



**First Half Ended March 31, 2023**

# **Business and Financial Highlights**

Amvis Holdings, Inc.

May 15, 2023

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**1** **FY23 1H Financial Results Summary**

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

**3** **Appendix**

**4** **Company Overview**

## 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 and to enhance the medical and care system, which is the goal of the government.

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## **Changed market listing to the Prime market of the Tokyo Stock Exchange**

- ✓ On March 14, 2023, we listed on the Prime market, the top market of the Tokyo Stock Exchange, in an attempt to expand the investor base both in Japan and overseas.
- ✓ Due to the secondary offering by major shareholders implemented at the time of the change of market listing, stock liquidity has improved significantly, with daily trading volume exceeding JPY 1.0bn.

2

## **In addition to the development in Eastern Japan, centered on the Tokyo metro area, decided to expand into the Kansai area for the first time**

- ✓ We have already decided to open 7 new facilities in Tokyo during FY23 and FY24 1H, accelerating the formation of dominant areas in Tokyo and its metro area.
- ✓ Due to strong demand, in addition to expanding the existing facilities (Ishinkan Hachinohe and Ishinkan Mito), we have decided to open Ishinkan Toyonaka (Osaka prefecture, 75 beds), our first facility in Kansai area, in July 2024.

3

## **Accelerating the development of Ishinkan, which mainly accepts patients in terminal stage of cancer**

- ✓ We transferred the business of Ishinkan Yokkaichi, which targeted patients in the chronic stage of illness, to another care provider on March 1, 2023.
- ✓ We actively develop Ishinkan, which mainly accepts patients who are in the terminal stages of illness such as terminal cancer or those with high medical dependency and face difficulty in being accepted at other facilities, and provide responsible care until the end of their lives.

## FY23 1H Operating Performance

### 1H Net Sales (Actual)

**JPY 14.7bn**

### 1H Operating Profit (Actual)

**JPY 3.9bn**  
(Operating margin: 26.7%)

### Full-Year Net Sales (Forecast)

**JPY 30.6bn**  
(Progress toward full-year  
forecast: 48.0%)

### Full-Year Operating Profit (Forecast)

**JPY 7.8bn**  
(Progress toward full-year  
forecast: 50.0%)



# **1. FY23 1H Financial Results Summary**

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- The utilization rate at existing facilities was 87.5%, surpassing our target for stable operations (82-85%). The start of new facilities was also favorable. As a result, 1H performance progressing steadily against full-year forecasts.
  - ✓ Net sales: JPY 14.7bn (Progress toward full-year forecast: 48.0%)
  - ✓ Operating profit: JPY 3.9bn (Progress toward full-year forecast: 50.0%)
  - ✓ Net profit: JPY 3.0bn (Progress toward full-year forecast : 56.7%)
  
- Profit margins remained at the same level as in FY22 1H, despite the impact of inflation on prices of wood, energy resources, and goods used at the facilities. In addition, we decided to increase wages for long-service employees by approx. 3% from FY22.
  - ✓ Part of the funds for the wage increase will be provided by an additional incentive for improving treatment system. Our full-year forecast remains unchanged, as the increase in personnel expenses and the tax benefits associated with the wage increase have already been reflected in 1H results and full-year forecast.
  - ✓ Operating profit was unaffected, but we recorded JPY 0.4bn in extraordinary income related to the transfer of Ishinkan Yokkaichi in March 2023.
  
- In Q2, although we opened Ishinkan Tsurugashima in February, the number of facilities remained unchanged from the end of December due to the transfer of Ishinkan Yokkaichi in March. In 1H, we opened 8 new facilities as planned. As a result, we had 65 facilities (3,193 beds) as of March 31, 2023.
  - ✓ FY23: We plan to open 11 facilities in 2H, for a total of 19 facilities, and expand 1 facility during the FY23.
  - ✓ FY24: Including Ishinkan Toyonaka, the first facility in Kansai area, we have already announced plans to open 16 facilities, making steady progress to achieve the target of 23 facilities set in the three-year plan.

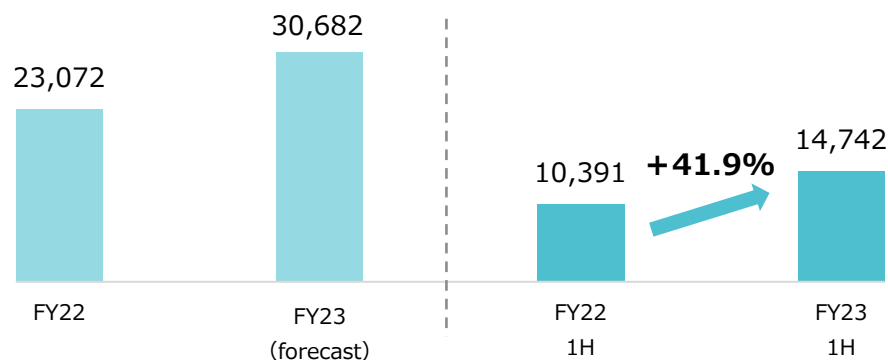
# Net Sales and Profit Rose Steadily as the Number of Facilities and Bed Capacity Increase

- Net sales and operating profit increased compared to 1H of FY22 as the number of bed capacity increased by 33%.
- Progress toward full-year forecast was favorable on net sales (48.0%) and operating profit (50.0%). Net profit progressed at a high rate (56.7%) due to the impact of extraordinary income.

## 1H Performance and Progress Toward FY23 Forecasts

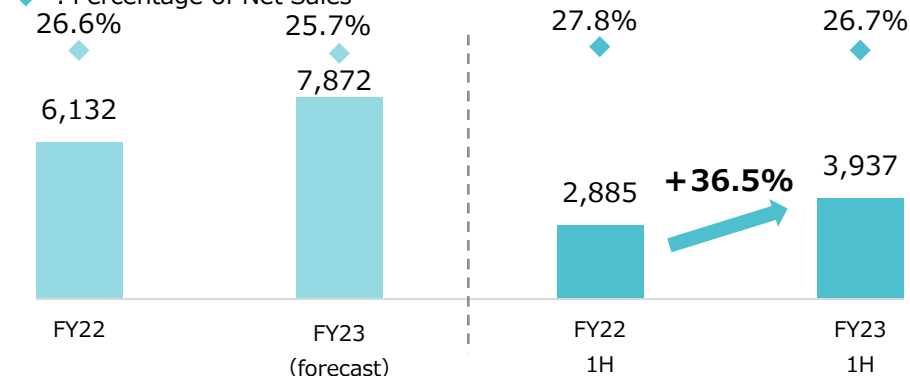
### Net Sales

(JPY MM / %)

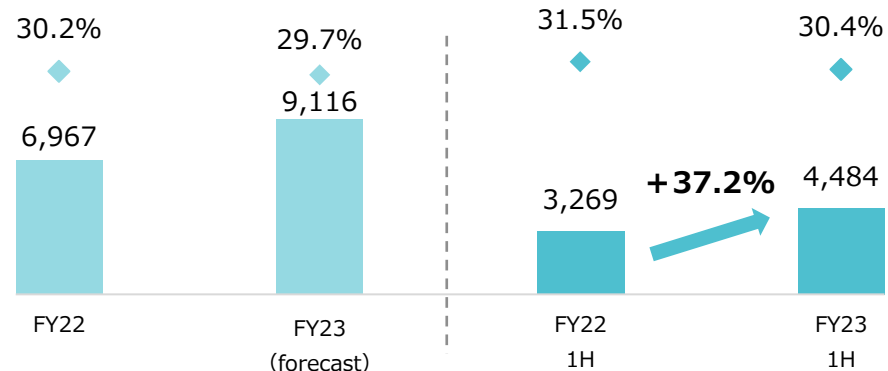


### Operating Profit

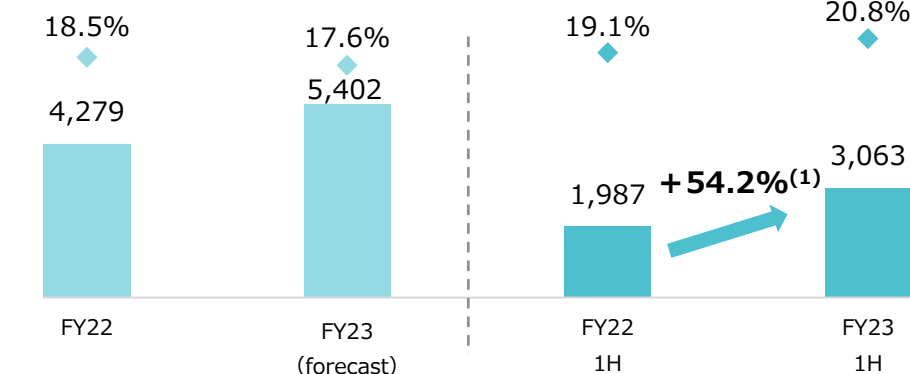
◆ : Percentage of Net Sales



### EBITDA



### Net Profit



Note:

1. Excluding extraordinary income / losses, the profits growth rate is 40.0%.

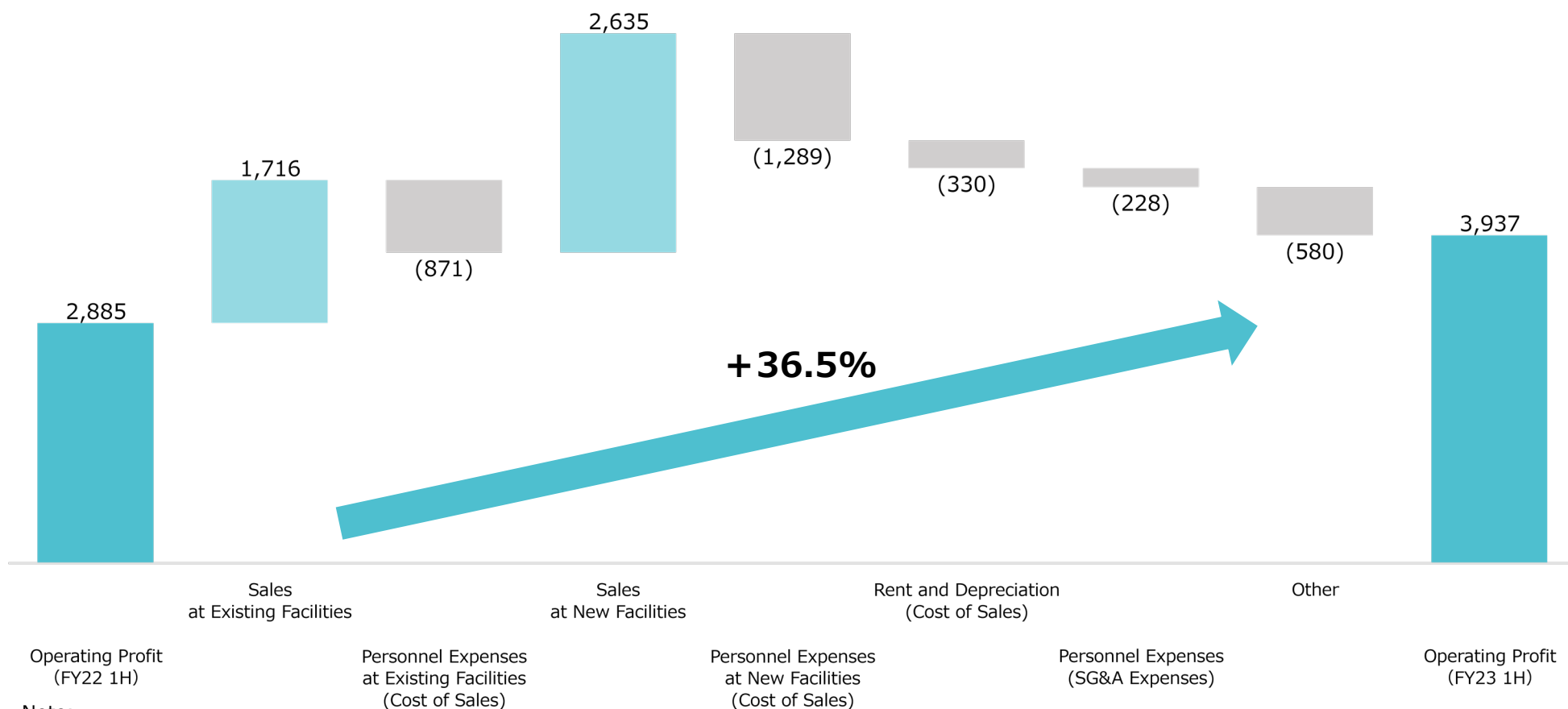


# Maintained Stable Utilization Rates at Both Existing Facilities and New Facilities

- We maintained stable utilization rates at existing facilities (87.5%) and new facilities (61.7%).<sup>(1)</sup>

## Operating Profit (FY22 1H – FY23 1H)

(JPY MM)



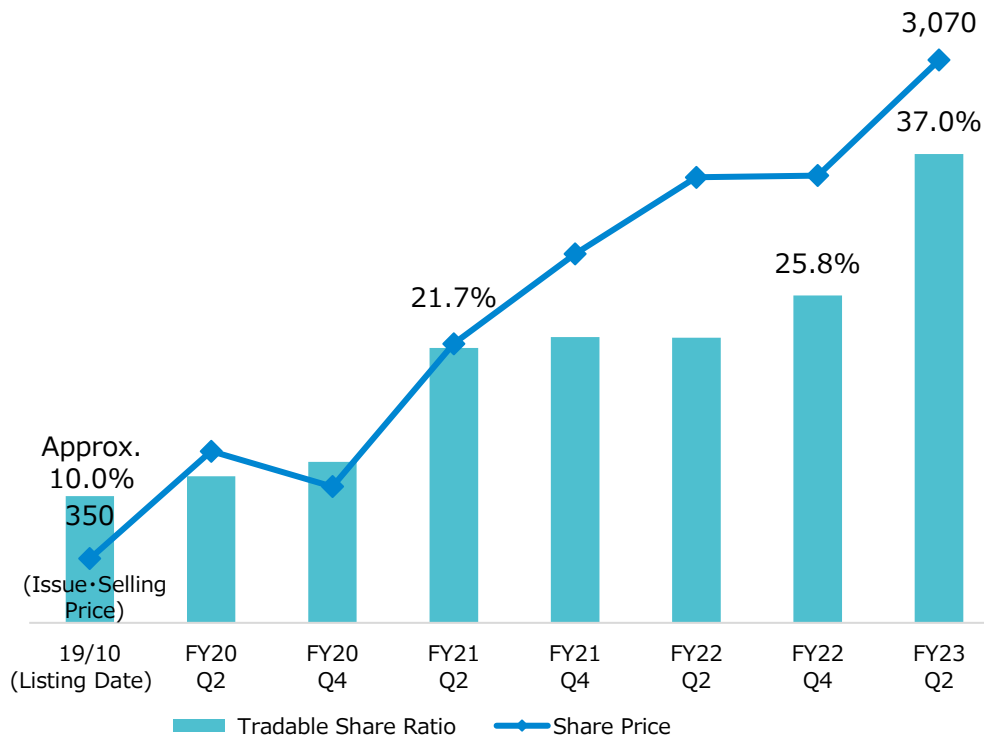
Note:  
1. New Facilities: Opened after 1H of FY22 (same applies on the following pages) / Utilization Rate: median

