

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

Bringing smiles to your
hospital/elderly facility stay



ELAN Corporation

Operating Results for the First Quarter of Fiscal 2023 Ended March 31, 2023

ELAN Corporation

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2. Earnings forecast of Fiscal 2023 p.15
3. Reference Materials p.25

1. Operating Results for the First quarter of Fiscal 2023

Bringing smiles to your
hospital/elderly facility stay



Results for First quarter of FY2023

- Sales and profits grew YoY on the acquisition of new contracted facilities and increase in number of users of CS Sets
- Gross profit margin decreased 1.6 points YoY due to higher purchase prices

Net sales

9,857 million yen
(+12.1% YoY)

Operating profit

992 million yen
(+8.6% YoY)

Ordinary profit

997 million yen
(+8.6% YoY)

Profit attributable to owners of parent

695 million yen
(+11.0% YoY)

Number of contracted facilities

2,081 facilities

(+55 new contracts/34 cancellations from the end of fiscal 2022)

Monthly users

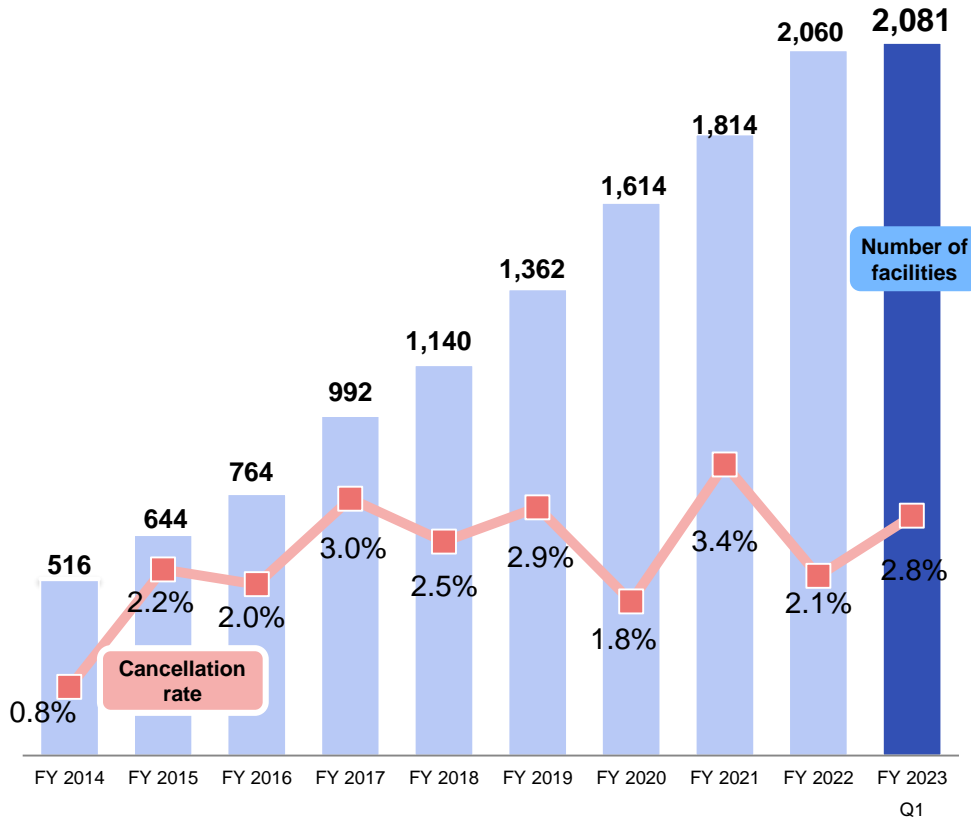
397,592 people

(+17,978 from the end of fiscal 2022)

Number of Contracted Facilities and Users

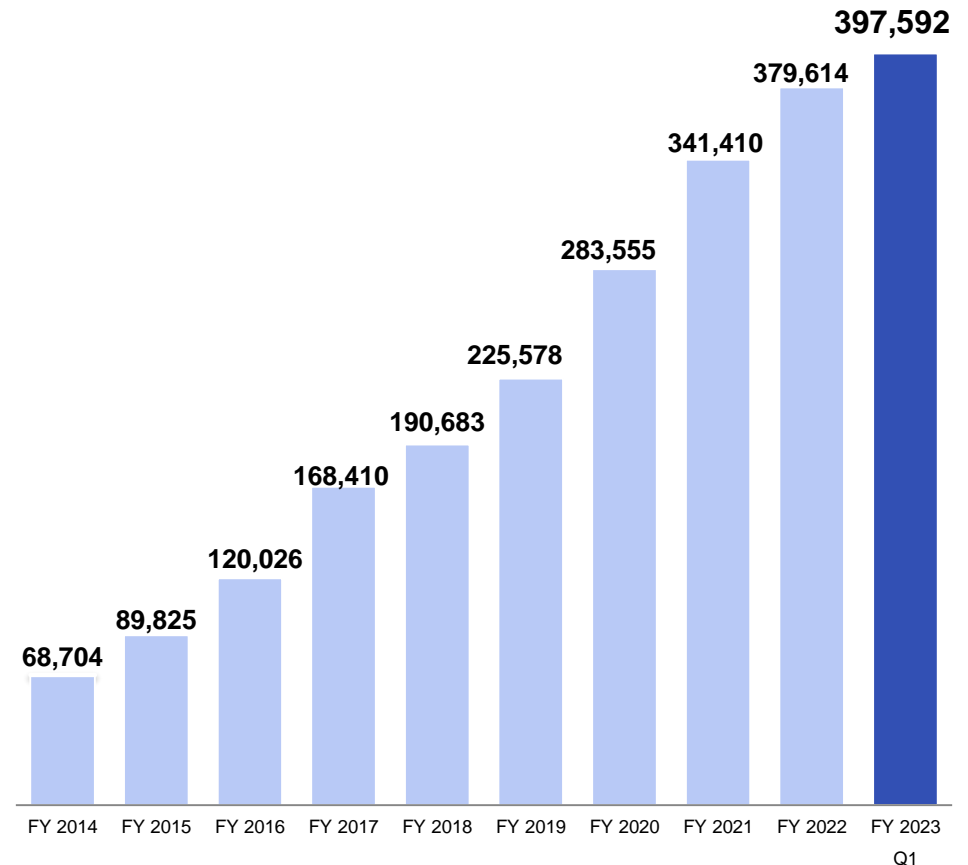
- The number of new contracted facilities decreased compared to the previous fiscal year. (FY12/22: 65 facilities / FY12/23: **55** facilities)
- The number of facilities that terminated their contracts increased compared to the previous fiscal year. (FY12/22: 17 facilities / FY12/23: **34** facilities)
- The number of users grew by a rate of **11.9%** 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

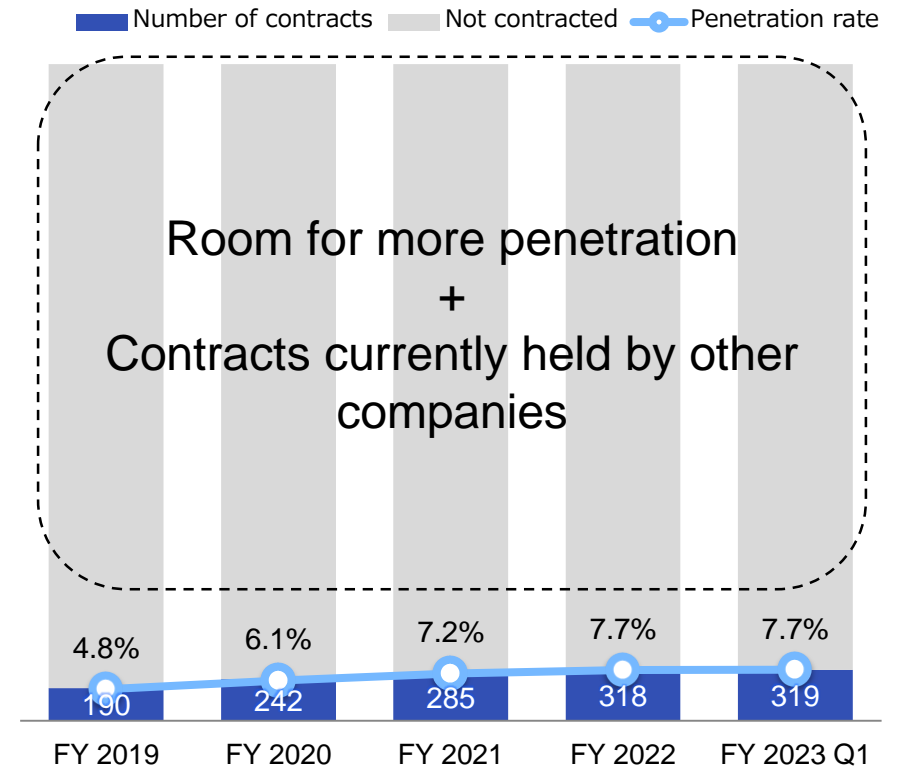
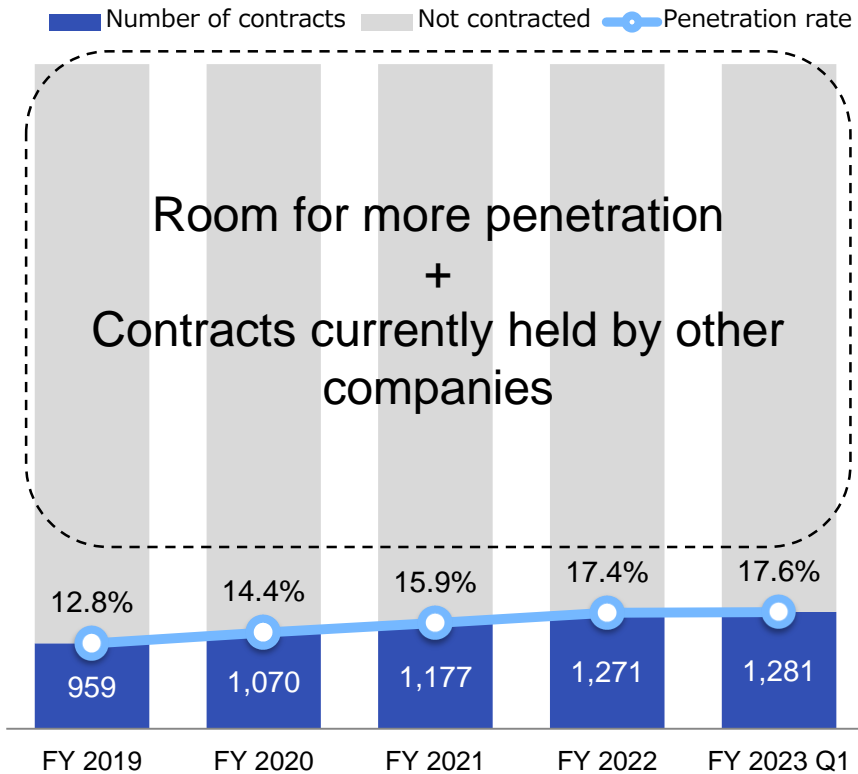


Note: The number of monthly users above indicates the number of users in the month at the end of each fiscal year.

