



SUNWELS CO., Ltd

**FY March 2023, Second Quarter**

# **Financial Highlights**

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(April 1, 2022 to September 30, 2022)

November 8, 2022



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## **I. FY March 2023 Outline of Financial Results for Second Quarter**

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# Financial Summary

## ■ Cumulative second quarter (April-September) exceeded the previous year's full-year operating income

Sales	: 6,009 million yen	(FY March 2022	Full-year sales	8,419 million yen)
Operating income	: 492 million yen	(FY March 2022	Full- year operating income	490 million yen)

## ■ 2 PD House facilities opened as planned in the second quarter (July-September)

Following the opening of PD House Adachi and PD House Funabashi in first quarter, PD House Higashi-Osaka and PD House Yao opened in second quarter as planned.

## ■ Favorable occupancy at four PD House facilities opened in the cumulative second quarter (April-September) \*

At the time of opening, resident contracts were signed for more than 80% of the number of beds.

## ■ Impact of the new coronavirus

Due to the spread of the new coronavirus (167 staff and 120 users were affected in the cumulative second quarter), the total cost of all facilities is approximately 50 million yen.



# Financial Results Quarterly breakdown of full-year earnings forecast

## ■ Quarterly earning growth due to an increase in the number of PD House facilities

(Unit: million yen)

	FY 2023/3 1Q Forecast			FY 2023/3 2Q Forecast			FY 2023/3 2Q Cumulative Forecast	FY 2023/3 3Q Forecast			FY 2023/3 4Q Forecast			FY 2023/3 Full-year earnings forecast
<b>Sales</b>	<b>2,760</b>			<b>3,073</b>			<b>5,833</b>	<b>3,442</b>			<b>3,714</b>			<b>12,990</b>
YoY comparison	21.3%			23.7%			44.9%	26.5%			28.6%			100.0%
<b>Operating income</b>	<b>162</b>			<b>267</b>			<b>429</b>	<b>416</b>			<b>474</b>			<b>1,320</b>
YoY comparison	12.3%			20.2%			32.5%	31.5%			35.9%			100.0%
<b>Ordinary income</b>	<b>109</b>			<b>189</b>			<b>299</b>	<b>329</b>			<b>373</b>			<b>1,001</b>
YoY comparison	10.9%			18.9%			29.9%	32.9%			37.3%			100.0%
Quarter (current quarter) net income	<b>69</b>			<b>124</b>			<b>194</b>	<b>216</b>			<b>245</b>			<b>655</b>
YoY comparison	10.7%			19.0%			29.7%	33.0%			37.4%			100.0%
<b>Month</b>	<b>Apr.</b>	<b>May</b>	<b>Jun.</b>	<b>Jul.</b>	<b>Aug.</b>	<b>Sep.</b>	FY 2023/3 2Q Cumulative	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>	FY 2023/3 Full year
Number of PD House facilities opened	-	1	1	1	-	1	4	2	-	1	1	-	-	8



# Financial Results Forecast/Results Comparison **Second Quarter Cumulative** (April-September)

- **Sales:** Cumulative second quarter exceeded the forecast by 175 million yen (achievement rate 103.0%)
- **Operating income:** Cumulative second quarter exceeded the forecast by 62 million yen (achievement rate 114.6%)
- **Quarter net income:** Cumulative second quarter exceeded the forecast by 54 million yen (achievement rate 127.8%)

(Unit: million yen)

	FY 2023/3 2Q Cumulative Forecast	FY 2023/3 2Q Cumulative Results	Forecast performance difference	Forecast achievement rate
<b>Sales</b>	5,833	6,009	+175	103.0%
<b>Operating income</b>	429	492	+62	114.6%
<b>Operating margin</b>	7.4%	8.2%	+0.8pt	-
<b>Net income</b>	299	351	+52	117.4%
<b>Quarter net income</b>	194	248	+54	127.8%



# Financial Results YoY comparison Second quarter cumulative (April-September)

## ■ Steady opening of PD House, significant YoY increase in revenue and profit

(Unit: million yen)

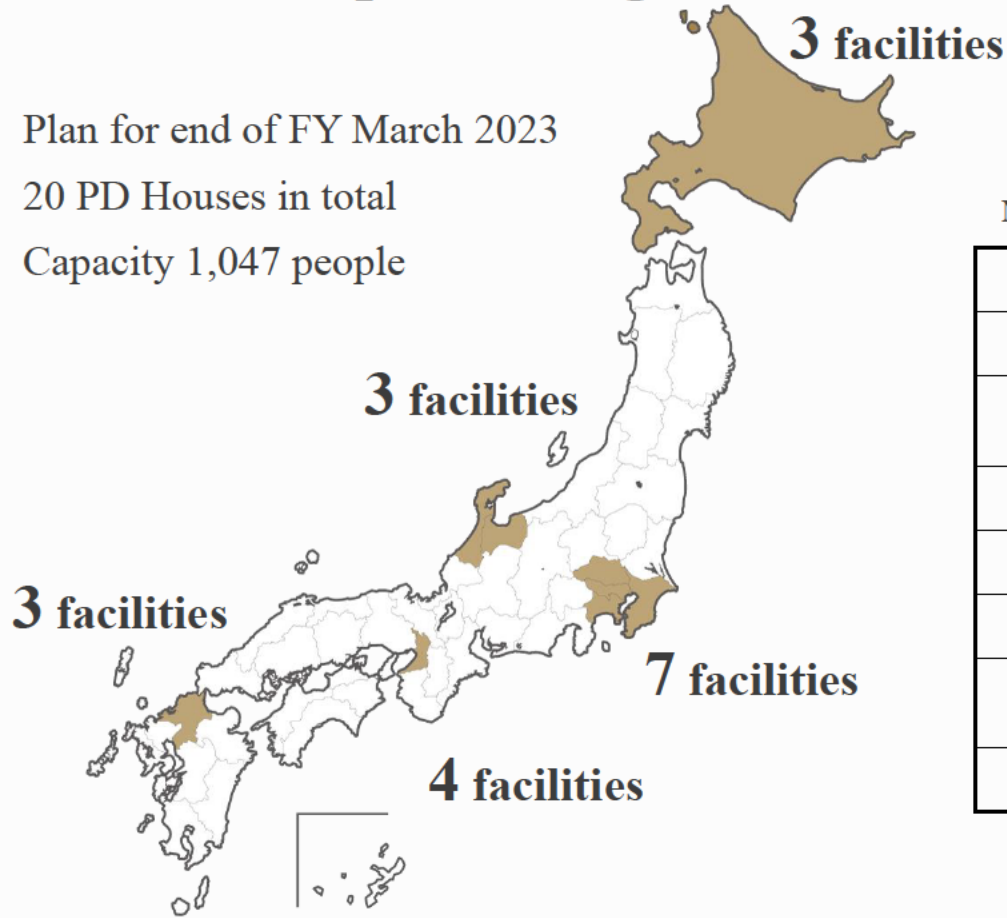
	<b>FY 2022/3 2Q Cumulative Results</b> <small>(Progress rate against full-year results)</small>	<b>FY 2023/3 2Q Cumulative Results</b> <small>(Progress rate against full-year results)</small>	<b>YoY increase/decrease amount</b>	<b>YoY increase/decrease percentage</b>
<b>Sales</b>	3,707 (44.0%)	<b>6,009</b> (46.3%)	+2,301	+62.1%
<b>Operating income</b>	140 (28.7%)	<b>492</b> (37.3%)	+351	+249.9%
<b>Ordinary income</b>	100 (28.8%)	<b>351</b> (35.1%)	+250	+250.0%
<b>Net income</b>	73 (28.6%)	<b>248</b> (37.9%)	+175	+240.0%



# PD House Development for FY March 2023

## ■ PD House Development Regions

Plan for end of FY March 2023  
 20 PD Houses in total  
 Capacity 1,047 people



Focus on new construction in the Kanto (4) and Kansai (2) regions in the FY March 2023

No	Development	Schedule time	Pref.	Development location	Capacity (persons)	Occupancy End of 22/9	
1	2022	1Q	May	Tokyo	Adachi	50	72%
2			Jun.	Chiba	Funabashi	45	80%
3		2Q	Jul.	Osaka	Higashi-Osaka	48	81%
4			Sep.	Osaka	Yao	60	35%
5		3Q	Oct.	Toyama	Akiyoshi	52	-
6			Oct.	Tokyo	Nishi-Tokyo	60	-
7			Dec.	Saitama	Minami-Yono	60	-
8	2023	4Q	Jan.	Hokkaido	Tsukisamu	59	-





# PD House Development for FY March 2024

- Completed contracts for a total of 9 facilities for PD House in FY March 2024 (continuing to focus on the Kanto region, opening 5 facilities)
- Plan to open 8 facilities in medium-term management plan ⇒ revised to 9 facilities (capacity: 499 people in total)

