COMPANY RESEARCH AND ANALYSIS REPORT

internet infinity INC.

6545

Tokyo Stock Exchange Growth Market

28-Jan.-2026

FISCO Ltd. Analyst
Ryoji Mogi

FISCO Ltd.
https://www.fisco.co.jp

Contents

Summary

Operating profit significantly improved quarter on quarter. The likelihood of achieving full-year forecasts is high

internet infinity INC. <6545> (hereafter, also "the Company") is a healthcare solutions company providing new healthcare services both in the real world and online. In the Healthcare Solution Business, the Company conducts the Record Book Business, which manages Record Book short-time, rehabilitative ambulant care services (daycare services) to increase healthy life expectancy of the elderly; the Active Life Business, which leases and sells welfare equipment and provides home renovation services; and the DX Solution Business, which provides senior marketing support and medical solutions, support for those balancing their professional and caregiving duties, and system solutions using the care manager network constructed through Care Management Online, the Company's dedicated care manager portal site. Meanwhile, in the Home-Centered Service Business, the Company provides various long-term care insurance services for elderly people living at home.

1. 1H FY3/26 results summary

In the 1H FY3/26 consolidated results, net sales increased 12.5% year on year (YoY) to ¥2,946mn, operating profit decreased 9.2% to ¥203mn, ordinary profit increased 1.5% to ¥231mn, and profit attributable to owners of parent decreased 5.4% to ¥135mn. Although net sales increased due to the group integration effects of SAINT-WORKS CORPORATION, one-time expenses recorded in 1Q pushed down earnings, resulting in a decrease in operating profit compared to the same period of the previous fiscal year. However, focusing on quarterly trends, operating profit in 2Q significantly improved quarter on quarter. In the Record Book Business, both directly-managed and franchise facilities are maintaining a high operating rate, and the business continues to achieve steady growth. In the Active Life Business, while the existing businesses of FULLCARE CO., LTD and Kankeisha Inc. are progressing steadily, Seikougiken Inc. is seeing both net sales and expenses decrease due to structural reforms. At the same time, however, the deficit is improving as the effects of cost reductions take hold. The DX Solutions Business was redefined as a new business area following the integration of SAINT-WORKS' business. Riding the wave of a legal amendment , the number of companies utilizing support for those balancing their professional and caregiving duties is increasing. The Company is generally progressing in line with its plan with respect to its full-year outlook as well.

2. FY3/26 results outlook

For the FY3/26 consolidated results, the Company forecasts increases of 16.4% YoY in net sales to ¥6,007mn, 32.4% in operating profit to ¥530mn, 30.0% in ordinary profit to ¥534mn, and 21.6% in profit attributable to owners of parent to ¥310mn. The Company projects double-digit growth YoY across each line of profit, along with gains in profitability indicators such as ROE and EPS. Again in FY3/26, the Company plans to implement growth measures that include aggressive M&A and new investment, while continuing to make steady progress in laying the groundwork for future business expansion. In addition, reductions of certain costs driven by operational streamlining, which is helping to underpin profit growth. Although one-time expenses were incurred ahead of schedule in 1Q, profit improved in 2Q, and progress is being made in line with the full-year plan. Each segment is generally maintaining a steady trend of increased net sales, with the DX Solutions Business in particular achieving significant net sales growth due to the group integration of SAINT-WORKS. The progress rate toward the full-year forecast is by and large according to plan, and FISCO considers the likelihood of achieving the full-year forecast to be high.

3. Medium-term management policies

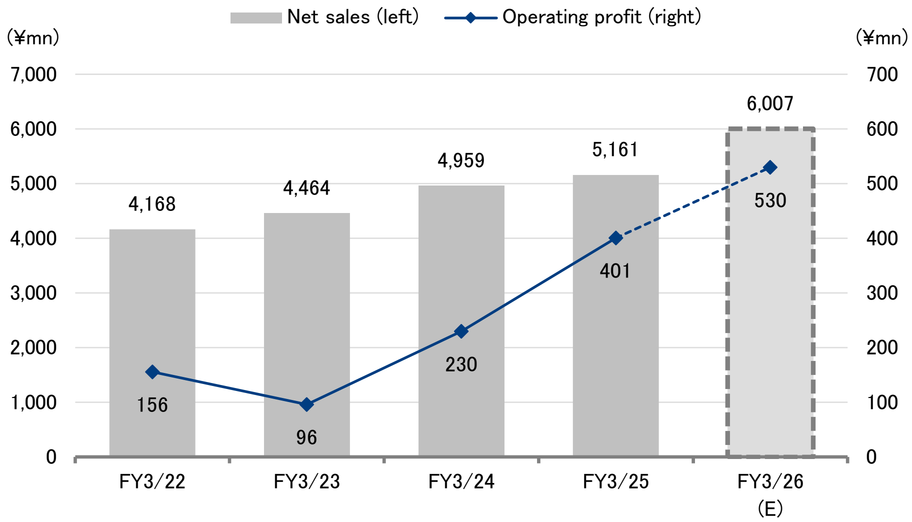
The Company's medium-term management policy is to accelerate the speed of growth by making focused investments in the creation of new businesses using cash generated through the growth of existing businesses, including the Record Book Business. Under its vision of "Creating a healthy future with in-person services and technology," the Company regards solving the problems* of a super-aged society as an important mission, and is focusing on using technology to enhance the competitiveness of existing businesses and create new ones. Specifically, the Company is promoting DX solutions that enable comprehensive management support for medium-sized care facility operators. In this way, the Company will raise the competitiveness and profitability of its existing businesses while also accelerating the growth of business results and further enhancing corporate value. In addition to this, it will continue to focus on building a stable earnings base that is not easily affected by the external environment. Its plan is to make its earnings base more diverse by creating new in-house businesses that are not covered by long-term care insurance, as well as to proactively consider M&A in areas that can contribute to existing business growth. As a result of these efforts, the Company is targeting, in the final year of the plan period (FY3/29), net sales of ¥8,045mn, operating profit of ¥1,275mn, profit attributable to owners of parent of ¥750mn, ROE of 24.5%, an operating profit margin of 15.8%, and EPS of ¥138.

* Refers to the 2025 problem: a sharp increase in social security expenses that is expected as the baby boomer generation reaches the ages of 75 and above; and the 2040 problem: the proportion of the population that is elderly will peak, leading to an acute worsening of nursing care human resource shortages.

Key Points

- A healthcare solutions company that provides new healthcare services both in the real world and online
- Results are steadily growing, backed by a favorable business environment; likelihood of achieving full-year forecasts is high
- Expecting dramatic growth driven by DX solutions centered on SAINT-WORKS

Results trends



Source: Prepared by FISCO from the Company's financial results

Company summary

A healthcare solutions company that provides new healthcare services both in the real world and online

The Company is a healthcare solutions company that provides new healthcare services both in the real world and online. Based on the corporate slogan of "A Healthy Future," its mission is "to provide solutions to issues that a super-aged society faces, through innovation and an appetite for challenges," and toward this, it conducts the Healthcare Solution Business and the Home-Centered Service Business.

A feature of the Company is that it is utilizing its existing assets, of real-world facilities and the Care Management Online portal site, to actively launch peripheral businesses. Recently, the Company has been utilizing M&A to expand its business scope. Through this, it is stabilizing the earnings base and realizing a business structure that is not easily affected by the external environment. Another of its features is that it is building business models that can effectively generate profits. Within the Healthcare Solution Business, the strategy for the Record Book Business is to increase franchise facilities that have high profit margins, while in addition, the profit margin is relatively high in the DX Solution Business.

