

# Anicom's Business Model

anicom's business model

Securities Code: 8715



# 1

# Company Profile

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# 1. Overall group profile and group history



## Anicom Holdings, Inc. Subsidiary Business Management

Capital: JPY8.202bn  
Established: July 2000



### Anicom Insurance, Inc.

#### Non-life insurance business

##### | Pet insurance

Capital: JPY6.550bn  
Established: January 2006



### Anicom Pafe, Inc.

#### Animal hospital support operations

Capital: JPY50mn  
Established: December 2004



### Anicom Specialty Medical Institute, Inc.

#### Clinical research on animal medical care

Capital: JPY50mn  
Established: January 2014



### SIMNET Co.,Ltd

#### Pet-related internet services

Capital: JPY100mn  
Established: March 2001  
Conversion into a subsidiary  
: January 2020



### Flowens, Inc.

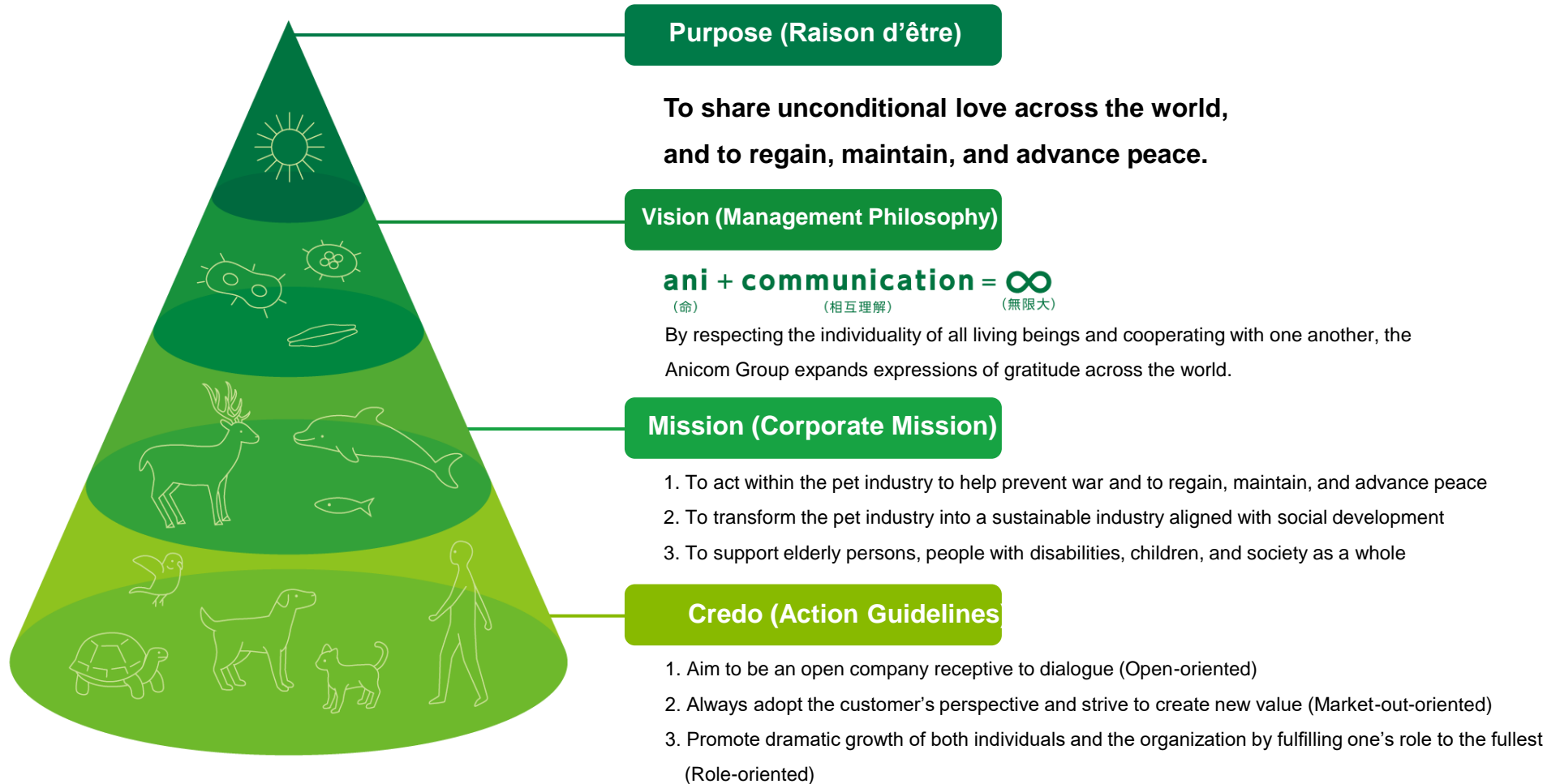
#### Breeding Business

Capital: JPY100mn  
Established: April 2020  
Conversion into a subsidiary  
: March 2024

Apr. 2000	Established anicom as voluntary association (mutual aid association for pets)
Jul. 2000	Based on anicom, established BSP Inc. as an animal insurance business entrustment company. (Changed trade name to Anicom International, Inc. in January 2005, and to Anicom Holdings, Inc. in June 2008)
Dec. 2004	Established Anicom Pafe, Inc.
Feb. 2005	Established Anicom Frontier, Inc.
Jan. 2006	Established Anicom Insurance Planning, Inc. to prepare for the establishment of an insurance company (changed trade name to Anicom Insurance, Inc. in December 2007)
Dec. 2007	Anicom Insurance, Inc. acquired a nonlife insurance business license Anicom International, Inc. acquired certification as an insurance holding company
Jan. 2008	Start of sales of pet insurance by Anicom Insurance, Inc.
Apr. 2008	Start of pet insurance coverage by Anicom Insurance, Inc.
Nov. 2009	Published "White Paper on Household Animals" (published annually thereafter)
Mar. 2010	Anicom Holdings, Inc. listed on the Tokyo Stock Exchange Mothers market; (securities code: 8715)
Jan. 2014	Established the Japan Animal Specialty Medical Institute, Inc. (currently, Anicom Specialty Medical Institute, Inc.)
Jun. 2014	Anicom Holdings, Inc. shares moved to First Section of Tokyo Stock Exchange
Jul. 2015	Established Anicom Capital, Inc.
Apr. 2016	Established Celltrust Animal Therapeutics Co., Ltd. as a joint venture between Anicom Holdings, Inc. (49% stake) and Fujifilm Corporation (51%)
Mar. 2017	Established Hong Kong Anicom Company Limited as a joint business related to animal medical care in China with 49% of funding by our company
Jan. 2020	Acquired all shares of SIMNET Co.,Ltd. making it a wholly-owned subsidiary
Mar. 2021	Dissolution of the joint venture agreement with Fujifilm Corporation and transfer of the business of Celltrust Animal Therapeutics Co., Ltd. to Anicom Specialty Medical Institute, Inc. Dissolution of Anicom Capital, Inc.
Feb. 2022	Acquired Hong Kong Anicom Company Limited as a subsidiary by underwriting of capital increase
Apr. 2022	Transited to Prime Market from 1st Section by Market Restructuring of Tokyo Stock Exchange
Oct. 2022	Anicom Pafe, Inc. absorbed and merged Anicom Frontier, Inc.
Mar. 2024	Acquired shares in Flowence, Inc. and made it a consolidated subsidiary

## 2. Group's Philosophy Framework

Amidst the dramatic changes in the environment surrounding society, the Anicom Group, as a member of the pet industry, has positioned this philosophy framework as the highest-level concept of our management. This framework represents our commitment to contributing to the resolution of social challenges, while further enhancing corporate value and achieving sustainable growth.

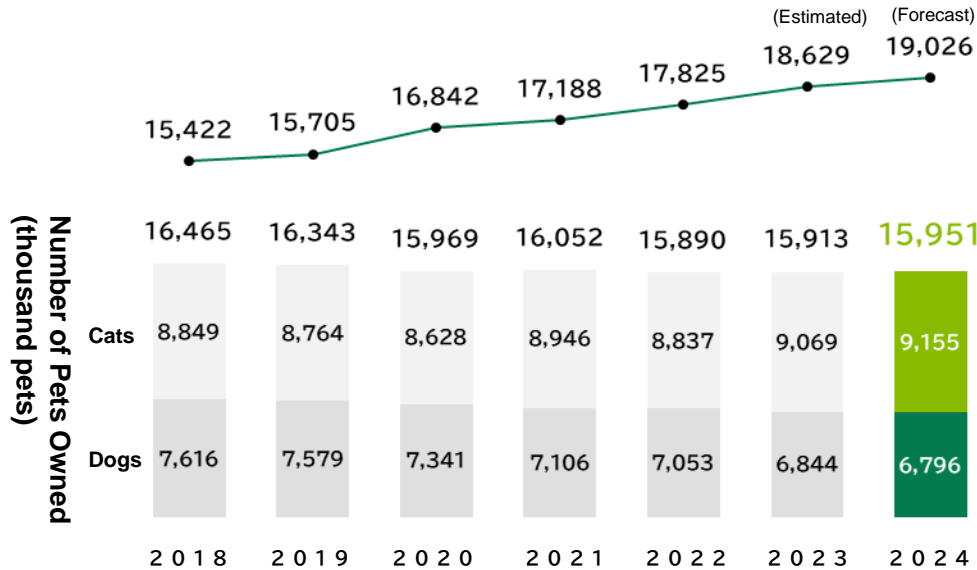


# 3. Market Environment

## (1) Trends in the Pet-Related Market

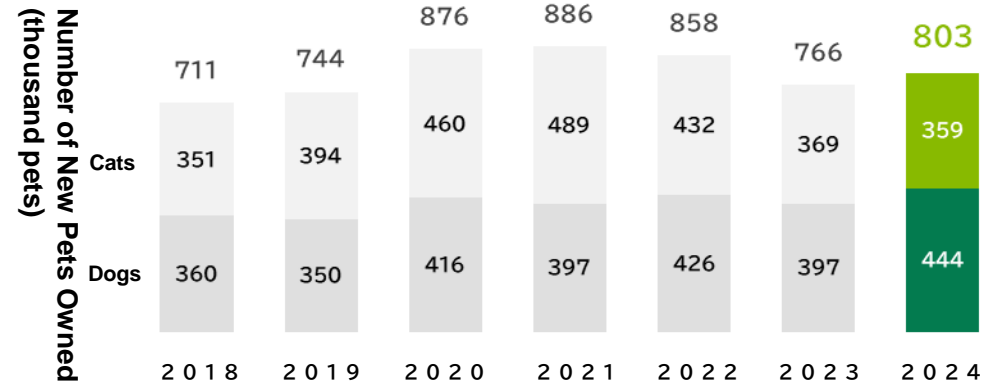
- The overall market size of the pet industry continues to expand
- With growing demand for high-quality, high-priced products driven by premium preferences, the market is shifting from quantitative expansion to qualitative improvement
- Since the COVID-19 pandemic, the total number of pets owned has remained flat, and the recent decline in new pet ownership—both dogs and cats—appears to be leveling off

(Market Size of the Overall Pet Industry: JPY 100 mn)



Source: Pet Business Marketing, Yano Research Institute Ltd.  
Source: Japan Pet Food Association

Note: Due to changes in estimation methods by the source, there may be differences from previously published figures.



