

Tokyo Stock Exchange (TSE) Prime Market
Securities code: 6099

Bringing smiles to your
hospital/elderly facility stay



Operating Results for the First Quarter of Fiscal 2022 Ended March 31, 2022

ELAN Corporation

We would like to extend our sincere sympathies to those infected with COVID-19. At the same time, we would like express our deep appreciation for healthcare workers and others working in frontline roles.

Our company has continued to provide necessary services to accommodate intentions and policies of medical institutions while also reminding all our employees to take measures for prevention of the spread and implementing off-peak commuting, teleworking, etc.

We are determined to continue putting all our efforts to seek sustainable development of the company in order to solve problems medical institutions, nursing homes, patients, users and their families face.

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1. Operating Results for the First quarter of Fiscal 2022

Bringing smiles to your
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**Results for
First quarter of
Fiscal 2022**

Revenues and profit increased due to the increase in the number of users and the non-recording of some expenses resulting from restraint of activities mainly on sales due to the nationwide spread of COVID-19.

Net sales

8,792 million yen
(YonY+16.9%)

Operating profit

913 million yen
(YonY+24.0%)

Ordinary profit

917 million yen
(YonY+24.1%)

Profit attributable to owners of parent

626 million yen
(YonY+23.5%)

Number of contracted facilities

1,862 facilities

(New contract +65/cancellation 17)

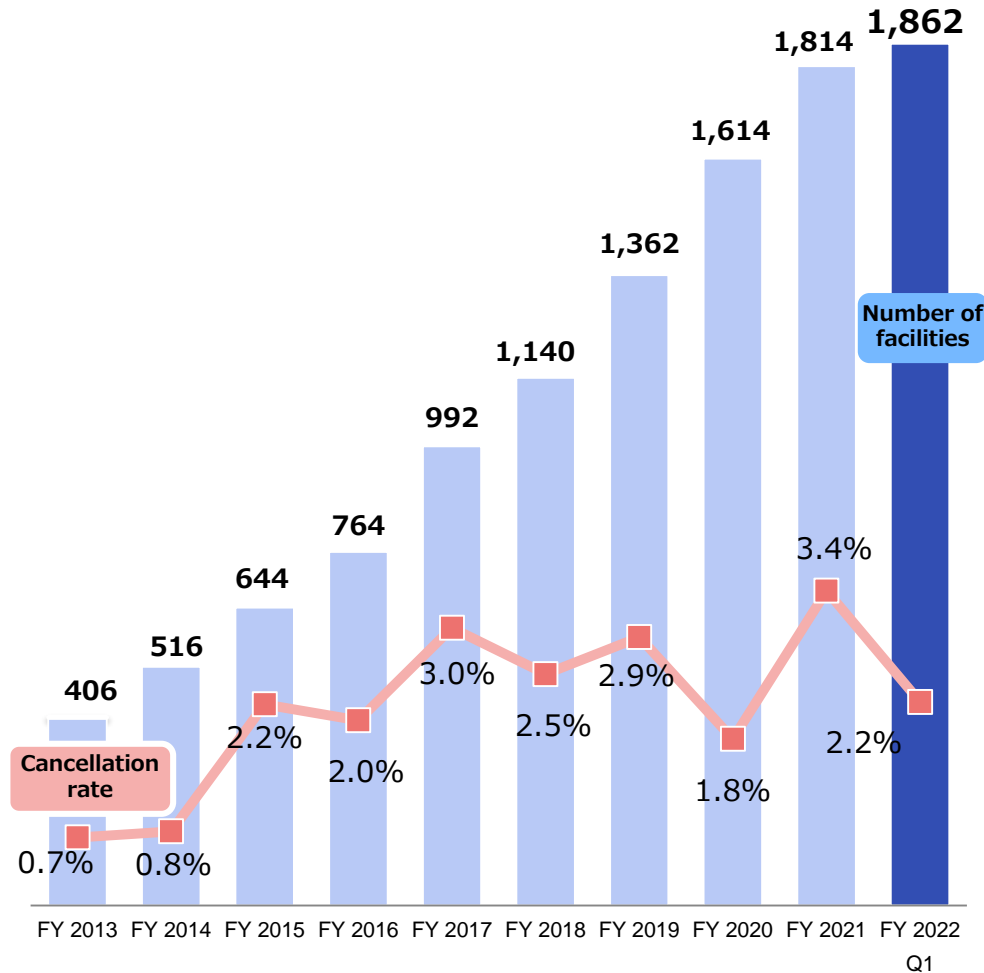
Number of monthly users

355,372 people

(From the previous quarter +13,962 people)

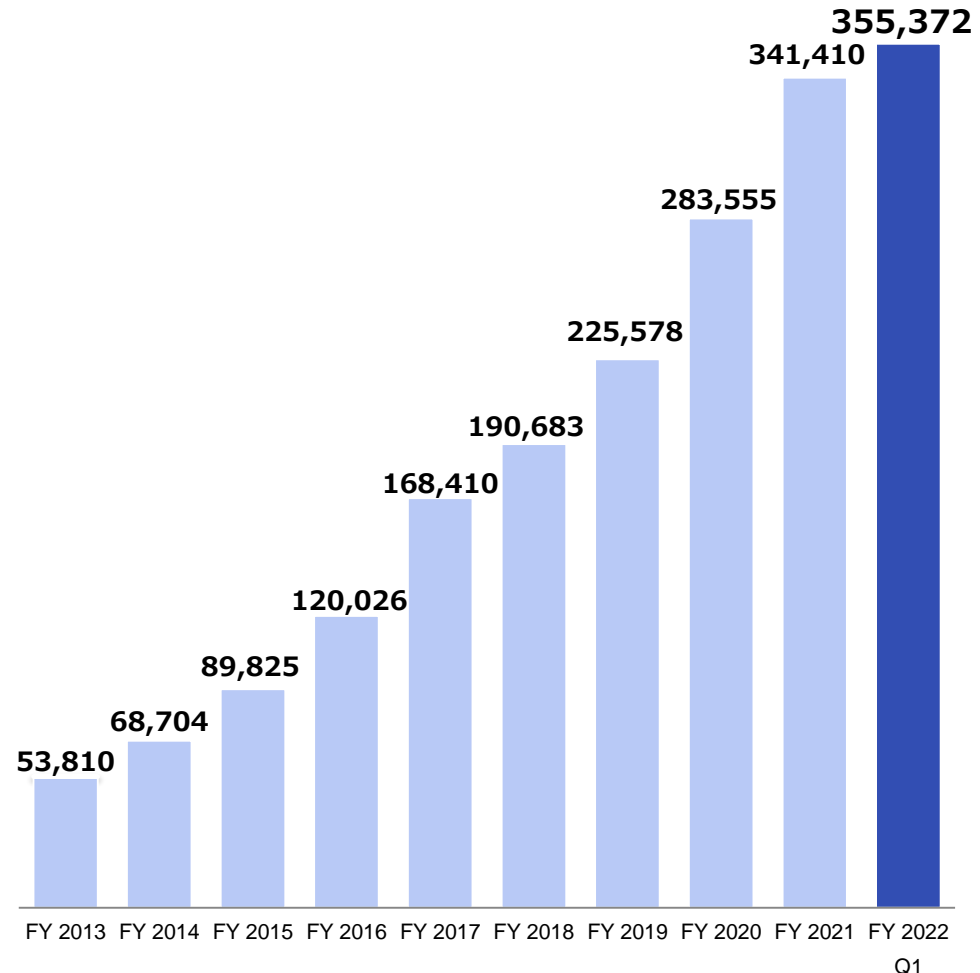
- The number of contracted facilities and the number of the CS set users are increasing steadily.

Number of Contracted Facilities and Cancellation Rate



*Cancellation rate for the year = Number of cancellations in current year / (Contracts at end of previous year + New contracts in current year)

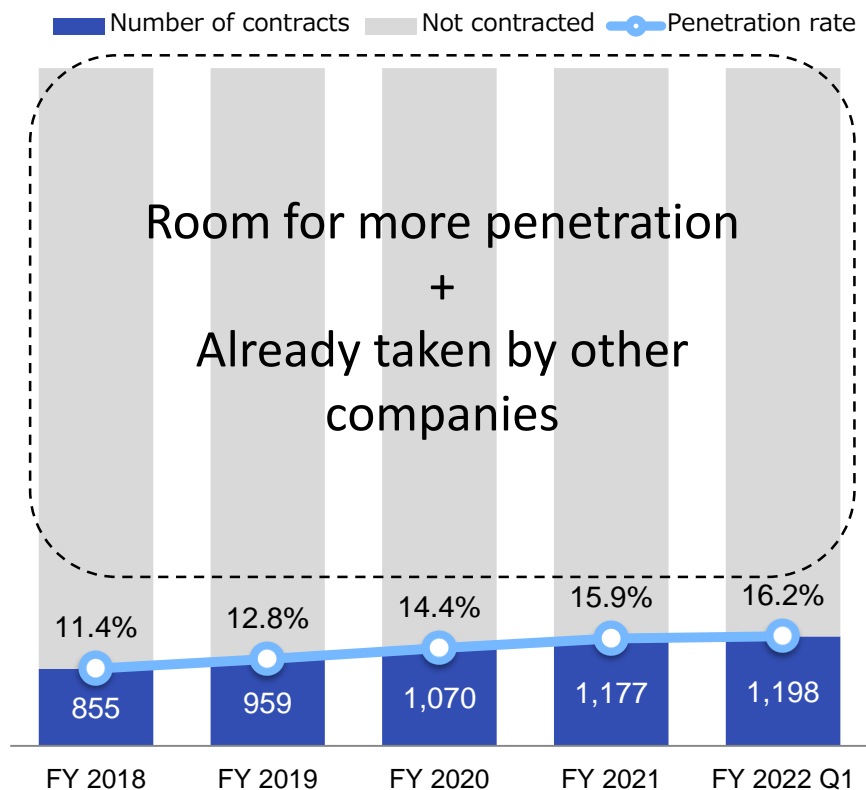
Number of Monthly Users



*The number of monthly users above indicates the number of users in the month at the end of each fiscal year.

