

HYUGA PRIMARY CARE

Financial Results for the Second Quarter of the
Fiscal Year Ending March 2026

HYUGA PRIMARY CARE Co.,Ltd.
7133 TSE Growth Market
November 14, 2025

This is an unofficial translation. In case of any difference in meaning between the original Japanese text and the English translation, Japanese text shall prevail



- 01 Company Profile, Business Profile, Summary
- 02 Summary of Financial Results (FY 2026 2Q)
- 03 Earnings guidance (FY 2026)
- 04 Topics
- 05 Sustainability Management/Appendix

01 Company Profile, Business Profile, Summary

02 Summary of Financial Results (FY 2026 2Q)

03 Earnings guidance (FY 2026)

04 Topics

05 Sustainability Management/Appendix

Highlights

Net Sales Increased 17% YoY, Operating Income Decreased

Regarding revenue recognition of the Region Prime Project (estimated sales of 200 million), we expect to record a difference with the auditor in the current fiscal year.

Net Sales Progress as Planned, but Earnings Decreased Due to Upfront Costs for Business Expansion

Business Highlights

Home visit pharmacies Business

- YoY increase in sales and decrease in profit
- 8 new stores were opened in the 1st-half. Three of these stores are new to Hokkaido.
- New store openings and recruitment costs were incurred due to the accelerated pace of store openings.
- Full-scale contribution of new stores to earnings is expected in the second half of the fiscal year.

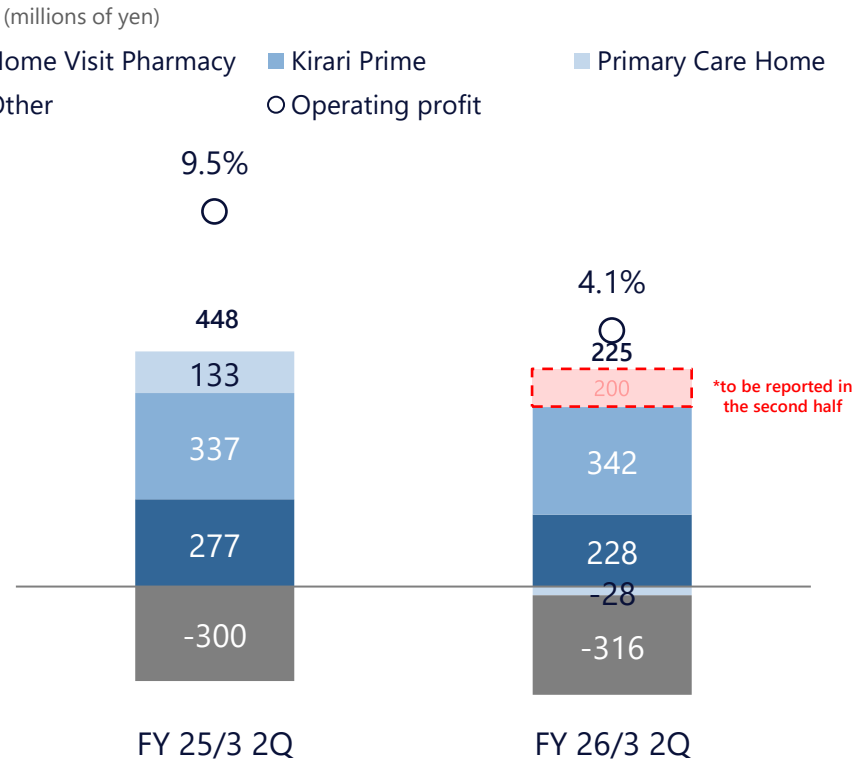
Kirari Prime Business

- Sales and profit increased YoY.
- The number of affiliated stores increased to 2,754. The number of member stores also increased steadily.
- ARPU grew steadily as the number of affiliated stores increased.

Primary Care Home Business

- Sales and profit increased and decreased YoY. Temporary loss due to expenses for opening new facilities
- Occupancy rate of two existing facilities is 95%. Occupancy rate of Kumamoto Hamasen, which opened in December last year, has been steady recently despite difficulties in attracting customers. Occupancy rate of Kurume St. Mary's Hospital Station, which opened in April, has been steady.

YoY Comparison of Operating Income



COMPANY

Company Profile		
Company Name	HYUGA PRIMARY CARE Co., Ltd. (HYUGA PRIMARY CARE Co.,Ltd.)	
Representative	President/Pharmacist Tetsuji Kurogi	
Establishment	November 2007	
Head Office	2-2-1 Kasugabaru Kitamachi, Kasuga-city, Fukuoka	
Composition of Officers	President and Representative Director	Tetsuji Kurogi
	Director COO	Takeo Yamasaki
	Director CFO	Tomoaki Onishi
	Director	Kohei Shiroo
	Director (outside)	Shinjiro Ogawa
	Director (outside)	Kyoko Saeki
	Full-time Corporate Auditor (outside)	Hiroataka Minamitani
	Corporate Auditor (outside)	Nobuharu Kumamoto
	Corporate Auditor (outside)	Takashi Iizuka
Business Profile *	• Home-Visit Pharmacy Business (Kirari Pharmacy)	
	• Kirari Prime Business	
	• Primary Care Home Business (Primary Care Home Operation/Care Plan Service/Welfare Equipment Lending Service)	
	• Other Business (ICT)	
Number of Employees	844 (as of September 30 2025, not including temporary employees)	

VISION

Vision

We’ ll create
a social infrastructure
which means
patients can recuperate
at home in peace
24hours a day,
365days a year.



As Platformer that adapts to the age of home medical care and provides the operation and mechanism of comprehensive community care, We’ll aim to build an **important infrastructure** for these two types of care.

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Summary of Financial Results

- Net sales increased 17% YoY, but operating income decreased YoY. The impact was due to an increase in store opening costs associated with the accelerated pace of store opening in the home-visit pharmacy business, lower than expected opening costs for the fourth building in the primary care home business, and lower than expected occupancy pitches for Kumamoto Hamasen.
- Compared with the initial forecast, sales were in line with the forecast, but operating income fell short of the forecast due to higher than expected pharmacy opening costs and higher start-up costs for the primary care home Kumamoto Hamasen.

(millions of yen)	FY 2025 2Q	FY 2026 2Q		YoY		Initial assumptions for the year Difference	Full year outlook Progress rate
	Actual	First half plan *	Actual	Change	Change%		
Sales	4,719	5,720	5,532	+812	+17.2%	- 188	45.4%
Home Visit Pharmacy Business	3,416	3,880	3,899	+483	+14.1%	+18	48.0%
Kirari Prime Business	543	665	590	+46	+8.6%	- 74	43.1%
Primary care home business	758	1,174	1,041	+282	+37.3%	- 132	38.7%
Other businesses	0	0	0	- 0	- 11.1%	- 0	31.1%
Operating income	448	512	225	- 222	- 49.6%	- 286	17.2%
Home visit pharmacy business	277	352	228	- 49	- 17.7%	- 124	27.5%
Kirari Prime Business	337	366	342	+4	+1.4%	- 23	45.3%
Primary care home business	133	61	- 28	- 162	—	- 89	—
Other businesses	- 3	0	- 18	- 14	—	- 18	—
Adjustments	- 296	- 267	- 297	- 1	—	- 30	—
Ordinary income	435	490	206	- 229	- 52.6%	- 284	16.2%
Net income	291	347	136	- 155	- 53.2%	- 211	15.4%

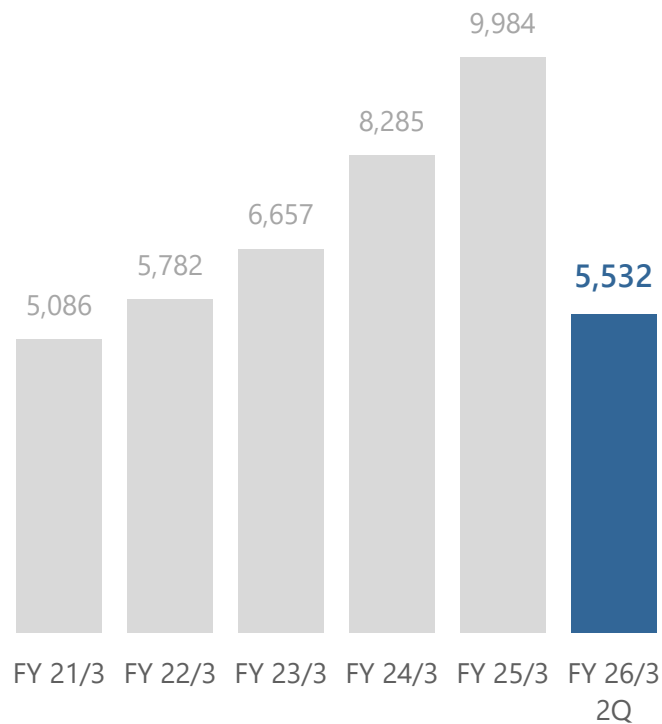
*Forecast announced on May 14, 2025

Business Results/Net Sales Composition

- Net sales increased at a pace YoY. As a percentage of net sales, the weight of the primary care home business increased by 2.9 points YoY.
- Ordinary profit margin decreased YoY. The impact was mainly due to opening costs for the home-visit pharmacy business and opening costs for the primary care home business.

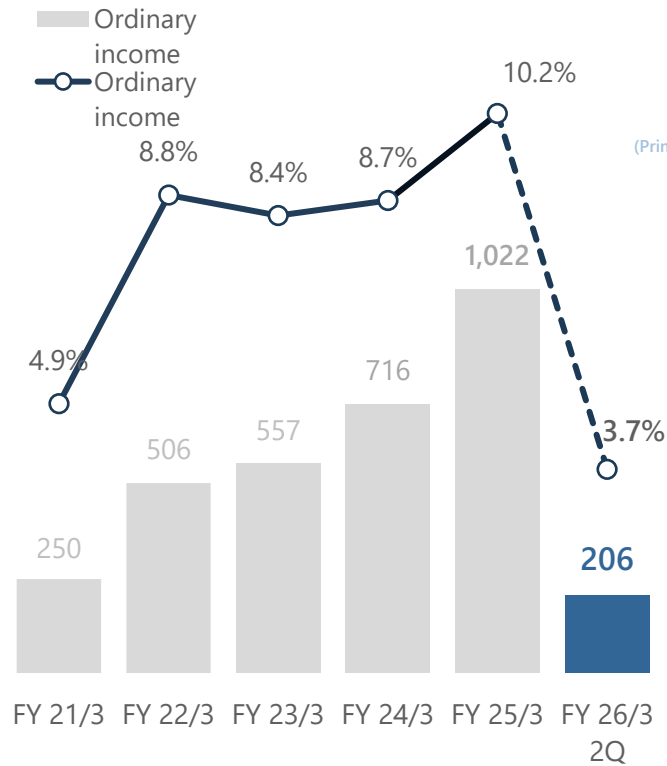
Sales

(millions of yen)



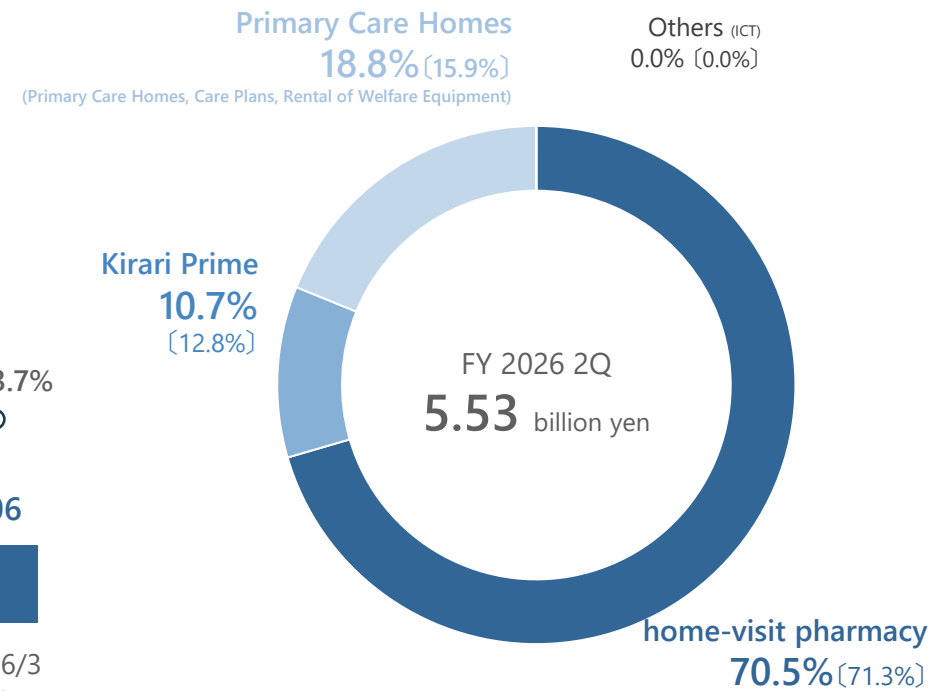
Ordinary profit/Ordinary profit ratio

(millions of yen) (%)



Percentage of net sales

(%) [] is compared to previous fiscal year

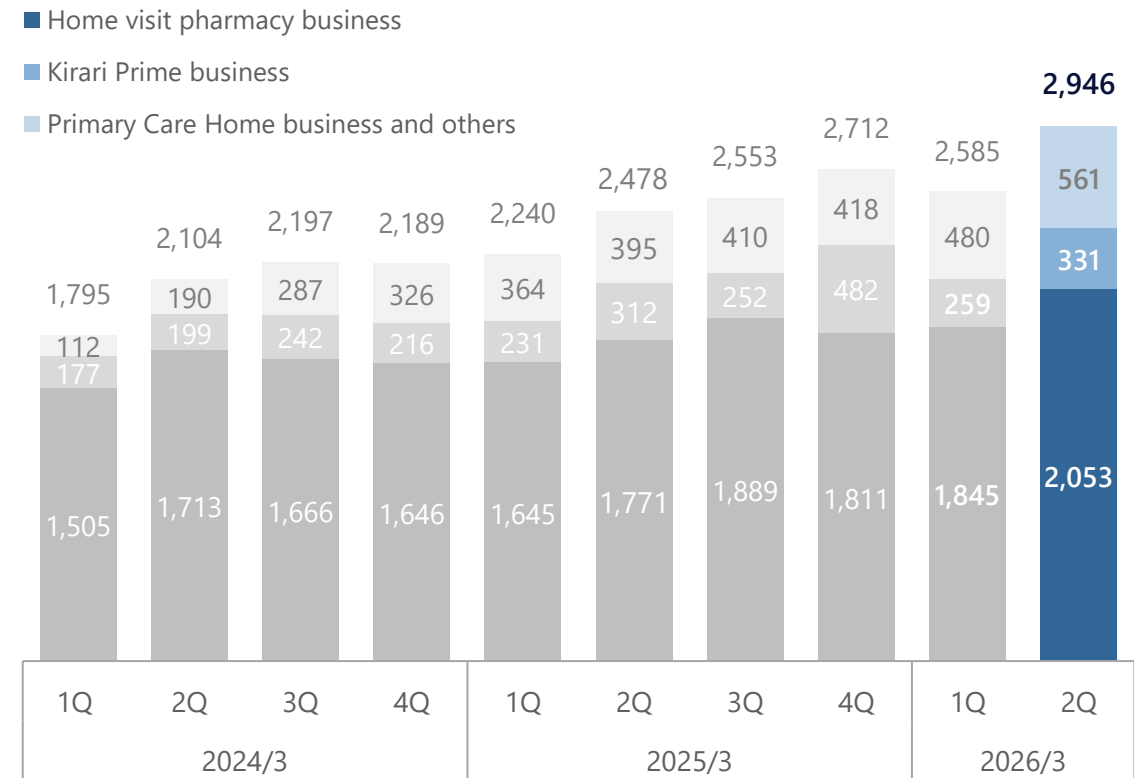


Quarterly Financial Results (1)

- 2Q Sales increased from 1Q to record high for the quarter. Contributed by new store openings of home-visit pharmacies and primary care homes
- Gross profit and operating profit increased slightly from 1Q, but profit margin was flat. Affected by start-up costs of home-visit pharmacies and primary care homes

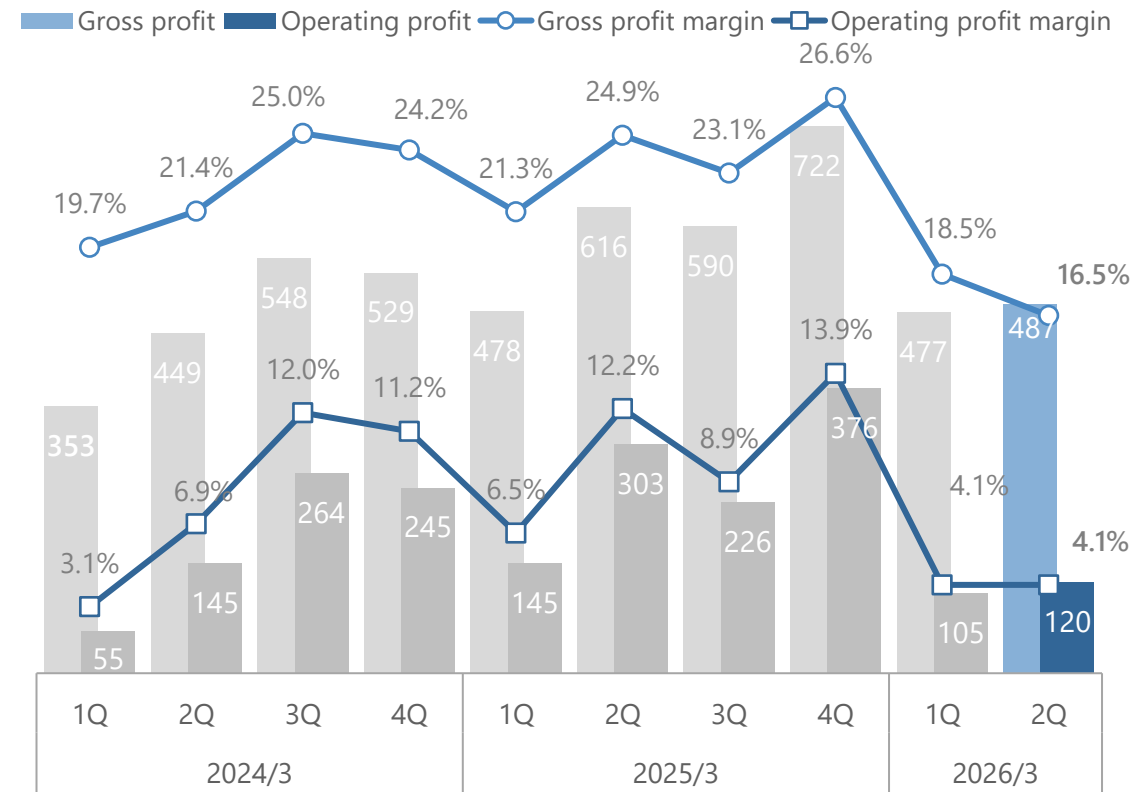
Net sales

(millions of yen)



Gross profit and operating profit

(millions of yen) (%)



Quarterly Financial Results (2) By Segment

- Regarding Home Visit Pharmacies Business, sales were steady, but operating income decreased due to increased costs associated with the accelerated pace of store opening.
- Regarding Kirari Prime Business, both sales and income increased due to steady increase in the affiliated stores and higher ARPU.
- Regarding Primary Care Homes Business, sales increased due to higher occupancy rates, and operating loss narrowed significantly.

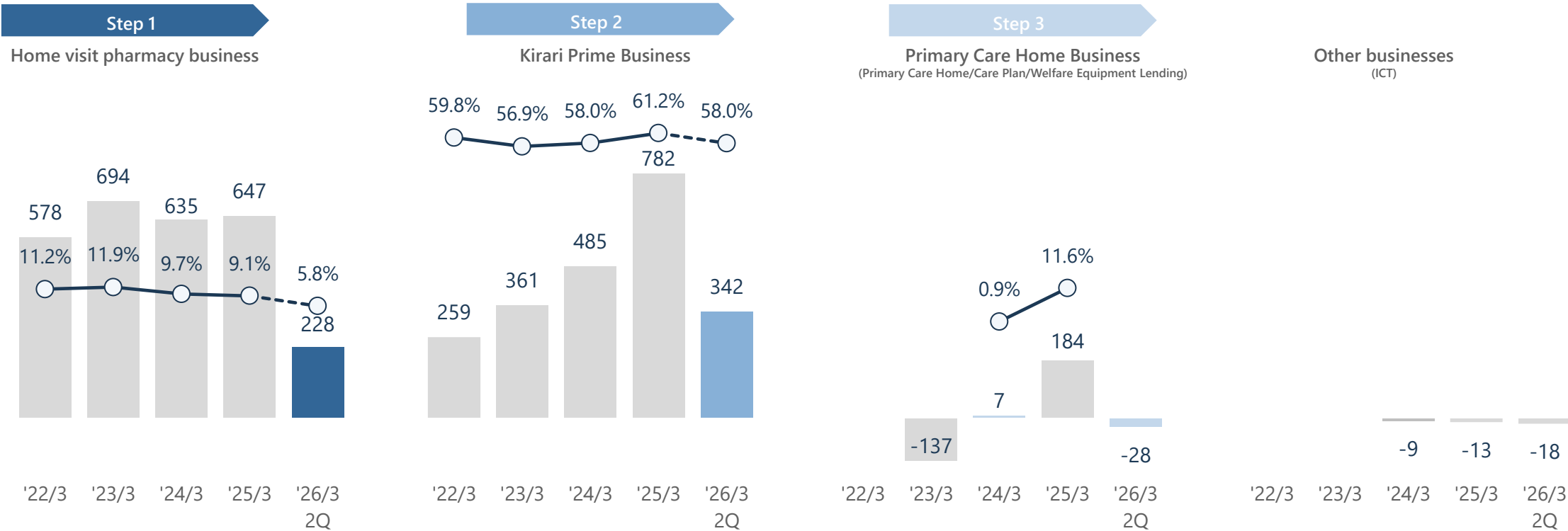
(millions of yen)	FY 2025				FY 2026	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	2,240	2,478	2,553	2,712	2,585	2,946
Home Visit Pharmacy Business	1,645	1,771	1,889	1,811	1,845	2,053
Kirari Prime Business	231	312	252	482	259	331
Primary care home business	364	394	410	417	480	561
Other Business	0	0	0	1	0	0
Operating Income	145	303	226	376	105	120
Home visiting pharmacy business	94	182	212	157	158	69
Kirari Prime Business	132	205	128	316	132	209
Primary Care Home Business	67	66	55	- 5	- 25	- 2
Other Business	- 2	- 1	- 3	- 6	- 9	- 9
adjustment amount	- 146	- 149	- 167	- 84	- 150	- 147
Ordinary income	141	293	204	383	96	109
Net income	94	196	103	324	63	72

Operating Income by Segment

- In the Home Visit Pharmacies business, which is the first step of growth, segment profit margin declined YoY due to costs associated with opening new stores and hiring.
- In the Kirari Prime business, which is the second step, profit margin remained at a high level.
- In the Primary Care Homes business, which is the third step of growth, profit temporarily fell due to costs associated with opening new facilities.

