

# 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.

	Stakeholder Expectations/Responsibilities
Customers	<div></div> <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>
Shareholders and Investors	<div></div> <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>
Partners	<div></div> <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>
Employees	<div></div> <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>
Local Communities	<div></div> <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>



## Structure to Meet Stakeholder Expectations and Fulfill Responsibilities

- 01

Efforts to utilize customer feedback in management

- 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
- 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
- 01

Providing Breeding Support
- 02

Insurance managers and insurance key person system
- 03

Conducting audits for fair and equitable transactions
- 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
- 01

Implementing animal welfare initiatives in cooperation and collaboration with local governments nationwide

- Number of municipalities with which agreements have been concluded: 5
- 02

Promote initiatives to achieve net zero CO<sub>2</sub> emissions

- Scope 1+2 emissions 180 t-CO<sub>2</sub>

# 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.

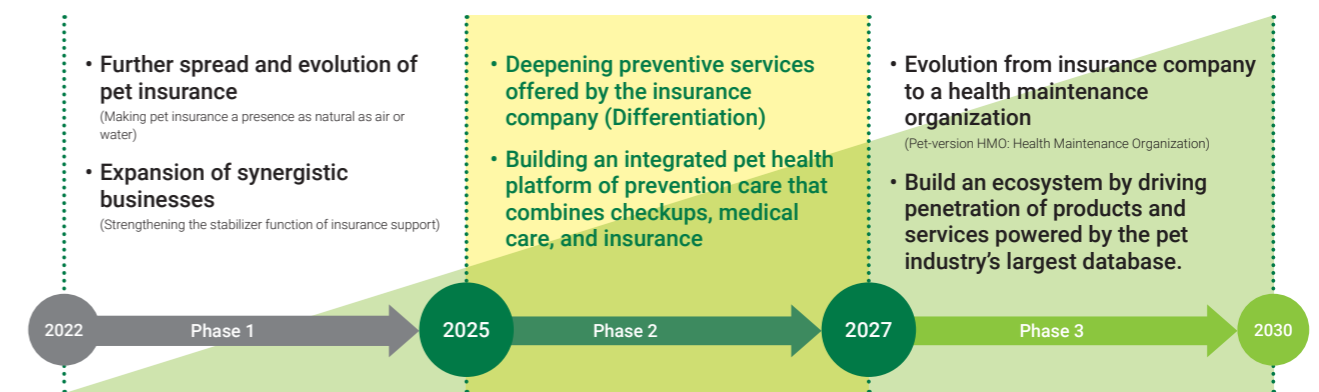
	FY03/23 Results	FY03/24 Results	FY03/25 Results	Initial Mid-Term Plan
Consolidated Recurring Revenue	JPY 56.52 bn	JPY 60.43 bn	JPY 67.68 bn	JPY 65–70 bn
Consolidated Recurring Profit	JPY 3.68 bn	JPY 4.15 bn	JPY 4.94 bn	JPY 4.5–5.0 bn
Consolidated ROE	8.2% (prev. 8.0%)	9.4%	11.2%	Around 10%
Shareholder 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%

Insurance Business	FY03/23 Results	FY03/24 Results	FY03/25 Results	Initial Mid-Term Plan
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”

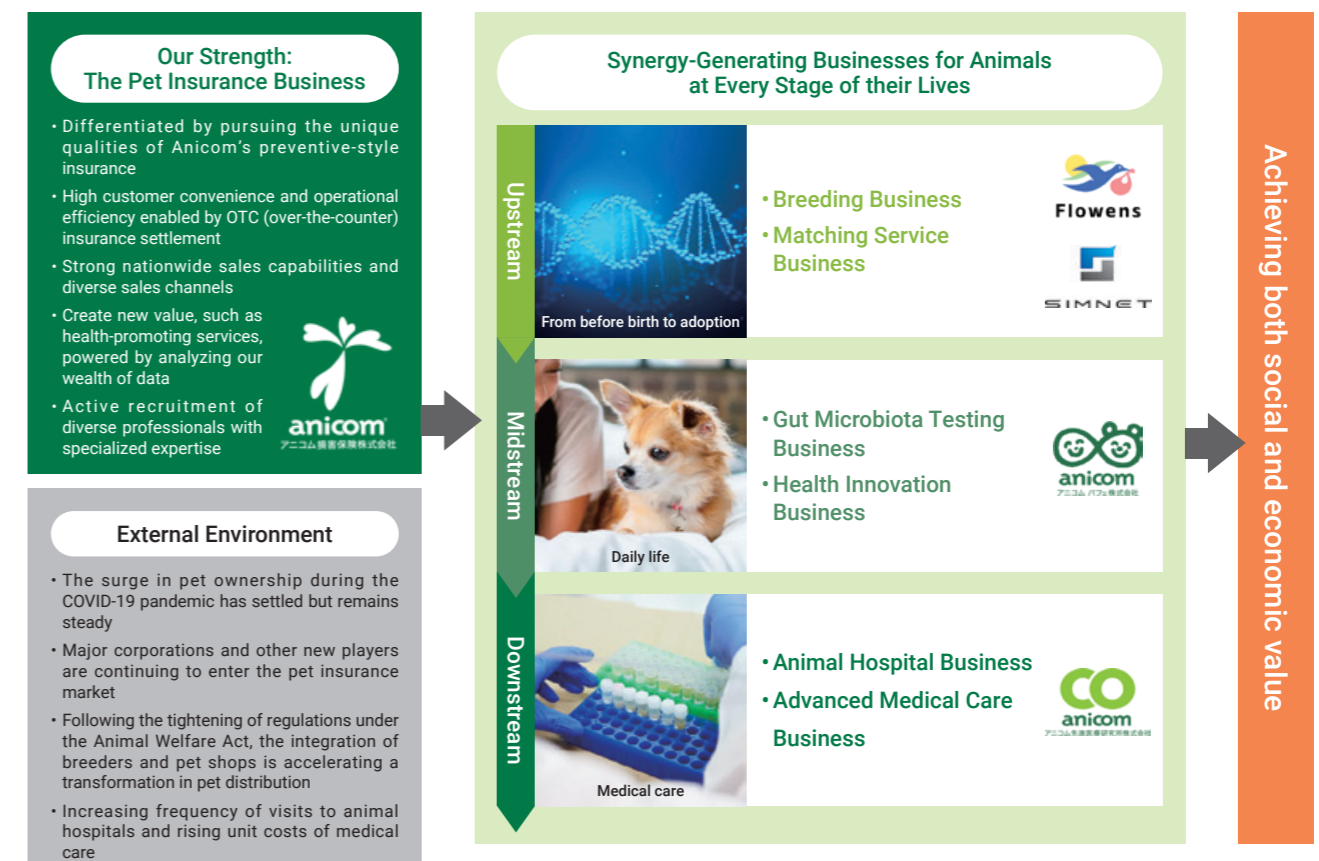
### Positioned as Phase 2 toward realizing the management vision, with an eye on completing the Second Founding Phase by FY2030



