



First Quarter of the Fiscal Year Ending September 30, 2022

Financial Highlights

Amvis Holdings, Inc.

February 10, 2022

Social Problem-Solving Business



Under the government's policy of shortening of hospital stays and returning home, Ishinkan has been actively accepting patients who have commonly been rejected by other hospitals and 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.

We aim to continue operating Ishinkan in an even-handed and honest manner, thereby satisfying our duty to support regional healthcare and ensuring the well-being of people who are unsure of where to go after being discharged from medical facilities.

We are confident that Ishinkan will help to solve medical problems of revitalizing regional healthcare, reducing exhaustion of medical workers during the COVID-19 pandemic, and alleviating regional disparities in healthcare.

FY22 Q1 Operating Performance

Q1 Net Sales (Actual)

JPY 5.0bn

Q1 Operating Profit (Actual)

JPY 1.4bn
(Operating margin: 28.9%)

Full-Year Net Sales (Forecast)

JPY 21.6bn
(Progress toward full-year
forecast: 23.3%)

Full-Year Operating Profit (Forecast)

JPY4.9bn
(Progress toward full-year
forecast: 29.4%)

- As a receptacle for patients with high medical dependency, our facilities played some pivotal roles in helping maintain regional medical care system, through contributing to reduced workloads at medical institutions accepting COVID-19 patients. To address COVID-19, we continue to increase the number of medical workers, including nurses and caregivers compared to pre-COVID-19 levels.
- The utilization rate at existing facilities was 87.4%, surpassing our target for stable operations (80-85%). The start of new facilities mainly in the Tokyo metro area was also favorable. As a result, Q1 performance progressing steadily against full-year forecast.
 - ✓ Net sales: JPY 5.0bn (progress toward full-year forecast: 23.3%)
 - ✓ Operating profit: JPY 1.4bn (progress toward full-year forecast: 29.4%)
 - ✓ Net profit: JPY 1.0bn (progress toward full-year forecast: 30.7%)
- In Q1, we opened 6 new facilities as planned. As a result, we had 48 facilities (2,289 beds) as of December 31, 2021.
 - ✓ FY22: We plan to open 16 new facilities more than the plan released in November 2021. Ishinkan Kikuna, we newly decided to open in June, will be opened by taking over the lease contract from another care provider. Refer to the following page for details.
- In FY23, we have already announced plans to open 4 facilities including Ishinkan Higashi Sapporo, first facility in Hokkaido. We plan to steadily release further information once launch plans have been clarified, in order to achieve the target of about 13 facilities per year set in the three-year plan.
- There will be no material impact of the medical fee revision announced on February 9, 2022 on our financial performance.

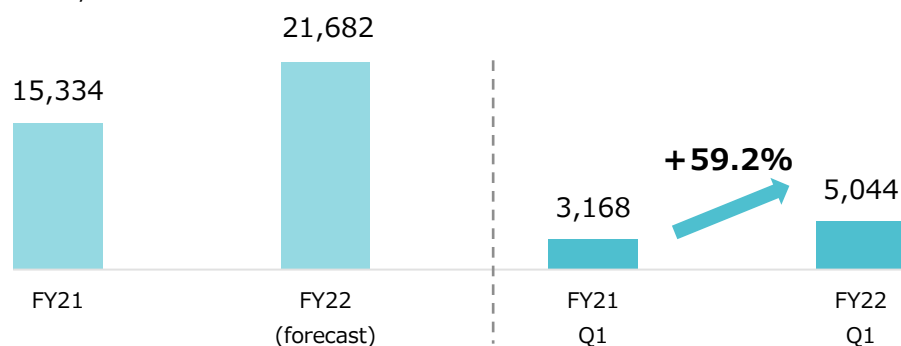
Net Sales and Profit Rose Steadily as the Number of Facilities and Bed Capacity Increase

- Net sales increased significantly compared to Q1 of FY21 as the number of facilities increased by 15 and the number of bed capacity increased by 53%.
- We maintained and improved profitability by operational improvements even while increasing of personnel numbers.

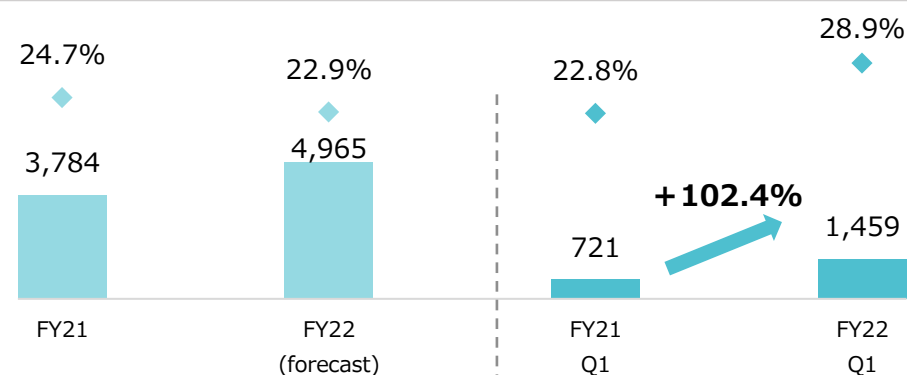
Q1 Performance and Progress Toward FY22 Forecasts

