

May 7, 2025



FY 2024 Earnings Presentation

LITALICO Inc.

[TSE Code: 7366]



The information, future strategies, forecasts, management targets, and other forward-looking projections relating to LITALICO Inc. (“the Company”) is based on information available to the Company as of the date hereof, and is based on reasonable assumptions that may include various risks and inaccuracies.

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Consolidated Financial Results

IFRS

(million yen)

	FY2023	FY2024	% YoY
Net Sales*	27,676	33,214	+ 20.0%
Operating Profit*	3,473	3,477	+ 0.1%
Profit Attributable to Owners of Parent	3,545	2,402	- 32.2%

*Figures for both FY2023, FY2024 does not include the non-continuous business (nCS Inc., which was removed from the consolidation in the end of March 2025) based on item no. 5 of IFRS.

IFRS

(million yen)

		FY2023	FY2024	% YoY
Vocational Welfare	Sales	10,585	12,538	+ 18.4%
	Profit	3,531	4,598	+ 30.2%
Child Welfare	Sales	9,553	9,347	- 2.2%
	Profit	1,710	-79	-
Platform	Sales	3,884	4,530	+ 16.6%
	Profit	1,299	1,369	+ 5.5%
Overseas	Sales	-	2,840	-
	Profit	-	755	-
Others	Sales	3,654	3,960	+ 8.4%
	Profit	381	516	+ 35.3%

*Figures for both FY2023, FY2024 does not include the non-continuous business (nCS Inc., which was removed from the consolidation in the end of March 2025) based on item no. 5 of IFRS.

CONSOLIDATED

- 33.2 bln yen in sales (+20% YoY), 3.5 bln yen in operating profit (+0.1% YoY), 2.4 bln yen in profit (-32% YoY).
- 9 yen as a year-end dividend for FY2024 (1 yen increase in dividends).

Vocational Welfare

- Sales and profit growth with positive impact from reimbursement revisions.
- Total of 20 new site launches planned for full year (vs 16 last FY).
- 2,343 total job placements, and its pace remains elevated.

Child Welfare

- Sales and profit declined with negative impact from reimbursement revisions.
- Profit in Q4 (three months) was 426 mln yen, which became profitable. Facility operation rate has reached the bottom, and is progressing improved steadily compared to the revised plan.
- In FY2025, the programs are planned to be reverted to the former short-duration support program that focuses on private tutoring.
- Total of 21 new site launches have been completed as planned this year (vs 18 last FY).

Platform

- 50% increase in marketing and sales staff in Q1. Recruitment of staffs progressed as planned, which resulted in concentrated hiring costs in Q1 (most of hiring for this FY has been completed).
- Steady pace of new contract acquisition, despite a loss of a major client who filed for bankruptcy in Q1.

Overseas

- Acquisition of DDCN, a U.S. company specializing in severe disability care provision. Consolidation began from July.
- Performance is proceeding steadily.

Others

- Performance improved as each business expanded favorably.

Midterm Strategy

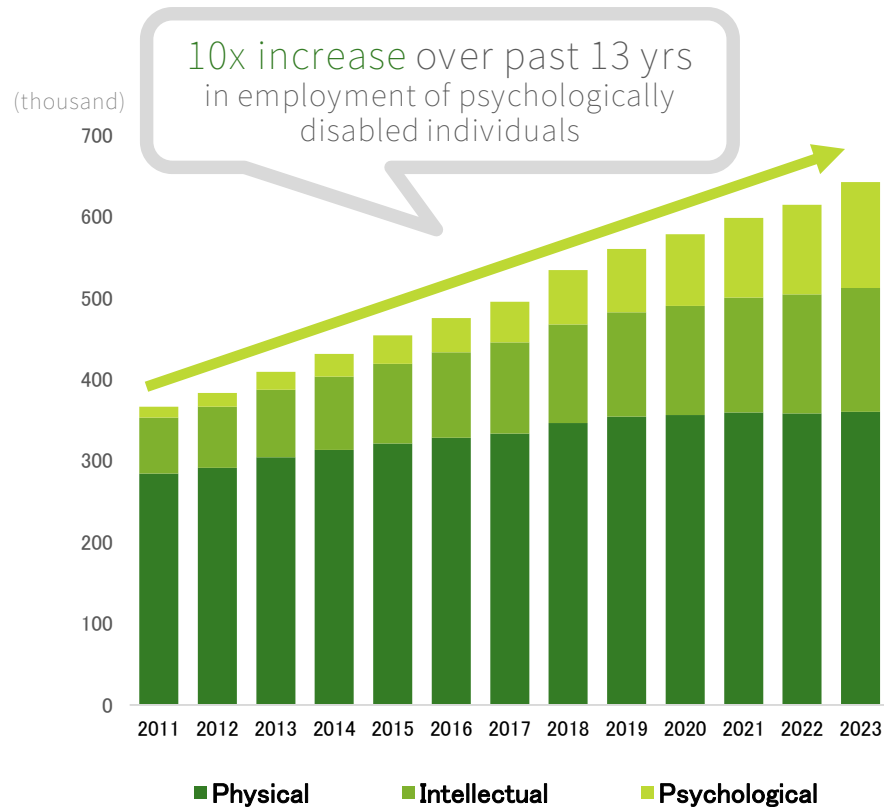
Creating an Obstacle-free Society

Obstacles are created by and within a society,
not by the unique capabilities of an individual.

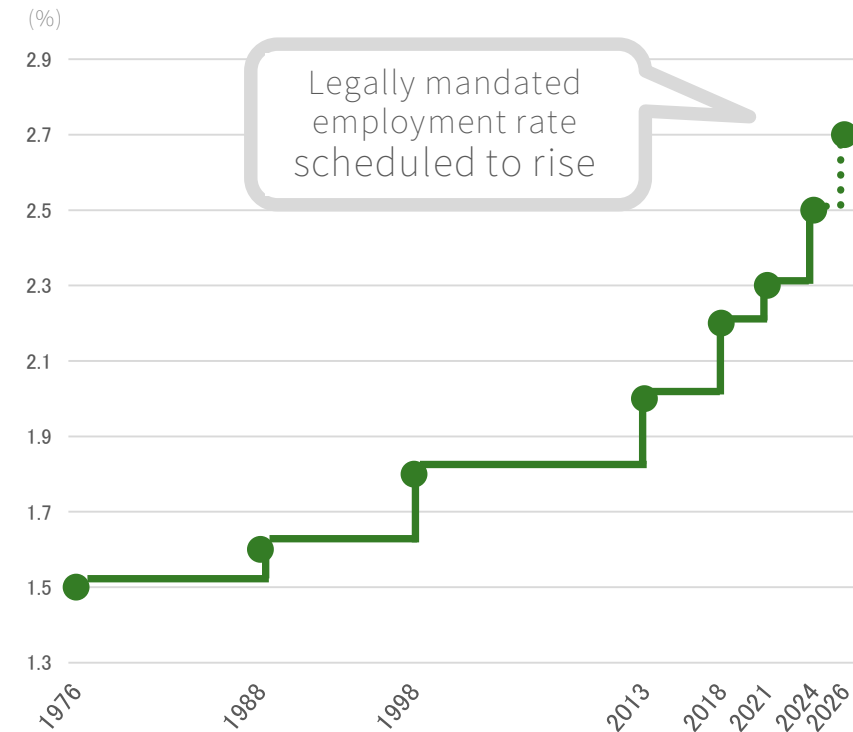
Removal of societal obstacles leads to the creation of a civilization
that honors the felicity of all diverse life.

- The employment of disabled individuals is increasing, with legally mandated employment rate of 2.5%.
- The rate is scheduled to increase step-wise to 2.7% over the next couple of years.

