



CUC Inc.

Business Model and Growth Strategy
Fiscal year ended March 2025

Business Overview

Mission

Creating Hope through Healthcare.



Main Services of CUC group

CUC group provides vertically-integrated 4 business platforms

| CUC group's segments⁽¹⁾

Medical Institution segment

Main services
Providing management support for medical institutions

Operation of medical institutions overseas

Main affiliates
Toseki Research and Development, CUC Foods, CUC Podiatry Holdings, CUC Singapore

Hospice segment

Main services
Operating hospice facilities, providing nursing and care services for patients at hospice facilities

Main affiliates
CUC Hospice, Nature, A&N, You

In-home Nursing segment

Main services
Providing nursing services for patients at their home

Main affiliates
Sophiamedi KEEP

Medical Care Residence segment

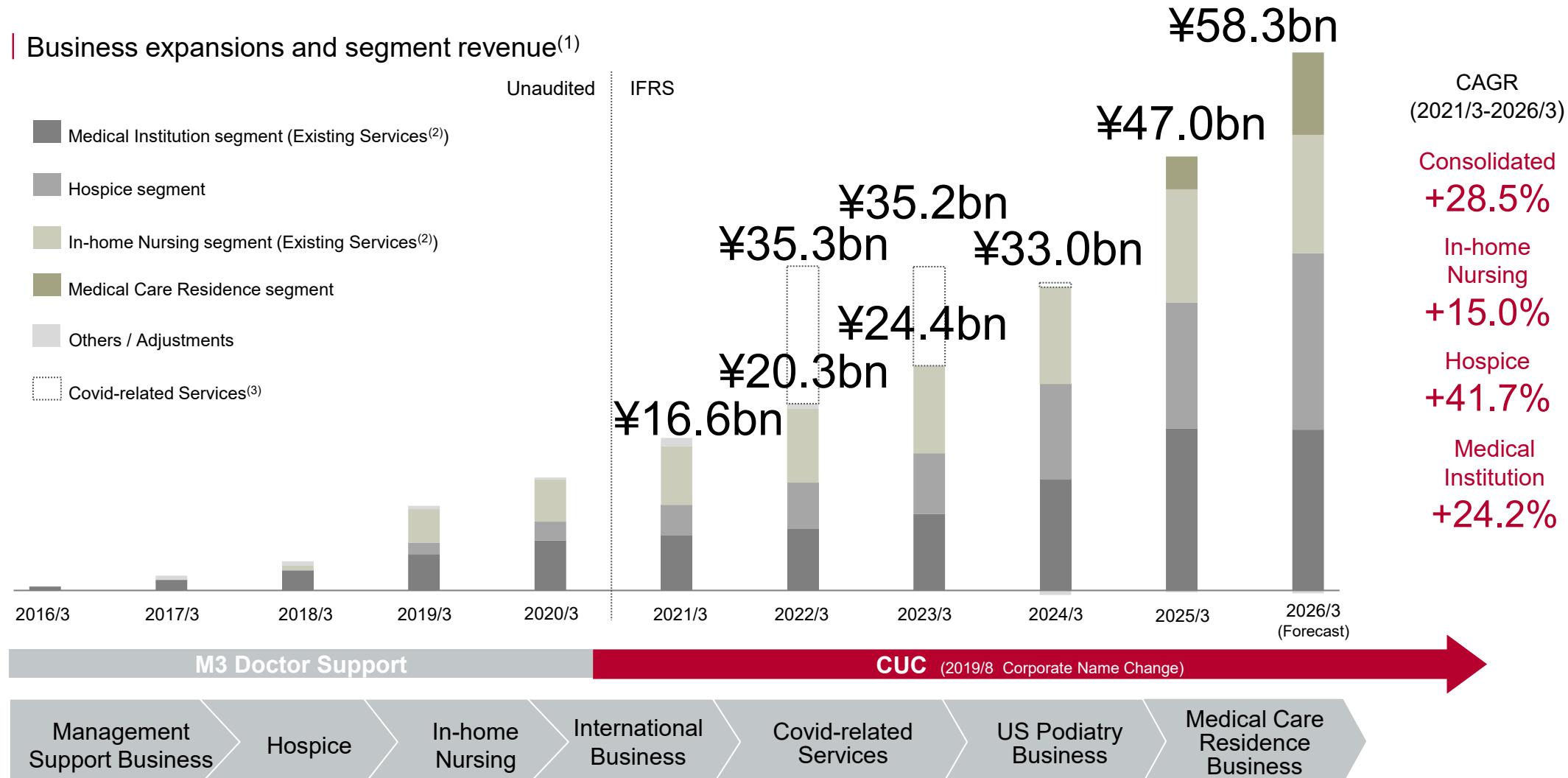
Main services
Operating medical care residence facilities, providing regular on-demand in-home care and in-home nursing care for patients in facilities

