

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
Second quarter ending June 30, 2026 (Cumulative)	29,200	8.8	2,400	15.6	2,400	17.2	1,590	16.3	26.24
Full fiscal year	60,800	9.7	5,000	17.0	5,000	19.5	3,200	15.6	52.81

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

* Notes

(1) Significant Changes in the Scope of Consolidation During the First Quarter Ended March 31, 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)
- (2) Number of treasury shares at the end of the period
- (3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of March 31, 2026	60,600,000 shares	As of December 31, 2025	60,600,000 shares
As of March 31, 2026	116,534 shares	As of December 31, 2025	116,731 shares
As of March 31, 2026	60,483,350 shares	As of March 31, 2025	60,463,162 shares

(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 115,528 shares at the first quarter ended March 31, 2026) held by the Custody Bank of Japan, Ltd. (Trust E Account) as trust assets of the BBT and J-ESOP are included.

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* 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 supplementary materials for the financial results will be posted on TDnet and the Company's website on Friday, May 1st 2026.

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1. Qualitative Information Related to the First Quarterly Financial Results

(1) Explanation Related to Operating Results

The economy in Japan during the first quarter ended March 31, 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 36.19 million accounting for 29.5% of the total population as of April 1, 2026 (April 2026 Monthly Report of Population Estimates by the Statistics Bureau of the Ministry of Internal Affairs and Communications), the market size for services that concern the Group is likely to expand.

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

As a result, the Group had 70 facilities with which agreements were newly entered and 44 facilities with which agreements ended in the first quarter ended March 31, 2026, thereby increasing number of facilities that has introduced the CS Set by 26 facilities compared with the end of fiscal year 2025 and the total number of implemented facilities has reached to 2,856 facilities.

The above resulted in net sales for the first quarter ended March 31, 2026 of 14,762,993 thousand yen (up 9.9% year-on-year), operating profit of 1,441,639 thousand yen (up 21.9% year-on-year), ordinary profit of 1,410,157 thousand yen (up 20.0% year-on-year), and profit attributable to owners of parent of 949,858 thousand yen (up 18.7% year-on-year).

(2) Explanation Related to Financial Position

(Assets)

Total assets at the end of consolidated first quarter ended March 31, 2026, decreased by 810,012 thousand yen compared with the end of fiscal year 2025 to 25,764,992 thousand yen. Of this, current assets decreased by 2,003,946 thousand yen compared with the end of fiscal year 2025 to 16,531,157 thousand yen. This was mainly attributable to increases of 283,047 thousand yen in trade accounts receivable and contract assets and 441,209 thousand yen in other accounts receivable, while cash and deposits decreased by 1,218,991 thousand yen and supplies decreased by 1,078,384 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 assets.

On the other hand, non-current assets increased by 1,193,934 thousand yen compared with the end of the consolidated fiscal year 2025 to 9,233,834 thousand yen. This was mainly attributable to an increase of 1,275,633 thousand yen in tangible assets due to the aforementioned change in accounting treatment.

(Liabilities)

Total liabilities at the end of the consolidated first quarter ended March 31, 2026, decreased by 878,244 thousand yen compared with the end of fiscal year 2025 to 10,834,185 thousand yen. This was mainly attributable to decreases in income taxes payable by 406,717 thousand yen, trade accounts payable by 268,960 thousand yen, and long-term borrowing by 205,044 thousand yen.

(Net Assets)

Total net assets at the end of the consolidated first quarter ended March 31, 2026, increased by 68,232 thousand yen compared with the end of the consolidated fiscal year 2025 to 14,930,807 thousand yen. This is mainly because of an increase in retained earnings, which increased by 40,873 thousand yen due to the recording of net profit attributable to owners of parent of 949,858 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)	First quarter of current consolidated fiscal year (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	6,845,410	5,626,419
Accounts receivable - trade, and contract assets	7,026,614	7,309,662
Merchandise	1,862,354	1,574,407
Supplies	1,103,765	25,380
Accounts receivable - other	2,293,478	2,734,687
Other	285,899	214,360
Allowance for doubtful accounts	(882,418)	(953,760)
Total current assets	18,535,104	16,531,157
Non-current assets		
Property, plant and equipment	1,386,404	2,662,037
Intangible assets		
Goodwill	1,078,249	1,065,569
Other	1,104,692	1,097,737
Total intangible assets	2,182,941	2,163,307
Investments and other assets		
Investment securities	1,160,538	1,184,802
Long-term loans receivable	950,880	935,520
Shares of subsidiaries and associates	1,521,574	1,474,108
Other	919,523	901,993
Allowance for doubtful accounts	(81,961)	(87,934)
Total investments and other assets	4,470,554	4,408,489
Total non-current assets	8,039,900	9,233,834
Total assets	26,575,004	25,764,992
Liabilities		
Current liabilities		
Trade accounts payable	8,384,308	8,115,348
Short-term borrowing	365,474	350,983
Current portion of long-term borrowing	97,325	173,432
Income taxes payable	893,073	486,355
Provision for bonuses	—	41,354
Other	1,314,182	1,220,696
Total current liabilities	11,054,363	10,388,171
Non-current liabilities		
Long-term borrowing	365,827	160,782
Provision for share awards	44,585	45,622
Provision for share awards for directors (and other officers)	27,443	29,468
Other	220,209	210,140
Total non-current liabilities	658,066	446,014
Total liabilities	11,712,429	10,834,185
Net assets		
Shareholders' equity		
Share capital	573,496	573,496
Capital surplus	543,496	543,496
Retained earnings	13,511,101	13,551,975
Treasury shares	(163,100)	(162,821)
Total shareholders' equity	14,464,994	14,506,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7,659)	(12,241)
Foreign currency translation adjustment	(13,821)	24,287
Total accumulated other comprehensive income	(21,480)	12,046
Non-controlling interest	419,061	412,614
Total net assets	14,862,574	14,930,807
Total liabilities and net assets	26,575,004	25,764,992