# Improved Stock Liquidity by Secondary Offering

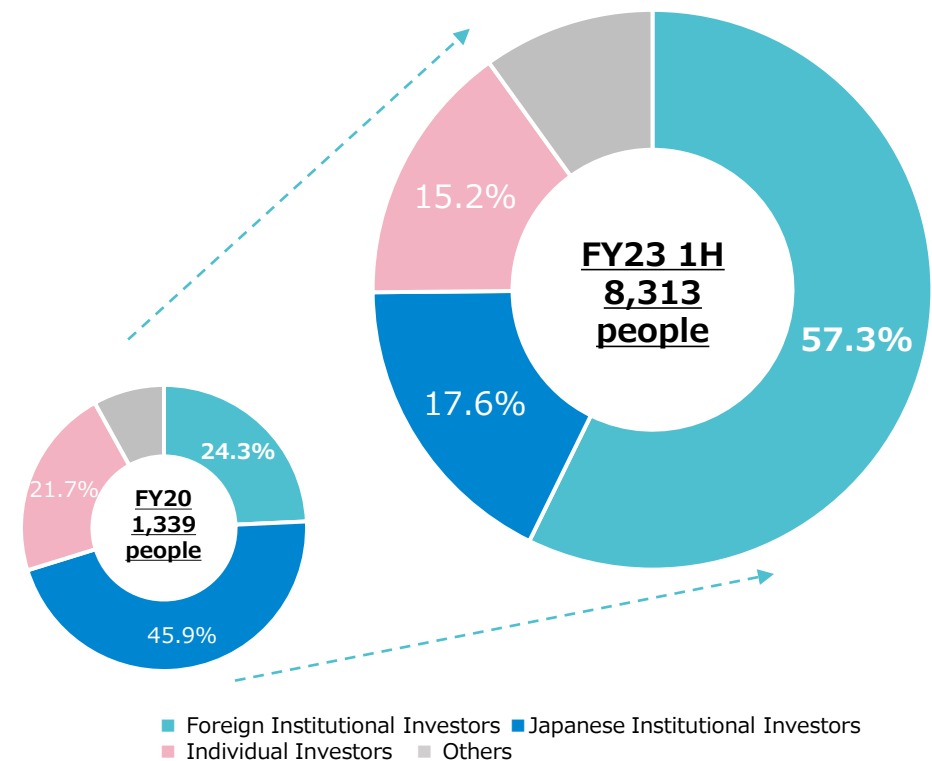
- We implemented a secondary offering to change the market listing to the Prime market in March 2023.
- The tradable share ratio improved significantly, and the number of shareholders also increased significantly, mainly individual investors and overseas investors.

## Tradable Share Ratio<sup>(1)</sup>

(JPY / %)



## Shareholder Composition<sup>(2)</sup>



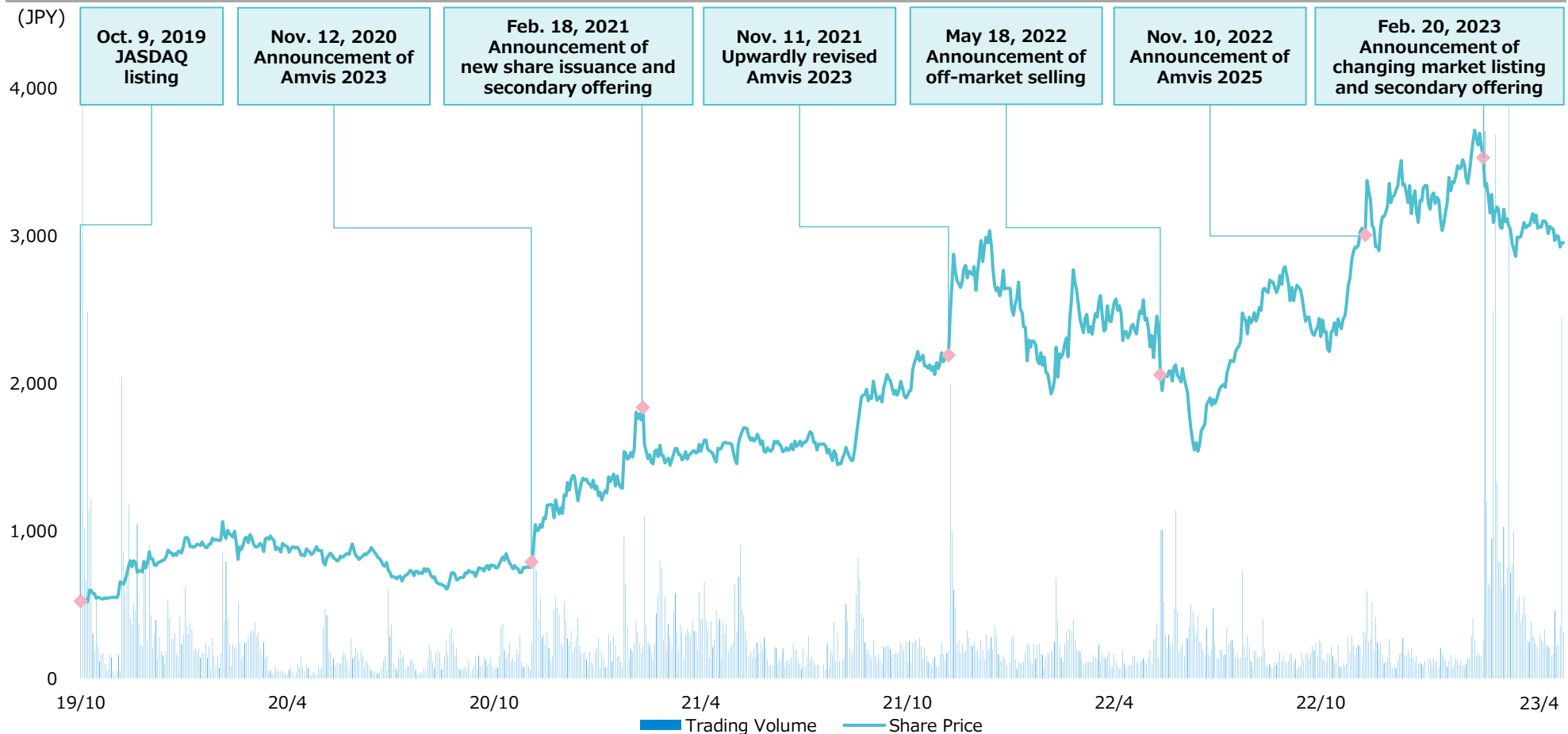
Note:

1. Figures are based on the latest register of shareholders as of the end of each quarter and reflect available information about transactions.
2. The number of shareholders and the shareholding ratio as of each point excluding directors, etc. (Directors and IDEA Capital) and treasury shares.

# Share Price and Trading Volume Since Listing

- Our share price remained steady following the announcement of FY22 full-year financial results and our three-year plan, "Amvis 2025."

## Share Price and Trading Volume Since Listing





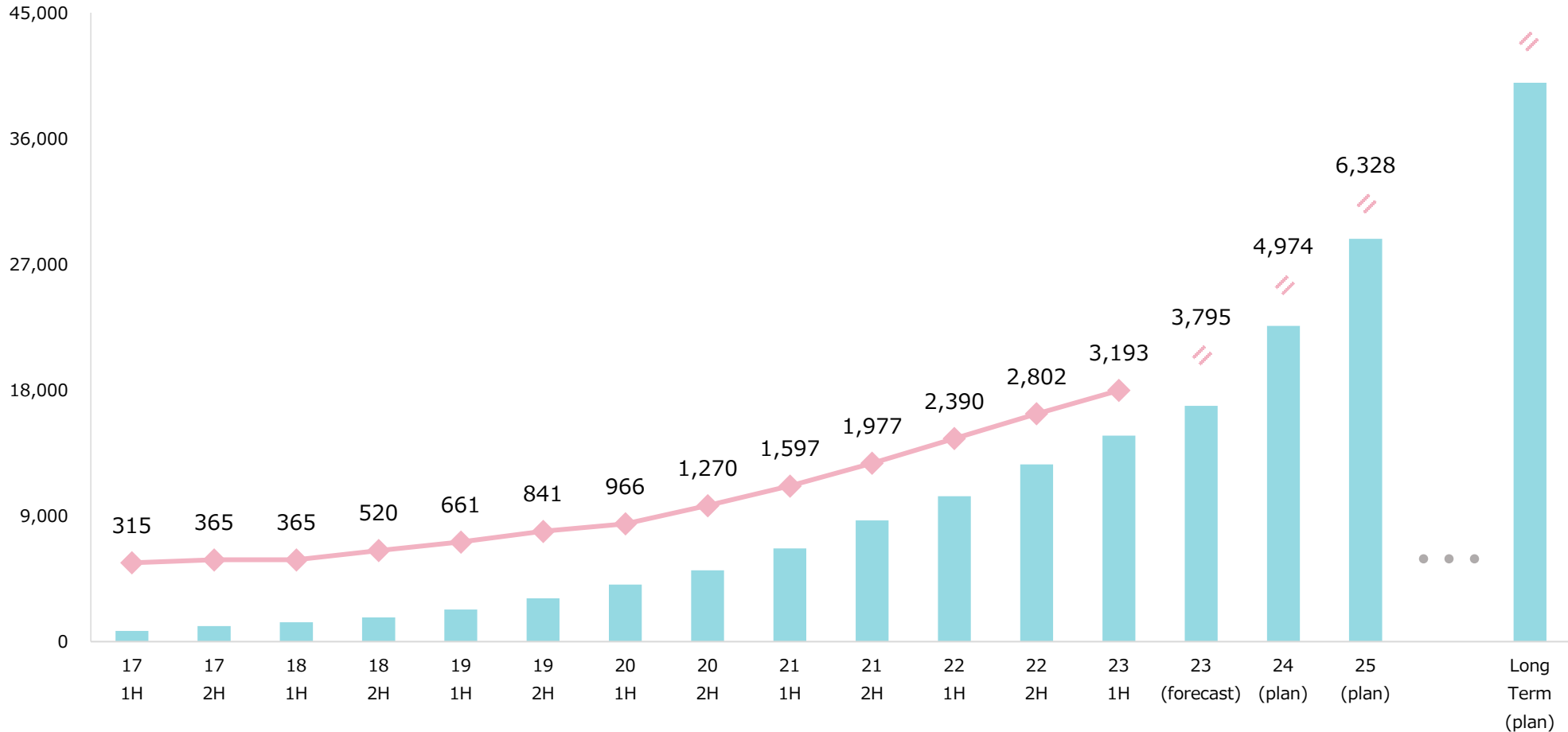
## **2. Achieving Our Medium- to Long-Term Growth**

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

## Amvis Holdings' Growth Trajectory

(JPY MM / Beds)



Note:

1. In March 2023, Ishinkan Yokkaichi (capacity: 28 beds) was transferred to another care provider.

## 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**

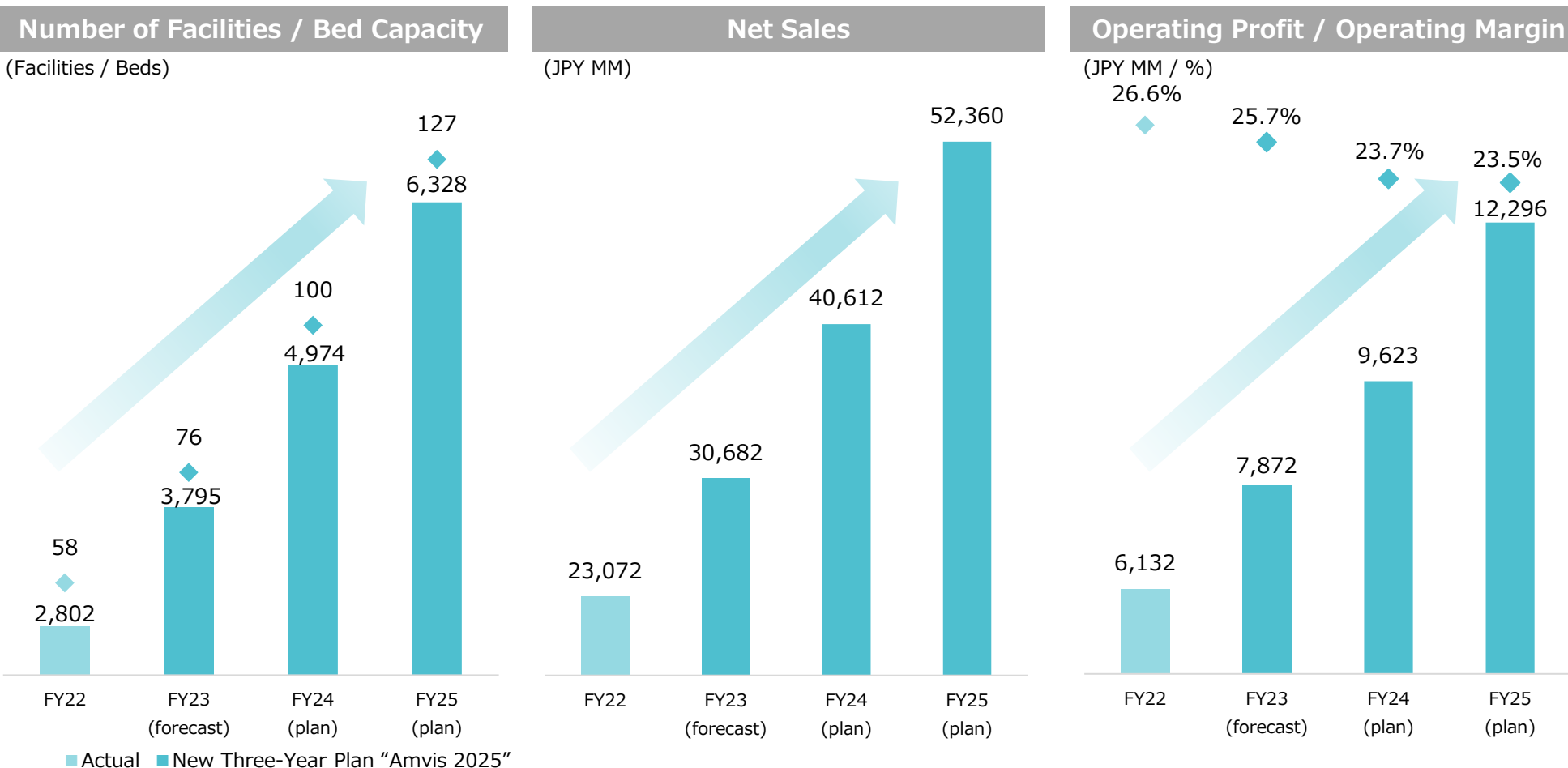
*FY20–FY23 (forecast): 63%*

Note:

1. In March 2023, Ishinkan Yokkaichi (capacity: 28 beds) was transferred to another care provider, but Amvis 2025 targets remain unchanged from the figures announced in November 2022.

# Amvis 2025: Key Financial Indicators

- We expect the operating margin to decline slightly, due to an increase in the number of facility openings in Tokyo and the inflation.
- In FY23, we will open 19 facilities as planned, though we transferred Ishinkan Yokkaichi in March.



Note:

1. In March 2023, Ishinkan Yokkaichi (capacity: 28 beds) was transferred to another care provider, but Amvis 2025 targets remain unchanged from the figures announced in November 2022.