- With the number of contracted hospitals (with 50 or more beds) exceeding 1,200, the penetration rate has reached **17.6%**
- 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

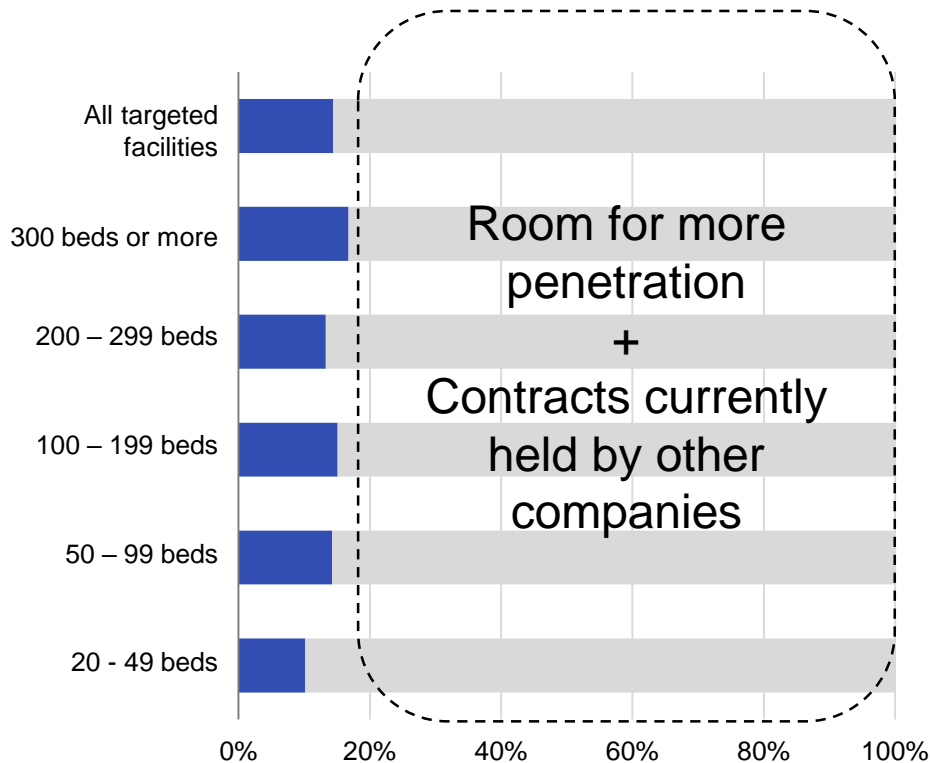
ELAN's target is **4,121** facilities

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.

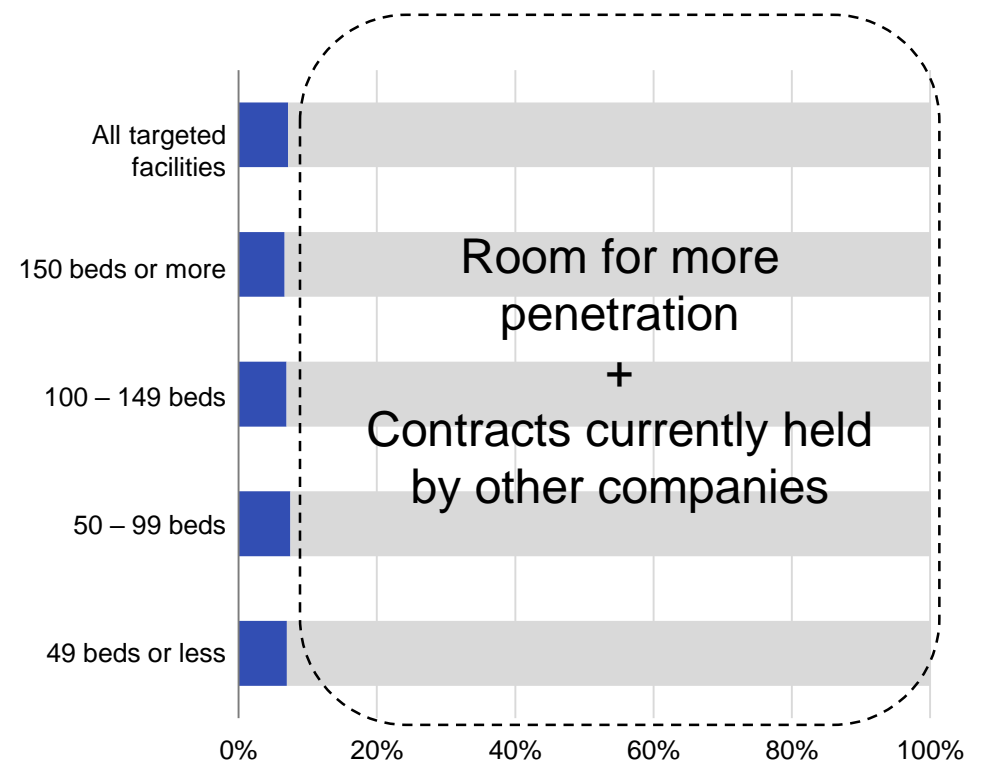
From the presentation materials for the first quarter of fiscal 2021, integrated facilities for medical and long-term care were added to long-term care health facilities when calculating the penetration rate. (Thus, the penetration rates for FY 2019 and FY 2020 differ from those presented in past materials.)

- 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



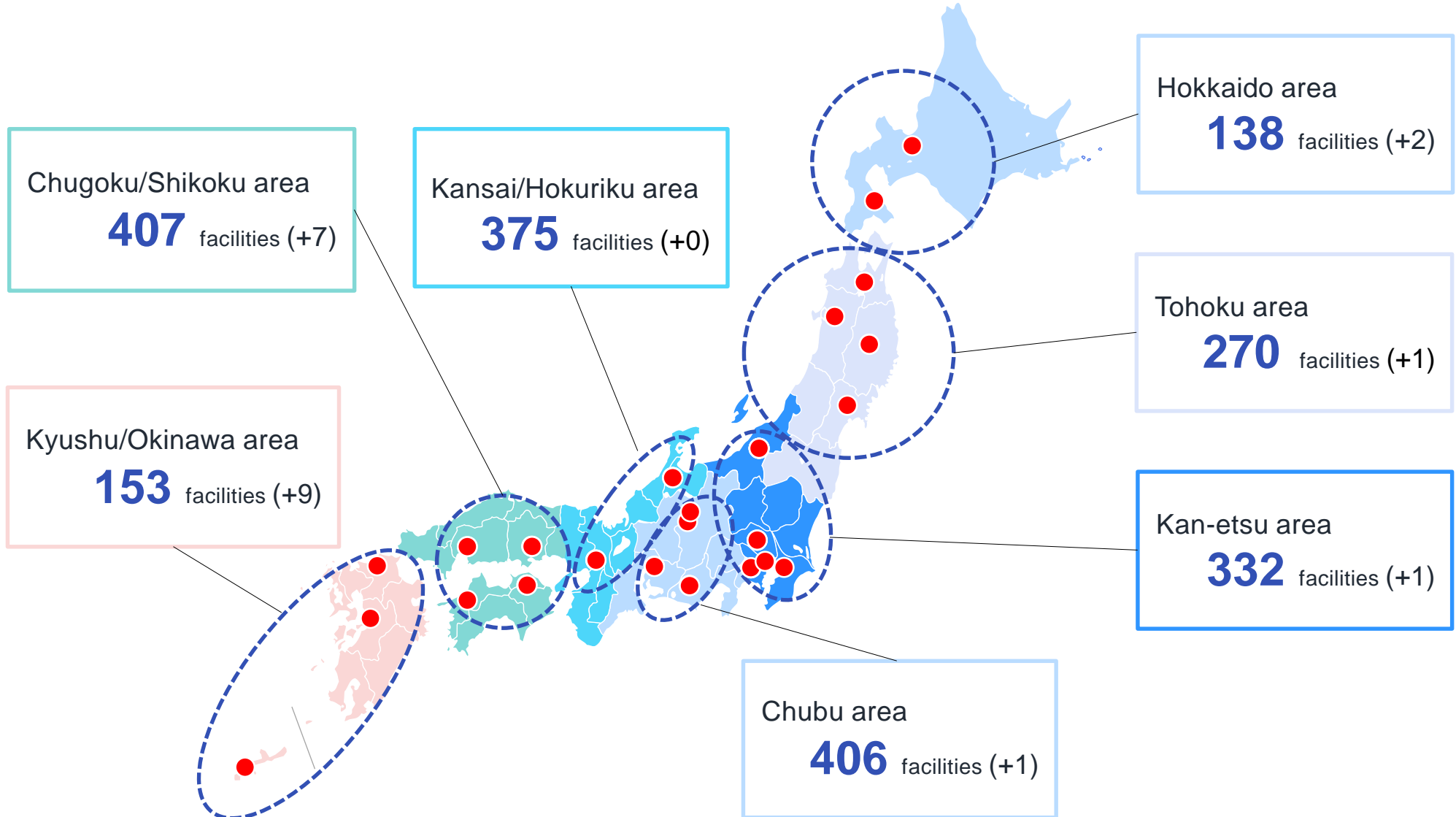
Notes: The blue parts of the charts above represent the penetration rate of our service.

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.

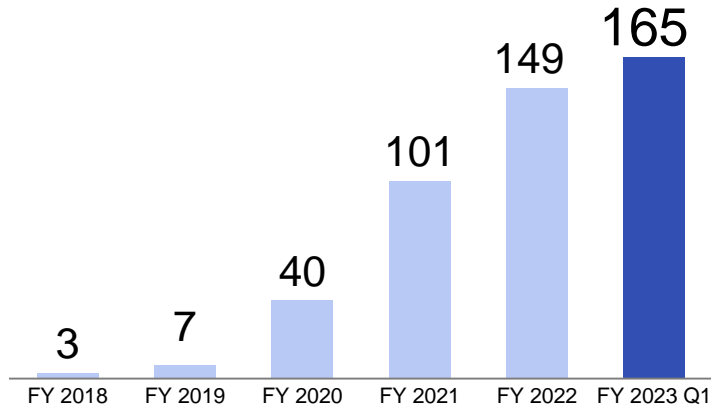
ELAN's Operating Bases and Number of Contracted Facilities Throughout Japan (as of March 31, 2023)

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



■ R increased by 16 and LC increased by 11

Number of Facilities Contracts for CS Set R

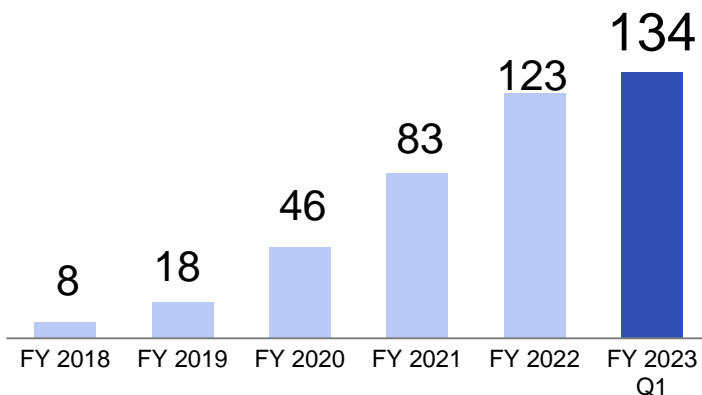


POINT of CS Set R

【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.

