SUNWELS CO., Ltd

First Quarter of FY March 2025

Financial Highlights

Sunwels aims to address societal challenges centered around healthcare and caregiving, including the establishment of specialized facilities like the 'PD House' for Parkinson's disease, working towards the realization of a sustainable society.

August 8, 2024

Change of listing market classification to the Tokyo Stock Exchange Prime Market

July 18, 2024 Change of market classification from the Growth Market to the Prime Market of the Tokyo Stock Exchange

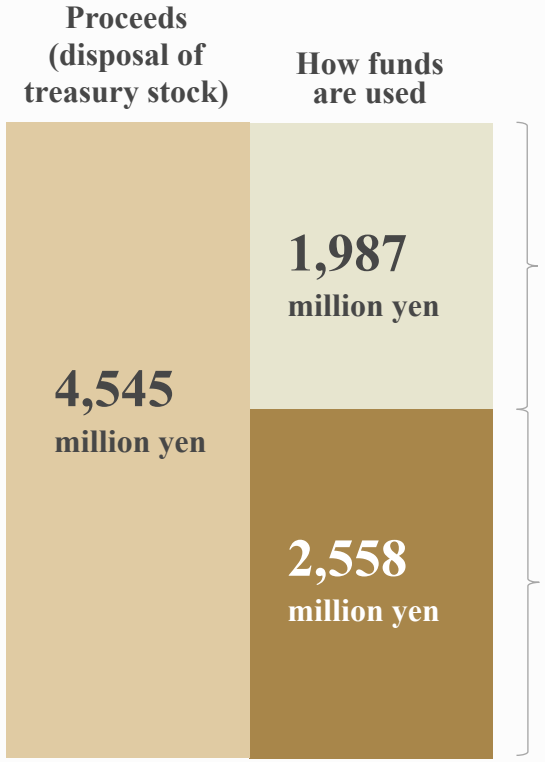
Securities code	9229
Offering format	Disposition of domestic treasury shares and secondary offering of shares
Number of shares issued	■ Number of shares issued ：4,025,000 – Disposition of treasury shares ：2,000,000 – Secondary offering of existing shares ：1,500,000 – Secondary offering by way of over allotment ： 525,000
Offering schedule	■ Resolution date/Prime Market listing approval date Tuesday, July 2, 2024 ■ Book-building period Friday, July 5, 2024, to Wednesday, July 10, 2024 ■ Pricing Date Wednesday, July 10, 2024 ■ Public offering period Thursday, July 11, 2024, to Friday, July 12, 2024 ■ Payment date Wednesday, July 17, 2024 ■ Delivery date/Prime Market listing date Thursday, July 18, 2024
Use of funds	1. Part of the capital investment for the construction of 8 new PD House ：1,987,140,000 yen 2. Furniture, home appliances, fixtures, etc. for 40 PD House facilities ：2,558,000,000 yen
Lead managing securities company	Nomura Securities Co., Ltd.



Purpose of Treasury Stock Disposal*1 and Secondary Offering and Use of Proceeds

Purpose of Treasury Stock Disposal and Use of Funds

In light of the background that the system has been strengthened in the areas of customer attraction, recruitment, and education since the start of PD House operations 5 years ago, this fund procurement was conducted to accelerate the operation of high-quality facilities and the opening of new facilities in the future.



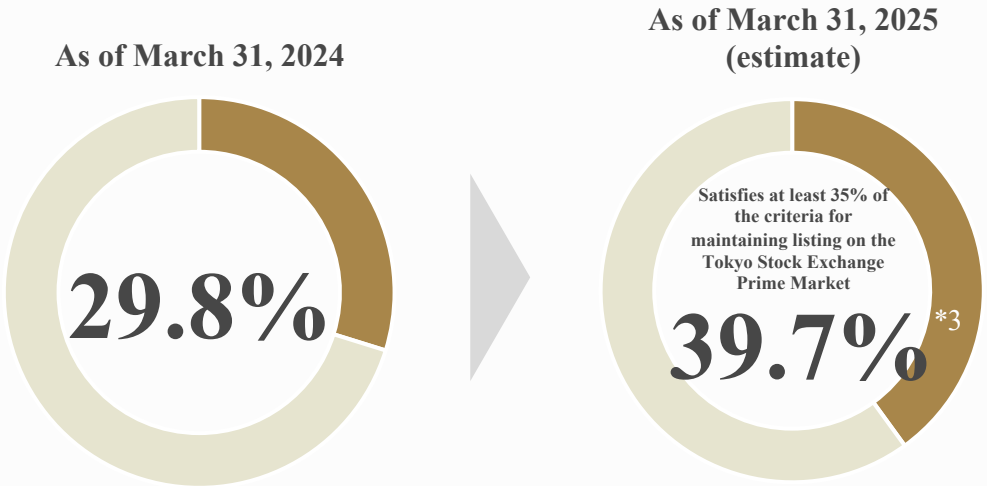
Part of the funds for the construction of 8 new PD House facilities*2 by the fiscal year ending March 31, 2027

Allocation for furniture, appliances, and equipment for 40 new PD House facilities*2 by the fiscal year ending March 31, 2027

Purpose of the Secondary Offering of Shares

In addition to the purpose of conforming to the criteria for maintaining the listing on the TSE Prime Market, this secondary offering of shares is intended to ensure that the Company's shares have sufficient liquidity as an investment on the market.

Percentage of our tradable shares



*1 There will be no increase in the total number of shares outstanding as a result of this sale and disposal of treasury stock.
*2 Facilities described in the "Notice of Disposal of Treasury Stock and Secondary Offering of Shares" released on July 2, 2024.
*3 Excluding over-allotment shares

I. Overview of Financial Results for First Quarter of FY March 2025

II. Future Outlook

III. Corporate Profile

Overview of Financial Results Financial Summary (1Q)

Home health care nursing business specializing in Parkinson's disease (see p. 16~18)

- Started home-visit nursing services at two locations in Sapporo and Fukuoka
- Plans to launch home nursing services for home care workers at 19 locations nationwide

Opened 4 PD House facilities as planned, totaling 35 facilities in operation (see p. 8)

- Opened in April: PD House Kunitachi (50 beds)
- Opened in May: PD House Taihei (60 beds), PD House Jinnoharu (60 beds)
- Opened in June: PD House Higashi Omiya (60 beds)
- Waiting list 200 ⇒ 300 ⇒ 370
  （End of June 2023）（End of March 2024）（ End of June 2024 ）

Initiatives to Improve Residents' Quality of Life (see p. 15)

- Improvement of meal quality and introduction of hot/cold serving vehicles at all facilities from April 2024
- Advisory contract with Ms. Misa Yamaguchi, Nutritionist, from May 2024

Continue to strengthen human resource development (see p. 19~20)

- 36 leadership positions (facility directors and managers) at 12 new facilities opened in FY2025 have already been filled
- Number of PD License Level 3 graduates: 847 (end of March 2024) ⇒ 1,485 (end of June 2024)

* Figures for FY2024/3 have been retroactively adjusted due to a change in accounting policy regarding the accounting treatment of consumption taxes not deductible on assets.For details, please refer to the financial results for the first quarter of the fiscal year ending March 31, 2025 (page 5).

Overview of Financial Results Comparison of forecasts and actual results

■ **Strong customer traffic and occupancy due to the dominant development of PD Houses and nationwide webinars by specialist physicians**

(Unit: million yen)

	FY 2024/3 1Q forecast (vs. sales)	FY 2025/3 1Q results (vs. sales)	Difference	Achievement Rate
Sales	6,324 (100.0%)	**6,636 (100.0%)**	+312	104.9%
EBITDA	1,100 (17.5%)	**1,255 (18.9%)**	+154	114.0%
Operating Income	813 (16.8%)	**981 (14.8%)**	+167	120.6%
Ordinary Income	622 (15.5%)	**818 (12.3%)**	+196	131.5%
Quarterly net income	412 (15.7%)	**520 (7.8%)**	+108	126.3%

Overview of Financial Results

Quarterly breakdown of full-year earnings forecasts (May 2024 Disclosure)

Full-year progress rate for both sales and income exceeded budget due to strong customer traffic at new facilities

(Unit: million yen)

	FY 2025/3 1Q forecast	FY 2025/3 1Q results	FY 2025/3 2Q forecast	FY 2025/3 3Q forecast	FY 2025/3 4Q forecast	FY 2025/3 Full-year forecast
Sales	6,324	6,636	6,950	7,520	8,012	28,807
Progress toward full-year forecast	22.0%	23.0%	24.1%	26.1%	27.8%	100.0%
EBITDA	1,100	1,255	1,424	1,762	2,005	6,293
Progress toward full-year forecast	17.5%	19.9%	22.6%	28.0%	31.9%	100.0%
Operating income	813	981	1,074	1,372	1,600	4,860
Progress toward full-year forecast	16.8%	20.2%	22.1%	28.2%	32.9%	100.0%
Ordinary income	622	818	836	1,161	1,385	4,006
Progress toward full-year forecast	15.5%	20.4%	20.9%	29.0%	34.6%	100.0%
Quarterly (current) net income	412	520	555	768	891	2,627
Progress toward full-year forecast	15.7%	19.8%	21.1%	29.3%	33.9%	100.0%

Month	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Full year
Number of PD House facilities opened	1	2	1	−	1	2	2	1	1	1	−	−	12

Overview of Financial Results YoY comparison

Operating income increased by 53.8% YoY

(Unit: million yen)

	FY 2024/3 1Q results (vs. sales)	FY 2024/3 1Q results (vs. sales)	Increase/Decrease	Percentage increase/decrease
Sales	4,625 (100.0%)	**6,636 (100.0%)**	+2,011	**+43.5%**
EBITDA	800 (17.3%)	**1,255 (18.9%)**	+454	**+56.8%**
Operating income	637 (13.8%)	**981 (14.8%)**	+343	**+53.8%**
Ordinary income	548 (11.9%)	**818 (12.3%)**	+270	**+49.3%**
Quarterly net income	397 (8.6%)	**520 (7.8%)**	+122	**+30.9%**
Number of PD House facilities	25	**35**	+10	**+40.0%**

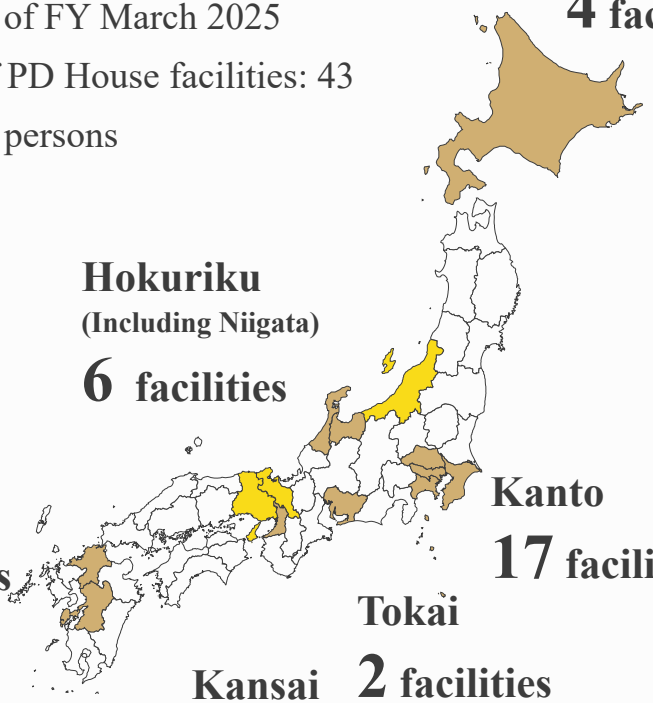
Overview of Financial Results

PD House facility opening plans for FY March 2025

Opened 4 PD Houses in the first quarter for a total of 35 facilities

Locations of new PD House facilities

Planned for end of FY March 2025
Total number of PD House facilities: 43
Capacity: 2,325 persons



Dominant presence in Kanto (5) and Kansai (3) in FY3/2025 we plan to open new facilities in Kyoto, Hyogo, and Niigata prefectures in FY March 2025.

