



First Half Ended March 31, 2021

Business and Financial Highlights

Amvis Holdings, Inc.

May 17, 2021

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1 **FY21 1H Financial Results Summary**

2 **Achieving Our Medium- to Long-Term Targets**

3 **Appendix**

4 **Company Overview**

FY21 1H Results and Full-Year Forecasts

Q2 Operating Profit (Actual)

JPY 0.7bn

Q2 Net Profit (Actual)

JPY 0.5bn

1H Operating Profit (Actual)

JPY 1.5bn

(vs. upwardly revised forecast:
+JPY 0.2bn/+22.6%)

1H Net Profit (Actual)

JPY 1.1bn

(vs. upwardly revised forecast:
+JPY 0.2bn/+23.4%)

Full-Year Operating Profit (Forecast)

JPY 2.6bn

(Progress toward full-year
forecast: 57.8%)

Full-Year Net Profit (Forecast)

JPY 1.8bn

(Progress toward full-year
forecast: 60.0%)

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

Ishinkan in Numbers – Solid Results as a Pioneer in the Hospice Business

Number of referring hospitals
(Example : Kanagawa prefecture)
~100 hospitals

Number of new patients
(Bed capacity)
243 new patients/month
(1,597 beds)

Number of new patients through referral agencies
4 new patients/month

Number of potential locations considered
~120 cases/month

Number of medical workers
(Number of patients)
1,386 workers
(1,244 patients)

Percentage of temporary caregivers and caregivers through placement agency
0%

Note :
Data as of March 31, 2021

1

The Market Has Been Growing Supported by Social Issues

- ✓ A chronic- and terminal-stage medical infrastructure originated from the private sector in an era of changes of medical care from hospital-based to community-based.
- ✓ A social problem-solving business that benefits all three parties of patients, local communities, and hospitals/clinics.

2

High Barriers to Entry and Accumulated Operational Know-how

- ✓ With a novel paradigm of opening hospitals from which a physician's function is outsourced, we have established a management system of health care facilities that function as in-home hospital beds, mainly operated by nurses.
- ✓ In addition to the Tokyo metro area, where demand is high, we have been successfully expanding regional cities, which have high barriers to entry.

3

High-Growth, High-Profit Business Model Backed by Strong Cash Generation

- ✓ Carefully-selected opening plans and high sales force enables early utilization rate increase and early realization of profit in the newly-opened facilities.
- ✓ Maintaining high utilization rates at existing facilities based on high hiring ability and operational ability and an appropriate personnel structure based on utilization rates.



1. FY21 1H Financial Results Summary

- The utilization rate at existing facilities was 88.4%, surpassing our target for stable operations (80–85%). Utilization rate at new facilities was also favorable. As a result, 1H results significantly outpaced our 1H forecasts.
 - ✓ Net sales: JPY 6.6bn (+3.8% vs. 1H forecast)
 - ✓ Operating profit: JPY 1.5bn (+22.6% vs. 1H forecast)
 - ✓ Net profit: JPY 1.1bn (+23.4% vs. 1H forecast)
- We issued new shares and sold stock in the aim of meeting Amvis 2023 targets and our medium- to long-term targets (100 facilities (5,000 beds), JPY 45.0bn in net sales, JPY 10.0bn in operating profit) early.
 - ✓ Objectives: (1) raise growth capital and (2) improve share liquidity and further expand the shareholder base
 - ✓ Capital raised: JPY 8.5bn / equity ratio: 53.5% (as of March 31, 2021)
- In 1H, we opened 6 new facilities and expanded 1, as planned. As a result, we had 35 facilities (1,597 beds) as of March 31, 2021.
 - ✓ FY21: We plan to open 6 new facilities in Q3 and 1 in Q4, bringing the yearly total to 13 facilities.
 - ✓ FY22: We have already announced plans to open 6 facilities, which amounts to steady progress toward our target of opening around 10 new facilities each year. We plan to steadily release further information once launch plans have been clarified.
- Despite COVID-19, we have managed to create a robust healthcare system centered on nurses. Consequently, we are contributing toward the realization of community-based medical care by accepting patients with high medical dependency.

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, please refer to the FY21 Q2 Financial Summary (*Kessan Tanshin*) Appendix, “1. Quarterly Consolidated Financial Statements and Principal Notes, (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)”

1H Performance and Progress Toward 1H and FY21 Forecasts

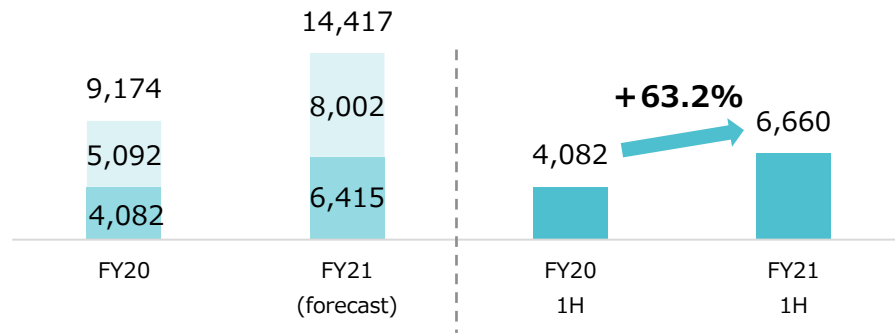


- Operating profit and net profit exceeded 1H forecasts by more than 20% and progressed steadily toward full-year forecasts.
- We opened 6 new facilities and expanded 1 in 1H. In 2H, we are on target to open 7 more.

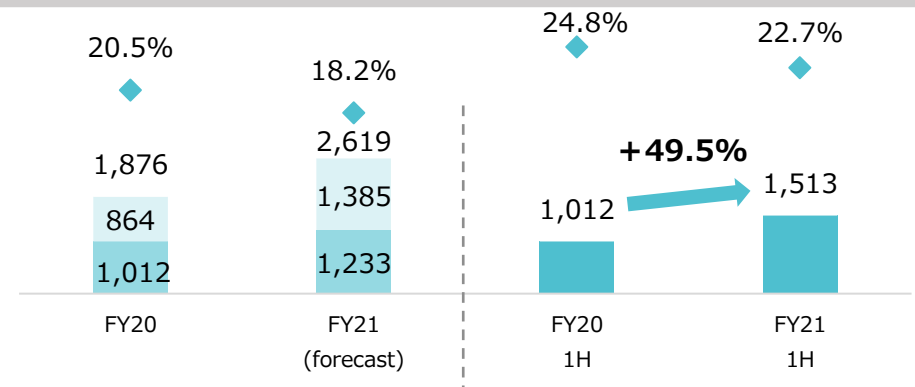
Progress Toward FY21 Forecasts

Net Sales

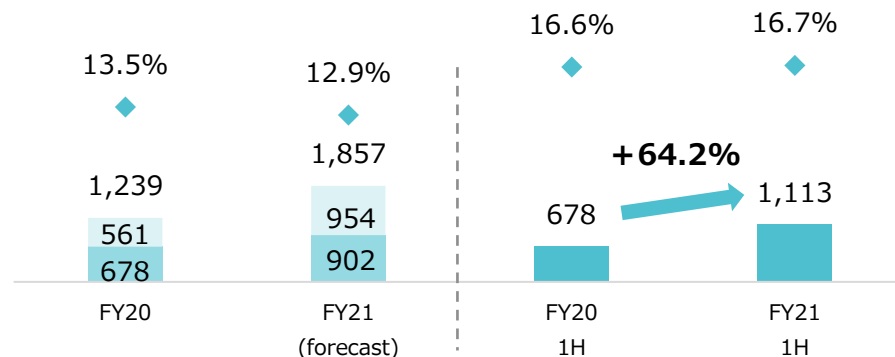
(JPY MM / %)



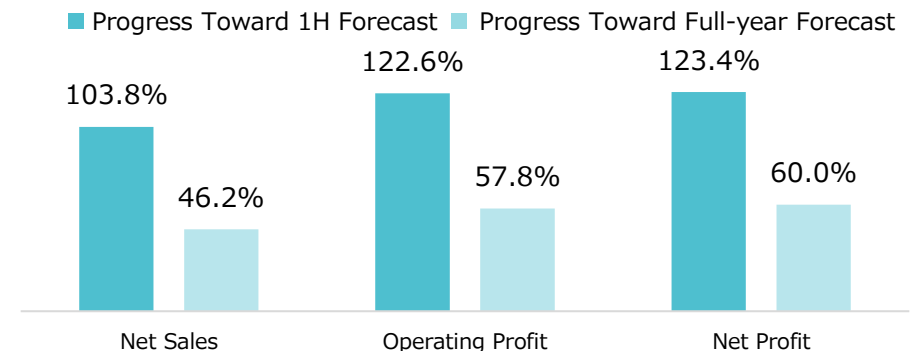
Operating Profit



Net Profit



Progress Toward Forecasts



◆ Percentage of Net Sales ■ 1H ■ 2H

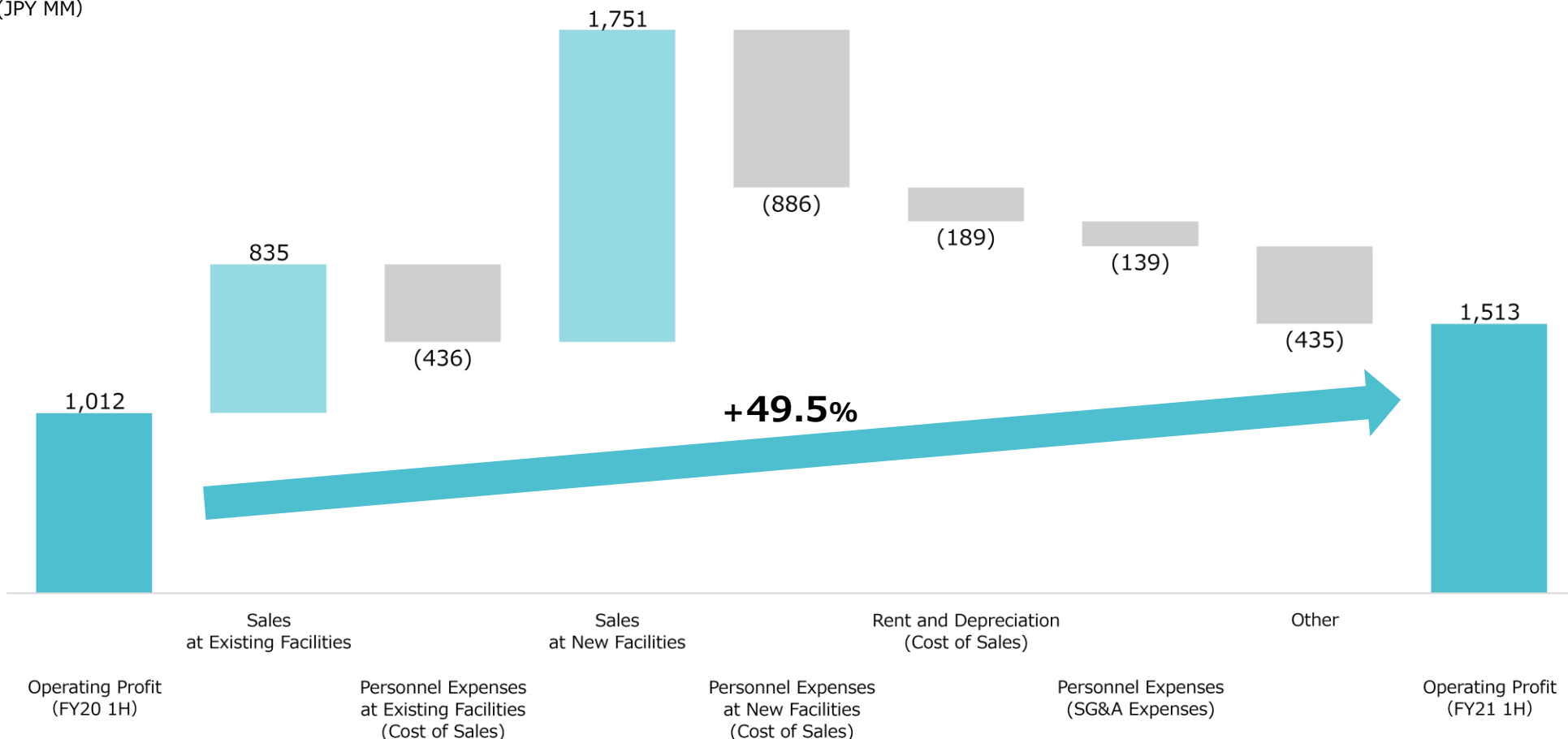
FY21 1H Operating Performance: Operating Profit



- Utilization rate at existing facilities exceeded our target for stable operations (80–85%), and utilization rate at new facilities was favorable (55–60%)⁽¹⁾.
- Operating profit rose in proportion to increases in the number of facilities and bed capacity (23 facilities as of March 31, 2020; 35 facilities as of March 31, 2021).