Number of Facilities Contracts for CS Set LC

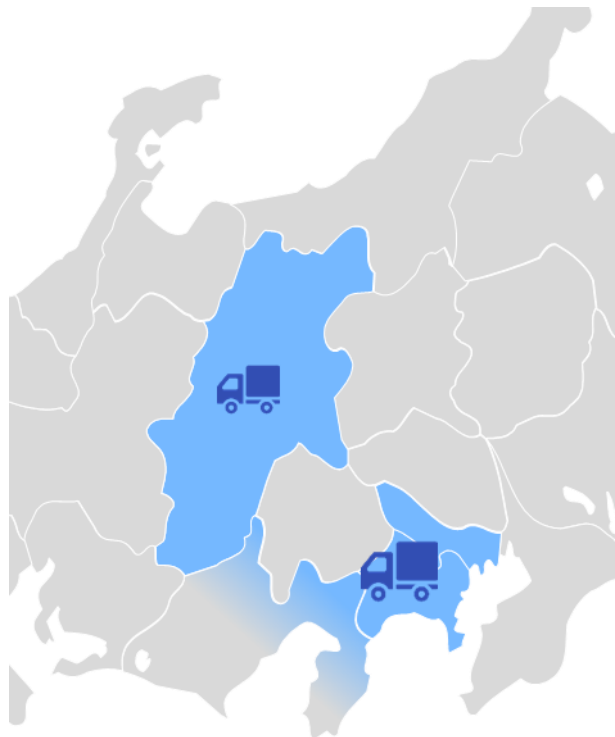


POINT of CS Set LC

【Facility feedback】

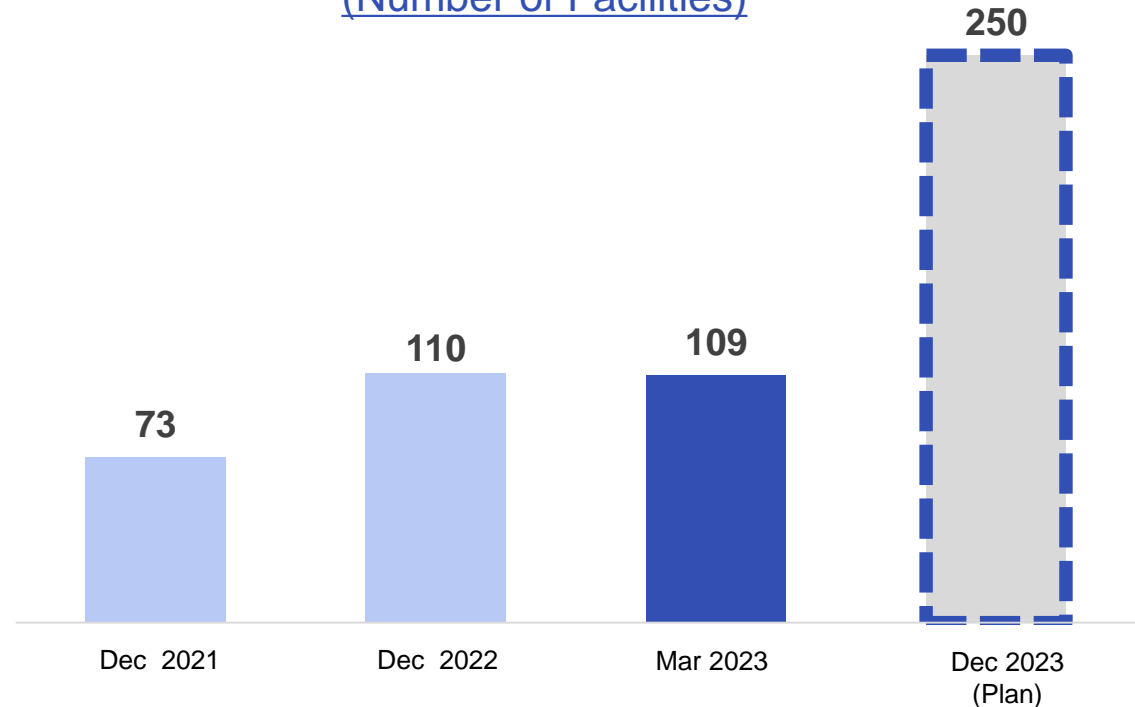
- Eliminates plumbing costs associated with unblocking toilets (each case is expensive, costing tens of thousands of yen), which were born by the hospital before LC was introduced. With a large number of elderly patients, this is a big help.
- Reduces stress on staff, as problems can be solved without 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.

- Taking steps to expand our own warehouses and logistics capabilities to better handle deliveries during disasters and mitigate shortage risks.
- There are two warehouses in Sagami-hara City, Kanagawa Prefecture and Matsumoto City, Nagano Prefecture.
- Plan to expand deliveries to 250 facilities by the end of 2023.



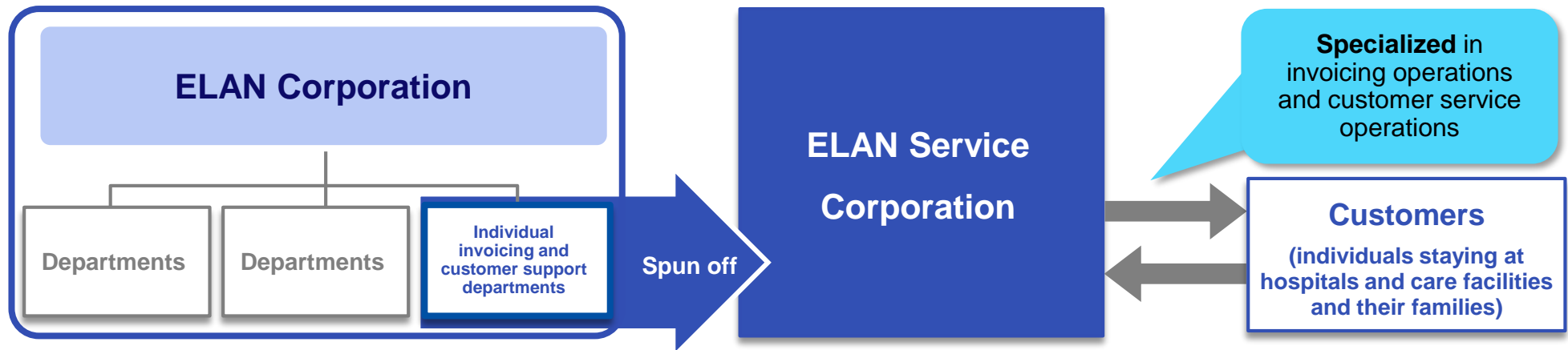
 Delivery area

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 **6 companies** providing hospitalization set services and received contracts from **31 facilities**



Aiming to enhance customer satisfaction

Response to inquiries in other languages

- English
- Korean
- Mandarin Chinese
- Portuguese

Applications accepted from smartphones and PCs

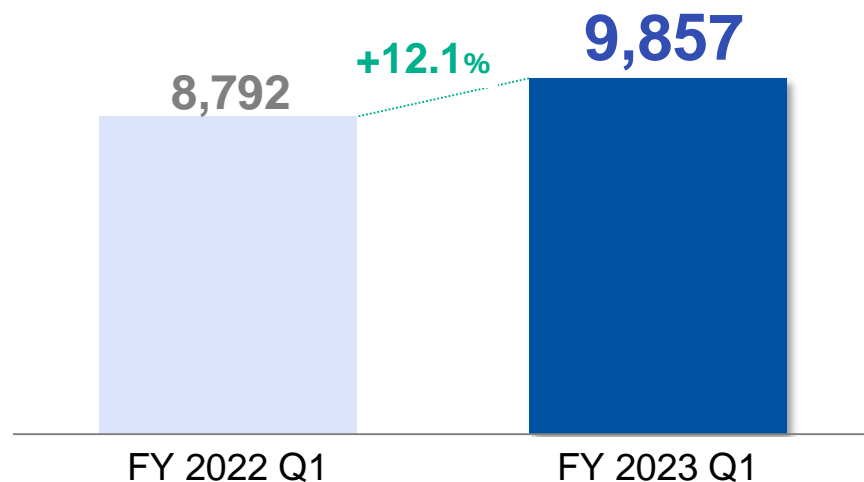
Opening of a portal website dedicated for users

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

Net sales (millions of yen)



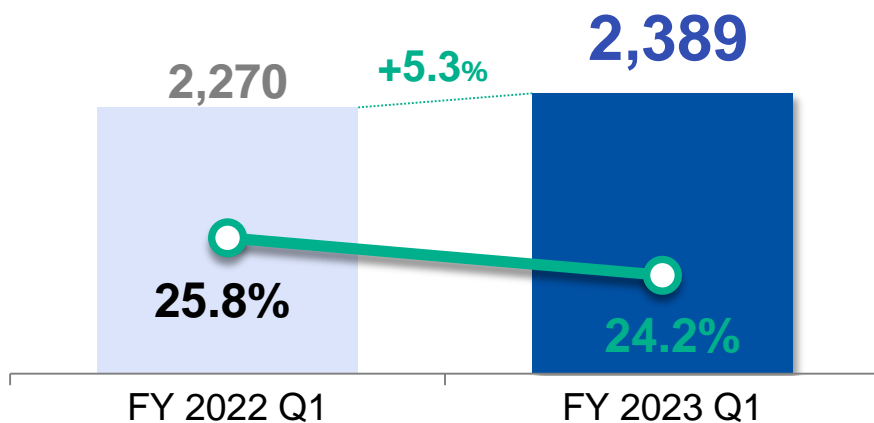
Year on year **+1,064** million yen

+219 facilities

Number of new contract facilities for CS set

• FY 2022 Q1 : **65** → FY 2023 Q1 : **55**

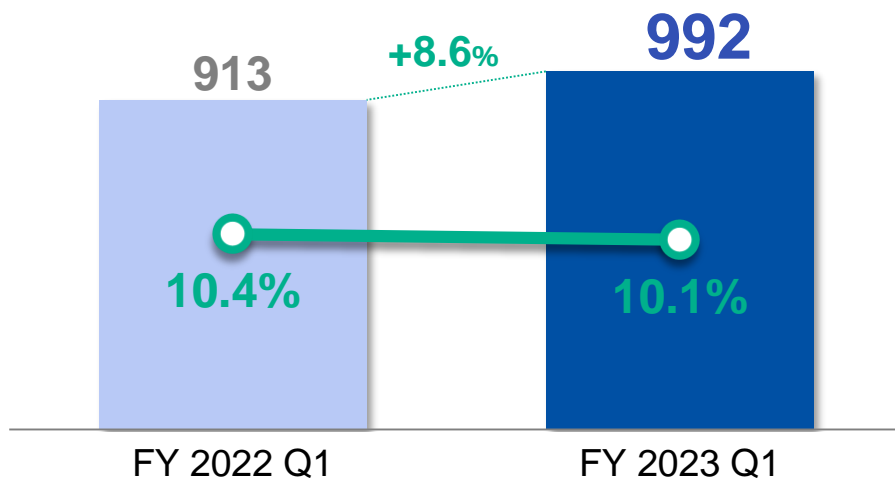
Gross profit (millions of yen)



Year on year **+119** million yen

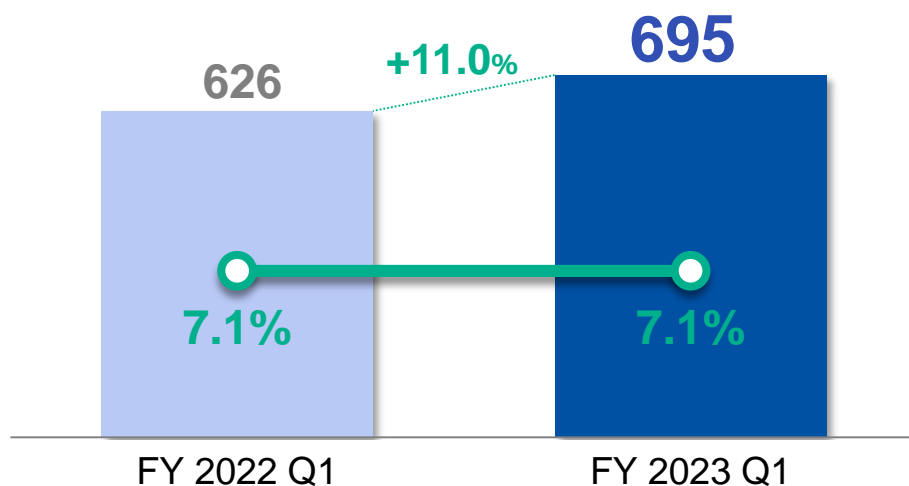
Gross profit margin (year on year) **-1.6 points**

Operating Profit (Millions of Yen)



