

# Operating Results for the Third Quarter of Fiscal 2025 Ended September 30, 2025

**ELAN Corporation**

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# 1. Operating Results for the Third quarter of Fiscal 2025

Bringing smiles to your  
hospital/elderly facility stay  
DE LAN

## 1. Increase in Net sales and Operating profit

- Net sales: +16.9% YoY. Due to the increase in the number of users following the acquisition of new CS set contracts. As a result, operating profit: +11.4% YoY.

## 2. Collaboration with M3 Group

- Continue to implement joint proposals to medical institutions.
- Development and deployment of differentiated CS set products commenced.

## 3. New service

- New contracts for “SmileWare,” a new service for nursing care facilities developed since last year, are progressing, with operations now underway at 38 facilities across Japan.
- Original patient clothing brand lifte has expanded its adoption to 15.4% (425 facilities) of all existing facilities.

- The primary factor driving sales growth was an increase in subscribers resulting from acquiring **249** new CS set contracts (with 66 cancellations) from the first quarter through the third quarter.
- The decline in gross profit margin was primarily due to the recognition of costs associated with the introduction of lifte (original patient clothing) at **173** facilities.
- The ratio of SG & A is trending downward, unlike in 2024 when there were temporary extraordinary expenses.

(Millions of yen)

	FY 2024 Q3 ①	FY 2025 Q3 ②	YoY Change ②-①	Main factors
Net sales	34,847	40,739	+5,891	<ul style="list-style-type: none"> <li>New CS Set Contract Acquisition, User Growth, Overseas Business</li> </ul>
Gross profit	7,990	8,637	+646	
Gross profit to net sales(%)	22.9	21.2	(1.7)	<ul style="list-style-type: none"> <li>lifte (original patient clothing) introduction costs for 173 facilities</li> </ul>
SG&A	5,259	5,595	+336	<ul style="list-style-type: none"> <li>Last year (2024) included temporary expenses such as M&amp;A in Vietnam and M3's tender offer-related costs.</li> </ul>
SG&A to net sales(%)	15.1	13.7	(1.4)	
Operating profit	2,731	3,042	+310	
Operating profit to net sales(%)	7.8	7.5	(0.4)	
Ordinary profit	2,697	3,025	327	
Ordinary profit to net sales(%)	7.7	7.4	(0.3)	
Profit Attributable to Owners of Parent	1,832	2,022	+190	
Profit to net sales(%)	5.3	5.0	(0.3)	

# Sales and Profit by Segment (Domestic/Overseas)

- Domestic: 69% progress against sales forecast of 56,600 million yen.
- Overseas: 59% progress against sales forecast of 240 million yen.

	(Millions of yen)			
	2022	2023	2024	2025 3Q
Net sales	36,264	41,425	47,513	40,739
Domestic	36,264	41,425	47,243	39,325
Overseas    Vietnam	0	0	269	1,413
Gross profit	9,027	9,751	10,716	8,637
Domestic	9,027	9,751	10,545	8,157
Overseas    Vietnam	0	0	171	480
Operating profit	3,391	3,665	3,577	3,042
Domestic	3,391	3,665	3,480	2,853
Overseas    Vietnam	0	0	96 <sup>※1</sup>	188 <sup>※1</sup>

※1 Operating profit in Vietnam includes goodwill amortization.

- No change from the previous period (first quarter of fiscal year ending December 2025)

Country	Company	Business type	Investment ratio	Consolidated balance sheet	Companies accounted for using the equity method
India	 Boston Ivy Healthcare Solution Pvt. Ltd. (BIHS)	Sales of medical materials, etc.	5% or less	x	x
India	 Quick Smart Wash Pvt. Ltd. (QSW)	Laundry service for hospitals	42.18%	x	x
India	 AKAL	Temporary staffing	5% or less	x	x
Vietnam	 GREEN LAUNDRY JOINT STOCK COMPANY (GREEN)	Laundry service for hospitals	100%	BS : From 3Q2024 PL : From 4Q2024	-
Vietnam	 TMC VIET NAM TRADING AND SERVICE JOINT STOCK COMPANY (TMC)	Laundry service for hospitals	51%	BS : From 1Q2025 PL : From 1Q2025	-

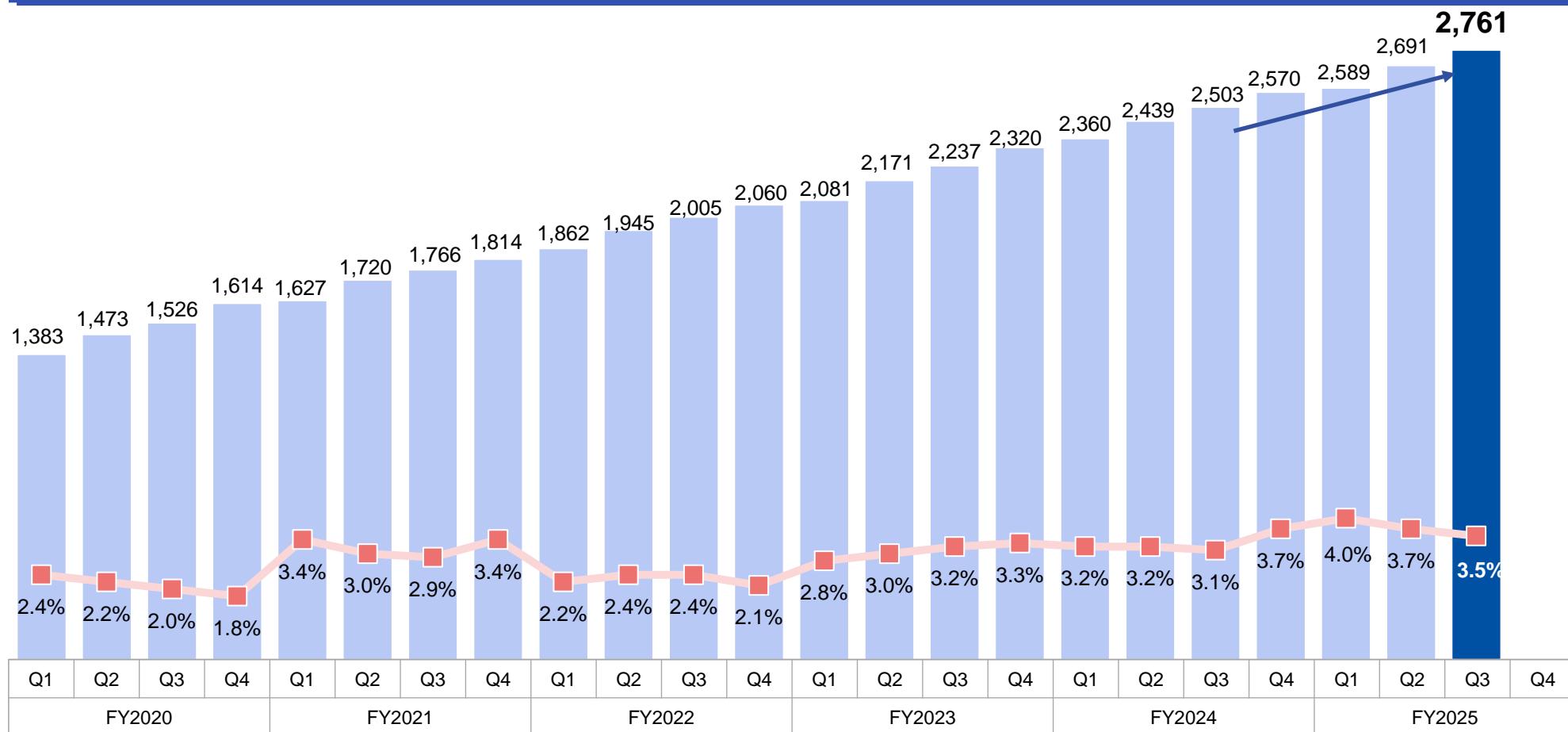
- Additional goodwill was recorded due to the consolidation of TMC (51% subsidiary in Vietnam) from 1Q2025.

	FY 2024 ①	FY 2025 Q3 ②	YoY Change ②-①	(Millions of yen)
				Main factors
Total assets	21,702	23,919	+2,216	
Cash and deposits	6,849	5,134	(1,714)	<ul style="list-style-type: none"> <li>Dividends of approx. 770 million yen, TMC acquisition costs of approx. 1.08 billion yen</li> </ul>
Supplies	741	1,156	+414	<ul style="list-style-type: none"> <li>Inventory of original patient clothes (lifte)</li> </ul>
Total Property, plant and equipment	575	1,359	+783	<ul style="list-style-type: none"> <li>TMC's plants, facilities, etc.</li> </ul>
Goodwill	427	1,214	+787	<ul style="list-style-type: none"> <li>Consolidation of GREEN / TMC</li> </ul>
Total liabilities	9,200	10,184	+983	
Short-term borrowings	0	322	+322	<ul style="list-style-type: none"> <li>Consolidation of GREEN / TMC</li> </ul>
Long-term borrowings	76	414	+337	<ul style="list-style-type: none"> <li>Consolidation of GREEN / TMC</li> </ul>
Total net assets	12,501	13,735	+1,233	

# Contracted facilities and Cancellation rate (at last month of quarter) E L A N

- Contracted facilities (at last month of quarter) increased **10.3% YoY**.