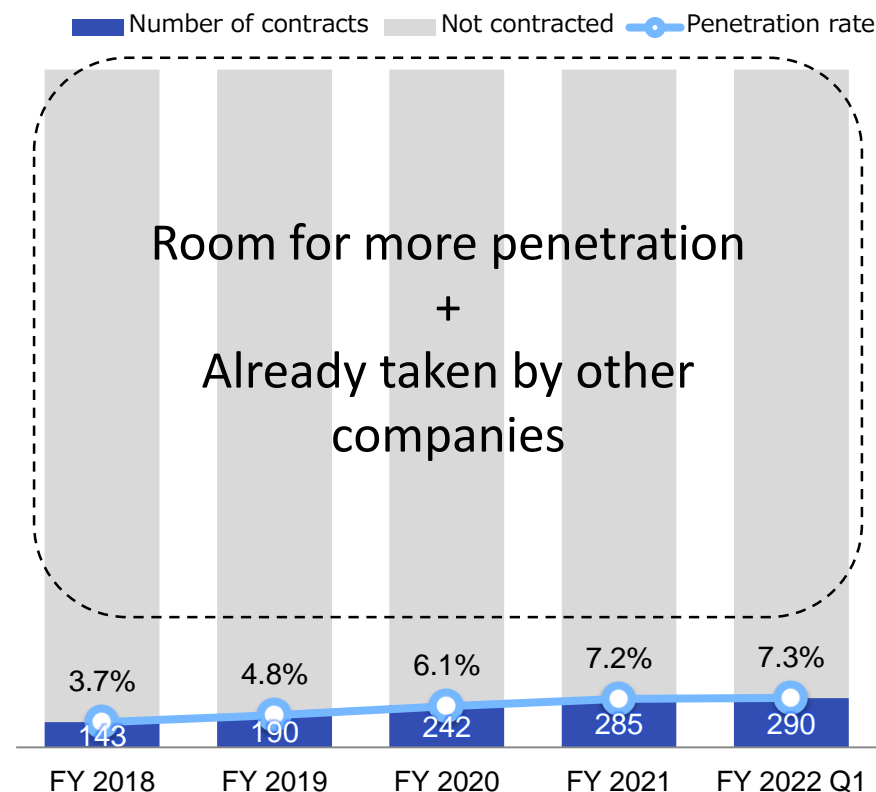
- With the number of contracted hospitals (with 50 or more beds) exceeding 1,100, the penetration rate has reached **16.2%** and entered a phase of wider public acceptance.
- With the number of contracted long-term care health facilities and integrated facilities for medical and long-term care (with 50 or more beds) exceeding 250, the penetration rate has reached **7.3%**.

Penetration Rate of Hospitals (with 50 or more beds)



ELAN's target is **7,413** facilities

Penetration Rate of Long-term Care Health Facilities/ Integrated Facilities for Medical and Long-term Care (with 50 or more beds)



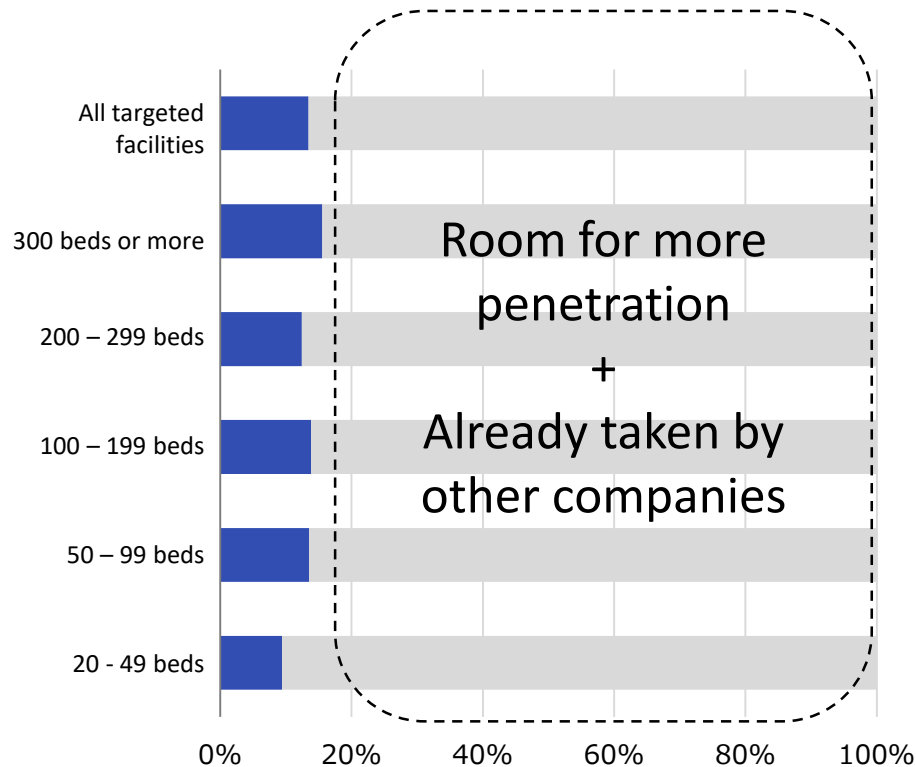
ELAN's target is **3,976** facilities

*Prepared by ELAN in reference to the survey results of Survey of Medical Facilities 2019 and Survey of Institutions and Establishments for Long-term Care 2019 by Ministry of Health, Labor and Welfare.

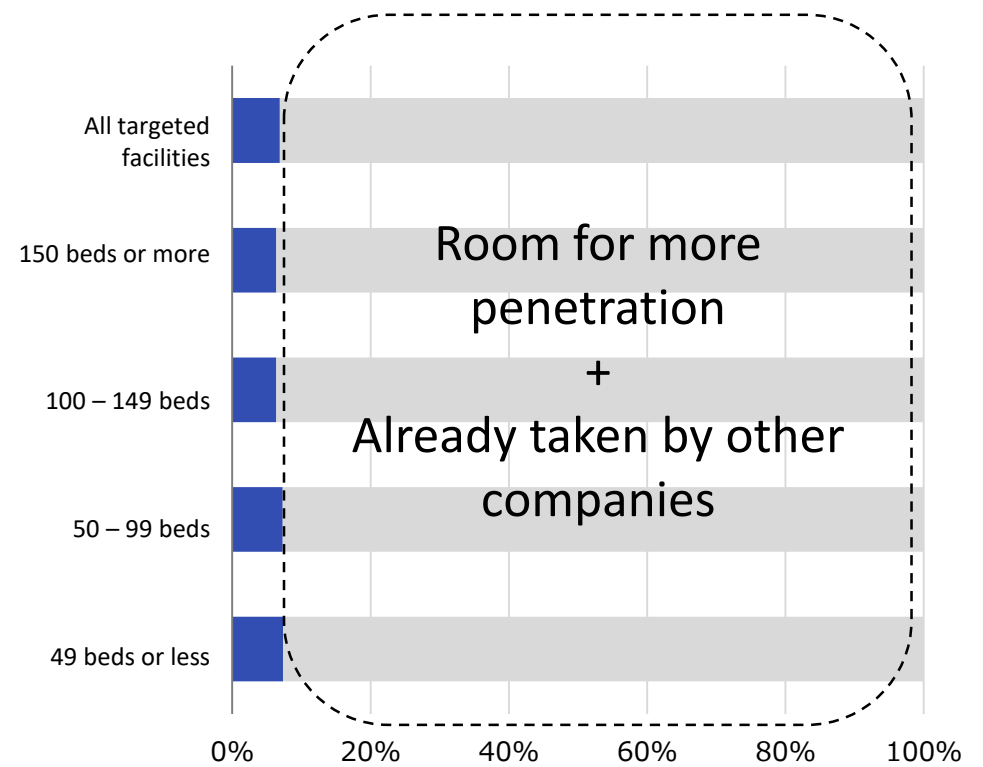
*Starting in the presentation material for the first quarter of Fiscal 2021, integrated facilities for medical and long-term care were added to long-term care health facilities when calculating the penetration rate. (Thus, the penetration rates for FY 2019 and FY 2020 differ from those presented in the past materials.)

- There is little difference in the penetration rate by number of beds in both hospitals and long-term care health facilities/integrated facilities for medical and long-term care, and contracts have been concluded evenly.

Penetration Rate of Targeted Hospitals by Number of Beds



Penetration Rate of Targeted Long-term Care Health Facilities/ Integrated Facilities for Medical and Long-term Care by Number of Beds



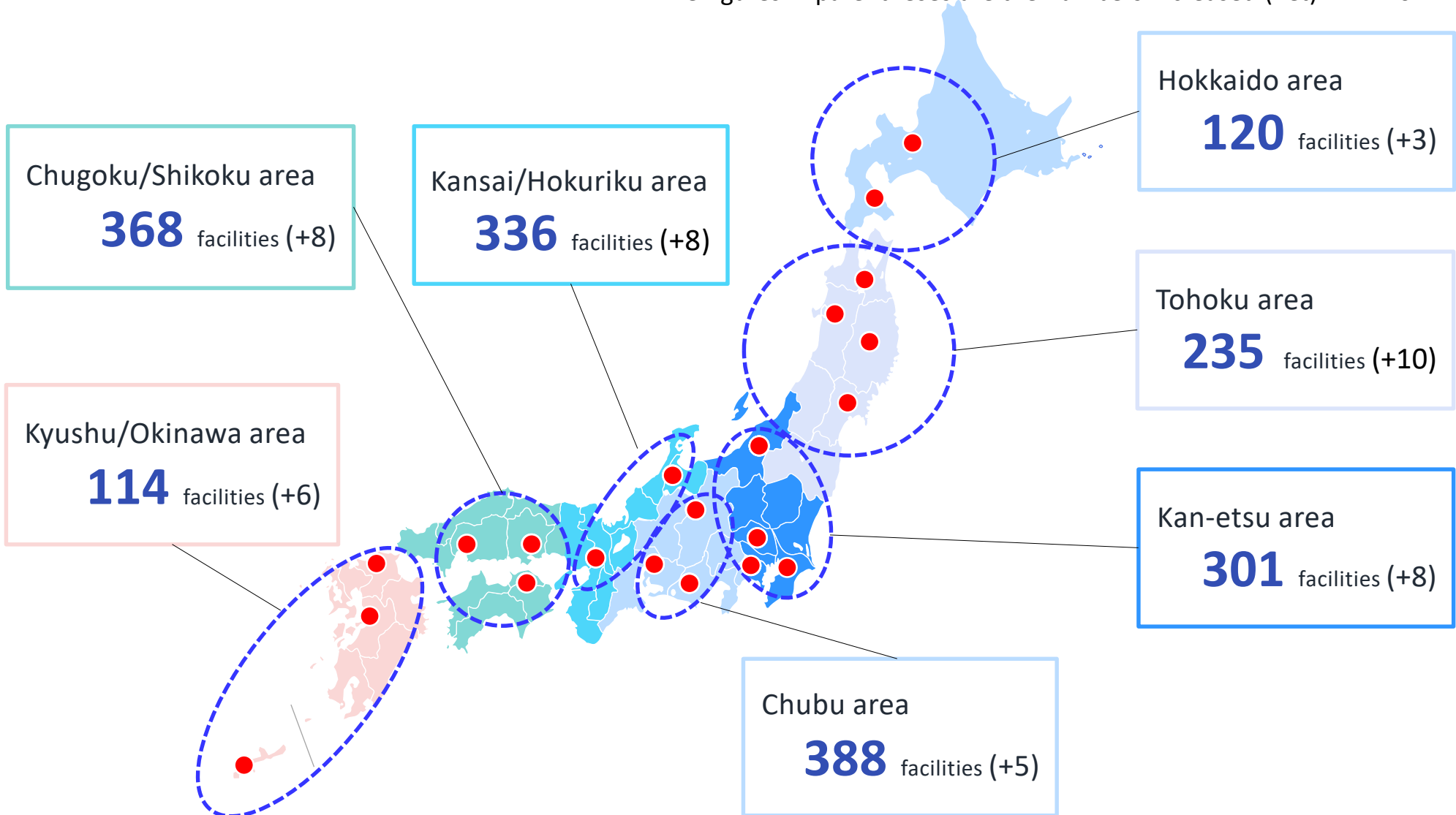
*The blue parts of the charts above represent the penetration rate of our service.