Net Sales

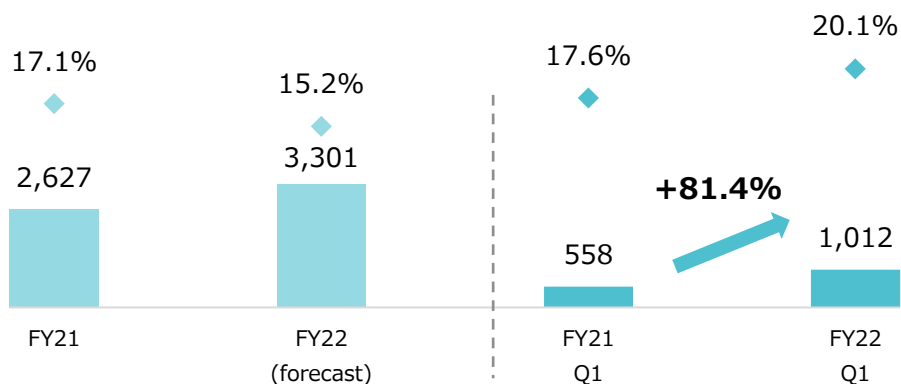
(JPY MM / %)



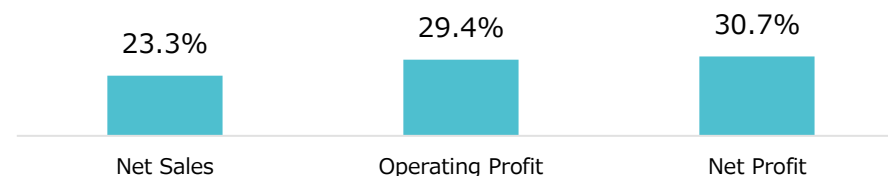
Operating Profit



Net Profit



Progress toward Forecasts



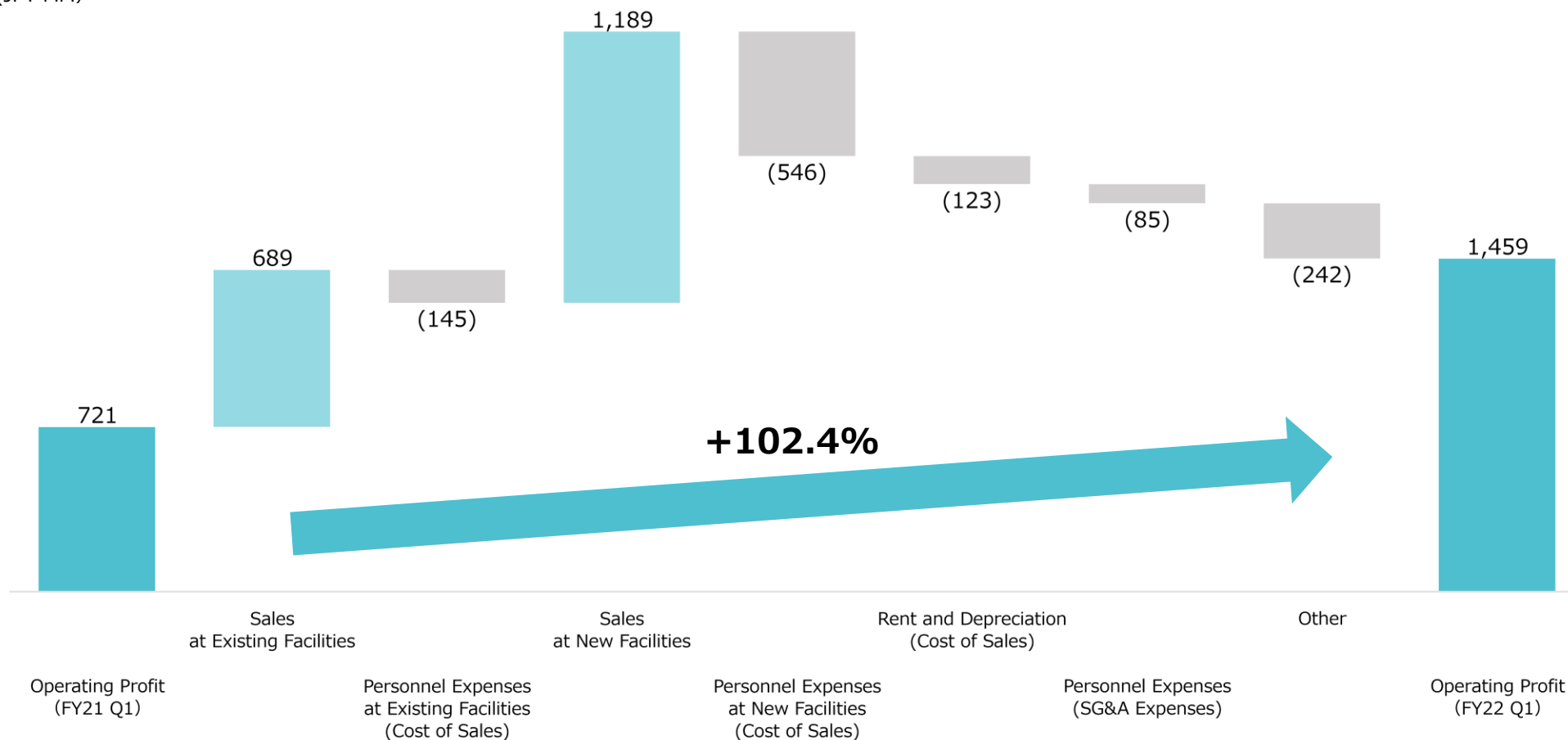
◆ : Percentage of Net Sales

Maintained Stable Utilization Rates at Both Existing Facilities and New Facilities

- We maintained stable utilization rates at existing facilities (87.4%) and new facilities (50-55%).⁽¹⁾
- Operating profit rose as the number of facilities and bed capacity increase (33 facilities as of December 31, 2020; 48 facilities as of December 31, 2021).