## Contracted facilities and Cancellation rate (at last month of quarter)

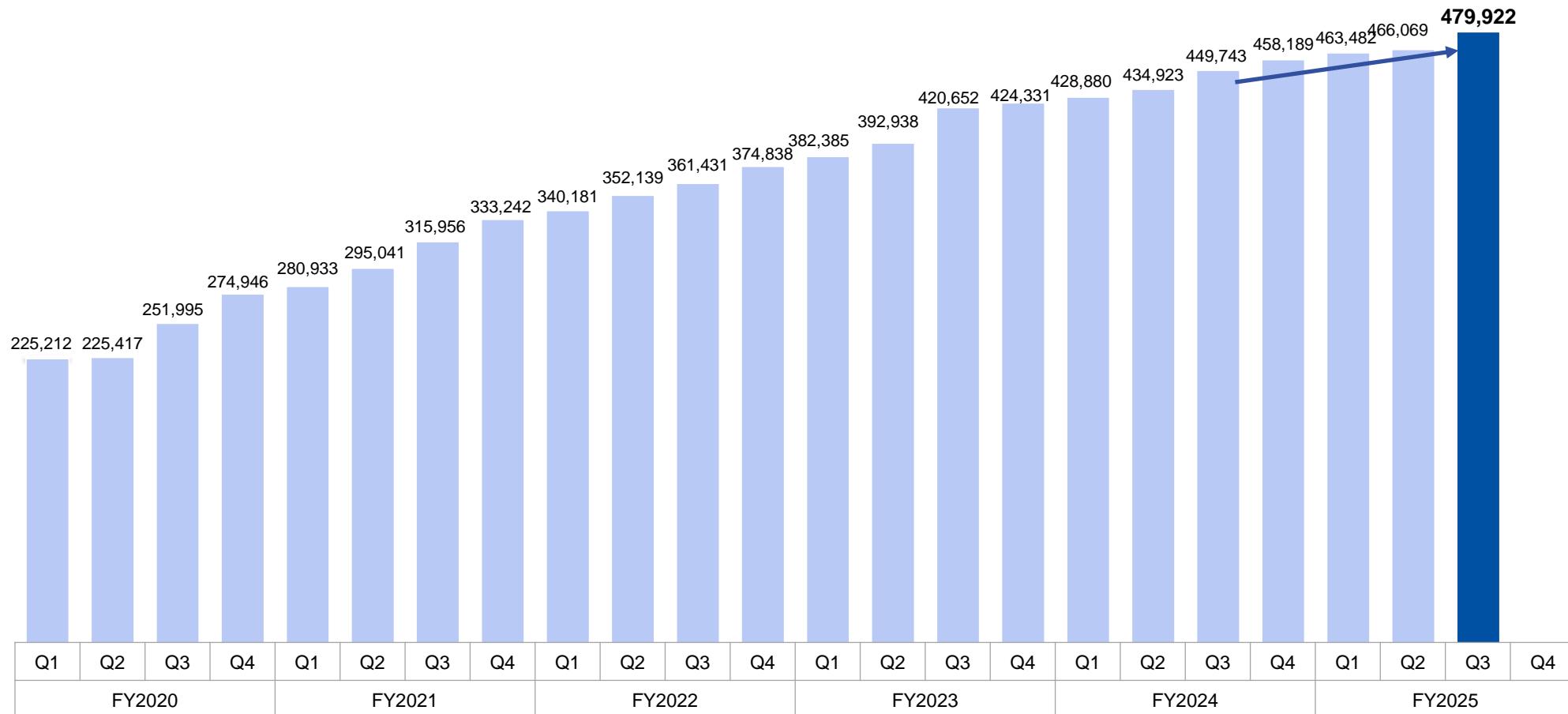


Note: Cancellation rate for the year = Number of cancellations in current year / (Contracts at end of previous year + New contracts in current year)

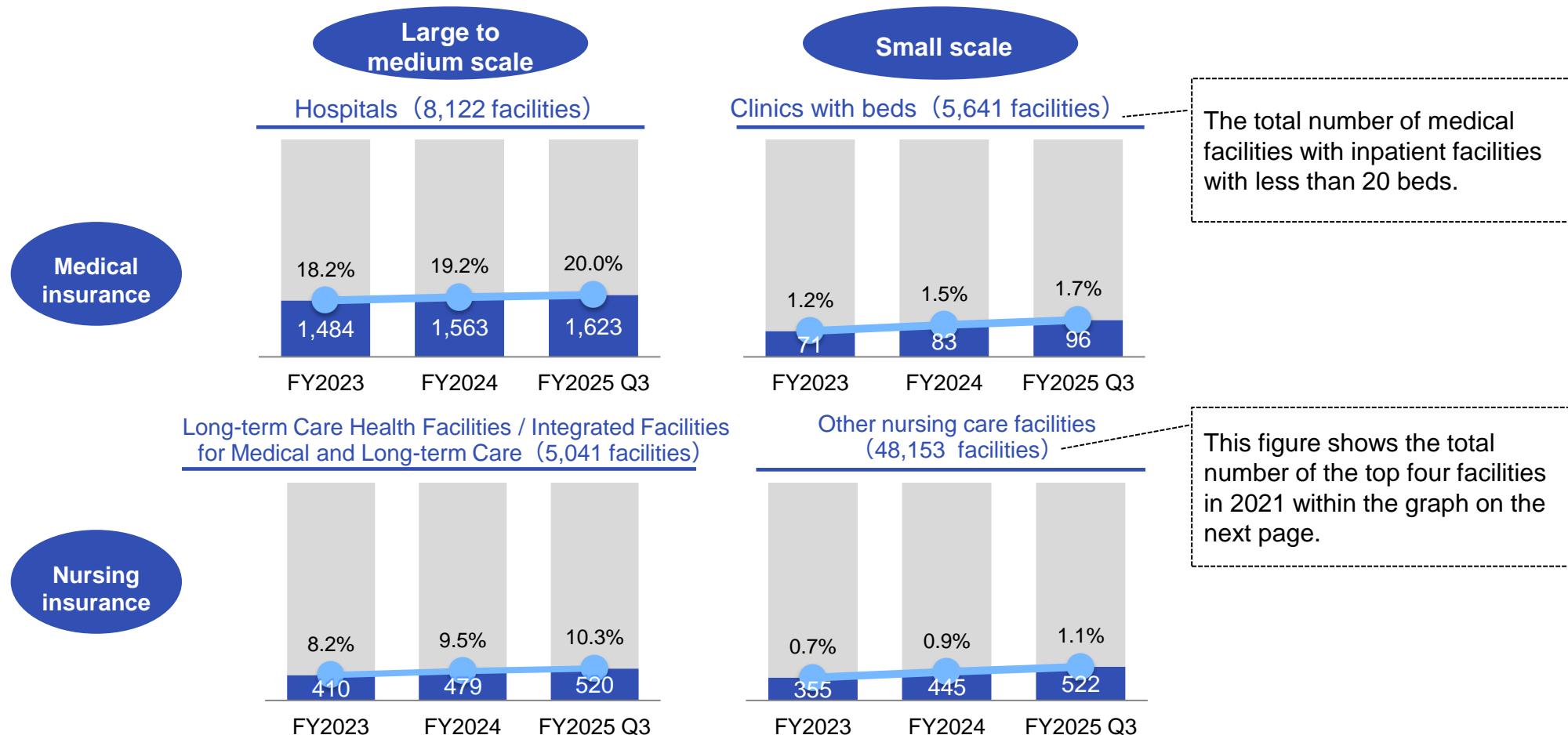
# Monthly Users (Average during the quarter)

- Monthly Users (Average during the period) increased **6.7%** YoY.

## Monthly Users (Average during the period)



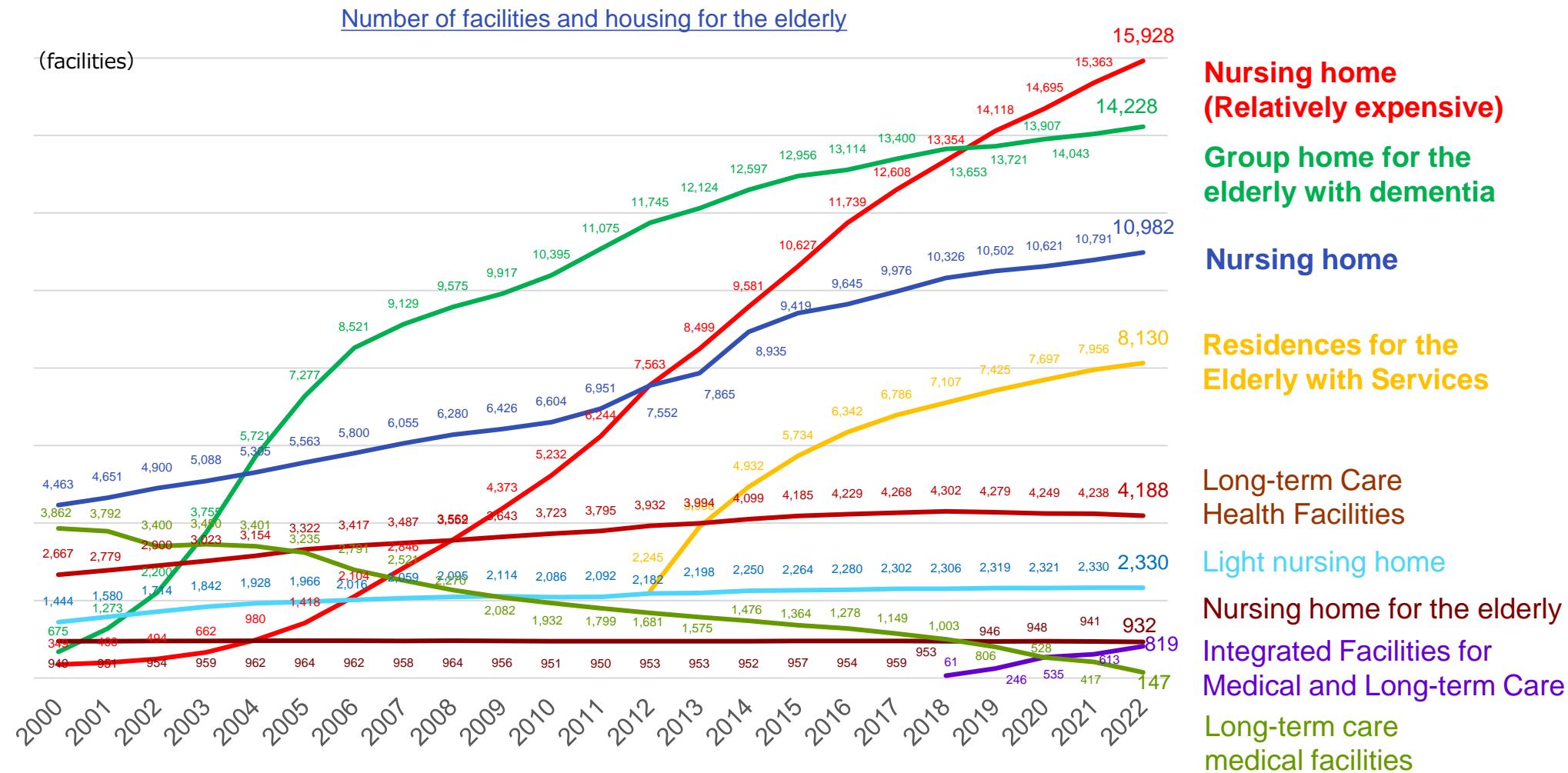
- Continue to focus on large- to medium-sized “Hospitals, Long-term Care Health Facilities, Integrated Facilities for Medical and Long-term Care”.



Notes: Prepared by ELAN with reference to the Survey of Medical Facilities 2023 and the Survey of Institutions and Establishments for Long-term Care 2023 by the Ministry of Health, Labor and Welfare.

# Number of facilities and housings for the elderly

- The facilities tabulated in the “Other nursing care facilities” graph on the previous page are the top four facilities in the graph below.
- These are facilities that provide care in an environment similar to a typical home.
- We consider that facility types, which are growing in number, can be promising targets.