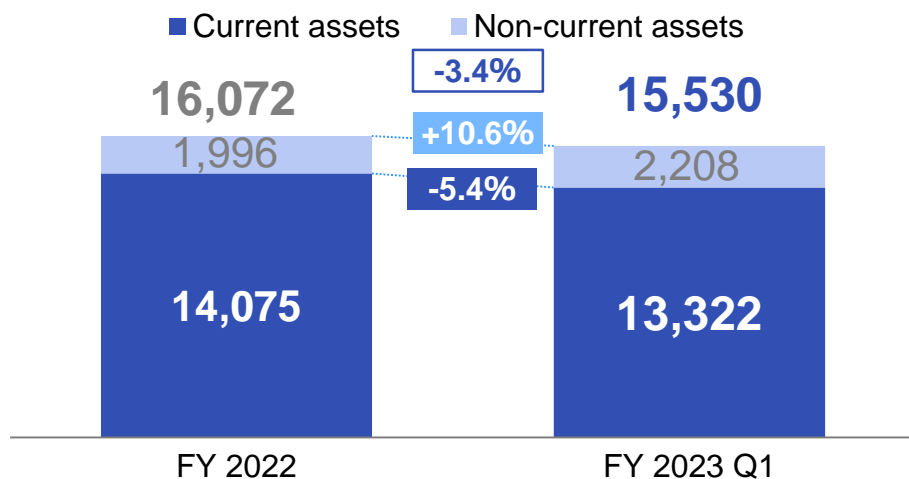
Year on year **+78** million yen

Profit Attributable to Owners of Parent (Millions of Yen)



Year on year **+68** million yen

Assets (Millions of Yen)



Total assets

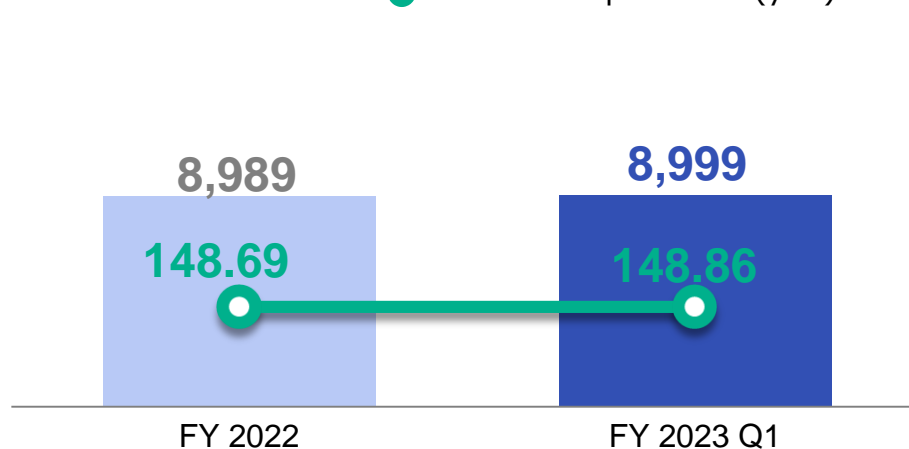
Compared with the end of the previous fiscal year:

-541 million yen

Cash and deposits: -439 million yen

Net Assets (Millions of Yen)

Net assets per share(yen)



Net assets

Compared with the previous fiscal year:

+10 million yen

BPS FY 2022 : 148.69 yen

→ FY 2023 Q1 : 148.86 yen (+0.1%)

2. Earnings forecast of Fiscal 2023

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 E L A N

Forecast of Operating Results for Fiscal 2023

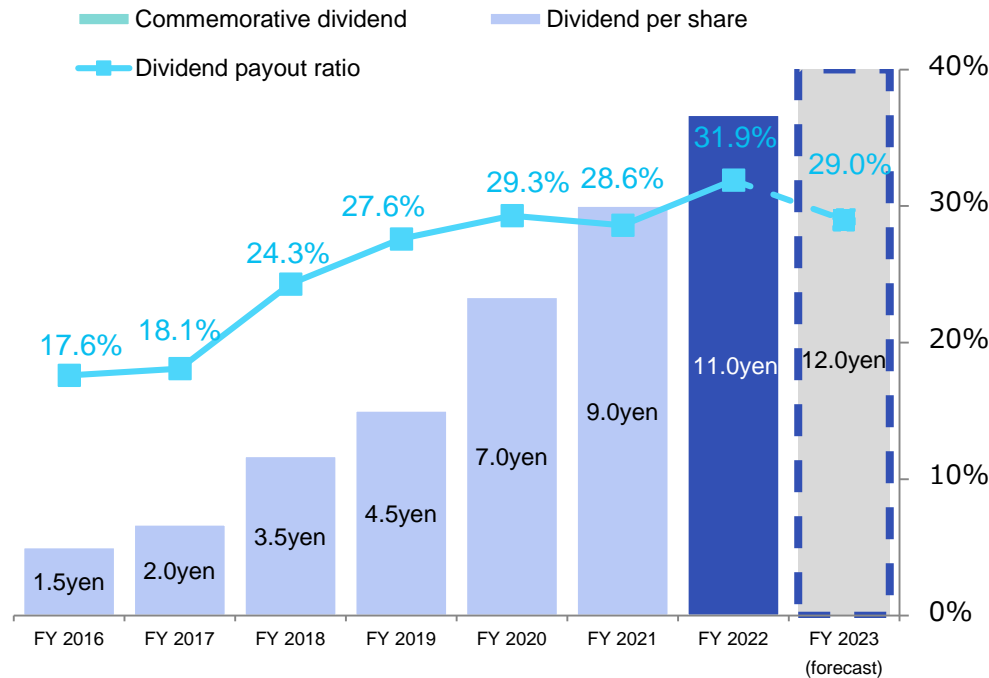
- We expect profit growth to be hindered by the rising costs associated with increased business activities, such as marketing and new businesses, as well as the expenses incurred during the launch of our original patient wear, which we are accelerating the rollout of.
- However, we anticipate that the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

(Millions of yen)

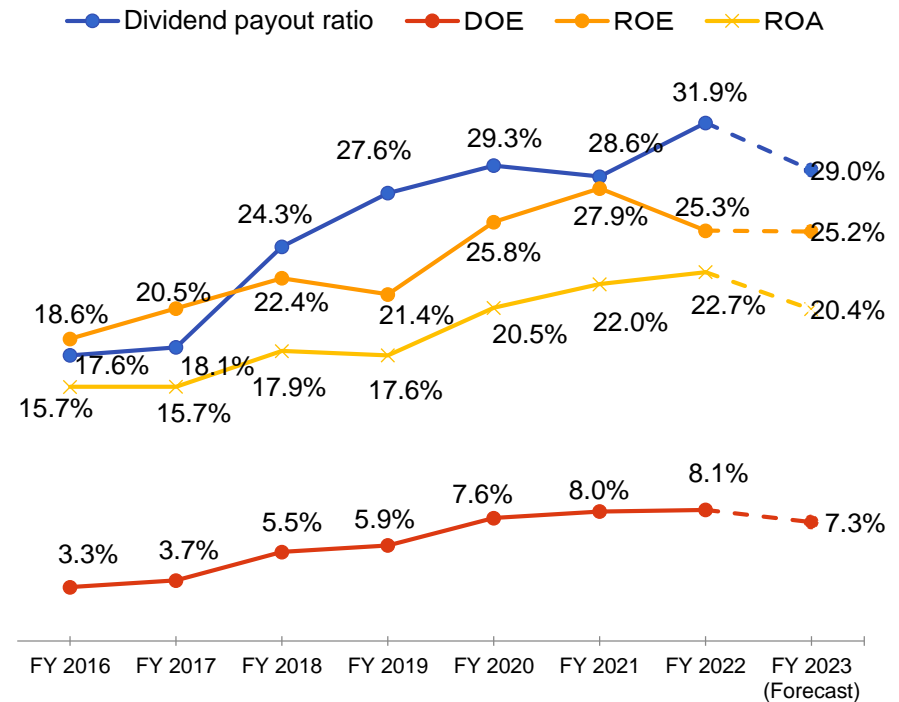
	Fiscal 2022 First Half Results	Fiscal 2023 First Half Forecast	YoY Change	Fiscal 2022 Results	Fiscal 2023 Forecast	YoY Change
Net sales	17,604	20,300	15.3%	36,264	43,700	20.5%
Operating profit	1,713	1,730	1.0%	3,391	3,600	6.2%
<i>Operating profit to net sales</i>	<i>9.7%</i>	<i>8.5%</i>		<i>9.4%</i>	<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

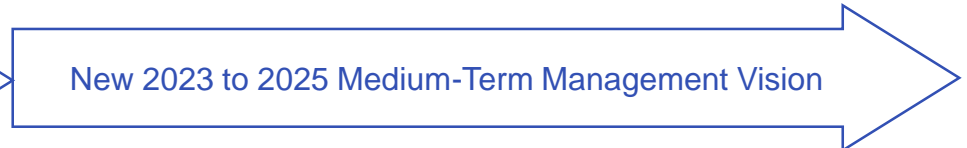


Note 1: Dividend per share in the above graph has been retroactively adjusted to reflect the 2-for-1 stock split on October 1, 2017, the 2-for-1 stock split on January 1, 2019, and the 2-for-1 stock split on January 1, 2021.

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

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

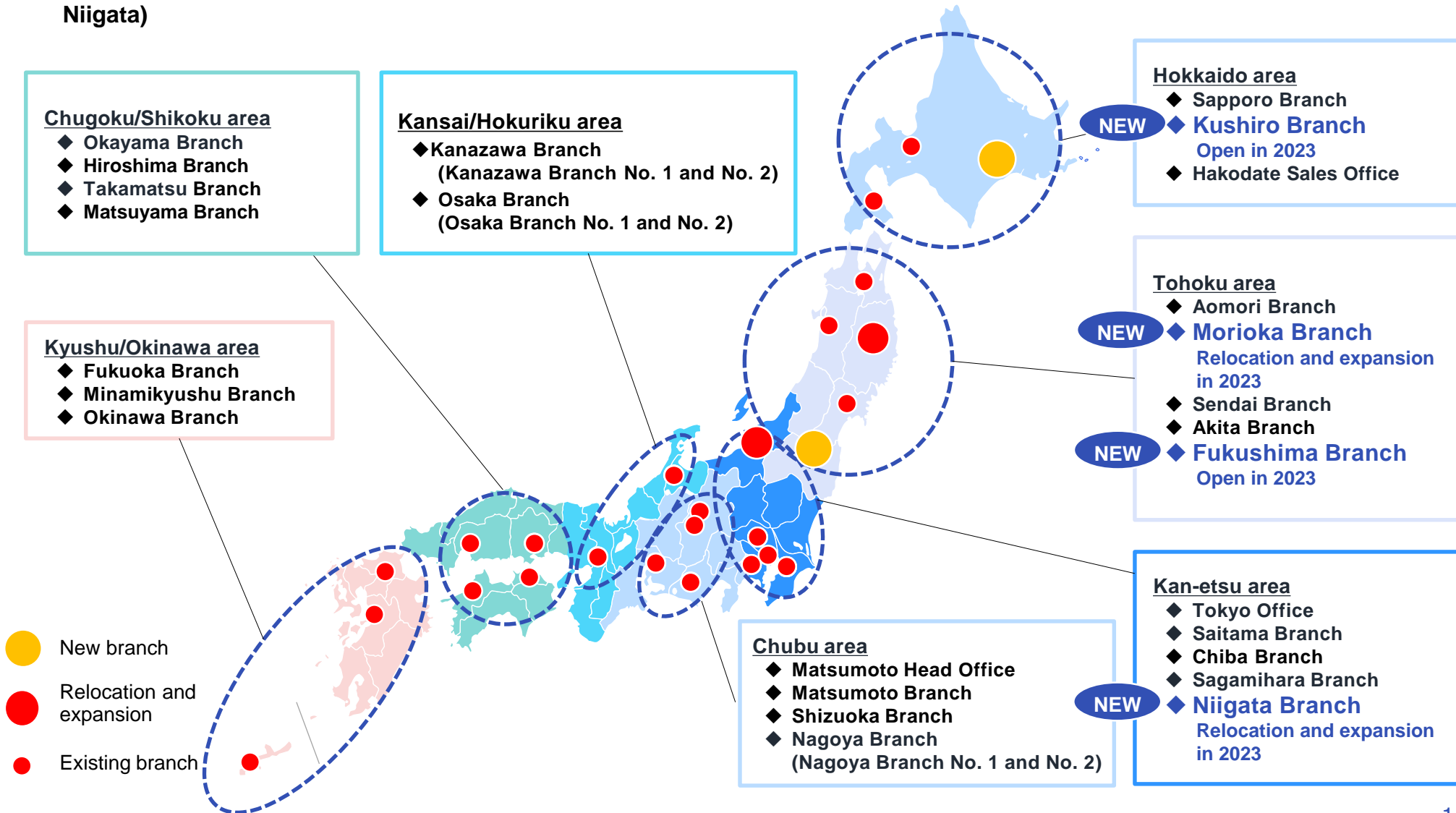
	2022 (Results)	2023 (Forecast)	2025 (Forecast)
Net sales	36.2 billion yen	43.7 billion yen	68.0 billion yen (CS sets 60.0 billion yen)
Operating profit	3.39 billion yen	3.60 billion yen	7.0 billion yen
Operating profit margin	9.4%	8.2%	10.3%
ROE	25.3%	25.2%	26%
Dividend payout ratio	31.9%	29.0%	30%
Penetration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