Segment profit and segment profit margin

(millions of yen) (%)

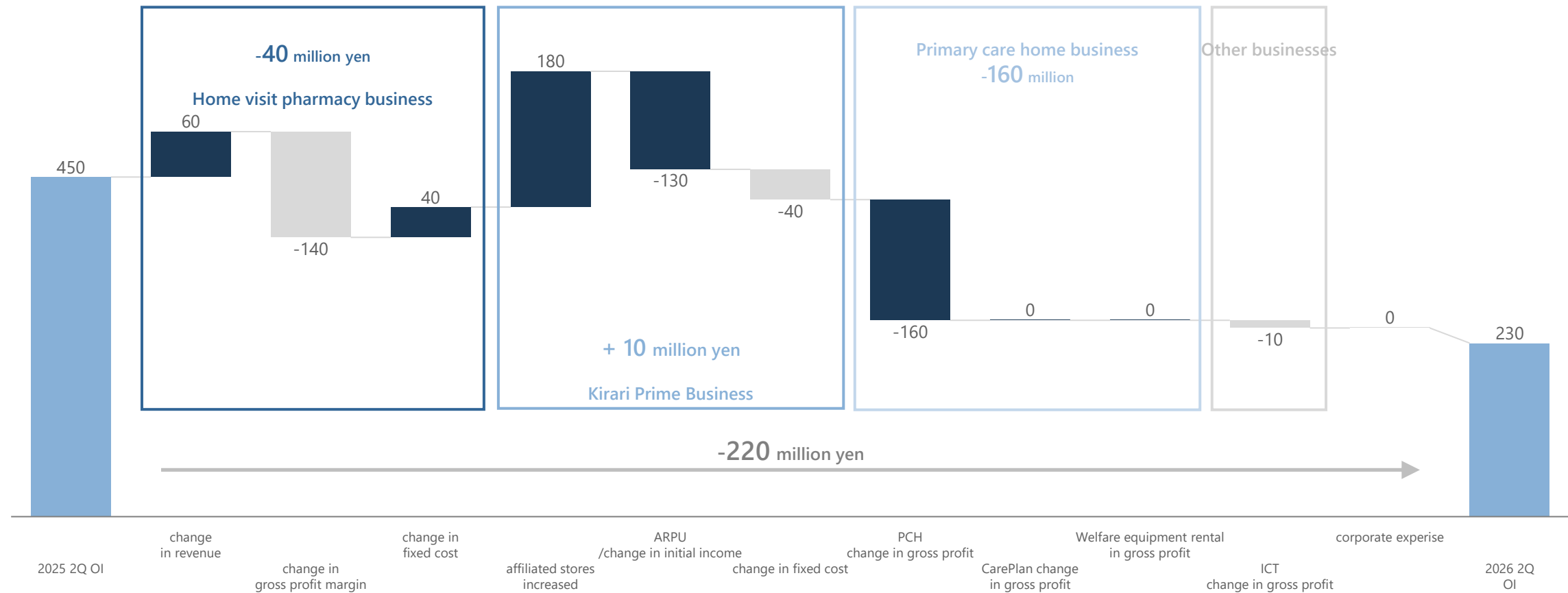


Operating Income Analysis

- Total 2Q operating income decreased year on year. By segment, start-up costs for home-visit pharmacies and primary care homes led the way.
- While Kirari Prime remained flat, the decrease in regional prime projects was absorbed by an increase in the number of member stores and ARPU.

Operating income factors

(millions of yen)

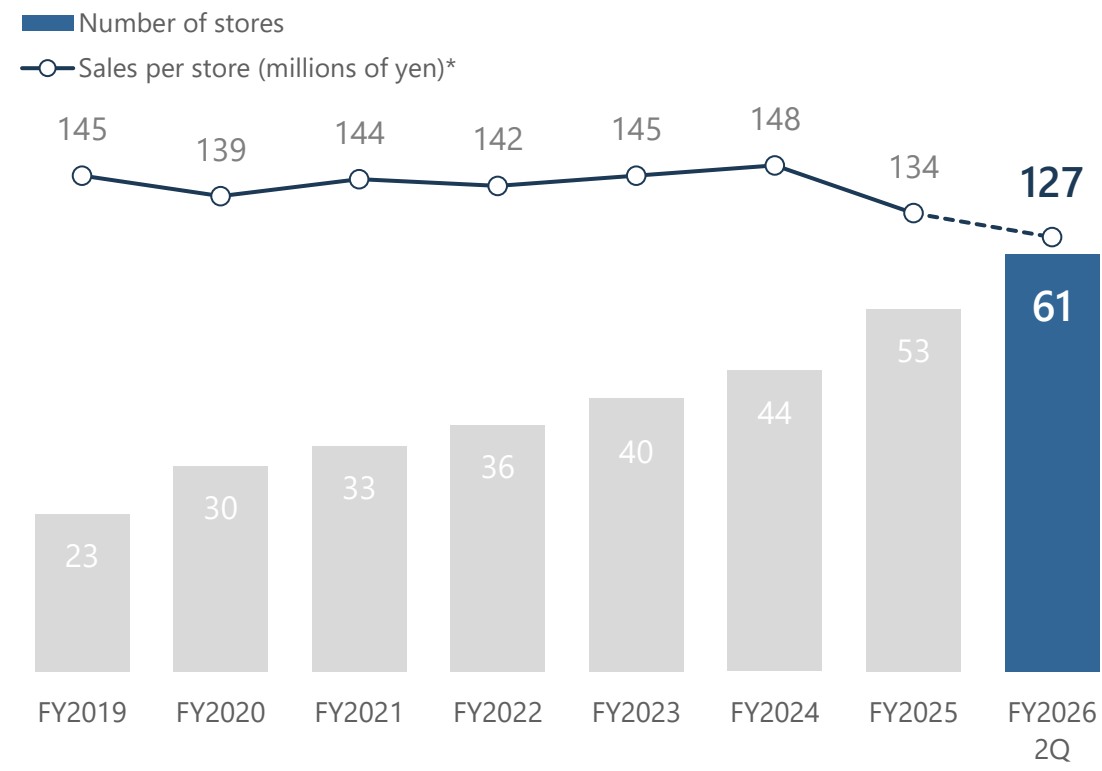


*PCH (primary care home)

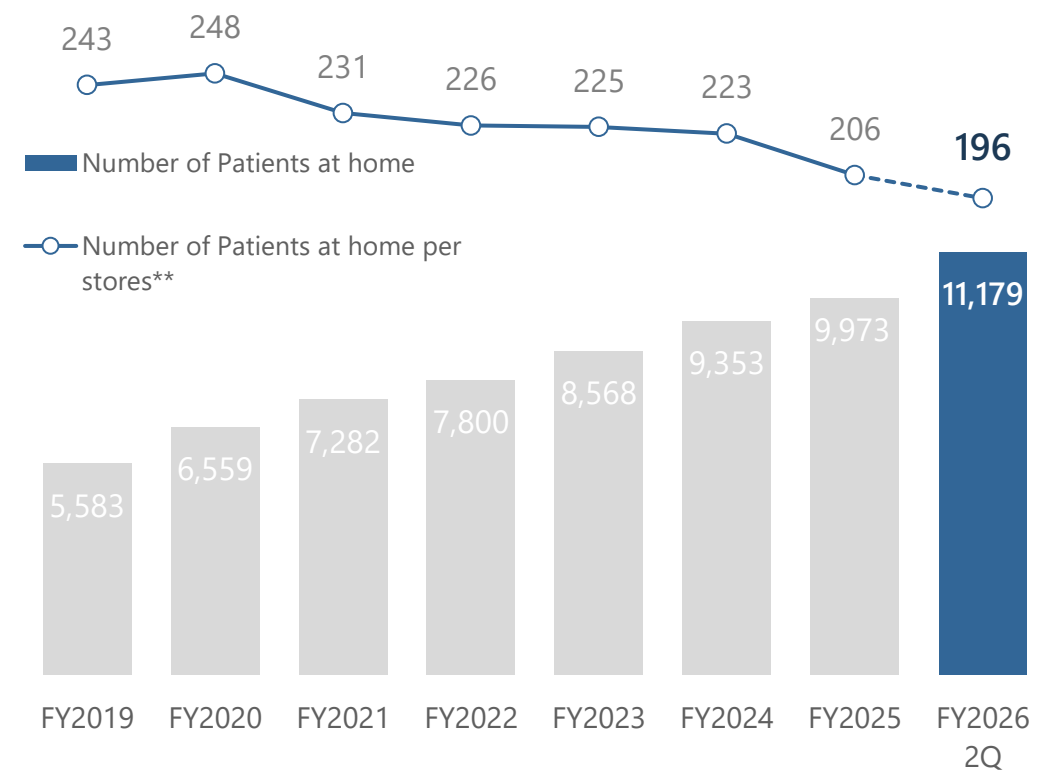
Home Visit Pharmacies Business KPI

- The number of stores increased by 8 from the end of the previous fiscal year to 61. This is the highest pace of store opening ever. Sales per store decreased to 127 million yen due to the continuation of store opening.
- The number of home-visit patients increased by 1,206 from the end of the previous fiscal year to 11,179 due to the increase in stores. In recent years, the number of patients per store has been on a downward trend as we search for optimal efficiency, but the recent rapid increase in the number of stores temporarily accelerated the downward trend.

Sales and number of stores



Number of home patients

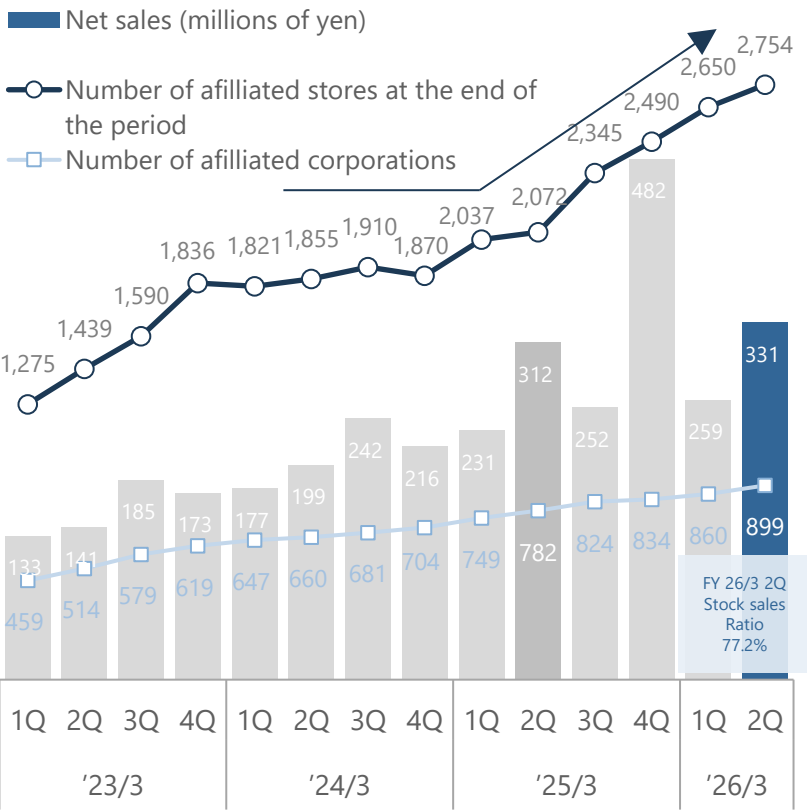


*Sales per store (1 million yen) = sales ÷ number of stores at end of fiscal year/** number of patients per store = number of home-visit patients at end of fiscal year ÷ average number of stores at beginning and end of fiscal year

Kirari Prime Business KPI

- Net sales in 2Q increased steadily compared to 1Q
- The number of affiliated stores increased by 264 from the end of the previous fiscal year to exceed 2,700. Continued upward trend by strengthening consulting services
- ARPU remained strong with the increase in the number of affiliated stores

Net Sales, Number of Affiliated Stores, Number of Corporations

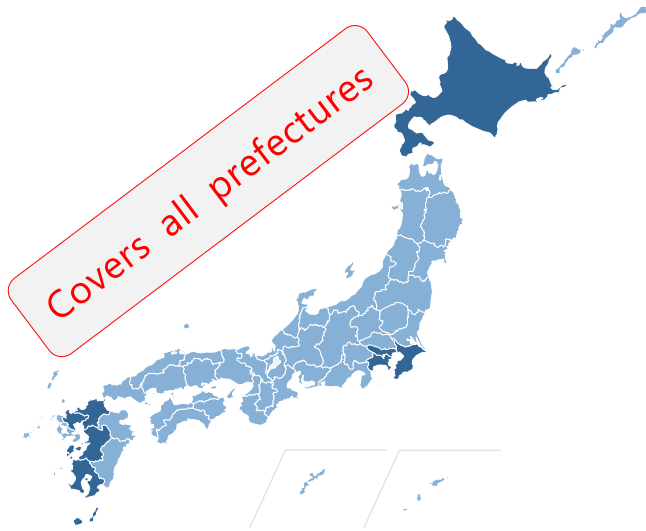


Developments

Kirari Pharmacy 8 prefectures 61 stores

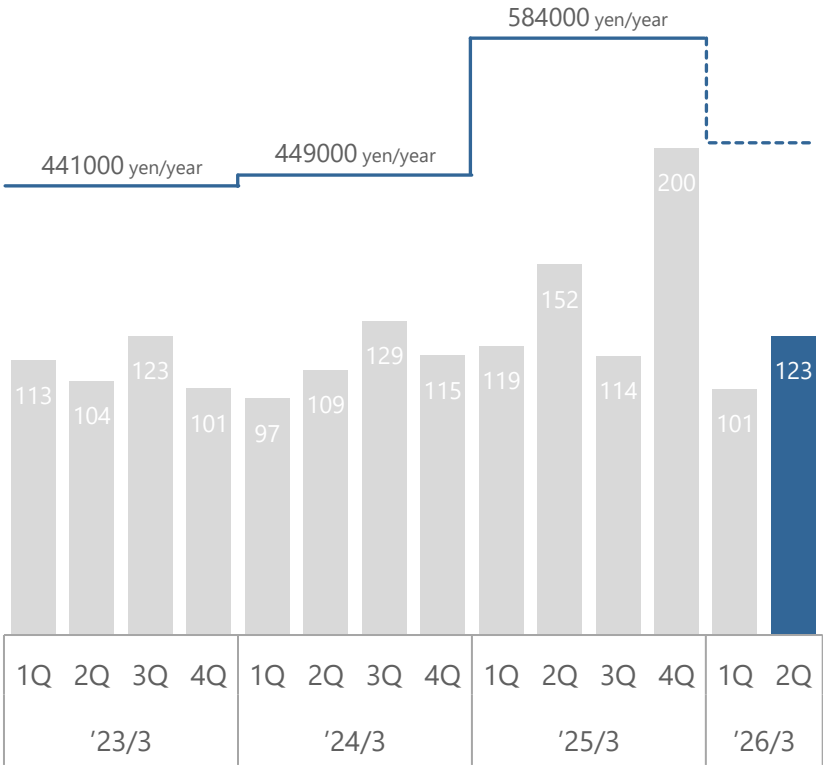
Member pharmacies 47 prefectures 2,754 stores

(as of the end of September 2025)



Kirari Prime ARPU**

(thousand of yen/quarter)



**ARPU= Kirari Prime Business net sales (including initial revenue) ÷ average number of stores at the beginning and end of the period

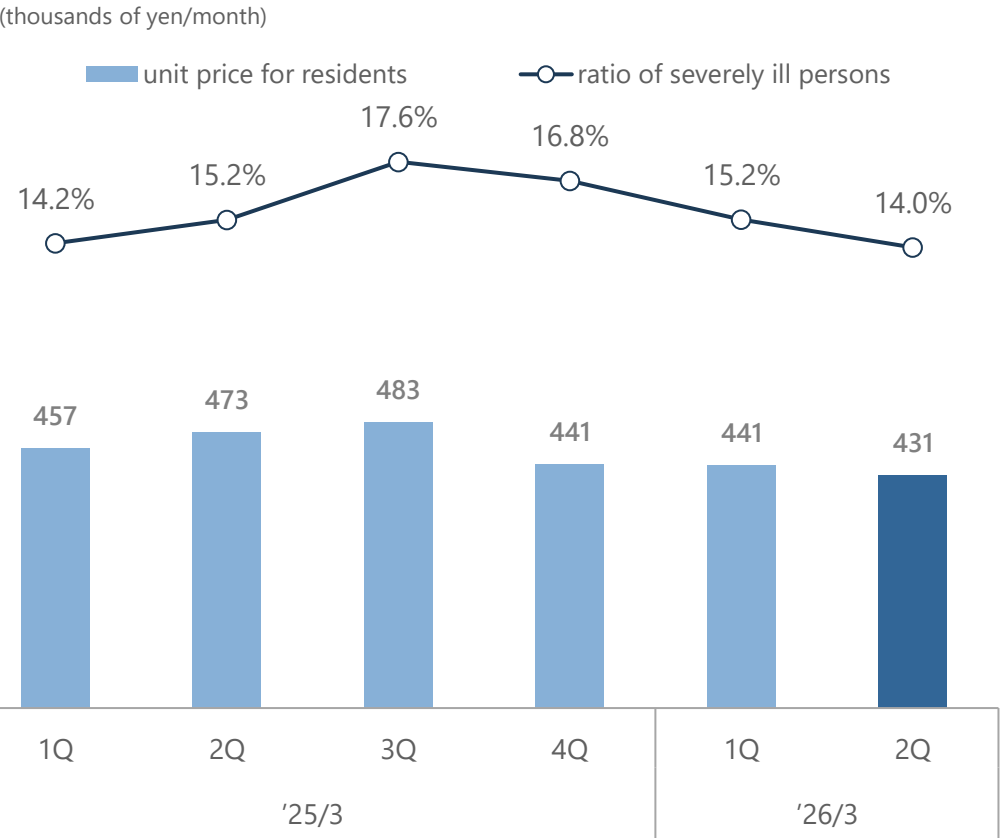
Primary Care Home Business KPI

- Occupancy rate of existing facilities * 1 as of the end of September 2025 was 95%. Kumamoto Hamasen, which opened in December last year, initially struggled to attract customers due to a lack of staff, but the occupancy rate has been steady recently. On the other hand, Kurume St. Mary's Hospital Station, which opened on April 18, 2025, has been steadily increasing the number of residents, taking advantage of Fukuoka's experience to date.
- Average monthly unit price of residents in 2Q was 430,000 yen. This decline was mainly due to a temporary shortage of resources required to provide medical services at Kumamoto Hamasen due to the turnover of nurses. No particular downward trend was observed at other locations.

Capacity/Number of residents

Facility name	Occupancy Capacity		FY 2025				FY 2026	
			1Q	2Q	3Q	4Q	1Q	2Q
Existing facilities * 1								
Kasuga Chikushidai	102	Number of Residents	100	97	92	96	92	97
Hakata Mugino	162		147	154	155	150	146	154
	264		247	251	247	246	238	251
New facilities * 1								
Kumamoto Hamasen	168		—	—	47	64	78	131*3
Kurume St. Mary's Hospital Station'	144		—	—	—	—	40	106*3
	312		—	—	47	64	118	237

Ratio of severely ill persons /Unit price for residents * 2



*1 Existing facilities are defined as facilities that have been in operation for more than a year, and new facilities are defined as facilities that have been in operation for less than a year.
*2 Quarterly average monthly unit price
*3 Including occupancy reservations as of the end of October.

Progress of Action Plan for Fiscal Year Ended March 2026

Home Visit Pharmacy Business

- Efforts to Secure Human Resources**
Personnel specializing in retention are assigned to the human resources department. Continue the decrease in the turnover rate in the previous fiscal year.
We are continuing to reduce the turnover rate.
- In-home specialty stores**
Establish in-home specialty stores to enable more precise dominant development. This also directly leads to higher delivery efficiency. Plan to open 6~10 stores during the fiscal year
Open 8 stores in the first half. It also plans to open two stores in the second half of the fiscal year.
- Central Pharmacy Concept**
To lift the ban on outsourcing of dispensing, the company plans to draw up an investment plan as soon as it learns of detailed legal revisions.
Although the revision of the Pharmaceutical Machinery Law has been decided, the company will respond as soon as detailed conditions are revealed.
Action will be taken as soon as the indication appears.
- Expansion into new areas**
The company plans to open stores in Hokkaido and Aichi prefectures.
The company plans to establish a system to acquire patients from home over a wide area.
3 stores opened simultaneously in Hokkaido
When considering expanding into new areas, the company will prioritize the stable operation of its 3 Hokkaido stores.

Kirari Prime Business

- Dispatch of home-based pharmacists**
Develop direct consulting services (dispatch of home-based pharmacists) toward the era of full-scale home medical care. Increase the number of available pharmacists nationwide.

Aid Prime

- Automatic linkage with electronic drug history system**
Deploy automatic linkage between other companies' electronic drug history systems and our company's home support system (FamCare) and AI-based RPA reports to franchisees.
AidPrime is introduced by two companies.
- M & A support for business succession pharmacies**
As the number of small and medium-sized pharmacies with no successors and financial difficulties increases, Our company will provide consulting services to increase M & A support.

Region Prime

- Support services for construction and operation of facilities for the elderly**
Provide consulting services to pharmacy operators regarding construction and operation of facilities for the elderly. Develop a set of pharmacies and facilities for the elderly nationwide in addition to directly managed ones
Several projects are in progress.

