Translation
Notice：This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Based on Japanese GAAP)

February 4, 2026

Company name: ELAN Corporation　　Stock exchange listing: Tokyo Stock Exchange Prime Market
Stock code: 6099　　URL https://www.kkelan.com/
Representative: President, Representative Director and CEO　　Tomohiro Minezaki
Inquiries: Executive Officer, assigned to the President's Office　　Hideo Hara　　TEL 0263-41-0760
Scheduled date of ordinary general meeting of shareholders: March 25, 2026
Scheduled date to commence dividend payments: March 26, 2026
Scheduled date to file Securities Report: March 26, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(1) Consolidated operating results　　(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2025	55,448	16.7	4,272	19.5	4,184	18.1	2,767	17.5
Year ended December 31, 2024	47,513	14.7	3,575	(2.5)	3,542	(3.8)	2,354	(6.5)

(Note) Comprehensive income　Year ended December 31, 2025　2,759 Millions of yen (11.6%)
Year ended December 31, 2024　2,472 Millions of yen (-0.7%)

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/ total assets	Operating profit/ net sales
	Yen	Yen	%	%	%
Year ended December 31, 2025	45.77	－	20.5	17.5	7.7
Year ended December 31, 2024	38.94	－	20.2	17.5	7.5

(Reference) Equity method investment gain/loss　Year ended December 31, 2025　(48)　Millions of yen
Year ended December 31, 2024　－　Millions of yen

(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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended December 31, 2025	26,232	14,681	55.1	238.80
Year ended December 31, 2024	21,702	12,501	57.6	206.77

(Reference) Equity capital　Year ended December 31, 2025　14,443 Millions of yen
Year ended December 31, 2024　12,501 Millions of yen

(Note) The Company’s shares remaining in the Board Benefit Trust (BBT) and the Japanese Employee Stock Ownership Plan (J-ESOP), which are recorded as treasury stock within shareholders' equity, are included in the number of treasury shares excluded from the total number of issued shares at the end of the period for the purpose of calculating net assets per share.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2025	4,285	(3,385)	(906)	6,821
Year ended December 31, 2024	4,500	(2,233)	(849)	6,825

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end Total	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2024	—	0.00	—	13.00	13.00	787	33.4	6.7
Year ended December 31, 2025	—	0.00	—	15.00	15.00	908	32.8	7.8
Year ending December 31, 2026 (Forecast)	—	0.00	—	16.00	16.00		30.3	

(Reference) For details on the annual dividends for the year ended December 31, 2025, please refer to the “Notice Concerning Dividends from Surplus” released today.

3. Forecast of consolidated financial results for the year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2026 (Cumulative)	29,200	8.8	2,400	15.6	2,400	17.2	1,590	16.3	26.24
Full year	60,800	9.7	5,000	17.0	5,000	19.5	3,200	15.6	52.81

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

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

Excluded: 0 Company

(2) Changes in accounting policies, changes in 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

(3) Number of issued shares (common shares)

(1) Total number of issued shares at the end of the period (including treasury shares)	Year ended December 31, 2025	60,600,000 shares	Year ended December 31, 2024	60,600,000 shares
(2) Number of treasury shares at the end of the period	Year ended December 31, 2025	116,731 shares	Year ended December 31, 2024	136,912 shares
(3) Average number of shares during the period	Year ended December 31, 2025	60,474,349 shares	Year ended December 31, 2024	60,461,853 shares

(Note) The number of treasury shares at the end of the period includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Board Benefit Trust (BBT) and the Employee Stock Ownership Plan (J-ESOP) (135,917 shares for FY2024 and 115,728 shares for FY2025).

(Reference) Overview of individual performance

1. Non-consolidated financial results for the year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(1) Individual operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2025	52,984	12.5	3,004	24.1	3,363	2.6	2,354	0.0
Year ended December 31, 2024	47,112	14.0	2,420	0.9	3,279	(3.8)	2,354	(0.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended December 31, 2025	38.93	—
Year ended December 31, 2024	38.94	—

(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) Individual financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended December 31, 2025	23,532	13,539	57.5	223.86
Year ended December 31, 2024	20,650	11,952	57.9	197.68

(Reference) Equity capital Year ended December 31, 2025 13,539 Millions of yen
Year ended December 31, 2024 11,952 Millions of yen

(Note) The Company's shares remaining in the Board Benefit Trust (BBT) and the Japanese Employee Stock Ownership Plan (J-ESOP), which are recorded as treasury stock within shareholders' equity, are included in the number of treasury shares excluded from the total number of issued shares at the end of the period for the purpose of calculating net assets per share.

* This financial summary is not subject to audit by certified public accountants or an audit firm.

* Explanation and other special notes related to the appropriate use of the performance forecast

(Note regarding forward-looking statements, etc.)

Forecasts for business performance and other forward-looking statements in this document are based on the current information the Company has and the presupposition that they are rational, and that actual business performance may be significantly different.

(Supplementary material on financial results)

The Company plans to hold a briefing for institutional investors and analysts on Thursday, February 5, 2026. The briefing materials that will be used for the briefing will be available on the TD net and our website on Wednesday, February 4, 2026.

○Index for Supplementary Material

1. Analysis of Operations and Financial Condition

(1) Overview of Operating Results

During the consolidated fiscal year under review, the Japanese economy continued to recover moderately, supported by improvements in employment and income environments. However, the outlook remains uncertain due to downside risks, including U.S. trade policies, fluctuations in foreign exchange rates, and persistent rising prices.

In the medical care and nursing care industry in which the Group operates, there is steady progress in the aging of the population as evidenced by such factors as the population aged 65 years and over of 36.18 million accounting for 29.4% of the total population as of January 1, 2026 (January 2026 Monthly Report of Population Estimates by the Statistics Bureau of the Ministry of Internal Affairs and Communications). Consequently, the market size for the Group's services is expected to expand further.