Operating Profit (FY21 Q1 – FY22 Q1)

(JPY MM)



Note :

1. New Facilities : Opened after Q1 of FY21 / Utilization Rate : median (as of December 31, 2021)

Ishinkan Opening by Taking Over the Lease Contract from Another Care Provider

- We will open Ishinkan through the succession of leasehold rights, which enables us to open the facility quickly and at low initial investment expenses and accelerate the formation of dominant in Kanagawa prefecture.
- While also building our own facilities, we plan to proceed with similar projects, opening about one or two facilities per year.

Overview

- The opening is an example of our collaboration with medical institutions and care facilities.
- Nichii Carepalace will move out of its current building, in accordance with the relocation of nursing home with nursing care “Nichii Home Kikuna” to a nearby location.
- We will be the subsequent lessee, and open Ishinkan within the building after carrying out renovation work and other necessary procedures.

Strategic Rationale

- Ishinkan Kikuna, which we plan to open, will be the seventh Ishinkan in Yokohama and will help us to accelerate the formation of dominant in the area.
- The building is presently being used as a care facility and we accordingly plan to use some existing equipment. This will enable us to significantly reduce our initial investment.

Accelerate Deployment (Kanagawa Prefecture)



① Yokohama Tsuzuki	⑥ Shonandai
② Yokohama Tateba	⑦ Honatsugi
③ Higashi Totsuka	⑧ Kanazawabunko
④ Shin-Yokohama	⑨ Yamato
⑤ Kamiooka	⑩ Kikuna
Odawara (Outside region of dominance)	⑪ Yokohama Nakayama (Scheduled to open in October)

Timeline

- Dec. 2021: Announced this project
- Apr. 2022: Nichii Carepalace’s Moving out, Start of renovation work
- Jun. 2022: Operations to start (55 beds)

- We plan to open 16 facilities (825 beds) in FY22, more than initially planned.
- Going forward, we will accelerate the formation of dominant areas in regions where we already have a presence mainly in the Tokyo metro area.

Recent Topics

Kikuna	Opening facility by taking over the lease contract from another care provider
Chiba ekimae	First large facility in Chiba prefecture (69 beds)
Higashi Sapporo	First facility in Hokkaido