Source: Japan Pet Food Association

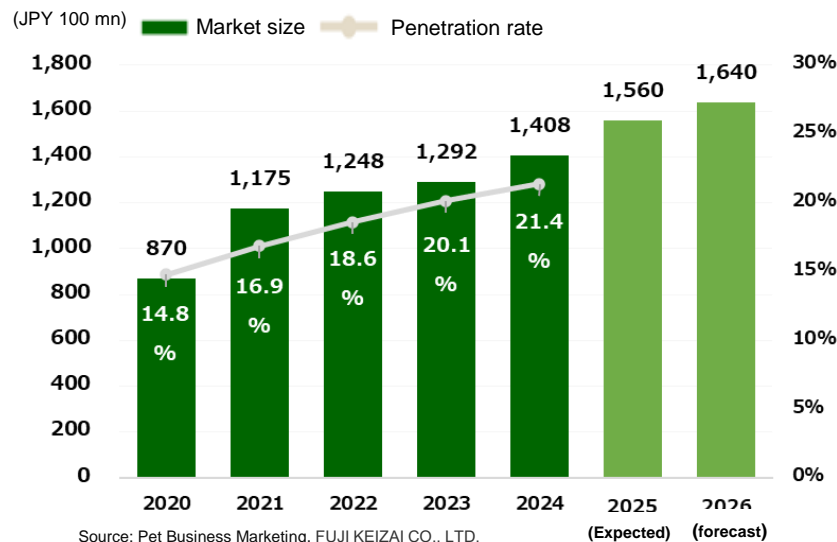
We are entering an era where brand strength and unique business models determine market choice

# 3. Market Environment

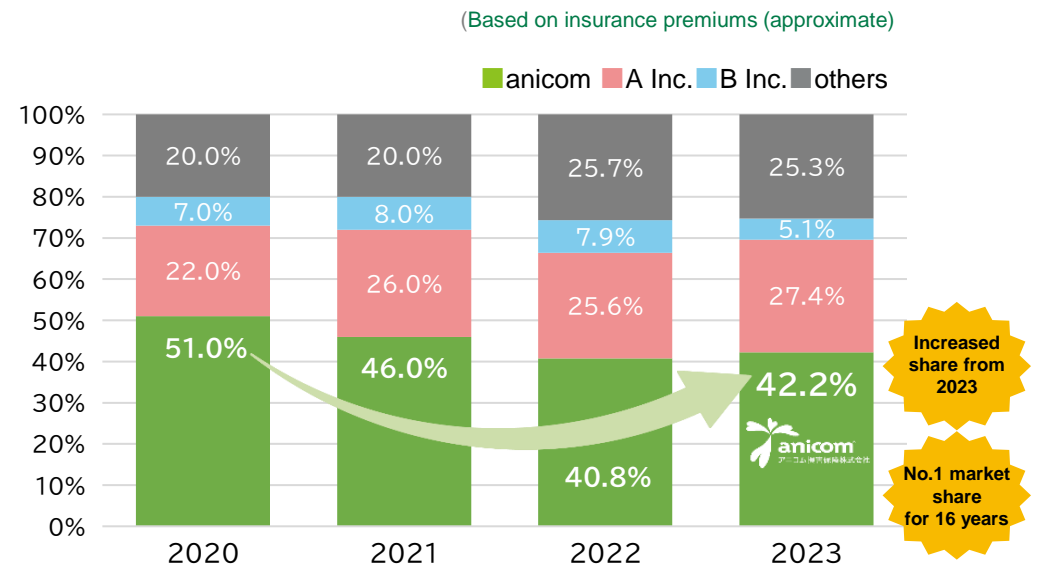
## (2) Trends in the Pet Insurance Market

- Interest in pet insurance is growing due to factors such as pets living longer, advances in veterinary medicine, and the effects of inflation.
- Market development is progressing as major life and non-life insurers and companies from other industries enter the market, leading to a rise in pet insurance penetration.
- As competition intensifies and loss ratios rise, internet-based insurers are withdrawing one after another, and industry consolidation is underway.

Pet Insurance Market Size



Changes in Market Share by Pet Insurance Company



Estimated by Anicom based on each company's disclosure materials and public financial announcements for FY2023

With the overall market expanding, we expect to further increase our share through collaboration with other companies



# 4. Pet insurance products

## 01 Pet health insurance



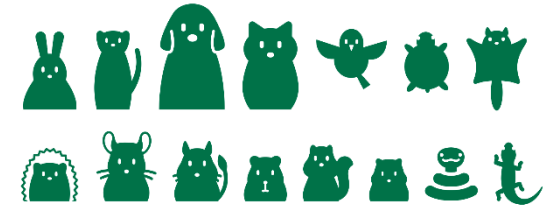
Two coverage plans: 70% and 50%

## 02 Premiums and product features

	70%プラン 支払限度額と 限度日数(回数)	50%プラン 支払限度額と 限度日数(回数)
通院	1日あたり最高 14,000円まで 利用できる日数は各20日まで(年)	1日あたり最高 10,000円まで 利用できる日数は各20日まで(年)
入院	1日あたり最高 140,000円まで 利用できる回数は2回まで(年)	1日あたり最高 100,000円まで 利用できる回数は2回まで(年)
手術	1回あたり最高 140,000円まで 利用できる回数は2回まで(年)	1回あたり最高 100,000円まで 利用できる回数は2回まで(年)

Maximum payout and hospitalization stays covered by full coverage products

## 03 Coverage for wide range of animals



Total of 15 species covered

### Product development meeting various demands

Our main product, Animal Health Insurance Family, can be utilized for medical treatment at any animal hospitals, and covers fees incurred for hospital visits, hospitalization, and surgery. Also, we offer Animal Health Insurance Petit specializes in hospitalization and surgery with low premiums, and Animal Health Insurance Senior targets dogs and cats over 8 years old, and specializes in hospitalization and surgery.

(Note) Neither product offers death cover.

### Newly added service “Doubutsu Kenkatsu”

In December 2018, we started providing insurance incorporating gut microbiota measurements and a medical-examination recommendation service. It is the first service of its kind in the insurance industry. Utilizing the service, we aim to become a prevention-oriented insurance company which makes policyholders healthier.

### Premiums determined by breed and age

The annual premium is around JPY34,000 for a one-year-old chihuahua and JPY71,000 for a five-year-old golden retriever on the 70% plan, full coverage product. Our premiums increase more gradually with age compared to our competitors.

### Controlling loss ratio by policy limits (payouts and hospitalization days)

Each insurance product sets limits on the payout amount and hospitalization days covered to keep the loss ratio under control. That being said, coverage is made generous so that policyholders will be satisfied with their payout.

### 15 species of animals eligible for coverage

In addition to dogs and cats, insurance can be issued for other popular pets such as birds, rabbits and ferrets. Moreover, we started proving insurance for Japanese flying squirrels, squirrels, hamsters, mice, guinea pigs, hedgehogs, turtles and lizards from 2016, and chinchillas and snakes from March 2019. As a result, the number of covered animals became one of the largest in the industry.

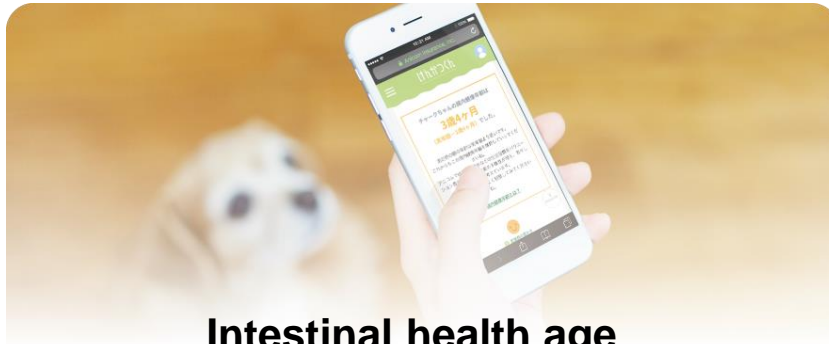
### Lifelong renewals

We accept new policies for dogs and cats of all ages. Although the policies are non-life insurance products that must be renewed annually, they can in principle be renewed throughout a pet's lifetime.

## 4. Pet insurance products

"Doubutsu Kenkatsu" (microbiota measurement + medical checkups)

**We provide free gut microbiota measurement services for policy holders.**



### **Intestinal health age**

By comparing test results with the same species' average microbiota balance, we measure the animals' intestinal health age. We offer the test once a year, so that policyholders can utilize the results for health care.



### **likelihood of illness**

We measure the likelihood of getting sick by using the tens of thousands of microbiota research data and statistical data based on insurance payouts.

(Note) Microbiota measurement is not a diagnosis.



### **Checkup recommendation**

Depending on the test results, we recommend a free medical checkup (blood test) at animal hospitals of our designation. We aim to prevent and detect illness in early stages through this service.



### **One to One food**

Anicom Pafe, a Group company, started selling "Kimi no Gohan: microbiota," a one-to-one food based on the results of microbiota measurements, in 2021. The food is tailored to the individual body condition to protect the health of pets.



# 5. Anicom's strengths

## ① Our Greatest Strength: The "over-the-counter payment system" paired with our industry's leading number of partner hospitals※

※As of September 2025, based on Anicom's research

OTC settlement flow



The insurance payout temporarily shouldered by the animal hospital (JPY7,000 in the case above) is paid to the animal hospital by Anicom at the end of the month.

**Our OTC settlement system, which facilitates a smooth link between policyholders, animal hospitals and Anicom, is available across nearly the entire country. The high barriers to entry in this segment of the market give us a substantial competitive advantage.**

### 01 Great customer convenience

We established an over-the-counter (OTC) settlement system for animals, allowing policyholders to pay only uncovered amounts out of pocket simply by presenting their insurance card at the hospital (similar to the National Health Insurance system). Our Japan's first business model centered on ease of use is the strongest point as medical treatment for pets is characterized by low cost but high frequency.

### 02 Broad partnership with hospitals

We have always worked to expand the network of hospitals accepting Anicom insurance. Consequently our network has grown to 6,900 hospitals (more than 50% of all animal hospitals in Japan). In addition, Anicom is highly competitive because newly opened hospitals are more likely to partner with an insurance company that has a broad presence in the market as their first choice.

### 03 Low administrative costs

Compared to the traditional claim, which incur administrative costs such as bank transfer charges, postage, and assessment costs per every claim, our OTC settlement system has reduced this cost significantly. Of the annual 4.3million claims we receive, roughly 87% are settled over the counter, resulting in high business efficiency.



**GOOD DESIGN  
AWARD 2024**

Anicom has become the first\* pet insurance company to win the Good Design Award for its "Dobutsu Kenpo," the insurance "that makes pets healthier." \*According to the award recipient.

# 5. Anicom's strengths

## ② Sales capability covering all of Japan and variety of channels

### 1 Newborn channel (FLOW)

Our largest channel targeting newborn animals has mainly been sold through pet shops and breeders.

This channel is distinguished by a high contract ratio and a low loss ratio due to the young age of the animals.

#### Insurance sales where owners meet their pets for the first time

This channel targets pets about to join new families. We have concluded agency agreements with major pet shops and breeders nationwide to sell pet insurance with the pets. In addition, we are pioneering channels such as adoption sessions to sell insurance at various occasions where owners meet their pets.

#### Product design that facilitates signup

Because newly sold pets are likely to experience discomfort due to sudden changes in environment, our newborn-oriented products offer 100% coverage for medical treatment expenses in the first month of the policy, thus encouraging customers to sign up. Compared to the general channel, the young age of the animals results in a low loss ratio over the mid-term, and therefore contributes to an improvement in management efficiency.



### 2 General channel (STOCK)

This channel is via OTC sales or online sales (direct sales by Anicom or sales by agents). It targets pets already owned by households, and is therefore massive market.

#### Massive market

This channel targets dogs and cats already owned by households (approximately 17 mn nationwide) and other pet species. In addition to online sales via our website, our policies are sold by online agents and over the counter by financial institutions. \*Principal agents: Sony Assurance, Meiji Yasuda Life Insurance, Asahi Mutual Life Insurance, Benesse Corporation, regional co-operatives, Yanase, regional banks, and shinkin banks.

