

Translation

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**Consolidated Financial Results
for the Nine Months Ended September 30, 2025
(Based on Japanese GAAP)**

November 7, 2025

Company Name: ELAN Corporation

Stock Exchange Listing: Tokyo Stock Exchange (TSE) Prime Market

Stock Code: 6099 URL <https://www.kkelan.com/>

Representative: President, Representative Director and CEO

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended (from January 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (Cumulative)

Percentages indicate year-on-year changes

	Net Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine Months ended September 30, 2025	40,739	16.9	3,042	11.4	3,025	12.1	2,022	10.4
Nine Months ended September 30, 2024	34,847	14.5	2,731	0.2	2,697	-1.6	1,832	-3.0

(Note) Comprehensive Income Nine months ended September 30, 2025 1,820 million yen (-1.7%)

Nine months ended September 30, 2024 1,850 million yen (-1.3%)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
Nine Months ended September 30, 2025	33.45	—
Nine Months ended September 30, 2024	30.30	—

(Note) The Company maintains a Board Benefit Trust (or "BBT") and Employee Stock Ownership Plan (or "J-ESOP"). Shares of the Company remaining in these trusts are treated as treasury stock within shareholders' equity. Consequently, these shares are included in the number of treasury shares deducted from the weighted average number of common shares outstanding for the purpose of calculating Earnings Per Share (EPS).

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
Nine Months ended September 30, 2025	23,919	13,735	56.6
Year ended December 31, 2024	21,702	12,501	57.6

(Reference) Equity Nine Months ended September 30, 2025 13,540 million yen
Year ended December 31, 2024 12,501 million yen

2. Cash Dividends

	Annual Dividends Per Share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Fiscal Year-End	Total
Year ended December 31, 2024	— Yen	0.00 Yen	— Yen	13.00 Yen	13.00 Yen
Year ending December 31, 2025	— —	0.00 —	— —		
Year ending December 31, 2025 (Forecast)				15.00	15.00

(Note) Revision to the most recently released dividend forecast: No

3. Forecast of Consolidated Financial Results for the Year Ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year changes

	Net Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent		Earnings Per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full fiscal year	59,000	24.2	4,720	31.9	4,740	33.7	3,090	31.2	50.99

(Note) Revision to the most recently released financial forecast: No

* Notes

(1) Significant Changes in the Scope of Consolidation During the Nine Months Ended September 30, 2025: Yes

New: 1 company (Company name) TMC VIET NAM TRADING AND SERVICE JOINT STOCK COMPANY

Excluded: 0 company

(2) Application of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements: No

(3) Changes in Accounting Policies, Accounting Estimates, and Restatement of Prior Period Financial Statements

(1) Changes in accounting policies due to revisions to accounting standards and other regulations: No

(2) Changes in accounting policies due to other reasons: No

(3) Changes in accounting estimates: No

(4) Restatement of prior period financial statements: No

(4) Number of Issued Shares (Common Shares)

- (1) Total number of issued shares at the end of the period (including treasury shares)
- (2) Number of treasury shares at the end of the period
- (3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

	As of September 30, 2025	60,600,000 shares	As of December 31, 2024	60,600,000 shares
As of September 30, 2025	121,912 shares	As of December 31, 2024	136,912 shares	
As of September 30, 2025	60,471,779 shares	As of September 30, 2024	60,461,459 shares	

(Note) In regard to the number of treasury shares at the end of the period, the total number of Elan's share (135,917 shares at the fiscal year ended December 31, 2024, and 120,917 shares at the nine months ended September 30, 2025) held by the Custody Bank of Japan, Ltd. (Trust E Account) as trust assets of the BBT and J-ESOP are included.

* Review of this financial report by certified public accountants or an audit firm: None

* Proper use of financial results forecasts and other special matters

(Disclaimer about forward-looking statements)

The forward-looking statements herein are based on information available to the Company and on certain assumptions deemed to be reasonable at the date of publication of this document. They are not intended as the Company's commitment to achieve such forecasts, and actual results may differ significantly due to various factors.

(Supplementary materials on financial results)

The supplementary materials for the financial results will be posted on TDnet and the Company's website on Friday, November 7th 2025.

