

ELAN Corporation

Operating Results for the First Quarter of
Fiscal 2026 Ended March 31, 2026



- | | | |
|---|---|------|
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1. Operating Results for the First quarter of Fiscal 2026

1. Impact of the handling of original patient gowns (Lifte)

- Changed the depreciation method for Lifte from lump-sum depreciation to a three-year depreciation schedule.
- As a result, the gross profit margin was 23.0%. If we had continued with the lump-sum depreciation method, it would have been 21.5%.

2. Impact of the situation in the Middle

- There are currently no product stockouts.
- Cost increases have begun for some products.

3. Overseas

- Net sales: 404 million yen (Full-year 2025 results: 2,234 million yen).
- Operating profit: 20 million yen; after goodwill amortization: -9 million yen.
- In conjunction with the transition to the new management structure, we are reviewing our business relationships with some existing customers.

Regarding the Impact of the Situation in the Middle East①

- While we are closely monitoring the risk of stockouts for certain consumable items, the impact on our overall supply chain remains limited.
- Costs are likely to rise across all product categories.

| | Possibility of stockout | Possibility of rising costs |
|--------------------------------|--------------------------------------|-----------------------------|
| Linen (clothing and towels) | Low | High |
| Personal care items | Middle (certain consumable items) | High |
| Disposable diapers | Low | High |

1 Linen (clothing and towels)

- The thermal energy used in linen supply factories consists of “city gas,” “propane gas,” and “heavy oil,” with approximately 50% of factories using “heavy oil.”
- Due to the mutual aid system (a system in which association members cooperate to fill in when bedding supplies are interrupted due to disasters, etc., to maintain hospital operations), the likelihood of stockouts is low, and the risk of damage to our sales is low.
- On the other hand, rising fuel costs for factories and delivery operations make it highly likely that our production costs will increase.

2 Personal care items

- Some products made from fossil fuels (such as plastic gloves) may be out of stock.
- There is a high likelihood of increased production costs for all products

3 Disposable diapers

- Since most disposable diapers are manufactured domestically in Japan, the likelihood of a shortage is low, and the risk of a decline in our sales is minimal.
- On the other hand, our production costs are expected to rise due to soaring fuel costs at our factories and in logistics.

【 Policy on Countermeasures 】

We will flexibly pass on price increases in response to rising costs.

Summary of Consolidated Financial Results for the First Quarter of 2026

- The increase in Net sales was due to an increase in the number of users resulting from the acquisition of **70** new CS set contracts (**44** facilities cancelled).
- The improvement in gross profit margin is primarily due to the change in the depreciation method for lifte (original patient gown), which was switched from a lump-sum depreciation method to a three-year depreciation on this fiscal year.

(Millions of yen)

| | FY 2025 Q1 ① | FY 2026 Q1 ② | YoY Change ②-① | Main factors |
|---|-----------------|-----------------|-------------------|---|
| Net sales | 13,433 | 14,762 | +1,329 | ● New CS set contract |
| Gross profit | 2,993 | 3,397 | +404 | |
| Gross profit to net sales(%) | 22.3 | 23.0 | +0.7 | ● We have changed the depreciation period for lifte (original patient gown) from a lump-sum depreciation method to a three-year depreciation. |
| SG&A | 1,810 | 1,956 | +145 | |
| SG&A to net sales(%) | 13.5 | 13.3 | (0.2) | |
| Operating profit | 1,182 | 1,441 | +258 | |
| Operating profit to net sales(%) | 8.8 | 9.8 | +1.0 | |
| Ordinary profit | 1,175 | 1,410 | +234 | |
| Ordinary profit to net sales(%) | 8.8 | 9.6 | +0.8 | |
| Profit Attributable to Owners of Parent | 800 | 949 | +149 | |
| Profit to net sales(%) | 6.0 | 6.4 | +0.5 | |

Sales and Profit by Segment (Domestic/Overseas)

- The domestic operating profit margin is **10.1%**.
- The overseas (GREEN and TMC) operating profit margin is **-2.4%**, and **5.1%** before goodwill amortization.

(Millions of yen)

| | 2023 | 2024 | 2025 | 2026 1Q |
|------------------|--------|-----------------|------------------|-----------------|
| Net sales | 41,425 | 47,513 | 55,448 | 14,762 |
| Domestic | 41,425 | 47,243 | 53,214 | 14,358 |
| Overseas Vietnam | 0 | 269 | 2,234 | 404 |
| Gross profit | 9,751 | 10,716 | 11,874 | 3,397 |
| Domestic | 9,751 | 10,545 | 11,131 | 3,301 |
| Overseas Vietnam | 0 | 171 | 742 | 96 |
| Operating profit | 3,665 | 3,575 | 4,272 | 1,441 |
| Domestic | 3,665 | 3,480 | 4,001 | 1,451 |
| Overseas Vietnam | 0 | 94 [※] | 270 [※] | ▲9 [※] |

※The following goodwill amortization amounts have been deducted from overseas operating profit.
 -2024 : 20 million yen (for GREEN)
 -2025 : 131 million yen (for GREEN and TMC)
 -2026 : 30 million yen (for GREEN and TMC)

Status of overseas expansion

- No change from the previous period.

| Country | Company | Business type | Investment ratio | Consolidated balance sheet | Companies accounted for using the equity method |
|---------|--|----------------------------------|------------------|--------------------------------------|---|
| India |  Boston Ivy Healthcare Solution Pvt. Ltd. (BIHS) | Sales of medical materials, etc. | 5% or less | × | × |
| India |  Quick Smart Wash Pvt. Ltd. (QSW) | Laundry service for hospitals | 42.18% | × | × |
| India |  AKAL | Temporary staffing | 5% or less | × | × |
| Vietnam |  GREEN LAUNDRY JOINT STOCK COMPANY (GREEN) | Laundry service for hospitals | 100% | BS : From 3Q2024 PL : From 4Q2024 | - |
| Vietnam |  TMC VIET NAM TRADING AND SERVICE JOINT STOCK COMPANY (TMC) | Laundry service for hospitals | 51% | BS : From 1Q2025 PL : From 1Q2025 | - |

Summary of Consolidated Financial Results for the First Quarter of 2026

- We have reclassified “lifte” (original patient gowns) from Supplies to Total Property, plant and equipment.

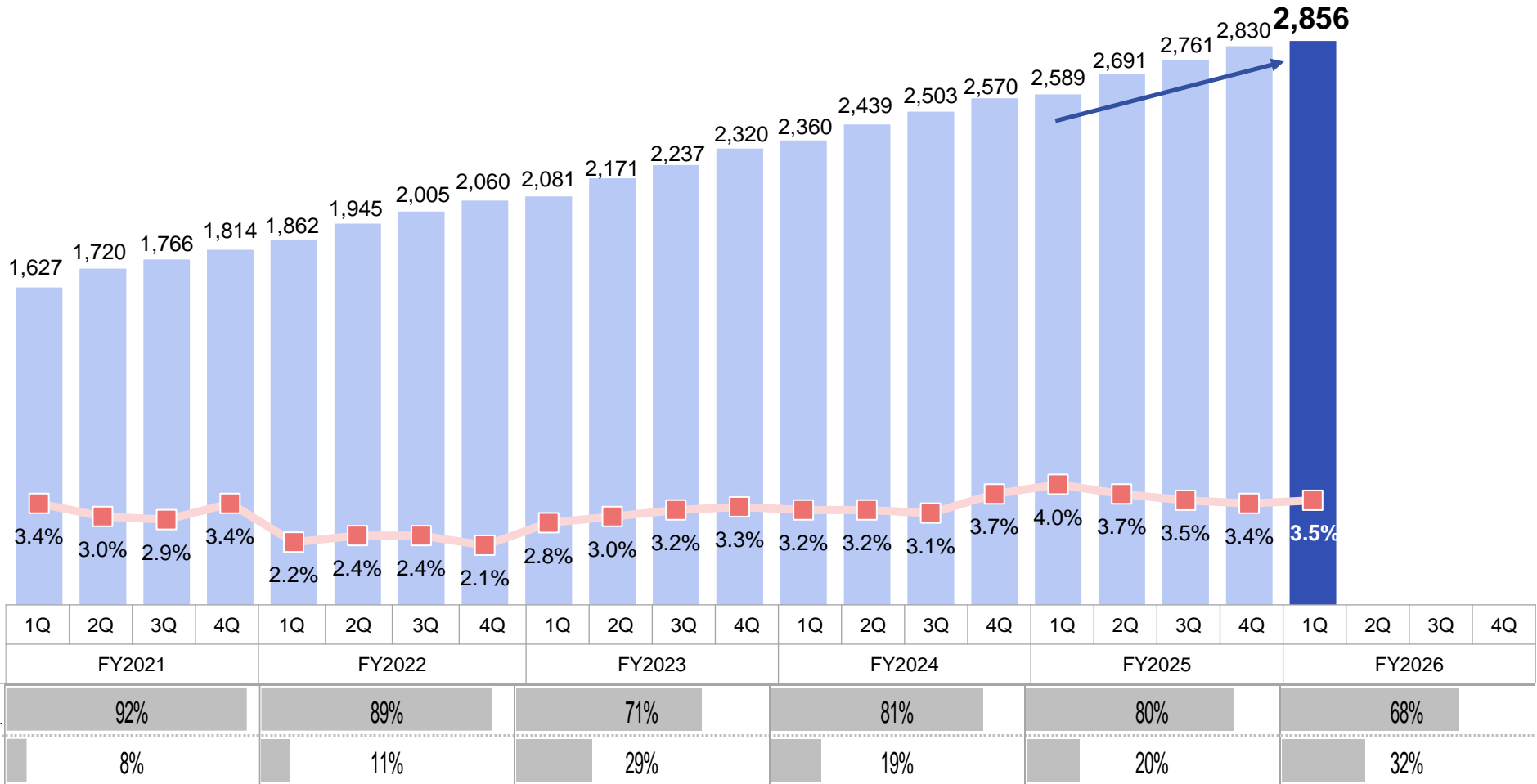
(Millions of yen)

| | FY 2025 ① | FY 2026 Q1 ② | YoY Change ②-① | Main factors |
|-------------------------------------|--------------|-----------------|-------------------|---|
| Cash and deposits | 6,845 | 5,626 | (1,218) | ● Dividends of approx.900 million yen; corporate tax payments of approx.400 million yen. |
| Supplies | 1,103 | 25 | (1,078) | ● We have reclassified “lifte” (original patient gowns) from Supplies to Total Property, plant and equipment. |
| Total Property, plant and equipment | 1,386 | 2,662 | +1,275 | |
| Total assets | 26,575 | 25,764 | (810) | |

Contracted facilities and Cancellation rate (at last month of quarter)

- Contracted facilities (at last month of quarter) increased **10.3%** YoY.
- The cancellation rate excluding Closure of the hospital, etc. is **2.7%**.

Contracted facilities and Cancellation rate (at last month of quarter)

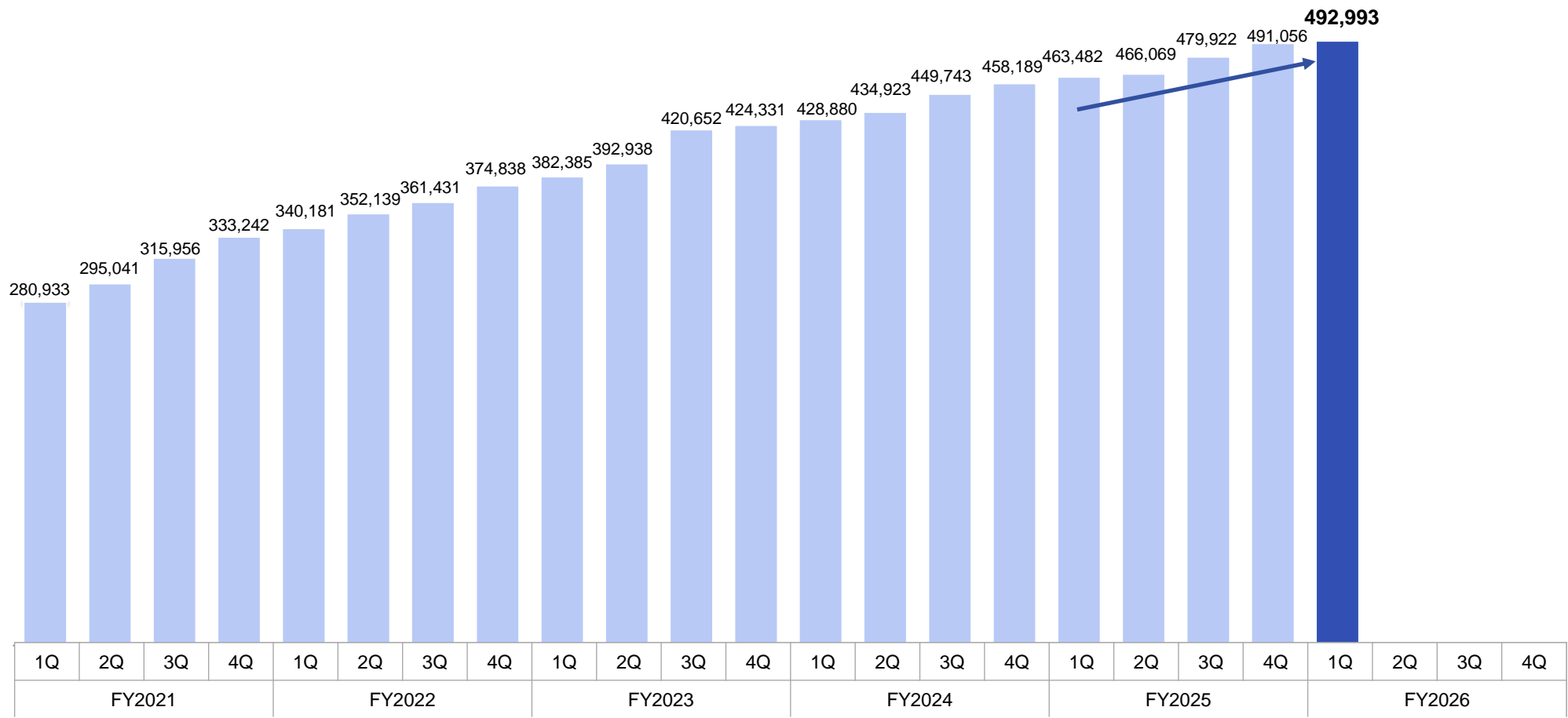


Note: Cancellation rate for the year = Number of cancellations in current year / (Contracts at end of previous year + New contracts in current year)

Monthly Users (Average during the quarter)

■ Monthly Users (Average during the period) increased **6.4%** YoY.

