



# Financial results for the three months ended June 2025

CUC Inc.

August 4, 2025

# Consolidated Financial Results

# Consolidated Financial Results

Revenue grew steadily, while profit temporary declined. Revenue and profit progressed in line with a more heavily second-half-weighted target than the previous fiscal year

(Million yen)	25/3 Q1 (Actual)	26/3 Q1 (Actual)	YoY	26/3 (Forecast)	Progress
Revenue	10,597	12,996	+22.6%	58,250	22.3%
EBITDA <sup>(1)</sup>	1,921	1,736	(9.6%)	10,230	17.0%
Operating profit	1,341	744	(44.5%)	5,500	13.5%
Net income attributable to CUC shareholders	966	208	(78.4%)	2,880	7.2%

Reactionary fall from foreign exchange gain impact of 285 million yen related to the repayment of loans to the US subsidiary recorded in 25/3 Q1

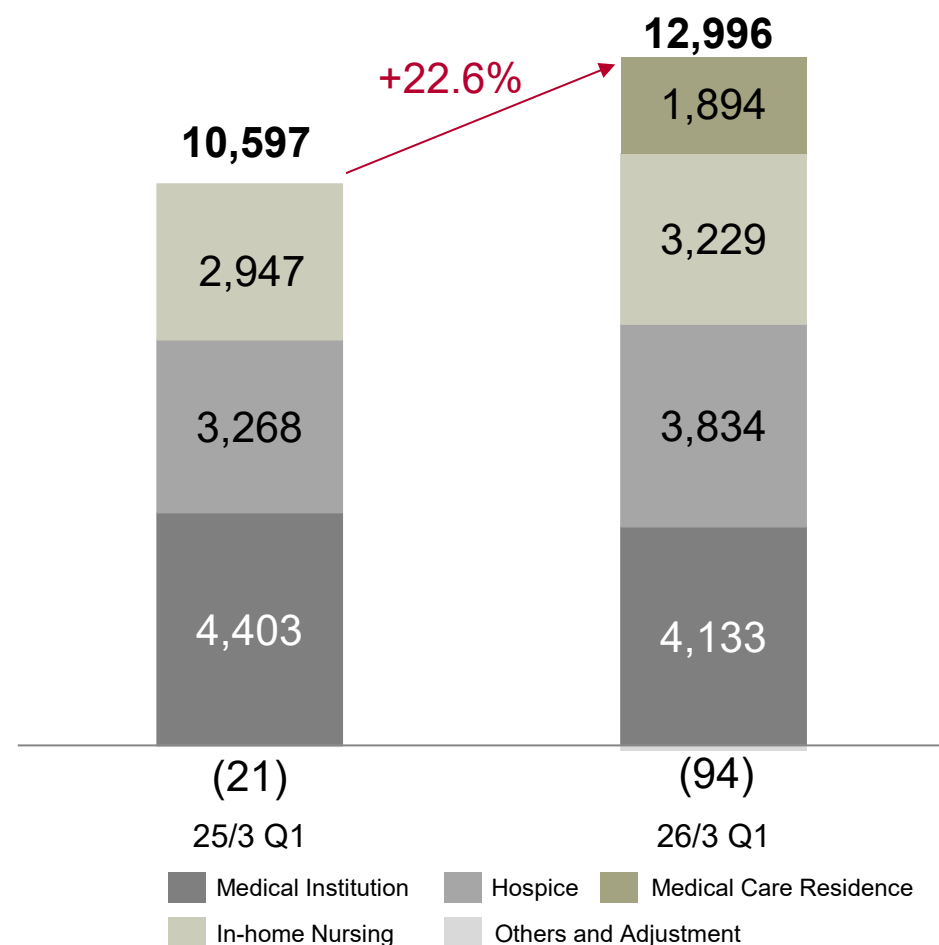
The results were mainly due to the initial losses from nine new hospice facilities opened in and after 25/3 Q3 and upfront investment costs, and these were in line with our expectations. Expect to see the recovery in the second half

1. EBITDA = Operating profit + depreciation and amortization expenses ± other income and expenses (the same applies hereinafter)..

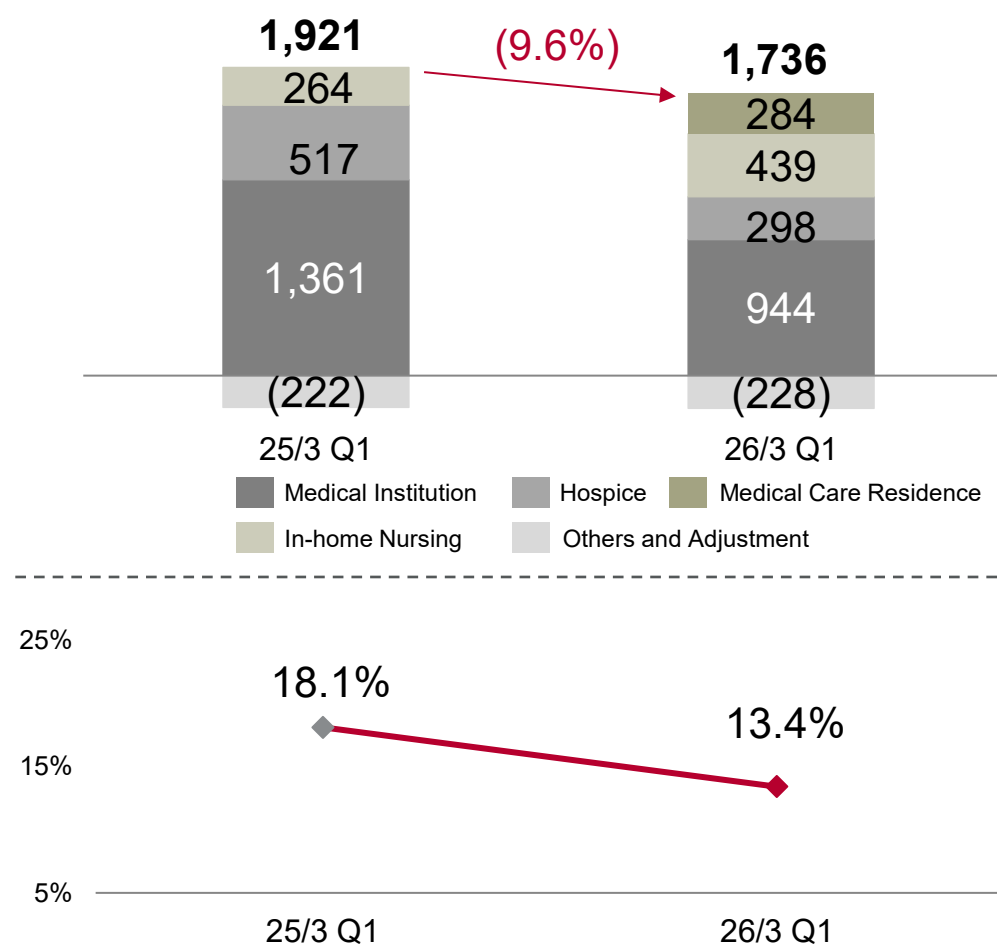
# Consolidated Financial Results

Achieved 22.6% YoY revenue growth due to steady growth across Hospice and In-home Nursing segment and the acquisition of Noah Konzer in 25/3 Q3. Temporary decline in EBITDA and EBITDA margin with the initial losses from nine new facilities opened in and after 25/3 Q3

Revenue

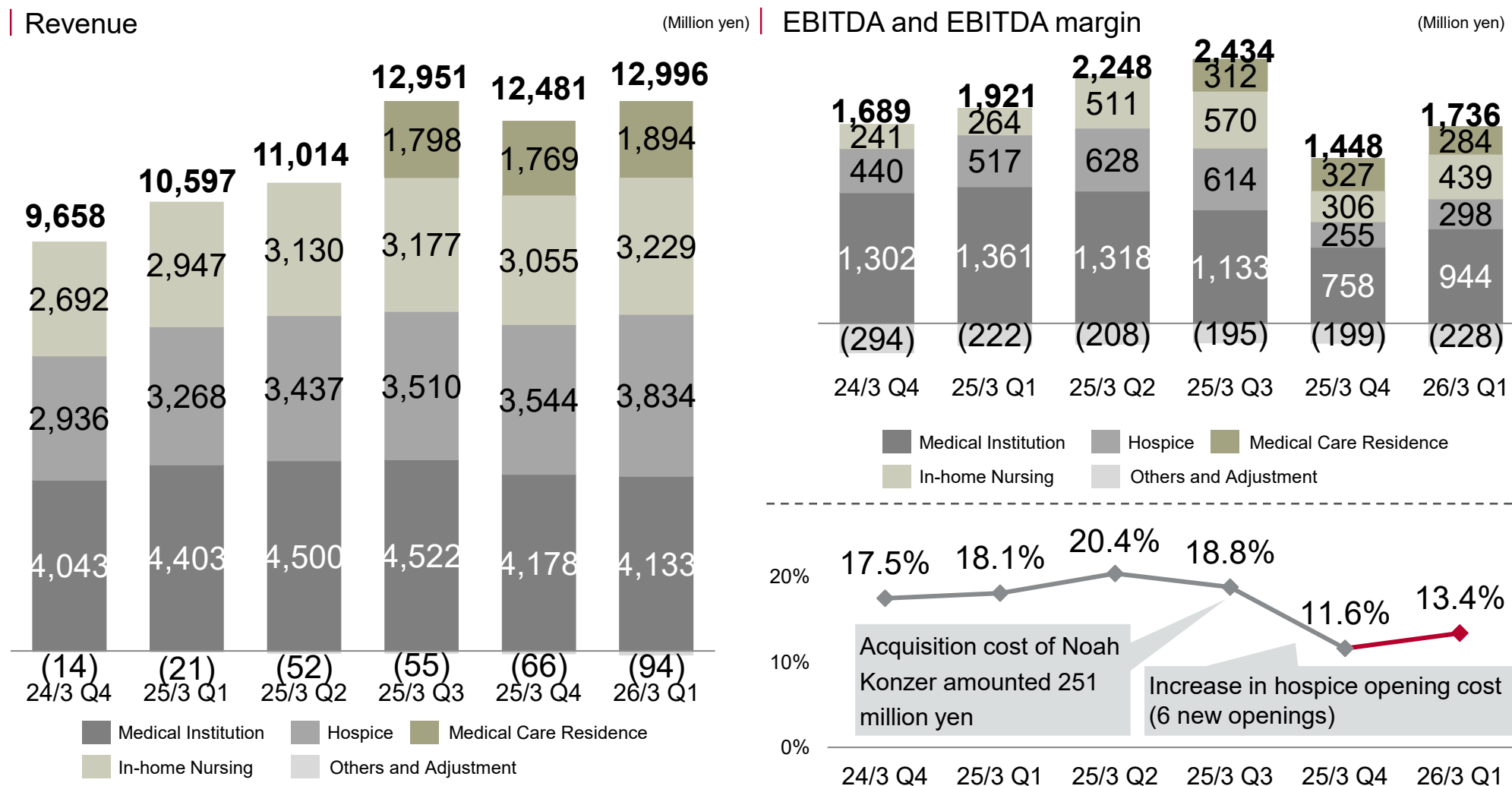


(Million yen) | EBITDA and EBITDA margin



# Consolidated Financial Results (Quarterly)

Quarterly revenue and profit turned upward due to the steady growth in all of four business segments, pushing EBITDA margin up to 13.4%



# Summary of Consolidated Statement of Financial Position

(Million yen)	25/3	25/6
<b>Current Assets</b>	<b>20,520</b>	<b>20,470</b>
Cash and cash equivalents	7,533	7,041
Trade and other receivables	12,151	12,395
<b>Non-current assets</b>	<b>64,647</b>	<b>65,703</b>
Property, plant and equipment	18,830	20,318
Right-of-use assets	19,401	19,408
Goodwill	13,665	13,357
Intangible assets	4,306	4,167
<b>Total assets</b>	<b>85,167</b>	<b>86,173</b>

	25/3	25/6
<b>Current liabilities</b>	<b>13,446</b>	<b>15,223</b>
Trade and other payables	4,314	4,016
Borrowings	2,812	5,312
Lease liabilities	2,769	2,802
<b>Non-current liabilities</b>	<b>41,435</b>	<b>40,849</b>
Borrowings	20,653	19,956
Lease liabilities	17,310	17,293
<b>Total liabilities</b>	<b>54,881</b>	<b>56,072</b>
<b>Total equity</b>	<b>30,286</b>	<b>30,101</b>
<b>Equity attributable to CUC shareholders</b>	29,678	29,542
Non-controlling interests	608	559
<b>Total liabilities and equity</b>	<b>85,167</b>	<b>86,173</b>

① Increased with new hospice openings

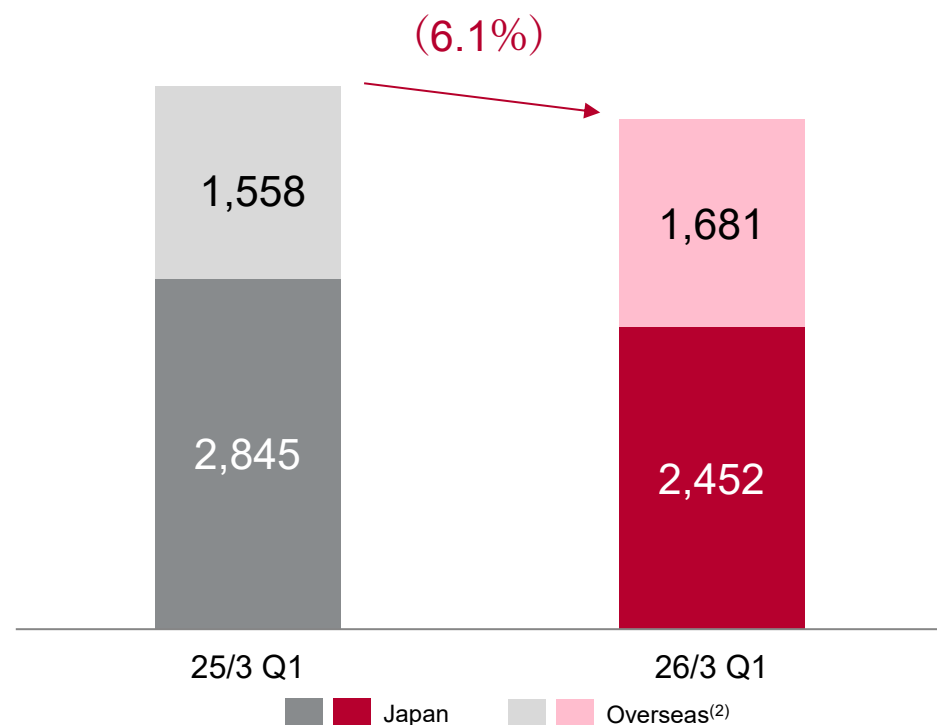
② Bank loan of 2.5 billion yen

# Financial Results by Segment

# Financial Results of Medical Institution Segment

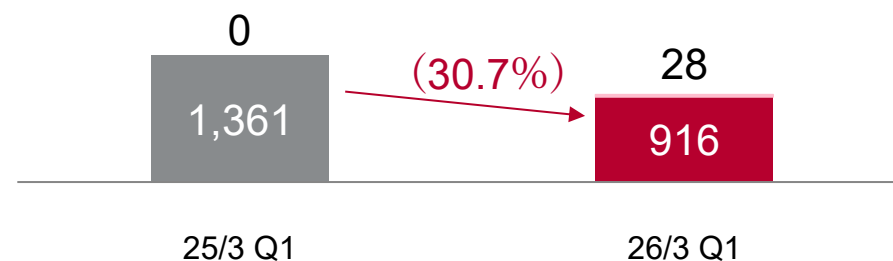
Domestic revenue decreased due to temporary decline in monthly fees and reactionary decline in M&A advisory fees, while overseas revenue increased driven by steady performance of the US podiatry business and growing patient volume at varicose vein clinics

## Revenue

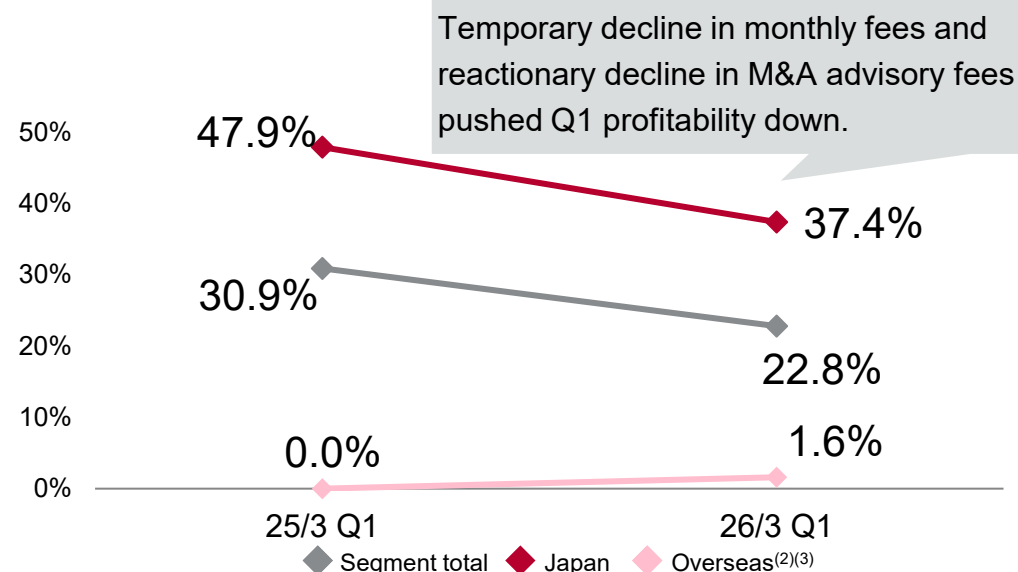


## EBITDA and EBITDA margin<sup>(2)</sup>

(Million yen)



Japan Overseas<sup>(2)</sup>



Temporary decline in monthly fees and reactionary decline in M&A advisory fees pushed Q1 profitability down.

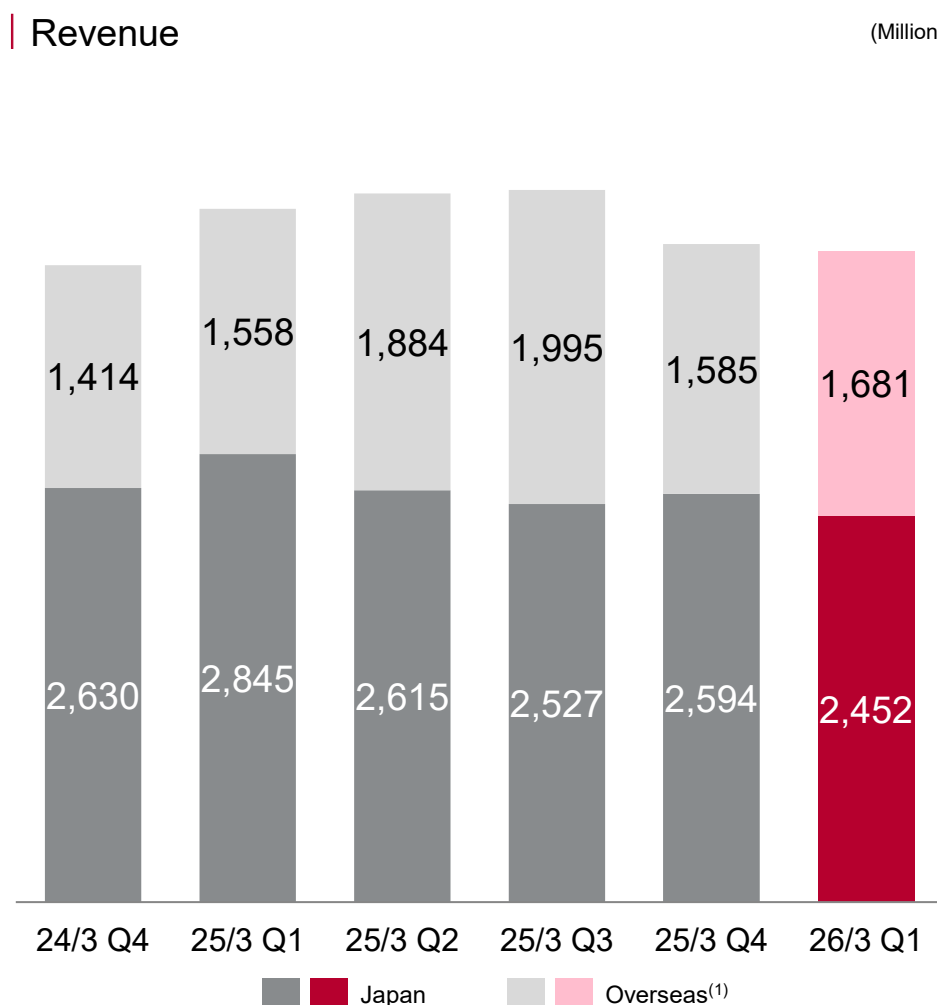
1. The US and Southeast Asia. 2. Average exchange rate for the 2026/3 Q1 is about 145 yen/USD.



