

Earnings Results Briefing for FY2023

And Corporate Profile

November 14, 2023 Securities Code: 3939

株式会社 カナミックネットワーク  
KANAMIC NETWORK

## Highlights of the Fiscal Year Ending September 30, 2023

- 1 Sales achieved targets for both consolidated and non-consolidated financial results .....P.07**  
Sales increased substantially from the previous year.
- 2 Operating income achieved only for non-consolidated results  
due to an increase in expenses .....P.7**  
While the non-consolidated operating profit target was achieved, consolidated operating profit fell slightly short of the target due to M&A and new store openings investments.
- 3 The number of paying and free user IDs increased significantly although the number of regions with  
systems decreased slightly .....P.10~11**  
Although the number of regions with our systems decreased due to the impact of population decline and other factors, the number of paying and free user IDs increased significantly due to major corporate orders, etc.
- 4 Ruby development joined our group .....P.22**  
Acquired through M&A a system development company specializing in the Ruby language, which specializes in agile development.
- 5 Urban Fit is steadily investing in new store openings .....P.21**  
Four new stores were opened in FY9/2023. (Opened 6 stores in total by the end of 2023.)

## Consolidated Financial Results and KPI Highlights for FY2023

### Net sales

**37.46**

hundred million JPY  
(YoY 149.7%)

### EBITDA<sup>※1</sup>

**13.84**

hundred million JPY  
(YoY 121.5%)

### Operating profit

**10.96**

hundred million JPY  
(YoY 113.8%)

### Ordinary profit

**11.07**

hundred million JPY  
(YoY 112.9%)

### Net income

**7.63**

hundred million JPY  
(YoY 111.3%)

### Number of regions using Our cloud Products

**1,346**

(YoY 101.0%)

### Number of paying user IDs

**155,516**

(YoY 148%)

### Number of free user IDs

**86,760**

(YoY 112%)

### Number of Urban Fit's stores <sup>※2</sup>

**18** stores

(YoY 128.6%)

※1: EBITDA was calculated as follows: Operating Profit + (Depreciation + Amortization of Goodwill)

※2: As of September 30, 2023



Earnings



Growth Strategy



TOPICS



Company Profile and Business Outline



Strengths



# 1. Earnings



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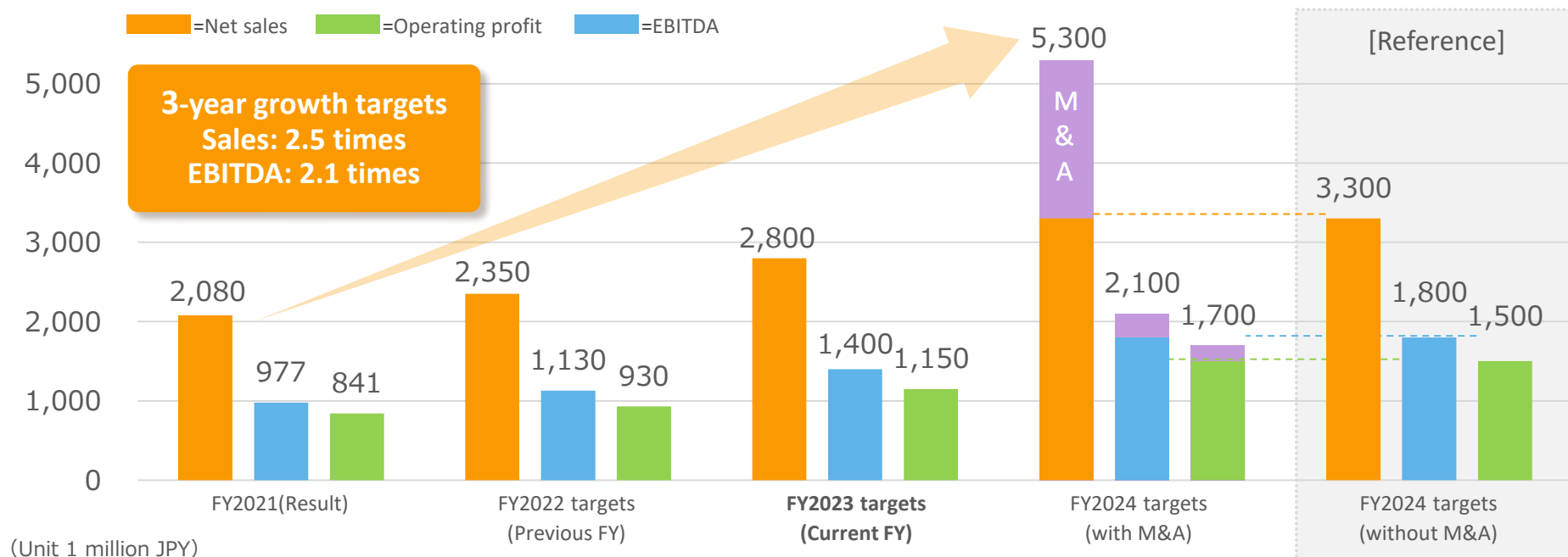
# 1-1. Financial Targets

## ■ 3-year growth targets (FY2022 to FY2024)

Continue to record high-margin organic growth centered around cloud service/platform services.

\*A contract with a major elderly care service provider has been secured with implementation scheduled for FY2023. Ahead of this, preparatory investments will be made during FY2022.

\*Since it is difficult to estimate when M&A transactions will begin contributing to financial results, FY2024 is used as an assumption (amortization of goodwill not taken into account)

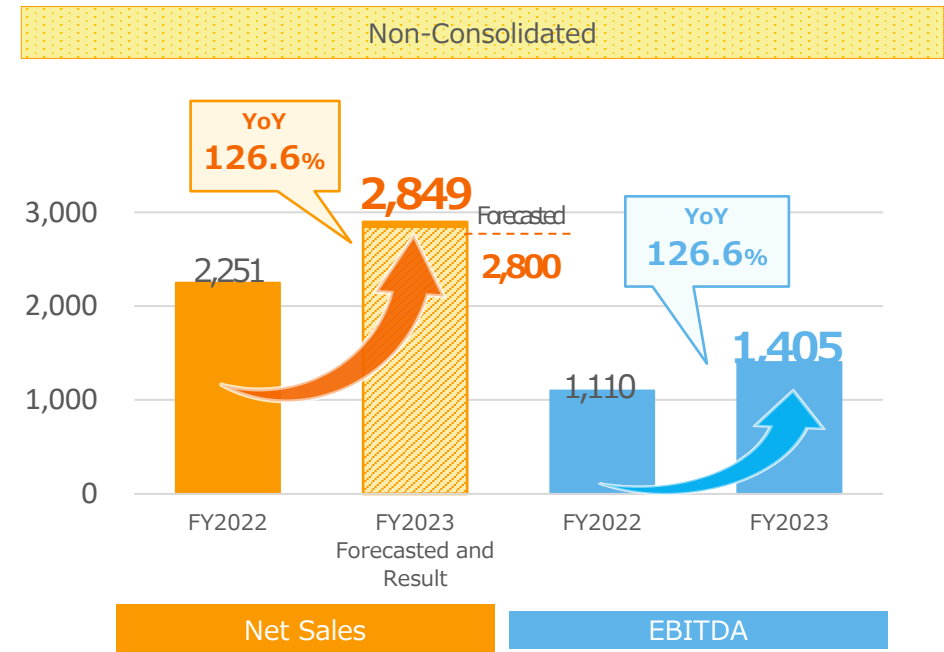
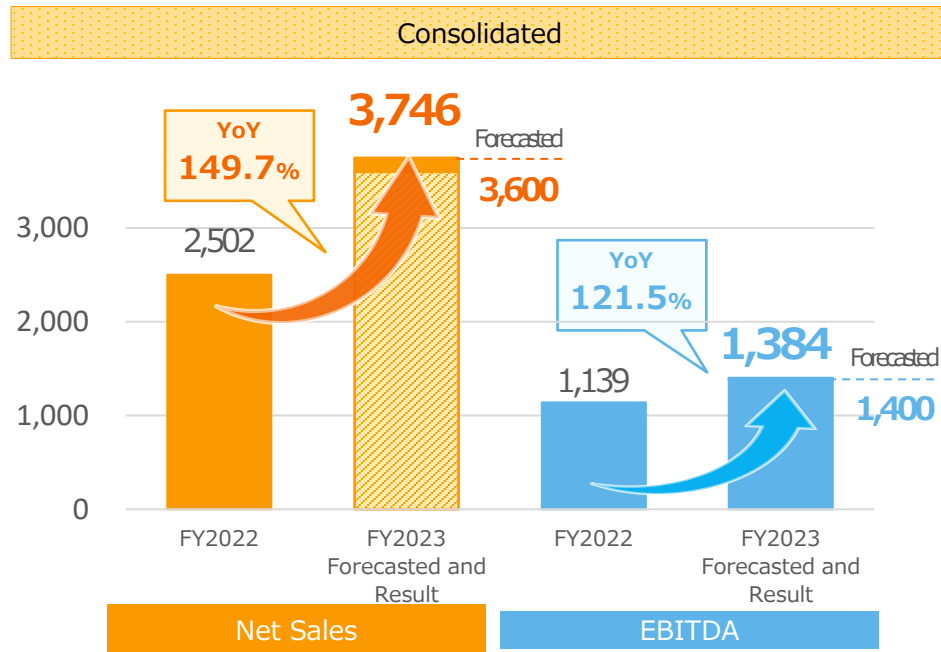


	FY2021		FY2022		FY2023 (current FY)		FY2024 (with M&A)		FY2024 (without M&A)	
	Result	YoY	Target	YoY	Target	YoY	Target	YoY	Target	YoY
Net Sales	<b>2,080</b>	110.6%	<b>2,350</b>	112.9%	<b>2,800</b>	119.1%	<b>5,300</b>	189.3%	<b>3,300</b>	117.9%
EBITDA	<b>977</b>	123.8%	<b>1,130</b>	115.6%	<b>1,400</b>	123.9%	<b>2,100</b>	150.0%	<b>1,800</b>	128.6%
Operating income	<b>841</b>	128.6%	<b>930</b>	110.5%	<b>1,150</b>	123.7%	<b>1,700</b>	147.8%	<b>1,500</b>	130.4%

\*Revised citing 2-1. Financial Targets in Medium-Term Management Plan (2022 - 2024) as of November 2, 2021



# 1-2. FY2023 Forecasted and result(Consolidated and Non-Consolidated)



	Consolidated						Non-Consolidated					
	PREV FY	FY2023			Difference		PREV FY	FY2023			Difference	
	Result	Forecasted	Result	Composition Ratio (%)	YoY (%)	Compared to forecast (%)	Result	Forecasted	Result	Composition Ratio (%)	YoY (%)	Compared to forecast (%)
Net sales	2,502	3,600	3,746	100.0	149.7	104.1	2,251	2,800	2,849	100.0	126.6	101.8
EBITDA	1,139	1,400	1,384	37.0	121.5	98.9	1,110	-	1,405	49.3	126.6	-
Operating Profit	962	1,150	1,096	29.3	113.8	95.3	942	-	1,184	41.6	125.7	-
Ordinary Profit	980	1,150	1,107	29.5	112.9	96.3	948	1,150	1,202	42.2	126.8	104.5
Net income	685	800	763	20.4	111.3	95.4	662	800	847	29.8	127.9	106.0
Profit per Share	-	16.86	16.08	-	-	-	-	16.86	17.86	-	-	-

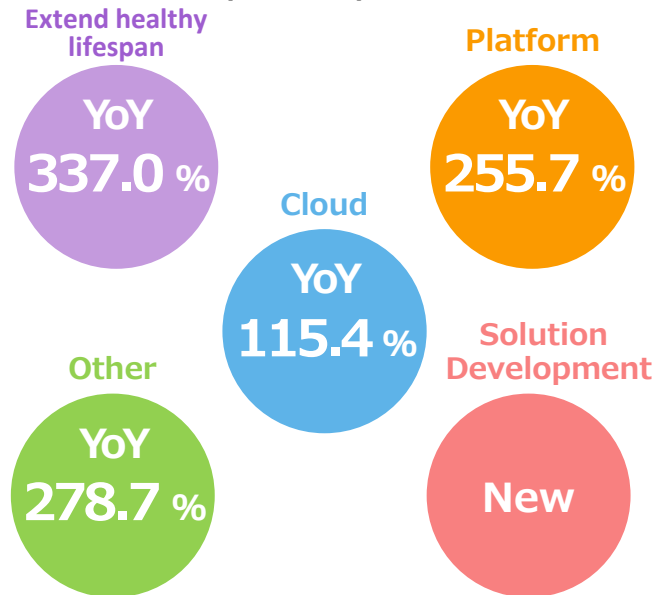
\* The forecasted amount is the full-year forecast disclosed on November 8, 2022.

(Unit : million JPY)

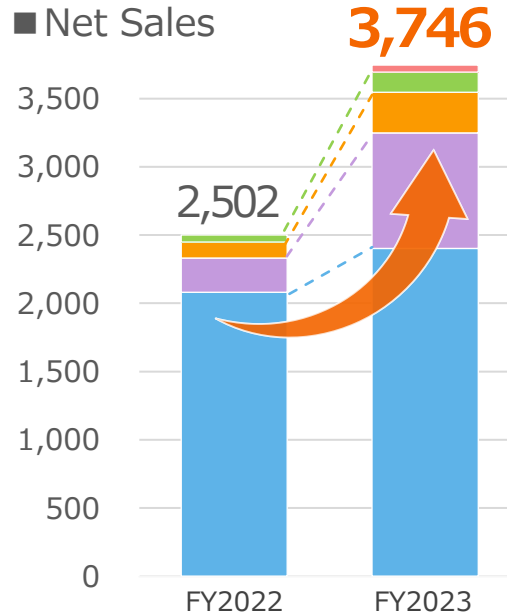
\* EBITDA = Operating profit + Depreciation (property, plant and equipment; intangible assets) + Amortization of goodwill

# 1-3. FY2023 consolidated results (by product)

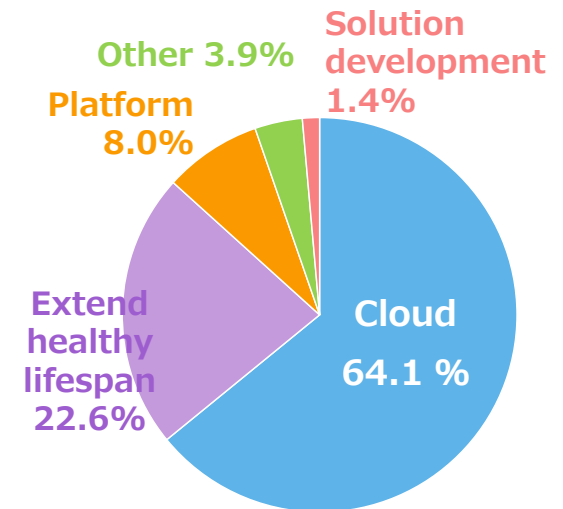
## ■ Net Sales(YOY,%)



## ■ Net Sales



## ■ Composition of net sales



(Unit : million JPY)

	FY2022		FY2023		Difference (YoY)	
	Net Sales	Composition ratio (%)	Net Sales	Composition ratio (%)	Net Sales	Composition ratio (%)
Cloud	2,081	83.2%	2,402	64.1%	320	115.4%
Extend healthy lifespan	250	10.0%	845	22.6%	594	337.0%
Platform	117	4.7%	300	8.0%	182	255.7%
Other	52	2.1%	146	3.9%	94	278.7%
Solution Development	—	—	51	1.4%	51	—
Total	2,502	100.0%	3,746	100.0%	1,243	149.7%

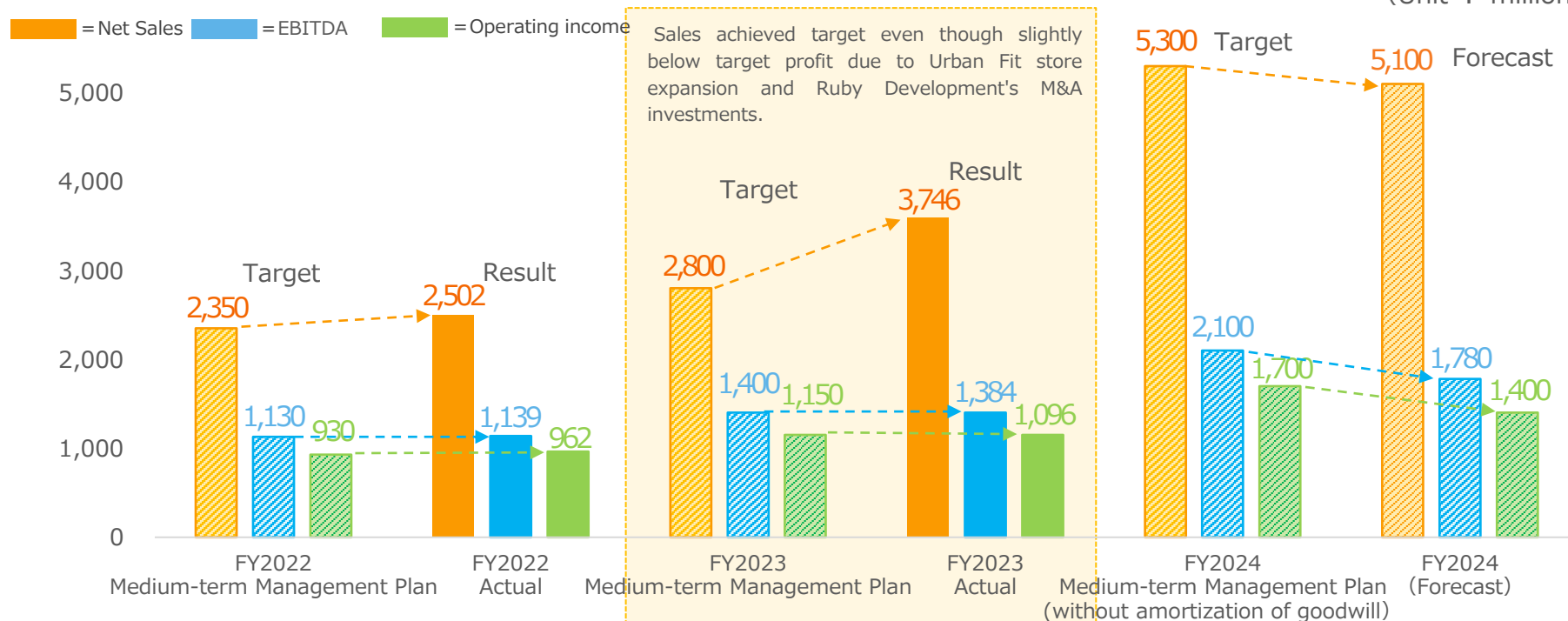


# 1-4. Progress of the Medium-term Management Plan

FY22: Targets were achieved for all indicators, FY23: Sales targets were achieved, while profits fell slightly short of forecasted; FY24: the non-consolidated results were close to the forecast in the mid-term management plan, despite the impact of increased expenses. However, on a consolidated basis, it was difficult for subsidiaries to contribute profits to the parent company due to the impact of goodwill amortization for M&A targets and investments in growth. This had a negative impact in the short term. However, since the group as a whole continues to increase revenues and profits, the company will continue to invest in further growth in subsidiaries that will contribute significantly to the group's future growth as a healthcare and health-tech company.

The company is also considering changing its accounting standards from JGAAP to IFRS in order to accommodate an increase in M&A.