## Three-Year Plan "Amvis 2025"

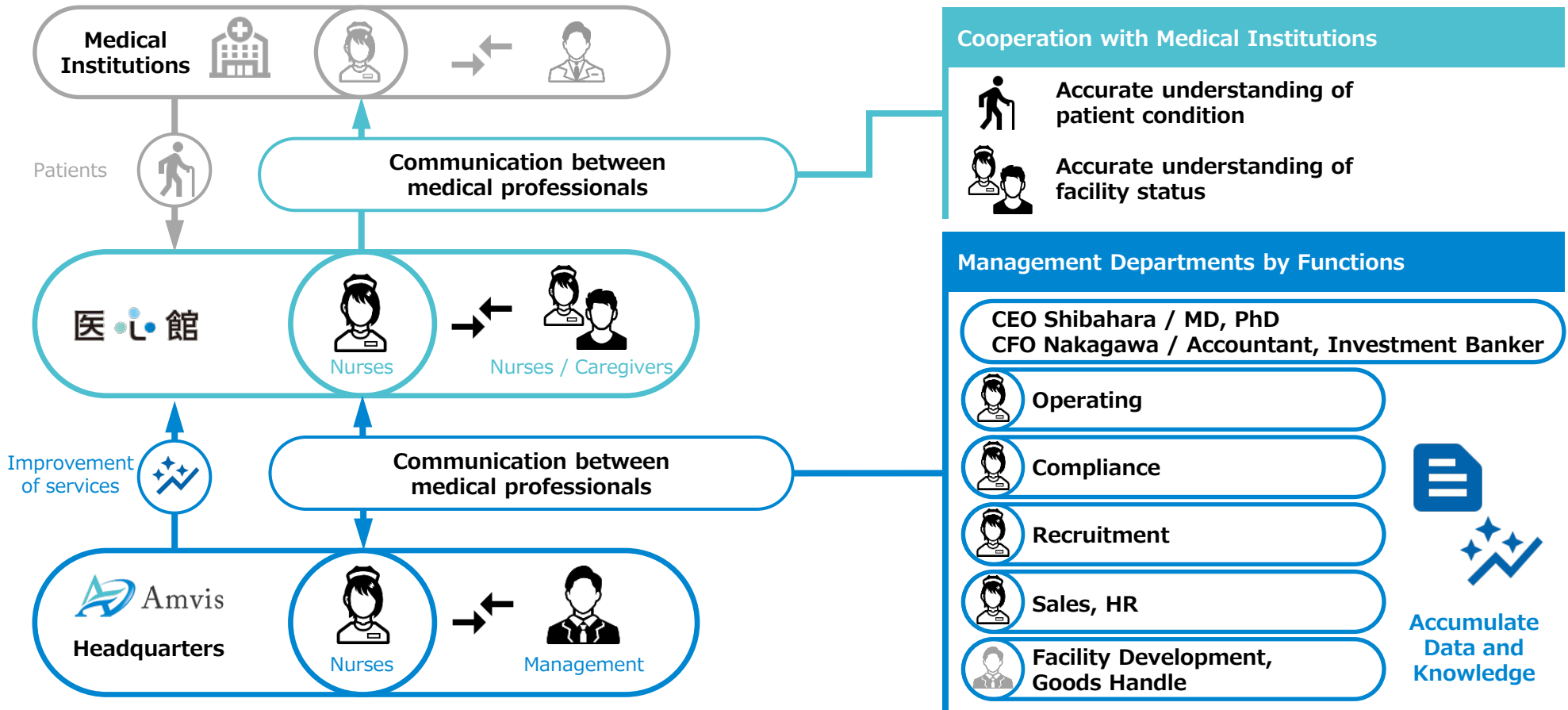
(JPY Bn)	FY21	FY22	FY23	FY24	FY25
	Full-Year	Full-Year	Forecast	Plan	Plan
<b>Net Sales</b>	15.3	23.0	30.6	40.6	52.3
<i>(Y/Y(%))</i>	+67.1%	+50.5%	+33.0%	+32.4%	+28.9%
<b>Operating Profit</b>	3.7	6.1	7.8	9.6	12.2
<i>(Operating Margin(%))</i>	24.7%	26.6%	25.7%	23.7%	23.5%
<b>Net Profit</b>	2.6	4.2	5.4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



# Improve Competitive Advantage by Establishment of a Headquarters-Focused Management System

- We accelerate growth while ensuring the quality of services by establishing a headquarters-focused management system, which centers on nurses.

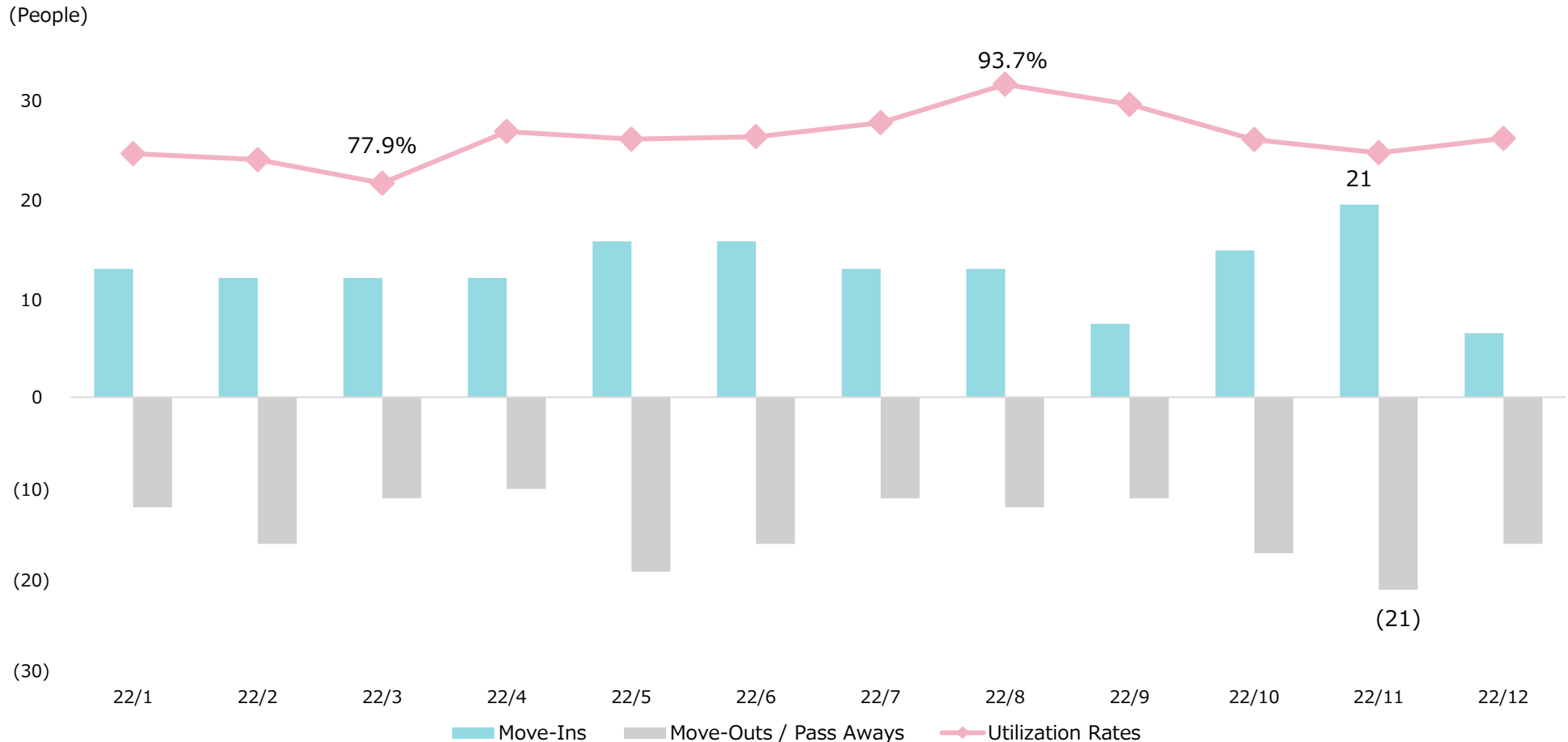
## Headquarters-Focused Management System



# Robust Nursing System to Operate Facilities in a Difficult Situation

- It is essential to have nurses who can respond flexibly to the fast-changing patient population and staff who are in charge of sales to continue to attract patients.
- The percentage of terminal cancer patients among new patients at facilities in Kanagawa prefecture, including Ishinkan Honatsugi, is approx. 90%.

## Monthly Move-Ins and Move-Outs (Ishinkan Honatsugi)



# Facility Opening Strategy: Accelerate Our Formation of Dominant Areas in Tokyo and Its Metro Area

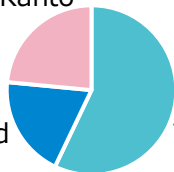
- We continue to form dominant areas in Tokyo and its metro area and expect the Tokyo metro area to account for about 60% of our facilities at the end of FY25.

## Expand Deployment Region

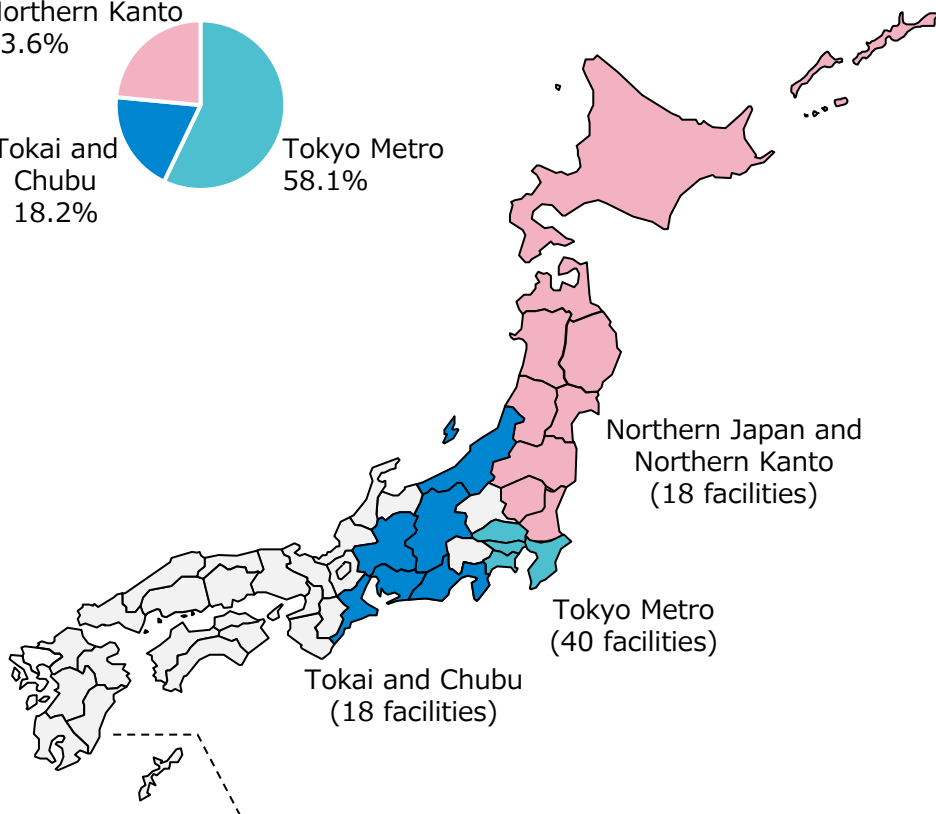
### Net Sales (FY23 1H)

Northern Japan and Northern Kanto  
23.6%

Tokai and Chubu  
18.2%



Tokyo Metro  
58.1%



Northern Japan and Northern Kanto  
(18 facilities)

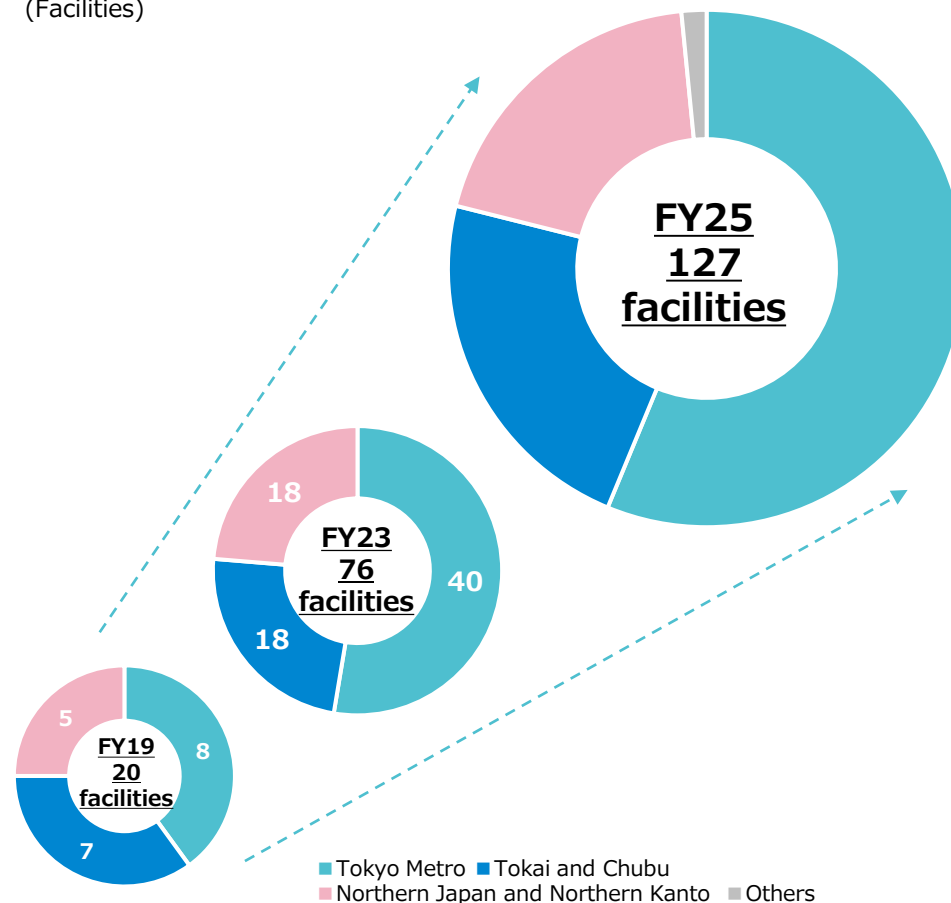
Tokyo Metro  
(40 facilities)

Tokai and Chubu  
(18 facilities)

Note:  
1. Number of facilities is as of September 30, 2023 (total: 76 facilities)

## Number of Facilities by Region

(Facilities)



■ Tokyo Metro ■ Tokai and Chubu  
■ Northern Japan and Northern Kanto ■ Others

# Facility Opening Strategy: Expansion into Kansai Area Following Formation of Dominant Areas in the Tokyo Metro / Chukyo Areas

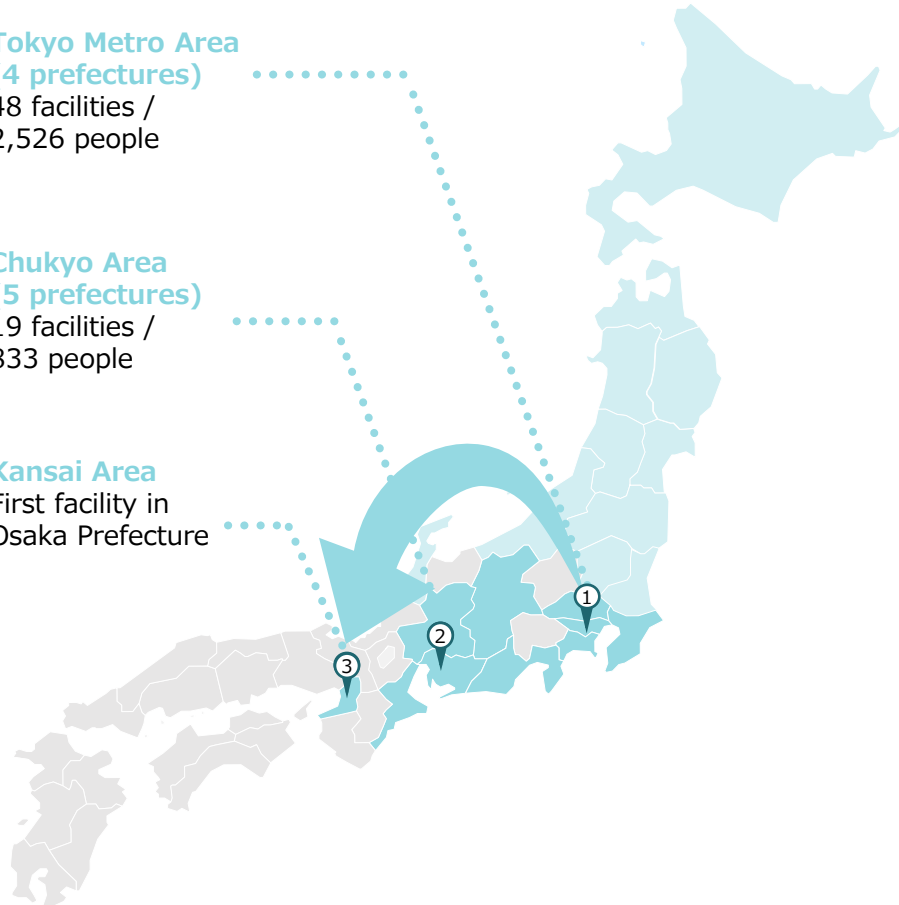
- In addition to forming dominant areas in Tokyo and its metro area, we will accelerate the formation of dominant areas in Chukyo, mainly in Aichi and Shizuoka.
- We decided to open Ishinkan Toyonaka (Toyonaka, Osaka Prefecture) in July 2024, the first facility in Kansai.

