ELAN Corporation

Operating Results for Fiscal 2025
Ended December 31, 2025

ELAN

Contents

1. Full-Year Operating Results Fiscal 2025

Reflecting Back on Initiatives in 2025

1. Increase in Net sales and decrease in Operating profit

- Net sales: +16.7% YoY

  Net increase of 260 new CS set contracts, facility unit price up ¥0.4 million,

  overseas sales ¥2,234 million
- Operating profit: +19.5% YoY, Operating profit to net sales: 7.7% (+0.2 point YoY)

2. Announcement of New Mid-Term Management Plan

- We clarified management that is Conscious of Cost of Capital and Stock Price.
- “Stable growth of CS sets” × “Expansion of hospital management support, overseas operations, and M&A”

3. Synergy with M3, Inc.

- Joint project has begun in earnest.
- New added value has increased the unit price per facility.
- These new value-added features will help reduce future churn rates.

Summary of Consolidated Financial Results for the Year Ended December 31, 2025

- The increase in Net sales was due to an increase in the number of users resulting from the acquisition of **359** new CS set contracts (**99** facilities cancelled) and Increase in overseas sales.
- The decline Gross profit margin was primarily due to Lump-sum depreciation of cost for the introduction of lifte (original patient clothing) at **219** facilities.

(Millions of yen)

	FY 2024 ①	FY 2025 ②	YoY Change ②-①	Main factors	FY 2025 Forecast ③※	To forecast ②-③
Net sales	47,513	55,448	+7,934	● New CS set contracts ● GREEN and TMC (Vietnam) sales : 2,234 million yen	59,000	(3,551)
Gross profit	10,716	11,874	+1,157	● Promotion of Lifte(original patient clothing)	–	–
Gross profit to net sales(%)	22.6	21.4	(1.1)		–	–
SG&A	7,141	7,601	+459	● Last year (2024) included temporary expenses such as M&A costs in Vietnam and M3's tender offer-related expenses.	–	–
SG&A to net sales(%)	15.0	13.7	(1.3)		–	–
Operating profit	3,575	4,272	+697		4,720	(447)
Operating profit to net sales(%)	7.5	7.7	+0.2		8.0%	(0.3)
Ordinary profit	3,542	4,184	+642		4,740	(555)
Ordinary profit to net sales(%)	7.5	7.5	+0.1		8.0%	(0.5)
Profit Attributable to Owners of Parent	2,354	2,767	+413		3,090	(322)
Profit to net sales(%)	5.0	5.0	+0.0		5.2%	(0.2)

※Forecast as of February 10, 2025

Sales and Profit by Segment (Domestic/Overseas)

- The domestic operating profit margin is **7.5%.**
- The operating profit margin for the Vietnamese subsidiaries (GREEN and TMC) is **12.1%**, and **17.9%** before goodwill amortization.

(Millions of yen)

		2023	2024	2025
Net sales		41,425	47,513	55,448
Domestic		41,425	47,243	53,214
Overseas	Vietnam	0	269	2,234
Gross profit		9,751	10,716	11,874
Domestic		9,751	10,545	11,131
Overseas	Vietnam	0	171	742
Operating profit		3,665	3,575	4,272
Domestic		3,665	3,480	4,001
Overseas	Vietnam	0	94[※1]	270[※2]

※1 The goodwill amortization amount of ¥20 million (for GREEN) is calculated as an expense in Vietnam for the purpose of calculating operating profit.
※2 The goodwill amortization amount of ¥131 million (for GREEN and TMC) is calculated as an expense in Vietnam for the purpose of calculating operating profit.

Status of overseas expansion

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

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

Summary of Consolidated Financial Results for the Year Ended December 31, 2025

- The consolidation of Vietnamese subsidiaries GREEN and TMC commenced, resulting in impacts on tangible fixed assets, goodwill, borrowings, etc.

(Millions of yen)

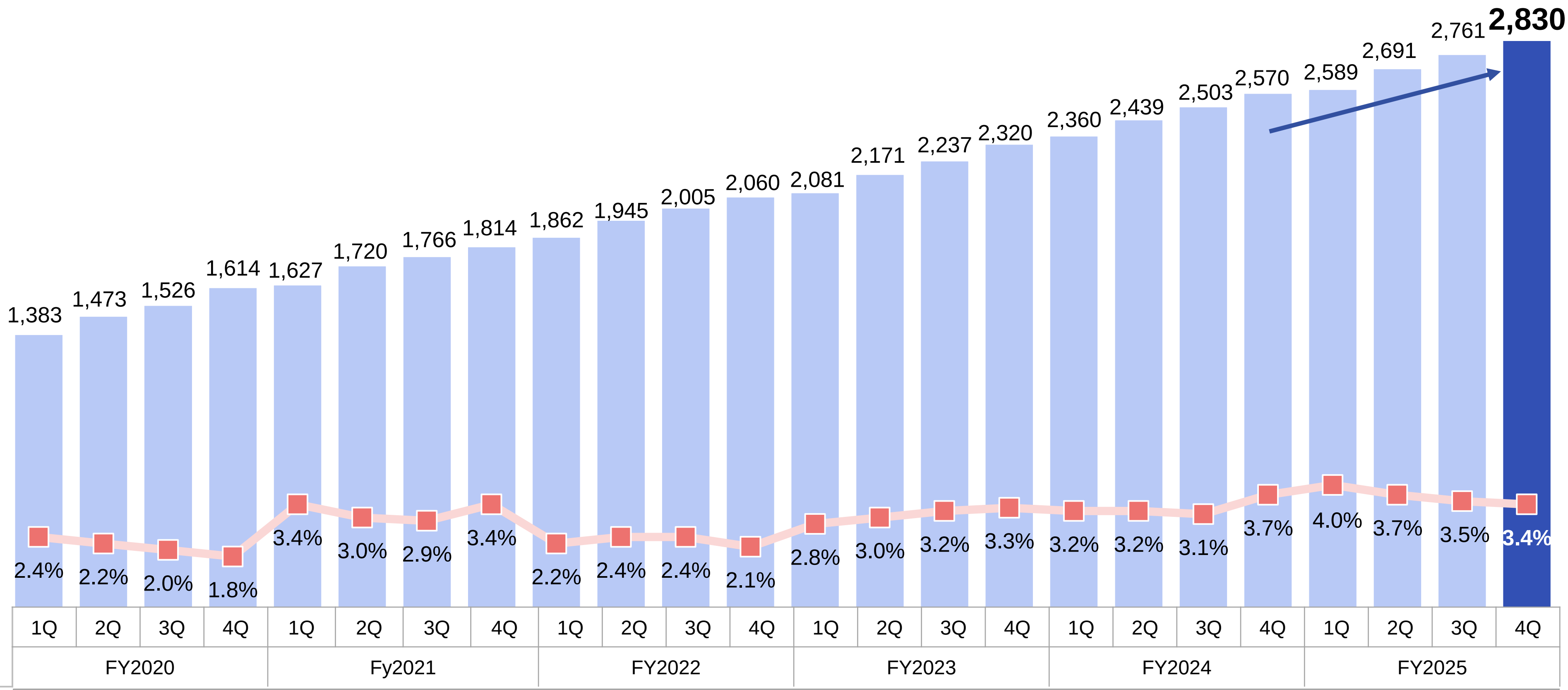
	FY 2024 ①	FY 2025 ②	YoY Change ②-①	Main factors
Supplies	741	1,103	+362	● Inventory of original patient clothes (lifte)
Total Property, plant and equipment	575	1,398	+822	● GREEN / TMC's plants, facilities, etc.
Goodwill※	427	1,266	+838	● TMC (Vietnam) added
Intangible assets(Other)	514	559	+45	● Due to the allocation of goodwill in 2024
Total assets	21,702	26,232	+4,529	
Short-term borrowings	0	365	+365	● Consolidation of TMC
Long-term borrowings	76	399	+323	● Consolidation of GREEN / TMC
Total liabilities	9,200	11,550	+2,350	
Non-controlling interests	0	238	+238	● Consolidation of TMC. The shareholding is 51%.
Total net assets	12,501	14,681	+2,179	

※The goodwill for FY2024 has been retrospectively adjusted from ¥813 million to ¥427 million under the purchase price allocation (PPA).

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

- Contracted facilities (at last month of quarter) increased **10.1**% YoY.
- The cancellation rate excluding Closure of the hospital, etc. was **2.7%**.

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



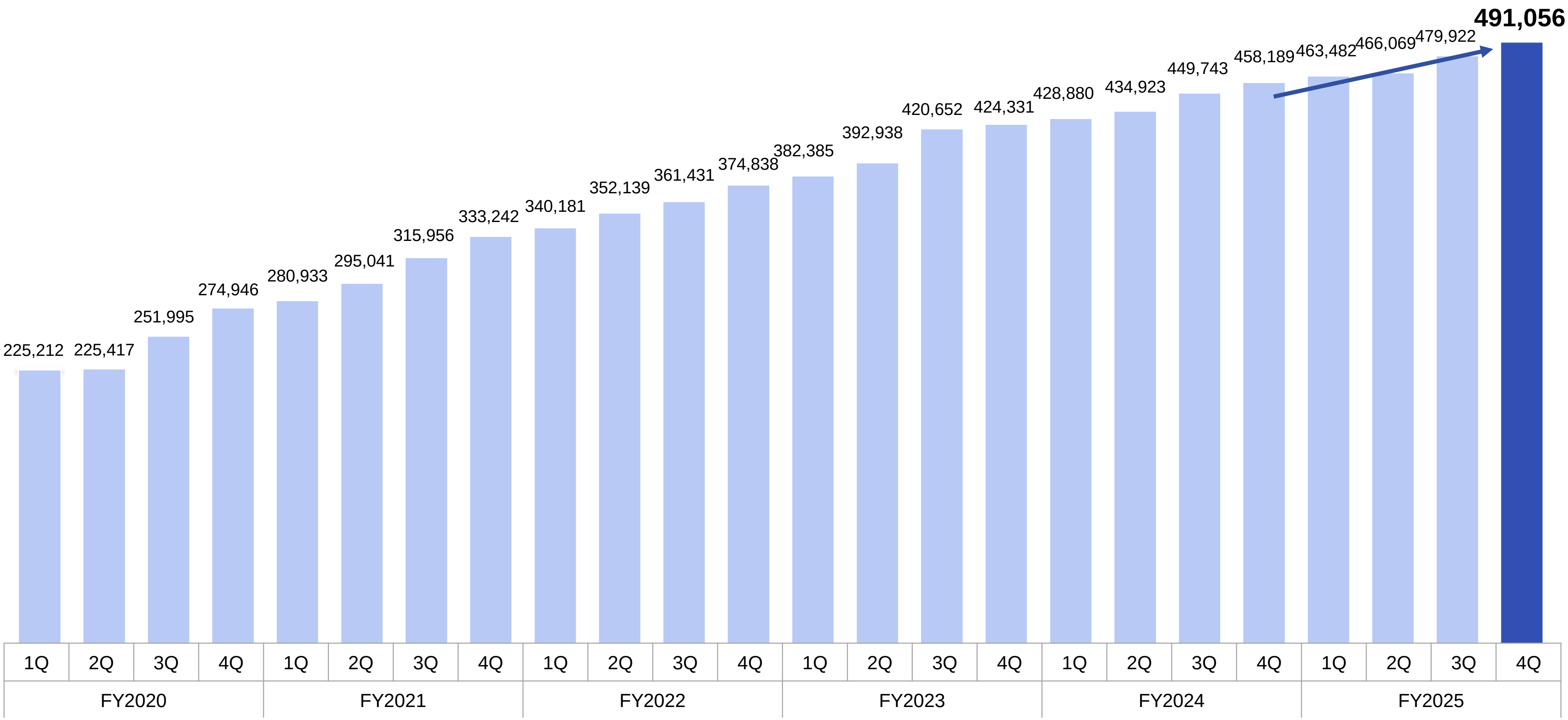
	FY2020	Fy2021	FY2022	FY2023	FY2024	FY2025
Switching to a competitors, etc.	97%	92%	89%	71%	81%	80%
Closure of the hospital, etc.	3%	8%	11%	29%	19%	20%

