

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

Bringing smiles to your
hospital/elderly facility stay



ELAN Corporation

Operating Results for Fiscal 2022 Ended December 31, 2022

ELAN Corporation

During the fiscal year ended December 31, 2022, the emergence of a new COVID-19 strain led to a resurgence of the virus. However, with widespread vaccination and the subsequent easing of restrictions, social activities gradually resumed, and the economy showed signs of recovery.

Despite this, the outlook for the Japanese economy remains uncertain, with risks including soaring global resource prices due to the Russia-Ukraine situation and price hikes caused by a depreciating yen.

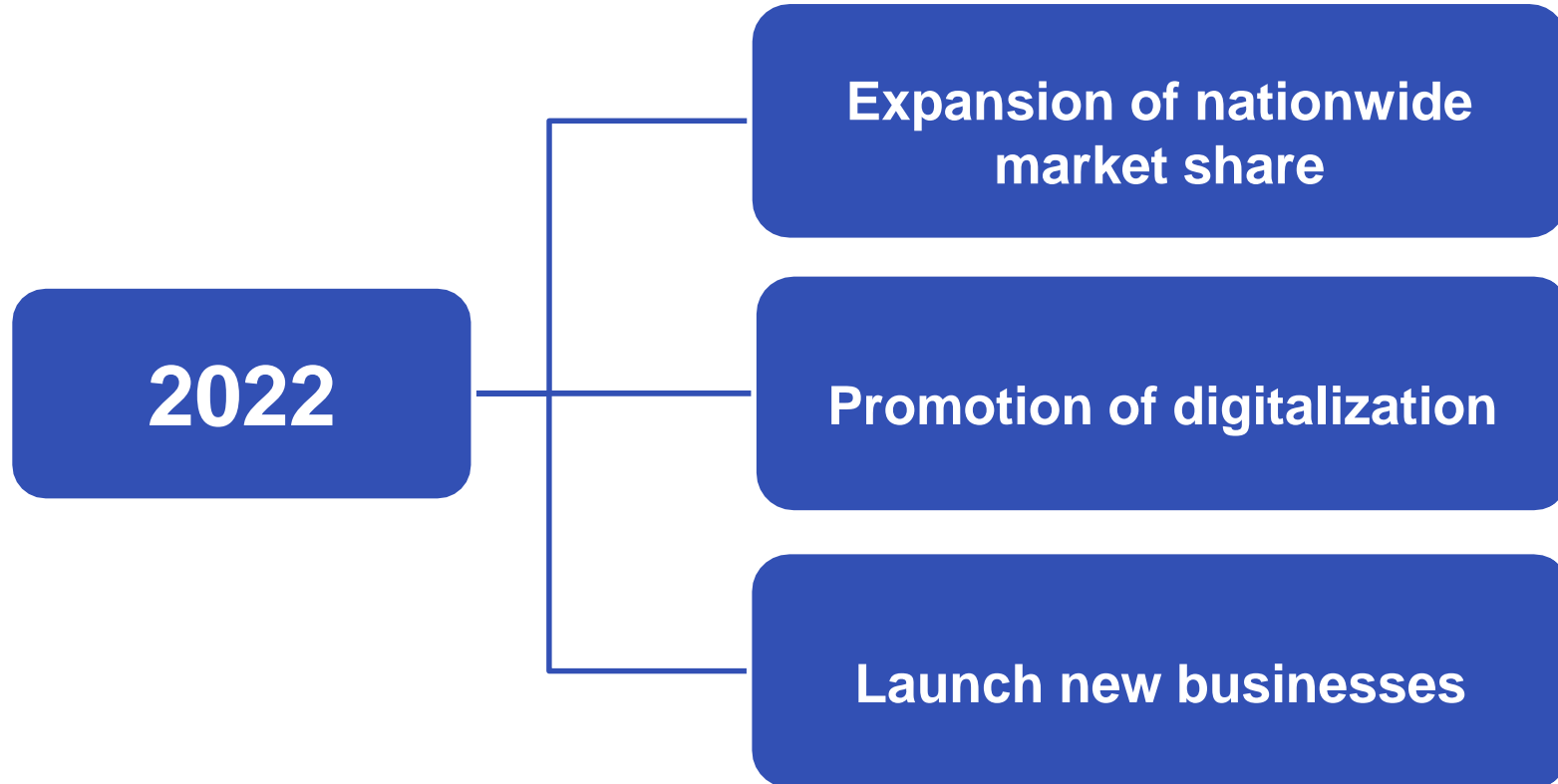
Against this backdrop, we opened our Matsumoto and Matsuyama branches and relocated and expanded our Akita and Fukuoka branches, aiming to provide more localized and timely services at our 27 locations across Japan. We will continue expanding our business by offering CS Set to more facilities, developing new businesses, and expanding into overseas markets.

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1. Full-Year Operating Results for Fiscal 2022

Bringing smiles to your
hospital/elderly facility stay





Expand nationwide market share

Plan

- Numerical targets: Sales of 37 billion yen, operating profit margin of 8.1%, penetration rate of 16%
- Open new branches
- Develop new added value (nationwide distribution of original patient wear, "lifte")



Results

- ✓ Sales of 36.2 billion yen, operating profit margin of 9.4%, penetration rate of 13.9%
- ✓ Opened Matsumoto and Matsuyama branches
- ✓ Introduced our original patient wear "lifte" at seven facilities

Promote digitalization

Plan

- Promote further improvements in operational efficiency by introducing tablets at existing facilities
- Digitalize logistics and purchasing-related operations
- Go paperless in in-house operations



Results

- ✓ Almost completed the introduction of tablets at existing facilities
- ✓ Started operation of the logistics system in December
- ✓ Completed the expansion of the internal portal site and digitization of various applications

Launch new businesses

Plan

- Start preparing for the electronic medical record collaboration business and new business in Okinawa
- Start preparing for M&A and new capital and business alliances
- Start preparing for overseas operations



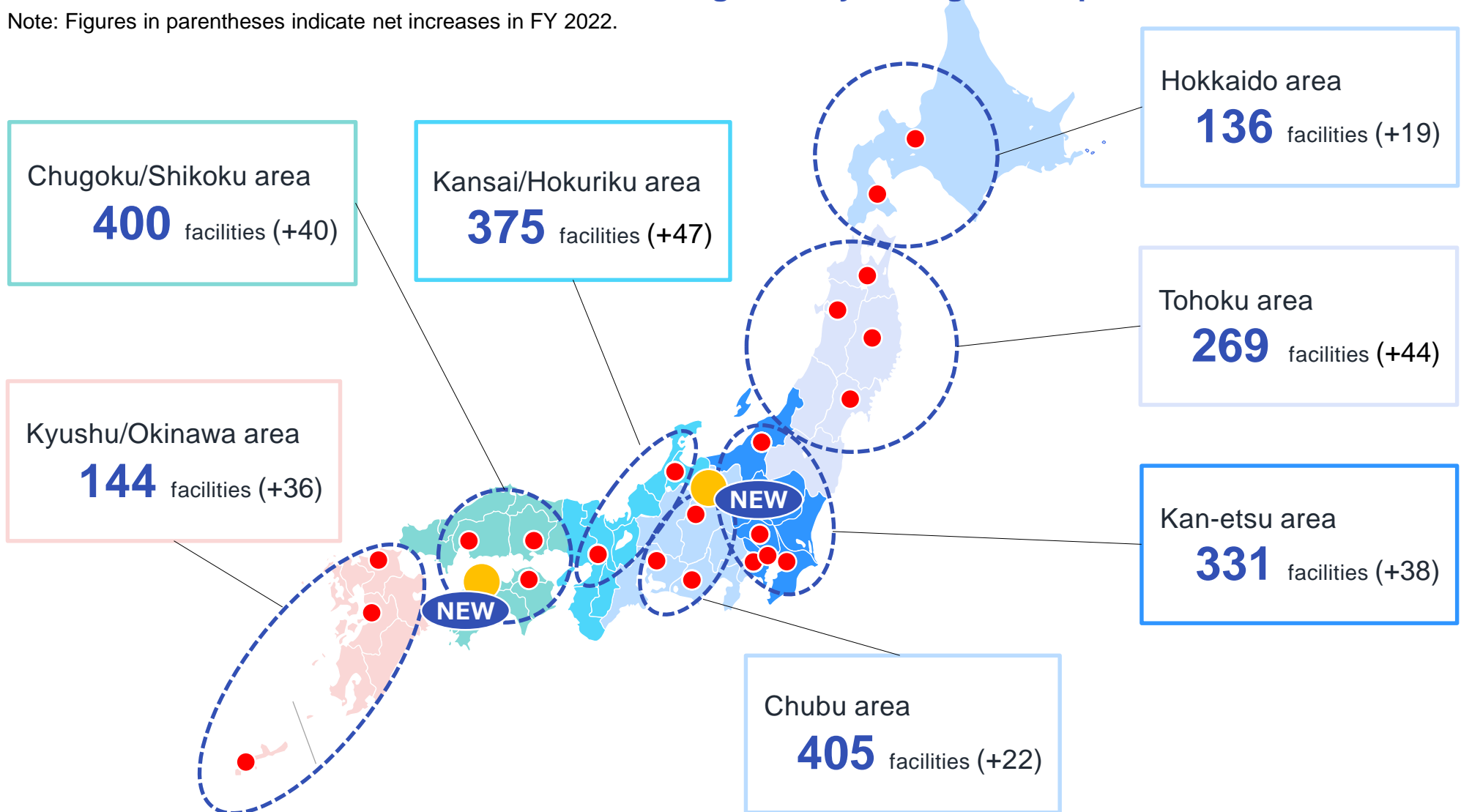
Results

- ✓ Implemented a system allowing customers to choose from three products in the electronic medical record collaboration business
- ✓ Currently considering M&A and capital/business alliances
- ✓ Currently considering expansion into second country after India

Opened new branches (Matsumoto and Matsuyama).

The number of contracted facilities is increasing steadily throughout Japan.

Note: Figures in parentheses indicate net increases in FY 2022.



New Opening



Matsuyama Branch

Opened: November 1, 2022
Address: Matsuyama Tokyo Kaijo
Nichido Building 2F, 2-1-7 Honmachi,
Matsuyama, Ehime Prefecture



Matsumoto Branch

Opened: October 3, 2022
Address: 1123-1 Shimadachi,
Matsumoto, Nagano Prefecture

Relocations / Expansions



Akita Branch

Relocated: 3, 2022
Address: Shoko Chukin Dai-ichi Seimei Akita
Building 4F, 2-4-19 Nakadori, Akita, Akita Prefecture



Kanagawa Logistics Center

Relocated: September 5, 2022
Address: 3-13-19 Hashimotodai, Midori-ku,
Sagamihara, Kanagawa Prefecture



Fukuoka Branch

Relocated: August 1, 2022
Address: City 17 Building 8F, 2-1 Gionmachi,
Hakata-ku, Fukuoka, Fukuoka Prefecture



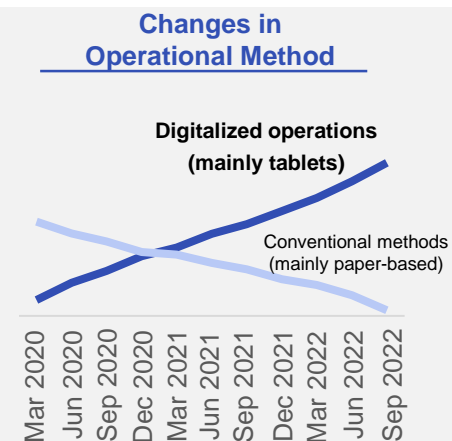
Fukuoka Branch

Relocated: December 5, 2022
Address: Nihonbashi Front 6F, 3-6-2
Nihonbashi Chuo-ku, Tokyo

■ 2022 initiatives **related to digitization**

▼ Improvement of CS Set-related operations

- The transition from conventional paper-based method to the use of tablets in facilities for CS Set operations (from service application to invoicing) is nearly complete.
- The logistics system went live at major locations in December and is set to be rolled out to all sales offices by the end of 2023.

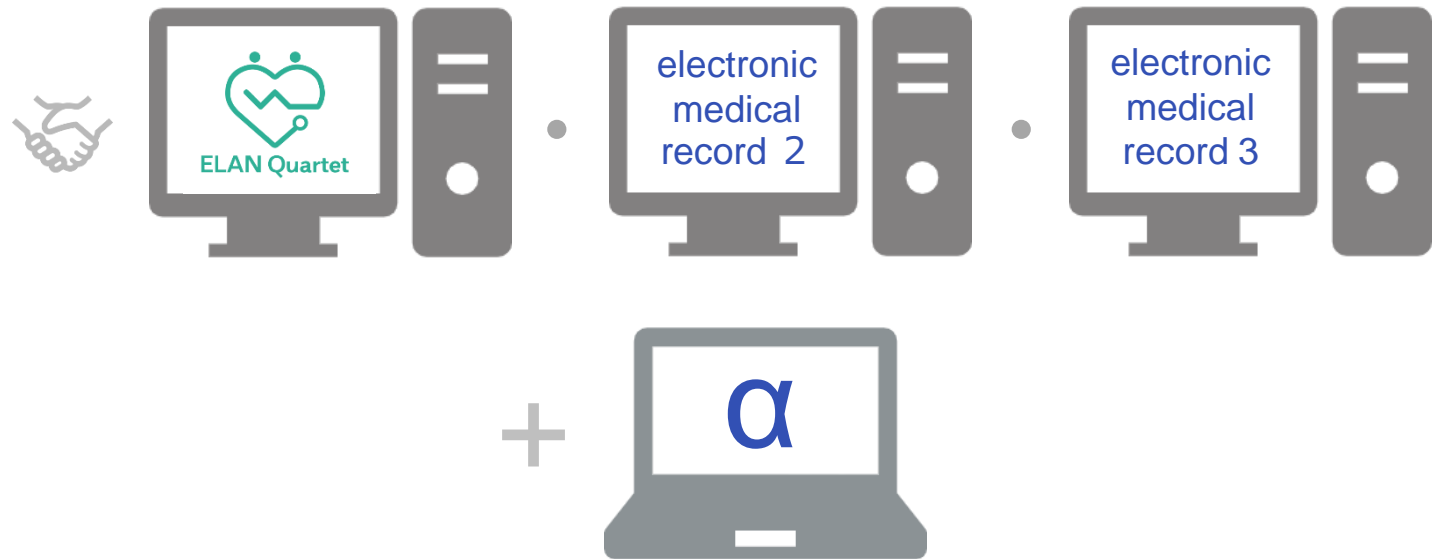


▼ Improvement of internal operations

- Expanded the internal portal site. Completed the digitization of various applications and introduced a chatbot for responding to inquiries.
- Enhanced the functions of the sales support system and made efforts to improve sales productivity by incorporating target management functions, etc.
- Created videos of new services (which are increasing in recent years), case studies, and sales pitch examples, and used them as training tools.



- Expanded the ELAN Quartet electronic medical record service with the addition of a new product lineup, offering **three types of products to choose from**.
- Aim to launch the “+α” service after April 2023 (postponed a few months).