Monthly Users (Average during the period)

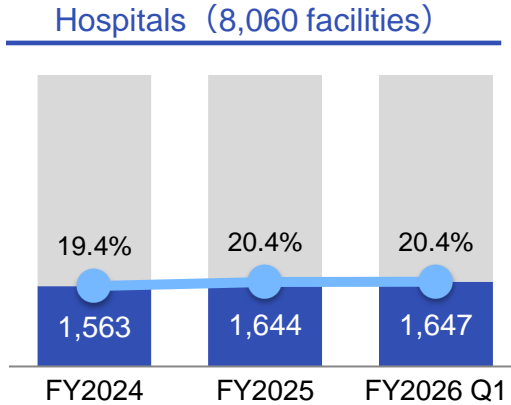


Facility Penetration Rates

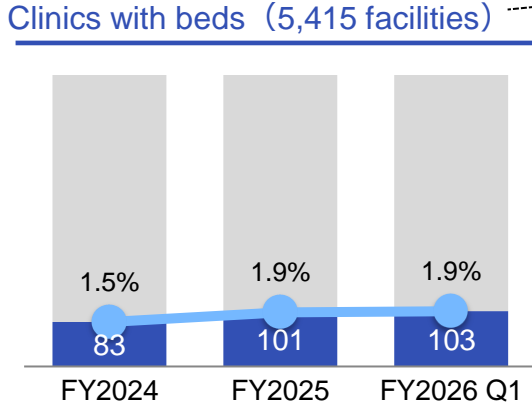
- Continue to focus on large- to medium-sized “Hospitals, Long-term Care Health Facilities, Integrated Facilities for Medical and Long-term Care” while aiming to create new customer value.

Medical insurance

Large to medium scale



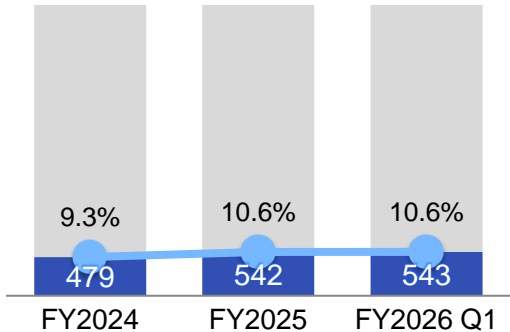
Small scale



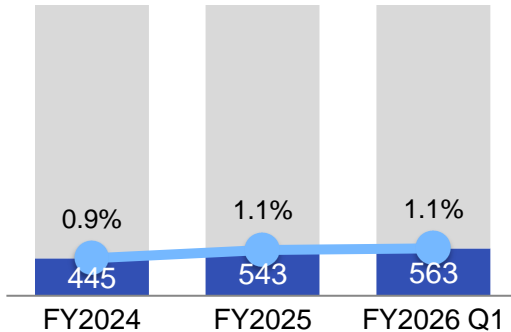
The total number of medical facilities with inpatient facilities with less than 20 beds.

Nursing insurance

Long-term Care Health Facilities / Integrated Facilities for Medical and Long-term Care (5,131 facilities)



Other nursing care facilities (49,268 facilities)



This figure shows the total number of the top four facilities in 2021 within the graph on the next page.

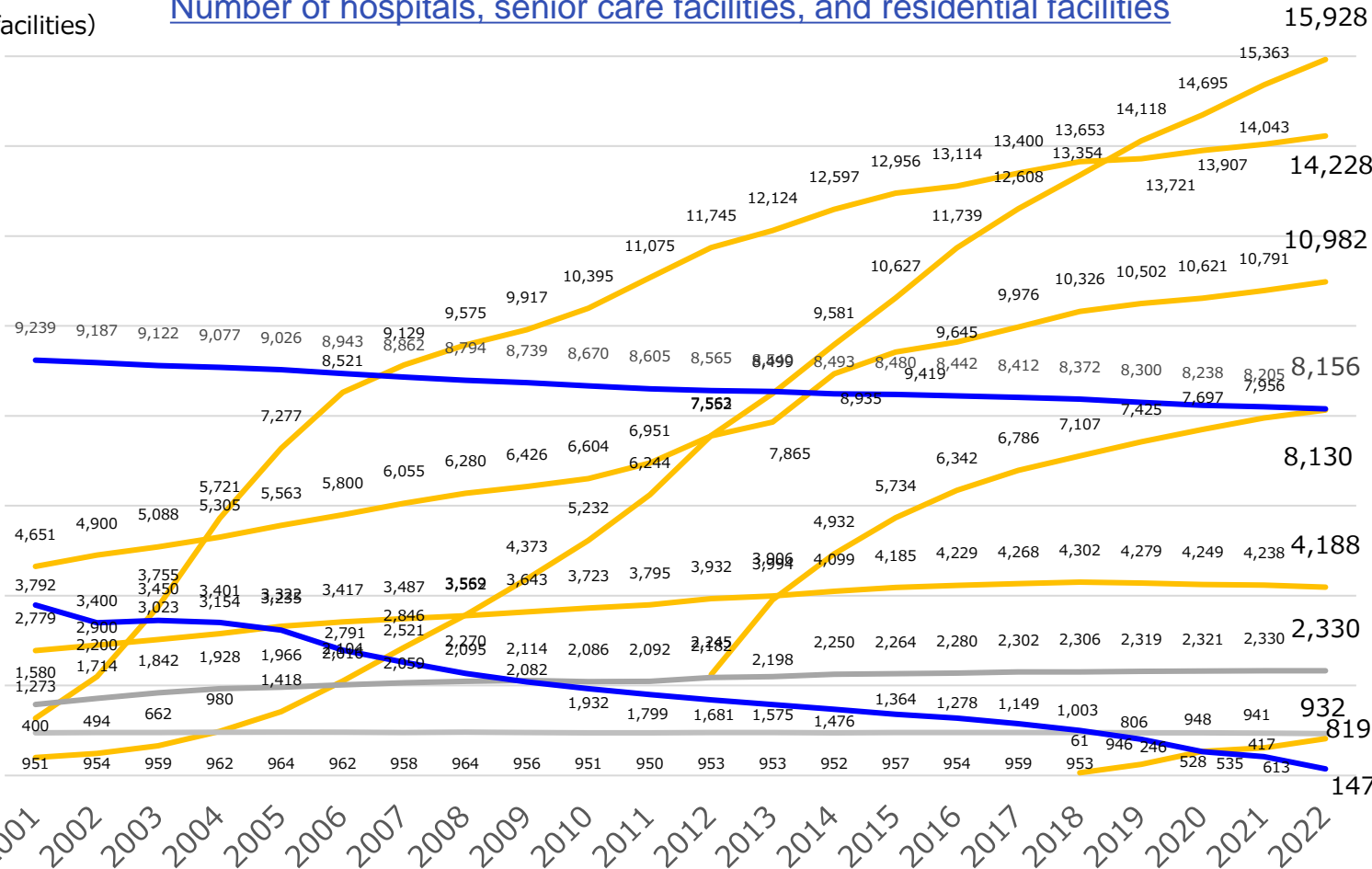
Notes: Prepared by ELAN with reference to the Survey of Medical Facilities 2024 and the Survey of Institutions and Establishments for Long-term Care 2024 by the Ministry of Health, Labor and Welfare.

Trends in Facilities Targeted for Sales Activities

- The number of hospitals and long-term care medical facilities has been declining year by year.
- On the other hand, the number of facilities such as “Nursing homes,” “Group home for the elderly with dementia,” “Nursing home for the Elderly,” and “Residences for the Elderly with Services” is increasing.

Number of hospitals, senior care facilities, and residential facilities

(facilities)



Nursing homes
(Relatively expensive)

Group home for the elderly with dementia

Nursing home for the Elderly

Hospitals

Residences for the Elderly with Services

Long-term Care Health Facilities

Light nursing home

Nursing home

Integrated Facilities for Medical and Long-term Care

Long-term care medical facilities

Notes: Prepared by Elan based on page 9 of the document linked here ([Ministry of Health, Labor and Welfare meeting materials](#)).

Annual Trends in Key Indicators

- As new services become more widespread, facility unit costs continue to rise.

Annual Trends in Key Indicators

| | | 2021 | 2022 | 2023 | 2024 | 2025 | Main Factors |
|--------------------------------------|-----------------|---------|---------|---------|---------|---------|--|
| Net sales | Millions of yen | 31,635 | 36,264 | 41,425 | 47,243 | 53,214 | |
| year on year | % | 21.4% | 14.6% | 14.2% | 14.0% | 12.6% | |
| Contracted facilities | Facility | 1,814 | 2,060 | 2,320 | 2,570 | 2,830 | |
| year on year | % | 12.4% | 13.6% | 12.6% | 10.8% | 10.1% | |
| Facility unit price | Millions of yen | 17.4 | 17.6 | 17.9 | 18.4 | 18.8 | ◆ Increasing trend due to the spread of new services, etc. |
| year on year | % | 8.0% | 0.9% | 1.4% | 3.0% | 2.3% | |
| 4Q Monthly Average Number of Users※1 | People | 333,242 | 374,838 | 424,331 | 458,189 | 491,056 | |
| year on year | % | 21.2% | 12.5% | 13.2% | 8.0% | 7.2% | |

※1 Calculation formula: (number of users in October + number of users in November + number of users in December) ÷ 3

Annual trends in New services and New products

- In addition to the CS set, the introduction of peripheral services and new products is progressing, and facility unit prices are continuously rising through the provision of complex added value.
- The new service will be rolled out as a mid-to-long-term, socially impactful solution designed to support hospital management.

Annual trends in New services and New products

| | | 2022 | 2023 | 2024 | 2025 | 2026 Q1 | Most Recent Initiatives |
|---|----------|------|------|-------|-------|---------|-------------------------|
| Number of facilities with CS Set R | Facility | 149 | 230 | 278 | 354 | 361 | |
| Adoption rate of CS Set R | % | 7.2% | 9.9% | 10.8% | 12.5% | 12.6% | |
| Number of facilities with CS Set LC | Facility | 123 | 192 | 230 | 285 | 297 | |
| Adoption rate of CS Set LC | % | 6.0% | 8.3% | 8.9% | 10.1% | 10.4% | |
| Number of facilities with lifte | Facility | 8 | 52 | 252 | 471 | 505 | |
| Adoption rate of lifte | % | 0.4% | 2.2% | 9.8% | 16.6% | 17.7% | |
| Number of facilities with Smile wear | Facility | 0 | 0 | 7 | 65 | 74 | |
| Adoption rate of Smile wear | % | 0.0% | 0.0% | 0.3% | 2.3% | 3.8% | |
| Synergy with M3Number of Achievements | Number | - | - | - | 100 | 109 | |
| (New service/product under development) | | - | - | - | - | - | |