Against this backdrop, the Group has proactively conducted sales activities targeting medical and nursing care facilities, such as hospitals and geriatric health services facilities. These activities were carried out through our network of 30 branches and sales offices nationwide, including the Kobe Branch (Kobe City, Hyogo Prefecture), which commenced operations during the consolidated fiscal year under review, in an effort to further popularize and expand the "CS (Care Support) Set," the core service of our Nursing Care and Healthcare-related Business.

As a result of these efforts, the Group added 359 new facilities and saw 99 cancellations during the consolidated fiscal year under review. Consequently, the total number of facilities offering the CS Set as of the end of the current fiscal year increased by 260 from the previous fiscal year-end to 2,830.

Reflecting these results, for the consolidated fiscal year under review, the Group recorded revenue of 55,448,687 thousand yen (up 16.7% year-on-year), operating profit of 4,272,707 thousand yen (up 19.5% year-on-year), ordinary profit of 4,184,902 thousand yen (up 18.1% year-on-year), and profit attributable to owners of the parent of 2,767,760 thousand yen (up 17.5% year-on-year).

(2) Overview of Financial Position

(Assets)

Total assets as of the end of the consolidated fiscal year under review amounted to 26,232,022 thousand yen, an increase of 4,529,376 thousand yen compared with the end of the previous consolidated fiscal year.

Current assets totaled 18,471,677 thousand yen, an increase of 1,598,879 thousand yen from the previous fiscal year-end. This was primarily due to increases of 1,242,756 thousand yen in trade receivables and contract assets, 311,340 thousand yen in merchandise, and 362,171 thousand yen in supplies, which more than offset a 101,302 thousand yen decrease in other receivables.

Non-current assets totaled 7,760,344 thousand yen, an increase of 2,930,496 thousand yen from the previous fiscal year-end. This was mainly attributable to increases of 822,589 thousand yen in property, plant and equipment, 838,945 thousand yen in goodwill, and 950,880 thousand yen in long-term loans receivable.

(Liabilities)

Total liabilities as of the end of the consolidated fiscal year under review were 11,550,459 thousand yen, an increase of 2,349,664 thousand yen compared with the end of the previous consolidated fiscal year.

Of this amount, current liabilities were 10,957,038 thousand yen, an increase of 2,038,437 thousand yen from the end of the previous consolidated fiscal year. This was primarily due to increases of 1,161,583 thousand yen in trade payables, 365,474 in short-term borrowings, 262,979 in income taxes payable and 179,325 in other payables.

Non-current liabilities reached 593,420 thousand yen, up 311,226 thousand yen from the previous fiscal year-end, mainly due to a 323,107 thousand yen increase in long-term borrowings.

(Net assets)

Total net assets as of the end of the consolidated fiscal year under review was 14,681,563 thousand yen, an increase of 2,179,712 thousand yen compared with the previous fiscal year-end. This was mainly due to an increase in retained earnings. While dividend payments to shareholders of 787,787 thousand yen were made, retained earnings increased by 1,979,973 thousand yen following the recording of 2,767,760 thousand yen in profit attributable to owners of the parent.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter "funds") at the end of the consolidated fiscal year under review decreased by 3,988 thousand yen from the previous fiscal year-end to 6,821,116 thousand yen. The status of each cash flow and their primary factors for the consolidated fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities during the consolidated fiscal year under review was 4,285,750 thousand yen (a decrease in income of 214,309 thousand yen compared with the previous fiscal year). While there was a decrease in funds of 1,215,994 thousand yen due to income taxes paid, funds increased by 5,550,976 thousand yen through ongoing business operations throughout the year.

(Cash flows from investing activities)

Net cash used in investing activities during the consolidated fiscal year under review was 3,385,505 thousand yen (an increase in expenditure of 1,151,995 thousand yen compared with the previous fiscal year). This was primarily due to 1,107,407 thousand yen for the purchase of property, plant and equipment, and 1,082,019 thousand yen for the purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Net cash used in financing activities during the consolidated fiscal year under review was 906,861 thousand yen (an increase in expenditure of 57,327 thousand yen compared with the previous fiscal year). This was mainly attributable to 787,753 thousand yen for dividends paid.

(4) Future Outlook

Regarding the future outlook, the Group will continue to implement measures to enhance growth and profitability.

Through our network of 30 branches and sales offices nationwide, we will further accelerate the acquisition of new facilities for the CS Set. At the same time, we will secure a competitive advantage by increasing the added value of our services, thereby driving growth in both the number of contracted facilities and the number of users. Furthermore, we will focus on improving operational efficiency and productivity by further promoting various system-driven process automations to enhance the profitability of the entire Group.

For the next consolidated fiscal year ending December 31, 2026, the consolidated earnings forecast is as follows:

Revenue of 60,800 million yen (up 9.7% year-on-year), operating profit of 5,000 million yen (up 17.0% year-on-year), ordinary profit of 5,000 million yen (up 19.5% year-on-year), and profit attributable to owners of the parent of 3,200 million yen (up 15.6% year-on-year).

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company recognizes that providing appropriate returns to shareholders is a key management priority. Our policy is to implement profit distributions to shareholders after comprehensively considering factors such as the level of internal reserves, profit levels in each period, future earnings outlook, and capital requirements.

Taking into account the business performance of the current fiscal year and the earnings forecast for the next fiscal year, the Company plans to pay a year-end dividend of 15.00 yen per share for the current fiscal year. For further details, please refer to the "Notice Concerning Dividends from Surplus" disclosed today.