Background

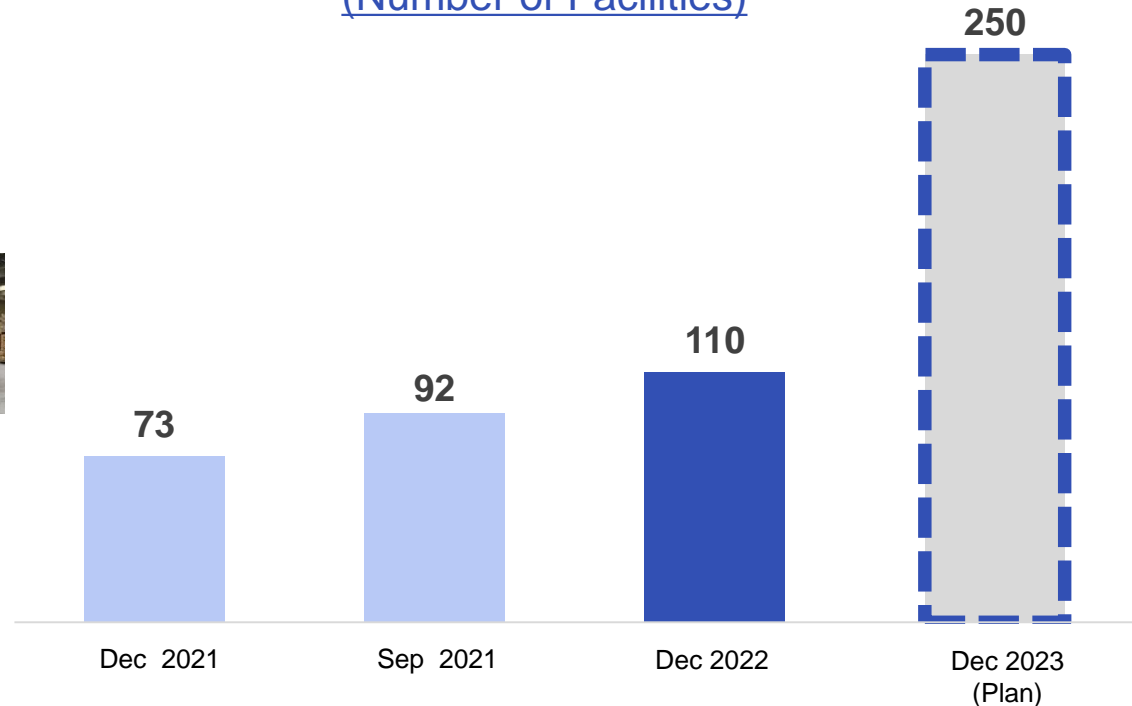
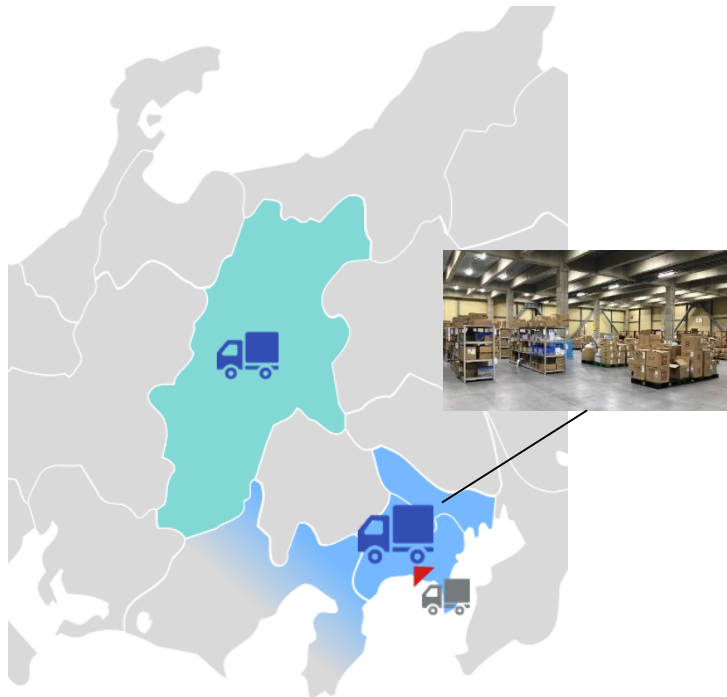
- Digitalization of medical institutions is inevitable.
- Electronic medical records have not been adopted at small and medium-sized hospitals due to budgeting issues, etc.

Effect

- Significant cost control and enhancement of added value is possible with the introduction of electronic medical record +CS Set +α.

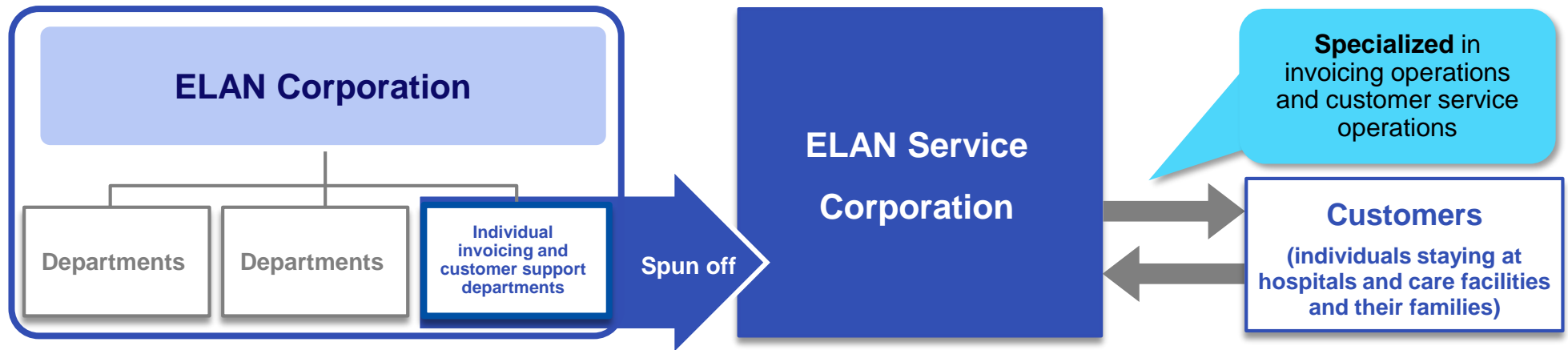
- Taking steps to expand our own warehouses and logistics capabilities to better handle deliveries during disasters and mitigate shortage risks.
- The Yokohama Logistics Center is scheduled to be relocated and expanded as the Kanagawa Logistics Center (Sagamihara) in September 2022.
- Established a new logistics base in Matsumoto, Nagano Prefecture in October 2022.
- Plan to expand deliveries to 110 facilities by the end of 2022, then to 250 facilities by the end of 2023.

In-House Deliveries (Number of Facilities)



Note: Figures indicate the number of facilities to which in-house deliveries were being made, as of month-end.

Contracted with **5 companies** providing hospitalization set services and received contracts from **30 facilities**



Aiming to enhance customer satisfaction

Response to inquiries in other languages

- English
- Korean
- Mandarin Chinese
- Portuguese

Applications accepted from smartphones and PCs

Opening of a portal website dedicated for users

Usage fee payments by credit card or other digital payment methods

24-hour call center support Operating throughout the year (including on weekends and holidays)

Start handling individual invoicing and customer support for other companies' hospitalization sets

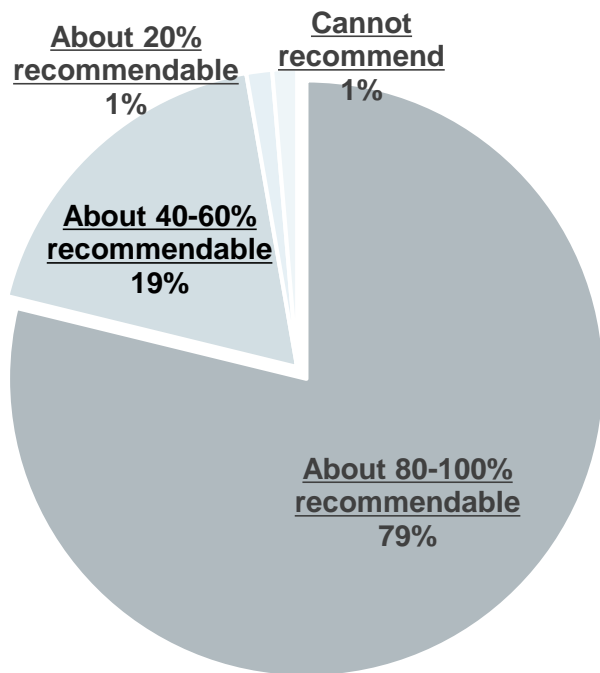
- **83%** of survey respondents said that **they would recommend the CS set to others**.
- Compared to 2020, the percentage of respondents who considered the set to be “80-100% recommendable” **improved by four percentage points**.

[Recommendation level]

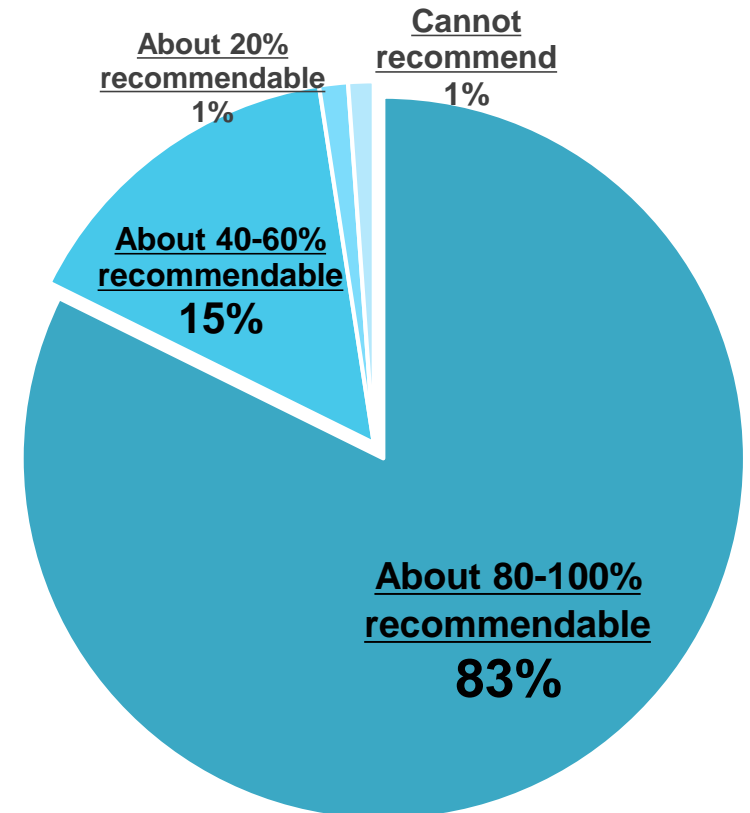
Q: On a scale of 0-100%, to what extent would you recommend the CS set to others?

Survey Summary

- Survey flyers were included in 289,305 invoice mailings that were sent out between Oct. 1, to Oct. 31, 2022.
- Number of valid responses received: 14,152 (response rate: 4.89%).
- Held a drawing to select 100 winners who received a 1,000-yen QUO card.
- Respondents were directed to the survey website through the QR code on the flyer.



2020 survey results

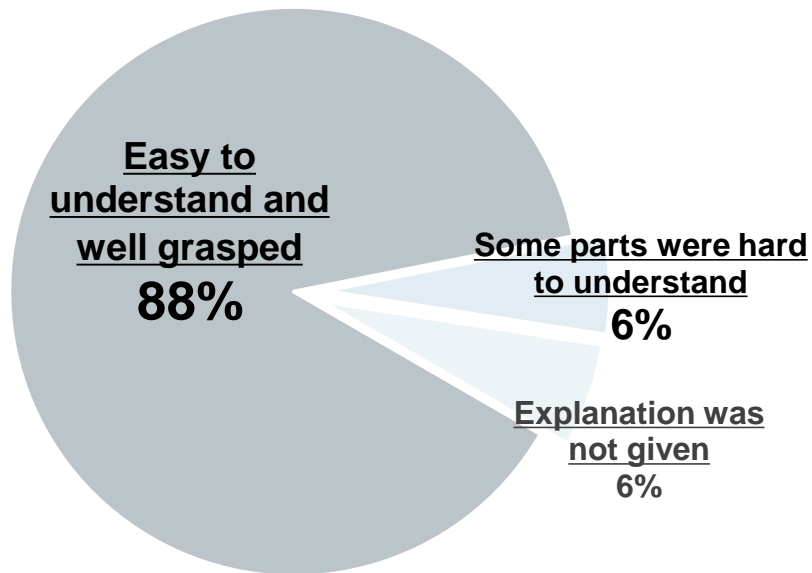


2022 survey results

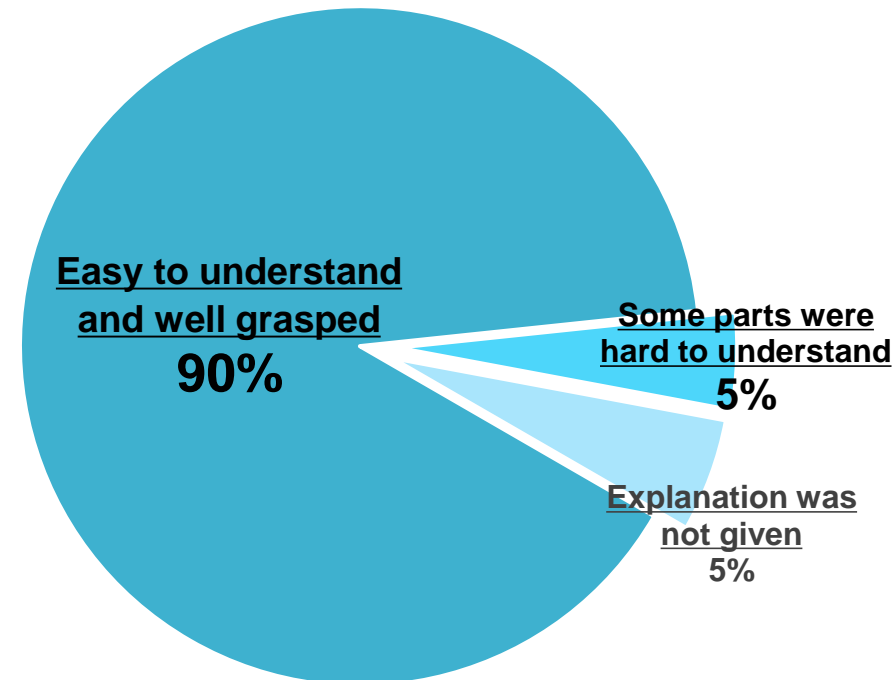
- **90%** of respondents stated that the explanation of the CS set was **“easy to understand and well grasped.”**
- The percentage of responses indicating “easy to understand and well grasped” improved by **two percentage points** compared to 2020.
- **Lack of explanation** was recognized as an ongoing issue requiring improvement.

[Explanation]

Q : Did you find the explanation of the contents and precautions of the CS set to be easy to understand?



2020 survey results

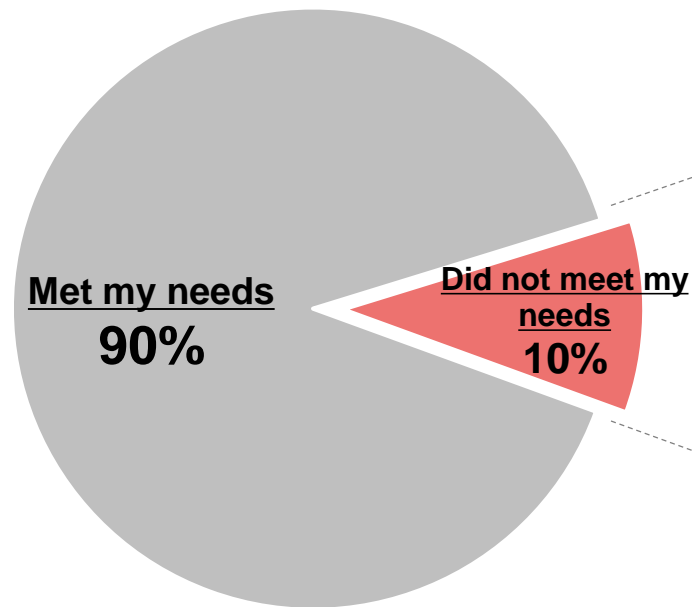


2022 survey results

- **90%** of respondents stated that the CS set was **able to meet their needs**.
- However, **product selection and pricing proved to be a challenge**.

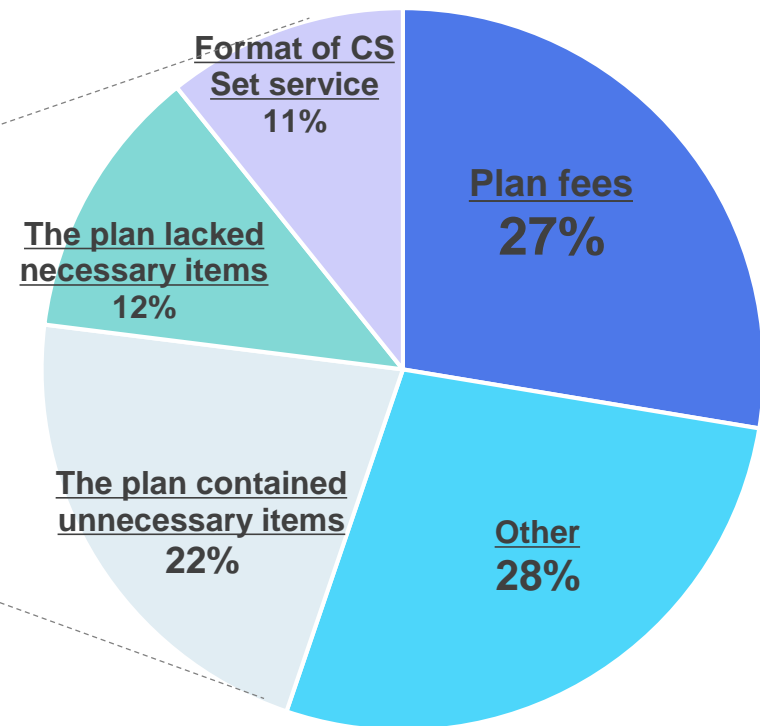
[Satisfaction Level Survey]

Q: Did the product content of the CS set meet your needs?



[Reason for Dissatisfaction]

Q: Please select the most relevant reason for the product not meeting your needs.



Results for FY 2022

- **Achieved higher sales and profits**, as profitability improved due to an expansion in the number of contracted facilities and a push towards digitalization.
- **Raised** our year-end dividend for the fiscal year ended December 31, 2022 by **one yen** from the original plan, to **11 yen per share**.

