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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]



November 8, 2024

Company name: Anicom Holdings, Inc.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 8715

URL: <https://www.anicom.co.jp/en/>

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Scheduled date of filing semi-annual securities report: November 13, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary explanatory materials on financial results: Available

Schedule of financial results briefing session: Scheduled (For analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 – September 30, 2024)

(1) Consolidated Operating Results (Accumulated) (% indicates changes from the previous corresponding period.)

	Recurring revenue		Recurring profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2024	32,903	10.3	3,130	20.3	2,180	24.1
Six months ended September 30, 2023	29,837	6.7	2,601	33.0	1,756	33.5

(Note) Comprehensive income: Six months ended September 30, 2024: 1,946 million yen [35.0%]

Six months ended September 30, 2023: 1,442 million yen [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	27.68	—
Six months ended September 30, 2023	21.75	—

(Reference) Recurring profit before amortization of goodwill (Total of recurring profit and amortization of goodwill):

Six months ended September 30, 2024: 3,254 million yen

Six months ended September 30, 2023: 2,703 million yen

Net profit before amortization of goodwill (Total of profit attributable to owners of parent and amortization of goodwill):

Six months ended September 30, 2024: 2,304 million yen

Six months ended September 30, 2023: 1,857 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2024	66,430	30,061	44.8
As of March 31, 2024	66,357	30,152	45.1

(Reference) Equity: As of September 30, 2024: 29,787 million yen

As of March 31, 2024: 29,895 million yen

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	0.00	–	5.50	5.50
Fiscal year ending March 31, 2025	–	0.00			
Fiscal year ending March 31, 2025 (Forecast)			–	8.00	8.00

(Note) Revision of the latest dividend forecast: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Recurring revenue		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	66,000	9.2	4,800	15.4	3,100	13.6	38.90

(Note) Revision of the latest financial results forecast: None

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of special accounting procedures for the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

As of September 30, 2024:	81,309,160 shares
As of March 31, 2024:	81,309,160 shares
 - 2) Total number of treasury shares at the end of the period:

As of September 30, 2024:	4,181,232 shares
As of March 31, 2024:	1,628,636 shares
 - 3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	78,755,121 shares
Six months ended September 30, 2023:	80,772,233 shares

* These semi-annual financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes
(Financial Results Forecast)

The forward-looking statements, such as performance forecasts contained herein, are based on information currently available to Anicom Holdings, Inc. (“the Company”) and certain assumptions that the Company regards as reasonable. They are not intended as the Company’s commitment to achieving such forecasts, and actual results may differ significantly from these forecasts due to a wide range of factors. For assumptions underlying the forecasts and cautionary notes, etc. for using the forecasts, please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the Attachments.

1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months under review, the Japanese economy continued to show a moderate recovery trend, backed by strong corporate earnings as social activity increasingly returned to normalcy and the employment and income environment improved. On the other hand, the outlook remained uncertain due to factors such as soaring energy and raw material prices caused by the prolonged Russia-Ukraine conflict and other developments, the tense situation in the Middle East, and the economic slowdown in China, in addition to the impact of continued price increases.

Under these circumstances, to achieve the “further enhancement of the profitability of pet insurance,” which has been positioned as a priority measure of the Anicom Group’s core subsidiary, Anicom Insurance, Inc., efforts were focused on strengthening areas such as sales and marketing activities. This, combined with continued robust demand for pet ownership, resulted in a steady increase in the number of policies in force, which reached 1,236,904 policies, an increase of 43,344 or 3.6% from the end of the previous fiscal year. In addition, the E/I loss ratio*¹ increased by 0.8 points year on year to 61.4%, despite the fact that the effect of changes in pet owner behavior due to the impact of COVID-19 has reached its peak and stabilized. Expense ratio (based on earned premiums)*² improved by 1.3 points year on year to 32.1%, despite active investments aimed at expansion of scale and an increase in the number of applicants for Doubutsu Kenkatsu (gut microbiota testing and medical checkups). As a result, the combined ratio (based on earned premiums), which is the sum of both E/I loss ratio and expense ratio (based on earned premiums), improved by 0.5 points year on year to 93.5%.

