

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

Bringing smiles to your
hospital/elderly facility stay



ELAN Corporation

Operating Results for Fiscal 2023 Ended December 31, 2023

ELAN Corporation

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1. Full-Year Operating Results for Fiscal 2023

Bringing smiles to your
hospital/elderly facility stay



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.



- Sales of 41.4 billion yen, operating profit margin of 8.8%, penetration rate of 15.0%. Contracts for original patient clothing (Lifte) have been reached at 44 facilities (target of 100 facilities).
- Opened Kushiro branch. Relocated and expanded Morioka and Niigata branches. The number of in-house logistics and delivery facilities reached 242 facilities (target 250 facilities).
- 340 newly contracted facilities. First three-digit contract with 103 facilities in 2Q alone. Cancellation rate increased slightly to 3.3%.

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.



- The logistics system has been in operation since the beginning of 2023.
- 340 newly contracted facilities. First three-digit contract with 103 facilities in 2Q alone. Cancellation rate increased slightly to 3.3%.
- Electronic medical records and other systems for medical institutions and nursing care facilities have been offered at multiple facilities. Online interview service (HOTLINE TV) has started.

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.



- Started demonstration experiment of at-home set.
- Invested in QSW (India), Classico (Japan), and AKAL (India). Decided to acquire GREEN (Vietnam).
- Established ELAN COULEUR Corporation in January, ELAN LOGISTICS Corporation in October.

- Achieved higher sales and profits, as profitability improved due to an expansion in the number of contracted facilities and monthly users.
- Sales were lower than the full-year forecast due to delays in acquiring new facility contracts and delays in passing on increases in purchasing prices.
- Operating profit exceeded the full-year forecast due to the effects of systemization and the introduction of original patient clothing (Lifte), which was lower than expected.

	FY 2022 ①	FY 2023 ②	YoY Change ②-①	Main factors	(Millions of yen)	
					FY 2023 Forecast ③※1	To forecast ②-③
Net sales	36,264	41,425	+5,160	● Delay in price pass-through	43,700	(2,274)
Gross profit	9,027	9,751	+724		—	—
Gross profit to net sales(%)	24.9	23.5	(1.4)	● Soaring purchase prices, promotion of original patient clothing (Lifte)	—	—
SG&A	5,635	6,085	+449		—	—
SG&A to net sales(%)	15.5	14.7	(0.8)	● Improving the efficiency of billing costs, etc.	—	—
Operating profit	3,391	3,665	+274		3,600	+65
Operating profit to net sales(%)	9.4	8.8	(0.5)		8.2%	+0.6
Ordinary profit	3,411	3,681	+269		3,620	+61
Ordinary profit to net sales(%)	9.4	8.9	(0.5)		8.3%	+0.6
Profit Attributable to Owners of Parent	2,082	2,518	+436		2,500	+18
Profit to net sales(%)	5.7	6.1	+0.4		5.7%	+0.4

※1 Forecast as of February 9, 2023

- In order to promote the spread of original patient clothing (Lifte) and shorten lead times, the number of "supplies" increased as a result of switching to some in-house inventory.
- "Investment securities" increased due to investments in Classico, QSW, etc., and cash and deposits decreased.

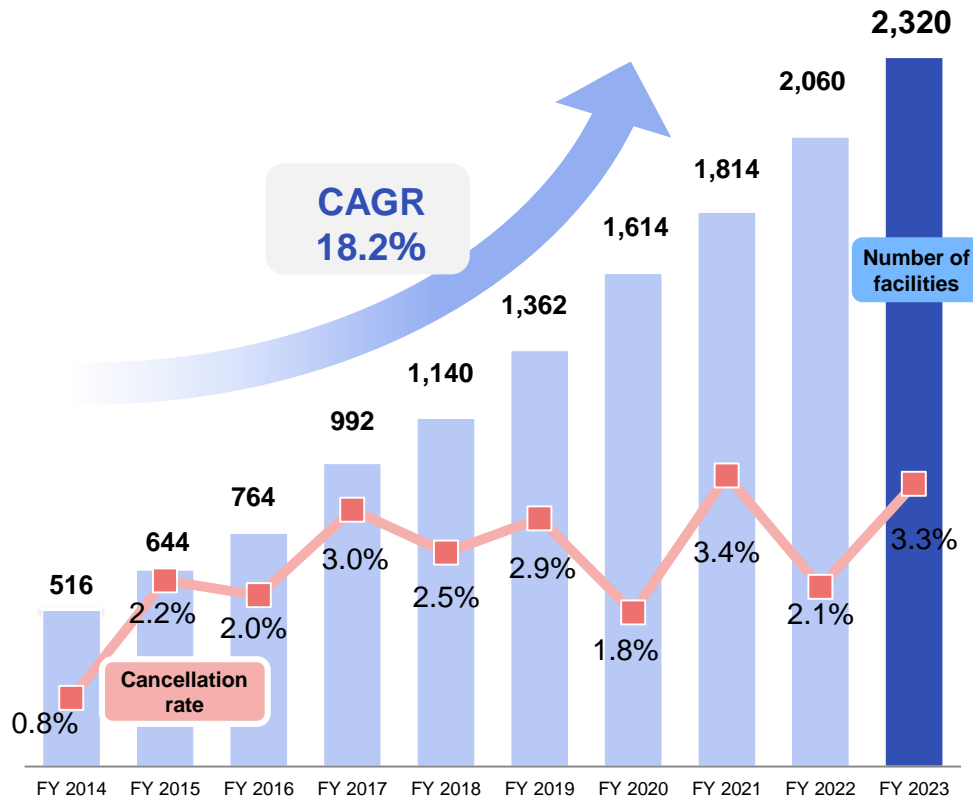
(Millions of yen)

	FY 2022 ①	FY 2023 ②	YoY Change ②-①	Main factors
Total assets	16,072	18,993	+2,921	
Cash and deposits	6,036	5,488	(547)	
Supplies	89	520	+430	● Inventory of original patient clothes (Lifte)
Investment securities	736	2,171	+1,434	● Classico (Japan), QSW (India)
Total liabilities	7,082	8,178	+1,096	
Total net assets	8,989	10,814	+1,824	

Number of Contracted Facilities and Users

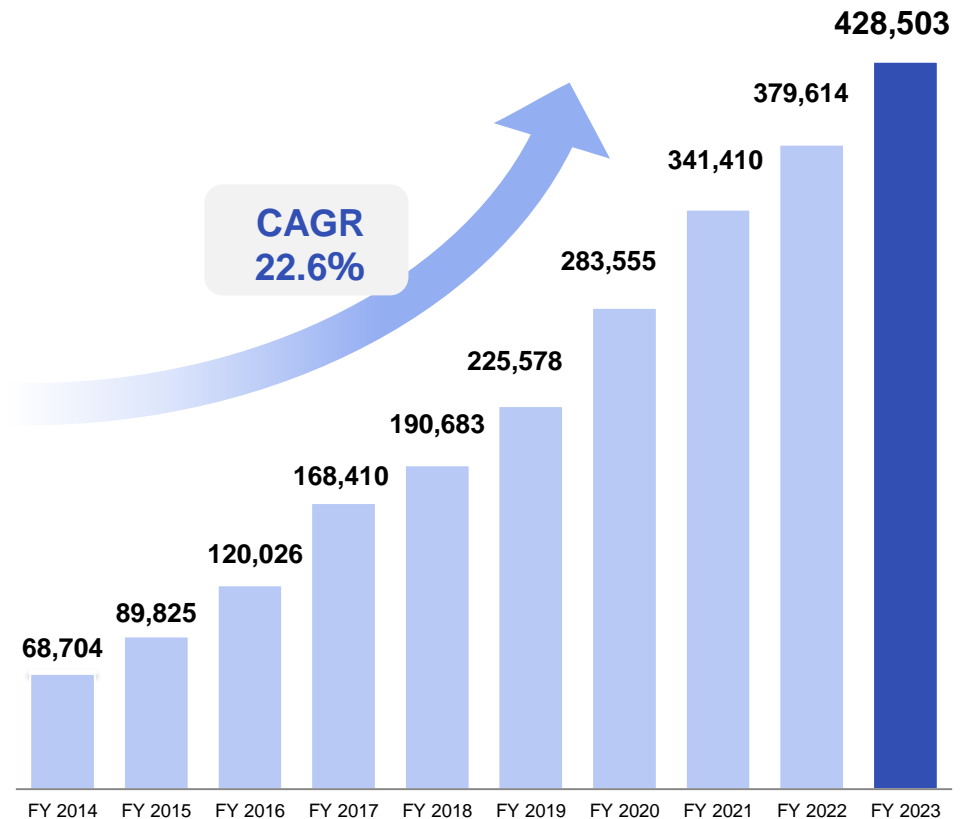
- The number of new contracted facilities increased compared to the previous fiscal year. (FY 2022: 290 facilities / FY 2023: 340 facilities)
- The number of facilities that terminated their contracts increased compared to the previous fiscal year. (FY 2022: 44 facilities / FY 2023: 80 facilities)
- The reasons for the cancellation were the transfer to competitors during the 1Q price increase negotiations and the consolidation and closure of hospitals. Although there will continue to be a certain number of cancellations due to hospital consolidation, it is not expected to increase rapidly.

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)