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）

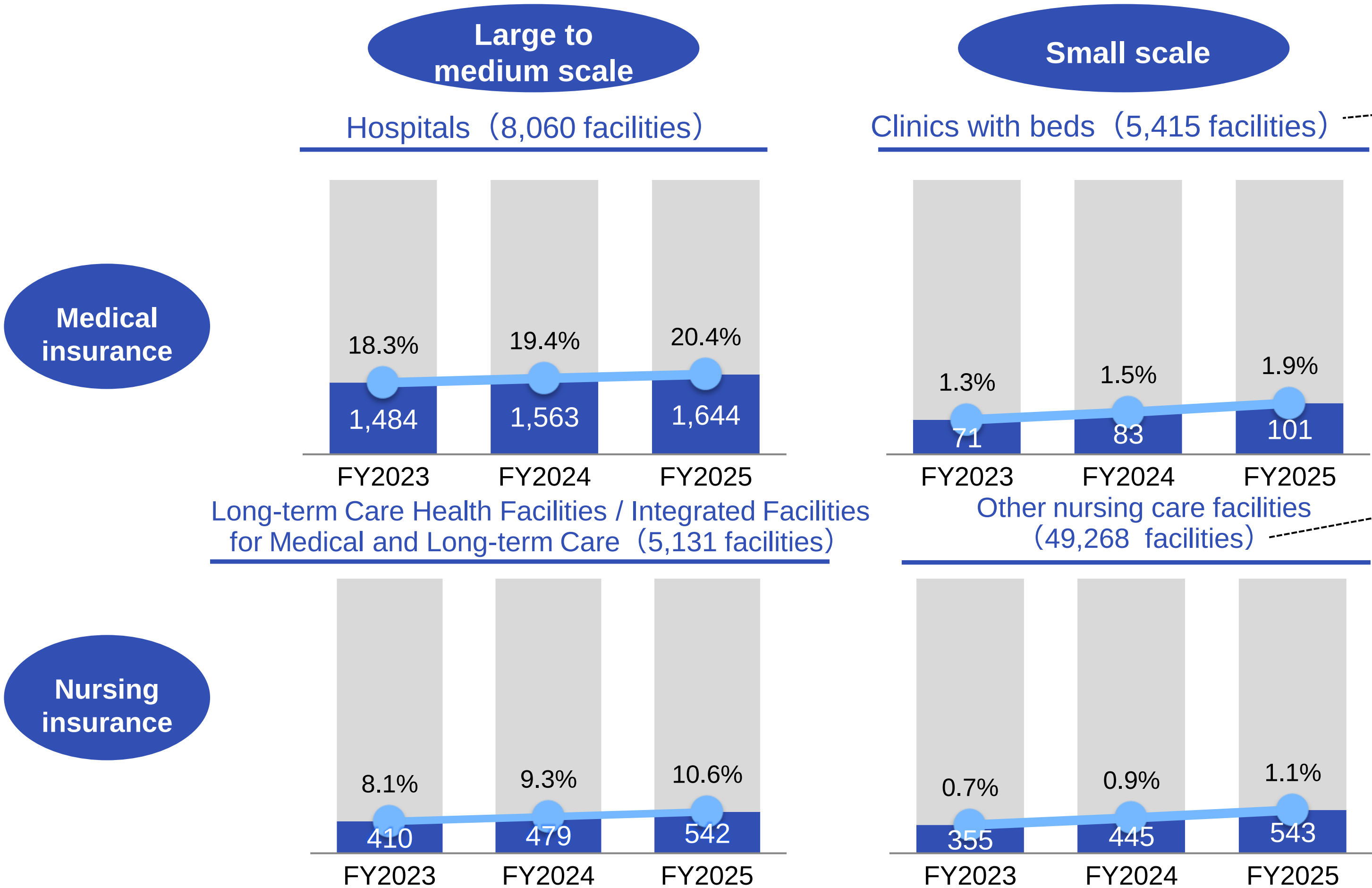
- Monthly Users（Average during the period）increased **7.2**% YoY.

Monthly Users（Average during the period）



Facility Penetration Rates

- Continue to focus on large- to medium-sized “Hospitals, Long-term Care Health Facilities, Integrated Facilities for Medical and Long-term Care” while aiming to create new customer value.



The total number of medical facilities with inpatient facilities with less than 20 beds.

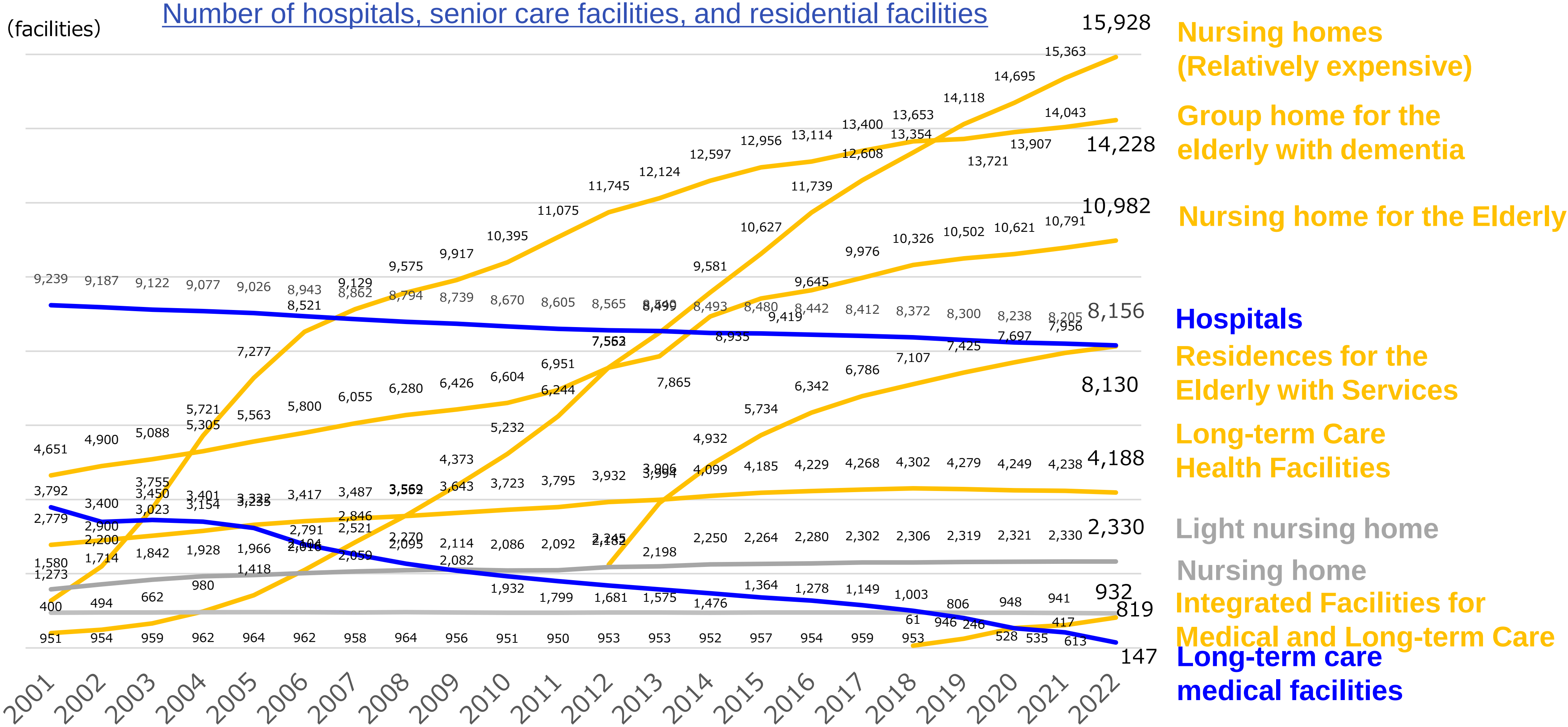
This figure shows the total number of the top four facilities in 2021 within the graph on the next page.

Notes: Prepared by ELAN with reference to the Survey of Medical Facilities 2024 and the Survey of Institutions and Establishments for Long-term Care 2024 by the Ministry of Health, Labor and Welfare.

Trends in Facilities Targeted for Sales Activities

- The number of hospitals and long-term care medical facilities has been declining year by year.
- On the other hand, the number of facilities such as “Nursing homes,” “Group home for the elderly with dementia,” “Nursing home for the Elderly,” and “Residences for the Elderly with Services” is increasing.

Number of hospitals, senior care facilities, and residential facilities



Notes: Prepared by Elan based on page 9 of the document linked here (Ministry of Health, Labor and Welfare meeting materials).

Annual Trends in Key Indicators

- As new services become more widespread, facility unit costs continue to rise.

Annual Trends in Key Indicators

		2021	2022	2023	2024	2025	Main Factors
Net sales	Millions of yen	31,635	36,264	41,425	47,243	53,214	
year on year	%	21.4%	14.6%	14.2%	14.0%	12.6%	
Contracted facilities	Facility	1,814	2,060	2,320	2,570	2,830	
year on year	%	12.4%	13.6%	12.6%	10.8%	10.1%	
Facility unit price	Millions of yen	17.4	17.6	17.9	18.4	18.8	◆ Increasing trend due to the spread of new services, etc.
year on year	%	8.0%	0.9%	1.4%	3.0%	2.3%	
4Q Monthly Average Number of Users※1	People	333,242	374,838	424,331	458,189	491,056	
year on year	%	21.2%	12.5%	13.2%	8.0%	7.2%	

※1 Calculation formula: (number of users in October + number of users in November + number of users in December) ÷ 3

Annual trends in New services and New products

- In addition to the CS set, the introduction of peripheral services and new products is progressing, and facility unit prices are continuously rising through the provision of complex added value.
- The new service will be rolled out as a mid-to-long-term, socially impactful solution designed to support hospital management.

Annual trends in New services and New products

		2021	2022	2023	2024	2025	Most Recent Initiatives
Number of facilities with CS Set R	Facility	101	149	230	278	354	
Adoption rate of CS Set R	%	5.6%	7.2%	9.9%	10.8%	12.5%	
Number of facilities with CS Set LC	Facility	83	123	192	230	285	
Adoption rate of CS Set LC	%	4.6%	6.0%	8.3%	8.9%	10.1%	
Number of facilities with lifte	Facility	1	8	52	252	471	
Adoption rate of lifte	%	0.1%	0.4%	2.2%	9.8%	16.6%	◆ Developed clothing for pregnant women
Number of facilities with Smile wear	Facility	0	0	0	7	65	
Adoption rate of Smile wear	%	0.0%	0.0%	0.0%	0.3%	2.3%	
Synergy with M3Number of Achievements	Number	-	-	-	-	100	
(New service/product under development)		-	-	-	-	-	

2. Earnings forecast of Fiscal 2026

Forecast of Operating Results for Fiscal 2026

- For the FY2026, we aim for 9.7% growth through acquiring new facilities for our CS sets, enhancing added value, developing new businesses, and expanding overseas operations.

