

HYUGA PRIMARY CARE

Financial Results for the Fiscal Year Ended
March 2025

HYUGA PRIMARY CARE Co.,Ltd.
7133 TSE Growth Market
May 14, 2025

This is an unofficial translation. In case of any difference in meaning between the original Japanese text and the English translation, Japanese text shall prevail



- 01 Company Profile, Business Profile, Summary**
- 02 Summary of Financial Results (FY 2025)**
- 03 Earnings guidance (FY 2026)**
- 04 Topics**
- 05 Sustainability Management/Appendix**

01 Company Profile, Business Profile, Summary

02 Summary of Financial Results (FY 2025)

03 Earnings guidance (FY 2026)

04 Topics

05 Sustainability Management/Appendix

Financial Highlights

Sales increased 20% year on year and operating profit increased 50%. Both sales and operating profit set record highs in a row, and the operating profit margin exceeded 10% for the first time since listing

The Kirari Prime business is the main reason for the strong performance. The Kirari Prime business is driving company-wide profit due to an increase in consulting fees. The primary care home business also started full-fledged contribution to profits.

Business Highlights



Home visit pharmacy Business

- Revenue and profit increased year on year. New record sales
- Cost increase due to the opening of 9 new stores in the fiscal year was absorbed by the increase in home patients and the effect of introduction of RPA



Kirari Prime Business

- Significant year-on-year growth in revenue and profit. Due to the acquisition of three Region Prime * projects
- The number of affiliated stores increased to 2,490. The number of affiliated stores also reached a record high.
- ARPU jumped 30% year on year, thanks in part to Region Prime.

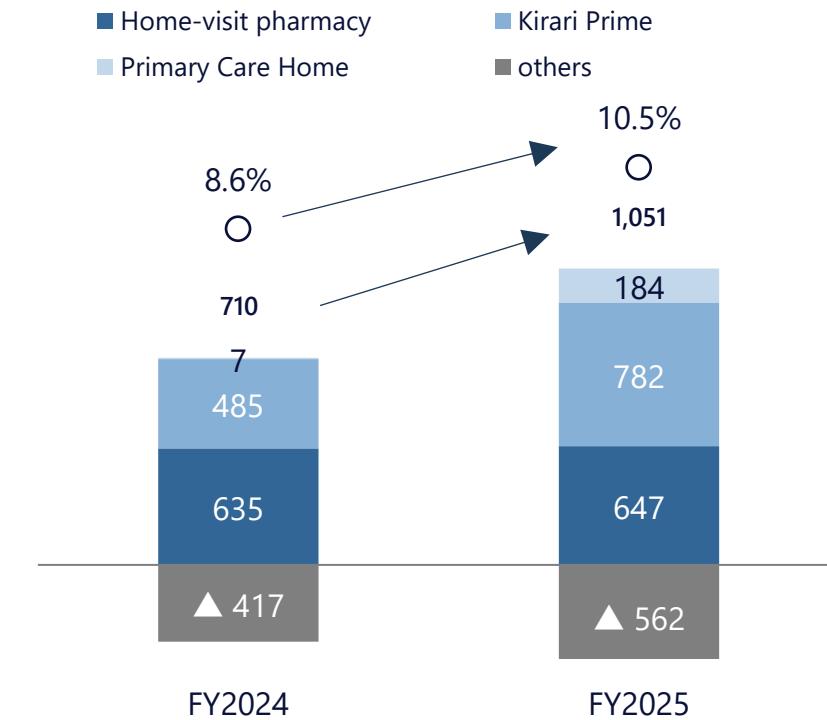


Primary Care Home Business

- Sales up 80% and profit up 23.5 times year on year
- Occupancy rate of existing facilities is high at over 90%
- 1 new facility was opened during the period. Upfront costs for new facilities, including those opened in the new fiscal year, are also absorbed by the high capacity of existing facilities

Year-on-Year Comparison of Operating Income

(millions of yen)



*Support for the establishment and operation of a residential paid home for the elderly. land selection, marketing research, business planning, financing, application for opening permits, human resource recruitment and education, operations, and sales of home-based patients.

Company Profile/Vision

COMPANY

Company Profile

Company Name

HYUGA PRIMARY CARE Co., Ltd.
(HYUGA PRIMARY CARE Co.,Ltd.)

Representative

President/Pharmacist Tetsuji Kurogi

Establishment

November 2007

Head Office

2-2-1 Kasugahara Kitamachi, Kasuga-city, Fukuoka

Composition of Officers

President and Representative Director
Director COO
Director CFO
Director
Director (outside)
Director (outside)
Full-time Corporate Auditor (outside)
Corporate Auditor (outside)
Corporate Auditor (outside)

Tetsuji Kurogi
Takei Yamasaki
Tomoaki Onishi
Kohei Shiroo
Shinjiro Ogawa
Kyoko Saeki
Hirotaka Minamitani
Kota Takei
Nobuharu Kumamoto

Business Profile *

- Home-Visit Pharmacy Business (Kirari Pharmacy)
- Kirari Prime Business
- Primary Care Home Business
(Primary Care Home Operation/Care Plan Service/Welfare Equipment Lending Service)
- Other Business (TAISAPO Service/ICT)

Number of Employees

708 (as of March 31, 2025, not including temporary employees)

VISION

Vision

We'll create
a social infrastructure
which means
patients can recuperate
at home in peace
24 hours a day,
365 days a year.



As Platformer that adapts to the age of home medical care and
provides the operation and mechanism of comprehensive community care,
We'll aim to build an important infrastructure for these two types of care.

*Segment Change from March 2024

- 01 Company Profile, Business Profile, Summary
- 02 **Summary of Financial Results (FY 2025)**
- 03 Earnings guidance (FY 2026)
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Summary of Financial Results

- Sales increased 20% year on year. Kirari Prime business increased sharply due to the acquisition of Region Prime projects. Third facility of Prime Care Home opened
- Operating profit increased 48%. Kirari Prime business led overall profit due to the contribution of Region Prime projects. Kirari Prime will be the largest profit contribution business of the entire company for the first time since its establishment. Company-wide adjustments also increased. Increased tax-free sales ratio due to higher sales in home visit pharmacy business and primary care home business

(millions of yen)	FY2024		FY2025		Year-on-Year		Compared to the previous year Difference
	Results	Forecast *	Results	Amount of Change	Rate of Change		
Sales	8,285	9,455	9,984	+1,698	+20.5%		+529
Home visit pharmacy business	6,531	6,740	7,117	+586	+9.0%		+376
Kirari Prime business	836	1,050	1,279	+442	+52.9%		+229
Primary care home business	883	1,626	1,586	+702	+79.6%		- 40
Other businesses	34	37	1	- 32	-		- 35
Operating income	710	929	1,051	+340	+48.0%		+121
Home visit pharmacy business	635	685	647	+12	+1.9%		- 38
Kirari Prime business	485	529	782	+297	+61.3%		+253
Primary Care Home Business	7	168	184	+176	23.5 times		+15
Other businesses	- 9	- 0	- 13	- 4	-		- 13
Adjustment	- 408	- 452	- 548	- 139	Adjustment Increase		- 95
Ordinary income	716	889	1,022	+305	42.7%		+133
Net income	441	618	719	+278	63.0%		+100

*Earnings forecast announced on May 14, 2024

Financial Results/Net Sales

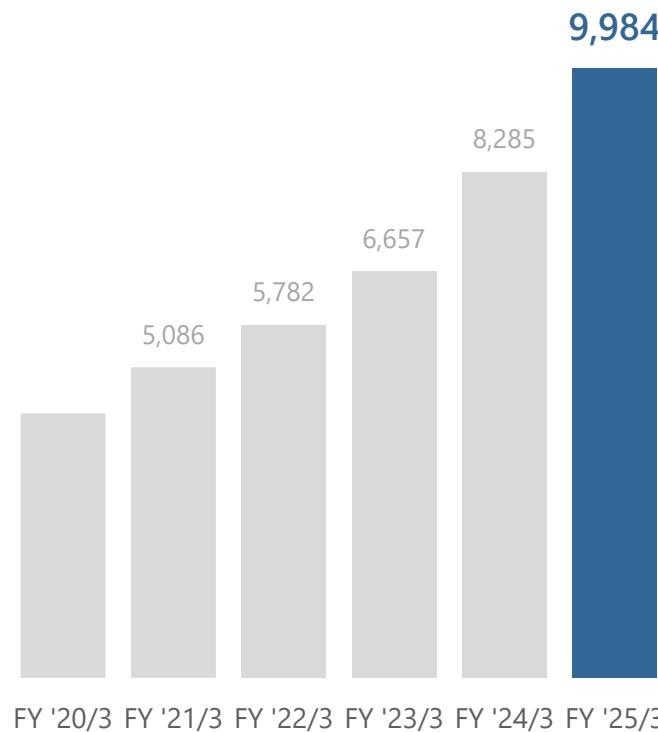
- Sales grew steadily. As a percentage of sales, the weight of the primary care home business rose 5.2 % year on year to become our company's second largest sales segment.
- Ordinary profit increased for 18 consecutive terms *, finally exceeding ¥1 billion. Ordinary profit margin rose 1.5 % year on year to 10.2%. Growth in Kirari Prime business with high profit margin contributed

2025

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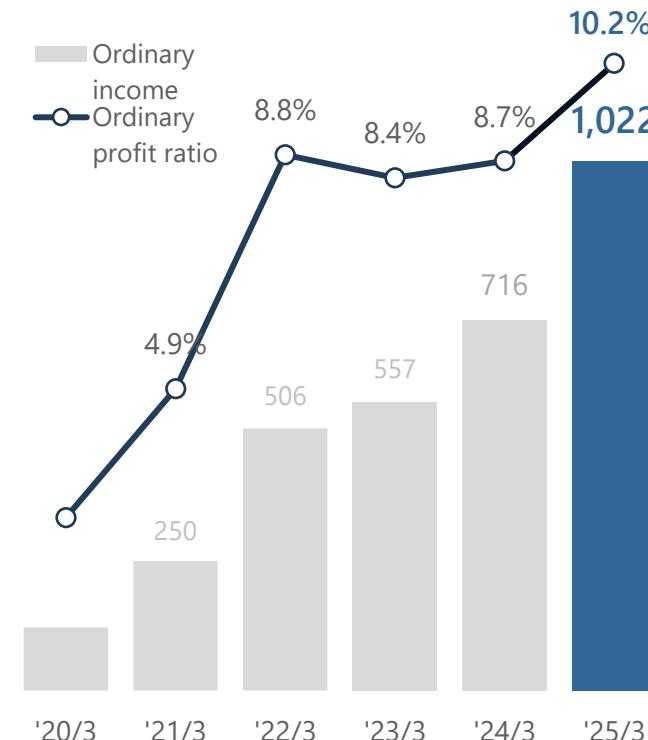
Sales

(millions of yen)



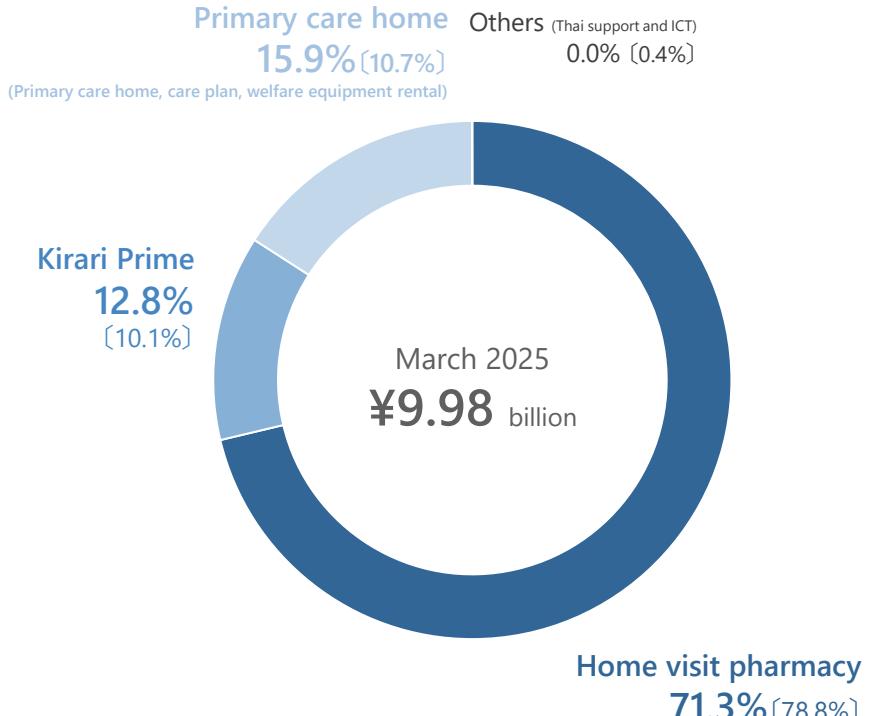
Ordinary profit/Ordinary profit ratio

(millions of yen) (%)



Percentage of net sales

(% []) is compared to previous fiscal year *



*Exclude : Fiscal year change period

Quarterly Financial Results (1)

- Sales generated in 4Q increased from 3Q to record quarterly highs consecutively. Sales decreased in the mainstay home visiting pharmacy business, but were absorbed by the growth of Kirari Prime
- Gross profit and operating profit also increased significantly from 3Q. The profit margin also increased to record levels. In particular, the acquisition of Region Prime projects in the Kirari Prime business contributed

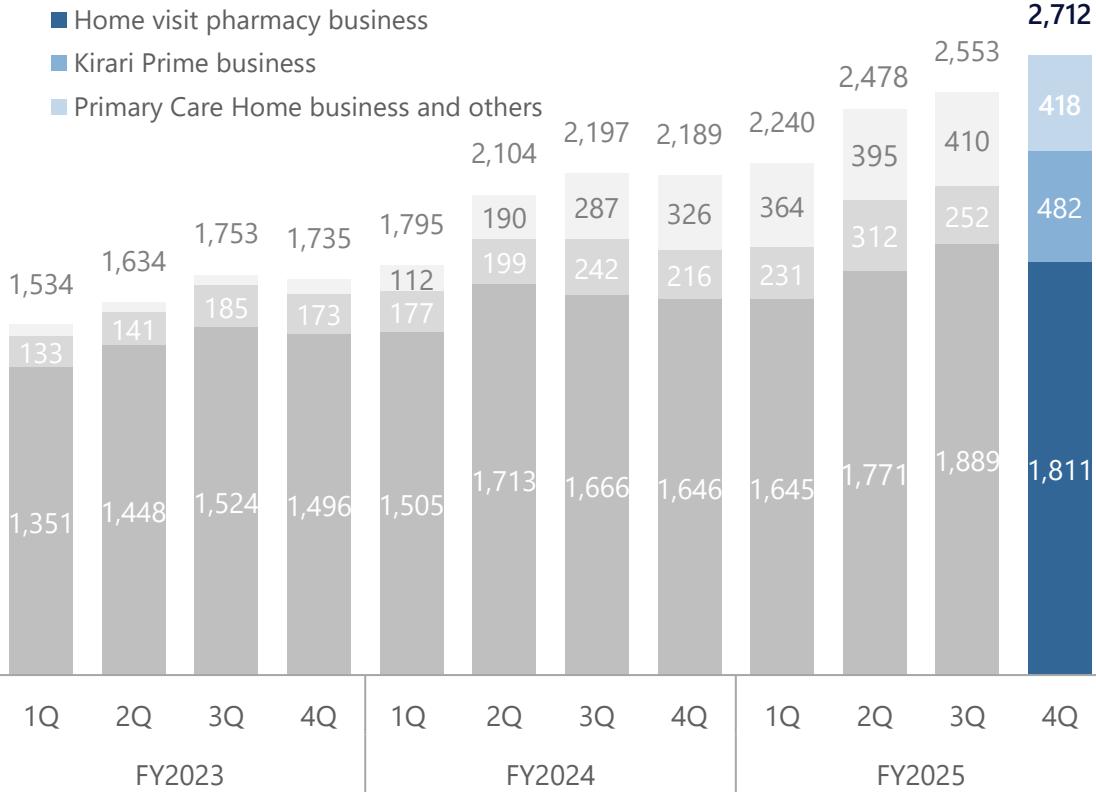
2025

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Net sales

(millions of yen)

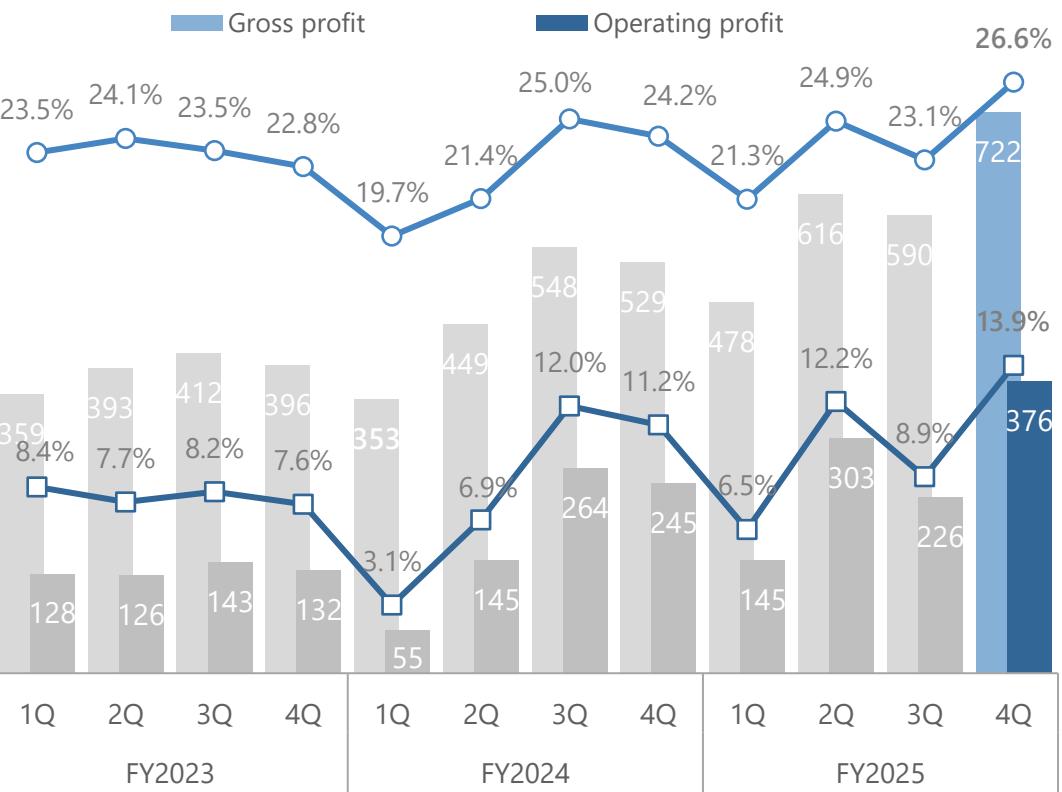
- Home visit pharmacy business
- Kirari Prime business
- Primary Care Home business and others



Gross profit and operating profit

(millions of yen) (%)

- Gross profit
- Operating profit



Quarterly Financial Results (2) Segment

- Sales and profit decreased from 3Q in the home-visit pharmacy business due to a decrease in the number of outpatient prescriptions in January and February. However, sales remained high due to the effect of opening new stores.
- Sales and profit increased significantly from 3Q in the Kirari Prime business. Both sales and profit set new quarterly records. Profit margin also increased due to the effect of getting Region Prime projects.
- Revenue and profit increased from 3Q in the Primary Care Home business. Sales were contributed by new facilities in addition to full operation of existing facilities. However, new facility opening expenses weighed on profit and loss.

(millions of yen)	2024/3				2025/3 (Consolidated)			
	1Q (Non-consolidated)	2Q (Non-consolidated)	3Q (Non-consolidated)	4Q (Consolidated)	1Q	2Q	3Q	4Q
Net sales	1,795	2,104	2,197	2,189	2,240	2,478	2,553	2,712
Home visit pharmacy business	1,505	1,713	1,666	1,646	1,645	1,771	1,889	1,811
Kirari Prime Business	177	199	242	216	231	312	252	482
Primary Care Home Business	106	181	276	319	364	394	410	417
Other Business	6	9	11	7	0	0	0	1
Operating income	55	145	264	245	145	303	226	376
Home visit pharmacy business	124	173	172	164	94	182	212	157
Kirari Prime Business	90	115	154	124	132	205	128	316
Primary care home business	– 38	– 28	27	47	67	66	55	– 5
Other Business	– 3	– 1	– 0	– 3	– 2	– 1	– 3	– 6
Adjustments	– 116	– 113	– 90	– 88	– 146	– 149	– 167	– 84
Ordinary profit	55	144	266	250	141	293	204	383
Net income *	36	98	182	124	94	196	103	324

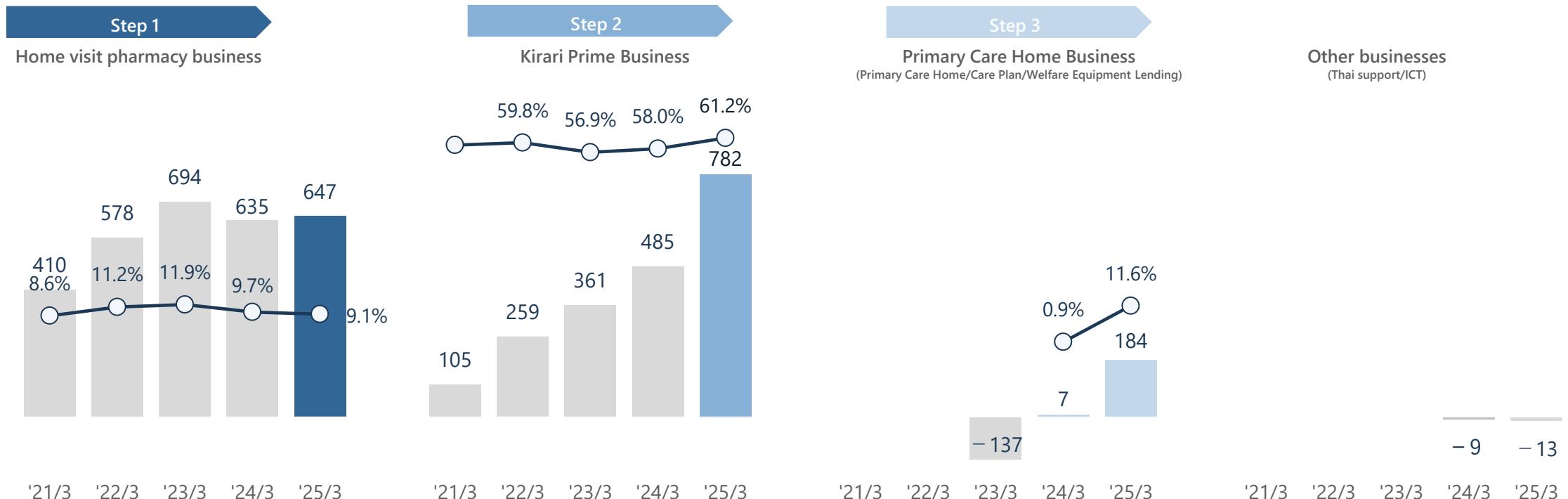
*Net income attributable to owners of the parent company due to consolidated financial statements from 4Q in the 2024/3 fiscal year.

