CHARM

Financial Results

for the Year Ended June 30, 2026

August 6, 2026

Charm Care Corporation

Tokyo Stock Exchange Prime Market 6062

Index

Index

Related page:
p.14
p.13

Summary of Consolidated Performance for FYE June 2026

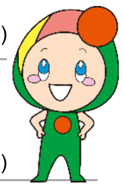
- Consolidated net sales remained strong throughout the year, supported by solid performance in the Long-Term Care Business, with the amount of increase expanding further. Existing fee-based homes for the elderly with long-term care (facilities opened for two years or more), newly opened facilities (facilities opened for less than one year), and facilities acquired through M&A all contributed to strong overall growth.
- Consolidated operating profit achieved high growth, with the amount of profit increase expanding significantly, driven by the continued steady progress in productivity improvements in the Long-Term Care Business (please refer to p.14).
- Profit attributable to owners of parent exceeded the revised forecast, mainly due to unplanned extraordinary income arising from the sale and leaseback of business-use assets.
- Furthermore, regarding the relaxation of staffing criteria (3:0.9 = 0.9 long-term care/nursing staff members on a full-time equivalent basis per three residents), in addition to one facility approved in the previous fiscal year, notifications for five facilities were accepted during the current fiscal year, and productivity improvements continue to advance (please refer to p.13).

Consolidated Results

(Millions of yen)

	FY2025/6	FY2026/6	YoY	vs. Initial Forecast	vs. Revised Forecast (Revised May 25, 2026)
Net sales	46,673 (Includes JPY **5.6bn** of Real Estate Business sales)	**49,079** (Includes JPY **3.0bn** of Real Estate Business sales)	**+5.2%** (+2,406)	**+1.0%** (+494) (Initial forecast : JPY 48,585mn)	**+0.6%** (+309) (Revised forecast : JPY 48,770mn)
New **EBITDA**	5,045	**6,619**	**+31.2%** (+1,574)	**－%** (－) (Initial forecast : －)	**－%** (－) (Revised forecast : JPY－)
EBITDA Margin	10.8%	**13.5%**	**+2.7pt.**		
Operating profit	3,845	**5,277**	**+37.3%** (+1,432)	**+18.3%** (+817) (Initial forecast : JPY 4,460mn)	**+2.5%** (+127) (Revised forecast : JPY 5,150mn)
Operating Margin	8.2%	**10.8%**	**+2.5pt.**		
Ordinary profit	4,024	**5,514**	**+37.0%** (+1,489)	**+19.5%** (+899) (Initial forecast : JPY 4,615mn)	**+3.5%** (+184) (Revised forecast : JPY 5,330mn)
Ordinary Profit Margin	8.6%	**11.2%**	**+2.6pt.**		
Profit attributable to owners of parent	2,936	**4,047**	**+37.9%** (+1,111)	**+31.0%** (+957) (Initial forecast : JPY 3,090mn)	**+13.2%** (+477) (Revised forecast : JPY 3,570mn)
Net Profit Margin	6.3%	**8.3%**	**+2.0pt.**		
Net Income per Share	JPY 89.89	**JPY 123.87**	**+37.8%** (+JPY 33.99)	**+31.0%** (+JPY 29.28) (Initial forecast : JPY 94.59)	**+13.4%** (+JPY 14.62) (Revised forecast : JPY 109.25)

(Note) EBITDA = operating profit + depreciation and amortization + amortization of goodwill (excluding leasehold deposit amortization and share-based compensation expenses)



CHARM

Related page: p.14

Segment Performance for FYE June 2026

Starting from the current fiscal year, the previously reported "Real Estate Business" segment has been abolished and incorporated into "Other Businesses".

(Millions of yen)

		FY2025/6 Results	FY2026/6 Results	FY2026/6 YoY	FY2026/6 Initial Forecast	vs. Initial Forecast
Long-Term Care Business (details are provided on the next page)	**Net sales**	39,063	**44,017**	**+4,954 [+12.7%]**	43,450	+567 [+1.3%]
	Segment profit	4,802	**6,344**	**+1,541 [+32.1%]**	5,434	**+909 [+16.7%]**
Other Businesses	**Net sales**	8,219	**5,691**	**(2,527) [(30.8%)]**	5,734	(42) [(0.7%)]
	Segment profit	192	**288**	**+95 [+49.8%]**	238	+49 [+20.8%]
Good Partners (staffing services, etc.)	Net sales	(Note 1) 2,562	2,619	+57 [+2.2%]	2,643	(24) [(0.9%)]
	Operating profit	115	138	+22 [+19.3%]	148	(10) [(6.8%)]
Amortization of goodwill		(32)	(32)	- [－%]	(32)	- [－%]
Charm Senior Living (Resident referral services)	Net sales	49	69	+20 [+40.3%]	88	(18) [(20.9%)]
	Operating profit	(Note 1) 43	(2)	(45) [(105.7%)]	2	(4) [－%]
Real Estate	Net sales	5,607	3,002	(2,605) [(46.5%)]	3,002	±0 [±0.0%]
	Operating profit	65	184	+119 [+181.1%]	128	+56 [+44.3%]
Other Related Businesses	Net sales	-	-	- [－%]	-	- [－%]
	Operating profit	-	-	- [－%]	-	- [－%]
Adjustments	**Intersegment sales or transfers**	(608)	**(629)**	**(20)** [－%]	(597)	(31) [－%]
	Segment profit (Note 2)	(1,150)	**(1,354)**	**(204)** [－%]	(1,213)	(141) [－%]
Consolidated	**Net sales**	46,673	**49,079**	+2,406 [+5.2%]	48,585	+494 [+1.0%]
	Operating profit	3,845	**5,277**	+1,432 [+37.3%]	4,460	+817 [+18.3%]
	Ordinary Profit	4,024	**5,514**	+1,489 [+37.0%]	4,615	+899 [+19.5%]
	Extraordinary Income and Losses	367	**226**	(140) [(38.3%)]	-	+226 [－%]
	Profit attributable to owners of parent	2,936	**4,047**	+1,111 [+37.9%]	3,090	+957 [+31.0%]

Productivity improvements continued to advance (see p.14)

Due to a change in the fiscal year-end, FY2025/6 covers 14 months (see Note 1)

14-month fiscal period

Profit fell below the initial forecast mainly due to the impact of long-term care fee revisions

(Note 1) Due to a change in the fiscal year-end, Good Partners and Charm Senior Living results for FYE June 2025 cover a 14-month period from May 1, 2024 to June 30, 2025.
(Note 2) Segment profit presented in the Adjustments section represents corporate expenses not allocated to individual reporting segments. Corporate expenses are primarily general and administrative expenses not attributable to specific reporting segments.

Breakdown of the Long-Term Care Business Segment

（Millions of yen）

		FY2025/6 Results	FY2026/6 Results	FY2026/6 YoY	FY2026/6 Initial Forecast	vs. Initial Forecast
Long-Term Care Business	Net sales	39,063	**44,017**	+4,954 [+12.7%]	43,450	+567 [+1.3%]
	Segment profit	4,802	**6,344**	+1,541 [+32.1%]	5,434	+909 [+16.7%]
	[Margin]	[12.3%]	**[14.4%]**	[+2.1pt.]	[12.5%]	[+1.9pt.]
	Avg.occupancy rate [residents / capacity]	87.1% [6,186／7,098]	89.5% [6,851／7,653]	+2.4pt. [+665／+555]	89.7% [6,846／7,634]	(0.2pt.) [+5／+19]
Charm Care (excl. M&A facilities): **Existing fee-based homes for the elderly with long-term care** (2+ years in operation) 82 facilities (as of 4Q)	Net sales	29,482	**33,031**	+3,549 [+12.0%]	32,676	+355 [+1.1%]
	Operating profit	5,024	**6,000**	+976 [+19.4%]	5,375	+625 [+11.6%]
	[Margin]	[17.0%]	**[18.2%]**	[+1.1pt.]	[16.4%]	[+1.7pt.]
	Avg.occupancy rate [residents / capacity]	94.4% [4,558／4,826]	94.5% [4,969／5,257]	+0.1pt. [+411／+430]	94.8% [4,982／5,257]	(0.3pt.) [(13)／±0]
Existing Residential fee-based homes for the elderly (2+ years in operation) 4 facilities (as of 4Q)	Net sales	1,742	**1,689**	(53) [(3.0%)]	1,665	+23 [+1.4%]
	Operating profit	262	**253**	(8) [(3.1%)]	291	(37) [(13.0%)]
	[Margin]	[15.0%]	**[15.0%]**	[±0.0pt.]	[17.5%]	[(2.5pt.)]
	Avg.occupancy rate [residents / capacity]	96.4% [356／369]	96.8% [350／362]	+0.3pt. [(6)／(7)]	96.7% [350／362]	+0.1pt. [±0／±0]
2nd-year facilities (1–2 years since opening) 6 facilities (as of 4Q)	Net sales	2,513	**2,992**	+478 [+19.0%]	3,059	(67) [(2.2%)]
	Operating profit	202	**273**	+71 [+35.4%]	210	+62 [+29.5%]
	[Margin]	[8.0%]	**[9.2%]**	[+1.1pt.]	[6.9%]	[+2.2pt.]
	Avg.occupancy rate [residents / capacity]	78.7% [333／423]	76.2% [482／633]	(2.6pt.) [+149／+209]	78.6% [497／633]	(2.4pt.) [(15)／±0]
Newly established facilities (less than 1 year in operation) 8 facilities (as of 4Q) (Including pre-opening facility costs)	Net sales	1,803	**1,430**	(372) [(20.7%)]	1,274	+156 [+12.3%]
	Operating profit	(422)	**(194)**	+227 [－%]	(417)	+222 [－%]
	[Margin]	[－%]	**[－%]**	[－pt.]	[－%]	[－pt.]
	Avg.occupancy rate [residents / capacity]	48.8% [309／633]	53.7% [225／419]	+4.9pt. [(84)／(214)]	49.0% [205／419]	+4.7pt. [+20／±0]

Productivity exceeded plan

Due to conversion to long-term care homes

FY6/2025 included a high-priced, premium home

CS Nokendai and C Rokugo significantly exceeded expectations

Note: The number of residents and capacity figures represent monthly averages, calculated by dividing the total of month-end values by 12.

(Continued on the next page)

Breakdown of the Long-Term Care Business Segment

(Millions of yen)

M&A-acquired facilities

Facility	Item	FY2025/6 Results	FY2026/6 Results	FY2026/6 YoY	FY2026/6 Initial Forecast	vs. Initial Forecast
LIKE [Oct 2021–] 5 facilities [as of 4Q] (1 additional home acquired in Jun. 2024)	**Net sales**	2,119	**2,215**	+96 [+3.9%]	2,161	+54 [+2.5%]
	Operating profit **[Margin]**	409 [19.3%]	**460** **[20.8%]**	+51 [+16.9%] [+1.5pt.]	345 [16.0%]	+115 [+33.4%] [+4.8pt.]
	Avg.occupancy rate [residents / capacity]	95.6% [440／460]	97.0% [446／460]	+1.4pt. [+6／±0]	97.7% [449／460]	(0.7pt.) [(3)／±0]
Amortization of goodwill		(181)	**(181)**	－ [－%]	(181)	－ [－%]
Former CARE 21 (**Sep 2024–**) 5 facilities (as of 4Q)	**Net sales**	715	**1,678**	+962 [+134.4%]	1,716	(37) [(2.2%)]
	Operating profit [Margin]	(468) [－%]	**(271)** **[－%]**	+197 [－%] [－pt.]	(256) [－%]	(14) [－%] [－pt.]
	Avg.occupancy rate [residents / capacity]	33.7% [98／289]	64.6% [242／374]	+30.8pt. [+144／+85]	63.1% [236／374]	+1.5pt. [+6／±0]
CM Care (**Oct 2024–**) 2 facilities (as of 4Q)	**Net sales**	685	**903**	+217 [+31.8%]	897	+6 [+0.7%]
	Operating profit [Margin]	(19) [－%]	**22** **[2.5%]**	+42 [－%] [－pt.]	70 [7.8%]	(47) [(67.9%)] [(5.3pt.)]
	Avg.occupancy rate [residents / capacity]	95.2% [93／98]	96.2% [125／130]	+1.0pt. [+32／+33]	96.9% [126／130]	(0.6pt.) [(1)／±0]
Amortization of goodwill		(2)	**(3)**	(0) [－%]	(3)	－ [－%]
Former Biken Techno (**Mar 2026–**) 1 facility (as of 4Q)	**Net sales**	—	**75**	+75 [－%]	—	+75 [－%]
	Operating profit [Margin]	— [－%]	**(15)** **[－%]**	(15) [－%] [－pt.]	— —	(15) [－%] [－pt.]
	Avg.occupancy rate [residents / capacity]	－% [－／－]	66.5% [12／19]	－pt. [+12／+19]	－% [－／－]	－pt. (－／－)

LIKE also achieved higher-than-planned productivity

FY6/2025: 3 homes acquired in Sep. 2024 and 2 homes in Nov. 2024

Strong occupancy increased referral fees

Note: The number of residents and capacity figures represent monthly averages, calculated by dividing the total of month-end values by 12.

Overview of Segment Performance for FYE June 2026

Related page:
p.14
p.47

Long-Term Care Business

- Our **"existing fee-based homes for the elderly with long-term care"** (2+ years in operation) newly include facilities that moved into this category. Occupancy progressed steadily, and net sales rose **¥3,549 million (+12.0%)** YoY. Despite inflation and wage increases (base salary hikes + regular raises), **productivity improvements** more than offset these factors, lifting the margin further and driving operating profit growth of **¥976 million (+19.4%)** YoY (see P14).
- At our **"2nd-year facilities"** (1–2 years since opening), several facilities are already fully occupied, and occupancy continues to increase steadily. **"Newly established facilities"** (less than 1 year in operation) are also progressing steadily, with two facilities already at full occupancy.
- **Consolidated subsidiary LIKE** increased both sales and profit as occupancy improved at one facility acquired through M&A in the previous fiscal year and productivity improvements advanced significantly
- Among facilities acquired through M&A in the previous fiscal year, occupancy at **Former CARE 21 facilities** has been strong thanks to Charm Care's sales expertise. **CM Care facilities** are nearly fully occupied but still have room for margin improvement through productivity gains (full-scale initiatives to begin following the merger)
- **Charm Ikeda Masumicho, acquired from Biken Techno Co., Ltd.** on March 1, 2026, benefited from successful early sales activities, with **occupancy rising from 50.0% to 73.2% in four months (as of end-June 2026).**
- For new openings in FY2027/6 and beyond, we are gathering information from a broad range of sources and expanding self-developed projects, resulting in a steady increase in the pipeline of new facilities (see P47)

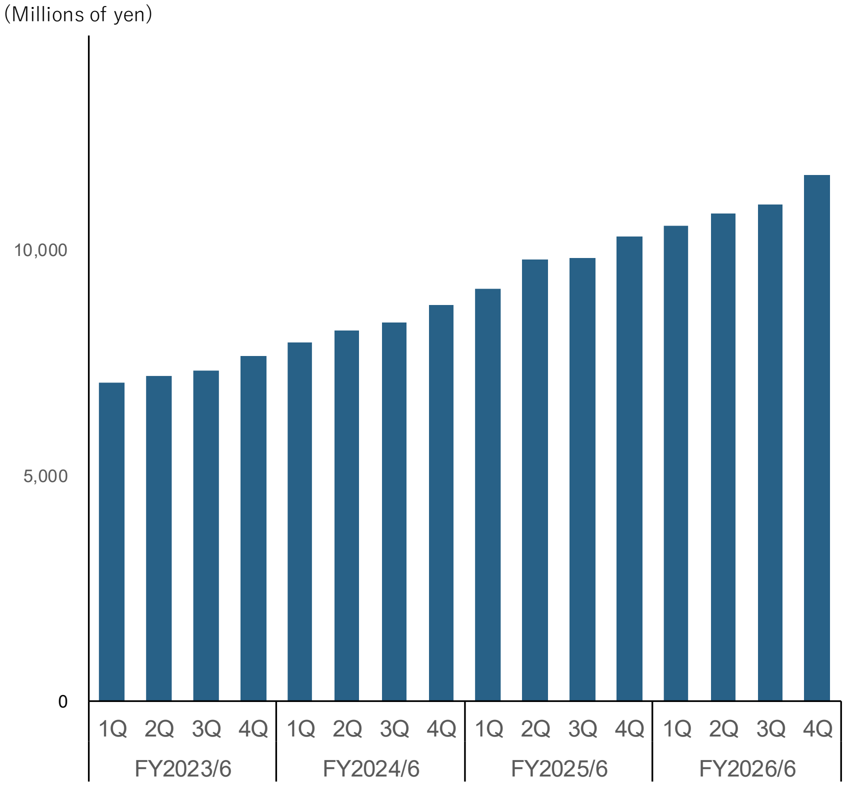
Other Businesses

- The businesses operated by **consolidated subsidiary Good Partners** recorded **higher sales and profit**, even against the previous fiscal year's **14-month period** resulting from a change in fiscal year-end. Its medical-care-type homes—Atenity Tamagawa Gakuen (42 rooms), opened in November 2024, and Atenity Kugayama (49 rooms / capacity 52), opened in December 2025—both progressed steadily. The staffing business, however, recorded lower sales and profit due to the impact of spot work. From April onward, demand for temporary staff was unexpectedly lower than anticipated due to strong new-graduate hiring by Charm Care, but Group synergies were realized through staffing support for Group homes and collaboration with residential fee-based homes for the elderly
- The resident referral business for long-term care facilities operated by **consolidated subsidiary Charm Senior Living** is seeing an increasing number of referrals and is steadily gaining traction. It is also contributing to higher occupancy at the Group's facilities
- In **the Real Estate Business**, the sale of one development project scheduled for Q4 (the Chofu Kokuryo project) was completed as planned

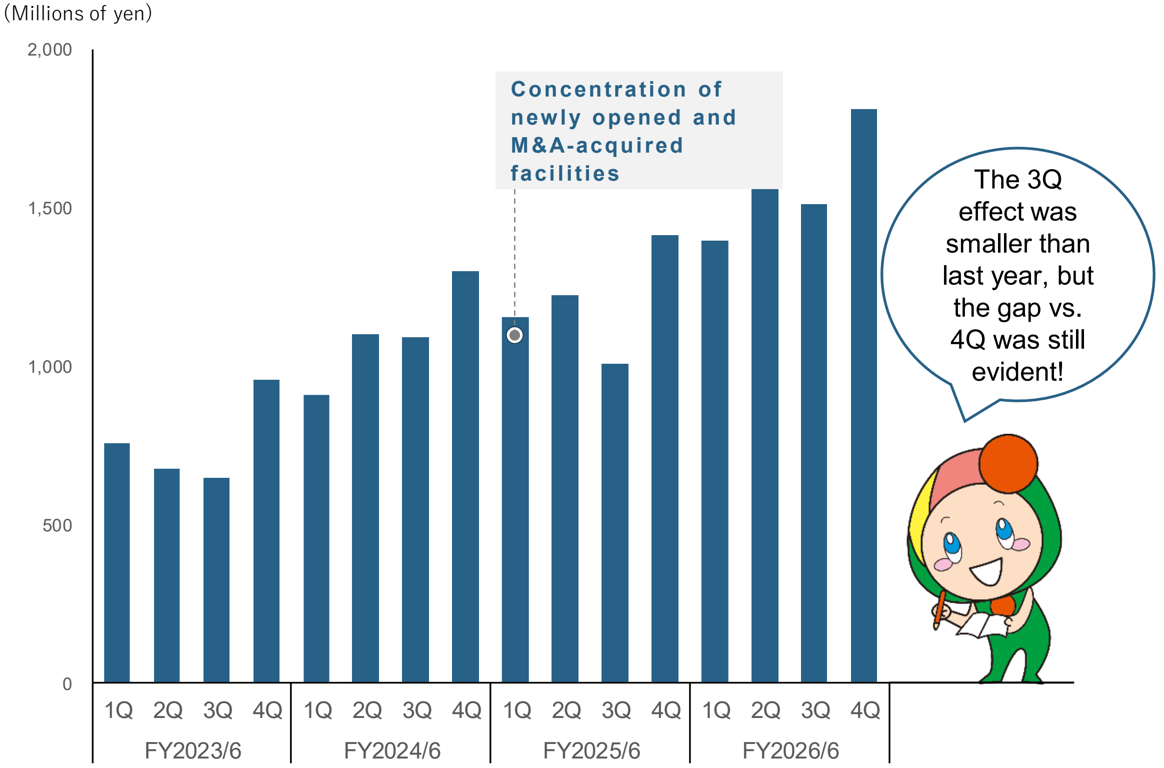
Quarterly Performance Trends of the Long-Term Care Business (3-month intervals)

- New openings of fee-based homes for the elderly with long-term care and continued progress in occupancy drove steady growth in both revenue and profit in the Long-Term Care Business.

Net sales



Segment profit（Operating profit）



Note：Quarterly accounting periods (three months) are shown.
Note：Segment profit typically follows a 2Q > 3Q < 4Q seasonal pattern, reflecting fewer calendar days, lower long-term care insurance revenue, and year-end/New Year staff allowances.
Note：Opening-related expenses may fluctuate when new facility openings are concentrated.

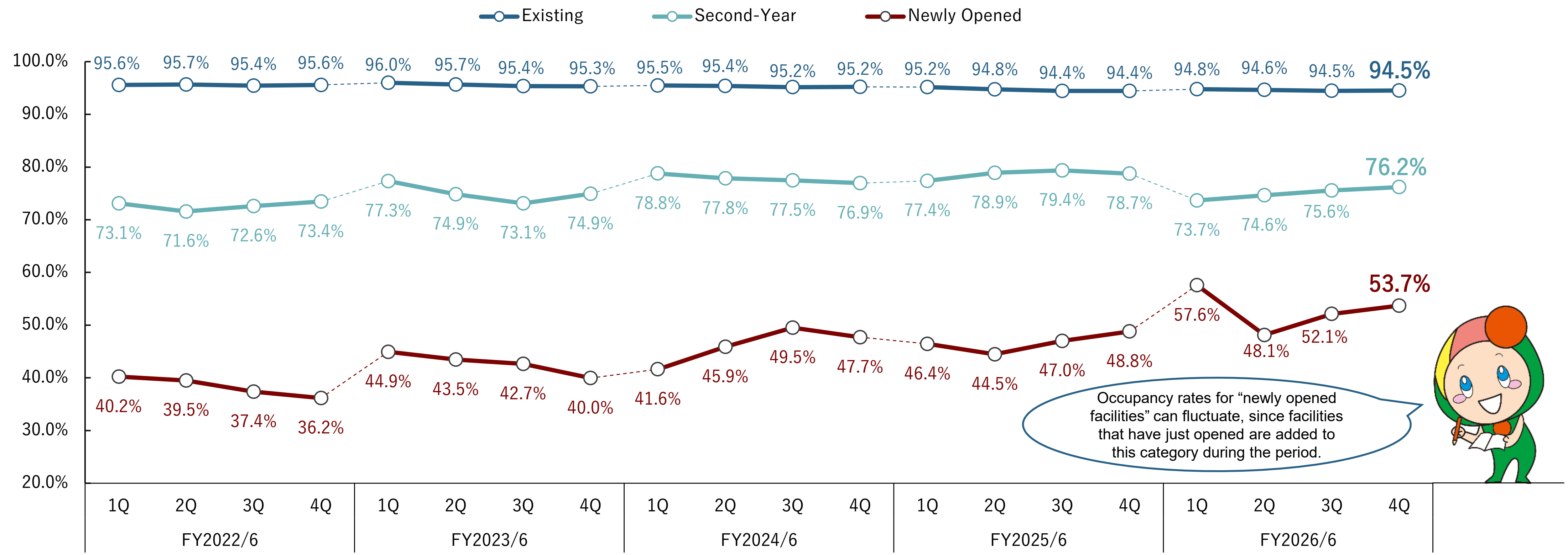
Transition of Facility Occupancy Rates(Excluding Facilities Acquired through M&A)

■ Average Occupancy Rates During the Period for FY2026/6 (July–June)*

- **Existing fee-based homes for the elderly with long-term care：94.5%**（Occupancy rate as of the end of June：**95.1%**） ※From C Yamatokoriyama to C Fuchu Nisshincho
- **Second-year facilities：76.2%**（Occupancy rate as of the end of June：**77.2%**） ※CS Hatanodai, CS Takarazuka Obana, CS Kurakuen, CS Kobe Tarumi, C Ritto, CS Nishi Shinjuku
- **Newly opened facilities：53.7%**（Occupancy rate as of the end of June：**58.0%**） ※CS Kita Karasuyama, CS Honkomagome, C Seta, CS Nokendai, C Rokugo, CS Gotokuji, CS Chitose Karasuyama, CP Kyoto Okazaki

*Method for Calculating Occupancy Rates
"Existing fee-based homes for the elderly with long-term care"：Average occupancy rates during the period are calculated for facilities for which 24 months have passed since the month of opening.
"Second-year facilities"：Average occupancy rates during the period are calculated for facilities for which 12 months or more but less than 24 months have passed since the month of opening.
"Newly opened facilities"：Average occupancy rates during the period are calculated for facilities for which less than 12 months have passed since the month of opening.