Primary care home business

- System to expand facilities**
Development of a system capable of developing 2 or more buildings per year
Primary care home scheduled to open in the fiscal year ending March 2027
Following Hyuga-Notame (tentative), construction is underway in Nishi Ward, Fukuoka City.
- Profitability of Buildings 3 and 4**
Buildings were opened in Kumamoto Prefecture in December 2024 and in Kurume City, Fukuoka Prefecture in April 2025. Similar to existing facilities, steady start-up and high occupancy rates are maintained.
- Preparations for Opening Buildings 5 and Subsequent Buildings**
A fifth building is scheduled to open. Details are being discussed. 3 Buildings
There are problems with the occupancy rate and the patient unit price. Improvement in the occupancy rate
With a good prospect, we started to improve the patient unit price.

Strengthen positioning as a platform company for primary care

Balance Sheet

- The equity ratio for FY 2026 2Q was 28.7%, down 4.9 points from the end of the previous fiscal year. Impact of increase in interest-bearing debt
- Total assets expanded 16.8%. In addition to increased receivables due to increased sales, property, plant and equipment increased due to the opening of primary care home business assets and home-visit pharmacies.

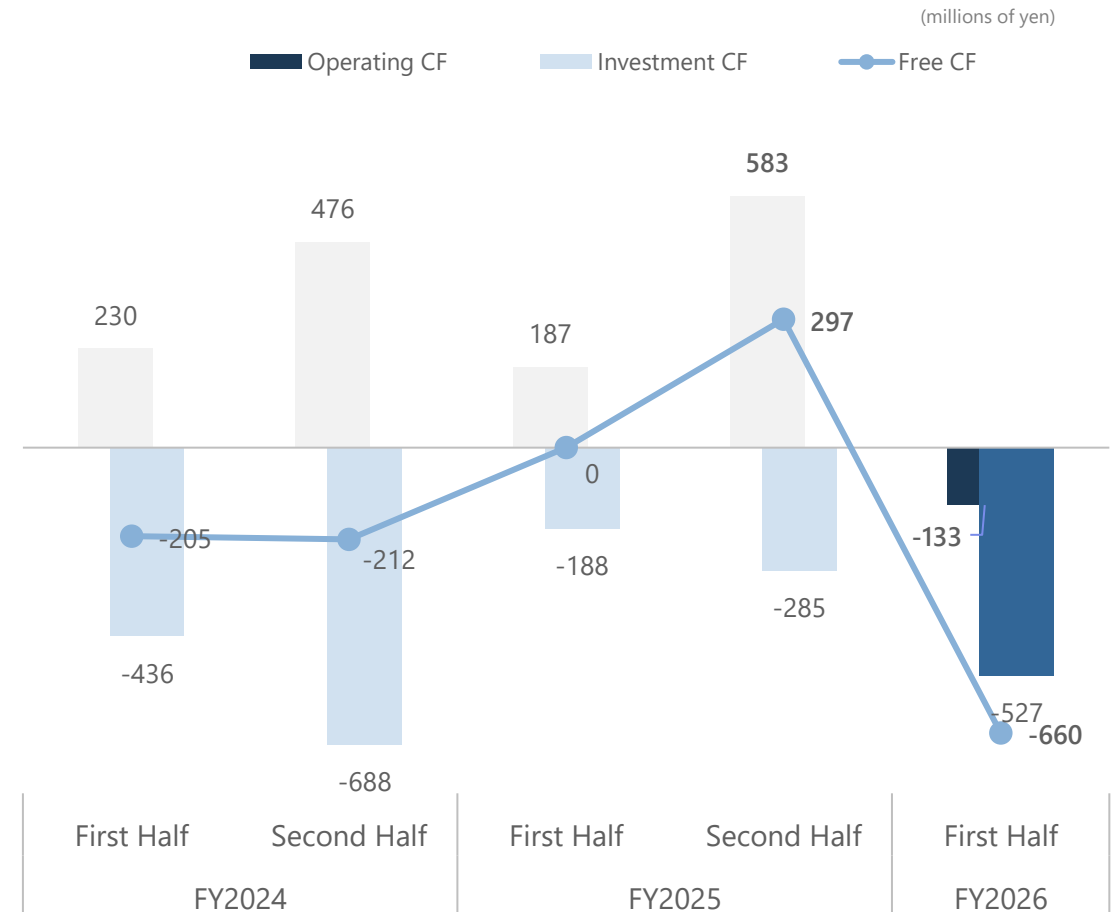
(millions of yen)	FY2024	FY2025	FY2026 2Q	Change from the end of the previous fiscal year	
Current assets	2,444	2,703	3,385	+682	
Cash and deposits	688	565	754	+188	Increase due to borrowing
Accounts receivable	1,498	1,873	2,284	+411	Impact of business expansion
Fixed assets	3,910	4,348	4,848	+500	
Property, plant and equipment	2,997	3,308	3,759	+450	Impact of opening new stores
Intangible assets	364	393	429	+36	
Total assets	6,354	7,051	8,233	+1,182	
Liabilities	4,711	4,679	5,868	+1,188	
Accounts Payable	751	756	936	+180	Impact of business expansion
Interest-Bearing Liabilities *	2,629	2,259	3,290	+1,030	Increase in borrowings in preparation for business expansion
Lease obligations (short-term and long-term)	168	385	455	+70	
Net assets	1,643	2,371	2,365	- 6	
Liabilities and Net Assets	6,354	7,051	8,233	+1,182	
Equity Ratio	25.9%	33.6%	28.7%	- 4.9pt	
ROE	26.8%	35.8%	—	—	
ROA	11.3%	10.7%	—	—	
Total asset turnover	1.3 times	1.5 times	—	—	

Cash Flow

- FCF for the first half of FY 2026 was down 660 million yen. Operating CF was in the red due to an increase in receivables associated with increased sales. In addition, cash out of investment CF continued as store openings accelerated.
- We will continue to invest for growth. We will maintain a certain level of financial stability so that we can flexibly respond to funds.

Cash Flow

(millions of yen)	FY 2025		FY2026	YoY
	1st Half	2nd Half	1st Half	
Operating CF	187	583	- 133	-321
profit before taxes	435	534	205	- 229
Depreciation and amortization	128	146	164	+35
Amortization of goodwill	4	4	6	+2
Changes in receivables and payables	- 66	- 305	- 227	- 160
Investments	- 188	- 285	- 527	- 339
Capital investment, etc.	- 133	- 244	- 458	- 325
Free CF	- 0	297	- 660	- 660
Financial CF	201	- 620	849	647
Charge in borrowings	217	- 588	1,030	+812
Issuance of new shares	0	9	0	- 0
cash at end of period	888	565	754	- 134



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Forecast (Consolidated)

- The initial forecast for the Region Prime Project (estimated sales of 200 million yen), which is scheduled to be booked in the first half of the fiscal year, is unchanged from the previous forecast.
- In the second half of the fiscal year alone, we expect to increase the amount compared to the previous forecast. In FY 2026, we forecast a 22% increase in sales and a 25% increase in operating income. Ordinary income is also expected to set a new record for consecutive years.

(millions of yen)	FY 2025 Results			FY 2026			YoY Difference			Full Year
	First Half	Second Half	Full Year	First Half Actual	Second Half Assumed	Full Year	First Half	Second Half	Full Year	Change
Sales	4,719	5,265	9,984	5,532	6,662	12,194	+812	+1,397	+2,209	+22.1%
Home visiting pharmacy business	3,416	3,701	7,117	3,899	4,230	8,129	+483	+529	+1,012	+14.2%
Kirari Prime Business	543	735	1,279	590	780	1,370	+46	+44	+91	+7.1%
Primary care home business	758	827	1,586	1,041	1,651	2,692	+282	+823	+1,106	+69.8%
Other businesses	0	0	1	0	0	1	- 0	- 0	- 0	-
Operating income	448	603	1,051	225	1,088	1,314	- 222	+485	+263	+25.0%
Home visiting pharmacy business	277	370	647	228	599	827	- 49	+229	+180	+27.9%
Kirari Prime Business	337	444	782	342	413	755	+4	- 31	- 26	- 3.4%
Primary care home business	133	50	184	- 28	291	263	- 162	+241	+79	+43.0%
Other businesses	- 3	- 10	- 13	- 18	18	0	- 14	+28	+14	-
adjustment amount	- 296	- 252	- 548	- 297	- 234	- 532	- 1	+17	+16	-
Ordinary profit	435	587	1,022	206	1,063	1,269	- 229	+475	+246	+24.1%
Net income attributable to owners of parent	291	427	719	136	747	883	- 155	+319	+164	+22.9%

KPI Assumptions

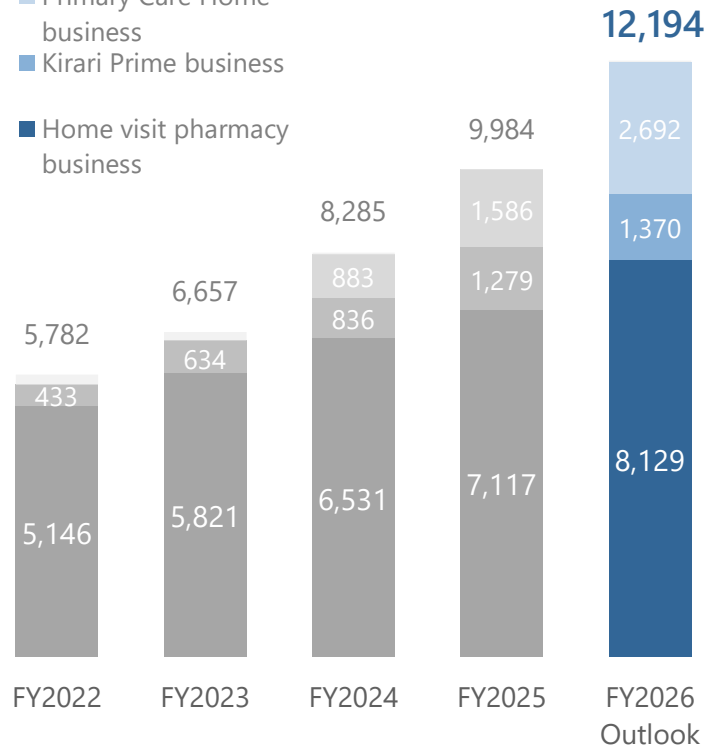
- In terms of sales, the primary care home business grew significantly due to the expansion of the number of facilities. Company-wide sales finally exceeded 10 billion yen and aim to exceed 12 billion yen
- The home-visit pharmacy business is expected to have a similar opening pitch to the previous fiscal year. There was a rush to open new stores in the previous fiscal year, but this fiscal year will continue to be aggressive in opening new stores. The number of home patients is also expected to exceed 12,000
- In the Kirari Prime business, the number of affiliated stores is expected to continue to increase. ARPU will also adjust temporarily due to the impact of the region-prime, But will maintain its upward trend through the expansion of added value such as package plans.

Net Sales Forecast

(millions of yen)

■ Primary Care Home business
■ Kirari Prime business

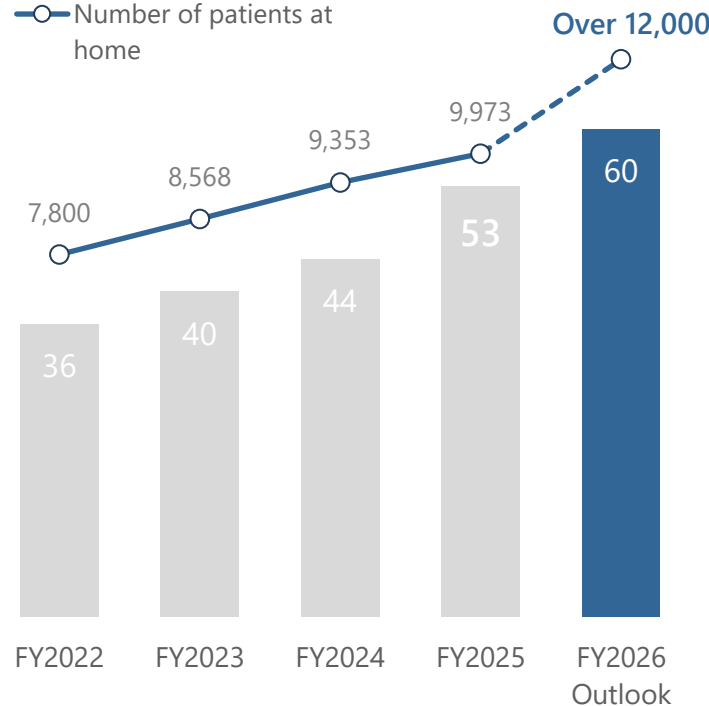
■ Home visit pharmacy business



Home visiting pharmacy business KPI assumptions

■ Number of stores

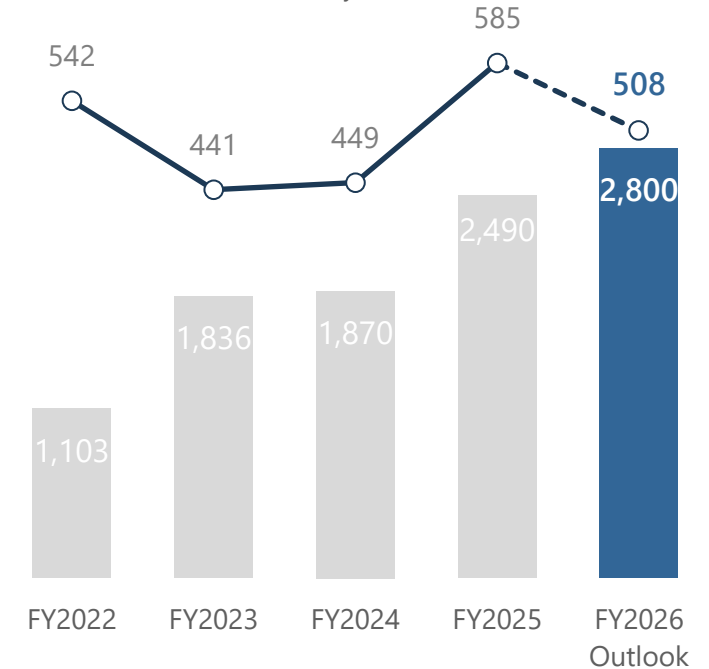
○ Number of patients at home



Kirari Prime Business KPI Assumptions

■ Number of affiliated stores at the end of the period

○ ARPU* (thousand of yen)

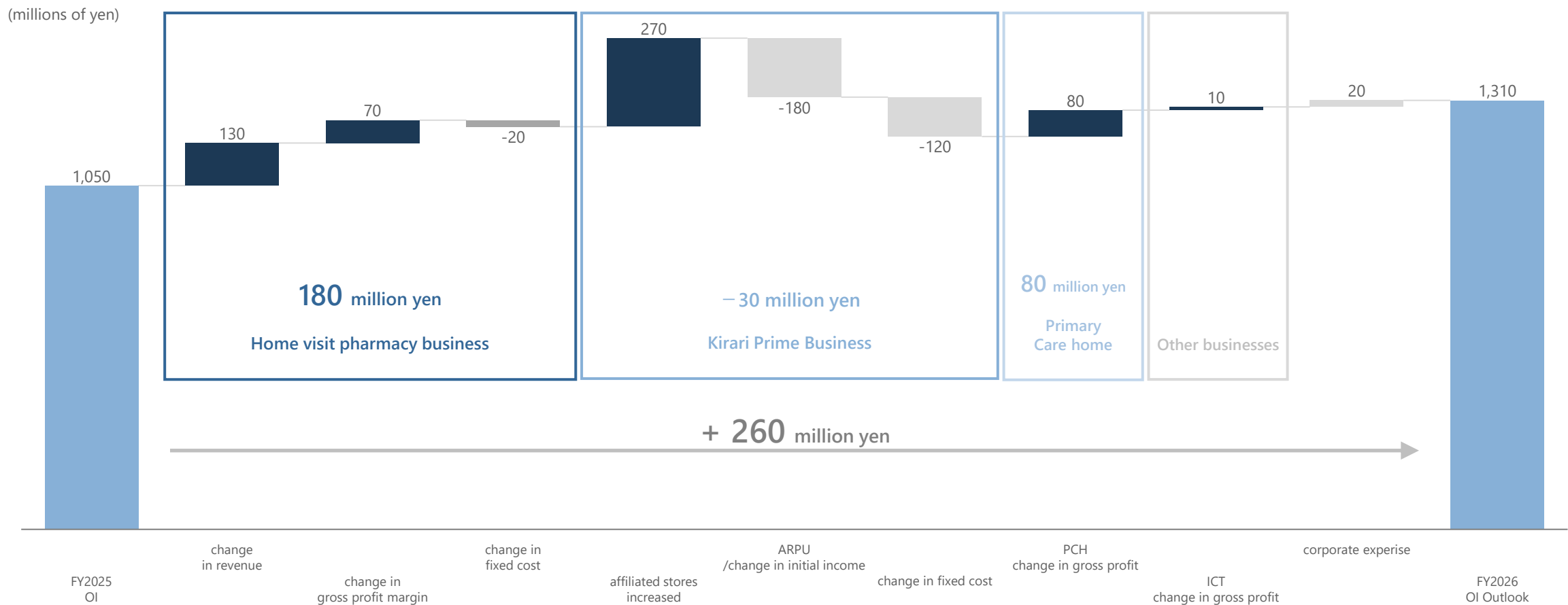


*ARPU= Kirari Prime business sales (including initial income) ÷ average number of affiliated stores at the beginning and end of the period

Analysis of factors contributing to the expected increase in operating income

- In the home visiting pharmacy business, profit is expected to increase due to the increase in the number of stores and the promotion of operational improvements
- In the Kirari Prime business, the number of affiliated stores is expected to increase, but profit is expected to decrease due to the decrease in ARPU and cost increase due to the reactionary decrease in the region prime business in the previous fiscal year
- In the primary care home business, profit is expected to increase only by 80 million yen due to the cost of opening new facilities, despite the continued high operation and the effect of new facilities

Operating income factors

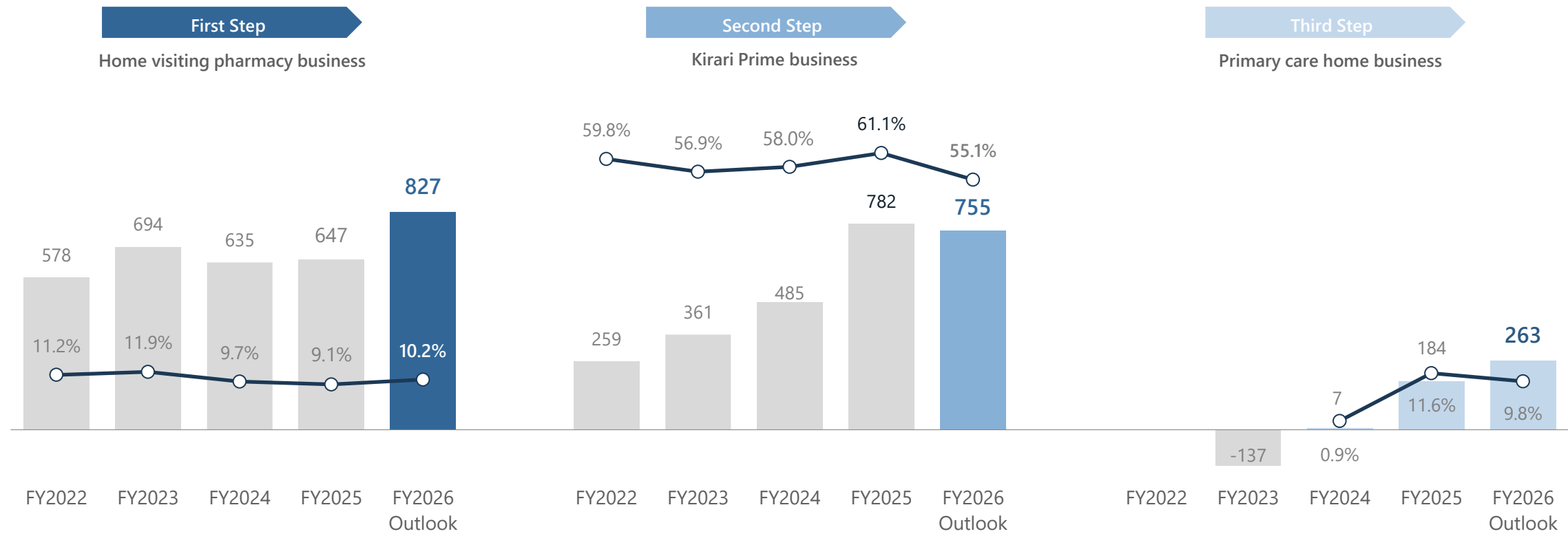


Earnings Forecast by Segment

- Operating profit in the first step home-visit pharmacy business is expected to shift from the waxing and waning situation that had been in the past. Growth will accelerate due to increased opening of new stores and increased operational efficiency.
- Operating profit in the second step Kirari Prime business is expected to remain at a high level, but profit is expected to decrease due to the rebound from the region prime deal in the previous fiscal year.
- Operating profit in the third step primary care home business is expected to continue full operation of existing facilities, but profit margin is expected to decrease due to new facility opening costs.