## 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.

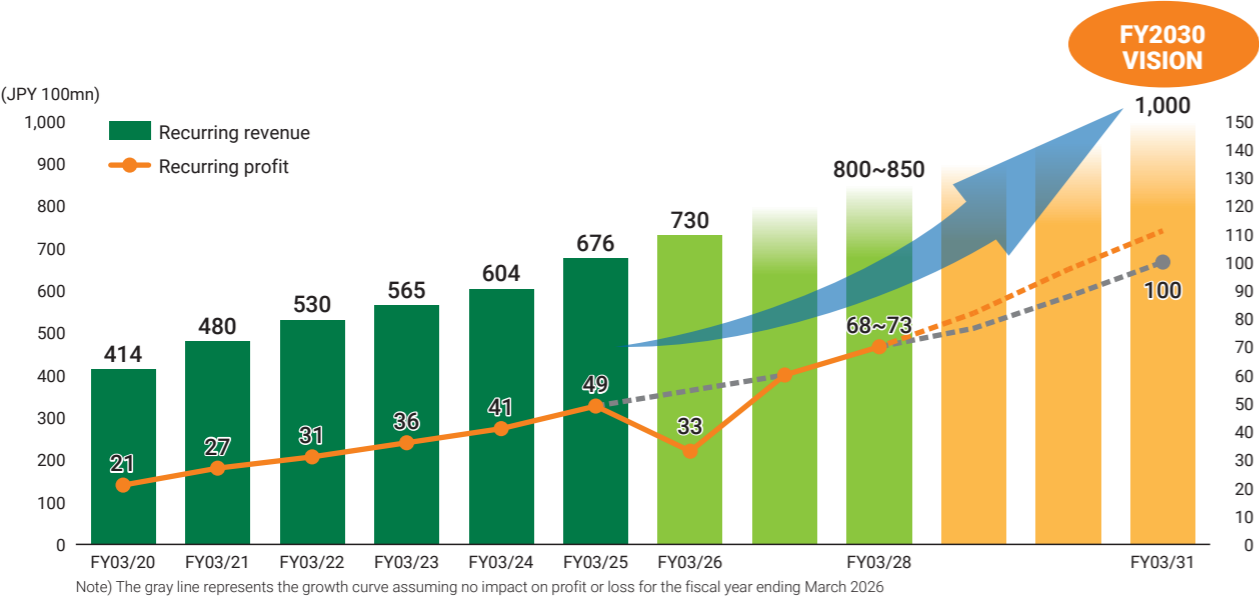
## Providing “Animal Insurance that Makes Pets Healthier”, and lives more fulfilling



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.