Cumulative average occupancy rate during the period by quarter

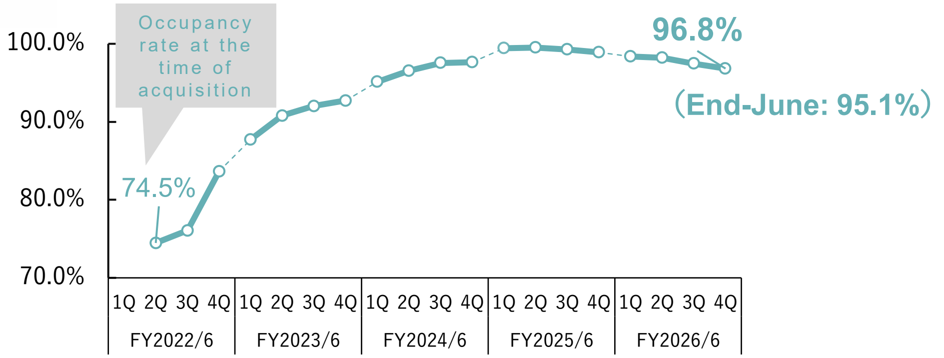


Transition of Occupancy Rates of M&A-Acquired Facilities

① LIKE

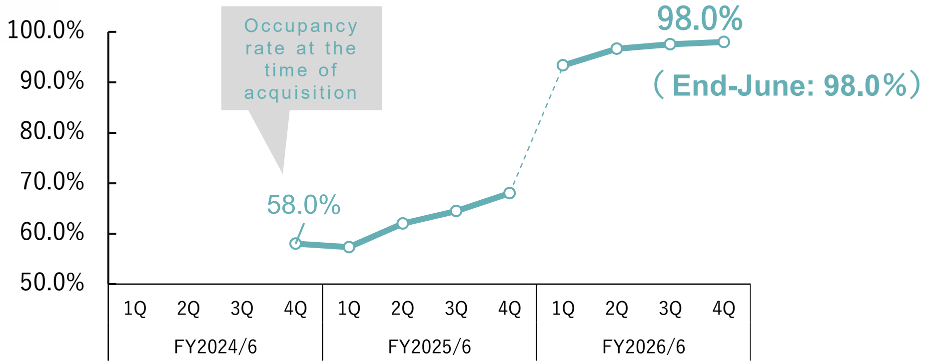
Acquisition date: November 1, 2021 (share transfer)
Number of facilities (rooms): 4 fee-based homes for the elderly with long-term care (410 rooms in total)
Location: Kinki metropolitan area (Osaka City, Sakai City, Ikeda City, and Yao City, Osaka Prefecture)

【Transition of Average Occupancy Rate During the Period】



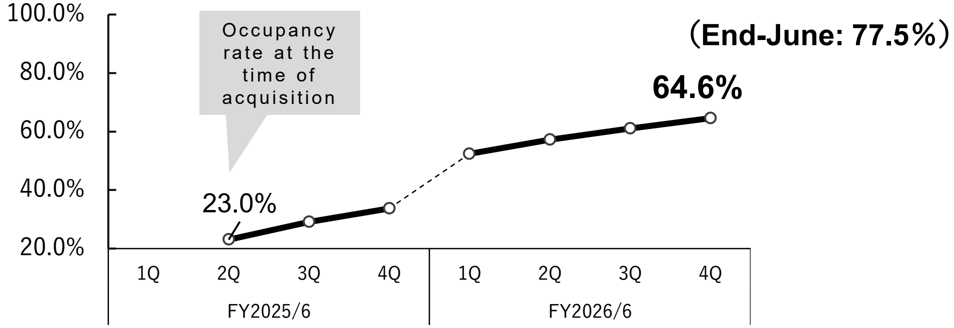
② LIKE Habikino

Acquisition date: June 1, 2024 (business transfer)
Number of facilities (rooms): 1 fee-based home for the elderly with long-term care (50 rooms)
Location: Kinki metropolitan area (Habikino City, Osaka Prefecture)



③ Former Care 21 Facilities

Acquisition date: September 1 and November 1, 2024 (business transfer)
Number of facilities (rooms): 4 fee-based homes for the elderly with long-term care and
1 residential fee-based home for the elderly (368 rooms in total)
Location: Tokyo metropolitan area and Kinki metropolitan area

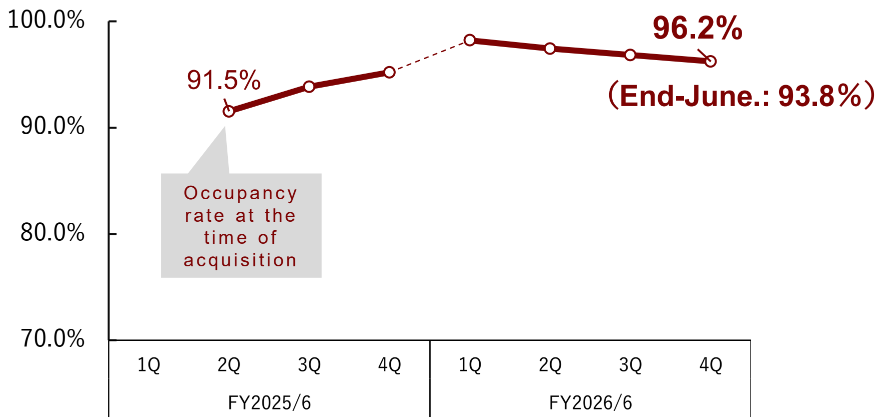


Transition of Occupancy Rates of M&A-Acquired Facilities

④ CM Care

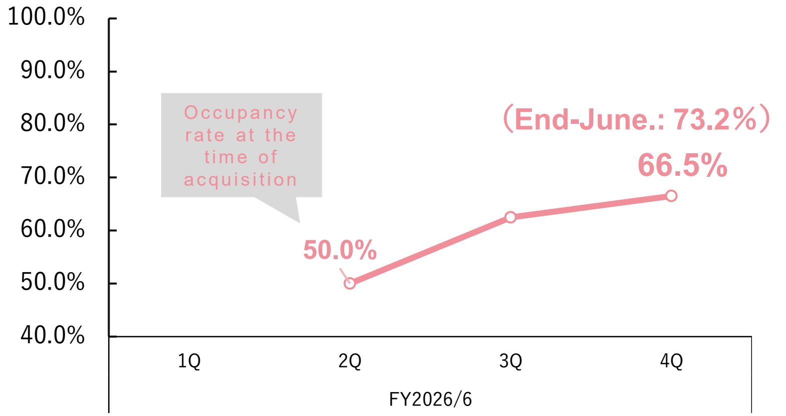
Acquisition date: October 1, 2024 (share transfer)
Number of facilities (rooms): 2 fee-based homes for the elderly with long-term care (130 rooms in total)
Location: Tokyo metropolitan area (Ota-ku, Tokyo and Kawasaki City, Kanagawa Prefecture)

【Transition of Average Occupancy Rate During the Period】



⑤ Former Biken Techno Facility (Charm Ikeda Masumicho)

Acquisition date: March 1, 2026 (business transfer)
Number of facilities (rooms): 1 fee-based home for the elderly with long-term care (56 rooms)
Location: Kinki metropolitan area (Ikeda City, Osaka Prefecture)



Acquired 13 facilities, totaling 1,014 rooms, over the past five years and improved occupancy rates across all facilities

New

Human Capital Strategy: Sustainable Growth through Recruiting,Retaining and Improving Productivity of Long-Term Care Personnel

Management Strategy

Focus on the Long-Term Care Business and sustainable growth
Expansion through new openings and M&A; maintain and improve occupancy rates

Required Human Resources

Service personnel including caregivers, nurses and care managers
Management personnel including home managers and area managers
Specialists in sales, recruiting, training, DX/AI, new openings, M&A and corporate functions

Human Capital Strategy

Improve productivity through DX/AI, 3:0.9 staffing and inter-home support
Return productivity gains to employee compensation
Diversify work styles and strengthen education and training
Strengthen recruiting and improve retention⇒ Improve service quality

Policy for Determining Compensation Based on Human Capital Strategy

Maintain industry-leading compensation levels while determining pay based on recruitment and retention, service quality, productivity, hiring competitiveness, inflation and labor-market conditions
Also considering enhanced compensation for highly skilled personnel (greater emphasis on skill-based pay)

Update

Productivity Improvement – Expanding Facilities with a 3:0.9 Staffing Ratio through DX and Other Initiatives –

Expand facilities adopting 3:0.9 staffing from 1 → 5 → 19, accelerating workforce allocation optimization
(Plan)

Related page:
p.3
p.25
p.56
p.14

Facilities Applied / Planned for Notification (Capacity)

	Facilities Tested (Capacity)	Facilities Applied (Capacity)	Timing of Application
FY2025/6 Actual	2 facilities (143 residents)	**1 facility (79 residents)**	Apr. 2025 *Target not achieved at 1 facility
FY2026/6 Actual	10 facilities (513 residents)	**5 facilities (388 residents)**	Apr.–Jun. 2026 *2 facilities did not meet criteria; 3 deferred
FY2027/6 Plan	**19 facilities (1,553 residents)**	– facilities (– residents)	From Oct. 2026 (planned)

In addition to the above, existing facilities with potential applicability : **56 facilities (capacity: 3,900)**
(Facilities with a staffing ratio* of 1.5:1 or lower are excluded.)

* Depending on personnel changes due to employee turnover, etc., some facilities may fail to meet the notification criteria. Reapplication is possible.

Advanced DX Utilization
Monitoring support devices, record systems, intercoms, etc. help reduce staff workload

Framework to Maintain Quality
Reviewed by committee; notifications submitted only after confirming service quality and safety

Quantitative Effects

Facilities adopting 3:0.9 staffing in FY2025/6 (Actual)
Staffing ratio (denominator), YoY : - 0.07 (e.g., 3:1.05 → 3:0.98)
⇒ 6.7% improvement in staffing efficiency
1 facility / capacity 79

Facilities adopting 3:0.9 staffing in FY2026/6 (Plan)
Staffing ratio (denominator), YoY : - 0.10 (e.g., 3:1.05 → 3:0.95)
⇒ 9.2% improvement in staffing efficiency
5 facilities / capacity 388

To relax the staffing ratio to 3:0.9, each facility must satisfy multiple conditions, including committee reviews of productivity improvement and care service quality, the use of multiple technologies such as monitoring support devices, and demonstrated reductions in staff workload. Approval is therefore not easily granted. The demonstration period varies by facility from approximately six months to one year.

* Staffing efficiency figures are calculated versus the Company’s prior-year results, not against the 3:1 staffing standard.

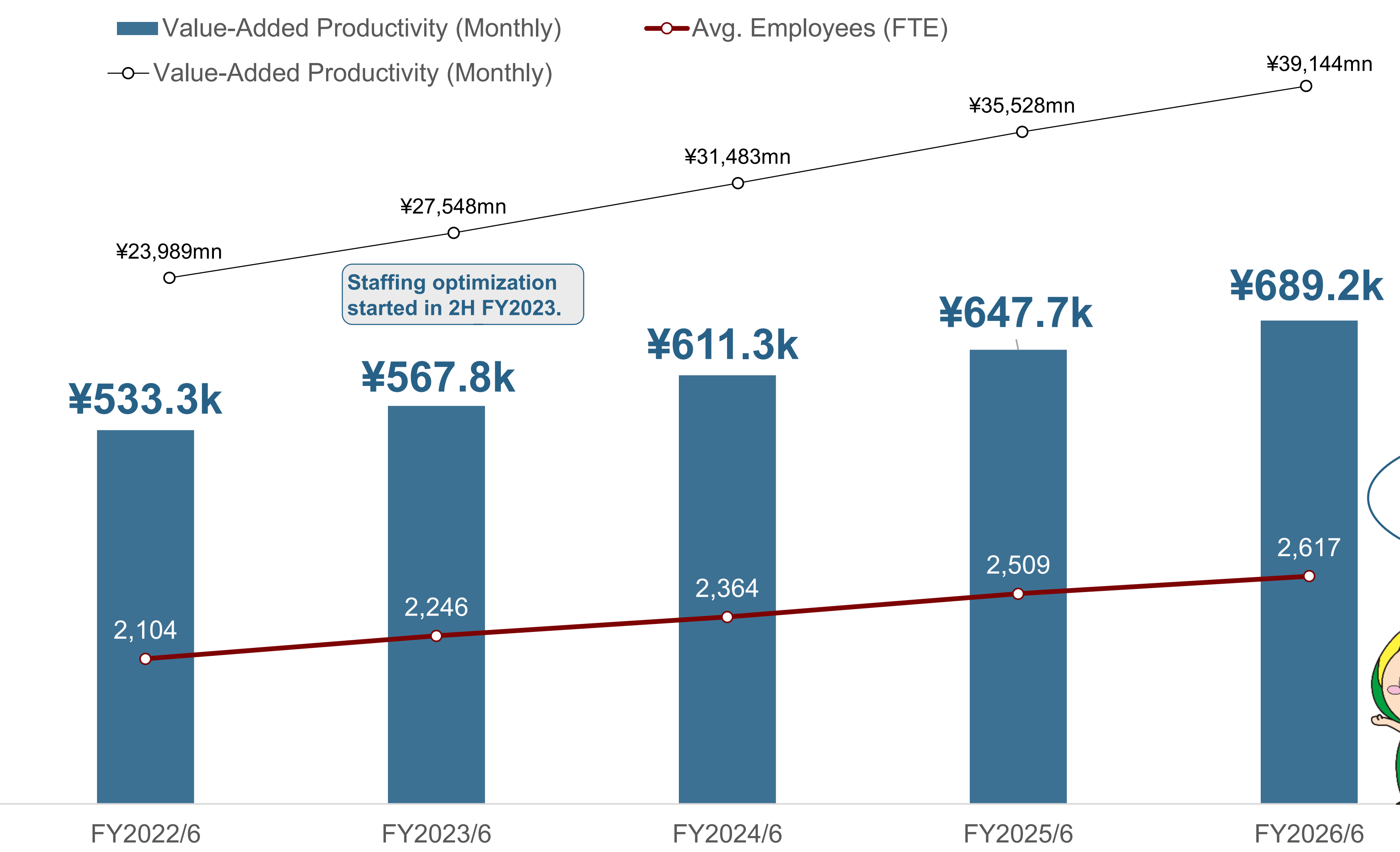
In addition, improve productivity through inter-facility support leveraging our dominant strategy and the use of AI care plans (see P56)

Update

Results of Productivity Improvement Initiatives

Related page:
p.3
p.4
p.7
p.13

Transition in the Performance per Employee at Charm Care (Value-Added Labor Productivity)



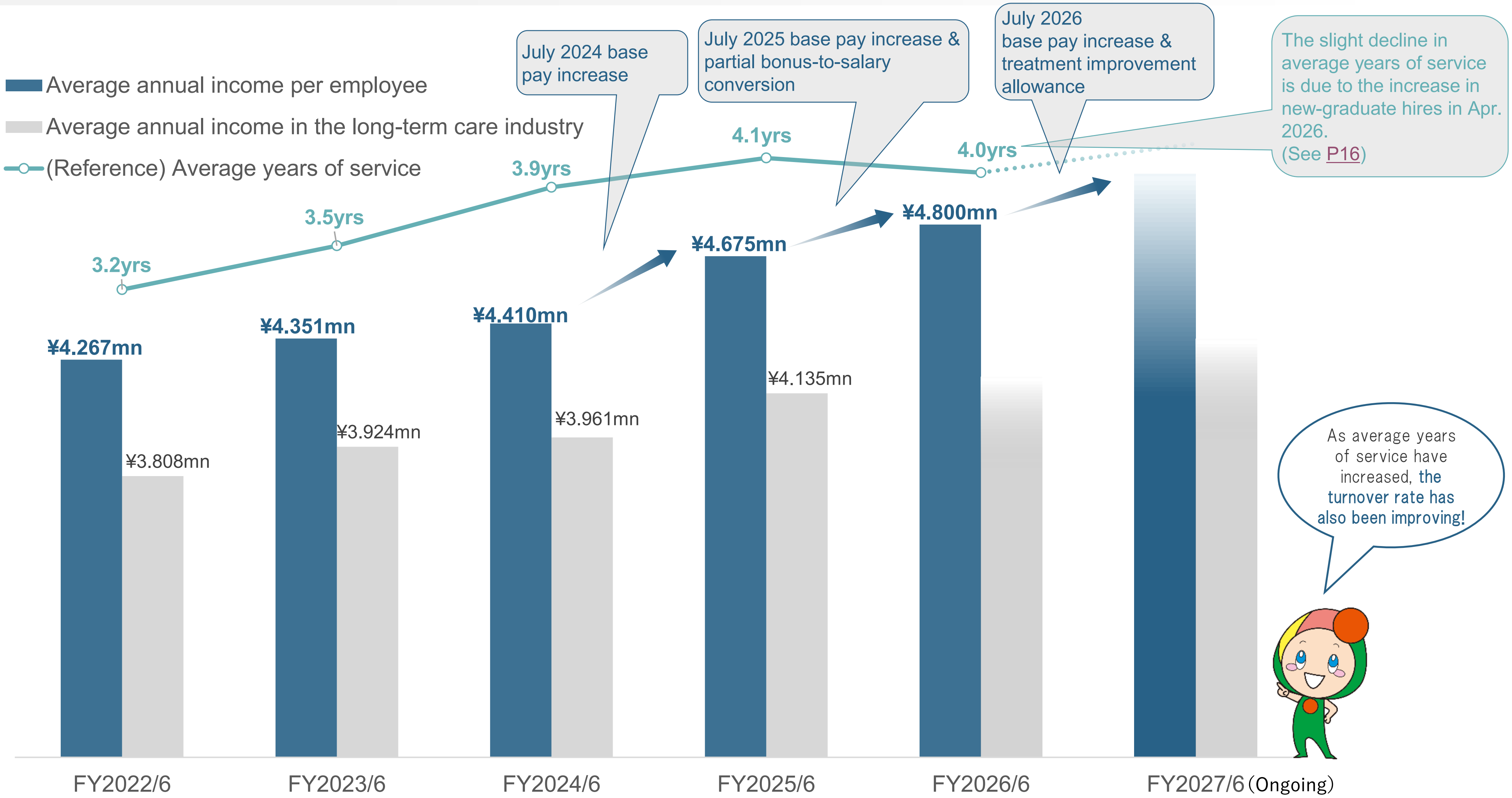
※ Calculated as: (Gross profit excluding labor costs) / Employees (FTE) (Standalone, excluding M&A-acquired facilities)

Update

Returning the Benefits of Productivity Improvements to Frontline Employees Through Better Treatment

Trends in Average Annual Income per Charm Care Employee and Average Years of Service

Related page: p.16



Note: The average annual income in the long-term care industry is based on a survey conducted by NCCU (UA Zensen Care Workers Union), to which the Company belongs.

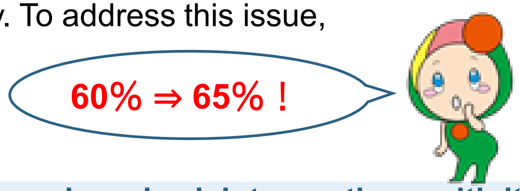
Update

Work environment improvement & staff retention

Related page:
p.15
p.83

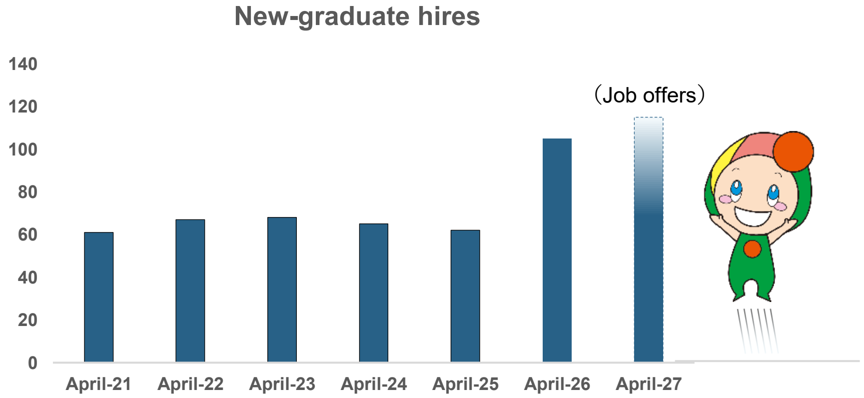
Introducing an optional four-day workweek

- As shown on P83, securing personnel is a major challenge in the care industry. To address this issue, we introduced **an optional four-day workweek** in July 2024, and about **65%** of our care staff have chosen this option.
  This is **a pioneering initiative** in the 24/7 facility-based care sector.
  A labor union survey also found that **75% of staff who selected the four-day workweek wish to continue with it**.
  ～Staff feedback～
  "More days off," "**less fatigue**" (*), "better work–life balance," "able to take on side jobs"



（*） Under the five-day workweek, 8-hour day shifts and 16-hour night shifts are mixed, whereas the four-day workweek fixes each shift at 10 hours, which is considered beneficial for staff health.

- Optional four-day workweek boosts recruitment.
  New-graduate applications increased significantly after the system was introduced. Because accepted job offers for Apr. 2026 hires were on pace to far exceed the plan, recruitment was closed early. Hiring for Apr. 2027 is also progressing at a pace above the previous year. → **New graduates are assigned mainly to facilities in areas where recruitment is difficult, helping reduce the use of temporary staff.**
- Mid-career applications also rose by about 20% year on year, with more applicants citing the appeal of the four-day workweek as their reason for applying. **Cost per hire has declined.**



In addition, we are working to secure human resources through the following initiatives:

- ◆ **Streamlining operations and reducing workload through the introduction of advanced technologies such as IT equipment and AI**
- ◆ **Optimizing staffing led by Associate Leaders**
- ◆ **Extending the mandatory retirement age from 60 to 65**
- ◆ **Establishing a system that allows managers, including Facility Directors, to work until age 75 under the contract employee annual salary system**

CHARM

Summary of Consolidated Balance Sheets

(Millions of yen)	As of Jun. 30, 2025	As of Jun. 30, 2026	Change
Current assets	**21,905**	**22,258**	**+353**
Cash and deposits	9,149	10,118	+968
Inventories (Note 1)	1,609	—	(1,609)
Money held in trust (Note 2)	6,274	6,456	+181
Other	4,871	5,684	+812
Non-current assets	**30,509**	**30,551**	**+42**
Property, plant and equipment	16,492	16,470	(21)
Intangible assets	2,613	2,397	(216)
Goodwill	2,389	2,170	(218)
Other	224	226	+2
Investments and other assets	11,403	11,683	+279
Investment securities	2,195	2,345	+149
Guarantee deposits	6,502	6,817	+314
Deferred tax assets	1,685	1,718	+32
Other	1,019	802	(217)
Total assets	**52,414**	**52,810**	**+395**

Due to the start of interim dividends from the current fiscal year, cash outflows increased more than usual. This is a one-time factor for the current fiscal year.

Decreased due to the sale of land and buildings of the Chofu-Kokuryo project.

(Millions of yen)	As of Jun. 30, 2025	As of Jun. 30, 2026	Change
Current liabilities	**23,582**	**22,478**	**(1,104)**
Short-term borrowings	5,787	3,827	(1,960)
Current Portion of Long-Term Debt	1,114	966	(148)
Contract liabilities (Note 3)	12,884	12,454	(430)
Other	3,795	5,230	+1,435
Non-current liabilities	**8,153**	**7,291**	**(862)**
Long-term borrowings	6,175	5,209	(966)
Other	1,977	2,081	+103
Total liabilities	**31,736**	**29,769**	**(1,966)**
Shareholders' equity	**20,650**	**22,948**	**+2,298**
Share capital	2,759	2,759	—
Capital surplus	2,768	2,772	+4
Retained earnings	15,157	17,440	+2,283
Treasury shares	(35)	(24)	+10
Total accumulated other comprehensive income	(6)	57	+64
Share acquisition right	34	34	—
Total net assets	**20,678**	**23,040**	**+2,362**
Total liabilities and net assets	**52,414**	**52,810**	**+395**
Equity Ratio	39.4%	43.6%	+4.2pt.
Interest-Bearing Debt Ratio	65.2%	45.0%	(20.1pt.)

