

HYUGA PRIMARY CARE

A hand is shown holding a white house icon. The house icon has a chimney on the right side and a window with a cross pattern. The house is surrounded by a circular graphic with four dark blue stars. The background is a dark blue gradient.

Financial Results for the Third Quarter of Fiscal
Year Ending March 2026

HYUGA PRIMARY CARE Co., Ltd.
7133 TSE Growth Market
February 13, 2026

This is an unofficial translation. In case of any difference in meaning between the original Japanese text and the English translation, Japanese text shall prevail

- 01 Company Profile, Business Profile, Summary
- 02 Summary of Financial Results (FY 2026 3Q)
- 03 Full-Year Earnings Forecast (FY2026)
- 04 Topics
- 05 Sustainability Management/Appendix

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FY March 2026 3Q Summary

Financial Highlights

Net sales increased 20% year on year, and operating income decreased

As operating income is expected to fall below the full-year forecast due to the impact of the upfront investment, we have revised down the forecasts for profit at each level below operating income.

Regarding revenue recognition for the Region Prime Project (estimated sales of ¥200 million), we are still in discussions with our auditing firm. The project is in progress and is expected to be recorded this fiscal year.

Business Highlights

Home-Visit pharmacies Business

- Sales increased year on year, while profit declined.
- A total of 10 new stores were opened in 3Q (2 stores in 3Q), and the number of home-care patients increased by 2,000 year-on-year
- New store openings and recruitment costs were incurred due to the accelerated pace of store openings
- Gradual progress in the contribution of new stores to business results

Kirari Prime Business

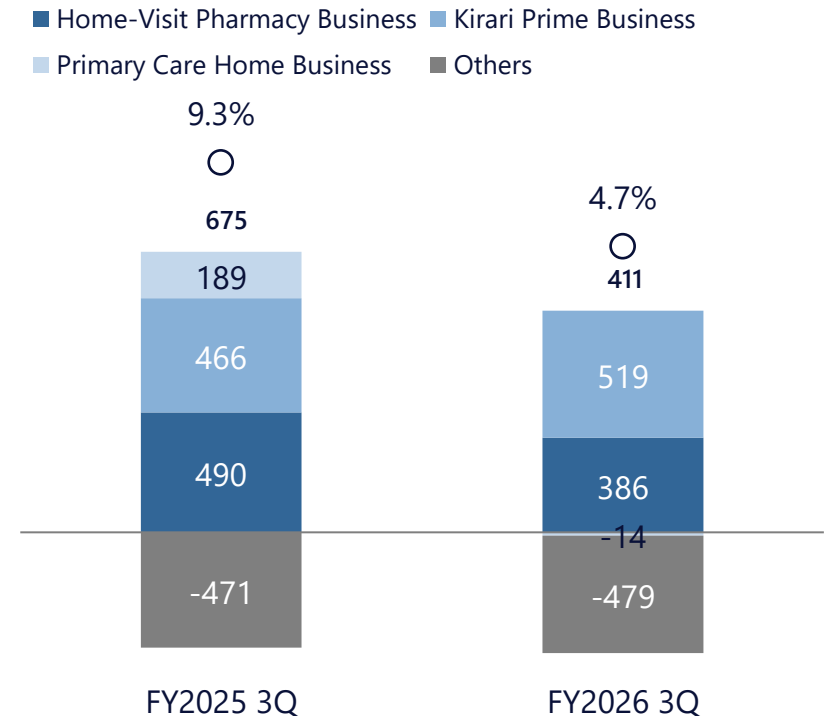
- Revenue and operating profit increased year-on-year
- The number of affiliated stores increased to 2,831. Early achievement of this fiscal year's targets
- ARPU remained strong with an increase in the number of affiliated stores

Primary Care Home Business

- Revenue increased, profit declined year-on-year
- Occupancy rate of 2 existing facilities exceeded 90%. Kumamoto Hamasen, which opened in December 2024, struggled to attract customers, but occupancy rate and average monthly revenue per resident were on the rise. Kurume St. Mary's Hospital Station, which opened in April, was profitable on a month-to-month basis as the number of residents remained steady.

YoY Comparison of Operating Income

(millions of yen)



Summary of The 2026 Medical Fee Revision — A Policy Tailwind for Our Community-Based Home Care Model —

► Major Direction of the Revision (System Message)

- Structural shift in medical care delivery system from "hospital based" to "home based and community based"
- **Emphasis on support system** for seriously ill patients, end-of-life care, and facility residents at home
- Interprofessional collaboration (physicians, nurses, and pharmacists), ICT utilization, and work efficiency are prerequisites for compensation evaluation

► Specific impacts on home care and pharmacies

- Strengthening evaluation of home care support clinics, home nursing care, and home pharmacy management, and promoting information collaboration
- **Base increase and price-response evaluation for home care** in light of rising prices and labor costs
- Shifting from quantity to **role, expertise, and quality of collaboration**

Position of HYUGA PRIMARY CARE

- Healthcare delivery model centered on home care
- Interprofessional collaboration and information hub function centered on home visiting pharmacies
 - Reducing the burden on nursing and nursing care sites while improving the quality of medical care
- Scalable **integrated community care business**



Home healthcare model implemented by our company
Strategies for "interprofessional collaboration" and "pharmacy function expansion"
We view this revision as a policy endorsement of the home-care model we have already implemented.

Company Profile/Vision

COMPANY

Company Profile

Company Name

HYUGA PRIMARY CARE Co., Ltd.
(HYUGA PRIMARY CARE Co.,Ltd.)

Representative

President/Pharmacist Tetsuji Kurogi

Establishment

November 2007

Head Office

2-2-1 Kasugabarū Kitamachi, Kasuga-city, Fukuoka

Composition of Officers

President and Representative Director
Director COO
Director CFO
Director
Director (outside)
Director (outside)
Full-time Corporate Auditor (outside)
Corporate Auditor (outside)
Corporate Auditor (outside)

Tetsuji Kurogi
Takeo Yamasaki
Tomoaki Onishi
Kohei Shiroo
Shinjiro Ogawa
Kyoko Saeki
Hirotaka Minamitani
Nobuharu Kumamoto
Takashi Iizuka

Business Profile *


- Home-Visit Pharmacy Business (Kirari Pharmacy)
- Kirari Prime Business
- Primary Care Home Business
(Primary Care Home Operation/Care Plan Service/Welfare Equipment Lending Service)
- Other Business (ICT)

Number of Employees

844 (as of September 30 2025, not including temporary employees)

VISION

Vision



We aim to build
a social infrastructure
that enables patients
to receive care at home
with peace of mind,
24 hours a day, 365 days a year.

As a platform company in the era of home-based medical care,
we build essential social infrastructure
that integrates medical and nursing care in local communities.

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Summary of Financial Results

- Net sales increased 20% YoY. Contributed to the increase in the number of patients at home due to the opening of the Home-Visit Pharmacy Business.
- Operating income decreased YoY. The impact was due to an increase in store opening costs associated with the accelerated pace of store opening in the Home-Visit Pharmacy Business, the cost of opening a fourth building in the Primary Care Home Business, and lower than expected occupancy ramp-up and average monthly revenue per resident for residents at Kumamoto Hamasen.

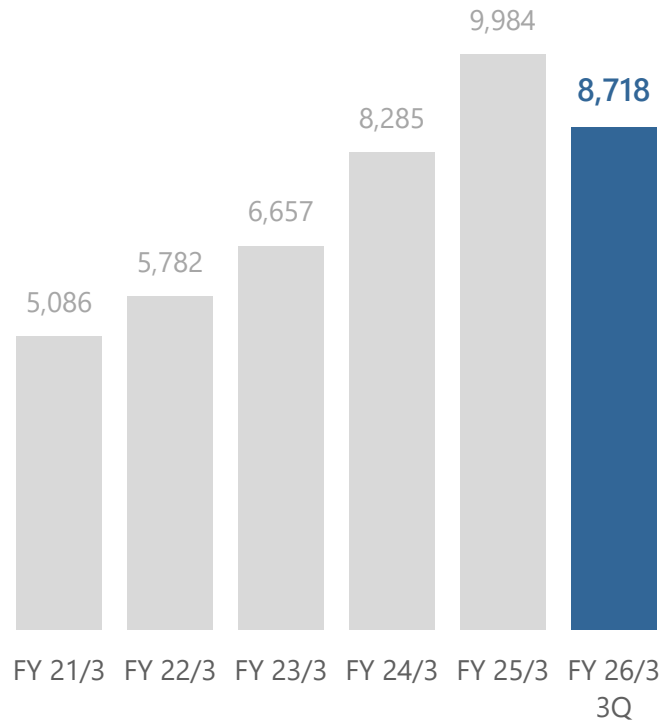
(millions of yen)	FY 2024/3	FY 2025/3	FY 2026/3	Year-on-Year	
	3Q Results (Non-consolidated)	3Q Results (Consolidated)	3Q Results (Consolidated)	Change	Percentage change
Net sales	6,096	7,272	8,718	+1,446	+19.9%
Home-Visit Pharmacy Business	4,884	5,306	6,165	+859	+16.2%
Kirari Prime Business	619	796	892	+95	+12.0%
Primary Care Home Business	564	1,169	1,660	+491	+42.0%
Other Business	27	0	0	- 0	-11.1%
Operating Income	465	675	411	- 263	-39.1%
Home-Visit Pharmacy Business	470	490	386	- 103	-21.2%
Kirari Prime Business	360	466	519	+53	+11.4%
Primary Care Home Business	- 39	189	- 14	- 204	-
Other Business	- 5	- 7	- 26	- 19	-
Adjustments	- 319	- 463	- 453	+10	-
Ordinary income	466	639	380	- 258	-40.4%
Net income attributable to owners of parent	316	394	246	- 147	-37.5%

Business Results/Net Sales Composition

- Net sales increased at a pace year-on-year. As a percentage of net sales, the weight of the Primary Care Home Business increased by 3.1 points year-on-year.
- Ordinary profit margin decreased year-on-year. Despite the impact of opening costs in the Home-Visit Pharmacy Business and new opening costs in the Primary Care Home Business, this trend has been recovering since 3Q.

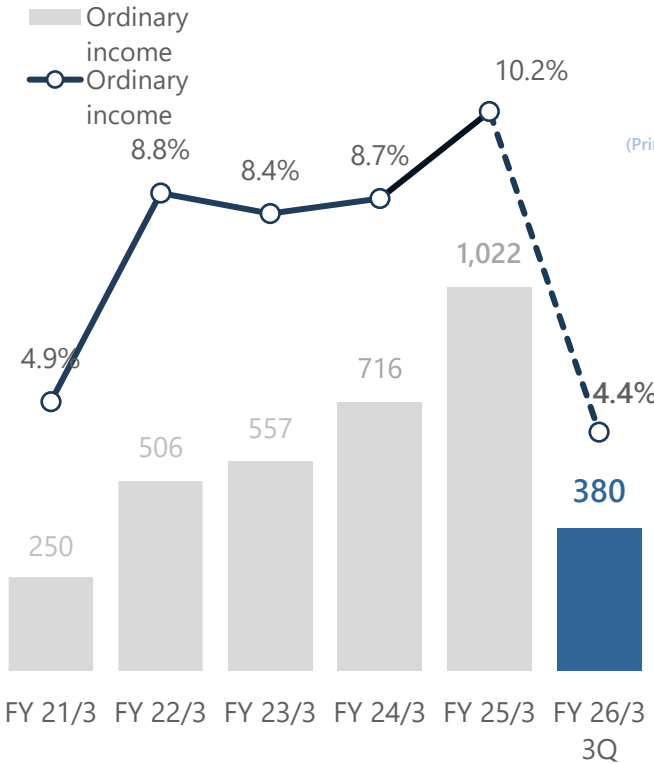
Net Sales

(millions of yen)



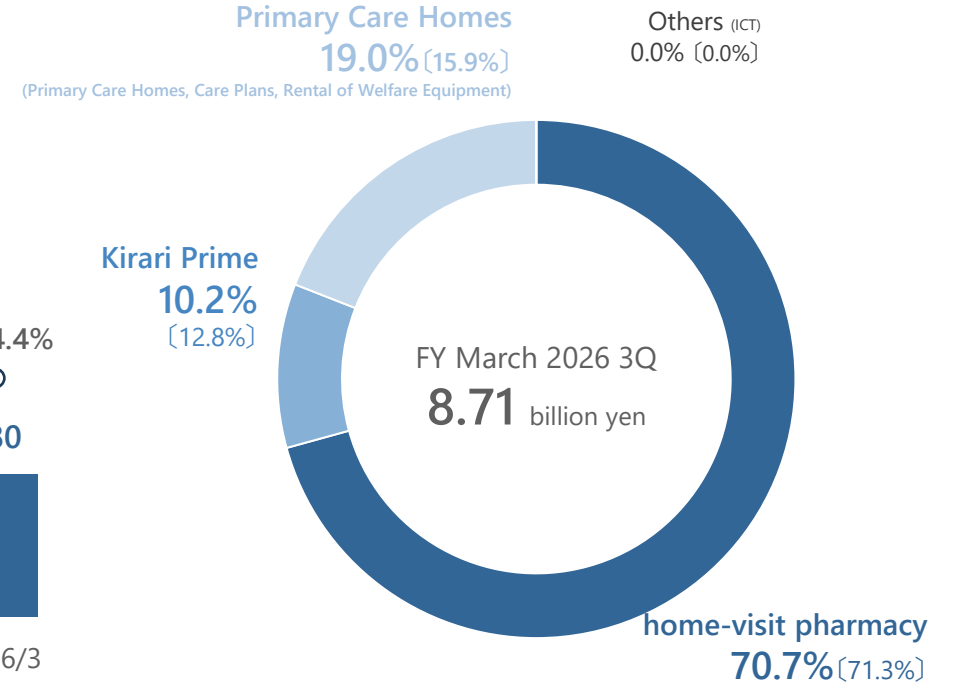
Ordinary profit/Ordinary profit ratio

(millions of yen) (%)



Percentage of net sales

(%) () is compared to previous fiscal year

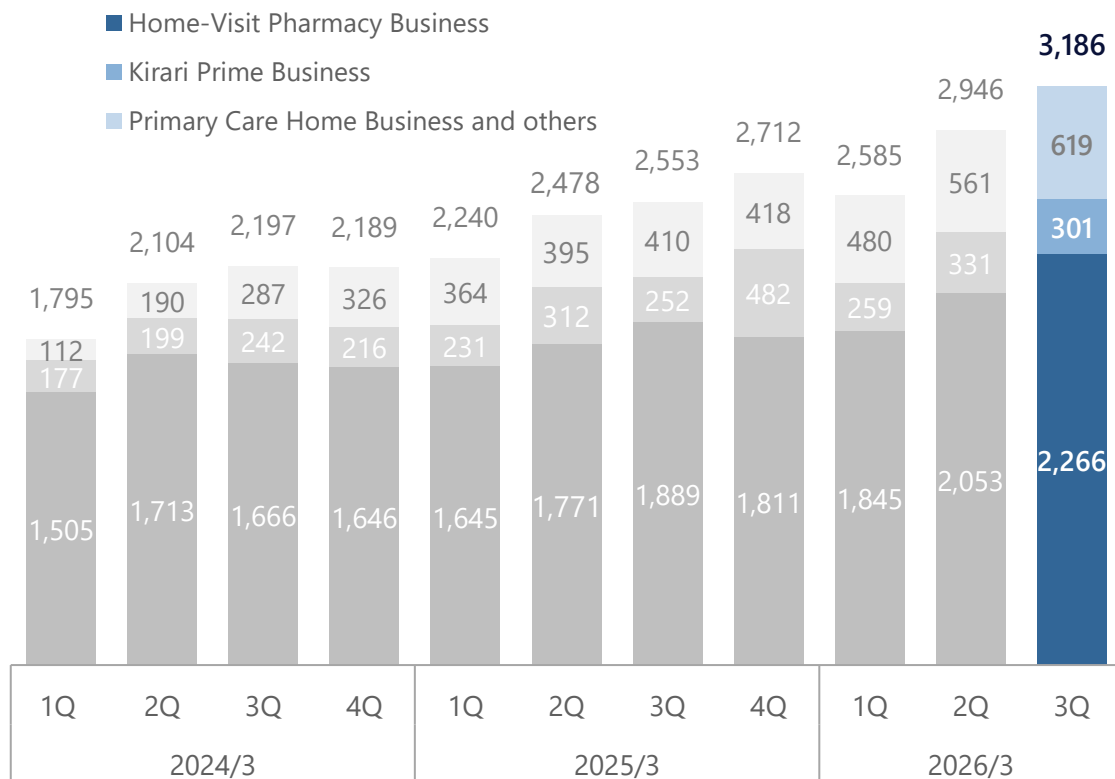


Quarterly Financial Results (1)

- Sales in 3Q increased compared to 2Q and set a new record for the quarter. Contributed by new store openings in home-visit pharmacies and primary care homes
- Gross profit and operating income are on a recovery trend after bottoming out in 1Q. Despite the impact of start-up costs in home-visit pharmacies and primary care homes, the contribution to results has progressed since 3Q.

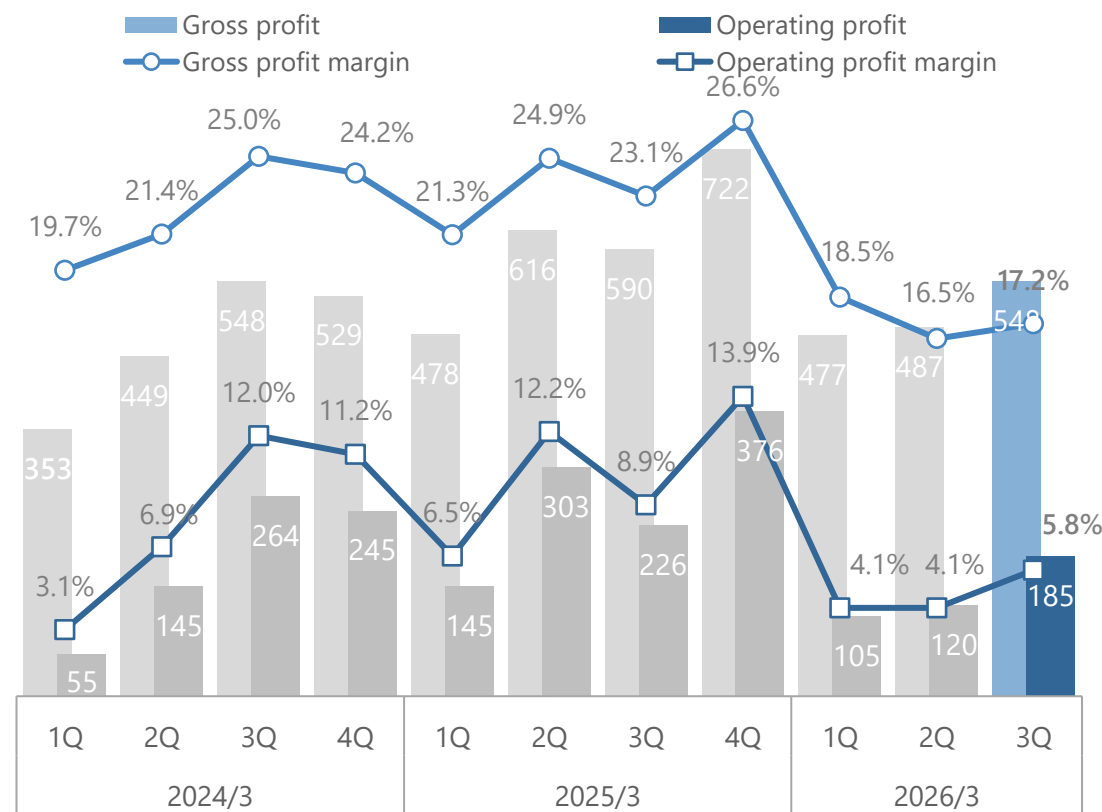
Net sales

(millions of yen)



Gross profit and operating profit

(millions of yen) (%)



Quarterly Financial Results (2) Segment

- Sales in the Home-Visit Pharmacy Business were steady. On the profit side, the business started to contribute to the performance of stores that opened stores in 2Q, and is on a recovery trend.
- In the Kirari Prime Business, sales and profit decreased compared to 2Q due to a reactionary decline in large-scale projects. As the number of affiliated stores increased steadily, the business remained firm excluding the impact of large-scale projects.
- In the Primary Care Home Business, sales increased compared to 2Q due to an increase in the occupancy rate of new facilities, and the business returned to profit on a non-consolidated basis in 3Q.

