



First Quarter of the Fiscal Year Ending September 30, 2021

Financial Highlights

Amvis Holdings, Inc.

February 10, 2021

Upward Revisions to FY21 Performance Forecasts

Q1 Operating Profit (Actual)

JPY 0.7bn

Q1 Net Profit (Actual)

JPY 0.5bn

1H Operating Profit (Forecast)

JPY 1.2bn

(vs. initial forecast: +JPY 0.3bn)

1H Net Profit (Forecast)

JPY 0.9bn

(vs. initial forecast: +JPY 0.2bn)

Full-Year Operating Profit (Forecast)

JPY 2.6bn

(vs. initial forecast: +JPY 0.3bn)

Full-Year Net Profit (Forecast)

JPY 1.8bn

(vs. initial forecast: +JPY 0.2bn)

Note :
FY21 refers to the fiscal year ending September 30, 2021.

- With high utilization rate at new facilities, quarterly performance progressing steadily against initial forecasts.
 - ✓ Net sales: JPY 3.1bn (progress toward initial forecast: 22.6%)
 - ✓ Operating profit: JPY 0.7bn (progress toward initial forecast: 31.2%)
 - ✓ Net profit: JPY 0.5bn (progress toward initial forecast: 34.2%)
- 1H and full-year performance forecasts for FY21 upwardly revised upon incorporating the portion of Q1 results above initial forecasts and expenses related to new facility openings.
- With COVID-19 spreading, utilization rates were favorable, and, as a receptacle for patients with high medical dependency, our facilities played some pivotal roles in helping maintain regional medical systems, through contributing to reduction of workloads at medical institutions accepting COVID-19 patients. To address COVID-19, we continue to increase the number of medical workers, including nurses and caregivers compared to pre-COVID-19 levels.
 - ✓ 1,268 medical workers deployed for 1,180 patients (as of the end of December 2020)
- In Q1, we opened 4 new facilities and increased the number of beds in Kitakami, as planned. We announced to open new facilities in Hongo, Tokyo in May and in Fukushima in July, so we plan to open a total of 13 facilities in FY21, more than initially planned.
 - ✓ The facility we plan to open in Hongo, Tokyo will be the first joint operation with a care provider. Refer to the following pages for details.
 - ✓ New facility openings in Q4 will be limited to one facility in Fukushima and we decided not to open more than 13 facilities in FY21.

Note:

From FY21, we have changed the accounting policy for non-deductible consumption tax. In the following pages, financial figures for FY20 have been retrospectively adjusted to reflect this change.

For details, refer to the FY21 Q1 Financial Summary (*Kessan Tanshin*) Appendix, "2. Quarterly Consolidated Financial Statements and Principal Notes, (3) Notes to the Quarterly Consolidated Financial Statements (Changes in Accounting Policies)."

Q1 Performance and Progress Toward FY21 Forecasts

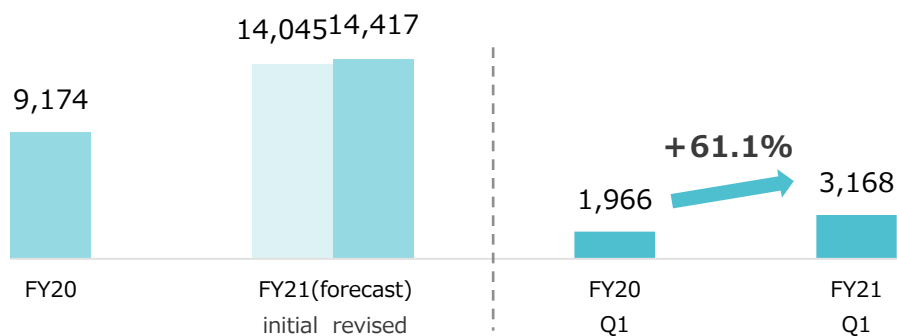


- Net sales increased steadily and significantly compared to Q1 of FY20 as 11 new facilities opened.
- Utilization rates at both existing and new facilities were favorable without being affected by COVID-19, owing to the robust relationships with medical institutions. Also, operating profit was favorable given we increased personnel numbers to fight COVID-19 and created an appropriate personnel structure based on utilization rates.

