



Medium-Term Business Plan 2024

Aug 12th, 2022

Living Platform, Ltd.
(TSE Growth : 7091)



Company Profile

(as of July 31, 2022)

Name	Living Platform, Ltd.	
Board of Directors	CEO Board director Board director Outside Board director Outside Board director Auditor Outside auditor Outside auditor	Hirofumi KANEKO Ryusuke HAYASHI Shinya KOBAYASHI Hiroaki TANAKA, lawyer Kenji KAWAE, CA Toshimasa MATSUHASHI Hidetsugu KATAKURA, lawyer Rina SUMINO, CA
Established	June 28, 2011	
Listed	March 17, 2020: Tokyo Stock Exchange Growth 7091	
Number of Employees	2,577名	
Group Companies	Living Platform Care Blue Care Silver Heights Sapporo Nursery Platform ID Arman Challenge Platform BS Platform OS Platform	Elderly Care Elderly Care Elderly Care Child Care Child Care Disability Support Disability Support Food/Staffing/ Real Estate



Foster Assurance, Create Challenges.

With the vision of "building a sustainable social security system," Living Platform, Ltd. provides quality services at reasonable price and prevents the increase of governmental social security expenses through its private business. By supporting people's daily lives, we will increase the number of people who can participate in social activity and the number of work forces. The reassurance of the social security system conveys her/ his challenges, and the challenges foster further reassurance. This virtuous cycle is what we aim for in a sustainable social security system.

Medium-Term Business Plan

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CEO Message

Address to The Medium-term Business Plan 2024

FY2022, the first year of the "Medium-term Corporate Strategy 2024," began amid the global turmoil caused by Russia's invasion of Ukraine, despite signs that the effects of COVID-19 outbreak were subsiding.

The invasion of Ukraine fractured international supply chains, exposed the struggle for hegemony between the U.S. and China, made geopolitical risks well known, and opened the door to rapid inflation.

This disruption will likely be structural and long-lasting.

For now, our group is operating only in Japan, and we are already seeing the effects of the yen's depreciation on our operations in the form of higher import prices, fuel costs like crude oil and natural gas, and foodstuff costs of grains.

However, regardless of the situation, we are aimed to continue to grow as a company and contribute to society in various ways. And we formulated our medium-term business plan 2024. In FY2025, the final year of the plan, we plan to achieve the four KPI targets and be financially prepared to make a leap forward as the 2025 problem arrives.

At the same time, for a leap forward, we will work to build a corporate culture that will serve as the foundation, to create a workplace where a diverse workforce can work comfortably, and to focus on human resources.

By promoting these measures, we aim to become a sustainable company that contributes to building a sustainable society.

Living Platform, Ltd.
CEO/Founder
Hirofumi Kaneko

金子洋文

Medium-term Business Plan

Theme

Before leaping to the next stage (focus on human resource)

経営方針

1. **Develop corporate culture**
Through the multiple training, raise service level and develop corporate culture
2. **Diversity and inclusion**
Promote hiring new grads, foreign workers, disabilities and elderly people.
3. **DX**
In order to accept diversification, move ahead on DX.
Promote strategical training based on HR database and efficient operation.
4. **Corporate branding**
Through corporate branding and service branding, convey more credence and be more attractive employer.
5. **Sustainability**
contribute to create a society in which diverse human resources can work together, to realize a healthy and secure lifestyles, to achieve sustainable urbanization, and social security policies can be addressed through our services.

ターゲット
指標

1. Growth : Sales growth ratio **20%**
2. Profitability : Operating margin **10%**
3. Profitability : Income before income taxes margin **8%**
4. Stability : Capital ratio **20%**

Diversity & Inclusion

- ✓ Foreign care workers has been employed since 2022 and the employment will be promoted.
- ✓ Proactive hiring new grads, and aim to build loyalty
- ✓ Promote employment of wide range of age group including aged workers
- ✓ Promote employment of disabilities through group company

New grads

Has been started since 2022

Disabilities

Establish a specified company in 2021

Aged workers

Employ 20's – 80's

Foreign workers

Specified skilled workers: started in Apr 2022
Technical intern trainees: started in Feb 2022

Corporate Branding

For the continuous expansion of the business, formulate our corporate mission, vision and credo. The reassurance of the social security system conveys her/ his challenges, and the challenges foster further reassurance. This virtuous cycle is what we aim for in a sustainable social security system.

MISSION

**Foster Assurance,
Create Challenges.**

VISION

**Development of
Sustainable Social
Security system**



Corporate Branding

Credo

Enjoy yourself
through the work

Integrity

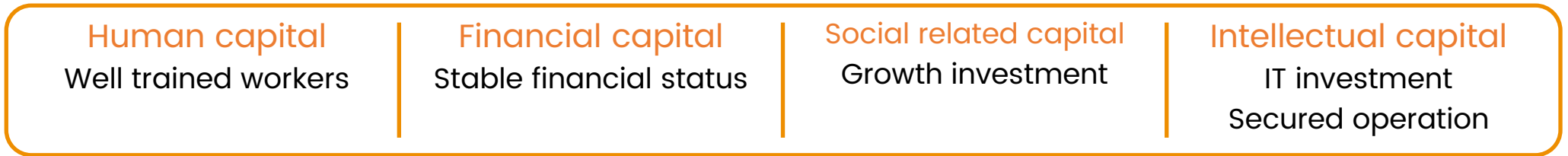
Care people as
you do for family

Teamwork

Find better
solutions

Challenge for
tomorrow

Our Value Creation Process



INPUT

Monetization

Normalize business 1 year after the development and generate static earnings

Find problems

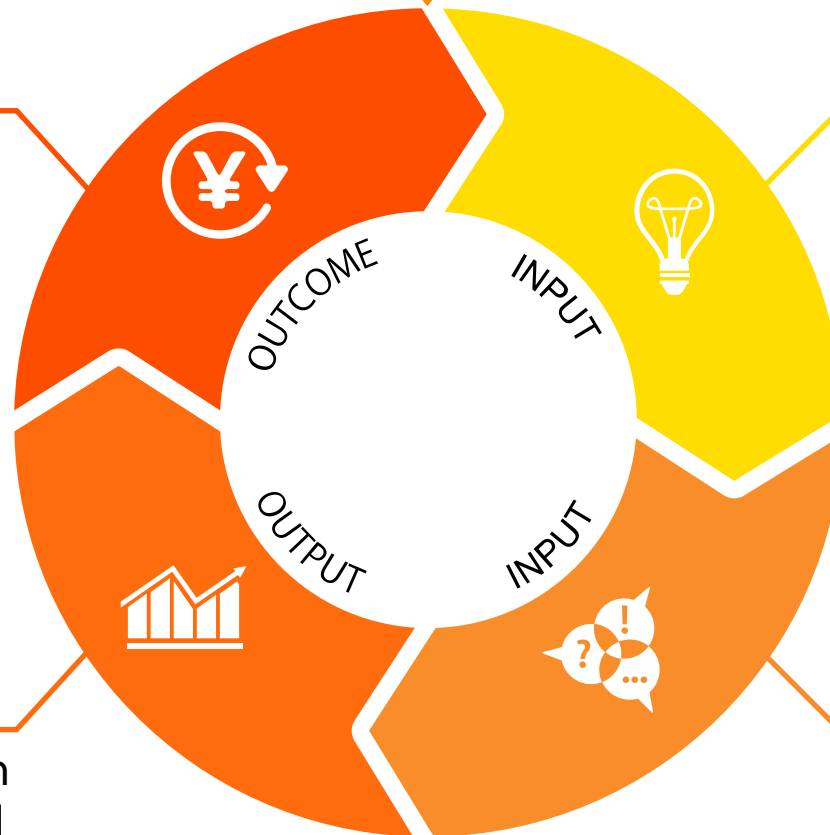
Find problems to build sustainable social security system from private company side

Business development

Enhance business through organic development and M&A

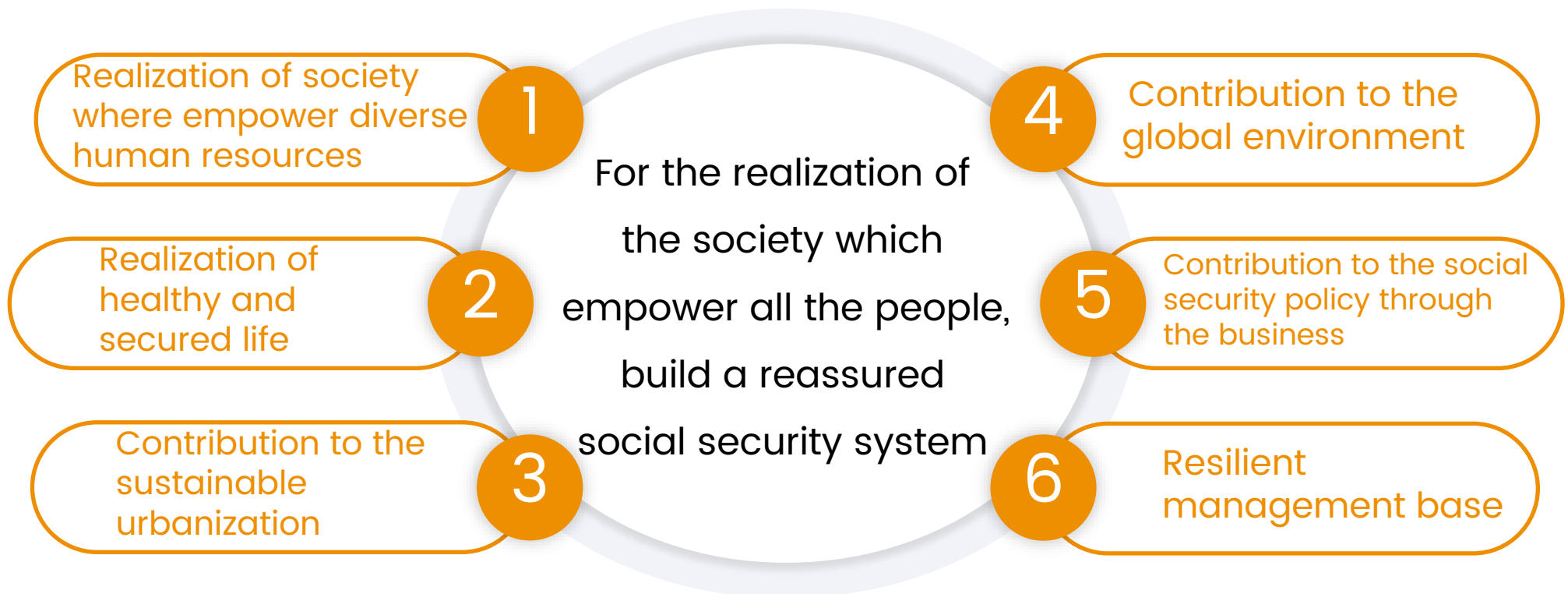
Create services

To solve above problems create services



Sustainability Initiatives

Creating a Sustainable Society and Continuous Business Growth, As various social issues become more serious, companies are expected to address the SDGs, a common global theme to realize a peaceful, prosperous, and sustainable society. Based on the concept of "creating a world in which all people can play an active role," we have identified six themes as our materiality. By considering social welfare in terms of productivity, capital, and labor, we aim to build a sustainable social security system through the private sector.



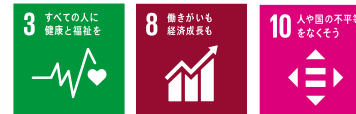
Sustainability Initiatives

Realization of society where empower diverse human resources



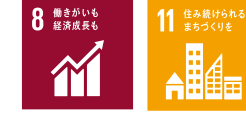
1. Maximize the opportunity to work through the service
2. Create opportunities to develop human resources
3. Diversity & Inclusion

Realization of healthy and secured life



1. Provide reasonable and quality service
2. Prevention of work due to family care through the service provision

Contribution to the sustainable urbanization



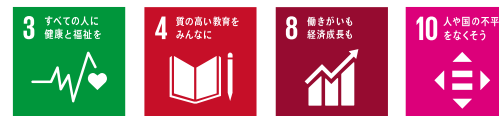
1. Facility development in line with the compact city plan
2. High productivity through an advanced work environment

Contribution to the global environment



1. Utilize clean energy
2. Recycle water at own facilities

Contribution to the social security policy through the business



1. Build sustainable social security infrastructure
2. Improvement of working environment through an advanced workplace

Resilient management base



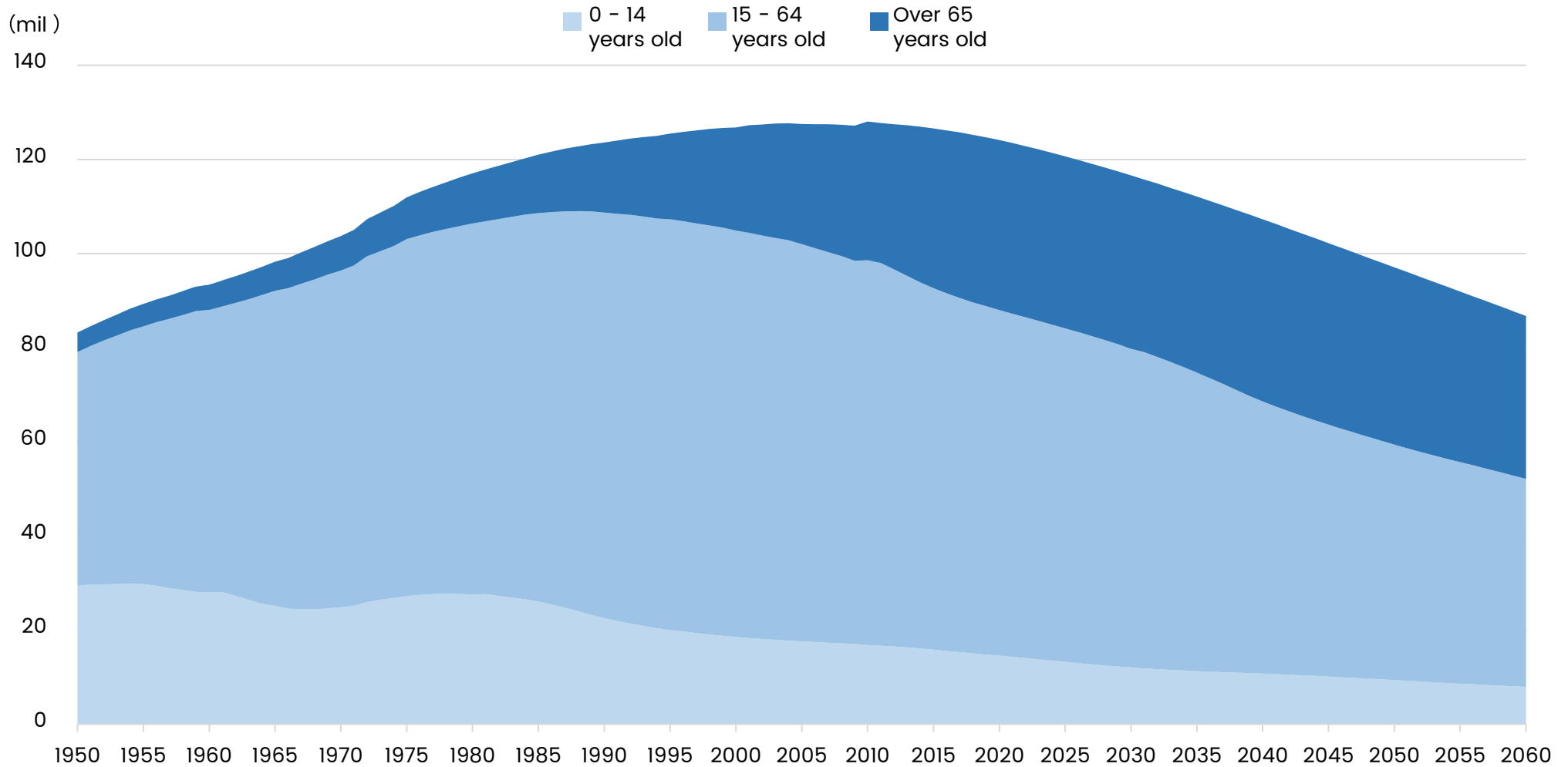
1. Solid corporate governance
2. Continuous business enhancement
3. Improvement of employee well-being



Market Situation

Aging in Japan

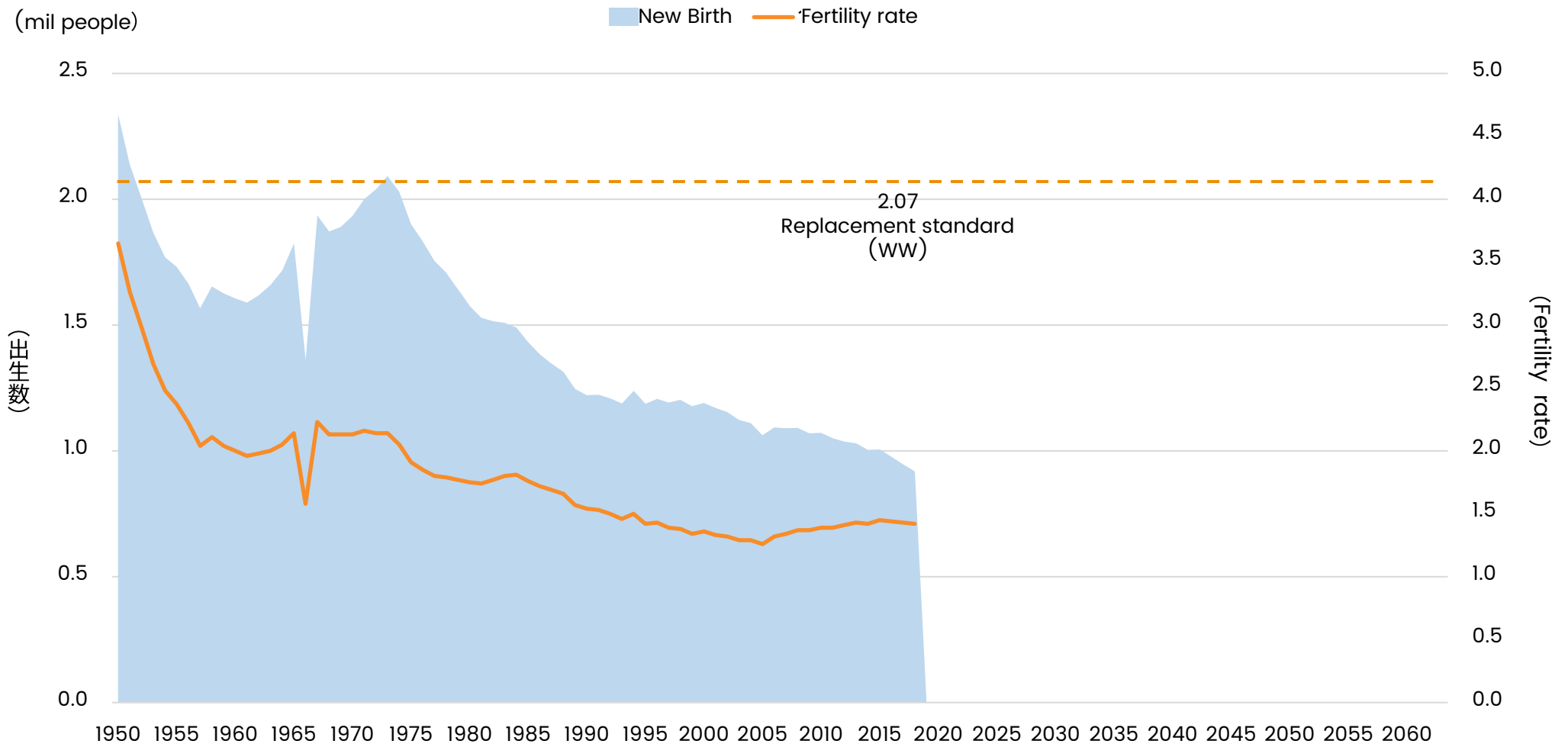
The population shrinks due to declining birthrate and growing proportion of elderly people.





