

HYUGA PRIMARY CARE

A hand holding a house icon with stars. The background is a dark blue gradient. On the right side, there is a large, faint image of a hand holding a house icon. The house icon is white with a blue outline and has several blue stars around it. The hand is holding the house icon in a cupped position.

Financial Results for the First Quarter of the
Fiscal Year Ending March 2027

HYUGA PRIMARY CARE Co., Ltd.
7133 TSE Growth Market
August 12, 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 Financial Results (FY 2027 1Q)
- 03 Forecast (FY 2027)
- 04 Medium-Term Outlook
- 05 Sustainability Management/Appendix

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Highlights

Net sales increased 27% and Operating Income increased 2.6 times year on year
The effects of upfront investment in the previous fiscal year became apparent, and profit margins improved as expenses decreased and earnings were reaped.

Business Highlights

Home-Visit Pharmacies Business

- Sales and profit increased YoY.
- Full-scale contribution of stores opened in the previous fiscal year
- Number of stores: 65, up 2 from the end of the previous fiscal year

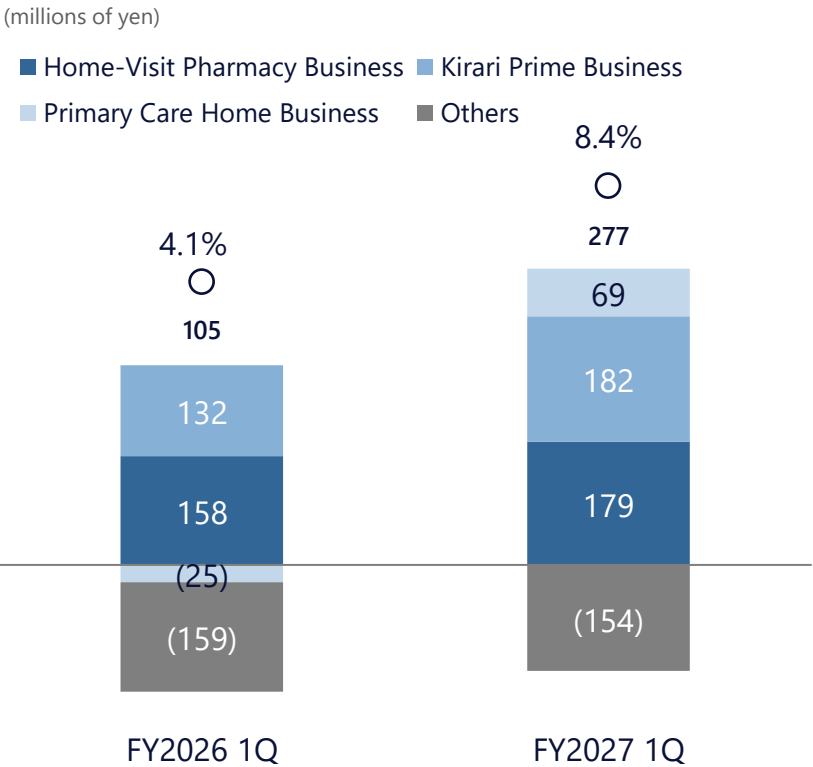
Kirari Prime Business

- Sales and profit increased YoY
- The number of affiliated stores increased by 144 from the end of the previous fiscal year to 3,023
- ARPU increased slightly YoY but decreased from 4Q of the previous fiscal year as the temporary boost from large-scale consulting projects dissipated.

Primary Care Home Business

- Segment sales increased 40% year on year and segment profit returned to profitability.
- Both sales and profit on a quarterly basis reached record highs as buildings 3 and 4 contributed to the business performance at full capacity.
- Occupancy rate of existing facilities was 88%.

Comparison of Operating Income



Impact of the 2026 Medical Fee Revision (updated after partial correction on May 29)

As of the announcement of financial results on May 14, 2026

While the evaluation of the home-based medical care has increased, the revision of dispensing management fees makes it difficult for home pharmacies as well as outpatient pharmacies

Positive elements

① Evaluation of high-load home work, such as handling individual homes and joint home visits with home-care physicians

② Evaluation of more advanced measures, such as management of unused medications and suggesting prescription changes from pharmacists to prescribing physicians

Negative elements

● For home patients, the dispensing management fee for 2 prescriptions per month was usually 28 points, but with the revision, it was 10 points, causing gross profit to worsen by 1~2%

Update

Ability to handle severe patients * and eliminate negative factors for home-visit pharmacies with a large number of institutionalized residents

positive element

③ If residents of institutional facilities meet the requirements, they will be able to qualify for the same higher reimbursement add-ons as patients living in private residences.

④ As it has become easier to claim reimbursement for unscheduled emergency visits, the number of such claims has more than doubled from the previous fiscal year, and reimbursement per visit has also increased.

● Gross profit per patient for institutional patients is estimated to increase by about 1,000 yen from the initial estimate, and gross profit is estimated to improve by 1% to 1.5% from the initial estimate. This is expected to be a positive revision in real terms.

*Care needs 3 or higher, etc.

Response by our company and franchisees

Aiming for growth in both quality and quantity

Based on the notification issued on May 29, in order to take advantage of evaluation opportunities as home pharmacies and respond to more sophisticated operations, Improve operational efficiency through DX and shift more efficient time to education and training to obtain additional benefits and increase the number of home-care patients living in private residences

◆ HYUGA PRIMARY CARE Co.,Ltd.

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COMPANY

Company Profile

Company Name	HYUGA PRIMARY CARE Co., Ltd.	
Representative	President/Pharmacist Tetsuji Kurogi	
Establishment	November 2007	
Head Office	2-2-1 Kasugabaru Kitamachi, Kasuga-city, Fukuoka	
Board of Directors and Auditors	President and Representative Director	Tetsuji Kurogi
	Director CFO	Tomoaki Onishi
	Director	Kohei Shiroyo
	Director (outside)	Shinjiro Ogawa
	Director (outside)	Kyoko Saeki
	Full-time Outside Audit & Supervisory Board Member	Hirofuka Minamitani
	Outside Audit & Supervisory Board Member	Nobuharu Kumamoto
	Outside Audit & Supervisory Board Member	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	882 (as of March 31 2026, 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 aim to build indispensable social infrastructure
that integrates medical and nursing care in local communities.

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Summary of Financial Results

- Net sales increased 27% year on year. The increase in the number of home-care patients resulting from new store openings in the Home-Visit Pharmacy Business contributed to steady progress against the plan.
- Operating Income increased 2.6 times to 277 million yen. The full contribution of the third and fourth Primary Care Home facilities supported earnings.

(millions of yen)	FY 2026 1Q	FY 2027 1Q		Year-on-Year		Previous Assumption Difference
	Actual	First Half Plan *	Actual	Change	Change	
Net sales	2,585	6,301	3,287	+701	+27.1%	+52.2%
Home-Visit Pharmacy Business	1,845	4,338	2,298	+452	+24.5%	+53.0%
Kirari Prime Business	259	572	310	+50	+19.6%	+54.2%
Primary Care Home Business	480	1,390	678	+197	+41.2%	+48.8%
Other Business	0	0	0	(0)	—	—
Operating Income	105	332	277	+171	2.6 times	+83.3%
Home-Visit Pharmacy Business	158	272	179	+21	+13.7%	+66.0%
Kirari Prime Business	132	315	182	+50	+37.8%	+58.0%
Primary Care Home Business	(25)	86	69	+95	Return to profitability	+80.3%
Other Business	(9)	(39)	(7)	+1	—	+18.5%
Adjustments	(150)	(302)	(147)	+2	—	+48.7%
Ordinary Profit	96	303	263	+167	2.7 times	+86.8%
Net Income Attributable to Owners of Parent	63	286	176	+113	2.8 times	+61.8%

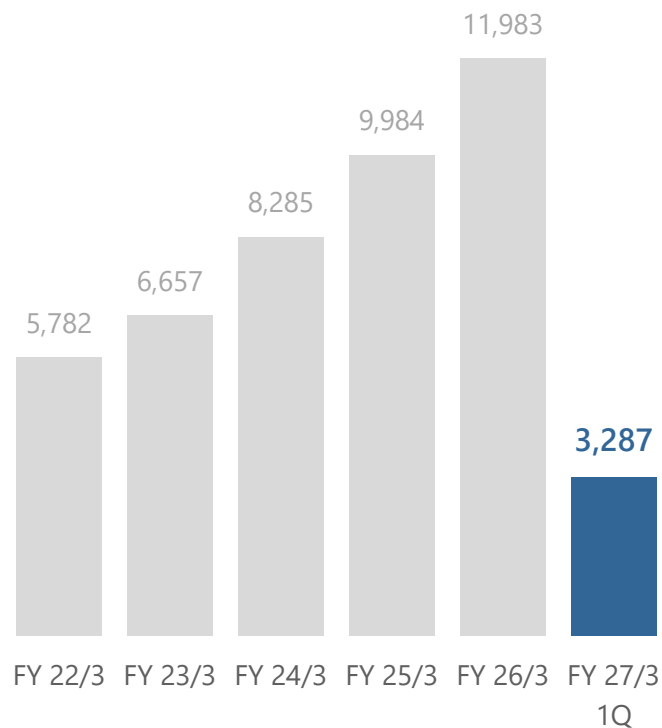
*Forecast announced on May 14, 2026

Business Results/Net Sales Composition

- Net sales continued to grow year on year. As a percentage of net sales, the weight of the primary care home business increased by 1.2 points year-on-year.
- Ordinary Profit also continued to grow year on year. Although there were expenses associated with upfront investments in the same period of the previous fiscal year, the effects of such investments became apparent in the current fiscal year, the benefits of these investments began to materialize, reducing the cost burden and contributing to improved profitability.

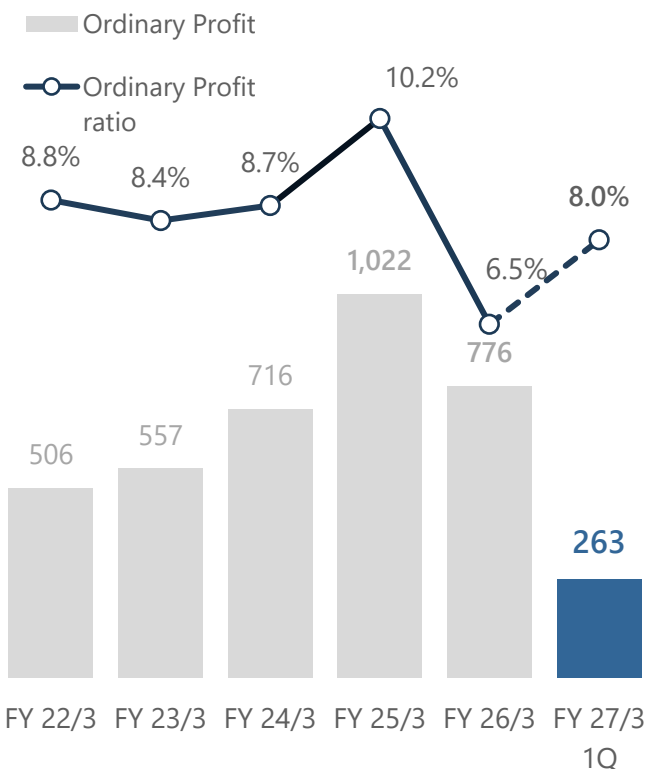
Net Sales

(millions of yen)



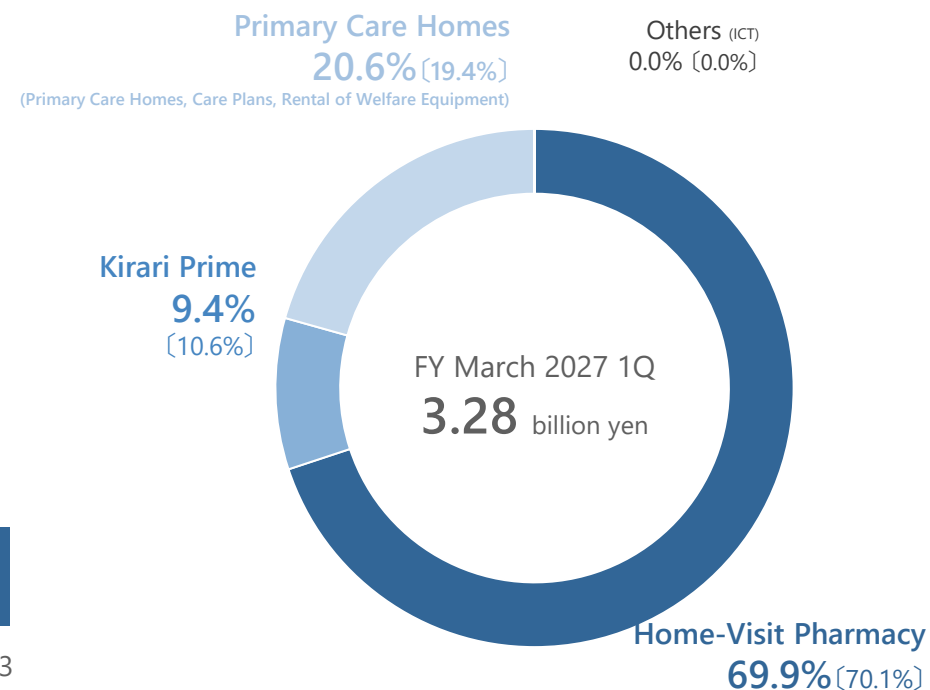
Ordinary Profit/Ordinary profit ratio

(millions of yen) (%)



Percentage of net sales

(%): year-on-year



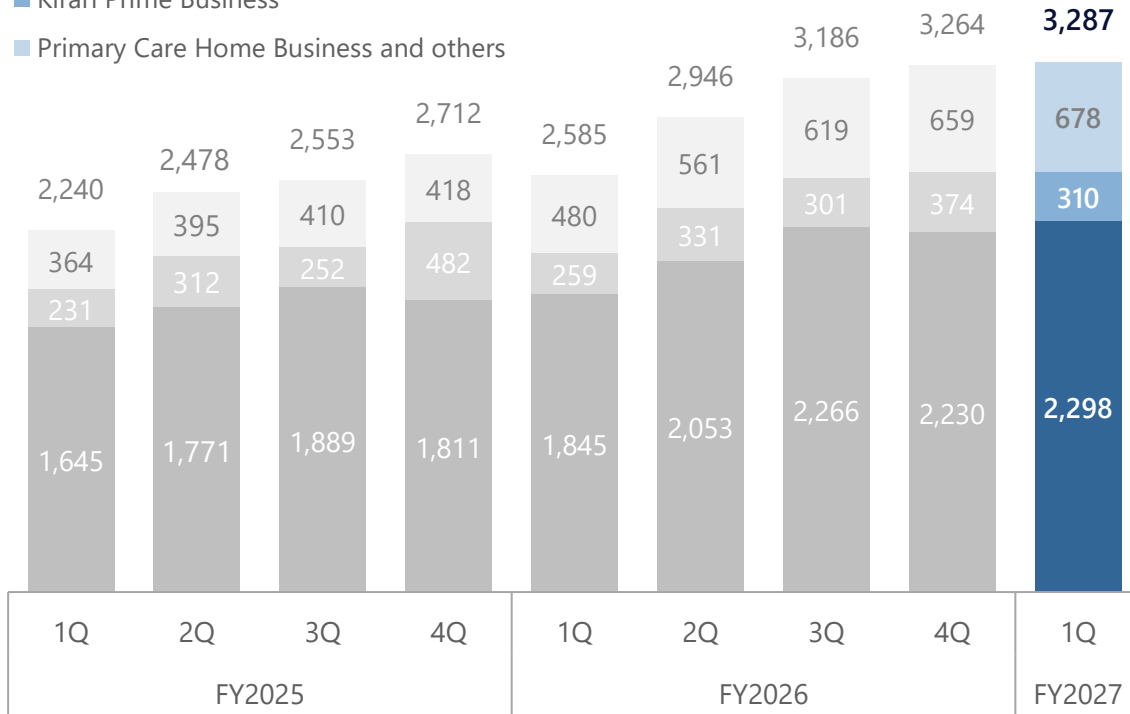
Quarterly Financial Results (1)

- 1Q net sales increased compared to 4Q and set a new record on a quarterly basis. A decline following the large-scale M&A consulting projects recorded in the previous quarter was offset by higher sales in the Home Visit Pharmacy Business and Primary Care Home Business.
- Both gross profit and Operating Income decreased QoQ due to seasonality and new store opening costs in the Home-Visit Pharmacy Business.