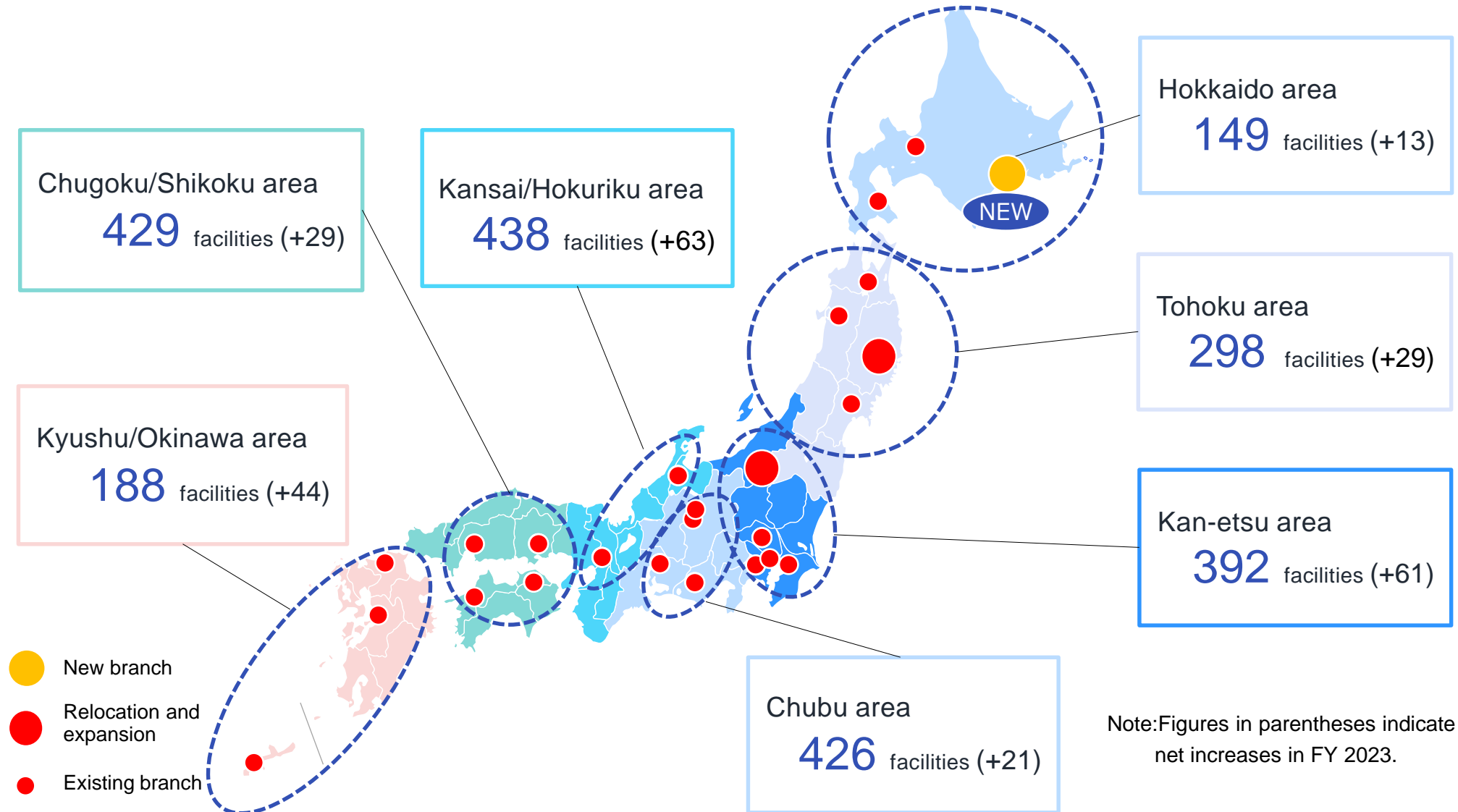
Monthly Users



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

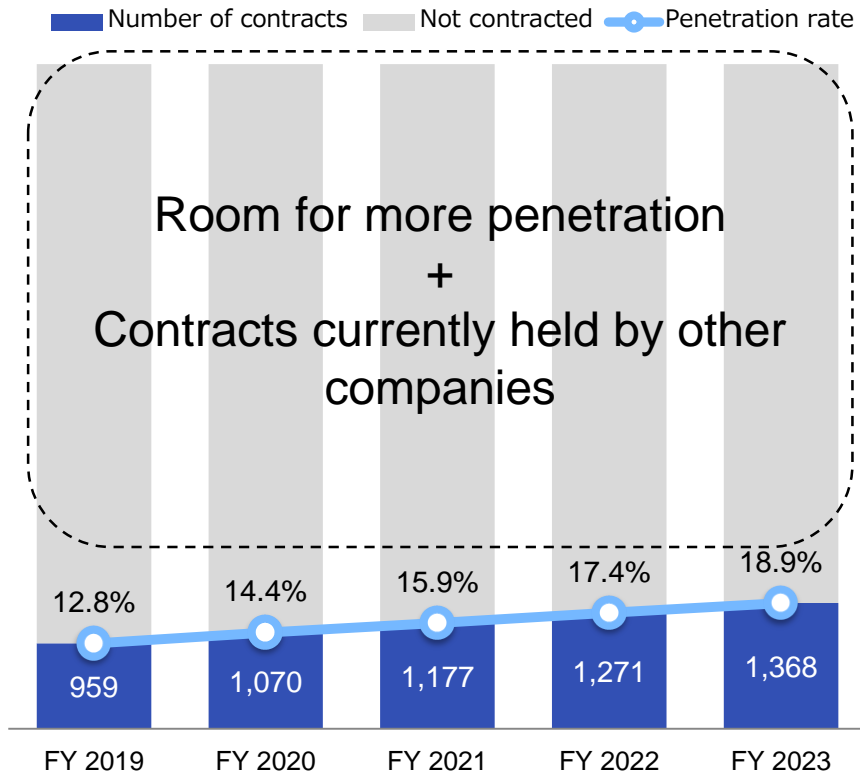
ELAN's Operating Bases and Number of Contracted Facilities Throughout Japan (as of December 31, 2023)

- Opened a new Kushiro office in November to strengthen sales activities to hospitals and nursing care facilities in eastern Hokkaido.
- Relocation and expansion of Morioka branch and Niigata branch, strengthening existing facility follow-up system



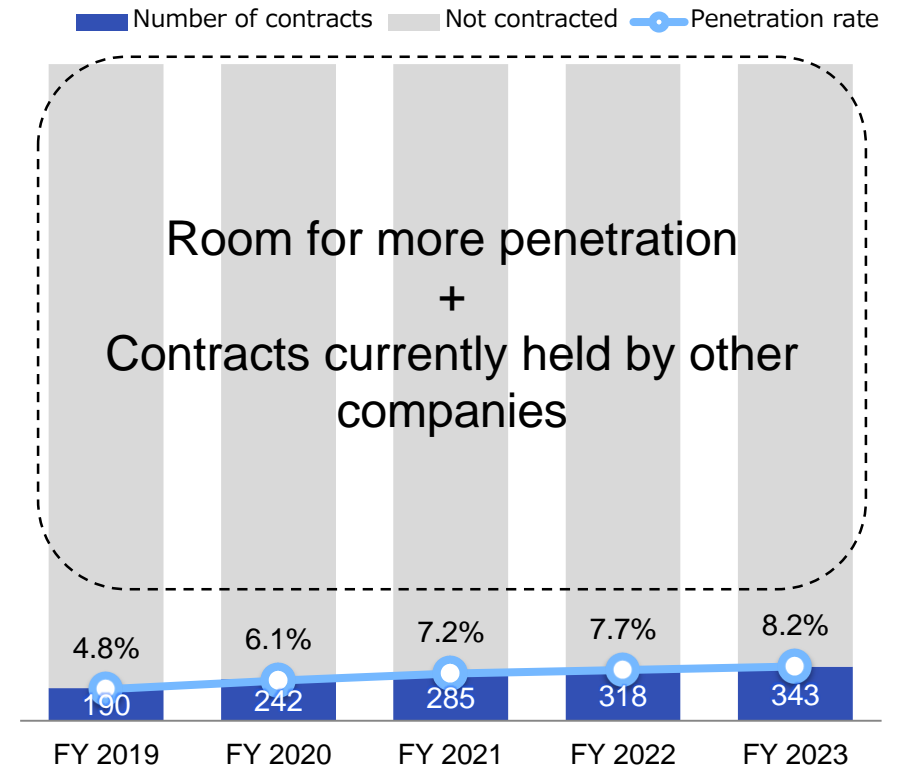
- With the number of contracted hospitals (with 50 or more beds) exceeding 1,300, the penetration rate has reached 18.9%.
- With the number of contracted long-term care health facilities and integrated facilities for medical and long-term care (with 50 or more beds) exceeding 340, the penetration rate has reached 8.2%.

Penetration Rate of Hospitals
(with 50 or More Beds)



ELAN's target is **7,241** facilities

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



ELAN's target is **4,163** facilities

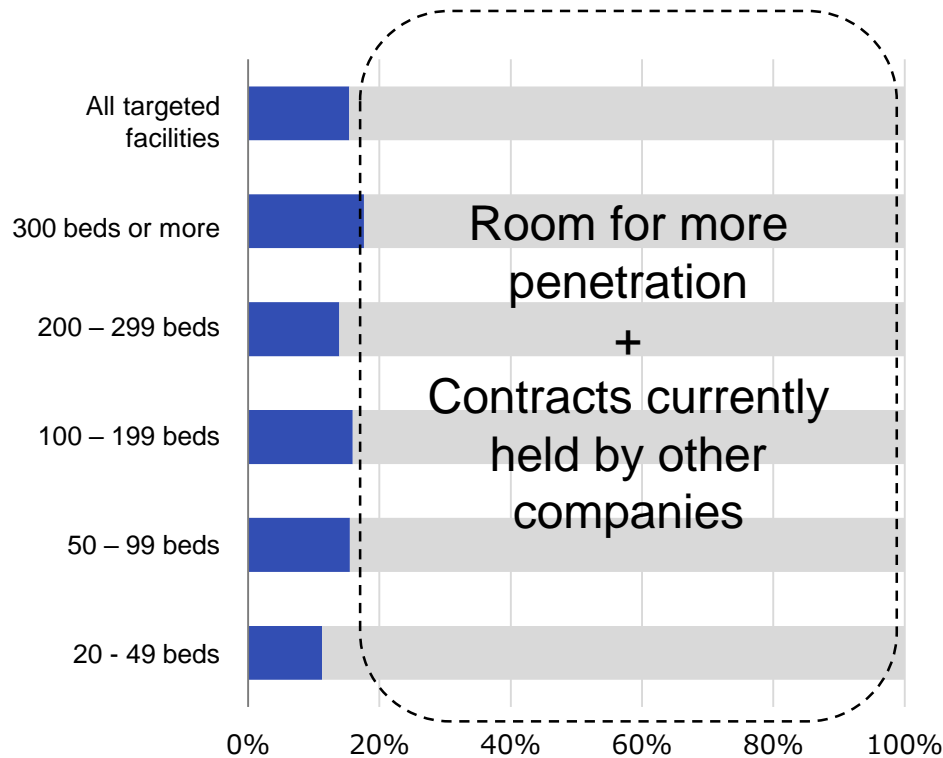
Notes: Prepared by ELAN with reference to the Survey of Medical Facilities 2022 and the Survey of Institutions and Establishments for Long-term Care 2022 by the Ministry of Health, Labor and Welfare.

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.)

