

For the Japanese version, please refer to the Japanese PR of "Notice of Publication of Transcript of logmi Finance 2nd Quarter Financial Results Briefing for the Fiscal Year Ending June 2024" published on February 22, 2024.

Presentation

Financial Results Report

Q2 FY06/2024

OLBA HEALTHCARE HOLDINGS, Inc .

(Former KAWANISHI HOLDINGS CO., LTD.)

(Ticker :2689)

This presentation includes machine translation.
Please consider that some content may not be perfectly accurate or contextually appropriate.



[Title]

OLBA HEALTHCARE HOLDINGS, Inc. posts record-high sales for H1 of the fiscal year, including salary base increase and system investment to promote DX.

[Lead]

The following is a transcription of the financial results presentation of OLBA HEALTHCARE for Q2 of the fiscal year ending June 30, 2024, which was released on February 16, 2024.

[Speaker]

Mr. Yohei Maeshima, President and CEO, OLBA HEALTHCARE HOLDINGS, Inc.

[Text]

Contents

- **Corporate Philosophy and Sustainability**
- **Q2 FY6/2024 Results**
- **Forecasts and Basic policy on dividends for FYE June 2024**
- **Medium-term business plan**
- **Reference Materials**

Maeshima: I am Yohei Maeshima, President and CEO. Thank you for taking time out of your busy schedule today to watch the financial results presentation of our group.

First of all, we would like to express our deepest sympathies to the victims of the Noto Peninsula earthquake. We pray for the earliest possible recovery and the return of peaceful daily life.

Today's presentation will follow the slides.

<h2>Corporate Philosophy (Purpose)</h2>



Corporate Philosophy (Purpass)

**Aiming to develop medical science,
medical care, and long-term nursing
care through our business endeavors**

First, let me explain our corporate philosophy and sustainability-related matters. Our corporate philosophy purpose is to contribute to the development of medicine, medical care, and nursing care through business, and to contribute to the health and longevity of the people.

Formulation of Basic ESG Policy

Formulated the Basic ESG Policy based on the Employee Charter



Environment (environmental)

- Aiming to Realize a Sustainable Society by Considering Environmental Impact Reduction and Environmental Conservation
⇒ Calculate greenhouse gas emissions and energy consumption, and implementation efforts to reduce environmental impact

Social (Social)

- Aiming for Diversity in Human Resources and Working Styles, and Employees Being Healthy and Vibrant
Promoting Work Style Reforms to Continue Working

Governance (Governance)

- Fulfill responsibilities to employees, customers, business partners, and local residents in response to the mandate of shareholders
- Ensuring Management Transparency, Efficiency, and Soundness
- As a holding company of the Group, strive to increase the value of the Group

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※For more information, please refer to the November 14, 2022, Announcement of the Establishment of the Basic Approach to ESG.

COLIA HEALTHCARE HOLDINGS, Inc.

Based on our employee charter, we will provide value to our stakeholders: customers, business partners, employees, local communities, and shareholders, in a sincere and continuous manner and pursue sustainable management. We established and disclosed our basic policy on ESG in November 2022, and an updated version was disclosed in January 2024.

In the area of Environment, we have begun to reduce our environmental impact by compiling and monitoring greenhouse gas emissions and energy consumption. The Social area is explained on the next slide.

In the area of Governance, our policies are to fulfill the trust of our shareholders and fulfill our responsibilities to our employees, customers, business partners, and local residents, ensure the transparency, efficiency, and soundness of management, and as the holding company of the Group, realize value enhancement for the Group.

ESG Initiatives (S: Society)

Investing in Human Capital and Working Style Reform



- **Improvement of employee treatment**⇒ Periodic salary increase + about 3% to 4% for bears
- **Male employees taking childcare leave**⇒ Increasing trend
- **Introduction of flextime and telecommuting, and promotion of "Sansei" campaign**
⇒ Improving the work environment and organizational culture

Initiatives for Health Management

- **Certification of 2023 Excellent Health and Productivity Management Corporation (Large Enterprise)**
- **Establishment of Health Management Promotion Committee**

Initiatives for Society

Provision of safe and highquality medical and nursing care equipment and services

- **Stable supply of medical equipment**
- **Response to Natural Disasters and Pandemics**
- **Development of human resources who can contribute to resolve customer issues**



I will discuss our efforts in the Social area. We will invest in human capital and promote reform of work styles. In this context, we have implemented a periodic pay raise and base pay increase of 3% to 4% in July 2023 at all group companies.

The number of male employees taking childcare leave is also gradually increasing at all group companies. In addition, through the introduction of flextime and telecommuting and the promotion of the Call Name With -san Campaign, we are working to create a comfortable work environment and improve our organizational culture.

Because of my background as an internist, I am actively promoting health management initiatives. As a result, our company was certified as one of the Excellent Health Management Corporations, Large Corporations, in 2023, promoted by the Ministry of Economy, Trade and Industry. In addition, a Health Management Promotion Council has been established and measures to enhance health management are currently being formulated.

With regard to initiatives for society, we are promoting efforts to ensure a stable supply system, formulate BCPs, and develop human resources so that we can provide safe and high quality medical and nursing care equipment and services to the community.

SDGs (Sustainable Development Goals)

OLBA Six Priority Targets



In countries around the world by 2030
17 development objectives to be achieved
(United Nations)



Connecting People and the Future

Connecting us to the future



Mission



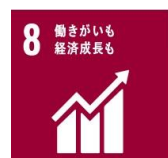
Advanced medical devices
Development/intro
duction



Acknowledge the
difference
Respect



In medical and
nursing care
Not to stop



Exercise
capabilities
Can do
Creating an
Environment



Medical-
engineering
collaboration
Strengthened a
strengthening

The SDGs are 17 Sustainable Development Goals established by the United Nations in 2015 that must be achieved by 2030. Our six goals are: 3, Health and well-being for all; 5, Achieve gender equality; 8, Job satisfaction and economic growth; 9, Create a foundation for industry and technological innovation; 13, Take concrete action on climate change, and 17, Achieve our goals through partnership.

CSR Initiatives: Community-Based Social Contributions

Working together with local residents to create a future conducive to regional development and revitalization

Faziano Okayama Club sponsor

Established in 2006 as Okayama Prefecture's first professional soccer club Entered J2 League in 2009



Okayama TEC PLANTER Partner companies

With the creation of new businesses based on technologies originating in Okayama
Venture development and support



Okayama Rivets Team sponsor

Male Table Team established in 2018
The national T league the national T league
Participated in



Ohara museum of art Official partner

Established in 1930 in Kurashiki City, Okayama Prefecture
Japan's first private art museum focusing on western art



This section describes our CSR initiatives. Our head office is located in Okayama City, Okayama Prefecture. As community-based social contributions, we cooperate with Fagiano Okayama of the J2 soccer league, Okayama Rivets of the table tennis T-League, OKAYAMA TECH PLANTER, a tech venture development support program, and Ohara Museum of Art in Kurashiki City, Okayama Prefecture, as a sponsor or partner.

We will continue to work together with the local community, looking to the future that will lead to the development and revitalization of the region.

Consolidated Financial Results for the Second Quarter of Fiscal 2024

Record high net sales in the interim financial results

	JPYmn	Comparison with budget	YoY
Sales	57,466	Δ0.5%	+7.0%
Gross profit	6,430	Δ2.4%	+4.0%
Sales GPM	11.19%		
SG&A expenses	5,683	Δ2.6%	+6.7%
Operating profit	746	Δ0.8%	Δ12.5%
Recurring profit	746	Δ1.6%	Δ13.2%
Net profit attributable to owners of parent	486	Δ0.2%	Δ11.2%

Quarterly net income per share
81.01 yen

[Factors behind the decrease in operating income] (YoY)

- Investment in human capital (salary base pay increase)
- Reinforcing personnel to strengthen the organizational structure
- To invest in promoting DX

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HOLDINGS, Inc.

I would like to provide an overview of our business performance for Q2 of the fiscal year ending June 30, 2024. Consolidated net sales were JPY57,466 million, operating profit was JPY746 million, ordinary profit was JPY746 million, and net income attributable to owners of the parent was JPY486 million.

Net sales reached a record high for an interim period. Net income per share was JPY81.01.

The YoY decrease in operating profit was due to the base salary increase at the beginning of the period under review as an investment in human capital, personnel reinforcement to strengthen the organizational structure, and increased investment in systems to promote DX.

Impact of New Corona Infectious Disease, Inflation, and Yen Depreciation

- The number of operations has generally recovered to pre-corona levels
 - Increase the rate of vaccination, take measures against infectious diseases at hospitals, change to 5 communicable diseases, etc.
 - Corona-related product demand trending downward
- Increase in purchase prices due to global inflation and depreciation of the yen
 - Prices of medical devices, which have many overseas products, are on an upward trend
 - Implemented measures to expand sales activities and improve purchasing
 - Progress in passing on these costs to sales prices, ensuring a certain level of profit

Number of operations recovered until before Corona
Consumables sales up, but corona-related demand paused

Next, I will explain the impact of the new COVID-19 infection, global inflation, and yen depreciation on our business. The number of surgeries, which has a significant impact on business performance, has generally recovered to pre-pandemic levels due to improved vaccination rates, infection control measures at hospitals, and the shift to Category 5 infectious disease of COVID-19. As the pandemic subsides, demand for examination-related products and infection control products such as masks and gloves is declining.

In addition, global inflation and the weak yen have increased the purchase price of medical equipment, many of which are made overseas. However, the Company has been able to secure a certain level of profit because it has implemented measures such as expanding sales activities and improving procurement, and has made progress in passing the cost of goods sold onto selling prices.

[Interim] Medical Devices and Consumables

Total partners in the medical field

Medical equipment [93.3%]



JPYmn	Act.	Comparison with budget	YoY
Sales ^{※1}	54,284	Δ1.1%	+7.1%
Operating profit	668	Δ2.1%	Δ9.0%



JPYmn	Sales Results ^{※2}	YoY
Kawanishi Corporation	36,364	+6.4%
Sansei Medical Materials Co., Ltd.	13,195	+11.8%
Nikko Medical Materials Co., Ltd.	5,327	+4.0%

※1 Net sales (including changes from budget and changes from the previous fiscal year) include intersegment sales 14

※2 Sales results of individual companies include the amount of transactions between group companies COLIA HEALTHCARE HOLDINGS, Inc.

