



First Quarter of the Fiscal Year Ending September 30, 2023

Financial Highlights

Amvis Holdings, Inc.

February 9, 2023

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Social Problem-Solving Business



Under the government's policy of shortening of hospital stays and returning home, Ishinkan has been actively accepting patients who are unsure of where to go after being discharged from medical facilities, including those in the terminal stages of cancer, those who need respiratory care (are on respirators, have had tracheostomies, etc.), and those with neurodegenerative diseases. Meanwhile, we have remained conscious of our role as an organization that supports the successful functioning of regional healthcare and have endeavored to fulfill this role by, in principle, ensuring that patients can continue to be seen by their existing primary physicians and care managers.

In order to satisfy our duty to support regional healthcare, we aim to further expand the Ishinkan business. Also, we plan to focus more on strengthening and revitalizing regional healthcare by providing various support for exhausted medical institutions and care providers, utilizing the know-how and human resources acquired through the Ishinkan business.

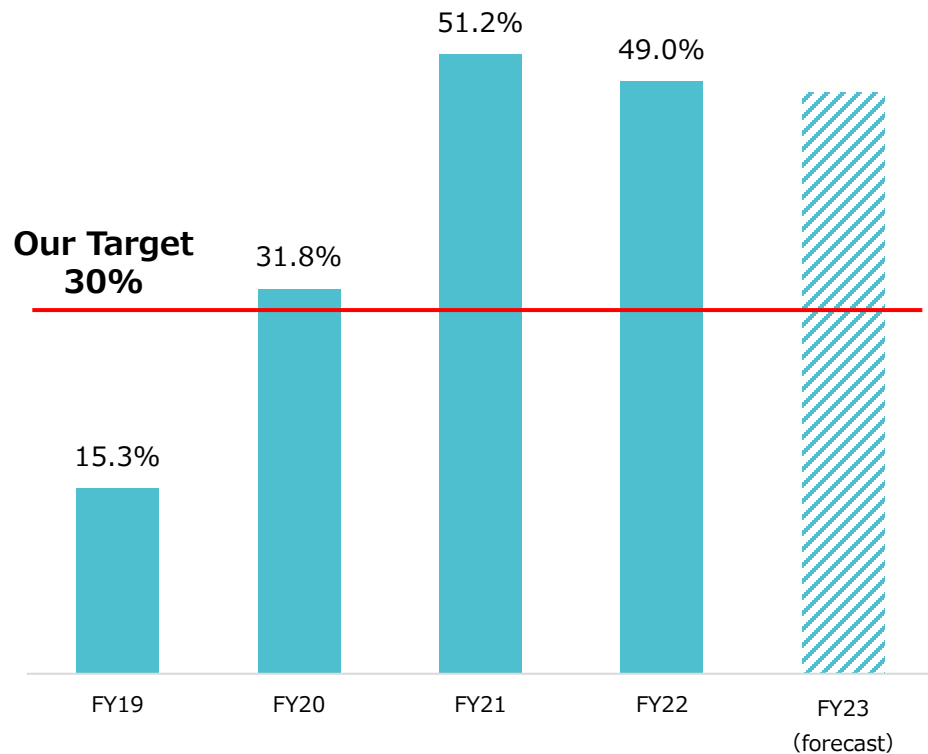
We hope our business will help to solve the medical problems of revitalizing regional healthcare, reducing the exhaustion of medical workers, and alleviating regional disparities in healthcare.

Maintaining a Robust Financial Base and Aiming to Grow Further

- We have maintained a robust financial base, with equity ratio surpassing our target of 30%.
- We aim to increase earnings per share (EPS) in accordance with the aggressive opening plans set in Amvis 2025.

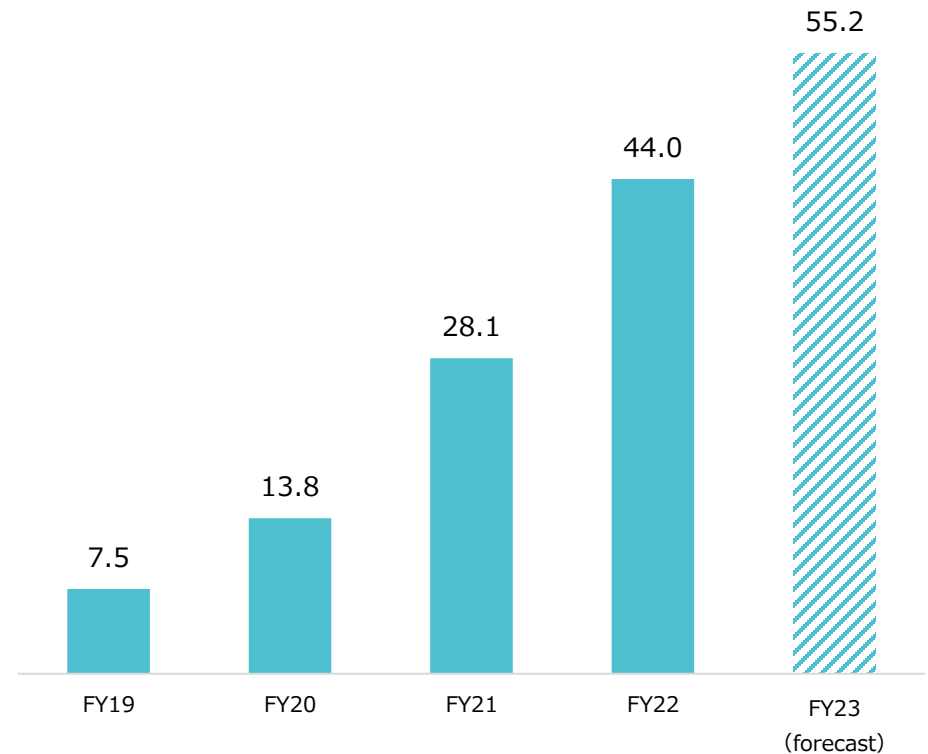
Equity Ratio

(%)



EPS⁽¹⁾

(JPY)