Lower Trend of Total Fertility Rate

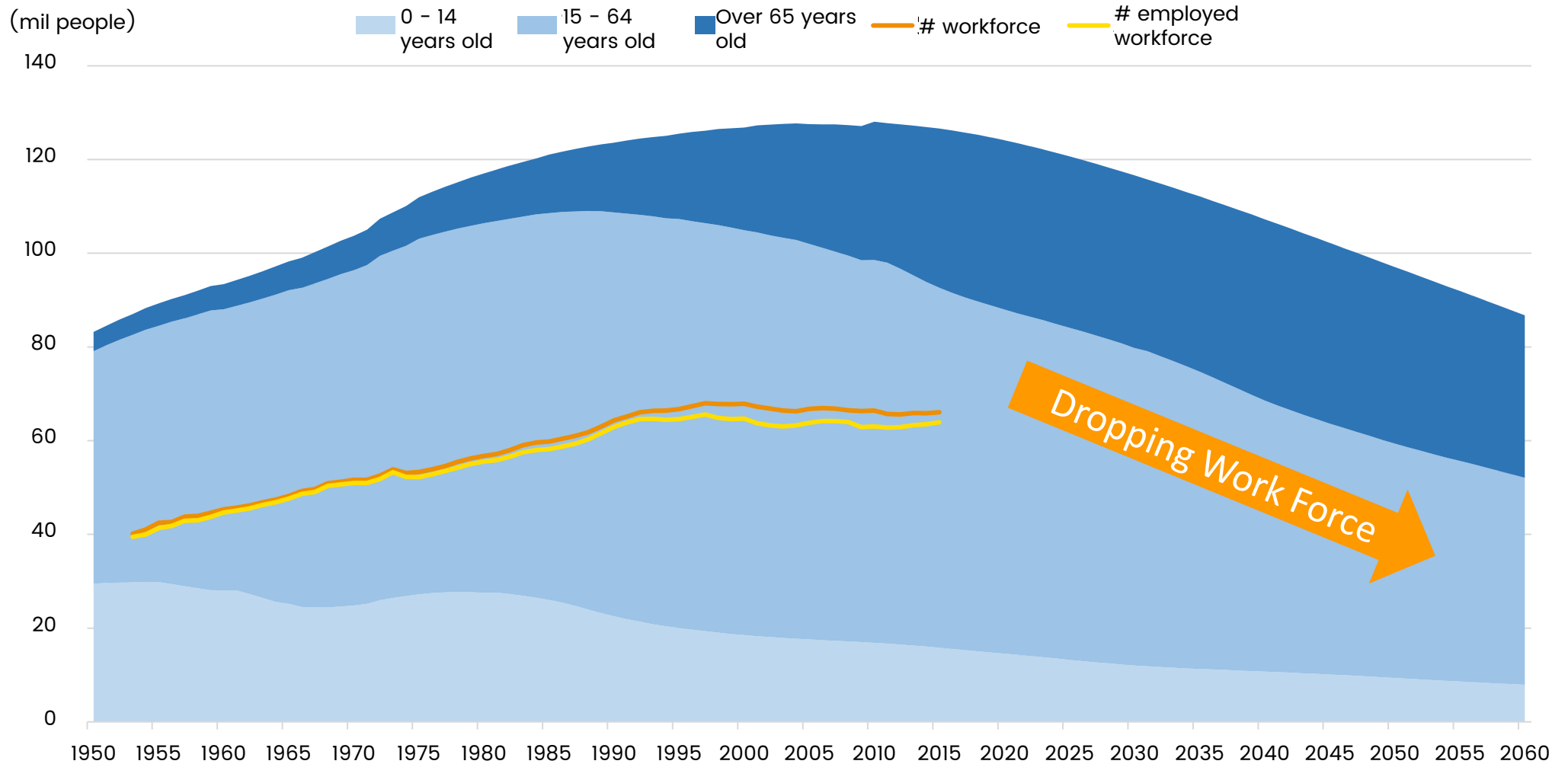
Number of birth became less than 1 mil people, and fertility is below replacement.



Data Source: Demographics report by MHLW

Population & Work Force

Work force has been dropped and will decreased continuously



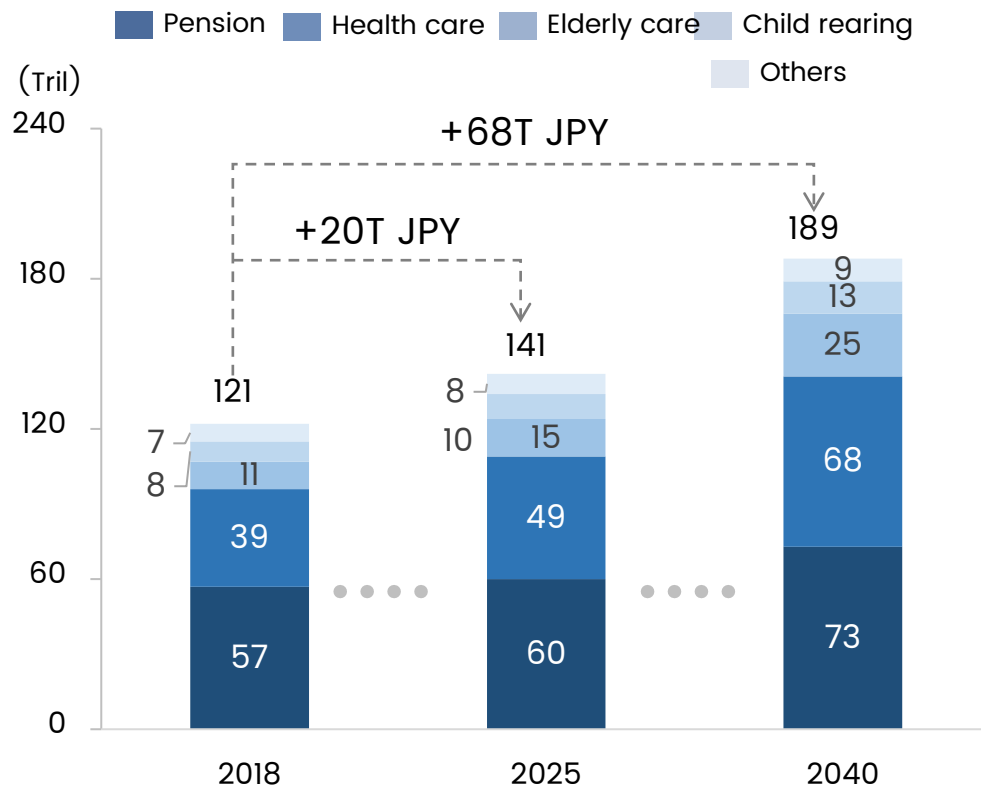
Data Source: projection by MICPopulation



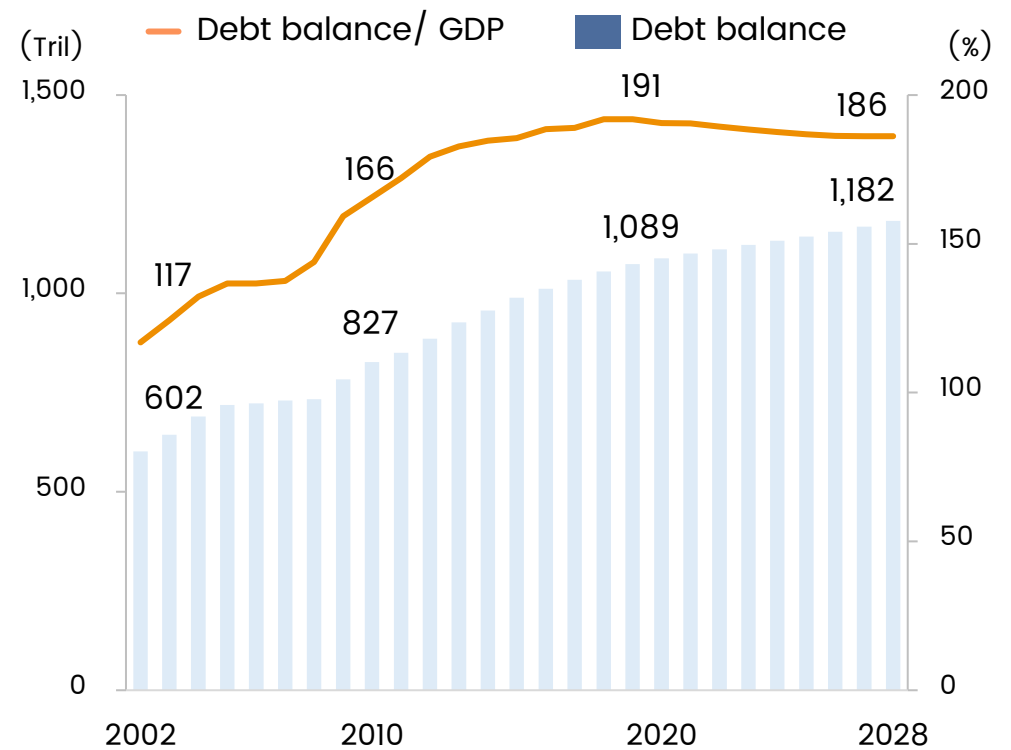
Is the Government Finance Plan Feasible?

Increasing social security charge will collapse the government finance balance.

〔 Estimate of Social Security Charges 〕 〔 Debt Balance / Nominal GDP rate 〕



Data source : Discussion paper for the Social Security in 2040, by CAS, CAO, MOF and MHLW, 05/21/2018

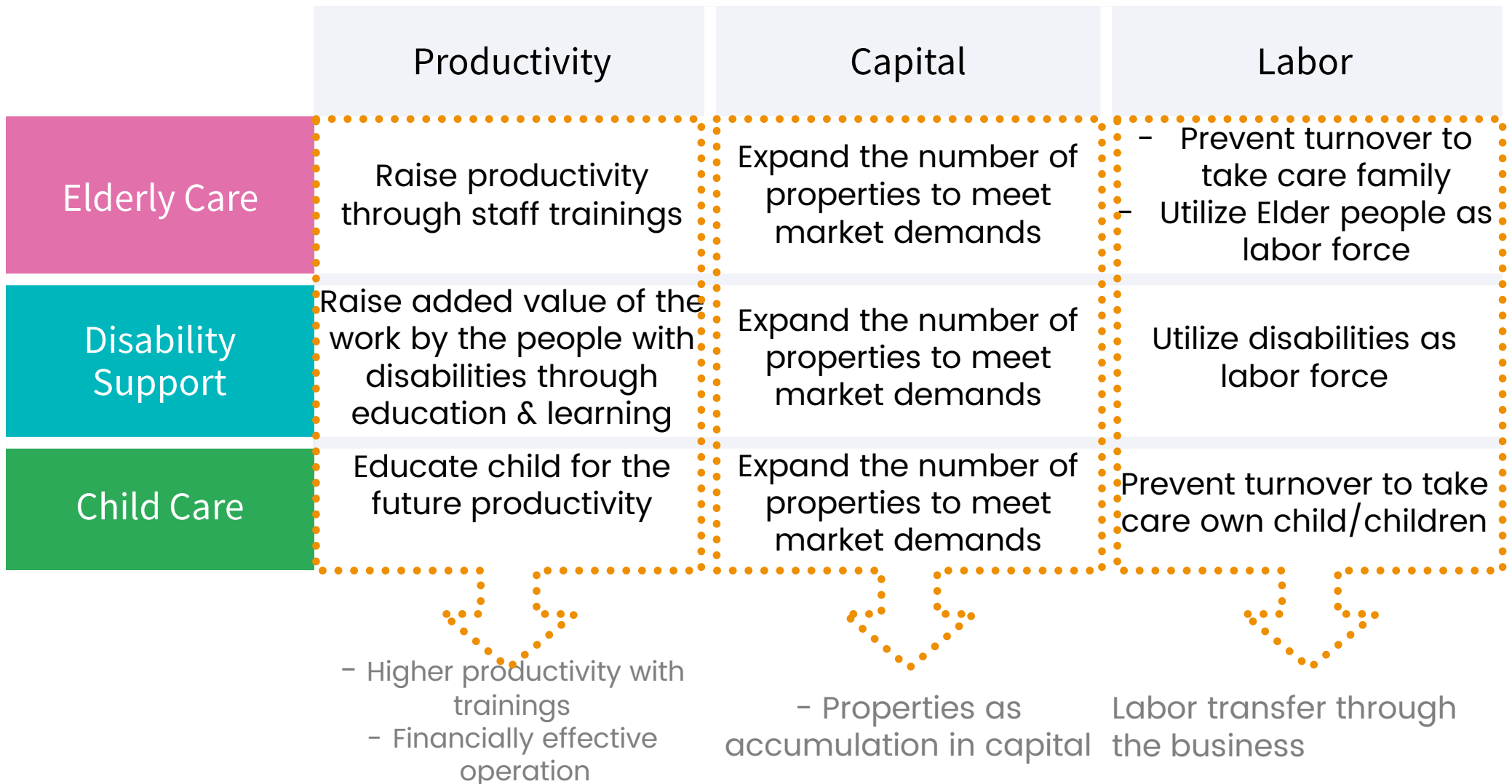


Data source: Forecast of mid-long term government finance by CAO



Our Solution: Improvement in Supply Side

Realize sustainable social security systems by improvement in supply side





Business Model and Competitive Advantage

Business Domain

Our corporate vision is to establish a sustainable social security system, and we offer facilities and services for elderly care, disability support and child care.



Our Network



Elderly Care	
Residential Care	33
Group Home	28

Facility Care	
Working Support B	9
Group Home	11

Child Care	
Approved Childcare	12
In-house Childcare	2
Others	1



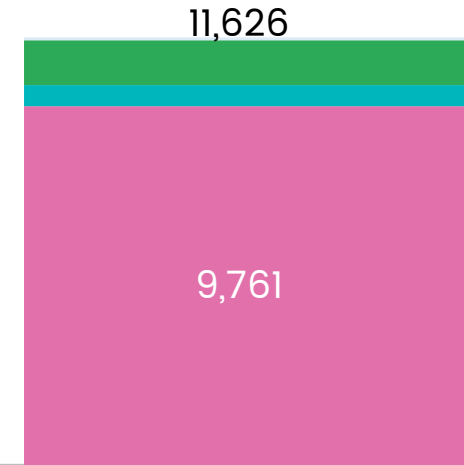
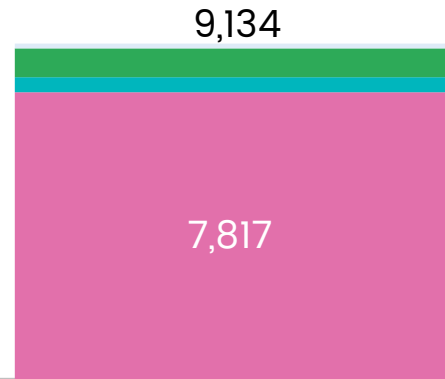
Sales amount and composition, by business

FY2021

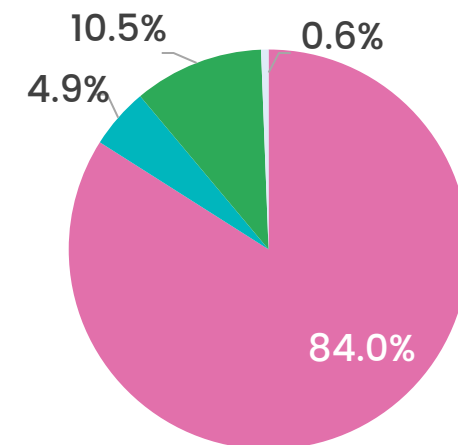
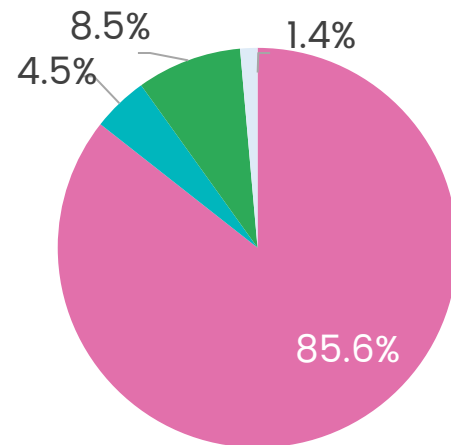
FY2022

Sales
(mil JPY)

■ Elderly care ■ Disability Support ■ Child care ■ Others



Composition



Business Domain



Elderly Care

Focus on facility care from service-effective point of view

Facility care

Care & Cure

Public Service (Roken)

Specific Public Service (Tokuyo)

Group Home

Residential Service^{※1}

Others

Visiting care^{※2}

Assisted living

Elderly home care

Support for bathing

Support for rehabilitation

Visiting caregiving (on demand)

Day care @home

Day care @facility

Others

Our business domain

*1: Including “residential nursing care” and “assisted living residences”.