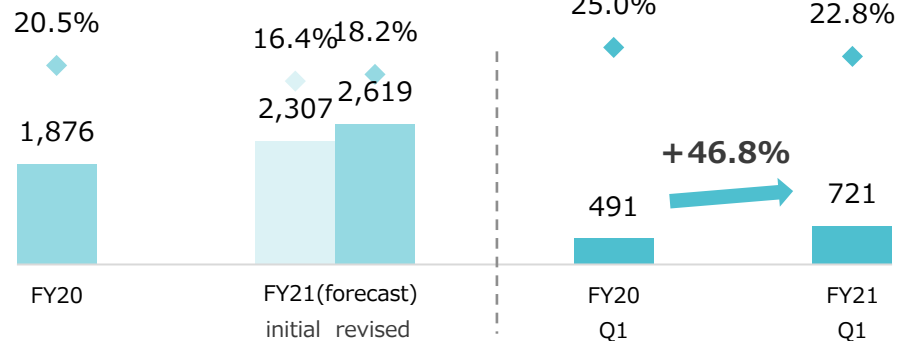
Progress Toward FY21 Forecasts

Net Sales

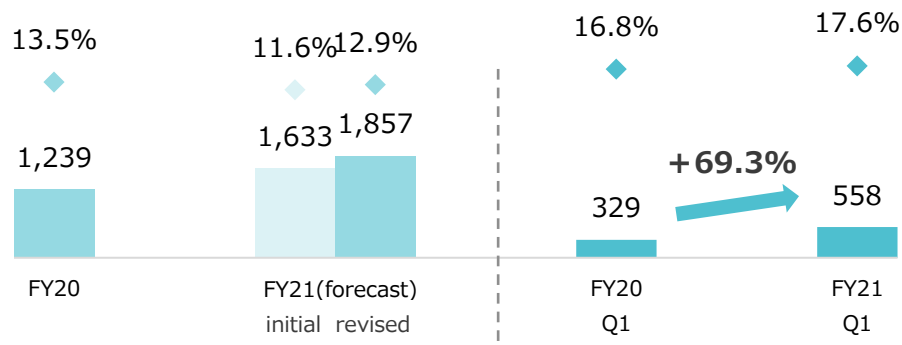
(JPY MM / %)



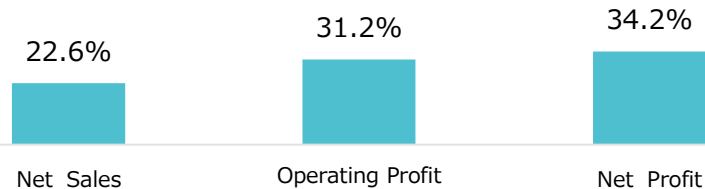
Operating Profit



Net Profit



Progress toward FY21 Forecast

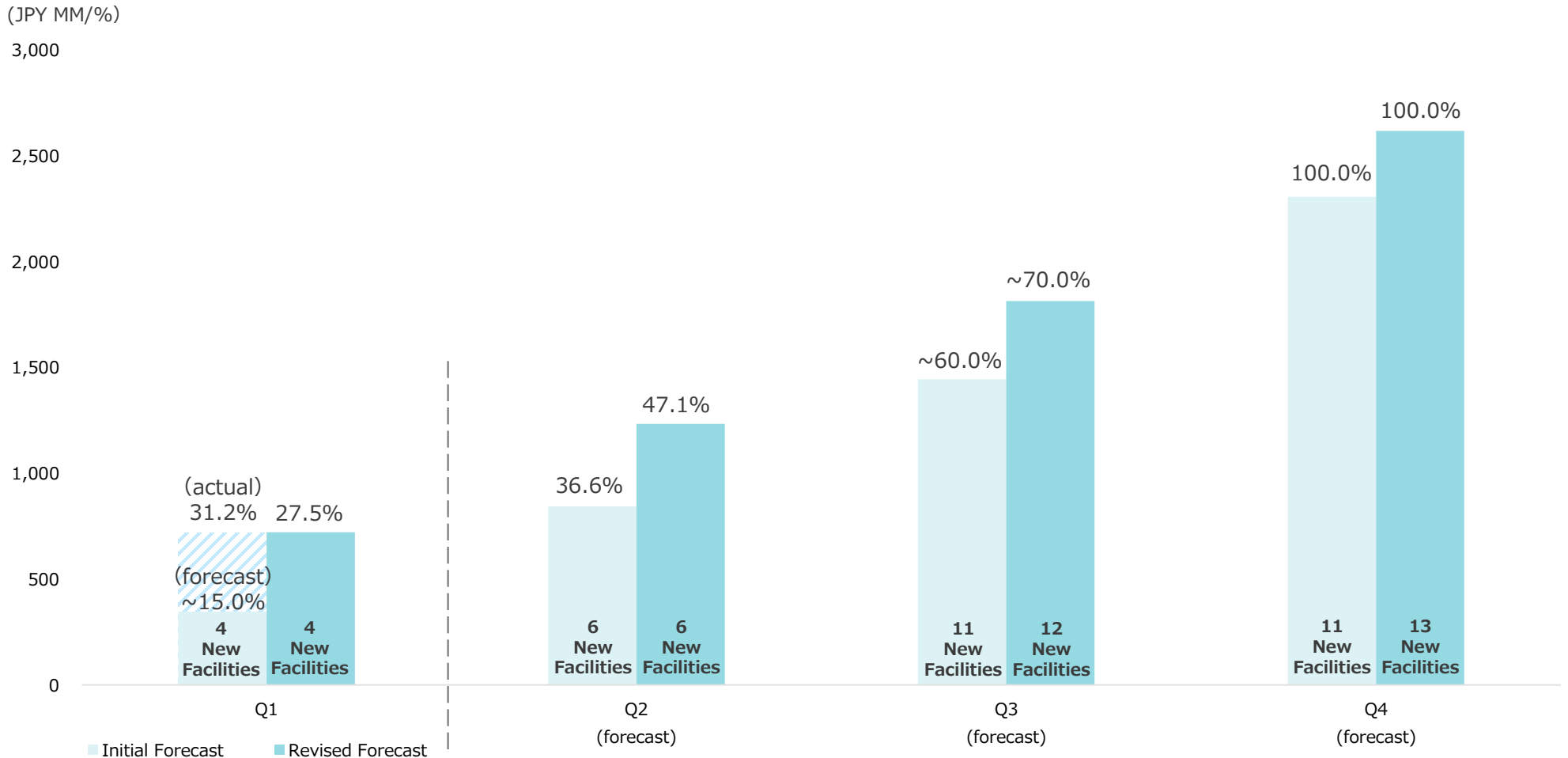


◆ : Percentage of Net Sales

Operating Profit Progress – Initial Forecast vs. Revised Forecast

- Utilization rate at new facilities was favorable, without being affected by COVID-19, so progress toward the forecast was 31.2%, exceeding the initial forecast of up to 15%. Accordingly, the operating profit forecast was upwardly revised from JPY 2.3bn to JPY 2.6bn.
- We announced to open 2 new facilities in 2H, but they are not expected to contribute to operating profit in FY21.