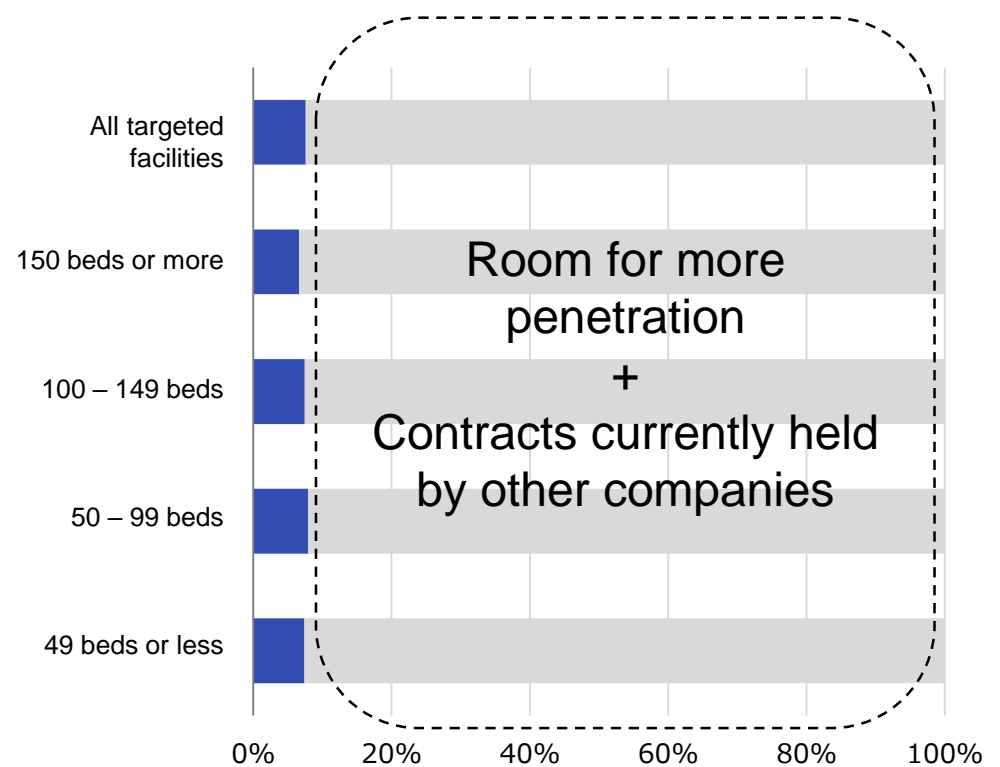
Penetration Rate by Facility Size

- 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



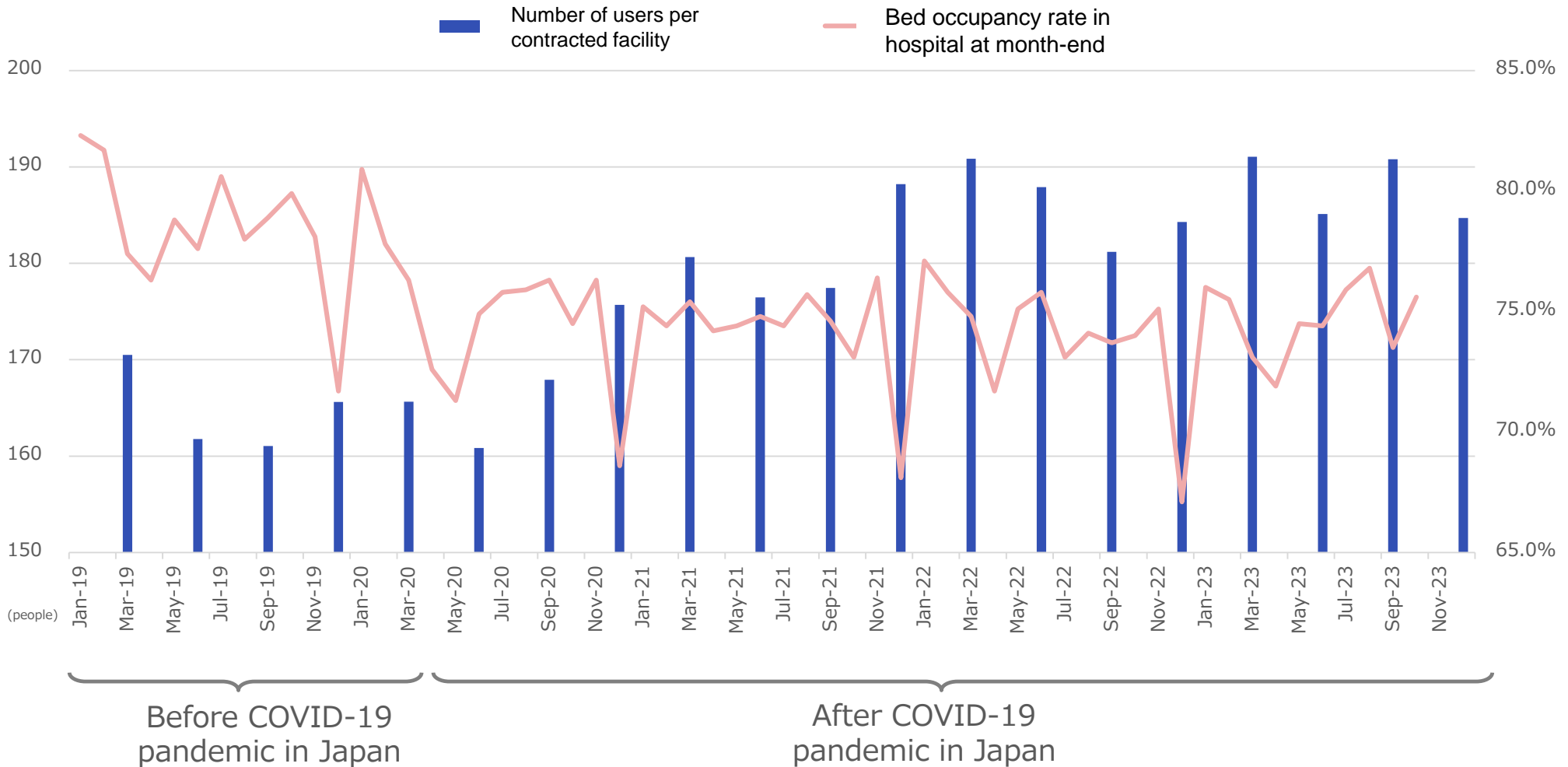
Notes: The blue parts of the charts above represent the penetration rate of our service.

Prepared by ELAN with reference to the Survey of Medical Facilities 2022 and the Survey of Institutions and Establishments for Long-term Care 2022 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.

Trend analysis of CS set usage rate

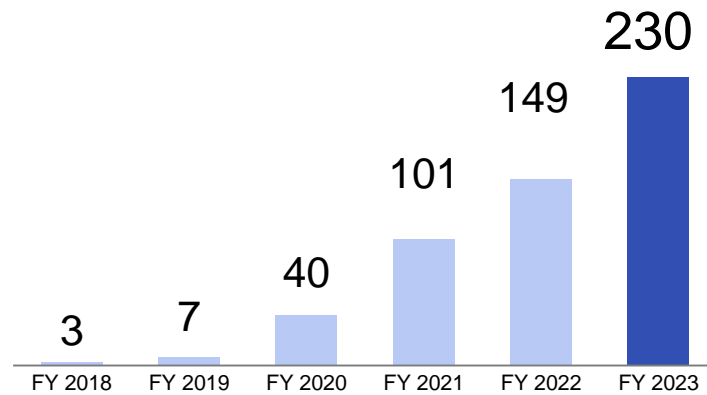
- “Bed occupancy rate in hospital at month-end” continues to decline compared to before the COVID-19 pandemic, and has not recovered.
- “Number of users per contracted facility of CS set (last month of each quarter)” remains strong (CS set maintain a high usage rate).



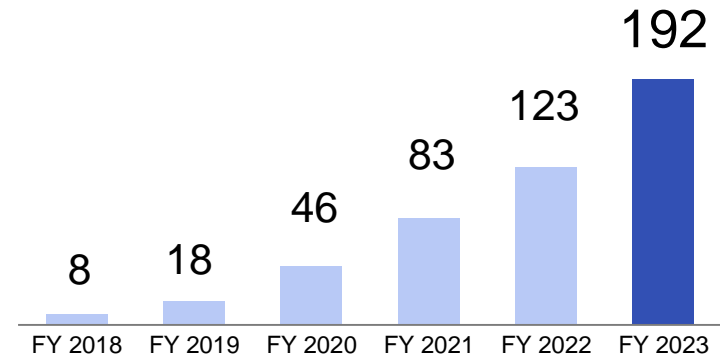
Notes: Prepared by ELAN with reference to the hospital report by the Ministry of Health, Labor and Welfare.

- During negotiations to pass on the increase in purchasing costs, we proposed R and LC as added value, which led to an increase in their introduction into existing facilities this term.
- CS Set R was contracted to 22 existing facilities, and CS Set LC was contracted to 15 existing facilities.

Number of Facilities Contracts for CS Set R



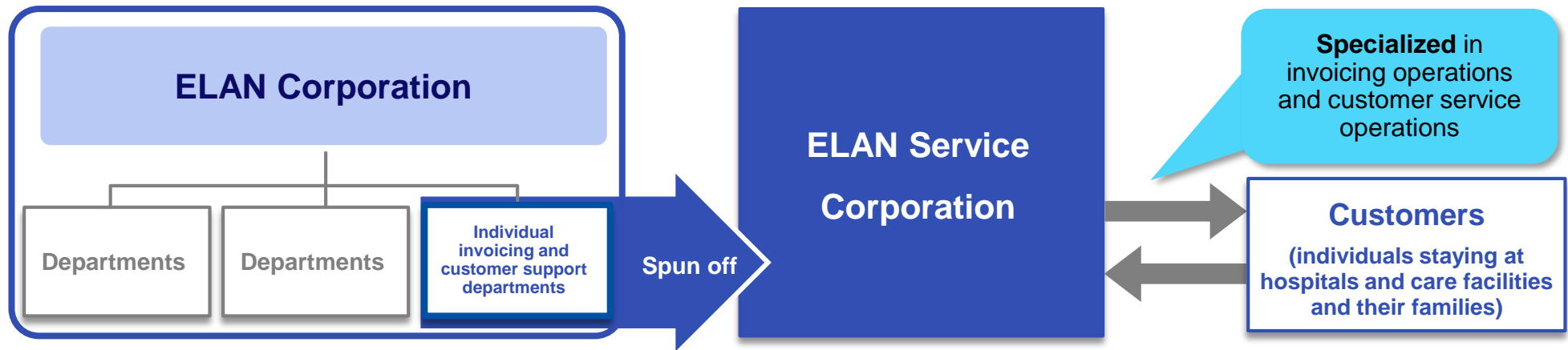
Number of Facilities Contracts for CS Set LC



※Introduction of CS Set R and CS Set LC is on p39.

Expansion and Reinforcement of the Operations of ELAN Service Corporation

- Contracted with 9 companies providing hospitalization set services and received contracts from 36 facilities.
- Contracted with 2 nursery school management companies and received contracts from 2 facilities.



- On August 18, 2023, our subsidiary Elan Rules was certified as a “special subsidiary” based on the “Act on Promotion of Employment of Persons with Disabilities.”
- 13 people with disabilities were engaged in in-hospital resident work for the CS set, goods management work in the distribution warehouse, and clerical work in the customer support department.
- In the future, in addition to contracting out some in-hospital operations from hospitals, we are also considering supporting the employment of people with disabilities on the hospital side, creating employment opportunities for people with disabilities.

Employment of people with disabilities (as of December 31, 2023)

	2023	2024 (Forecast)
Total	13	30
physical disability	4	-
Intellectual disability	3	-
Mental disability	6	-

Special subsidiary certificate issuance ceremony (August 29, 2023)



Left: Tomohiro Minezaki, ELAN Corporation COO
Right: Akira Ishizuka, ELAN COULEUR Corporation president.

Company Overview

- (1) Headquarters : Matsumoto, Nagano Prefecture
- (2) Base location : Nagoya, Aichi Prefecture
- (3) Capital : 30 million yen
- (4) Date of establishment : January 4, 2023
- (5) President : Akira Ishizuka

- GREEN company, which provides laundry services for major hospitals mainly in Ho Chi Minh City, Vietnam, is scheduled to become a 100% subsidiary in March 2024.
- We will continue to investigate the feasibility of hospital-related businesses in Southeast Asia, with a focus on India and Vietnam.

Country	Company	Business type	Investment ratio	Consolidated balance sheet	Companies accounted for using the equity method
India	 Boston Ivy Healthcare Solution Pvt. Ltd. (BIHS)	Sales of medical materials, etc.	5% or less	×	×
India	 Quick Smart Wash Pvt. Ltd. (QSW)	Laundry service for hospitals	42.18%	×	×
India	 AKAL	Temporary staffing	5% or less	×	×
Vietnam	GREEN LAUNDRY JOINT STOCK COMPANY (GREEN)	Laundry service for hospitals	100% (forecast)	○ (forecast)	-

2. Strategies and Forecast for Fiscal 2024

Bringing smiles to your
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 E L A N

- In the 2024 Noto Peninsula Earthquake, we set up a disaster response headquarters immediately after the earthquake and implemented measures for product supply and logistics.
- Relief supplies such as water, portable toilets, and towels were transported to existing facilities and provided free of charge.
- In order to support those affected by the disaster, we provided support by waiving the usage fee between January 1st and January 31st if the disaster victim used the CS set.



Forecast of Operating Results for Fiscal 2024

- The reason for the expected decline in profits in the first half is that we are anticipating increased sales of original patient clothing (Lifte) and M&A-related expenses in Vietnam.
- The sales growth rate in the second half is expected to be due to an improvement in the sales environment for CS sets, an increase in bed utilization rate, progress in price pass-through, etc.