Operating Profit (FY20 1H – FY21 1H)

(JPY MM)



Note :

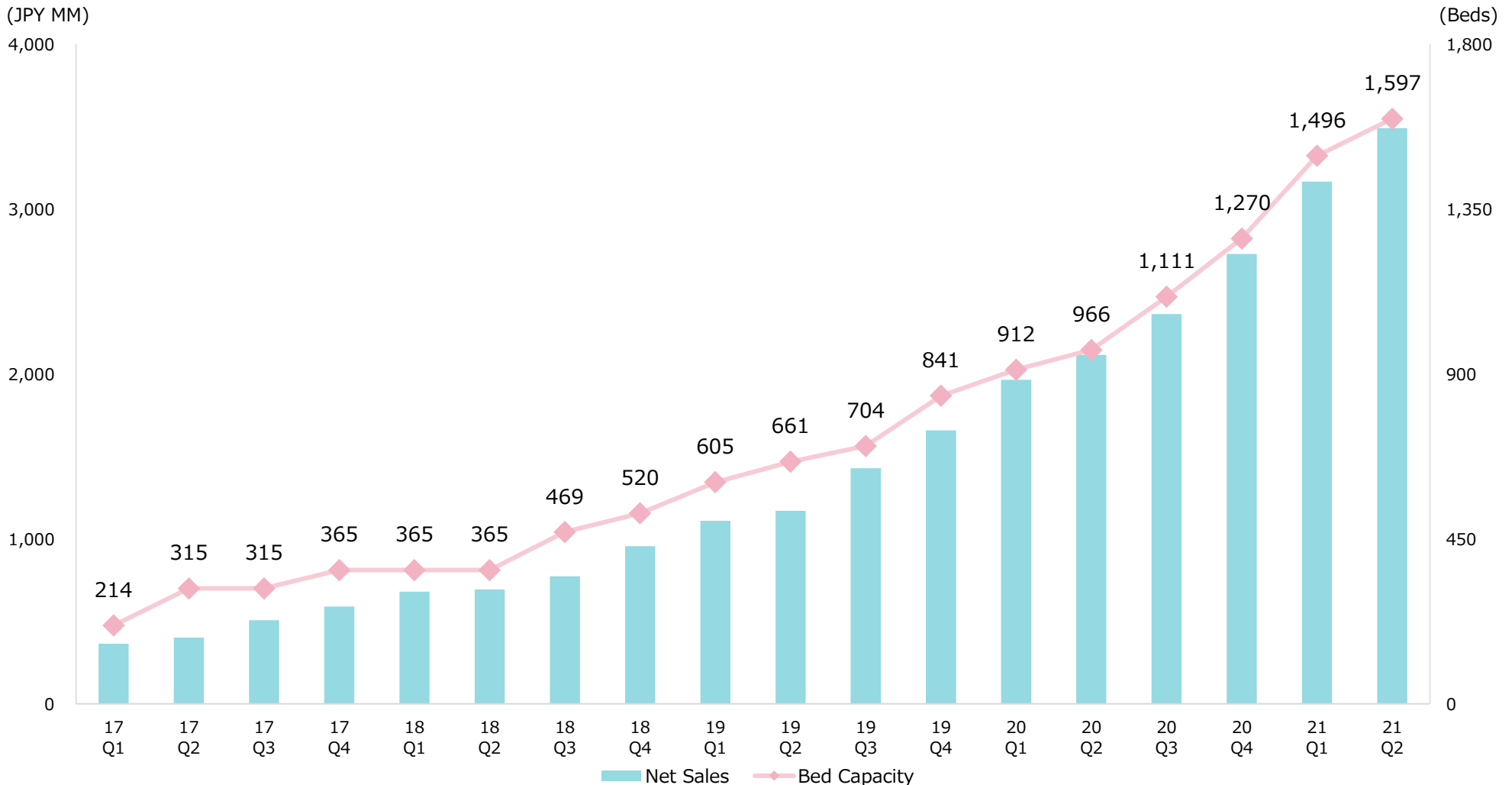
1. New Facilities : Opened after 1H of FY20 (same applies on the following pages) / Utilization Rate : median (as of March 31, 2021)



2. Achieving Our Medium- to Long-Term Targets

A Steady Rise in Bed Capacity and Net Sales Since Amvis Holdings' Establishment

Amvis Holdings' Growth Trajectory



Amvis 2023 Targets

Number of facilities / Bed capacity

60 facilities / 2,892 beds

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

FYE21 (forecast): 42 facilities / 1,977 beds
FYE20 (Actual): 29 facilities / 1,270 beds

Net sales

JPY 24.4bn

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

FY21 (forecast): JPY 14.4bn
FY20 (actual): JPY 9.1bn

Operating profit

JPY 5.1bn

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

FY21 (forecast): JPY 2.6bn
FY20 (Actual): JPY 1.8bn

Net profit (CAGR)

35–39%

(Medium- to long-term target: 20–29%)

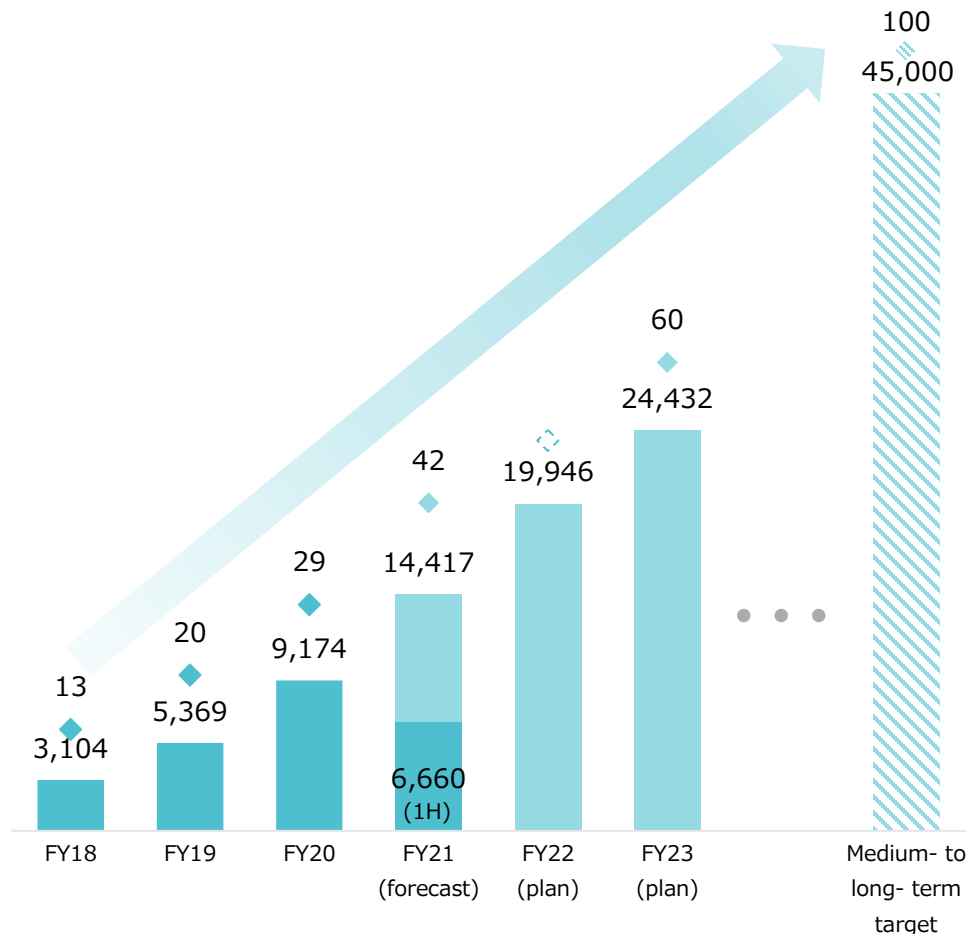
FY18–FY21 (forecast): More than 85%

Amvis 2023: Net Sales / Operating Profit

- Net sales and operating profit continue steady trend from previous fiscal year; 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.

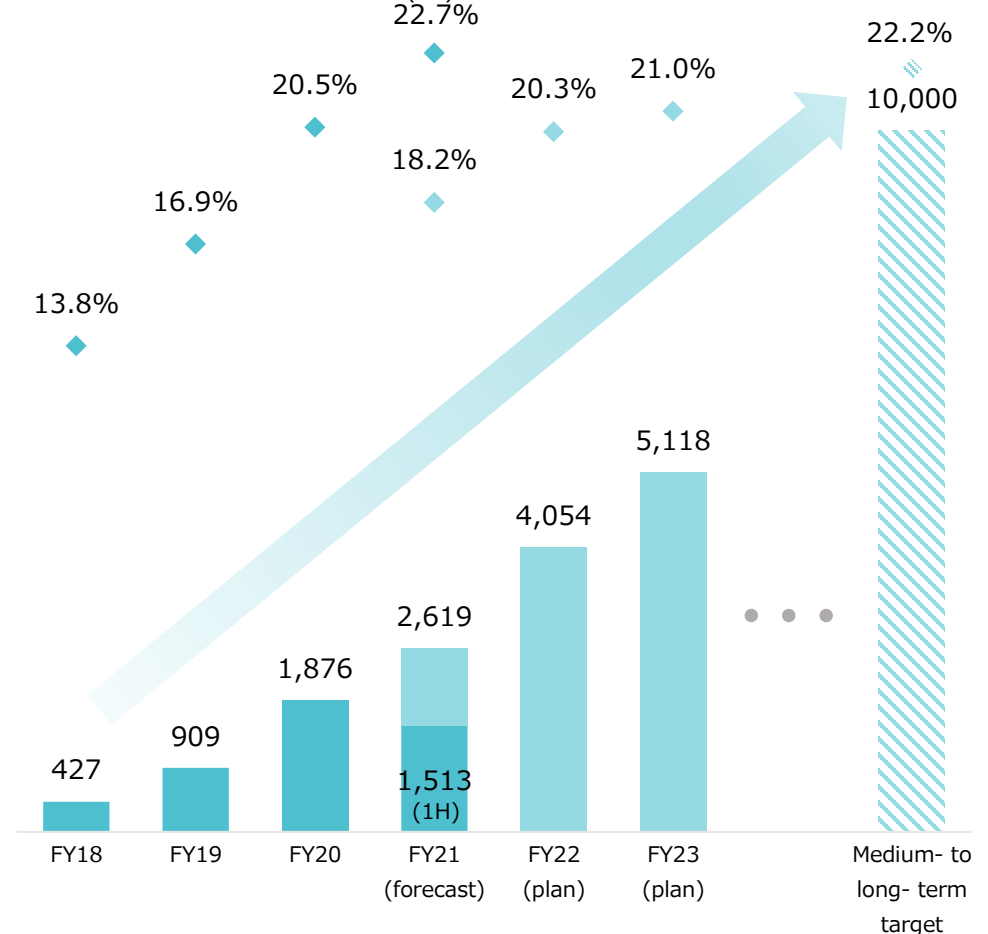
Net Sales / Number of Facilities

(JPY MM / Facilities)



Operating Profit / Operating Margin

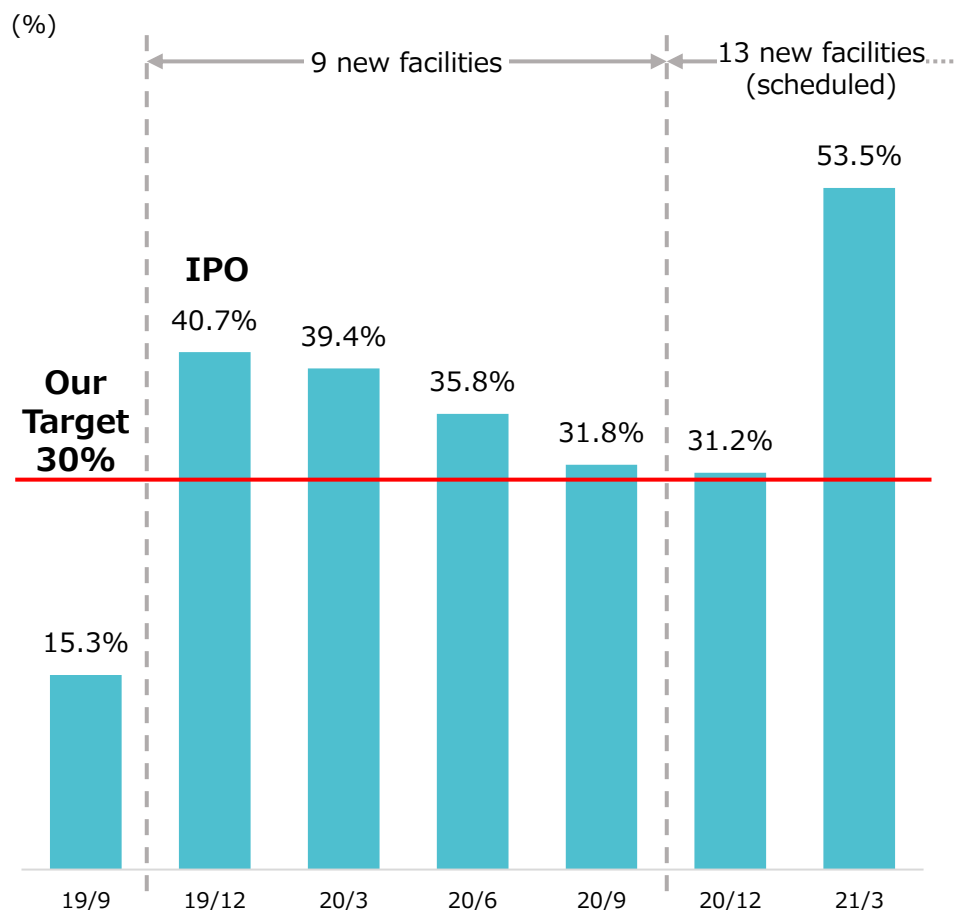
(JPY MM / %)