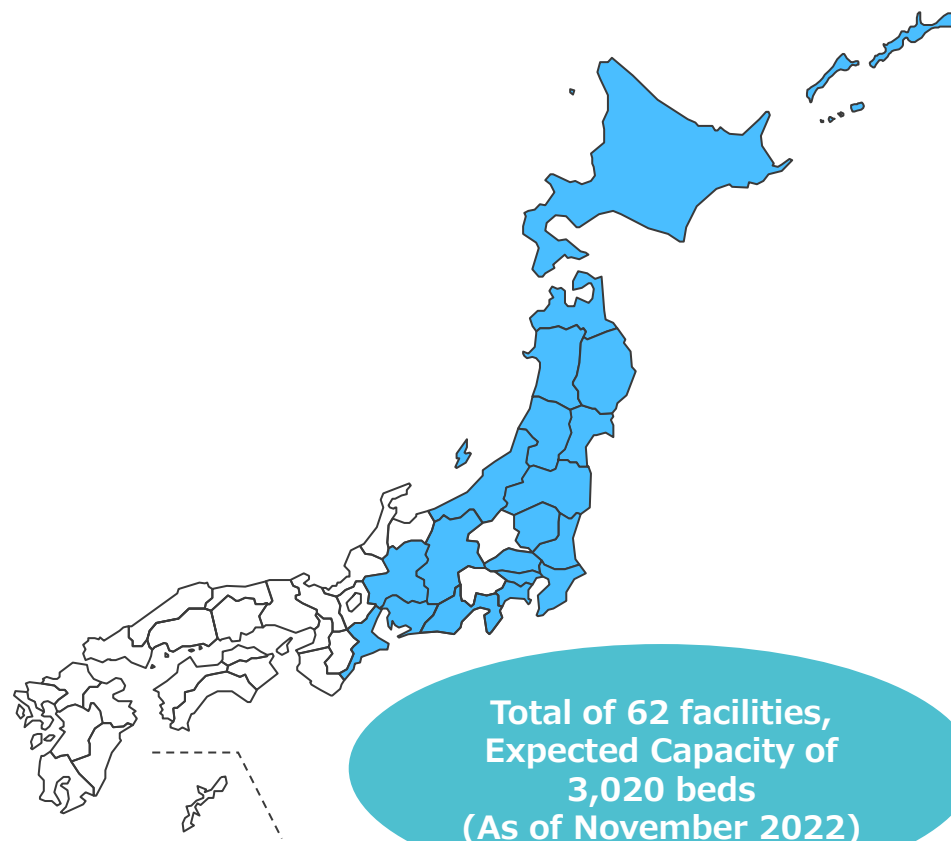
Opening Plans from July 2021

Opening Date	Location	Total Beds ⁽¹⁾
Oct. 2021	Mizue, Koshigaya, Kashiwa	158
Nov. 2021	Ageo, Aomori, Higashi Omiya	154
Feb. 2022	Yamato, Heiwadai	101
Apr. 2022	Tsukuba, Joetsu, Minami Nagareyama	157
June 2022	Shizuoka, Kikuna, Niigata III	153
Aug. 2022	Inage	50
Sep. 2022	Hirosaki	52
Oct. 2022	Higashi Sapporo, Yokohama Nakayama, Chiba ekimae	171
Nov. 2022	Sengawa	47

Note :

1. Total beds is the sum of the capacities of multiple facilities

Ishinkan Nationwide

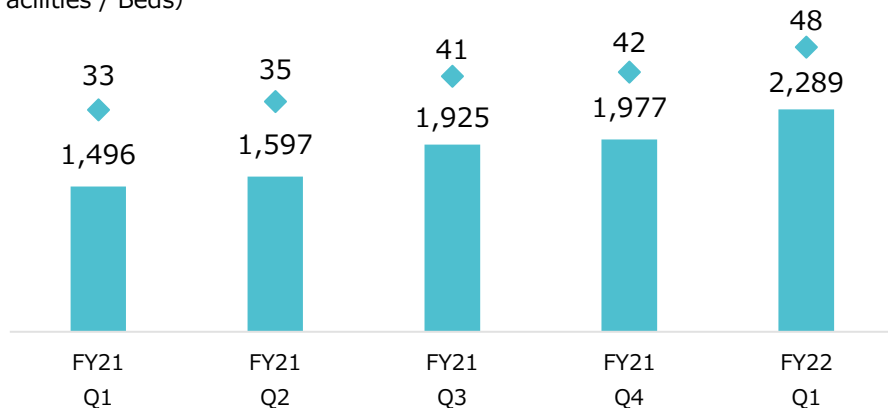


Quarterly Performance: Key Financial Indicators

Quarterly Performance

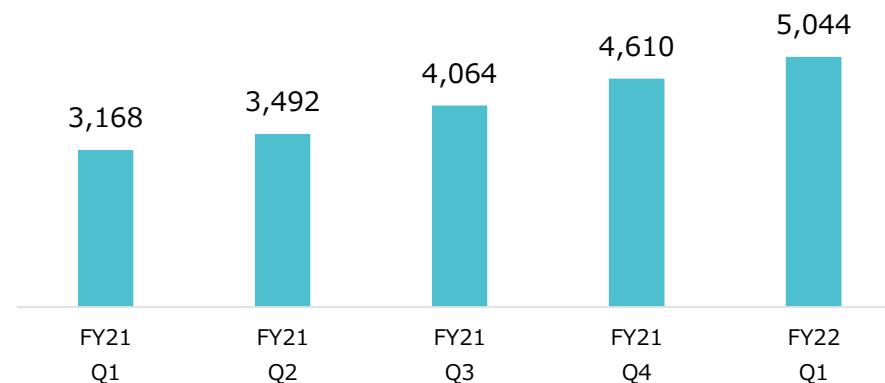
Number of Facilities / Bed Capacity

(Facilities / Beds)

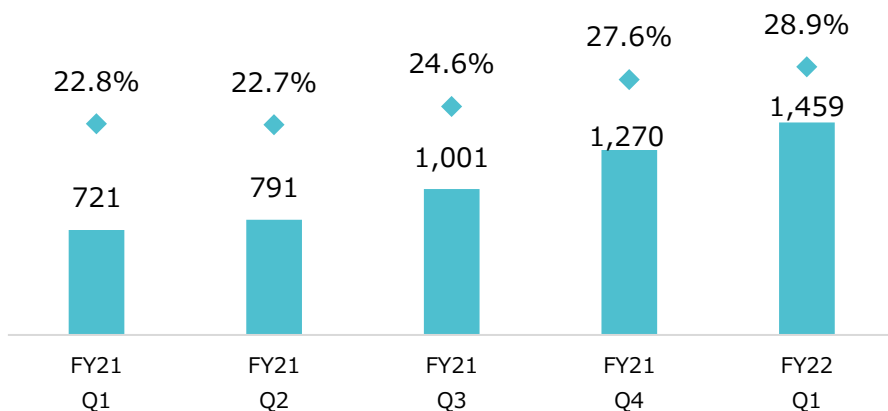


Net Sales

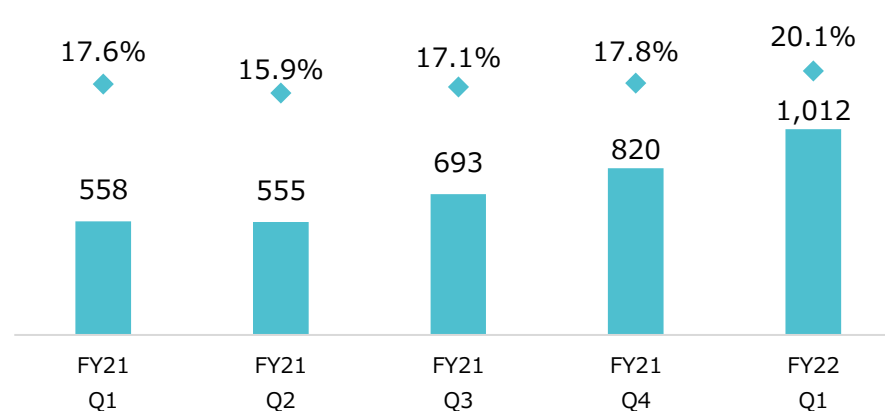
(JPY MM/ %)