While retained earnings increased due to the accumulation of profit, the start of interim dividends from the current fiscal year has limited the increase in retained earnings, as both the annual dividend for the previous fiscal year, paid in September, and the interim dividend for the current fiscal year, paid in March, were recorded during the period. This is a special factor.

Approximately ¥1.7 billion decrease due to the previous fiscal year-end dividend and the current fiscal year interim dividend.

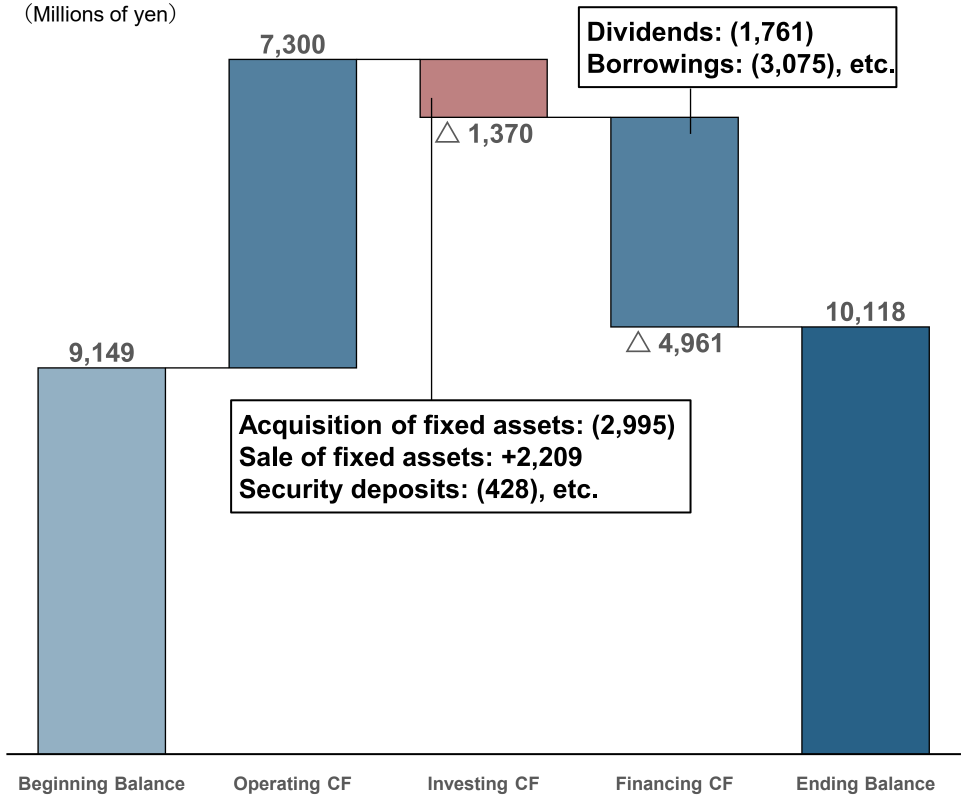
(Note 1) Inventories are real estate for sale and real estate for development in the real estate business.
(Note 2) Money held in trust are deposits made as a protective measure for a part of the initial lump sum fee received in the long-term care business, as mandated by the Act on Social Welfare for the Elderly.
(Note 3) Contract liabilities are initial lump sum fees received and held by the long-term care business, which are drawn down as revenue is recognized.

CHARM

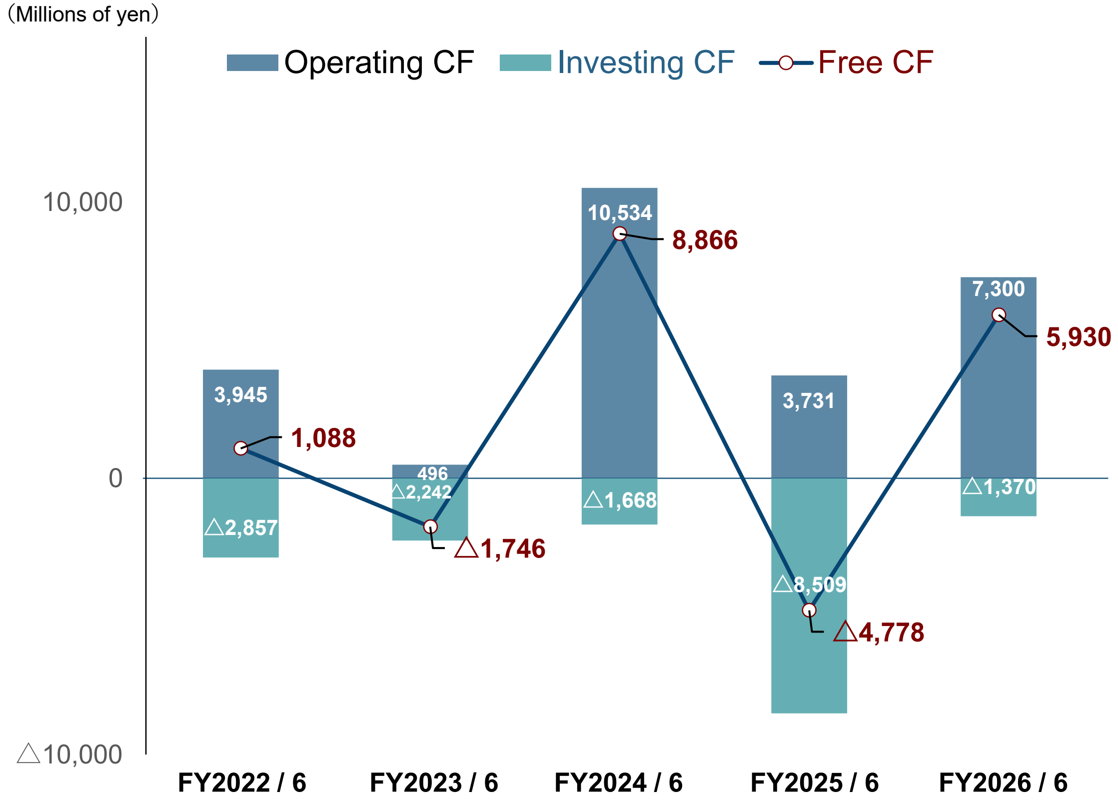
Consolidated Cash Flow Overview

- Cash flow from operating activities：+¥7,300 million, reflecting the solid performance of the core Long-Term Care Business.
- Cash flow from investing activities：(¥1,370 million), as we actively invested in company-owned facilities and IT equipment while also conducting sale-and-leaseback transactions under our asset-light policy.
- Cash flow from financing activities：(¥4,961 million), due to a temporary increase in dividend payments following the introduction of interim dividends (1.5 payments in total) and repayment of borrowings associated with the sale of company-owned facilities.
- As a result, cash and cash equivalents at year-end increased by ¥968 million from the beginning of the year to ¥10,118 million.

Cash Flow for the Current Fiscal Year



Cash Flow Trends



CHARM

Related page: p.29

Earnings Forecast for FYE June 2027

- The Long-Term Care business continues its upward growth trajectory, steadily increasing the number of rooms (capacity) through new facility openings while maintaining a high occupancy rate.
- For the seven fee-based homes for the elderly acquired through M&A in the fiscal year ending June 2025, improvements in occupancy rates and operational efficiency are steadily progressing, and similar improvements are expected in the next fiscal year.
- The sale of properties owned by our Group, which had been scheduled for the fiscal year ending June 2025 but was postponed, is still underway. However, as the sale has not been finalized at this point, it is not included in the performance forecast figures.

Full-year forecasts (consolidated)

(Millions of yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
FY2026/6 (results)	49,079	5,277	5,514	4,047
FY2027/6 (forecast)	**51,455**	**5,965**	**6,055**	**4,055**
Change	**+4.8%**	**+13.0%**	**+9.8%**	**+0.2%**

Note: For details by segment, please refer to pages 29–31 of the Medium-Term Management Plan.

Year-End Dividend for FY2026/6 and Dividend Forecast for FY2027/6

■ FY2026/6 year-end dividend: ¥23.00, revised from the initial forecast of ¥17.00 on May 25, to be submitted to the General Meeting of Shareholders

	Profit attributable to owners of parent (Actual)	Net income per share (EPS) (Actual)	Dividend per share (DPS)			Payout ratio	Total dividends	Dividend on equity (DOE)
FY2026/6	4,047 ¥mn	¥123.87	Interim dividend (Paid)	¥20.00	Total ¥43.00	34.7%	1,405 ¥mn	6.1%
			Year-end Dividend	¥23.00				

* The ¥20.00 dividend paid at the end of 2Q FY2026/6 includes a ¥3.00 commemorative dividend marking the 20th anniversary of the opening of our first facility.

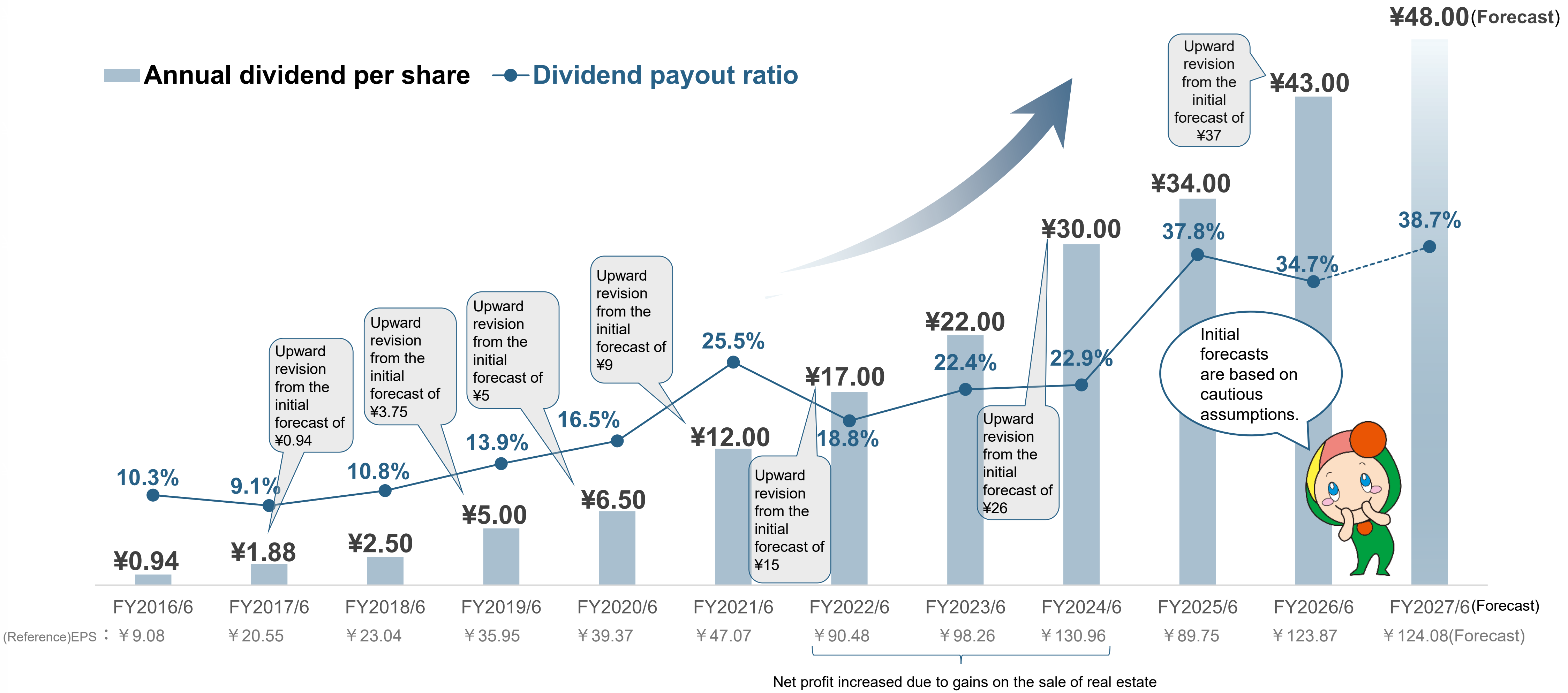
☞ FY2027/6 dividend forecast: **¥48.00 (Interim dividend: ¥24.00 + Year-end dividend: ¥24.00)**

	Profit attributable to owners of parent (Forecast)	Net income per share (EPS) (Forecast)	Dividend per share (DPS)			Payout ratio	Total dividends	Dividend on equity (DOE)
FY2027/6	4,055 ¥mn	¥124.08	Interim dividend (Forecast)	¥24.00	Total ¥48.00	38.7%	1,568 ¥mn	6.1%
			Year-end dividend (Forecast)	¥24.00				

Update

Trends in Shareholder Returns (Dividends)

- **Dividends per share have continued to increase over the past ten fiscal years, and the Company introduced interim dividends from FY2026/6.**
- ☞ **Dividend policy: While maintaining a balance with growth investments, the Company aims to maintain a dividend payout ratio of 30% or higher.**



Note: The Company conducted stock splits at a ratio of two shares for each share of common stock on January 1, 2017, June 1, 2017, April 1, 2018, and January 1, 2020.Per-share annual dividends and EPS (earnings per share) for prior periods are presented on a retroactively adjusted basis to reflect these stock splits.

Index

Update

Strategy for the Medium-Term Management Plan Period (FYE June 2027－FYE June 2029)

1 Core Business : The Long-Term Care Business

1. Aiming to Become an “Innovator” in the Long-Term Care Industry

■ What Is an “Innovator”?

- Driving transformation and creating change in society and the industry through new challenges.
- Aiming to become a leading company in the Long-Term Care industry by boldly taking on new challenges, being the first to turn them into reality, and paving the way for others.

■ Long-Term Vision

- Addressing one of the Long-Term Care industry’s biggest challenges: people who need long-term care services but are unable to access them. ⇒ Currently under consideration, including the evaluation of innovative technologies.
- To enhance service quality and productivity, shifting from “standardization of work,” where everyone is expected to perform the same tasks, to “division of labor and specialization,” where employees are assigned roles that match their capabilities based on the concept of “the right person in the right role,” with the aim of establishing a capability-based compensation system.

Update

Strategy for the Medium-Term Management Plan Period (FYE June 2027－FYE June 2029)

1 Core Business : The Long-Term Care Business

2. Continuation and Evolution of “Back to Basics” — Focusing on the Long-Term Care Business

① Securing a Pipeline of New Facility Openings (Core Driver of Organic Growth)

- Continued New Facility Openings (Approx. 15 Facilities per Year)
- Continuation of the Dominant Strategy and Expansion into New Areas
  ⇒ Accelerating facility openings in the Nagoya area, in addition to the Tokyo metropolitan and Kansai areas
  ⇒ Expanding new facility openings based on public invitations for designated facilities (fee-based homes for the elderly with long-term care) into areas where we currently have no facilities, including Kanagawa, Saitama, and Chiba Prefectures
- Strengthening Expansion in High-Demand Price Segments
  ⇒ Improving building efficiency and reviewing specifications for new facilities
  ⇒ Exploring methods for advance analysis of locations and market areas

② Expansion through M&A (Core Driver of Non-Organic Growth)

- Targeting mid-sized and larger facilities, as well as mid-priced facilities, including lower-priced offerings
- Improving profit margins through integration into the Charm brand, operational efficiency enhancements, and occupancy improvement under Charm's management
- Strengthening Information Gathering for existing properties suitable for conversion
- Establishing a proprietary PMI framework to ensure acquisitions deliver value beyond the deal itself

Update

Strategy for the Medium-Term Management Plan Period (FYE June 2027－FYE June 2029)

Related page:
P13
P56
P55

1 Core Business : The Long-Term Care Business

③ Maintaining and Improving Occupancy Rates (Core Driver of Profitability)

- Accelerating the sharing of move-out and vacancy information with the Sales Department and improving response speed
- Strengthening initiatives to improve conversion rates, including guidance for facilities facing challenges and broader rollout of best practices

④ DX Investment and Further Productivity Enhancement (Core Driver of Profit Margin Improvement)

- Expansion of 3:0.9 Facilities (see P13)
- Further Enhancing Our Ability to Optimize Staffing in Line with Occupancy Levels

  ⇒ Maximizing the value of human capital, rather than simply reducing headcount
- Optimizing the Allocation of Care Managers through AI-Assisted Care Plan Development (see P56)
- Aiming to invest in companies developing camera-based detection technologies and begin on-site deployment (see P55)

Update

Strategy for the Medium-Term Management Plan Period (FYE June 2027－FYE June 2029)

1 Core Business : The Long-Term Care Business

⑤ Full-Scale Promotion of AI and Data Utilization (Foundation for Company-Wide Transformation and Growth)

- Comprehensive Use of AI Technologies

  ⇒ Actively introducing AI across facility operations and corporate functions to improve operational efficiency
- Research into AI Use Cases ⇒ Exploring AI use cases across facility operations and corporate functions

⑥ Investment in People (Foundation for Sustainable Growth)

- Continued Enhancement of Employee Compensation
- Embedding the Optional Four-Day Workweek, evaluating its impact on employee experience and workplace flexibility, and strengthening talent acquisition through diverse work styles
- Evaluating the Feasibility of Increasing the Number of Annual Holidays
- Further strengthening on-site training and providing focused development for facility manager candidates, section managers, and facility managers

Update

Strategy for the Medium-Term Management Plan Period (FYE June 2027－FYE June 2029)

2 Businesses Related to the Long-Term Care Business

① Personnel dispatch, home-visit nursing, and medical-type home businesses operated by Good Partners

- The personnel dispatch business continues as a service to temporarily supplement staffing shortages at facilities within our Group.
- The home-visit nursing business leverages synergies with residential fee-based homes for the elderly and other facilities within our Group.
- Continue opening new medical-type homes while strengthening risk management by establishing a profitable business model that reflects downward revisions to reimbursement rates.

② Resident referral business operated by Charm Senior Living

- To further promote occupancy at fee-based homes for the elderly with long-term care and residential fee-based homes for the elderly within our Group through resident referrals, and to enhance overall Group management efficiency, we are strengthening our workforce.
- Personnel with extensive knowledge of caregiving operations and strong sales capabilities are selected from our facilities and effectively utilized as sales staff of the Company or as personnel of Charm Senior Living.

③ Other businesses related to the Long-Term Care business

- We are considering M&A opportunities and new business ventures in other areas related to the Long-Term Care business.
- Continue and further develop the Company's unique sustainability initiatives.

☞ **Regarding the Real Estate Business, in light of changes in the operating environment, including rising construction costs and interest rates, we will prioritize the Long-Term Care Business. The Real Estate Business will be discontinued upon the sale of the FY2026/6 project (the Chofu City Kokuryo project).**

Update

Medium-Term Management Plan for FYE June 2027–FYE June 2029

(Millions of yen)

	FY2025/6 Results	YoY	FY2026/6 Results	YoY	FY2027 / 6 Plan	YoY	FY2028 / 6 Plan	YoY	FY2029 / 6 Plan	YoY
Net sales	46,673	(2.4%)	49,079	+5.2%	**51,455**	**+4.8%**	**56,120**	**+9.1%**	**62,200**	**+10.8%**
New **EBITDA**(※)	5,045		6,619	+31.2%	**7,310**	**+10.4%**	**8,035**	**+9.9%**	**8,725**	**+8.6%**
EBITDA Margin	10.8%		13.5%		14.2%		14.3%		14.0%	
Operating profit	3,845	(28.6%)	5,277	+37.3%	**5,965**	**+13.0%**	**6,670**	**+11.8%**	**7,335**	**+10.0%**
Operating Profit Margin	8.2%		10.8%		**11.6%**		**11.9%**		**11.8%**	
Ordinary profit	4,024	(30.8%)	5,514	+37.0%	**6,055**	**+9.8%**	**6,615**	**+9.2%**	**7,300**	**+10.3%**
Ordinary Profit Margin	8.6%		11.2%		**11.8%**		**11.8%**		**11.7%**	
Extraordinary Gains/Losses	367		226		**-**		**-**		**-**	
Profit attributable to owners of parent	2,936	(31.3%)	4,047	+37.9%	**4,055**	**+0.2%**	**4,255**	**+4.9%**	**4,615**	**+8.5%**
Net Profit Margin	6.3%		8.3%		**7.9%**		**7.6%**		**7.4%**	
Earnings Per Share (EPS)	¥89.89	(31.3%)	¥123.87	+37.8%	**¥124.08**		**¥130.20**		**¥141.21**	

Includes ¥5.6 billion in revenue from the Real Estate Business (FY2025/6 net sales)

Includes ¥3.0 billion in revenue from the Real Estate Business (FY2026/6 net sales)

- The three-year plan figures are based on the new facility opening plans currently underway, as shown on P34－36. The plan figures may change depending on increases in the number of new facility openings and the execution of M&A transactions.
- Future M&A transactions, including those under consideration, are **not incorporated into the plan.**
- Calculated based on the accounting treatment applicable prior to the adoption of the new lease accounting standard.

CHARM

Related page:
P34
P35
P36

Update

Segment Plans for FYE June 2027－FYE June 2029

Related page: P19

(Millions of yen)

		FY2025/6 Results	YoY	FY2026/6 Results	YoY	FY2027 / 6 Plan	YoY	FY2028 / 6 Plan	YoY	FY2029 / 6 Plan	YoY
Long-Term Care Business (details are provided on the next page)	Net sales	39,063	+17.0%	44,017	+12.7%	**48,511**	+10.2%	**52,172**	+7.5%	**57,021**	+9.3%
	Segment profit	4,802	+9.0%	6,344	+32.1%	**7,273**	+14.6%	**7,860**	+8.1%	**8,263**	+5.1%
Other Businesses	Net sales	8,219	(44.9%)	5,691	(30.8%)	**3,563**	(37.4%)	**4,590**	+28.8%	**5,840**	+27.2%
	Segment profit	192	(90.2%)	288	+49.8%	**93**	(67.6%)	**227**	+143.9%	**486**	+113.6%
Good Partners (staffing services, etc.)	Net sales	2,562	+38.0%	2,619	+2.2%	**3,375**	+28.9%	**4,386**	+30.0%	**5,618**	+28.1%
	Operating profit	115	(9.9%)	138	+19.3%	**160**	+15.9%	**208**	+30.1%	**465**	+123.2%
Amortization of goodwill		(32)	–	(32)	–	**(32)**	–	**(32)**	–	**(32)**	–
Charm Senior Living (Resident referral services)	Net sales	49	–	69	+40.3%	**95**	+37.1%	**111**	+16.7%	**129**	+15.5%
	Operating profit	43	–	(2)	–	**1**	–	**1**	±0.0%	**3**	–
Real Estate Business	Net sales	5,607	(57.1%)	3,002	(46.5%)	**92**	(96.9%)	**92**	±0.0%	**92**	±0.0%
	Operating profit	65	(96.5%)	184	+181.1%	**48**	(73.5%)	**50**	+2.5%	**50**	±0.0%
Other Related Businesses	Net sales	-	–	-	–	**-**	–	**-**	–	**-**	–
	Operating profit	-	–	-	–	**-**	–	**-**	–	**-**	–
Adjustments	Intersegment sales or transfers	(608)	–	(629)	–	**(615)**	–	**(641)**	–	**(663)**	–
	Segment profit(※)	(1,150)	–	(1,354)	–	**(1,396)**	–	**(1,414)**	–	**(1,409)**	–
Consolidated	Net sales	46,673	(2.4%)	49,079	+5.2%	51,455	+4.8%	56,120	+9.1%	62,200	+10.8%
	Operating profit	3,845	(28.6%)	5,277	+37.3%	5,965	+13.0%	6,670	+11.8%	7,335	+10.0%
	Ordinary profit	4,024	(30.8%)	5,514	+37.0%	6,055	+9.8%	6,615	+9.2%	7,300	+10.3%
	Profit attributable to owners of parent	2,936	(31.3%)	4,047	+37.9%	4,055	+0.2%	4,255	+4.9%	4,615	+8.5%
	Earnings Per Share (EPS)	¥89.89	(31.3%)	¥123.87	+37.9%	¥124.08	+0.2%	¥130.20	+4.9%	¥141.21	+8.5%

(※) Segment profit under Adjustments represents corporate expenses that are not allocated to individual reporting segments. Such corporate expenses mainly consist of general and administrative expenses not attributable to specific reporting segments.