The Company was established by Representative Director Keiichi Beck in May 2001 as internet infinity Ltd. in order to conduct a systems integration business. After around a year had passed from the Company's establishment, it was conducting a business system construction project for a client in the eldercare industry, and during this time, it became aware of the enormous business opportunities in this industry. Therefore, in October 2002, the Company established the home-visit eldercare business office and launched an eldercare-related business. Then in August 2005, it opened Care Management Online, its dedicated care manager portal site, and started a senior marketing support business as a new business. Subsequently in October 2011, it opened Record Book Nihonbashi and started the Record Book Business, which consists of short-time, rehabilitation daycare services, and then started developing Record Book franchise operations in March 2014. In April 2021, it made a subsidiary of FULLCARE CO., LTD., which rents and sells welfare equipment and conducts a residential renovation business for the elderly, and also in December of the same year, it established Kankeisha to progress the company split, including the Home-Centered Service Business. In April 2022, Kankeisha succeeded the Home-Centered Service Business and other businesses through a company split. In FY3/23, the Company aggressively expanded its business portfolio, including the acquisition of Seikougiken and two residential-type fee-charging homes for the elderly (Fleur Garden Ichihara and Fleur Garden Sagamihara). In April 2024, the Record Book Business was transferred to the Company's consolidated subsidiary, Record Book Inc., to promote the delegation of decision-making authority and accelerate the expansion of its store network. Most recently, the Company made SAINT-WORKS, which develops and sells systems tailored to the healthcare sector, a wholly-owned subsidiary upon acquisition of its shares in April 2025.

In relation to shares, the Company was listed on the Tokyo Stock Exchange (TSE) Mothers Market in March 2017, and then its listing was transferred to the Growth Market in April 2022 following the TSE's reorganization of its market categories.

History

Date	Summary
May 2001	internet infinity Ltd. was established in Sumida Ward, Tokyo, to conduct a systems integration business
October 2002	Opened Clover Carestation (home-visit eldercare) in Chuo Ward, Tokyo, and launched an eldercare business
June 2003	Opened the Residential Eldercare Support Center Himawari (care plans, rentals and sales of welfare equipment), in Chuo Ward, Tokyo
July 2004	Changed the organization from a limited company to a stock company
March 2005	Opened Clover Day Services (a daycare-type eldercare facility) in Narashino City, Chiba Prefecture
August 2005	Opened Care Management Online, a dedicated care manager portal site, and launched a senior marketing support business as a new business
December 2009	Acquired the shares and made a subsidiary of Aikea Co., Ltd., which conducts referrals for medical specialist human resources and manages introductions to fee-charging homes for the elderly
July 2010	Launched Wakarukaigo, an eldercare consultation service for individuals to consult with a specialist about eldercare
January 2011	Launched “Wakarukaigo Biz” which is a service to support for people both working and providing eldercare, as a welfare service for company employees
October 2011	Opened Record Book Nihonbashi in Chuo Ward, Tokyo, and launched the Record Book Business, of short-time, rehabilitation daycare services
March 2014	Started Record Book franchise operations
March 2017	Listed on the TSE Mothers Market
July 2017	Added the Wakaru Dementia service specializing in dementia support and the Wakarukaigo Consultation Center service that enables face-to-face consultations on eldercare, to the “Wakarukaigo Biz” which is a service to support for people both working and providing eldercare
April 2021	Acquired the shares and made a subsidiary of FULLCARE CO., Ltd. (currently a consolidated subsidiary), which rents and sells welfare equipment and conducts a home renovation business for the elderly
December 2021	Established Kankeisha Inc. (currently a consolidated subsidiary) in order to progress the company split of the Home-Centered Service Business
April 2022	Kankeisha succeeded the Home-Centered Service Business through a company split The Company’s listing was transferred to the TSE Growth Market following the TSE’s reorganization of its market categories
October 2022	Acquired 100% stake in Seikougiken, which mainly provides home renovation services, and made it a subsidiary
December 2022	Kankeisha succeeded Home-Centered Service Business and other businesses through company split
April 2024	Record Book Inc. succeeded the Record Book Business as a fully-owned subsidiary through a company split (simplified absorption-type)
April 2025	Acquired 100% stake in SAINT-WORKS CORPORATION (currently a consolidated subsidiary), which develops and sells systems tailored to the healthcare sector, and made it a subsidiary

Source: Prepared by FISCO from the Company’s securities report

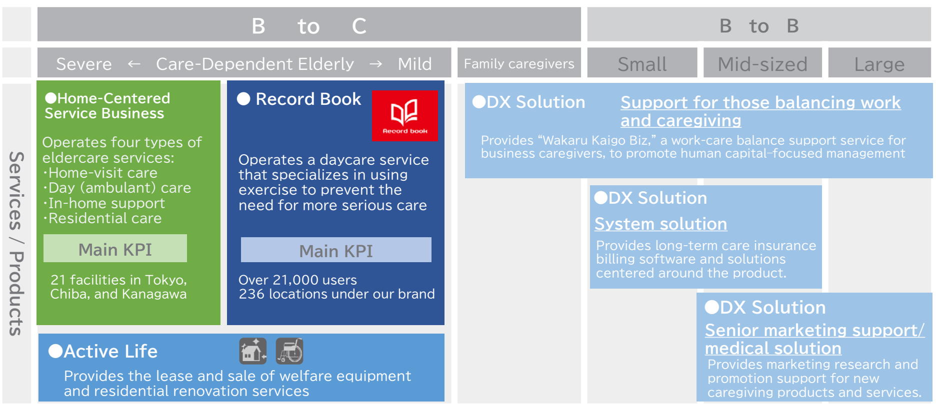
Business summary

Conducts the Healthcare Solution Business and the Home-Centered Service Business

The Company operates the Healthcare Solution Business and the Home-Centered Service Business with the aim of creating a healthy future targeting a wide range of customers through both B2C and B2B channels in the two areas of physical facilities and the internet and technology with a view to resolving issues such as ballooning social security costs, medical and nursing care human resource shortages, and labor shortages. In the Healthcare Solution Business, the Company conducts the Record Book Business, which manages Record Book short-time, rehabilitation daycare services to increase healthy life expectancy of the elderly; the Active Life Business, which leases and sells welfare equipment and provides home renovation services; and the DX Solution Business, which provides senior marketing support, support for those balancing their professional and caregiving duties, system solutions, and other such services using the care manager network constructed through Care Management Online, the Company's dedicated care manager portal site. Conversely, in the Home-Centered Service Business, it provides various long-term care insurance services for elderly people living at home.

In the percentages of net sales at the end of 1H FY3/26, the Record Book Business provided 32.3%, the Active Life Business 21.7%, the DX Solution Business 18.0%, and the Home-Centered Service Business 28.0%.

Business areas



Source: The Company's "Business Plan and Items relating to Growth Potential"

1. Healthcare Solution Business

To solve the issues facing Japan's super-aged society, the Company utilizes the platform comprised of the Record Book facilities network, the care manager network, and eldercare consultation data, etc. to prolong healthy life expectancy, to establish living environments for the elderly, to establish and share information on eldercare facilities, and to support marketing for the senior market, and thereby to support people to both work and provide eldercare.

