside Audit & Supervisory Board Member
Aoyama Keiji Date of birth February 2, 1949

Term of Office 1 year 9 months
Attendance Record Board of Directors (14/14 meetings),
 Audit Committee (14/14 meetings)
 Independent Directors Meeting (6/6 meetings)

1973 Joined National Tax Agency
 1987 Consul of Consulate-General of Japan in Hong Kong
 1998 Director of International Operations Division of National Tax Agency
 2003 Visiting scholar at New York University School of Law
 2004 Deputy Commissioner (International Affairs) of National Tax Agency
 2006 Professor (tax law) at Graduate School of Business Sciences, University of Tsukuba
 2008 Tax System Advisor, National Federation of Corporate Associations (Public Interest Incorporated Foundation) (current position)
 2009 Project Leader of International Taxation Committee of Keidanren the 21st Century Public Policy Institute



Outside Audit & Supervisory Board Member
Kishimoto Aritaka Date of birth June 4, 1973

Term of Office 2016
Attendance Record Opened Yoroibashi Law Office
 2020 Later established Yoroibashi Law Office, LPC
 Representative Lawyer (current position)
 2020 Outside Audit & Supervisory Board Member of Anicom Insurance, Inc.
 2025 Audit & Supervisory Board Member of the Company (current position)

Executive Officer

Position	Name	Responsibility
Senior Executive Officer	Noda Shingo	Assistant to the President
Managing Executive Officer	Takahashi Hiroyuki	Group General Data Strategy Department
Executive Officer	Kawano Hirotaka	Corporate Planning Department, Finance and Accounting Department
Executive Officer	Nagai Makiko	Compliance Promotion Department
Executive Officer	Tamura Katsutoshi	Corporate Planning Department (Health Innovation Business)

Message from Outside Directors

The Anicom Group appoints outside directors from a wide range of fields. These highly knowledgeable executives and professionals discuss management strategies and issues from objective and diverse perspectives.

Four outside directors have shared their thoughts on the Anicom Group's management strategies and challenges to improve its corporate value.



Director
Tanaka Eiichi

"The Realization of Planetary Health – Anicom's Next Challenge"

The concept of Planetary Health is gaining momentum worldwide. It represents a shift in perspective—viewing Earth as a living organism, an interconnected ecosystem. This cutting-edge approach recognizes that humans, animals, plants, water, bacteria, mountains, oceans, rivers, and even minerals are all interlinked as one unified ecosystem.

Anicom Group's 25-year journey can be seen as a story that has consistently been conscious of the ecosystem surrounding pets. This is embodied in the Group's Purpose: "To spread unconditional love across the world, restore peace, and support its sustainable development."

Anicom has many strengths, but if we were to highlight just three, they would be:

1. The consistent and faithful commitment to our Purpose
 - Our Purpose has been the foundation upon which our Vision, Mission, and Credo have been systematically developed and which guide our daily operations.
2. Management grounded in scientific knowledge and rich data
 - Scientific insights and a wealth of data have consistently served as the cornerstone of our decision-making.
3. The steady execution of our Mid-term Management Plans
 - We have reliably delivered on the goals set forth in our mid-term strategies.

As the new Mid-term Management Plan takes shape, we are now entering a pivotal phase where the "Second Founding" of Anicom will truly take flight. Beyond this lies a world where life shines and joy is shared. However, along the way, we may encounter turbulence and be called upon to make critical decisions in navigating the course.

As one of the outside directors, I am committed to responding swiftly and making well-balanced judgments during such times, helping to maintain a stable upward trajectory. Together with the executive team and all employees, I will engage in thorough discussions and cooperation, while respectfully carrying forward the legacy of the past 25 years. My aim is to contribute to showing all stakeholders a new and transformative chapter in Anicom's history.



Director
David G. Litt

"A New Stage of Growth and Innovation"

Over the 25 years since its founding, Anicom has pioneered and expanded the pet insurance market in Japan. Throughout this journey, we have built an unparalleled database on pet health. The insights gained from these data have become a driving force behind various initiatives that aim to further enhance the well-being of pets and their families. Our most recent three-year Mid-term Management Plan (FY2022–FY2024) has been largely executed as intended. Thanks to the dedicated efforts of all employees, ROE has steadily improved, albeit gradually, and shareholder returns—through dividends and share buybacks—have also increased. Naturally, as our pet health initiatives yield results, policyholder loyalty to Anicom increases, insurance claims are better controlled, and the overall performance of the insurance business improves. At the same time, these initiatives are also expected to significantly support the growth of new businesses such as "CRYSTAL JOY" and "7Days Food." Anicom possesses clear differentiators compared to other pet insurance companies: its scale of operations, its extensive network of animal hospitals, and its robust pet health database. Many competitors struggle with issues such as insufficient business scale or poorly structured premium models that fail to account for a pet's entire lifespan, making it difficult for them to build sustainable business models. While many companies in Japan's consumer market are struggling to find sustainable and profitable growth opportunities, Anicom, on the other hand, faces a very favorable challenge: having "more opportunities than it can easily choose from". President Komori's deep passion for pet health is a strong driver behind the discovery of these new opportunities. Backed by a team well-versed in pet healthcare, Anicom is equipped to carefully analyze, select, and execute on the right opportunities. The new Mid-term Management Plan anticipates active investment in and growth of new business areas. However, identifying promising opportunities and transforming them into successful businesses is no easy task. It will require: patience and a willingness to experiment, prudent risk management, the introduction of clear KPIs, and disciplined execution. Over the past year, Anicom has made steady progress in advancing key new initiatives. During the new Mid-term Plan period, we expect to see further tangible results—more than that, we believe they "must" be achieved. As the Board of Directors, we will continue to support management in maintaining balance and discipline in the investment process, particularly as they allocate financial and human resources toward new initiatives.



Director
Shoyama Katsu

"Embarking on a Journey to a New Dimension"

Thanks to the support of many, the Anicom Group has successfully navigated the past 25 years since its founding. I would like to express my heartfelt gratitude once again. As we reach this milestone, the Anicom Group is determined to take the next step forward—from accident & illness insurance to preventive insurance. The details are outlined in our Mid-term Management Plan, and I would be grateful if you could take a moment to review it. Here, I would like to share the fundamental thinking behind this direction. The goal of this next stage is to enable pets—who are beloved members of the family—and their owners to live healthy lives together. To achieve this, it is not enough to rely solely on traditional insurance that focuses on treating pets after they fall ill. Of course, we will continue to enhance our contribution to treatment, but what's more effective is to adopt a method similar to illness prevention in human healthcare—thoroughly reducing the probability of pets becoming ill in the first place. We believe the path to realizing this goal lies in the concrete measures set forth in the Mid-term Management Plan, which include initiatives such as **preventing periodontal disease**, **enhancing gut microbiota diversity**, and more.