(Millions of yen)

	Fiscal 2023 First Half Results	Fiscal 2024 First Half Forecast	YoY Change	Fiscal 2023 Results	Fiscal 2024 Forecast	YoY Change
Net sales	19,781	22,600	14.3%	41,425	50,000	20.7%
Operating profit	1,801	1,680	(6.7%)	3,665	4,200	14.6%
<i>Operating profit to net sales</i>	9.1%	7.4%		8.8%	8.4%	
Ordinary profit	1,813	1,700	(6.2%)	3,681	4,230	14.9%
<i>Ordinary profit to net sales</i>	9.2%	7.5%		8.9%	8.5%	
Profit Attributable to Owners of Parent	1,253	1,150	(8.2%)	2,518	2,850	13.2%
<i>Profit to net sales</i>	6.3%	5.1%		6.1%	5.7%	
EPS	20.73円	19.02円		41.66円	47.14円	

Expand nationwide market share

- Numerical targets: Sales of 50.0 billion yen, operating profit margin of 8.4%
- Launch of a new branch (Koriyama, Fukushima Prefecture)
- Developing new referral destinations
- Implementation of effective employee training
- Reduction of cancellation rate

Promote digitalization

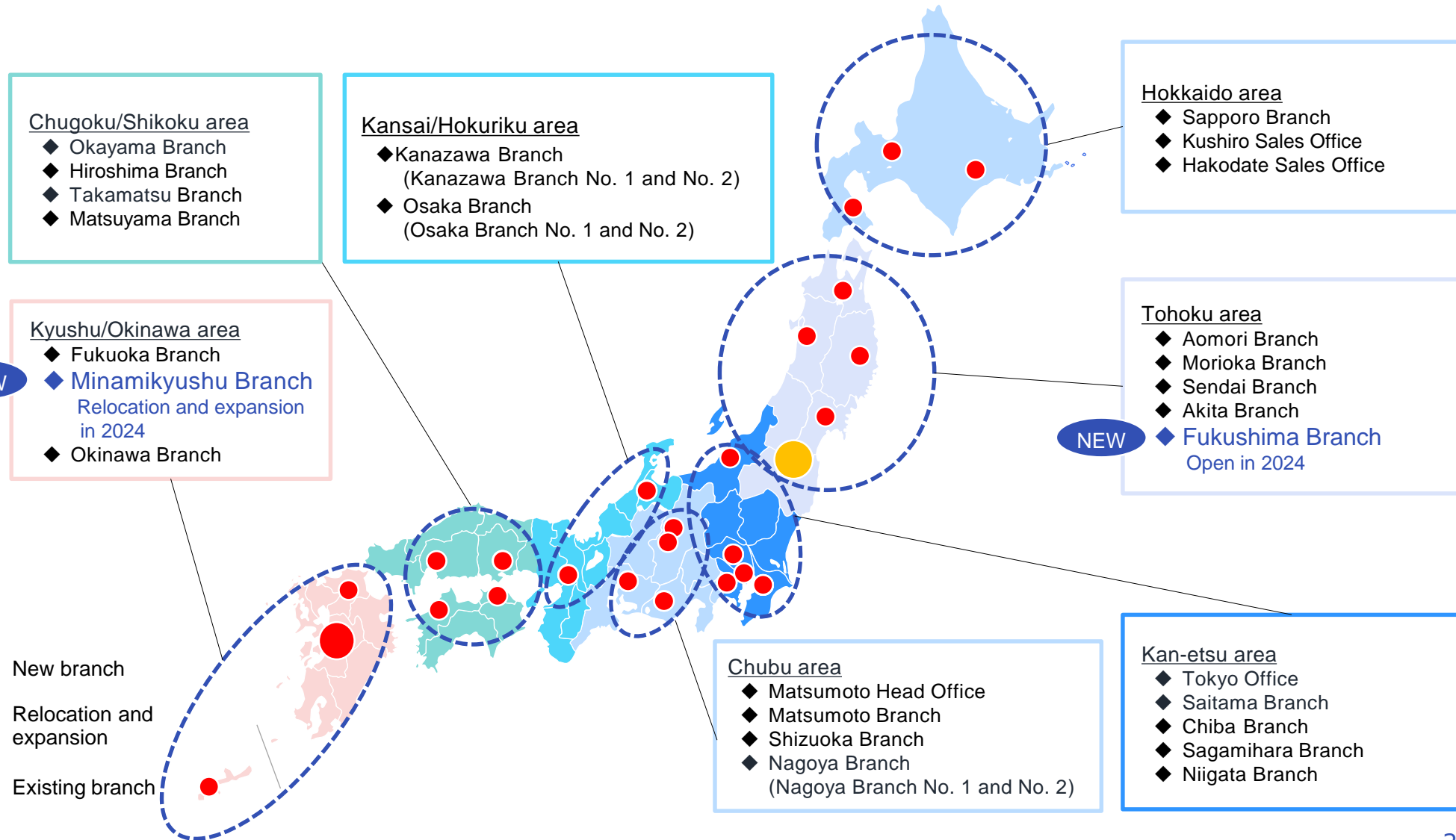
- Promote paperless
- Targeting new customers.
- Monitor existing facilities operation.
- Promote digitization of activity information.

Launch new businesses (Domestic and overseas)

- Selection and concentration, creating new business models
- Expansion of home-based services
- Start of overseas business

Open New Branches in 2024

- Open new branches (Kushiro). Existing branches relocation and expansion (Morioka and Niigata). To strengthen salesforce.



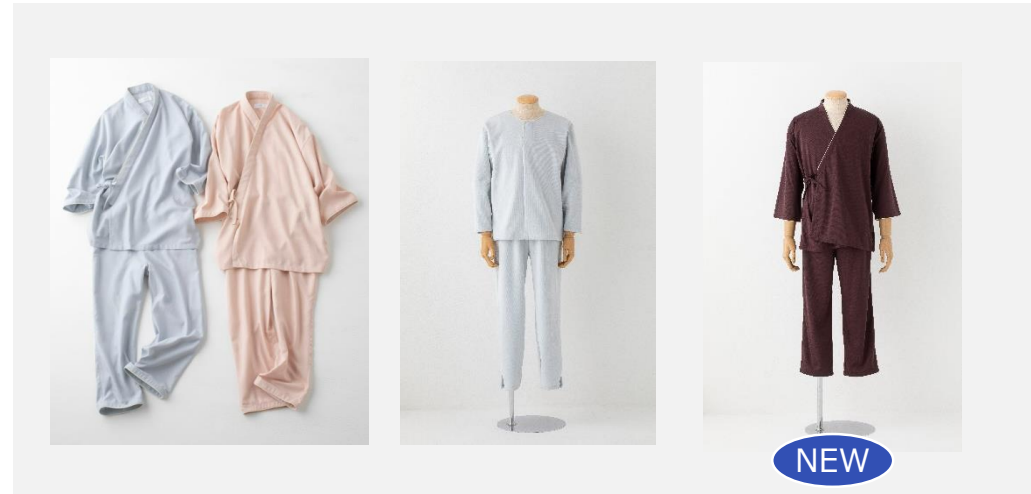
- The original patient clothing (Lifte) has been developed as a new "Noble" based on the concept of luxurious clothing.
- Aiming for contracts with over 200 facilities in 2024.



× *Classico*

lifte **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



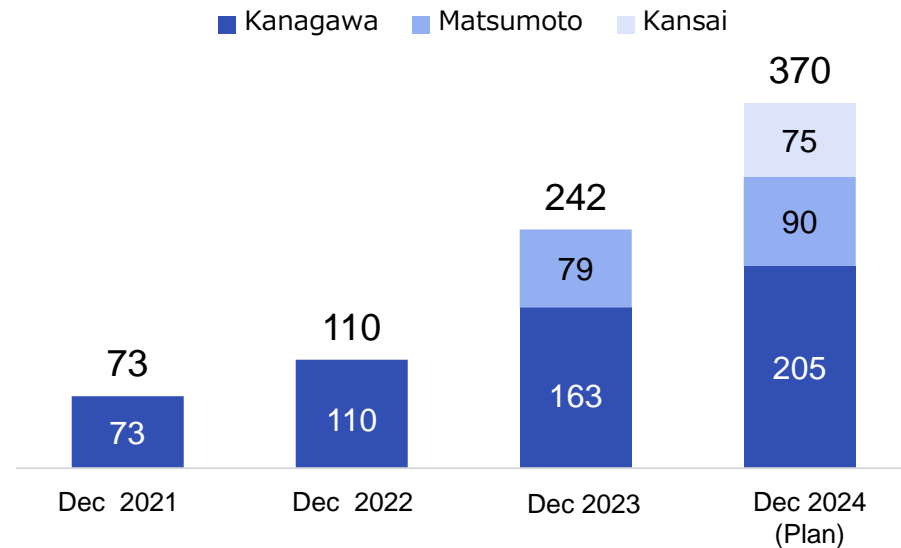
Number of Lifte contract facilities (as of December 31, 2023)

	2021	2022	2023	2024
Contract facilities	1	7	44	-
Forecast	-	-	100	200 or more

- Taking steps to expand our own warehouses and logistics capabilities to better handle deliveries during disasters and mitigate shortage risks.
- Logistics department became a subsidiary and began operations as ELAN LOGISTICS Corporation in January 2024.
- By the end of December 2024, we plan to establish a new base in Kansai and increase the number of in-house delivery facilities to 370 facilities in total.

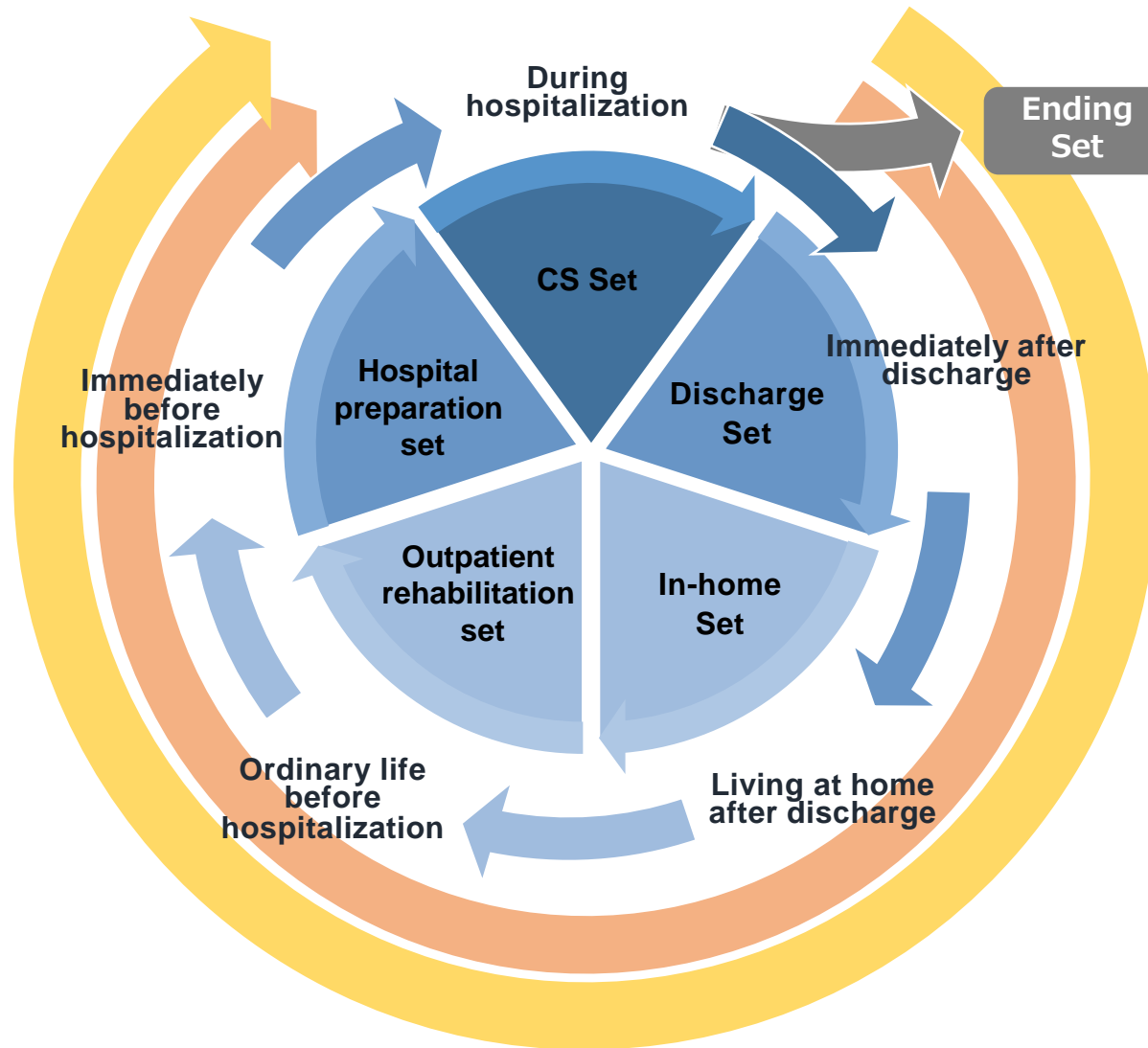


In-House Deliveries (Number of Facilities)