I will now explain our performance by business segment. Net sales in the medical devices and consumables business were JPY54,284 million, up 7.1% from the previous year, and operating profit was JPY668 million, down 9% from the previous year.

YoY sales by operating company are shown in the lower right-hand corner of the slide. Net sales were positive compared to the previous year due to increased demand for consumables resulting from an increase in the number of surgeries. On the other hand, operating profit was negative YoY due to an increase in SG&A expenses.

[Interim] Medical Equipment Business Consumables

Sales ¥48.3 billion up 6.6% year on year

Millions of yen

Product Classification	Sales	YoY	Points of sub-segments
Surgery-related consumables	24,580	+5.4%	GI endoscopes +26.0%, anesthesia +14.7% Surgery +11.6%, anti-infective Δ 10.9%
Orthopedic consumables	12,803	+5.5%	Spine +14.3%, trauma, sports, arthroscopes +4.5% Artificial Joints +2.0%
Cardiovascular-consumables	10,980	+10.6%	Cardiac and Vascular Surgery +18.6%, Catheter ABL*+17.0%

* ABL: Therapy in which a portion of the heart is catheterized for a tachyarrhythmia, such as auricular fibrillation, to be ablated or frozen



Ultrasonic scalpel

Johnson & Johnson
From our website (<https://www.jnj.co.jp/>)



Artificial knee joint

Zimmer Biomet website
Than <https://www.zimmerbiomet.com/ja>



Pacemaker

Medtronic website
From (<http://www.medtronic.com>)

※ Net sales (including changes from the previous fiscal year) are calculated based on management accounting before the adoption of the new revenue recognition standard.

This page shows sales of consumables in the medical devices and consumables business, broken down into three product categories.

Overall sales of consumables required for surgery increased 5.4% from the previous year due to a significant 26% increase in sales related to gastrointestinal endoscopes, thanks to the collaboration with Olympus Marketing, Inc. in Fukushima Prefecture. While sales of mainstay surgical products grew 11.6% YoY, sales of infection control products, for which demand had increased due to COVID-19, declined 10.9% YoY as the pandemic subsided.

In orthopedic consumables sales, spine-related sales grew significantly, up 14.3% from the previous year. Sales of trauma, sports, and arthroscopic products increased 4.5% from the previous year, and sales of artificial joints also increased 2% from the previous year, resulting in a 5.5% increase in overall orthopedic consumables sales.

Overall sales of cardiovascular consumables increased significantly, up 10.6% from the previous year. Sales in the field of cardiovascular surgery increased 18.6% from the previous fiscal year, and sales of catheter ablation-related products for arrhythmia treatment, for which new customers are being developed, also increased 17%, driving the results.

As a result of the above, overall sales of consumables in the medical devices and consumables business amounted to JPY48.3 billion, up 6.6% from the previous year.


[Interim] Medical device business-equipment and fixtures

Net sales ¥6.9 billion up 18.9% year on year




Points of Equipment Sales

- ◆ **Year-on-year increase due to strengthened discovery of capital investment projects**
- ◆ **Strong sales of automated payment machines for clinics**
 - Pulmotor
 - Ultrasonic diagnostic equipment
 - Endoscopic surgical system
 - HAEMODIALYSIS EQUIPMENT
 - Operation microscope
 - Vital signs monitor
 - Knee joint Surgery Support Robotic



**With analysis function
Vital signs monitor**

Fukuda Electronic Website
From (<https://www.fukuda.co.jp/>)



Pulmotor

Philips website
Than <https://www.philips.co.jp/healthcare>

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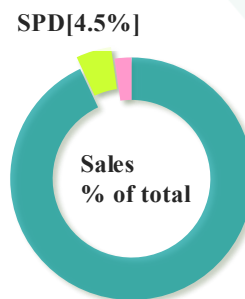
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This section describes the sales of facilities and equipment for the medical devices and consumables business. Overall sales of facilities and equipment increased to JPY6.9 billion, up 18.9% from the previous fiscal year, due to the ongoing efforts to strengthen the identification of capital investment projects from the previous fiscal year.

With regard to the sales of an automated payment machine to clinics, which is a new business we are working on, inside sales, online interviews, and other sales activities are being promoted, and the number of machines sold is expanding.

[Interim] SPD business

JPYmn	Act.	Comparison with budget	YoY
Sales	2,590	Δ1.1%	+0.9%
Operating profit	52	+38.6%	▲46.5%



Total number of subscribers

70 direct

3 franchise

- ◆ Review of commodity management service fees
- ◆ Decreased due to lost orders and decreased demand for infection control products.
- ◆ SG&A expenses increased due to higher fuel costs and higher personnel costs.



Goods management



Information management



Purchasing management

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※Net sales (including changes from budget and changes from the previous fiscal year) include intersegment sales
COLIA HEALTHCARE HOLDINGS, Inc.

Next, let's look at the SPD business. Net sales were JPY2,590 million, up 0.9% from the previous year, due to a review of goods management service fees at existing entrusted facilities.

On the other hand, operating profit was JPY52 million, down 46.5% from the previous year, due to the impact of lost orders in the previous year and lower demand for infection control products, as well as higher labor costs due to soaring fuel costs and base salary increases.

[Interim] Nursing Care Products business

JPYmn	Act.	Comparison with budget	YoY
Sales	1,317	+1.7%	+5.7%
Operating profit	101	Δ5.3%	+11.1%

Nursing Care Products [2.3%]



- ◆ Continued demand for home medical care and in-home nursing care
- ◆ Mainstay nursing care product rentals up 4.7% YoY
- ◆ Improved rental margins



Rental



Sales



Renovation

※Net sales (including changes from budget and changes from the previous fiscal year) include intersegment sales

Next, I will explain the nursing care products business. Sales of mainstay nursing care equipment rentals grew steadily, up 4.7% from the previous year, as high demand for home medical care and in-home nursing care continued.

As a result, net sales totaled JPY1,317 million, up 5.7% from the previous year. In addition, the Company promoted the improvement of rental profit margins by establishing cooperative systems with suppliers, resulting in an operating profit of JPY101 million, up 11.1% from the previous year.

<h2>Forecast of Consolidated Financial Results for the Fiscal Year Ending June 30, 2024</h2>

Consolidated Financial Forecasts for the Fiscal Year Ending June 2024

All-time highs for net sales, operating income, and ordinary income

(JPYmn)	Forecast	2023/6 Act.	Change
Sales	118,386	110,472	+7.2%
Gross profit	13,872	12,954	+7.1%
Sales GPM	11.72%	11.73%	Δ0.01
SG&A expenses	11,672	10,803	+8.0%
Operating profit	2,200	2,151	+2.3%
Recurring profit	2,209	2,158	+2.4%
Net income attributable to owners of the parent	1,451	1,414	+2.7%

Net income per share ¥ 240.69

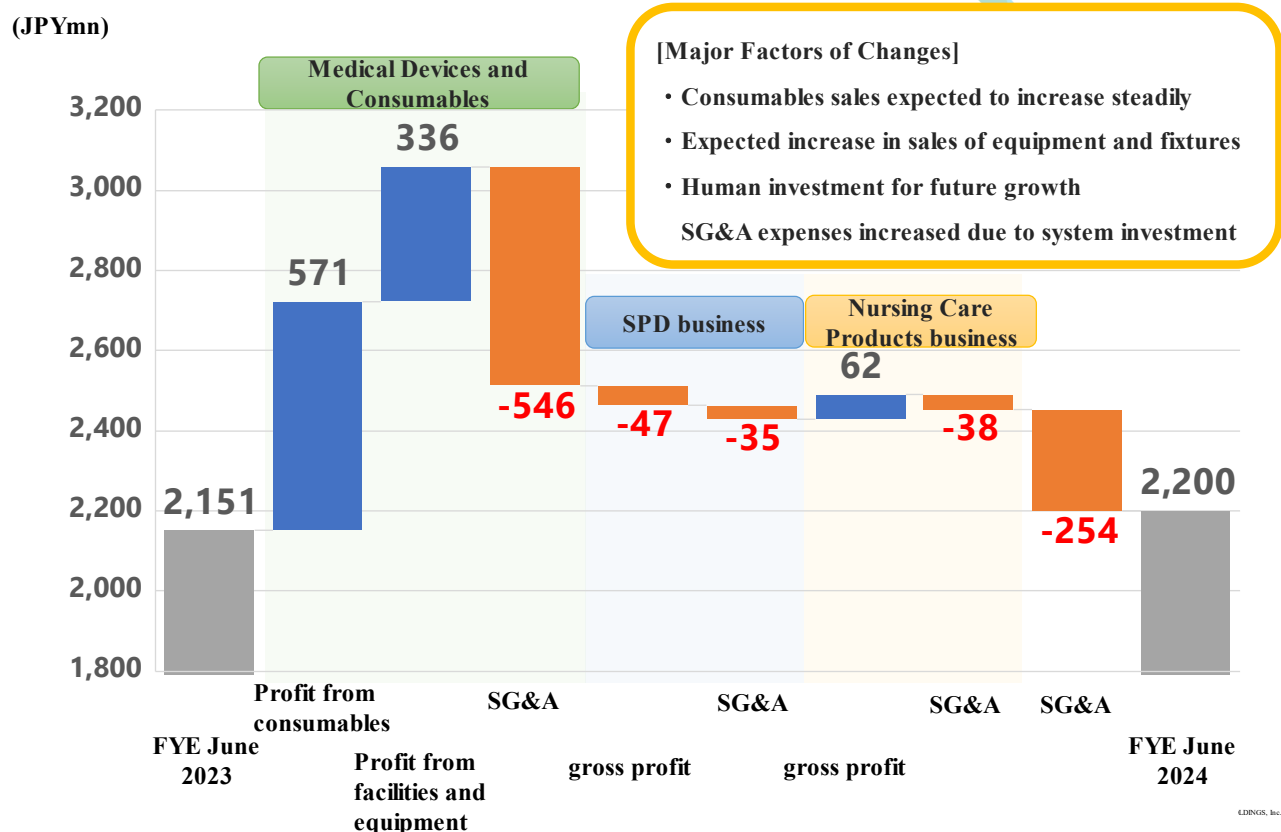
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COLIPA HEALTHCARE HOLDINGS, Inc.