Operating profit by segment

- In the home-visit pharmacy business, which is the first step of growth, profit increased by 2% due to an increase in patients due to an increase in the number of stores and a revision in dispensing fees. On the other hand, profit margin declined slightly due to an increase in store opening costs.
- In the Kirari Prime business, which is the second step, growth was steady due to an increase in the number of affiliated stores. Region Prime projects also contributed
- In the primary care home business, which is the third step, full-scale profit contribution started. Despite upfront costs associated with the opening of new facilities, profits grew due to an increase in occupancy rates

Segment profit and segment profit margin

(millions of yen) (%)

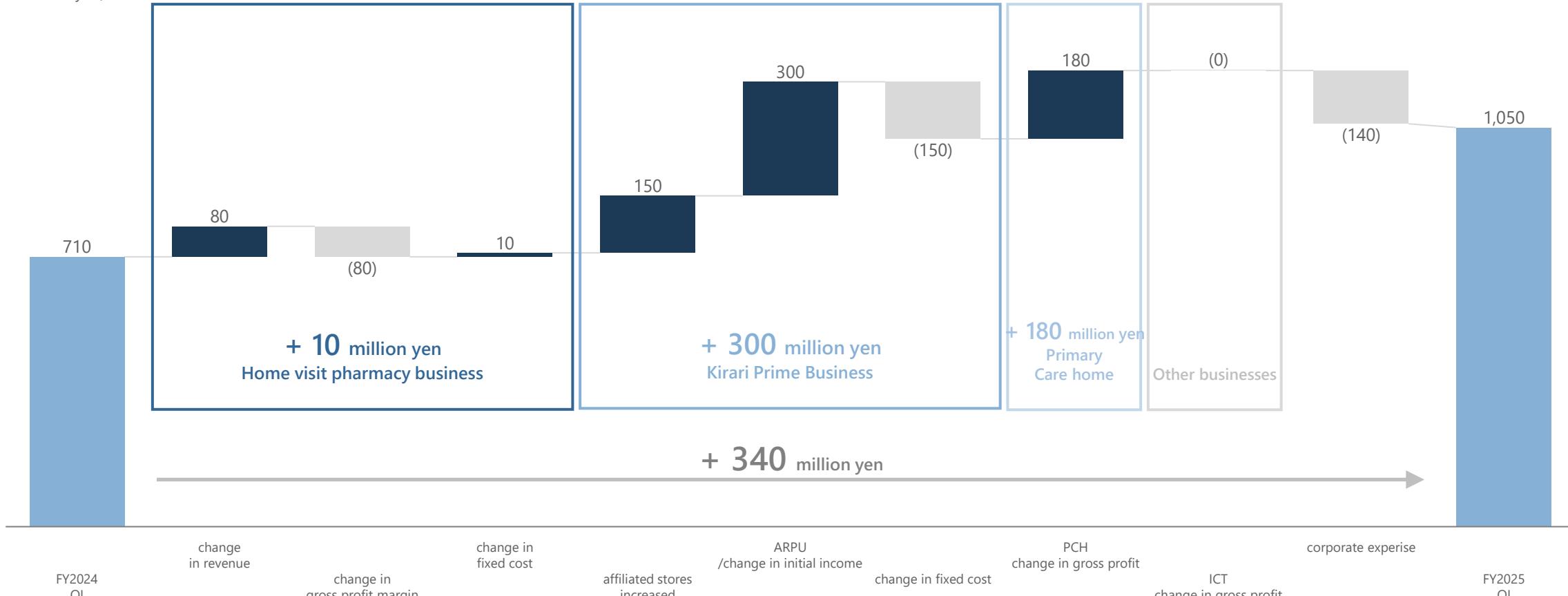


Analysis of operating income growth factors

- Kirari Prime business and primary care home business led the increase in overall profits. In Kirari Prime business, ARPU increased due to the acquisition of Region Prime projects in addition to the number of members. Primary care home business contributed to the increase in facility occupancy rate
- On the other hand, home visit pharmacy business had an impact on sales but was offset by an increase in labor costs included in cost. Profit level remained almost unchanged

Operating income factors

(millions of yen)

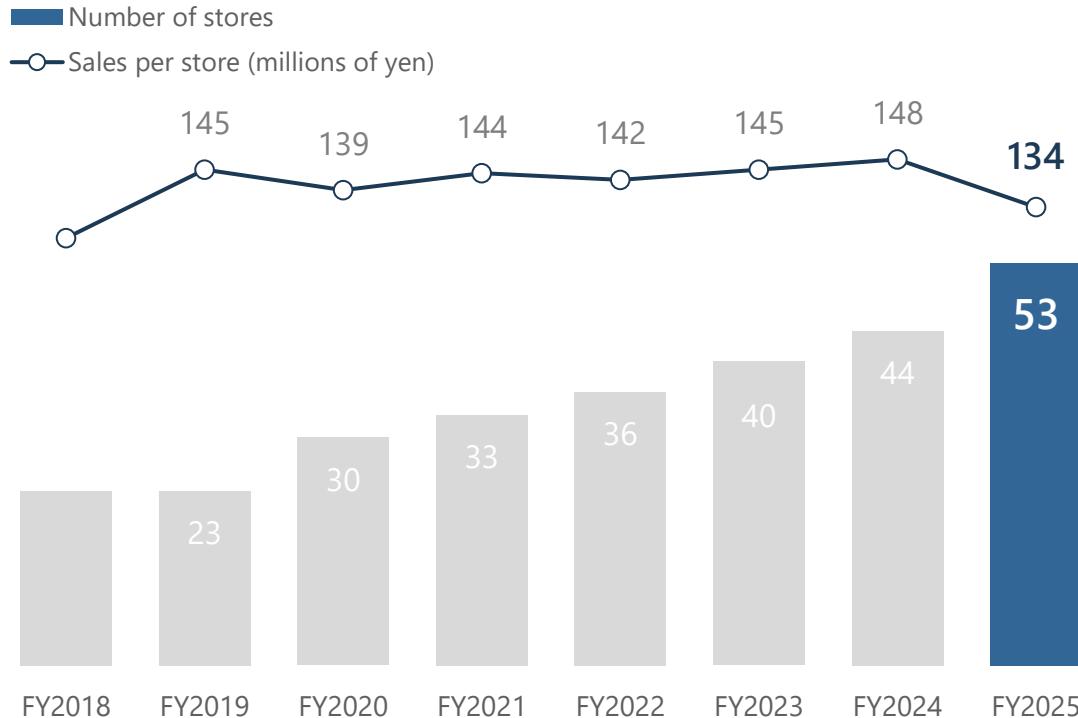


• PCH (primary care home)

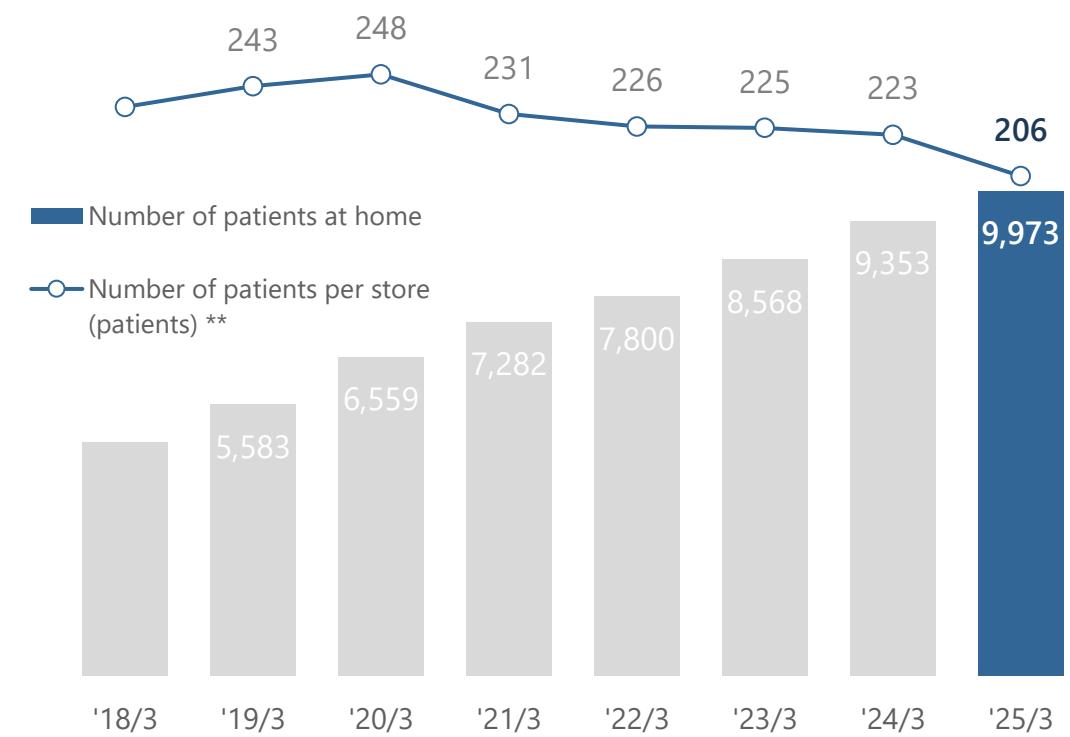
Home visit pharmacy business KPI

- Number of stores increased 9 from the end of the previous fiscal year to 53 stores. Record opening pace. Sales per store temporarily decreased due to increase in number of stores
- The number of home patients increased 620 from the end of the previous fiscal year to 9,973 due to increase in stores. Optimized number of patients per store to approximately 200

Sales and number of stores



Number of home patients

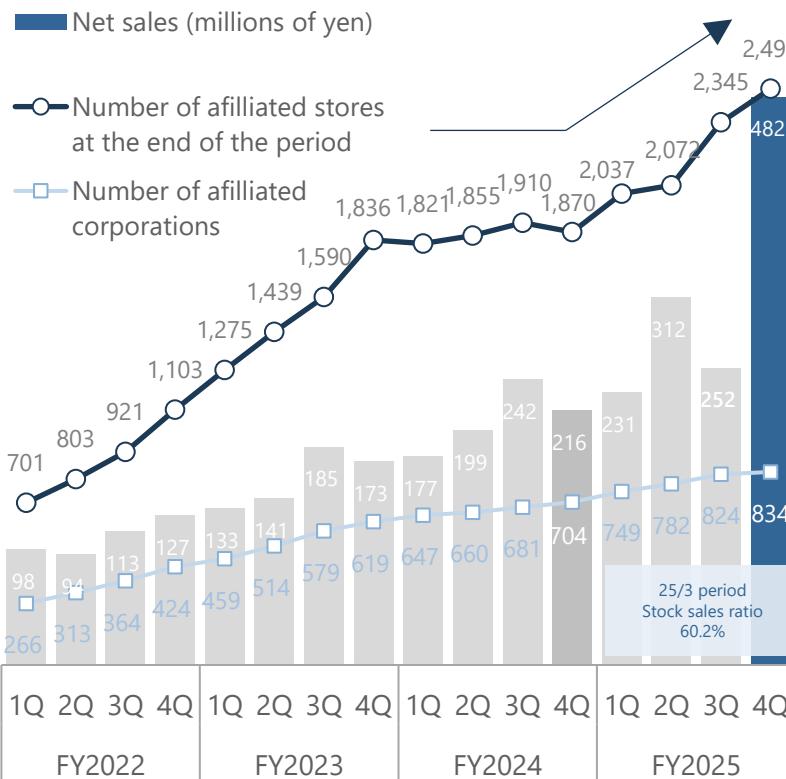


*Sales per store (¥1 million) = Sales/Number of stores at end of fiscal year/** Number of patients per store (patients) = Number of home patients at end of fiscal year/Average number of stores at end of fiscal year

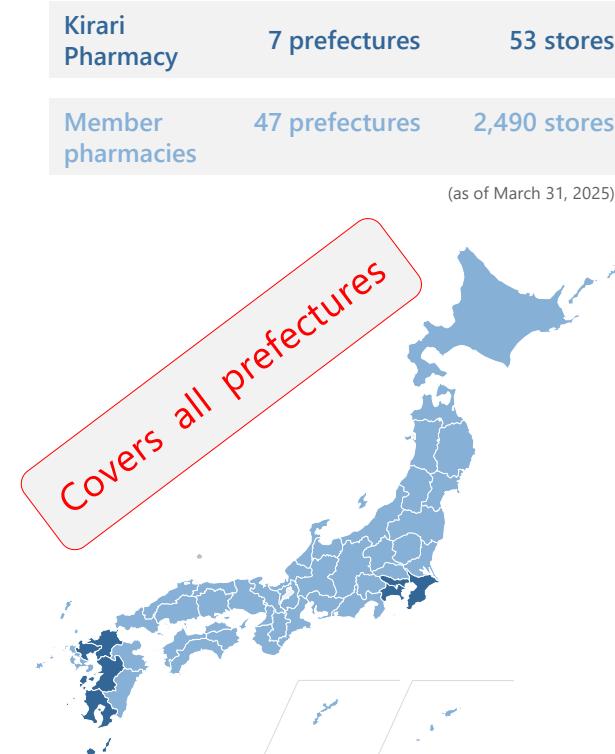
Kirari Prime Business KPI

- Sales in Q4 increased significantly compared to Q3 due to the acquisition of Region Prime projects. The number of affiliated stores expanded to 2,490
- The number of affiliated stores returned to an expanding trend from the 2025/3 fiscal year. Although growth was forced into a sluggish period in the 2024/3 fiscal year, the growth pitch picked up again due to the strengthening of consulting services
- ARPU also increased significantly to 585,000 yen. Although there was a temporary bottom-up effect from the Region Prime project, we recognize that the focus on increasing added value has been effective.

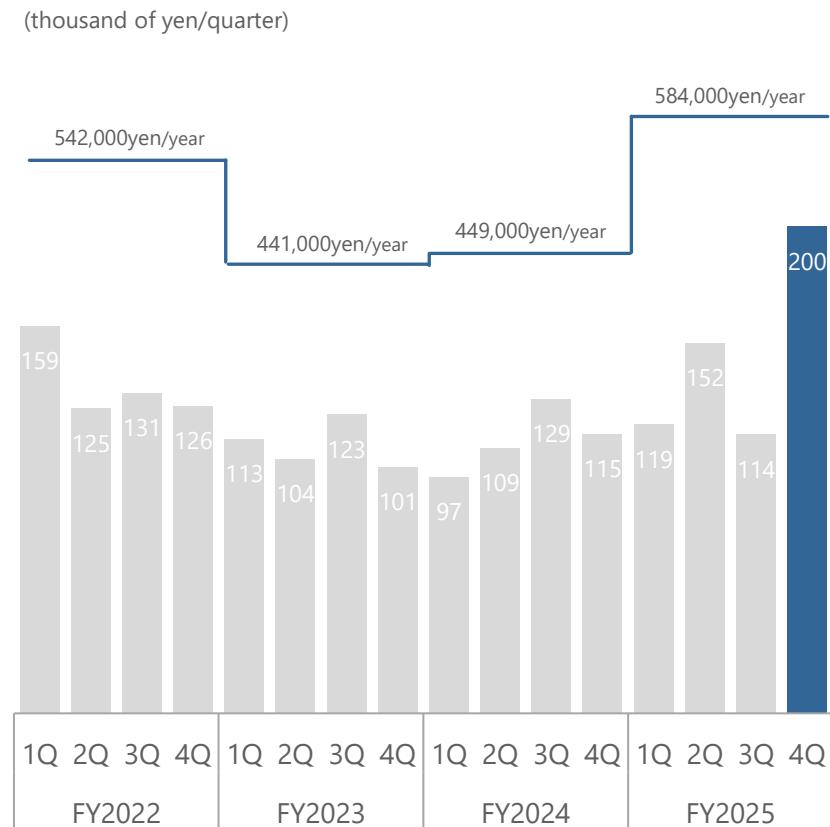
Net Sales, Number of Affiliated Stores, Number of Corporations



Developments



Kirari Prime ARPU**



**ARPU = Kirari Prime Sales (including initial revenue) ÷ Average number of stores at the beginning and end of the period

Primary Care Home Business KPI

- As of the end of March 2025, the occupancy rate of existing facilities *¹ was 93%, and the facility is almost fully operational. Primary Care Home Hyuga Kumamoto Hamasen opened on December 13, 2024, and the number of residents is 64 (including occupancy reservations).
- Average monthly unit price for residents in the fourth quarter is 440,000 yen. Due in part to the opening of new facilities, unit price for residents decreased from the previous quarter.

2025

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Capacity/Number of residents

Name of facility	Occupancy Capacity		2024/3				2025/3			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Existing facilities * ¹										
Kasuga Chikudai	102	Number of Residents	73	84	85	94	100	97	92	96
Hakata Mugino	162		—	50	85	117	147	154	155	150
	264		73	134	170	211	247	251	247	246
New facility * ¹										
Kumamoto Hamasen	168		—	—	—	—	—	—	47	64
	168		—	—	—	—	—	—	47	64

Ratio of severely ill persons /Unit price for residents *

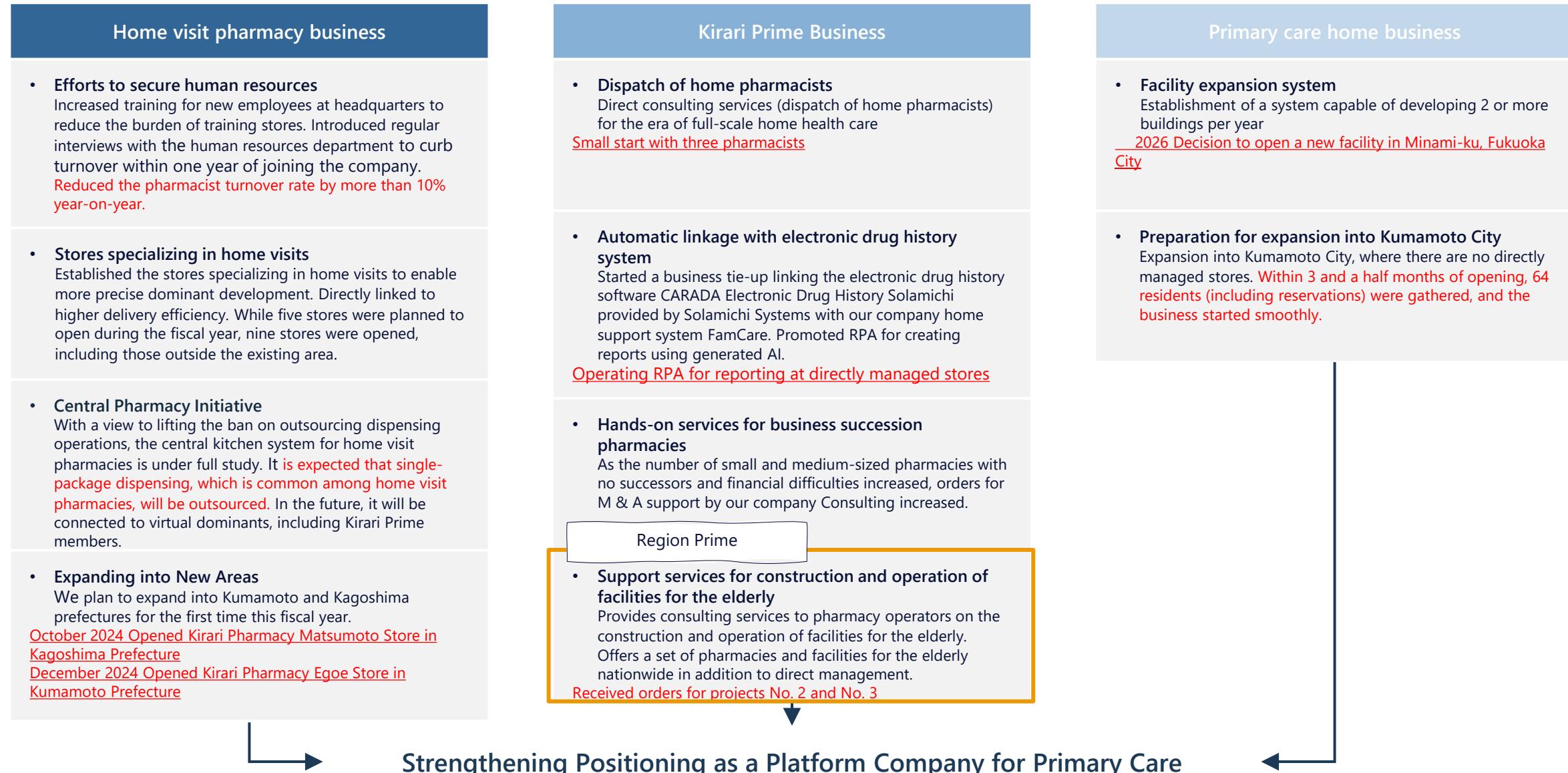
(thousand of yen/month)



*1 Existing facilities are defined as facilities that have been in operation for more than one year, and new facilities are defined as facilities that have been in operation for less than one year.

*2 Quarterly average monthly unit price

Action Plan for Fiscal Year Ended March 2025



Balance Sheet

- Equity ratio at the end of the fourth quarter of the 2025/3 fiscal year increased 7.7 pt from the end of the previous fiscal year to 33.6%
- Total assets increased by 11%. Property, plant and equipment increased due to the opening and opening of primary care home business assets and home visiting pharmacies, as well as increased receivables due to increased sales
- ROE increased 9.0 pt from the end of the previous fiscal year to 35.8%. It has now recovered to over 30% again.