Note：Calculated based on accounting treatment prior to the adoption of the new lease accounting standard (applicable to the following pages as well).

Update

Long-Term Care Business Segment Plan Breakdown (FY2027/6–FY2029/6) ①

(Millions of yen)

			FY2025/6 Results	FY2026/6 Results	FY2027/6 Plan	FY2028/6 Plan	FY2029/6 Plan
Long-Term Care Business		Net sales	39,063	44,017	**48,511**	**52,172**	**57,021**
		Segment profit [Margin]	4,802 [12.3%]	6,344 [14.4%]	**7,273 [15.0%]**	**7,860 [15.1%]**	**8,263 [14.5%]**
		Avg.occupancy rate (residents / capacity)	87.1% (6,186／7,098)	89.5% (6,851／7,653)	91.6% (7,429／8,110)	90.3% (7,990／8,852)	90.9% (8,746／9,622)
Charm Care (excl. M&A facilities)	**Existing fee-based homes for the elderly with long-term care** (2+ years in operation)	Net sales	29,482	33,031	**37,411**	**40,165**	**42,281**
		Operating profit [Margin]	5,024 [17.0%]	6,000 [18.2%]	**6,888 [18.4%]**	**7,719 [19.2%]**	**7,891 [18.7%]**
		Avg.occupancy rate (residents / capacity)	**94.4%** (4,558／4,826)	**94.5%** (4,969／5,257)	**95.0%** (5,595／5,889)	**95.2%** (5,996／6,295)	**95.5%** (6,337／6,637)
	Existing Residential fee-based homes for the elderly (2+ years in operation)	Net sales	1,742	1,689	**1,688**	**1,662**	**2,170**
		Operating profit [Margin]	262 [15.0%]	253 [15.0%]	**249 [14.8%]**	**230 [13.9%]**	**265 [12.2%]**
		Avg.occupancy rate (residents / capacity)	96.4% (356／369)	96.8% (350／362)	96.5% (350／362)	96.4% (349／362)	96.4% (437／453)
	2nd-year facilities (1–2 years since opening)	Net sales	2,513	2,992	**2,348**	**2,549**	**4,475**
		Operating profit [Margin]	202 [8.0%]	273 [9.2%]	**189 [8.1%]**	**150 [5.9%]**	**313 [7.0%]**
		Avg.occupancy rate (residents / capacity)	78.7% (333／423)	76.2% (482／633)	83.4% (338／406)	84.1% (364／433)	88.5% (657／742)
	Newly established facilities (less than 1 year in operation) (Including pre-opening facility costs)	Net sales	1,803	1,430	**1,328**	**1,801**	**2,105**
		Operating profit [Margin]	(422) [－%]	(194) [－%]	**(566) [－%]**	**(960) [－%]**	**(926) [－%]**
		Avg.occupancy rate (residents / capacity)	48.8% (309／633)	53.7% (225／419)	46.7% (203／433)	41.2% (306／742)	43.6% (336／770)

Note: The number of residents and capacity figures represent monthly averages, calculated by dividing the total of month-end values by 12.

(Continued on next page)

Update

Long-Term Care Business Segment Plan Breakdown (FY2027/6–FY2029/6) ②

(Millions of yen)

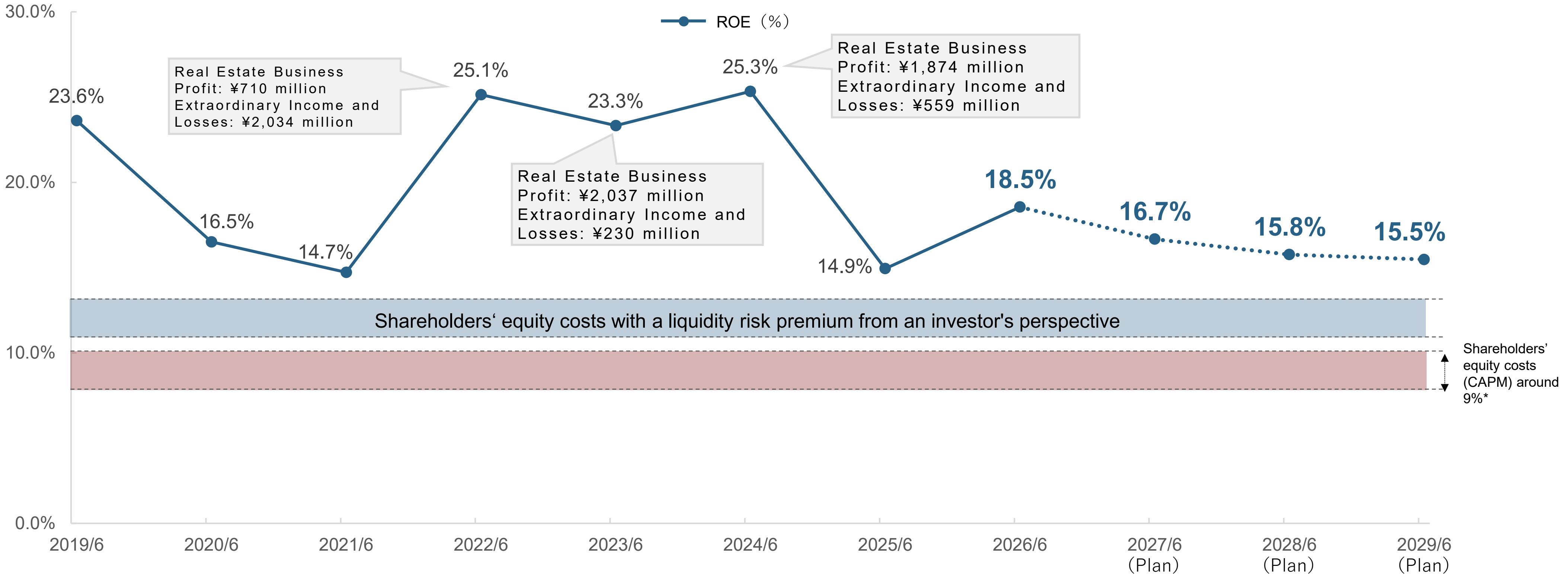
			FY2025/6 Results	FY2026/6 Results	FY2027/6 Plan	FY2028/6 Plan	FY2029/6 Plan
M&A-acquired facilities	LIKE (Oct. 2021–) 5 facilities	Net sales	2,119	2,215	**2,251**	**2,262**	**2,262**
		Operating profit [Margin]	409 [19.3%]	460 [20.8%]	**468 [20.8%]**	**471 [20.8%]**	**471 [20.8%]**
		Avg.occupancy rate (residents / capacity)	95.6% (440／460)	97.0% (446／460)	97.0% (446／460)	97.3% (448／460)	97.4% (448／460)
	Amortization of goodwill		(181)	(181)	**(181)**	**(181)**	**(181)**
	Former CARE 21 (Sep. 2024–) 5 facilities	Net sales	715	1,678	**2,305**	**2,503**	**2,485**
		Operating profit [Margin]	(468) [—%]	(271) [—%]	**133 [5.8%]**	**275 [11.0%]**	**261 [10.5%]**
		Avg.occupancy rate (residents / capacity)	33.7% (98／289)	64.6% (242／374)	86.5% (323／374)	93.5% (350／374)	94.9% (355／374)
	CM Care (Oct. 2024–) 2 facilities	Net sales	685	903	**873**	**896**	**906**
		Operating profit [Margin]	(19) [—%]	22 [2.5%]	**57 [6.6%]**	**98 [11.0%]**	**107 [11.9%]**
		Avg.occupancy rate (residents / capacity)	95.2% (93／98)	96.2% (125／130)	95.4% (124／130)	94.7% (123／130)	94.7% (123／130)
	Amortization of goodwill		(2)	(3)	—	—	—
	Former Biken Techno (Mar. 2026–) 1 facility	Net sales	—	75	**303**	**331**	**335**
		Operating profit [Margin]	— [—%]	(15) [—%]	**35 [11.8%]**	**57 [17.3%]**	**60 [17.9%]**
		Avg.occupancy rate (residents / capacity)	—% (—／—)	66.5% (12／19)	89.1% (50／56)	96.0% (54／56)	97.3% (55／56)

Note: The number of residents and capacity figures represent monthly averages, calculated by dividing the total of month-end values by 12.

Update

Medium-Term Management Plan for ROE (Return on Equity)

- To effectively utilize capital, when formulating plans for new facility openings or M&A, the return on invested capital will be used as one of the evaluation criteria.
- However, to avoid missing growth opportunities, it will not be treated as an absolute standard; decisions will be made based on a comprehensive assessment including other indicators.
- The ROE target under this Medium-Term Management Plan is set at **15%**.



* Estimated based on the yield on 10-year government bonds for the risk-free rate, our 5-year weekly β for the β value, and a market risk premium of 6.0%.
Note：Based on calculations prior to the adoption of the new lease accounting standard.

Update

Capital Allocation Strategy（Cash Allocation）Progress

3-Year Plan
(Aug. 2025 Medium-Term Management Plan)

Cash In
Operating CF：Approximately ¥16 Billion

Asset Sales: Approximately ¥2 Billion

Cash on Hand: Approximately ¥3 Billion

Borrowing Capacity: ¥3 Billion or More

Cash Out
Growth Investment: Approximately ¥10.5 Billion

Shareholder Returns (Dividends): ¥3.5 Billion or More

M&A Reserve Funds: ¥10 Billion or More

FY2026/6 (Year 1) Results

Cash In
Operating CF：Approximately ¥7.23 Billion

Asset Sales: Approximately ¥0.96 Billion

STAY

Cash on Hand: Approximately ¥3 Billion

STAY

Borrowing Capacity: ¥3 Billion or More

Cash Out
Growth Investment: Approximately ¥3.58 Billion

Shareholder Returns (Dividends): ¥1.76 Billion

Key Achievements

- Operating cash flow progressed largely as planned, driven by solid performance across all businesses, particularly the core business.
- Asset sales progressed largely as planned, with the sale of a portion of the targeted properties completed.
- Investment in new facility openings progressed largely as planned.
- Fixed asset acquisitions, including company-owned facility developments, progressed largely as planned.
- Shareholder returns (dividends) exceeded the plan following an upward revision to the dividend forecast driven by stronger-than-expected earnings.

CHARM

Related page: p.28

Update

New Facility Opening Plan

Note: This document reflects the latest information available as of today and will be updated from time to time.
Underlined items indicate changes from the previous version.

	FY2025/6 Results	FY2026/6 Results	FY2027/6 Plan	FY2028/6 Plan	FY2029/6 Plan
Planned New Openings [Number of Rooms / Capacity]	**14 facilities [996 / 1,015]**	**10 facilities [591 / 606]**	**7 facilities [498 / 522]**	**16 facilities [1,107 / 1,194]**	**9 facilities [714 / 743]**
Of which, Tokyo metropolitan area	8 facilities	8 facilities	4 facilities	12 facilities	3 facilities
Of which, Kinki metropolitan area	6 facilities	2 facilities	3 facilities	4 facilities	3 facilities
Of which, Nagoya metropolitan area	–	–	–	–	3 facilities
Cumulative facilities	**105 facilities**	**115 facilities**	**122 facilities**	**138 facilities**	**147 facilities**
Of which, Tokyo metropolitan area	50 facilities	58 facilities	62 facilities	74 facilities	77 facilities
Of which, Kinki metropolitan area	55 facilities	57 facilities	60 facilities	64 facilities	67 facilities
Of which, Nagoya metropolitan area	–	–	–	–	3 facilities
Rooms [Capacity]	**7,155 rooms [7,374 people]**	**7,746 rooms [7,980 people]**	**8,244 rooms [8,502 people]**	**9,351 rooms [9,696 people]**	**10,065 rooms [10,439 people]**
Of which, Tokyo metropolitan area	3,048 facilities	3,523 facilities	3,795 facilities	4,595 facilities	4,812 facilities
Of which, Kinki metropolitan area	4,107 facilities	4,223 facilities	4,449 facilities	4,756 facilities	4,984 facilities
Of which, Nagoya metropolitan area	–	–	–	–	269 facilities

Note: Including hospice facilities, which are residential fee-based homes for the elderly.

CHARM

Related page: p.28

Update

List of Planned New Facility Openings

Note: This document reflects the latest information available as of today and will be updated from time to time. Underlined items indicate changes from the previous version.

FYE June 2027

*As of the end of July 2026

No.	New Opened/Acquired Facilities	Rooms	Opening	Latest Occupancy Rate*
1	Construction started ATTENITY **Chofu** [In-house] (Chofu City)	**53**	Sep.2026	– %
2	Construction started Charm Suite Kyoto Matsugasaki (Sakyo-ku, Kyoto City)	80(84 people)	Sep.2026	– %
3	Construction started **ATTENITY Takatsuki(Takatsuki City, Osaka)**	**56**	**Oct.2026**	– %
4	Construction started Charm Akashi Nishishinmachi (Akashi City, Hyogo)	90(100 people)	Nov.2026	– %
5	Construction started Charm Premier Sakurashinmachi (Setagaya-ku)	62(72 people)	Jan.2027	– %
6	Construction started Charm Suite Megurohoncho (Meguro-ku)	72	**Feb.2027**	– %
7	Construction started Charm Suite Miyamaedaira (Miyamae-ku, Kawasaki City)	**85**	Apr.2027	– %
8				
9				
10				
Total 7 facilities (Tokyo area: 4, Kinki area: 3)		**498 (522 people)**		

CHARM

Related page: p.28

Update

List of Planned New Facility Openings

Note: This document reflects the latest information available as of today and will be updated from time to time.
Underlined items indicate changes from the previous version.

FYE June 2028

No.		New Opened/Acquired Facilities	Rooms (People)	Opening
1	Construction started	(Tent.)Charm Suite Higashi Totsuka (Totsuka-ku, Yokohama City)	87	July.2027
2		(Tent.)Charm Soka Hikawacho **[In-house]** (Soka City, Saitama)	80	Sep.2027
3	Construction started	(Tent.)Charm Premier Konanyamate (Higashinada-ku, Kobe City)	94(100)	Aug.2027
4	Construction started	(Tent.)Charm Suite Kokubunji Hikarimachi (Kokubunji City, Tokyo)	71	Oct.2027
5		**(Tent.)ATTENITY Takarazuka Nakasuji [In-house] (Takarazuka City, Hyogo)**	**63**	**Nov.2027**
6		**(Tent.)ATTENITY Akitsu (Higashimurayama City)**	**62**	**Nov.2027**
7	Construction started	(Tent.)Charm Suite Aobadai (Aoba-ku, Yokohama city)	69	Dec.2027
8	Construction started	(Tent.)Charm Premier Shakujii Park (Nerima-ku)	54(76)	Jan.2028
9	Construction started	(Tent.)Charm Premier Sendagaya (Shibuya-ku)	**43(51)**	**Jan.2028**
10		(Tent.)Charm Premier Grand Sangubashi (Shibuya-ku)	27(50)	Feb.2028
11		(Tent.)Charm Suite Miyazakidai (Miyamae-ku, Kawasaki City)	60(72)	Feb.2028
12	Construction started	(Tent.)Charm Amagasaki Nishikoya [In-house] (Amagasaki City, Hyogo)	100	**Mar.2028**
13	Construction started	(Tent.)ATTENITY Amagasaki Nishikoya [In-house] (Amagasaki City, Hyogo)	50	**Mar.2028**
14		(Tent.)Charm Koshigaya Akayamacho (Koshigaya City, Saitama)	101	Mar.2028
15	Construction started	(Tent.)Charm Suite Chidoricho (Ota-ku)	72	**Apr.2028**
16	Construction started	(Tent.)Charm Suite Yukigayaotsuka (Ota-ku)	74(90)	May 2028
Total		**16 facilities (Tokyo area: 12, Kinki area: 4)**	**1,107 (1,194)**	

All projects other than in-house development are lease-based projects from property owners.

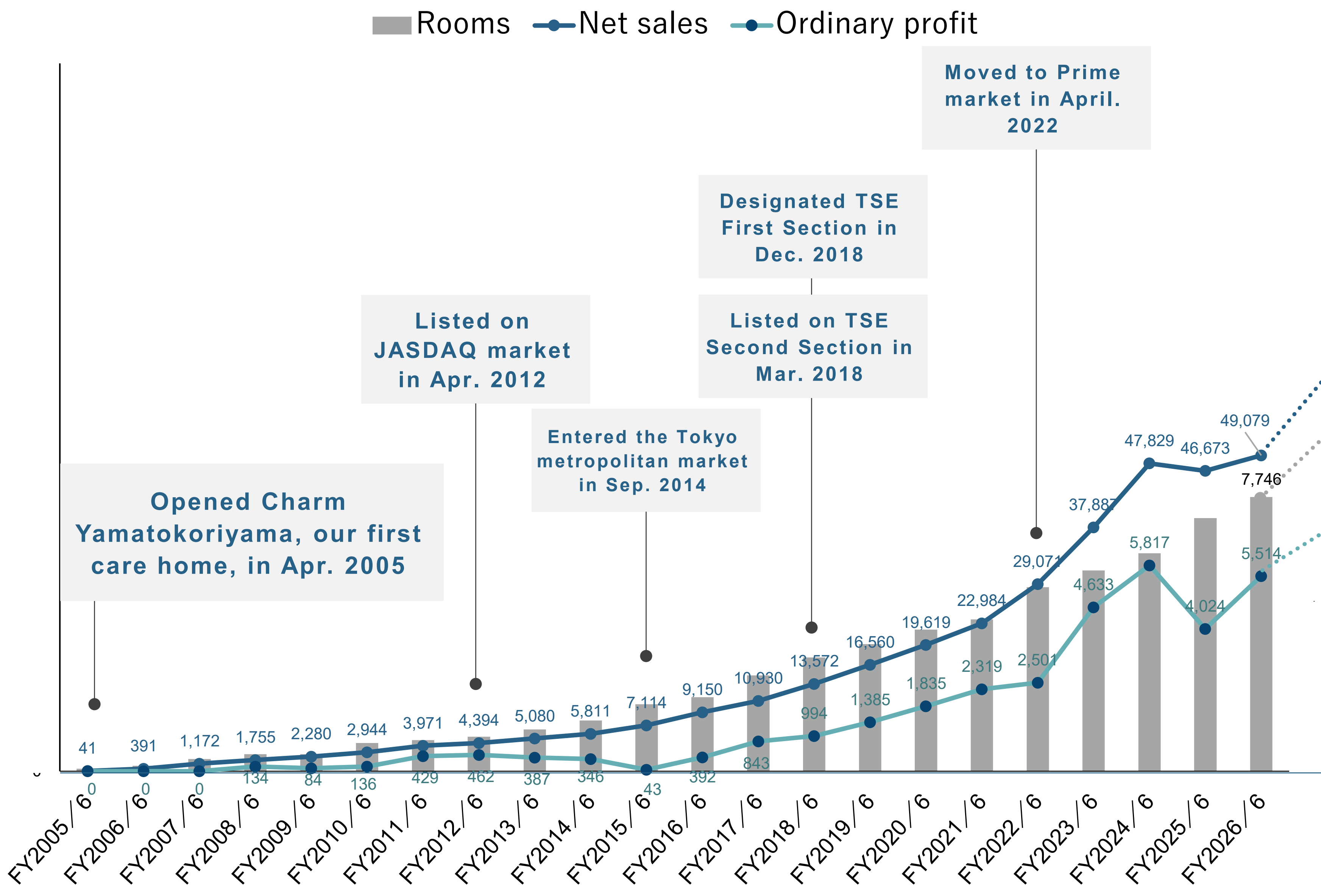
FYE June 2029

No.	New Opened/Acquired Facilities	Rooms (People)	Opening
1	(Tent.)Charm Suite Tsukimino [In-house] (Yamato City, Kanagawa)	74	**Sep.2028**
2	**(Tent.)Charm Suite TNM (Toyonaka City, Osaka)**	**78**	**Dec.2028**
3	**(Tent.)Charm ISJ [In-house] (Ibaraki City, Osaka)**	**94(100)**	**Dec.2028**
4	(Tent.)Charm Premier Kugenuma Kaigan (Fujisawa City, Kanagawa)	**64(71)**	**Oct.2028**
5	**(Tent.)Charm Suite DKC (Higashi-ku, Nagoya City)**	**85**	**Feb.2029**
6	**(Tent.)Charm Suite GKY (Showa-ku, Nagoya City)**	**89**	**Apr.2029**
7	(Tent.)Charm Suite Kakio [In-house] (Machida city)	79	**Apr.2029**
8	**(Tent.)Charm Premier IBK (Mizuho-ku, Nagoya City)**	**95**	**May.2029**
9	(Tent.)Charm Suite Jingu Marutamachi [In-house] (Sakyo-ku, Kyoto City)	56(72)	**May.2029**
	(※) Projects approved for commercialization but pending contract execution are shown using initials.		
Total	**9 facilities (Tokyo area: 3, Kinki area: 3, Nagoya area: 3)**	**714(743)**	

FYE June 2030～

Multiple new facility projects are under development.