Segment profit and segment profit margin

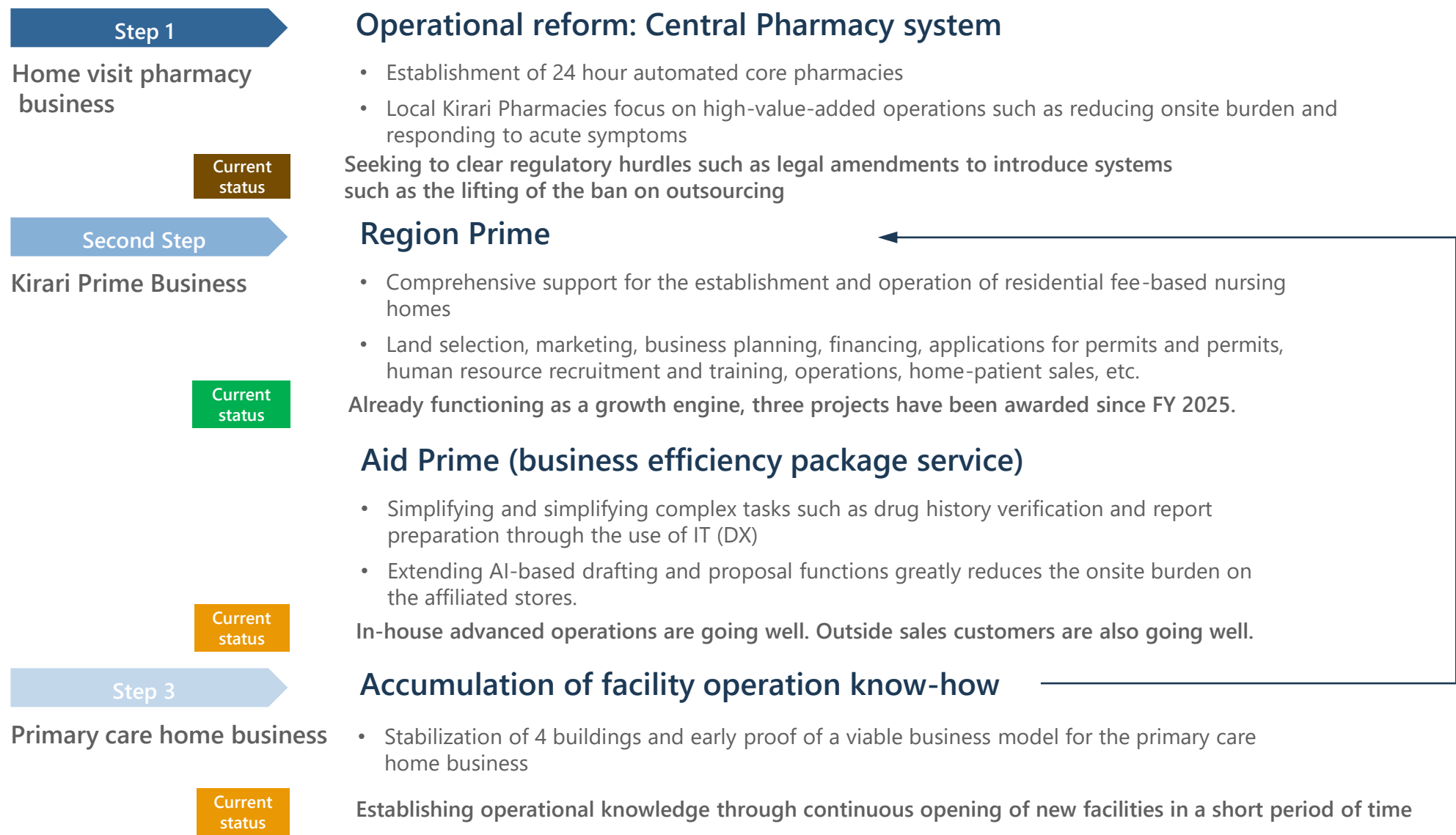
(millions of yen) (%)



Dividend policy

- Dividend plan Year-end dividend 20 yen
- Shareholder return policy Return profits in line with profit growth while taking into account performance and financial soundness
- Aim of starting dividends Thorough ROE-conscious management
- Funding for growth Various measures considering WACC

Growth engine for the fiscal year ending March 2026 and beyond



Home-Visit Pharmacy Business: Direction of Operation Reform

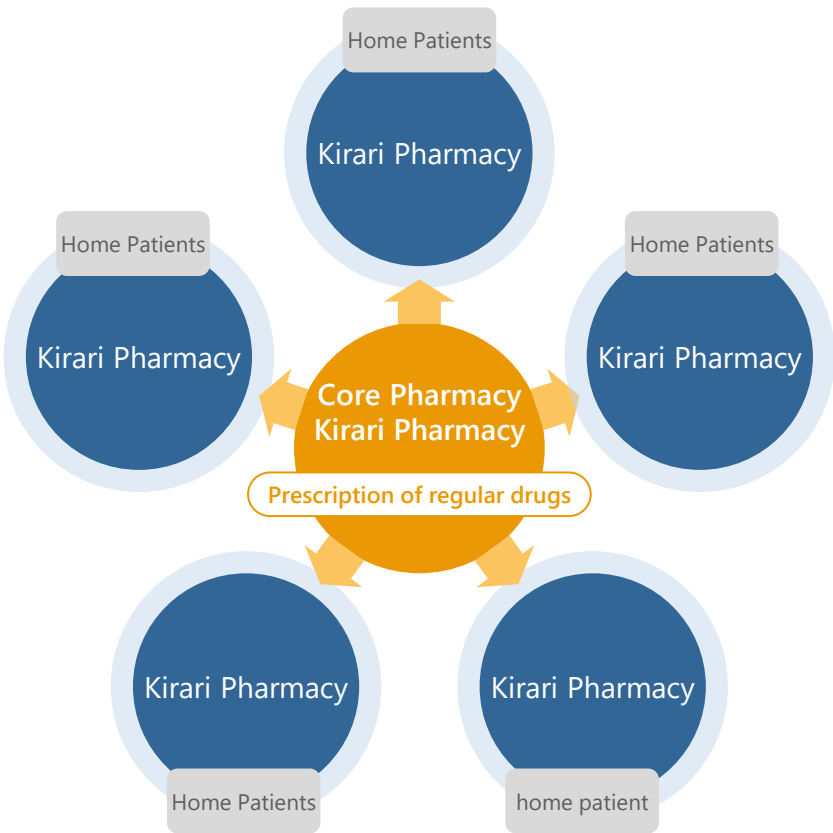
Previous Operation System

- Each Kirari Pharmacy Takes Unique and Consistent Action for Each Customer
- There are examples of neighboring Kirari Pharmacies taking part in support, but they are basically managed in a simplified manner.



Operation Reform: Central Pharmacy System

- Establishment of a core automated pharmacy that operates 24 hours a day, mainly dispensing drugs (regular drugs) for long-term use by patients
- Delivery of dispensed drugs to nearby Kirari pharmacies and administration of drugs from the store in charge to patients at home
- By having core pharmacies handle part of the operations of Kirari pharmacies in each region, the burden on the site is reduced, and they concentrate on value-added operations such as dealing with acute symptoms.



*In the "Outsourcing of a Part of Dispensing Services to Strengthen Pharmacists' Interpersonal Work" announced by the Ministry of Health, Labour and Welfare on December 25, 2023, it is assumed that outsourcing of a part of dispensing services is being considered and that the development of the system, including the revision of laws and regulations, will progress. Future discussions may change the direction of our operational reform.

Kirari Prime Business: Sales of Operational Efficiency Packages

- Although home-visit pharmacies have a tailwind due to the needs of the times, various problems have emerged at present. Confusion has occurred not only in our company but also in various places.
- To increase business sustainability, drastic operational efficiency improvement through DX is inevitable. Providing efficient packages with excellent operability to the affiliated stores.
- We have already developed and introduced the package and verified its effectiveness to a certain extent. In the future, we will establish a backup system for maintenance and troubleshooting, and establish sales system

Problems surrounding home-visit pharmacies

Problems in home-visit work	Staff problems
<ul style="list-style-type: none">• Unprofitable• Complex dispensing processes• Overtime• Reduced quality of services• Facility transaction termination• Staff shortages due to medical care visits	<ul style="list-style-type: none">• Mass departure of staff• Departure of veteran staff• Chronic staffing shortages• Increase in the ratio of new employees• Increase in the training load on staff• Dissatisfaction with treatment



Kirari Pharmacy also experienced confusion in the 2024/3 fiscal year.

Business efficiency and rationalization (DX) through IT is inevitable

Service Overview

The integration of the three systems greatly reduces the workload of medication history and reports

Cloud-based electronic drug history "Solamichi"	Ultra-efficient drug history system System proposes medication instruction text by guidance navigation Reflects enriched instruction content to drug history with just a click
Home work support system "FamCare"	Seamlessly links drug history and report data Helps reduce time and work efficiency associated with home health care Improves work efficiency by automatically sending reports via fax or email from the Web
Report preparation support system "Aid Prime"	AI automatically creates medication history text from Solamichi's guidance navigation system It also automatically generates easy-to-understand text for report care managers, etc. Data is transferred to FamCare

Both have already been introduced at Kirari Pharmacy, which is directly managed.

- ✓ Certain results such as improved profit margins have been verified.
- ✓ Responding to and maintaining problems at the affiliated stores
Early establishment of a response system

Primary Care Home Business: Opening Strategy



Building 1: Primary Care Home Hyuga Kasuga Chikushidai

- Opened on January 13, 2023
- Address: 5-132 -1, Chikushidai, Kasuga City, Fukuoka Prefecture, Japan
- Capacity: 102 beds



Building 2: Primary Care Home Hyuga Hakata Mugino

- Opened on August 1, 2023
- Address: 2-22-20, Mugino, Hakata Ward, Fukuoka City, Fukuoka Prefecture, Japan
- Capacity: 162 beds



Building 3: Primary Care Home Hyuga Kumamoto Hamasen

- Opened on December 13, 2024
- Address: 3-120, Tamukae, Minami Ward, Kumamoto City, Kumamoto Prefecture, Japan
- Capacity: 168 beds



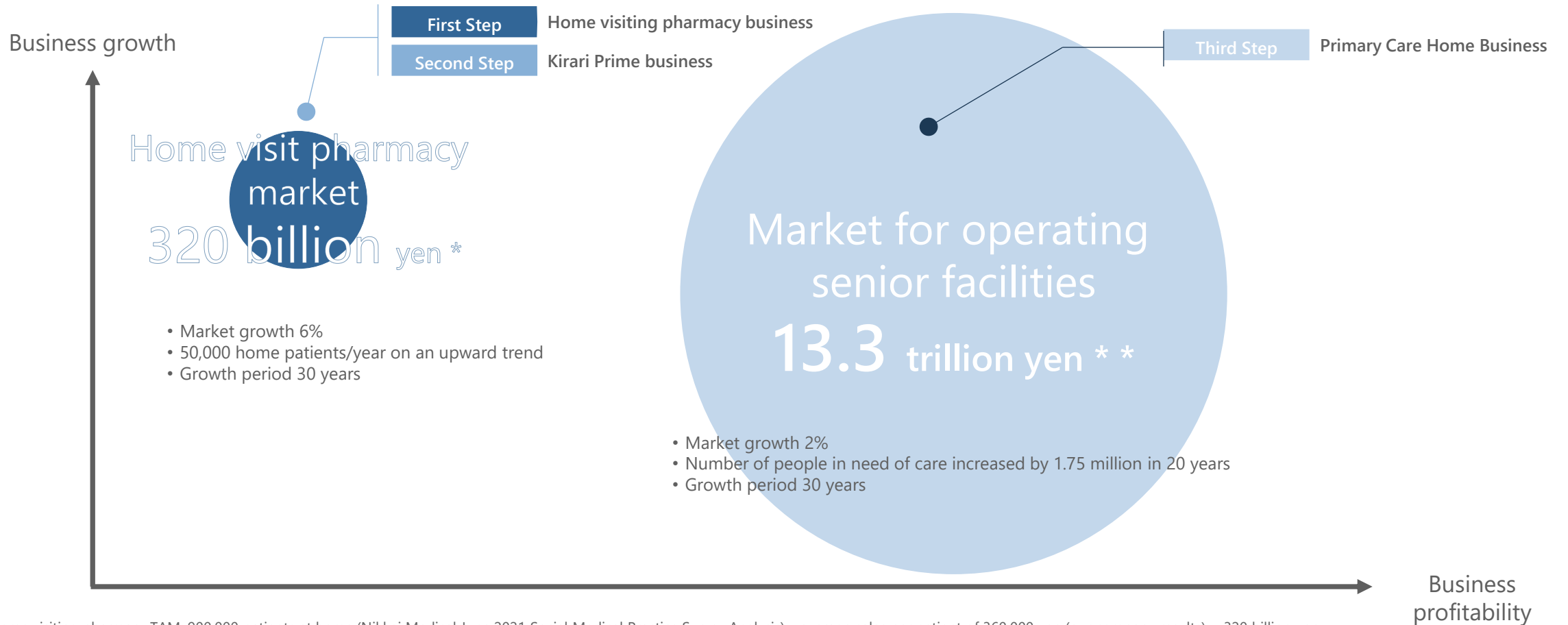
Building 4: Primary Care Home Hyuga Kurume St. Mary's Hospital Station'

- Opened on April 18, 2025
- Address: 600-7 Tsubuku Honmachi, Kurume City, Fukuoka Prefecture, Japan
- Capacity: 144 beds



market analysis

- Recognizing that both the home-visiting pharmacy market and the senior citizens' facility operations market will expand over the long term due to an aging population and an increase in the number of home patients
- Developing a strategy that combines the large and profitable primary care home business (the third step of growth) with the high-growth home-visiting pharmacy business and the Kirari Prime business (the first and second steps of growth)



*Home visiting pharmacy TAM: 900,000 patients at home (Nikkei Medical June 2021 Social Medical Practice Survey Analysis) x average sales per patient of 360,000 yen (our company results) = 320 billion yen

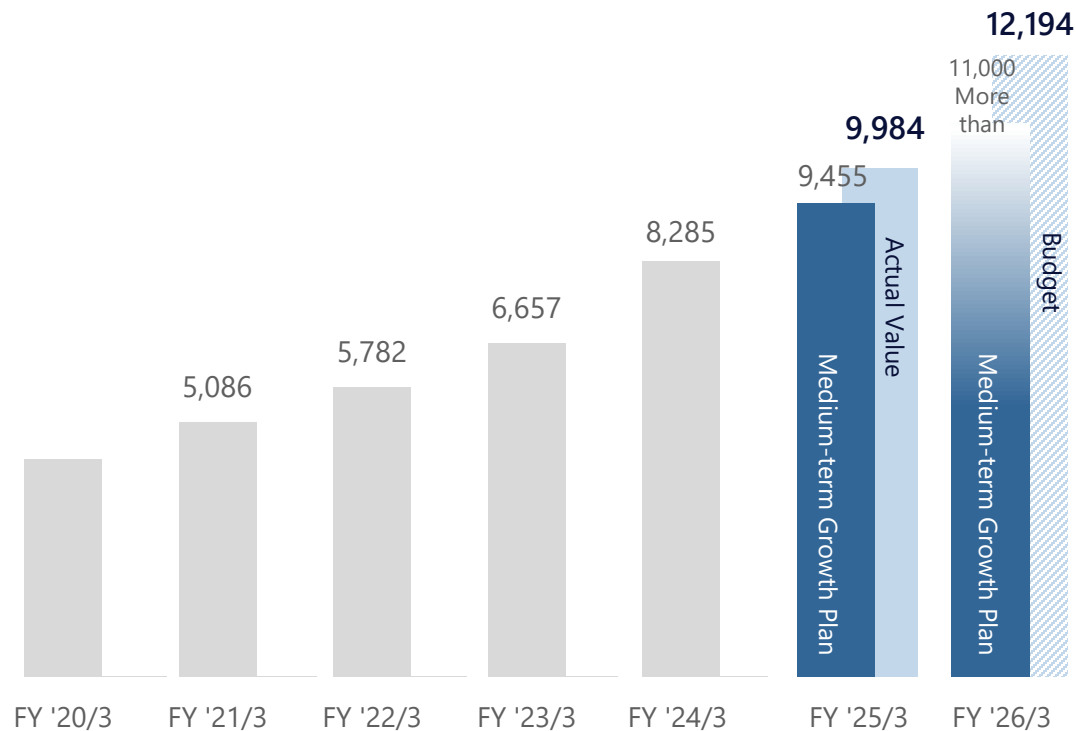
** Primary care home business TAM : 6.89 million people requiring long-term care (the Ministry of Health, Labour and Welfare Report on the Status of Long-Term Care Insurance Business, February 2022) x rate of utilization of in-home services (calculated from the 2021 Survey on Long-term Care Benefit Expenses, etc.) 38.6% x average sales per patient of 5 million yen (actual results in our company) = 13.3 trillion yen

Review of Medium-Term Growth Plan

- Compared with the medium-term growth plan presented so far, both sales and ordinary income exceeded the plan in fiscal year 2025/3. In fiscal year 2026/3, sales are expected to exceed the mid-term plan and ordinary income is expected to remain almost as planned.
- For the time being, priority will be placed on building a growth driver structure in fiscal year 2026/3. The mid-term growth plan will be formulated after that.

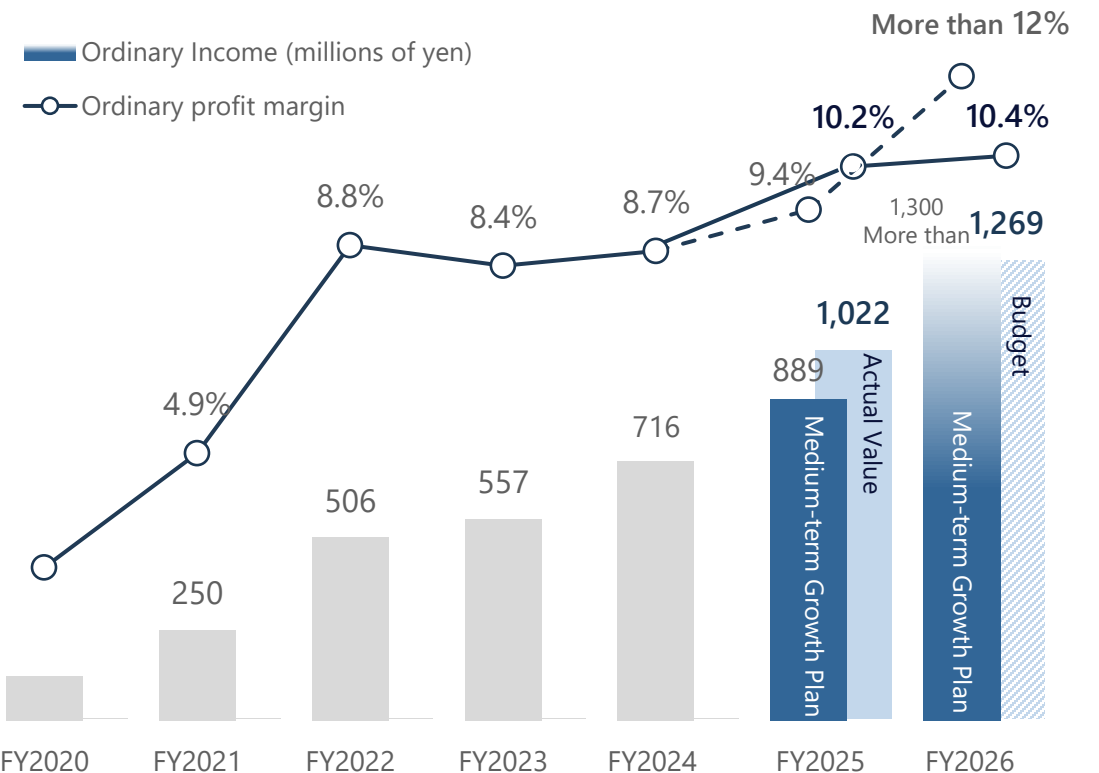
Net sales

(millions of yen)

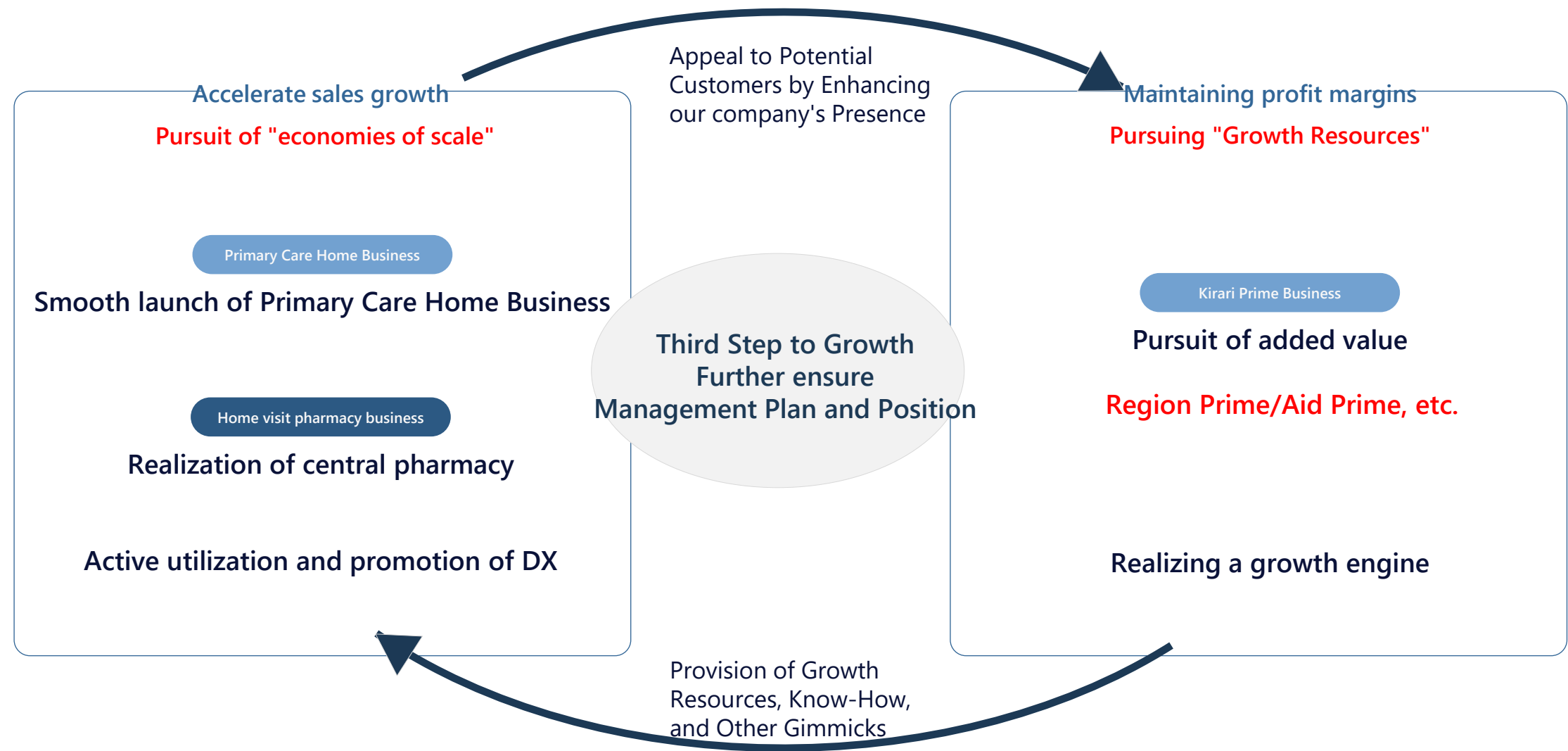


Ordinary profit and ordinary profit ratio

(millions of yen)



Concept of the Next Medium-Term Management Plan



- 01 Company Profile, Business Profile, Summary
- 02 Summary of Financial Results (FY 2026 2Q)
- 03 Earnings guidance (FY 2026)
- 04 Topics**
- 05 Sustainability Management/Appendix

Entry into Pharmacy Services by Major Online Distributors

Q: Will this affect Home-visit Pharmacies?