(Millions of yen)

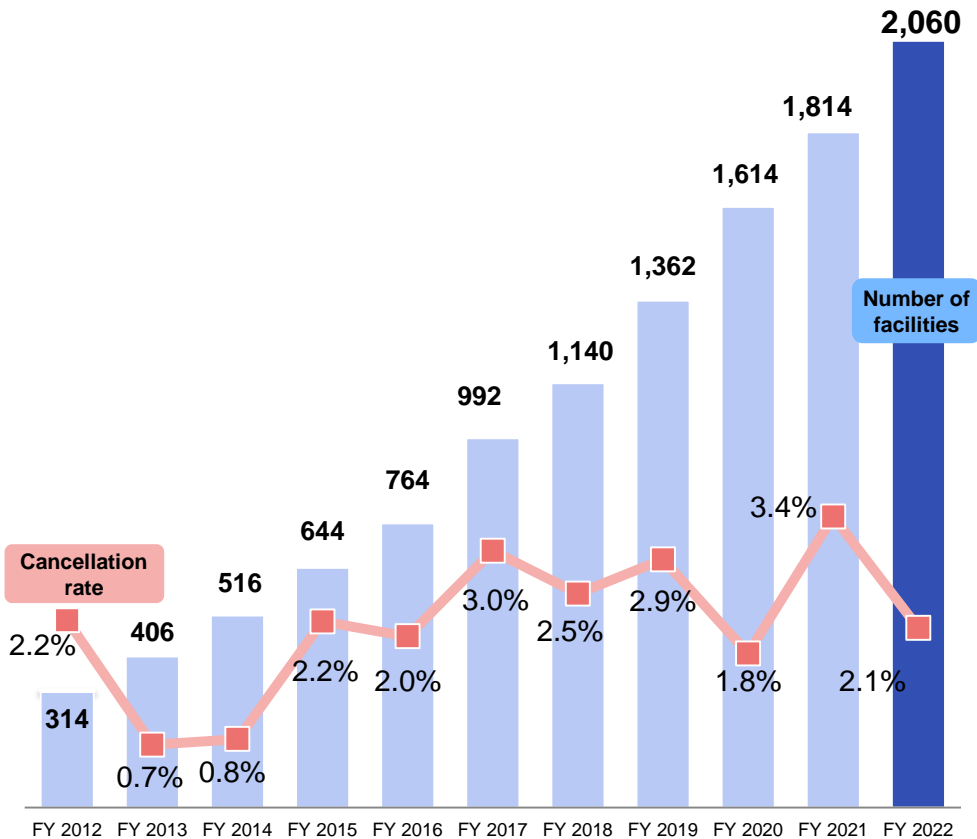
	Fiscal 2021 Results	Fiscal 2022 Results	YoY change	Fiscal 2022 Forecast*1	% achieved
Net sales	31,635	36,264	14.6%	37,000	98.0%
Operating profit	2,798	3,391	21.2%	3,000	113.0%
<i>Operating profit to net sales</i>	8.8%	9.4%		8.1%	
Ordinary profit	2,818	3,411	21.1%	3,020	113.0%
<i>Ordinary profit to net sales</i>	8.9%	9.4%		8.2%	
Profit Attributable to Owners of Parent	1,905	2,082	9.3%	2,000	104.1%
<i>Profit to net sales</i>	6.0%	5.7%		5.4%	

*1) Figures announced on February 10, 2022

Number of Contracted Facilities and Users

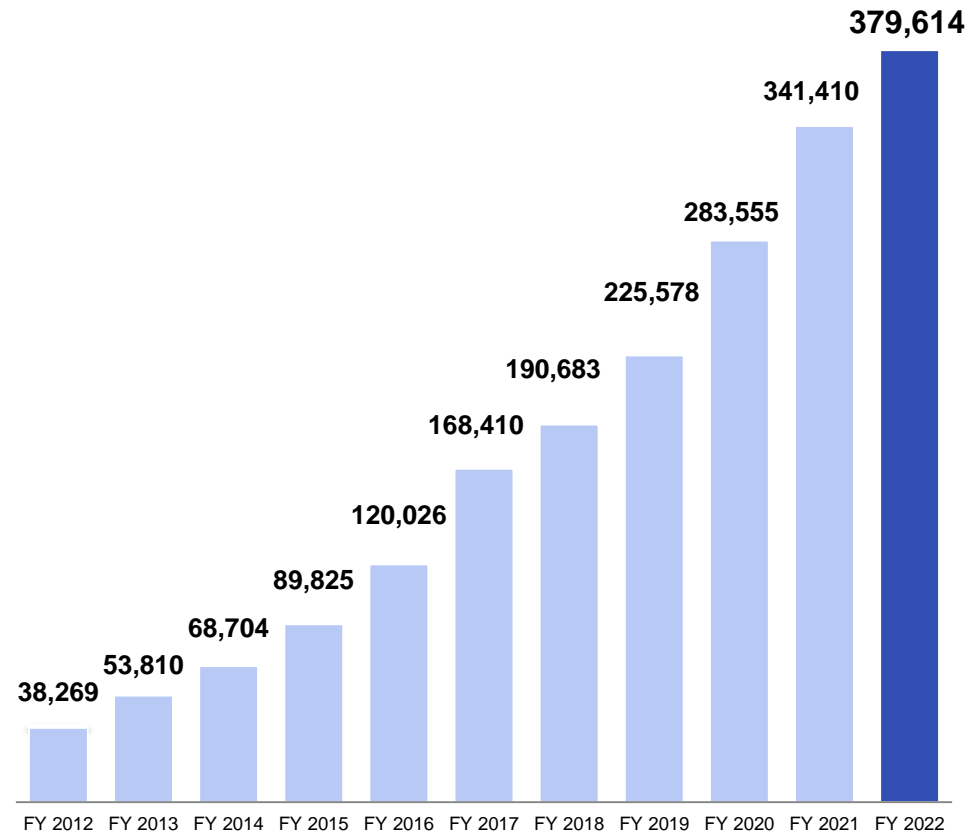
- The number of new contracted facilities increased compared to the previous fiscal year. (FY12/21: 264 facilities / FY12/22: **290** facilities)
- The number of facilities that terminated their contracts decreased compared to the previous fiscal year. (FY12/21: 64 facilities / FY12/22: **44** facilities)
- The number of users grew by a rate of **11.2%** YoY.

Contracted Facilities and Cancellation Rate



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

Monthly Users

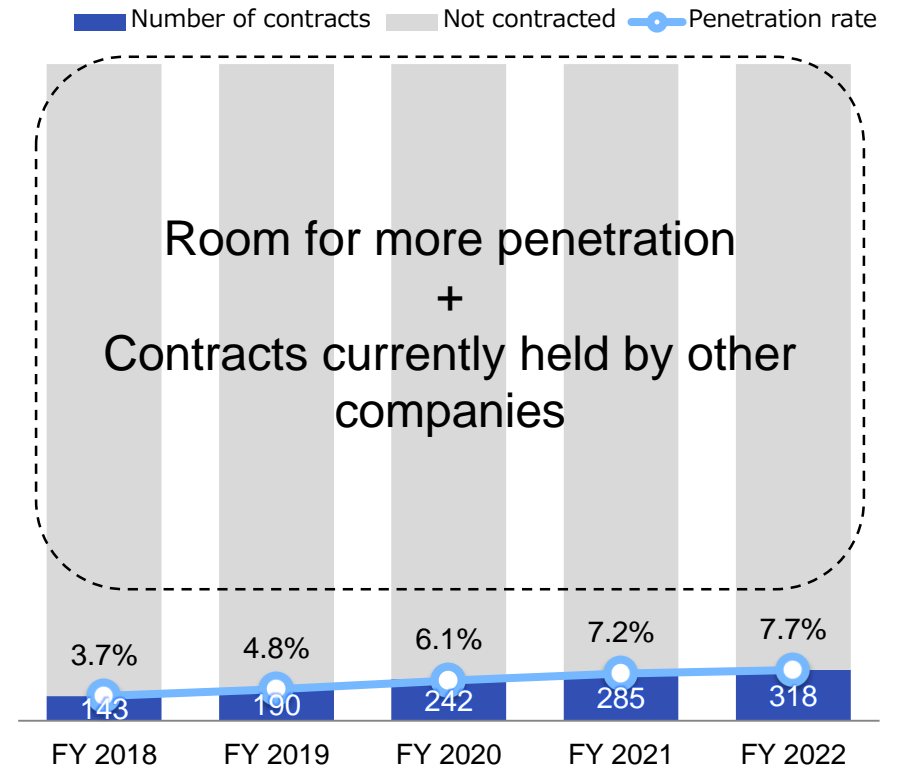
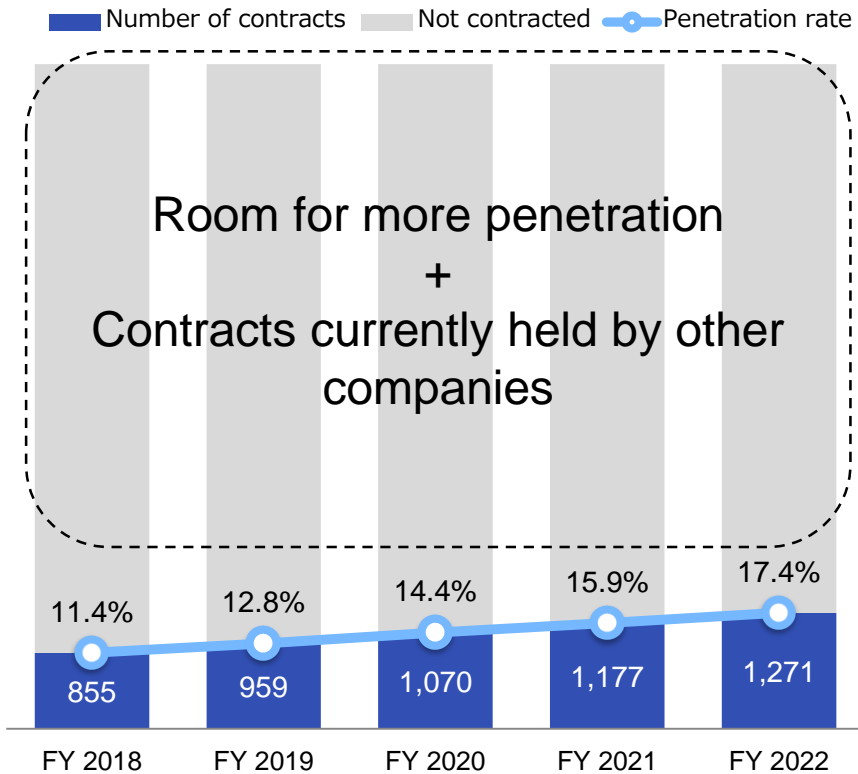


Note: The number of monthly users above indicates the number of users in the month at the end of each fiscal year.

- With the number of contracted hospitals (with 50 or more beds) exceeding 1,200, the penetration rate has reached **17.4%**
- 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 300, the penetration rate has reached **7.7%**.

Penetration Rate of Hospitals (with 50 or More Beds)

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 **7,297** facilities

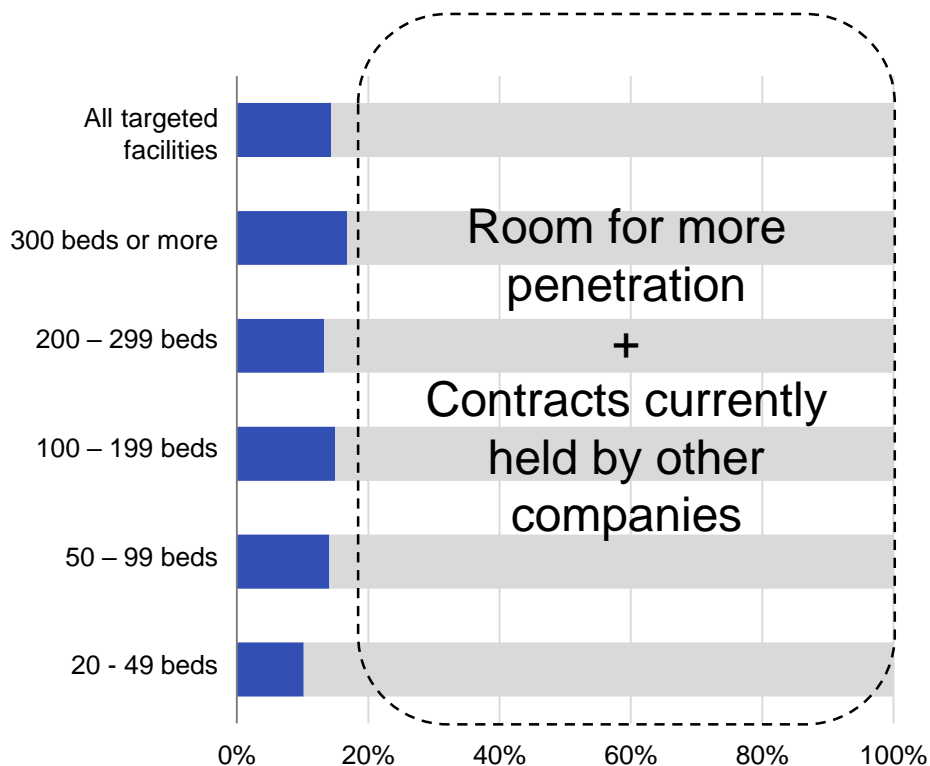
ELAN's target is **4,121** facilities

Notes: Prepared by ELAN with reference to the Survey of Medical Facilities 2021 and the Survey of Institutions and Establishments for Long-term Care 2021 by the Ministry of Health, Labor and Welfare.

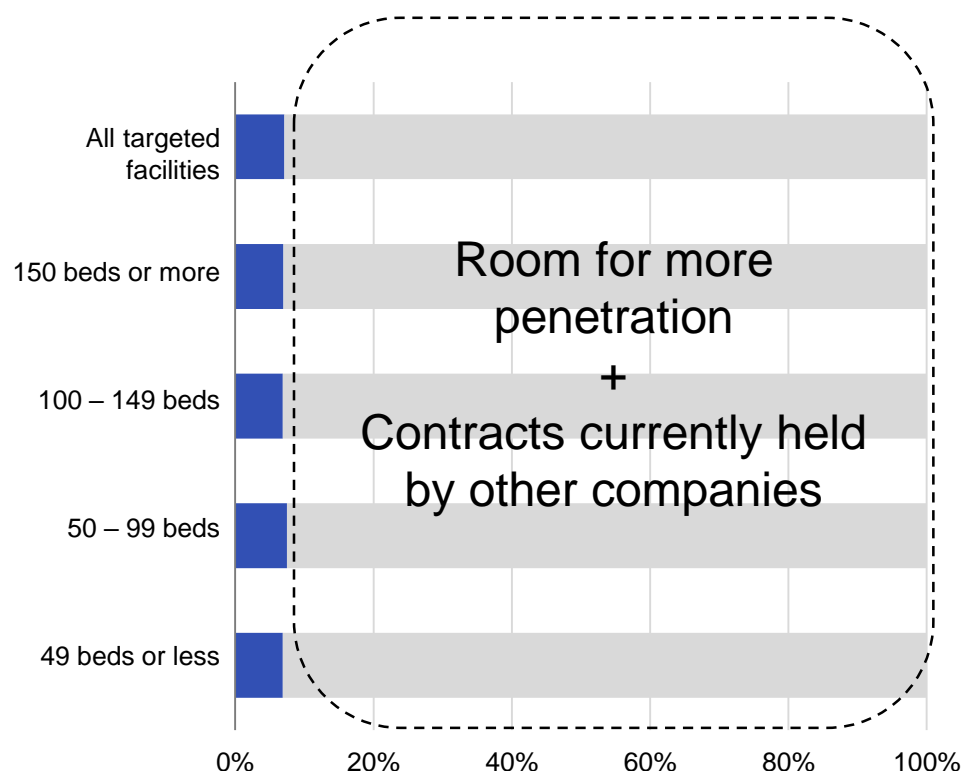
From the presentation materials for the first quarter of fiscal 2021, integrated facilities for medical and long-term care were added to long-term care health facilities when calculating the penetration rate. (Thus, the penetration rates for FY 2019 and FY 2020 differ from those presented in past materials.)

- The penetration rate is comparatively low for hospitals with 20–49 beds and 200–299 beds

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



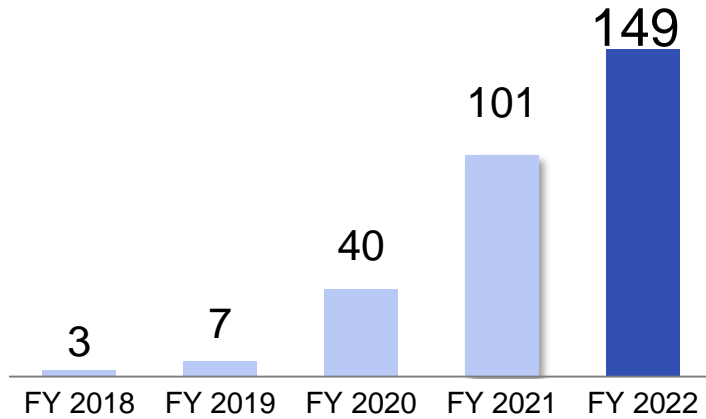
Notes: The blue parts of the charts above represent the penetration rate of our service.