Operating Profit Progress (FY21)

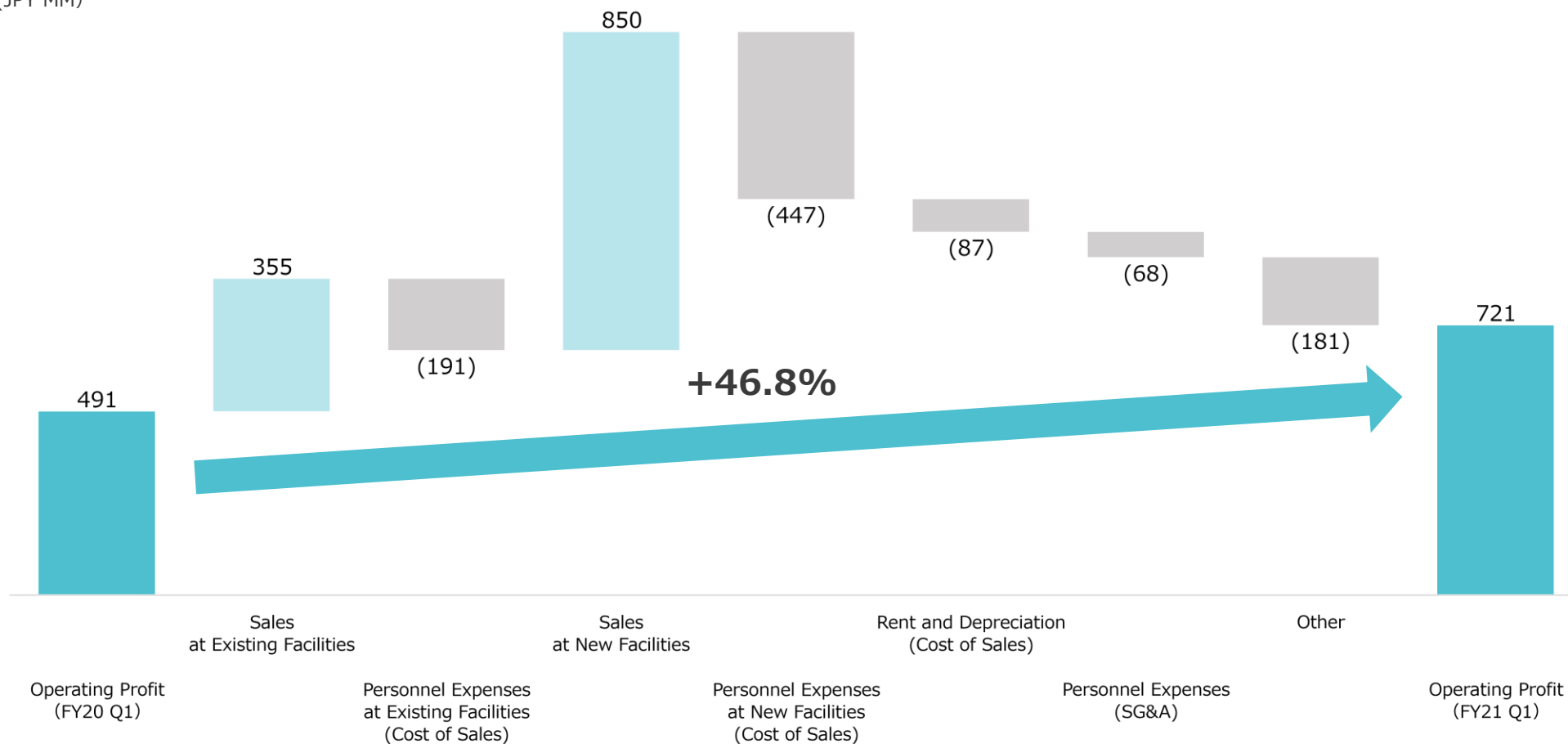


Q1 Operating Performance: Operating Profit

- Utilization rate at existing facilities (80-85%) and new facilities (55-60%)(¹) have been favorable.
- We got off a great start for 3 facilities that opened in Q4 of FY20 (Kawagoe, Kamiooka, Shonandai) and 4 facilities that opened in Q1 of FY21 (Nagano, Nagareyama, Kyodo, Odawara).