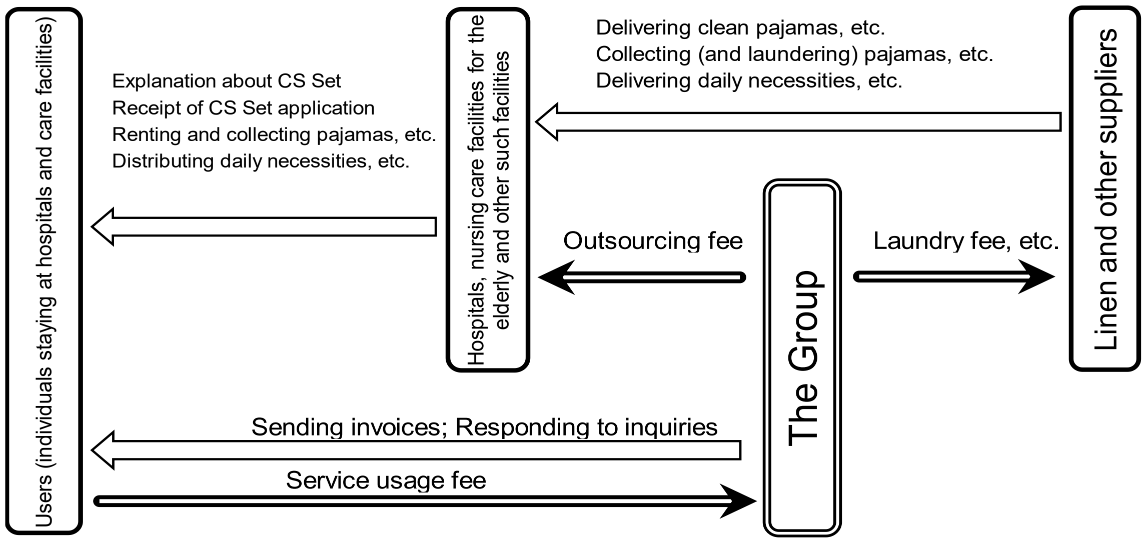
Furthermore, for the next fiscal year, the Company expects to pay an annual dividend of 16.00 yen per share.

2. Status of the Corporate Group

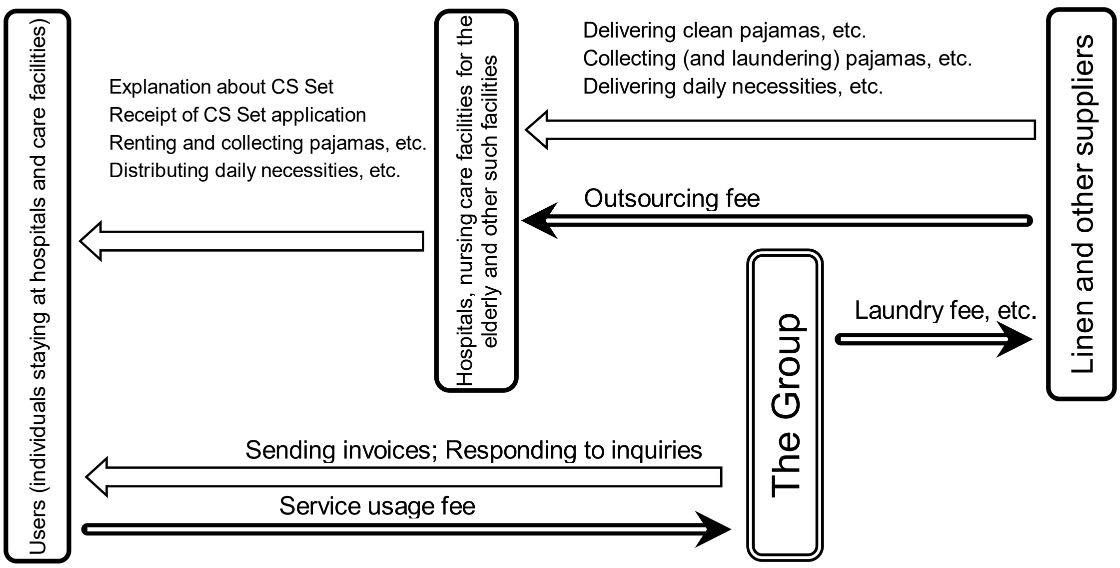
The Group (the Company and its affiliates) primarily operates the "CS (Care Support) Set" (hereinafter the "CS Set") service within its Nursing Care and Healthcare-related Business. This service combines the rental of clothing and towels with professional laundry services and the provision of daily necessities for patients admitted to hospitals and residents of nursing care facilities, such as geriatric health services facilities, intensive care home for the elderly, fee-based homes for the elderly, group homes, and care houses (hereinafter "geriatric health services facilities, etc.").

The business flow chart for the CS Set is as follows:

(In the case of ELAN as the contractor)



(In the case of supplier as the contractor)



(Regarding Direct and Indirect Contracting Models)

The commercial flow of the CS Set is broadly classified into two transaction types based on the contractual relationship with hospitals, geriatric health services facilities, and linen supply companies.

i. Direct Contracting Model (Company as Prime Contractor) A model in which the Group enters into a direct contract with hospitals and geriatric health services facilities.

ii. Indirect Contracting Model (Linen Supplier as Prime Contractor) A model in which the hospitals and geriatric health services facilities enter into contracts with linen supply companies. In this case, the Group does not have a direct contractual relationship with the facilities.

These differences in transaction types are primarily due to the history of how contact was established with the facilities; there is no difference in the respective roles of each party involved in the actual operation of the CS Set.

3. Basic Policy on the Selection of Accounting Standards

At present, the Group applies Japanese GAAP (Generally Accepted Accounting Principles) for its consolidated financial statements, taking into account the limited need for international financing and the period-to-period comparability of consolidated financial statements.