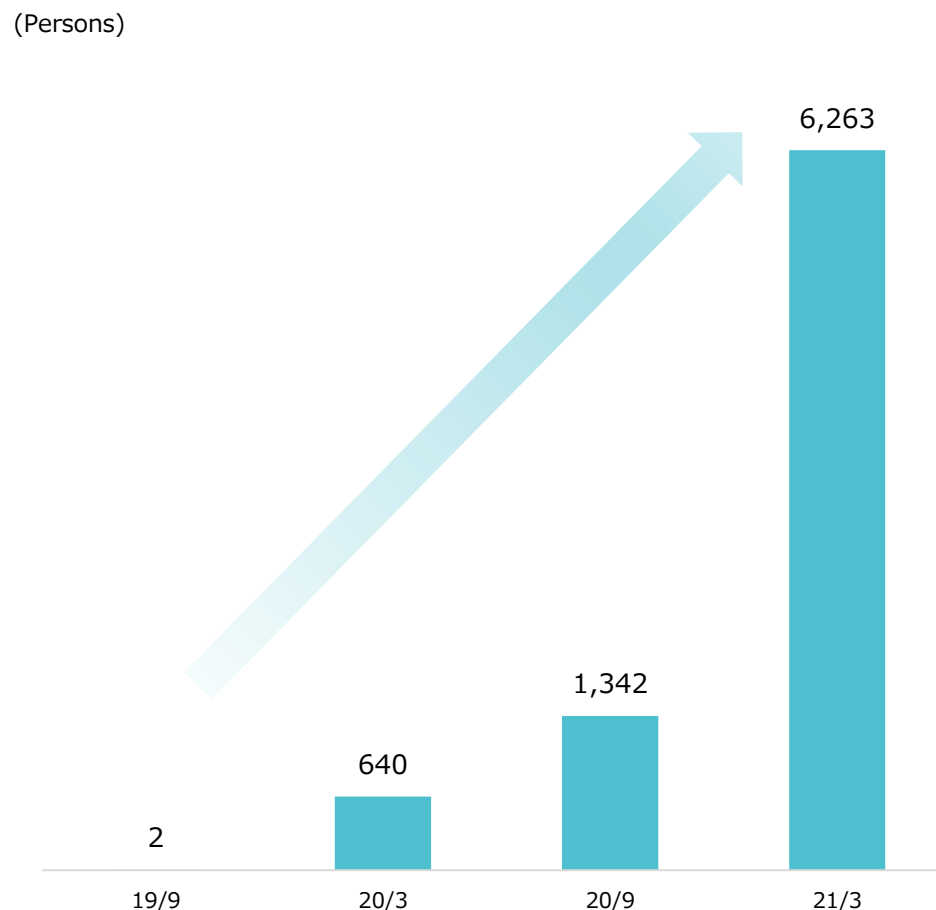
New Share Issuance and the Sale of Stock: Equity Ratio and Number of Shareholders

- In March 2021, we issued new shares (JPY 8.5bn) and sold stock (JPY 5.7bn) to (1) raise growth capital to enable us to meet our medium- to long-term targets early and to (2) improve share liquidity and further expand our shareholder base.
- The number of shareholders has significantly grown, mainly among individual and overseas institutional investors.

Equity Ratio



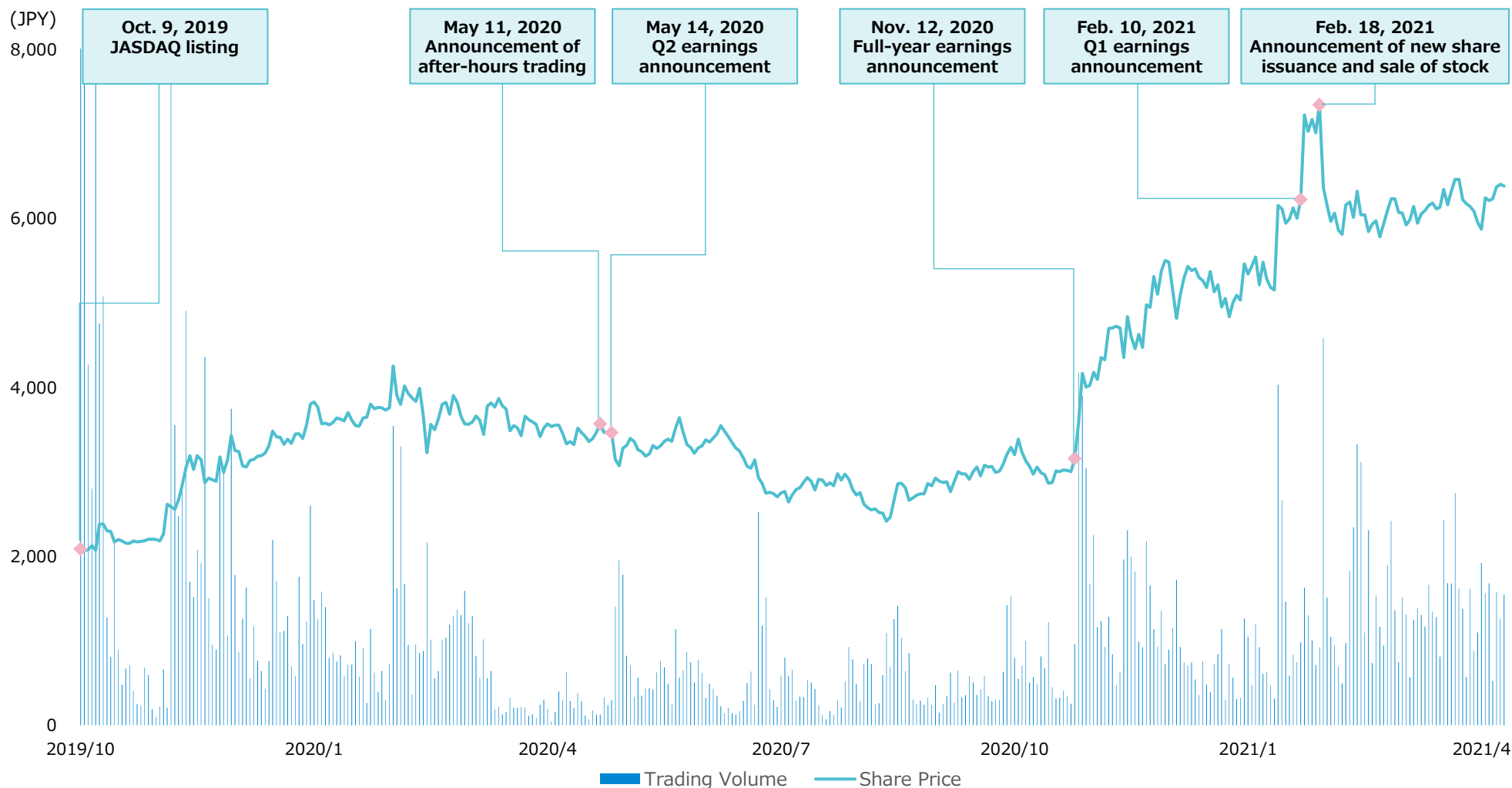
Number of Shareholders



New Share Issuance and the Sale of Stock: Share Price and Trading Volume Since Listing

- The share price has been firm since the announcement of our FY20 earnings and Amvis 2023, our three-year plan.
- Our share price fell following the announcement of our new share issuance and sale of stock, but remains at around the same level as during our Q1 earnings announcement.

Share Price and Trading Volume Since Listing

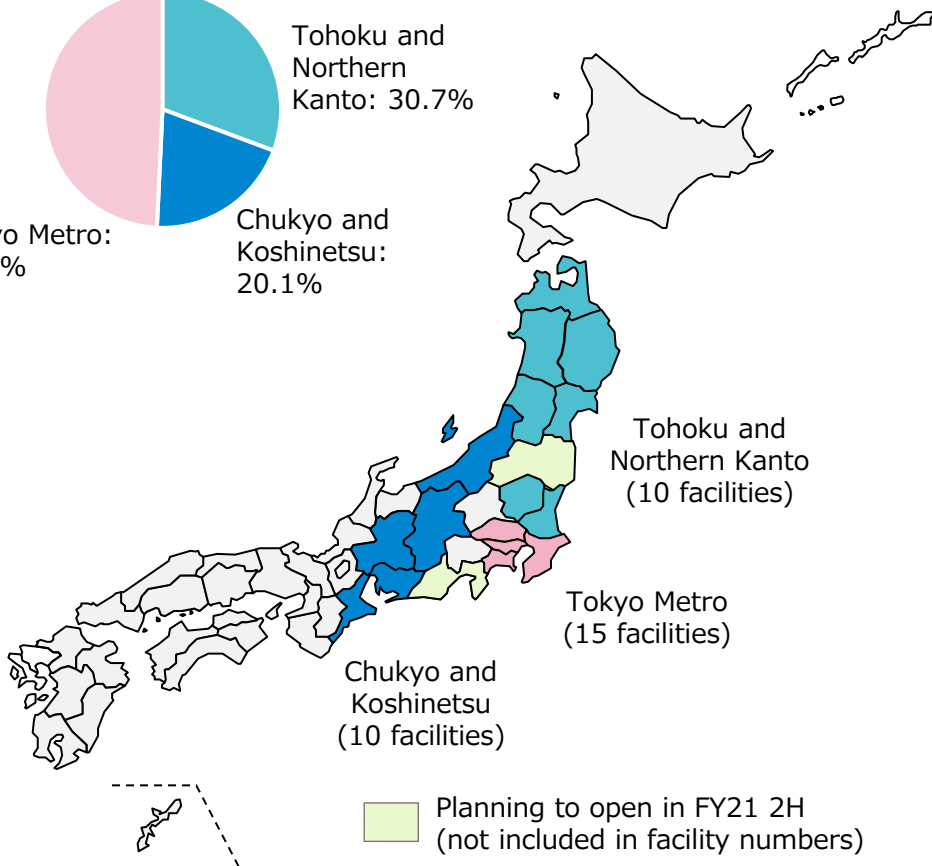
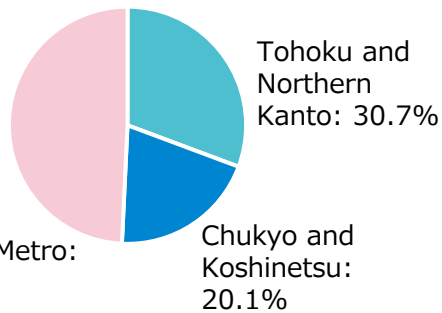


Facility Opening Strategy: Expand Our Deployment Region and Accelerate Our Formation of Dominant Areas

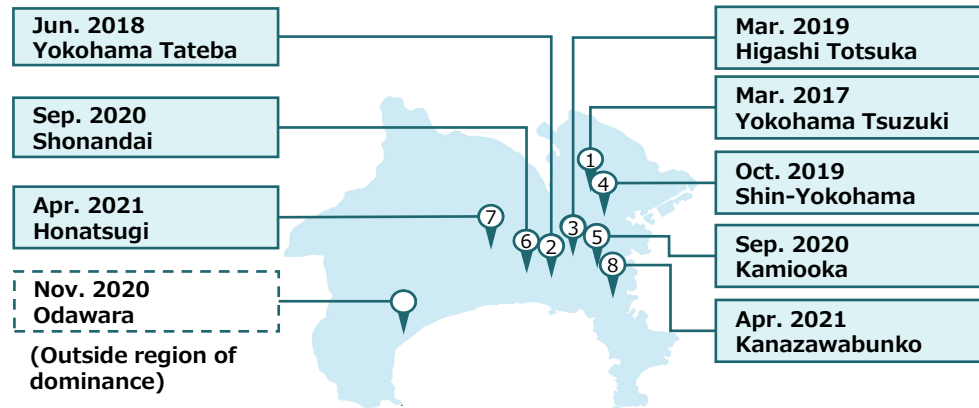
- In FY21, we plan to move into Nagano, Chiba, Akita, Shizuoka, and Fukushima prefectures.
- Going forward, in addition to aggressively expanding our deployment region, we will accelerate deployment in the Tokyo metro area (Saitama, Chiba, and Tokyo prefectures) as we have in Kanagawa prefecture.

