

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



Ages 8 and above

Policy termination upon the death of the insured : 430 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	3.5	23
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

Cause of Death Ranking by Diagnosis in Cats

(All Breeds, Based on Deaths Occurring on the Day of Examination)

All ages

Policy termination upon the death of the insured : 652 animals

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	Chronic kidney disease	31.4	135
2	Neoplastic diseases (or Tumor-related diseases)	17.2	74
3	Cardiomyopathy	7.0	30
4	Including loss of vitality and loss of appetite	6.7	29
5	Diabetes mellitus	4.7	20
6	Vomiting, diarrhea, and bloody stool	4.0	17
7	Pneumonia	3.0	13
8	Valvular disease	2.3	10
9	Foreign bodies in the digestive tract/accidental ingestion	2.3	10
9	Vomiting, diarrhea, and bloody stool	2.7	6
10	Accidents, including traffic accidents	2.3	5

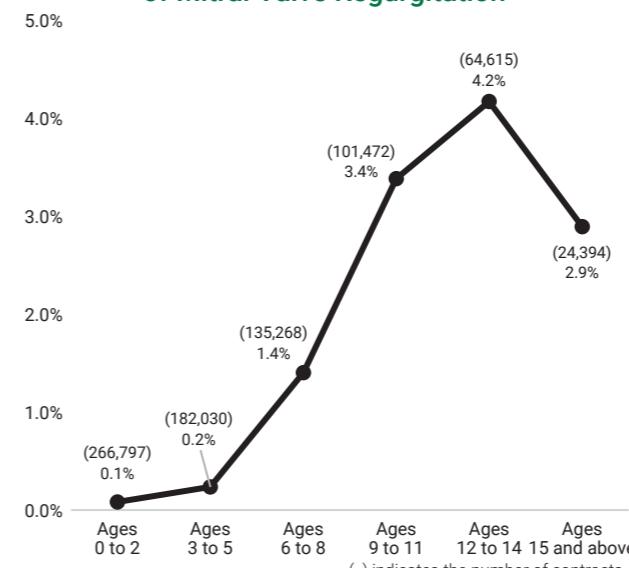
Although **vomiting, diarrhea, and bloody stool** are not usually considered direct causes of death, they actually rank high among causes of death on the day of consultation. These symptoms are clear clinical signs, yet many cases lack corresponding definitive clinical test findings.

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

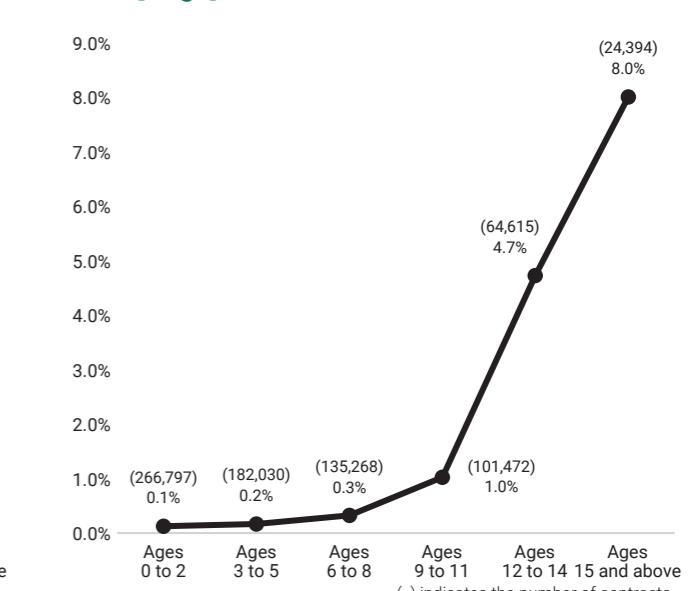
2. Onset of lifestyle-related diseases at a young age