I would now like to explain our earnings forecast for the fiscal year ending June 30, 2024, and our basic dividend policy. For the fiscal year ending June 30, 2024, we forecast consolidated net sales of JPY118,386 million, operating profit of JPY2,200 million, ordinary profit of JPY2,209 million, and net income attributable to shareholders of the parent company of JPY1,451 million. We expect record highs in net sales, operating profit, and ordinary profit.

<h2>Factors behind the Increase/Decrease in Operating Profit for the Fiscal Year Ending June 30, 2024</h2>

Factors behind Changes in Operating Income for the Fiscal Year Ended June 2024



This slide shows the factors that contributed to the increase in operating profit forecast for the year ending June 30, 2024, compared to operating profit for the year ended June 30, 2023.

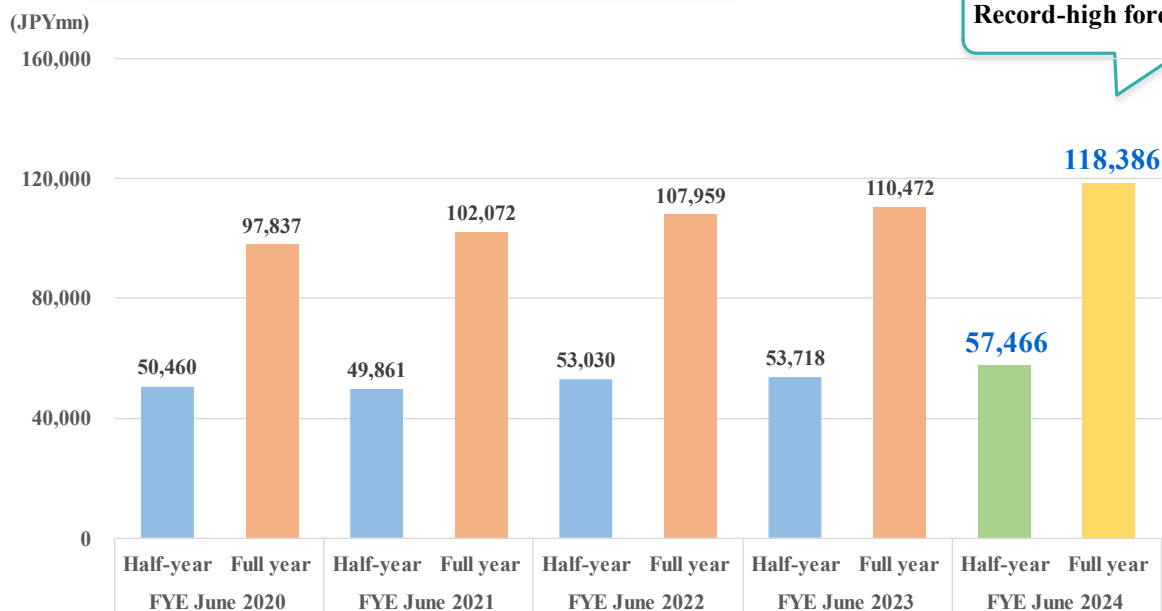
Profit from consumables in the medical devices and consumables business is expected to increase as sales are expected to increase steadily, while sales of facilities and equipment are also expected to increase from the fiscal year ended June 30, 2023, leading to higher profit. On the other hand, SG&A expenses will increase significantly due to human and system investments for future growth. However, we expect operating profit to increase for the medical devices and consumables business as a whole.

In the SPD business, operating profit is expected to decrease for the current fiscal year. In the nursing care products business, operating profit is expected to increase as gross profit will increase due to continued increase in nursing care product rentals. As a result, consolidated operating profit is expected to increase for the full year.

Consolidated Financial Results [Net Sales]

FYE June 2024 Forecast of ¥118.3 billion (+7.2% YoY)

Record-high forecast



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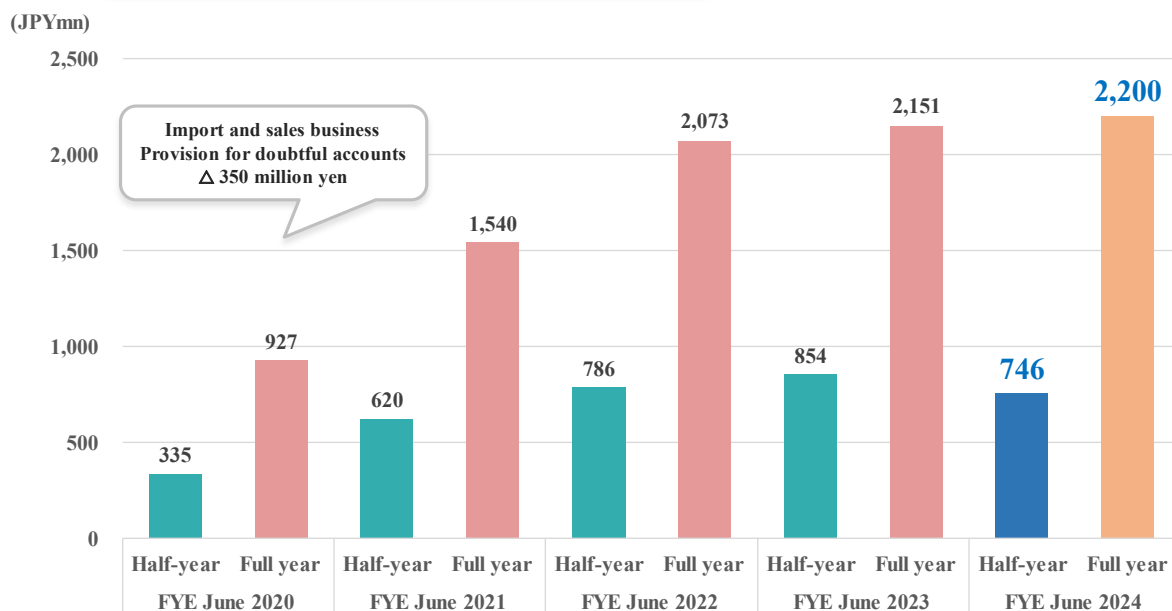
The graph on the slide shows the actual semi-annual and full-year consolidated net sales for the last four years and the forecast for the year ending June 30, 2024. Despite the various effects of the new COVID-19 infection, our performance has continued to increase steadily each fiscal year, reaching a record high of JPY110.4 billion in net sales in the fiscal year ended June 30, 2023.

For the fiscal year ending June 30, 2024, we forecast net sales of JPY118.3 billion, a record high and the fourth consecutive year of sales growth.

Consolidated Financial Results [Operating Income]

FYE June 2024 Forecast of ¥2.2 billion (+2.3% YoY)

Full-year operating income increased for the fourth consecutive year and reached a record high



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The graph on the slide shows the actual changes in consolidated operating profit for the last four years on a semi-annual and full-year basis, as well as the forecast for the year ending June 30, 2024. The decrease in FY6/2020 is due to the impact of the provision of allowance for doubtful accounts in the import and sales business. Operating profit for the fiscal year ended June 30, 2023 was a record JPY2,151 million.

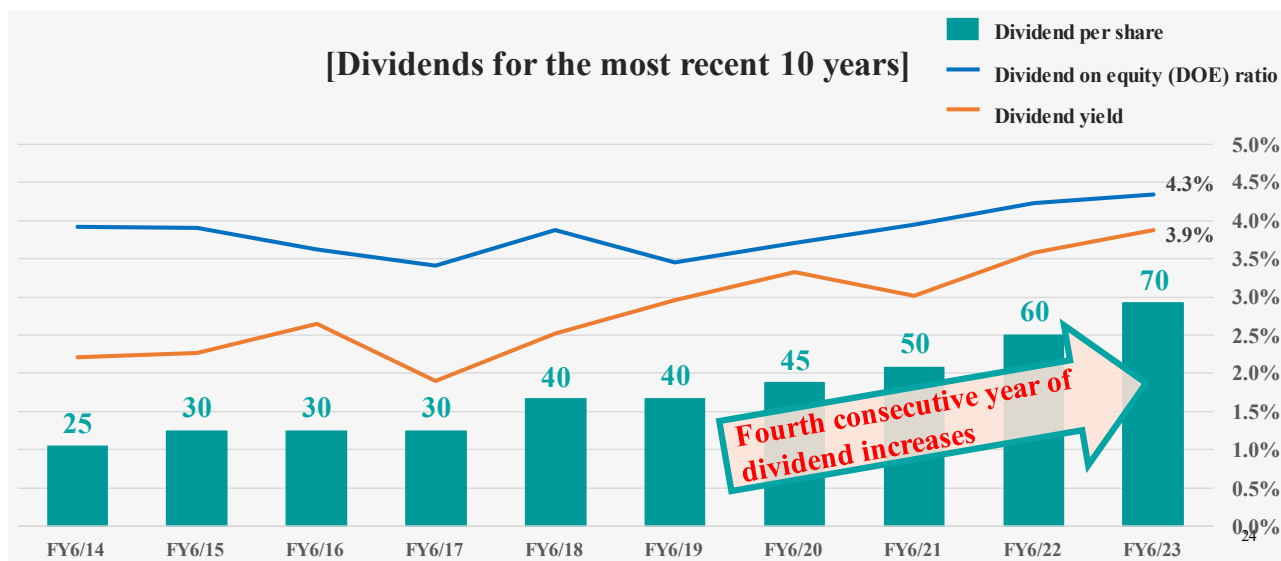
For the fiscal year ending June 30, 2024, we expect operating profit of JPY2.2 billion, the fourth consecutive fiscal year of increased profit and a record high, mainly due to increased profit from the medical devices and consumables business.