Open New Branches in 2023

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

▶ Improve existing response capabilities and enhance new development capabilities





Classico



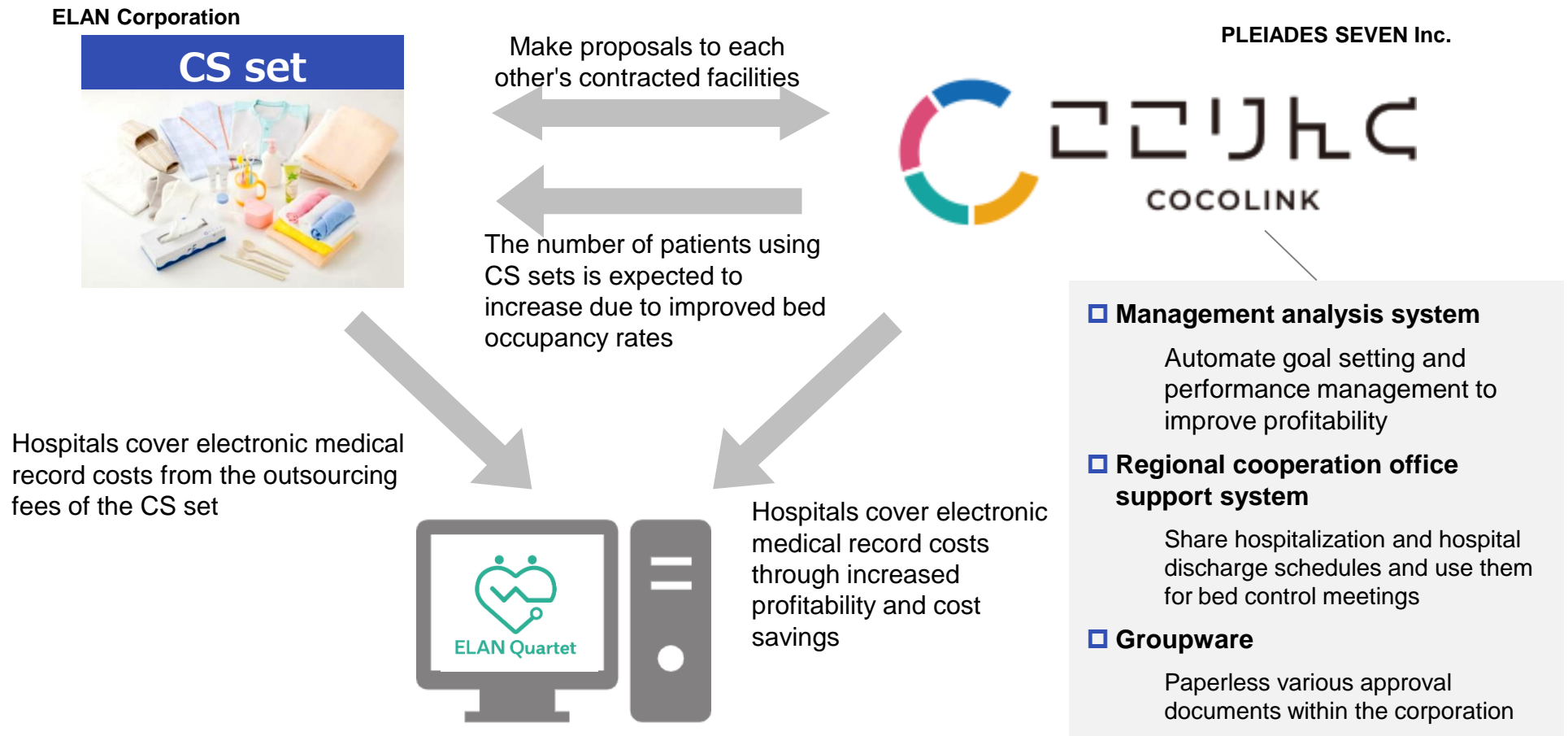
Development of
original patient wear

- 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
- Contract facilities:**
- 2021 : 1 facility
 - 2022 : 7 facilities
 - 2023Q1 : **4 facilities**
 - total : **12 facilities**



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.

- In 2021, we started the electronic medical record business. Sales of "ELAN Quartet" etc.
- From April 2023, we have started a joint proposal with "COCOLINK" by PLEIADES SEVEN Inc.



- In partnership with OKINAWA TOURIST SERVICE INC. payment of "CS set" is possible with travel expenses accumulation service "OTS Tomonokai"
- "OTS Tomonokai" has expanded to about 15,000 people, mainly in Okinawa Prefecture. "CS Set" is used by about 10,000 people per month at 24 facilities in Okinawa Prefecture
- Plans to implement initiatives to revitalize collaboration between tourism and healthcare in the future

エランは沖縄ツーリストのビジネスパートナーです
 沖縄ツーリスト
 DE L A N × OTS友の会
 株式会社琉球エラン

2023年1月より
 OTS友の会 積立金 で
 CSセットがご利用できます！

エランのCSセット

「CSセット」は衣類やタオルなど入院・入所生活に必要な物を日額定額制でレンタルいただけるサービスです。

日額定額制

- 手ぶらで入院・入所
- 手ぶらで面会
- 手ぶらで退院・退所

衣類など

タオルや紙おむつ

入院等に必要なもの

入院準備が困難な、急な入院の際や一人暮らしの方でも安心！
 ご入院・ご入所中は、必要な物が必要な時にお使いいただけます。
 着替えやタオルの洗濯・補充などの、ご家族さまの手間を軽減。

お使いいただける施設

【本島】

- ・名嘉病院・北谷病院・瀬平病院・中部徳洲会病院
- ・沖縄県立中部病院・介護医療院にはる・ハートライフ病院
- ・那覇市立病院・仲本病院・おもろまちメディカルセンター
- ・チアングホームなは・沖縄協同病院・与那原中央病院
- ・南部徳洲会病院

【離島】

- ・県立宮古病院・アットホームごころ
- ・宮古島リハビリ温泉病院・ハートケア夏竹
- ・宮古島徳洲会病院・石垣島徳洲会病院

CSセットについて詳しくはこちら

ご利用の流れ

step 1 **プラン確認** CSセット導入施設内にあるCSセット受付窓口にてプラン内容の詳細を確認

step 2 **ご連絡** OTS友の会積立でお支払いの場合はOTS友の会へご連絡
 ☎ 098-917-2717

step 3 **お支払い** CSセット利用料金確定後に会員様積立金よりお支払い（但し、ボーナスはご利用できません。）
 ※毎月15日前後

step 4 **領収証発送** 会員様ご登録の住所へ引落通知及び領収証をご郵送
 ※おむつ代金ご利用分は医療費控除対象となります。
 ※毎月15日前後に発送予定

お申込み・お支払いの注意点

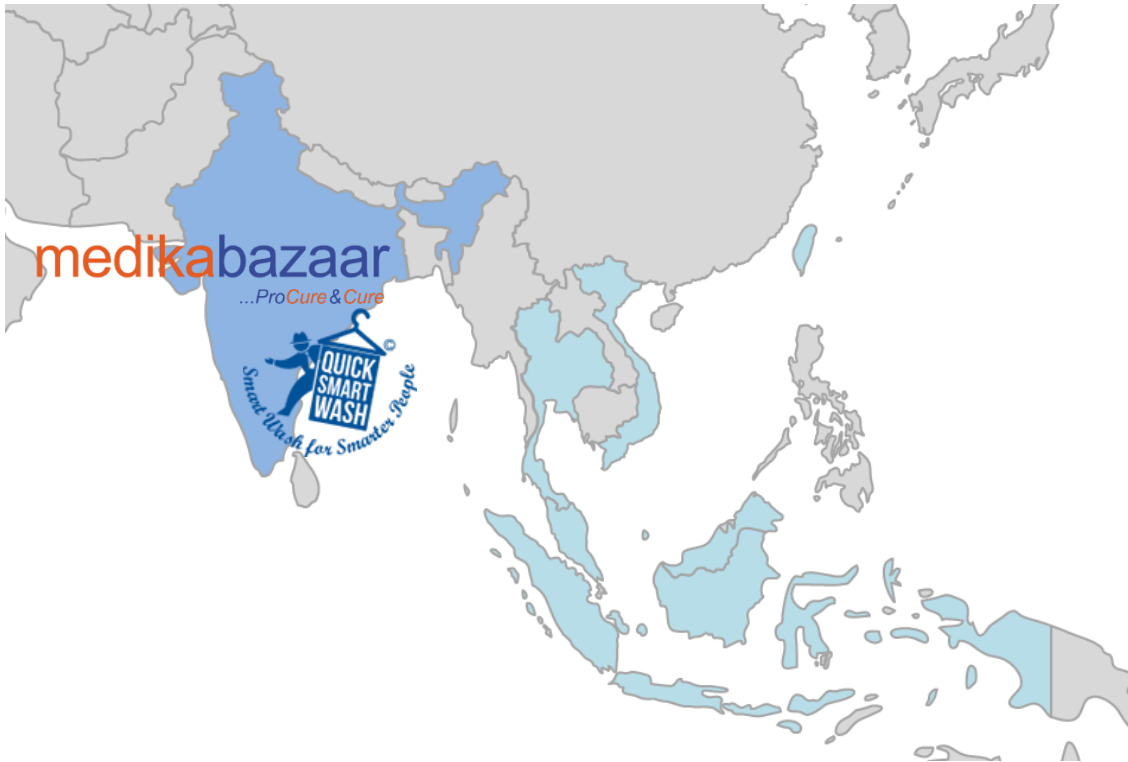
- ・友の会会員様ご本人及びご家族様のCSセットご利用分を積立金にてお支払いが可能です。
- ・CSセットご利用額が友の会積立金を超過した場合は、株式会社エランより利用額全額をご請求いたします。
- ・友の会積立金からのお引当しは月末締め翌月15日頃に行います。
- ・保証証は、お引当し後5営業日以内に友の会会員様宛に発送いたします。
- ・※おむつ代金が含まれる場合は「医療費控除」の対象となりますので、領収証の保管をお願いいたします。
- ・CSセットをご利用中の方のお支払い方法の変更につきましては、毎月25日までにOTS友の会（098-917-2717）へご連絡をいただく、翌月ご利用分から変更が可能です。