Operating Profit (FY20 Q1 – FY21 Q1)

(JPY MM)



Note :

1. New Facilities : Opened in or after Q2 of FY20 / Utilization Rate : median (as of December 31, 2020)

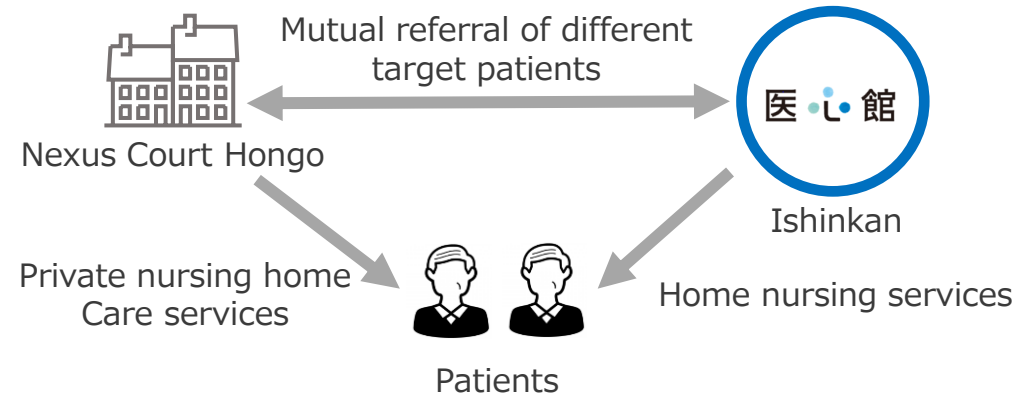
Ishinkan Opening Under New Scheme through Alliance with Care Provider

- First step in Ashitano Iryo alliances with medical institutions and care facilities (home care services / mutual referral of patients)
- Continuing to strengthen alliances with medical institutions and care facilities even during COVID-19

Overview

- On January 19, 2021, announced opening of Ishinkan under new scheme through alliance with Nexus Care.
- Ishinkan to be opened on 3rd, 4th, and 5th floors of Nexus Court Hongo, a private nursing home operated by Nexus Care.
- Nexus Care and Amvis have different target patients, so we can introduce a patient referral system within the same building.

Scheme Diagram (Ishinkan Floors)



Strategic Rationale



- Increase development potential of Ishinkan through alliances with existing care facilities
- Start of mutual referral of patients



- Expansion of the services for patients with high medical dependency
- Improve utilization rates through mutual referral of patients

Timeline



- Jan. 2021: Announced alliance with Nexus Care
- May 2021: Operations to start on 3rd and 4th floors only (total of 28 patients)
- ~Oct. 2021: Operations to start on 5th floor (total of 42 patients)

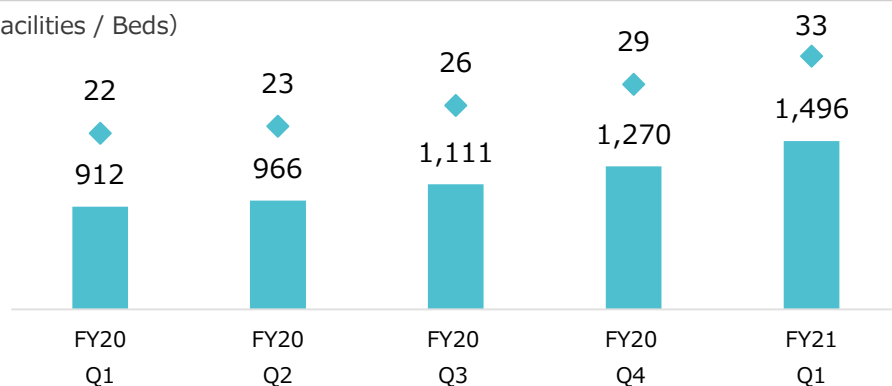
Quarterly Performance: Key Financial Indicators

- Net sales have been steady due to the increased number of facilities and bed capacity, and profit increased substantially, though 7 facilities opened in the past 6 months not operating stably yet.
- The operating profit margin is short of pre-COVID-19 levels but has been improving since Q4 of FY20.

Quarterly Performance

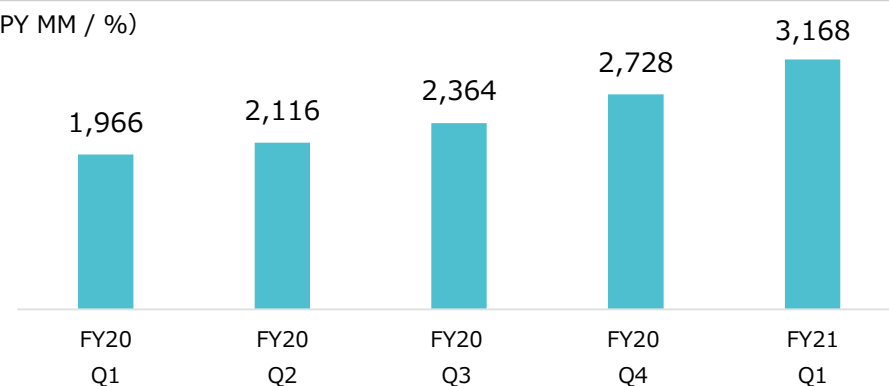
Number of Facilities / Bed Capacity

(Facilities / Beds)

