



First Half Ended March 31, 2026

FAQ

Amvis Holdings, Inc.

May 14, 2026



**Business Environment
Surrounding Ishinkan**



**Photos of Ishinkan Facilities
(Exterior / Interior)**



**Business Environment
Surrounding
Comprehensive Medical
Support**



Our Growth Strategy



Key Financial Indicators



Operating Structure



Business Environment



Other



Could you let us know the current business situation of the Ishinkan business, a palliative care-type hospice?



Government policy has encouraged shorter hospital stays and a shift from hospital-based care to home- and community-based care. Given this background, Ishinkan has been actively accepting patients with terminal cancer who often have difficulty securing appropriate post-discharge care settings and those in need of intensive medical care such as neurological incurable disease.

Lately, the ratio of residents with terminal cancer has increased, and approximately 80% or more of the residents have terminal cancer. In addition, the number of residents who died in the facility reached nearly 11,000 in the fiscal year ending September 2025, and the rate of in-facility deaths⁽¹⁾ was 98.9%.

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1. The in-facility end-of-life care rate is calculated by dividing the number of residents who passed away in the facility by the total number of resident deaths, including deaths outside the facility and then dividing that total by the total number of deaths of residents in the facility, excluding deaths outside the facility. The above death rate is the average of the quarterly surveys conducted over the past year.



Could you let us know the current business situation of the Ishinkan business, a palliative care-type hospice?



For these reasons, the average length of stay for residents suffering terminal cancer is less than 30 days. We believe that our business is fulfilling a complementary function to the palliative care facilities that are often lacking in the local area, providing responsible care and a safety net for residents in the terminal stages of their illness.

As mentioned above, the social significance of Ishinkan's business is growing, and we will continue to play a major role and continue to strengthen the foundation of this business.



What operational challenges is Ishinkan currently facing as a palliative care-type hospice?



As mentioned above, Ishinkan has accepted many residents in the final stages of their illness, mainly those with terminal cancer, and provides high-quality care with a commitment to meticulous care until the end of life.

In order to prevent even the smallest chance of medical accidents, the staff at Ishinkan are providing nursing and care with the utmost attention. Since all of the staff are carrying out their daily duties with a strong sense of responsibility, their workload is increasing day by day.

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Could you tell us about the issues at each of the facilities of the Ishinkan as a palliative care-type hospice?



In addition, as the ratio of residents in the final stages of their lives increases and the number of days until their death shortens, employees are facing an increased psychological burden caused by the passing of residents with whom they have built relationships through palliative care, or those who passed away too soon.

In light of this situation, we have started the Shift change, which increases the number of staff at our facilities, and reinforces our training and education to create a comfortable working environment for our staff.



What are the features of the care provided at each facility of Ishinkan? And how are they evaluated by residents and their families?



At Ishinkan, nurses provide specialized care based on their expertise to residents with high medical dependency, delivering the kind of nursing care that only a nurse can offer. Another major feature is that we can respond flexibly to the symptoms and pain of residents at any time, 24 hours a day, 365 days a year.

For residents with terminal cancer, we respect each of them as an independent individual and help them decide how they want to live until the end, while also offering the same level of care during the night when pain and anxiety tend to increase, just as we do during the day.

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What are the features of the care provided at each facility of Ishinkan? And how are they evaluated by residents and their families?



Survey results show that we have received a very high rating of 8.80 out of 10 for customer satisfaction with our services⁽¹⁾. We will continue to pursue further improvements in customer satisfaction in the future.

1. The evaluation is the result of the survey conducted from January to December 2024, asking the family members of ex-residents of Ishinkan if they'd like to recommend Ishinkan to your relatives, friends, or those you can trust. (The sample size: 1138)



Considering the current changes in the social significance of Ishinkan, your aim to improve user evaluations and to reduce the increasing burden on employees, what measures do you have for the future?



To respond to the growing social significance of Ishinkan and to keep providing high-quality care in the future, it is essential to secure and maintain the proper number of employees. However, there is a shortage of nurses and caregivers at many workplaces throughout Japan, which is expected to worsen with the aging society.

