



Medium-Term Business Plan 2026

Rolling Update of the plan shown on May 15, 2023

May 15th, 2024

Living Platform, Ltd.

(TSE Growth: 7091)



Medium-Term Business Plan 2026

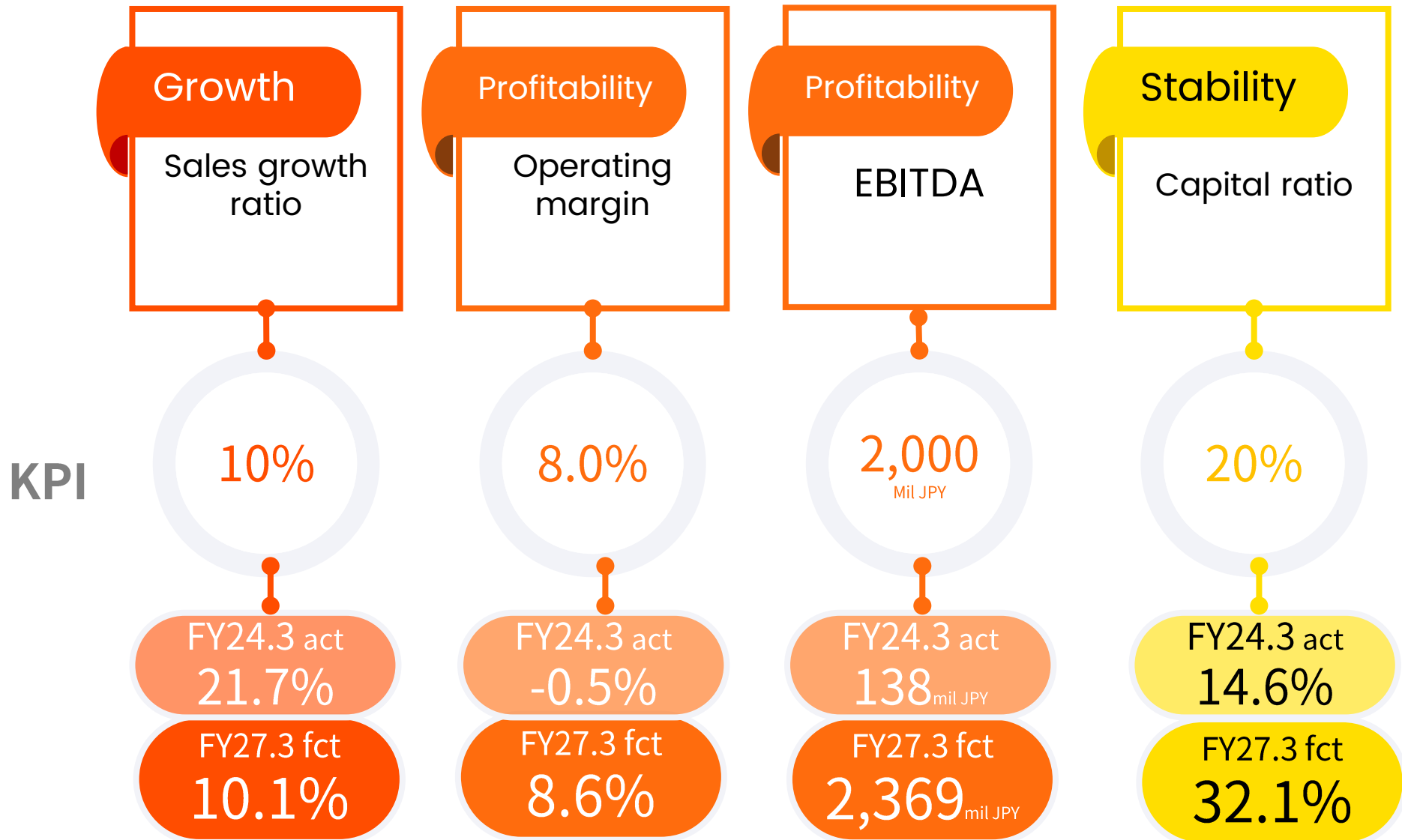
This presentation material is derived from the “[Medium-Term Business Plan 2025](#)” announced on May 15, 2023, and updated to reflect the latest situation.

There have been no recent updates regarding Market situation, Business Model and Competitive Advantage, and Business Driver. Please refer to the aforementioned presentation for more information.

Executive Summary

- ✓ FY25.3 has been set as a target year for some time, but as FY24.3 did not land as expected, we have set a very conservative plan for FY25.3 in order to avoid a downward revision of results.
- ✓ While we conservatively estimate the increase in utilities costs at +50% compared to FY24.3, we have not included in the revenue from price pass-on in our business plan
- ✓ The increase in the cost of foods is expected to be offset by a price pass-on, but is increased by about +5% as a buffer for FY25.3. On the other hand, income from price pass-on has not been factored into the business plan
- ✓ The additional payments that can be obtained as a result of the April 2024 remuneration revision have not been factored into the business plan, not only for FY25.3 but also for FY26.3 onward
- ✓ Due to operating losses in FY23.3 and FY24.3, the sales growth target has been lowered to around 10% from FY27.3 onwards in order to make improving operating profit a top priority and to slow down the speed of the new opening
- ✓ The operating situation of existing businesses, which was one of the factors behind the operating loss in FY24.3, was largely normalised by March 2024.
- ✓ In the nursing care business, M&A will be pursued as before in view of the rising construction costs
- ✓ Human capital will be enhanced, for example by promoting the acceptance of foreign national staff as well as those with specific skills

KPI Status (FY24.3 - FY27.3)





Medium-term Business Plan Balance sheet

- ✓ In order to establish a system where we can repay borrowings at any desired timing, considering the possibility of interest rate hikes, we are accelerating the accumulation of profits, aiming for the total amount of land, buildings, and current deposits to exceed the amount of borrowings
- ✓ Since the planned S&LB was not implemented, the equity ratio has not reached the level assumption

(Millions of yen)

	FY23.3			FY24.3			FY25.3			FY26.3		
	Plan (2022.08)	Act	Difference	Plan (2022.08)	Updated Plan	Difference	Plan (2022.08)	Updated Plan	Difference	Plan (2022.08)	Updated Plan	Difference
Current assets	4,351	3,256	△ 1,095	6,190	4,117	△ 2,073	8,006	5,369	△ 2,637	-	6,452	-
(Cash and deposits)	3,006	1,128	△ 1,878	4,651	952	△ 3,699	5,754	2,281	△ 3,473	-	3,211	-
Non-current assets	7,139	7,933	794	6,919	8,128	1,209	6,565	8,072	1,507	-	7,931	-
(Land and buildings, etc.)	2,780	4,334	1,554	2,600	2,796	196	2,433	2,813	380	-	2,864	-
Total assets	11,746	11,189	△ 557	13,332	12,245	△ 1,087	14,928	13,441	△ 1,487	-	14,383	-
Current liabilities	2,579	3,020	441	2,920	4,353	1,433	3,051	4,975	1,924	-	5,108	-
Non-current liabilities	7,029	6,506	△ 523	7,302	5,803	△ 1,499	7,349	5,260	△ 2,089	-	4,661	-
Total liabilities	9,608	9,526	△ 82	10,222	10,156	△ 66	10,399	10,235	△ 164	-	9,768	-
Net assets	2,138	1,662	△ 476	3,109	2,089	△ 1,020	4,529	3,206	△ 1,323	-	4,615	-
Total liabilities and net assets	11,746	11,189	△ 557	13,332	12,245	△ 1,087	14,928	13,441	△ 1,487	-	14,383	-
Equity ratio	18.2%	14.6%	△3.6%	23.3%	17.1%	△6.2%	30.3%	23.9%	△6.5%	-	32.1%	-
Borrowings, etc.	5,911	5,369	△ 542	6,321	4,364	△ 1,957	6,356	3,518	△ 2,838	-	2,885	-