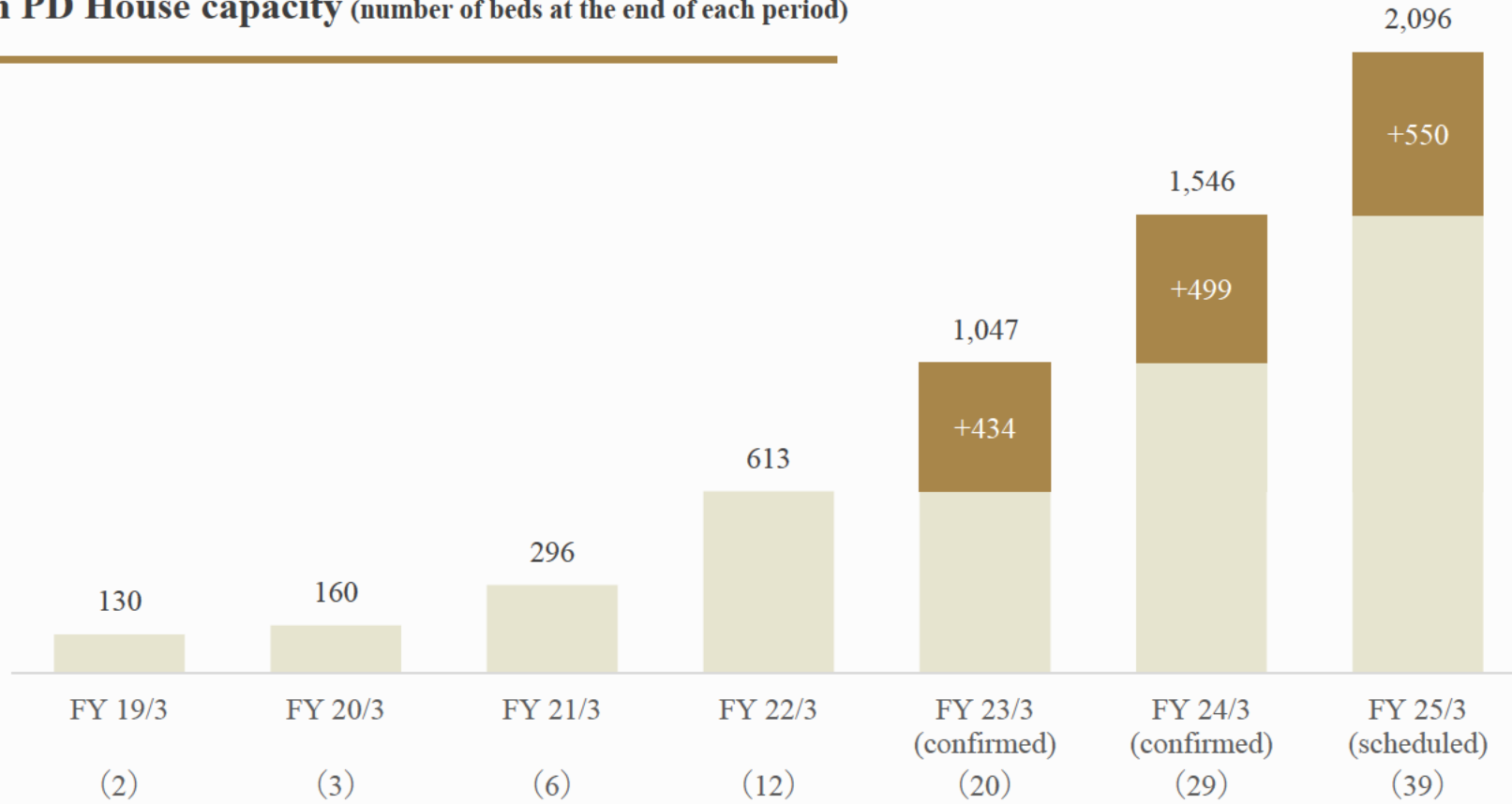
No	Name (tentative name)	Location	Opening month (planned)	Capacity (planned)
1	<b>PD House Konandai</b>	Yokohama City	April 2023	60 persons
2	PD House Joto	Osaka City	April 2023	60 persons
3	<b>PD House Itabashi II</b>	Itabashi Ward	June 2023	47 persons
4	<b>PD House Hachioji</b> *	Hachioji City	August 2023	50 persons
5	PD House Higashi-Osaka II	Higashiosaka City	September 2023	60 persons
6	<b>PD House Yoga</b>	Setagaya Ward	October 2023	68 persons
7	PD House Hikari no Mori	Kumamoto City	October 2023	53 persons
8	<b>PD House Kandaiji</b>	Yokohama City	November 2023	48 persons
9	PD House Heiwagaoka	Nagoya City	December 2023	53 persons

\* PD House Hachioji changed from a building lease plan to an in-house construction



# Development Plan (FY March 2023-FY March 2025)

**Changes in PD House capacity (number of beds at the end of each period)**



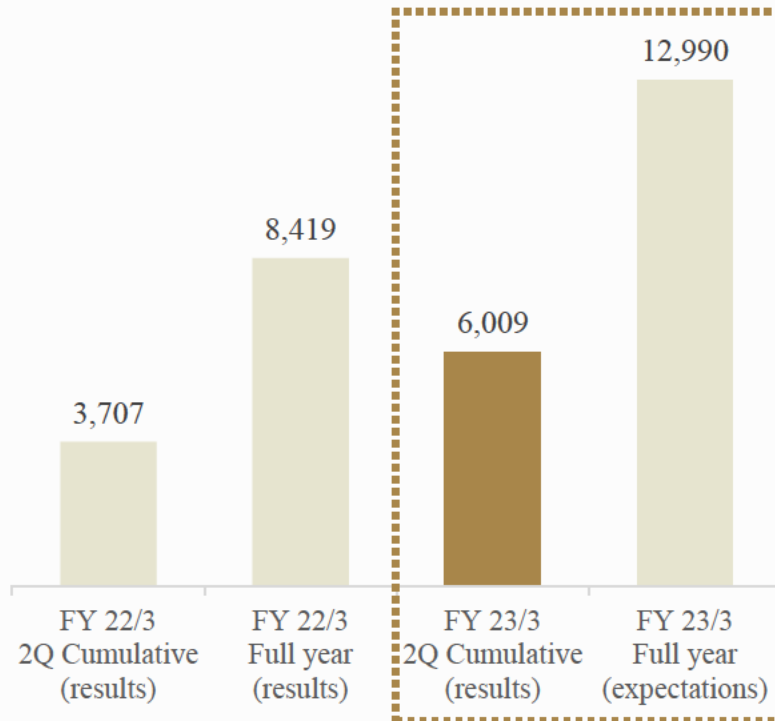


# YoY - Major Financial Indices

■ Exceeded operating income of 490 million yen in the previous year in the second quarter

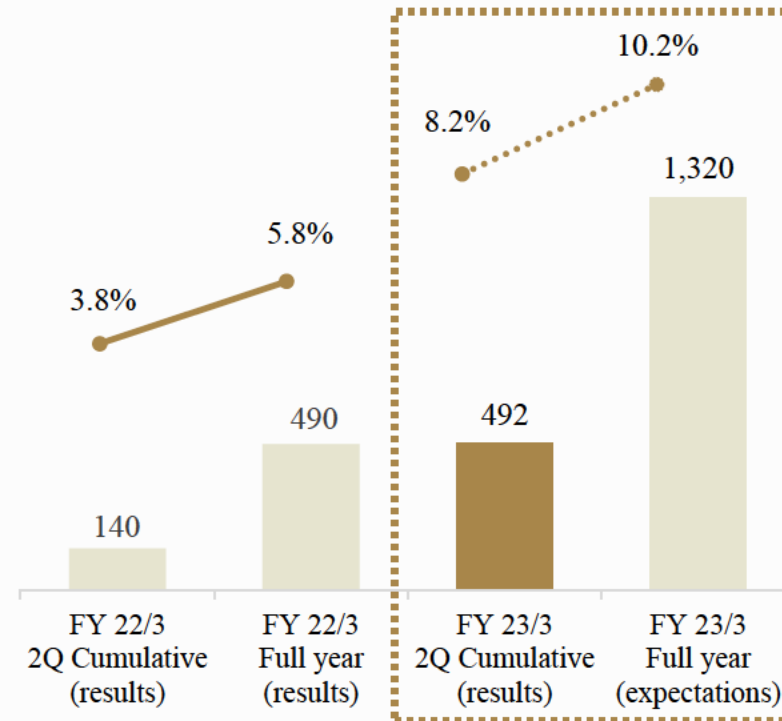
## Sales

(million yen)



## Operating income/Operating margin

(million yen)

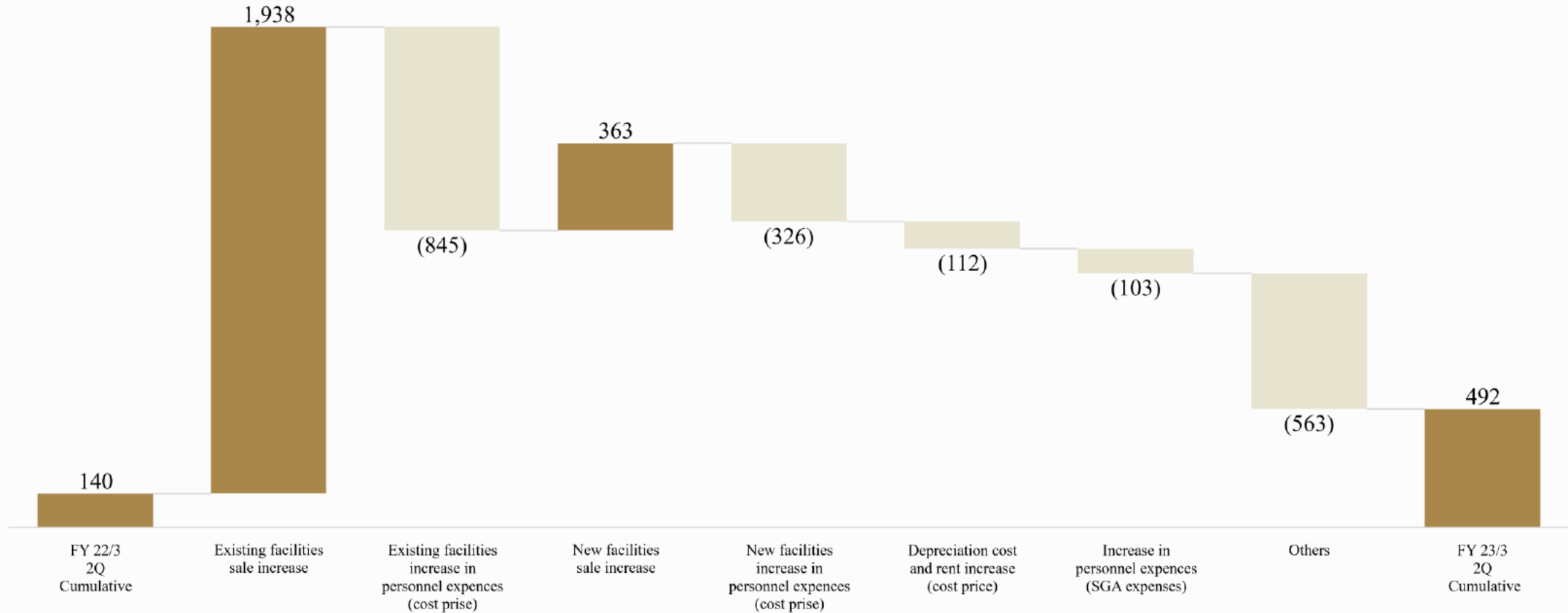




# Factors for Operating Income Change (Second Quarter FY March 2022 – Second Quarter FY March 2023)

## ■ Opened PD House as planned (+7 facilities YoY) and increased operating income

(unit: million yen)