No.	Planned opening			Prefecture	Name	Format*	Capacity (persons)	Occupancy rate End of June 2024
1	2024	1Q	April	Tokyo	Kunitachi	Building lease	50	80%
2			May	Hokkaido	Taihei	Own building (leasehold)	60	50%
3			May	Fukuoka	Jinnoharu	Own building (leasehold)	60	50%
4			June	Saitama	Higashi-Omiya	Building lease	60	42%
5		2Q	Aug.	Chiba	Yachiyo Chuo	Own building (leasehold)	60	–
6			Sept.	Chiba	Minami-Kashiwa	Own building (leasehold)	60	–
7			Sept.	Aichi	Atsuta	Own building (leasehold)	50	–
8		3Q	Oct.	Niigata	Niigata shichikuyama	Own building (leasehold)	54	–
9			Oct.	Kyoto	Nishi-Kyogoku	Own building (leasehold)	55	–
10			Nov.	Hyogo	Kobe Fukae Honmachi	Building lease	49	–
11			Dec.	Osaka	HatsuShiba	Own building (leasehold)	52	–
12	2025	4Q	Jan.	Saitama	Koshigaya	Building lease	65	–
						Total	675	

* Building lease: Lease of building and land

Overview of Financial Results

Trends in PD House occupancy rate*1 and number of residents

Existing facility occupancy rates and the pace of attracting customers to new facilities are both strong, with 370 people on the waiting list *2

FY March 2024

Category	Number of facilities	Capacity (persons)		April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Full-year average
Existing PD House facilities (Facilities to be opened by 2023.3)	20	1,047	Occupancy rate	91%	93%	94%	94%	95%	95%	95%	96%	96%	97%	97%	97%	95%
			Number of residents	947	967	986	987	992	997	993	1,005	1,001	1,017	1,014	1,017	994
New PD House facilities (Facilities opened after April 2023)	9	499	Occupancy rate	42%	55%	59%	68%	65%	60%	56%	59%	62%	69%	75%	82%	65%
			Number of residents	50	66	99	114	140	167	221	265	307	342	373	407	213
Number of facilities opened				2	–	1	–	1	1	2	1	1	–	–	–	

FY March 2025

Category	Number of facilities	Capacity (persons)		April	May	June	1Q average
Existing PD House facilities (Facilities to be opened by 2024.3)	31	1,650	Occupancy rate	93%	93%	94%	93%
			Number of residents	1,528	1,531	1,558	1,539
New PD House facilities (Facilities opened after April 2024)	4	230	Occupancy rate	52%	44%	54%	50%
			Number of residents	26	74	125	75
Number of facilities opened				1	2	1	

From 300(End of March 2024) to over

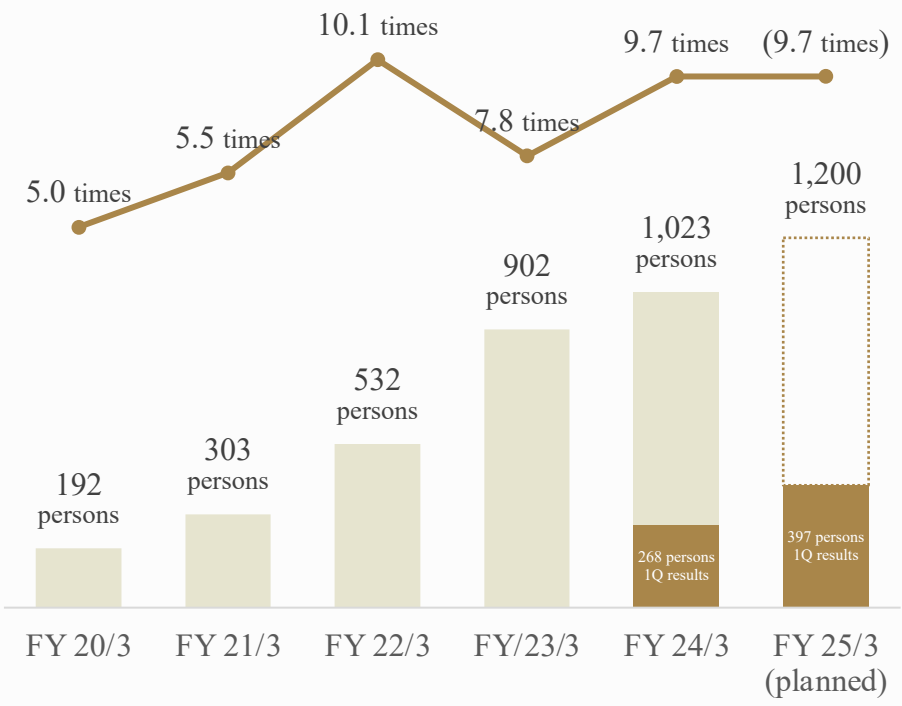
370 people on the waiting list

*1 Occupancy rate = Number of residents at month-end for each facility / Total capacity at each facility
*2 Waiting list: Persons who applied for residency but not yet been admitted to PD House facilities (as of end of June 2024)

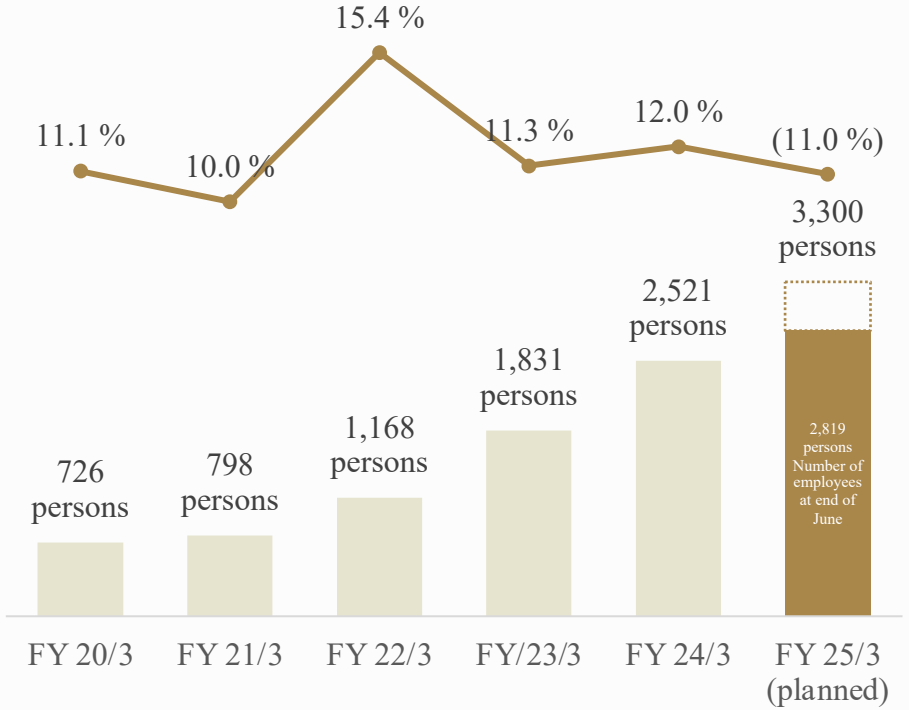
Overview of Financial Results　Hiring Plans

- 397 hires in 1Q, including 76 referral hires (268 hires in 1Q of previous fiscal year, including 54 referral hires)
- Ratio of referral hires is approximately 20%

Number of new hires / Applicant-to-hire ratio *1



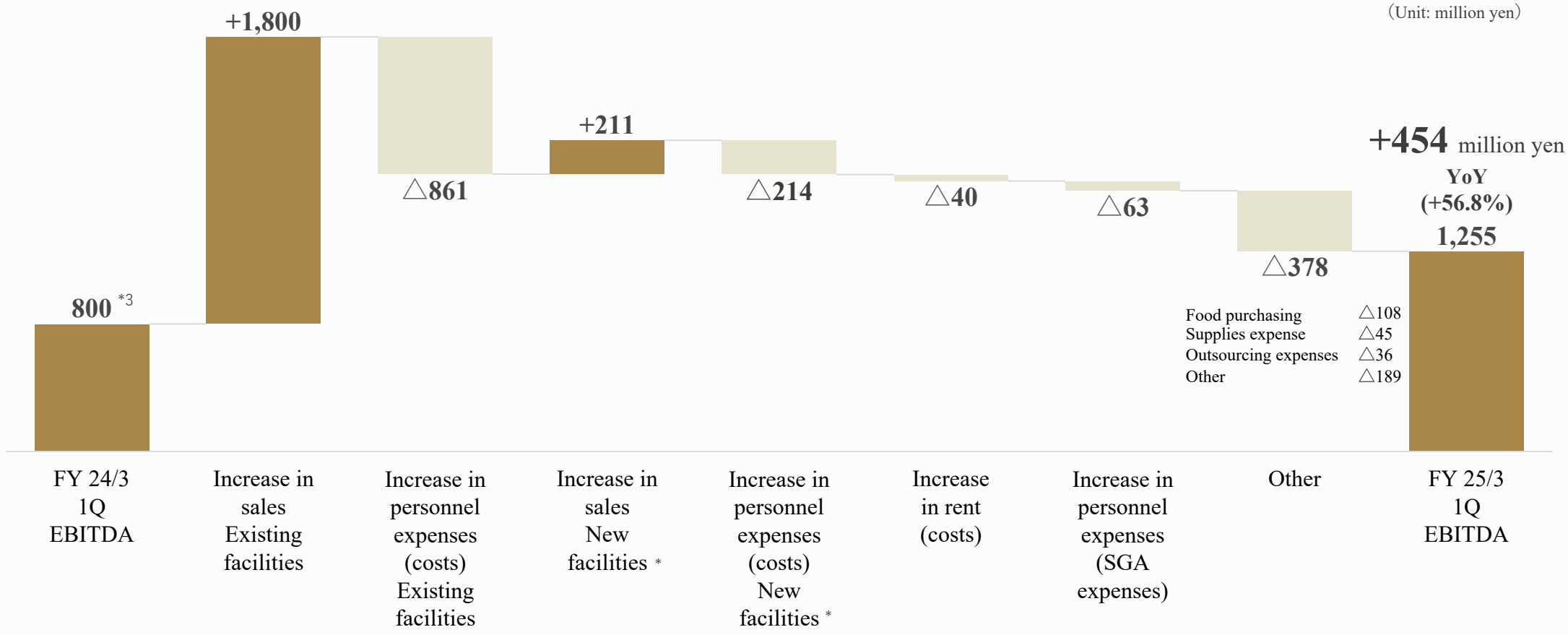
Number of employees at end of period *2 / Separation rate



*1 Excluding referral hires
*2 Year-end total number of employees including temporary staff

Factors Underlying Changes in EBITDA

- **EBITDA rose 1.5-fold year on year due to the growing number of PD House facilities and the rapidity with which they achieved stable operational status.**