In addition, the Anicom Group has promoted efforts to further accelerate its initiatives in the second founding period phase. It has accelerated its efforts toward the priority measures in new businesses to grow into a prevention-type insurance company group that considers degrees of health by analyzing diseases and injuries from all data. In the genetic testing business, the Group will progress further toward the provision of breeding support by adding medical support to science, technology, and data, which involves conducting genetic testing in parents and offspring to prevent avoidable genetic diseases. The Group is also pursuing the popularization of animal health checks through its Doubutsu Kenkatsu service, the development and sales of oral and intestinal care products based on various diagnostic tests, and the commercialization of lifestyle consulting, etc. Furthermore, as well as striving for the practical application and expansion of advanced, cutting-edge medicine (cell therapy and regenerative medicine) in veterinary medicine, along with the expansion of medical records management system business (enhancement of booking systems and other functions), the Group is aiming to use data further in the development of preventive methods and expand the scope of its pet-related businesses.

As a result, the consolidated results for the Anicom Group are as follows.

Underwriting revenue increased by 7.5% year on year to 28,787 million yen, investment revenue increased by 43.2% year on year to 516 million yen, other recurring revenue, which includes new business, etc., increased by 33.2% year on year to 3,599 million yen, for the total recurring revenue of 32,903 million yen, a 10.3% increase year on year. On the other hand, recurring expenses increased by 9.3% year on year to 29,773 million yen, including underwriting expenses of 19,930 million yen, up 8.4% year on year, and operating and general administrative expenses of 8,478 million yen, up 7.8% year on year. As a result, recurring profit increased by 20.3% year on year to 3,130 million yen. Profit attributable to owners of parent was 2,180 million yen, up 24.1% year on year.

Anicom Group’s business segments are the “Non-life insurance business (pet insurance),” the “Pet-related internet services business,” and “Other businesses,” as described in “2. Semi-annual Consolidated Financial Statements and Principal Notes, (4) Notes to Semi-annual Consolidated Financial Statements, (Segment information, etc.)

Segment	For the six months ended September 30, 2023	For the six months ended September 30, 2024	Year-on-year increase (decrease) rate
	Amount (Million yen)	Amount (Million yen)	(%)
Non-life insurance business (pet insurance)	27,146	29,315	8.0
Non-life insurance (Anicom Insurance, Inc.)	27,146	29,315	8.0
[Of which, net premiums written]	26,696	28,787	7.8
Pet-related internet services business	949	1,105	16.4
Other businesses	1,740	2,482	42.6
Veterinary clinic support	162	172	6.1
Insurance agencies	6	6	(5.4)
Clinical and research operations in the veterinary medicine area	1,049	1,264	20.4
Genetic testing, etc.	161	161	(0.2)
Other	359	877	143.8
Total	29,837	32,903	10.3

Non-life insurance business

Recurring revenue in the Non-life insurance business increased by 2,169 million yen (up 8.0% year on year) to 29,315 million yen. Anicom Insurance, Inc. continued to report a steady increase in new policies written of 117,552 (up 6.0% year on year) and policies in force of 1,236,904 (up 43,344 policies or 3.6% from the end of the previous fiscal year). This was mainly thanks to an expansion and the strengthening of the pet insurance sales channel, which is positioned as a priority measure, and increased appeal to customers through a steady increase in the provision of insurance products with our unique service, Doubutsu Kenkatsu, despite the impact of a slowdown in special demand for pet ownership observed during the Corona disaster and other factors.