*Prepared by ELAN in reference to the survey results of Survey of Medical Facilities 2019 and Survey of Institutions and Establishments for Long-term Care 2019 by Ministry of Health, Labor and Welfare.

*Starting in the presentation material for the first quarter of Fiscal 2021, integrated facilities for medical and long-term care were added to long-term care health facilities when calculating the penetration rate.

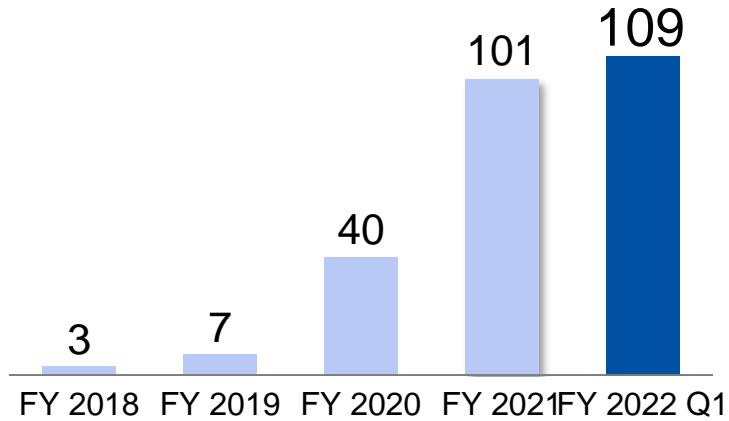
The number of contracted facilities is increasing steadily throughout Japan

*The figures in parentheses are the numbers increased (net) in FY 2022



R increased by 8 and LC increased by 5

Number of Facilities Contracts for CS Set R



POINT of CS Set R

[Benefit from introduction]

Medical institutions, etc. can reduce debt-collection tasks, which require man-hours, as well as eliminate the risk of failing to collect.

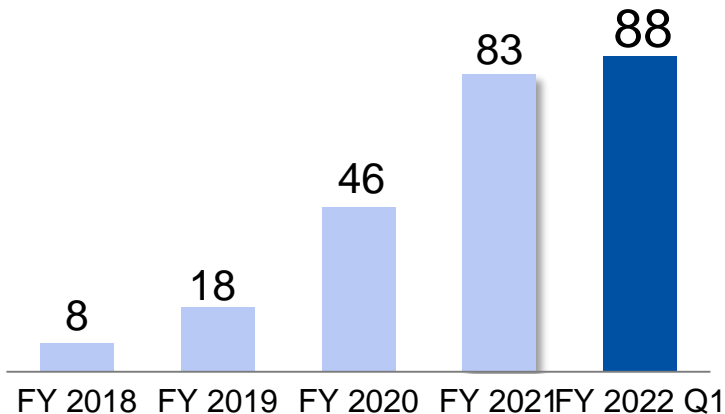
[Number of introductions]

There has been an increasing trend in the number of introductions due to adding R from the initial phase of proposals.

[Usage]

High usage ratio of the services is realized in general.

Number of Facilities Contracts for CS Set LC



POINT of CS Set LC

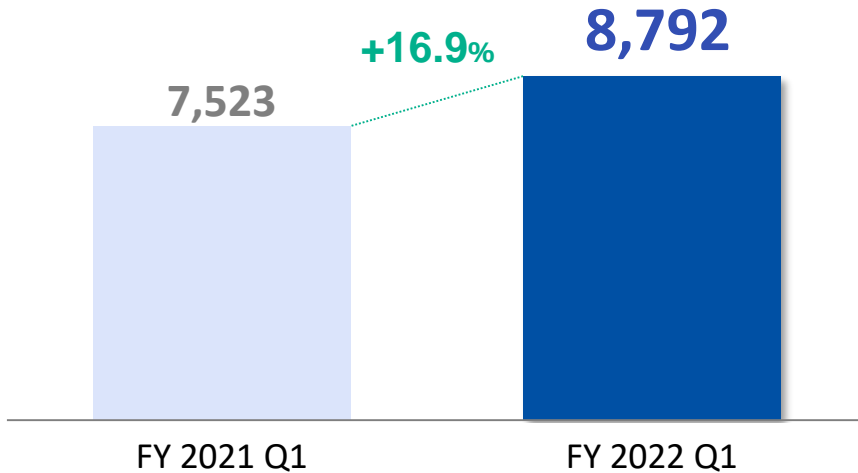
[Benefit from introduction]

Damages for which medical institutions, etc. find it difficult to demand compensation from users are covered.

[Actual case examples for compensation]

- Clogged the toilet by flushing a foreign object.
- Tore the nurse call cable.
- Broke the glass on the door by accidentally hitting it with an umbrella.

Net sales (millions of yen)



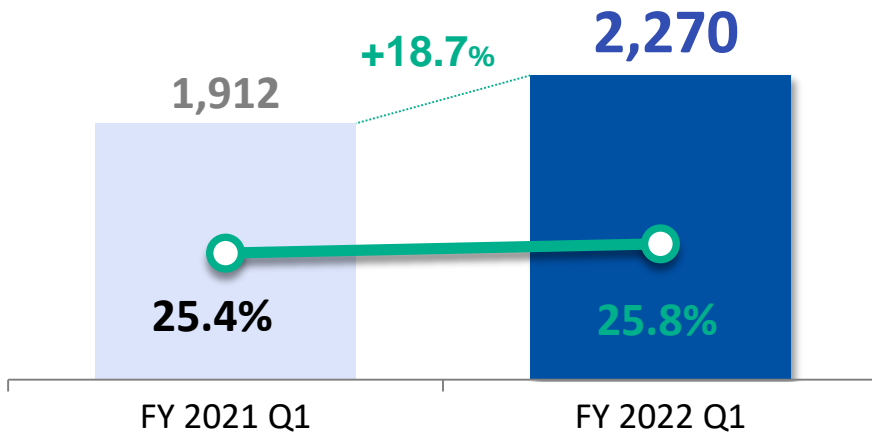
Year on year **+1,268** million yen

+235 facilities

Number of new contract facilities for CS set

• FY 2021 Q1 : **53** → FY 2022 Q1 : **65**

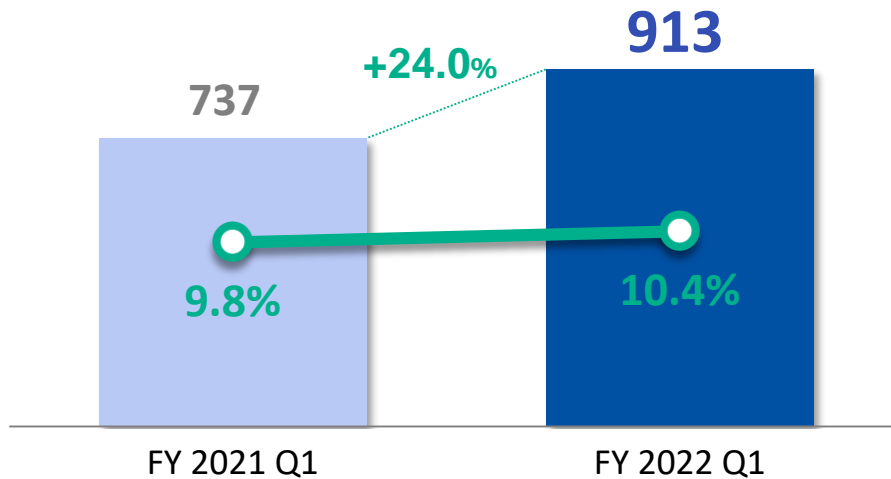
Gross profit (millions of yen)



Year on year **+357** million yen

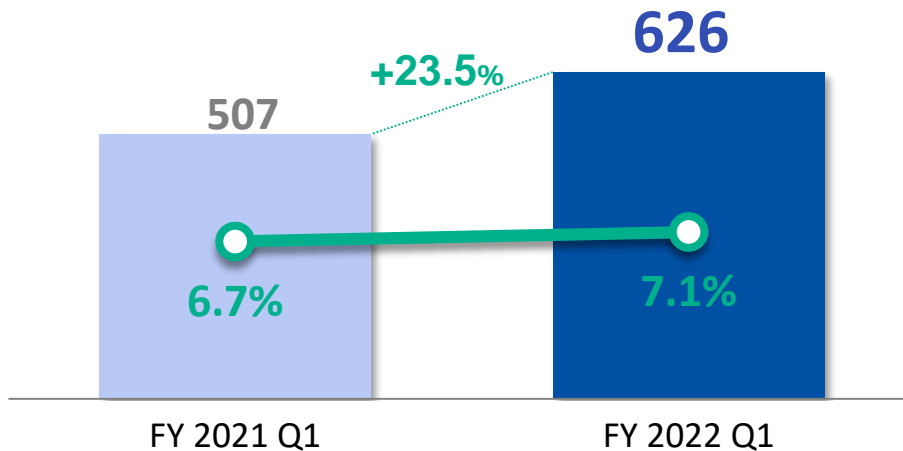
Gross profit margin (year on year) **+0.4%**

Operating profit (millions of yen)



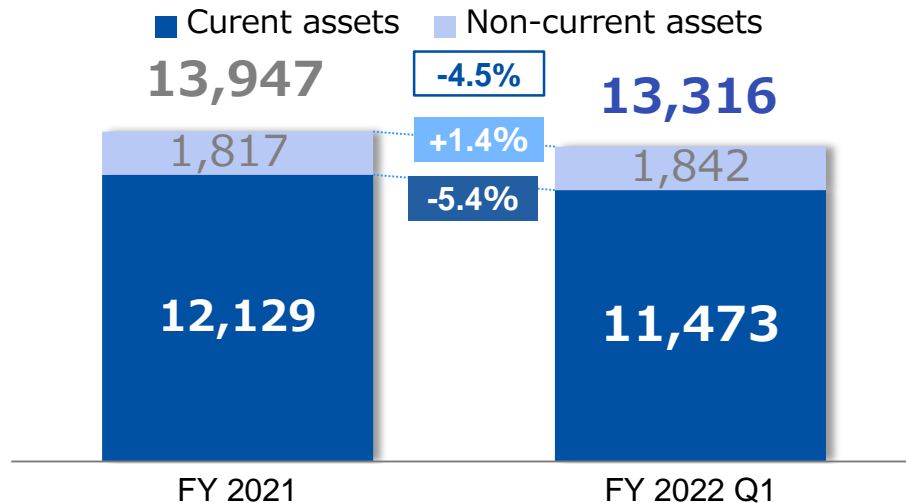
Year on year **+176** million yen
By improving business efficiency through billing-related systemization, etc.
Operating profit margin (year on year) **+0.6%**

Profit attributable to owners of parent (millions of yen)



Year on year **+119** million yen

Assets (millions of yen)