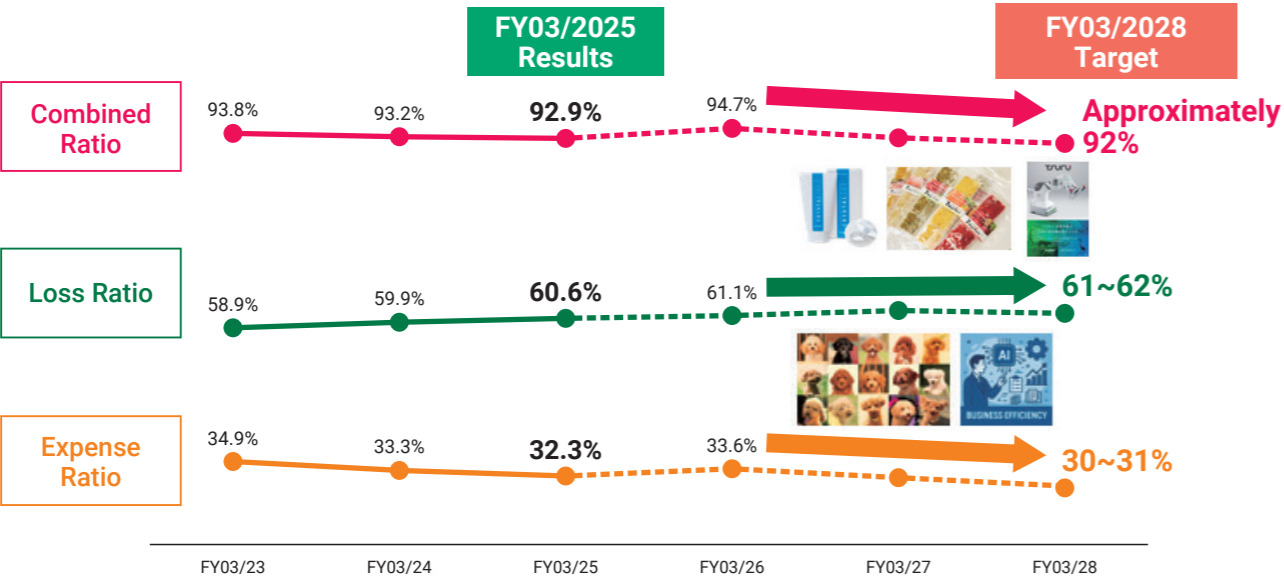
Management Targets for FY03/2028		
Consolidated Recurring Revenue JPY 80.0–85.0 bn	Consolidated Recurring Profit JPY 6.8–7.3 bn	Consolidated ROE Around 12%



Insurance Business Main KPIs

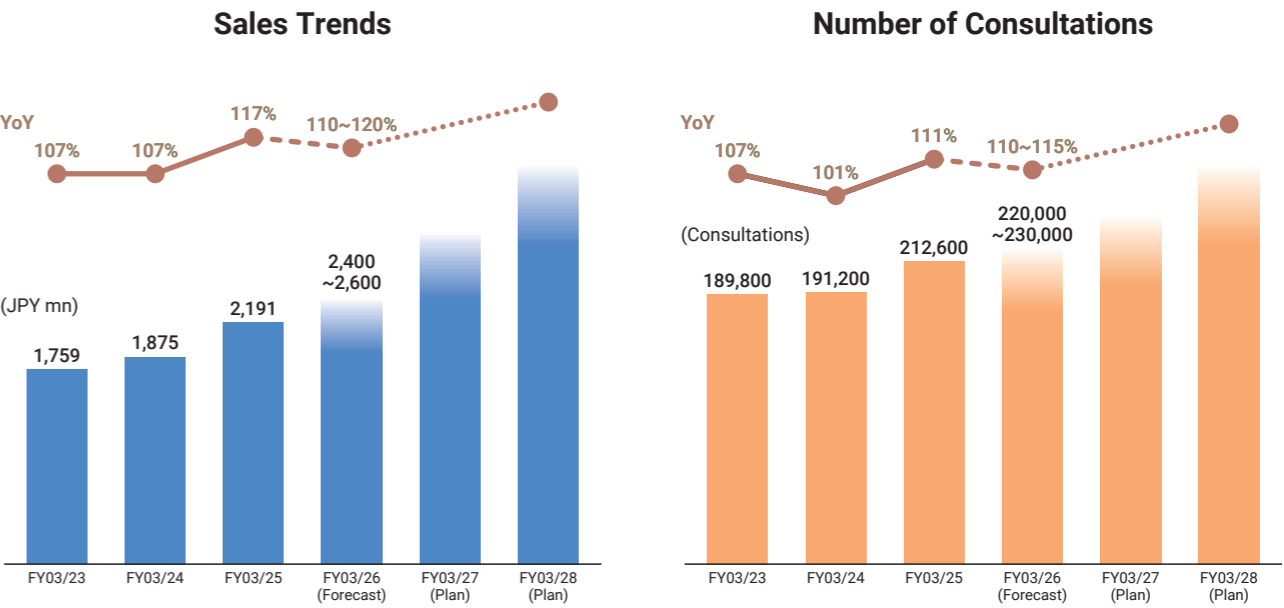
The target for the fiscal year ending March 2028 is designated Phase 2 in achieving the FY2030 vision.

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.