In addition, the E/I loss ratio*¹ increased by 0.8 points year on year to 61.4%, despite the fact that the effect of changes in pet owner behavior due to the impact of COVID-19 has reached its peak and stabilized. Expense ratio (based on earned premiums)*² improved by 1.3 points year on year to 32.1%, despite active investments aimed at expansion of scale and an increase in the number of applicants for Doubutsu Kenkatsu (gut microbiota testing and medical checkups). As a result, the combined ratio (based on earned premiums), which is the sum of both E/I loss ratio and expense ratio (based on earned premiums), improved by 0.5 points year on year to 93.5%.

(Notes) 1. E/I loss ratio: Loss ratio based on claims

(Net claims paid + Increase (decrease) in loss reserves + Loss adjustment expenses) ÷ Earned premiums

2. Expense ratio (based on earned premiums): Ratio of business expenses based on claims to premiums based on claims made (earned premiums)

Non-life insurance business expenses ÷ Earned premiums

Pet-related internet services business

Recurring revenue in the Pet-related internet services business increased by 155 million yen (up 16.4% year on year) to 1,105 million yen.

SIMNET Co., Ltd. operates our Pet-related internet services business, which includes operation of a website that matches pet owners with breeders selling dogs and cats, as well as a pet adoption matching website that provides opportunities for transferring rescued dogs and cats. The company’s Minna no Breeder is Japan’s largest breeder matching site. The use of this platform allows for the implementation of effective and efficient measures to increase the

number of pet insurance policies in the Non-life insurance business, the core business of the Group, and an expansion of breeder support services.

Other businesses

Recurring revenue in Other businesses increased by 741 million yen (up 42.6% year on year) to 2,482 million yen.

- **Veterinary clinic support operations**

Recurring revenue was 172 million yen (up 6.1% year on year) during the six months under review. Anicom Pafe, Inc. engages in the development, sale, maintenance, etc. of the Anicom Receptor medical record management system, which has functions necessary for the management of veterinary hospitals, such as customer management, receipt settlement, and the issuance of medical statements.

- **Insurance agency operations**

Recurring revenue was 6 million yen (down 5.4% year on year) during the six months under review. Anicom Pafe, Inc. engages in the solicitation and sale of non-life and life insurance to pet-related companies and other clients.

- **Clinical and research operations in the veterinary medicine area**

Recurring revenue was 1,264 million yen (up 20.4% year on year) during the six months under review. Anicom Specialty Medical Institute, Inc. pursued basic research in the field of veterinary medicine, established medical treatment methods based on scientific evidence, engaged in research, clinical operations, development, etc. aimed at the development of preventive and advanced medical care, and succeeded hospitals to support local veterinary medicine. Anicom Specialty Medical Institute Inc. operates its own veterinary hospitals and provides preventive, primary, and secondary care, and aims to establish next-generation preventive methods by utilizing the medical data obtained in the process.

- **Genetic testing, etc.**

Recurring revenue was 161 million yen (down 0.2% year on year) during the six months under review. This was due, among other factors, to a decline in orders received for genetic testing samples. Anicom Pafe, Inc. sells genetic testing kits to pet shops and breeders for use in the prevention of genetic diseases at birth through genetic testing of parents and offspring. In addition, it also provides gut microbiota testing (Doubutsu Kenkatsu) services, etc., for checking the health of animals.

- **Other**

Recurring revenue was 877 million yen (up 143.8% year on year) in total. In addition to the businesses discussed above, Anicom Pafe, Inc. has been seeking to secure new sources of revenue. These include the operation of anicom pafe ONLINE SHOP, the sale of oral and intestinal care products based on various diagnostic tests, the provision of anicom24 (a 24/7 telephone consultation service for pet health), the operation of Anicom Memorial (a website for grieving owners who have lost their pets), and the operation of anicom jobs (a job placement website specifically targeting those involved in animal-related work).

(2) Explanation of Financial Position

1) Assets, liabilities and net assets

Total assets as of the end of the six months under review increased by 73 million yen to 66,430 million yen compared to the previous year-end. This was primarily attributable to a decrease in cash and bank deposits of 2,607 million yen, an increase in marketable securities of 1,199 million yen, and an increase in suspense payments of 1,413 million yen.