Note:

1. Figures of EPS take into account stock splits implemented on April 1, 2020, January 1, 2022, and October 1, 2022.

- In November and December, the resurgence of COVID-19 caused a large number of infections and close-contact cases including among staff and patients. However, our nurses and caregivers continued to provide safe and secure care around the clock.
- The utilization rate at existing facilities was 88.1%, surpassing our target for stable operations (82-85%). The start of new facilities was also favorable. As a result, Q1 performance progressing steadily against full-year forecasts.
 - ✓ Net sales: JPY 7.2bn (Progress toward full-year forecast: 23.7%)
 - ✓ Operating profit: JPY 1.9bn (Progress toward full-year forecast: 25.2%)
 - ✓ Net profit: JPY 1.3bn (Progress toward full-year forecast : 25.9%)
- In Q1, we opened 7 new facilities as planned. As a result, we had 65 facilities (3,176 beds) as of December 31, 2022.
 - ✓ FY23: While we plan to open 19 new facilities and expand 1 facility, we also plan to transfer Ishinkan Yokkaichi in March 2023, so the number of Ishinkan is expected to be 76 as of September 30, 2023.
 - ✓ FY24: We have already announced plans to open 6 facilities, making steady progress to achieve the target of 23 facilities set in the three-year plan. We plan to steadily release further information once launch plans have been clarified.
- In January 2023, we announced the transfer of Ishinkan Yokkaichi, which had been acquired from another care provider 7 years ago and targets patients in the chronic stages of illness. We continue to open facilities for patients who are in the terminal stages of illness, such as cancer patients, and those with high medical dependency, such as those on respirators. Refer to the following page for details.
- To reflect energy price hikes, we raised patient payments by about 3,000 yen per month in October 2022, and plan to raise them again by about 4,000 yen per month in March 2023.

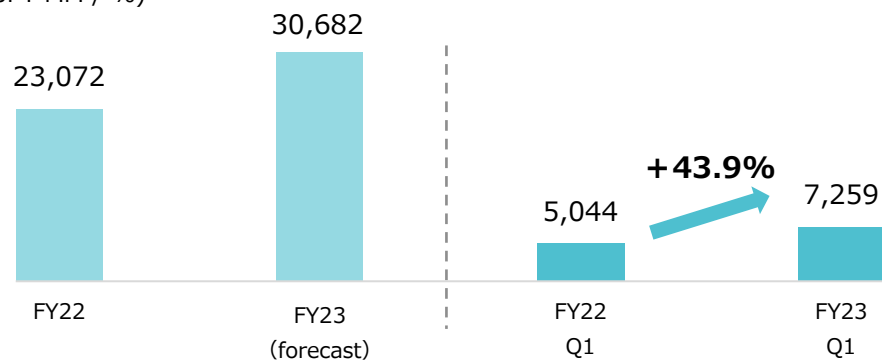
Net Sales and Profit Rose Steadily as the Number of Facilities and Bed Capacity Increase

- Net sales increased compared to Q1 of FY22 as the number of facilities increased by 17 and the number of bed capacity increased by 38%.
- Progress toward full-year forecast was favorable on net sales (23.7%), operating profit (25.2%), and net profit (25.9%).

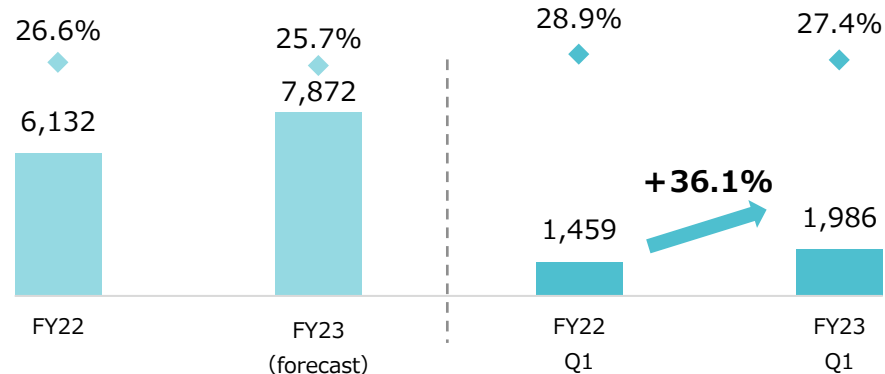
Q1 Performance and Progress Toward FY23 Forecasts

Net Sales

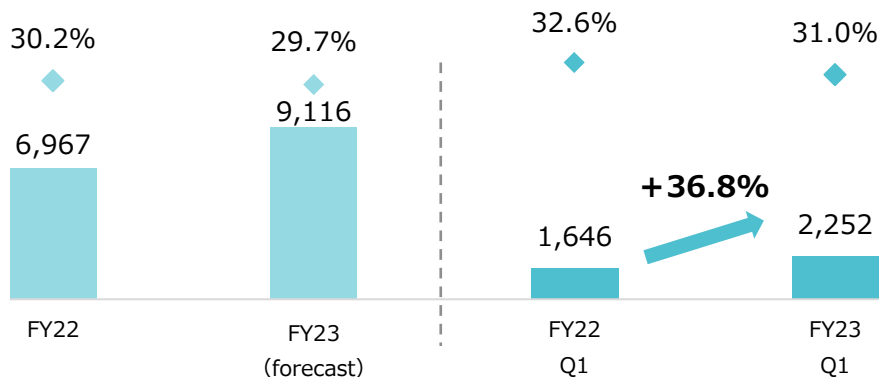
(JPY MM / %)



