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Consolidated Financial Results for the Six Months (First Half) Ended June 30, 2026 (Based on Japanese GAAP)

July 31, 2026

Company Name: ELAN Corporation　　Stock Exchange Listing: Tokyo Stock Exchange
Stock Code: 6099　URL https://www.kkelan.com/
Representative: Tomohiro Minezaki, Representative Director, President, Executive Officer and CEO
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Scheduled date to file semi-annual securities report: August 3, 2026
Scheduled date to commence dividend payments: －
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months (First Half) Ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (Cumulative)　(Percentages indicate year-on-year changes for the first half)

	Net Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent	
First half ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	29,525	10.0	2,641	28.3	2,591	27.5	1,738	27.2
June 30, 2025	26,840	17.5	2,059	6.7	2,032	4.3	1,367	3.2

(Note) Comprehensive Income　The first half ended June 30, 2026　1,813 million yen (63.8%)
The first half ended June 30, 2025　1,107 million yen (-19.9%)

	Earnings Per Share	Diluted Earnings Per Share
First half ended	Yen	Yen
June 30, 2026	28.74	－
June 30, 2025	22.61	－

(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
As of	Millions of yen	Millions of yen	%
June 30, 2026	27,148	15,770	56.5
December 31, 2025	26,575	14,862	54.3

(Reference) Equity Capital　The first half ended June 30, 2026　15,349 million yen
Year ended December 31, 2025　14,443 million yen

2. Cash Dividends

	Annual Dividends Per Share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Fiscal Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2025	—	0.00	—	15.00	15.00
Year ending December 31, 2026	—	0.00			
Year ending December 31, 2026 (Forecast)			—	16.00	16.00

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

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		Net Profit Attributable to Owners of Parent		Earnings Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	60,800	9.7	5,000	17.0	5,000	19.5	3,200	15.6	52.81

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

* Notes

(1) Significant Changes in the Scope of Consolidation During the First Half Ended June 30, 2026: No

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

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

(1) Changes in accounting policies due to revisions to accounting standards and other regulations: No
(2) Changes in accounting policies due to other reasons: No
(3) Changes in accounting estimates: No
(4) Restatement of prior period financial statements: No

(4) Number of Issued Shares (Common Shares)

(1) Total number of issued shares at the end of the period (including treasury shares)	As of June 30, 2026	60,600,000shares	As of December 31, 2025	60,600,000shares
(2) Number of treasury shares at the end of the period	As of June 30, 2026	114,047shares	As of December 31, 2025	116,731shares
(3) Average number of shares during the period (cumulative from the beginning of the fiscal year)	As of June 30, 2026	60,484,406shares	As of June 30, 2025	60,468,620shares

(Note) In regard to the number of treasury shares at the end of the period, the total number of Elan’s share (115,728 shares at the fiscal year ended December 31, 2025, and 113,028 shares at the first half ended June 30, 2026) held by the Custody Bank of Japan, Ltd. (Trust E Account) as trust assets of the BBT and J-ESOP are included.

* This summary of first-half financial results is not subject to review by a certified public accountant or audit firm.

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

(Disclaimer about forward-looking statements and other related matters)

Forward-looking statements, such as business forecasts, included in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and actual results may differ significantly due to various factors.

(Supplementary materials on financial results)

The Company plans to hold a briefing for institutional investors and analysts on Friday, July 31, 2026. The financial results briefing materials to be used at this meeting will be posted on TDnet and the Company’s website on Friday, July 31, 2026.

○Index for Supplementary Material

1. Qualitative Information Related to the First Half Financial Results

(1) Explanation Related to Operating Results

The economy in Japan during the first half ended June 30, 2026, was on a gradual recovery trend with improvement of employment and income environment. However, the outlook of the economic conditions continues to be uncertain due to downside risks, such as the heightening of geopolitical risks in the Middle East region, trends in U.S. trade policies, rapid fluctuations in foreign exchange rates, and the impact on personal consumption accompanying continuous price increases.

In the nursing and medical care industry in which the Group operates, with steady rise in the aging of the population as evidenced by such factors as the population aged 65 years and over of 36.22 million accounting for 29.5% of the total population as of July 1, 2026 (July 2026 Monthly Report of Population Estimates by the Statistics Bureau of the Ministry of Internal Affairs and Communications), the market size for services that concern the Group is likely to expand.

Under such circumstances, the Group engaged in sales to medical and nursing facilities (hospitals, nursing facilities for the elderly, and other such facilities) from its 30 branches and sales offices across Japan to increasingly spread and expand the "CS (Care Support) Set," which are the core services in the Group's nursing and medical care related business.