Main affiliates
Noah Konzer

1. From the fiscal year ended March 31, 2025, Medical Care Residence segment has been newly established after the acquisition of Noah Konzer Co.,Ltd ("Noah Konzer") in addition to the existing three reportable segments, Medical Institution segment, Hospice segment and In-home Nursing segment.

Successful High Growth Track Record

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



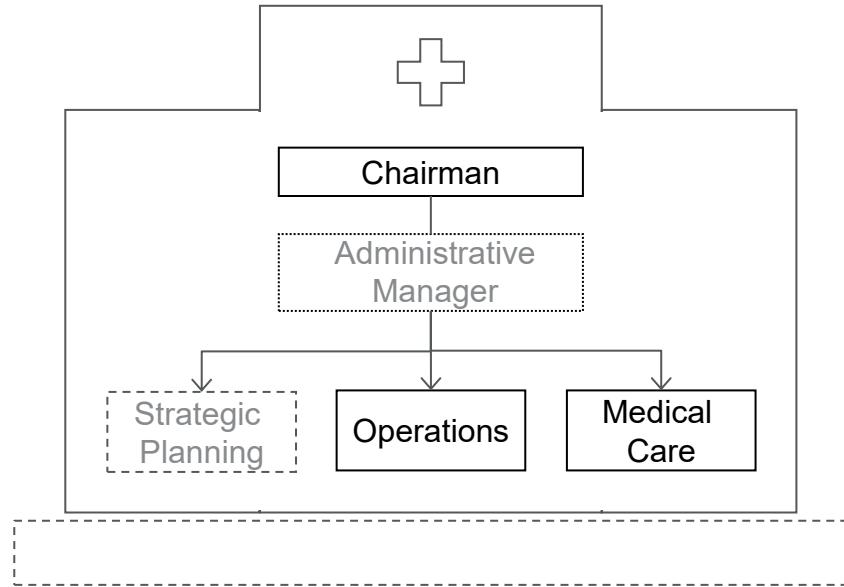
1. Financials for 2021/3 through 2025/3 are based on IFRS. Financials for 2020/3 and before are unaudited and do not include consolidation adjustments. ¥ 35.3bn for 2022/3, ¥ 35.2bn for 2023/3 and ¥ 33.0bn for 2024/3 are consolidated figures. ¥ 20.3 bn for 2022/3 and ¥ 24.4 bn for 2023/3 are consolidated 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)

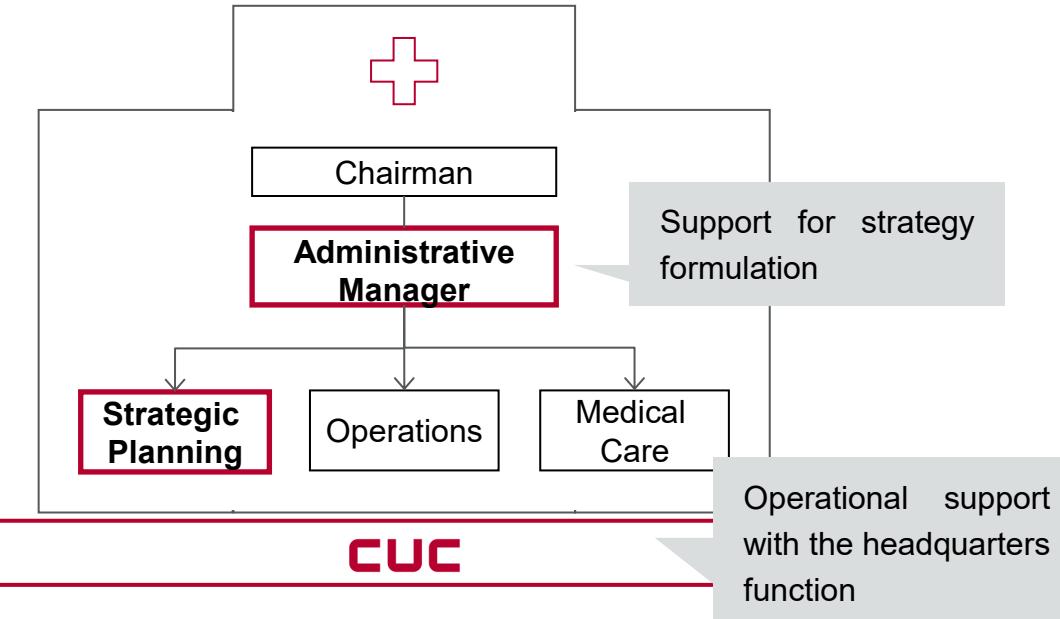
Sending indispensable management support personnel for expansion and efficient operation