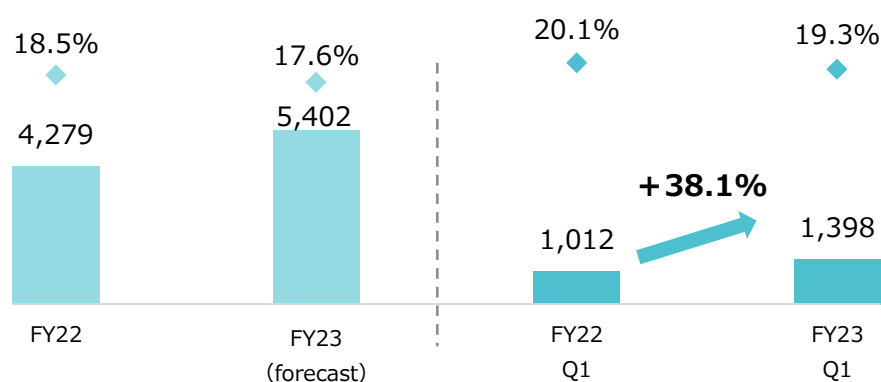
Operating Profit



EBITDA



Net Profit



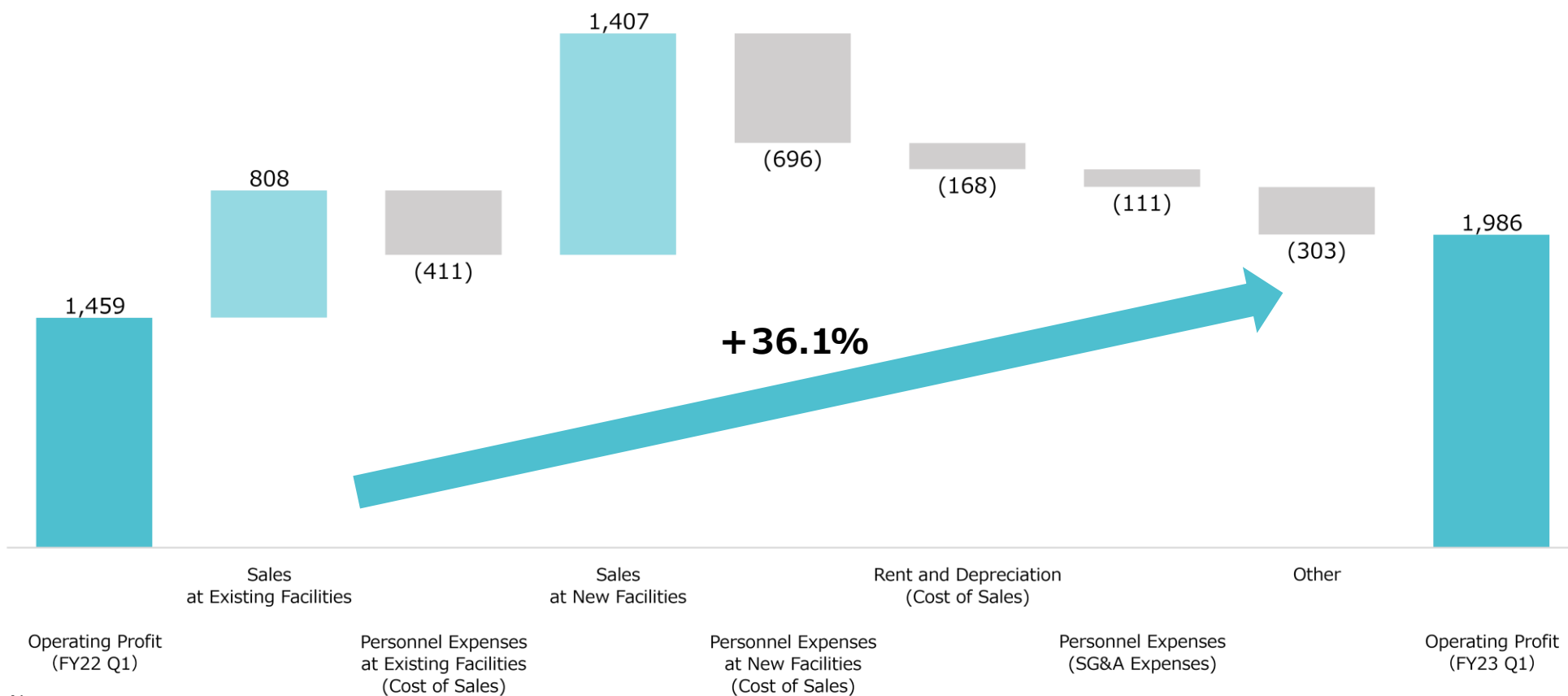
◆ : Percentage of Net Sales

Maintained Stable Utilization Rates at Both Existing Facilities and New Facilities

- We maintained stable utilization rates at existing facilities (88.1%) and new facilities (55-60%).⁽¹⁾
- Operating profit rose as the number of facilities increased (48 facilities as of December 31, 2021; 65 facilities as of December 31, 2022).

Operating Profit (FY22 Q1 – FY23 Q1)

(JPY MM)



Note:

1. New Facilities: Opened after Q1 of FY22 (same applies on the following pages) / Utilization Rate: median

Continuing to Operate the Hospice Business Mainly for Patients in the Terminal Stages of Illness

- In the city of Yokkaichi, we continue to operate the hospice business at Ishinkan Yokkaichi II, which mainly accepts patients in the terminal stages of illness, such as cancer patients.
- As a pioneer of the hospice industry, we contribute to the spread of the hospice business.

Overview

- On January 16, 2023, we announced the decision on business transfer of Ishinkan Yokkaichi to Fureasu Co., Ltd.
- Ishinkan Yokkaichi is a small facility (capacity: 28 beds) that targets patients in the chronic stages of illness.
- Patients, employees and various contracts of Ishinkan will be taken over by Fureasu Co., Ltd.