Net sales

(millions of yen)

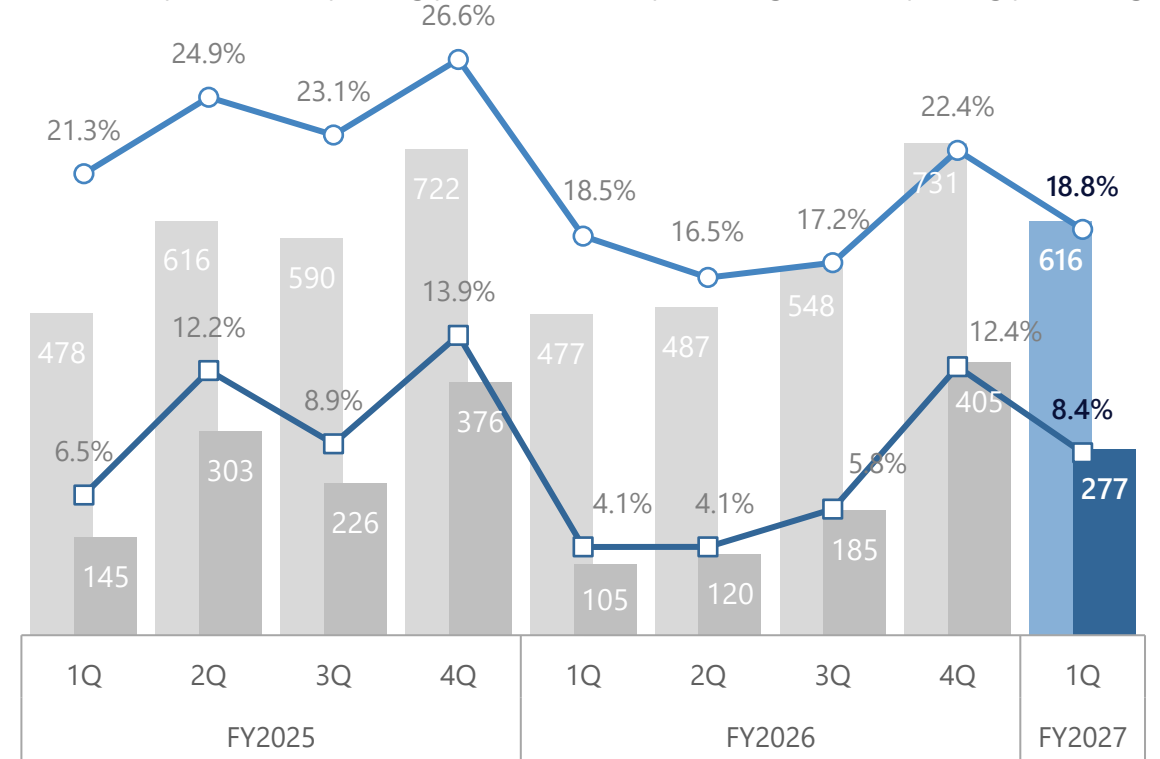
- Home-Visit Pharmacy Business
- Kirari Prime Business
- Primary Care Home Business and others



Gross profit and Operating Income

(millions of yen) (%)

- Gross profit
- Operating profit
- Gross profit margin
- Operating profit margin



Quarterly Financial Results (2) Segment

- Net sales in the home-visit pharmacy business were steady. The contribution of stores opened in the previous fiscal year became full-fledged. Operating Income decreased QoQ due to new store opening expenses
- Sales and profit in the Kirari Prime business decreased QoQ. The impact was due to a decline in large-scale M & A consulting projects.
- Sales and profit in the Primary Care Home business increased QoQ. Full operation of the third and fourth buildings contributed to business performance. Both sales and profit reached record highs on a quarterly basis.

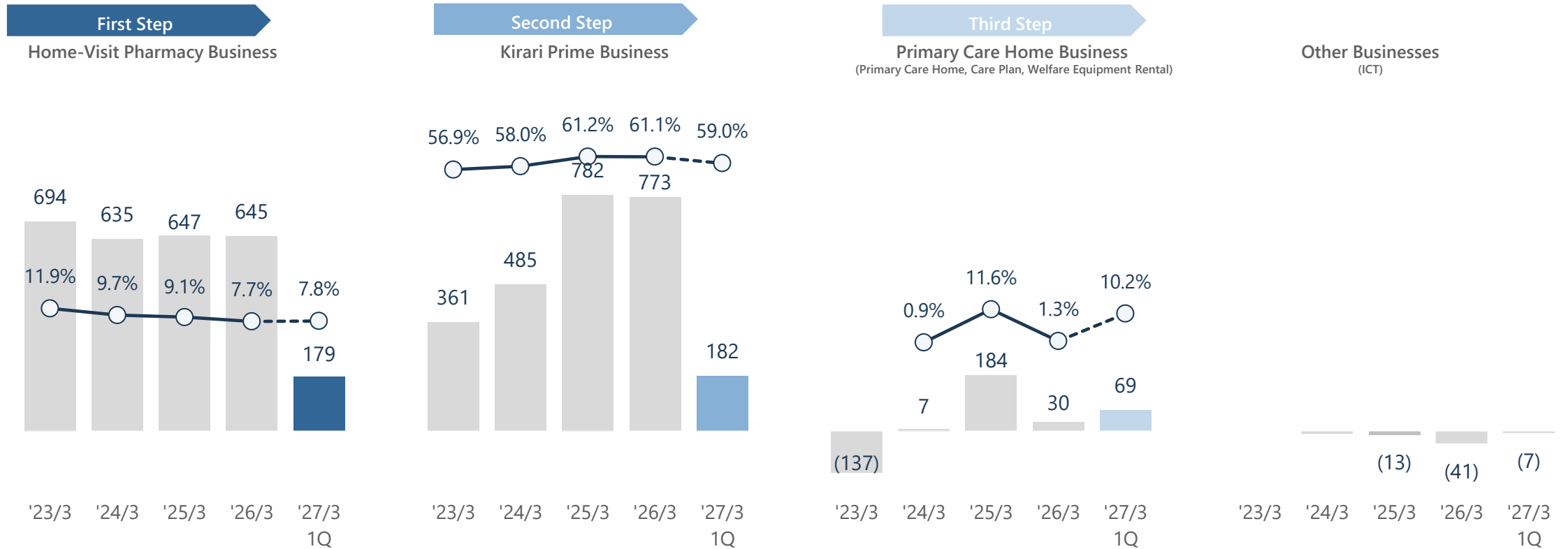
(millions of yen)	FY 2026				FY 2027
	1Q	2Q	3Q	4Q	1Q
Net sales	2,585	2,946	3,186	3,264	3,287
Home-Visit Pharmacy Business	1,845	2,053	2,266	2,230	2,298
Kirari Prime Business	259	331	301	374	310
Primary Care Home Business	480	561	618	659	678
Other Business	0	0	0	0	0
Operating Income	105	120	185	405	277
Home-Visit Pharmacy Business	158	69	158	258	179
Kirari Prime Business	132	209	177	253	182
Primary Care Home Business	(25)	(2)	13	44	69
Other Business	(9)	(9)	(8)	(14)	(7)
adjustment amount	(150)	(147)	(155)	(137)	(147)
Ordinary Profit	96	109	174	395	263
Net Income Attributable to Owners of Parent	63	72	110	255	176

Operating Income by Segment

- In the home-visit pharmacy business, which is the first step of growth, profit continued to increase year on year. The business opened 3 stores (a net increase of 2 stores due to the transfer of 1 store business). The profit margin was flat due to the impact of pre-opening costs for stores scheduled to open in July.
- In the Kirari Prime business, which is the second step, profit margin declined slightly due to the decline following large-scale projects in the previous fiscal year.
- In the primary care home business, which is the third step, profit margin recovered significantly due to the contribution of the 3rd and 4th buildings to business performance.

Segment profit and segment profit margin

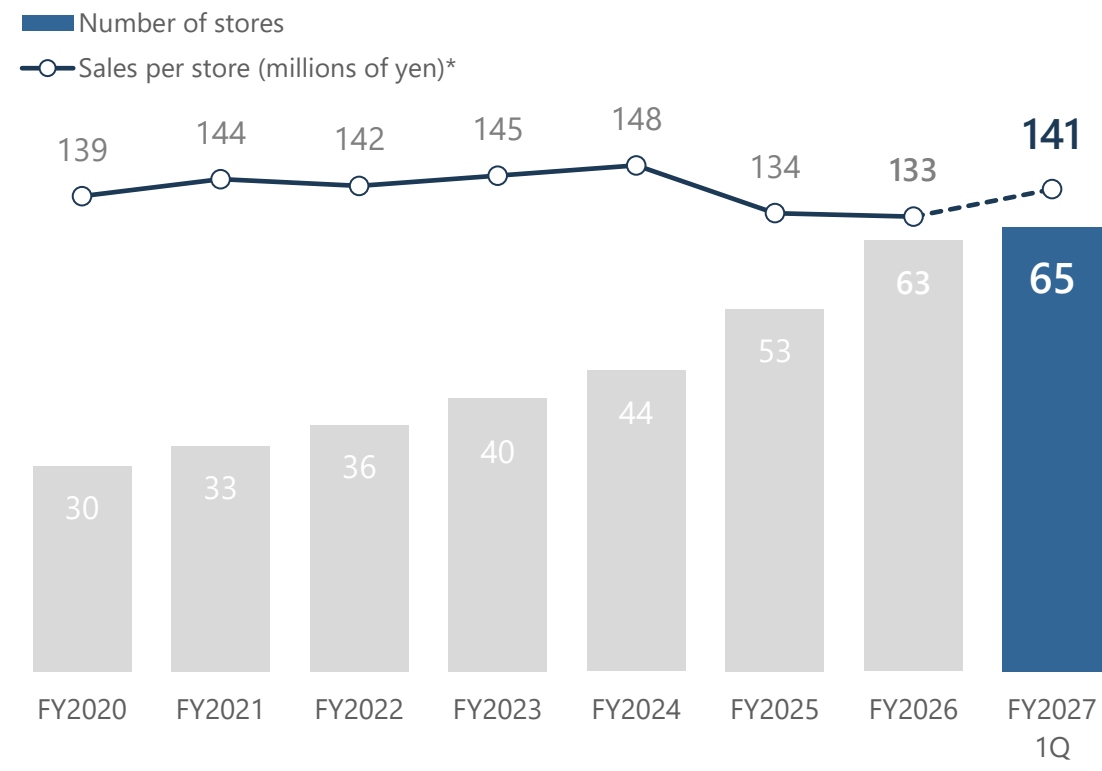
(millions of yen) (%)



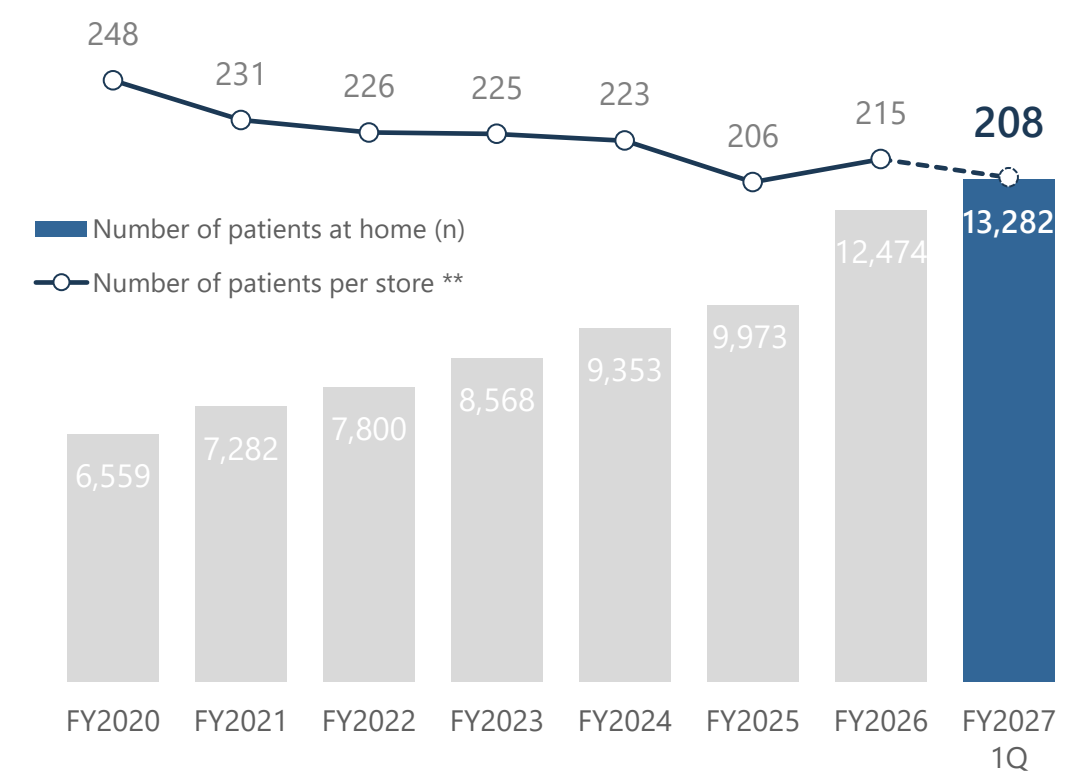
Home-Visit Pharmacy Business KPI

- The number of stores increased by 2 from the end of the previous fiscal year to 65. Net sales per store increased by ¥8 million from the end of the previous fiscal year due to the contribution of stores opened in the previous fiscal year.
- The number of home-care patients increased by 808 from the end of the previous fiscal year to 13,282 due to the increase in stores. The number of patients per store temporarily decreased from the end of the previous fiscal year to 208 due to the increase in the number of stores.

Sales and number of stores



Number of Home-visit patients

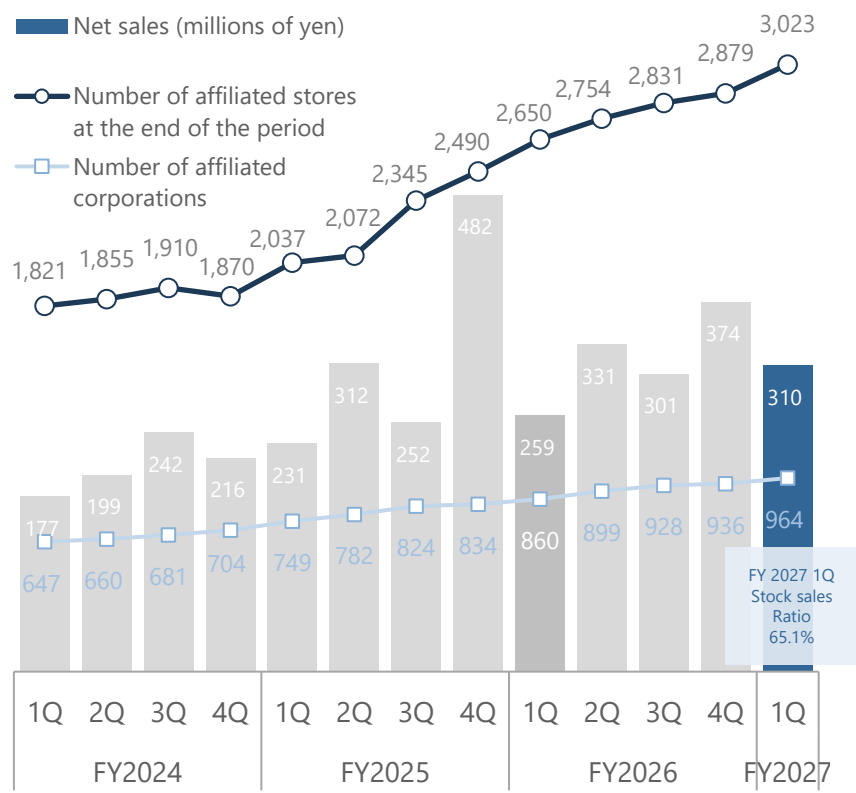


*Sales per store (millions of yen) = Sales ÷ Number of stores at the end of the period/** Number of patients per store (patients) = Number of Home-Visit patients at the end of the period ÷ Average number of stores at the beginning and end of the period

Kirari Prime Business KPI

- 1Q net sales remained at a stable underlying level, excluding the impact of large-scale consulting projects in 4Q of the previous fiscal year.
- The number of affiliated stores increased by 144 to 3,023. The number of affiliated stores continued to trend upward, supported by strengthened consulting services.
- ARPU declined due to the disappearance of the temporary boost from large-scale consulting projects in 4Q of the previous fiscal year.