As outside directors, our role is to ensure that the company's goals and outcomes are being achieved, and to monitor whether organizational operations and progress are proceeding according to plan. In order to meet the expectations of our stakeholders, we are fully committed to supporting the successful execution of the Mid-term Management Plan.

We sincerely ask for your continued support and cooperation in the year ahead.



Director
Takemi Hiromitsu

"Evolution of Brand Value and Responsibility to the Next Generation"

Insurance that supports becoming healthy is the source of our brand value and should be the foremost consideration in differentiating ourselves from competitors. To actualize this and link it to long-term growth, we have built a system that integrates health checkups, medical care, insurance and breeding, limiting the outflow of funds from the Group. While we expect our non-insurance businesses to increase our corporate value as a holding company in the medium to long-term, their explicit contribution to profits during the current medium-term plan is unlikely. Therefore, even when initiatives are handled in-house within the Group, there is a strong need to actively consider collaboration with external partners from a cost-effectiveness perspective. Additionally, in analyzing value creation—such as investments in human capital essential for business growth and the level of returns to shareholders (distribution of net added value)—it is necessary to establish a clear management accounting system throughout the group to ensure accountability.

Given its scope and investment scale, JARVIS Animal Medical Center Tokyo manifests the start of a "second founding" phase. The facility helps narrow gaps between internal and external understanding of our disclosed information (seeing is believing) and concisely maps our long-term growth trajectory. However, as previously stated, short-term revenue effects are not expected to be significant, making strict cost management and monitoring essential.

Finally, as an outside director, I believe that an important focus during the medium-term plan period should be the development and selection of successors. Depending on the progress of business activities and the market's evaluation during this period, it may be necessary to revise our strategies. Alternatively, it may be more important to place emphasis on the (executing) capabilities required to achieve strategic objectives efficiently from a tactical perspective. I intend to offer advice in accordance with these dual aspects.

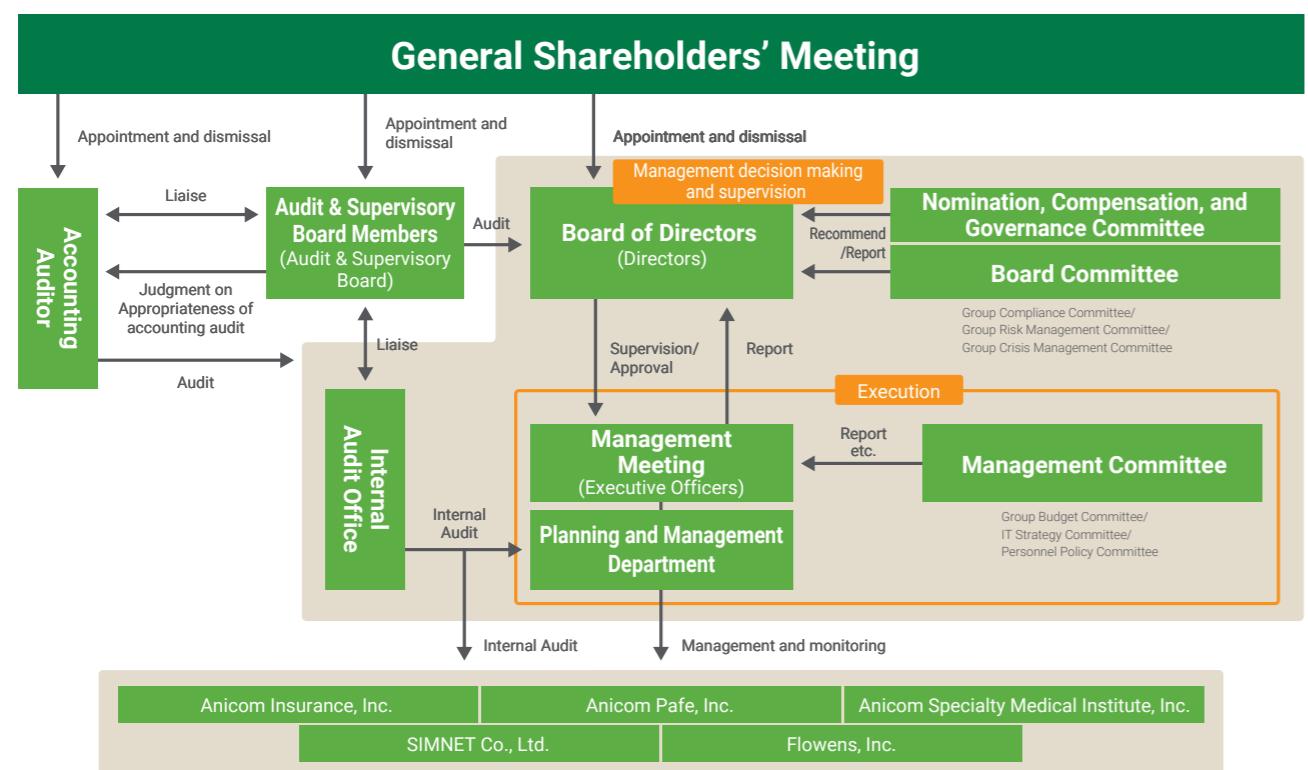
Corporate Governance

Basic Stance on Corporate Governance

The Anicom Group's management philosophy includes "spreading 'thankfulness' around the world. We spread 'thankfulness' through mutual respect for the unique characteristics of each life, and by cooperating in the division of labor." Doing this we will fulfill our duties and commitments to all stakeholders, and fulfill our social mission. In concert with this we also seek to constantly enhance the corporate value of the Group as a whole. To steadily realize these goals, the Anicom Group has formulated the Group Corporate Governance Basic Policy, and is working to maintain and strengthen a sound and highly transparent Group corporate governance system.

1. Reasons for Adoption of Corporate Governance Structure and Overview

Our Company's corporate governance structure is as follows.



(1) Reasons for Adopting a Corporate Governance Structure

We have appointed a Board of Corporate Auditors. The Board of Directors works closely with the Board of Corporate Auditors to make final decisions on important matters, and to strengthen the supervisory function of management. We have, also established a highly transparent governance system in which the majority of the Board of Directors and the Board of Corporate Auditors are outside directors and outside corporate auditors.

Furthermore, we have introduced an executive officer system to clearly separate the management decision-making and supervisory functions from the business execution functions, thereby strengthening the Board of Directors' check-and-balance and supervisory functions from a governance perspective. In addition to this, and in order to enhance the independence, objectivity, and accountability of the Board of Directors, a "Nominating, Compensation, and Governance Committee" has been established as an advisory body, separate from the Board of Directors. The majority of the members of the "Nominating, Compensation and Governance Committee" are outside directors.