Employment of Individuals with Disabilities

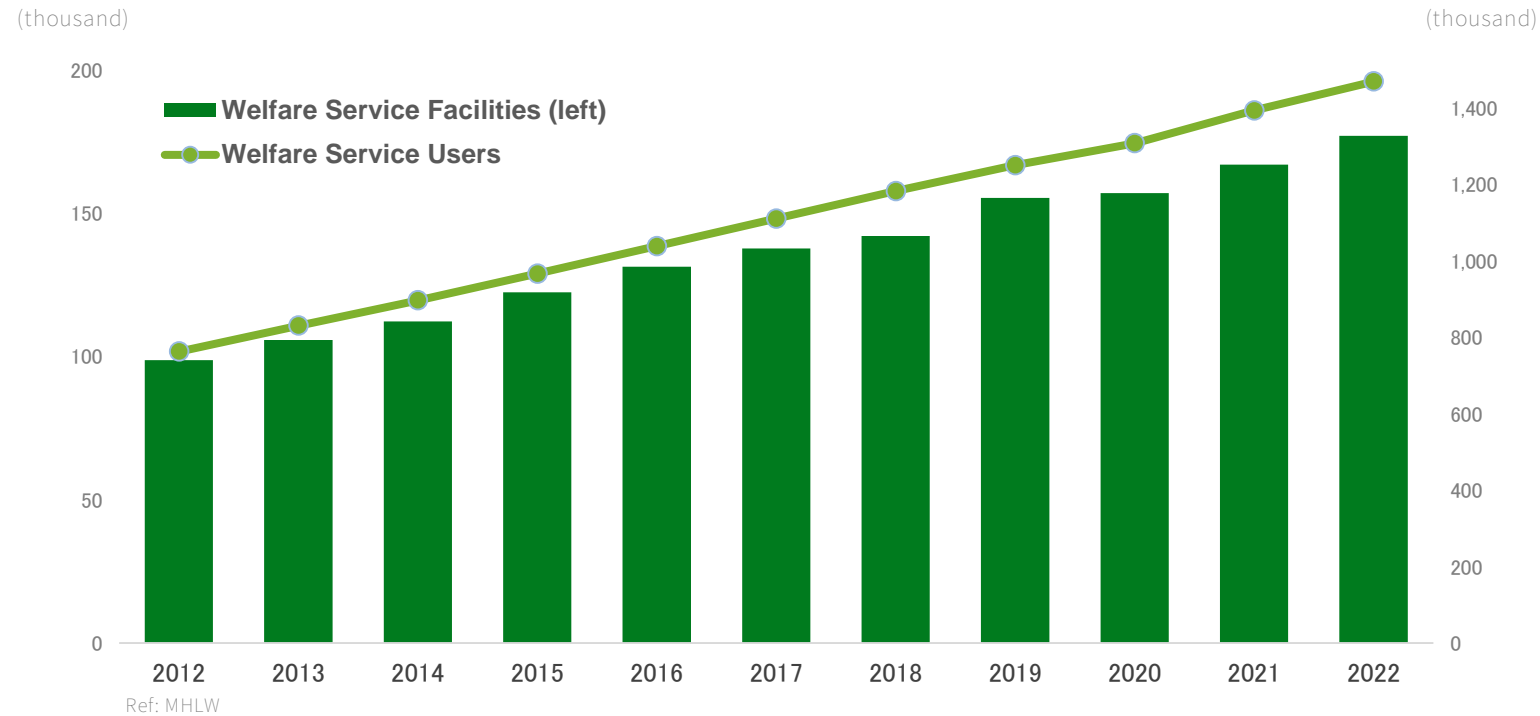


Legally Mandated Employment Rate



Ref: MHLW

Number of Welfare Service Users and Provider Facilities



- ▶ Disability welfare service users and providers continue to increase, resulting in increasing social needs. The government and municipalities' welfare service-related budget reached 4 trillion yen, which continues to expand at 8% annually.

STRATEGY

Services Across All Life Stages of Persons with Disabilities

Education



LITALICO Junior



LITALICO Wonder



- Early detection
- Diagnosis
- Education and therapy



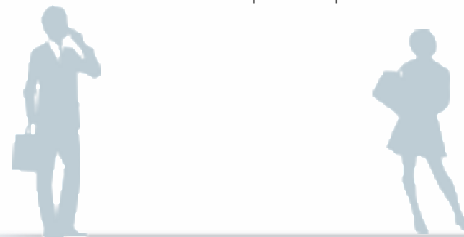
Vocation



LITALICO Works



- Social participation



Lifestyle



- Dwelling
- Medical care
- Asset custody



B to C

Lifetime support services for persons with disabilities



LITALICO Development Navi



LITALICO Carrer



LITALICO Work Navi



(Billing Software)



(Nursing Care Software)



B to B

Platform services for social workers, service providers, and persons with disabilities

To become the No. 1 company in the world for supporting people with disabilities

Re-strengthen the corporate culture's consistency

- Continuous investment for strengthening of corporate culture and development of human resources.
- Business development focused on the LITALICO brand instead of multi brands.

Maximize the corporate value for mid- to long-term

- Withdrawal of the mid-term launch plan. In FY2025, the number of launches will be temporarily restricted, and the internal structure will be strengthened towards the acceleration of launch pace, for the maximization of the launches in the mid- to long-term.
- Investment for new services and new business will be continued actively.

Balancing active business investment and return to shareholders

- While continuing the active growth investment, the measures for shareholder return will be strengthened in association with the stable profit growth.
- Stock repurchase is scheduled in addition to the continuous stable dividend increase.
- Stock option by third-party allotment, decided in July 2024, is withdrawn.

Financial Forecast

- In vocational welfare, the number of launches will be temporarily limited to strengthen the internal structure. Two facilities are planned to be launched. Investment for enhancement of service value will also be conducted.
- In child welfare, 18 facilities are planned to be launched. Although the opening of new facilities and related expenses will be concentrated until the first quarter, we expect the business to be profitable from the second quarter onward.
- Platform business is doing well. We will continue to invest in strengthening the sales ability and product development.
- The overseas business will proceed with the service expansion and strengthening service lineup for disabled persons with severe behavioral disorder.
- New business development is also planned to be actively implemented.
- The term-end dividend is expected to be 11 yen. Stock repurchase is expected to be conducted with a maximum of 500 million yen.

IFRS

(million yen)

	FY2024 ACT	FY2025 FCT	% YoY
Net Sales	33,214*	36,500	+ 9.9%
Operating Profit	3,477*	4,000	+ 15.4%
Profit Attributable to Owners of Parent	2,421	2,500	+ 4.1%
Year-end Dividend	9 yen	11 yen	+ 22%

Or +13.6%, if based on the comparison with this term's profit occurring from continuous business.

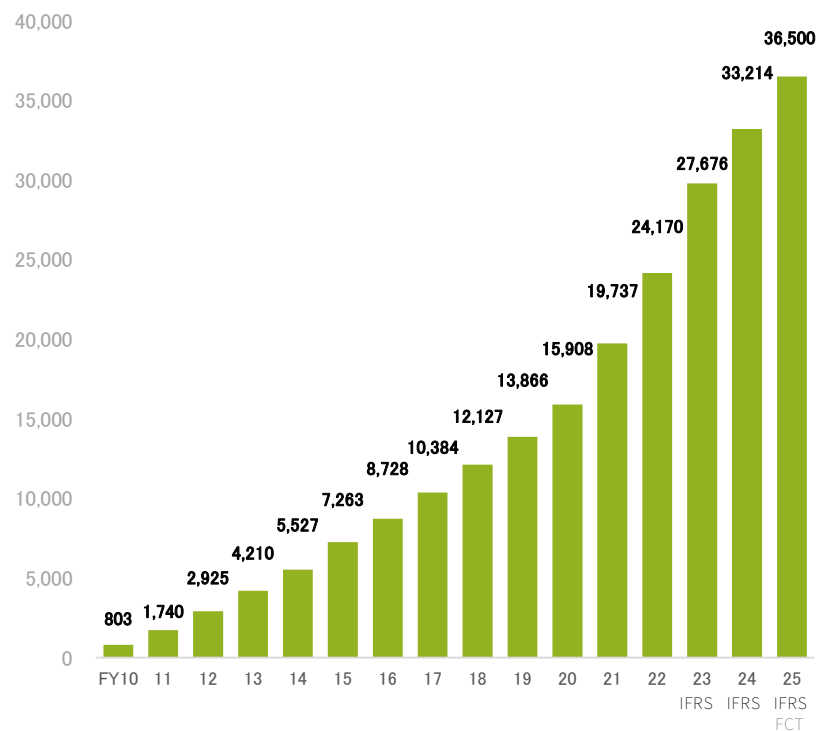
Stock purchase was decided to be implemented for the enhancement of capital efficiency and to provide returns to shareholders.