Medium-term Business Plan

PROFIT AND LOSS STATEMENT

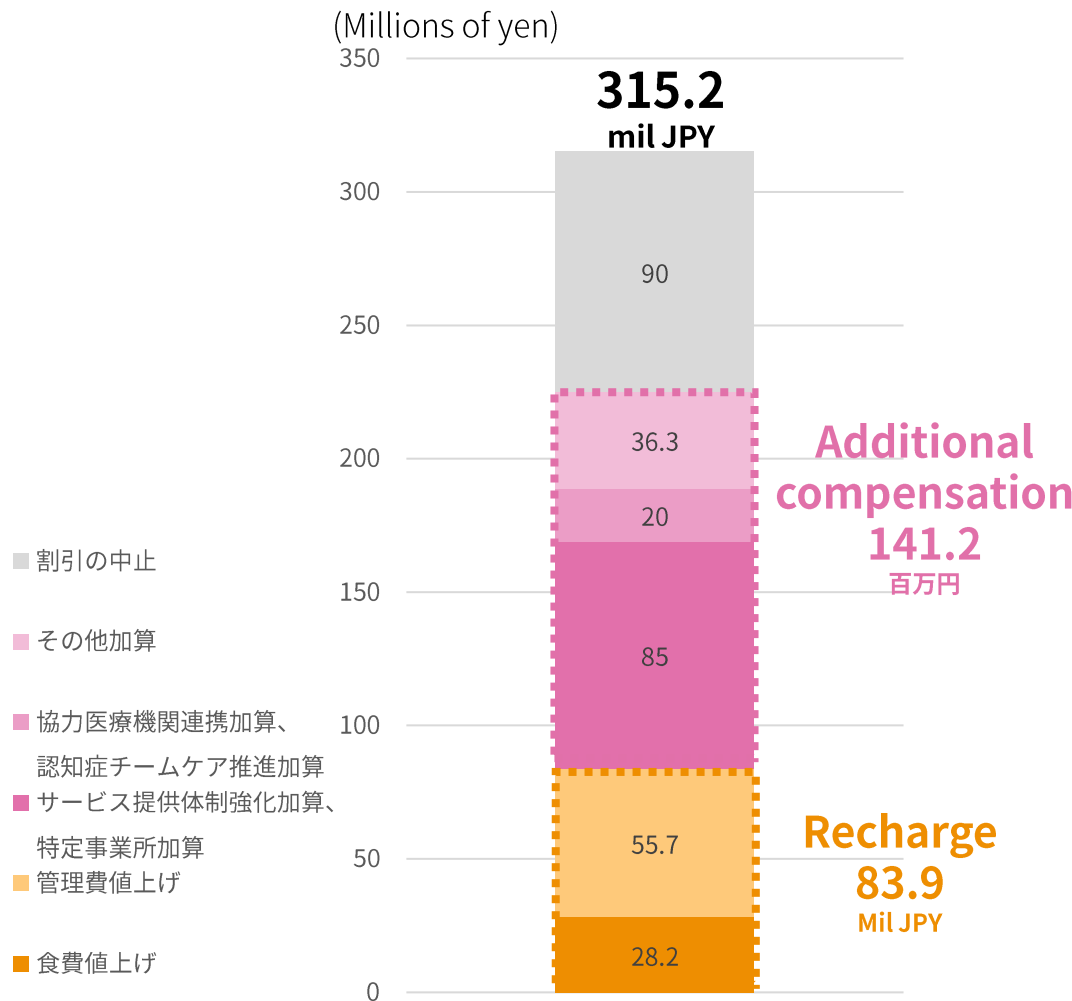
- ✓ The main reasons for the operating profit decline in FY24.3 were lower occupancy rates in existing businesses due to the leaving of incoming personnel from other industries under COVID-19, higher personnel recruitment costs and delays in improving the occupancy rates of some new large facilities; These factors had largely recovered by March 2024
- ✓ In FY25.3, non-operating profit previously generated by price increases and receipt of subsidies for Corona support will be significantly reduced. Price pass-on is planned, but not foreseen in the plan
- ✓ There is a possibility of an increase in operating income following the revision of remuneration, but this has also not been included into the plan
- ✓ The increase in utility costs is assumed to be +50% compared to FY24.3 results, and has been factored in quite conservatively
- ✓ The rise in foodstuff costs is expected to be offset by a price pass-on, but has been factored in as a buffer of +5% in FY25.3

(Millions of yen)

	FY23.3			FY24.3			FY25.3			FY26.3		
	Plan (2022.08)	Act	Difference	Plan (2022.08)	Updated Plan	Difference	Plan (2022.08)	Updated Plan	Difference	Plan (2022.08)	Updated Plan	Difference
Net sales	16,928	16662	△ 266	20,337	18,965	△ 1372	23,871	21,496	△ 2375	-	23,660	-
Operating profit	246	△ 81	△ 327	1,332	503	△ 829	2,037	1,566	△ 471	-	2,041	-
%	1.5%	△ 0	-	6.5%	2.7%	-	8.5%	7.3%	-	-	8.6%	-
Ordinary profit	266	197	△ 69	1,379	461	△ 918	2,032	1,571	△ 461	-	2,034	-
%	1.6%	0	-	6.8%	2.3%	-	8.5%	7.3%	-	-	8.6%	-
Profit before income taxes	266	258	△ 8	1,379	461	△ 918	2,032	1,562	△ 470	-	2,034	-
%	1.6%	0	-	6.8%	2.3%	-	8.5%	7.3%	-	-	8.6%	-
Profit attributable to owners of parent	182	189	7	971	357	△ 614	1,420	1,117	△ 303	-	1,408	-
%	1.1%	0	-	4.8%	1.8%	-	5.9%	5.2%	-	-	6.0%	-

🌸 Potential Operating Profit : Elderly Care

- ✓ Recharge of utilities costs and food costs, and additional care compensation will contribute to raise net sales after FY25.3 by 315.2 mil JPY.
- ✓ The increase due to the revision of care remuneration in April 2024 is expected to be approximately +141.2 million JPY in conservative estimates, but further scrutiny could add further to this figure



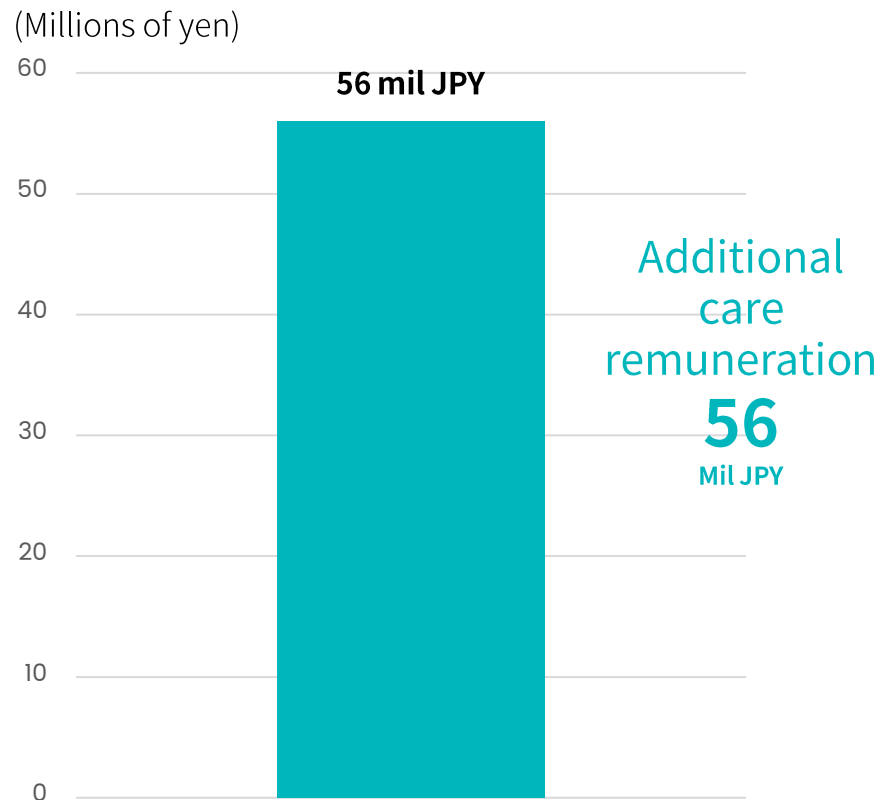
Decrease in the number of users with the promotional prices

141.2m increase expected due to new and additional additions acquired as a result of the remuneration revision. The reduction is offset within others

Expected increase in sales of 83.9mil JPY (118.4mil JPY on an annual basis) due to price pass-through.