As a result, the Group had 182 facilities with which agreements were newly entered and 70 facilities with which agreements ended in the first half ended June 30, 2026, thereby increasing number of facilities that has introduced the CS Set by 112 facilities compared with the end of fiscal year 2025 and the total number of implemented facilities has reached to 2,942 facilities.

As a result, for the first half ended June 30, 2026, net sales amounted to 29,525,987 thousand yen (up 10.0% year-on-year), operating profit was 2,641,402 thousand yen (up 28.3% year-on-year), ordinary profit was 2,591,021 thousand yen (up 27.5% year-on-year), and profit attributable to owners of parent for the first half was 1,738,594 thousand yen (up 27.2% year-on-year).

Effective July 1, 2026, the Group commenced operations of its Utsunomiya Branch in Utsunomiya City, Tochigi Prefecture.

With the opening of the Utsunomiya Branch, we aim to deliver prompt, high-quality services rooted in the local community. By strengthening sales and expanding our business in this region, we will strive to further enhance customer satisfaction. Moving forward, the Group will continue to expand the number of facilities adopting the CS Set from its 31 locations across Japan, including the head office, branches, and sales offices, as we endeavor to expand our sales activities and operations nationwide.

(2) Explanation Related to Financial Position

① Assets, Liabilities, and Net Assets

(Assets)

Total assets at the end of the current consolidated first half increased by 573,660 thousand yen compared with the end of the previous consolidated fiscal year to 27,148,665 thousand yen. Of this, current assets decreased by 716,309 thousand yen compared with the end of the previous consolidated fiscal year to 17,818,794 thousand yen. This was mainly attributable to increases of 538,034 thousand yen in cash and deposits, while supplies decreased by 1,077,340 thousand yen; the decrease in supplies resulted from factors such as a change in the accounting treatment of original patient gowns, which were previously recorded as supplies, and their reclassification to tangible fixed assets.

On the other hand, non-current assets increased by 1,289,970 thousand yen compared with the end of the previous consolidated fiscal year to 9,329,870 thousand yen. This was mainly attributable to an increase of 1,378,759 thousand yen in tangible fixed assets due to the aforementioned change in accounting treatment.

(Liabilities)

Total liabilities at the end of the current consolidated first half decreased by 334,465 thousand yen compared with the end of the previous consolidated fiscal year to 11,377,964 thousand yen. This was mainly attributable to decreases in trade accounts payable by 352,371 thousand yen, and long-term borrowings by 114,255 thousand yen.

(Net Assets)

Total net assets at the end of the current consolidated first half increased by 908,126 thousand yen compared with the end of the previous consolidated fiscal year to 15,770,701 thousand yen. This was mainly because of an increase in retained earnings, which increased by 829,093 thousand yen due to the recording of net profit for the first half attributable to owners of parent of 1,738,594 thousand yen, despite the payment of dividends to shareholders of 908,984 thousand yen.

②Cash Flow

(Cash flows from operating activities)

Net cash provided by operating activities during the current consolidated first half was 1,845,878 thousand yen (an increase in inflows of 261,307 thousand yen compared with the same period of the previous fiscal year). Although funds decreased by 862,337 thousand yen due to the payment of income taxes, etc., funds increased by 2,700,156 thousand yen through operating activities during the current consolidated first half.

(Cash flows from investing activities)

Net cash used in investing activities during the current consolidated first half was 373,236 thousand yen (a decrease in outflows of 1,602,387 thousand yen compared with the same period of the previous fiscal year). This was mainly attributable to an outflow of 370,215 thousand yen for the purchase of tangible fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities during the current consolidated first half was 947,721 thousand yen (an increase in outflows of 126,723 thousand yen compared with the same period of the previous fiscal year). This was mainly attributable to the payment of dividends to shareholders of 908,924 thousand yen.

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

Not applicable.

3. Semi-Annual Consolidated Financial Statements and Major Notes

(1) Semi-Annual Consolidated Balance Sheets

(Thousands of yen)