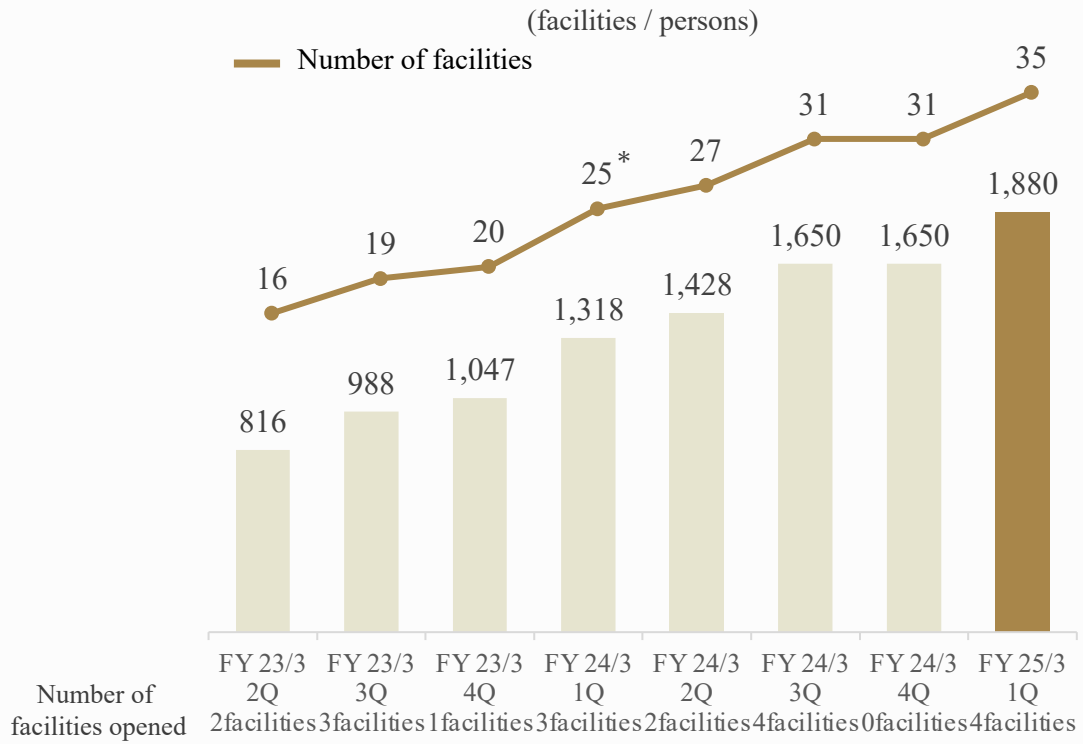


* New facilities: Nine facilities opened in FY 25/3 (Including personnel expenses for facilities not yet opened)

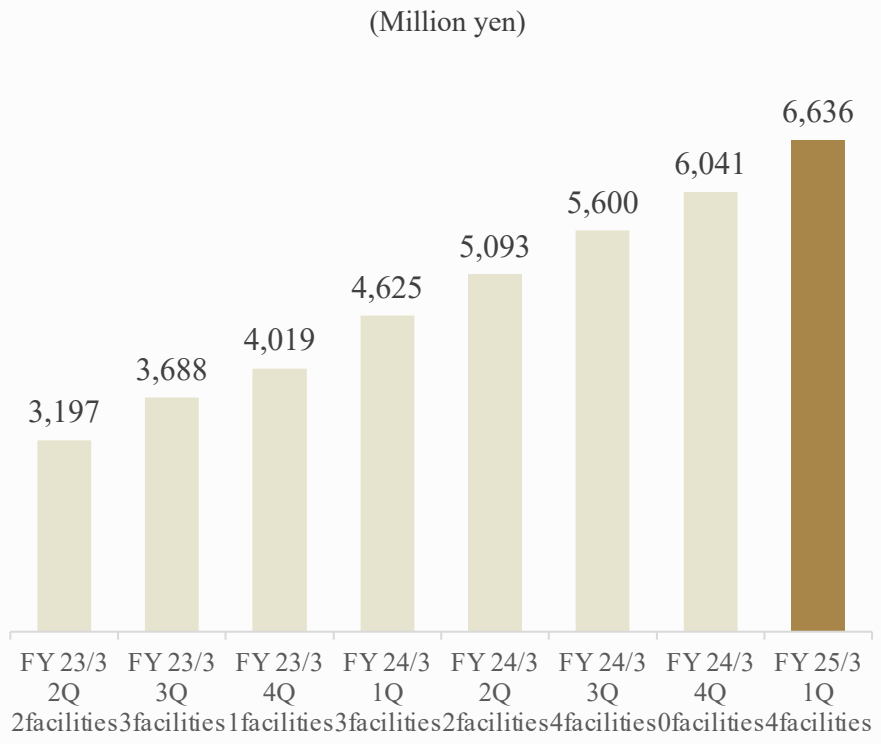
Quarterly Trends

- **Both capacity and sales are growing steadily each quarter.**

Number of PD House facilities / Capacity



Sales

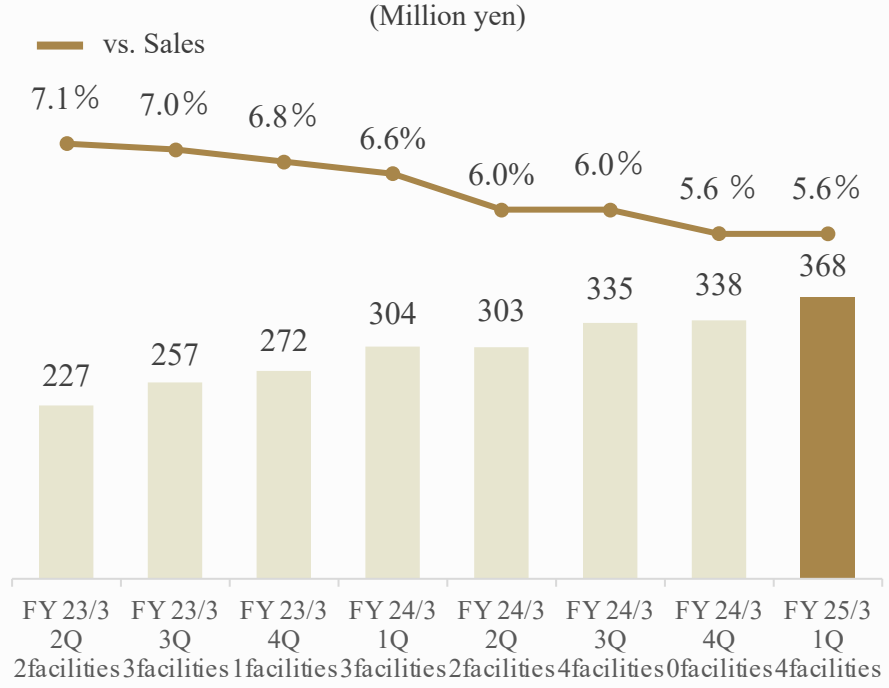


* In April 2023, the number of facilities increased due to the conversion of Taiyo no Prism Fujie and Taiyo no Prism Toita into PD Houses.

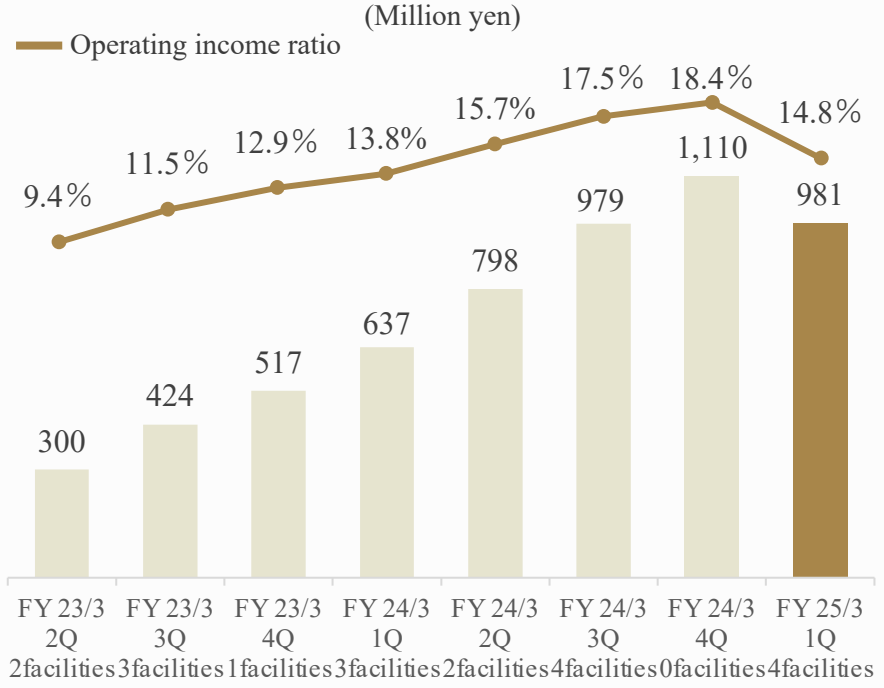
Quarterly Trends

- **Operating income exceeded the budget at the beginning of the period, but the operating income margin slowed temporarily due to efforts to increase the number of facilities in the future (detail on p. 14)**

Administrative personnel expenses (SGA expenses)