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1. Qualitative Information Regarding Financial Results for the Current Quarter

(1) Explanation Related to Operating Results

During the current consolidated nine months ended 30 September, 2025, the Japanese economy continued its moderate recovery trend, driven by improvements in employment and income conditions. However, with persistent downside risks, including U.S. tariff policy, foreign exchange rate fluctuations, and continuous inflation, the economic outlook remains uncertain.

In the nursing and medical care industry, the aging of the population is steadily advancing. This trend is evidenced by the fact that the population aged 65 years and over is 36.21 million accounting for 29.4% of the total population as of October 1, 2025 (October 2025 Monthly Report of Population Estimates by the Statistics Bureau of the Ministry of Internal Affairs and Communications) and the market size for the Group's services is therefore expected to expand significantly.

Under such circumstances, the Group engaged in sales to medical and nursing facilities (hospitals, nursing facilities for the elderly, and other such facilities) from its 29 branches and sales offices (including the head office) across Japan to increasingly spread and expand the "CS (Care Support) Set," which are the core services in the Group's related business.

As a result, the Group had 257 facilities which agreements were newly entered and 66 facilities which agreements terminated in the consolidated nine months ended September 30, 2025, thereby increasing number of facilities that has introduced the CS Set by 191 facilities compared to the end of consolidated fiscal year 2024 and the total number of implemented facilities has reached to 2,761 facilities.

The above resulted in net sales for the consolidated nine months ended September 30, 2025 of 40,739,213 thousand yen (up 16.9% year-on-year), operating profit of 3,042,091 thousand yen (up 11.4% year-on-year), ordinary profit of 3,025,139 thousand yen (up 12.1% year-on-year), and net profit attributable to owners of parent of 2,022,531 thousand yen (up 10.4% year-on-year).

(2) Explanation Related to Financial Position

1) Financial Position on Assets, Liabilities and Net Assets

(Assets)

The Company's total assets as of the end of the current consolidated nine months ended on September 30, 2025 were 23,919,406 thousand yen, representing an increase of 2,216,760 thousand compared to the end of the previous consolidated fiscal year. Of this amount, current assets were 16,315,068 thousand yen, a decrease of 557,729 thousand yen compared to the end of the previous consolidated fiscal year. This was primarily driven by a decrease of 1,714,666 thousand yen in Cash and deposits, despite increases in Trade accounts receivable and contract assets by 703,941 thousand yen, Supplies by 414,926 thousand yen, and Other accounts receivable by 210,435 thousand yen.

Non-current assets totaled 7,604,337 thousand yen, an increase of 2,774,489 thousand yen compared to the end of the previous consolidated fiscal year. This was primarily due to increases in Property, plant and equipment by 783,490 thousand yen, Goodwill by 787,499 thousand yen, and Investment securities by 150,705 thousand yen.

(Liabilities)

Total liabilities at the end of the current consolidated nine months ended September 30, 2025, increased by 983,276 thousand yen compared to the end of the consolidated fiscal year 2024 to 10,184,071 thousand yen. This was mainly attributable to increases in short-term borrowing by 322,960 thousand yen, and long-term borrowing by 337,948 thousand yen.

(Net Assets)

As of the end of the current consolidated nine months ended on September 30, 2025, total net assets were 13,735,334 thousand yen, representing an increase of 1,233,483 thousand yen compared to the end of the previous consolidated fiscal year. This was due primarily to a 1,234,743 thousand yen increase in Retained earnings, which resulted from recording net profit attributable to owners of the parent of 2,022,531 thousand yen, despite dividends paid to shareholders of 787,787 thousand yen. Additionally, Non-controlling interests increased by 194,381 thousand yen due to the inclusion of TMC VIET NAM TRADING AND SERVICE JOINT STOCK COMPANY in the scope of consolidation, which was largely offset by a 200,951 thousand yen decrease in Foreign currency translation adjustment.

2. Explanation Related to Summary Information (Items of Note)

Not applicable.