	Previous consolidated fiscal year (As of December 31, 2025)	Current consolidated first half (As of June 30, 2026)
Assets		
Current assets		
Cash and deposits	6,845,410	7,383,445
Accounts receivable - trade and contract assets	7,026,614	7,044,270
Merchandise	1,862,354	1,560,395
Supplies	1,103,765	26,424
Accounts receivable - other	2,293,478	2,590,106
Other	285,899	179,748
Allowance for doubtful accounts	(882,418)	(965,596)
Total current assets	18,535,104	17,818,794
Non-current assets		
Property, plant and equipment	1,386,404	2,765,163
Intangible assets		
Goodwill	1,078,249	1,051,884
Other	1,104,692	1,086,473
Total intangible assets	2,182,941	2,138,358
Investments and other assets		
Investment securities	1,160,538	1,196,169
Long-term loans receivable	950,880	940,640
Shares of subsidiaries and associates	1,521,574	1,435,673
Other	919,523	945,880
Allowance for doubtful accounts	(81,961)	(92,014)
Total investments and other assets	4,470,554	4,426,349
Total non-current assets	8,039,900	9,329,870
Total assets	26,575,004	27,148,665
Liabilities		
Current liabilities		
Accounts payable - trade	8,384,308	8,031,937
Short-term borrowings	365,474	305,072
Current portion of long-term borrowings	97,325	175,364
Income taxes payable	893,073	952,804
Other	1,314,182	1,377,480
Total current liabilities	11,054,363	10,842,659
Non-current liabilities		
Long-term borrowings	365,827	251,572
Provision for share awards	44,585	48,784
Provision for share awards for directors (and other officers)	27,443	28,654
Other	220,209	206,293
Total non-current liabilities	658,066	535,305
Total liabilities	11,712,429	11,377,964
Net assets		
Shareholders' equity		
Share capital	573,496	573,496
Capital surplus	543,496	543,496
Retained earnings	13,511,101	14,340,195
Treasury shares	(163,100)	(159,315)
Total shareholders' equity	14,464,994	15,297,872
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7,659)	(11,327)
Foreign currency translation adjustment	(13,821)	62,875
Total accumulated other comprehensive income	(21,480)	51,547
Non-controlling interests	419,061	421,280
Total net assets	14,862,574	15,770,701
Total liabilities and net assets	26,575,004	27,148,665

(2) Semi-Annual Consolidated Statements of Income and Comprehensive Income

(Semi-Annual Consolidated Statements of Income)

(Thousands of yen)

	First Half Ended June 30, 2025 (From January 1, 2025 to June 30, 2025)	First Half Ended June 30, 2026 (From January 1, 2026 to June 30, 2026)
Net sales	26,840,429	29,525,987
Cost of sales	21,073,465	22,843,698
Gross profit	5,766,963	6,682,288
Selling, general and administrative expenses	3,707,673	4,040,885
Operating profit	2,059,289	2,641,402
Non-operating income		
Interest income	4,154	36,167
Subsidy income	5,087	4,324
Late charges income	6,083	8,723
Consulting fee income	2,100	2,850
Other	11,654	32,629
Total non-operating income	29,080	84,694
Non-operating expenses		
Interest expense	18,458	26,862
Loss on investments in investment partnerships	32,774	6,637
Net foreign exchange loss	4,847	8,695
Equity in loss of affiliates	-	92,879
Other	225	-
Total non-operating expenses	56,305	135,075
Ordinary profit	2,032,064	2,591,021
Semi-annual profit before income taxes	2,032,064	2,591,021
Current income taxes	713,045	917,665
Deferred income taxes	(59,484)	(59,445)
Total income taxes	653,561	858,219
Semi-annual net profit	1,378,502	1,732,801
Semi-annual net profit (loss) attributable to non-controlling interests	11,196	(5,792)
Semi-annual net profit attributable to owners of parent	1,367,306	1,738,594

(Semi-Annual Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	First Half Ended June 30, 2025 (From January 1, 2025 to June 30, 2025)	First Half Ended June 30, 2026 (From January 1, 2026 to June 30, 2026)
Semi-annual net profit	1,378,502	1,732,801
Other comprehensive income		
Valuation difference on available-for-sale securities	(32,501)	(3,667)
Foreign currency translation adjustment	(238,892)	84,716
Total other comprehensive income	(271,393)	81,048
Semi-annual comprehensive income	1,107,109	1,813,850
Semi-annual comprehensive income attributable to:		
Owners of parent	1,127,125	1,811,631
Non-controlling interests	(20,016)	2,219

(3) Semi-Annual Consolidated Statements of Cash Flows

(Thousands of yen)