Notes: Prepared by Elan based on page 10 of the document linked here ([Ministry of Health, Labor and Welfare meeting materials](#)).

- CS Set R increased by **9** facilities in 3Q alone.
- CS Set LC increased by **8** facilities in 3Q alone.
- Original patient gowns (lifte) introduced at **57** facilities in 3Q alone.

## Annual trends in New services and New products

		2021	2022	2023	2024	2025 Q3	Most Recent Initiatives
Number of facilities with CS Set R	Facility	101	149	230	278	348	
Adoption rate of CS Set R	%	5.6%	7.2%	9.9%	10.8%	12.6%	
Number of facilities with CS Set LC	Facility	83	123	192	230	271	
Adoption rate of CS Set LC	%	4.6%	6.0%	8.3%	8.9%	9.8%	
Number of facilities with lifte	Facility	1	8	52	252	425	◆ Working to add about the same number as in 2024
Adoption rate of lifte	%	0.1%	0.4%	2.2%	9.8%	15.4%	
Number of facilities with Smile wear		0	0	0	7	38	◆ See p14.
Adoption rate of Smile wear		0.0%	0.0%	0.0%	0.3%	1.4%	
(New service/product under development)		-	-	-	-	-	

- Launch of “Smile Wear” as a new service for nursing care facilities.
- As of the end of September 2025, it has been introduced in **38** facilities nationwide.



## What is Smile ware?

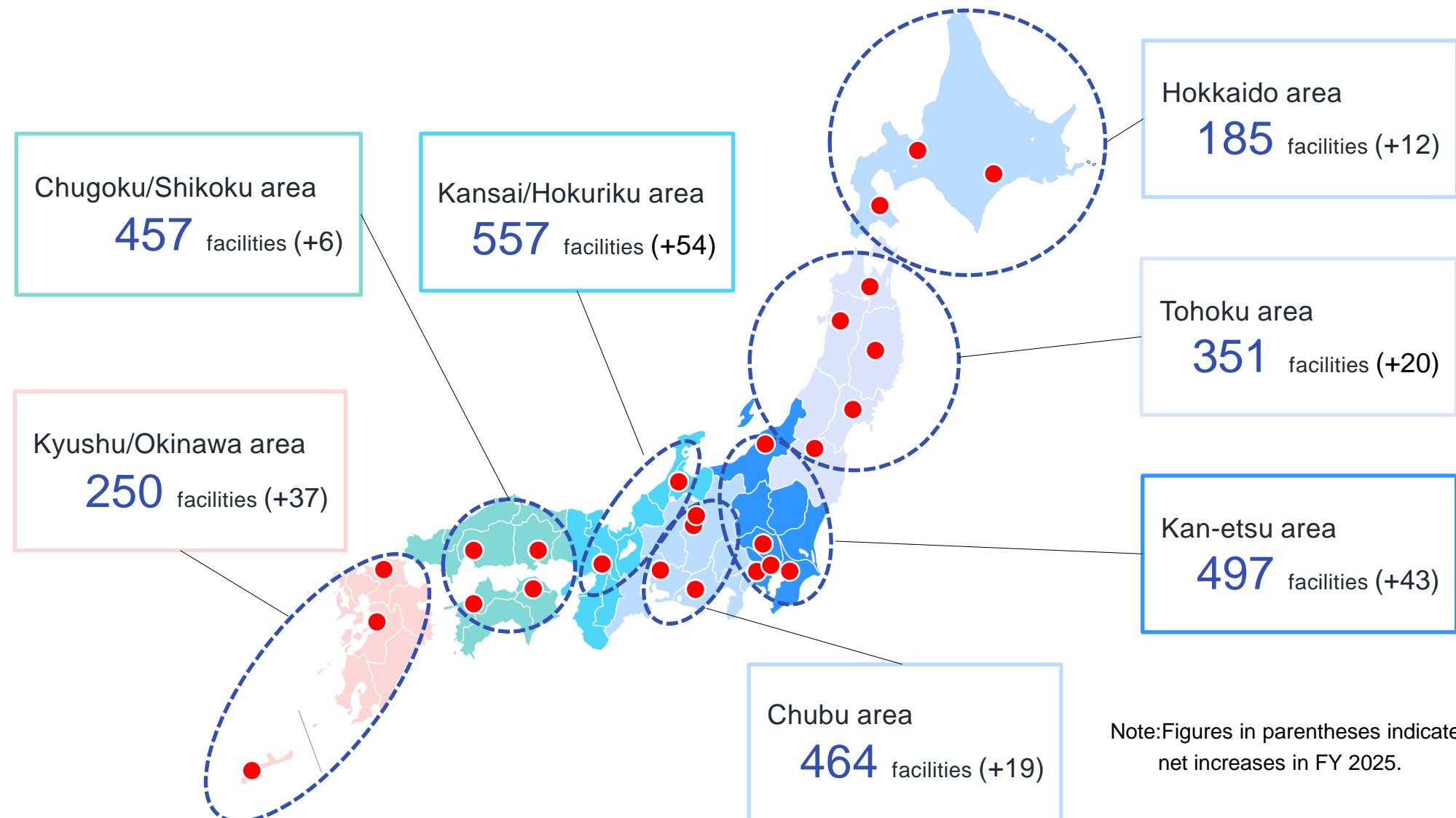
This service allows you to enjoy shopping for fashionable clothes by choosing your favorites from a selection of clothing carefully selected by apparel professionals, based on the concept of “delivering smiles.”

## ご利用のメリット

- We respect the individuality of our residents and improve their quality of life by boosting their spirits through fashion.
- They can enjoy choosing clothes as if they were shopping, which leads to high-quality communication centered on the residents.
- This eliminates the hassle of purchasing, replenishing, labeling, and washing clothes for family members and staff.

# ELAN's Operating Bases and Number of Contracted Facilities Throughout Japan (as of September 30, 2025)

- New contracts progressed nationwide.



1

Promoting new business development and enhancing the added value of CS Sets through collaboration with M3's existing services

- CS Set: **Development and deployment of differentiated CS set products commenced. Concurrently, strengthening the foundation for solution-based sales is being implemented.**

2

Cross-selling to business partners of both parties

- Implementing joint proposals to medical institutions to achieve new contract and **prevent contract cancellations**

3

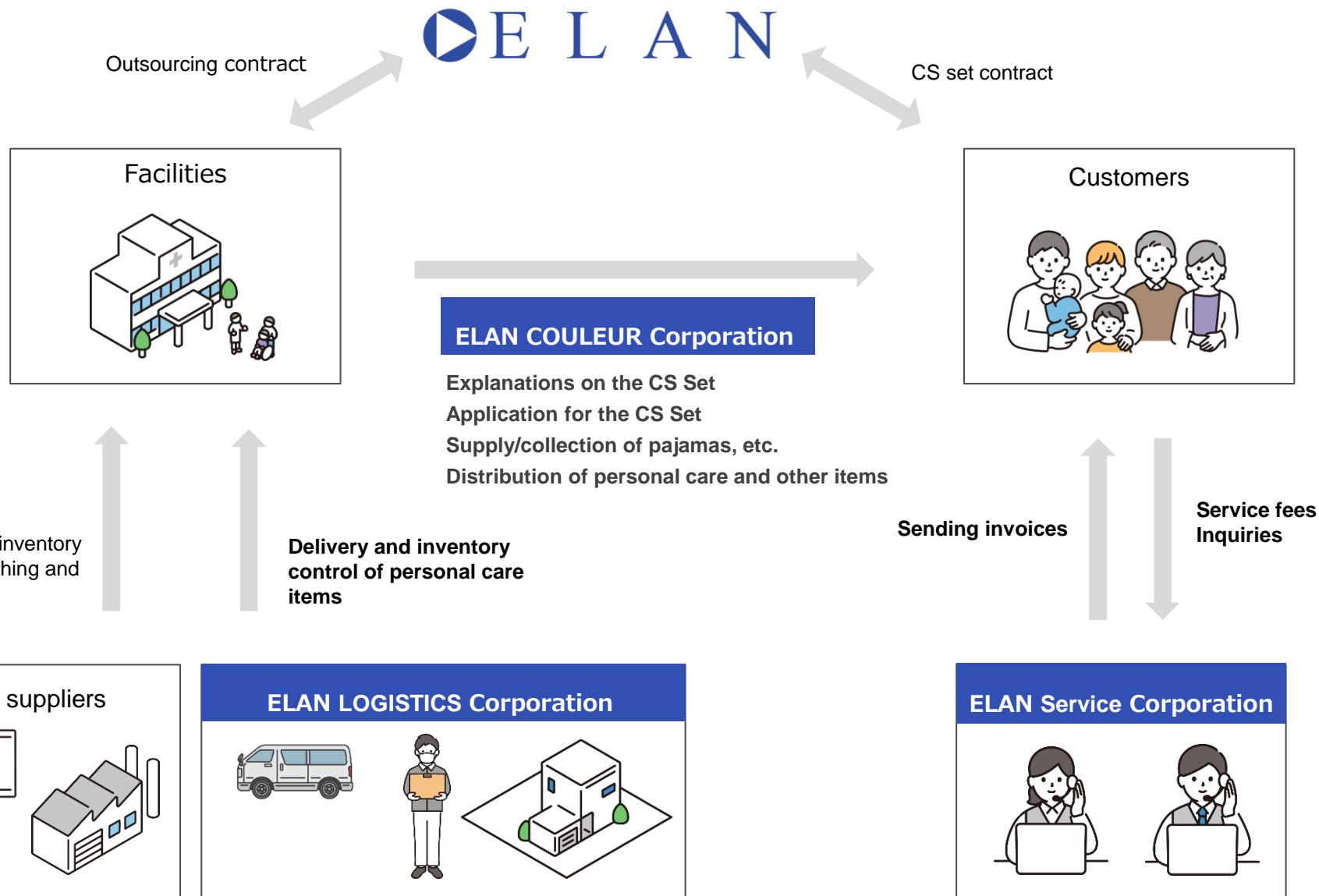
Enhancing the competitiveness by leveraging M3's resources

- Cost reduction effects by taking advantage of the Group's purchasing power began to emerge
- **Exploring ways to improve gross profit margins through more fundamental cost reductions**

4

Support for overseas expansion

- Information provision and sales cooperation for expanding our overseas operations



		2021	2022	2023	2024	2025 Q3
<b>ELAN Service Corporation</b>						
Number of contracted companies (hospitalization set)	Companies	4	5	9	13	14
Number of Facilities (hospitalization set)	Facilities	22	30	36	65	83
Number of contracted companies (other)	Companies	0	0	2	4	5
Number of Facilities (other)	Facilities	0	0	2	11	21
<b>ELAN LOGISTICS Corporation</b>						
Number of Facilities for delivery	Facilities	73	110	242	376	420
<b>ELAN COULEUR Corporation</b>						
Number of contracted facilities	Facilities	0	0	45	51	53
Number of employees with disabilities <sup>※1</sup>	People	0	0	13	25	27

※1 ELAN COULEUR Corporation aims to create employment opportunities for people with disabilities and to support hospitals in hiring people with disabilities.