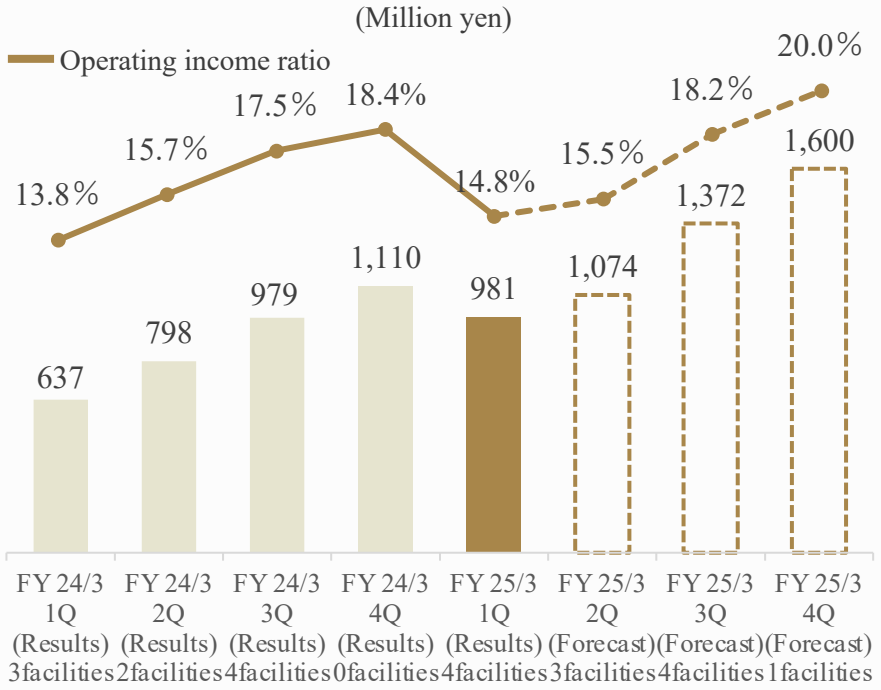
Operating income



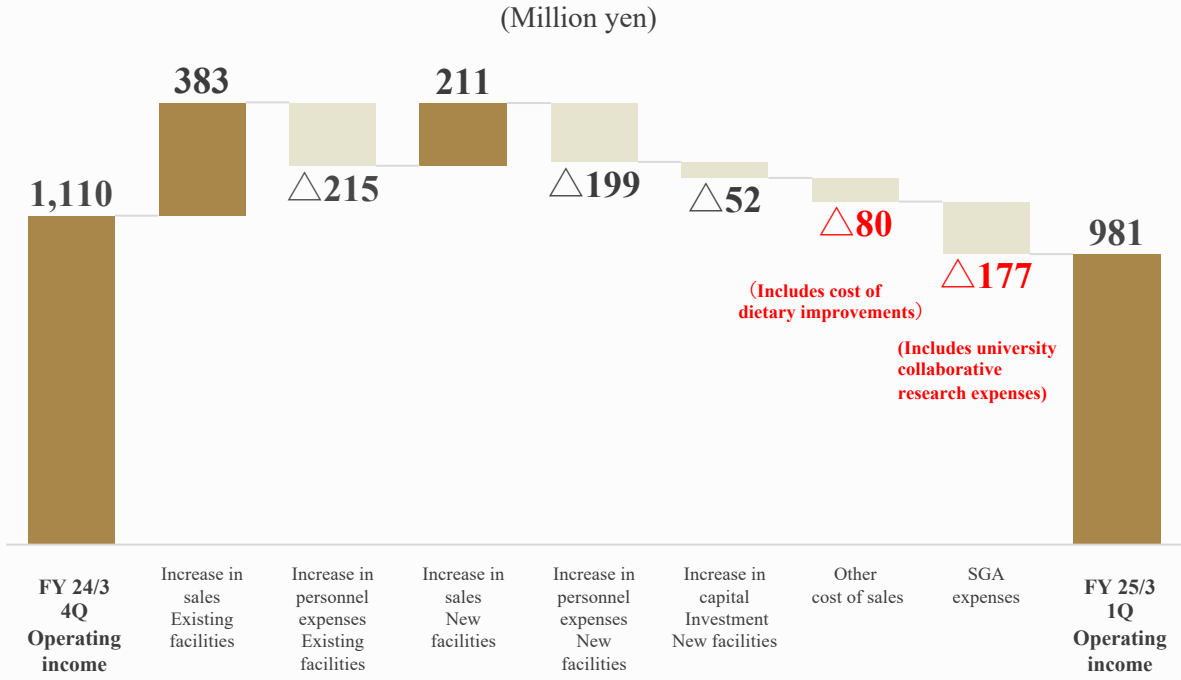
Details of Operating Profit Margin

- **Operating income margin will slow temporarily due to expenses for dietary improvements aimed at improving residents' quality of life (detail on p. 15) and expenses for joint research with universities, but is expected to improve in the second half of the fiscal year.**

Operating income



Factors contributing to changes in operating income



Initiatives to improve residents' quality of life (improvement of meal quality)

Initiatives to improve residents' quality of life in anticipation of future facility growth
Implementing three measures to improve the quality of meals to increase customer satisfaction and attract more customers.

(1) Introduction of hot and cold catering trucks



* impression

Placed in facilities sequentially from April 2024

〈 Details of Initiatives 〉

Hot meals are served hot, cold meals are served cold, and freshly prepared temperatures are maintained to ensure delicious taste

(2) Improvement of menus and ingredients







Contributing to an increase in residents' quality of life by sequentially improving the quality of meals at all facilities starting in April 2024

〈 Details of Initiatives 〉

We offer a full lineup of ingredients and menus to make daily meals a pleasure, as well as seasonal event meals

(3) Advisory agreement signed with dietitian



Advisory contract with Ms. Misa Yamaguchi, Nutritionist, from May 2024

* Working as a Registered Dietitian while suffering from Parkinson's Disease herself

〈 Details of Initiatives 〉

Parkinson's-specific food and nutrition.PD House has developed a unique menu to delivermenu to deliver Parkinson's disease-specific food and nutrition

Home health care nursing business specializing in Parkinson's disease

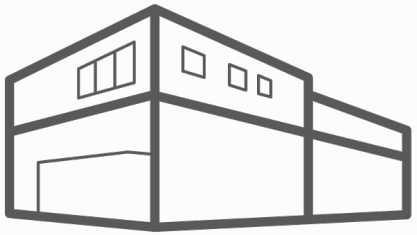
Build a new revenue base through the home care business

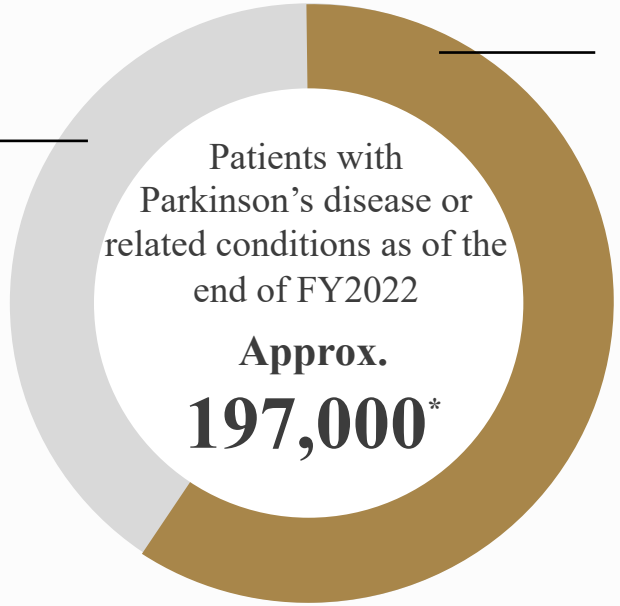
Begin services for not only facility occupants but for home care recipients

Patients at hospitals and residents at long-term care facilities

Approx. 78,000

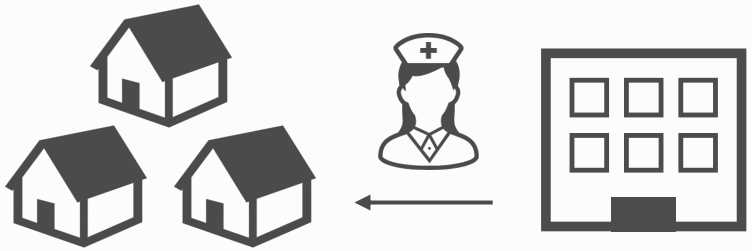
* PD House market





Market scale for nursing care services for home care recipients

Home care recipients Approx. 119,000



Services will be provided to home care recipients by drawing on PD House’s know-how and the expertise of specialist doctors.

* Patients with Parkinson’s disease and related conditions: Ministry of Health, Labour and Welfare, FY2022 Report on Public Health Administration and Services
Approx. 143,000 Parkison’s disease (Hoehn and Yahr scale 3–5) patients and approx. 54,000 patients with related conditions (progressive supranuclear palsy, corticobasal degeneration, multiple system atrophy, spinocerebellar ataxia)

Home health care nursing business specializing in Parkinson's disease

June 2024 Start of home health care nursing services for homebound patients in Hokkaido and Fukuoka

Plans to launch home nursing services for home care workers at 19 locations nationwide

PD House Visiting Nurse Station

As of June 30, 2024: 2 locations
(1 in Hokkaido and 1 in Fukuoka)

Hokkaido 2 locations
(PD House 4 facilities in total)

Hokuriku 4 locations *
(PD House 6 facilities in total)

Kanto 5 locations
(PD House 17 facilities in total)

Kyushu 3 locations
(PD House 5 facilities in total)

Tokai 1 location
(PD House 2 facilities in total)

Kansai 4 locations
(PD House 9 facilities in total)

【Examples of daytime responses by visiting nurses】

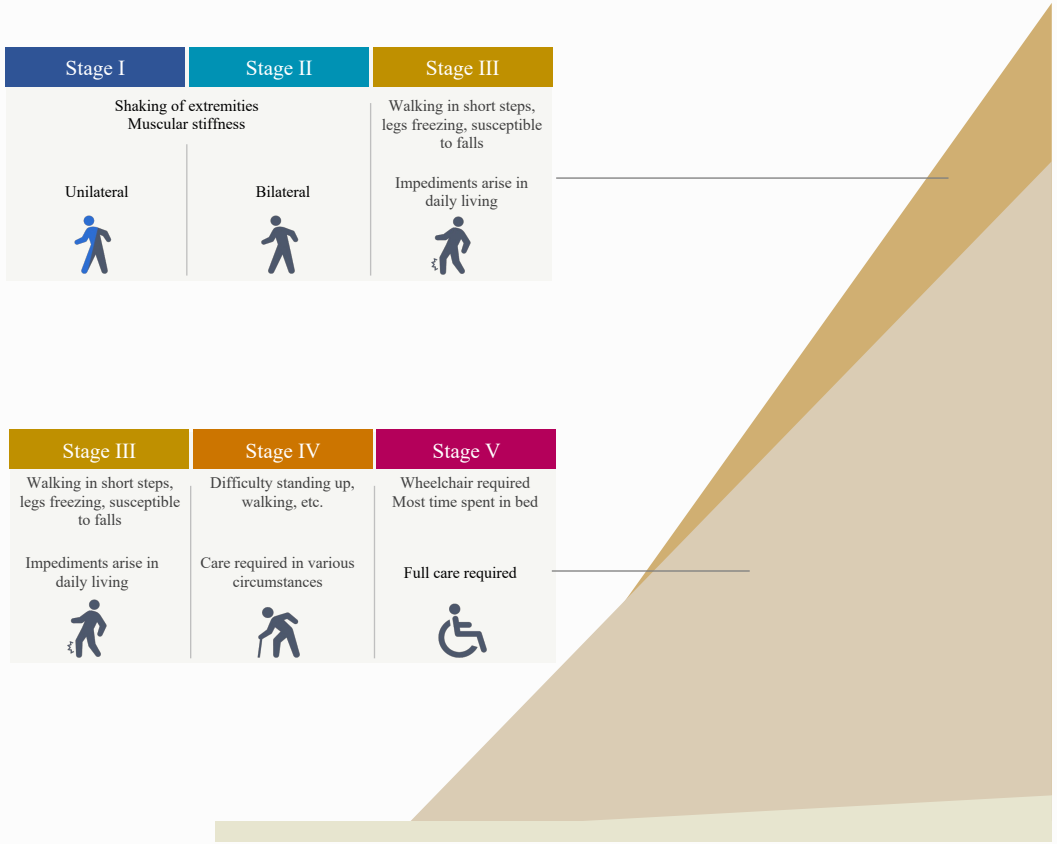
9:00	〈Visit 1〉	Observation of medical conditions, taking vitals Home care
10:00		
11:00	〈Visit 2〉	Observation of medical conditions, taking vitals Medication counseling and guidance
12:00		
13:00	〈Visit 3〉	Observation of medical conditions, taking vitals Rehabilitation at home
14:00	〈Visit 4〉	Observation of medical conditions, taking vitals Care support and consultation for family members, etc.
15:00		
16:00	〈Visit 5〉	Observation of medical conditions, taking vitals Care for Dementia and Mental Illness
17:00		
18:00		

Unit price per case：8,000 to 10,000 yen
(Incl.) Co-payment：10% to 30%

* Hokuriku includes Niigata

Future Development

With the launch of services for people with mild Parkinson's disease, PD House's customer-attracting system is now on solid footing.



Services for home care recipients

- Launch services for home care recipients and not only Parkinson's disease patients at facilities (PD House).
- Apply know-how gained at PD Houses to serve a broad range of home care recipients.

PD House

- Positioned at the core of management strategy; boost the quality of services provided as a dedicated facility for Parkinson's disease unmatched by competitors.
- Accelerate opening plans to rapidly address a waiting list that currently exceeds 370 individuals.
- Launch services for home care recipients to **identify latent demand among those who may seek acceptance into a care facility in the near future.**

Nursing care services

Maintain existing facilities for day services and operations of care residences with medical services in the Hokuriku region.

