



Third Quarter of the Fiscal Year Ending September 30, 2023

Financial Highlights

Amvis Holdings, Inc.

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

FY23 Q3 YTD Operating Performance

Q3 YTD Net Sales (Actual)

JPY 22.9bn

Q3 YTD Operating Profit (Actual)

JPY 6.1bn
(Operating margin: 26.9%)

Full-Year Net Sales (Forecast)

JPY 30.6bn
(Progress toward full-year forecast: 75.0%)

Full-Year Operating Profit (Forecast)

JPY 7.8bn
(Progress toward full-year forecast: 78.5%)

- The utilization rate at existing facilities was 86.6%, surpassing our target for stable operations (82-85%). The start of new facilities was also favorable. As a result, Q3 YTD performance progressing steadily against full-year forecasts.
 - ✓ Net sales: JPY 22.9bn (Progress toward full-year forecast: 75.0%)
 - ✓ Operating profit: JPY 6.1bn (Progress toward full-year forecast: 78.5%)
 - ✓ Net profit: JPY 4.6bn (Progress toward full-year forecast : 85.4%)
- In Q3, we opened 5 new facilities. As a result, we had 70 facilities (3,446 beds) as of June 30, 2023. Although, until FY22, we limited the number of facility openings in Q4, we plan to open 6 new facilities, 2 in August and 4 in September, and expand 1 facility in FY23 Q4.
- Toward the target of 127 facilities (by September 30, 2025) set in Amvis 2025, we have already announced plans to open 25 new facilities and expand 1 facility (1,308 beds) in FY24, exceeding the target of 23 new facilities (1,161 beds) for FY24 set in the three-year plan.
 - ✓ We have already decided to open 10 new facilities in Tokyo during FY23 and FY24.
 - ✓ We are expanding in Western Japan as well, deciding to open 2 new facilities in Western Japan in FY24, 1 in Osaka Prefecture and 1 in Okayama Prefecture.
- Based on inflation of wood, energy resources and goods used at the facilities, we raised patient payments by about 7,000 yen per month in FY23, and plan to raise them again by about 4,000 yen per month in October 2023.

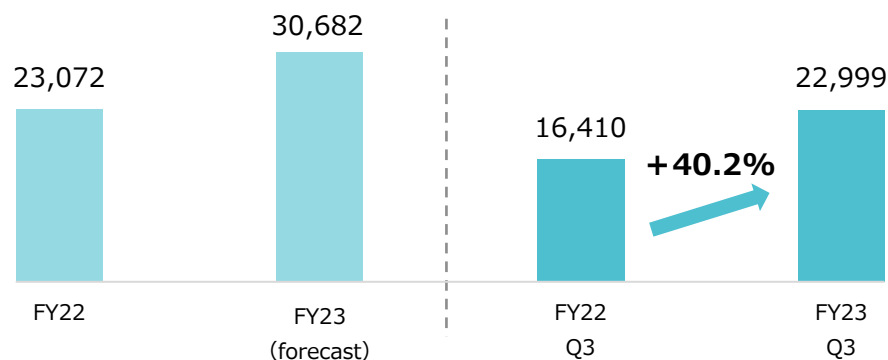
Net Sales and Profit Rose Steadily as the Number of Facilities and Bed Capacity Increase

- Net sales and operating profit increased compared to Q3 YTD of FY23 as the number of bed capacity increased by 27%.
- Progress toward full-year forecast was favorable on net sales (75.0%) and operating profit (78.5%). Net profit progressed at a high rate (85.4%) due to the impact of extraordinary income.

Q3 YTD Performance and Progress Toward FY23 Forecasts

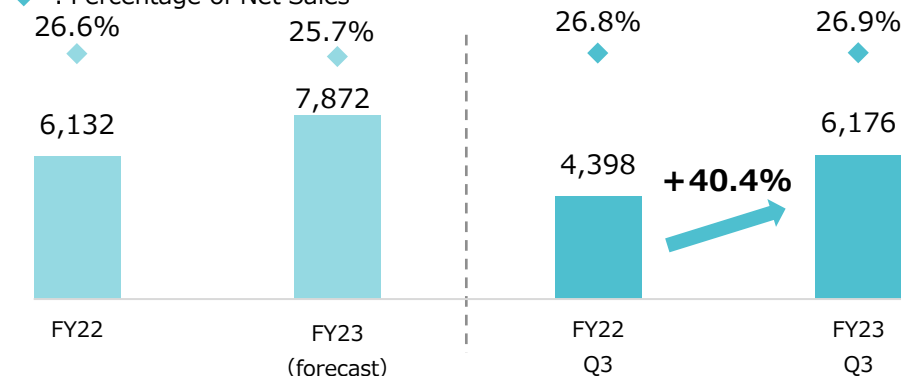
Net Sales

(JPY MM / %)