*2: Actually equal as facility care in our business because our home care services are provided at the residential care

Business Domain

Disability Support

Focus on less competitive category: living support and working support at the initial stage

Visiting care

- Daily assistance
- Daily assistance for the severe level
- Outing assistance for blind
- Outing assistance for the weak judge
- Others

Facility care

- Night time Assistance at the facility

Daily assistance

- Day time Assistance
- Others

Working support

- Functional training
- Life training
- Working support at company
- Type A working support
- Type B working support**
- Support to keep working

Living support

- Home assistance
- Group Home**

Our business domain

Business Domain



Child Care

Focus on the approved child care facility

Local cities based

Facility
Service

Approved childcare

Kinder garden
Certified facility

Community
based

Small scaled care
Home like care
Visiting care
In-house

Government based

Corporate In-house Childcare

Others

Our Business Domain

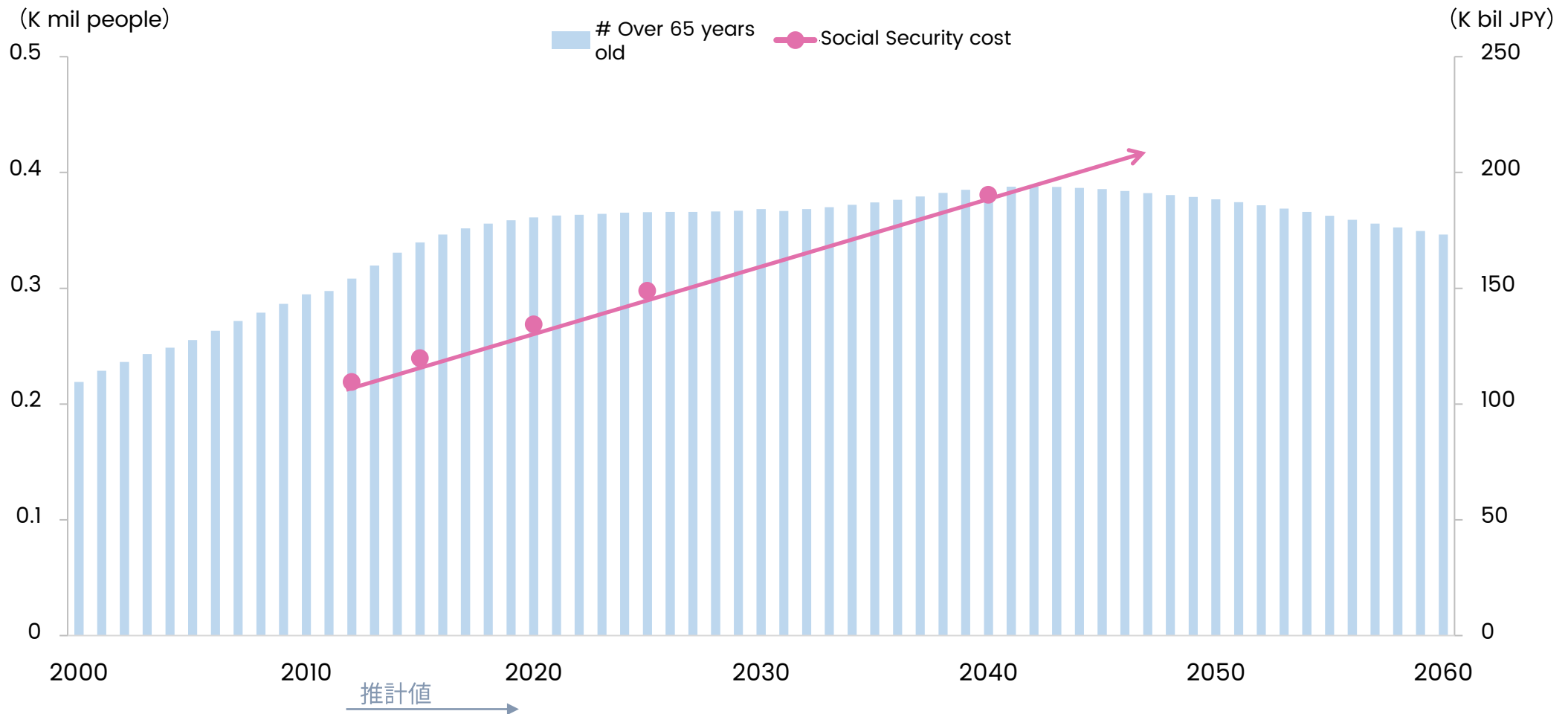


Elderly Care



For the sustainable Social Security System

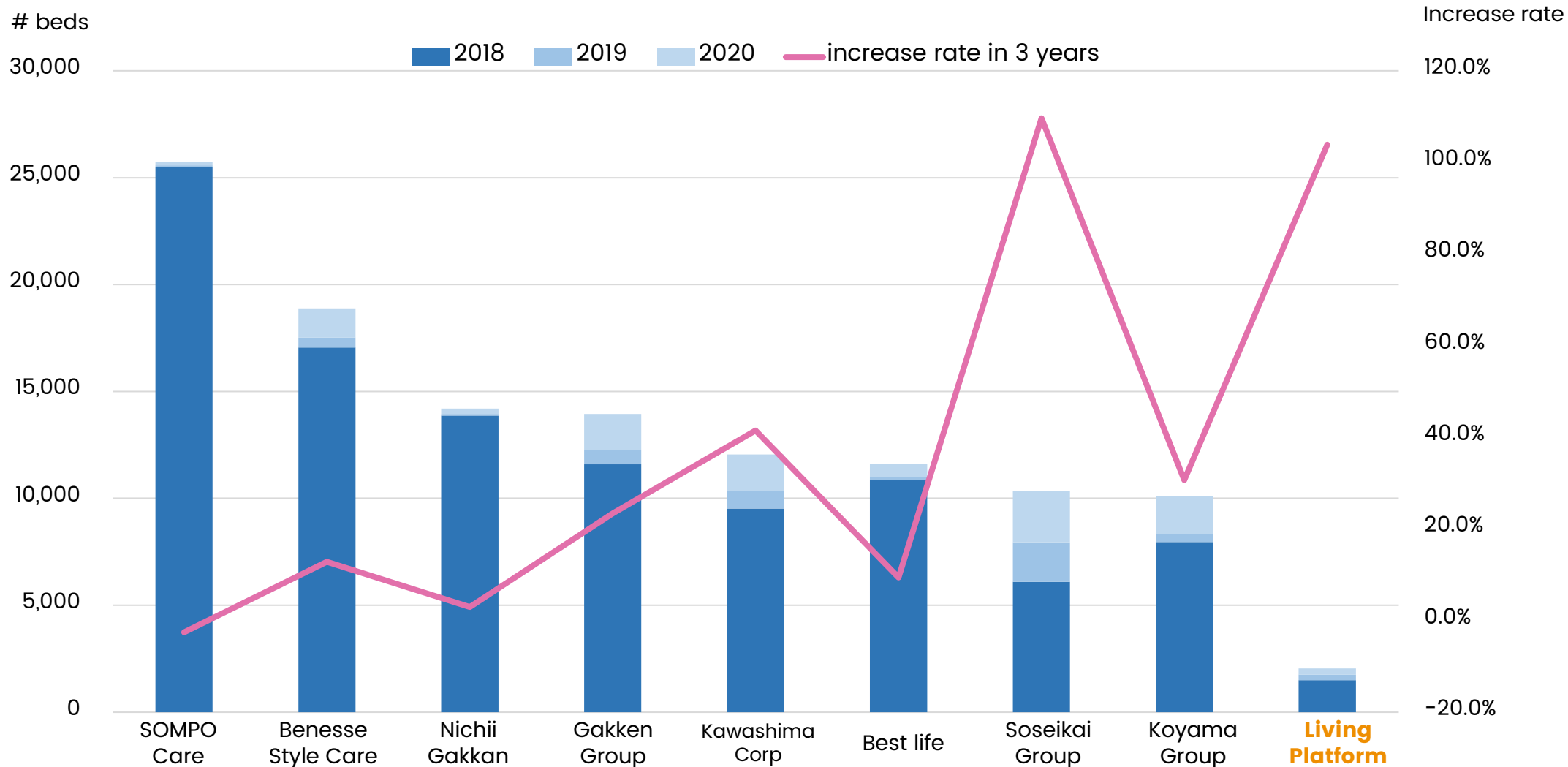
Before the governmental financial collapse in future, develop a social security system by private companies.



Data source: Japan population projections by Ministry of internal affairs and communications, Forecast for the Social Security in 2040, by CAS, CAO, MOF and MHLW

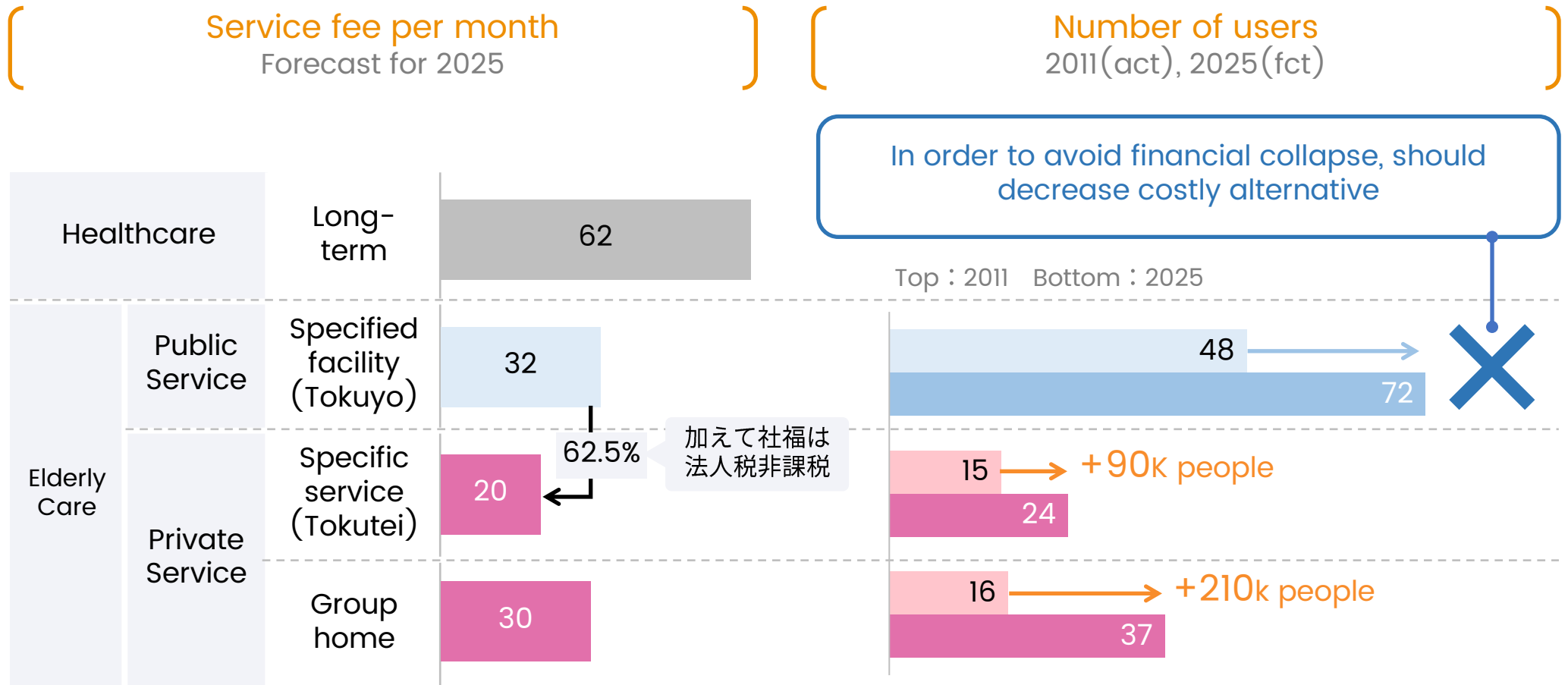
Number of Beds and Increase Rate of Top 10 Operators

Few of the top operators have expanded their business, and with the exception of the Soseikai Group, a privately held company, the Company has shown an overwhelming growth rate.



Current Problems & Future Opportunities

For the better governmental financial balance, expand private services with reasonable price instead of higher costed public service.



Service Domain

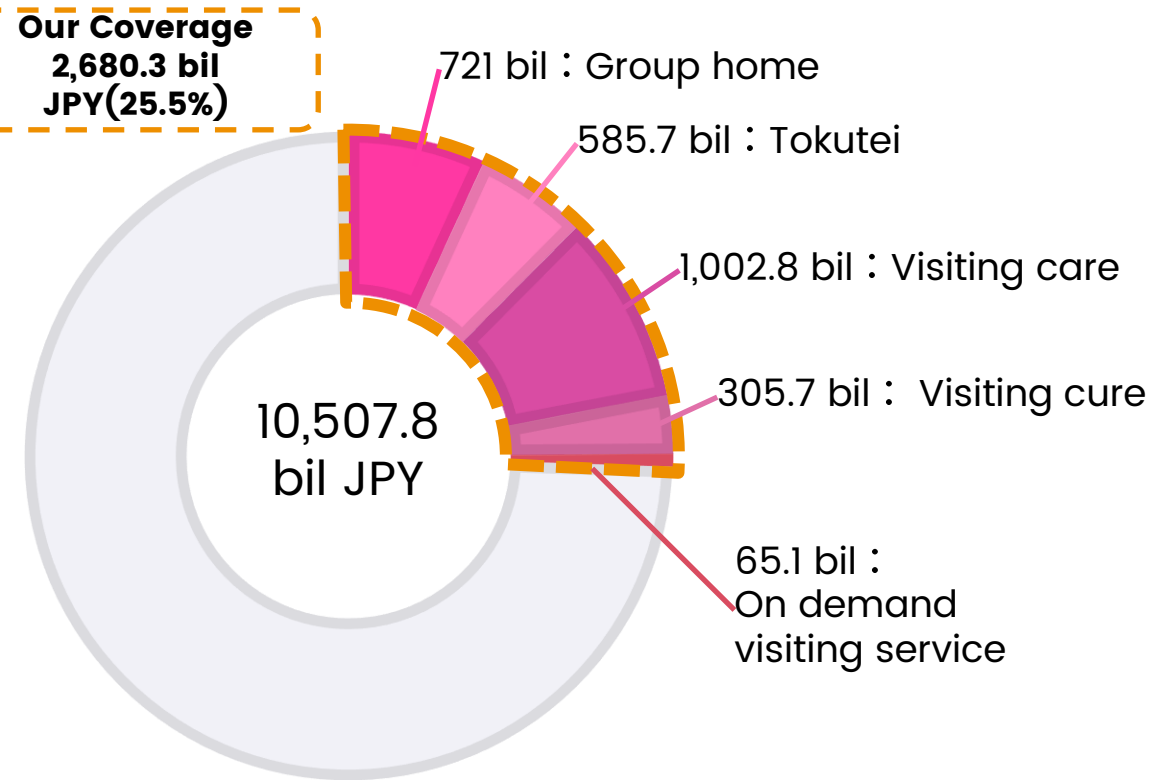
Advantages of the facility care

- Cost effective in terms of infrastructure development
- Higher opportunity of care-person recruitment
- Possibilities of mutual communication among users

Our Service Domain

Facility Care	Care & Cure
	Public Service (Roken)
	Specific Public Service (Tokuyo)
	Group home
	Residential service*1
Others	
Visiting Care	Assisted living
	Elderly home care
	Support for bathing
	Support for rehabilitation
	Visiting caregiving (on demand)
	Day care @home*2
	Day care @facility
Others	

Market Size (2020)



*1: Including “residential nursing care” and “Assisted living residences”.

*2: Actually equal as facility care in our business because our home care services are provided at the residential care

Our Advantage

Focus on large scaled city

- Easy access to the facility for families of residents
- Better condition for recruiting

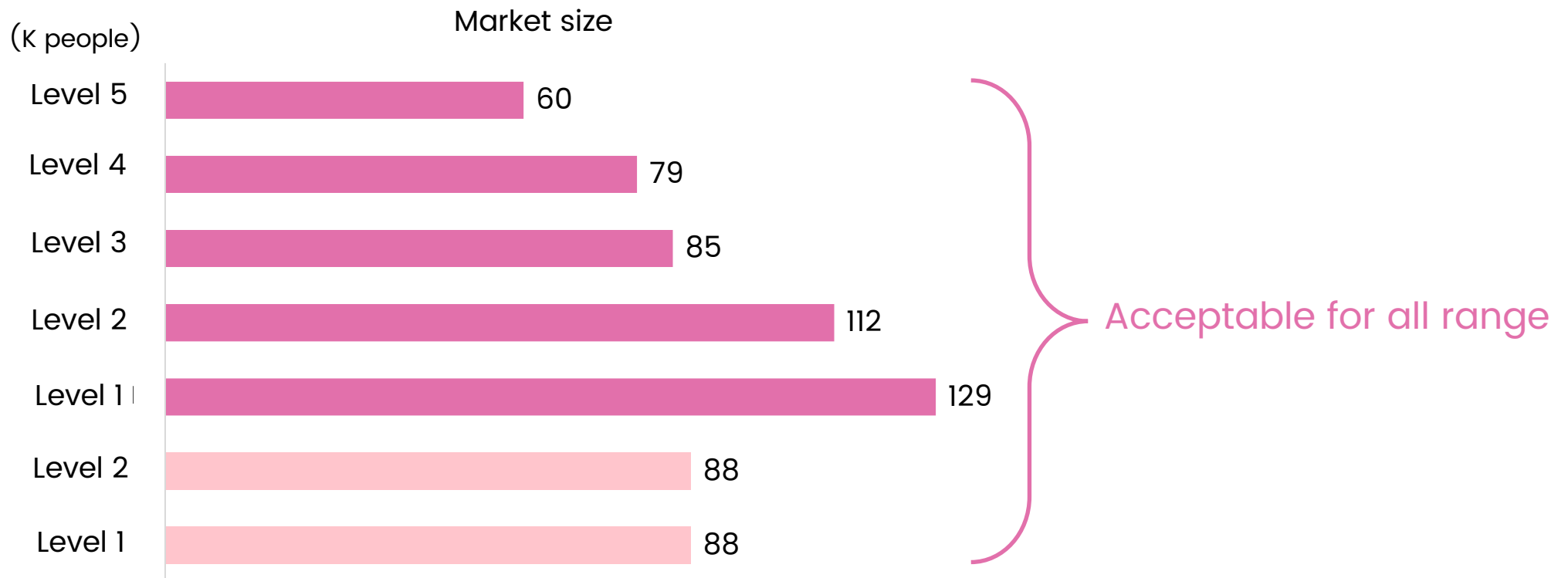


Data Source: Internal figures, Status of nursing care in 2017 by MHLW, Compact city and urban policy by Japan Economic Research Institute

Our Advantage

Higher acceptability

- Higher acceptability of wider ranged users including death watches enables to raise profit/user.
- Medical services through cooperation with local hospitals.