お問合せ

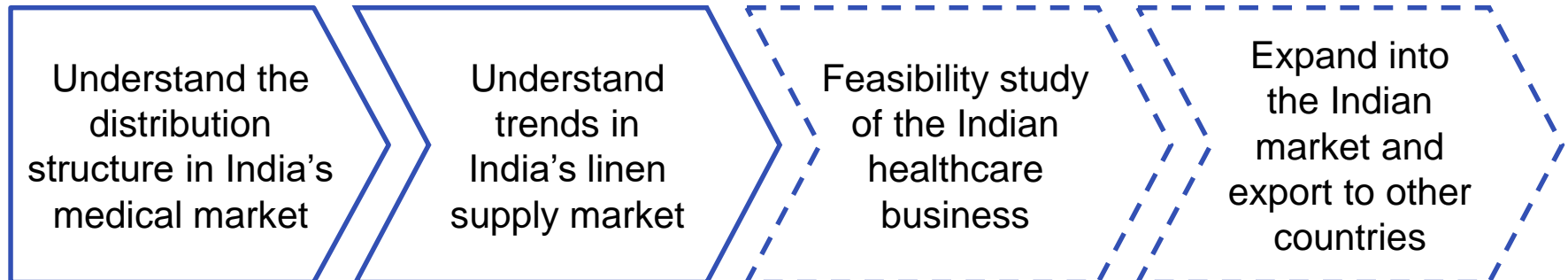
CSセットについて
 株式会社琉球エラン
 ☎ 0120-919-821
<https://ryukyu.kkelan.com/>

積立金全般について
 沖縄ツーリスト株式会社
 ☎ 098-917-2712
 営業時間 平日9:30～18:00
 休日 3連休、日曜、祭日

Flyer for "OTS Tomonokai" members



- 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.
- **We will undertake a capital increase (mainly for capital investment) for QSW's business expansion. As a result, our investment ratio will be 42.18%.**
- Planning to expand into other countries such as Indonesia, Malaysia, Vietnam, Thailand, Singapore, and Taiwan.



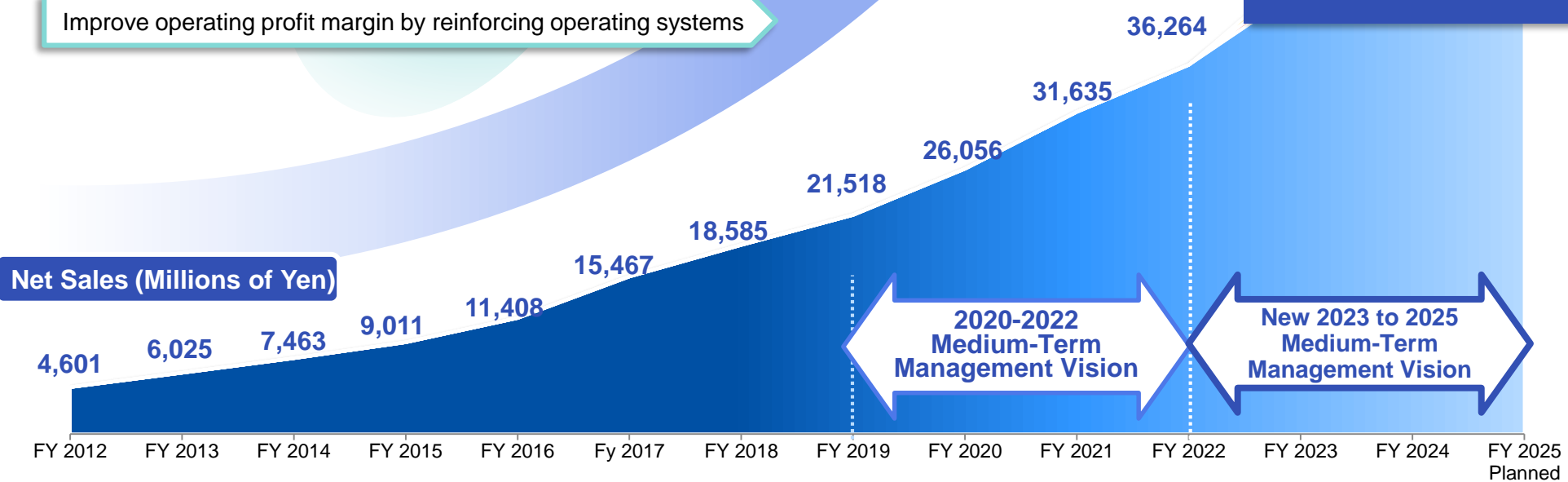
Initiatives for Growth

- 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

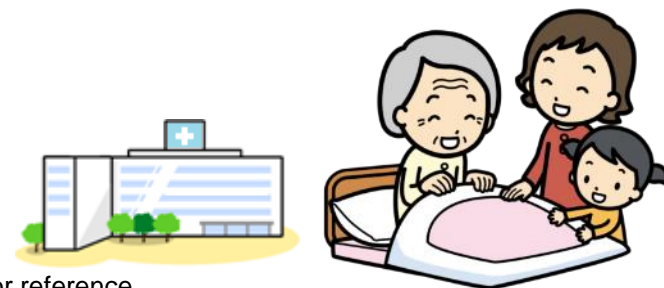


Company name	ELAN Corporation
Business	Medical and nursing care-related business (CS Set)
Established	February 6, 1995
Capital	573 million yen
Net sales	36,264 million yen (fiscal 2022)
Ordinary profit	3,411 million yen (fiscal 2022)
Headquarters	Matsumoto, Nagano Prefecture
Representative	COO: Tomohiro 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 Logistics Center Kanagawa/Matsumoto
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

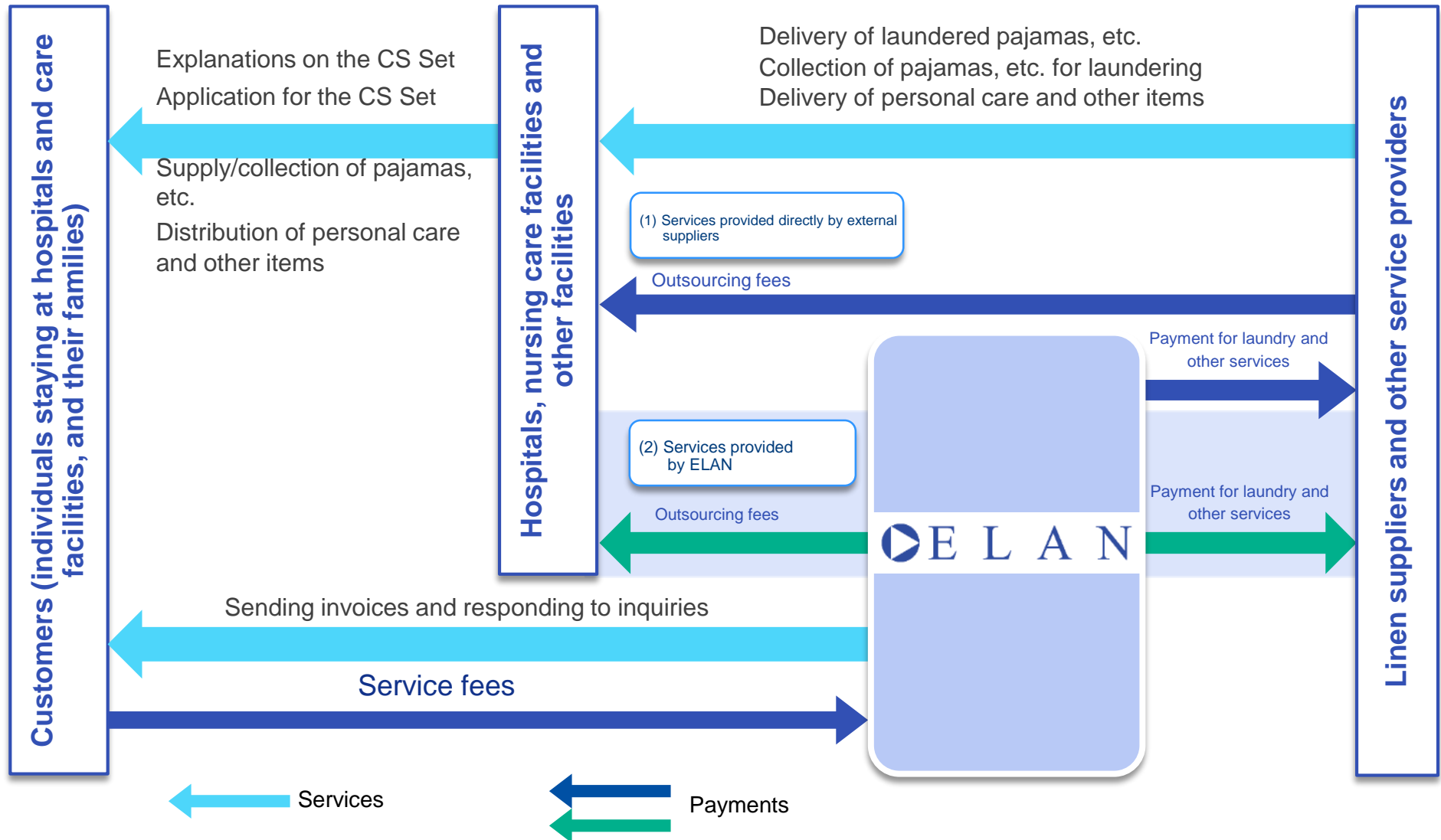
Note: The daily fees shown below are for reference.