Continue to strengthen human resource development

- **36 leadership positions (facility directors and managers) at 12 new facilities opened in FY2025 have already been filled.**
- **Continuing to strengthen human capital throughout the year by developing training systems for each job type and level.**

1. Targeting leaders (facility managers and assistant managers)

	Contents	frequency	Time (per session)
1	Hierarchy-based management training	facility director：6 times a year chief：4 times a year	4 hours
2	Compliance enhancement training on abuse prevention, internal controls, and labor laws and regulations	12 times a year	1 hours

2. Targeting all staff

basic education

	Contents	frequency	Time (per session)
1	On-the-job training (OJT training)	time of one's employment	14 days
2	Philosophy training (explanation of management philosophy and company policies directly from the president at the time of opening of a new business)	time of one's employment	2.5 hours
3	Follow-up training by occupation (nursing, caregiver, rehabilitation)	12 times a year	1 hours

professional education

	Contents	frequency	Time (per session)
4	Juntendo University School of Medicine Study Program on Parkinson's Disease Medical Care by Neurologists	6 times a year	1 hours
5	Compliance training (prevention of abuse, etc. *Controls are in place by installing surveillance cameras in facilities and living rooms)	12 times a year	1 hours
6	In-house qualification PD license system	Detail on p. 20	

Continue to strengthen human resource development

PD Licensing System introduced to develop a group of specialists in Parkinson's disease.

Number of PD Licenses Level 3

March 31, 2024
Number of staff **847**
(Acquisition rate **44**%)

June 30, 2024
Number of staff **1,485**
(Acquisition rate **66** %)

Supervision	Former Professor at Fukuoka University	Professor at Kansai Medical University
	Yoshio Tsuboi	**Makio Takahashi**

Grade	Grade 1 (Initial August 2025 test conducted)	Grade 2 (Initial February 2025 test conducted)	Grade 2 (under examination)
Skills to be acquired	Understand the pathology of Parkinson's disease and the roles of other professions in its care. (Pathophysiology: mechanisms that cause symptoms)	Understand the pathology of Parkinson's disease and the roles of their own profession in its care.	Understand the symptoms and risks commonly seen in PD houses.
Period of certification	**Once a year** Grade 1 holders shall take the exam in the renewal month of their certification.	**Once a year** Grade 2 holders shall take the exam in the renewal month of their certification.	–
Renewal Method	**Renewal examination** (August) <Pass>Renewal <Fail/Not taken examination> Grade 2	**Renewal examination** (February) <Pass>Renewal <Fail/Not taken examination> Grade 3	–
Benefit	Full-time employees: **10,000 yen/month** Part-time employees: **61 yen/hour**	Full-time employees: **3,000 yen/month** Part-time employees: **18 yen/hour**	–
Eligibility to take the examination	**Persons who have passed Grade 2** (Optional)	**Persons who have passed Grade 3** (Optional)	**All employees**
Frequency of the examination	**Once a year** (Every August)	**Once a year** (Every February)	**Every month**



二次元バーコードはダミーのため読み取りはできません。

*Internal publicity materials

Balance Sheet

- **Disposal of treasury stock will increase net assets by 4.5 billion yen (July 2024)**
- **Equity ratio is 33% after taking into account the disposal of treasury stock (July 2024)**

(Unit: million yen)

	End of March 2023	End of March 2024	End of June 2024	Change from end of March 2024
Gross assets	**19,211**	**31,591**	**32,279**	**+687**
Current assets	5,425	7,504	6,936	△567
Fixed assets	13,786	24,086	25,342	+1,255
Liabilities	**13,840**	**24,375**	**24,775**	**+400**
Current liabilities	3,240	7,729	6,143	△1,585
Fixed liabilities	10,600	16,645	18,631	+1,986
Lease liabilities	8,794	13,344	13,277	△66
Net assets	**5,370**	**7,215**	**7,503**	**+287**
Equity ratio	**27.9%**	**22.8%**	**23.2%**	**+0.4pt**

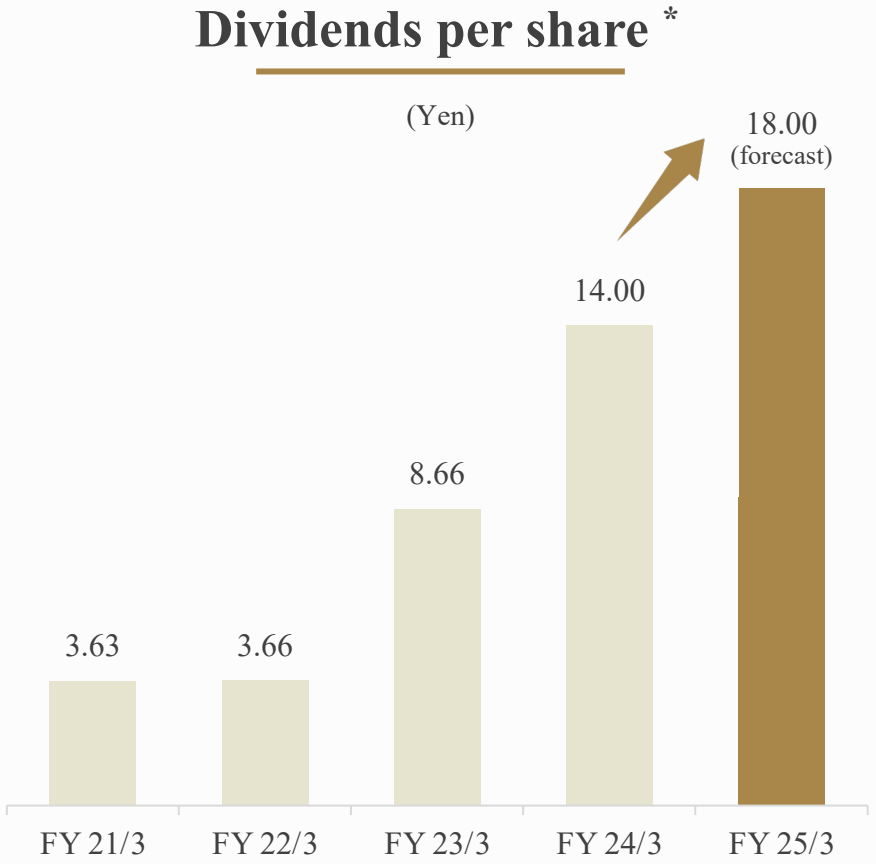
Shareholder Dividends

Projected shareholder dividend for FY March 2025 (¥4 increase YoY)

- We project a per-share dividend for FY March 2025 of ¥18.00 (¥9.00 interim, ¥9.00 period-end), an increase of ¥4.
- As with last year, we plan to provide a dividend in line with profit growth based on a payout ratio of 20%.

Dividend policy

- Our company considers the return of profits to shareholders to be an important management policy.
- We plan to pay shareholder dividends while considering overall factors such as performance trends and financial conditions, while also being mindful of stability and continuity.



* The Company undertook a 100-for-one stock split of common stock on March 25, 2021, a 100-for-one stock split of common stock on February 15, 2022, and a three-for-one stock split of common stock on April 1, 2023. The dividends per share indicated above assume that these stock splits occurred at the beginning of FY March 2020.

I. Overview of Financial Results for First Quarter of FY March 2025

II. Future Outlook

III. Corporate Profile

Future Outlook　Medium-Term Management Plan

Newly planned net sales of over 50 billion yen and operating income of over 10 billion yen for the fiscal year ending March 31, 2027

(Unit: million yen)

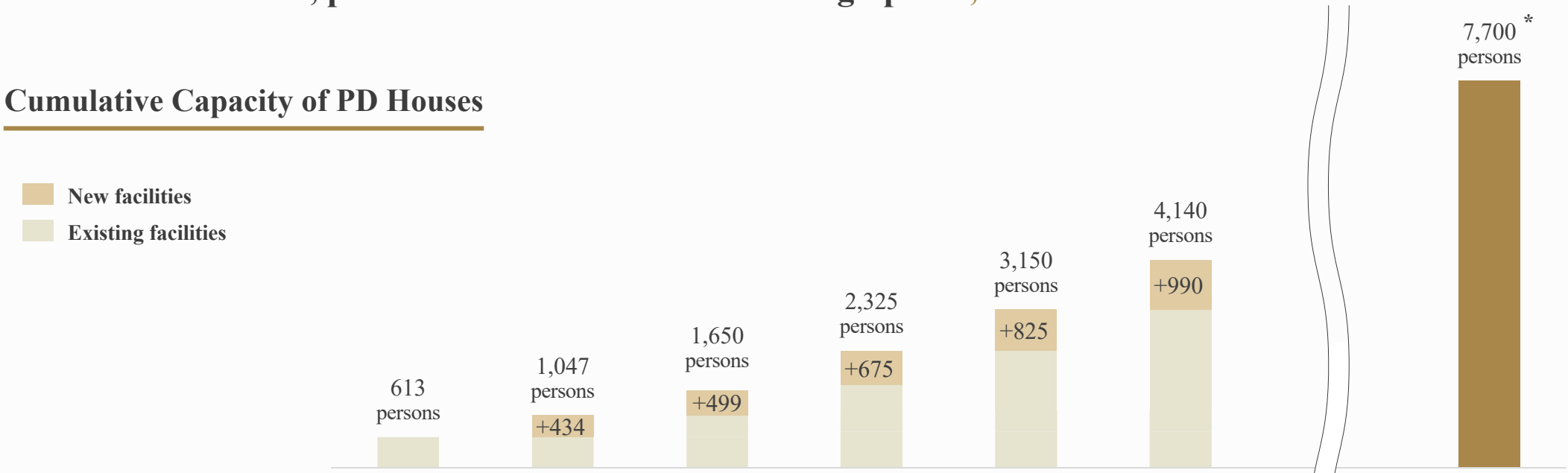
	FY 2023/3 Results		FY 2024/3 Results		FY 2025/3 Forecast		FY 2026/3 Forecast		FY 2027/3 Forecast	
	Amount	vs. Sales	Amount	vs. Sales	Amount	vs. Sales	Amount	vs. Sales	Amount	vs. Sales
Sales	13,716	100.0%	21,360	100.0%	28,807	100.0%	38,182	100.0%	50,721	100.0%
Cost of sales	9,971	72.7%	14,957	70.0%	19,983	69.4%	26,045	68.2%	34,914	68.8%
EBITDA	1,931	14.1%	4,357	20.4%	6,293	21.8%	9,273	24.3%	12,886	25.4%
SG&A expenses	2,311	16.9%	2,876	13.5%	3,963	13.8%	4,761	12.5%	5,500	10.8%
Operating income	1,434	10.5%	3,526	16.5%	4,860	16.9%	7,374	19.3%	10,306	20.3%
Ordinary income	1,140	8.3%	2,973	13.9%	4,006	13.9%	6,216	16.3%	8,464	16.7%
PD House	20		31*		43		58		76	
Total number of facilities	8		9		12		15		18	
New facilities										
PD House capacity (persons)	1,047		1,650		2,325		3,150		4,140	

* In April 2023, conversions of existing Taiyo no Prism Fujie and Taiyo no Prism Toita facilities to PD Houses increased the number of facilities.