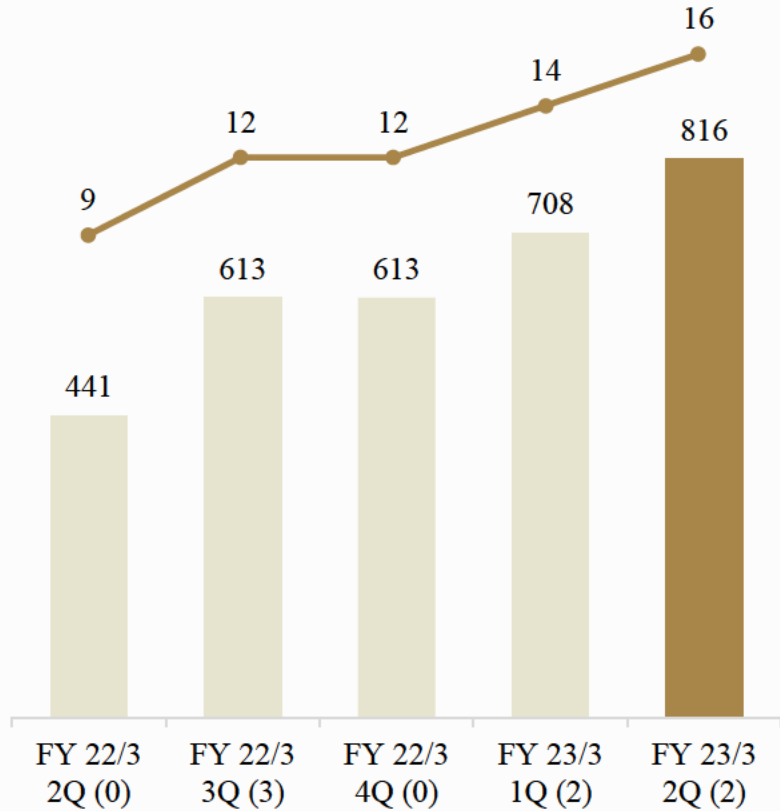


# Quarterly Trends of Financial Results - Major financial indices (latest one year)

— Number of facilities  
( ) Number of facilities opened

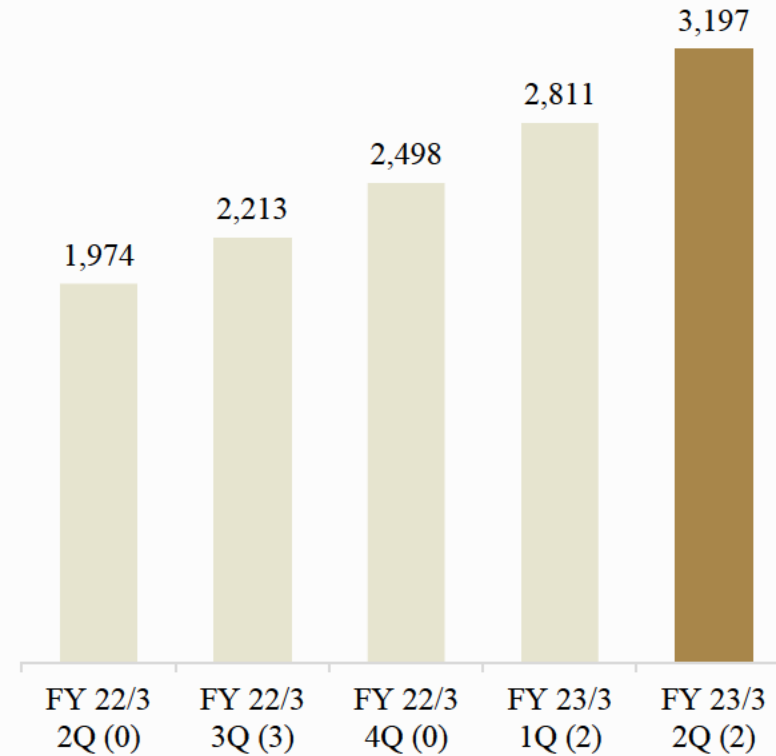
## Number of PD House facilities/Capacity

(facilities/persons)



## All business sales

(million yen)



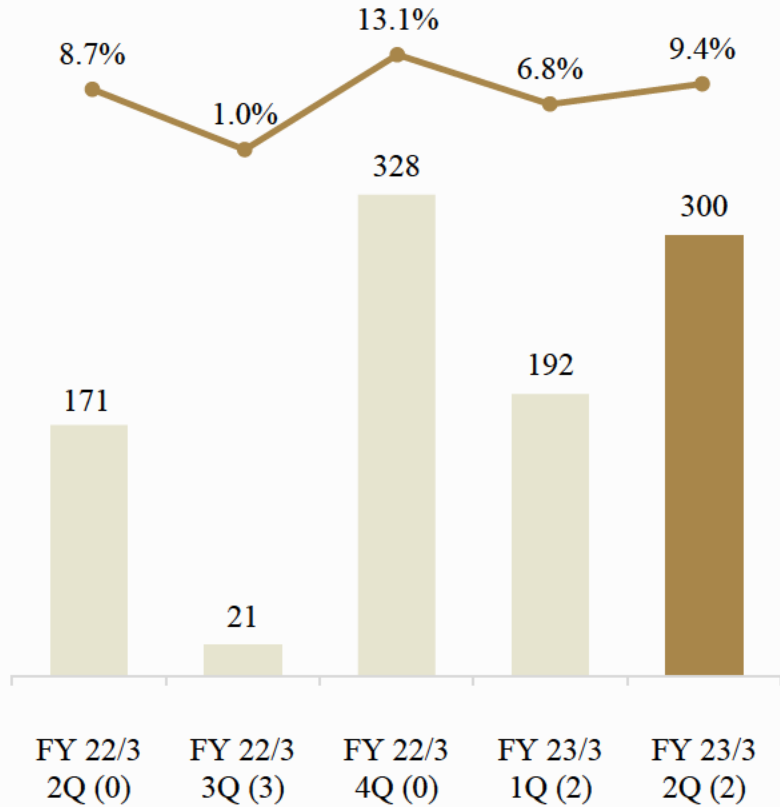


# Quarterly Trends of Financial Results - Major financial indices (latest one year)

— Sales composition  
( ) Number of facilities opened

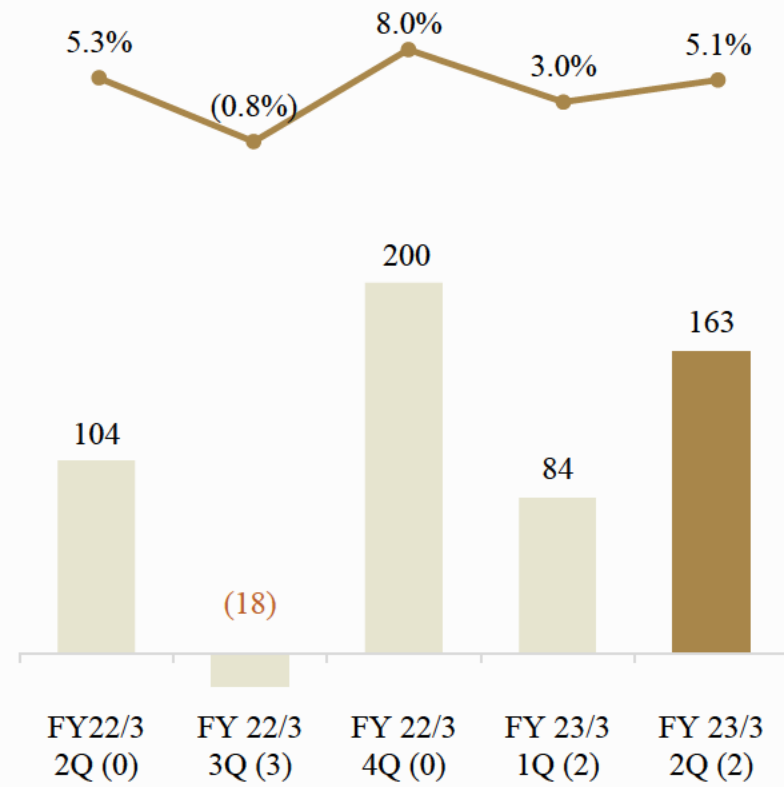
## Operating Income

(million yen)



## Net Income

(million yen)

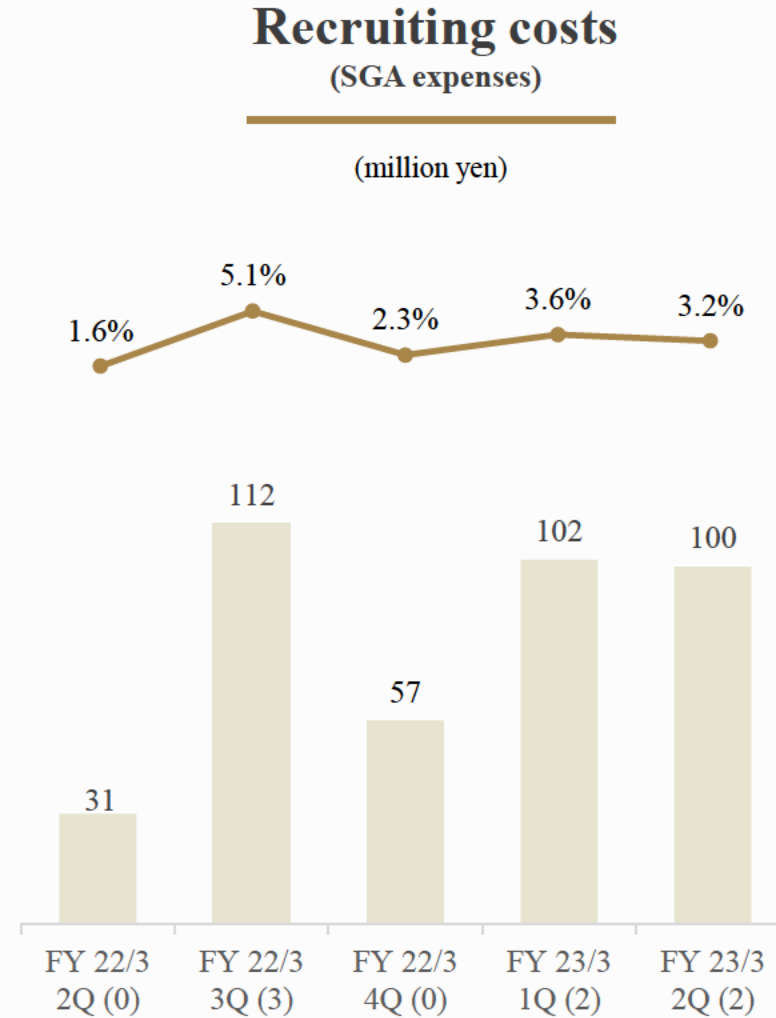
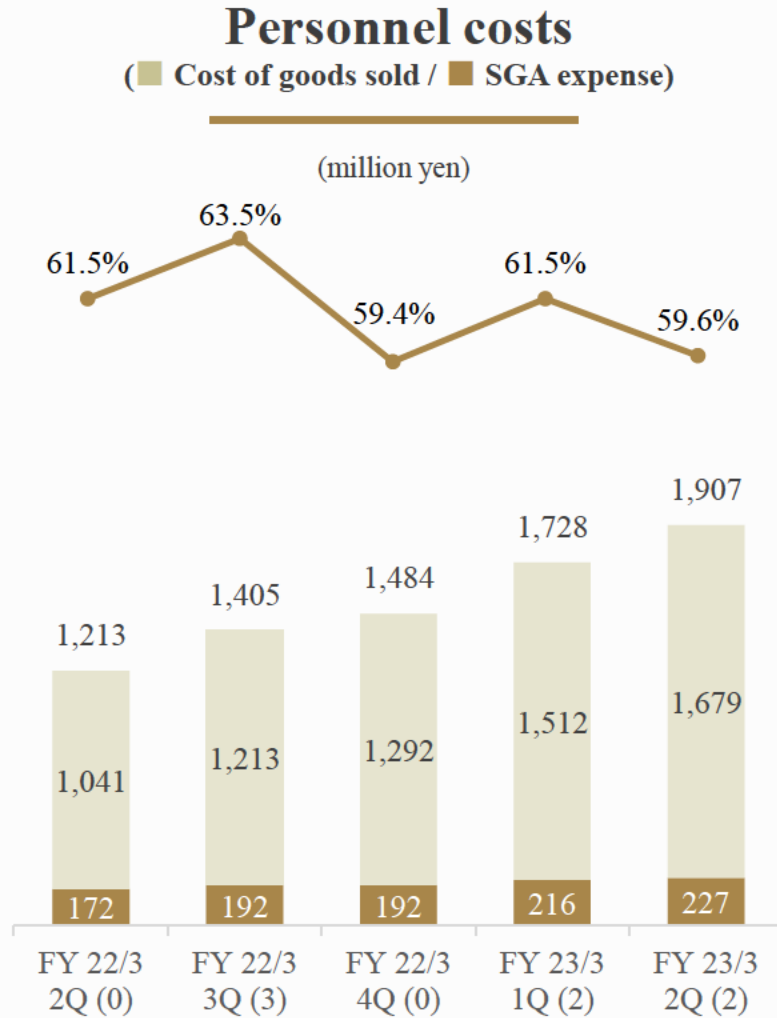