Prepared by ELAN with reference to the Survey of Medical Facilities 2021 and the Survey of Institutions and Establishments for Long-term Care 2021 by the Ministry of Health, Labor and Welfare.

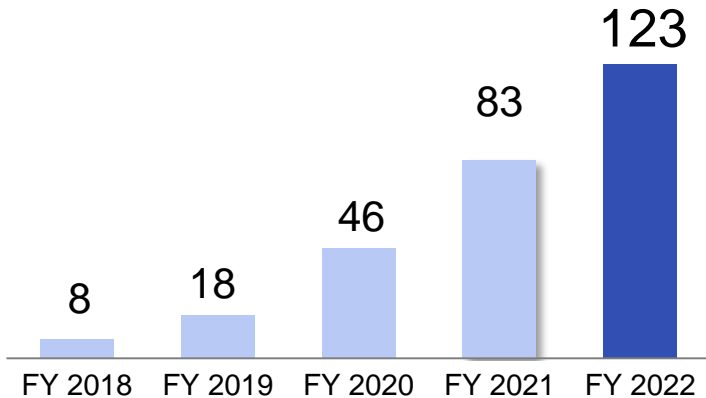
Beginning with presentation materials for the first quarter of fiscal 2021, integrated facilities for medical and long-term care were added to long-term care health facilities when calculating the penetration rate.

■ R increased by 48 and LC increased by 40

Number of Facilities Contracts for CS Set R



Number of Facilities Contracts for CS Set LC



POINT of CS Set R

【Facility feedback】

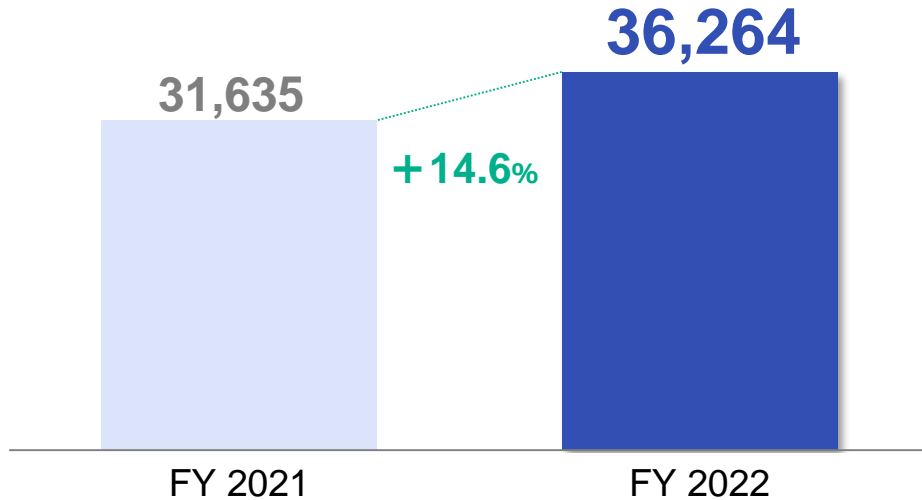
- Facilitates smooth support for patients who are unable to find a co-guarantor due to the progress of aging society and more families becoming nuclear.
- Eliminates the difficulty of supporting patients who are unable to pay hospitalization deposits or are hospitalized due to emergencies.
- Reduces demanding activities (phone calls, written correspondence) associated with the collection of unpaid accounts, which are costly and psychologically burdensome for those in charge.

POINT of CS Set LC

【Facility feedback】

- Eliminates plumbing costs associated with unblocking toilets (each case is expensive, costing tens of thousands of yen), which were born by the hospital before LC was introduced. With a large number of elderly patients, this is a big help.
- Reduces stress on staff, as problems can be solved without having to blame the person who blocked the toilet.
- Clarifies the source of costs, reduces time for repairs as well as the need to take patients to other toilets further away during repairs.

Net Sales (Millions of Yen)



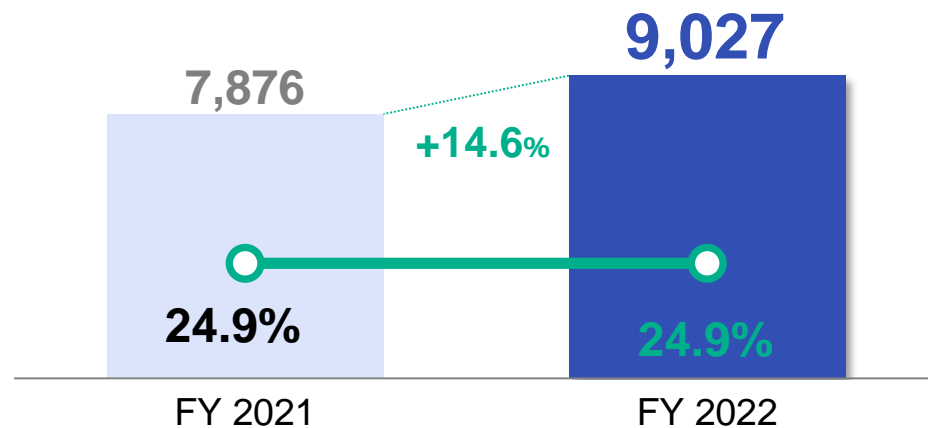
Year on year: **+4,628** million yen

+246 facilities

Number of new facilities contracted for CS set

• FY 2021 : 264 → FY 2022 : 290

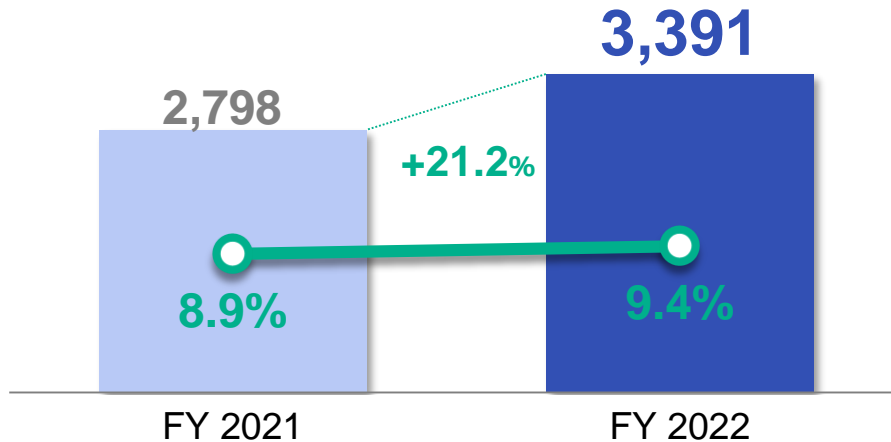
Gross Profit (Millions of Yen)



Year on year **+1,150** million yen

Gross profit margin was **on par with** the previous year

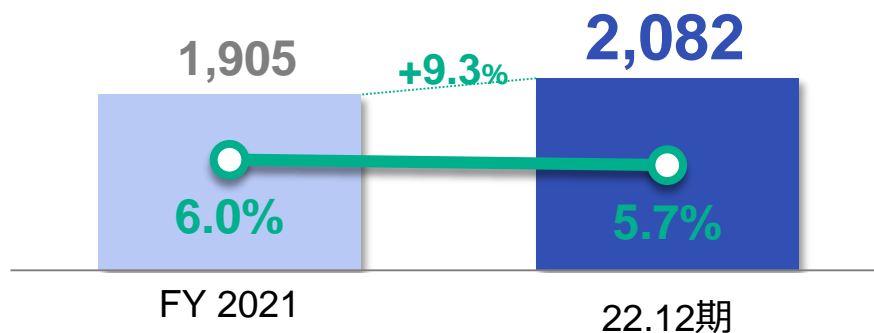
Operating Profit (Millions of Yen)



Year on year: **+592** million yen

The operating profit margin increased by 0.5% YoY due to a sustained improvement in operational efficiency resulting from systemization.

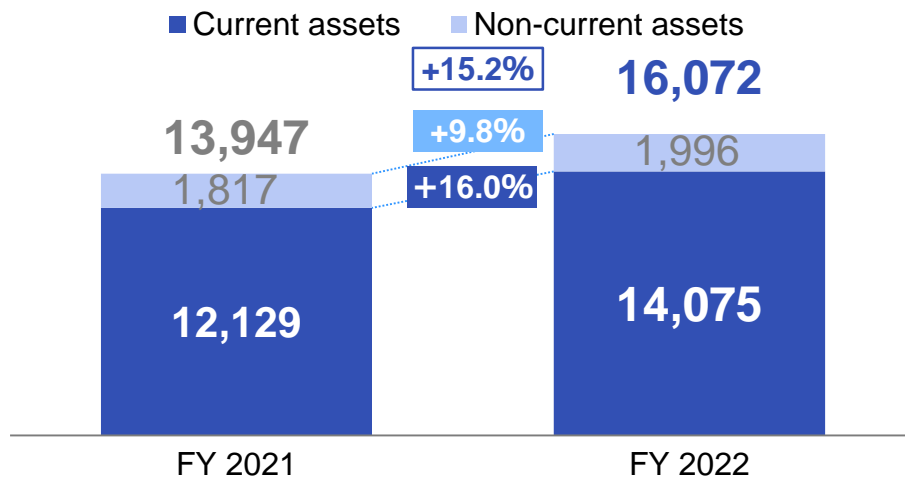
Profit Attributable to Owners of Parent (Millions of Yen)



Year on year: **+176** million yen

An extraordinary loss of 376 million yen was recorded (due to a loss on the valuation of investment securities).

Assets (Millions of Yen)



Total assets

Compared with the end of the previous fiscal year:

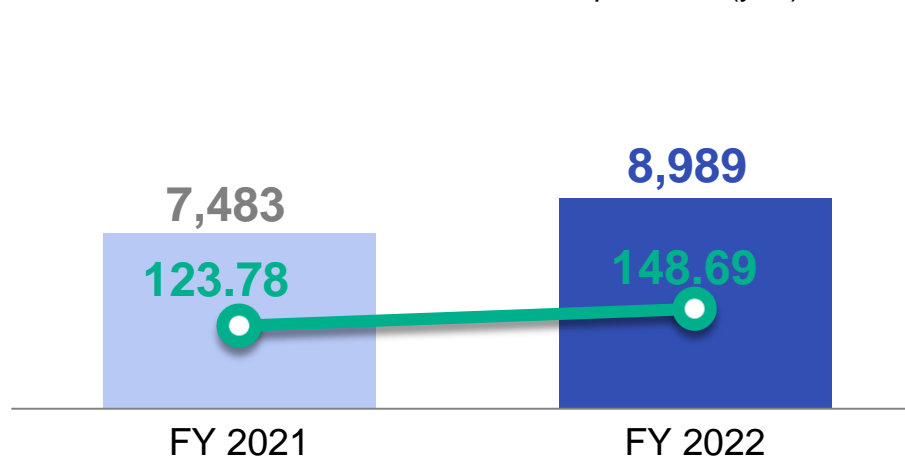
+2,124 million yen

Property, plant and equipment: +220 million yen

Cash and deposits: +403 million yen

Net Assets (Millions of Yen)

Net assets per share(yen)



Net assets

Compared with the previous fiscal year:

+1,505 million yen

BPS FY 2021: 123.78 yen

→ FY 2022: 148.69 yen (+20.1%)

(millions of yen)

	Fiscal 2021 (Consolidated)	Fiscal 2022 (Consolidated)	Difference
Cash flows from operating activities	2,106	1,581	-524
Cash flows from investing activities	-357	-624	-266
Cash flows from financing activities	-614	-552	+61
Net increase (decrease) in cash and cash equivalents	1,134	403	-730
Cash and cash equivalents at beginning of period	4,473	5,607	+ 1,134
Cash and cash equivalents at end of period	5,607	6,011	+ 403

POINT

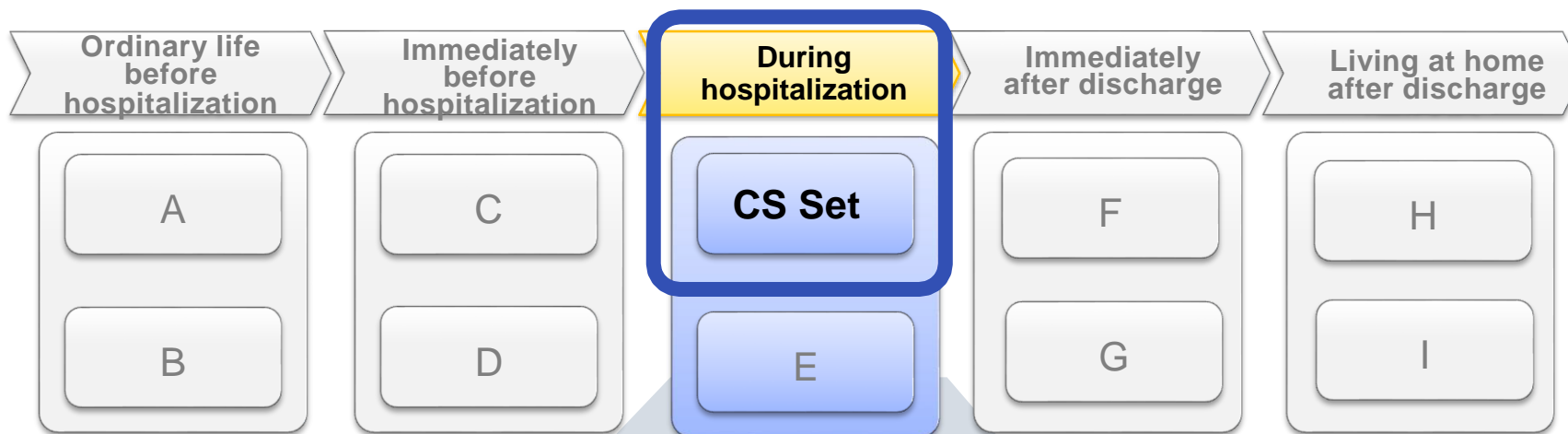
- Operating CF: Net cash provided by operating activities amounted to 1,581 million yen due to an increase in sales and operating income.
- Investing CF: Expenditures for the purchase of property, plant and equipment increased by 261 million yen from the previous year.
- Financing CF: Dividend payments resulted in an outflow of 554 million yen.

2. Strategies and Forecast for Fiscal 2023

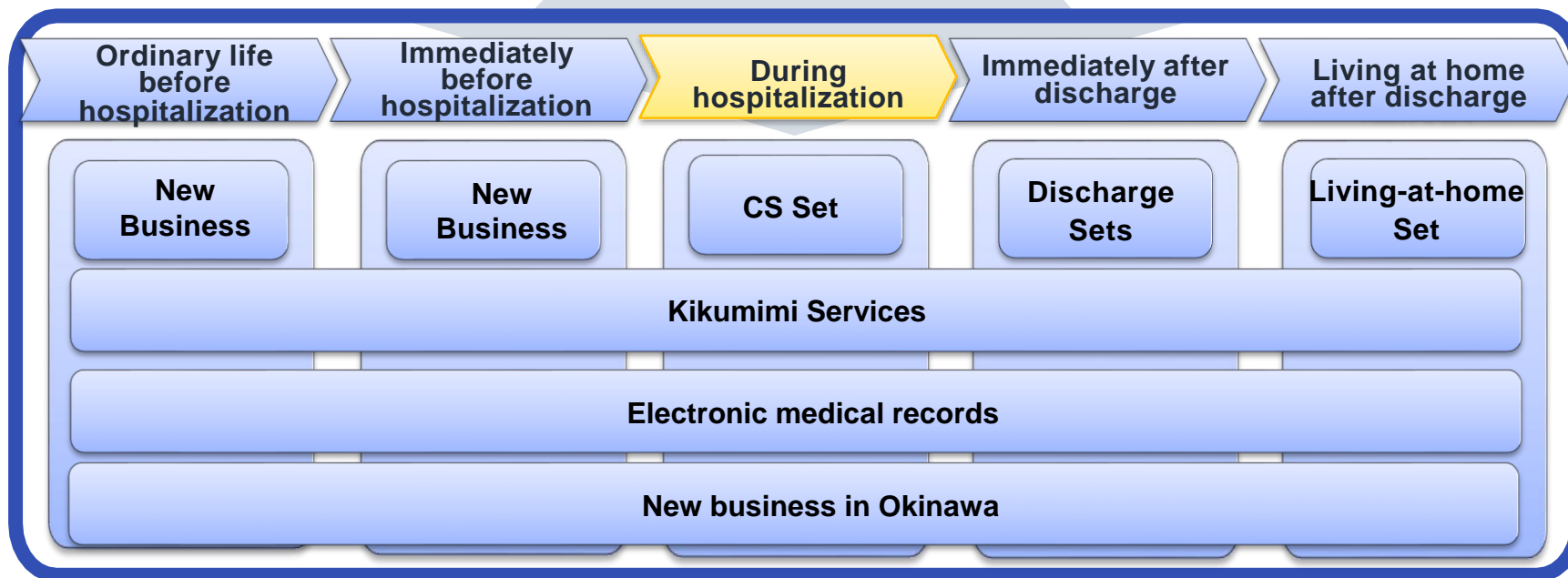
Bringing smiles to your
hospital/elderly facility stay