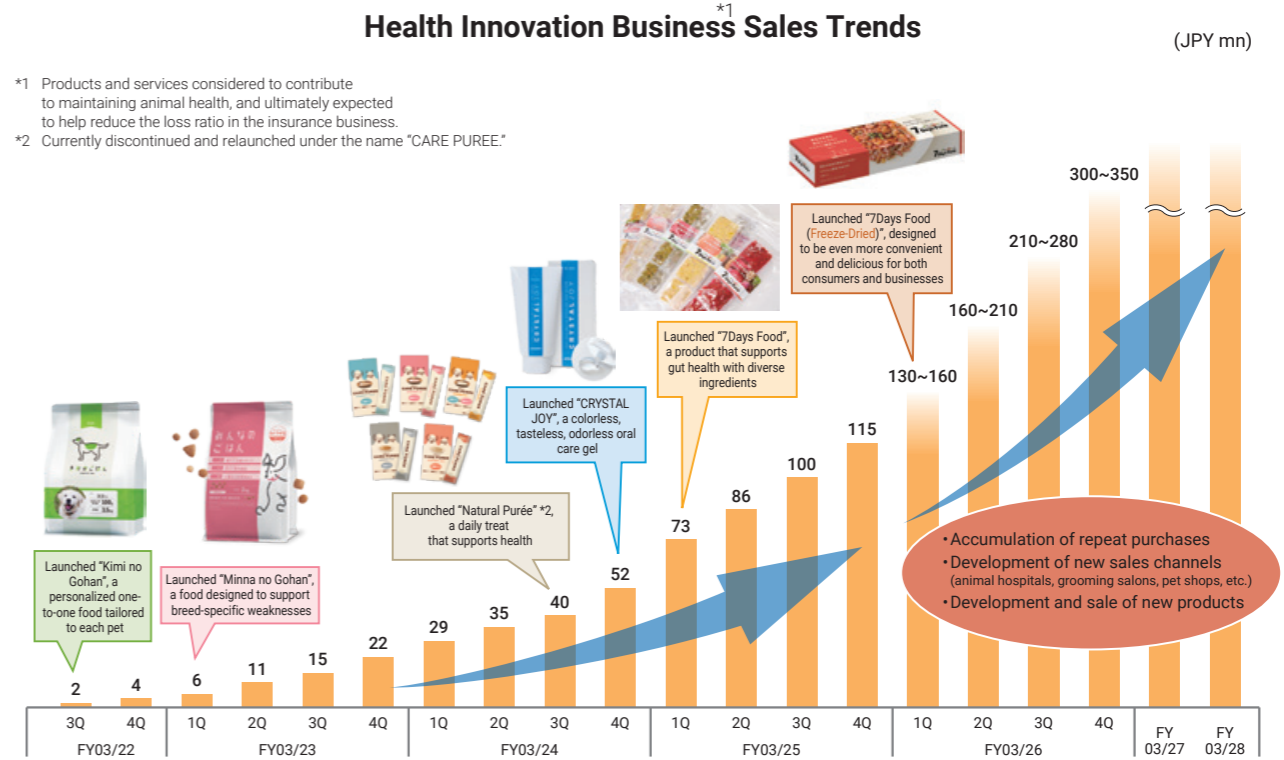
KPIs for Veterinary Clinic Management Business

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.





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.

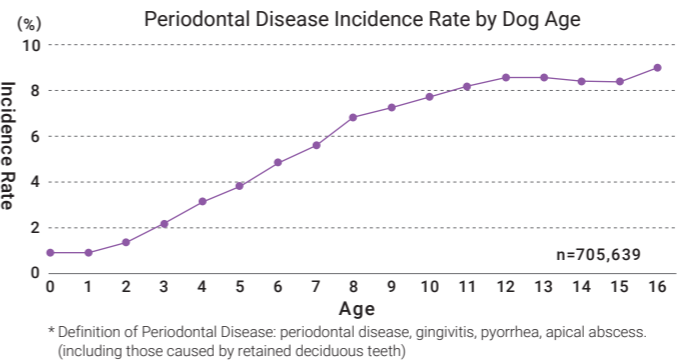


## Periodontal Disease is the Root of All Illnesses

"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.



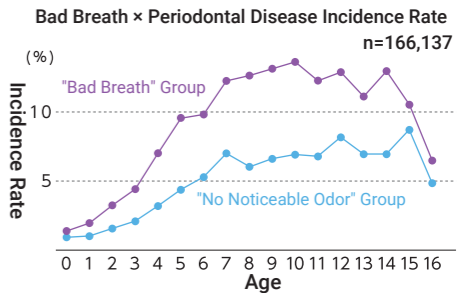
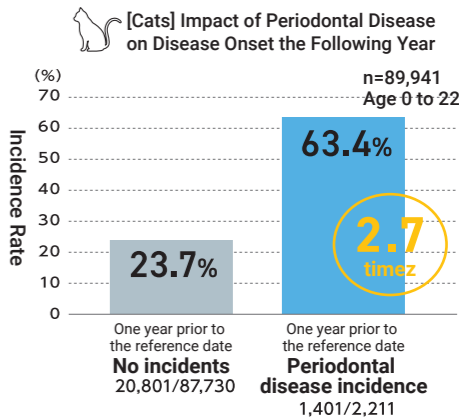
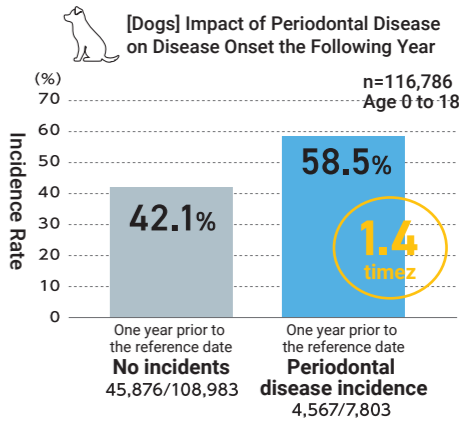
After analyzing data of over 4.3 million Anicom insurance claims, we found that dogs with periodontal disease had an approximately 1.4 times higher incidence rate of all diseases the following year compared to healthy dogs.