# Quarterly Trends of Financial Results

## - Major cost of goods sold/SGA expenses (latest one year)

— Sales composition  
( ) Number of facilities opened





# Change in occupancy rate\* of PD House

(FY March 2022, Second quarter account period for FY March 2023)

Segment	Number of facilities	Capacity (persons)	FY March 2022											
			Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Existing PD House (opened -2021.3)	6	296	95%	94%	95%	95%	96%	93%	95%	93%	93%	94%	94%	97%
New PD House (open 2021.4-)	6	317	-	40%	39%	55%	63%	72%	65%	62%	63%	72%	77%	84%
Number of facilities opened			-	2	1	-	-	-	1	1	1	-	-	-

Segment	Number of facilities	Capacity (persons)	Second quarter account period for FY March 2023											
			Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Existing PD House (opened -2022.3)	12	613	92%	94%	96%	97%	96%	96%	-	-	-	-	-	-
New PD House (open 2022.4-)	4	203	-	38%	57%	60%	70%	65%	-	-	-	-	-	-
Number of facilities opened			-	1	1	1	-	1	-	-	-	-	-	-

Number of resident at the end of the month of each facility

\* Occupancy rate =  $\frac{\text{Number of resident at the end of the month of each facility}}{\text{Capacity of each facility}}$



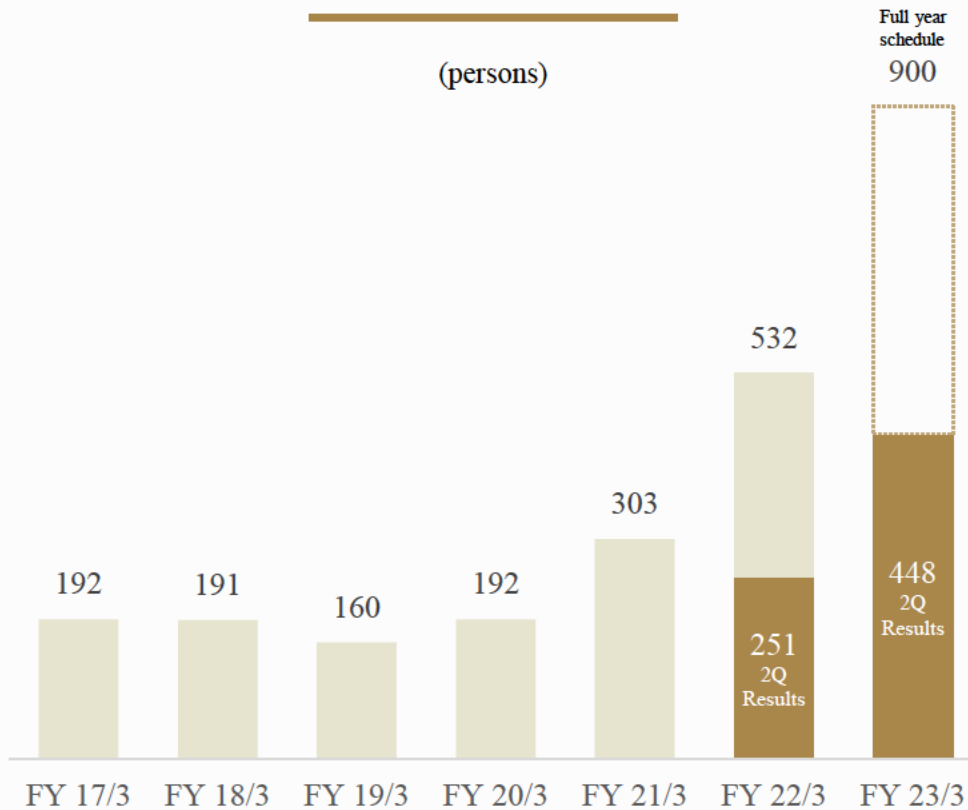


# Changes in the number of new hires/number of employees at the end of the period

■ The number of new hires increased with the opening of facilities

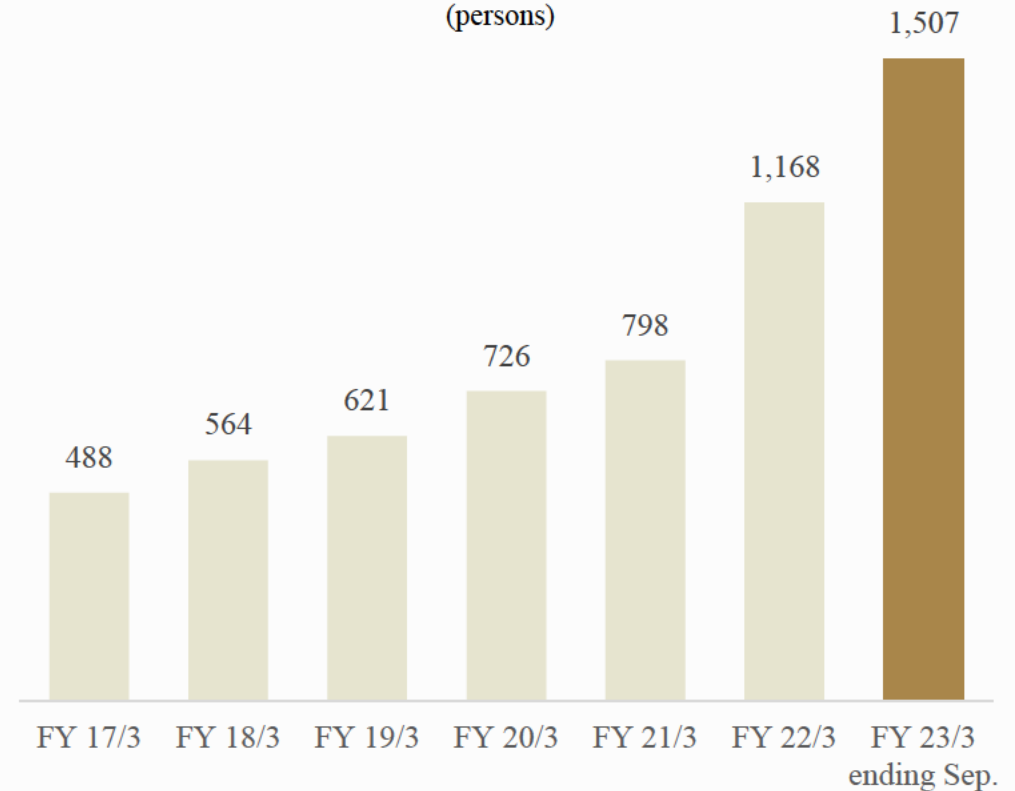
### Number of new hires

(persons)



### Number of employees at the end of period

(persons)





# Balance Sheet (As of end of September 2022)

(Unit: million yen)

	FY 21/3	FY 22/3	FY 22/9	Change from FY 22/3
<b>Assets</b>	4,788	9,015	14,455	+60.3%
Liquid assets	1,585	2,547	4,702	+84.6%
Fixed asset	3,202	6,468	9,752	+50.8%
<b>Liabilities</b>	4,094	8,150	9,498	+16.5%
Current liabilities	1,650	3,116	1,860	(40.3%)
Fixed liabilities	2,444	5,034	7,637	+51.7%
<b>Net assets</b>	693	864	4,956	+473.2%
Capital adequacy ratio	14.5%	9.6%	34.3%	+24.7pt



# Cash Flow Statement (FY March 2023 Second Quarter cumulative)

- **Operating cash flow is trending upward along with profit growth**
- **With the opening of the facility, negative investment cash flow is on the rise for the time being. Policy to be adjusted with financing cash flow.**

(unit: million yen)

	FY 21/3 Full year	FY 22/3 2Q Cumulative	FY 22/3 Full year	FY 23/3 2Q Cumulative
<b>Operating cash flow</b>	201	176	378	350
<b>Investment cash flow</b>	(648)	(279)	(633)	(505)
Expenditure for acquisition of property, plant and equipment	(587)	(147)	(452)	(406)
<b>Financing cash flow</b>	489	277	573	1,834
Net increase (decrease) in borrowings	613	404	749	(1,920)
Proceeds from disposal of treasury stock	-	-	-	3,928
<b>Increase (decrease) in cash and cash equivalents</b>	42	174	318	1,679
<b>Cash and cash equivalents at end of period</b>	496	670	814	2,493