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

	Fee structure	Service offerings	CUC's support	Advantage for CUC's clients
Medical Institution Operations Support	<p>All-in-one monthly fee (varies depending on the size of the medical institution)</p>	<p>Management Support Staffing (COO/CAO Role) (administrative manager and department head)</p> <p>Strategic and administrative support</p> <p>Marketing support</p> <p>HR/recruiting support</p> <p>Support for IT, accounting, general affairs, etc.</p> <p>Procurement support</p>	 <p>Dispatching onsite management support personnel</p>	<ul style="list-style-type: none"> Secure management support personnel necessary for decision-making Strengthen strategy formulation capabilities <p>Optimize decision-making</p> <p>Achieve efficient hospital operations</p>
Medical Institution Revenue Growth Assistance	<p>One-time fee</p>	<p>M&A</p> <p>PMI⁽¹⁾</p> <p>Hospital bed conversion</p> <p>Clinic launches</p>	 <p>Efficient support through centralization at headquarters</p>  <p>Support for clinic launches and M&A execution</p>	<p>Achieve revenue growth and scale expansion</p> <p>Achieve stable operation through scale expansion</p> <p>Additional Management support following scale expansion</p>

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

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

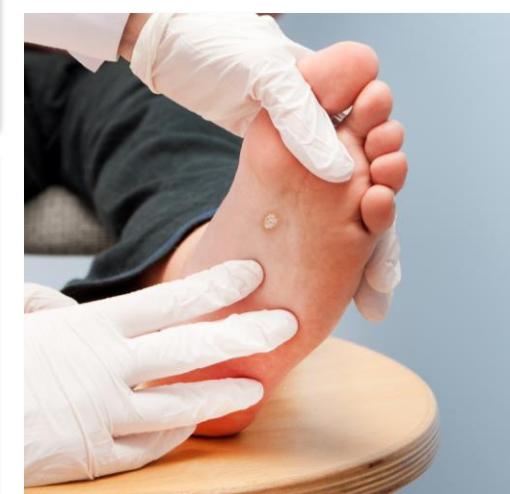
There are podiatrists who provide treatments for patients with conditions of part of leg below knee in the US while orthopedic surgeons or dermatologists deals with in Japan

Treatment examples ⁽¹⁾

Conditions
<ul style="list-style-type: none">✓ Achilles Tendon Injuries, Transport Accident Injuries,✓ Arthritis✓ Bunions✓ Deep vein thrombosis✓ Gout✓ Neuroma✓ Ulcers✓ Varicose Veins , etc.



Treatment Options
<ul style="list-style-type: none">✓ Braces or splints✓ Anti-inflammatory drugs, Anticoagulant drugs✓ Surgery✓ Dietary and nutrition counseling✓ Lower limbs venous insufficiency diagnosis and treatment, etc.