Potential Operating Profit : Disabilities Support

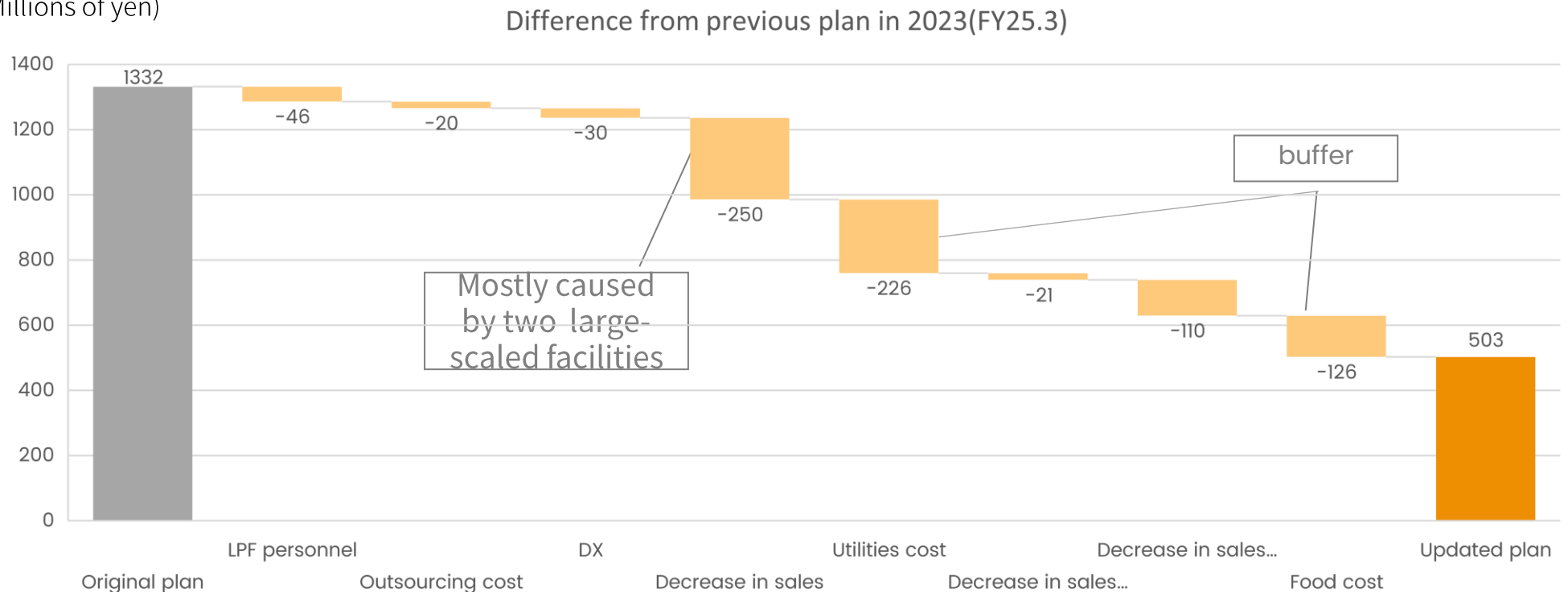
- ✓ The increase due to the revision of care remuneration in April 2024 is expected to be approximately +56 million JPY in conservative estimates, but further scrutiny could add further to this figure



Factors of decreasing operating profit from original plan : FY25.3

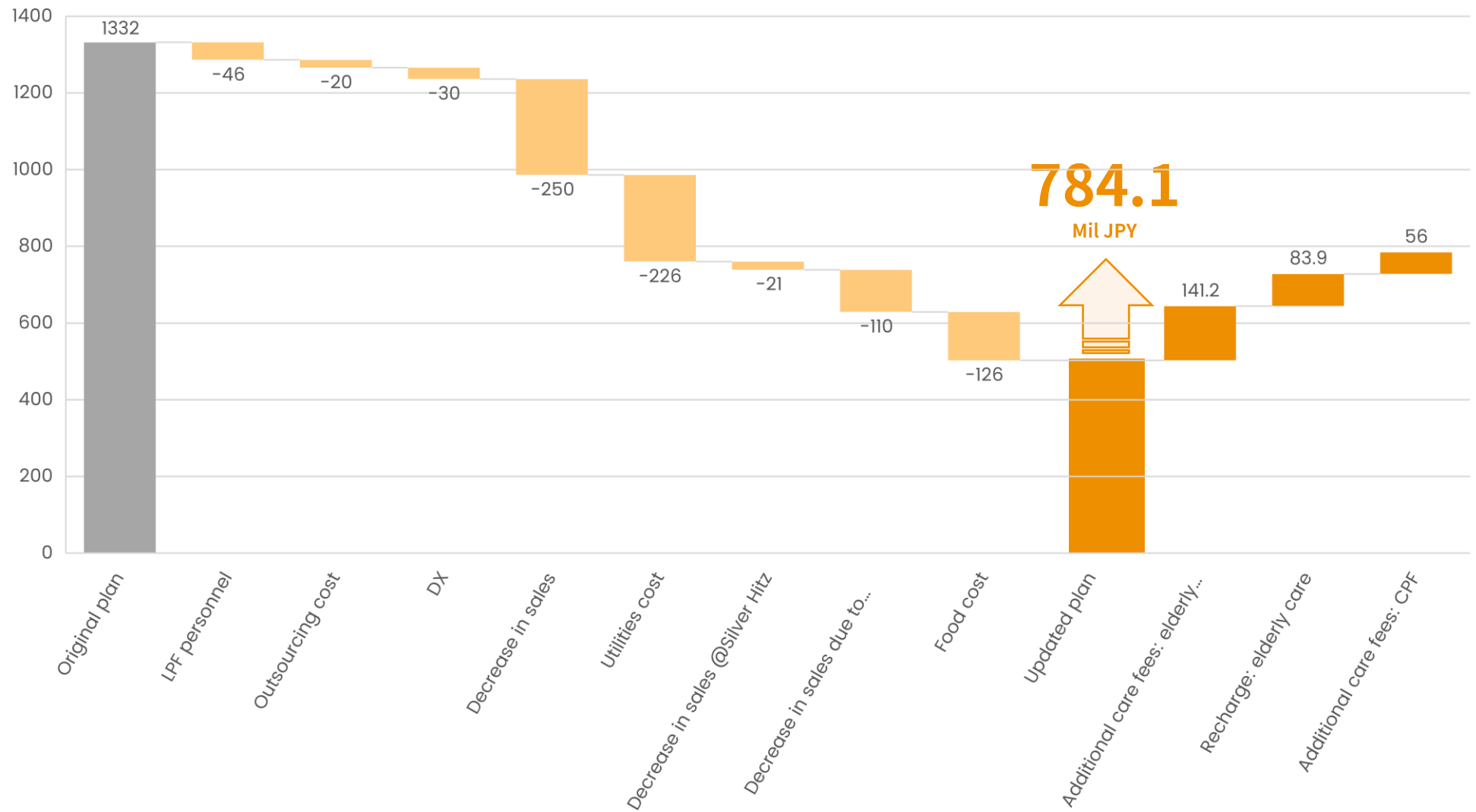
- ✓ Further promotion of DX in the Group is temporarily increasing head office costs, but this is expected to start contributing to the control of head office costs as early as in FY25.3
- ✓ Some new large facilities are taking longer than expected to become regularised, but are expected to return to profit during H1.
- ✓ Utility costs are estimated conservatively at +50% of FY24.3 results, while price pass-on has not been factored into the business plan
- ✓ Although the rise in foodstuff costs is expected to be offset by a price pass-on, a buffer of approx. 5% has been factored in the plan. Price pass-on is planned from June 2024 onwards, but has not been factored into the business plan
- ✓ There is a possibility of an increase in operating income following the revision of remuneration, but this has also not been included into the plan

(Millions of yen)



Reference figures : Added potential profits (FY25.3)

(Millions of yen)



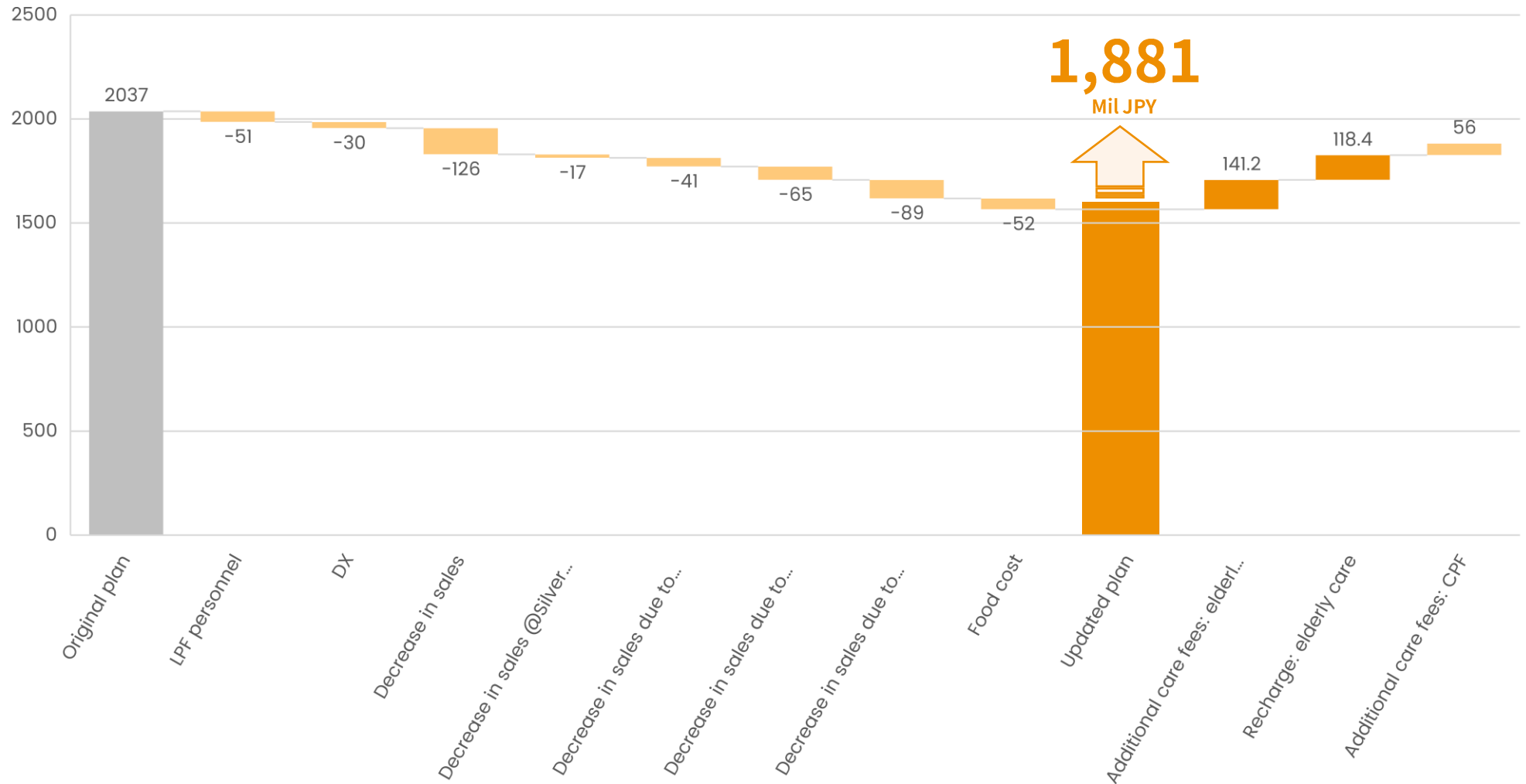
Factors of decreasing operating profit from original plan : FY26.3