Total assets

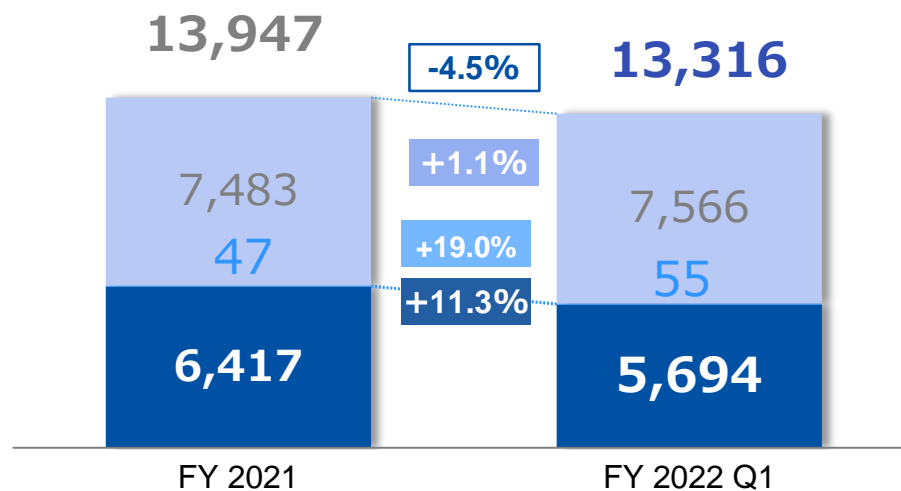
Comparison with the end of the previous fiscal year

-631 million yen

Cash and deposits due to dividend and corporate tax payment, etc. -968 million yen

Liabilities/Net Assets (millions of yen)

■ Current liabilities ■ Non-current liabilities ■ Net assets



Total liabilities

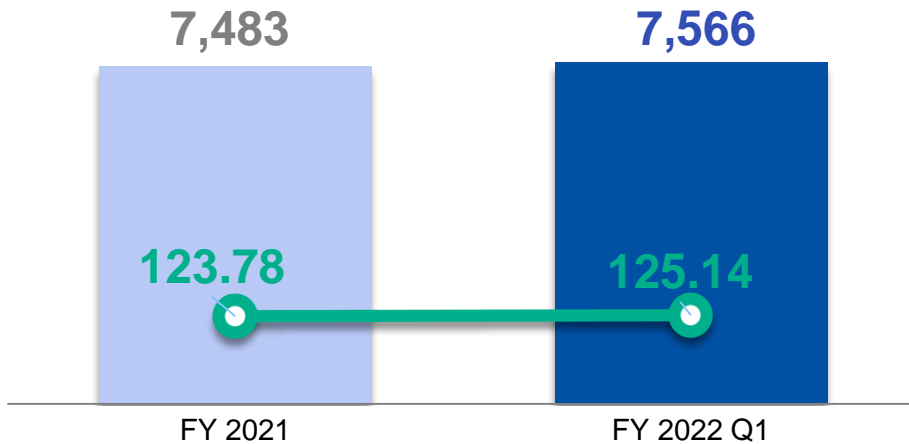
Comparison with the end of the previous fiscal year

-713 million yen

Loans **None**

Net Assets (millions of yen)

● Net assets per share (yen)



Net assets

Comparison with the previous fiscal year

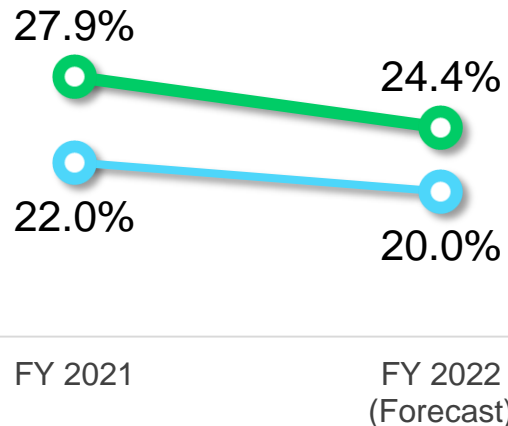
+82 million yen

BPS FY 2021 : 123.78 yen

→ FY 2022 Q1 : 125.14 yen (+1.1%)

ROA/ROE

● ROA ● ROE



ROA

Comparison with the previous fiscal year

-2.0%

* Liquidation ratio 201.5%
(189.0% in the previous fiscal year)

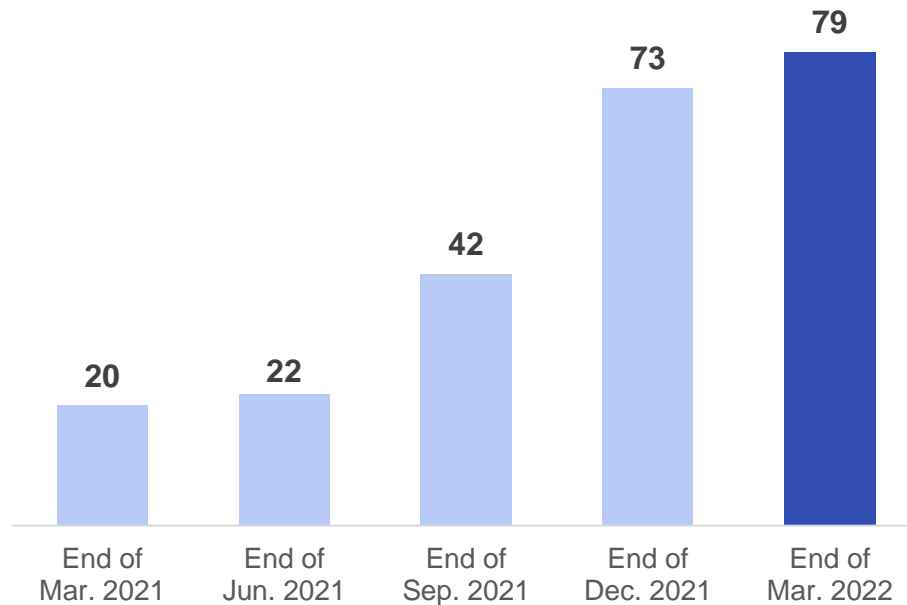
ROE

Comparison with the end of the previous fiscal year

-3.5%

- Delivery was made to 79 facilities using in-house logistics in March 2022
- Aim to expand the delivery area and bases and create a system enabling delivery to 250 facilities during 2023

Change in Number of Facilities to Which In-House Delivery Is Made



* The number of facilities to which in-house delivery was made as of the end of each month.

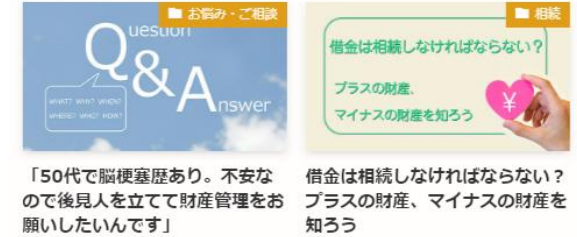
Increase in number of items shipped using in-house logistics and merchandise stockpile volume



**Delivery during disasters
Risk diversification in case of emergencies and being out of stock**



- Expanding the field of services in accordance with the needs for consultation
- Website renewal, display consultation cases at the top



<p>Housing</p> <ul style="list-style-type: none"> ■ Free appraisal of real estate <ul style="list-style-type: none"> • Leaseback • Free tentative land survey ■ Management of houses where the family is out ■ Disposal <ul style="list-style-type: none"> • Swedish death cleaning • Disposal of household articles ■ Change of a place of living <ul style="list-style-type: none"> • Relocation • Selecting a nursing home 	<p>Medical care (Hospital visits / hospitalization)</p> <ul style="list-style-type: none"> ■ CS Set ■ Fidelity guarantee ■ Consultation with pharmacists ■ Second opinion ■ Online visit ■ Accompanying those receiving consultation 	<p>Provision of care (Making regular visits to/ entering facilities)</p> <ul style="list-style-type: none"> ■ Escort upon hospital visits <ul style="list-style-type: none"> • Nurse-cum-housekeeper ■ Proposals for facilities <ul style="list-style-type: none"> • Rehabilitation • Recreation 	<p>In-home assistance Preventing diseases and addressing pre-symptomatic states</p> <ul style="list-style-type: none"> ■ Nurse-cum-housekeeper <ul style="list-style-type: none"> • Safety confirmation ■ Healthcare ■ Rehabilitation ■ Hobbies <ul style="list-style-type: none"> • Travel • Learning ■ Job assistance 	<p>End-of-life planning</p> <ul style="list-style-type: none"> ■ Inheritance-related <ul style="list-style-type: none"> • Family trusts • Life insurance trusts • Testamentary substitute trusts • Donation by will (small-amount donation) ■ Property management ■ Funeral <ul style="list-style-type: none"> • Dismantling of a family grave, etc. ■ Cleaning of belongings of the departed

*(As of March 2022) Services in **black**: services already implemented / Services in **blue**: services to be implemented



▶ E L A N
株式会社エラン

× *Classico*

lifte

Development of
original patient wear

- Name:** lifte
- Meaning:** Lift the quality and feeling of life at hospitals and facilities
- Cloth:** Texture and design that make users feel comfortable when wearing it
Realized both soft wear comfort and industrial launderability
- Progress:** Introduced at one facility in 2021
Scheduled to be introduced at more than 10 facilities in 2022

- Subsidiary Ryukyu Elan releases WEB application "Ganju Pass" on April 18
- "Ganju" is an Okinawan dialect that means health and sturdiness
- Start the promotion for the use of CS set users in Okinawa Prefecture



Function introduction

【Ganju Pass】



Certificate of vaccination record or PCR negative

【 Infection control measures certified store search 】



Restaurants list of cleared the infection control standards of Okinawa Prefecture

【Ganju Pass privilege store】



Map of stores that give benefits by presenting Ganju Pass

【 Congestion status Map 】



A map that delivers LIVE distribution of the congestion status of system installation locations in Okinawa Prefecture in 6 stages

【Map of PCR inspection sites】



Map of PCR inspection sites in Okinawa Prefecture

2. Earnings forecast of Fiscal 2022

Bringing smiles to your
hospital/elderly facility stay

The logo for ELAN, featuring a blue circle with a white play button icon to the left of the letters 'E L A N' in a blue serif font.

There are no change form current forecast for fiscal 2022.

Increase of Revenues due to the continued high utilization rates at existing facilities and acceleration of the acquisition of new facilities absorb the increase of the expense of activities of sales and investment in new businesses.