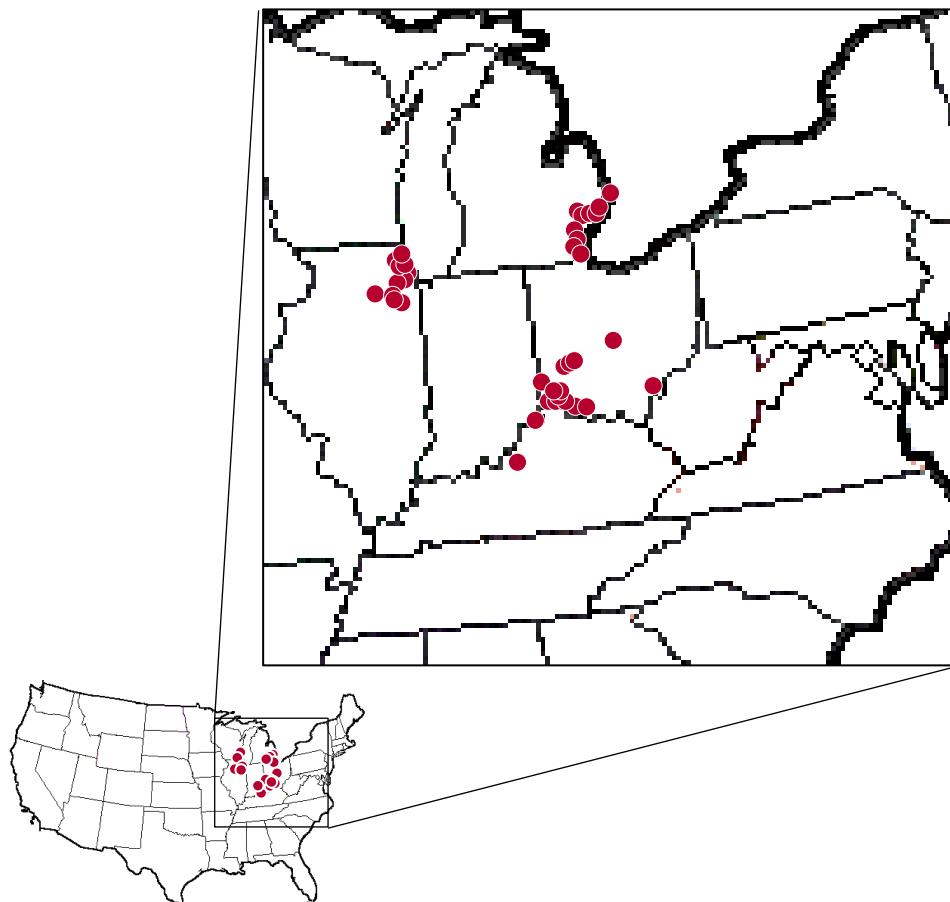


1. Quoted from the company's website: <https://beyond-podiatry.com/>.

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



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

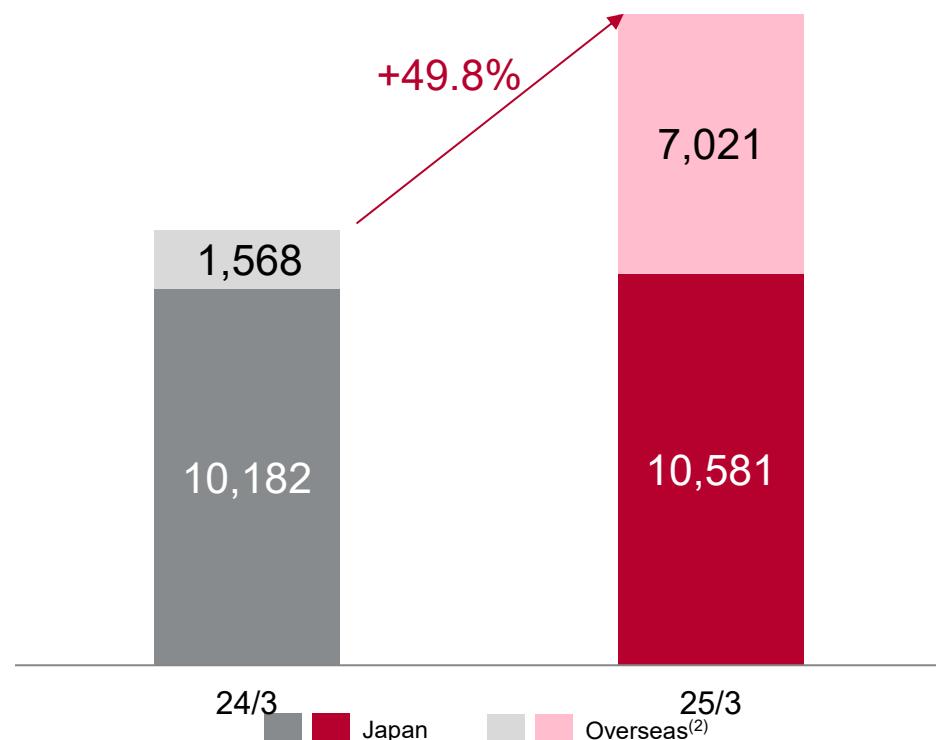
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Name	State	# of clinics ⁽¹⁾
Great Lakes Foot & Ankle Institute	Michigan	5
Foot & Ankle Associates	Illinois	3
Commonwealth Foot & Ankle	Kentucky	1
First Step Foot Care	Illinois	3
Columbus Vascular Vein & Aesthetics	Ohio, Illinois, Michigan	5
Cincinnati 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