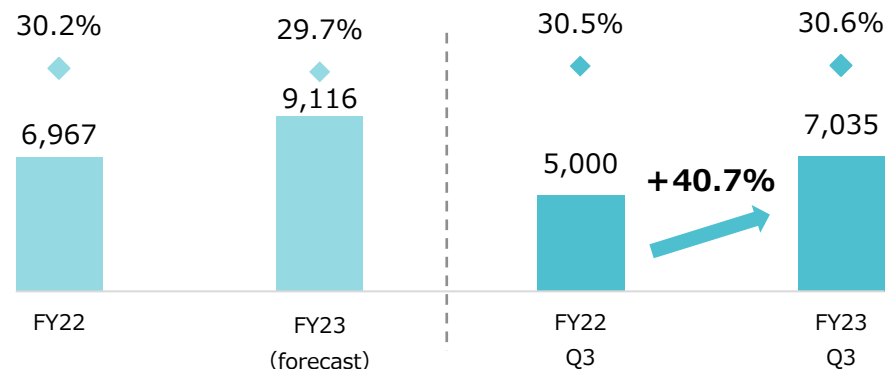


Operating Profit

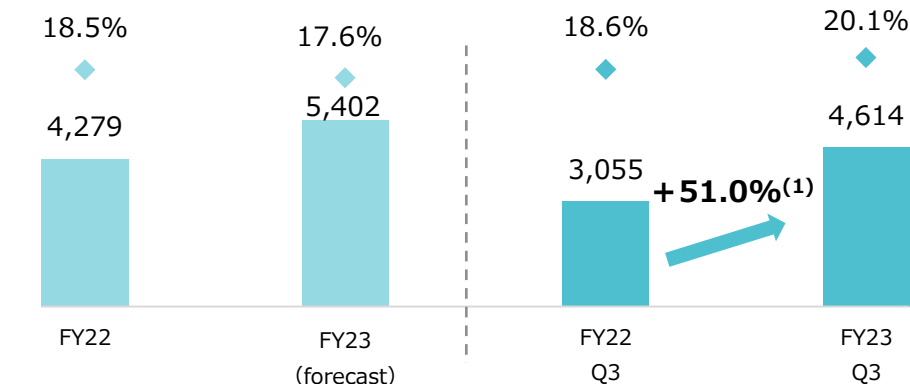
◆ : Percentage of Net Sales



EBITDA



Net Profit



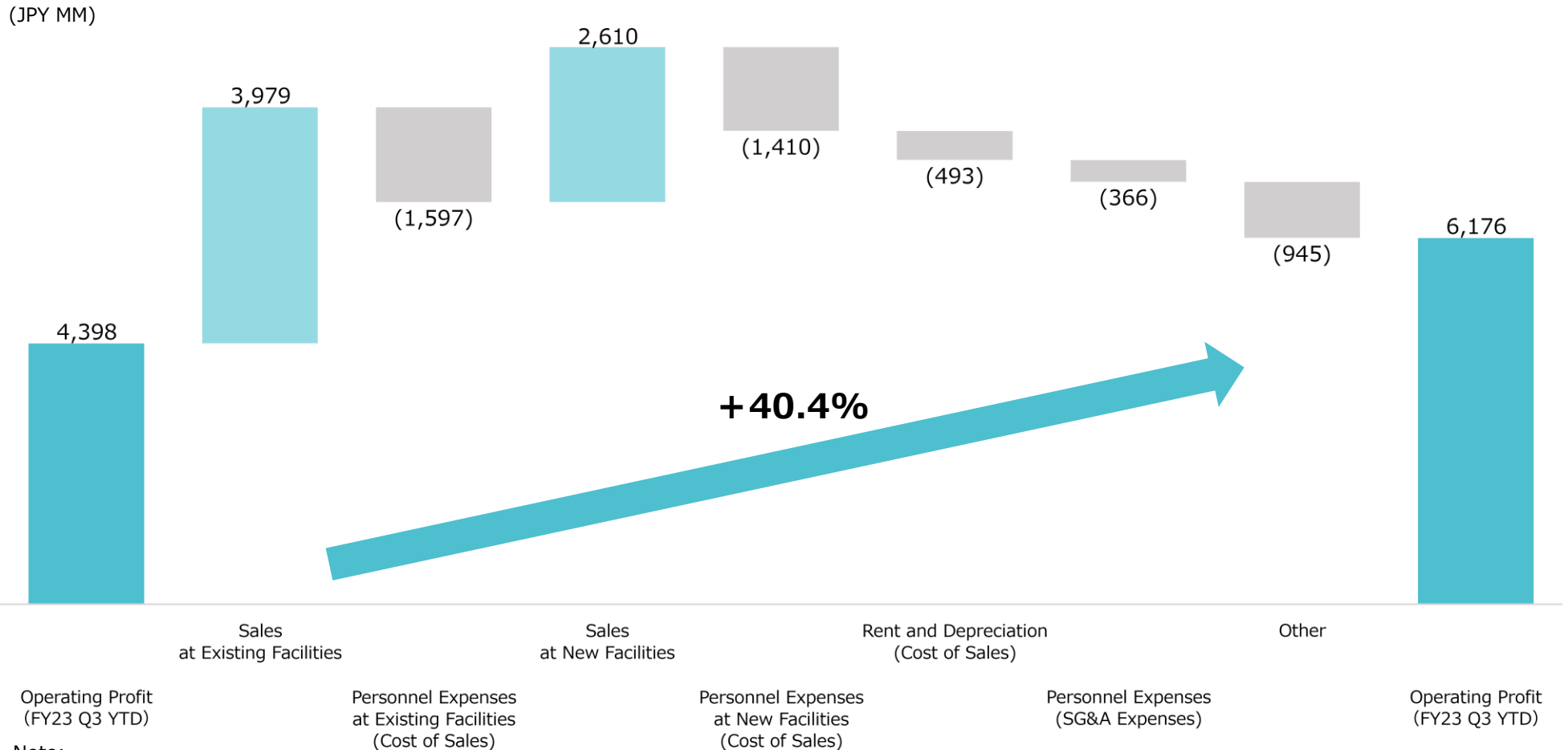
Note:

1. Excluding extraordinary income / losses, the profits growth rate is 41.8%.

Maintained Stable Utilization Rates at Both Existing Facilities and New Facilities

- We maintained stable utilization rates at existing facilities (86.6%) and new facilities (50-55%).⁽¹⁾

Operating Profit (FY22 Q3 YTD – FY23 Q3 YTD)



Note:
1. New Facilities: Opened after Q3 of FY23 (same applies on the following pages) / Utilization Rate: median

Ishinkan Opening Plan

- We plan to open 19 facilities and expand 1 facility (1,021 beds) in FY23.
- We have already announced plans to open 25 facilities and expand 1 facility (1,308 beds) in FY24.

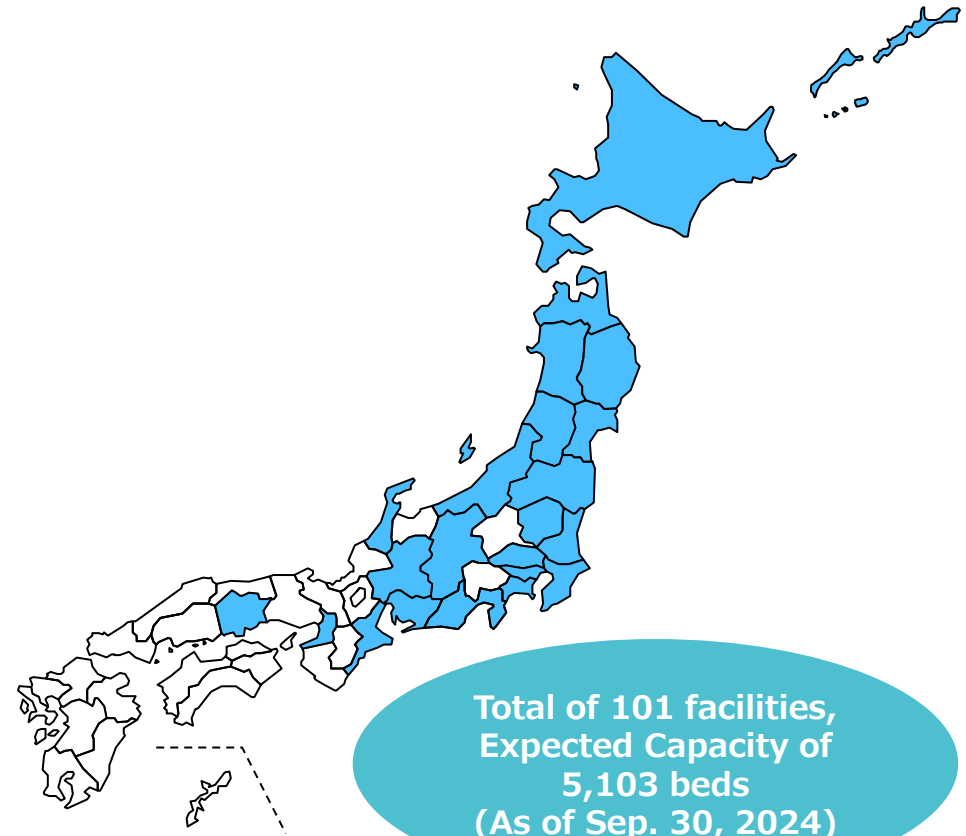
Opening Plans from Apr. 2023 to Sep. 2024

Opening Date	Location	Total Beds ⁽¹⁾
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
Oct. 2023	Oimachi	59
Nov. 2023	Ozone, Kanazawa, Toyota	143
Dec. 2023	Kotoni, Tajimi, Mito (Expansion)	131
Feb. 2024	Nishi Eifuku, Nishi Ogikubo, Minami Koshigaya	158
Mar. 2024	Sakura, Mejiro	93
Apr. 2024	Kumagaya, Kotesashi, Fujieda	152
May 2024	Ogaki, Ryogoku	101
Jun. 2024	Ichinomiya, Ichihara, Okayama	141
Jul. 2024	Ebina, Toyonaka	123
Aug. 2024	Soshigaya, Chikusa, Hiyoshi	150
Sep. 2024	Kameido	57

Note:

1. Total beds is the sum of the capacities of multiple facilities
2. The number of beds of Toyonaka has been changed to 71 from 75 as announced on May 15, 2023
3. The month of expansion of Mito has been changed to Dec. 2023 from Nov. 2023 as announced on April 17, 2023