1. **Type of shares to be repurchased:** Common stocks of the Company
2. **Total number of shares to be repurchased:** 500,000 shares (maximum) (1.4% of the total number of the issued shares)
3. **Total purchase price:** 500 million yen (maximum)
4. **Period of repurchase:** From May 8, 2025 to March 31, 2026
5. **Method of repurchase:** Market purchase on the Tokyo Stock Exchange through an appointed securities dealer with transaction discretion

- Planning for 13 consecutive years of sales and profit increase

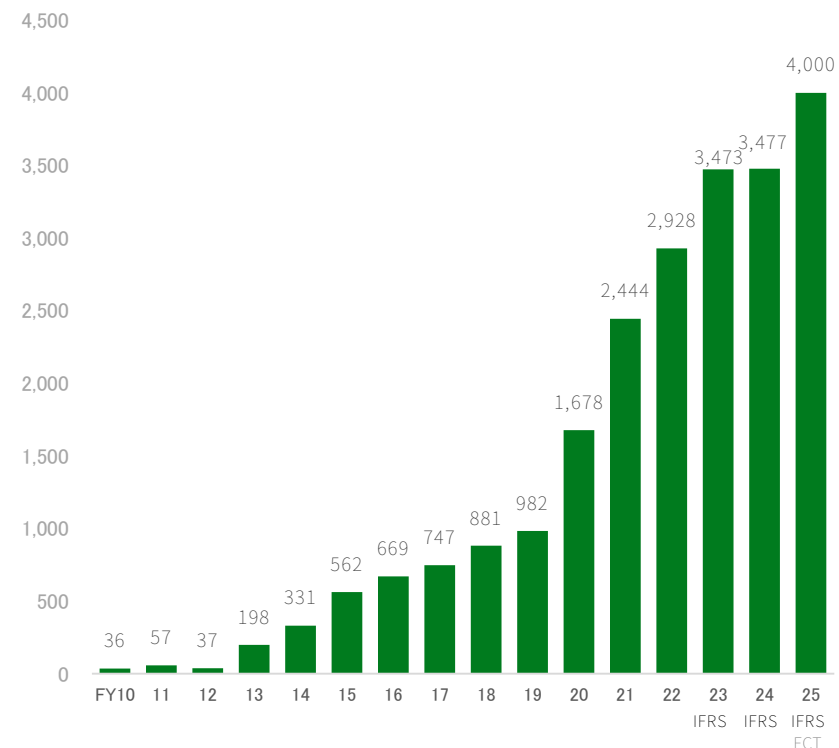
Net Sales

(million yen)



Operating Profit

(million yen)



Business Results

LITALICO Segments

Vocational Welfare



LITALICO Works
(Welfare)



HumanGrow

Child Welfare



LITALICO Junior
(Welfare)



Platform



LITALICO Development Navi



LITALICO Work Navi



LITALICO Career

かんたん
請求ソフト
(Billing Software)

かんたん
介護ソフト
(Nursing Care Software)



Overseas



Others



LITALICO Junior (Private)



LITALICO Wonder



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Overseas



Others



LITALICO Junior (Private)



LITALICO Wonder

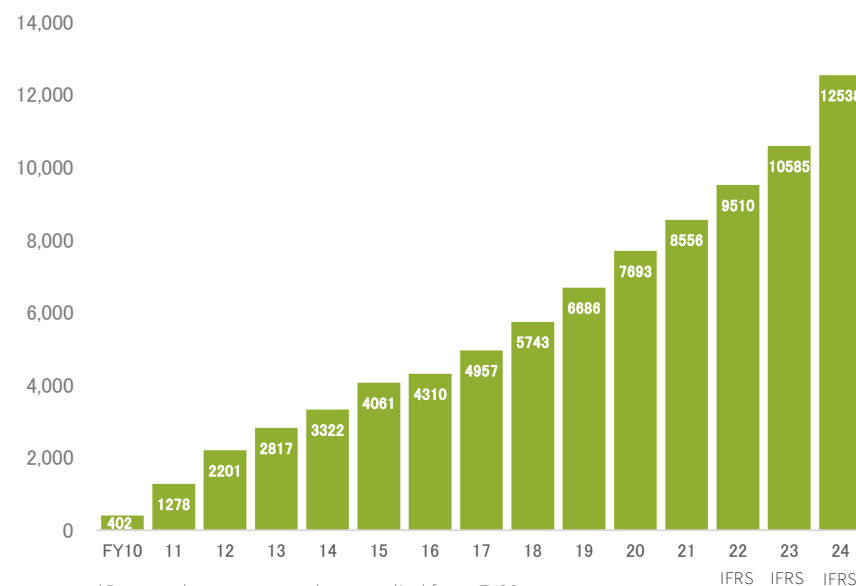




- 20 new sites were launched in FY2024 as planned.
- 161 facilities (LW: 156, HG: 5)
- 2,343 job placements in FY2024, pace remains elevated.
- Two facilities are planned to be launched in FY2025, due to a temporal restriction of number of launches, implemented in order to strengthen internal structure.
- *LW=LITALICO Works, HG=HumanGrow

Vocational Welfare Service Sales

(million yen)



*Renewed segment numbers applied from FY23

LITALICO Group Facilities



LITALICO Segments

Vocational Welfare



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(Welfare)



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Overseas



Others



LITALICO Junior (Private)



LITALICO Wonder

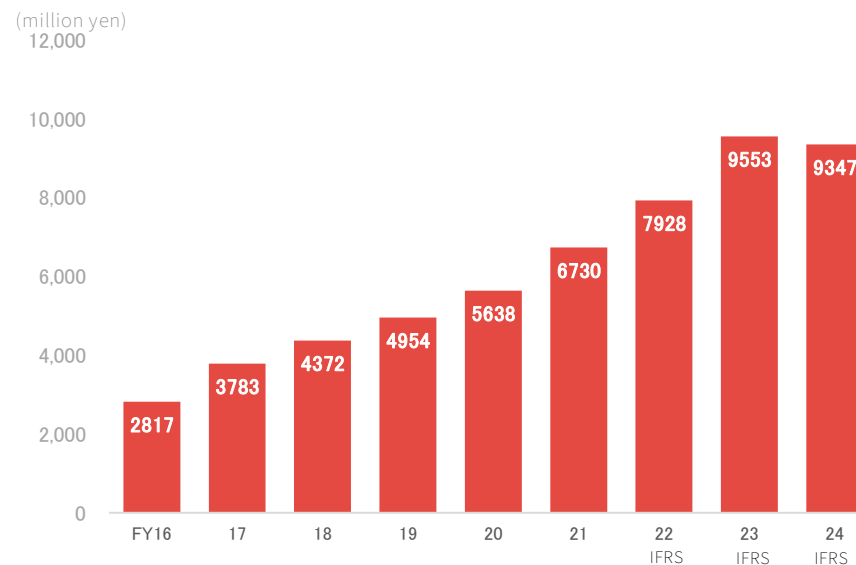




- 21 new sites were launched in FY 2024 as planned.
- 180 facilities (LJ: 167, U: 13)*
- Negative impact caused by the reimbursement revisions and decrease in facility operation rate due to change in support program are expected produce negative sales and profit.
- In FY2025, it is planned to be reverted to the former short-duration support program, focusing on private tutoring.
- 18 facilities are planned to be launched in FY2025.