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



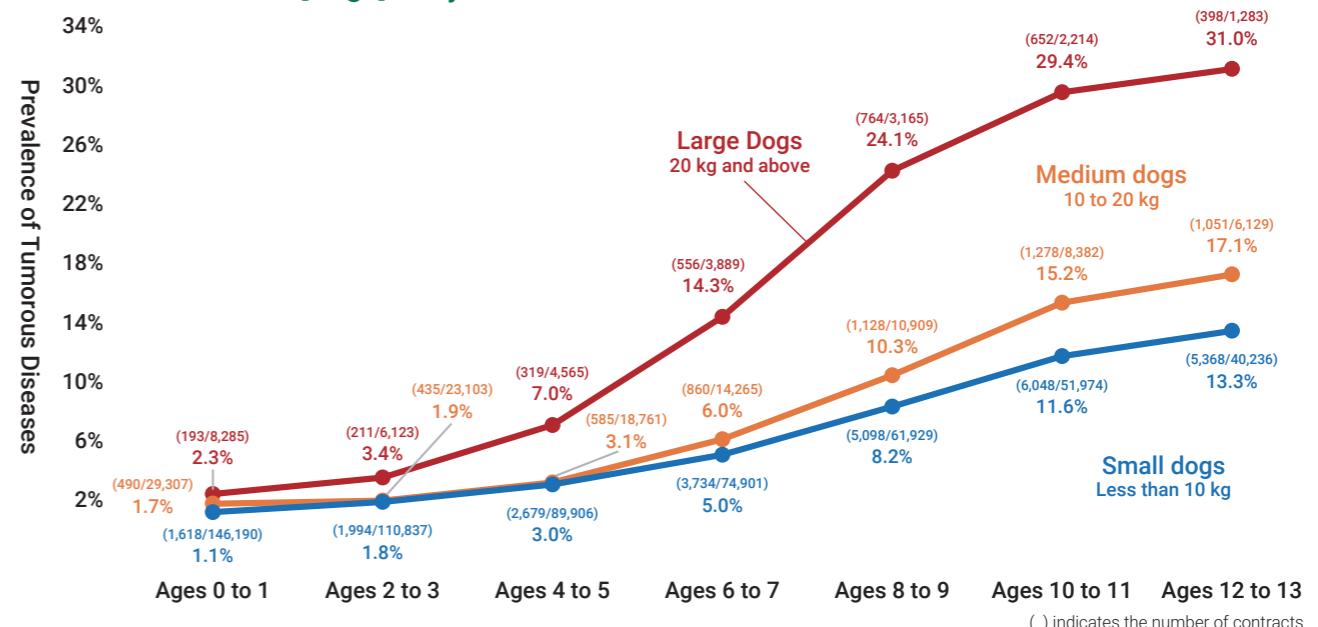
[Dogs] Trends in CKD Incidence Rates



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:

- [1] Szabo D, Lowe D. Feeding the Roar, Part I. San Diego Zoo Wildlife Alliance blog. 2016.
- [2] Kleinlugtenbelt P. Large Carnivore Husbandry in European Zoos. Univ. of Zurich; 2023.
- [3] Fletchall NB et al. Maned Wolf Husbandry Manual. AZA; 2007.
- [4] Nijboer J. Nutrition in Zoo Carnivores. Merck Veterinary Manual; 2020.
- [5] Mrs Apis Mellifera. ZSL London Zoo "Keeper for a Day": dreams do come true. 2012.

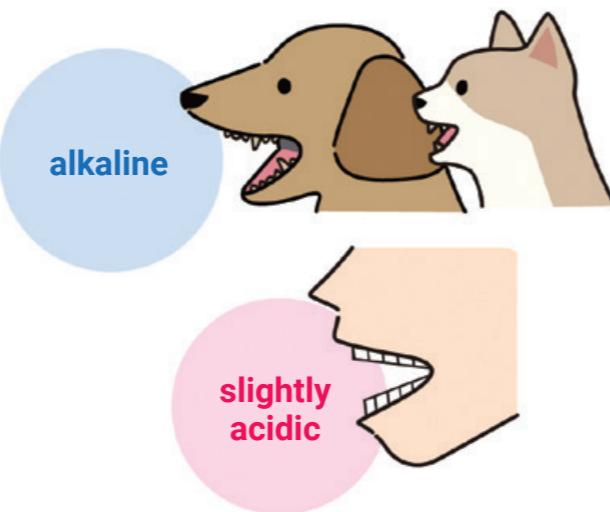


2. The spread of periodontal disease due to insufficient oral care

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.

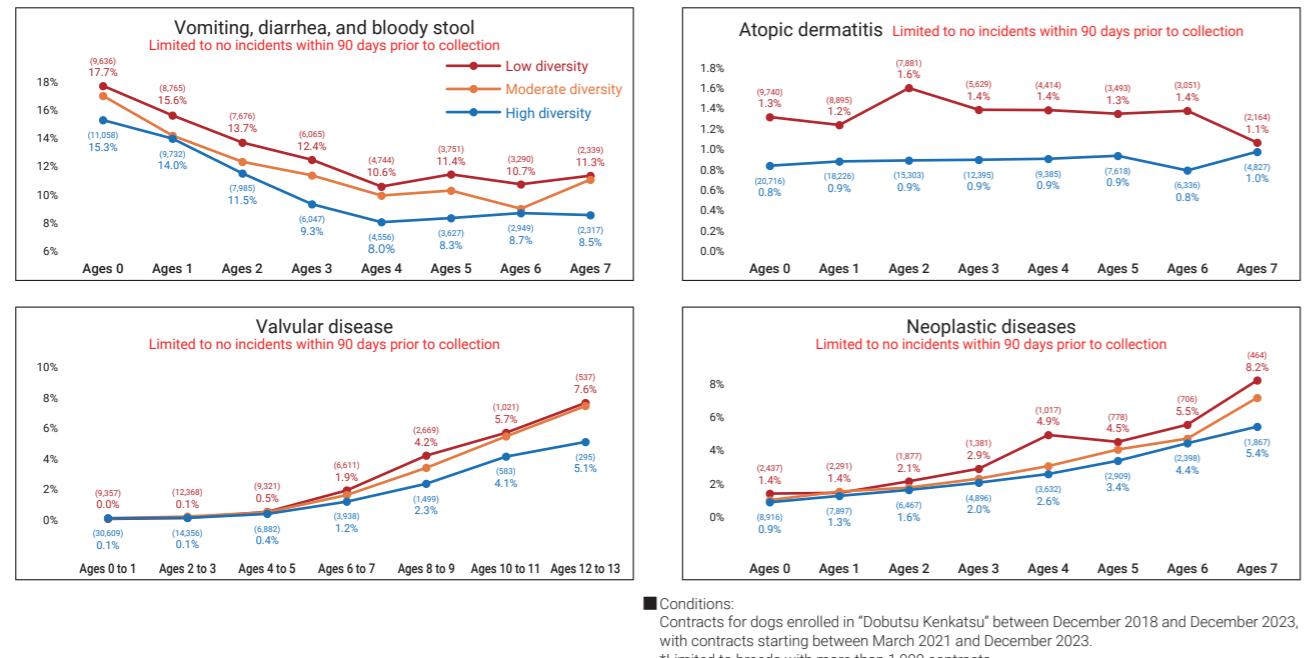
Furthermore, insights from these new disease models may extend beyond dogs and cats, potentially serving as a foundation for human health management and new healthcare models.