Regarding the adoption of International Financial Reporting Standards (IFRS), the Group will closely monitor domestic and international trends and consider appropriate measures accordingly.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheets

(Thousands of yen)

	FY 2024 (December 31, 2024)	FY 2025 (December 31, 2025)
Assets		
Current assets		
Cash and deposits	6,849,398	6,845,410
Trade receivable and contract assets	5,783,858	7,026,614
Merchandise	1,551,013	1,862,354
Supplies	741,594	1,103,765
Other receivables	2,394,780	2,293,478
Other current assets	222,423	222,472
Allowance for doubtful accounts	(670,269)	(882,418)
Total current assets	16,872,798	18,471,677
Non-current assets		
Property, plant and equipment		
Buildings and structures	345,379	783,057
Accumulated depreciation	(137,950)	(164,539)
Buildings and structures, net	207,428	618,518
Machinery, equipment and vehicles	206,358	775,038
Accumulated depreciation	(159,705)	(335,577)
Machinery, equipment and vehicles, net	46,653	439,461
Land	269,200	269,200
Other non-current assets	168,969	184,328
Accumulated depreciation	(116,454)	(113,120)
Other non-current assets, net	52,515	71,207
Total Property, plant and equipment	575,797	1,398,387
Intangible assets		
Software	71,294	71,676
Goodwill	427,223	1,266,168
Other intangible assets	514,158	559,868
Total intangible assets	1,012,676	1,897,714
Investments and other assets		
Investment securities	2,558,748	2,682,112
Long-term loans receivable	—	950,880
Deferred tax assets	522,713	620,662
Others	194,225	292,549
Allowance for doubtful accounts	(34,313)	(81,961)
Total investments and other assets	3,241,373	4,464,243
Total non-current assets	4,829,847	7,760,344
Total assets	21,702,645	26,232,022

(Thousands of yen)

	FY 2024 (December 31, 2024)	FY 2025 (December 31, 2025)
Liabilities		
Current liabilities		
Trade payables	7,222,724	8,384,308
Other payables	704,238	883,563
Short-term borrowings	—	365,474
Accrued expenses	79,076	87,853
Income taxes payable	630,093	893,073
Accrued consumption taxes	167,168	203,120
Other current liabilities	115,298	139,644
Total current liabilities	8,918,601	10,957,038
Non-current liabilities		
Long-term borrowings	76,617	399,725
Provision for share awards	38,830	44,585
Provision for share awards for directors (and other officers)	60,116	27,443
Other non-current liabilities	106,628	121,665
Total non-current liabilities	282,193	593,420
Total liabilities	9,200,795	11,550,459
Net assets		
Shareholders' equity		
Share capital	573,496	573,496
Capital surplus	543,496	543,496
Retained earnings	11,530,900	13,510,874
Treasury shares	(191,477)	(163,100)
Total shareholders' equity	12,456,415	14,464,766
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(297)	(7,659)
Foreign currency translation adjustment	45,732	(13,829)
Total accumulated other comprehensive income	45,435	(21,488)
Non-controlling interests	—	238,285
Total net assets	12,501,850	14,681,563
Total liabilities and net assets	21,702,645	26,232,022

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Profit or Loss)

(Thousands of yen)

	FY 2024 (January 1, 2024 to December 31, 2024)	FY 2025 (January 1, 2025 to December 31, 2025)
Net sales	47,513,703	55,448,687
Cost of sales	36,796,725	43,574,467
Gross profit	10,716,978	11,874,219
Selling, general and administrative expenses	7,141,639	7,601,512
Operating profit	3,575,338	4,272,707
Non-operating income		
Interest income	950	30,510
Gain on sale of non-current assets	3,281	6,589
Subsidy income	5,895	8,595
Late charges income	10,811	13,294
Consulting fee income	4,200	4,200
Gain from consumption tax exemption, etc.	15,103	—
Foreign exchange gain	—	19,510
Other non-operating income	11,582	35,234
Total non-operating income	51,824	117,935
Non-operating expenses		
Interest expenses	1,654	59,011
Loss on retirement of non-current assets	3,467	3,462
Provision for allowance for doubtful accounts	—	49,112
Loss on investments in investment partnerships	18,455	45,325
Net foreign exchange loss	60,996	—
Equity in losses of affiliates	—	48,826
Total non-operating expenses	84,574	205,739
Ordinary profit	3,542,588	4,184,902
Profit before income taxes	3,542,588	4,184,902
Income taxes - current	1,192,945	1,458,907
Income taxes - deferred	(5,027)	(103,787)
Total income taxes	1,187,917	1,355,120
Profit	2,354,670	2,829,782
Profit attributable to non-controlling interests	—	62,021
Profit attributable to owners of parent	2,354,670	2,767,760

(Consolidated statements of comprehensive income)

(Thousands of yen)

	FY 2024 (January 1, 2024 to December 31, 2024)	FY 2025 (January 1, 2025 to December 31, 2025)
Profit	2,354,670	2,829,782
Other comprehensive income		
Valuation difference on available-for-sale securities	72,224	(7,361)
Foreign currency translation adjustment	45,732	(63,227)
Total other comprehensive income	117,956	(70,589)
Comprehensive income	2,472,627	2,759,192
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,472,627	2,700,836
Comprehensive income attributable to non-controlling interests	—	58,356

(3) Consolidated statements of changes in equity

Previous consolidated fiscal year (From January 1, 2024 to December 31, 2024)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	573,496	543,496	9,964,017	(194,125)	10,886,884
Period activity					
Dividends from surplus			(787,787)		(787,787)
Profit attributable to owners of parent			2,354,670		2,354,670
Acquisition of treasury shares					
Disposal of treasury shares				2,647	2,647
Change in non-controlling interests due to increase in consolidated subsidiaries					
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	1,566,883	2,647	1,569,531
Closing balance	573,496	543,496	11,530,900	(191,477)	12,456,415

(Thousands of yen)

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Beginning balance	(72,521)	—	(72,521)	10,814,362
Period activity				
Dividends from surplus				(787,787)
Profit attributable to owners of parent				2,354,670
Acquisition of treasury shares				
Disposal of treasury shares				2,647
Change in non-controlling interests due to increase in consolidated subsidiaries				
Net changes in items other than shareholders' equity	72,224	45,732	117,956	117,956
Total changes in items during period	72,224	45,732	117,956	1,687,488
Closing balance	(297)	45,732	45,435	12,501,850