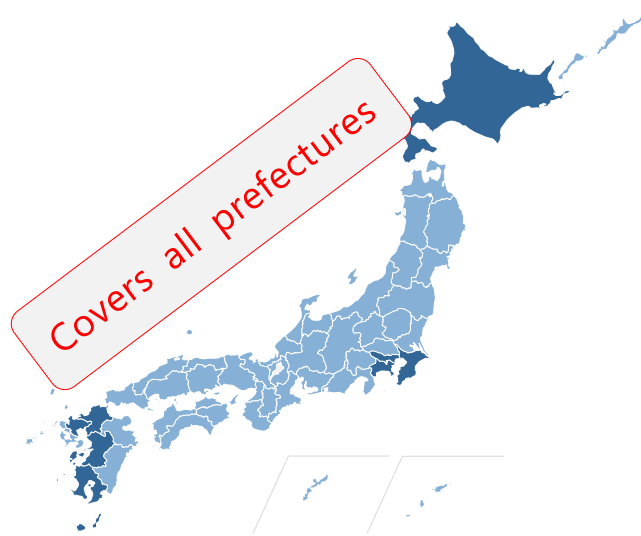
Net Sales, Number of Affiliated Stores, Number of Corporations



Developments

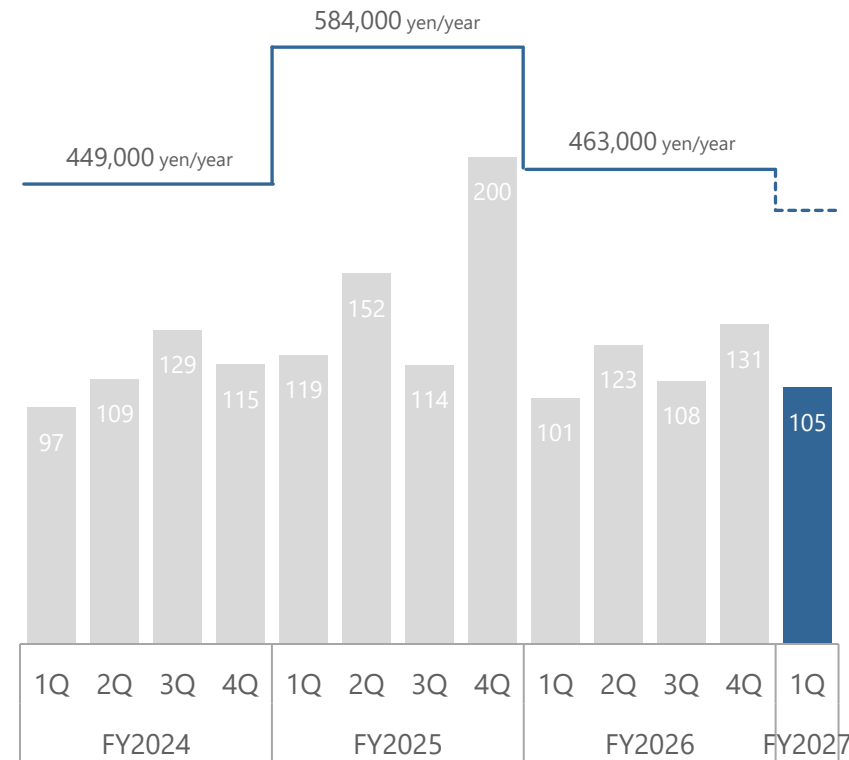
Kirari Pharmacy	8 prefectures	65 stores
Member pharmacies	47 prefectures	3,023 stores

(as of the end of June 2026)



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

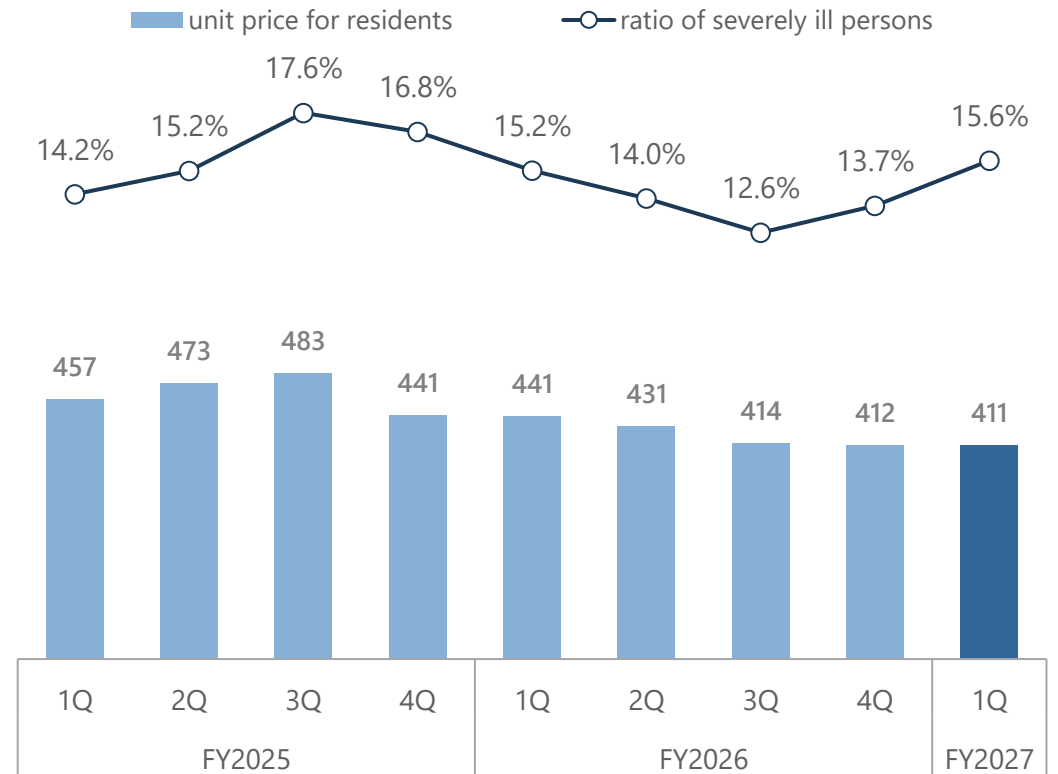
- As of the end of July 2026, the occupancy rate of existing facilities * ¹ was 88%. The occupancy rate remained unchanged due to a temporary increase in resident deaths and a focus on sales for care needs 3 or higher.
- The average monthly revenue per resident in 1 quarter remained unchanged at 410,000 yen. The proportion of residents with severe medical conditions increased, but was affected by the revision of medical fees.

Capacity/Number of residents

Facility name	Occupancy Capacity (number of residents)	Number of residents					
		FY 2026				FY 2027	
		1Q	2Q	3Q	4Q	1Q	
Existing facilities * ¹							
Kasuga Chikushidai	102	92	97	94	90	90	
Hakata Mugino	162	146	154	155	154	155	
Kumamoto Hamasen	168	78	131	137	138	133	
Kurume St. Mary's Hospital Station'	144	40	106	121	137	131	
	576	356	488	507	519	509	

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

(thousands of yen/month)

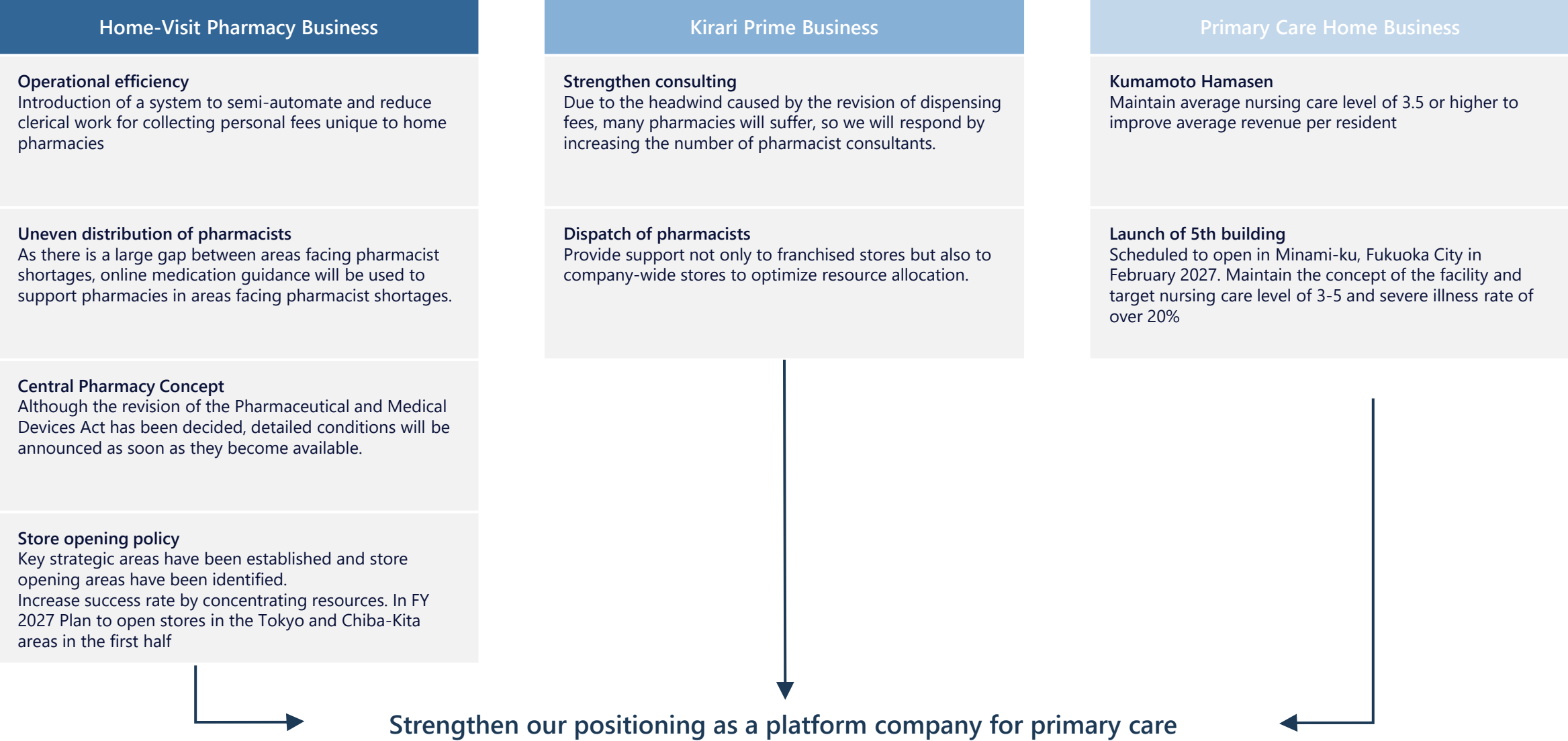


Impact of the 2026 Kumamoto Earthquake

We would like to offer our deepest condolences to those who lost their lives and extend our heartfelt sympathy to those affected by the massive earthquake that struck Kumamoto Prefecture.

Our Primary Care Home HYUGA Kumamoto Hamasen and Kirari Pharmacy Egoe, both located in Minami-ku, Kumamoto City, sustained no significant damage. For this reason, Kumamoto Hamasen is temporarily accepting elderly people displaced by the earthquake, and we will continue to support them so that they can live with as much peace of mind as possible.

Action Plan for FY March 2027



Balance Sheet

- Total assets increased 4.6% from the end of the previous fiscal year. In addition to an increase in receivables due to increased sales, tangible fixed assets increased due to the opening of home visit pharmacies. Cash was also prepared in preparation for the opening of new stores.
- The equity ratio decreased 1.0 percentage point from the end of the previous fiscal year to 31.9% at the end of 1Q FY 2027, as an increase in working capital was funded by an increase in interest-bearing debt.

(millions of yen)	End of FY 2025	End of FY 2026	FY 2027 1Q End	Change from the end of the previous fiscal year	
Current assets	2,703	3,864	4,204	+340	
Cash and deposits	565	1,021	1,241	+219	Increase due to borrowing
Accounts receivable	1,873	2,471	2,513	+41	Impact of business expansion
Fixed assets	4,348	4,425	4,464	+38	
Property, plant and equipment	3,308	3,624	3,658	+34	Effect of opening new stores
Intangible assets	393	338	336	(2)	
Total assets	7,051	8,290	8,669	+378	
Liabilities	4,679	5,558	5,903	+344	
Accounts Payable	756	939	1,175	+235	Impact of business expansion
Interest-bearing debt *	2,259	2,769	2,857	+88	Increase in borrowings in preparation for business expansion
Lease obligations (short-term and long-term)	385	451	469	+17	
Net assets	2,371	2,731	2,765	+34	
Liabilities and Net Assets	7,051	8,290	8,669	+378	
Equity Ratio	33.6%	32.9%	31.9%	(1.0pt)	
ROE	35.8%	19.7%	—	—	
ROA	10.7%	6.5%	—	—	
Total asset turnover	1.5 times	1.6 times	—	—	

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

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Forecast (Consolidated)

- No change from the initial forecast. For FY 2027/3, we forecast a 9% increase in sales and a 10% increase in Operating Income. The Operating Income growth trend that has continued since the company's listing was temporarily interrupted in the previous fiscal year, but is expected to return to growth. By segment, profit in the Home-Visit Pharmacy Business is expected to increase, reflecting the normalization of costs associated with the rapid pace of store openings and improvements in operational efficiency. In the primary care home business, we expect sales and profit to increase due to the full contribution of new facilities. In the Kirari Prime business, on the other hand, we expect a decrease in profit based on a conservative assumption that large-scale consulting and region prime projects are not included.
- On a half-year basis, earnings are still expected to be weighted toward the second half of the fiscal year.

(millions of yen)	FY 2026 results			FY 2027 Outlook			YoY Difference			Full year
	First half	Second half	Full year	First half	Second half	Full year	First half	2nd half	Full year	Change
Net sales	5,532	6,451	11,983	6,301	6,801	13,102	+769	+350	+1,119	+9.3%
Home-Visit Pharmacy Business	3,899	4,496	8,395	4,338	4,622	8,960	+438	+126	+565	+6.7%
Kirari Prime Business	590	675	1,266	572	670	1,242	(18)	(5)	(24)	(1.9%)
Primary care home business	1,041	1,278	2,320	1,390	1,508	2,899	+348	+230	+579	+25.0%
Other businesses	0	0	0	0	0	0	0	0	0	-
Operating Income	225	591	816	332	571	904	+106	(19)	+87	+10.7%
Home-Visit Pharmacy Business	228	417	645	272	427	699	+44	+10	+54	+8.5%
Kirari Prime Business	342	431	773	315	409	724	(26)	(21)	(48)	(6.3%)
Primary care home business	(28)	58	30	86	61	148	+114	+3	+118	4.9 times
Other Business	(18)	(22)	(41)	(39)	(36)	(75)	(20)	(13)	(34)	-
adjustment amount	(297)	(293)	(590)	(302)	(291)	(593)	(4)	+2	(2)	-
Ordinary Profit	206	570	776	303	539	843	+97	(30)	+67	+8.7%
Net Income Attributable to Owners of Parent	136	365	501	286	344	631	+150	(21)	+129	+25.8%

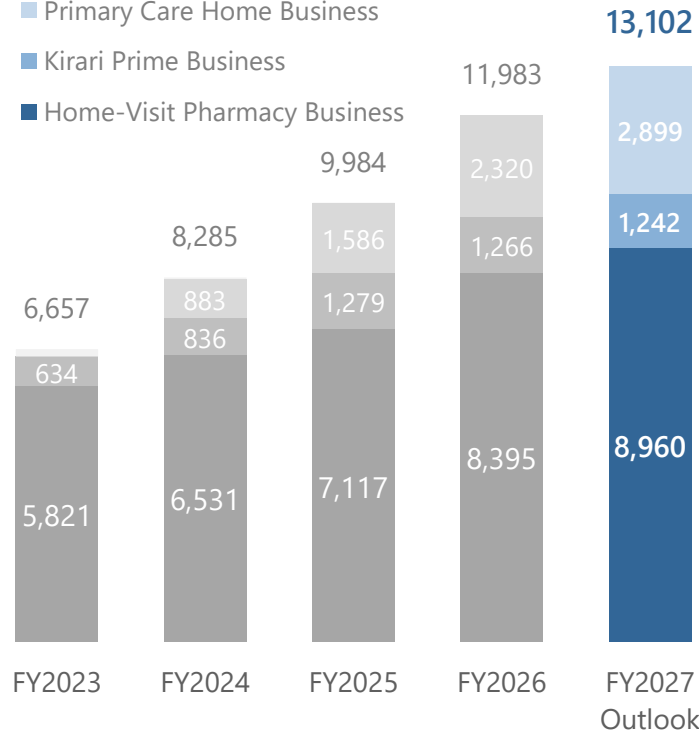
KPI assumptions

- In terms of net sales, the sales ratio of Primary Care Home Business is expected to increase to 22% due to the full contribution of the 3rd and 4th buildings (Kumamoto and Kurume).
- In the Home-Visit Pharmacy Business, 5 stores are planned to be opened, and the number of home-care patients is expected to exceed 14,000.
- In the Kirari Prime Business, the number of affiliated stores is expected to continue increasing. On the other hand, ARPU is expected to decline from the previous fiscal year, on the assumption that large-scale consulting projects and region prime projects are not included. Although ARPU is assumed to be at the lowest level in the last 5 fiscal years, excluding one-off projects, ARPU is expected to remain on a gradual upward trend.