Hypotheses About Causality

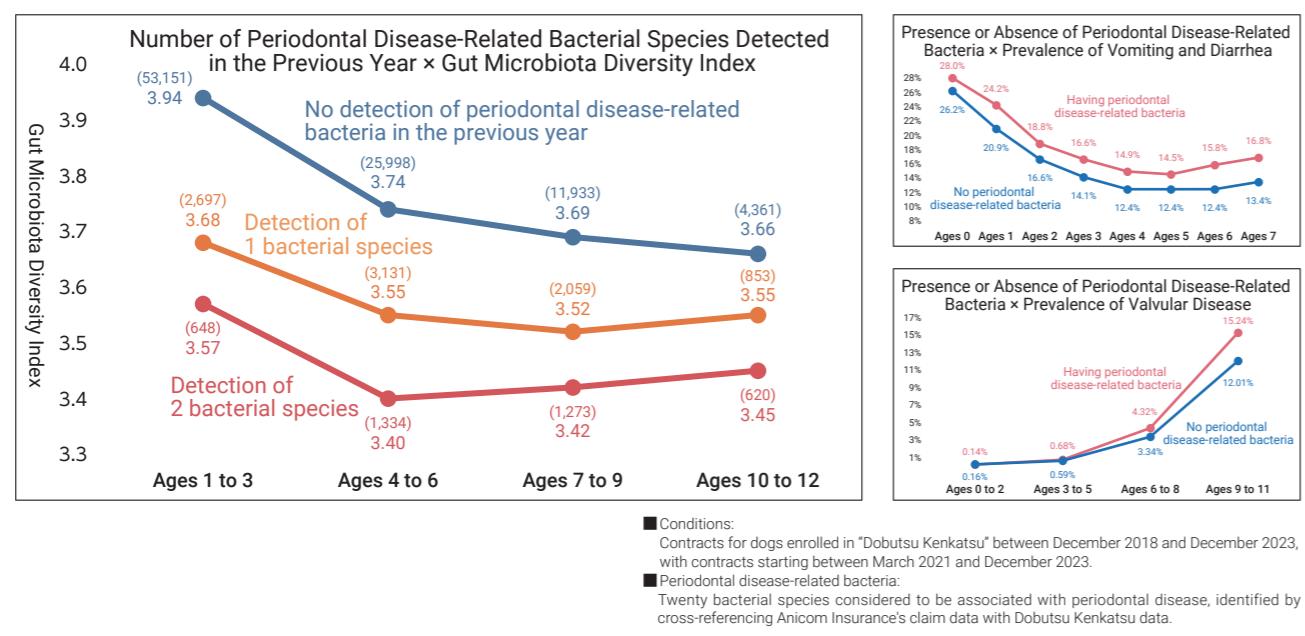
1. Correlation between gut microbiota diversity and disease

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.



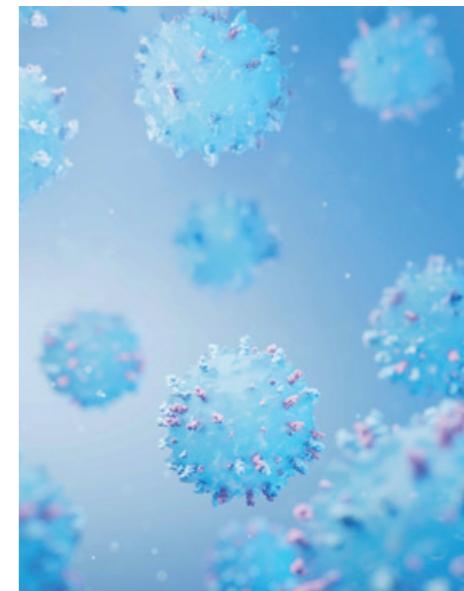
3. Warp carcinogenesis theory

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.