#### Targeting scale expansion by strategic marketing

As dogs and cats of all ages are eligible for coverage, the market is huge. The animals insured are older than those in the newborn channel, we therefore aim to expand business by strategic marketing while considering the loss ratio impact. We also exercise control over fraud by requiring a strict preliminary screening and waiting period.



# 5. Anicom's strengths

## ③ Diversity of Human Resources

In addition to our 106 veterinarians\* our group also includes pharmacists, pet nurses, groomers, trainers, lawyers, patent attorneys, certified public accountants, actuaries, analysts, data scientists, and various other professionals. Each member leverages their expertise while collaborating with others to create unique value specific to our group.

\*As of the end of March 2025, according to Anicom's internal survey



### 1 Harnessing vets' expertise in insurance

We assess claims quickly and accurately by harnessing vets' knowledge and clinical experience. Many vets also play a role in preliminary screening, assessing animals' health and medical history so that we can provide a fair underwriting service.



### 2 Support for pet shops and breeders

Our vets provide an animal management support and hygiene guidance service. Buying a healthy animal not only ensures a lower loss ratio, but provides assurance to owners that their pet has been properly checked by a veterinarian. This also reduces claims against pet shops after the sale.



### 3 White Paper on Household Animals

Utilizing our annual millions of insurance payout data and Anicom survey, we annually release a report on Japanese household animals as world's biggest collection of data from 2010.





# 5. Anicom's Strengths

## ④ Creating Synergy

Since our founding in 2000, Anicom has upheld the establishment of prevention-oriented insurance as its core philosophy. With “prevention” as a key concept, we have pursued various initiatives and R&D efforts aimed at resolving social issues. Drawing on a database accumulated over a quarter-century in the insurance business, we aim to generate synergies not only within the Group but also across the pet industry—and even beyond.



### 1 Data Analysis Capability

Anicom aims to advance preventive care by identifying the causes of early-onset conditions through analysis of big data collected from 800,000 dogs and 300,000 cats, and implementing appropriate countermeasures.

#### Exploring the Causes of Cancer and Other Diseases



In exploring the causes of specific diseases, Anicom analyzes and leverages vast amounts of data, such as calculating the incidence rate of malignant tumors by disease and age group, going back as far as ten years. This analysis has led to the suggestion that the accumulation of chronic, minor inflammations, such as vomiting, diarrhea, and bloody stools, may be closely linked to the onset of cancer and other serious illnesses.

#### Utilizing Gut Microbiota Testing



To promote “prevention,” Anicom has focused on the impact of gut microbiota diversity on health and has developed related products and services. Since 2018, we have offered the Doubutsu Kenkatsu gut microbiota testing service to our pet insurance policyholders, with over 800,000 tests conducted as of the end of FY2024. In recent years, we have also uncovered a correlation between periodontal disease and illness incidence, and have launched new initiatives related to oral microbiota.

### 2 Advanced Veterinary Medicine

#### JARVIS Animal Medical Center Tokyo



We are opening a state-of-the-art animal hospital that offers advanced veterinary care, including robotic surgery. Specialists in a wide range of fields including orthopedics, neurosurgery, dentistry, and gastroenterology, will provide medical care for animals. The hospital will also introduce “TSURU,” a customized version of the Soroa surgical-assist robot developed by RIVERFIELD Inc., tailored for veterinary use. This will help further elevate the sophistication of Japan's surgical veterinary standards and contribute to the advancement of veterinary medicine not only in Japan but around the world.

# 5. Anicom's Strengths

## ④ Creating Synergy

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## 3 Development of New Products

### CRYSTAL JOY



This product contains the award-winning MA-T System, which received the Prime Minister's Award. It is characterized by being colorless, tasteless, and odorless. According to past survey results, after two weeks of use, 70% of users reported reduced bad breath, 50% noticed lighter pigmentation, 40% saw a reduction in tartar, and 40% experienced less slime on pet dishes.

### 7Days Food



We developed 7Days Food as a healthy, easy-to-continue daily meal option for pets, offering a different flavor each day, such as venison, cod, and salmon. Each meal contains over 12 different ingredients, and more than 55 across a week, helping to enhance gut microbiota diversity and support gut health.

## 4 Collaboration with Other Companies



To enrich life with pets, we believe that a broad perspective is essential. Accordingly, we collaborate with a wide range of companies, not only within the pet industry, but also in sectors such as housing, disaster prevention, and pharmaceuticals.

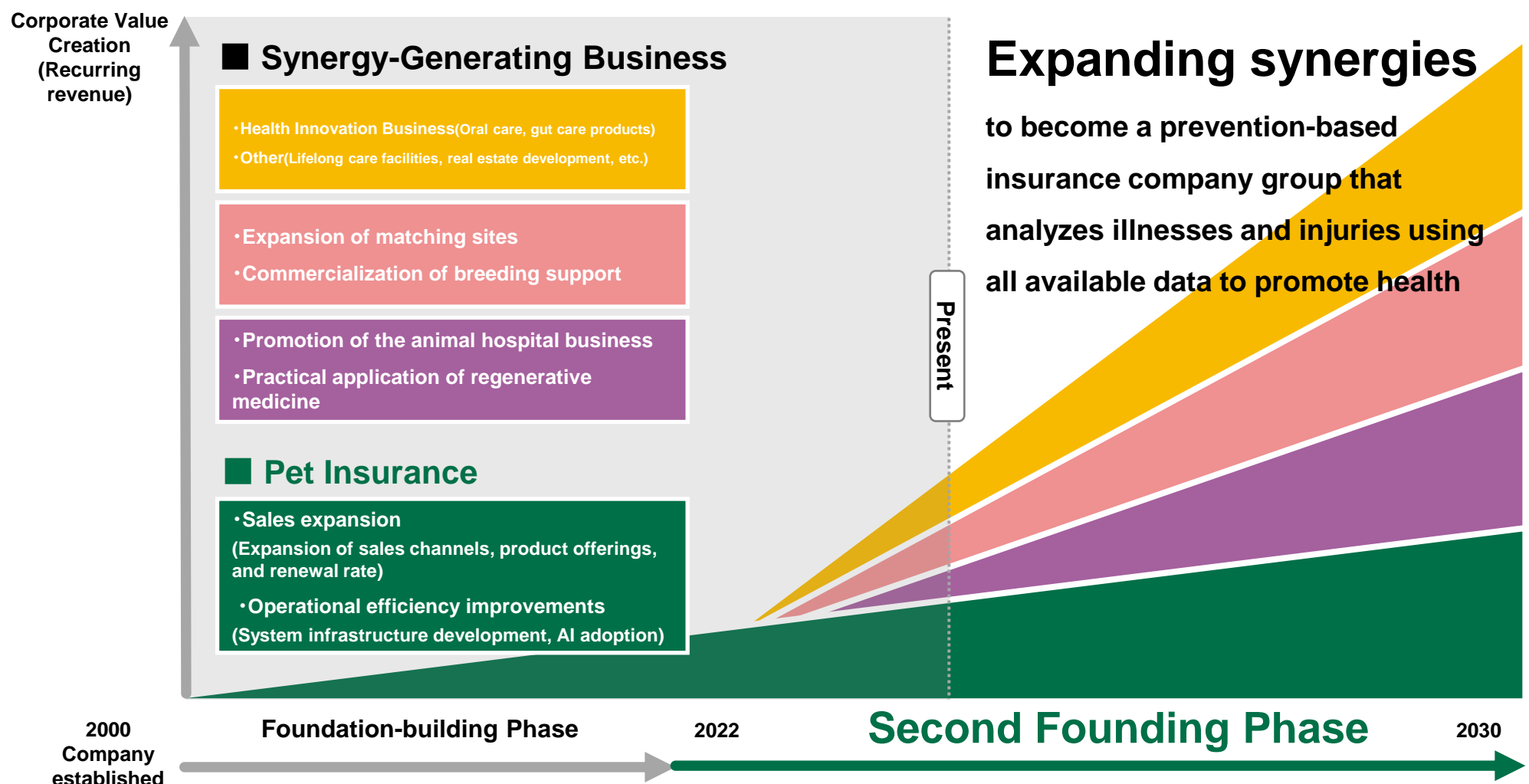
- 1. On Formulation of the Mid-Term Management Plan**
- 2. 2025-2027 Phase in Context of Vision for FY2030**
- 3. Intended Direction**
- 4. Key Management Targets (Consolidated)**
- 5. Capital Policy**
- 6. Overview of Basic Strategy (Priority Measures)**
- 7. Key KPIs**  
**(Insurance Business / Synergy-Generation Business)**
- 8. Sustainability Management (CSV Management)**





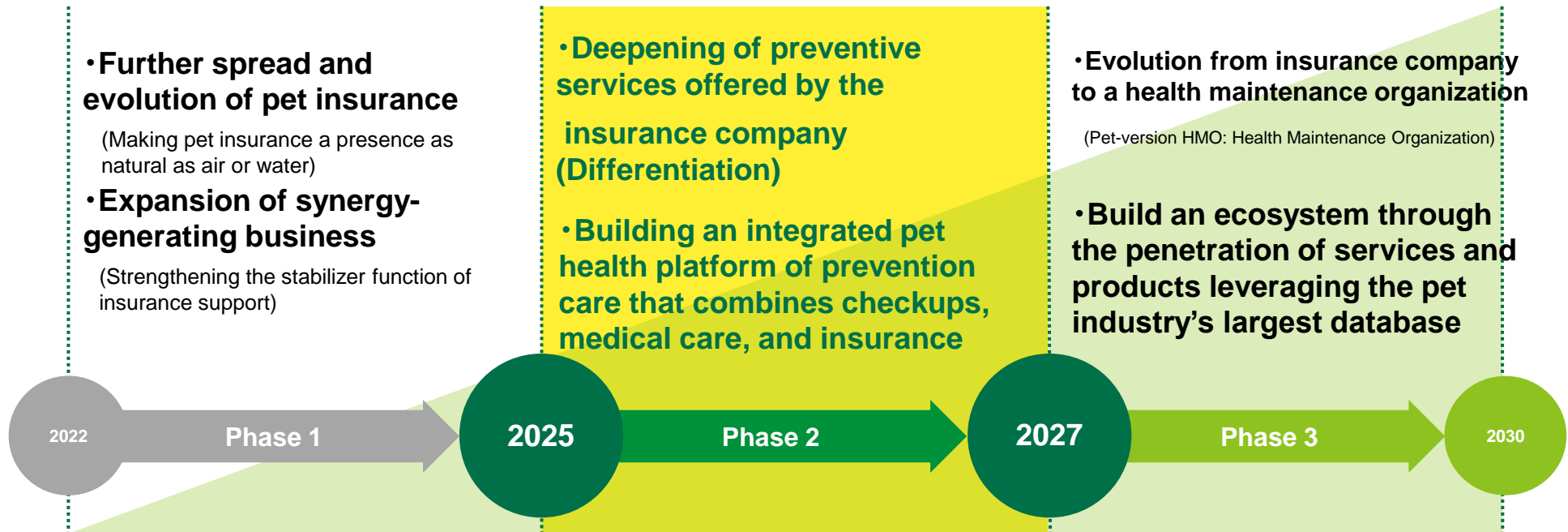
# 1. On Formulation of the Mid-Term Management Plan

- Creating new corporate value and sustaining high growth through the dual engines of the pet insurance business and synergy-generating businesses



## 2. 2025-2027 Phase in Context of Vision for FY2030

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



## Toward realizing the FY2030 vision

As an infrastructure provider that dynamically connects all stages of the animal industry -from upstream to downstream- we will deliver boundless value to society

### 3. Intended Direction

#### ● Major risks undermining the soundness of insurance company management



##### **Risk Concentration**

Individuals with higher accident risk are more likely to purchase insurance, and those who have used their insurance benefits tend to continue their contracts. As a result, high-risk policyholders become concentrated within the insurance portfolio, increasing the loss risk for the insurance company.