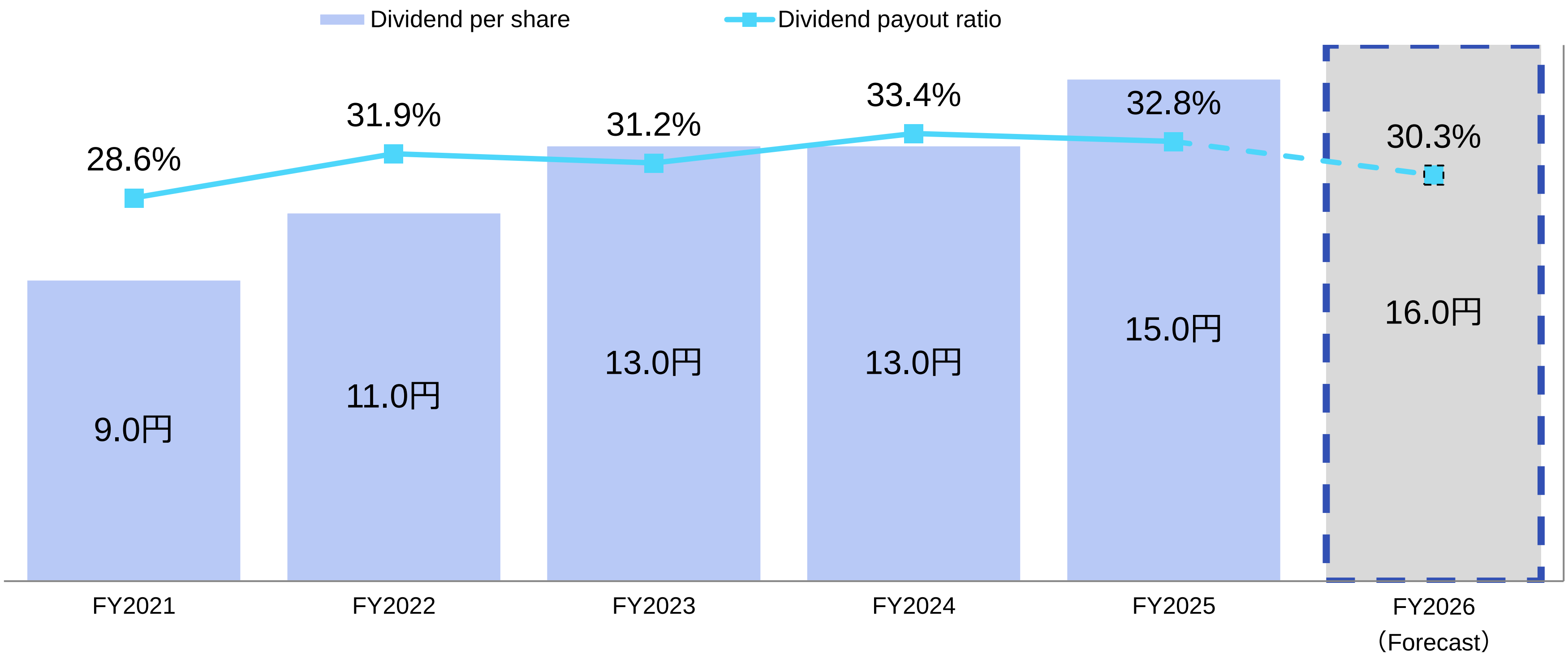
(Millions of yen)

	Fiscal 2025 First Half Results	Fiscal 2026 First Half Forecast	YoY Change	Fiscal 2025 Results	Fiscal 2026 Forecast	YoY Change
Net sales	26,840	29,200	8.8%	55,448	60,800	9.7%
Operating profit	2,076	2,400	15.6%	4,272	5,000	17.0%
Ordinary profit	2,049	2,400	17.2%	4,184	5,000	19.5%
Profit Attributable to Owners of Parent	1,367	1,590	16.3%	2,767	3,200	15.6%
EPS(yen)	22.61	26.24		45.77	52.81	

Return to Shareholders

- The year-end dividend for the fiscal year ending December 2026 will be ¥16.0 per share, with a payout ratio of 30.3%.

Dividend per Share and Dividend Payout Ratio



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.

3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Current Situation Analysis

- We have re-examined our current understanding and challenges regarding "Management that is Conscious of Cost of Capital and Stock Price ," as disclosed in February 2024.
- We recognize our capital cost as approximately 7-8%. Meanwhile, we acknowledge a gap with investor expected returns of around 8-9%.
- While ROE is projected to exceed the capital cost at 20.5% in 2025, we view its declining trend as a challenge.

【Cost of capital】

- ➢ In addition to values calculated using CAPM and the yield-to-maturity method, the cost of capital is recognized as 7–8% based on the stability of the business.
- ➢ Since our company has minimal interest-bearing debt, the weighted average cost of capital (WACC) approximates the cost of equity.

Our understanding		Investor Expected Return
Approx. 7-8%	⟷ Recognize the gap	Results of the survey ：**Approx. 8-9%**

【Our understanding】

- ➢ In addition to a stable revenue structure based on recurring assets, domestic operations are growing at an annual rate of approx. 10%.
- ➢ Business models less susceptible to economic fluctuations
- ➢ ROE is trending downward, and we recognize that improving ROE going forward is a management challenge.

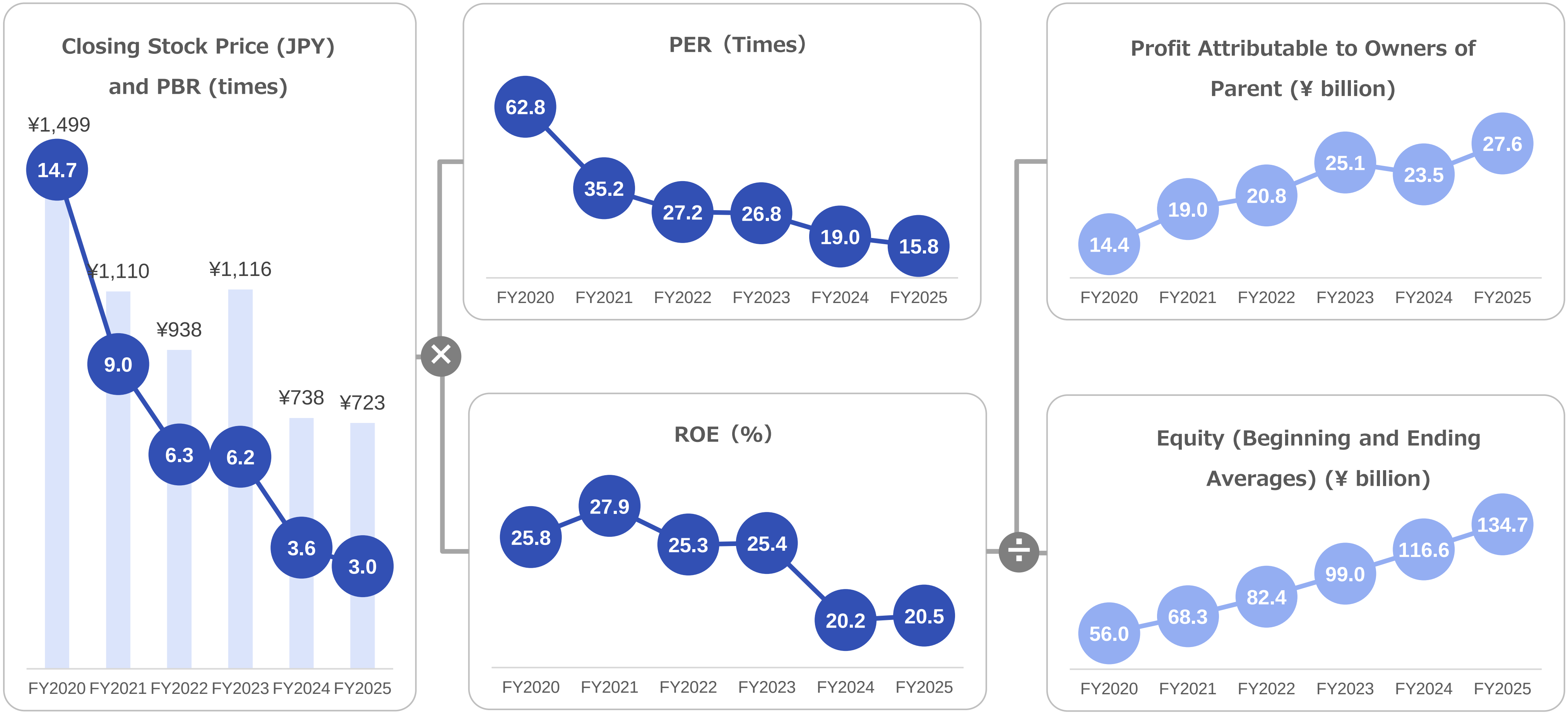
} The cost of capital is around 7-8%.

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
ROE（%）※	25.8	27.9	25.3	25.4	20.2	20.5
Profit to net sales(%)	5.6	6.0	5.7	6.1	5.0	5.0
Total Capital Turnover Ratio (Turnover)	2.5	2.5	2.4	2.4	2.3	2.3
Financial Leverage (Times)	1.9	1.9	1.8	1.8	1.7	1.8

※Shareholders' equity and total capital are calculated using the average balance during the period (the sum of the previous year and the current year divided by two).

【Issue】

- Declining PER: As the company transitions from a high-growth phase to a stable growth phase, its future prospects are becoming less visible to investors.
- Declining ROE: Falling net profit margin and accumulation of equity capital.



4. New Mid-Term Management Plan(2026 to 2028)

Review of the Mid-Term Management Plan (2023–2025)

- While sales revenue maintained a growth trend during the previous medium-term management plan, it fell short of the planned figures in each fiscal year.
- Operating profit also fell short of the planned figures for fiscal years 2024 and 2025.

FY2023

	Plans※1	Results	Vs. Plan
Net sales	43.7 billion yen	41.4 billion yen	95%
Operating profit	3.6 billion yen	3.6 billion yen	100%
Operating profit margin	8.2%	8.8%	107%
R O E	25.2%	25.4%	101%
Dividend payout ratio	29.0%	31.2%	105%

※1) Announced in financial results briefing materials for the fiscal year ended December 31, 2022 (Announced on February 21, 2023)

FY2024

	Plans※2	Results	Vs. Plan
Net sales	50.0 billion yen	47.5 billion yen	95%
Operating profit	4.2 billion yen	3.5 billion yen	83%
Operating profit margin	8.4%	7.5%	89%
R O E	24.1%	20.2%	84%
Dividend payout ratio	29.7%	33.4%	112%

※2) Announced in financial results briefing materials for the fiscal year ended December 31, 2023 (Announced on February 26, 2024)

FY2025

	Plans※3	Results	Vs. Plan
Net sales	59.0 billion yen	55.4 billion yen	94%
Operating profit	4.72 billion yen	4.27 billion yen	91%
Operating profit margin	8.0%	7.7%	96%
R O E	22.3%	20.5%	92%
Dividend payout ratio	30.0%	32.8	109%

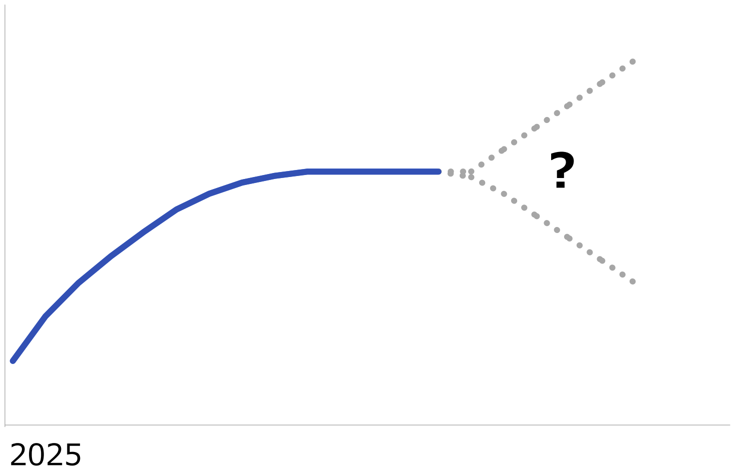
※3) Announced in financial results briefing materials for the fiscal year ended December 31, 2024 (Announced on February 10, 2025)

※ Market penetration rate was excluded due to a change in the calculation method during the medium-term plan period.