Future Outlook　PD House opening plans

- In FY March 2027, plans to have 76 facilities housing up to 4,140 individuals
- In FY March 2030, plans to have 140 facilities housing up to 7,700 individuals*

Cumulative Capacity of PD Houses



	End of 22/3	End of 23/3	End of 24/3	End of 25/3	End of 26/3	End of 27/3	End of 30/3
Total number of PD House facilities	12	20	31	43	58	76	140
Number of PD House facilities opened	6	8	9	12 (planned)	15 (planned)	18 (planned)	(planned)

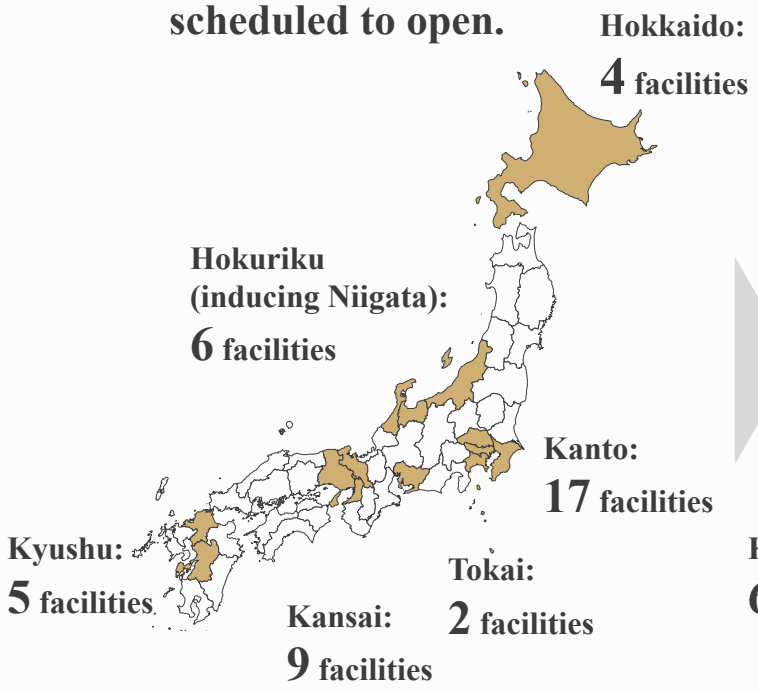
* With facilities growing larger, we plan 140 facilities with 7,700 beds in total by FY March 2030 based on 55 beds per facility.

Future Outlook PD House opening plans

■ We are accelerating the expansion of our facilities in new areas, in addition to promoting our strategy to achieve dominant presence in metropolitan areas

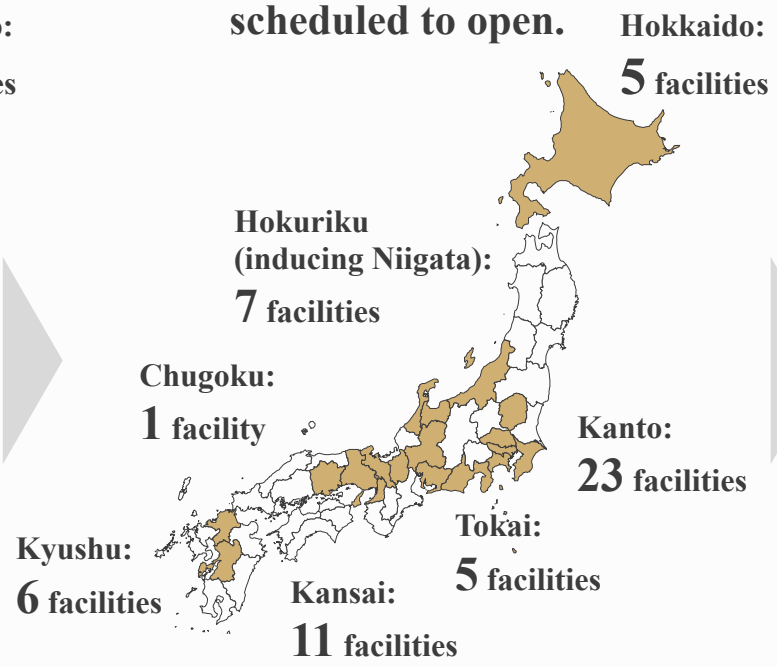
End of FY March 2025: 43 facilities

12 facilities are scheduled to open.



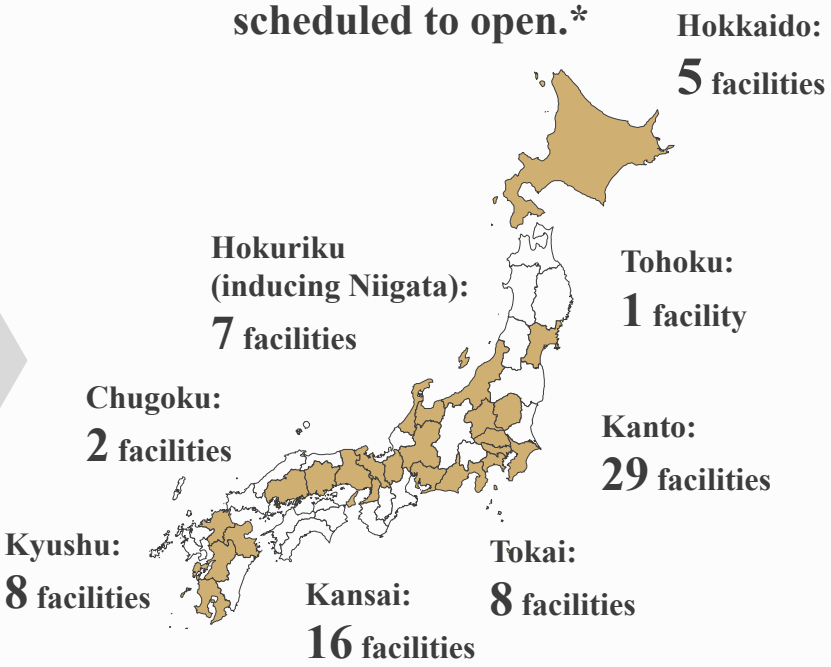
End of FY March 2026: 58 facilities

15 facilities are scheduled to open.



End of FY March 2027: 76 facilities

18 facilities are scheduled to open.*



* The number of facilities per open area and region has not yet been determined for the fiscal year ending March 31, 2015, and may be subject to change

Future Outlook　PD House growth strategy

■ Growth strategy to establish 140 facilities and 7,700-person capacity by FY March 2030

(1) Choosing land and buildings	Selection from 2,000 candidate sites per year
(2) Securing specialists	Collaboration with visiting neurologists End of June 2023 90 ⇒ end of June 2024 106
(3) Staff hiring	Number of adopters is 1Q 268 in March 2024 ⇒ 1Q 397 in March 2025 (target 1,200) Targeting a hiring multiple of 9.7 times, as in the previous fiscal year
(4) Staff training	Foster facility management (36 positions already filled in FY2025) Started full-scale implementation of the PD license system. Number of licensees: 847 at the end of March 2024 ⇒ 1,485 at the end of June 2024
(5) Efforts to promote occupancy	Average occupancy rate of all facilities: 90% (1Q FY Mar 2025) Waiting list: over 200 people at the end of June 2023 ⇒ over 370 people at the end of June 2024

Future Outlook Sustainable growth

- We plan to accelerate new PD House openings to address patients affected by Parkinson's disease at the earliest possible date.
- We plan to optimize the period from opening to profitability and to enable continuing investments.

Expanding EBITDA

EBITDA (vs. Sales)

FY25/3: ¥6,293 million (21.8%)
FY26/3: ¥9,273 million (24.3%)
FY27/3: ¥12,886 million (25.4%)

Proactive investment in new facilities

Sustained development

Expanding scale

Nationwide development of new PD Houses

Number of facility openings (total number of facilities)

FY25/3: 12 facilities open (43 facilities)
FY26/3: 15 facilities open (58 facilities)
FY27/3: 18 facilities open (76 facilities)

* Three facility openings each term

SUNWELS CO., Ltd

Management
Philosophy

Let yourself shine and energize others.

At SUNWELS, we pursue the challenge of finding multifaceted solutions to the social issues surrounding medicine and long-term care through business development, starting with management of our PD Houses, which are Parkinson's disease care facilities.

Mission

1. Making the Welfare Workplace More Attractive

At SUNWELS, our services represent our dreams and our pride, and we challenge ourselves to create an industry that everyone can aspire to be a part of.

2. Bringing Evolution and Change to Nursing Care Services

We at SUNWELS Co., Ltd. challenge ourselves to provide better services from the users' point of view without being bound by the conventional wisdom of nursing care.

3. Creating the Future Nurturing People

Through work, we at SUNWELS Co., Ltd. challenge ourselves to create Radiant People who think creatively and act independently.

MISSION

I. Overview of Financial Results for First Quarter of FY March 2025

II. Future Outlook

III. Corporate Profile

Corporate Profile

Company name	Sunwels Co., Ltd.
Headquarters	■ Tokyo Headquarters (9th floor, PMO Hamamatsucho III, 2-10-6, Hamamatsucho, Minato-ku, Tokyo) ■ Kanazawa Headquarters (15-13 Ninomiya-machi, Kanazawa, Ishikawa Prefecture)
Branch	■ Osaka Branch (10th floor, Kanden Fudosan Umeda Shindo Building, 1-1-5 Dojima, Kita-ku, Osaka-shi, Osaka) ■ Fukuoka Branch (5th floor, Hakata Tanaka Building, 3-27-24 Hakata Ekimae, Hakata-ku, Fukuoka Prefecture)
Representative	Ryotatsu Nawashiro, President & CEO
Established	September 2006
Capital	35,000,000 yen (FY March 2024)
Number of employees	2,731 (Temporary employment 88 Excluding / as of June 30, 2024)*
Lines of business	Long-term care and related businesses (care residences with medical services, day services, group homes, rental of care equipment, etc.) ■ Operation of PD House facilities specializing in long-term care for Parkinson's disease patients

* The number of employees represents the number of full-time employees. The number of temporary employees (i.e., part-time and contract employees) represents the average number of temporary employees per year (converted based on an eight-hour workday).

Corporate Profile　Management Structure



Ryotatsu Nawashiro, President & CEO

Nawashiro was born in Ishikawa Prefecture in July 1973. From the early age of 19 Nawashiro suffered from kidney disease that ultimately led to his withdrawal from college. Thereafter, Nawashiro was unable to obtain a permanent employment because of his kidney disease. At the age of 26, Nawashiro recovered and eventually took over his father's company, Item, Inc. with an ambition to create services that help people with illness and started a housing renovation business for people covered by nursing-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 has been developing nursing care services that are new to the region.

Tomohiro Nagayama, senior managing director

Certified occupational therapist. Joined Care Communications Co., Ltd. (present SUNWELS Co., Ltd.) in 2009. Appointed director of SUNWELS in 2015. In charge of Corporate Strategy Division, Real Estate Development Division, Construction Division, Home Visit Nursing Division, Sales Division, Service Development Division, and Hiring Division.

Toru Koshino, managing director

Former jockey at a regional horse racing association. Joined Item, Inc. (present SUNWELS Co., Ltd.) in 2004. Appointed director of SUNWELS in 2015. In charge of West Japan Operations Division and East Japan Operations Division.

Eiichi Ueno, managing director

After joining The Hokuriku Bank, Ltd., he served as branch manager and full-time auditor. He was appointed as full-time auditor of EIZO Corporation in 2009, and became outside director in 2016. He was appointed as director of SUNWELS in 2018. In charge of General Administration Division, Accounting Division, HR Division, Education Division, Risk Management Division.

Hidehiro Yamamoto, outside director, full-time Audit & Supervisory Committee member

Former director and Audit and Supervisory Committee member of The Hokkoku Bank, Ltd.