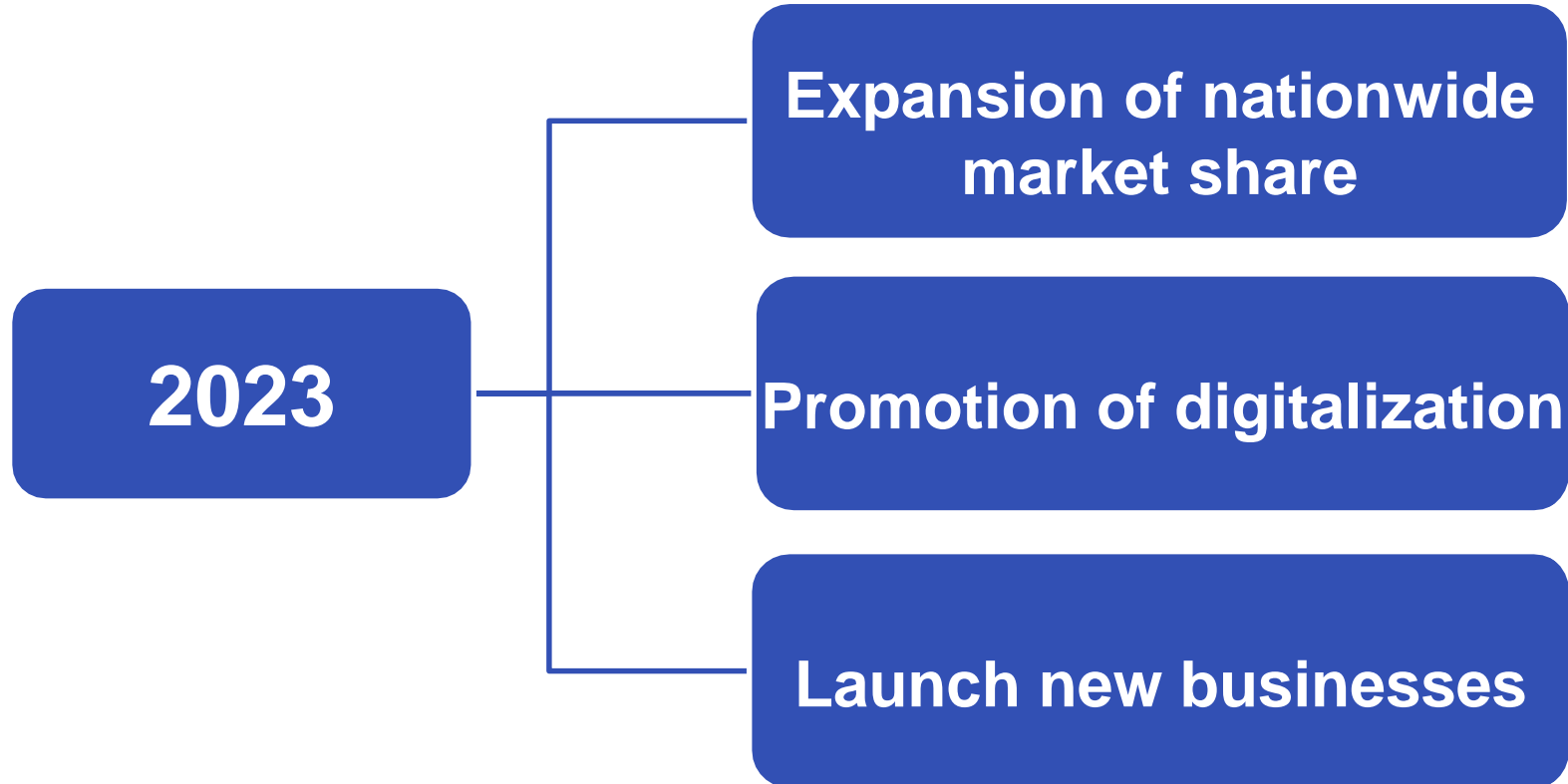


CS Sets make it a business to address “problems” during hospitalization



Create businesses that resolve “problems” in all phases





Expand nationwide market share

- Numerical targets: Sales of 43.7 billion yen, operating profit margin of 8.2%, market penetration rate of 16.7%
- Open a new branch (either in Kushiro or Fukushima); relocate and expand the Morioka and Niigata branches.
- Shorten the lead time for introducing CS Sets, increase communication with existing facilities, and strengthen our network with other vendors.



Promote digitalization

- Further promote paperless operations for internal and external business.
- Utilize data to target new customers and monitor existing facilities.
- Build and deploy a business model that incorporates digital thinking.



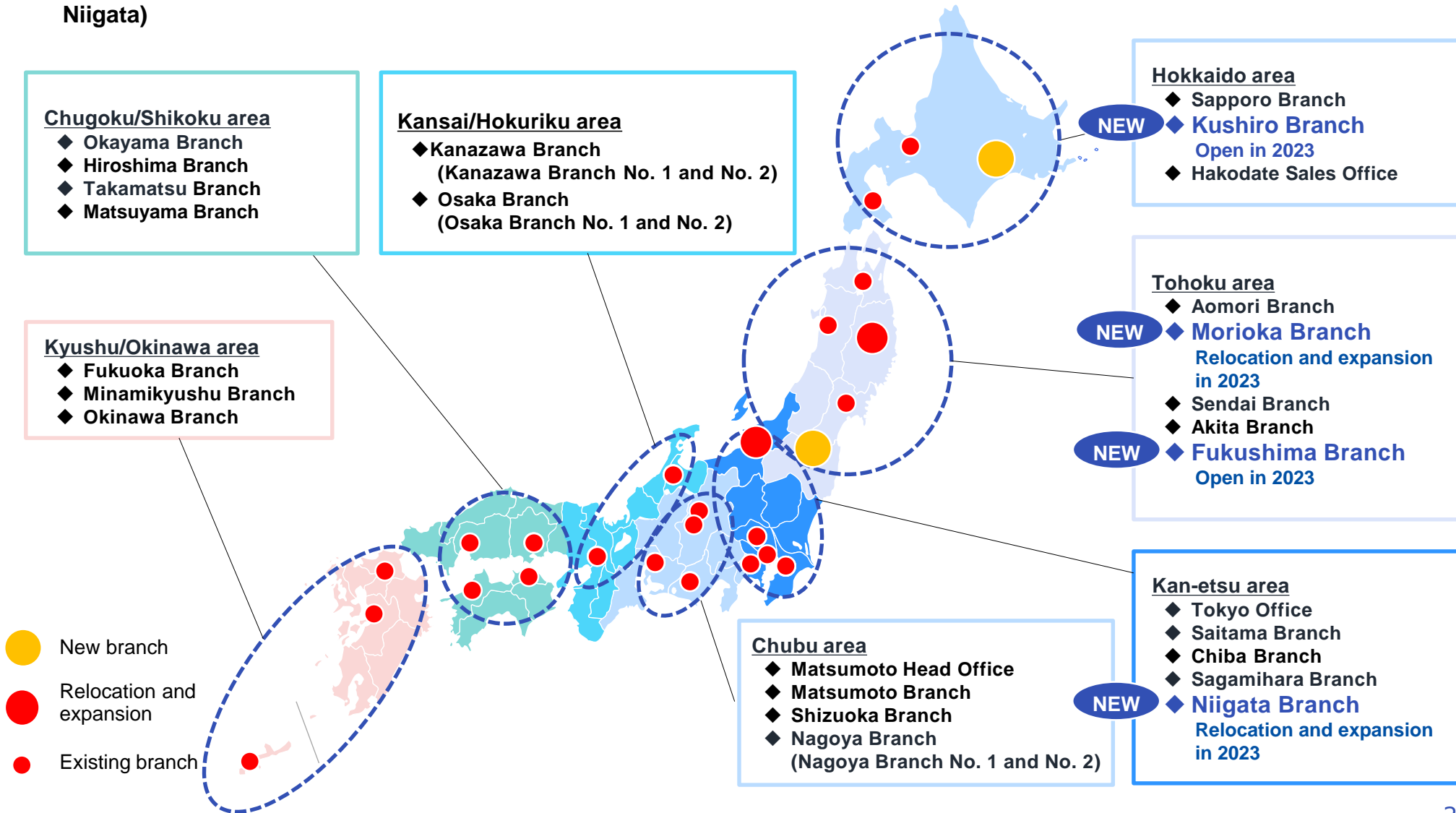
Launch new businesses

- Expand into the in-home market with a focus on members and in-home sets.
- Prepare for M&A and new capital and business alliances.
- Prepare for overseas business expansion.
- Establish new subsidiary of own group.



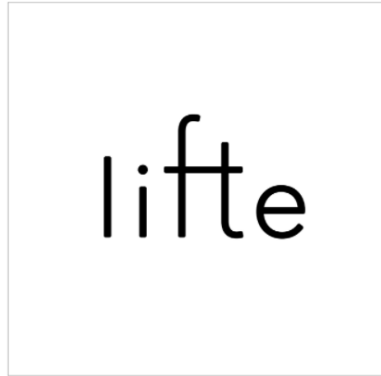
- Open new branches (Kushiro or Fukushima)
- Existing branches relocation and expansion (Morioka and Niigata)

▶ Improve existing response capabilities and enhance new development capabilities





× *Classico*



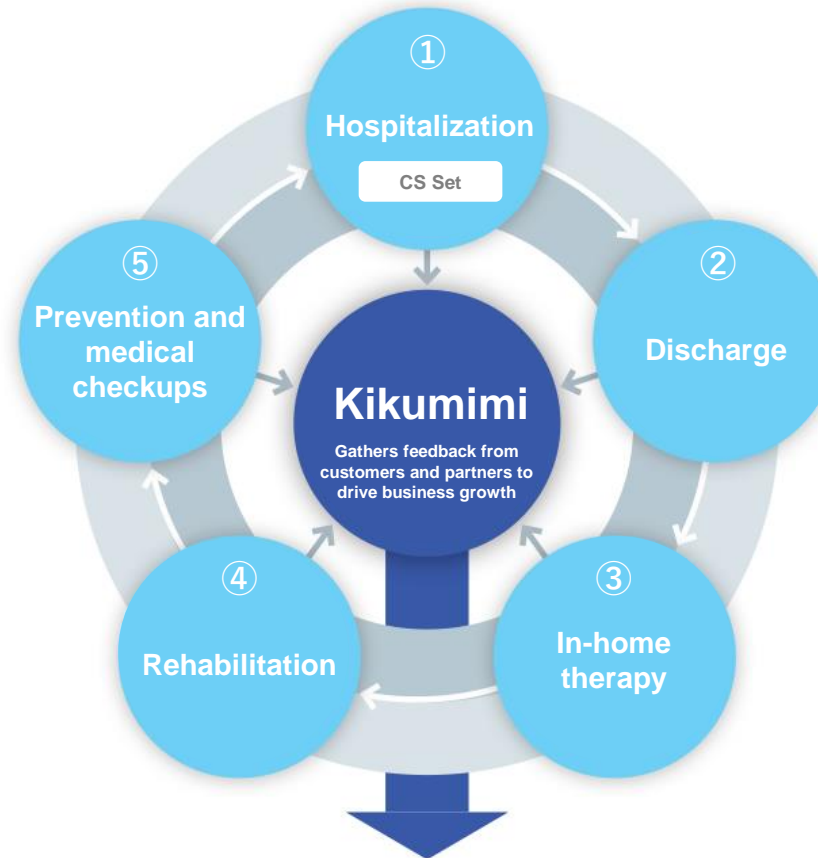
Development of original patient wear

- Name:** lifte
- Meaning:** Lift the quality and feeling of life at hospitals and facilities
- Fabric:** Comfortable texture and design
Remains soft and comfortable even with industrial laundering
- Progress:** Introduced at **seven facilities** as of September 2022



By the end of 2023, we plan to **expand our product lineup to three types of products**, allowing customers to choose the products that best meet their needs.

- A consultation service for addressing various issues arising from hospitalization.
- Specializes in areas not covered by health insurance, which are difficult for medical institutions and elderly care facilities to address.
- To continue serving users after hospital discharge, consultations are offered at no cost. Depending on the nature of the consultation, the user may be referred to one of our partners.



Developing a business that will support all post-hospitalization needs.

- Current service offerings have been organized and re-assessed through the compilation and analysis of past consultations.

Medical care (hospital visits / hospitalization) Nursing care (day care / facility admission)

Guarantor Service



We arrange a reliable guarantor for those who do not have family or close relatives nearby.

Escorting Service



Our "nurse housekeepers" (certified nurses or associate nurses) accompany customers to other departments, hospitals, and facilities.

In-home assistance (disease prevention and pre-symptomatic support)



Self-Funded Nursing and Care Service

Our "nurse housekeepers" (certified nurses or associate nurses) offer support for services that are not covered by insurance.



Home-Delivery Laundry Service

We collect the clothes of customers, clean them, and return them right to their homes.



Housekeeping Service

Our team of professional staff are trained to provide top-notch housekeeping services, including daily cleaning and meal preparation.



Shopping Assistance Service

We help customers with their shopping needs, whether it's for everyday essentials or items that are difficult to carry.

Housing

Vacant Home Care Service



While customers are away for hospitalization or care home stays, our staff can take care of their home.

Real Estate Appraisal and Preliminary Surveying Service

(*free of charge/available nationwide)



We provide free appraisal services, even if the customer has no intention of selling and just wants an estimate. Unlike a real estate company, we also offer advice on taxation and inheritance. To prevent any neighborhood issues, we also provide free preliminary surveying before any potential sale.

Leaseback Service



We offer support to customers to receive a substantial amount of money while continuing to reside in their home, even after selling it.

Disposal Service



We assist customers who have trouble cleaning their home or require nursing care by preparing their living environment for a safe and sanitary lifestyle. We can also maintain their garden and remove weeds during their hospital stay.

End-of-life planning



Inheritance Assistance Service

Our professionals provide guidance on options such as family trusts, bequests, and inheritance.



Donation Service

We assist customers with the donation of a portion of their wealth to a cause or organization they support.



Family Grave Dismantling Service

We assist customers with all the complicated administrative procedures and handle the dismantling and removal of gravestones.

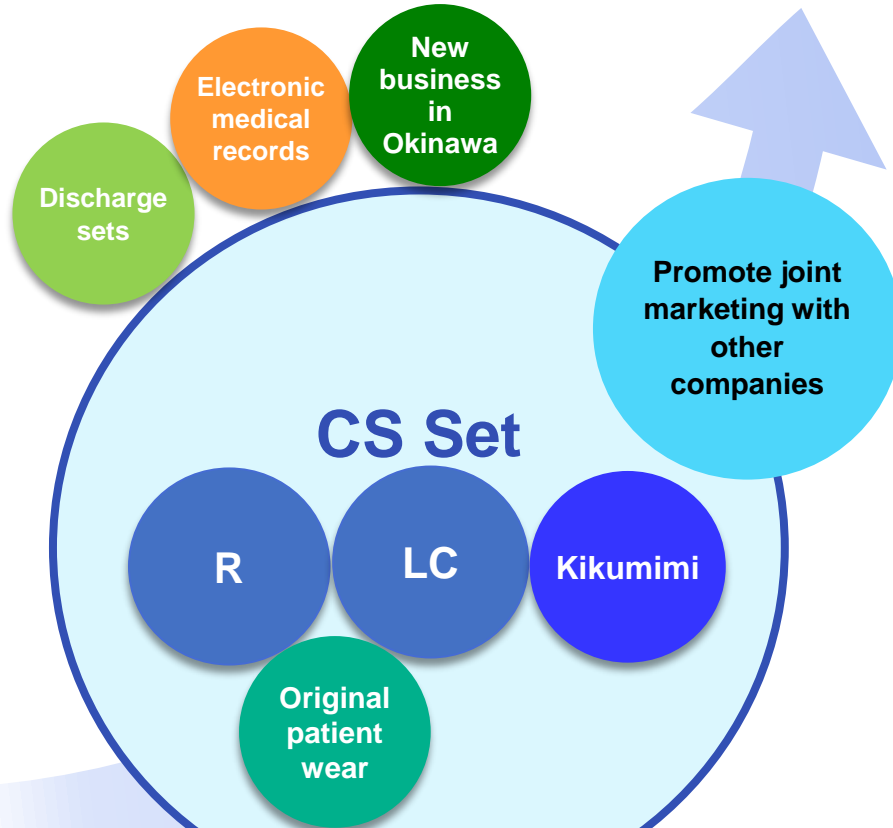


Decluttering Assistance Service

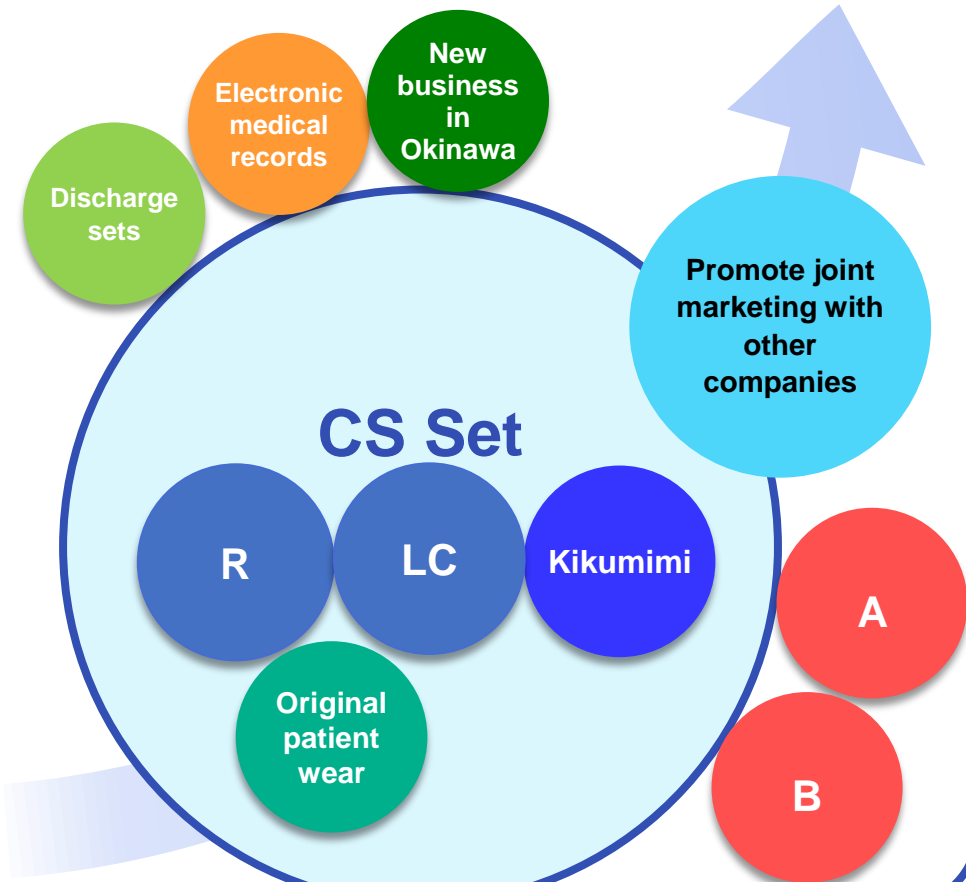
We assist customers with selling, sorting out, and disposing belongings they no longer need or want.