## Leading up to Kansai Expansion

**Tokyo Metro Area**  
(4 prefectures)  
48 facilities /  
2,526 people

**Chukyo Area**  
(5 prefectures)  
19 facilities /  
833 people

**Kansai Area**  
First facility in  
Osaka Prefecture



1

### Formation of Dominant Areas in the Tokyo Metro Area

- Steady increase in the number of facilities in Tokyo and Chiba prefectures, in addition to Kanagawa and Saitama prefectures where we had already formed dominant areas
- In addition, expanded into Hokkaido and all prefectures in the Tohoku area, and into most of Eastern Japan

2

### Formation of Dominant Areas in the Chukyo Area

- In Aichi, already opened/plans to open 4 facilities during 2023: Yagoto Minamiyama in April, and Anjo, Ozone, and Toyota in September to November
- In Shizuoka, already opened/plans to open 6 facilities: Hamamatsu in May 2021 and Shizuoka, Fuji, Numazu, Shizuoka II, and Fujieda after June 2022

3

### Expansion into the Kansai Area

- Decided to open the Ishinkan in Toyonaka, the first facility in the Kansai area
- With Ishinkan Toyonaka as a foothold, planning to accelerate the expansion in Western Japan, including the Kansai area

Note:

1. The number of facilities and bed capacity are based on the facilities for which we have already announced the decision to open as of May 15, 2023.

# Facility Opening Strategy: Characteristics in Tokyo, Metropolitan Area and Regional Cities

Reference Indicators	Market Size The average annual number of cancer deaths per prefecture <sup>(2)</sup>	Development Costs / Rent Rent fee for our facilities per room <sup>(3)</sup>	Nurse Recruitment The average number of employed nurses per prefecture <sup>(4)</sup>	Number of Facilities The number of Ishinkan facilities as of September 30, 2022	Amvis 2025
<p>Tokyo</p> <p>34,341 people</p> <p>JPY 118,330</p> <p>106,911 people</p> <p>5 facilities</p>	<p>Accelerate the pace of openings by prioritizing market share expansion (15-20 facilities / 3 years)</p>				
<p>Metropolitan Area<sup>(1)</sup></p> <p>19,208 people</p> <p>JPY 71,834</p> <p>55,436 people</p> <p>26 facilities</p>	<p>Continue to open at the same pace as before (50-55 facilities / 3 years)</p>				
<p>Regional Cities<sup>(1)</sup></p> <p>5,454 people</p> <p>JPY 48,076</p> <p>21,039 people</p> <p>27 facilities</p>					

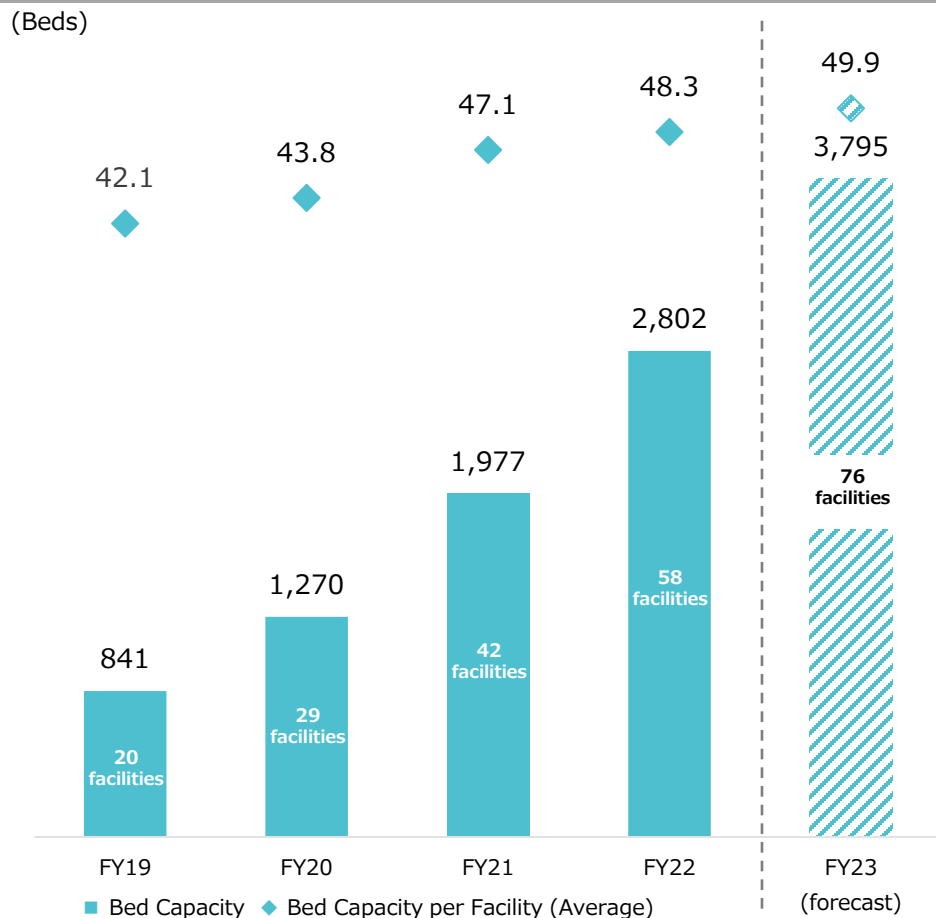
Note:

1. Metropolitan Area: Saitama, Chiba, Kanagawa, Aichi, Kyoto, Osaka, Hyogo / Regional Cities: Prefectures excluding Tokyo and Metropolitan Area
2. The sum of the number of cancer deaths in each area (Ministry of Health, Labour and Welfare "Vital Statistics (2021)") / The number of prefectures in each area
3. Average rent fee per room in each area disclosed on our website (as of September 30, 2022)
4. The total number of registered nurses and assistant nurses in each area (The Japanese Nursing Association "Nursing Statistics (2021)") / The number of prefectures in each area

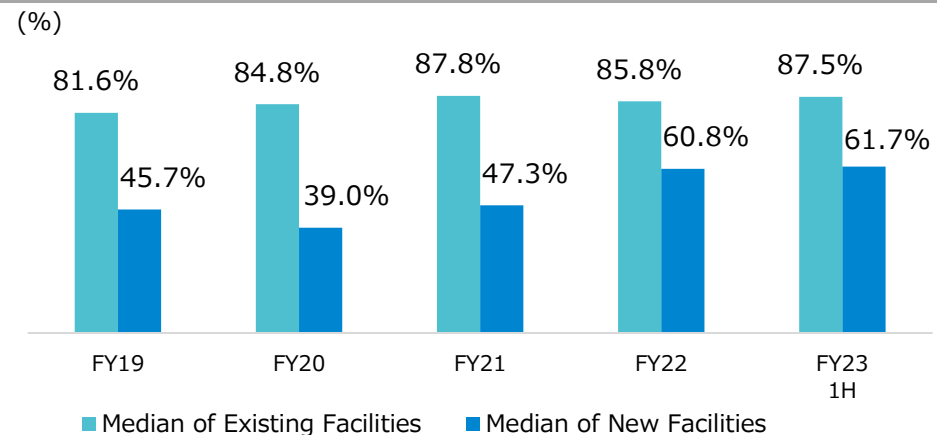
# Facility Opening and Operating Strategy: High Utilization Rate through Strong Marketing and Operational Capabilities

- The average bed capacity per facility will be at about 50 beds, and we expect the utilization rate for stable operation to be 82–85%.
- Among about 400,000 annual cancer patients, Ishinkan accepts about 5,000 new patients per year.<sup>(1)</sup>

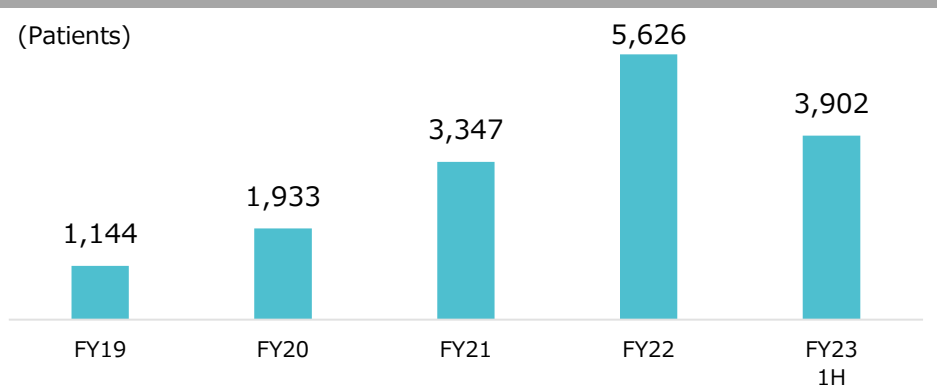
## Number of Facilities / Bed Capacity



## (Existing · New Facilities) Utilization Rate



## New Patients



Note:  
1. Calculated assuming the ratio of cancer patients among new patients to be 70% (same applies on the following pages)

# 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, with payback within 5 years.

## From Project Cultivation to Opening

### Up to 2 years before: Commence market survey in candidate regions

- Conduct surveys of hospice demand, taking medical areas, demographics, and medical resources into account.
- Build trust with hospitals and physicians around facilities.

### From 2 years to 1 year before: Conduct land and building surveys

- Make an overall decision on the project, taking into account such factors as location, site area, flow line, opening method, and investment amount.
- Decide opening location, considering occupancy and recruiting.

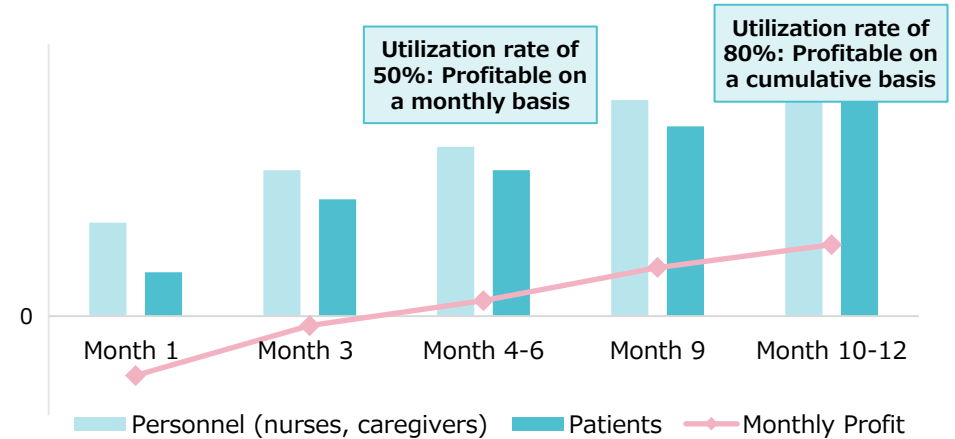
### From 1 year to 6 months before: Announce opening and begin construction

- Once decision to open is relatively certain, make announcement.
- Following the announcement, begin recruiting with an eye toward opening.

### 3 months before: Commence pre-launch sales activities

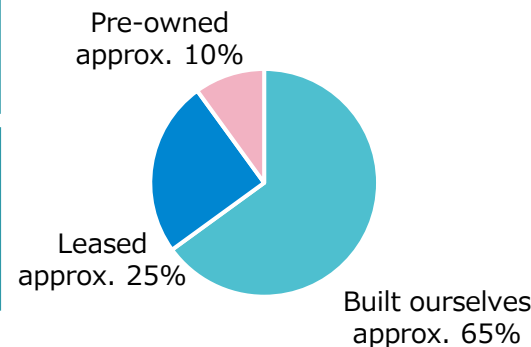
- Step up full-fledged marketing to hospitals, begin promoting occupancy.
- Prepare for opening, with collaboration from supporting staff from headquarters and other facilities.

## From Opening Stable Operation (Base Case)

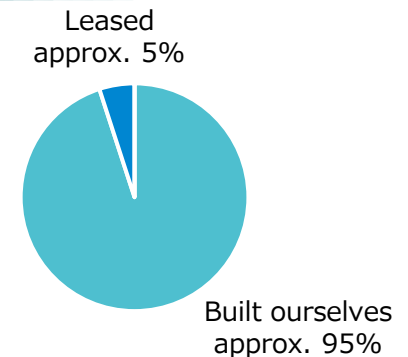


## Facility Open Methods

### Overall



### Opened in FY23



Opening

# Recruiting Strategy: Continued Carefully Selected Recruitment of Nurses and Caregivers



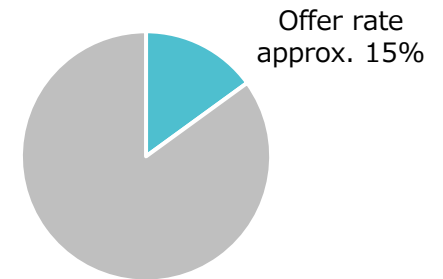
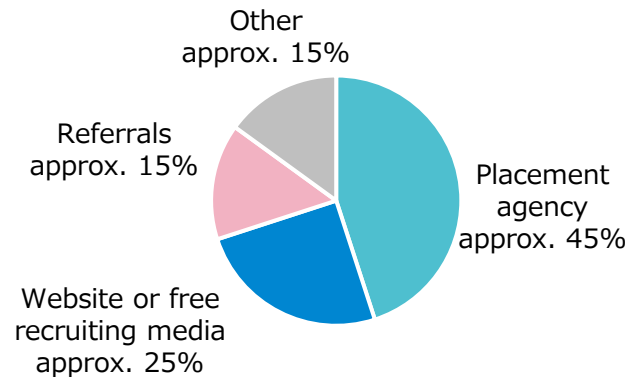
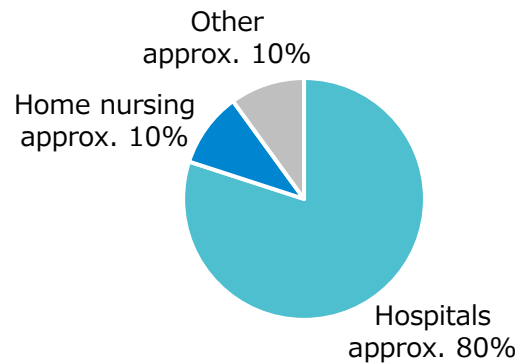
- We have been successful in recruiting talented and proactive people by offering some of the highest salaries in the industry and providing rewarding work experience that hospitals and other care facilities do not offer.
- We do not hire temporary nurses and caregivers. For caregivers, we do not use placement agencies.