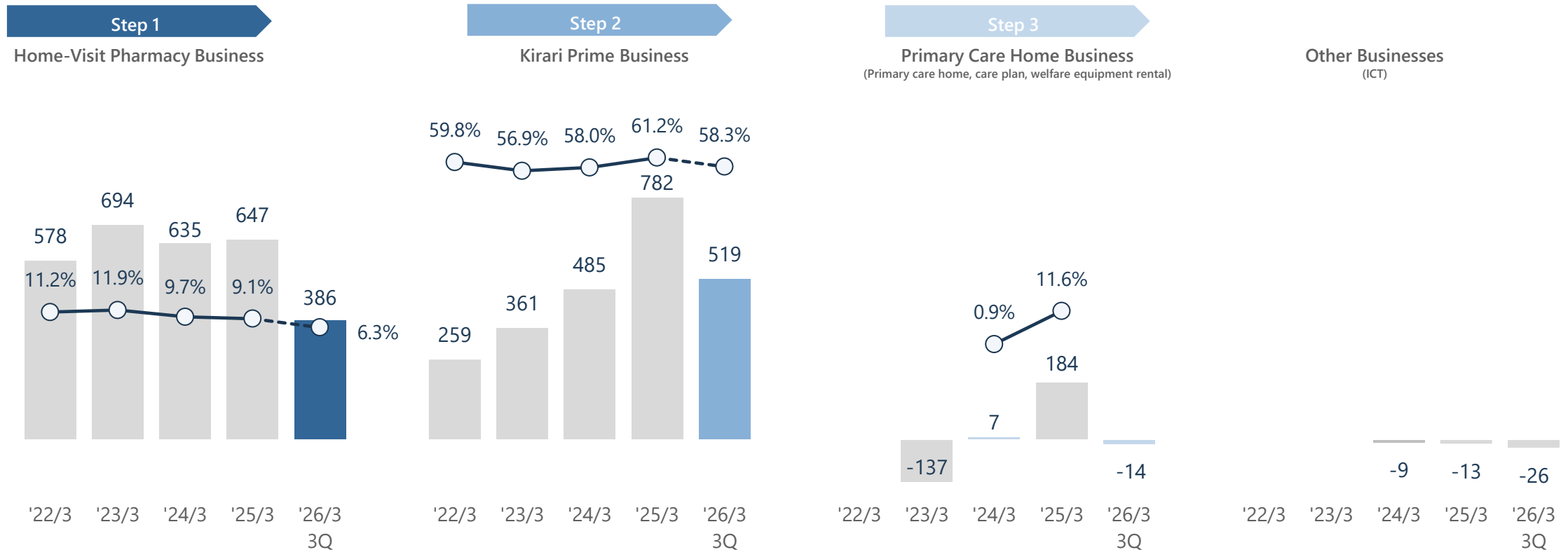
(millions of yen)	FY 2025/3				FY 2026/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net sales	2,240	2,478	2,553	2,712	2,585	2,946	3,186
Home-Visit Pharmacy Business	1,645	1,771	1,889	1,811	1,845	2,053	2,266
Kirari Prime Business	231	312	252	482	259	331	301
Primary Care Home Business	364	394	410	417	480	561	618
Other Business	0	0	0	1	0	0	0
Operating income	145	303	226	376	105	120	185
Home-Visit Pharmacy Business	94	182	212	157	158	69	158
Kirari Prime Business	132	205	128	316	132	209	177
Primary Care Home Business	67	66	55	- 5	- 25	- 2	13
Other Business	- 2	- 1	- 3	- 6	- 9	- 9	- 8
adjustment amount	- 146	- 149	- 167	- 84	- 150	- 147	- 155
Ordinary profit	141	293	204	383	96	109	174
Net income attributable to owners of parent	94	196	103	324	63	72	110

Operating profit by segment

- In the Home-Visit Pharmacy Business, which is the first step of growth, segment profit margin declined year-on-year due to the cost of opening new stores and hiring new staff. However, segment profit margin tended to recover after 3Q.
- In the Kirari Prime Business, which is the second step, profit margin remained at a high level.
- In the Primary Care Home Business, which is the third step, segment profit temporarily fell into the red due to the cost of opening new facilities.

Segment profit and segment profit margin

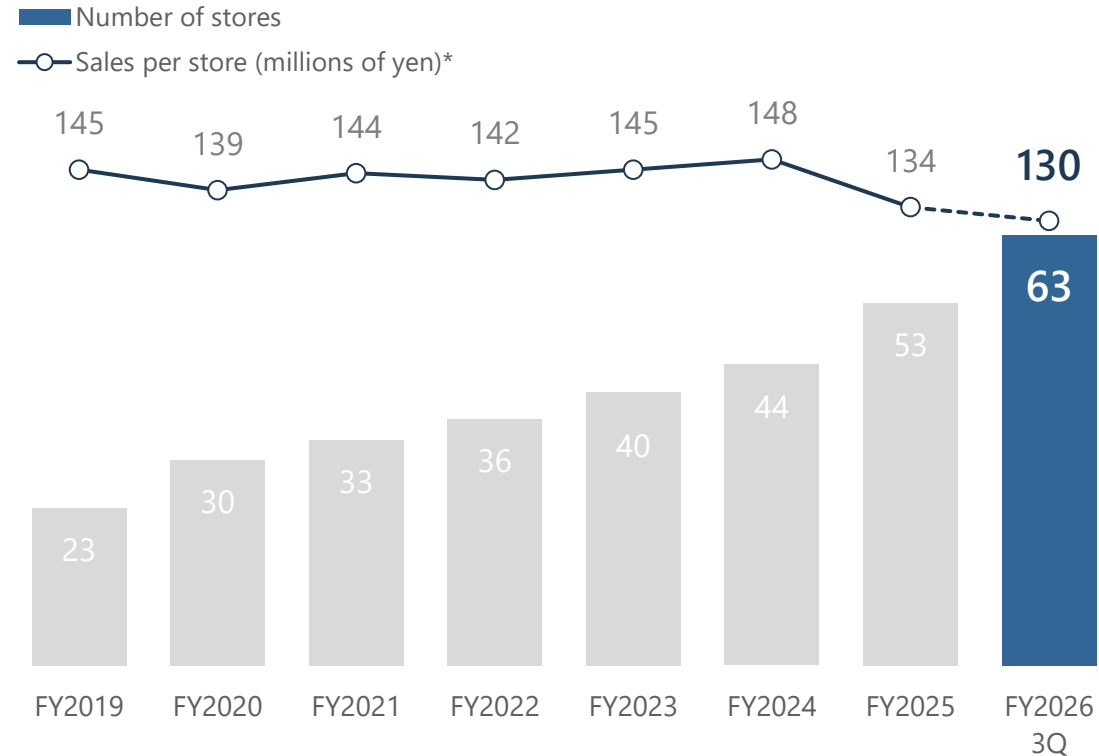
(millions of yen) (%)



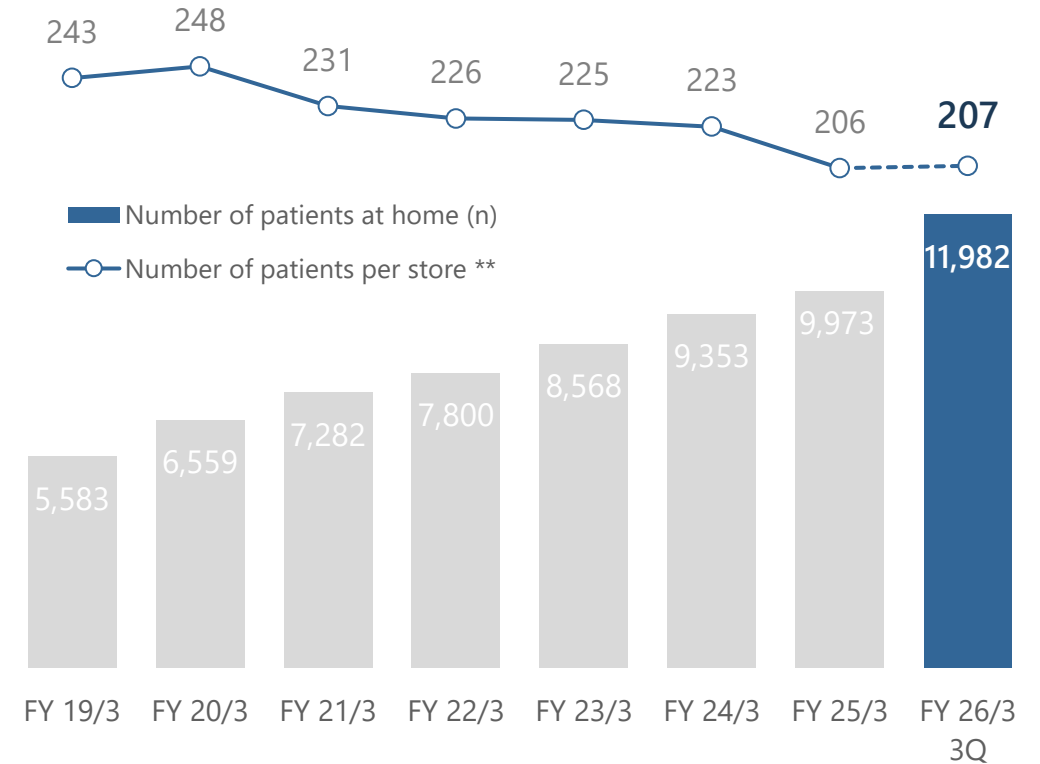
Home-Visit Pharmacy Business KPI

- The number of stores increased by 10 year-on-year to 63. This is the highest pace ever. Sales per store decreased to ¥130 million due to continued aggressive new store openings.
- The number of home-visit patients increased by 2,009 year-on-year to 11,982 due to the increase in stores, which is close to the full-year target of 12,000. The number of patients per store remained unchanged due to the continuation of store opening.

Sales and number of stores



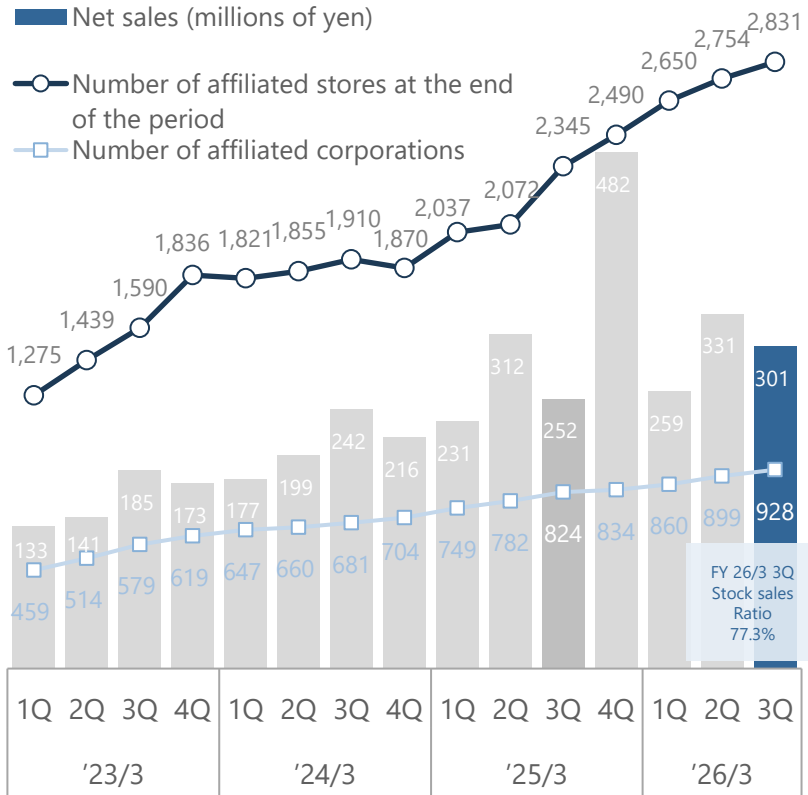
Number of home-visit patients



Kirari Prime Business KPI

- Net sales in 3Q decreased as a reaction to large-scale projects in 2Q
- The number of affiliated stores increased by 341 from the end of the previous fiscal year to exceed 2,800, achieving the annual target early. Continuing the upward trend by strengthening consulting services
- Excluding the impact of large-scale projects, ARPU remained steady as the number of affiliated stores increased.

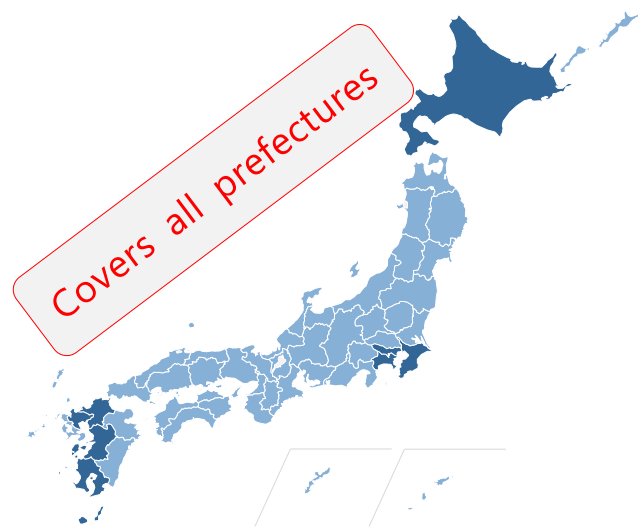
Net Sales, Number of Affiliated Stores, Number of Corporations



Developments

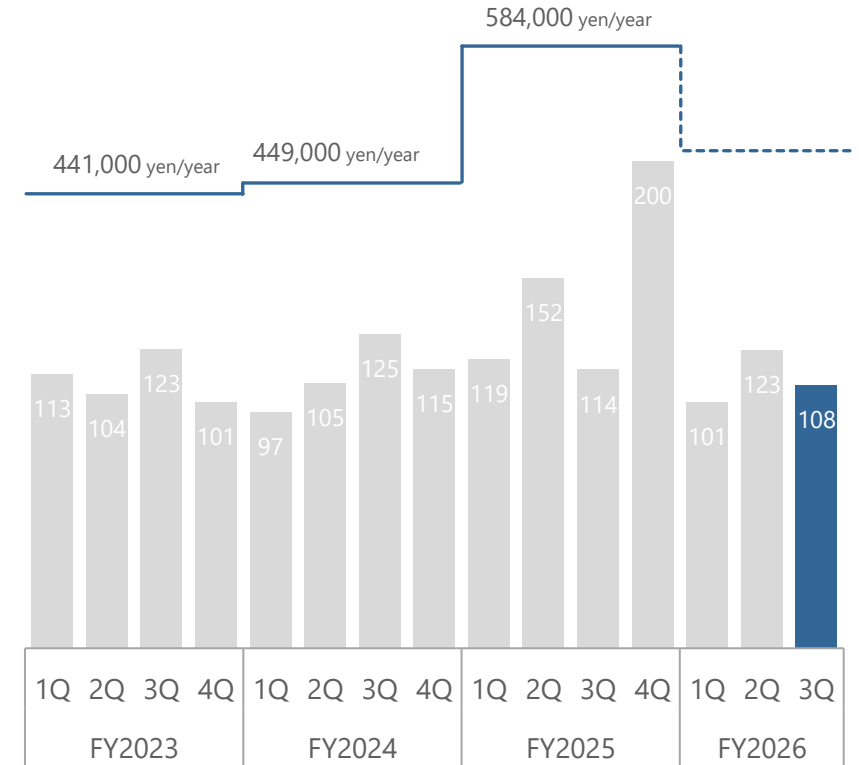
Kirari Pharmacy	8 prefectures	63 stores
Member pharmacies	47 prefectures	2,831 stores

(as of the end of December 2025)



Kirari Prime ARPU**

(thousand of yen/quarter)



**ARPU= Kirari Prime Business net sales (including initial revenue) ÷ average number of stores at the beginning and end of the period

Primary Care Home Business KPI

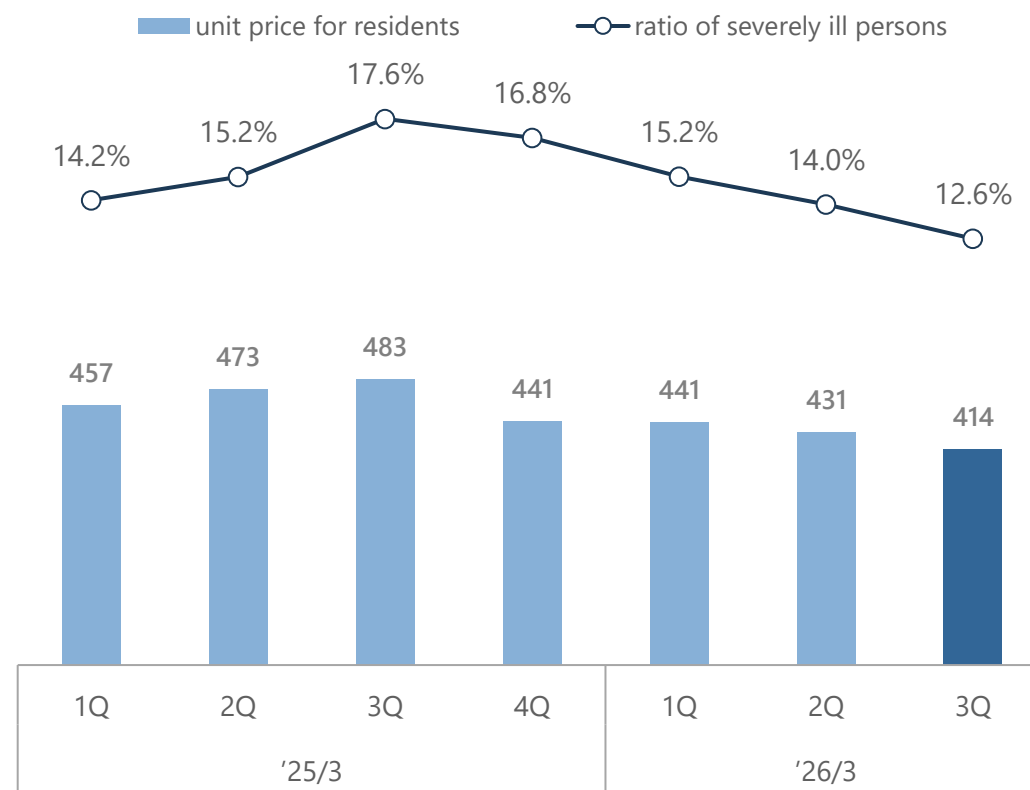
- Occupancy rate of existing facilities * 1 as of the end of December 2025 was approximately 90%. Kumamoto Hamasen, which opened in December 2024, initially struggled to attract customers due to a lack of staffing, but the occupancy rate has been steadily increasing. Meanwhile, Kurume St. Mary's Hospital Station, which opened on April 18, 2025, achieved profitability in December alone.
- Average monthly revenue per resident of residents in 3Q was 410,000 yen. Following on from 2Q, Kumamoto Hamasen experienced a temporary shortage of resources required to provide medical services due to the faced temporary staffing constraints.

Capacity/Number of residents

Facility name	Occupancy Capacity		FY 2025/3				FY 2026/3		
			1Q	2Q	3Q	4Q	1Q	2Q	3Q
Existing facilities * 1									
Kasuga Chikudai	102	Number of Residents	100	97	92	96	92	97	94
Hakata Mugino	162		147	154	155	150	146	154	155
Kumamoto Hamasen	168		-	-	47	64	78	131	137
	432		247	251	294	130	316	382	386
New facility * 1									
Kurume St. Mary's Hospital Station'	144		-	-	-	-	40	106	121*3
	144		-	-	-	-	40	106	121*3

Ratio of severely ill persons /average monthly revenue per resident for residents * 2

(thousands of yen/month)



*1 Existing facilities are defined as facilities that have been in operation for more than a year, and new facilities are defined as facilities that have been in operation for less than a year.

*2 Quarterly Average monthly revenue per resident

*3 Including reservations as of the end of January

Progress of Action Plan for Fiscal Year Ended March 2026

Home-Visit Pharmacy Business

Efforts to Secure Human Resources
 Personnel specializing in retention are assigned to the human resources department. Continue the decrease in the turnover rate in the previous fiscal year.
We are continuing to reduce the turnover rate.

In-home specialty stores
 Establish in-home specialty stores to enable more precise dominant development. This directly improves delivery efficiency. Plan to open 6~10 stores during the fiscal year
Open 10 stores by December 2025.

Central Pharmacy Concept
 To lift the ban on outsourcing of dispensing, the company plans to draw up an investment plan as soon as it learns of detailed legal revisions.
 Although the revision of the Pharmaceutical and Medical Device Act (PMD Act) has been decided, the company will respond as soon as detailed conditions are revealed.
 We will take action once the regulatory direction becomes clear.

Expansion into new areas
 The company plans to open stores in Hokkaido and Aichi prefectures.
 The company plans to establish a system to acquire patients from home over a wide area.
The company will simultaneously open three stores in Hokkaido. Expansion into new areas
The company will prioritize stable operation of the three stores in Hokkaido.

Kirari Prime Business

Dispatch of home-based pharmacists
 Develop direct consulting services (dispatch of home-based pharmacists) toward the era of full-scale home medical care. Increase the number of available pharmacists nationwide.

Aid Prime
Automatic linkage with electronic drug history system
 Deploy automatic linkage between other companies' electronic drug history systems and our company's home support system (FamCare) and AI-based RPA reports to franchisees.
The number of stores introducing Aid Prime is increasing.

M & A support for business succession pharmacies
 As the number of small and medium-sized pharmacies with no successors and financial difficulties increases, Our company will provide consulting services to increase M & A support.

Region Prime
Support services for construction and operation of facilities for the elderly
 Provide consulting services to pharmacy operators regarding construction and operation of facilities for the elderly. Develop a set of pharmacies and facilities for the elderly nationwide in addition to directly managed ones
Several projects are in progress.

Primary Care Home Business

System to expand facilities
 Development of a system capable of developing 2 or more buildings per year
 Primary care home scheduled to open in the fiscal year ending March 2027
 Following Hyuga-Notame (tentative), construction is underway in Nishi Ward, Fukuoka City.
The project in Minami-ku, Fukuoka City, has taken the lead, but development in Nodame is also ongoing.

Profitability of Buildings 3 and 4
 Buildings were opened in Kumamoto Prefecture in December 2024 and in Kurume City, Fukuoka Prefecture in April 2025. Similar to existing facilities, steady start-up and high occupancy rates are maintained.
 • Preparations for Opening Buildings 5 and Subsequent Buildings
The fifth building will open in Minami-ku, Fukuoka City in November 2026.
Kurume, the fourth building, will be profitable on a single month basis.
Kumamoto, the third building is expected to be profitable on a single month basis in January 2026.

Stronger Positioning as a Platform Company for Primary Care

Balance Sheet

- The equity ratio for 3Q of FY2026 was 28.6%, down 5.1 points from the end of the previous fiscal year. Impact of increase in interest-bearing debt
- Total assets expanded 23%. In addition to increased receivables due to increased sales, property, plant and equipment increased due to the opening of Primary Care Home Business assets and home-visit pharmacies.