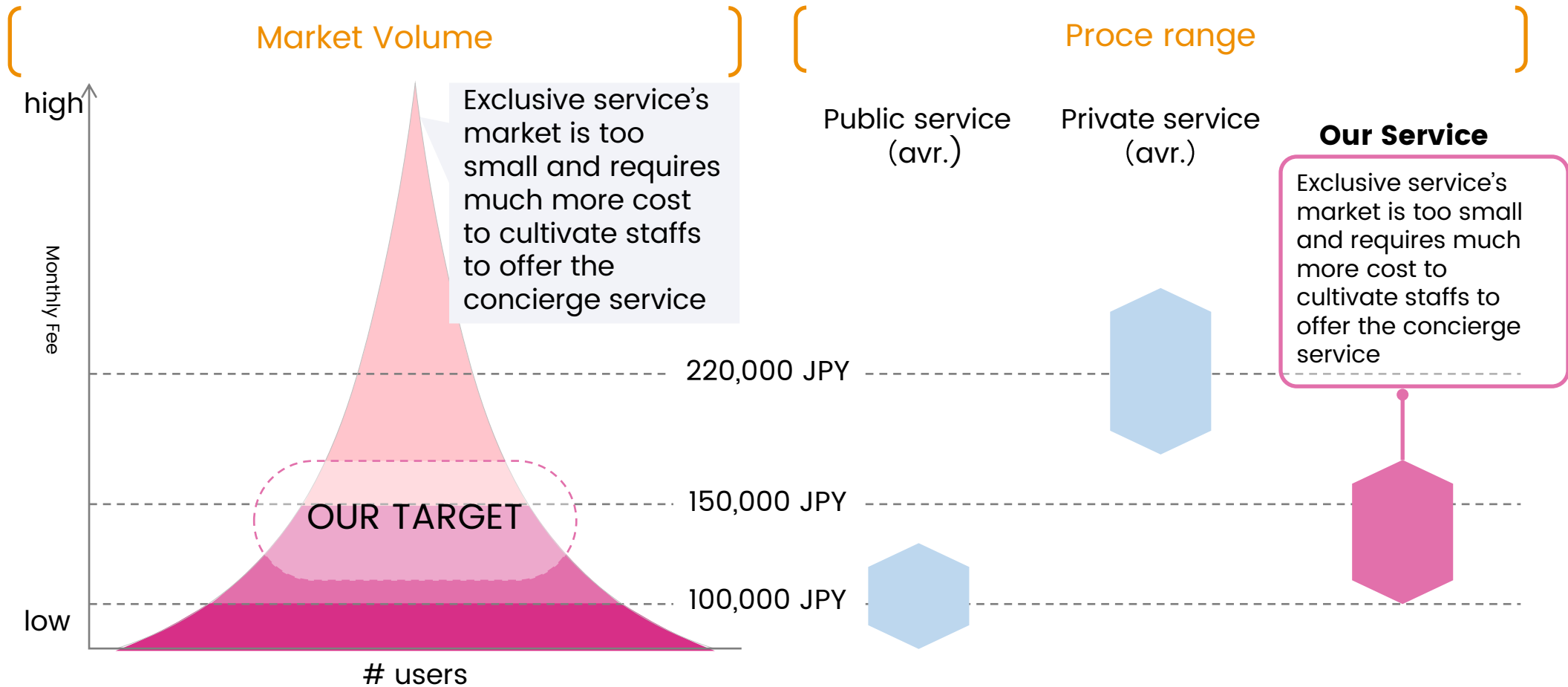


Data Source: Internal figures, Status of nursing care in 2017 by MHLW, Compact city and urban policy by Japan Economic Research Institute

Our Advantage

Service for mass-market

- ✓ Focus on mass-market to secure business size and high occupancy rate
- ✓ Provide service with competitive price against public service



Data source: Internal research and "Minna no Kaigo" (website)
 Shown fees are examples of middle scaled city, including residence and food

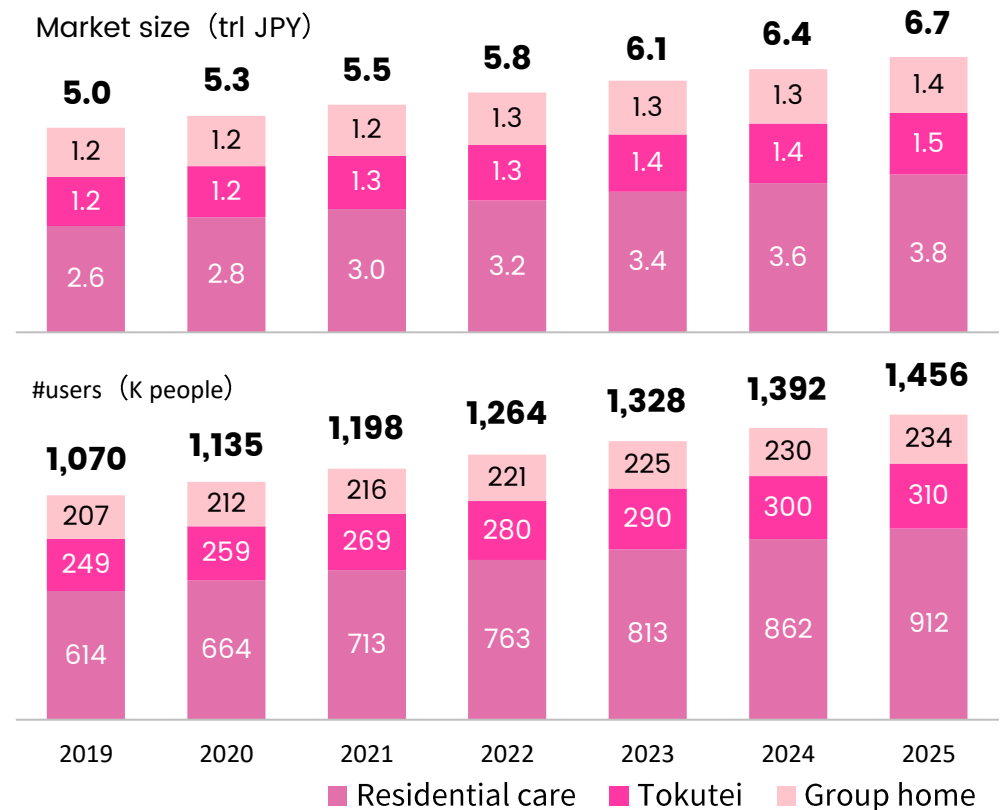
Our Business Domain

- ✓ Facility care is more cost effective
- ✓ Facility care also can contribute to create new community and to keep users' health

Our domain

Facility Care	Care & Cure
	Public Service (Roken)
	Specific Public Service (Tokuyo)
	Group home
	Residential services
Others	
Visiting Care	Assisted living
	Elderly home care
	Support for bathing
	Support for rehabilitation
	Visiting caregiving (on demand)
	Day care @home*
	Day care @facility
Others	

Market potential



*1: Including "residential nursing care" and "Assisted living facilities".

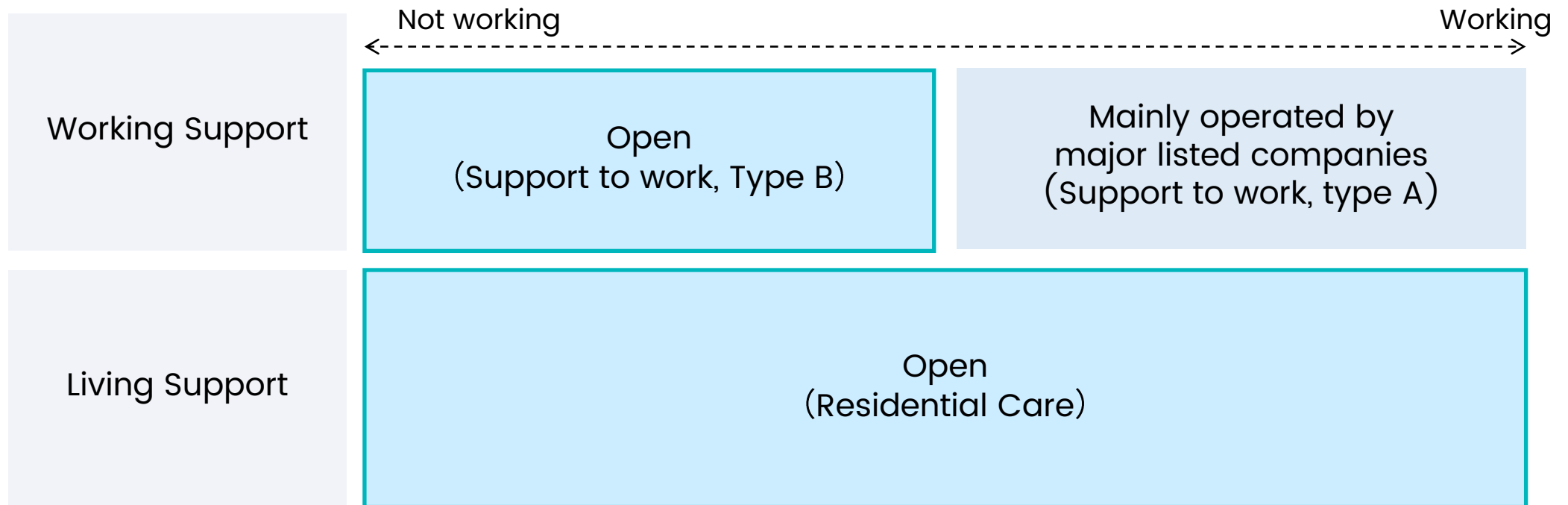
*2: Actually equal as facility care in our business because our home care services are provided at the residential care



Disability Support

Business Opportunities

- ✓ Few players for the service of assisted living
- ✓ Less competitors for the working support at the first stage



Our Business Domain

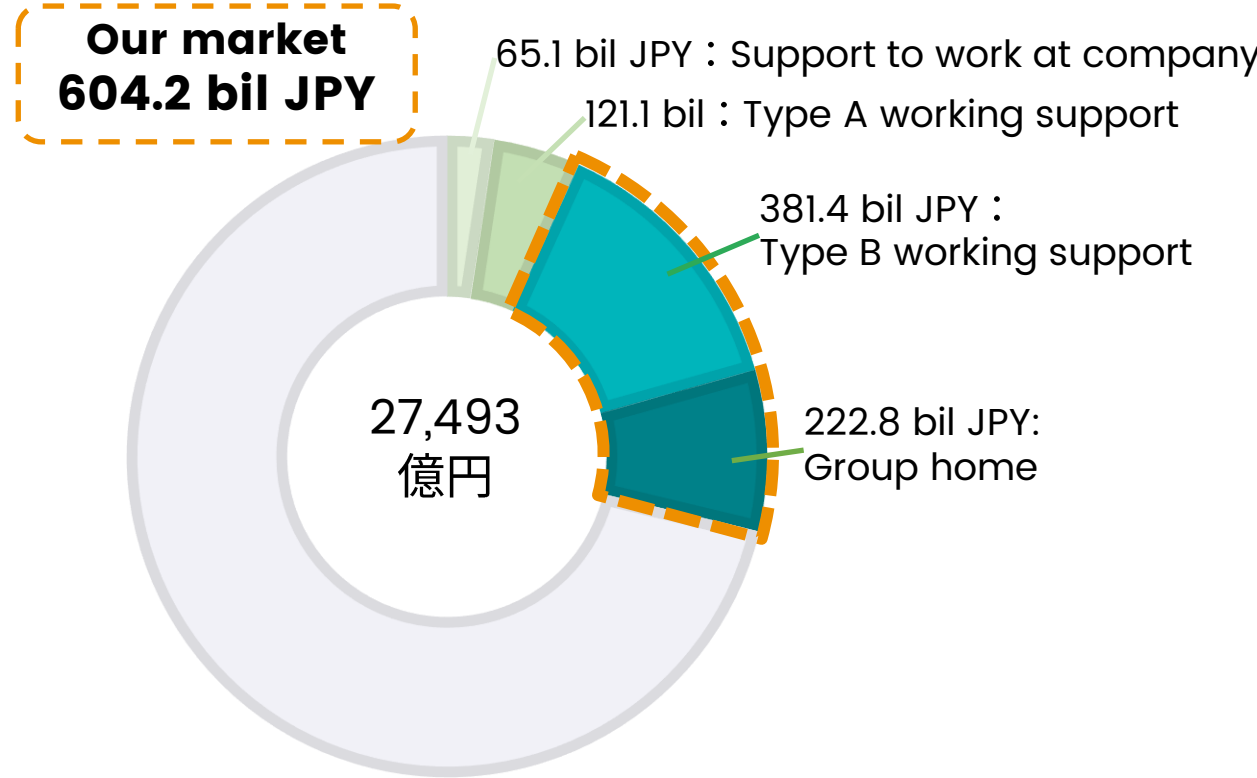
Focus on open area to be dominant player.

- Residential care to support for independent living
- Working Support type B: Initial support for working and training without contract

Our domain

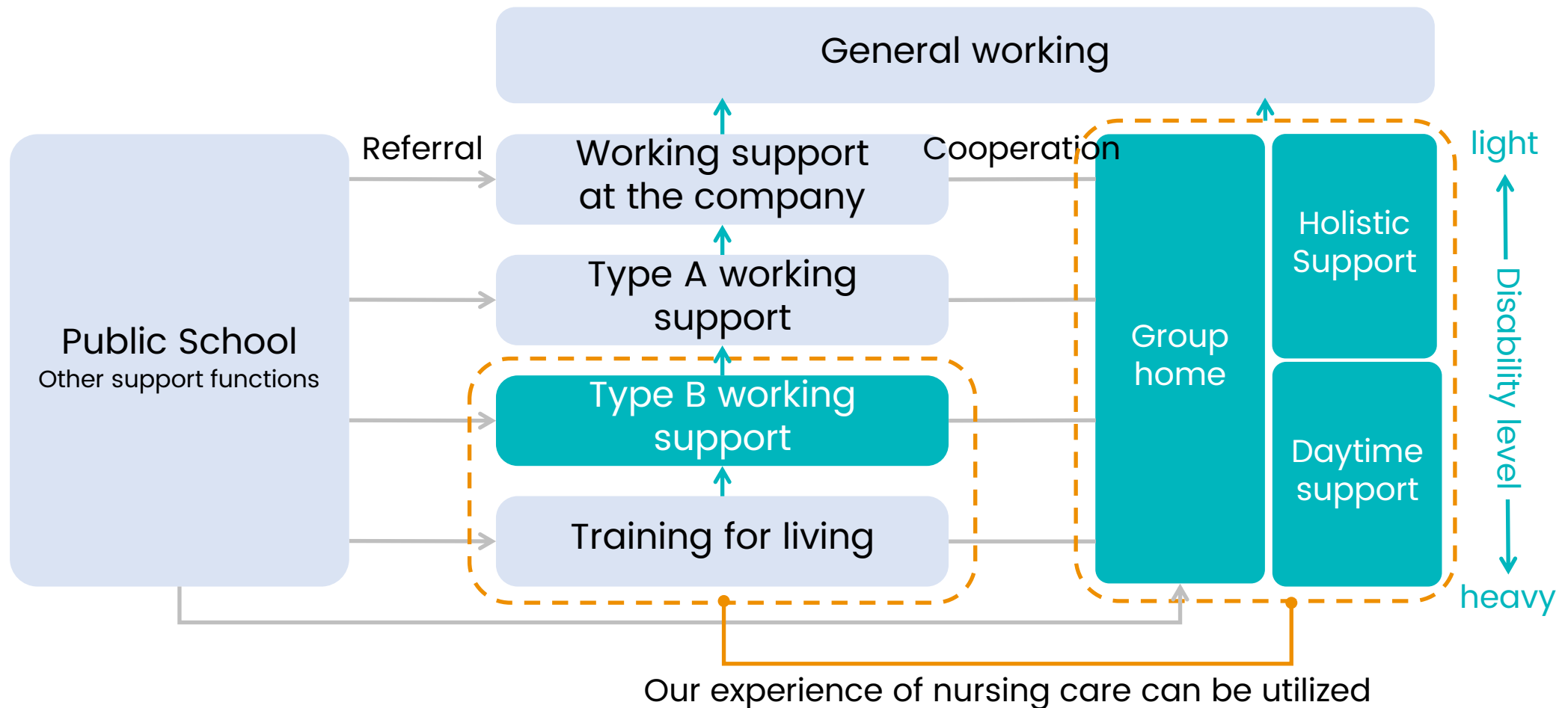
Visiting care	Daily assistance Daily assistance for the severe level Outing assistance for the blind Outing assistance for the weak judge Others
Facility care	Night-time assistance
Daily assistance	Daytime assistance at facility Others
Living support	Home assistance Group home
Working support	Functional training Life training Working support at a company Type A working support Type B working support Support to keep working

Market size (2019)



Our Advantage

- ✓ Experience of the nursing care is applicable also onto the support care for disabilities.
- ✓ Recruitment of managers is easier than other operators as managers of nursing care can cover disability area.



Our Business Domain

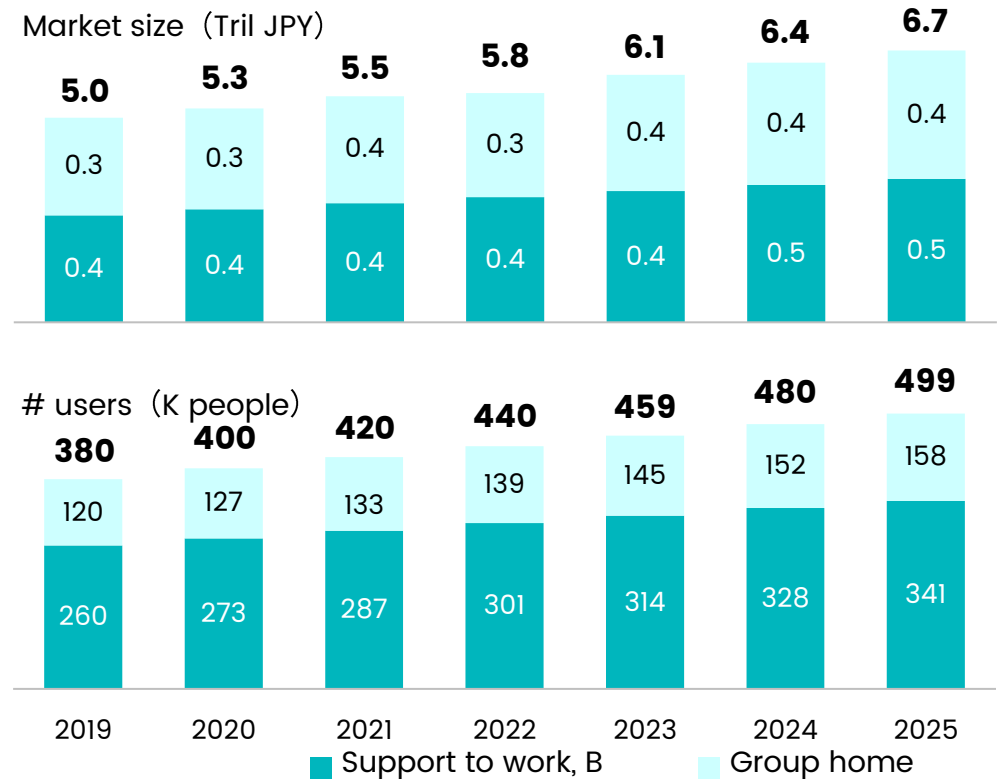
Focus on open area to be dominant player.