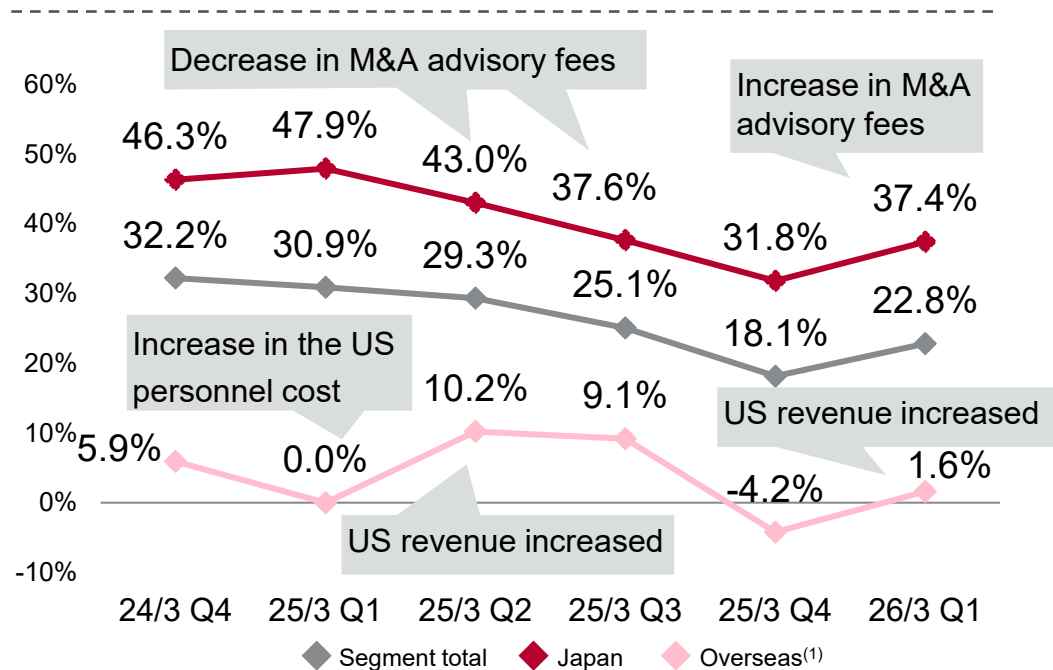
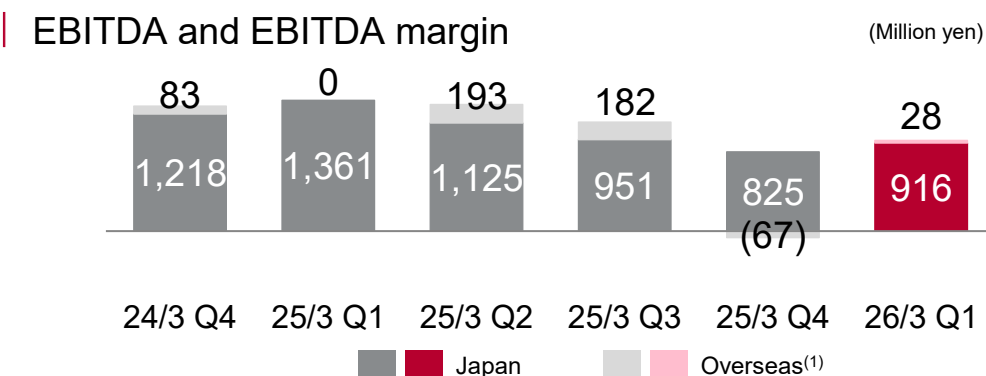
# Financial Results of Medical Institution Segment (Quarterly)

Domestic revenue decreased due to temporary decline in monthly fees, while domestic EBITDA, overseas revenue and EBITDA showed steady growths

Revenue



(Million yen) EBITDA and EBITDA margin



1. The US and Southeast Asia.

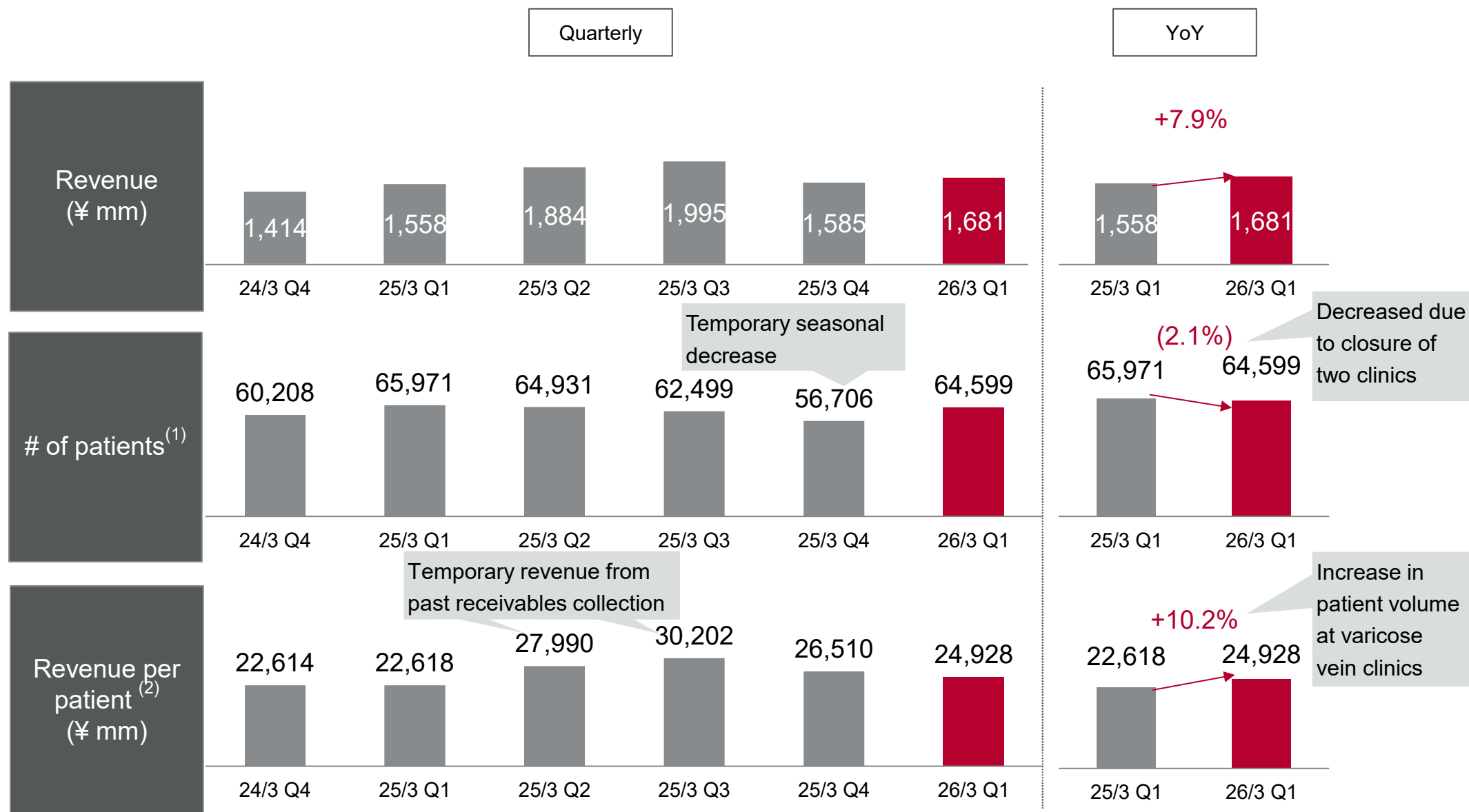
# Key Operating Drivers of Medical Institution Segment (Japan)



1. Number of hospitals, long-term care health facilities, in-home care clinics, dialysis clinics, and outpatient clinics that CUC provides management support in Japan. The average of the number at the beginning of the period and the number at the end of the period.

2. Calculated by dividing annualized revenue in Japan by the average number of clients' major medical facilities during the same period.

# Key Operating Drivers of Medical Institution Segment (US)



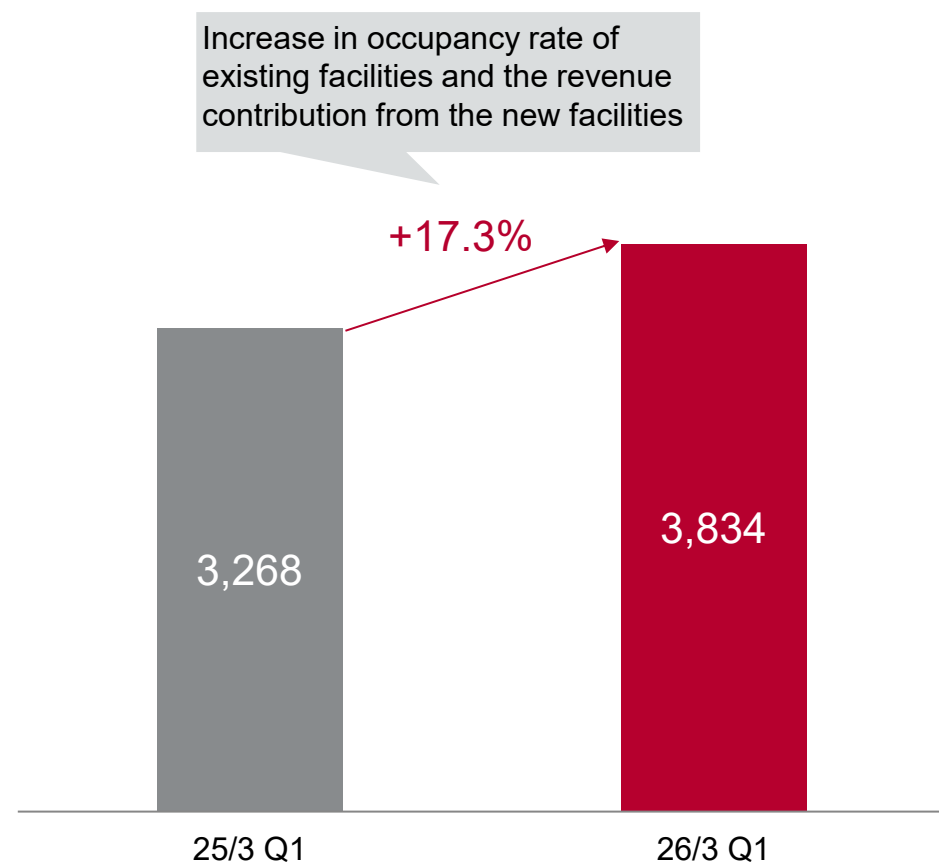
1. Number of patients at podiatry and varicose vein clinics. The average of the number at the beginning of the period and the number at the end of the period.

2. Calculated by dividing annualized revenue in US by the average number of patients during the same period.

# Financial Results of Hospice Segment

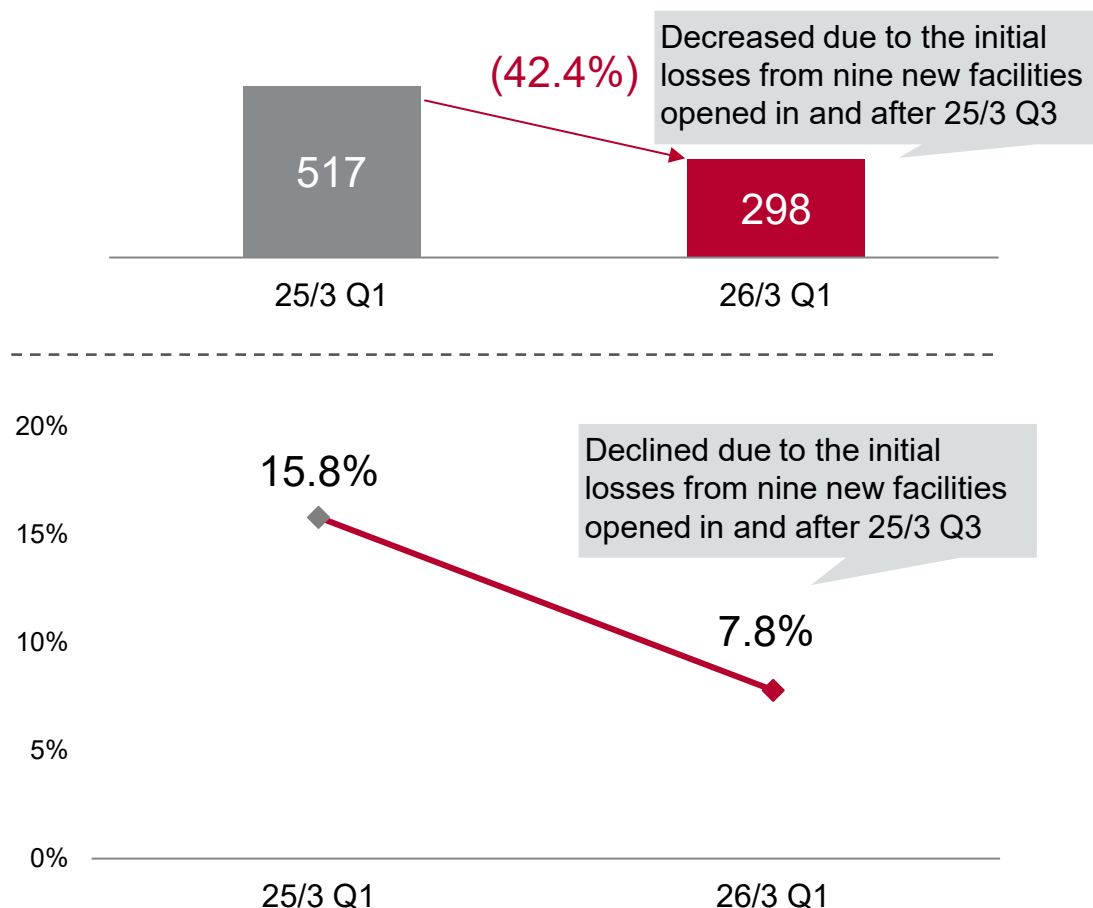
Steady growth in revenue. EBITDA and EBITDA margin temporary declined by the initial losses from nine new facilities opened in and after 25/3 Q3 and a decline in revenue per patient at certain existing facilities

Revenue



(Million yen) EBITDA and EBITDA margin

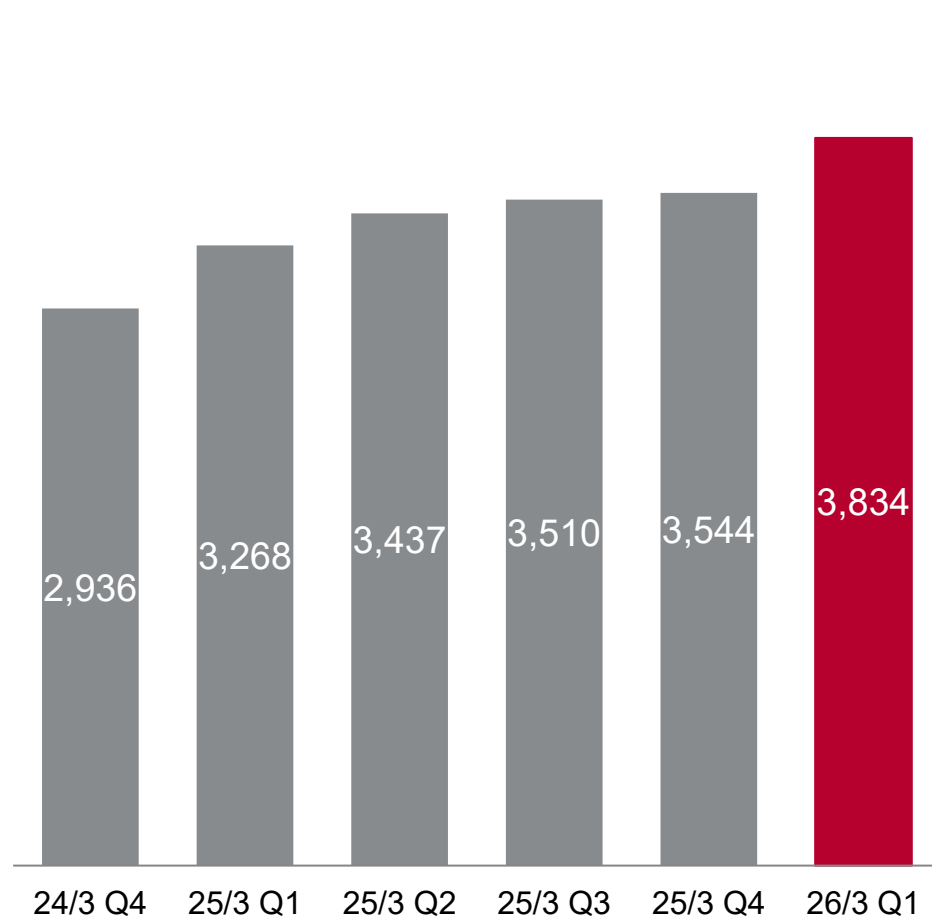
(Million yen)



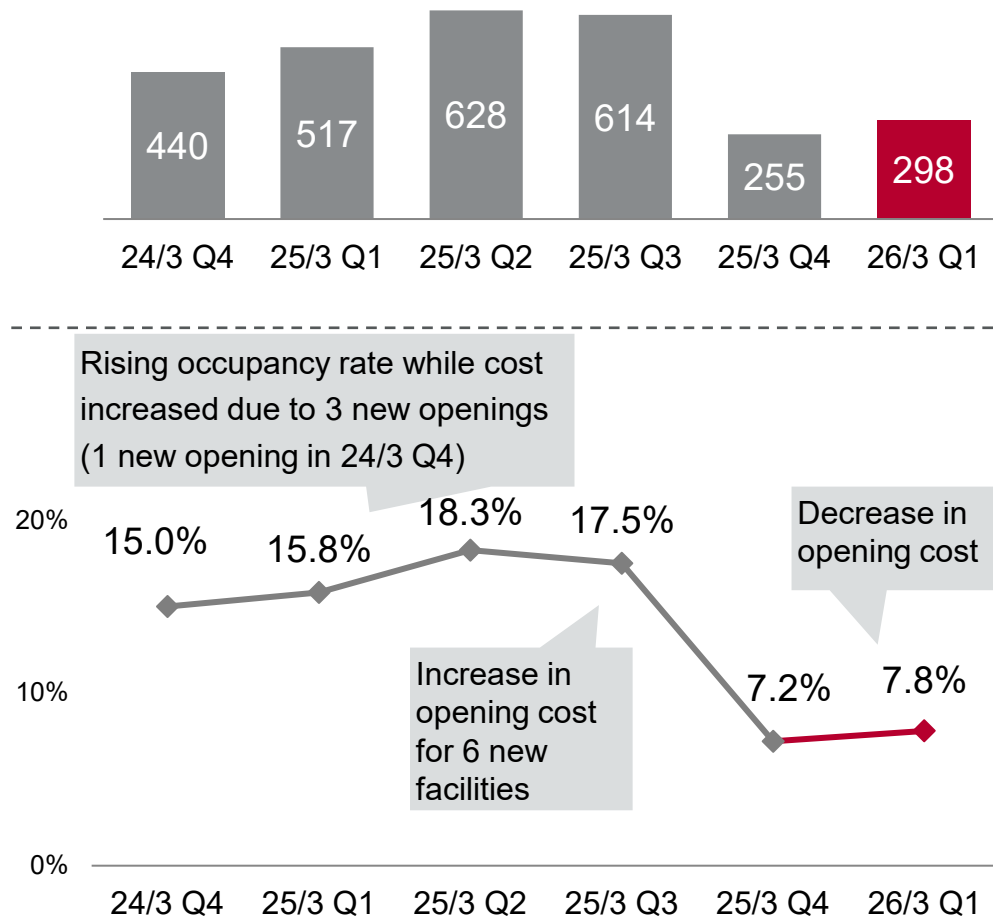
# Financial Results of Hospice Segment (Quarterly)

Revenue progressed steadily. EBITDA turned upward after a temporary decline, and profitability also improved

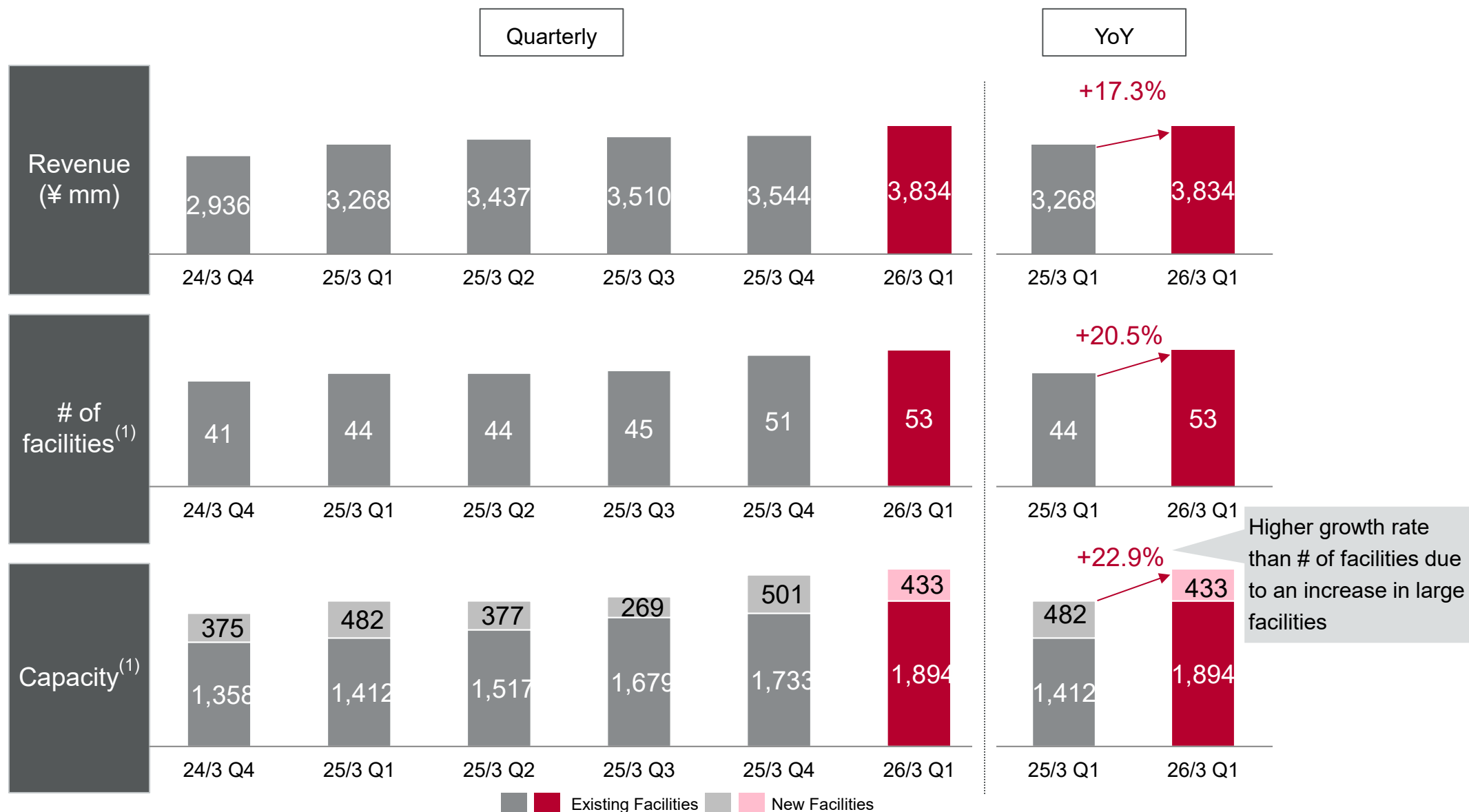
Revenue



(Million yen) EBITDA and EBITDA margin



# Key Operating Drivers of Hospice Segment (1/2)



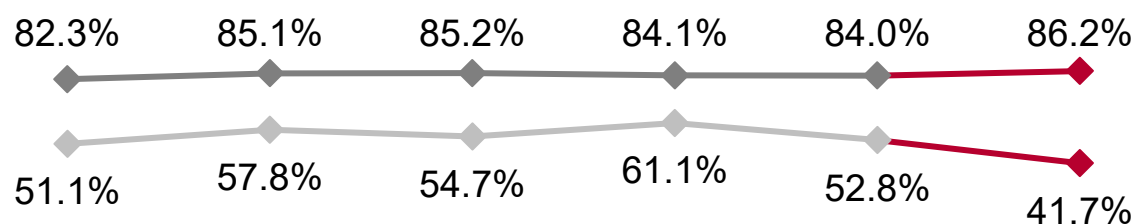
1. The number of hospices and capacity which CUC group provides services at the end of each period. Hospices past 12+ months after the opening at the end of each period or acquired through M&A are defined as "Existing Facilities" and other hospices are defined as "New Facilities".