(millions of yen)

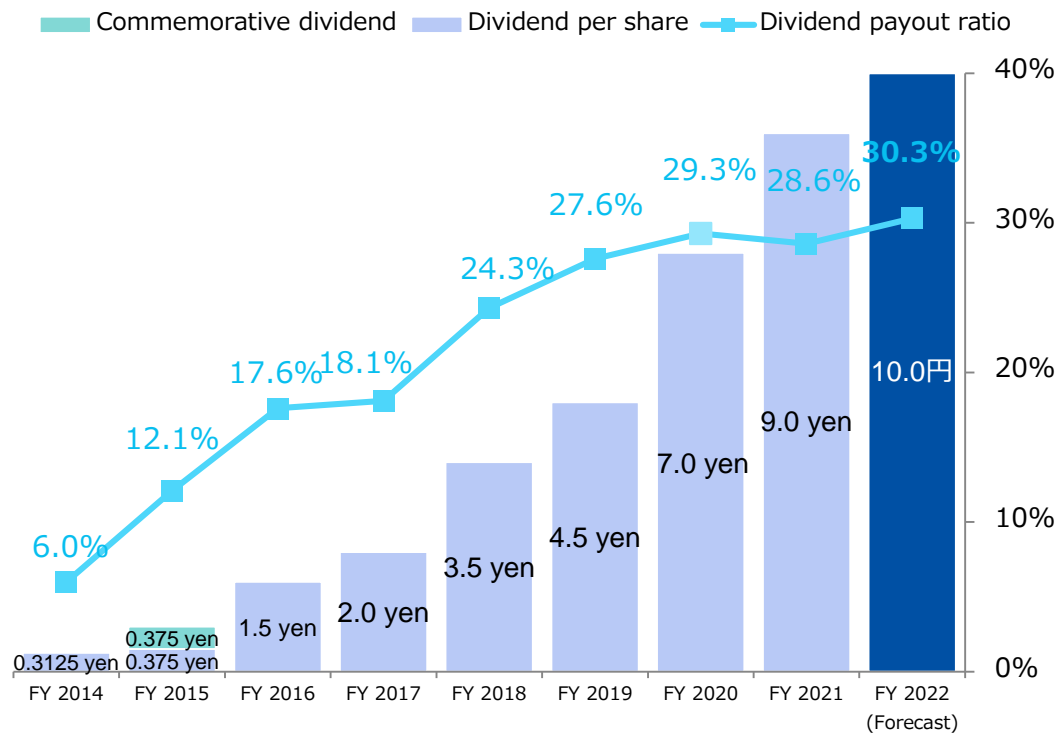
	Fiscal 2021 First Half Results	Fiscal 2022 First Half Forecast	YoY change	Fiscal 2021 Results	Fiscal 2022 Forecast	YoY change
Net sales	15,218	17,300	13.7%	31,635	37,000	17.0%
Operating profit	1,403	1,430	1.9%	2,798	3,000	7.2%
<i>Operating profit to net sales</i>	9.2%	8.3%		8.8%	8.1%	
Ordinary profit	1,414	1,440	1.8%	2,818	3,020	7.1%
<i>Ordinary profit to net sales</i>	9.3%	8.3%		8.9%	8.2%	
Profit	956	980	2.5%	1,905	2,000	4.9%
<i>Profit to net sales</i>	6.3%	5.7%		6.0%	5.4%	
EPS	15.78 yen	16.21 yen		31.49 yen	33.08 yen	

(Note) Net assets per share (BPS) has been retroactively revised to take into account the impact of the 2-for-1 stock split implemented on January 1, 2021.

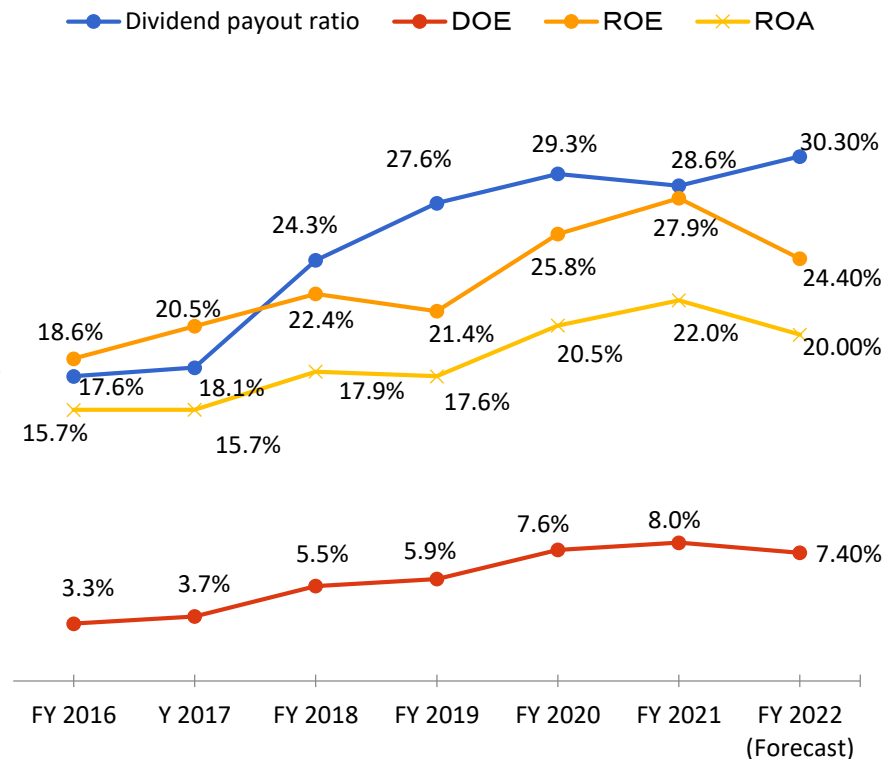
■ Payment of year-end dividend for fiscal 2022 will be **10.0 yen** per share

■ Consolidated dividend payout ratio for fiscal 2022 will be **30.3%**, up 1.7 percentage points year on year

Change in Dividend per Share and Dividend Payout Ratio



Changes in Financial Indicators



(Note 1) Dividend per share in the above graph has been retroactively adjusted to reflect the 2-for-1 stock split on July 1, 2015, the 2-for-1 stock split on October 1, 2017, the 2-for-1 stock split on January 1, 2019, and the 2-for-1 stock split on January 1, 2021.

(Note 2) Dividend payout ratio is on a non-consolidated basis through fiscal 2016 and on a consolidated basis for fiscal 2017 and thereafter.

- Aim for consolidated net sales of 37.0 billion yen in fiscal 2022.

	2019 (Results)	2020 (Results)	2021 (Results)	2022 (Forecast)
Net sales	21.5 billion yen	26.0 billion yen	31.6 billion yen	37.0 billion yen
Operating profit	1.49 billion yen	2.06 billion yen	2.7 billion yen	3.0 billion yen
Operating profit margin	6.9%	7.9%	8.8%	8.1%
Penetration rate of the target market	10%	11.7%	12.8%	20%
Domestic base	20 bases	21 bases	22 bases	23 bases
	Opened Shizuoka Branch Opened Hakodate Sales Office Started overseas research	Opened Okinawa Branch Postponed overseas research	Opened Chiba Branch Opened Osaka Branch No. 2 Postponed overseas research	Open Kanazawa Branch No.2 Open Kushiro Branch or Matsuyama Branch Resumed overseas research

← Medium-Term Management Vision for 2020 to 2022 →

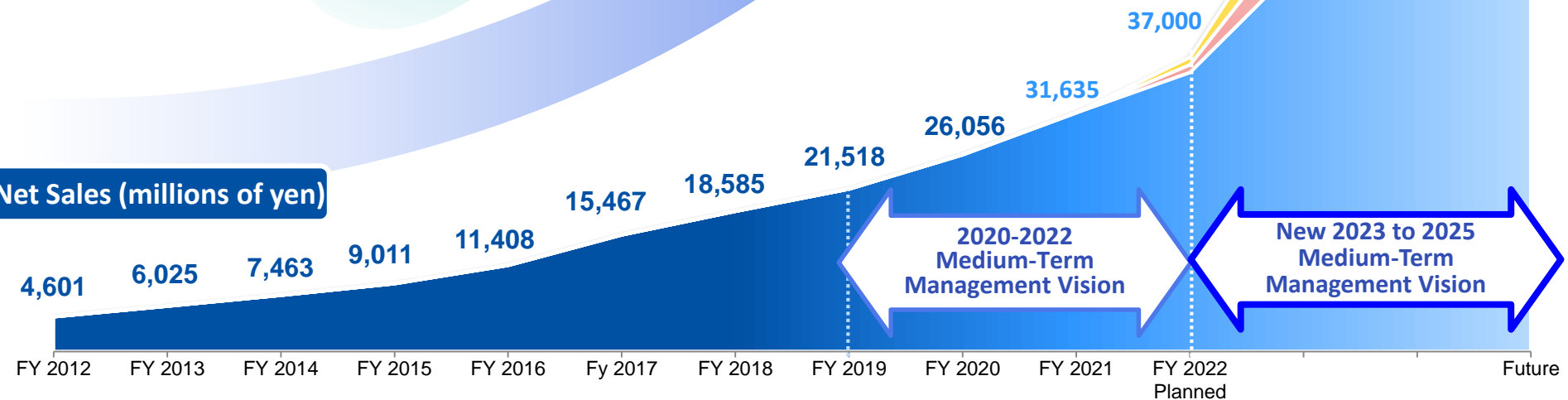
Initiatives for Growth

- Formulation of New Medium-Term Management Vision
- ELAN Group's Development Overseas
- Increase the penetration rate of the target market to 20% or higher as a group
- Launch new businesses
- Create a platform for patients and their families
- Enhance added value to differentiate ELAN from other companies
- Improve operating profit margin by reinforcing operating systems

Next Stage

- New business
- Contract services business
- CS Set

Net Sales (millions of yen)



(Note) The figures are on a non-consolidated basis through fiscal 2016 and on a consolidated basis for fiscal 2017 and thereafter.

3. Reference Materials

Bringing smiles to your
hospital/elderly facility stay

The logo for ELAN, featuring a blue play button icon to the left of the letters 'E', 'L', 'A', and 'N' in a serif font.



Matsumoto Head Office in Nagano Prefecture



We seek to provide the best products and services that satisfy our customers, and we focus our passion on contributing to the realization of a society in which people live fulfilling lives

Representative Director & President
Minezaki Tomohiro



Company name	ELAN Corporation
Business description	Medical and nursing care-related business (CS Set)
Established	February 6, 1995
Capital	573 million yen
Net sales	31,635 million yen (fiscal 2021)
Ordinary profit	2,818 million yen (fiscal 2021)
Location of headquarters	Matsumoto City, Nagano Prefecture
Representative	Representative Director: Hideharu Sakurai
Number of employees	502 (as of January 1, 2022)
Business establishment	[Headquarters] Matsumoto [Office] Tokyo (business strategy and marketing) [Business establishment] Matsumoto Murai (response to customers) [Sales base] Hokkaido area Sapporo/Hakodate Tohoku area Aomori/Morioka/Akita/Sendai Kan-etsu area Tokyo/Chiba/Saitama/Sagamihara/Niigata Chubu area Matsumoto/Nagoya/Shizuoka Kansai/Hokuriku area Kanazawa/Osaka Chugoku/Shikoku area Hiroshima/Okayama/Shikoku Kyushu/Okinawa area Fukuoka/Minami-Kyushu/Okinawa
Subsidiaries	ELAN Service Corporation (Invoicing operation), Ryukyu ELAN Corporation
Listed market	Tokyo Stock Exchange (TSE) Prime Market (Securities code: 6099)
Status of various certifications	Privacy mark system, Eruboshi certification, Kurumin certification

The CS Set allows people to start hospitalization and end a hospital stay as well as hospital visitations without the need to bring anything. There is no need for patients to assemble hospitalization supplies on their own.

CS Set users can rent clothing and towels, and receive disposable diaper pads, personal care items and other supplies needed during a hospital stay. Required items are available at the time they are needed on a daily basis at a fixed rate.



