

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Anicom Holdings, Inc. (security code: 8715)

<Rating Change>

Long-term Issuer Rating: from A to A+
Outlook: from Positive to Stable
Bonds: from A to A+

Anicom Insurance, Inc. (security code: -)

<Rating Change>

Long-term Issuer Rating: from A to A+
Outlook: from Positive to Stable

Rationale

- (1) The Anicom Group (the “Group”) has, under the umbrella of insurance holding company Anicom Holdings, Inc. (“Anicom HD”), Anicom Insurance, Inc. at the core and other subsidiaries for pet-related Internet services, animal hospital management, healthcare innovation, veterinary clinic support operations and other businesses. Anicom Insurance leads the industry with a market share of approximately 40% based on income insurance premiums. Contract performance and earnings base keep expanding, driven by the very strong market position and competitiveness in the pet insurance market. Given that the business base is expected to become even stronger through synergy-creating businesses going forward, JCR raised the Group’s creditworthiness by one notch to the equivalent of the A+ rating.
- (2) The pet insurance market has been expanding partly because of growing awareness of pet humanization. The Group is improving its contract performance by taking advantage of such market expansion, thereby boosting profits over the long term. Given such factors as the improvement of brand value through collaboration with synergy-creating businesses and an increase in opportunities to secure contracts through partnerships with life and non-life insurance companies, JCR predicts that growth will continue into the future. The Group’s greatest strength lies in over-the-counter settlement system, a business model that employs a mechanism similar to the health insurance system for humans. The development of this highly convenient system in partnership with many animal hospitals in Japan has given the Group a competitive advantage. Aspiring to become a prevention-oriented insurance company group ever since its foundation, the Group is also expanding business from many different angles across all stages of a pet’s life cycle, including the provision of genetic testing and products designed for oral and intestinal care, as well as the operation of the breeding support business, management of animal hospitals and provision of advanced medical care.
- (3) The Group’s earnings capacity is relatively high and stable. The number of in-force policies has been expanding, and contract renewal rate remains high at approximately 90%. E/I loss ratio is affected by such factors as the aging of the in-force policy portfolio and rising unit medical treatment fees due to inflation and advances in veterinary medicine. While efforts to extend healthy life expectancy through the promotion of preventive insurance, optimize insurance-covered medical care and so forth are underway, the revision of premiums is also under consideration. As for business expense ratio, it is tending to improve from a long-term perspective thanks in part to the revision of agency commissions and a cut in business expenses with the use of IT. JCR will keep an eye on the outcomes of the initiatives aimed at further enhancing the earnings capacity, including controlling loss ratio and business expense ratio.
- (4) The Group’s capital adequacy is fairly high. Given the results of the internal management ESR and stress testing, it is at a level that can fully withstand a considerable amount of stress, and JCR views that capital adequacy relative to risks is commensurate with JCR’s A rating category. Under the economic value-based solvency regulatory framework, a new risk coefficient for pet insurance has been introduced, allowing the characteristics of such risk to be reflected more appropriately than before. In terms of financing, the Group takes a stance to prioritize ensuring safety and liquidity, and risks are thus limited.

- (5) The Group's risk profile is far different from that of a general non-life insurance company. Because pet insurance is an aggregate of small policies and risks are basically dispersed, the law of large numbers works; hence, income/loss volatility is constrained. That said, ensuring risk-return balance is essential, and thus the Group is expected to monitor payment history and address the deviation from the scheduled payment rate, etc. Accordingly, it is working to establish an appropriate ERM framework to advance risk management.

Issuer: Anicom Holdings, Inc.

Anicom HD is the insurance holding company of the Group. JCR deems its long-term issuer rating to be at the same level as the Group's creditworthiness. Double leverage ratio is currently on the rise but, given the Group's financial management policy, is mostly likely to be controlled at a certain level or below. That said, JCR considers that the Group's appetite for strategic investments in pet-related businesses is relatively strong. JCR will keep an eye on the Group's stance on business investment and capital policy, as well as other factors including the balance between liabilities and capital procurement of the holding company alone.

Issuer: Anicom Insurance, Inc.

Anicom Insurance is the core company of the Group. JCR deems its long-term issuer rating to be at the same level as the Group's creditworthiness. Anicom Insurance is Japan's first non-life insurance company specializing in pet insurance, with its voting rights entirely held by Anicom HD, and leads the industry, boasting the largest market share. It is improving its own brand value through collaboration between the pet insurance business and synergy-creating businesses. Its earnings capacity is stable, backed by the solid business base, and financial soundness is relatively high.

Tomohiro Miyao, Seito Achiha

Rating

Issuer: Anicom Holdings, Inc.

<Rating Change>

Long-term Issuer Rating: A+ Outlook: Stable

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
Bonds no. 2	JPY 5	Nov. 1, 2024	Nov. 1, 2029	0.984%	A+

Issuer: Anicom Insurance, Inc.

<Rating Change>

Long-term Issuer Rating: A+ Outlook: Stable

Rating Assignment Date: September 10, 2026

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (October 1, 2024), "Non-Life Insurance" (April 1, 2026) and "Rating Methodology for Financial Groups' Holding Companies and Group Companies" (September 1, 2022) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)



INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	Anicom Holdings, Inc.
Issuer:	Anicom Insurance, Inc.
Rating Publication Date:	September 15, 2026

1

The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2

The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3

The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4

The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5

Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6

Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7

Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.

A) Audited financial statements presented by the rating stakeholders

B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12

Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

13

Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch,

as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

14

Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

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The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Anicom Holdings, Inc.	Issuer(Long-term)	July 16, 2020	A	Stable
Anicom Holdings, Inc.	Issuer(Long-term)	July 29, 2021	A	Stable
Anicom Holdings, Inc.	Issuer(Long-term)	July 29, 2022	A	Stable
Anicom Holdings, Inc.	Issuer(Long-term)	August 22, 2023	A	Stable
Anicom Holdings, Inc.	Issuer(Long-term)	August 21, 2024	A	Stable
Anicom Holdings, Inc.	Issuer(Long-term)	August 19, 2025	A	Positive
Anicom Holdings, Inc.	Bonds no.2	October 25, 2024	A	
Anicom Holdings, Inc.	Bonds no.2	August 19, 2025	A	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Anicom Insurance, Inc.	Issuer(Long-term)	July 16, 2020	A	Stable
Anicom Insurance, Inc.	Issuer(Long-term)	July 29, 2021	A	Stable
Anicom Insurance, Inc.	Issuer(Long-term)	July 29, 2022	A	Stable
Anicom Insurance, Inc.	Issuer(Long-term)	August 22, 2023	A	Stable
Anicom Insurance, Inc.	Issuer(Long-term)	August 21, 2024	A	Stable
Anicom Insurance, Inc.	Issuer(Long-term)	August 19, 2025	A	Positive

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Tomohiro Miyao, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

宮尾 知浩

Tomohiro Miyao

General Manager of Financial Institution Rating Department

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