2. Earnings forecast of Fiscal 2026



Forecast of Operating Results for Fiscal 2026

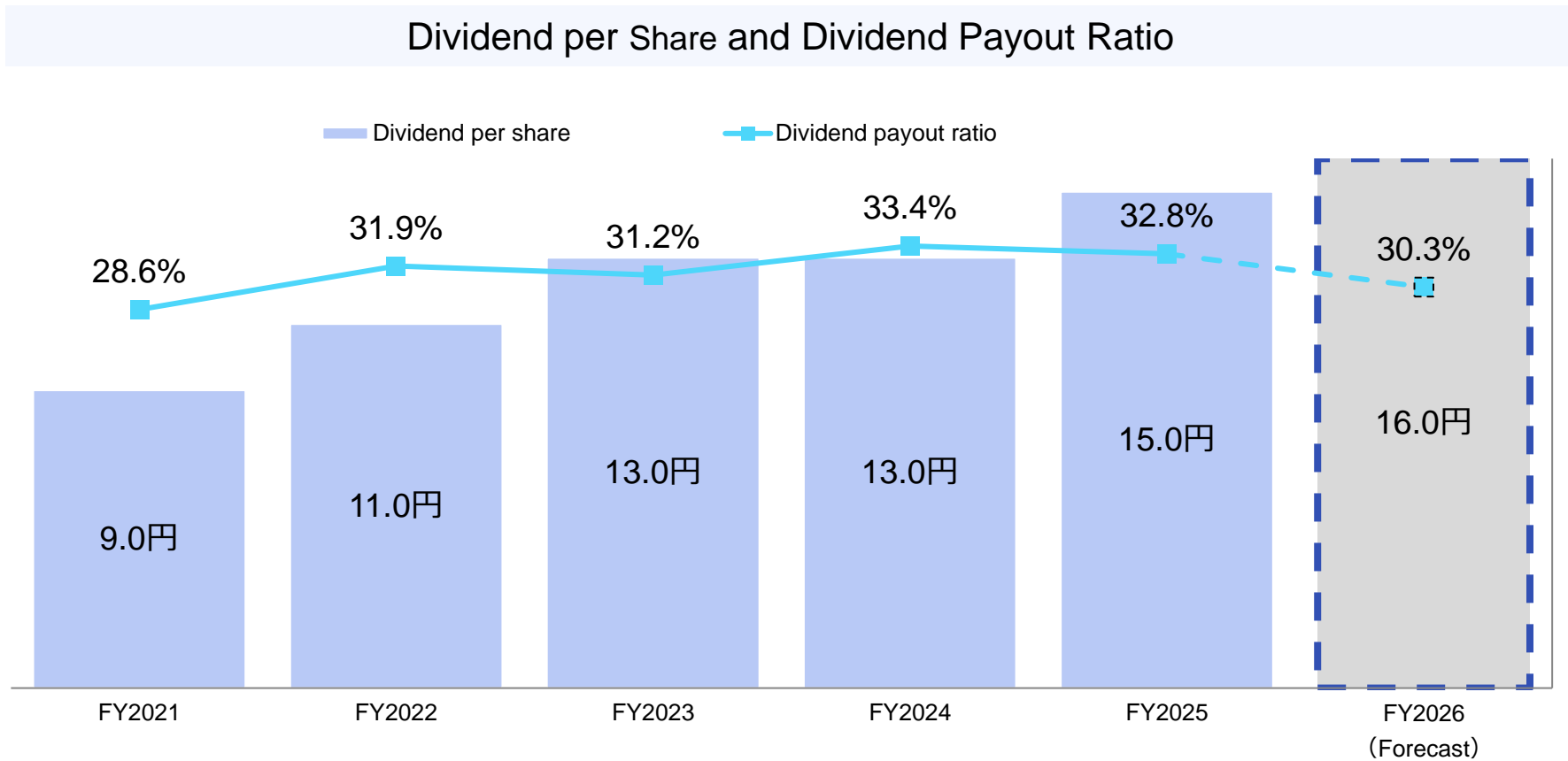
- For the FY2026, we aim for 9.7% growth through acquiring new facilities for our CS sets, enhancing added value, developing new businesses, and expanding overseas operations.

(Millions of yen)

| | Fiscal 2025 First Half Results | Fiscal 2026 First Half Forecast | YoY Change | Fiscal 2025 Results | Fiscal 2026 Forecast | YoY Change |
|--|--------------------------------------|---------------------------------------|------------|------------------------|-------------------------|------------|
| Net sales | 26,840 | 29,200 | 8.8% | 55,448 | 60,800 | 9.7% |
| Operating profit | 2,076 | 2,400 | 15.6% | 4,272 | 5,000 | 17.0% |
| Ordinary profit | 2,049 | 2,400 | 17.2% | 4,184 | 5,000 | 19.5% |
| Profit Attributable to Owners of Parent | 1,367 | 1,590 | 16.3% | 2,767 | 3,200 | 15.6% |
| EPS(yen) | 22.61 | 26.24 | | 45.77 | 52.81 | |

Return to Shareholders

- The year-end dividend for the fiscal year ending December 2026 will be ¥16.0 per share, with a payout ratio of 30.3%.



Note 1: Dividend per share in the above graph has been retroactively adjusted to reflect the 2-for-1 stock split on January 1, 2021.

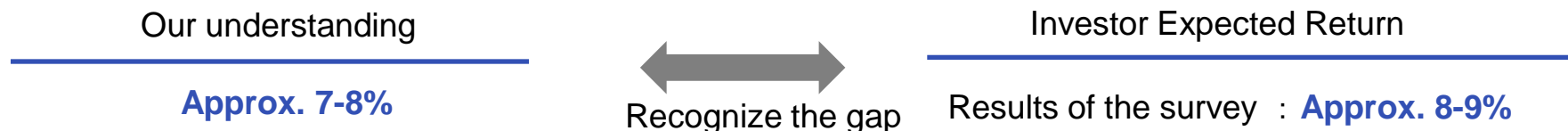
3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Publish again
(Announced in
February 2026)

- We have re-examined our current understanding and challenges regarding “Management that is Conscious of Cost of Capital and Stock Price ,” as disclosed in February 2024.
- We recognize our capital cost as approximately 7-8%. Meanwhile, we acknowledge a gap with investor expected returns of around 8-9%.
- While ROE is projected to exceed the capital cost at 20.5% in 2025, we view its declining trend as a challenge.

【Cost of capital】

- In addition to values calculated using CAPM and the yield-to-maturity method, the cost of capital is recognized as 7–8% based on the stability of the business.
- Since our company has minimal interest-bearing debt, the weighted average cost of capital (WACC) approximates the cost of equity.



【Our understanding】

- In addition to a stable revenue structure based on recurring assets, domestic operations are growing at an annual rate of approx. 10%.
- Business models less susceptible to economic fluctuations
- ROE is trending downward, and we recognize that improving ROE going forward is a management challenge.

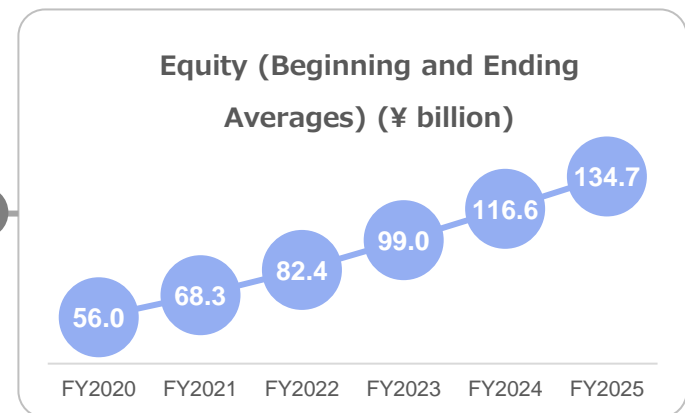
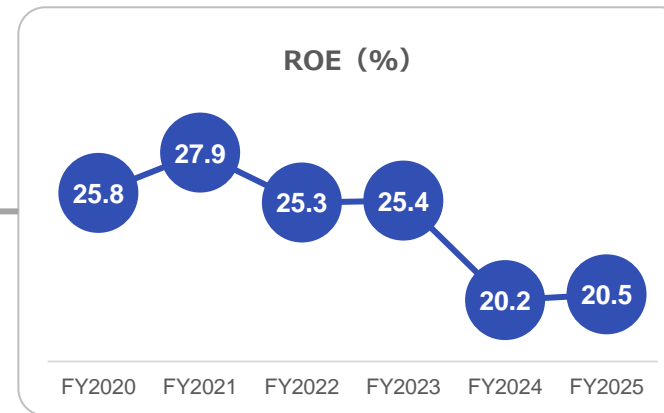
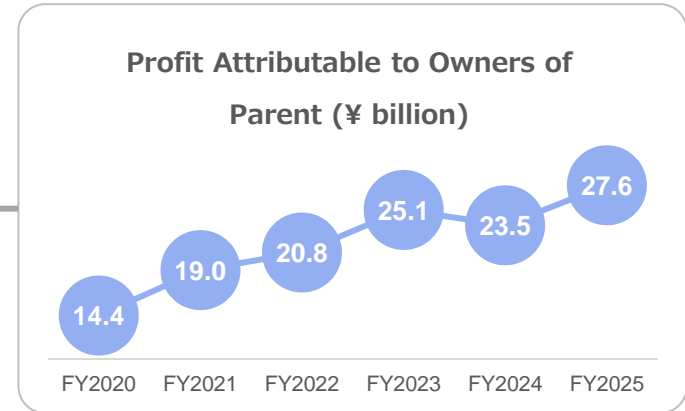
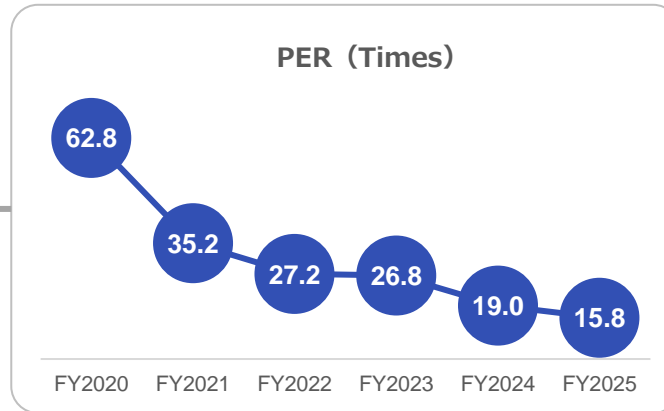
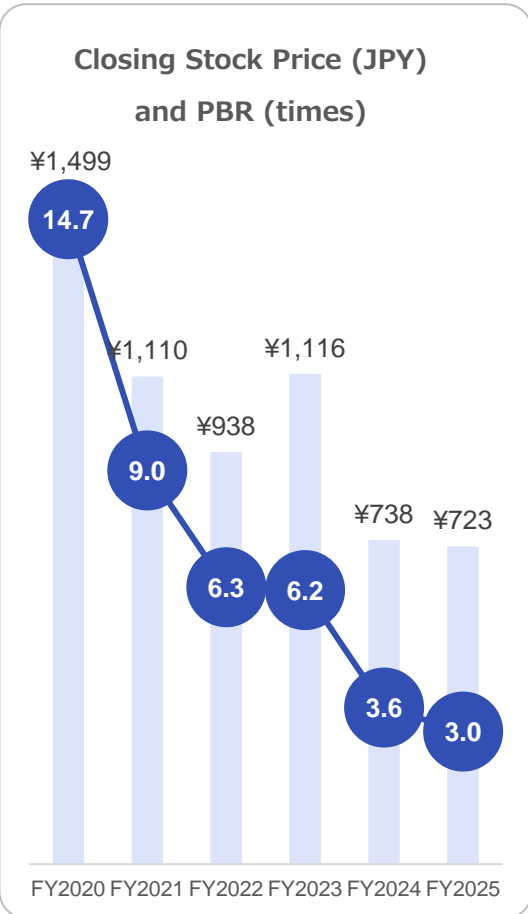
} The cost of capital is around 7-8%.

| | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
|---|--------|--------|--------|--------|--------|--------|
| ROE (%) ※ | 25.8 | 27.9 | 25.3 | 25.4 | 20.2 | 20.5 |
| Profit to net sales(%) | 5.6 | 6.0 | 5.7 | 6.1 | 5.0 | 5.0 |
| Total Capital Turnover Ratio (Turnover) | 2.5 | 2.5 | 2.4 | 2.4 | 2.3 | 2.3 |
| Financial Leverage (Times) | 1.9 | 1.9 | 1.8 | 1.8 | 1.7 | 1.8 |

※Shareholders' equity and total capital are calculated using the average balance during the period (the sum of the previous year and the current year divided by two).

【Issue】

- Declining PER: As the company transitions from a high-growth phase to a stable growth phase, its future prospects are becoming less visible to investors.
- Declining ROE: Falling net profit margin and accumulation of equity capital.



4. New Mid-Term Management Plan(2026 to 2028)

Publish again
(Announced in
February 2026)

Review of the Mid-Term Management Plan (2023–2025)

- While sales revenue maintained a growth trend during the previous medium-term management plan, it fell short of the planned figures in each fiscal year.
- Operating profit also fell short of the planned figures for fiscal years 2024 and 2025.

FY2023

FY2024

FY2025

| | Plans ^{※1} | Results | Vs. Plan |
|--------------------------------|---------------------|---------------------|----------|
| Net sales | 43.7 billion yen | 41.4 billion yen | 95% |
| Operating profit | 3.6 billion yen | 3.6 billion yen | 100% |
| Operating profit margin | 8.2% | 8.8% | 107% |
| R O E | 25.2% | 25.4% | 101% |
| Dividend payout ratio | 29.0% | 31.2% | 105% |

| | Plans ^{※2} | Results | Vs. Plan |
|--------------------------------|---------------------|---------------------|----------|
| Net sales | 50.0 billion yen | 47.5 billion yen | 95% |
| Operating profit | 4.2 billion yen | 3.5 billion yen | 83% |
| Operating profit margin | 8.4% | 7.5% | 89% |
| R O E | 24.1% | 20.2% | 84% |
| Dividend payout ratio | 29.7% | 33.4% | 112% |

| | Plans ^{※3} | Results | Vs. Plan |
|--------------------------------|---------------------|---------------------|----------|
| Net sales | 59.0 billion yen | 55.4 billion yen | 94% |
| Operating profit | 4.72 billion yen | 4.27 billion yen | 91% |
| Operating profit margin | 8.0% | 7.7% | 96% |
| R O E | 22.3% | 20.5% | 92% |
| Dividend payout ratio | 30.0% | 32.8 | 109% |

※1) Announced in financial results briefing materials for the fiscal year ended December 31, 2022 (Announced on February 21, 2023)

※2) Announced in financial results briefing materials for the fiscal year ended December 31, 2023 (Announced on February 26, 2024)

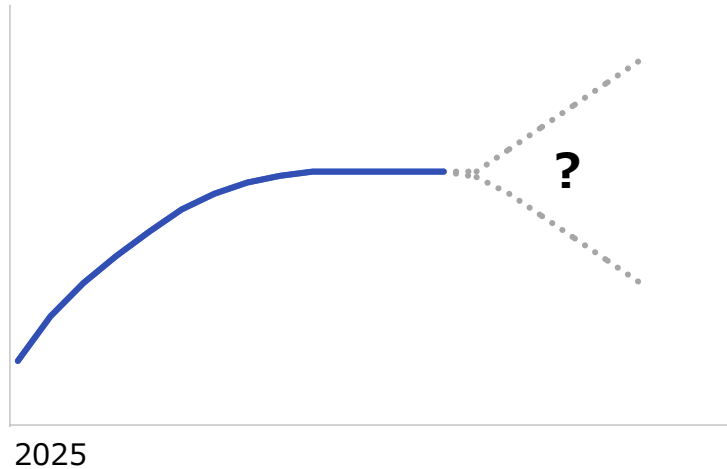
※3) Announced in financial results briefing materials for the fiscal year ended December 31, 2024 (Announced on February 10, 2025)

※ Market penetration rate was excluded due to a change in the calculation method during the medium-term plan period.