(millions of yen)	End of 2024/3	End of 2025/3	End of 3Q of 2026/3	Change from the end of the previous fiscal year	
Current assets	2,444	2,703	3,842	+1,139	
Cash and deposits	688	565	953	+387	Increase due to borrowing
Accounts receivable	1,498	1,873	2,511	+638	Impact of business expansion
Fixed assets	3,910	4,348	4,828	+480	
Property, plant and equipment	2,997	3,308	3,761	+453	Impact of opening new stores
Intangible assets	364	393	409	+16	
Total assets	6,354	7,051	8,670	+1,619	
Liabilities	4,711	4,679	6,194	+1,514	
Accounts Payable	751	756	1,087	+331	Impact of business expansion
Interest-Bearing Liabilities *	2,629	2,259	3,285	+1,025	Increase in borrowings in preparation for business expansion
Lease obligations (short-term and long-term)	168	385	478	+93	
Net assets	1,643	2,371	2,476	+104	
Liabilities and Net Assets	6,354	7,051	8,670	+1,619	
Equity Ratio	25.9%	33.6%	28.6%	- 5.1	
ROE	26.8%	35.8%	—	—	
ROA	11.3%	10.7%	—	—	
Total asset turnover	1.3 times	1.5 times	—	—	

*Interest-bearing Liabilities = Short-term borrowings + Long-term borrowings + Long-term borrowings + Corporate bonds * Excluding lease obligations

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Full-year Business Outlook (Consolidated)

- Revised profit forecast down from initial forecast. Operating profit is expected to decrease 5% year-on-year. Revised segment sales forecast, while keeping company sales forecast unchanged.
- The main reasons for the revision were the occurrence of upfront costs for opening stores, which had not been factored into the initial forecast for the Home-Visit Pharmacy Business, the difficulty of recouping those investment costs during the current fiscal year, and the fact that the average monthly revenue per resident of residents fell short of the initial forecast due to a lack of medical services in the Primary Care Home Business.
- Discussions with the auditing firm regarding revenue recognition for the Region Prime project (estimated sales of 200 million) are ongoing, and the project is expected to be recorded this fiscal year.

(millions of yen)	FY 2025/3	FY 2026/3		Comparison		
	Results	Initial Forecast *	Revised Forecast *	Year-on-Year	Year-on-Year Difference	Difference in Initial Forecast
Net Sales	9,984	12,194	12,194	+22.1%	+2,209	–
Home-Visit Pharmacy Business	7,117	8,129	8,357	+17.4%	+1,240	+227
Kirari Prime Business	1,279	1,370	1,480	+15.7%	+201	+110
Primary Care Home Business	1,586	2,692	2,355	+48.5%	+769	- 337
Other businesses	1	1	0	- 70.2%	- 1	- 0
Operating income	1,051	1,314	1,000	- 4.9%	- 51	- 314
Home-Visit Pharmacy Business	647	827	645	- 0.3%	- 2	- 182
Kirari Prime Business	782	755	899	+14.9%	+116	+143
Primary Care Home Business	184	263	76	- 58.5%	- 107	- 186
Other Business	- 13	0	- 27	–	- 13	- 27
adjustment amount	- 548	- 532	- 593	–	- 45	- 61
Ordinary profit	1,022	1,269	964	- 5.7%	- 58	- 305
Profit attributable to owners of parent	719	883	664	- 7.6%	- 54	- 219

Semiannual Forecast (Consolidated)

- For the second half of the fiscal year, net sales are revised up 2.9% and operating income is revised down 3.5% from the initial forecast.
- Although net sales for the Primary Care Home Business are revised down from the initial forecast, sales are expected to rise due to the record-breaking opening of new Home-Visit Pharmacies and the steady number of home-care patients at existing stores, the increase in the number of affiliated stores in the Kirari Prime Business, and the acquisition of new services (Aid Prime).
- Operating income is revised down due to the impact of a decrease in profit in the Primary Care Home Business and the upfront cost of hiring and training to meet the increasing number of home-care patients in the Home-Visit Pharmacy Business.

(millions of yen)	FY 2025/3 Results		FY 2026/3			Comparison		
	1st half	2nd half	1st half Actual	2nd half Initial forecast	2nd half Revised forecast	Compared to 2nd half of previous year	Difference from 2nd half of previous year	Difference from initial forecast
Net Sales	4,719	5,265	5,532	6,473	6,662	+26.5%	+1,397	+188
Home-Visit Pharmacy Business	3,416	3,701	3,899	4,249	4,457	+20.4%	+756	+208
Kirari Prime Business	543	735	590	705	890	+21.1%	+154	+184
Primary Care Home Business	758	827	1,041	1,518	1,314	+58.8%	+486	- 204
Other businesses	0	1	0	0	0	- 87.2%	- 1	- 0
Operating income	448	603	225	802	774	+28.4%	+171	- 28
Home-Visit Pharmacy Business	277	370	228	475	417	+12.7%	+46	- 58
Kirari Prime Business	337	444	342	389	557	+25.2%	+112	+167
Primary Care Home Business	133	50	- 28	202	104	+109.1%	+54	- 97
Other businesses	- 3	- 10	- 18	0	- 8	-	+1	- 8
Adjustments	- 296	- 252	- 297	- 264	- 295	-	- 43	- 31
Ordinary income	435	587	206	779	758	+29.0%	+170	- 21
Net income attributable to owners of parent	291	427	136	536	528	+23.5%	+100	- 7

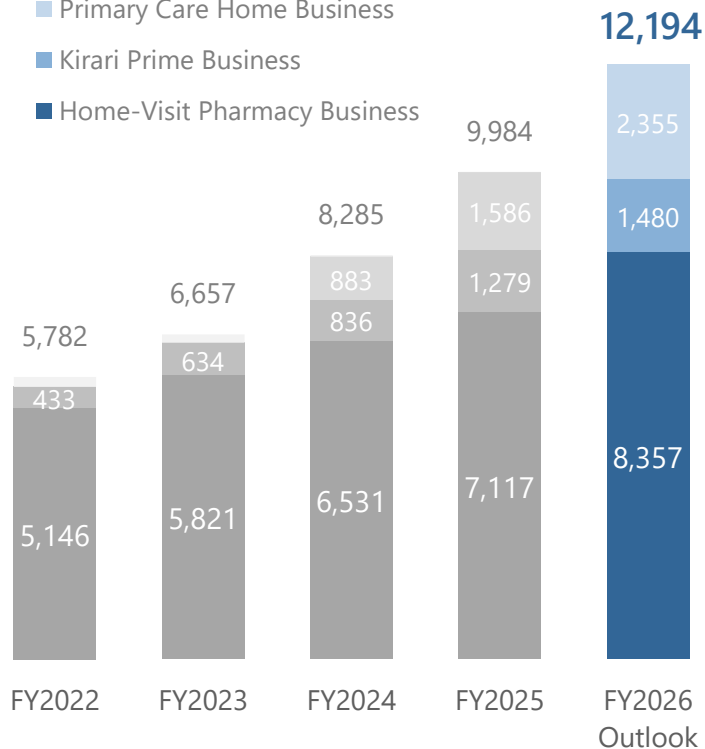
KPI Assumptions

- In terms of net sales, the Home-Visit Pharmacy Business grew significantly due to the accelerated opening of new stores. Company-wide sales surpass 10 billion yen and aim to exceed 12 billion yen.
- The Home-Visit Pharmacy Business is expected to open stores at the same pace as the previous fiscal year. This fiscal year, we will continue our offensive to open new stores. The number of stores at the end of the fiscal year is raised, and the number of in-home-care patients is expected to exceed 12000.
- The Kirari Prime Business is expected to continue increasing the number of affiliated stores. The ARPU assumption will remain unchanged, and we will continue to raise the level by expanding value-added such as package plans.

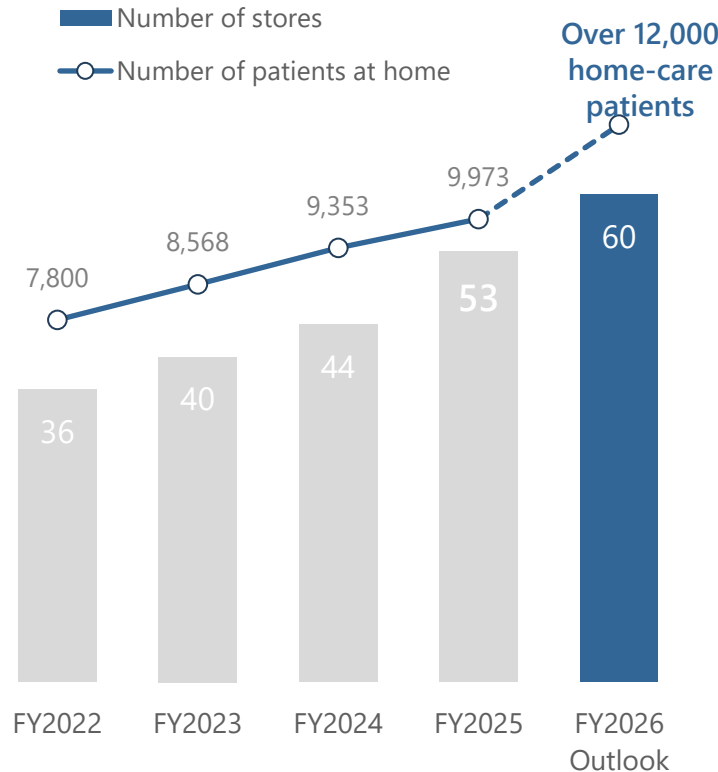
Net Sales Forecast

(millions of yen)

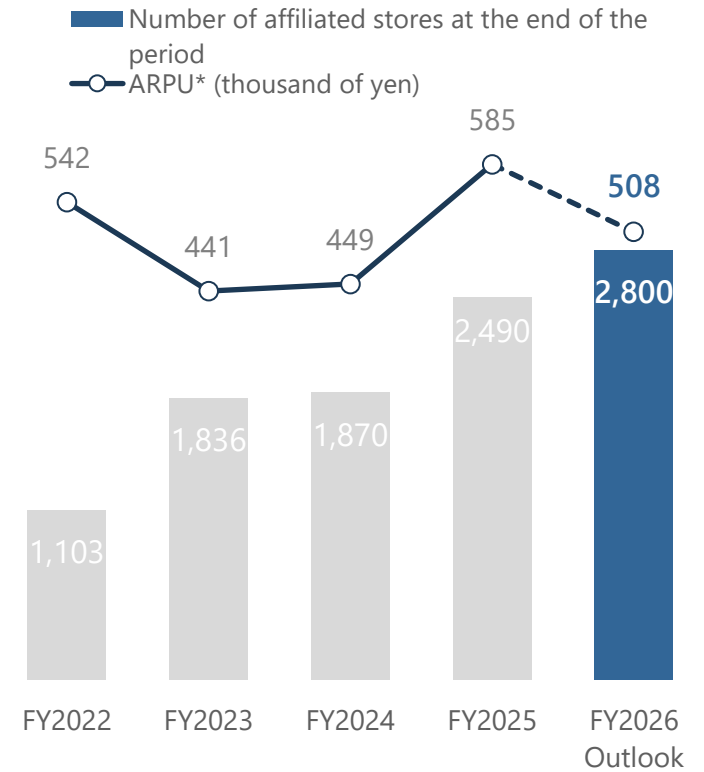
- Primary Care Home Business
- Kirari Prime Business
- Home-Visit Pharmacy Business



Home visiting pharmacy business KPI assumptions



Kirari Prime Business KPI Assumptions



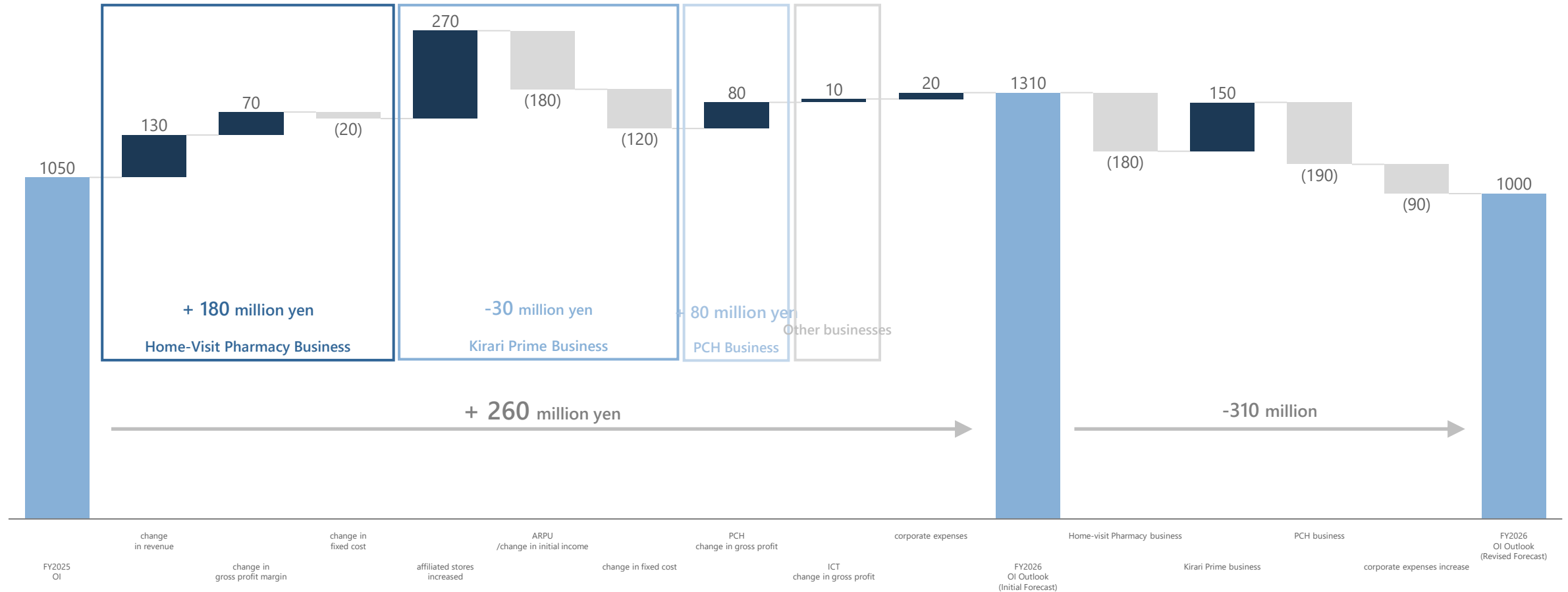
*ARPU= Kirari Prime Business net sales (including initial revenue) ÷ average number of affiliated stores at the beginning and end of the fiscal year

Analysis of expected changes in operating income

- The Home-Visit Pharmacy Business was expected to increase profit by 180 million yen, but additional store opening expenses pushed down profit.
- The Kirari Prime Business was expected to see an upturn due to a larger-than-expected increase in the number of affiliated stores and the acquisition of aid prime projects.
- The Primary Care Home Business is expected to absorb the opening costs of new facilities due to continued high occupancy rates and the effects of new facilities.

Operating income factors

(millions of yen)

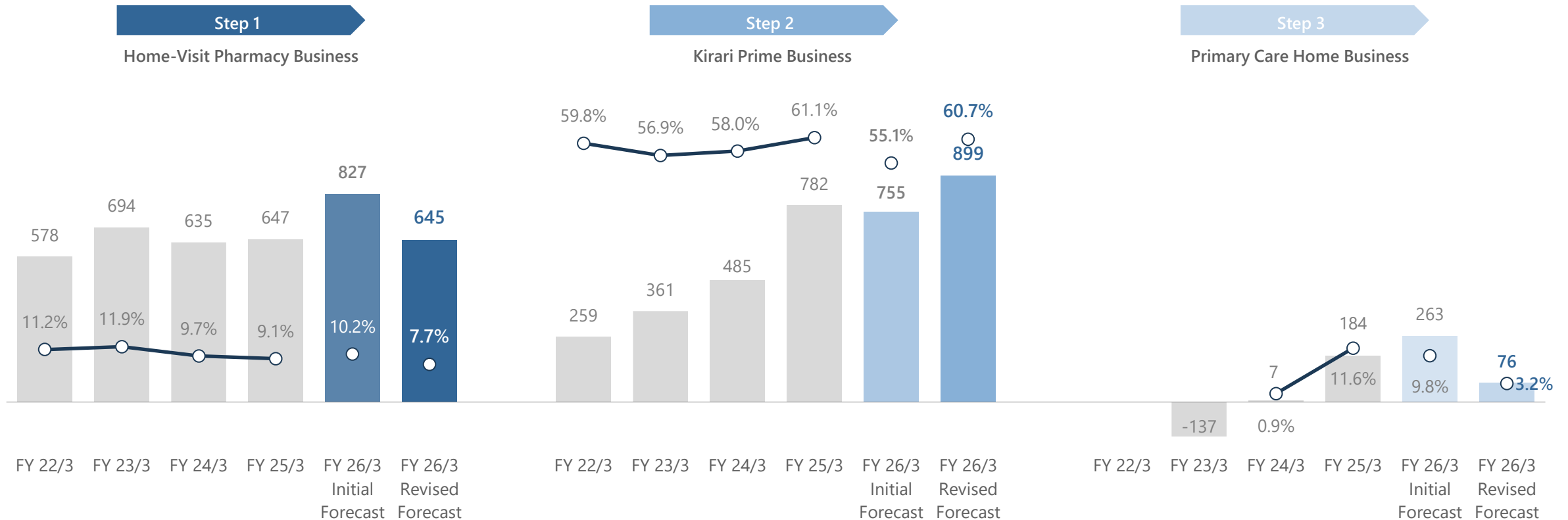


Forecast by Segment

- In the Home-Visit Pharmacy Business, profit is expected to decline due to additional store opening costs.
- In the Kirari Prime Business, profit is expected to rise due to a larger-than-expected increase in the number of affiliated stores and the acquisition of Aid Prime projects. However, profit margin is expected to decline slightly due to a reactionary decline from the previous fiscal year's Region Prime projects.
- In the Primary Care Home Business, profit and profit margin declined due to difficulties in attracting new facilities and sluggish growth in average monthly revenue per resident of residents due to a lack of medical services.

Segment profit and segment profit margin

(millions of yen) (%)



Dividend policy

- Dividend plan Year-end dividend 20 yen
- Shareholder return policy Return profits in line with profit growth while taking into account performance and financial soundness
- Aim of starting dividends Thorough ROE-conscious management
- Funding for growth Various measures considering WACC

Growth engine for the fiscal year ending March 2026 and beyond

Step 1

Home-Visit pharmacy business

Current status

Operational reform: Central Pharmacy system

- Establishment of 24 hour automated core pharmacies
- Local Kirari Pharmacies focus on high-value-added operations such as reducing onsite burden and responding to acute symptoms

Seeking to clear regulatory hurdles such as legal amendments to introduce systems such as the lifting of the ban on outsourcing

Second Step

Kirari Prime Business

Current status

Region Prime

- Comprehensive support for the establishment and operation of residential fee-based nursing homes
- Land selection, marketing, business planning, financing, applications for permits and permits, human resource recruitment and training, operations, home-patient sales, etc.

Already functioning as a growth engine, three projects have been awarded since FY 2025.

Aid Prime (business efficiency package service)

- Simplifying and simplifying complex tasks such as drug history verification and report preparation through the use of IT (DX)
- Extending AI-based drafting and proposal functions greatly reduces the onsite burden on the affiliated stores.

In-house advanced operations are going well. Outside sales customers are also going well.

Step 3

Primary Care Home Business

Current status

Accumulation of facility operation know-how

- Stabilization of 4 buildings and early proof of a viable business model for the Primary Care Home Business

Establishing operational knowledge through continuous opening of new facilities in a short period of time

Home-Visit Pharmacy Business: Direction of Operation Reform

Previous Operation System

- Each Kirari Pharmacy Takes Unique and Consistent Action for Each Customer
- There are examples of neighboring Kirari Pharmacies taking part in support, but they are basically managed in a simplified manner.



Operation Reform: Central Pharmacy System

- Establishment of a core automated pharmacy that operates 24 hours a day, mainly dispensing drugs (regular drugs) for long-term use by patients
- Delivery of dispensed drugs to nearby Kirari pharmacies and administration of drugs from the store in charge to patients at home
- By having core pharmacies handle part of the operations of Kirari pharmacies in each region, the burden on the site is reduced, and they concentrate on value-added operations such as dealing with acute symptoms.



Kirari Prime Business: Sales of Operational Efficiency Packages

- Although home-visit pharmacies have a tailwind due to the needs of the times, various problems have emerged at present. Confusion has occurred not only in our company but also in various places.
- To increase business sustainability, drastic operational efficiency improvement through DX is inevitable. Providing efficient packages with excellent operability to the affiliated stores.
- We have already developed and introduced the package and verified its effectiveness to a certain extent. In the future, we will establish a backup system for maintenance and troubleshooting, and establish sales system

Problems surrounding home-visit pharmacies

Problems in home-visit work	Staff problems
<ul style="list-style-type: none"> Unprofitable Complex dispensing processes Overtime Reduced quality of services Facility transaction termination Staff shortages due to medical care visits 	<ul style="list-style-type: none"> Elevated staff turnover Departure of veteran staff Chronic staffing shortages Increase in the ratio of new employees Increase in the training load on staff Dissatisfaction with treatment



Kirari Pharmacy also experienced confusion in the 2024/3 fiscal year.

Business efficiency and rationalization (DX) through IT is inevitable

Service Overview

The integration of the three systems greatly reduces the workload of medication history and reports

Cloud-based electronic drug history "Solamichi"	Ultra-efficient drug history system System proposes medication instruction text by guidance navigation Reflects enriched instruction content to drug history with just a click
Home work support system "FamCare"	Seamlessly links drug history and report data Helps reduce time and work efficiency associated with home health care Improves work efficiency by automatically sending reports via fax or email from the Web
Report preparation support system "Aid Prime"	AI automatically creates medication history text from Solamichi's guidance navigation system It also automatically generates easy-to-understand text for report care managers, etc. Data is transferred to FamCare

Both have already been introduced at Kirari Pharmacy, which is directly managed.