Net Sales Forecast

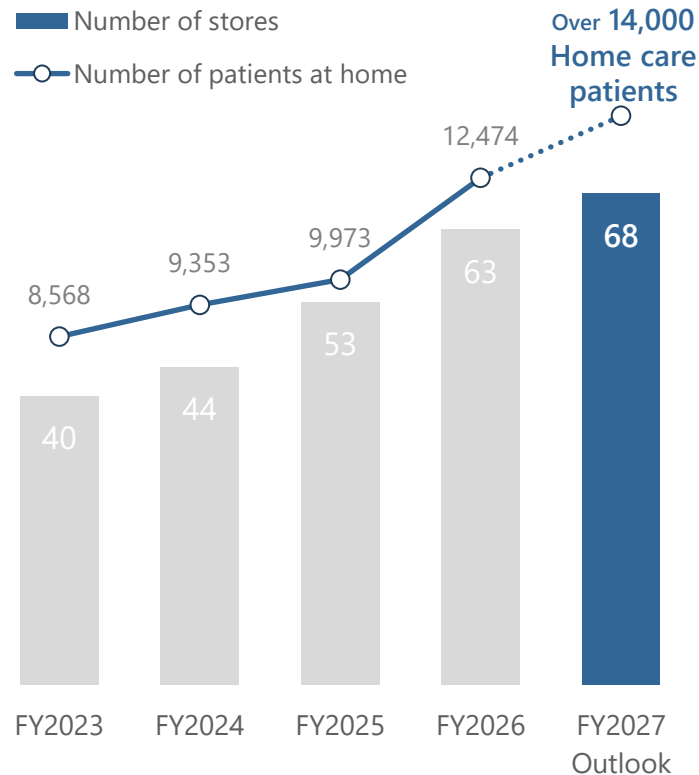
(millions of yen)

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



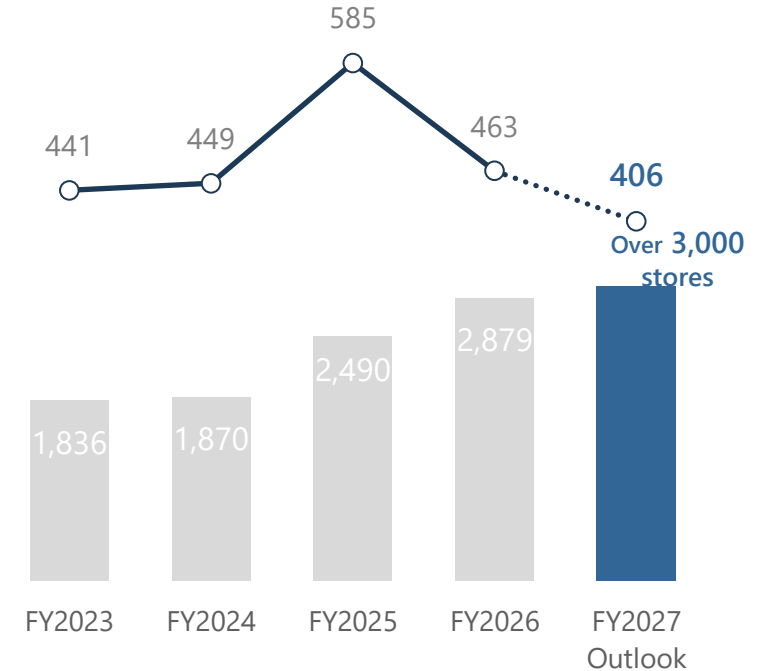
Home-Visit Pharmacy Business KPI assumptions

- Number of stores
- Number of patients at home



Kirari Prime Business KPI Assumptions

- Number of affiliated stores at the end of the period
- ARPU* (thousand of yen)



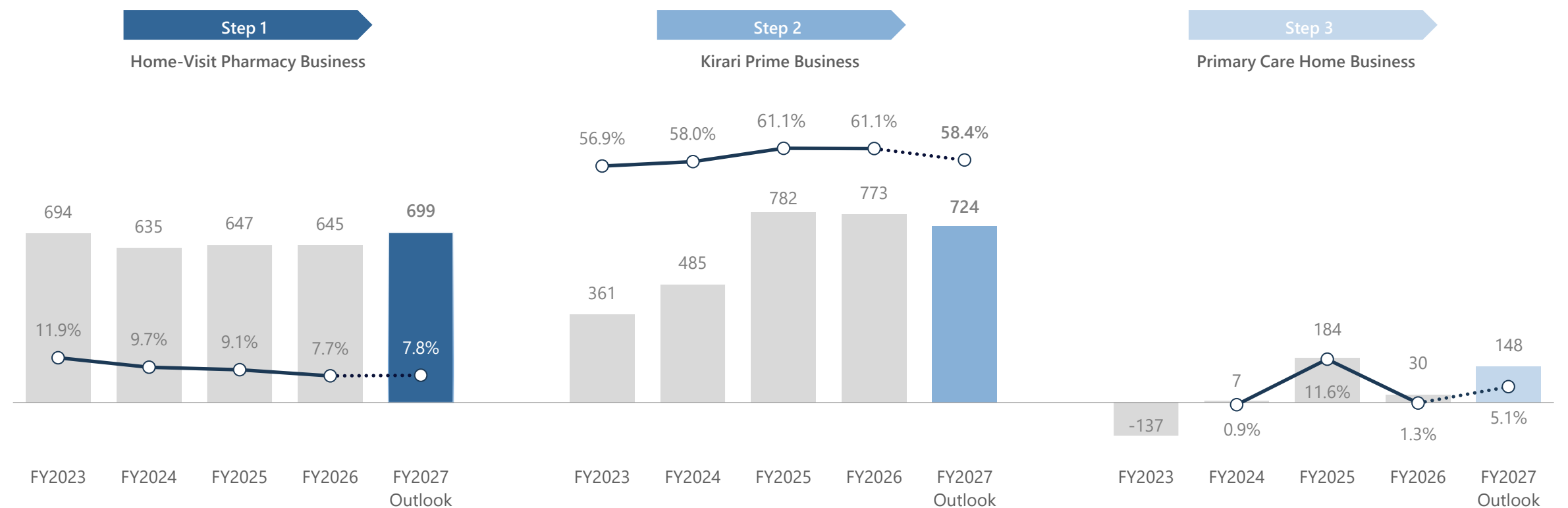
*ARPU= Kirari Prime Business Sales (including initial revenue) ÷ Average number of affiliated stores at beginning and end of the fiscal year

Forecast by Segment

- Profit is expected to increase in the Home-Visit Pharmacy Business. Although the additional store opening costs incurred in the previous fiscal year are not expected to recur, the profit margin is expected to be roughly the same as the previous fiscal year in light of the impact of the revision of dispensing fees.
- In the Kirari Prime Business, although the number of affiliated stores is expected to increase, profit is expected to decrease on the assumption that large-scale consulting and region prime projects are not included.
- Profit is expected to increase in the Primary Care Home Business . Improvements in occupancy rates at buildings 3 and 4 will contribute. However, there remains room for further profitability improvement due to costs associated with the opening of new facilities.

Segment profit and segment profit margin

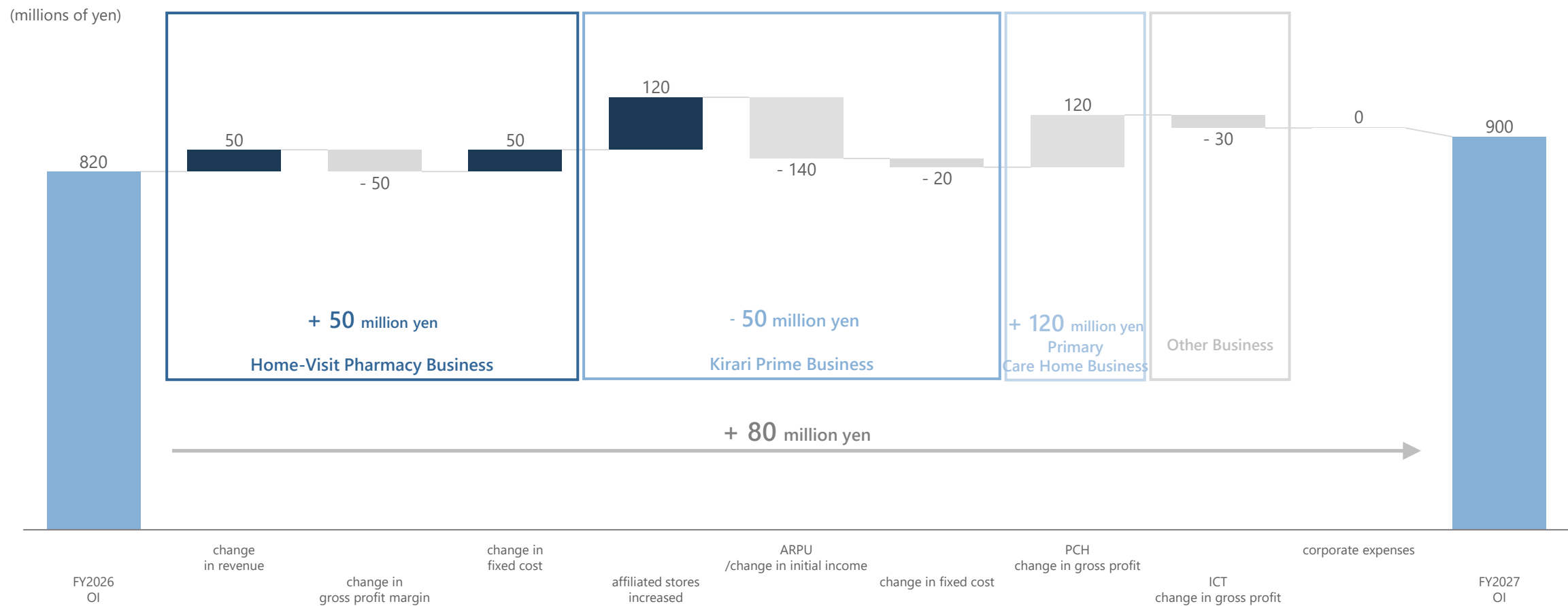
(millions of yen) (%)



Analysis of expected changes in Operating Income

- In the Home-Visit Pharmacy Business, temporary cost increases associated with opening new stores were eliminated, operational improvements were made, and the number of patients at home increased due to an increase in the number of stores. Although gross margins are expected to decrease due to the impact of the revision of dispensing fees, profit is expected to increase by absorbing such negative factors.
- In the Kirari Prime Business, although the number of affiliated stores is expected to increase, profit is expected to decrease due to lower ARPU and higher costs.
- In the Primary Care Home Business , although costs for opening new facilities are expected to occur, profit is expected to increase by absorbing them through improved occupancy rates at the third and fourth buildings.

Operating income factors



Dividend policy

- | | |
|-----------------------------|---|
| • Dividend plan | Year-end dividend 20 yen |
| • Shareholder return policy | Return profits in line with profit growth while maintaining financial soundness |
| • Aim of starting dividends | Maintain management with a strong awareness of ROE |
| • Funding for growth | Consider various funding options while taking WACC into account. |

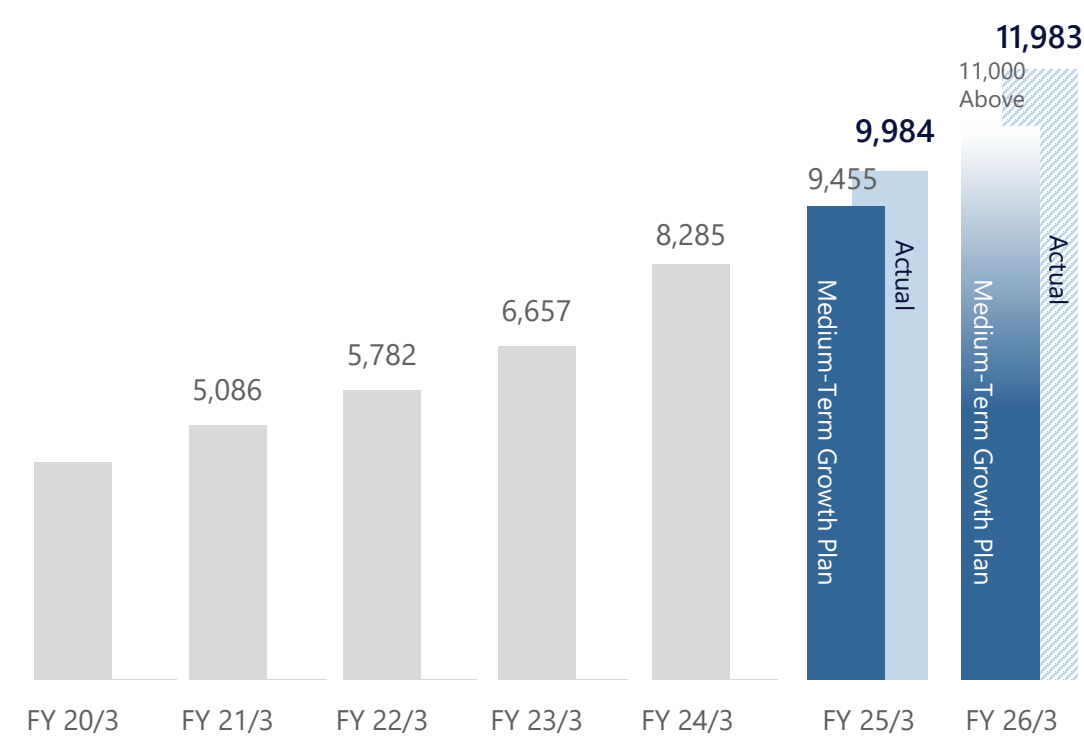
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Review of Medium-Term Growth Plan

- Net sales exceeded the Medium-Term Growth Plan in FY 2026, but Ordinary Profit fell short of the plan.
- Although FY 2026 will be the final year of the announced plan, priority will be placed on building a "growth driver" structure for the time being. The Medium-Term Growth Plan will be formulated later.