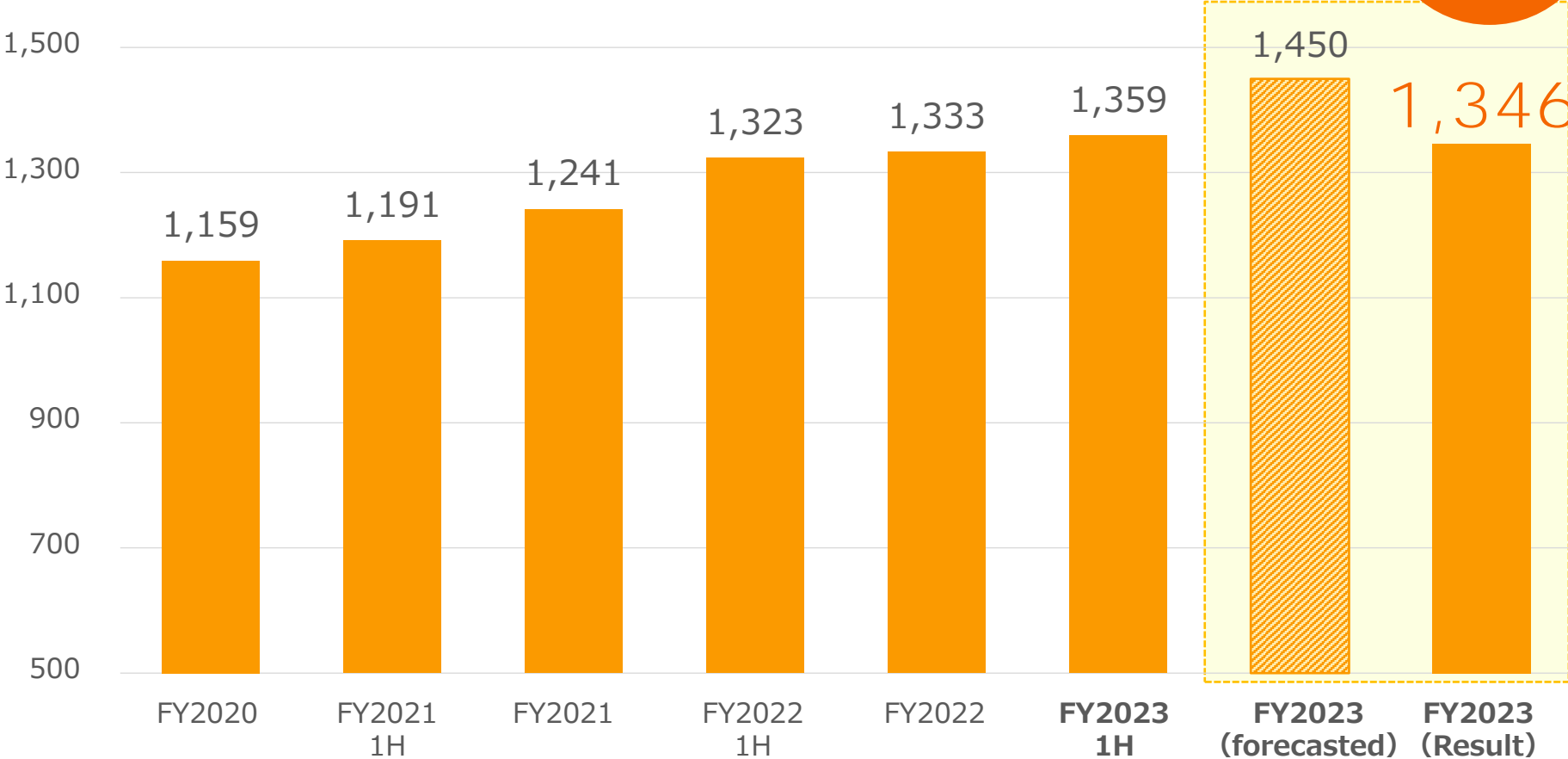
(Unit : million JPY)



	2022		2023 (Actual)		2024 (Forecast)	
	FY2022		FY2023		FY2024	
	Target	Result	Target	Result	Target (without amortization of goodwill)	Forecast
Net Sales	2,350	2,502	2,800	3,746	5,300	5,100
EBITDA	1,130	1,139	1,400	1,384	2,100	1,780
Operating income	930	962	1,150	1,096	1,700	1,400

# 1-5. Number of Regions Using Our Cloud Service

YoY  
**101%**



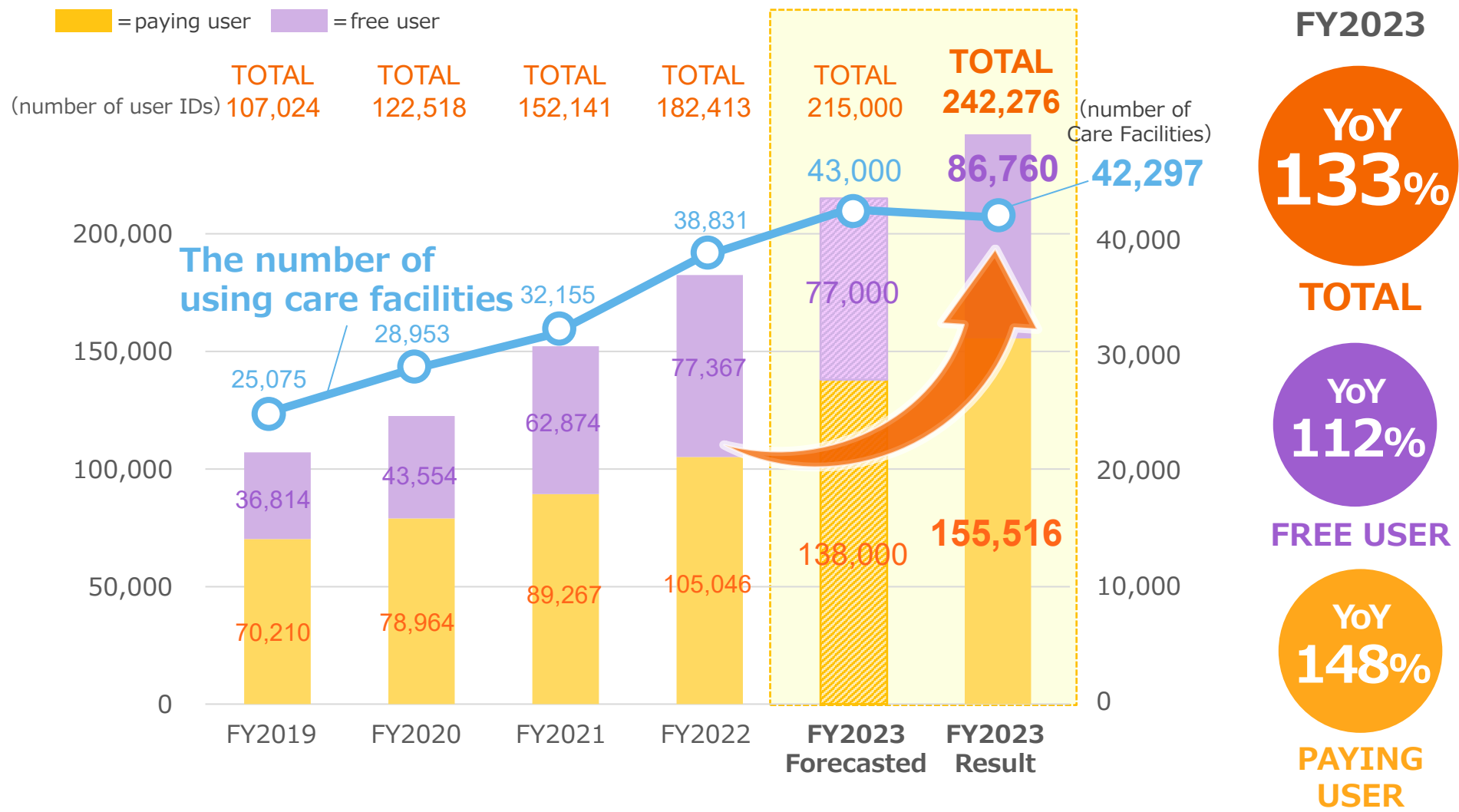
Due to cancellations in some regions and the impact of Japan's overall population decline(\*), the number of regions will decrease for the first time since disclosure. The company will continue to expand sales of its information sharing system (2nd floor), mainly in urban areas, but will concentrate resources on expanding sales of its nursing care operations system (1st floor) during the period of legal revisions.

\*The latest actual results are based on the number of people in the contracted municipality at the end of the fiscal year, and the number of regions has been recalculated.

\*The unit for the number of regions is a "junior high school district" with a population of about 30,000, which is assumed by the Ministry of Health, Labor and Welfare to be a community comprehensive care area.

# 1-6. Growth in the Number of User IDs & Care Facilities

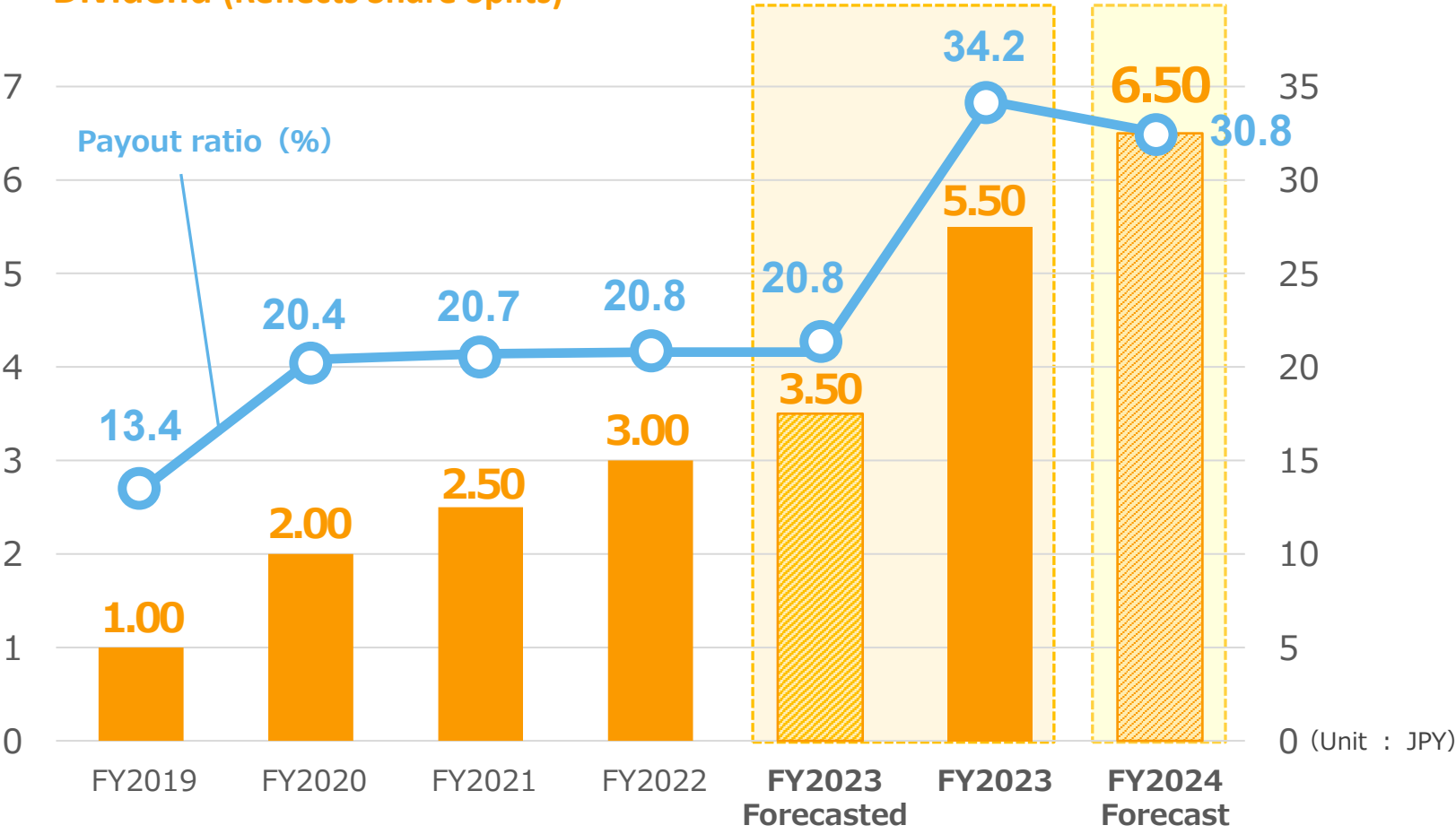
The number of user IDs, both of paying and free, increased significantly.  
The introduction of the system to major care providers and the increase in the number of linked users in the region had a positive impact.  
Although the target was not achieved in terms of the number of the care providers using our service, the most important KPI, the number of user IDs, significantly exceeded the target.



# 1-7. Dividends

In light of business performance and current market trends, the Company now plans to determine the dividend amount based on a minimum payout ratio of 30%. In consideration of this policy change and the trend of the current fiscal year's performance, the Company has decided to increase the year-end dividend amount for the year ending September 30, 2023 from the previous forecast of 3.50 yen per share to 5.50 yen per share. (July 18, 2023)

■ Dividend (Reflects Share Splits)





# 1-8. Dividends

**In addition to the existing lottery-type benefits, starting with the fiscal year ending September 30, 2023 (23rd fiscal year), All shareholders will receive a coupon for Urban Fit 24.**

In addition to the existing lottery-based benefit program (JCB gift cards as described below), we will begin offering experience tickets to all shareholders for use at Urban Fit facilities. The tickets will be presented to shareholders as of the end of September 2023.

## **13 shareholders will receive JCB gift card by lottery**

① Shareholders recorded in Registry of Shareholders as of September 30th of each year who hold 100 or more shares  
**10 winners selected by lottery to receive a prize worth ¥200,000 JCB gift card**

② Shareholders who have held 100 or more shares continuously for 1 year or longer (recorded in the company's year end/interval Registry of Shareholders with the same shareholder number for at least 3 consecutive times)  
**3 winners selected by lottery to win a prize worth ¥200,000 JCB gift card**

The lottery will be impartially conducted at a lottery event, which follows the Ordinary General Shareholders' meeting, and in the presence of Mitsubishi UFJ Trust and Banking Corporation, the Company's shareholder registry administrator. The lottery results will be announced by posting successful shareholders' shareholder numbers on the company website. We plan to send the JCB Gift Cards during the 2nd third of January each year.

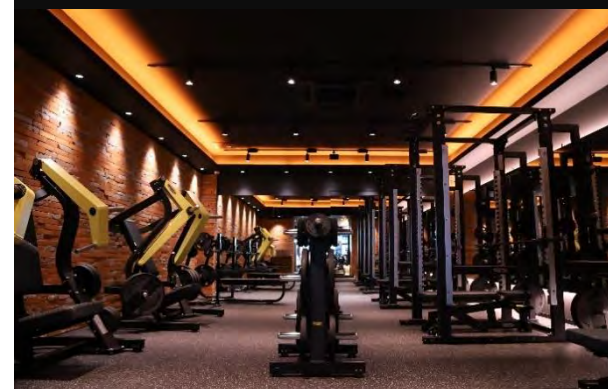
\*Please note that in cases where all shares are disposed, subsequently purchased shares will be assigned a different shareholder number.

\*For the current fiscal year, the plan will be implemented starting with shareholders who are recorded or listed in the shareholders' register as of September 30, 2023 and who hold at least 100 shares. Shareholders listed or recorded in the shareholders' register on all record dates of September 30, 2022, March 31, 2023, and September 30, 2023 with the same shareholder number will be eligible for (2).

**NEW!**

**Special Benefit Coupons presented to shareholders who hold at least 100 shares**

**Urban Fit 24 Experience ticket  
(Equivalent to ¥5,940 (tax included) )**



### **Urban Fit 24 Experience ticket**

\*Includes free rental towel, wear, and shoes

\*Up to 2 persons (1 companion allowed) per card at Urban Fit locations nationwide. Up to 2 persons (1 companion allowed) per ticket at all Urban Fit locations nationwide.



## 2. Growth strategy



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# 2-1. Kanamic's Growth Strategy

## ■ The Growth Blueprint

We will develop contents, reach, and platforms based on our Purpose & Value.

We will actively meet the challenge of organic growth in existing businesses and entry into new businesses.

We are also actively considering M&A as a method of strengthening and expanding our business.

### Kanamic's Purpose & Values:

**“Helping People and Communities with a Cloud Service for ALL Stages in Life”**

**PHR Solutions: Empower children, adults and seniors alike with Personal Health Data**

**Contents**

**For a GLOBAL Userbase (Japan and Abroad)**

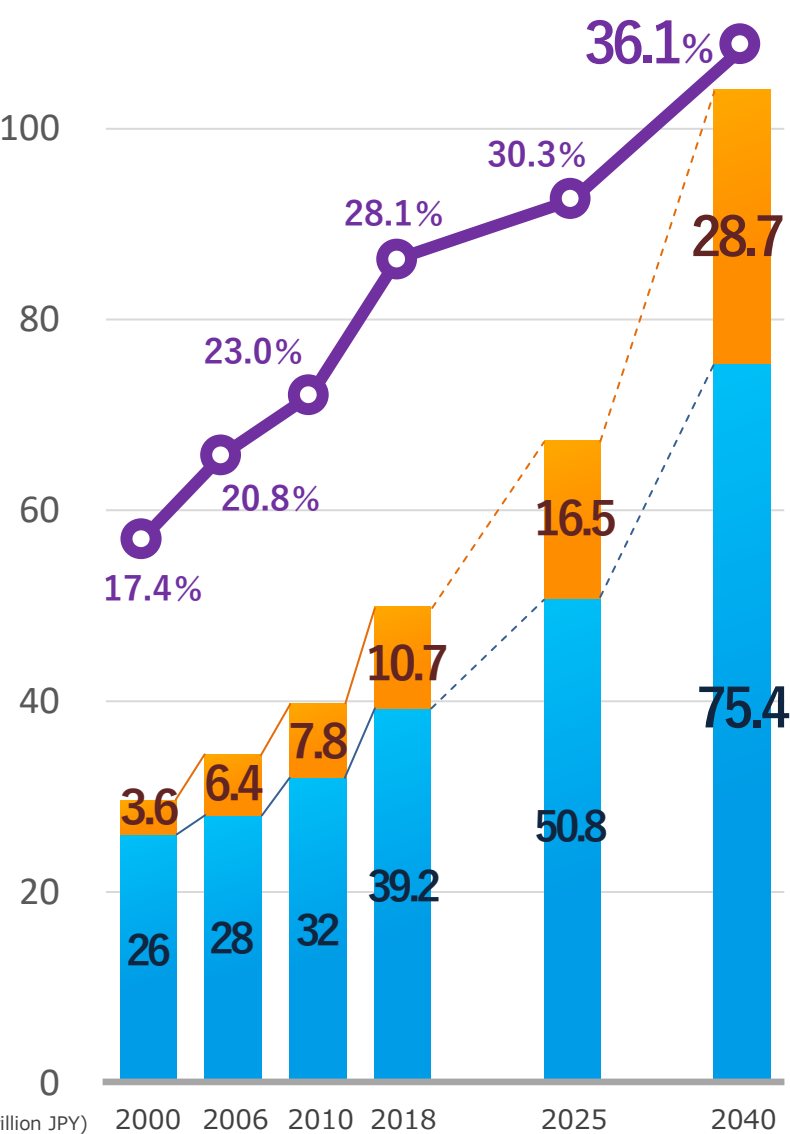
**Reach**

**Healthcare Platform for Adding Value to People AND Businesses**

**Platform**

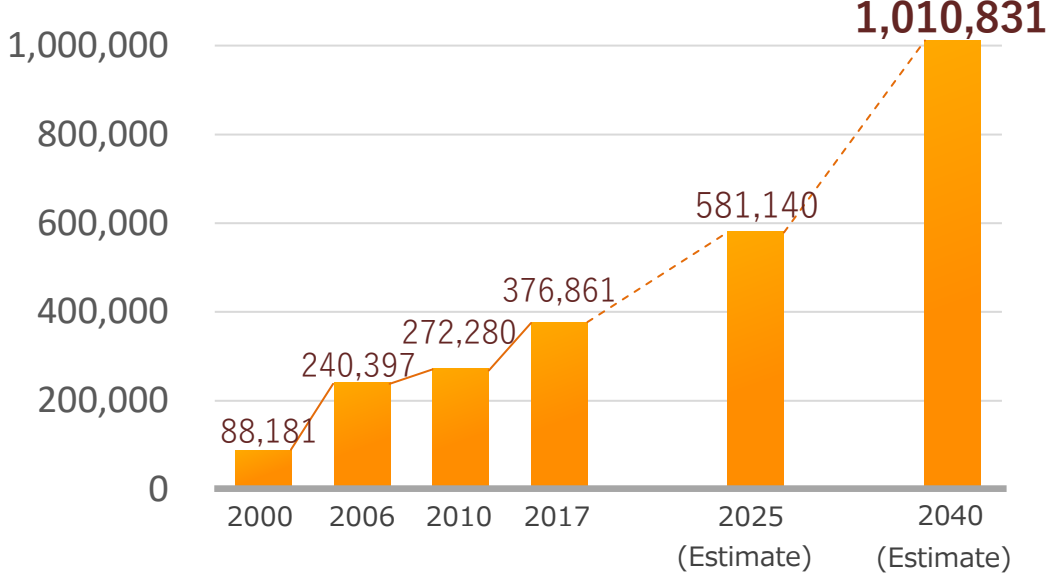
# 2-2. Market Size of Medical Care & care facilities