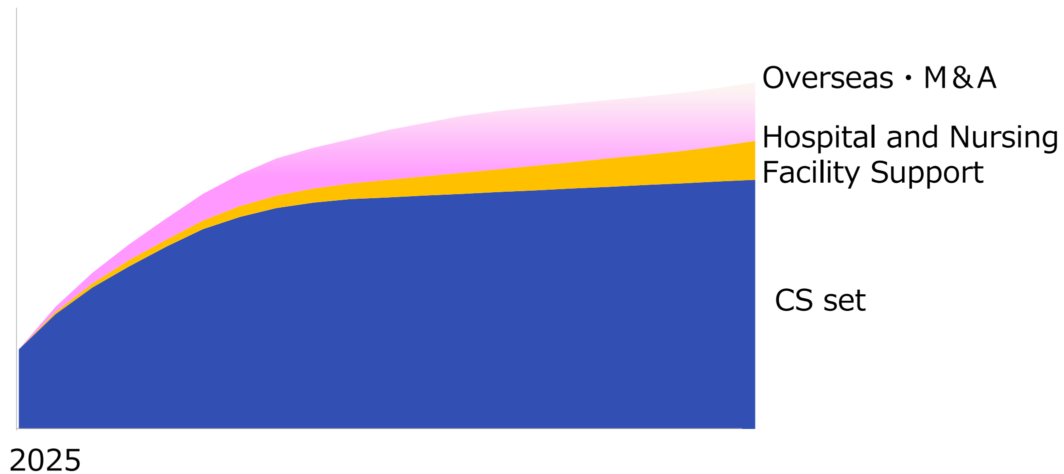
Summary of the New Mid-Term Management Plan (2026–2028)

Building on the solid growth of our existing CS set, we will execute growth investments and M&A disciplined by a 25% ROE target, aiming to achieve both capital efficiency and growth over the next three years.

Growth potential for existing domestic businesses and beyond
While growth is expected in the near term, structural changes such as population decline and a reduction in the number of hospitals are anticipated in the medium to long term.



Next Growth Based on the CS Set
Using the CS set as a revenue base, we will make phased investments in hospital management support and overseas expansion.

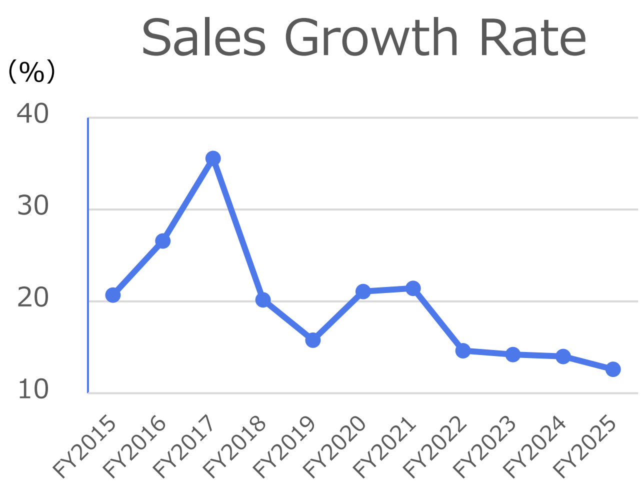


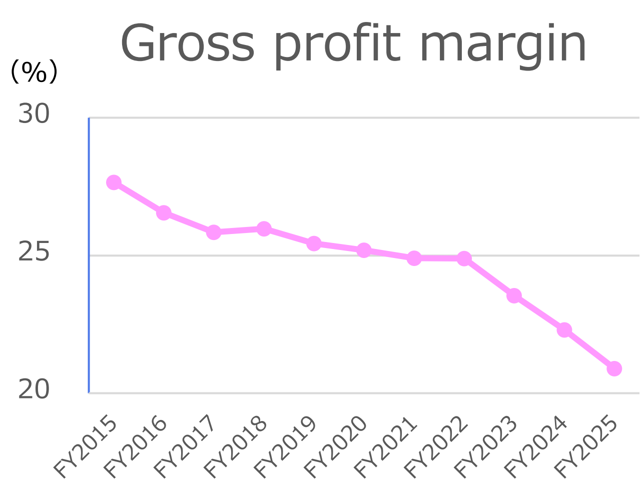
Numerical Targets for the New Mid-Term Management Plan (2026–2028)

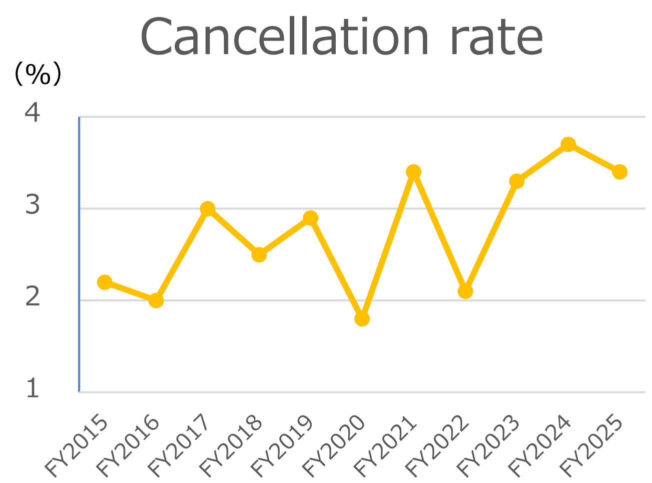
- Sales revenue is expected to reach the target level through the approximately 10% growth rate of domestic CS sets, combined with the accumulation of M&A and new business initiatives.
- ROE targets a minimum of 25.0% by the end of 2028.

	Previous Mid-Term Business Plan	New Mid-Term Management Plan	
	FY2025 (Result)	FY2026 (Forecast)	FY2028 (Forecast)
Net sales	55.4 billion yen	60.8 billion yen	80.0 billion yen
Operating profit	4.2 billion yen	5.0 billion yen	7.5 billion yen
Operating profit margin	7.7%	8.2%	9.4%
R O E	20.5%	-%	25.0%

Key Issues for the CS Set Business in the Mid-Term Management Plan







Current situation

- The growth rate of existing businesses was 12.6% (fiscal year ending December 2025) and is expected to continue slowing.

Current situation

- The downward trend in gross profit margins continues, revealing structural challenges.

Current situation

- Due to consolidation and price competition, an upward trend

Direction

- Enhancing the Quality and Sustainability of Growth through New Ventures and M&A
- Accepting a slowdown in existing business growth rates

Direction

- Restructure the profit structure through contract redesign and a review of procurement methods

Direction

- Achieving stability through the dual drivers of talent retention and value creation

ROE and Human Capital Strategy in the Mid-Term Management Plan

- This medium-term plan establishes KPIs for achieving ROE and positions them as performance responsibilities for executive officers, and department heads.
- We are currently designing a performance-based stock option plan for this project.

ROE
Improvement
||
FY2028
Lower limit target
25.0%

ROE Tree
Profit Margin × Turnover Rate × Leverage

Achievement of KPIs
Sales growth / Gross margin improvement / Cancellation rate reduction, etc.

Performance Accountability for Executives and Department Heads

Performance-based stock options
(Under design)

Sales and Business Responsibility

- New acquisition of CS sets
- Reduction in Cancellation rate

Business Foundation and Efficiency

- Gross Margin Improvement
- Efficiency gains through system investment

Management and Financial Responsibility

- New Business / Overseas / M&A
- Financial Leverage
- Reduction of equity capital

M&A Strategy

- We position M&A as one of the key options for growth.
- When executing M&A transactions, we will focus on reviewing deals that contribute to maximizing shareholder value while prioritizing capital efficiency.

1 Domestic Business Infrastructure Strengthening Type

Within Japan, we will leverage our position as the market leader to explore M&A opportunities in adjacent fields that are highly compatible with our existing businesses and contribute to strengthening our business foundation.

【 Direction 】
・System investments and improvements in operational infrastructure efficiency
・Enhancement of value delivered to customers

2 Management Support Type

As the business environment for hospitals and nursing care facilities grows increasingly challenging, we will explore expanding our service offerings to provide management support starting with the CS Set.

3 Overseas Expansion Type

We will explore expansion into countries and regions where demand for our services is anticipated in the future, based on improvements in sanitation and changes in lifestyles observed overseas.

Capital Allocation

- The total cash inflow over three years is planned to be ¥15 billion.
- The funds will be primarily allocated to growth investments while implementing shareholder returns with an eye toward capital efficiency.

Total for 2026–2028

Cash-In

Cash flows from operating activities
16.0 billion yen

Cash and deposits
6.8 billion yen

Interest-bearing debt
0-1.2 billion yen

※ Overdraft limit
4.2billion yen

Cash-Out

Cash-Out	
Dividend 3.0 billion yen	Dividend payout ratio 30%-
Cash and deposits 6.0 billion yen	Approximately the monthly sales amount
Business Investment 3.0 billion yen	System investments, etc.
M&A 9.0-12.0 billion yen	• Domestic Business Infrastructure Strengthening Type • Management Support Type • Overseas Expansion Type

5. Reference Materials

Company Overview

Matsumoto Head Office in Nagano Prefecture

ELAN

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

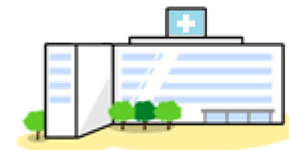
Tomohiro Minezaki,
CEO

Company name	ELAN Corporation
Business	Medical and nursing care-related business (CS Set)
Established	February 6, 1995
Capital	573 million yen
Net sales	55,448 million yen (fiscal 2025)
Ordinary profit	4,204 million yen (fiscal 2025)
Headquarters	Matsumoto, Nagano Prefecture
Representative	CEO: Tomohiro Minezaki
Number of employees	1,498 (as of December 31, 2025)
Business locations	Headquarters in Matsumoto Tokyo office (business strategy and marketing) Location in Matsumoto Murai (customer response) Sales bases 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/Kobe 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

Introduction of Our Product: What Is the CS Set?

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.