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)

(Thousands of yen)

	First Quarter Ended March 31, 2025 (From January 1, 2025 to March 31, 2025)	First Quarter Ended March 31, 2026 (From January 1, 2026 to March 31, 2026)
Net sales	13,433,555	14,762,993
Cost of sales	10,439,713	11,365,114
Gross profit	2,993,842	3,397,878
Selling, general and administrative expenses	1,810,943	1,956,239
Operating profit	1,182,898	1,441,639
Non-operating income		
Interest income	3,286	21,623
Subsidy income	3,084	3,084
Late charges income	1,684	3,766
Consulting fee income	1,050	1,350
Other	4,187	16,192
Total non-operating income	13,291	46,016
Non-operating expenses		
Interest expense	7,991	12,741
Loss on investments in investment partnerships	9,601	10,423
Net foreign exchange loss	3,127	14,501
Equity in loss of affiliates	-	39,832
Total non-operating expenses	20,720	77,498
Ordinary profit	1,175,470	1,410,157
Profit before income taxes	1,175,470	1,410,157
Current income taxes	379,065	466,681
Deferred income taxes	(6,740)	3,945
Total income taxes	372,325	470,627
Net profit	803,144	939,530
Net profit (loss) attributable to non-controlling interests	3,088	(10,328)
Net profit attributable to owners of parent	800,056	949,858

(Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	First Quarter Ended March 31, 2025 (From January 1, 2025 to March 31, 2025)	First Quarter Ended March 31, 2026 (From January 1, 2026 to March 31, 2026)
Profit	803,144	939,530
Other comprehensive income		
Valuation difference on available-for-sale securities	(40,330)	(4,582)
Foreign currency translation adjustment	(65,358)	41,998
Total other comprehensive income	(105,689)	37,415
Comprehensive income	697,455	976,946
Comprehensive income attributable to:		
Owners of parent	676,217	983,393
Non-controlling interests	21,237	(6,447)

(3) Items of Note Related to Quarterly Consolidated Financial Statements

(Items of Note Related to Prerequisite for Going Concern)

Not applicable

(Items of Note in Case of Significant Changes to the Amount of Shareholders' Equity)

Not applicable.

(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 first quarter of the current fiscal year to include them in Tangible assets (Tools, furniture and fixtures) and amortize them using the straight-line method (3 years).

(About the 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 motivating 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, enhancing business performance and boosting corporate value in the medium-to-long term.

The BBT is to be acquired through a trust by using monies contributed by the Company as the source of funds, and for the Company's shares and monies equivalent to the amount of the Company's shares converted into market value (hereinafter, "the company shares") to be awarded through the trust to directors and other officers in accordance with the Rules on Share Awards provided by the Company. The timing that Company Shares are awarded to directors and other officers shall be upon their retirement from office as a rule.

(2) Shares of the Company Remaining in Trust

Company shares remaining in trust are recorded as treasury shares under net assets at the carrying value in trust (excluding the amount of incidental expenses). The book value and number of these treasury shares at the end of fiscal year 2025 and at the first quarter ended March 31, 2026 amounted to 110,262 thousand yen and 78,428 shares.

(3) Method for Accounting Treatment

The gross method is applied in accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to employees 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 regulations.

(About the Employee Stock Ownership Plan (J-ESOP))

(1) Outline of Transactions

The Company introduced the "Employee Stock Ownership Plan" (hereinafter, the "J-ESOP"), an incentive plan for employees of the Company and its domestic subsidiaries (hereinafter, "employees"). The J-ESOP is introduced for the purpose of enhancing the benefit programs for employees and to improve their sense of participation in management.

Under J-ESOP, shares of the Company's stock are provided to employees when they acquire the right to receive these shares in accordance with the company's pre-established rules on share awards.

The Company grants points to employees in accordance with their years of service and other individual contribution levels and grants shares of the Company's stock equivalent to the points granted to those employees who satisfy the requirements to receive benefits. The shares to be provided to employees, including those to be provided 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

Company shares remaining in trust are recorded as treasury shares under net assets at the carrying value in trust (excluding the amount of incidental expenses). The book value and the number of these treasury shares amounted to 52,443 thousand yen and 37,300 shares at the end of fiscal year 2025, and 52,162 thousand yen and 37,100 shares at the first quarter ended March 31, 2026.

(3) Method for Accounting Treatment

The gross method is applied in accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees 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 regulations.

(Items of Note Related to Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the first quarter ended March 31, 2026, has not been prepared. Depreciation expenses (including expenses related to intangible assets other than goodwill) and amortization of goodwill for the first quarter ended March 31, 2026, are as follows:

	First Quarter Ended March 31, 2025 (January 1, 2025 to March 31, 2025)	First Quarter Ended March 31, 2026 (January 1, 2026 to March 31, 2026)
Depreciation	344,388 thousand yen	62,328 thousand yen
Amortization of goodwill	31,731 thousand yen	30,148 thousand yen

(Items of Note on Segment Information)

[Segment Information]

I. First Quarter Ended March 31, 2025 (From January 1, 2025 to March 31, 2025)

With our group's core business being the nursing and medical care related business, the description of other business segments is omitted due to their lack of significance.

II. First Quarter Ended March 31, 2026 (From January 1, 2026 to March 31, 2026)

With our group's core business being the nursing and medical care related business, the description of other business segments is omitted due to their lack of significance

(Significant Subsequent Events)

Not applicable.