# Key Operating Drivers of Hospice Segment (2/2)

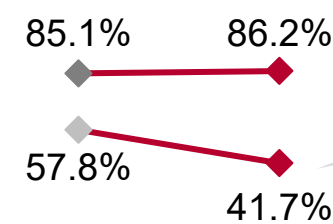
Quarterly

YoY

Occupancy rate<sup>(1)(2)</sup>

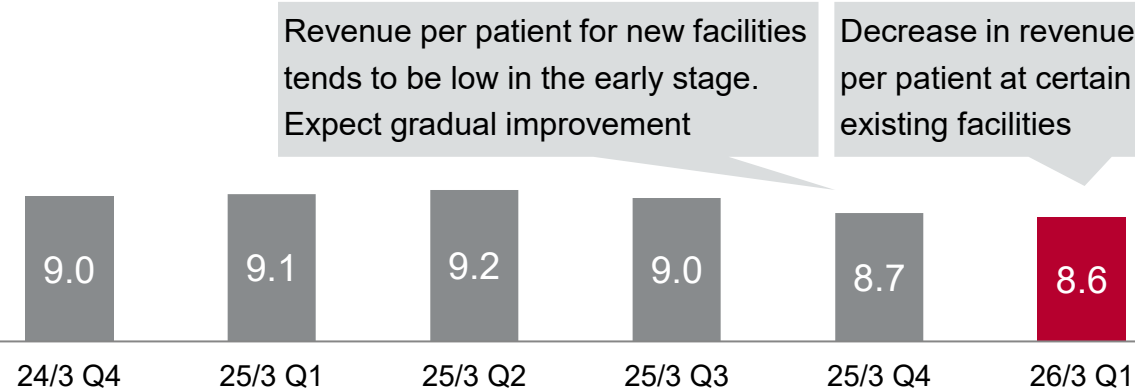


◆ Existing Facilities ◆ New Facilities



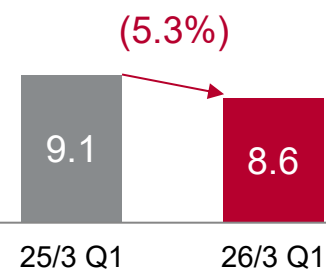
Declined due to nine new facilities opened in and after 25/3 Q3

Annualized revenue per patient<sup>(3)</sup>  
(¥ mm)



Revenue per patient for new facilities tends to be low in the early stage. Expect gradual improvement

Decrease in revenue per patient at certain existing facilities



(5.3%)

1. Percentage of total number of patients in hospices to the total number of capacity through each period. "Existing Facilities" means hospices past 12+ months after the opening at the end of each period or acquired through M&A and other hospices are referred to as "New Facilities".

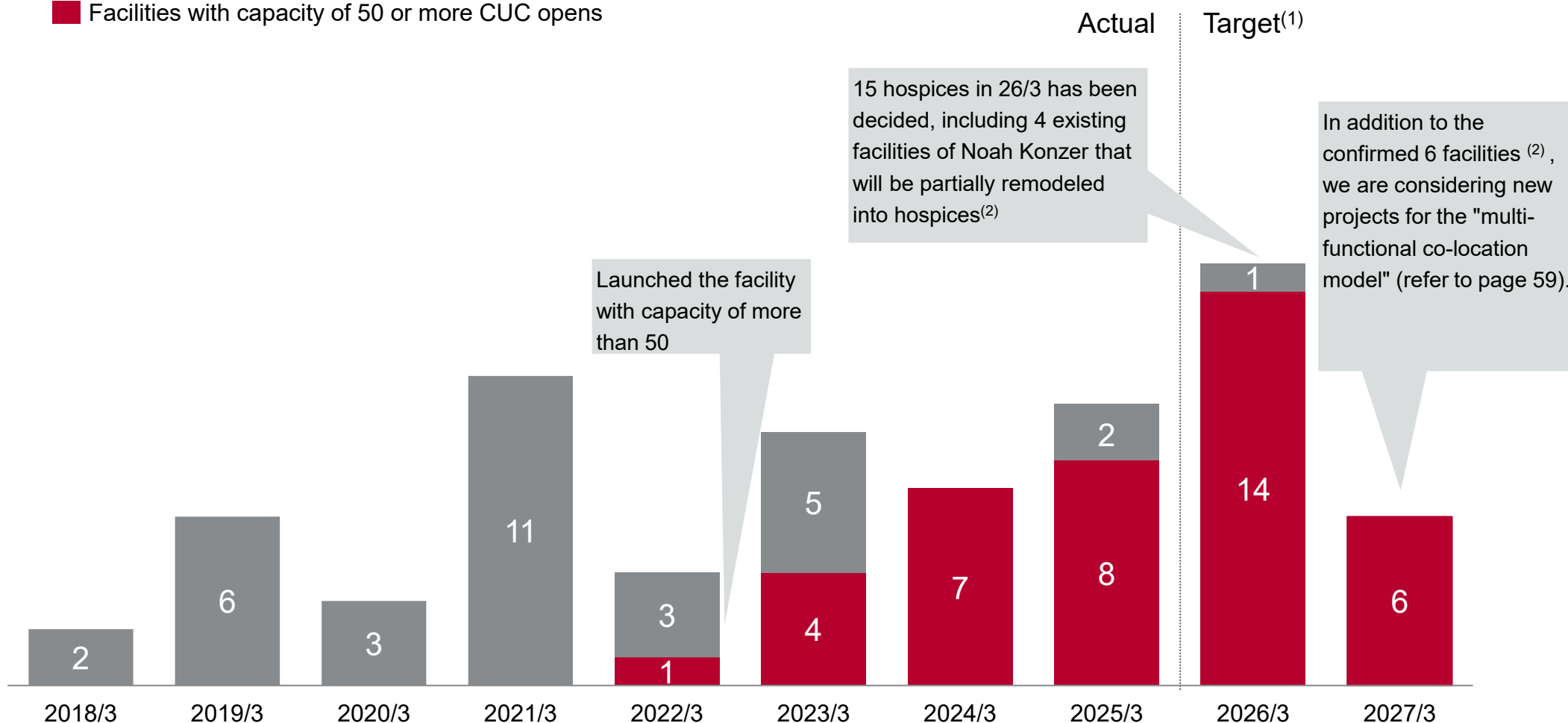
2. New Facilities will be classified as Existing Facilities in the quarter or cumulative period past 12+ months after the openings. Therefore, the Full-year occupancy rate does not match the weighted average of the quarterly occupancy rates.

3. Calculated by dividing the annualized revenue from Hospice segment by the average number of patients during each period.

# Number of Facilities and their Capacity after the change in policy

## Facilities CUC opened or acquired, and its target

- Facilities with capacity of less than 50 or facilities acquired through M&A
- Facilities with capacity of 50 or more CUC opens



1. Target figures set by CUC Group based on information available as of the date of this document under certain assumptions, premises including macroeconomic environment and regulatory trends, and are not a guarantee of the achievement of the target.

2. These figures indicates the number of hospice facilities whose lease agreements or purchase agreements of real estate have been executed. However, they are not a guarantee of the realization of future target.



# Opening of Facilities in July 2025 and onwards<sup>(1)(2)</sup>

Newly added

Opened on July 1, 2025

Opening date		Location	Capacity	Capex (¥ mm)
2026/3 Q2	2025/7	Saitama	50	440
	2025/11	Fukushima	50	488
2026/3 Q3	2025/11	Mie	50	477
	2025/12	Chiba	50	498
2026/3 Q4	2026/1	Tochigi	50	427
	2026/2	Tokyo	50	642
	2026/2	Hyogo	50	511
	2026/3	Hiroshima	50	500
	2026/3	Fukuoka	50	477
	2026/4	Fukuoka	50	495
2027/3 Q1	2026/5	Tokyo	50	526
	2026/6	Hyogo	50	526
2027/3 Q2	2026/9	Kanagawa	50	445

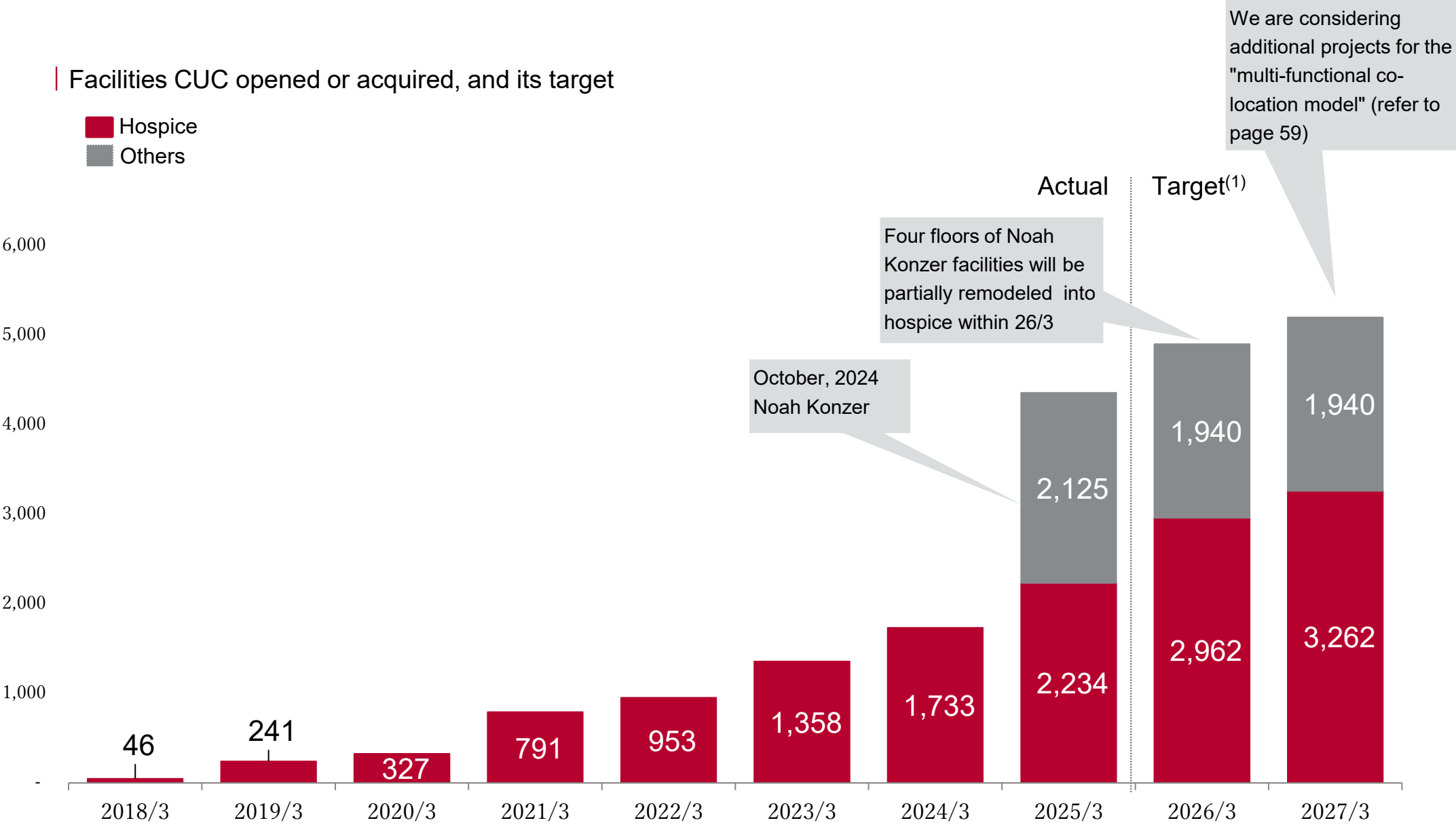
In addition to the above, four floors of Noah Konzer facilities will be remodeled into hospice within 26/3. One floor was already remodeled into a hospice in July 2025

1. Above table indicates hospice facilities whose lease agreements or purchase agreements of real estate have been executed. However, it does not guarantee the realization of new openings in the future.

2. This is a schedule as of the date of this document. The capacity, the amount of Capex and the opening date may change in the future due to various reasons.

3. CUC group plans to lease or purchase a built property. Capex indicates renovation cost for a leased property and indicates acquisition cost of land, building or both and its renovation cost in case of purchasing a property.

# Outlook for capacity by business type



1. Target figures set by CUC Group based on information available as of the date of this document under certain assumptions, premises including macroeconomic environment and regulatory trends, and are not a guarantee of the achievement of the target.

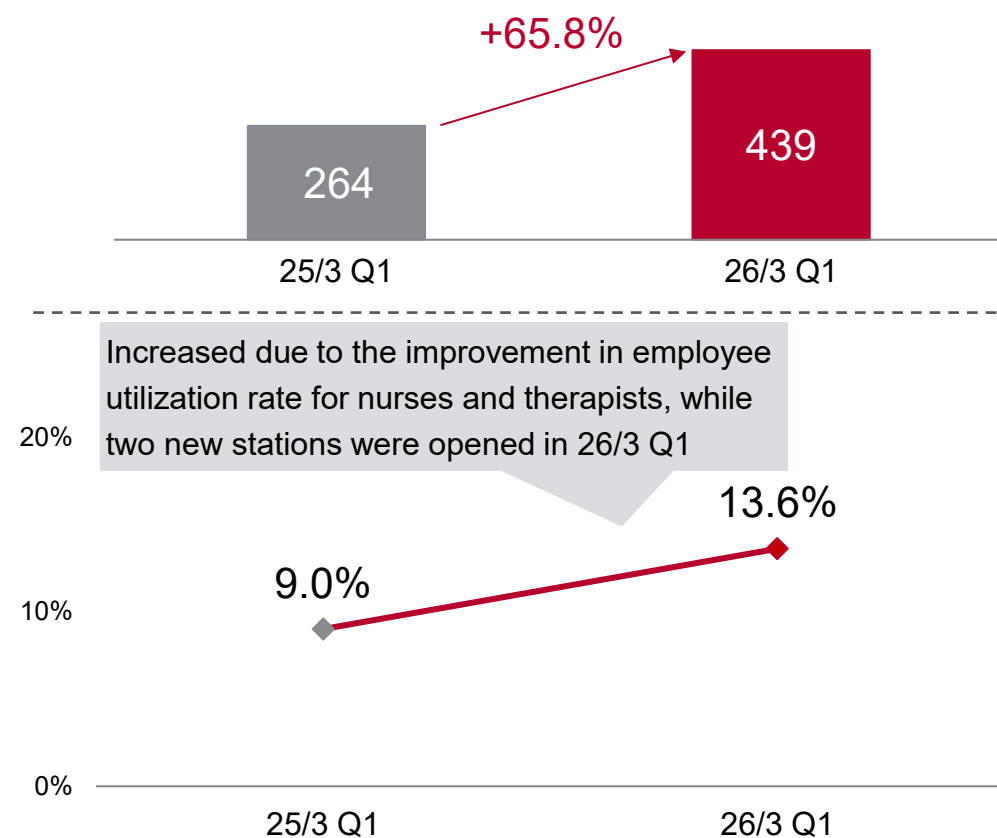
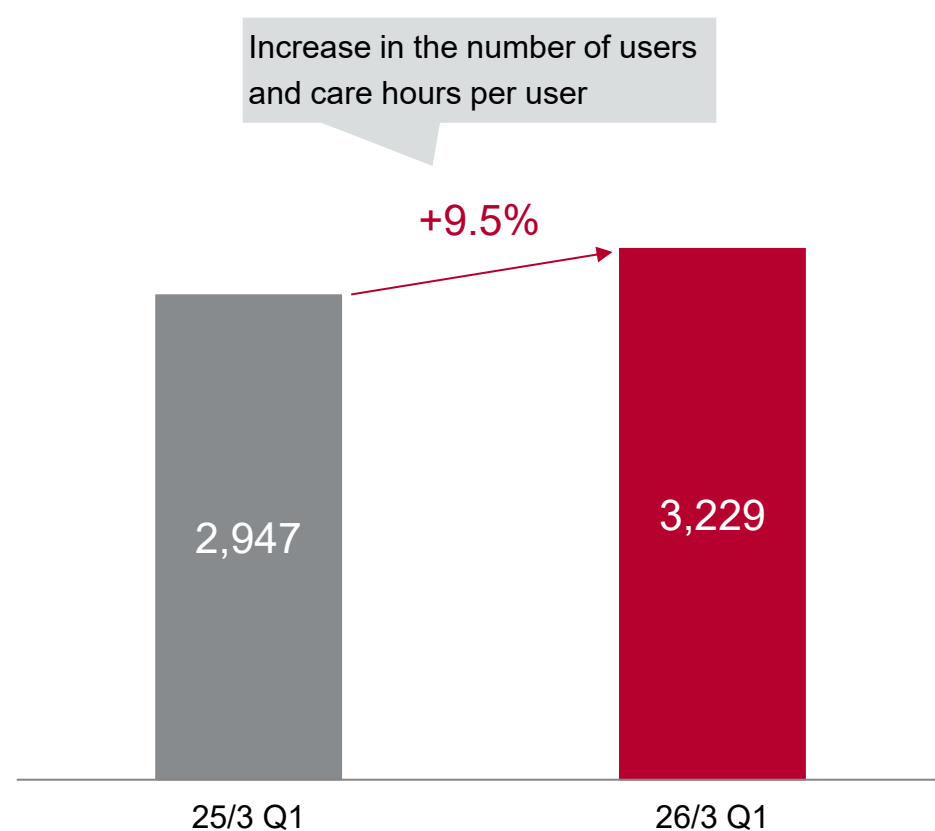
# Financial Results of In-home Nursing Segment

Revenue and profit grew steadily. Profitability improved significantly through the improvement in employee utilization rate for nurses and therapists

Revenue

(Million yen) | EBITDA and EBITDA margin

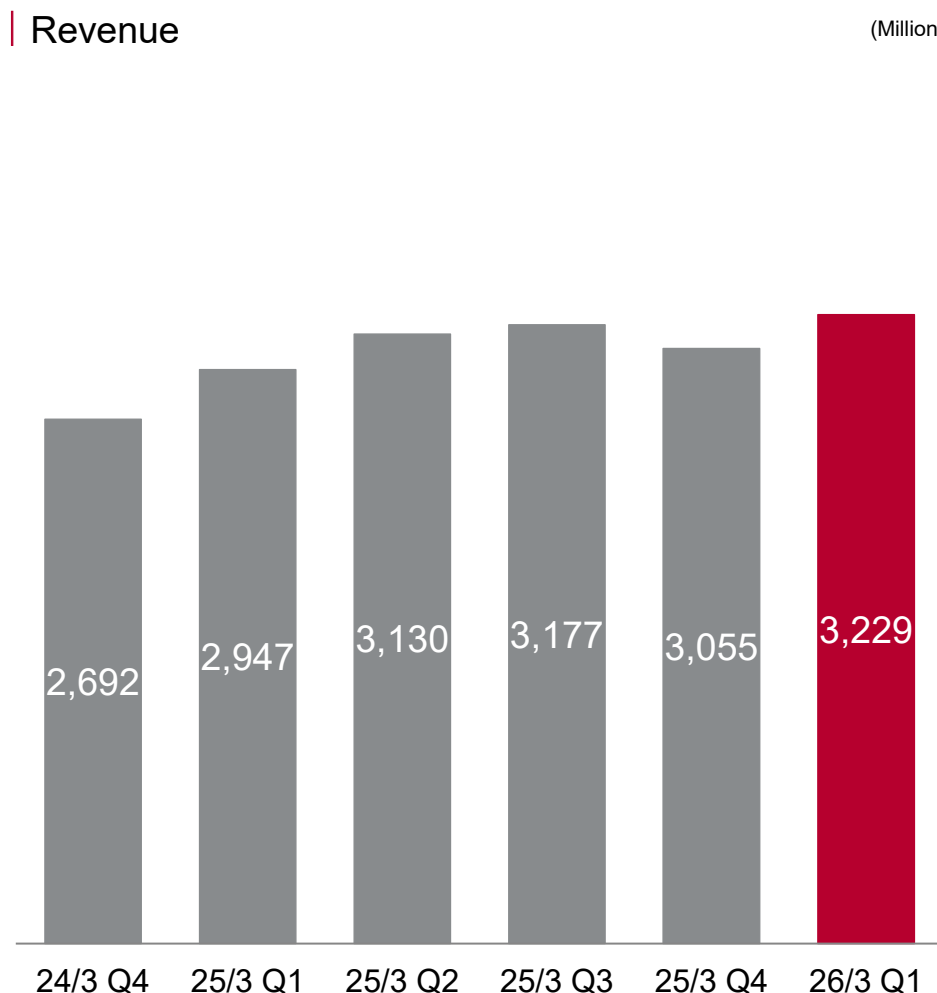
(Million yen)



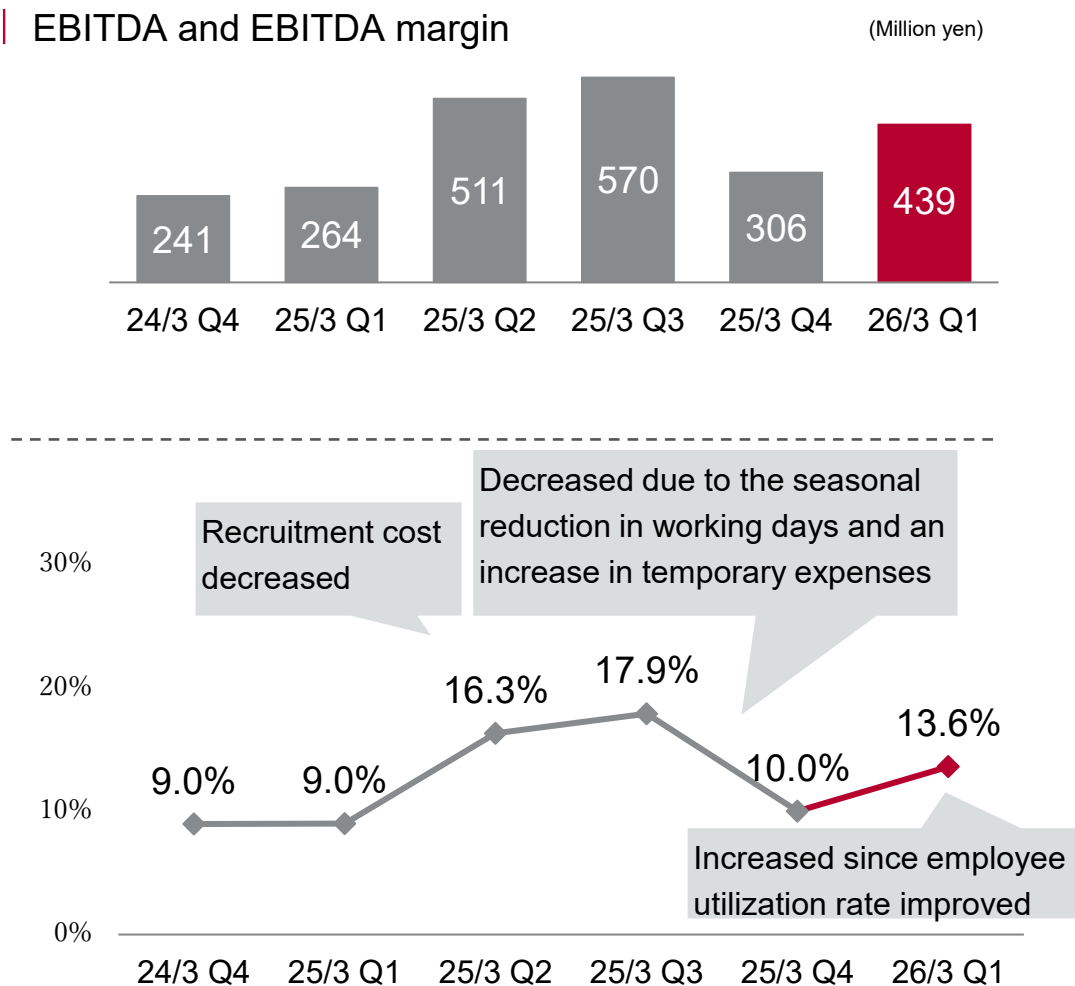
# Financial Results of In-home Nursing Segment (Quarterly)