(2) Outline of Corporate Governance Structure

① Board of Directors

The Company's Board of Directors consists of six members: two internal directors (Mr. Nobuaki Komori and Ms. Yumiko Momose) and four external directors (Mr. Eiichi Tanaka, Mr. Katsuo Shoyama, Mr. David G. Litt and Mr. Hiromitsu Takemi). The Board is chaired by Representative Director Nobuaki Komori.

The Company's Articles of Incorporation stipulate that the Company shall have no more than 10 Directors.

The Board of Directors of our Company places importance on maintaining and improving the trust in the Group, makes important decisions regarding the execution of business, and supervises the business of executive officers. As a holding

company, the Company's Board of Directors has functions such as deciding the Group's mid-to long-term strategies and various basic policies, and each director strives to ensure that the Board of Directors fully fulfills these responsibilities and functions. In addition, Anicom Insurance, Inc., the core company of the Anicom Group, has also adopted an executive officer system, whereby each executive officer carries out his or her duties as determined by the Board of Directors. Furthermore, in accordance with the Basic Policy for Management Control of Group Companies, the Board of Directors deliberates important management matters of subsidiaries, and supervises subsidiaries by requesting reports as necessary. The Group Management Committee meets regularly to discuss agenda items related to the execution of group-wide operations with directors and executive officers of our group companies. The Company's Board of Directors makes decisions on important management matters, giving full consideration to the deliberations and recommendations of the Committee.

② Board of Corporate Auditors

The Board of Corporate Auditors of the Company consists of five members: two Corporate Auditors (Mr. Kazuo Suda (full-time) and Mr. Makoto Hanaoka) and three Outside Corporate Auditors (Mr. Koichiro Iwamoto, Mr. Koichi Ito and Mr. Keiji Aoyama). The Board of Corporate Auditors receives reports on important matters related to audits, discussing and resolving them in accordance with the Regulations of the Board of Corporate Auditors. This is done according to the auditing standards and audit plans formulated by the Board of Corporate Auditors. Each Corporate Auditor attends meetings of the Board of Directors and other important meetings to audit the status of operations and assets, receives reports from the accounting auditors and the internal audit division, and otherwise works closely with one another to supervise the execution of operations by the directors.

③ Nominating, Compensation and Governance Committee

Our Company has established the Nomination, Compensation and Governance Committee as an advisory committee to the Board of Directors, consisting of seven members: five outside directors and two inside directors of the Company and Anicom Insurance, Inc. The Committee is responsible for the appointment and dismissal of directors and corporate auditors of the Company and Anicom Insurance, Inc. The Committee also has the responsibility to set the requirements for the appointment of directors, auditors and executive officers of the Company and Anicom Insurance, Inc., and to decide the compensation system for directors and executive officers of the Company and Anicom Insurance, Inc.. The compensation levels of directors of the Company and Anicom Insurance, Inc., as well as the development and implementation status of various policies and measures related to corporate governance are also the duty of the Committee.

2. Other Matters Related to Corporate Governance

Our Company has established the Basic Policy for "Internal Control System," which is based on a resolution of the Board of Directors, for the development of a system to ensure the appropriateness of operations (hereinafter referred to as "Internal Control System"). In addition, the Company stipulates in its various group policies basic matters concerning management control of our group companies, group compliance, risk management, internal audits, and other matters.

3. Matters Relating to Resolutions of the General Meeting of Shareholders

(1) Requirements for the Election of Directors

The Company's Articles of Incorporation stipulate that resolutions for the election of directors shall be adopted by a majority of the voting rights of shareholders present at a meeting, where shareholders holding one-third or more of the total voting rights of shareholders, who are entitled to exercise their voting rights, are present.

(2) Requirements for Special Resolution of General Meeting of Shareholders

The Company's Articles of Incorporation stipulate that the requirements for special resolutions of the General Meeting of Shareholders specified in Article 309, Paragraph 2 of the Companies Act require that shareholders holding one-third or more of the voting rights of shareholders, who are entitled to exercise their voting rights be present at the meeting, and that two-thirds or more of the voting rights of the shareholders so present shall be used for the resolution. The Articles of Incorporation also stipulate that resolutions for the election of directors shall be adopted by a majority of the voting rights of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders, who are entitled to exercise their voting rights, are present, and that no cumulative voting shall be used. The purpose of these provisions is to ensure the smooth operation of the General Meeting of Shareholders by relaxing the quorum.

(3) Matters That May Be Resolved by the Board of Directors

Among Matters to Be Resolved at the General Meeting of Shareholders Pursuant to Article 165, Paragraph 2 of the Companies Act, the Company's Articles of Incorporation stipulate that the Company may acquire treasury stock by resolution of the Board of Directors in order to enable flexible capital policies in response to future changes in the business environment.

The Articles of Incorporation also stipulate that by resolution of the Board of Directors in accordance with the provisions of Article 454, Paragraph 5 of the Companies Act, the Company may pay interim dividends with September 30 of each year as the date of record. This is to enable the Company to return profits to shareholders with flexibility.

Effectiveness of the Board of Directors

Evaluation of Board of Directors' Effectiveness

We periodically conduct self-evaluation and analysis of the effectiveness of the Board of Directors with the aim of improving its functioning and enhancing corporate value. As a method of this self-assessment and analysis, a questionnaire is sent to the members of the Board of Directors and the Nominating, Compensation, and Governance Committee, and the Committee analyzes, evaluates, and discusses the results based on the responses. The results of the effectiveness evaluation based on this analysis, evaluation, and discussion are reported to the Board of Directors for deliberation. The most recent evaluation was conducted in May 2023, and a summary of the results of that effectiveness evaluation is as follows.

The Company evaluates that the effectiveness of the Board of Directors is ensured, given that the majority of the Board of Directors consists of independent outside directors, and that outside directors actively make comments and engage in free, vigorous, and in-depth discussions and exchanges of opinions. On the other hand, there was a shared recognition that there are issues to be addressed to further improve the functions of the Board of Directors, such as the need to manage the agenda with more awareness of the deliberation time for each agenda item, including the speaker's speaking time, and to further strengthen the diversity of the Board of Directors in terms of expertise and gender.

In the future, the Company's Board of Directors will take into consideration this effectiveness evaluation and, by continuously evaluating its effectiveness, respond promptly to the issues recognized therein after thorough consideration, conduct self-evaluation and analysis on a regular basis, and continue to make efforts to further enhance the functions of the Board of Directors. We will continue to make efforts to further enhance the functions of the Board of Directors.