▶

A: No

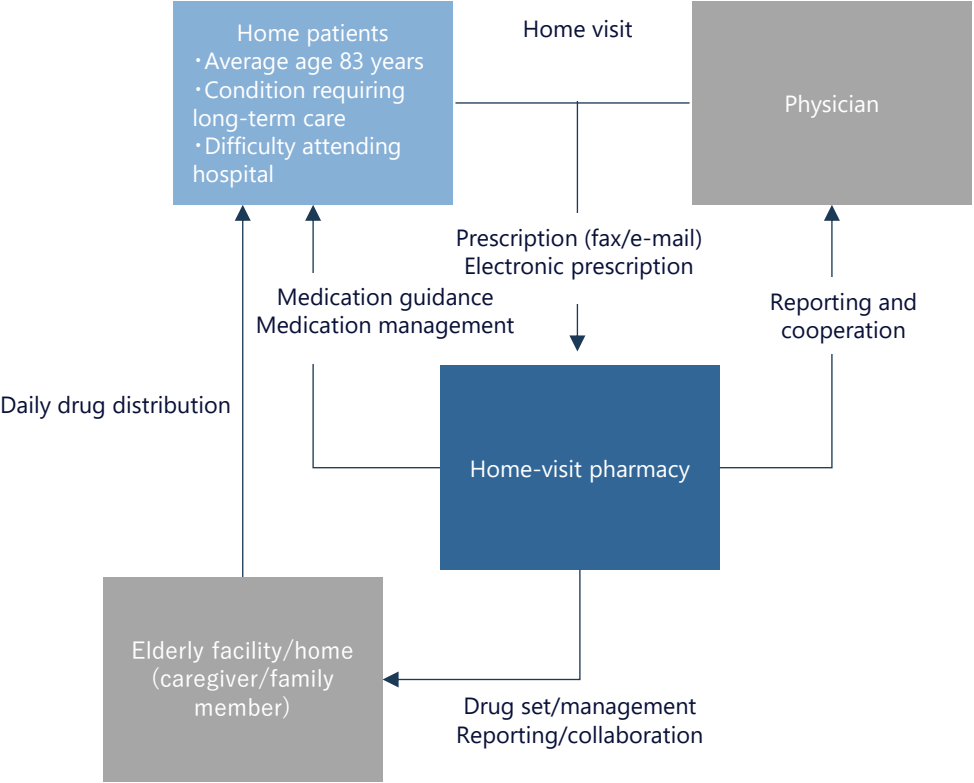
Differences with The Company

	Our Company (Home-visit Pharmacy)	Major Distributors
Target Audience	<div><div>•Elderly</div><div>•Conditions requiring long-term care</div><div>•Difficulty attending hospital</div><div>•Need help managing medication</div></div>	<div><div>•Highly IT literate</div><div>•Emphasis on convenience</div><div>•Ability to manage medication by oneself</div></div>
Conditions of use	Patients who are recuperating at home and have been diagnosed by a doctor as having difficulty visiting the hospital	Electronic prescriptions and online medication instructions are essential
Medication management	Visiting pharmacists, facility staff and supporters	By oneself
The patient's condition	Share information with doctors, care managers, and other collaborating professionals, including medication status, as needed	Basically no sharing of medication status

Differences in pharmacy services provided by home-visit pharmacies and major online distributors

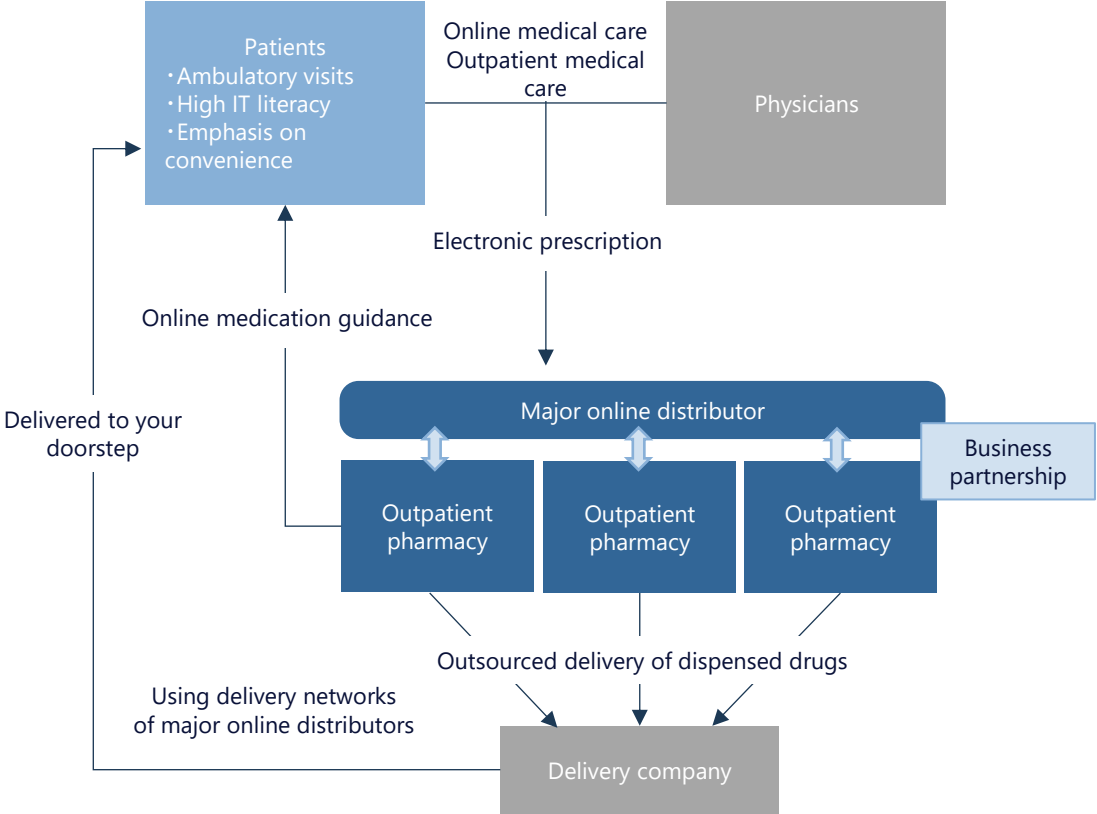
Home-visit Pharmacy

- Supporters are not always able to stand by and support nursing care
- Supporters are not specialists in medicine in most cases, making it difficult to respond to irregular situations such as unusual events
- Formulate and distribute medicines according to the patient's physical condition, level of understanding, support status, and living environment. Delivery of medicine alone does not lead to taking the medicine.



Pharmacy service provided by a major online distributor

- In the future, patients who value speed and convenience may switch to online medication advice.
- The number of medical institutions that accept electronic prescriptions is approximately 3,000 (1.7% of the total) *

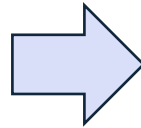


*Reiwa 4 (2022) Summary of the Survey of Medical Facilities and Hospital Reports, the Ministry of Health, Labour and Welfare, "List of Medical Institutions and Pharmacies that Accept Electronic Prescriptions (as of July 14, 2024) "

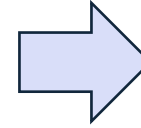
For patients at home, drug delivery alone does not lead to medication administration



- Discharge prescription given to patient
 - If it's only packaged in one package
- It's hard to lead to correct dosing



- Date entry, color line added
- Separate bag of drugs also held together
- Confirmation of use with prescribed drugs from other medical institutions



- Proposal of how to manage drugs according to the patient's situation
- Continuous management of dosing conditions
- Sharing information with doctors and care managers

Even if drug delivery is outsourced due to advances in online medical treatment and medication guidance, the superiority of home-based pharmacies that respond to patients' needs remains

Home pharmacies remain superior in meeting patient needs

- 01 Company Profile, Business Profile, Summary
- 02 Summary of Financial Results (FY 2026 2Q)
- 03 Earnings guidance (FY 2026)
- 04 Topics
- 05 Sustainability Management/Appendix**

<https://www.hyuga-primary.care/ja/ir/library/sustainabilityreport.html>

HYUGA PRIMARY CARE Co., Ltd.

"Creating a social infrastructure that allows patients and users to recuperate at home 24 hours a day, 365 days a year"

is our business philosophy.

In order to realize this business philosophy, our company

- I. Contributing to the enhancement and development of community health care
- II. Providing safe and secure medicines
- III. Environmental Protection and Load Reduction
- IV. Supporting the Development and Active Performance of Human Resources and the Revitalization of Medical and Nursing Care Situations
- V. Strengthening Governance

We will move forward on the above.

Sustainability Report



Our company organizes matters considered important in five areas

Key Issues Group	Materiality
I Contributing to the enhancement and development of community health care as a platformer of a community comprehensive care system	<ol style="list-style-type: none"> 1. Contribution to community health care as a family pharmacy and pharmacist 2. Strengthen pharmacy functions by enhancing community medical care, including cancer alleviation 3. Promotion of online medicine using DX and IT tools 4. Providing health education, medical and nursing care information to local communities 5. Contributing to social security by promoting proper use of pharmaceuticals 6. Implementation of a bridge and community comprehensive care system in both the medical and nursing care fields through the spread of home health care 7. Contributing to the enhancement of community health care using the network established by the Kirari Prime Business
II Safe and secure pharmaceutical supply as social infrastructure	<ol style="list-style-type: none"> 8. Ensuring the quality and safety of the pharmaceutical products to be provided and appropriate management 9. Enhancing resilience to disasters and pandemics to ensure stable and sustainable pharmacy operations 10. Ensuring procurement stability by strengthening supply chain management
III Measures to protect the environment and reduce environmental impact	<ol style="list-style-type: none"> 11. Reducing waste, including pharmaceuticals, and improving the efficiency of resource use 12. Reducing CO2 Emissions by Making Energy Use More Efficient and Using Renewable Energy
IV Supporting the development and performance of diverse human resources and the revitalization of medical and nursing care sites	<ol style="list-style-type: none"> 13. Promote work-life balance through the realization of diverse work styles 14. Providing places of activity and managing working hours according to the way you work 15. Establishing a work environment that promotes employee health and job satisfaction 16. Respect for Human Rights and Promote Diversity (Promote Elderly Employment/Promote Women's Participation/Support LGBTQ Understanding) 17. Securing human resources to support company growth 18. Establishing a personnel system to promote growth 19. Effective utilization of human resources through promotion of DX
V Strengthening governance	<ol style="list-style-type: none"> 20. Sustained Strengthening of Corporate Governance 21. Highly transparent disclosure 22. Enhancing Information Security 23. Compliance

- 01 Company Profile, Business Profile, Summary
- 02 Summary of Financial Results (FY 2025)
- 03 Earnings guidance (FY 2026)
- 04 Topics/Medium-Term Growth Plan
- 05 Sustainability Management/**Appendix**

01 In addition to an increase in the **Population aged 75 and over** and elderly single households, **Number of persons certified as requiring long-term care** is expected to maintain high levels

- There is an urgent need to establish a new social system and medical infrastructure: a comprehensive community care system and regular measures to control social security costs by revising medical fees and drug prices

02 Demand for home medical care is expected to increase significantly due to **Aging population** and **Functional differentiation and collaboration of hospital beds due to regional medical care plans.**

- In response to the expected increase in the number of patients at home, Urgent need to create functions that seamlessly link nursing care and medical care and networks capable of providing essential home dispensing
- In order to provide safe, secure, high-quality, effective and efficient medical and nursing care services, it is also effective in the pharmacotherapy of patients. Need to ensure continuous access to safe drug therapy

Increase in the number of people aged 75 and over and elderly single households

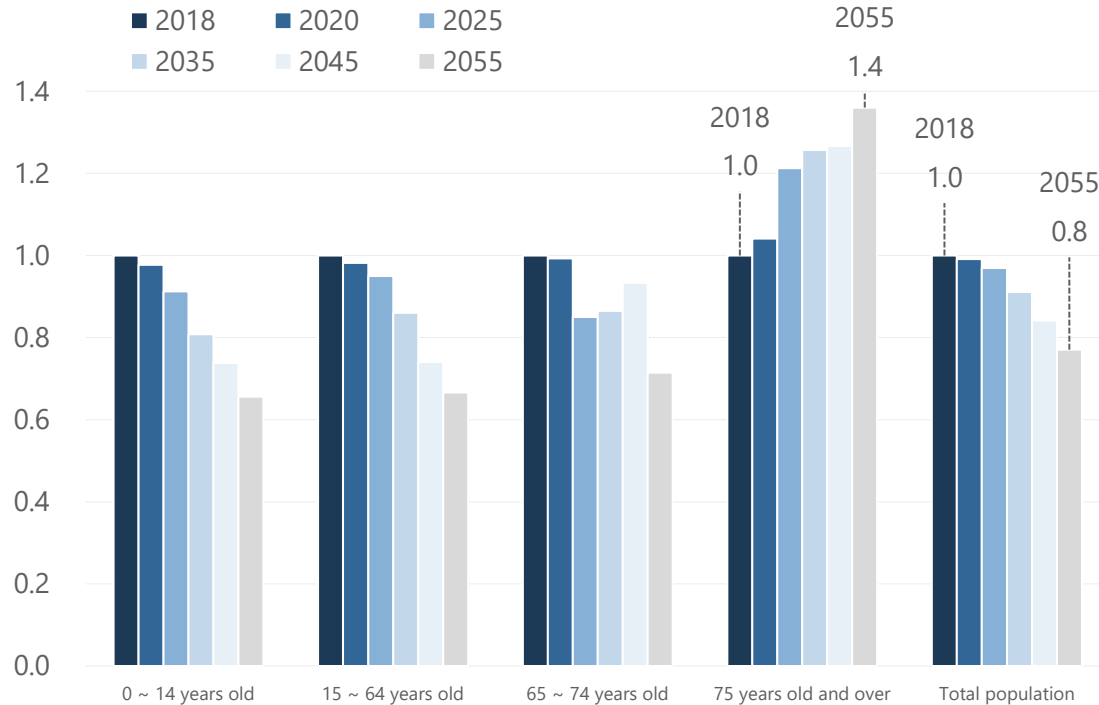
- While the total population of Japan is decreasing, the number of people aged 75 and over is increasing, and in 2055, the number was 1.4 times that of 2018 (the total population was 0.8 times in the same period). The number of single households aged 65 and over is expected to increase, with a 1.5 fold increase in 2040 compared to 2015.
- Who is going to care for you and where is going to care for you could become a bigger problem in the future.

Changes in population by age group

(2018 years = 1)

Population aged 75 and over

17.98 million (2018) → **24.46 million (2055)**

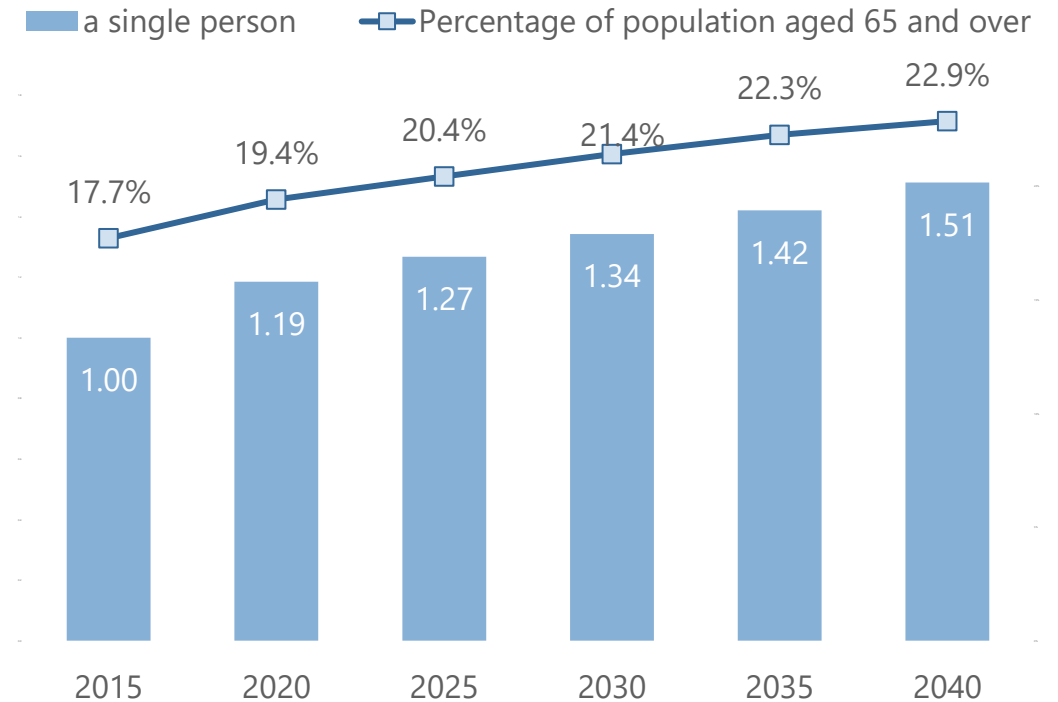


Number of single elderly households *

Families aged 65 and older living alone (2015 = 1)

elderly single household

5.93 million households (2015) → **8.96 million households (2040)**



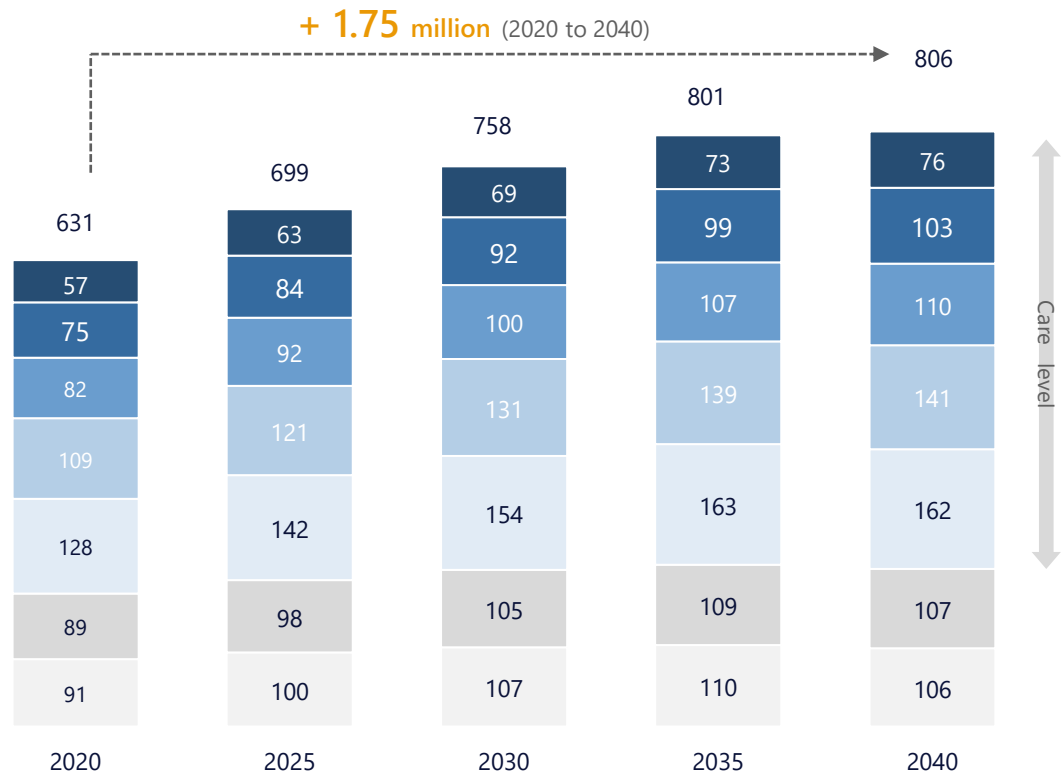
Source: Cabinet Office's "White Paper on Aging Society in Reiwa 2"

Business environment Number of people certified as needing long-term care

- The number of persons certified as requiring long-term care support or care is expected to exceed 8 million in 2035 and reach 8.06 million in 2040, an increase of 28% (compared to 2020)
- In particular, the number of people who are certified as requiring nursing care level 3 ~ 5 has increased by more than 30%, making it even more important to develop a nursing care support system.