(1) Record Book Business

Targeting the elderly certified as requiring eldercare and those certified as requiring assistance and with the aim of maintaining, recovering, and improving their physical functions, the Company manages Record Book short-time, rehabilitation daycare services. As of the end of 1H FY3/26, the Company had 23 directly-managed facilities and 194 franchise facilities, while Meitetsu Life Support Co., Ltd., a joint venture with Nagoya Railroad Co., Ltd. <9048>, was managing 20 Meitetsu Record Book facilities, mainly in Aichi Prefecture. The total number of facilities was 237, which was 1 more than at the end of FY3/25.

The features of Record Book facilities include “spaces that do not feel like eldercare spaces” that instead look like fitness clubs or dance studios, “professional exercise guidance” that incorporates fully fledged exercise programs based on scientific evidence, and “hospitality” aiming for active communication by creating lively spaces that are full of warm hospitality. They are rehabilitation daycare service facilities that deviate from the image that eldercare facilities have had up to the present time. Users have high levels of satisfaction with the enhanced service content, including Record Book’s proprietary exercise program that does not use machines and setting aside tea times, and the continuous membership rate is high.

The Company actively utilizes the data collected through this business for the Record Book programs. In April 2022, it developed jointly with LiveSmart KK, a walking-analysis application that utilizes Record Book data and AI, and is deploying a service using it at Record Book directly-managed facilities. The app takes a picture of TUG measurements* and automatically analyzes and evaluates items such as the walking score and balance score, and creates a report. It then proposes advice and recommends programs based on the measurement results. Other than this, the Company is developing solutions that utilize AI and IoT to extend healthy life expectancy, including the joint development of another exercise program with the University of Tsukuba. Going forward, the Company plans to continue harnessing data and AI to increase competitiveness. Specifically, the Company plans to provide exercise programs optimized for each user based on data and develop new services that can help prevent falls, and is currently making steady progress on accumulating various types of data.

* TUG (Timed Up and Go) measurements are an indicator used worldwide as a test to comprehensively judge aspects such as walking ability, dynamic balance, and agility. It is generally adopted as a useful test for the elderly who have a high risk of falling.

Record Book targets the elderly certified as requiring a light level of eldercare (level 1 or 2 support, or level 1 or 2 long-term care) for whom self-determination is possible, and it has few competitors and has acquired competitive advantages. Compared to the number of subjects targeted by rehabilitation daycare services facilities to which Record Book belongs, there are few facilities for them, and the market has room to grow and there are many potential new users, so this business is expected to further expand. Also, as the Company targets the elderly certified as requiring light eldercare, it can sell products and provide other services within its facilities. In November 2023, Record Book nationwide launched sales of training puzzles for seniors jointly developed with Plaza Create Co., Ltd. In addition to the directly-managed facilities, Record Book has been developing franchise operations since 2014, and the royalty income from franchise members is a stable source of revenue (recurring revenue).

(2) Active Life Business

Through its subsidiaries FULLCARE, Kankeisha, and Seikougiken, the Company provides the lease and sale of welfare equipment, residential modification, and home renovation services. These businesses are directly linked to improving the living environment for elderly people and have a high degree of compatibility with Japan's long-term care insurance system, making them a stable and highly socially significant source of net sales. In the welfare equipment leasing and sales business, welfare equipment professional advisors carefully ascertain the needs of elderly individuals and their families to lease and sell equipment that helps maintain and improve daily living functions and reduce the burden of eldercare. Similarly, in the residential renovation business, professional advisors propose improvements to the living environment based on users' daily living pathways and physical condition, and associated construction work is carried out. As both of these areas are covered by Japan's long-term care insurance system, demand based on that system is expected to remain stable. In addition, in the home renovation business, while these services are not covered by Japan's long-term care insurance system, the Company provides the renovation and remodeling of living spaces for individual users, and is expanding its business areas into the general residential market.

(3) DX Solution Business

a) Senior marketing support business

The Company supports client companies in marketing research, promotions, and other areas by leveraging the network of care managers registered on Care Management Online to conduct qualitative and quantitative surveys through questionnaires and other methods, as well as to sample elderly individuals requiring long-term care. Care Management Online is a portal site that aims to support the work of care managers. It provides the latest information relating to eldercare, including information on the amended Long-Term Care Insurance Act, also tools, manuals, and other items they need for work, and it has become established as an indispensable tool for care managers' work. Ongoing efforts to enhance content have led to a steady increase in membership, with over 100,000 care managers now registered. The Company plans to continue making the portal site more attractive to care managers and enhance its appeal as a platform. Also, the Company started engaging in upstream processes in the value chain in order to raise the added value of the services it provides, and is focused on improving unit prices and profitability. Specifically, it has launched a consulting service that supports customers from the research and product development stage, including the design and testing of products. By adding upstream consulting services to its existing lineup of services, the Company is able to provide customers with wide-ranging support. The Company reaches approximately 3.96 million elderly households nationwide through care manager members of Care Management Online and utilizes this network to support client companies' marketing efforts. It has a proven track record with numerous clients, including a major food manufacturer.

b) Support for those balancing their professional and caregiving duties

The number of people providing eldercare while still working is increasing, and in this situation, the number of people having to leave or change their job in order to provide eldercare is also rising. In this sort of situation, the Company is providing welfare service packages* to its customer companies' employees to support them being able to continue working while also providing eldercare. In FY3/25, the number of companies using the Company's services grew steadily, including five companies of the Hitachi Group, ITOCHU Human Resources & General Affairs Services Inc., TOKYO GAS NETWORK Co., Ltd., Inabata <8098>, Nippon Computer Sales Co., Ltd., HIKARI ALPHAX INC., OOHIRO CO., LTD., and Chuo-Nittochi Group Co., Ltd. As of the end of 1H FY3/26, approximately 265 companies had introduced the services, with 2.36 million members. Interest is rising in companies' initiatives for ESG and SDGs, and in this situation, at FISCO we think that the number of companies considering introducing these services in order to improve the lives and the satisfaction levels of their employees is increasing. Additionally, the Ministry of Health, Labour and Welfare amended the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members in May 2024 with the aim of preventing people from quitting their jobs due to nursing care responsibilities. Accordingly, all companies are obligated to inform their employees about support systems for balancing work and caregiving and to establish suitable employment environments, including providing workers with training, effective from April 2025. Under this government policy, the Company has been encountering a steadily increasing number of inquiries from customers regarding such services. As such, the Company has launched its new Wakarukaigo Biz Light service for SMEs, predicated on the legal amendment mentioned above.

* Specifically, it holds eldercare seminars, etc., manages an eldercare information website, and has an eldercare concierge service (introductions of care managers by telephone or e-mail, introductions of eldercare facilities, long-term care insurance filing service, etc.).

c) Medical solutions

The Company operates marketing support services for medicinal pharmaceuticals that provide market data, such as on disease awareness and usage conditions, to pharmaceutical manufacturers and medical device manufacturers. It utilizes a network of care managers registered on Care Management Online to conduct online questionnaires of its care-manager members who specialize in the medical area and to develop education contents on Care Management Online. The outlook for the external environment around the business is also good, and the current steady level of new orders is expected to contribute to further earnings. The Pharmaceutical and Medical Device Act, which was enacted to improve public health and hygiene—namely, to protect lives by maintaining the health of the population—by ensuring the quality, efficacy, and safety of pharmaceuticals, is tightening regulations on online advertising. As the Company's business model allows it to approach a real-world asset—care managers registered on Care Management Online—the relative superiority of its service is expected to increase. In a similar approach to which it is using for senior marketing support, it is focusing on improving unit prices and profitability by getting involved in upstream processes in customer value chains.

d) System solutions

Through its subsidiary SAINT-WORKS, the Company develops and sells systems primarily targeting small and medium-sized care facility operators. Such systems include SuisuiRemon long-term care billing software that facilitates revenue tracking, accounts receivable, and integrated management of multiple business offices. In addition, the Company provides on-site support tailored to the healthcare sector with services such as outsourced invoice and receipt mailing preparation as well as sales and leasing of IT device solutions for operating eldercare business offices. While also advancing collaboration with other companies' software, the Company comprehensively offers operational streamlining and management support for eldercare service providers, functioning as a service that goes beyond simple system sales and development to support overall business operation. This is its defining characteristic. It also offers work-life balance consulting services that facilitate creation of corporate cultures that provide job satisfaction and supportive atmospheres through training programs, instructor dispatch, and other such solutions. In the eldercare industry, labor shortages and increasing workloads are posing structural issues, resulting in strong demand for IT solutions that contribute to higher productivity. By combining systems and management support, the Company offers a value proposition that links directly to customer-side management improvements, tying this into long-term relationship-building.