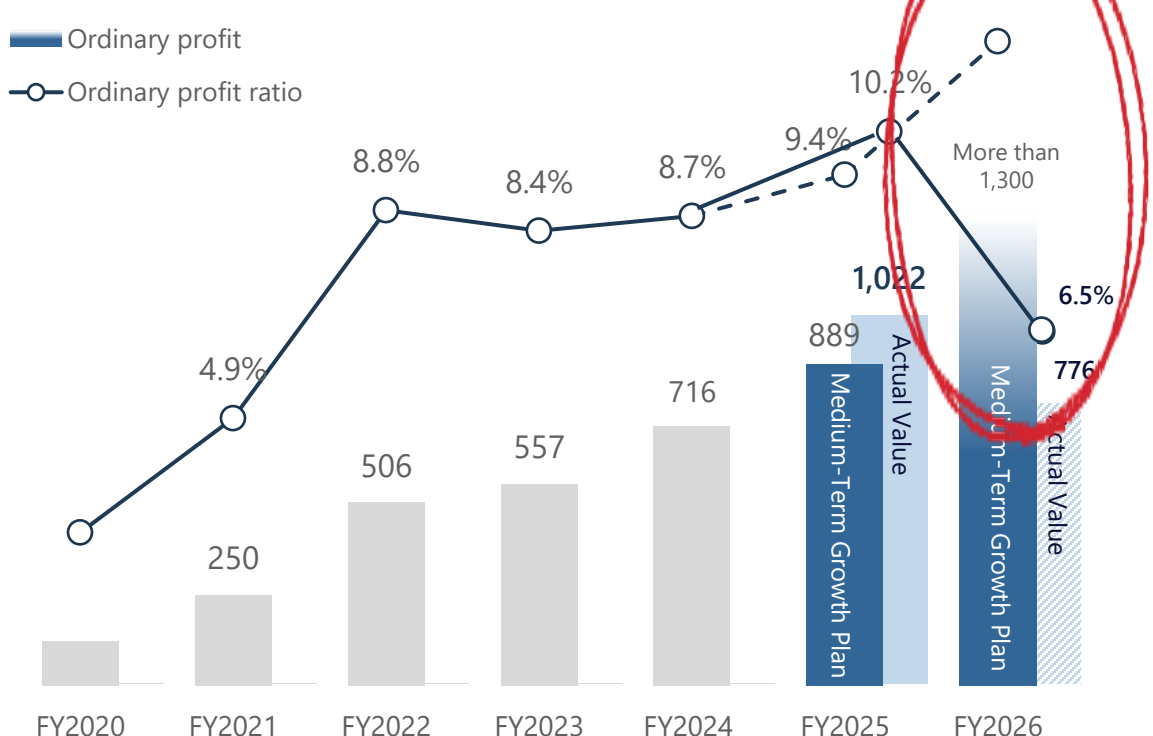
Net sales

(millions of yen)



Ordinary Profit/Ordinary profit ratio

(millions of yen) (%)



Concept of the Medium-Term Growth Plan

- There is no change to our policy of expanding in pursuit of economies of scale and increasing our presence in the market.
- However, there are significant changes in the market environment, such as revisions to dispensing fees.
Our own human resource development system and investment in operational efficiency have not kept pace with the pace of growth.
- Therefore, **for the time being, we place emphasis on internal capabilities and position this as a period to build up our sustainable growth potential.**
- We plan to announce the **next medium-term growth plan after FY 2028.**



Changes in the
market environment

Consolidation and reorganization
of pharmacies

Delay in outsourcing
of dispensing services

Rising personnel costs

Penetration of
home health care

Progress in
comprehensive community care

Current
status

- Market growth and sales capabilities will increase inquiries for store openings, and we will continue opening stores steadily above the original plan.
- Optimize the number of home patients per store
- Consider the central pharmacy concept

Issues

- The ratio of new employees rose due to an increase in store openings.
Labor efficiency declined due to an increased training load at the site.
- The increase in the ratio of new stores increased opening costs.
In addition, a start-up period of about six months was required, which temporarily weighed on profits.
- The realization of the central pharmacy concept is pending discussion within the government.

Policy

- Thoroughly open stores in a planned manner.
Recruit personnel in advance and set a sufficient training period.
- Set priority strategic areas. Carefully assess the location of new stores.
In the medium term, focus on opening stores in the Kanagawa East area, Tokyo, and Chiba North area.
- Shift to the central pharmacy concept is temporarily pending.

Current
status

- Increased earnings volatility due to success or failure of large-scale projects
- Continued increase in franchisees

Issues

- Region Prime Service had a disagreement with an audit firm. Significant impact on performance trends
- Continued to maintain increased franchisees

Policy

- Developed a more conservative outlook for business performance. Continued sales activities for Region Prime Service, but will not include them in forecasts until realization is confirmed, with a focus on building a more stable earnings base
- Region Prime Service will change its monetization model and consider a contract form that will continuously contribute to earnings
- Increased pharmacist consultants to enhance support for franchisees

Current
status

- Poor response in cases where the number of residents has not been reached, and recovery has taken longer than expected
- Diversified sales resources and delayed response in cases where the number of residents has not been reached

Issues

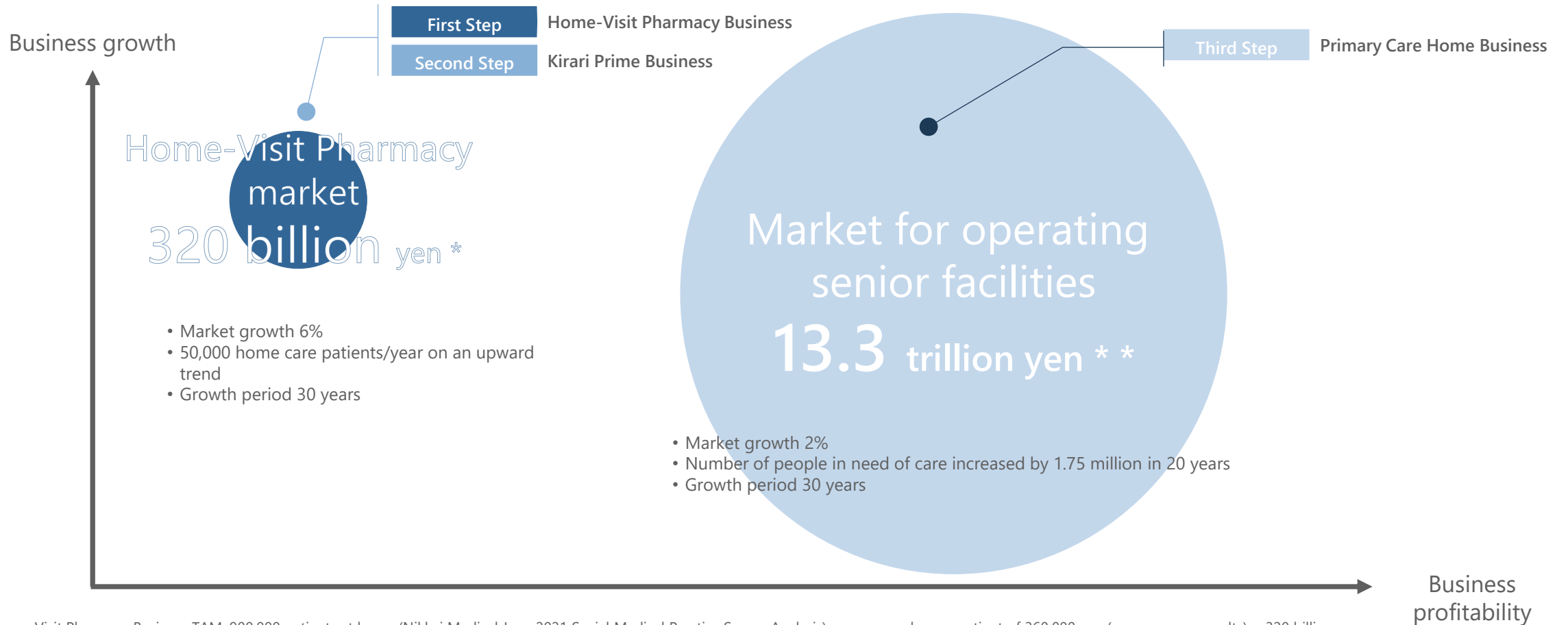
- When the occupancy rate is delayed, we temporarily broaden the resident mix to maintain occupancy (low-care residents) to improve the occupancy rate. As a result, the average monthly revenue per resident falls.
- Once operational discipline weakens, profitability takes considerable time to recover.

Policy

- Compliance with and thorough implementation of our company's facility concept
Returning to the basics of our policy of actively accepting home patients with high levels of nursing care and high levels of medical dependency
- We will avoid short-term measures and instead strengthen sales capabilities to address delays in achieving target occupancy rates.
- Developing multi-sales employees for home pharmacy and nursing care sales

Market Analysis (repost)

- 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-scale Primary Care Home Business (the third step of growth) with the high-growth Home-Visit Pharmacy Business and the Kirari Prime Business (the first and second steps of growth)



*Home-Visit Pharmacy Business 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

- 01 Company Profile, Business Profile, Summary
- 02 Financial Results (FY 2027 1Q)
- 03 Forecast (FY 2027)
- 04 Medium-Term Outlook
- 05 Sustainability Management/Appendix

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

HYUGA PRIMARY CARE Co., Ltd.

"Creating a social infrastructure that allows patients and users to receive care at home with peace of mind 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.

Sustainability Report



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 platform company for integrated community care	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. Promotion of seamless medical and nursing care coordination 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	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	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	13. Promote work-life balance through the realization of diverse work styles 14. Providing opportunities and managing working hours tailored to diverse work styles 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	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: integrated 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 dispensing
- In order to provide safe, secure, high-quality, effective, and efficient medical and nursing care services, continuous and appropriate pharmacotherapy support is becoming increasingly important. There is a growing need to ensure continuous access to safe pharmacotherapy.

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

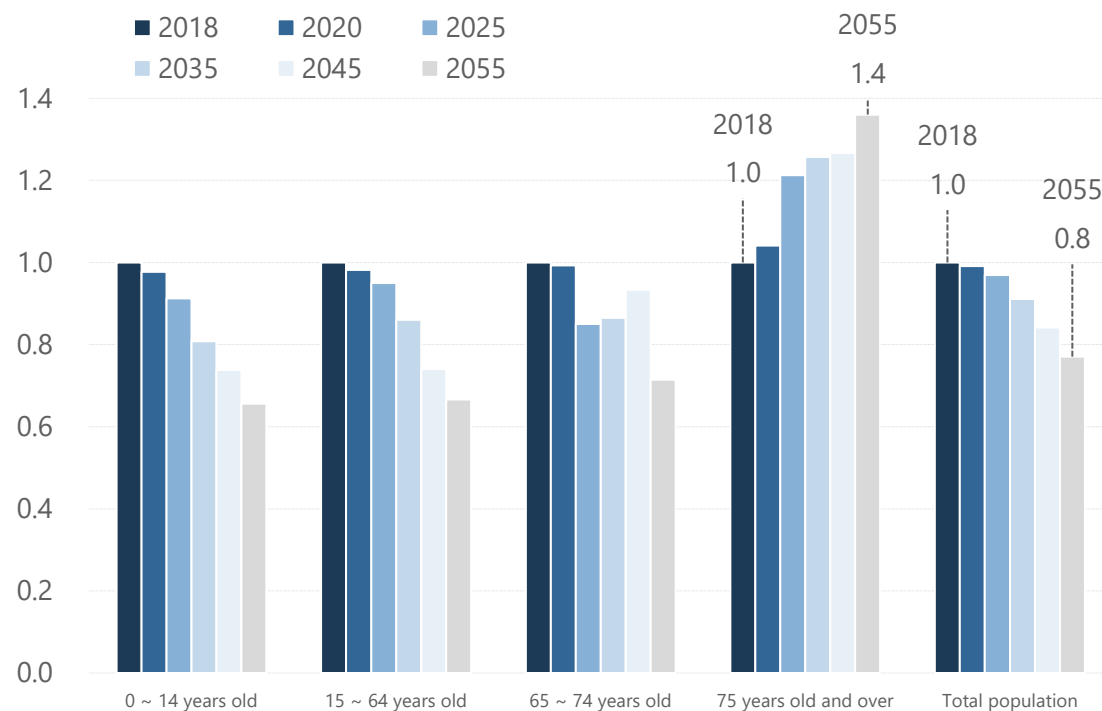
- While the total population of Japan is decreasing, the number of people aged 75 and over is increasing, and in 2055, the number is projected to be 1.4 times the 2018 level (the total population was 0.8 times in the same period). The number of single households aged 65 and over is expected to increase, with a 1.5 fold increase in 2040 compared to 2015.
- Who will care for the elderly, and where such care will be provided, are expected to become increasingly important social issues 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)

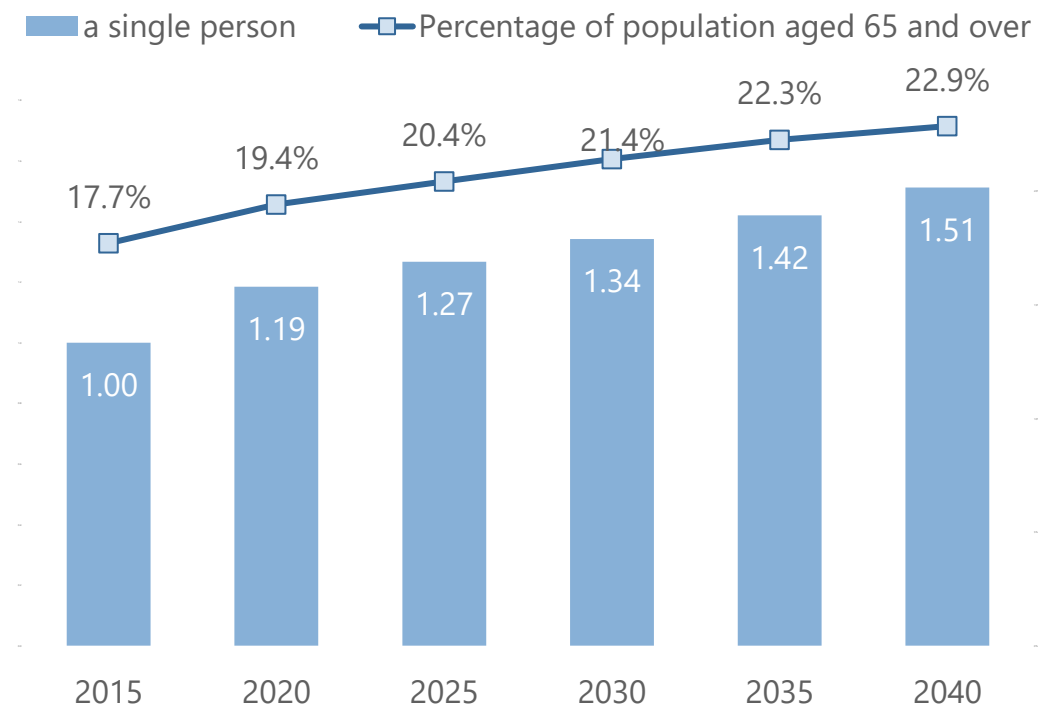


Number of single elderly households *

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

elderly single household

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



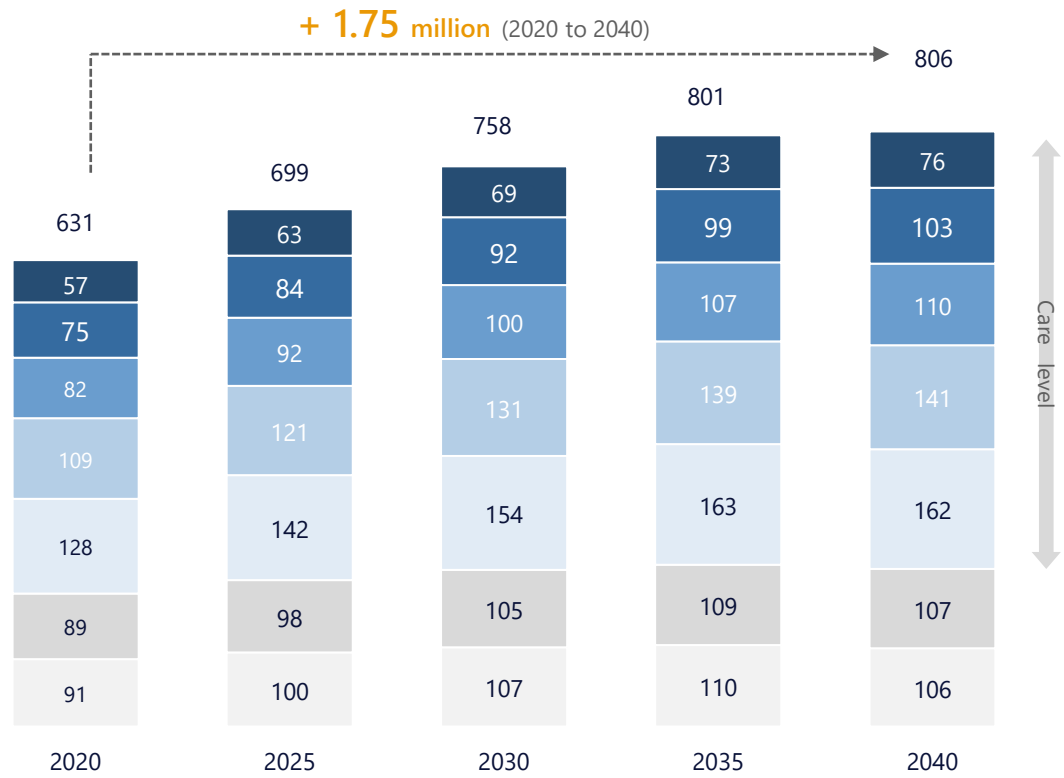
Source: Cabinet Office's "White Paper on Aging Society in Reiwa 2"