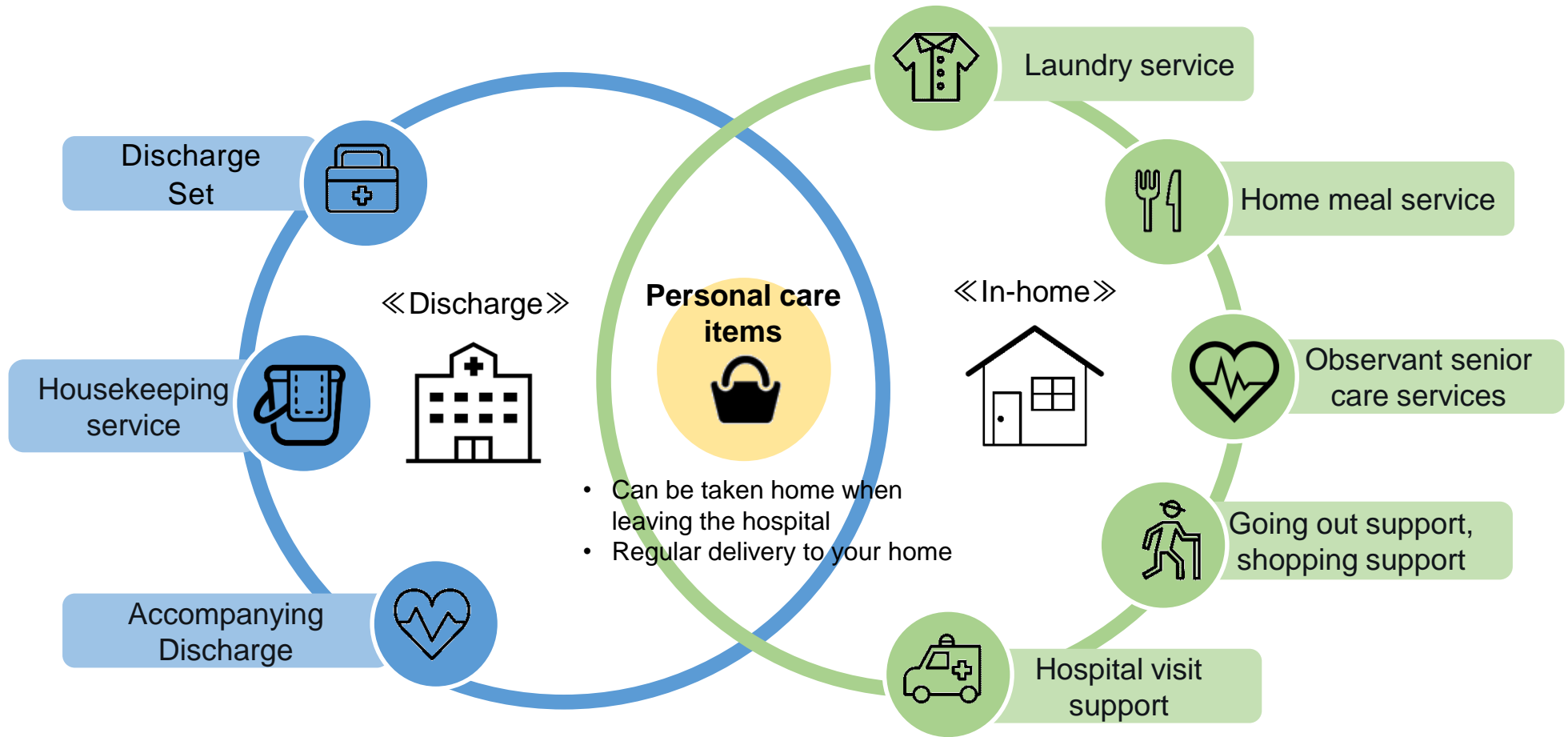


Note: Figures indicate the number of facilities to which in-house deliveries were being made, as of month-end.

- By leveraging our customer contact with over 420,000 monthly CS set users and their families, we have developed a business that solves problems in all directions, from discharge to readmission.



- While you are hospitalized, you can receive a variety of support from the hospital, but the treatment environment changes dramatically for about four weeks immediately after discharge, placing a heavy physical and mental burden on you and your family.
- We provide comprehensive support services for problems that occur sequentially as people adjust to life at home.





medikabazaar
...ProCure & Cure



- In India, we have already invested in Boston Ivy Healthcare Solution Pvt. Ltd. (BIHS), a medical products wholesaler, and Quick Smart Wash Pvt. Ltd. (QSW), an in-hospital laundry company, and AKAL, an IT staffing company.
- In Vietnam, we plan to acquire GREEN LAUNDRY JOINT STOCK COMPANY (GREEN).
- We'll aim to start business by dispatching people from Japan to India and Vietnam in 2024.
- Planning to expand into other countries such as Indonesia, Malaysia, Vietnam, Thailand, Singapore, and Taiwan.

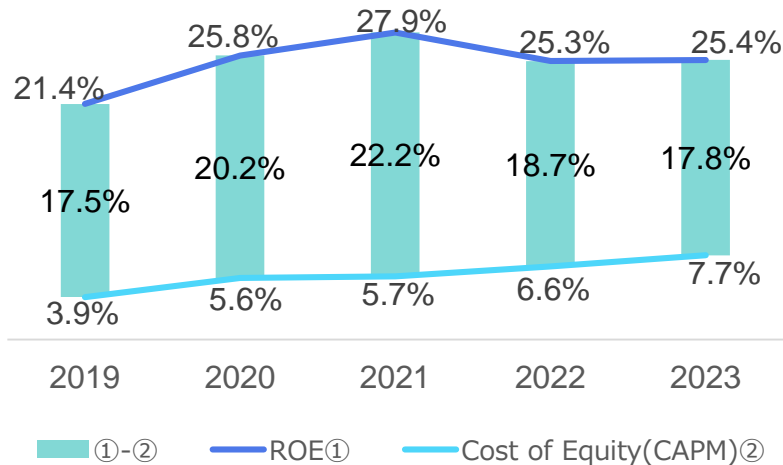
Understand the distribution structure in overseas medical market

Understand trends in overseas linen supply market

Feasibility study of the healthcare business

Expand into the overseas market and export to other countries

Trends in capital cost and ROE using CAPM



Points of past trends

- ROE > Cost of equity, which means that the company continues to generate profits that exceed the expected profits of shareholders.
- The main reasons for the downward trend in "ROE-Cost of equity" from FY2022 are:
 - ① Due to delays in price pass-through, etc., net profit margin decreased and ROE also decreased.
 - ② Increase in cost of equity due to increase in β .

Decomposition of cost of equity

	2019	2020	2021	2022	2023	想定
Cost of Equity	3.9%	5.6%	5.7%	6.6%	7.7%	
Risk free rate	-0.03%	0.02%	0.07%	0.41%	0.62%	Japan's 10-year government bond yield
B	0.62	1.02	1.03	1.11	1.29	Calculation period: 5 years
Risk premium	6.27%	5.45%	5.49%	5.62%	5.45%	Japanese stocks over the past 50 years -Japan's 10-year government bond yield

Points for future response

- Make growth investments to achieve sustainable growth and aim to increase profitability and ROE.
- Aim to reduce capital costs by enhancing information disclosure, proactive IR activities, sustainability management, and strengthening governance.
- Through each measure, improve corporate value.

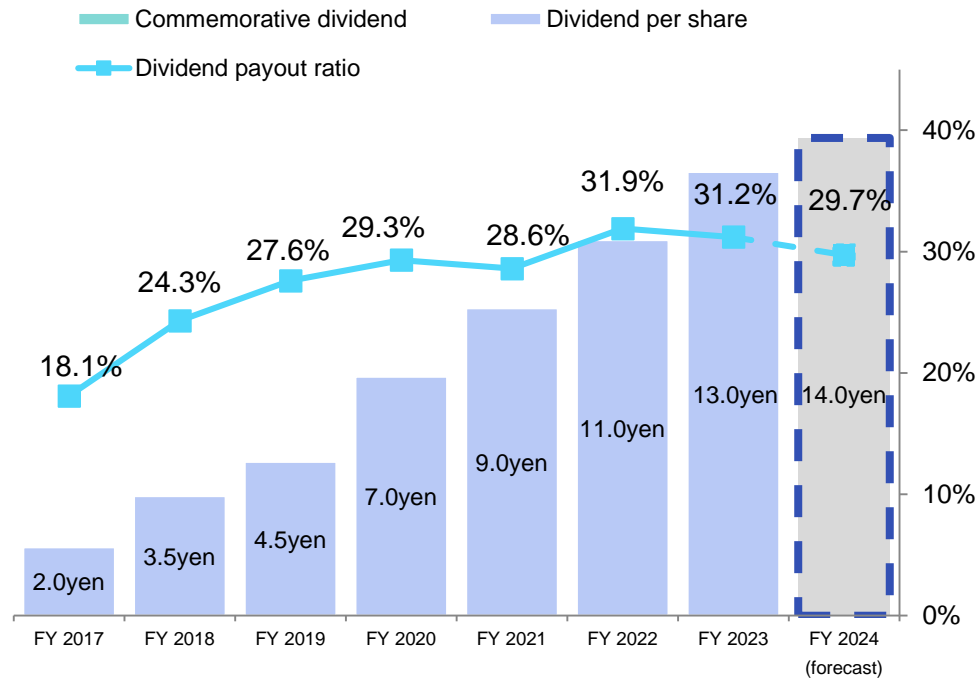
- In 2025, the final year of our medium-term management vision, we aim for sales of 60 billion yen from CS sets and 8 billion yen from new businesses and overseas businesses.
- We are aiming for a double-digit operating profit margin through systems such as individual billing for CS sets and inventory management to improve operational efficiency.

	2022 (Results)	2023 (Results)	2024 (Forecast)	2025 (Forecast)
Net sales	36.2 billion yen	41.4 billion yen Forecast:43.7 billion yen	50.0 billion yen	68.0 billion yen (CS sets 60.0 billion yen)
Operating profit	3.39 billion yen	3.66 billion yen Forecast:3.60 billion yen	4.20 billion yen	7.00 billion yen
Operating profit to net sales	9.4%	8.8% Forecast:8.2%	8.4%	10.3%
ROE	25.3%	25.4% Forecast:25.2%	24.1%	26.0%
Dividend payout ratio	31.9%	31.2% Forecast:29.0%	29.7%	30.0%
Penetration rate of the target market	13.9%	15.0% Forecast:16.7%	18.5%	26.0%

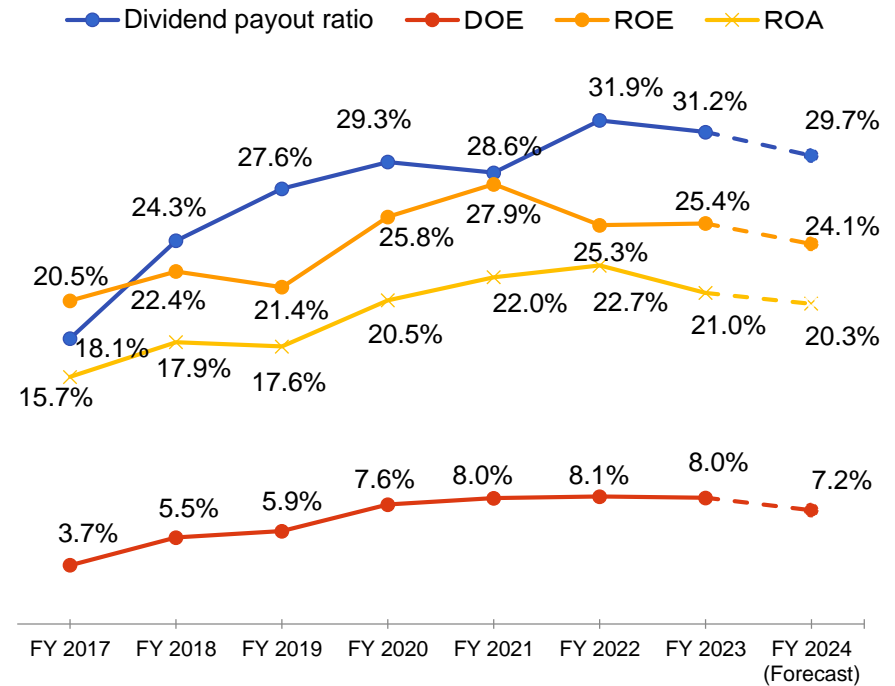
2023 to 2025 Medium-Term Management Vision

- The year-end dividend forecast for fiscal 2024 is 14.0 yen per share.
- The consolidated payout ratio for fiscal 2024 is projected to be 29.7%.