- ✓ Certain results such as improved profit margins have been verified.
- ✓ Responding to and maintaining problems at the affiliated stores
Early establishment of a response system

Primary Care Home Business: Opening Strategy



Building 1: Primary Care Home Hyuga Kasuga Chikushidai

- Opened on January 13, 2023
- Address: 5-132 -1, Chikushidai, Kasuga City, Fukuoka Prefecture, Japan
- Capacity: 102 beds



Building 2: Primary Care Home Hyuga Hakata Mugino

- Opened on August 1, 2023
- Address: 2-22-20, Mugino, Hakata Ward, Fukuoka City, Fukuoka Prefecture, Japan
- Capacity: 162 beds



Building 3: Primary Care Home Hyuga Kumamoto Hamasen

- Opened on December 13, 2024
- Address: 3-120, Tamukae, Minami Ward, Kumamoto City, Kumamoto Prefecture, Japan
- Capacity: 168 beds



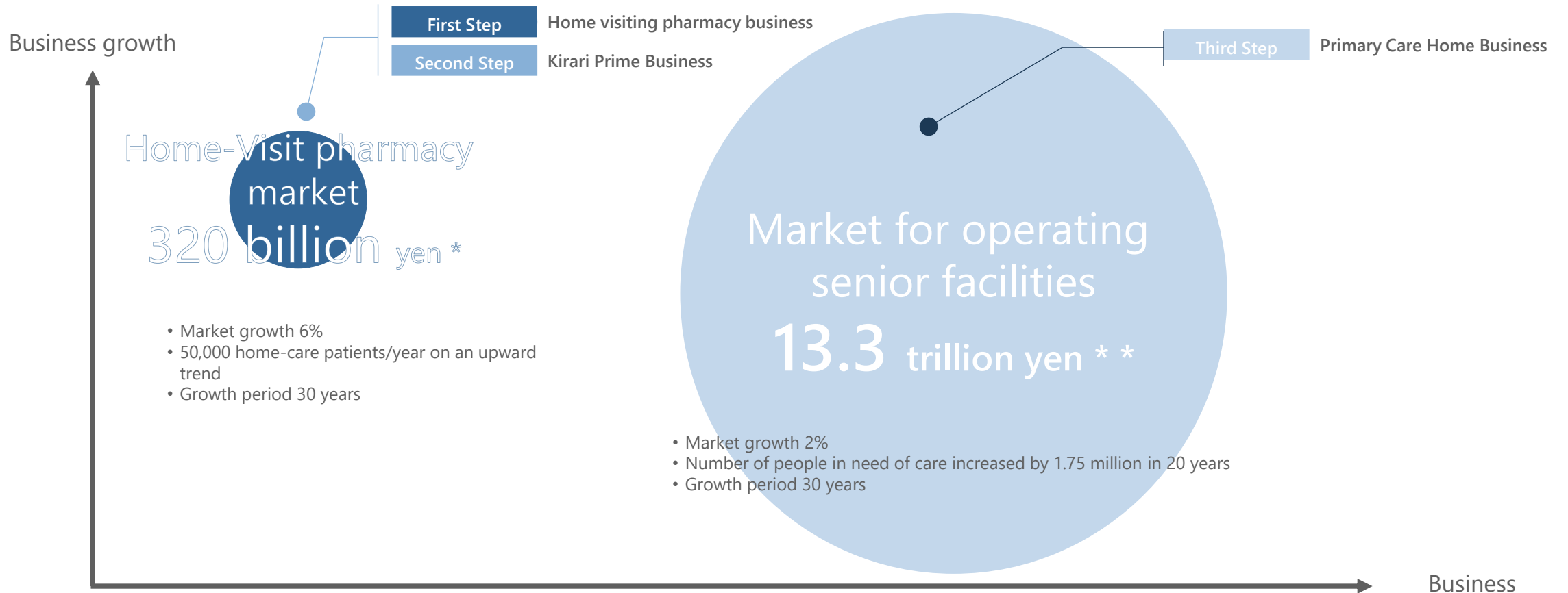
Building 4: Primary Care Home Hyuga Kurume St. Mary's Hospital Station'

- Opened on April 18, 2025
- Address: 600-7 Tsubuku Honmachi, Kurume City, Fukuoka Prefecture, Japan
- Capacity: 144 beds



market analysis

- Recognizing that both the home-visiting pharmacy market and the senior citizens' facility operations market will expand over the long term due to an aging population and an increase in the number of home-care patients
- Developing a strategy that combines the large and profitable Primary Care Home Business (the third step of growth) with the high-growth home-visiting pharmacy business and the Kirari Prime Business (the first and second steps of growth)



*Home visiting pharmacy TAM: 900,000 patients at home (Nikkei Medical June 2021 Social Medical Practice Survey Analysis) x average sales per patient of 360,000 yen (our company results) = 320 billion yen

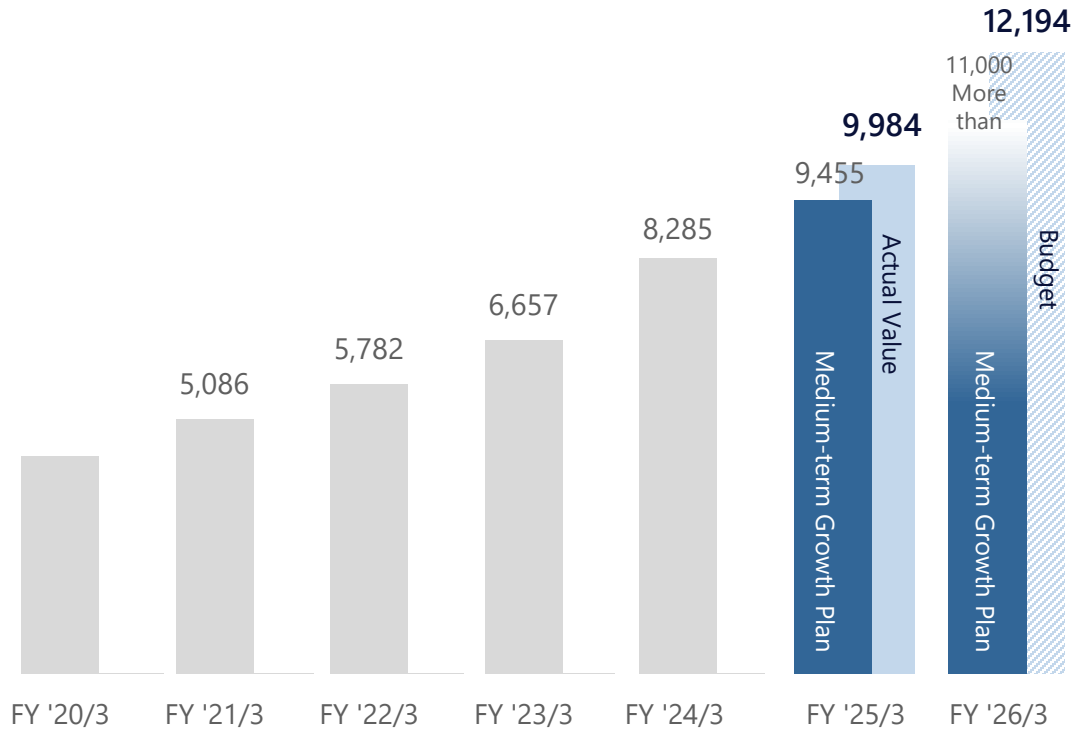
** Primary Care Home Business TAM : 6.89 million people requiring long-term care (the Ministry of Health, Labour and Welfare Report on the Status of Long-Term Care Insurance Business, February 2022) x rate of utilization of in-home services (calculated from the 2021 Survey on Long-term Care Benefit Expenses, etc.) 38.6% x average sales per patient of 5 million yen (actual results in our company) = 13.3 trillion yen

Review of Medium-Term Growth Plan

- Compared with the medium-term growth plan presented so far, both sales and ordinary income exceeded the plan in fiscal year 2025/3. In fiscal year 2026/3, sales are expected to exceed the mid-term plan and ordinary income forecast has been revised downward from the initial plan.
- For the time being, priority will be placed on building a growth driver structure in fiscal year 2026/3. The mid-term growth plan will be formulated after that.

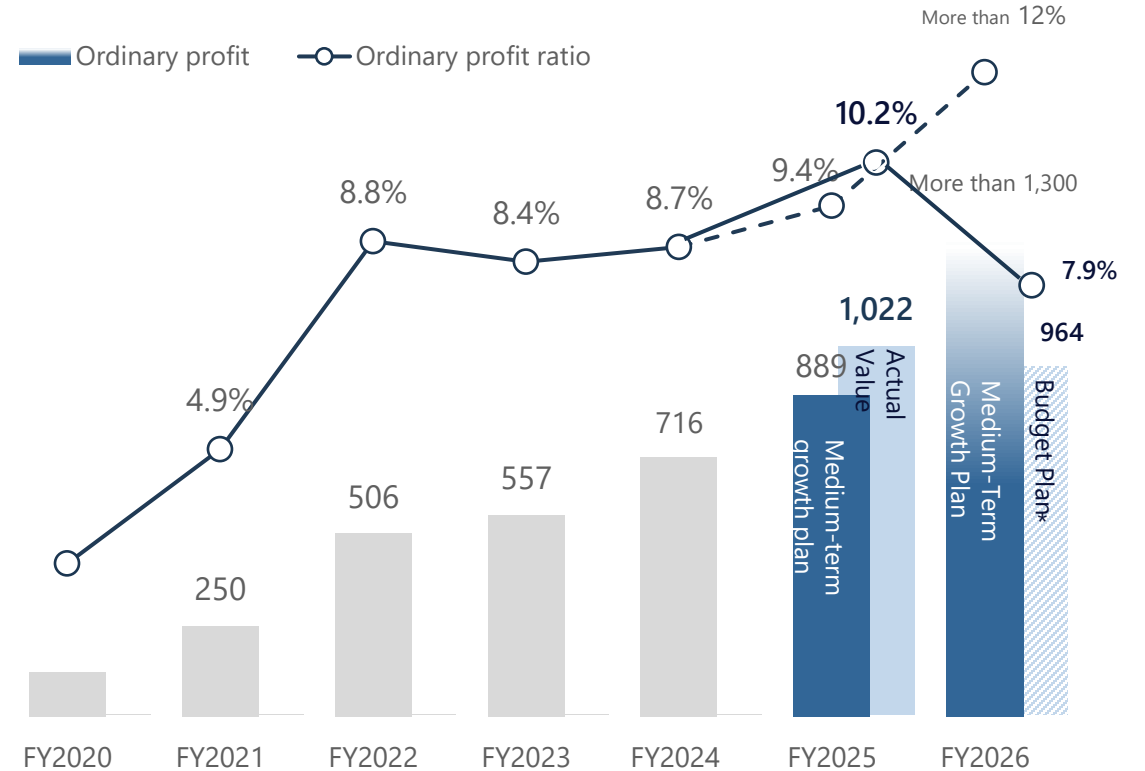
Net sales

(millions of yen)

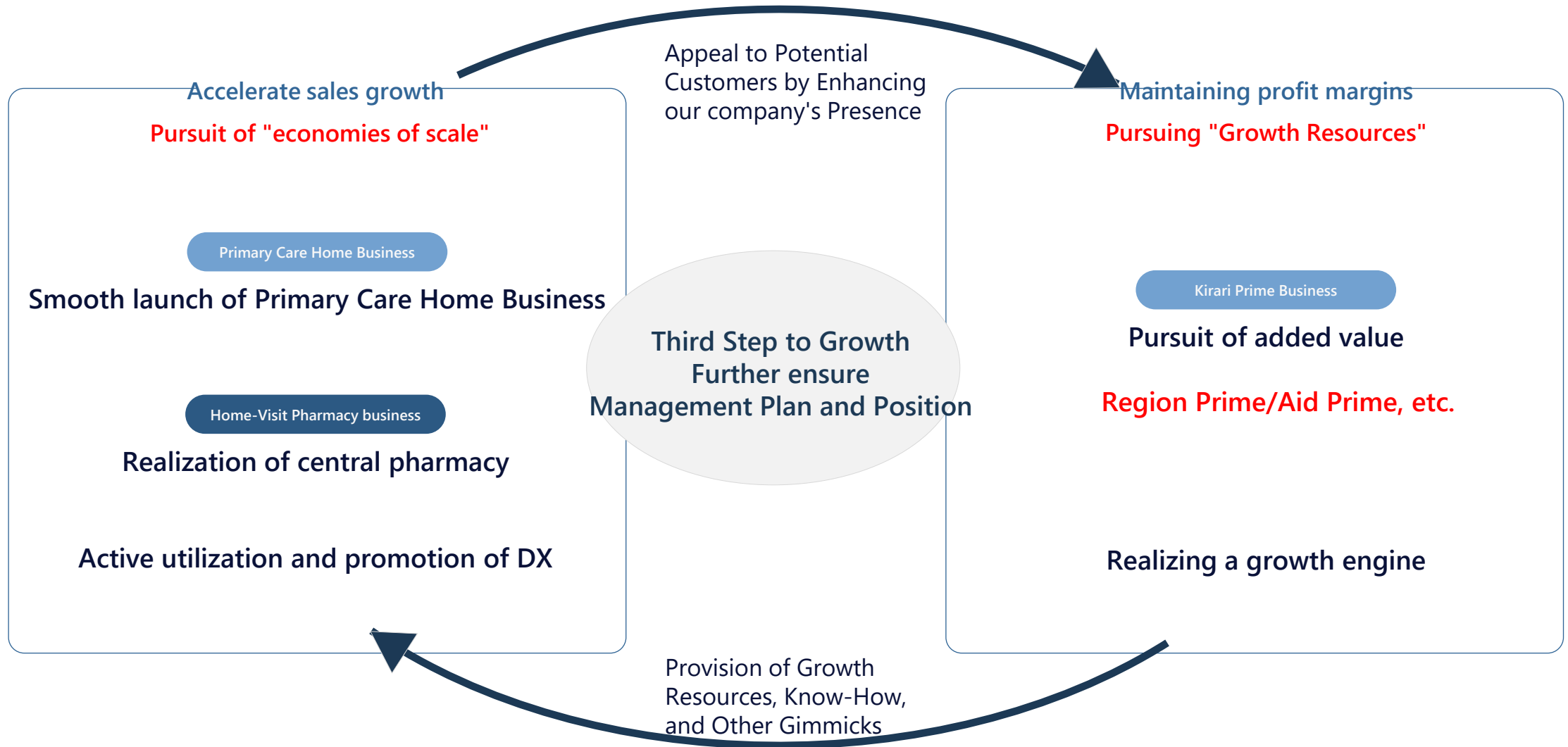


Ordinary profit/Ordinary profit ratio

(millions of yen) (%)



Concept of the Next Medium-Term Management Plan



- 01 Company Profile, Business Profile, Summary
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- 05 Sustainability Management/Appendix

Entry into Pharmacy Services by Major Online Distributors

Q: Will this affect Home-Visit Pharmacies?



A: We believe the impact on our home-visit pharmacy business will be limited.

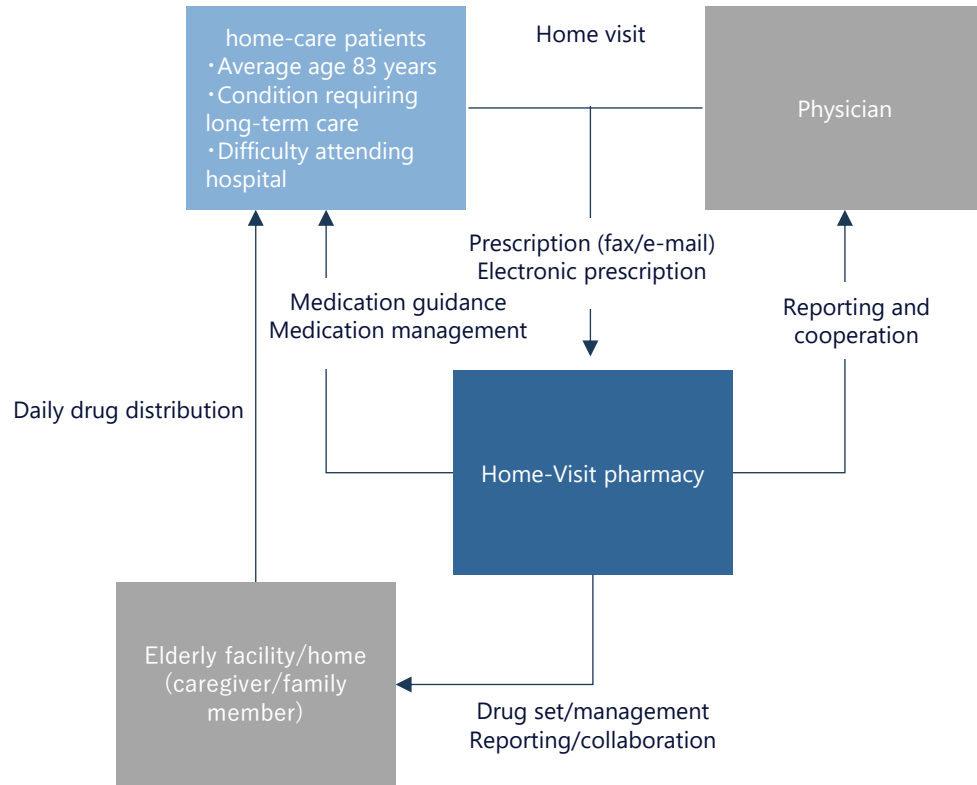
Differences with The Company

	Our Company (Home-Visit Pharmacy)	Major Distributors
Target Audience	<ul style="list-style-type: none"> •Elderly •Conditions requiring long-term care •Difficulty attending hospital •Need help managing medication 	<ul style="list-style-type: none"> •Highly IT literate •Emphasis on convenience •Ability to manage medication by oneself
Conditions of use	Patients who are recuperating at home and have been diagnosed by a doctor as having difficulty visiting the hospital	Electronic prescriptions and online medication instructions are essential
Medication management	Visiting pharmacists, facility staff and supporters	By oneself
The patient's condition	Share information with doctors, care managers, and other collaborating professionals, including medication status, as needed	Basically no sharing of medication status

Differences in pharmacy services provided by home-visit pharmacies and major online distributors

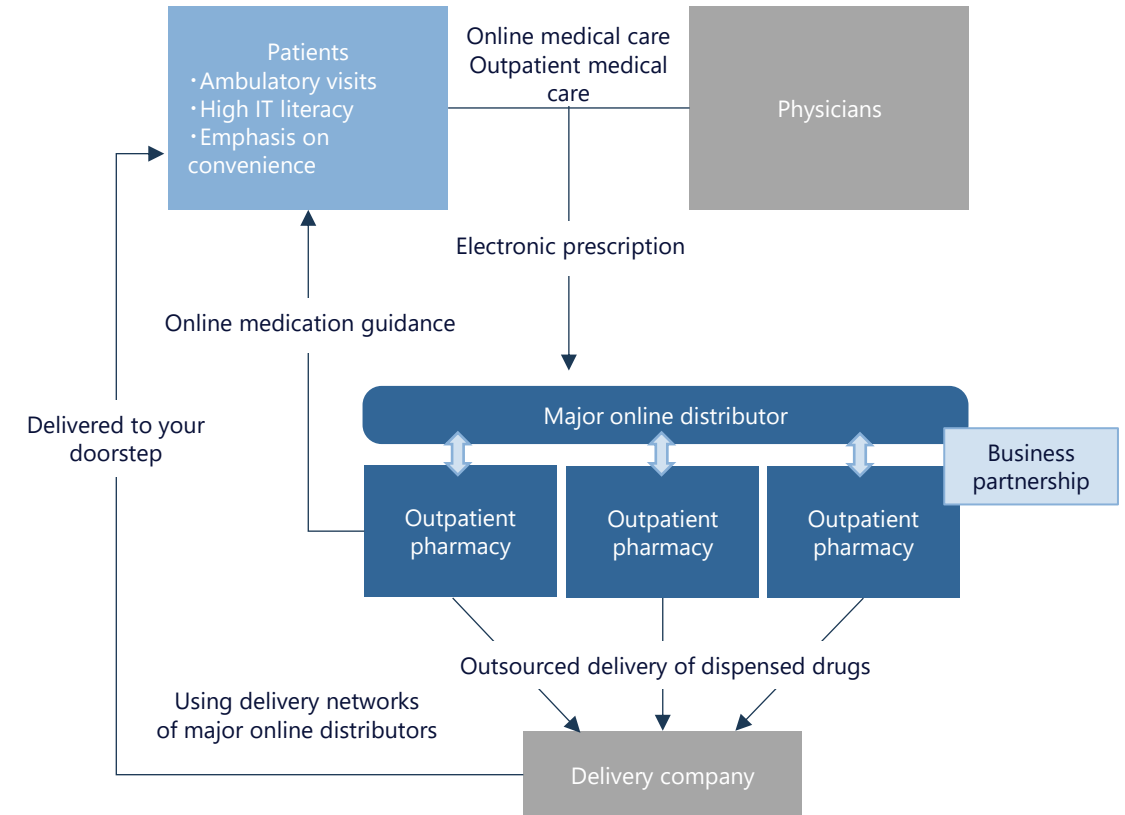
Home-Visit Pharmacy

- Supporters are not always able to stand by and support nursing care
- Supporters are not specialists in medicine in most cases, making it difficult to respond to irregular situations such as unusual events
- Formulate and distribute medicines according to the patient's physical condition, level of understanding, support status, and living environment. Delivery of medicine alone does not lead to taking the medicine.