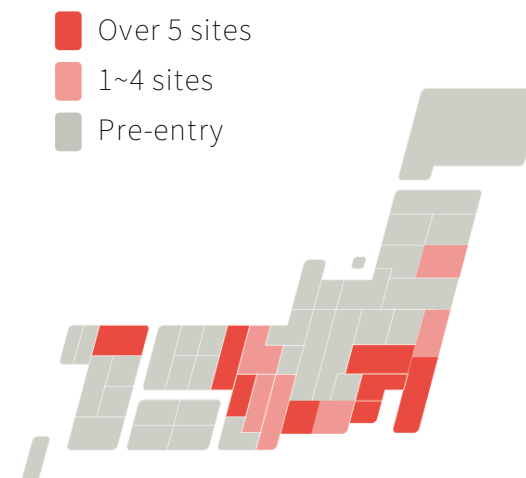
* LJ=LITALICO Junior, U=unico

Child Welfare Service Sales



*Renewed segment numbers applied from FY23

LITALICO Group Facilities



LITALICO Segments

Vocational Welfare



LITALICO Works
(Welfare)



HumanGrow

Child Welfare



LITALICO Junior
(Welfare)



Platform



LITALICO Development Navi



LITALICO Work Navi



LITALICO Career



(Billing Software)



(Nursing Care Software)



Overseas



Others



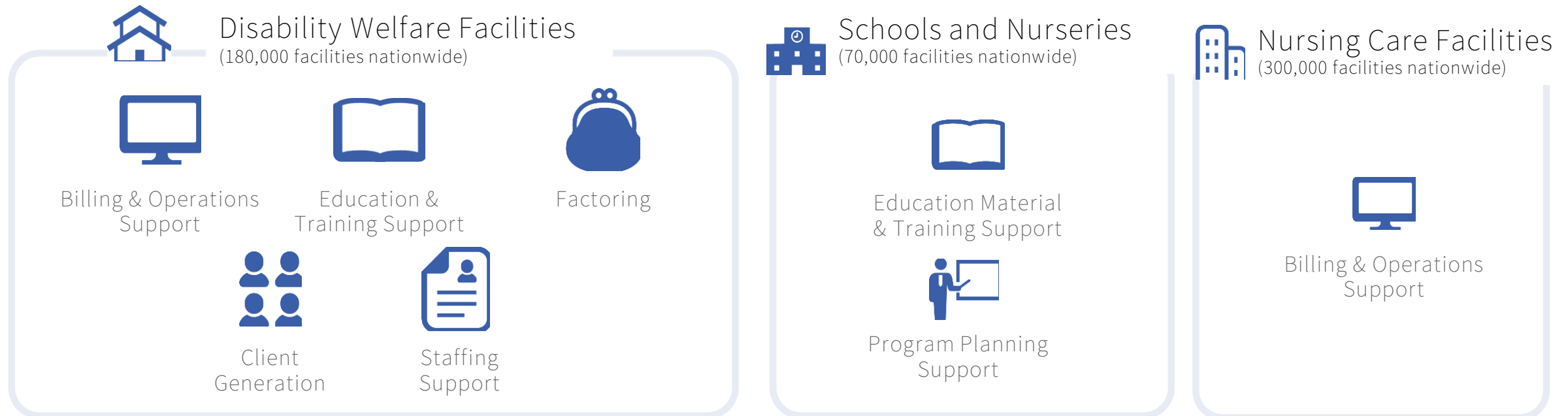
LITALICO Junior (Private)



LITALICO Wonder



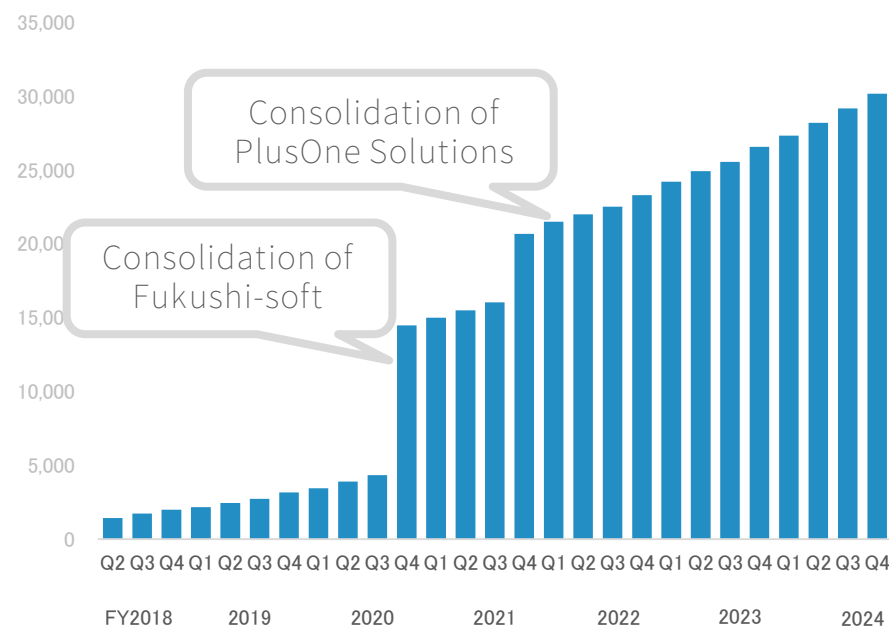
- Operates matching media for service users and providers, and provides DX support SaaS services for facilities.
- Currently operates services for disability welfare facilities, schools & nurseries, and nursing care fields.
- Conducts sequential expansion of product offerings with increasing added value.
- Contributes to industry-wide quality enhancement through various data accumulation and utilization, such as facility operation information.





- 50% increase in marketing and sales staff in Q1.
- 30,150 facilities contracted as of the end of Q4 of FY2024. Steady acquisition of new contract, despite a loss of a major client who filed for bankruptcy.
- Continuous enhancement of sales ability is planned for FY2025, in order to accelerate the acquisition pace of contracted offices.

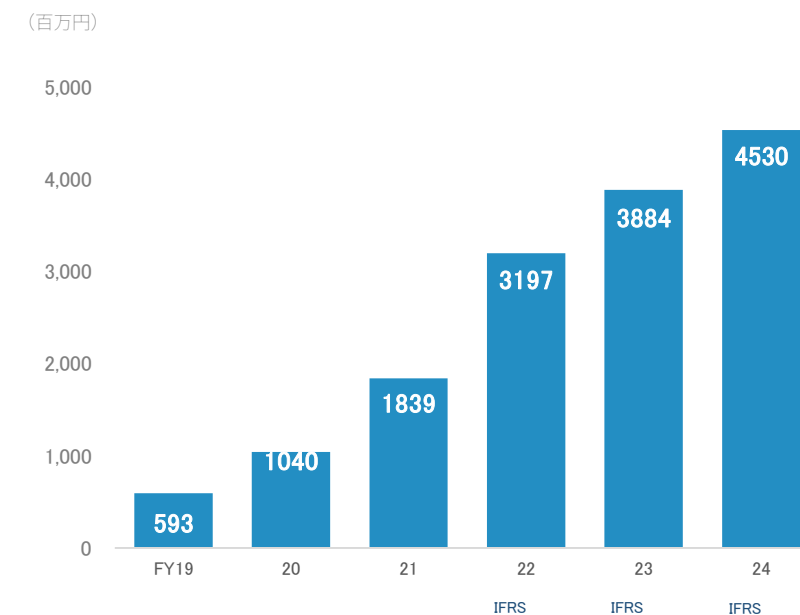
Platform Business Subscription Contracts



* fukushi-soft inc. consolidated as of Jan 2021; Plus One Solutions consolidated as of Mar 2022

* facilities using other contract formats also exist

Platform Sales



LITALICO Segments

Vocational Welfare



LITALICO Works
(Welfare)



HumanGrow

Child Welfare



LITALICO Junior
(Welfare)



Platform



LITALICO Development Navi



LITALICO Work Navi



LITALICO Career



(Billing Software)



(Nursing Care Software)



Overseas



Others



LITALICO Junior (Private)



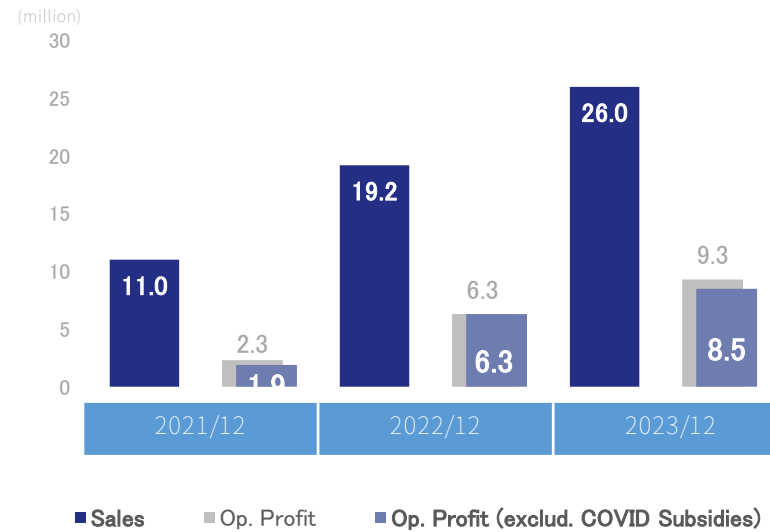
LITALICO Wonder



LITALICO's Development Policies in the U.S.