Trends in Social Security Benefits and Ageing

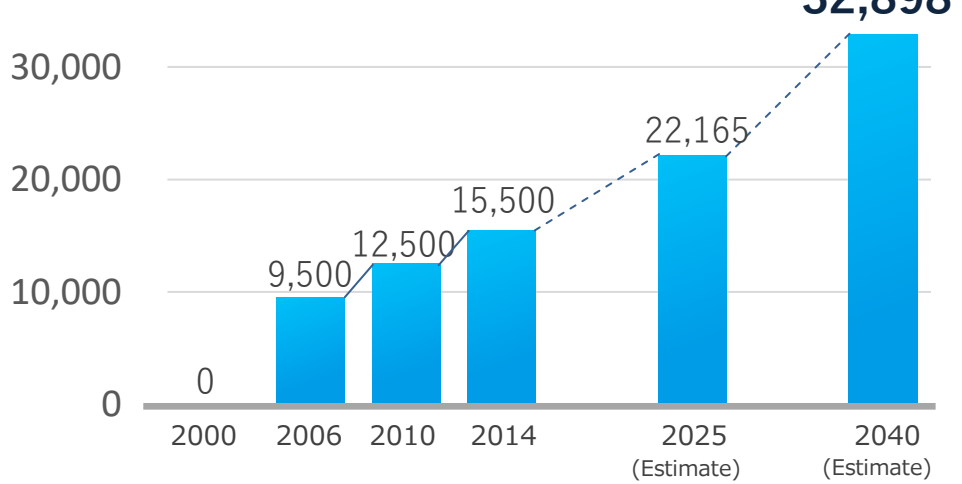


■ Medical expenses ■ Nursing cost ○ Ageing rate

Number of Care Facilities



Number of Medical Institutions



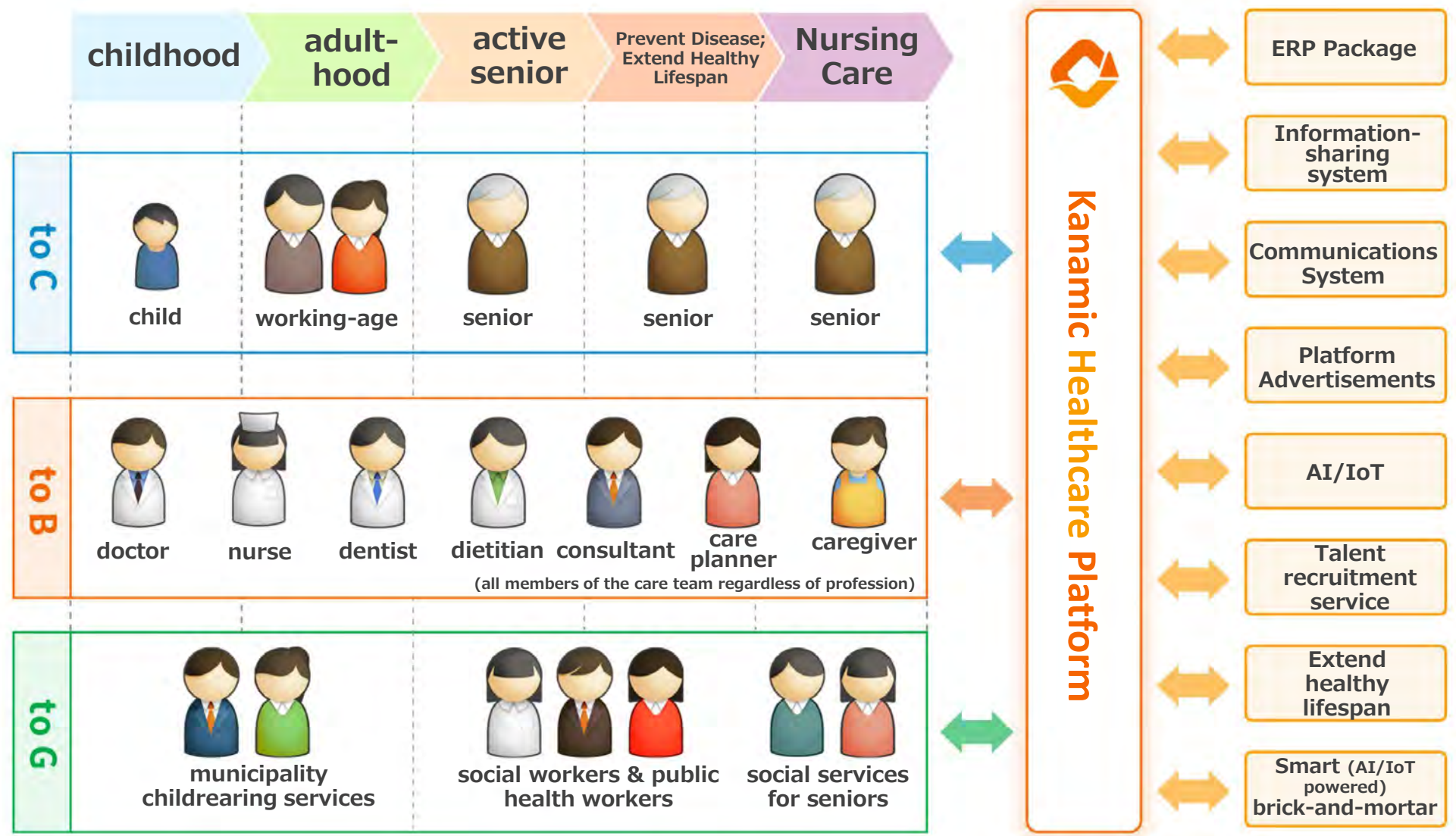
Source : Ministry of Health, Ministry of Labor and Welfare, Ministry of finance and cabinet office documents  
Number of care facilities in 2025 are estimated based on the social security budget



# 2-3. Kanamic's Growth Strategy

## “Helping People and Communities with a Cloud Service for ALL Stages in Life”

Developing PHR-based health management solutions for people of all biological ages and constructing a healthcare platform for use around the world



## Phase4 : Global Expansion

- ICT for healthcare / elderly care
- Business related to prolonging the healthy lifespan  
Improve the lives of seniors around the world with "Kaigo" (Japanese-style elderly care)

## Phase3 : Branding (BtoC)

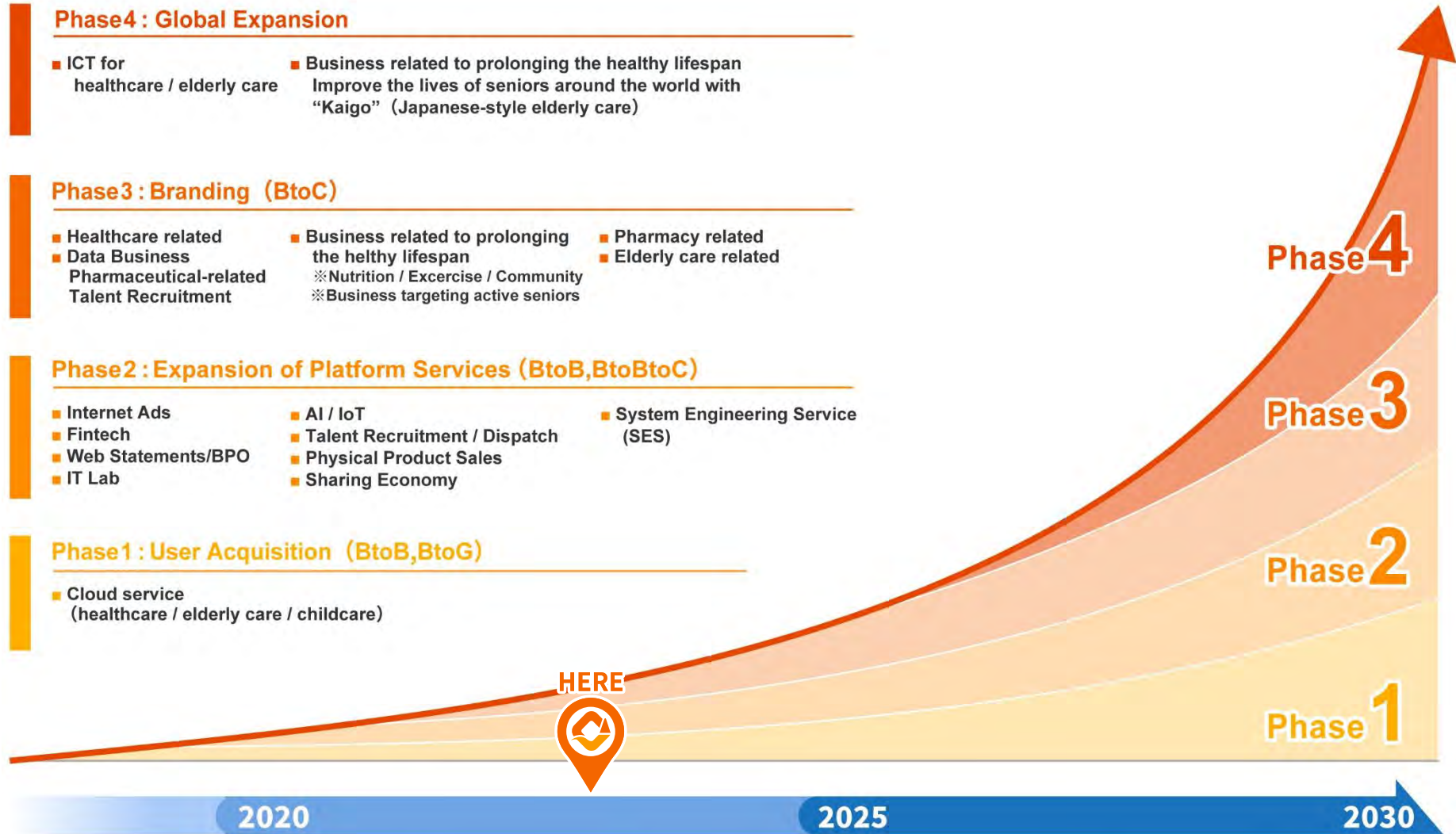
- Healthcare related
- Data Business
- Pharmaceutical-related
- Talent Recruitment
- Business related to prolonging the healthy lifespan  
※Nutrition / Exercise / Community  
※Business targeting active seniors
- Pharmacy related
- Elderly care related

## Phase2 : Expansion of Platform Services (BtoB,BtoBtoC)

- Internet Ads
- Fintech
- Web Statements/BPO
- IT Lab
- AI / IoT
- Talent Recruitment / Dispatch
- Physical Product Sales
- Sharing Economy
- System Engineering Service (SES)

## Phase1 : User Acquisition (BtoB,BtoG)

- Cloud service (healthcare / elderly care / childcare)



- Japan
- Global

- Increased attention to wellness due to pandemic

- Increased usage of social security numbers in Japan; Implementation of "sciencebased elderly care" Digital transformation of LTC industry

- Seniors as a percentage of Japan population surpasses 30%

- Baby boomers (as defined in Japan) all now older than 75 y/o

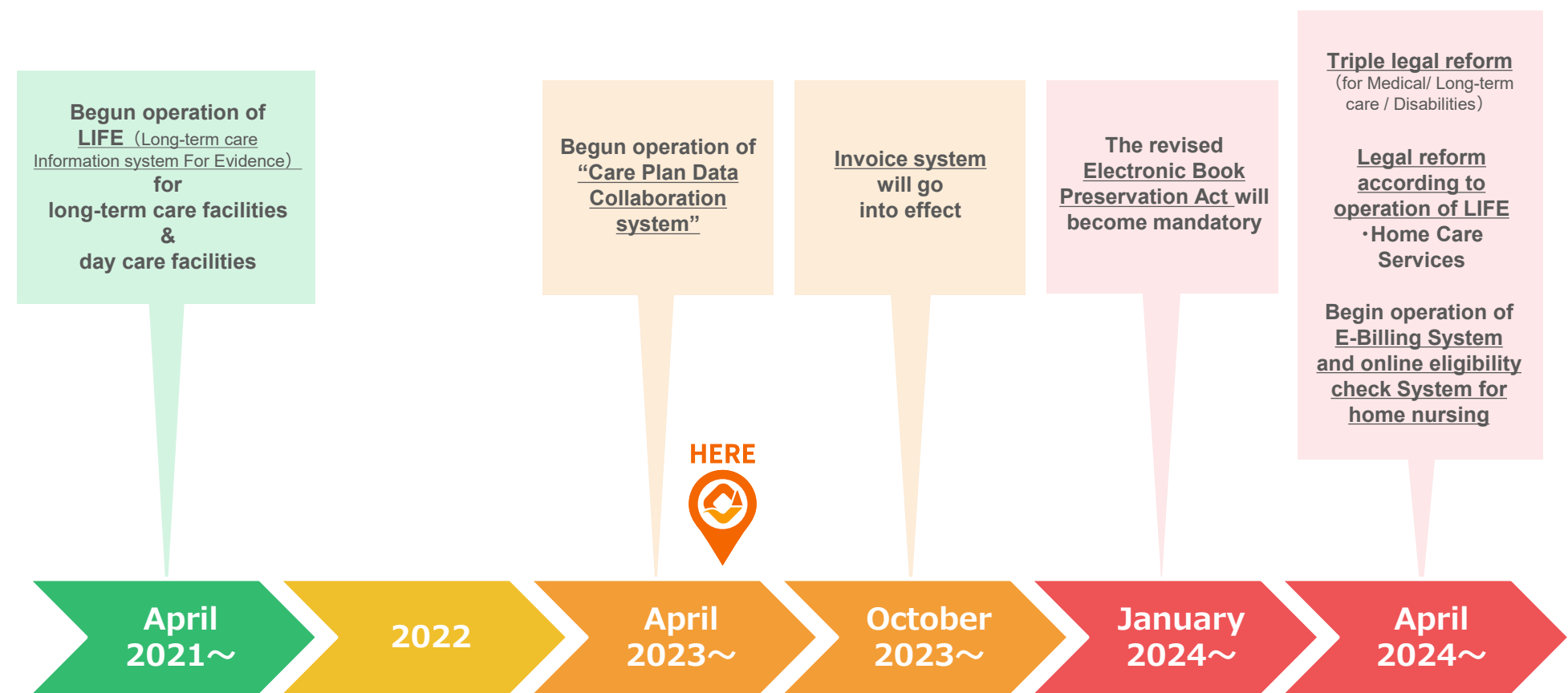
- Seniors as a percentage of population surpasses 20% for western nations

- Global non-communicable disease (NCD) deaths rise to 55 million by 2030

- Japanese boomers all now older than 80

- Seniors as percentage of population for Asian countries (ex Japan) reaches 15-20%

## 2-5. Accompanying Legal System Surrounding Nursing Care Providers (Nursing Care Software Replacement Opportunities)



The laws and regulations surrounding nursing care providers are undergoing dizzying changes. Over the next year, numerous laws are scheduled to be revised, including the Long-Term Care Insurance Act, Medical Insurance Act, Services and Supports for Persons with Disabilities Act, Consumption Tax Act, and Electronic Bookkeeping Act. With the recent demand for increased productivity and ICT, there is a growing opportunity for Kanamic Cloud Service to be widely used by nursing care providers.



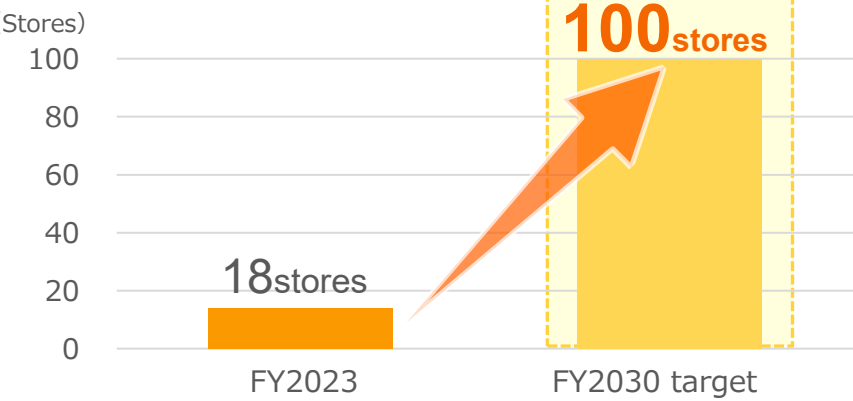
# 2-6. Urban Fit Store opening Plan

Urban Fit aims to open more than 100 stores (including franchises) by 2030

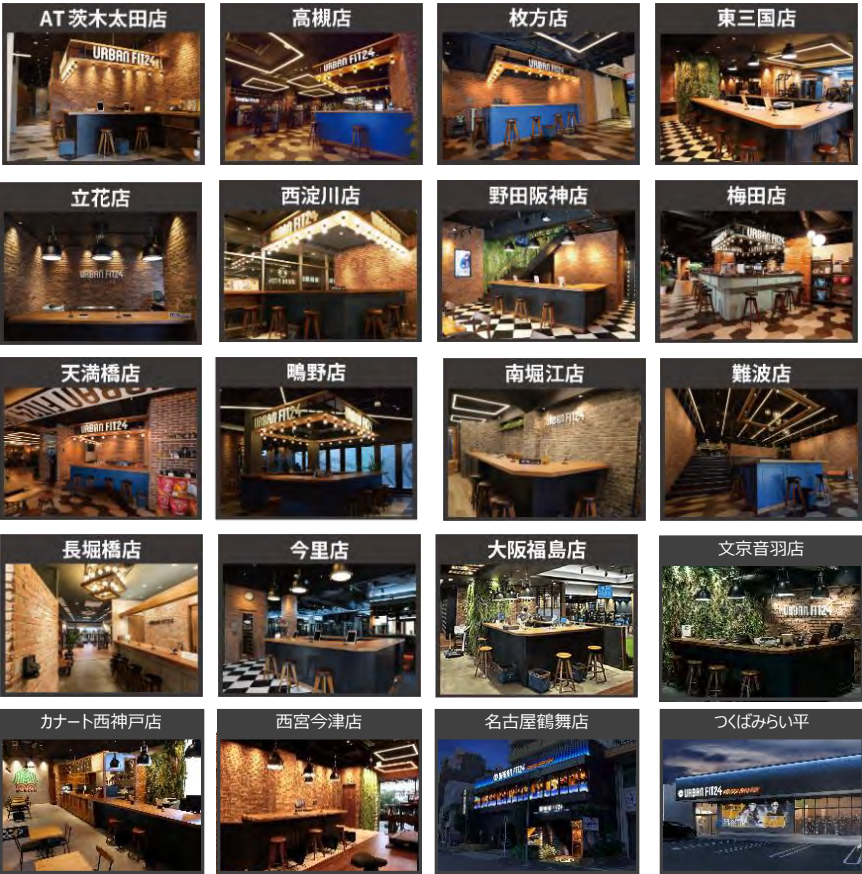


Urban Fit, a 24-hour gym, is a high-value-added fitness center with high profitability as described above during the period when costs of opening new fitness centers (interior and exterior expenses, depreciation of machine costs, rent burden, advertising costs, etc.) are not incurred. Even if profits decrease in the short term due to opening costs, we plan to open a large number of new fitness clubs as an investment in earning large profits in the future. In the future, we will accelerate the opening of high-quality, DX-oriented healthcare and health-tech facilities that are characteristic of the Kanamic Group.