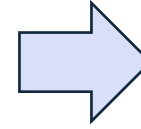
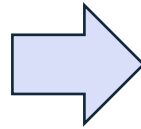


Pharmacy service provided by a major online distributor

- In the future, patients who value speed and convenience may switch to online medication advice.
- The number of medical institutions that accept electronic prescriptions is approximately 3,000 (1.7% of the total) *



For patients at home, drug delivery alone does not lead to medication administration



- Discharge prescription given to patient
 - If it's only packaged in one package
- It's hard to lead to correct dosing

- Date entry, color line added
- Separate bag of drugs also held together
- Confirmation of use with prescribed drugs from other medical institutions

- Proposal of how to manage drugs according to the patient's situation
- Continuous management of dosing conditions
- Sharing information with doctors and care managers

Even if drug delivery is outsourced due to advances in online medical treatment and medication guidance, the superiority of home-based pharmacies that respond to patients' needs remains

Home-Visit pharmacies continue to hold a competitive advantage in addressing patient needs.

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<https://www.hyuga-primary.care/ja/ir/library/sustainabilityreport.html>

HYUGA PRIMARY CARE Co., Ltd.

Sustainability Report

"Creating a social infrastructure that allows patients and users to recuperate at home 24 hours a day, 365 days a year"

is our business philosophy.

In order to realize this business philosophy, our company

- I. Contributing to the enhancement and development of community health care
- II. Providing safe and secure medicines
- III. Environmental Protection and Load Reduction
- IV. Supporting the Development and Active Performance of Human Resources and the Revitalization of Medical and Nursing Care Situations
- V. Strengthening Governance

We will move forward on the above.

The image displays several key sections from the Sustainability Report:

- トップメッセージ (Top Message):** A portrait of a man in a suit, likely a representative, with a text box explaining the company's mission since 2007: "Our goal is to create a social infrastructure that allows patients to recuperate at home 24 hours a day, 365 days a year." It mentions the company's commitment to home medical care and nursing services.
- ESG経営方針の全体像 (1) 中長期ビジョンとSDGsへの考え方 (Overall ESG Management Policy (1) Medium-term Vision and Approach to SDGs):** This section outlines the company's vision and its approach to contributing to the SDGs. It includes sub-sections for "中長期ビジョン" (Medium-term Vision) and "SDGsへの考え方" (Approach to SDGs).
- マテリアリティマッピング (Materiality Mapping):** A diagram showing the relationship between the company's business and the SDGs. It identifies key areas of focus such as "社会からの信頼・期待などを踏まえたSDGsへの取り組み" (SDG initiatives based on trust and expectations from society) and "最先端で取り組むべき領域 (医療具・RPA) 等" (Key areas to focus on first, such as medical equipment and RPA).
- マテリアリティとSDGs17の目標への貢献 (Contribution to SDG 17 Goals and Materiality):** A table showing the contribution of various business activities to the 17 SDG goals. The table lists activities and their corresponding contributions to specific SDG targets.
- 重点課題グループとSDGs17の目標への貢献 (Contribution to SDG 17 Goals and Key Issue Groups):** A table showing the contribution of key issue groups to the 17 SDG goals. The table lists key issue groups and their corresponding contributions to specific SDG targets.

Organizing Materiality

Our company organizes matters considered important in five areas

Key Issues Group	Materiality
I Contributing to the enhancement and development of community health care as a platformer of a community comprehensive care system	<ol style="list-style-type: none"> 1. Contribution to community health care as a family pharmacy and pharmacist 2. Strengthen pharmacy functions by enhancing community medical care, including cancer alleviation 3. Promotion of online medicine using DX and IT tools 4. Providing health education, medical and nursing care information to local communities 5. Contributing to social security by promoting proper use of pharmaceuticals 6. Implementation of a bridge and community comprehensive care system in both the medical and nursing care fields through the spread of home health care 7. Contributing to the enhancement of community health care using the network established by the Kirari Prime Business
II Safe and secure pharmaceutical supply as social infrastructure	<ol style="list-style-type: none"> 8. Ensuring the quality and safety of the pharmaceutical products to be provided and appropriate management 9. Enhancing resilience to disasters and pandemics to ensure stable and sustainable pharmacy operations 10. Ensuring procurement stability by strengthening supply chain management
III Measures to protect the environment and reduce environmental impact	<ol style="list-style-type: none"> 11. Reducing waste, including pharmaceuticals, and improving the efficiency of resource use 12. Reducing CO2 Emissions by Making Energy Use More Efficient and Using Renewable Energy
IV Supporting the development and performance of diverse human resources and the revitalization of medical and nursing care sites	<ol style="list-style-type: none"> 13. Promote work-life balance through the realization of diverse work styles 14. Providing places of activity and managing working hours according to the way you work 15. Establishing a work environment that promotes employee health and job satisfaction 16. Respect for Human Rights and Promote Diversity (Promote Elderly Employment/Promote Women's Participation/Support LGBTQ Understanding) 17. Securing human resources to support company growth 18. Establishing a personnel system to promote growth 19. Effective utilization of human resources through promotion of DX
V Strengthening governance	<ol style="list-style-type: none"> 20. Sustained Strengthening of Corporate Governance 21. Highly transparent disclosure 22. Enhancing Information Security 23. Compliance

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01 In addition to an increase in the **Population aged 75 and over** and elderly single households, **Number of persons certified as requiring long-term care** is expected to maintain high levels

- There is an urgent need to establish a new social system and medical infrastructure: a comprehensive community care system and regular measures to control social security costs by revising medical fees and drug prices

02 Demand for home medical care is expected to increase significantly due to **Aging population** and **Functional differentiation and collaboration of hospital beds due to regional medical care plans.**

- In response to the expected increase in the number of patients at home, Urgent need to create functions that seamlessly link nursing care and medical care and networks capable of providing essential dispensing
- In order to provide safe, secure, high-quality, effective and efficient medical and nursing care services, it is also effective in the pharmacotherapy of patients. Need to ensure continuous access to safe drug therapy

Increase in the number of people aged 75 and over and elderly single households

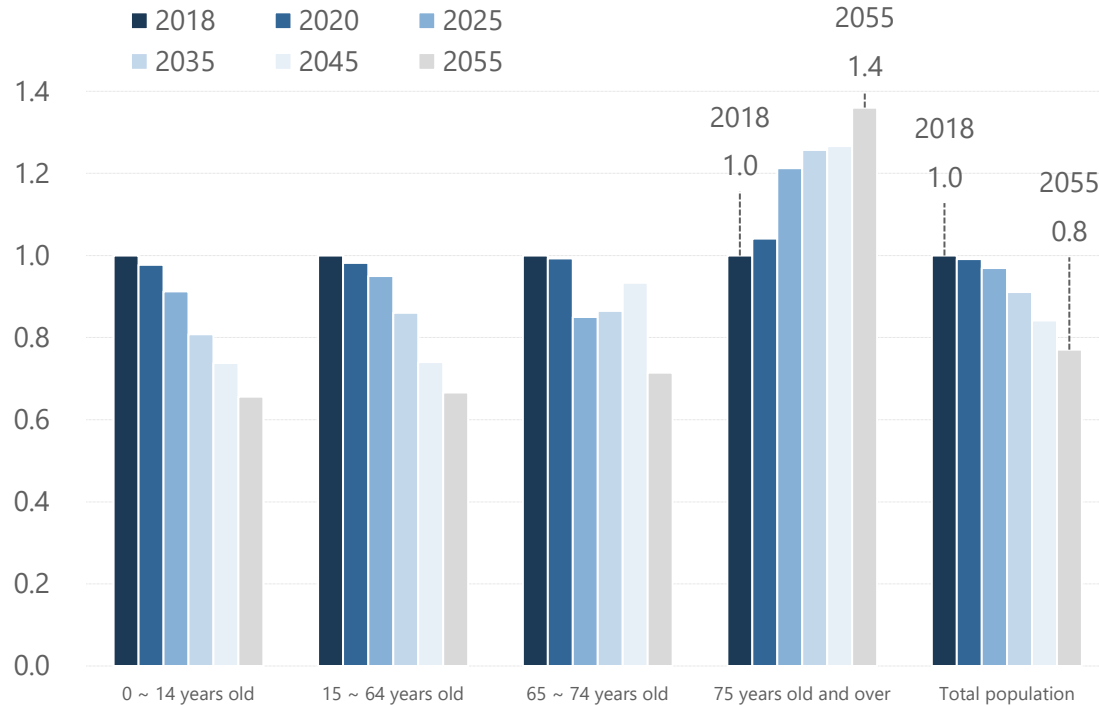
- While the total population of Japan is decreasing, the number of people aged 75 and over is increasing, and in 2055, the number was 1.4 times that of 2018 (the total population was 0.8 times in the same period). The number of single households aged 65 and over is expected to increase, with a 1.5 fold increase in 2040 compared to 2015.
- Who is going to care for you and where is going to care for you could become a bigger problem in the future.

Changes in population by age group

(2018 years = 1)

Population aged 75 and over

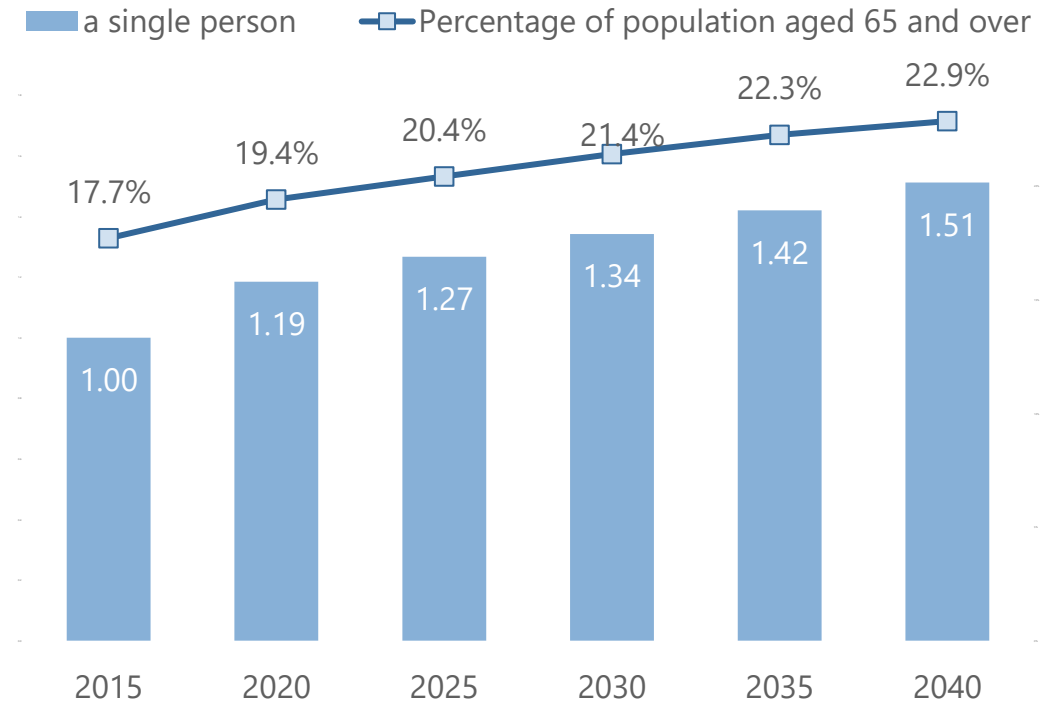
17.98 million (2018) → **24.46 million** (2055)



Number of single elderly households *

Families aged 65 and older living alone (2015 = 1)

5.93 million households (2015) → **8.96 million households** (2040)



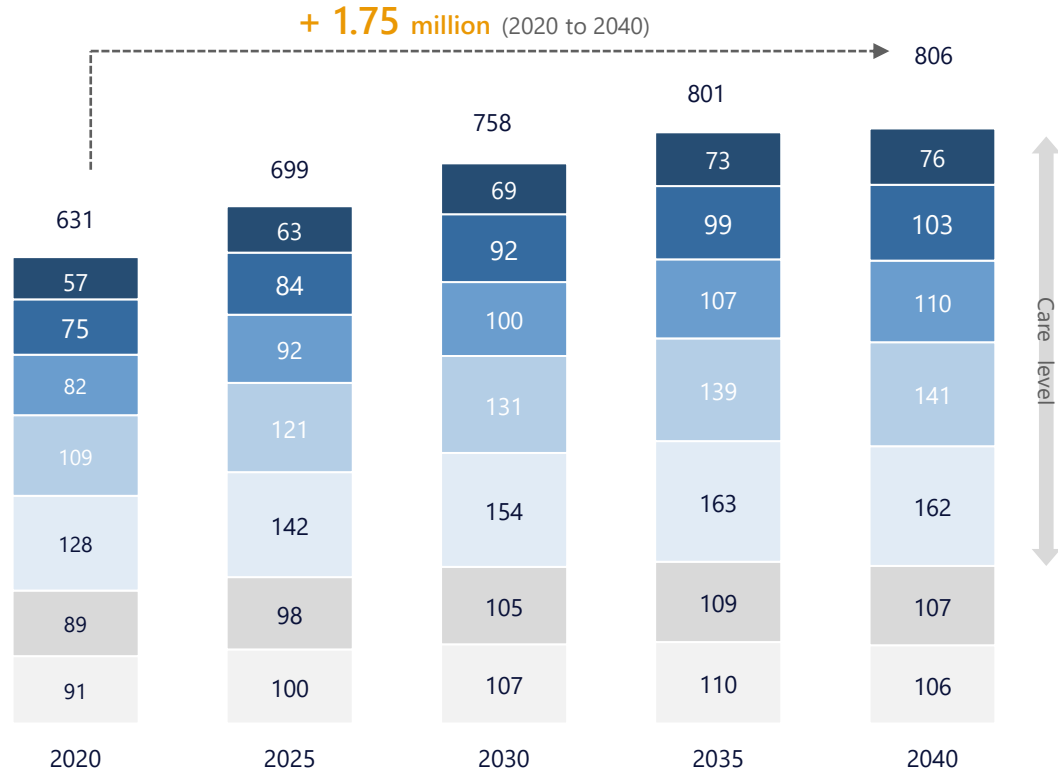
Source: Cabinet Office's "White Paper on Aging Society in Reiwa 2"

Business environment Number of people certified as needing long-term care

- The number of persons certified as requiring long-term care support or care is expected to exceed 8 million in 2035 and reach 8.06 million in 2040, an increase of 28% (compared to 2020)
- In particular, the number of people who are certified as requiring nursing care level 3 ~ 5 has increased by more than 30%, making it even more important to develop a nursing care support system.

Prospects for the number of persons certified as requiring long-term care

(10k persons)



Rate of increase and number of increase by certified category

(from 2020 to 2040)

	rate of increase	number of increase
Care-Needed 5	33 %	190,000 people
Care-Needed 4	37 %	280,000 people
Care-Needed 3	34 %	280,000 people
Care Needed 2	29 %	320,000 people
Care Needed 1	27 %	340,000 people
Needed Support 2	20 %	180,000 people
Needed Support 1	16 %	150,000 people
Total	28 %	1.75 million people

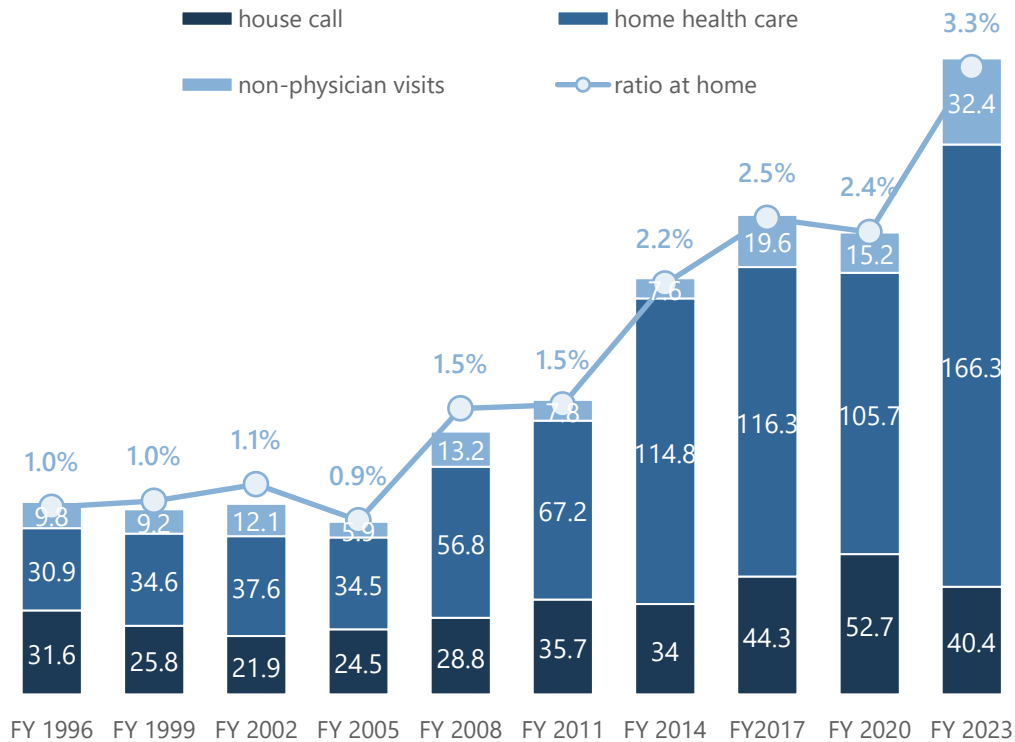
Sources: "Population Estimates (October 30)" (the Ministry of Internal Affairs and Communications), "Long-Term Care Insurance Business Status Report (October 30)" (the Ministry of Health, Labour and Welfare), "Japan's Future Population Estimates (April 29) (Mid-Birth (Mid-Death) Estimates)" (the National Institute of Population and Social Security Research)

Business Environment home-care patients and Home Pharmacies

- The number of home-visit medical care patients has been on the rise. With the increase in the elderly population, the number increased rapidly from around 2008, reaching 239000 per day in 2023.
- The ratio of home-care patients to total patients has also accelerated in tandem with the promotion of comprehensive care systems. The ratio rose to 3.3% in 2023.

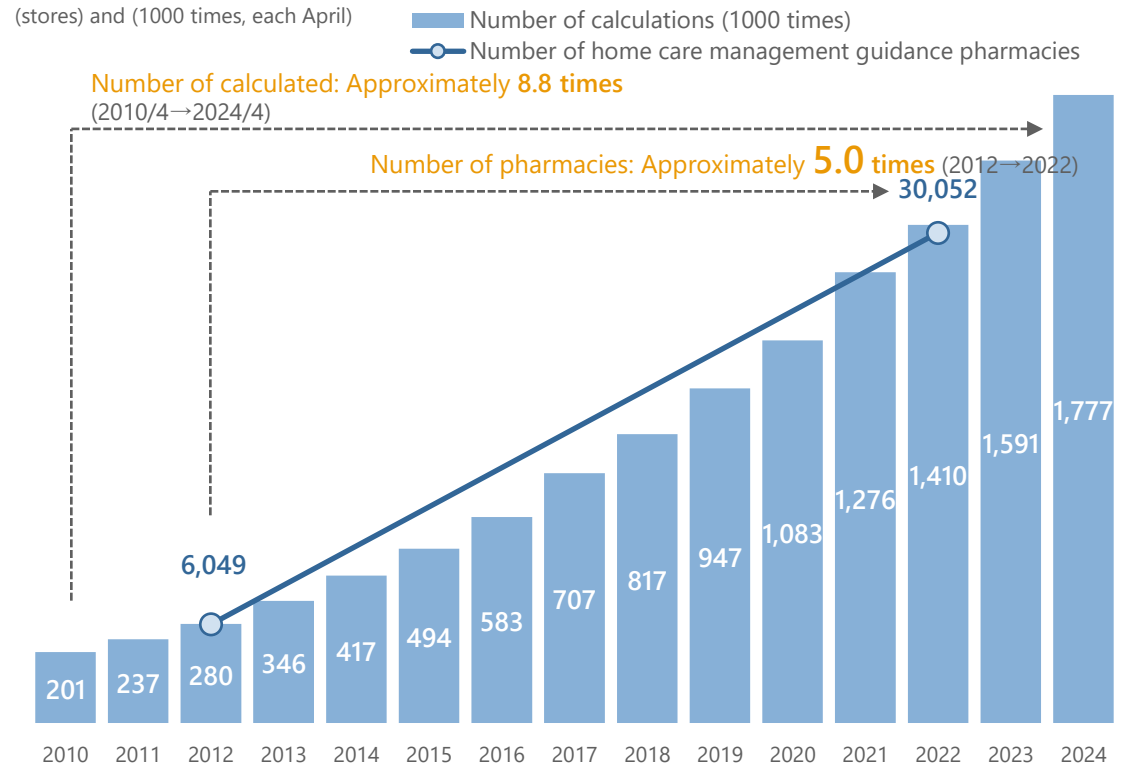
Number of home-care patients Ratio of home-care patients to total patients

(1000 patients/day)



Number of pharmacies providing home care management guidance (personal pharmacy contract with patients) Number of pharmacies calculated for in-home medical care management guidance expenses

(stores) and (1000 times, each April)



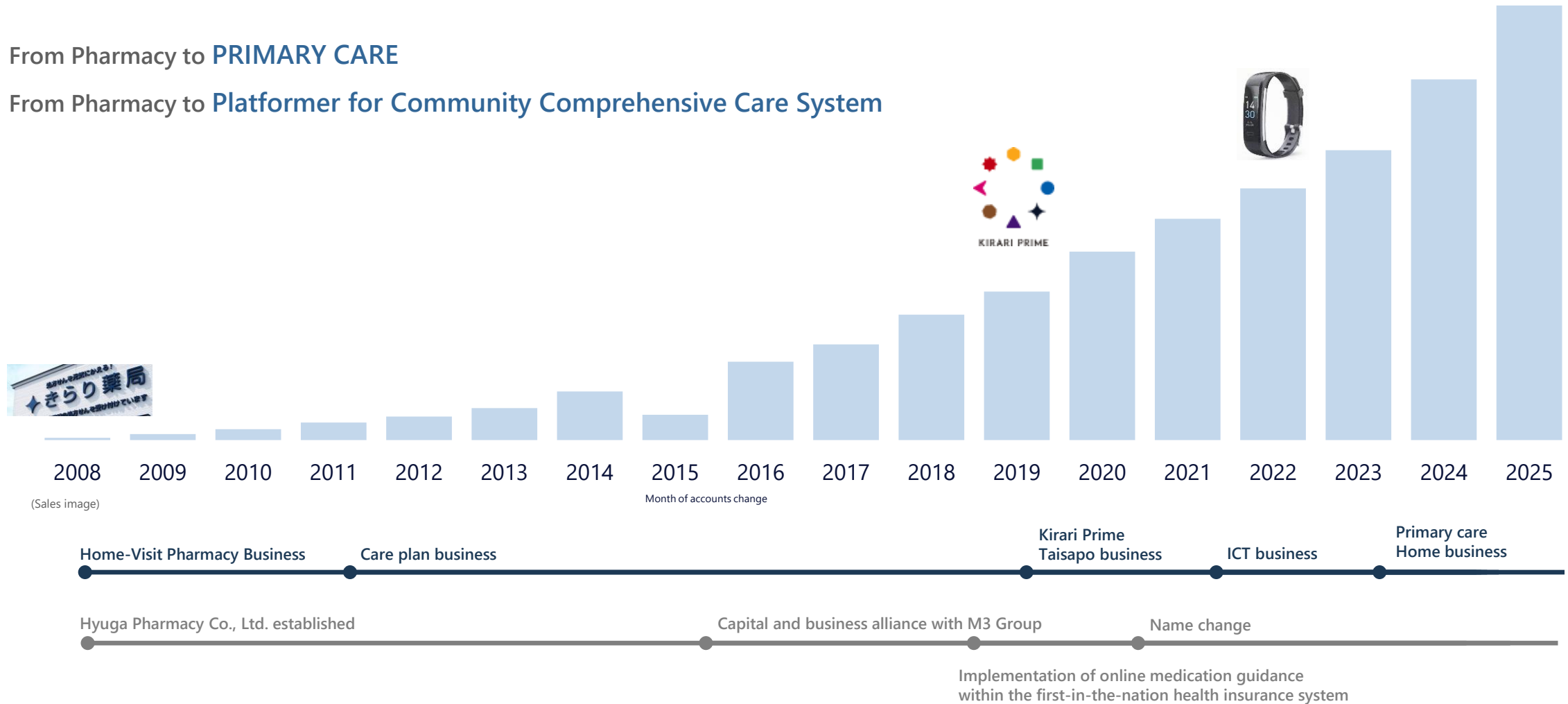
Source: the Ministry of Health, Labour and Welfare, "Patient Survey" and "Monthly Statistics on Long-Term Care Benefit Expense, etc.," for April each year.