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 care levels 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)

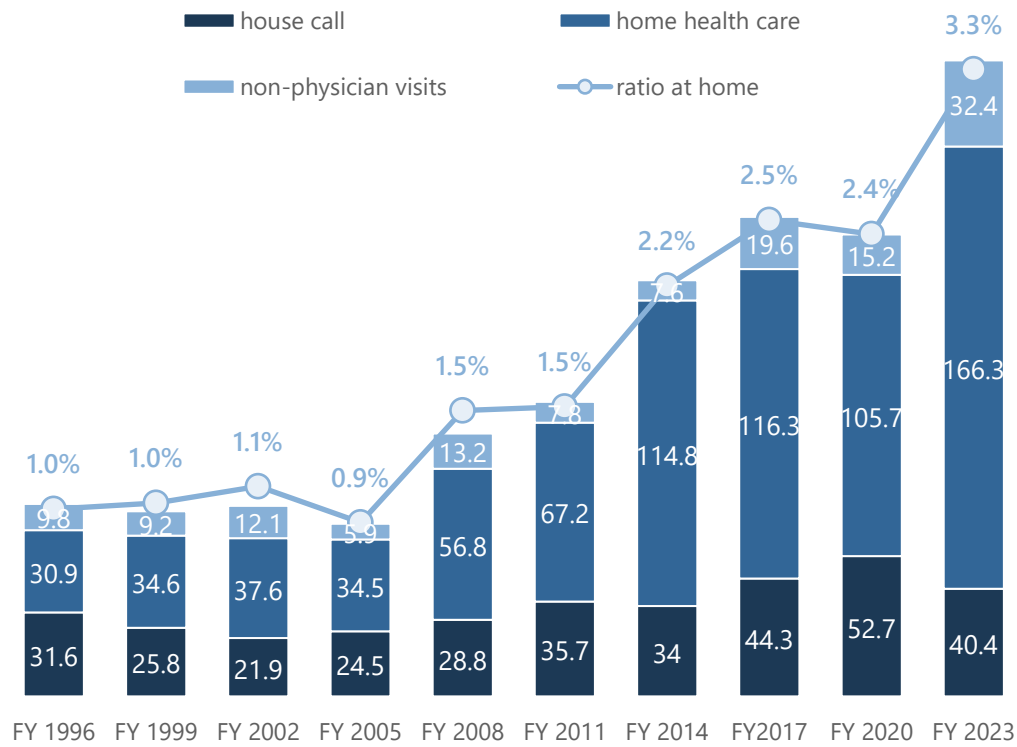
	rate of increase	number of increase
Care-Needed 5	33 %	190,000 people
Care-Needed 4	37 %	280,000 people
Care-Needed 3	34 %	280,000 people
Care Needed 2	29 %	320,000 people
Care Needed 1	27 %	340,000 people
Needed Support 2	20 %	180,000 people
Needed Support 1	16 %	150,000 people
Total	28 %	1.75 million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

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.

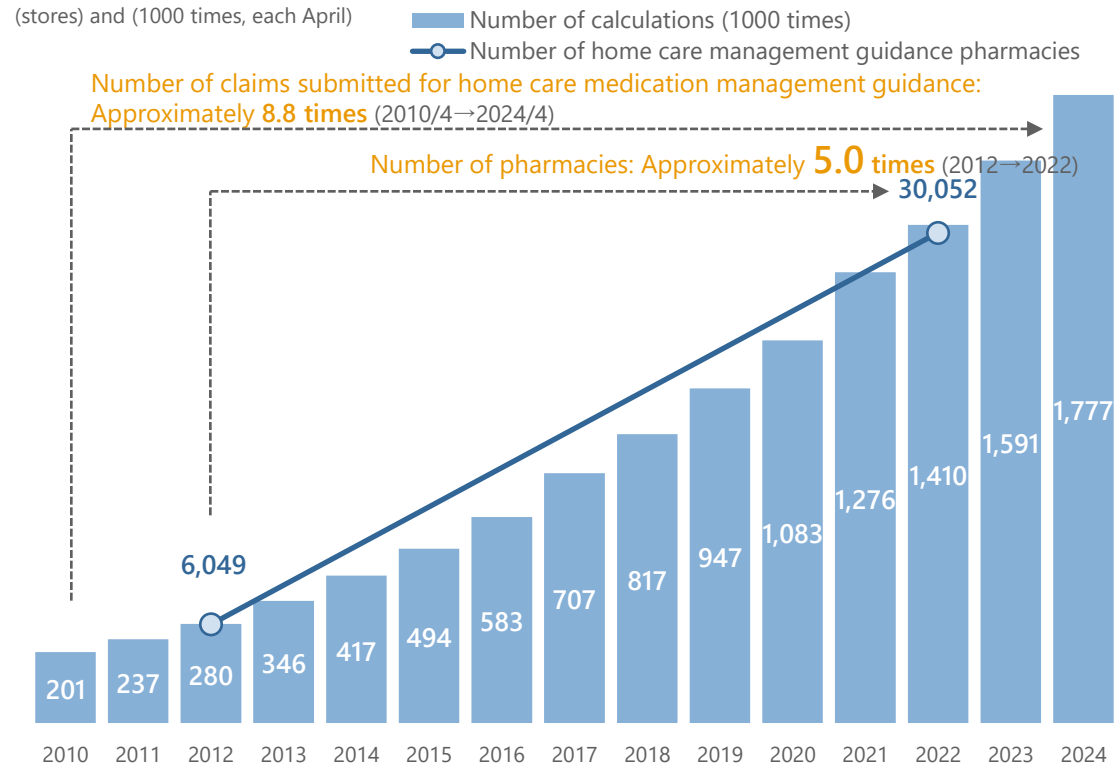
Number of home care patients
Ratio of home care patients to total patients

(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)



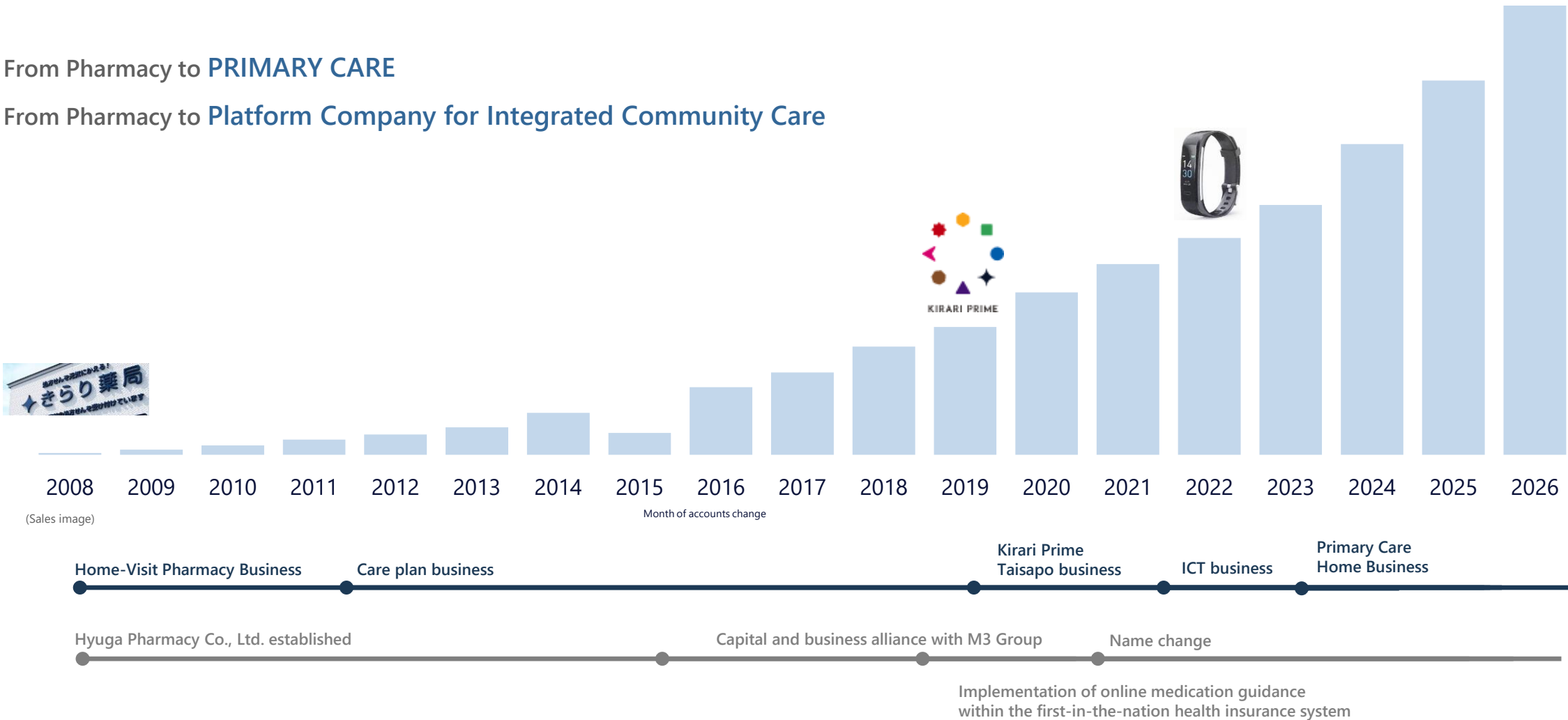
Source: the Ministry of Health, Labour and Welfare, "Patient Survey" and "Monthly Statistics on Long-Term Care Benefit Expense, etc.," for April each year.

HYUGA PRIMARY CARE Company Profile

History and business development

From Pharmacy to PRIMARY CARE

From Pharmacy to Platform Company for Integrated Community Care



Financial Highlights *

		13 th term	14 th term	15 th term	16 th term	17 th term	18 th term	19 th term
Year and year		March 2020	March 2021	March 2022	March 2023	March 2024	March 2025	March 2026
Sales	(thousands of yen)	4,331,638	5,086,031	5,782,604	6,657,448	8,285,853	9,984,799	11,983,152
Ordinary Profit	(thousands of yen)	122,368	250,720	506,182	557,751	716,880	1,022,789	776,166
Net Income Attributable to Owners of Parent	(thousands of yen)	32,903	97,140	328,454	382,876	441,027	719,030	501,884
Capital	(thousands of yen)	100,000	104,742	171,915	185,912	195,382	200,216	200,457
Total number of shares outstanding	(share)	11,074	11,369	3,499,100	3,572,000*	7,246,000	7,277,200	7,279,000
Net assets	(thousands of yen)	502,838	609,463	1,072,264	1,483,134	1,643,125	2,371,782	2,731,546
Total assets	(thousands of yen)	1,771,859	2,015,029	2,531,605	2,914,911	6,354,996	7,051,212	8,290,096
Net assets per share	(Yen)	151.36	178.69	153.22	207.61**	231.46	332.65	383.01
Net income per share	(Yen)	9.9	28.99	47.90	53.92**	62.05	101.12	70.38
Capital ratio	(%)	28.4	30.2	42.4	50.9	25.9	33.6	32.9
return on equity	(%)	6.8	17.5	39.1	30.0	26.8	35.8	19.7
Operating cash flows	(thousands of yen)	34,733	351,821	484,597	342,252	706,642	771,322	492,943
Invested cash flows	(thousands of yen)	- 165,236	- 77,591	- 320,255	- 383,393	- 1,125,097	- 473,978	- 319,130
Financial cash flows	(thousands of yen)	- 6,259	36,641	16,927	- 110,728	538,778	- 419,427	281,880
Cash and cash equivalents at end of year	(thousands of yen)	227,416	538,288	719,557	567,688	688,010	565,926	1,021,619
Number of employees (Average number of other temporary employees)	(persons)	283 (93)	312 (96)	329 (102)	442 (100)	544(113)	708(137)	882(139)

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

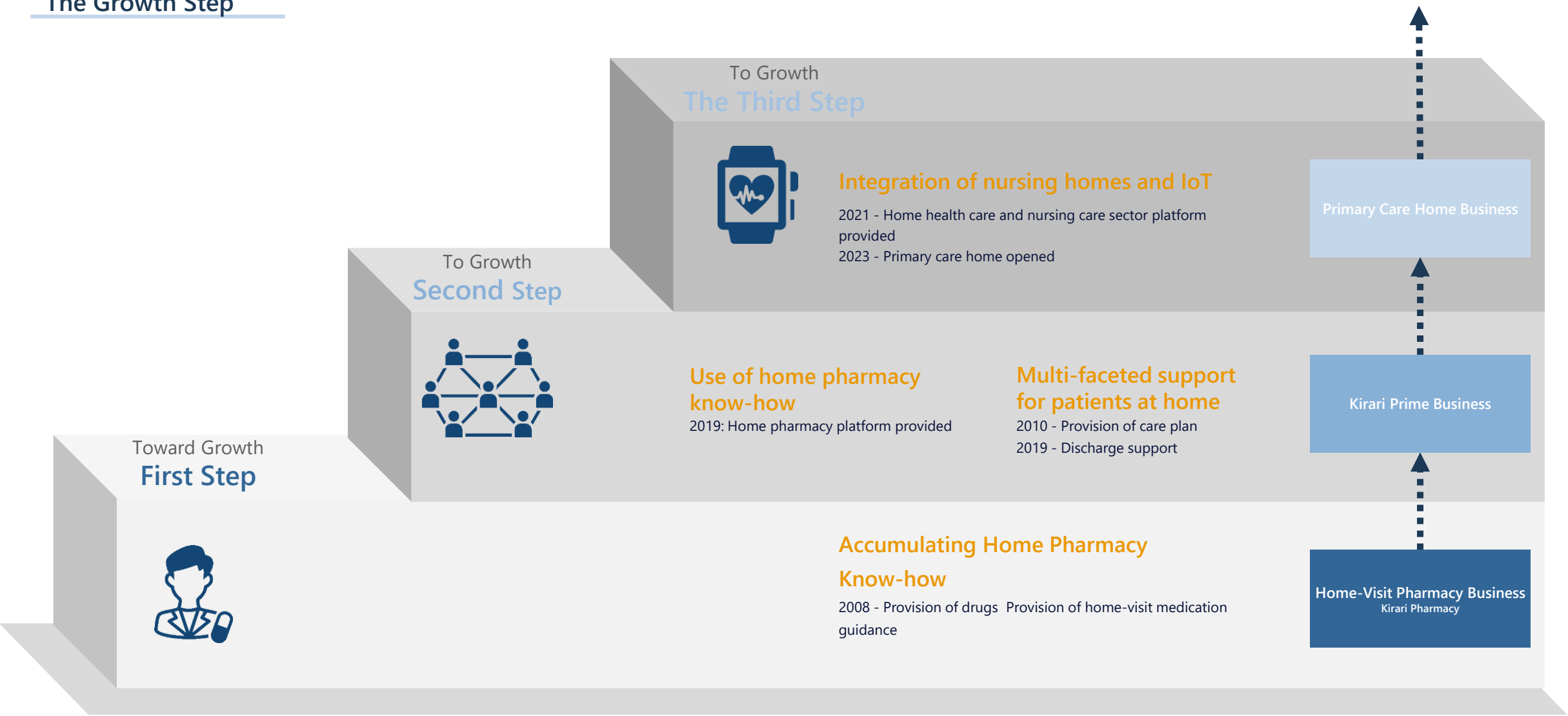
** our company conducted a 2 for 1 stock split of its common stock on April 1, 2023. Assuming that the stock split was conducted at the beginning of the 16 th fiscal year, net assets per share and net income per share are calculated.