2. Home-Centered Service Business

Targeting the elderly with medium- to high-level nursing care needs, this business provides a range of long-term care insurance services. Also, the Wakarukaigo Consultation Center provides various types of consultations and support services related to eldercare. The Company leverages the know-how related to eldercare care that it has cultivated over more than 20 years since its founding to engineer differentiation from competing companies.

(1) In-home eldercare support services

Care managers with specialist knowledge create an eldercare support plan (care plan) that incorporates the necessary types and content of eldercare services depending on the wishes of users and their families. Then, they coordinate and conduct adjustments with the providers of the eldercare services and provide support so that the users can smoothly receive the eldercare services. At the end of 1H FY3/26, it was managing eight business offices.

(2) Home-visit eldercare services

Specialist home-visit eldercare nurses (home helpers) visit the homes of the elderly who require eldercare and assistance and provide them with eldercare, such as for bathing, going to the toilet, and eating. They also support their daily living activities, including cleaning, changing clothes, and shopping. At the end of 1H FY3/26, it was managing five business offices.

(3) Ambulant care services (Day services)

Targeting the elderly who require eldercare and assistance, this business provides eldercare services at day service centers, such as support for bathing, going to the toilet, and eating, and other support for daily living activities. It also provides support services for the elderly's independence, including functional training and recreation activities. At the end of 1H FY3/26, it was managing six business offices.

(4) Facility care services

In December 2022, consolidated subsidiary Kankeisha acquired residential-type fee-charging homes for the elderly and other operations by business transfer to move into the facility care business. As a result, it can provide services that help users at every stage of eldercare extend their healthy life expectancy. At the end of 1H FY3/26, it was managing two facilities.

3. DX solution concept centered on SAINT-WORKS

FISCO believes that the growth strategies are now significantly more feasible given that the previously abstract DX solutions concept outlined in the medium-term management plan has become more tangible as a result of the addition of SAINT-WORKS through an M&A in April 2025. Thus far, the Company has been promoting its Record Book Business with a primary focus on addressing Japan's 2025 problem of strain on social security costs associated with Japan's rising late-stage elderly population. Going forward, however, Japan's 2040 problem of nursing care human resource shortages and the improvement of productivity will take on greater seriousness.

Viewing this problem as both a medium- to long-term management risk and a new growth opportunity, the Company has positioned its DX Solutions Business. which focuses on operational streamlining through DX for medium-sized care facility operators and especially on the reduction of non-core operations, as a core element of its medium-term management plan. Streamlining non-core operations is an effective means of significantly improving on-site management and simultaneously achieving the mitigation of the burden at eldercare workplaces and the ensuring of service quality.

Japan's 2040 problem is recognized as a structural issue in which the population aged 65 and over will reach its peak, resulting in a further increase in demand for eldercare and medical services, while the working-age population will shrink, leading to a shortage of eldercare personnel. In eldercare workplaces, securing personnel is already difficult, creating increased workloads per employee. It is expected that more facility operators will find it challenging to maintain their service provision systems going forward. What is required in such an environment is the securing of human resources plus operational streamlining for maintaining services with a limited workforce. In particular, the reduction of non-core operations is crucial. While current measures lean towards core areas such as physical care and functional training, in reality, the burden of non-core operations, including document preparation, user management, and billing processing, is what truly tends to impact the quality of operations overall. Based on the Company's own experience in eldercare facility operation, there is a strong recognition that streamlining non-core operations links directly to the resolution of on-site issues.

In eldercare workplaces, although numerous systems have been introduced, each system is in a fragmented state, and data linkage is insufficient. This is posing a factor that complicates operations. The Company determined that it would be the most efficient to use highly adopted "billing software" that handles the core of operations as the starting point for integration. In particular, medium-sized care facility operators face structural challenges given that they need to manage multiple locations and services, but are unable to secure sufficient full-time staff, creating a situation where the proliferation of SaaS solutions ends up increasing the operational burden rather than the other way around. For that reason, this area can be called the one where the effects of operational improvements through DX are the greatest, and where needs on the facility operator side are high as well.

In this context, the reason the Company acquired SAINT-WORKS lies in the existence of SuisuiRemon, billing software that has strong advantages for medium-sized care facility operators. SuisuiRemon is equipped with functions that include managing information and figures, credit, and performance across multiple locations. It offers a high degree of compatibility as a core system in the Company's DX solutions concept. In addition, SAINT-WORKS has a customer base among medium-sized care facility operators and meets the requirements necessary for the DX solutions that the Company is aiming for, namely, being billing software and having advantages for medium-sized care facility operators. This will enable the fusion of the Company Group's know-how in eldercare facility operation and its systems, and is expected to yield an improvement in productivity by greatly reducing non-core operations.

The overall vision for its DX Solutions Business that the Company is aiming for is moving towards integrating a system group centered on SuisuiRemon with various external services in order to reduce non-core operations through the utilization of AI agents and the standardization of operations. Currently, DX in the eldercare industry is lagging behind general companies, and API integration with various SaaS has not sufficiently progressed either. Therefore, the Company's policy is to first bolster API integration with various SaaS, including that for accounting, human resources, and work attendance management, and engineer operational automation and streamlining in areas where possible. On the other hand, for operations that are difficult to fully automate with APIs, the Company will adopt a strategy of comprehensively supplementing them with BPaaS, thereby establishing a system that mitigates the on-site burden from multiple perspectives. This will enable eldercare workplaces to shift to an environment where they can focus on core operations that lead to the improvement of quality, including user support. In the future, the Company plans on building a comprehensive management support platform for medium-sized care facility operators, with SuisuiRemon as the starting point, through M&A and expansion of service areas. Its system integration strategy based on the dual axes of API integration and BPaaS is expected to serve as the foundation of that plan.

Furthermore, with an eye on FY3/35, the Company expects to expand the revenue scale under its DX Solutions Business. Its policy will be to enhance the diverse range of solutions it provides, including system development, equipment sales, maintenance services, consulting, and even BPO for non-core operations. The Company has presented a vision to grow this business into a mainstay business of the Group over the long term in order to contribute to solving Japan's 2040 problem while simultaneously linking these efforts to the sustainable enhancement of corporate value.