- ✓ Profits from some large facilities, which have been slow to become regularized, are expected to improve significantly, but slightly later than in the pre-revision plan (May 2023)
- ✓ Utility costs are expected to be offset by price increases in FY24.3-FY25.3
- ✓ The increase in foods costs is expected to be offset by price pass-on, but price pass-on has not been factored into the business plan
- ✓ There is a possibility of an increase in operating income following the revision of remuneration, but this has also not been included into the plan



Reference figures : Added potential profits (FY26.3)

(Millions of yen)





Initiatives for Achieving KPIs

Governance

Strengthen governance through utilization of collected data

Productivity

Enhancing productivity of back office through DX

Expanding category

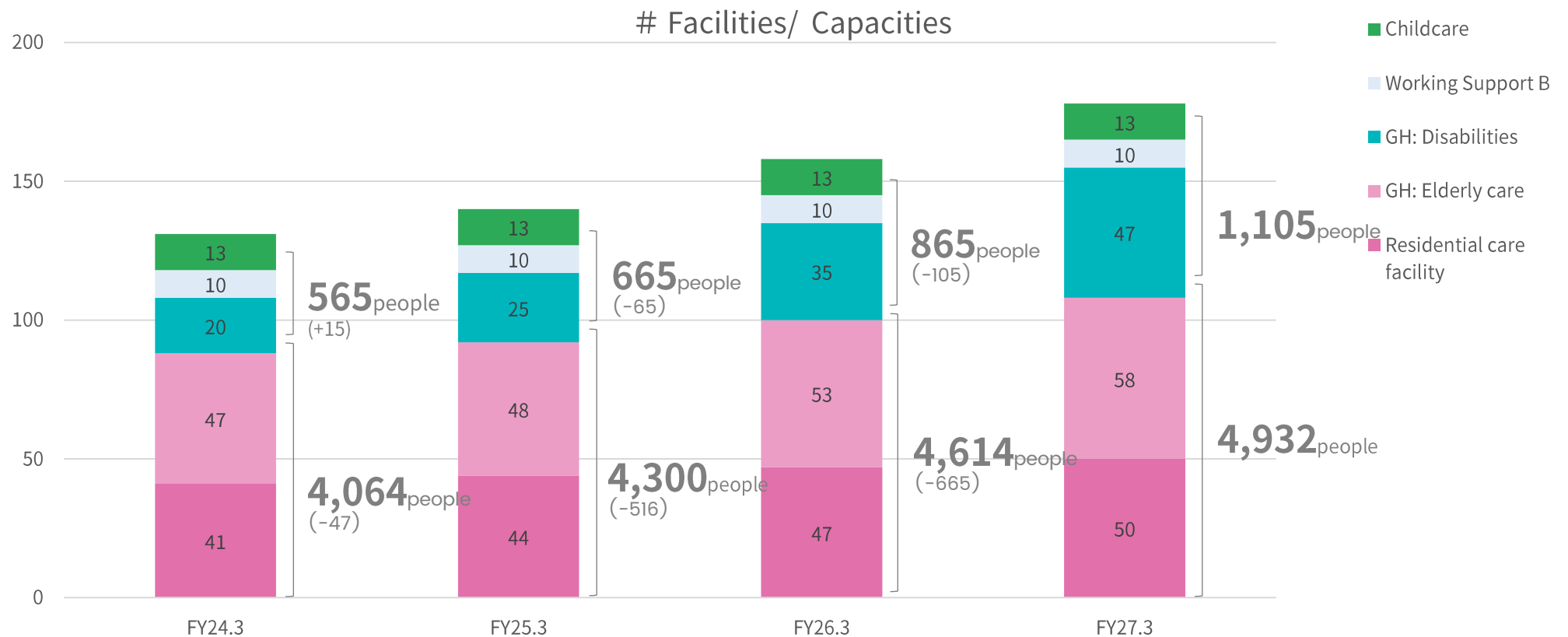
Entering business of the facility focused on specific disease

Growth

Developing REIT for the continuous business development

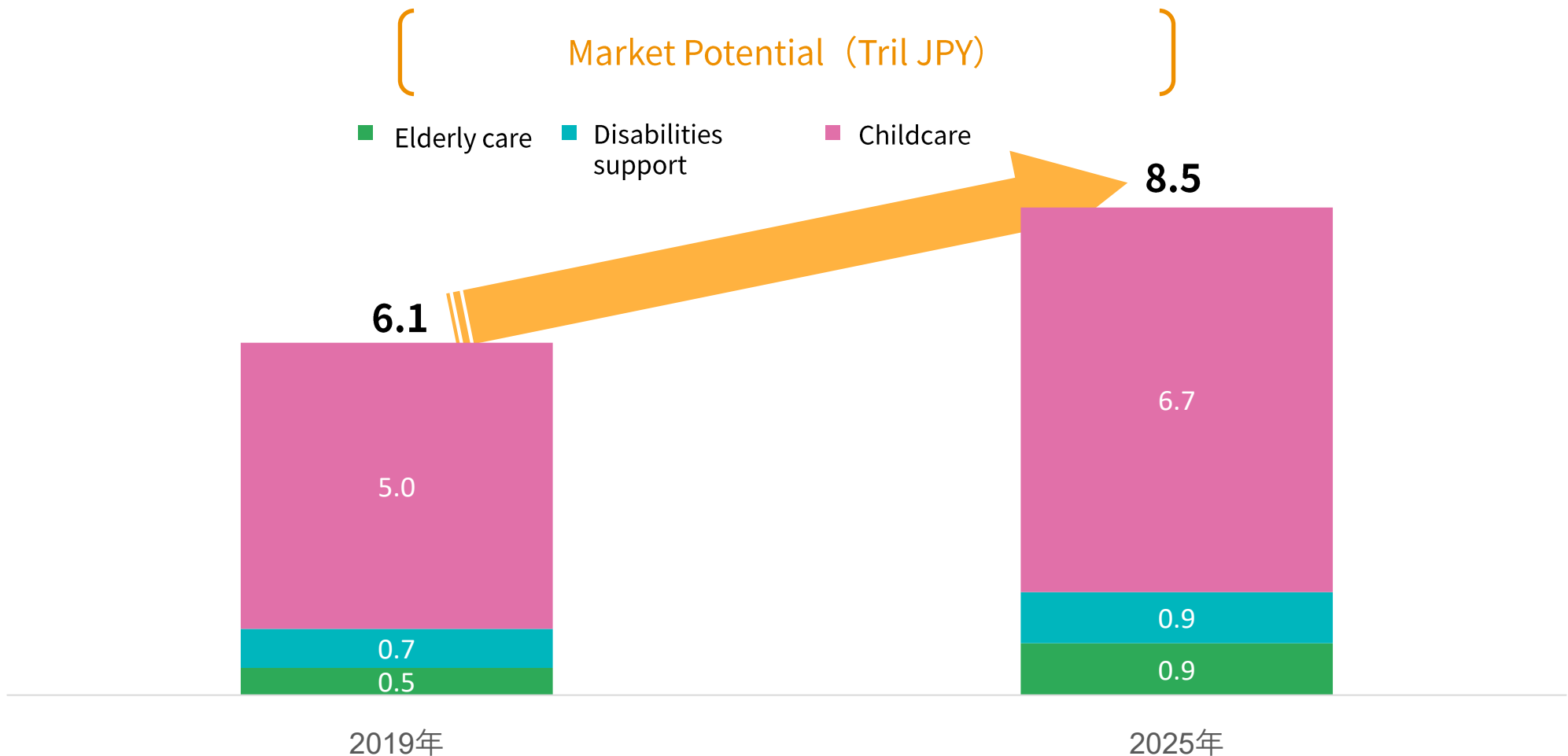
Development Plan

- ✓ Elderly care: Add 20 facilities with 868 capacities by the end of FY27.3, **+22.7%**(vs FY24.3)
- ✓ Disabilities support: Add 27 facilities with 540 capacities by the end of FY27.3, **+90.0%**(vs FY24.3)
- ✓ Child care: No plan for new development, focus on improving programs and raising eNPS