Total liabilities as of the end of six months under review increased by 165 million yen to 36,369 million yen compared to the previous year-end. This was primarily attributable to an increase of 191 million yen in reserve for insurance policy liabilities due to an increase in insurance policies as well as a decrease of 72 million yen in other liabilities.

Total net assets as of the end of the six months under review decreased by 91 million yen to 30,061 million yen compared to the previous year-end. This was primarily attributable to an increase in retained earnings of 1,741 million yen and a decrease of 1,599 million yen due to purchase of treasury shares.

2) Cash flows

Net cash provided by operating activities was 1,495 million yen, primarily due to an increase in profit before income taxes of 539 million yen. This represents a decrease of 1,029 million yen year on year.

Net cash used in investing activities was 2,050 million yen. This represents a decrease in cash outflow of 9,002 million yen year on year, primarily due to purchase of marketable securities.

Net cash used in financing activities was 2,051 million yen for the six months under review, primarily due to purchase of treasury shares, compared with a cash outflow of 1,339 million yen for the same period in the previous year.

As a result of the above, cash and cash equivalents at the end of the six months under review were 18,421 million yen, a decrease of 2,607 million yen from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

About consolidated financial results forecast among the financial results forecast for the fiscal year ending March 31, 2025, please refer to “Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025” of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 disclosed on May 9, 2024. If there are revisions in the future, notification will be promptly made.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Cash and bank deposits	23,879	21,271
Marketable securities	27,510	28,709
Loans receivable	5	42
Property, plant and equipment	3,032	3,111
Intangible assets	3,893	3,885
Other assets	6,710	8,292
Coinsurance accounts receivable	–	0
Reinsurance accounts receivable	–	5
Accounts receivable	3,408	3,523
Accrued premiums	678	717
Suspense payments	901	2,315
Rest of other assets	1,722	1,730
Deferred tax assets	1,335	1,167
Allowance for doubtful accounts	(9)	(50)
Total assets	66,357	66,430
Liabilities		
Reserve for insurance policy liabilities	24,551	24,742
Loss reserves	3,245	3,410
Underwriting reserves	21,305	21,331
Corporate bonds	5,000	5,000
Other liabilities	6,201	6,129
Provision for bonuses	304	338
Reserves under special laws	146	159
Reserve for price fluctuation	146	159
Total liabilities	36,204	36,369
Net assets		
Shareholders' equity		
Share capital	8,202	8,202
Capital surplus	8,092	8,032
Retained earnings	15,850	17,592
Treasury shares	(1,001)	(2,600)
Total shareholders' equity	31,144	31,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,248)	(1,439)
Total accumulated other comprehensive income	(1,248)	(1,439)
Share acquisition rights	0	0
Non-controlling interests	256	272
Total net assets	30,152	30,061
Total liabilities and net assets	66,357	66,430

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Recurring revenue	29,837	32,903
Underwriting revenue	26,774	28,787
[Of which net premiums written]	26,696	28,787
[Of which reversal of policy reserve]	78	–
Investment revenue	361	516
[Of which interest and dividend income]	268	375
[Of which gain on sale of marketable securities]	87	141
Other recurring revenue	2,701	3,599
Recurring expenses	27,235	29,773
Underwriting expenses	18,392	19,930
[Of which net claims paid]	15,079	16,507
[Of which loss adjustment expenses]	556	566
[Of which net commission and collection expenses]	2,564	2,665
[Of which provision for reserve for outstanding losses and claims]	191	164
[Of which provision for underwriting reserves]	–	26
Investment expenses	2	2
[Of which loss on valuation of securities]	2	–
Operating and general administrative expenses	7,863	8,478
Other recurring expenses	978	1,361
[Of which interest expenses]	7	8
Recurring profit	2,601	3,130
Extraordinary income	–	1
Gain on disposal of non-current assets	–	1
Extraordinary losses	22	13
Loss on disposal of non-current assets	8	0
Other	0	–
Provision of reserves under special laws	14	13
Provision of reserve for price fluctuation	14	13
Profit before income taxes	2,579	3,118
Income taxes - current	552	739
Income taxes - deferred	270	242
Total income taxes	822	981
Net profit	1,756	2,136
Loss attributable to non-controlling interests	–	(43)
Profit attributable to owners of parent	1,756	2,180