Basic Policy on Dividends (Change on October 31, 2023)

The first basic policy was changed from "continuing stable dividends" to "aiming to increase or maintain dividends."

- ① Aiming to increase or maintain dividends
- ② We will endeavor to retain internal reserves for growth investments.

FY6/24 forecast is JPY70



※For details of the change in dividend policy, please refer to the "Notice of Changes in Dividend Policy" announced on October 31, 2023.

※Dividend yield is calculated based on the share price at the end of each fiscal year.

COLIPA HEALTHCARE HOLDINGS, Inc.

Basic dividend policy. The Company changed its basic dividend policy on October 31, 2023. The first basic policy was previously to maintain stable dividends, but was changed to increase or maintain dividends with the aim of further enhancing shareholder returns. We will continue to enhance the return of profits to shareholders and improve our corporate value.

The graph at the bottom of the slide shows the dividend per share, DOE, dividend on equity, and dividend yield for the most recent 10 years. While the average DOE for all listed companies in the industry is generally said to be in the 2% range, our DOE as of the end of June 2023 was 4.3%, which we consider to be a relatively high level.

The dividend yield is also relatively high at 3.9% at the end of June 2023. We have increased dividends for four consecutive fiscal years through the fiscal year ended June 30, 2023, and currently forecast a dividend of JPY70 per share for the fiscal year ending June 30, 2024.

Financial indicators we emphasize

✓ Sales

✓ Operating profit

✓ ROE =(Return on Equity)

$$\frac{\text{Net income}}{\text{Shareholders' equity}} \times 100\%$$

Profitability improvement

Aiming to improve PBR by improving profitability, promoting new businesses, etc.

$$\text{PBR} = \text{PER} \times \text{ROE} = \text{x} \frac{\text{Market capitalization}}{\text{Net income}} \frac{\text{Net income}}{\text{Shareholders' equity}}$$

Dialogue with the market

- Upstream Strategy
- New businesses
- Overseas expansion

Fostering expectations for growth

Profitability improvement

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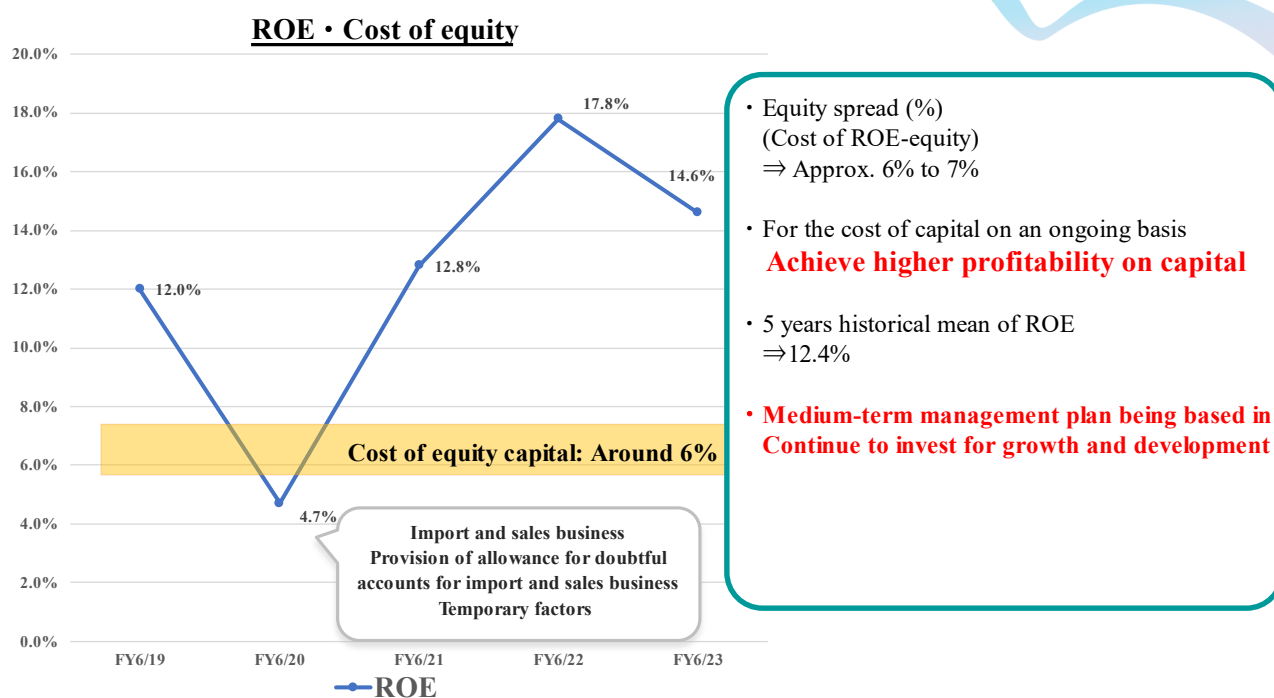
We consider net sales and operating profit as important management indicators.

With regard to ROE, which has been emphasized recently, since we do not have much net assets, we will work to improve profitability to increase net income, which is the numerator of ROE, thereby improving ROE and ultimately, corporate value. Our ROE levels are explained on the next slide.

Recently, the Tokyo Stock Exchange has issued a request for improvement initiatives to companies with P/B ratios below 1x. P/B ratio is interpreted as P/E ratio times ROE, and as for P/E ratio, we should foster expectations of future growth potential. Our P/B ratio remains generally above 1x, and we will continue to aim for further improvement in P/B ratio by improving profitability, promoting new businesses, and conducting appropriate investor relations activities.

<h2>Cost of Capital and Return on Capital: Current Analysis</h2>

Profitability analysis of the cost and capital current of equity status



※Reference value for calculating cost of equity

- Risk-free rate: 10-year JGB yields, β value: about 0.8, market risk premium: about 7%

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This is an analysis of the current cost of capital and return on capital of our group. We estimate that our cost of equity is around 6%. On the other hand, our ROE has generally remained above 12%, although there have been years when it has dropped significantly due to one-time special factors, and we have achieved a return on capital that exceeds our cost of capital on an ongoing basis.

As a result, equity spreads have hovered around 6% to 7%. We will continue to invest in growth and development in accordance with our medium-term management plan, while striving to improve profitability.

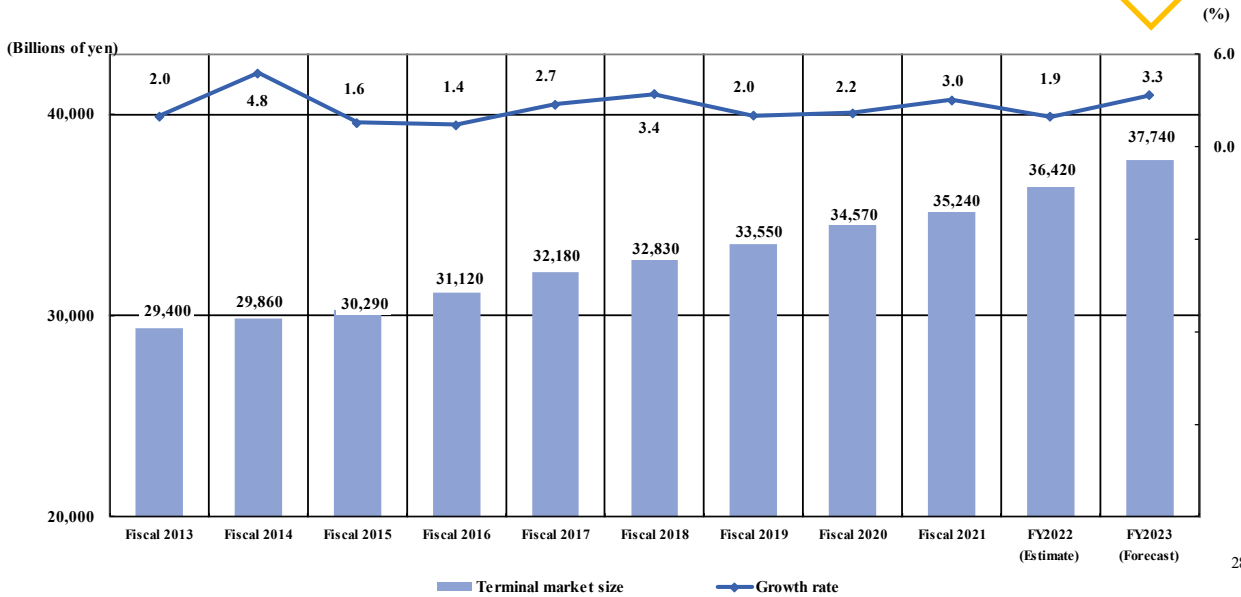
<h2>Size of the Domestic Market for Medical Devices</h2>

Domestic market size of medical devices

Stable market growth despite policies to curb medical costs

In fiscal 2023,
Forecast of ¥3.774 trillion

- Recovering from the Impact of the New Corona and Stable Market Expansion
- Market expansion due to increase in number of surgeries and introduction of new products