Results trends

Significant increase in net sales due to the acquisition of SAINT-WORKS. Results are steadily growing, backed by a favorable business environment

1. 1H FY3/26 results summary

In the 1H FY3/26 consolidated results, net sales increased 12.5% YoY to ¥2,946mn, operating profit decreased 9.2% to ¥203mn, ordinary profit increased 1.5% to ¥231mn, and profit attributable to owners of parent decreased 5.4% to ¥135mn. Although net sales increased due to the group integration effects of SAINT-WORKS, one-time expenses incurred in 1Q put pressure on profits, resulting in a decrease in operating profit compared to the same period of the previous fiscal year. However, on a quarterly basis, operating profit in 2Q improved significantly quarter to quarter, allowing one to conclude that profit levels are on a recovery trend. In the Record Book Business, operating rates at both directly-managed and franchise facilities remain at high levels, and the business continues to achieve steady growth. In the Active Life Business, while the existing businesses of FULLCARE and Kankeisha remain solid, Seikougiken is seeing both net sales and expenses decrease due to structural reforms. At the same time, however, the deficit is improving as the effects of cost reductions take hold. The DX Solutions Business was redefined as a new business area as a result of integrating SAINT-WORKS' business. In particular, the number of companies utilizing support for those balancing their professional and caregiving duties is increasing, riding the wave of a legal amendment. The full-year outlook is generally progressing according to plan, and FISCO considers the likelihood of achieving the full-year forecast to be high.

1H FY3/26 consolidated results

(¥mn)

	1H FY3/25		1H FY3/26		YoY	
	Result	% of net sales	Result	% of net sales	Change amount	% change
Net sales	2,619	100.0%	2,946	100.0%	327	12.5%
Healthcare Solution Business	1,797	68.6%	2,122	72.0%	324	18.1%
Record Book Business	923	35.2%	951	32.3%	28	3.0%
Directly-managed facilities	537	20.5%	542	18.4%	4	0.9%
Franchise facilities	385	14.7%	409	13.9%	23	6.2%
Active Life Business	712	27.2%	640	21.7%	-71	-10.1%
DX Solution Business	161	6.2%	529	18.0%	367	228.6%
Senior marketing support business	59	2.3%	62	2.1%	2	5.1%
Support for those balancing their professional and caregiving duties	70	2.7%	79	2.7%	9	12.9%
Medical solutions	31	1.2%	33	1.1%	1	6.5%
System solutions	-	0.0%	353	12.0%	353	-
Home-Centered Service Business	822	31.4%	824	28.0%	2	0.3%
Ambulant care	248	9.5%	250	8.5%	2	0.8%
Home-visit eldercare	257	9.8%	286	9.7%	29	11.3%
Residential eldercare support	182	7.0%	170	5.8%	-11	-6.6%
Facility care	134	5.1%	116	4.0%	-17	-13.4%
Gross profit	1,041	39.7%	1,196	40.6%	155	14.9%
Operating profit	224	8.6%	203	6.9%	-20	-9.2%
Healthcare Solution Business	263	14.6%	304	14.3%	41	15.7%
Record Book Business	192	20.8%	220	23.1%	28	14.6%
Directly-managed facilities	118	22.0%	125	23.1%	7	5.9%
Franchise facilities	73	19.0%	94	23.0%	20	28.8%
Active Life Business	37	5.2%	28	4.4%	-8	-24.3%
DX Solution Business	33	20.5%	55	10.4%	21	66.7%
Senior marketing support business	-	-	-	-	-	-
Support for those balancing their professional and caregiving duties	-	-	-	-	-	-
Medical solutions	-	-	-	-	-	-
System solutions	-	-	-	-	-	-
Home-Centered Service Business	197	24.0%	186	22.6%	-11	-5.6%
Ambulant care	66	26.6%	69	27.6%	2	4.5%
Home-visit eldercare	76	29.6%	88	30.8%	12	15.8%
Residential eldercare support	48	26.4%	40	23.5%	-8	-16.7%
Facility care	6	4.5%	-11	-9.5%	-17	-
Adjustment amount	-236	-	-286	-	-50	-
Ordinary profit	227	8.7%	231	7.8%	3	1.5%
Profit attributable to owners of parent	143	5.5%	135	4.6%	-7	-5.4%

Notes 1: The Web Solution Business was renamed the DX Solution Business effective from FY3/26.
Notes 2: The composition ratio of operating profit by segment shows the percentage relative to net sales by segment (the segment operating profit margin).
Source: Prepared by FISCO from the Company's financial results and financial results briefing materials

The results by segment are described below.

(1) Healthcare Solution Business

In the Healthcare Solution Business, net sales increased 18.1% YoY to ¥2,122mn and operating profit increased 15.7% to ¥304mn.

a) Record Book Business

In the Record Book Business, net sales increased 3.0% YoY to ¥951mn and operating profit increased 14.6% to ¥220mn. At directly-managed facilities, the operating rate at each facility saw greater improvement, resulting in higher net sales and operating profit. Franchise facilities also saw improved operating rates at existing facilities as well as an increase in the number of facilities. These contributed to a year on year increase in royalty income. The number of users continued to maintain its upward trend. In July 2025, the monthly number of users exceeded 22,000. This and other factors confirm the steady growth in demand. The number of new facility openings in 1H was limited to five. However, a certain level of recovery is expected in 2H, and for the full fiscal year, the number of new facility openings is projected to reach a level on par with that of the previous fiscal year. With demand for properties rising structurally, the lengthening of the property selection process has become an issue, and as prices and market rates for rent rise, there are more cases where, even if a candidate property is found, agreement cannot be reached on contract terms. For this reason, the Company's policy is to partially relax terms with respect to property selection criteria. A recovery in the pace of new facility openings is expected as a result.

b) Active Life Business

In the Active Life Business, net sales decreased 10.1% YoY to ¥640mn and operating profit decreased 24.3% to ¥28mn. At FULLCARE, each sales office performed steadily, resulting in year on year increases in both net sales and profit. At Kankeisha as well, core earnings are similarly stable, confirming the resilience of its existing businesses. Meanwhile, Seikougiken is currently undergoing structural reforms, with both net sales and expenses declining. Although the effects of cost reductions have been in the process of materializing since 2Q, the Company's policy will be to continue focusing on improving earnings. At present, the Company is conducting sales activities targeting FULLCARE's customer base, with associated projects gradually beginning to take shape. Earnings contributions from the next fiscal year onward following structural reforms are anticipated.

c) DX Solution Business

In the DX Solution Business, net sales increased 228.6% YoY to ¥529mn and operating profit increased 66.7% to ¥55mn. Services providing support for those balancing their professional and caregiving duties saw increased demand following the April 2025 amendment to Japan's Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members. In 1H, the Company began providing services to 18 companies. In July, the bulletin board function of Wakarukaigo Biz was enhanced, enabling 24-hour consultation support. This service is being increasingly adopted by a wide range of customers, including major corporations such as five companies in the Hitachi Group, three companies in the Tokyo Gas Real Estate Group, and two companies in the ITOCHU Group. As it does not experience short-term fluctuations in demand by nature, Wakarukaigo Biz is expected to keep growing continuously against a backdrop of rising social needs, and promises a build-up of results at the same level or above that of the current fiscal year from the next fiscal year onward. In the system solutions business, the new addition of the SAINT-WORKS' business led to a significant increase in net sales. Although little time has passed since it acquired SAINT-WORKS through an M&A in April 2025, as of the end of 1H, the Company is currently moving forward with PMI as planned, and results are generally tracking in line with its plan. FISCO thinks that in addition to the business of SAINT-WORKS alone, an acceleration in the speed of launching new businesses that leverage SAINT-WORKS' products and customer base will be the key to the Company's next stage of growth.