Current consolidated fiscal year (From January 1, 2025 to December 31, 2025)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	573,496	543,496	11,530,900	(191,477)	12,456,415
Period activity					
Dividends from surplus			(787,787)		(787,787)
Profit attributable to owners of parent			2,767,760		2,767,760
Acquisition of treasury shares				(6)	(6)
Disposal of treasury shares				28,383	28,383
Change in non-controlling interests due to increase in consolidated subsidiaries					
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	1,979,973	28,377	2,008,350
Closing balance	573,496	543,496	13,510,874	(163,100)	14,464,766

(Thousands of yen)

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Beginning balance	(297)	45,732	45,435	—	12,501,850
Period activity					
Dividends from surplus					(787,787)
Profit attributable to owners of parent					2,767,760
Acquisition of treasury shares					(6)
Disposal of treasury shares					28,383
Change in non-controlling interests due to increase in consolidated subsidiaries				238,285	238,285
Net changes in items other than shareholders' equity	(7,361)	(59,562)	(66,924)		(66,924)
Total changes in items during period	(7,361)	(59,562)	(66,924)	238,285	2,179,712
Closing balance	(7,659)	(13,829)	(21,488)	238,285	14,681,563

(4) Consolidated statements of cash flows

(Thousands of yen)

	FY 2024 (January 1, 2024 to December 31, 2024)	FY 2025 (January 1, 2025 to December 31, 2025)
Cash flows from operating activities		
Profit before income taxes	3,542,588	4,184,902
Depreciation expenses	908,764	1,217,956
Amortization of goodwill	10,601	131,506
Increase (decrease) in allowance for doubtful accounts	70,094	242,949
Increase (decrease) in provision for share awards	11,242	6,316
Increase (decrease) in provision for share awards for directors (and other officers)	(2,506)	—
Interest and dividend income	(951)	(30,511)
Foreign exchange loss (gain)	60,996	(19,510)
Interest expense	1,654	59,011
Equity in losses of affiliates (earnings)	—	48,826
Loss (gain) on investments in investment partnerships	18,455	45,325
Loss (gain) on sale of non-current assets	(3,281)	(6,589)
Loss on retirement of non-current assets	3,467	3,462
Decrease (increase) in trade receivables	727,607	(881,869)
Decrease (increase) in inventories	(363,364)	(514,150)
Decrease (increase) in other current assets	(56,394)	15,098
Increase (decrease) in trade payable	786,719	879,281
Increase (decrease) in other accounts payable	63,239	177,031
Increase (decrease) in other current liabilities	5,706	65,138
Others	(878)	(73,201)
Subtotal	5,783,759	5,550,976
Interest and dividends received	520	9,781
Interest paid	(1,654)	(59,011)
Income taxes paid	(1,282,565)	(1,215,994)
Cash flow from operating activities	4,500,060	4,285,750
Cash flows from investing activities		
Payments into time deposits	(24,292)	(24,293)
Proceeds from withdrawal of time deposits	24,292	24,292
Purchase of property, plant and equipment	(876,286)	(1,107,407)
Proceeds from sale of property, plant and equipment	336	11,775
Purchase of investment securities	(353,680)	(212,858)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(867,236)	(1,082,019)
Purchase of intangible assets	(19,815)	(30,395)
Payments of leasehold deposits	(18,853)	(57,728)
Proceeds from refund of leasehold deposits	5,813	227
Proceeds from repayment of loans receivable	—	19,000
Payments for loans receivable	(99,000)	(865,280)
Others	(4,788)	(60,816)
Cash flows from investing activities	(2,233,510)	(3,385,505)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(60,961)	143,158
Proceeds from long-term borrowings	—	(170,295)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(91,011)
Dividends paid	(788,137)	(787,753)
Repayments of lease obligations	(434)	(959)
Cash flows from financing activities	(849,533)	(906,861)
Effect of exchange rate changes on cash and cash equivalents	(56,181)	2,627
Net increase (decrease) in cash and cash equivalents	1,360,834	(3,988)
Cash and cash equivalents at beginning of period	5,464,270	6,825,105
Cash and cash equivalents at end of period	6,825,105	6,821,116

(5) Notes to Consolidated Financial Statements

(Items of note related to prerequisite for going concern)

Not applicable.

(Significant matters serving as the basis for the preparation of the consolidated financial statements)

1. Matters concerning the scope of consolidation

Number of consolidated subsidiaries: 6

Name of consolidated subsidiaries

ELAN SERVICE Corporation
Ryukyu ELAN Corporation
ELAN COULEUR Corporation
ELAN LOGISTICS Corporation
GREEN LAUNDRY JOINT STOCK COMPANY
TMC VIET NAM TRADING AND SERVICE JOINT STOCK COMPANY

Effective from the current consolidated fiscal year, TMC VIET NAM TRADING AND SERVICE JOINT STOCK COMPANY is included in the scope of consolidation.
This is due to the acquisition of the company's shares during the current consolidated fiscal year.

2. Matters concerning the application of the equity method

(1) Non-consolidated subsidiaries and affiliates accounted for by the equity method

Since the current consolidated fiscal year, Classico, Inc. has been included in the scope of application of the equity method due to the acquisition of its shares.

(2) Non-consolidated subsidiaries for which the equity method is not applied (QUICK SMART WASH PRIVATE LIMITED), when considering indicators such as net profit or loss (commensurate with equity holdings) and retained earnings (commensurate with equity holdings), would have a negligible impact on consolidated financial statements if excluded from application of the equity method and, further, are not important overall. Therefore, they have been excluded from the scope of application of the equity method.

3. Matters concerning fiscal year of consolidated subsidiaries

The fiscal year-end date of consolidated subsidiaries is the same as the consolidated fiscal year-end.