Expand Deployment Region

Net Sales (FY21 1H)

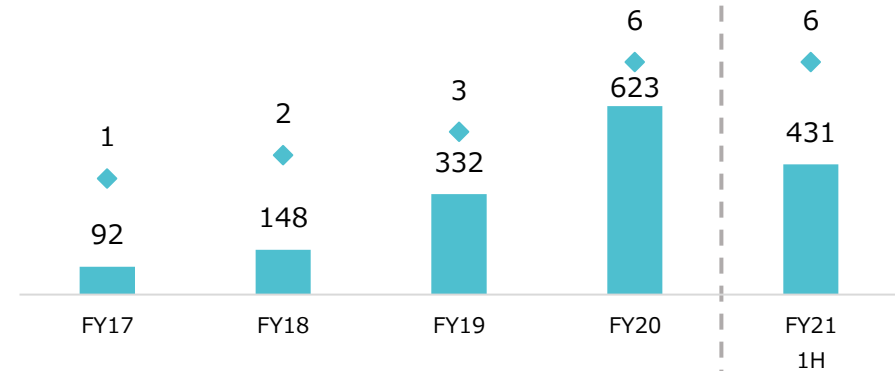


Accelerate Deployment (Kanagawa Prefecture)



Number of Facilities and New Patients (Kanagawa Prefecture)

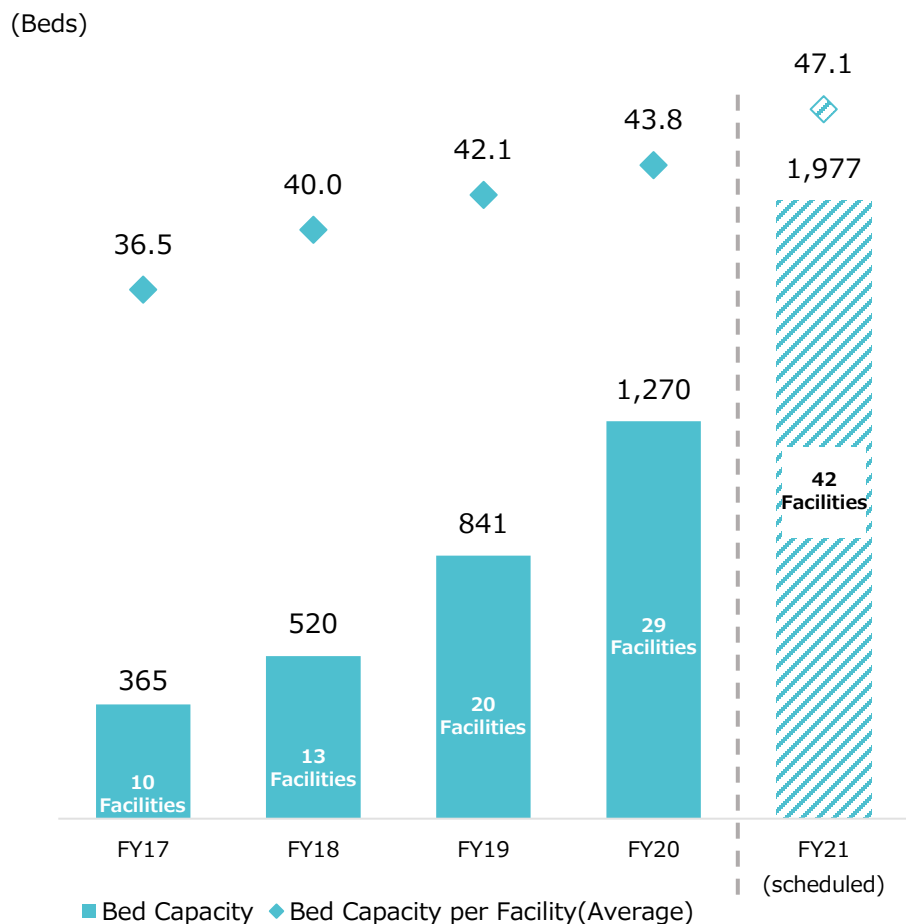
(Facilities / Patients)



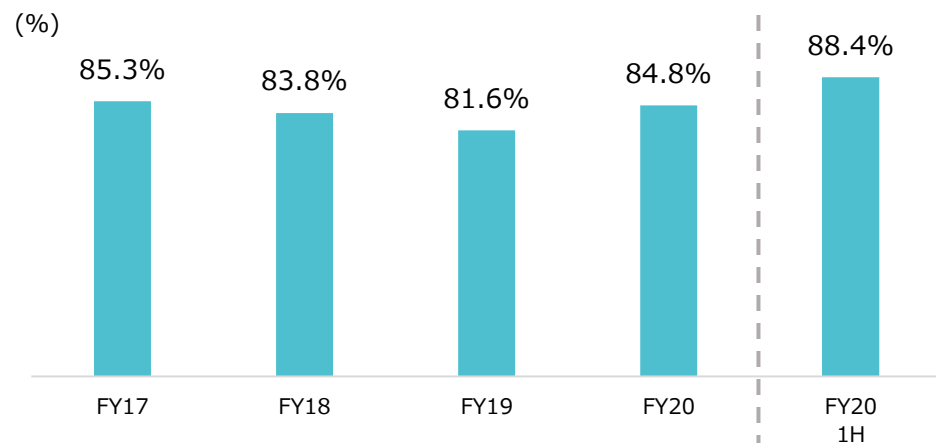
Facility Opening and Operating Strategy: Boosting Marketing and Operating Capabilities

- By enhancing marketing and operating capabilities, we have increased the number of beds per facility.
- Patients in the terminal stage occupy a large percentage of beds; we continue to aim for stable operations with a target utilization rate of 80–85%.

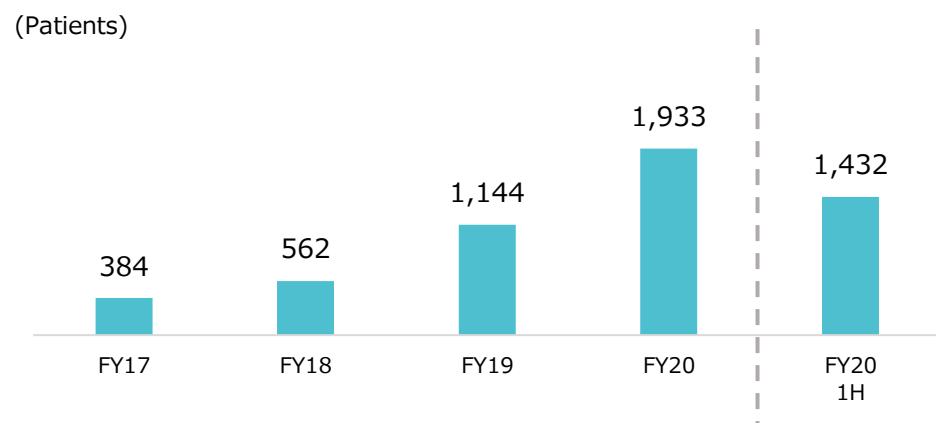
Number of Facilities and Bed Capacity



(Existing Facilities) Utilization Rate



New Patients

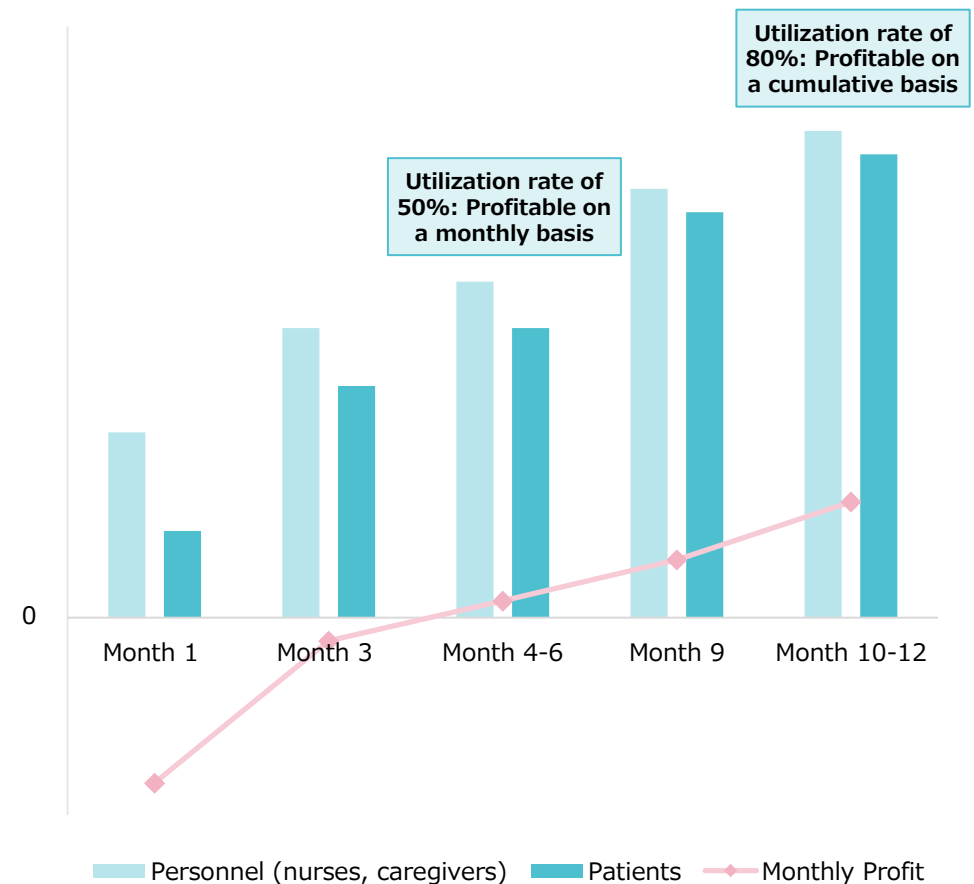
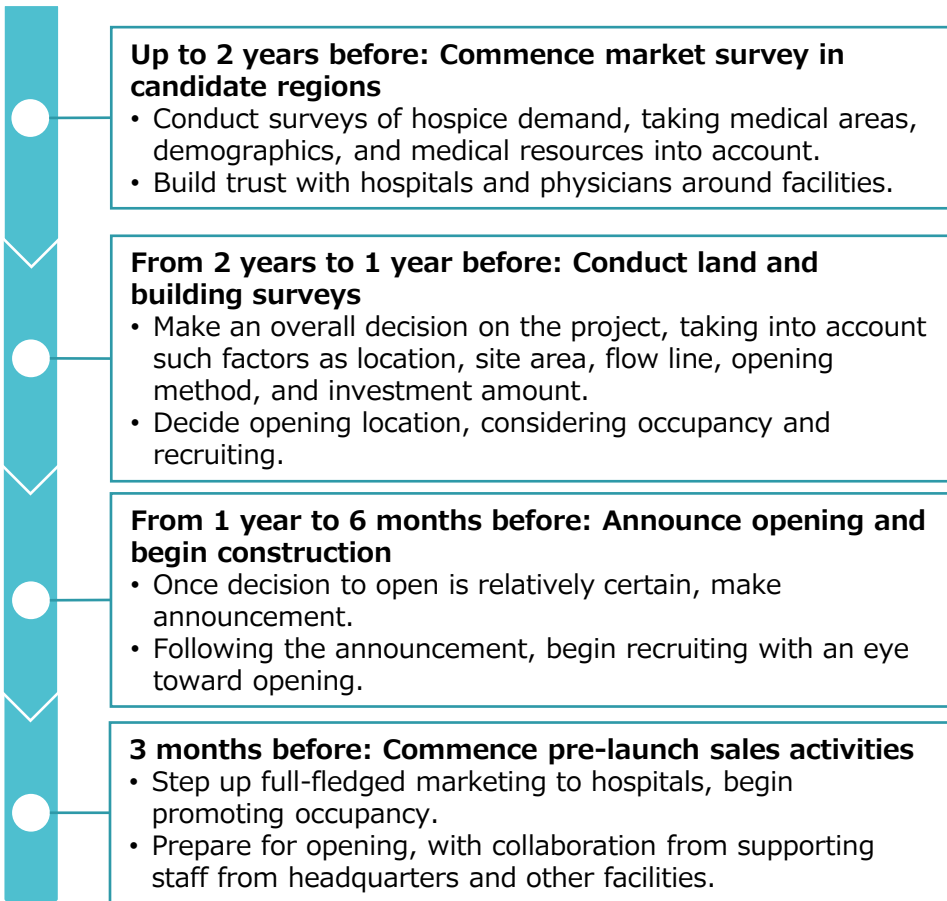


Facility Opening and Operating Strategy: The Process from Project Cultivation to Stable Operation

- We begin conducting market and other surveys around two years prior to opening a new facility, making the decision to open after carefully reviewing the survey results.
- After opening, we manage personnel numbers based on utilization rates to achieve profitability on a monthly basis in 4–6 months and become profitable on a cumulative basis after 10–12 months.