Facility to be Transferred

Facility Name	Ishinkan Yokkaichi
Capacity	28 beds
Opening Date	May 2016 (Acquired from another care provider)
Transfer Price	Not disclosed (cash)

Strategic Rationale

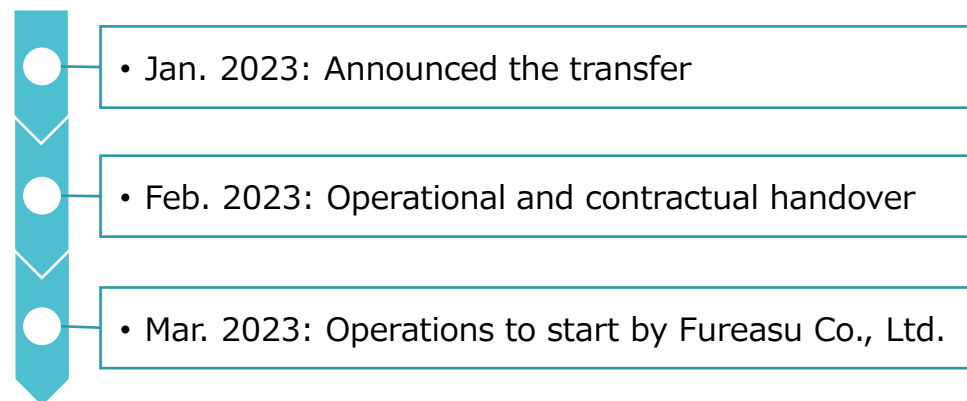


- Focusing on hospice business for patients in the terminal stages of illness
- Contribution to the spread of the hospice business



- Developing integrated services in cooperation with home massage, home nursing care, and home care businesses

Timeline



- We plan to open 19 facilities and expand 1 facility (1,021 beds) in FY23.
- Going forward, we will accelerate the formation of dominant areas in regions where we already have a presence mainly in the Tokyo metro area.

Recent Topics

Anjo, Ozone, Toyota	Accelerated expansion in Aichi
Kanazawa	First facility in Ishikawa

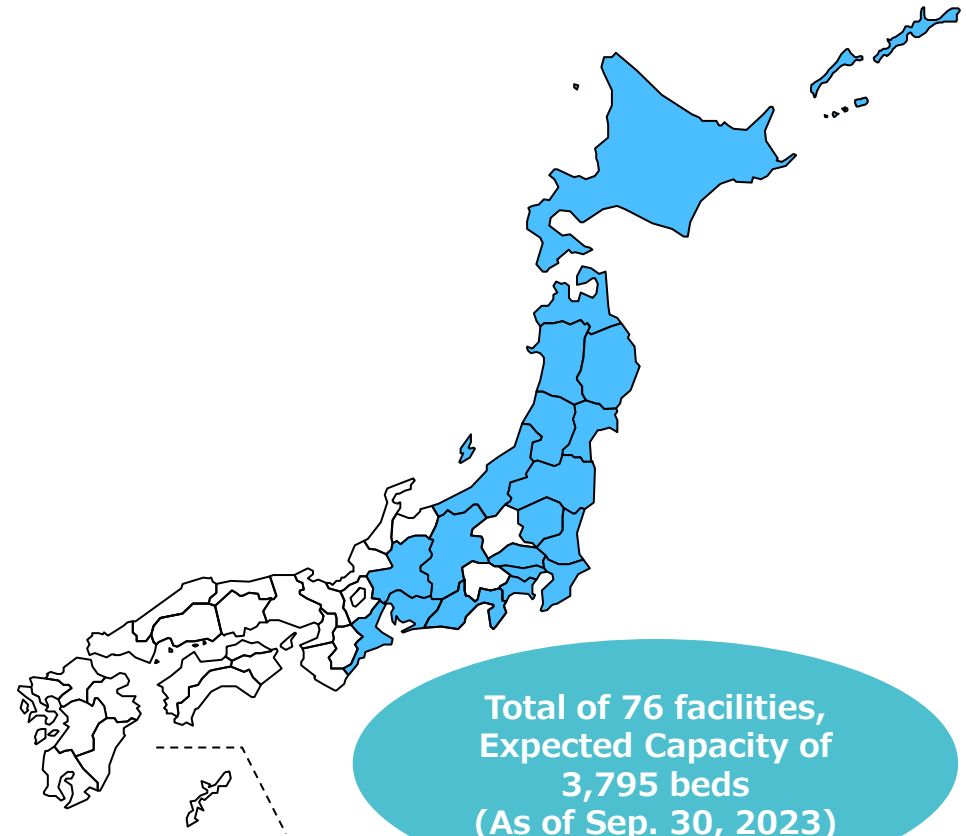
Opening Plans of FY23

Opening Date	Location	Total Beds ⁽¹⁾
Oct. 2022	Chiba ekimae, Higashi Sapporo, Yokohama Nakayama	171
Nov. 2022	Sengawa, Fuji	99
Dec. 2022	Kasukabe, Numazu	104
Feb. 2023	Tsurugashima	45
Apr. 2023	Fujisawa, Yagoto Minamiyama, Tsukuba II	154
Jun. 2023	Kuki, Sagamihara	99
Aug. 2023	Omori, Nishi Funabashi, Hachinohe (Expansion)	147
Sep. 2023	Shizuoka II, Sendai Yaotome, Hachioji, Anjo	202

Note:

1. Total beds is the sum of the capacities of multiple facilities.
2. The number of facilities and capacity as of Sep. 30, 2023 take into account the business transfer of Ishinkan Yokkaichi (capacity: 28 beds) scheduled in March 2023.