- As in Japan, it aims to provide a comprehensive B-C service for the targeted person and its family.
- In June 2024, LITALICO acquired DDCN, a service provider which has provided significant support to individuals with severe disabilities, located in Nebraska, U.S.
- The overseas business will proceed with the service expansion and strengthening service lineup for disabled persons with severe behavioral disorder.

Company Name	Developmental Disability Center of Nebraska, LLC (DDCN)
Location	Omaha, Nebraska, U.S.
Founded	2015
Employees	249 (as of March 2025)
Business	Care services for individuals with severe disabilities
Acquisition Cost of Equity	Total \$50 million (\$29.5 mln upfront, \$20.5 mln earn-out over 3 yrs)



Nebraska Facts:

- Largest city: Omaha
- Population: approx. 2 million



LITALICO Segments

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(Welfare)



HumanGrow

Child Welfare



LITALICO Junior
(Welfare)



Platform



LITALICO Development Navi



LITALICO Work Navi



LITALICO Career



(Billing Software)



(Nursing Care Software)



Overseas



Others



LITALICO Junior (Private)



LITALICO Wonder



- Increased sales by 8% YoY.



LITALICO Junior
(Private)

Development classes designed for children under 18 with special needs, open to all irrespective of disability certification. Provides intensive sessions with generous guidance. 2 facilities are opening in FY2024.



On-site and remote programming classes for children, designed to develop creativity through building games and robots.



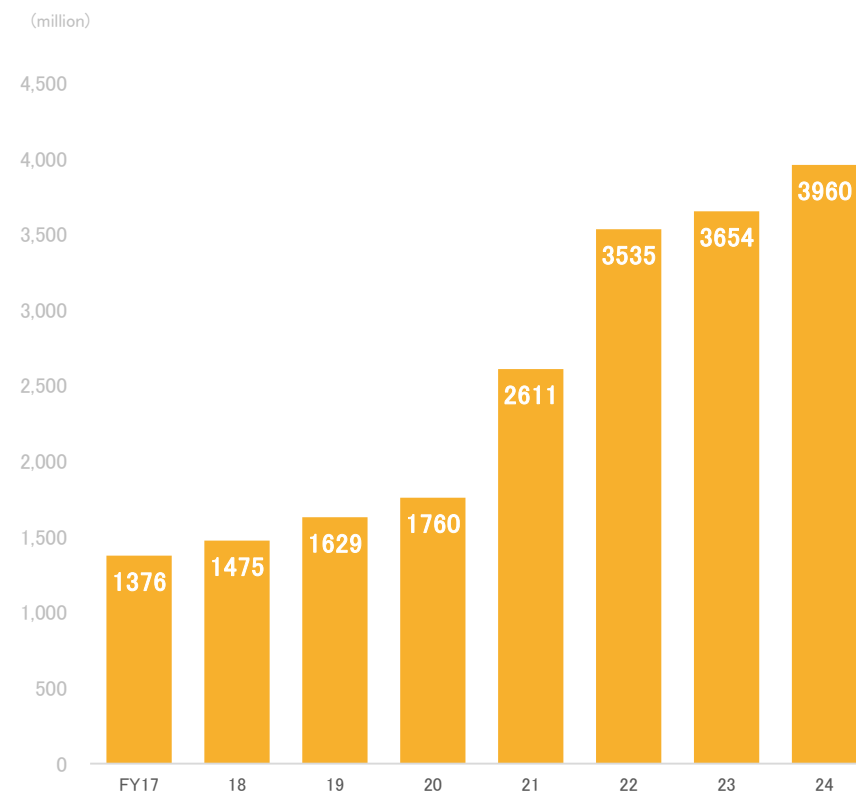
Information provision and life planning support customized to individual interests and obstacles. Online seminars and study groups.

Newly consolidated entities

Diverse companies now part of LITALICO group through M&As. Maximization of synergies to benefit service users.

- Amu
- VISIT

Others Sales



*Renewed segment numbers applied from FY23

IFRS

IFRS

IFRS



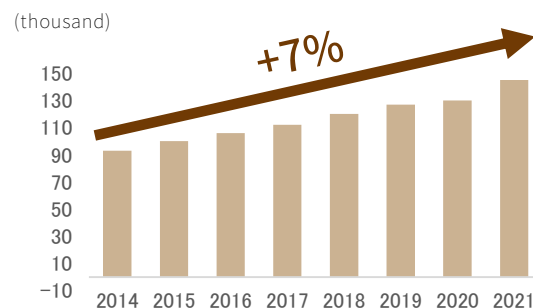
► We aim to continue business expansion to support individuals with special needs throughout their life.

- “LITALICO Residence Inogashira-koen,” a group home for individuals with severe disabilities, has opened in May 2025.
- Shortage of group homes persists especially for individuals with severe disabilities in metropolitan areas, due to reasons such as a difficulty to secure property and staffs with sufficient knowledge for providing support.

Description of Group Homes

- A disability welfare service defined by the “Services and Supports for Persons with Disability Act.”
- A home for disabled individuals to live together, by receiving living support and nursing care provided by resident care workers, in accordance with the care plans individualized for each resident.

Group Home Users



Ref.: Ministry of Health, Labour and Welfare

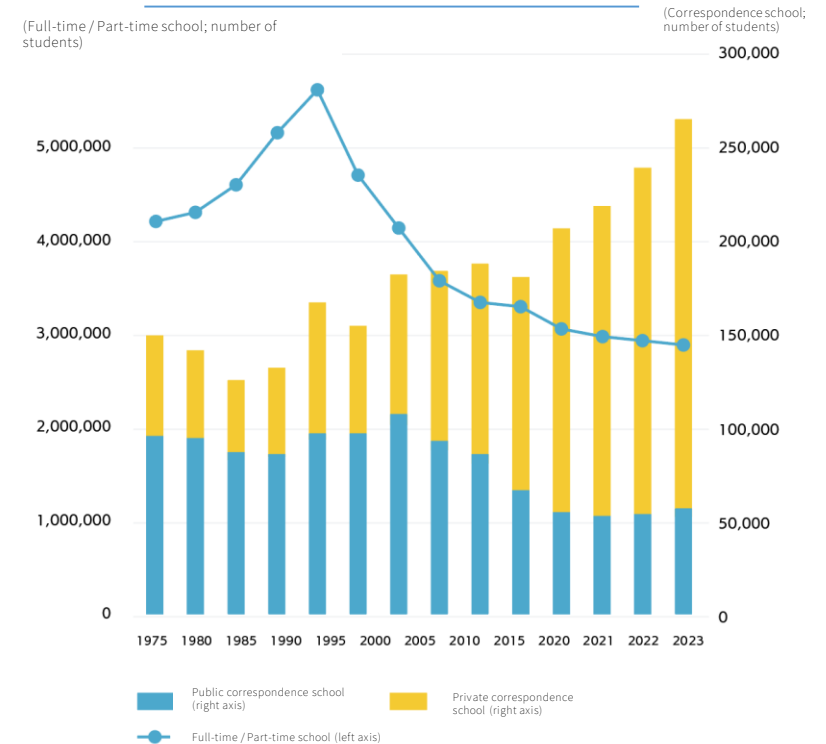


- “LITALICO High School,” a school which provides support for daily life and education/career option in accordance with each individual’s characteristics, has opened in April 2025.