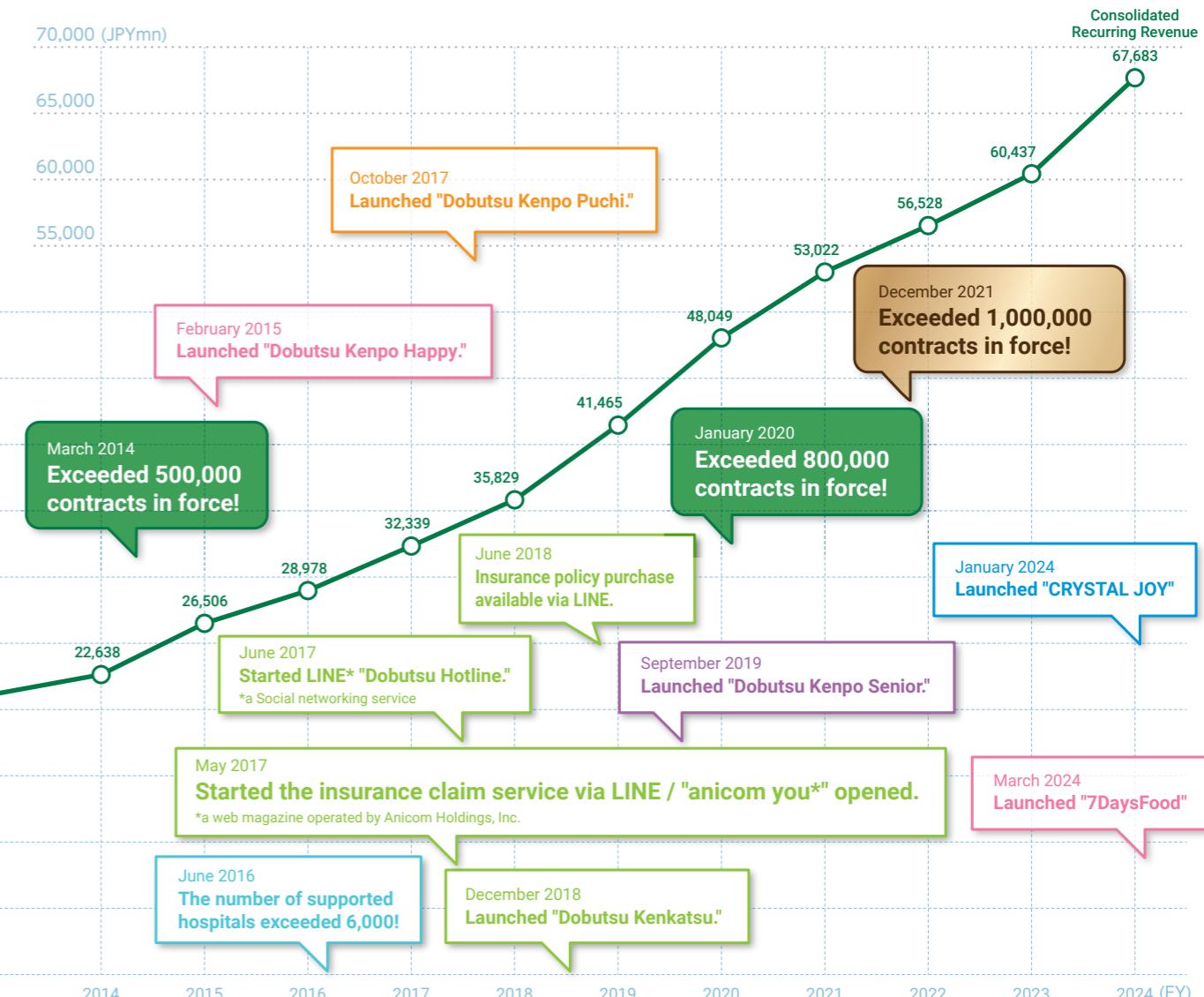
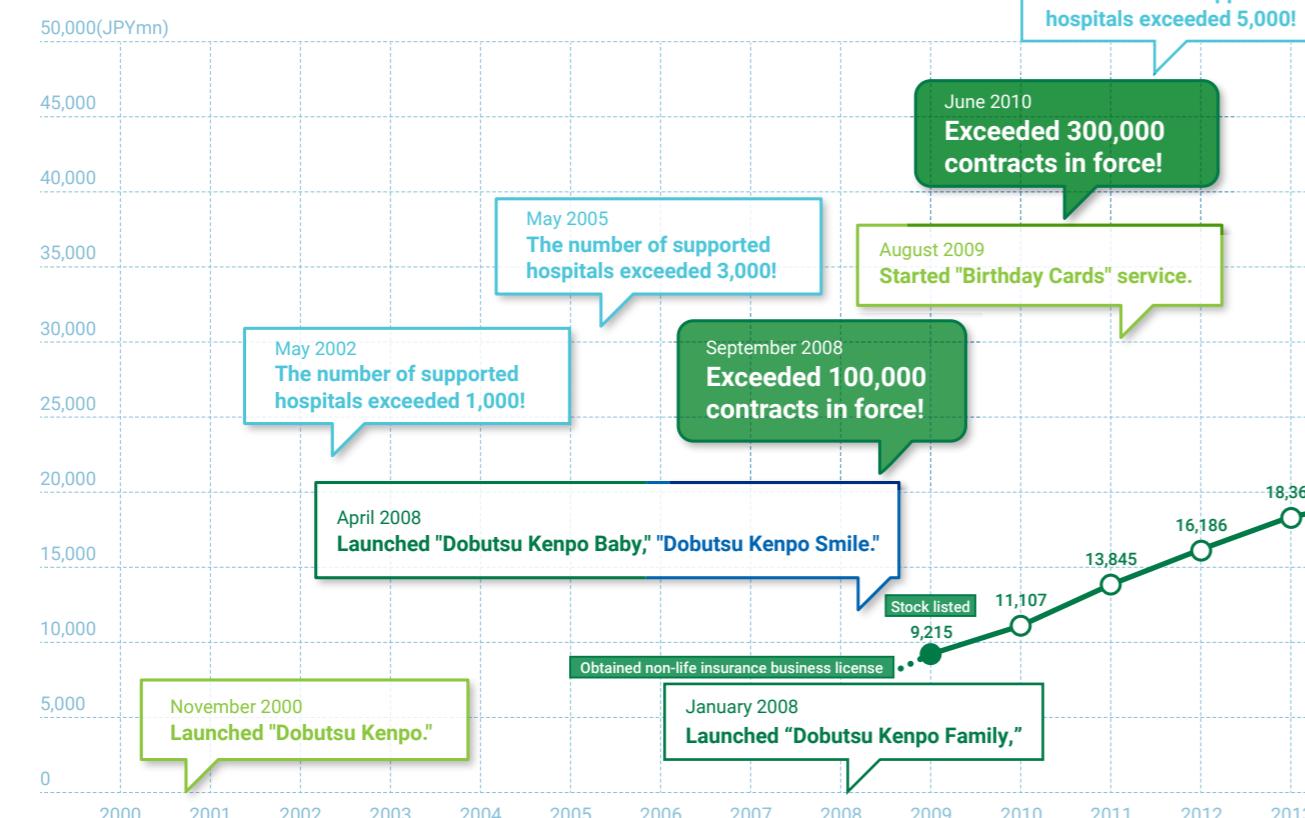
Anicom's History