<table>
<tr><th></th><th>Plan A
Daily fee: 700 yen</th><th>Plan B
Daily fee: 500 yen</th><th>Plan C
Daily fee: 300 yen</th></tr>
<tr><td>Towels</td><td colspan="3">Bath towel, face towel, hand towel</td></tr>
<tr><td rowspan="2">Personal care items</td><td colspan="3">Drinking cups, tissues, shampoo, slippers, etc.</td></tr>
<tr><td colspan="3">Oral care product set</td></tr>
<tr><td rowspan="3">Clothing</td><td colspan="2">Hospital gown or training wear
(top and bottom)</td><td></td></tr>
<tr><td colspan="2">Underwear and socks</td><td></td></tr>
<tr><td>Nursing care pajamas,
mealtime apron</td><td></td><td></td></tr>
</table>

(Example) Seven-day hospital stay under Plan B
500 yen × 7 days = 3,500 yen

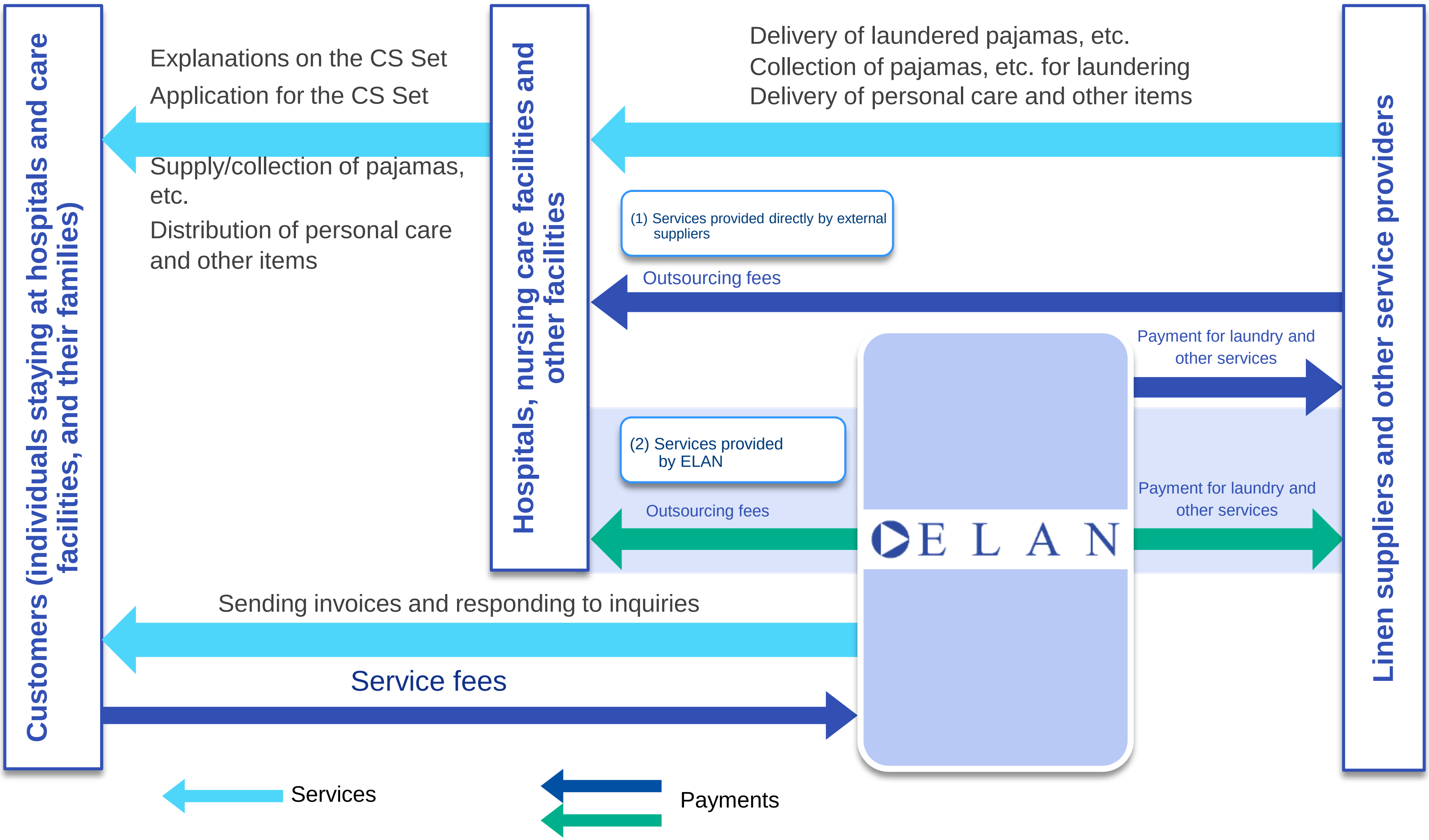
Personal care items

Towels

Clothing

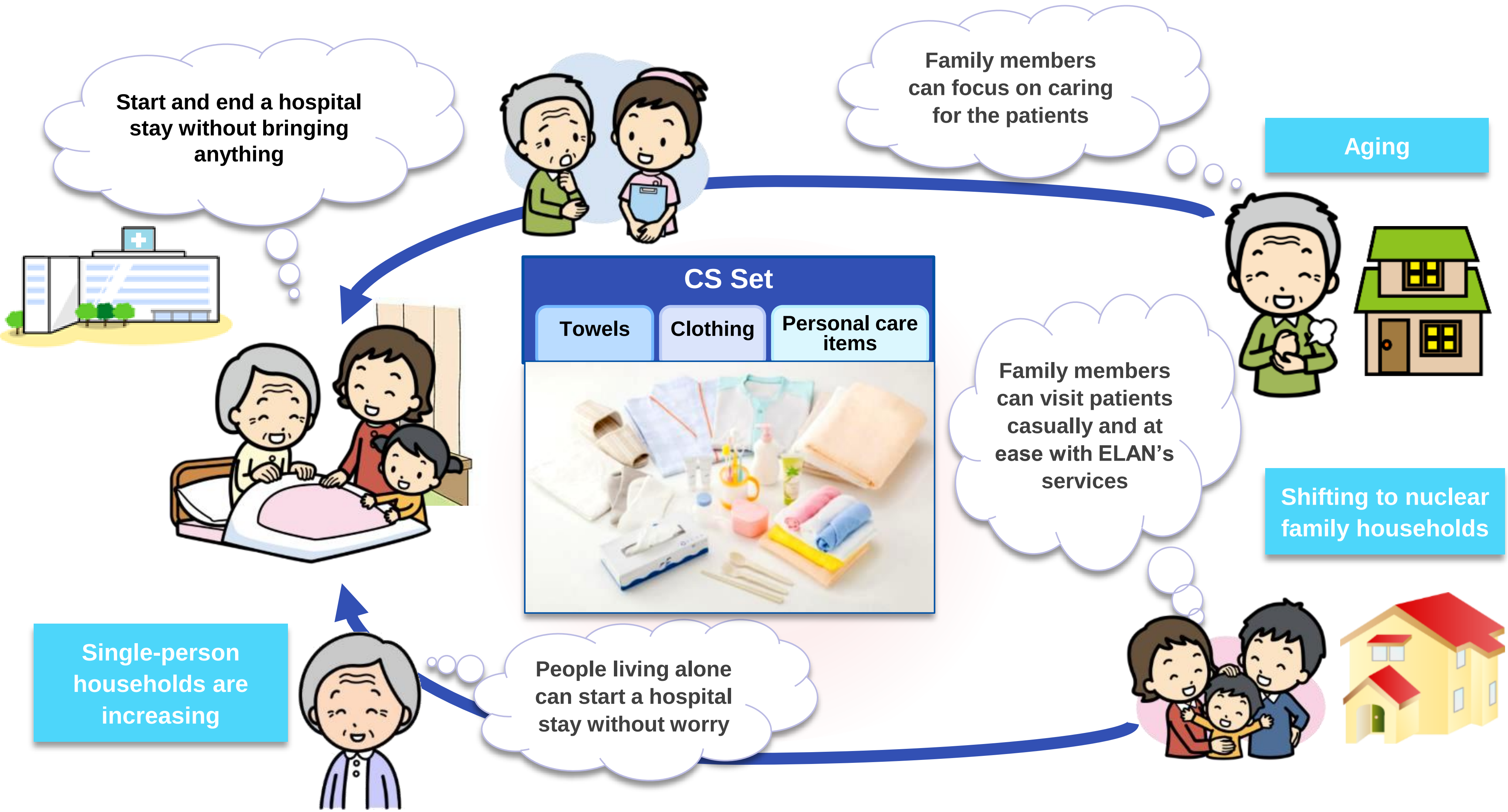
Business Model

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.



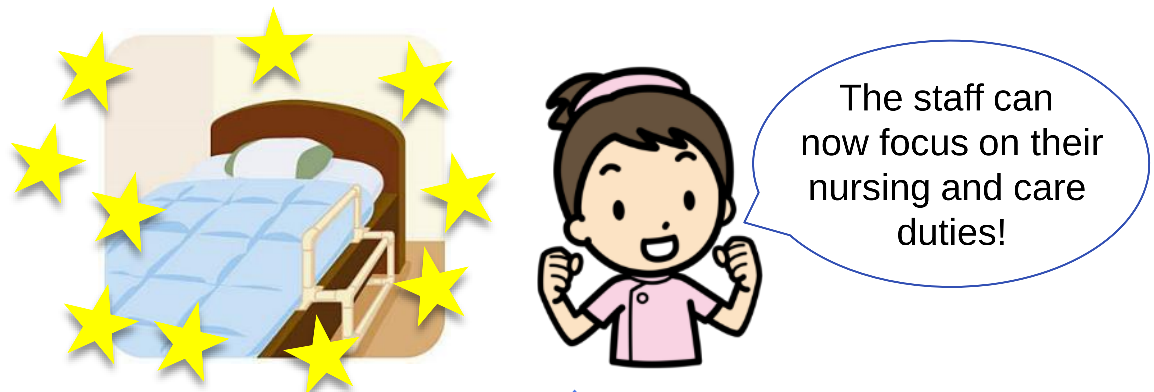
The CS Set Eliminates the Worries of Patients and Family Members

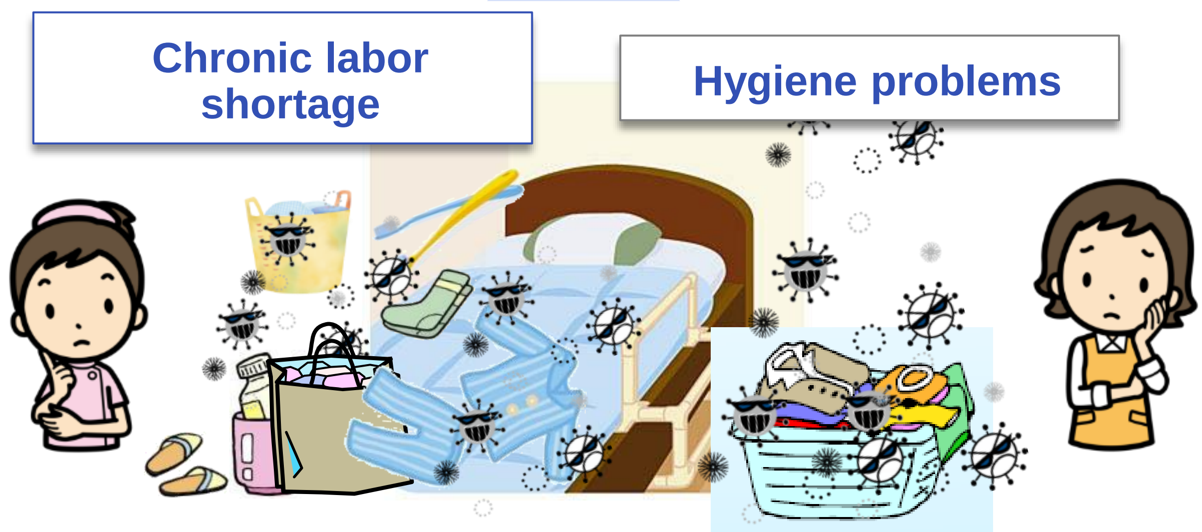
The CS Set provides patients and their family members with ease and comfort