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net profit	1,756	2,136
Other comprehensive income		
Valuation difference on available-for-sale securities	(314)	(190)
Total other comprehensive income	(314)	(190)
Comprehensive income	1,442	1,946
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,442	1,989
Comprehensive income attributable to non-controlling interests	–	(43)

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,579	3,118
Depreciation	364	406
Amortization of goodwill	101	124
Increase (decrease) in loss reserves	191	164
Increase (decrease) in underwriting reserves	(78)	26
Increase (decrease) in allowance for doubtful accounts	1	0
Increase (decrease) in provision for bonuses	12	33
Increase (decrease) in reserve for price fluctuation	14	13
Interest and dividend income	(268)	(375)
Loss (gain) related to marketable securities	(90)	(138)
Share of loss (profit) of entities accounted for using equity method	(3)	—
Share-based payment expenses	3	—
Interest expenses	7	8
Loss (gain) related to property, plant and equipment	8	(0)
Decrease (increase) in other assets except for investing and financing activities	(393)	(1,506)
Increase (decrease) in other liabilities except for investing and financing activities	315	186
Other, net	—	34
Subtotal	2,763	2,094
Interest and dividend income received	267	367
Interest paid	(7)	(8)
Income taxes paid	(498)	(957)
Net cash provided by (used in) operating activities	2,524	1,495
Cash flows from investing activities		
Net decrease (increase) in bank deposits	(1,000)	—
Purchase of marketable securities	(12,443)	(5,393)
Proceeds from sale and redemption of marketable securities	2,810	4,070
Total of net cash provided by (used in) investment transactions	(10,633)	(1,323)
Total of net cash provided by (used in) operating activities and investment transactions	(8,108)	171
Purchase of property, plant and equipment	(199)	(237)
Proceeds from sale of property, plant and equipment	—	1
Purchase of intangible assets	(208)	(366)
Payments for acquisition of businesses	—	(114)
Other, net	(11)	(11)
Net cash provided by (used in) investing activities	(11,052)	(2,050)
Cash flows from financing activities		
Repayments of lease obligations	(4)	(3)
Dividends paid	(324)	(438)
Purchase of treasury shares	(1,010)	(1,609)
Net cash provided by (used in) financing activities	(1,339)	(2,051)
Net increase (decrease) in cash and cash equivalents	(9,867)	(2,607)
Cash and cash equivalents at beginning of period	27,835	21,029
Cash and cash equivalents at end of period	17,967	18,421

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

Adoption of Accounting Standard for Current Income Taxes and others

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022) and others from the beginning of the current fiscal year. This change has no impact on the semi-annual consolidated financial statements.

(Adoption of special accounting procedures for the preparation of semi-annual consolidated financial statements)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)
 [Segment information]

For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information on the amounts of recurring revenue, profit (loss), by reportable segment

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustments	Amount recorded in consolidated financial statements (Note 2)
	Non-life insurance business	Pet-related internet services business	Total				
Recurring revenue from sales to external customers	27,146	949	28,096	1,740	29,837	–	29,837
Inter-segment recurring revenue or transfers	135	83	218	119	338	(338)	–
Total	27,281	1,033	28,315	1,860	30,175	(338)	29,837
Segment profit (loss)	2,992	(26)	2,965	(363)	2,601	–	2,601
(Reference) Segment profit (loss) before amortization of goodwill	2,992	40	3,032	(329)	2,703	–	2,703

(Notes) 1. “Other” refers to business segments not included in the reportable segments and includes the insurance agency operations, veterinary clinic support operations, and research and clinical operations in the veterinary medicine area.
 2. Segment profit (loss) coincides with recurring profit in the consolidated statements of income.