##### **Aging of In-Force Policies**

In insurance schemes where the loss ratio increases with age, failure to continually acquire new policies from younger customers leads to an aging portfolio, which puts pressure on the insurer's profitability.



##### **Medical Cost Inflation**

Advancements in medical technologies (such as surgery) and diagnostic equipment (such as MRI and CT scans) are driving up medical costs, leading to higher insurance payouts and directly impacting the insurer's profitability.

**The Anicom Group has identified the above three risks**

**as “major risks” and will implement countermeasures accordingly**

### 3. Intended Direction

#### ● Addressing major risks through the following two pillars



#### (1) Realization of Prevention-Based Insurance

By strengthening preventive services, we aim to create **insurance that “keeps you healthy just by enrolling,”** thereby enhancing the essential value of insurance, reducing payouts, and transforming the revenue structure of the underwriting business.

We will also reinforce our unique services to clearly differentiate our pet insurance offerings.



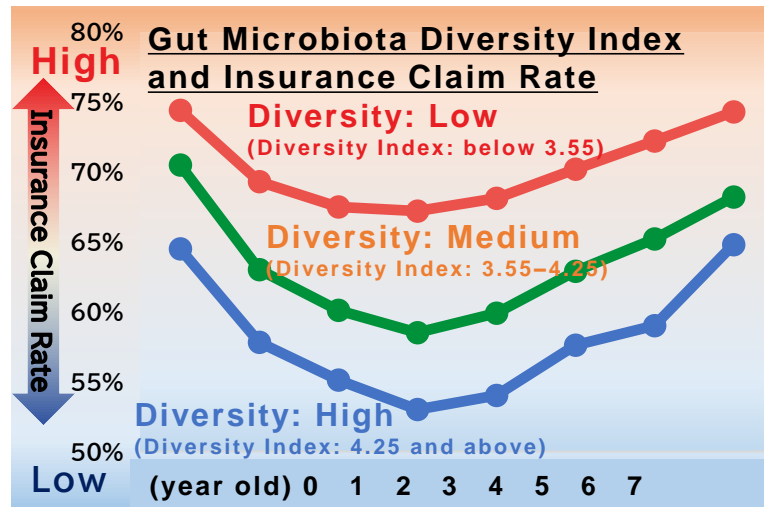
#### (2) Pioneering and Intellectual Property Development of Cutting-Edge Medical Care

We will lead the industry in obtaining regulatory approval for next-generation cutting-edge medical technologies such as **“robot-assisted surgery”** and regenerative medicine using stem cells, and convert these technologies into intellectual property, contributing to the advancement of veterinary care. Furthermore, by standardizing advanced medical care, we aim to curb medical cost inflation.

### 3. Intended Direction

#### (1) Realization of Prevention-Based Insurance

Transforming insurance into something people want to keep even when their pets are healthy through preventive services



#### Visualizing Immunity (Health Checkups)

One reason the prevention business is challenging is that while "illness" is visible, "health" is not. By using health checkups -such as gut microbiota testing- we can visualize "immunity," in other words, the degree of health. This helps boost motivation to maintain health and enables proactive approaches to prevention.

#### Appropriate Oral Care and Gut Immune Care

To prevent a decline in gut microbiota diversity, it is important not only to consume a varied diet but also to prevent the invasion of harmful bacteria.

A prime example of harmful bacteria is those associated with periodontal disease. Through oral care that blocks such bacteria and dietary recommendations that support microbial diversity, we aim to achieve effective prevention.



### 3. Intended Direction

#### (2) Pioneering and Intellectual Property Development of Cutting-Edge Medical Care



##### Promotion and Dissemination of Cutting-Edge Medical Care

Healthcare and aging care remain areas with strong growth potential even in human medicine. By leveraging the insurance company's big data on veterinary care together with advanced insights from the human field—such as regenerative medicine—we aim to enhance diagnostic capabilities and develop new treatment methods.

##### Standardization of Advanced Medical Technologies

Through active investment in AI-assisted diagnostics and robot-assisted surgeries that support advanced diagnosis and operations, we will both secure intellectual property for advanced medical care and work toward standardizing and optimizing medical costs.

[Reference]

Animal hospital providing cutting-edge advanced veterinary care, including robotic surgery:

JARVIS Animal Medical Center Tokyo

► Press release issued May 9, 2025:

<https://www.anicom-sompo.co.jp/newsrelease/2025/20250509/>

**Using advanced medical care including robotic surgery and insights gained from advanced research, we aim to reduce the risks associated with aging and medical cost inflation.**



## 4. Key Management Targets (Consolidated)

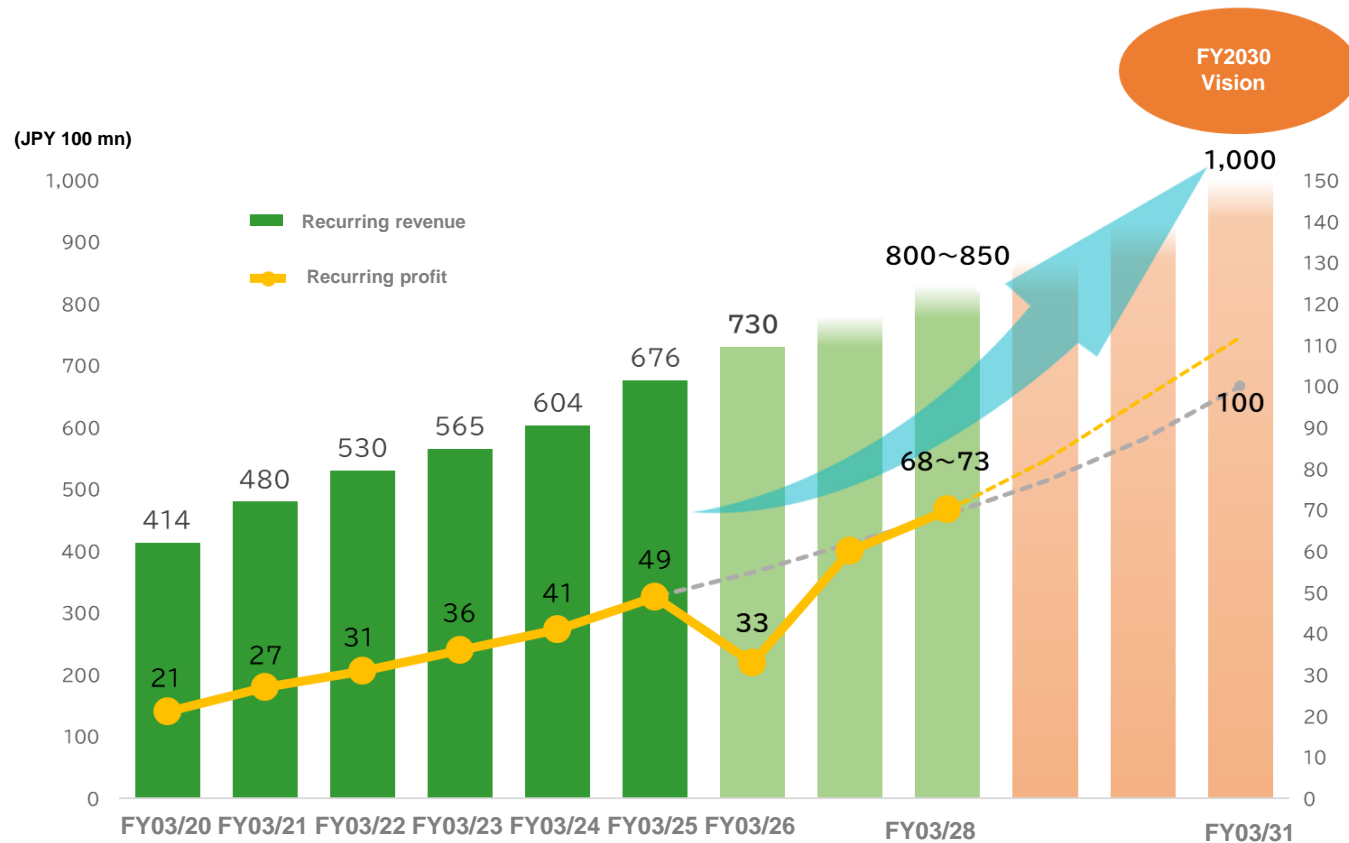
We will make upfront investments to realize prevention-based insurance, aiming for further profit growth over the medium to long term.

### 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%

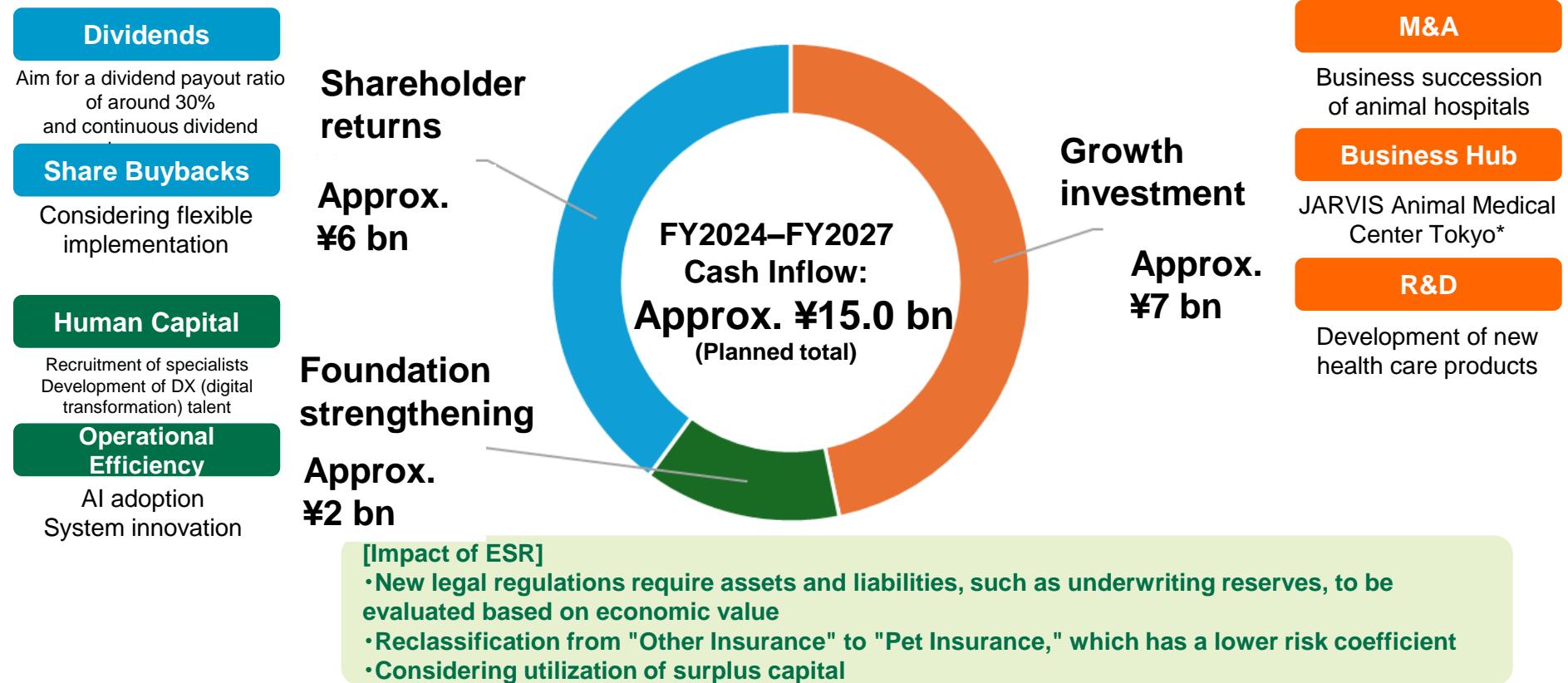


# 5. Capital Policy

## (1) Basic Policy

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

### Cash allocation



\* Animal hospital providing cutting-edge advanced veterinary care, including robotic surgery:

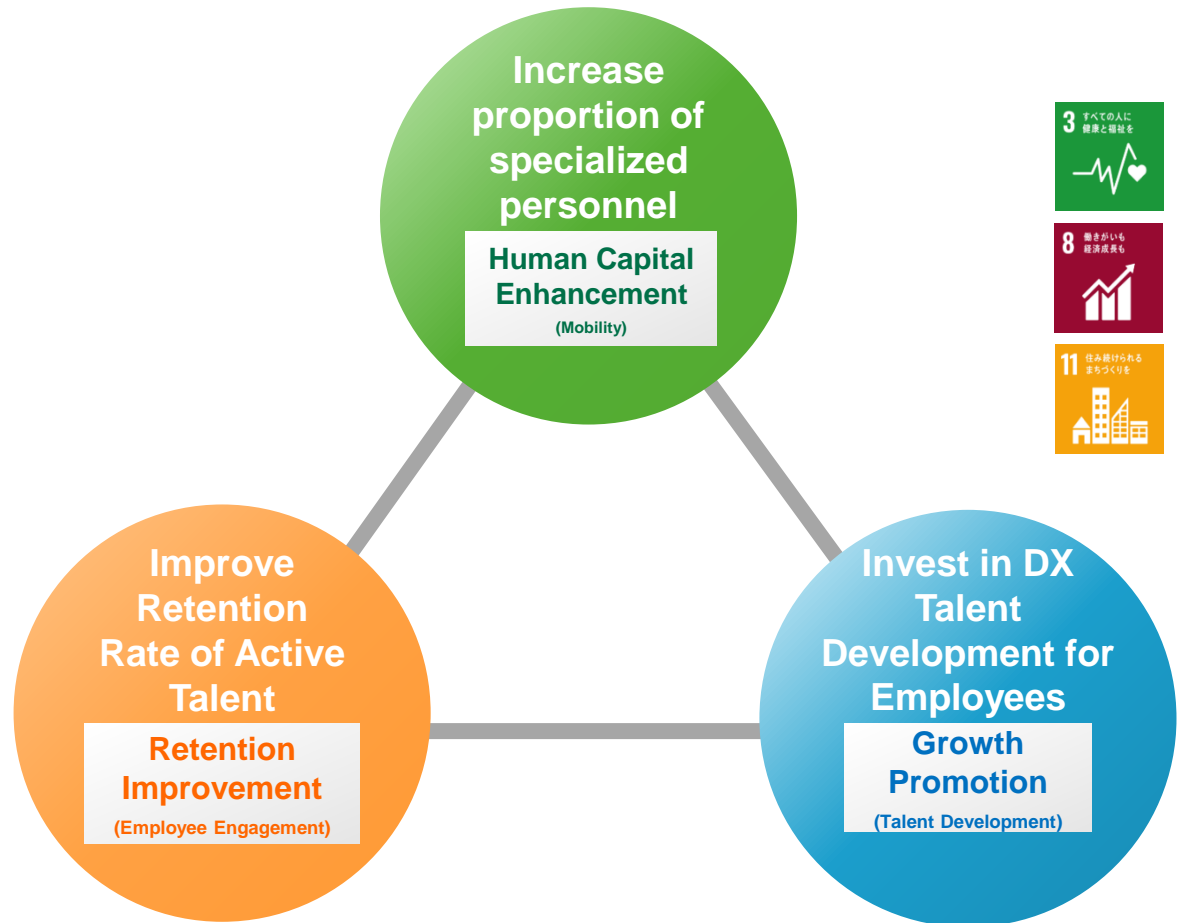
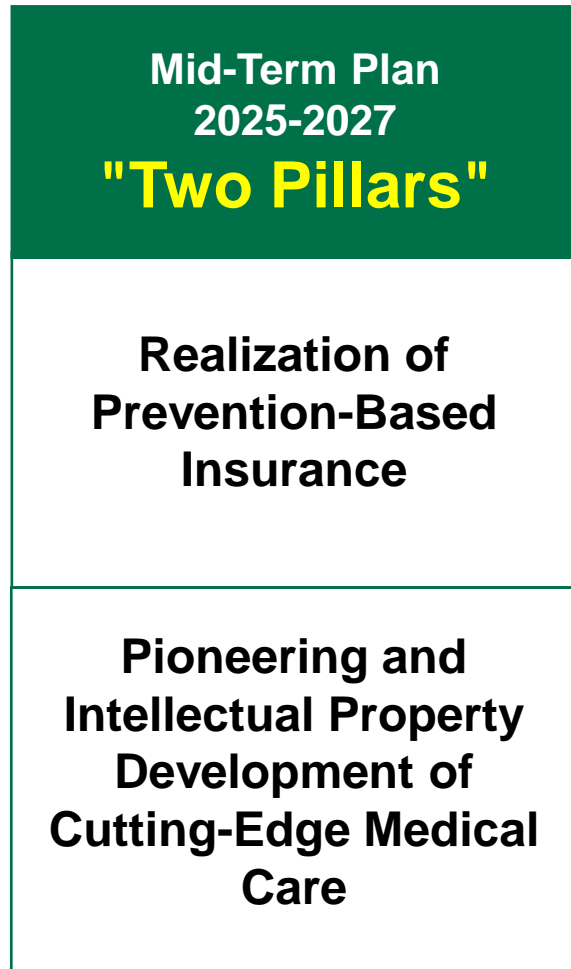
► Press release issued May 9, 2025:

<https://www.anicom-sompo.co.jp/newsrelease/2025/20250509/>

# 5. Capital Policy

## (2) Human Capital Policy

Build a future-ready foundation by fostering an organization where talent—capable of generating and executing strategy— can connect and grow.



# 5. Capital Policy

## (2) Human Capital Policy

Indicators to be continuously promoted as key policies for foundation strengthening from the Mid-Term Management Plan 2022–2024

Human Capital Visualization Indicator	No.	Human Capital KPI	FY2022 Result	FY2023 Result	FY2024 Result	FY2030 Target
(Mobility)	5	Voluntary turnover rate	11.8%	13.4%	14.9%	10%
(Talent Development)	9	Number of inventors (per year)	37	24	17	60
-	11	Educational support for children	-	12	16	100

### Key Indicators for Ongoing Priority Promotion

#### Voluntary Turnover Rate: 10%

Aim for sustainable corporate value growth by promoting long-term talent development and employee engagement

#### Number of Inventors (Annually): 60

Advance talent strategies that recognize individual contributions, leaving behind a sociological legacy that enriches society

#### Educational Support for Children: 100

Provide children with opportunities to experience forward-looking initiatives, contributing to the development of a society where pets and people coexist



### One Patent per Employee Strategy

#### ◆ Promotion of the One Patent per Employee Strategy

144 inventors as of March 31, 2025 (17 as of FY2024)

[Number of Patents by Field] (As of the end of FY03/25)

	Image Recognition AI	Genetic Food Gut Microbiota	Regenerative Medicine	Other	Total
Patents granted <small>(Number of registrations in FY2024)</small>	9 (+2)	8 (+2)	2	3	22 (+4)

#### Patent Registrations in FY2024 (4 Titles)

Patent No. 7503041

**Insurance Premium Calculation System and Insurance Premium Calculation Method**

Patent No. 7559010

**Food Suggestion System and Food Suggestion Method**

Patent No. 7602893

**Method for Examining Canine Cataracts, Test Reagent for Examining Canine Cataracts, and Canine Cataracts Examination Kit**

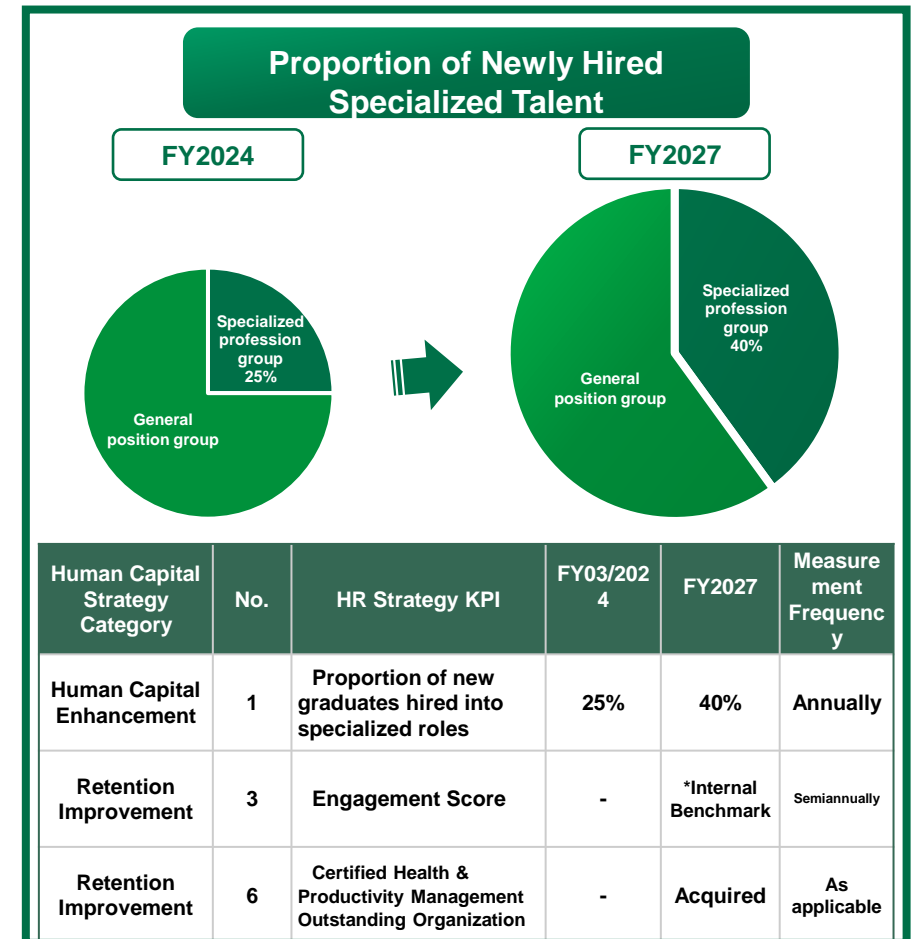
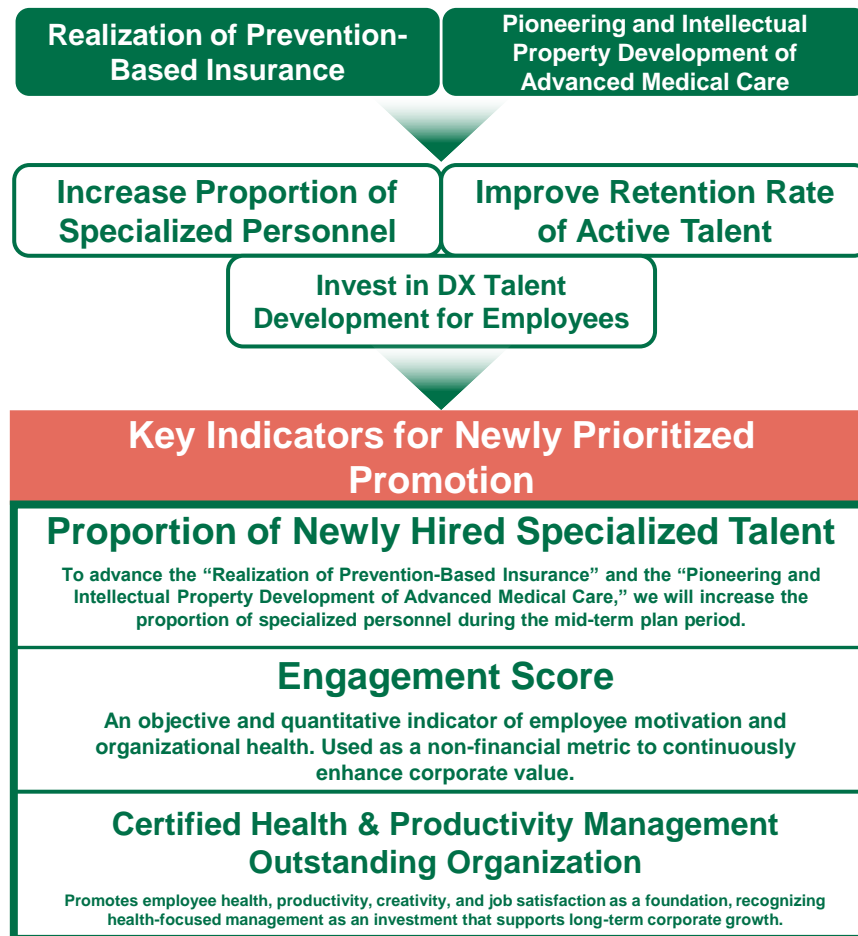
Patent No. 7636958