Example of the CS Set Standard Plan

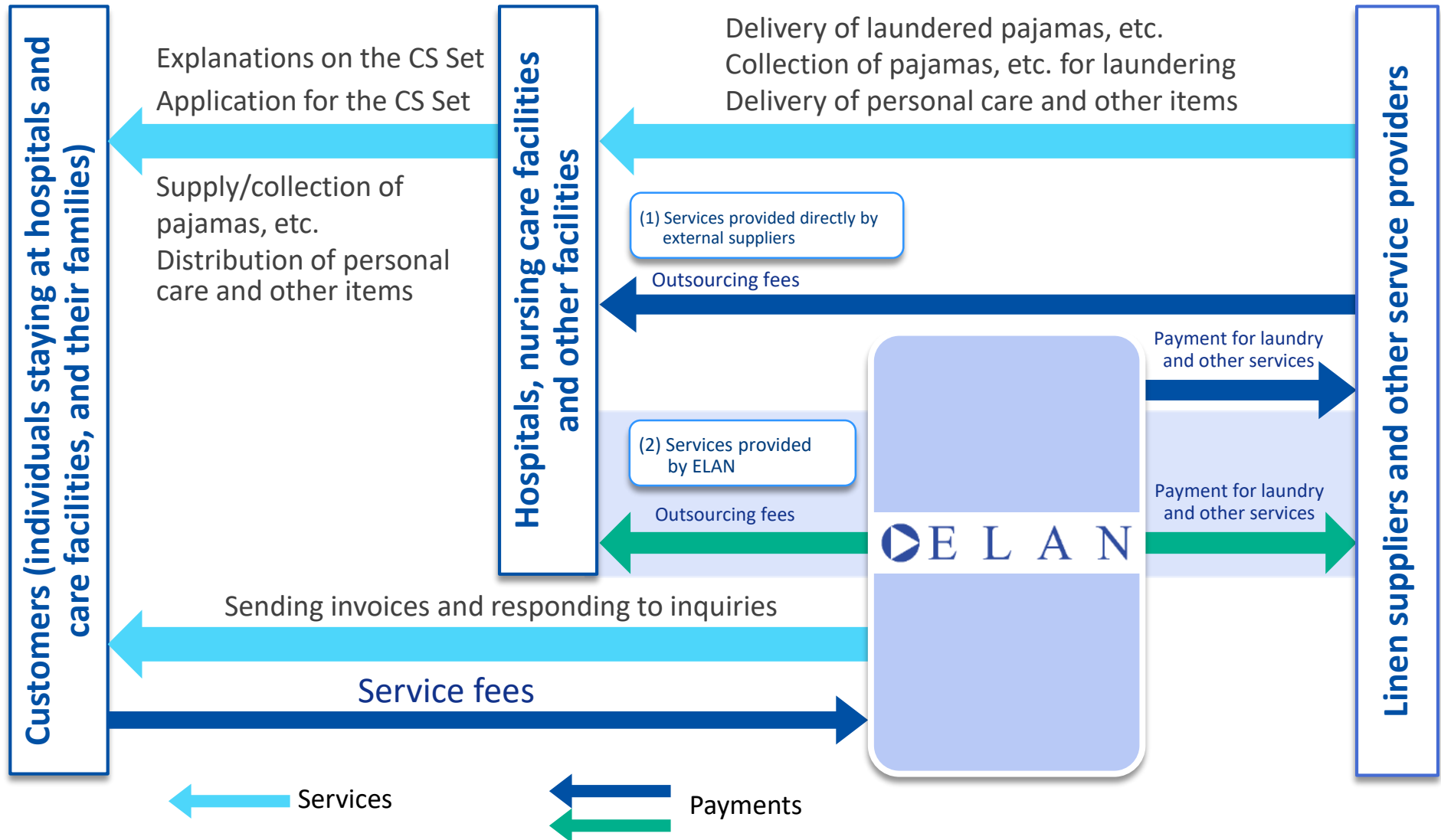
Note: The daily fees shown below are for reference.

	Plan A Daily fee: 700 yen	Plan B Daily fee: 500 yen	Plan C Daily fee: 300 yen
Towels	Bath towel, face towel, hand towel		
Personal care items	Drinking cups, tissues, shampoo, slippers, etc.		
	Oral care product set		
Clothing	Hospital gown or training wear (top and bottom)		
	Underwear and socks		
	Nursing care pajamas, mealtime apron		

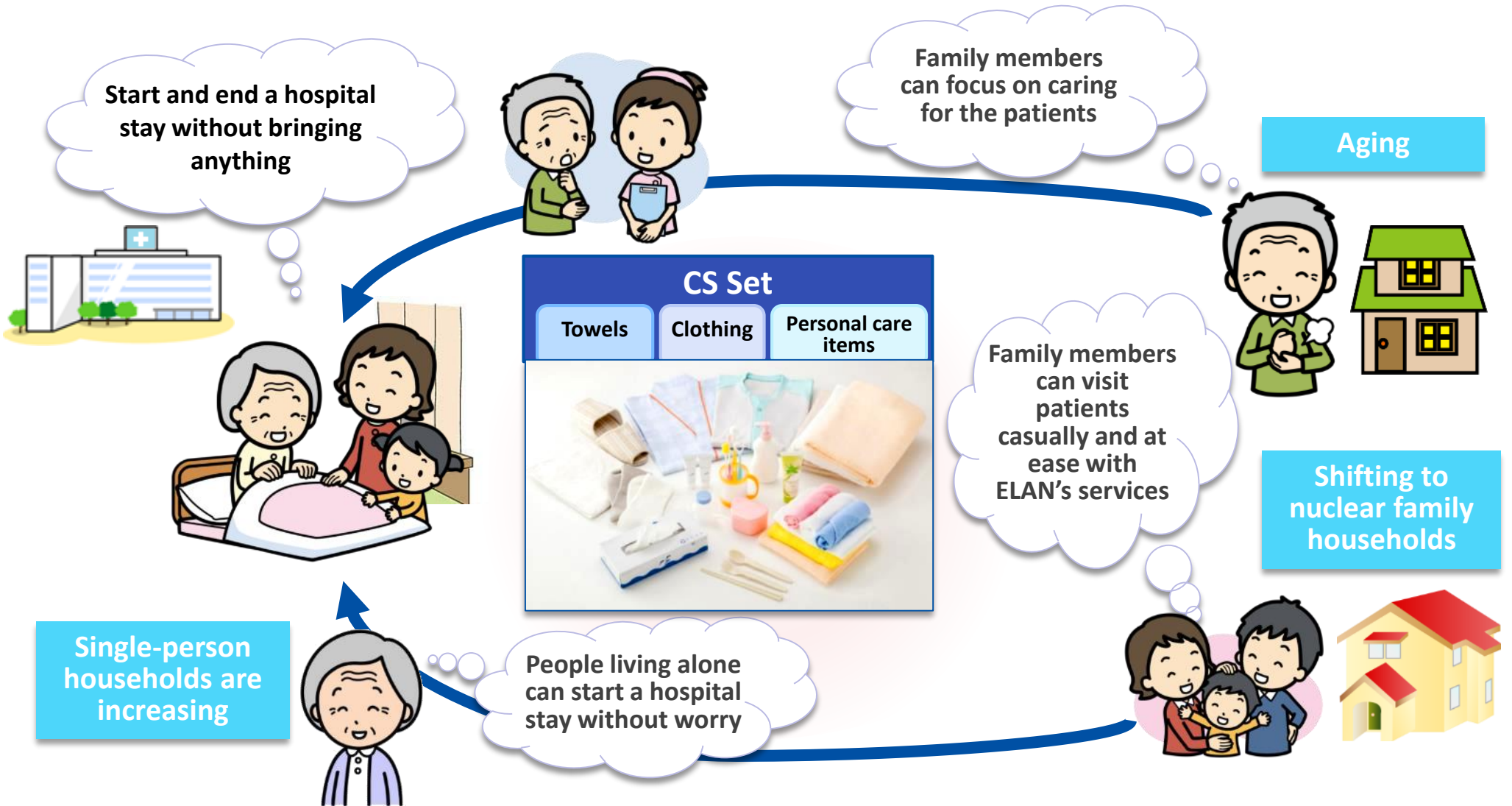
(Example) Seven-day hospital stay under Plan B
 $500 \text{ yen} \times 7 \text{ days} = 3,500 \text{ yen}$



For (1) services provided directly by external suppliers and (2) services provided by ELAN, the roles of all parties involved are the same; only the contract format is different.



The CS Set provides patients and their family members with ease and comfort



Many advantages for the nursing and care frontlines

Solves problems for hospitals and nursing care facilities



The staff can now focus on their nursing and care duties!

Chronic labor shortage

Hygiene problems



Restricted visitation due to COVID-19



Goods were moved by staff

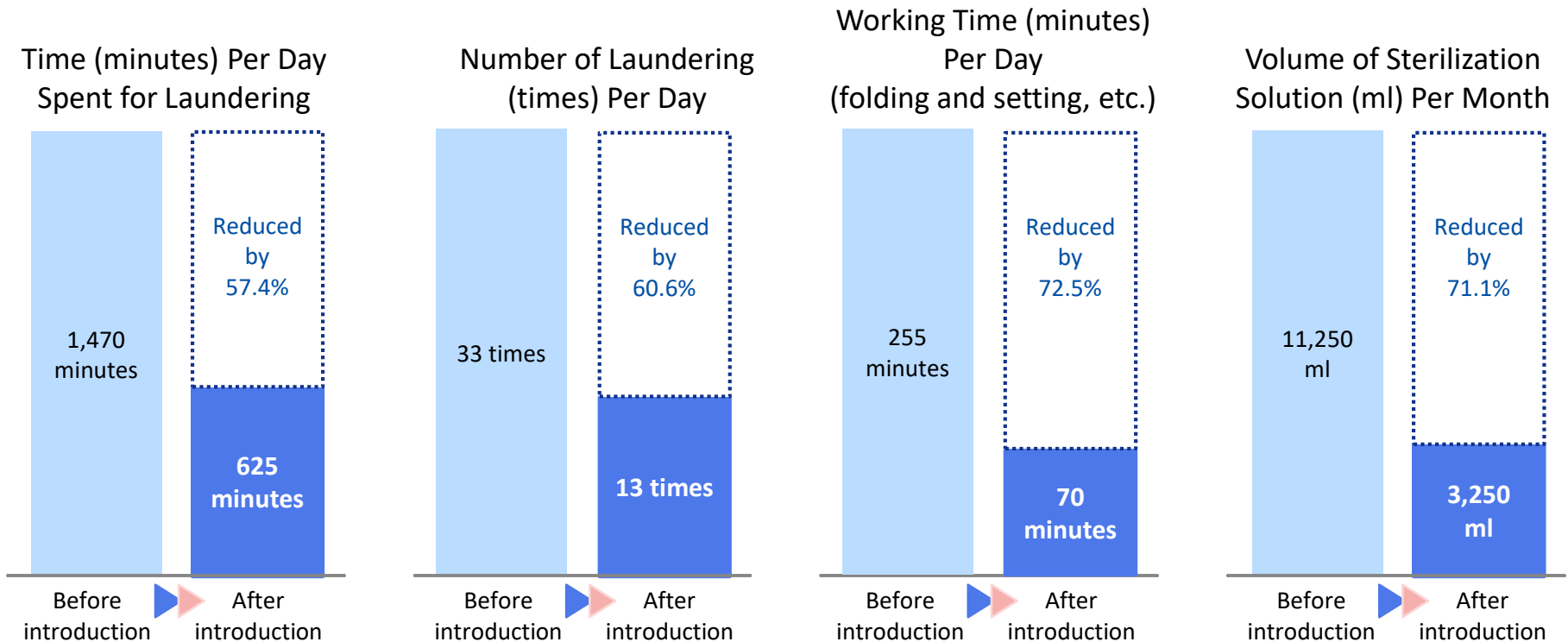
Example) Moving dirty things from the hospital wards to the reception on the 1F, giving them to the family, and bringing new clothes and towels to the hospital wards