Prior Workplaces by Job Type

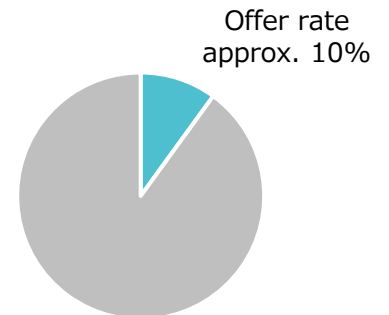
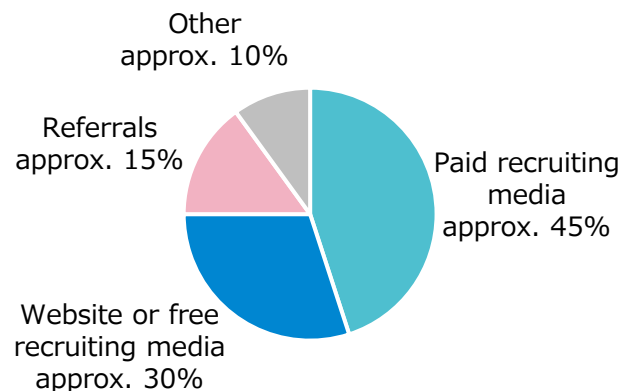
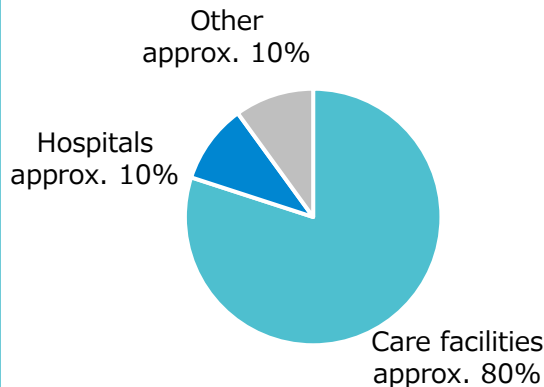
Hiring Routes by Job Type

Offer Rate by Job Type

Nurses



Care givers



Note:  
1. As of the latest date / Offer rate indicates the percentage of job offers to all applicants.

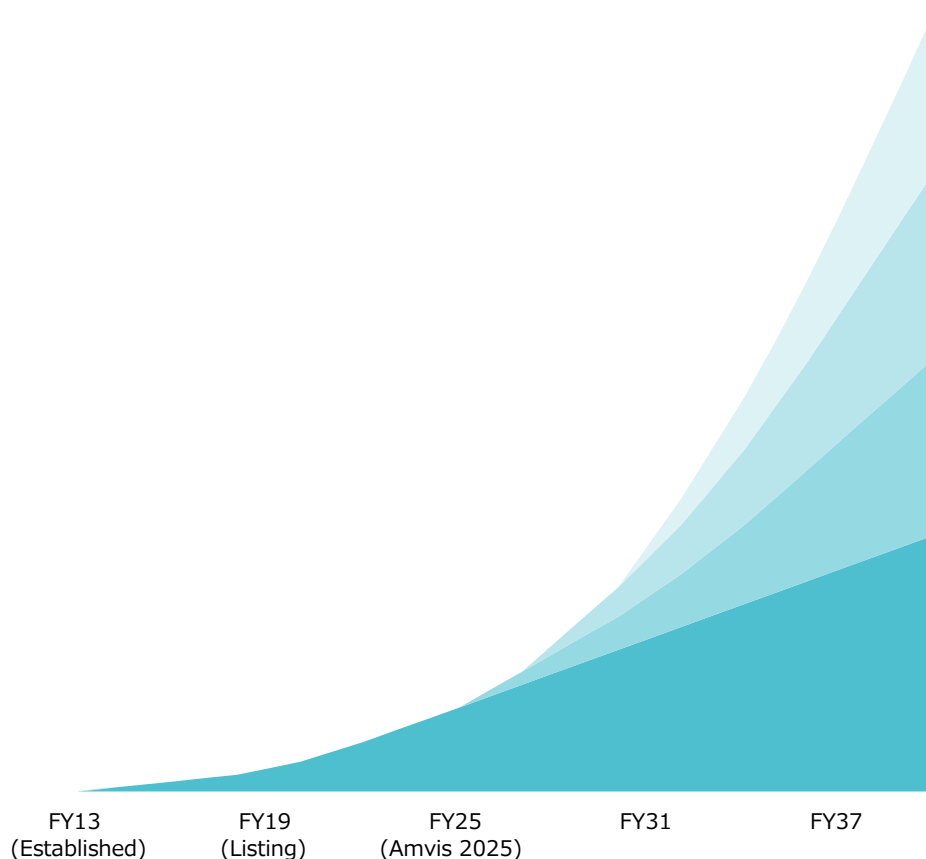


# Beyond 2026: Ishinkan Business + Regional Healthcare Revitalization Project



- We plan to expand the scale of the Ishinkan business by expanding the deployment region and the base of patients.
- We aim to expand into related businesses, including comprehensive support for medical institutions, utilizing the know-how acquired through the operation of Ishinkan.

## Medium- to Long-Term Growth Strategy



**Building a Business  
Not Dependent on Insurance Fees**

**Development of the Regional Healthcare  
Revitalization Project**

**Expansion Deployment Region  
and the Base of Patients (Including M&A)**

**Expansion of Existing Ishinkan Business**



## 3. Appendix

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## **The Market Has Been Growing Supported by Social Issues**

- ✓ Ishinkan perform a complementary role for palliative care under the circumstances of the nationwide shortage of palliative care beds.
- ✓ 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 of Difficult Facilities**

- ✓ We established an operational structure as platform of home healthcare with outsourcing physician's function, mainly operated by nurses.
- ✓ Well-managed operation of facilities in an extremely difficult situation where about 10-15 people pass away per facility in a month.

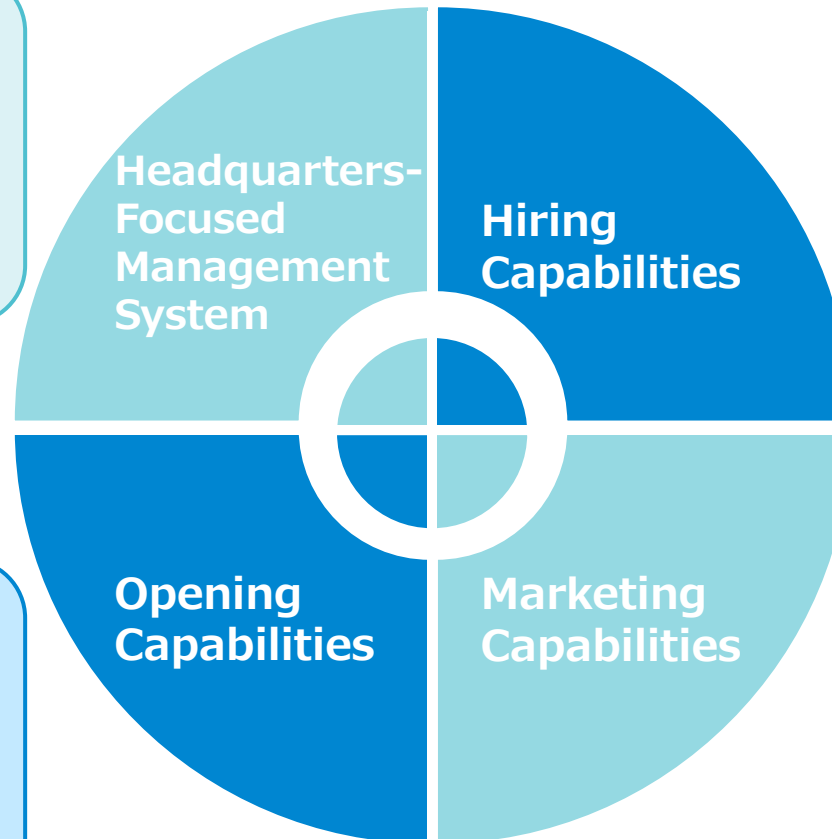
3

## **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.

## Thorough Efforts to Strengthen and Enhance the Operating Structure

- Establishment of a headquarters-focused management system without area managers and head of facility
- Concentration of primary corporate functions at headquarters (marketing, sales management, recruiting, human resources administration, consumables management)



- Not hiring temporary nurses and caregivers
- Caregivers hired directly, rather than through placement agencies

- Careful site selection two years prior to opening based on market survey and other factors
- Conduct surveys of demand, local hospitals, physicians and difficulties in recruiting

- Most patients referred by medical professionals, with only a few through referral agencies
- Despite COVID-19, maintained and improved high utilization rates

- 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.

## Opening Plans from Jan. to Sep. 2023

Opening Date	Location	Total Beds <sup>(1)</sup>
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

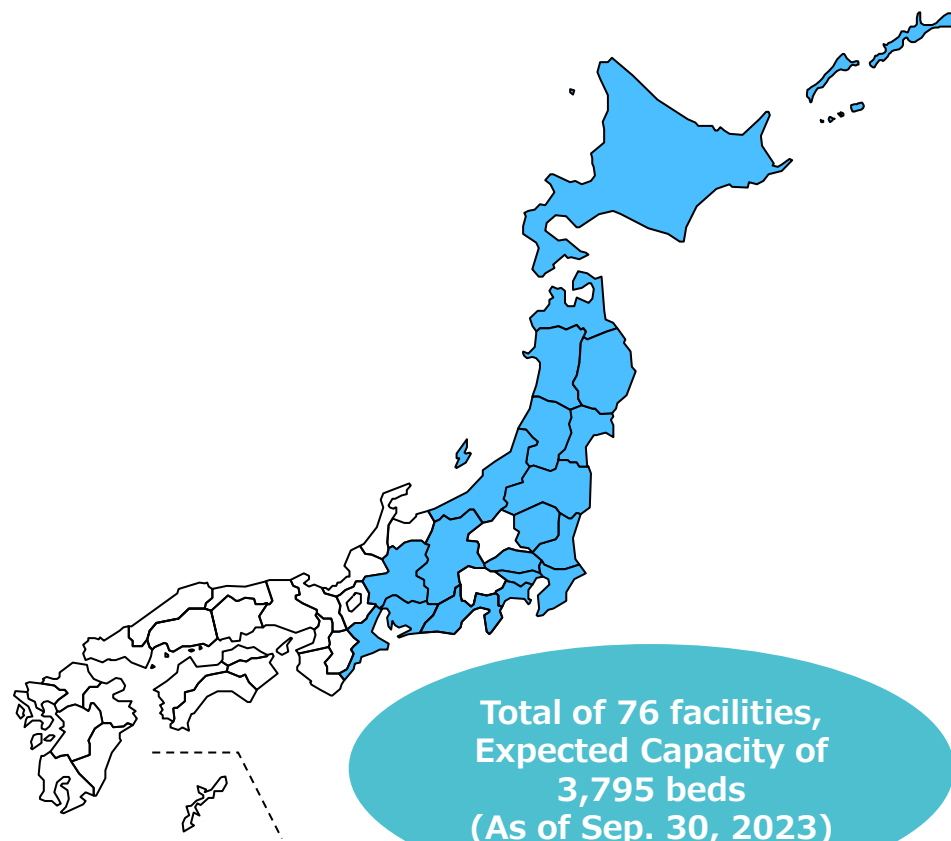
## Opening Plans of FY24

Opening Date	Location	Total Beds <sup>(1)</sup>
Oct. 2023	Oimachi	59
Nov. 2023	Ozone, Kanazawa, Toyota, Mito (Expansion)	173
Dec. 2023	Kotoni, Tajimi	101
Feb. 2024	Nishi Eifuku, Nishi Ogikubo, Minami Koshigaya	158
Mar. 2024	Sakura, Mejiro	93
Apr. 2024	Kumagaya, Fujieda	98
May 2024	Ogaki, Ryogoku	101
Jul. 2024	Toyonaka	75

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) implemented in March 2023.

## Ishinkan Nationwide

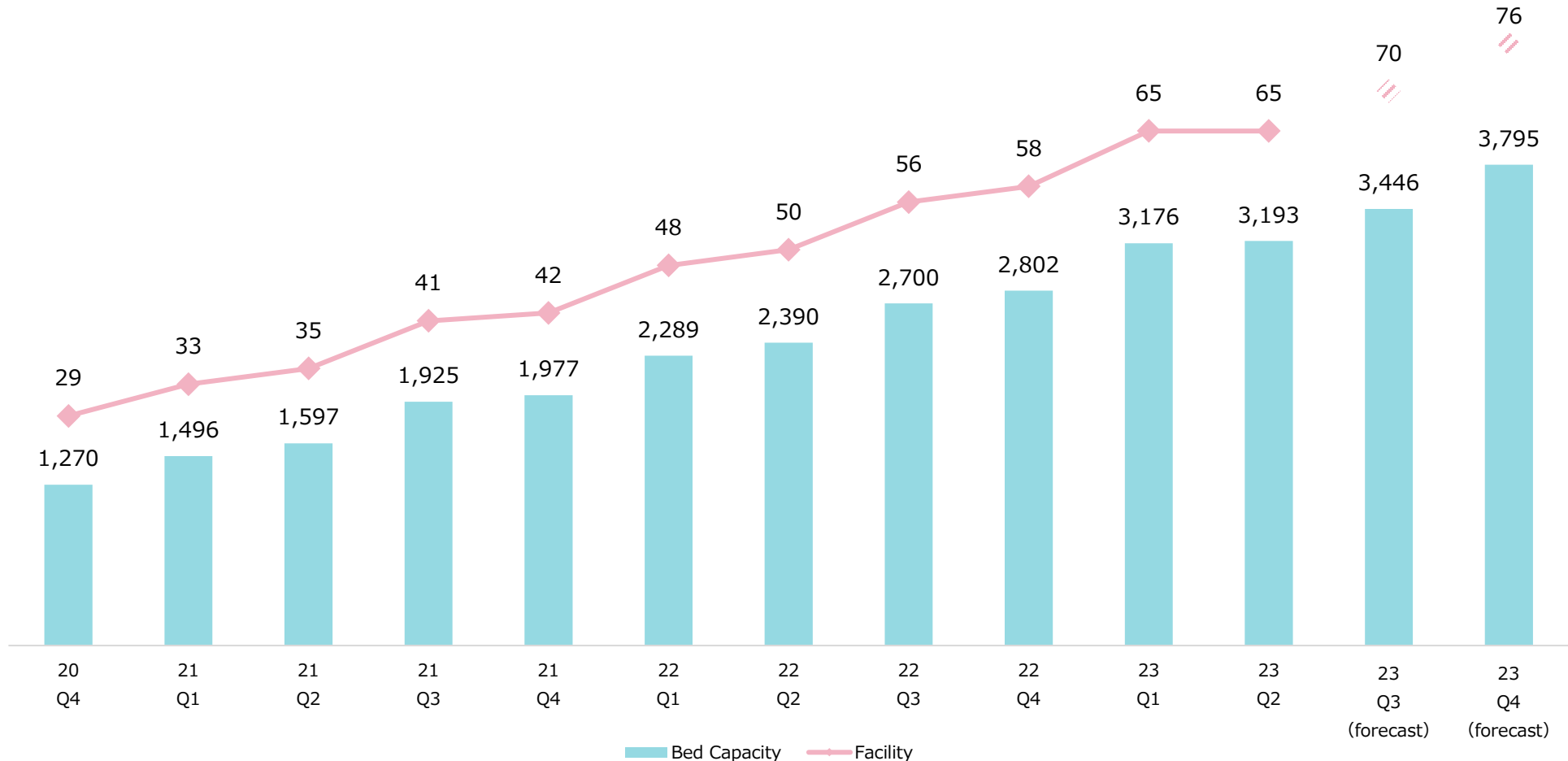


# Quarterly Performance: Number of Facilities / Bed Capacity



## Number of Facilities / Bed Capacity<sup>(1)</sup>

(Facilities / Beds)