(millions of yen)	End of 2023/3 (Non-consolidated)	End of 2024/3 (Consolidated)	End of 2025/3 (Consolidated)	Increase/decrease from the end of the previous fiscal year
Current assets	1,959	2,444	2,703	+258
Cash and Bank	567	688	565	- 122
Accrued revenue	1,152	1,498	1,873	+374
Non-current assets	955	3,910	4,348	+438
Tangible fixed assets	276	2,997	3,308	+311
Intangible fixed assets	440	364	393	+29
Total assets	2,914	6,354	7,051	+696
Liabilities	1,431	4,711	4,679	- 32
A/P trade	669	751	756	+4
Interest-bearing debt *	193	2,629	2,259	- 370
Lease liability (short-and long)	57	168	385	+217
Net assets	1,483	1,643	2,371	+728
Liabilities and net assets	2,914	6,354	7,051	+696
Equity ratio	50.9%	25.9%	33.6%	+7.7pt
ROE	30.0%	26.8%	35.8%	+9.0pt
ROA	14.1%	11.3%	10.7%	- 0.6pt
total asset turnover	2.4	1.3	1.5	+0.2

*Interest-bearing debt = Short-term borrowings + Repayments within 1 year Long-term borrowings + Long-term borrowings + Corporate bonds * Lease obligations are not included

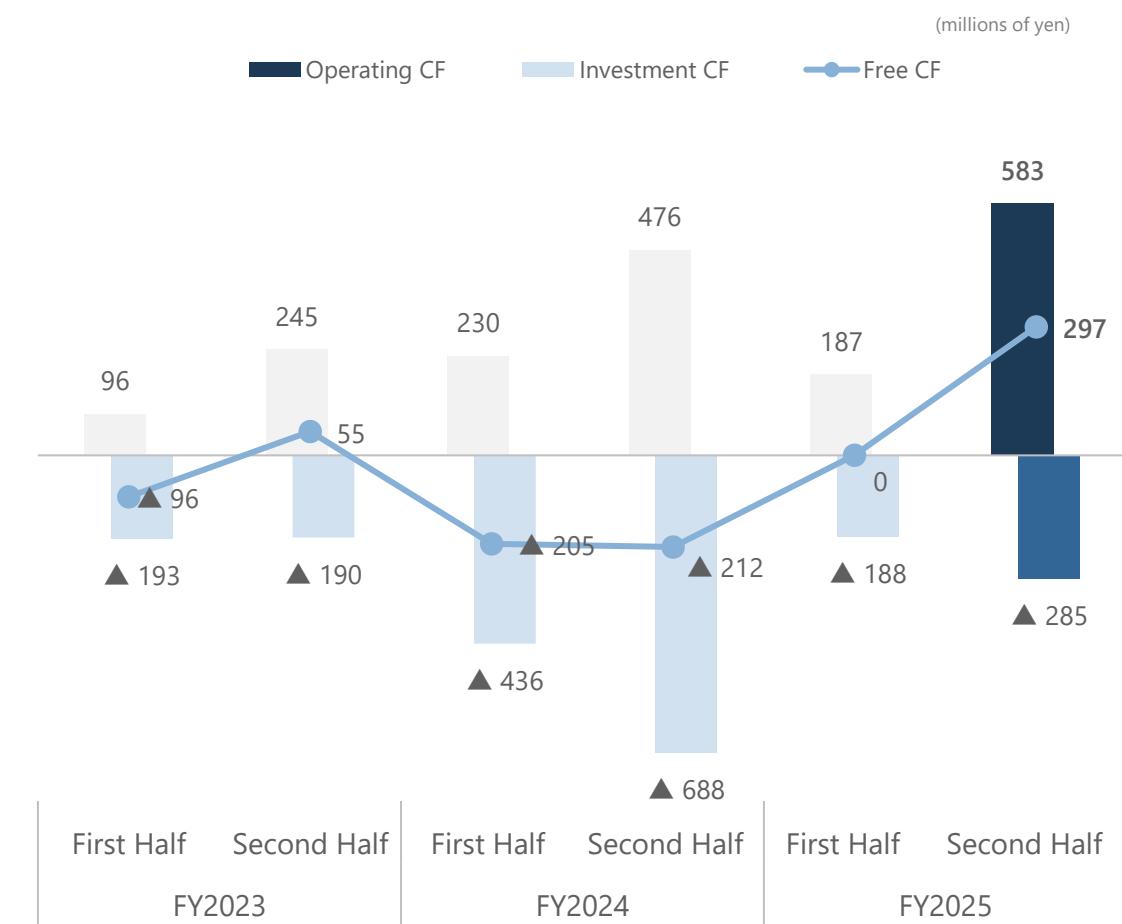
Cash flow

- FCF for the second half of FY 2025/3 was 300 million yen. Investment CF will continue to be cash-out due to the opening of new stores, but profit will recover due to the accumulation of profits.
- Investment for growth will continue. Financial stability will be maintained at a certain level so that funds can be responded to flexibly.

Cash Flow Trends

(millions of yen)	FY 2024		FY2025		Year-on-Year
	First Half *	Second Half	First Half	Second Half	
Operating CF	230	476	187	583	+107
profit before taxes	199	455	435	534	+79
Depreciation and amortization	69	104	128	146	+42
Amortization of goodwill	7	8	4	4	- 4
Changes in receivables and payables	- 40	- 222	- 66	- 296	- 74
Investments	- 436	- 688	- 188	- 285	+402
Capital investment, etc.	- 172	- 105	- 133	- 244	- 138
Free CF	- 205	- 212	- 0	297	+510
Financial CF	491	46	201	- 620	- 667
Charge in borrowings	541	301	217	- 588	- 889
Issuance of new shares	2	16	0	9	- 7
cash at end of period	853	688	888	565	- 122

*Non-consolidated Financial Results



Plan to pay dividends

*Scheduled to be submitted to the 18 Ordinary General Meeting of Shareholders to be held in June 2025

- Dividend Plan Year-end dividend of ¥20 (payout ratio: 20%)
- Shareholder Return Policy Return in line with profit growth while taking into account business performance and financial soundness
- Aim to commence dividend Thorough management with ROE in mind
- Source of growth Consideration of various measures considering WACC

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Forecast (Consolidated)

- Sales are expected to increase 22% and operating profit is expected to increase 25% for the 2026/3 fiscal year. Ordinary profit is also expected to reach record highs in a row. On a semi-annual basis, there is no change in the emphasis on the second half
- By segment, profits in the home visit pharmacy business are expected to grow due to an increase in the number of stores and operational improvements. The operating profit margin is expected to recover above 10% for the first time in three years. In the primary care home business, sales and profit are expected to increase due to the opening of new facilities. However, the cost of opening new facilities will be heavy until the first half of the year, and profit contribution is expected from the second half. Kirari Prime, on the other hand, is expected to see a slight decline in profit due to a reaction from the region prime project in the previous year.

(millions of yen)	FY 2025/3 Results			FY 2026/3 Outlook			Year-on-Year Difference			Full Year
	First half	Second half	Full Year	First half	Second half	Full Year	First half	Second half	Full year	Change
Net Sales	4,719	5,265	9,984	5,720	6,473	12,194	+1,001	+1,208	+2,209	+22.1%
Home visit pharmacy business	3,416	3,701	7,117	3,880	4,249	8,129	+464	+548	+1,012	+14.2%
Kirari Prime Business	543	735	1,279	665	705	1,370	+121	- 30	+91	+7.1%
Primary care home business	758	827	1,586	1,174	1,518	2,692	+415	+691	+1,106	+69.8%
Other Business	0	0	1	0	0	1	0	- 0	- 0	-
Operating income	448	603	1,051	512	802	1,314	+63	+199	+263	+25.0%
Home visit pharmacy business	277	370	647	352	475	827	+75	+104	+180	+27.9%
Kirari Prime Business	337	444	782	366	389	755	+28	- 55	- 26	- 3.4%
Primary care home business	133	50	184	61	202	263	- 72	+151	+79	+43.0%
Other Business	- 3	- 10	- 13	0	0	0	+4	+10	+14	-
Adjustments	- 296	- 252	- 548	- 267	- 264	- 532	+28	- 12	+16	-
Ordinary profit	435	587	1,022	490	779	1,269	+54	+191	+246	+24.1%
Net Income	291	427	719	347	536	88	+56	+108	+164	+22.9%

KPI Assumptions

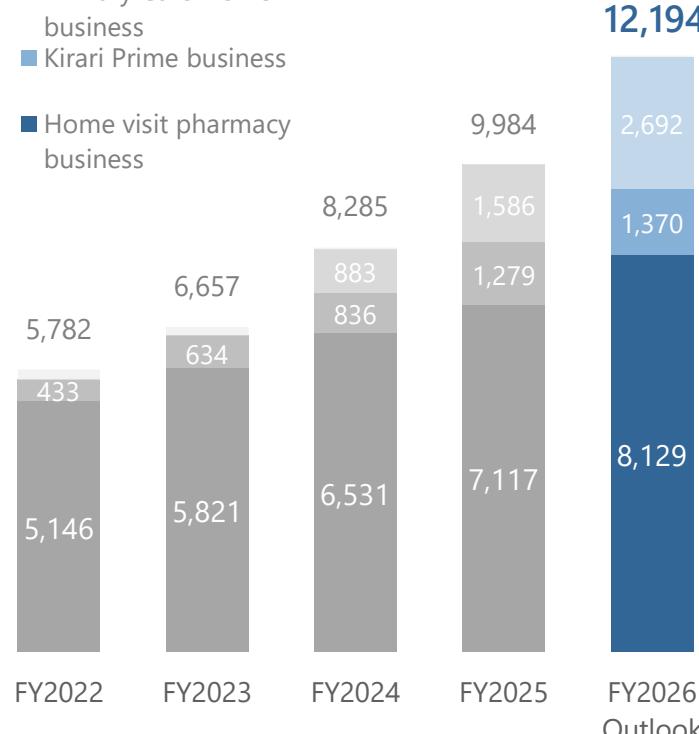
- In terms of sales, the primary care home business grew significantly due to the expansion of the number of facilities. Company-wide sales finally exceeded 10 billion yen and aim to exceed 12 billion yen
- The home-visit pharmacy business is expected to have a similar opening pitch to the previous fiscal year. There was a rush to open new stores in the previous fiscal year, but this fiscal year will continue to be aggressive in opening new stores. The number of home patients is also expected to exceed 12,000
- In the Kirari Prime business, the number of affiliated stores is expected to continue to increase. ARPU will also adjust temporarily due to the impact of the region prime, but will maintain its upward trend through the expansion of added value such as package plans.

Net Sales Forecast

(millions of yen)

Primary Care Home business
Kirari Prime business

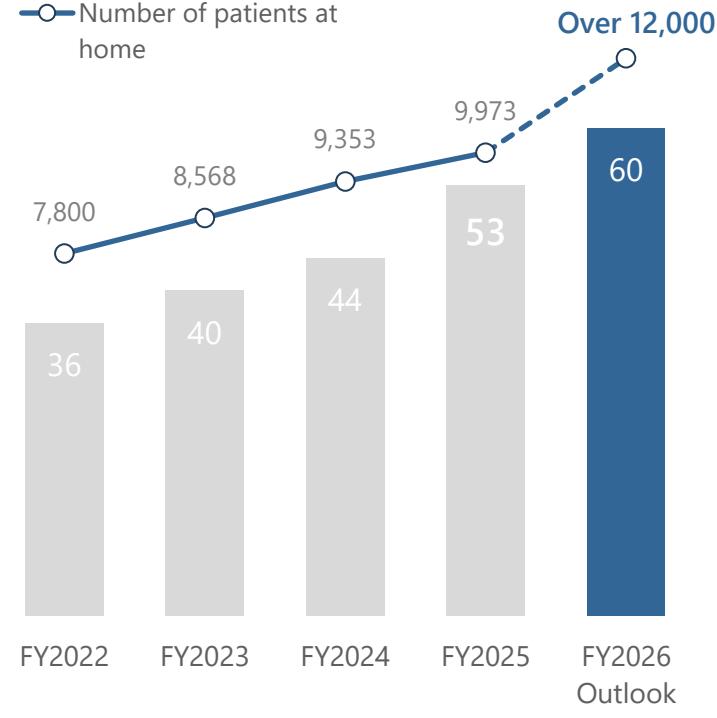
Home visit pharmacy business



Home visiting pharmacy business KPI assumptions

Number of stores

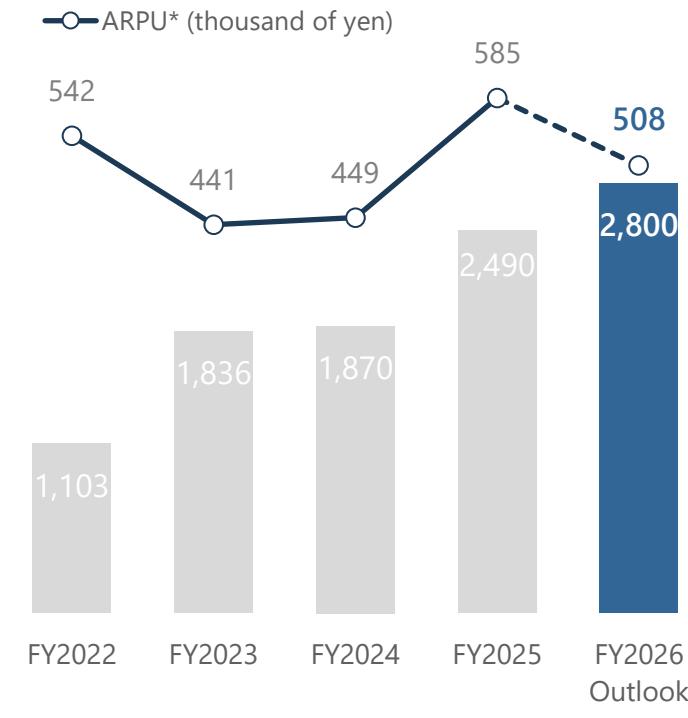
Number of patients at home



Kirari Prime Business KPI Assumptions

Number of affiliated stores at the end of the period

ARPU* (thousand of yen)

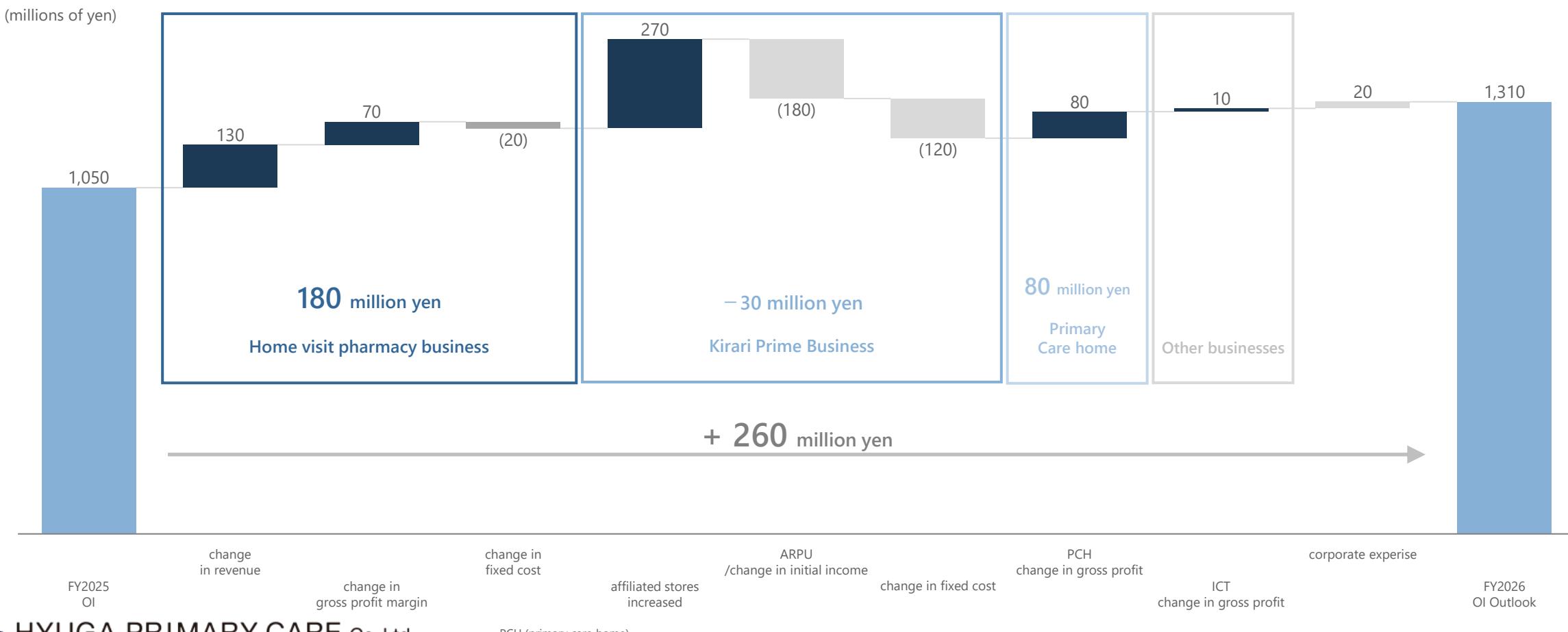


*ARPU= Kirari Prime business sales (including initial income) ÷ average number of affiliated stores at the beginning and end of the period

Analysis of factors contributing to the expected increase in operating income

- In the home visiting pharmacy business, profit is expected to increase due to the increase in the number of stores and the promotion of operational improvements
- In the Kirari Prime business, the number of affiliated stores is expected to increase, but profit is expected to decrease due to the decrease in ARPU and cost increase due to the reactionary decrease in the region prime business in the previous fiscal year
- In the primary care home business, profit is expected to increase only by 80 million yen due to the cost of opening new facilities, despite the continued high operation and the effect of new facilities

Operating income factors

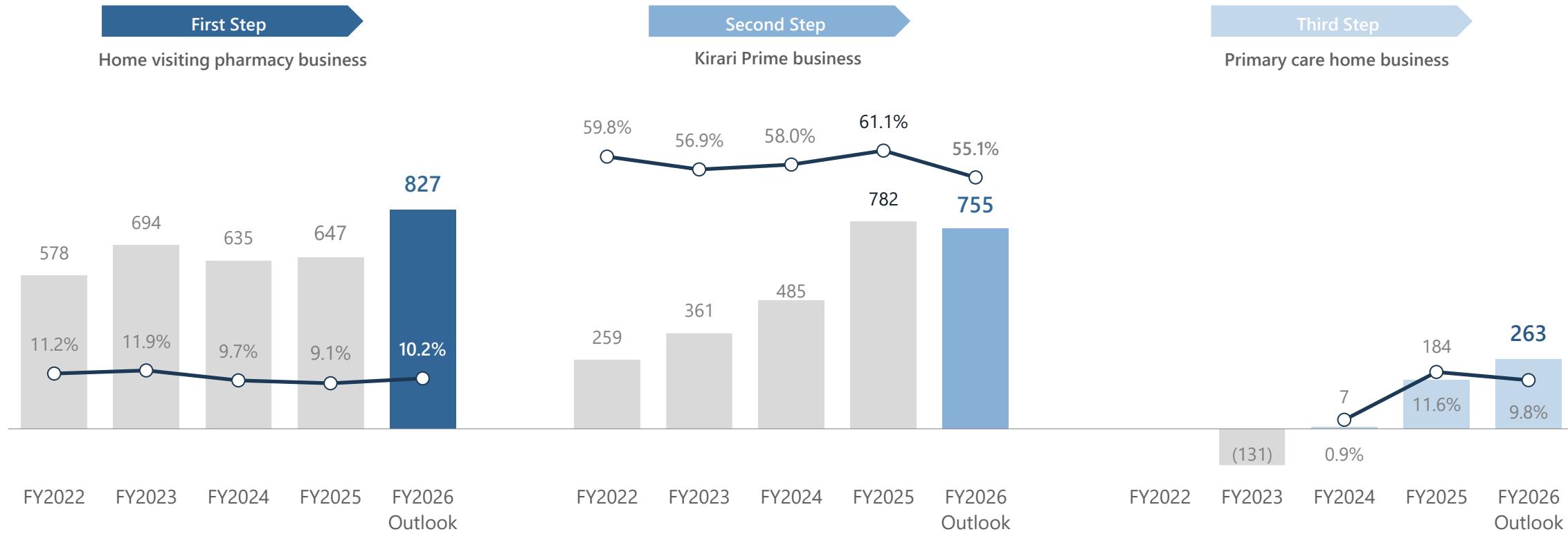


Earnings Forecast by Segment

- Operating profit in the first step home-visit pharmacy business is expected to shift from the waxing and waning situation that had been in the past. Growth will accelerate due to increased opening of new stores and increased operational efficiency.
- Operating profit in the second step Kirari Prime business is expected to remain at a high level, but profit is expected to decrease due to the rebound from the region prime deal in the previous fiscal year.
- Operating profit in the third step primary care home business is expected to continue full operation of existing facilities, but profit margin is expected to decrease due to new facility opening costs.

Segment profit and segment profit margin

(millions of yen) (%)



Step 1

Home visit pharmacy business

Step 2

Kirari Prime Business

Third step

Primary care home business

Operation reform: Central Pharmacy system

- Automated core pharmacies operating 24 hours a day
- Kirari Pharmacies in each region are dedicated to high-value-added operations such as reducing on-site burdens and responding to acute symptoms

Region Prime

- Comprehensive support for the establishment and operation of residential paid nursing homes
- Land selection, marketing, business planning, financing, license application, human resource recruitment and education, operations, sales for home patient acquisition, etc.