Ishinkan Nationwide

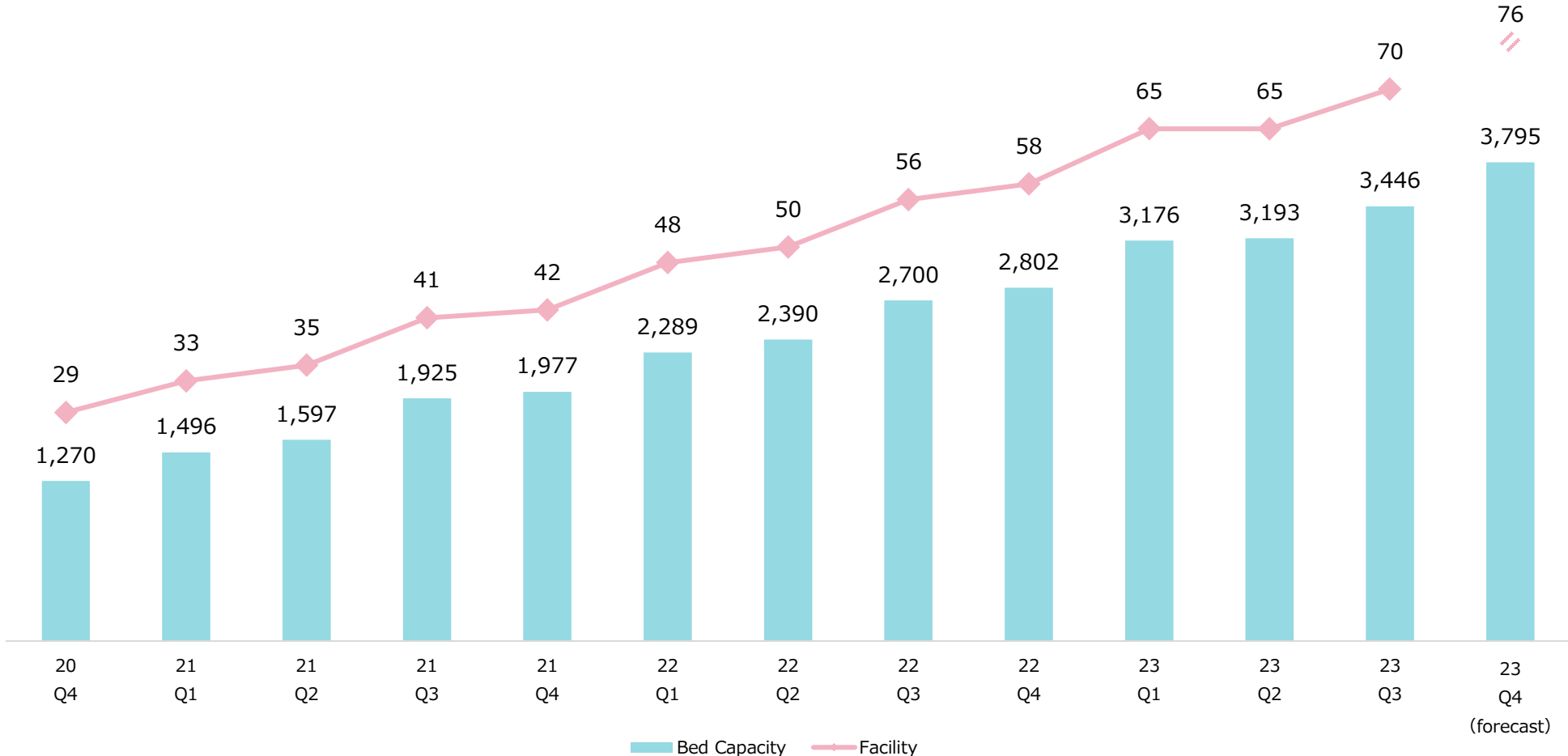


Quarterly Performance: Number of Facilities / Bed Capacity



Number of Facilities / Bed Capacity⁽¹⁾

(Facilities / Beds)



Note:

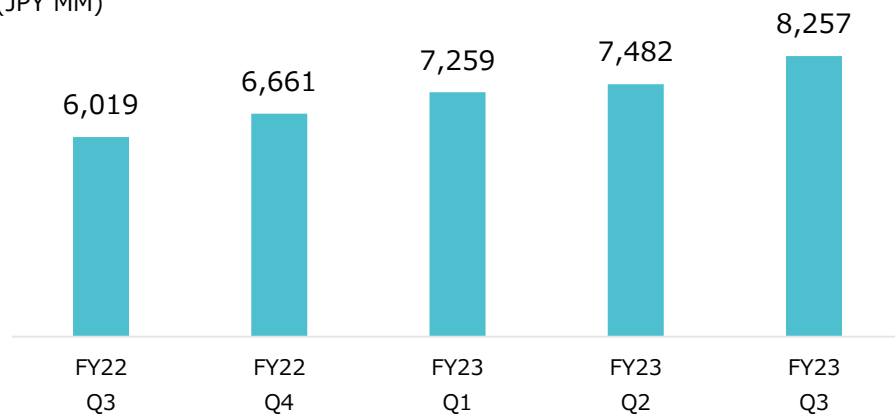
1. For details on the number of facilities / bed capacity of FY23, please refer to page 7.