Building on the solid growth of our existing CS set, we will execute growth investments and M&A disciplined by a 25% ROE target, aiming to achieve both capital efficiency and growth over the next three years.

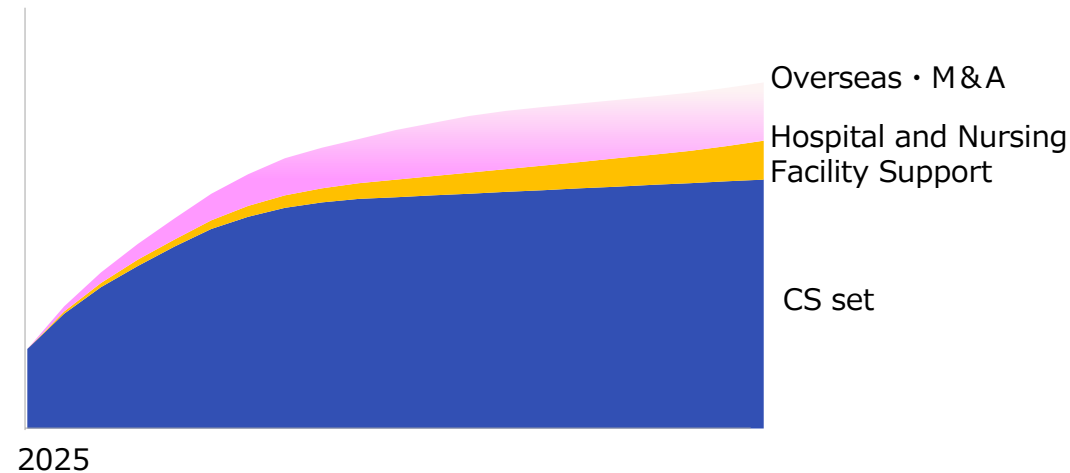
Growth potential for existing domestic businesses and beyond

While growth is expected in the near term, structural changes such as population decline and a reduction in the number of hospitals are anticipated in the medium to long term.



Next Growth Based on the CS Set

Using the CS set as a revenue base, we will make phased investments in hospital management support and overseas expansion.



Numerical Targets for the New Mid-Term Management Plan (2026–2028)

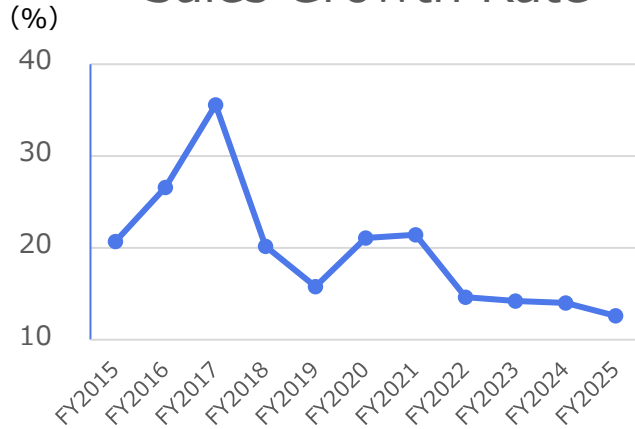
- Sales revenue is expected to reach the target level through the approximately 10% growth rate of domestic CS sets, combined with the accumulation of M&A and new business initiatives.
- ROE targets a minimum of 25.0% by the end of 2028.

Previous Mid-Term
Business Plan

New Mid-Term Management Plan

| | FY2025 (Result) | FY2026 (Forecast) | FY2028 (Forecast) |
|--------------------------------|----------------------------|------------------------------|------------------------------|
| Net sales | 55.4 billion yen | 60.8 billion yen | 80.0 billion yen |
| Operating profit | 4.2 billion yen | 5.0 billion yen | 7.5 billion yen |
| Operating profit margin | 7.7% | 8.2% | 9.4% |
| R O E | 20.5% | -% | 25.0% |

Sales Growth Rate



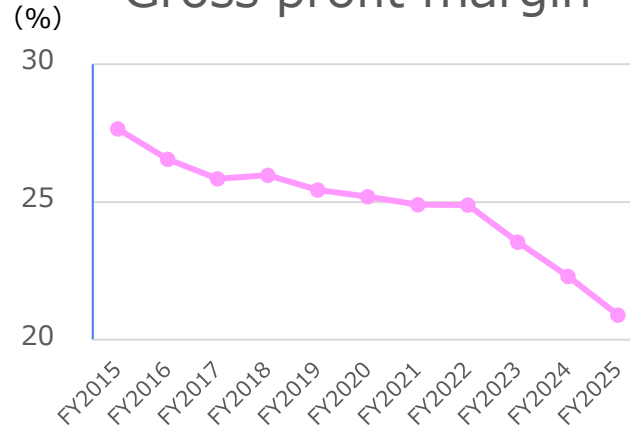
Current situation

- The growth rate of existing businesses was 12.6% (fiscal year ending December 2025) and is expected to continue slowing.

Direction

- Enhancing the Quality and Sustainability of Growth through New Ventures and M&A
- Accepting a slowdown in existing business growth rates

Gross profit margin



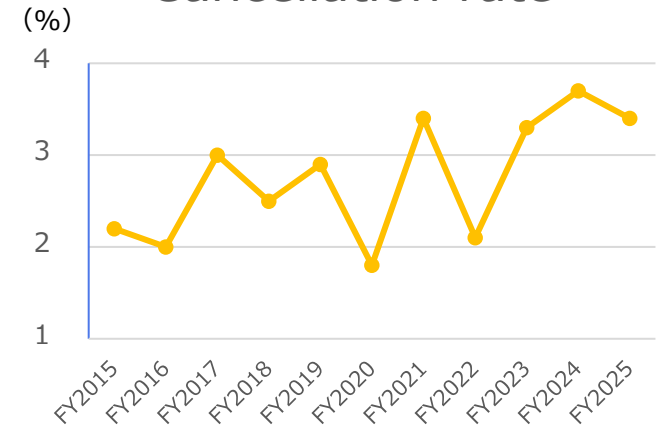
Current situation

- The downward trend in gross profit margins continues, revealing structural challenges.

Direction

- Restructure the profit structure through contract redesign and a review of procurement methods

Cancellation rate



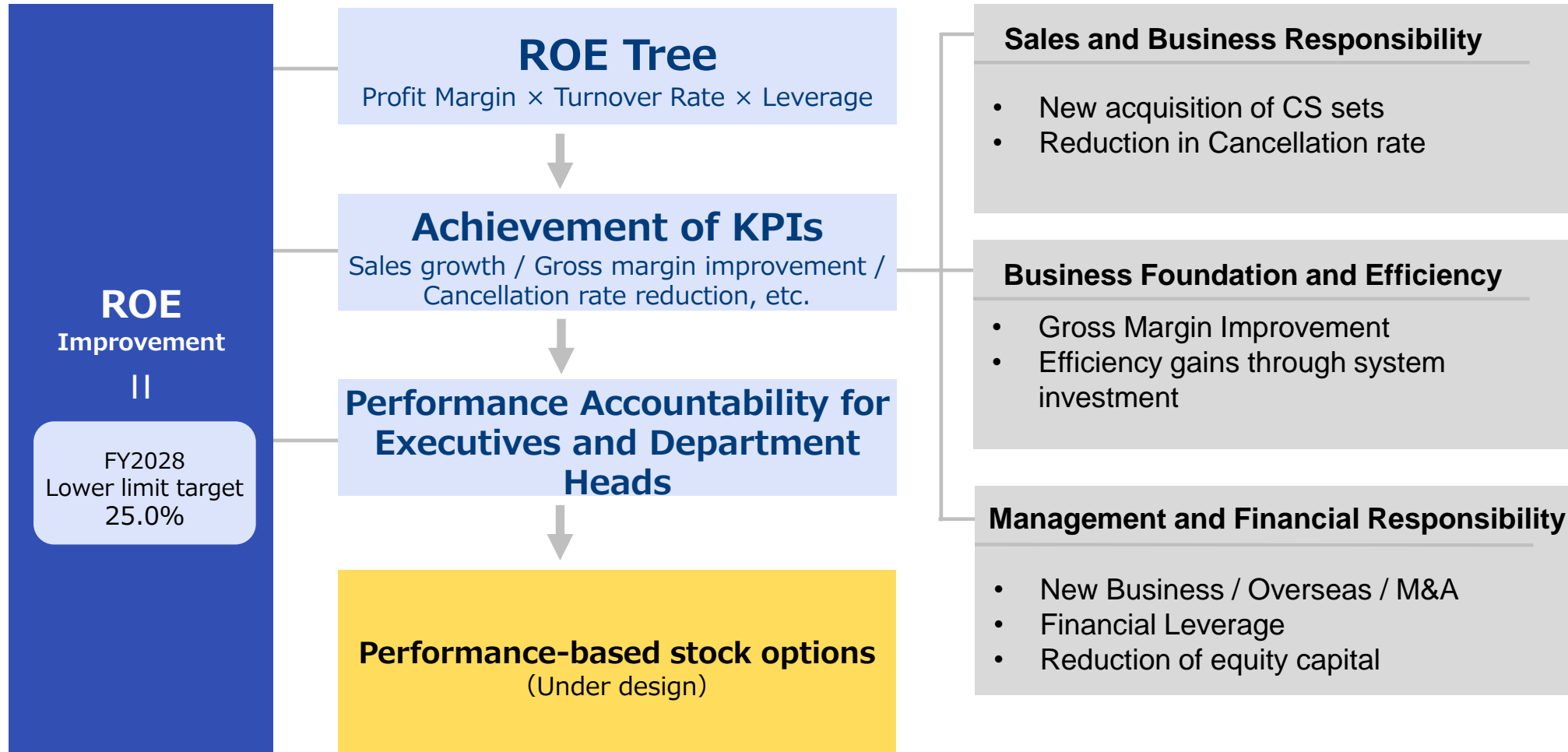
Current situation

- Due to consolidation and price competition, an upward trend

Direction

- Achieving stability through the dual drivers of talent retention and value creation

- This medium-term plan establishes KPIs for achieving ROE and positions them as performance responsibilities for executive officers, and department heads.
- We are currently designing a performance-based stock option plan for this project.



- We position M&A as one of the key options for growth.
- When executing M&A transactions, we will focus on reviewing deals that contribute to maximizing shareholder value while prioritizing capital efficiency.

1 Domestic Business Infrastructure Strengthening Type

Within Japan, we will leverage our position as the market leader to explore M&A opportunities in adjacent fields that are highly compatible with our existing businesses and contribute to strengthening our business foundation.