Market Size and Potential

- ✓ Targeted market will be expanded towards 98.5 tril JPY
- ✓ We are aim to become a leaders within Japanese and global market



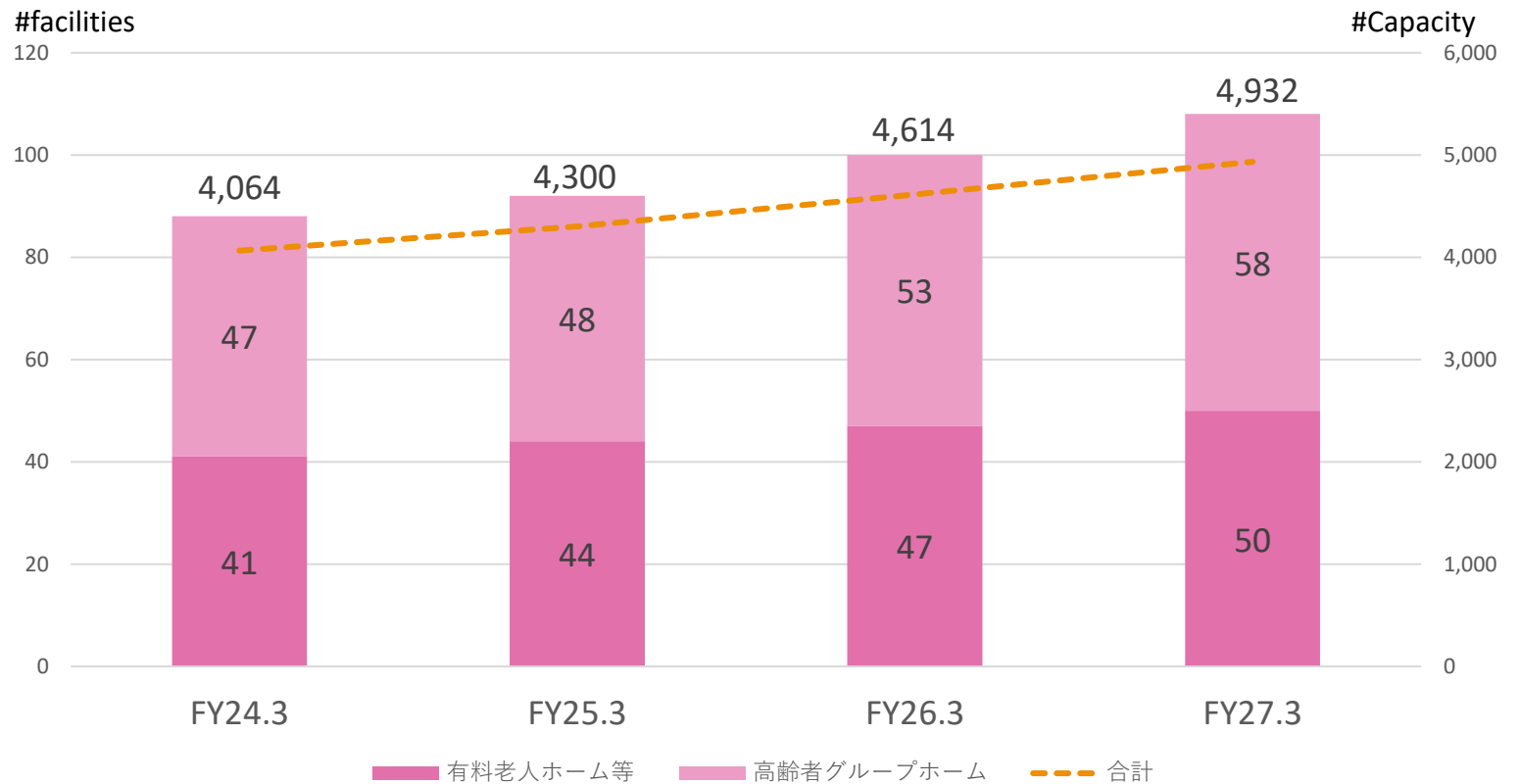
Source: Estimated by the Company based on “Survey of Social Welfare Facilities,” “Overview of Survey of Actual Nursing Care Benefit Expenses,” “Report on the Status of Long-Term Care Insurance Business,” etc. by the Ministry of Health, Labour and Welfare

🌿 Elderly care : Development plan

Strategy

From FY26.3 onwards, restrain the pace of in-house development and focus on realizing profits