Quarterly Performance: Key Financial Indicators

Quarterly Performance

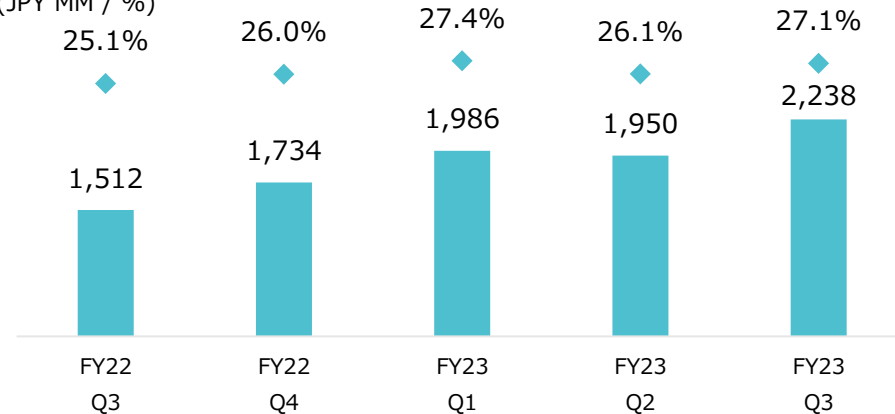
Net Sales

(JPY MM)

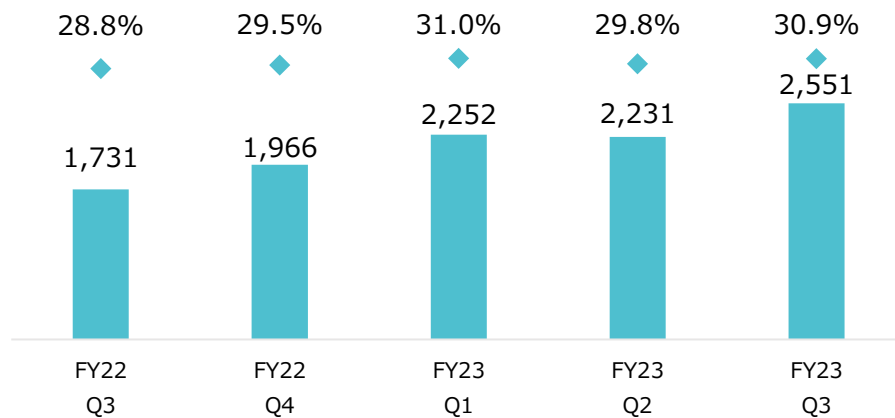


Operating Profit

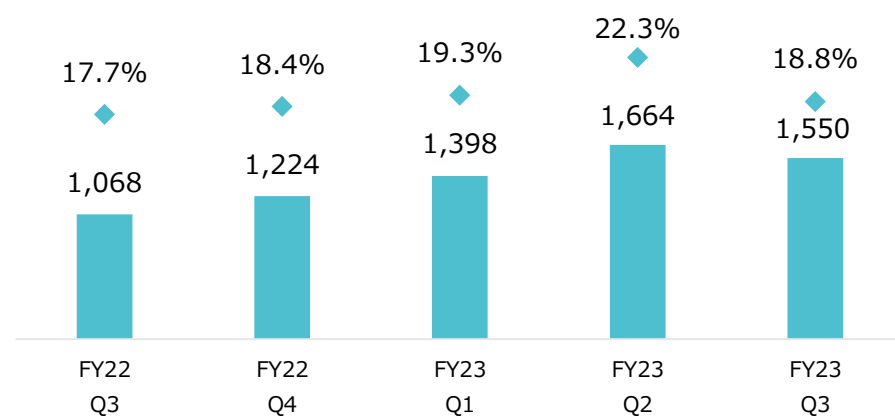
(JPY MM / %)