Revenue and profit turned upward after a temporary decline, and profitability also improved

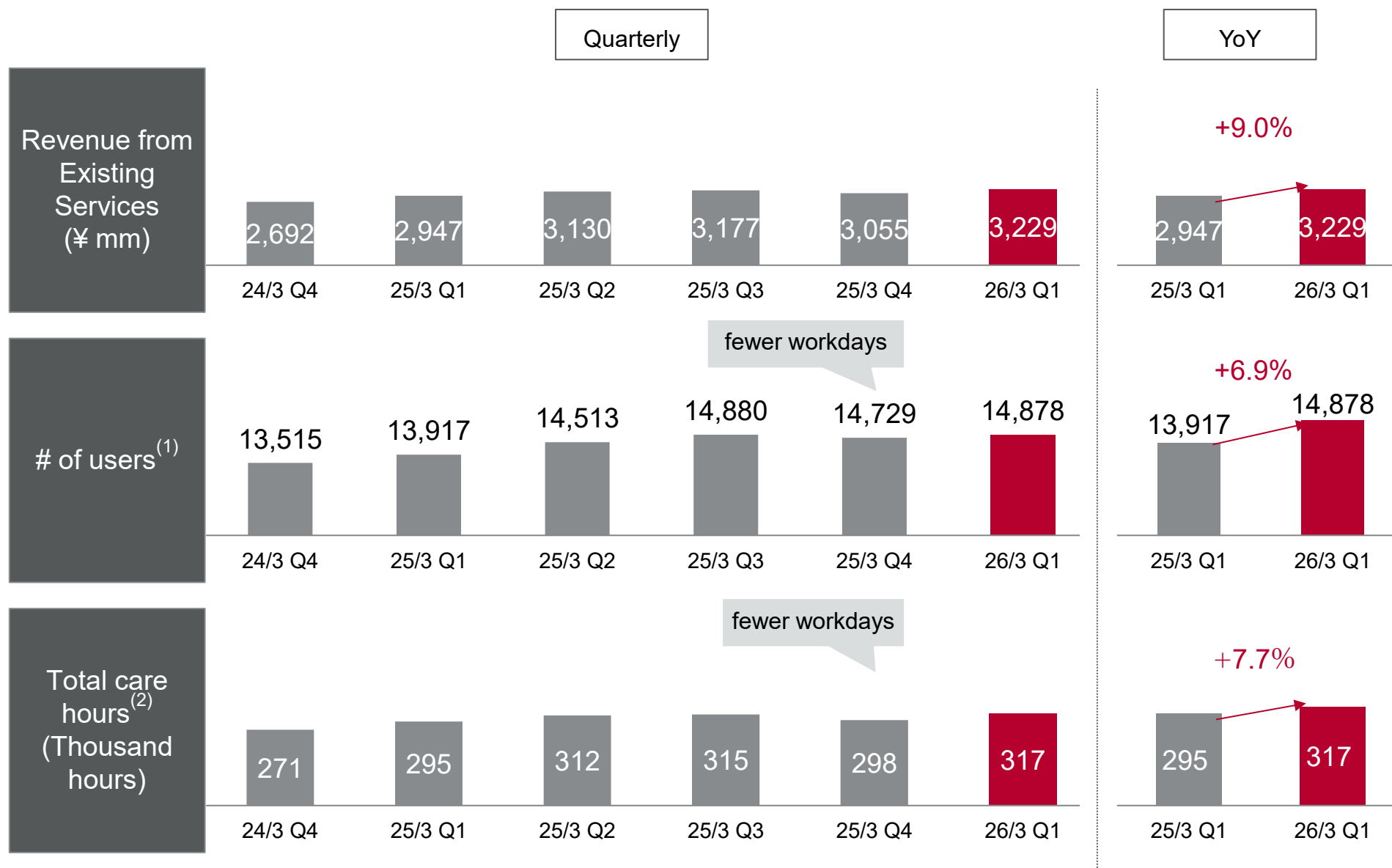
Revenue



(Million yen) EBITDA and EBITDA margin

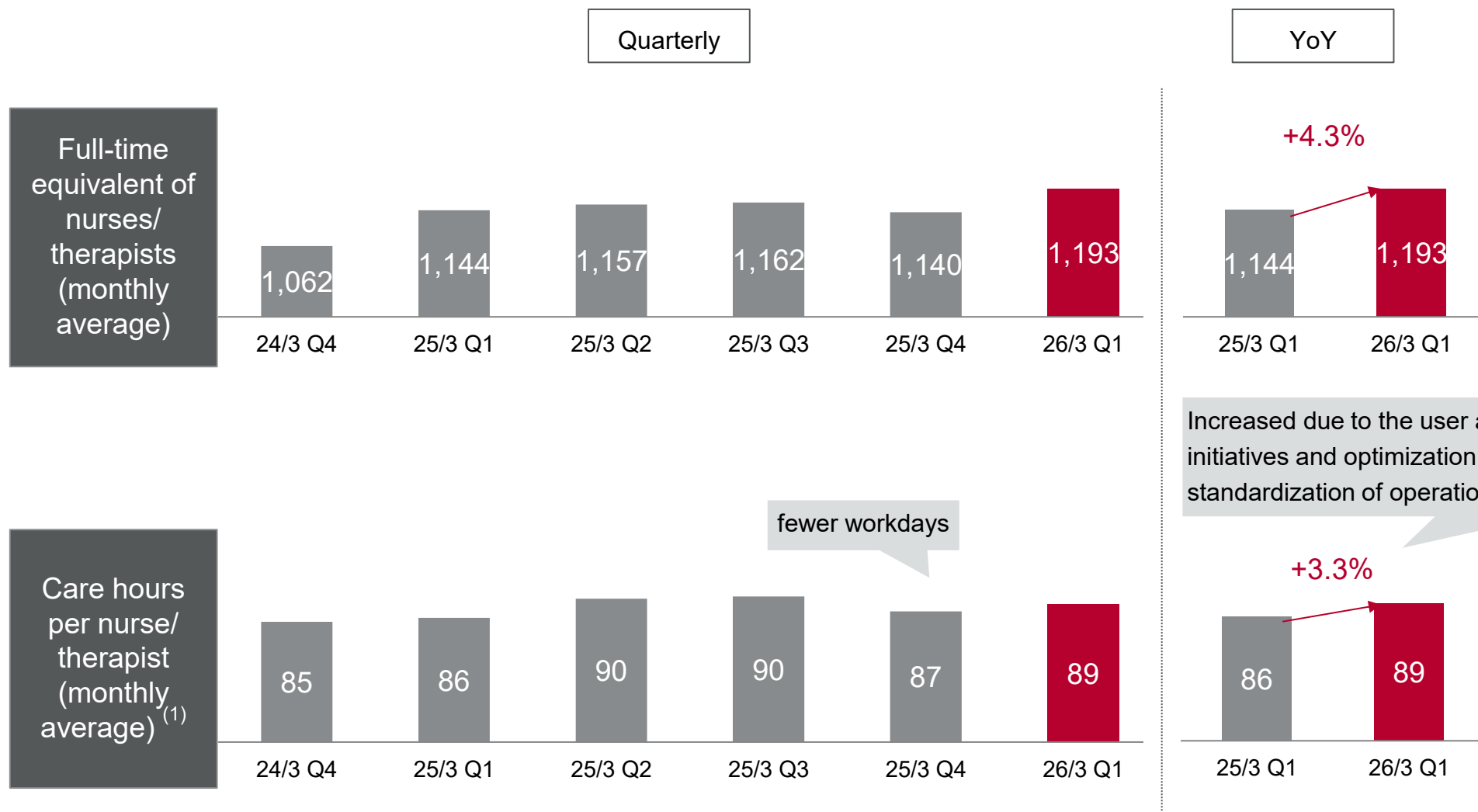


# Key Operating Drivers of In-home Nursing Segment (1/2)



1. Average number of users with actual visits at the end of each month of the period.  
 2. Number of hours nurses and therapists provided services for users.

# Key Operating Drivers of In-home Nursing Segment (2/2)

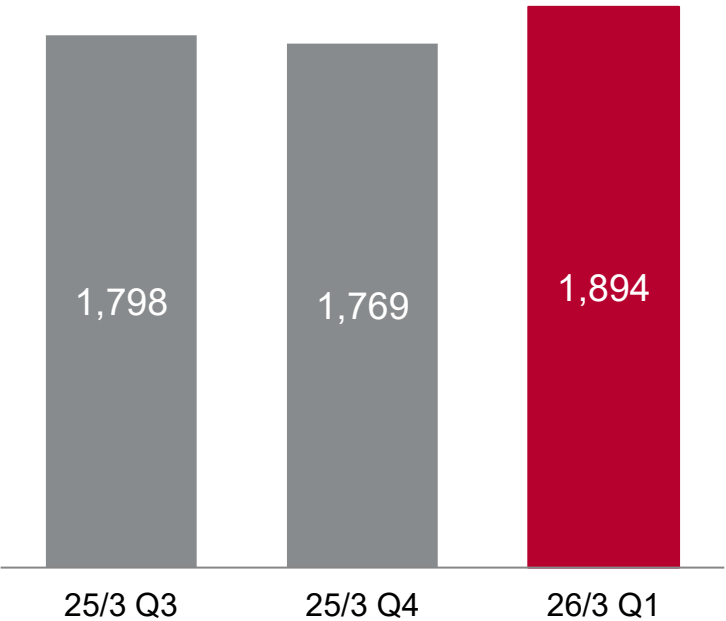


1. Calculating by dividing total care hours (monthly average) by full-time equivalent of nurses/therapists (monthly average).

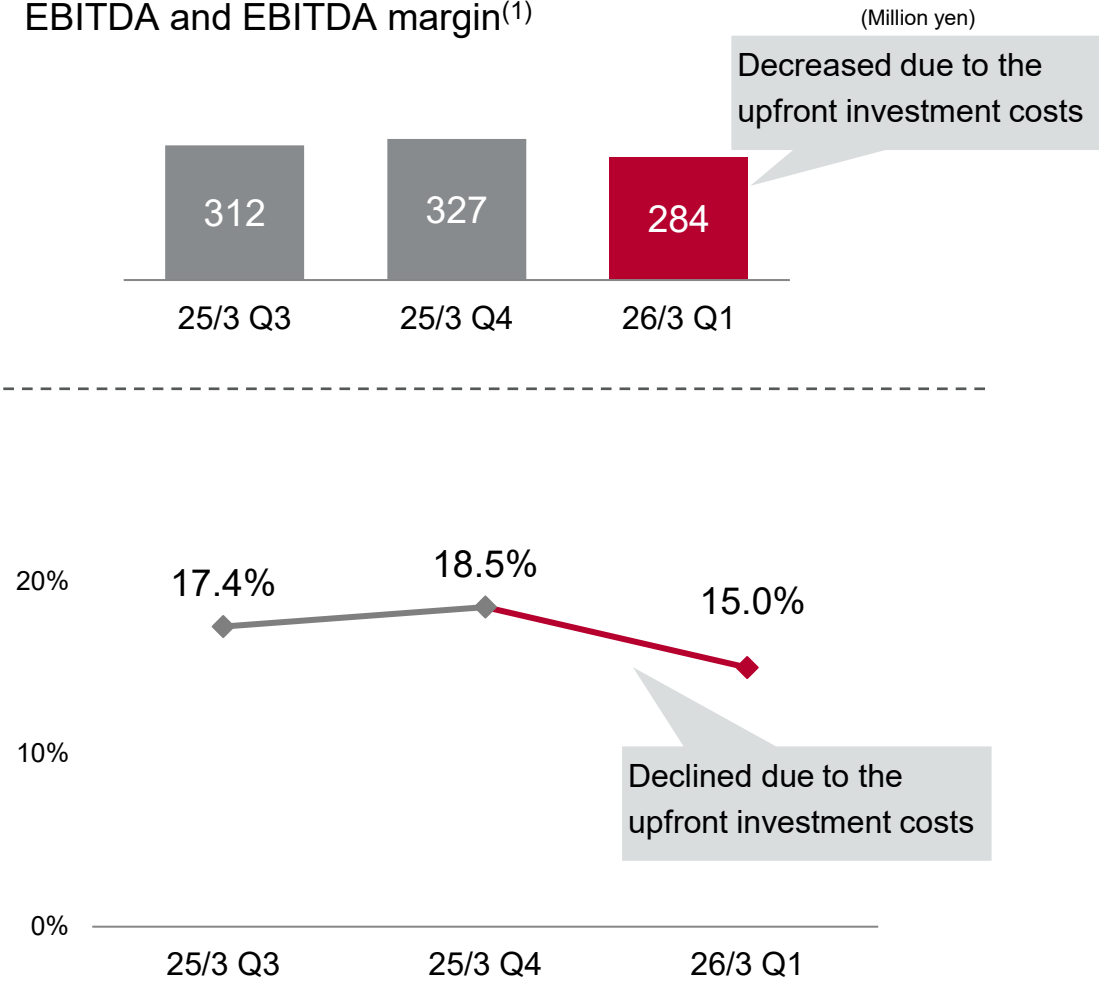
# Financial Results of Medical Care Residence Segment (Quarterly)

Revenue progressed steadily. Temporary decline in EBITDA and EBITDA margin due to the upfront investment costs incurred for initiatives, aiming to improve occupancy rates and revenue per patient

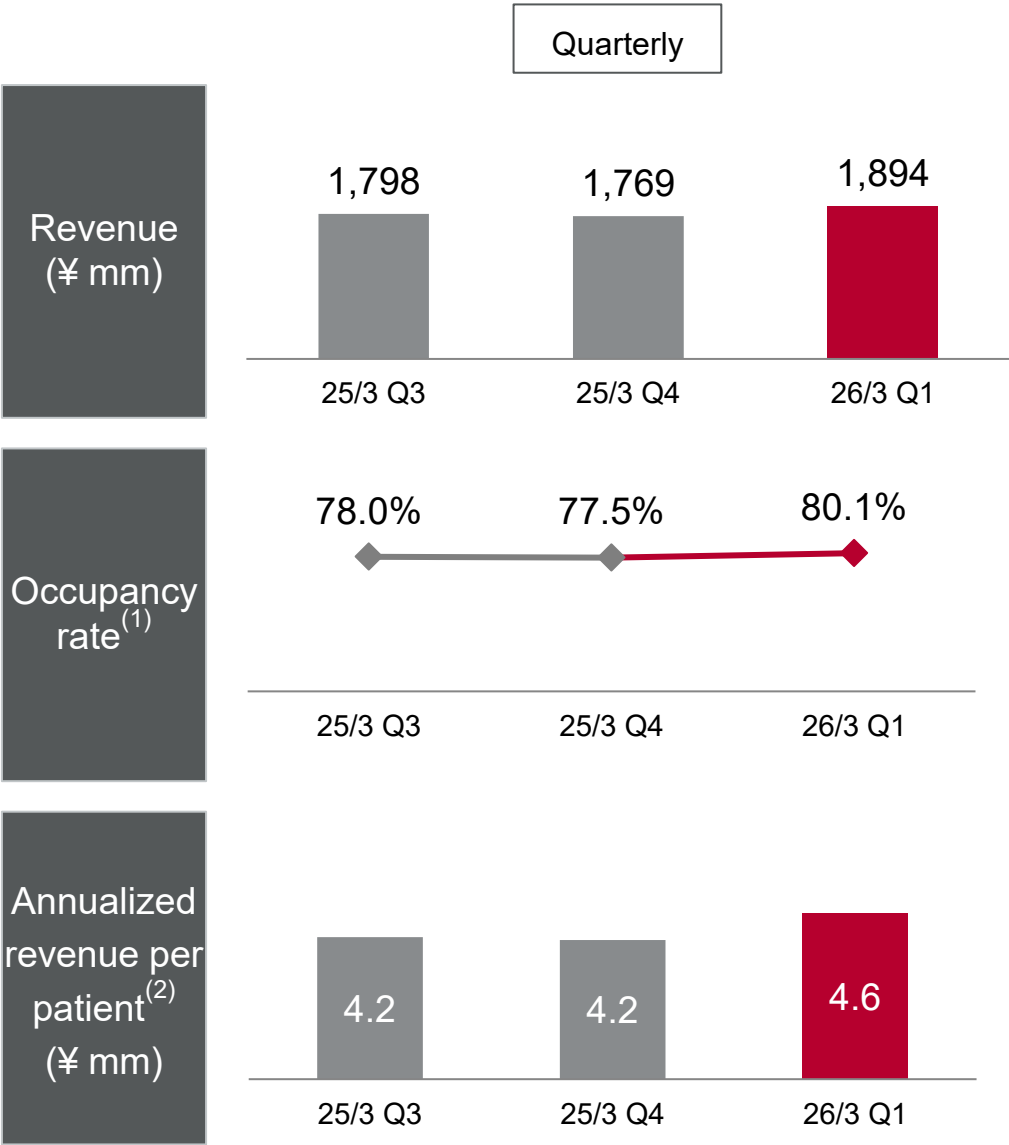
Revenue



(Million yen) EBITDA and EBITDA margin<sup>(1)</sup>



# Key Operating Drivers of Medical Care Residence Segment



1. Percentage of total number of patients in medical care residence facilities to the total number of capacity through each period.  
2. Calculated by dividing the annualized revenue from Medical Care Residence segment by the average number of patients during each period..



# 2026/3 Q1 Topics

# 2026/3 Q1 Topics

## 1 Establishment of a new company, “CUC Advisory Partners Inc.”

- CUC established a new company, CUC Advisory Partners Inc. (“CUC AP”), to engage primarily in M&A advisory and related services in the medical and healthcare sectors
- CUC AP leverages the expertise accumulated by the CUC Group to provide a wide range of services such as M&A sourcing, brokerage, advisory and post-merger integration to medical institutions, nursing care providers, and healthcare service companies

## 2 Opening of new two hospices “ReHOPE”

- CUC Hospice opened ReHOPE Matsumoto (capacity: 50 beds) in April 2025 and Asahikawa Kagura (capacity: 43 beds) in May 2025
- These facilities are the 1st facility in Nagano prefecture and the 4th facility in Hokkaido

# Progress Towards Guidance

# Progress Towards Guidance (1/2)

(Million yen)	26/3 (Forecast)	26/3 Q1 (Actual)	Progress
<b>Revenue</b>	<b>58,250</b>	<b>12,996</b>	<b>22.3%</b>
Medical Institution	17,510	4,133	23.6%
- Japan	9,780	2,452	25.1%
- Overseas <sup>(1)</sup>	7,730	1,681	21.7%
Hospice	19,200	3,834	20.0%
In-home Nursing	12,900	3,229	25.0%
Medical Care Residence	8,970	1,894	21.1%
Others and Adjustment	(330)	(94)	-
<b>EBITDA</b>	<b>10,230</b>	<b>1,736</b>	<b>17.0%</b>
Medical Institution	3,930	944	24.0%
- Japan	3,100	916	29.5%
- Overseas <sup>(1)</sup>	830	28	3.4%
Hospice	3,270	298	9.1%
In-home Nursing	1,550	439	28.3%
Medical Care Residence	2,300	284	12.3%
Others and Adjustment	(820)	(228)	-

## Summary of progress

### Consolidated

- Revenue and profit progressed in line with a more heavily second-half-weighted target than the previous fiscal year

### Medical Institution

- The progress of domestic revenue and profit was above CUC's plan due to better-than-expected M&A advisory fees and cost control
- The progress of overseas revenue was in line with CUC's plan, while the profit was behind CUC's plan due to higher-than-expected costs

### Hospice

- Although performance is expected to improve on a quarterly basis, lower unit prices resulted in revenue and profit falling short of expectations

### In-home Nursing

- The progress of revenue and profit was above CUC's plan due to increase in users and partial deferral of recruitment expenses

### Medical Care Residence

- Although performance is expected to improve on a quarterly basis, lower unit prices resulted in revenue and profit falling slightly short of expectations

1. The US and Southeast Asia. Average exchange rate for the 2026/3 forecast is 145 yen/USD and average exchange rate for the 2026/3 Q1 actual result is about 145 yen/USD (same applies hereinafter).

# Progress Towards Guidance (2/2)

(Million yen)	26/3 (Forecast)	26/3 Q1 (Actual)	Progress
<b>Operating profit</b>	<b>5,500</b>	<b>744</b>	<b>13.5%</b>
Medical Institution	3,000	765	25.5%
- Japan	2,730	813	29.8%
- Overseas	270	(48)	-
Hospice	1,815	(31)	-
In-home Nursing	1,020	343	33.6%
Medical Care Residence	490	(104)	-
Others and Adjustment	(825)	(229)	-
<b>Net income attributable to CUC shareholders</b>	<b>2,880</b>	<b>208</b>	<b>7.2%</b>

# Appendix

# Company Overview

# Mission

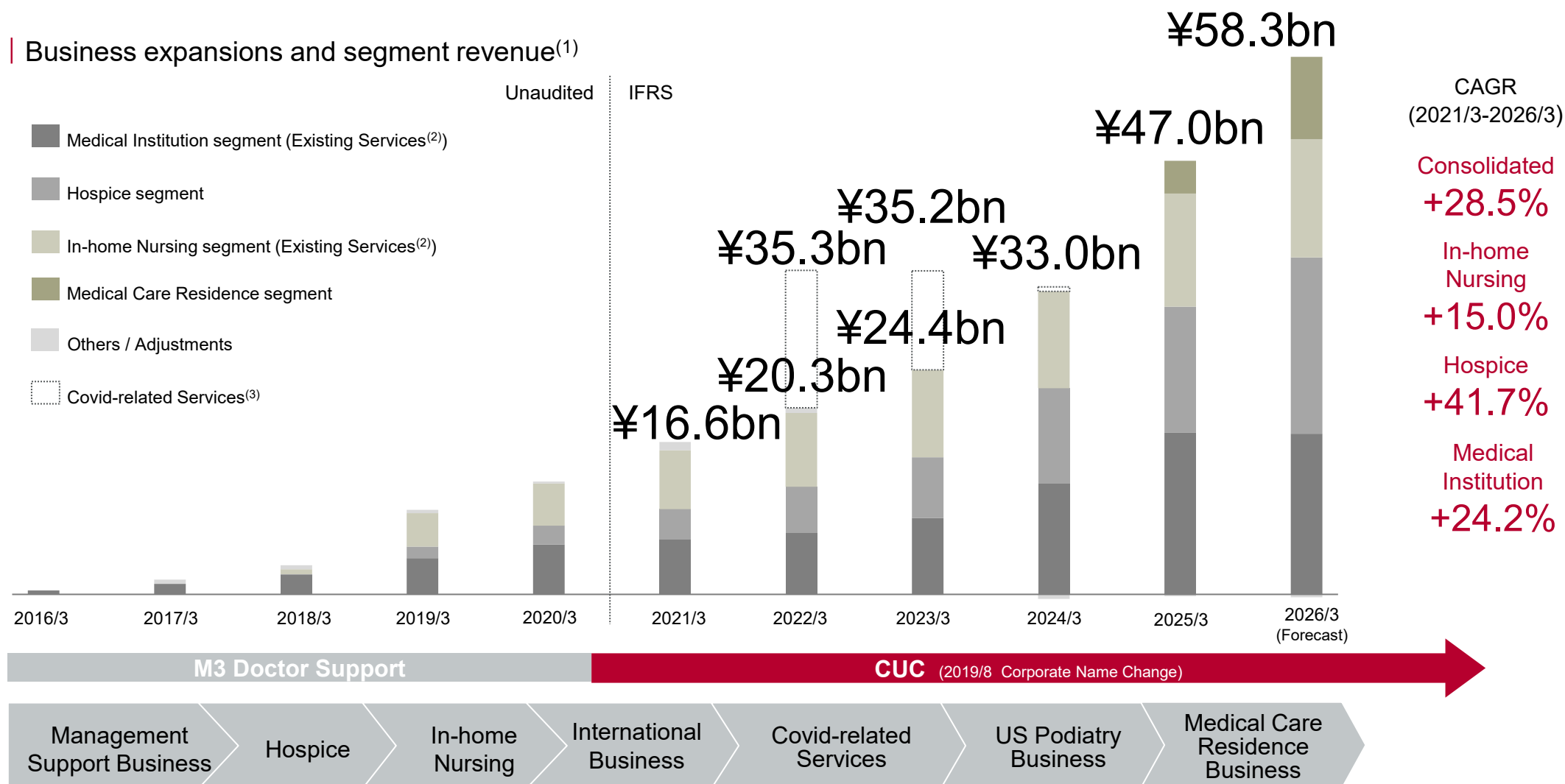
## Creating Hope through Healthcare.