	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		

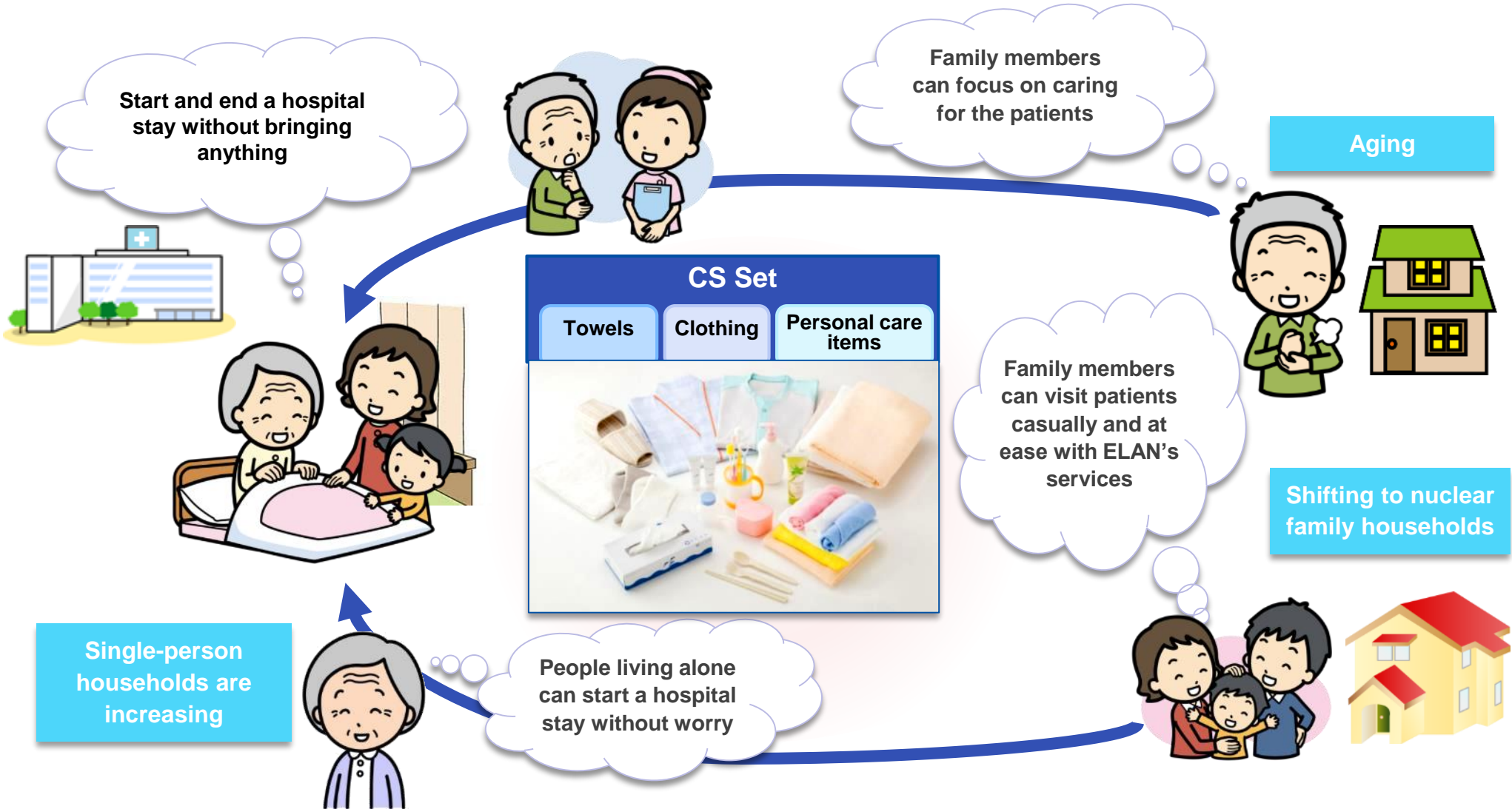
(Example) Seven-day hospital stay under Plan B
 $500 \text{ yen} \times 7 \text{ days} = 3,500 \text{ yen}$



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.

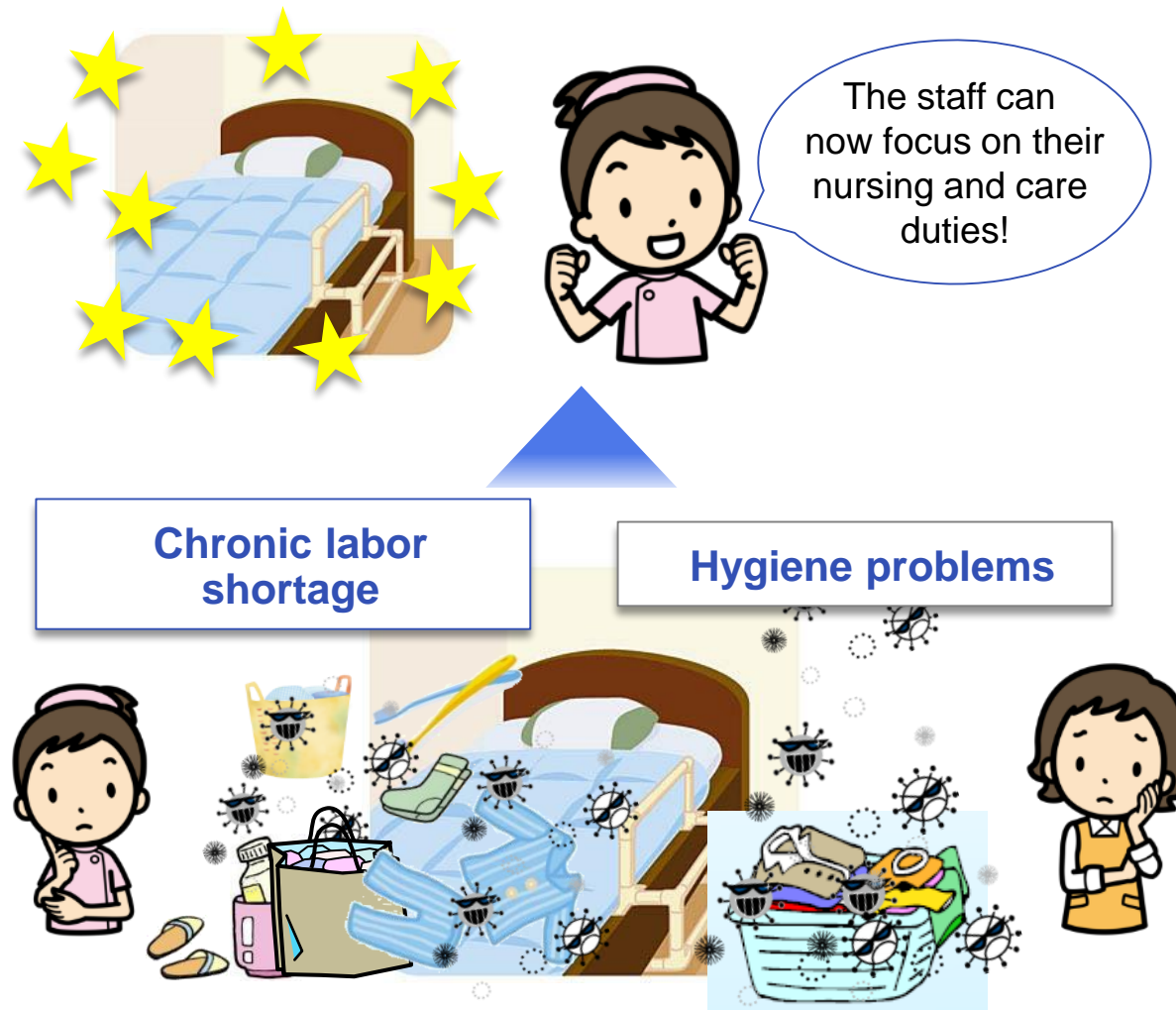


The CS Set provides patients and their family members with ease and comfort



Many advantages for the nursing and care frontlines

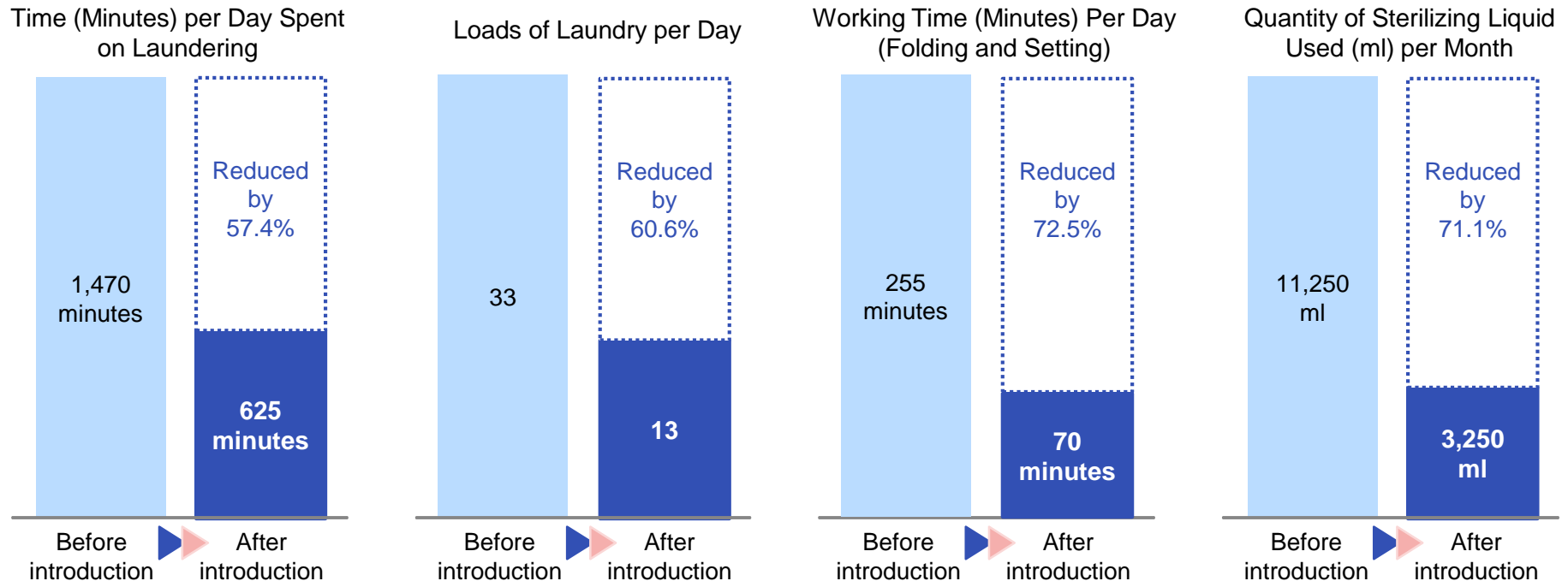
Solves problems for hospitals and nursing care facilities



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

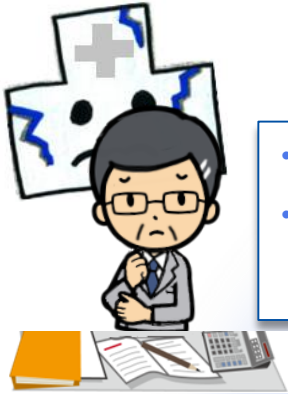
Effects of Introducing the CS Set: A Case Example

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



Note: Figures represent total values for six hospital wards.

Generating an economic impact for the entire hospital/nursing care industry.



Management issues for hospitals and nursing care facilities

- Difficult operating environment for hospitals
- Risks involving government guidance for revenues not based on the national health insurance system



- Secure new revenue resources
- Reduce risks involving government guidance



Management issues for operators related to hospitals and nursing care facilities

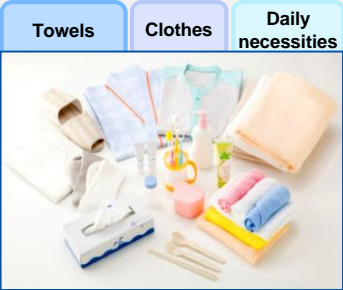


- Existing hospital-related businesses are saturated
- Cost reductions are strongly requested
- New opportunities for earning profits are needed



- Increase sales and profits



New R/LC services can be added to CS Sets

CS Sets	New services	Merits
	<p>Compensation for unpaid hospitalization expense</p> <p>CSセットR</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>LC入院保証</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

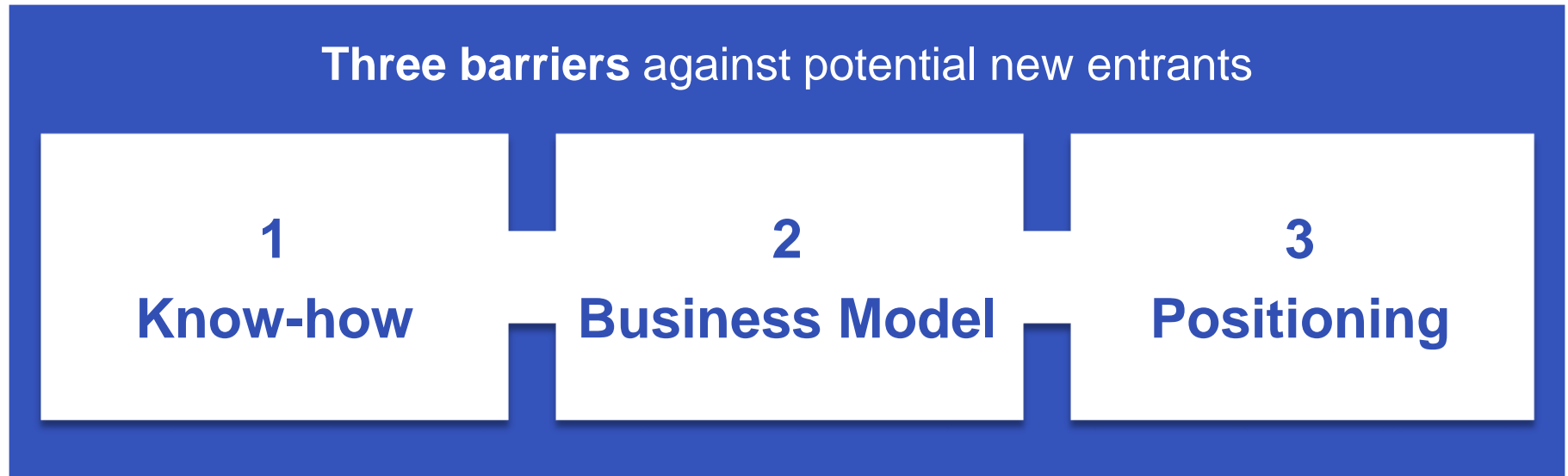
- A business model built on ongoing business relationships with partners to **achieve mutual success**