Growth Outlook Beyond the Mid-term Management Plan



FYE June 20XX

Net sales
¥100 billion

Rooms
15,000 Rooms

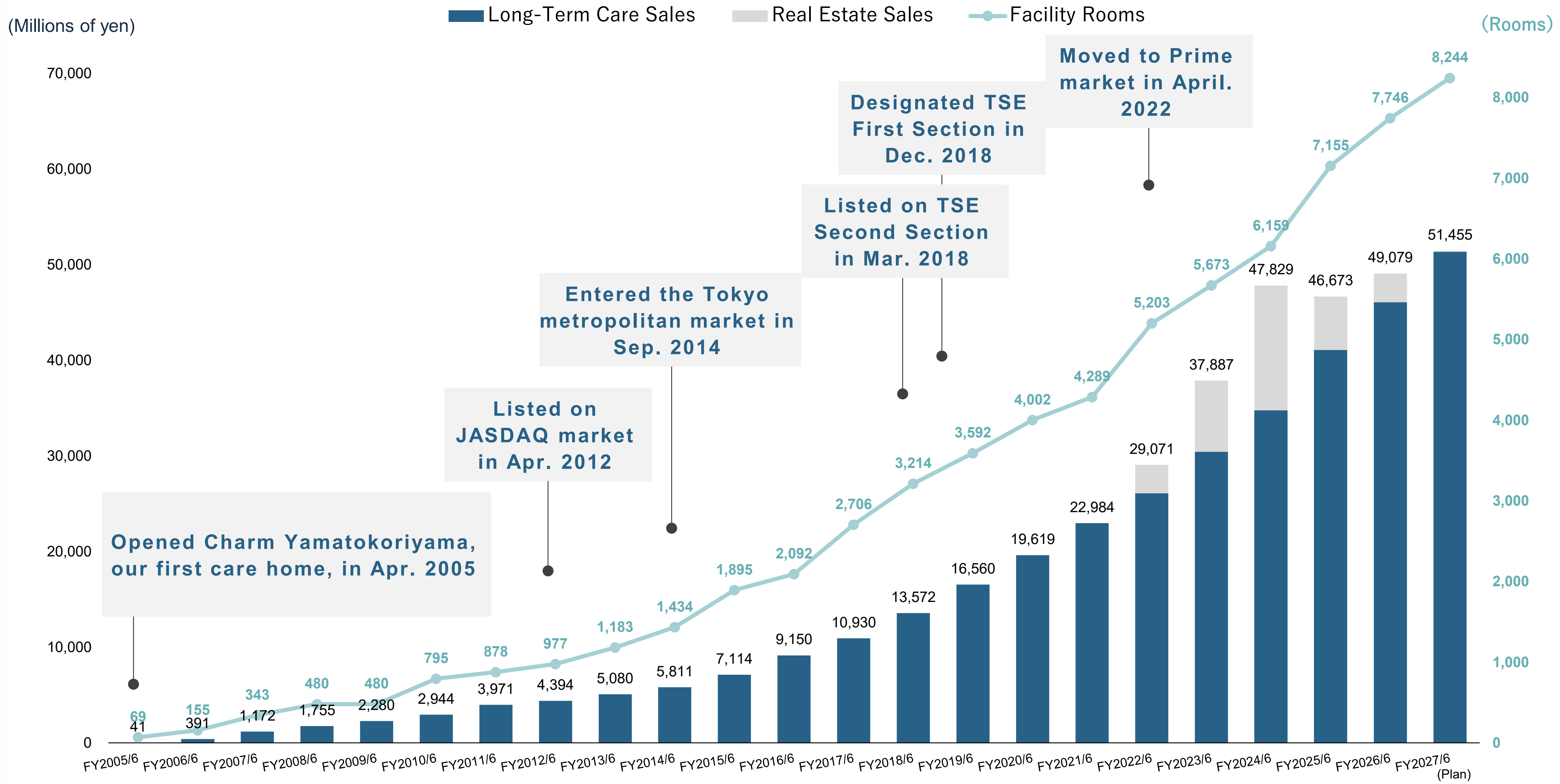
Ordinary profit
¥10 billion

Assumed Image

- Approx. 5,000 new rooms → Revenue increase of approx. **JPY 30–35 billion**
- Scale expansion through M&A → Revenue increase of approx. **JPY 20–25 billion**

Index

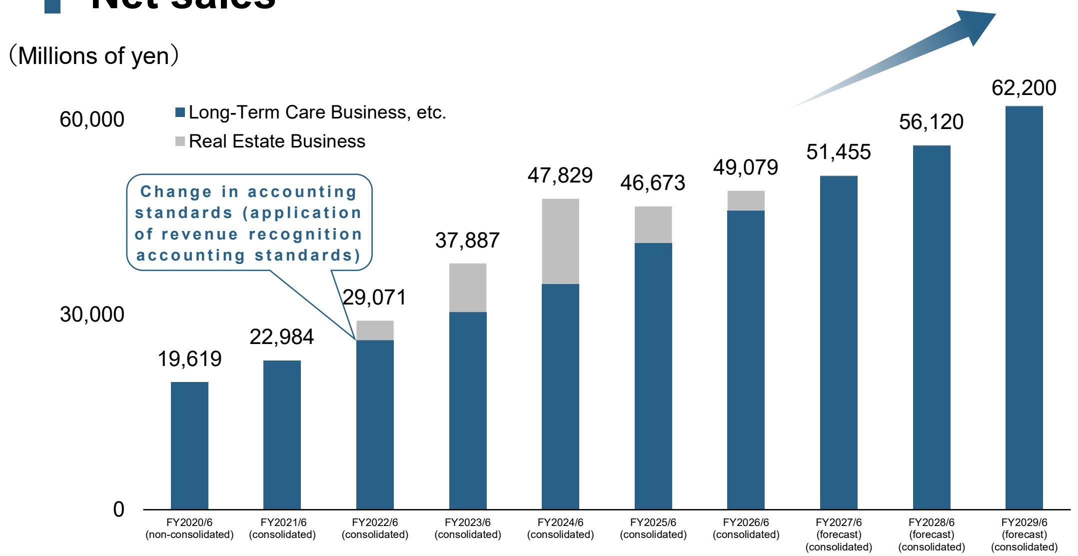
Trends in sales and number of rooms, and history



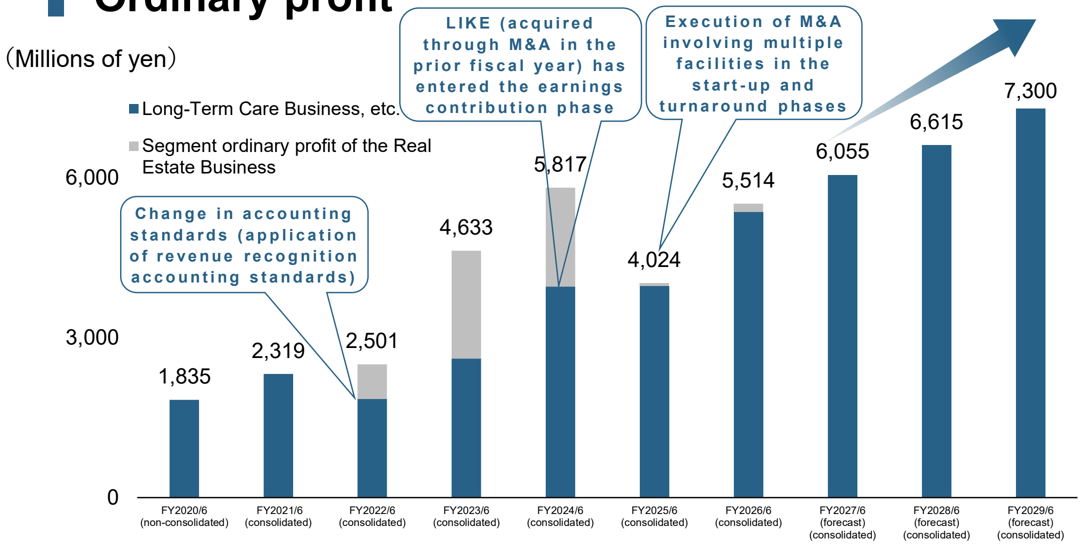
Note: The total number of rooms includes facilities and hospice facilities operated by consolidated subsidiaries.

Performance Trends

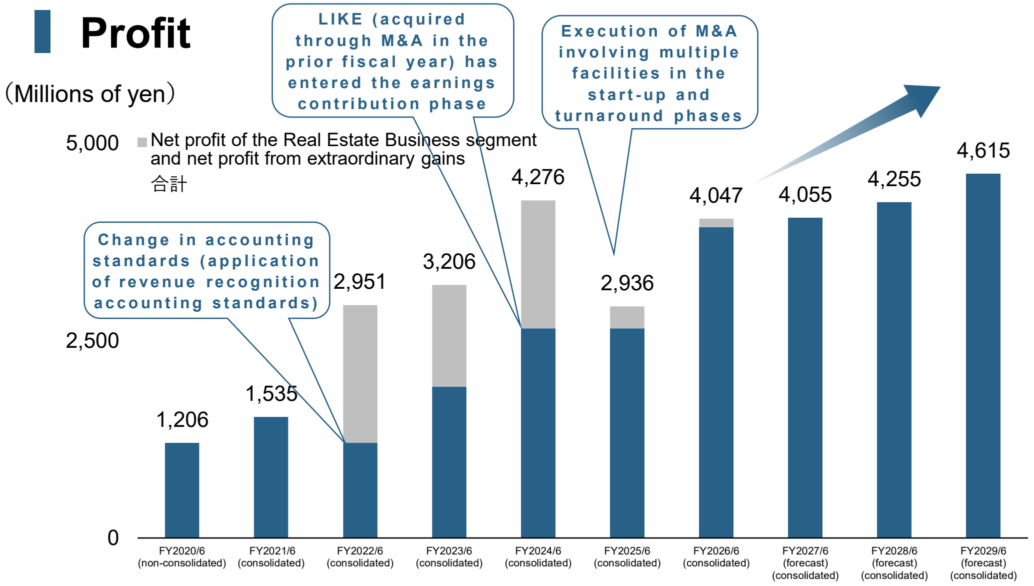
Net sales



Ordinary profit



Profit



(Millions of yen)	FY2022/ 6 (consolidated)	FY2023/ 6 (consolidated)	FY2024/ 6 (consolidated)	FY2025/ 6 (consolidated)	FY2026/ 6 (consolidated)
Net assets	12,458	15,135	18,706	20,678	**23,040**
Total assets	37,355	43,304	47,339	52,414	**52,810**
Equity ratio	33.2%	34.8%	39.4%	39.4%	**43.6%**
Return on Equity (ROE)	25.1%	23.3%	25.3%	14.9%	**18.5%**

CHARM CARE Group

MISSION

Charm Care Corporation will contribute to the creation of a prosperous and rewarding aging society.

The design of our logo uses wings as a motif to represent our continuing commitment to constant reform and further evolution in the future.

Charm Care Group's Business

01 Achieving long-term and steady growth in **the Long-Term Care business, the core businesses** focused on the operation of "fee-based homes for the elderly with long-term care."

02 Complementing the core business **through related ventures in the Long-Term Care business**, driving growth through synergy-driven revenue expansion and improved group management efficiency.

03 Aiming for further growth through **New Business,** in fields such as AI that contribute to an aging society.

CHARM

Related page:
p.43
p.74
p.81

Characteristics of the Long-Term Care Business (1)

▶ Management resources focused on fee-based homes for the elderly with long-term care (daily life long-term care admitted to specified facilities)

Over 94% of operated facilities are “fee-based homes for the elderly with long-term care”

(a major unique feature among large-scale operators)

Advantage 1:

Unlike other fee-based homes for the elderly, fee-based homes for the elderly with long-term care have **fixed care fees**, making revenue easy to anticipate and stable（see P43 and P74）.

Advantage 2:

Fee-based homes for the elderly with long-term care require designation by the local government, creating **a high barrier** to entry for operators without a track record.

Advantage 3:

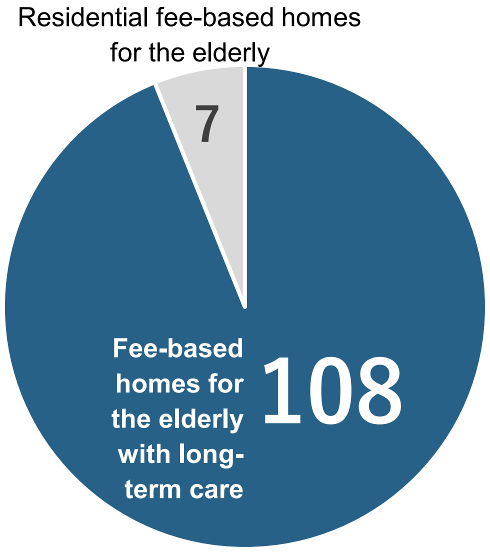
Fee-based homes for the elderly with long-term care are **more likely to be chosen by customers (= high occupancy rate)** due to their safety and security, such as a 24-hour long-term care system.

Advantage 4:

As fee-based homes for the elderly with long-term care cater to elderly residents with moderate to severe long-term care needs*, **demand is expected to grow further in the future**（see P81）.

(*Averages of Charm Care’s residents:
age 88 years and 9 months, long-term care level 2.2-2.3)

Types of senior homes within our company group.



As of August1, 2026

CHARM

Related page: p.42

Characteristics of the Long-Term Care Business (1)

▶ For Reference:Main types of facility-based services

Type	Details	
Fee-based homes for the elderly with long-term care (daily life long-term care admitted to specified facilities)	Fee-based homes for the elderly designated by prefectural governments as "daily life long-term care admitted to specified facilities" under the long-term care insurance system; when residents need long-term care, facility staff provide long-term care services. Establishing a new facility requires being selected by the local government through a public tender process. Also, **long-term care fees are fixed amounts that depend on the level of care the residents need.**	**Restrictions on establishment** **System of fixed long-term care fees**
Residential fee-based homes for the elderly	When residents need long-term care, separate agreements are made with a third-party long-term care provider (or, a company provider onsite) for use. Establishing a new facility does not require being selected through a public tender process. Also, **long-term care fees are decided depending on the quantity of services used by the resident.**	**No restrictions on establishment** **system of variable long-term care fees**
Senior residences offering services	Residences leased to seniors that meet registration criteria for size, facilities, etc. and required to at least provide safety confirmation and daily life consultation services through care professionals.	**No restrictions on establishment**
Facilities covered by public aid providing long-term care to the elderly (intensive care homes for the elderly)	Facilities covered by public aid providing long-term care to the elderly are for seniors aged 65 and up who require constant long-term care and have difficulty living at their own households. Admission requirements have become stricter since April 2015, and in principle, users are required to be those needing long-term care level 3 or higher. Based on a fiscal 2019 survey, there was a waiting list of approximately 290,000 people nationwide, and to be admitted in urban areas in particular takes a considerable amount of time.	**Private operators not permitted** **Restrictions on admission**
Long-term care health facilities	These facilities support the independence of seniors requiring medical care and long-term care and mainly provide rehabilitation services for the purpose of enabling them to return to their own households. Basically, their purpose is to return residents to their own households, and decisions are made at the end of each stay period on whether to extend the stay or discharge.	**Private operators not permitted**

Characteristics of the Long-Term Care Business (2)

Related page: p.82

▶ Expanding the opening of facilities with high added value in urban areas of the Tokyo metropolitan area and Kinki region

(forming a dominant presence in the urban areas of the Tokyo metropolitan area and Kinki region)

Advantage 1:

High customer needs (see P82)

By locating in desirable residential areas in urban areas where the aging population continues to grow, Charm Care is targeting **promising markets with high needs and many affluent and semi-affluent residents**.

Advantage 2:

Not losing customers

If the desired facility is full, temporary occupancy is possible in a nearby facility.

Advantage 3:

Staff can be easily transferred from one facility to another or support other staff members

Allows **efficient utilization of human resources**.

Advantage 4:

Advantageous in securing staff

Many facilities are near stations and convenient for commuting, making it **easier to secure personnel**.

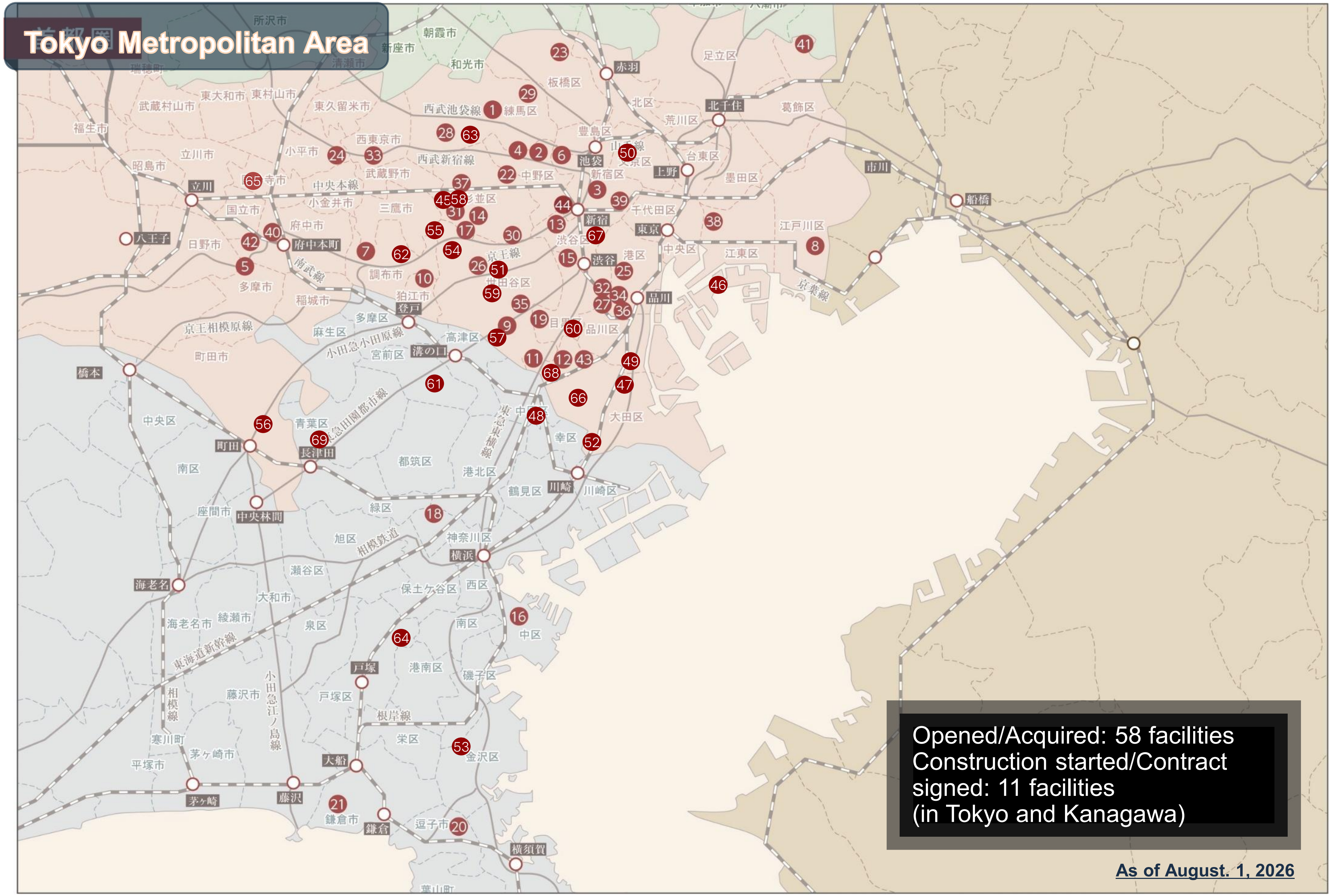
Advantage 5:

Management efficiency

The concentration of facilities **enables efficient operation and management** in terms of education, training, risk management, etc.

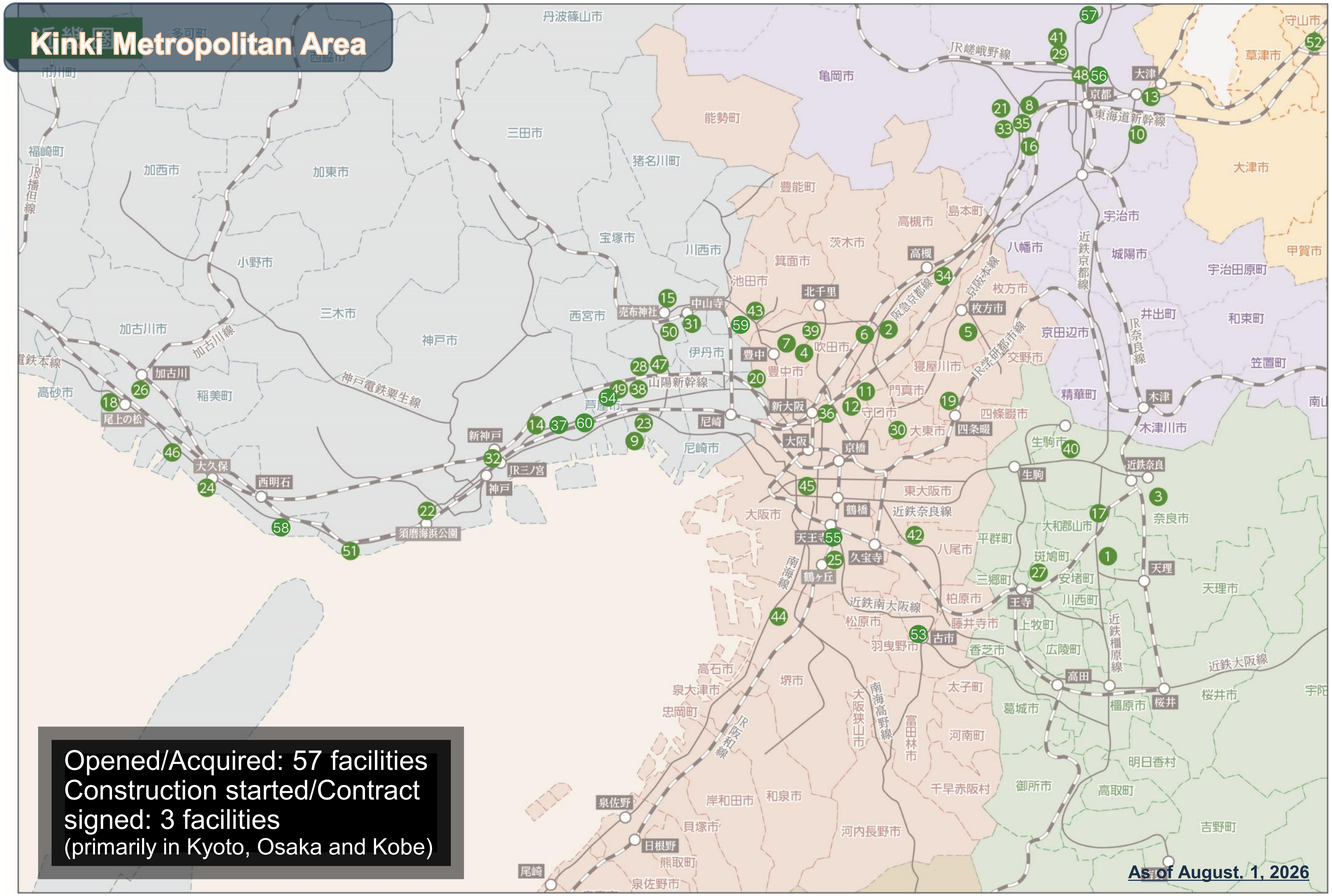
Charm Premier Kyoto Okazaki [Opened May 2026]
(Approx. 5-minute walk from Keage Station, Kyoto Municipal Subway Tozai Line)

Characteristics of the Long-Term Care Business (2)



CHARM

Characteristics of the Long-Term Care Business (2)



CHARM

Related page: p.7

Characteristics of the Long-Term Care Business (3)

▶ **To facilitate new openings in favorable locations, we are securing a diverse range of project introduction channels and further expanding these channels.**

Examples of owners or landlords (in Japanese alphabetical order by sector)

Housing:	Sekisui House Group, Daiwa House Industry, etc.
Railways:	Keio Corporation, Sanyo Electric Railway, Tokyo Metro Group, West Japan Railway Company (JR West) Group, Hankyu Corporation, etc.
Real estate:	NTT Urban Development, Hulic, Mitsubishi Estate Residence, etc.
Leasing, etc.:	JA Mitsui Leasing Tatemono, Daiwa Securities Living Investment, Nomura Real Estate Private REIT, Sumitomo Mitsui Finance and Leasing, etc.
Other:	JA Hyogominami Group, Shikoku Electric Power Group, Funenkousha, The Sumitomo Warehouse, The Chunichi Shimbun, Toda Corporation, Nihonsakari, etc.
Land lenders:	Catholic Archdiocese of Osaka, Jobon Rendai Temple, Urban Renaissance Agency (UR), Ryuhonji Temple (head temple of the Nichiren sect), Rokkaku-Buddhist Association （Kyoto） etc.