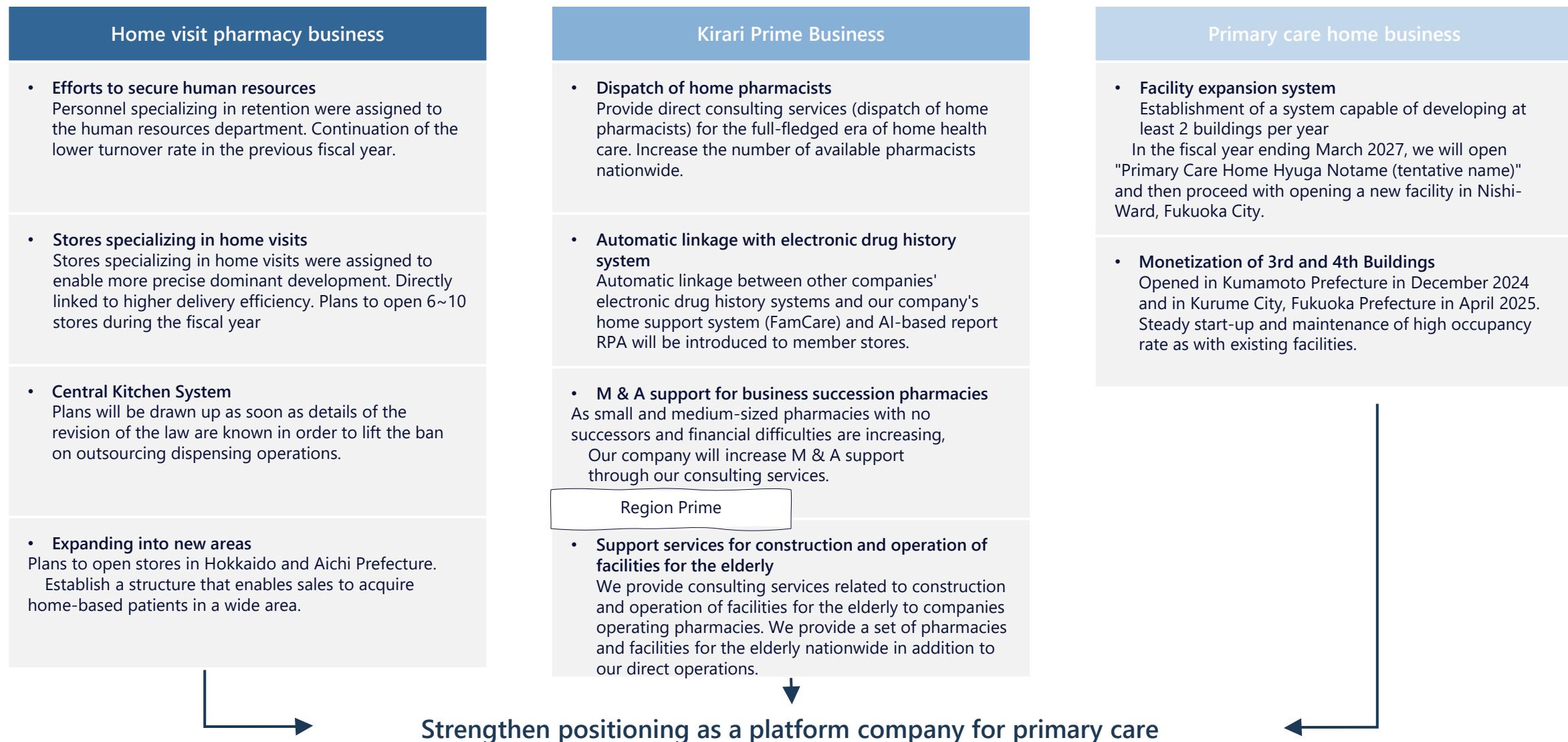
Business efficiency package services

- Simplification of complicated operations such as drug history verification and report preparation by using IT (DX)
- Drafting and proposal functions using AI greatly reduce on-site burden on the affiliated stores.

Accumulation of facility management know-how

- Stabilization of operation of four facilities and early proof of a viable business model in the primary care home business

Action Plan for Fiscal Year Ending March 2026



Home-Visit Pharmacy Business: Direction of Operation Reform

2025

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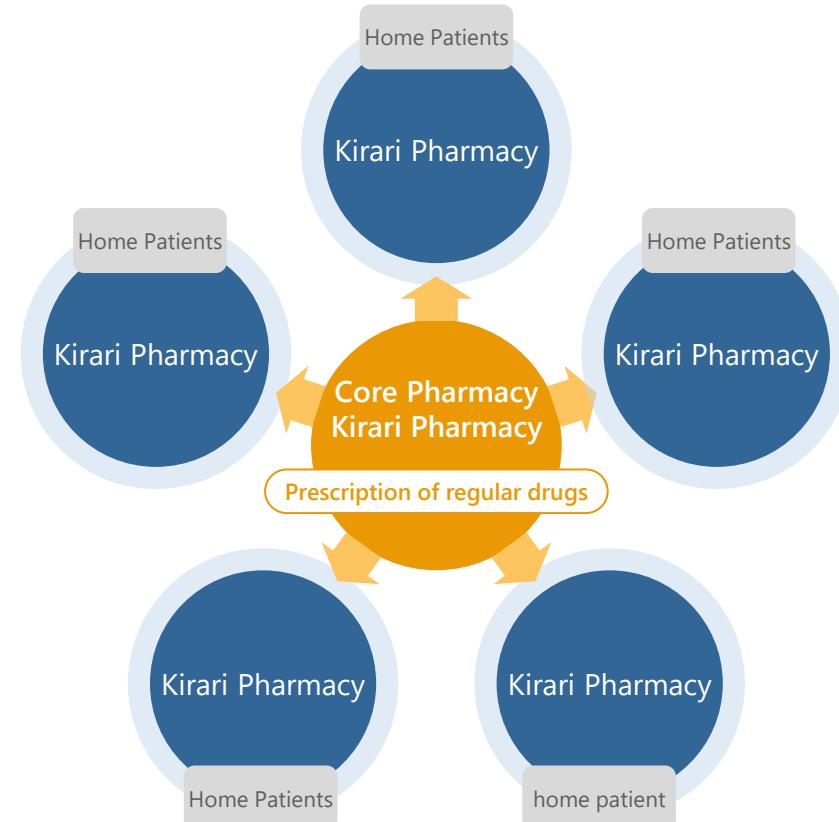
Previous Operation System

- Each Kirari Pharmacy Takes Unique and Consistent Action for Each Customer
- There are examples of neighboring Kirari Pharmacies taking part in support, but they are basically managed in a simplified manner.



Operation Reform: Central Pharmacy System

- Establishment of a core automated pharmacy that operates 24 hours a day, mainly dispensing drugs (regular drugs) for long-term use by patients
- Delivery of dispensed drugs to nearby Kirari pharmacies and administration of drugs from the store in charge to patients at home
- By having core pharmacies handle part of the operations of Kirari pharmacies in each region, the burden on the site is reduced, and they concentrate on value-added operations such as dealing with acute symptoms.



*In the "Outsourcing of a Part of Dispensing Services to Strengthen Pharmacists' Interpersonal Work" announced by the Ministry of Health, Labour and Welfare on December 25, 2023, it is assumed that outsourcing of a part of dispensing services is being considered and that the development of the system, including the revision of laws and regulations, will progress. Future discussions may change the direction of our operational reform.

Kirari Prime Business: Sales of Operational Efficiency Packages

- Although home-visit pharmacies have a tailwind due to the needs of the times, various problems have emerged at present. Confusion has occurred not only in our company but also in various places.
- To increase business sustainability, drastic operational efficiency improvement through DX is inevitable. Providing efficient packages with excellent operability to the affiliated stores.
- We have already developed and introduced the package and verified its effectiveness to a certain extent. In the future, we will establish a backup system for maintenance and troubleshooting, and establish sales system

2025

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Problems surrounding home-visit pharmacies

Problems in home-visit work		Staff problems	
<ul style="list-style-type: none">UnprofitableComplex dispensing processesOvertimeReduced quality of servicesFacility transaction terminationStaff shortages due to medical care visits		<ul style="list-style-type: none">Mass departure of staffDeparture of veteran staffChronic staffing shortagesIncrease in the ratio of new employeesIncrease in the training load on staffDissatisfaction with treatment	



Kirari Pharmacy also experienced confusion in the 2024/3 fiscal year.

Business efficiency and rationalization (DX) through IT is inevitable

Service Overview

The integration of the three systems greatly reduces the workload of medication history and reports

Cloud-based electronic drug history "Soramichi"

Ultra-efficient drug history system
System proposes medication instruction text by guidance navigation
Reflects enriched instruction content to drug history with just a click

Home work support system "FamCare"

Seamlessly links drug history and report data
Helps reduce time and work efficiency associated with home health care
Improves work efficiency by automatically sending reports via fax or email from the Web

Report preparation support system "Aid Prime"

AI automatically creates medication history text from Solamichi's guidance navigation system
It also automatically generates easy-to-understand text for report care managers, etc.
Data is transferred to FamCare

Both have already been introduced at Kirari Pharmacy, which is directly managed.

- ✓ Certain results such as improved profit margins have been verified.
- ✓ Responding to and maintaining problems at the affiliated stores
Early establishment of a response system

Primary Care Home Business: Opening Strategy



Building 1: Primary Care Home Hyuga Kasuga Chikushidai

- **Opened on January 13, 2023**
- Address: 5-132 -1, Chikushidai, Kasuga City, Fukuoka Prefecture, Japan
- Capacity: 102 beds



Building 2: Primary Care Home Hyuga Hakata Mugino

- **Opened on August 1, 2023**
- Address: 2-22-20, Mugino, Hakata Ward, Fukuoka City, Fukuoka Prefecture, Japan
- Capacity: 162 beds



Building 3: Primary Care Home Hyuga Kumamoto Hamasen

- **Opened on December 13, 2024**
- Address: 3-120, Tamukae, Minami Ward, Kumamoto City, Kumamoto Prefecture, Japan
- Capacity: 168 beds



Building 4: Primary Care Home Hyuga Kurume Seimaria Byouinekima

- **Opened on April 18, 2025**
- Address: 600-7 Tsufuku Honmachi, Kurume City, Fukuoka Prefecture, Japan
- Capacity: 144 beds



Trends in this spring's compensation revision

Remuneration was revised just before 2025, when the baby-boomer generation will become over 75 years old and the aging society will accelerate rapidly. The **importance of home health care and nursing care was further improved as a whole**. This content clarifies the flow of strengthening the "community comprehensive care system" that allows people to live in the community and face their final moments.

Impact in each business

Home-visit pharmacy business

- The unit price of home prescription increased by 350 yen due to the evaluation of home visits. Annual increase of about 60 million yen
- There is a generous addition to the evaluation of patients who require advanced medical care (knowledge, experience, and devices) such as the use of prescription narcotics (especially injectables) and children in medical care. A basic system that can respond to these needs has already been established, and dispensing operations can be more focused on personal services.

Kirari Prime business

- Depending on the evaluation of home visits, dispensing pharmacies will be polarized into "home-based" or "non-home-based" types. Therefore, it is expected that Prime members will shift to a more "home-based" type configuration.
- Affiliates: ARPU will increase for home-based pharmacies due to increased use of services, while pharmacies that do not focus on home-based pharmacies may leave.
- ARPU increases due to the expansion of service use opportunities regardless of the growth of new affiliated stores.

Primary Care Home business

- Remuneration decreased by about 1% in the home visit nursing care business with regular visits and as needed. However, the result is expected to be positive due to the acceptance of residents with high medical dependency.
- Received favorable evaluations for end-of-life care at home (including care for terminally ill cancer patients). The addition of home care in medical insurance is expected in the future.

Comparative changes in the number of dispensing-related compensation points

Before revision

Pharmacies
near
medical
institutions

Dispensing technical fee
and pharmacy management fee
307 points

Pharmacy fee
(cost of goods purchased + profit)
700 points

Home Visit
Pharmacy

Caregiving fees
Home care management guidance fees
341 units

Technical fee for dispensing
and pharmaceutical management fee
380 points

Pharmacy fee
(cost of goods purchased + profit)
700 points

After revision

Pharmacies
near
medical
institutions

Dispensing technical fee
and pharmacy management fee
310 points

Pharmacy fee
(cost of goods purchased + profit)
700 points

Home Visit
Pharmacy

Caregiving fees
Home care management guidance fees
342 units

Technical fee for dispensing
and pharmaceutical management fee
414 points

Pharmacy fee
(cost of goods purchased + profit)
700 points

Compared to
before the revision
Unit price increase

Evaluation of home visit system
We have added further evaluation
compared to the pharmacy in front
of the door.

Two-
storey

"Comparative example per prescription for 14 days of oral medication"

(Dispensing fee points: 1 point =10 yen, nursing care fee unit: 1 unit =10 yen)

Home-Visit Pharmacy Business: Impact of 2024 Dispensing Fee Revision

- A certain number of home pharmacy management records are required for the "community support system addition," which is a pillar of the profits of dispensing pharmacies and evaluates their performance and systems in contributing to community medical care. The era has changed to one in which dispensing pharmacies across the country are required to make home visits.
- There is a generous evaluation addition for dealing with patients who require advanced medical care (knowledge, experience, and devices) such as medical narcotics use (especially injection drugs) and medical-care children. We can deal with and accept all kinds of patients based on our long history of home case experience. We speculate that there will be more home patients with higher unit costs.
- We will streamline our dispensing operations so that we can take care of home patients with high medical dependency and cooperate with visiting physicians and care managers.

◆ Kirari Pharmacy Average Model: 450 home prescriptions out of 850 prescriptions per month

Items affected by the revision (excerpt)		Before	→	After
basic fee for dispensing	*include regional support system addition,enhanced linkage addition	910 yen	(10)	900 yen
drug adjustment fee	Home Patient Dispensing Addition	150 yen	(150)	-
pharmacy management fee	Addition of comprehensive home pharmacy system *Limited to home prescriptions	-		500 yen
Home Medical Care Management Guidance Expenses			Uniform price increase of 10 yen	
* Home Prescription (Nursing care insurance applicable)				

addition abolition
addition new

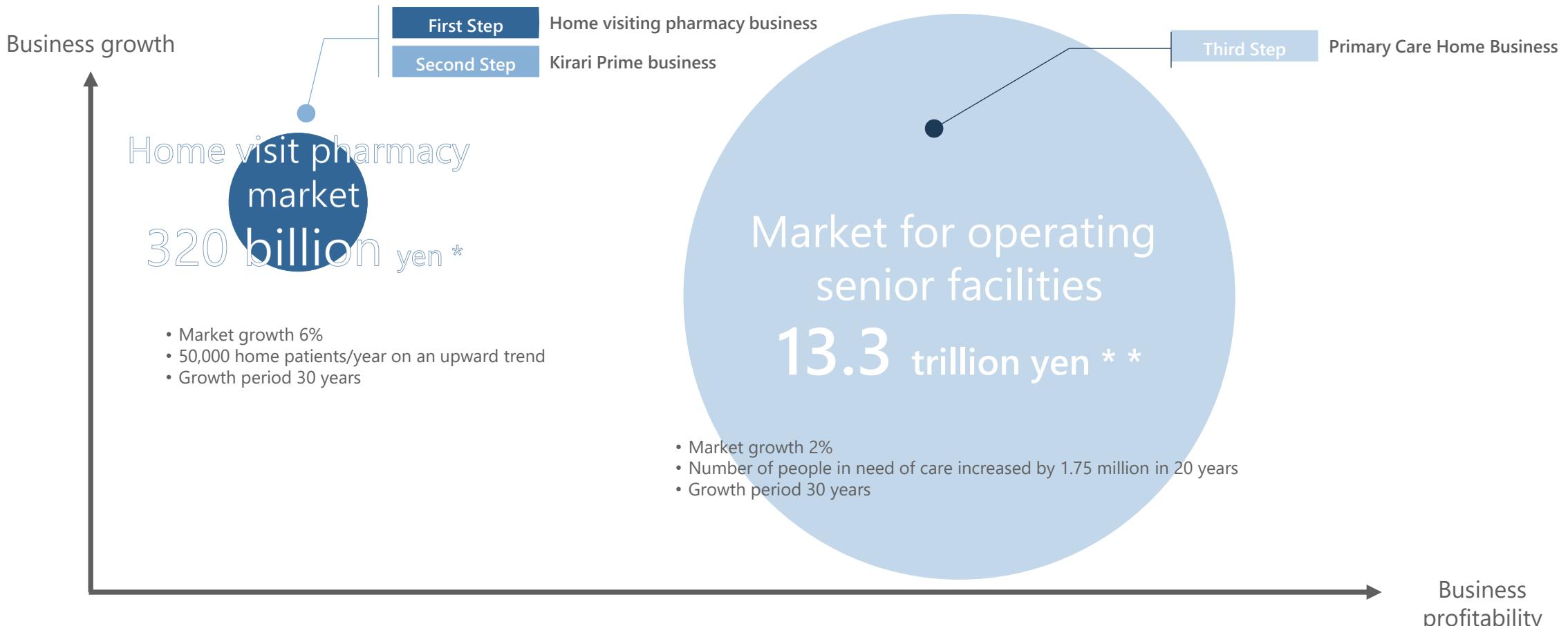
Home prescriptions increased by 350 yen per prescription
Although the unit cost of outpatient prescriptions decreased,

- online medication instruction
- Addition to medical narcotics continuous injection
- Addition to home parenteral nutrition therapy
- Addition to medical DX promotion system

Expected to increase remuneration by about 60 million yen for the entire division

market analysis

- Recognizing that both the home-visiting pharmacy market and the senior citizens' facility operations market will expand over the long term due to an aging population and an increase in the number of home patients
- Developing a strategy that combines the large and profitable primary care home business (the third step of growth) with the high-growth home-visiting pharmacy business and the Kirari Prime business (the first and second steps of growth)



*Home visiting pharmacy TAM: 900,000 patients at home (Nikkei Medical June 2021 Social Medical Practice Survey Analysis) x average sales per patient of 360,000 yen (our company results) = 320 billion yen

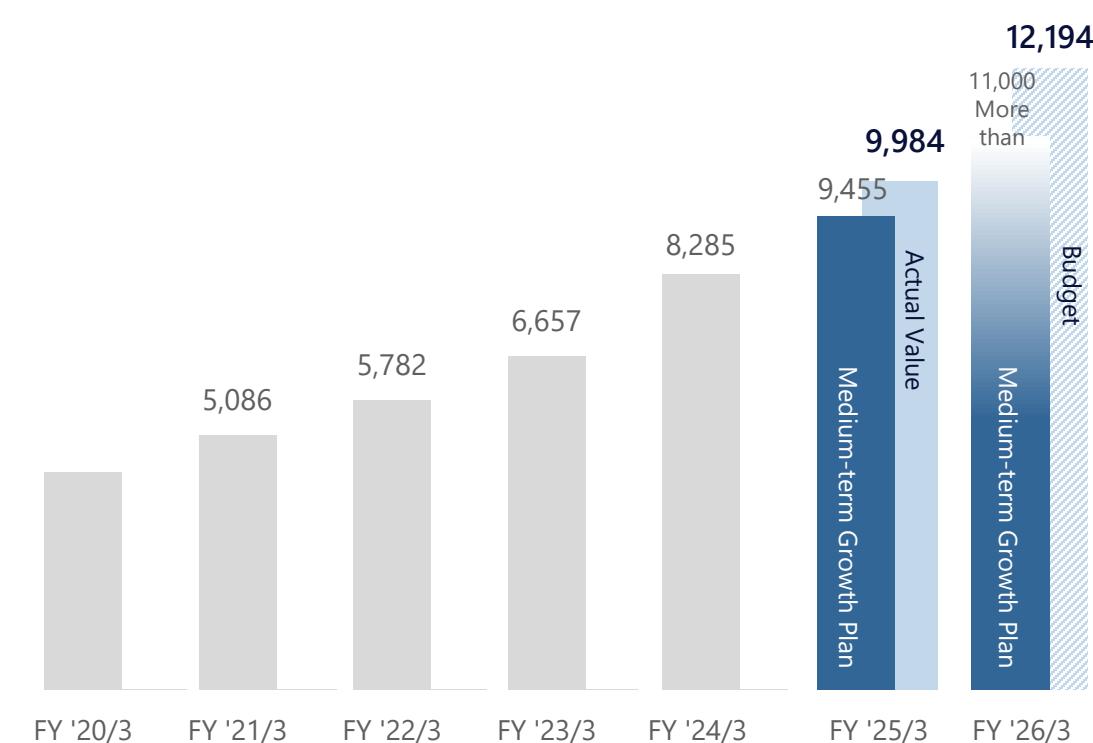
** Primary care home business TAM : 6.89 million people requiring long-term care (the Ministry of Health, Labour and Welfare Report on the Status of Long-Term Care Insurance Business, February 2022) x rate of utilization of in-home services (calculated from the 2021 Survey on Long-term Care Benefit Expenses, etc.) 38.6% x average sales per patient of 5 million yen (actual results in our company) = 13.3 trillion yen

Review of Medium-Term Growth Plan

- Compared with the medium-term growth plan presented so far, both sales and ordinary income exceeded the plan in fiscal year 2025/3. In fiscal year 2026/3, sales are expected to exceed the mid-term plan and ordinary income is expected to remain almost as planned.
- For the time being, priority will be placed on building a growth driver structure in fiscal year 2026/3. The mid-term growth plan will be formulated after that.

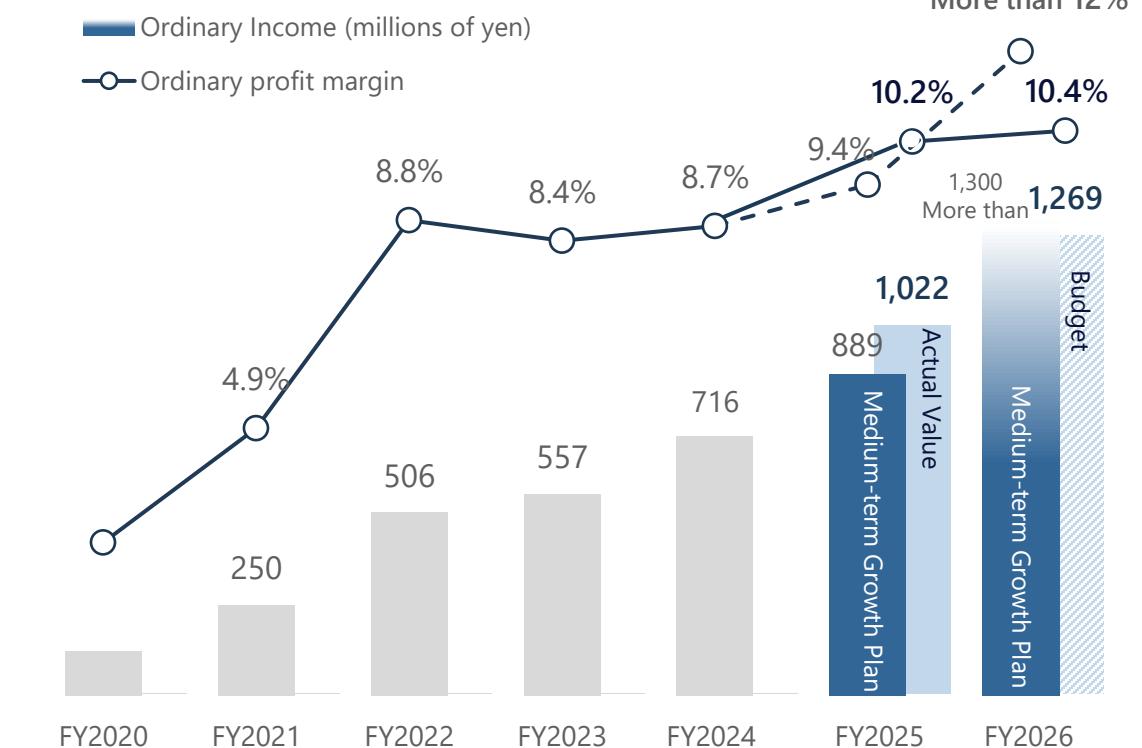
Net sales

(millions of yen)



Ordinary profit and ordinary profit ratio

(millions of yen)



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03 Earnings guidance (FY 2026)

04 Topics

05 Sustainability Management/Appendix

Entry into Pharmacy Services by Major Online Distributors

Q: Will this affect Home-visit Pharmacies?