3. Quarterly Consolidated Financial Statements and Significant Items of Note

(1) Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	6,849,398	5,134,732
Trade accounts receivable and contract assets	5,783,858	6,487,799
Merchandise	1,551,013	1,481,093
Supplies	741,594	1,156,520
Other accounts receivable	2,394,780	2,605,216
Others	222,423	281,380
Allowance for doubtful accounts	(670,269)	(831,673)
Total current assets	<u>16,872,798</u>	<u>16,315,068</u>
Non-current assets		
Property, plant and equipment	575,797	1,359,287
Intangible assets		
Goodwill	427,223	1,214,723
Others	585,452	617,397
Total intangible assets	<u>1,012,676</u>	<u>1,832,120</u>
Investments and other assets		
Investment securities	2,558,748	2,709,454
Others	716,939	1,744,113
Allowance for doubtful accounts	(34,313)	(40,638)
Total investments and other assets	<u>3,241,373</u>	<u>4,412,929</u>
Total non-current assets	<u>4,829,847</u>	<u>7,604,337</u>
Total assets	<u>21,702,645</u>	<u>23,919,406</u>
Liabilities		
Current liabilities		
Trade accounts payable	7,222,724	7,610,637
Short-term borrowing	—	322,960
Income taxes payable	630,093	457,640
Provision for bonuses	—	36,315
Others	1,065,782	1,142,016
Total current liabilities	<u>8,918,601</u>	<u>9,569,571</u>
Non-current liabilities		
Long-term borrowing	76,617	414,566
Provision for share awards	38,830	41,839
Provision for share awards for directors and executives	60,116	45,525
Others	106,628	112,569
Total non-current liabilities	<u>282,193</u>	<u>614,500</u>
Total liabilities	<u>9,200,795</u>	<u>10,184,071</u>
Net assets		
Shareholders' equity		
Share capital	573,496	573,496
Capital surplus	543,496	543,496
Retained earnings	11,530,900	12,765,644
Treasury shares	(191,477)	(170,389)
Total shareholders' equity	<u>12,456,415</u>	<u>13,712,248</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(297)	(16,076)
Foreign currency translation adjustment	45,732	(155,218)
Total accumulated other comprehensive income	<u>45,435</u>	<u>(171,295)</u>
Non-controlling interest	<u>—</u>	<u>194,381</u>
Total net assets	<u>12,501,850</u>	<u>13,735,334</u>
Total liabilities and net assets	<u>21,702,645</u>	<u>23,919,406</u>

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(For the Nine Months Ended 30 September, 2025)

(Thousand yen)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2025
Net sales	34,847,391	40,739,213
Cost of sales	26,856,700	32,101,602
Gross profit	7,990,690	8,637,610
Selling, general and administrative expenses	5,259,242	5,595,518
Operating profit	2,731,448	3,042,091
Non-operating income		
Interest income	538	15,710
Subsidy income	4,431	6,895
Late charges income	8,218	9,580
Consulting fee income	3,150	3,150
Gain from consumption tax exemption	12,297	—
Others	7,762	25,856
Total non-operating income	36,397	61,193
Non-operating expenses		
Interest expense	—	32,356
Loss on retirement of non-current assets	1,097	225
Loss on investments in investment partnerships	4,018	32,777
Net foreign exchange loss	64,987	12,785
Total non-operating expenses	70,103	78,145
Ordinary profit	2,697,741	3,025,139
Profit before income taxes	2,697,741	3,025,139
Current income taxes	886,660	1,017,563
Deferred income taxes	(21,104)	(47,389)
Total income taxes	865,555	970,174
Net profit	1,832,186	2,054,965
Net profit attributable to non-controlling interests	—	32,434
Net profit attributable to owners of parent	1,832,186	2,022,531

(Consolidated Comprehensive Income)
 (For the Nine Months Ended 30 September, 2025)

(Thousand yen)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2025
Profit	1,832,186	2,054,965
Other comprehensive income		
Valuation difference on available-for-sale securities	33,648	(15,779)
Foreign currency translation adjustment	(14,842)	(218,932)
Total other comprehensive income	18,806	(234,712)
Comprehensive income	1,850,992	1,820,252
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,850,992	1,805,800
Comprehensive income attributable to non-controlling interests	—	14,452

(3) Items of Note Related to Quarterly Consolidated Financial Statements

(Items of Note Related to Prerequisite for Going Concern)

Not applicable.

(Items of Note in Case of Significant Changes to the Amount of Shareholders' Equity)

Not applicable.

(Change in the Scope of Consolidation or the Scope of the Equity Method)

(Significant change in the Scope of Consolidation)

TMC VIET NAM TRADING AND SERVICE JOINT STOCK COMPANY has included in the scope of consolidation from the consolidated three months ended on March 31, 2025 since the company had become a subsidiary.