Prospects for the number of persons certified as requiring long-term care

(10k persons)



Rate of increase and number of increase by certified category

(from 2020 to 2040)

	rate of increase	number of increase
Care-Needed 5	33 %	190,000 people
Care-Needed 4	37 %	280,000 people
Care-Needed 3	34 %	280,000 people
Care Needed 2	29 %	320,000 people
Care Needed 1	27 %	340,000 people
Needed Support 2	20 %	180,000 people
Needed Support 1	16 %	150,000 people
Total	28 %	1.75 million people

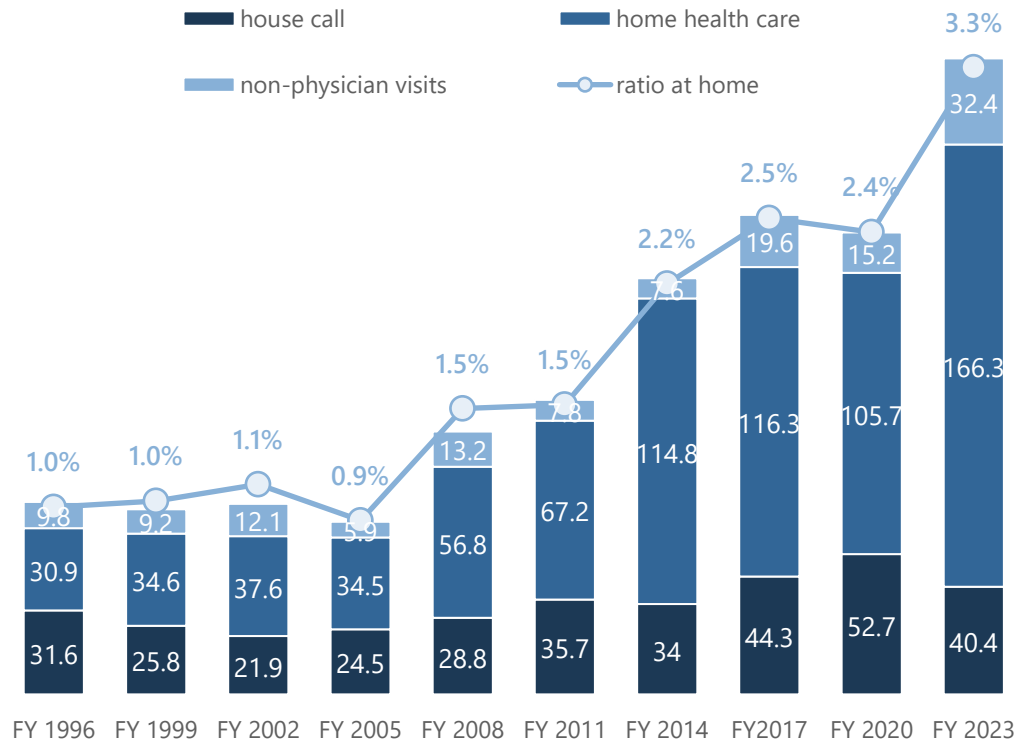
Sources: "Population Estimates (October 30)" (the Ministry of Internal Affairs and Communications), "Long-Term Care Insurance Business Status Report (October 30)" (the Ministry of Health, Labour and Welfare), "Japan's Future Population Estimates (April 29) (Mid-Birth (Mid-Death) Estimates)" (the National Institute of Population and Social Security Research)

Business Environment Home Patients and Home Pharmacies

- The number of home-visit medical care patients has been on the rise. With the increase in the elderly population, the number increased rapidly from around 2008, reaching 239000 per day in 2023.
- The ratio of home patients to total patients has also accelerated in tandem with the promotion of comprehensive care systems. The ratio rose to 3.3% in 2023.

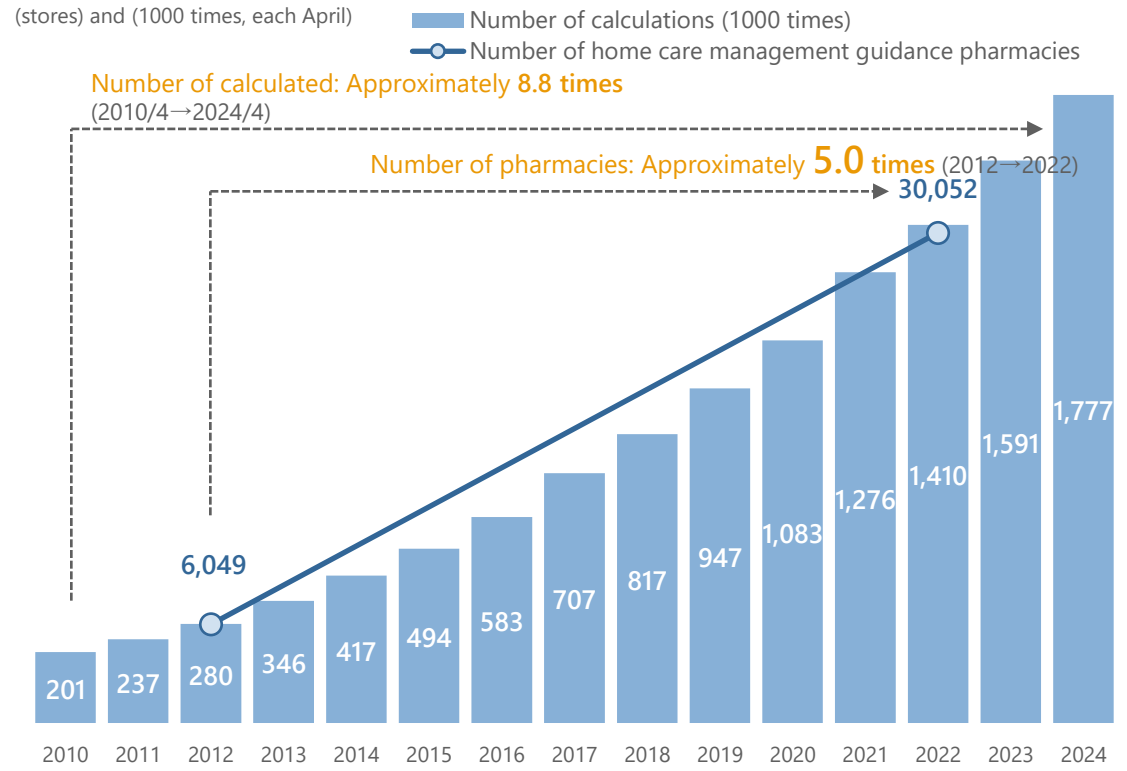
Number of home patients
Ratio of home patients to total patients

(1000 patients/day)



Number of pharmacies providing home care management guidance
(personal pharmacy contract with patients)
Number of pharmacies calculated for in-home medical care management
guidance expenses

(stores) and (1000 times, each April)

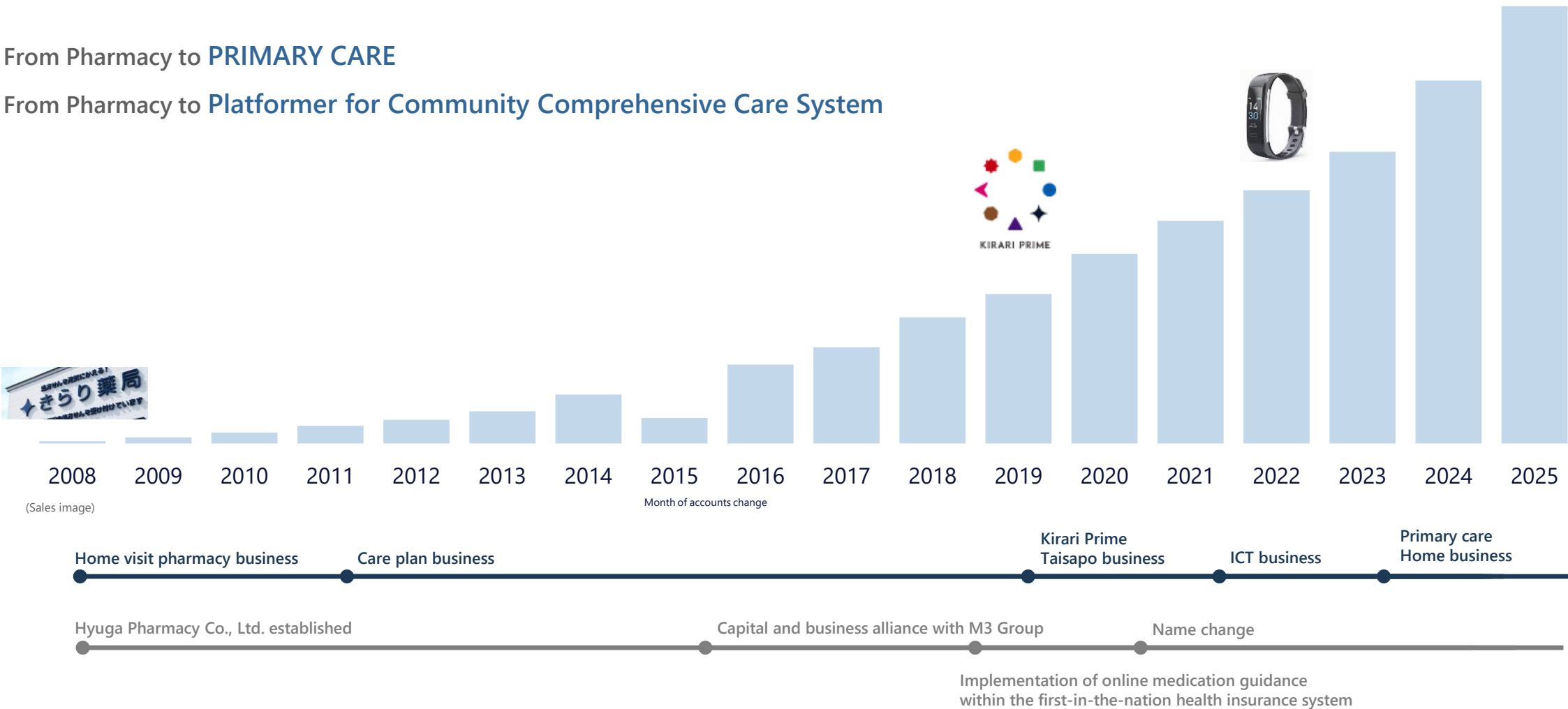


Source: the Ministry of Health, Labour and Welfare, "Patient Survey" and "Monthly Statistics on Long-Term Care Benefit Expense, etc.," for April each year.

HYUGA PRIMARY CARE Company Profile

History and business development

From Pharmacy to PRIMARY CARE
From Pharmacy to Platformer for Community Comprehensive Care System



Financial Highlights *

		12 th term	13 th term	14 th term	15 th term	16 th term	17 th term	18 th term
Year and year		March 2019	March 2020	March 2021	March 2022	March 2023	March 2024	March 2025
Sales	(thousands of yen)	3,410,342	4,331,638	5,086,031	5,782,604	6,657,448	8,285,853	9,984,799
Ordinary profit	(thousands of yen)	64,181	122,368	250,720	506,182	557,751	716,880	1,022,789
Net income attributable to owners of the parent	(thousands of yen)	14,197	32,903	97,140	328,454	382,876	441,027	719,030
Capital	(thousands of yen)	100,000	100,000	104,742	171,915	185,912	195,382	200,216
Total number of shares outstanding	(share)	11,074	11,074	11,369	3,499,100	3,572,000*	7,246,000	7,277,200
Net assets	(thousands of yen)	469,935	502,838	609,463	1,072,264	1,483,134	1,643,125	2,371,782
Total assets	(thousands of yen)	1,658,986	1,771,859	2,015,029	2,531,605	2,914,911	6,354,996	7,051,212
Net assets per share	(Yen)	141.45	151.36	178.69	153.22	207.61**	231.46	332.65
Net income per share	(Yen)	4.27	9.9	28.99	47.90	53.92**	62.05	101.12
Capital ratio	(%)	28.3	28.4	30.2	42.4	50.9	25.9	33.6
return on equity	(%)	3.1	6.8	17.5	39.1	30.0	26.8	35.8
Operating cash flow	(thousands of yen)	-	34,733	351,821	484,597	342,252	706,642	771,322
Invested Cash Flow	(thousands of yen)	-	- 165,236	- 77,591	- 320,255	- 383,393	- 1,125,097	- 473,978
Financial cash flows	(thousands of yen)	-	- 6,259	36,641	16,927	- 110,728	538,778	- 419,427
Cash and cash equivalents at end of year	(thousands of yen)	-	227,416	538,288	719,557	567,688	688,010	565,926
Number of employees (Average number of other temporary employees)	(persons)	226 (68)	283 (93)	312 (96)	329 (102)	442 (100)	544(113)	708(137)

* Our company conducted a stock split of 2 for 1 common share on April 1, 2023. The total number of shares outstanding after the split is 7,144,000 shares.

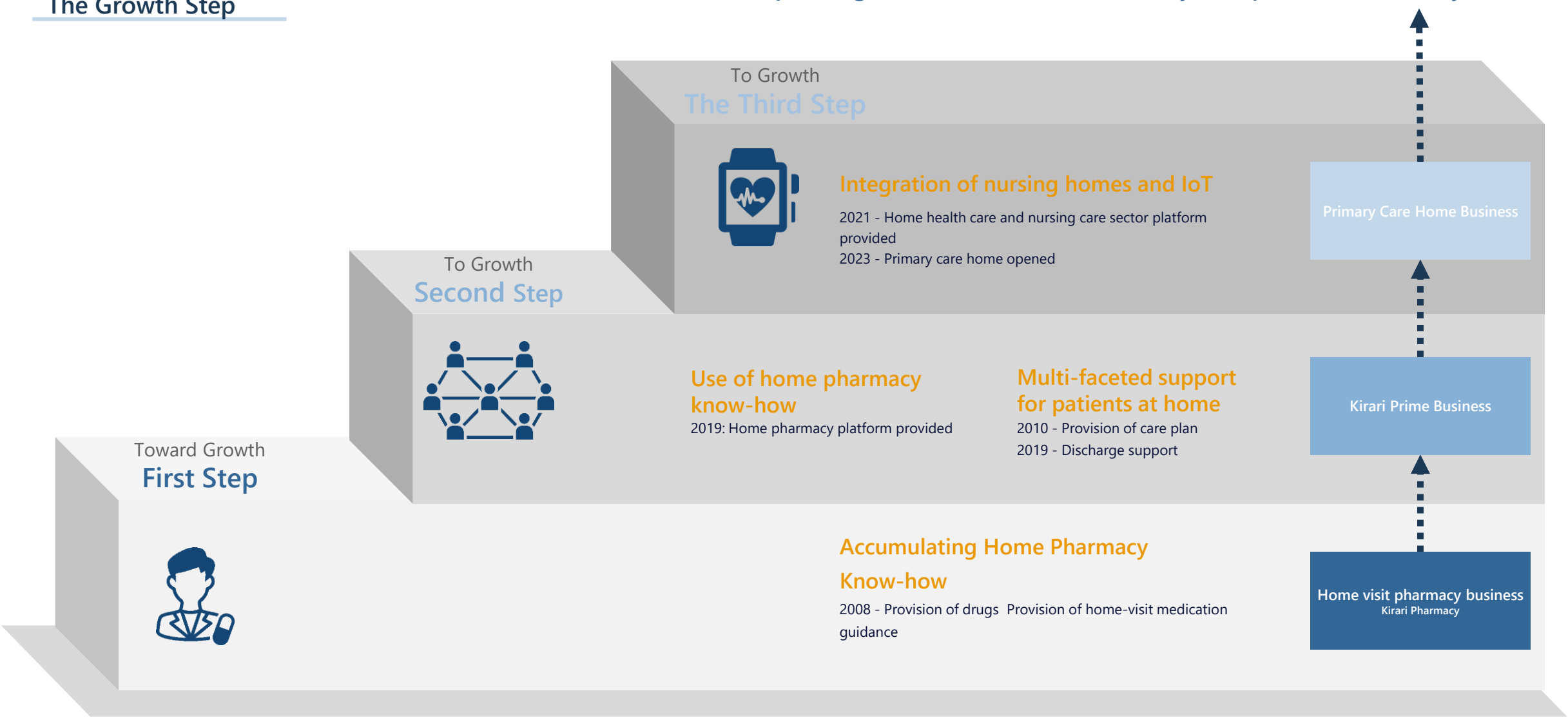
** our company conducted a stock split of 2 for 1 common share on April 1, 2023. Assuming that the stock split was conducted at the beginning of the fiscal year 16, net assets per share and net income per share are calculated.

*Financial highlights are presented based on the calculation method in the Annual Securities Report.

Strengthening the Third Step to Growth

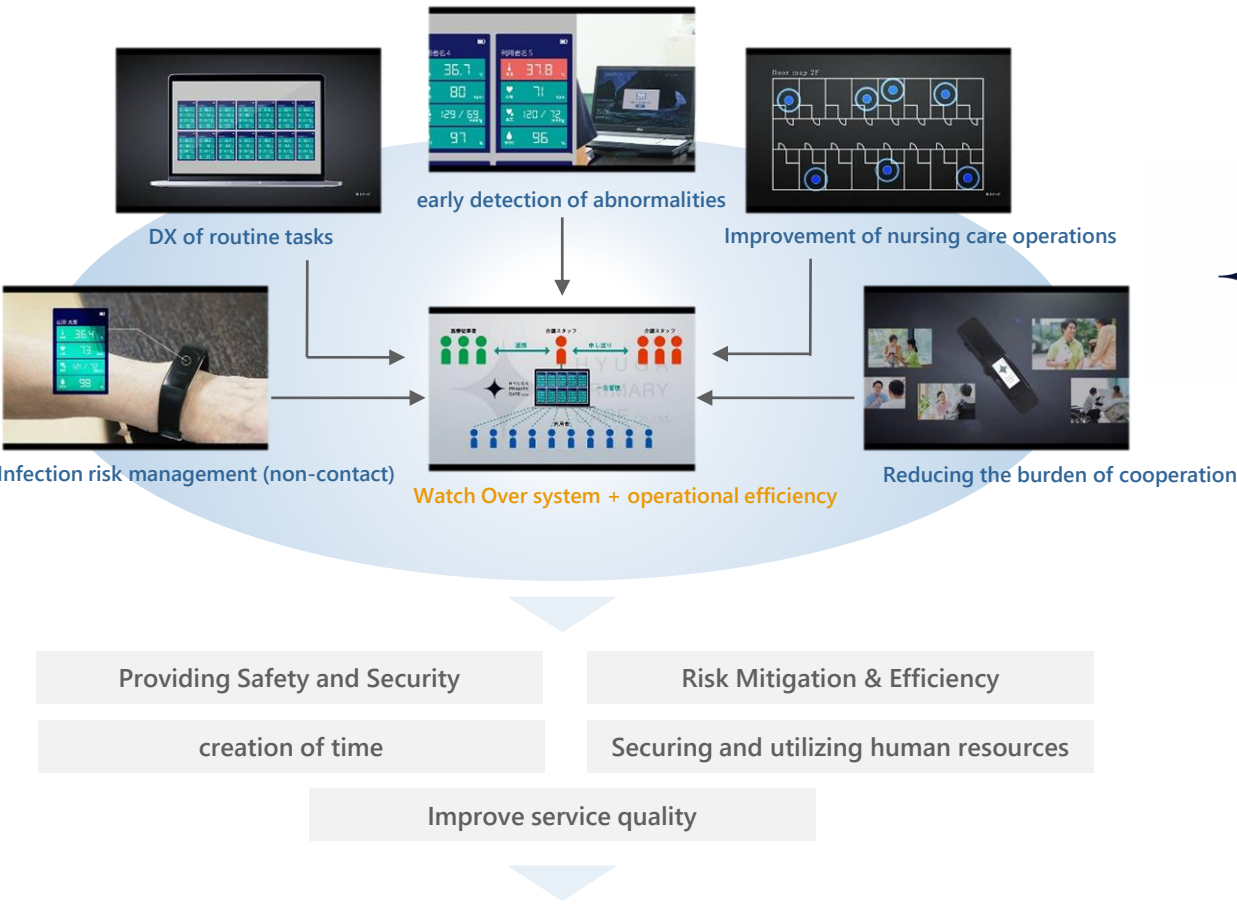
The Growth Step

Expanding the Platform for Community Comprehensive Care Systems

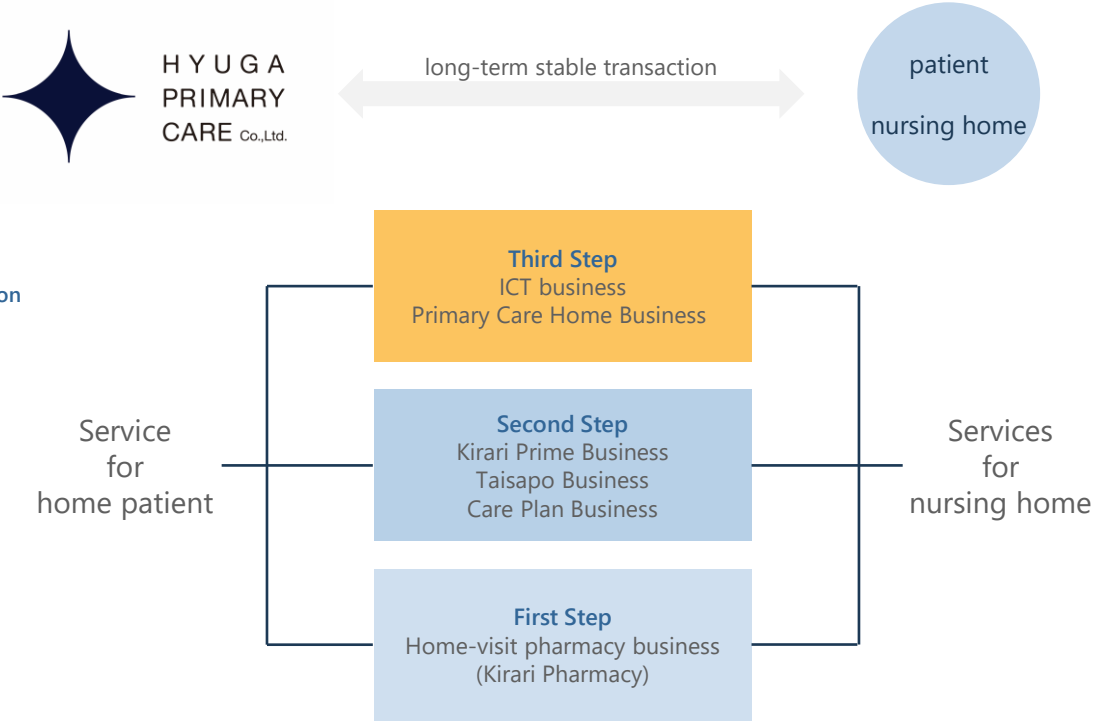


Primary Care Robot®

Watch Over system



to automate the process of measuring multiple times a day
Contribute to labor saving



Improvement of patient QOL and Construction of sustainable care system

Strengthening the Third Step for Growth Primary Care Home business

- We started the Primary Care Home business from January 2023.
- Home nursing care services for the elderly are provided through the operation of facilities for the elderly. These businesses have a high affinity for sharing know-how with home-visit pharmacy businesses.

New Business Overview *

Facility Management for the Elderly (Home Care - Regular and On-demand)

◆ Facility Concept

① Upsizing & Utilization of ICT

- Scale up to 100 beds and increase the number of rooms to reduce the burden on individuals
- Reduce workload with in-house developed ICT equipment

② Providing Home Care - Regular and On-demand

- 24 hours a day, 365 days a year, medical and nursing care are available

③ Less expense for patients

- Individual burden amount set according to the level of care

*About "Home Care - Regular and On-demand

A combination of regular visiting services provided on a regular basis based on a home-visit nursing care plan for each user and as-needed visiting services provided as needed. Patients can receive nursing care services 24 hours a day, 365 days a year, and can perform medical procedures under the direction of a physician.