HYUGA PRIMARY CARE Company Profile

History and business development

From Pharmacy to PRIMARY CARE

From Pharmacy to Platformer for Community Comprehensive Care System



Financial Highlights *

		12 th term	13 th term	14 th term	15 th term	16 th term	17 th term	18 th term
Year and year		March 2019	March 2020	March 2021	March 2022	March 2023	March 2024	March 2025
Sales	(thousands of yen)	3,410,342	4,331,638	5,086,031	5,782,604	6,657,448	8,285,853	9,984,799
Ordinary profit	(thousands of yen)	64,181	122,368	250,720	506,182	557,751	716,880	1,022,789
Net income attributable to owners of the parent	(thousands of yen)	14,197	32,903	97,140	328,454	382,876	441,027	719,030
Capital	(thousands of yen)	100,000	100,000	104,742	171,915	185,912	195,382	200,216
Total number of shares outstanding	(share)	11,074	11,074	11,369	3,499,100	3,572,000*	7,246,000	7,277,200
Net assets	(thousands of yen)	469,935	502,838	609,463	1,072,264	1,483,134	1,643,125	2,371,782
Total assets	(thousands of yen)	1,658,986	1,771,859	2,015,029	2,531,605	2,914,911	6,354,996	7,051,212
Net assets per share	(Yen)	141.45	151.36	178.69	153.22	207.61**	231.46	332.65
Net income per share	(Yen)	4.27	9.9	28.99	47.90	53.92**	62.05	101.12
Capital ratio	(%)	28.3	28.4	30.2	42.4	50.9	25.9	33.6
return on equity	(%)	3.1	6.8	17.5	39.1	30.0	26.8	35.8
Operating cash flow	(thousands of yen)	-	34,733	351,821	484,597	342,252	706,642	771,322
Invested Cash Flow	(thousands of yen)	-	- 165,236	- 77,591	- 320,255	- 383,393	- 1,125,097	- 473,978
Financial cash flows	(thousands of yen)	-	- 6,259	36,641	16,927	- 110,728	538,778	- 419,427
Cash and cash equivalents at end of year	(thousands of yen)	-	227,416	538,288	719,557	567,688	688,010	565,926
Number of employees (Average number of other temporary employees)	(persons)	226 (68)	283 (93)	312 (96)	329 (102)	442 (100)	544(113)	708(137)

* Our company conducted a stock split of 2 for 1 common share on April 1, 2023. The total number of shares outstanding after the split is 7,144,000 shares.

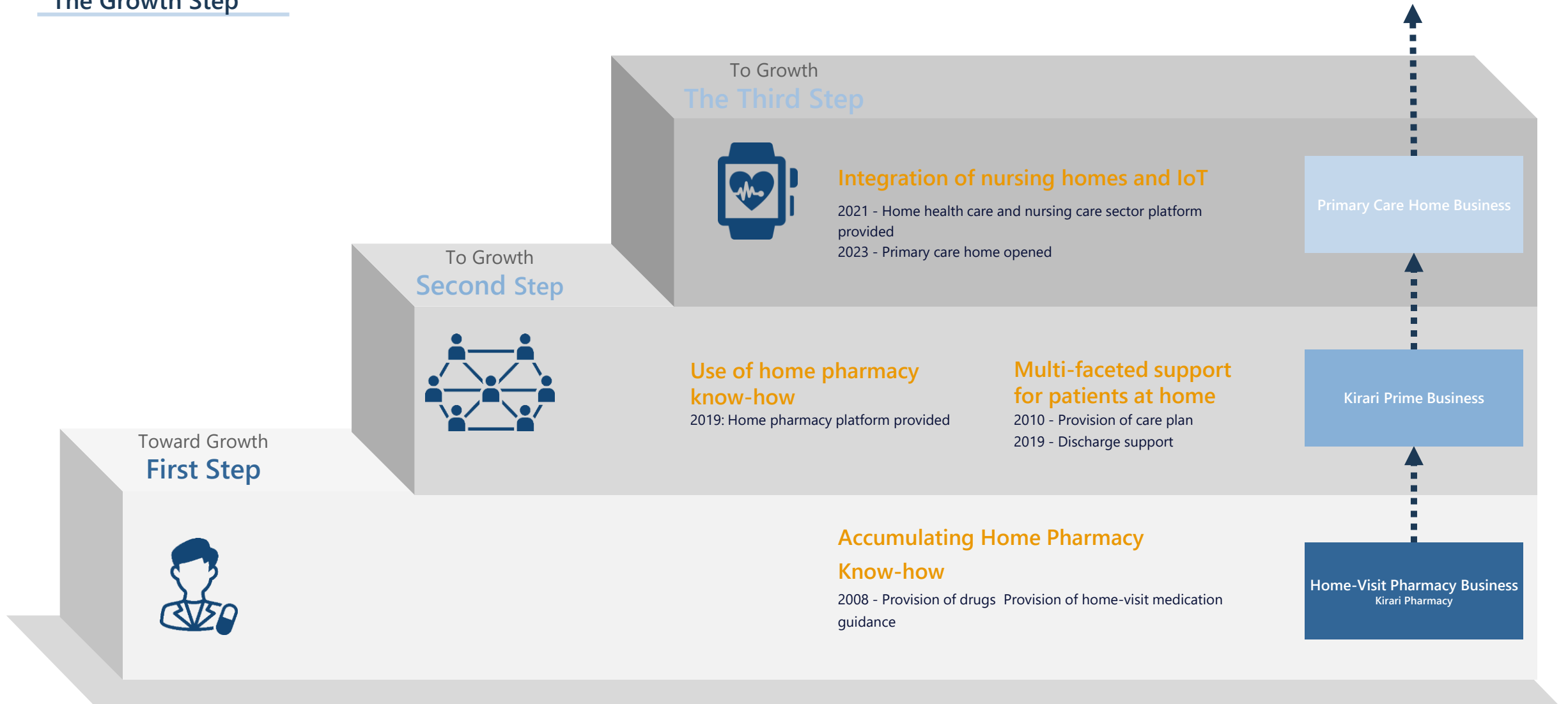
** our company conducted a stock split of 2 for 1 common share on April 1, 2023. Assuming that the stock split was conducted at the beginning of the fiscal year 16, net assets per share and net income per share are calculated.

*Financial highlights are presented based on the calculation method in the Annual Securities Report.

Strengthening the Third Step to Growth

The Growth Step

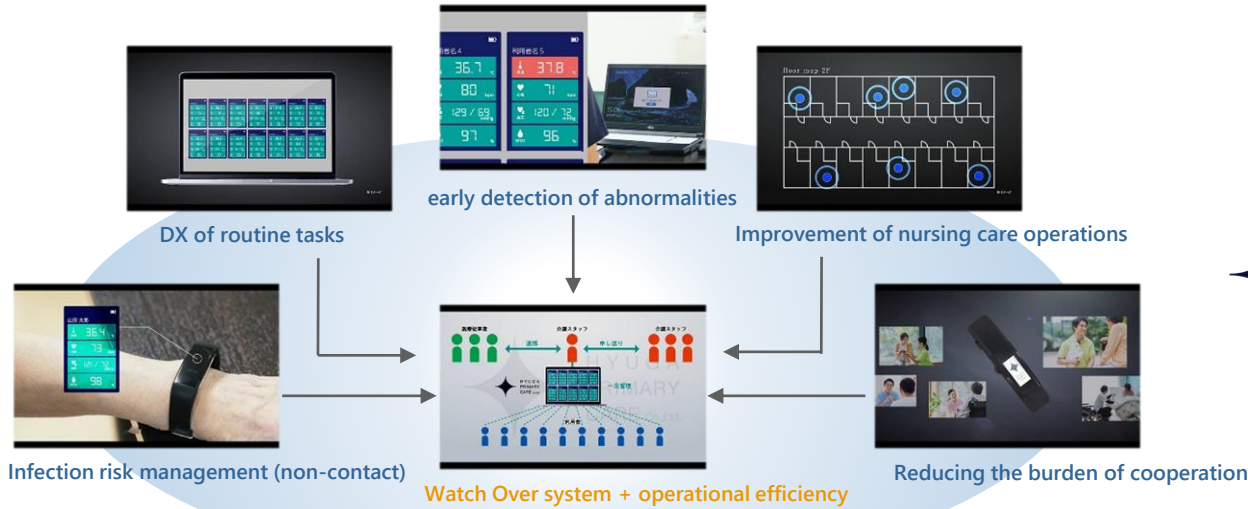
Expanding the Platform for Community Comprehensive Care Systems



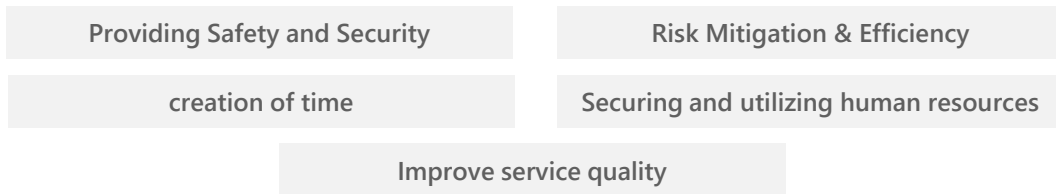
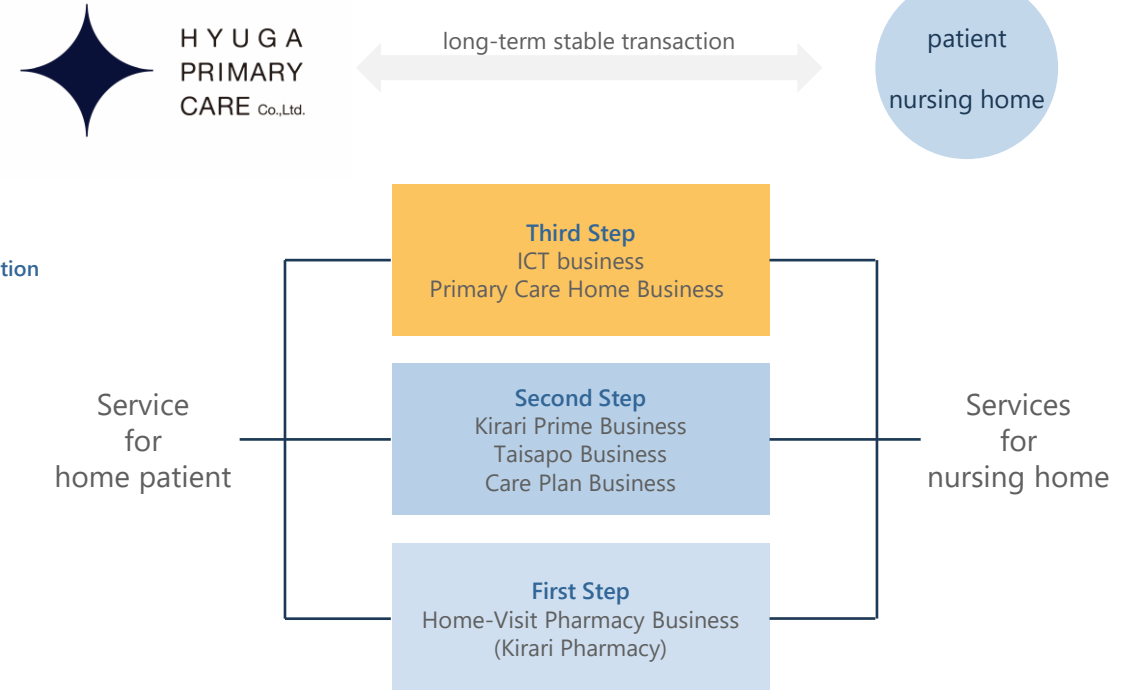
Strengthening the Third Step toward Growth ICT Business

Primary Care Robot®

Watch Over system



to automate the process of measuring multiple times a day
Contribute to labor saving



Improvement of patient QOL and Construction of sustainable care system

Strengthening the Third Step for Growth Primary Care Home Business

- We started the Primary Care Home Business from January 2023.
- Home nursing care services for the elderly are provided through the operation of facilities for the elderly. These businesses have a high affinity for sharing know-how with Home-Visit Pharmacy Businesses.

New Business Overview *

Facility Management for the Elderly (Home Care - Regular and On-demand)

◇ Facility Concept

① Upsizing & Utilization of ICT

- Scale up to 100 beds and increase the number of rooms to reduce the burden on individuals
- Reduce workload with in-house developed ICT equipment

② Providing Home Care - Regular and On-demand

- 24 hours a day, 365 days a year, medical and nursing care are available

③ Less expense for patients

- Individual burden amount set according to the level of care

*About "Home Care - Regular and On-demand"

A combination of regular visiting services provided on a regular basis based on a home-visit nursing care plan for each user and as-needed visiting services provided as needed. Patients can receive nursing care services 24 hours a day, 365 days a year, and can perform medical procedures under the direction of a physician.

Affinity with Home-Visit Pharmacy Business

Our nursing care services "Home Care - Regular and On-demand"

Home-Visit Pharmacy Business

Periodic patrol

10 to 15 minutes at a time offered multiple times a day

Periodic home visits to provide medication instructions

Responding

Required services are arranged 24 hours a day, 365 days a year

24 Hours 365 Days (24/7) On-Call System

Occasional visit

Visiting service 24 hours a day, 365 days a year

Available 24 hours a day, 365 days a year (24/7)

home nursing

Medical treatment under the direction of a physician

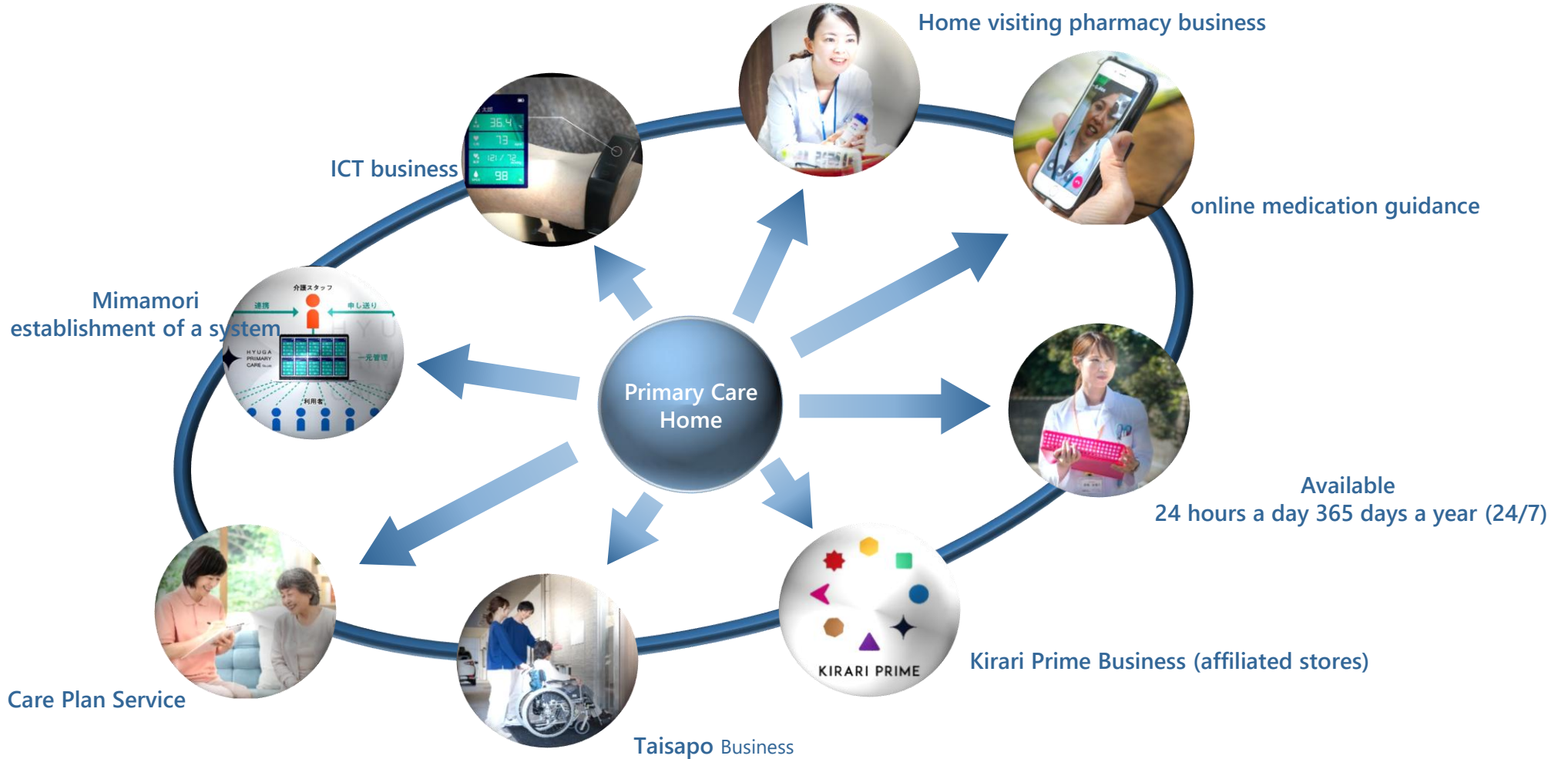
Reporting to physicians and cooperation with medical institutions

*Announced on March 15, 2022 https://www.hyuga-primary.care/ja/ir/news/auto_20220315505670/pdfFile.pdf

Strengthening the third step for growth

Establishing a cross-cell structure centered on facility management

- The facilities for the elderly operated in the Third step will be the starting point of cross-selling with the Home-Visit Pharmacy Business, Kirari Prime Business, Taisapo Business, and Care Plan Business.
- Maximize business opportunities in our company by generating synergies among businesses
- At the same time, improve the QOL of users and patients by improving services through cooperation between businesses.



First step

Home-Visit Pharmacy Business

Home-Visit Pharmacy Business

About the Home-Visit Pharmacy Business

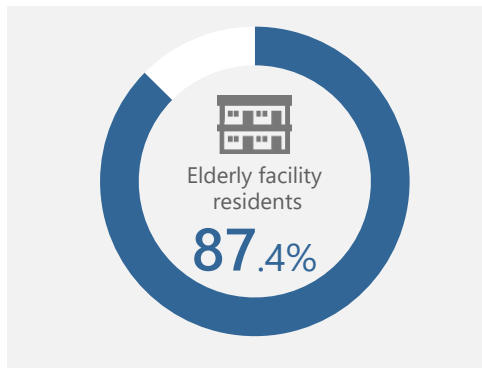
One of the social infrastructures that enable people to receive medical care with peace of mind at home, 24 hours a day, 365 days a year (24/7).