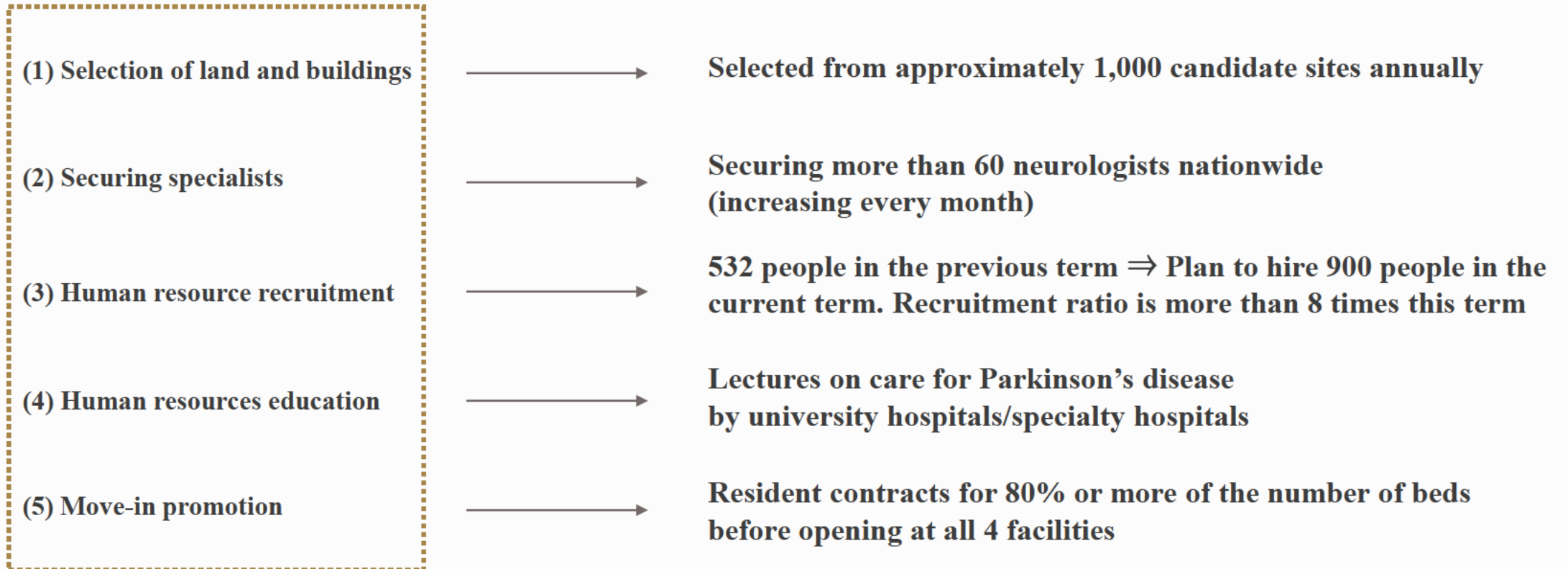
## **II. Future Prospects**

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# PD House Growth Strategy

- Plans to expand to 100 facilities and 5,000 beds FY March 2030
- Approximately **40,000** people in the market, **12.5%** share even with 100 facilities and 5,000 beds

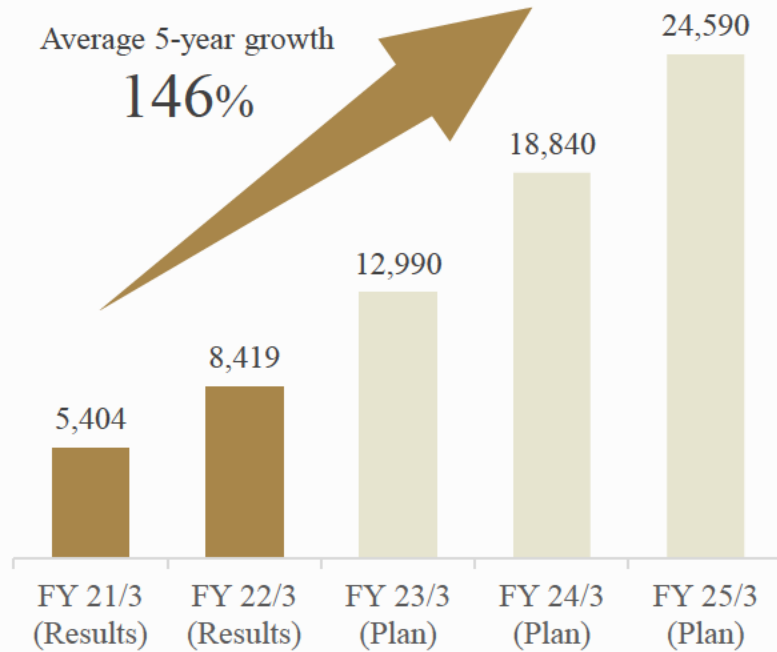




# Number of Facilities/Capacity and Sales (Medium-term management plan)

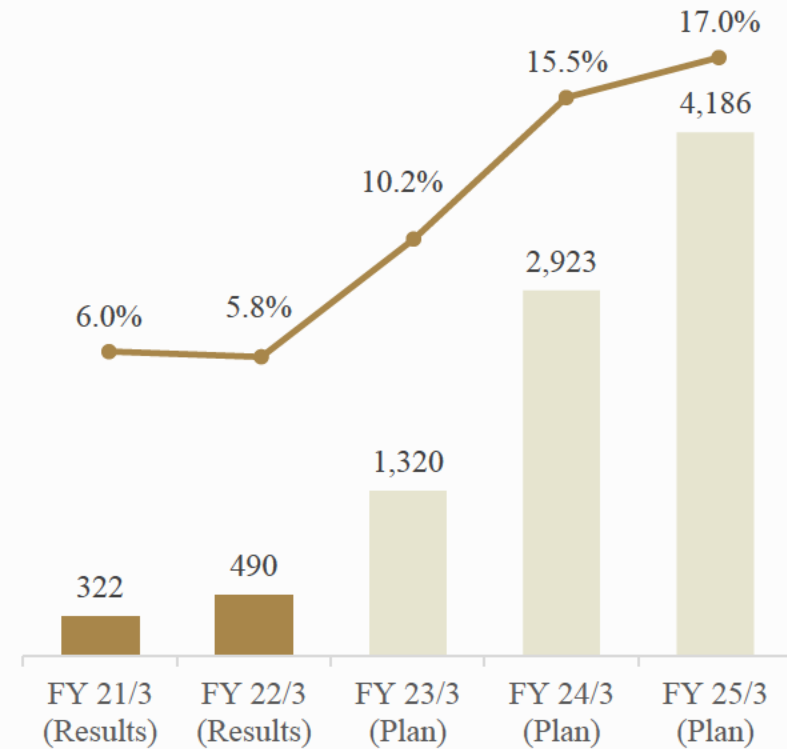
## Sales

(million yen)



## Operating income/Operating margin

(million yen)





# Shareholder dividend

## Shareholder dividend plan

- We plan to pay a dividend of 26.00 yen per share for the fiscal year March 2023.

(Interim dividend: 13.00 yen, Year-end dividend: 13.00 yen)

- Going forward, we plan to pay shareholder dividends depending on the profit performance of each fiscal year.

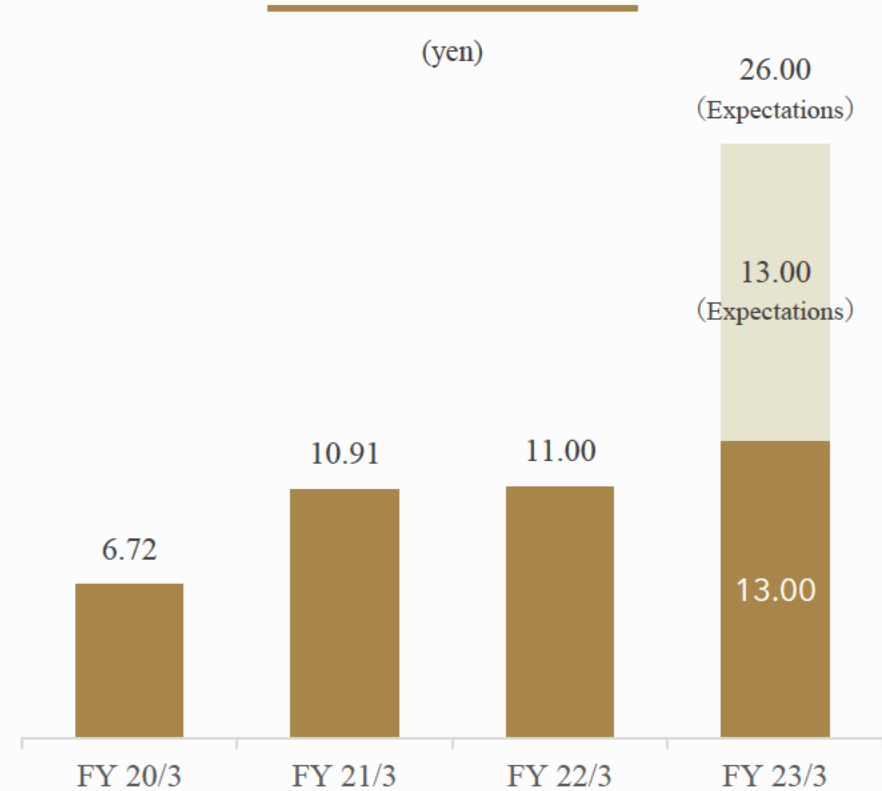
## Shareholder dividend policy

- Our basic policy on shareholder returns is to return profits generated through business activities “to all shareholders” and “investing in growth to maximize corporate value.”

- The Company’s policy is to pay dividends to shareholders while giving due consideration to stability and continuity, while comprehensively taking into consideration performance trends, financial conditions, and other factors.

\* As a 100-for-1 stock split of common stock was conducted on March 25, 2021, and a 100-for-1 stock split of common stock was conducted on February 15, 2022, the amount of dividend per share assuming that the stock splits were made at the beginning of FY March 2020 is stated

## Dividend per share





## **III. Explanation of Business**

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# Company profile

**Company name** SUNWELS Co., Ltd.

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**Headquarters**

- **Tokyo Headquarter** (9<sup>th</sup> Floor, Marunouchi Building, 2-4-1 Marunouchi, Chiyoda-ku, Tokyo)
- **Kanazawa Headquarter** (15-13 Ninomiya-machi, Kanazawa-shi, Ishikawa-ken)

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**Branches** ■ **Osaka Branch**

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**Representative** Ryotatsu Nawashiro, President & CEO

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**Establishment** September 2006

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**Capital** 35,000,000 yen (FY March 2022)

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**Number of employees** 1,507 (including 86 temporary employment / as of September 30, 2022) \*

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**Business description** Nursing care business for the elderly (medical-specific facilities, day-care services, group homes, welfare equipment rentals, etc.)