Ishinkan Nationwide

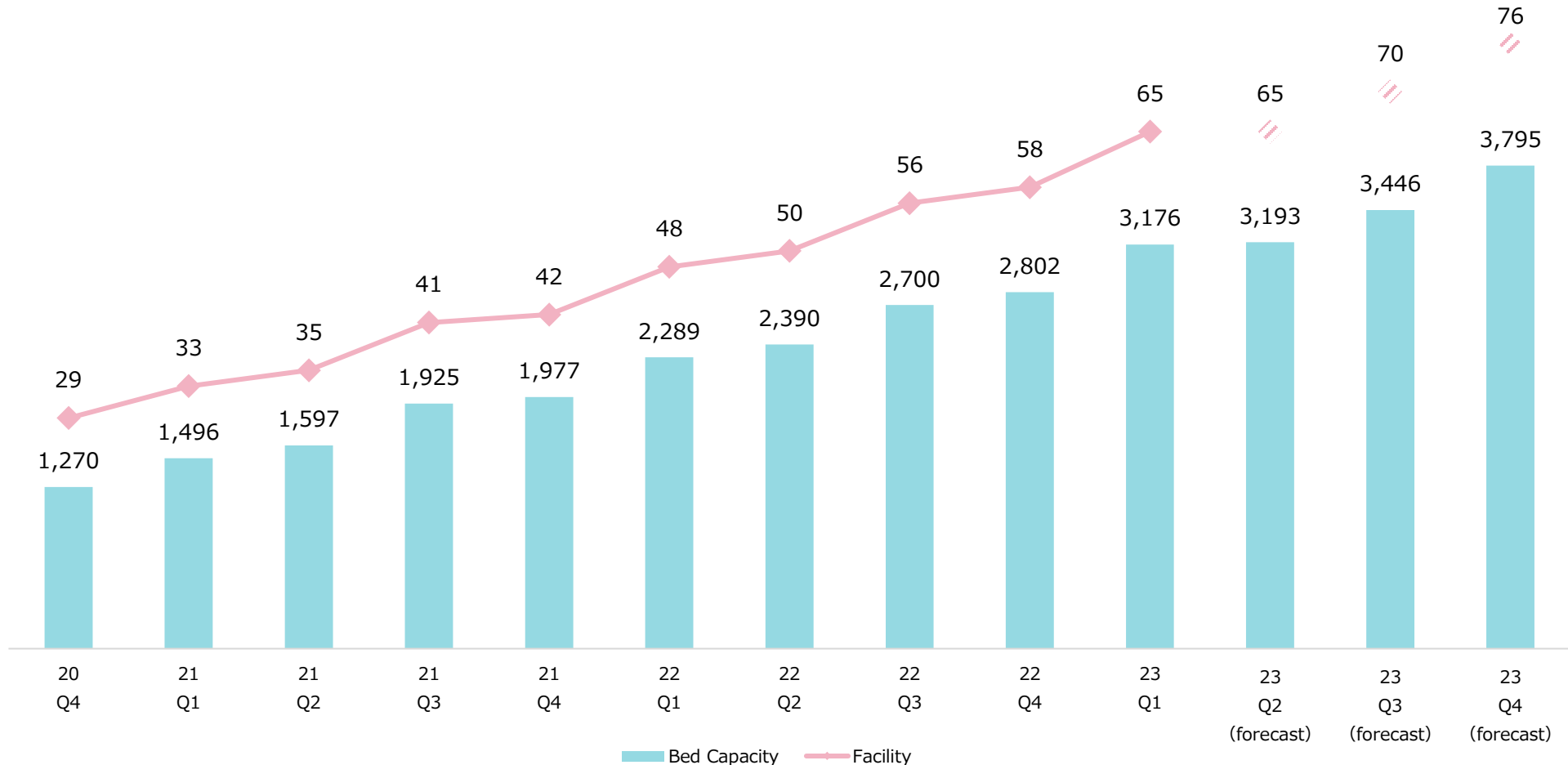


Quarterly Performance: Number of Facilities / Bed Capacity



Number of Facilities / Bed Capacity ⁽¹⁾

(Facilities / Beds)



Note:

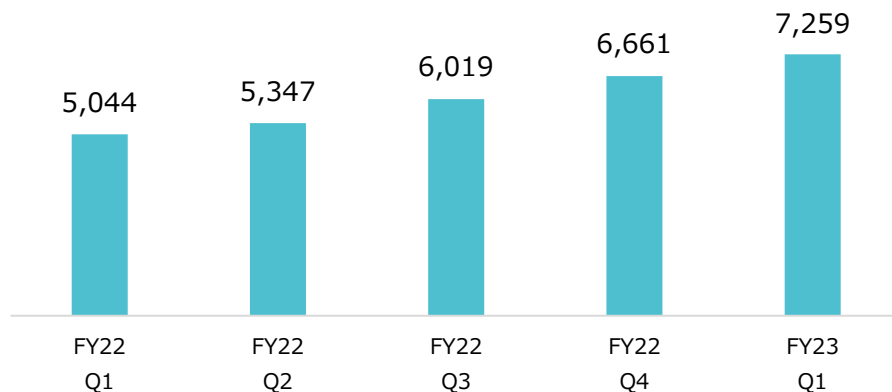
1. For details on the number of facilities / bed capacity of FY23, please refer to page 8.

Quarterly Performance: Key Financial Indicators

Quarterly Performance

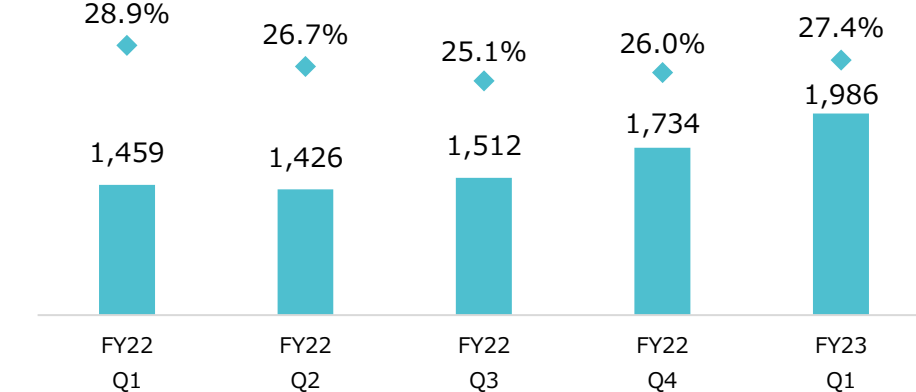
Net Sales

(JPY MM)