Note:

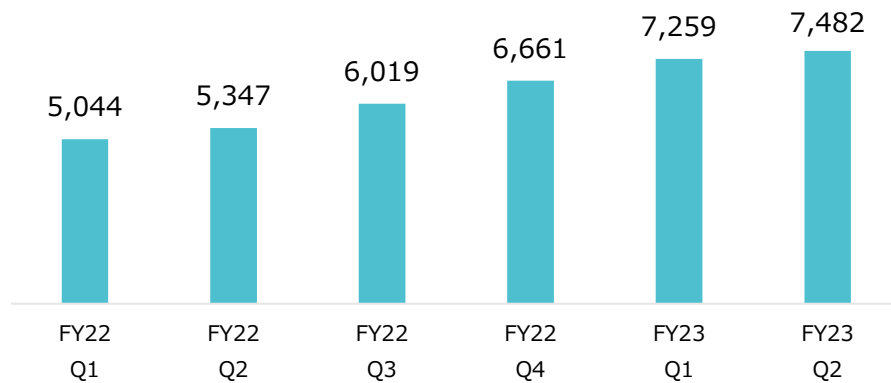
1. For details on the number of facilities / bed capacity of FY23, please refer to page 29.

# Quarterly Performance: Key Financial Indicators

## Quarterly Performance

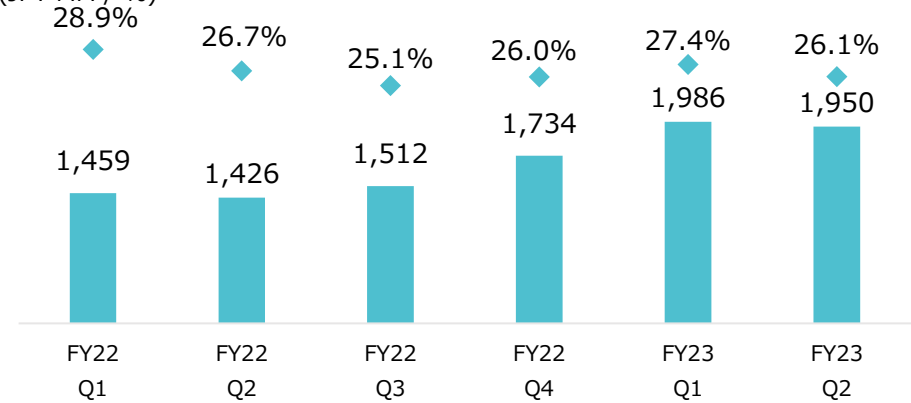
### Net Sales

(JPY MM)

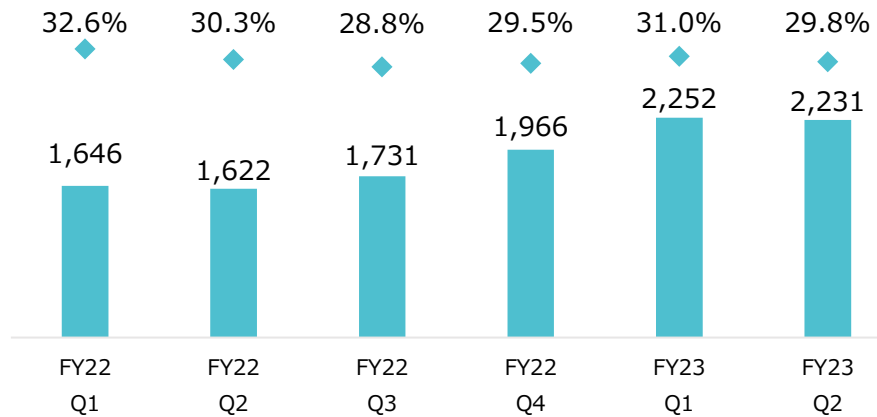


### Operating Profit

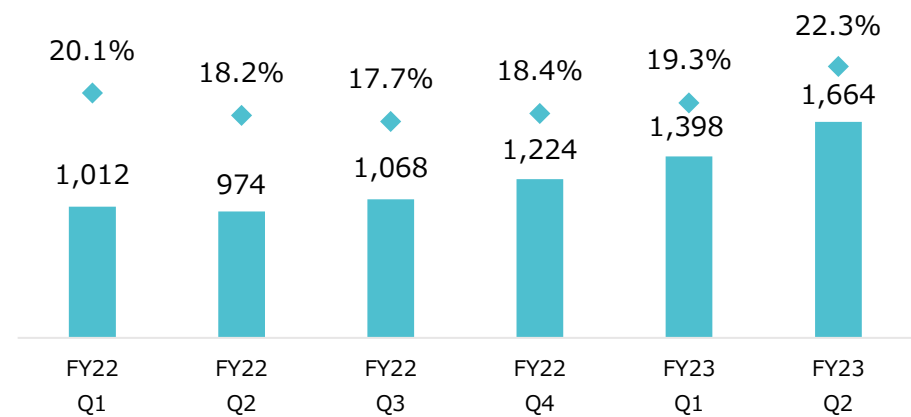
(JPY MM / %)



### EBITDA



### Net Profit



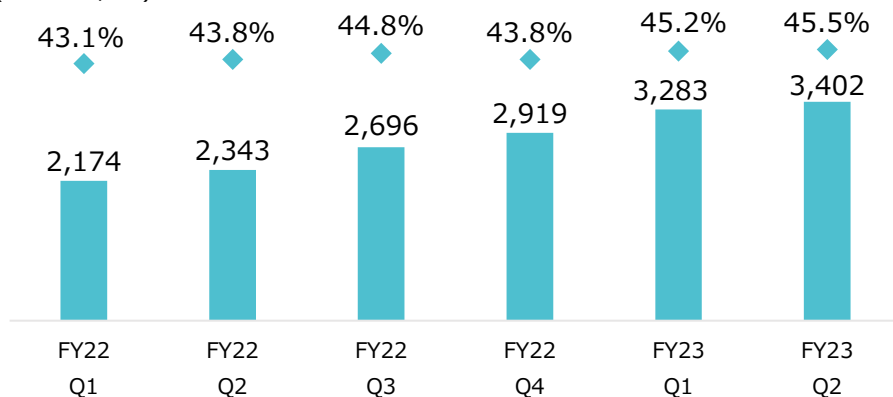
◆ : Percentage of Net Sales

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

## Quarterly Performance

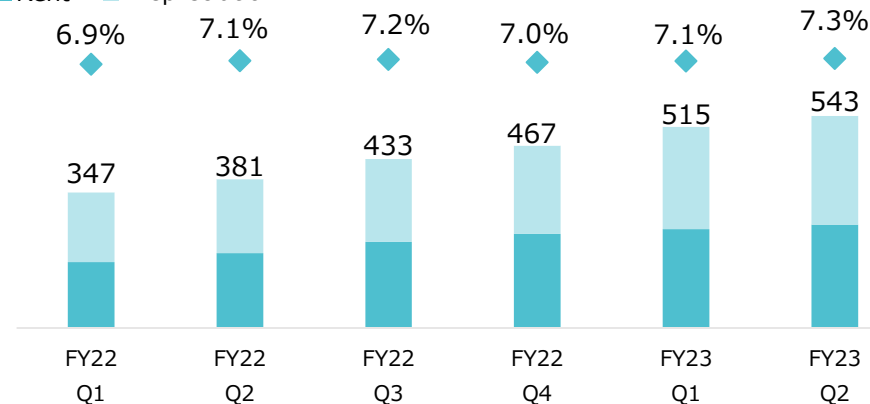
### Personnel Expenses (Cost of Sales)

(JPY MM / %)

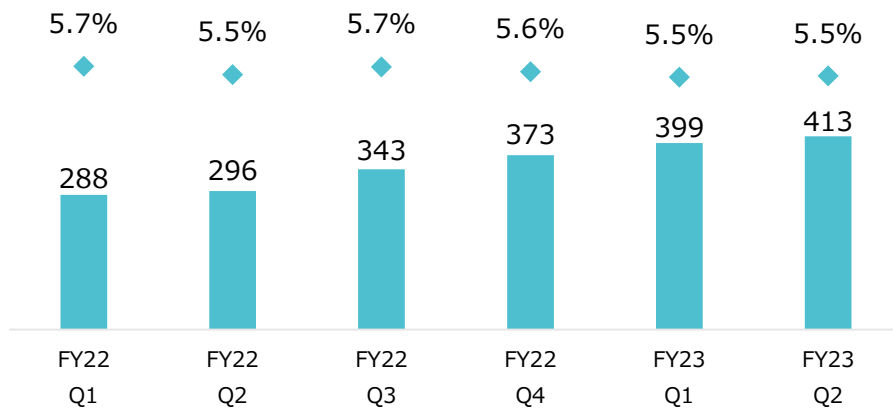


### Rent & Depreciation (Cost of Sales)

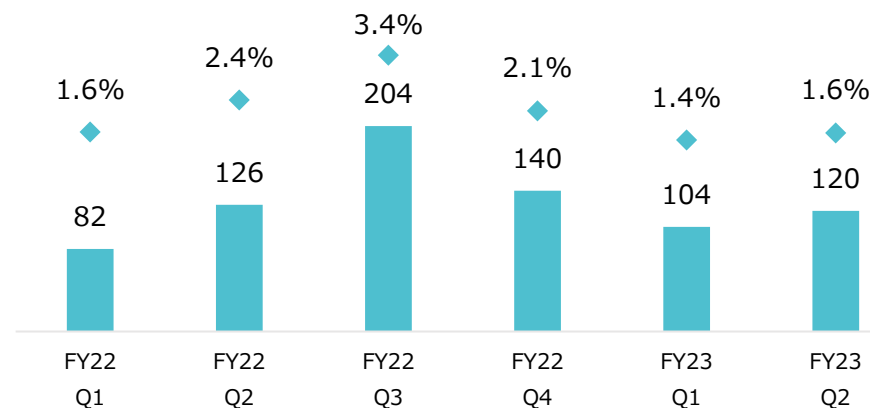
■ Rent ■ Depreciation



### Personnel Expenses (SG&A Expenses)



### Recruiting Expenses (SG&A Expenses)



◆ : Percentage of Net Sales



# Summary of Balance Sheet / Cash Flow

## Summary of Balance Sheet / Cash Flow

(JPY MM / %)	FY21	FY22	FY23 1H	vs. FY22	(JPY MM)	FY20	FY21	FY23 1H
<b>Assets</b>	31,922	41,767	47,740	+14.3%	<b>Cash flows from operating activities</b>	2,584	4,415	3,132
<b>Cash and Deposits</b>	11,192	11,342	11,661	+2.8%	<b>Cash flows from investing activities</b>	(5,780)	(7,751)	(5,290)
<b>Buildings and Structures, Net</b>	8,963	14,322	17,656	+23.3%	<b>Purchase of Property, Plant and Equipment</b>	(5,362)	(7,118)	(5,310)
<b>Liabilities</b>	15,580	21,308	24,503	+15.0%	<b>Cash flows from financing activities</b>	11,052	3,486	2,476
<b>Borrowings</b>	8,967	12,711	15,524	+22.1%	<b>Net increase (decrease) in Borrowings</b>	2,717	3,743	2,813
<b>Net Assets</b>	16,341	20,458	23,237	+13.6%	<b>Net increase (decrease) in Cash and Cash Equivalents</b>	7,856	150	318
<b>Equity Ratio</b>	51.2%	49.0%	48.7%	(0.3pt)	<b>Cash and Cash Equivalents at the end of period</b>	11,192	11,342	11,661

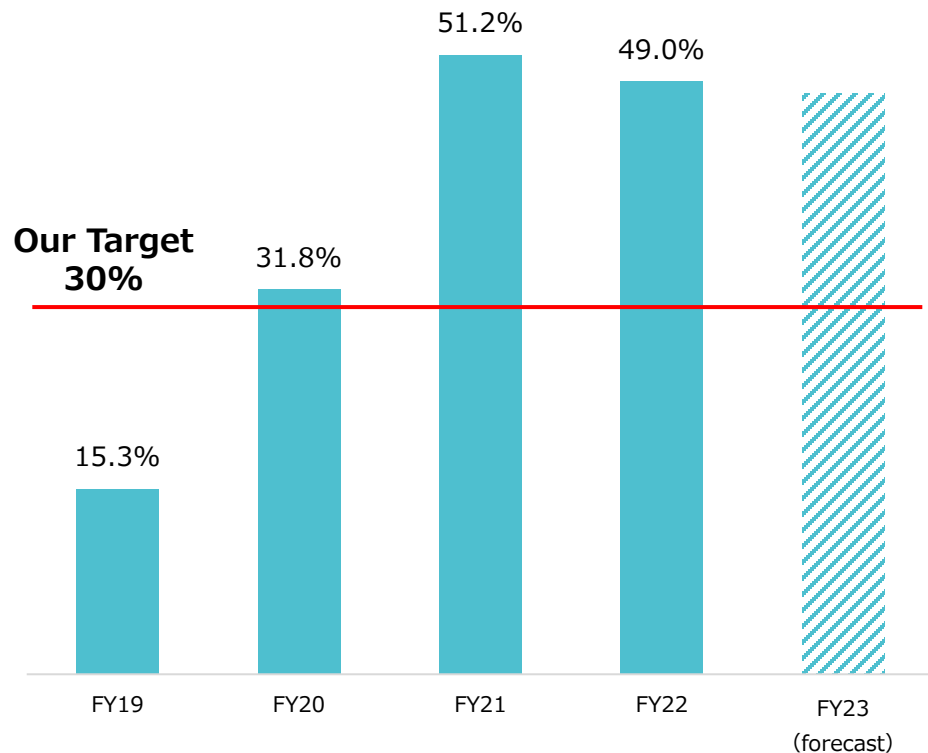
# Robust Financial Base to Support Aggressive Opening Strategy



- 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.