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.

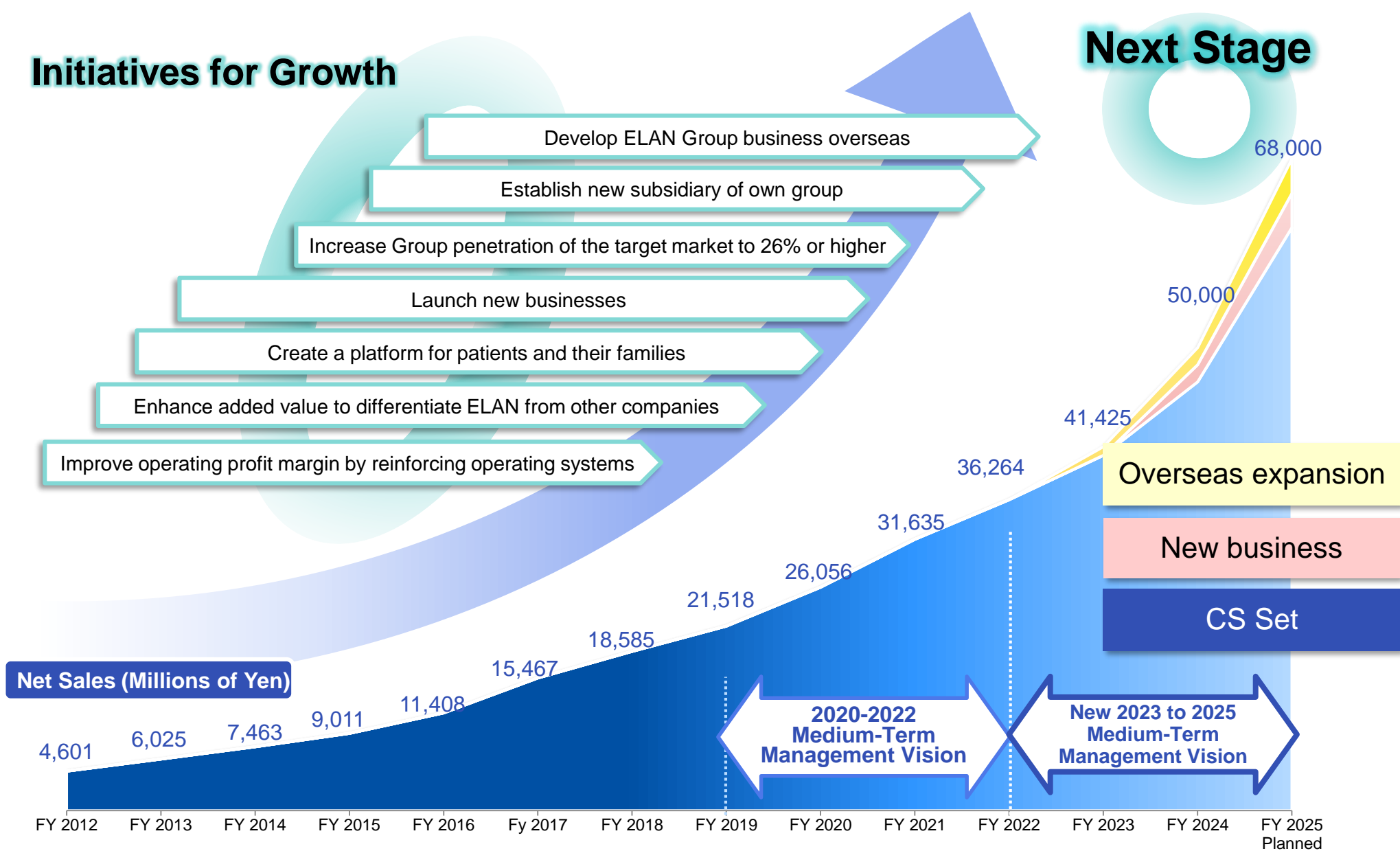
- Policy to enhance ESG response and information disclosure to improve shareholder value over the medium to long term.
- Disclosed GHG emissions Scope 1 to 3 in the integrated report “[ELAN REPORT 2023](#)” released in December 2023.
- We plan to enhance information disclosure regarding human capital management in the securities report for the fiscal year ending December 2023.

Materiality		2022	2023	2024	2025	2030
Whole			<ul style="list-style-type: none"> ● Identifying materiality and setting goals ● Establishment of Sustainability Committee 			
Environment	Provide stable services, reduce environmental burdens		<ul style="list-style-type: none"> ● Build own warehouse and logistics 	<ul style="list-style-type: none"> ● Climate change-related information disclosure based on TCFD recommendations 		
Social	Support the promotion of health and wellbeing of all people/Realize a society full of smiles		<ul style="list-style-type: none"> ● Establishment ELAN COULEUR Corporation (with the aim of creating employment opportunities for people with disabilities) 		<ul style="list-style-type: none"> ● Enhancing information disclosure regarding human capital management 	
Governance	Establish and maintain a sound, sustainable business foundation		<ul style="list-style-type: none"> ● Strengthening corporate governance ● Enforce safe driving ● Strengthening compliance education 			

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



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

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 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

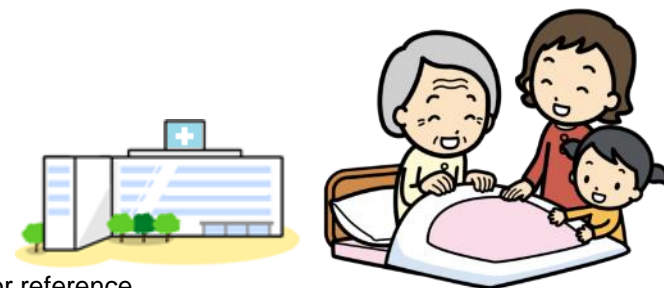
Tomohiro Minezaki,
COO



Company name	ELAN Corporation
Business	Medical and nursing care-related business (CS Set)
Established	February 6, 1995
Capital	573 million yen
Net sales	41,425 million yen (fiscal 2023)
Ordinary profit	3,681 million yen (fiscal 2023)
Headquarters	Matsumoto, Nagano Prefecture
Representative	COO: Tomohiro Minezaki
Number of employees	692 (as of December 31, 2023)
Business locations	Headquarters in Matsumoto Tokyo office (business strategy and marketing) Location in Matsumoto Murai (customer response) Sales bases Hokkaido area Sapporo/Hakodate/Kushiro 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, ELAN COULEUR Corporation, ELAN LOGISTICS Corporation
Listing	Tokyo Stock Exchange (TSE) Prime Market (Securities code: 6099)
Certifications	Privacy mark system, Eruboshi certification, Kurumin certification

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

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



Example of the CS Set Standard Plan

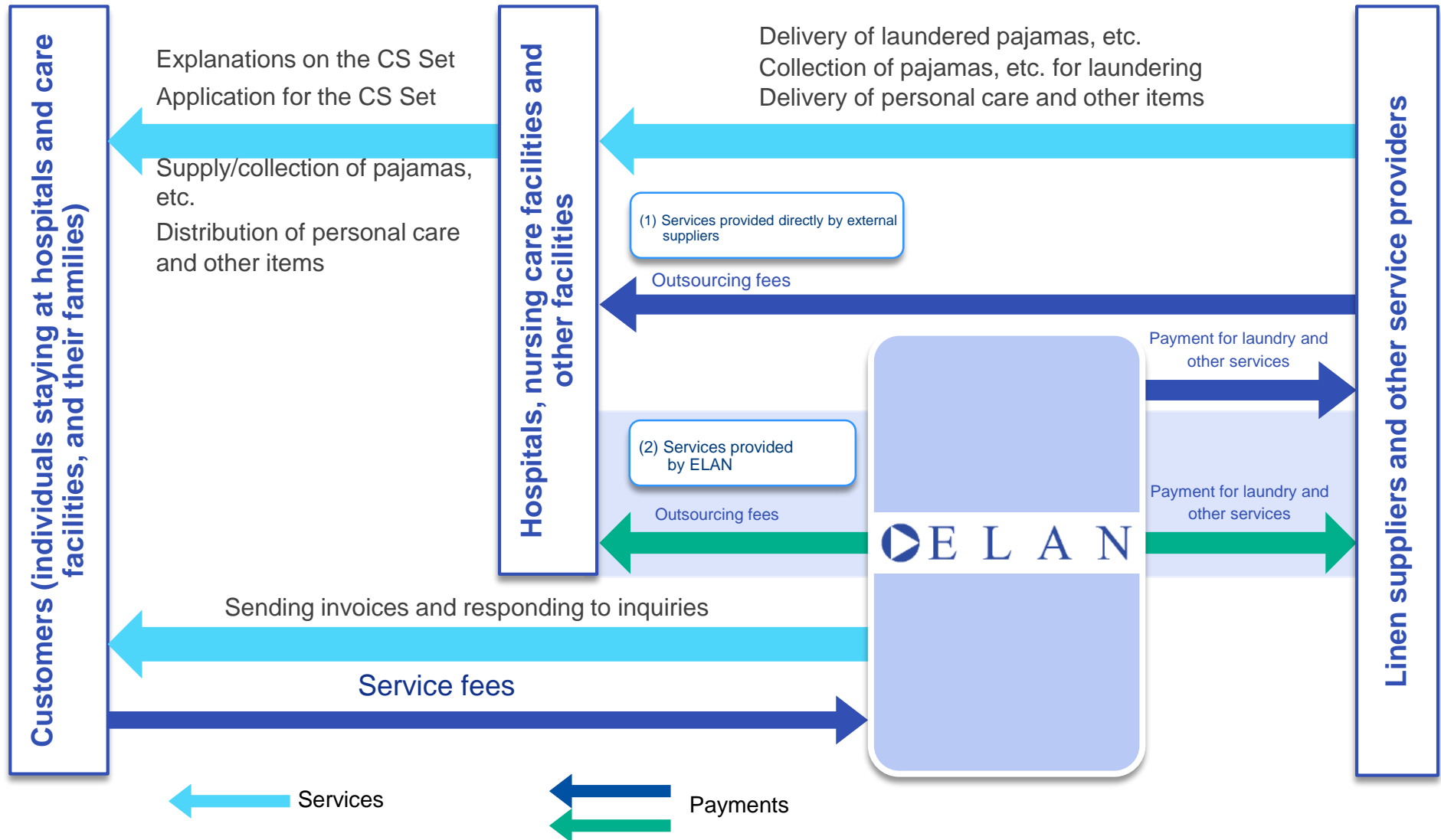
Note: The daily fees shown below are for reference.