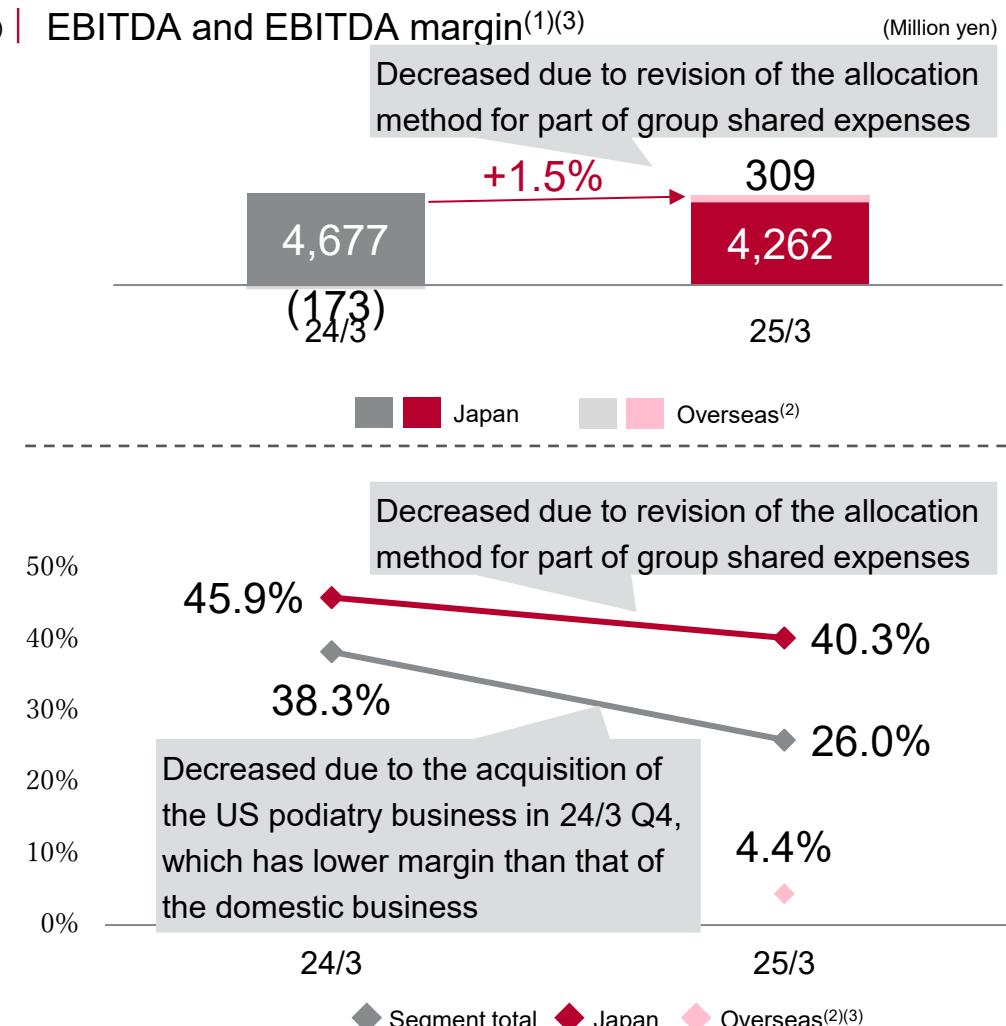
Financial Results of Medical Institution Segment