2. Information about impairment loss or goodwill of non-current assets by reportable segment

(Significant change in the amount of goodwill)

(Million yen)

	Non-life insurance business	Pet-related internet services business	Other	Corporate/ eliminations	Total
Amortization of goodwill	–	66	34	–	101
Balance at end of the period	–	1,537	399	–	1,937

For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information on the amounts of recurring revenue, profit (loss), by reportable segment

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustments	Amount recorded in consolidated financial statements (Note 2)
	Non-life insurance business	Pet-related internet services business	Total				
Recurring revenue from sales to external customers	29,315	1,105	30,421	2,482	32,903	–	32,903
Inter-segment recurring revenue or transfers	159	287	447	113	560	(560)	–
Total	29,475	1,393	30,868	2,595	33,464	(560)	32,903
Segment profit (loss)	3,451	201	3,653	(522)	3,130	–	3,130
(Reference) Segment profit (loss) before amortization of goodwill	3,451	268	3,720	(465)	3,254	–	3,254

(Notes) 1. “Other” refers to business segments not included in the reportable segments and includes the insurance agency operations, veterinary clinic support operations, and research and clinical operations in the veterinary medicine area.
2. Segment profit (loss) coincides with recurring profit in the consolidated statements of income.

2. Information about impairment loss or goodwill of non-current assets by reportable segment

(Significant change in the amount of goodwill)

(Million yen)

	Non-life insurance business	Pet-related internet services business	Other	Corporate/ eliminations	Total
Amortization of goodwill	–	66	57	–	124
Balance at end of the period	–	1,404	1,048	–	2,452

(Significant subsequent events)

The Company issued domestic publicly offered unsecured bonds on November 1, 2024 and completed the payment on the same date as described below.

1. Name of bonds	Anicom Holdings, Inc. Second Series Unsecured Bonds (with pari passu conditions among specified bonds)
2. Total amount of issue	5,000 million yen
3. Maturity date	November 1, 2029
4. Interest rate	0.984% per annum
5. Issue price	100 yen per amount of 100 yen in each bond
6. Redemption method	The bonds will be redeemed in full at maturity.
7. Collateral and guarantees	The bonds are not secured by any collateral or guarantees, and no assets have been retained specifically to secure them.
8. Use of funds	Planned to be used for investment in and loan to subsidiaries and affiliates

3. Additional Information

(1) Status of profit and loss for the six months ended September 30, 2024

(Million yen)

		For the six months ended September 30, 2023	For the six months ended September 30, 2024	Year-on-year change	Year-on-year change rate (%)
Recurring profit (loss)	Underwriting revenue	26,774	28,787	2,012	7.5
	[Of which, net premiums written]	[26,696]	[28,787]	[2,091]	[7.8]
	[Of which, reversal of policy reserve]	[78]	[-]	[(78)]	[(100.0)]
	Underwriting expenses	18,392	19,930	1,538	8.4
	[Of which, net claims paid]	[15,079]	[16,507]	[1,428]	[9.5]
	[Of which, loss adjustment expenses]	[556]	[566]	[9]	[1.7]
	[Of which, net commission and collection expenses]	[2,564]	[2,665]	[100]	[3.9]
	[Of which, provision for reserve for outstanding losses and claims]	[191]	[164]	[(26)]	[(13.8)]
	[Of which, provision for underwriting reserves]	[-]	[26]	[26]	[-]
	Investment revenue	361	516	155	43.2
	[Of which, interest and dividend income]	[268]	[375]	[107]	[39.9]
	[Of which, gain on sale of marketable securities]	[87]	[141]	[53]	[61.1]
	Investment expenses	2	2	0	30.2
	[Of which, loss on valuation of marketable securities]	[2]	[-]	[(2)]	[(100.0)]
Operating and general administrative expenses	7,863	8,478	615	7.8	
Other recurring profit (losses)	1,723	2,237	514	29.9	
Recurring profit	2,601	3,130	528	20.3	
Extraordinary income (losses)	Extraordinary income	-	1	1	-
	Extraordinary losses	22	13	(9)	(40.4)
	Extraordinary income (losses)	(22)	(12)	10	(46.2)
Profit before income taxes		2,579	3,118	539	20.9
Income taxes - current		552	739	187	33.9
Income taxes - deferred		270	242	(28)	(10.4)
Total income taxes		822	981	159	19.4
Profit attributable to owners of parent		1,756	2,180	423	24.1