(2) Home-Centered Service Business

In the Home-Centered Service Business, net sales increased 0.3% YoY to ¥824mn and operating profit decreased 5.6% to ¥186mn. In facility care, one of the two facilities continued to have vacant rooms, resulting in year on year declines in both net sales and operating profit. In home-visit eldercare, the number of service coordinators recovered, strengthening the service provision system. This resulted in higher net sales and operating profit. In ambulant care, the addition rate increased as a result of meeting the requirements for the Treatment Improvement Addition I, leading to higher net sales. For hiring conditions, the Company continues to see a trend of improvement in the immediate term. Amid a society-wide trend toward wage increases, the Company's efforts to promote personnel system reforms, the introduction of incentives, wage increases, evaluation system reforms, and so forth have been effective, resulting in a gradual filling of key positions.

2. Financial condition and management indicators

At the end of 1H FY3/26, total assets increased ¥92mn from the end of the previous fiscal year to ¥4,421mn, of which current assets decreased ¥489mn to ¥2,817mn. This is mainly due to a decrease of ¥657mn in cash and deposits resulting from the impact of the acquisition of shares in SAINT-WORKS, partially offset by a ¥92mn increase in notes and accounts receivable-trade. Non-current assets increased ¥581mn to ¥1,604mn due to increases of ¥50mn in property, plant and equipment, ¥475mn in intangible assets, and ¥55mn in investments and other assets. Total liabilities increased ¥112mn to ¥2,794mn. Within this, current liabilities increased ¥107mn to ¥2,073mn, reflecting increases of ¥67mn in deposits received, ¥27mn in income taxes payable, and ¥16mn in accounts payable - trade. Non-current liabilities increased ¥4mn to ¥720mn. This was mainly due to a decrease of ¥55mn in long-term borrowings, partially offset by the new recording of ¥60mn in retirement benefit liability following an increase in consolidated subsidiaries. Net assets decreased ¥19mn to ¥1,627mn. This was mainly due to an increase of ¥70mn in retained earnings resulting largely from the recording of profit attributable to owners of parent, partially offset by an increase of ¥90mn in treasury shares. As a result, the equity ratio decreased 1.2 percentage points (pp) to 36.8%.

Future outlook

Each segment is progressing smoothly, and the likelihood of achieving full-year forecasts is high

● FY3/26 results outlook

For the FY3/26 consolidated results, the Company forecasts increases of 16.4% YoY in net sales to ¥6,007mn, 32.4% in operating profit to ¥530mn, 30.0% in ordinary profit to ¥534mn, and 21.6% in profit attributable to owners of parent to ¥310mn. The Company projects double-digit growth YoY across each line of profit, along with gains in profitability indicators such as ROE and EPS. Again in FY3/26, the Company plans to implement growth measures that include aggressive M&A and new investment, while continuing to make steady progress in laying the groundwork for future business expansion. In addition, reductions of certain costs driven by operational streamlining are expected to support profit growth.

In the Record Book Business, solid growth is anticipated across the segment as a whole, with net sales up ¥79mn YoY and operating profit up ¥120mn. As of the end of 1H FY3/26, the Company's directly-managed Record Book facilities achieved progress in both net sales and operating profit that was by and large according to plan. The number of users per facility and service provision frequency increased, and demand continues to be solid. In the franchise business, net sales are expected to be in line with the Company's plan, but operating profit is projected to fall slightly short of it. For existing franchise members, operating rates have improved as a result of accumulated operational know-how, and the Company's fundamental profitability is trending towards improvement. On the other hand, in franchise member development, property selection is taking time, and it is expected to be difficult to achieve the plan of opening 20 locations in the current fiscal year. The Company will continue focusing on expediting property selection.

In the Active Life Business, although the Company projects a decrease of ¥168mn YoY in net sales due to structural reforms at Seikougiken, it anticipates an increase of ¥53mn in operating profit due to improvement in the profit margin. As of the end of 1H FY3/26, while net sales were by and large according to plan, operating profit is expected to fall short of the Company's plan. The welfare equipment business handled by Kankeisha and FULLCARE is performing steadily and securing stable earnings. However, while Seikougiken has begun to see the effects of cost reductions since 2Q, it is expected to fall short of meeting targets for the full fiscal year.

In the DX Solution Business, the Company projects a substantial increase of ¥839mn YoY in net sales and an increase of ¥22mn in operating profit. Growth of the business overall is poised to accelerate now that SAINT-WORKS, which joined the Group in April 2025, is fully contributing to financial results. As of the end of 1H FY3/26, both net sales and operating profit were by and large tracking according to plan. As existing businesses, including the senior marketing support business and support for those balancing their professional and caregiving duties, tend to be weighted toward the 2H by nature, the Company's progress at this stage can be evaluated as being in line with its plan. In the system solutions business, while one-time expenses related to PMI were incurred, progress was generally in line with the Company's plan.

The Home-Centered Service Business has been achieving consistent results overall in each of its businesses, with net sales and operating profit expected to increase ¥95mn and ¥72mn YoY, respectively. This reflects solid growth in both. The Company was subject to staffing shortages in FY3/25, amid ongoing challenges throughout the industry in securing human resources in this business domain. However, the Company is poised to meet its staffing needs in FY3/26, given that it is now beginning to see results of its intensified recruitment efforts and personnel system reforms. This business is likely to achieve consistent growth as it makes progress in securing human resources, given that its business model ensures sales and profit growth if it adequately secures employees. As of the end of 1H FY3/26, both net sales and operating profit were by and large according to plan. Home-visit eldercare and ambulant care performed strongly, reflecting robust demand. In facility care, multiple resident departures occurred in 1H, and the resulting increase in vacant rooms was a factor behind the failure to meet net sales and operating profit targets. The Company's policy is to aim to restore earnings by working on improving vacancy rates.

As a whole, although one-time expenses were incurred ahead of schedule in 1Q, profit improved in 2Q, and progress is being made in line with the full-year plan. Each segment is generally maintaining a steady trend of increased net sales, with the DX Solutions Business in particular achieving significant net sales growth due to the group integration of SAINT-WORKS. The progress rate toward the full-year forecast is by and large according to plan, and FISCO considers the likelihood of achieving the full-year forecast to be high.

FY3/26 consolidated results forecast

(¥mn)