LITALICO
高等学院



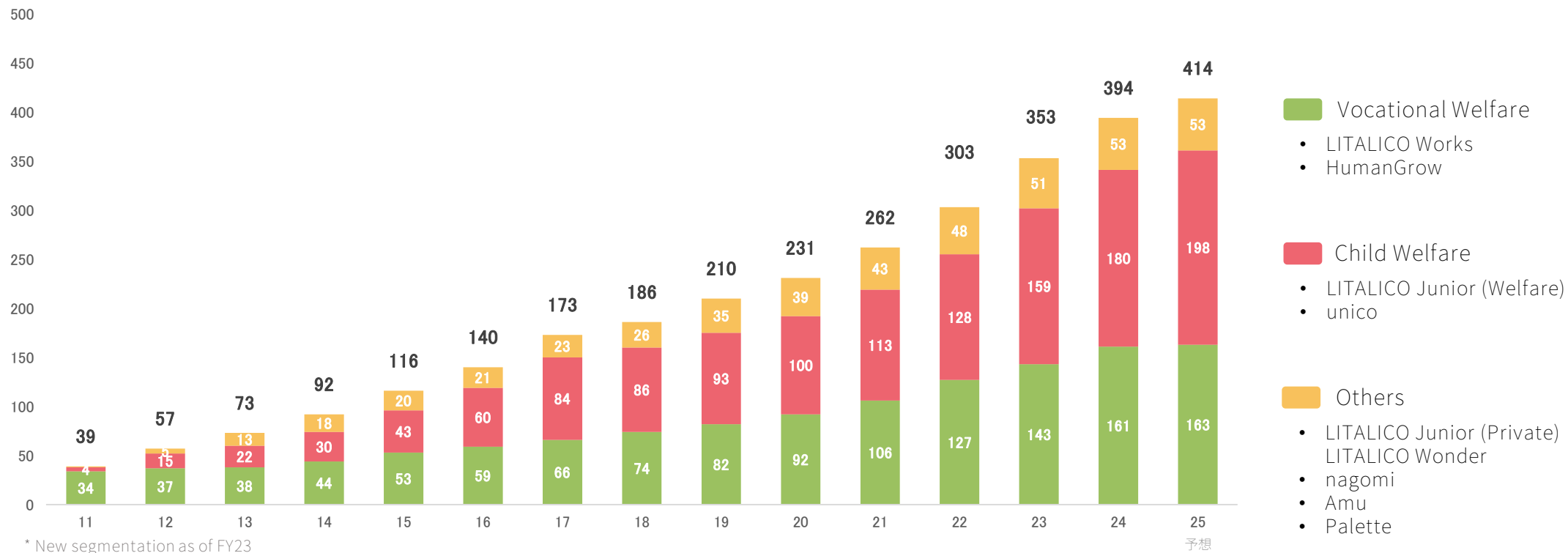
Number of students in
correspondence course high school



Ref.: Ministry of Health, Labour and Welfare

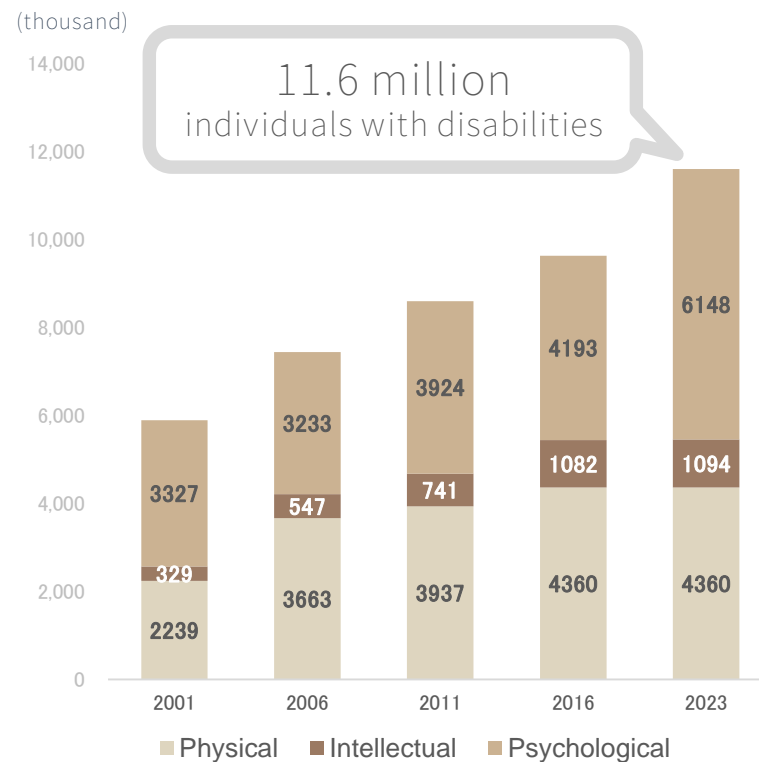
Reference Material

- Total of over 400 sites planned for FY2025.

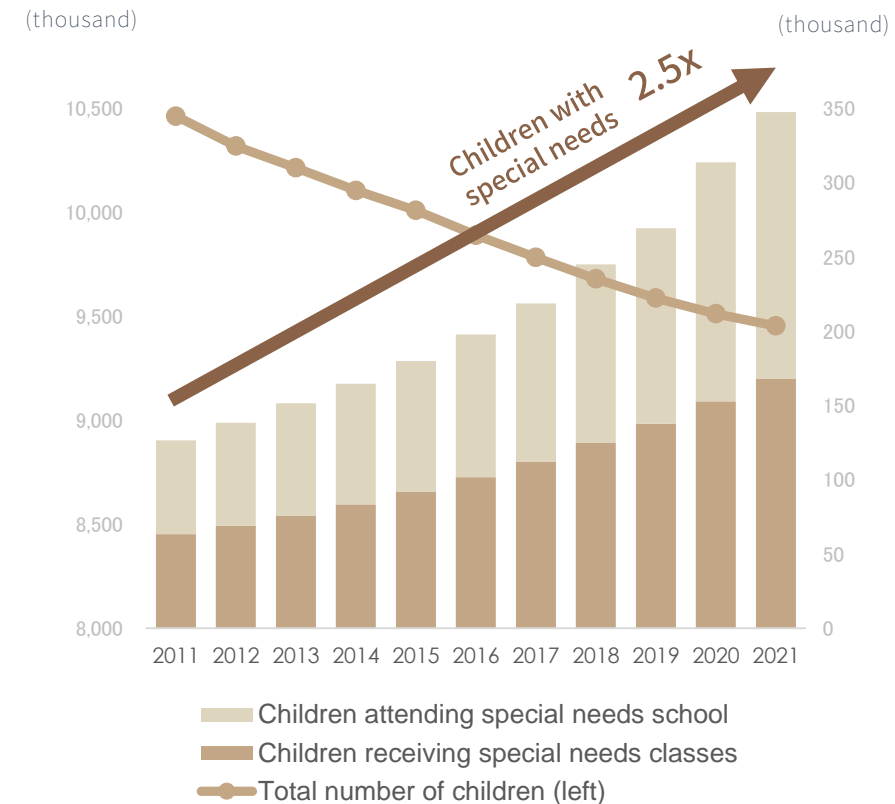


- Number of individuals with disabilities continue to increase, with more children attending special needs classes in addition to normal school

Number of All Individuals with Disabilities



Children with Developmental Disorders Receiving Special Needs Schooling (Grades 1~9)