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 inforce 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



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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.



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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 person holding a dog), **Regenerative Medicine** (a dog being examined by a person), **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

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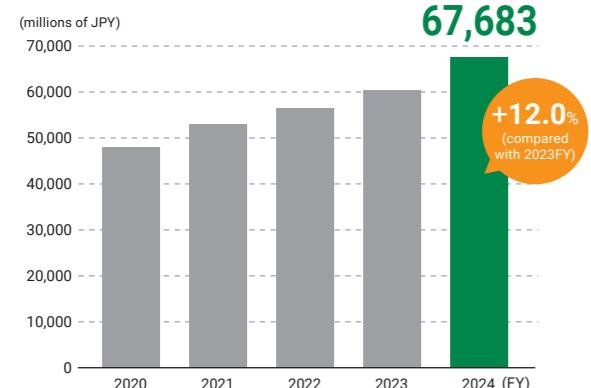
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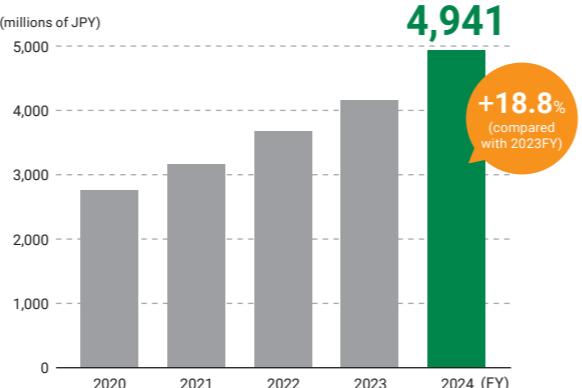
Financial Highlights

Consolidated recurring revenue

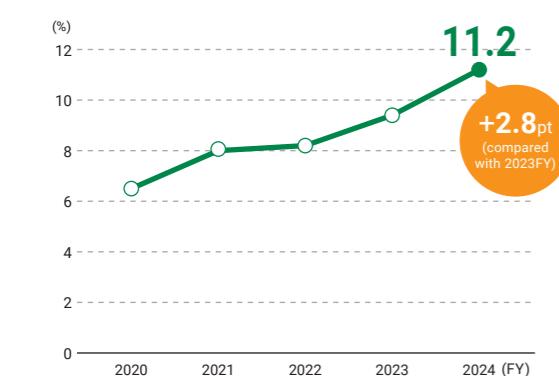


Our insurance business has continued to perform steadily, supported by robust demand for pet ownership and the enhancement of sales channels. Despite the impact of inflation, cost efficiency improved through operational streamlining and cost reductions. In addition, revenues from our synergy-creation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