	FY3/25		FY3/26		YoY	
	Result	% of net sales	Forecast	% of net sales	Amount	% change
Net sales	5,161	100.0%	6,007	100.0%	846	16.4%
Healthcare Solution Business	3,554	68.9%	4,304	71.6%	750	21.1%
Record Book Business	1,848	35.8%	1,928	32.1%	79	4.3%
Directly-managed facilities	1,046	20.3%	1,084	18.0%	37	3.6%
Franchise facilities	802	15.5%	844	14.1%	42	5.2%
Active Life Business	1,362	26.5%	1,193	19.9%	-168	-12.4%
DX Solution Business	342	6.6%	1,181	19.7%	839	245.3%
Senior marketing support business	133	2.6%	180	3.0%	47	35.3%
Support for those balancing their professional and caregiving duties	145	2.8%	150	2.5%	4	3.4%
Medical solutions	63	1.2%	50	0.8%	-13	-20.6%
System solutions	-	-	801	13.3%	801	-
Home-Centered Service Business	1,607	31.1%	1,703	28.4%	95	5.9%
Ambulant care	485	9.4%	492	8.2%	6	1.4%
Home-visit eldercare	498	9.6%	586	9.8%	88	17.7%
Residential eldercare support	358	6.9%	359	6.0%	+0	0.3%
Facility care	264	5.1%	264	4.4%	-0	0.0%
Operating profit	401	7.8%	530	8.8%	129	32.4%
Healthcare Solution Business	525	14.8%	769	17.9%	244	46.3%
Record Book Business	382	20.7%	503	26.1%	120	31.7%
Directly-managed facilities	234	22.4%	249	23.0%	14	6.4%
Franchise facilities	147	18.3%	253	30.0%	105	72.1%
Active Life Business	71	5.2%	124	10.4%	53	74.6%
DX Solution Business	71	20.8%	93	7.9%	22	31.0%
Senior marketing support business	-	-	-	-	-	-
Support for those balancing their professional and caregiving duties	-	-	-	-	-	-
Medical solutions	-	-	-	-	-	-
System solutions	-	-	-	-	-	-
Home-Centered Service Business	338	21.1%	411	24.1%	72	21.2%
Ambulant care	113	23.3%	125	25.4%	12	10.6%
Home-visit eldercare	132	26.5%	177	30.2%	44	34.1%
Residential eldercare support	89	24.9%	94	26.2%	5	5.6%
Facility care	3	1.1%	13	4.9%	9	333.3%
Adjustment amount	-463	-	-601	-	-138	-
Ordinary profit	411	8.0%	534	8.9%	122	30.0%
Profit attributable to owners of parent	255	4.9%	310	5.2%	54	21.6%

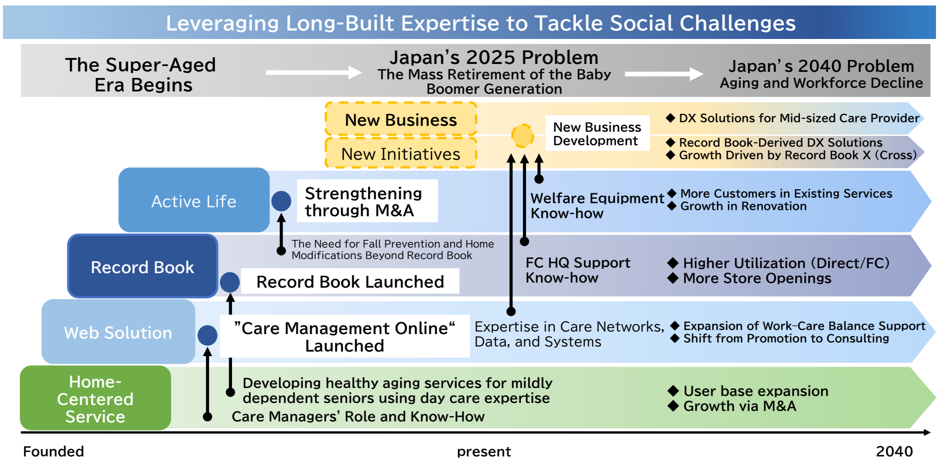
Notes: 1. The Web Solution Business was renamed the DX Solution Business effective from FY3/26.
Notes: 2. The composition ratio of operating profit by segment shows the percentage relative to net sales by segment (the segment operating profit margin).
Source: Prepared by FISCO from the Company's financial results briefing materials and financial results

Medium-term management policies

Acceleration of new business development centered on expansion of existing businesses. Additionally aiming to achieve dramatic growth through M&A

In June 2023, the Company newly formulated its IIF Vision 2030 upon having taken the end of the COVID-19 pandemic as an opportunity to revisit its Medium-Term Vision 2025 and priority strategies in its Medium-Term Strategy. The Company subsequently brought its profit targets and growth strategies up to date in June 2025 with the inclusion of FY3/29 results forecasts, taking into account factors such as prevailing results trends. Under its medium-term management policy, the Company has set forth the objective of accelerating its pace of growth through focused investment on creating new businesses using cash generated from growth of its Record Book Business and other existing businesses. Under its vision of "Creating a healthy future with in-person services and technology," the Company regards solving the problems of a super-aged society as an important mission and is focusing on using technology to enhance the competitiveness of existing businesses and create new ones. Specifically, the Company is promoting DX solutions that enable comprehensive management support for medium-sized care facility operators. In this way, the Company will raise the competitiveness and profitability of its existing businesses while also accelerating growth of business results and further enhancing corporate value. In addition to this, it will continue to focus on building a stable earnings base that is not easily affected by the external environment. Its plan is to make its earnings base more diverse by creating new in-house businesses that are not covered by long-term care insurance, as well as to proactively consider M&A in areas that will contribute to the growth of its existing businesses. As a result of these efforts, in the final year of the plan period (FY3/29), the Company is targeting net sales of ¥8,045mn, operating profit of ¥1,275mn, profit attributable to owners of parent of ¥750mn, ROE of 24.5%, an operating profit margin of 15.8%, and EPS of ¥138.

Growth scenarios by business segment



Source: The Company's "Business Plan and Items relating to Growth Potential"

The Company's healthcare services are poised to encounter steady demand given that the aging population trend is likely to persist over the medium to long term. Furthermore, the capacity utilization rate of the Record Book Business is currently rising and the highly profitable DX Solution Business is generating favorable business results. As for its medium-term management plan numerical targets, the Company has enhanced the accuracy of its projections by considering existing businesses and new businesses separately. Through its growth investments to date, the Company has built a business portfolio capable of stably increasing net sales and profits, centered on the Record Book Business. For this reason, numerical targets for the existing businesses are highly accurate. As such, we at FISCO believe the Company is highly likely to achieve its consolidated results forecast.

Furthermore, we at FISCO believe that the growth strategies are now significantly more feasible given that the previously abstract DX solutions concept outlined in the medium-term management plan has become more tangible as a result of SAINT-WORKS joining the Group. Thus far, the Company has been promoting its Record Book Business with a primary focus on addressing Japan's 2025 problem of strain on social security costs associated with Japan's rising late-stage elderly population. Going forward, however, the Company will fully implement growth strategies that harness the products and consulting services of SAINT-WORKS targeting care facility operators, looking ahead to the 2040 problem of nursing care human resource shortages and the need for greater productivity.

Medium-term management plan

(¥mn)

	FY3/25 Result	FY3/26 Forecast	FY3/27 Target	FY3/28 Target	FY3/29 Target
Net sales	5,161	6,007	6,863	7,549	8,045
(Previous disclosure)	5,102	5,869	6,831	7,395	-
Healthcare Solution Business	3,554	4,304	4,926	5,334	5,798
Record Book Business	1,848	1,928	1,994	2,094	2,181
(Previous disclosure)	1,776	1,854	1,992	2,196	-
Active Life Business	1,362	1,193	1,250	1,309	1,392
(Previous disclosure)	1,365	1,421	1,470	1,519	-
DX Solution Business	342	1,181	1,681	1,931	2,224
(Previous disclosure)	318	345	376	402	-
Home-Centered Service Business	1,607	1,703	1,937	2,214	2,246
(Previous disclosure)	1,642	1,896	2,152	2,175	-
Operating profit	401	530	727	1,015	1,275
(Previous disclosure)	355	530	727	980	-
Healthcare Solution Business	525	769	922	1,203	1,464
Record Book Business	382	503	573	708	805
(Previous disclosure)	433	540	647	809	-
Active Life Business	71	124	147	169	197
(Previous disclosure)	100	124	144	161	-
DX Solution Business	71	93	200	325	461
(Previous disclosure)	66	89	110	132	-
Home-Centered Service Business	338	411	420	435	442
(Previous disclosure)	359	412	411	410	-
Adjustment amount	-463	-601	-615	-622	-631
Profit attributable to owners of parent	255	310	431	605	750
(Previous disclosure)	204	309	426	574	-
ROE	16.8%	17.2%	23.1%	25.4%	24.5%
(Previous disclosure)	13.8%	17.7%	20.2%	22.0%	-
Operating profit margin	7.8%	8.8%	10.6%	13.5%	15.8%
(Previous disclosure)	7.0%	9.0%	10.7%	13.3%	-
EPS (¥)	47	57	79	111	138
(Previous disclosure)	38	58	80	108	-