Act / Plan

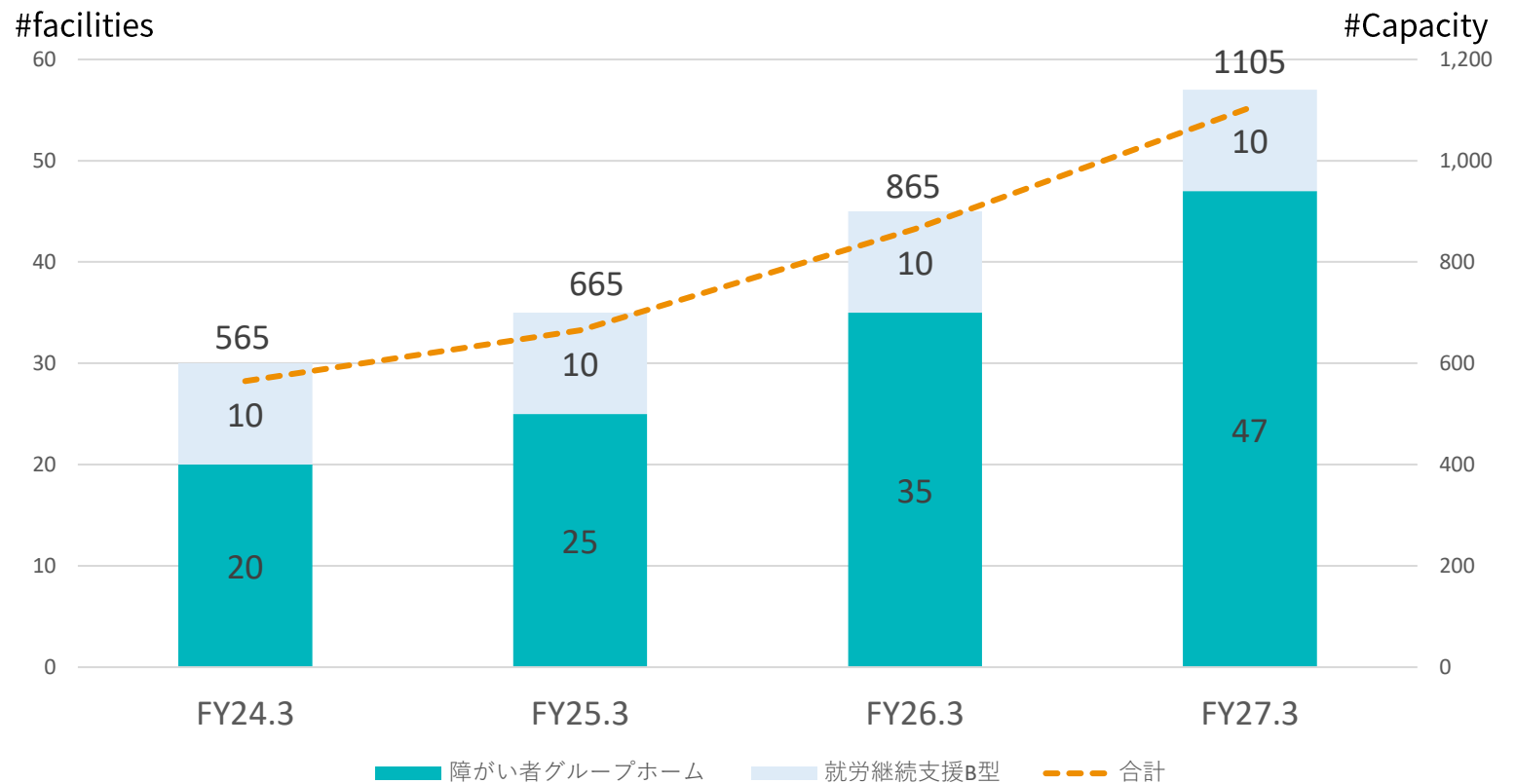


Disabilities Support : Development plan

Strategy

● Focus on developing group homes to raise occupancy/ profit

Act / Plan

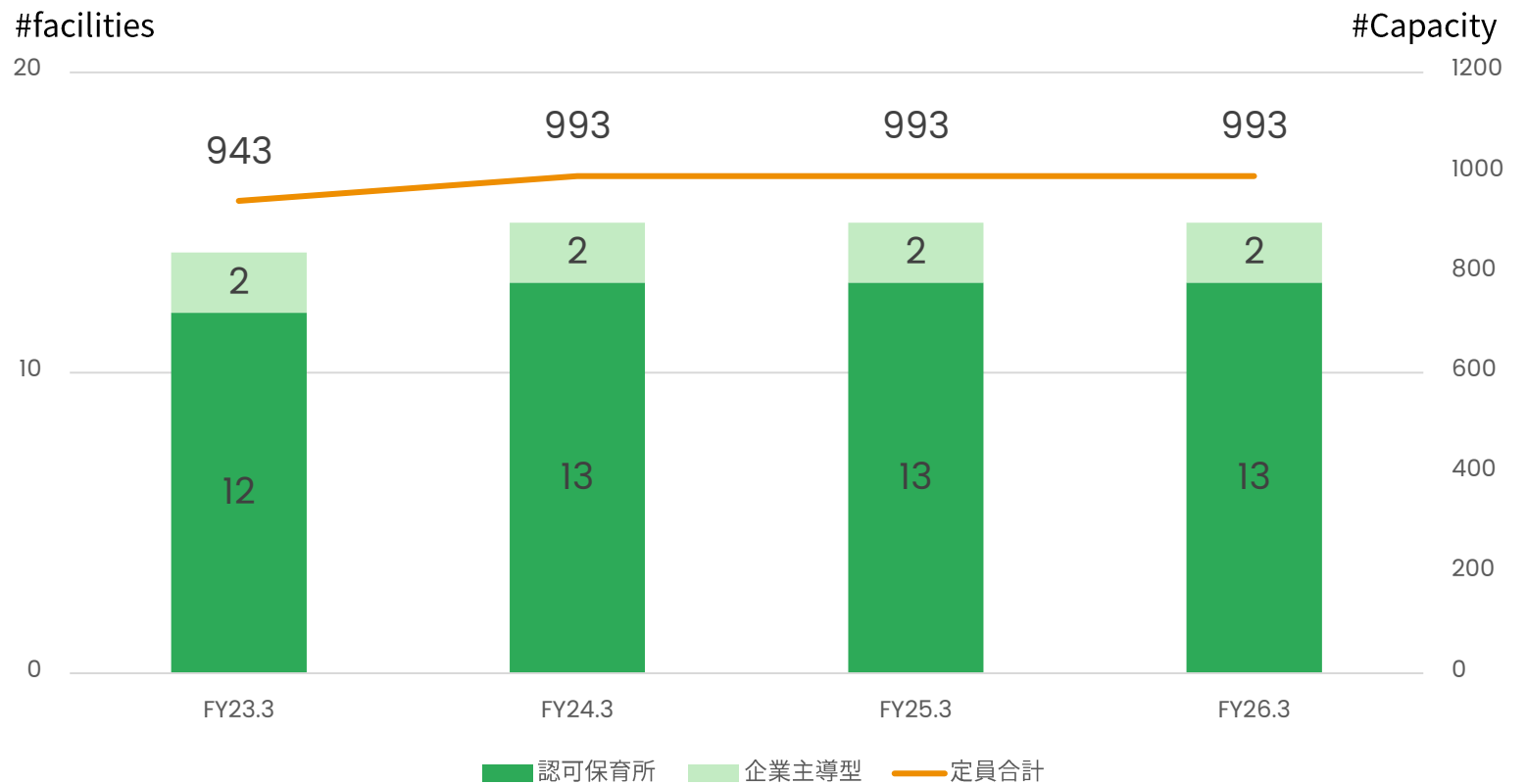


Child care : Development plan

Strategy

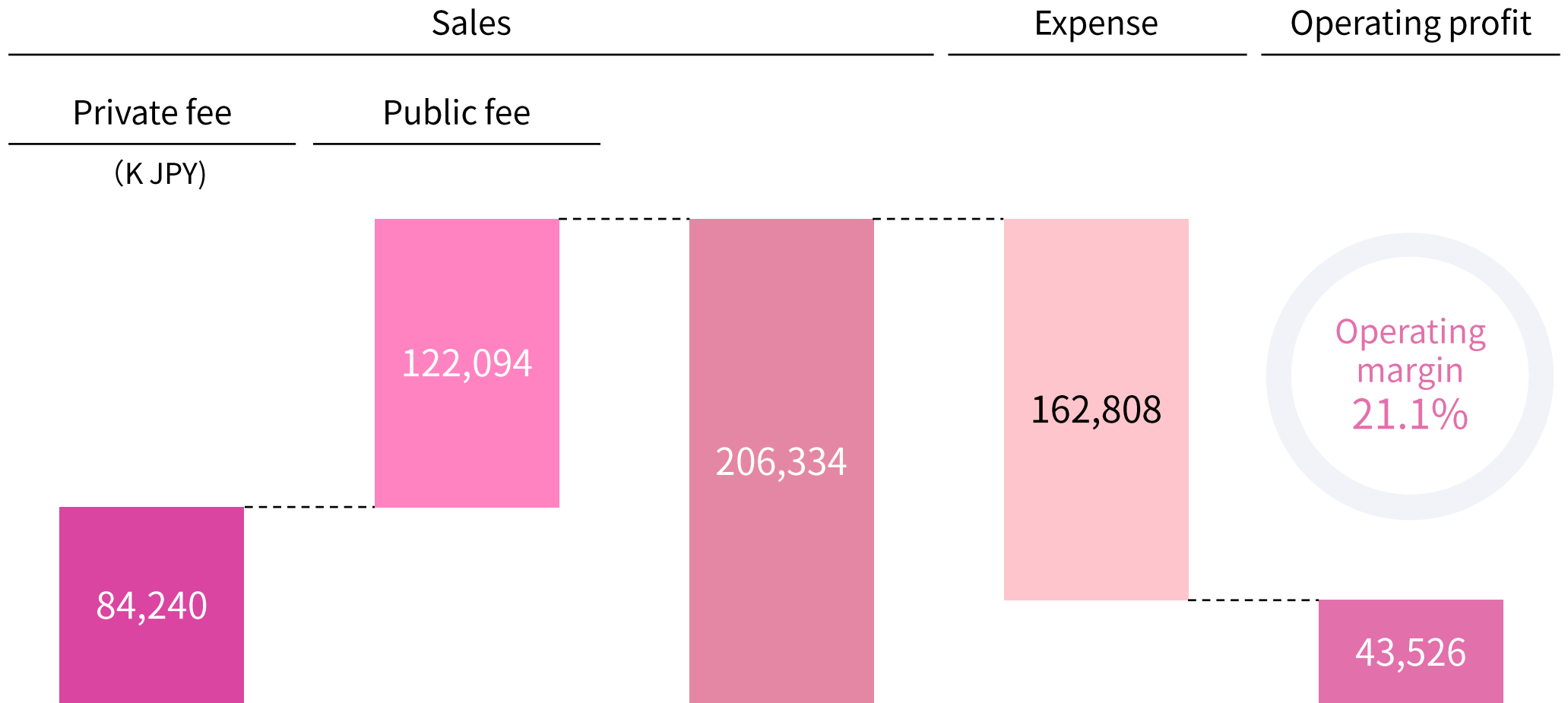
Focus on improvement of programs and raising eNPS to raise profit