- **Operation of PD House, fee-based homes for the elderly specialized in Parkinson's disease**

\* The number of employees is the number of full-time employees, and the number of temporary employees (part-time and contract employees) is the average number of employees per year (8 hours per day)



# Company profile (management system)



## President & CEO Ryotatsu Nawashiro

Mr. Nawashiro was born in Ishikawa Prefecture in July 1973. While in college, he suffered from kidney disease and was forced to drop out. After that, from the ages of 19 to 25, he spent his days without a regular job due to his illness. At the age of 26, Mr. Nawashiro recovered from his illness and hoping to create a service that would help people with illnesses based on his own battle with illness, he took over his father's company, Item, Inc. and started a home repair business for people covered by long-term care insurance. Since then, he founded Care Communications Co., Ltd. in 2006, Central Care Staff Co., Ltd. in 2007, and Sarai Co., Ltd. in 2008. In 2011, he merged the three companies to establish Sunwels Co., Ltd. and currently is continuously developing new care services in areas without such services.

### Senior Managing Director Toru Koshino

Former jockey belonging to the National Association of Racing. In 2004, he joined Item, Inc. (currently: the Company). In 2015, he was appointed as a director of the Company. Responsible for the Management Strategy Department and Operation Business Department.

### Managing Director Tomohiro Nagayama

Qualified as an occupational therapist. Joined Care Communications Co., Ltd. (currently: the Company) in 2009. Appointed as a director of the Company in 2015. Responsible for the Recruitment Department, Facility Development Department, and Establishment Support Department.

### Managing Director Eiichi Ueno

After joining Hokuriku Bank, Ltd., served as branch manager and standing auditor. After being appointed as a full-time auditor of EIZO Corporation in 2009, he was appointed as an outside director in 2016. In 2018, he was appointed as a director of the Company. Responsible for the General Affairs and Accounting Department.

### Director Michiyo Nakayama

The Company's first female director. Joined Central Care Staff Co., Ltd. (currently: the Company) in 2009. In 2015, she was appointed as a director of the Company. Responsible for the Human Resources Department and Retention Management Department.

### Outside Director Full-time Audit and Supervisory Committee Member

#### Seiichi Tanaka

Former KUSURI NO AOKI Co., Ltd. Full-time auditor

### Outside Director Audit and Supervisory Committee Member

#### Yoshiaki Hatake

Hatake Management Group Representative Director

### Outside Director Audit and Supervisory Committee Member

#### Yuichi Nakanishi

Nakanishi Yuichi LAW OFFICE Attorney



# Company profile (business description)

## ■ PD House (operating 16 facilities nationwide \*As of the end of September 2022)

- “PD House” for people with Parkinson’s disease are operated as the center of our business.

[target residents]

### For Parkinson’s disease

- Progressive supranuclea palsy (PSP)
- Corticobasal degeneration (CBD)
- Multiple system atrophy (MSA)
- Persons with spinocerebellar degeneration (SCD) can also be treated



PD House  
3 Features

- 1 Rehabilitation programs specialized for Parkinson’s disease (supervised by specialists)
- 2 Medical care by visiting doctors specializing in neurology
- 3 24-hour care by visiting nurses and medication management

## ■ Medical-specific facilities

(operating 7 facilities in Ishikawa and Toyama prefectures)

- Facilities intended to provide meals and other services necessary for daily life.
- Each establishment has a home-visit care service office and a home-visit nursing service office.
- Basically, it will be a place to live, and the service will be provided from the above station in the same building.

## ■ Welfare equipment business

- Lending and selling welfare equipment (long-term care insurance/Self-pay).
- Home renovation work (barrier-free construction) business.

## ■ Day-care service facilities for the elderly

(operating 6 facilities in Ishikawa Prefecture)

- Services, while visiting the facilities, include lifestyle guidance, functional training, meals, bathing, and health checks which are provided without staying overnight (return home the same day).

## ■ Group homes for the elderly

(operating 2 facilities in Ishikawa Prefecture)

- Accept 18 people, 9 people x 2 units. A facility where people with dementia live together.

## ■ Kaatsu training business

(operating 2 facilities in Ishikawa Prefecture)

- Personal training using pressurization equipment.



# Company profile (Sales composition)

(FY March 2023/Performance)

Sales segment	Sales (million yen)	Sales composition
1 / PD House	9,471	72.9%
2 / Medical-specific facilities	2,470	19.0%
3 / Welfare equipment business	440	3.4%
4 / Day-care service facilities for the elderly	400	3.1%
5 / Group homes for the elderly	164	1.3%
6 / <i>Kaatsu</i> training business	43	0.3%

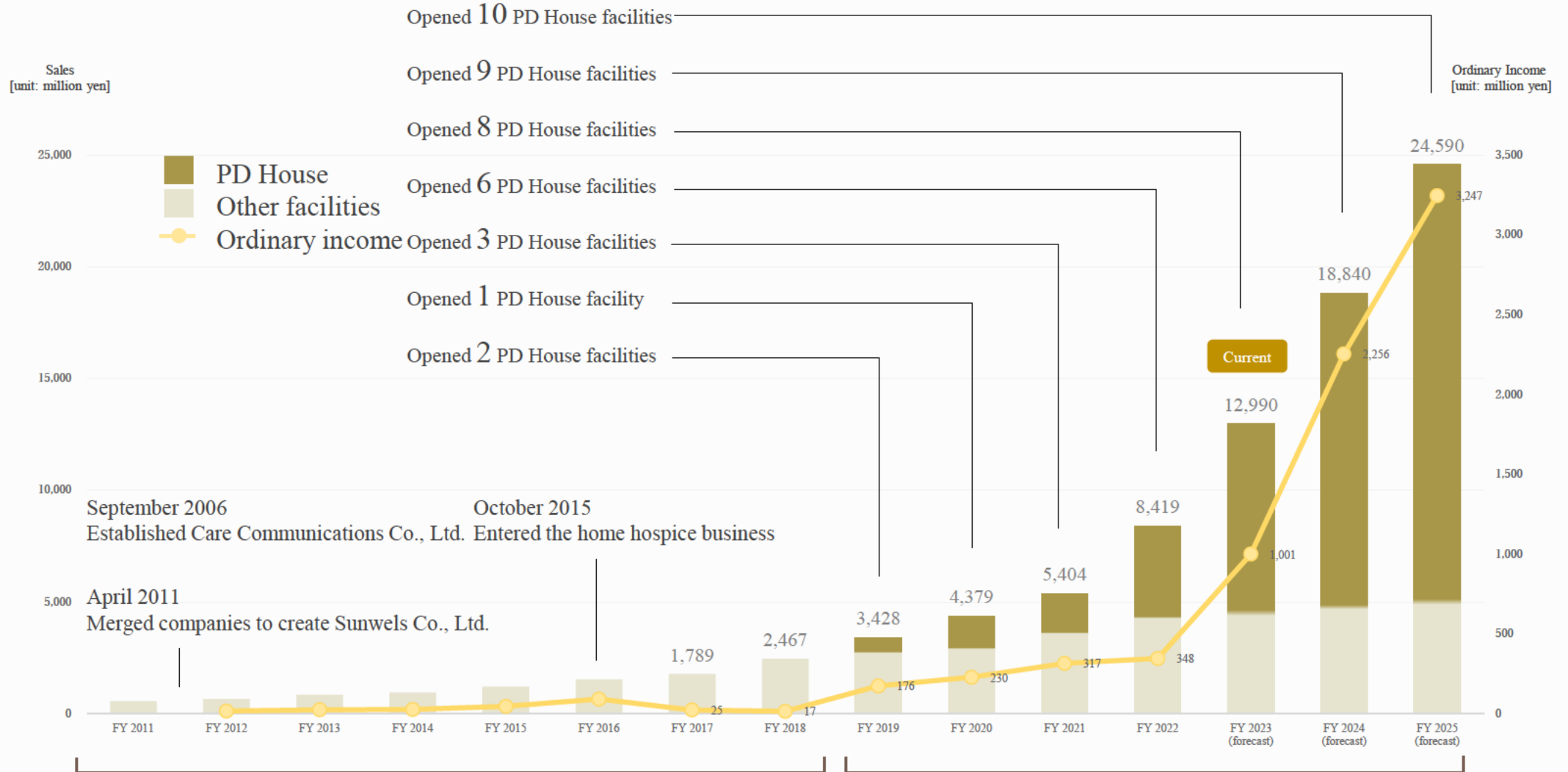
Growth drivers

▶ Accelerating nationwide expansion.  
Future development will concentrate on PD House facilities.

▶ Stable business operation base.  
Operating in the Hokuriku area.



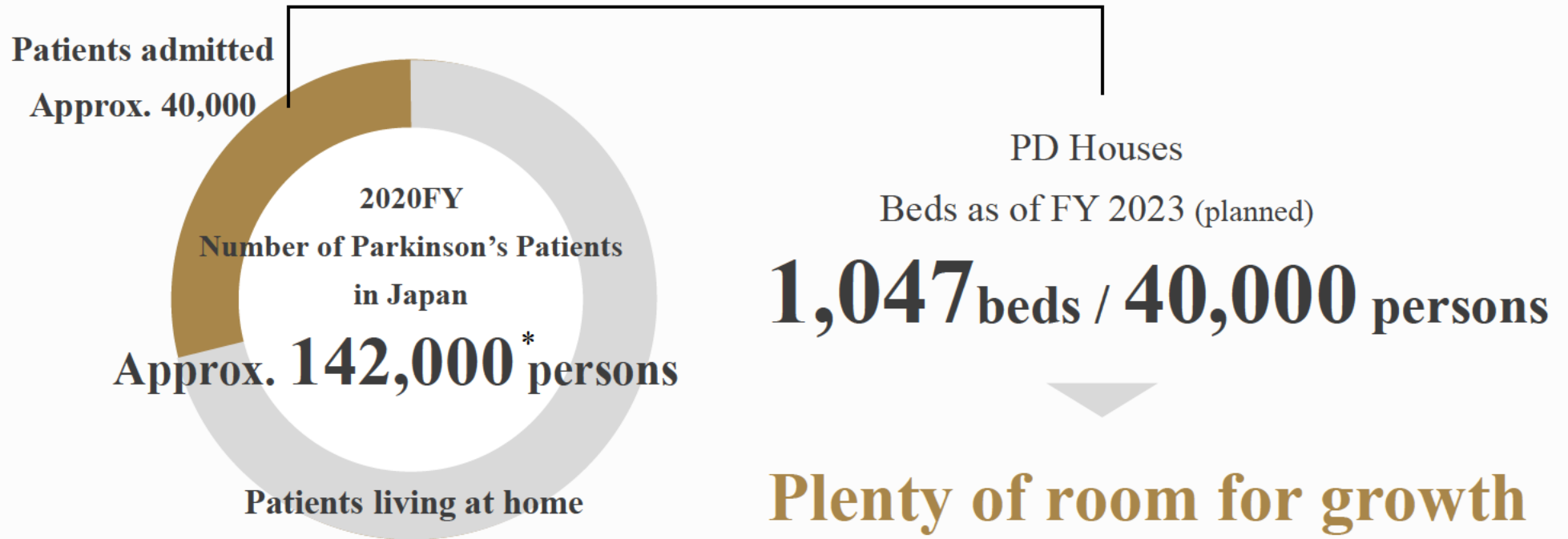
# Company profile (History) First PD House opened in FY March 2019 and since then accelerated opening nationwide





# Company profile (PD House market size)

## Comparison of number of Parkinson's Patients and Market Size



\* Ministry of Health, Labour and Welfare *Examples of Health Administration Report in FISCAL 2020* (as of the end of FY 2020).