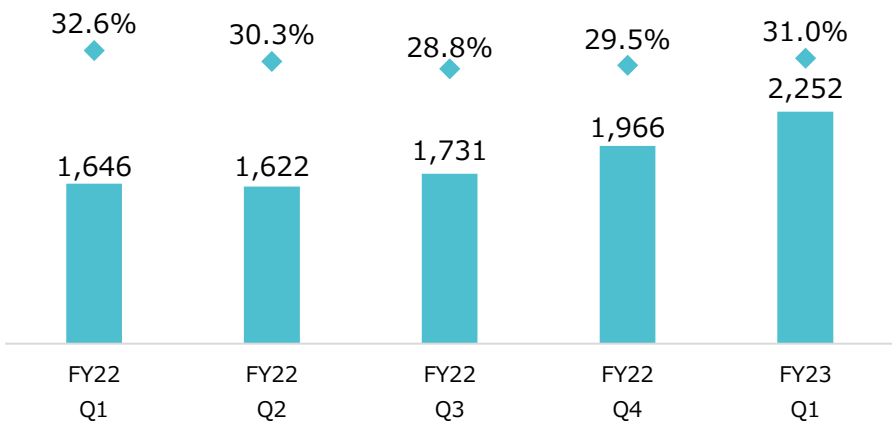


Operating Profit

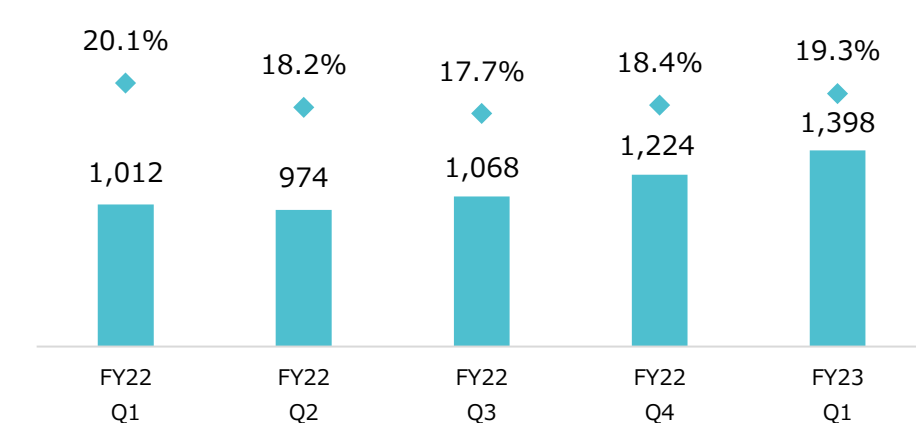
(JPY MM / %)



EBITDA



Net Profit

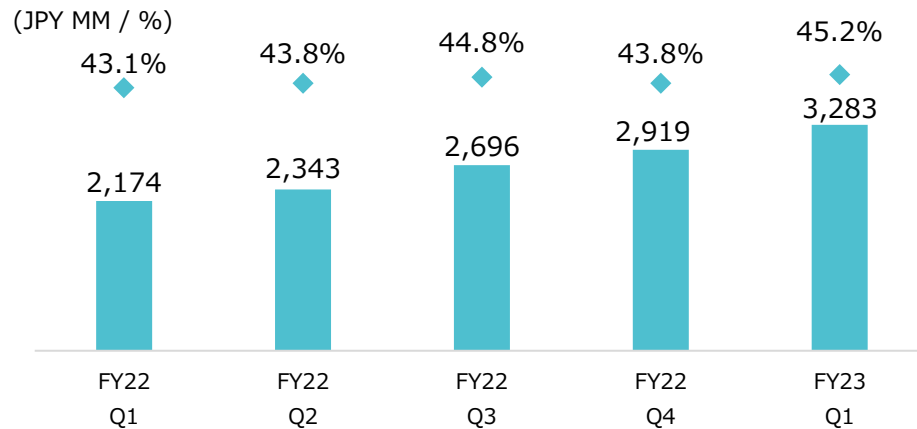


◆ : Percentage of Net Sales

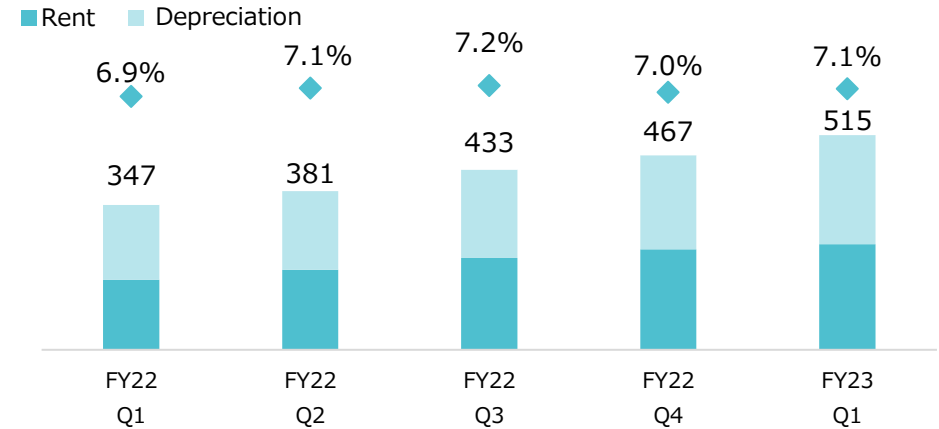
Quarterly Performance: Major Costs of Sales, SG&A Expenses

Quarterly Performance

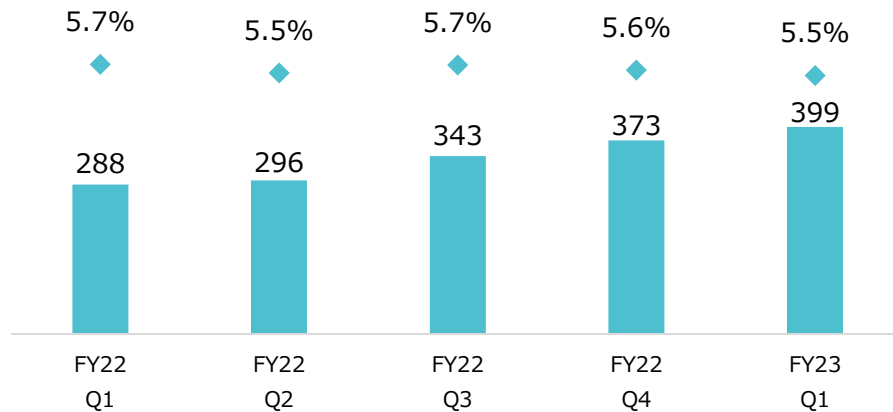
Personnel Expenses (Cost of Sales)