Act / Plan



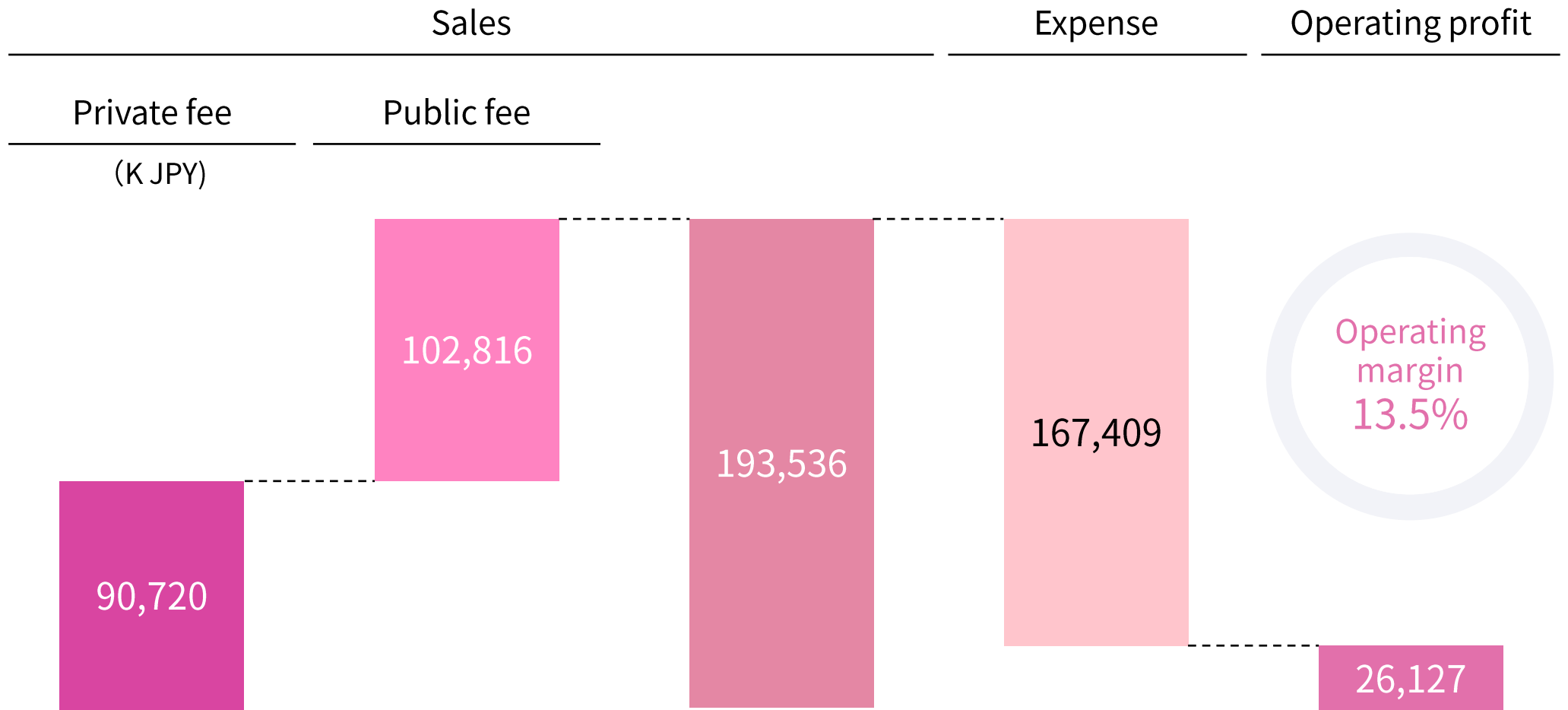
Profit Model : Elderly Care

Tokutei (In case of 90 occupancy of 60 capacity facility)



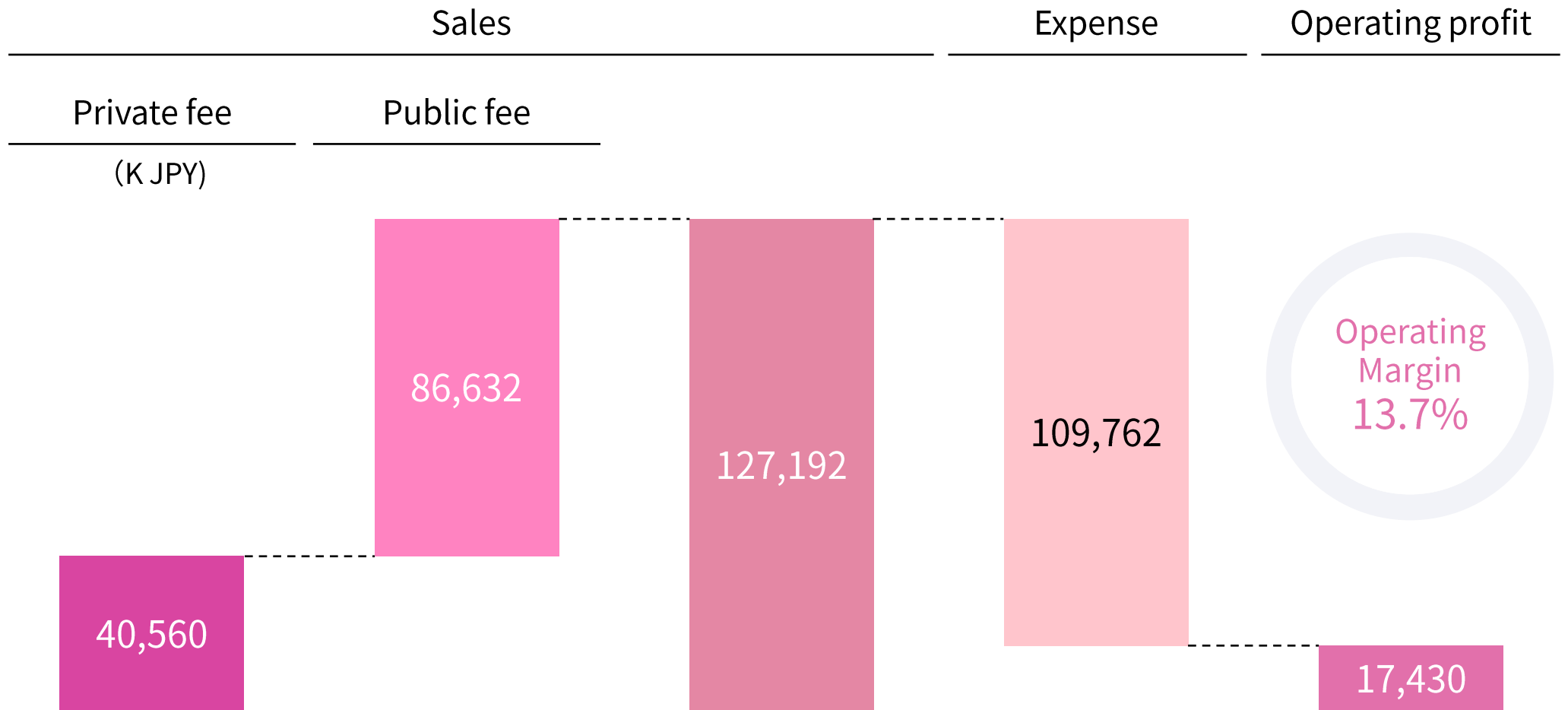
Profit Model : Elderly Care

Residential care (in case of 90 occupancy of 60 capacity facility)



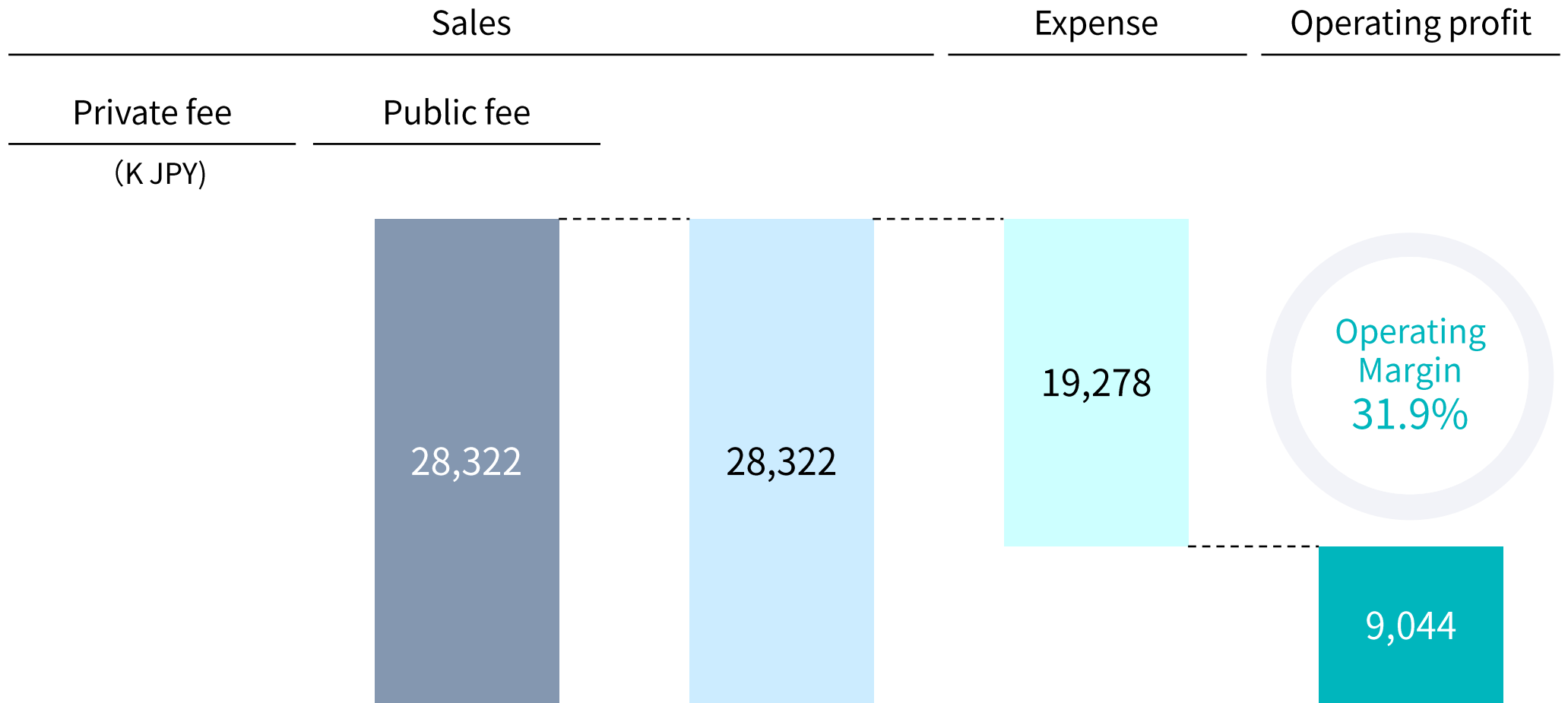
Profit Model : Elderly Care

Group home (In case of 96% occupancy of 27 capacity facility)