Many advantages for the nursing and care frontlines

Solves problems for hospitals and nursing care facilities





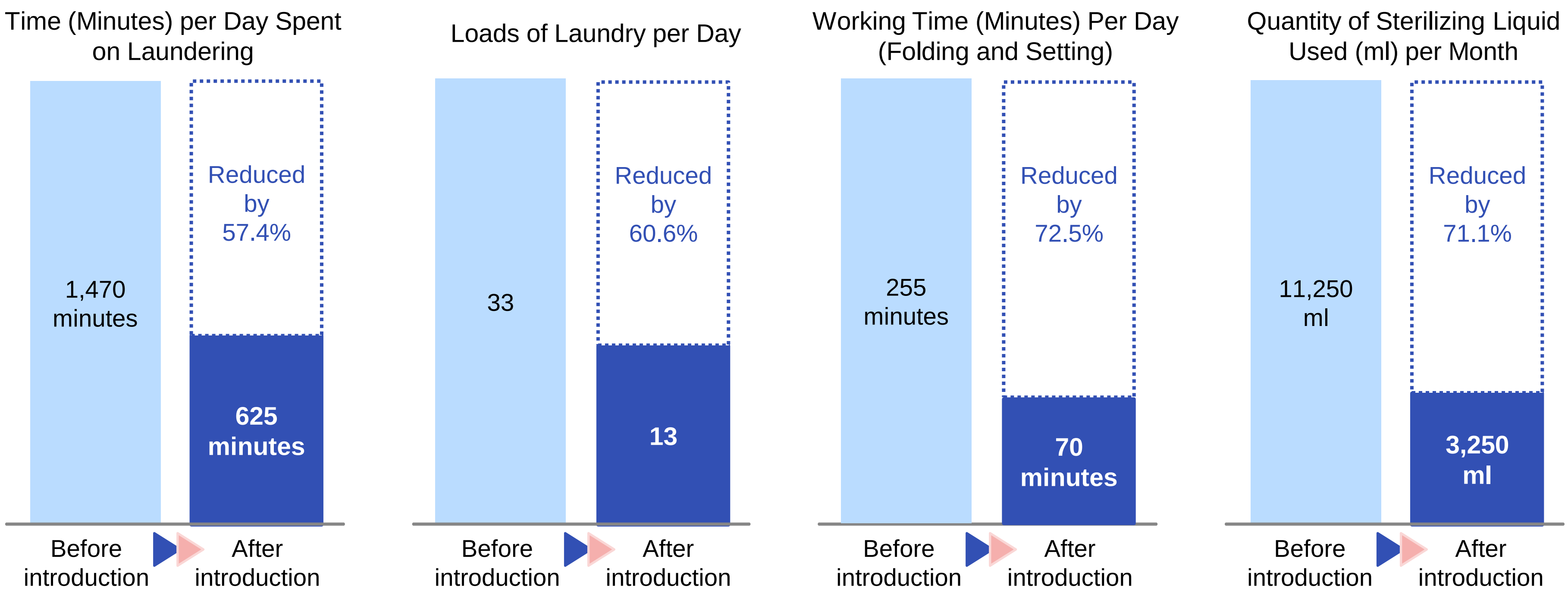
Operational Improvements at Hospitals

Significant saving of time and labor

Staff can focus on their nursing and care duties

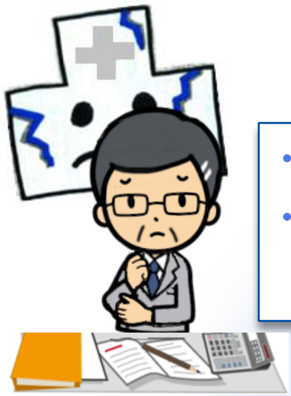
Effects of Introducing the CS Set: A Case Example

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



Note: Figures represent total values for six hospital wards.

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

ELAN

Management issues for operators related to hospitals and nursing care facilities

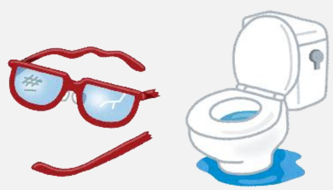
- Existing hospital-related businesses are saturated
- Cost reductions are strongly requested
- New opportunities for earning profits are needed

→

- Increase sales and profits

Overview of CS Set R and CS Set LC

New R/LC services can be added to CS Sets

CS Sets	New services	Merits
Towels / Clothes / Daily necessities 	+ Compensation for unpaid hospitalization expense CSセットR 	**Users and their families** • No need for co-guarantors or lump sum hospital payments • Peace of mind even during emergency hospitalizations **Hospitals and nursing care facilities** • Avoids risk of unpaid hospitalization expenses • Reduces payment demand and collection efforts when bills are unpaid
	+ Compensation for damages or accidents during hospitalization LC入院保証 	**Users and their families** • Compensation for expenses incurred as a result of damage to facility equipment or injuries to staff **Hospitals and nursing care facilities** • Helps reduce administrative costs and psychological stress related to property damage claim procedures

lifte Original Patient Gown




lifte

ELAN × Classico

Development of Original Patient Garments

Name:	lifte
Meaning:	Lift the quality and feeling of life at hospitals and facilities
Fabric:	Comfortable texture and design
	Remains soft and comfortable even with industrial laundering

Overview of Smile Wear

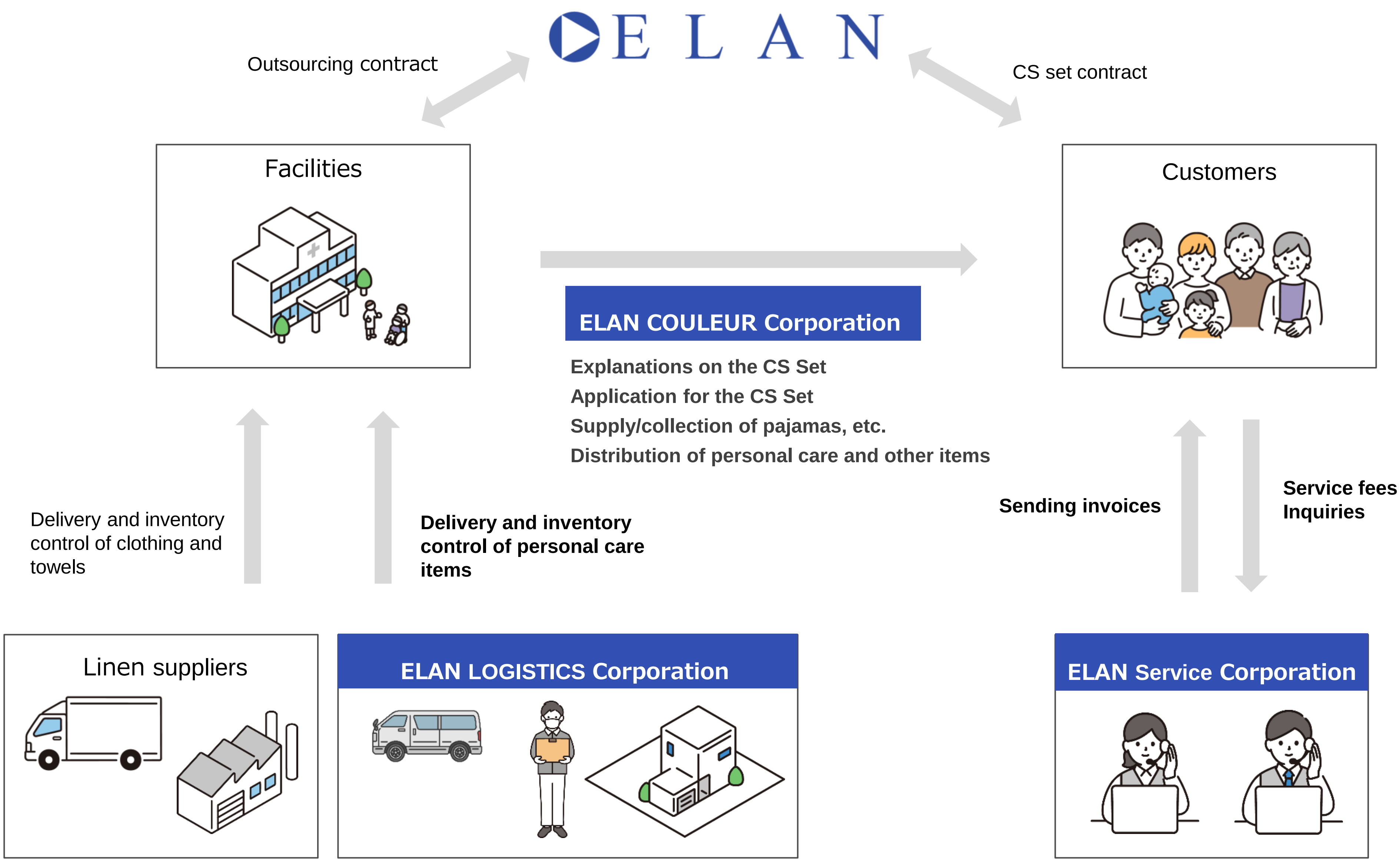
What is Smile ware?

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.”

Benefits of Using

- 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.

Role of Domestic Subsidiaries



Key Indicators of Domestic Subsidiaries

		2021	2022	2023	2024	2025
ELAN Service Corporation						
Number of contracted companies (hospitalization set)	Companies	4	5	9	13	16
Number of Facilities (hospitalization set)	Facilities	22	30	36	65	86
Number of contracted companies (other)	Companies	0	0	2	4	5
Number of Facilities (other)	Facilities	0	0	2	11	21
ELAN LOGISTICS Corporation						
Number of Facilities for delivery	Facilities	73	110	242	376	566
ELAN COULEUR Corporation						
Number of contracted facilities	Facilities	0	0	42	50	52
Number of employees with disabilities※1	People	0	0	13	25	24

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

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

The CS Set Has a Solid History in the Hospitalization Support Set Business

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.

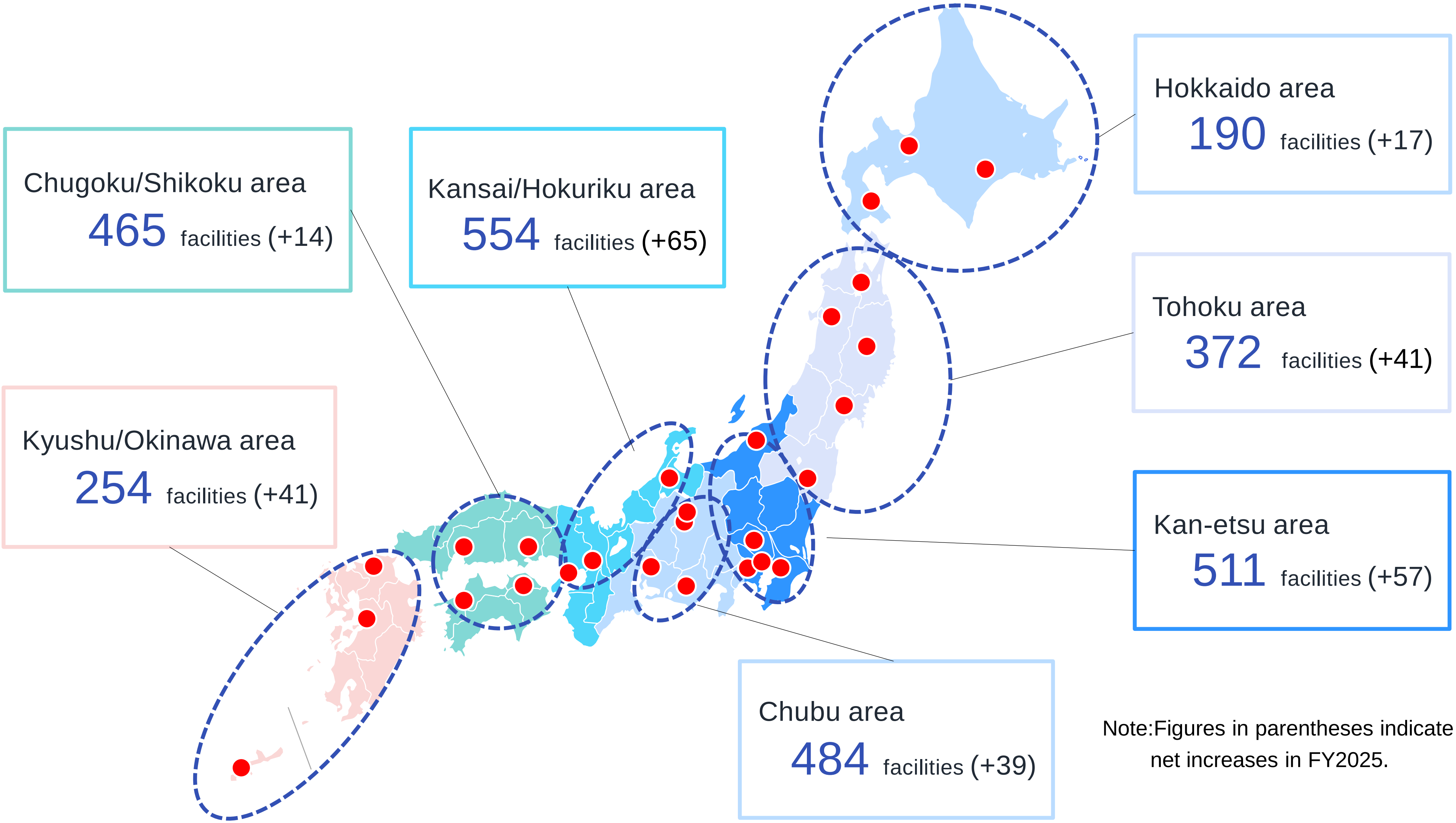
Three barriers against potential new entrants