4. Matters concerning accounting policies

(1) Valuation standards and valuation methods for significant assets

i. Securities

Available-for-sale securities

Other than stocks and other securities with no market price

Market value method is adopted (valuation differences are directly charged or credited to net assets, and cost of sales is determined by the moving-average method).

Stocks with no market price

Cost accounting method using the moving-average method is adopted.

ii. Inventories

Merchandise

Mainly, stated at cost determined by the weighted average method (the balance sheet amount is by the method of writing down book value based on decline in profitability).

Supplies

Mainly, stated at cost determined by the weighted average method (the balance sheet amount is by the method of writing down book value based on decline in profitability).

(2) Method of depreciation and amortization of significant depreciable assets

i. Property, plant and equipment (excluding leased assets)

The declining-balance method is adopted. However, the straight-line method is adopted for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016.

The estimated useful lives are mainly as follows:

Buildings: 8 - 38 years
Structures: 10 - 45 years
Vehicles: 2 - 6 years
Tools, furniture and fixtures: 2 - 15 years

ii. Intangible assets (excluding leased assets)

The straight-line method is adopted.

Software for internal use is amortized using the straight-line method over the estimated internal useful life (5 years).

iii. Leased assets

Leased assets for lease transaction other than lease transaction of transfer of ownership rights

The straight-line method with useful life set as the leasing term and the residual value set at zero.

(3) Standards for recognition of significant allowances and provisions

i. Allowance for doubtful accounts

The estimated irrecoverable amount based on historical default rates for general receivables and individual assessments of recoverability for doubtful and other specific receivables is posted to provide for losses on default of receivables.

ii. Provision for share awards

To provide for the award of Company shares to employees of the Company and its subsidiaries in Japan following the Company's Rules on Share Awards, the Company records an amount based on the estimated share award obligation as of the end of the current consolidated fiscal year.

iii. Provision for share awards for directors (and other officers)

To provide for the award of Company shares to directors (excluding directors who also serve as Audit & Supervisory Committee members and other directors who are outside directors) and executive officers following the Rules on Share Awards for Directors and Other Officers, the Company records an amount based on the estimated share award obligation as of the end of the current consolidated fiscal year.

(4) Basis for recognition of significant revenues and expenses

The Group is primarily engaged in healthcare and nursing care-related businesses, mainly providing the "CS Set" service.

Under the CS Set service, our primary performance obligation is to provide a combined service of daily necessities and the rental of clothing and towels with laundry services to patients admitted to hospitals or residents of geriatric health services facilities.

The Group recognizes revenue at the point in time when the goods or services are provided, as it is determined that control over the goods or services is transferred to the customer and the performance obligation is satisfied at that point.

In addition, the consideration for the transaction becomes due within a short period after the performance obligation is satisfied, and the contract does not contain a significant financing component.

(5) Amortization method and amortization period for goodwill

For the amortization of goodwill, we implement equal installments over ten years.

(6) Scope of cash and cash equivalents on the consolidated statement of cash flows

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term investments with a maturity of 3 months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.

(7) Standards for translation of significant assets or liabilities denominated in foreign currencies into Japanese yen

Foreign currency monetary claims and liabilities are translated into Japanese yen at the spot exchange rates prevailing at the consolidated balance sheet date, and translation differences are recognized as profit or loss.

In addition, assets and liabilities of foreign subsidiaries and affiliates are translated into Japanese yen at the spot exchange rates prevailing at the consolidated balance sheet date, while revenue and expenses are translated into Japanese yen at the average exchange rates during the period.

Translation differences are included in foreign currency translation adjustments under net assets.

(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 a performance-linked share-based remuneration plan for the Company shares 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, "Company Shares, etc.") to be awarded through the trust to Directors and other officers in accordance with the Rules on Share Awards for Directors and Other Officers provided by the Company. The timing that Company Shares are awarded to Directors and other officers shall be upon their retirement from office as Directors and other officers as a rule.

(2) Shares of the Company remaining in trust

Company shares remaining in trust are recorded as treasury shares under net assets at the carrying value in trust (excluding the amount of incidental expenses). The book value and number of these treasury shares amounted to 138,084 thousand yen and 98,217 shares at the end of the previous fiscal year and amounted to 110,262 thousand yen and 78,428 shares at the end of current fiscal year.

(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, Etc. Through Trusts (Practical Issues Task Force No. 30, March 26, 2015). Expenses and corresponding provisions are recorded based on the number of points granted to directors and other officers in accordance with the regulations.

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

(1) Outline of transactions

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

Under the J-ESOP, shares of the Company's stock are provided to 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 in accordance with their years of service and other individual contribution levels and grants shares of the Company's stock equivalent to the points granted to those Employees who satisfy the requirements to receive benefits. The shares to be provided to Employees, including those to be provided in the future, will be acquired by the trust bank using money placed in trust by the Company in advance, and will be managed separately as trust assets.

(2) Shares of the Company remaining in trust

Company shares remaining in trust are recorded as treasury shares under net assets at the carrying value in trust (excluding the amount of incidental expenses). The book value and number of these treasury shares amounted to 53,006 thousand yen and 37,700 shares at the end of the previous fiscal year and amounted to 52,443 thousand yen and 37,300 shares at the end of the current fiscal year.

(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). Expenses and corresponding provisions are recorded based on the number of points granted to employees in accordance with the regulations.

(Items of note on segment information, etc.)

[Segment information]

Previous consolidated fiscal year (From January 1, 2024 to December 31, 2024)

The Group is primarily engaged in healthcare and nursing care-related businesses. As other business segments are of minor importance, segment information is omitted.

Current consolidated Fiscal year (From January 1, 2025 to December 31, 2025)

The Group is primarily engaged in healthcare and nursing care-related businesses. As other business segments are of minor importance, segment information is omitted.

[Related information]

Previous consolidated fiscal year (From January 1, 2024 to December 31, 2024)

1. Information by product and service

The information is omitted because net sales to external customers for a single group of products and services exceed 90% of net sales on the statement of income.