# Company profile (Parkinson's disease)

It is a progressive degenerative disease mainly degeneration of dopamine neurons in the brain, and it is a designated intractable disease included in the national registry. The symptoms are diverse, and there is no cure treatment established worldwide. The table below shows the progression of disease.

## Change in Hoehn and Yahr scale\* (\*an indicator of the progression of Parkinson's disease)

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Trembling in hands and feet, stiff muscles		Small steps, freezing gait, easy to fall	Difficult to stand, walk, etc.	Need a wheelchair, mostly bedridden
One side of the body	Both sides of the body	Interfere with daily activities	Requires assistance in various situations	Full assistance required

Mainly long-term care services    PD House residents = eligible for long-term care insurance + medical insurance services



- 1 / Services available with outpatient rehabilitation are limited, and **there is no place to receive rehabilitation every day** unless hospitalized.
- 2 / **Cannot see a specialized physician** as commuting to the hospital becomes difficult.
- 3 / **Proper medication management becomes difficult** as the amount and frequency of medication increases.



# Company profile (Description of PD House's services)

**Nationwide expansion of “PD House,” a facility where even people with intractable diseases can live in their own way**

Providing services to solve three issues at facilities specializing in Parkinson's disease

## **Parkinson's disease treatment 3 challenges**

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**1 / There is no place to receive  
rehabilitation every day**

**2 / It becomes impossible to  
receive treatment by a specialist**

**3 / Proper medication  
management becomes difficult**



## **Solved by 3 services of PD House**

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**1 / Rehabilitation program specialized for  
Parkinson's disease (supervised by a specialist)**

**2 / Home-visit treatment by a  
doctor specializing in neurology**

**3 / 24-hour home-visit nursing  
and medication management**





# Features and strengths of PD House (1 / Rehabilitation program specialized for Parkinson's disease “specialist supervision”)

## ■ Provide and evaluate rehabilitation programs supervised by specialists in neurology according to the patient's condition

Example of a daily schedule in the facility

6:30	Wake up
7:30	Breakfast
9:30	■ Individual rehabilitation (30 min.)
10:00	Hobby time
11:00	■ Group rehabilitation (30 min.)
11:30	■ Oral swallowing exercises (30 min.)
12:00	Lunch
13:00	Recreation
14:00	■ Group rehabilitation (30 min.)
15:00	Bathing
16:00	■ Group rehabilitation (30 min.)
17:30	Dinner
20:00	Going to bed

Rehabilitation can be provided for up to 150 minutes per day

### ■ Individual rehabilitation

- Based on the guidelines, providing the optimal program that matches the conditions
- Condition management according to 5 evaluation items

- (1) UPDRS – Part III (evaluation of progression of diseases)
- (2) PDQ – 39 (evaluation of improvement in quality of life)
- (3) BI (evaluation of daily living activities)
- (4) MMSE (evaluation of cognitive function)
- (5) InBody (measurement of muscle mass)



### ■ Group rehabilitation

- Exercise-centered menus that incorporate exercises supervised by university hospitals and movements and elements necessary for Parkinson's disease.

- It can be done like a game, and the effect of improving symptoms has been medically verified.



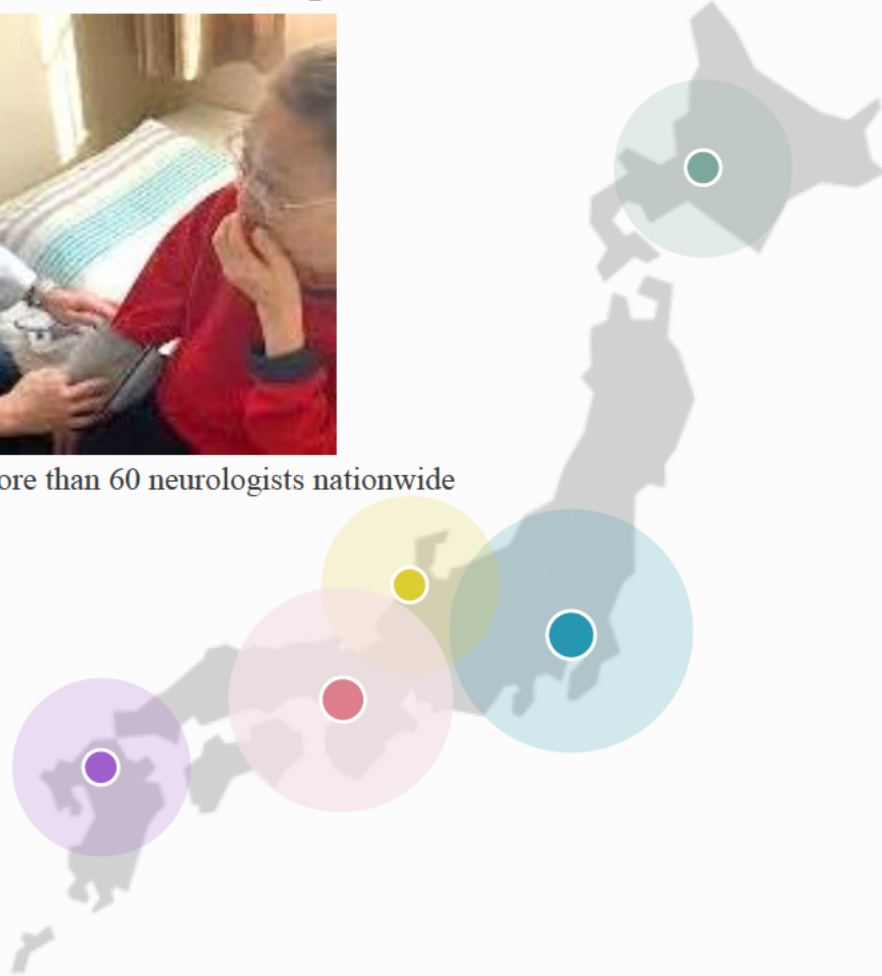


# Features and strengths of PD House (2 / Home-visit treatment by a doctor specializing in neurology)

**■ In cooperation with neurological hospitals, a system has been established that allows specialized doctors to conduct home visits and continue specialized treatment even after moving in.**



\* Collaboration with more than 60 neurologists nationwide



## ■ Sapporo area

Neurologist Naomitsu Ariyoshi Hosanna Family Clinic

## ■ Kanto area

Neurologist Yusuke Sugiyama Tokyo Teishin Hospital  
Neurologist Yutaka Ogino Toyota Internal Medicine Clinic  
Neurologist Naohiko Togashi Sagamihara Hospital  
Neurologist Hiroko Eura Adachi Home Clinic

## ■ Hokuriku area

Neurologist Ayumi Hamaguchi Kanazawa Medical University Hospital  
Neurologist Sadao Hikishima Kanazawa University Hospital  
Neurologist Shutaro Shibata Kanazawa University Hospital

## ■ Kansai area

Neurologist Sadayuki Matsumoto Noshinkei Home Clinic  
Neurologist Masakazu Miyamoto Kitano Hospital  
Neurologist Yoshihiro Kashiwatani Tominaga Hospital

## ■ Fukuoka area

Neurologist Yoshio Tsuboi Fukuoka University Hospital  
Neurologist Kotaro Tsutsumi Tsutsumi Clinic



# Features and strengths of PD House (3 / 24-hour home-visit nursing and medication management )

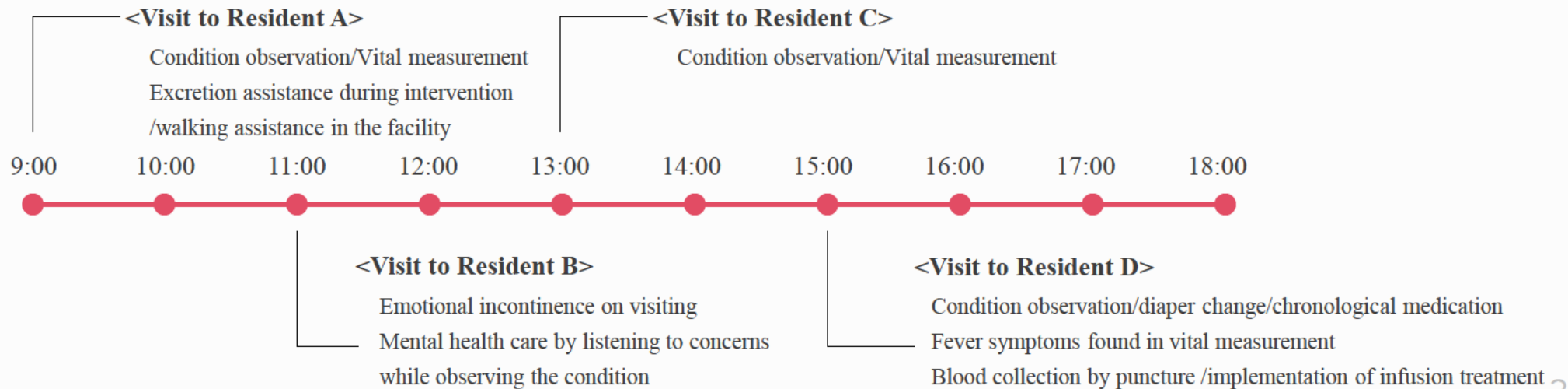
■ With nurses available 24 hours a day, 365 days a year, it is possible to appropriately understand minor changes in symptoms and the status of side effects and manage medication. Even if it becomes severe, we have established a “system that can respond to sudden changes and end-of-life care.”