<Plan>



Currently 20 stores in Osaka and other areas (as of November 14, 2023)





# 2-7. Urban Fit Store opening Plan

Urban Fit plans to open **30 new stores** by the end of 2025 (**total of 44 stores**).



## URBAN FIT24 Opening Schedules (as of November 14, 2023)

### Kanto Area

<b>May 16, 2023</b>	<b>Bunkyo-Otowa (in Tokyo)</b>	<b>OPEN</b>
<b>November 14, 2023</b>	<b>Tsukuba-Miraidaira (in Ibaraki)</b>	<b>OPEN</b>
Spring in 2024	Ikegami (in Tokyo)	*under consideration
Spring in 2024	Nakameguro (in Tokyo)	*under consideration
Autumn in 2024	Kikuna (in Kanagawa)	*under consideration
In 2025	AEON TOWN Odawara (in Kanagawa)	*under consideration
Spring in 2026	Across Plaza Kita-Kashiwa (in Chiba)	*under consideration

### Tokai Area

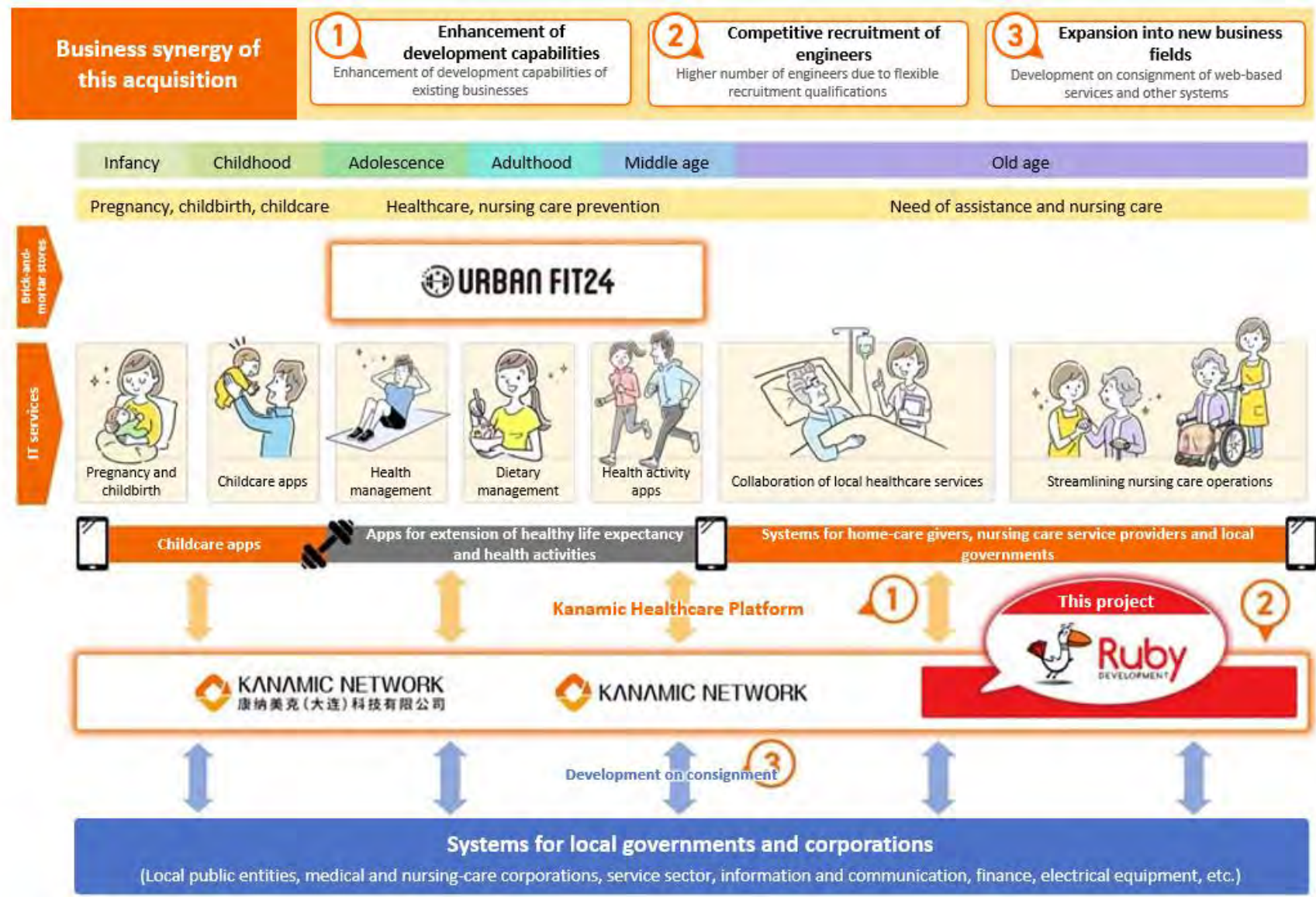
<b>November 4, 2023</b>	<b>Nagoya-Maizuru (in Aichi)</b>	<b>OPEN</b>
Spring in 2025	Forest Mall Tokai City (in Aichi)	*under consideration

### Kansai Area

<b>March 13, 2023</b>	<b>Osaka-Fukushima (in Osaka)</b>	<b>OPEN</b>
<b>June 30, 2023</b>	<b>Qanat Nishi-Kobe (in Hyogo)</b>	<b>OPEN</b>
<b>August 7, 2023</b>	<b>Nishimiya-imazu (in Hyogo)</b>	<b>OPEN</b>
Spring in 2024	Cross City Benten-cho (in Osaka)	*under consideration
Autumn in 2024	AEON TOWN Abiko (in Osaka)	*under consideration
Autumn in 2024	AEON TOWN Neyagawa (in Osaka)	*under consideration

We are moving forward with plans to open new stores mainly in the above areas. (including franchisees)  
Preparation: Contract execution level, Under consideration: Store opening application level

# 2-8. Business Structure of Group Companies and Business Synergy

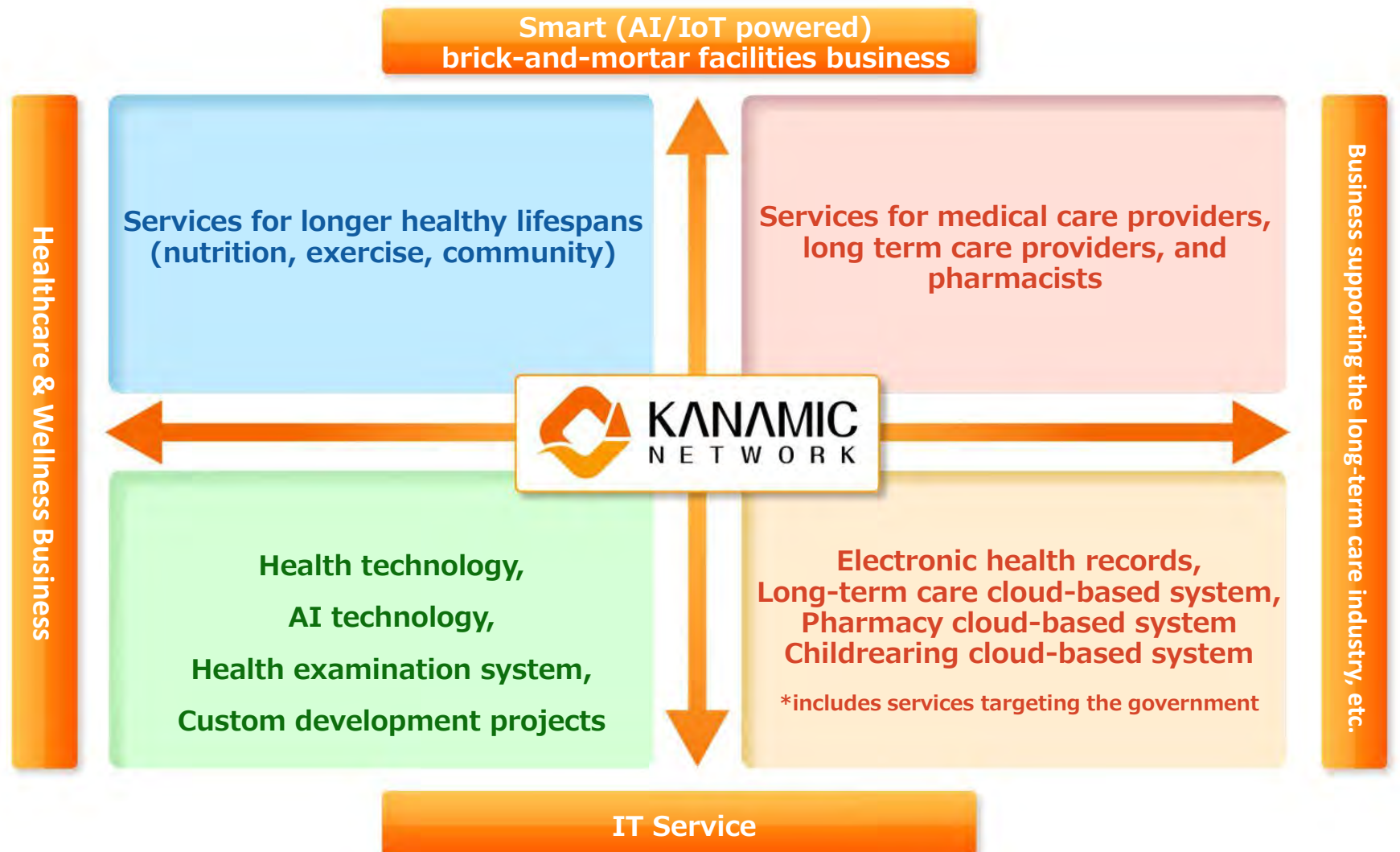


Ruby development will be an important development resource for the Kanamic Group, not only as a company that brings great strength to further promote the development of cloud platform services, but also to expand the solution contract development business, including web and hardware, taking advantage of the high productivity of the Ruby language and its strength in supporting the development of mega ventures and startup companies.

# 2-9. Kanamic's M&A Strategy

## ■ Targeting M&A (and capital/business alliance) candidates that fit Kanamic's purpose & values

Identifying strategic synergies to accelerate the realization of the Kanamic Healthcare Platform;  
Smart (AI/IoT powered) brick-and-mortar facilities present opportunities for data gathering





## 3.Topics



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# 3-1. Our Group Information

November 7, 2023

“URBAN FIT24 Umeda” is the first 24-hour fitness gym in Japan to be certified as a "Designated Exercise Therapy Facility".



URBAN FIT24 Umeda, operated by our subsidiary Urban Fit Inc., has been certified as a "health promotion facility" and a "designated exercise therapy facility" by the Minister of Health, Labor and Welfare. With this certification, Urban Fit will launch a new fitness gym service that enables medical cooperation.

This is the first 24-hour fitness gym in Japan to be certified as a "Designated Exercise Therapy Facility" and the first fitness gym in Osaka City to be certified as a "Designated Exercise Therapy Facility" (\*).

We will continue to provide unique "medical fitness" services that offer peace of mind to customers based on medical cooperation, and aim to be certified as a "Designated Exercise Therapy Facility" not only at the Umeda location but also at all of our other locations.

※Reference; Ministry of Health, Labour and Welfare web site (As of October 25, 2023)

November 6, 2023

### Urban Fit opened its 20th store “URBAN FIT 24 Tsukuba-Miraidaira”, the first store in Ibaraki !



Urban Fit, which operates 19 24-hour fitness gyms mainly in Osaka Prefecture, is pleased to announce the grand opening of its first Ibaraki Prefecture location, “URBAN FIT24 Tsukuba- Miraidaira” on Tuesday, November 14.

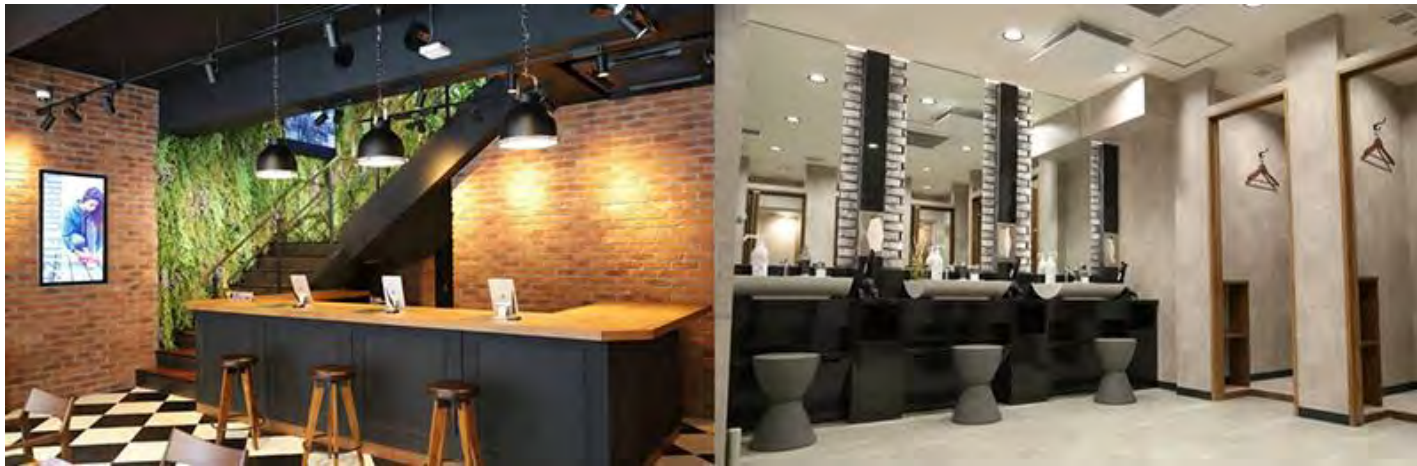
Unlike conventional 24-hour fitness gyms with minimal interior design and machines, URBAN FIT24 offers a full range of facilities, high-quality space, and hospitality services designed to improve members’ life performance.

Furthermore, in May 2022, after becoming a major medical and nursing care cloud service group company, we introduced our original “Kenkatsu Coach App,” which utilizes healthcare data and IT, and exercise programs supervised by physical therapists and tailored to each individual’s body. We will provide even more fulfilling services!

# 3-3. Our Group Information

October 26, 2023

## Urban Fit has been granted a Patent Office Design Registration for the interior space of the 24-hour fitness gym



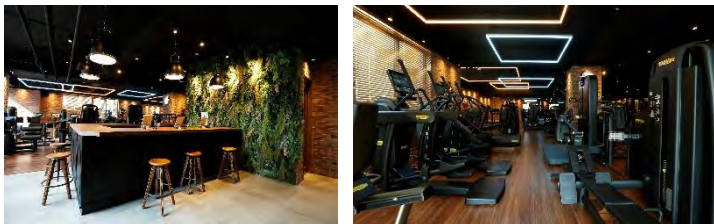
Urban Fit has been granted a design registration for the interior of “URBAN FIT24,” a 24-hour fitness center with 19 stores mainly in Tokyo, Osaka, and Aichi.

URBAN FIT24 is a stylish and comfortable fitness center based on the concept of "keep your mind and body active and healthy. The concept of "URBAN FIT24" is to create a stylish and comfortable space.

The design registration was granted in recognition of its interior design, which is different from conventional 24-hour fitness gyms that only have a minimal interior and a row of machines.



## Urban Fit opened its 19th store “URBAN FIT 24 Nagoya-Tsurumai”, the first store in Aichi !



Urban Fit, which operates 19 24-hour fitness gyms mainly in Osaka Prefecture, is pleased to announce the grand opening of its first Aichi Prefecture location, “URBAN FIT24 Nagoya-Tsurumai” on Thursday, November 4.

Unlike conventional 24-hour fitness gyms with minimal interior design and machines, URBAN FIT24 offers a full range of facilities, high-quality space, and hospitality services designed to improve members’ life performance.

Furthermore, in May 2022, after becoming a major medical and nursing care cloud service group company, we introduced our original “Kenkatsu Coach App,” which utilizes healthcare data and IT, and exercise programs supervised by physical therapists and tailored to each individual’s body. We will provide even more fulfilling services!

## Long-term Care Industry Major NICHII HOLDINGS Adopts Kanamic Cloud Services



Kanamic Cloud services have been adopted by NICHII HOLDINGS CO., LTD. (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Nobusuke Mori; hereinafter "NICHII HOLDINGS"), which has begun introducing Kanamic cloud services at the long-term care sites of its subsidiary NICHIIIGAKKAN CO., LTD. to renew the long-term care business system and improve operational efficiency and productivity.



# Notice Concerning Acquisition of Shares of Ruby Development Inc. (Full Ownership)



Ruby, in which we plan to acquire shares, is an IT company specializing in Ruby-language system development. What customers expect in recent system development and DX (digital transformation) is agile, high functional speed development over time-consuming, waterfall-type development. Thus, the Company is required to launch new products at a higher rate than its competitors. Ruby is skilled in high-speed development in response to current needs, and has won contracts with a large number of major clients. We anticipate strong synergy between Ruby's system development business and providers of cloud and web-based services like ourselves. Therefore, the acquisition will be a powerful driving force for us in providing higher value-added services as an IT company centering on healthcare and health-tech services.

## Notice Concerning Revision of Dividend Forecast (Dividend Increase)

### ■ Reason for Revision of Dividend Forecast

The Company regards the return of profits to shareholders as one of its key tasks. In order to realize the return of profits to shareholders over the long term, the Company considers it necessary to enhance internal reserves and actively develop business in anticipation of environmental changes. The Company is currently in the process of growth, and believes that investing and taking other measures to strengthen its financial position and expand its business by enhancing internal reserves will maximize the return of profits to shareholders. Meanwhile, the Company's dividend policy is based on a comprehensive assessment of the return of profits to shareholders and the enhancement of internal reserves, with a commitment to a flexible approach in accordance with the state of performance and market trends. Following the above mentioned policy, the Company previously determined the dividend amount based on a minimum payout ratio of 20%. However, in light of business performance and current market trends, the Company now plans to determine the dividend amount based on a minimum payout ratio of 30%. In consideration of this policy change and the trend of the current fiscal year's performance, the Company has decided to increase the year-end dividend amount for the year ending September 30, 2023 from the previous forecast of 3.50 yen per share to 5.50 yen per share.

### ■ Details of Revision

	Annual Dividend				
	End of 1Q	End of 2Q	End of 3Q	End of Year	Total
Previous Forecast (Announced November 8, 2022)	Yen —	Yen 0.00	Yen —	Yen 3.50	Yen 3.50
Revised Forecast				5.50	5.50
Current Fiscal Year	—	0.00	—		
Previous Fiscal Year (Ended September 30, 2022)	—	0.00	—	3.00	3.00

# Kanamic Cloud Services passed vendor's examination of care plan data collaboration, conducted by the All-Japan Federation of National Health Insurance Organizations

In the vendor's examination of care plan data collaboration conducted by the All-Japan Federation of National Health Insurance Organizations, Kanamic Cloud Services satisfied the following requirements.

Care plan data collaboration, a system developed by the All-Japan Federation of National Health Insurance Organizations, enables collaboration of certain information (schedule and results) exchanged between in-home long-term care support offices and long-term care service offices. The system allows care plans (service records) to be sent in electronic format, which can reduce operational burden.