Expertise and Experience of Outside Directors and Outside Auditors (Skills Matrix)

		Corporate Management	Financial Affairs/Accounting/Finance	Human Resource Management	Risk Management	Legal Affairs/Compliance	R&D/Life Science	Internationalism
Director	Tanaka Eiichi	●		●	●			
	Shoyama Katsuo	●		●	●			
	David G. Litt	●			●			●
	Takemi Hiromitsu	●	●	●				
Audit Board Member	Ito Koichi					●	●	
	Aoyama Keiji		●		●			●
	Kishimoto Aritaka				●	●		

Selection Policy for Candidates, Directors and Corporate Auditors

To discuss the Group's management strategy and management issues from an objective and multifaceted perspective, we select managers who have a high level of knowledge in a wide range of fields. The "Group Corporate Governance Basic Policy" stipulates the policies for the appointment of directors and auditors as follows.

(Requirements for Appointment of Directors)

- 1 Directors of the Company and Anicom Insurance, Inc. shall be persons who have a good understanding of the business conditions of the Company, have extensive knowledge necessary for corporate management, and have sufficient judgment to make decisions on important business matters of the Company as members of the Board of Directors.
- 2 In addition to satisfying the requirements stipulated in the preceding paragraph, outside directors of the Company and Anicom Insurance, Inc. shall have a high degree of insight and a wealth of experience in areas such as corporate management, finance, finance and accounting, law, internal control including legal compliance, technological innovation, HRM (human resource management), and, in principle, meet the independence criteria stipulated in Article 14.
- 3 In addition to satisfying the requirements stipulated in Paragraph 1, directors who are engaged in the executive management of Anicom Insurance, Inc. shall be those who have "knowledge and experience that enable them to execute business management of an insurance company accurately, fairly and efficiently" and have "sufficient social credibility" as defined in Article 8-2 of the Japanese Insurance Business Law.

(Requirements for Appointment of Corporate Auditors)

- 1 The corporate auditors of the Company and Anicom Insurance, Inc. shall be persons who can contribute to the establishment of a high-quality corporate governance system that will ensure the sound and sustainable growth of the Company and respond to social trust by conducting high-quality audits, taking into consideration their abilities as corporate auditors, past performance and experience.
- 2 In addition to satisfying the requirements stipulated in the preceding paragraph, the outside auditors of the Company and Anicom Insurance, Inc. shall have a high degree of insight and abundant experience in the fields of corporate management, finance, finance and accounting, law, internal control including legal compliance, technological innovation and HRM (Human Resource Management), and in principle satisfy the criteria for determining independence stipulated in Article 14.
- 3 In addition to meeting the requirements stipulated in the preceding two paragraphs, the corporate auditors of Anicom Insurance, Inc. shall be those who have "knowledge and experience that enable them to execute business management of an insurance company accurately, fairly and efficiently" and have "sufficient social credibility" as defined in Article 8-2 of the Japanese Insurance Business Law.

Criteria for Independence of Outside Directors

In accordance with the requirements and standards set forth by financial instrument exchanges, the "Group Corporate Governance Basic Policy" stipulates the following criteria for determining the independence of outside directors and outside corporate auditors.

The Company's outside directors and outside corporate auditors shall be judged to be independent of the Company if none of the following applies to them

- ① A person who is an executive of the Company or its subsidiary
- ② A person who has been a business executor of the Company or its subsidiary for the past 10 years
- ③ A person whose main business partner is the Company or Anicom Insurance, Inc. (a person whose business with the Company or Anicom Insurance, Inc. accounts for 2% or more of its consolidated net sales in the most recent fiscal year) or a person who executes the business of the Company or Anicom Insurance, Inc.
- ④ A person who is a major business partner of the Company or Anicom Insurance, Inc. (a person whose amount of transactions with the Company or Anicom Insurance, Inc. in the most recent fiscal year is 2% or more of the consolidated ordinary income of the Company) or a person who executes the business of the Company or Anicom Insurance, Inc.
- ⑤ A financial institution or other major creditor on which the Company or Anicom Insurance, Inc. relies indispensably and to the extent that there is no alternative, or a person who executes the business of such a creditor
- ⑥ A corporation, partnership or other organization that has received donations from the Company or Anicom Insurance, Inc. and the amount of such donations in the most recent fiscal year exceeds a certain amount (10 million yen or 2% of the total income of such organization in the most recent fiscal year, whichever is higher) A person who executes the business of a corporation, partnership, or other organization whose amount of such donation in the most recent fiscal year exceeds a certain amount (10 million yen or 2% of the total income of such organization in the most recent fiscal year, whichever is higher)
- ⑦ A person who is a spouse or a relative within the third degree of kinship of a director, corporate auditor or executive officer of the Company or its subsidiary
- ⑧ Consultants, accountants, lawyers, and other professionals who receive remuneration from the Company or Anicom Insurance, Inc. other than remuneration as directors, and the amount of such remuneration in the most recent fiscal year is a certain amount (10 million yen or 2% of the gross income of the corporation, partnership, or other organization to which such professional belongs in the most recent fiscal year, whichever is higher)
- ⑨ A person who holds 10% or more of the voting rights of all shareholders of the Company or a person who executes the business of such a person as of the end of the most recent fiscal year.

Succession Plan

In June 2022, the Company's Board of Directors deliberated and formulated a succession plan for the President and Representative Director, following deliberations by the Nomination, Compensation, and Governance Committee. The succession plan stipulates the drafting of a roadmap, the "ideal image of the Company's President" and evaluation criteria, the selection of successor candidates and the formulation and implementation of a plan for their development, and the methods of discernment and decision-making leading up to the decision on successors, and has been in operation since fiscal 2022.

Establishing Internal Control Systems

With respect to the development of systems necessary to ensure the appropriateness of business operations of a stock company as stipulated in the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company has adopted the following basic policy on internal control systems. Decisions related to this effort were made at a meeting of the Board of Directors. We are working, therefore, to ensure the appropriateness of business operations, and to enhance corporate value by developing internal control systems throughout the Anicom Group. Our efforts to accomplish this include managing group companies, confirming compliance, overseeing risk management and ensuring the effectiveness of audits by the Board of Corporate Auditors.

Basic Policy on Internal Control Systems

1. Systems to Ensure Proper Business Operations by the Anicom Group

- (1) Based on the Anicom Group Management Philosophy, the Company shall, as the holding company that supervises the business operations of the Anicom Group, establish a basic policy concerning the business management of Group companies, and shall establish and maintain a system for the business management of Group companies by establishing a system for reporting to the Board of Directors.
- 1) The Company shall manage the businesses of Group companies that it manages directly (hereinafter, "Subsidiaries, etc.") through measures such as the conclusion of business management agreements with these Subsidiaries, etc.
- 2) The Company shall present to Subsidiaries, etc. the Group's management strategies and the various basic policies, etc. of the Group that form the foundation of Group management.
- 3) Subsidiaries, etc. shall obtain the Company's prior approval for the establishment of important matters such as business strategies and business plans.
- 4) Subsidiaries, etc. shall report to the Company on matters such as initiatives based on the various basic policies, etc. of the Group and the status of implementation of their business plans.
- (2) The Company shall establish a basic policy on the internal controls associated with the financial reporting of the Group and shall establish and maintain the systems necessary to ensure the appropriateness and reliability of financial reporting.
- (3) The Company shall establish a basic policy on information disclosure by the Group and shall establish and maintain systems to ensure the timely and appropriate disclosure of information on corporate activities.
- (4) The Company shall establish a basic policy on the management of internal transactions and other dealings within the Group and shall establish and maintain systems to manage such dealings.