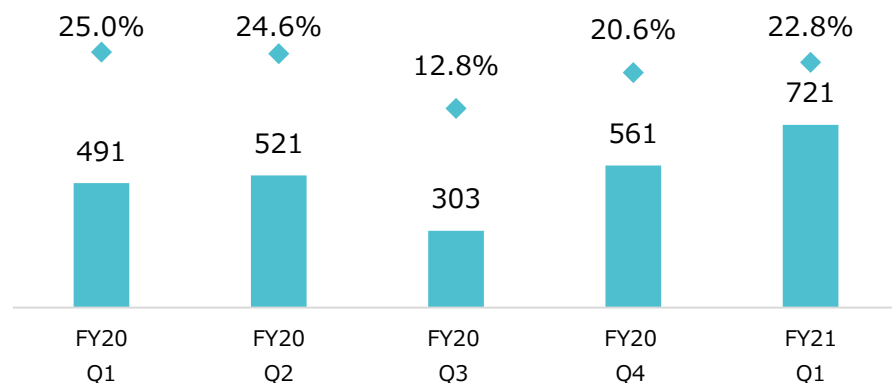


Net Sales

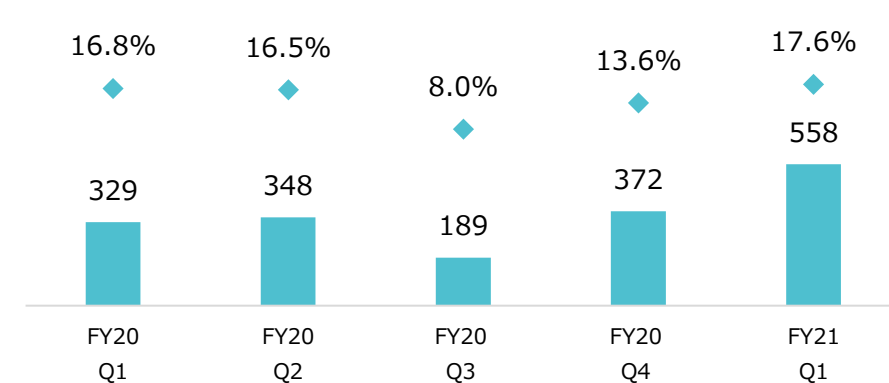
(JPY MM / %)



Operating Profit



Net Profit



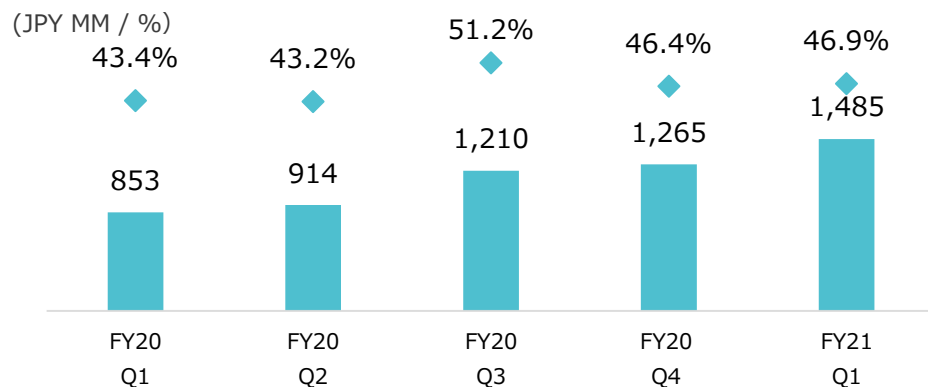
◆ : Percentage of Net Sales

Quarterly Performance: Major Costs of Sales, SG&A Expenses

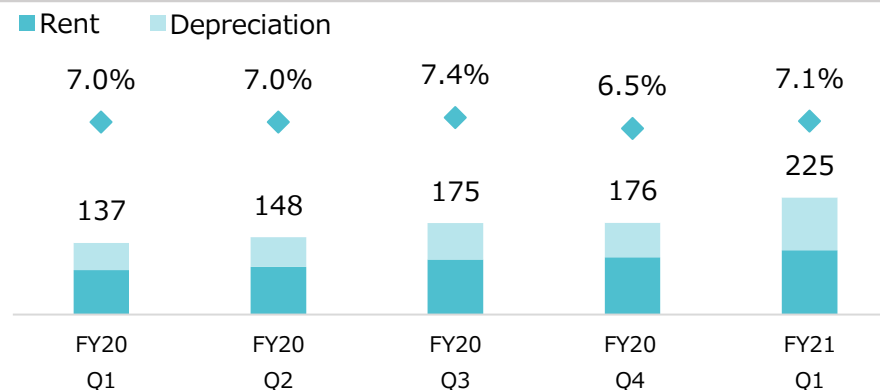
- Personnel expenses for medical workers (cost of sales) maintained at late 40%.
- Personnel expenses and recruiting expenses are expected to rise as the number of facilities increases.

Quarterly Performance

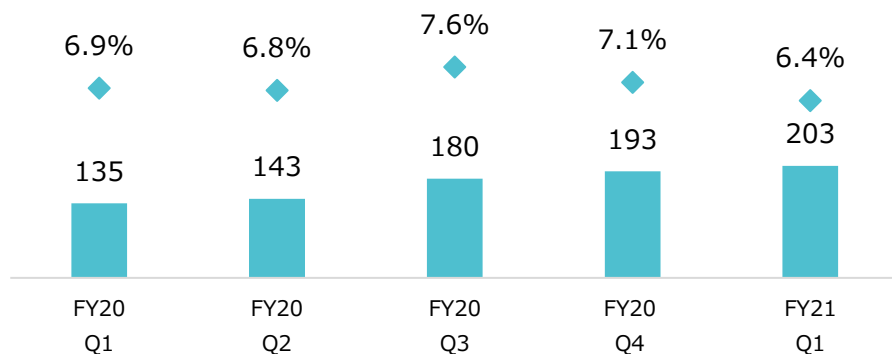
Personnel Expenses (Cost of Sales)