Note: The Web Solution Business was renamed the DX Solution Business effective from FY3/26. The system solutions business and new businesses conducted by SAINT-WORKS have been reclassified as part of the DX Solution Business effective from the previous disclosure.
Source: Prepared by FISCO from the Company's "Business Plan and Items relating to Growth Potential"

The Company views non-continuous growth through M&A as essential for achieving its medium-term management plan. Its policy is to actively pursue such growth, particularly in the DX solutions area (API integration, BPaaS development, and peripheral areas). Additionally, the Company intends to proactively carry out the same in the eldercare facility area if opportunities arise. At present, around five to ten projects are under consideration at any given time, indicating robust demand.

Profit targets and growth strategies by segment are described below.

(1) Record Book Business

The FY3/29 targets are for net sales of ¥2,181mn and operating profit of ¥805mn. The Company revised its net sales targets compared to those of the previous disclosure, raising them through FY3/27 while lowering the target for FY3/28. These revisions reflect changes in the outlook for capacity utilization based on recent trends, as well as adjustments in the timing of converting directly-managed stores into franchise operations. Also, the operating profit target was lowered because costs related to the Record Book core system, recognized as adjustments at the time of the previous disclosure, are now being accounted for within the Record Book Business. The Company's strategy for Record Book facility openings involves accelerating the pace of franchise growth by focusing on supporting efforts of franchise members to improve their business results, thereby encouraging them to open second and third locations. Meanwhile, the Company plans to increase the number of Record Book facilities to 351 locations by the end of FY3/29, by addressing property development issues. User numbers are growing steadily and the number of monthly users is currently at a record high. As user numbers grow, the Company plans to stabilize capacity utilization rates at a high level and then improve operational efficiency by gradually changing directly-managed facilities into franchise facilities, increasing the profitability of the business.

(2) Active Life Business

The FY3/29 targets are for net sales of ¥1,392mn and operating profit of ¥197mn. The Company projects a significant decrease in net sales and a slight increase in operating profit, due to reassessment of the business plan reflecting Seikougiken's structural reforms and review of the timeline for expanding collaboration with FULLCARE. It aims to achieve stable net sales and profit growth by focusing on growing its welfare equipment leasing business, which generates recurring revenue. In regard to Seikougiken, the business will shift to a model centered on collaboration with FULLCARE in aiming to gain more home renovation projects and higher unit prices by leveraging synergies.

As a subsidiary that engages in home renovation business, Seikougiken has expanded the Group's business portfolio to services outside the scope of long-term care insurance, as the Company aims to build an earnings base that will not be easily affected by revisions to the long-term care insurance system. The Company will also develop new businesses, including Record Book Cross. Record Book Cross aims to contribute to extending healthy life expectancy and addressing the rising costs of nursing care and medical expenses by allowing Record Book users to utilize welfare equipment leasing services provided by headquarters even during non-visiting hours. Going forward, the Company will continue to pursue service diversification through new business development and M&A.

(3) DX Solution Business

The FY3/29 targets are for net sales of ¥2,224mn and operating profit of ¥461mn. The Company projects substantial increases in net sales and operating profit in the DX Solution Business given that net sales and operating profit associated with system solutions are now recorded with results of the business, but were recognized in "new businesses and initiatives" at the time of the previous disclosure. The Company aims to grow net sales and profit by focusing on expanding the number of companies that introduce its support services for balancing professional and caregiving duties following the amendment to the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members in April 2025. In senior marketing support, the Company will accelerate growth by shifting from promotion and marketing business to consulting business, building on existing projects. In medical solutions, the Company will continue to work toward enhancing project unit prices and profitability by maintaining involvement from the upstream stage in the value chain. It will also continue initiatives to increase registrations with the Care Management Online portal site in order to strengthen the care manager network that forms its foundation. Specifically, the Company will work to enhance the value of its member network by strengthening its provision of information and tools that are useful for care managers. Such initiatives will include refining its work support tools, forming tie-ups with other companies, and disseminating the latest information about the Long-Term Care Insurance Act.

In addition, the Company is promoting the development of new businesses such as Record Book-derived DX solutions and DX solutions for medium-sized care facility operators. For the Record Book-derived DX solutions, it plans to utilize data accumulated at its facilities to automatically generate personalized exercise programs and to sell these exercise programs to care facilities outside the Record Book network. As for the DX solutions for medium-sized care facility operators, the Company will provide system integration and consulting services by leveraging the operational know-how, various data, and networks it has accumulated through the operation of care facilities. With its acquisition of SAINT-WORKS in April 2025, the Company plans to achieve earlier commercialization (monetization) of its DX solutions for medium-sized care service providers and to execute these initiatives ahead of the schedule outlined in the previous disclosure, resulting in projected increases in net sales and operating profit.

(4) Home-Centered Service Business

The FY3/29 targets are for net sales of ¥2,246mn and operating profit of ¥442mn. Compared to the forecasts in the previous disclosure, the net sales forecast has been lowered, while the operating profit forecast has been slightly increased. These revisions reflect a change in the capacity utilization outlook based on recent utilization trends, along with a planned increase in the number of services provided upon securing long-term care personnel. The Company aims to achieve gains in net sales and profit by increasing the number of users for its existing services. In seeking to keep in step with diversifying needs, the Company will expand territory covered by its existing services through M&A and other initiatives, while also enhancing its peripheral business.

Returns to shareholders

FY3/26 dividend forecast of ¥15.0 per share, up ¥3.0 YoY

The Company has raised its target consolidated dividend payout ratio to 25% with the aim of enhancing profit returns and improving capital efficiency. Under its basic policy, the Company aims to achieve stable and sustainable growth in dividends per share through profit growth, while implementing shareholder returns primarily through dividends, with due consideration to achieving capital soundness and maintaining a balance with growth investments. The Company increased its dividend for FY3/25 by ¥7.0 YoY to ¥12.0 per share. Also for FY3/26, it plans to raise the dividend by ¥3.0 to ¥15.0 per share in line with forecasts for higher sales and profits.

Furthermore, the Company introduced a new shareholder benefits plan with a record date of March 31, 2025. Shareholders entitled to the benefits are those who are listed or recorded in the shareholder registry as of March 31 each year and hold at least one trading unit (100 shares) of the Company's stock. Shareholders holding shares for less than one year will receive a ¥2,000 QUO card. Shareholders confirmed as having held shares continuously for one year or more will receive a ¥2,000 QUO card plus a one-year subscription to the Wakarukaigo Biz service supporting balance of professional and caregiving duties. The Wakarukaigo Biz service includes access to a dedicated website offering long-term care information and expert consultations, designed to support shareholders balancing caregiving responsibilities with work.

Disclaimer

■ For inquiries, please contact: ■
FISCO Ltd.
5-13-3 Minami Aoyama, Minato-ku, Tokyo, Japan 107-0062
Phone: 03-5774-2443 (IR Consulting Business Division)
Email: support@fisco.co.jp