【 Direction 】

- System investments and improvements in operational infrastructure efficiency
- Enhancement of value delivered to customers

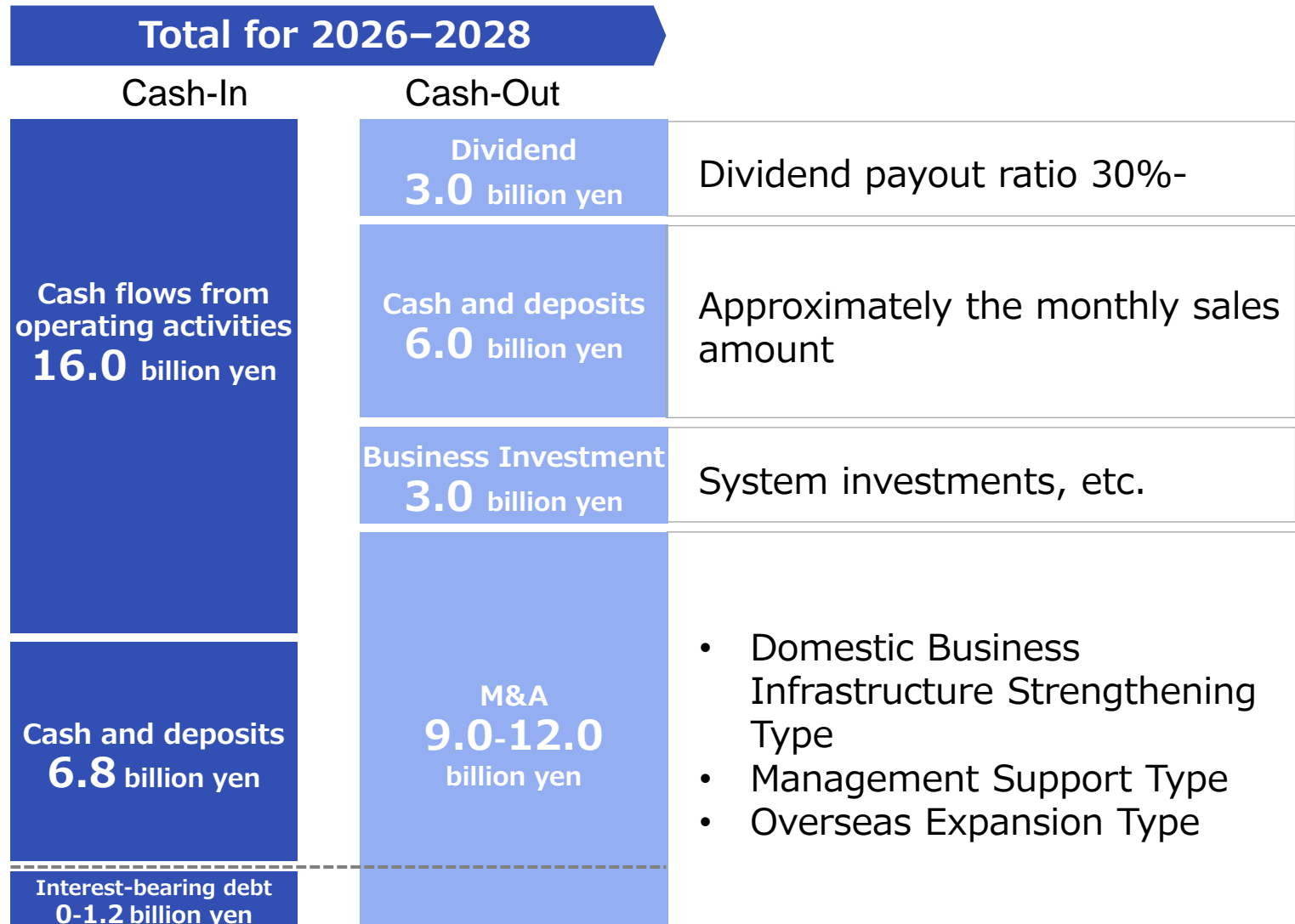
2 Management Support Type

As the business environment for hospitals and nursing care facilities grows increasingly challenging, we will explore expanding our service offerings to provide management support starting with the CS Set.

3 Overseas Expansion Type

We will explore expansion into countries and regions where demand for our services is anticipated in the future, based on improvements in sanitation and changes in lifestyles observed overseas.

- The total cash inflow over three years is planned to be ¥15 billion.
- The funds will be primarily allocated to growth investments while implementing shareholder returns with an eye toward capital efficiency.



※ Overdraft limit
4.2billion yen

5. Reference Materials



Company Overview



Matsumoto Head Office in Nagano Prefecture



We seek to provide the best products and services that satisfy our customers, and we focus our passion on contributing to the realization of a society in which people live fulfilling lives

Tomohiro Minezaki,
CEO

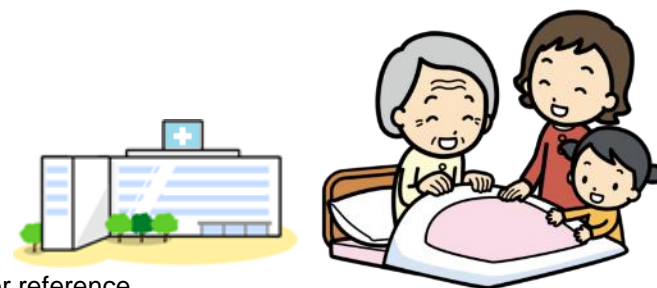


| | |
|---------------------|---|
| Company name | ELAN Corporation |
| Business | Medical and nursing care-related business (CS Set) |
| Established | February 6, 1995 |
| Capital | 573 million yen |
| Net sales | 55,448 million yen (fiscal 2025) |
| Ordinary profit | 4,204 million yen (fiscal 2025) |
| Headquarters | Matsumoto, Nagano Prefecture |
| Representative | CEO: Tomohiro Minezaki |
| Number of employees | 1,498 (as of December 31, 2025) |
| Business locations | Headquarters in Matsumoto Tokyo office (business strategy and marketing) Location in Matsumoto Murai (customer response) Sales bases Hokkaido area Sapporo/Hakodate/Kushiro Tohoku area Aomori/Morioka/Sendai/Akita Kan-etsu area Saitama/Chiba/Tokyo/Sagamihara/Niigata Chubu area Matsumoto/Shizuoka/Nagoya Kansai/Hokuriku area Kanazawa/Osaka/Kobe Chugoku/Shikoku area Okayama/Hiroshima/Takamatsu/Matsuyama Kyushu/Okinawa area Fukuoka/Minami- Kyushu/Okinawa Logistics Center Kanagawa/Matsumoto/Kansai |
| Subsidiaries | ELAN Service Corporation (invoicing), Ryukyu ELAN Corporation, ELAN COULEUR Corporation, ELAN LOGISTICS Corporation, GREEN LAUNDRY., JSC, TMC Vietnam Trading & Service., JSC |
| Listing | Tokyo Stock Exchange (TSE) Prime Market (Securities code: 6099) |
| Certifications | Privacy mark system, Eruboshi certification, Kurumin certification |

Introduction of Our Product: What Is the CS Set?

The CS Set allows people to start hospitalization and end a hospital stay as well as hospital visitations without the need to bring anything. There is no need for patients to assemble hospitalization supplies on their own.

CS Set users can rent clothing and towels, and receive disposable diaper pads, personal care items and other supplies needed during a hospital stay. Required items are available at the time they are needed on a daily basis at a fixed rate.



Example of the CS Set Standard Plan

Note: The daily fees shown below are for reference.

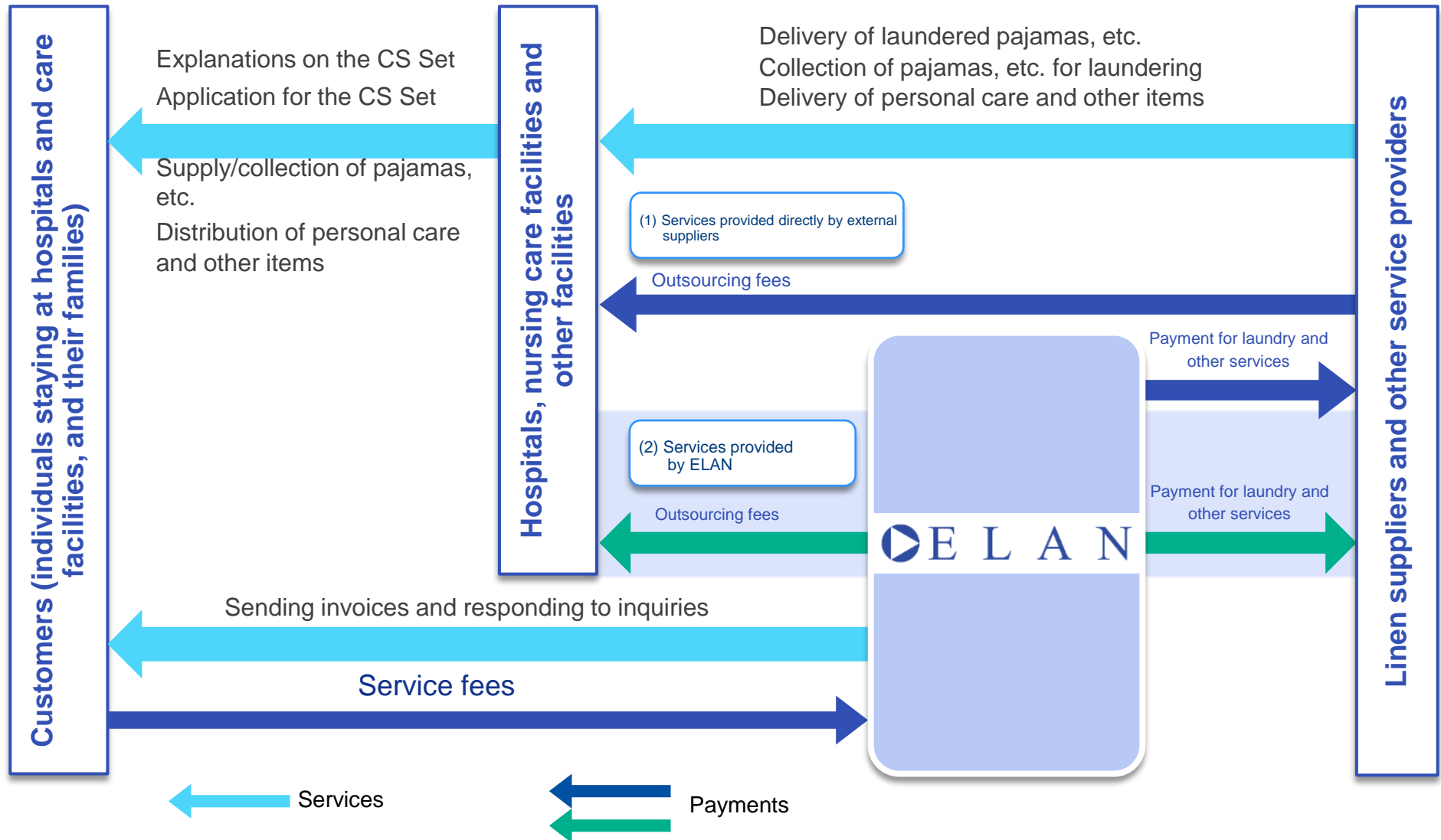
| | Plan A Daily fee: 700 yen | Plan B Daily fee: 500 yen | Plan C Daily fee: 300 yen |
|---------------------|---|------------------------------|------------------------------|
| Towels | Bath towel, face towel, hand towel | | |
| Personal care items | Drinking cups, tissues, shampoo, slippers, etc. | | |
| | Oral care product set | | |
| Clothing | Hospital gown or training wear (top and bottom) | | |
| | Underwear and socks | | |
| | Nursing care pajamas, mealtime apron | | |

(Example) Seven-day hospital stay under Plan B
 $500 \text{ yen} \times 7 \text{ days} = 3,500 \text{ yen}$



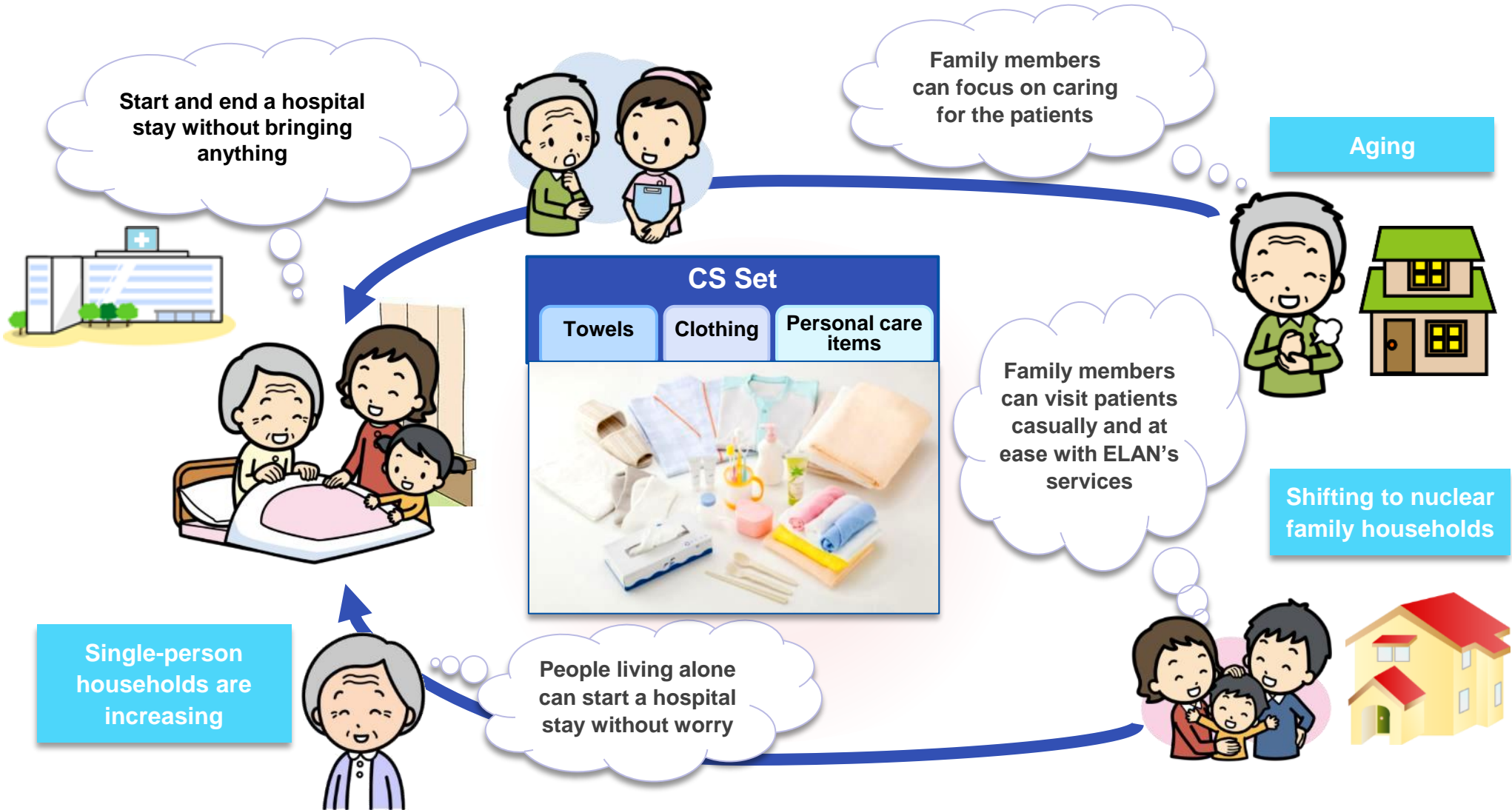
Business Model

For (1) services provided directly by external suppliers and (2) services provided by ELAN, the roles of all parties involved are the same; only the contract format is different.