## ■ Main business description

- Health management of residents
- Internal medication in cooperation with attending physicians and pharmacist
- Sputum aspiration, gastric fistula, home oxygen management
- Rehabilitation support work



### [Example of handling during the day]





# Features and strengths of PD House (Joint research with university hospital and special hospitals)

■ Aiming to create more effective new services by promoting research with top doctors in Parkinson's disease research nationwide

### Management Advisor/ joint research

**Juntendo University**  
**Nobutaka Hattori, professor**

In Parkinson's disease research, the number of paper citations from 1996 to 2006 ranked 7th in the world. Recognized as a world leader. Advisor of Japan Parkinson's Disease Association

- (1) Verification of hologram telemedicine system
- (2) Verification of activity detection by wearable devices
- (3) Efforts to detect falls and reduce falls
- (4) Online seminar

### Management Advisor/ joint research

**Fukuoka University**  
**Yoshio Tsuboi, professor**

Followed up about 600 patients mainly in Fukuoka Prefecture. He is conducting research to stop the progression of disease through total care. Advisor of Fukuoka Branch, Japan Parkinson's Disease Association

- (1) Online case consultation
- (2) Verification of multi-professional collaboration (PD house care model)
- (3) PD dance
- (4) Weight gain with power rice

### Management Advisor/ joint management

**Noshinkei Home Clinic**  
**Sadayuki Matsumoto, Director**  
(former Deputy Director of Kitano Hospital)

Building a collaborative system with a team of home-based neurologist

### Joint research

**Hokkaido Neurological Hospital**  
**Shinsuke Hamada, director**

As Japan's first hospital specializing in incurable neurological diseases, focuses on the treatment and clinical research of intractable neurological diseases in Hokkaido

- (1) Online seminar, case study
- (2) Verification of effects of swallowing rehabilitation equipment
- (3) Verification of effectiveness of cough training app
- (4) Examination of nutritional status and related factors, etc.

### Joint research

**mediVR, Inc.**  
**Masahiko Hara, MD, President and CEO**

Promoting the spread of rehabilitation using Virtual Reality (VR)

Effect verification of VR rehabilitations equipment





# Features and strengths of PD House (Secure pioneering advantage by developing specialized services)

## ■ Developing new services in the treatment and care of Parkinson’s disease through joint research with top doctors

### Hologram Telemedicine system



Juntendo University is currently collaborating on a demonstration experiment of the world’s first\* 3D telemedicine system “Holomedicine” released in 2021.

#### <Expected effect>

- (1) Whole-body observation becomes possible, enabling more accurate diagnosis.
- (2) Relief of physical pain during hospital visits and waiting times.

Demonstration experiment started by connecting Juntendo University and PD House in Kanazawa since July 1, 2022

\* Released via press conference on June 2, 2022

### VR Rehabilitation



Introduced “Kagura,” a dedicated rehabilitation device using VR technology, and verifying its effectiveness

#### <Expected effect>

- (1) Users can enjoy and use the program as if playing a game.
- (2) Improves walking speed and body balance in a short time.

Validation in progress since October 1, 2020

### ICT Monitoring



Using wearable devices and sensors to accumulate big data such as patient vitals, activity levels, and calorie consumption

#### <Expected effect>

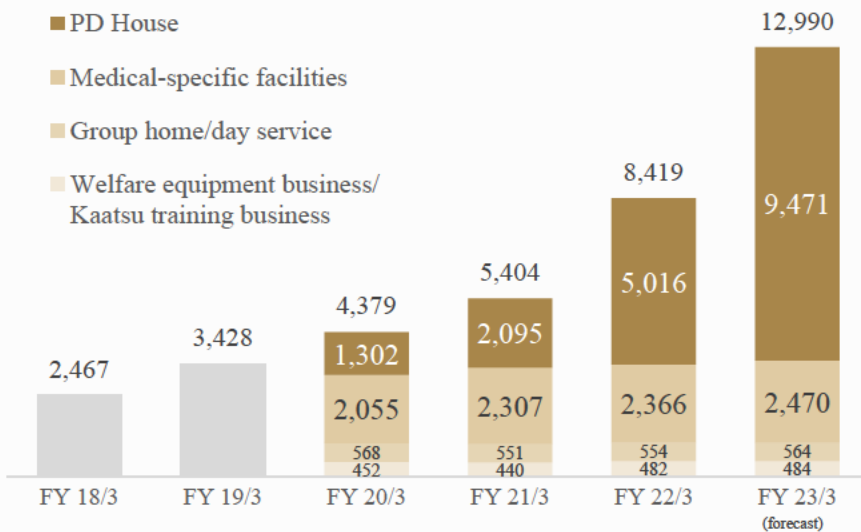
- (1) The progress of the disease can be confirmed numerically, which is expected to have a high medical effect.
- (2) 24-hour changes in condition can be grasped, leading to accurate drug adjustment.

Validation in progress since October 1, 2019

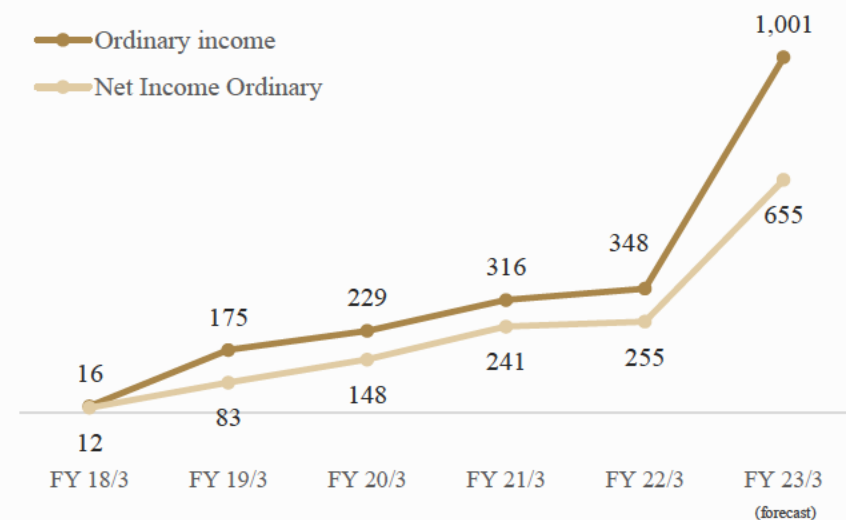


# Financial Highlights

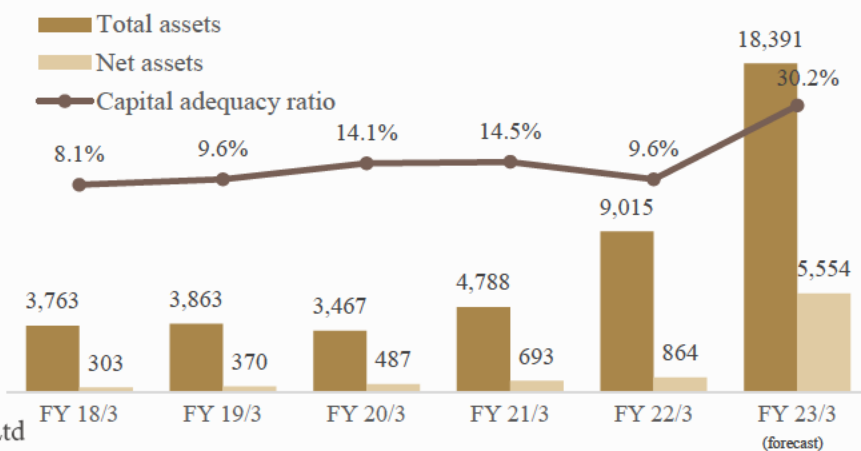
### Sales (million yen)



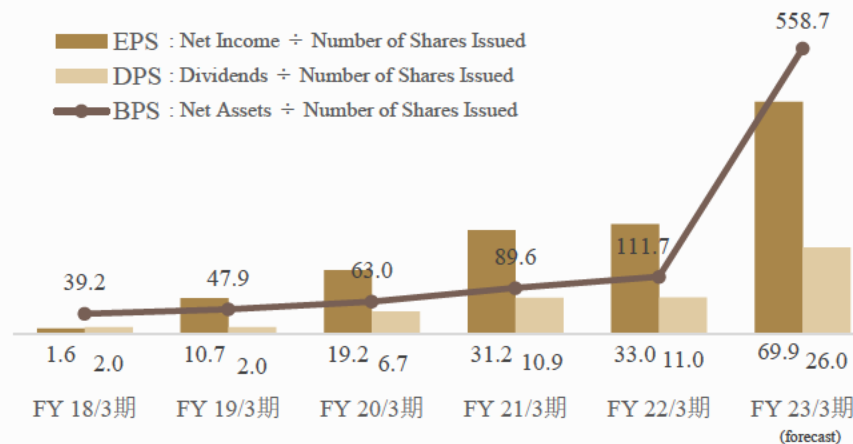
### Profit (million yen)



### Total assets, net assets (million yen), capital adequacy ratio



### EPS · DPS · BPS (yen)



\* The number of issued shares is calculated based on the number of shares as of the end of September.



# For long-term sustainable growth (ESG)

## Environment

### Environmentally friendly PD House

- Using energy-efficient construction materials
- Placement of long-term use stainless steel trash cans
- Use of LED light bulbs throughout the building
- Contributing to reducing CO<sub>2</sub> emissions by using 99% recycled garbage bags

## Social

### PD House that meets the nursing and care needs of Parkinson's patients

- Nationwide development of "PD House," a facility where even people with intractable diseases can live in their own way
- Education and training in collaboration with universities and hospitals for nursing and care workers
- Joint research with university hospitals and development of new services in collaboration with research institutes
- Turnover rate in the low 10% range

## Governance

### Thorough implementation of governance, risk management and compliance

- Company with audit and supervisory committee/Nomination and Compensation Advisory Committee
- Risk Management and Compliance Committee
- Whistleblowing system (internal/external desk)



## Full-scale efforts to tackle sustainability issues

Environment  
Social  
Governance



## Disclaimer/inquiries

All forecasts, plans, and other forward-looking statements regarding the Company contained in this material are projections based on the information currently available to the Company. These projections may not be realized due to the influence of inaccurate facts such as the economic environment and deregulation. Please also note that the forecasts contained in this material may differ from plans and other forward-looking statements.

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