Operating Profit



Net Profit



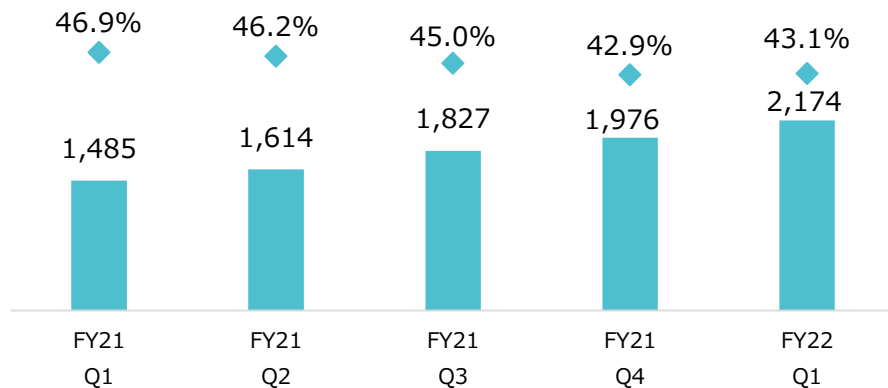
◆ : Percentage of Net Sales

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

Quarterly Performance

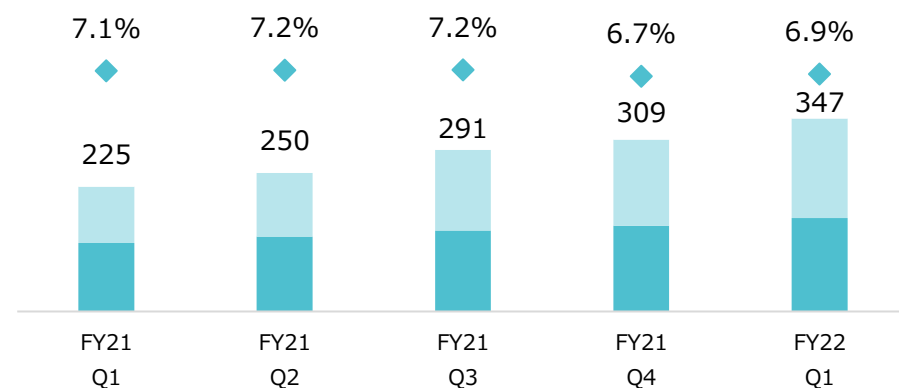
Personnel Expenses (Cost of Sales)

(JPY MM / %)

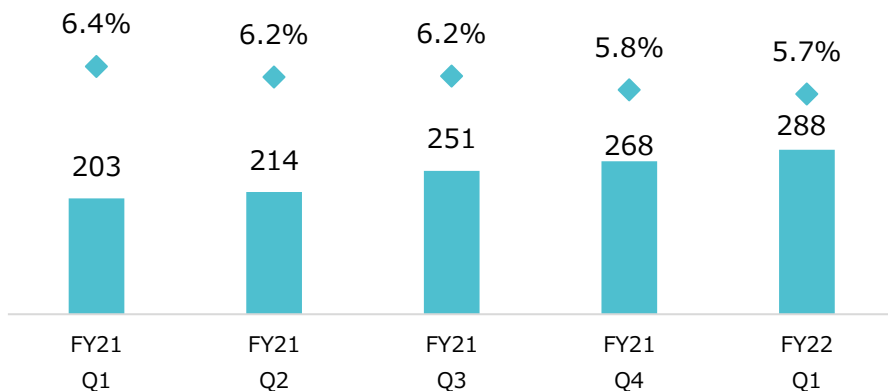


Rent & Depreciation (Cost of Sales)

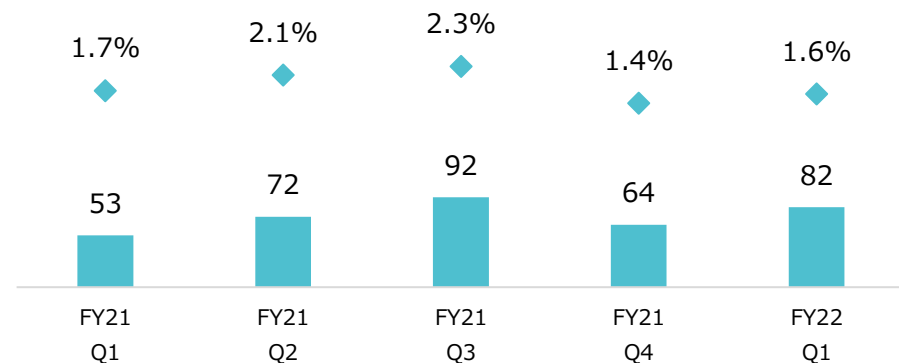
■ Rent ■ Depreciation



Personnel Expenses (SG&A Expenses)