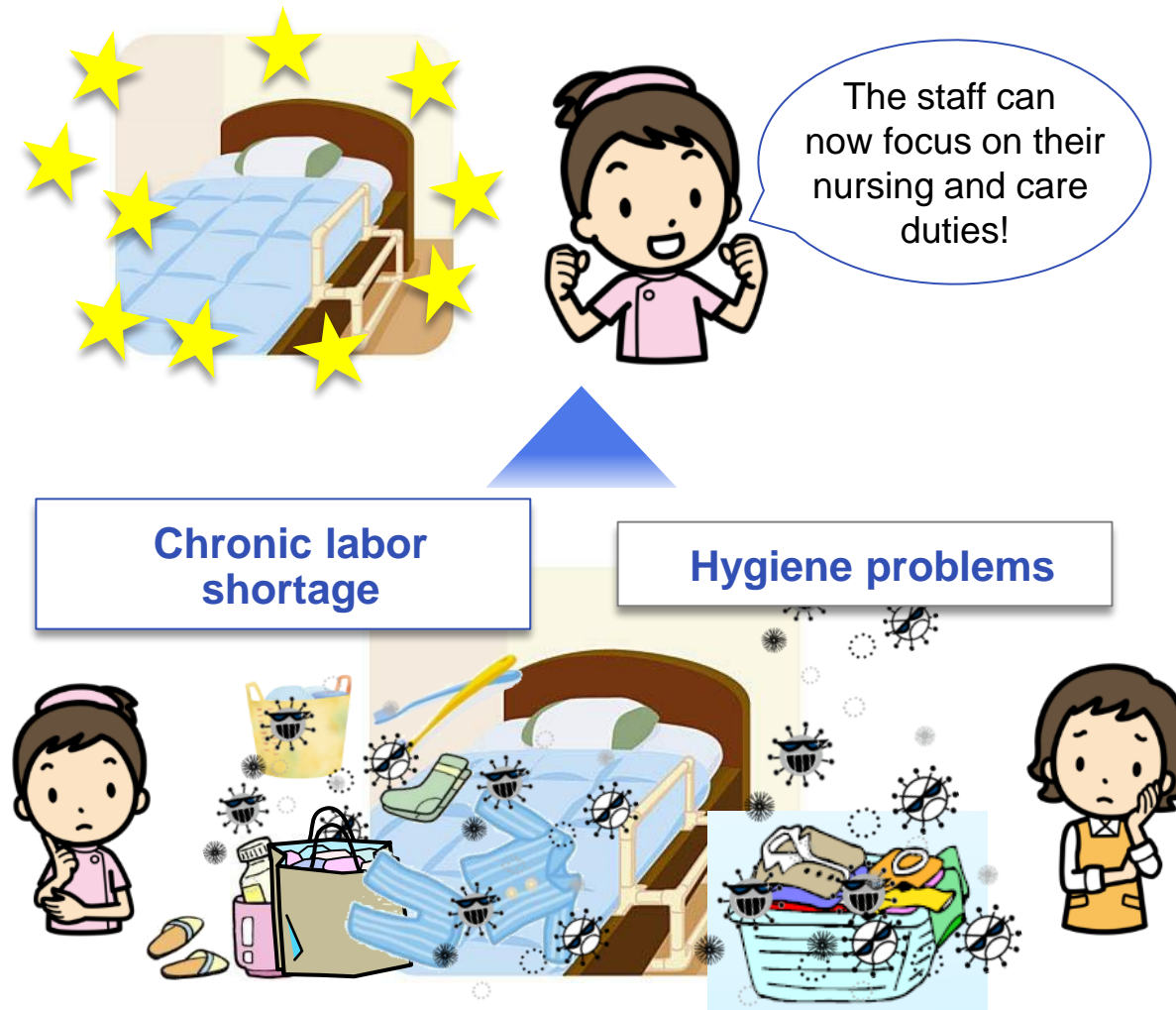
The CS Set Eliminates the Worries of Patients and Family Members

The CS Set provides patients and their family members with ease and comfort



Many advantages for the nursing and care frontlines

Solves problems for hospitals and nursing care facilities



Operational Improvements at Hospitals

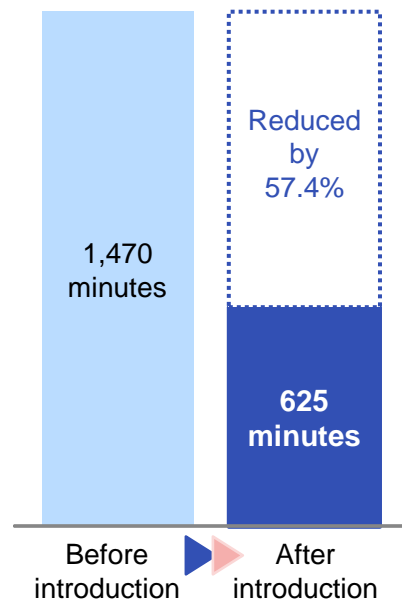
Significant saving of time and labor

Staff can focus on their nursing and care duties

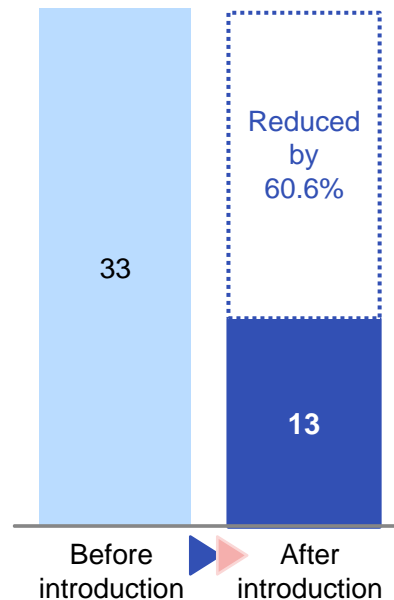
Effects of Introducing the CS Set: A Case Example

For using towels and mealtime aprons at a hospital with 250 beds

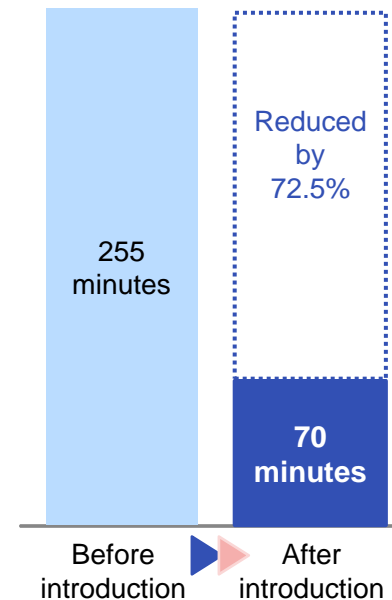
Time (Minutes) per Day Spent on Laundering



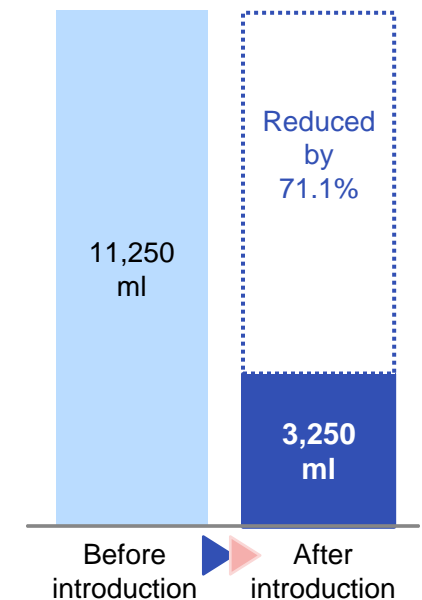
Loads of Laundry per Day



Working Time (Minutes) Per Day (Folding and Setting)

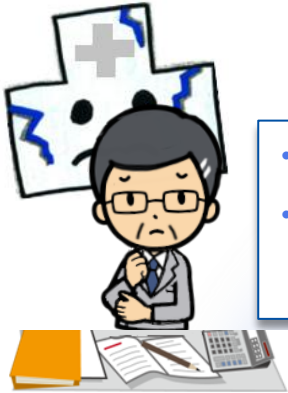


Quantity of Sterilizing Liquid Used (ml) per Month



Note: Figures represent total values for six hospital wards.

Generating an economic impact for the entire hospital/nursing care industry.



Management issues for hospitals and nursing care facilities

- Difficult operating environment for hospitals
- Risks involving government guidance for revenues not based on the national health insurance system



- Secure new revenue resources
- Reduce risks involving government guidance



DELAN

Management issues for operators related to hospitals and nursing care facilities

- Existing hospital-related businesses are saturated
- Cost reductions are strongly requested
- New opportunities for earning profits are needed

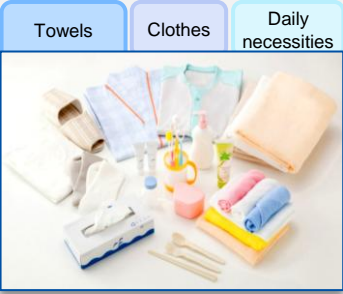






- Increase sales and profits



Overview of CS Set R and CS Set LC

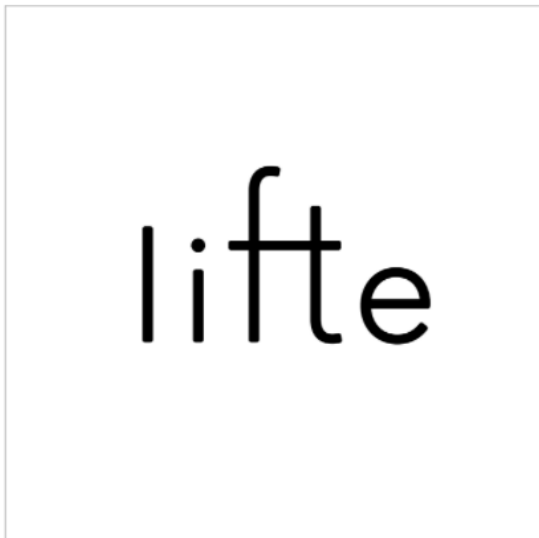
New R/LC services can be added to CS Sets

| CS Sets | New services | Merits |
|--|---|--|
|  | <p>Compensation for unpaid hospitalization expense</p>   | <p>Users and their families</p> <ul style="list-style-type: none"> • No need for co-guarantors or lump sum hospital payments • Peace of mind even during emergency hospitalizations <p>Hospitals and nursing care facilities</p> <ul style="list-style-type: none"> • Avoids risk of unpaid hospitalization expenses • Reduces payment demand and collection efforts when bills are unpaid |
| | <p>Compensation for damages or accidents during hospitalization</p>   | <p>Users and their families</p> <ul style="list-style-type: none"> • Compensation for expenses incurred as a result of damage to facility equipment or injuries to staff <p>Hospitals and nursing care facilities</p> <ul style="list-style-type: none"> • Helps reduce administrative costs and psychological stress related to property damage claim procedures |

lifte Original Patient Gown



NEW



DELAN × *Classico*

Development of Original Patient Garments

- Name:** lifte
- Meaning:** Lift the quality and feeling of life at hospitals and facilities
- Fabric:** Comfortable texture and design
Remains soft and comfortable even with industrial laundering