Numbers of Facilities and Rooms operated

By Prefecture

Number of facilities	FY2024/6			FY2025/6			FY2026/6			FY2027/6（forecast）		
	New/Acquire	Year-end	Number of rooms	New/Acquire	Year-end	Number of rooms	New/Acquire	Year-end	Number of rooms	New/Acquire	Year-end	Number of rooms
Tokyo	3	38	2,304	7	45	2,749	7	52	3,144	3	55	3,331
Kanagawa		4	219	1	5	299	1	6	379	1	7	464
Kyoto	1	10	705		10	705	1	11	765	1	12	845
Hyogo	2	16	1,124	4	20	1,444		20	1,444	1	21	1,534
Nara		5	329		5	329		5	329		5	329
Osaka	1	18	1,478	1	19	1,549	1	20	1,605	1	21	1,661
Shiga				1	1	80		1	80		1	80
Total	**7**	**91**	**6,159**	**14**	**105**	**7,155**	**10**	**115**	**7,746**	**7**	**122**	**8,244**

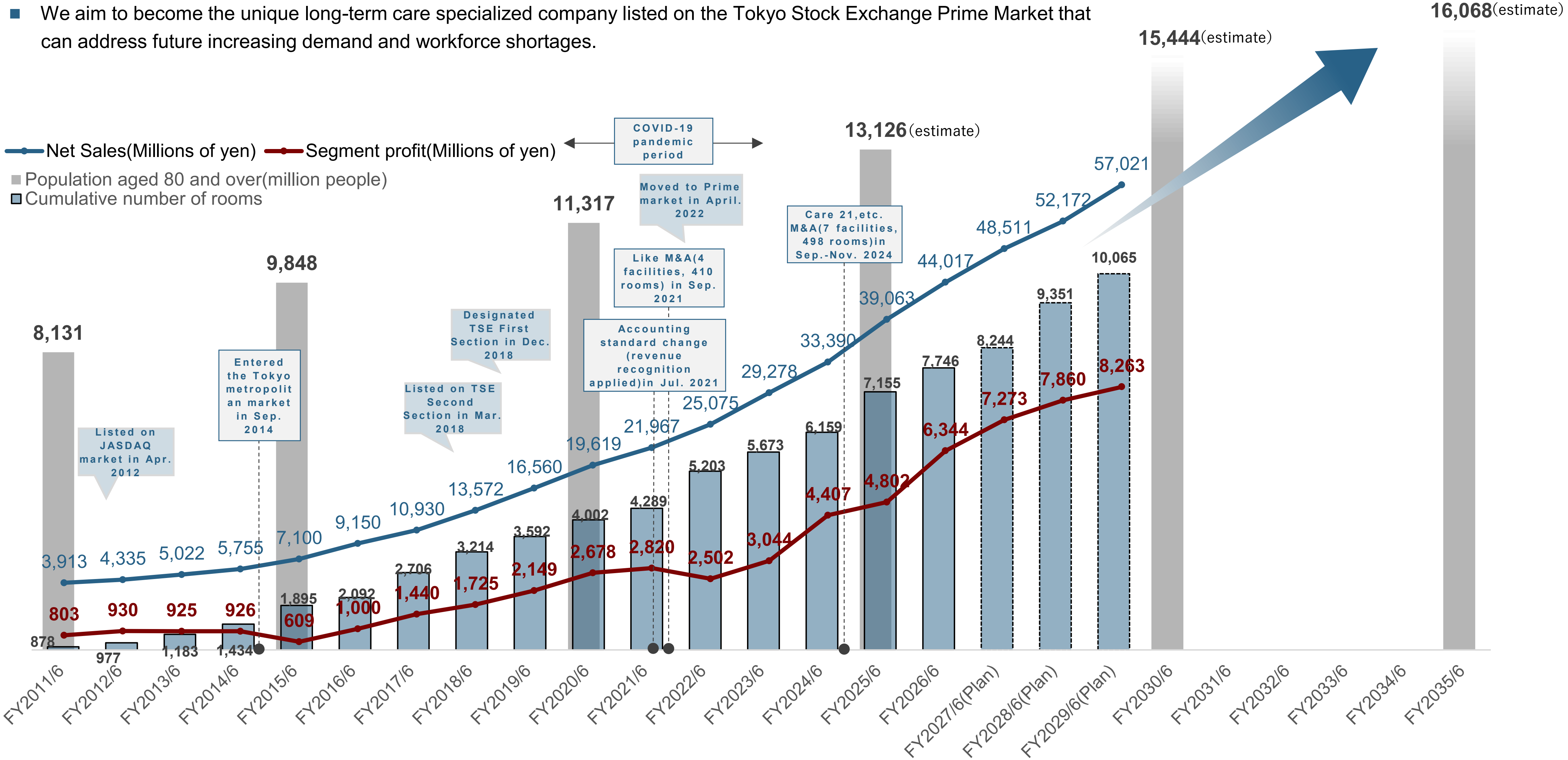
By Brand

Number of facilities		*Average Monthly Usage Fee (No Prepaid Fee Plan)	FY2024/6			FY2025/6			FY2026/6			FY2027/6（forecast）		
			New/ Acquire	Year-end	Number of rooms	New/ Acquire	Year-end	Number of rooms	New/ Acquire	Year-end	Number of rooms	New/ Acquire	Year-end	Number of rooms
Premier Grand	**Tokyo Metropolitan**	Over ¥1M		5	169		5	169		5	169		5	169
	Kinki Metropolitan	–												
Premier	**Tokyo Metropolitan**	¥500K or more		10	493		10	493		10	493	1	11	555
	Kinki Metropolitan	¥500K or more	1	2	139		2	139	1	3	199		3	199
Suite	**Tokyo Metropolitan**	¥300K–¥500K		16	1,082	5	21	1,435	5	26	1,746	2	28	1,903
	Kinki Metropolitan	¥250K–¥350K	1	16	1,165	5	21	1,556		21	1,556	1	22	1,636
Charm	**Tokyo Metropolitan**	¥200K–¥300K	3	11	779	2	13	909	2	15	1,024		15	1,024
	Kinki Metropolitan	¥200K–¥250K	1	24	1,671	1	25	1,751	1	26	1,807	1	27	1,897
Other	**Tokyo Metropolitan**	–				1	1	42	1	2	91	1	3	144
	Kinki Metropolitan	¥200K–¥350K	1	7	661		7	661		7	661	1	8	717
Total			**7**	**91**	**6,159**	**14**	**105**	**7,155**	**10**	**115**	**7,746**	**7**	**122**	**8,244**

Note: Along with the monthly usage fee, long-term care fees based on the resident's level of care (average monthly amount of ¥200,000 to ¥210,000 per person) are also included in the revenue.
Note: It also includes facilities and hospice facilities operated by consolidation subsidiaries.

Trends and Future Prospects of the Standalone Long-Term Care Business

- We have experienced steady growth alongside increasing demand.
- With growth, we have gained a competitive advantage in all aspects—property development capabilities, resident acquisition strategies, facility operations, and talent recruitment.
- We aim to become the unique long-term care specialized company listed on the Tokyo Stock Exchange Prime Market that can address future increasing demand and workforce shortages.



Source: Future projections are based on the National Institute of Population and Social Security Research's "Population Projections for Japan" (April 2023 estimate). Mid-level births (deaths) estimates are based on the "Population Census" conducted by the Statistics Bureau of the Ministry of Internal Affairs and Communications (population adjusted proportionally for persons whose nationality or age are unknown).

Index

CHARM

Promotion of Long-Term Care DX

We advance digital transformation (DX) at our facilities to improve services for residents as well as to streamline operations and reduce the burden on staff

- We established a Long-Term Care DX Promotion Department to forge ahead with DX on the front line of long-term care.
- We are strengthening the Long-Term Care DX Promotion Department and further promoting DX in long-term care.
- We have been continuously selected to participate in the demonstration project by the Ministry of Health, Labour and Welfare’s subcommittee on long-term care benefit expenditures since fiscal year 2022.
- **We are promoting the acquisition of the “Smart Caregiver” certification for all facility managers.**

Monitoring support equipment (sleep analysis system)

- Improves the health and lifestyles of residents by monitoring their sleep patterns.
- It reduces the number of times staff go into residents’ rooms to check on them during the night, resulting in helping residents sleep better and alleviating the burden on night shift staff.
- Number of units installed: **7,209 units / 7,655 rooms (94.2%)**(As of August 1, 2026), with plans to reach 75% installation during FY2025/6 (achieved) and 98.7%(existing facility) during FY2026/6. New facilities will be introduced on a phased basis in accordance with the timing of subsidy applications.

- Image of monitoring -

- Monitoring screen -

As shown in the image above, the PC screen displays an overview where sleep (blue), body movement (yellow), toilet use (red), long absence from bed (green), and no response (gray) can be monitered.

Promotion of Long-Term Care DX

Intercommunication systems (app-based)

- **Dramatically improves the efficiency of communication**, including instructions between staff and relaying of other information
- **Already implemented in all 113 facilities**(As of August 1, 2026)

  (Introduced on the website of the manufacturer Science Arts, Inc.)

  https://www.buddycom.net/ja/example/example-article39.html (Japanese)

Additional Long-Term Care Fees
(Productivity Improvement Promotion System Addition)

A new additional long-term care fee system has been established (from April 2024), allowing **100 units per month** per resident by implementing a set of three items: monitoring support equipment, intercommunication systems, and care record systems, as well as meeting various conditions, such as implementing operational improvements based on productivity improvement guidelines and holding committee meetings.

⇒ We will obtain this addition fee from eligible facilities starting this fiscal year

Food serving robots

- Introducing food serving robots that use AI to select optimal routes and handle serving and clearing of meals to improve efficiency and save labor in meal provision, while also increasing resident satisfaction by shortening waiting times
- Already implemented in 22 facilities (25 units) (As of August 1, 2026)

- Shortens work
  Reduces staff labor time for serving meals by 58%

Long-term care work | Indirect work
Long-term care work | Indirect work ← **Reduced by 58%** →

- Shortens meal serving time
  Reduces meal serving time by 45%

Meal serving time
Meal serving time ← **Reduced by 45%** →

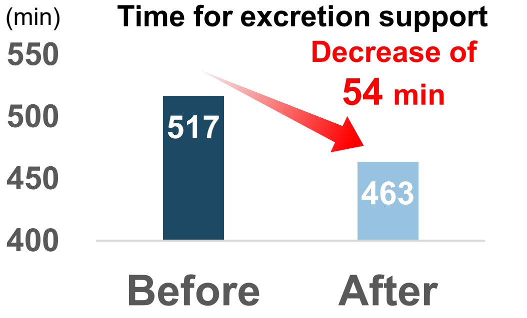
- Shortens waiting time
  Reduces waiting time from seating to meal serving by 50%

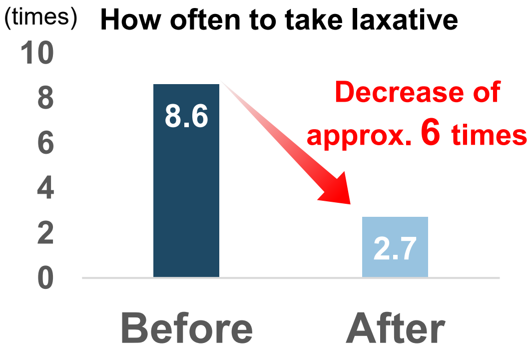
Waiting time until meal serving
Waiting time until meal serving ← **Reduced by 50%** →

Promotion of Long-Term Care DX

Advanced excretion support using portable ultrasound scanners

- The AI-guided portable ultrasound scanners "iViz air" has been **introduced to all our facilities**. **Industry's first Simultaneous Introduction to homes for the elderly!**
- Visualization of the bladder and rectum reduces stool and urinary incontinence, decreases time spent on excretion support, and reduces unnecessary administration of laxatives.
⇒Improves residents' quality of life and reduces staff burden.
- Utilization has been promoted through facility-wide technical training across all homes and follow-up support provided by 13 Advanced Trainers.





AI-guided images of stool in the rectum

Our facility was featured on BS TV Tokyo's program Future of Work ～人とAIの共創～ as a case study for the introduction of portable ultrasound scanners.
https://www.youtube.com/watch?v=nt2cYWwTJeU
(Japanese)

Cleaning robot

- Using commercial cleaning robots mainly for cleaning the floors in common areas.

  In the facility with the initial introduction, it was estimated that 90 hours per month could be saved and costs equivalent to 103 thousand yen per month could be reduced (a 67% reduction).

  This resulted in effectively reducing the employees' burden for cleaning the facility. The time created can also be allocated to other Long-Term Care services, and it is expected to help curb the hiring of staff solely for cleaning tasks.
- Already implemented in 8 facilities (as of August 1, 2026)

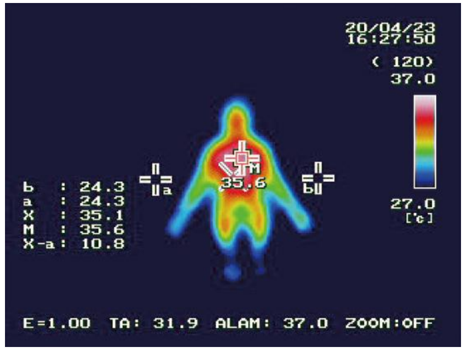
CHARM

New

Promotion of Long-Term Care DX

Promoting the Adoption of the "Shower Pod Arael" Specialized Bathing System

- In the fiscal year ending June 2027, we plan to deploy "**Shower Pod Arael**" at five new homes and seven existing homes, including the replacement of existing specialized bathing systems.
- No bathtub filling is required thanks to the shower-based system, which features automatic body-washing, sanitization, and cleaning functions.
  ⇒ Helps reduce the burden on both residents and staff
- Allows residents to bathe while remaining in their wheelchairs, reducing transfer assistance, improving safety, and standardizing caregiving procedures.
- At homes where the system has been introduced, validation results showed that bathing assistance time was reduced by 240 minutes per day and water consumption by 2,280 liters per day. As a result, annual cost savings of approximately JPY 2 million per home are expected through lower labor and utility expenses.
- The resulting efficiency gains in care operations are expected to facilitate staff redeployment to other functions and enhance workforce flexibility.
- Residents reported that reduced bathing time helped alleviate fatigue and allowed them to participate in recreational activities afterward, contributing to an improved quality of life (QOL).
- Further deployment is being considered through the use of subsidies available under the Care Technology Introduction Support Program.



The airtight dome and microbubbles deliver superior post-bathing heat retention compared with traditional tub bathing.

New

Capital and Business Alliance with Asilla, Inc., an AI Monitoring System Developer

Related page: p.25

Overview

- The Company entered into a capital and business alliance agreement with Asilla, Inc. to accelerate the adoption of AI technologies in care facilities.
- The two companies will promote the joint development of AI models for care settings by leveraging the Company's expertise in care operations and Asilla's human behavior recognition AI technology.
- The Company aims to expand the deployment of the AI monitoring support system “asilla care” to enhance resident safety and reduce the burden on care staff.

Future Outlook

- Jointly developing and enhancing AI-based human behavior recognition models specialized for care settings.
- Further expanding the use of "asilla care" across the Company's facilities to enhance monitoring through the early detection of falls, wandering, and prolonged stays.
- Aiming to achieve both higher productivity through care DX and improved quality of care services.

CHARM

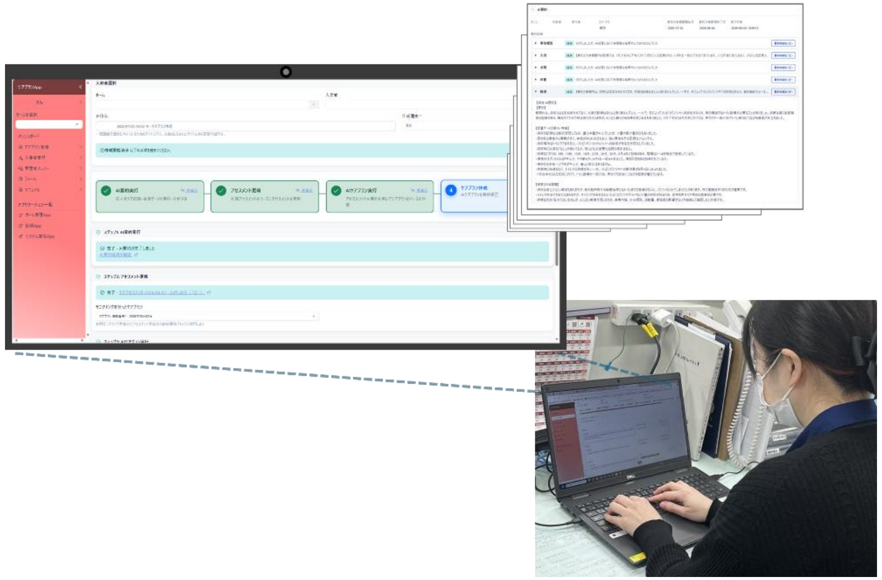
Related page:
p.13
p.25

Update

Promotion of Long-Term Care DX

Automated creation of care plans using generative AI

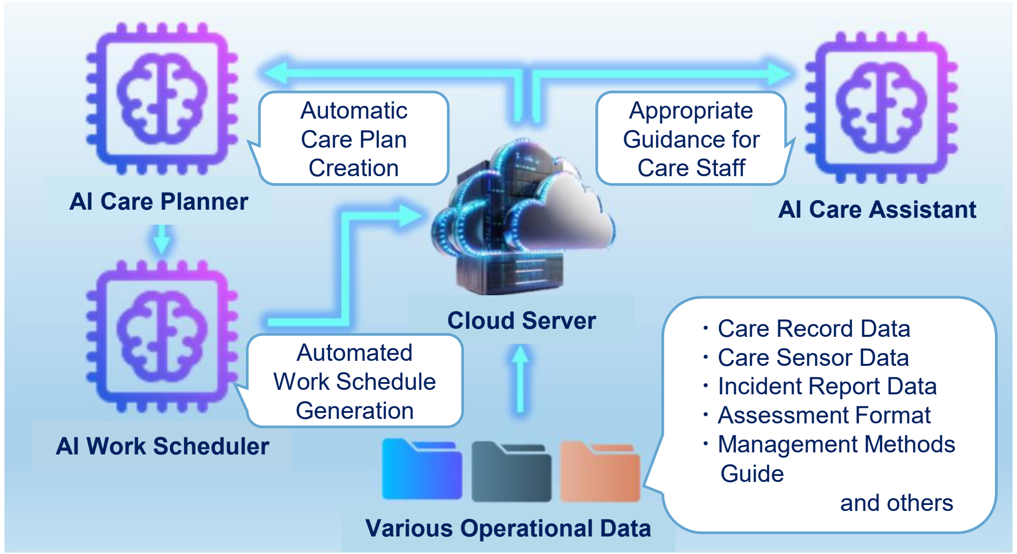
- In collaboration with NTT DX Partners, we developed the generative AI system "AI Care Planner," **specialized in care plan creation for fee-based homes for the elderly** (most existing systems are designed for home-based care), and **commenced operation at all fee-based homes for the elderly with long-term care operated by the Company in June 2026**.
- By automating the majority of care plan creation, it has been confirmed that care managers can **reduce the time spent on care plan creation by an average of 30%.**
⇒By increasing the number of cases handled per care manager, enabling more efficient workforce allocation and reducing overtime, we expect to realize **approximately JPY 210 million in cost savings over three years.**



Future Developments

- In addition to aiming for more detailed care plan creation through “AI Care Planner,” we plan to expand the system to include the tentative “AI Care Assistant,” which supports early onboarding and skill standardization of care staff, and the tentative “AI Work Scheduler,” which automates staff work schedules to further reduce on-site workload. By accelerating digital transformation (DX) for staff working in long-term care, **we aim to improve productivity across the industry and help address labor shortages.**
⇒Going forward, we aim to improve efficiency across the entire care management workflow by **up to 50%.**

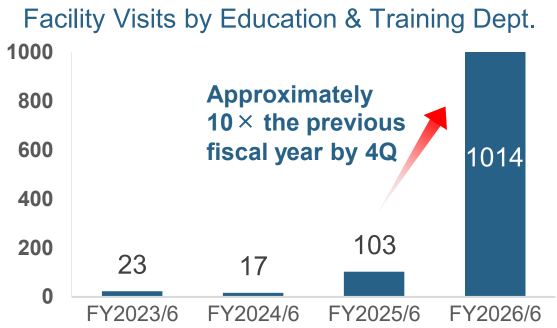
【System Expansion Concept】



Shifting the Education and Training System to a Field-Oriented Approach

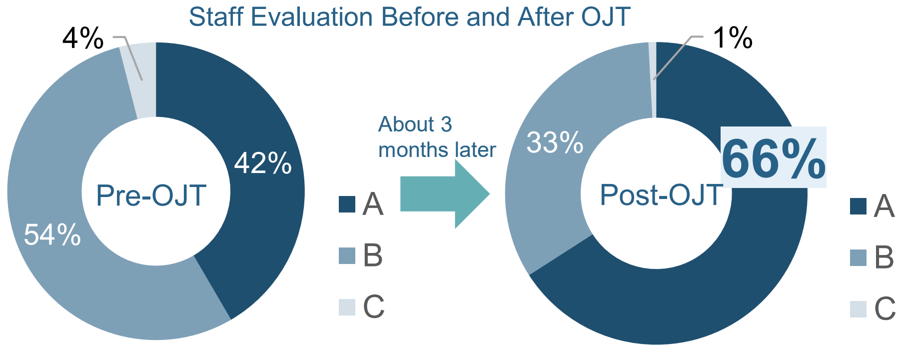
Strengthening OJT visits conducted by the Education and Training Department staff

- As a result of fundamentally shifting our education and training framework to an OJT-centered approach at the facility level, the number of facility visits conducted by the Education and Training Department staff has increased significantly. By the cumulative total through 4Q (July 2025 to June 2026), **the number of visits reached approximately 10 times the total for the previous fiscal period.**






- The percentage of staff members receiving an internal "A" evaluation for their long-term care skills and other competencies **improved by 24%** before and after the OJT visits.This improvement not only enhanced the motivation of the staff who were evaluated, but also **generated positive feedback from residents, who appreciated seeing head office staff actively involved at the facilities**.



- We conduct beautification inspections using a checklist covering more than 80 items. With our motto of "Providing a residence that ensures satisfaction," we work every day to maintain and improve the living environment.


Working toward Sustainability

Basic Policy on Sustainability

Guided by its corporate philosophy, Charm Care Corporation defines its mission as contributing to the creation of a prosperous and rewarding aging society through its business. To fulfill the mission, we must properly address social, environmental, and other sustainability issues as our key management challenges. We are committed to helping create a sustainable society and enhancing corporate value over the medium to long term in collaboration with stakeholders.

Material Issues and Goals Addressed through Our Business

Key challenges (materialities) and KPIs have been updated.
For details, please refer to our website:
https://www.charmcc.jp/corp/company/sdgs/ (Japanese)

Key challenges (materialities)		Examples of major initiatives
Creation of "appealing value" contributing positively to an aging society	Establishing a position as a leading long-term care provider in Japan Growth into a complex business model centered on the Long-Term Care business Improving the quality of long-term care services	Care system that values "awareness" and high-quality service as long-term care professionals Unique real estate business leveraging know-how in opening fee-based homes for the elderly Promotion of long-term care DX, optimization of staffing, improvement of productivity
Developing a talent pool to create "appealing value"	Securing and developing human resources D&I (Diversity & Inclusion) Creating a better working environment	Offering a program that helps employees acquire qualifications and strengthening and enhancing our education and training system D&I policy and D&I action declaration, increasing the percentage of women in management positions Providing mental health support, introduction of an optional four-day workweek
Co-creation of value through community connections	Coexistence and co-prosperity with local communities Giving back to and supporting local communities	Support activities for disaster-affected areas Collaboration with a certified NPO addressing child poverty issues, support for young carers
Strengthening corporate governance for fairness and trust	Risk management	Establishment of the Risk and Compliance Committee
	Ensuring thorough compliance	Establishment of the Compliance Awareness Month
	Strengthening business continuity plans (BCPs)	Strengthening preparedness for natural disasters and infectious diseases, conclusion of disaster response agreements with municipalities
	Strengthening corporate foundation as a TSE Prime Market company	Ensuring disclosure of and compliance through corporate governance reports
Consideration and action for the global environment	Waste reduction Reduction of CO_2 emissions	Recycling end-of-life uniforms Reducing CO_2 emissions through solar power generation

Examples of Specific Activities

Support young carers

■ We regularly hold meetings of the “Young Carer Gathering” with the Fusen-no-kai, a non-profit organization (Director: Professor Yoshie Hamashima).

Charm Care supports this initiative by providing venues, goods, and operational assistance. Going forward, we will continue to promote unique support tailored to the needs of young carers from the perspective of a long-term care provider.

■ We regularly hold 'Children’s Café' events at our Amagasaki, Kobe, Osaka, Yokohama, and Shinagawa facilities, where elementary and junior high school students can interact with residents and gain work experience in cooking, serving customers, and other roles.

'Children’s Café' is an activity at our fee-based elderly homes where elementary and junior high school students take the lead, not only in cooking but also in serving customers, in a 'café run by children.’

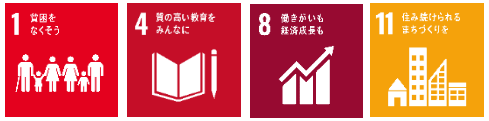
It provides a place where children from various backgrounds and their guardians can gather, have fun, and spend time together in a safe environment, creating a third space apart from home and school. It not only serves as an opportunity for children to gain work experience but also fosters intergenerational interactions with the residents of the fee-based elderly homes.

■ Our initiatives to support Young Carers in gaining employment have been featured in a book intended for school libraries and public libraries. The book introduces our efforts as one of seven case studies on Young Carer support, highlighting our job experience programs and Student loan support as examples of “employment support that helps young people build an independent life in the future.”

The Children’s Café was held at Charm Premier GotenyamaⅢ.

Gakken Co., Ltd.
“A Book to Help Young Carers Like You Avoid Struggling Alone”
Supervised by Yoshie Hamashima

Examples of Specific Activities



Initiatives with a certified non-profit organization addressing child poverty issues

- We signed a comprehensive agreement on a collaborative project with Kidsdoor, a certified non-profit organization that works to address child poverty (Chuo-ku, Tokyo / Chairperson: Yumiko Watanabe). We aim to contribute to tackling child poverty, revitalizing a society with a declining birthrate and aging population, and improving education and welfare across generations.
- Based on this agreement, the certified non-profit organization Kidsdoor utilized the grant program "Children's Third Place" conducted by The Nippon Foundation, public interest incorporated foundation, to establish "Kids Port Tarumi," a place for elementary school students (providing learning support and meals) within Charm Suite Kobe Tarumi, which is operated by our company.

  Reference: "Kids Port Tarumi" https://kidsdoor.net/activity/study/kp-tarumi.html
- At 'Charm Suite Nishi-Shinjuku,' which will open in April 2025, we will also establish a learning support facility offering 'place-based learning support,' creating an environment where residents and children can interact.
- Going forward, our company will continue to create spaces for intergenerational while continuing activities that value 'connections'.

Scenes of interaction between residents and children.

Examples of Specific Activities

Support young carers

- **Concluded a partnership agreement with Kobe City, Hyogo Prefecture, regarding support for carers who are children and young people (young carers)**

  Charm Care started supporting young carers in 2021 and was one of the first private companies to undertake such initiatives unique to a long-term care provider. Kobe City was the first local government in Japan to establish a Young Carers Consultation and Support Office, leading the way ahead of other municipalities in addressing young carer issues.