Recruiting Expenses (SG&A Expenses)



◆ : Percentage of Net Sales

Summary of Balance Sheet

Summary of Balance Sheet				
(JPY MM / %)	FY20	FY21	FY22 Q1	vs. FY21
Assets	16,519	31,922	33,894	+6.2%
Cash and Deposits	3,335	11,192	10,586	(5.4%)
Buildings and Structures, Net	3,548	8,963	9,530	+6.3%
Liabilities	11,264	15,580	16,759	+7.6%
Borrowings	6,250	8,967	9,725	+8.5%
Net Assets	5,255	16,341	17,135	+4.9%
Equity Ratio	31.8%	51.2%	50.6%	(0.6pt)



Appendix

Amvis 2023 Targets

Number of facilities / Bed capacity

70 facilities / 3,411 beds
(Medium- to long-term target:
100 facilities / 5,000 beds)

FYE22 (forecast): 58 facilities / 2,802 beds
FYE21 (actual): 42 facilities / 1,977 beds
FYE20 (actual): 29 facilities / 1,270 beds

Operating profit

JPY 6.7bn
(Medium- to long-term target: **JPY 10.0bn**)

FY22 (forecast): JPY 4.9bn
FY21 (actual): JPY 3.7bn
FY20 (actual): JPY 1.8bn

Net sales

JPY 29.2bn
(Medium- to long-term target: **JPY 45.0bn**)

FY22 (forecast): JPY 21.6bn
FY21 (actual): JPY 15.3bn
FY20 (actual): JPY 9.1bn

Net profit (CAGR)

35-39%
(Medium- to long-term target: **20-29%**)