Overview of Smile Wear



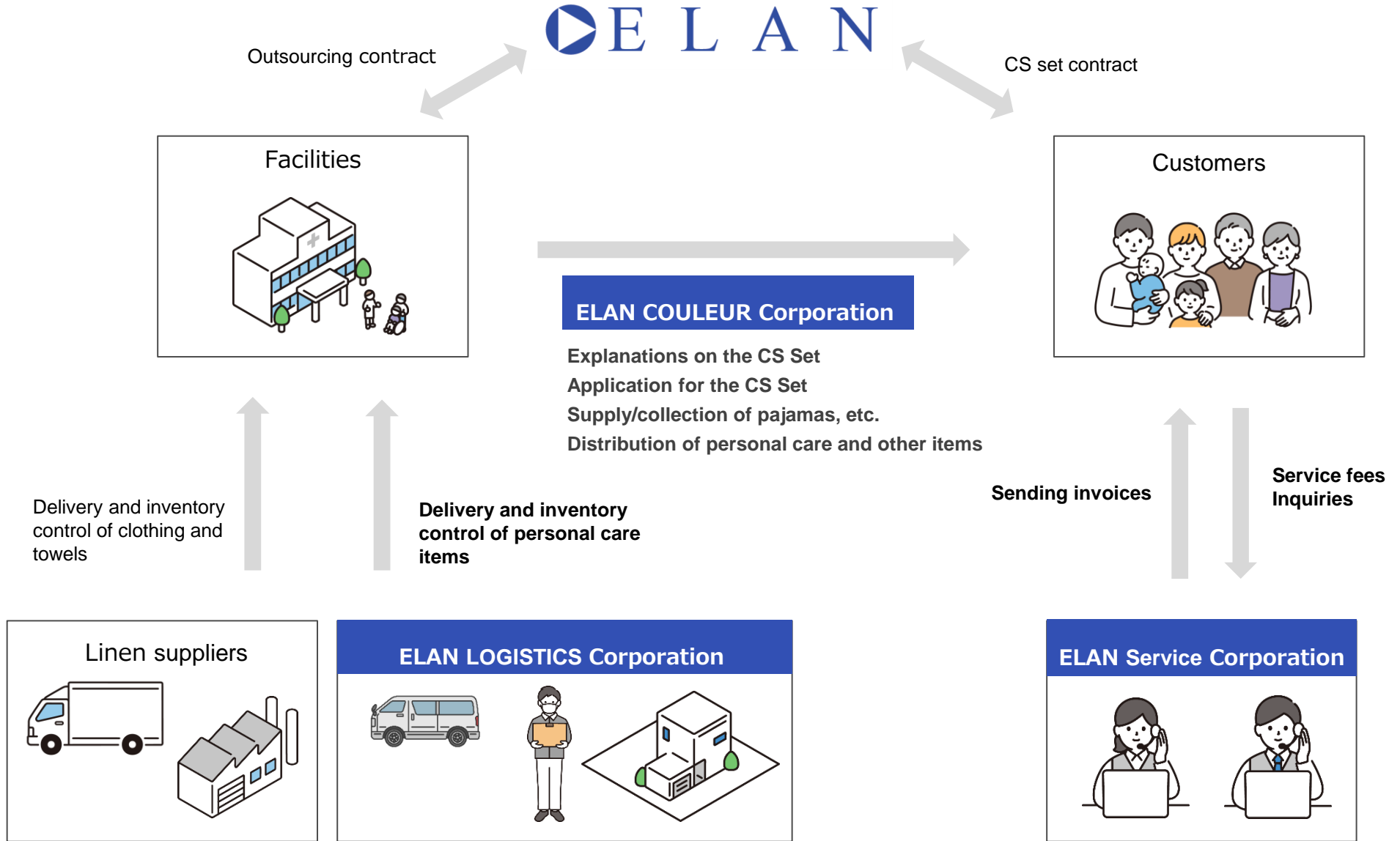
What is Smile ware?

This service allows you to enjoy shopping for fashionable clothes by choosing your favorites from a selection of clothing carefully selected by apparel professionals, based on the concept of “delivering smiles.”

Benefits of Using

- We respect the individuality of our residents and improve their quality of life by boosting their spirits through fashion.
- They can enjoy choosing clothes as if they were shopping, which leads to high-quality communication centered on the residents.
- This eliminates the hassle of purchasing, replenishing, labeling, and washing clothes for family members and staff.

Role of Domestic Subsidiaries



Key Indicators of Domestic Subsidiaries

| | | 2022 | 2023 | 2024 | 2025 | 2026 Q1 |
|--|------------|------|------|------|------|---------|
| ELAN Service Corporation | | | | | | |
| Number of contracted companies (hospitalization set) | Companies | 5 | 9 | 13 | 16 | 16 |
| Number of Facilities (hospitalization set) | Facilities | 30 | 36 | 65 | 86 | 88 |
| Number of contracted companies (other) | Companies | 0 | 2 | 4 | 5 | 5 |
| Number of Facilities (other) | Facilities | 0 | 2 | 11 | 21 | 21 |
| ELAN LOGISTICS Corporation | | | | | | |
| Number of Facilities for delivery | Facilities | 110 | 242 | 376 | 566 | 542 |
| ELAN COULEUR Corporation | | | | | | |
| Number of contracted facilities | Facilities | 0 | 42 | 50 | 52 | 50 |
| Number of employees with disabilities ^{※1} | People | 0 | 13 | 25 | 24 | 29 |

※1 ELAN COULEUR Corporation aims to create employment opportunities for people with disabilities and to support hospitals in hiring people with disabilities.

1. The CS Set has a solid history in the hospitalization support set business
2. Growth potential and earnings-generating capabilities of the subscription-based business model
3. Barriers to new entrants are growing

ELAN has pioneered the hospitalization support set business in an organized fashion.

Three main factors have enabled ELAN, the pioneer, to gain a lead over market latecomers.

1

Know-how

- Ability to determine break-even points
- Explanations to nursing and care staff and operational skills
- Provision of services in a manner consistent with government guidance
- Efficient invoicing and payment receipt operations

2

Business Model

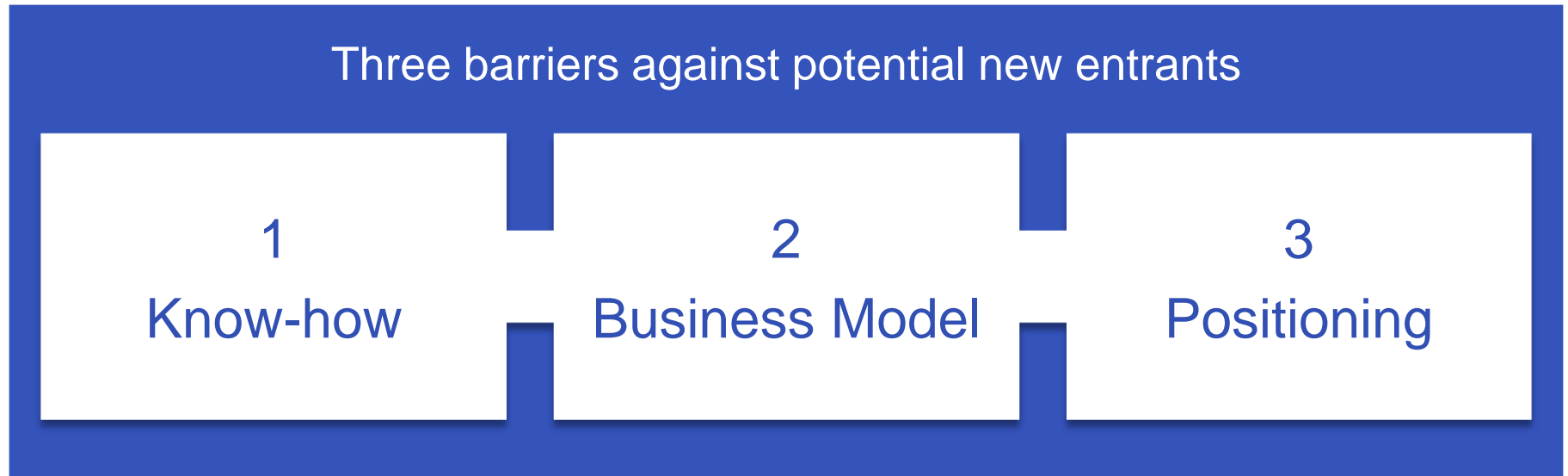
- A business model built on ongoing business relationships with partners to achieve mutual success

3

Positioning

- ELAN is independent and open, being unaffiliated with any other corporate group

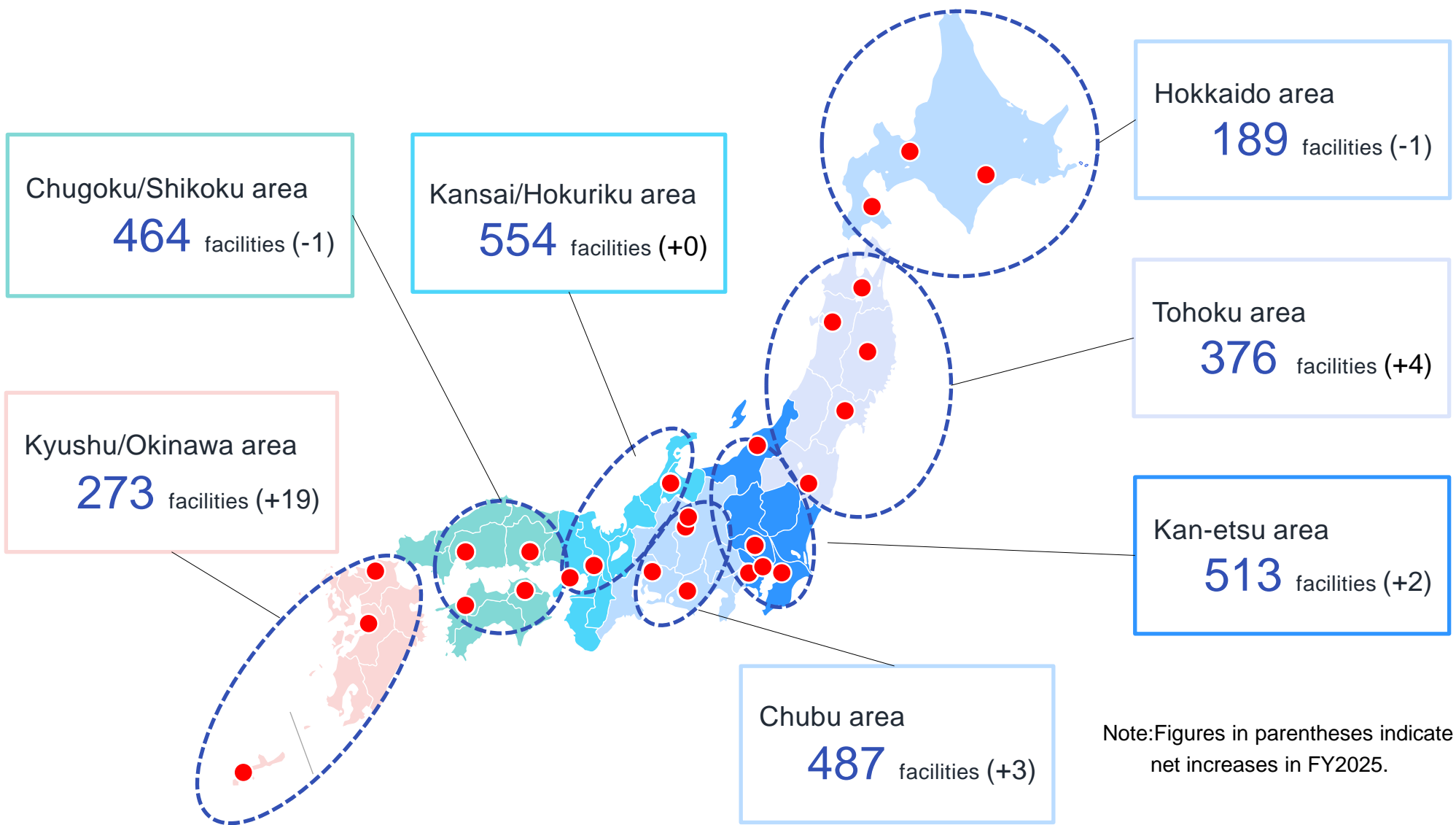
Barriers to entry appear to be low but are actually high.



We are building even higher barriers to entry by accumulating know-how and firmly establishing our position in the industry.

ELAN's Operating Bases and Number of Contracted Facilities Throughout Japan (as of March 31, 2026)

■ The number of contracted facilities had increased, primarily in the Kyushu/Okinawa area.

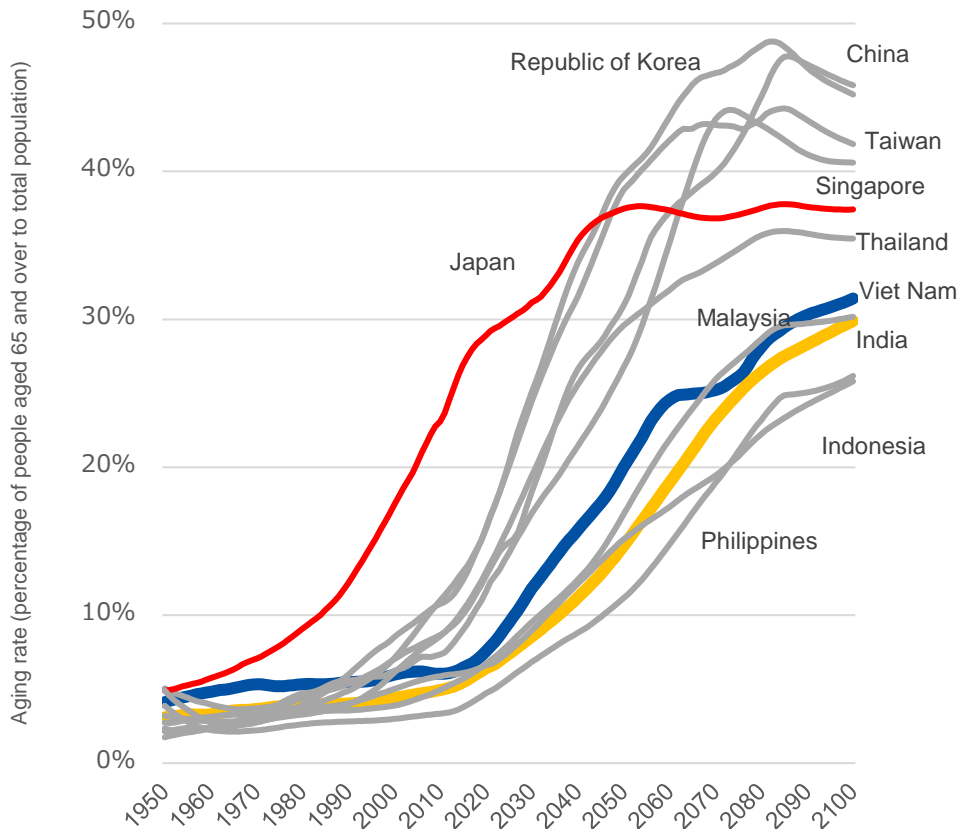


Note: Figures in parentheses indicate net increases in FY2025.