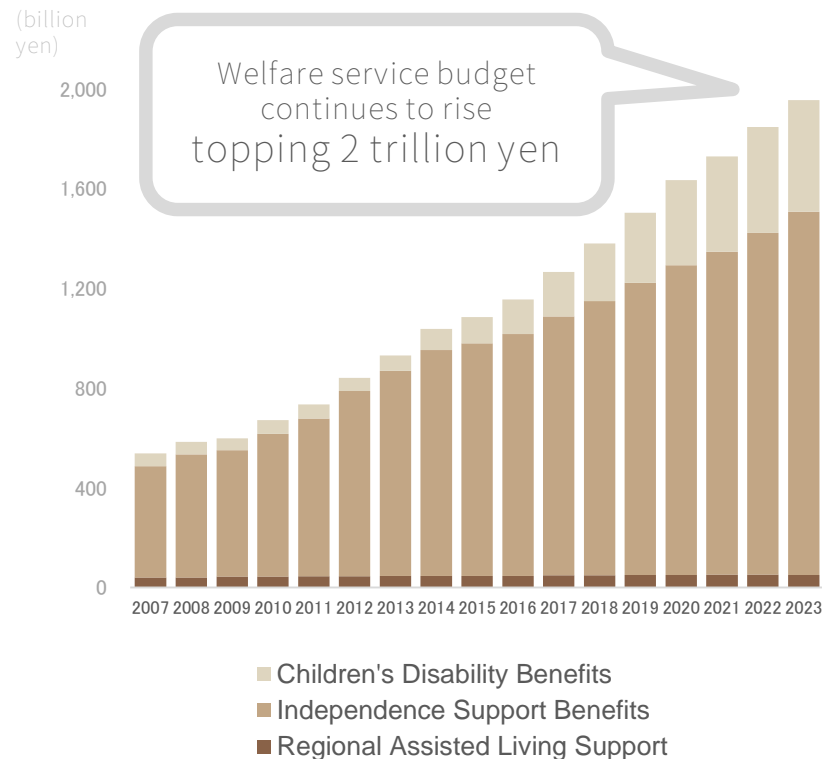


*Ref: White Paper; Cabinet Office, Government of Japan

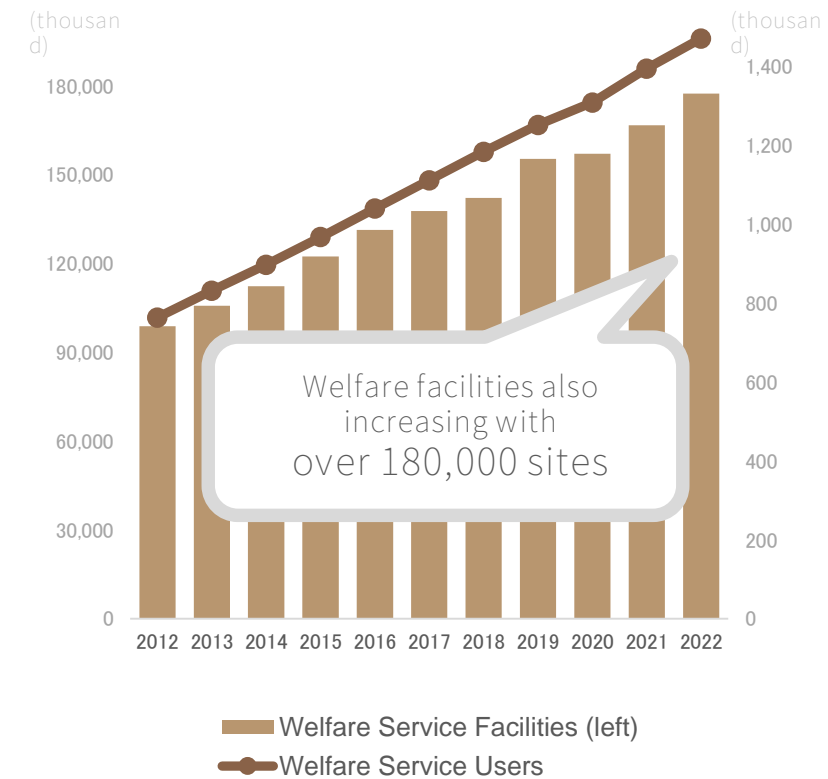
- The market size of disability welfare service and adjacent industry (medical, nursing care, etc.) is increasing yearly.

Disability Welfare Service Budget

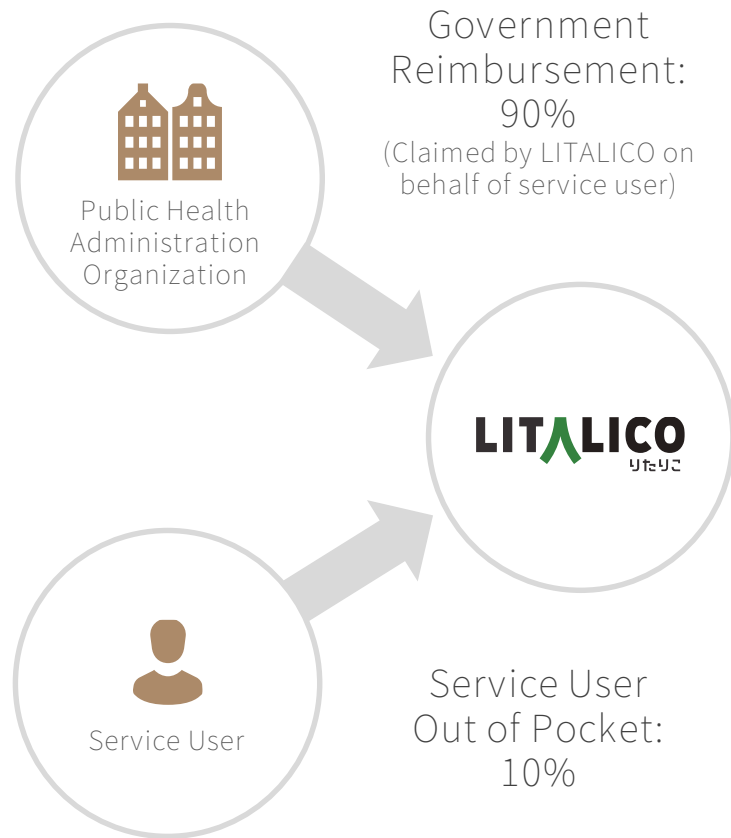
Government spending on disability welfare services, excluded fees paid by municipalities and individuals



Disability Welfare Service Users and Facilities



- 1回利用ごとの単価が設定されており、1割が自己負担、残りの9割が公費負担となっている。



LITALICO Works Pricing

Employment Transition Support

Up to 6 mths into employment

Per person; 20 person limit

1st Yr: ¥8,800 /session

2nd Yr: ¥8,800~10,000 /session

3rd Yr: ¥12,000 /session

* Pricing fluctuates each fiscal year, depending on the job retention rate

Employment Retention Support

From 6 mths to 3 yrs into employment

Per person; unlimited

¥ 20,000~30,000 /month

LITALICO Junior Pricing

Development Support Up to Pre-school

Per person; 10 person limit

¥15,000 /session

Afterschool Daycare Service Grades 1 ~12

Per person; 10 person limit

Weekday: ¥9,800 /session

Weekend : ¥11,000 /session

Daycare Visitation Service

Per person; unlimited

¥20,000 /session

* Pricing fluctuates on a monthly basis, depending on the deployment of certified staffs.

* Rates have been approximated; subject to change based on various factors such as staffing, etc.

Reimbursement Unit Price Evaluation Method

Results Based Reimbursement

Specific KPIs (such as the number of job placements) defined by the administration are used to evaluate service quality and according reimbursement amounts.

*Reimbursement structure and KPIs vary across different services.

Results Evaluation Conducted per Facility

Evaluation is conducted per site, and not at the corporate level

Reimbursement Scale Revision Every Three Years

Reimbursement scale has been revised in April 2024

▶ Almost all LITALICO Works facilities have gained the highest reimbursement scale bracket, aside from the newer sites

Vocational Training Business Example

Vocational Training Basic Reimbursement Scale

C. Job Retention Rate	D. Basic Reimbursement Units
50%+	1,210
40% ~ 49%	1,020
30% ~ 39%	879
:	:

(1 unit = approx.10 jpy)

Calculation Method

- Evaluation Period: Sum of past two years
- KPI: Number of job placements, 6 month job retention rate
- Equation: $C. \text{ Job Retention Rate} = B/A$

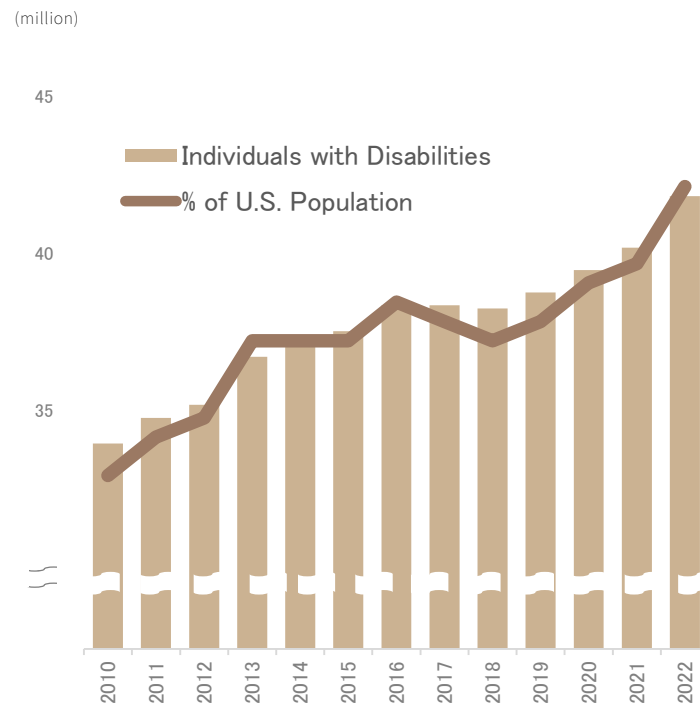
	<u>Yr 3 onwards</u>
A. # of users (2yr total):	40
B. # of users with 6month retention:	28
C. Job Retention Rate:	71%
D. Basic Reimbursement Units:	1,210

Minimum of 2 years required for new sites to reach maximum reimbursement bracket. Lower limit provision of 30~39% (879 units) bracket evaluation for sites under 2 years.