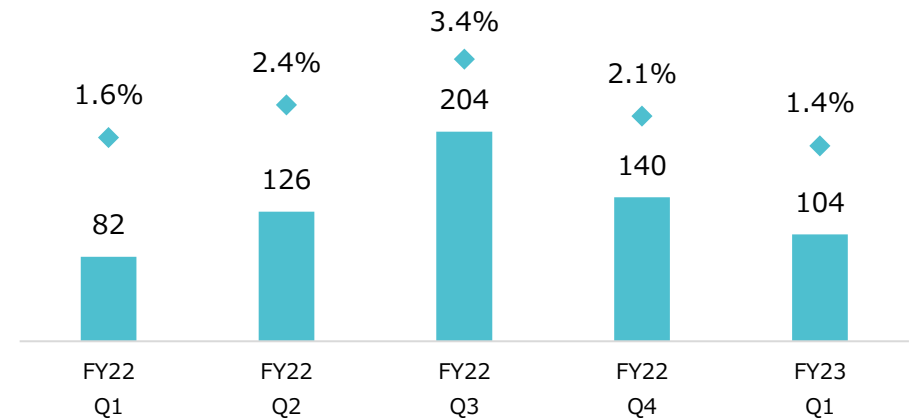
Rent & Depreciation (Cost of Sales)



Personnel Expenses (SG&A Expenses)



Recruiting Expenses (SG&A Expenses)



◆ : Percentage of Net Sales

Summary of Balance Sheet



Summary of Balance Sheet

(JPY MM / %)	FY21	FY22	FY23 Q1	vs. FY22
Assets	31,922	41,767	43,994	+5.3%
Cash and Deposits	11,192	11,342	10,378	(8.5%)
Buildings and Structures, Net	8,963	14,322	15,837	+10.6%
Liabilities	15,580	21,308	22,425	+5.2%
Borrowings	8,967	12,711	14,399	+13.3%
Net Assets	16,341	20,458	21,568	+5.4%
Equity Ratio	51.2%	49.0%	49.0%	+0.0pt



Appendix

Amvis 2025 Targets

(FY25) Number of facilities /
Bed capacity

127 facilities / 6,328 beds

FY23 (forecast): 76 facilities / 3,795 beds
FY22 (actual): 58 facilities / 2,802 beds

(FY25) Net sales

JPY 52.3bn

FY23 (forecast): JPY 30.6bn
FY22 (actual): JPY 23.0bn

(FY25) Operating profit

JPY 12.2bn

FY23 (forecast): JPY 7.8bn
FY22 (actual): JPY 6.1bn

(FY22–FY25) Net profit (CAGR)

25% or more

FY20–FY23 (forecast): 63%

Note:

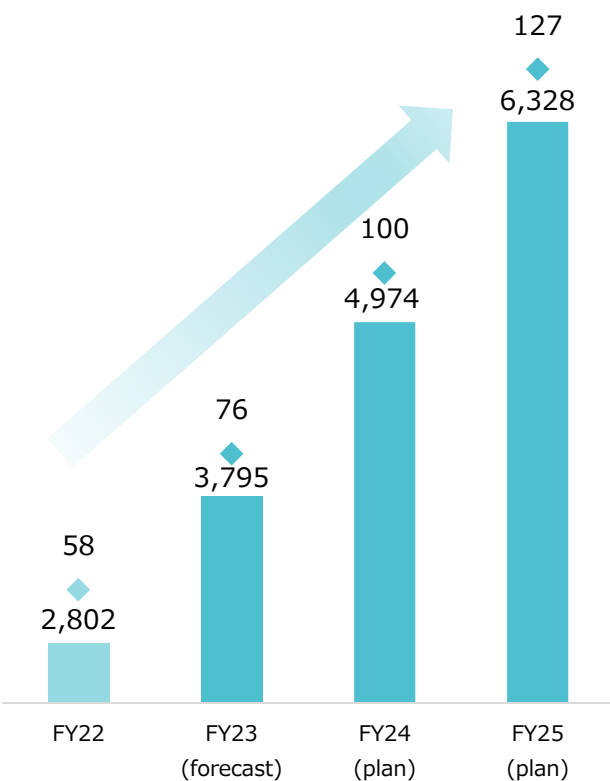
1. Amvis 2025 targets remain unchanged from the figures announced in November 2022.
2. For details on the number of facilities / bed capacity of FY23 (forecast), please refer to page 8.

Amvis 2025: Key Financial Indicators

- We will proactively open facilities in Eastern Japan not only in the Tokyo metro area, but also in regional cities.
- On the other hand, we expect the operating margin to decline slightly, due to an increase in the number of facilities in the Tokyo metro area and the inflation.

Number of Facilities / Bed Capacity

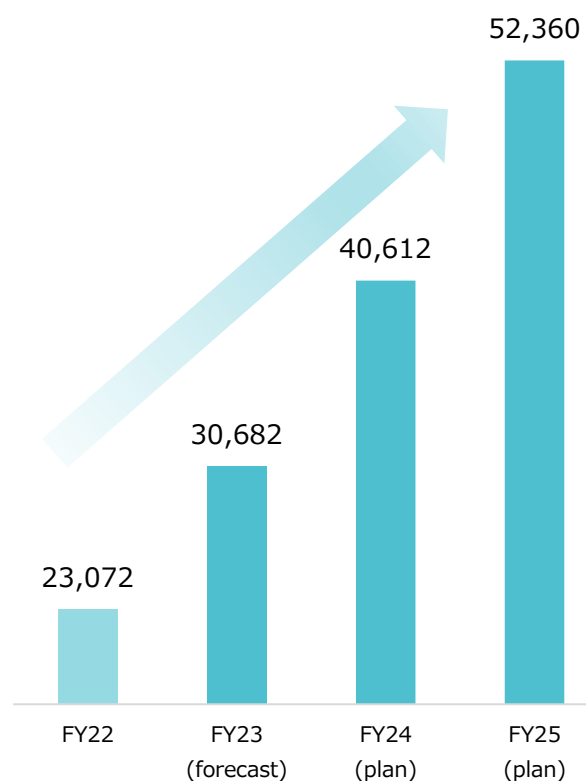
(Facilities / Beds)