**Cut Style Identification System and Cut Style Identification Method**

# 5. Capital Policy

## (2) Human Capital Policy

Indicators to be promoted as key policies for strengthening foundations in the Medium-Term Management Plan 2025-2027



# 5. Capital Policy

## (3) Shareholder Returns

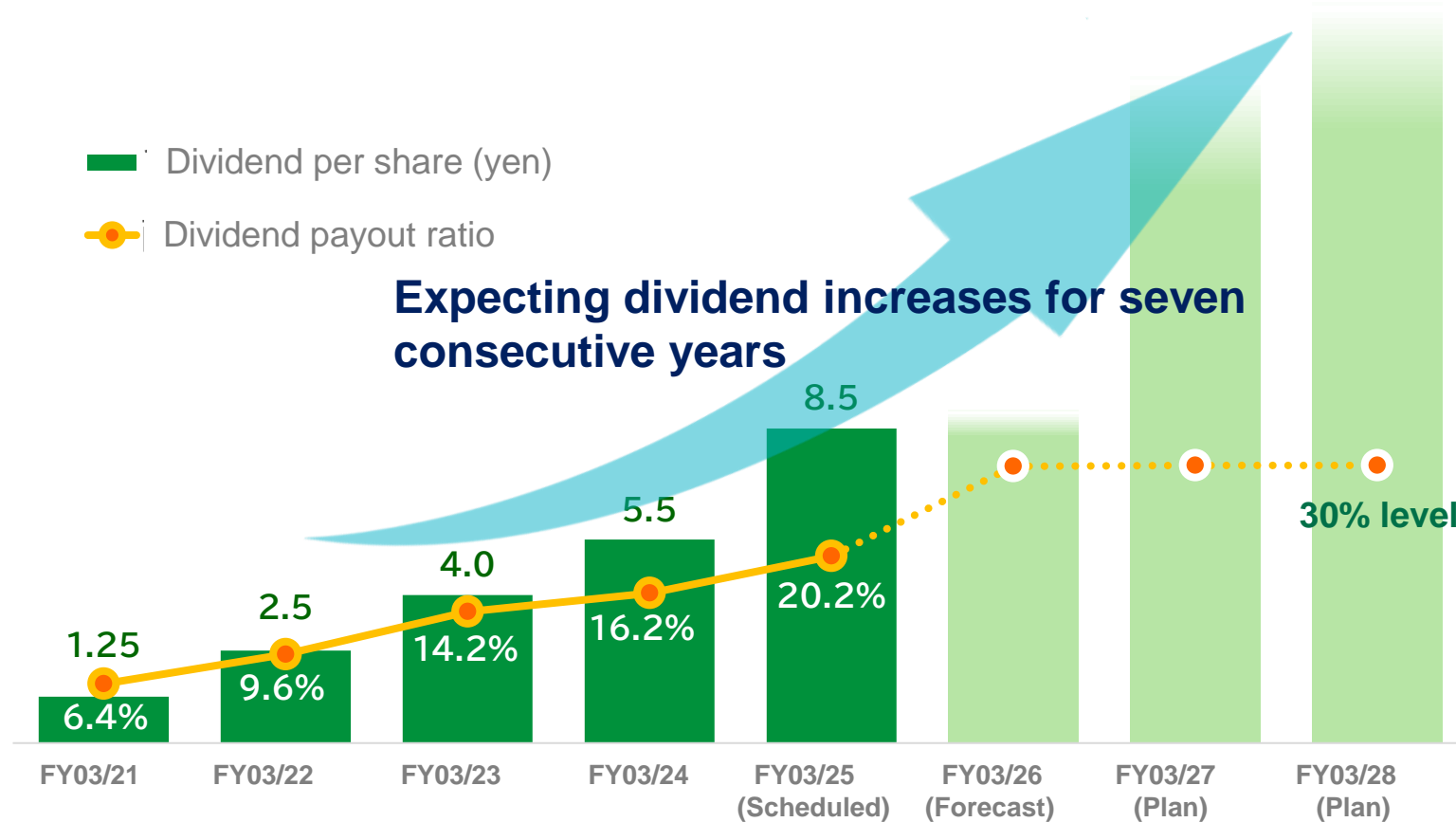
Shareholder returns will primarily consist of dividends, while also flexibly implementing share buybacks.

### 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





# 6. Overview of Basic Strategy (Priority Measures)

Providing insurance that “keeps you healthy just by enrolling”

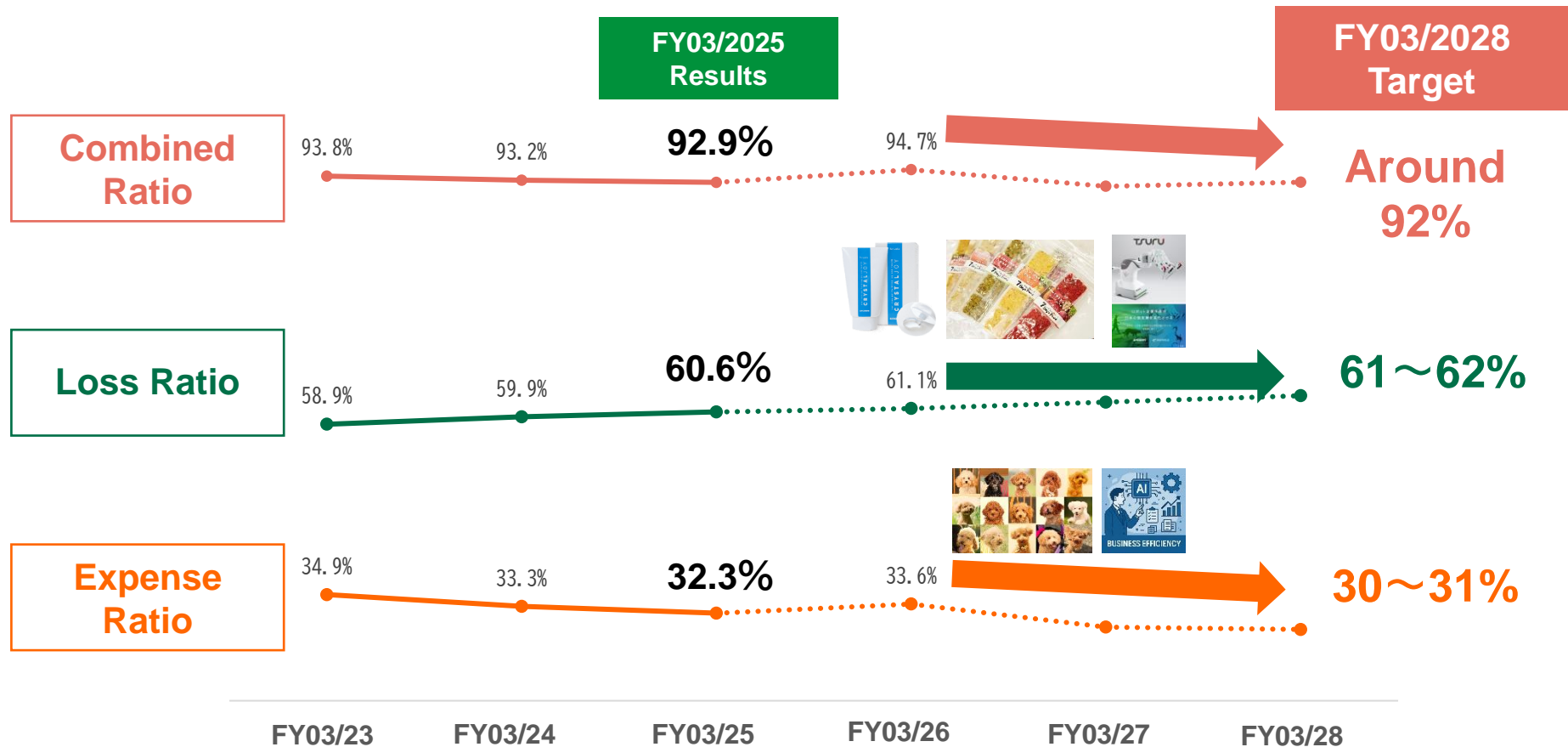


## 7. Key KPIs (Insurance Business / Synergy-Generation Business)

### (1) Key KPIs for the Insurance Business

The target for the fiscal year ending March 2028 is positioned as Phase 2 toward achieving the FY2030 vision.