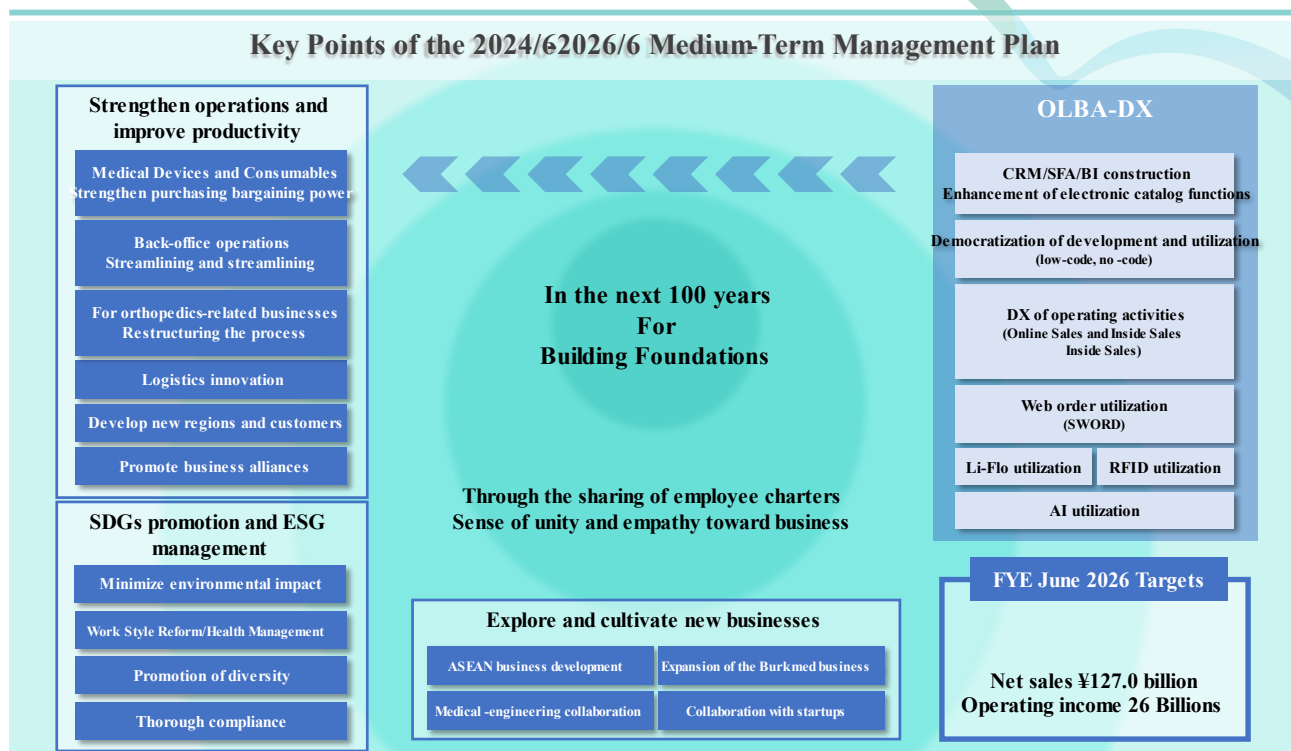
* Processed from R&D, Inc.'s "2023 years Edition of Medical Equipment and Supply Yearbook"

COLIA HEALTHCARE HOLDINGS, Inc.

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I will provide an overview of our mid-term management plan. First, let me talk about the size of the domestic market for medical devices. Despite the government's policy of controlling health care costs, growth has been stable in the 2% to 3% range per year. In FY2022, the market recovered gradually from the impact of the new COVID-19 infection, and the market size expanded due to an increase in the number of surgeries and the introduction of new products, and is projected to reach JPY3,774 billion in FY2023.

Medium-term management plan

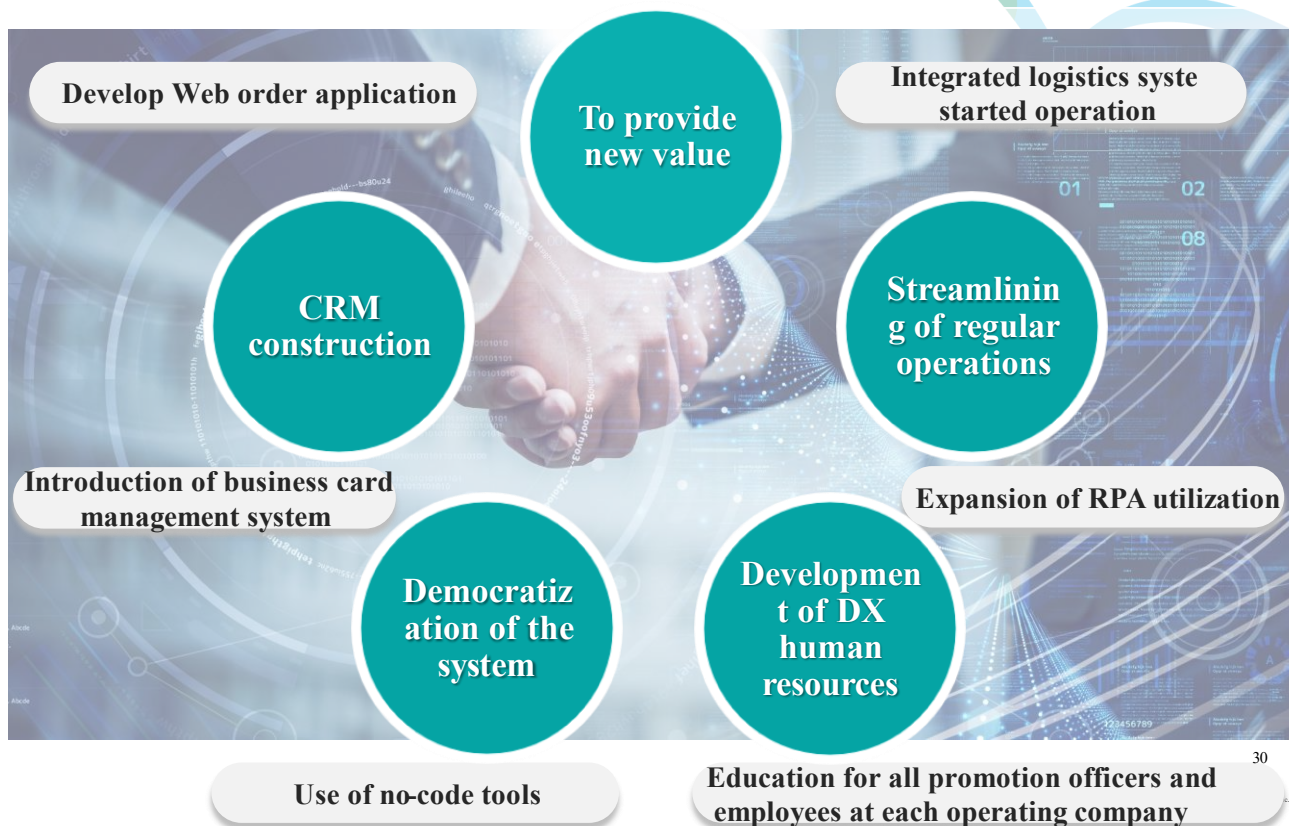


This slide shows the mid-term management plan. While fostering a sense of unity and empathy for the business through a shared employee charter, we will actively promote OLBA-DX to strengthen current operations and improve productivity. We will also work on SDGs promotion and ESG management, as well as take on the challenge of new businesses to build a foundation for the next 100 years.

In the medium-term management plan announced last year, with the fiscal year ended June 30, 2023 as the first year, the targets for the fiscal year ending June 30, 2025 were set at JPY120 billion in consolidated net sales and JPY2.5 billion in consolidated operating profit, based on the fact that the impact of the new COVID-19 infection on medical institutions is gradually decreasing and the number of surgical cases is recovering. In the fiscal year ended June 30, 2023, the first year of the medium-term management plan, both consolidated net sales and consolidated operating profit reached their targets and remained steady.

Meanwhile, in order to adapt to the changing business environment, we have revised our previous medium-term management plan. Under the newly formulated medium-term management plan, the first year of which is the fiscal year ending June 30, 2024, we have significantly increased investments in human capital, including salary base increases, and further expanded DX investments. As a result, we target consolidated net sales of JPY127 billion and consolidated operating profit of JPY2.6 billion for the fiscal year ending June 30, 2026.

Reforming by Reform by promotion office



Here is an introduction to DX initiatives at our company. The DX Promotion Office was established in July 2021. With the goal of becoming a leading company in the healthcare industry that makes full use of digital technology and provides new value to stakeholders, we have begun to reform the operations of all group companies under the leadership of the DX Promotion Office.

The implementation of the expense reimbursement system has been completed, and we are currently developing a new web order application and increasing the number of operating locations for the integrated logistics system. We are also building a CRM, customer relationship management system, that utilizes a business card management system, etc., increasing the efficiency of routine tasks by expanding the use of RPA, democratizing the system through the use of no-code tools, and promoting the development of DX human resources.

DX Initiatives ① Development of DX Human Resources

Human Resource Development: Conducted DX literacy training for all employees



The first of our DX initiatives is the development of DX human resources. We provide DX literacy training to all employees. We have introduced e-learning courses on knowledge skills, thinking skills, and mindset in accordance with the DX Literacy Standards published by the Ministry of Economy, Trade and Industry, to raise the level of DX literacy among all employees.

DX Initiatives ② Unique Electronic Catalogue

CRM/SFA/BI construction
Enhancement of electronic catalog functions

- Utilization of proprietary electronic catalogue "MedTag"



- Rapid and reliable provision of information required by customers
- Posted 450000 of the total 850000 medical devices and supplies
(Almost all products that are normally distributed)
- Unique tagging to support a wide variety of searches



Additional functions such as SFA and CRM are added as needed.

Considering offering to medical institutions (laying the groundwork for e-commerce)

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COLIA HEALTHCARE HOLDINGS, Inc.

※SFA: Sales support, CRM: Customer -management system

As the second of our DX initiatives, we would like to introduce MedTag, our original electronic catalog. MedTag lists 450,000 items out of approximately 850,000 total medical devices and uniquely tags products.

With its diverse search capabilities, even young employees can provide information on medical equipment sought by customers in a timely and reliable manner. Furthermore, we are currently adding SFA, sales support tool, CRM, and other functions as needed.

In the future, we are considering making MedTag partially viewable not only within the Company but also at medical institutions as a stepping stone to e-commerce.

DX Initiatives ③ Logistics Innovation

Li-Flo utilization

• Operation of Li-Flo, an integrated logistics system

Started operation in September 2022 sequentially from the Kawanishi base of the operating companies
⇒ Expand of the system to the entire group



Reinforcement in inventory control

- Management of packaging style
- Simple warehouse transfer

To reinforce quality management

- Expiration control
- Management of sample products, etc.

Streamlining of lending business

- Handy and used sales
- Short-term external inventory

[Effects at introduction sites]

- Efficient product pick by scanning bar codes
- Efficiency of delivery slip output through system linkage
- Reduction of inventory time



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COLIA HEALTHCARE HOLDINGS, Inc.