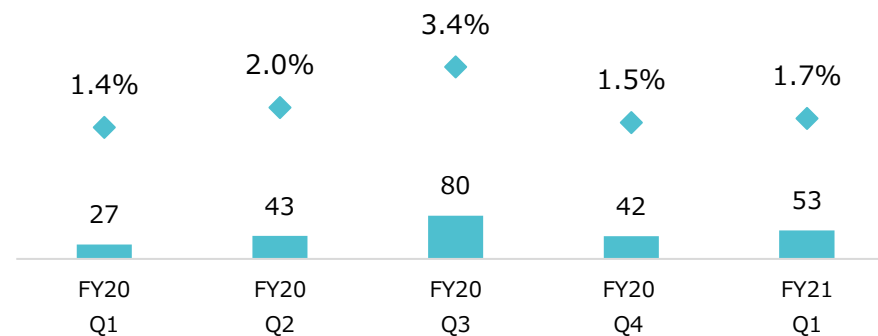
Rent & Depreciation (Cost of Sales)



Personnel Expenses (SG&A Expenses)



Recruiting Expenses (SG&A Expenses)



◆ : Percentage of Net Sales

Summary of Balance Sheet

- We opened 4 facilities in Q1 and plan to open 9 more facilities by the end of FY21. Balance sheet categories, including building and structures, net and borrowings increased accordingly.
- The equity ratio decreased but remained slightly above our 30% target.

Balance Sheet

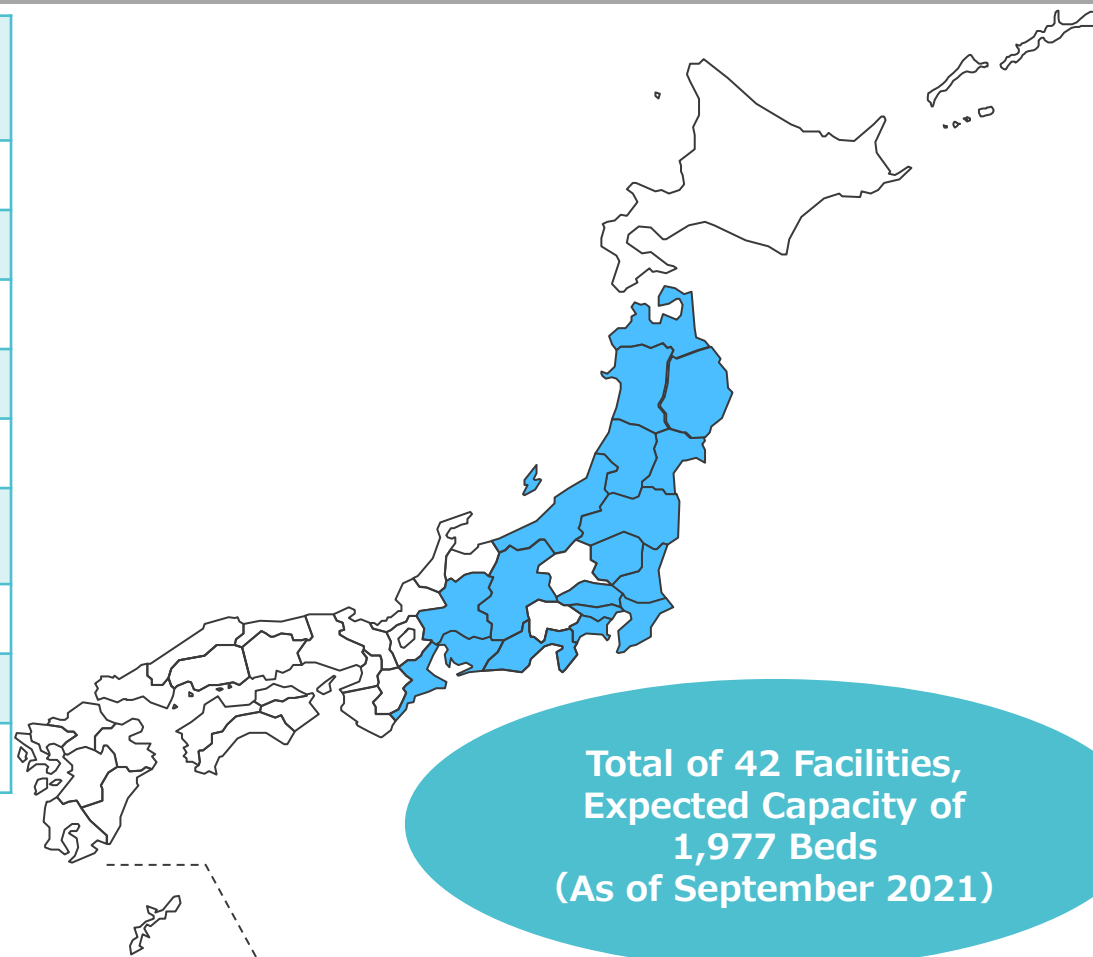
(JPY MM / %)	FY19	FY20	FY21 Q1	vs. FY20 (%)
Assets	6,997	16,519	18,211	+10.2%
Cash and Deposits	452	3,335	3,198	(4.1%)
Buildings and Structures, Net	753	3,548	5,164	+45.5%
Liabilities	5,926	11,264	12,533	+11.3%
Borrowings	2,080	6,250	7,750	+24.0%
Lease Obligations	2,970	3,299	3,280	(0.6%)
Net Assets	1,070	5,255	5,678	+8.0%
Equity Ratio	15.3%	31.8%	31.2%	(0.6pt)

Ishinkan Opening Plan

- In FY21, we are concentrating new openings by Q3, so we can focus on reinforcing our operating structures in Q4.
- We aim to open more facilities with a bed capacity of around 50 beds from FY21.