- Residential care to support for independent living
- Type B Working Support: Initial support for working and training without contract

Our domain

Visiting care	Daily assistance
	Daily assistance for the severe level
	Outing assistance for the blind
	Outing assistance for the weak judge
	Others
Facility care	Night-time assistance
	Daytime assistance at facility
Daily assistance	Others
Living assistance	Home assistance
	Group home
Working assistance	Functional training
	Life training
	Working support at a company
	Type A working support
	Type B working support
	Support to keep working

Market potential





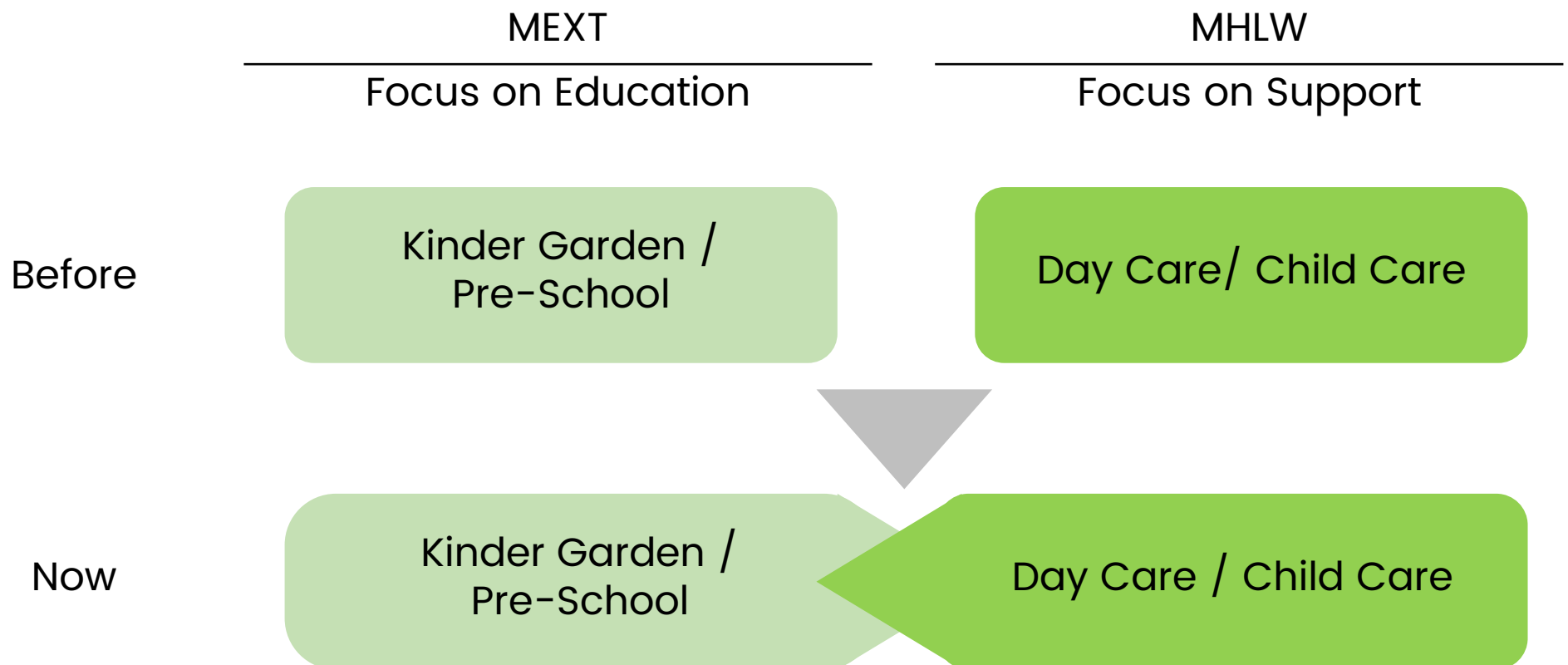
Child Care

Business Opportunities

the Ministry of Education, Culture, Sports, Science and Technology (MEXT) was in charge of education and the Ministry of Health, Labor and Welfare (MHLW) was in charge of child care.

On the other hand, day-care facility, which are in great demand, may not emphasize the function of education depending on the operator

There is a need to improve staff satisfaction and enhance the content of childcare



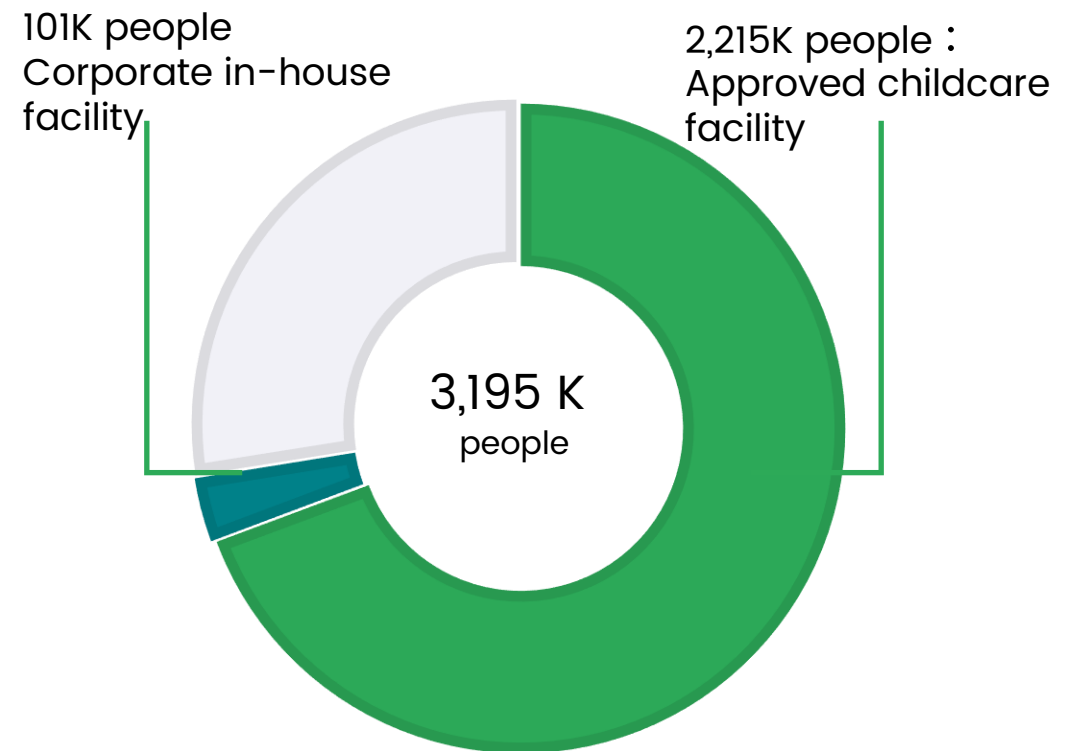
Our business domain

- ✓ Mainly focus on the approved child care facility

Our domain

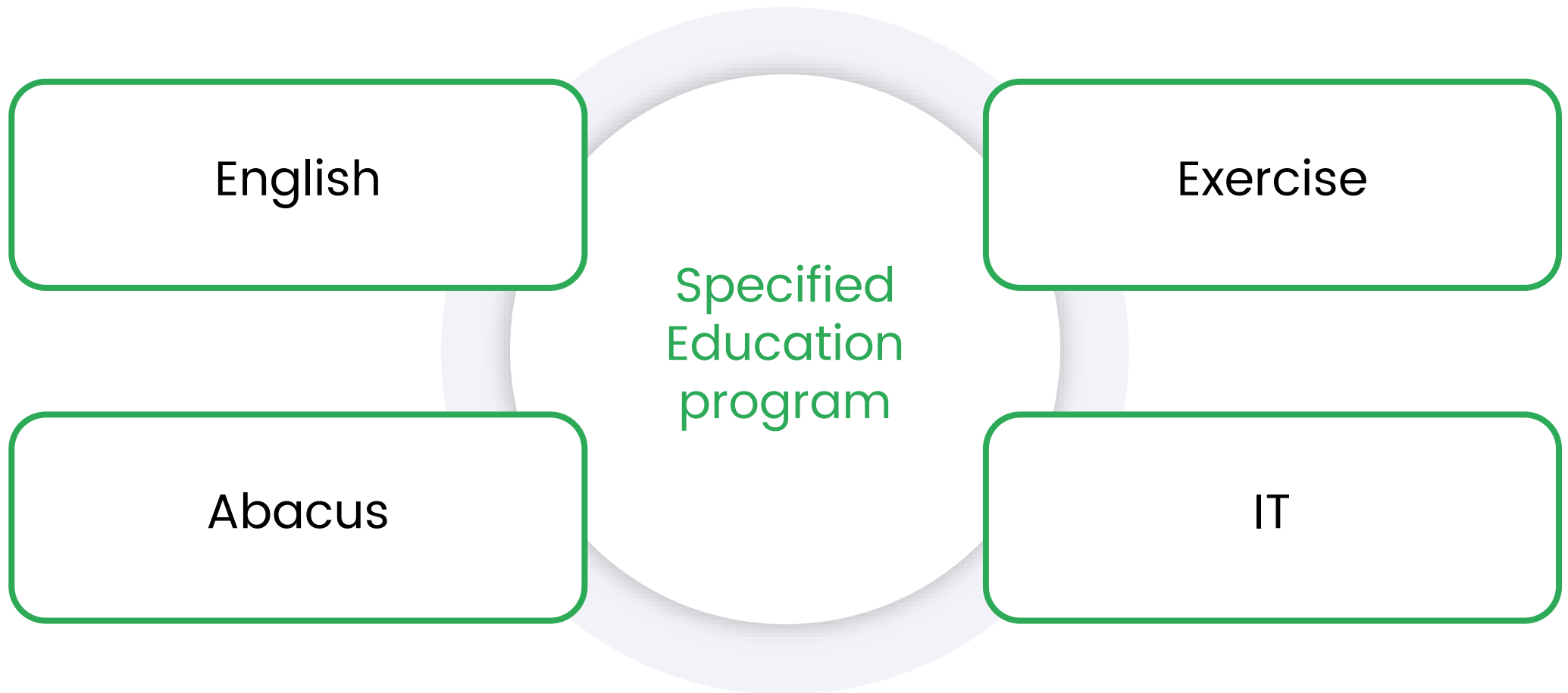
Local cities based	Facility	Approved child care
		Kinder garden
	Certified care	
	Community based	Small scaled care
		Home like care
		Visiting care
In-house		
Government based	Corporate In-house	
Others		

Market size (as of Apr 1, 2021)



Our Advantage

- ✓ Well developed educational program enables to get demands for long term service
- ✓ Specified educational program contributes to the recruitment of childcare worker.



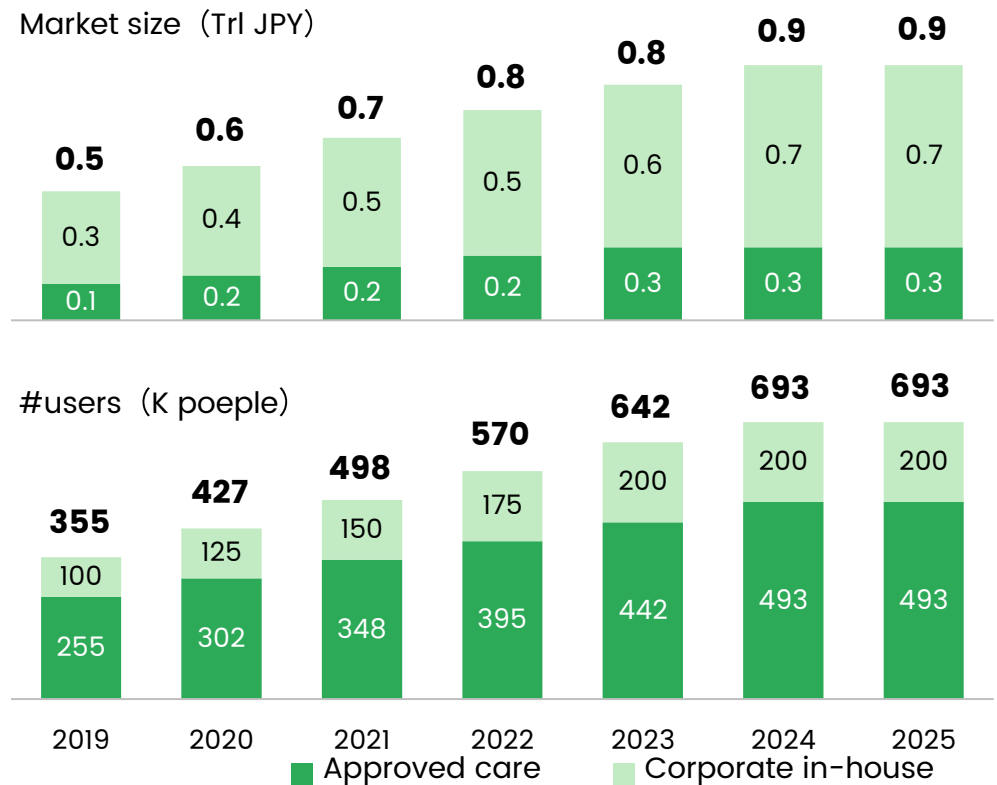
Our Business Domain

Mainly focus on approved care facilities, which are the mainstay of the childcare business, and develop the business while considering corporate in-house care facility as a complementary business that can contribute to the local community and promote employment of group employees

Our service domain

Local cities based	Facility	Approved childcare
		Kinder garden
	Certified care	
	Community based	Small scaled care
		Home like care
Visiting care		
In-house		
Government based	Corporate In-house	
	Others	

Market Potential

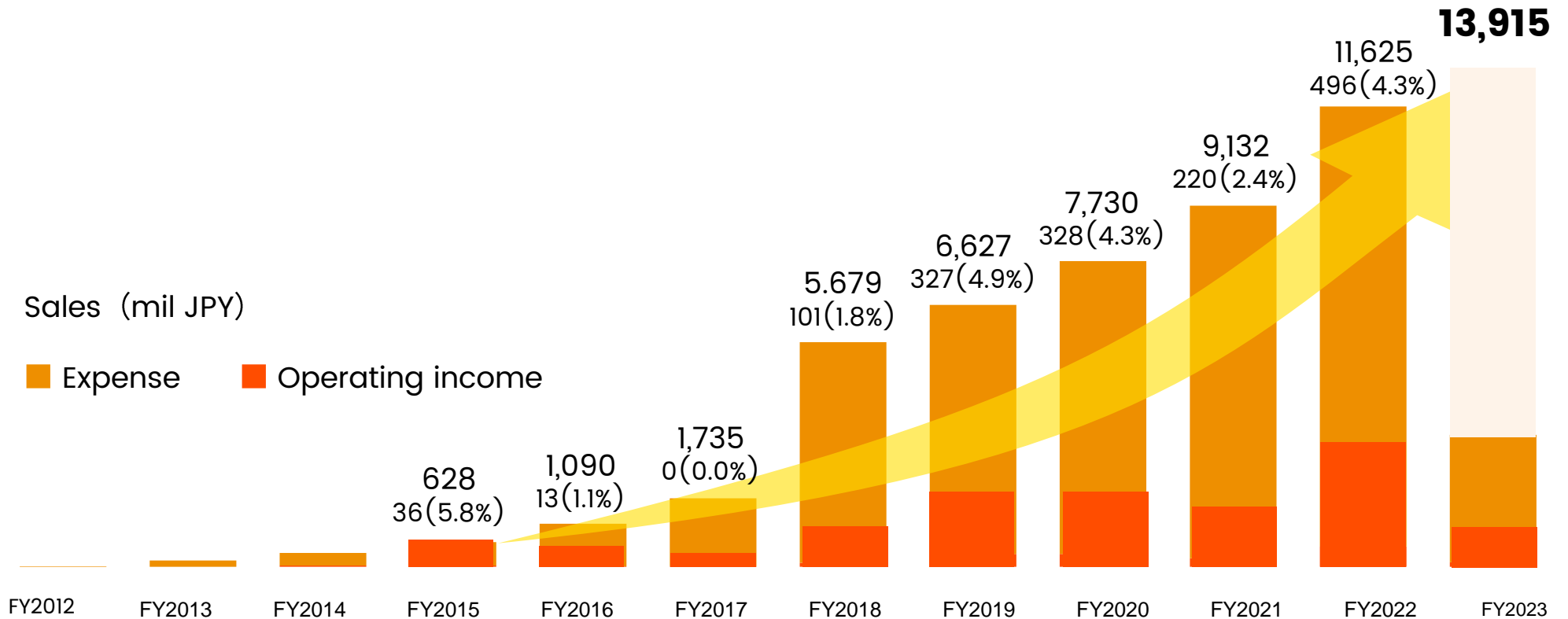




Drivers of Growth

Business Status

✓ Expanding sales continuously. Will achieve 13,915 mil JPY for FY2023

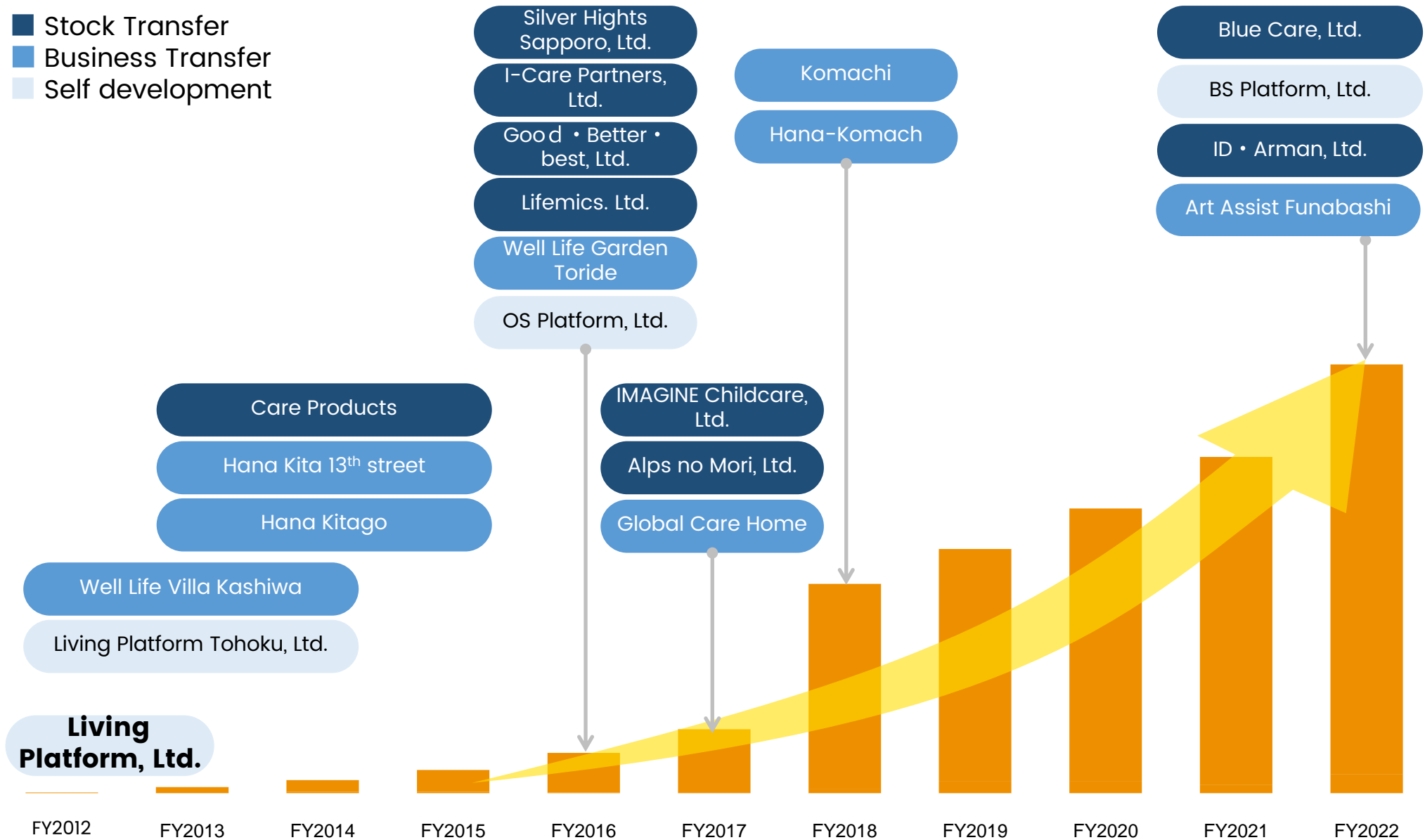


Ordinary Profit	35 (5.7%)	30 (2.8%)	Δ12 (Δ0.7%)	145 (2.6%)	230 (3.5%)	234 (3.0%)	242 (2.7%)	586 (5.0%)	53 (1.6%)
Income before income tax	35 (5.7%)	31 (2.9%)	Δ12 (Δ0.7%)	102 (1.8%)	186 (2.8%)	158 (2.0%)	131 (1.4%)	604 (5.2%)	118 (3.5%)
Net income	21 (3.4%)	9 (0.8%)	Δ20 (Δ1.2%)	76 (1.3%)	158 (2.4%)	104 (1.4%)	56 (0.6%)	495 (3.5%)	72 (2.2%)

