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Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Based on Japanese GAAP)

October 30, 2026

Company Name: ELAN Corporation Stock Exchange Listing: Tokyo Stock Exchange
Stock Code: 6099 URL https://www.kkelan.com/
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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 Nine Months Ended September 30, 2026 (from January 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate year-on-year changes for the nine months)

	Net Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	45,033	10.5	3,967	31.2	4,194	39.5	2,751	36.0
September 30, 2025	40,739	16.9	3,023	10.7	3,006	11.4	2,022	10.4

(Note) Comprehensive Income The nine months ended September 30, 2026 2,793 million yen (56.2%)
The nine months ended September 30, 2025 1,788 million yen (-3.4%)

	Earnings Per Share	Diluted Earnings Per Share
Nine months ended	Yen	Yen
September 30, 2026	45.49	—
September 30, 2025	33.45	—

(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	%
September 30, 2026	28,554	16,750	57.2
December 31, 2025	26,575	14,862	54.3

(Reference) Equity Capital The nine months ended September 30, 2026 16,340 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 Nine Months Ended September 30, 2026: No

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

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

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

(4) Number of Issued Shares (Common Shares)

(1) Total number of issued shares at the end of the period (including treasury shares)	As of September 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 September 30, 2026	113,953shares	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 September 30, 2026	60,484,928shares	As of September 30, 2025	60,471,779shares

(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 112,928 shares at the third quarter ended September 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 quarterly consolidated 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, October 30, 2026. The financial results briefing materials to be used at this meeting will be posted on TDnet and the Company's website on Friday, October 30, 2026.

○Index for Supplementary Material

1. Qualitative Information Related to the Third Quarter Financial Results ····· 2
(1) Explanation Related to Operating Results ····· 2
(2) Explanation Related to Financial Position ····· 2
2. Explanation Related to Summary Information (Items of Note) ····· 2
3. Quarterly Consolidated Financial Statements and Major Notes ····· 3
(1) Quarterly Consolidated Balance Sheets ····· 3
(2) Quarterly Consolidated Statements of Income and Comprehensive Income ····· 4
(3) Notes to Quarterly Consolidated Financial Statements ····· 6
(Notes on premise of going concern) ····· 6
(Notes on significant changes in the amount of shareholders' equity) ····· 6
(Changes in scope of consolidation or scope of application of equity method) ····· 6
(Additional information) ····· 6
(Notes on quarterly consolidated statements of cash flows) ····· 7
(Notes on segment information, etc.) ····· 7
(Significant subsequent events) ····· 7

1. Qualitative Information Related to the Third Quarter Financial Results

(1) Explanation Related to Operating Results

The economy in Japan during the nine months ended September 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 36.25 million accounting for 29.5% of the total population as of October 1, 2026 (October 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 31 branches and sales offices across Japan, including the Utsunomiya Branch in Utsunomiya City, Tochigi Prefecture, which commenced operations during the current consolidated nine months, 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 244 facilities with which agreements were newly entered and 102 facilities with which agreements ended in the nine months ended September 30, 2026, thereby increasing number of facilities that has introduced the CS Set by 142 facilities compared with the end of fiscal year 2025 and the total number of implemented facilities has reached to 2,972 facilities.

As a result, for the nine months ended September 30, 2026, net sales amounted to 45,033,264 thousand yen (up 10.5% year-on-year), operating profit was 3,967,012 thousand yen (up 31.2% year-on-year), ordinary profit was 4,194,982 thousand yen (up 39.5% year-on-year), and profit attributable to owners of parent for the nine months was 2,751,664 thousand yen (up 36.0% year-on-year).

(2) Explanation Related to Financial Position

(Assets)

Total assets at the end of the current consolidated third quarter increased by 1,979,294 thousand yen compared with the end of the previous consolidated fiscal year to 28,554,299 thousand yen. Of this, current assets increased by 1,313,001 thousand yen compared with the end of the previous consolidated fiscal year to 19,848,105 thousand yen. This was mainly attributable to increases of 1,220,078 thousand yen in cash and deposits, 1,042,757 thousand yen in accounts receivable - other, and 586,756 thousand yen in accounts receivable - trade and contract assets, while supplies decreased by 1,069,777 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 666,292 thousand yen compared with the end of the previous consolidated fiscal year to 8,706,193 thousand yen. This was mainly attributable to an increase of 1,409,015 thousand yen in tangible fixed assets, despite decreases of 327,509 thousand yen in shares of subsidiaries and associates, 242,263 thousand yen in investment securities, and 257,671 thousand yen in intangible assets; the increase in tangible fixed assets was due to the aforementioned change in accounting treatment.

(Liabilities)

Total liabilities at the end of the current consolidated third quarter increased by 91,247 thousand yen compared with the end of the previous consolidated fiscal year to 11,803,677 thousand yen. This was mainly attributable to an increase in accounts payable - trade by 171,182 thousand yen, while long-term borrowings decreased by 167,639 thousand yen.

(Net Assets)

Total net assets at the end of the current consolidated third quarter increased by 1,888,046 thousand yen compared with the end of the previous consolidated fiscal year to 16,750,621 thousand yen. This was mainly because of an increase in retained earnings, which increased by 1,842,163 thousand yen due to the recording of quarterly net profit attributable to owners of parent of 2,751,664 thousand yen, despite the payment of dividends to shareholders of 908,984 thousand yen.