### Care Plan Data Collaboration System

- **Sending function: In order**
- **Receiving function: In order**

### Long-term care software

- **Data importing function: In order**

## 3-9. Certification Information

May 31, 2023

For the first time in the industry, Kanamic Cloud Services obtained the Service Organization Control 1 (SOC1) Type 2 report ("SOC1® Type 2 report") , which evaluates Kanamic's internal controls concerning contract operations



The company hereby announces that it obtained from the corporate auditor the Service Organization Control 1 (SOC1) Type 2 report ("SOC1® Type 2 report") for Kanamic Cloud Services in accordance with the International Standard on Assurance Engagements No. 3402 (ISAE 3402) issued by the International Federation of Accountants (IFAC) and the Statement on Standards for Attestation Engagements No. 18 (SSAE 18) issued by the American Institute of Certified Public Accountants (AICPA) on May 31, 2023,

for the first time in the industry. The company will strive to be compliant with these standards continuously in order to maintain Kanamic Cloud Services to be reliable for the users.

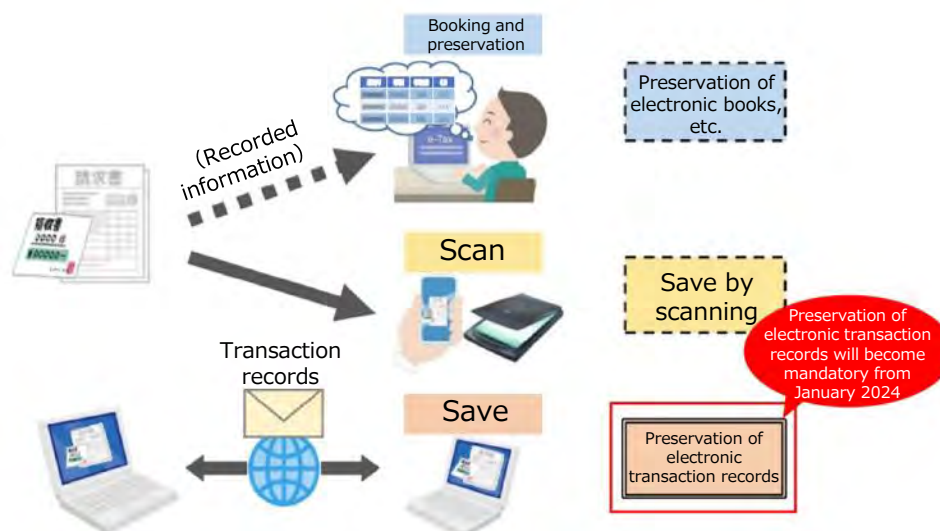


## Nursing care operation support system of Kanamic Cloud Services complies with the Act concerning Preservation of Electronic Books.

Kanamic Cloud Services provided by the Company has become compliant with the Act concerning Preservation of Electronic Books. Regarding the outline of the Act concerning Preservation of Electronic Books and responsive actions to be taken by nursing care companies, the Company will make appropriate proposals to each of the users.

The Act concerning Preservation of Electronic Books is an act that allows national taxation-related books and documents to be preserved in electronic format. Taxation-related documents had been preserved as paper documents in principle, but the Act stipulates that such documents can be preserved in electronic format if certain preservation conditions are met.

The revised Act concerning Preservation of Electronic Books, which took effect in January 2022, requires electronic transaction records to be preserved as electronic data. As it needs knowledge, investment, and time to make electronic preservation mandatory, a period of moratorium is placed for two years until the end of December 2023 as a safe harbor rule.



Source: Extracted from "The Act concerning Preservation of Electronic Books has been revised (Revised in December 2021), a brochure prepared by the National Tax Agency, and edited partially.

April 5, 2023/ April 11, 2023/ April 21, 2023

## Notice Regarding the Purchase and Cancellation Date of the 1st series Unsecured Convertible Bonds with Stock Acquisition Rights (with inter-bond pari passu clause) Maturing 2026 by Third Party Allotment

At a meeting of the Board of Directors held on April 5, the Company resolved to issue, by way of third-party allotment, the first series of unsecured convertible bonds with 120% soft call clause (with a limited pari passu clause between convertible bonds with stock acquisition rights) issued on August 4, 2021 (the "Bonds") to Kanamic Network, Inc. ) (the "Convertible Bonds"), of which only the bonds are referred to as the "Bonds"). ("Credit Suisse Securities"), the allottee, with respect to the Convertible Bonds (with a total face value of 2 billion yen) (the "Convertible Bonds", of which only the Bonds will be referred to as the "Bonds"). ("Credit Suisse Securities"), the allottee, to purchase all of the Bonds currently held by Credit Suisse Securities and to cancel all of the Bonds at the same time.

### **【the Purchase and Cancellation Date 】**

Purchase date : April 21, 2023

Cancellation date : April 21, 2023

### **【 Future outlook】**

The impact of the purchase and cancellation of the Bonds on consolidated financial results for the fiscal year under review will be negligible, but the Company will promptly provide notice in the event that matters requiring announcement occur in the future. Furthermore, there is no change to the long-term vision described in the press release dated November 2, 2021, entitled "Kanamic Vision 2030 Medium-term Objectives / Management Plan (2022-2024)."

April 6, 2023

## Urban Fit opened its 16th store “URBAN FIT 24 Bunkyo-Otowa”, the first store in Tokyo!



Urban Fit, which operates 15 24-hour fitness gyms mainly in Osaka Prefecture, is pleased to announce the grand opening of its first Tokyo Prefecture location, “URBAN FIT24 Bunkyo-Otowa” on Tuesday, May 16.

Unlike conventional 24-hour fitness gyms with minimal interior design and machines, URBAN FIT24 offers a full range of facilities, high-quality space, and hospitality services designed to improve members’ life performance.

Furthermore, in May 2022, after becoming a major medical and nursing care cloud service group company, we introduced our original “Kenkatsu Coach App,” which utilizes healthcare data and IT, and exercise programs supervised by physical therapists and tailored to each individual’s body. We will provide even more fulfilling services!



## Urban Fit opens its 15th store

### Grand Opening of "URBAN FIT 24 Osaka Fukushima Store"



(headquartered in Osaka-shi, Osaka; Keiji Yamamoto, Representative Director; hereinafter "Urban Fit"), a subsidiary of Sumitomo Corporation, newly opened its 15th fitness center, "URBAN FIT 24 Osaka Fukushima," in Fukushima-ku, Osaka, on Monday, March 13, 2012.

Unlike conventional fitness gyms with minimal interior design and machines, URBAN FIT 24 is characterized by its high-quality space and hospitable, high-quality service. We provide the best fitness life for everyone at a price that satisfies you.

Urban Fit became our group company in May 2022. In the future, we will provide medical care data and ICT-based support for extending healthy life expectancy through our exclusive application, and strive to provide even more fulfilling services.



March 8, 2023

## Kanamic Network Recognized under the “2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program”



2023

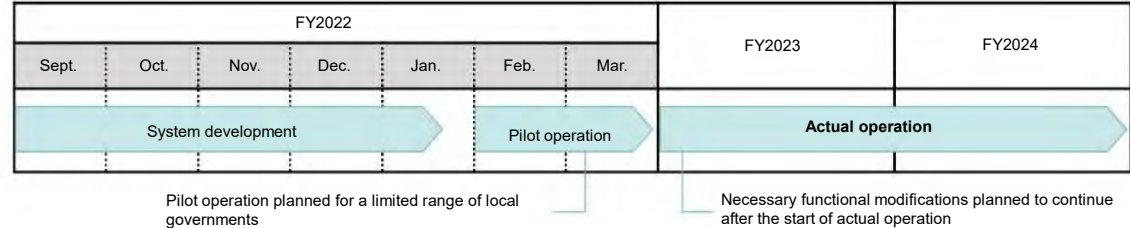
健康経営優良法人

Health and productivity

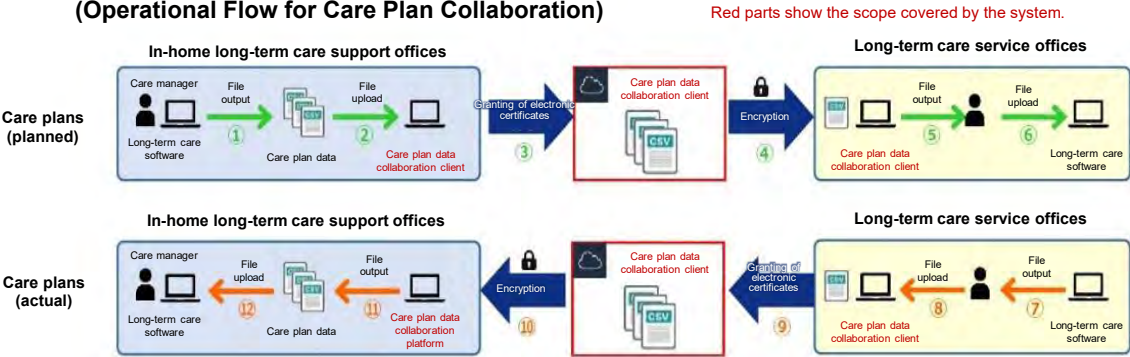
Based on initiatives that address local health issues and health promotion efforts promoted by the Japan Health Council, the Ministry of Economy, Trade and Industry, the Ministry of Health, Labor and Welfare, and the Japan Health Council jointly selected the company as one of the "Corporations with Excellent Health Management 2023" to honor large corporations and small and medium-sized companies that are implementing particularly excellent health management practices.

# Kanamic Cloud Services Long-Term Care Business Management System to Be Compatible with “Care Plan Data Collaboration”

● **Proposed Schedule Until Start of Operation**



● **System Overview**  
(Operational Flow for Care Plan Collaboration)



\* Sufficient consideration is given to security measures to ensure information can be exchanged with peace of mind.

Source: Extract from “Care Plan Data Collaboration System Flyer Ver. 2,” All-Japan Federation of National Health Insurance Organizations

Kanamic Network will support the “Care Plan Data Collaboration System,” which the All-Japan Federation of National Health Insurance Organizations will begin operating in April 2023.

In addition, the Company will provide functions that enable users and partners of Kanamic cloud services to collaborate on care plans free of charge, even between different long-term care software.

# 3-16. Compliance with revised laws and regulations

February 24, 2023


## Kanamik Cloud Service: Elderly Care Business Management System to Support the Issuance of “Invoices (Qualified Invoices)”

請求書

(株)〇〇御中

▲▲▲▲(株)  
登録番号 \T123456...

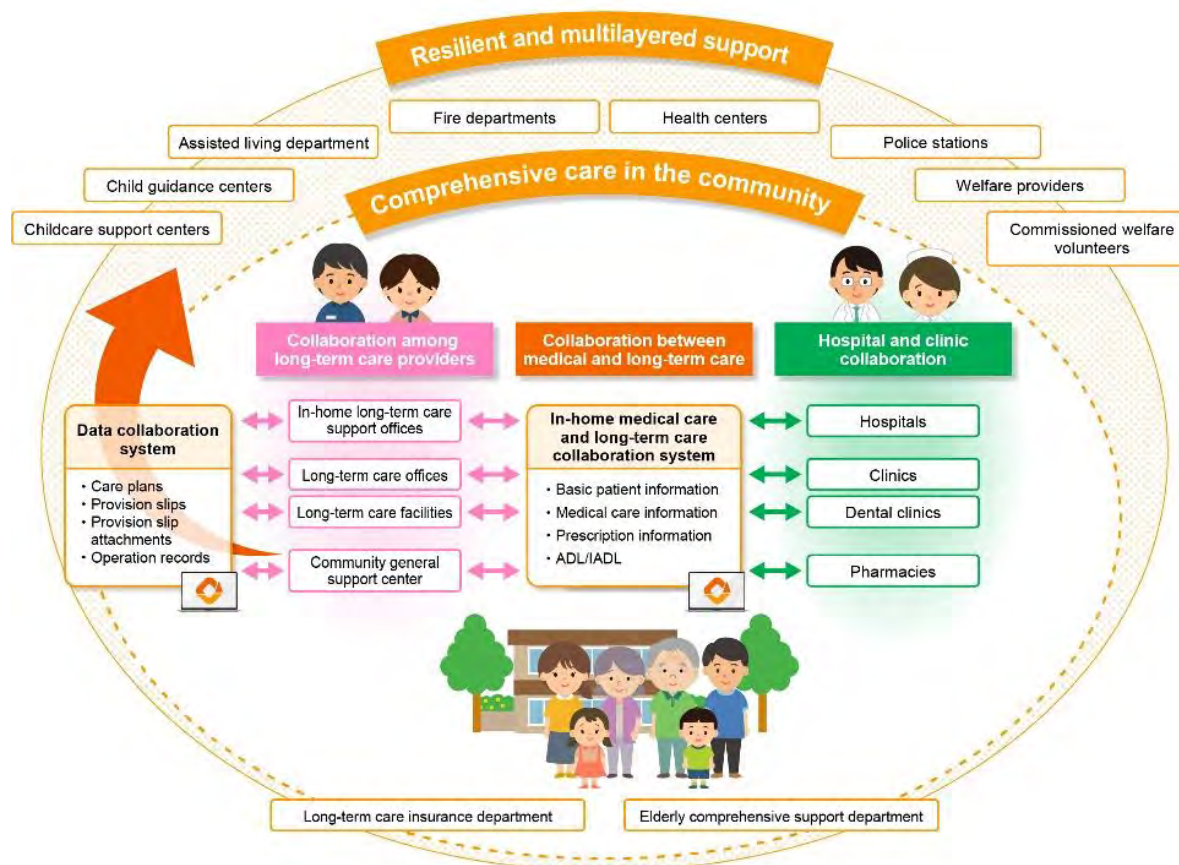
日付	品名	金額
11/1	品目 A※	5,000 円
11/2	品目 B※	10,000 円
11/4	品目 C	1,000 円
11/10	品目 D	2,000 円
		※軽減税率対象
8%対象	15,000 円	消費税 1,200 円
10%対象	3,000 円	消費税 300 円



We will support invoices (qualified invoices) in the nursing care business support system of Kanamik Cloud Service. We will continue to respond to legal system revisions that affect our users and make further contributions to the operational efficiency of nursing care facilities.



## Urayasu City in Chiba Prefecture Begins Operation of In-Home Medical Care and Long-Term Care Collaboration System Utilizing Kanamic Cloud Services

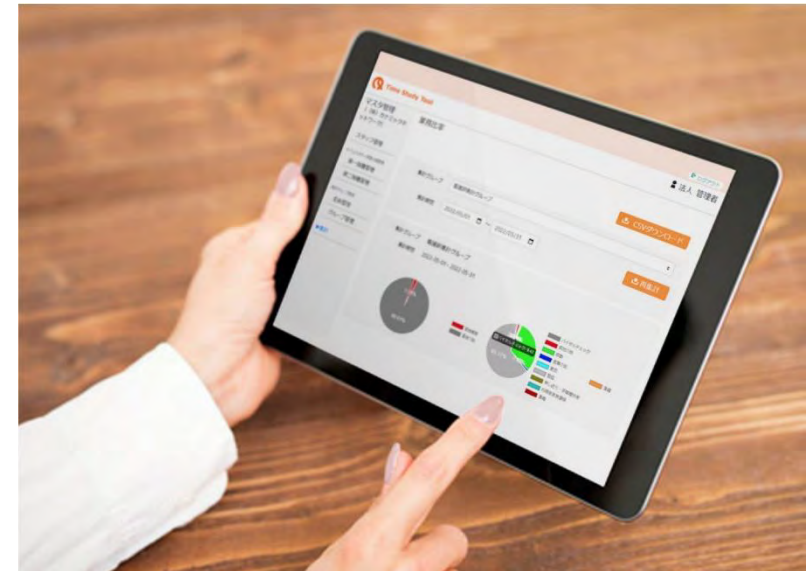
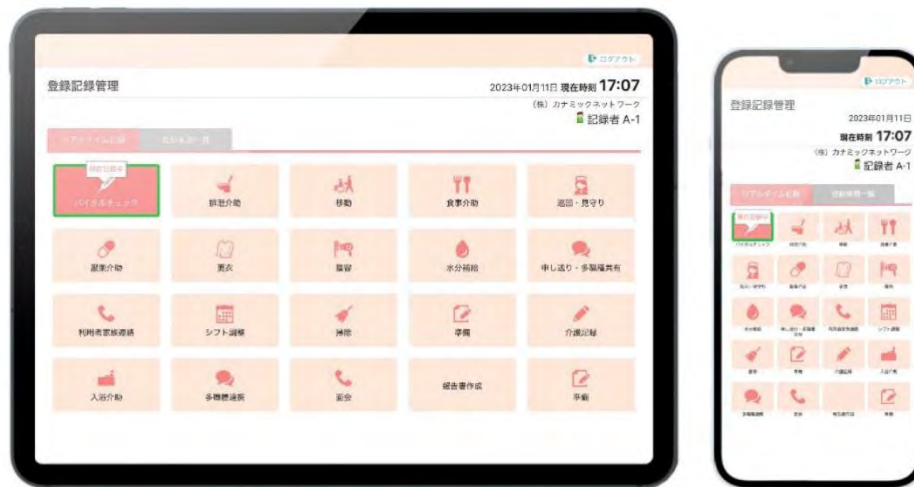


Urayasu City has introduced the Kanamic Cloud Service Information Sharing System, which is equipped with functions for sharing information on home care patients, to support the work of multiple medical and nursing care professions involved in home care patients. This will enhance the system for providing home medical and nursing care services, and improve the quality of life of those receiving care at home. The system also serves as a platform for care plan data linkage based on the "standard specifications for data linkage between home care support offices, care service providers, and medical institutions," as stipulated by the Ministry of Health, Labour and Welfare. The system contributes to operational efficiency, cost reduction, and improvement of the working environment.

# 3-18. Model Project for Introducing ICT for Nursing Care

January 27, 2023

"Working Hours Visualization Tool" Utilized to Examine Productivity Enhancements for Nursing Care in "JS Model Project for the Introduction of Nursing Care ICT"



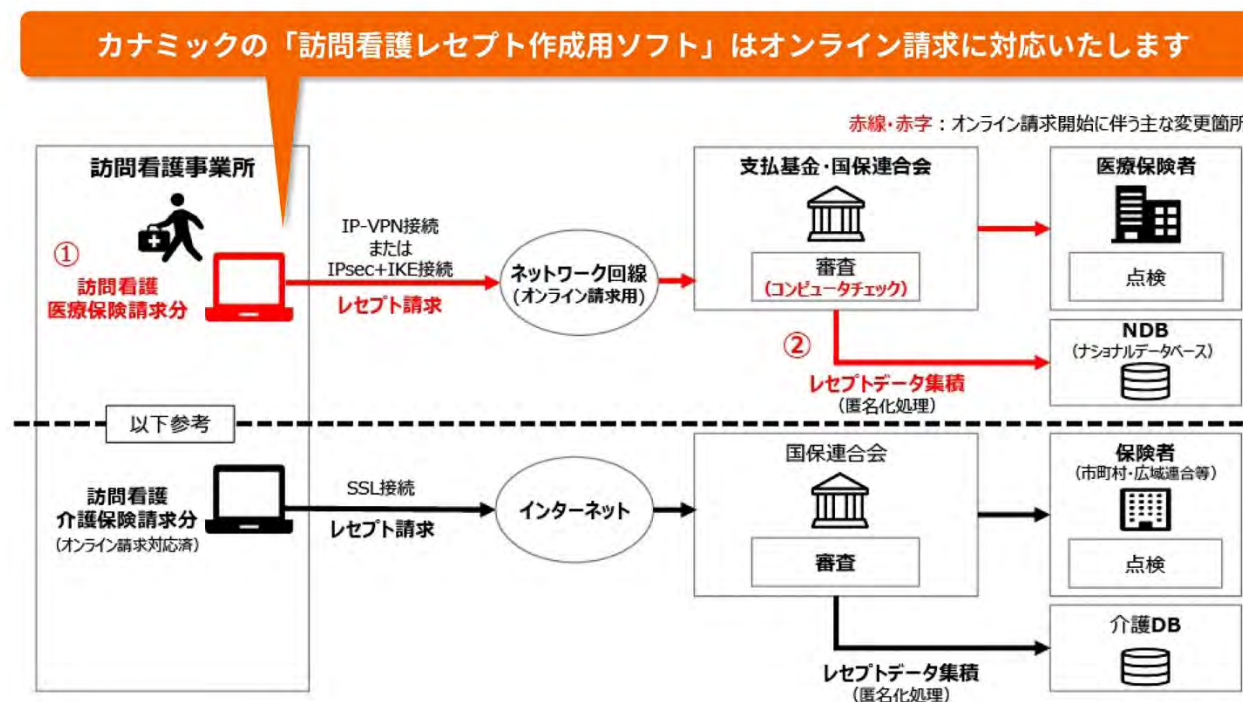
Japanese Council of Senior Citizens Welfare Service

<https://www.roushikyo.or.jp/?p=we-page-menu-1-3&category=19326&key=19364&type=contents&subkey=392733>

The "Working Hours Visualization Tool (Time Study Tool)" offered by Kanamic Network was utilized in the "JS Model Project for the Introduction of Nursing Care ICT (hereinafter, the "Project")" carried out by the Japanese Council of Senior Citizens Welfare Service (location: Chiyoda-ku, Tokyo; Chairperson: Akira Hiraishi; hereinafter, "JS") between September 2021 and August 2022.