A: No

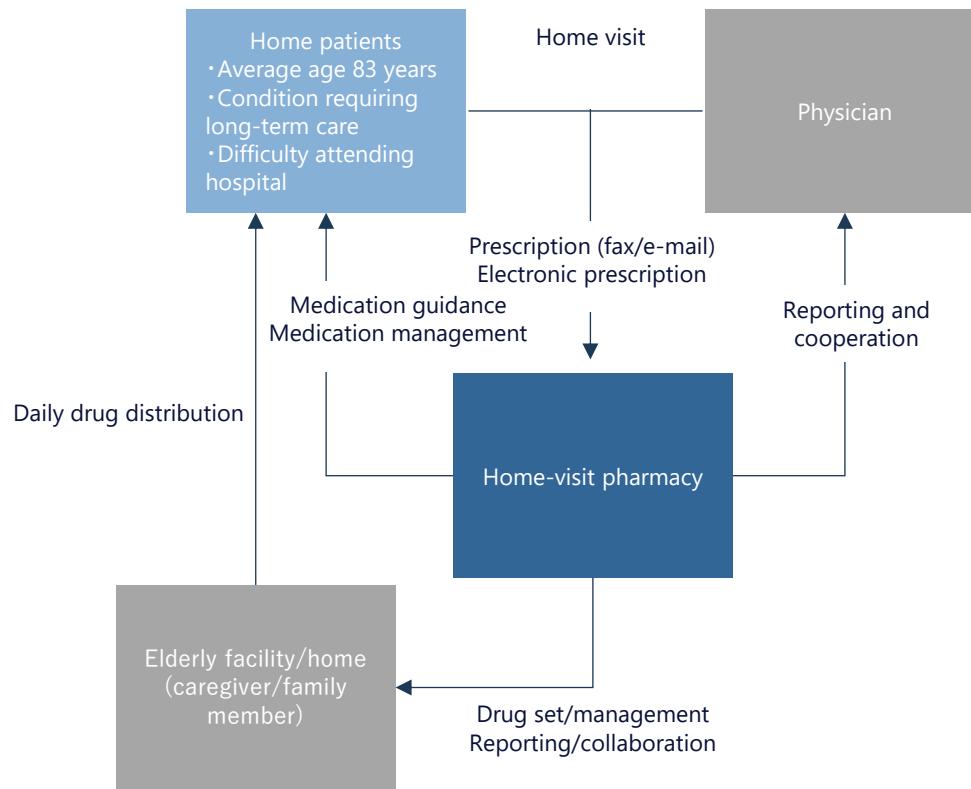
Differences with The Company

	Our Company (Home-visit Pharmacy)	Major Distributors
Target Audience	<ul style="list-style-type: none">• Elderly• Conditions requiring long-term care• Difficulty attending hospital• Need help managing medication	<ul style="list-style-type: none">• Highly IT literate• Emphasis on convenience• Ability to manage medication by oneself
Conditions of use	Patients who are recuperating at home and have been diagnosed by a doctor as having difficulty visiting the hospital	Electronic prescriptions and online medication instructions are essential
Medication management	Visiting pharmacists, facility staff and supporters	By oneself
The patient's condition	Share information with doctors, care managers, and other collaborating professionals, including medication status, as needed	Basically no sharing of medication status

Differences in pharmacy services provided by home-visit pharmacies and major online distributors

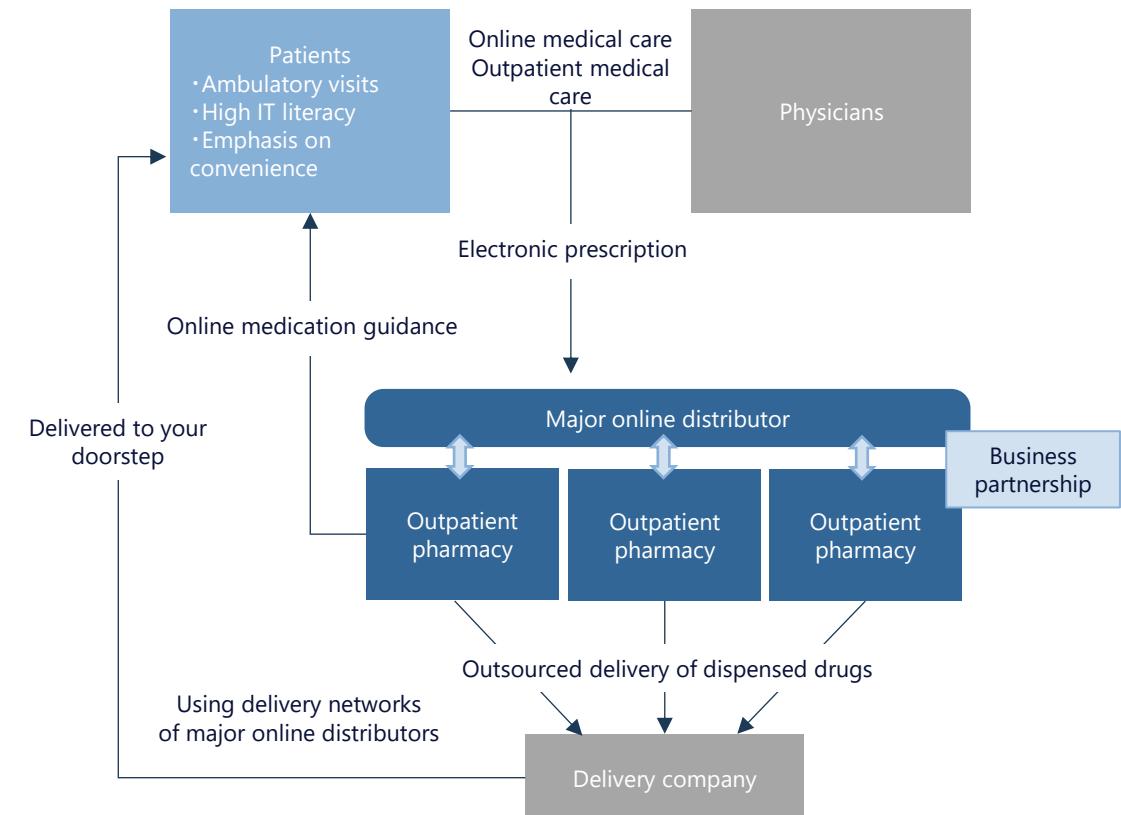
Home-visit Pharmacy

- Supporters are not always able to stand by and support nursing care
- Supporters are not specialists in medicine in most cases, making it difficult to respond to irregular situations such as unusual events
- Formulate and distribute medicines according to the patient's physical condition, level of understanding, support status, and living environment. Delivery of medicine alone does not lead to taking the medicine.



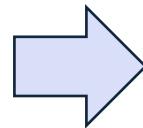
Pharmacy service provided by a major online distributor

- In the future, patients who value speed and convenience may switch to online medication advice.
- The number of medical institutions that accept electronic prescriptions is approximately 3,000 (1.7% of the total) *

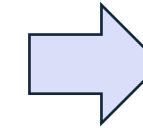


*Reiwa 4 (2022) Summary of the Survey of Medical Facilities and Hospital Reports, the Ministry of Health, Labour and Welfare, "List of Medical Institutions and Pharmacies that Accept Electronic Prescriptions (as of July 14, 2024)"

For patients at home, drug delivery alone does not lead to medication administration



- Discharge prescription given to patient
- If it's only packaged in one package
It's hard to lead to correct dosing



- Date entry, color line added
- Separate bag of drugs also held together
- Confirmation of use with prescribed drugs from other medical institutions



- Proposal of how to manage drugs according to the patient's situation
- Continuous management of dosing conditions
- Sharing information with doctors and care managers

Even if drug delivery is outsourced due to advances in online medical treatment and medication guidance, the superiority of home-based pharmacies that respond to patients' needs remains
Home pharmacies remain superior in meeting patient needs

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- 03 Earnings guidance (FY 2026)
- 04 Topics
- 05 Sustainability Management/Appendix**

Our company's approach to sustainability management

<https://www.hyuga-primary.care/ja/ir/library/sustainabilityreport.html>

HYUGA PRIMARY CARE Co., Ltd.

"Creating a social infrastructure that allows patients and users to recuperate at home 24 hours a day, 365 days a year"

is our business philosophy.

In order to realize this business philosophy, our company

I. Contributing to the enhancement and development of community health care

II. Providing safe and secure medicines

III. Environmental Protection and Load Reduction

IV. Supporting the Development and Active Performance of Human Resources and the Revitalization of Medical and Nursing Care Situations

V. Strengthening Governance

We will move forward on the above.

The screenshot shows the homepage and a detailed page from the Sustainability Report website. The homepage features a portrait of a man in a suit and a message in Japanese. The detailed page is titled 'Sustainability Report' and contains sections like 'Top Message', 'Medium-Long-term Vision', 'ESG Management Strategy', 'Materiality Mapping', and 'Contribution to SDG Goals'. A large grid on the right maps SDG goals to company initiatives, with columns for 'Priority Areas' and 'SDG Goals'.

Organizing Materiality

2025

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Our company organizes matters considered important in five areas

Key Issues Group	Materiality
I Contributing to the enhancement and development of community health care as a platformer of a community comprehensive care system	<ol style="list-style-type: none">1. Contribution to community health care as a family pharmacy and pharmacist2. Strengthen pharmacy functions by enhancing community medical care, including cancer alleviation3. Promotion of online medicine using DX and IT tools4. Providing health education, medical and nursing care information to local communities5. Contributing to social security by promoting proper use of pharmaceuticals6. Implementation of a bridge and community comprehensive care system in both the medical and nursing care fields through the spread of home health care7. Contributing to the enhancement of community health care using the network established by the Kirari Prime Business
II Safe and secure pharmaceutical supply as social infrastructure	<ol style="list-style-type: none">8. Ensuring the quality and safety of the pharmaceutical products to be provided and appropriate management9. Enhancing resilience to disasters and pandemics to ensure stable and sustainable pharmacy operations10. Ensuring procurement stability by strengthening supply chain management
III Measures to protect the environment and reduce environmental impact	<ol style="list-style-type: none">11. Reducing waste, including pharmaceuticals, and improving the efficiency of resource use12. Reducing CO2 Emissions by Making Energy Use More Efficient and Using Renewable Energy
IV Supporting the development and performance of diverse human resources and the revitalization of medical and nursing care sites	<ol style="list-style-type: none">13. Promote work-life balance through the realization of diverse work styles14. Providing places of activity and managing working hours according to the way you work15. Establishing a work environment that promotes employee health and job satisfaction16. Respect for Human Rights and Promote Diversity (Promote Elderly Employment/Promote Women's Participation/Support LGBTQ Understanding)17. Securing human resources to support company growth18. Establishing a personnel system to promote growth19. Effective utilization of human resources through promotion of DX
V Strengthening governance	<ol style="list-style-type: none">20. Sustained Strengthening of Corporate Governance21. Highly transparent disclosure22. Enhancing Information Security23. Compliance

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01

In addition to an increase in the **Population aged 75 and over** and elderly single households, **Number of persons certified as requiring long-term care** is expected to maintain high levels

- There is an urgent need to establish a new social system and medical infrastructure: a comprehensive community care system and regular measures to control social security costs by revising medical fees and drug prices

02

Demand for home medical care is expected to increase significantly due to **Aging population** and **Functional differentiation and collaboration of hospital beds** due to regional medical care plans.

- In response to the expected increase in the number of patients at home, Urgent need to create functions that seamlessly link nursing care and medical care and networks capable of providing essential home dispensing
- In order to provide safe, secure, high-quality, effective and efficient medical and nursing care services, it is also effective in the pharmacotherapy of patients. Need to ensure continuous access to safe drug therapy

Increase in the number of people aged 75 and over and elderly single households

- While the total population of Japan is decreasing, the number of people aged 75 and over is increasing, and in 2055, the number was 1.4 times that of 2018 (the total population was 0.8 times in the same period). The number of single households aged 65 and over is expected to increase, with a 1.5 fold increase in 2040 compared to 2015.
- Who is going to care for you and where is going to care for you could become a bigger problem in the future.

2025

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Changes in population by age group

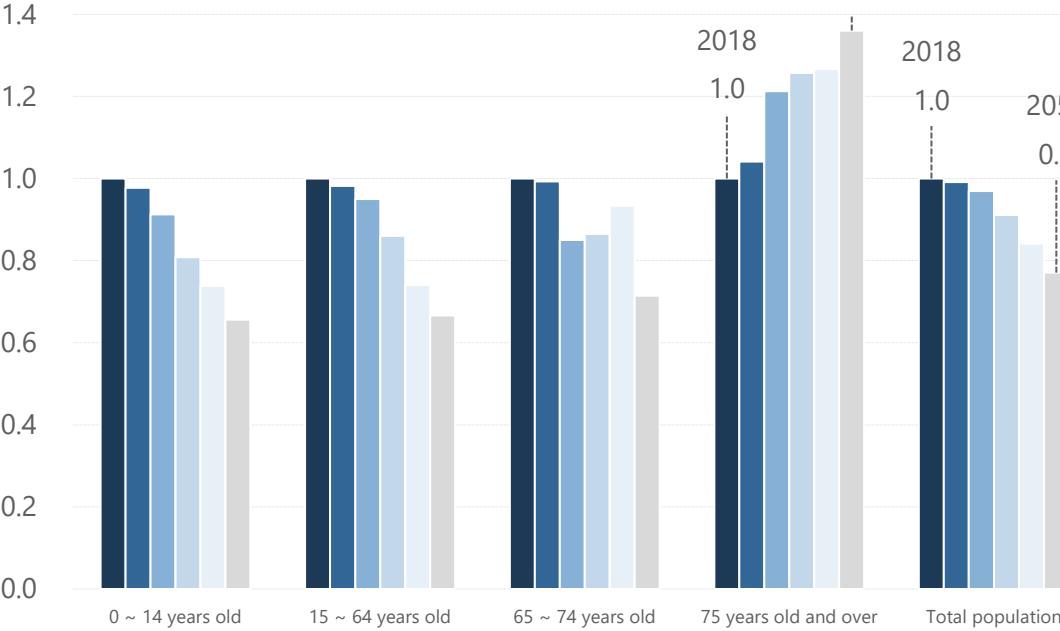
(2018 years = 1)

■ 2018
■ 2020

■ 2025
■ 2045

■ 2035
■ 2055

Population aged 75 and over
17.98 million (2018) ➡ 24.46 million (2055)

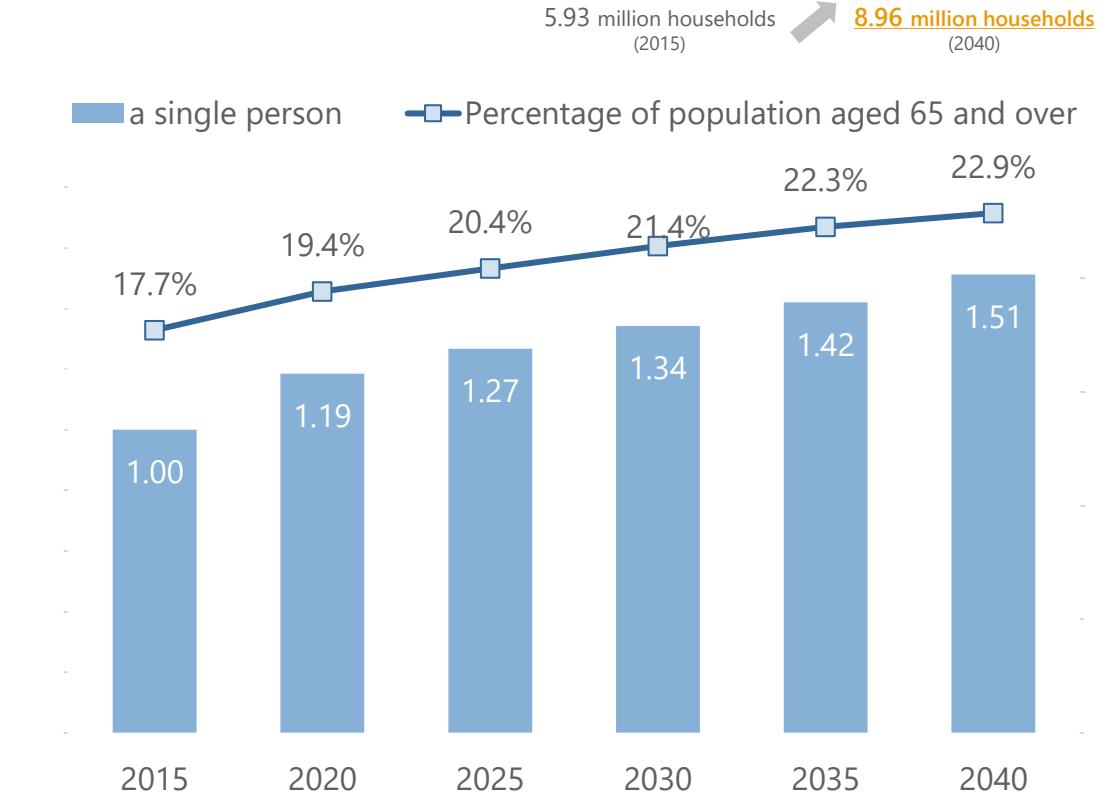


Number of single elderly households *

Families aged 65 and older living alone (2015 = 1)

■ a single person

■ Percentage of population aged 65 and over



Source: Cabinet Office's "White Paper on Aging Society in Reiwa 2"

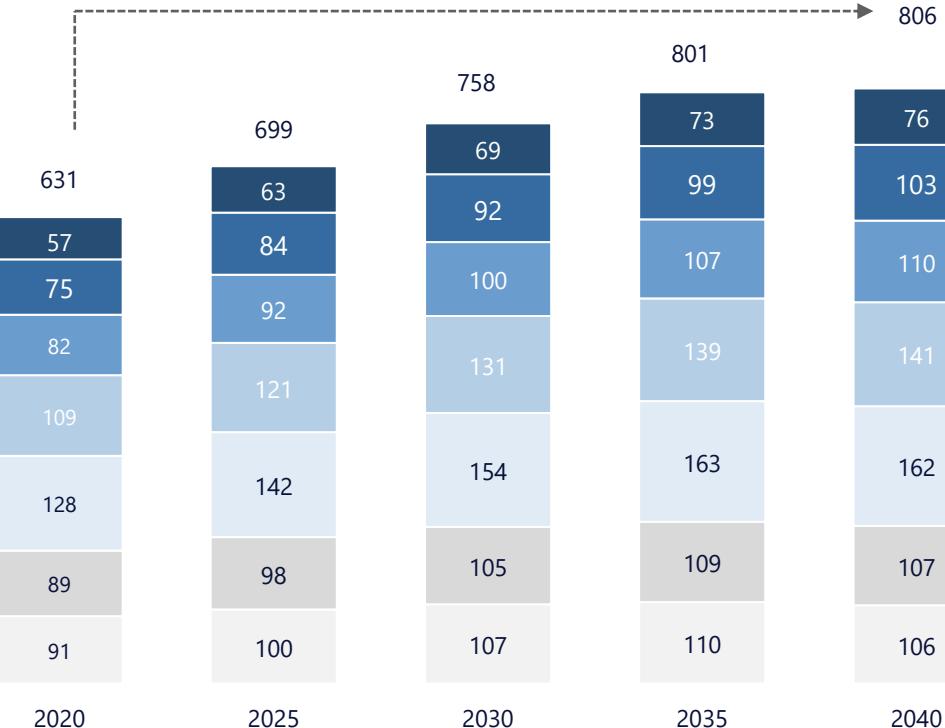
Business environment Number of people certified as needing long-term care

- The number of persons certified as requiring long-term care support or care is expected to exceed 8 million in 2035 and reach 8.06 million in 2040, an increase of 28% (compared to 2020)
- In particular, the number of people who are certified as requiring nursing care level 3 ~ 5 has increased by more than 30%, making it even more important to develop a nursing care support system.