1	2	3
Know-how	Business Model	Positioning

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

ELAN’s Operating Bases and Number of Contracted Facilities Throughout Japan (as of December 31, 2025)

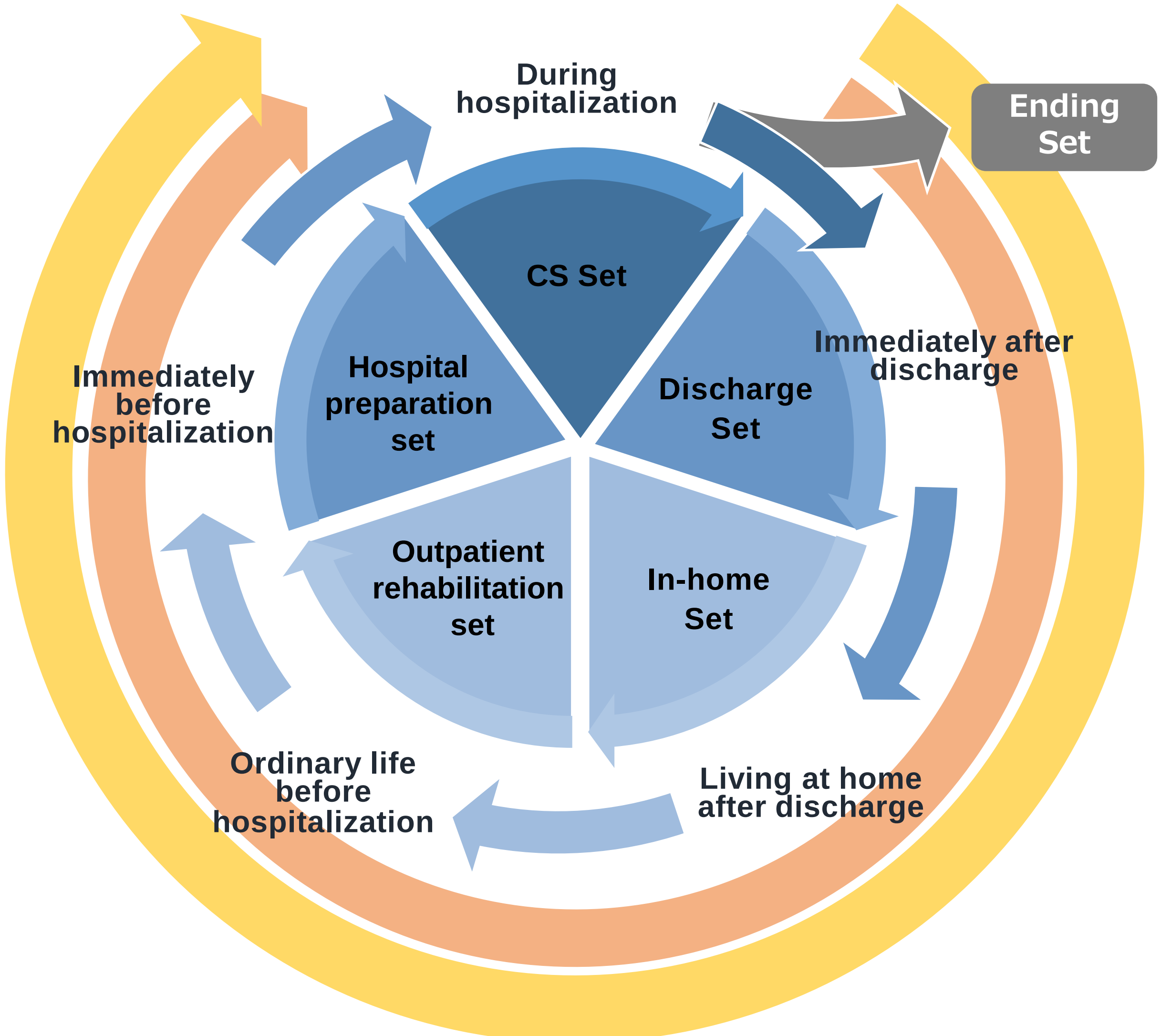
- We opened our Kobe Branch on December 1, 2025.



Note:Figures in parentheses indicate net increases in FY2025.

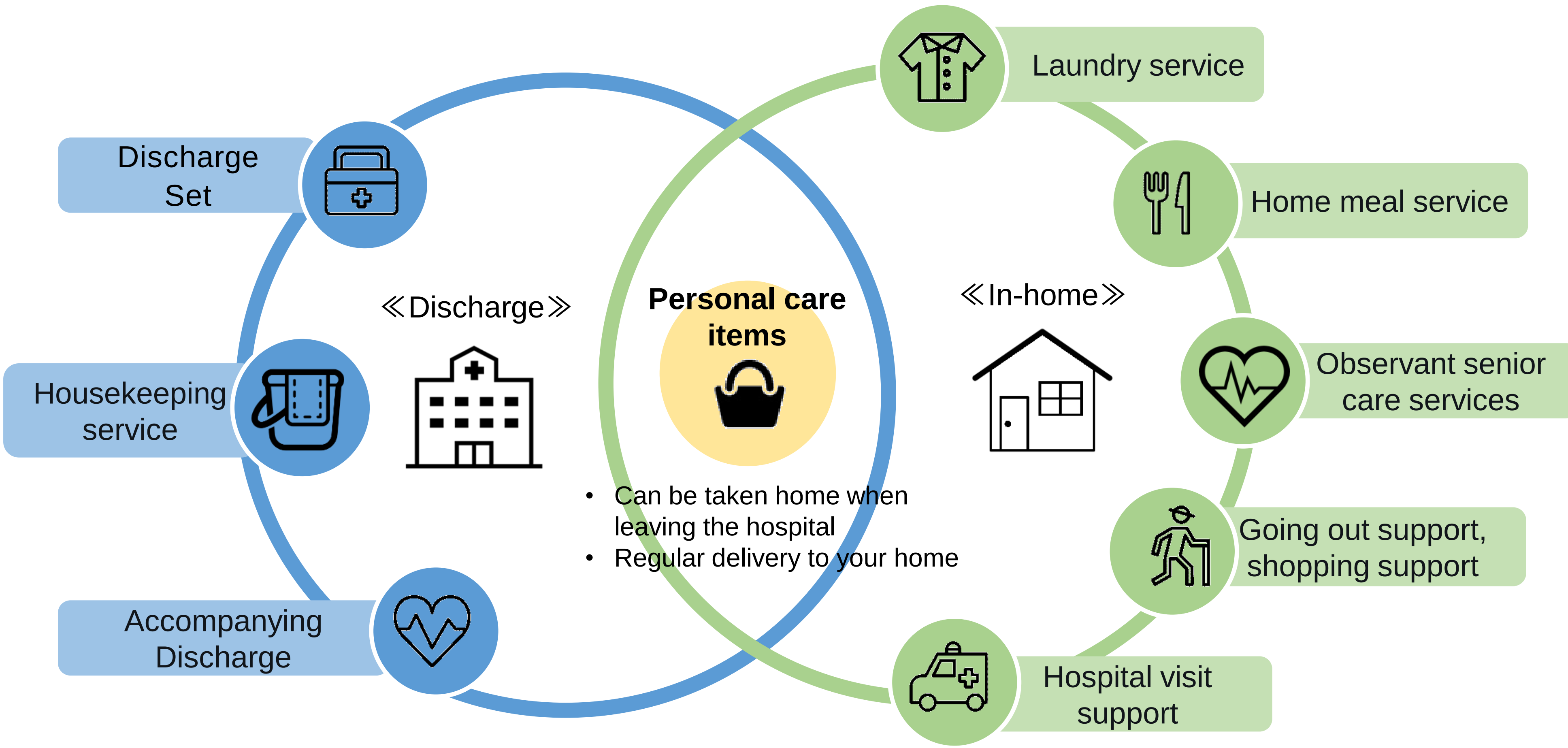
New business development ①Overall image

- 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.



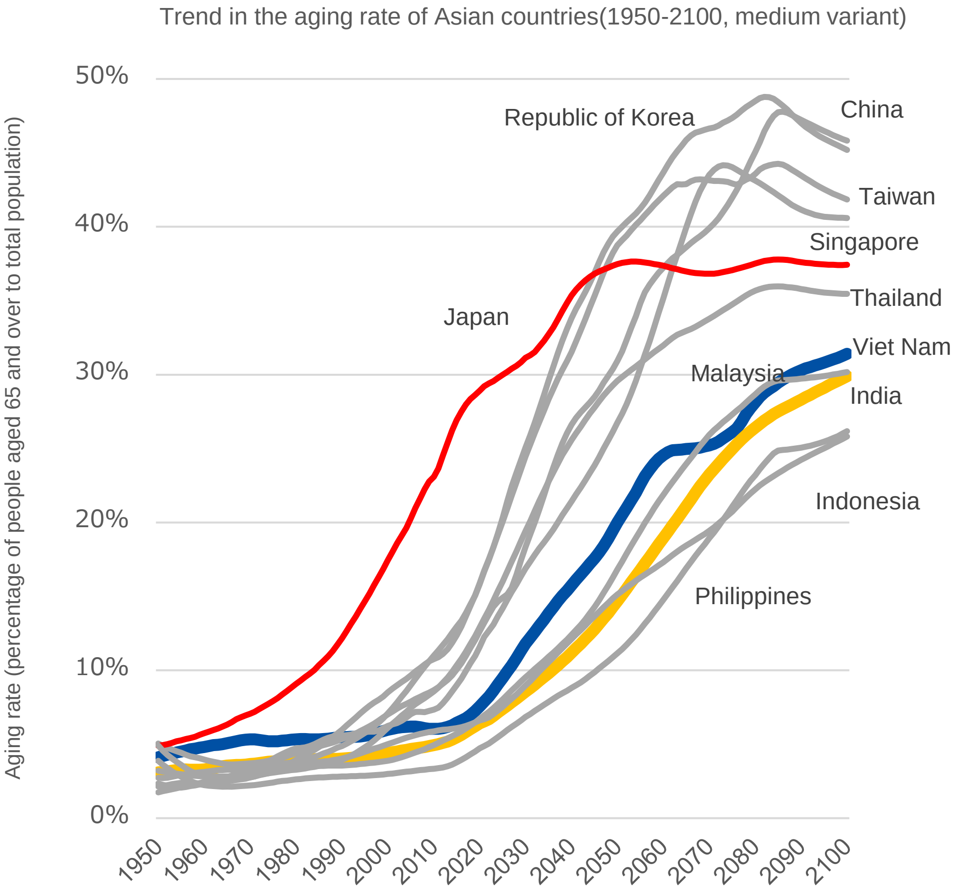
New business development ②Discharge Set / In-home Set

- 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.



	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.	