2. Systems to Ensure that the Execution of Duties Complies with Laws, Regulations, and the Articles of Incorporation

- (1) The Company shall establish a basic policy on compliance within the Group and shall establish and maintain compliance systems.
- 1) The Company shall establish a department to supervise compliance.
- 2) The Company shall establish the Group Code of Ethics, and shall thoroughly spread awareness among the Group's officers and employees of compliance as the highest priority in all situations of business activity, in accordance with this code of ethics.
- 3) The Company shall establish the Group Compliance Manual, implement training for officers and employees concerning the laws, regulations, internal rules, and other standards with which they are expected to comply, and endeavor to thoroughly spread awareness of compliance.
- 4) The Company shall establish a compliance program each fiscal year and shall endeavor to enhance the framework for compliance through the implementation of this program. Moreover, the Group Compliance Committee shall, at its regular meetings, check the Company's response to possible compliance breaches and scandals and the appropriateness of the Company's policies, etc. based on consultation with external legal counsel.
- 5) The Company shall establish reporting rules for cases where compliance with laws, regulations, internal rules, etc. has been violated. The Company shall also establish internal and external hotlines (internal whistleblowing system) apart from the usual reporting routes, and make all of the Group's officers and employees aware of how to use them.
- (2) The Company shall establish basic policies for the Group on matters such as customer protection, and establish and maintain systems to ensure a customer-oriented approach and customer protection.
- (3) The Company shall establish a basic policy on the management of information security within the Group and shall establish and maintain systems to manage information security.
- (4) The Company shall establish a basic policy on the Group's response to antisocial forces, etc. Moreover, in addition to establishing and maintaining systems to respond to antisocial forces, etc. the Company shall cooperate with legal counsel, the police, and others to sever all relationships with antisocial forces, etc. and refuse unreasonable demands, and shall take a firm and resolute stance against antisocial forces, etc. as an organization.
- (5) The Company shall establish an internal auditing department independent from the departments to be audited, establish a basic policy on internal auditing within the Group, and establish and maintain an effective internal auditing system for the Company and Group companies.

3. Risk Management Systems

- (1) The Company shall establish a basic policy on risk management within the Group and shall establish and maintain systems to manage risk.
- 1) The Company shall establish a department to supervise risk management.
- 2) The Group Risk Management Committee shall, at its regular meetings, examine the progress and effectiveness of the establishment and maintenance of the risk management framework, and shall report important matters to the Board of Directors.
- 3) Risks shall be classified into risk categories for risk management purposes. A process shall be established for the identification, assessment, control, the formulation of emergency response plans, monitoring, and reporting.
- 4) The Company shall ensure that each of Subsidiaries, etc. engages in risk management that is appropriate for its business type, risk characteristics, and other factors.
- (2) The Company shall establish a policy on integrated risk management within the Group for the purpose of enhancing corporate value in a sustained and stable manner while ensuring management soundness, thus contributing to protecting the interests of insurance policyholders and other stakeholders.
- (3) The Company shall establish a basic policy on crisis management within the Group and shall establish and maintain systems to manage crises.

4. Systems to Ensure the Efficient Execution of Duties

- (1) The Company shall formulate medium-term management plans and fiscal year plans (including numerical targets) for the Group.
- (2) The Company shall establish rules on authority to achieve the efficient execution of business through the division of duties and the designation of chains of command, and build an appropriate organizational structure to achieve business goals.
- (3) The Company shall establish the Management Meeting Regulations and set up the Management Meeting composed of Directors and others to discuss and report on important management matters.
- (4) The Company shall establish the Nomination, Compensation, and Governance Committee as an advisory body to the Board of Directors. The committee shall deliberate on the following matters and report back to the Board of Directors.
- 1) Election and dismissal of Directors and Audit & Supervisory Board Members of the Company and Anicom Insurance, Inc.
- 2) Requirement for the election of Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and Anicom Insurance, Inc.
- 3) Evaluation of the performance of the Directors of the Company and Anicom Insurance, Inc.
- 4) Compensation structure for the Directors and Executive Officers of the Company and Anicom Insurance, Inc.
- 5) Compensation levels for the Directors of the Company and Anicom Insurance, Inc.
- 6) Status of establishment and implementation of policies, measures, etc. concerning corporate governance
- (5) The Company shall establish a basic policy on the Group's human resources and endeavor to enhance productivity and corporate value by improving employees' work satisfaction and their sense of being rewarded and ensuring thoroughly transparent and fair human resources management.
- (6) In addition to (1) to (5) above, the Company shall establish and maintain systems to ensure that duties are executed efficiently at the Company and Group companies.

5. Systems for the Preservation and Management of Information Associated with the Execution of Duties by Directors and Executive Officers

The Company shall establish rules on the preservation of documents and other information. Important documents, etc. that include information on the execution of duties by Directors and Executive Officers, such as the minutes of important meetings and other information, shall be appropriately preserved and managed in accordance with the provisions of these rules.

6. Personnel to Support Audit & Supervisory Board Members in Their Duties

- (1) The Company shall establish the Audit & Supervisory Board Members Secretariat under the direct control of the Audit & Supervisory Board Members to assist Audit & Supervisory Board Members in their auditing duties. The Company shall assign to the Audit & Supervisory Board Members Secretariat dedicated personnel with the necessary knowledge and capacity to assist in auditing duties, as requested by Audit & Supervisory Board Members.
- (2) Personnel assigned to the Audit & Supervisory Board Members Secretariat shall engage in the duties ordered by Audit & Supervisory Board Members and the support duties necessary for the implementation of audits, and shall have the authority to gather the necessary information.
- (3) The consent of the standing Audit & Supervisory Board Member shall be obtained for the performance evaluation, changes, and disciplinary actions of these personnel.