FY2011-2016: Unconsolidated
FY2017- : Consolidated

Driver of Growth : Proactive M&A

- Stock Transfer
- Business Transfer
- Self development

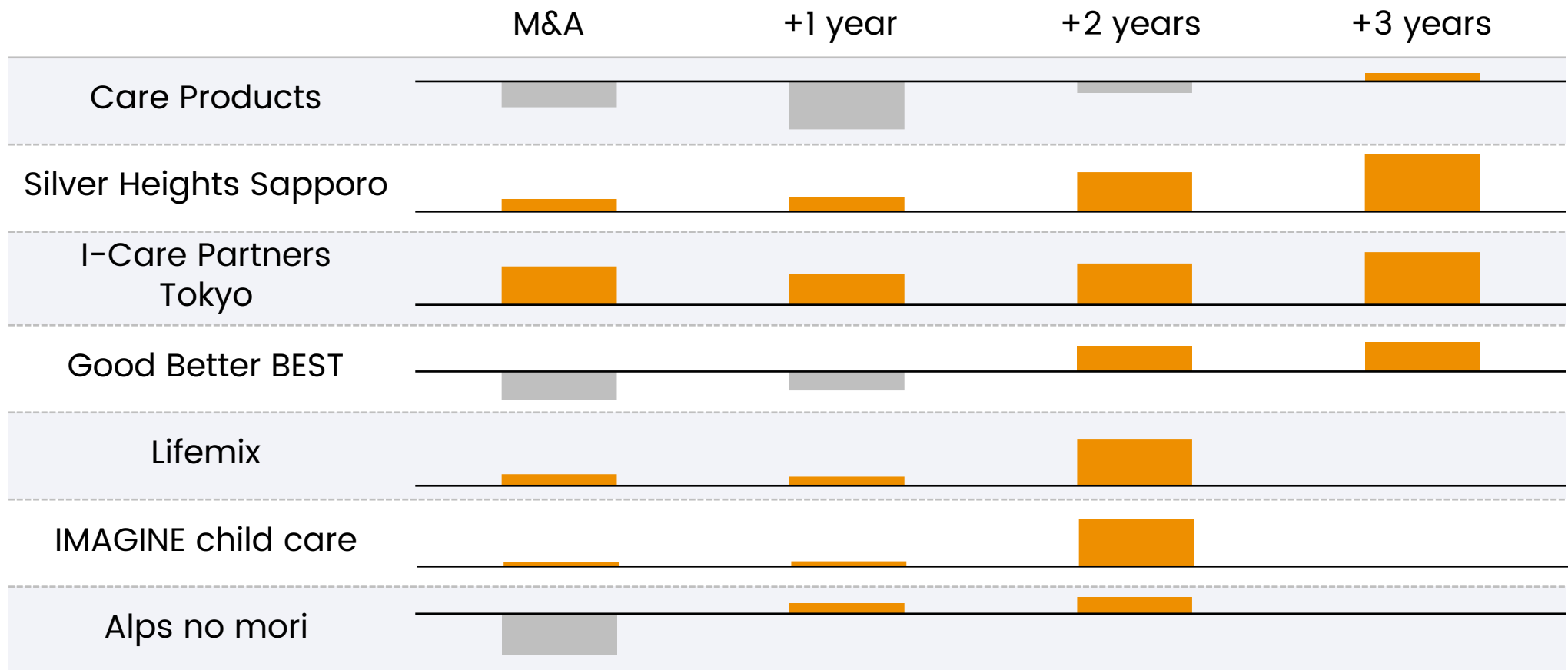


Driver of Growth : High Capability of Turn-around

Proven strength in turn-around after the merger.

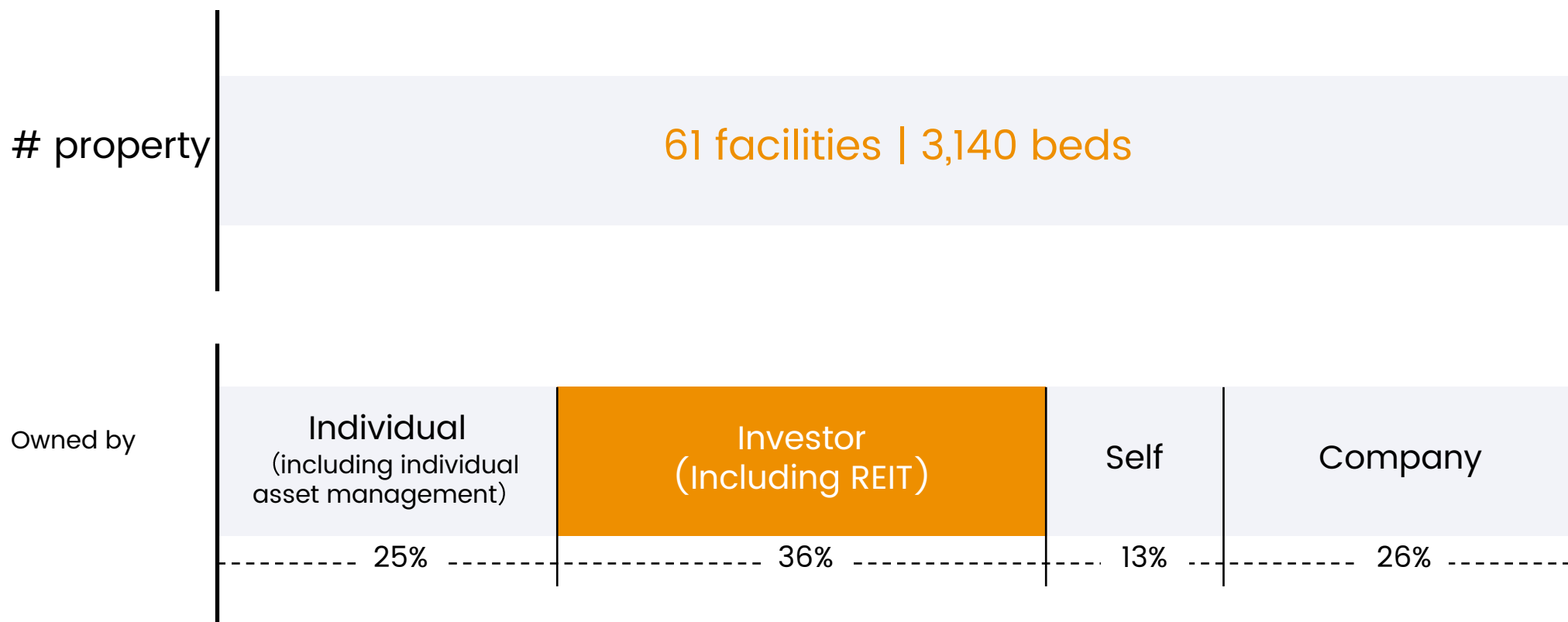
Continuously & proactively find opportunities of M&A of small scaled businesses and poor performance businesses through the cooperation with local banks in addition to the current network.

Turn-around in ordinary profit after M&A



Driver of Growth : Asset Financing (Real Estate)

Utilize asset financing for the rapid business growth



As of May 31, 2022

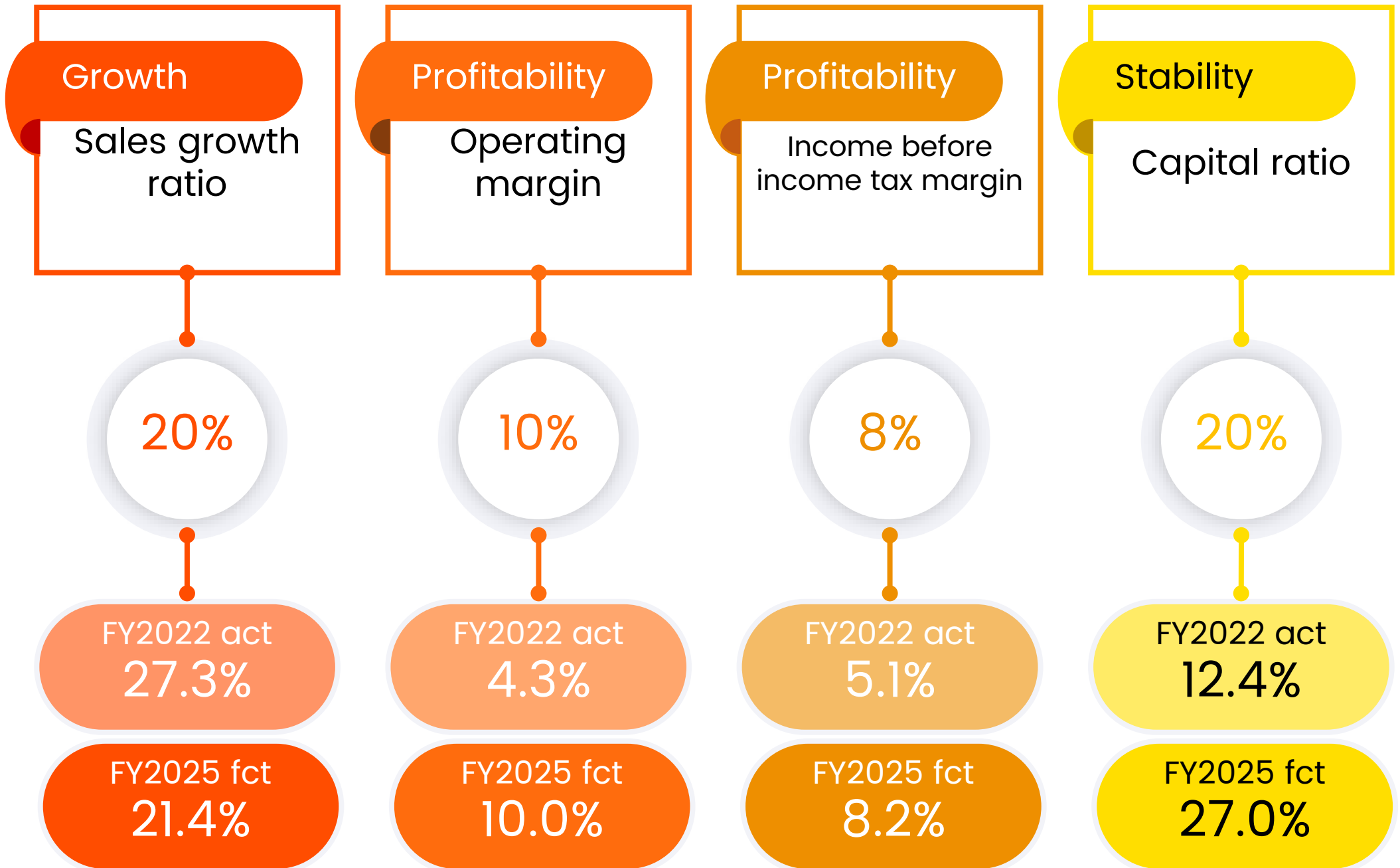
Driver of Growth : Attractive Working Condition

Salary	Competitive salary level n the area
Evaluation	Quarterly evaluation and opportunity for promotion
Holidays	Public holidays & Paid holidays Consecutive holidays (recommend to have 5 days in a row)
Location	Convenient location from the nearest station
Retirement	Raise CRA to 70 years old No salary reduction due to the retirement age No severance reduction due to the retirement timing
Training	Initial training to verify the certificated license Training to verify the advanced leveled license



Medium-Term Business Plan

KPI Status





Medium-term Business Plan

Balance sheet

- ✓ Will achieve the KPI of Capital ratio in FY2025, under the assumption of no large scaled M&A
- ✓ Cash and cash equivalents will be increased towards the level which we can repay certain level of borrowings in case of inflation

	FY2022 Act	FY2023 Fct	Increase ratio	FY2024 Fct	Increase ratio	FY2025 Fct	Increase ratio
Current assets	3,802	4,467	17.5%	4,810	7.7%	6,215	29.2%
(Cash and cash equivalents)	1,751	2,057	17.5%	2,122	3.2%	3,275	54.3%
Non-current assets	7,060	7,077	0.2%	6,828	△3.5%	6,680	△2.2%
(Land and buildings)	3,892	3,158	△18.9%	3,037	△3.8%	3,060	0.8%
Total assets	10,866	11,548	6.3%	11,642	0.8%	12,899	10.8%
Current liabilities	3,018	2,110	△30.1%	2,070	△1.9%	2,393	15.6%
Non-current liabilities	6,501	7,764	19.4%	7,296	△6.0%	7,017	△3.8%
Total liabilities	9,519	9,875	3.7%	9,367	△5.1%	9,410	0.5%
Shareholders' Equity	1,346	1,673	24.3%	2,275	36.0%	3,489	53.4%
Total liabilities and shareholders' equity	10,866	11,548	6.3%	11,642	0.8%	12,899	10.8%
Capital ratio	12.4%	14.4%	-	19.5%	-	27.0%	-
Long / short Term borrowings	6,164	6,241	1.2%	5,824	△6.7%	5,703	△2.1%



Medium-term Business Plan

PROFIT AND LOSS STATEMENT

- ✓ Will achieve the KPI of sales increase by 20%+ every year
- ✓ Will achieve the KPI of operation margin and capital ratio through the business expansion focused on the category of higher operation margin. Expenses will be minimized.
- ✓ Figures are projected inflation of utilities expenses
- ✓ Contingency for COVID-19 are reserved; 90 mil JPY for FY2023, 120 mil JPY for FY2024 and 90 mil JPY for FY2025

	FY2022	FY2023	Increase ratio	FY2024	Increase ratio	FY2025	Increase ratio
Sales	11,625	13,951	20.0%	17,093	22.5%	20,746	21.4%
Operating income	491	595	21.2%	1,026	72.4%	2,092	103.9%
%	4.2%	4.3%	-	6.0%	-	10.1%	-
Ordinary profit	581	262	△54.9%	808	208.4%	1,711	111.8%
%	5.0%	1.9%	-	4.7%	-	8.2%	-
Profit before income tax	598	427	△28.6%	808	89.2%	1,711	111.8%
%	5.1%	3.1%	-	4.7%	-	8.2%	-
Net income attributable to owners of parent	407	261	△35.9%	602	130.7%	1,213	101.5%
%	3.5%	1.9%	-	3.5%	-	5.8%	-

Medium-term Development Plan

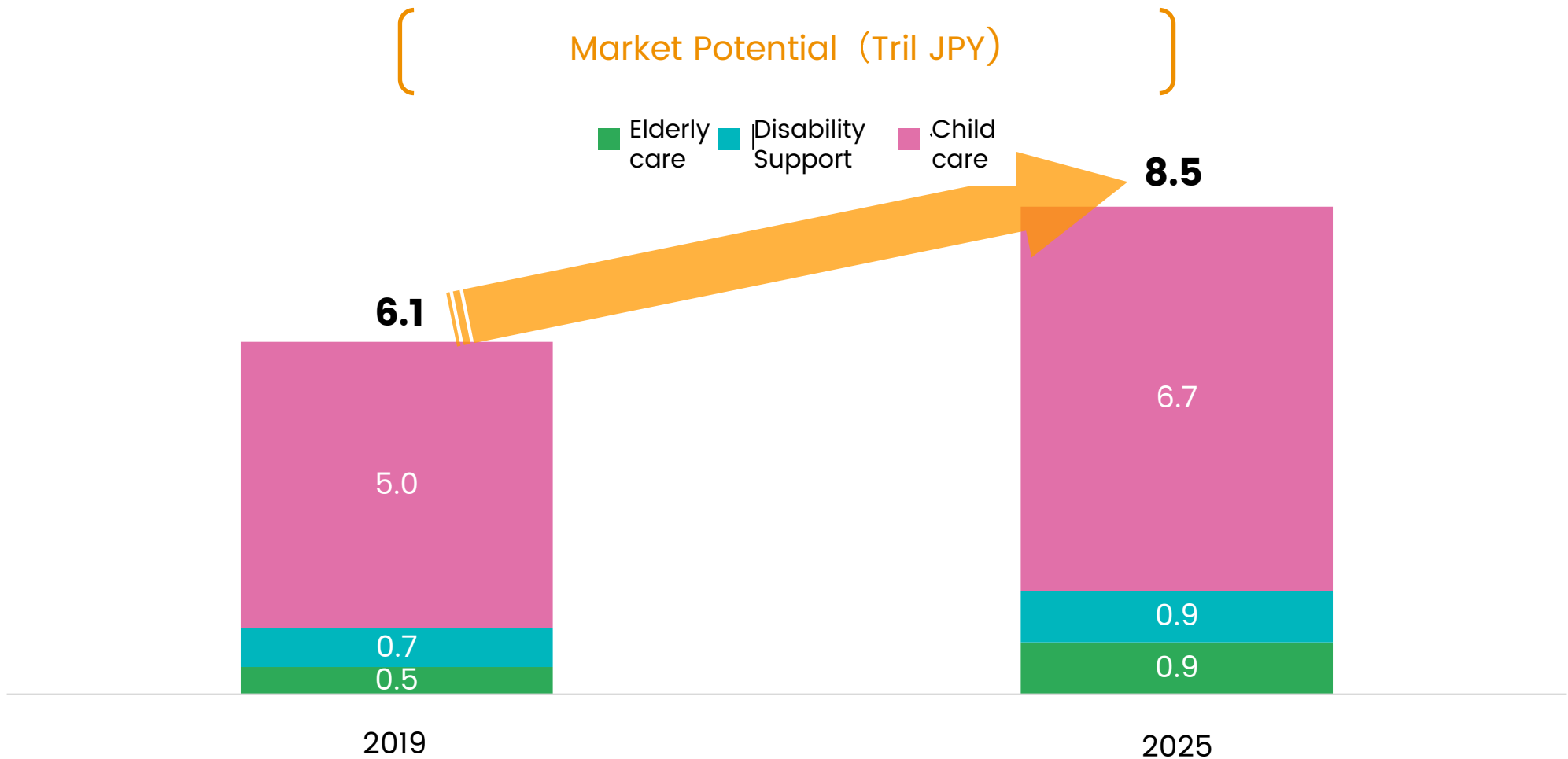
- ✓ Accelerate development in elderly care and disability support
- ✓ Strongly focus on the development of group home for disabilities
- ✓ Successfully employment of care workers

	FY2022		FY2023		FY2024		FY2025		Total number as of end FY2025	
	#Facility	#Capacity	#Facility	#Capacity	#Facility	#Capacity	#Facility	#Capacity	#Facility	#Capacity
Elderly care	2	54	9	429	14	687	15	633	98	4,769
Residential care	0	0	4	330	8	552	8	480	52	3,788
Group home	2	54	5	99	6	135	7	153	46	981
Disability Support	4	80	8	160	8	160	10	200	48	890
Group home	1	20	5	100	5	100	7	140	27	530
Support to work, B	3	60	3	60	3	60	3	60	19	360
Child care	5	340	1	70	1	80	1	80	17	1,036*
Approved care	5	340	1	70	1	80	1	80	17	1,036*