## 2. Earnings forecast of Fiscal 2025

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# Forecast of Operating Results for Fiscal 2025



- Consolidated earnings forecasts remain unchanged from the figures announced on February 10, 2025 (financial results summary).
- New CS set acquisitions, progress on new domestic business initiatives, and overseas business growth are lagging behind plan.
- Operating profit was impacted by higher-than-planned expenses for lifte (original patient clothing).

(Millions of yen)

	Fiscal 2024 First Half Results	Fiscal 2025 First Half Results	YoY Change	Fiscal 2024 Results	Fiscal 2025 Forecast	YoY Change
Net sales	22,844	26,840	17.5%	47,513	59,000	24.2%
Operating profit	1,930	2,075	7.5%	3,577	4,720	31.9%
Ordinary profit	1,948	2,048	5.1%	3,545	4,740	33.7%
Profit Attributable to Owners of Parent	1,325	1,367	3.2%	2,354	3,090	31.2%
EPS	21.92yen	22.61yen		38.94yen	50.99yen	

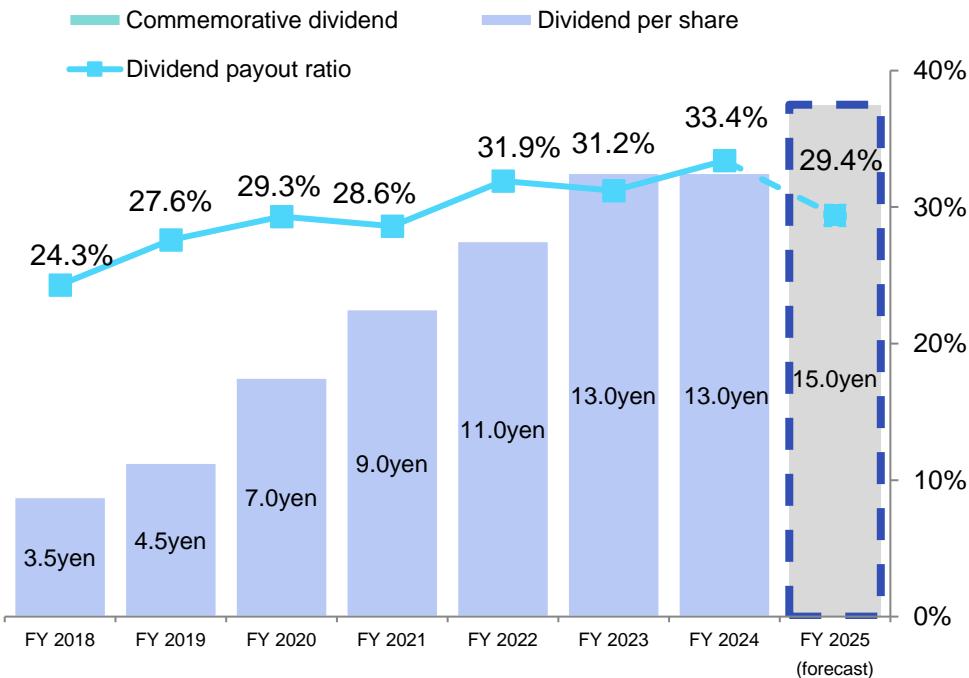
- No change from the first quarter financial results for the fiscal year ending December 2025.

	2022 (Results)	2023 (Results)	2024 (Results)	2025 (Forecast)	(Millions of yen)
Net sales	36,264	41,425	47,513	59,000	
Domestic	36,264	41,425	47,244	56,600	
Overseas	0	0	269	2,400	
Operating profit	3,391	3,665	3,577	4,720	
Operating profit to net sales	9.4%	8.8%	7.5%	8.0%	
ROE	25.3%	25.4%	20.2%	22.3%	
Dividend payout ratio	31.9%	31.2%	33.4%	30.0%	

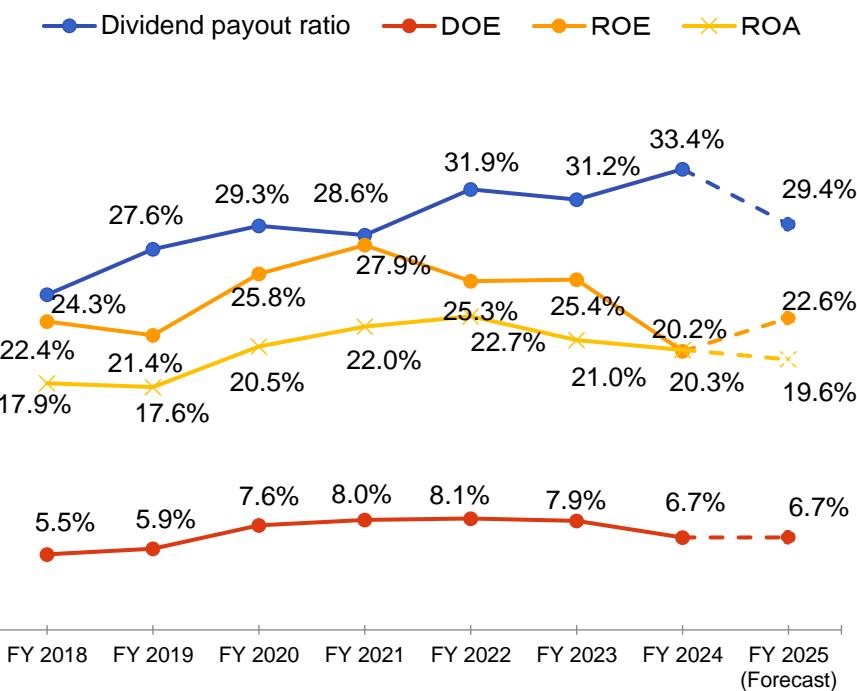
2023 to 2025 Medium-Term Management Vision

- The year-end dividend forecast for fiscal 2025 is 15.0 yen per share.
- The consolidated payout ratio for fiscal 2025 is projected to be 29.4%.

## Dividend per Share and Dividend Payout Ratio

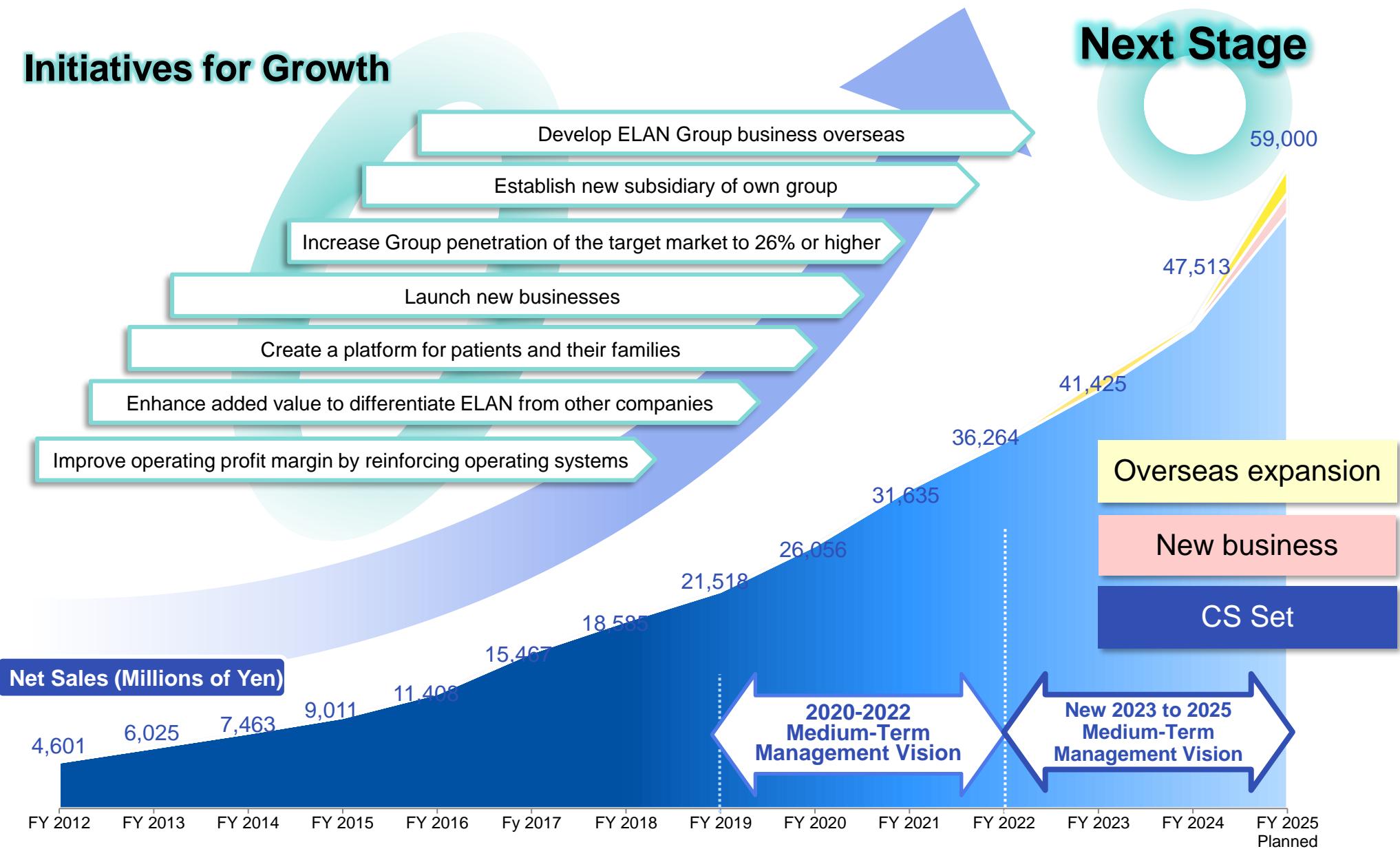


## Financial Indicators



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

## Initiatives for Growth



Note: The figures are on a non-consolidated basis through fiscal 2016 and on a consolidated basis for fiscal 2017 and thereafter.