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



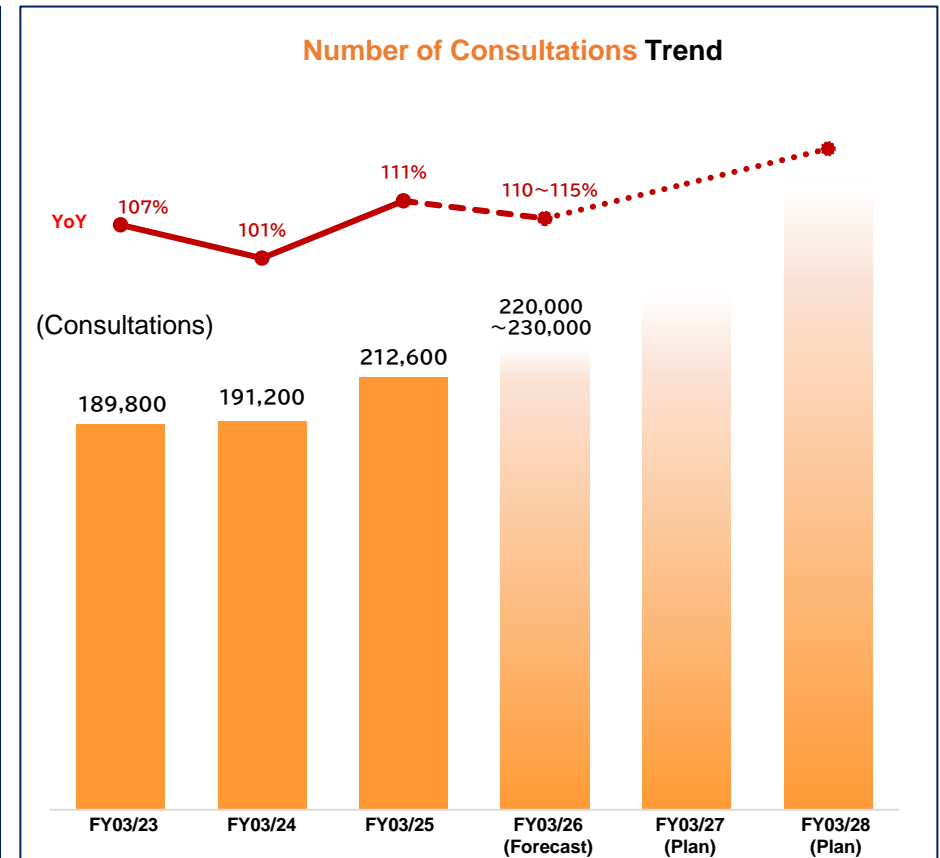
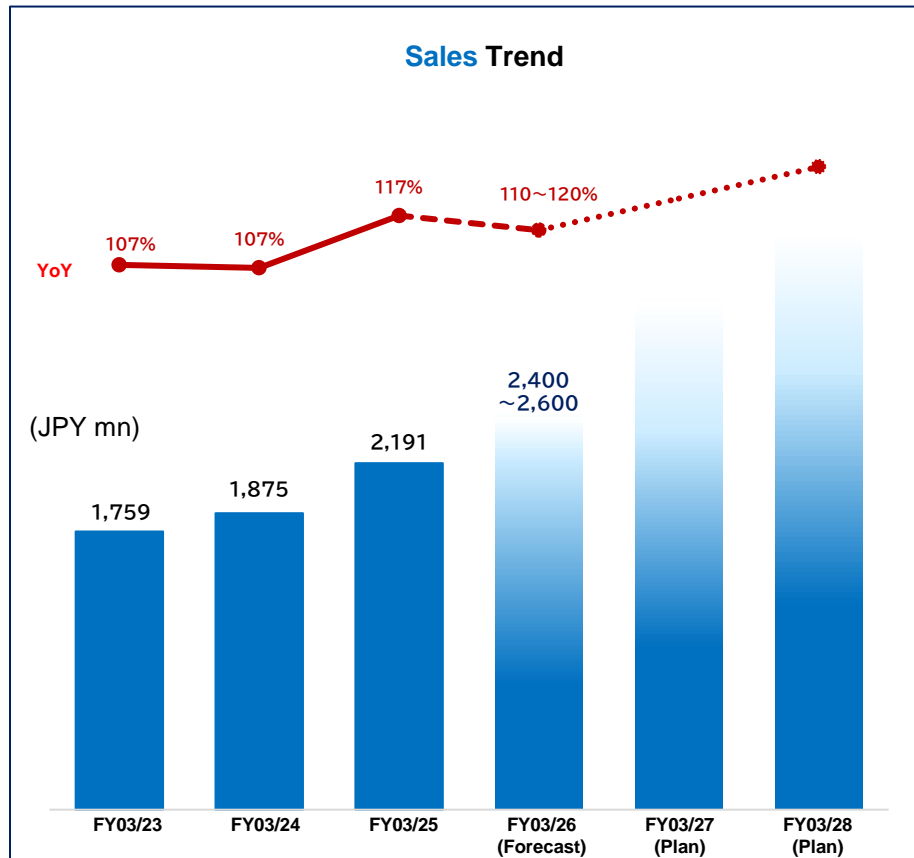
# 7. Key KPIs (Insurance Business / Synergy-Generation Business)

## (2) Key KPIs for the Animal Hospital Operations Business

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

Sales at Group hospitals are on a steady upward trend. From the fiscal year ending March 2026 onward, further sales growth is expected with the opening of a new large-scale hospital in Shinagawa.

Accordingly, KPIs related to sales, including the number of consultations, will also be disclosed.



## 7. Key KPIs (Insurance Business / Synergy-Generation Business)

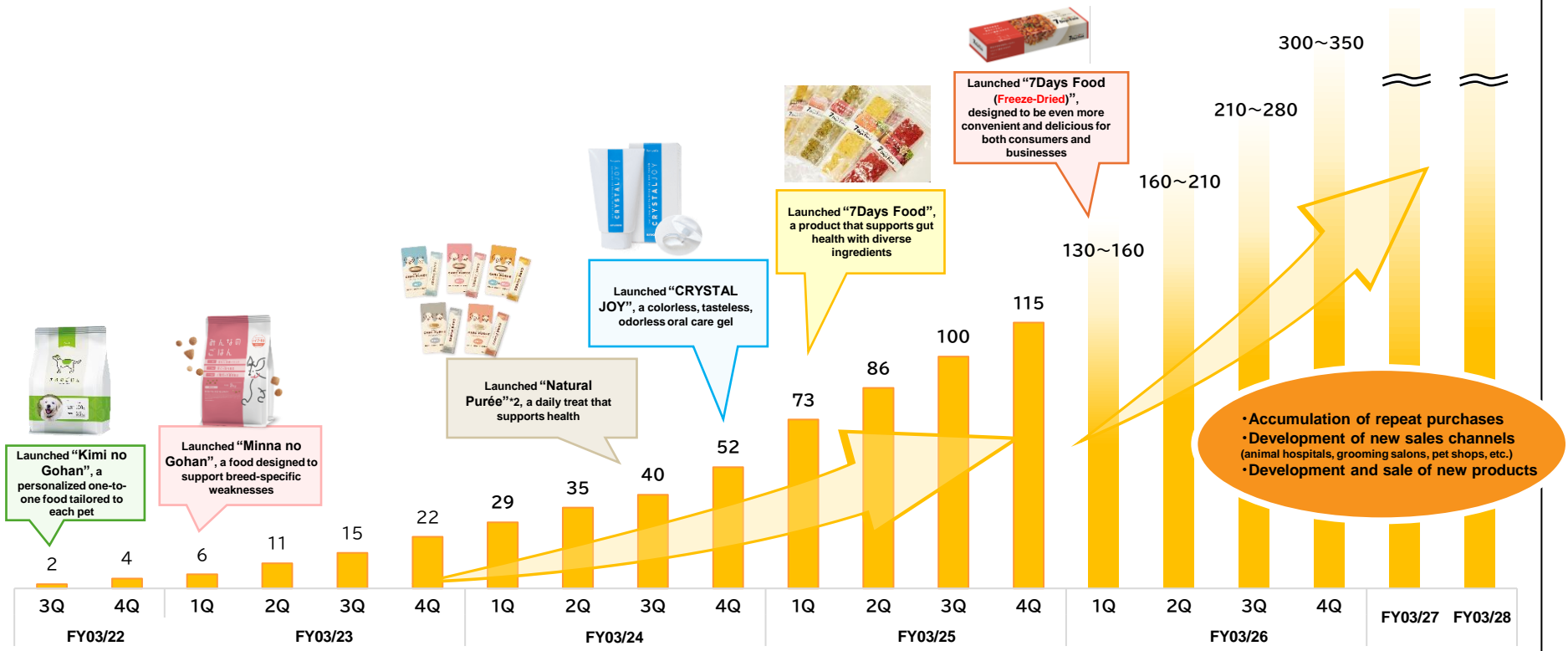
### (3) Key KPIs for the Health Innovation Business

Trends in sales of products and services will be disclosed. Regular updates are planned going forward.

Since launching the freeze-dried food Kimi no Gohan in 2021, we have expanded our product offerings aimed at improving pet health. Sales have more than doubled year-over-year since launch. Sales for the fiscal year ending March 2025 are projected to exceed ¥350 million, with ¥800 million to ¥1 billion projected for the fiscal year ending March 2026.

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

Health Innovation Business\*1 Sales Trend (JPY mn)



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

# 8. Sustainability Management (CSV Management)

## (1) Social Issues That the Pet Industry Can Address

The pet industry is capable of addressing **four major social issues**



**Traceability**  
(Transparency)

**Issues in the supply chain**

- Lack of transparency in breeding environments
- Breaks in traceability
- Retired breeding animals
- Hereditary diseases



**Health**  
(Healthcare & Medicine)

**Issues related to pet health and medical systems**

- Underdeveloped standard medical care
- Inadequate medical infrastructure



**Environment**(Coexistence & Nature)

**Issues in coexistence and natural environments**

- Lack of environments where pets and people can coexist
- Environmental burden from pet food



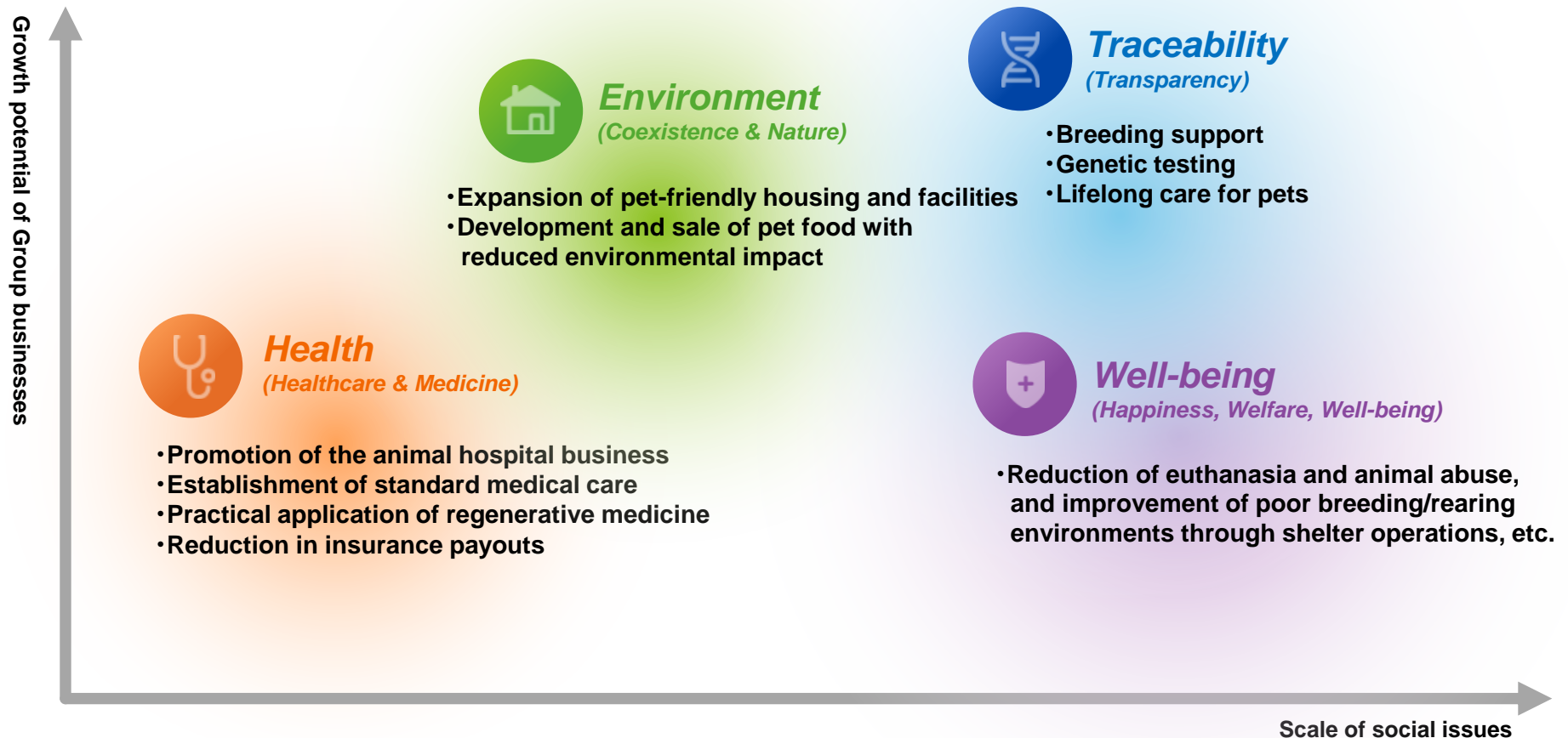
**Well-being**  
(Happiness, Welfare, Well-being)