Created by ELAN from World Population Prospects 2024 Revision

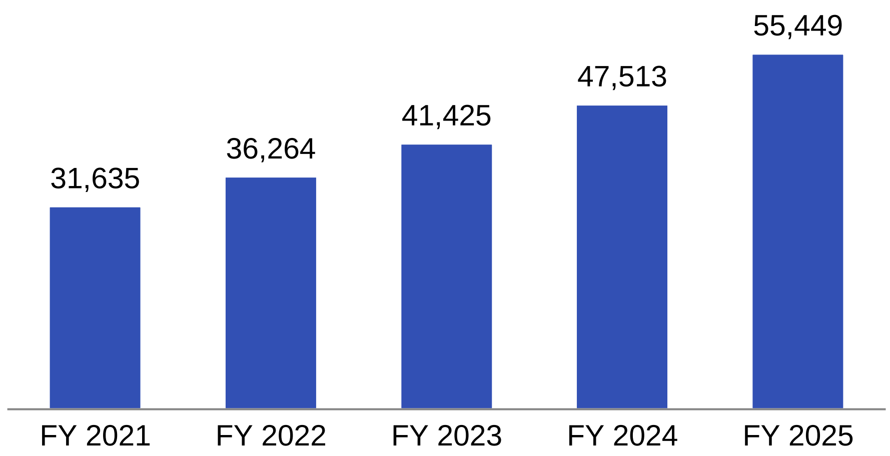
Sustainability Roadmap

- 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.

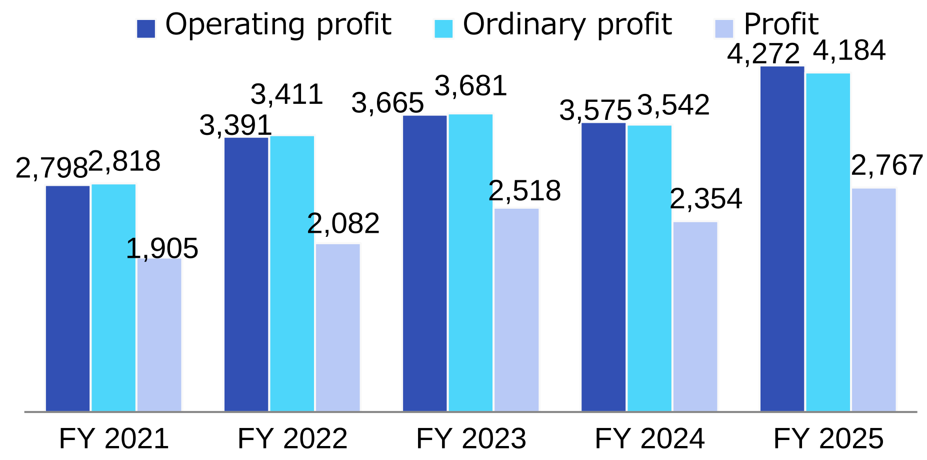
Materiality		2022	2023	2024	2025	2030
Whole		● Identifying materiality and setting goals	● Establishment of Sustainability Committee			
Environment	Provide stable services, reduce environmental burdens	● Build own warehouse and logistics →	● Climate change-related information disclosure based on TCFD recommendations →			
Social	Support the promotion of health and wellbeing of all people／Realize a society full of smiles		● Establishment ELAN COULEUR Corporation (with the aim of creating employment opportunities for people with disabilities) →	● Enhancing information disclosure regarding human capital management →		
Governance	Establish and maintain a sound, sustainable business foundation	● Strengthening corporate governance → ● Enforce safe driving → ● Strengthening compliance education →				

Financial Highlights (1)

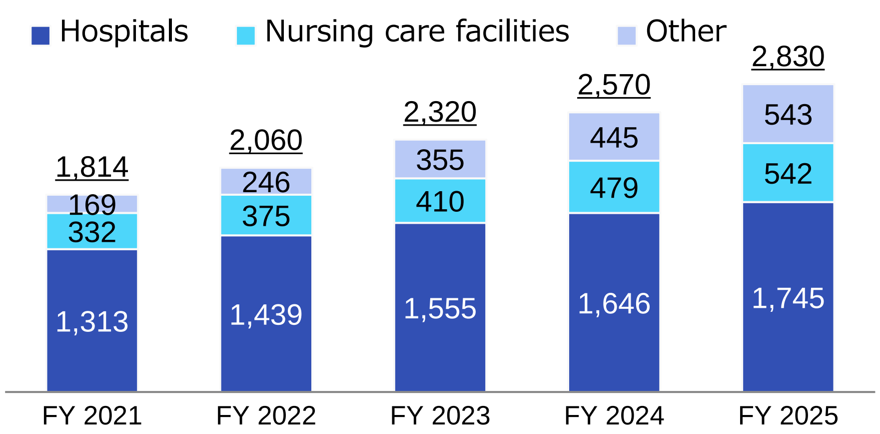
Net Sales (Millions of Yen)



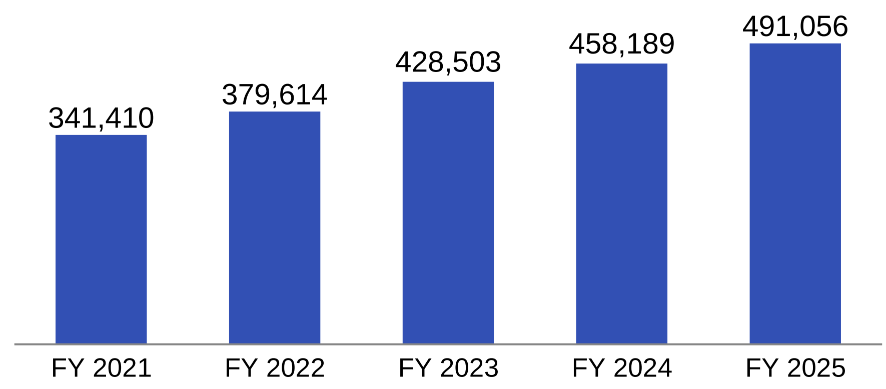
Profits (Millions of Yen)



Number of Contracted Facilities

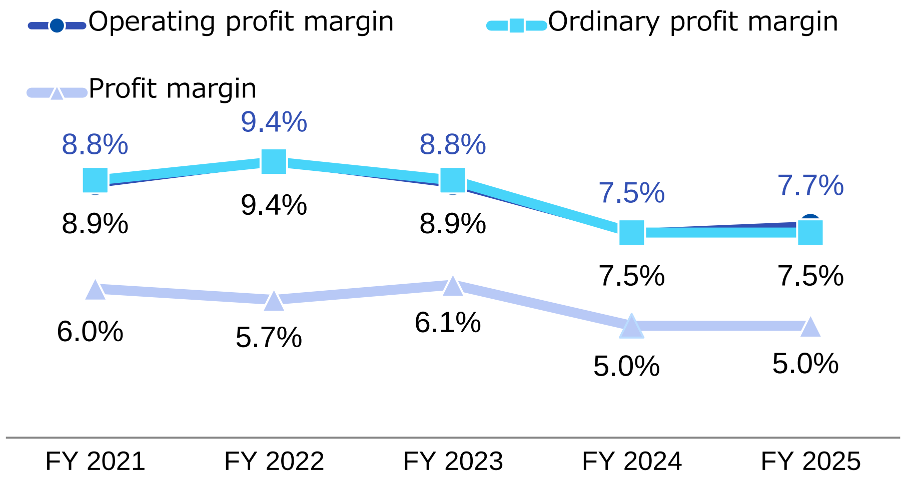


Number of Monthly Users (People)

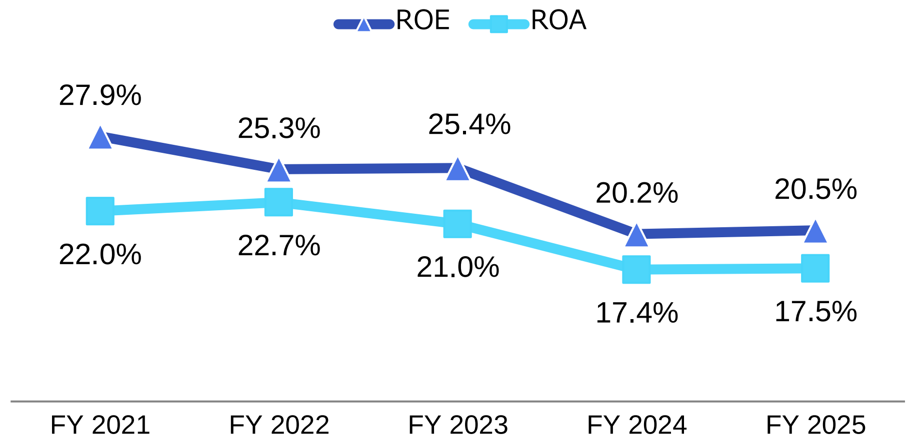


Financial Highlights (2)

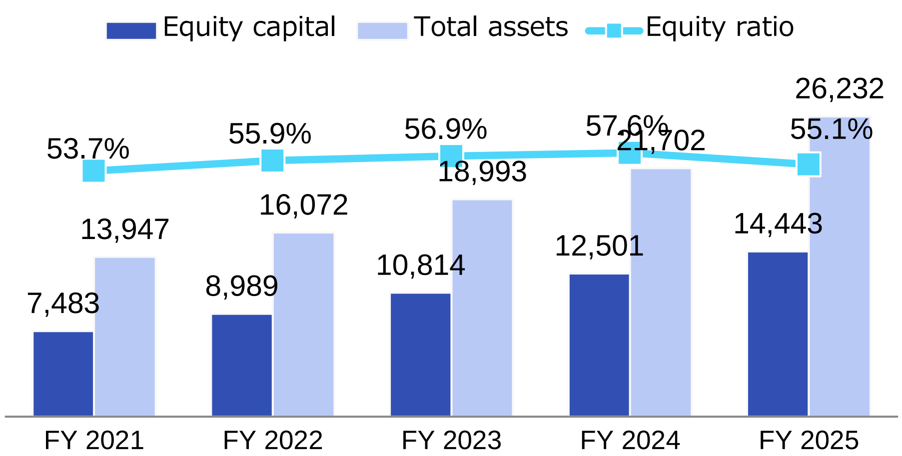
Profit Margins



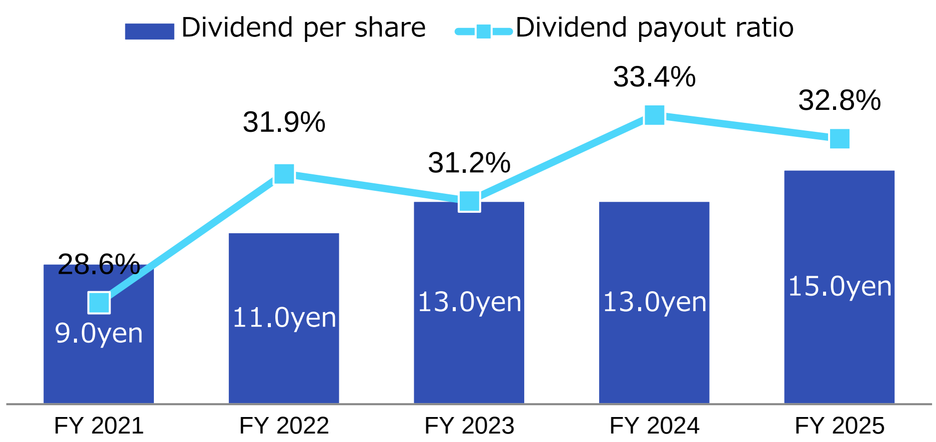
ROE and ROA



Total Assets, Equity Capital and Equity Ratio (Millions of Yen)



Dividend per Share and Dividend Payout Ratio



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 (February 4, 2026) and include risk factors and uncertainties.
Such statements may be changed due to a variety of reasons including changes in the business environment.

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