Consolidated recurring profit

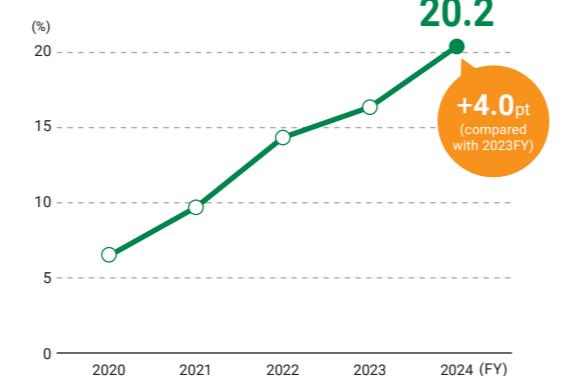


Consolidated ROE



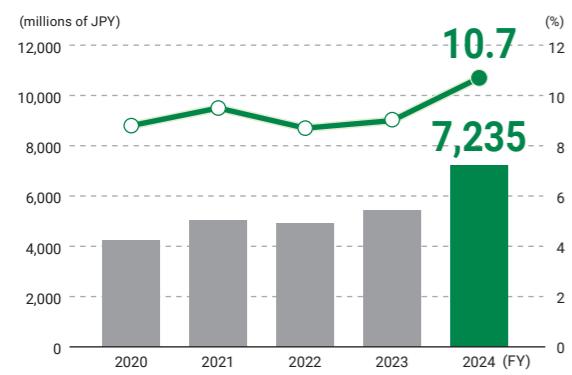
In fiscal year 2024, ROE reached 11.2%, exceeding the target level of 10% set out in the "Mid-Term Management Plan 2022–2024."

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.

Non-Financial Highlights

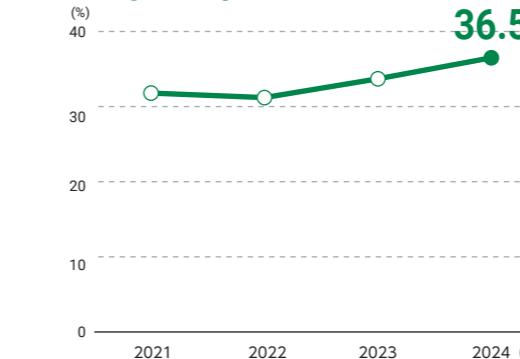
People

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

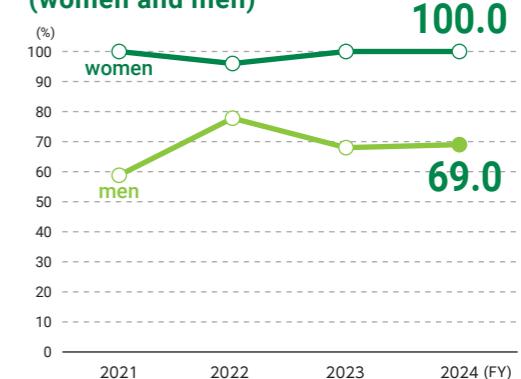
*1 Calculated for the Company and its consolidated subsidiaries.

*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



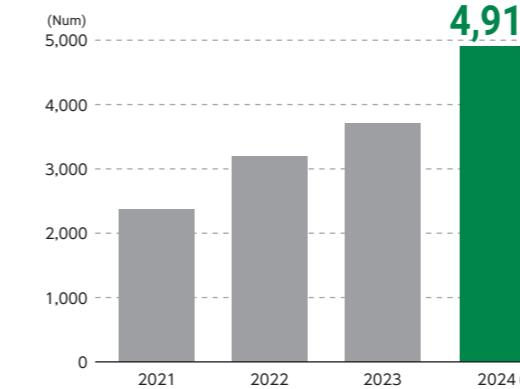
Rate of maternity leave taken (women and men)



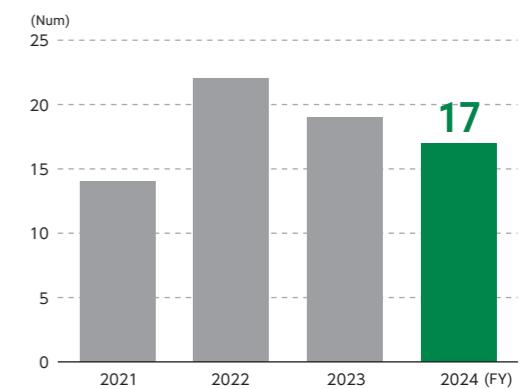
Pets

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.