To keep our business growing in this social context, it is essential to implement measures to reduce the increasing workload and psychological burden on employees, as explained before.

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Considering the current changes in the social significance of Ishinkan, your aim to improve user evaluations and to reduce the increasing burden on employees, what measures do you have for the future?



For this reason, we have decided to start Shift change, which increases the number of staff at each facility and develop our education and training.

With this approach, we aim to create a comfortable working environment for employees, reduce the burden on staff, provide better services, and further improve customer satisfaction, thereby contributing to the sustainable growth of the Ishinkan business.

We will continue to strengthen recruitment and take measures to reduce the burden on employees.

Q

Please tell us more about the compliance initiatives at Ishinkan.

A

By contracting external physicians and care managers, we have built a system that ensures care is provided based on objective external judgments. We have implemented this system since our founding, aiming to promote a highly transparent business model in the hospice industry.

We assess each patient's condition and medical history to accept individuals with high medical dependency who truly require medical care. (We primarily admit patients with terminal cancer.)

In providing medical care to residents, we strive to foster a sense of understanding and agreement among physicians and stakeholders, aiming to operate in line with the principles of the social insurance system.



Please provide information about the social contributions of Ishinkan facilities.



We take pride in contributing to society through the Ishinkan business by leveraging our strong operational capabilities and expertise in medical care.

For example, we have operated Ishinkan facilities in areas with physician shortages, fulfilling one of end-of-life care to patients in these regions.

We also actively accept patients with diverse needs, including those with terminal cancer, non-cancer patients who needs palliative care and AIDS patients. By doing so, we function as a safety net, primarily for terminally ill patients.



Please explain the background to the establishment of the Special Investigation Committee and the results of its investigation.



Following certain media reports in March 2025 that raised suspicions of fraudulent billing, the Company established a Special Investigation Committee composed of independent external experts to ensure a fair and objective fact-finding process.

The Committee conducted a comprehensive investigation from March 27 to August 4, 2025, and concluded that there was no organizational misconduct or fraudulent billing.

However, based on a review of records, the maximum amount potentially subject to reimbursement due to insufficient documentation was estimated at approximately JPY 63 million (approximately 0.05% of total sales during the investigation period). This amount was fully provided for in the consolidated financial results for the second quarter of the fiscal year ending September 2025, without restating prior disclosures.

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Please explain the background to the establishment of the Special Investigation Committee and the results of its investigation.

On the other hand, the Special Investigation Committee identified a number of areas requiring improvement.



The Company has taken these recommendations seriously and has been considering and implementing effective business improvement measures, including the strengthening of internal controls.

During the investigation period, which lasted more than four months through August 2025, the Company was unable to provide definitive information. As a result, we caused significant concern and anxiety to our users, regional healthcare professionals, and other stakeholders.

We would like to take this opportunity to once again express our sincere apologies for this matter.



Please explain the progress of the business improvement measures implemented in response to the recommendations of the Special Investigation Committee.

The business improvement measures consist of four major initiatives.



(1) Definition and standardization of home-visit nursing operations, which form the basis for accurate record-keeping
To promote a clear definition and standardization of home-visit nursing services at Ishinkan, the Company has been continuously conducting training programs on the definition of home-visit nursing at Ishinkan, as well as on the “Standard Care Manual” and “Standard Care Records,” which have been developed as guidelines for care delivery and documentation.
In addition, the Company has developed and begun operating a “Severity Classification” framework as an indicator for assessing patients’ medical conditions and care needs, and has established an education and training system for managers.

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Please explain the progress of the business improvement measures implemented in response to the recommendations of the Special Investigation Committee.



(2) Enhancement and strengthening of recruitment, staffing adjustment functions, and operational structure
To strengthen recruitment and staffing adjustment capabilities as well as the operational framework, the Company has increased personnel in the Recruitment Department, Operations Department, Training Planning Office, and Medical Safety Office. In addition, more than 100 nurses and caregivers per month who are able to travel nationwide have been assigned, thereby reinforcing support systems tailored to the circumstances of individual facilities.
Furthermore, the Company holds regular meetings among relevant departments to enable prompt decision-making regarding the dispatch of support staff and recruitment activities.