Affinity with home-visit pharmacy business

Our nursing care services "Home Care - Regular and On-demand"		Home-Visit Pharmacy Business
Periodic patrol	10 to 15 minutes at a time offered multiple times a day	Periodic home visits to provide medication instructions
Responding	Required services are arranged 24 hours a day, 365 days a year	24 Hours 365 Days (24/7) On-Call System
Occasional visit	Visiting service 24 hours a day, 365 days a year	Available 24 hours a day, 365 days a year (24/7)
home nursing	Medical treatment under the direction of a physician	Reporting to physicians and cooperation with medical institutions

*Announced on March 15, 2022 https://www.hyuga-primary.care/ja/ir/news/auto_20220315505670/pdfFile.pdf

Strengthening the third step for growth

Establishing a cross-cell structure centered on facility management

- The facilities for the elderly operated in the third step will be the starting point of cross-selling with the Home-Visit Pharmacy Business, Kirari Prime Business, Taisapo Business, and Care Plan Business.
- Maximize business opportunities in our company by generating synergies among businesses
- At the same time, improve the QOL of users and patients by improving services through cooperation between businesses.



First step

Home-visit pharmacy business

About the Home-Visit Pharmacy Business

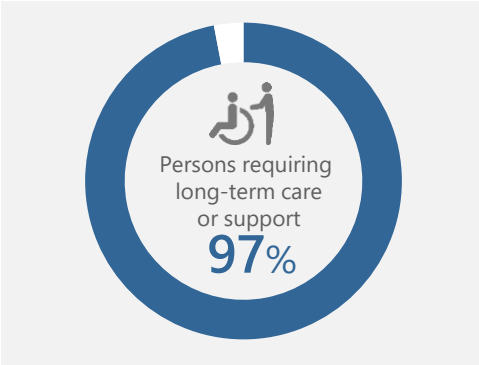
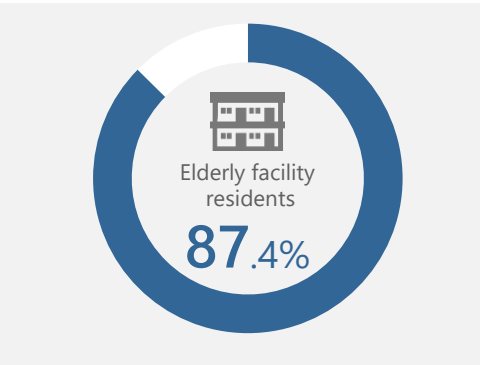
One of the **social infrastructures** that enable people to receive medical care with peace of mind at home, 24 hours a day, 365 days a year (24/7).

Main business

- ① Pharmacists regularly visit patients at home
- ② The pharmacist reports the results of the visit to the prescribing physician/care manager.
- ③ New medication proposals were made to prescribing physicians according to the patient's condition

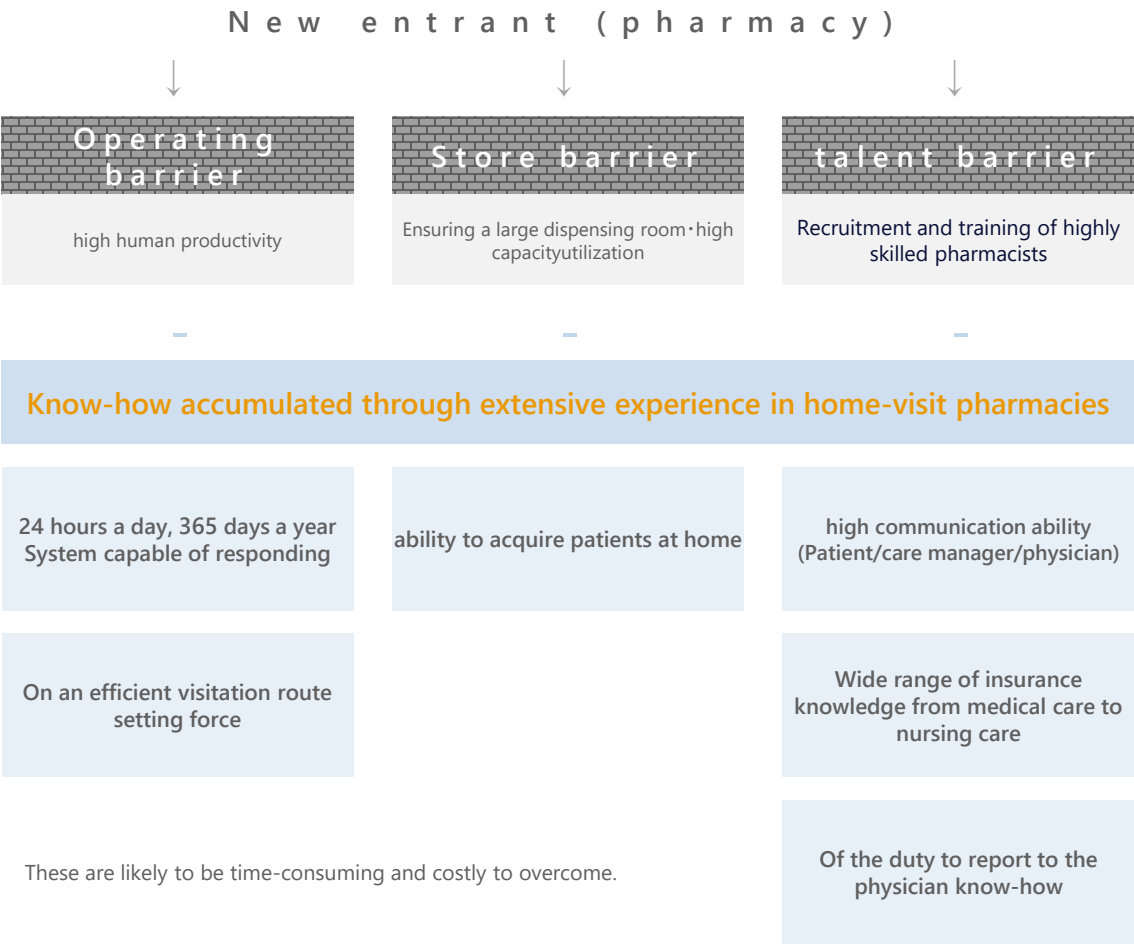
patient attributes

(as of the end of March 2022)

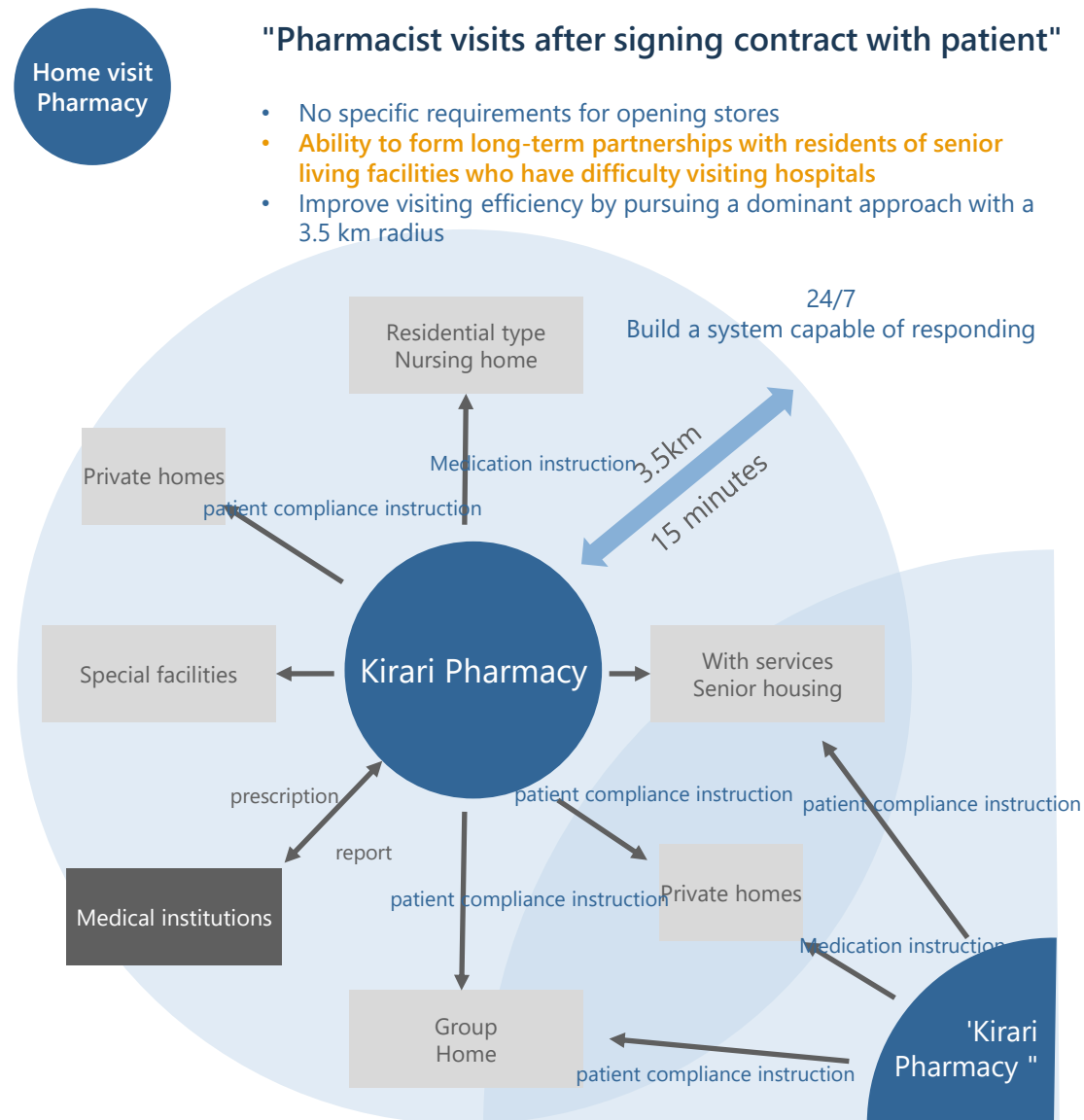
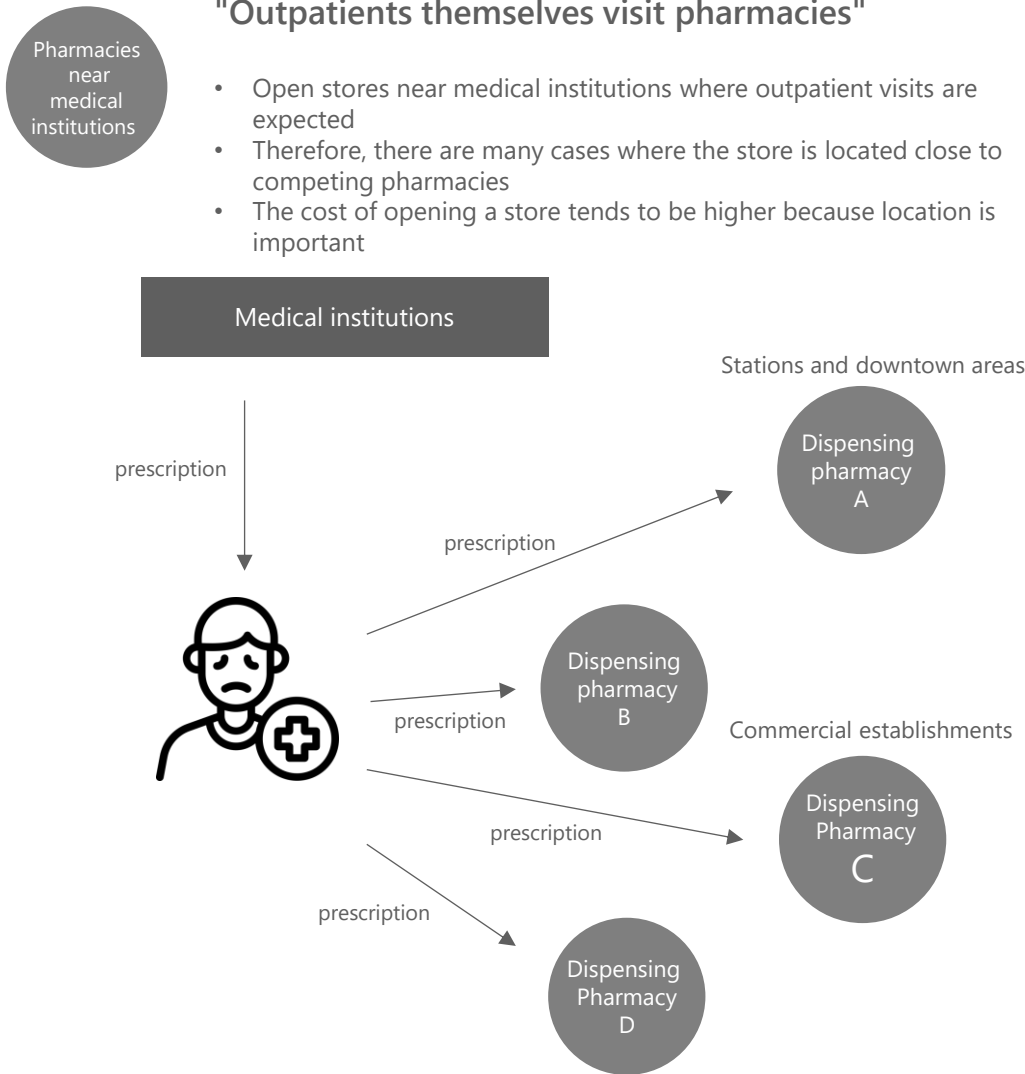


high entry barriers

Conventional pharmacies entering the home pharmacy business



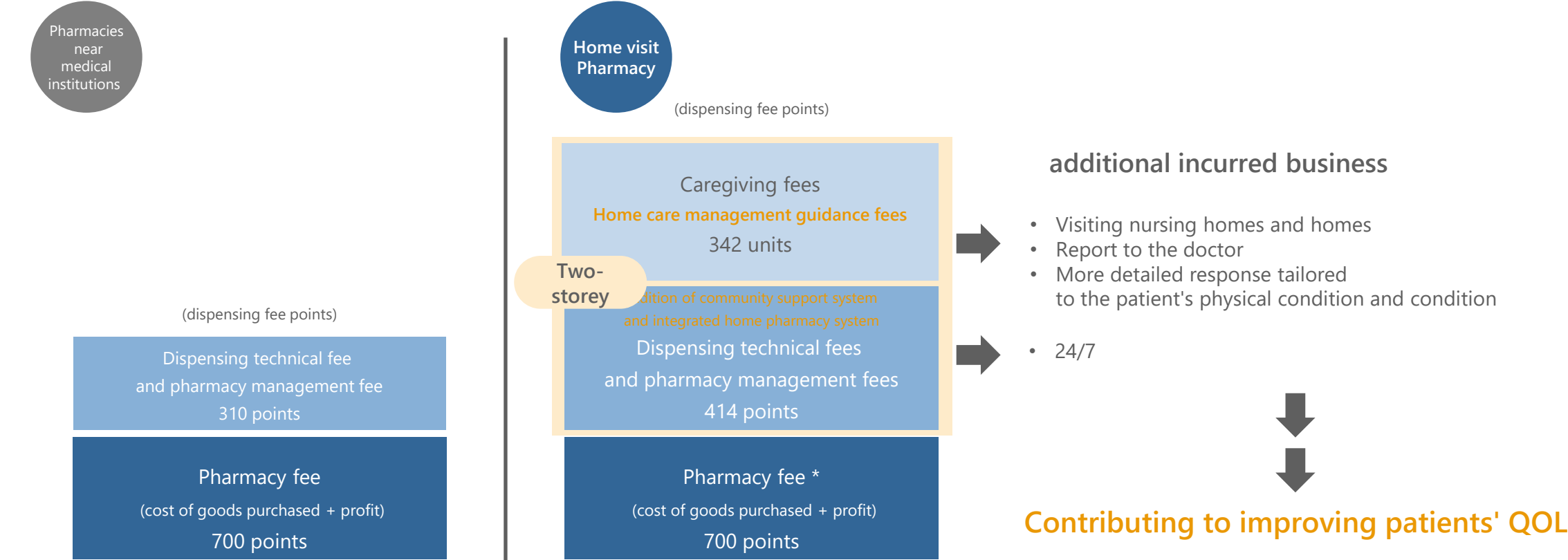
Home visiting pharmacy business (2) Aim and location of new stores



Home visiting pharmacy business (3) Number of dispensing fees

Comparison of dispensing fee points

Home-based dispensing has about double the number of reward points compared to conventional dispensing methods. That means more work, but more business opportunities
On the other hand, the human connection with the patient is stronger, and the possibility of signing a long-term contract is higher. Collaborating with doctors, etc. can also contribute to improving the QOL of patients



*There are more types of medications to be prescribed than for outpatients, and drug prices per prescription tend to be higher.

Comparative example per prescription for 14 days of oral medication

Home-visit pharmacy business “Online medication instruction for nursing homes”

- Online medication instruction for nursing homes was deregulated in April 2022.
- After the online medication instruction, the office staff provides door-to-door delivery of medications. By separating the “guidance” and “door-to-door delivery” that pharmacists used to do, and entrusting the latter to the office staff, we can improve operational efficiency.

「規制改革実施計画」（令和3年6月18日閣議決定）（抄）

オンライン診療・オンライン服薬指導の特例措置の恒久化

a オンライン診療・服薬指導については、新型コロナウイルス感染症が収束するまでの間、現在の時限的措置を着実に実施する【a:新型コロナウイルス感染症が収束するまでの間、継続的に措置】

b 医療提供体制におけるオンライン診療の果たす役割を明確にし、オンライン診療の適正な実施、国民の医療へのアクセスの向上等を図るとともに、国民、医療関係者双方のオンライン診療への理解が進み、地域において、オンライン診療が幅広く適正に実施されるよう、オンライン診療の更なる活用に向けた基本方針を策定し、地域の医療関係者や関係学会の協力を得て、オンライン診療活用の好事例の展開を進める

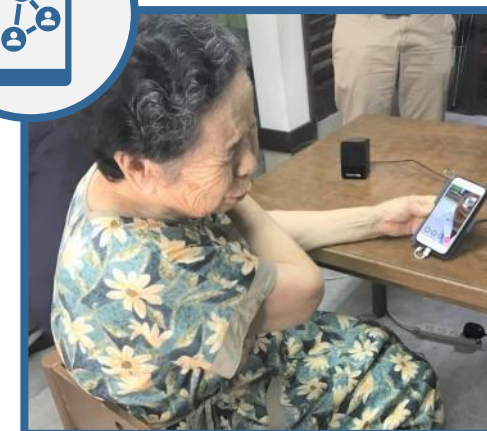
c 情報通信機器を用いたオンライン診療については、初診からの実施は原則、かかりつけ医による実施（かかりつけ医以外の医師が、あらかじめ診療録、診療情報提供書、地域医療ネットワーク、健康診断結果等の情報により患者の状態が把握できる場合を含む。）とする

健康な勤労世代等かかりつけ医がいない患者や、かかりつけ医がオンライン診療を行わない患者で上記の情報を有さない患者については、医師が、初回のオンライン診療に先立って、別に設定した患者本人とのオンラインでのやりとりの中でこれまでの患者の医療履歴や基礎疾患、現在の状況等につき、適切な情報が把握でき、医師・患者双方がオンラインでの診療が可能であると判断し、相互に合意した場合にはオンライン診療を認める方向で一定の要件を含む具体案を検討する。その上で、対面診療との関係を考慮し、診療報酬上の取扱いも含めて実施に向けた取組を進める

d オンライン服薬指導については、患者がオンライン診療又は訪問診療を受診した場合に限定しない。また、薬剤師の判断により初回からオンライン服薬指導することも可能とする。介護施設等に居住する患者への実施に係る制約は撤廃する。これらを踏まえ、オンライン服薬指導の診療報酬について検討する

e オンライン資格確認等システムを基盤とした電子処方箋システムの運用を開始するとともに、薬剤の配送における品質保持等に係る考え方を明らかにし、一気通貫のオンライン医療の実現に向けて取り組む

【b～e:令和3年度から検討開始、令和4年度から順次実施（電子処方箋システムの運用については令和4年夏目途措置）】



High barrier to entry in the home-visit pharmacy business

"A pharmacy that can efficiently handle a large volume of dispensing operations"



Kirari Pharmacy Onojo

- The size of the dispensary is 65㎡, and there are approximately 5 full-time equivalent pharmacists.
- More than 3 times the size of the standard 18.9㎡ dispensary facility for 5 pharmacists.
- Responsible for dispensing approximately 720 * visiting patients

Compared to ambulatory pharmacies, home pharmacies require sufficient space to do the work due to the large number of dispensing processes

High barrier to entry in the home-visit pharmacy business "personalized treatment tailored to patients and facilities and ingenuity to eliminate erroneous drugs"



Same patient's medicine set for one week
Change the color of the line every time you take it to make it easier to understand



A set of medicines taken by patients on the same floor of the facility at the time of taking them.
The facility staff gave it the best reviews. (It also takes the most time and effort)



Many calendar sets for patients in private homes
Reading QR code reveals drug information inside



After the patient's medicine is packed in one package by the packer, color line drawing and stapling of the medicine that can not be packed is done manually.



Setting work scene. Outpatient pharmacy type dispensaries are difficult to work in because they do not have such space.



Name, date, time of administration, name of prescribing hospital, etc. are printed on the medicine package.
Many are prescribed by multiple hospitals, including internal medicine, psychiatry, and orthopedics, and pharmacists make final confirmation of the combination.

High barrier to entry in the home-visit pharmacy business

“Pharmacists in home-visit pharmacies that don't just deliver drugs”



Check your physical condition and side effects from casual conversations and facial expressions with patients.



Depending on the type of nursing home, staffing and residents' dependence on medical care also vary. Understand it and communicate with it



Sharing information with facility staff about medications is mandatory
Not only verbally, but also through the company's at-home medication support system



Consultation with doctors to suggest changes to the most appropriate medication according to the patient's situation. Also involved in prescription design



Communicate drug side effects to other care providers through a care manager and suggest medication assistance



Discussions with care providers occur as needed, such as when starting new business. Negotiation and sales skills are required while listening to other parties' requests.