# Successful High Growth Track Record

CUC has achieved rapid and continuous growth with its business area expansions

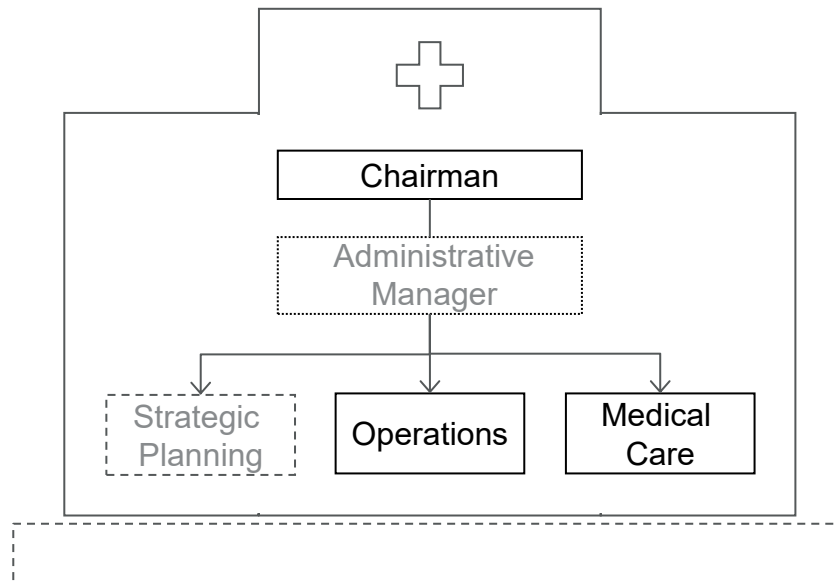


1. Financials for 2021/3 through 2025/3 are based on IFRS. Financials for 2020/3 and before are unaudited and do not include consolidation adjustments. ¥ 35.3bn for 2022/3, ¥ 35.2bn for 2023/3 and ¥ 33.0bn for 2024/3 are consolidated figures. ¥ 20.3 bn for 2022/3 and ¥ 24.4 bn for 2023/3 are consolidated figures (Existing Services). 2. CUC group's services except for the Covid-related Services etc. (the same applies hereinafter). 3. Covid-19 Vaccination Support Services, In-home Clinical Trials and In-home Monitoring Services (the same applies hereinafter).

# Medical Institution Segment Overview (Japan) (1/2)

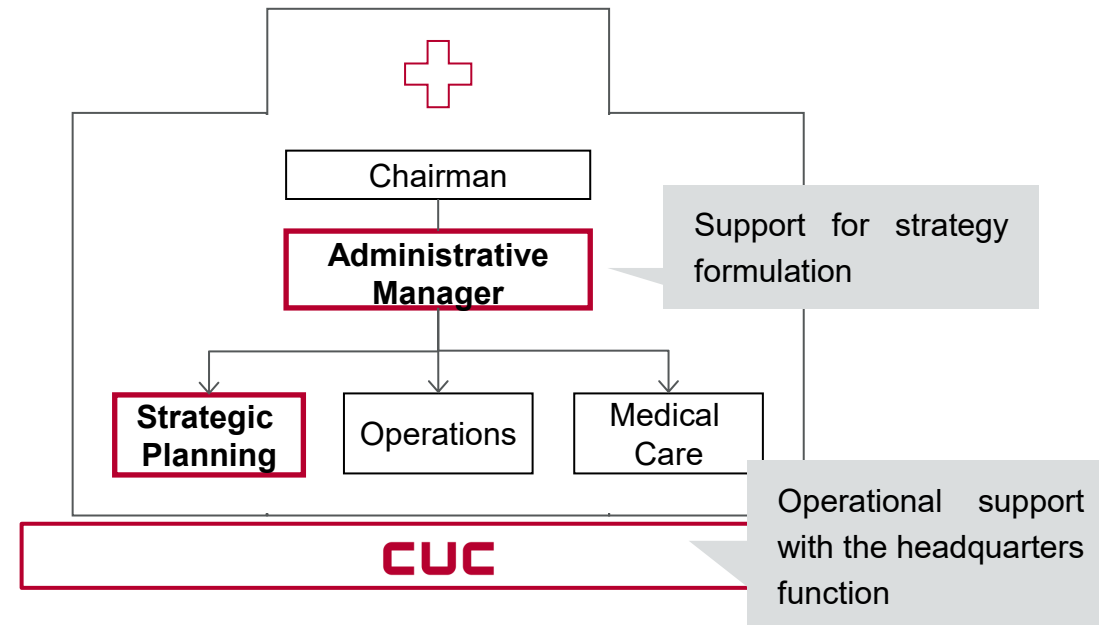
Sending indispensable management support personnel for expansion and efficient operation

## | General medical institutions



- Huge burden on doctors
- Limited know-how for revenue growth (M&A/bed conversion etc.)
- Inefficient daily operation
- Lack of management strategy functions such as marketing

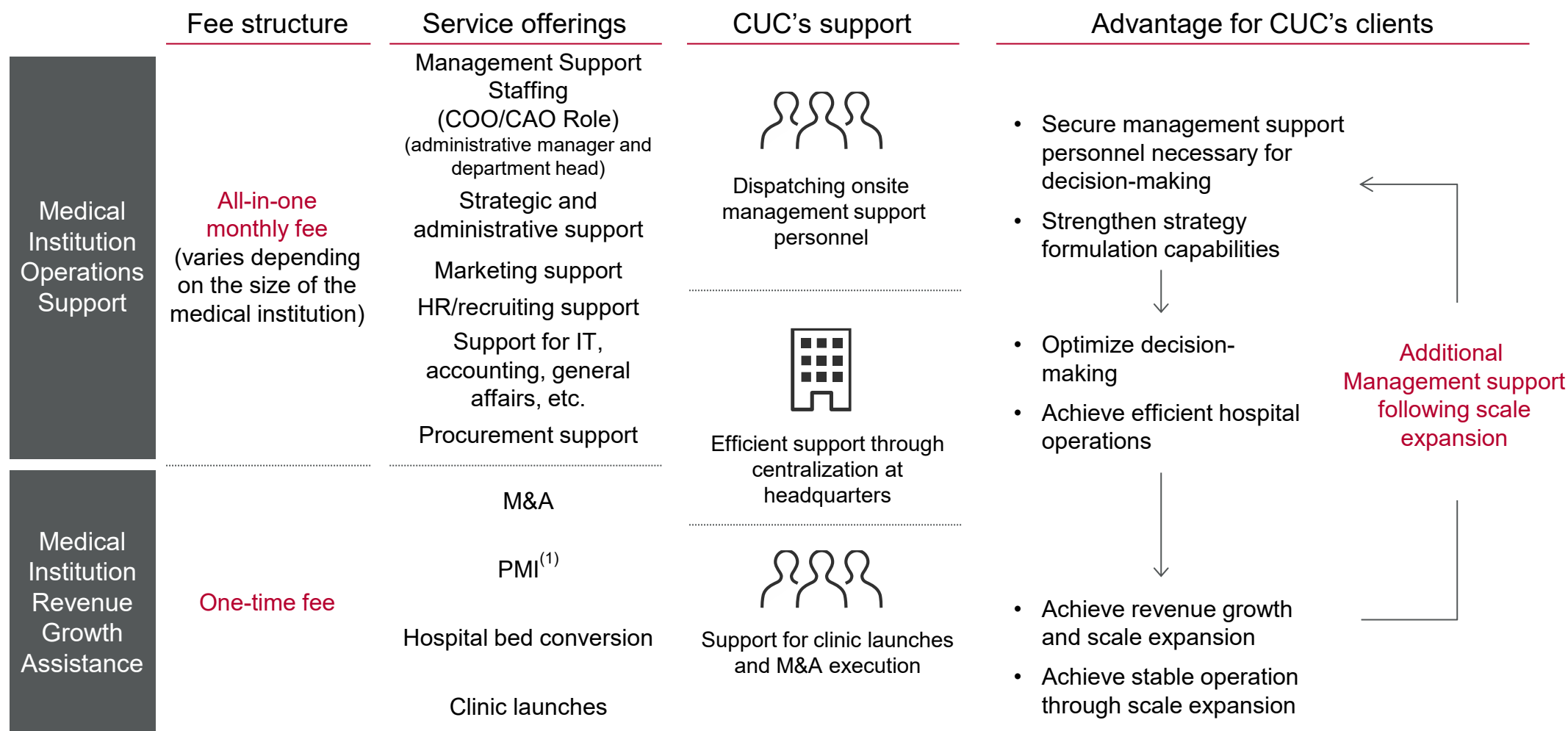
## | Client medical institutions



- Dispatching management support personnel who supports operational growth and strategic formulation of medical institutions (→ongoing client relationships)
- Stable operations that leverage CUC's know-how contributing to efficiency improvement (→efficient operation of medical institutions)
- CUC's support towards medical institutions allows doctors to further focus on patient care (→higher quality of medical care)

# Medical Institution Segment Overview (Japan) (2/2)

Achieving continuous high growth through medical institutions operations support with high retention rate, as well as revenue growth assistance which expands CUC client base



1. "Post Merger Integration": Business integration process after acquisition.

# Medical Institution Segment Overview (US) (1/2)

There are podiatrists who provide treatments for patients with conditions of part of leg below knee in the US while orthopedic surgeons or dermatologists deals with in Japan

## | Treatment examples <sup>(1)</sup>

### Conditions

- ✓ Achilles Tendon Injuries, Transport Accident Injuries,
- ✓ Arthritis
- ✓ Bunions
- ✓ Deep vein thrombosis
- ✓ Gout
- ✓ Neuroma
- ✓ Ulcers
- ✓ Varicose Veins, etc.

### Treatment Options

- ✓ Braces or splints
- ✓ Anti-inflammatory drugs, Anticoagulant drugs
- ✓ Surgery
- ✓ Dietary and nutrition counseling
- ✓ Lower limbs venous insufficiency diagnosis and treatment, etc.

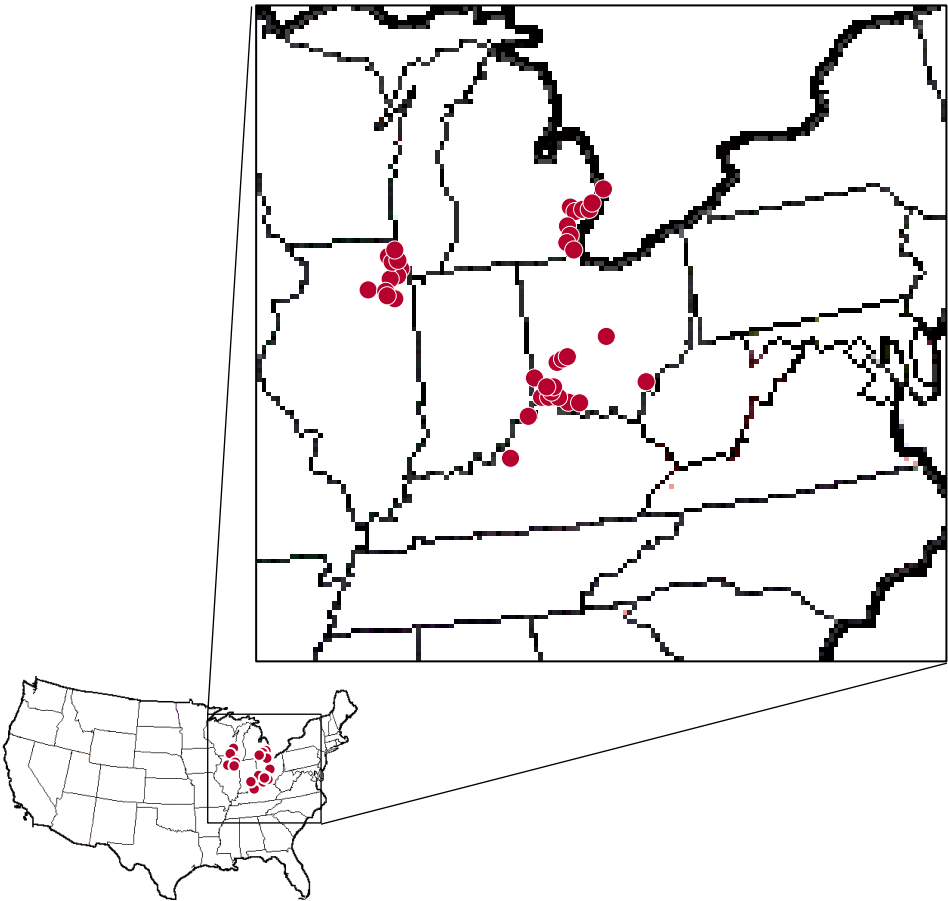


1. Quoted from the company's website: <https://beyond-podiatry.com/>.

# Medical Institution Segment Overview (US) (2/2)

Leading podiatry service platform in Midwest United States operating podiatry and varicose veins clinics through multiple regional brands. It has expanded its footprint mainly through M&A

## Locations



Name	State	# of clinics <sup>(1)</sup>
Great Lakes Foot & Ankle Institute	Michigan	5
Foot & Ankle Associates	Illinois	3
Commonwealth Foot & Ankle	Kentucky	1
First Step Foot Care	Illinois	3
Columbus Vascular Vein & Aesthetics	Ohio, Illinois, Michigan	5
Cincinnati Foot & Ankle Care	Ohio, Indiana	11
North Shore Foot & Ankle	Illinois	2
Michigan Foot & Ankle Center	Michigan	2
Ankle and Foot Surgery	Illinois	1
Central DuPage Foot & Ankle Associates	Illinois	1
Total		34

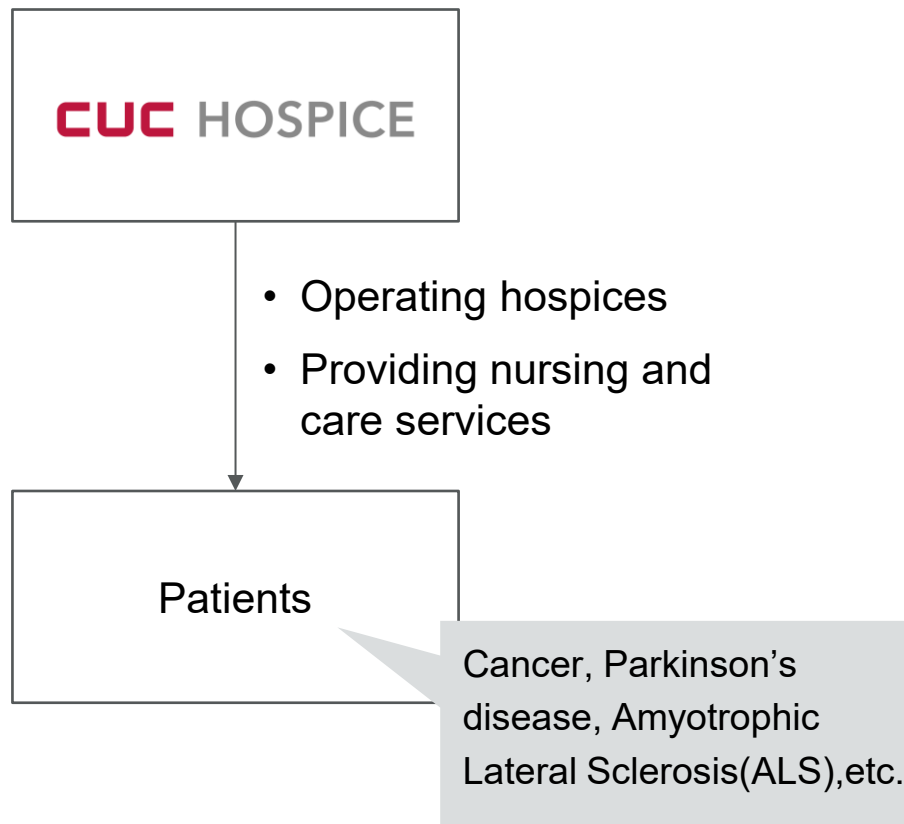
1. Number of clinics at the end of June 2025.

# Hospice Segment Overview

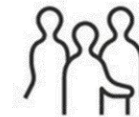
Operating hospices, which are residences for patients in the terminal stages, and provide round-the-clock nursing and care services for patients

| Business overview

| KPI (as of June 30, 2025)<sup>(1)</sup>



Hospices  
**53**



Capacity  
**2,327 beds**



Nurses  
/Caregivers  
**1,523**



Existing hospices  
occupancy rate<sup>(2)</sup>  
**86.2%**

1. Key performance / indicators of hospices which CUC Group provides services.

2. Percentage of total patients to the total number of capacity in existing hospices (Past 12+ months after the opening or acquired through M&A) for 2026/3 Q1.

# Recent move in the hospice industry

While the current business environment remains solid, all the news stories from last year have undermined public trust in the industry as a whole. This makes it difficult to take an optimistic view of the next medical fee revision scheduled for 2026

## ● September, 2024

Certain media reported on excessive in-home nursing care and fraudulent insurance claims involving Company A, a major listed hospice provider. Company A has denied the news and established a special investigation committee

## ● November, 2024

Company A announced a timely disclosure regarding the postponement of its financial results announcement and the submission of an extension application for its semi-annual report

## ● February, 2025

Company A received the report from the special committee and announced the amendment of past financial statements, the demotion of directors, a downward revision to its full-year earnings forecast, and the withdrawal of its medium-term management plan

## ● March, 2025

Certain media reported on fraudulent insurance claims involving Company B, another major listed hospice provider. Company B established a special investigation committee

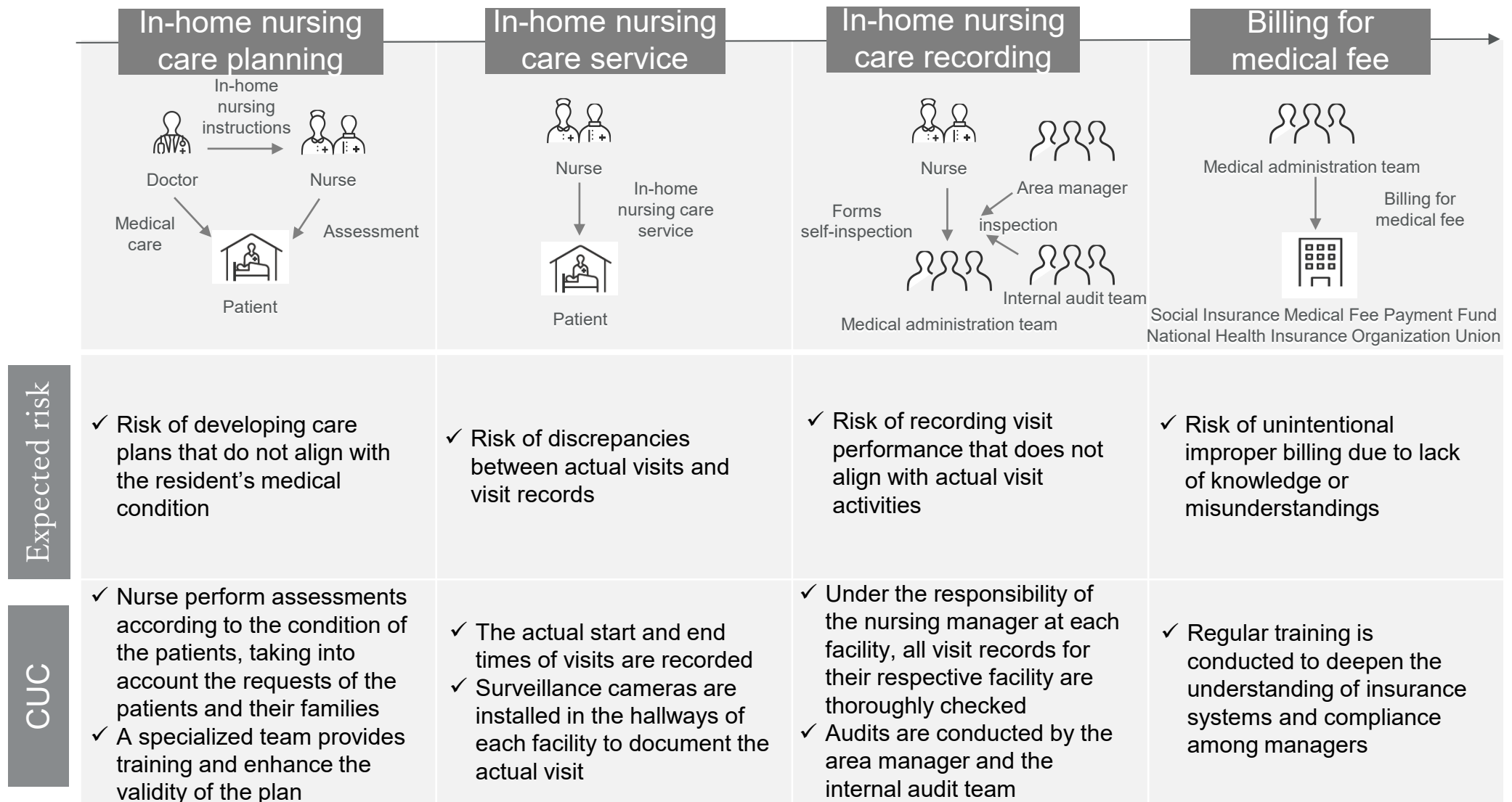
## ● March, 2026 (TBD)

The Ministry of Health, Labor and Welfare will announce the revision of medical fee