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Please explain the progress of the business improvement measures implemented in response to the recommendations of the Special Investigation Committee.



(3) Rebuilding internal controls and reinforcing compliance awareness

The Company has overhauled the organizational structure of its Compliance Department and Internal Audit Department as part of its efforts to rebuild internal controls and reinforce compliance awareness.

In addition, the Company has clearly defined and communicated lines of instruction and reporting, operational procedures, and areas of responsibility, and has incorporated these elements into its internal control framework.

Furthermore, the Company has introduced and is regularly operating IT-based tools that enable more systematic, comprehensive, and precise checks of records.

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Please explain the progress of the business improvement measures implemented in response to the recommendations of the Special Investigation Committee.



(4) Enhancement of internal communication

To improve internal communication, the Company has expanded training opportunities for senior and managerial staff at operational sites.

In addition, the Company has introduced a new internal communication tool, "TUNAG," and is considering initiatives to promote broader usage across the organization.



Please provide information on the Company's performance and track record in its Comprehensive Medical Support Business.



The Comprehensive Medical Support Business provides integrated management and operational support to medical institutions, without limitation as to region or hospital bed functions.

This business is characterized by a highly hands-on support model that leverages the operational know-how and human resources cultivated through the Ishinkan business in medical and nursing care settings. It is a knowledge-intensive business model that is able to generate profits with a relatively small capital investment.

In line with the expansion of the business, its performance has been disclosed as an independent segment (the Comprehensive Medical Support segment) starting from the first quarter of the fiscal year ending September 2026.



Please explain the specific services and support provided under the Comprehensive Medical Support Business.



The Comprehensive Medical Support Business is built on three core pillars:

- (1) Management consulting: Physicians and nurses provide hands-on support to client medical institutions to improve management and operations.
- (2) Financial support: A range of financing solutions is offered to meet client needs, including mezzanine financing, factoring, and real estate liquidity solutions.
- (3) Trading functions: Through its trading capabilities, the Company supplies essential medical and nursing care products in a stable manner at competitive prices.



The Financial Highlight materials refer to your future growth strategy. Please tell us more about this.



As stated in the previous answer, Ishinkan has succeeded in establishing a solid reputation as a hospice operator winning the trust of local communities in the hospice industry, and has also achieved nationwide expansion. Going forward, we will shift our focus to sustainability while maintaining our growth aspirations. Specifically, we will increase the number of employees at each facility, and strengthen training and education for higher customer satisfaction and lower employee burden.

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The Financial Highlight materials refer to your future growth strategy. Please tell us more about this.



Furthermore, we will make full use of the know-how and human resources gained through the Ishinkan business to contribute to the reinforcement and revitalization of community healthcare. To achieve this goal, we will launch a full-scale medical support business.

In the medical support business, we will promote the revitalization of medical institutions and hospitals in medically underserved areas with the current business mission of “solving medical issues in medically underserved areas with the power of business.” In order to accomplish this mission, we will make efforts to create synergies and collaboration with the Ishinkan business as well as utilize the know-how accumulated in the business.

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Please tell us about the market environment and characteristics of the management support business for medical institutions.



Certain areas have a lot of exhausted medical institutions, many of which are facing issues such as a lack of successors, aging representatives, and obligations to reimburse the Welfare and Medical Service Agency.

In these hospitals, doctors become exhausted due to excessive workload, resulting in a shortage of doctors. Therefore, these hospitals are forced to close hospital beds and outpatient departments as well as to reduce services. They eventually fall into a vicious cycle, suffering problems like a smaller number of patients.

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Please tell us about the market environment and characteristics of the management support business for medical institutions.



Our Comprehensive Medical Support Business helps these medical institutions achieve rapid and substantial operational improvements through Highly intensive hands-on support from physicians and nurses.



How do you plan the number of facilities / bed capacity ?



We announced to open 9 new facilities and expand 1 facility (529 beds) in FY26.

The basic capacity per facility is about 50 beds. We also aim to open about 1–2 large facilities with 70 beds per year.