(2) Insurance premiums and insurance claims by type

The table below shows the insurance underwriting results by Anicom Insurance, Inc.

1) Direct net premiums (including premiums of saving-type insurance)

	For the six months ended September 30, 2023			For the six months ended September 30, 2024		
	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)
Pet insurance	26,696	100.0	6.5	28,778	100.0	7.8
Total	26,696	100.0	6.5	28,778	100.0	7.8
[Of which, premiums of saving-type insurance]	[-]	[-]	[-]	[-]	[-]	[-]

(Notes) 1. Direct net premiums (including premiums of saving-type insurance) refer to direct premiums from which direct cash surrender value and direct other refunds have been deducted. (Includes deposit premiums for savings-type insurance)

2. Figures are amounts after the elimination of inter-segment transactions.

2) Net premiums written

	For the six months ended September 30, 2023			For the six months ended September 30, 2024		
	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)
Pet insurance	26,696	100.0	6.5	28,787	100.0	7.8
Total	26,696	100.0	6.5	28,787	100.0	7.8

(Note) Figures are amounts after the elimination of inter-segment transactions.

3) Net claims paid

	For the six months ended September 30, 2023			For the six months ended September 30, 2024		
	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)	Amount (Million yen)	Composition ratio (%)	Year-on-year increase (decrease) (%)
Pet insurance	15,079	100.0	9.9	16,507	100.0	9.5
Total	15,079	100.0	9.9	16,507	100.0	9.5

(Note) Figures are amounts after the elimination of inter-segment transactions.

(3) Marketable securities

A list of items that are material to the operations of the corporate group and have undergone significant changes compared to the end of the previous consolidated fiscal year is as follows.

1. Held-to-maturity securities

I. Previous fiscal year (as of March 31, 2024)

	Amount recorded in consolidated balance sheets (Million yen)	Fair value (Million yen)	Difference (Million yen)
Corporate and government bonds			
Local government bonds	1,200	1,204	4
Corporate bonds	1,900	1,902	2
Total	3,100	3,107	7

II. Period under review (as of September 30, 2024)

	Amount recorded in consolidated balance sheets (Million yen)	Fair value (Million yen)	Difference (Million yen)
Corporate and government bonds			
Local government bonds	2,000	1,998	(2)
Corporate bonds	2,400	2,393	(6)
Total	4,400	4,391	(8)

2. Available-for-sale securities

I. Previous fiscal year (as of March 31, 2024)

	Acquisition cost (Million yen)	Amount recorded in consolidated balance sheets (Million yen)	Difference (Million yen)
Shares	813	1,040	227
Corporate and government bonds			
Local government bonds	1,300	1,303	3
Corporate bonds	1,500	1,495	(4)
Other	21,484	19,523	(1,960)
Total	25,097	23,363	(1,734)

(Note) Shares, etc. without market prices and investments in partnerships are not included in the above table.

II. Period under review (as of September 30, 2024)

	Acquisition cost (Million yen)	Amount recorded in consolidated balance sheets (Million yen)	Difference (Million yen)
Shares	1,105	1,270	164
Corporate and government bonds			
Local government bonds	2,600	2,591	(8)
Corporate bonds	1,900	1,889	(10)
Other	19,556	17,412	(2,144)
Total	25,162	23,163	(1,999)

(Note) Shares, etc. without market prices and investments in partnerships are not included in the above table.