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.

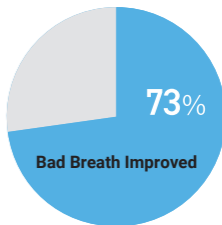
We will continue to promote the importance of oral care to improve pet health.



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.

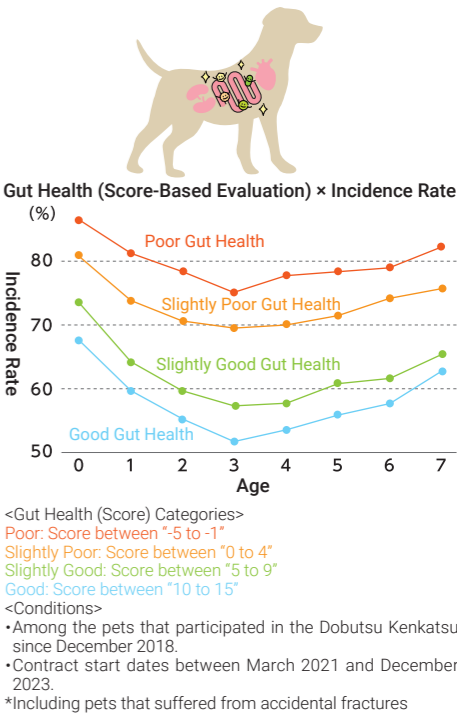
APPROACH 2

# 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.”



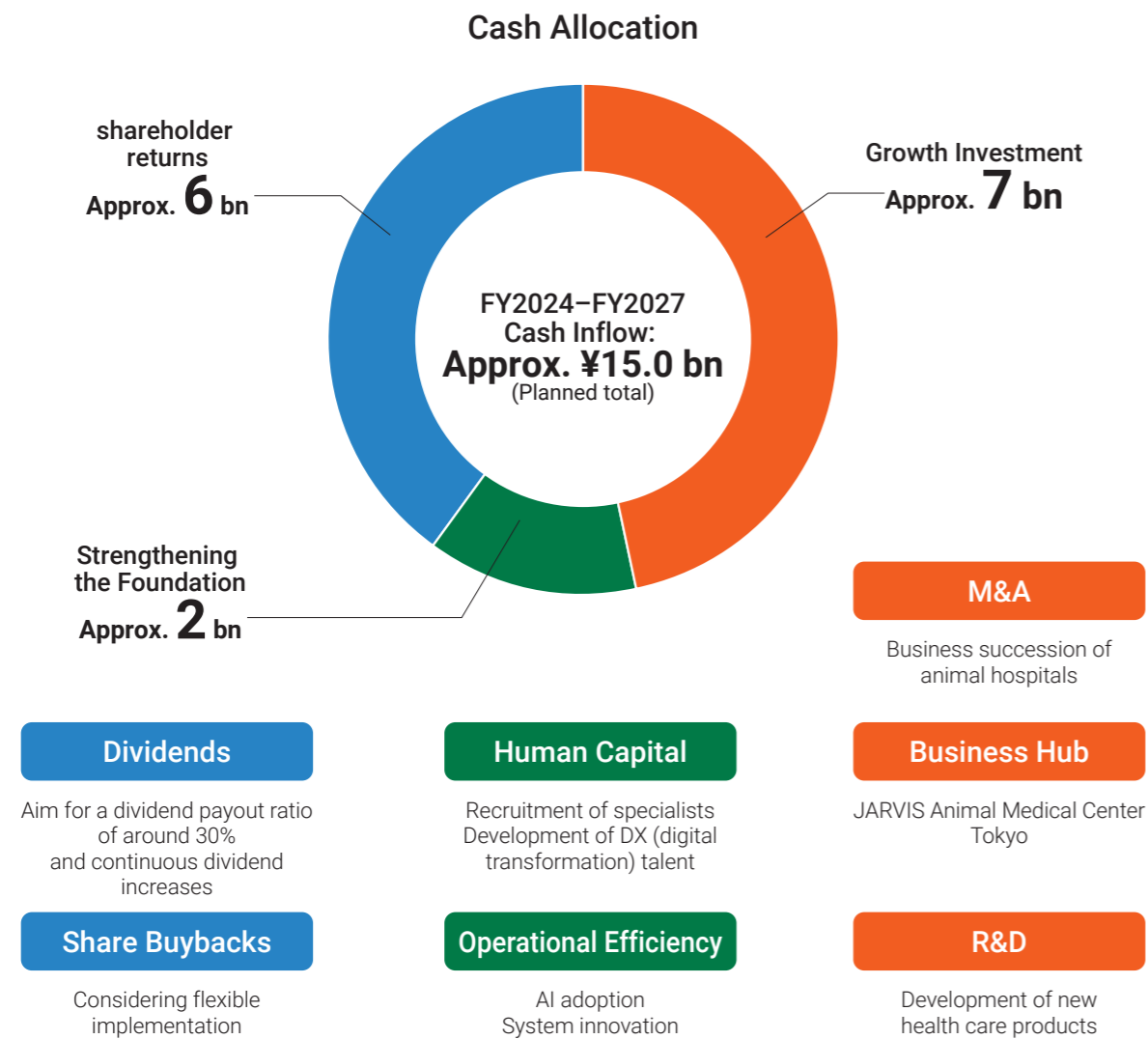
## Food for Proper Gut Care

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.