  Based on this experience, Charm Care and Kobe City concluded a partnership agreement in March 2024 to advance support for young carers and have started full-scale efforts (this was also reported in the Mainichi Shimbun and Kobe Shimbun newspapers).

KOBE×CHARM

01 Respite support (free rooms and meals)

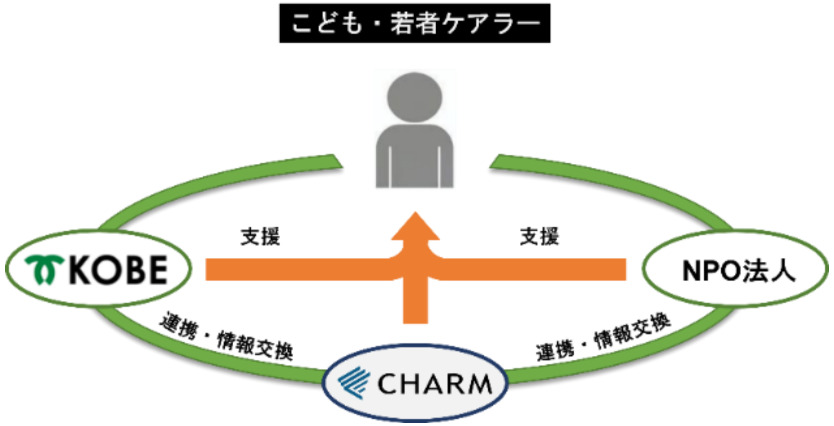
We provide rooms in facilities that we operate to carers and persons requiring long-term care who want to leave home temporarily, want to spend some time at home without care-giving responsibilities, or have other needs.

02 Transitional employment and job training support (flexible part-time work)

We provide employment opportunities and job training opportunities for general employment in the future to current and past carers who have difficulty getting employment due to family care-giving responsibilities.

03 Student loan support (student loan repayment)

We reduce the economic and psychological burden of students in households with financial difficulties due to family care-giving and provide an environment where students can focus on work for self-growth during the career-building stage of their twenties.



CHARM

Examples of Specific Activities

Support young carers

■ **Concluded a partnership agreement with local governments regarding support for carers who are children and young people (young carers).**
Following the agreement with **Kobe City**, concluded partnership agreements with Kyoto City, Kyoto Prefecture; Shinagawa City, Tokyo; and Hyogo Prefecture (**our first agreement with a prefectural government**).

- **Kyoto City** enacted the Ordinance on Promoting Support for Carers in November 2024. In June 2025, we signed a partnership agreement and launched a pilot project to support young carers, with Key initiatives: Respite support, Transitional employment and job training support, and Student loan support.
- **Shinagawa Ward** introduced a coordinator system led by former young carers in April 2023, becoming the first in Japan to promote support with lived experience. In June 2025, we signed a partnership agreement to advance support for young carers, with Key initiatives: Respite support, Transitional employment and job training support, Student loan support, and an intergenerational exchange event for carers.
- **Hyogo Prefecture** launched the “Consultation Service for Young and Youth Caregivers” in 2022 to reduce mental burdens and connect caregivers with support. In August 2025, we signed a partnership agreement to strengthen support for young caregivers, with Key initiatives: Respite support, Transitional employment and job training support, Student loan support, and an intergenerational exchange event for carers. Our initiatives are featured in the Hyogo Prefecture Young and Youth Caregiver Support Guidebook.

京都市 CITY OF KYOTO × CHARM

品川区 × CHARM

兵庫県 Hyogo Prefecture × CHARM

Examples of Specific Activities

Support for Artists with Disabilities

■ Signing of a Collaboration Agreement with Kobe City, Hyogo Prefecture

In September 2024, our company and Kobe City in Hyogo Prefecture signed a collaboration agreement aimed at supporting artists with disabilities by providing venues and opportunities to showcase their work. This initiative seeks to realize an inclusive society through art.

■ Areas of Collaboration

(1) Support and Development of Artists with Disabilities
- Purchase of works with high artistic value
- External promotion through publication on websites

(2) Realizing an Inclusive Society through Art
- Permanent exhibitions of disability art in the community
- Workshops open to everyone, regardless of disability

■ The award ceremony for the “Kobe Tarumi Art Project,” based on this agreement, was held in October 2024 at *Charm Suite Kobe Tarumi*, a fee-based home for the elderly with long-term care. Winners received certificates, plaques, and prizes, and all selected works were exhibited at the facility.
We will continue this initiative to support and foster artists with disabilities, contributing to a sustainable society. The project is also planned for *Charm Premier Konan Yamate* (Tentative), scheduled to open in 2027.

Examples of Specific Activities

Art Gallery Home Initiative Receives "This is MECENAT 2026" Certification Following Last Year's Recognition

■ About our Art Gallery Home activities

AGH (Art Gallery Home) is a support program for young artists undertaken by Charm Care, which develops long-term care businesses. We launched this initiative in 2014, focusing on the efficacy of art in enriching the spirits and lives of the elderly. Since then, 1,365 artworks of 472 artists (as of August 1, 2026) have been selected from submissions and displayed at our facilities.

This initiative contributes to the creation of achievements for the younger generation and leads to the creation of attractive spaces for our residents. In addition, we hold art programs for our residents by the participating artists, creating a place where both young artists and the elderly can learn and be stimulated by connecting with each other.

In these ways, we are committed to contributing to the creation of a sustainable society by utilizing our unique perspective as a long-term care company, facilitating interaction between the elderly and young artists, and leveraging synergies from it.

THIS IS MECENAT 2026

■ Art Gallery Home official website

1,323 works and 427 artists (as of August 1, 2026) exhibited are posted, and we actively provide support and disseminate information.

We will update the information from time to time.

https://www.aghccc.com/

Examples of Specific Activities

How Art Is Transforming Elderly Care: Introducing the AGH Art Care Model

Based on its experience to date, the Company has proposed the **"AGH Art Care Model,"** which positions art not merely as a recreational activity but as a core element of care that fosters dignity, autonomy, and communication. Through collaboration with artists and art communicators, the Company is promoting initiatives tailored to on-site needs.

A practical model that leverages art (creativity and expression) to foster human connections and improve well-being and care quality.

■ Track Record to Date

(1) Art programs attended by a cumulative total of 1,892 participants (as of August 2026)

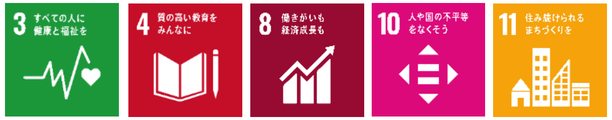
(2) Established an implementation framework involving art professionals and cultural link workers

(3) Promoting the social implementation of the AGH Art Care Model

■ Future Outlook

Through art, we aim to foster human connections and support residents in finding purpose and strengthening self-worth, thereby **enhancing the value of care services and promoting well-being.**

Examples of Specific Activities



Held the Kyoto Okazaki Art Project award ceremony

The awards ceremony for the Kyoto Okazaki Art Project was held in April 2026 at Charm Premier Kyoto Okazaki (opened on May 1, 2026). The ceremony was attended by the award winners and selected entries chosen through a rigorous screening process by the judges, as well as representatives from a special supporting company (JR West Real Estate Development Company, Limited), supporting companies (SD Sekkeishitsu Co., Ltd., Okano Gumi Co., Ltd., SATOH HANAMISE Co., Ltd., and TOLI Corporation), and a cooperating company (LEOC Co., Ltd.).We will continue this initiative to support and nurture young artists and contribute to the realization of a sustainable society.

Mr. Toru Oyamada
President, Kyoto City University of Arts

"Congratulations to all the award recipients. I would also like to extend my heartfelt appreciation to the companies whose support made this valuable opportunity possible. Such encouragement is a tremendous source of motivation for those who have just embarked on their creative paths.The awarded works convey a sincere and humble approach to embracing and expressing nature and human life, and it is this perspective that I believe was so highly commended.In an age marked by misunderstanding, inequality, and ongoing conflict, art possesses the power to cultivate tolerance and acceptance of others. You are already fulfilling this important role through your work.Pursuing a life in art is by no means easy. Nevertheless, I encourage you to persevere and continue expressing yourselves. Each effort you make has the potential to bring about change in society. Art is not only a profession, but also a way of living.Once again, my sincere congratulations to you all."


Grand Prix Award winner Matsuura Haru (right)
The Grand Prix work is titled "Up to the Window" (left).




Art Gallery Home: https://www.aghccc.com/

Art Gallery Home official Instagram: https://www.instagram.com/charmcc_agh/

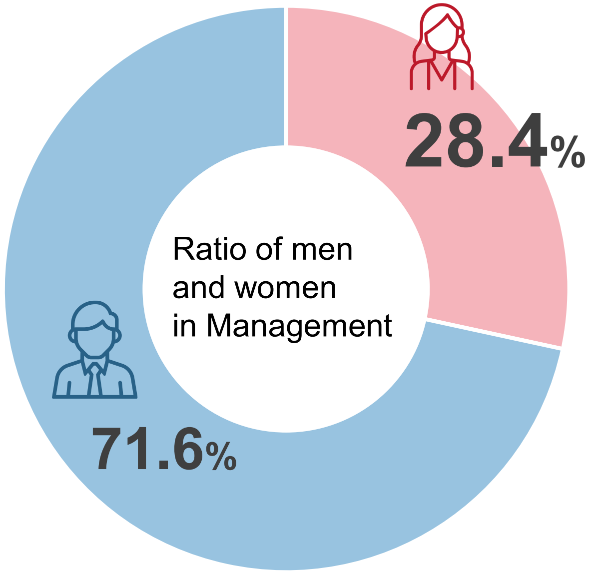
Examples of Specific Activities

Creating a better work environment and promoting women to management positions

Charm Care is working to enhance utilization of various health and welfare programs to create a better working environment for its employees. We have received certification as a company supporting childcare that conforms with the general employer standards of Article 13 of the Act on Advancement of Measures to Support Raising Next-Generation Children, allowing employees with children to work with peace of mind.
We are also proactively promoting women to management positions and, as of June 30, 2026, over 28% of management positions were occupied by women.
We intend to increase this number to between 40% and 50% in the future.

- **Charm Care was certified as a Kurumin mark user in recognition of its support for raising of the next generation**

くるみん



Update

Share Information (as of June 30, 2026)

Share Ownership

Total number of issued shares:
32,712,000 shares
Treasury stock：30,612 shares
Total number of shareholders： 6,843

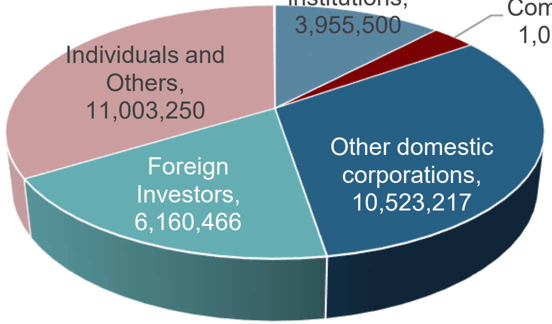
Overseas investor ownership is on the rise, with growing participation from long-term investors!

Breakdown of Shares by Shareholder Type

- Financial institutions：12.1%
- Securities Companies：3.2%
- Other domestic corporations：32.2%
- Individuals and Others：33.6%
- Foreign Investors：**18.8%**

（As of the end of December 2025：16.8%）

（Our shareholder base includes long-term global investors such as Ártica Gestão de Recursos.）

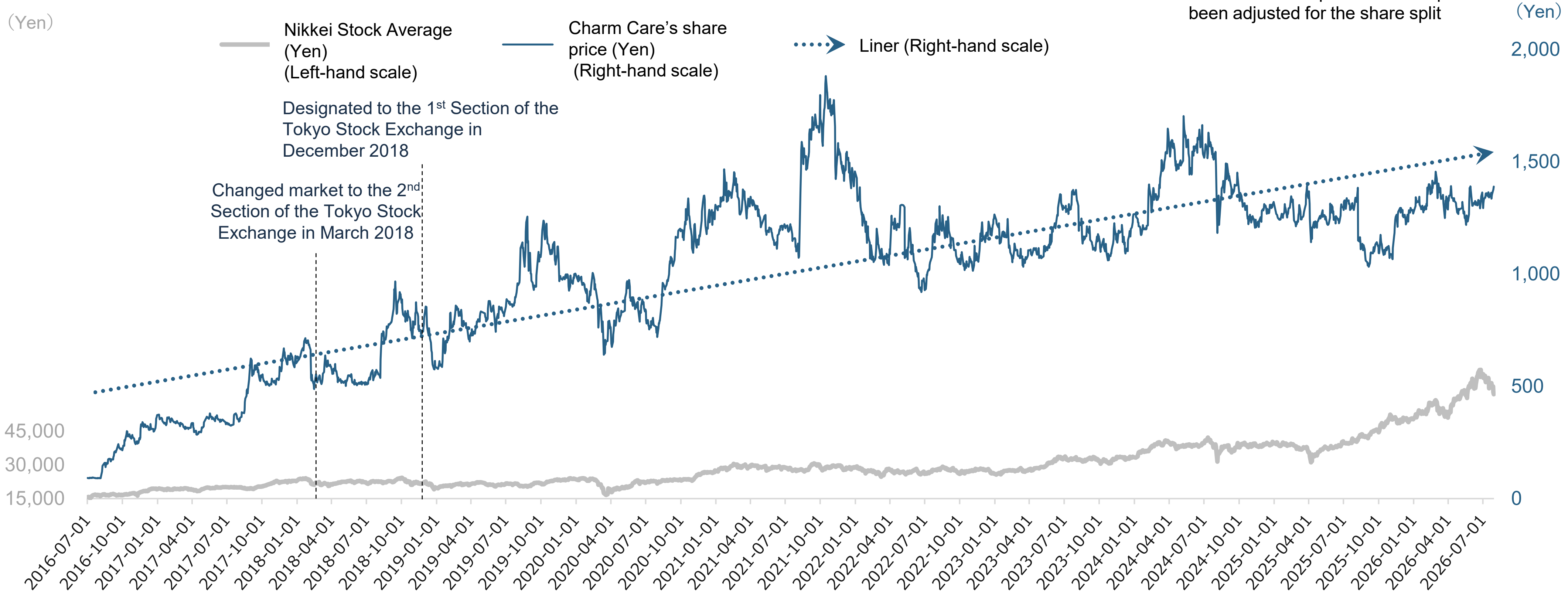


	Shareholder	Shares held	Ratio held
1	S.T.K. Corporation（wholly-owned subsidiary of Ship Healthcare Holdings, Inc.)	9,600,000	29.37%
2	Takahiko Shimomura (Chairman and President)	5,308,600	16.24%
3	The Master Trust Bank of Japan, Ltd. (trust account)	2,314,800	7.08%
4	Custody Bank of Japan, Ltd. (trust account)	1,266,900	3.88%
5	NORTHERN TRUST CO.（AVFC）RE IEDP AIF CLIENTS NONLENDING 15PCT TREATY ACCOUNT	685,141	2.10%
6	UBS AG LONDON A/CIPB SEGREGATED CLIENT ACCOUNT	498,500	1.53%
7	STATE STREET BANK AND TRUST COMPANY 505044	488,700	1.50%
8	THE BANK OF NEW YORK – JASDECNON-TREATY ACCOUNT	425,659	1.30%
9	TOKYU LAND CORPORATION	396,500	1.21%
10	Hiroyuki Yoshioka	380,000	1.16%
11	Charm Care Corporation Employee Stock Ownership Plan (ESOP)	351,700	1.08%

Note: Ratio held excludes treasury stock (30,612 shares)

Share Price Trends

July 1, 2016 – July 31, 2026
Charm Care Corporation share prices have been adjusted for the share split



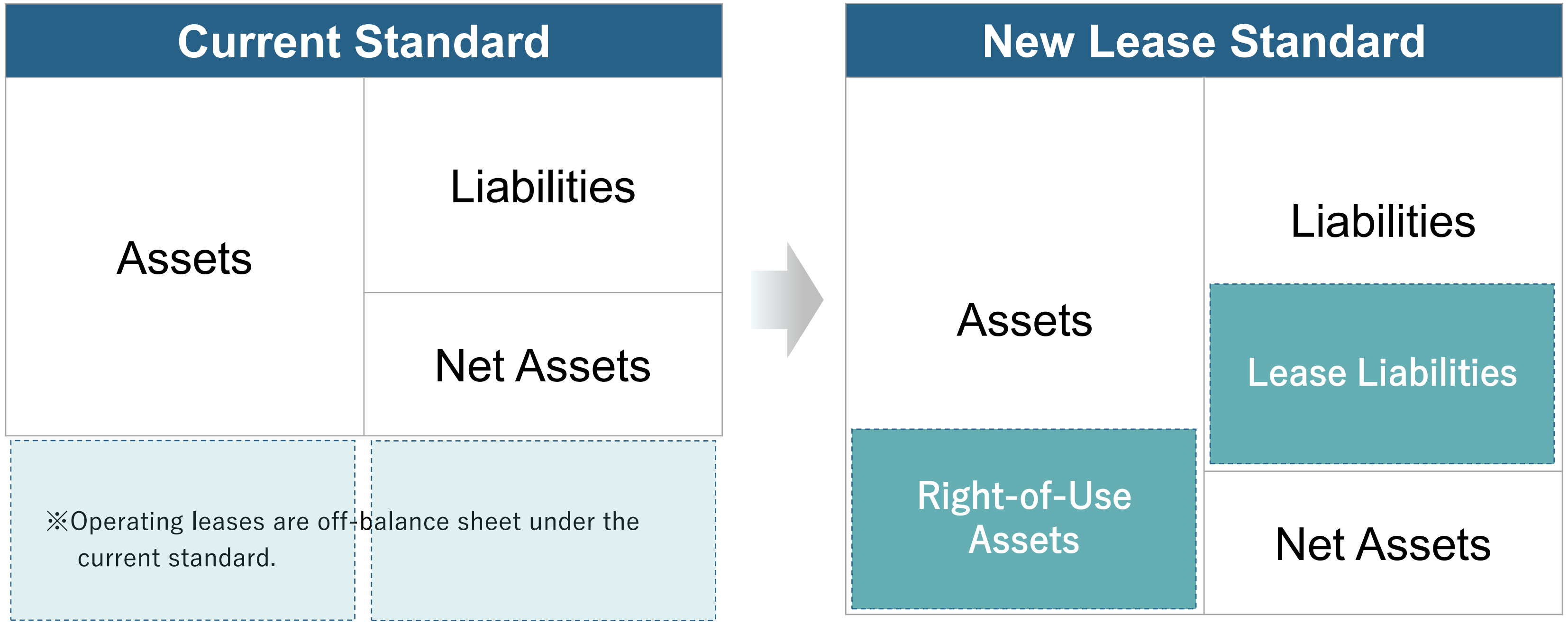
The initial price after listing on JASDAQ on April 27, 2012 was **¥1,000** (before split adjustment)
After a **16 for 1 share split** (four 2 for 1 splits):
Closing price on June 30, 2025: **¥1,296**
Reference:
Closing price on June 30, 2016: ¥1,464 (split adjusted share price: **¥91**)
Closing price on June 29, 2018: ¥1,038 (split adjusted share price: **¥519**)
Closing price on June 30, 2020: ¥1,686 (ditto: **¥843**)

Note: Charm Care Corporation carried out a 2 for 1 share split of its ordinary shares on January 1, 2017, June 1, 2017, April 1, 2018, and January 1, 2020.

New

Key Impacts of the New Lease Accounting Standard (Effective from FY2028/6)

1． Illustrative Impact on the Balance Sheet (B/S)



Changes in Key Metrics

Total Assets	Increase
Equity Ratio	Decrease
D/E Ratio (Including Lease Liabilities)	Increase
ROA	Decrease
ROE	TBD

・Upon adoption of the New Lease Accounting standard, lessees will, in principle, recognize the present value of remaining lease payments for all lease transactions (primarily land and building rents paid to facility owners in our case) on the balance sheet as right-of-use assets / lease liabilities.
・The amount to be recognized is yet to be determined, as the transition method in the initial year of adoption (simplified approach or full retrospective approach) and the discount rate used to calculate present value have not yet been finalized.

※In the fee-based homes for the elderly business, in order to secure residents' living environment on a long-term and stable basis, the Ministry of Health, Labour and Welfare's Standard Guidelines for the Establishment and Operation of Fee-Based Homes for the Elderly require, where resident agreements have no fixed term, lease agreements between the Company and property owners to generally provide for a lease term of at least 20 years and an automatic renewal clause. As a result, the Company's lease agreements for land and buildings tend to be long-term, and the right-of-use assets and lease liabilities to be recognized upon adoption of the new lease accounting standard are expected to be significant. However, the amounts to be recognized have not yet been determined because the transition method in the initial year of adoption and the discount rate used to calculate present value have not yet been finalized.
These impacts are solely attributable to a change in accounting treatment. Although the presentation of the financial statements will change, there will be no change in rent payments under existing lease agreements, the profitability of facility operations, or cash flows from the business. The Company plans to disclose financial statements on both a pre-adoption and post-adoption basis.

New

Key Impacts of the New Lease Accounting Standard (Effective from FY2028/6)

2. Illustrative Impact on the Statement of Profit and Loss (P/L)

Current Standard

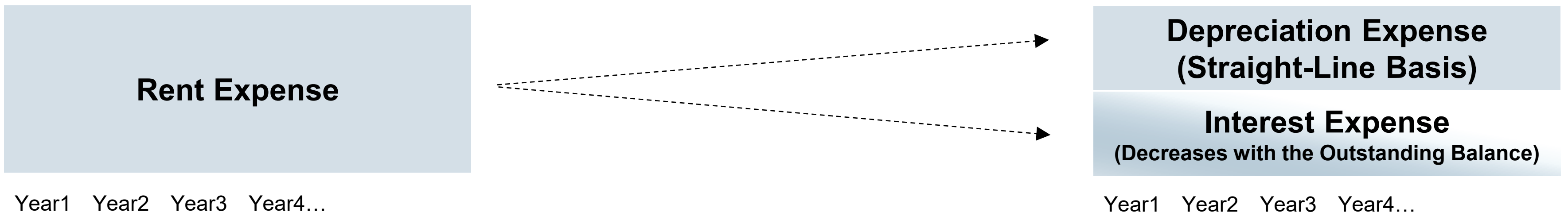
Net Sales	…
Cost of Sales	…
…	…
Rent Expense	**XXX**
…	…
Operating Income	…
Non-Operating Income	…
Non-Operating Expenses	…
Ordinary Income	…

Rent expense (cost of sales) is split into depreciation expense (cost of sales) and interest expense (non-operating expenses).

New Lease Standard

Net Sales	…
Cost of Sales	…
…	…
Depreciation Expense	**YYY**
…	…
Operating Profit	…
Non-Operating Income	…
Non-Operating Expenses	…
Interest Expense	**ZZZ**
Ordinary Profit	…

＜Illustration of Changes to Current Rent Expense＞



・Under the new lease accounting standard, the transition method in the initial year of adoption (simplified approach or full retrospective approach) and the interest rate used to calculate interest expense have not yet been finalized. Accordingly, the amounts of depreciation expense and interest expense are currently undetermined.

Index

Mission, Corporate Philosophy and Codes of Conduct

[Mission]
Charm Care Corporation will contribute to the creation of a prosperous and fulfilling aging society.

[Corporate Philosophy]
Charm Care Corporation, focusing mainly on services to support the daily lives of the elderly, will respect the values of each and every customer to provide appealing lifestyles that suit each individual customer.

[Corporate Code of Conduct]

- Pledge to our Customers
  We will continue to be a company that provides appealing long-term care services to our customers.
- Pledge to our Community
  We will proactively disclose information, ensure legal compliance, and continue to be a company that is trusted by society.
- Pledge to Charm Staff
  We will respect the ideas and ingenuity of our employees and continue to ensure a rewarding work environment that provides opportunities to take on new challenges.

The design of our new logo uses wings as a motif to represent our continuing commitment to constant reform and further evolution in the future.

[Employee Code of Conduct]

1. We will respect our customers' right to self-determination and will work to support their independence
2. We will interact daily with our customers in a cheerful manner and work to achieve nursing care that ensures the emotional wellbeing of our customers
3. We will work to improve our knowledge and skills as specialized workers
4. We will cultivate relationships of trust with everyone who shares our ideals, and work to create appealing care homes
5. We will abide by social ethics and corporate rules, and carry out our duties with integrity

Update

Overview of Our Care Home Profit Structure

Note: The revenue structure depicted below represents a typical image of our standard facilities. In the case of high-end facilities, the proportion of monthly usage fees in the total revenue increases (Long-term care fees are fixed amounts based on the residents' required level of care).