Prospects for the number of persons certified as requiring long-term

(10k persons)

+ 1.75 million (2020 to 2040)



Rate of increase and number of increase by certified category

(from 2020 to 2040)

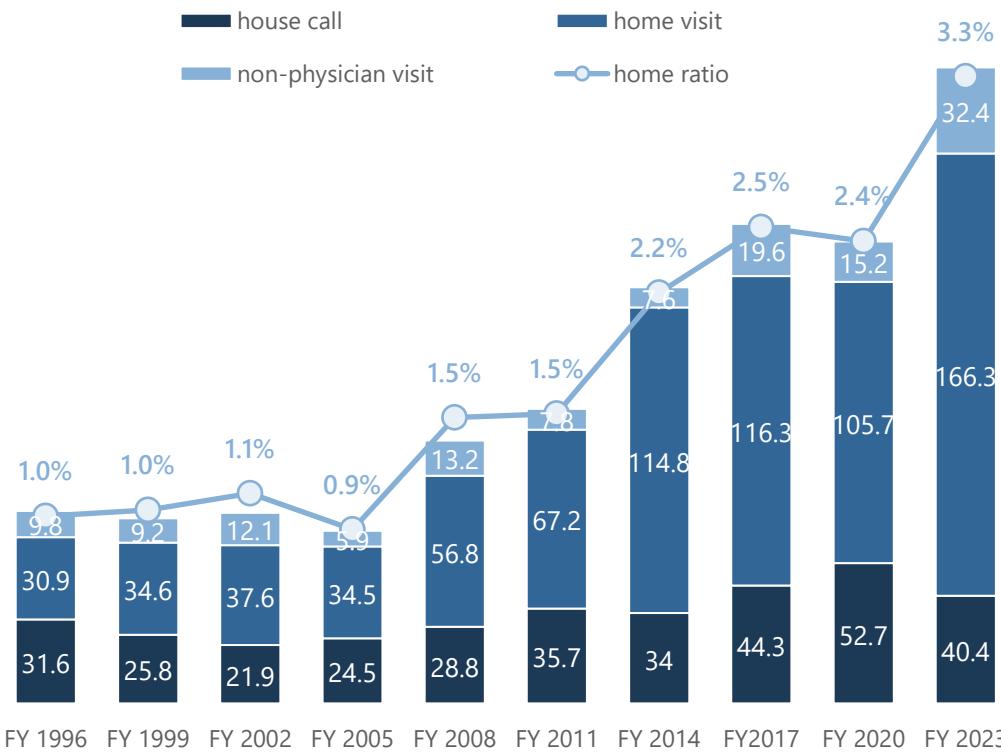
	rate of increase	number of increase
Care-Needed 5	33 %	190,000 people
Care-Needed 4	37 %	280,000 people
Care-Needed 3	34 %	280,000 people
Care Needed 2	29 %	320,000 people
Care Needed 1	27 %	340,000 people
Needed Support 2	20 %	180,000 people
Needed Support 1	16 %	150,000 people
Total	28 %	1.75 million people

Sources: "Population Estimates (October 30)" (the Ministry of Internal Affairs and Communications), "Long-Term Care Insurance Business Status Report (October 30)" (the Ministry of Health, Labour and Welfare), "Japan's Future Population Estimates (April 29) (Mid-Birth (Mid-Death) Estimates)" (the National Institute of Population and Social Security Research)

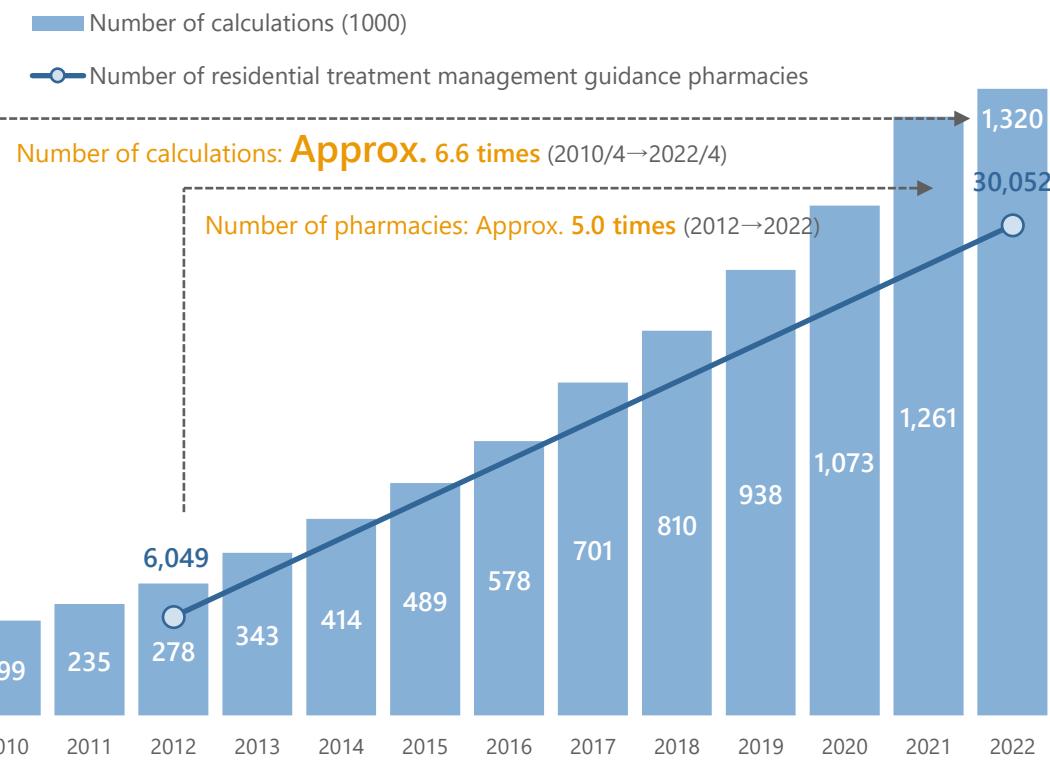
Business environment Home patients and Home pharmacies

- The number of home-visit medical patients has been increasing remarkably. With the increase in the elderly population, the number of home patients increased rapidly from around 2008, reaching 173000 per day as of 2020.
- The ratio of home patients to the total number of patients also accelerated with the promotion of the comprehensive care system. It rose to 2.4% as of 2020.

Number of patients at home
Ratio of patients at home to all patients
(1000 patients/day)



Number of pharmacies providing in-home medical care management guidance (contract with patients)
Number of calculated residential treatment management guidance expenses for pharmacies
(stores) • (1000 times in April each year)



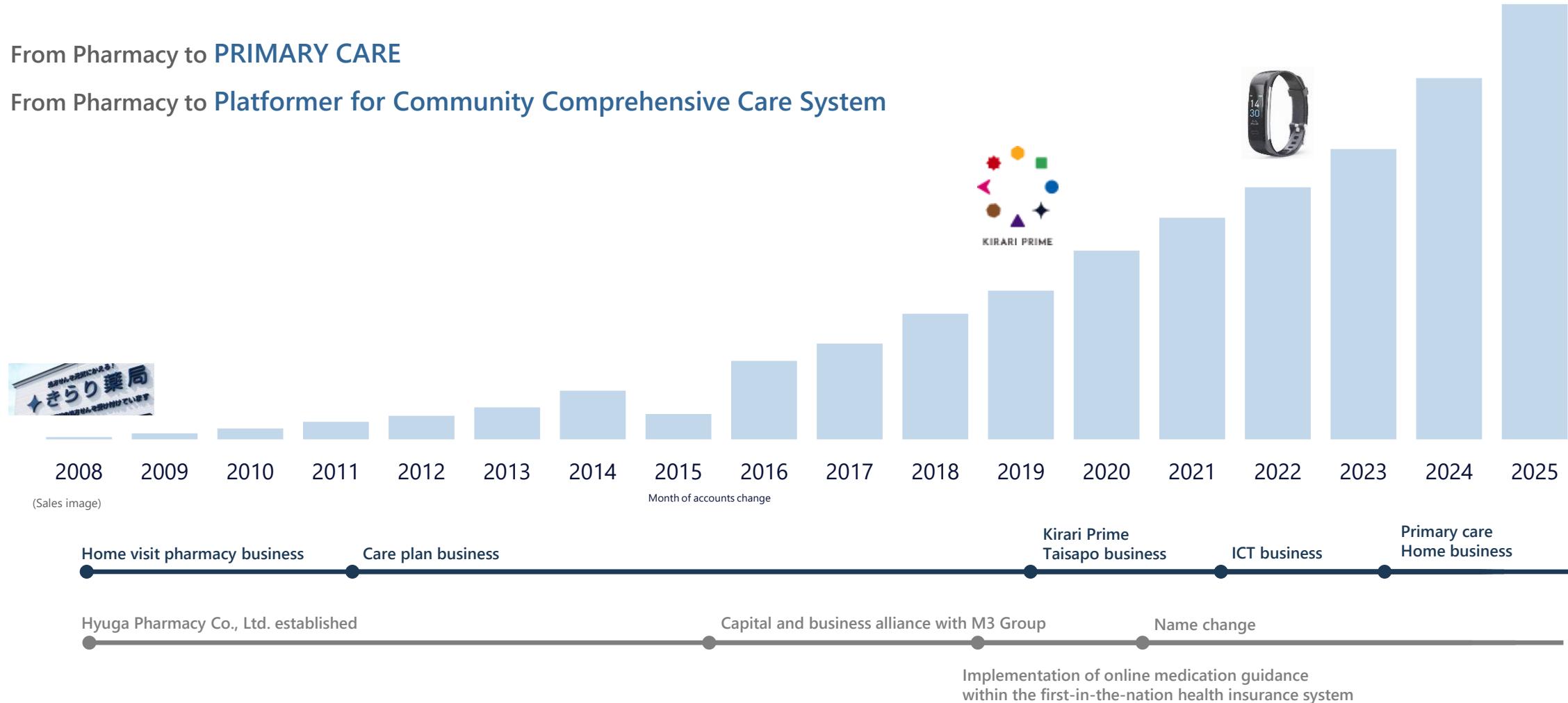
Source: the Ministry of Health, Labour and Welfare, "Overview of Patient Surveys"/"Monthly Report on the Status of Long-Term Care Benefit Expense," April of each year

HYUGA PRIMARY CARE Company Profile

History and business development

From Pharmacy to **PRIMARY CARE**

From Pharmacy to **Platformer for Community Comprehensive Care System**



Financial Highlights *

2025

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	12 th term	13 th term	14 th term	15 th term	16 th term	17 th term	18 th term
Year and year	March 2019	March 2020	March 2021	March 2022	March 2023	March 2024	March 2025
Sales (thousands of yen)	3,410,342	4,331,638	5,086,031	5,782,604	6,657,448	8,285,853	9,984,799
Ordinary profit (thousands of yen)	64,181	122,368	250,720	506,182	557,751	716,880	1,022,789
Net income attributable to owners of the parent (thousands of yen)	14,197	32,903	97,140	328,454	382,876	441,027	719,030
Capital (thousands of yen)	100,000	100,000	104,742	171,915	185,912	195,382	200,216
Total number of shares outstanding (share)	11,074	11,074	11,369	3,499,100	3,572,000*	7,246,000	7,277,200
Net assets (thousands of yen)	469,935	502,838	609,463	1,072,264	1,483,134	1,643,125	2,371,782
Total assets (thousands of yen)	1,658,986	1,771,859	2,015,029	2,531,605	2,914,911	6,354,996	7,051,212
Net assets per share (Yen)	141.45	151.36	178.69	153.22	207.61**	231.46	332.65
Net income per share (Yen)	4.27	9.9	28.99	47.90	53.92**	62.05	101.12
Capital ratio (%)	28.3	28.4	30.2	42.4	50.9	25.9	33.6
return on equity (%)	3.1	6.8	17.5	39.1	30.0	26.8	35.8
Operating cash flow (thousands of yen)	-	34,733	351,821	484,597	342,252	706,642	771,322
Invested Cash Flow (thousands of yen)	-	-165,236	-77,591	-320,255	-383,393	-1,125,097	-473,978
Financial cash flows (thousands of yen)	-	-6,259	36,641	16,927	-110,728	538,778	-419,427
Cash and cash equivalents at end of year (thousands of yen)	-	227,416	538,288	719,557	567,688	688,010	565,926
Number of employees (Average number of other temporary employees) (persons)	226 (68)	283 (93)	312 (96)	329 (102)	442 (100)	544(113)	708(137)

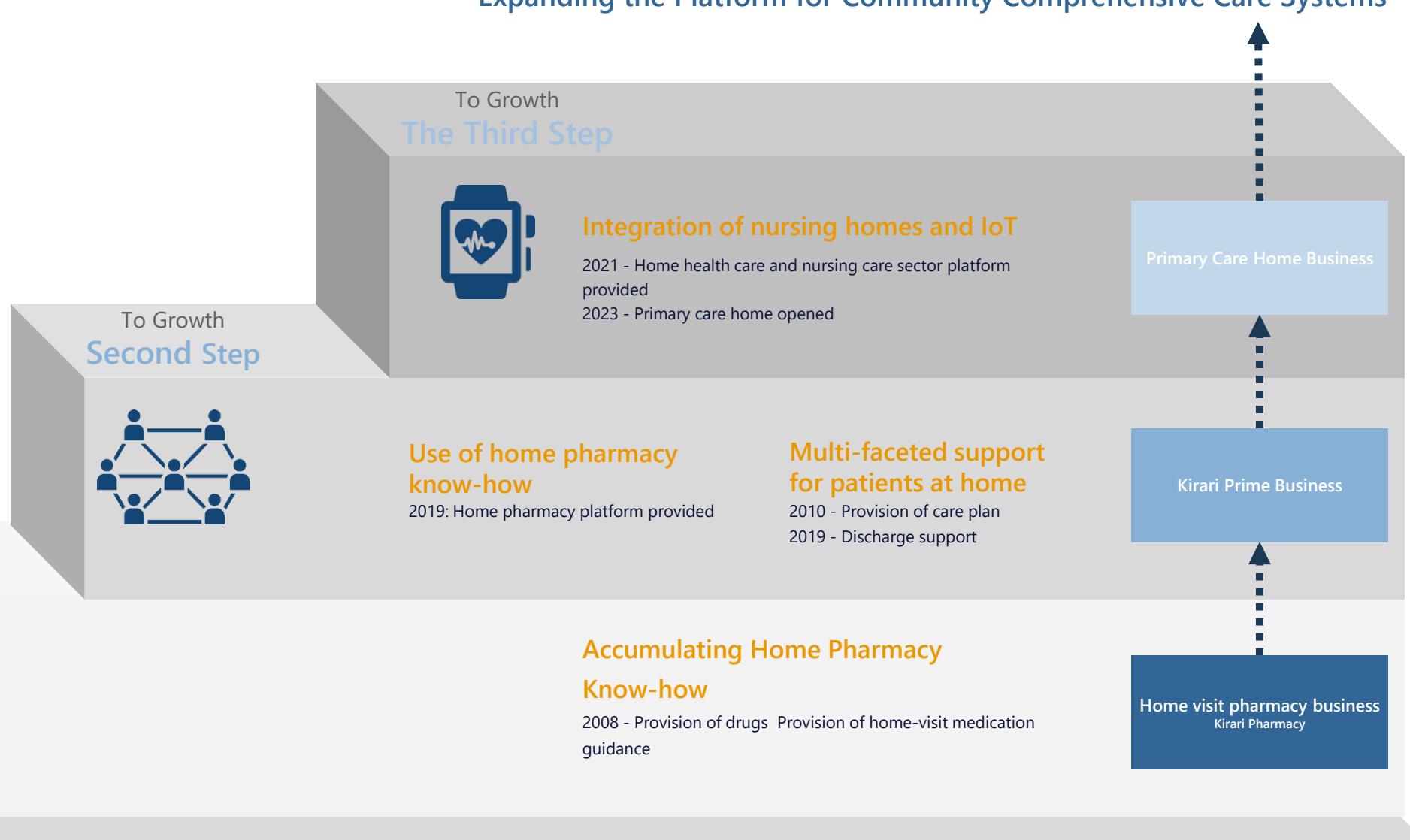
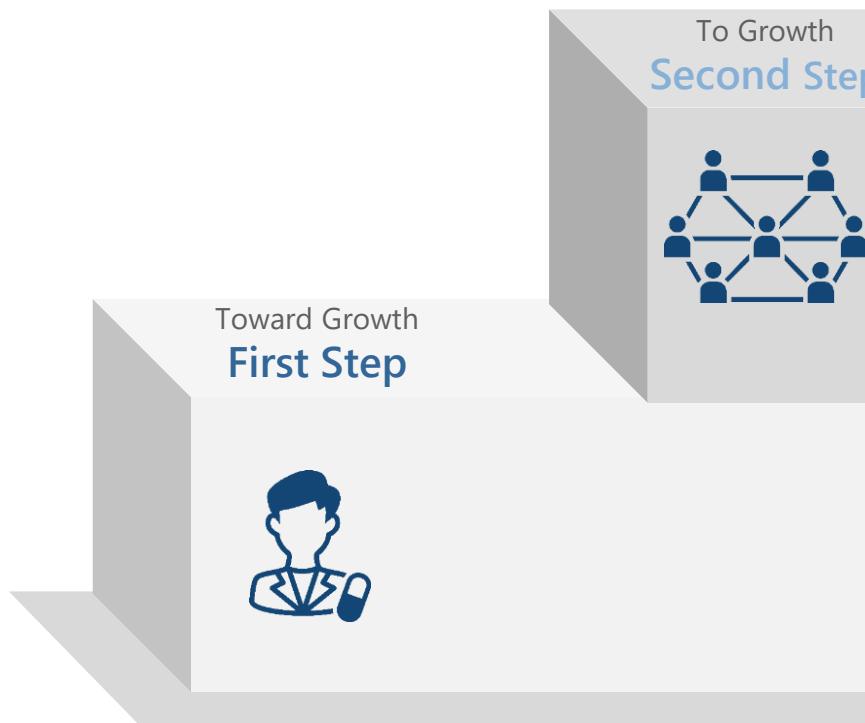
* Our company conducted a stock split of 2 for 1 common share on April 1, 2023. The total number of shares outstanding after the split is 7,144,000 shares.

** our company conducted a stock split of 2 for 1 common share on April 1, 2023. Assuming that the stock split was conducted at the beginning of the fiscal year 16, net assets per share and net income per share are calculated.

*Financial highlights are presented based on the calculation method in the Annual Securities Report.

Strengthening the Third Step to Growth

The Growth Step



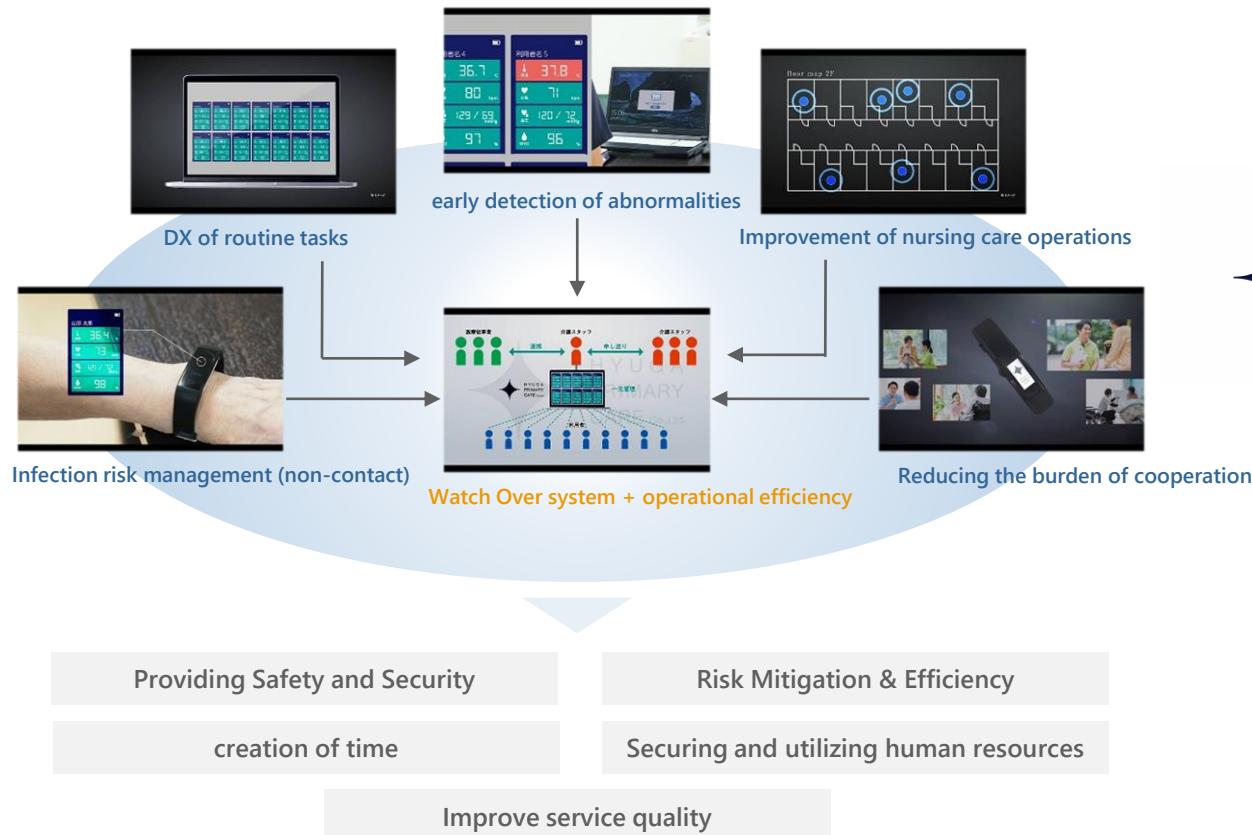
Strengthening the Third Step toward Growth ICT Business

2025

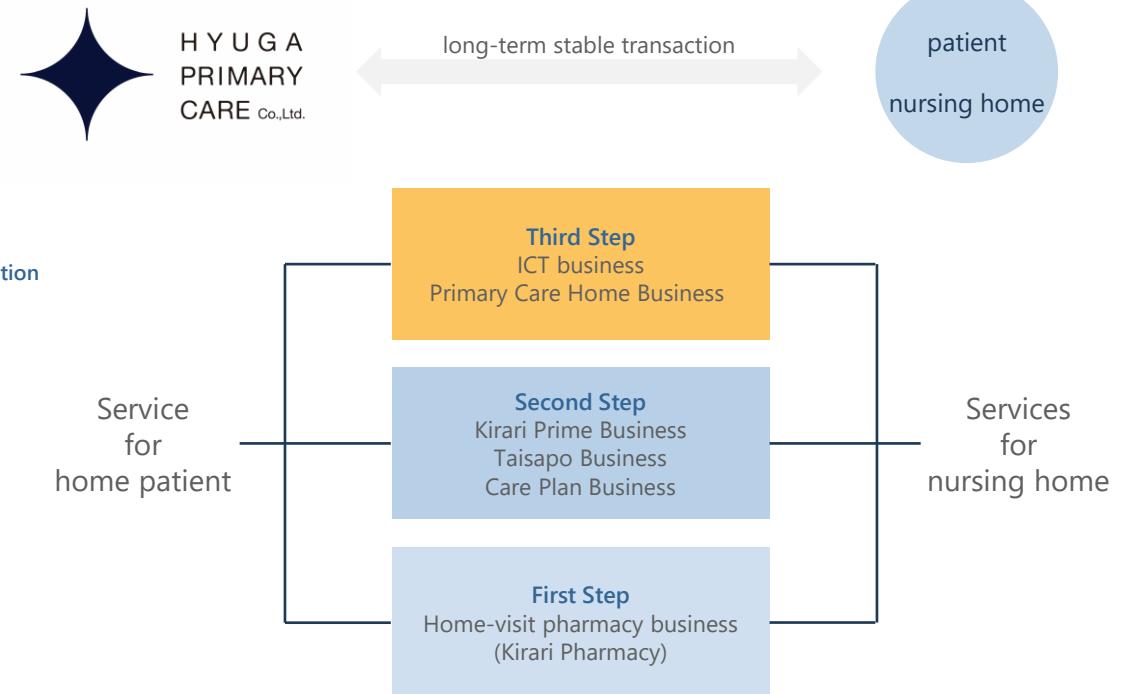
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Primary Care Robot®

Watch Over system



to automate the process of measuring multiple times a day
Contribute to labor saving



Improvement of patient QOL and Construction of sustainable care system

Strengthening the Third Step for Growth Primary Care Home business

- We started the Primary Care Home business from January 2023.
- Home nursing care services for the elderly are provided through the operation of facilities for the elderly. These businesses have a high affinity for sharing know-how with home-visit pharmacy businesses.