3

Positioning

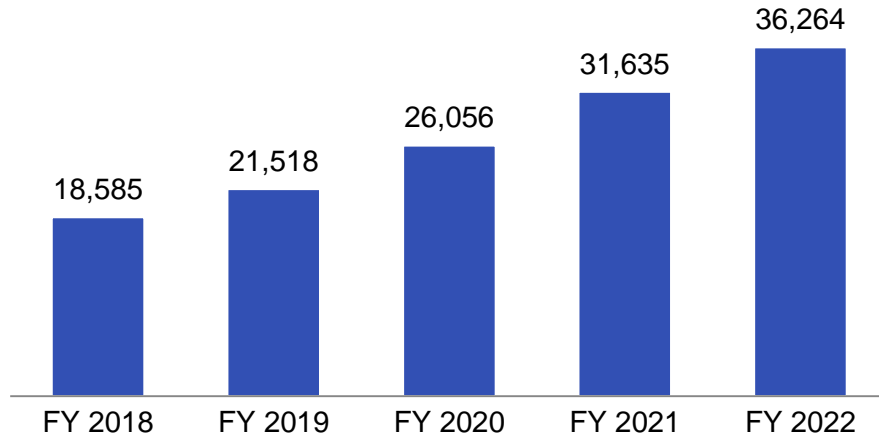
- ELAN is independent and **open**, being unaffiliated with any other corporate group

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

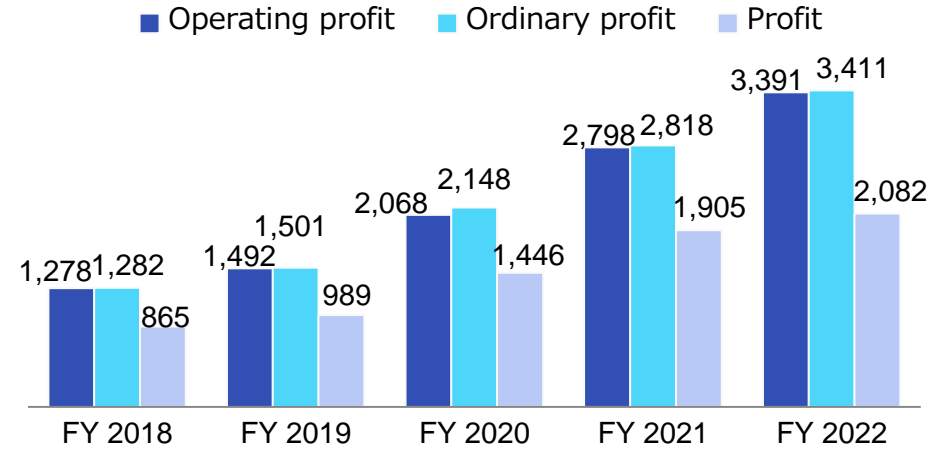


We are building **even higher barriers** to entry by accumulating know-how and firmly establishing our position in the industry.

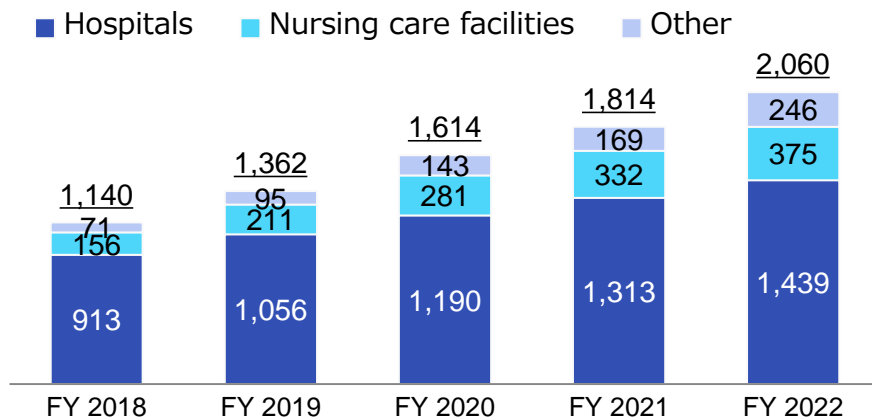
Net Sales (Millions of Yen)



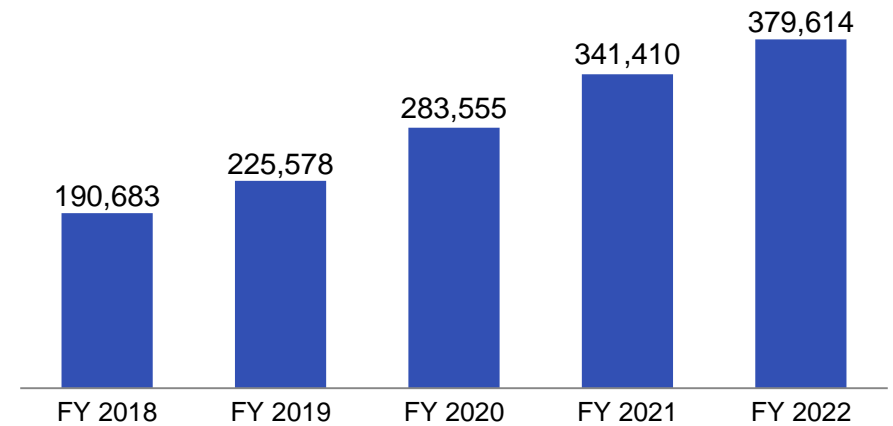
Profits (Millions of Yen)



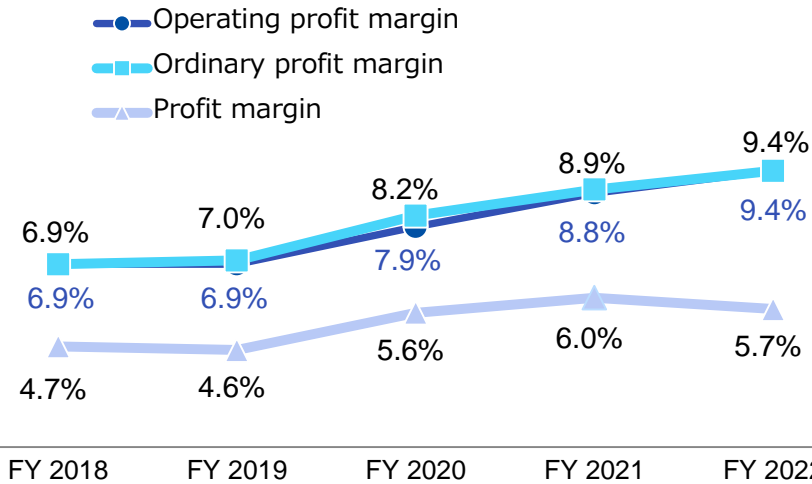
Number of Contracted Facilities



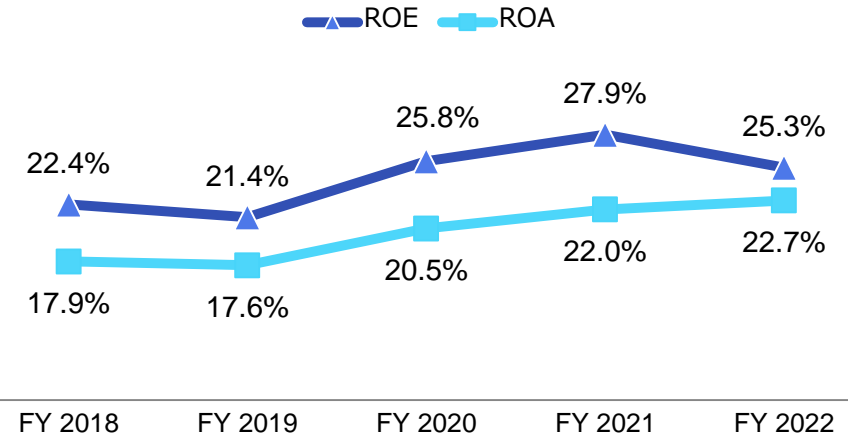
Number of Monthly Users (People)



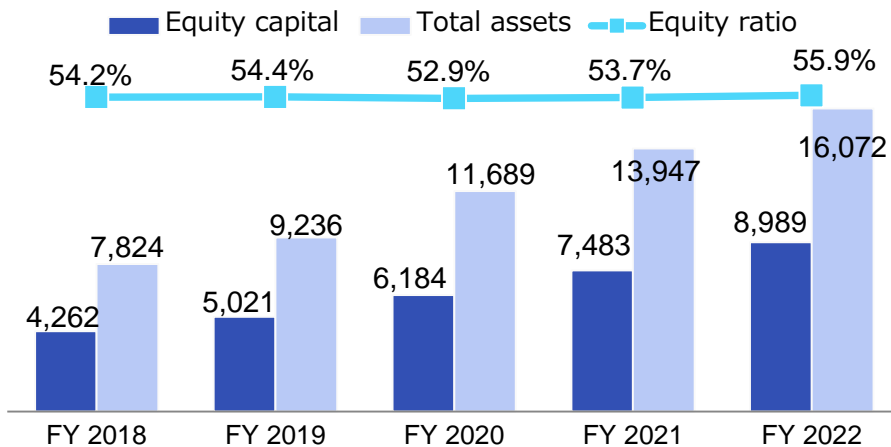
Profit Margins



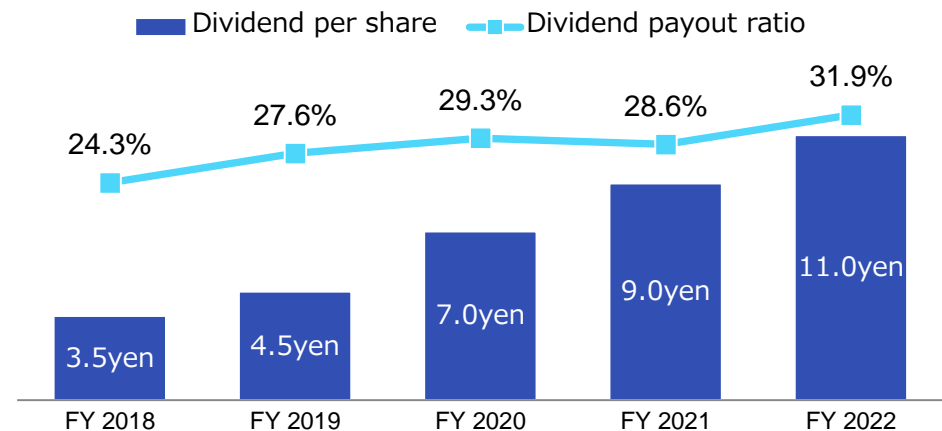
ROE and ROA



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 (May 10, 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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