Opening Plan

Opening Schedule (From Jan. 2021)	Location	Bed Capacity
Early February	Yokkaichi II	47
Early February	Akita	54
Early April	Honatsugi	56
Early April	Yamagata II	47
Late April	Kanazawabunko	80
Early May	Hongo (joint operation)	42 ⁽¹⁾
Early May	Soga	52
Early May	Hamamatsu	51
Early July	Fukushima	52



Note:

1. Operates with a capacity of 28 beds for the first 6 months after the opening



Appendix

Amvis 2023 Targets

Bed Capacity

2,892 beds

(Medium- to long-term target: 5,000 beds)

FYE20 (actual): 1,270 beds

Net Sales

JPY 24.4bn

(Medium- to long-term target: JPY 45.0bn)

FY20 (actual): JPY 9.1bn

Operating Profit

JPY 5.1bn

(Medium- to long-term target: JPY 10.0bn)

FY20 (actual): JPY 1.8bn

Net Profit (CAGR)

35–39%

(Medium- to long-term target: 20–29%)

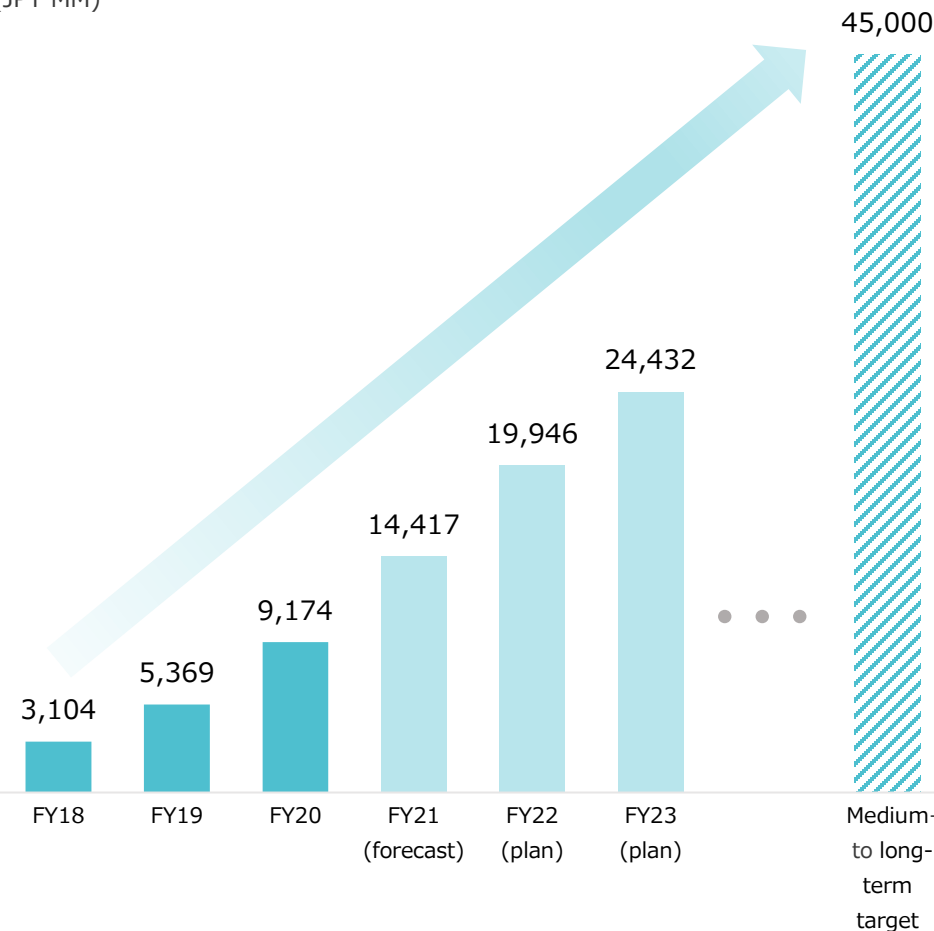
FY17–FY20 (actual): More than 100%

Key Financial Indicators: Growth Rate / Operating Profit Margin

- Net sales and operating profit continue steady trend from previous fiscal years; expected to maintain and accelerate high growth until FY23.
- For medium- to long-term targets, with the spread of COVID-19, we are focusing on strengthening and enhancing operations.