### 3. Reference Materials

Bringing smiles to your  
hospital/elderly facility stay





Matsumoto Head Office in Nagano Prefecture



We seek to provide the best products and services that satisfy our customers, and we focus our passion on contributing to the realization of a society in which people live fulfilling lives

Tomohiro Minezaki,  
CEO



Company name	ELAN Corporation																		
Business	Medical and nursing care-related business (CS Set)																		
Established	February 6, 1995																		
Capital	573 million yen																		
Net sales	47,513 million yen (fiscal 2024)																		
Ordinary profit	3,544 million yen (fiscal 2024)																		
Headquarters	Matsumoto, Nagano Prefecture																		
Representative	COO: Tomohiro Minezaki																		
Number of employees	1,150 (as of December 31, 2024)																		
Business locations	<p>Headquarters in Matsumoto            Tokyo office (business strategy and marketing)            Location in Matsumoto Murai (customer response)            Sales bases</p> <table> <tr> <td>Hokkaido area</td> <td>Sapporo/Hakodate/Kushiro</td> </tr> <tr> <td>Tohoku area</td> <td>Aomori/Morioka/Sendai/Akita</td> </tr> <tr> <td>Kan-etsu area</td> <td>Saitama/Chiba/Tokyo/Sagamihara/Niigata</td> </tr> <tr> <td>Chubu area</td> <td>Matsumoto/Shizuoka/Nagoya</td> </tr> <tr> <td>Kansai/Hokuriku area</td> <td>Kanazawa/Osaka</td> </tr> <tr> <td>Chugoku/Shikoku area</td> <td></td> </tr> <tr> <td>Okayama/Hiroshima/Takamatsu/Matsuyama</td> <td></td> </tr> <tr> <td>Kyushu/Okinawa area</td> <td>Fukuoka/Minami-Kyushu/Okinawa</td> </tr> <tr> <td>Logistics Center</td> <td>Kanagawa/Matsumoto/Kansai</td> </tr> </table>	Hokkaido area	Sapporo/Hakodate/Kushiro	Tohoku area	Aomori/Morioka/Sendai/Akita	Kan-etsu area	Saitama/Chiba/Tokyo/Sagamihara/Niigata	Chubu area	Matsumoto/Shizuoka/Nagoya	Kansai/Hokuriku area	Kanazawa/Osaka	Chugoku/Shikoku area		Okayama/Hiroshima/Takamatsu/Matsuyama		Kyushu/Okinawa area	Fukuoka/Minami-Kyushu/Okinawa	Logistics Center	Kanagawa/Matsumoto/Kansai
Hokkaido area	Sapporo/Hakodate/Kushiro																		
Tohoku area	Aomori/Morioka/Sendai/Akita																		
Kan-etsu area	Saitama/Chiba/Tokyo/Sagamihara/Niigata																		
Chubu area	Matsumoto/Shizuoka/Nagoya																		
Kansai/Hokuriku area	Kanazawa/Osaka																		
Chugoku/Shikoku area																			
Okayama/Hiroshima/Takamatsu/Matsuyama																			
Kyushu/Okinawa area	Fukuoka/Minami-Kyushu/Okinawa																		
Logistics Center	Kanagawa/Matsumoto/Kansai																		
Subsidiaries	ELAN Service Corporation (invoicing), Ryukyu ELAN Corporation, ELAN COULEUR Corporation, ELAN LOGISTICS Corporation, GREEN LAUNDRY., JSC, TMC Vietnam Trading & Service., JSC																		
Listing	Tokyo Stock Exchange (TSE) Prime Market (Securities code: 6099)																		
Certifications	Privacy mark system, Eruboshi certification, Kurumin certification																		

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

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



## Example of the CS Set Standard Plan

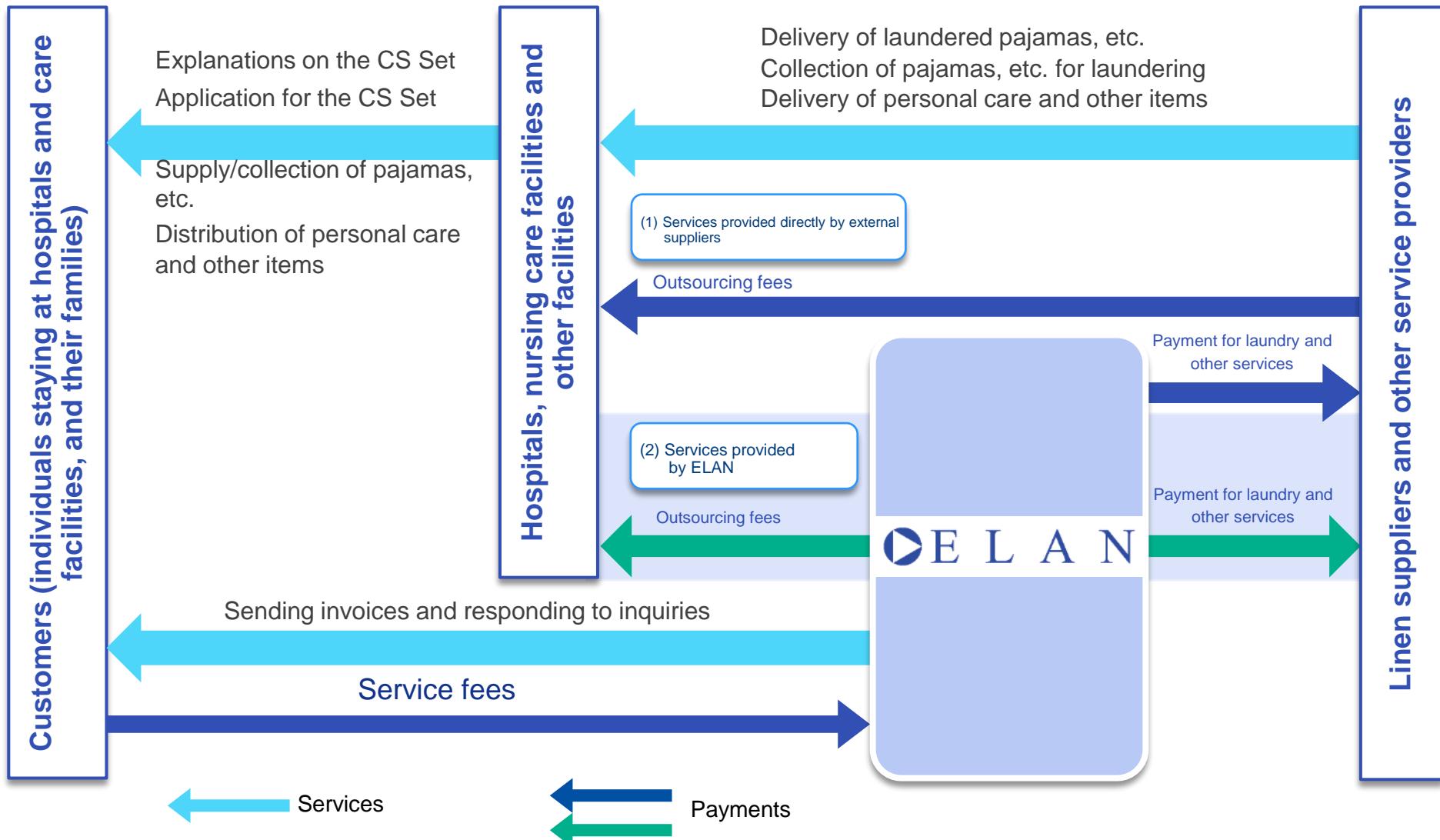
Note: The daily fees shown below are for reference.

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

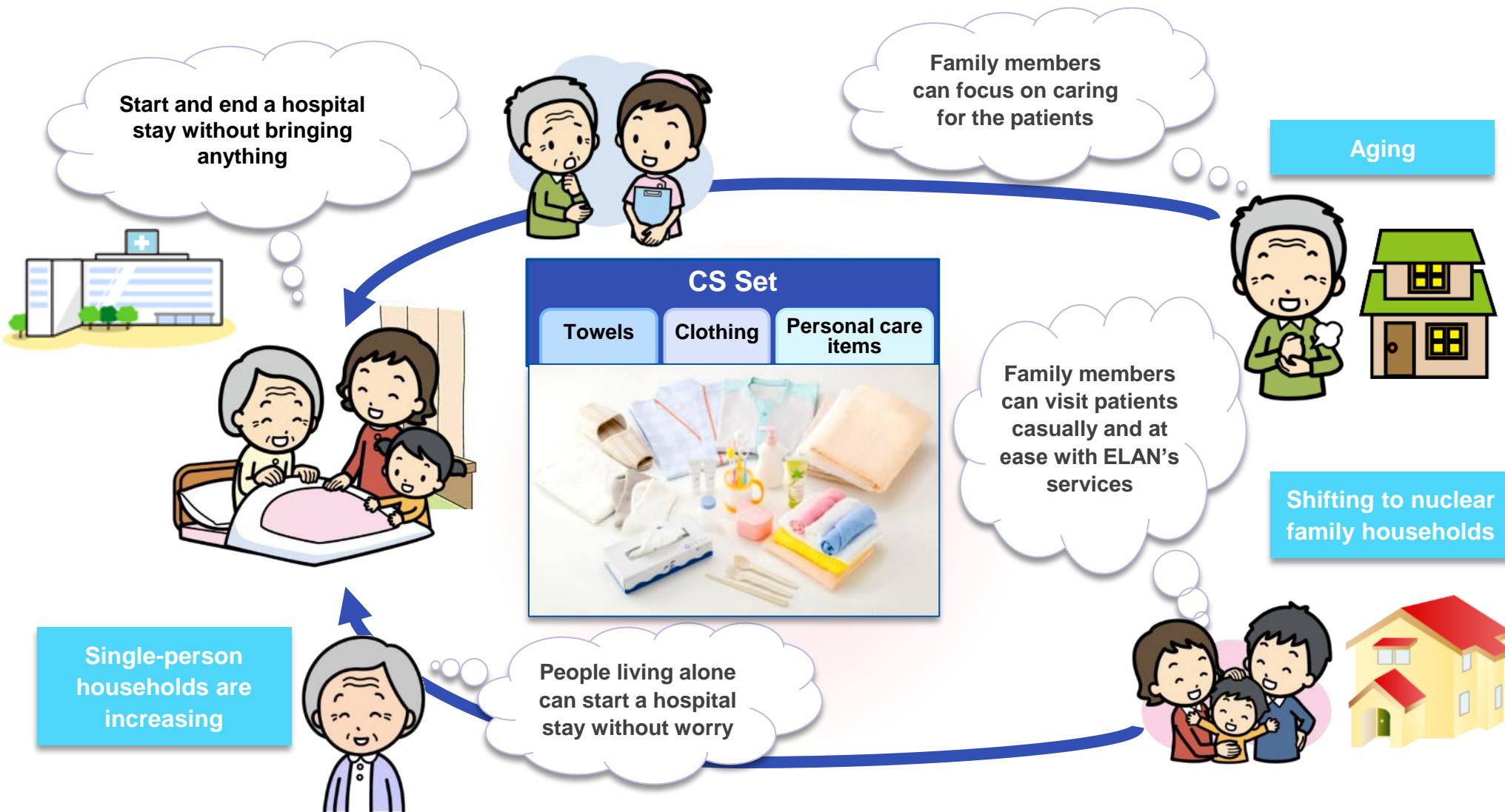
(Example) Seven-day hospital stay under Plan B  
 $500 \text{ yen} \times 7 \text{ days} = 3,500 \text{ yen}$