New Business Overview *

Facility Management for the Elderly (Home Care - Regular and On-demand)

◊ Facility Concept

① Upsizing & Utilization of ICT

- Scale up to 100 beds and increase the number of rooms to reduce the burden on individuals
- Reduce workload with in-house developed ICT equipment

② Providing Home Care - Regular and On-demand

- 24 hours a day, 365 days a year, medical and nursing care are available

③ Less expense for patients

- Individual burden amount set according to the level of care

*About "Home Care - Regular and On-demand"

A combination of regular visiting services provided on a regular basis based on a home-visit nursing care plan for each user and as-needed visiting services provided as needed. Patients can receive nursing care services 24 hours a day, 365 days a year, and can perform medical procedures under the direction of a physician.

Affinity with home-visit pharmacy business

Our nursing care services "Home Care - Regular and On-demand"

Periodic patrol

10 to 15 minutes at a time offered
multiple times a day

Responding

Required services are
arranged 24 hours a day, 365 days a year

Occasional visit

Visiting service 24 hours a day, 365 days a year

home nursing

Medical treatment under the direction of a physician

Home-Visit Pharmacy Business

Periodic home visits

to provide medication instructions

24 Hours 365 Days (24/7) On-Call System

Available 24 hours a day, 365 days a year (24/7)

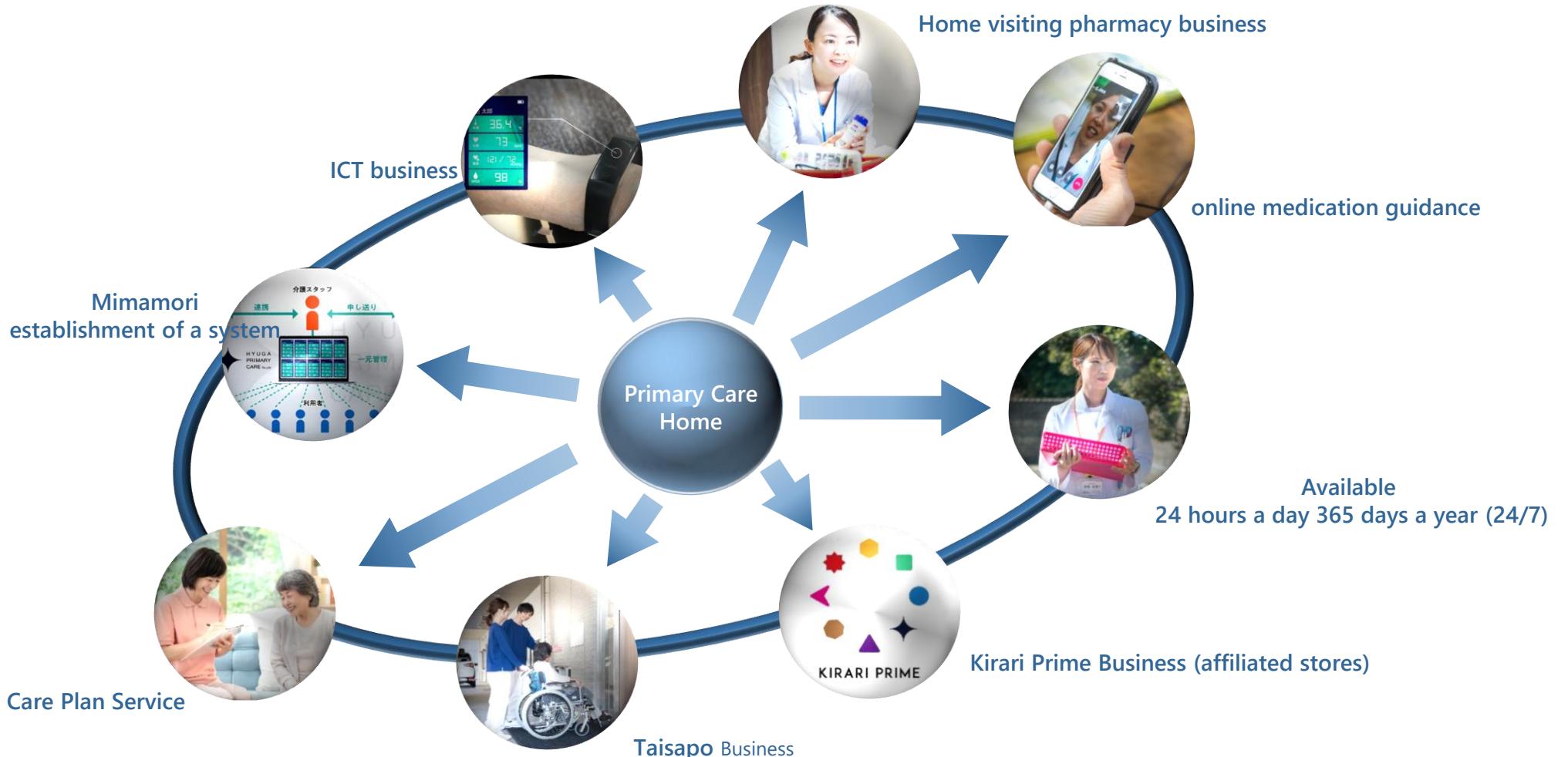
Reporting to physicians

and cooperation with medical institutions

Strengthening the third step for growth

Establishing a cross-cell structure centered on facility management

- The facilities for the elderly operated in the third step will be the starting point of cross-selling with the Home-Visit Pharmacy Business, Kirari Prime Business, Taisapo Business, and Care Plan Business.
- Maximize business opportunities in our company by generating synergies among businesses
- At the same time, improve the QOL of users and patients by improving services through cooperation between businesses.



First step

Home-visit pharmacy business

About the Home-Visit Pharmacy Business

One of the social infrastructures that enable people to receive medical care with peace of mind at home, 24 hours a day, 365 days a year (24/7).

Main business

- ① Pharmacists regularly visit patients at home
- ② The pharmacist reports the results of the visit to the prescribing physician/care manager.
- ③ New medication proposals were made to prescribing physicians according to the patient's condition

patient attributes

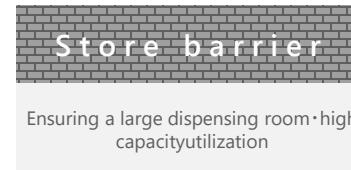
(as of the end of March 2022)



high entry barriers

Conventional pharmacies entering the home pharmacy business

New entrant (pharmacy)



Know-how accumulated through extensive experience in home-visit pharmacies

24 hours a day, 365 days a year
System capable of responding

ability to acquire patients at home

high communication ability
(Patient/care manager/physician)

On an efficient visitation route
setting force

Wide range of insurance knowledge from medical care to nursing care

These are likely to be time-consuming and costly to overcome.

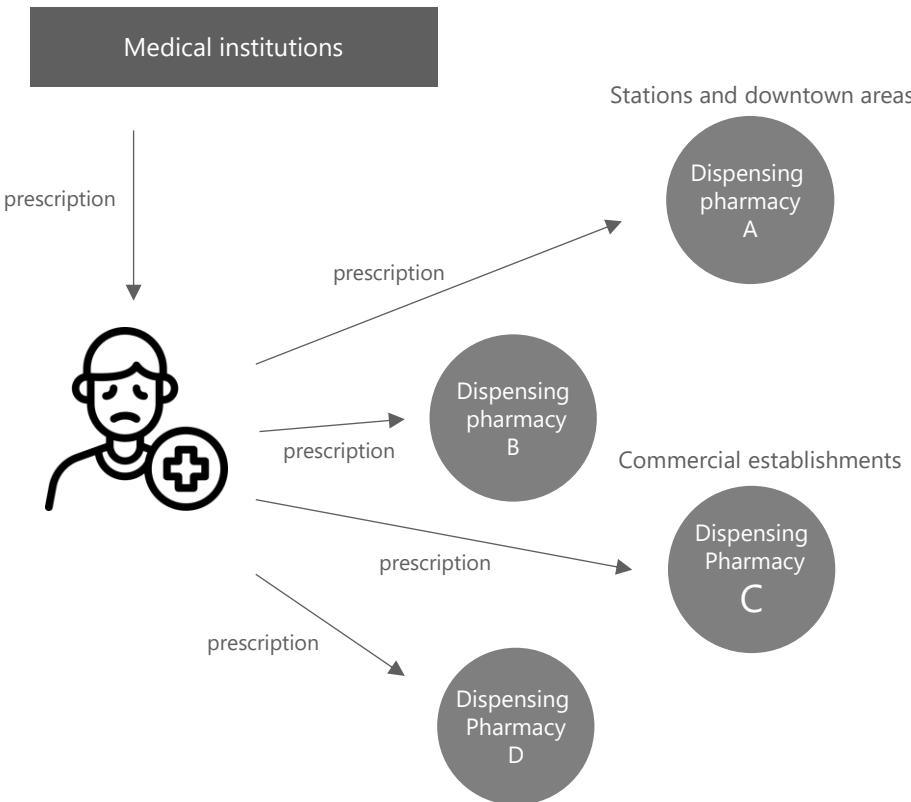
Of the duty to report to the physician know-how

Home visiting pharmacy business (2) Aim and location of new stores



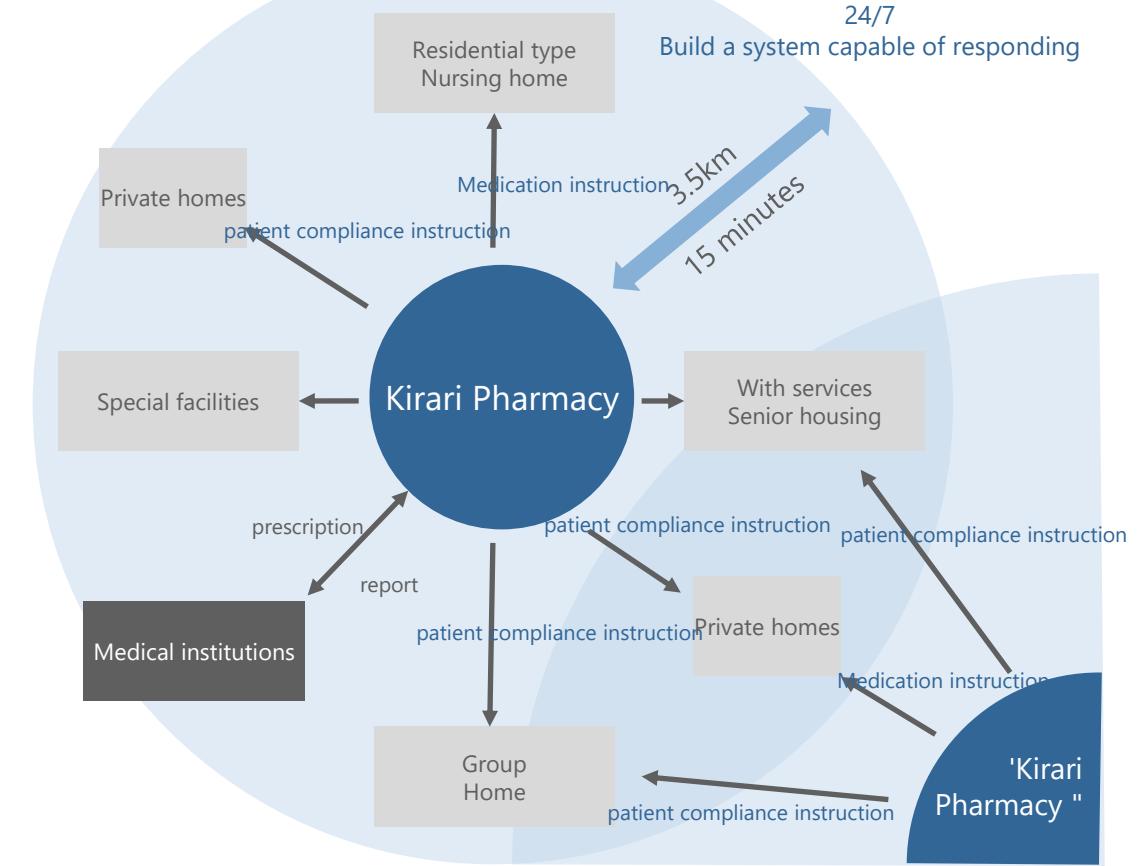
"Outpatients themselves visit pharmacies"

- Open stores near medical institutions where outpatient visits are expected
- Therefore, there are many cases where the store is located close to competing pharmacies
- The cost of opening a store tends to be higher because location is important



"Pharmacist visits after signing contract with patient"

- No specific requirements for opening stores
- **Ability to form long-term partnerships with residents of senior living facilities who have difficulty visiting hospitals**
- Improve visiting efficiency by pursuing a dominant approach with a 3.5 km radius

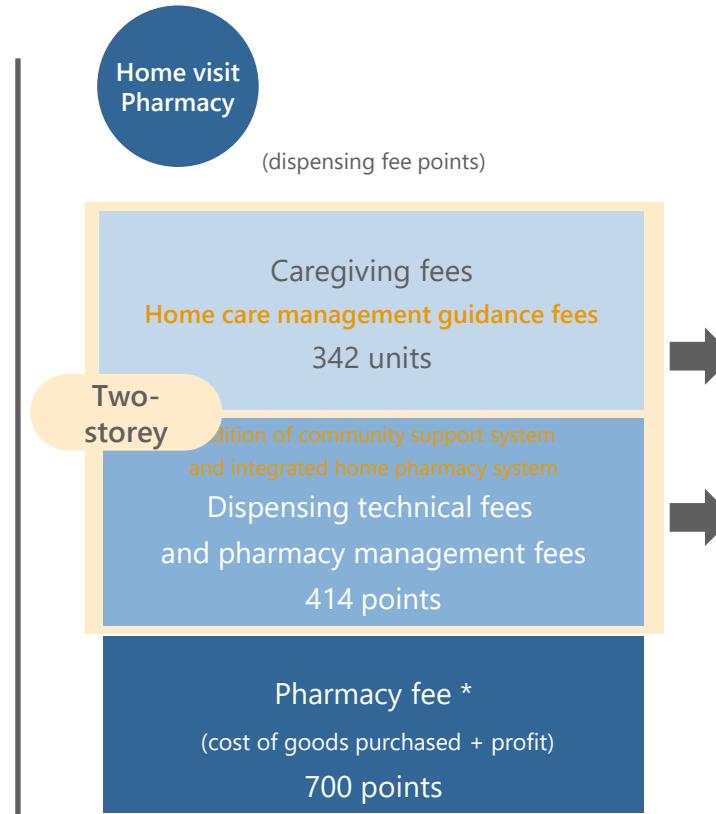


Home visiting pharmacy business (3) Number of dispensing fees

Comparison of dispensing fee points



Home-based dispensing has about double the number of reward points compared to conventional dispensing methods. That means more work, but more business opportunities
On the other hand, the human connection with the patient is stronger, and the possibility of signing a long-term contract is higher.
Collaborating with doctors, etc. can also contribute to improving the QOL of patients



additional incurred business

- Visiting nursing homes and homes
- Report to the doctor
- More detailed response tailored to the patient's physical condition and condition
- 24/7

Contributing to improving patients' QOL

Home-visit pharmacy business “Online medication instruction for nursing homes”

- Online medication instruction for nursing homes was deregulated in April 2022.
- After the online medication instruction, the office staff provides door-to-door delivery of medications. By separating the “guidance” and “door-to-door delivery” that pharmacists used to do, and entrusting the latter to the office staff, we can improve operational efficiency.

「規制改革実施計画」（令和3年6月18日閣議決定）（抄）

オンライン診療・オンライン服薬指導の特例措置の恒久化

a オンライン診療・服薬指導については、新型コロナウイルス感染症が収束するまでの間、現在の時限的措置を着実に実施する
【a:新型コロナウイルス感染症が収束するまでの間、継続的に措置】

b 医療提供体制におけるオンライン診療の果たす役割を明確にし、オンライン診療の適正な実施、国民の医療へのアクセスの向上等を図るとともに、国民、医療関係者双方のオンライン診療への理解が進み、地域において、オンライン診療が幅広く適正に実施されるよう、オンライン診療の更なる活用に向けた基本方針を策定し、地域の医療関係者や関係学会の協力を得て、オンライン診療活用の好事例の展開を進める

c 情報通信機器を用いたオンライン診療については、初診からの実施は原則、かかりつけ医による実施（かかりつけ医以外の医師が、あらかじめ診療録、診療情報提供書、地域医療ネットワーク、健康診断結果等の情報により患者の状態が把握できる場合を含む。）とする
健康な勤労世代等かかりつけ医がない患者や、かかりつけ医がオンライン診療を行わない患者で上記の情報を有さない患者については、医師が、初回のオンライン診療に先立って、別に設定した患者本人とのオンラインでのやりとりの中でこれまでの患者の医療履歴や基礎疾患、現在の状況等につき、適切な情報が把握でき、医師・患者双方がオンラインでの診療が可能であると判断し、相互に合意した場合にはオンライン診療を認める方向で一定の要件を含む具体案を検討する。その上で、対面診療との関係を考慮し、診療報酬上の取扱いも含めて実施に向けた取組を進める

d オンライン服薬指導については、患者がオンライン診療又は訪問診療を受診した場合に限定しない。また、薬剤師の判断により初回からオンライン服薬指導することも可能とする。介護施設等に居住する患者への実施に係る制約は撤廃する。これらを踏まえ、オンライン服薬指導の診療報酬について検討する

e オンライン資格確認等システムを基盤とした電子処方箋システムの運用を開始するとともに、薬剤の配送における品質保持等に係る考え方を明らかにし、一気通貫のオンライン医療の実現に向けて取り組む

【b～e:令和3年度から検討開始、令和4年度から順次実施（電子処方箋システムの運用については令和4年夏目途措置）】



High barrier to entry in the home-visit pharmacy business

"A pharmacy that can efficiently handle a large volume of dispensing operations"



Kirari Pharmacy Onojo

- The size of the dispensary is 65m², and there are approximately 5 full-time equivalent pharmacists.
- More than 3 times the size of the standard 18.9m² dispensary facility for 5 pharmacists.
- Responsible for dispensing approximately 720 * visiting patients

Compared to ambulatory pharmacies, home pharmacies require sufficient space to do the work due to the large number of dispensing processes

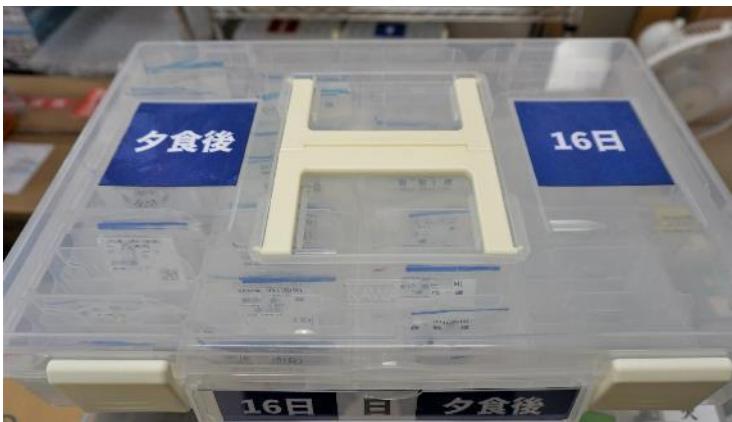
*As of the end of September 2022

High barrier to entry in the home-visit pharmacy business "personalized treatment tailored to patients and facilities and ingenuity to eliminate erroneous drugs"



Same patient's medicine set for one week

Change the color of the line every time you take it to make it easier to understand



A set of medicines taken by patients on the same floor of the facility at the time of taking them.

The facility staff gave it the best reviews. (It also takes the most time and effort)



Many calendar sets for patients in private homes

Reading QR code reveals drug information inside



After the patient's medicine is packed in one package by the packer, color line drawing and stapling of the medicine that can not be packed is done manually.



Setting work scene. Outpatient pharmacy type dispensaries are difficult to work in because they do not have such space.



Name, date, time of administration, name of prescribing hospital, etc. are printed on the medicine package.

Many are prescribed by multiple hospitals, including internal medicine, psychiatry, and orthopedics, and pharmacists make final confirmation of the combination.

High barrier to entry in the home-visit pharmacy business

“Pharmacists in home-visit pharmacies that don't just deliver drugs”



Check your physical condition and side effects from casual conversations and facial expressions with patients.



Depending on the type of nursing home, staffing and residents' dependence on medical care also vary. Understand it and communicate with it



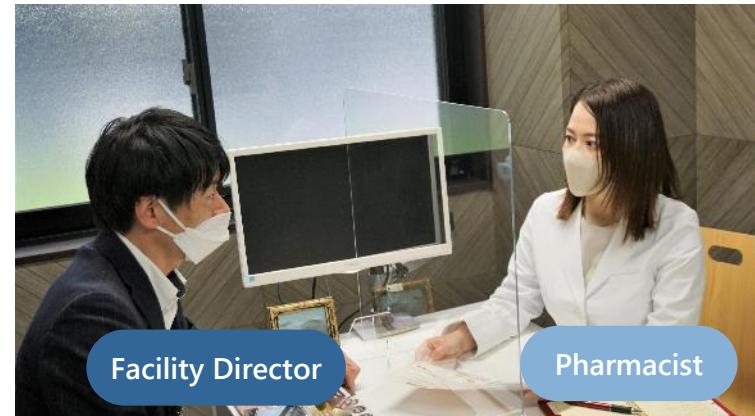
Sharing information with facility staff about medications is mandatory
Not only verbally, but also through the company's at-home medication support system



Consultation with doctors to suggest changes to the most appropriate medication according to the patient's situation. Also involved in prescription design



Communicate drug side effects to other care providers through a care manager and suggest medication assistance



Discussions with care providers occur as needed, such as when starting new business. Negotiation and sales skills are required while listening to other parties' requests.