# 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.



**[Impact of ESR]**

- New legal regulations require assets and liabilities, such as underwriting reserves, to be evaluated based on economic value
- Reclassification from “Other Insurance” to “Pet Insurance,” which has a lower risk coefficient
- Considering utilization of surplus capital

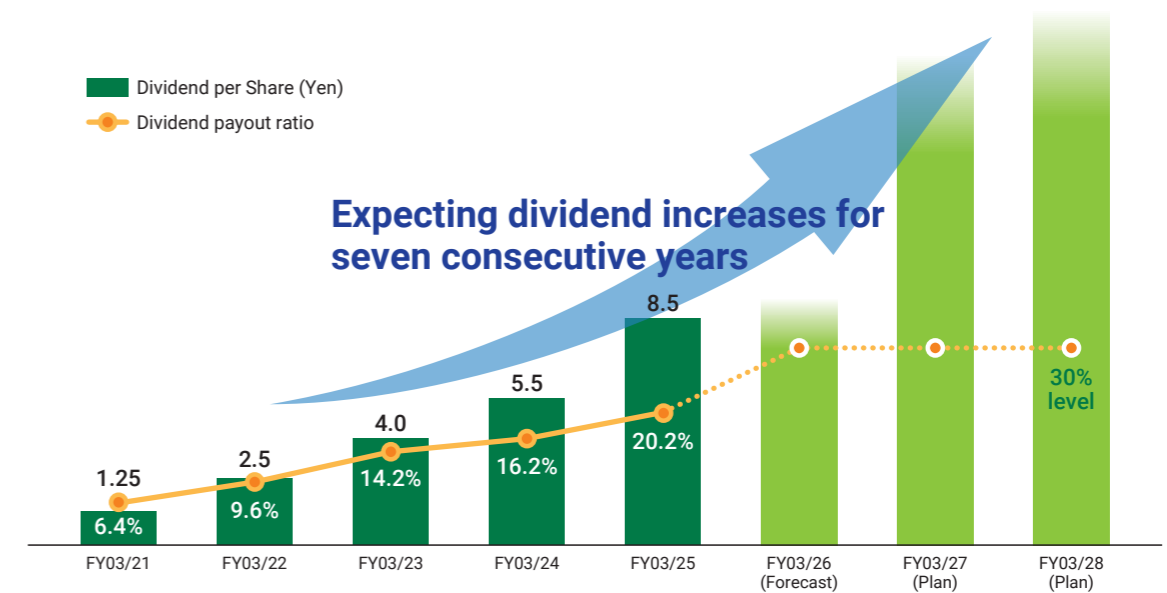
Shareholder returns will primarily consist of dividends. Share buybacks will also be implemented with flexibility.

## Target payout ratio of 30%

Aiming for continuous increases in line with profit growth

## Share Buybacks

To be determined based on business performance, capital conditions, stock price levels, and growth investment opportunities



# 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	FY2030
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
<div>Post-employment training</div> <ul style="list-style-type: none"><li>•New employee training (for 3 weeks after joining the company)</li><li>•Mid-career employee training (for 2 weeks after joining the company)</li><li>•OJT by department</li><li>•Subsidise costs of taking the non-life insurance salesperson qualification exam</li><li>•New graduate OJT trainer (SP) system/Junior employee training</li></ul>	<div>Self-development support</div> <ul style="list-style-type: none"><li>•In-house study abroad system</li><li>•360 degree feedback</li><li>•Goal challenge system</li><li>•Job rotation system</li><li>•Division Managers Meeting/ Management Meeting Observation Opportunities</li></ul>	<div>General training</div> <ul style="list-style-type: none"><li>•Compliance training (6 times a year)</li><li>•All employees test (once a month)</li><li>•Harassment training (twice a year)</li></ul> <div></div>
<div>Self-improvement</div> <ul style="list-style-type: none"><li>•E-learning (Benefit Station)</li><li>•Anicom University Mini Seminar (formerly Anicom University)</li><li>•Subsidise costs to attend veterinary conferences</li><li>•Training for new recruits</li><li>•Subsidise costs for attending General Insurance Institute of Japan courses</li></ul>	<div>Hierarchy-specific training</div> <ul style="list-style-type: none"><li>•Follow-up training (for employees hired directly out of University who are in their 1st to 3rd year of employment with Anicom)</li><li>•Mid-level leader development training (selected)</li><li>•Next-generation manager training (selected)</li><li>•New manager training (division manager/section manager)</li><li>•External training for executive candidates</li></ul>	

# 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) = ∞ (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]

Pets

- Mental and physical health
- Supply chain transparency
- Improved status of pets

People

- Providing a sense of purpose in life
- Contribution to community revitalization
- Fairness in educational opportunities
- Strengthening social functions
- Health and wellbeing

Environment

- Responding to climate change
- Biodiversity conservation

Numerical Targets for Addressing Each Challenge

Strategy of one patent per employee

Over 100 inventors

Community events for the elderly, people with disabilities, and children

20 times/year

Support programs for the elderly and employment for people with disabilities

to be launched in phases (progress will be announced as it is made)

Child education support (number of participants in animal hospital experience, etc.)