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



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



Many advantages for the nursing and care frontlines

## Solves problems for hospitals and nursing care facilities



Chronic labor shortage

Hygiene problems



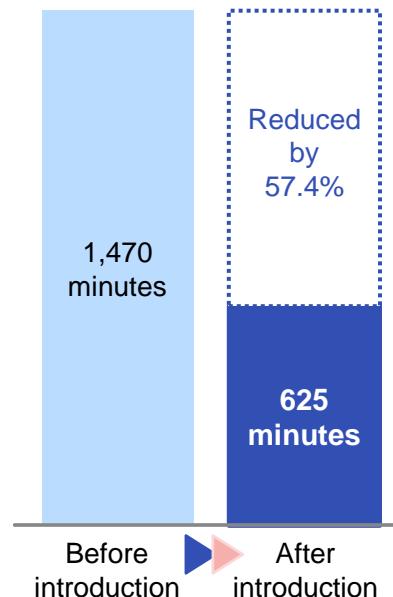
## Significant saving of time and labor

## Staff can focus on their nursing and care duties

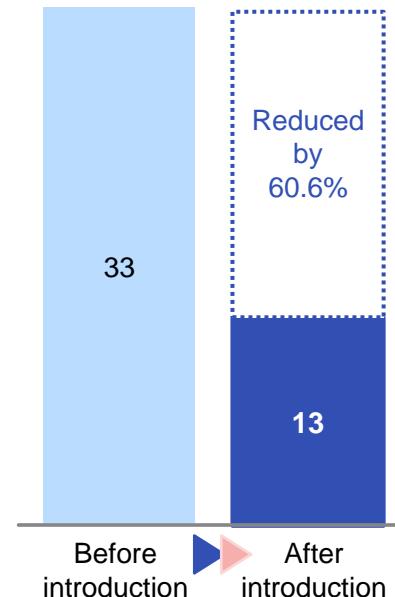
### Effects of Introducing the CS Set: A Case Example

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

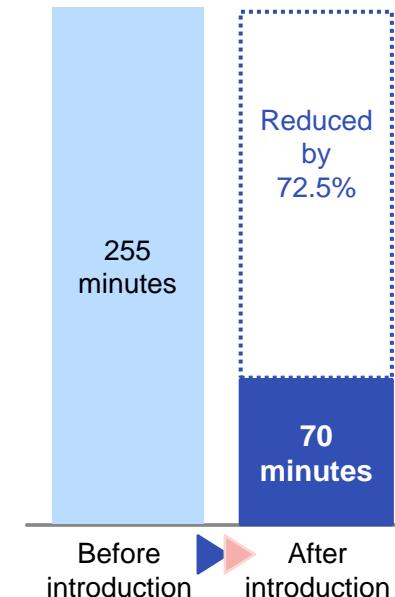
Time (Minutes) per Day Spent  
on Laundering



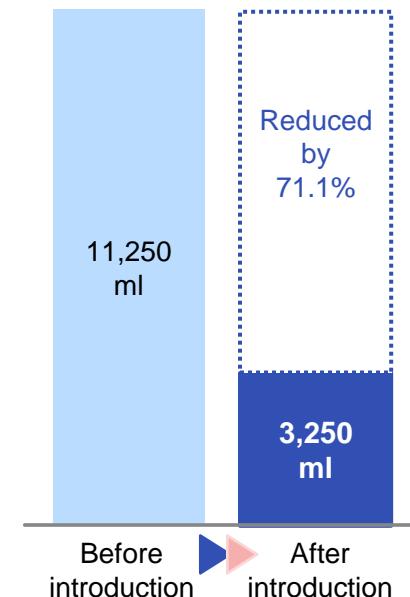
Loads of Laundry per Day



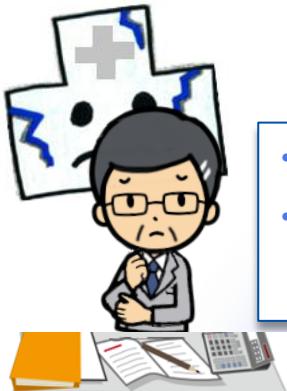
Working Time (Minutes) Per Day  
(Folding and Setting)



Quantity of Sterilizing Liquid  
Used (ml) per Month



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



## Management issues for hospitals and nursing care facilities

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

- Secure new revenue resources
- Reduce risks involving government guidance

The ELAN logo, consisting of a blue play button icon followed by the letters "ELAN" in a blue, sans-serif font, all contained within a light blue oval shape.

## Management issues for operators related to hospitals and nursing care facilities

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

- Increase sales and profits



New R/LC services can be added to CS Sets

CS Sets	New services	Merits
	<p>Compensation for unpaid hospitalization expense</p> <p><b>CSセットR</b></p>  <p><b>Users and their families</b></p> <ul style="list-style-type: none"> <li>• No need for co-guarantors or lump sum hospital payments</li> <li>• Peace of mind even during emergency hospitalizations</li> </ul> <p><b>Hospitals and nursing care facilities</b></p> <ul style="list-style-type: none"> <li>• Avoids risk of unpaid hospitalization expenses</li> <li>• Reduces payment demand and collection efforts when bills are unpaid</li> </ul>	
	<p>Compensation for damages or accidents during hospitalization</p> <p><b>LC入院保証</b></p>  <p><b>Users and their families</b></p> <ul style="list-style-type: none"> <li>• Compensation for expenses incurred as a result of damage to facility equipment or injuries to staff</li> </ul> <p><b>Hospitals and nursing care facilities</b></p> <ul style="list-style-type: none"> <li>• Helps reduce administrative costs and psychological stress related to property damage claim procedures</li> </ul>	

- 1. The CS Set has a solid history in the hospitalization support set business**
- 2. Growth potential and earnings-generating capabilities of the subscription-based business model**
- 3. Barriers to new entrants are growing**

ELAN has pioneered the hospitalization support set business in an organized fashion.

Three main factors have enabled ELAN, the pioneer, to gain a lead over market latecomers.

1

### Know-how

- Ability to determine break-even points
- Explanations to nursing and care staff and operational skills
- Provision of services in a manner consistent with government guidance
- Efficient invoicing and payment receipt operations

2

### Business Model

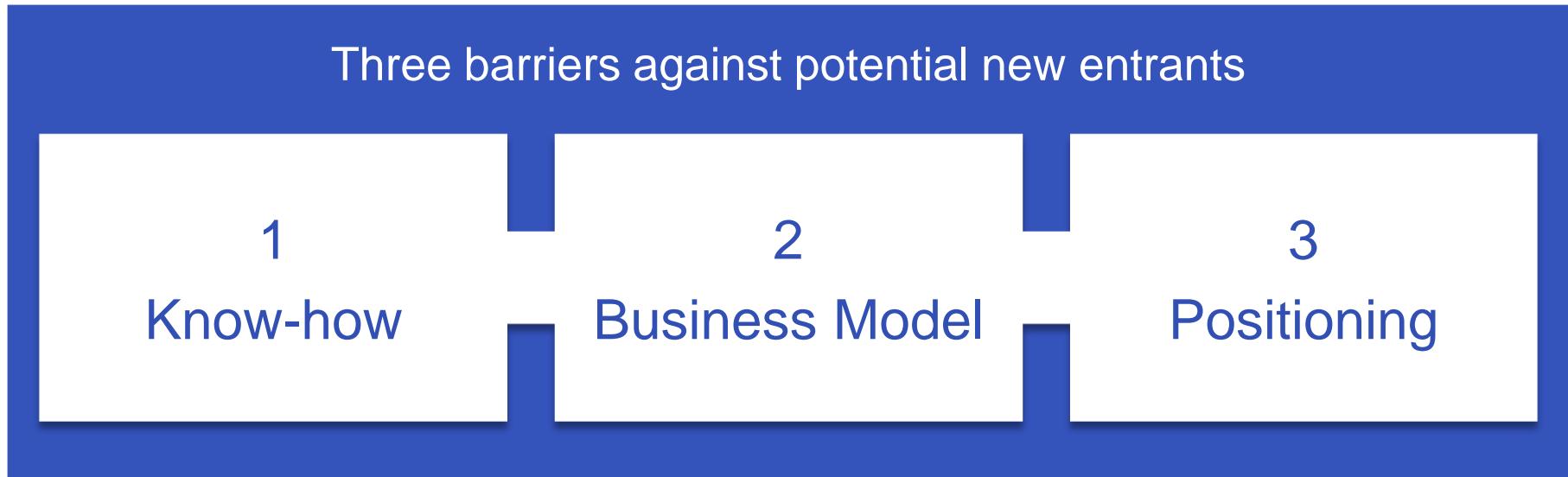
- A business model built on ongoing business relationships with partners to achieve mutual success