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

Strengthening the Third Step to Growth

The Growth Step

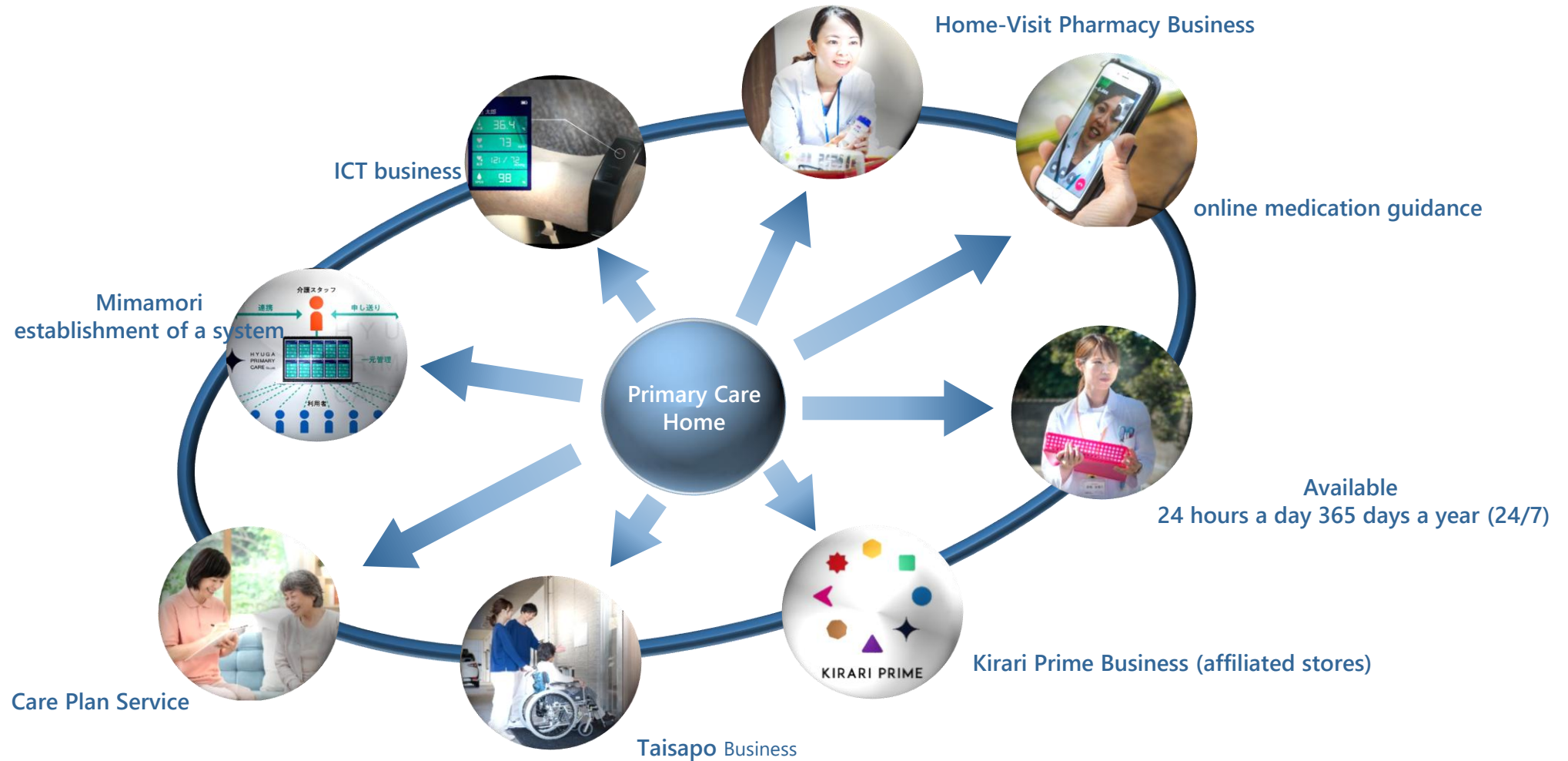
Expanding the Platform for Community Comprehensive Care Systems



Strengthening the third step 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

About the Home-Visit Pharmacy Business

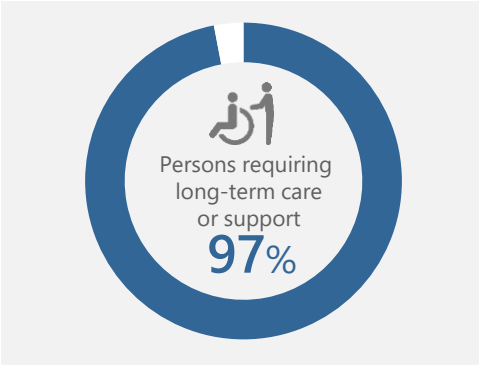
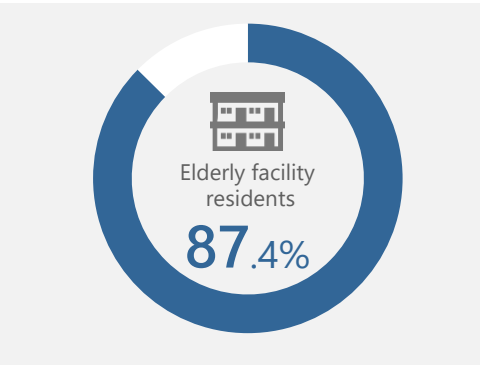
One of the **social infrastructures** that enable people to receive medical care with peace of mind at home, 24 hours a day, 365 days a year (24/7).

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

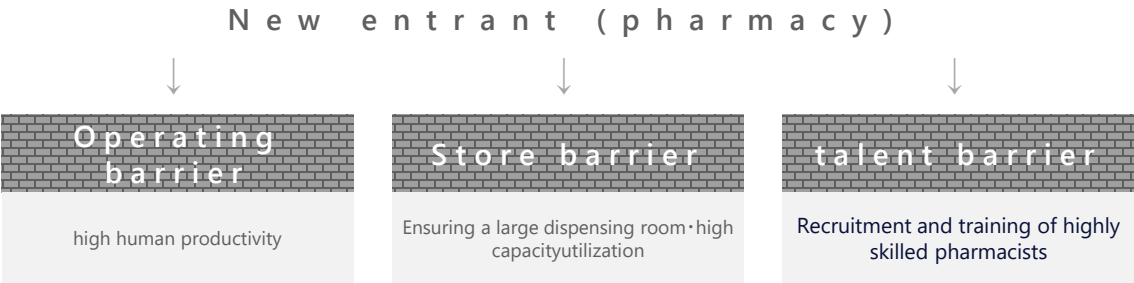
patient attributes

(as of the end of March 2022)

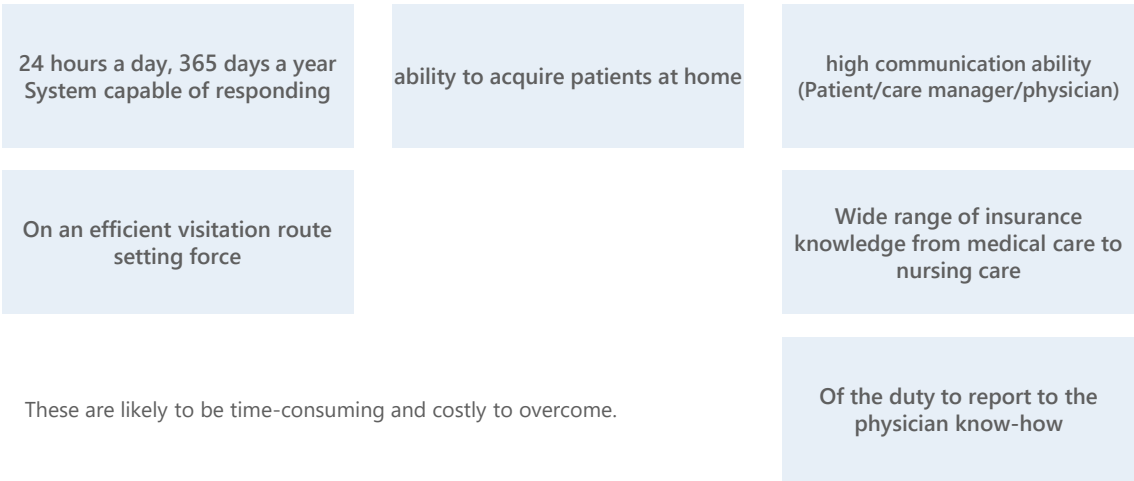


high entry barriers

Conventional pharmacies entering the home pharmacy business

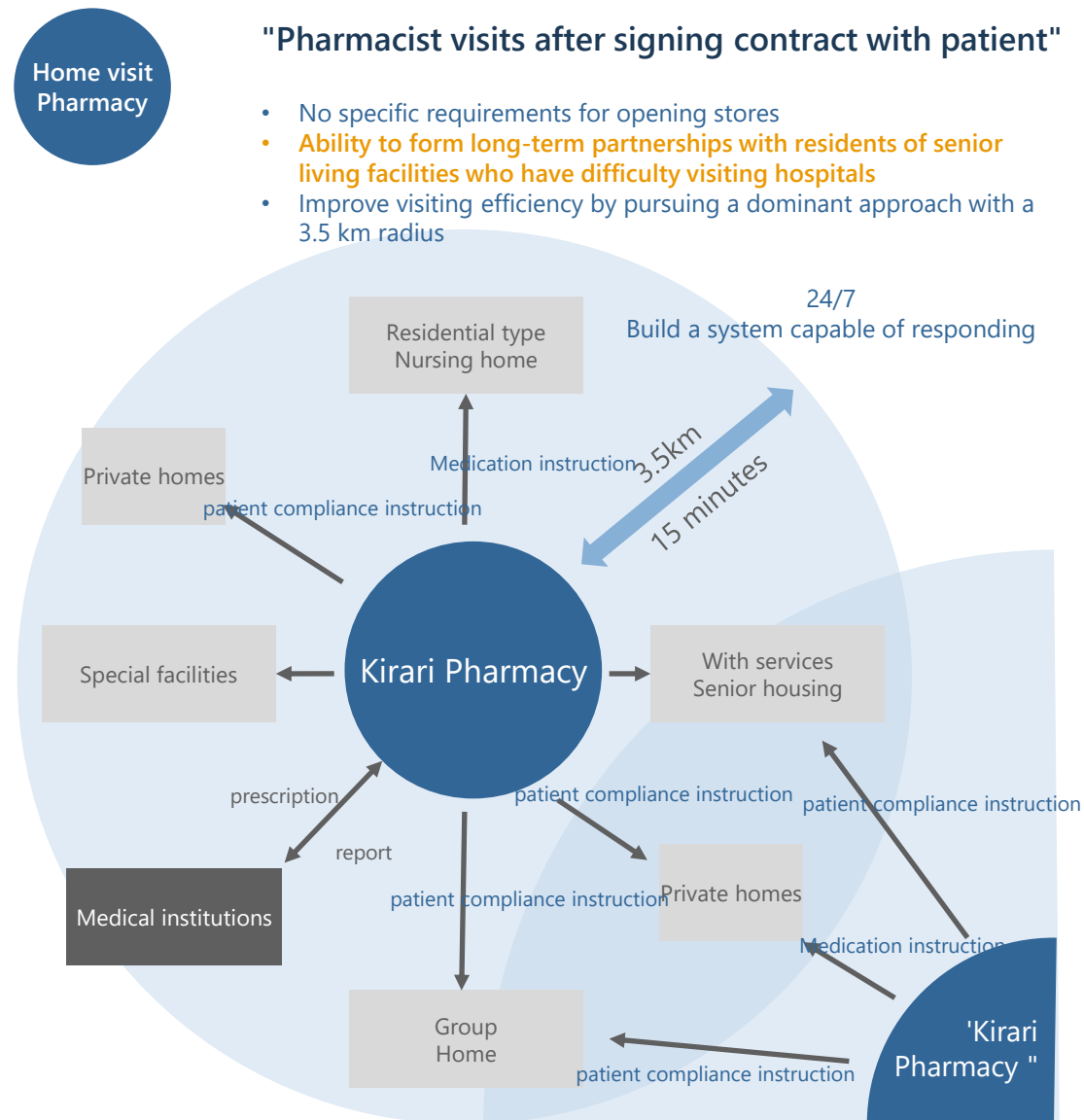
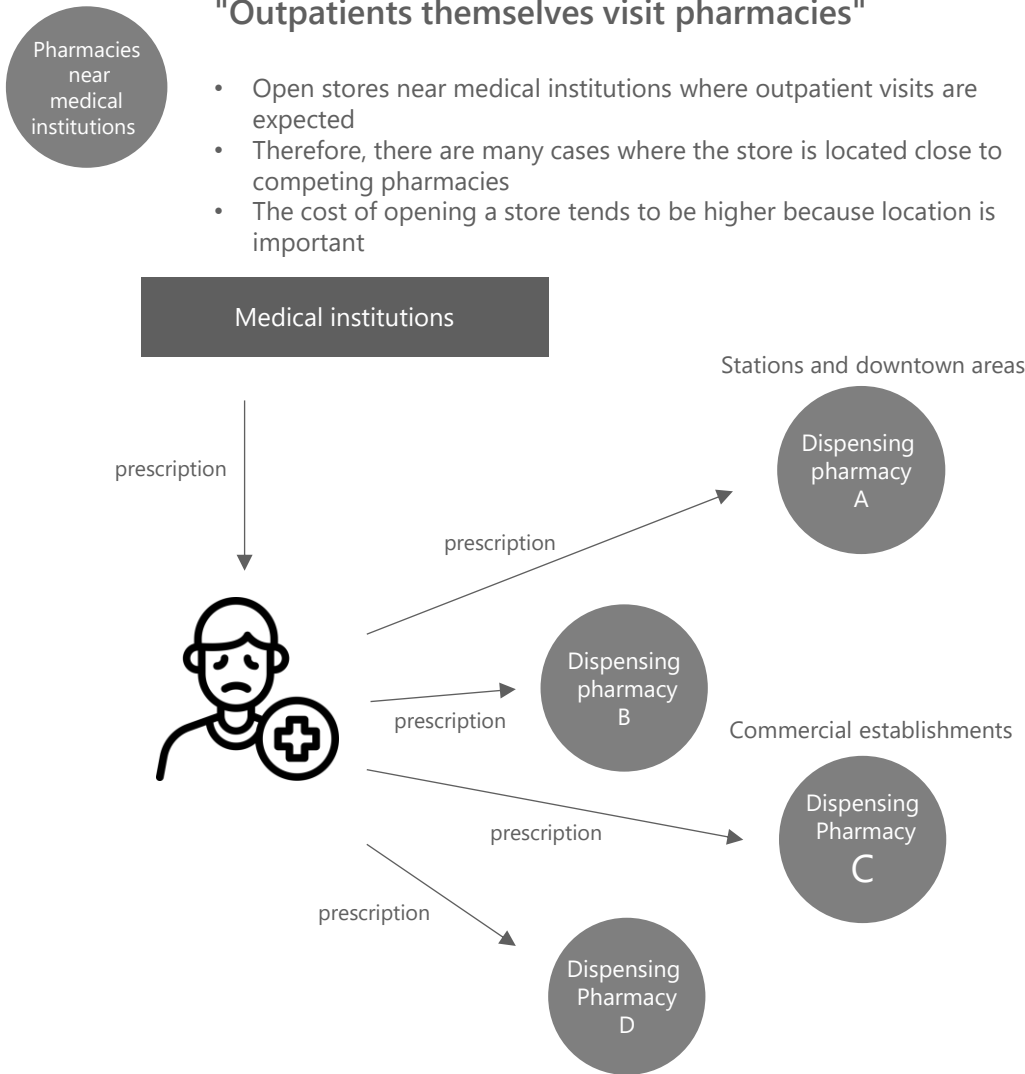


Know-how accumulated through extensive experience in home-visit pharmacies



These are likely to be time-consuming and costly to overcome.