Second step

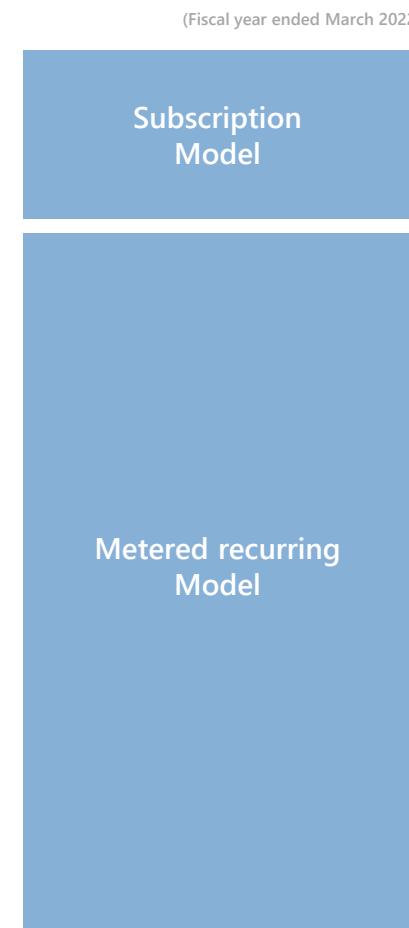
Kirari Prime Business

Business model and pricing system

Share of Kirari Prime Business Sales

Subscription Recurring Sales Ratio 90%

Base rate	(1 corporation) 12,000 yen/month
Participation in study meetings access to know-how materials Respond to inquiries about home health care	
Drug Purchase Negotiation Agent	1 ~ 2% of the proceeds
Support for pharmaceutical purchases from pharmaceutical wholesalers	
Report system loan	7,500 yen/month ~
Report preparation support for physicians and care managers	
Consulting services	Annual package
Kirari cram school (6-part series) Palliative care, technical fee calculation support, etc.	
Other services	Additional fees
by our company Pharmacists Responding to temporary prescriptions and night/holiday calls	



Competitiveness, Policy and Environment

the Ministry of Health, Labour and Welfare's Pharmacy Vision for Patients

Pharmacies near medical institutions → Home Visit Pharmacy/

Expansion of comprehensive community care



Impact of drug price lowering/Expansion of major dispensing pharmacy stores

Survival as a dispensing pharmacy by small and medium sized pharmacy store

Third step

Primary care home business

Facility Overview & Positioning of Elderly care facilities operated by our company

2025

© HYUGA PRIMARY CARE Co.,Ltd.

Facility concept and features

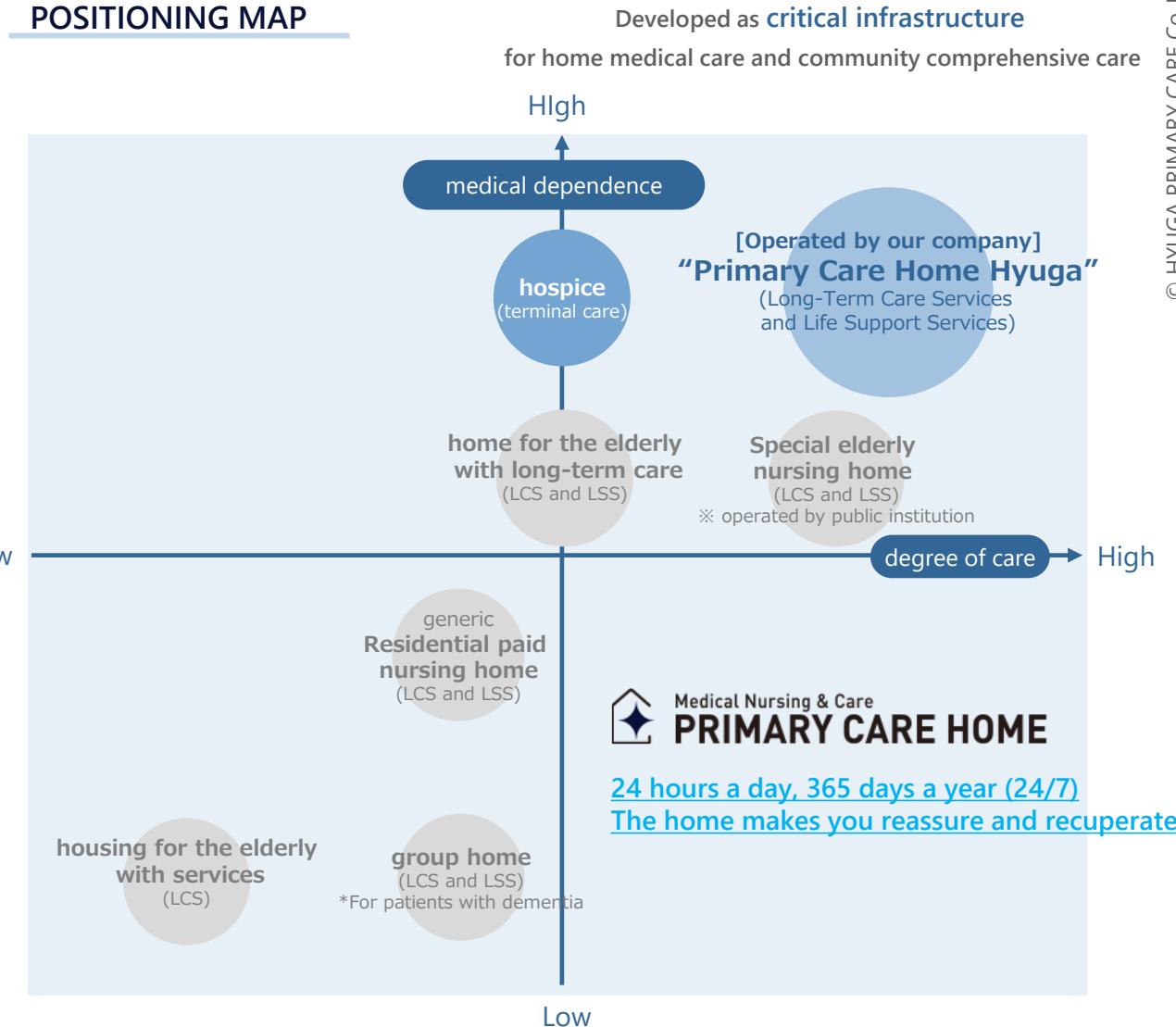
- Our company leases large elderly facilities
- Our company provides "Home Care - Regular and On-demand" for facility residents
- 24 hours a day, 365 days a year medical, nursing and nursing care can be provided in cooperation with cooperating medical institutions
- Contributing to improving the quality of life of users and patients by improving services through inter-business cooperation in our company's home-visit pharmacy business, care plan service, ICT, Tysapo and Kirari Prime business
- Setting a cost system that is friendly to residents so that they can live to the end of their lives in a familiar facility even if their nursing care level increases
- Installing solar power and electric vehicle charging facilities, aiming for local production and local consumption of meals in the facility, and considering ESG



services that support the lives of the elderly

- LSS : Life Support Services (not covered by long-term care insurance)**
Services that can be used by people requiring support and people aged 65 and over, such as safety confirmation, life counseling, housework assistance, support for going out, and promotion of social participation
- LCS : Long-Term Care Service (Long-Term Care Insurance System)**
A physical care service (Mainly provided as home, facility, and community-based services) that can be used by people who need nursing care for the elderly and the disabled who have been certified as requiring long-term care

POSITIONING MAP



Comparison with similar nursing homes

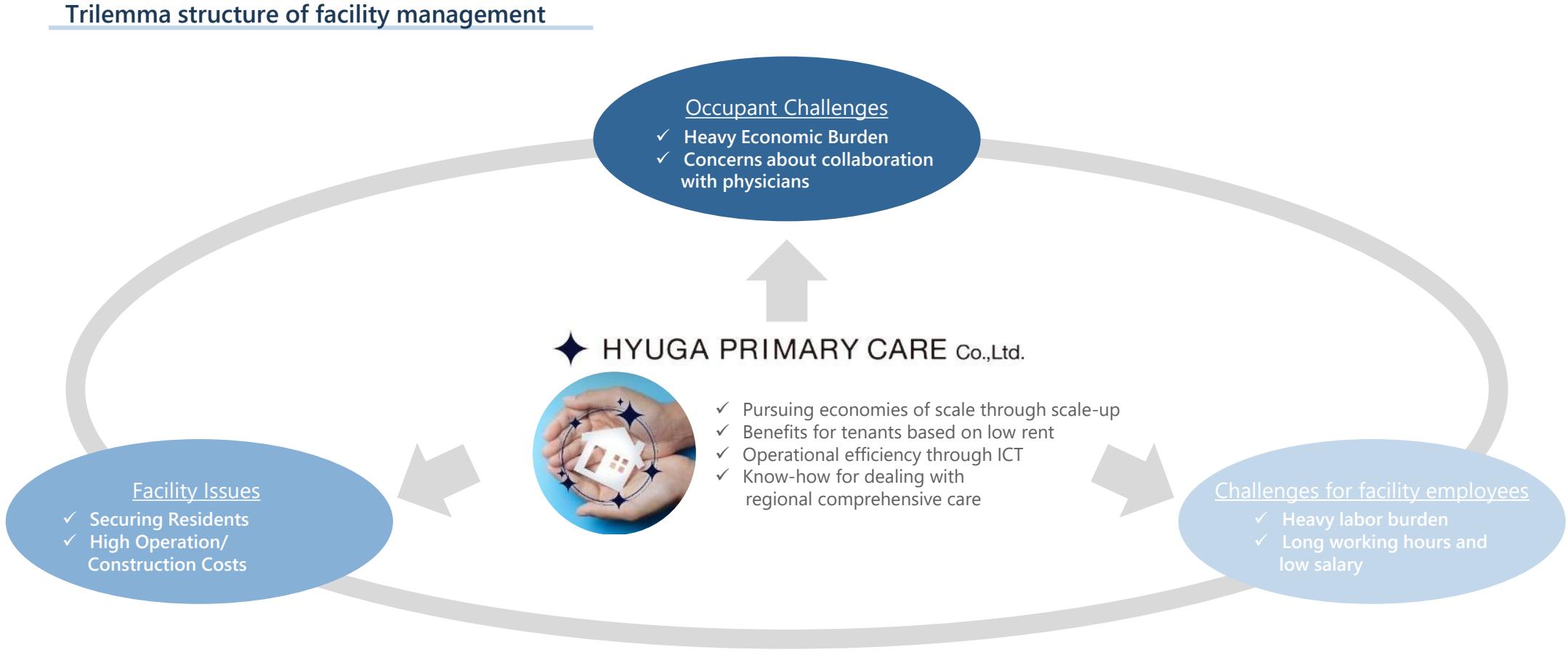
	Primary Care Home HYUGA	General fee-based nursing homes / serviced senior housing	Medical Specialized Nursing Home (Hospice Houses, etc.)
Characteristics	<ul style="list-style-type: none"> Staff ratio: 70% for nursing care and 30% for medical care Operates its own home care nursing system that provides regular patrolling and timely care Conversion to DX by ICT and efficient personnel structure at large-scale facilities Setting that the total cost does not change even if the degree of nursing care changes Even those who are highly dependent on medical care can move in at low prices, which helps solve social problems. 	<ul style="list-style-type: none"> We basically make money only on hotel costs. When the level of medical dependency and nursing care is high, it is difficult to deal with it unless the facility has a full staff of specialists. Some facilities have 24 hour nursing staff (at least 1 full-time equivalent), but most have only a few. 	<ul style="list-style-type: none"> Large proportion of staff is nurses In-house home nursing and home care services Actual costs for nursing care and medical care that exceed the public share Most of the residents do not have to pay medical expenses or have low medical expenses, so there is no actual charge.
user target audience	Those with high levels of medical dependency and nursing care (Market size: 2 million +)	Health care dependency and nursing care Low to moderate	Those who are highly dependent on medical care *The degree of nursing care is irrelevant.
Number of occupants per facility	About 100 people	About 30~60 people	About 30~60 people
move-in cost	120,000 yen	0~10 million yen or more	0~200,000 yen
hotel cost (Including meals)	Approx. 104000 yen *In the case of Long-Term Care Requiring 5: 76000 yen	About 200,000 yen to 600,000 yen	Approx. 100,000 ~ 180,000 yen
burden of nursing care costs (Cases of Needed Long-Term Care 5) *Does not include medical expenses	(Public Burden of Long-Term Care) Approximately 36,000 yen + Basic 0 yen "Regular patrolling and occasional Home-visit nursing care" within the public burden. Those with high medical dependency use a combination of home care with medical insurance.	(Public Burden of Long-Term Care) Approximately 36,000 yen + Approx. 50,000 ~ 100,000 yen "Home nursing" and "Home nursing care" are used. If the degree of medical dependency or nursing care is high, frequent use will occur and the actual cost will be borne.	(Public Burden of Long-Term Care) Approximately 36,000 yen + Approx. 50,000 ~ 100,000 yen "Home-visit nursing care." are used. If the nursing care level is high, frequent use will occur and the actual cost will be borne. Home nursing is covered by medical insurance.
ARPU*per month	Approx. 440,000 ~ 470,000 yen	Approx. 700,000 ~ 1 million yen *Variation depending on medical dependency and nursing care level	Approx. 800,000 ~ 1.3 million yen *Variation depending on medical dependency and nursing care level

*Monthly ARPU= hotel cost (rent) + food cost + long-term care insurance usage cost + medical insurance usage cost (Medical examination, drugs, etc.)



Realize solution of trilemma structures

- Our facility management style can improve the problems faced by residents, facility management, and facility employees at the same time. We aim to establish a sustainable social infrastructure in an aging society by utilizing economies of scale, our company ICT business, and the home-visit pharmacy business.
- These can be the core hub functions of the community comprehensive care system. In the future, we may use this facility operation as a starting point for its business.



Differences from existing nursing homes

Benefits of moving in

Even if the level of nursing care increases, people can live until their last moments

- As their level of nursing care increases, their cost burden increases accordingly.
- However, by reducing the cost (hotel cost) burden associated with moving in, the total cost does not change significantly.

Cooperating with cooperating medical institutions: 24 hours a day, 365 days a year Medical and nursing care is available.

- We've worked with many medical institutions for many years.
We can treat any diseases and symptoms. We can also refer you to a specialist.
- We can provide total support by collaborating with our pharmacists and care managers.

Responding to medical needs

- Dementia (moderate to severe)
- Gastrostomy
- tube feeding
- decubitus
- insulin administration
- phlegm aspiration

Medical insurance home nursing

- Total parenteral nutrition (IVH)
- Colostomy
- Home oxygen
- tracheostomy
- ventilator
- balloon catheter
- dialysis
- End-stage malignancy
- Amyotrophic lateral sclerosis (ALS)
- Parkinson's disease
- spinocerebellar degeneration
- myasthenia gravis
- multiple sclerosis
- terminal care

etc.



Degree of nursing care	Monthly amount
Care Level 1	154,000 yen
Care Level 2	144,000 yen
Care Level 3	102,000 yen
Care Level 4	96,000 yen
Care Level 5	89,000 yen

Expenses associated with moving in: Monthly image of personal burden
*There is a separate medical and long-term care cost burden

- 24/7 support "Home Care - Regular and On-demand"
- Improving operational efficiency through ICT



Although it was difficult for conventional fee-based nursing homes

We have made it possible to respond to all medical needs.

Comparison with medical care beds and public nursing homes

- Primary care home Hyuga has the same number of staff as the staffing standard for medical care beds.
- The facility's large size, ICT utilization, and home-based know-how cultivated in other businesses provide high profitability while guaranteeing staff wages.

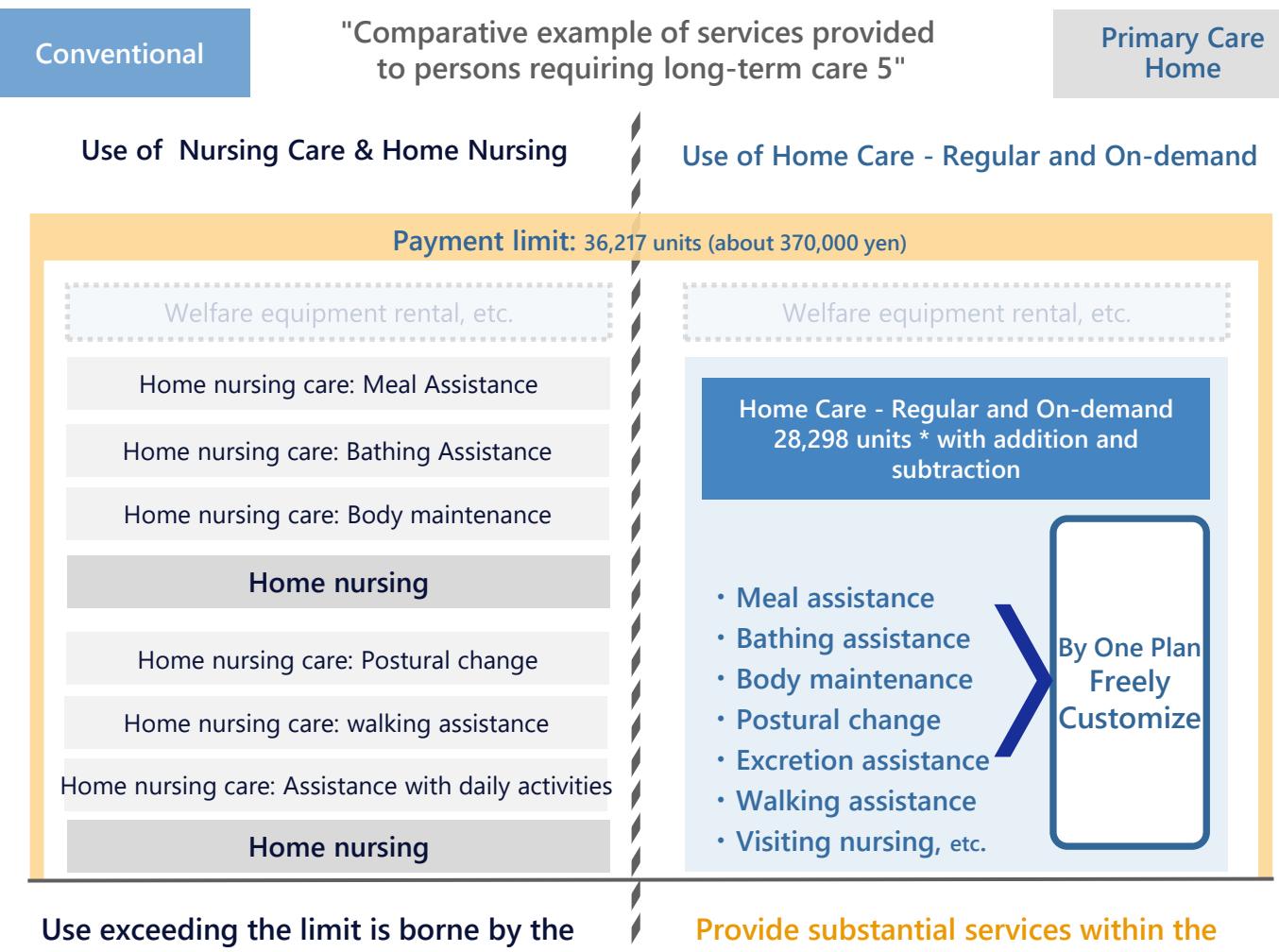
		Primary Care Home HYUGA	medical care bed		Nursing Care Hospital (Former: Nursing Care Medical Bed)	nursing home for the elderly	special care nursing home
			20 to 1	25 to 1			
overview		A living facility that can provide nursing care under medical supervision and necessary medical care to those in need of long-term care.	Beds in hospitals and clinics that admit mainly patients requiring long-term care *There are 20 to 1 and 25 to 1 standards for nursing staff (based on medical fees).		Long-term care and living facilities for elderly people requiring long-term care	a facility that provides rehabilitation and other services to persons in need of long-term care and aims to return to their homes Limited length of stay	Living facilities for persons in need of care
Number of beds		Number of paid nursing homes 540,000 beds		144000 beds	72000 beds	48000 beds	368000 beds Nursing care type: Approximately 9000 beds
establishment basis		Act on Welfare of the Elderly (Apartment Buildings for the Elderly)		Medical Care Law (Hospitals and Clinics)		Long-Term Care Insurance Act	Long-Term Care Insurance Act (Long-Term Care Health Facilities for the Elderly)
taffin	physician	*Home doctors provide home visits		48 to 1 (3 or more)		48 to 1 (3 or more)	100 to 1 (One or more persons)
	nursing staff	*7.2 to 1		4 to 1	2 to 1	6 to 1	6 to 1
	care worker	*2.7 to 1		4 to 1	2 to 1	5 to 1	6 to 1
Monthly sales per bed ** (Major Breakdown)		Approx. 440,000 ~ 470,000 yen Medical care: 90,000 ~ 120,000 yen, nursing care: 248000 yen Rent and food expenses: 100,000 yen		720,000 yen (Medical: 700,000 yen)		490,000 yen (Nursing care: 430,000 yen)	420,000 yen (Nursing care: 350,000 yen)
facility rate of return		20% or more		4.4%		4.0%	3.6%
						3.6%	1.8%

*Staffing at our facilities. Staffing standards for residential paid nursing homes stipulate that only nursing care staff are required.

** Monthly sales per bed = hotel cost (rent/hospitalization/admission) + food cost + nursing care insurance usage cost + medical insurance usage cost (Medical examination, drugs, etc.)

Visiting services provided: Home Care - Regular and On-demand

- Frequent visits are made possible to provide residents with enhanced services when they need them, within the classified payment limits of long-term care insurance.
- Users can continue their lives without changing their location even if their level of nursing care changes because the amount of burden is reduced.



Home NursingCare

- Performance fee (pay-as-you-go)
- Service is mainly provided during the day
- Emergency response (as needed): Not possible
- Not frequent users ⇒ cheap
- Frequent users ⇒ If the payment limit is exceeded, the handling cost will be incurred.

[Home Care - Regular and On-demand]

- comprehensive payment (subscription service)
- 24/7 system
- Emergency response available : No additional charge
- flat rate system with no time constraints
- Even if you use it frequently, you can be assured about the cost.