7. Systems for Reporting to Audit & Supervisory Board Members

- (1) Officers and employees shall report regularly to the Audit & Supervisory Board Members regarding the status of matters such as management, finance, compliance, risk management, and internal auditing. Officers and employees shall also immediately report to Audit & Supervisory Board Members upon the discovery of any serious violation of laws, regulations, or internal rules, or any fact that may cause significant damage to the Company related to the execution of duties at the Company or Group companies.
- (2) The Company shall establish and maintain systems for officers and employees of Group companies, or persons who have received reports from officers and employees of Group companies, to report to the Company's Audit & Supervisory Board Members upon the discovery of any serious violation of laws, regulations, or internal rules, or any fact that may cause significant damage to the Company related to the execution of duties at the Company or Group companies.
- (3) The Company shall establish and maintain the necessary systems to ensure that any person who makes a report to an Audit & Supervisory Board Member at the Company or Group companies as in (1) or (2) above is not treated unfavorably because they made such report.
- (4) Officers and employees shall report regularly to Audit & Supervisory Board Members on the operational status of the hotline (internal whistleblowing system) and the matters reported or consulted upon.

8. Other Systems to Ensure Effective Audits by Audit & Supervisory Board Members

- (1) In addition to attending meetings of the Board of Directors, Audit & Supervisory Board Members shall be able to attend and express opinions at the Management Meeting and other important meetings or committee meetings.
- (2) Audit & Supervisory Board Members shall be able to view the minutes of important meetings, important approval documents, and other documents decided by Directors and Executive Officers, at any time.
- (3) Audit & Supervisory Board Members shall coordinate closely with the Audit and Supervisory Board Members of subsidiary companies, including actively engaging in communication and information exchange with them, to enhance audit efficiency.
- (4) Audit & Supervisory Board Members shall hold regular meetings of the Management Council with the Representative Director to share information and exchange opinions.
- (5) Officers and employees shall provide briefings on matters relating to the execution of duties whenever requested by Audit & Supervisory Board Members.
- (6) The internal auditing department shall strengthen coordination with the Audit & Supervisory Board Members through cooperation with audits, etc.
- (7) The Company shall pay all expenses and other outlays associated with the execution of duties by Audit & Supervisory Board Members, except where the Company has proved that the outlays are unnecessary for the execution of duties by Audit & Supervisory Board Members.

Promoting Compliance

The Company has established the Group Compliance Basic Policy, which specifies the basic concepts of compliance and the roles of the Company and its group companies. In addition, the Company's Board of Directors deliberates and decides on important compliance-related matters in order to further ensure compliance at Group companies.

Anicom Group Basic Policy on Compliance

1. Compliance with Laws, Regulations, and Rules
We shall obey laws, regulations, and internal rules, engage in fair and free competition, and undertake honest and appropriate corporate activities.

- (1) Compliance
Compliance refers to obeying laws, regulations, internal rules, etc. and undertaking honest and appropriate corporate activities. It is only by correctly understanding and strictly obeying all rules related to corporate activities that we can undertake appropriate corporate activities.
- (2) Fair and free competition
We shall comply with the Insurance Business Act, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, and other relevant laws and regulations in the execution of business. We shall never engage in collusion, cartels, or other acts that impede fair and free competition; nor shall we ever use our bargaining power to unjustly coerce a counterparty to accept unfavorable conditions.
- (3) Preventing conflicts of interest
We shall manage transactions that risk unjustly damaging the interests of customers or other Group companies as "transactions with potential conflicts of interest" in accordance with the relevant laws and regulations. We shall never tolerate actions intended to achieve one's own benefits or that of third parties in conflict with the rightful interests of the Company.
- (4) Protecting intellectual property rights
We shall pay adequate attention to avoiding any violation of intellectual property rights such as copyrights, patents, or trademarks.
- (5) Workplace environments
We shall comply with laws, regulations, and other rules related to labor and employment, and endeavor to maintain safe and healthy workplace environments.

2. Relationships with Society and Politics
We shall maintain appropriate relationships with society and politics.

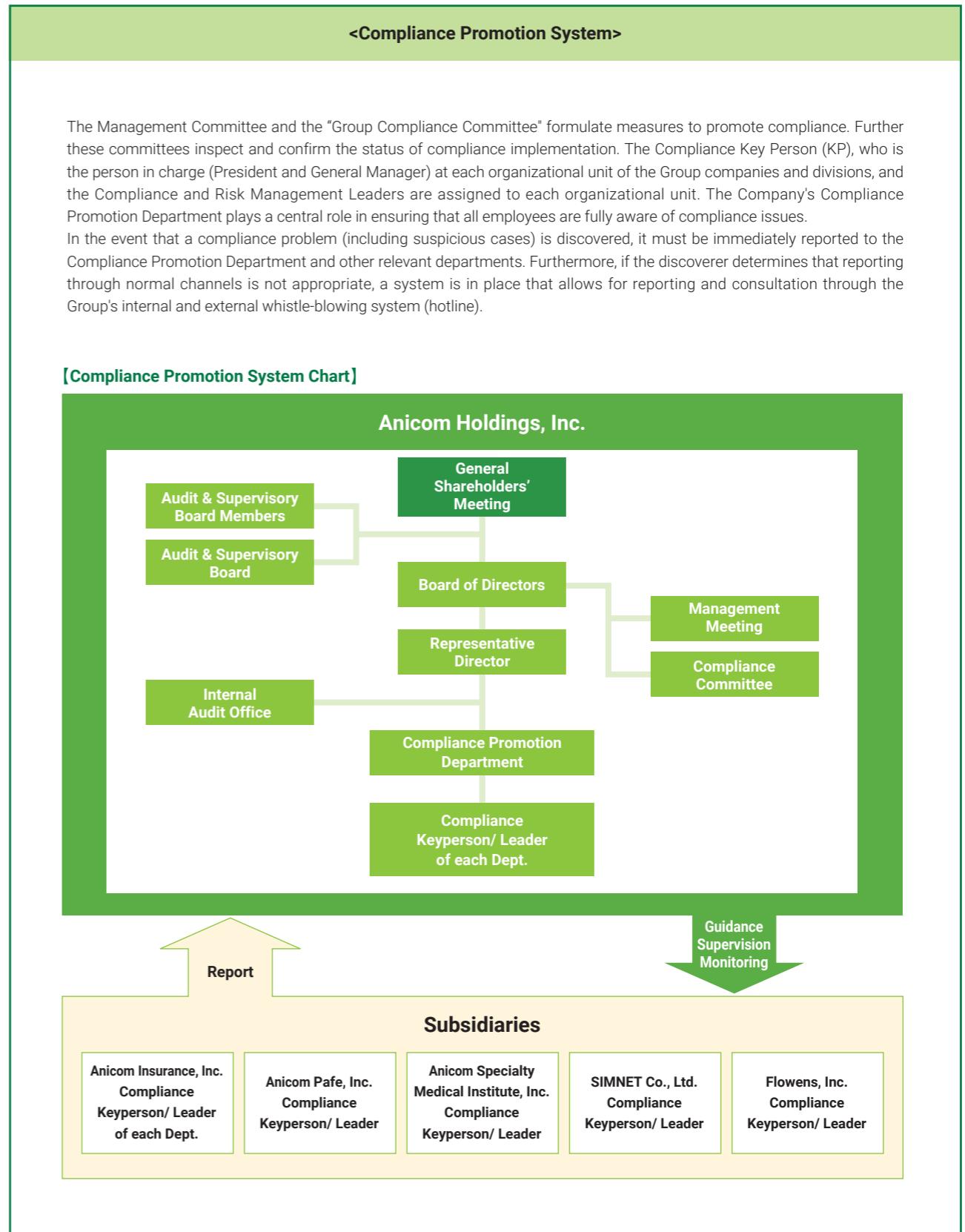
- (1) Attitude to antisocial forces
We shall maintain a firm attitude to antisocial forces such as crime syndicates and corporate racketeers, and shall not submit to their pressure.
- (2) Attitude to suspicious transactions
We regard the implementation of money laundering and terrorism financing countermeasures as a key management issue. We recognize and understand the importance of these countermeasures, and we shall engage in building a framework for internal control.
- (3) Political activities and political funding
We shall firmly maintain a fair attitude regarding elections, political activities, political funding, etc., in compliance with the relevant laws, regulations, and other rules.
- (4) Bribery, business entertainment, gifts, loans, etc.
We shall never use our business position to engage in bribery, the exchange of money or goods, or other actions to gain unfair benefits; nor shall we provide or accept socially inappropriate business entertainment or gifts. As officers or employees, we shall not engage in lending or borrowing money with trading partners or other business associates or with other officers or employees.