Q

What are your current utilization rates and forecast for FY26?

A

Due to the impact of the Special Investigation Committee, the ramp-up of newly opened facilities—particularly in non-dominant regions—was slower than initially expected in the fiscal year ended September 2025.

For the fiscal year ending September 2026, while operations will start at lower utilization levels than in a typical year due to the same impact, the Company expects a gradual recovery in utilization at both existing facilities and newly opened facilities.

Since Ishinkan primarily accepts patients in the terminal stages of cancer, approximately 10-15 patients per month leave or pass away at each facility. As a result, it is structurally difficult to maintain utilization rates in the 90% range.

Q

What are your views on EBITDA in FY26 Q1 result and outlook?

A

For FY23 and later, we decided to emphasize the use of EBITDA as a performance indicator, aiming to eliminate accounting effects and consider return on strategic investments.

For FY25, margins declined year on year, as revenue growth was constrained by the impact of the Special Investigation Committee, while personnel expenses increased due to a strategic shift, together with inflationary pressures.

In FY26 Q1, while we expect an improvement in the utilization rate, margins are projected to decline due to the impact of medical fee revisions, rising personnel costs, and higher material costs driven by inflation.



Please explain why Operating profit before provisions, rather than operating profit, is considered a key performance indicator in the Comprehensive Medical Support Business.



In the Comprehensive Medical Support Business, conservative allowances for doubtful accounts related to financial support measures such as factoring and mezzanine investments can create a significant gap between operating profit and actual cash flows. To eliminate the arbitrariness of such provisions in evaluating performance, we use Operating profit before provisions as a key indicator instead of operating profit.



In the Comprehensive Medical Support Business, ROIC is regarded as an important indicator because it enables us to assess returns relative to invested capital in a capital-intensive business model.



The Comprehensive Medical Support Business generates higher returns on invested capital compared with the Ishinkan Business, which we view as one of its key strengths. As greater emphasis is placed on investment efficiency, we believe that further improving ROIC in this business will ultimately maximize value returned to shareholders, and therefore regard ROIC as a key metric to be continuously monitored.



What is your perspective on the company's negative free cash flow (cash flows from operating activities - cash flows from investing activities)?



We are currently expanding business while maintaining our growth potential. Our aggressive facility development approach (mainly building our own facilities) has required significant investment.

We recently change the investment stance so that we focus on the FCF. We assume FCF positive in mid-term, due to streamlining of the investment discipline.



What is your target for the equity ratio?
What other indicators, if any, do you refer to as indicators of the stability of your financial base?



We have set a target equity ratio of 30%. As of the end of December 2025, we maintained a robust financial base, with the ratio of 43.0% surpassing the target.

In addition to the equity ratio, we also refer to the net debt/EBITDA ratio.

We continue to open facilities, mainly by building our own facilities, but based on the above indicators, we believe cash on hand and bank borrowings will provide sufficient funding.



What are your current status on facility opening and strategy for the future?



We receive about 300 referrals per month from construction companies, financial institutions, local real estate companies, and others, and then we carefully examine each project and proceed to open 2–3 projects per month.

Currently, we continue opening in areas where we already have a presence in Eastern Japan, such as formation of dominant areas in the Tokyo metro area and Chukyo area. We also plan to aggressively expand into Western Japan, such as the Kansai and Chugoku areas, where we started to operate in FY24, and the Kyushu and Shikoku areas, where we plan to open in FY25.

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What are your current status on facility opening and strategy for the future?



In the Tokyo metro area, new facilities start up quickly, while rents and personnel costs are higher than in regional cities, so the EBITDA margin tends to be 3-5% lower, but EBITDA tends to generally similar in amount.

We intend to continue opening new facilities in areas where demand is expected, including western Japan.

Q

What are your thoughts on the current situation and future prospects for recruiting?

A

We are currently receiving many applications, so we are able to exercise due care in selecting employees. Furthermore, we do not hire temporary nurses and caregivers, which we believe is proof of our high recruiting capability.

Therefore, we think we will be able to recruit regular nurses and caregivers to meet the increase in the number of facilities, even though while the overall industry faces a labor shortage.