(4) Solvency margin ratio

The table below shows solvency margin ratio of Anicom Insurance, Inc.

	As of March 31, 2024 (Million yen)	As of September 30, 2024 (Million yen)
(A) Total amount of solvency margin	24,659	26,035
Stated capital or funds, etc.	20,839	22,581
Reserve for price fluctuation	146	159
Contingency reserve	–	–
Catastrophe reserve	1,747	929
General allowance for doubtful accounts	2	2
Unrealized gains (losses) on available-for-sale securities before tax effect deductions	(1,734)	(1,999)
Unrealized gains (losses) on land	42	108
Excess of premium refund reserve	–	–
Subordinated debt, etc.	–	–
Amounts within “Excess of premium refund reserve” and “Subordinated debt, etc.” not calculated into the margin	–	–
Deductions	–	–
Other	3,616	4,253
(B) Total amount of risk $\sqrt{(R1 + R2)^2 + (R3 + R4)^2} + R5 + R6$	14,777	15,317
General insurance risk (R1)	14,356	14,887
Third sector insurance risk (R2)	–	–
Assumed interest rate risk (R3)	–	–
Asset management risk (R4)	1,695	1,710
Business administration risk (R5)	321	331
Major catastrophe risk (R6)	–	–
(C) Solvency margin ratio on a non-consolidated basis (%) [(A) / {(B) x 1/2}] x 100	333.7	339.9

(Note) The above amounts and figures are calculated in accordance with Articles 86 and 87 of the Regulation for Enforcement of the Insurance Business Act and Public Notice No. 50 issued by the Ministry of Finance in 1996.

Solvency Margin Ratio

- Non-life insurance companies set aside reserves to cover the payment of insurance claims in the event of an insured event and payments of maturity refunds for savings-type insurance policies. However, they must also maintain sufficient solvency in order to cover risks that exceed the normally predictable range, such as the occurrence of a major catastrophe or a significant decline in the value of assets held by the non-life insurance companies.
- The “solvency margin ratio on a non-consolidated basis” ((C) in the above table) indicates the ratio of the “solvency margin of an insurance company in terms of its stated capital, reserves, etc.” (i.e. total amount of solvency margin: (A) in the above table) to the “total amount of risk” ((B) in the above table), which represents “risks that exceed the normally predictable range,” calculated in accordance with the Business Insurance Act, etc.
- “Risks that exceed the normally predictable range” are the total amount of the risks described below.
 - 1) Risk on underwriting of insurance
(General insurance risk)
(Third-sector insurance risk) : Risk that may occur due to the incidence rate of insured events being in excess of normally predictable range (excluding major catastrophe risk)
 - 2) Assumed interest rate risk : Risk that may occur due to the actual yields of invested assets falling below the yields assumed for the calculation of premiums for savings-type insurance
 - 3) Asset management risk : Risk that may occur due to the value of assets such as marketable securities held fluctuating in excess of the normally predictable range
 - 4) Business administration risk : Risks that may occur in the operation of business in excess of the normally predictable range other than 1) to 3) above and 5) below
 - 5) Major catastrophe risk : Risk that may occur due to a major catastrophe (equivalent to the Great Kanto Earthquake or the Isewan Typhoon) in excess of the normally predictable range
- The “solvency margin of an insurance company in terms of its stated capital, reserves, etc.” (total amount of solvency margin) refers to the total of the insurance company’s net assets (excluding the amount of scheduled disbursement, etc.), various reserves (reserve for price fluctuation, catastrophe reserve, etc.), part of its unrealized gains on land, etc.
- The solvency margin ratio is one objective indicator used by government authorities to determine the soundness of insurance companies’ management in its supervision of insurance companies. It is understood that a ratio of 200% or more indicates an appropriate level of solvency of an insurance company in terms of its ability to pay insurance claims, etc.