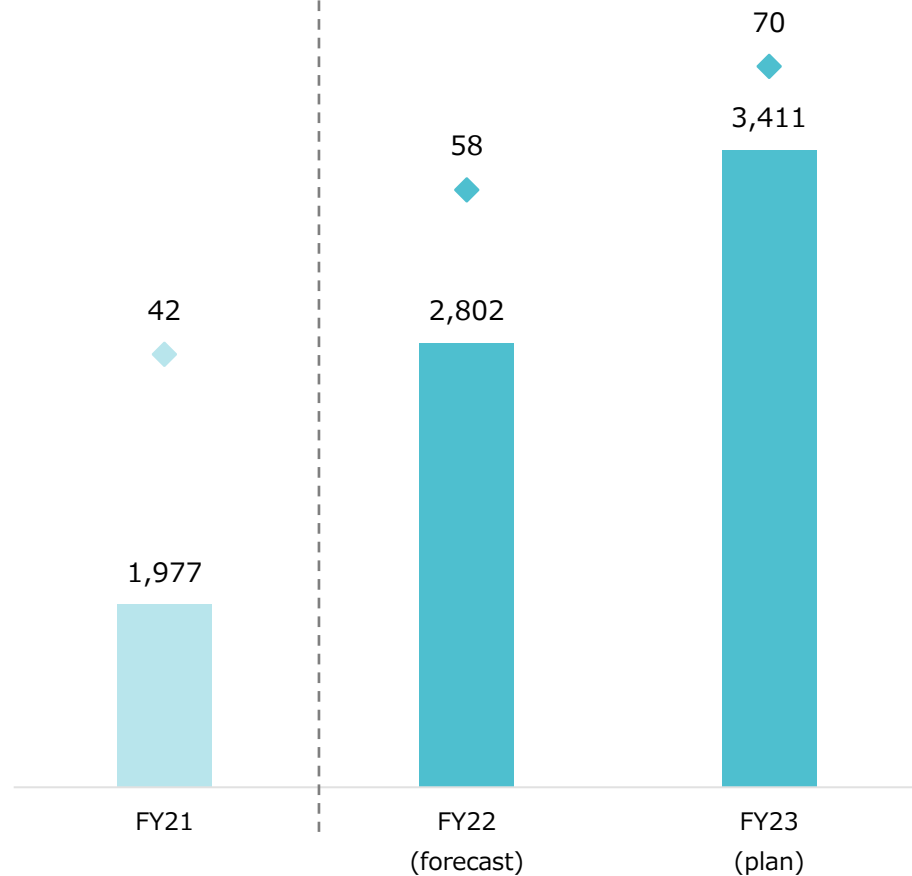
FY20-FY23 (forecast): 53%

Amvis 2023: Number of Facilities / Bed Capacity and Net Sales

Amvis 2023 Targets

Number of Facilities / Bed Capacity

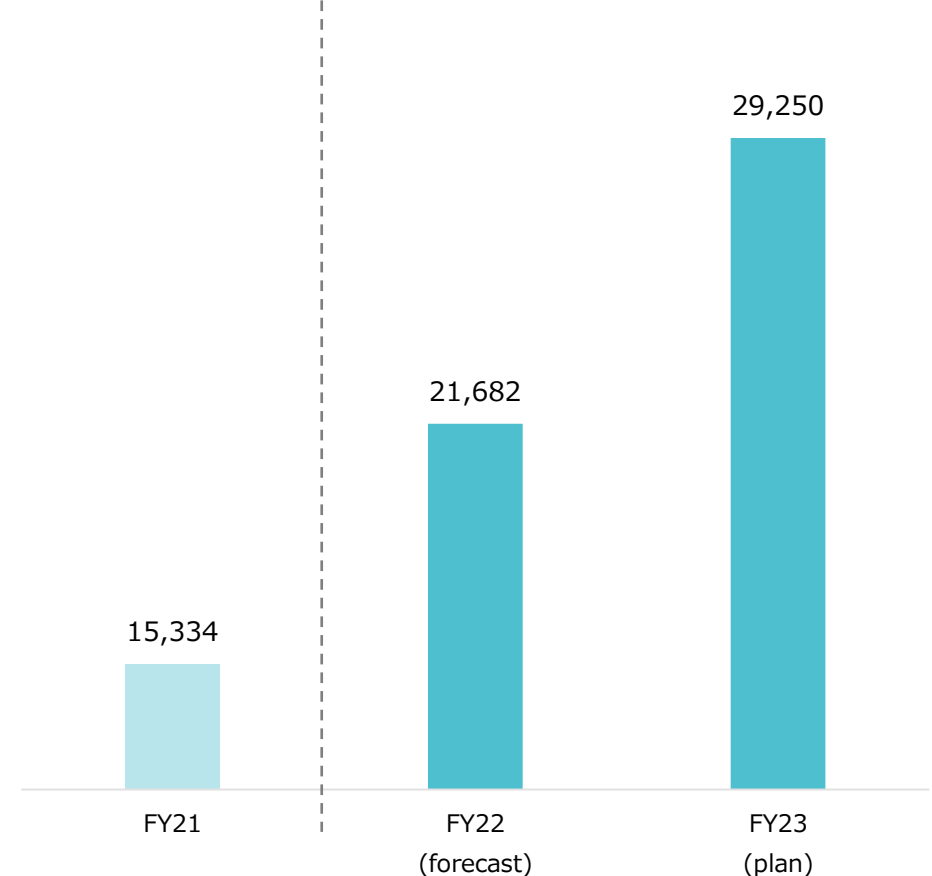
(Facilities / Beds)



■ Actual ■ Three-Year Plan

Net Sales

(JPY MM)