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What are your thoughts on the current situation and future prospects for recruiting?



On the other hand, we think it is necessary to continue to strengthen the recruitment of nursing leaders (nursing managers), who require a wealth of experience.

We continue to strengthen our recruiting system so that we can increase the number of facilities and maintain high utilization rates.



How are you progressing with promoting occupancy?



We conduct marketing activities to accept patients by promoting the social significance, including our business model to hospitals, which are our main sources of patient referrals.

Most Ishinkan patients are referred by hospitals and other medical institutions, and only about 1 among about 1,000 new patients each month are referred by agencies. We believe these figures indicate that we are accurately identifying regional healthcare needs and practicing effective marketing activities.

We will continue to strengthen our marketing activities to maintain high utilization rates.



What are your thoughts on the current management system and policy for the future?



Under a headquarters-focused management system, staff in each department take charge of a region and closely support operations of each facility.

In addition to marketing, recruitment, HR, and goods management, we are working to improve quality and avoid serious accidents in terms of service quality management through various measures, including monitoring as well as incident management and analysis by headquarters staff, mainly nurses, implementation of various training, and promotion of participation in external training programs.

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What are your thoughts on the current management system and policy for the future?



We think the current structure is satisfactory for maintaining both quality and quantity, even assuming the development in Western Japan. The system should allow us to meet our targets of opening 9 new facilities and operating 139 facilities in FY26.

However, given our plan to increase the number of facilities by the end of September 2026 and later, we continue to strengthen our headquarters functions.



Impact of the 2026 Medical Fee Revision on the Hospice Business



With the 2026 medical fee revision, a new bundled reimbursement system for home-visit nursing care, known as the Comprehensive Home-Visit Nursing Care Fee, will be introduced. This system comprehensively evaluates care for patients with high medical dependency on a per-day basis.

As a result of this revision, we expect medical reimbursement unit prices to decline by approximately 20%, and we will respond by optimizing staffing allocations and implementing other operational measures.

Regarding our financial results for the fiscal year ending September 2026, we continue to expect to achieve our full-year operating profit forecast. However, given the uncertainty surrounding the impact of the medical fee revision, we have decided to leave our earnings forecast unchanged at this time.



How is the Ishinkan business affected by the macro environment (such as the availability of wood, energy resources, and monetary policy)?



Recent volatile global situation present the possibility of prolonged supply shortages and price hikes on wood and energy resources.

Our facilities are made of heavy steel, reinforced concrete, and wood. The macro economic situation will affect the construction cost of facilities under construction or scheduled to open in the future.

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How is the Ishinkan business affected by the macro environment (such as the availability of wood, energy resources, and monetary policy)?



That said, the cost of buildings will be allocated as expenses through depreciation over their useful lives (20–47 years), so the impact on our financial performance is expected to be reduced.

In addition, 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 by about 4,000 yen per month in October 2023.

We expect the impact of the Bank of Japan's monetary policy to be immaterial based on the current balance of borrowings (about JPY 26.0bn) and recent changes in the TIBOR rate.



Recently, new entrants into the hospice business seem to be on the rise. Unlike new entrants, how is it possible for Ishinkan to accept mainly patients in the terminal stages of cancer and operate large facilities and in regional cities?



Ishinkan functions as a platform of home healthcare equipped with a nursing system specializing in terminal care. More than 80% of patients are in the terminal stage of cancer. We also accept patients with high medical dependency, such as those with specified diseases, and those who are on respirators, those who have had tracheostomies and require respiratory management.

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Recently, new entrants into the hospice business seem to be on the rise. Unlike new entrants, how is it possible for Ishinkan to accept mainly patients in the terminal stages of cancer and operate large facilities and in regional cities?



In addition, 98.9% ⁽¹⁾ of patients pass away at Ishinkan without being transferred to a hospital, which is very high compared to other companies. It means that we provide responsible medical care until the end-of patients' lives.

As a result, about 10-15 patients per month leave or pass away at each facility, and as the capacity of the facility increases, this figure rises even more.