From Project Cultivation to Opening

From Opening to Stable Operation (Base Case)



Opening

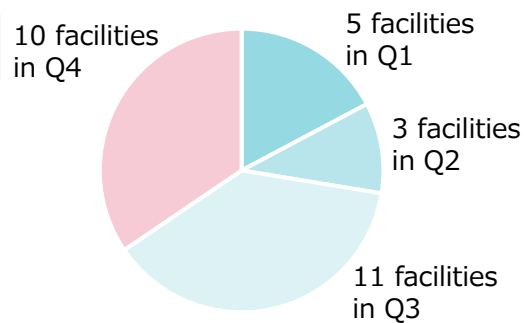
Facility Operating Strategy: Create and Promote a Headquarters-Focused Management System

- We are concentrating new openings by Q3, so we can focus on reinforcing our operating structures in Q4.
- Rather than assigning a head of each facility, we have established a nursing and care department at headquarters. By creating a headquarters-focused management system, we aim to maintain or improve the quality of care at facilities.

Timing of Facility Openings

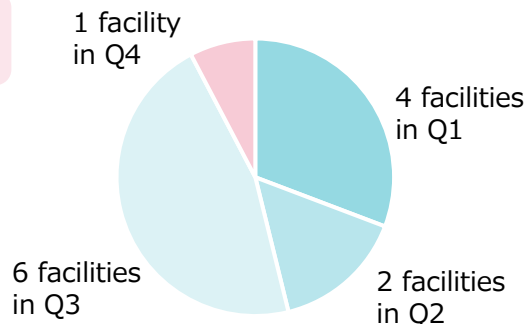
Through FY20 (29 facilities opened)

34% of the total



FY21 (13 facilities opening)

7% of the total



Specific Measures to Reinforce Operating Structures

Headquarters-Focused System

- At each facility, we created a system where nurses and caregivers can concentrate on caring for patients.
- We concentrated primary corporate functions (marketing, sales management, recruiting, human resources administration, consumables management) at headquarters and assign no resident head for each facility.

Nursing and Care Department

- The nursing and care department at headquarters carefully manages operations at each facility, providing instructions, training, and coordination.
- This department provides wide-ranging facility support of various types: offering operational support for nurse leaders, preparing operating manuals, providing orientations for new staff members, supporting new facility openings, and handling shift administration.

COVID-19 Counter-measures

- Nurses well-versed in COVID-19 have taken a leadership role in establishing an Infection Control Team. This team has taken the lead in formulating thorough and consistent instructions, training, and infection prevention measures (standard precautions) for the employees and patients of all facilities.

Facility Operating Strategy: Expand the Types of Patients We Target, Allowing Us to Serve as an Auxiliary Facility



- Accept admission of outpatients and patients who require periodic hospital treatment; provide patients with ongoing dosages where no extraordinary management is required.
- In addition to managing CV catheters and various types of drains, we aim to handle a range of medical procedures, such as blood transfusions, cancer treatment, post-operative care, and drug administration.

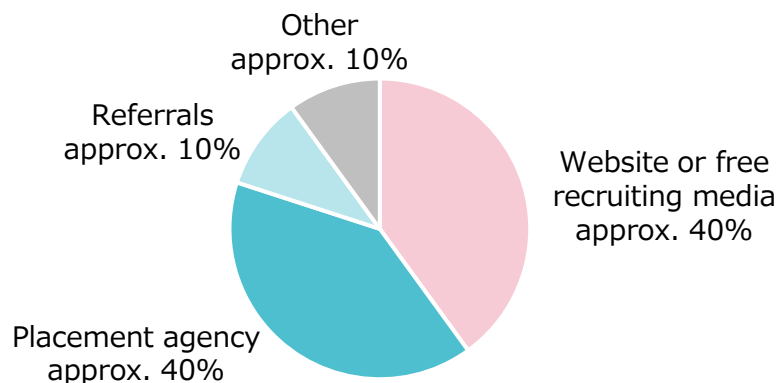
Patients Undergoing Medical Care (example)		Patients Requiring Medical Procedures (example)	
Patient A (anti-cancer therapy)	<ol style="list-style-type: none"> 1. Disease: lung metastasis of renal cell carcinoma 2. Pre-admission status: outpatient administration of immune checkpoint inhibitor drug 3. Post-admission response: after admission, continuing with regular outpatient treatment of Opdivo as long as possible 	Patient D (blood transfusion)	<ol style="list-style-type: none"> 1. Disease: multiple myeloma 2. Pre-admission status: blood transfusion therapy 3. Post-admission response: ongoing blood transfusion therapy
Patient B (anti-cancer therapy)	<ol style="list-style-type: none"> 1. Disease: esophageal cancer, prostate cancer 2. Pre-admission status: periodic hospitalization for administration of anti-cancer drugs 3. Post-admission response: continue with FP treatment (5-FU and cisplatin) during periodic hospitalization, and ongoing nephrostomy replacement 	Patient E (artificial respirator)	<ol style="list-style-type: none"> 1. Disease: rectal cancer, lung cancer 2. Pre-admission status: after operation for rectal cancer, cancer was also found in the lungs; due to concurrent aspiration pneumonia, the respiratory condition had deteriorated, and the patient had been placed on an artificial ventilator 3. Post-admission response: placed on a home respirator
Patient C (radiation)	<ol style="list-style-type: none"> 1. Disease: bone metastasis of prostate cancer 2. Pre-admission status: outpatient palliative radiation 3. Post-admission response: continuation of outpatient palliative radiation 	Patient F (post-operative care)	<ol style="list-style-type: none"> 1. Disease: intrahepatic cholangiocarcinoma 2. Pre-admission status: Trousseau syndrome 3. Post-admission response: while in hospital, received a continuous infusion of heparin, but was switched to glycerin administration

Recruiting Strategy: Screen Nurses and Caregivers Rigorously

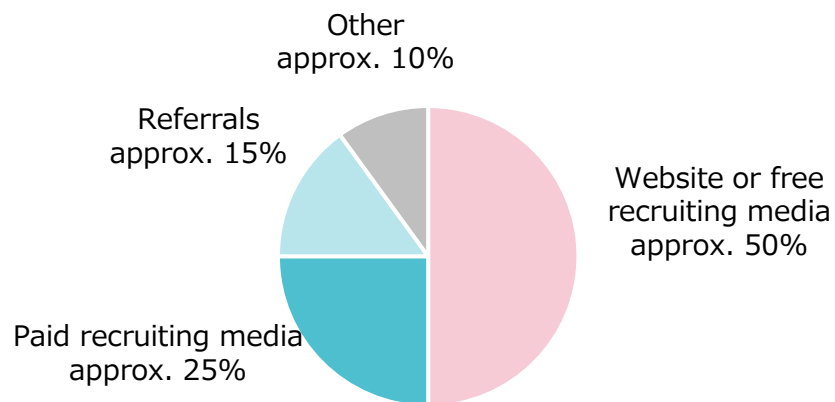
- For nurses, we tend to use placement agencies, particularly in regional cities. However, for caregivers we have created a recruiting system that does not use them. Also, we do not hire temporary nurses and caregivers.
- For nurses, we concentrate on hiring people who have experience working at base hospitals and can be effective immediately. We screen rigorously, making offers to approximately 25%.

Hiring Routes by Job Type

Nurses

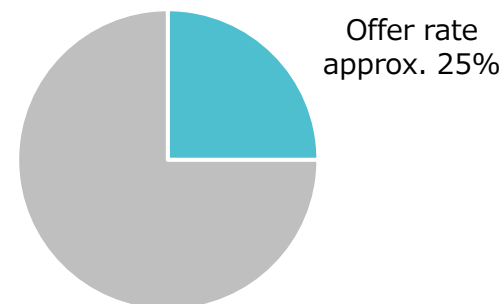


Caregivers

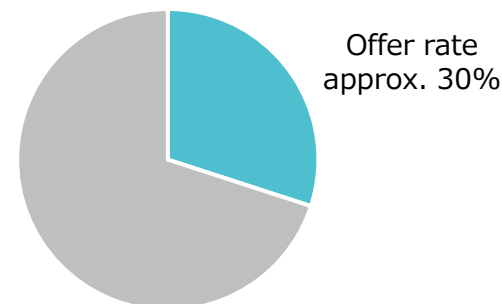


Offer Rate by Job Type

Nurses



Caregivers





3. Appendix

Ishinkan Opening Plan

- We are moving into 5 prefectures in FY21 and opening our second-largest facility so far (80 beds), at Kanazawabunko.
- In FY22, we will increase the percentage of facilities in the Tokyo metro area, accelerating our formation of dominant areas.

Recent Topics

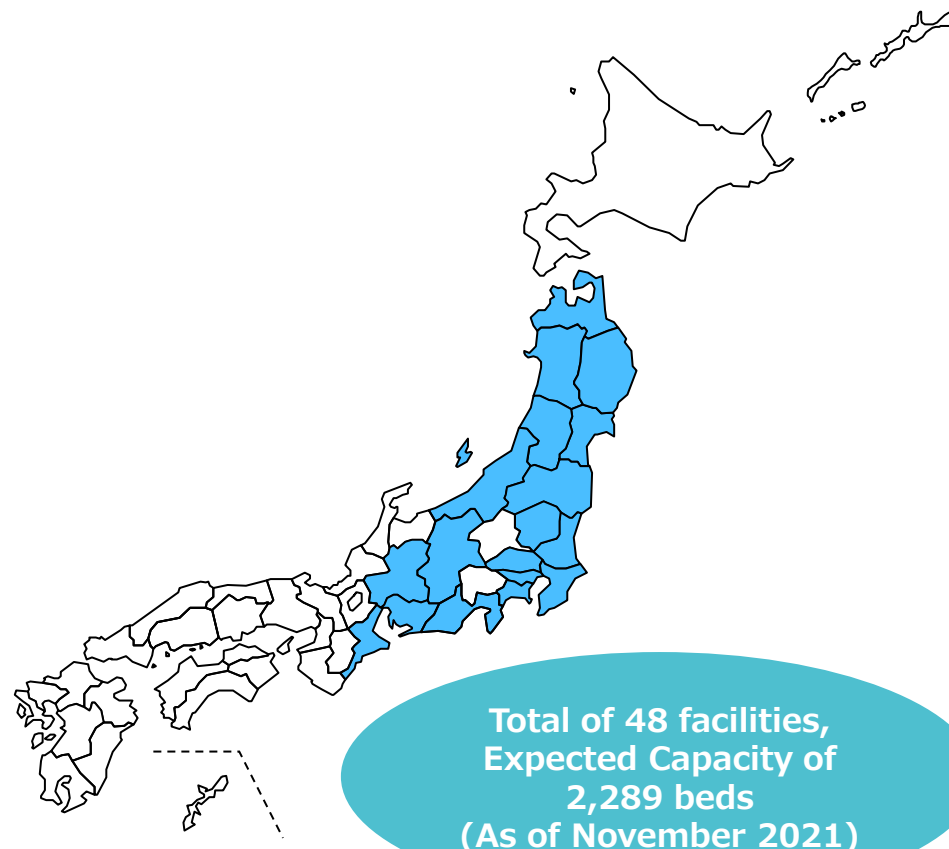
Akita, Hamamatsu, Fukushima	First facilities in the prefecture
Hongo	First joint operation with a care provider
Kanazawabunko	Large, 80-bed facility (our second-largest)

Opening Plans from January 2021

Opening Date	Location	Total Beds
Early Feb. 2021	Yokkaichi II, Akita	101
Early Apr. 2021	Honatsugi, Yamagata II	103
Mid-Apr. 2021	Kanazawabunko, Hongo (joint operation)	122 ⁽¹⁾
Early May 2021	Soga, Hamamatsu	103
Early Jul. 2021	Fukushima	52
Early Oct. 2021	Mizue, Koshigaya, Ageo, Kashiwa	210
Early Nov. 2021	Aomori, Higashi Omiya	102

Note :
 1. Hongo is scheduled to have capacity of 42 beds, but the facility will operate with 28 beds for the first 6 months after opening

Ishinkan Nationwide



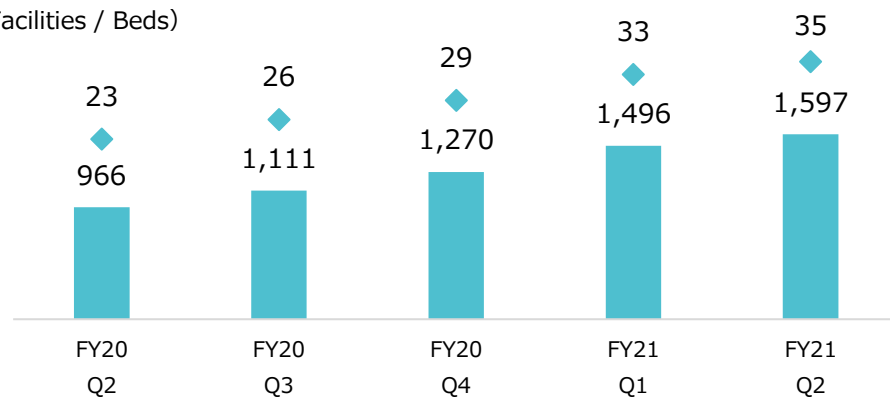
Quarterly Performance: Key Financial Indicators

- Operating profit was higher than in Q1, owing to higher net sales in line with increases in the number of facilities and beds, as well as favorable utilization rate at existing facilities.
- The operating profit margin did not reach pre-pandemic levels, but maintained the same high levels as in Q1.