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)]

	Birth	Welcoming	Living	Bereavement
Specific Initiatives	<ul style="list-style-type: none"><li><b>Genetic testing</b> Eradicating hereditary diseases and promoting the supply of healthy animals</li><li><b>Breeding support</b> Animal welfare, reduced environmental impact, and compliance with the Act on Welfare and Management of Animals</li></ul> <div></div>	<ul style="list-style-type: none"><li><b>Minna no Breeder (Everyone's Breeder)</b> Securing traceability of pet supply chain</li><li><b>Adoption matching (hugU)</b> Supporting pet owners in unavoidable situations</li></ul> <div></div>	<ul style="list-style-type: none"><li><b>Gut microbiota measuring service</b> Early disease detection and health management</li><li><b>Locally sourced pet foods for local consumption</b> Providing foods with low environmental load</li><li><b>Pet insurance</b> Appropriate provision of veterinary care</li><li><b>Individual identification</b> Eliminating euthanasia of lost pets</li><li><b>Training classes</b> Lowering the barriers to pet ownership, preventing abandonment</li></ul> <div></div>	<ul style="list-style-type: none"><li><b>Regenerative medicine/cell therapies</b> Curing the “incurable” and extending healthy lifespans</li><li><b>Senior dog care homes</b> Easing the burden of senior-dog care</li><li><b>Lifelong care facilities</b> Providing a place for pets that have lost their owners</li></ul> <div></div>
Local Community Engagement	<ul style="list-style-type: none"><li><b>Local government partnerships</b> Collaborating to raise awareness of animal welfare, zero euthanasia, and disaster readiness</li><li><b>Animal therapy</b> Providing opportunities for interaction, extending people's healthy lifespans</li></ul>	<ul style="list-style-type: none"><li><b>Pet-friendly group homes</b> Alleviating loneliness and anxiety among the elderly and people with disabilities</li><li><b>Pet-friendly housing</b> Providing housing where owners can live with their pets</li><li><b>Educational support for children</b> Inspiring a greater motivation to learn by giving children direct experiences with the brilliance of life</li></ul>	<ul style="list-style-type: none"><li><b>Employment of elderly persons/people with disabilities</b> Generating employment and meaningful work in breeding facilities</li><li><b>Contribution to peace</b> Communicating unconditional love as a pathway to peace</li></ul> <div></div>	
<b>Environmentally conscious management (TCFD compliant)</b> <div></div>				
<b>Basis for value creation</b> Development of ERM structures, compliance, information security, human resource and organizational management, internal auditing, strengthening of risk management systems <div></div>				

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# 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

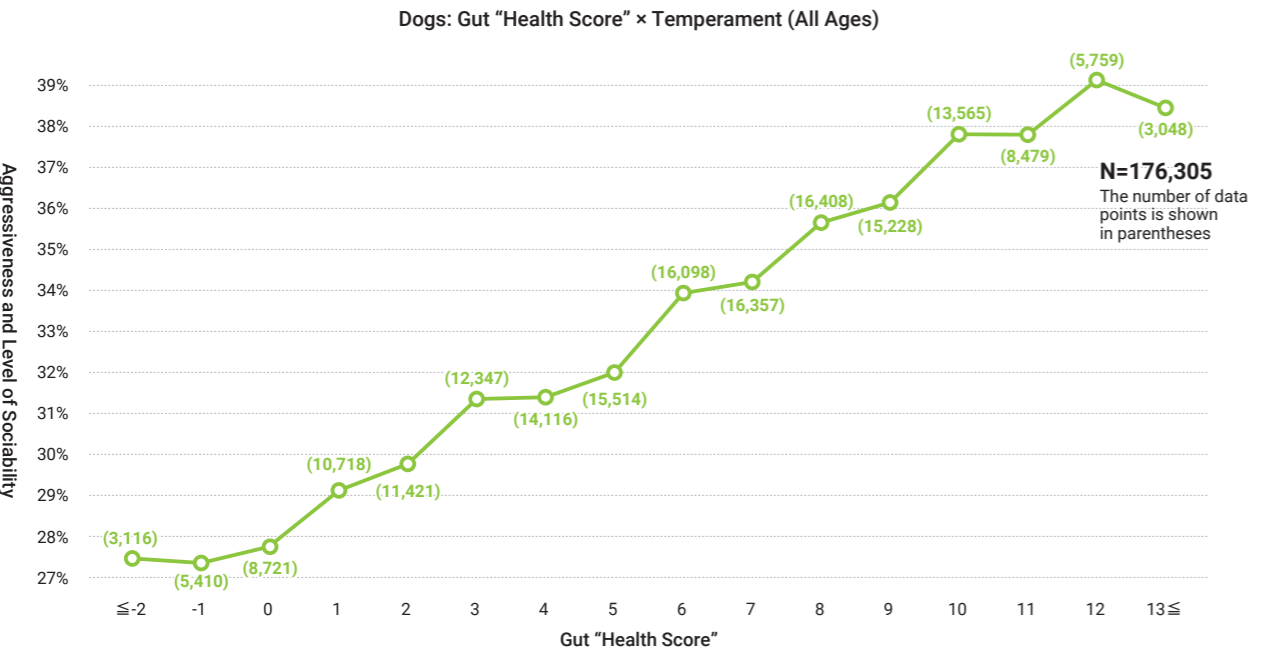
At Anicom Group, we provide solutions to promote the health of all animals so they can lead healthy and happy lives. These include oral care focused on preventing periodontal disease and gut care targeting gut health, which is considered a barometer of immunity.