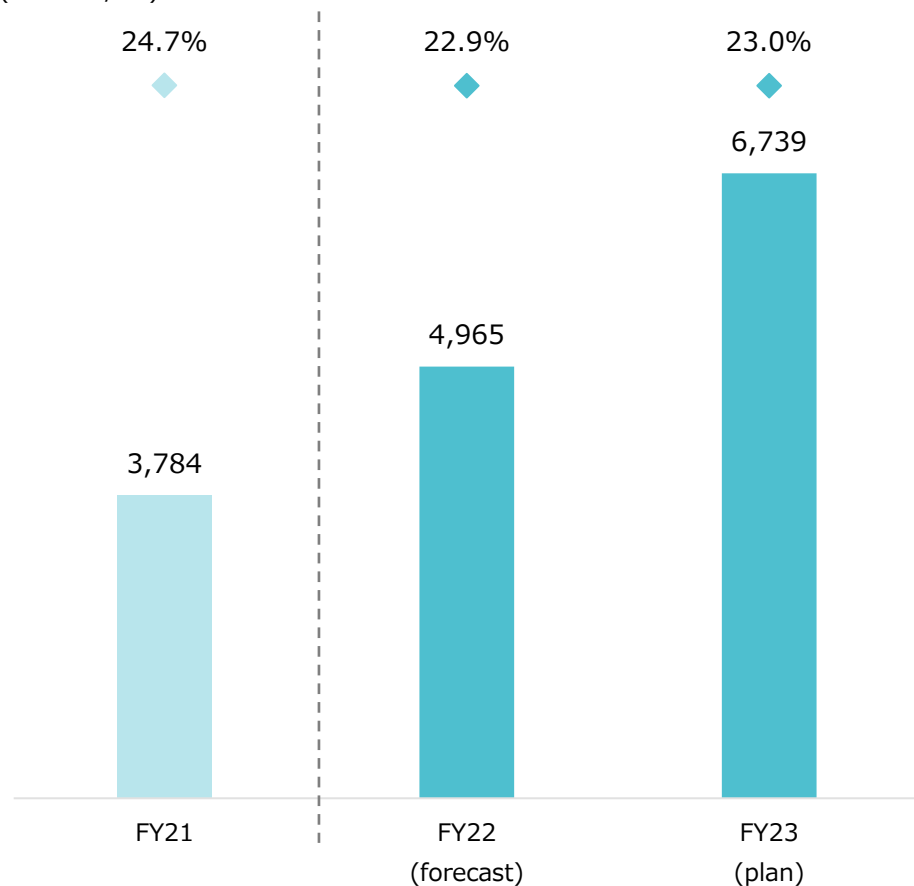
■ Actual ■ Three-Year Plan

Amvis 2023: Operating Profit / Net Profit

Amvis 2023 Targets

Operating Profit / Operating Margin

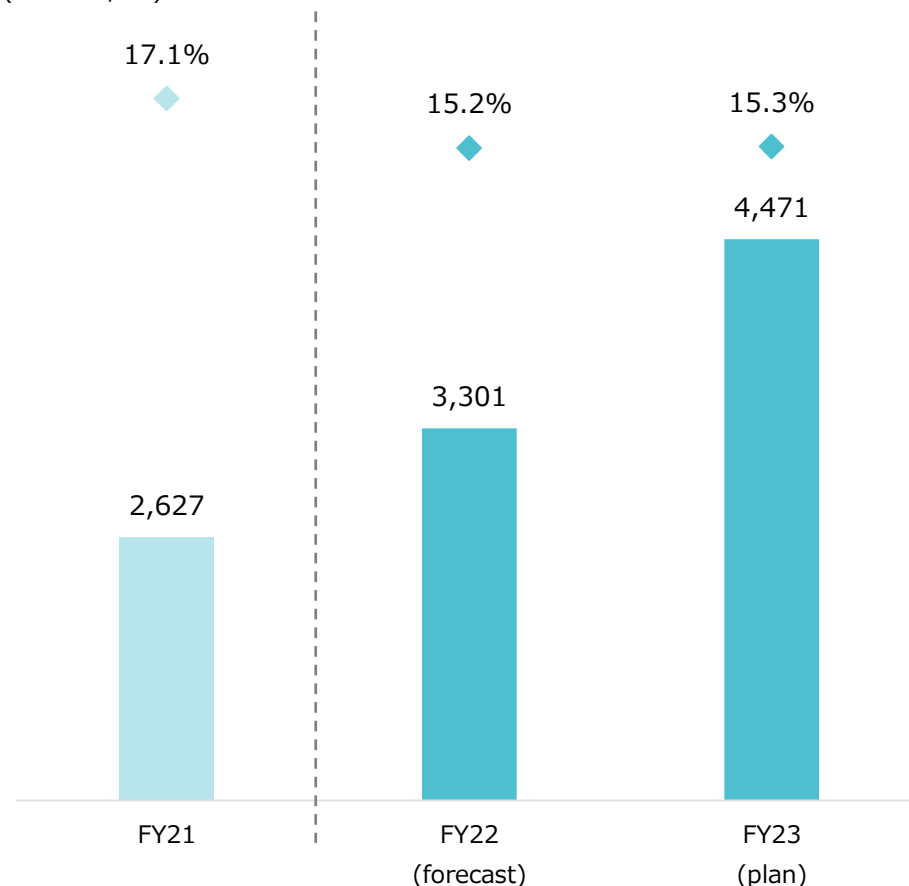
(JPY MM / %)



■ Actual ■ Three-Year Plan

Net Profit / Net Margin

(JPY MM / %)



■ Actual ■ Three-Year Plan

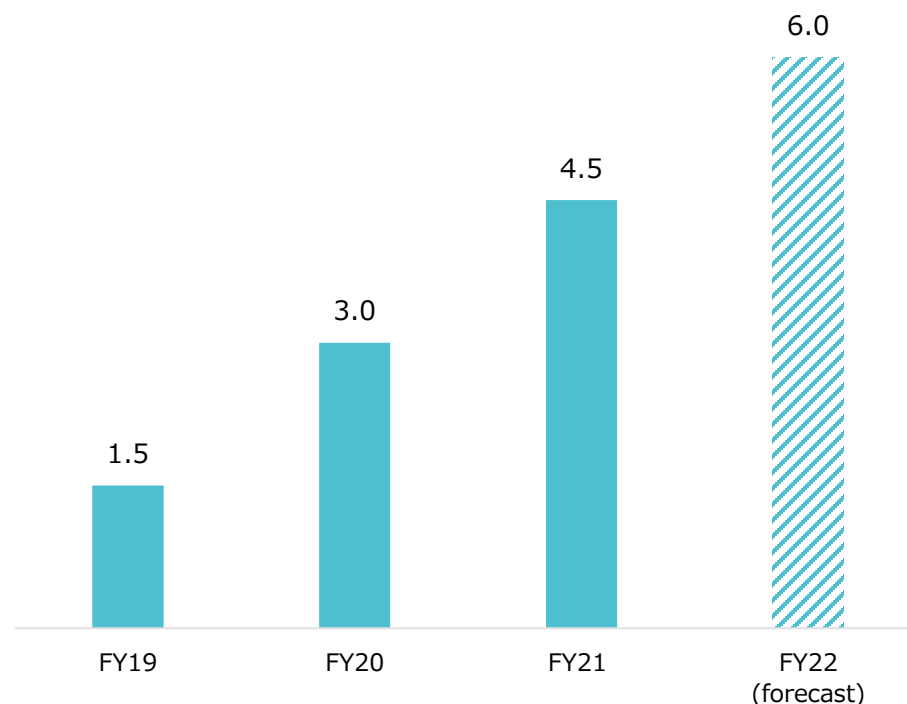
- In FY22, we plan to raise the dividend per share by JPY 1.5 compared with FY21.
- We will continue to enhance corporate value by considering the balance between the acceleration of growth and shareholder returns.

Basic Policy on Shareholder Return

- We consider the distribution of profits to shareholders to be a priority management issue. We aim to enhance our corporate value by returning profits to shareholders while securing internal reserves to expand the Ishinkan business as well as related businesses and to strengthen our management base.
 - Our basic policy is to distribute 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.

Dividend History and Forecast⁽¹⁾

(JPY)



Note :

1. The Company has implemented a 2-for-1 stock split on April 1, 2020 and a 2-for-1 stock split on January 1, 2022. Therefore, the dividend per share are calculated on the assumption that the stock splits had taken place at the beginning of FY2019.

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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