2. Information by geographic area

(1) Net sales

As net sales to external customers in Japan exceed 90% of net sales on the consolidated statement of income, geographic segment information is omitted.

(2) Property, plant and equipment

As the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, information by region is omitted.

3. Information by major customer

The information is omitted because out of net sales to external customers, no party accounts for 10% or more of net sales on the statements of income.

Current consolidated fiscal year (From January 1, 2025 to December 31, 2025)

1. Information by product and service

The information is omitted because net sales to external customers for a single group of products and services exceed 90% of net sales on the statement of income.

2. Information by geographic area

(1) Net sales

The information is omitted because net sales of external clients in Japan consist of over 90% of the net sales in the consolidated statements of income.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment in Japan consists of over 90% of the amount of property, plant and equipment in the consolidated statements of income.

3. Information by major customer

The information is omitted because out of net sales to external customers, no party accounts for 10% or more of net sales on the statements of income.

[Information about impairment loss on non-current assets by reportable segment]

Not applicable.

[Information about amortization and unamortized balance of goodwill by reportable segment]
Previous consolidated fiscal year (From January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Nursing- and medical care-related business	Total	Corporate or elimination	Amount on consolidated financial statements
Amortization for the period	10,601	10,601	—	10,601
Balance at end of the period	427,223	427,223	—	427,223

Current consolidated fiscal year (From January 1, 2025 to December 31, 2025)

(Thousands of yen)

	Nursing- and medical care-related business	Total	Corporate or elimination	Amount on consolidated financial statements
Amortization for the period	131,506	131,506	—	131,506
Balance at end of the period	1,266,168	1,266,168	—	1,266,168

[Information about gain on bargain purchase by reportable segment]
Not applicable.

(Per share information)

	FY 2024 (From January 1, 2024 to December 31, 2024)	FY 2025 (From January 1, 2025 to December 31, 2025)
Net assets per share	206.77 yen	238.80 yen
Earnings per share	38.94 yen	45.77 yen

Note 1. Diluted earnings per share is not presented as there are no dilutive shares.

Note 2. The Company's shares remaining in the trust, which are recorded as treasury stock under shareholders' equity, are included in the treasury stock to be deducted in the calculation of the average number of shares during the period for the purpose of calculating earnings per share.

The number of the Company's shares remaining in the trust included in the treasury stock deducted in the calculation of earnings per share was 137,152 shares for the previous consolidated fiscal year and 124,648 shares for the current consolidated fiscal year.

Furthermore, the Company's shares remaining in the trust are included in the treasury stock to be deducted from the total number of issued shares at the end of the period for the purpose of calculating net assets per share.

The number of the Company's shares remaining in the trust included in the treasury stock deducted in the calculation of net assets per share was 135,917 shares for the previous consolidated fiscal year and 115,728 shares for the current consolidated fiscal year.

Note 3. The basis for calculation of net assets per share is as follows:

	FY 2024 (December 31, 2024)	FY 2025 (December 31, 2025)
Total net assets (Thousands of yen)	12,501,850	14,681,563
Amount deducted from total net assets (Thousands of yen)	―	238,285
Net assets at end of period attributable to common shares (Thousands of yen)	12,501,850	14,443,277
Number of common shares used in calculation of net assets per share (shares)	60,463,088	60,483,269

Note 4. The basis for calculation of earnings per share is as follows:

	FY 2024 (From January 1, 2024 to December 31, 2024)	FY 2025 (From January 1, 2025 to December 31, 2025)
Earnings per share		
Profit attributable to owners of parent (Thousands of yen)	2,354,670	2,829,782
Amount not attributable to common shareholders (Thousands of yen)	―	62,021
Profit attributable to owners of parent concerning common shares (Thousands of yen)	2,354,670	2,767,760
Average number of common shares during period (shares)	60,461,853	60,474,349

(Significant Subsequent events)

Not applicable.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated balance sheets

(Thousands of yen)

	FY 2024 (December 31, 2024)	FY 2025 (December 31, 2025)
Assets		
Current assets		
Cash and deposits	5,740,501	5,060,136
Trade receivable	5,760,126	6,597,977
Merchandise	1,475,386	1,632,749
Supplies	740,130	1,116,335
Other receivables	2,352,808	2,170,703
Prepaid expenses	85,011	77,612
Other current assets	210,671	356,022
Allowance for doubtful accounts	(658,270)	(837,960)
Total current assets	15,706,366	16,173,576
Non-current assets		
Property, plant and equipment		
Buildings	315,372	308,406
Accumulated depreciation	(134,352)	(134,456)
Buildings (net)	181,019	173,949
Structures	2,507	3,000
Accumulated depreciation	(1,093)	(848)
Structures (net)	1,413	2,152
Vehicles	64,738	45,581
Accumulated depreciation	(38,778)	(30,648)
Vehicles (net)	25,959	14,933
Tools, furniture and fixtures	145,104	123,160
Accumulated depreciation	(113,387)	(96,944)
Tools, furniture and fixtures (net)	31,717	26,216
Land	269,200	269,200
Leased assets	12,060	36,852
Accumulated depreciation	(603)	(5,046)
Leased assets (net)	11,457	31,806
Total property, plant and equipment	520,767	518,258
Intangible assets		
Software	71,294	71,676
Other intangible assets	30,763	22,989
Total intangible assets	102,058	94,666
Investments and other assets		
Investment securities	1,803,774	1,960,445
Affiliated companies	1,874,071	3,153,196
Long-term loans receivable	40,000	985,880
Leasehold deposits	105,787	105,572
Deferred tax assets	480,654	572,218
Others	51,102	51,071
Allowance for doubtful accounts	(34,313)	(81,961)
Total investments and other assets	4,321,076	6,746,422
Total non-current assets	4,943,901	7,359,347
Total assets	20,650,268	23,532,923