Quarterly Performance

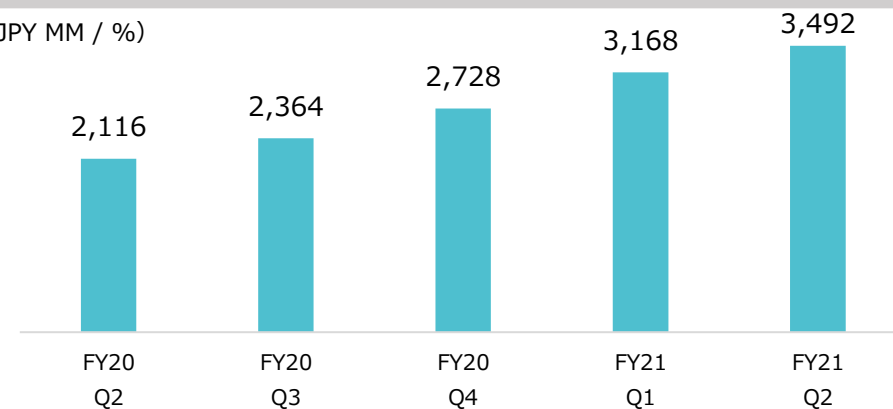
Number of Facilities / Bed Capacity

(Facilities / Beds)

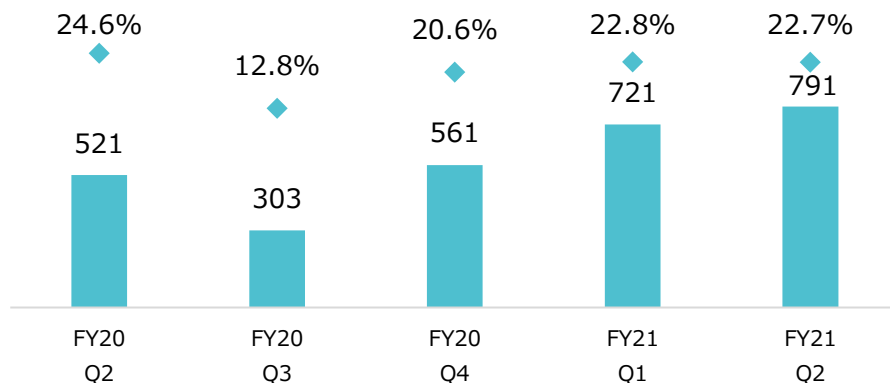


Net Sales

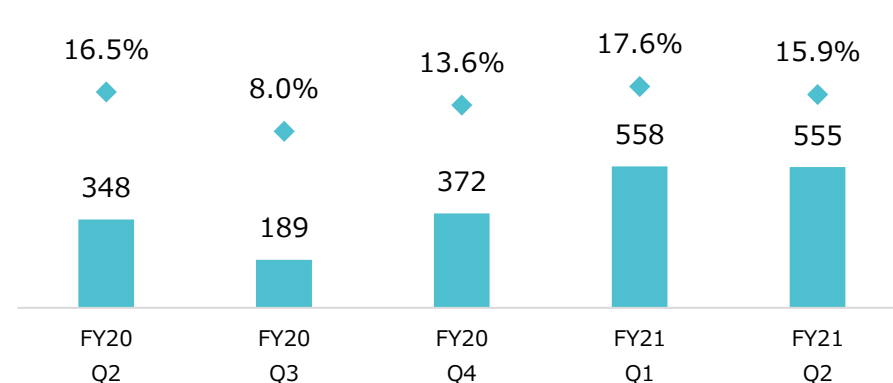
(JPY MM / %)



Operating Profit



Net Profit



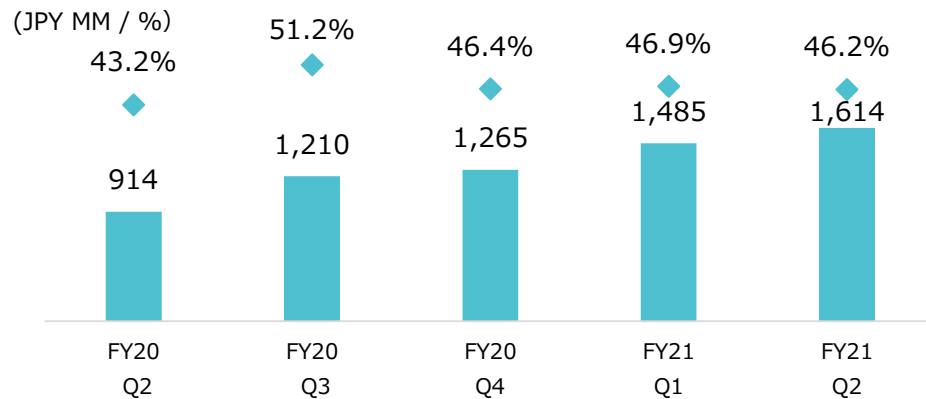
◆ : Percentage of Net Sales

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

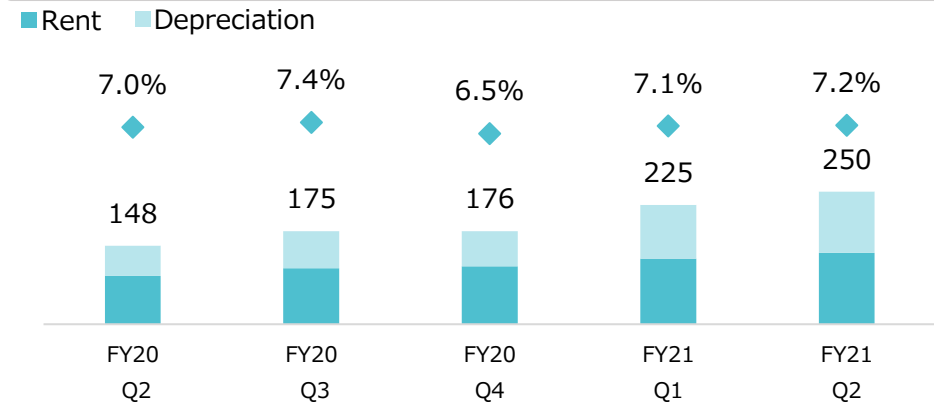
- The percentage of personnel expenses for nurses and caregivers (cost of sales) has remained at the 46% level since Q4 FY20, when we substantially increased the number of personnel in the face of COVID-19.
- Recruiting expenses have risen along with personnel numbers, but have remained stable year on year relative to net sales.

Quarterly Performance

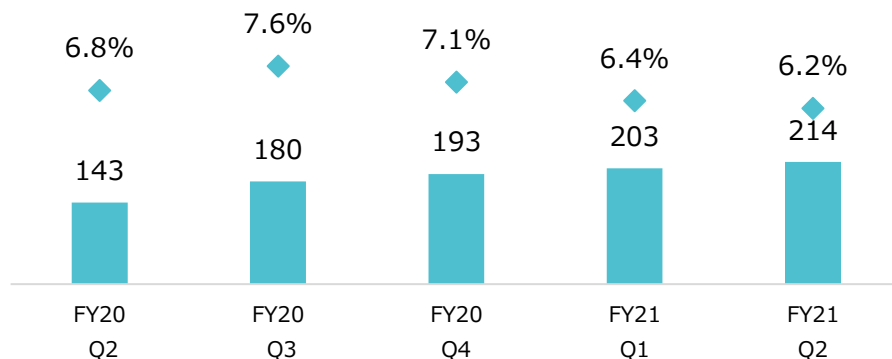
Personnel Expenses (Cost of Sales)



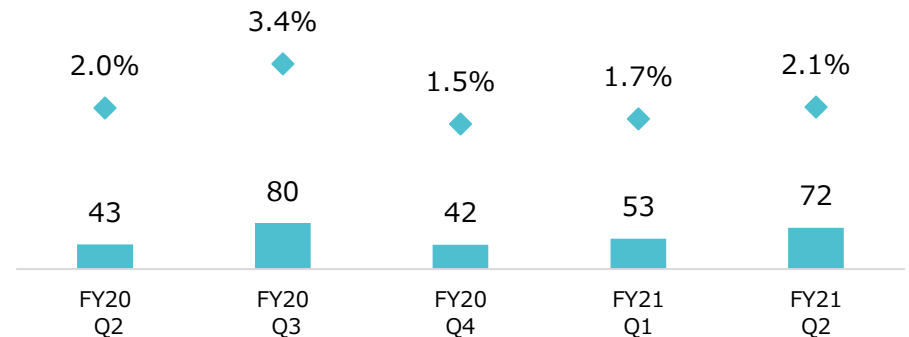
Rent & Depreciation (Cost of Sales)



Personnel Expenses (SG&A Expenses)



Recruiting Expenses (SG&A Expenses)



◆ : Percentage of Net Sales

Summary of Balance Sheet / Cash Flow

- Due to the new share issuance we announced in February 2021, the equity ratio has improved significantly, and cash and deposits have increased.
- Building and structures, net continued to rise, owing to open facilities in 1H.

Summary of Balance Sheet / Cash Flow

(JPY MM / %)	FY19	FY20	FY21 1H	vs. FY20	(JPY MM)	FY19	FY20	FY21 1H
Assets	6,997	16,519	27,680	+67.6%	Cash flows from operating activities	445	1,165	826
Cash and Deposits	452	3,335	11,096	+232.6%	Cash flows from investing activities	(1,139)	(5,304)	(2,932)
Buildings and Structures, Net	753	3,548	6,941	+95.6%	Purchase of Property, Plant and Equipment	(1,184)	(4,947)	(2,748)
Liabilities	5,926	11,264	12,858	+14.2%	Cash flows from financing activities	660	7,021	9,865
Borrowings	2,080	6,250	7,747	+24.0%	Net increase (decrease) in Borrowings	702	4,169	1,497
Net Assets	1,070	5,255	14,822	+182.0%	Net increase (decrease) in Cash and Cash Equivalents	(33)	2,882	7,760
Equity Ratio	15.3%	31.8%	53.5%	+21.7pt	Cash and Cash Equivalents at end of period	452	3,335	11,096

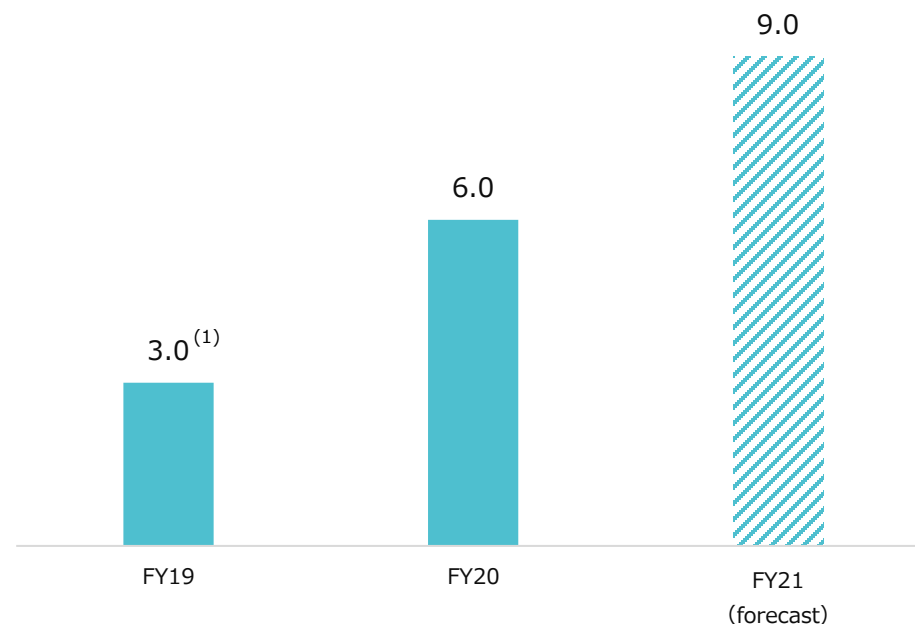
- In FY21, we plan to raise the dividend per share by JPY 3.0 compared with FY20.
- We will continue to enhance corporate value by considering the balance between the acceleration of growth and shareholder returns.