Significant saving of time and labor

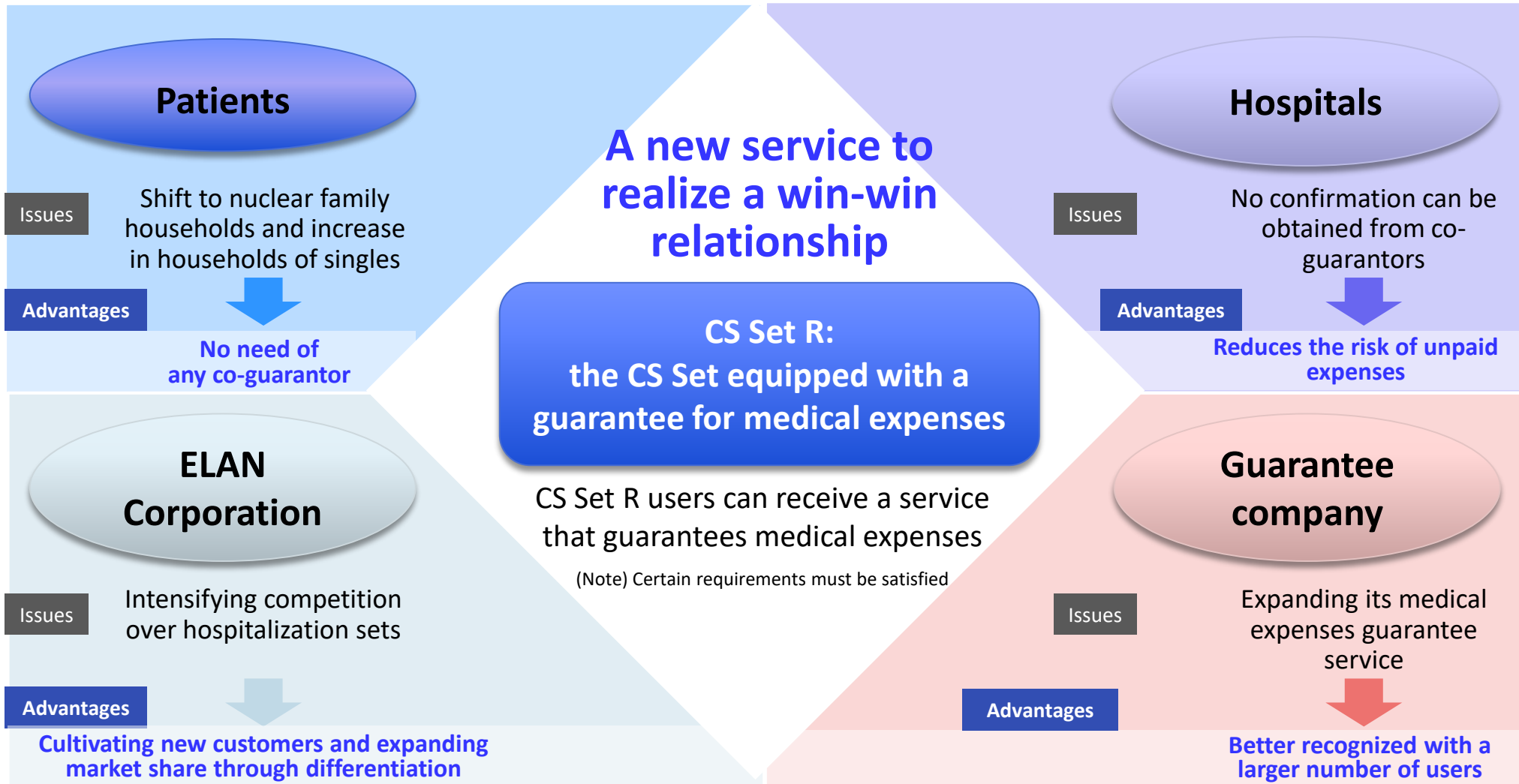
The staff can focus on their nursing and care duties

Effects of Introducing the CS Set: A Case Example

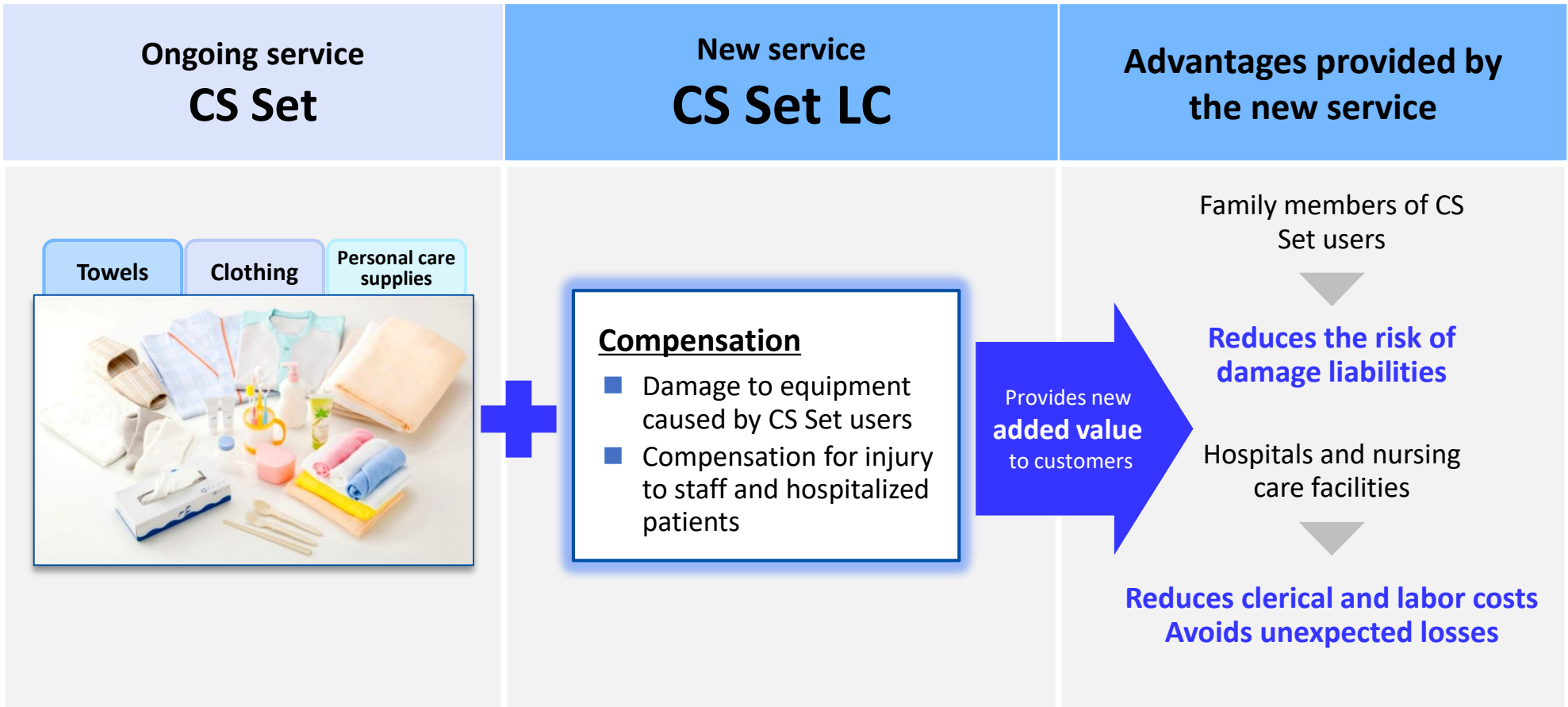
For using towels and mealtime aprons at a hospital with 250 beds



*Figures represent accumulated total values for 6 hospital wards.



CS Set automatically equipped with a service to compensate damage accidents caused by patients using the CS Set



- 1.** The CS Set has a solid history in the hospitalization support set business
- 2.** Growth potential and earnings-generating capabilities of the subscription-based business model
- 3.** Barriers to new entrants are growing

ELAN has pioneered the hospitalization support set business in an organized fashion

Three factors that have enabled ELAN, the pioneer, to predominantly lead the late starters

1 Know-how

- Ability to determine where the profitability threshold stands
- Explanations to nursing and care staff and operational skills
- Provision of services in a manner consistent with government guidance
- Efficient invoicing and payment receipt operations

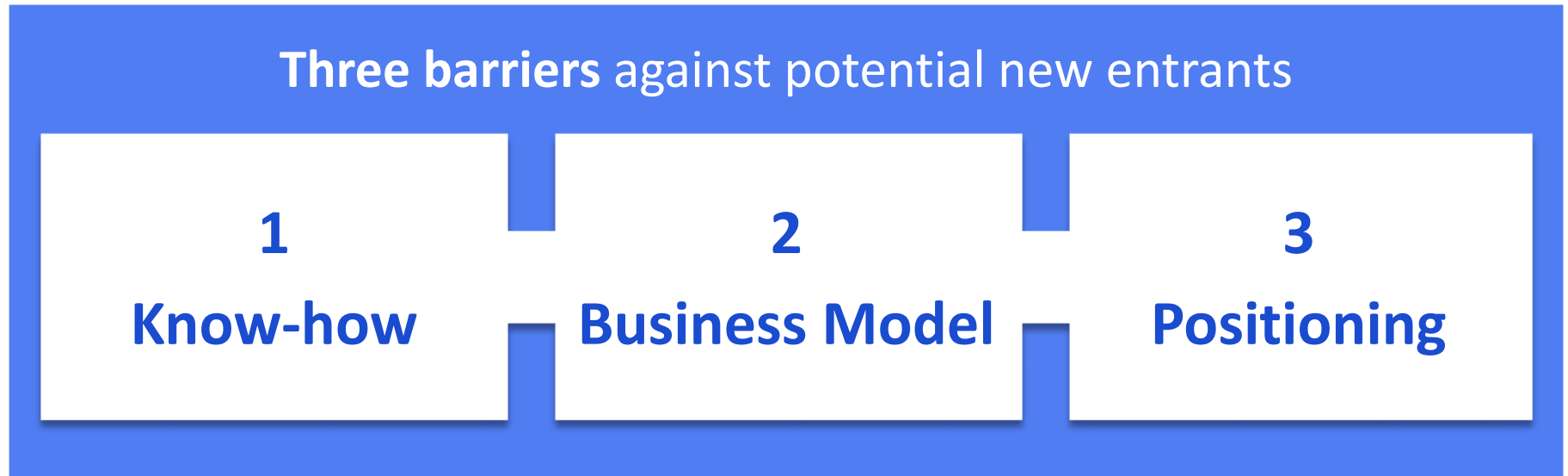
2 Business Model

- A business model built on ongoing business relationships with partners to **achieve mutual success**