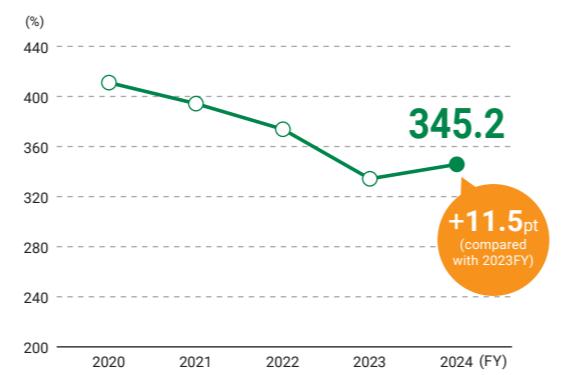
Number of adoption through "hugU" a foster parent matching website



Number of adoption events assisted



Solvency margin ratio (non-consolidated)

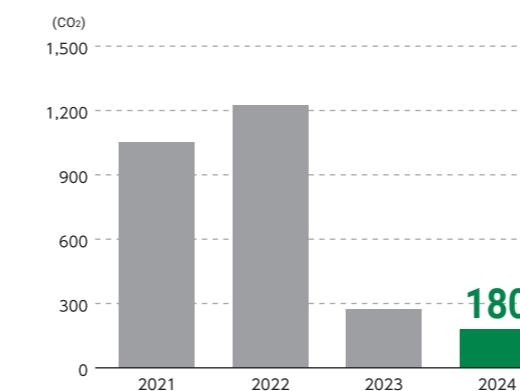


We will strive to achieve an optimal capital structure going forward. Concurrent to this, discussions related to the review of regulations (risk coefficients) and pertaining to insurance soundness over the medium term are underway.

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.

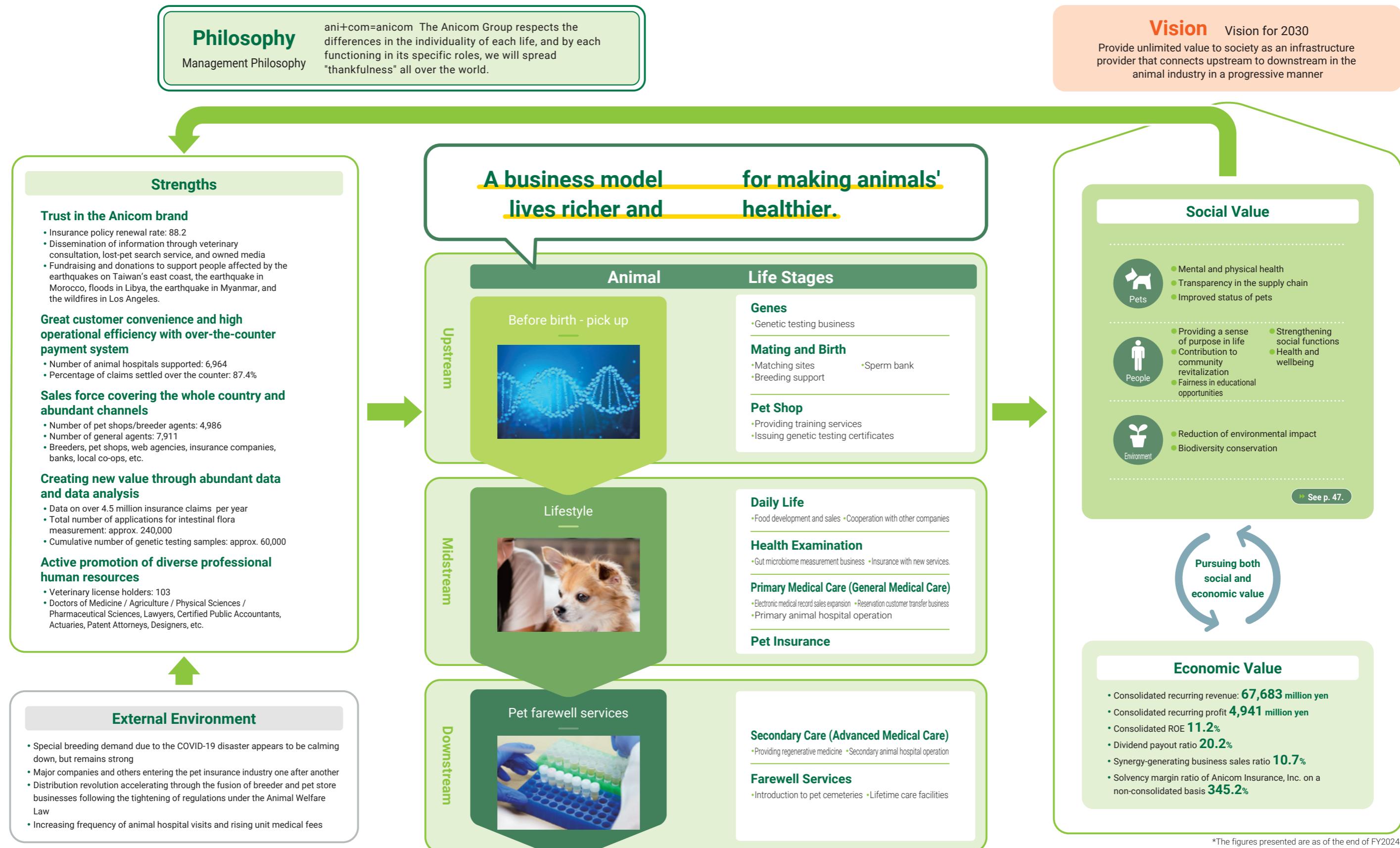
* Calculations are based on the "adjusted emission factors" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry for each electric power company.