In this situation, we require talented nurses who can respond flexibly to the fast-changing patient population and need staff who are in charge of sales to continue to attract hospitals and patients.

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1. The in-facility end-of-life care rate is calculated by dividing the number of residents who passed away in the facility by the total number of resident deaths, including deaths outside the facility and then dividing that total by the total number of deaths of residents in the facility, excluding deaths outside the facility. The above death rate is the average of the quarterly surveys conducted over the past year.



Recently, new entrants into the hospice business seem to be on the rise. Unlike new entrants, how is it possible for Ishinkan to accept mainly patients in the terminal stages of cancer and operate large facilities and in regional cities?



For operations in regional cities, we require talented nurses and staff, including those in charge of sales, to carry out high-quality operations in order to solidify the trust of local communities and medical professionals. We believe we can operate that way because we have the human resources and operational know-how.



What is the status on your efforts regarding sustainability?



In order to both enhance corporate value and contribute to creating a sustainable society, under our sustainability basic policy, we identify important issues that should be prioritized, and address them, led by our CSR officer and the ESG Promotion Committee.

We introduce specific environmental, social, and governance initiatives, with various ESG data and quantitative objectives, on our website.

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What is the status on your efforts regarding sustainability?



In June 2024, we received an MSCI ESG Rating of AA, up 1 grade from last year's A rating. We were also selected as a constituent of the FTSE Blossom Japan Sector Relative Index in July 2024. These show that our initiatives receive certain third-party evaluations.

We continue striving to build relationships of trust with our stakeholders, thereby increasing corporate value and helping to create a sustainable society.



What is your policy on the shareholder return?



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

In FY26, we expect dividend of 4 yen per share, the same amount as FY25, while prioritizing the acceleration of growth.



What IR activities are you undertaking?



For individual investors, we hold briefings at least twice a year. In the future, we would like to consider conducting face-to-face briefings.

For analysts and institutional investors, we participate in conferences. In addition, we hold about 100 individual meetings each quarter. Given overseas investors account for about half of these individual meetings, we conduct face-to-face overseas IR as appropriate.

We continue to strengthen dialogue with shareholders and investors.