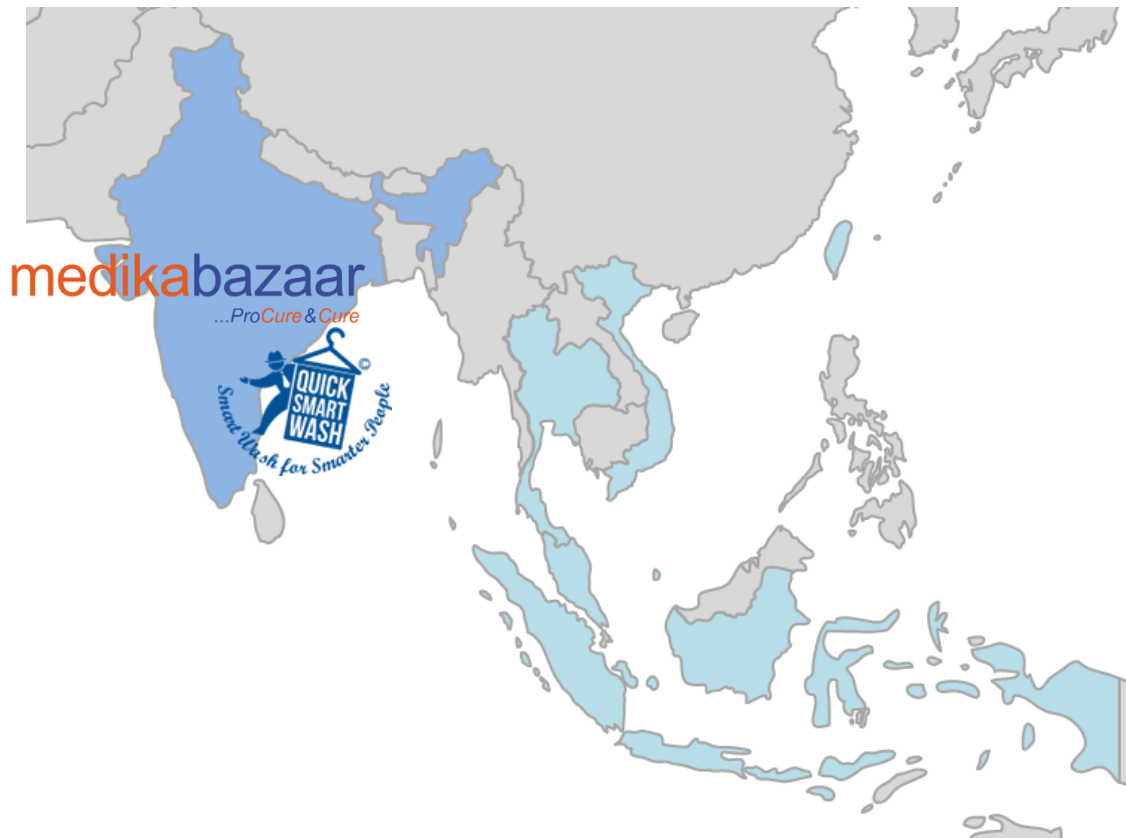
■ Develop new added value and peripheral services of CS Set

“Discharge sets,” “Electronic records” and ”new business in Okinawa” launched as a peripheral service to CS Set with the addition of the value of original patient wear.

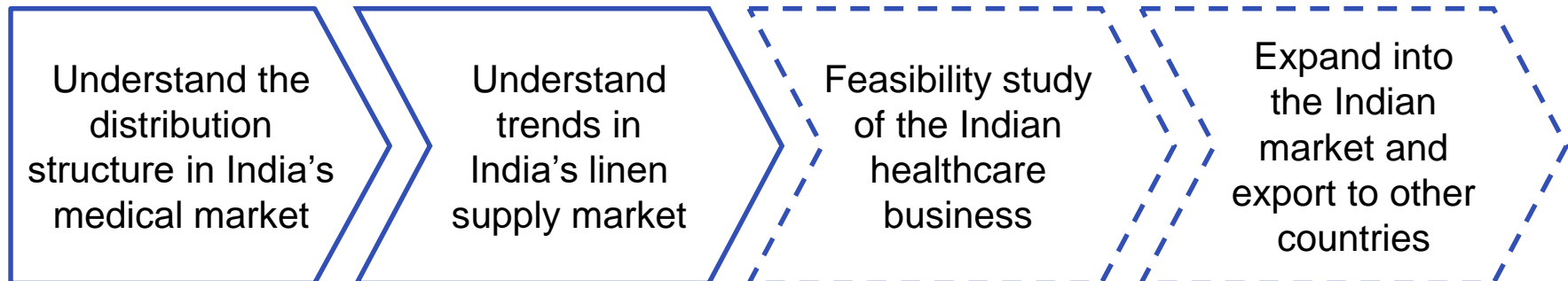


New “A” and “B” are scheduled to be developed.

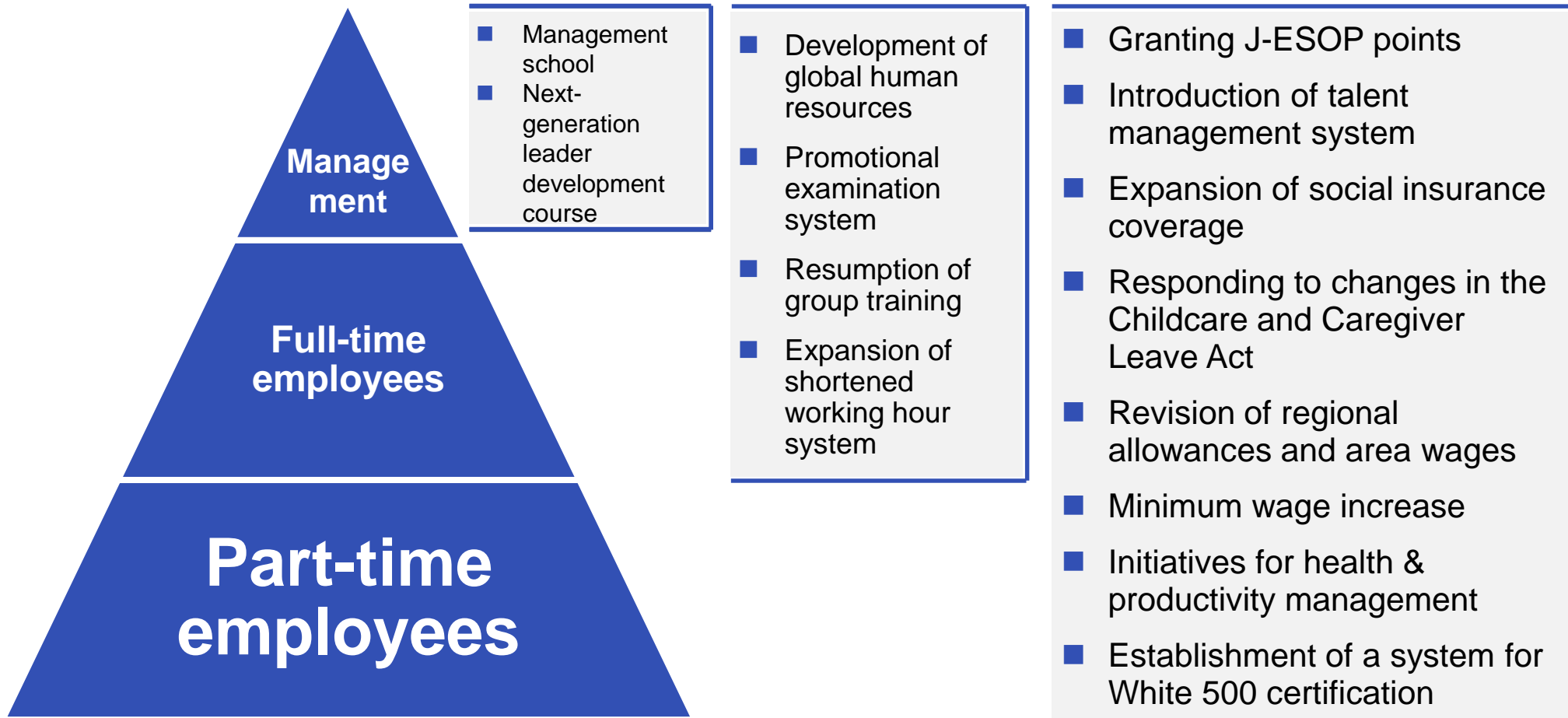




- Looking to create new business in India through investments in Boston Ivy Healthcare Solution Pvt. Ltd. (BIHS), a medical products wholesaler, and Quick Smart Wash Pvt. Ltd. (QSW), an in-hospital laundry company.
- Planning to expand into other countries such as Indonesia, Malaysia, Vietnam, Thailand, Singapore, and Taiwan.



- Continue to **expand our human resource strategy measures in 2023** as we did in 2022.



■ Purpose of Establishing the Committee

- Our management principle is to "pursue the best products and services that satisfy our customers and contribute to the realization of an enriching living environment through our passionate actions." Based on this principle, we aim to create a sustainable future by contributing to society through our business activities.
- We **regard sustainability initiatives as a key management priority** and have **established the Sustainability Committee** to balance the resolution of societal issues with the growth of our company and employees, through the promotion of sustainable business practices.

■ Role of the Committee

- The Sustainability Committee is responsible for formulating basic policies on sustainability, identifying key issues (materialities), creating action plans and goals for each subcommittee, and tracking progress. Additionally, the committee is responsible for overseeing and guiding the work related to the disclosure of sustainability information and presenting regular reports of its findings and proposals to the Management Committee.

■ Committee Structure

- The Sustainability Committee is chaired by the President and COO and comprised of executive officers and key executives who will lead the next generation.

■ Establishment Date

- March 1, 2023

Forecast of Operating Results for Fiscal 2023

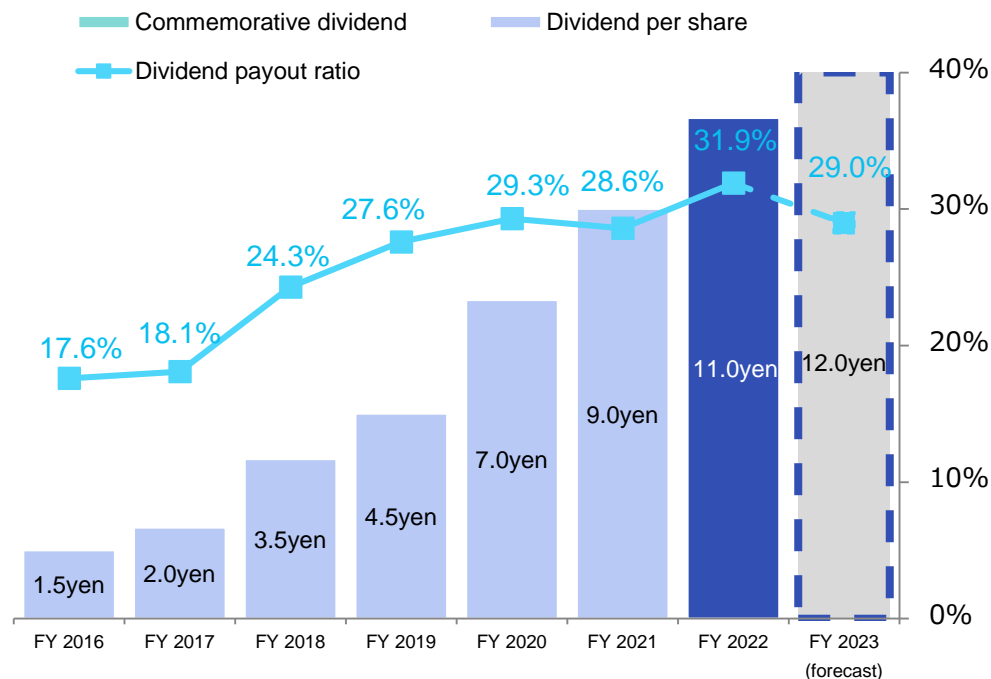
- We expect profit growth to be hindered by the rising costs associated with increased business activities, such as marketing and new businesses, as well as the expenses incurred during the launch of our original patient wear, which we are accelerating the rollout of.
- However, we anticipate that the original patient wear will contribute to profits over the duration of the contract, thanks to higher unit prices and reduced costs.

(Millions of yen)

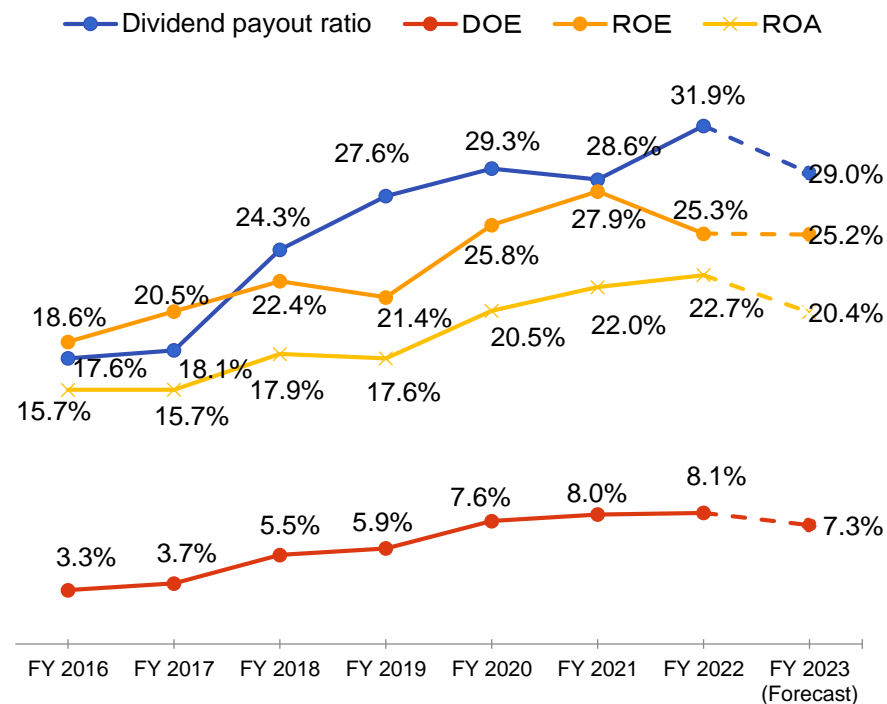
	Fiscal 2022 First Half Results	Fiscal 2023 First Half Forecast	YoY Change	Fiscal 2022 Results	Fiscal 2023 Forecast	YoY Change
Net sales	17,604	20,300	15.3%	36,264	43,700	20.5%
Operating profit	1,713	1,730	1.0%	3,391	3,600	6.2%
<i>Operating profit to net sales</i>	<i>9.7%</i>	<i>8.5%</i>		<i>9.4%</i>	<i>8.2%</i>	
Ordinary profit	1,725	1,740	0.8%	3,411	3,620	6.1%
<i>Ordinary profit to net sales</i>	<i>9.8%</i>	<i>8.6%</i>		<i>9.4%</i>	<i>8.3%</i>	
PProfit Attributable to Owners of Parent	1,177	1,200	1.9%	2,082	2,500	20.0%
<i>Profit to net sales</i>	<i>6.7%</i>	<i>5.9%</i>		<i>5.7%</i>	<i>5.7%</i>	
EPS	19.48 yen	19.85 yen		34.45 yen	41.35 yen	

- The year-end dividend forecast for fiscal 2023 is **12.0 yen** per share
- The consolidated payout ratio for fiscal 2023 is projected to be **29.0%**

Dividend per Share and Dividend Payout Ratio



Financial Indicators



Note 1: Dividend per share in the above graph 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.