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

Not applicable.

3. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	Previous consolidated fiscal year (As of December 31, 2025)	Current consolidated third quarter (As of September 30, 2026)
Assets		
Current assets		
Cash and deposits	6,845,410	8,065,488
Accounts receivable - trade and contract assets	7,026,614	7,613,371
Merchandise	1,862,354	1,590,432
Supplies	1,103,765	33,987
Accounts receivable - other	2,293,478	3,336,236
Other	285,899	213,295
Allowance for doubtful accounts	(882,418)	(1,004,705)
Total current assets	18,535,104	19,848,105
Non-current assets		
Property, plant and equipment	1,386,404	2,795,419
Intangible assets		
Goodwill	1,078,249	1,004,268
Other	1,104,692	921,002
Total intangible assets	2,182,941	1,925,270
Investments and other assets		
Investment securities	1,160,538	918,274
Long-term loans receivable	950,880	899,680
Shares of subsidiaries and associates	1,521,574	1,194,064
Other	919,523	1,069,193
Allowance for doubtful accounts	(81,961)	(95,709)
Total investments and other assets	4,470,554	3,985,503
Total non-current assets	8,039,900	8,706,193
Total assets	26,575,004	28,554,299
Liabilities		
Current liabilities		
Accounts payable - trade	8,384,308	8,555,490
Short-term borrowings	365,474	350,774
Current portion of long-term borrowings	97,325	172,038
Income taxes payable	893,073	853,003
Provision for bonuses	-	41,749
Other	1,314,182	1,353,222
Total current liabilities	11,054,363	11,326,279
Non-current liabilities		
Long-term borrowings	365,827	198,187
Provision for share awards	44,585	50,907
Provision for share awards for directors (and other officers)	27,443	31,940
Other	220,209	196,363
Total non-current liabilities	658,066	477,398
Total liabilities	11,712,429	11,803,677
Net assets		
Shareholders' equity		
Share capital	573,496	573,496
Capital surplus	543,496	543,496
Retained earnings	13,511,101	15,353,265
Treasury shares	(163,100)	(159,179)
Total shareholders' equity	14,464,994	16,311,078
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7,659)	4,552
Foreign currency translation adjustment	(13,821)	24,948
Total accumulated other comprehensive income	(21,480)	29,501
Non-controlling interests	419,061	410,041
Total net assets	14,862,574	16,750,621
Total liabilities and net assets	26,575,004	28,554,299

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Thousands of yen)

	Nine Months Ended September 30, 2025 (From January 1, 2025 to September 30, 2025)	Nine Months Ended September 30, 2026 (From January 1, 2026 to September 30, 2026)
Net sales	40,739,213	45,033,264
Cost of sales	32,101,602	34,979,989
Gross profit	8,637,610	10,053,275
Selling, general and administrative expenses	5,614,131	6,086,262
Operating profit	3,023,479	3,967,012
Non-operating income		
Interest income	15,710	62,022
Subsidy income	6,895	7,764
Late charges income	9,580	13,835
Consulting fee income	3,150	4,350
Gain on investments in investment partnerships	-	537,880
Other	25,856	47,090
Total non-operating income	61,193	672,943
Non-operating expenses		
Interest expense	32,356	42,832
Loss on retirement of non-current assets	225	-
Loss on investments in investment partnerships	32,777	-
Equity in loss of affiliates	-	348,370
Net foreign exchange loss	12,785	53,770
Total non-operating expenses	78,145	444,973
Ordinary profit	3,006,527	4,194,982
Profit before income taxes	3,006,527	4,194,982
Current income taxes	1,017,563	1,529,700
Deferred income taxes	(53,732)	(73,391)
Total income taxes	963,831	1,456,309
Quarterly net profit	2,042,695	2,738,672
Profit (loss) attributable to non-controlling interests	20,001	(12,991)
Profit attributable to owners of parent	2,022,693	2,751,664

(Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Nine Months Ended September 30, 2025 (From January 1, 2025 to September 30, 2025)	Nine Months Ended September 30, 2026 (From January 1, 2026 to September 30, 2026)
Quarterly net profit	2,042,695	2,738,672
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,779)	12,211
Foreign currency translation adjustment	(238,603)	42,749
Total other comprehensive income	(254,383)	54,961
Comprehensive income	1,788,312	2,793,634
Comprehensive income attributable to:		
Owners of parent	1,805,955	2,802,654
Non-controlling interests	(17,643)	(9,019)

(3) Notes to Quarterly 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 nine months 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 third quarter.

(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 51,881 thousand yen and 36,900 shares as of the end of the current consolidated third quarter.

(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 quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the nine months ended September 30, 2026. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the nine months ended September 30, 2026 are as follows:

(Thousands of yen)

	Nine Months Ended September 30, 2025 (From January 1, 2025 to September 30, 2025)	Nine Months Ended September 30, 2026 (From January 1, 2026 to September 30, 2026)
Depreciation	1,023,738	248,692
Amortization of goodwill	82,582	91,951

(Notes on segment information, etc.)

[Segment information]

I. Previous consolidated nine months (From January 1, 2025 to September 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 nine months (From January 1, 2026 to September 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.