The third DX initiative is the integrated logistics system Li-Flo. Li-Flo was developed to enhance inventory management, strengthen quality control such as expiration date management, and improve the efficiency of lending operations for orthopedic surgical equipment and other items.

In September 2022, the system has gone into full operation at the operating company Kawanishi Co., Ltd.'s sales office in Fukuyama City, Hiroshima Prefecture, with the number of operating sites to be increased sequentially thereafter. The introduction of the new system has resulted in improved efficiency of product picking in the warehouse by reading barcodes and reduced inventory time, and we are now preparing to expand the introduction of the system to the entire group.

Clinic target towards new business business

Expansion of the BarcMed business

Automatic payment machine Thema-SAC sales for clinics

- Introduction results from July to December 2023: 100 units
(YoY +47 units)
- Cumulative number of vehicles introduced: 373
(As of the end of December, 2023)



I will now introduce new businesses. Kawanishi BarcMed Co., Ltd. offers Thema-SAC, an automated payment machine for medical clinics. Demand for automated payment machines is increasing, especially among clinics that strive to save labor in accounting operations. 100 units of Thema-SAC were introduced in H1, and as of December 31, 2023, a cumulative total of 373 Thema-SAC machines were in operation nationwide.

The third promotional YouTube video also features testimonials from customers who have additionally introduced our automated payment machines. In addition, Thema-SAC is already compatible with the new paper currency that is scheduled to be introduced in H1 of July 2024, and we plan to actively respond to the demand for replacement of the payment machines.

Business alliance with DVx

Promote business alliances

Entered into a business alliance with DVx

Entered into a business alliance agreement with the company for the next 100 years

Counterparty for business alliance

- **DIVEX CO., LTD (Securities code: 3079 Sales: 47.4 billion yen)**
 - A trading company that manufactures and sells medical equipment, with a focus on the cardiovascular field
 - Nationwide sales offices mainly in the Kanto region

Expansion into major metropolitan areas

Details of consideration of business alliance, etc.

- Reduce costs by streamlining purchasing and logistics
- Expand sales and improve profitability through sales collaboration
- Information exchange on needs and seeds in medical/industrial collaboration
- Promotion of DX through operation and joint use of information systems



※ For details on the signing of a business alliance agreement with DVX Corporation announced on March 15, 2023
Please refer to the Notice. The above sales figures are for the year ended March 31, 2023.

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OLBA HEALTHCARE HOLDINGS, Inc.

In March 2023, we disclosed that we had entered into a business alliance agreement with DVx Inc. for the next 100 years. DVx is a medical device manufacturing and sales trading company headquartered in Tokyo and listed on the Tokyo Stock Exchange Standard Market. This company operates nationwide, mainly in the Kanto region, mainly in the area of cardiac arrhythmia of circulatory organ, with sales of JPY47.4 billion in the fiscal year ended March 31, 2023.

Through this business alliance, we will reduce costs by streamlining purchasing and logistics, expand sales and improve profitability through sales collaboration, exchange information on needs and seeds in medical-engineering collaboration, and promote DX through information system operation and joint use. We also aim to expand into the Kanto and other metropolitan areas through business alliances.

Established THAI OLBA Healthcare Co., Ltd.

ASEAN business development

Establishment of joint venture (January 26, 2023)

Invested in and commenced operations at THAI OLBA Healthcare Co., Ltd., a medical device import and sales company in Thailand

Reasons for expanding into Thailand

- Economic and geographic hub-function of ASEAN region
- Expect rapid aging in the future
- Thailand government focuses on fostering the medical industry

[Commemorative ceremony for the establishment of Bangkok on January 26, 2023]



Bridge between Japan and Thailand in the field of medical devices

- Solving Various Issues Surrounding Medical and Nursing Care



[Picture of the entrance of the field office]



Using Japanese technology and ideas,
Establishment of a medical device production and maintenance system in Thailand

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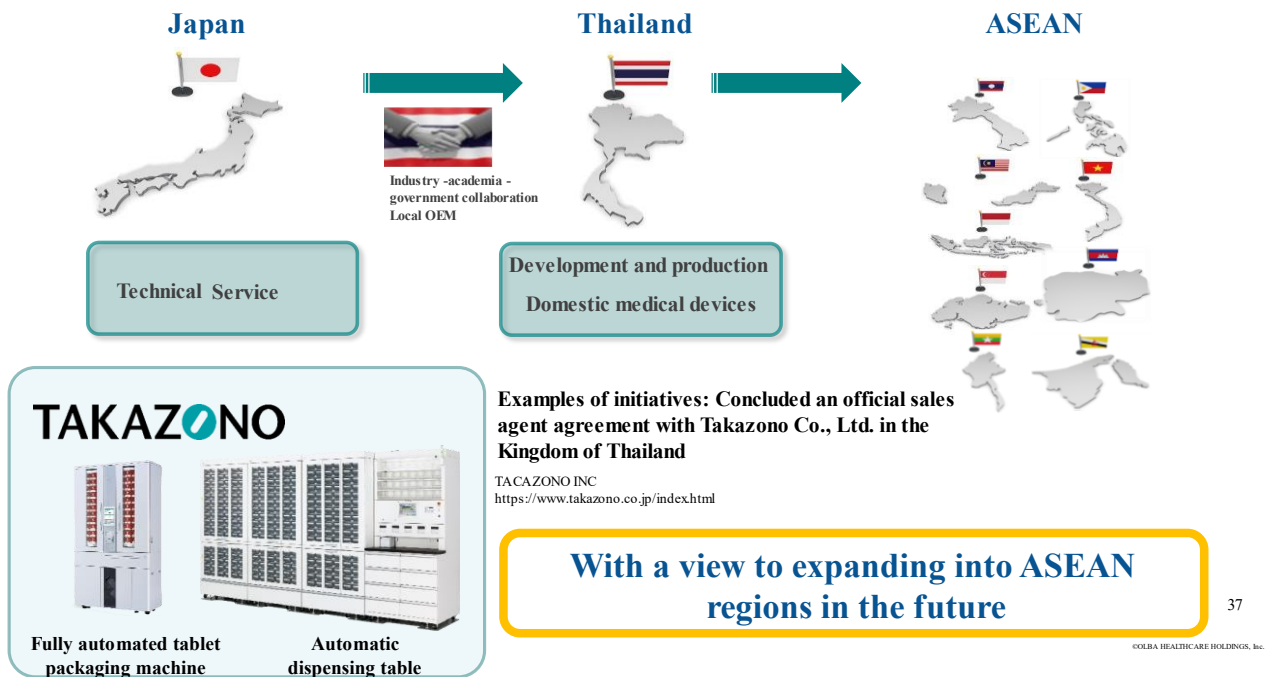
In January 2023, we established a joint venture company, THAI OLBA Healthcare Co., Ltd., in Thailand, and began overseas expansion.

Reasons for entering Thailand include the country's status as an economic and geographical hub in the ASEAN region, the expected rapid aging of the population in Thailand, as in Japan today, and the Thai government's focus on fostering the healthcare industry. We will act as a bridge between Japan and Thailand in the field of medical equipment, using Japanese technology and ideas to build a local medical equipment production and maintenance system in Thailand.

Thaiolba Healthcare Business

ASEAN business development

Business development scheme



This slide shows the business development scheme of THAI OLBA Healthcare. We will aim to act as the general distributor from development and production in Thailand.

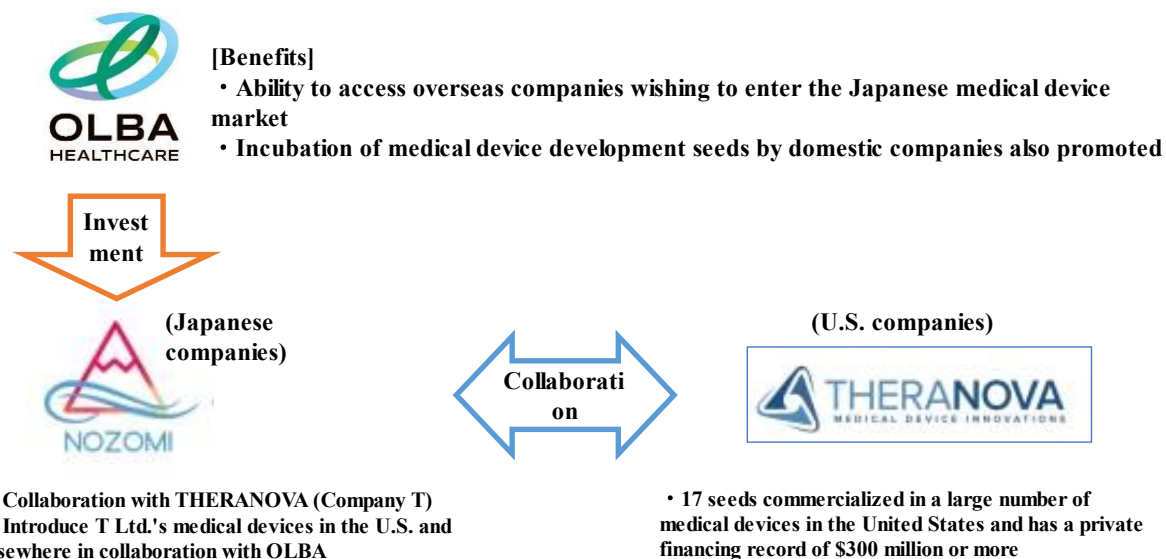
As a first example of our efforts, we concluded an authorized distributor agreement in Thailand with Takazono Corporation. Preparations are underway for the sale of fully automatic tablet packaging machines to be installed in hospital pharmacies and other facilities. We intend to expand these efforts to form a business foundation in Thailand, with a view to future expansion into other ASEAN countries.

Collaboration with Nozomi MedAlliance

Collaboration with startups

Strengthening the foundations of our mainstay medical device business

Investment in Nozomi MedAlliance in May, 2023,



※ For more information, please refer to the "Notice Concerning Investment in Nozomi MedAlliance Corporation" dated May 31, 2023

I will now explain about business collaboration with startups dealing with overseas medical devices. In May 2023, we invested in Nozomi MedAlliance, Co., Ltd.