EBITDA



Net Profit

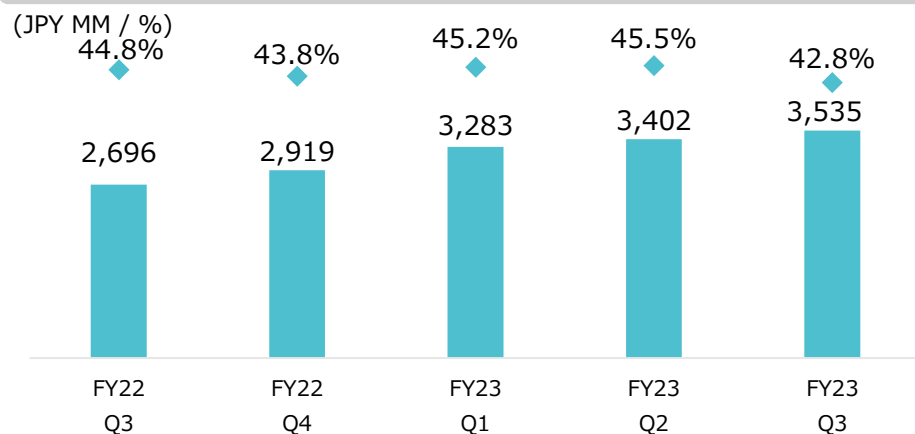


◆ : Percentage of Net Sales

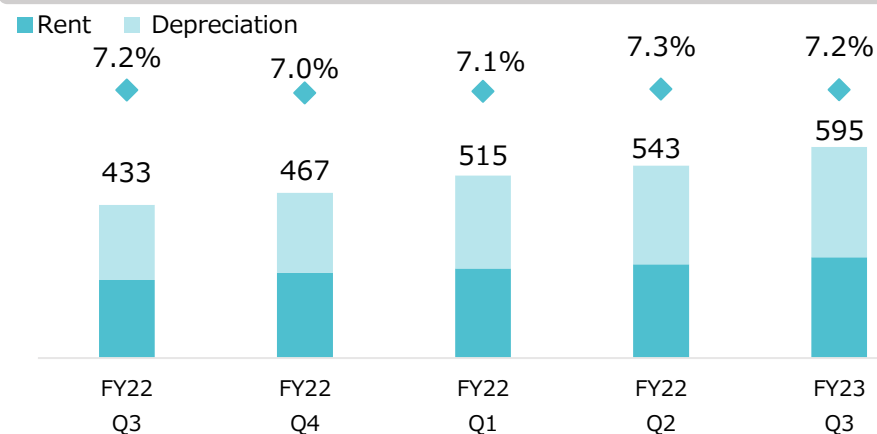
Quarterly Performance: Major Costs of Sales, SG&A Expenses

Quarterly Performance

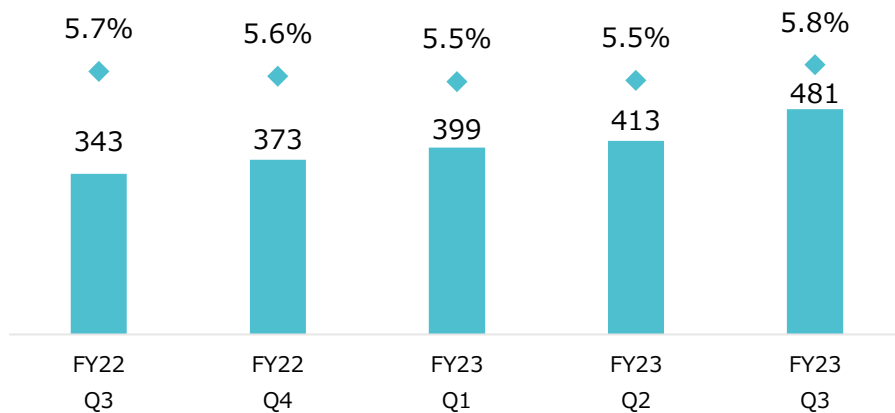
Personnel Expenses (Cost of Sales)



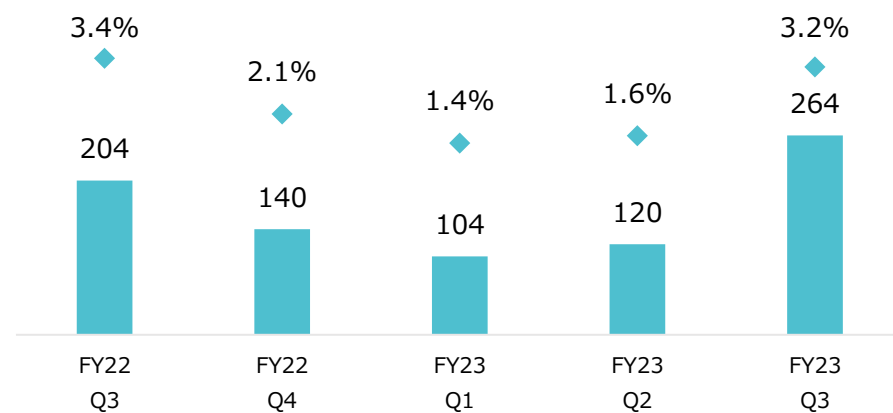
Rent & Depreciation (Cost of Sales)



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 Q3	vs. FY22
Assets	31,922	41,767	50,866	+21.8%
Cash and Deposits	11,192	11,342	11,515	+1.5%
Buildings and Structures, Net	8,963	14,322	18,695	+30.5%
Liabilities	15,580	21,308	26,045	+22.2%
Borrowings	8,967	12,711	16,697	+31.4%
Net Assets	16,341	20,458	24,820	+21.3%
Equity Ratio	51.2%	49.0%	48.8%	(0.2pt)

Strengthening and Promoting ESG

- We received an MSCI ESG Rating of A, up 2 grades from BB of October 2022.
- We intend to maintain and improve our high third-party evaluation by strengthening ESG-related initiatives and disclosure in line with our materiality.

Materiality



Realizing a Society without Regional Disparities in Healthcare



Achieving Operations in Harmony with Nature



Building a Workplace That Invigorates All Workers



Earning Further Trust from Society and Local Communities

Third-Party ESG Evaluation

- MSCI ESG Ratings are regarded as a global benchmark for ESG investment that comprehensively assesses a company's ESG risk and risk management capabilities.
- Our scores improved in almost all categories, including labor management, privacy and data security, and corporate ethics, due to ESG-related initiatives and data disclosures.