3. Appropriate and Highly Transparent Management
We shall strive for appropriate business operations, engage in timely and appropriate information disclosure, and endeavor to ensure highly transparent management.

- (1) Timely and appropriate information disclosure
We believe that the timely and appropriate disclosure of various forms of management information is crucial. This is also true from the perspective of enhancing customer trust. We shall endeavor to actively disclose various information, including information submitted to regulatory authorities, to facilitate reasonable decision-making by shareholders, investors, customers, and others.
- (2) Accurate information preparation and management
We shall prepare accurate records of management information and strictly manage these records to enable timely and appropriate information disclosure. We shall also cooperate honestly and sincerely with internal and external audits and investigations.
- (3) Handling of confidential information
We shall strictly manage the various types of confidential information in accordance with internal rules and never disclose such information to, or use such information with, anyone except the persons concerned.

4. Respecting Human Rights
We shall respect the basic human rights of customers, Group officers and employees, and all other people.

- (1) Prohibition of discrimination
We shall mutually respect diverse values, individuality, and privacy, and shall never tolerate discrimination or human rights violations for any reason, such as gender, age, occupation, nationality, race, sexual orientation, disability, ideology, beliefs, religion, social status, or family background.
- (2) Prohibition of harassment
We shall not tolerate any form of harassment, such as sexual harassment or abuse of authority.
- (3) Handling of personal information
We shall obey the relevant laws and regulations, as well as the privacy policies established by each Group company, to avoid any violation of personal privacy. We shall exercise due caution in the management of customer information and other personal information, and shall never use this information for any purpose not necessary for business operations.



Group Risk Management System

We have established a basic policy for group risk management, with which we strive to foresee and control risks that may affect the management of the Group. We constantly prepare response initiatives assuming environmental changes, and provide services even in the event of unforeseen circumstances. We are striving to build a risk management system to maintain the quality of our products and services, and to ensure business continuity.

■ Promotion of ERM

At our company the Corporate Planning and Risk Management Departments, under the leadership of the Board of directors, are leading efforts to promote ERM (Enterprise Risk Management). The Board of Directors has established an ERM framework in the Group Risk Management Basic Policy, which is communicated to all Group companies, and specific arrangements are stipulated in the Group ERM Regulations. In addition, the Group Risk Selection Policy sets targets for soundness and profitability, and serves as the foundation for the mid-term management plan.

The Group Risk Management Committee (consisting mainly of full-time directors and executive officers of the Company and Anicom Insurance, Inc.) discusses both the status of the Group's risk management with regards to its individual companies, and also the status of comprehensively evaluated risks. The Group Risk Management Committee reports regularly to the Board of Directors.

(1) Risk Profile

In order to correctly recognize our group's risk exposure, we have created a risk profile based on a comprehensive identification of risks, including potentially significant emerging risks. We regularly create risk profiles of this kind. Additionally, the Risk Management Department monitors the overall risk situation and verifies the comprehensiveness of the risk profile, including the contagion risk within the Group.

【Concepts of risk, return, and capital】



(2) Solvency Assessment by Internal Model

Using our track record as a basis, we have created an internal model to measure such things as risk, capital adequacy, and to evaluate our company's solvency. We are working to improve our model based on the analysis of various risks.

(3) Stress Testing

The Risk Management Department periodically conducts stress tests, which include running hypothetical scenarios, reverse stress tests, and sensitivity tests in order to predict and manage risks that are difficult to identify through methods (1) and (2). This is important as these risks, should they occur, could have a serious impact on the Group's management. The Company analyzes the impact on the Company's capital adequacy and other factors. In the event that a serious impact is anticipated, we are prepared to promptly consider and implement countermeasures.