* 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

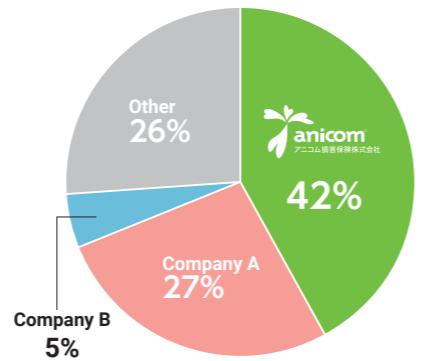
The Changing Environment of the Pet Insurance Industry

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

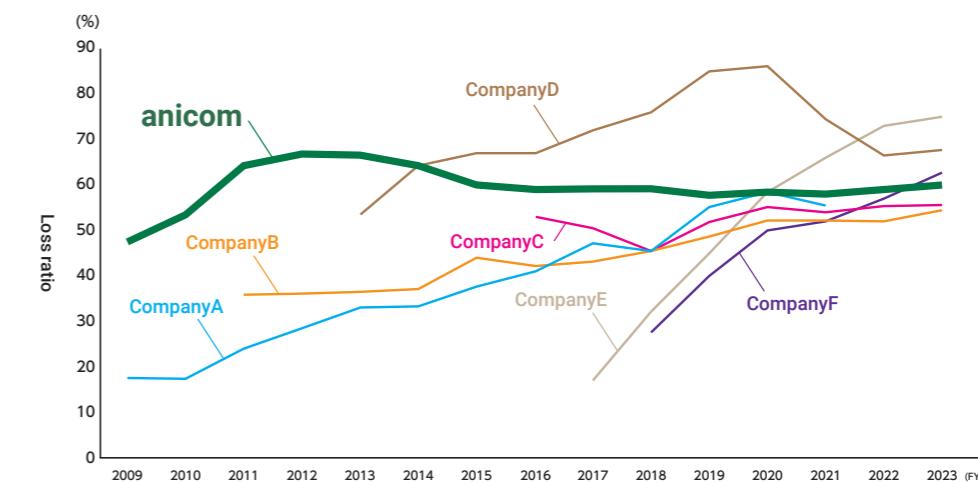
A unique feature of Anicom Insurance is "Dobutsu Kenkatsu," a gut microbiota analysis service available to policyholders. Based on tens of thousands of research data points on gut microbiota accumulated by our group and disease data obtained from insurance claims statistics, we have developed an original 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.

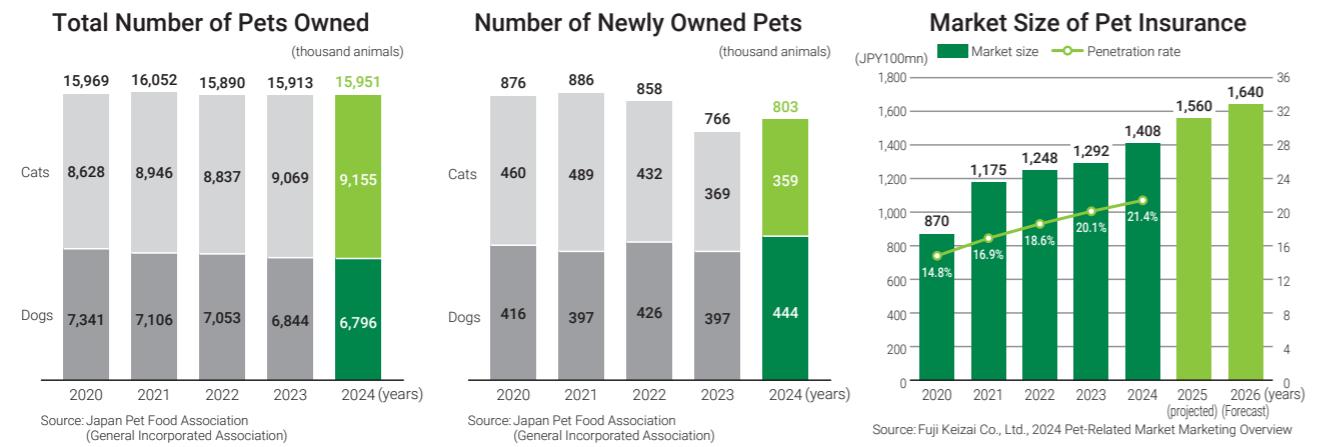
Insurance Business

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" style="width: 100%; border-collapse: collapse; text-align: center;"> <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)
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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.