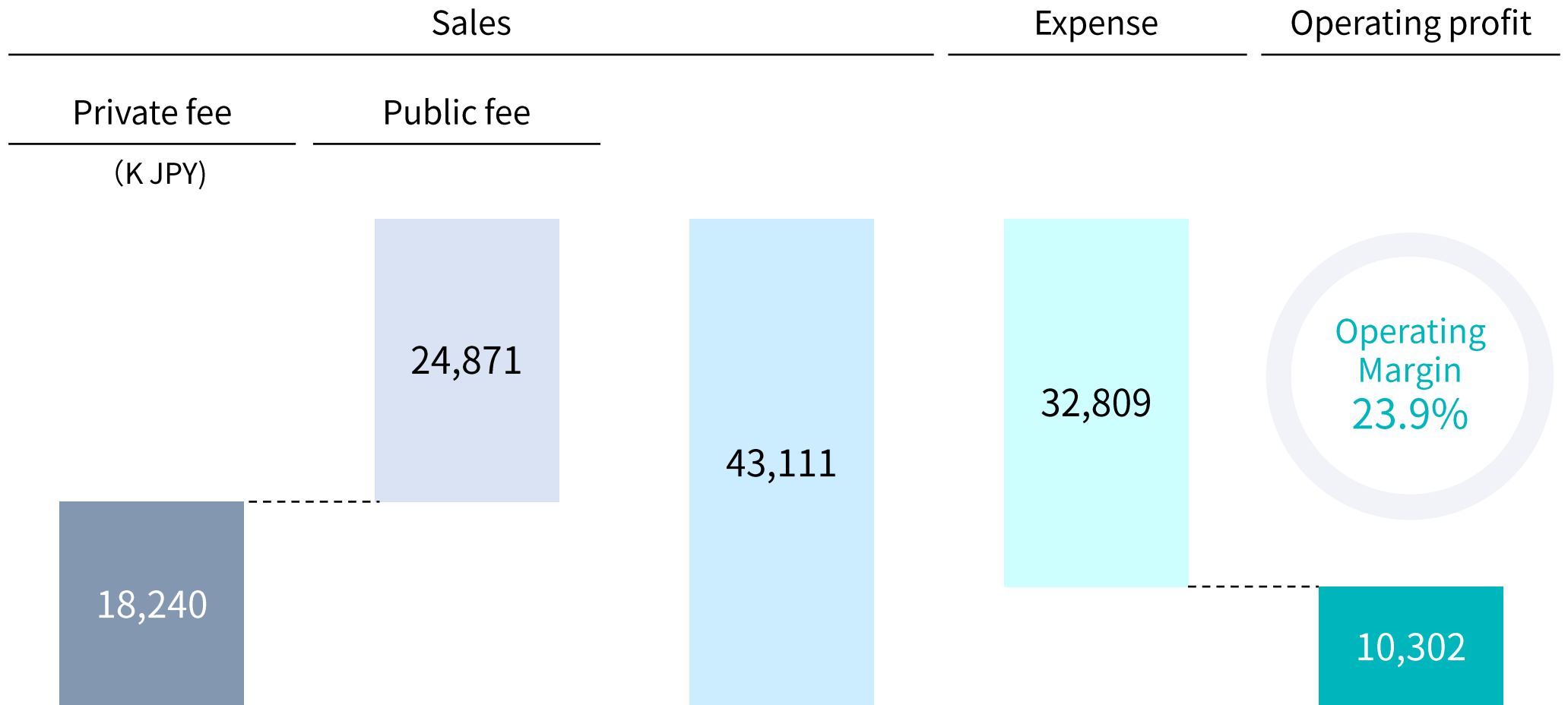
Profit Model : Disabilities Support

Support to work, Type B (In case of 70% occupancy of 20 capacity facility)



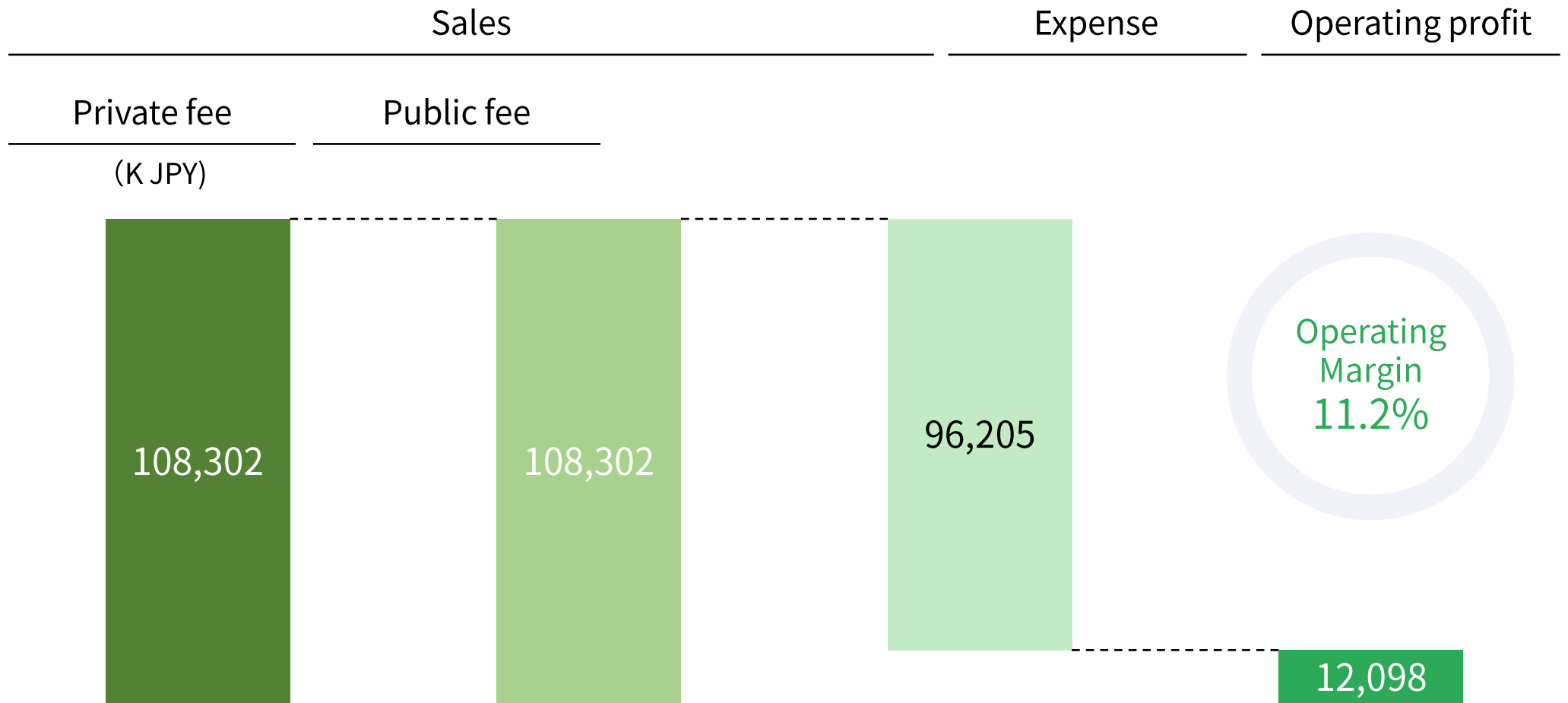
Profit Model : Disability Support

Group home (In case of 95% occupancy of 20 capacity facility)



Profit Model : Child Care

Approved care (In case of 98% occupancy of 80 capacity facility)



Disclaimer and Disclosure Policy

This document contains forward-looking statements, expectations, judgement, plans and strategies for the future.

These statements include such risks and uncertainty factors as fluctuations in business demand, fluctuations in business development schedules, changes in various systems, changes in the guidelines by municipalities, and performance of affiliate companies.


These statements should not be construed as a guarantee of achieving future results, either. Note that actual operating results may differ in substance from the Company's current expectations.

Such a difference may be caused by a number of factors and risks. Please refer to the descriptions on such factors and risks presented in the Company's continuous disclosure and timely disclosure materials.

Contact

Living Platform, Ltd.

Corporate Communication Office

 E-mail: ir@living-platform.com