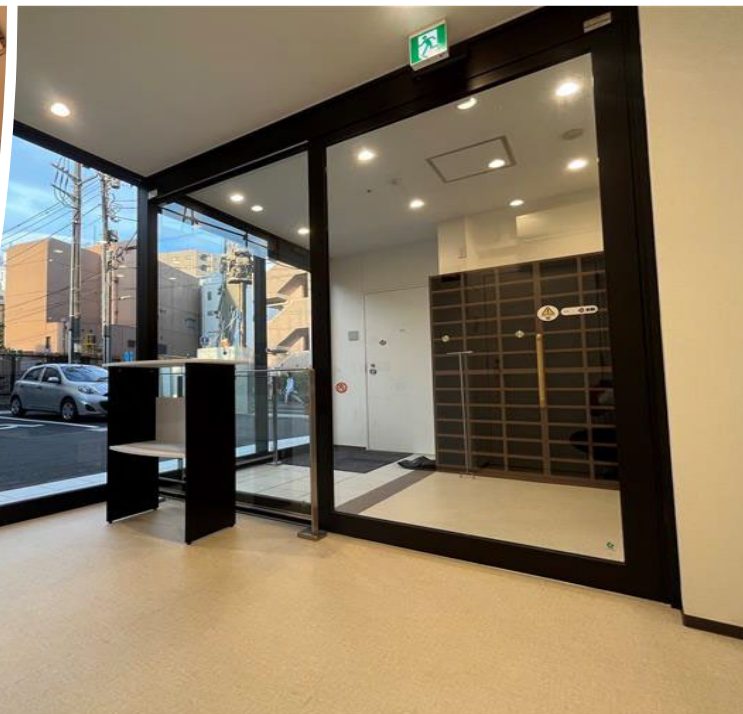


Appendix

Appearance



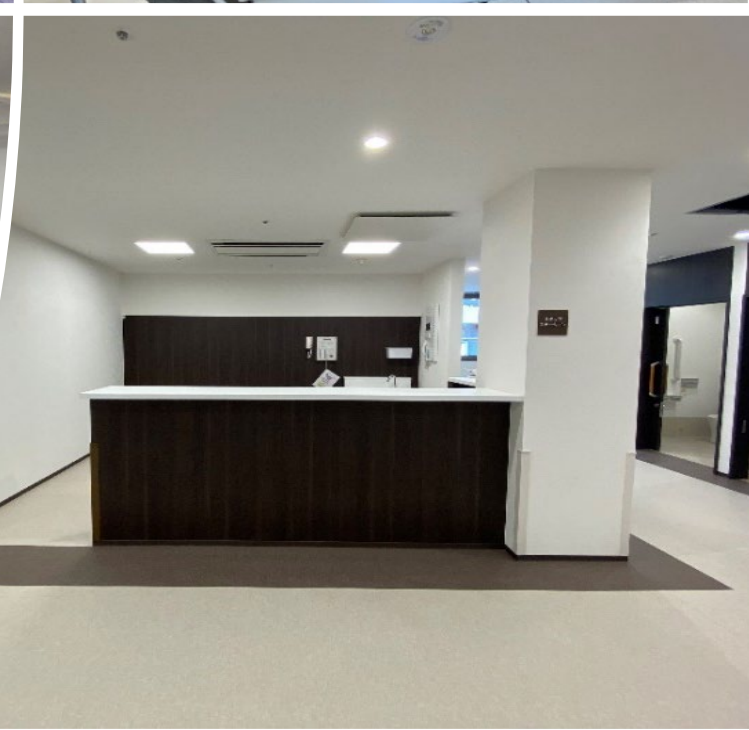
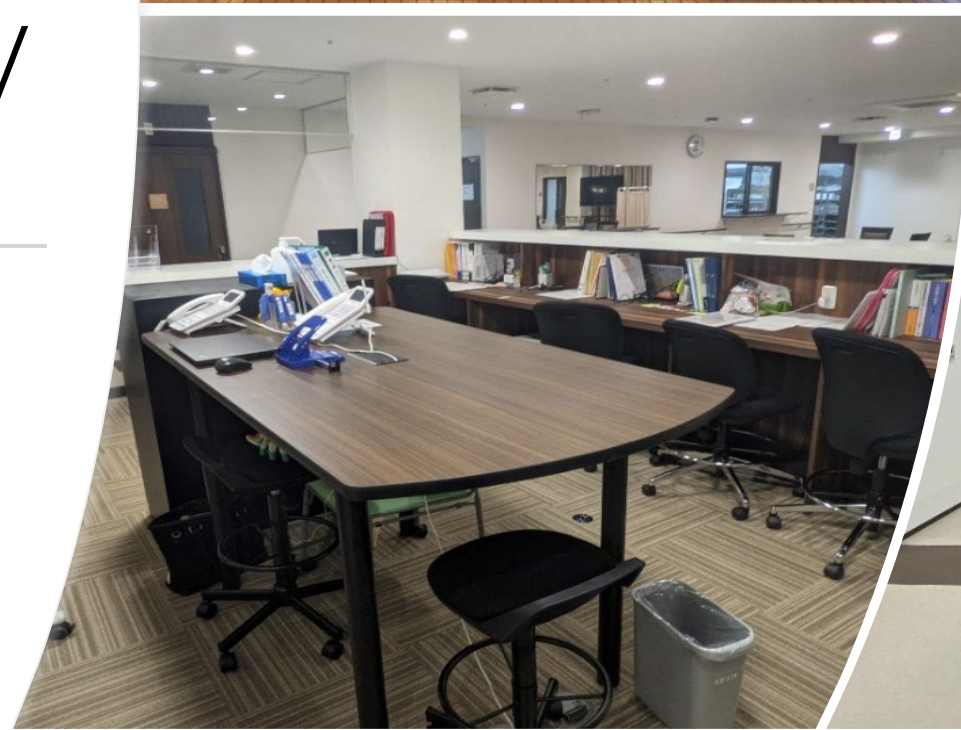
Entrance / Dining Hall



Kitchen / Private Room



Staff Station / Bathroom



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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