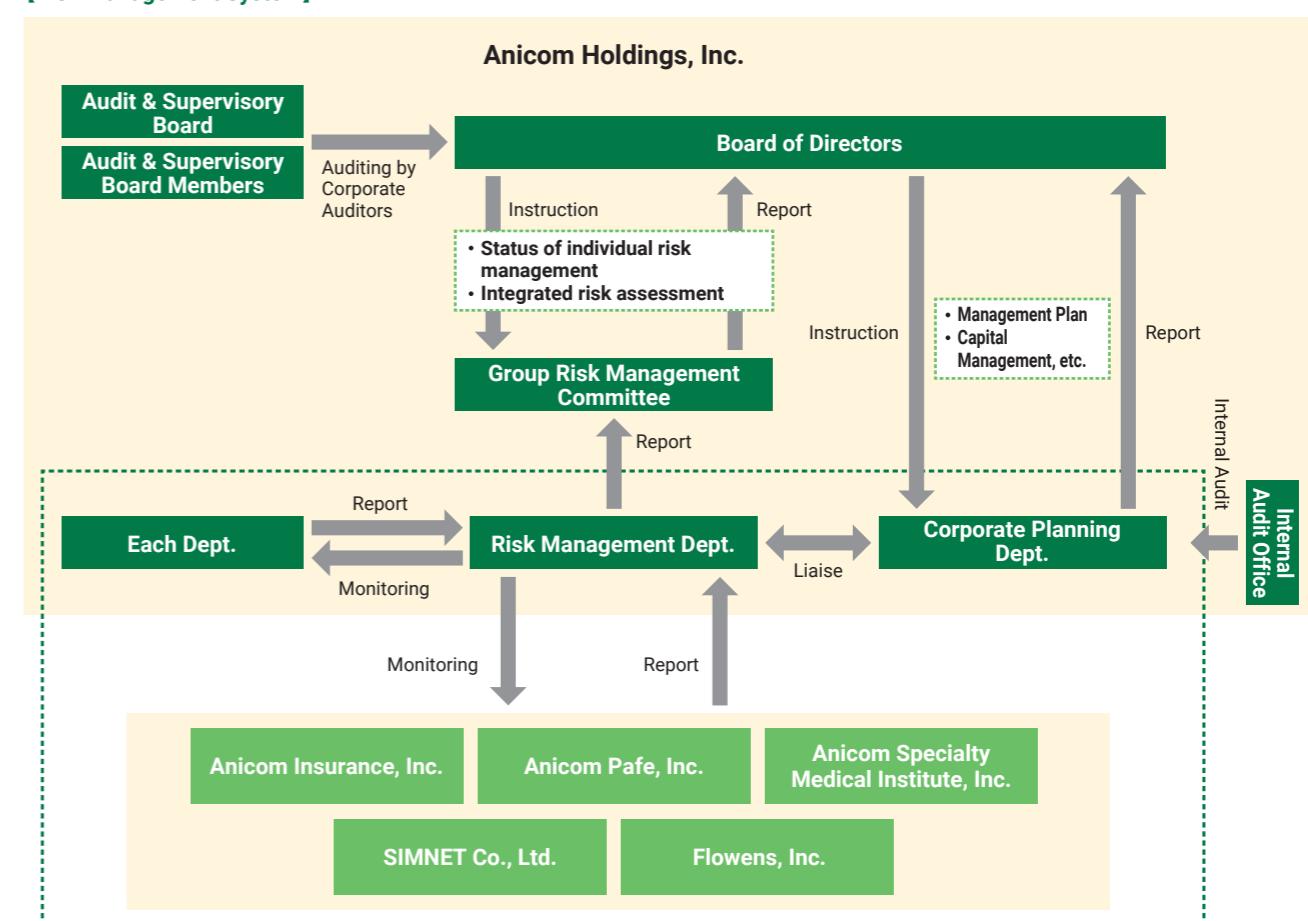
(4) Risk Selection Policy and Capital Allocation

The Corporate Planning Department formulates the Group's mid-term management plan based on the Group Risk Selection Policy. The Corporate Planning Department also allocates capital, and sets risk limits for each subsidiary, with the aim of ensuring management stability, and periodically monitors compliance with the limits (limit management). In the event of a potential violation of the limits, the Company is prepared to promptly consider and implement countermeasures such as risk reduction, reallocation, and capital reinforcement.

■ Initiatives for the New Solvency System

From the end of fiscal year 2025, an economic value-based solvency regulation will be introduced. Under the new system, risk coefficients will be revised to better reflect actual conditions, and a new category specifically for "pet insurance" will be established under insurance risk. As a result, evaluations are expected to more accurately reflect the actual situation of our company. We are promoting risk and solvency self-assessment (ORSA: Own Risk and Solvency Assessment) and working on enhancing our internal models.

【Risk Management System】



Overview of Anicom Group

Outline of Anicom Holdings, Inc. (as of July 1, 2025)

Anicom Holdings, Inc. is an insurance holding company under Article 271-18 of the Japanese Insurance Business Act, and is responsible for formulating management strategies and business plans for the entire group. In addition to this Anicom Holdings, Inc. is responsible for the management of subsidiaries, with Anicom Insurance, Inc at the core. By maximizing each company's ability to create added value, we aim to realize unlimited value creation for the entire group.



Company name	Anicom Holdings, Inc.
Date of establishment	July 5, 2000 (Established as BSP Corporation)
Address of head Office	Sumitomo Fudosan Shinjuku Grand Tower 39F, 8-17-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo, 160-0023, Japan
Telephone number	03-5348-3911
Capital stock	8,202 million yen
Major shareholders	Please refer to page 79.
Business	Management of subsidiaries

Subsidiaries (as of July 1, 2025)



Our goal is to be a preventive insurance company that reduces tears and creates smiles.

Non-life Insurance Business

Anicom's pet insurance can be used in the same way as medical insurance for people, through its "over-the-counter payment system." Anicom's insurance benefit is automatically applied at the time of check out. Anicom's policy holders simply present their Anicom insurance card and pay the difference. No paperwork.



Company name	Anicom Insurance, Inc.
Date of establishment	January 26, 2006 (Established as Anicom Insurance Planning Co., Ltd.)
Establishment	January 10, 2008
Capital stock	6,550 million yen
Shareholders	Anicom Holdings, Inc. (100%)



We support the healthy lives of animals and people through animal hospital and owner support.

Animal Hospital Support Business

We have developed and sell "Ani-Rece Cloud (anicom receptor cloud)," a medical record management system for animal hospitals. This system also provides various services for pet owners and researchers.



Company name	Anicom Pafe, Inc.
Date of establishment	December 24, 2004
Capital stock	50 million yen
Shareholders	Anicom Holdings, Inc. (100%)



Bringing a brighter future to animal medicine through research and clinical practice.

Clinical and research projects in the field of animal medical care

We are engaged in the promotion of basic research in the field of animal medical care, the establishment of medical treatment methods based on scientific evidence, and clinical trials for the development of advanced medical care.



Company name	Anicom Specialty Medical Institute, Inc.
Date of establishment	January 24, 2014
Capital stock	50 million yen
Shareholders	Anicom Holdings, Inc. (100%)



Through the WEB, we deliver "change and happiness."

Planning, development and operation of online services related to pets

We are a company that plans, develops, and operates online services related to pets. Among these services is "Minna no Breeder," a website that supports the matching of breeders and customers. "Minna no Breeder" is one of the largest of its kind in Japan.



Company name	SIMNET Co., Ltd.
Date of establishment	March 2, 2001
Capital stock	100 million yen
Shareholders	Anicom Holdings, Inc. (100%)



We aim to achieve next-generation breeding operations, grounded in environmental enrichment for each dog.

Breeding Business

We conduct breeding operations with a focus on providing the dogs with "environmental enrichment," ensuring that they can enjoy life. The dogs are given spacious areas for play, interaction with people and great food to enjoy.



Company name	Flowens, Inc.
Date of establishment	April 15, 2020
Capital stock	100 million yen
Shareholders	Anicom Holdings, Inc. (100%)