Anicom Holdings, Inc. Q&A Summary
Q2 FY03/27 Financial Results Briefing

November 10, 2026

Q: What prompted the decision to revise premiums at this time, and what was the basis for setting the average increase at approximately 6.3%?

A: We have prioritized improving the loss ratio by promoting preventive care. However, given the time required for these efforts to improve the loss ratio, and taking into account factors such as competitors' premium levels, we decided to revise premiums at this time. In determining the scale of the increase, we considered the risk that a substantial increase could cause policyholders to leave, potentially worsening the loss ratio. We therefore judged an average increase of approximately 6.3% across all insurance products to be appropriate. The increases vary by age, with smaller increases for younger pets and increases of around 20% for older pets.

Q: Do the estimates of the earnings improvement from the premium revisions factor in policyholder attrition?

A: The estimates factor in a certain level of policyholder attrition. They are based on past experience with premium revisions and policyholders' responses to premium increases as their pets age, among other factors.

Q: If the loss ratio continues to rise due to inflation and other factors, would you consider further premium revisions?

A: We will continue to prioritize improving the loss ratio through preventive care initiatives while assessing policyholders' responses to the current premium revisions. However, if the loss ratio

deteriorates more than expected, we will consider further premium revisions.

Q: What is the average age of pets covered by your current pet insurance policies in force?

A: Although we have not officially disclosed the average age of pets covered by our policies in force, it is approximately five years. We will consider disclosing this information in the future.

Q: What has caused unrealized losses on available-for-sale securities to widen to ¥3.8 billion, and how do you plan to address this?

A: The main cause is the decline in foreign bond ETF prices due to rising interest rates. We plan to gradually review our holdings of foreign bond ETFs, including considering partial sales, while taking into account interest rate trends and the balance with investment revenue.

Q: What is the status of your review of the 210% management target for the economic value-based solvency ratio (ESR), and what are your views on additional share repurchases?

A: The 210% ESR management target was set partly with reference to other companies' levels when we first disclosed the ratio. We continue to discuss the appropriate level for our Group and are considering revising the management target. We also view share repurchases as one option for capital allocation and will consider them while balancing with growth investments.

Q: Why is JARVIS Animal Medical Center Tokyo taking longer to become profitable than leading advanced veterinary care facilities, and what is the outlook?

A: The main reason is that JARVIS Tokyo has only been open for approximately one year and is still in the process of recouping its initial investment. Established operators, by contrast, have been operating for more than 10 years and are therefore at a different stage of investment recovery. We plan to expand revenue in line with our plan and improve profitability.

Q: What are your plans for closing or scaling back existing animal hospitals other than JARVIS Animal Medical Center Tokyo, and what is the anticipated scale of these measures?

A: We will continue to review existing animal hospitals based on their profitability and operational structures. However, most hospitals are operating stably, and we have no plans for large-scale consolidation in the short term. We will conduct these reviews gradually, according to each hospital's circumstances, focusing on those facing profitability or operational challenges.

Q: What is behind the decline in pet selling prices at Simnet?

A: Pet selling prices are declining at pet shops as well as at Simnet. We believe that rising living costs have dampened consumers' willingness to buy pets, resulting in sluggish demand, while supply has remained largely unchanged. This shift in the supply-demand balance has driven down selling prices across the market.