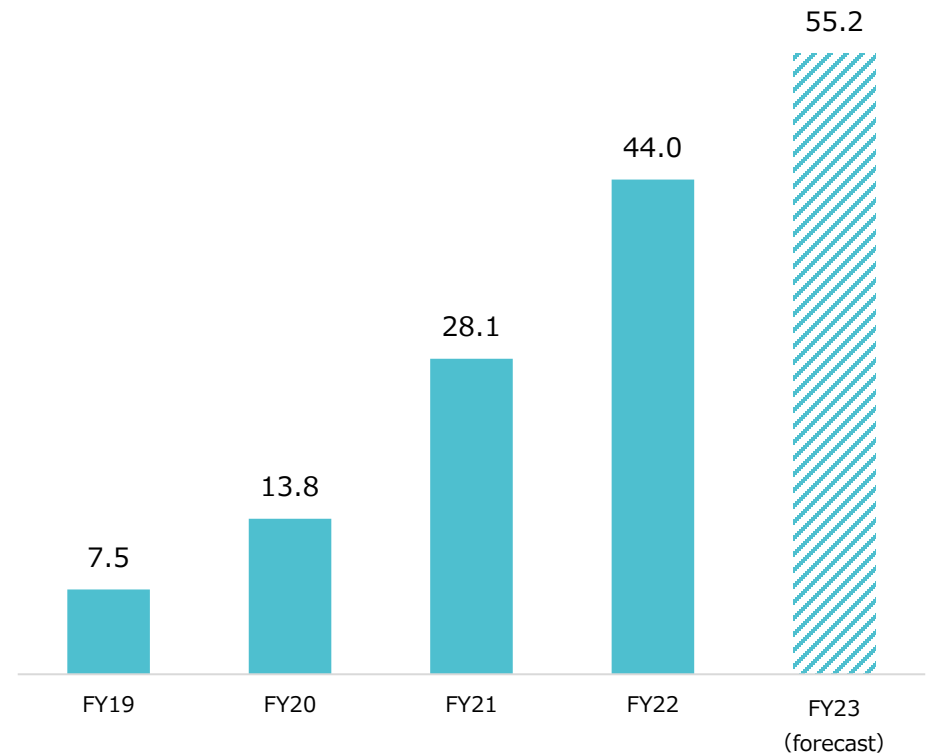
## Equity Ratio

(%)



## EPS<sup>(1)</sup>

(JPY)



Note:

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

# Shareholder Return Policy

## Emphasizing Total Shareholder Return

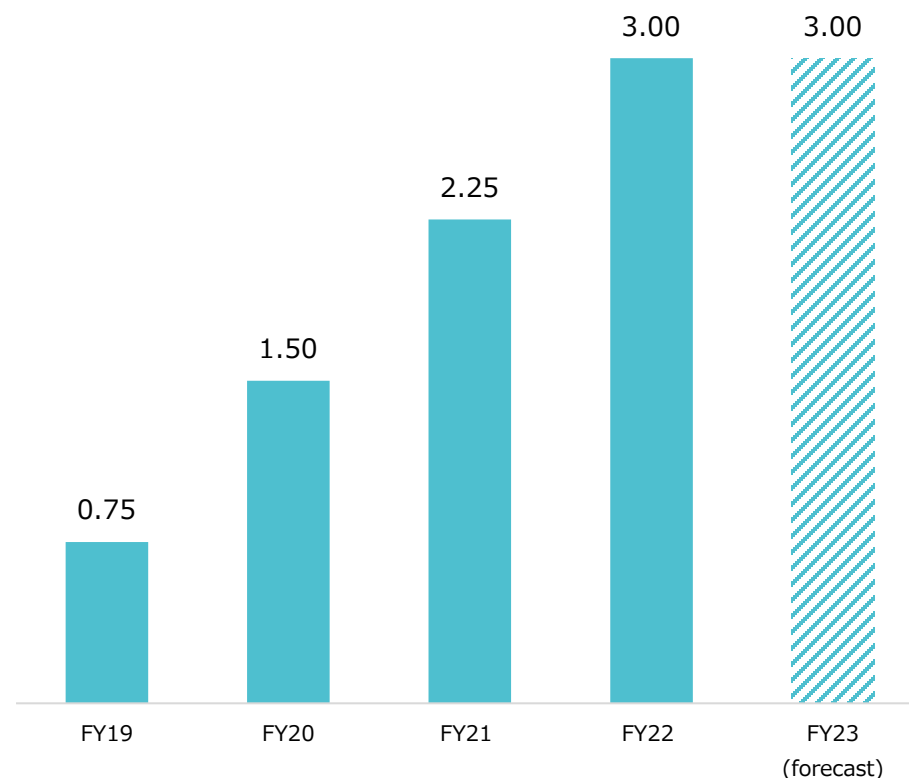
- In FY23, we expect to maintain dividends per share at the current level to prioritize the acceleration of growth.
- Over the medium to long term, we will focus on total shareholder return and plan to provide a stable yield, regardless of changes in growth stage.

### 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<sup>(1)</sup>

(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.



## 4. Company Overview

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<b>September 2013</b>	Amvis, Inc. established in the city of Kuwana, Mie Prefecture to engage in home nursing care, home care, and ancillary businesses	
<b>May 2014</b>	Relocated beds from a former hospital to a nursing home as Ishinkan Nabari in the city of Nabari, Mie Prefecture, commencing business under the Ishinkan model as a trial	
<b>August 2014</b>	Opened Ishinkan Ama in the city of Ama, Aichi Prefecture. Leased a newly established nursing home, the first facility to open under the Ishinkan model	<b>2 facilities 42 beds</b>
	Steady operating of Ishinkan facilities, centered on the Tokai region	
<b>October 2016</b>	Amvis Holdings, Inc. established in Yaesu, Chuo-ku, Tokyo through a stock transfer. Transitioned to a holding company structure, with Amvis, Inc. as a wholly owned subsidiary	<b>8 facilities 214 beds</b>
	Steady opening of Ishinkan facilities, centered on the Tokyo metro area and Eastern Japan	
<b>October 2019</b>	Amvis Holdings, Inc. listed on the JASDAQ (Standard) market of the Tokyo Stock Exchange	<b>20 facilities 841 beds</b>
	Growing into a leading company in home medical and nursing care	
<b>March 2020</b>	Ashitano Iryo, Inc., whose name means “future medicine”, established as a consolidated subsidiary to offer consulting on the management of medical institutions and care facilities	<b>29 facilities 966 beds</b>
<b>March 2023</b>	Amvis Holdings, Inc. changed its market listing to the Prime market of the Tokyo Stock Exchange	<b>76 facilities 3,795 beds</b> September 2023 forecast

## 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

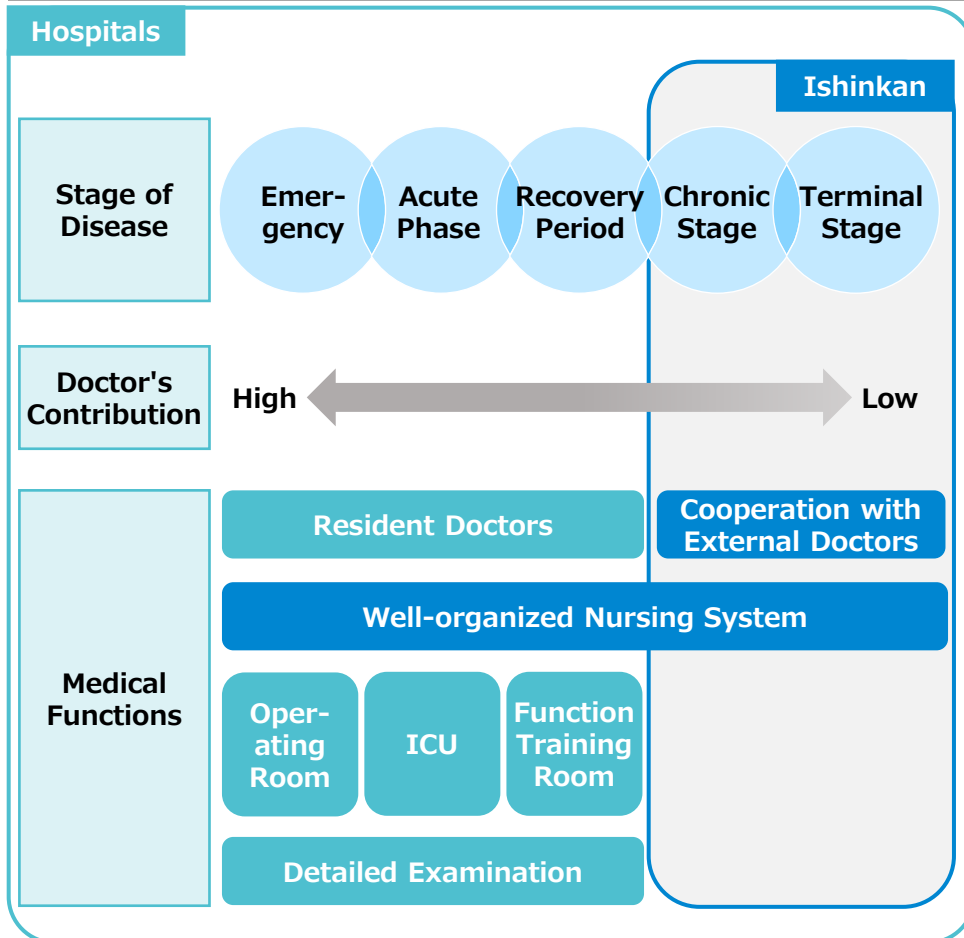
**Strengthen and Revitalize Regional Healthcare**

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 functions as a platform of home healthcare focusing on advanced nursing care, with physician's function outsourcing to outside primary care physicians.
- 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

<b>Personnel structure</b>	<ul style="list-style-type: none"> <li>• Allocates nurses and caregivers commensurate with the number of patients</li> <li>• Outsources services provided by doctors</li> </ul>
<b>Target patients</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Patients who are repeatedly in and out of hospital or who require end-of-life nursing and caregiving</li> </ul>
<b>Trust-based and collaborative relationship with medical professionals</b>	<ul style="list-style-type: none"> <li>• Earn trust from multiple medical institutions by accepting patients with high medical dependency</li> <li>• Build cooperative relationships with physicians, without capital relationships (ensuring the transparency of medical and nursing care)</li> </ul>

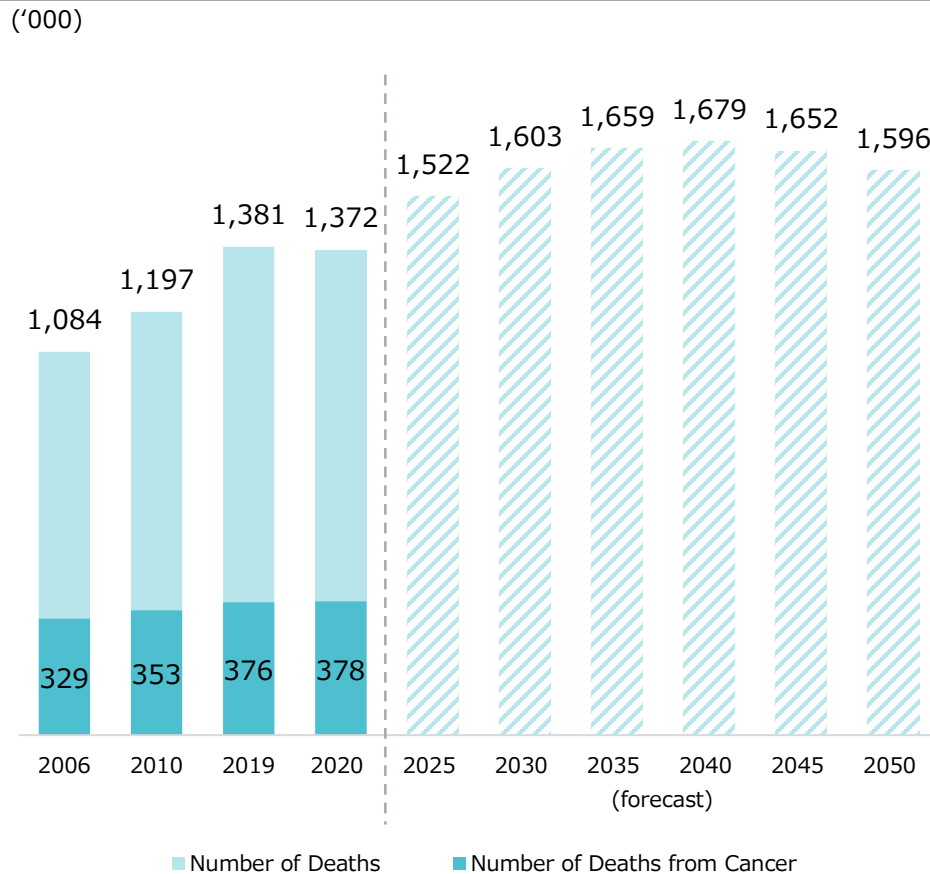
## Profit Structure (Three-Tier Structure)

<b>Sales from medical insurance</b>	<ul style="list-style-type: none"> <li>• Home nursing care services provided by medical insurance</li> <li>• Copayment rate at 10% to 30% in principle</li> <li>• Accounts for around 60% of net sales</li> </ul>
<b>Sales from care insurance</b>	<ul style="list-style-type: none"> <li>• Units differentiated by degree of care required and regional category</li> <li>• Copayment rate at 10% to 30% in principle</li> <li>• Accounts for around 30% of net sales</li> </ul>
<b>Sales from rent, expenses billed at cost</b>	<ul style="list-style-type: none"> <li>• No lump-sum payments upon admission</li> <li>• 100% out of pocket</li> <li>• Items including food expenses and medical consumables</li> </ul>

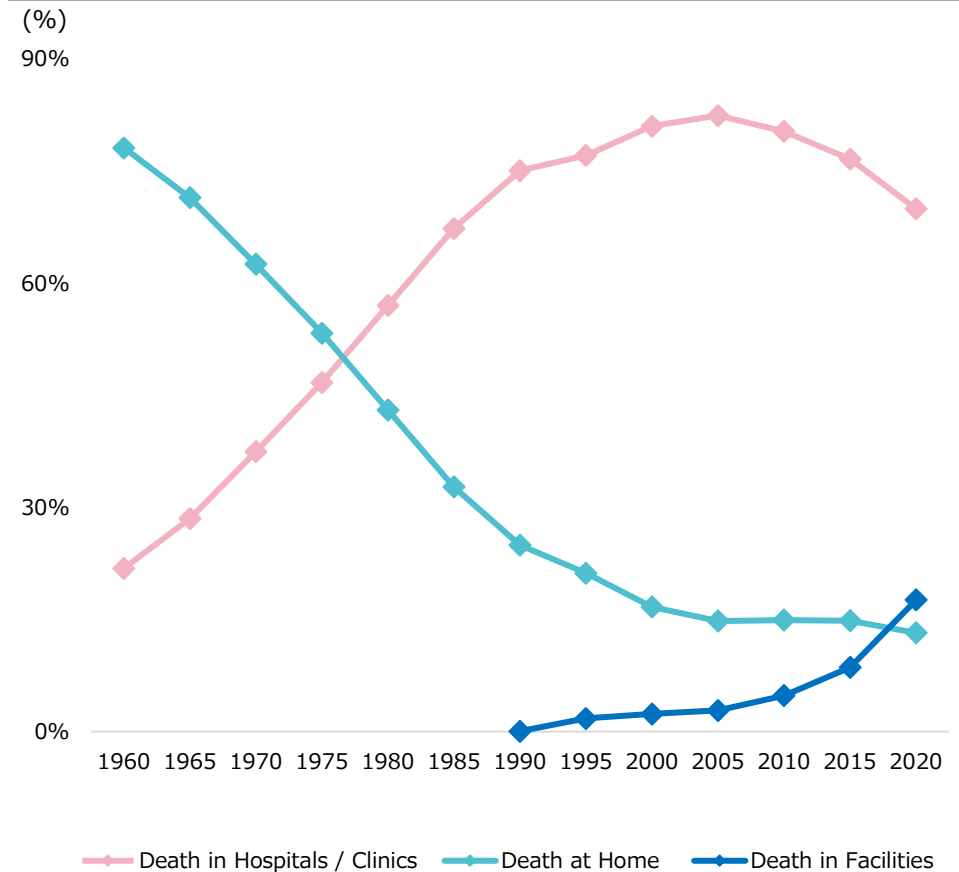
# Environment Surrounding the Ishinkan Business

- 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, owing to the arrival of an aging and shrinking population.
- Ishinkan accepts about 5,000 cancer patients per year, only 1% in Japan, so there is room for further acceptance.