(Thousands of yen)

	FY 2024 (December 31, 2024)	FY 2025 (December 31, 2025)
Liabilities		
Current liabilities		
Trade payable	7,181,024	8,137,814
Other payables	794,823	829,428
Accrued expenses	52,371	51,612
Income taxes payable	400,977	676,039
Accrued consumption taxes	76,839	104,440
Lease obligations	2,653	5,769
Deposits received from employees	35,160	32,965
Other current liabilities	58,720	72,246
Total current liabilities	8,602,571	9,910,316
Non-current liabilities		
Lease obligations	9,949	29,284
Provision for share awards	25,154	26,113
Provision for share awards for directors (and other officers)	60,116	27,443
Total non-current liabilities	95,220	82,840
Total liabilities	8,697,792	9,993,157
Net assets		
Shareholders' equity		
Share capital	573,496	573,496
Capital surplus		
Capital reserves	543,496	543,496
Total capital surplus	543,496	543,496
Retained earnings		
Retained earnings reserves	7,500	7,500
Other retained earnings		
General reserves	12,500	12,500
Retained earnings carried forward	11,007,258	12,573,533
Total retained earnings	11,027,258	12,593,533
Treasury shares	(191,477)	(163,100)
Total shareholders' equity	11,952,773	13,547,425
Valuation, translation adjustments and others		
Valuation difference on available-for-sale securities	(297)	(7,659)
Total valuation, translation adjustments and others	(297)	(7,659)
Total net assets	11,952,476	13,539,766
Total liabilities and net assets	20,650,268	23,532,923

(2) Non-consolidated statements of income

(Thousands of yen)

	FY 2024 (January 1, 2024 to December 31, 2024)	FY 2025 (January 1, 2025 to December 31, 2025)
Net sales	47,112,144	52,984,906
Cost of sales		
Opening goods inventory	1,379,085	1,475,386
Cost of purchased goods	32,647,718	37,300,400
Total	34,026,803	38,775,786
Ending goods inventory	1,475,386	1,632,749
Cost of goods sold	32,551,417	37,143,037
Outsourcing expenses	4,352,313	5,005,091
Total cost of sales	36,903,730	42,148,128
Gross profit	10,208,413	10,836,778
Selling, general and administrative expenses	7,788,293	7,832,339
Operating profit	2,420,119	3,004,439
Non-operating income		
Interest received	1,765	31,728
Dividends received	300,001	87,001
Rent received	2,809	4,936
Subsidy income	2,067	2,063
Gain on sale of non-current assets	3,281	6,589
Consulting fee income	52,032	57,693
Income from seconded employees	391,886	88,238
Commission fee received	115,968	87,528
Foreign exchange gain	—	19,510
Other non-operating income	72,085	72,546
Total non-operating income	941,897	457,836
Non-operating expenses		
Loss on retirement of non-current assets	3,467	3,127
Provision of allowance for doubtful accounts	—	50,231
Loss on investments in investment partnerships	18,455	45,325
Net foreign exchange loss	60,996	—
Total non-operating expenses	82,919	98,684
Ordinary profit	3,279,097	3,363,591
Income before income taxes	3,279,097	3,363,591
Income taxes - current	917,167	1,097,595
Income taxes - deferred	7,412	(88,064)
Total income taxes	924,579	1,009,530
Profit	2,354,518	2,354,061

(3) Non-consolidated Statements of Changes in Equity

Previous consolidated fiscal year (From January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Capital reserves	Total capital surplus	Retained earnings reserves	Other retained earnings		Total retained earnings
					General reserves	Retained earnings carried forward	
Beginning balance	573,496	543,496	543,496	7,500	12,500	9,440,527	9,460,527
Period activity							
Dividends from surplus						(787,787)	(787,787)
Profit						2,354,518	2,354,518
Acquisition of treasury shares							
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes in items during period	—	—	—	—	—	1,566,731	1,566,731
Closing balance	573,496	543,496	543,496	7,500	12,500	11,007,258	11,027,258

	Shareholders' equity		Valuation, translation adjustments and others		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation, translation adjustments and others	
Beginning balance	(194,125)	10,383,394	(72,521)	(72,521)	10,310,873
Period activity					
Dividends from surplus		(787,787)			(787,787)
Profit		2,354,518			2,354,518
Acquisition of treasury shares					
Disposal of treasury shares	2,647	2,647			2,647
Net changes in items other than shareholders' equity			72,224	72,224	72,224
Total changes in items during period	2,647	1,569,378	72,224	72,224	1,641,603
Closing balance	(191,477)	11,952,773	(297)	(297)	11,952,476

Current consolidated fiscal year (From January 1, 2025 to December 31, 2025)

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Capital reserves	Total capital surplus	Retained earnings reserves	Other retained earnings		Total retained earnings
					General reserves	Retained earnings carried forward	
Beginning balance	573,496	543,496	543,496	7,500	12,500	11,007,258	11,027,258
Period activity							
Dividends from surplus						(787,787)	(787,787)
Profit						2,354,061	2,354,061
Acquisition of treasury shares							
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes in items during period	—	—	—	—	—	1,566,274	1,566,274
Closing balance	573,496	543,496	543,496	7,500	12,500	12,573,533	12,593,533

	Shareholders' equity		Valuation, translation adjustments and others		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation, translation adjustments and others	
Beginning balance	(191,477)	11,952,773	(297)	(297)	11,952,476
Period activity					
Dividends from surplus		(787,787)			(787,787)
Profit		2,354,061			2,354,061
Acquisition of treasury shares	(6)	(6)			(6)
Disposal of treasury shares	28,383	28,383			28,383
Net changes in items other than shareholders' equity			(7,361)	(7,361)	(7,361)
Total changes in items during period	28,377	1,594,651	(7,361)	(7,361)	1,587,289
Closing balance	(163,100)	13,547,425	(7,659)	(7,659)	13,539,766