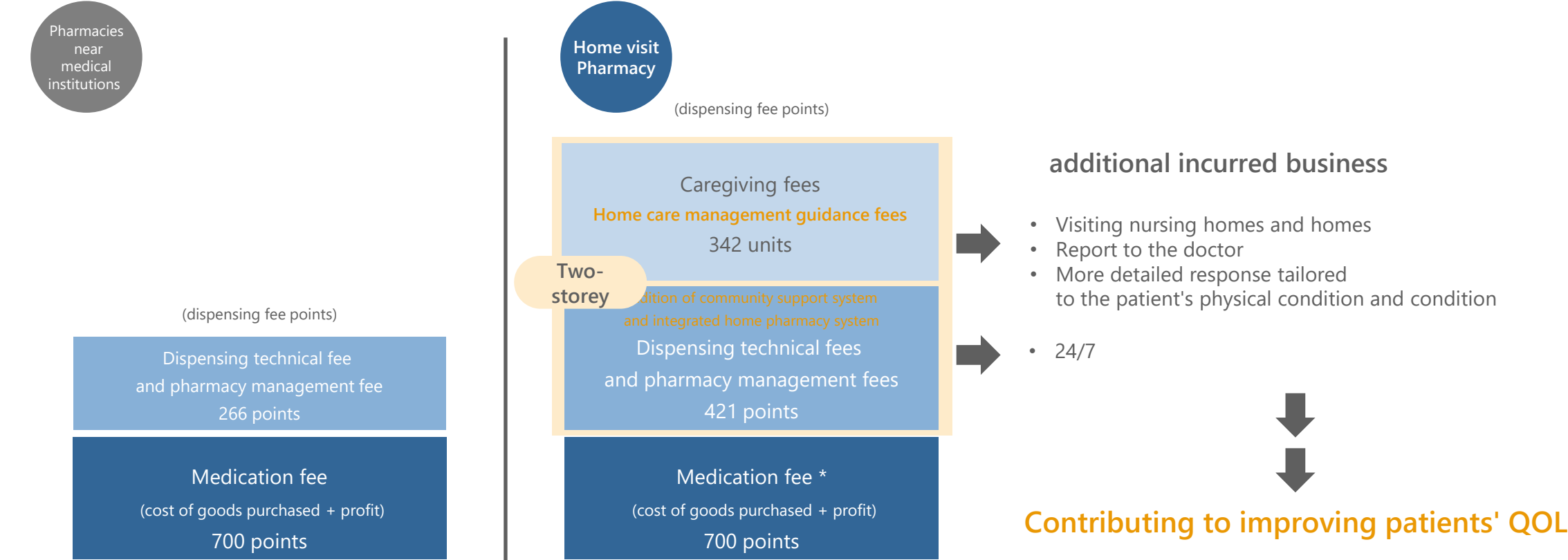
Home-Visit Pharmacy Business (2) Aim and location of new stores



Home-Visit 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態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 Onojo

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

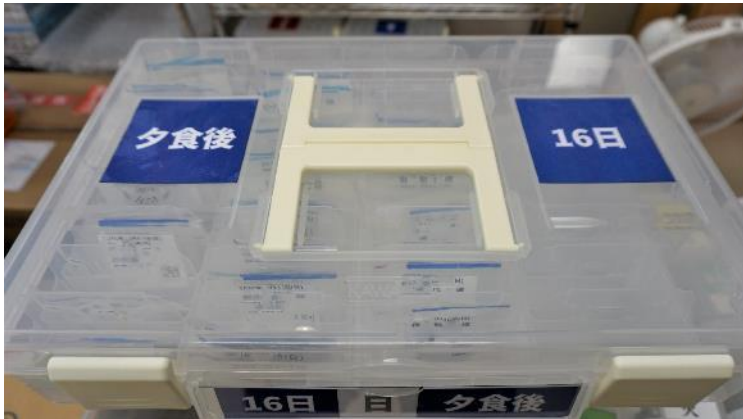
Compared to ambulatory pharmacies, home pharmacies require sufficient space to do the work due to the large number of dispensing processes

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”



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



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



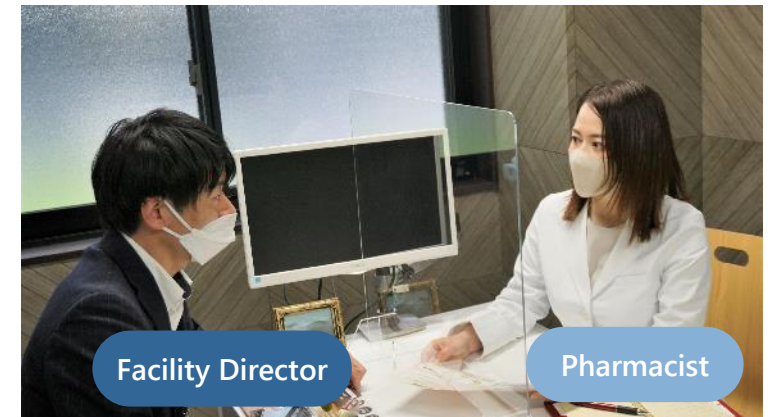
Sharing information with facility staff about medications is mandatory
Not only verbally, but also through the company's at-home medication support system



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



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



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 70%

(As of FY2026)

Base rate (1 corporation) 18,000 yen/month

Participation in study meetings
access to know-how materials
Respond to inquiries about home health care

Drug Purchase Negotiation Agent 1 % of the proceeds

Support for pharmaceutical purchases from pharmaceutical wholesalers

Report system loan 7,500 yen/month ~

Report preparation support for physicians and care managers

Consulting services Annual package

Support for acquiring at-home care patients
Palliative care, technical fee calculation support, etc.

Other services Additional fees

by our company Pharmacists
Responding to temporary prescriptions and night/holiday calls



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, Taisapo Business 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

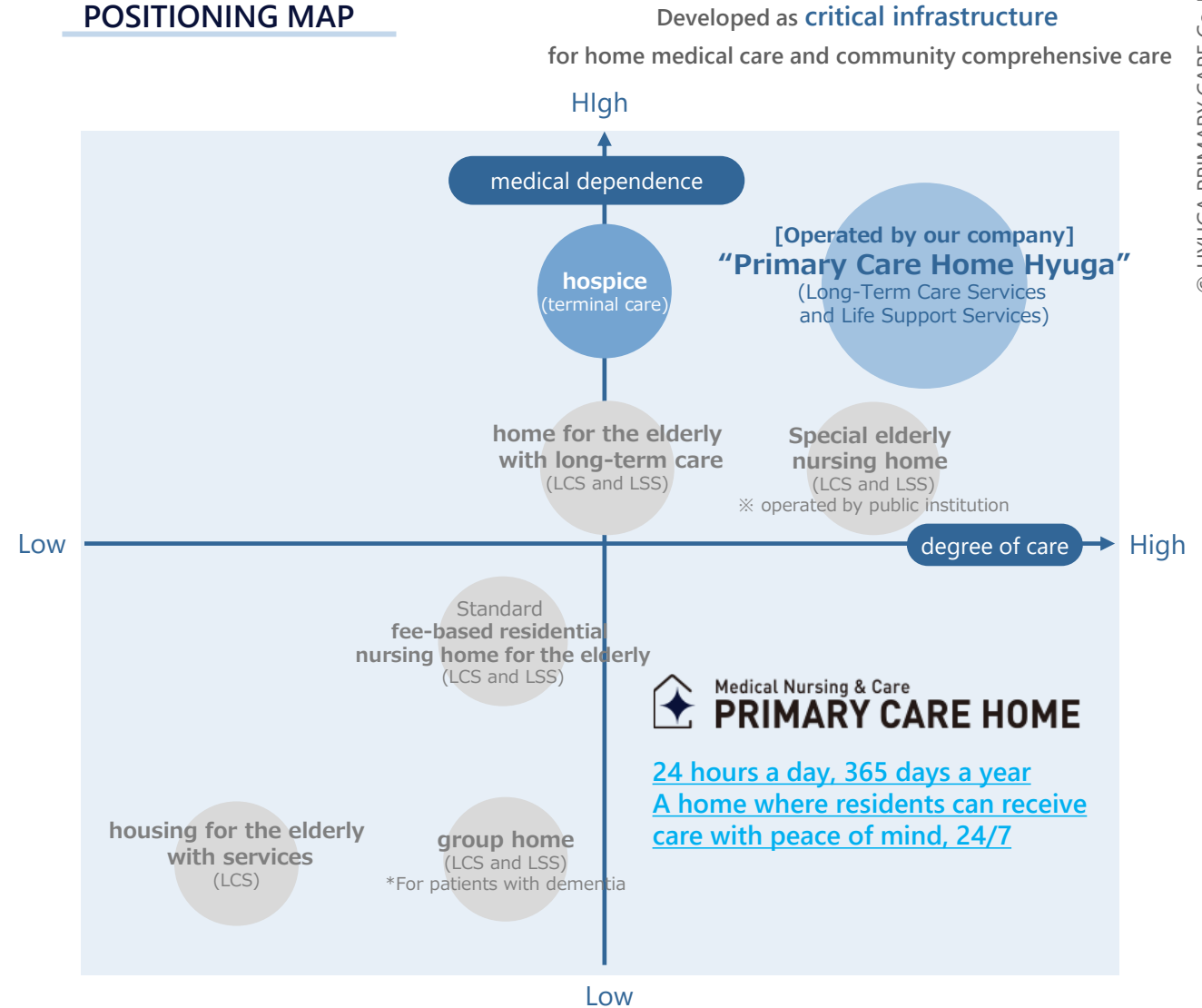
[Operated by our company]
"Primary Care Home Hyuga"
 (Long-Term Care Services
 and Life Support Services)



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

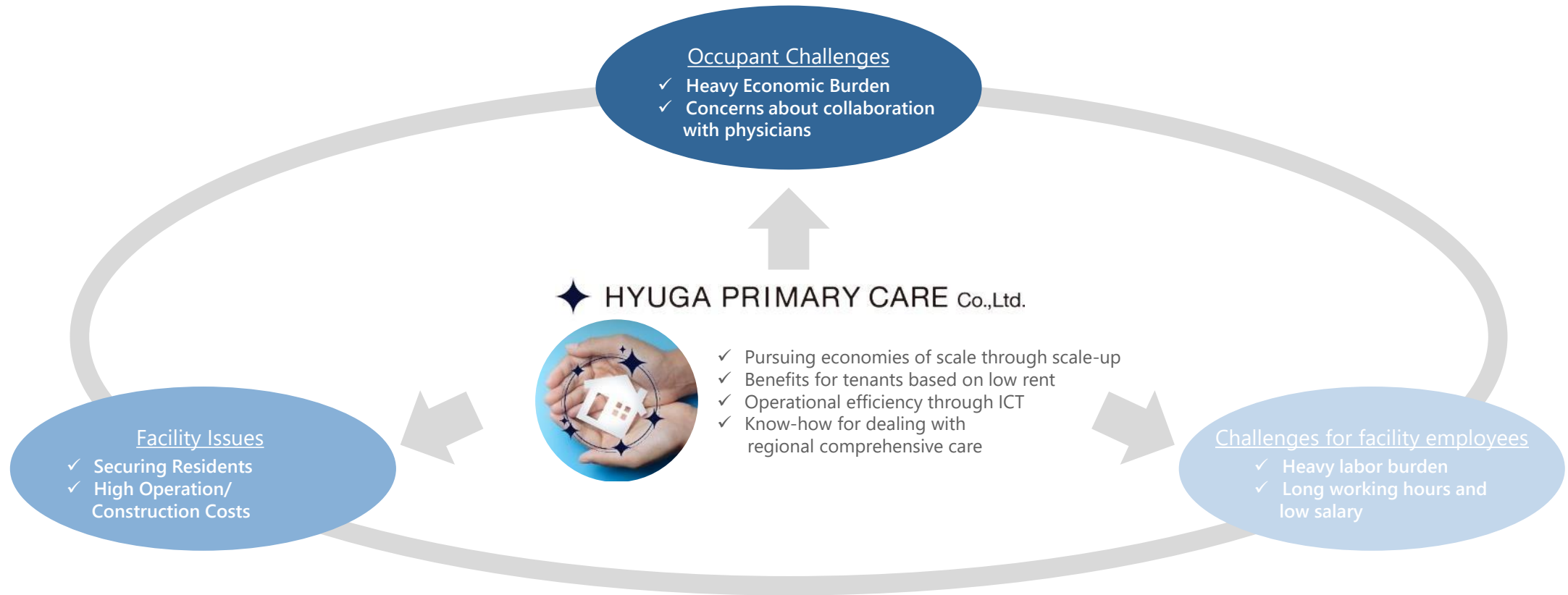
POSITIONING MAP



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
- sputum suctioning

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

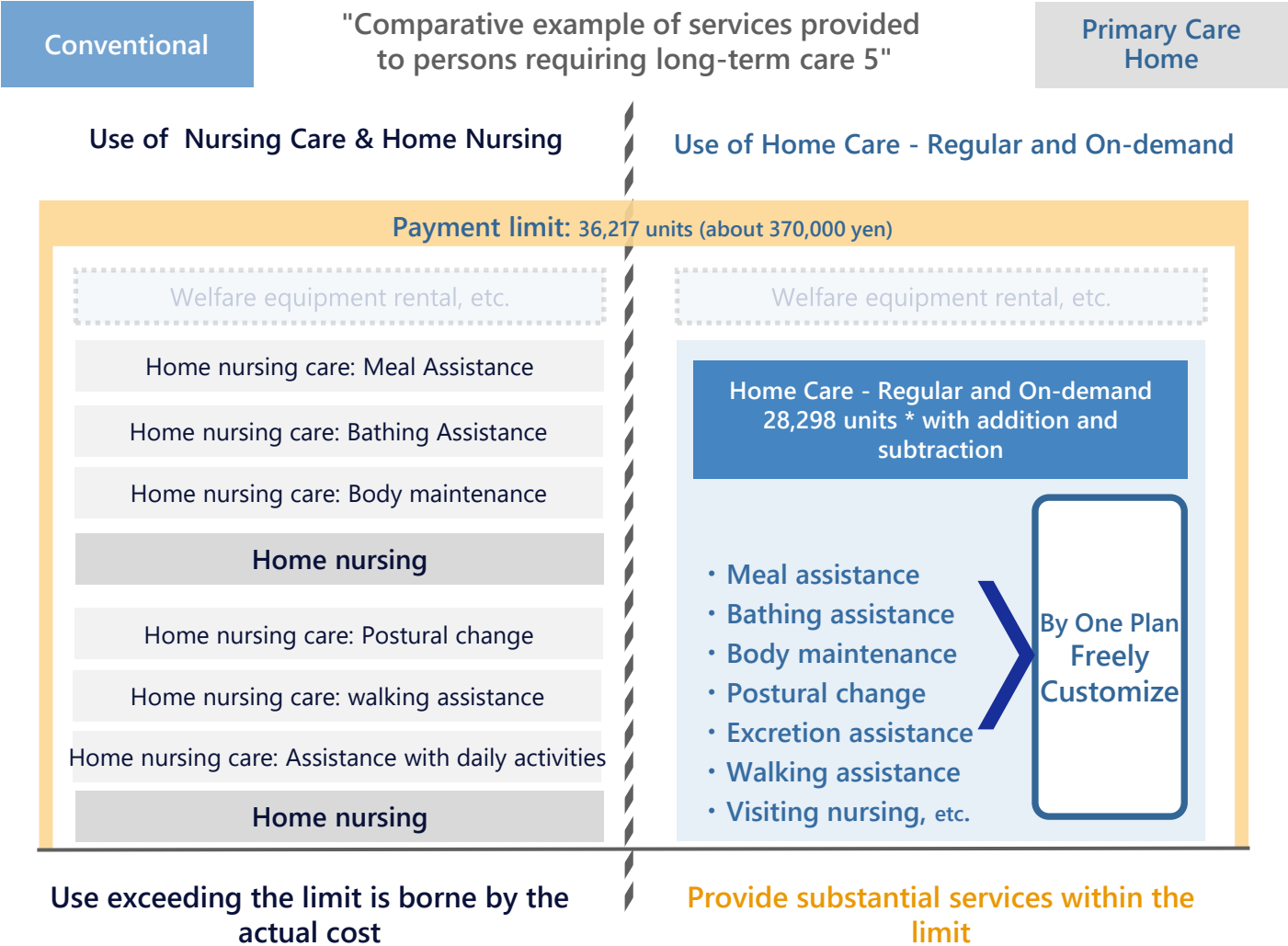


Although it was difficult for conventional fee-based nursing homes

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

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.

Financial Results for the First Quarter of the Fiscal Year Ending March 2027

HYUGA PRIMARY CARE Co., Ltd.

August 2026