# Management system for in-home nursing services of Hospice Segment

CUC group is committed to implementing measures to prevent fraudulent or excessive billing

| The process leading to medical fee billing

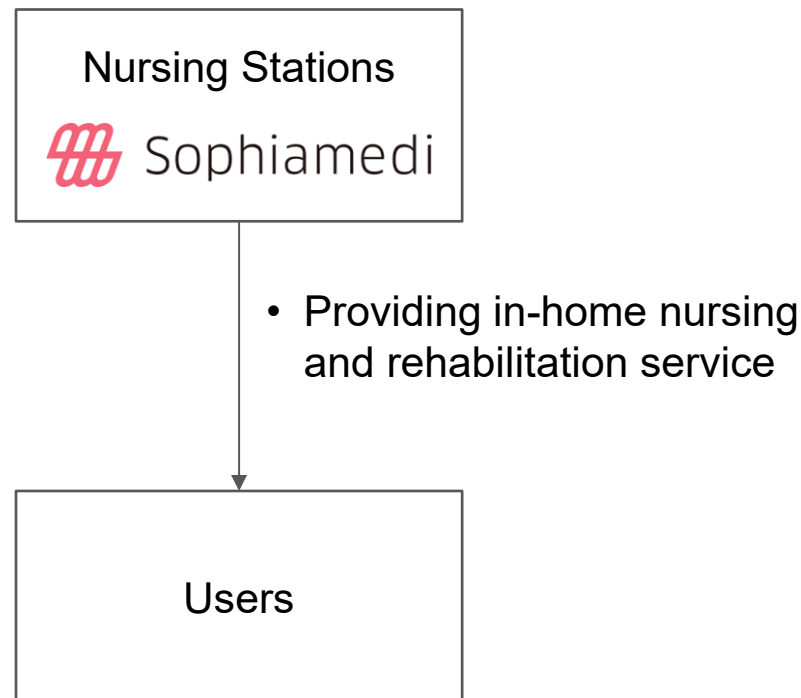




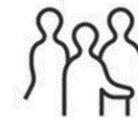
# In-home Nursing Segment Overview

Nurses and therapists visit users' home and provide in-home nursing and rehabilitation service

## | Business overview



## | KPI (as of June 30, 2025)



Users<sup>(1)</sup>  
**14,947**



Total care hours<sup>(2)</sup>  
**1,242k hours**  
(2025/6 LTM)



Nurse/Therapists<sup>(3)</sup>  
**1,302**



Nursing Stations<sup>(4)</sup>  
**91**

1. The number of users with actual visits.

2. Total number of hours nurses and therapists provided services to users.

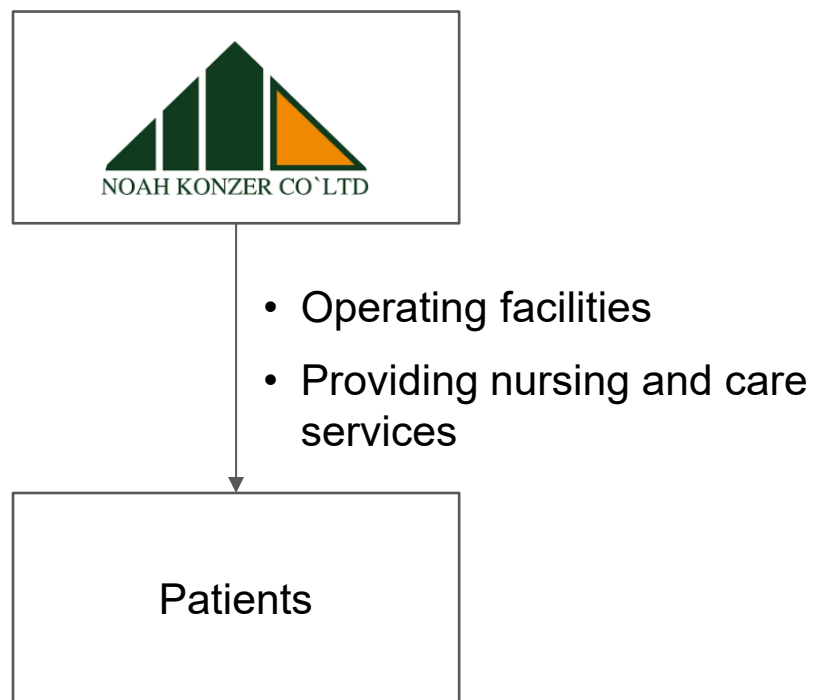
3. Therapists include physical therapists, occupational therapists, and speech therapists.

4. Total number of nursing stations which CUC Group provides services.

# Medical Care Residence Segment Overview

Providing regular on-demand in-home care and in-home nursing care for patients at facilities, and day care services

| Business overview



| KPI (as of June 30, 2025)



Facilities  
**27**



Capacity  
**2,066 beds**



Nurses  
/Caregivers  
**595**



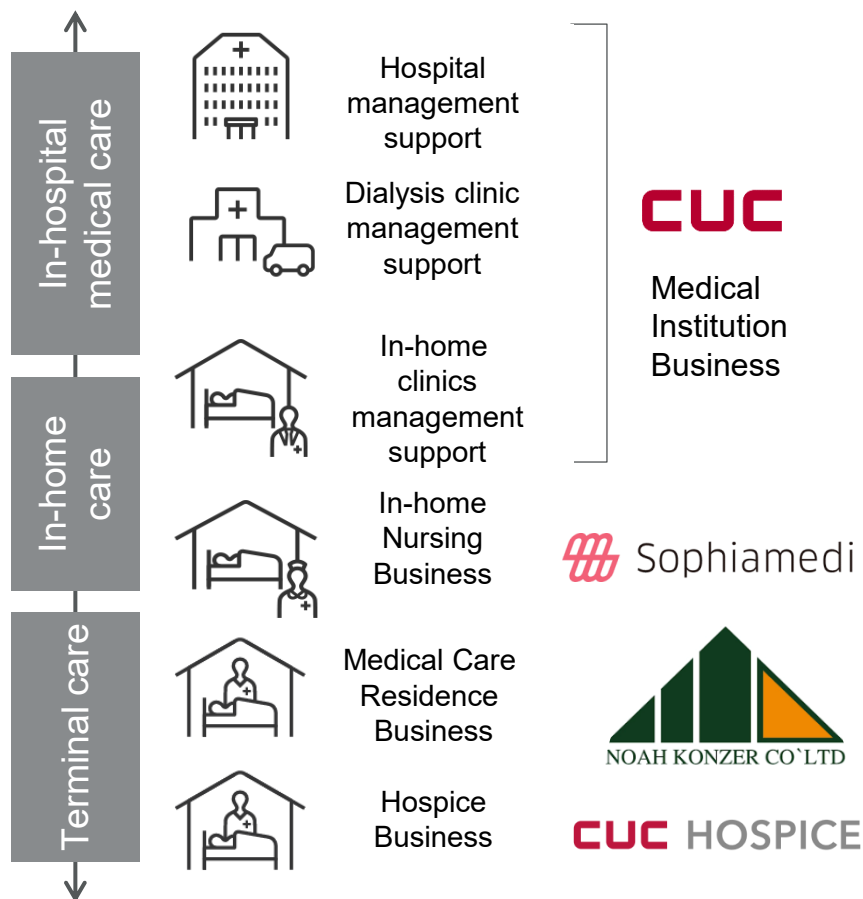
Occupancy rate<sup>(1)</sup>  
**80.1%**

1. Percentage of total patients to the total number of capacity in Noah Konzer's facilities for 2026/3 Q1.

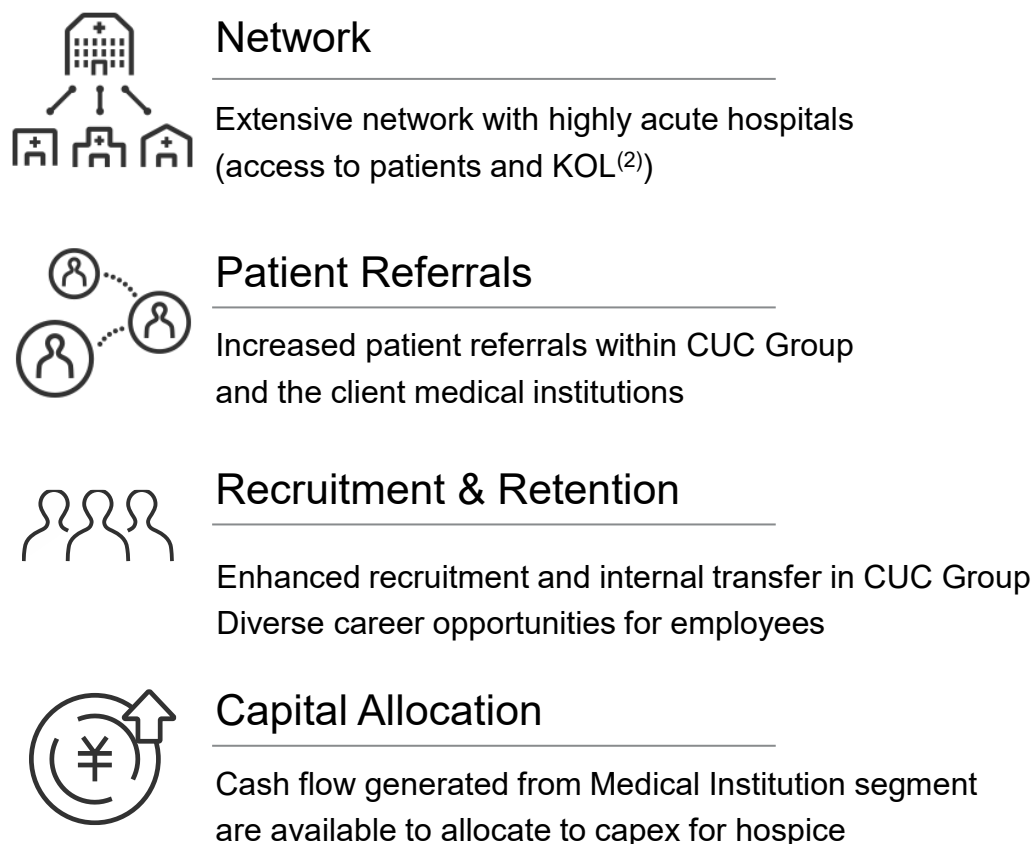
# Vertically Integrated Platform (1/2)

CUC has established a vertically-integrated platform across 4 segments to provide significant value to patients, healthcare workers, and society. As a result, CUC can address a broad TAM<sup>(1)</sup> that is not limited to a single business

## Vertically integrated key businesses



## Benefits of vertically integrated platform



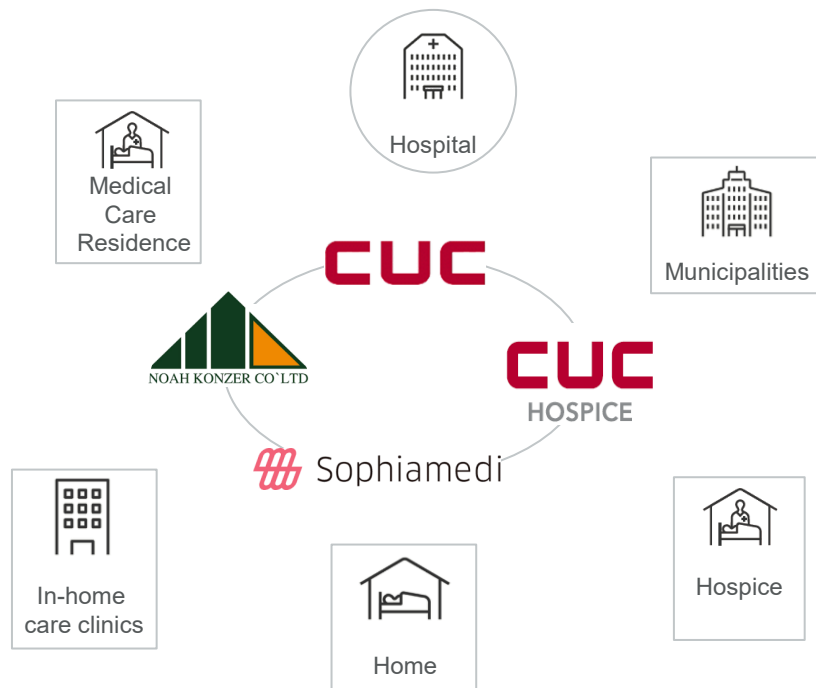
1. "Total Addressable Market": A total market demand for a product and service.

2. "Key Opinion Leader": A person with great influence in many areas within the medical industry.

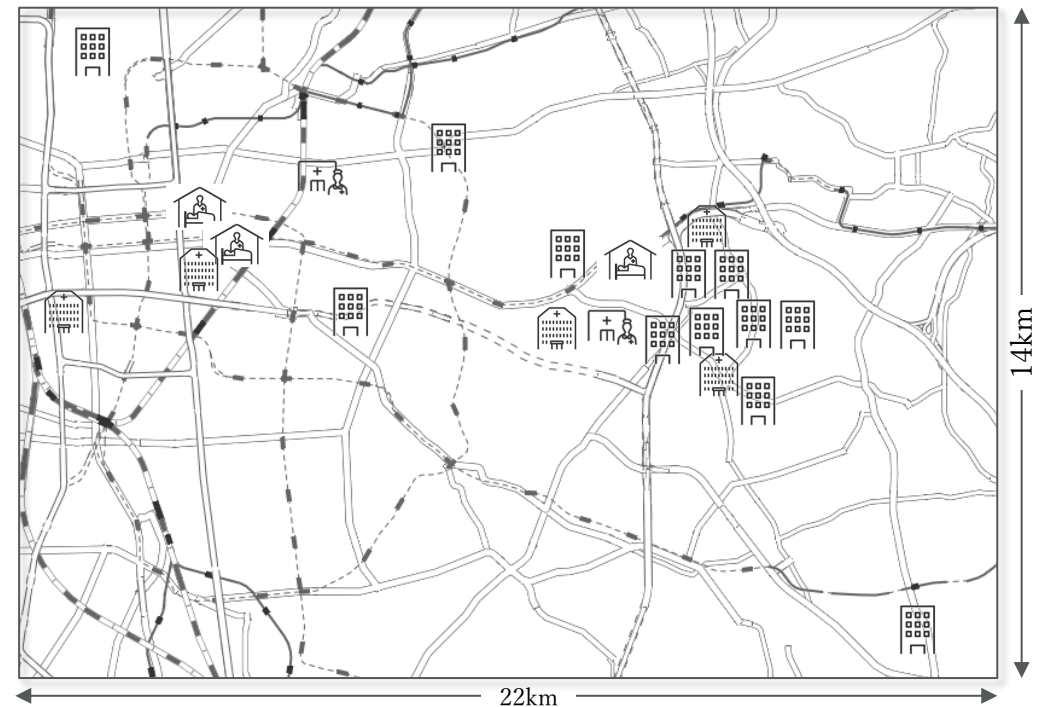
# Vertically Integrated Platform (2/2)

CUC Group has built a unique platform that covers regional medical and caregiving needs through the strong relationship of 4 segments

| Coordination within CUC group and client medical institutions



| Case study: area dominance<sup>(1)</sup>



	Medical Institution segment client (hospital): 5 sites		Medical Institution segment client (in-home care clinic) : 12 sites
	Nursing station: 2 sites		Hospice: 3 sites

1. Plots the actual presence at each location in a major city where CUC Group operates.

# Recruitment Record and Turnover Rate

CUC's strong recruitment and measures for improving turnover rate sustain rapid growth of all businesses

## | Track record (2025/3)<sup>(1)</sup>

### Medical Institution segment



Supported doctor hiring

270

Supported healthcare professional  
(excl. doctors)<sup>(2)</sup> hiring  
for CUC's Client Medical Institutions

1,130

### Hospice segment



Hired Nurses /  
Caregivers

660

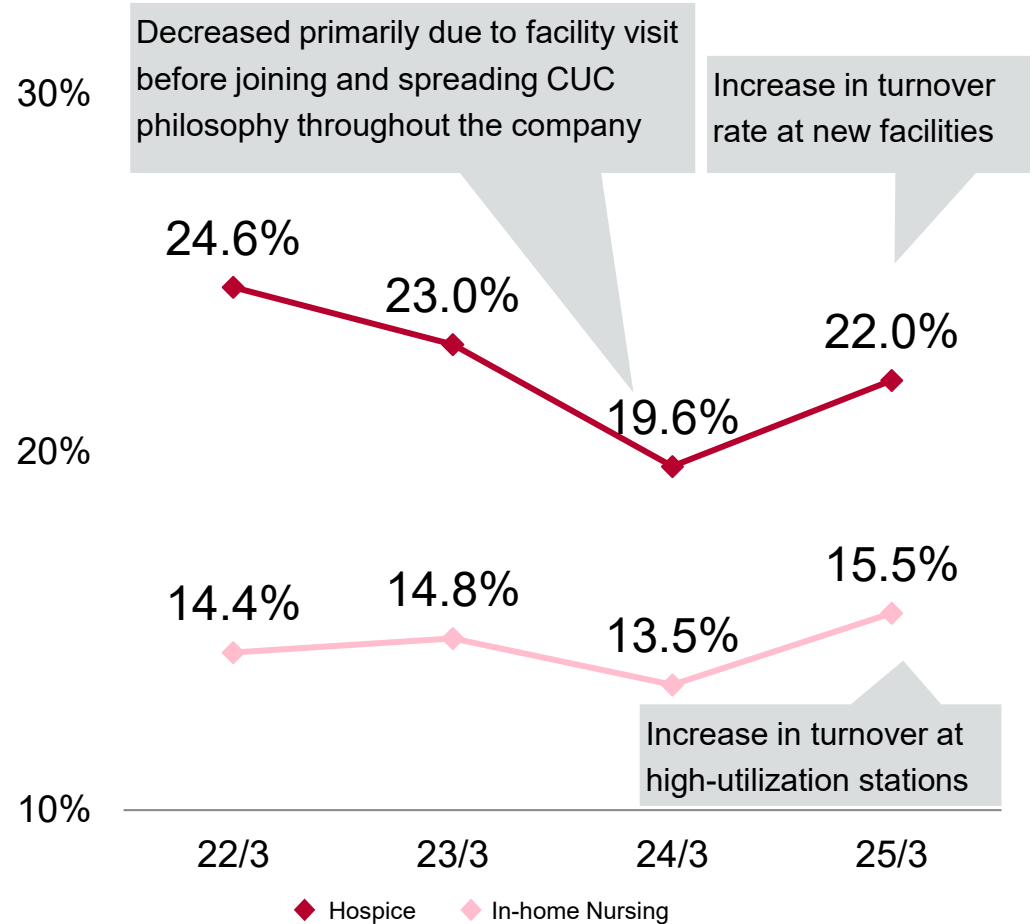
### In-home Nursing segment



Hired Nurses /  
Therapists

297

## | Turnover rate (2025/3)



1. Includes part-time employees.

2. Healthcare professionals excluding doctors (nurses, pharmacists, physical therapists, occupational therapists, speech therapists, clinical laboratory technicians, clinical engineering technicians, radiology technicians, dietitians, etc.).

# Differentiated Platform that Facilitates Recruiting

Healthcare professionals are not looking for compensation alone. They are devoted to their mission of providing healthcare. CUC secures human capital by providing the work environment they are looking for

## | CUC's unique platform

### Environment that healthcare workers look for



Sense of achievement and satisfaction



- Mission-oriented corporate culture
- Focus on patient care, with minimal scut work



Skill enhancement



- Continued investment in human capital, including an established training system
- Sharing best practices in a flat and cooperative work environment



Flexible career opportunities



- Various career opportunities through CUC's unique integrated platform
- Flexible employment patterns and support systems for childbearing and childrearing
- Support for marriage, childrearing, and employment of LGBTQ employees

### CUC's platform

## | Major awards related to the work environment



# CUC's International Business

CUC has subsidiaries in Vietnam, Indonesia and the United States

## Southeast Asia

- Provides management support for medical institutions such as hospital and clinic
- Established the 1<sup>st</sup> branch of the clinic named “Tokyo Family Clinic” operated by CUC Group in October 2023



- Established PT CUC HEALTHCARE INDONESIA<sup>(1)</sup>, which provides management support for medical institutions, and started lease business of medical equipment in September 2023

## North America

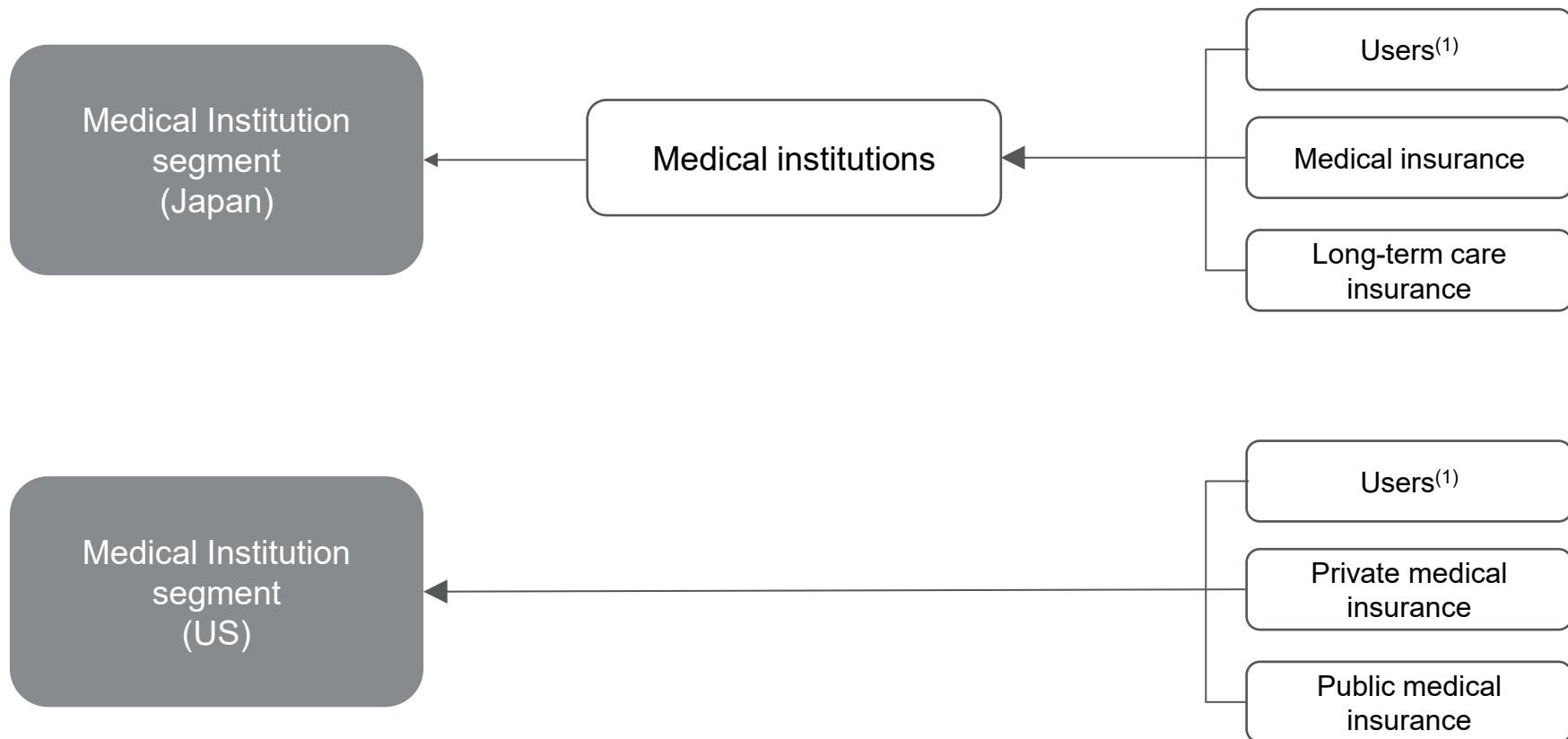


- Established CUC America, Inc.<sup>(1)</sup> in July 2023 in order to conduct market research and business development in the United States
- Acquired 79.35% of membership interest in Albarn Podiatry Holdings, which operates a podiatry service platform (The company name changed to CUC Podiatry Holdings)