Yoshiaki Hatake, outside director, Audit & Supervisory Committee member

Chairman, Hatake Management Group

Yuichi Nakanishi, Outside Director, Full-time Audit & Supervisory Committee Member

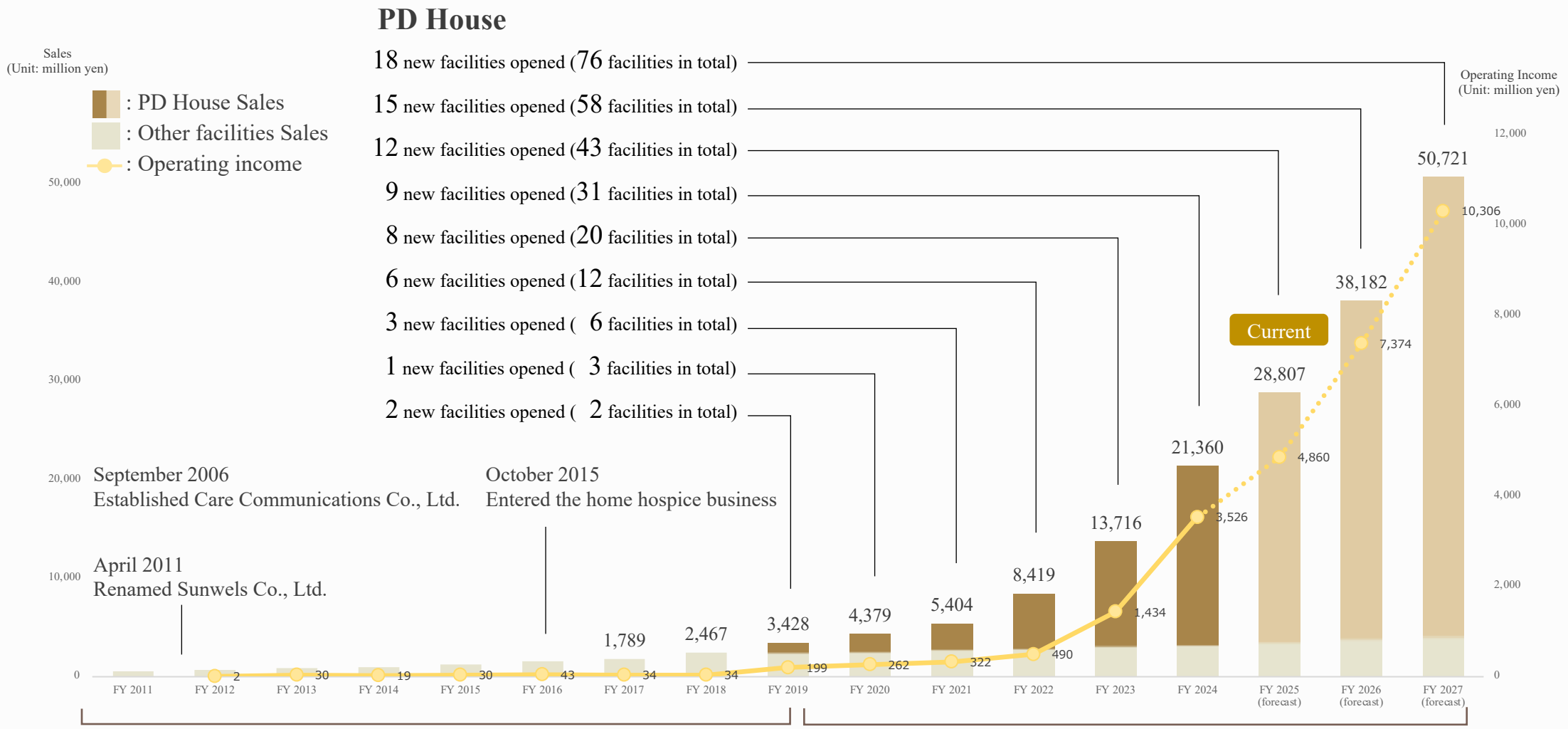
Lawyer, Nakanishi Yuichi Law Office

Keiko Nakajima, Outside Director, Full-time Audit & Supervisory Committee Member

Tax accountant, Keiko Nakajima Tax Accountant Office

Corporate Profile (History)

Nationwide PD House development since the opening of the first PD House in FY March 2019



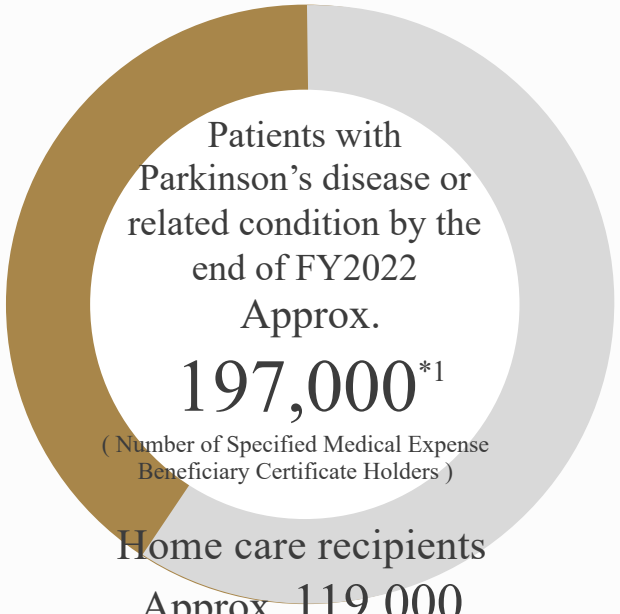
Building an earnings base in the Hokuriku area

Nationwide PD House development

By developing new PD Houses, we seek to provide highly specialized care to Parkinson's disease patients at the earliest possible date.

PD House market size and capacity comparison

Hospitalized patients / patients in long-term care facilities
Approx. 78,000*2



PD House

The end of FY March 2025

2,325 / 78,000 individuals (3.0% share)

FY March 2030 (target capacity)

7,700*3 / 78,000 individuals (9.9% share)

Significant room for growth

*1 Number of patients with Parkinson's disease and related conditions: Ministry of Health, Labour and Welfare, FY2022 Report on Public Health Amdinstration and Services
Approx. 143,000 Parkison's disease (Hoehn and Yahr scale 3–5) patients and approx. 54,000 patients with related conditions (progressive supranuclear palsy, corticobasal degeneration, multiple system atrophy, spinocerebellar ataxia)
*2 Number of hospitalized patients and patients in long-term care facilities: Estimated (as of March 2023) from the cumulative number of patients in long-term care facilities at nursing care level 2–5 based on percentages provided in the Ministry of Health, Labour and Welfare's Status Report on the Long-Term Care Insurance Business
*3 With facilities growing larger, we plan 140 facilities with 7,700 beds in total by FY March 2030 based on 55 beds per facility.

PD House facilities
(35 facilities nationwide, as of June 30, 2024)

- Our main business is operation of **PD House** facilities specializing in long-term care for Parkinson's disease patients.

[Target residents]

Parkinson's disease

- Progressive supranuclear palsy
- Corticobasal degeneration
- Multiple system atrophy
- Also capable of caring for patients with spinocerebellar degeneration



Three features of PD House facilities

1. **Rehabilitation programs specialized in Parkinson's disease (overseen by specialist doctors)**
2. **Medical care by visiting doctors specialized in neurology**
3. **24-hour visiting nursing care and medication management**

Care residences with medical services
(Five facilities currently operating in Ishikawa and Toyama prefectures)

- Facilities intended to provide meals and other essential daily services
- Each site has a visiting care service station and a visiting nursing service station.
- Providing places for basic living, with services provided on site by the above stations in the same building

Care equipment business

- Rental (under long-term care insurance or at patient's expense) and sale of care equipment
- Home (barrier-free) renovation work business

Day services (Six facilities operating in Ishikawa Prefecture)

- Providing various services, including lifestyle guidance, functional training, meals, bathing, and health checkups, to those visiting the facilities without staying overnight (return home the same day).

Group homes (Two facilities operating in Ishikawa Prefecture)

- Facilities where people with cognitive diseases can live together; capacity for 18 persons in total, 9 persons x 2 units

Kaatsu training business (Two facilities operating in Ishikawa Prefecture)

- Providing tailored training using *kaatsu* equipment

Corporate Profile

Parkinson's disease

Designated an intractable disease in Japan, Parkinson's disease is a progressive degenerative disease mainly involving degeneration of dopamine neurons in the brain. It can cause a wide range of symptoms and has no known cure. The chart below shows the progressive stages of the disease.

Stage transition in Hoehn and Yahr scale* (* An indicator for the progression of Parkinson's disease)

Stage I	Stage II	Stage III	Stage IV	Stage V
Shaking of extremities Muscular stiffness		Walking in short steps, legs freezing, susceptible to falls Impediments arise in daily living	Difficulty standing up, walking, etc. Care required in various circumstances	Wheelchair required Most time spent in bed Full care required
Unilateral / Bilateral				









Mainly long-term care services

Residents of PD House facilities: Access to services covered by long-term care insurance or medical insurance

Three issues in treatment

1. **Lack of places to receive daily rehabilitation services** without hospitalization due to limited availability of outpatient rehabilitation
2. **Become unable to see specialists** due to difficulty in commuting to the hospital
3. **Proper medication management becomes difficult** due to heavy and frequent medication

Opening PD House facilities nationwide, facilities where users can live life as they wish, even while facing an intractable disease

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

Three issues related to Parkinson's disease treatment

1. Lack of places to receive daily rehabilitation services
2. Become unable to see specialists for treatment
3. Proper medication management becomes difficult

Providing services to solve the three problems

1. Rehabilitation programs specialized in Parkinson's disease (overseen by specialist doctors)
2. Medical care by visiting doctors specialized in neurology
3. 24-hour visiting nursing care and medication management

Corporate Profile

1 / Rehabilitation programs specialized for Parkinson's disease (supervised by specialists)

Providing and assessing rehabilitation programs overseen by specialist neurologists, according to user conditions

Example of living schedule at the facility

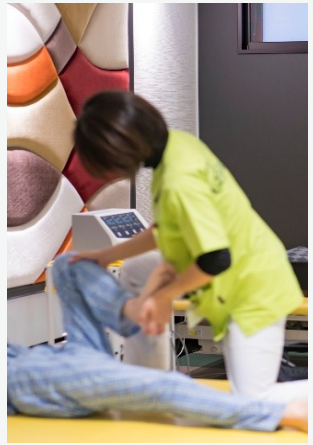
6:30	Wakeup
7:30	Breakfast
9:30	Individual rehabilitation (30 min.)
10:00	Hobby time
11:00	Group rehabilitation (30 min.)
11:30	Oral and swallowing exercises (30 min.)
12:00	Lunch
13:00	Recreation
14:00	Group rehabilitation (30 min.)
15:00	Bathing
16:00	Group rehabilitation (30 min.)
17:30	Dinner
20:00	Bedtime

Able to provide up to 150 min. rehabilitation/day

Individual rehabilitation

- Providing optimal programs for users' conditions, based on guidelines
- Managing status in line with five assessment items
  - (i) MDS-UPDRS Part III (assessment of progress of disease)
  - (ii) PDQ-39 (assessment of QOL improvement)
  - (iii) BI (assessment of behavior in everyday living)
  - (iv) MMSE (assessment of cognitive functions)
  - (v) InBody (measurement of muscle mass)





Group rehabilitation

- Providing program centered on exercise, including exercises overseen by university hospitals and exercises incorporating movement and factors required by Parkinson's disease patients
- Implemented in a game-like atmosphere; medically proven to be effective in improving conditions