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 profit 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)

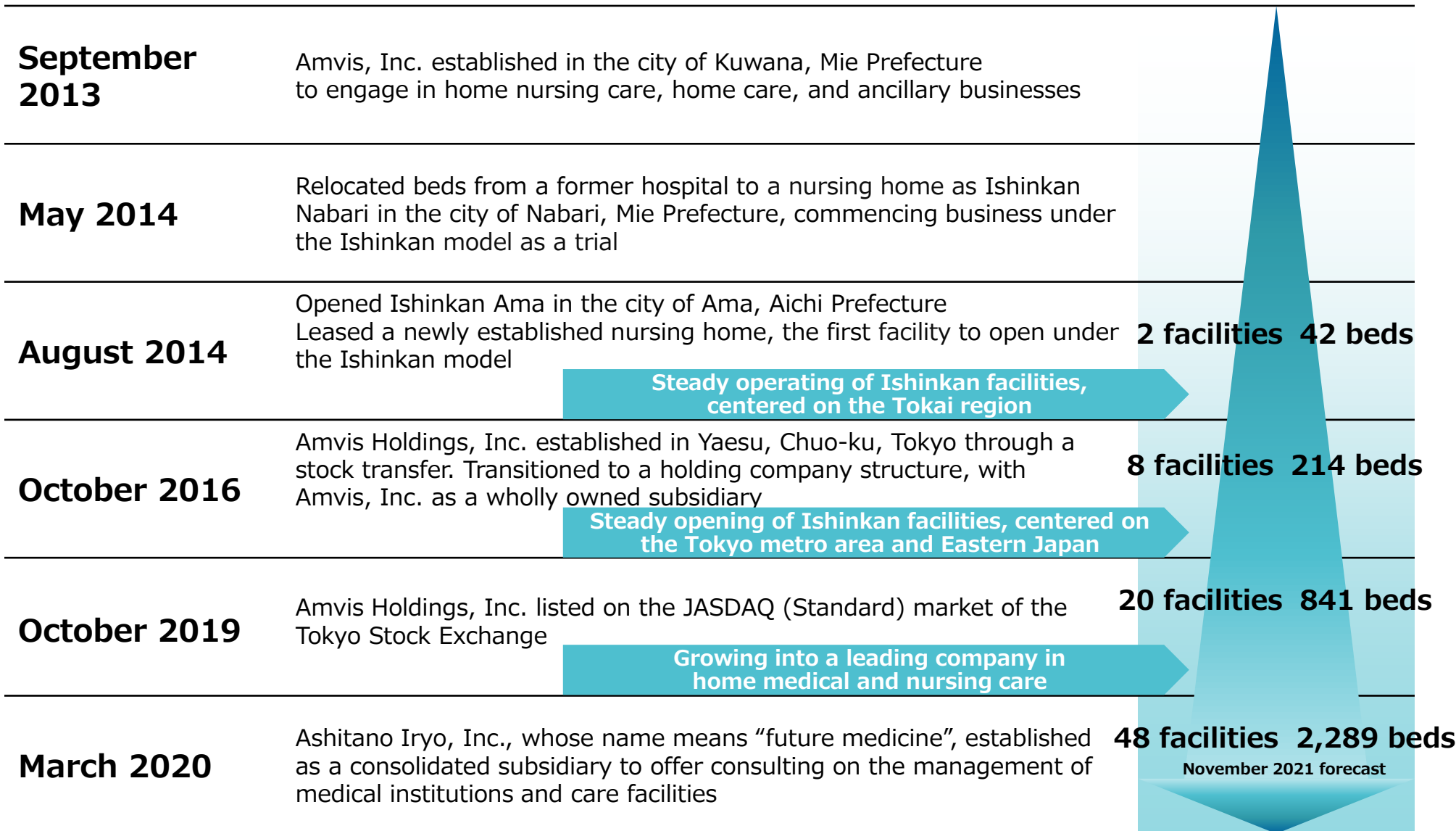


Note:

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



4. Company Overview



Management Mission

Create a Vibrant, Happy Society through Medical and Health Care with an Ambitious Vision

Confront Social (Medical) Issues
through Structural Innovation



Business Mission

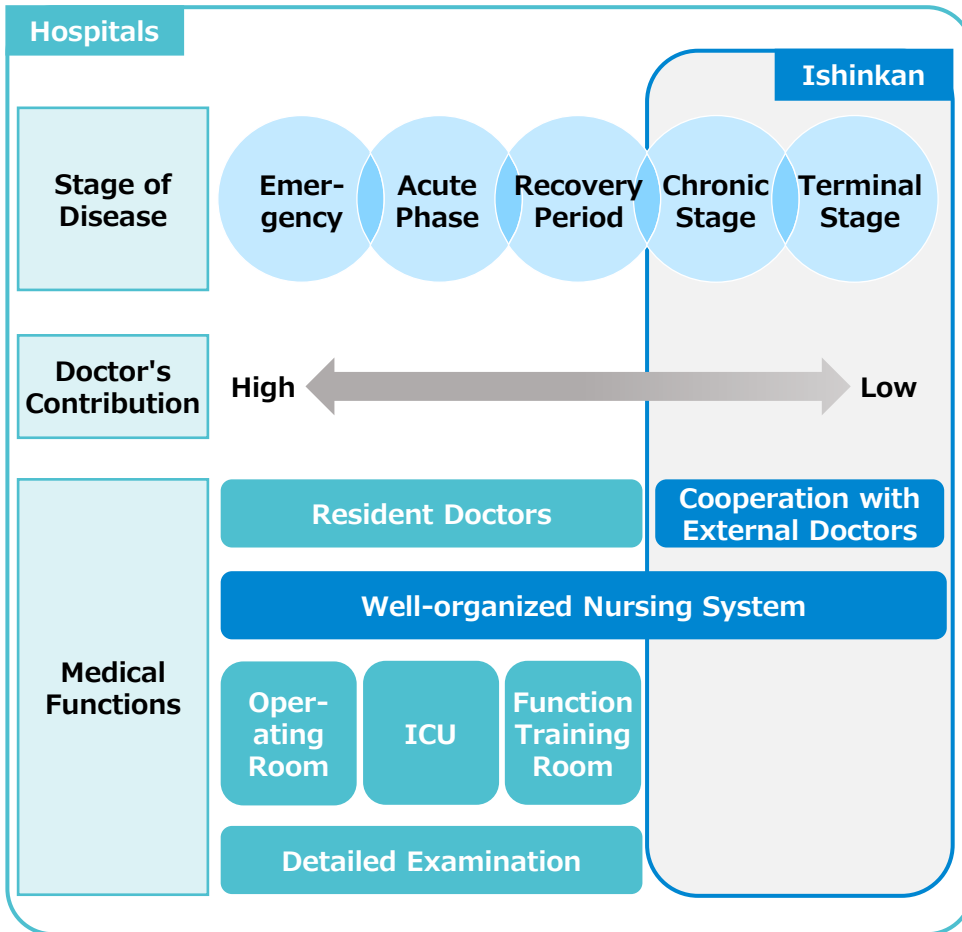
Strengthen and Revitalize Regional Healthcare

Accept Patients with High Medical Dependency by Operating
"Ishinkan" Hospices Specialized in Nursing and Care Services
in Chronic and Terminal Stages

Ishinkan Business Overview: Concept / Characteristics and Profit Structure

- Ishinkan is an original health care facility that function as in-home hospital beds to focus on advanced nursing care (in corporation), with an outsourced physician's function.
- Ishinkan is a business that uniquely combines existing systems (nursing home business, home medical and nursing care business, in-home care support business).

Concept



Characteristics

Personnel structure	<ul style="list-style-type: none"> • Allocates nurses and caregivers commensurate with the number of patients • Outsources services provided by doctors
Target patients	<ul style="list-style-type: none"> • Patients in the chronic and terminal stages, including those who are in the terminal stage of cancer, on a respirator, have had a tracheostomy, or those with specified diseases • Patients who are repeatedly in and out of hospital or who require end-of-life nursing and caregiving
Trust-based and collaborative relationship with medical professionals	<ul style="list-style-type: none"> • Earn trust from multiple medical institutions by accepting patients with high medical dependency • Build cooperative relationships with physicians, without capital relationships (ensuring the transparency of medical and nursing care)

Profit Structure (Three-Tier Structure)

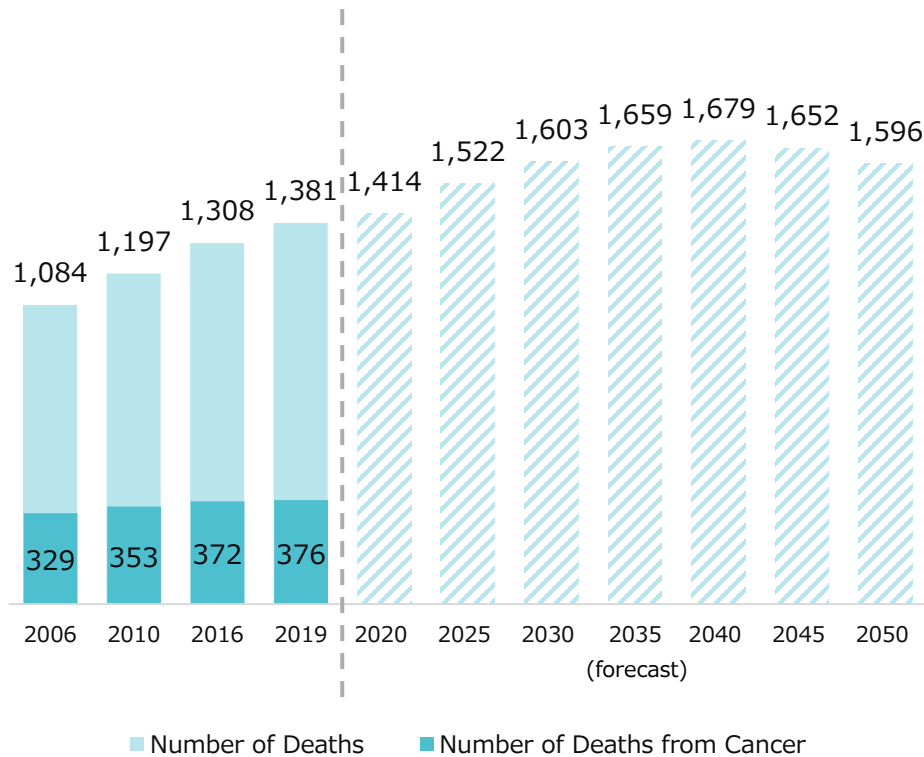
Sales from medical insurance	<ul style="list-style-type: none"> • Home nursing care services provided by medical insurance • Accounts for around 60% of net sales
Sales from care insurance	<ul style="list-style-type: none"> • Units differentiated by degree of care required and regional category • Accounts for around 30% of net sales
Sales from rent, expenses billed at cost	<ul style="list-style-type: none"> • No lump-sum payments upon admission • Items including food expenses and medical consumables

Environment Surrounding the Ishinkan Business

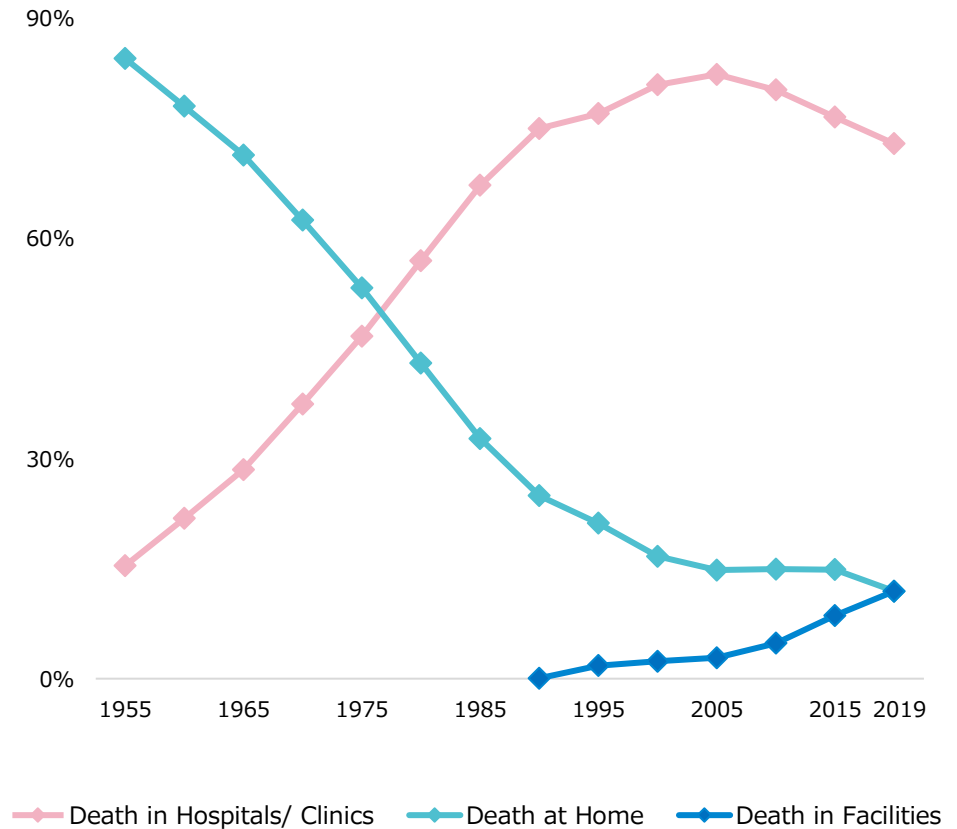
- Currently, 1.4 MM people pass away every year in Japan (with 400K people due to cancer) owing to the arrival of an aging and shrinking population.
- As a result of the government's policy shifts from hospital-based to community-based medical care, the number of hospital deaths peaked around 2005 and has been decreasing, with a gradual shift to deaths in nursing homes such as hospices.