Income

Approx. 60% of sales

Monthly usage fees

- Rent (including prepaid fees*)
- Food
- Administration fees, etc.

* Prepaid fees are recorded evenly over 60 months from the time of move-in

Approx. 40% of sales

Long-term care fees

(Including residents' co-payment (10-30%))

Cost

Approx. 40% of sales

Labor costs
(Long-term care staff, etc.)

Approx. 20% of sales

Facility costs
(land rent, depreciation costs, etc.)

Approx. 20% of sales

Other costs
(Food, utilities, consumables, etc.)

Approx. 20% of sales (before allocating head office expenses)

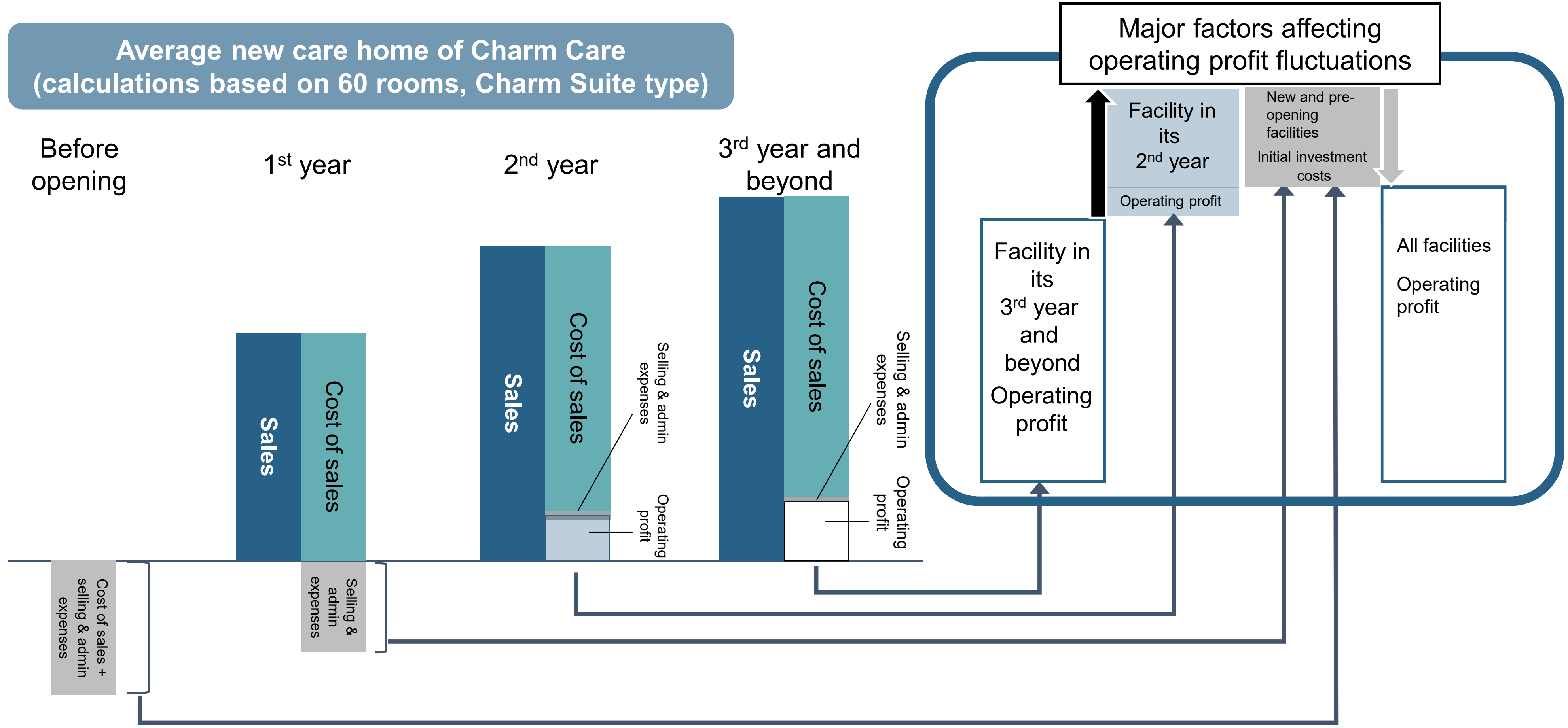
Profit

Monthly usage fees: Fees that can be set freely by the operator.
Long-term care fees: Fees established based on the Long-Term Care Insurance Act, which are a fixed amount for fee-based homes for the elderly with long-term care (see P42)

(Specified facilities only)	FY2020/6	FY2021/6	FY2022/6	FY2023/6	FY2024/6	FY2025/6	FY2026/6
Annual sales from operations per person (unit: ¥1,000)	5,849	6,093	6,166	6,429	6,690	6,801	**6,990**
Of which, long-term care fees from operations per person (unit: ¥1,000)	2,439	2,474	2,481	2,539	2,582	2,528	**2,587**
Ratio of long-term care fees in sales (%)	41.7%	40.6%	40.2%	39.5%	38.6%	37.2%	**37.0%**

Related page: p.42

Monetization Trend for New Care Homes(Three-year Simulation)



Pre-opening

¥30-50 million initial investment cost excluding guarantee deposit
Furniture and supplies, employee recruitment, advertising & PR, etc.

1st year

Losses continue each month until occupancy ratio reaches break-even point (approx. 70%)
Sales & admin expenses are costs to promote new occupancy, etc.

2nd year

Shift to surplus for the whole year if occupancy ratio Exceeds break-even point

3rd year and beyond

Operations continue with almost full occupancy and revenue stabilizes Expected profit (gross profit basis) of 20% or more

Business Domains (Mainstay Facility-type Services)

High

Monthly usage fees

Low

Fee-based homes for the elderly

Fee-based homes for the healthy elderly
(for healthy, independent residents)

Residential fee-based homes for the elderly

Senior residences offering services

Fee-based homes for the elderly with long-term care

CHARM PREMIER GRAND

Monthly usage fees: Around ¥1,000,000 (zero lump sum plan, same applies below)

CHARM PREMIER

Monthly usage fees: ¥500,000 or higher

Charm Suite

(Tokyo metropolitan area) Monthly usage fees ¥300,000–500,000
(Kinki metropolitan area) Monthly usage fees ¥250,000–350,000

Charm

(Tokyo metropolitan area) Monthly usage fees ¥200,000-300,000
(Kinki metropolitan area) Monthly usage fees ¥150,000-250,000

Long-term care health facilities

Intensive care homes for the elderly

Admission requirement: needing long-term care level 3 or higher in principle

Independent
(for healthy people)

Level of long-term care needed

Long-term care needed
(for people with long-term care need)

High

CHARM

Business Domains and Positioning Compared to Peers

Target customers	Reliance on long-term care fees (if we are the provider of the long-term care service)	Monthly usage fees (approx.)
Few	Low	High
Many	High	Low

Fee-based homes for the elderly

Target shifting to high price range homes in Tokyo metropolitan area

Operators in the medium price range or higher
- Benesse Style Care
- Nichii Carepalace
- Half Century More
- Tsukui

Charm Care Corporation

Operators in the medium price range or lower
- Sompo Care(formerly Message, Watami No Kaigo)
- BestLife
- Kinoshita Group
- SOUSEIKAI Group
- Kawashima Corporation
- Green Life(Ship Healthcare Group)
- Care 21
- Nichiigakkan
- ALSOK Group
- Sawayaka Club
- Japan Amenity Life Association
- UNIMAT Retirement Community
- CEDAR

Residential fee-based homes for the elderly

Senior residences offering services

Low dependence on long-term care fees
Expanding into high price range residential fee-based homes and senior residences offering services

Residential fee-based homes for the elderly — Operators focused on a medium or higher price range
- Benesse Style Care
- Good Time Living (formerly ORIX Living)

Senior residences offering services — Operators focused on a medium or higher price range
- Sekiwa Grand Mast (Sekisui House Group)
- Tokyo Tatemono Senior Life Support

The bar to market entry is low, so many small and medium businesses are involved in addition to major companies

Residential fee-based homes for the elderly — Operators focused on a medium or lower price range
- Super Court
- HITOWA Care Service
- (formerly Hasegawa Care
- Service)

Senior residences offering services — Operators focused on a medium or lower price range
- Fuji Amenity Service (Fuji Corporation group)
- Sompo Care (formerly Message, Watami No Kaigo)
- Gakken Cocofump
- Panasonic AGE-FREE
- Yamane Medical

Note: Businesses listed above are selected major companies with a track record of operating care homes above a certain size in the Tokyo metropolitan area (Tokyo, Kanagawa Pref.) and the Kinki metropolitan area (Osaka Pref., Kyoto Pref., Hyogo Pref., Nara Pref.). Price ranges were compiled by Charm Care Corporation and may differ according to area, etc.

Update

Major Operators of Fee-Based Elderly Care Facilities (1) – Profit Margin Ranking

(According to our research)

Rank [Previous]	Company name	Profit Margin	Revenue (¥ bn)	Profit (¥ bn)
1	Charm Care Corporation Group	14.4%	44.0	6.3
2	Company A	12.7%	12.7	1.6
3	Company B	9.2%	15.4	1.4
4	Company C	7.3%	24.4	1.7
5	Company H	6.5%	25.5	1.6
6	Company E	5.2%	46.5	2.4
7	Company F	4.9%	55.9	2.7
8	Company D	4.3%	186.2	7.9
9	Company I	4.0%	9.3	0.3

Note: Based on publicly disclosed materials, the latest fiscal year figures mainly for the long-term care business segment are used (profit figures are operating profit excluding corporate expenses). Comparison is made using facility-based long-term care services to the extent possible (hospice operators excluded).

Major Operators of Fee-Based Elderly Care Facilities (2) – Capacity Ranking

Note: The total number of Fee-based Homes (Fee-based homes for the elderly, Residential fee-based homes for the elderly, etc.) as of the end of June 2025.

Rank [Previous]	Company name	Fee-based homes for the lderly No. of homes in operation	Fee-based homes for the elderly Capacity	Geographic area
1 [1]	Benesse Style Care	358 facilities [＋7]	21,242 people	Mainly in Tokyo metropolitan area
2 [2]	Sompo Care	304 facilities [±0]	19,640 people	Nationwide
3 [5]	Kawashima Corporation	155 facilities [＋1]	15,042 people	Nationwide
4 [3]	BestLife	200 facilities [＋8]	13,027 people	Mainly in Tokyo metropolitan area
5 [4]	Nichii Group	156 facilities [±0]	9,593 people	Nationwide
6 [6]	SOUSEIKAI Group	172 facilities [＋23]	9,325 people	Nationwide
7 [7]	Kinoshita-kaigo	133 facilities [＋3]	8,894 people	Mainly in Tokyo metropolitan area
8 [8]	HITOWA Care Service (formerly Hasegawa Care Service)	128 facilities [＋2]	8,057 people	Mainly in Tokyo metropolitan area
9 [10]	**Charm Care Corporation Group**	**105 facilities [＋14]**	**7,374 people**	**Tokyo/Kinki metropolitan areas**
10 [－]	Half Century More	18 facilities [±0]	7,128 people	Tokyo/Kinki metropolitan areas
11 [－]	Ambis Holdings	123 facilities [＋28]	6,212 people	Nationwide
12 [9]	ALSOK Group	111 facilities [＋1]	5,990 people	Tokyo metropolitan area
13 [11]	Sawayaka Club	72 facilities [(12)]	4,766 people	Nationwide
14 [13]	Green Life (Ship Healthcare Holdings)	64 facilities [±0]	4,457 people	Nationwide
15 [12]	Japan Amenity Life Association	77 facilities [＋4]	2,999 people	Tokyo metropolitan area
	Total of 15 major companies [Market share]	2,176 / 16,543 facilities [Approx.13%]	–	

Source: Weekly Elderly Housing Newspaper (August 25, 2025, No. 812)

Index

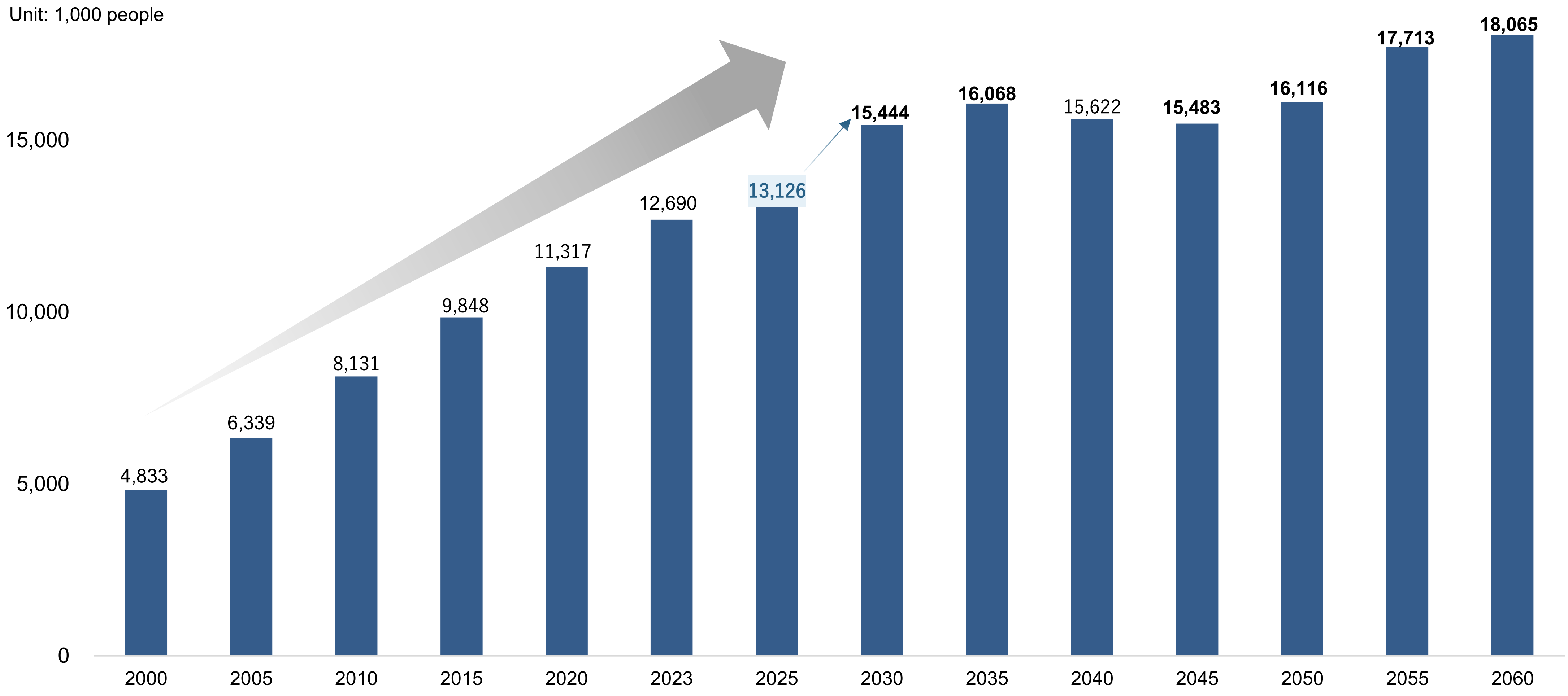
CHARM

Related page: p.42

Trends in the Population of Our Customers Aged 80 and Above

The population of our residents aged 80 and above, which constitutes our customer base, will continue to increase until 2035 and will keep growing thereafter.

Reference: The average age of our residents is **88 years and 9 months** old (as of June 30, 2025). (See P42)



Source: Future projections are based on the National Institute of Population and Social Security Research's "Population Projections for Japan" (April 2023 estimate). Mid-level births (deaths) estimates are based on the "Population Census" conducted by the Statistics Bureau of the Ministry of Internal Affairs and Communications (population adjusted proportionally for persons whose nationality or age are unknown).

CHARM

Related page: p.44

Ratio of the Elderly by Prefecture

- Given the increase in the elderly and the elderly population overall, **Tokyo, Kanagawa Prefecture, and Osaka Prefecture are particularly promising markets.**
- Apart from the above, prefectures that will have over 1 million people aged 65 and over or an increase in the ratio of the elderly higher than the national average in 2045 include Kyoto Prefecture, Hyogo Prefecture, Nara Prefecture, Saitama Prefecture and Chiba Prefecture. **The ratio of the elderly is expected to rise rapidly in the future, mainly in the Tokyo/Kinki metropolitan areas, which are the main areas where our company will expand.** (see P44)

	2020			2045			Increase in the elderly (10,000 people)
	Total population (10,000 people)	Population aged 65 and over (10,000 people)	Ratio of the elderly (%)	Total population (10,000 people)	Population aged 65 and over (10,000 people)	Ratio of the elderly (%)	
Nationwide	**12,533**	**3,619**	**28.9**	**10,642**	**3,919**	**36.8**	**+300 [+7.9%]**
Tokyo	1,373	322	23.4	1,361	**418**	30.7	**+96 [+7.3%]**
Kanagawa Prefecture	914	236	25.8	831	**292**	35.2	**+56 [+9.4%]**
Kyoto Prefecture	257	76	29.5	214	81	**37.8**	**+5 [+8.3%]**
Osaka Prefecture	873	244	28.0	734	**266**	36.2	**+22 [+8.2%]**
Hyogo Prefecture	544	161	29.5	453	**176**	**38.9**	**+15 [+9.4%]**
Nara Prefecture	132	42	31.7	100	41	**41.1**	**(1) [+9.4%]**

Source: "Regional Population Projections for Japan (March 2018)," National Institute of Population and Social Security Research

Related page: p.16

Long-term Care Staff Recruitment Trends and Projected Future Supply and Demand

[Active job openings-to-applicants ratio]

	2023/6	2024/6	2025/6	2026/6	Tokyo 2026/6	Osaka Prefecture 2026/6
Active job openings-to-applicants ratio	1.12	1.06	1.05	1.01	1.45	0.98
Long-term care staff	3.73	3.71	3.76	**3.70**	**9.03**	**3.19**

Source: "Employment Referrals for General Workers by Employment Pattern (Regular Workers Including Part-Timers)," Ministry of Health, Labour and Welfare; "Employment Referrals for General Workers," Tokyo Labor Bureau; "Active Job Openings-to-Applicants Ratio by Employment Pattern and Wages on Job Advertisements for Job Seekers," Osaka Labour Bureau

- Active job openings-to-applicants ratio for long-term care workers remains high. This trend is particularly noticeable in urban areas, including the Tokyo metropolitan area. Recruitment costs are also increasing along with salary levels.

[Required no. of additional long-term care workers and projection of supply and demand]

	FY2022	FY2026	FY2040
Projected demand	(Actual figure) 2.15 million	2.40 million	2.72 million
Required no. of additional workers	–	**+250,000 (+63,000/year)**	**+570,000 (+32,000/year)**

Source: "Required Number of Long-term Care Workers Based on the 9th Insured Long-Term Care Service Plan," Ministry of Health, Labour and Welfare (July 12, 2024)"

- By 2040, the demand for personnel is expected to reach approximately 2.72 million, while the estimated number of caregiving staff, based on current trends, is projected to be around 2.10 million, resulting in a **supply-demand gap of approximately 620,000**.

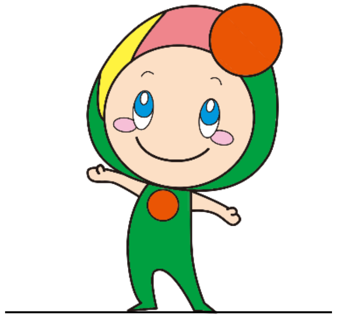
Source: "Required Number of Long-term Care Workers Based on the 9th Insured Long-Term Care Service Plan," Ministry of Health, Labour and Welfare

Past Revisions to Long-term Care Fees

Year of revision	Revised percentage	(Actual) Revised percentage	Main details
FY2015	–2.27%	–4.48%	➢ Revised down for the first time in 9 years ➢ [Revision breakdown] improved benefits: +1.65%; enhancement of long-term care services: +0.56% (conditions apply to increases); reduction of long-term care fee unit price: -4.48% ➢ The long-term care fee unit price was reduced significantly for highly profitable long-term care services (intensive care homes for the elderly requiring long-term care, long-term care at elderly day service centers)
FY2017	+1.14%	[No change]	➢ Special revision (+1.14%) to improve benefits for long-term care workers
FY2018	+0.54%	+0.54%	➢ First revision upward in 6 years (excluding the special revision) based on the management environment for long-term care businesses and improvement of benefits for long-term care workers, etc. ➢ Basic unit revised down for services intended for elderly people requiring a low level of long-term care including home-visit long-term care (support services for daily life), long-term care at large elderly day service centers, rental long-term care equipment, etc. ➢ Promotion of the introduction of outcome-based evaluations and the use of robots (monitoring devices) and ICT (teleconferencing) for selected long-term care services ➢ Basic unit for daily life long-term care admitted to specified facilities revised upward by an average of 0.3%
FY2019 (Special revision)	+2.13%	+0.39%	➢ Special revision in response to the consumption tax revision in October 2019 to eliminate the effective burden on long-term care businesses (+0.39%) ➢ Additional improvement in benefits for workers with 10 years or more of consecutive service, mainly licensed long-term care workers (+1.67%)
FY2021	+0.70%	+0.40%	➢ Revision of long-term care fees overall by +0.70% in response to the management environment, etc. for long-term care businesses, including the impact of price trends on non-personnel supplies, etc. and in consideration of the need to secure long-term care workers and improve benefits. ➢ 0.05% of the 0.70% figure was a special measure implemented in the first half of FY2021 (April – September 2021) in consideration of rising costs caused by responses to COVID-19. ➢ Basic long-term care fees increased by approx. 0.4% for daily life long-term care admitted to specified facilities (fee-based homes for the elderly). As for additional payments for individual items, an increase was made to the unit price for additional payments to improve the service provision system. The revision also made it possible to calculate new additional payments to maintain activities of daily living (ADL), etc.
FY2022 (Special revision)	+1.13%	[No change]	➢ Special revision (+1.13%) to improve benefits for long-term care workers
FY2024	+1.59%	+0.61%	➢ Improvement in benefits for long-term care workers: +0.98%; other revision: +0.61% ➢ Further developing and promoting the community-based integrated care system, implementing measures for self-reliance support and prevention of exacerbated conditions, creating worker-friendly workplaces to enable efficient provision of quality long-term care services (promoting utilization of care robots, ICT technologies, etc.), and ensuring stability and sustainability of systems.
FY2026 (Special revision)	**+2.03%**	**[No change]**	➢ **Improvement in treatment of care staff: +1.95%, including approximately ¥100,000 per employee allocated to care providers, and approximately ¥70,000 per employee allocated to care staff at providers working on productivity improvements and operational collaboration.** ➢ Increase in the standard monthly food cost: +0.09% (no impact on fee-based homes for the elderly).

Company Information

- **Name** — Charm Care Corporation
- **Representative** — Takahiko Shimomura, Chairman and CEO
Shiro Kokaji, President and COO
- **Listing market** — Tokyo Stock Exchange Prime Market
- **Fiscal year end** — June
- **Head office** — Osaka Head Office: 6-32 Nakanoshima 3-Chome, Kita-ku, Osaka
Tokyo Head Office: 28-15 Shibuya 3-Chome, Shibuya-ku, Tokyo
- **Business** — Operation of fee-based nursing homes, etc. (Long-Term Care Business), peripheral businesses of the long-term care business (nursing staff dispatch and recruitment, resident referral services, etc.)
- **Paid-in capital** — ¥2,759,250,000
- **Number of issued shares** — 32,712,000 shares (including 30,612 shares of treasury stock)
- **Employees** — Approx. 3,600 (including part-time, contract, and dispatched employees, etc.)



Company Mascot Character "Chamin"

As of June 30, 2026

Notice

The information in this document is not intended to solicitate the buying or selling, etc. of Charm Care shares.

Business performance forecasts and future projections, etc. contained in this document are forecasts determined by Charm Care based on the information available at the time this document was compiled. These forecasts therefore involve potential risk and uncertainty.

Accordingly, actual results may differ from these business performance forecasts due to a variety of factors.

Please note that Charm Care Corporation and the parties providing this information shall bear no liability whatsoever for any damages incurred based on this information.

Inquiries about this document:
Charm Care Corporation
Corporate Planning Department
Tel: +81-(0)6-6445-3403
E-mail: ir@charmcc.jp
Website: https://www.charmcc.jp/corp/