\*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

	Item	Results			
		FY2021	FY2022	FY2023	FY2024
Contributions to Animals	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.

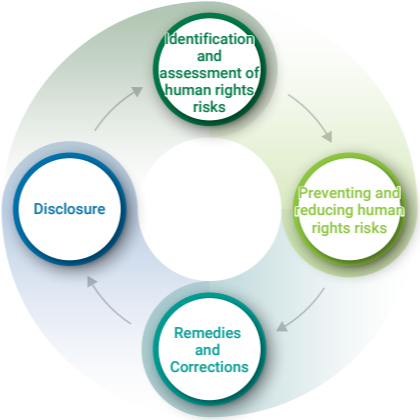


# Respect for Human Rights

## 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.

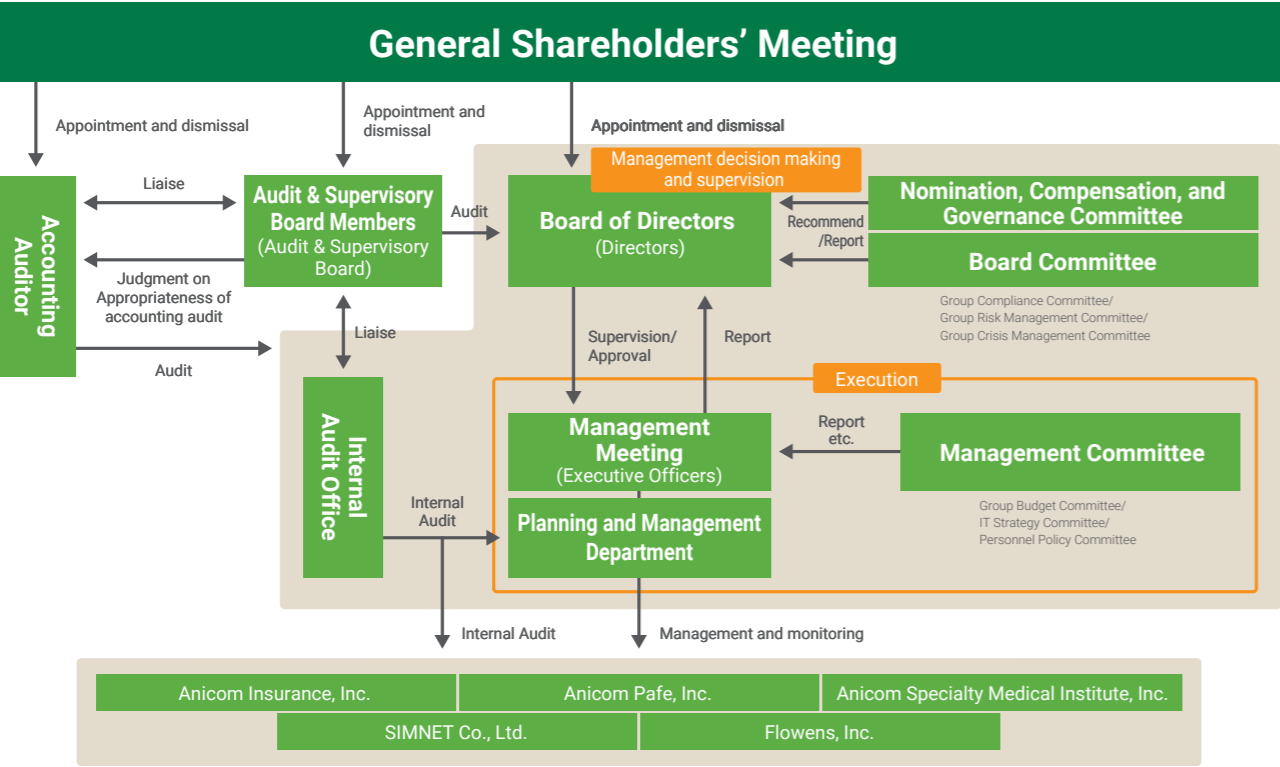
In April 2023, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We believe that disclosures based on the TCFD recommendations will be beneficial in promoting our efforts to address climate change, and have therefore taken steps to disclose information 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	FY2030
Scope 1+2 GHG emissions (Unit: t-CO <sub>2</sub> )	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 CO<sub>2</sub> emissions from company vehicles through the use of J-Credits.