Number of Deaths (Overall, Cancer)

('000)



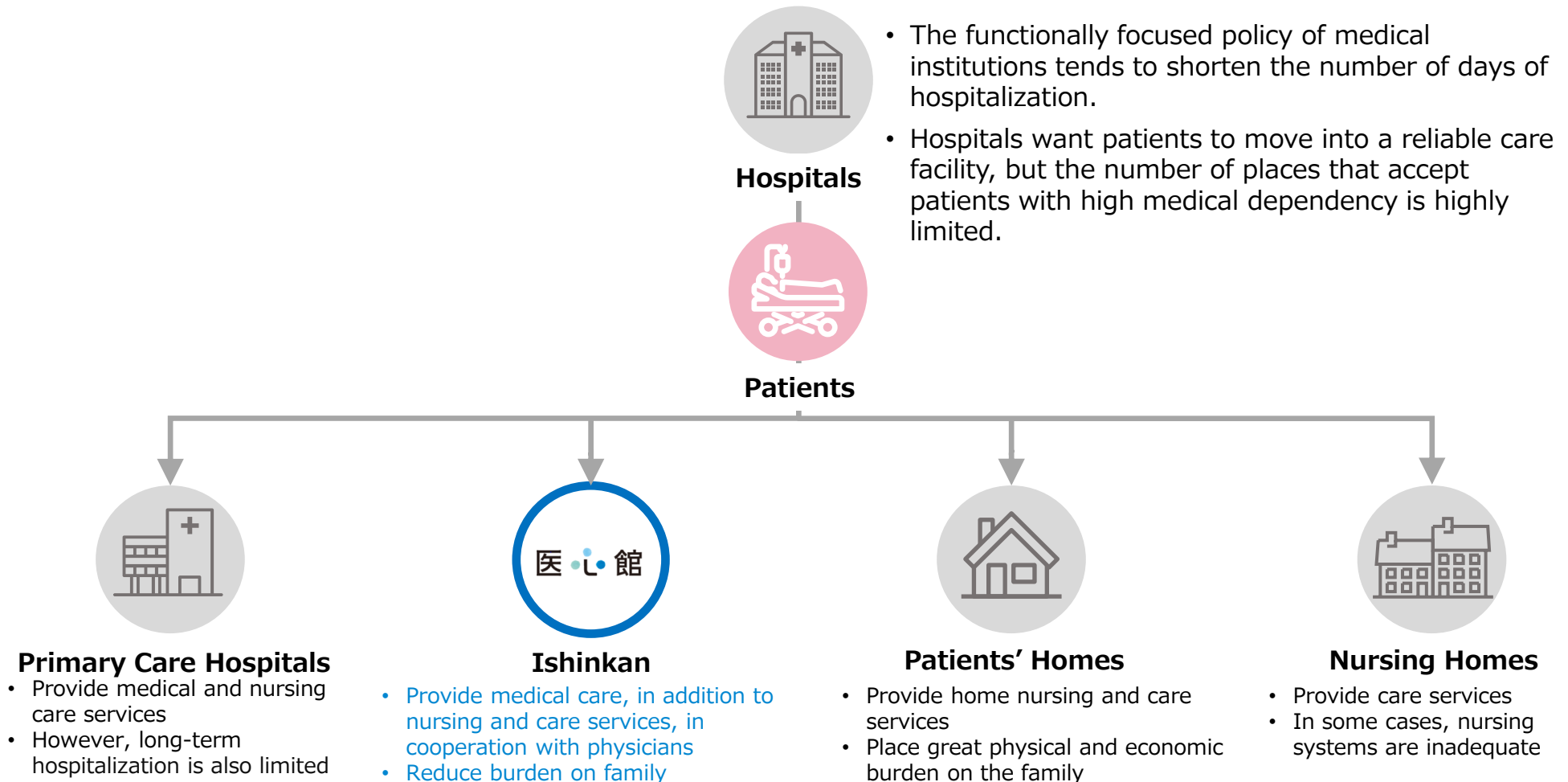
Place of Deaths (Composition)



Source: Vital Statistics of the Ministry of Health, Labour and Welfare and projection results based on medium-fertility/medium-mortality assumptions (including overseas nationals in Japan) of "Population Projections for Japan" by the National Institute of Population and Social Security Research

- Ishinkan greatly contributes to regional medical care and local communities, because Ishinkan accepts patients with high medical dependency who have no other way to recuperate and encounters the policy of shortening of hospital stays and returning home.

Places that Accept Patients after Discharge from Hospital



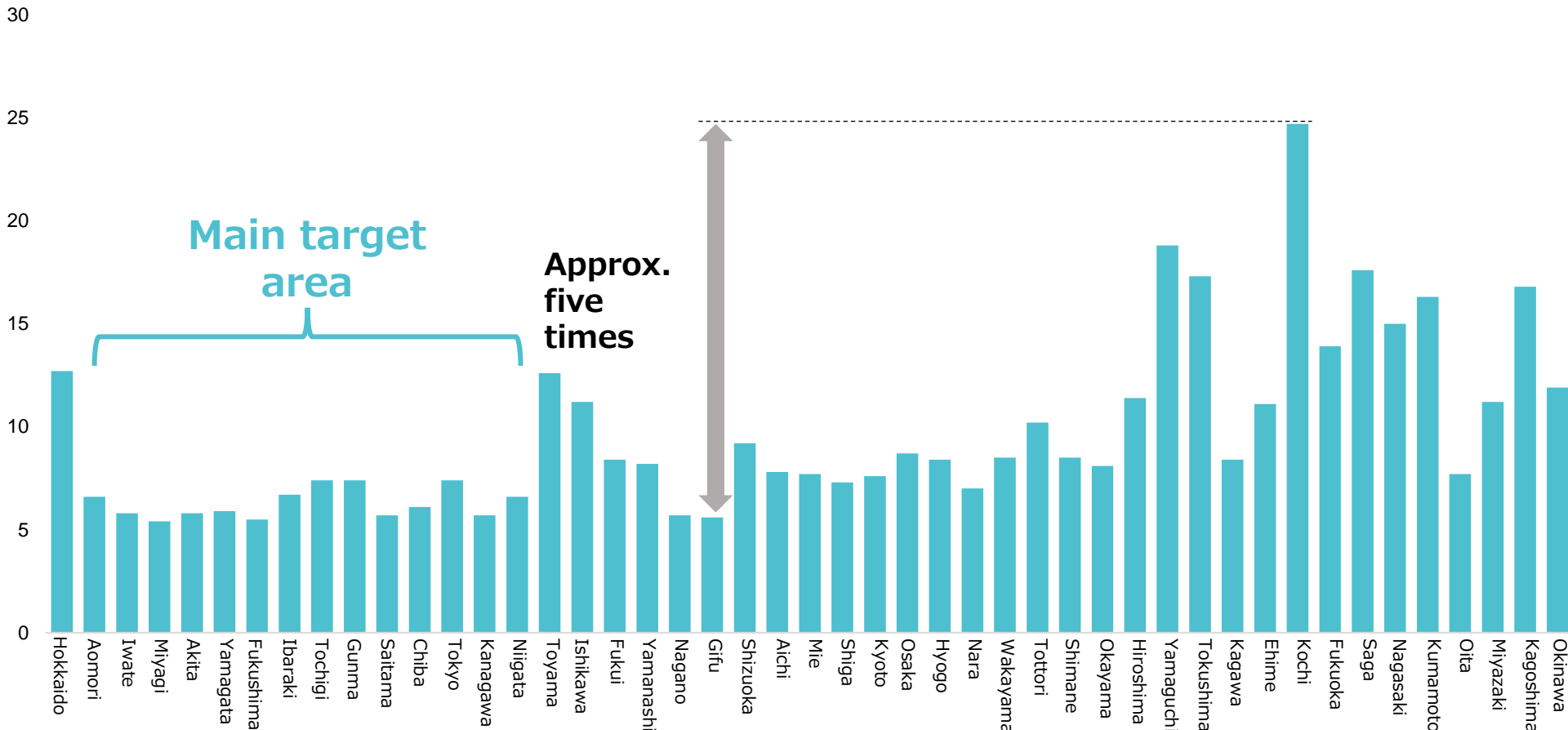
Difference in Number of Hospital Beds by Region



- As with the number of physicians and other hospital beds per population, the number of long-term care beds per elderly population tends to be low in Eastern Japan. Accordingly, we plan to open new facilities mainly in this region.
- We conduct an intensive market survey before starting business to identify the gaps in regional health care needs. Then, we will open Ishinkan with distinct roles that match local needs.

Distribution of Long-Term Care Beds by Region per Thousand People Aged 65 or Older

(Hospital beds per thousand people)

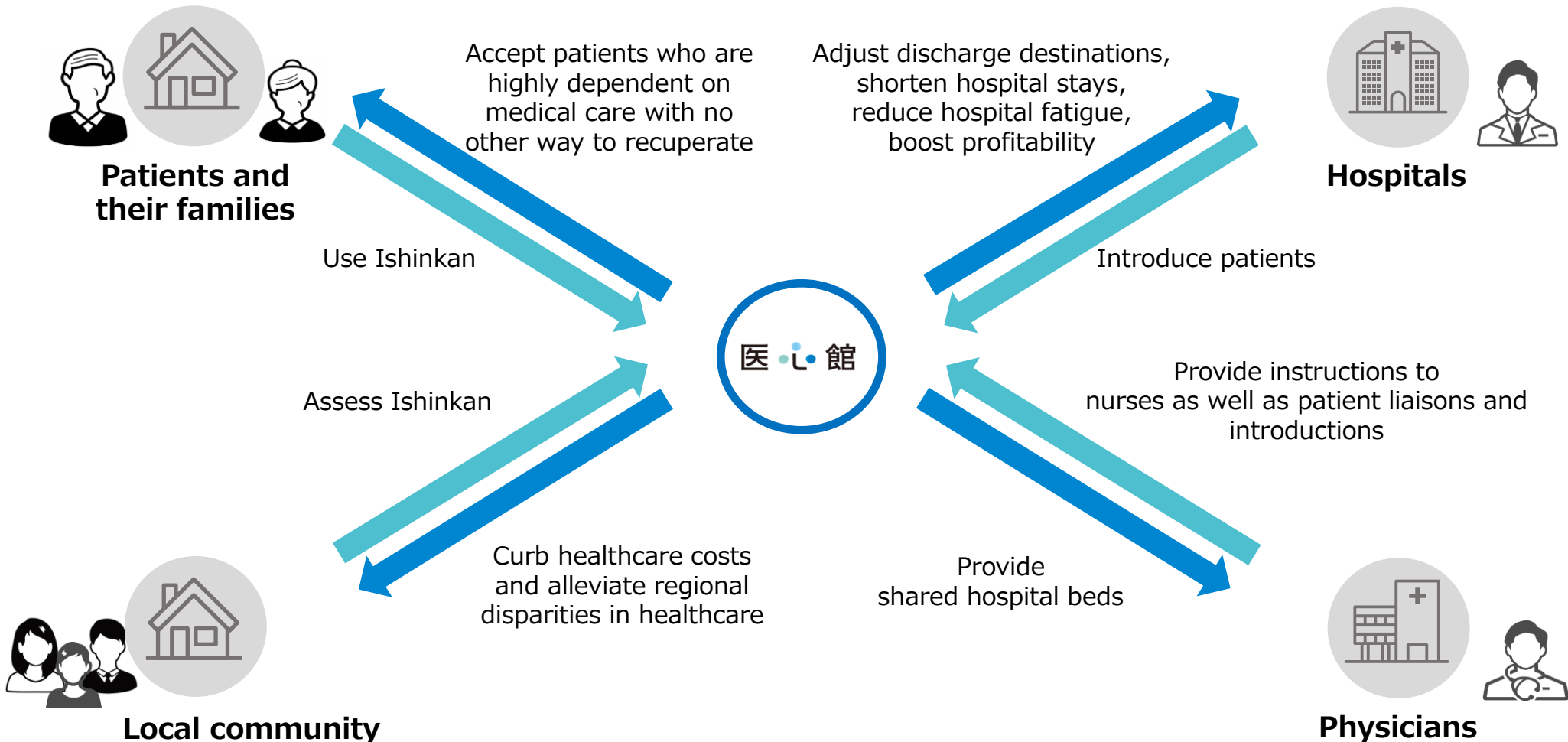


Source: "Population Estimate" by the Ministry of Internal Affairs and Communications and "Survey of Medical Institutions" by the Ministry of Health, Labour and Welfare, October 2019

Ishinkan as a Platform

- Ishinkan is a social problem-solving business that benefits all three parties of patients, local communities, and hospitals/clinics.
- We intend to become an indispensable platform that supports regional medical care by meeting the medical needs of each region.

Ishinkan as a Platform Supporting Regional Medical Care



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.

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