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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Note :

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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

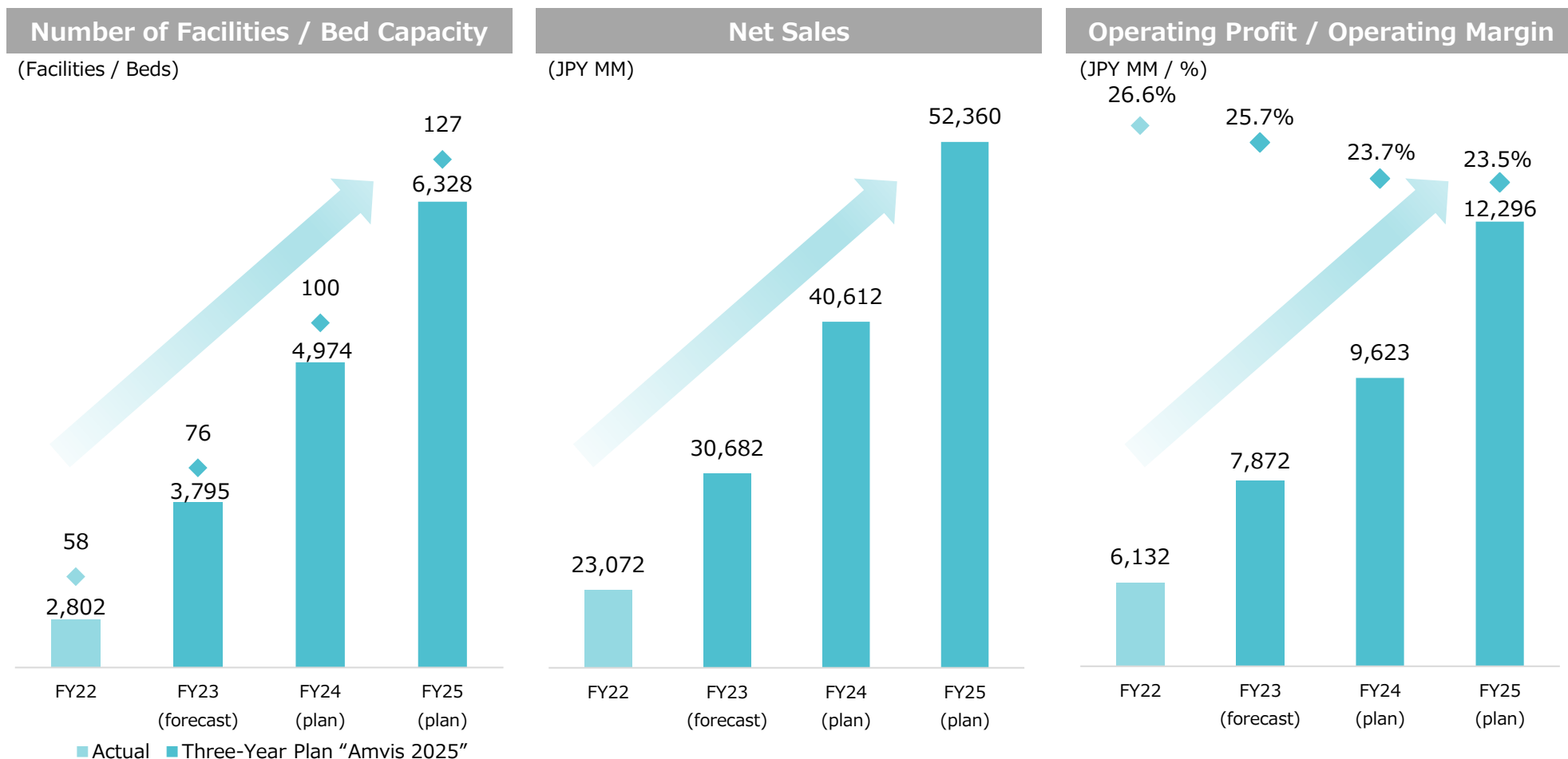
FY20–FY23 (forecast): 63%

Note:

1. 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.
- We have already announced plans to have 101 facilities (5,103 beds) by September 30, 2024 (as of August 9).





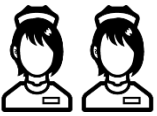









Note:

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
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%

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

Reference Indicators	Market Size The average annual number of cancer deaths per prefecture ⁽²⁾	Development Costs / Rent Rent fee for our facilities per room ⁽³⁾	Nurse Recruitment The average number of employed nurses per prefecture ⁽⁴⁾	Number of Ishinkan Facilities As of September 30, 2022⇒ As of September 30, 2024 ⁽⁵⁾	Amvis 2025 (FY23-FY25)
Tokyo	 34,341 people	 JPY 118,330	 106,911 people	 5 facilities⇒15 facilities (+10 facilities)	Accelerate the pace of openings by prioritizing market share expansion (15–20 facilities / 3 years)
Metropolitan Area ⁽¹⁾	 19,208 people	 JPY 71,834	 55,436 people	 26 facilities⇒48 facilities (+22 facilities)	Continue to open at the same pace as before (50–55 facilities / 3 years)
Regional Cities ⁽¹⁾	 5,454 people	 JPY 48,076	 21,039 people	 27 facilities⇒38 facilities (+11 facilities)	Continue to open at the same pace as before (50–55 facilities / 3 years)

Note:

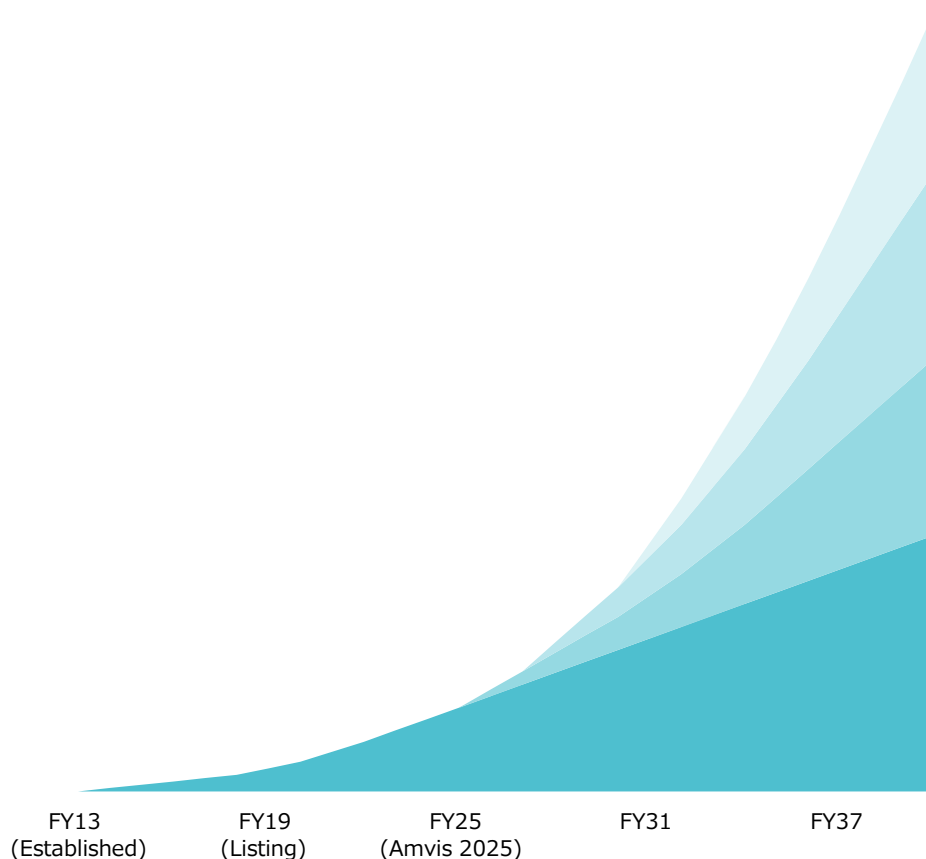
1. Metropolitan Area: Saitama, Chiba, Kanagawa, Aichi, Kyoto, Osaka, Hyogo / Regional Cities: Prefectures excluding Tokyo and Metropolitan Area
2. The sum of the number of cancer deaths in each area (Ministry of Health, Labour and Welfare “Vital Statistics (2021)”) / The number of prefectures in each 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
5. The number of facilities as of September 30, 2024 is the number of facilities already announced to open as of August 9, 2023.

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

Shareholder Return Policy

Emphasizing Total Shareholder Return

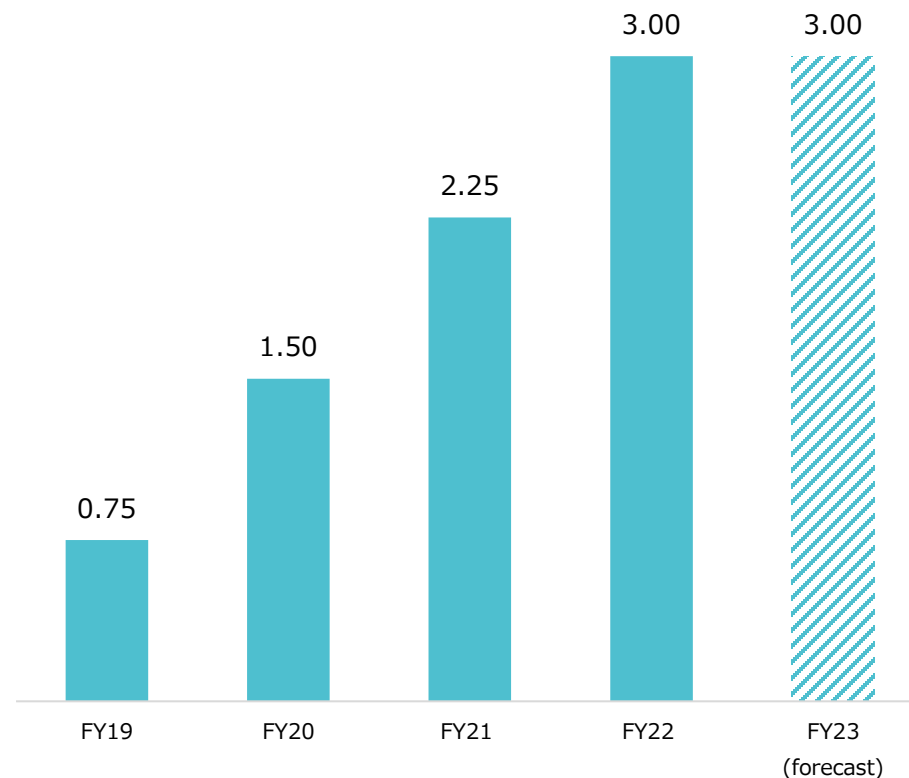
- In FY23, we expect to maintain dividends per share at the current level to prioritize the acceleration of growth.
- Over the medium to long term, we will focus on total shareholder return and plan to provide a stable yield, regardless of changes in growth stage.

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.

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