(Significant Change in the Scope of the Equity Method)

Classico, Inc. has been included in the scope of the equity method from the current consolidated nine months ended on September 30, 2025 due to the acquisition of its shares.

(Additional Information)

(About the Board Benefit Trust (BBT))

(1) Outline of transactions

The Company introduced a performance-linked share-based remuneration plan for the Company's directors (excluding directors who serve as Audit & Supervisory Committee members and those directors who are outside directors) and executive officers (hereinafter, "directors and executives") called the "Board Benefit Trust (BBT)" (hereinafter, the "BBT"). The objective is to further clarify the linkage between remuneration and the Company's business performance and stock value, and thereby motivating directors and executives to share not only the benefits of rises in stock prices but also the risks of falls in stock prices with shareholders, enhancing business performance and boosting corporate value in the medium-to-long term.

The BBT is to be acquired through a trust by using monies contributed by the Company as the source of funds, and for the Company's shares and monies equivalent to the amount of the Company's shares converted into market value (hereinafter, "the company shares") to be awarded through the trust to directors and executives in accordance with the Rules on Share Awards provided by the Company. The timing that Company Shares are awarded to directors and executives shall be upon their retirement from office as a rule.

(2) Shares of the Company Remaining in Trust

The Company's shares remaining in the Trust are accounted for as treasury stock within Net Assets at their book value in the Trust (excluding incidental costs). The book value and the number of shares of said treasury stock were 138,084 thousand yen and 98,217 shares as of the end of the previous consolidated fiscal year, and 117,417 thousand yen and 83,517 shares as of the end of the current consolidated nine months ended 30 September, 2025.

(3) Method for Accounting Treatment

The gross method is applied in accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to employees through trusts (Practical Issues Task Force No. 30, March 26, 2015). The Company records the expenses and corresponding allowances based on the number of points granted to directors and executives under the prescribed regulations.

(About the Employee Stock Ownership Plan (J-ESOP))

(1) Outline of Transactions

The Company introduced the "Employee Stock Ownership Plan" (hereinafter, the "J-ESOP"), an incentive plan for employees of the Company and its domestic subsidiaries (hereinafter, "the domestic employees"). The J-ESOP is intended to enhance the benefit programs for the domestic employees and to improve their sense of participation in management.

Under J-ESOP, shares of the Company's stock are provided to the domestic employees when they acquire the right to receive these shares in accordance with the company's pre-established rules on share awards.

The Company grants points to employees based on their years of service and individual contribution. It then grants Company shares equivalent to the points awarded to employees who satisfy the benefit requirements. The shares to be provided to the domestic employees, including those to be provided in the future, will be acquired by the trust bank using monies placed in trust by the Company in advance, and will be managed separately as trust assets.

(2) Shares of the Company Remaining in Trust

The Company's shares remaining in the Trust are accounted for as treasury stock within Net Assets at their book value in the Trust (excluding incidental costs). The book value and the number of shares of said treasury stock were 53,006 thousand yen and 37,700 shares as of the end of the previous consolidated fiscal year, and 52,584 thousand yen and 37,400 shares as of the end of the current consolidated nine months ended 30 September, 2025.

(3) Method for Accounting Treatment

The gross method is applied in accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees Through Trusts (Practical Issues Task Force No. 30, March 26, 2015). The Company records the expenses and corresponding allowances based on the number of points granted to employees under the prescribed regulations.

(Notes to Quarterly Consolidated Statement of Cash Flows)

A Quarterly Consolidated Statement of Cash Flows has not been prepared for the current nine months period ended 30 September, 2025. However, depreciation and amortization for the current consolidated nine months ended 30 September, 2025 (including amortization of intangible assets other than goodwill) and the amortization of goodwill are as follows:

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2025
Depreciation	530,687 thousand yen	992,023 thousand yen
Amortization of goodwill	—	95,685 thousand yen

(Items of Note on Segment Information)

[Segment Information]

I Previous consolidated nine months ended (From January 1, 2024 to September 30, 2024)

The information is omitted because the Group has a single segment, the nursing and medical care related business.

II Current consolidated nine months ended (From January 1, 2025 to September 30, 2025)

With our group's core business being the nursing and medical care related business, the description of other business segments is omitted due to their lack of significance.

(Significant Subsequent Events)

Not applicable.