3 Positioning

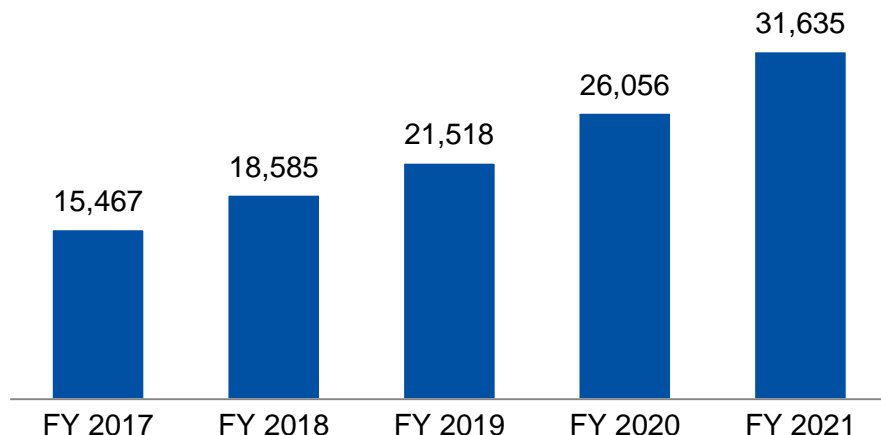
- ELAN stands independent and **open** without being affiliated by any corporate group

Barriers to entry appear to be low but are actually high

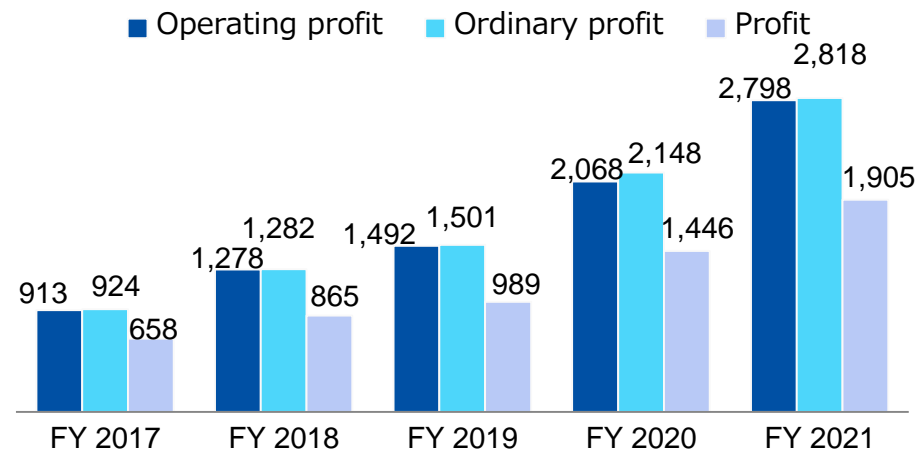


Build **even higher barriers** against potential new entrants by accumulating know-how and firmly establishing our position in the industry

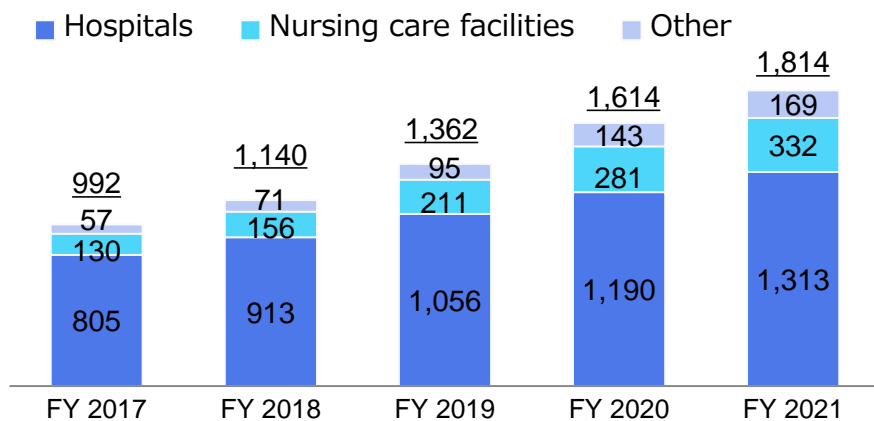
Change in Net Sales (millions of yen)



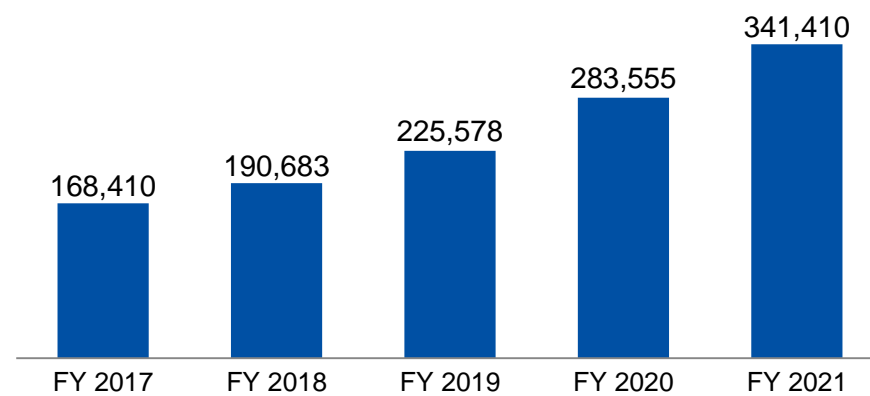
Change in Profits (millions of yen)



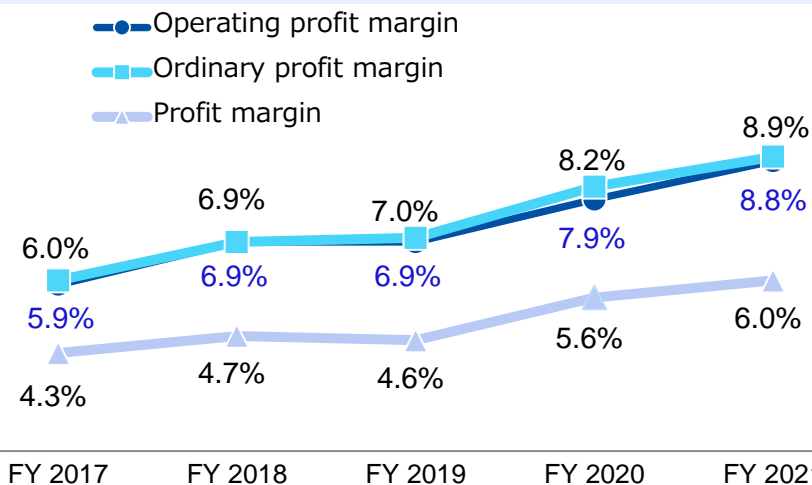
Change in Number of Contracted Facilities



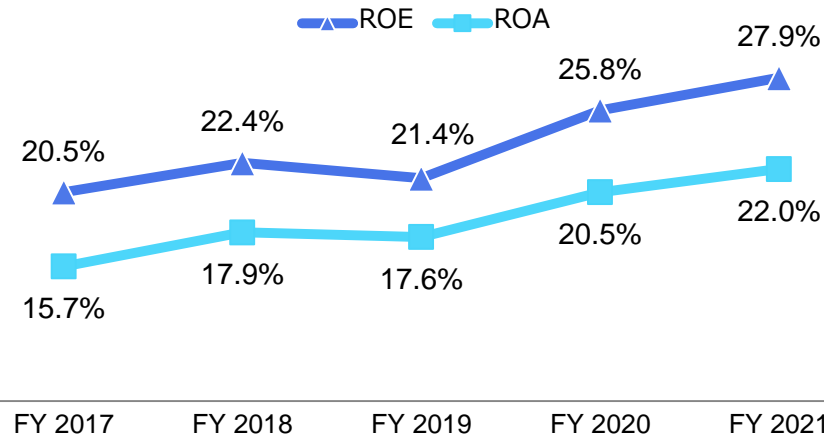
Change in Number of Monthly Users (people)



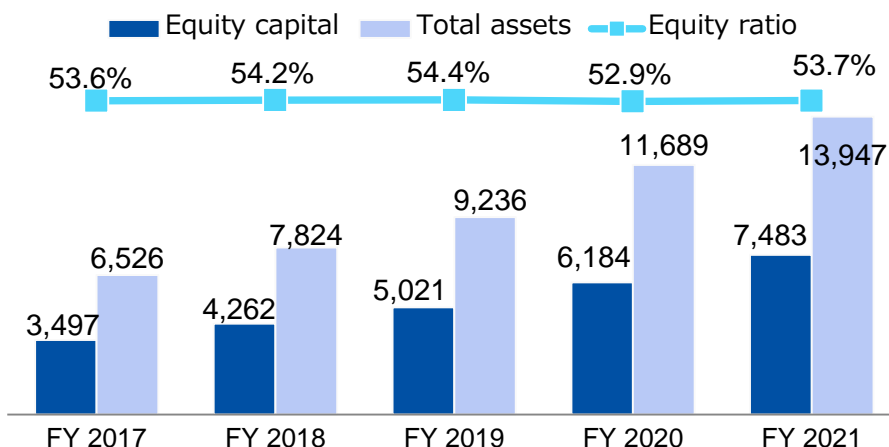
Change in Profit Margins



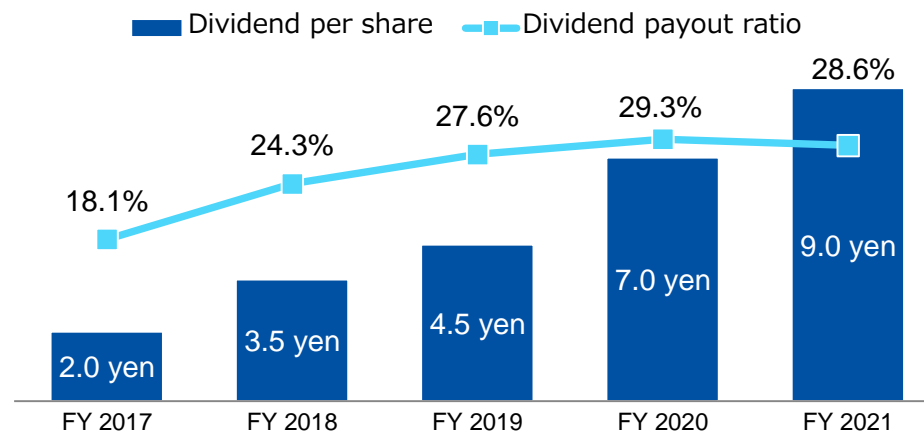
Change in ROE and ROA



Change in Total Assets, Equity Capital and Equity Ratio (millions of yen)



Change in Dividend per Share and Dividend Payout Ratio



(Note) Dividend per share has been retroactively adjusted to reflect the 2-for-1 stock split on October 1, 2017, the 2-for-1 stock split on January 1, 2019, and the 2-for-1 stock split on January 1, 2021.

[Disclaimer]

This material has been prepared by ELAN Corporation.

This material includes forward-looking statements such as strategies and outlooks.

These statements are based on the judgments of ELAN at the time this material was prepared (May 12, 2022) and include risk factors and uncertainties.

Such statements may be changed due to a variety of reasons including changes in the business environment.

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