## Number of Deaths (Overall, Cancer)



## 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

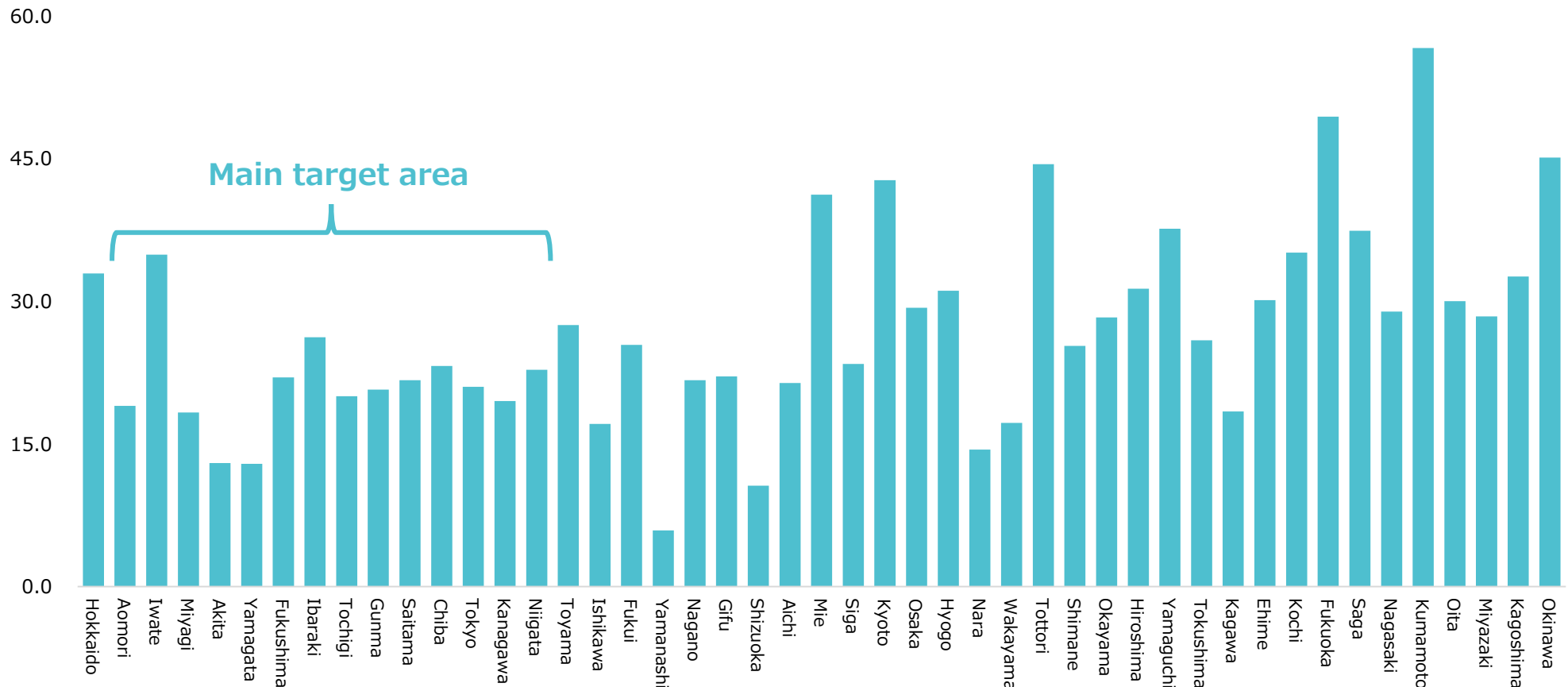


# Difference in Number of Palliative Care Beds by Region

- There are regional differences in the number of palliative care beds, even by tertiary medical area.
- Even in Hokkaido, Iwate and Ibaraki where there are relatively many palliative care beds, we successfully operate Ishinkan which mainly accept cancer patients in terminal stage.

## Distribution of Palliative Care Beds by Region per Hundred Thousand People Aged 65 or Older

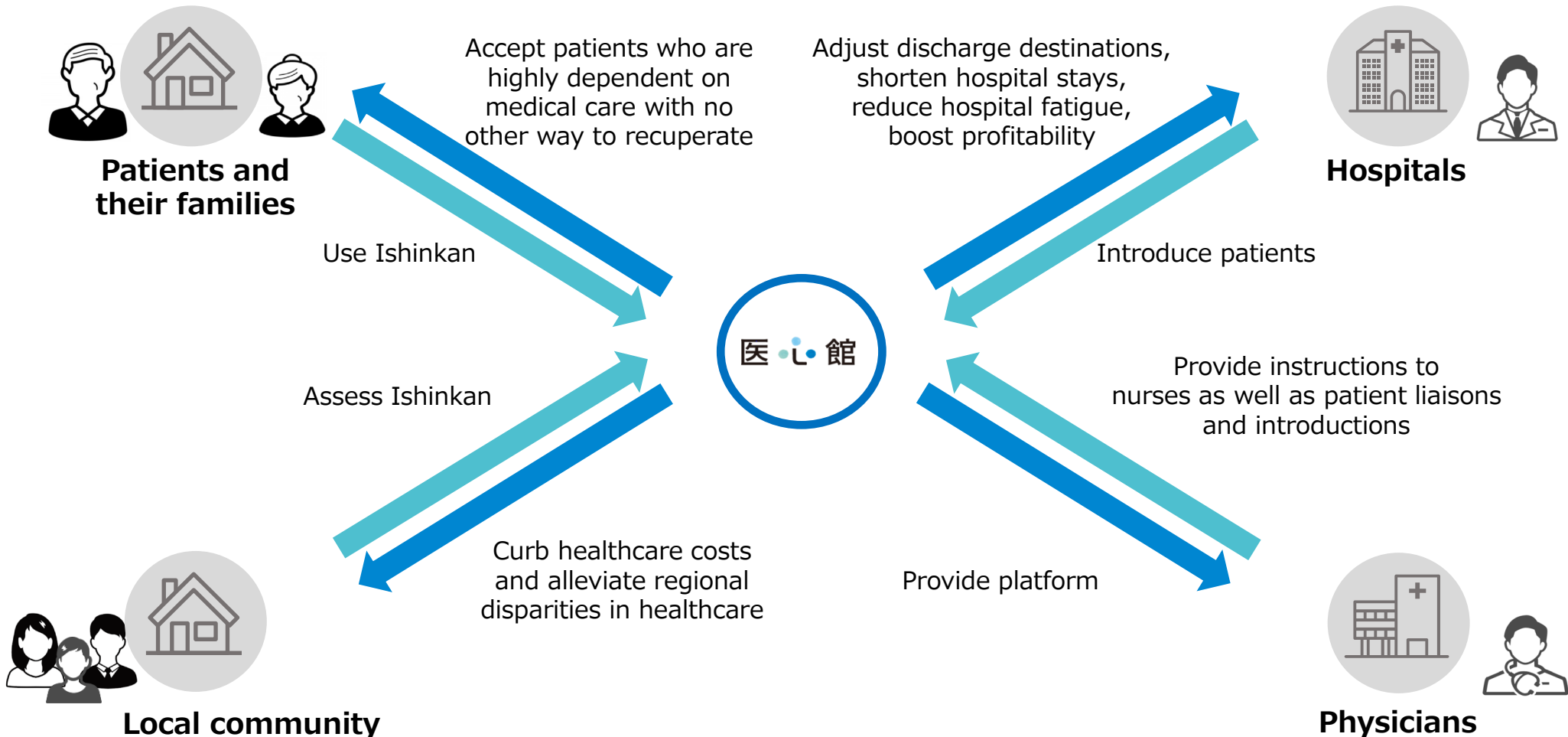
(Palliative care beds per hundred thousand people)



Source: Hospice Palliative Care Japan “The number of approved facilities and beds as palliative care wards inpatient division (as of June 15, 2022)”, Ministry of Internal Affairs and Communications “Population Estimate (as of October 1, 2021)”

- 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



# Examples of Patients Who Can be Accepted in Ishinkan

- We provide services to patients with cancer and neurological intractable diseases, narcotic management, blood transfusions, respirator management, drain management, outpatient anticancer drug treatment, radiation therapy, and other services to meet the needs of patients, medical institutions, and primary physicians.

Patients Undergoing Medical Care (examples)		Patients Requiring Medical Procedures (examples)	
<p><b>Patient A (anti-cancer therapy)</b></p>	<ol style="list-style-type: none"> <li>1. Disease: lung metastasis of renal cell carcinoma</li> <li>2. Pre-admission status: outpatient administration of immune checkpoint inhibitor drug</li> <li>3. Post-admission response: after admission, continuing with regular outpatient treatment of Opdivo as long as possible</li> </ol>	<p><b>Patient D (blood transfusion)</b></p>	<ol style="list-style-type: none"> <li>1. Disease: multiple myeloma</li> <li>2. Pre-admission status: blood transfusion therapy</li> <li>3. Post-admission response: ongoing blood transfusion therapy</li> </ol>
<p><b>Patient B (anti-cancer therapy)</b></p>	<ol style="list-style-type: none"> <li>1. Disease: pancreatic cancer</li> <li>2. Pre-admission status: anti-cancer drug therapy, narcotic medication</li> <li>3. Post-admission response: switch to continuous narcotic infusion and control while using rescue dose</li> </ol>	<p><b>Patient E (artificial respirator)</b></p>	<ol style="list-style-type: none"> <li>1. Disease Name : lung cancer</li> <li>2. Pre-admission status: tracheostomy and ventilator management due to severe respiratory failure caused by COVID-19</li> <li>3. Post-admission response: home respirator, suction, post-tubectomy management</li> </ol>
<p><b>Patient C (radiation)</b></p>	<ol style="list-style-type: none"> <li>1. Disease: bone metastasis of prostate cancer</li> <li>2. Pre-admission status: outpatient palliative radiation</li> <li>3. Post-admission response: continuation of outpatient palliative radiation</li> </ol>	<p><b>Patient F (drain management)</b></p>	<ol style="list-style-type: none"> <li>1. Disease Name : colon cancer</li> <li>2. Pre-admission status: colostomy for perforation of tumor, drainage of abscess, antibiotics administered</li> <li>3. Post-admission response: drainage management, pain control with continuous narcotic administration</li> </ol>

## 1 Response to Social Issues / Environmental Preservation

### Contribution to society



### Contribution to regional healthcare



### Resource considerations



## 2 Human Resources

### Diversity



### Work-life balance



### Development of abilities



## 3 Compliance / Governance

### Compliance promotion structure



### Hotline system



### Others



Category	Major Initiatives
<b>Contribution to society</b>	<ul style="list-style-type: none"><li>• Increase the number of new patients and expand the base of patients by promoting the Ishinkan business model.<ul style="list-style-type: none"><li>✓ Conduct individual tours of medical institutions, home care support offices, and community general support centers.</li></ul></li><li>• Create regional employment by opening about 20 new facilities each year.<ul style="list-style-type: none"><li>✓ Employees at each location are residents of that region.</li><li>✓ Rather than using temporary staffing agencies, we employ nurses and caregivers as full-time or part-time employees.</li></ul></li></ul>
<b>Contribution to regional healthcare</b>	<ul style="list-style-type: none"><li>• Help shorten stays at medical institutions and reduce the burden on regional healthcare.<ul style="list-style-type: none"><li>✓ Participate in study groups on regional care councils and the regional home healthcare system to understand and help resolve problems in each region.</li></ul></li><li>• Serve as a landing point for healthcare refugees.<ul style="list-style-type: none"><li>✓ By acting as a facility that provides medical care after discharge from the hospital, contribute to the realization of comprehensive community care.</li></ul></li></ul>
<b>Resource considerations</b>	<ul style="list-style-type: none"><li>• Transition away from paper.<ul style="list-style-type: none"><li>✓ Introduce cloud-based accounting system and electronic contracts system, and promote compliance with the Law Concerning Preservation of National Tax Records in Electronic Form.</li></ul></li><li>• Help reduce food losses.<ul style="list-style-type: none"><li>✓ Introduce a cook-chill system for meals provided at facilities.</li></ul></li><li>• Promote CO2 emission reductions along with visualization of emissions.</li></ul>

## Category

## Major Initiatives

### Diversity

- We build an organizational structure where female can play an active role.
  - ✓ Percentage of female: ~85%/~75%/~40% (all employees/managers/management council)
- We aim to create an environment where nurses of all ages can work and provide a workplace to a reserve for potential nurses.
- We are promoting the employment of people with disabilities and encouraging diversity.

### Work-life balance

- Headquarters tracks the overtime hours of all employees, including those at facilities. When overtime hours are high, we periodically meet with these employees and their superiors to discuss countermeasures.
- (Only at headquarters) We have created remote working and flextime systems to facilitate flexible diverse working.
- We strive to provide a comfortable and rewarding workplace by conducting orientations for new hires and prior to facility openings, interviewing employees (face to face and online), and conducting post-hiring and pre-resignation surveys.

### Development of abilities

- In addition to conducting training in accordance with annual plans, we subsidize tuition and exam fees to help employees acquire necessary certifications.
  - ✓ All employees: Training and study groups on ethics/the quality of care, and various training according to the duties and job level in charge
  - ✓ New employees: Orientation for new hires and at facility openings, on-site OJT, on-site training
  - ✓ Nursing leaders: On-site training, leader education program, multidisciplinary education and training (compliance/infection), leader meetings, telephone/web follow-up systems

Category	Major Initiatives
<b>Compliance promotion structure</b>	<ul style="list-style-type: none"><li>• Foster a thorough understanding of legal interpretations and insider-related content.<ul style="list-style-type: none"><li>✓ Training to ensure compliance with legal standards and improve the quality of work.</li><li>✓ Insider-related training is provided upon joining the company. Staff in charge of IR provides explanations directly during new facility openings.</li></ul></li><li>• Secure the objectivity and transparency of services to patients by cooperation with external physicians and external care managers</li></ul>
<b>Hotline system</b>	<ul style="list-style-type: none"><li>• Establish a system that facilitates consultations both inside and outside the company.<ul style="list-style-type: none"><li>✓ Internal: An internal hotline (consultation desk) has been set up within the nursing and care department at headquarters. Depending on the situation, this desk may provide guidance to sites, contact leaders, conduct interviews, or implement improvements.</li><li>✓ External: We have set up an internal reporting system that offers direct access to outside attorneys.</li></ul></li></ul>
<b>Others</b>	<ul style="list-style-type: none"><li>• Reduce information security risks under the “basic policy for information security” and the “privacy policy.”</li><li>• Put in place a system to prevent transactions and immediately terminate contracts with antisocial forces.</li><li>• Ensure fair trade by complying with laws and regulations, basic anti-corruption policies, and other rules and regulations.</li><li>• Establish ESG Promotion Committee with CSR Officer.</li></ul>

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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