Concept of overseas expansion

- In Asia, the speed of aging varies greatly depending on the country, so it is important to adjust the content of services accordingly.
- In countries where the aging of the population is not progressing, we will first provide basic laundry services and aim to expand our business in the future by collaborating with hospitals.
- By providing related services such as CS sets based on laundry services, we will increase the unit price for each customer (facility) and improve profit margins.

Trend in the aging rate of Asian countries(1950-2100, medium variant)



| | Phase1 | Phase2 | Phase3 | Phase4 |
|-------------------------------------|--|--------------------------------|--|----------------|
| Aging rate (medium variant in 2025) | 10% Less than | 10-20% | 20-30% | 30% Or more |
| Countries | Viet Nam India Philippines Indonesia Malaysia | China Thailand Singapore | Taiwan Republic of Korea | Japan |
| Issue | The expansion of medical facilities has outpaced the development of supporting services. | | The increasing aging population and the prevalence of nuclear families have led to a heavier burden on families who provide care for hospitalized patients and nursing home residents. | |

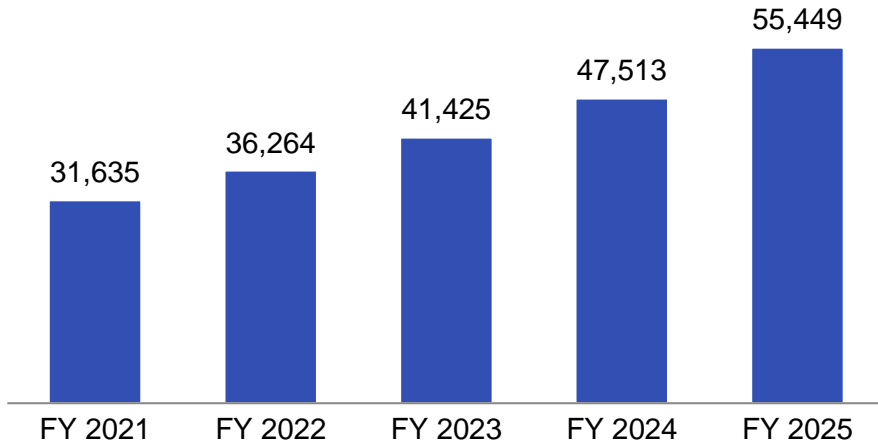
Sustainability Roadmap

- Policy to enhance ESG response and information disclosure to improve shareholder value over the medium to long term.
- Disclosed GHG emissions Scope 1 to 3 in the integrated report “[ELAN REPORT 2023](#)” released in December 2023.
- In the securities report for the fiscal year ending December 2023, we have completed the disclosure of information regarding human capital management and climate change.

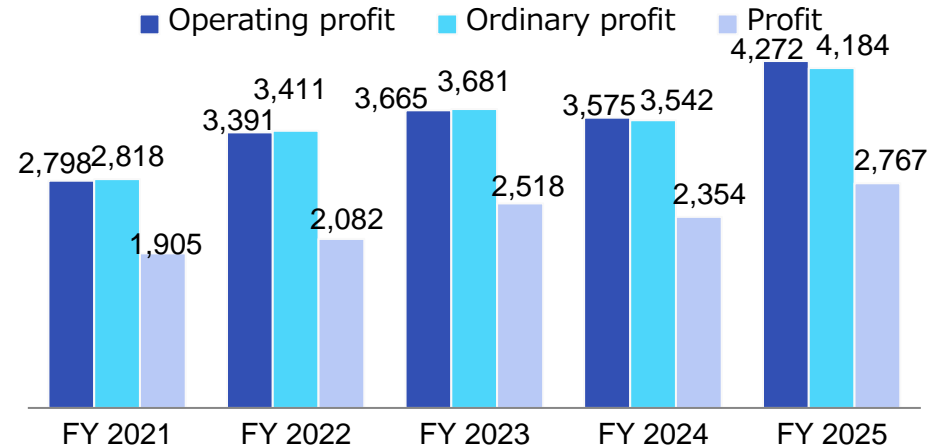
| Materiality | | 2022 | 2023 | 2024 | 2025 | 2030 |
|-------------|--|------|--|------|------|------|
| Whole | | | <ul style="list-style-type: none"> ● Identifying materiality and setting goals ● Establishment of Sustainability Committee | | | |
| Environment | Provide stable services, reduce environmental burdens | | <ul style="list-style-type: none"> ● Build own warehouse and logistics ● Climate change-related information disclosure based on TCFD recommendations | | | |
| Social | Support the promotion of health and wellbeing of all people / Realize a society full of smiles | | <ul style="list-style-type: none"> ● Establishment ELAN COULEUR Corporation (with the aim of creating employment opportunities for people with disabilities) ● Enhancing information disclosure regarding human capital management | | | |
| Governance | Establish and maintain a sound, sustainable business foundation | | <ul style="list-style-type: none"> ● Strengthening corporate governance ● Enforce safe driving ● Strengthening compliance education | | | |

Financial Highlights (1)

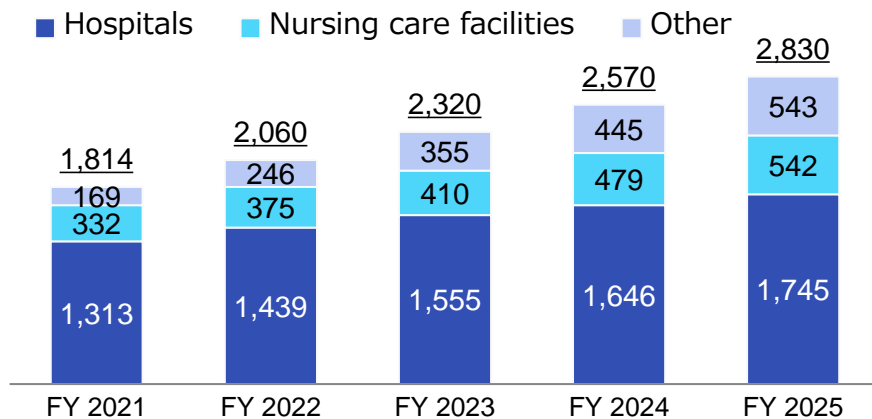
Net Sales (Millions of Yen)



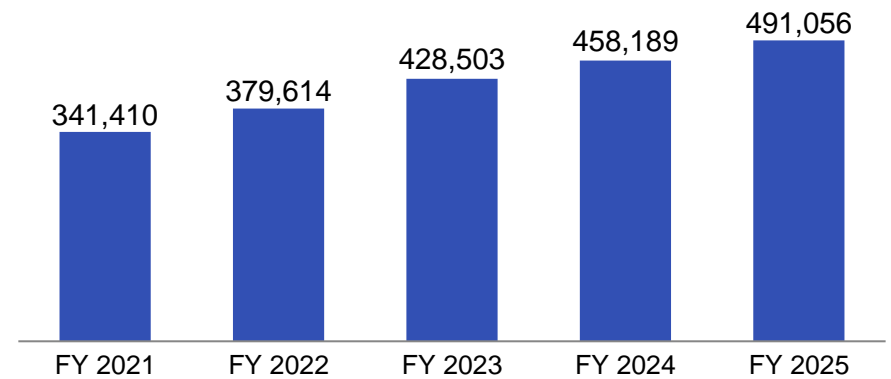
Profits (Millions of Yen)



Number of Contracted Facilities

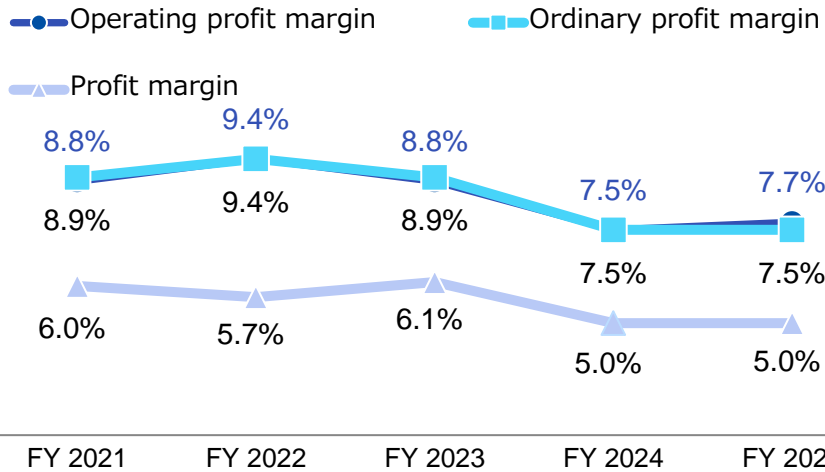


Number of Monthly Users (People)

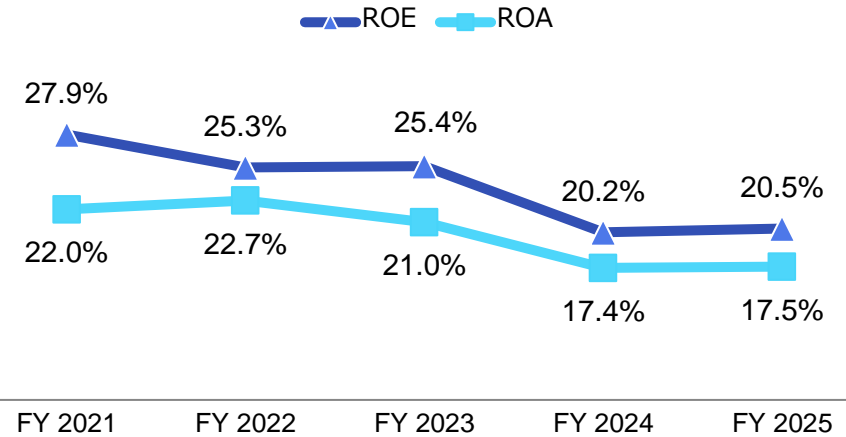


Financial Highlights (2)

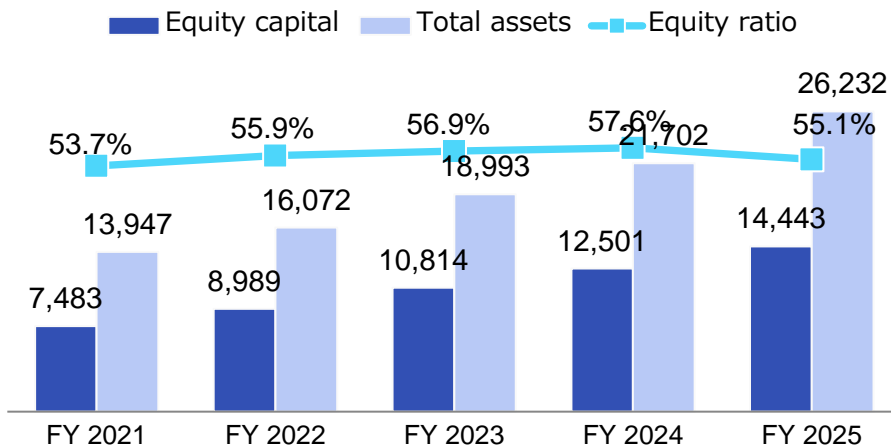
Profit Margins



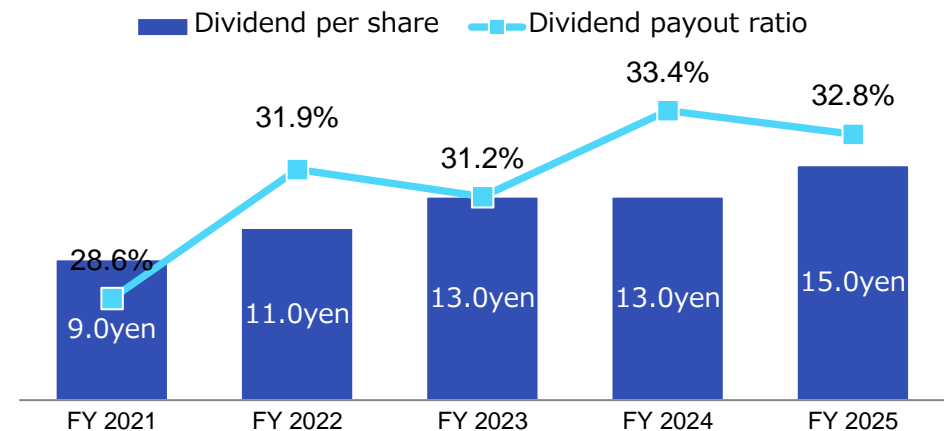
ROE and ROA



Total Assets, Equity Capital and Equity Ratio (Millions of Yen)



Dividend per Share and Dividend Payout Ratio



Note: Dividend per share has been retroactively adjusted to reflect the 2-for-1 stock split on January 1, 2021.

Disclaimer

This material has been prepared by ELAN Corporation.

This material includes forward-looking statements such as strategies and outlooks.

These statements are based on the judgments of ELAN at the time this material was prepared (May 1, 2026) and include risk factors and uncertainties.

Such statements may be changed due to a variety of reasons including changes in the business environment.

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