1. Wholly owned subsidiaries.

# Diversified Revenue Sources of CUC group (1/2)

Medical Institution segment receives fees from medical institutions in Japan and has revenue sources from users, private and public medical insurance in the US

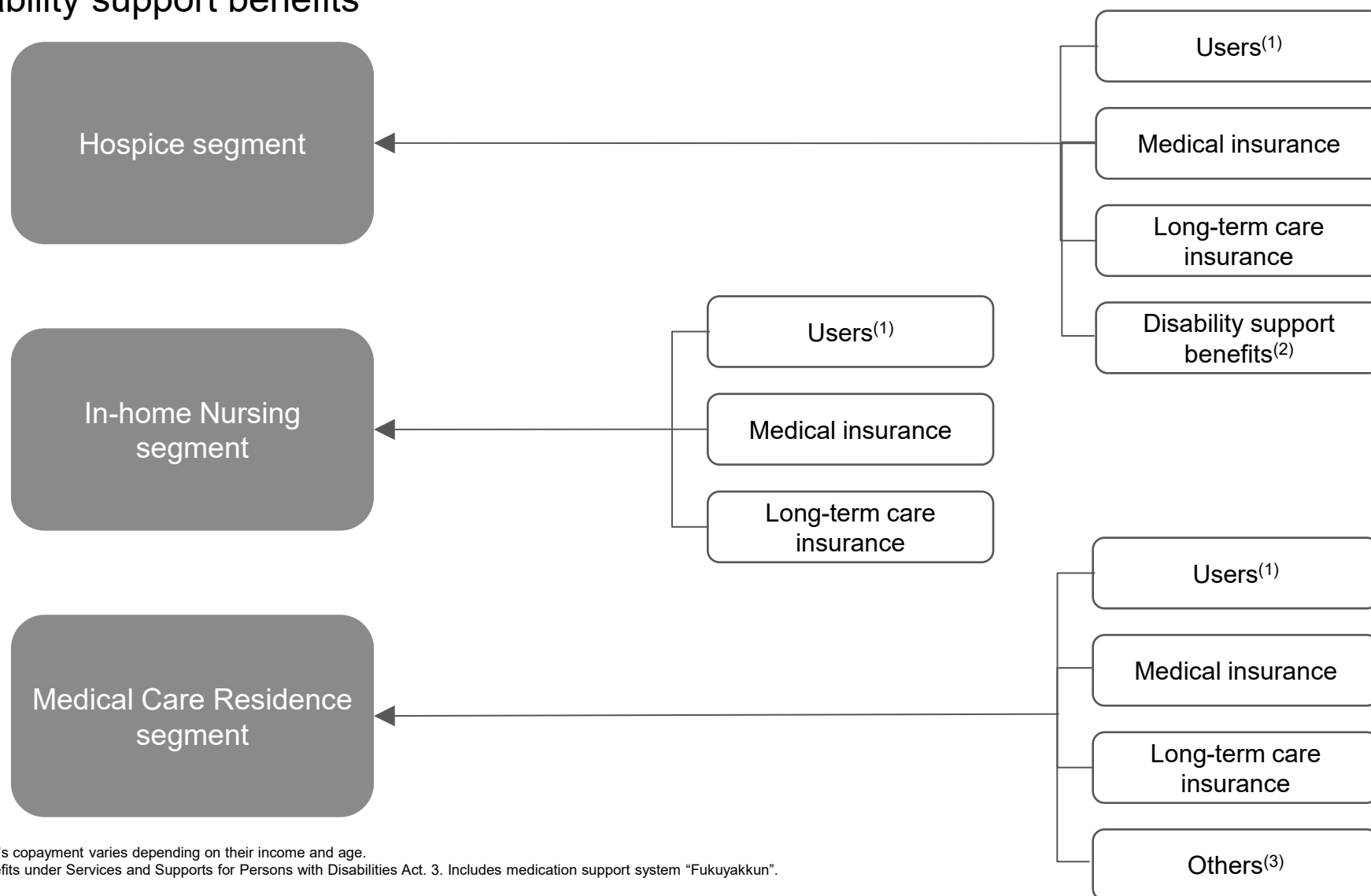


1. User's copayment varies depending on their income and age in Japan and on their insurance, income and age in the US.



# Diversified Revenue Sources of CUC group (2/2)

Hospice, In-home Nursing and Medical Care Residence segments generate revenue from users, medical insurance, and long-term care insurance. Hospice segment also generates revenue from disability support benefits



1. User's copayment varies depending on their income and age.

2. Benefits under Services and Supports for Persons with Disabilities Act. 3. Includes medication support system "Fukuyakkun".

# Market Environment

# Market Environment of Medical Institution Segment (Japan)

Due to rapidly aging population, growth in medical spending, shrinking labor force, increasingly complicated revision of medical fee and lack of successors in medical institutions, demand for management support service is expected to grow steadily

## | Number of medical institutions in Japan<sup>(1)</sup>

Hospitals

Approx. 8,000

Clinics

Approx. 105,000

## | External environment around medical institutions

- Rapidly aging population (ratio of the 65 years old or older in population is expected to increase from 29% in 2020 to 35% in 2040<sup>(2)</sup>)
- Growth in medical spending (expected to increase from 45 trillion yen in 2021 to 78 trillion yen in 2040<sup>(3)</sup>)
- Shrinking labor force (expected to decrease from 69.0 million to 65.4 million in 2040<sup>(4)</sup>)
- Revision of medical fee once every 2 years
- 68.4% of hospitals have no successors<sup>(5)</sup> and 68.7% of hospitals are managed by 60-years-old-or-older owners<sup>(6)</sup>

## | Business opportunities in management support

Management strategy development in consideration of revision of medical fee

Hospital bed conversion to accommodate the aging society (from acute care to recovery rehabilitation care)

Launch of a new in-home clinic

M&A execution support for medical institutions lacking successors

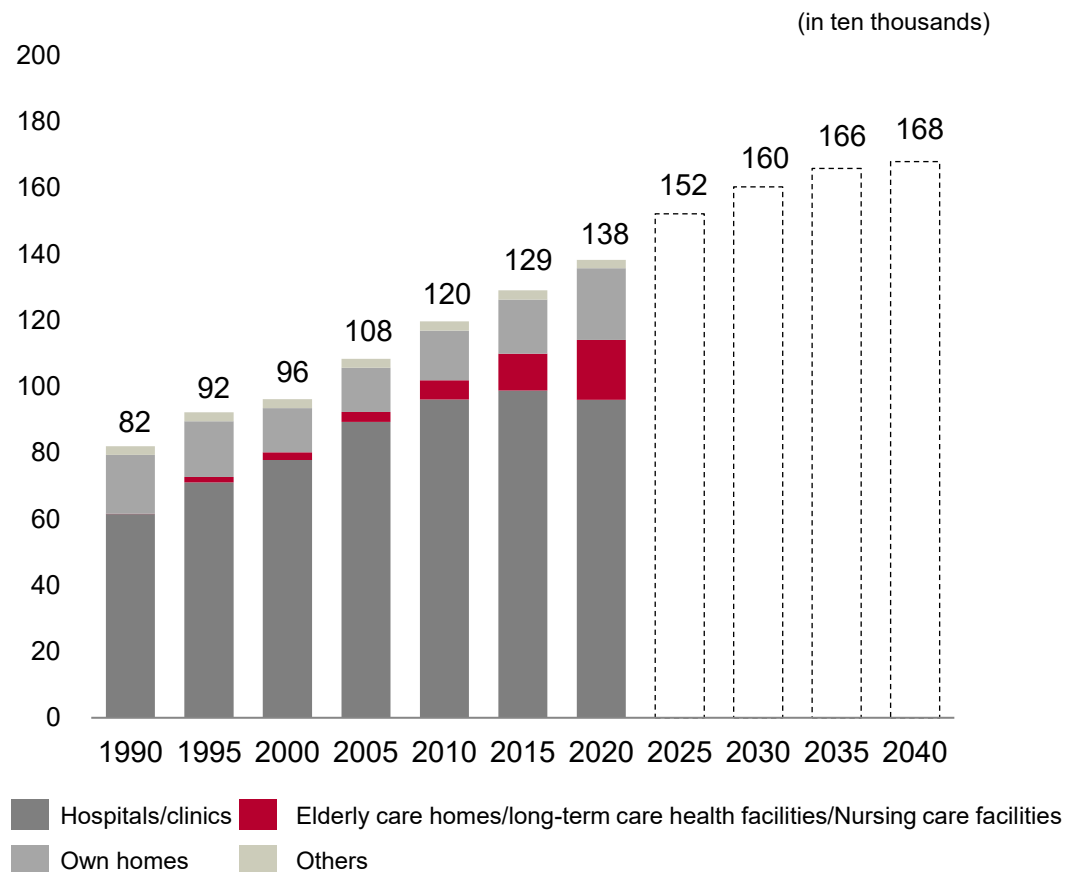
Improvement of recruitment and retention rate of the medical professionals

1. As of October 1, 2023. "Medical Facility Survey" (Ministry of Health, Labour and Welfare). 2. "Japan's Future Estimated Population" (National Institute of Population and Social Security Research). 3. "Overview of National Medical Spending" (Ministry of Health, Labour and Welfare), "Future Estimate of Social Security towards 2040" (Cabinet, MOF, Ministry of Health, Labour and Welfare). 4. "Annual Report on Health, Labor and Welfare – Materials 2023" (Ministry of Health, Labour and Welfare, 2024). 5. As of 2017. "Current Situation and Challenges of Medical Business Succession" (The Japan Medical Association Research Institute, 2019). 6. As of 2022. "Statistics Overview for Doctors, Dentists and Pharmacists, 2022" (Ministry of Health, Labor and Welfare, 2024).

# Market Environment of Hospice Segment

It is expected that terminal care refugees will reach 490,000 in 2040 while capacity of hospice facilities that provide deliberate care to patients with cancer and intractable diseases is limited at the moment

## | Trends in mortality and locations of death in Japan<sup>(1)</sup>



## | Demands for hospice facilities

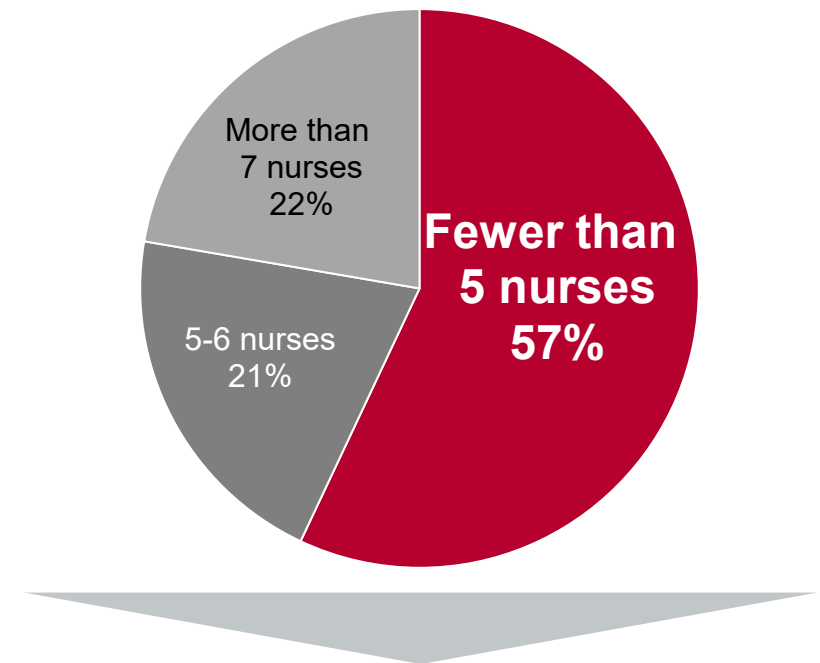
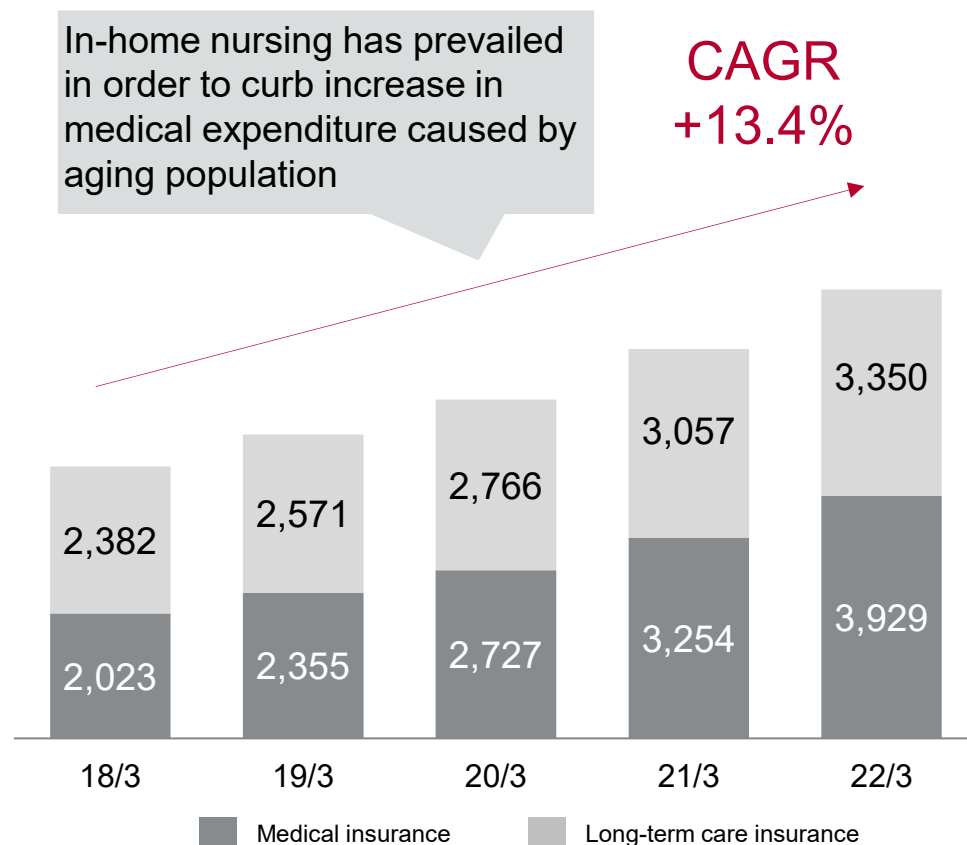
- The number of increase in deaths in medical institutions is on the decline while mortality in elderly care homes and similar facilities have been increasing recently.
- Mortality continues to increase annually, with an estimated **1.68 million** deaths<sup>(1)</sup> and approximately **490,000** terminal care refugees estimated for 2040<sup>(2)</sup>. However, capacity of hospice facilities that provide deliberate care to patients with terminal cancer and intractable diseases is currently at the shortage.
- Patients with designated intractable diseases such as Parkinson's disease, Amyotrophic Lateral Sclerosis (ALS) reached around **1.09 million** in 2023<sup>(3)</sup>. Deaths by cancer reached approximately **400,000** per year<sup>(4)</sup>.

1. "Demographic Survey, 2023", "Annual Report on Health, Labor and Welfare – Materials, 2023" (Ministry of Health, Labour and Welfare).  
 2. "Basic Information regarding Japanese Health and Medical Services" (Ministry of Health, Labour and Welfare, 2011).  
 3. "Examples of Health Administrative Reports 2023" (Ministry of Health, Labour and Welfare). 4. "Demographic Survey 2023" (Ministry of Health, Labour and Welfare).

# Market Environment of In-home Nursing Segment

In-home nursing expenditure is increasing at CAGR 13.4% due to aging population and increasing medical expenditure. Small-scale nursing stations operated by fewer than 5 nurses account for 57%, highlighting a growing demand for nursing stations capable of continuous operation

| Trends in in-home nursing expenditure<sup>(1)</sup> (in hundred millions) | Ratio of nursing stations by number of nurses<sup>(2)</sup>



Growing demand for large-scale nursing stations capable of providing round-of-clock services continuously

1. "Overview of National Medical Spending", "Survey on Nursing Care Benefits" (Ministry of Health, Labour and Welfare).

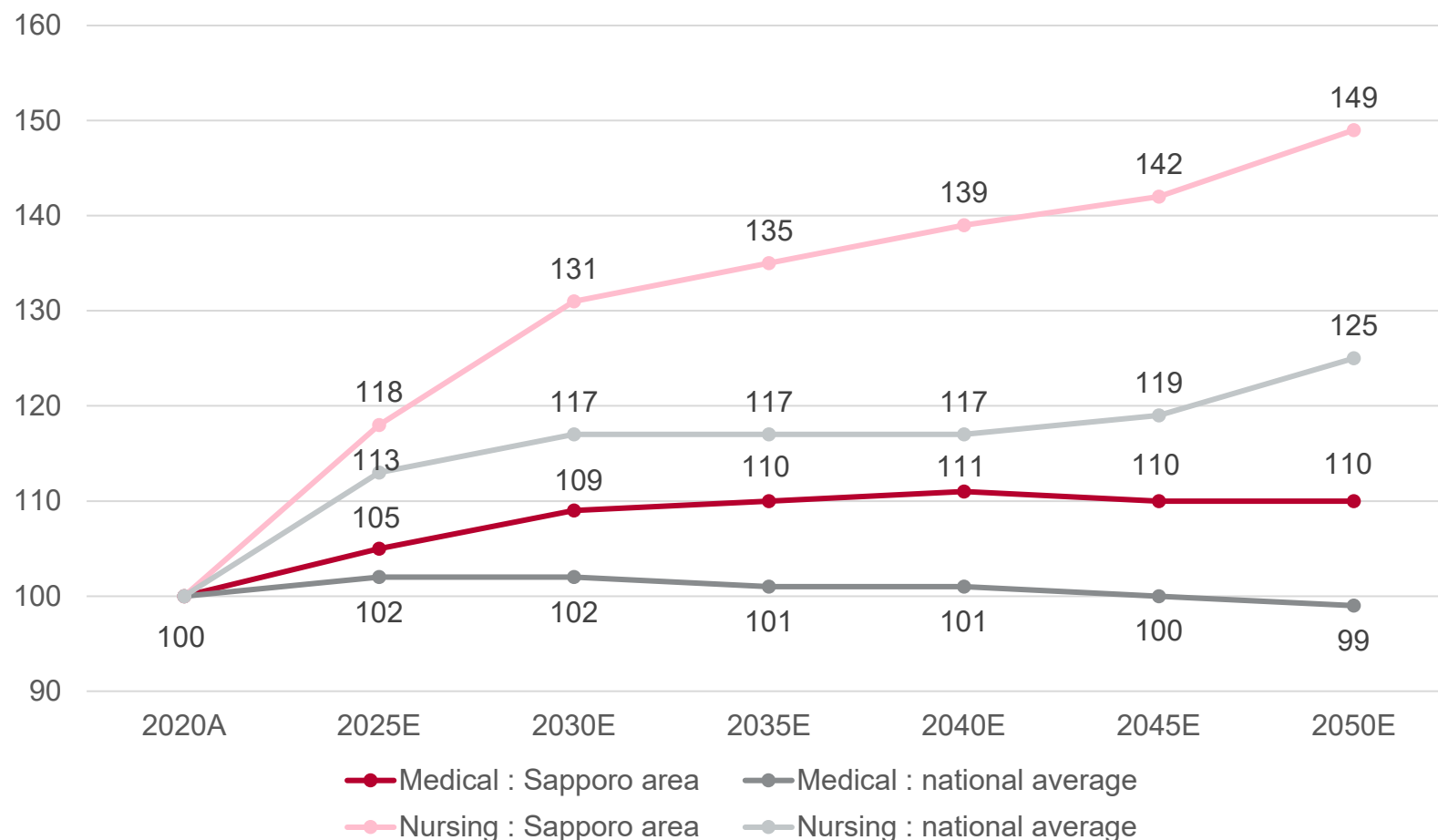
2. "Materials for the 220th Social Security Council Nursing Care Benefit Subcommittee Meeting (online conference) Reference 3" (Ministry of Health, Labour and Welfare).

# Market Environment of Medical Care Residence Segment

Sapporo medical area, where Noah Konzer operates its facilities, is expected to see growing demand for medical and long-term care services toward 2050. This demand is anticipated to be higher than the national average

| Medical and nursing care demand forecast for the Sapporo medical area

Medical and nursing care demand forecast index  
(Actual in 2020 = 100)

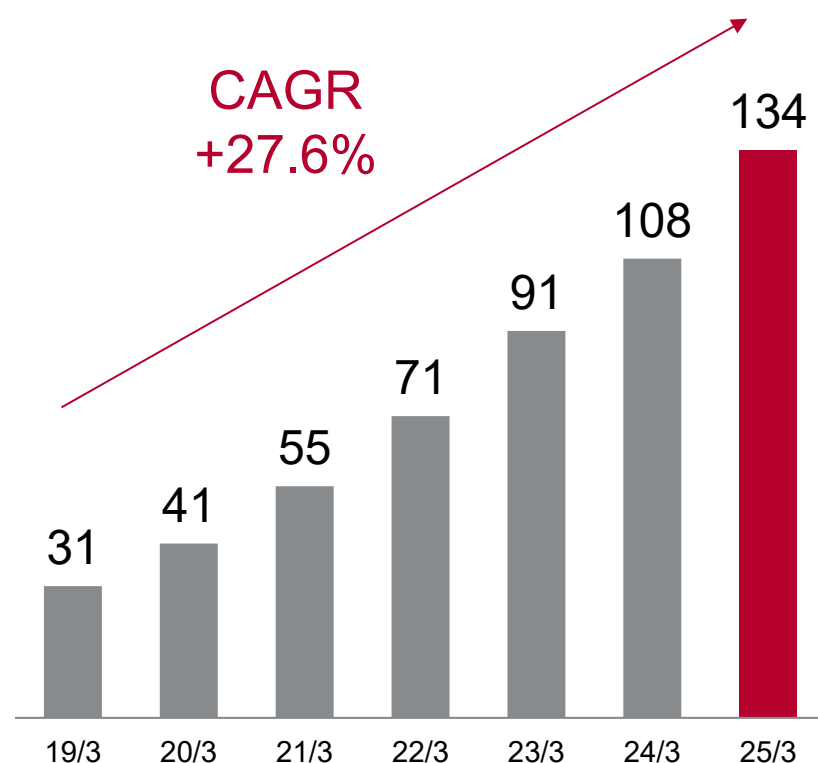


# Growth Strategy

# Growth Strategy of Medical Institution Segment (Japan)

# of clients' major medical institutions has been growing by retaining existing clients and steadily acquiring new clients. CUC aims to improve efficiencies through standardization of operation know-how and to increase # of clients

## | Clients' major medical facilities<sup>(1)</sup>



1. Number of hospitals, long-term care health facilities, in-home care clinics, dialysis clinics, and outpatient clinics that CUC provides management support in Japan. The average of the number at the beginning of the period and the number at the end of the period.