Nozomi MedAlliance is a Japanese start-up support company established by members who have experience in obtaining approval in Japan for new medical devices from overseas and other members, and is working with TheraNova, LLC in the United States. TheraNova has extensive knowledge of medical devices developed overseas, having commercialized 17 seeds of overseas medical devices and other products in the US and other countries, and having raised more than USD300 million in private financing.

By forming a strategic partnership with Nozomi MedAlliance, we will be able to gain early access to foreign companies wishing to enter the Japanese medical device market, as well as promote incubation of medical device development seeds for Japanese companies. Through this business collaboration, we will promote the strengthening of the foundation of the medical devices and consumables business, which is the core business of the Group.

Medical Industry Collaboration - Medical Device Dealer Participatory Medical-Industrial Collaboration Model

Medical/Engineering Collaboration-Medical/Engineering Collaboration Model Participating in the Medical Equipment Sales Industry-

Medical-engineering collaboration

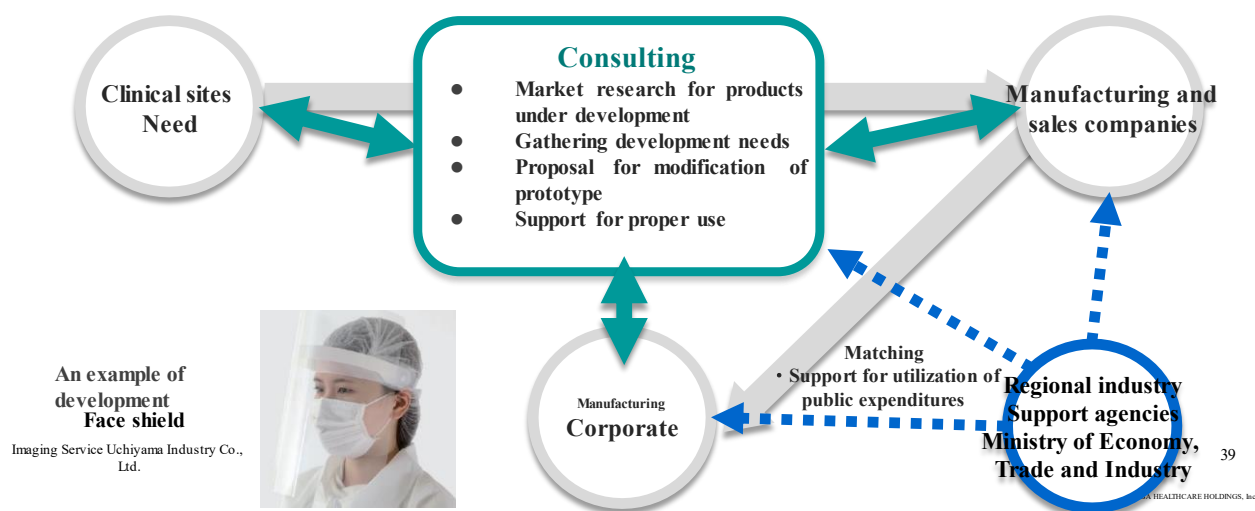
Customer network with extensive sales channel function

Cooperation with corporations, universities, and regional industry support organizations in 34 prefectures nationwide

● Participation in AMED business "HealthTechHub Chu Shikoku"

Representative of R&D: Ohara Memorial Kurashiki Central Medical Organization Clinical Medicine Research Institute (Dr. Yutaka Tokumasu)

Professional personnel: Maeshima Yohei (Special Fellow, Kurashiki Chuo Medical Organization) and others



As a medical device distributor, we participate in medical-industrial collaboration. Our employees will meet with physicians and other professionals at clinical sites to learn about their medical device development needs. Then, in collaboration with medical device manufacturers and distributors, manufacturing companies, and regional industrial support organizations, we will contribute to the development of new medical devices by exercising various consulting functions and utilizing public funds as well.

We are commissioned by regional industrial support organizations to conduct market research, collect and brush up on development needs, and support sales channel development on a fee basis. And we will also function as a sales channel to medical institutions, contributing to the realization of optimal medical care.

We also participate in the HealthTech Hub Chugoku-Shikoku, a research project of AMED, Japan Agency for Medical Research and Development. I am also participating as a specially appointed fellow. We will promote the operation of a hub for collaboration in medical device development in the Chugoku and Shikoku regions, utilizing wide-area infrastructure and local resources.

<h2>Publication of Overseas Information Magazine on Advanced Medical Devices</h2>

Publication of overseas leading-edge medical device information magazines

Overseas medical information magazine

Medical Globe

Publication: Orba Health Care Holdings

This publication is Kraribate Analytics

As well as Relias Media's most recent pride

From overseas medical information, trends in the medical market, hospital initiatives, information on medical device approvals,

By the Editorial Department for articles such as M&A of overseas manufacturers

Translated and edited in an easy-to-understand manner.

You can read "Now" in the overseas medical industry in a Japanese digest.

Subscribers: Medical device manufacturers, medical institutions, major pharmaceutical companies, and major think tanks



Published in October 2010



Medical Globe introduction HP

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ORBA HEALTHCARE HOLDINGS, Inc.

I will introduce Medical Globe, an overseas medical and medical device information magazine published by the Company. In partnership with Clarivate Analytics, a global academic information service company, and others, this monthly magazine is the first to introduce to Japan cutting-edge medical equipment and information from overseas, translated into Japanese and edited for the medical community.

It has been subscribed to and highly evaluated by major medical device manufacturers, medical institutions, public organizations, pharmaceutical companies, and think tanks. It is also used for employee training.

<h2>Commons for Medicine and Engineering Japan' MINC Meeting: Study Session on the Latest Trends in Overseas Medical Devices</h2>

Nippon Medical Manufacturing Commons MINC Association Of the "Study Group on the Latest Trends in Overseas Medical Devices"

On Medical Globe

Sharing and discussing information on the latest overseas medical device information among various industries

Trade and Industry, the Ministry of Health, Labour and Welfare, the Patent Office, AMED • PMDA, Physicians, manufacturers, the Ministry of Economy and our MG Editorial Department participated and exchanged views (started in 2017 Oct)

29th Meeting: National Center for International Medical Research scheduled to be held online in March 2024



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COLIRA HEALTHCARE HOLDINGS, Inc.

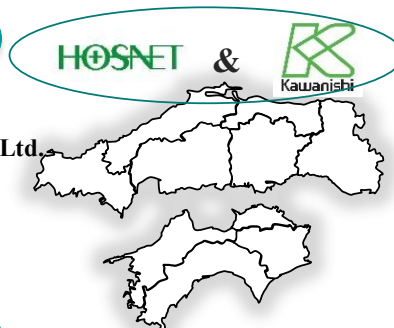
Every three months, the Study Session on the Latest Trends in Overseas Medical Devices is held by the Commons for Medicine and Engineering Japan, of which I am an auditor, and MINC, organized by the National Center for Global Health and Medicine, using information on overseas medical devices published in Medical Globe as the subject matter.

The editorial department of our Medical Globe, including myself, the Ministry of Economy, Trade and Industry, the Ministry of Health, Labor and Welfare, the Japan Patent Office, AMED, PMDA, and other government officials, doctors, medical device manufacturers, manufacturing companies, and engineering researchers in academia participate in each meeting to exchange opinions and share information. For our company, this is positioned as a contribution toward the development of domestically produced medical devices.

SPD business

• Acquisition of new customers and improvement of revenue

- Develop customers in the Chugoku-Shikoku area
- Opening of centers in Kansai area in cooperation with Kawanishi Co., Ltd.



• Wide-area sales of the Medilia inventory management system

- Voluntary investment type at small and medium hospitals
- Simple and accurate inventory management
- Inexpensive billing and remote maintenance



COLIA HEALTHCARE HOLDINGS, Inc.

YouTube video <https://www.youtube.com/watch?v=YxAzGT6Utl>

With customer satisfaction
Improve productivity

In the SPD business, we plan to develop customers in the Chugoku and Shikoku region area and open SPD centers in the Kansai region through a partnership with operating company Kawanishi. We will also focus on sales of Medilia, a self-administered inventory management system developed in-house for small and medium-sized hospitals that provides simple and accurate inventory management.

Unlike conventional in-hospital and out-of-hospital SPDs operated by our staff, Medilia is operated by hospital staff themselves, making it possible to promote sales over a wide area. We also have an introductory video on YouTube.

Nursing Care Products business

• Increase market share in existing areas

- Strengthen customer service by enhancing follow-up system
- Promote sales activities using ICT

• Strengthen merchandise sales and services

- Hearing aids sales
- Wheel repair service



• In-house construction of residential remodeling for nursing care

- Cultivating new users
- Providing Safety and Security Services



Wheelchair



Hearing aids



Flexible stick

Planning to open additional stores in the Seto Inland Area



In the nursing care products business, we aim to further increase our market share in existing areas by enhancing our customer follow-up system and also promoting sales activities using digital technology. In addition, efforts to strengthen goods sales and services will include hearing aid sales and wheelchair repair services. Furthermore, we will strengthen our own construction division, which is responsible for home remodeling for nursing care, to further develop new users.

In April 2022, we opened a sales office in Onomichi City, Hiroshima Prefecture, and we plan to open more new branches in the Setouchi area.

This is the end of the explanation of the financial report. Please see the reference material on the slide. Thank you for your attention.

[END]

Corporate Profile

Company Name: Orba Healthcare Holdings Co., Ltd.

(Former name: Kawanishi Holdings Co., Ltd.)