■ Actual ■ New Three-Year Plan "Amvis 2025"

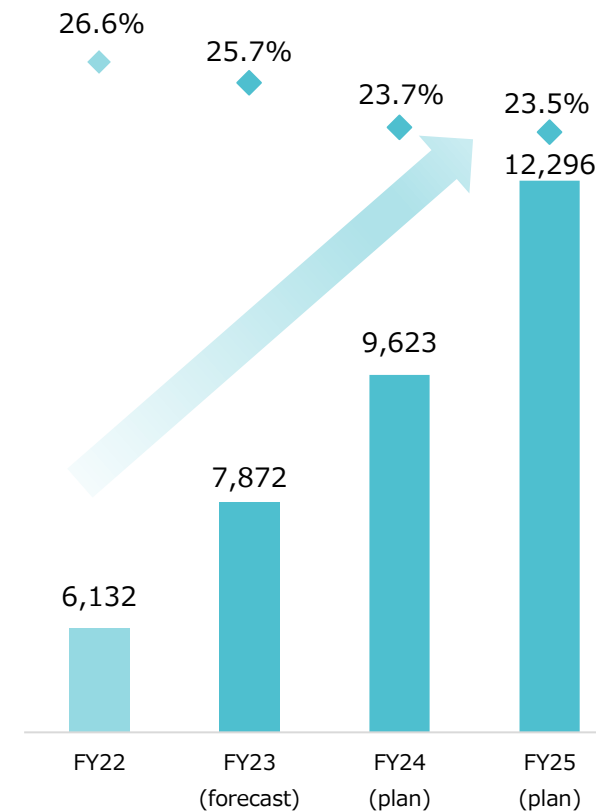
Net Sales

(JPY MM)



Operating Profit / Operating Margin

(JPY MM / %)



Note:

1. FY24 (plan) and FY25 (plan) remain unchanged from the figures announced in November 2022.
2. For details on the number of facilities / bed capacity of FY23 (forecast), please refer to page 8.

Three-Year Plan "Amvis 2025"

(JPY Bn)	FY21	FY22	FY23	FY24	FY25
	Full-Year	Full-Year	Forecast	Plan	Plan
Net Sales	15.3	23.0	30.6	40.6	52.3
<i>(Y/Y(%))</i>	+67.1%	+50.5%	+33.0%	+32.4%	+28.9%
Operating Profit	3.7	6.1	7.8	9.6	12.2
<i>(Operating Margin(%))</i>	24.7%	26.6%	25.7%	23.7%	23.5%
Net Profit	2.6	4.2	5.4	6.5	8.3
<i>(Y/Y(%))</i>	+112.0%	+62.9%	+26.2%	+20.8%	+27.8%

Shareholder Return Policy

Emphasizing Total Shareholder Return

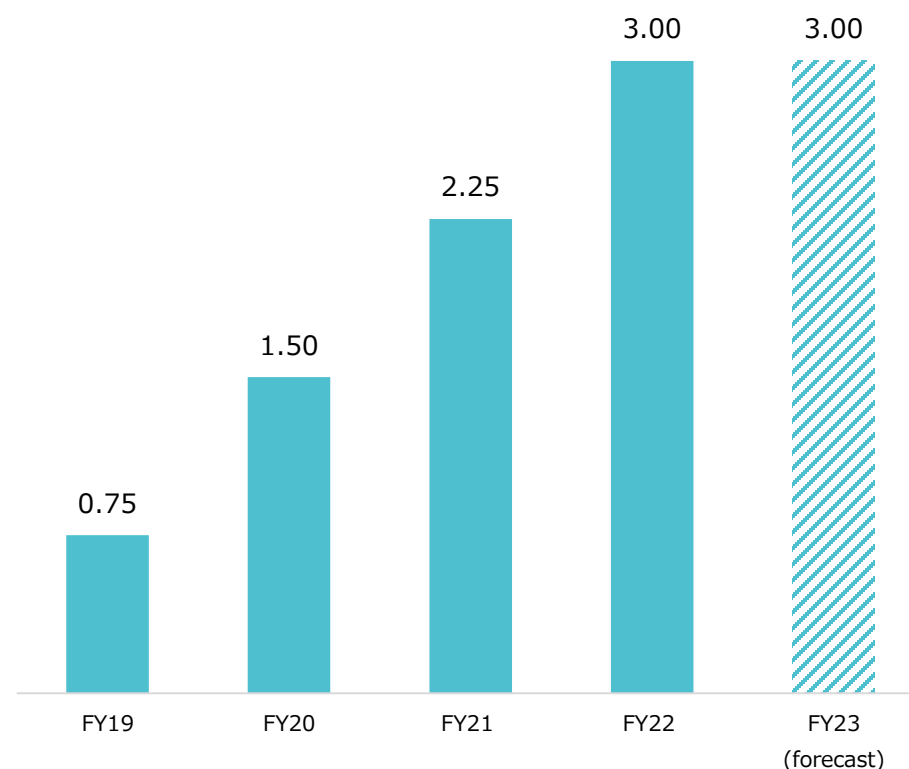
- In FY23, we expect to maintain dividends per share at the current level to prioritize the acceleration of growth.
- Over the medium to long term, we will focus on total shareholder return and plan to provide a stable yield, regardless of changes in growth stage.

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.

Dividends History and Forecast⁽¹⁾

(JPY)



Note:

1. Figures of dividends per share take into account stock splits implemented on April 1, 2020, January 1, 2022, and October 1, 2022.

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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