## | Growth strategy

### A Increase the clients' major medical facilities

- CUC supports its clients undertaking M&A transactions in executing the deal and PMI. After PMI, CUC starts providing continuous support for target medical institutions. CUC is working on enhancing relation with financial institutions, M&A brokers, and tax accountants etc. to obtain an opportunity of M&A
- CUC provides support for new clinic establishment to its clients including location selection and recruiting. Once opened a new clinic, CUC starts providing continuous support for the new clinic

### B Standardization of operation know-how

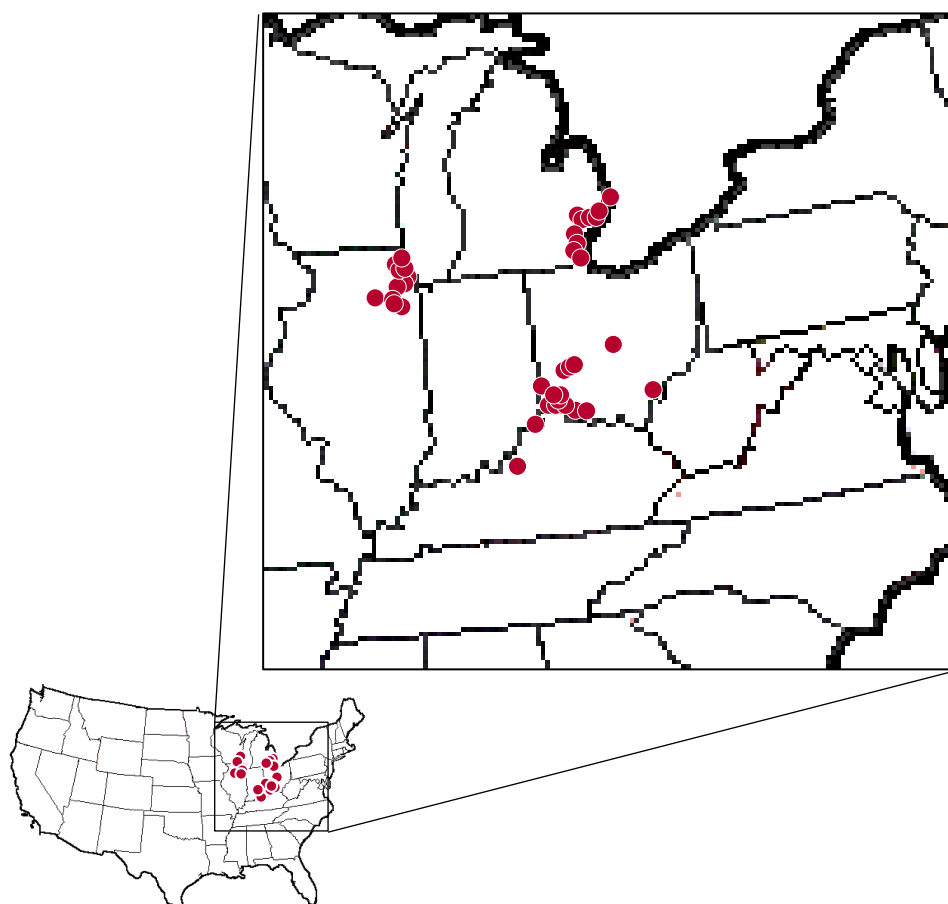
- Medical institutions have difficulties in accumulating and sharing operation know-how. CUC creates manuals describing detailed procedures to cover wide range of operations
- CUC supports establishment of an environment that enables business growth that is not reliant on specific individuals enhancing productivity. As a result, CUC maintains high client retention rate



# Growth Strategy of Medical Institution Segment (US)

Aiming to further expansion in the US, especially Michigan, Ohio and Illinois through increase in revenue of existing clinics and acquisition of small clinics

## | Current footprint



## | Growth strategy

### A Increase in revenue per doctor

- Increase in revenue per doctor by increasing # of encounters through initiatives such as digital marketing and improvement in operational efficiencies
- Providing suitable medical services to accommodate patients' needs

### B Roll-up acquisition of small podiatry clinics

- Podiatry service is expected to continue steady growth in demand while market size in the US was about 7 billion USD. There is room for improving efficiencies through integration as the market is fragmented
- Increase in # of doctors through roll-up acquisition of small clinics in the US, especially Michigan, Ohio and Illinois
- Aiming to optimize back-office and operation by strengthening platform in these areas

### C Providing care for related disease such as varicose veins

- Reinforce capabilities to deal with diseases related to podiatry such as care for varicose veins which was recently launched

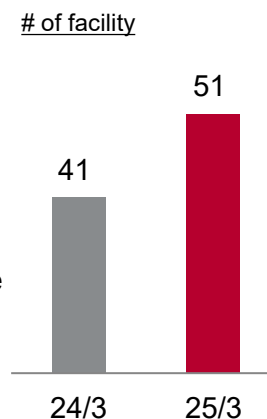
# Growth Strategy of Hospice Segment

Shifting from our previous business model focused on new openings to “multi-functional co-location model,” which multiple functions are provided by floor in large-scale facilities (refer to page 59)

## Overview of 25/3

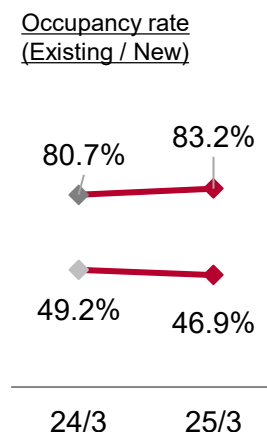
### Expand hospice facilities

- Opened facilities with capacity of 50 or more<sup>(1)</sup> (8 facilities in 25/3) with higher margin than small facilities opened in the past
- Capex for facilities whose agreements were executed on this FY with CAPEX of 400 to 650 million yen, lower than that of facilities opened recently



### Strengthen patient acquisition activities

- Occupancy rate of new facilities increased by 2.5pt due to change in strategy for patient acquisition and staff allocation
- Occupancy rate of existing facilities decreased 2.3pt mainly due to an increase in newly opened hospices



## Initiatives for 26/3 onwards

- 15 hospices in 26/3 and 6 hospices in 27/3 has been decided to open<sup>(2)</sup>
- Until the impact of next medical fee revision becomes clearer, we will temporarily halt consideration of new openings and focus on investment-efficient projects, primarily in renovations

- Strengthen relationship with medical institutions and nurses contributing to patient acquisition
- Standardize roles between headquarters and each facility
- Setting appropriate rent fees suitable for each area

1. Facilities with capacity of 50 or more CUC opens.

2. These figures indicate the number of hospice facilities whose lease agreements or purchase agreements of real estate have been executed. However, they are not a guarantee of the realization of future target.

# Change in investment policy for the hospice business

In light of inflation concerns and high construction costs, and the potential risk of declining profitability caused by the upcoming medical fee revision, we have decided to shift our investment policy for hospice business. Until the impact of next medical fee revision becomes clearer, we will temporarily halt consideration of new openings and focus on remodeling of large-scale facilities into "multi-functional co-location model"

	New opening of hospice facilities	Multi-functional/co-location model
Capacity (number in the hospice)	50 capacity (50 beds)	120 capacity (50 beds)
Target occupancy rate	85%	Hospice : 85% Others : 90%
Medical dependency	High	Middle-High
Revenue per facility (million yen)	Approximately 400	Approximately 800
Expected profit margin	25%	20%

# Example: Amulife Nijigaoka Field

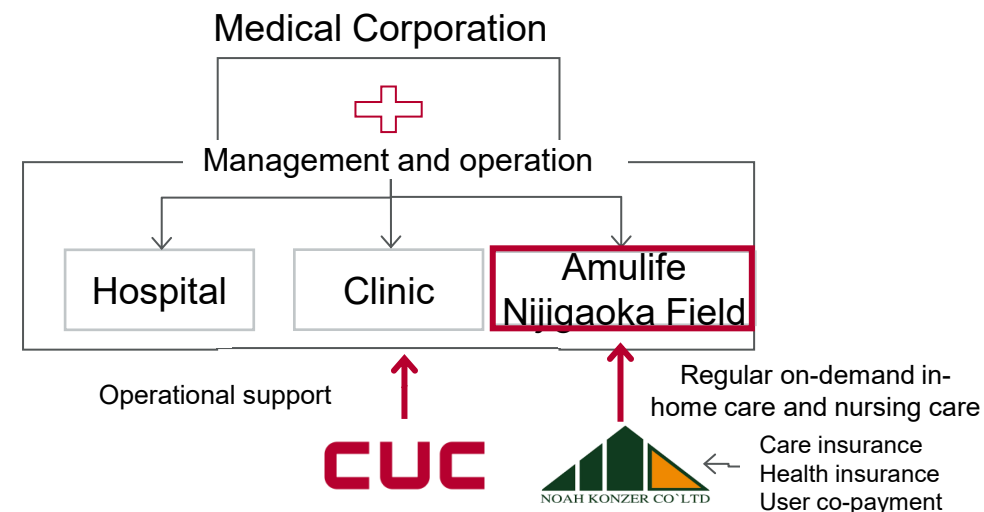
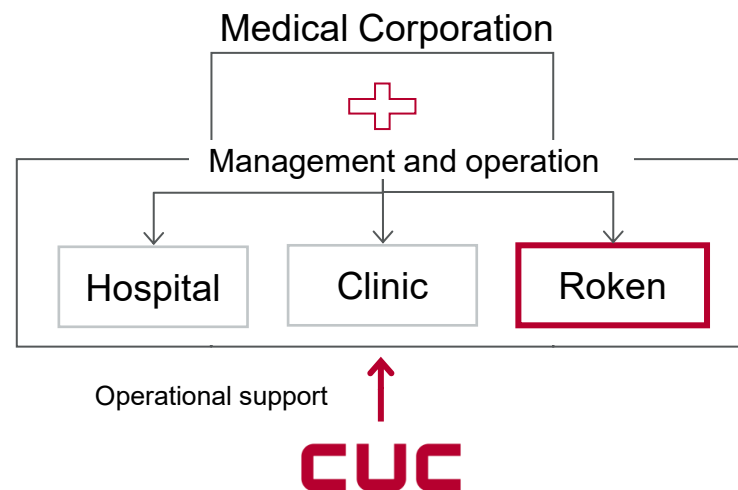
Opened in April 2025. As a result of converting large-scale, low-profit nursing care facilities (including elderly care facilities “Roken”, etc) into a long-stay residential care facility, CUC is able to provide medical services that are aligned with patient needs, including regular on-demand in-home care and nursing care, aiming to achieve a balance between labor-saving through DX and high-quality care

## | Background

- There are over 4,000 short-term elderly care facilities nationwide, but more than half are underperforming due to limited demand. For the medical corporations operating them, improving profitability is a key challenge

## | Overview

- The medical corporation retains ownership and management, while CUC is responsible for operations
- Some facility floors will be repurposed for dialysis, rehabilitation, and specialized medical care for patients with high medical dependency, such as those with terminal cancer or neurological diseases



# Growth Strategy of In-home Nursing Segment

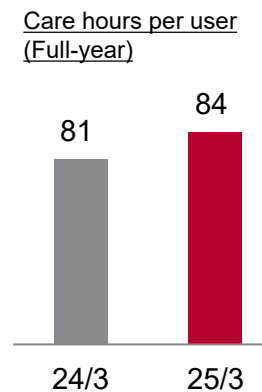
Aiming to reinforce capabilities to deal with patients of moderate and severe cases and to improve profitability by increasing # of users and efficiencies of visit

## Overview of 25/3

## Initiatives for 26/3 onwards

Reinforce capabilities to deal with patients of moderate and severe cases

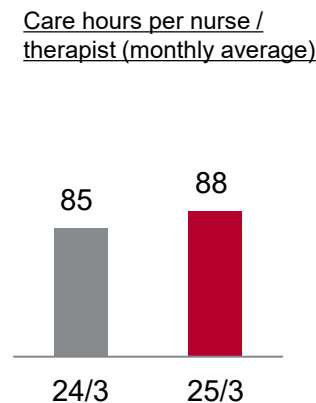
- Care hours per user increased from 81 to 84 hours YoY due to appropriate cross-sectional nursing assessment, reinforced relationships with medical institutions introducing patients to nursing stations and recruitment of nurses



- Reinforce capabilities to deal with patients of moderate and severe cases through strengthened relationship with medical institutions, employee training development and improved nursing assessment

Enhance user acquisition activities and efficiencies of visit

- Opened new nursing stations in major local cities for the past few years, and profitability decreased due to increase in new nursing stations
- Focused on increasing # of users and efficiency of visit while suspending new openings of nursing stations in 24/3. As a result, increased in care hours per nurse / therapist (monthly average) from 80 to 85 hours YoY



- Plan to open 6 in-home nursing stations in 26/3
- Revise HR assessment process and thoroughly monitor progress on user acquisition activities on existing stations in order to improve care hours per nurse / therapist.

# Growth Strategy of Medical Care Residence Segment

Planning to improve profitability by opening 4 hospice floors in existing facilities, providing services for patients with high medical and care dependency and digital transformation

| Comparison between the target company and our hospice facilities

	Noah Konzer (Current)	Noah Konzer (Future)	Our Hospice (Current)
Capacity per location <sup>(1)</sup>	129	120-150	44
Patient Characteristics	Care requirement level of 1 to 2	Care requirement level of 3 to 4	Terminal cancer and intractable neurological diseases
Occupancy rate of existing facilities <sup>(2)</sup>	77.8%	~95%	83.2%
Medical dependency	Low	Slightly high	Quite high
Care dependency	Low	Slightly high	High
Number of patients who need in-home doctors	Less than half	Almost all	Almost all
Day care services	Yes	Yes	No

| Future prospects and synergies

- New openings of 4 hospice floors in existing facilities (40 to 50 beds per floor)
- Acceptance of users with high medical and care dependencies
- Digital Transformation (robot, mechanical bathing, etc.)
- Expansion of Fukuyakkun into nursing homes and medical facilities throughout Japan
- Optimization of headquarters and enhancement of recruitment

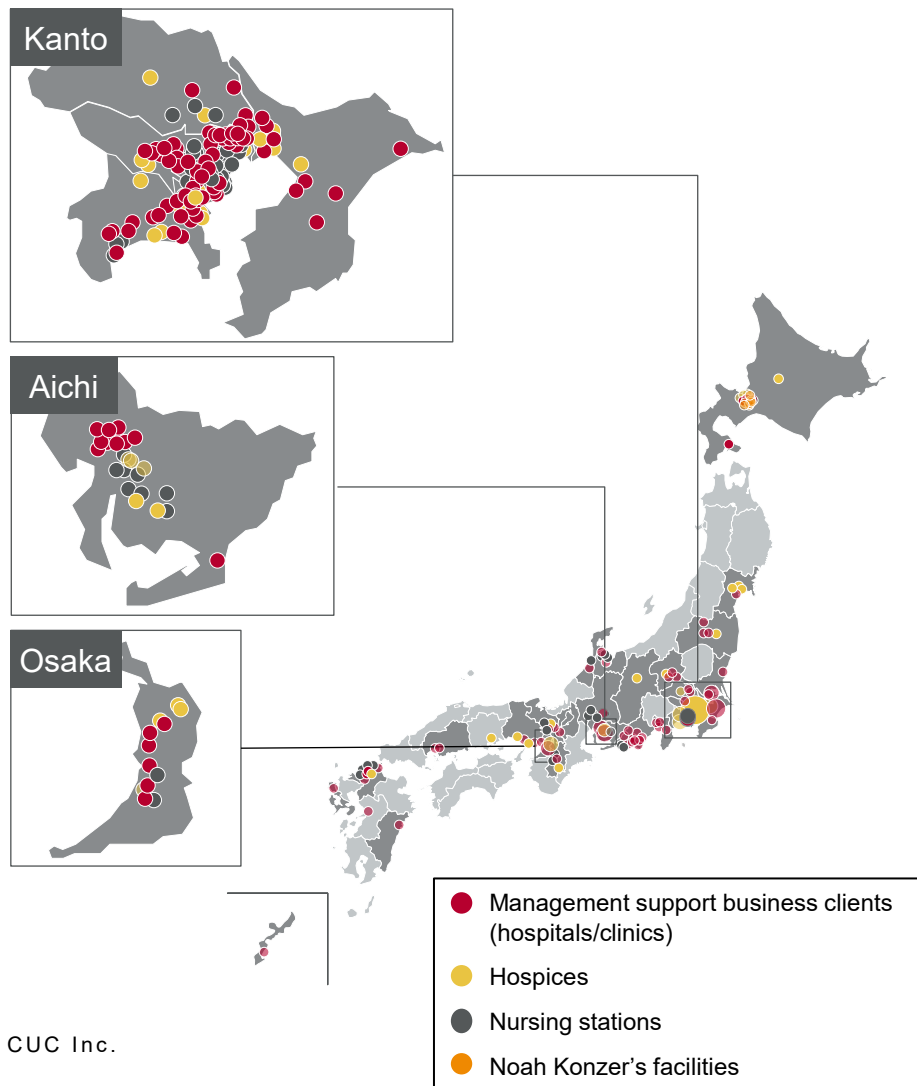
1. If multiple facilities are situated on the same land area, they are considered as a single location.

2. Percentage of total patients to the total number of capacity in existing hospices (Past 12+ months after the opening or acquired through M&A) as of March 31, 2025 (Full-year).

# Growth Strategy by Vertically Integrated Platform

CUC has expanded its footprint nationwide and will continue to accelerate growth with area dominance strategy and group synergy

## | Current footprint (as of June 30, 2025)



## | Facility launch strategy of the 4 segments

### A Strengthening area dominance in operating areas

- Provide support for medical institutions regarding clinic launches and M&A in order to strengthen connection between client hospitals and client in-home care clinics in Medical Institution segment
- Launch multiple locations in the following areas to achieve synergies in acquiring customers, strengthening recruiting effort, and complementary support between locations as well as to stabilize operations at high capacity utilization rates
  - └ Hospice: within 10~15 km radius
  - └ Nursing stations: within 2~5 km radius

### B Creating group synergy

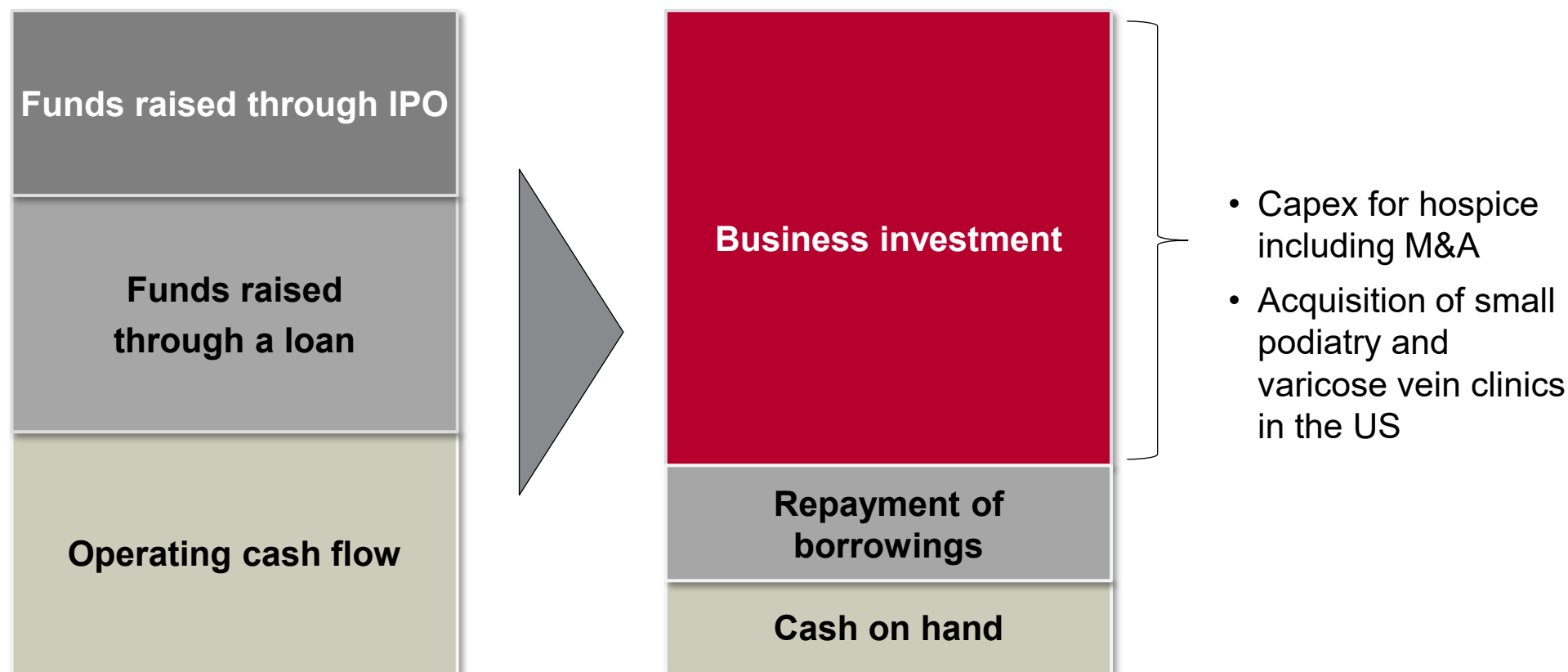
- Launch nursing stations and hospice facilities close to client in-home care clinics. CUC Group can secure in-home care doctors at launch. Realize faster launches through synergies such as securing medical professionals and patient referrals among CUC Group businesses
- Aim to increase the number of client medical institutions close to hospices, nursing stations and Noah Konzer's facilities

# Financials



# Financial Policy

CUC does not plan to pay dividends or to acquire treasury shares at this stage since CUC is currently in the growth stage and needs to conduct business investments such as new openings of hospice facilities and M&As. CUC will consider leveraging while monitoring Net debt/EBITDA ratio and ratio of equity attributable to CUC shareholders



# Disclaimer

This document was prepared by CUC Inc. solely for informational purposes. This document does not constitute an offer to sell or a solicitation of an offer to buy any security of CUC Inc. in Japan or any other jurisdiction.

This document is based on the information available to CUC Inc. as of the time hereof and assumptions which it believes are reasonable. Statements contained herein that are not historical facts, including, without limitation, our plans, forecasts, strategies and beliefs about our business and financial prospects, are forward-looking statements. These forward-looking statements do not represent any guarantee by us or our management of future performance or of any specific outcome are subject to various risks and uncertainties.

This document includes information derived from or based on third-party sources, including information about the markets in which we operate. These statements are based on statistics and other information from third-party sources as cited herein, and we have not independently verified and cannot assure the accuracy or completeness of any information derived from or based on third-party sources.

This document is an English translation of the original Japanese language document and has been prepared solely for reference purposes. No warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this English translation and the original Japanese language document, the original Japanese document shall prevail in all respects.