Head Office 1-3, Shimo-Ishii 1-chome, Kita-ku, Okayama

Founded in May 1921

Established 1967 Oct

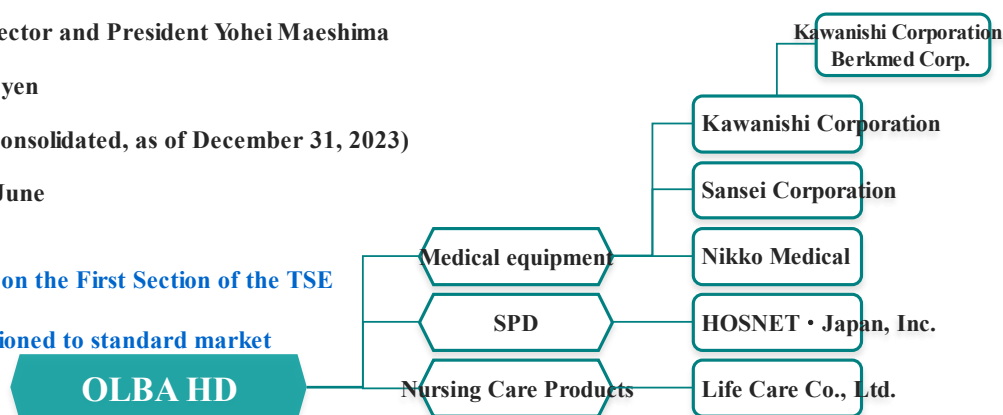
Representative Director and President Yohei Maeshima

Capital 607750000 yen

Employees 1327 (Consolidated, as of December 31, 2023)

Fiscal Year Ended June

**Mar. 2020 Listed on the First Section of the TSE
Stock Exchange
2022 Apr. Transitioned to standard market**



Diverse business portfolio encompassing orthopedics, cardiovascular, surgical, ophthalmology, and nursing care

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OLBA HEALTHCARE HOLDINGS, Inc.

History

May, 1921	Established Kawanishi Kikai Kikai Store in Ounji -cho, Okayama City (currently Chuo -cho, Kita-ku, Okayama City).
Sep. 1927	Associated company Kawanishi Machinery Shop reorganized and established.
Jun 1950	Reorganized and established Kawanishi Kikiten Co., Ltd.
1967 Oct	Reorganized and established Kawanishi Medical Equipment Co., Ltd.
1985 Oct	Established Life Care Co., Ltd.
Jul 1996	Established HOSNET · Japan, Inc.
1999 Jan	Merged with three companies, Kagawa Seiki Co., Ltd. and Shikoku Medical Abilities Co., Ltd. At the same time, the company changed its name to Kawanishi Co., Ltd.
2000 Dec	Listed on the Second Section of the Tokyo Stock Exchange.
2004 Jan	The business division was established as Kawanisi Co., Ltd. through a new split company. At the same time, the company name was changed to KAWANISHI Holdings Co., Ltd.
Jun 2005	Acquired 100% of the shares of Nikko Medical Materials Co., Ltd.
2012 Jan	Acquired 100% of the stock of Sansei Medical Materials Co., Ltd.
2014 Aug.	Head office moved to 1-1-3, Shimo-Ishii, Kita-ku, Okayama, in line with the expansion of the Group's business scope.
2016 Jan	Established Exora Medical Co., Ltd.
Jul 2019	Established Kawanishi BareMed Co., Ltd.
2020 Mar	Listed on the Second Section of the Tokyo Stock Exchange to the First Section of the Tokyo Stock Exchange.
2021 Jan	To commemorate its 100th anniversary, the company changed its name to Orba Healthcare Holdings, Inc.
2022 Apr	Transitioned to a standard market in accordance with a review of market categories on the Tokyo Stock Exchange.
Jun 2022	Acquired 100% of the shares of Kawanishi BarcMed Co., Ltd.
2023 Jan,	Established Thailand Healthcare Co., Ltd. (THAI OLBA Healthcare Co., Ltd.) in the Kingdom of Thailand.

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OLBA HEALTHCARE HOLDINGS, Inc.

OLBA Employee Charter

Business Structure

- Contribute to the development of medicine, medical care, and nursing care through business and contribute to the health and longevity of the national
- Promptly and appropriately provide patients and healthcare providers with the benefits of innovative new features and technologies
- Integrity and Continuity with Stakeholders (Customers, Business Partners, Employees, Local Communities, Shareholders)
 - Providing value to focuses
- Actively interact inside and outside the industry, foster creativity, and frontiers from a global perspective Explore

Organizational Structure

- Respect for human resource development and place emphasis on "management (through human resources)"
- Emphasizing Diversity and Recognizing Diverse Opinions, Values, and Working Styles
- Try to compete and trade fairly at any time
- Results from competition are reinvested to create new value
- Develop an environment where members can be healthy both mentally and physically and have a willingness to contribute

How Members Are

- Have a willingness to grow voluntarily and independently
- Continue to learn modestly without being comfortable with past results
- Not good at free riding to benefit without their own contributions or efforts
- Respect business partners inside and outside the company and engage in business with high ethical standards and pride

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OLBA HEALTHCARE HOLDINGS, Inc.

Consolidated Balance Sheets (2Q FY6/2024)

JPYmm

Assets	Amount	Change	Liabilities and Net Assets	Amount	Change
Cash and deposits	2,921	521	Trade payables	26,846	1,474
Trade receivables	26,135	1,626	Short-term debt	2,700	1,745
Commodities	6,590	429	Other	1,738	△527
Other	698	27	Total current liability	31,284	2,692
Total current assets	36,344	2,603	Long-term debt	-	0
Tangible fixed assets	4,253	5	Other	2,006	48
Ntangible assets	704	0	Total long-term liability	2,006	48
Investments and other assets	2,143	△40	Total liabilities	33,291	2,741
Total fixed assets	7,102	△35	Total net assets	10,155	△172
Total assets	43,446	2,568	Total liability and net assets	43,446	2,568

※Change from previous year-end

Net assets per share 1,716.62 yen

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OLBA HEALTHCARE HOLDINGS, Inc.

Consolidated Statements of Cash Flows (FY2024 2Q)

	JPYmn	FYE June 2023 2nd quarter	FYE June 2024 2nd quarter
Pre-tax profit		856	745
Depreciation		234	259
Decrease (increase) in notes and accounts receivable trade (increase in Δ)		Δ834	Δ1,629
Decrease (increase) in inventories (increase in Δ)		Δ560	Δ429
Increase (decrease) in notes and accounts payable trade (decrease in Δ)		Δ281	1,474
Other		Δ1,349	Δ565
Cash flows from operating		Δ1,934	Δ145
Intangible fixed assets Purchase		Δ98	Δ154
Intangible fixed assets Purchase		Δ41	Δ87
Loans to subsidiaries and affiliates		-	Δ100
Other		Δ3	Δ33
Investing Cash flows		Δ142	Δ374

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COLBA HEALTHCARE HOLDINGS, Inc.

Consolidated Statements of Cash Flows (FY2024 2Q)

	JPYmn	FYE June 2023 2nd quarter	FYE June 2024 2nd quarter
Net increase (decrease) in short-term borrowings (Δ)		2,100	1,800
Repayments of long-term debt		Δ110	Δ55
Expense by acquisition of treasury shares		Δ181	Δ221
Proceeds from sales of treasury stock		175	1
Dividends paid		Δ367	Δ435
Other		Δ83	Δ76
Financial cash flow		Δ1,534	1,014
Net increase (decrease) in cash and cash equivalents (decrease in Δ)		Δ543	521
Cash and Cash Equivalents at Beginning of Year		3,149	2,359
Cash & cash equivalents at year-end		2,606	2,881

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COLBA HEALTHCARE HOLDINGS, Inc.

Consolidated Financial Data ①

Item	Unit	2019/6	2020/6	2021/6	2022/6	2023/6
Sales	JPYmm	97,998	97,872	102,072	107,959	110,472
Operating profit	JPYmm	1,301	927	1,540	2,073	2,151
Recurring profit	JPYmm	1,309	905	1,542	2,119	2,158
Attributable to owners of the parent Net income	JPYmm	775	326	989	1,535	1,414
Net assets	JPYmm	6,771	7,281	8,131	9,093	10,327
Total assets	JPYmm	33,772	33,683	36,562	39,968	40,878
BPS	Yen	1,191.62	1,197.17	1,336.91	1,513.91	1,712.19
EPS	Yen	138.24	56.76	162.66	252.80	234.90
Equity ratio	%	19.8	21.6	22.2	22.8	25.3
ROE	%	12.0	4.7	12.8	17.8	14.6
ROA	%	3.9	2.7	4.4	5.5	5.3
PER	Times	9.77	23.85	10.17	6.63	7.70
PBR	Times	1.13	1.13	1.24	1.11	1.06

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COLBA HEALTHCARE HOLDINGS, Inc.

Consolidated Financial Data ②

Item	Unit	2019/6	2020/6	2021/6	2022/6	2023/6
Sales CF	JPYmm	136	862	3,126	2,420	△659
Investment CF	JPYmm	△361	△496	△630	△211	△306
Finance CF	JPYmm	△62	439	△2,262	△1,169	175
Cash and cash equivalent	JPYmm	1,070	1,877	2,110	3,149	2,359
Bank loans	JPYmm	2,261	2,615	795	275	955
Number of employees	People	1,189	1,222	1,261	1,289	1,317
Medical equipment	People	868	892	913	938	955
SPD	People	163	171	177	175	177
Nursing care	People	122	120	131	135	138
import and sales	People	2	2	-	-	-
headquarters	People	34	37	40	41	47

※Import and sales business is excluded from 2021/6.

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COLBA HEALTHCARE HOLDINGS, Inc.

Corporate Information/Inquiries

[Fiscal year] From July 1 to June 30 of the following year

[Ordinary General Meeting of Shareholders] Held annually in September

[Stock Exchange Listings] Tokyo Stock Exchange (Standard Market)

Ticker 2689

[Number of shares per unit] 100 shares

【Contact Details】 Olba Healthcare Holdings, Inc.

Murata Advertising Head of Group administration a managing director
division

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FAX: +81-86-236-1116

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OLBA HEALTHCARE HOLDINGS, Inc.

• While we take all possible measures with respect to the datum provided in this material, The accuracy and completeness of information is not guaranteed.

• To the information available at the time of preparation of the data for the opinions and projections contained in the materials

This is our outlook, and we do not compensate for any results using such opinions, forecasts, etc. The information in this document is subject to change without notice.

• This material is intended to provide a better understanding of us and is not necessarily intended as a recommendation to invest. We asked investors to make their own decisions on the final outcome of their investments.

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