*Excluding corporate in-house care

Market Size and Potential

- ✓ Targeted market will be expanded towards 8.5 tril JPY
- ✓ We will be one of the leaders within Japanese and global market

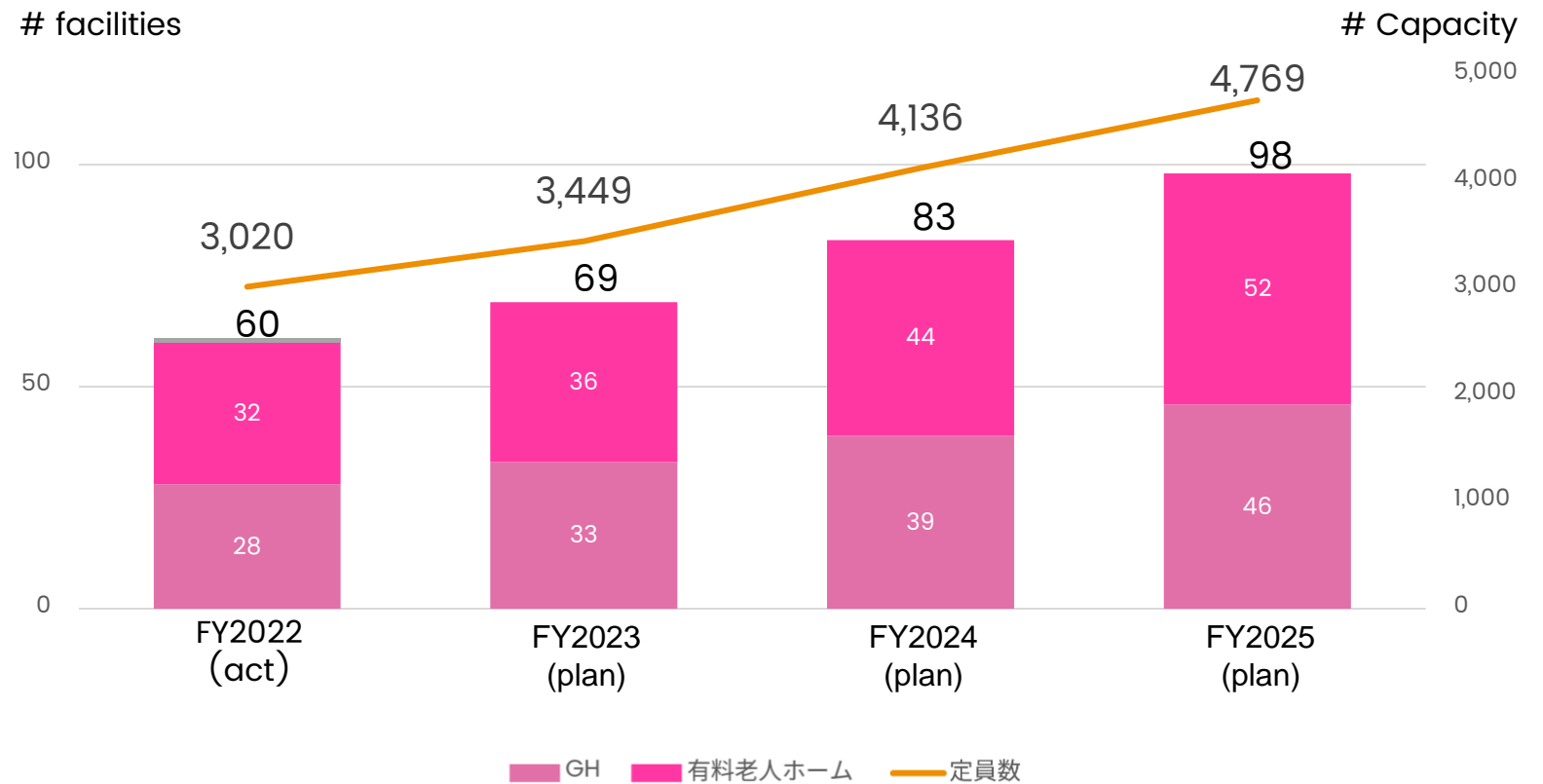


🌿 Elderly care : Development plan

Status

Accelerate the development in FY2024 and in FY2025

Act / Plan

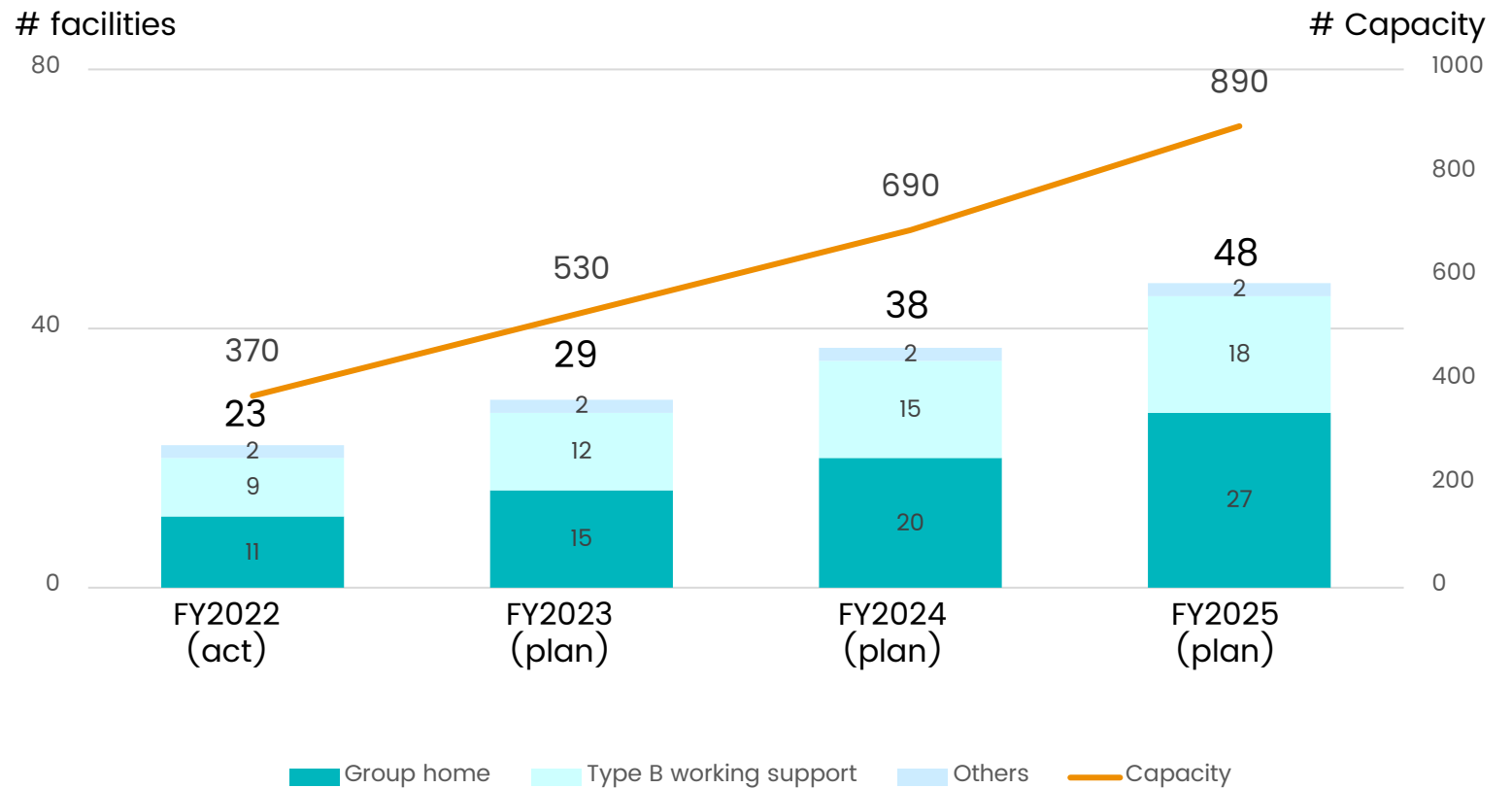


Disability care : Development plan

Status

● Accelerate facility development in FY2024 and in FY2025

Act / Plan

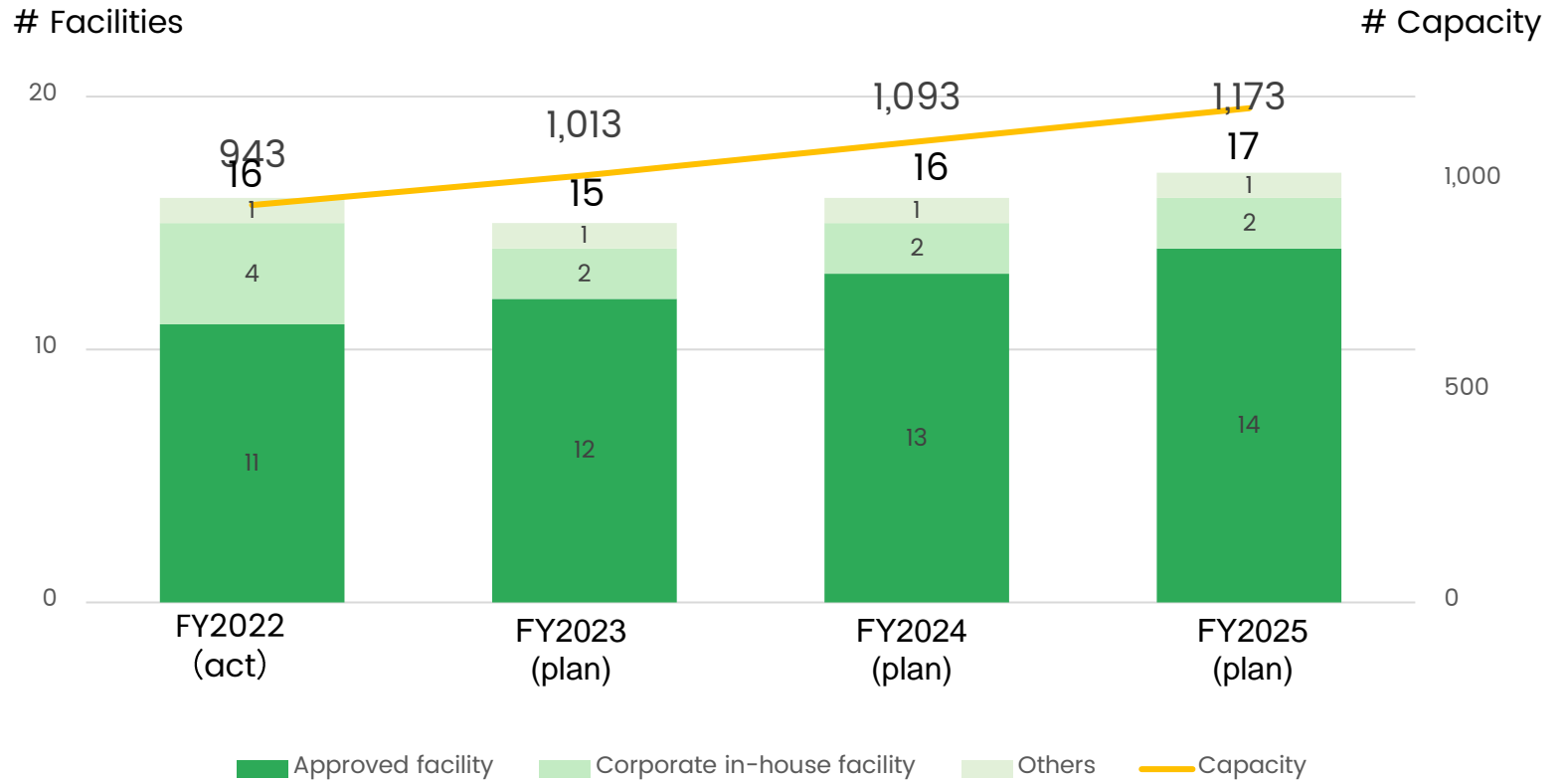


Child care : Development plan

Status

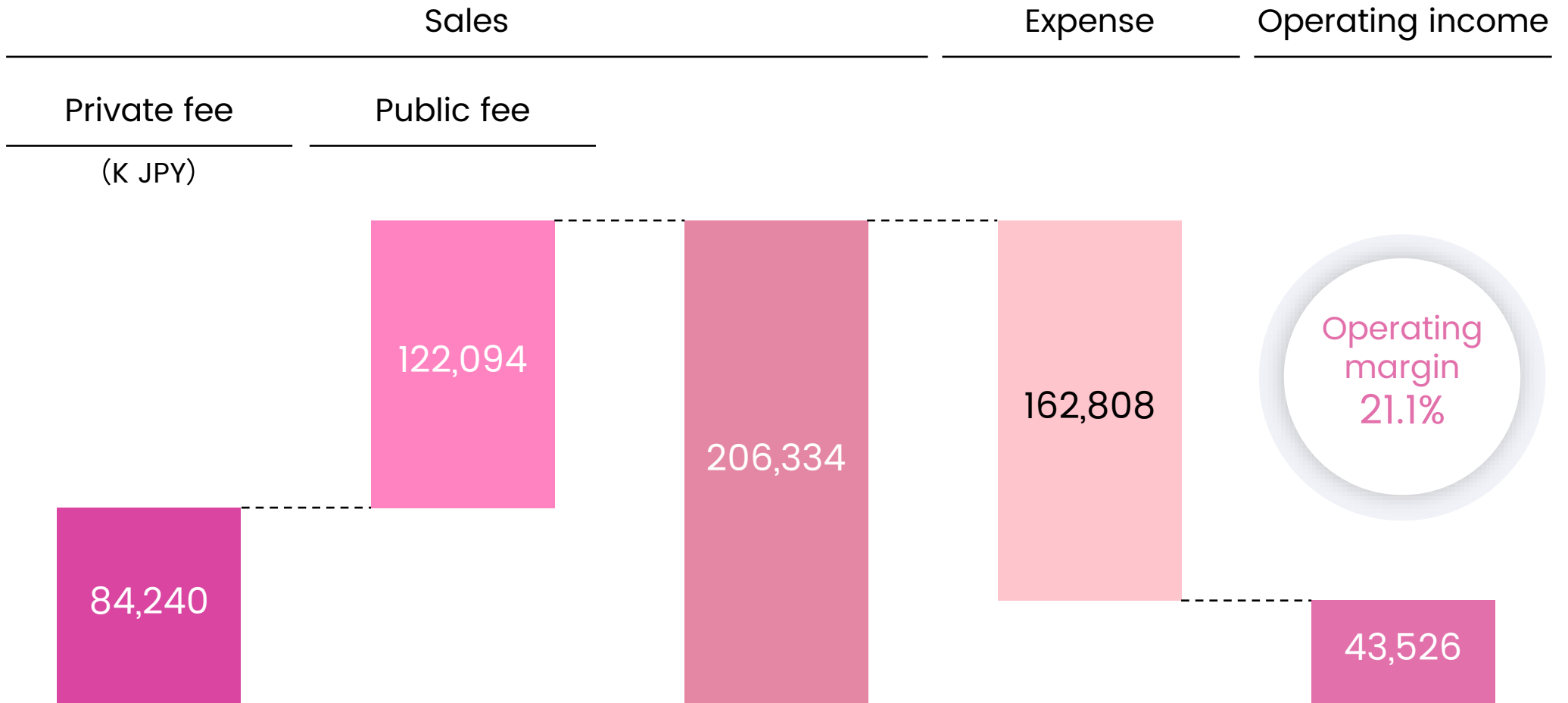
Closed 2 corporate in-house facilities in FY2023

Act /Plan



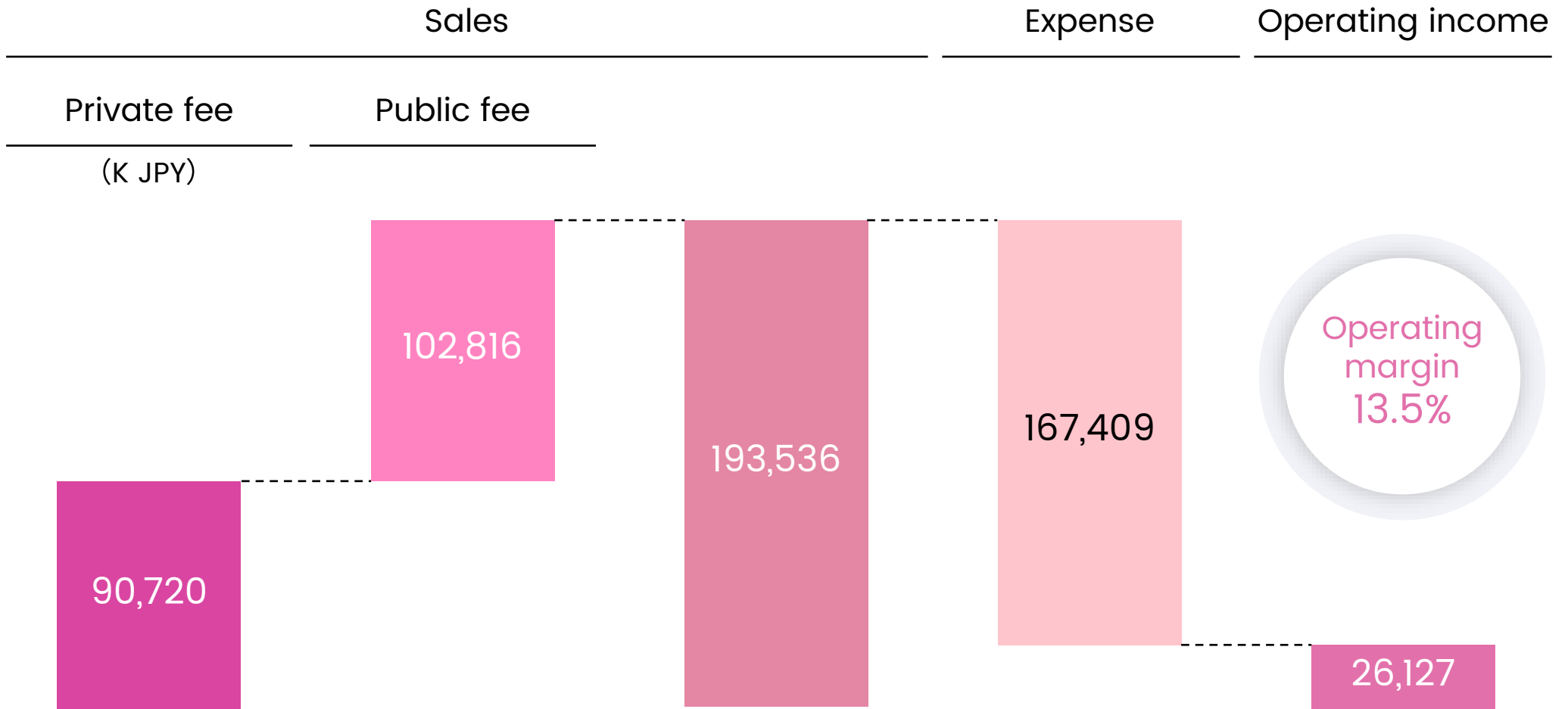
Profit Model: Elderly Care

Tokutei (In case of 90 occupancy of 60 capacity facility)