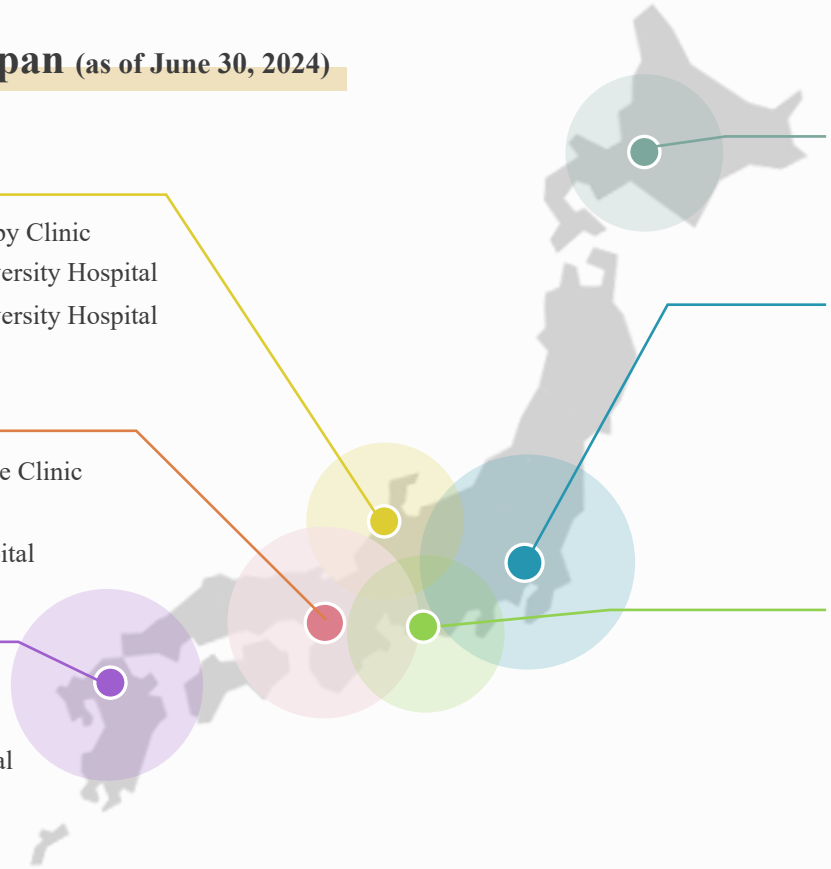


Corporate Profile

2 / Strengthening the coordination of home visits by physicians specializing in neurology

- **Established a system that allows for the continuation of specialized treatment by providing on-site medical care in collaboration with neurology hospitals throughout the country**
  Achieved collaboration with more than 100 of the approximately 600 (estimated) home-visit physicians in Japan, and will continue to expand with the opening of the new clinic

Cooperating with 106 neurologists in Japan (as of June 30, 2024)



Hokuriku area 12 doctors,
Including the following physicians

Neurologist	Ayumi Hamaguchi	Kanazawa Happy Clinic
Neurologist	Sadao Hikishima	Kanazawa University Hospital
Neurologist	Shutaro Shibata	Kanazawa University Hospital

Kansai area 16 doctors,
Including the following physicians

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

Kyushu area 17 doctors,
Including the following physicians

Neurologist	Yoshio Tsuboi	Tsutsumi Clinic
Neurologist	Takenori Uozumi	Nakama Medical

Hokkaido area 5 doctors,
Including the following physicians

Neurologist	Naomitsu Ariyoshi	Sapporo Memorial Hospital

Kanto area 50 doctors,
Including the following physicians

Neurologist	Yusuke SugiyamaPrime	Prime Clinic
Neurologist	Yutaka Ogino	Toyoda Internal Medicine Clinic
Neurologist	Naohiko Togashi	Yuushin Clinic
Neurologist	Hiroko Eura	Adachi Home Clinic

Tokai area 6 doctors,
Including the following physicians

Neurologist	Tomonori Inagaki	Mokuren Clinic
Neurologist	Jun Torii	Nagoya Neurology Home Medical Care Clinic

Corporate Profile

3 / 24-hour care by visiting nurses and medication management

■ **With nursing coverage provided on a 24/7 basis, small changes in symptoms or side effect can be identified to ensure proper medication management. Sufficient manpower allows us to provide the services up to the last minute of the residents' lives.**

■ Number of cases of end-of-life care

From Apr. 2023 to Mar. 2024	358 persons
Monthly average per facility	1.4 persons





[Examples of nursing care and medical care during the day]

〈Visit to Resident A〉
Condition check/vital measurement
Excretion assistance during intervention
Walking assistance in the facility

〈Visit to Resident C〉
Condition check/vital measurement

9:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00

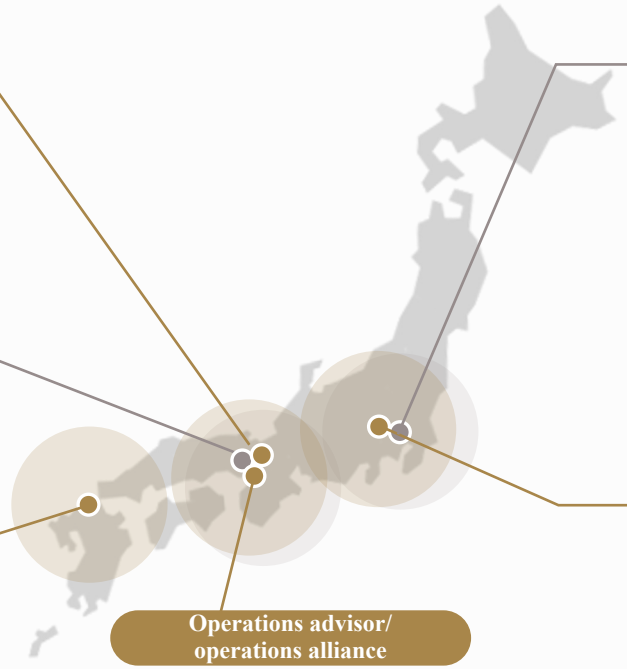
〈Visit to Resident B〉
Emotional incontinence observed when visiting.
Mental care provided by listening to the resident's worries while observing the conditions.

〈Visit to Resident D〉
Condition check/diaper change/oral medication for the time.
Fever is observed in vital measurement.
Blood collection by puncture/IV drip treatment.

Corporate Profile

Joint Research with University Hospitals and Dedicated Hospitals

Aiming to create more effective new services through research with leading doctors involved in Parkinson's disease research across Japan



Operations advisor

Kyoto University
Project Prof. Ryosuke Takahashi

A specialist who conducts research to unravel the molecular mechanisms of Parkinson's disease and develop treatment approaches based on those findings.

(i) Management and Supervision of Research Associations related to Parkinson's Disease

Joint research

Kansai Medical University
Prof. Makio Takahashi

Organizes numerous research meetings and seminars on Parkinson's disease. Leading Parkinson's disease specialist in the Kansai region.

(i) Verification of results using an e-sports program
(ii) Research on building a system to train personnel to provide care for Parkinson's disease

Operations advisor/ Joint research

Former Fukuoka University Tsutsumi Clinic Fukuoka
Specially-appointed Prof. Yoshio Tsuboi

Currently monitoring the progress of some 600 patients, chiefly in Fukuoka Prefecture. Pursues research on stopping the progress of the disease through comprehensive care. Advisor to Fukuoka Branch, Japan Parkinson's Disease Association.

(i) Online case consultations
(ii) Verification of the efficacy of the multidisciplinary cooperation (PD House care model)
(iii) Verification of the effectiveness of PD dance

Operations advisor/ operations alliance

Noshinkei Home Clinic
Director Sadayuki Matsumoto
(Former Deputy Director, Kitano Hospital)

(i) Building a cooperative structure with a home neurology team

Joint research

ALAN Inc. Representative Director
(Startup from Keio University School of Medicine)
Doctor Takahiro Kondo

(i) Verification of motor function evaluation systems

Operations advisor/ Joint research

Juntendo University
Prof. Nobutaka Hattori

Seventh most-cited authority on Parkinson's disease research in the world from 1996 through 2006. Considered the world's leading authority on the subject. Advisor to the Japan Parkinson's Disease Association.

(i) Validation of a 3D telemedicine system
(ii) Verification of activity detection by wearable devices
(iii) Efforts to detect and reduce falls
(iv) Hosting online seminars related to Parkinson's disease

Through joint research with top doctors, we're developing new services for Parkison's disease care.

Hologram remote medical system



Began trials of Holomedince, world's-first* 3D remote treatment system created by Juntendo University in 2021.

<Anticipated benefits>

1) Whole-body observation for more precise diagnoses
2) Eliminates physical strain of visiting hospitals and wait times

Trials underway since July 1, 2022 connecting Juntendo University with PD Houses in Kanazawa

* Release via press conference on June 2, 2022

Fall detection system



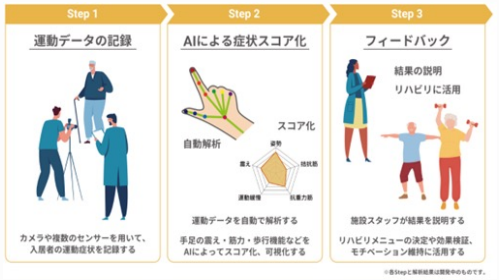
Joint research underway on factors underlying falls using the Mirai-Eye fall detection system

<Anticipated benefits>

1) Prevent falls before they occur by grasping falling patterns.
2) Create/adjust optimal environment by analyzing the factors underlying falls.

It is introduced on May 1, 2024, and the verification is underway.

Development of motor function evaluation system



Visualization of Parkinson's disease progression using AI-based system

<Anticipated benefits>

1) Better treatment, care, and rehabilitation achieved by sharing quantitative information
2) Visualizing progression to boost motivation for care and rehab

System developed November 30, 2023; trials underway

Corporate Profile

Collaboration with overseas university hospitals

2024 Commence collaboration with University of Florida Hospital.





Tour of University of Florida Hospital in May 2023

Launched a joint research project with the University of Florida, which has the nation's best track record in treating Parkinson's disease, to co-create a rehabilitation program using big data and to demonstrate the need for specialized care for the elderly.

Basic Sustainability (ESG) Policy

Environment



PD House considerations for the environment

- Deployed solar power for self-consumption
- Calculated greenhouse gas emissions
- Promoting paperless office via cloud system
- Deployed stainless steel garbage bins suitable for long-term use
- Helping to cut CO_2 emissions by using 99% recycled garbage bags

Social



PD Houses meeting the need for nursing and long-term care for Parkinson's disease patients

- Fundraising using social loans targeting social issues
- Internal certification system to ensure high performance and consistency in the knowledge and skills of care workers along with regular study sessions with university hospitals
- Launched initiatives under the Health and Productivity Management Outstanding Organization certification system

Governance



Rigorous governance, risk management, and compliance

- Strengthening governance with independent outside directors making up a majority of the board
- Developing measures to prevent unauthorized billing (double-checking system with facility manager and head office administration section).
- CCTV systems installed in facilities and rooms (safeguard against inappropriate care)
- Audits by auditing firm as required by the Financial Instruments and Exchange Act and evaluations by third-party evaluation agency

Expanding initiatives to address sustainability issues to full-scale operations

Environment
Social
Governance

Disclaimer / Inquiries

Company forecasts, plans, and other forward-looking statements in this document represent projections based on information available to the Company at the time the document was prepared. These projections may not be realized for various reasons, including uncertainties related to economic conditions and deregulation. Additionally, please note that the forecasts contained in this document may differ from plans and other forward-looking statements in this and other documents.

SUNWELS Co., Ltd.

https://sunwels.jp/pdh/

Contact

https://sunwels.jp/pdh/contact/