The Company will apply the expertise gained through "Kanamic cloud services" to make further contributions to the dissemination and promotion of AI, IoT, and big data in the nursing care field.

## Kanamic Cloud Service will support E-Billing system for home nursing



<Reference> [https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/0000190624\\_00002.html](https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/0000190624_00002.html)

E-Billing for home nursing receipts (medical insurance claims) will begin in May 2024, and paper-based billing will basically be replaced by online billing. Kanamic Cloud Service will support home-visit nursing facilities in response to this change.

# 3-20. Childcare Support System

October 27, 2022

Risk Assessment AI Evaluation System for Children in Need of Support Received  
Award of Excellence in Childcare ICT Division, BabyTech® Awards 2022



BabyTech® Awards 2022 <https://babytech.jp/bta2022/>

Kanamic Network was selected for the Award of Excellence in the Childcare ICT Division for its risk assessment AI evaluation system for children in need of support (referred to below as “the system”) that uses the Company’s proprietary AI at BabyTech® Awards 2022, a contest organized by Papasmile (Address: Chiyoda-ku, Tokyo, Representative Director: Tetsuya Nagata) to recognize outstanding childcare IT products, services, and appliances.

The Company will make further contributions by reflecting Kanamic cloud services and the expertise cultivated through the Ministry of Internal Affairs and Communication’s regional IOT implementation project adopted in fiscal 2019 in the diffusion and promotion of AI, IoT, and big data in the field of parenting as well as the PHR model aimed at support by local governments for safe and secure child rearing.



## 4. Company Profile and Business Outline



**KANAMIC NETWORK**

# 4-1. Overview of the Kanamic Group

## Company Name

Kanamic Network Co., Ltd

## Date of Establishment

October 20th, 2000

## Paid in Capital

JPY324,120,000 (capital reserve; JPY132,060,000)

## Stock Listings

Tokyo Stock Exchange Prime Market (Securities Code: 3939)

## Business Offices

Tokyo Head Office, Nagoya Sales Office, Osaka Sales Office, Hiroshima Sales Office, Fukuoka Sales Office, Okinawa Sales Office

## Business Area

To provide cloud services in medical, nursing and childrearing fields  
To provide cloud services in medical, nursing and childrearing fields

## Group Companies



**KANAMIC NETWORK**  
康纳美克(大连)科技有限公司

Kanamic (Dalian) Technology Co., Ltd.  
Software development (web systems, AI/IoT, apps)



**URBAN FIT24**

Urban Fit Co., Ltd.  
24-hour fitness gyms and franchise operation



**Ruby**  
DEVELOPMENT

Ruby Development Co., Ltd.  
Software development by Ruby Language

## Number of Group Employees

286 (as of September 30, 2023)

April 4, 2022  
Shift to Prime Market



Securities Code: 3939

## 4-2. CEO Profile



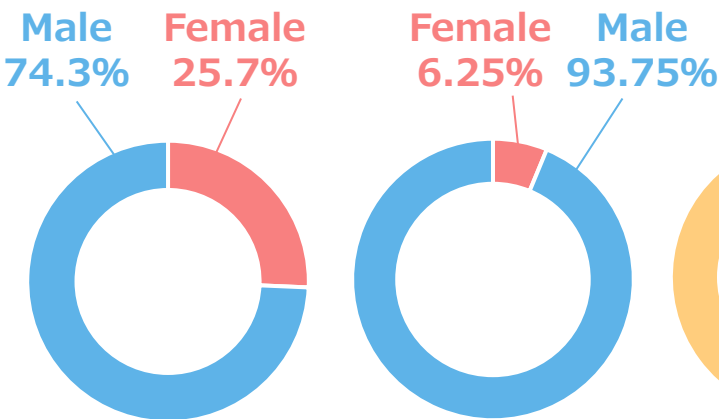
Representative Director and President

# Takuma Yamamoto

- 1978** Born in Kyoto, Kyoto Prefecture
  
- 2000** Graduated University, Joined Fujitsu System Solutions Ltd. (currently Fujitsu Ltd.)  
Within Fujitsu's "internet division", engaged in planning & development of in- house products as well as large-scale "entrusted development", etc.
  
- 2005** Joined Kanamic Network Co., Ltd., Executive Director
  
- 2011 -** Joint researcher, Institute of Gerontology, The University of Tokyo
  
- 2012 -** Visiting Researcher, National Cancer Center
  
- 2014** Representative Director and President of Kanamic Network (current position)
  
- 2016** Kanamic Network listed on the Mothers Market of the Tokyo Stock Exchange (TSE)
  
- 2018** Advisor, Japan Startup Support Association (current position)  
Kanamic Network listed on the 1st Section of the TSE
  
- 2020** Director, The Tokyo New Business Conference (current position)
  
- 2022** Shift to Prime Market of the TSE  
Chairman of the Board, Urban Fit Co., Ltd. (current position)
  
- 2023** Representative Director and President of Ruby Development (current position)
  
- (Other)** Served as a committee member on the Ministry of Health / Ministry of Internal Affairs' Committee for Drafting Guidelines on healthcare/elderly-care/childcare/ICT

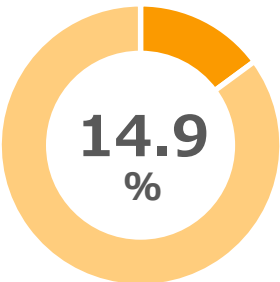
# 4-3. Human Capital Management

【Non-Consolidated】

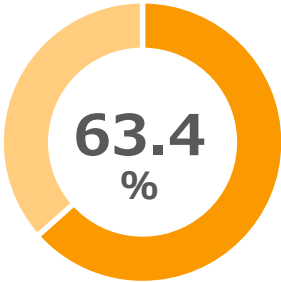


Male-to-female ratios

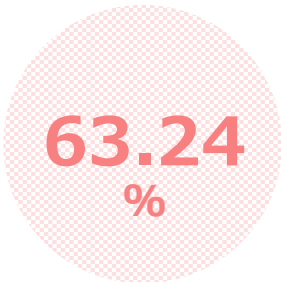
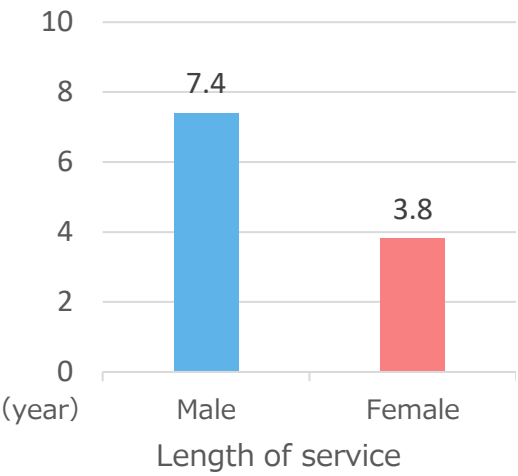
Proportion of women in managerial posts



Turnover



Paid vacation usage rate



Gender wage gap



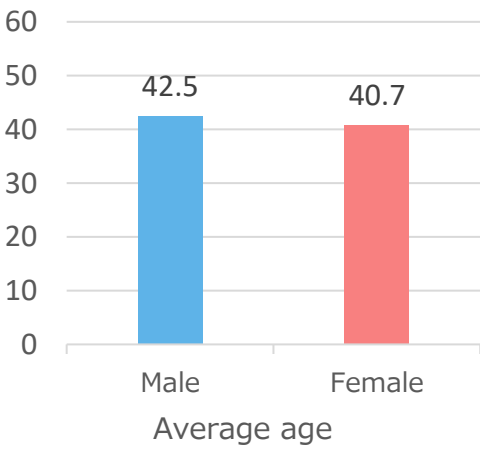
Female childcare leave rate



Return rate after female childcare leave



Average annual salary



Male childcare leave rate : 0 %  
※There was one male eligible for maternity leave.  
(No request for maternity leave)



# Cloud technology for all stages of life

### Purpose & Values

---

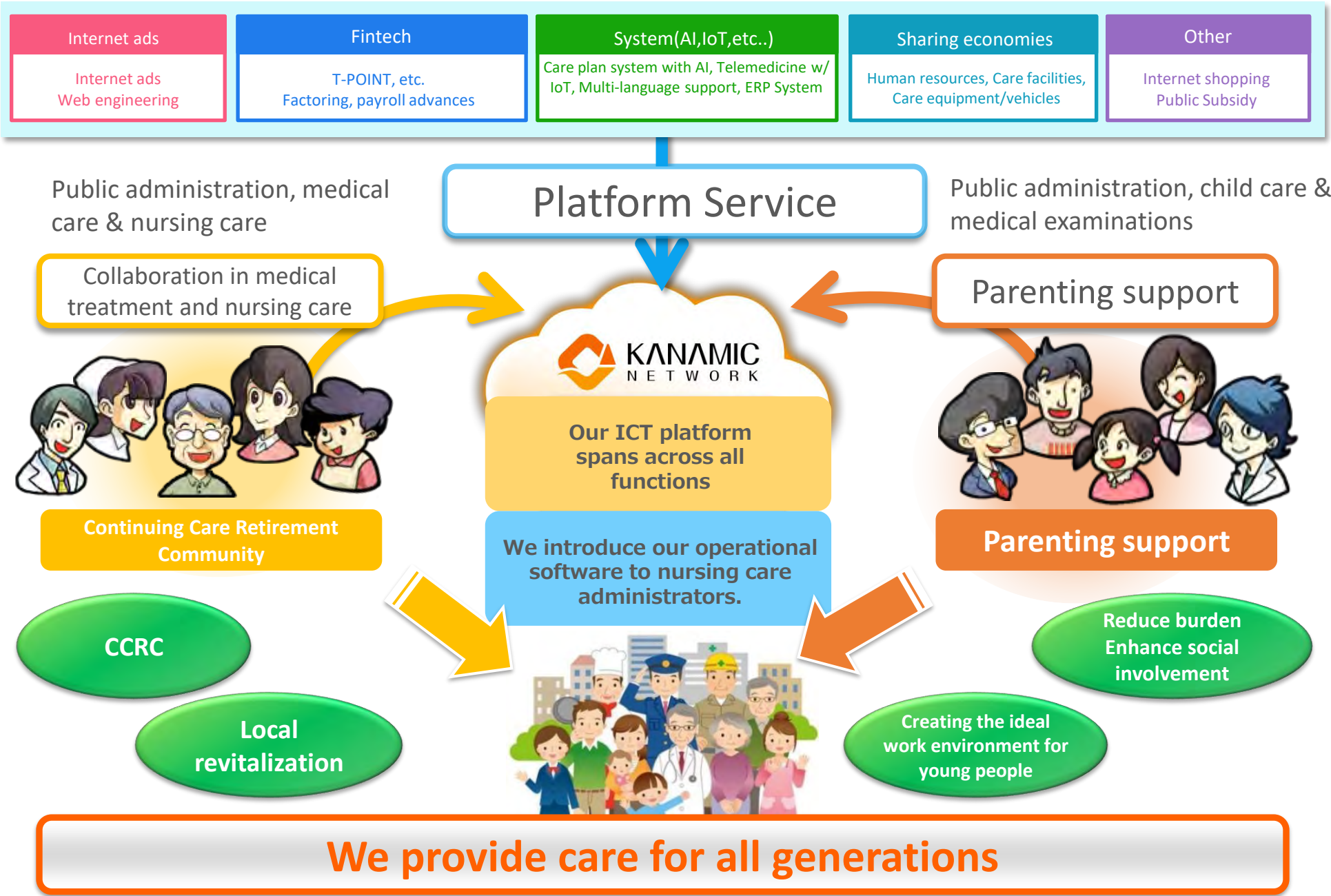
We strive to contribute to people and society through “cloud technology for all stages of life”.  
Going forward, we will capitalize on opportunities for bringing Digital Transformation (DT) to aging populations in Japan and the rest of the world with our cloud platform. In doing so we seek to contribute to the development of a more sustainable and healthier future for humanity.

### Origin of our name

---

Kanamic Network traces the origins of our name to our ideal of developing a network to breathe life into elderly care, and it is composed of three keywords: “KAigo” (Japanese for “elderly care”) + “DyNAMIC” + “Network.”

# 4-5. Our Goals





# 4-6. Cloud Service : Medical & Nursing Care

\*Many other functions are available

## 2nd layer

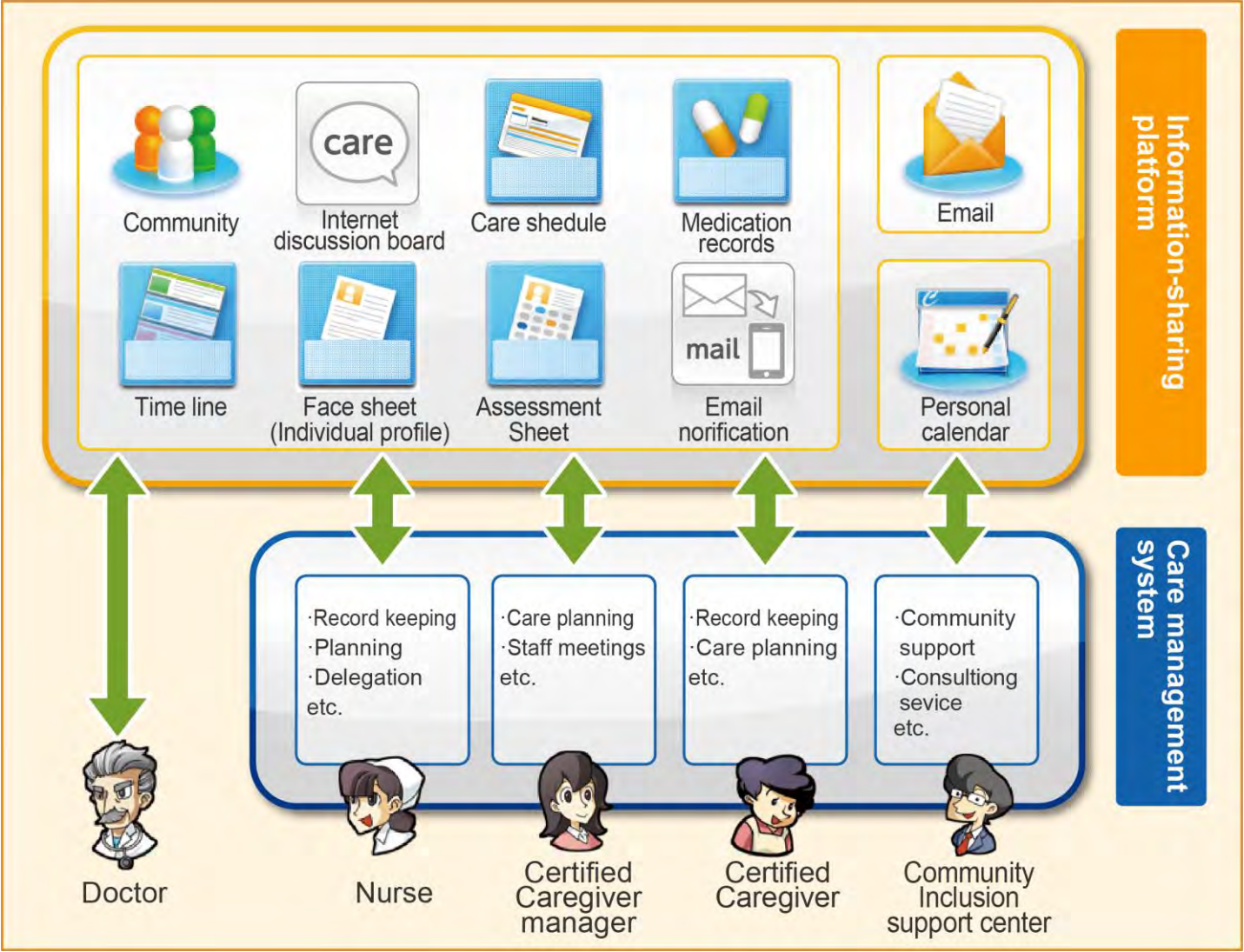
information-sharing platform is introduced into the whole area with an aspect

### 2nd layer Paying user

- Municipalities
- Regional Comprehensive support centers
- Medical associations
- Central hospitals
- Home care doctors

### 1st layer Paying user

- Care manager
- Care providers
- Community inclusion support center

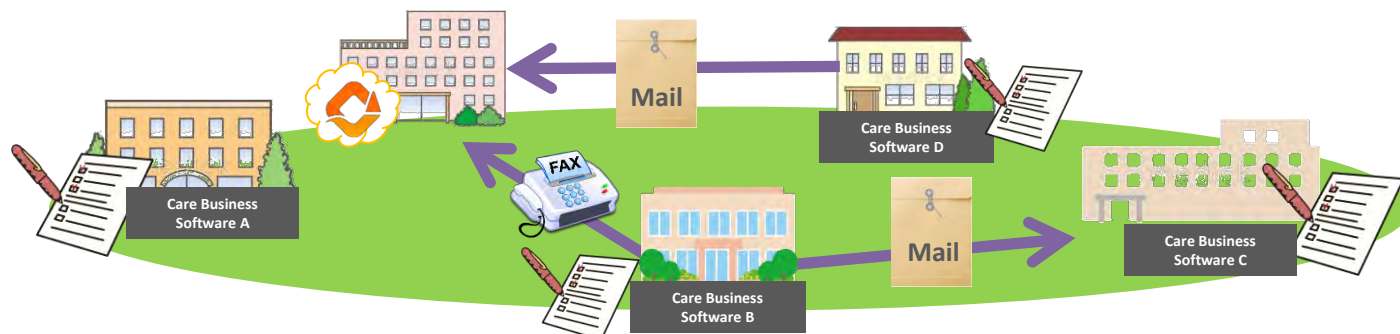


## 1st layer

Care management system is introduced into every corporation, company

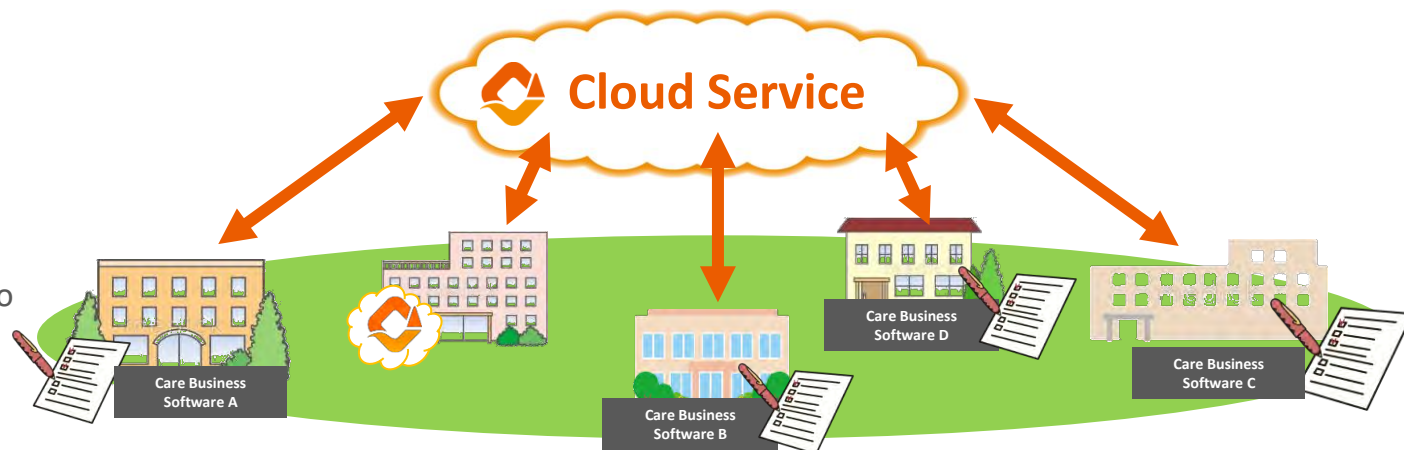
## STEP.1

No information distribution system is in place. Each facility uses different software and there are separate communication channels among parties that utilize postal and FAX.