Main business

- ① Pharmacists regularly visit patients at home
- ② The pharmacist reports the results of the visit to the prescribing physician/care manager.
- ③ New medication proposals were made to prescribing physicians according to the patient's condition

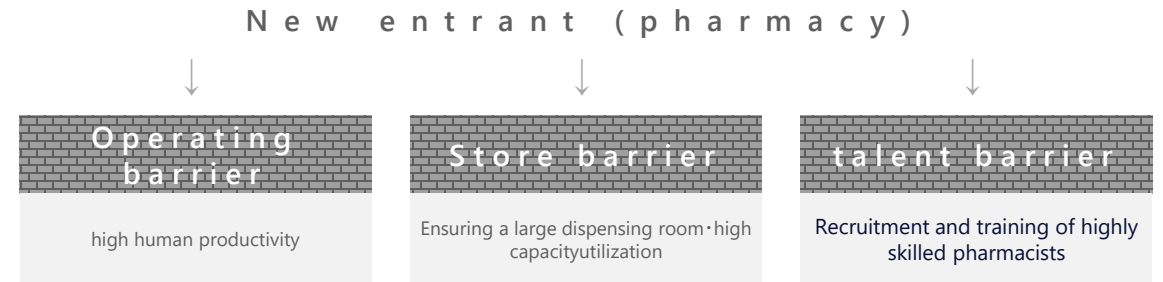
patient attributes

(as of the end of March 2022)

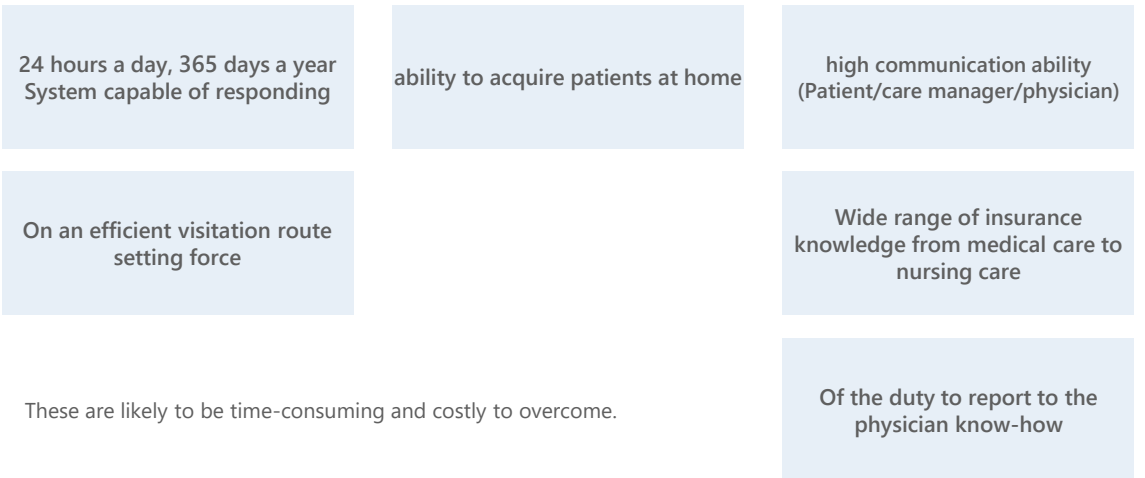


high entry barriers

Conventional pharmacies entering the home pharmacy business



Know-how accumulated through extensive experience in home-visit pharmacies

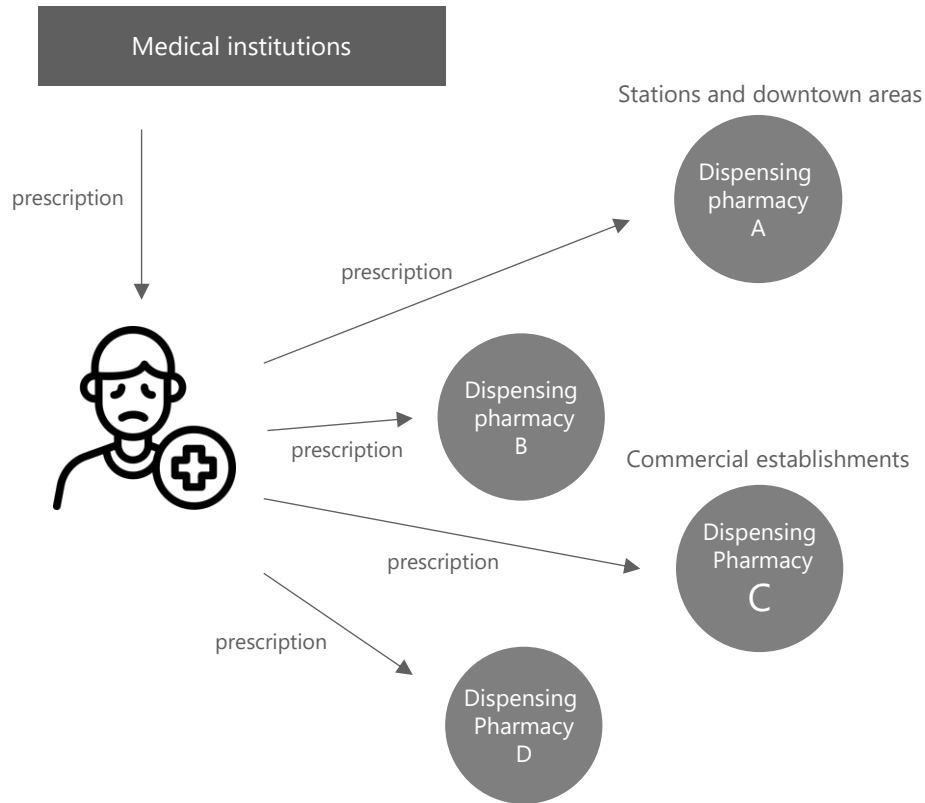


Home visiting pharmacy business (2) Aim and location of new stores

Pharmacies near medical institutions

"Outpatients themselves visit pharmacies"

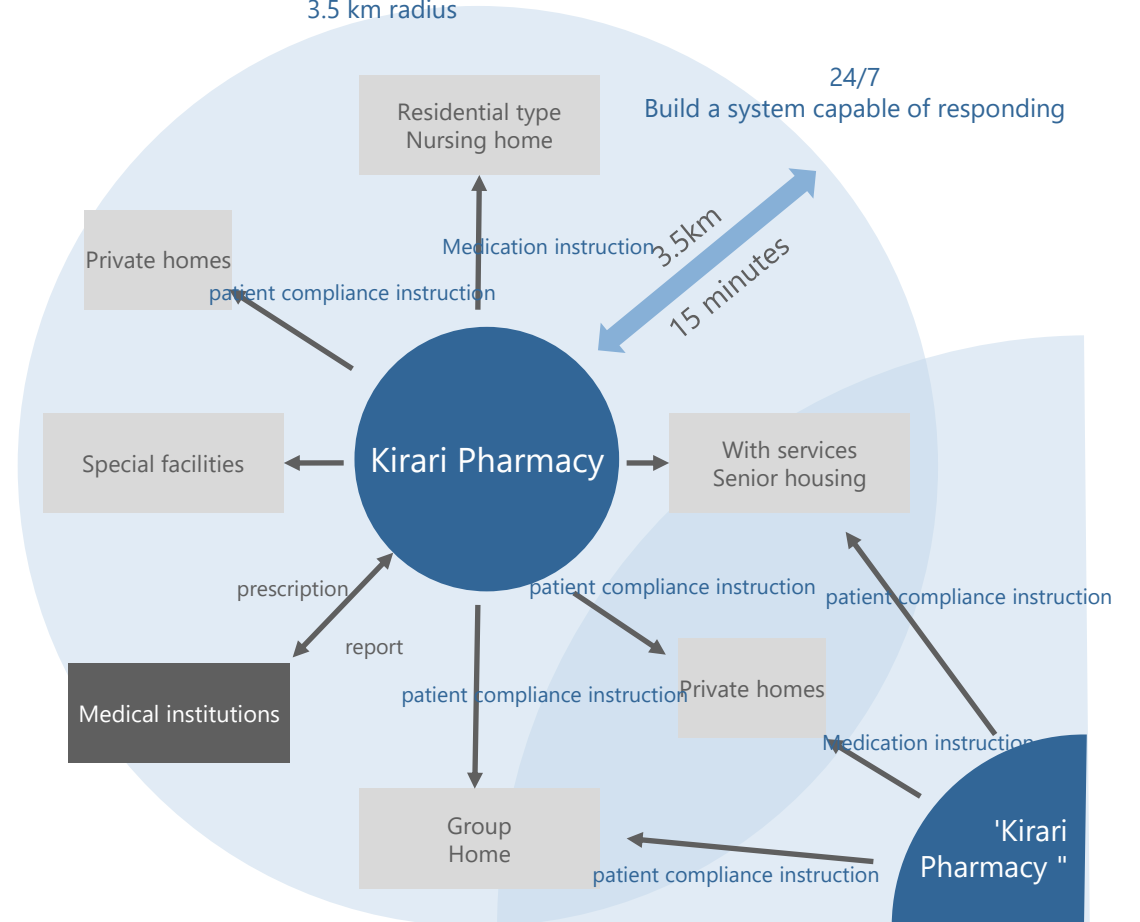
- Open stores near medical institutions where outpatient visits are expected
- Therefore, there are many cases where the store is located close to competing pharmacies
- The cost of opening a store tends to be higher because location is important



Home visit Pharmacy

"Pharmacist visits after signing contract with patient"

- No specific requirements for opening stores
- **Ability to form long-term partnerships with residents of senior living facilities who have difficulty visiting hospitals**
- Improve visiting efficiency by pursuing a dominant approach with a 3.5 km radius

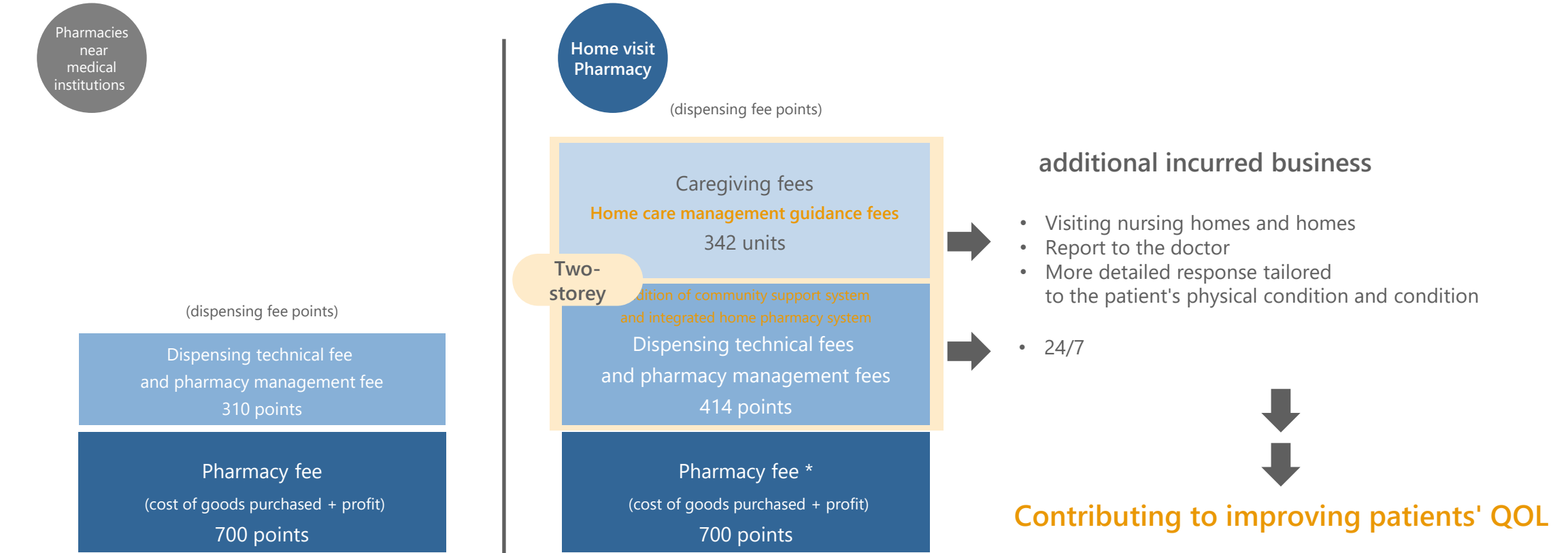


Home visiting pharmacy business (3) Number of dispensing fees

Comparison of dispensing fee points

Home-based dispensing has about double the number of reward points compared to conventional dispensing methods. That means more work, but more business opportunities

On the other hand, the human connection with the patient is stronger, and the possibility of signing a long-term contract is higher. Collaborating with doctors, etc. can also contribute to improving the QOL of patients



*There are more types of medications to be prescribed than for outpatients, and drug prices per prescription tend to be higher.

Comparative example per prescription for 14 days of oral medication

Home-Visit Pharmacy Business “Online medication instruction for nursing homes”

- Online medication instruction for nursing homes was deregulated in April 2022.
- After the online medication instruction, the office staff provides door-to-door delivery of medications. By separating the “guidance” and “door-to-door delivery” that pharmacists used to do, and entrusting the latter to the office staff, we can improve operational efficiency.

「規制改革実施計画」（令和3年6月18日閣議決定）（抄）

オンライン診療・オンライン服薬指導の特例措置の恒久化

a オンライン診療・服薬指導については、新型コロナウイルス感染症が収束するまでの間、現在の時限的措置を着実に実施する【a:新型コロナウイルス感染症が収束するまでの間、継続的に措置】

b 医療提供体制におけるオンライン診療の果たす役割を明確にし、オンライン診療の適正な実施、国民の医療へのアクセスの向上等を図るとともに、国民、医療関係者双方のオンライン診療への理解が進み、地域において、オンライン診療が幅広く適正に実施されるよう、オンライン診療の更なる活用に向けた基本方針を策定し、地域の医療関係者や関係学会の協力を得て、オンライン診療活用の好事例の展開を進める

c 情報通信機器を用いたオンライン診療については、初診からの実施は原則、かかりつけ医による実施（かかりつけ医以外の医師が、あらかじめ診療録、診療情報提供書、地域医療ネットワーク、健康診断結果等の情報により患者の状況が把握できる場合を含む。）とする
健康な勤労世代等かかりつけ医がいない患者や、かかりつけ医がオンライン診療を行わない患者で上記の情報を有さない患者については、医師が、初回のオンライン診療に先立って、別に設定した患者本人とのオンラインでのやりとりの中でこれまでの患者の医療履歴や基礎疾患、現在の状況等につき、適切な情報が把握でき、医師・患者双方がオンラインでの診療が可能であると判断し、相互に合意した場合にはオンライン診療を認める方向で一定の要件を含む具体案を検討する。その上で、対面診療との関係を考慮し、診療報酬上の取扱いも含めて実施に向けた取組を進める

d オンライン服薬指導については、患者がオンライン診療又は訪問診療を受診した場合に限定しない。また、薬剤師の判断により初回からオンライン服薬指導することも可能とする。介護施設等に居住する患者への実施に係る制約は撤廃する。これらを踏まえ、オンライン服薬指導の診療報酬について検討する

e オンライン資格確認等システムを基盤とした電子処方箋システムの運用を開始するとともに、薬剤の配送における品質保持等に係る考え方を明らかにし、一気通貫のオンライン医療の実現に向けて取り組む

【b～e:令和3年度から検討開始、令和4年度から順次実施（電子処方箋システムの運用については令和4年夏目途措置）】



High barrier to entry in the Home-Visit Pharmacy Business

"A pharmacy that can efficiently handle a large volume of dispensing operations"



Kirari Pharmacy Onjo

- The size of the dispensary is 65m², and there are approximately 5 full-time equivalent pharmacists.
- More than 3 times the size of the standard 18.9m² dispensary facility for 5 pharmacists.
- Responsible for dispensing approximately 720 * visiting patients

Compared to ambulatory pharmacies, home pharmacies require sufficient space to do the work due to the large number of dispensing processes

High barrier to entry in the Home-Visit Pharmacy Business "personalized treatment tailored to patients and facilities and ingenuity to eliminate erroneous drugs"



Same patient's medicine set for one week
Change the color of the line every time you take it to make it easier to understand



A set of medicines taken by patients on the same floor of the facility at the time of taking them.
The facility staff gave it the best reviews. (It also takes the most time and effort)



Many calendar sets for patients in private homes
Reading QR code reveals drug information inside



After the patient's medicine is packed in one package by the packer, color line drawing and stapling of the medicine that can not be packed is done manually.



Setting work scene. Outpatient pharmacy type dispensaries are difficult to work in because they do not have such space.



Name, date, time of administration, name of prescribing hospital, etc. are printed on the medicine package.
Many are prescribed by multiple hospitals, including internal medicine, psychiatry, and orthopedics, and pharmacists make final confirmation of the combination.

High barrier to entry in the Home-Visit Pharmacy Business

“Pharmacists in home-visit pharmacies that don't just deliver drugs”



User (patient)

Pharmacists

Check your physical condition and side effects from casual conversations and facial expressions with patients.



Caregiver

Pharmacist

Depending on the type of nursing home, staffing and residents' dependence on medical care also vary. Understand it and communicate with it



Nurse

Pharmacist

Sharing information with facility staff about medications is mandatory
Not only verbally, but also through the company's at-home medication support system



Pharmacist

Doctor

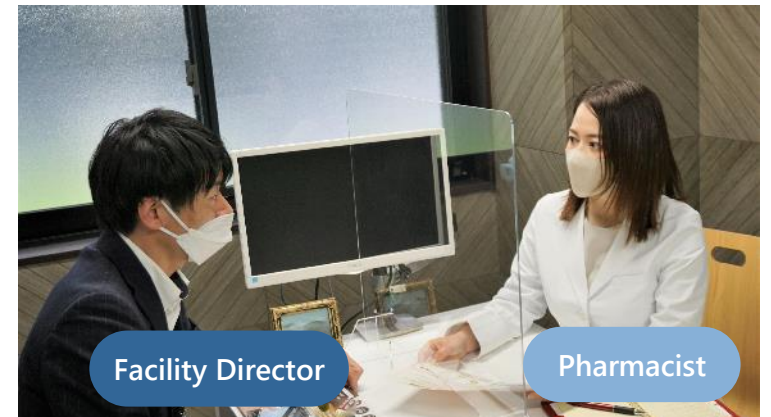
Consultation with doctors to suggest changes to the most appropriate medication according to the patient's situation. Also involved in prescription design



Care Manager

Pharmacist

Communicate drug side effects to other care providers through a care manager and suggest medication assistance



Facility Director

Pharmacist

Discussions with care providers occur as needed, such as when starting new business. Negotiation and sales skills are required while listening to other parties' requests.

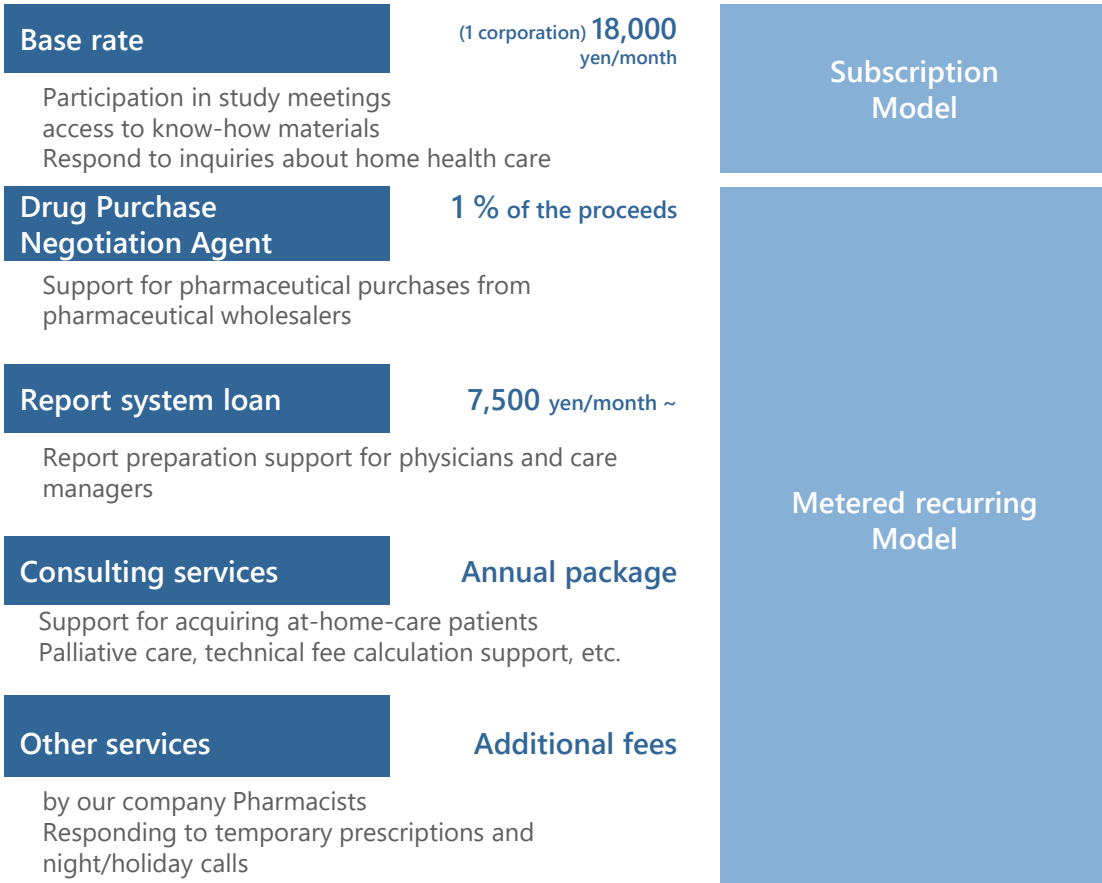
Second step **Kirari Prime Business**

Business model and pricing system

Share of Kirari Prime Business Sales

Subscription Recurring Sales Ratio 60%

(As of FY2025)