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

■ Targets (before revisions) and results presented at the earnings announcement

Fiscal 2020

	Plans ^{※1}	Results	Vs. Plan
Net sales	24.6 billion yen	26.0 billion yen	106%
Operating profit	1.70 billion yen	2.06 billion yen	122%
Operating profit margin	7.0%	7.9%	113%
Penetration rate of the target market	12%	11.7%	98%
Domestic base	21 bases	22 bases	105%

※1) Announced in financial results briefing materials for the fiscal year ended December 31, 2019 (Announced on February 21, 2020)

Fiscal 2021

	Plans ^{※2}	Results	Vs. Plan
Net sales	30.0 billion yen	31.6 billion yen	105%
Operating profit	2.31 billion yen	2.79 billion yen	121%
Operating profit margin	7.7%	8.8%	114%
Penetration rate of the target market	14.3%	12.8%	90%
Domestic base	22 bases	24 bases	109%

※2) Announced in financial results briefing materials for the fiscal year ended December 31, 2020 (Announced on February 22, 2021)

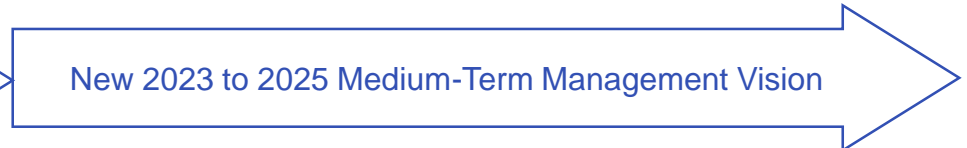
Fiscal 2022

	Plans ^{※3}	Results	Vs. Plan
Net sales	38.0 billion yen	36.2 billion yen	95%
Operating profit	3.00 billion yen	3.39 billion yen	113%
Operating profit margin	8.0%	9.4%	118%
Penetration rate of the target market	20%	13.9%	70%
Domestic base	23 bases	27 bases	117%

※3) Announced in financial results briefing materials for the fiscal year ended December 31, 2019 (Announced on February 21, 2020)

■ Aim for consolidated net sales of 68.0 billion yen in fiscal 2025.

	2022 (Results)	2023 (Forecast)	2025 (Forecast)
Net sales	36.2 billion yen	43.7 billion yen	68.0 billion yen (CS sets 60.0 billion yen)
Operating profit	3.39 billion yen	3.60 billion yen	7.0 billion yen
Operating profit margin	9.4%	8.2%	10.3%
ROE	25.3%	25.2%	26%
Dividend payout ratio	31.9%	29.0%	30%
Penetration rate of the target market	13.9%	16.7%	26%



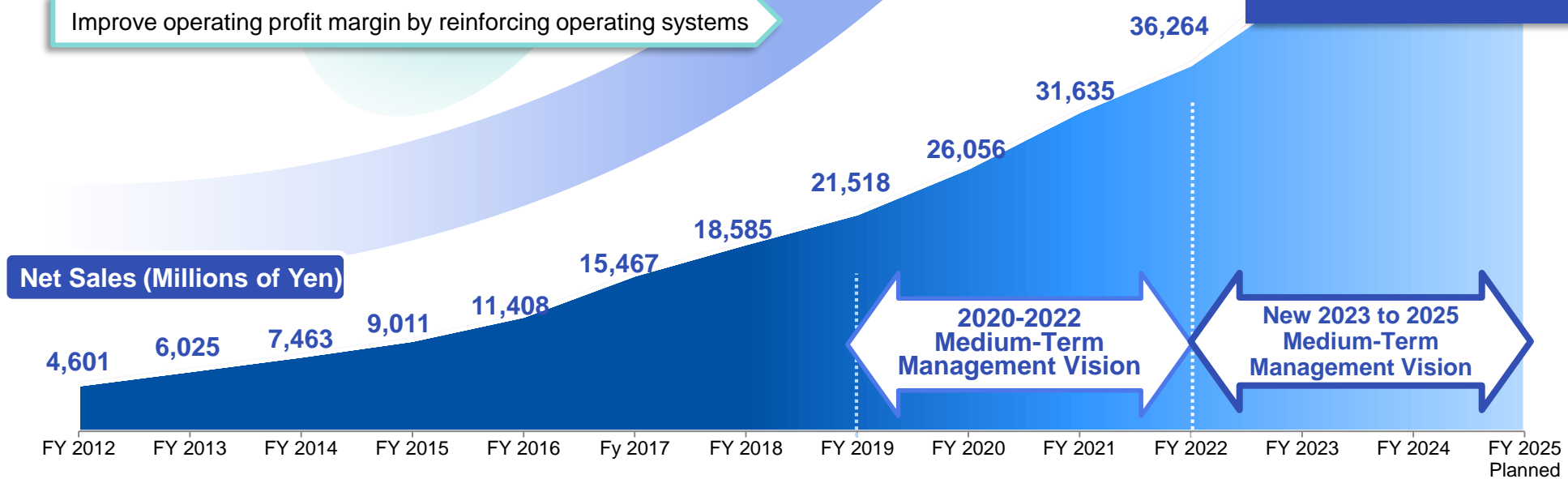
Initiatives for Growth

- Develop ELAN Group business overseas
- Establish new subsidiary of own group
- Increase Group penetration of the target market to 26% or higher
- 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



- Overseas expansion
- New business
- CS Set



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

 E L A N



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

Tomohiro Minezaki,
COO

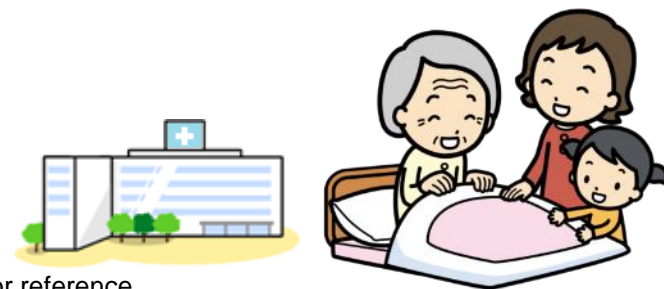


Company name	ELAN Corporation
Business	Medical and nursing care-related business (CS Set)
Established	February 6, 1995
Capital	573 million yen
Net sales	36,264 million yen (fiscal 2022)
Ordinary profit	3,411 million yen (fiscal 2022)
Headquarters	Matsumoto, Nagano Prefecture
Representative	COO: Tomohiro Minezaki
Number of employees	555 (as of January 1, 2023)
Business locations	Headquarters in Matsumoto Tokyo office (business strategy and marketing) Location in Matsumoto Murai (customer response) Sales bases Hokkaido area Sapporo/Hakodate Tohoku area Aomori/Morioka/Sendai/Akita Kan-etsu area Saitama/Chiba/Tokyo/Sagamihara/Niigata Chubu area Matsumoto/Shizuoka/Nagoya Kansai/Hokuriku area Kanazawa/Osaka Chugoku/Shikoku area Okayama/Hiroshima/Takamatsu/Matsuyama Kyushu/Okinawa area Fukuoka/Minami-Kyushu/Okinawa Kanagawa Logistics Center
Subsidiaries	ELAN Service Corporation (invoicing), Ryukyu ELAN Corporation
Listing	Tokyo Stock Exchange (TSE) Prime Market (Securities code: 6099)
Certifications	Privacy mark system, Eruboshi certification, Kurumin certification

Introduction of Our Product: What Is the CS Set?

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

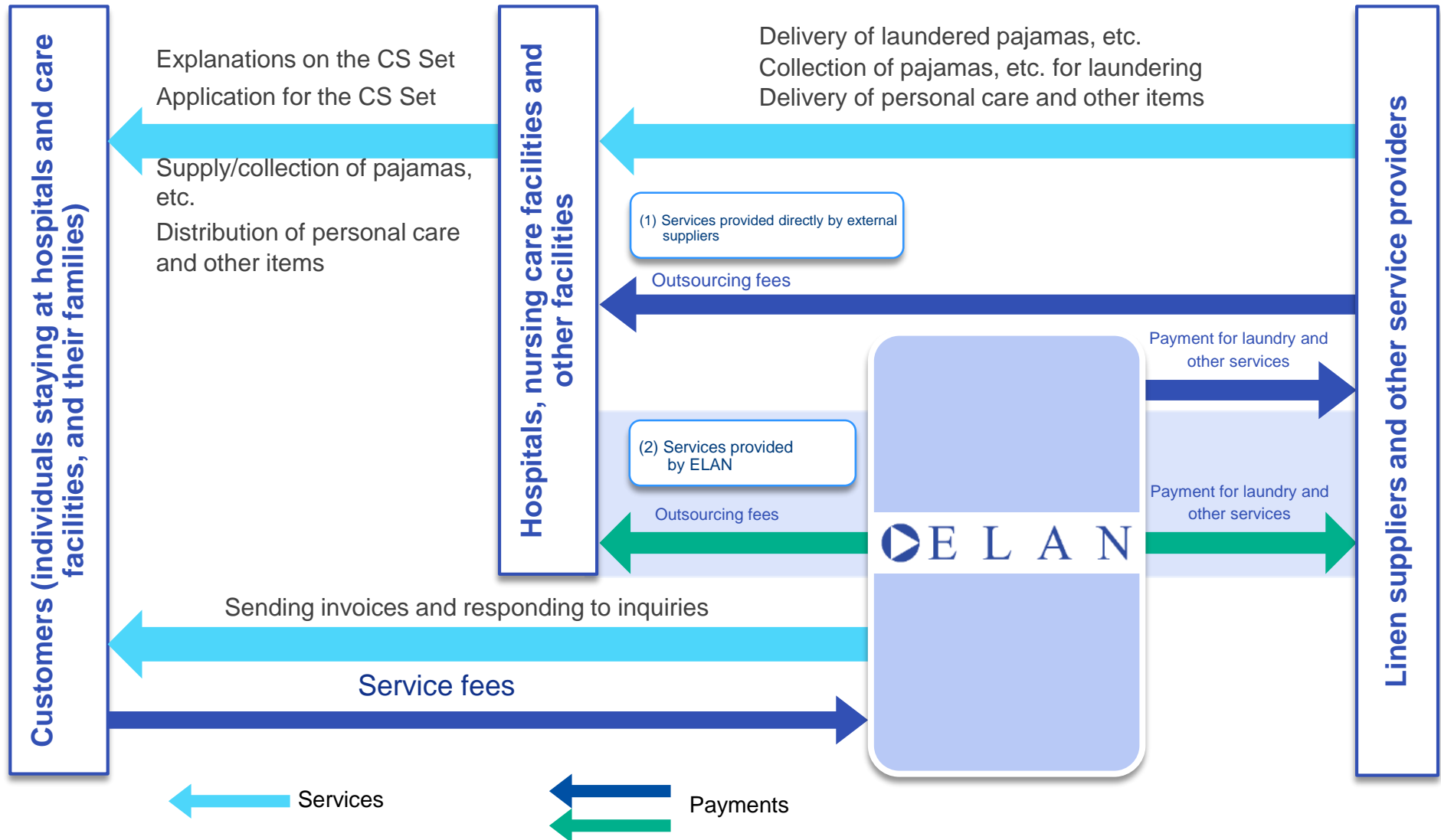
Note: The daily fees shown below are for reference.

	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		

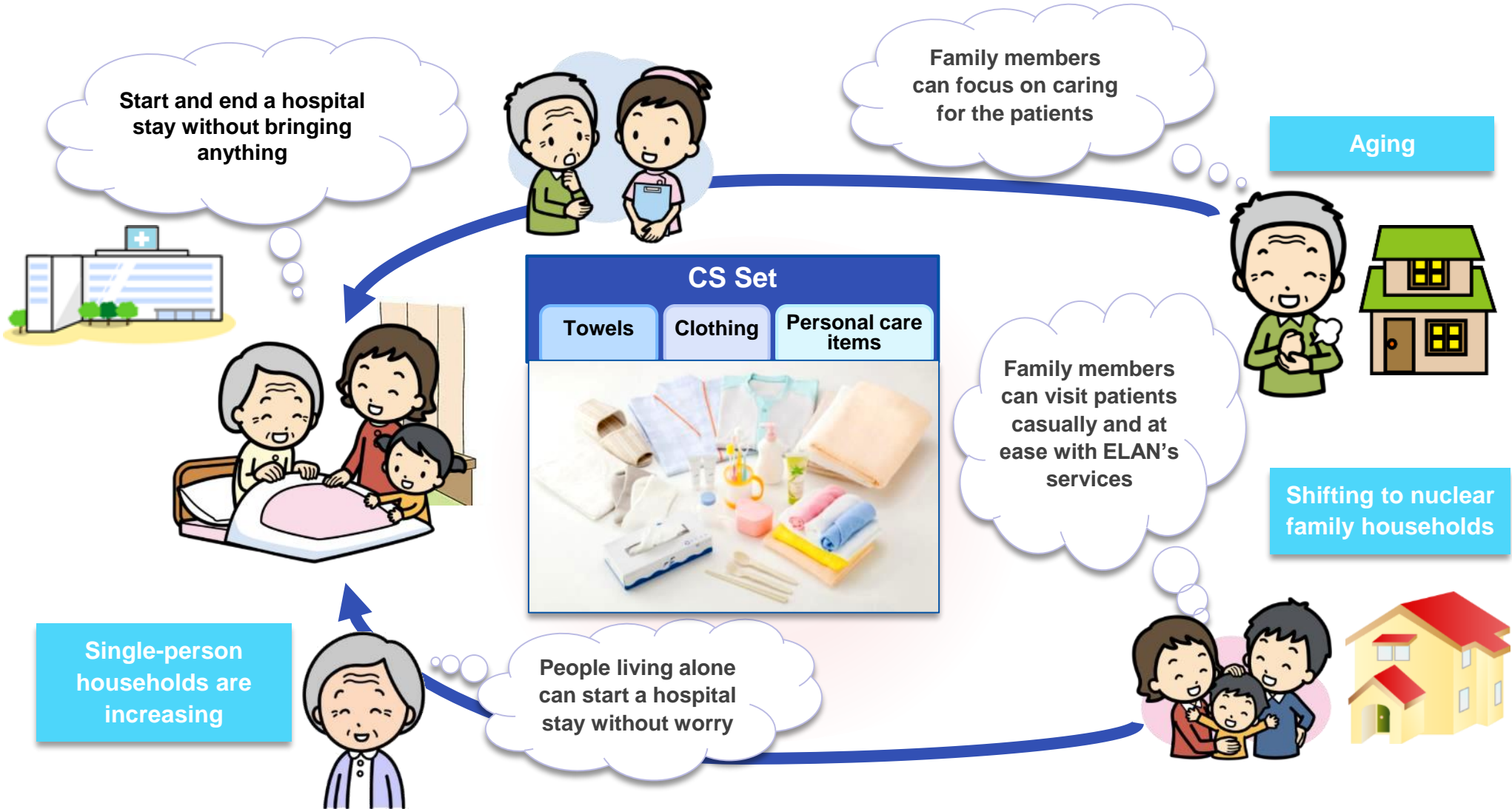
(Example) Seven-day hospital stay under Plan B
 $500 \text{ yen} \times 7 \text{ days} = 3,500 \text{ yen}$



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



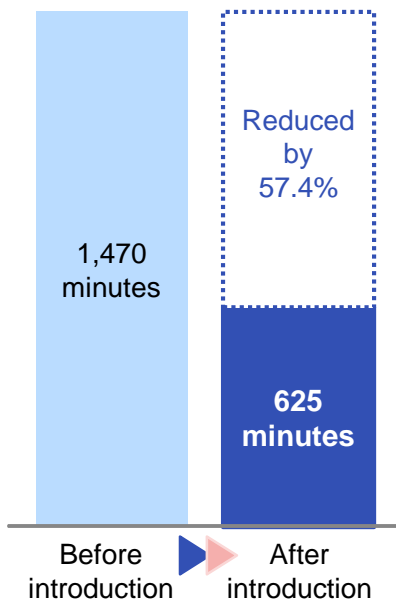
Goods were moved by staff
Example) Moving dirty things from the hospital wards to the reception on the 1F, giving them to the family, and bringing new clothes and towels to the hospital wards

Significant saving of time and labor Staff can focus on their nursing and care duties