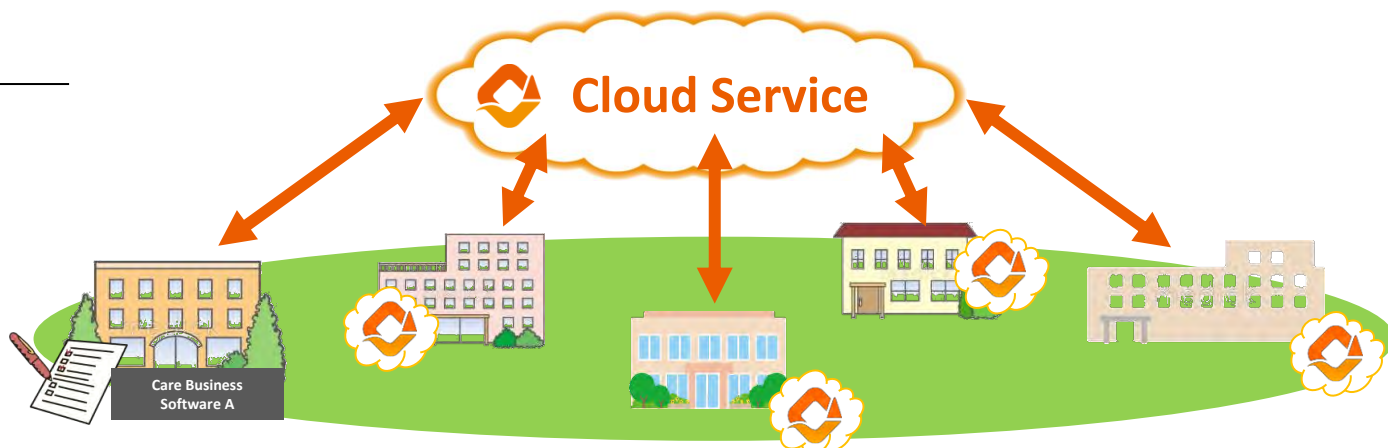
## STEP.2

Our product is installed for regional nursing care information distribution(2nd layer), which leads to smoother distribution of information. However paperwork is still required on site.

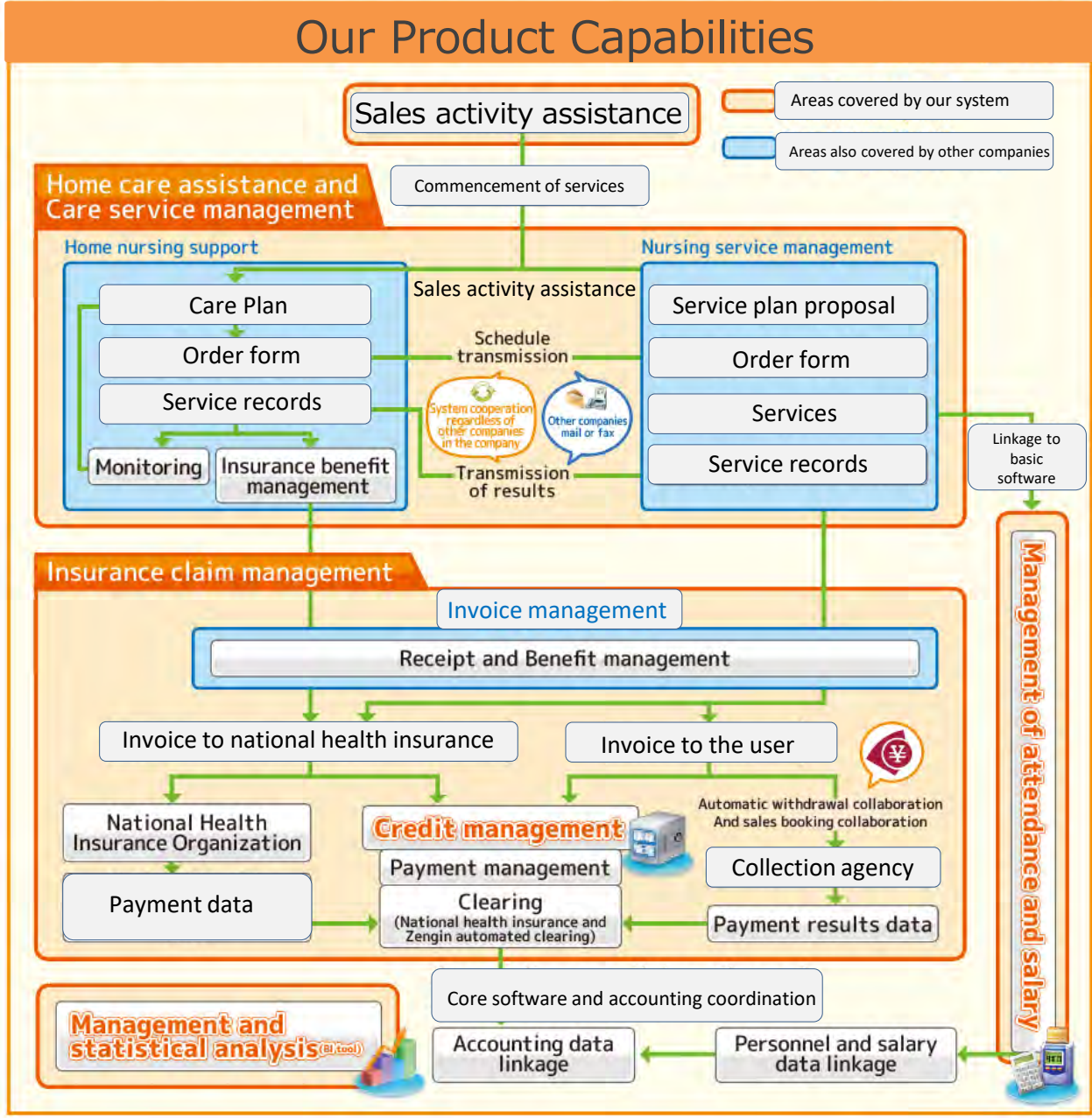


## STEP.3

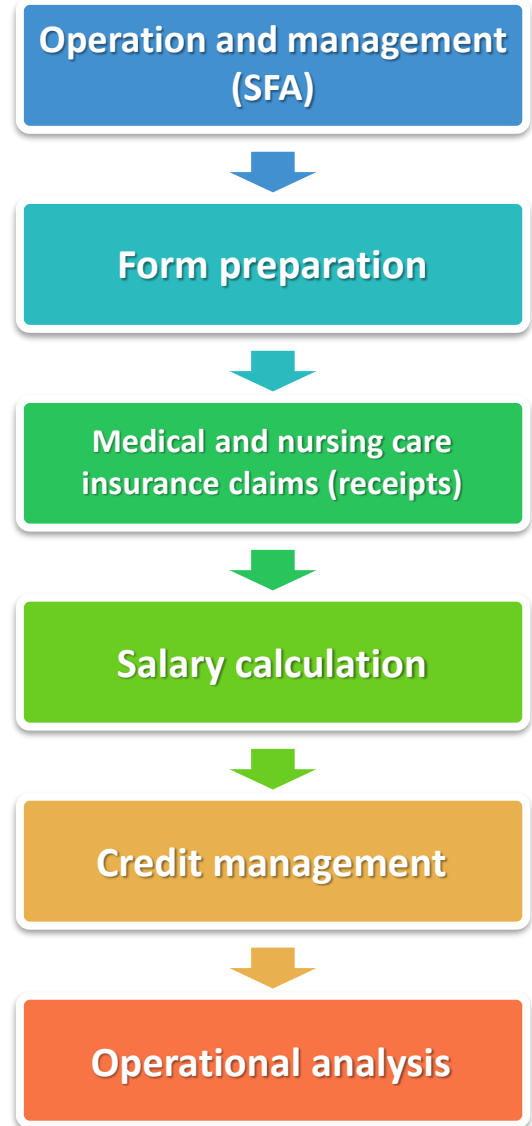
Our product is used in nursing care business administration (1st layer). By using KANAMIC Cloud, administrative work becomes more efficient and leads towards achieving a paperless operation.







Extensive lineup supporting the management of nursing care business



## System screen

Room for each care recipient



2nd layer Manager

- Municipalities
- Medical associations
- Central hospitals
- Home care doctors

Only accessible to approved persons involved in the care of care recipient



**TRITRUS**  
サンプル事業所のケアマネ 花子さん こんにちは。

コミュニティ  
マイページ 参加コミュニティ一覧 介護力ナさんの部屋

前の画面へ戻る

**介護力ナさんの部屋**

本人・家族招待  
[利用者情報の名寄せ]

この部屋の管理者  
サンプル事業所  
ケアマネ 花子  
⇒管理者機能

参加者  
サンプル事業所  
ケアマネ 花子 主担当者  
栄養士 和子 副担当者  
ヘルパー 千恵子 主担当者  
ヘルパー 次郎 主担当者  
サンプル居宅介護支援事業  
ケアマネ 幸子

説明・確認事項	基本情報・地図	住宅情報	家族情報	医療情報	介護情報
身体・生活	認知・精神	社会	温度板	食事・排泄	備考

上の項目をクリックして表示・非表示できます→

■ 血圧(上) ■ 血圧(下) ■ 体温 ■ 脈拍 ■ SpO2

血圧  
脈拍  
SpO2

体温

日付

過去の記録を見る

フェイスシート 新規作成 2013/02/15  
サービス カレンダー 2013/02/06  
おくすり手帳 2013/02/15  
アセスメント (認定調査票) 2013/02/15  
訪問口歴ケア チェックシート 2013/01/23  
データフォルダ 2013/07/23  
タイムライン

**ケアレポート** 新しくトピックをつくる ?

トピック	書込数(未読数)	最終更新日
利用者情報共有板	>>見る 3(未2)	2012/2/16 11:07
重要!蕎麦アレルギーについて	>>見る 3(未1)	2010/7/14 18:35

Tabs to monitor changes in the care recipients condition

Information on each care recipient

- Face sheet (collaborative information)
- Calendar (Schedules of Relevant Persons)
- Medication records (Sharing of Drug Information)

Care record for daily changes

- Care recipient information
- Shared diary
- Care plan
- Vital sign information
- Consumption /excretion records
- Instructions for visiting nurses
- Medical information

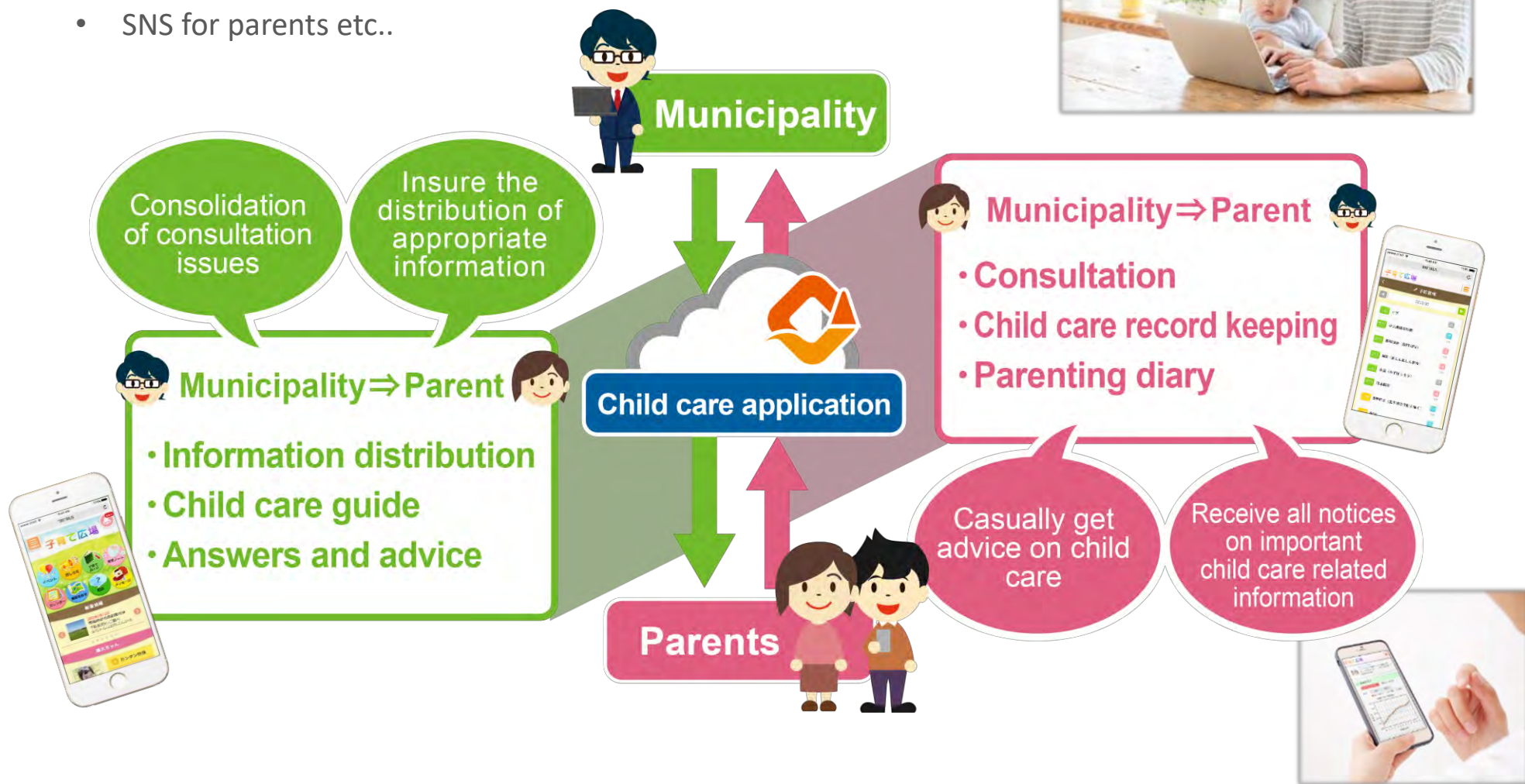
etc.



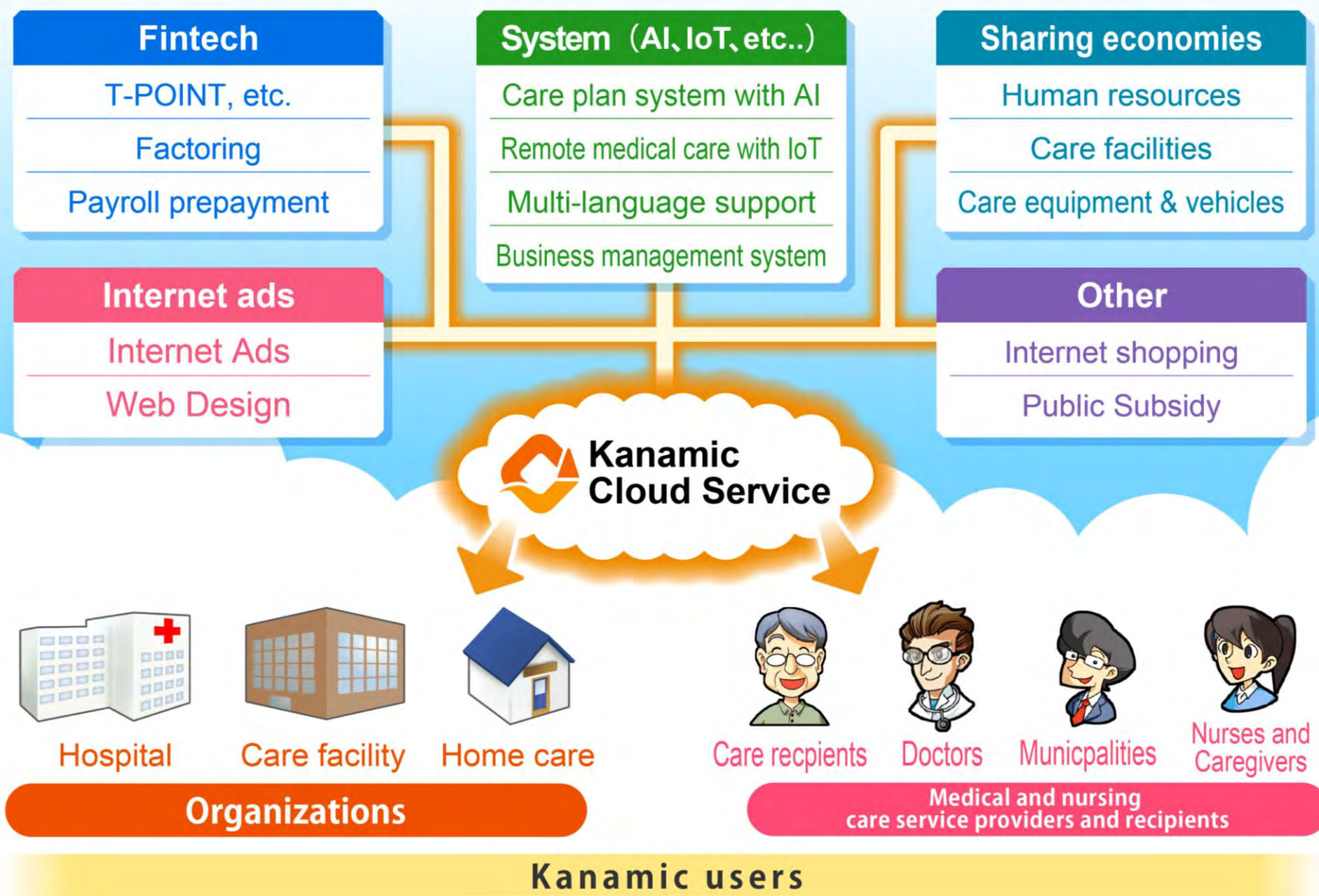
# 4-10. Parenting Support System

## Local municipal project

- News distribution and event information distribution to connect municipalities with parents.
- Blog function based on electronic parent and child diaries
- SNS for parents etc..