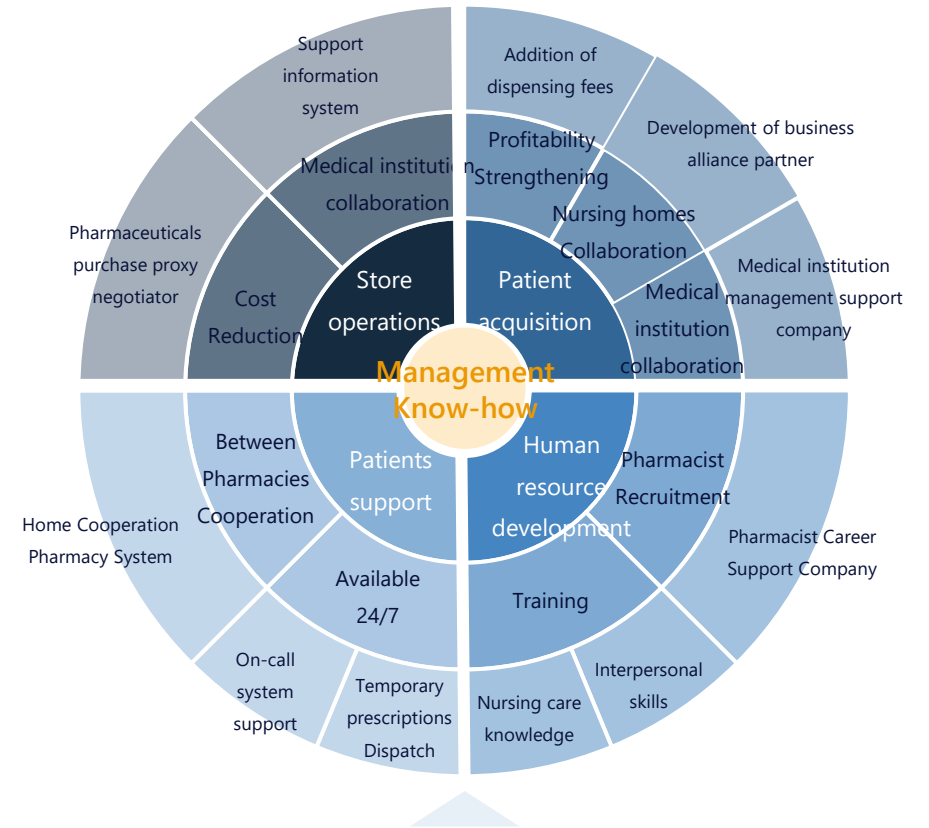


Competitiveness, Policy and Environment

the Ministry of Health, Labour and Welfare's Pharmacy Vision for Patients

Pharmacies near medical institutions → Home-Visit Pharmacy/

Expansion of competitive community care



Impact of drug price lowering/Expansion of major dispensing pharmacy stores

Survival as a dispensing pharmacy by small and medium sized pharmacy store

Third step Primary Care Home Business

Facility Overview & Positioning of Elderly care facilities operated by our company

Facility concept and features

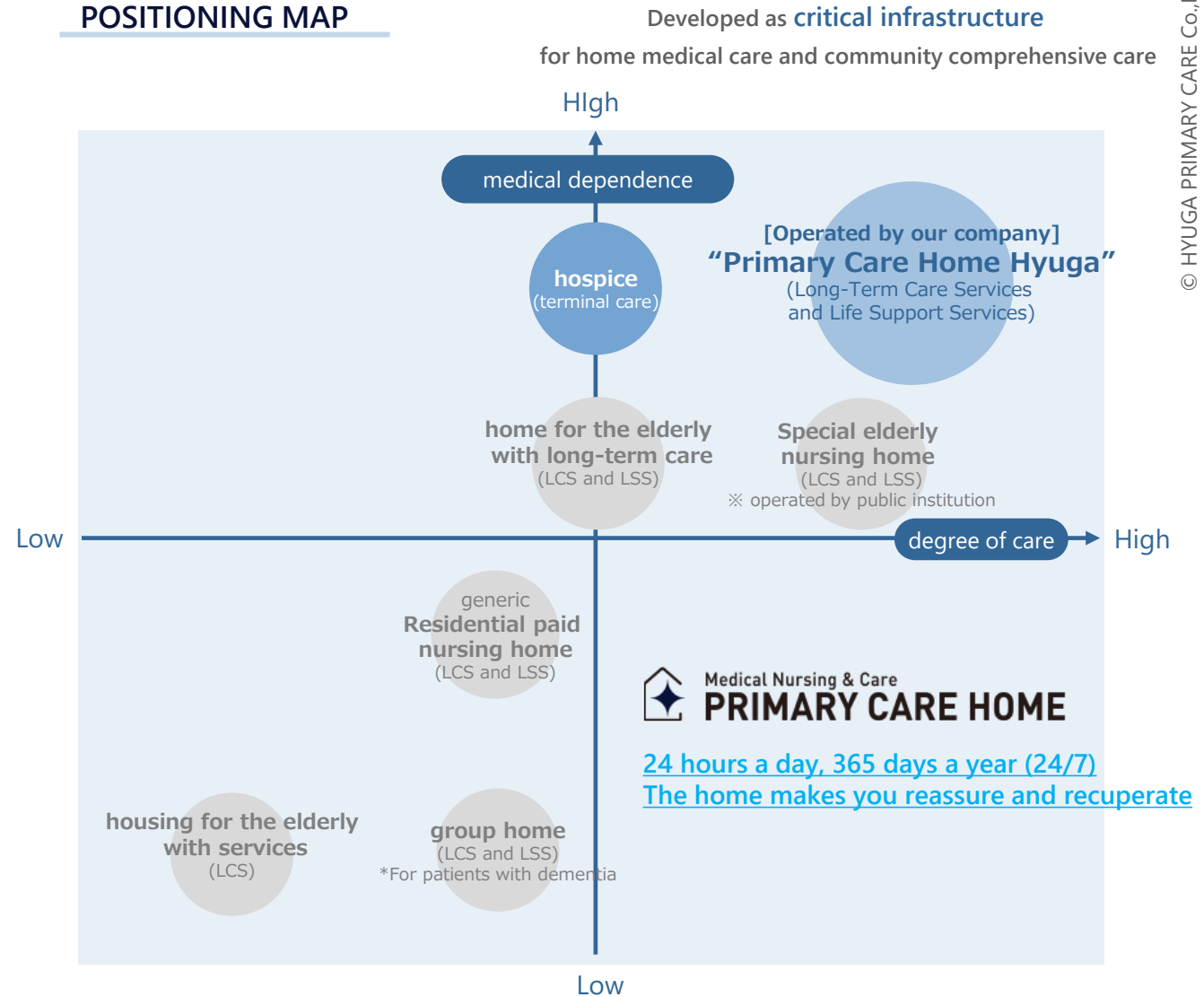
- Our company leases large elderly facilities
- Our company provides "Home Care - Regular and On-demand" for facility residents
- 24 hours a day, 365 days a year medical, nursing and nursing care can be provided in cooperation with cooperating medical institutions
- Contributing to improving the quality of life of users and patients by improving services through inter-business cooperation in our company's Home-Visit Pharmacy Business, care plan service, ICT, Tysapo and Kirari Prime Business
- Setting a cost system that is friendly to residents so that they can live to the end of their lives in a familiar facility even if their nursing care level increases
- Installing solar power and electric vehicle charging facilities, aiming for local production and local consumption of meals in the facility, and considering ESG



services that support the lives of the elderly

- **LSS : Life Support Services (not covered by long-term care insurance)**
 Services that can be used by people requiring support and people aged 65 and over, such as safety confirmation, life counseling, housework assistance, support for going out, and promotion of social participation
- **LCS : Long-Term Care Service (Long-Term Care Insurance System)**
 A physical care service (Mainly provided as home, facility, and community-based services) that can be used by people who need nursing care for the elderly and the disabled who have been certified as requiring long-term care

POSITIONING MAP



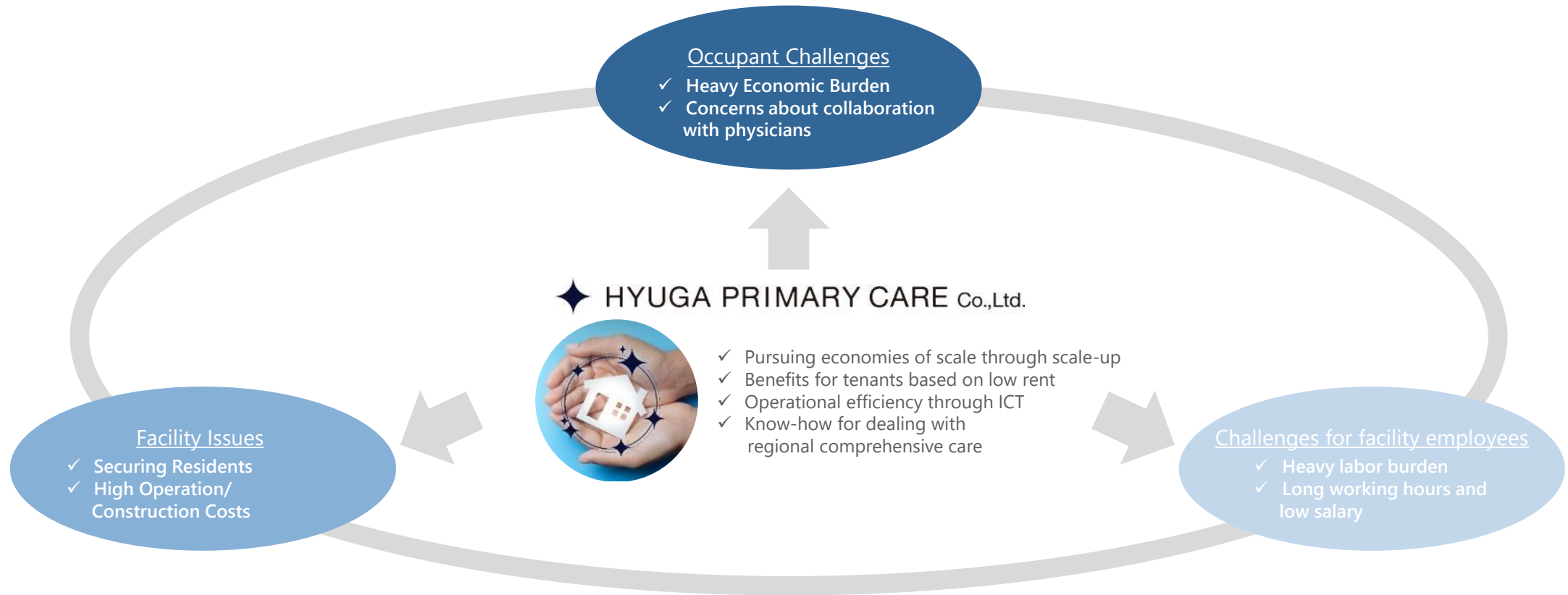
Comparison with similar nursing homes

	Primary Care Home HYUGA	General fee-based nursing homes / serviced senior housing	Medical Specialized Nursing Home (Hospice Houses, etc.)
Characteristics	<ul style="list-style-type: none"> Staff ratio: 70% for nursing care and 30% for nursing care Operates its own home care nursing system that provides regular patrolling and timely care Conversion to DX by ICT and efficient personnel structure at large-scale facilities Setting that the total cost does not change even if the degree of nursing care changes Even those who are highly dependent on medical care can move in at low prices, which helps solve social problems. 	<ul style="list-style-type: none"> We basically make money only on hotel costs. When the level of medical dependency and nursing care is high, it is difficult to deal with it unless the facility has a full staff of specialists. Some facilities have 24 hour nursing staff (at least 1 full-time equivalent), but most have only a few. 	<ul style="list-style-type: none"> Large proportion of staff is nurses In-house home nursing and home care services Actual costs for nursing care and nursing care that exceed the public share Most of the residents do not have to pay medical expenses or have low medical expenses, so there is no actual charge.
user target audience	Those with high levels of medical dependency and nursing care (Market size: 2 million +)	Health care dependency and nursing care Low to moderate	Those who are highly dependent on medical care *The degree of nursing care is irrelevant.
Number of occupants per facility	About 100 people	About 30~60 people	About 30~60 people
move-in cost	120,000 yen	0~10 million yen or more	0~ 200,000 yen
hotel cost (Including meals)	Approx. 104000 yen *In the case of Long-Term Care Requiring 5: 76000 yen	About 200,000 yen to 600,000 yen	Approx. 100,000 ~ 180,000 yen
burden of nursing care costs (Cases of Needed Long-Term Care 5) *Does not include medical expenses	(Public Burden of Long-Term Care) Approximately 36,000 yen + Basic 0 yen "Regular patrolling and occasional Home-visit nursing care" with in the public burden. Those with high medical dependency use a combination of home care with medical insurance.	(Public Burden of Long-Term Care) Approximately 36,000 yen + Approx. 50,000 ~ 100,000 yen "Home nursing" and "Home nursing care" are used. If the degree of medical dependency or nursing care is high, frequent use will occur and the actual cost will be borne.	(Public Burden of Long-Term Care) Approximately 36,000 yen + Approx. 50,000 ~ 100,000 yen "Home-visit nursing care."are used. If the nursing care level is high, frequent use will occur and the actual cost will be borne. Home nursing is covered by medical insurance.
ARPU*per month	Approx. 440,000 ~ 470,000 yen	Approx. 700,000 ~1 million yen *Variation depending on medical dependency and nursing care level	Approx. 800,000 ~ 1.3 million yen *Variation depending on medical dependency and nursing care level

Realize solution of trilemma structures

- Our facility management style can improve the problems faced by residents, facility management, and facility employees at the same time. We aim to establish a sustainable social infrastructure in an aging society by utilizing economies of scale, our company ICT business, and the Home-Visit Pharmacy Business.
- These can be the core hub functions of the community comprehensive care system. In the future, we may use this facility operation as a starting point for its business.

Trilemma structure of facility management



Differences from existing nursing homes

Benefits of moving in

Even if the level of nursing care increases, people can live until their last moments

- As their level of nursing care increases, their cost burden increases accordingly.
- However, by reducing the cost (hotel cost) burden associated with moving in, the total cost does not change significantly.

Cooperating with cooperating medical institutions: 24 hours a day, 365 days a year Medical and nursing care is available.

- We've worked with many medical institutions for many years. We can treat any diseases and symptoms. We can also refer you to a specialist.
- We can provide total support by collaborating with our pharmacists and care managers.

Responding to medical needs

- Dementia (moderate to severe)
- Gastrostomy
- tube feeding
- decubitus
- insulin administration
- phlegm aspiration

Medical insurance home nursing

- Total parenteral nutrition (IVH)
- Colostomy
- Home oxygen
- tracheostomy
- ventilator
- balloon catheter
- dialysis
- End-stage malignancy
- Amyotrophic lateral sclerosis (ALS)
- Parkinson's disease
- spinocerebellar degeneration
- myasthenia gravis
- multiple sclerosis
- terminal care

etc.



Degree of nursing care	Monthly amount
Care Level 1	154,000 yen
Care Level 2	144,000 yen
Care Level 3	102,000 yen
Care Level 4	96,000 yen
Care Level 5	89,000 yen

Expenses associated with moving in: Monthly image of personal burden
*There is a separate medical and long-term care cost burden

- 24/7 support "Home Care - Regular and On-demand"
- Improving operational efficiency through ICT



Although it was difficult for conventional fee-based nursing homes

We have made it possible to respond to all medical needs.

Comparison with medical care beds and public nursing homes

- Primary care home Hyuga has the same number of staff as the staffing standard for medical care beds.
- The facility's large size, ICT utilization, and home-based know-how cultivated in other businesses provide high profitability while guaranteeing staff wages.

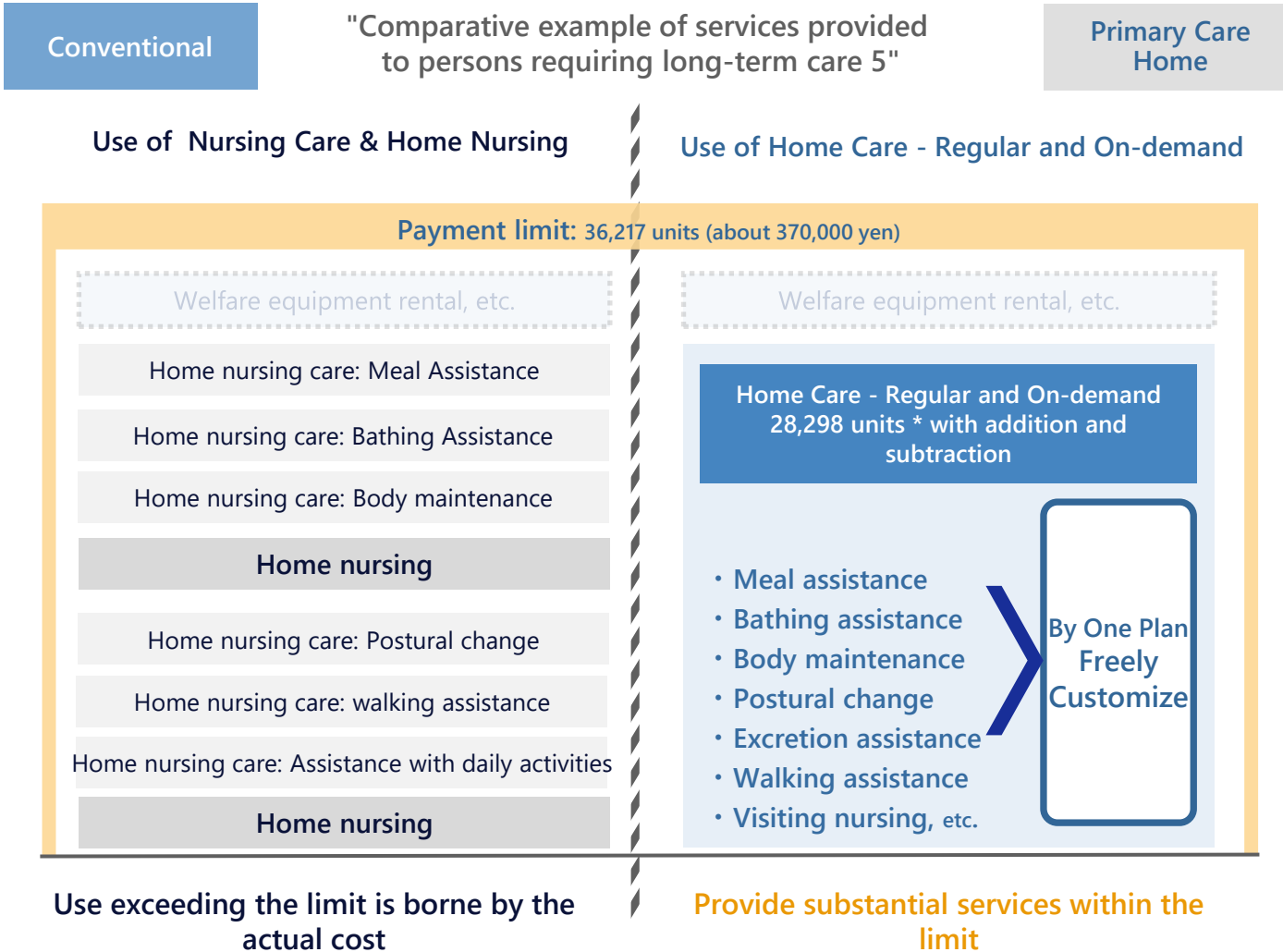
	Primary Care Home HYUGA	medical care bed		Nursing Care Hospital (Former: Nursing Care Medical Bed)	nursing home for the elderly	special care nursing home	
		20 to 1	25 to 1				
overview	A living facility that can provide nursing care under medical supervision and necessary medical care to those in need of long-term care.	Beds in hospitals and clinics that admit mainly patients requiring long-term care *There are 20 to 1 and 25 to 1 standards for nursing staff (based on medical fees).		Long-term care and living facilities for elderly people requiring long-term care	a facility that provides rehabilitation and other services to persons in need of long-term care and aims to return to their homes Limited length of stay	Living facilities for persons in need of care	
Number of beds	Number of paid nursing homes 540,000 beds	144,000 beds	72,000 beds	48,000 beds	368,000 beds Nursing care type: Approximately 9,000 beds	567,000 beds	
establishment basis	Act on Welfare of the Elderly (Apartment Buildings for the Elderly)	Medical Care Law (Hospitals and Clinics)		Long-Term Care Insurance Act Type I Type II	Long-Term Care Insurance Act (Long-Term Care Health Facilities for the Elderly)	Act on Welfare of the Elderly (Welfare Facilities for the Elderly)	
staffing	physician	*Home doctors provide home visits		48 to 1 (3 or more)	48 to 1 (3 or more) 100 to 1 (One or more persons)	100 to 1 (1 or more full-time employees)	Number of expenses for health care and medical care guidance
	nursing staff	*7.2 to 1	4 to 1	6 to 1	6 to 1	3 to 1 About 2/7 of them are nursing staff.	3 to 1
	care worker	*2.7 to 1	4 to 1	5 to 1	6 to 1		
Monthly sales per bed ** (Major Breakdown)	Approx. 440,000 ~ 470,000 yen Medical care: 90,000 ~ 120,000 yen, nursing care: 248,000 yen Rent and food expenses: 100,000 yen	720,000 yen (Medical: 700,000 yen)		490,000 yen (Nursing care: 430,000 yen)	420,000 yen (Nursing care: 350,000 yen)	380,000 yen (Nursing care: 300,000 yen)	
facility rate of return	20% or more	4.4%		4.0%	3.6%	1.8%	

*Staffing at our facilities. Staffing standards for residential paid nursing homes stipulate that only nursing care staff are required.

** Monthly sales per bed = hotel cost (rent/hospitalization/admission) + food cost + nursing care insurance usage cost + medical insurance usage cost (Medical examination, drugs, etc.)

Visiting services provided: Home Care - Regular and On-demand

- Frequent visits are made possible to provide residents with enhanced services when they need them, within the classified payment limits of long-term care insurance.
- Users can continue their lives without changing their location even if their level of nursing care changes because the amount of burden is reduced.
- As a community-based service, we provide services not only to facility residents but home residents



Home NursingCare

- Performance fee (pay-as-you-go)
- Service is mainly provided during the day
- Emergency response (as needed): Not possible
- Not frequent users ⇒ cheap
- Frequent users ⇒ If the payment limit is exceeded, the handling cost will be incurred.

[Home Care - Regular and On-demand]

- **comprehensive payment (subscription service)**
- 24/7 system
- Emergency response available : No additional charge
- flat rate system with no time constraints
- Even if you use it frequently, you can be assured about the cost.