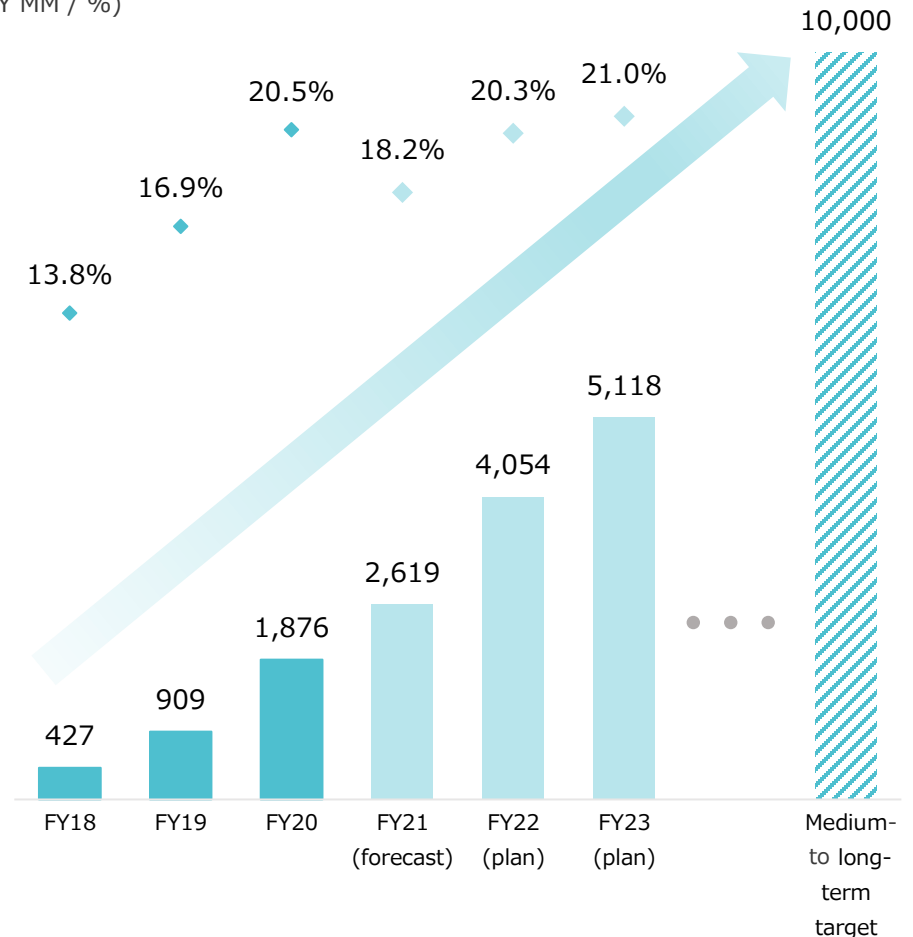
Net Sales

(JPY MM)



Operating Profit / Operating Margin

(JPY MM / %)



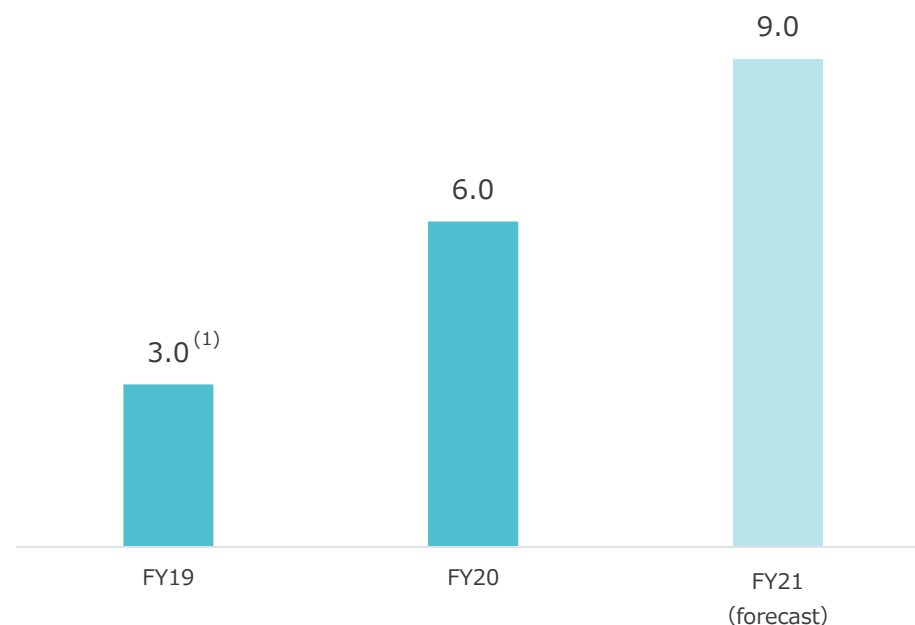
- In FY21, we plan to raise the dividend per share by JPY 3.0 compared with FY20.
- We will continue to enhance corporate value by considering the balance between the acceleration of growth and shareholder returns.

Basic Policy on Shareholder Return

- We consider the distribution of profits to shareholders to be a priority management issue. We aim to enhance our corporate value by returning profits to shareholders while securing internal reserves to expand the Ishinkan business as well as related businesses and to strengthen our management base.
 - Our basic policy is to distribute profits to shareholders through the stable payment of dividends paid once a year, by taking into account factors including the market environment, regulatory changes, and financial soundness.

Dividend History and Forecast

(JPY)



Note:

1. As a result of the two-for-one stock split implemented on April 1, 2020, the dividend to be paid without the split would be JPY 6.0

This document contains forward-looking statements about Amvis Holdings, Inc. (“Amvis”) such as forecasts, outlooks, targets, and plans. These statements are based on forecasts made at the time of the preparation of this document using information currently available to Amvis.

In addition, certain assumptions are used for such statements. These statements or assumptions are subjective and may prove inaccurate in the future or may not be realized. There are many uncertainties and risks that could cause such a situation to arise.

As stated above, the forward-looking information contained in this document is current as of the date of this document, and Amvis is under no obligation or policy to update such information from time to time.

Contact:

IR Section, Amvis Holdings, Inc.

Tel: +81-3-6262-5085 / E-mail: ir_contact@amvis.co.jp