	First Half Ended June 30, 2025 (From January 1, 2025 to June 30, 2025)	First Half Ended June 30, 2026 (From January 1, 2026 to June 30, 2026)
Cash flows from operating activities		
Semi-annual profit before income taxes	2,032,064	2,591,021
Depreciation	700,814	146,509
Amortization of goodwill	54,887	61,301
Increase (decrease) in allowance for doubtful accounts	92,096	92,185
Increase (decrease) in provision for share awards	1,462	4,621
Increase (decrease) in provision for share awards for directors and other officers	4,050	4,050
Interest and dividend income	(4,155)	(36,169)
Loss (gain) on foreign exchange	4,847	8,695
Interest expenses	18,458	26,862
Equity in loss (earnings) of affiliates	—	92,879
Loss (gain) on investments in investment partnerships	32,774	6,637
Loss (gain) on sale of non-current assets	(521)	(379)
Loss on retirement of non-current assets	225	12,365
Decrease (increase) in trade receivables	(609,196)	(298,157)
Decrease (increase) in inventories	(33,829)	285,556
Decrease (increase) in other current assets	4,919	22,769
Increase (decrease) in trade payables	(171,188)	(344,876)
Increase (decrease) in other accounts payable	124,307	15,723
Increase (decrease) in other current liabilities	(37,110)	10,711
Other, net	8,322	(2,151)
Subtotal	2,223,231	2,700,156
Interest and dividends received	3,355	34,921
Interest paid	(18,458)	(26,862)
Income taxes paid	(623,557)	(862,337)
Net cash provided by (used in) operating activities	1,584,571	1,845,878
Cash flows from investing activities		
Payments into time deposits	(24,293)	(24,328)
Proceeds from withdrawal of time deposits	24,292	24,293
Purchase of property, plant and equipment	(634,075)	(370,215)
Proceeds from sale of property, plant and equipment	4,196	1,582
Purchase of investment securities	(199,108)	(19,817)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,080,575)	—
Purchase of intangible assets	(8,795)	(16,500)
Payments of leasehold deposits	(45,298)	(9,546)
Proceeds from refund of leasehold deposits	208	488
Other, net	(12,174)	40,806
Net cash provided by (used in) investing activities	(1,975,624)	(373,236)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	93,484	(49,390)
Repayments of long-term borrowings	(51,116)	(4,345)
Proceeds from long-term borrowings	—	16,154
Decrease (increase) in treasury shares	—	(11)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(88,681)	(330)
Dividends paid	(774,349)	(908,924)
Repayments of lease liabilities	(335)	(873)
Net cash provided by (used in) financing activities	(820,998)	(947,721)
Effect of exchange rate change on cash and cash equivalents	(19,215)	13,079
Net increase (decrease) in cash and cash equivalents	(1,231,266)	538,000
Cash and cash equivalents at beginning of period	6,825,105	6,821,116
Cash and cash equivalents at semi-annual period end	5,593,839	7,359,116

(4) Notes to Semi-Annual Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Changes in scope of consolidation or scope of application of equity method)

There are no significant changes.

(Additional information)

(Accounting treatment of our original patient gowns)

Regarding original patient gowns, which were previously recorded as "supplies" and expensed in full at the time of issuance, the Company has changed the accounting treatment from the current consolidated first half to include them in tangible fixed assets and depreciate them using the straight-line method (3 years).

(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 other officers (hereinafter, "directors and other officers") 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 motivate directors and other officers to share not only the benefits of rises in stock prices but also the risks of falls in stock prices with shareholders, raising their awareness of contributing to the enhancement of business performance and corporate value in the medium to long term.

The BBT is a performance-linked share-based remuneration plan under which the Company's shares are acquired through a trust using monies contributed by the Company as the source of funds, and the Company's shares and monies equivalent to the market value of the Company's shares (hereinafter, "the Company's shares, etc.") are awarded through the trust to directors and other officers in accordance with the Rules on Share Awards provided by the Company. In principle, the timing when the Company's shares, etc. are awarded to directors and other officers shall be upon their retirement from office.

(2) Shares of the Company remaining in trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding the amount of incidental expenses). The book value and number of these treasury shares were 110,262 thousand yen and 78,428 shares as of the end of the previous consolidated fiscal year, and 106,888 thousand yen and 76,028 shares as of the end of the current consolidated first half.

(3) Method of 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 rules.

(Employee Stock Ownership Plan (J-ESOP))

(1) Outline of transactions

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

The J-ESOP is a mechanism under which the Company's shares are awarded to employees when they acquire the right to receive them in accordance with the Rules on Share Awards pre-established by the Company.

The Company grants points to employees in accordance with their years of service and the individual's level of contribution, etc., and awards the Company's shares equivalent to the points granted to those employees who satisfy the requirements to receive benefits. The shares to be awarded to employees, including those to be awarded in the future, will be acquired by the trust bank using monies placed in trust by the Company in advance, and will be managed separately as trust assets.

(2) Shares of the Company remaining in trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding the amount of incidental expenses). The book value and number of these treasury shares were 52,443 thousand yen and 37,300 shares as of the end of the previous consolidated fiscal year, and 52,022 thousand yen and 37,000 shares as of the end of the current consolidated first half.

(3) Method of 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 employees in accordance with the rules.

(Notes on segment information, etc.)

[Segment information]

I. Previous consolidated first half (From January 1, 2025 to June 30, 2025)

Since the Group's core business is the nursing and medical care-related business and other business segments are immaterial, this information is omitted.

II. Current consolidated first half (From January 1, 2026 to June 30, 2026)

Since the Group's core business is the nursing and medical care-related business and other business segments are immaterial, this information is omitted.

(Significant subsequent events)

Not applicable.