**Issues related to animal welfare**

- Poor breeding/rearing environments
- Loneliness from long hours alone
- Elderly owners struggling to care for pets
- Animal abuse, abandonment, and euthanasia

# 8. Sustainability Management (CSV Management)

## (2) Relationship Between Social Issue Resolution and Anicom Group Businesses



**We evaluate alignment and contribution to the development of the pet industry as a whole, and determine materiality (key issues)**



# 8. Sustainability Management (CSV Management)

## (3) Anicom's Materiality (Key Issues)



### 【Numerical Targets for Addressing Key Issues】

**One Patent per Employee Strategy**

Number of inventors:  
over **100 people**

**Interaction events for the elderly, people with disabilities, and children**

**20 events/year**

**Employment Support for Elderly Persons and People with Disabilities**

**To be launched gradually**

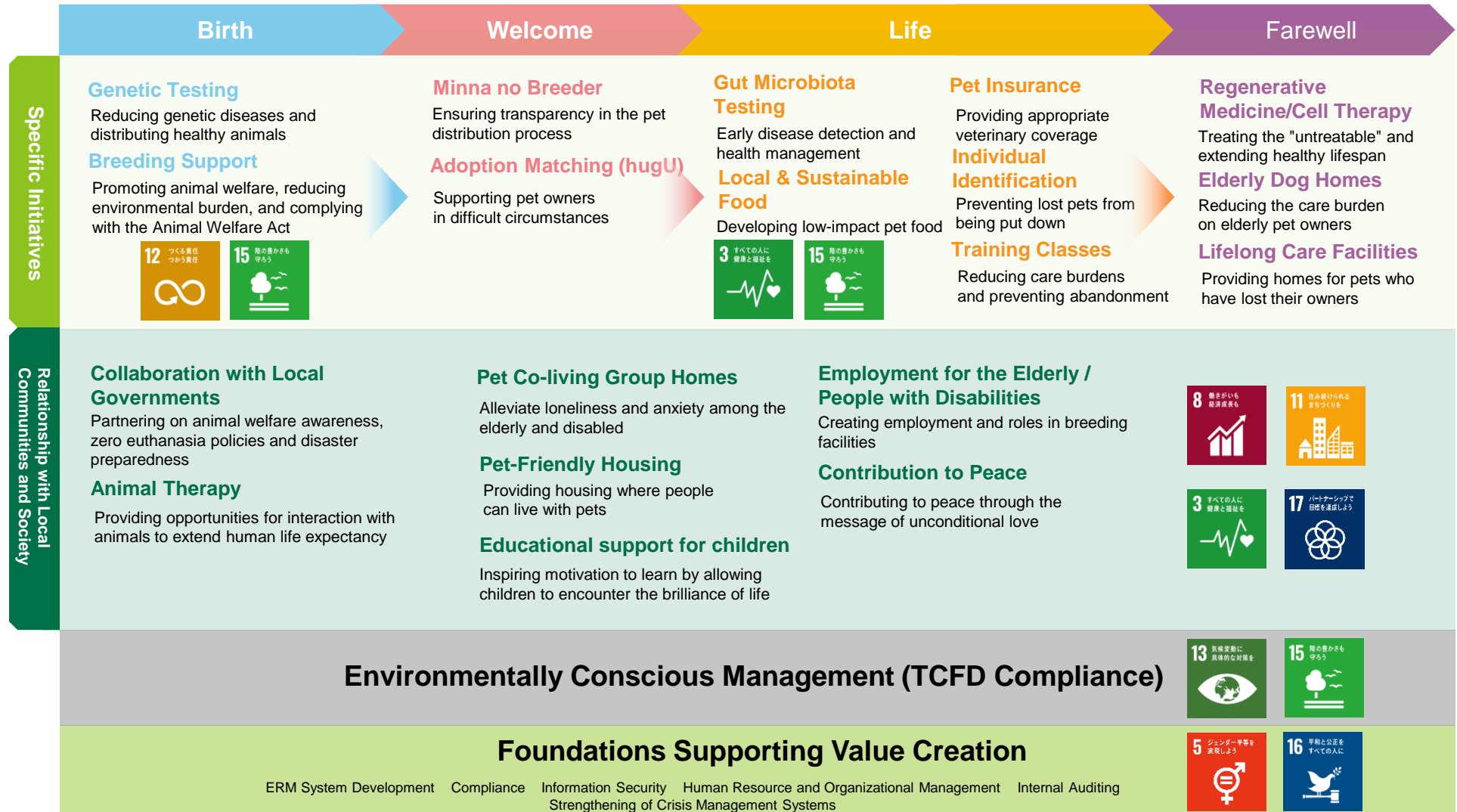
(Results to be announced as they become available)

**Educational support for children**  
(Number of participants in veterinary hospital experience programs, etc.)

**100 participants/year**

# 8. Sustainability Management (CSV Management)

## (4) Anicom's CSV Activities in the Value Chain (ESG/SDGs Initiatives)



# 3 APPENDIX

1. Trend in Consolidated Results
2. Glossary of Terms



# 1. Trends in Consolidated Results

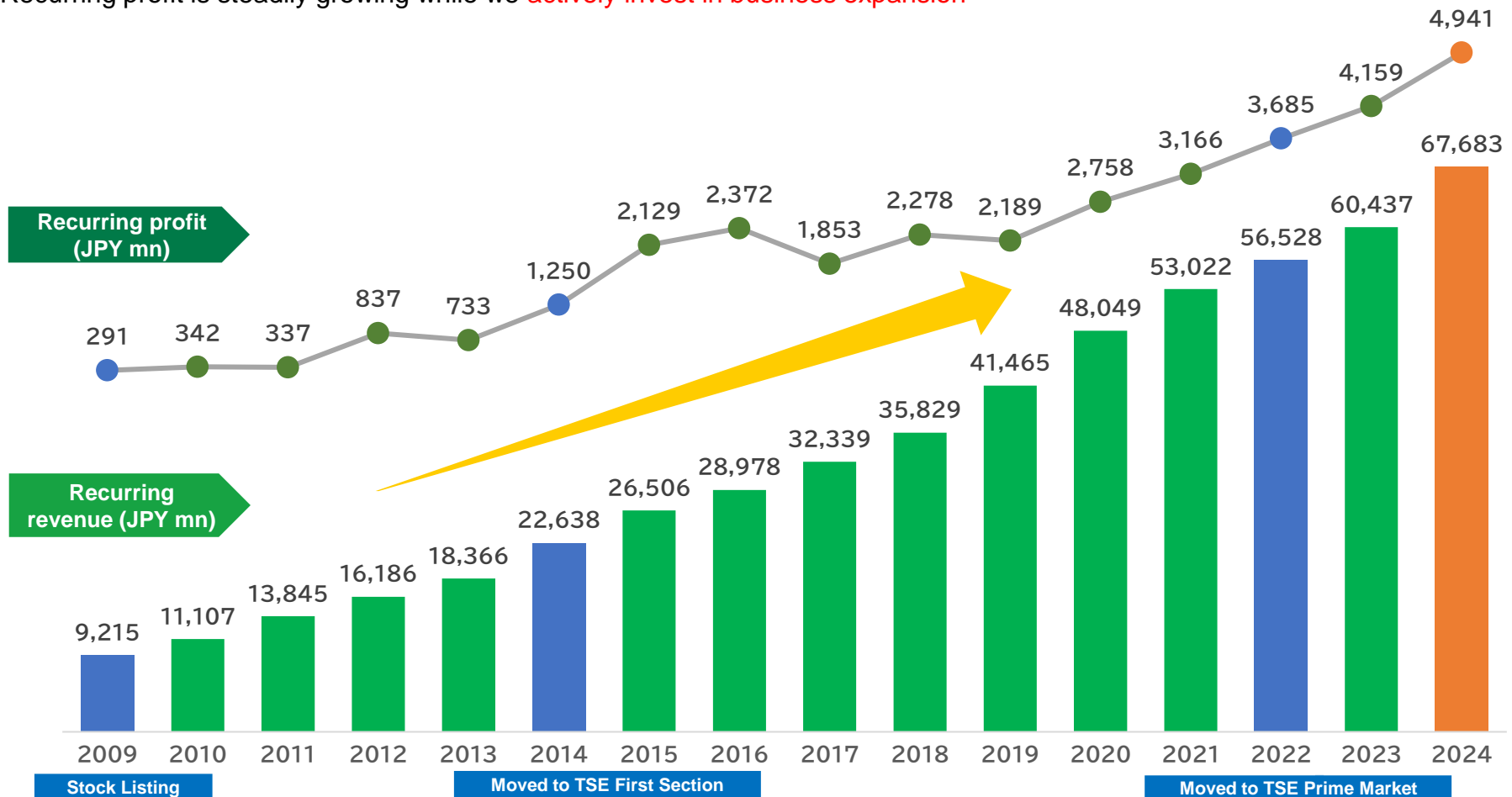
## Consolidated Management Targets

Recurring revenue **continues to reach record highs**, supported by the expansion of non-insurance businesses

Recurring profit is steadily growing while we **actively invest in business expansion**

FY2025 Target Recurring Revenue: ¥73.0 billion

Recurring Profit: ¥3.3 billion



## 2. Glossary of Terms

### ■ Insurance-related terms

- **Insurance premium:** A sum paid by a policyholder to an insurance company as consideration for the insurance company assuming a risk that the insured party is exposed to.
- **Insurance payout:** A sum paid by the insurance company to the policyholder if damage occurs as a result of an insured event.
- **Expenses:** A blanket term for expenses incurred in an insurance company's business, including operating and general administrative expenses, and net commission and collection expenses.
- **Loss ratio:** Ratio of insurance payouts to insurance premiums. In this document, it is expressed as the ratio of incurred insurance payouts to earned premiums, including loss adjustment expenses.
- **Expense ratio:** Ratio of expenses to insurance premiums. In this document, it is expressed as the ratio of expenses related to nonlife insurance business to earned premiums.
- **Combined ratio:** The sum of "loss ratio" and "expense ratio." If it is 100% or less, it means that a nonlife insurance company's revenue exceeds its expenditure.
- **Solvency margin ratio:** Represents the ratio of excess capital, reserves, etc. relative to the risks that may arise beyond ordinary predictions.
- **Catastrophe reserve:** A certain proportion of insurance premiums accumulated by a nonlife insurance company as funds in reserve for major catastrophes.
- **Renewal rate:** Ratio of renewed insurance policies against the number of insurance policies in the preceding fiscal year.
- **Underwriting:** Determination of risk selection, conditions, rates, etc. when establishing an insurance policy.

### ■ Pet insurance-related terms

- **NB channel:** Our company's largest channel, designed for pets aged zero, mainly sold at pet shops. NB is an abbreviation of New Born.
- **General channels:** Sales channels such as online and at financial institution counters, designed for pets already with owners.
- **Contracted hospital:** An animal hospital that is already contracted with Anicom Insurance and has adopted an OTC insurance settlement system.
- **OTC insurance settlement:** A system enabling finalization of an insurance payout when the policyholder settles their treatment expenses over-the-counter (OTC) at an animal hospital, allowing them to pay only their co-payment.
- **Insured rate:** The proportion of animals sold, mainly at pet shops, for which pet insurance premiums are taken out.
- **Diffusion rate:** The proportion of dogs and cats with owners in Japan that are covered by pet insurance.





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