Second step Kirari Prime Business

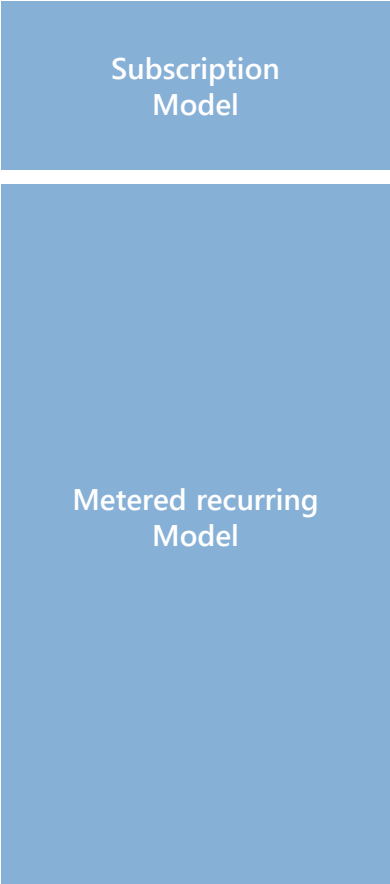
Business model and pricing system

Share of Kirari Prime Business Sales

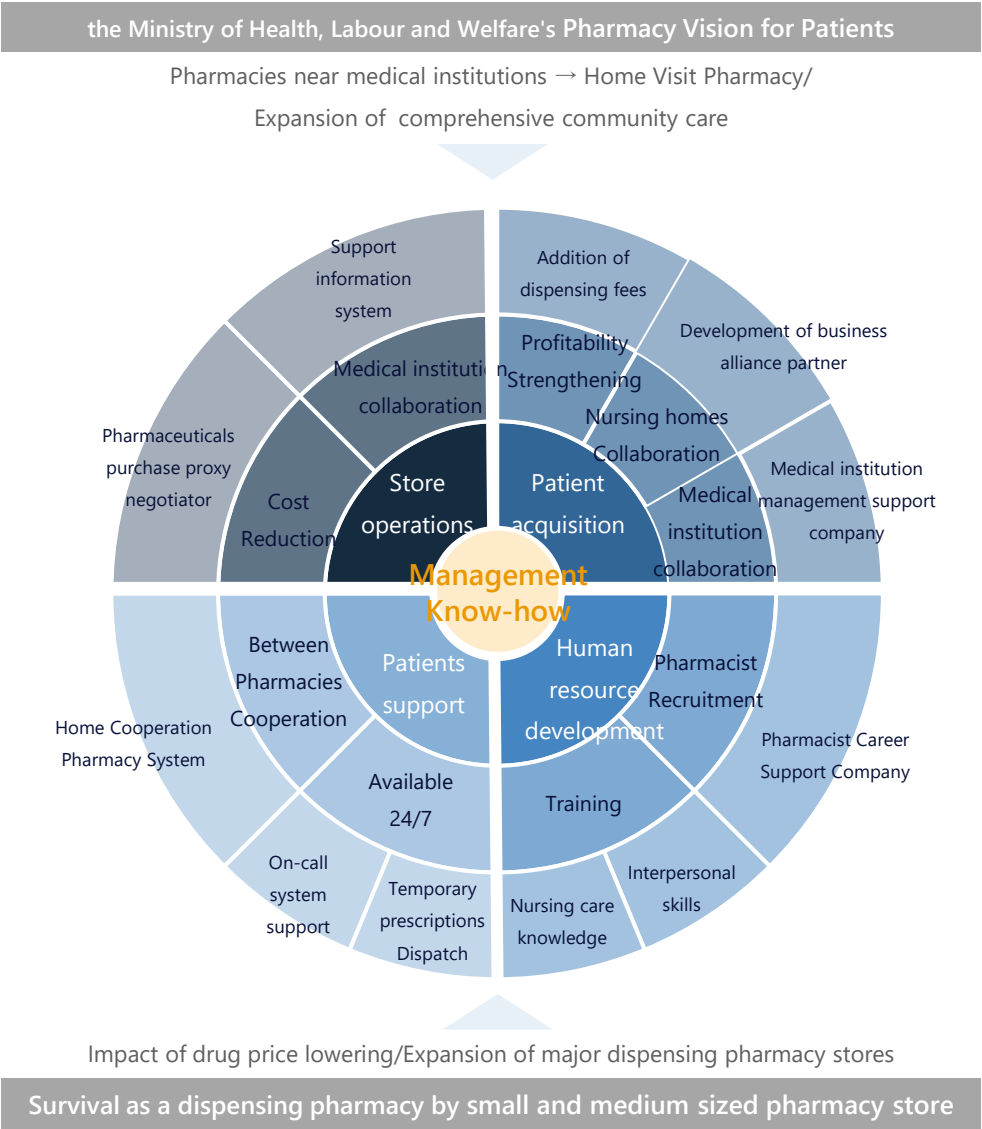
Subscription Recurring Sales Ratio 60%

(As of FY2025)

Base rate	(1 corporation) 18,000 yen/month
Participation in study meetings access to know-how materials Respond to inquiries about home health care	
Drug Purchase Negotiation Agent	1 % of the proceeds
Support for pharmaceutical purchases from pharmaceutical wholesalers	
Report system loan	7,500 yen/month ~
Report preparation support for physicians and care managers	
Consulting services	Annual package
Support for acquiring at-home patients Palliative care, technical fee calculation support, etc.	
Other services	Additional fees
by our company Pharmacists Responding to temporary prescriptions and night/holiday calls	



Competitiveness, Policy and Environment



Third step Primary care home business

Facility Overview & Positioning of Elderly care facilities operated by our company

Facility concept and features

- Our company leases large elderly facilities
- Our company provides "Home Care - Regular and On-demand" for facility residents
- 24 hours a day, 365 days a year medical, nursing and nursing care can be provided in cooperation with cooperating medical institutions
- Contributing to improving the quality of life of users and patients by improving services through inter-business cooperation in our company's home-visit pharmacy business, care plan service, ICT, Tysapo and Kirari Prime business
- Setting a cost system that is friendly to residents so that they can live to the end of their lives in a familiar facility even if their nursing care level increases
- Installing solar power and electric vehicle charging facilities, aiming for local production and local consumption of meals in the facility, and considering ESG

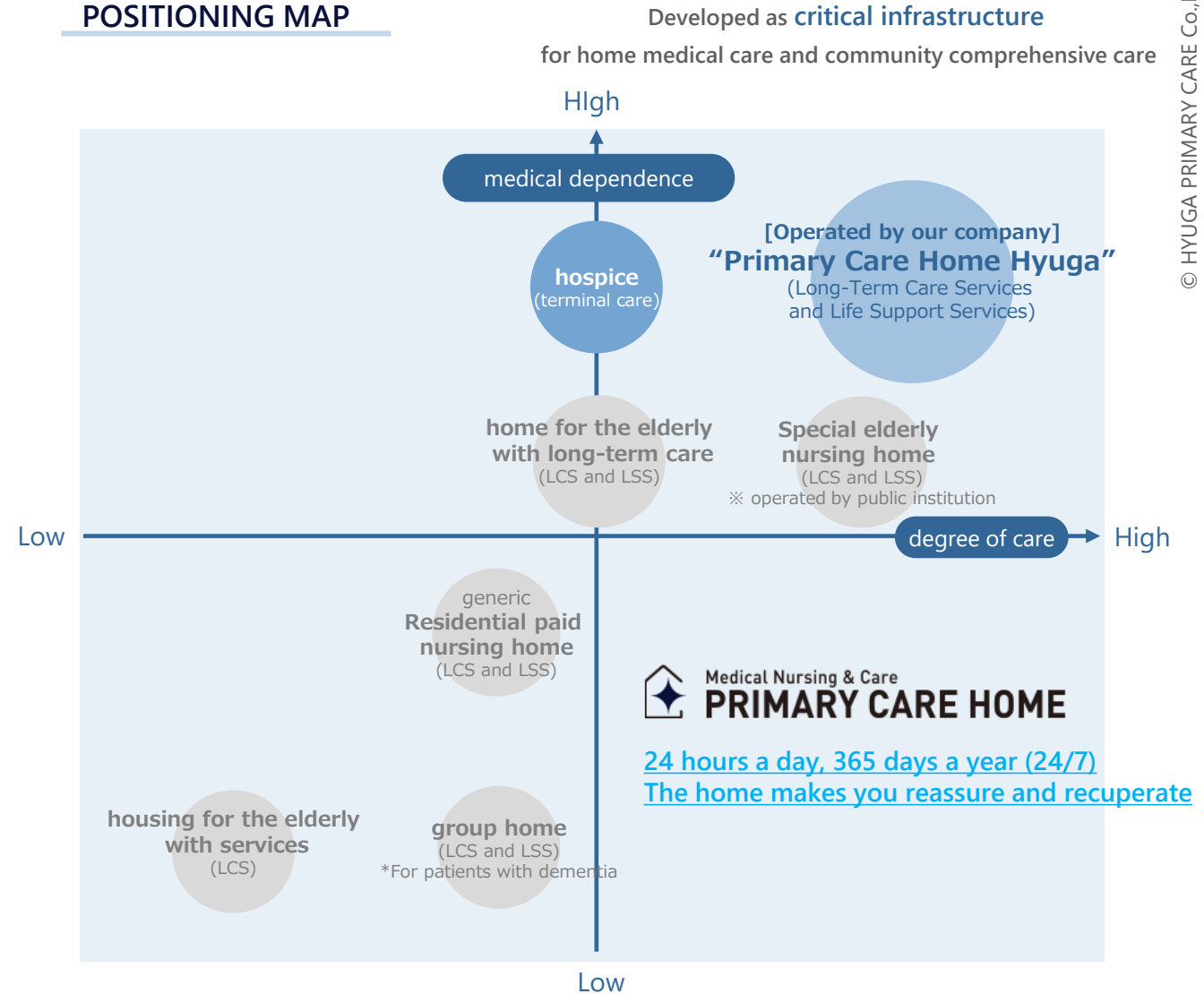
[Operated by our company]
"Primary Care Home Hyuga"
 (Long-Term Care Services
 and Life Support Services)



services that support the lives of the elderly

- **LSS : Life Support Services (not covered by long-term care insurance)**
 Services that can be used by people requiring support and people aged 65 and over, such as safety confirmation, life counseling, housework assistance, support for going out, and promotion of social participation
- **LCS : Long-Term Care Service (Long-Term Care Insurance System)**
 A physical care service (Mainly provided as home, facility, and community-based services) that can be used by people who need nursing care for the elderly and the disabled who have been certified as requiring long-term care

POSITIONING MAP



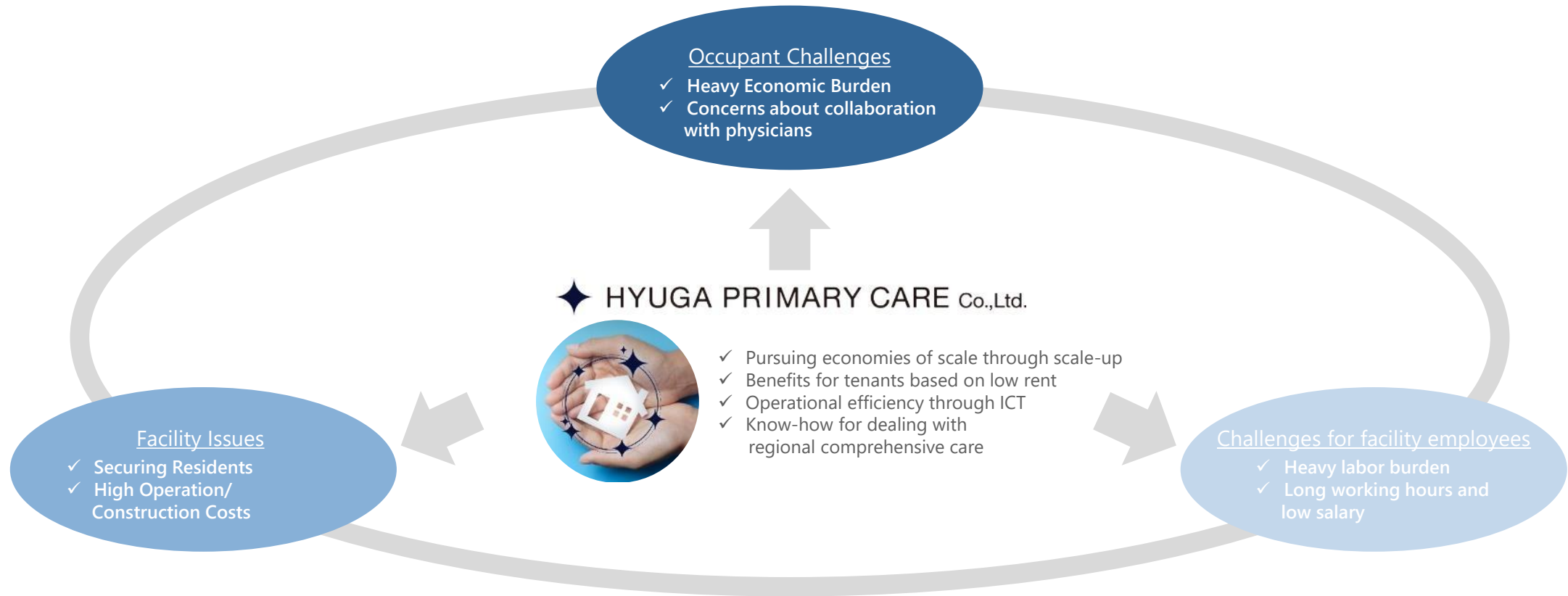
Comparison with similar nursing homes

	Primary Care Home HYUGA	General fee-based nursing homes / serviced senior housing	Medical Specialized Nursing Home (Hospice Houses, etc.)
Characteristics	<ul style="list-style-type: none"> • Staff ratio: 70% for nursing care and 30% for nursing care • Operates its own home care nursing system that provides regular patrolling and timely care • Conversion to DX by ICT and efficient personnel structure at large-scale facilities • Setting that the total cost does not change even if the degree of nursing care changes • Even those who are highly dependent on medical care can move in at low prices, which helps solve social problems. 	<ul style="list-style-type: none"> • We basically make money only on hotel costs. • When the level of medical dependency and nursing care is high, it is difficult to deal with it unless the facility has a full staff of specialists. • Some facilities have 24 hour nursing staff (at least 1 full-time equivalent), but most have only a few. 	<ul style="list-style-type: none"> • Large proportion of staff is nurses • In-house home nursing and home care services • Actual costs for nursing care and nursing care that exceed the public share • Most of the residents do not have to pay medical expenses or have low medical expenses, so there is no actual charge.
user target audience	Those with high levels of medical dependency and nursing care (Market size: 2 million +)	Health care dependency and nursing care Low to moderate	Those who are highly dependent on medical care *The degree of nursing care is irrelevant.
Number of occupants per facility	About 100 people	About 30~60 people	About 30~60 people
move-in cost	120,000 yen	0~10 million yen or more	0~ 200,000 yen
hotel cost (Including meals)	Approx. 104000 yen *In the case of Long-Term Care Requiring 5: 76000 yen	About 200,000 yen to 600,000 yen	Approx. 100,000 ~ 180,000 yen
burden of nursing care costs (Cases of Needed Long-Term Care 5) *Does not include medical expenses	(Public Burden of Long-Term Care) Approximately 36,000 yen + Basic 0 yen "Regular patrolling and occasional Home-visit nursing care" within the public burden. Those with high medical dependency use a combination of home care with medical insurance.	(Public Burden of Long-Term Care) Approximately 36,000 yen + Approx. 50,000 ~ 100,000 yen "Home nursing" and "Home nursing care" are used. If the degree of medical dependency or nursing care is high, frequent use will occur and the actual cost will be borne.	(Public Burden of Long-Term Care) Approximately 36,000 yen + Approx. 50,000 ~ 100,000 yen "Home-visit nursing care." are used. If the nursing care level is high, frequent use will occur and the actual cost will be borne. Home nursing is covered by medical insurance.
ARPU*per month	Approx. 440,000 ~ 470,000 yen	Approx. 700,000 ~1 million yen *Variation depending on medical dependency and nursing care level	Approx. 800,000 ~ 1.3 million yen *Variation depending on medical dependency and nursing care level

Realize solution of trilemma structures

- Our facility management style can improve the problems faced by residents, facility management, and facility employees at the same time. We aim to establish a sustainable social infrastructure in an aging society by utilizing economies of scale, our company ICT business, and the home-visit pharmacy business.
- These can be the core hub functions of the community comprehensive care system. In the future, we may use this facility operation as a starting point for its business.

Trilemma structure of facility management



Differences from existing nursing homes

Benefits of moving in

Even if the level of nursing care increases, people can live until their last moments

- As their level of nursing care increases, their cost burden increases accordingly.
- However, by reducing the cost (hotel cost) burden associated with moving in, the total cost does not change significantly.

Cooperating with cooperating medical institutions: 24 hours a day, 365 days a year Medical and nursing care is available.

- We've worked with many medical institutions for many years.
We can treat any diseases and symptoms. We can also refer you to a specialist.
- We can provide total support by collaborating with our pharmacists and care managers.

Responding to medical needs

- Dementia (moderate to severe)
- Gastrostomy
- tube feeding
- decubitus
- insulin administration
- phlegm aspiration

Medical insurance home nursing

- Total parenteral nutrition (IVH)
- Colostomy
- Home oxygen
- tracheostomy
- ventilator
- balloon catheter
- dialysis
- End-stage malignancy
- Amyotrophic lateral sclerosis (ALS)
- Parkinson's disease
- spinocerebellar degeneration
- myasthenia gravis
- multiple sclerosis
- terminal care

etc.



Degree of nursing care	Monthly amount
Care Level 1	154,000 yen
Care Level 2	144,000 yen
Care Level 3	102,000 yen
Care Level 4	96,000 yen
Care Level 5	89,000 yen

Expenses associated with moving in: Monthly image of personal burden
*There is a separate medical and long-term care cost burden

- 24/7 support "Home Care - Regular and On-demand"
- Improving operational efficiency through ICT



Although it was difficult for conventional fee-based nursing homes

We have made it possible to respond to all medical needs.

Comparison with medical care beds and public nursing homes

- Primary care home Hyuga has the same number of staff as the staffing standard for medical care beds.
- The facility's large size, ICT utilization, and home-based know-how cultivated in other businesses provide high profitability while guaranteeing staff wages.

		Primary Care Home HYUGA	medical care bed		Nursing Care Hospital (Former: Nursing Care Medical Bed)		nursing home for the elderly	special care nursing home
			20 to 1	25 to 1				
overview		A living facility that can provide nursing care under medical supervision and necessary medical care to those in need of long-term care.	Beds in hospitals and clinics that admit mainly patients requiring long-term care *There are 20 to 1 and 25 to 1 standards for nursing staff (based on medical fees).		Long-term care and living facilities for elderly people requiring long-term care		a facility that provides rehabilitation and other services to persons in need of long-term care and aims to return to their homes Limited length of stay	Living facilities for persons in need of care
Number of beds		Number of paid nursing homes 540,000 beds	144000 beds	72000 beds	48000 beds		368000 beds Nursing care type: Approximately 9000 beds	567000 beds
establishment basis		Act on Welfare of the Elderly (Apartment Buildings for the Elderly)	Medical Care Law (Hospitals and Clinics)		Long-Term Care Insurance Act		Long-Term Care Insurance Act (Long-Term Care Health Facilities for the Elderly)	Act on Welfare of the Elderly (Welfare Facilities for the Elderly)
staffing	physician	*Home doctors provide home visits	48 to 1 (3 or more)		48 to 1 (3 or more)	100 to 1 (One or more persons)	100 to 1 (1 or more full-time employees)	Number of expenses for health care and medical care guidance
	nursing staff	*7.2 to 1	4 to 1	2 to 1	6 to 1	6 to 1	3 to 1	3 to 1
	care worker	*2.7 to 1	4 to 1	2 to 1	5 to 1	6 to 1	About 2/7 of them are nursing staff.	
Monthly sales per bed ** (Major Breakdown)		Approx. 440,000 ~ 470,000 yen (Medical care: 90,000 ~ 120,000 yen, nursing care: 248000 yen Rent and food expenses: 100,000 yen)	720,000 yen (Medical: 700,000 yen)		490,000 yen (Nursing care: 430,000 yen)		420,000 yen (Nursing care: 350,000 yen)	380,000 yen (Nursing care: 300,000 yen)
facility rate of return		20% or more	4.4%		4.0%		3.6%	1.8%

Visiting services provided: Home Care - Regular and On-demand

- Frequent visits are made possible to provide residents with enhanced services when they need them, within the classified payment limits of long-term care insurance.
- Users can continue their lives without changing their location even if their level of nursing care changes because the amount of burden is reduced.
- As a community-based service, we provide services not only to facility residents but home residents

Conventional

"Comparative example of services provided to persons requiring long-term care 5"

Primary Care Home

Use of Nursing Care & Home Nursing

Use of Home Care - Regular and On-demand

Payment limit: 36,217 units (about 370,000 yen)

Welfare equipment rental, etc.

Welfare equipment rental, etc.

Home nursing care: Meal Assistance

Home nursing care: Bathing Assistance

Home nursing care: Body maintenance

Home nursing

Home nursing care: Postural change

Home nursing care: walking assistance

Home nursing care: Assistance with daily activities

Home nursing

Home Care - Regular and On-demand
28,298 units * with addition and subtraction

- Meal assistance
- Bathing assistance
- Body maintenance
- Postural change
- Excretion assistance
- Walking assistance
- Visiting nursing, etc.

By One Plan
Freely
Customize

Use exceeding the limit is borne by the actual cost

Provide substantial services within the limit

Home NursingCare

- Performance fee (pay-as-you-go)
- Service is mainly provided during the day
- Emergency response (as needed): Not possible
- Not frequent users ⇒ cheap
- Frequent users ⇒ If the payment limit is exceeded, the handling cost will be incurred.

[Home Care - Regular and On-demand]

- **comprehensive payment (subscription service)**
- 24/7 system
- Emergency response available : No additional charge
- flat rate system with no time constraints
- Even if you use it frequently, you can be assured about the cost.

Financial Results for Second Quarter of the Fiscal Year
Ending March 2026

HYUGA PRIMARY CARE Co.,Ltd.

November 2025