3

### Positioning

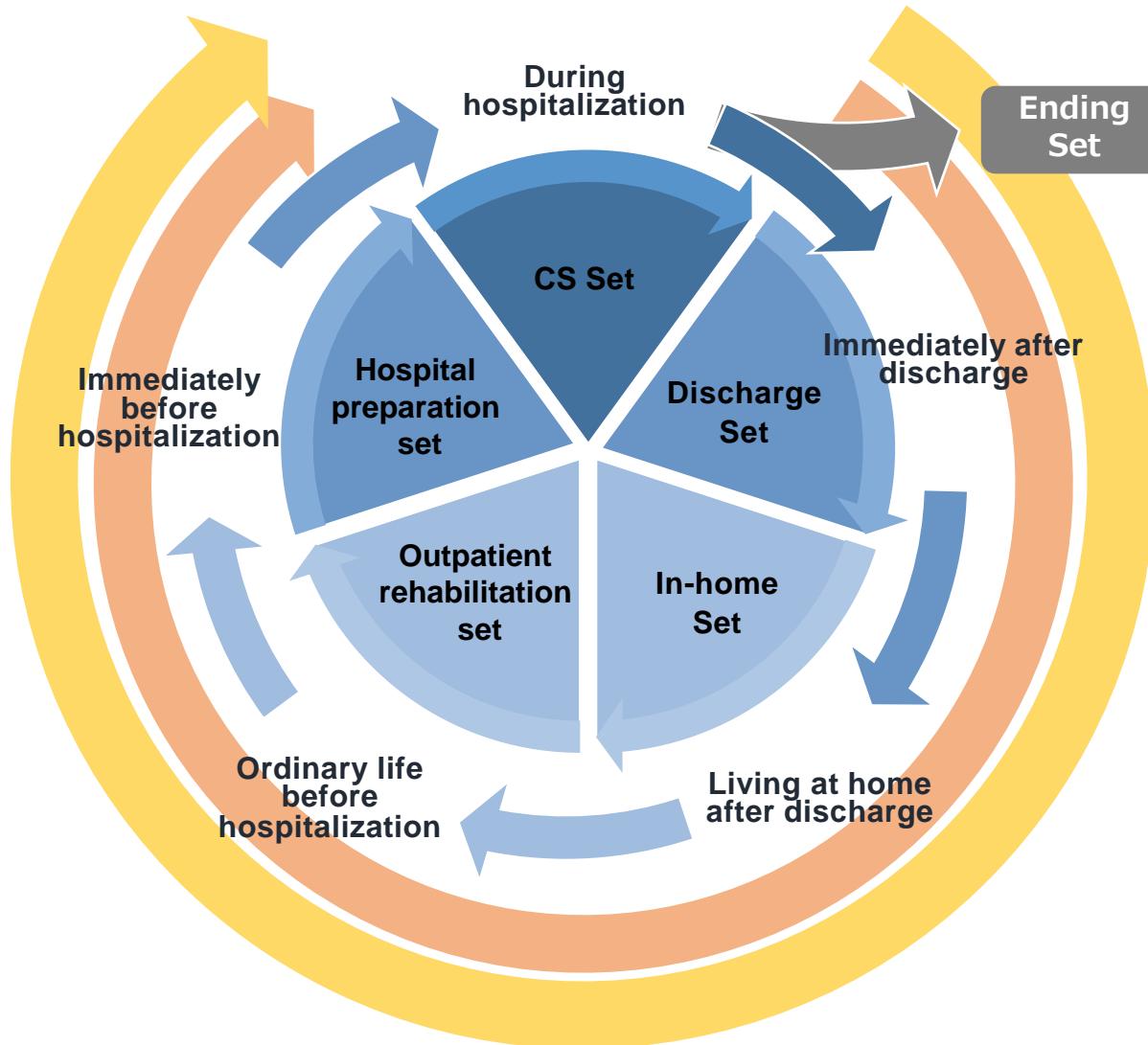
- ELAN is independent and open, being unaffiliated with any other corporate group

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

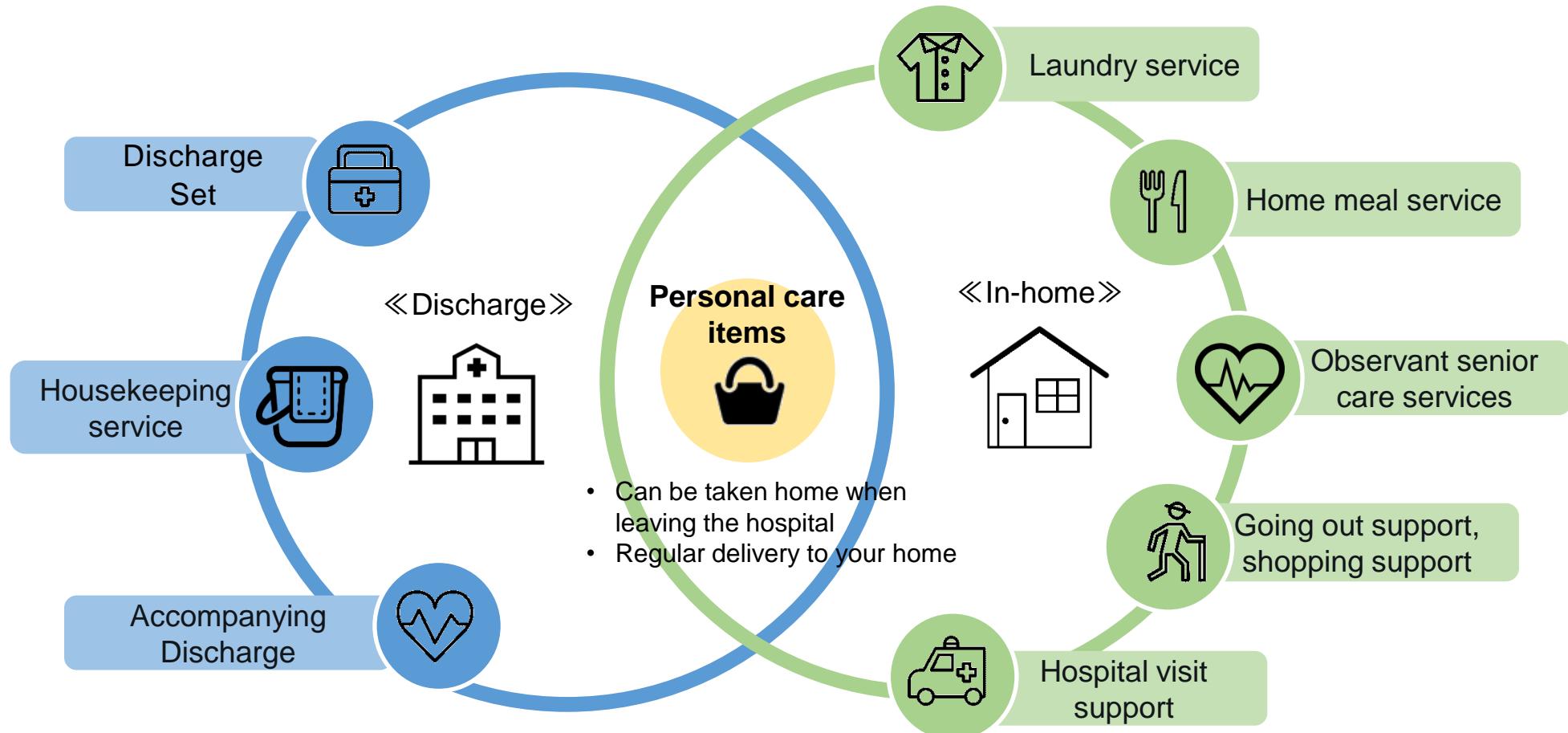


We are building even higher barriers to entry by accumulating know-how and firmly establishing our position in the industry.

- Develop a business that solves problems all the way from discharge to readmission to the hospital, utilizing customer contacts with CS set users and their families.



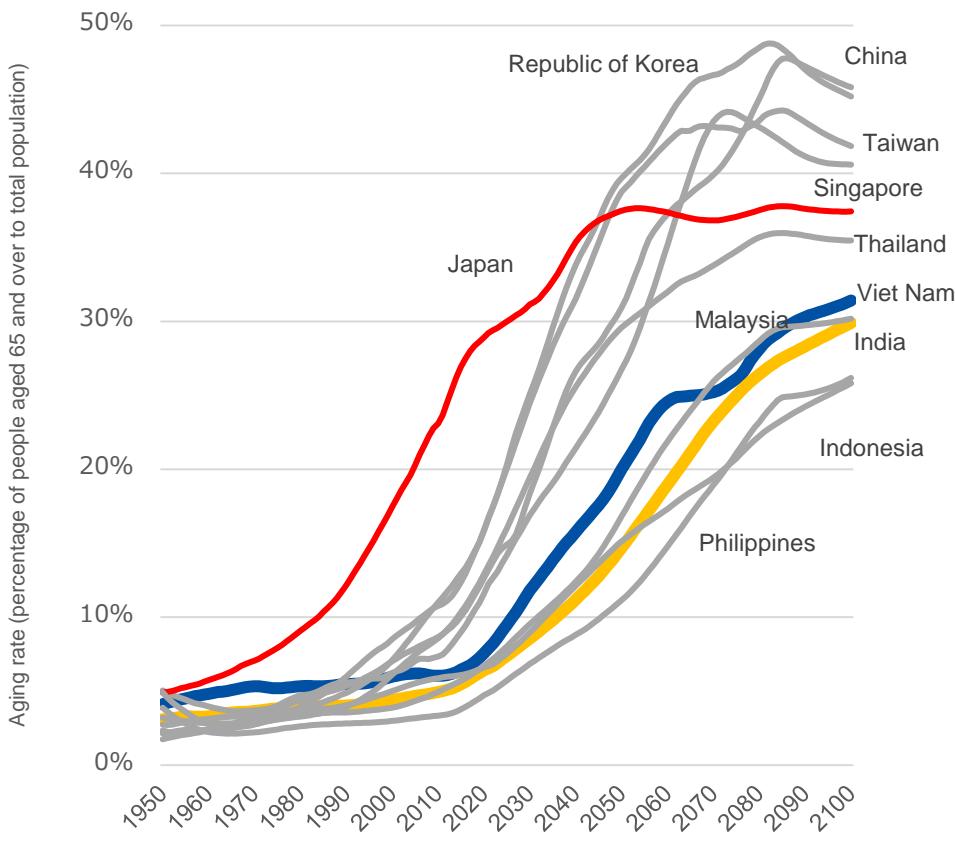
- While you are hospitalized, you can receive a variety of support from the hospital, but the treatment environment changes dramatically for about four weeks immediately after discharge, placing a heavy physical and mental burden on you and your family.
- We provide comprehensive support services for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



# Concept of overseas expansion

- In Asia, the speed of aging varies greatly depending on the country, so it is important to adjust the content of services accordingly.
- In countries where the aging of the population is not progressing, we will first provide basic laundry services and aim to expand our business in the future by collaborating with hospitals.
- By providing related services such as CS sets based on laundry services, we will increase the unit price for each customer (facility) and improve profit margins.

Trend in the aging rate of Asian countries(1950-2100, medium variant)

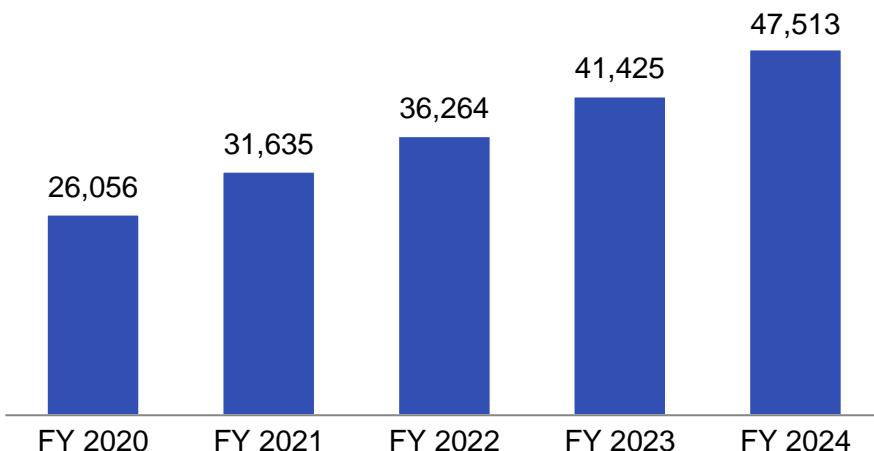


	Phase1	Phase2	Phase3	Phase4
Aging rate (medium variant in 2025)	10% Less than	10-20%	20-30%	30% Or more
Countries	Viet Nam India Philippines Indonesia Malaysia	China Thailand Singapore	Taiwan Republic of Korea	Japan
Issue	The expansion of medical facilities has outpaced the development of supporting services.			The increasing aging population and the prevalence of nuclear families have led to a heavier burden on families who provide care for hospitalized patients and nursing home residents.