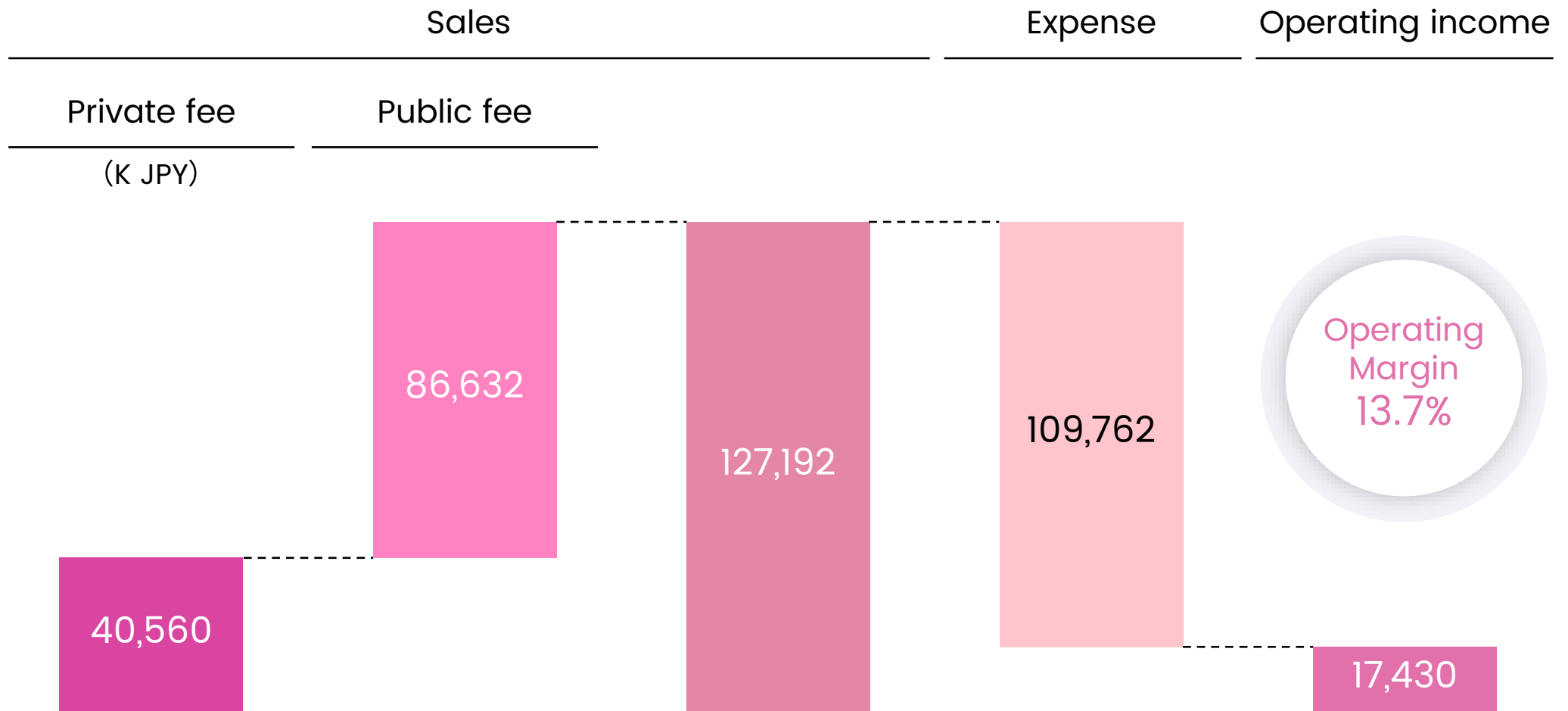
Profit Model: Elderly Care

Residential care (in case of 90 occupancy of 60 capacity facility)



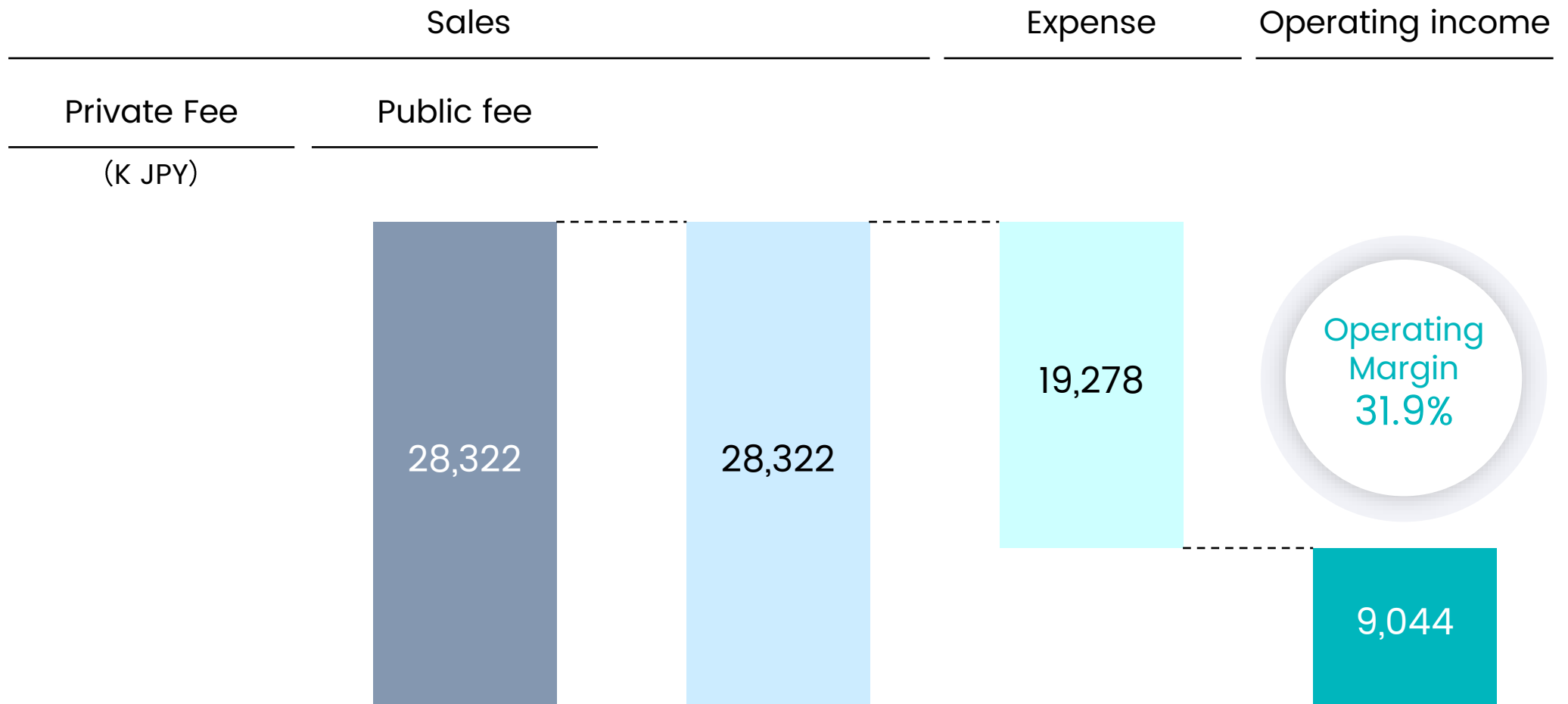
Profit Model : Elderly Care

Group home (In case of 96% occupancy of 27 capacity facility)



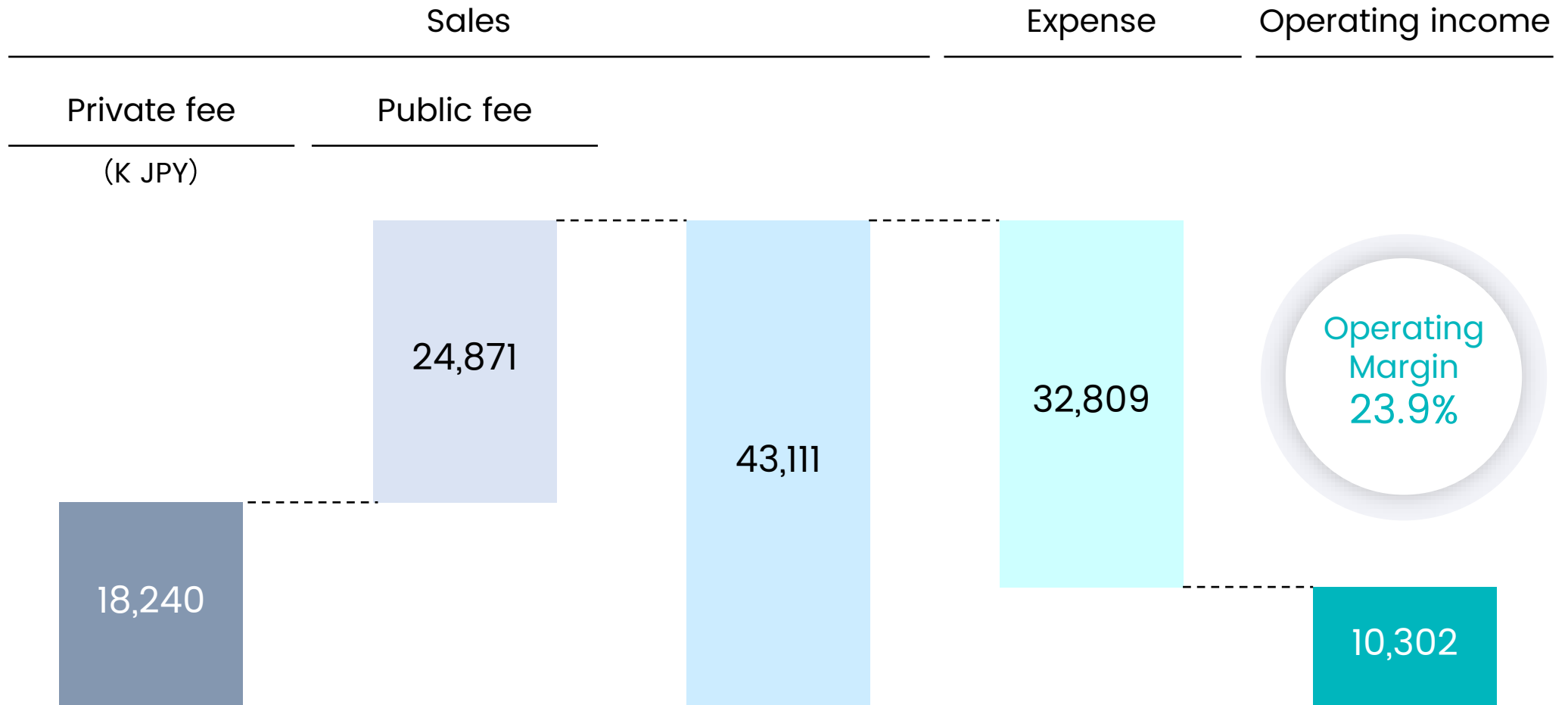
Profit Model : Disability Support

Support to work, Type B (In case of 70% occupancy of 20 capacity facility)



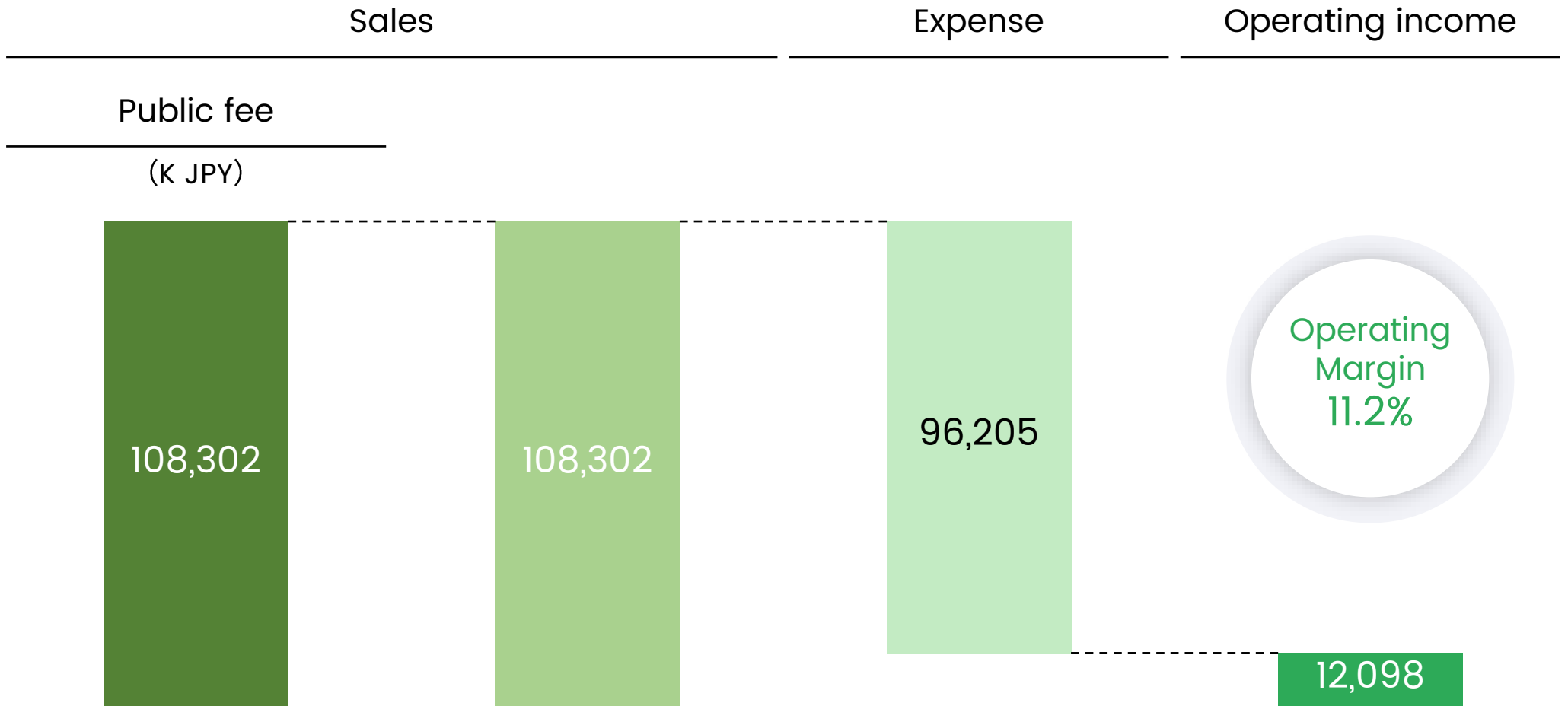
Profit Model : Disability Support

Group home (In case of 95% occupancy of 20 capacity facility)



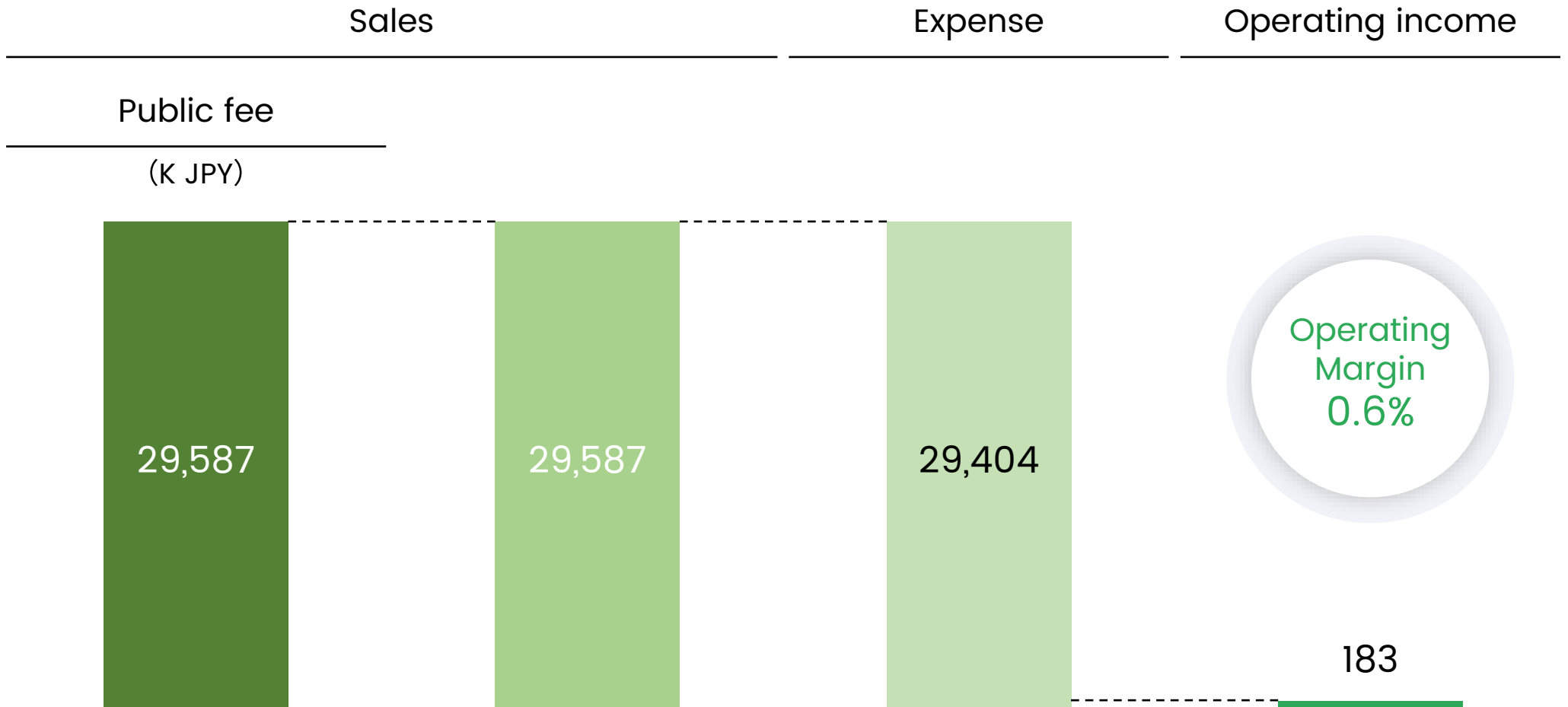
Profit Model : Child Care

Approved care (In case of 98% occupancy of 80 capacity facility)



Profit Model : Child Care

Corporate in-house service (In case of 92% occupancy of 12 capacity facility)



Disclaimer

This document contains forecast, projection, planning and strategies for future. Those statements are subject to changes in market demand, in business development, in regulations and in the performances of group companies, other risks and uncertainties.

Please be noted that these statements do not guarantee future result, and actual result may differ materially from our current forecast/ projection.

Such differences can be caused by a number of factors and risks. Please refer to the Company's continuous disclosure and timely disclosure for a description of these factors and risks.

The next disclosure is scheduled at the end of June 2022, after the announcement of FY2021 financial results.

Contact

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