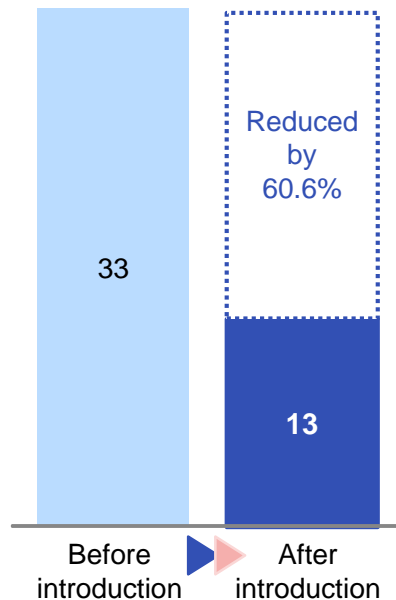
Effects of Introducing the CS Set: A Case Example

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

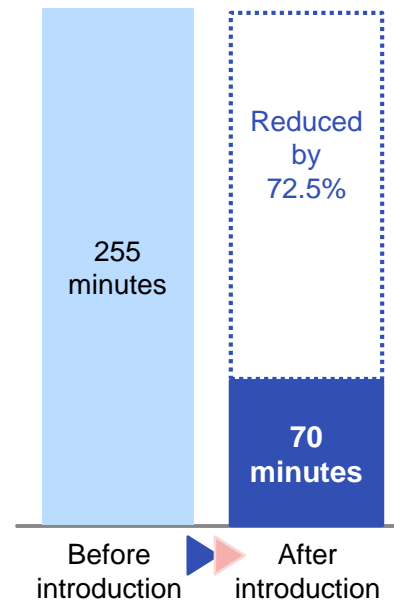
Time (Minutes) per Day Spent on Laundering



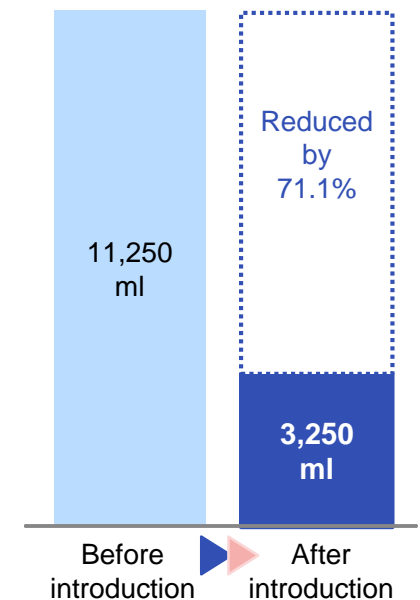
Loads of Laundry per Day



Working Time (Minutes) Per Day (Folding and Setting)

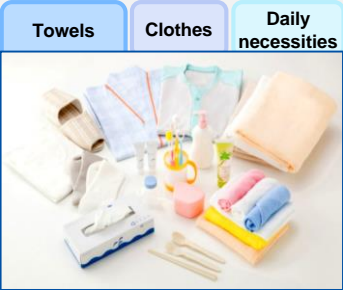






Quantity of Sterilizing Liquid Used (ml) per Month



Note: Figures represent total values for six hospital wards.

New R/LC services can be added to CS Sets

CS Sets	New services	Merits
	<p>Compensation for unpaid hospitalization expense</p>  	<p>Users and their families</p> <ul style="list-style-type: none"> • No need for co-guarantors or lump sum hospital payments • Peace of mind even during emergency hospitalizations <p>Hospitals and nursing care facilities</p> <ul style="list-style-type: none"> • Avoids risk of unpaid hospitalization expenses • Reduces payment demand and collection efforts when bills are unpaid
	<p>Compensation for damages or accidents during hospitalization</p>  	<p>Users and their families</p> <ul style="list-style-type: none"> • Compensation for expenses incurred as a result of damage to facility equipment or injuries to staff <p>Hospitals and nursing care facilities</p> <ul style="list-style-type: none"> • Helps reduce administrative costs and psychological stress related to property damage claim procedures

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 main factors have enabled ELAN, the pioneer, to gain a lead over market latecomers.

1

Know-how

- Ability to determine break-even points
- 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

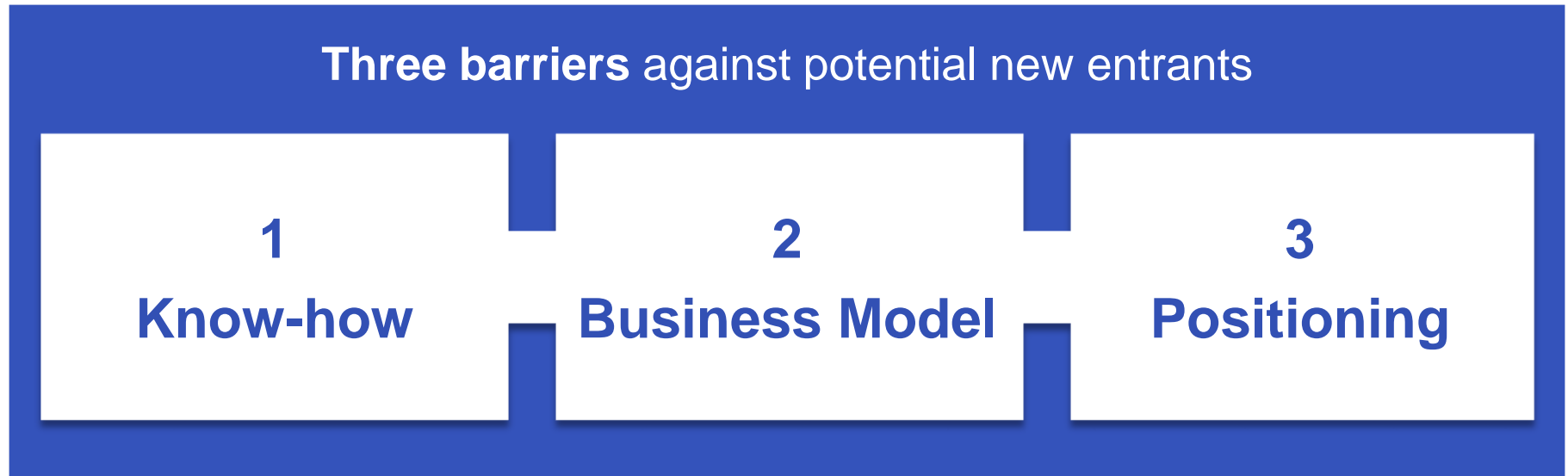
- A business model built on ongoing business relationships with partners to **achieve mutual success**

3

Positioning

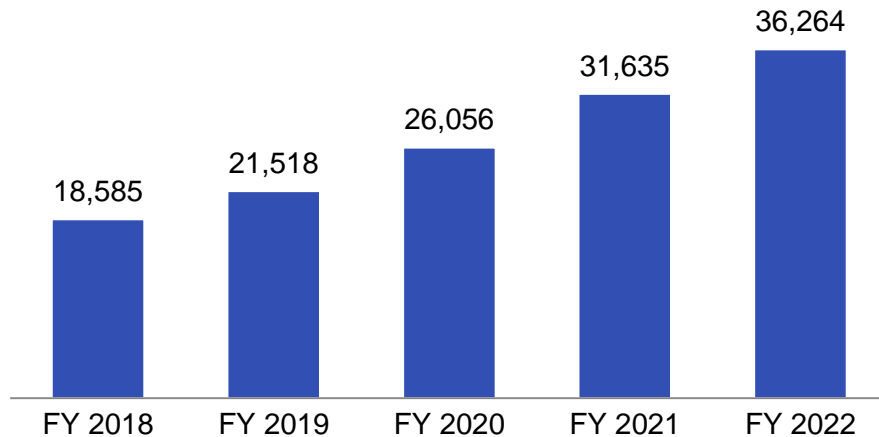
- ELAN is independent and **open**, being unaffiliated with any other corporate group

Barriers to entry appear to be low but are actually high.

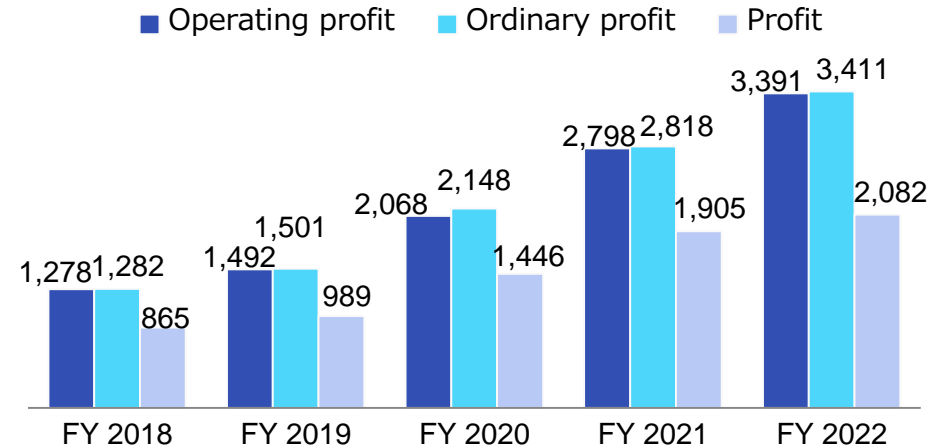


We are building **even higher barriers** to entry by accumulating know-how and firmly establishing our position in the industry.

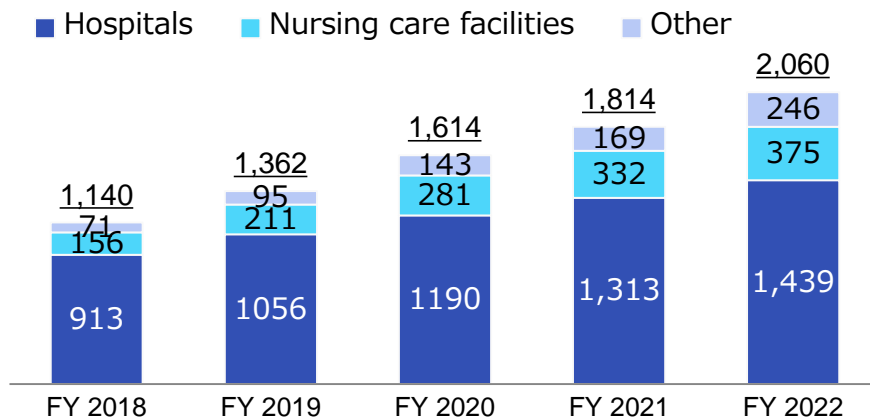
Net Sales (Millions of Yen)



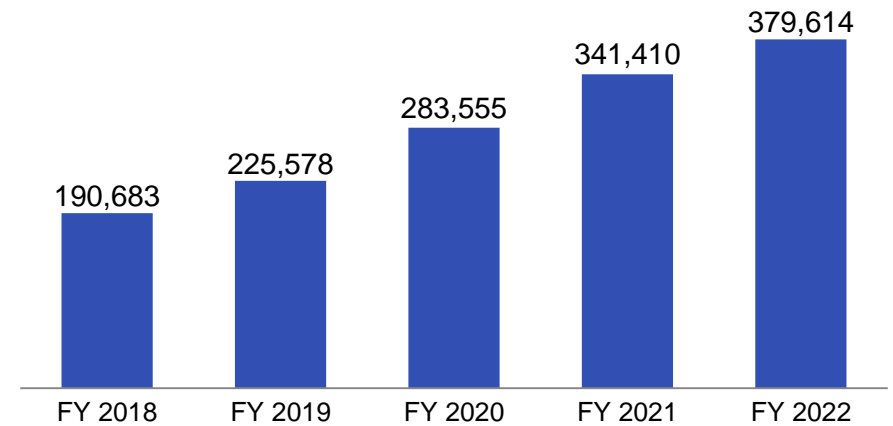
Profits (Millions of Yen)



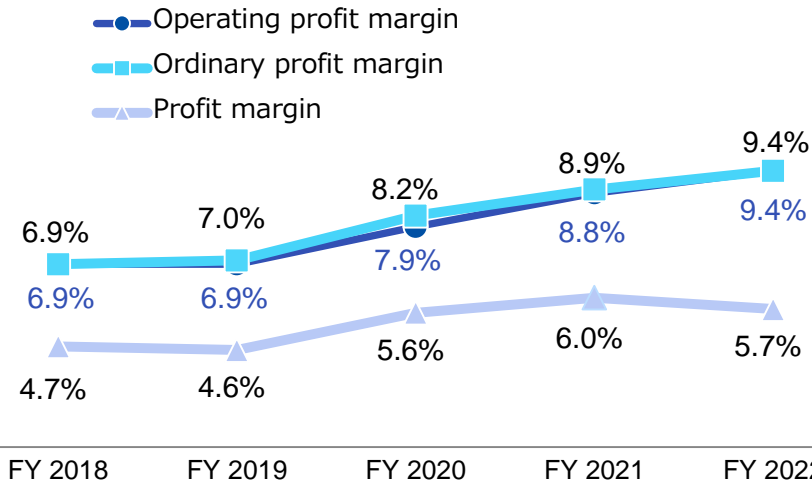
Number of Contracted Facilities



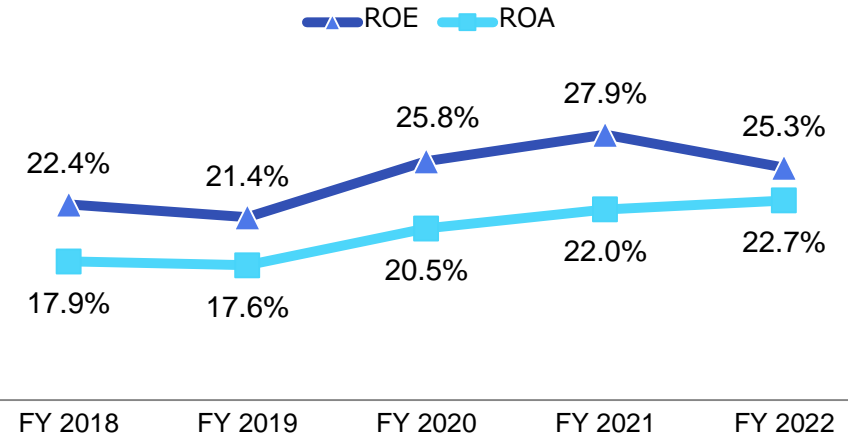
Number of Monthly Users (People)



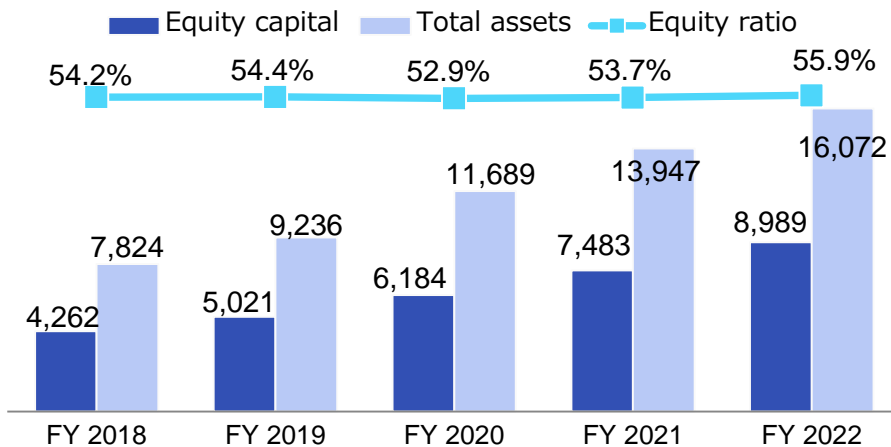
Profit Margins



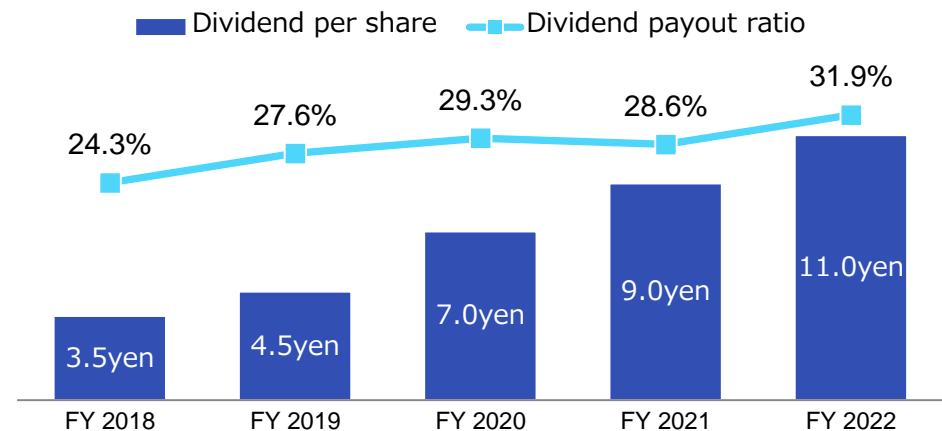
ROE and ROA



Total Assets, Equity Capital and Equity Ratio (Millions of Yen)



Dividend per Share and Dividend Payout Ratio



Note: Dividend per share has been retroactively adjusted to reflect 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 (February 21, 2023) 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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