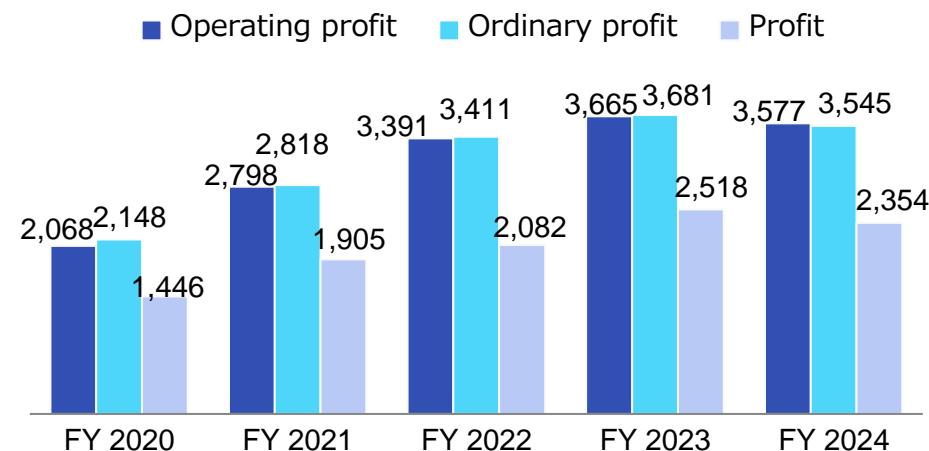
- Policy to enhance ESG response and information disclosure to improve shareholder value over the medium to long term.
- Disclosed GHG emissions Scope 1 to 3 in the integrated report "[ELAN REPORT 2023](#)" released in December 2023.
- In the securities report for the fiscal year ending December 2023, we have completed the disclosure of information regarding human capital management and climate change.

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

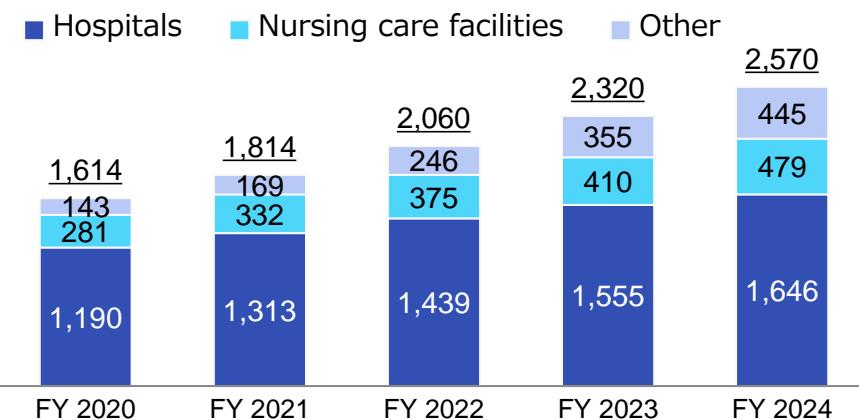
## Net Sales (Millions of Yen)



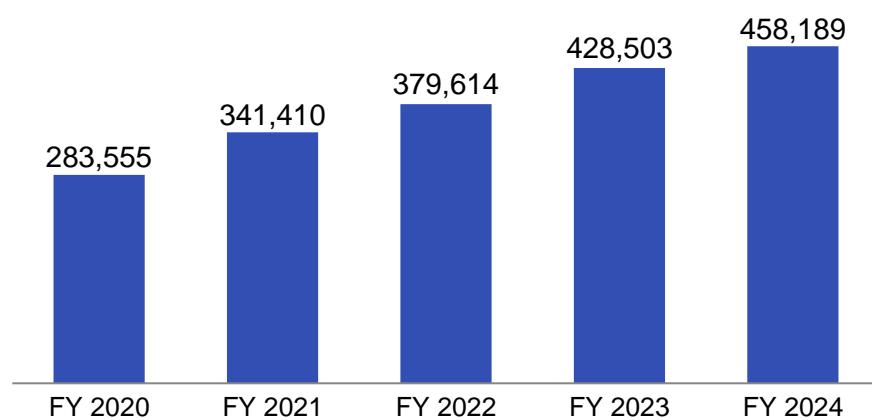
## Profits (Millions of Yen)



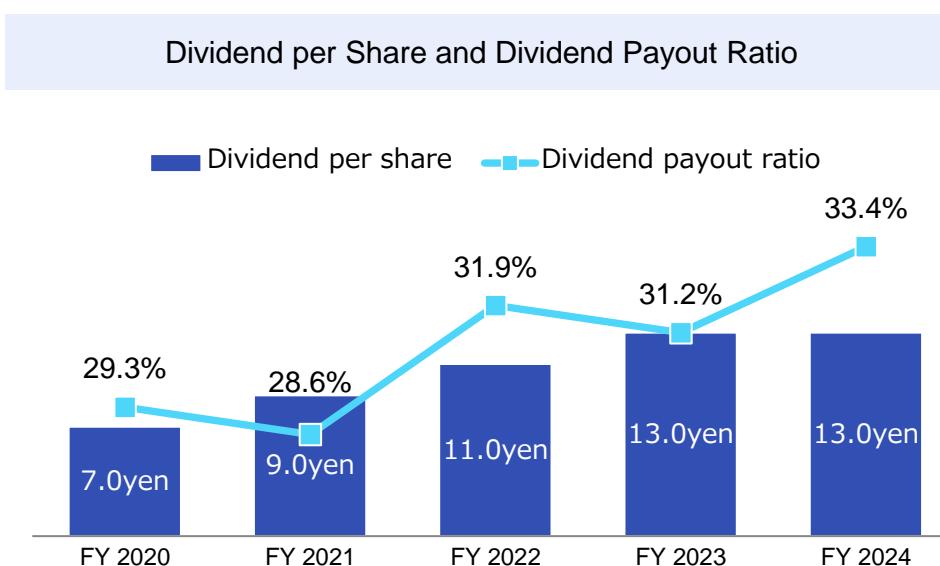
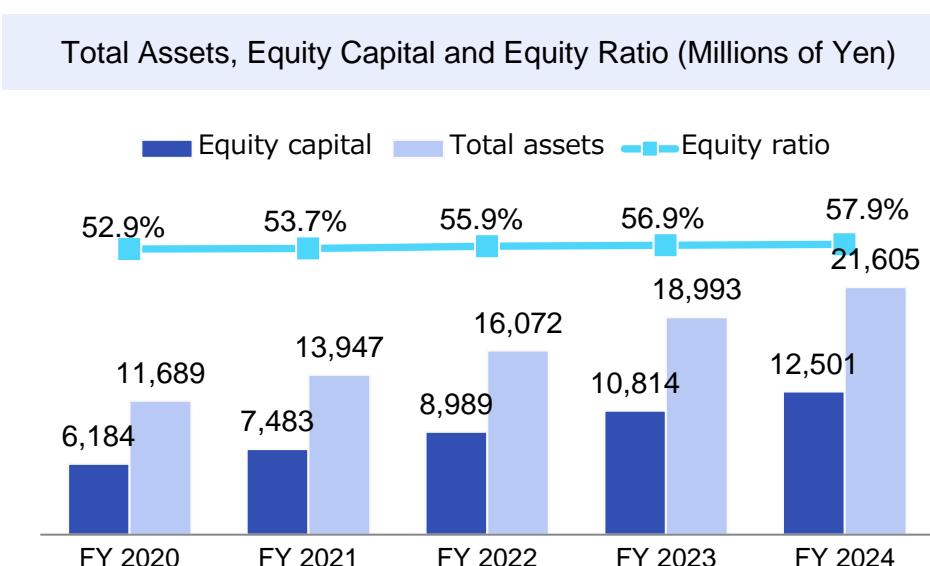
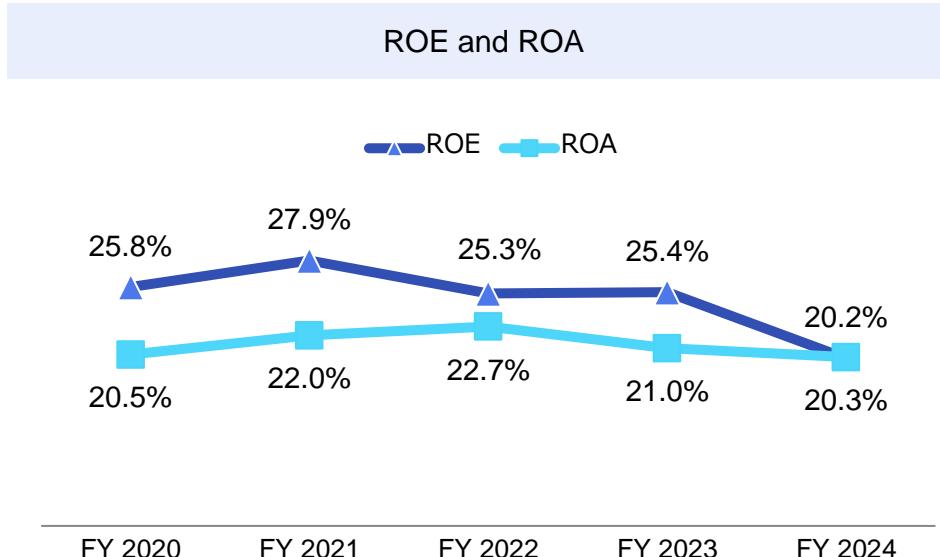
## Number of Contracted Facilities



## Number of Monthly Users (People)



# Financial Highlights (2)



Note: Dividend per share has been retroactively adjusted to reflect the 2-for-1 stock split on January 1, 2021.

## Disclaimer

This material has been prepared by ELAN Corporation.

This material includes forward-looking statements such as strategies and outlooks.

These statements are based on the judgments of ELAN at the time this material was prepared (September 7, 2025) and include risk factors and uncertainties.

Such statements may be changed due to a variety of reasons including changes in the business environment.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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