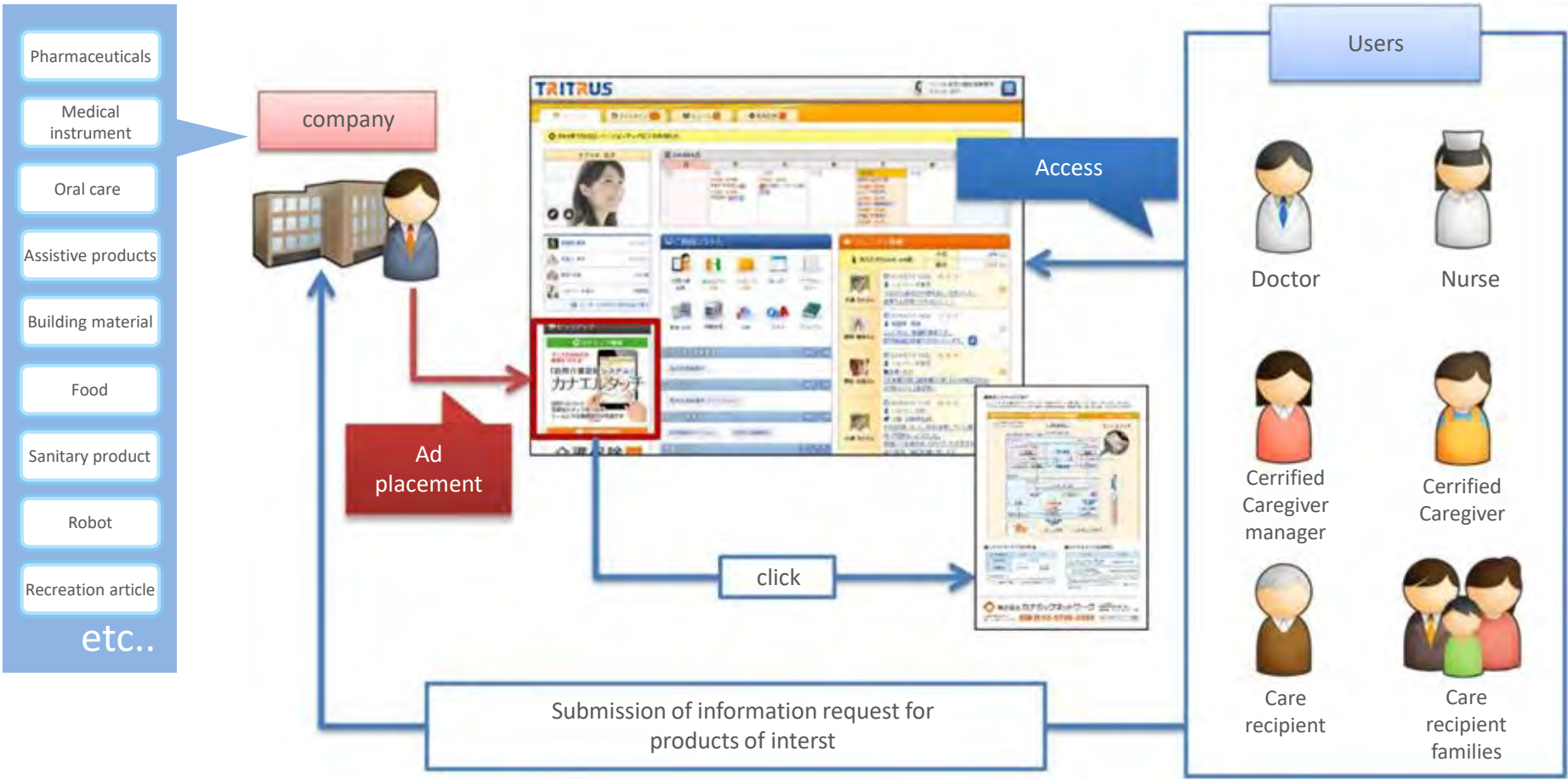
# 4-11. Increase Revenue through Platform Introduction





# 4-12. Advertising Content Service

Advertising content service focused on medical and nursing professionals



**Internet ads**

- Impression ads
- Article ads
- Video ads

**Participation in user group meetings**

- Invitation to participate in regularly held user meetings

**Web questionnaire**

- Product marketing
- Market research

**Distribution of samples**

- Provide samples to cate recipients via service providers





## 5. Strengths



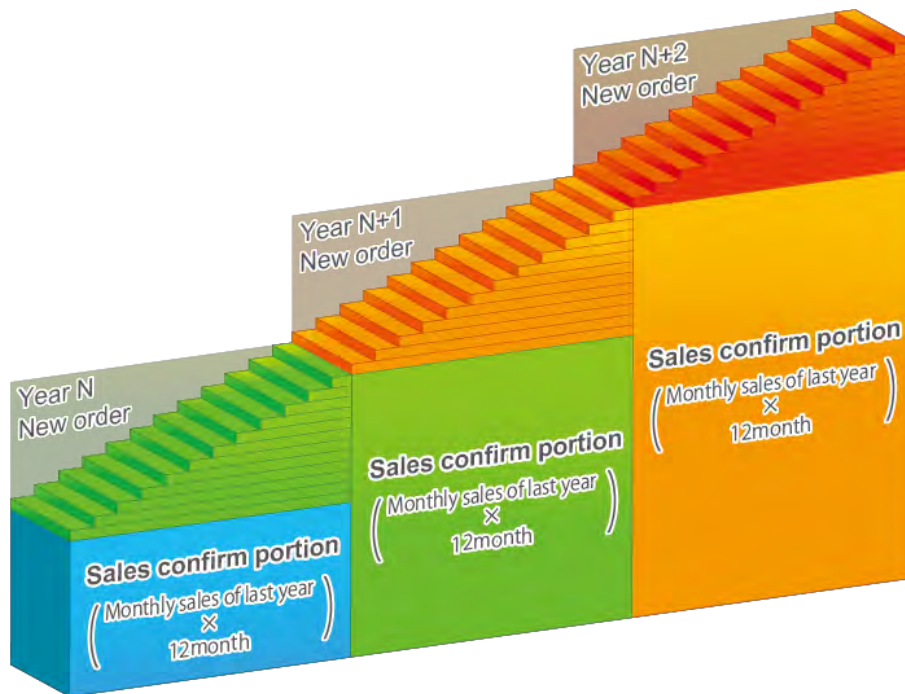
**KANAMIC NETWORK**



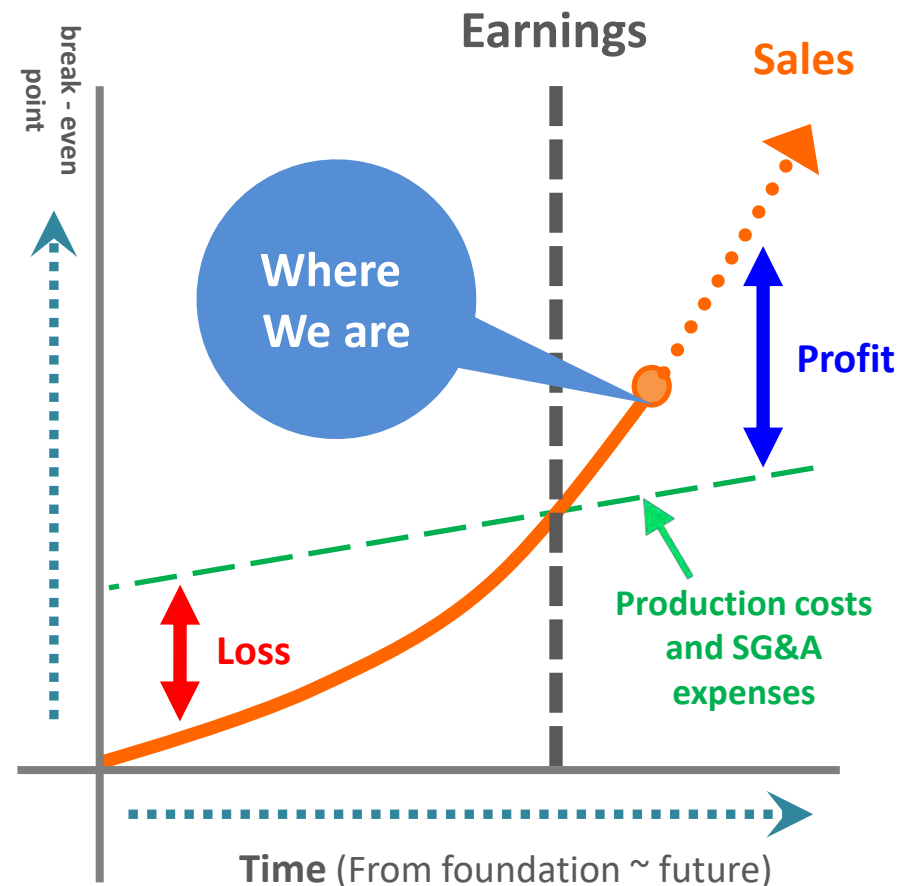
# 5-1. Profit structure

Our current focus of providing cloud services results in a "Recurring Business Model" leading to high returns.

- Earnings structure in recurring business



- Stages for Kanamic



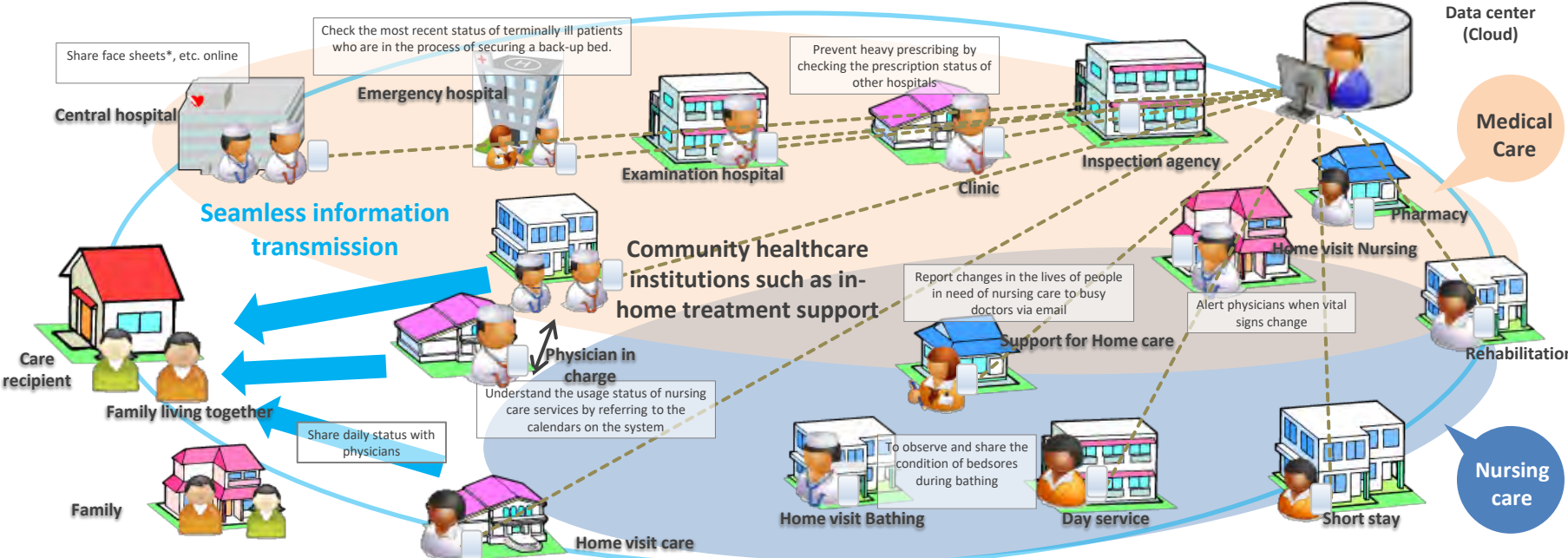
# 5-2. Research Collaboration with The University of Tokyo in Development of "Kashiwa Model"

Our medical care collaboration cloud has been developed through joint research with the Institute of Gerontology, the University of Tokyo. It has been built as a local & comprehensive care system which we call "Kashiwa Model"



## About ideal town for this institute

- In order to accomplish a local & comprehensive care system,
  - 1) Construct home medical care system
  - 2) Create more visiting nursing care (enabling a 24 hours visiting nursing care system)
  - 3) Create more care services (enabling a 24 hour care system)
  - 4) Provide housing for the elderly with inclusive services
- In order to get jobs for elderly people,
  - 1) Follow land agriculture, small-sized vegetable factory, rooftop farming
  - 2) Better childcare services, founding child rearing support centers, reserving spaces for child visitations
  - 3) Livelihood support service
  - 4) Services to support local food such as the creation of dining rooms and the implementation of delivery food services
- Constructing information sharing systems  
An easier way to share information that allows for multidisciplinary collaboration in home medicine and nursing care services.



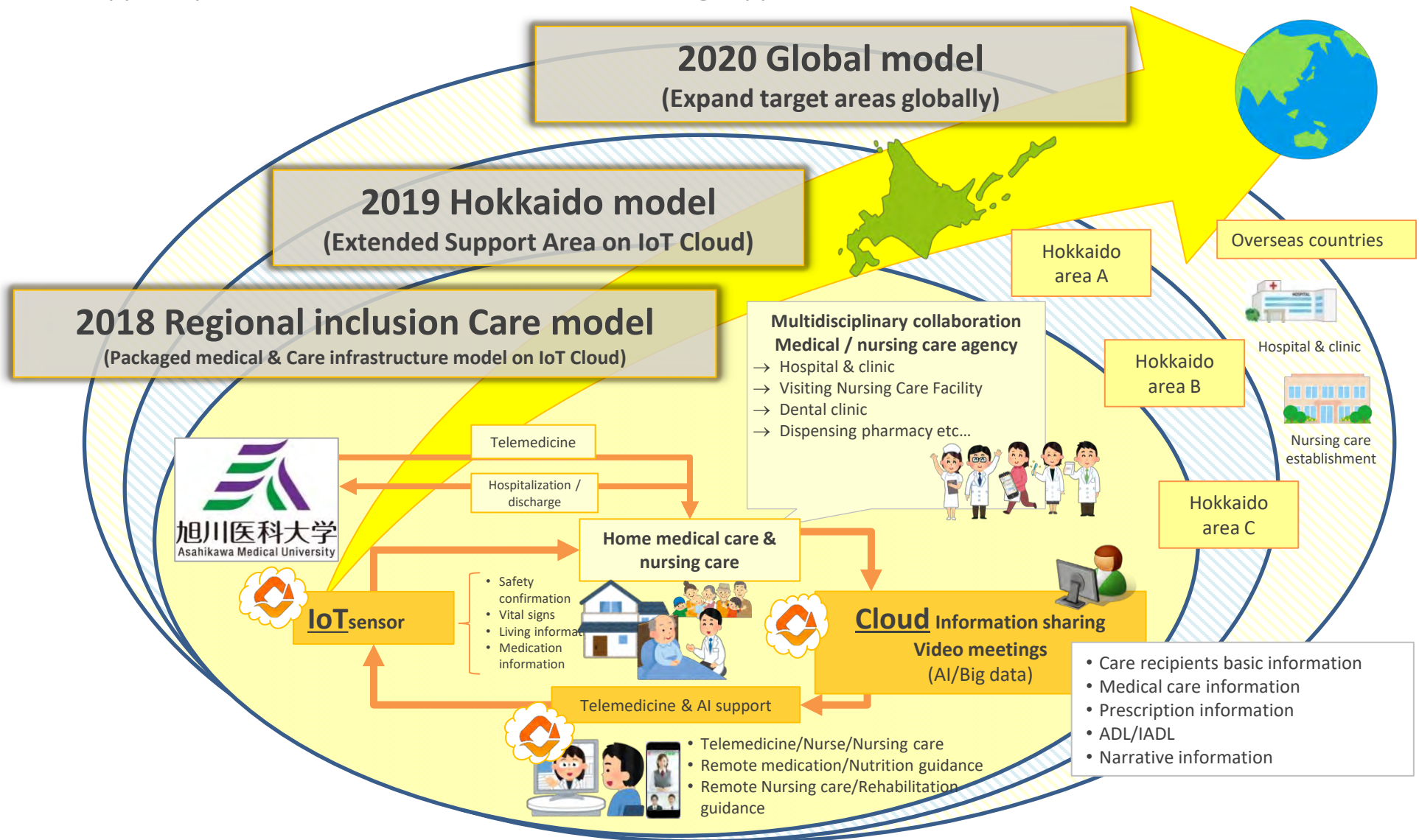
Questionnaire conforms to Chiba Prefecture Community Livelihood Coordination Sheet, etc.

source : Institute of Gerontology, the University of Tokyo



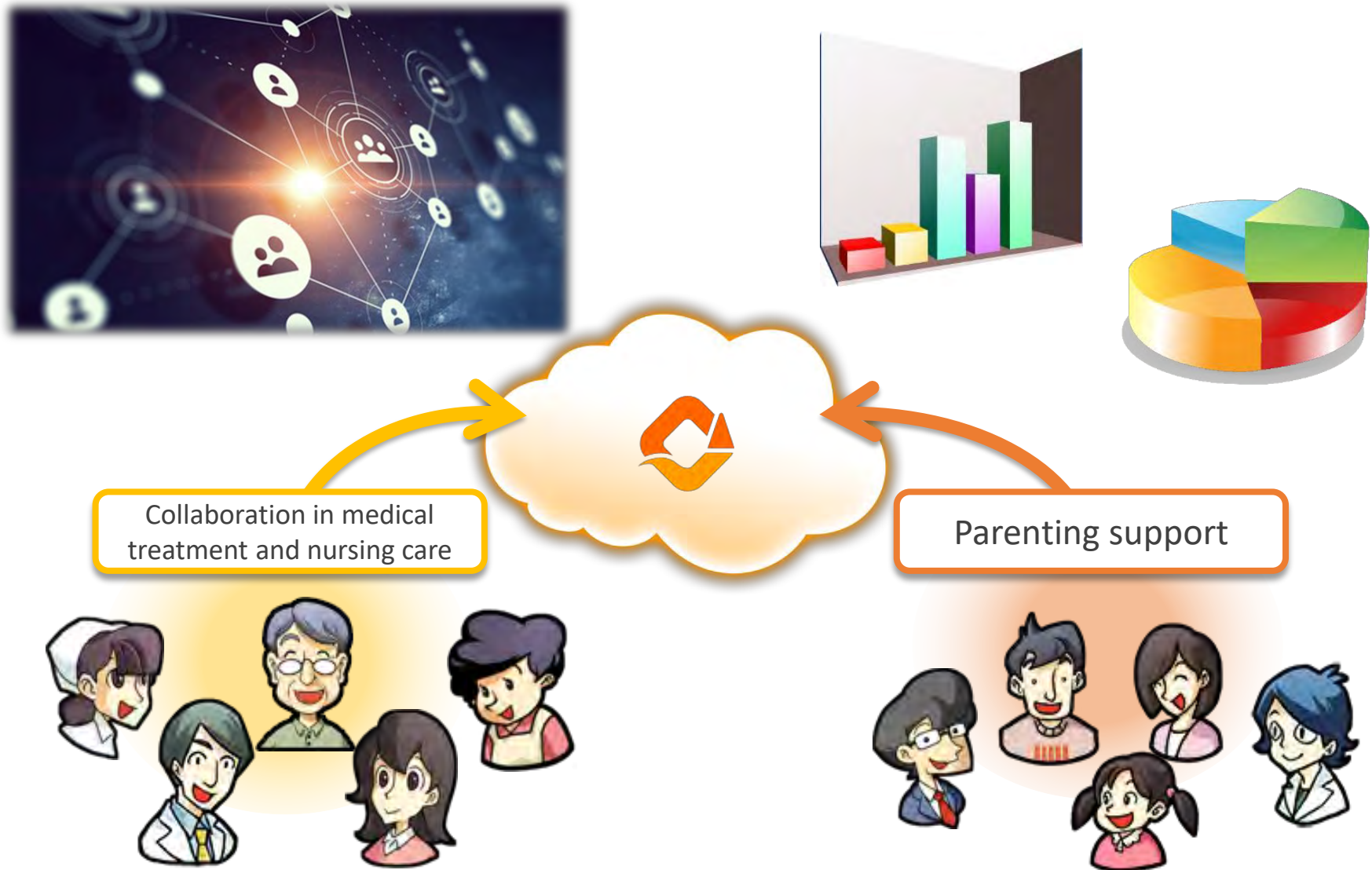
# 5-3. Research Collaboration

We set up a collaborative research course at Asahikawa Medical University. Together we aim to "create a global model using IoT clouds". Our role in this project is to research and develop new information sharing and support systems related to telemedicine and nursing support.



## 5-4. Big-data & IoT (Internet of Things) & AI

By analyzing big-data on regional networks and daily business tasks, we are aiming to establish AI to improve medical and nursing care service.



The materials and information provided herein include so-called "forward-looking statements."

These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

These risks and uncertainties include general industry and market conditions, general domestic and international economic conditions such as interest rates and currency exchange rate fluctuations.

The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information or future events.