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

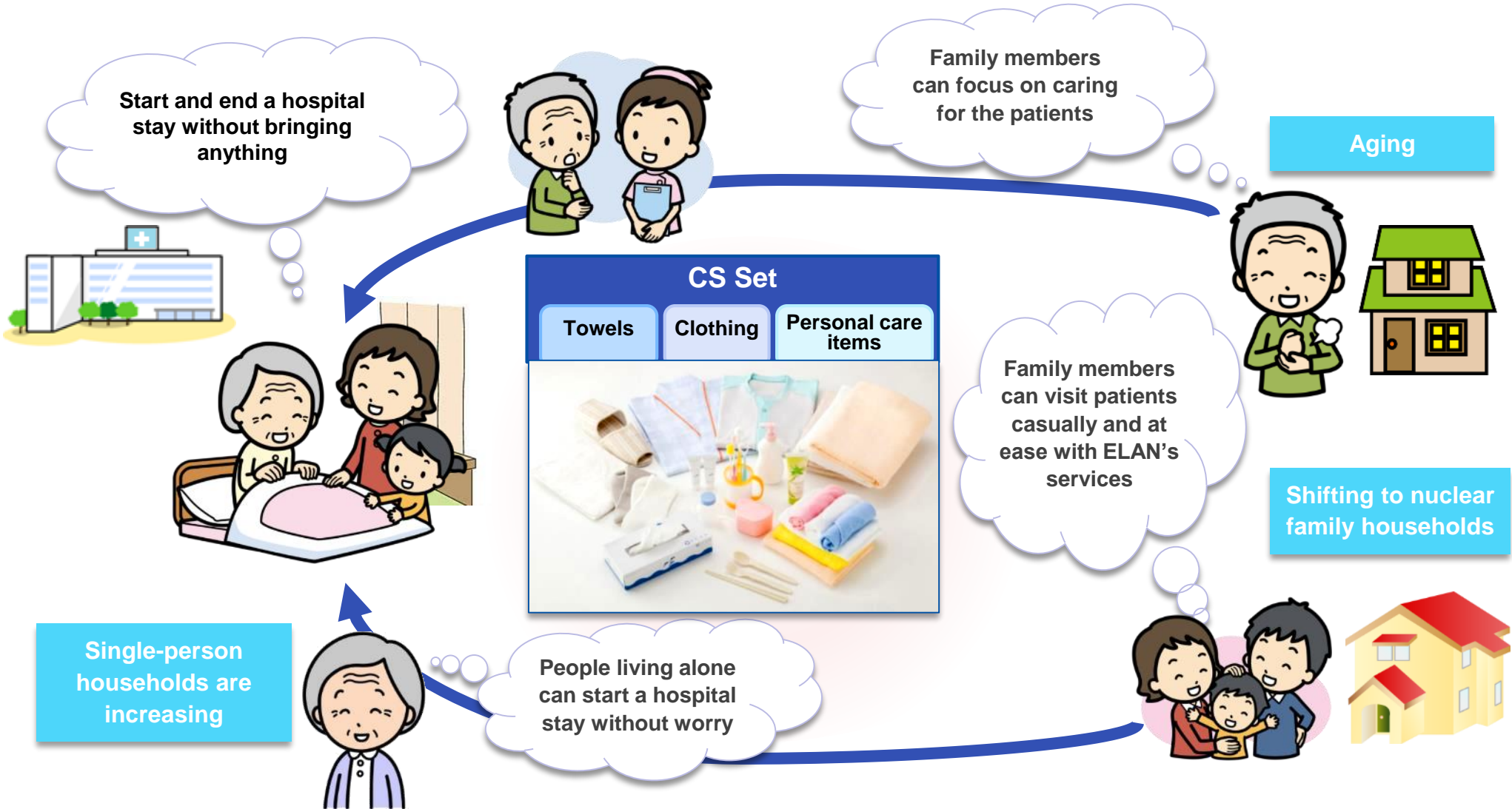
(Example) Seven-day hospital stay under Plan B
 $500 \text{ yen} \times 7 \text{ days} = 3,500 \text{ yen}$



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

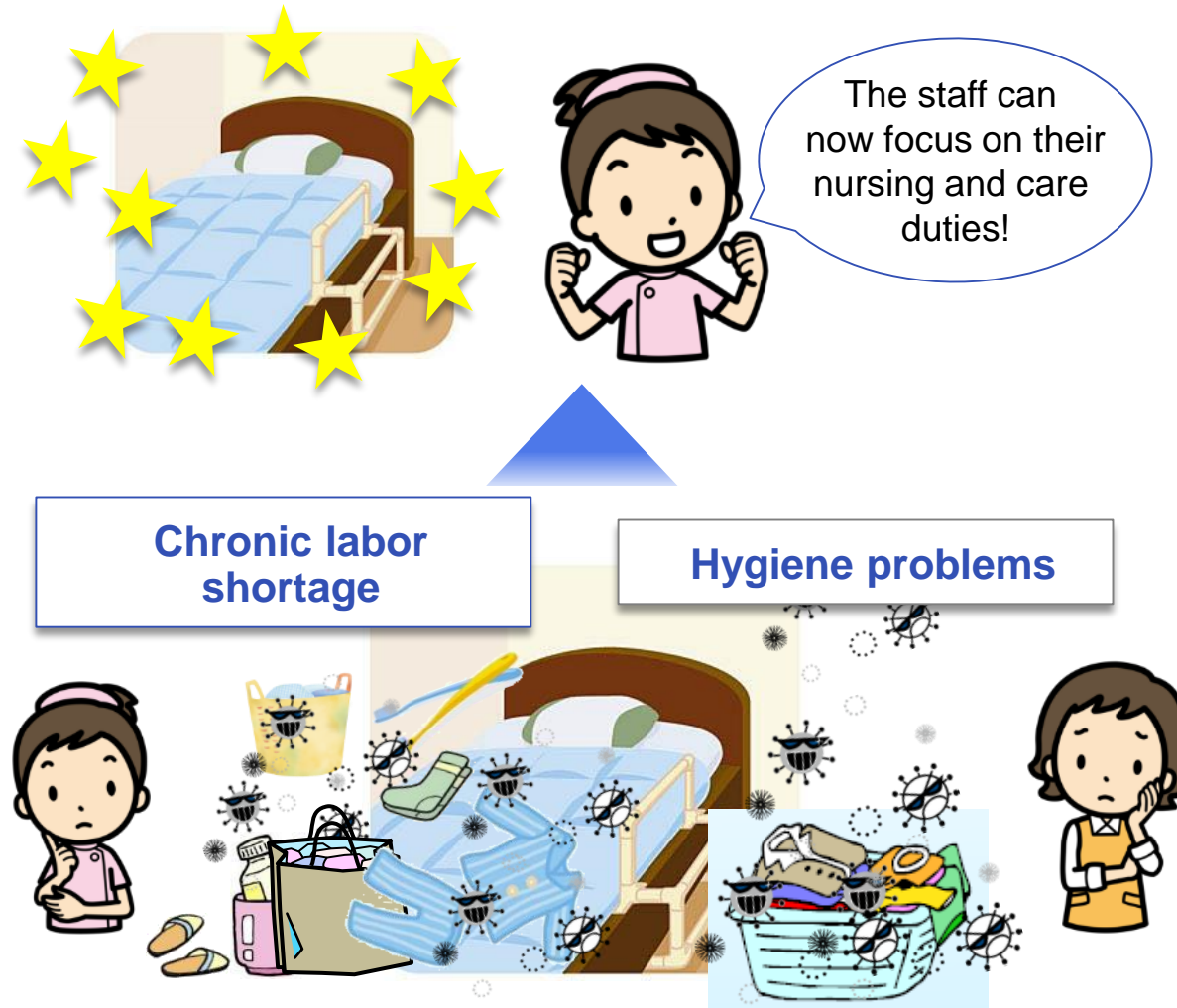


The CS Set provides patients and their family members with ease and comfort



Many advantages for the nursing and care frontlines

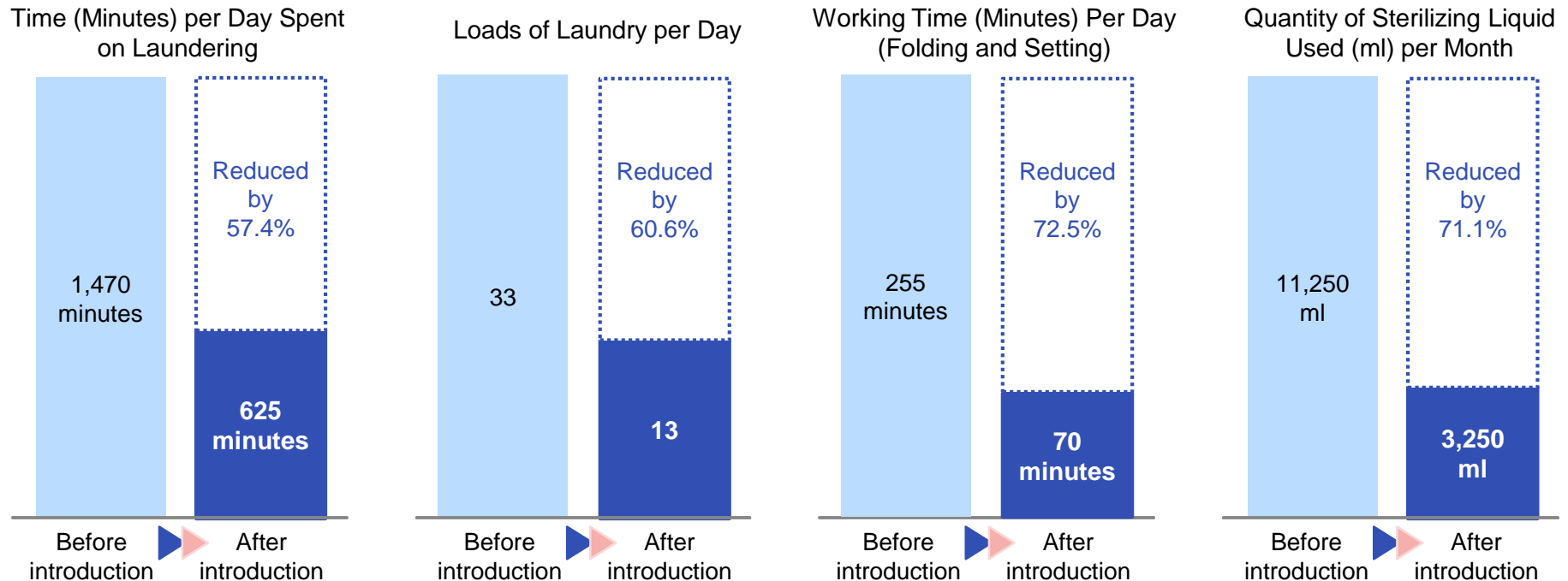
Solves problems for hospitals and nursing care facilities



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

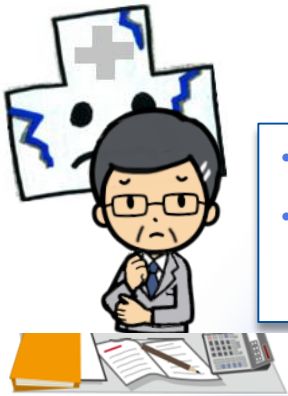
Effects of Introducing the CS Set: A Case Example

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



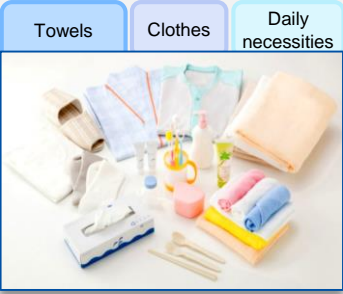




- Existing hospital-related businesses are saturated
- Cost reductions are strongly requested
- New opportunities for earning profits are needed



- 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>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