* Final service reimbursement units include additions to the above units, such as regional provisions.

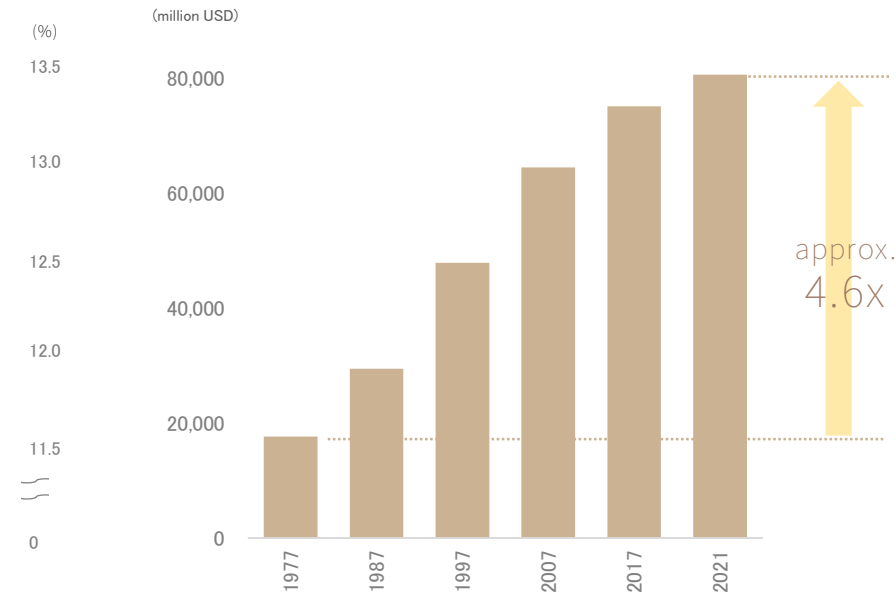
- The 2022 U.S. census estimates more than 45 million individuals with hearing, vision, cognitive, ambulatory, self-care, and independent living difficulties
- Spending on services for Intellectual or Development Disabilities (IDD) alone has continued to increase, amounting to approximately 80 billion dollars in 2021

Individuals with Disabilities in the U.S.



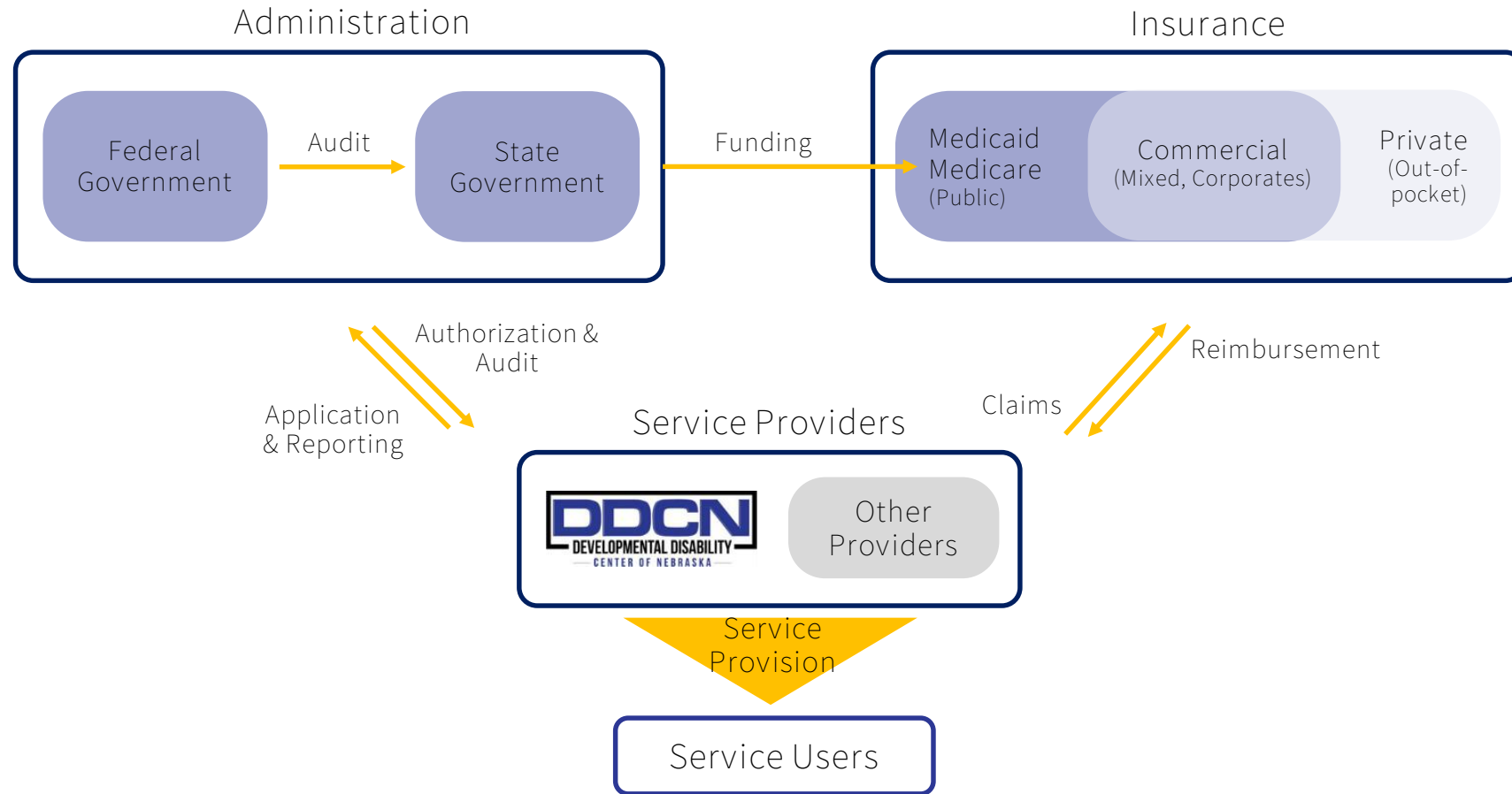
Ref : United States Census Bureau American Community Survey;
Total civilian noninstitutionalized

IDD Service Spending in the U.S.



* Ref: University of Kansas, Includes Waiver, ICF/ID & related Medicaid, non-Medicaid spending

* IDD: Intellectual and Development Disabilities



► All disability services provided by DDCN are publically funded

Vocational Training

- Job Placements : 2,343

Child Welfare

- Service Users as of the end of March 2025: 12,085

LITALICO Wonder

- Service Users as of the end of March 2025: 5,024

Number of Employee

- Vocational Welfare Segment: 1,319
- Child Welfare Segment: 1,872
- Platform Segment: 336
- Overseas Segment: 249
- Others Segment: 857

Female Employees

- Middle and Upper Management ratio: 35.0%
- Compensation vs. males: 54.6% (exclude. upper management)

NPS Scores¹ (As of March 2025)

- LITALICO Works: 13.0
- LITALICO Junior: 19.9

¹ Evaluation towards LITALICO services overall; average across all facilities

NPS: Net Promoter Score
Client loyalty index
[-100 to +100] higher the better

Employee Benefits

- Discontinuation of mandatory fixed age retirement system in order to support sustainability of long term relationships with customers
- Addition of shortened 32- and 35-hour work week system to the existing 40-hour work week to accommodate diverse working styles (currently utilized by 124 employees)
- Abolition of restrictions around maintaining multiple jobs to promote freedom in working styles, even during maternity leave (currently utilized by 523 employees)
- Advocating maternity leave for male employees (so far taken by 68% of applicable employees) to accommodate life cycles of employees
- Expansion of partnership definitions to include more diverse family structures such as common-law and same sex marriages, allowing for more employees to access family related benefits

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

As of 2025, LITALICO Inc. received an MSCI ESG Rating of AA

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