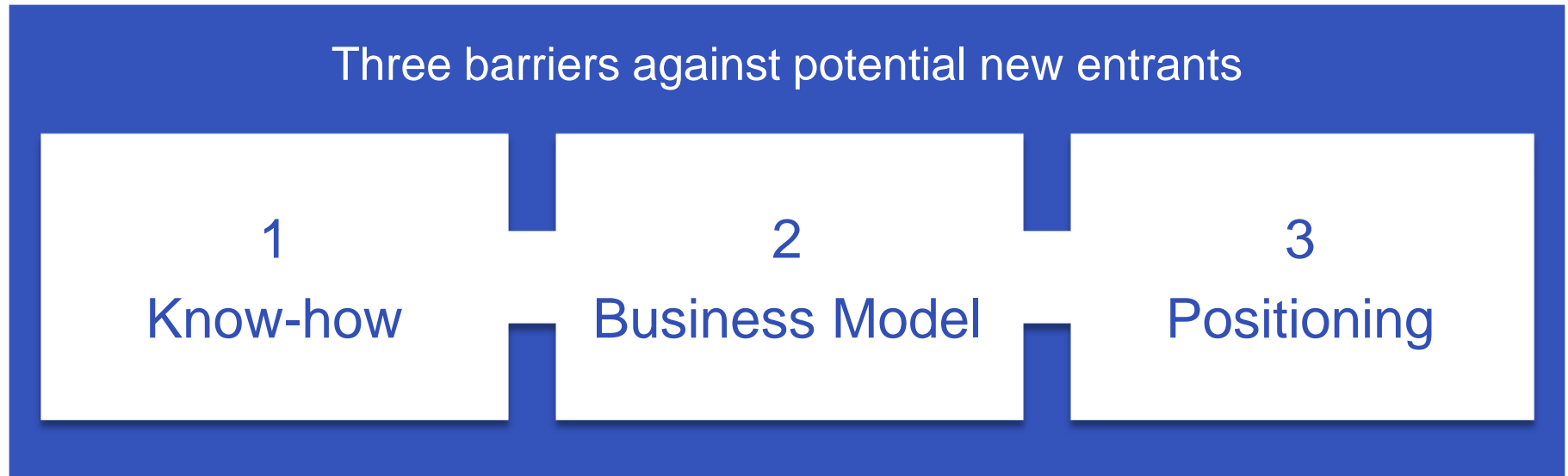
- A business model built on ongoing business relationships with partners to achieve mutual success

3

Positioning

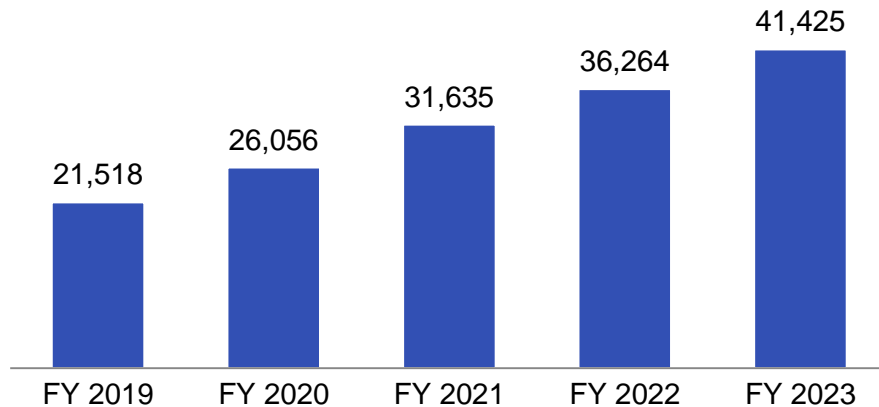
- ELAN is independent and open, being unaffiliated with any other corporate group

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

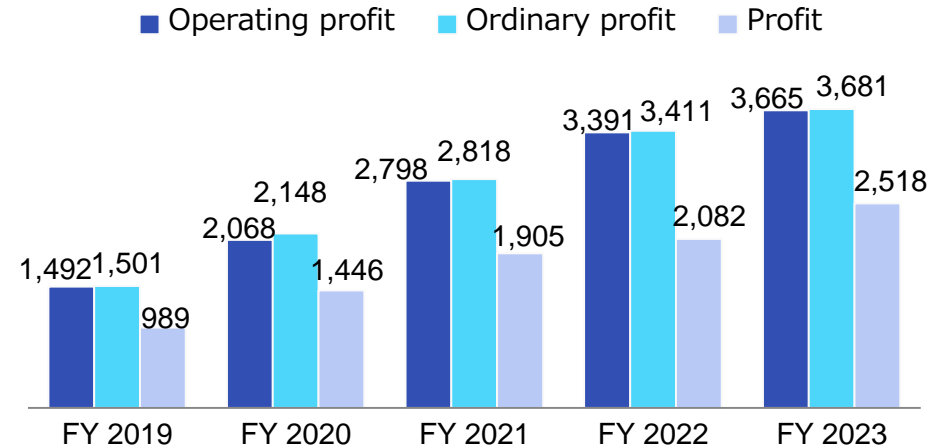


We are building even higher barriers to entry by accumulating know-how and firmly establishing our position in the industry.

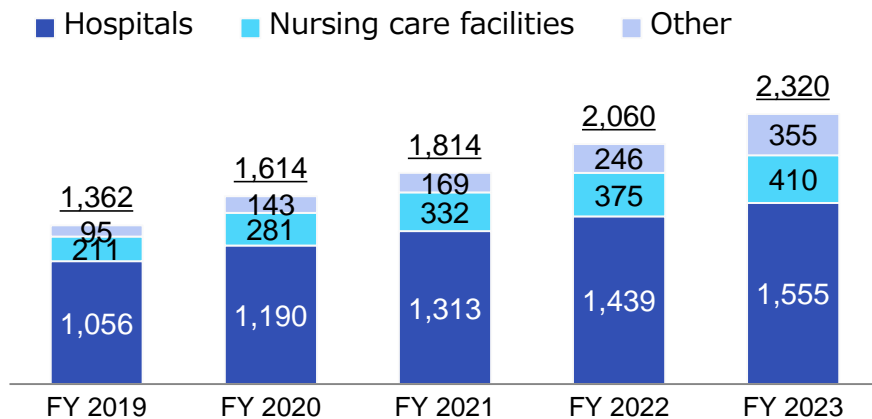
Net Sales (Millions of Yen)



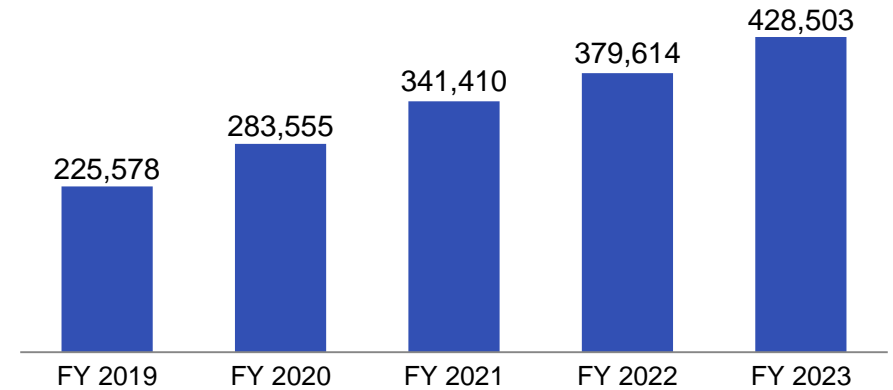
Profits (Millions of Yen)



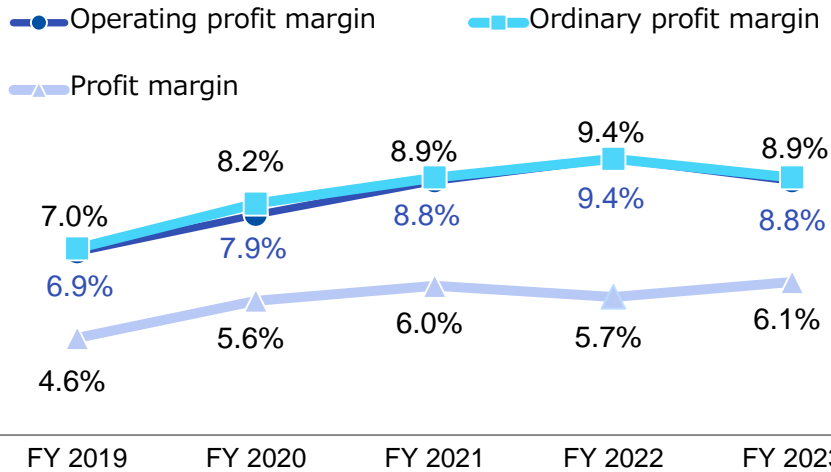
Number of Contracted Facilities



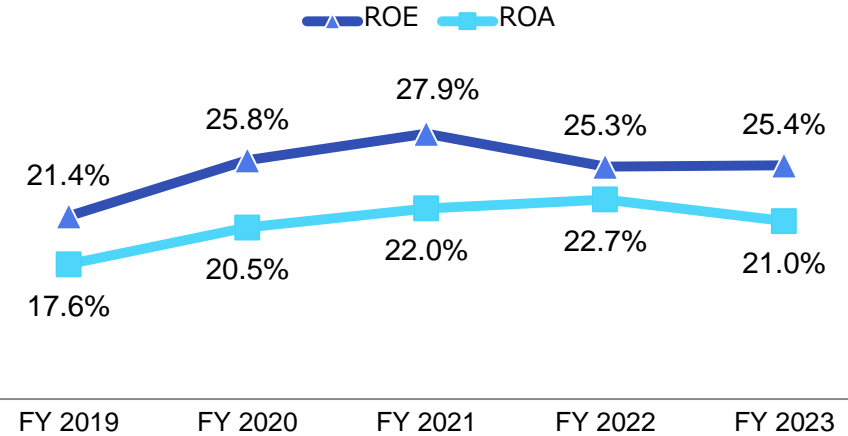
Number of Monthly Users (People)



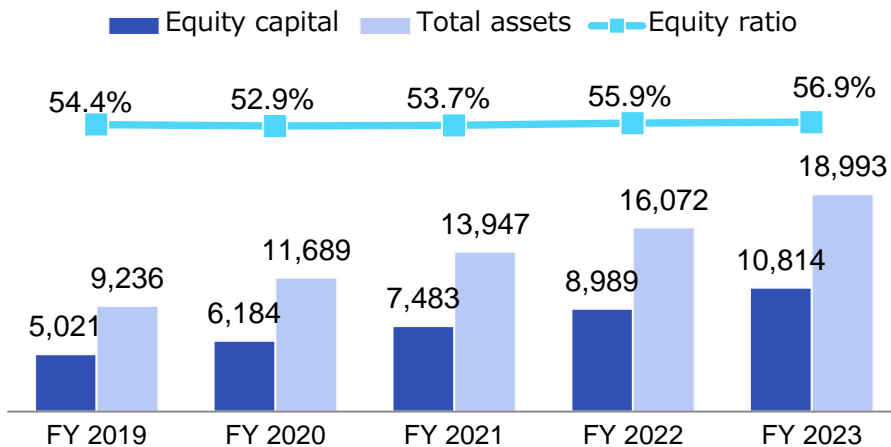
Profit Margins



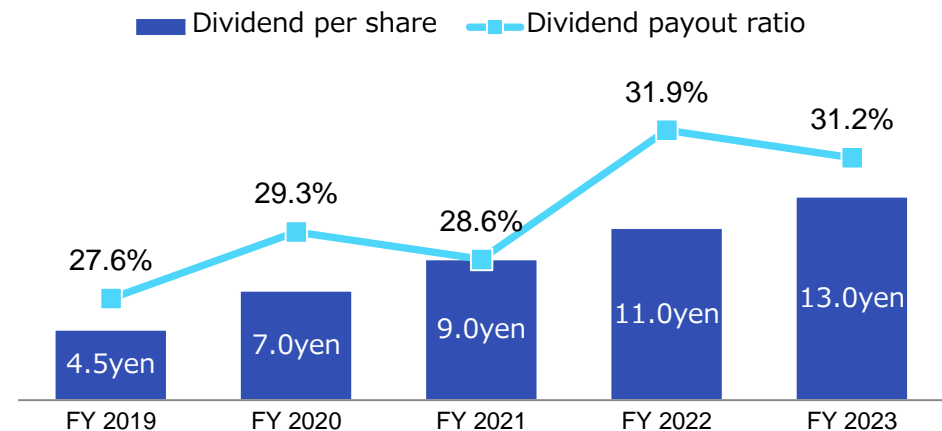
ROE and ROA



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 26, 2024) 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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