Revenue increased due to an increase in the number of clients' medical institutions and the acquisition of the US podiatry business. Profitability improvements are underway in the US

| Revenue⁽¹⁾



(Million yen) | EBITDA and EBITDA margin⁽¹⁾⁽³⁾

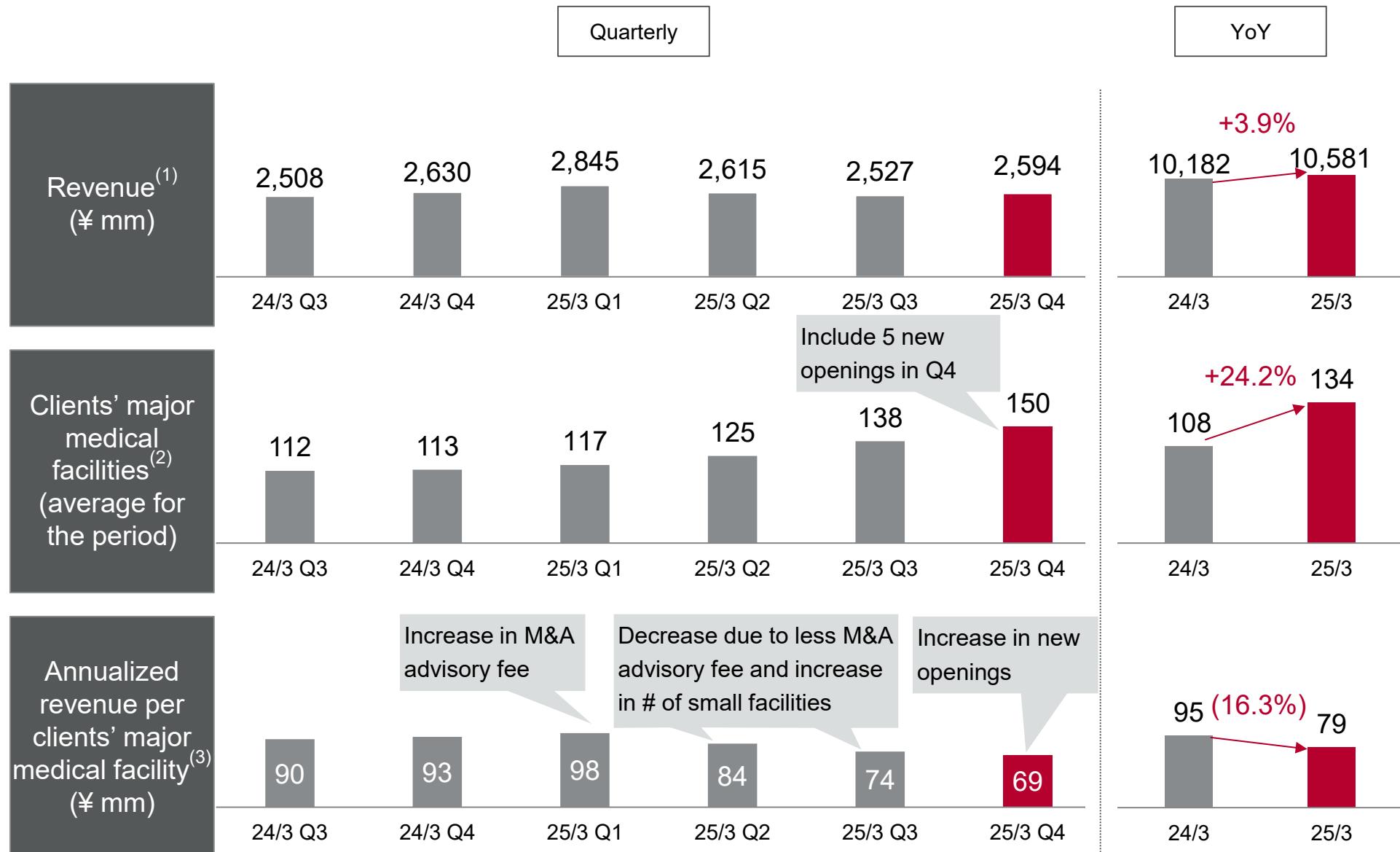


Key Operating Drivers of Medical Institution Segment (Japan) (1/2)

Revenue	Hospitals	In-home care clinics	Dialysis clinics	Outpatient clinics
	# of clients' major medical facilities ⁽¹⁾		×	Revenue per clients' major medical facilities

1. The number of hospitals, long-term care health facilities, in-home care clinics, dialysis clinics, and outpatient clinics that CUC provides management support in Japan.

Key Operating Drivers of Medical Institution Segment (Japan) (2/2)



1. Retrospectively adjusted on assumption that fixed assets related to hospice facilities in the Medical Institution segment was transferred to the Hospice segment at the beginning of the fiscal year ended March 31, 2024.

2. 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.

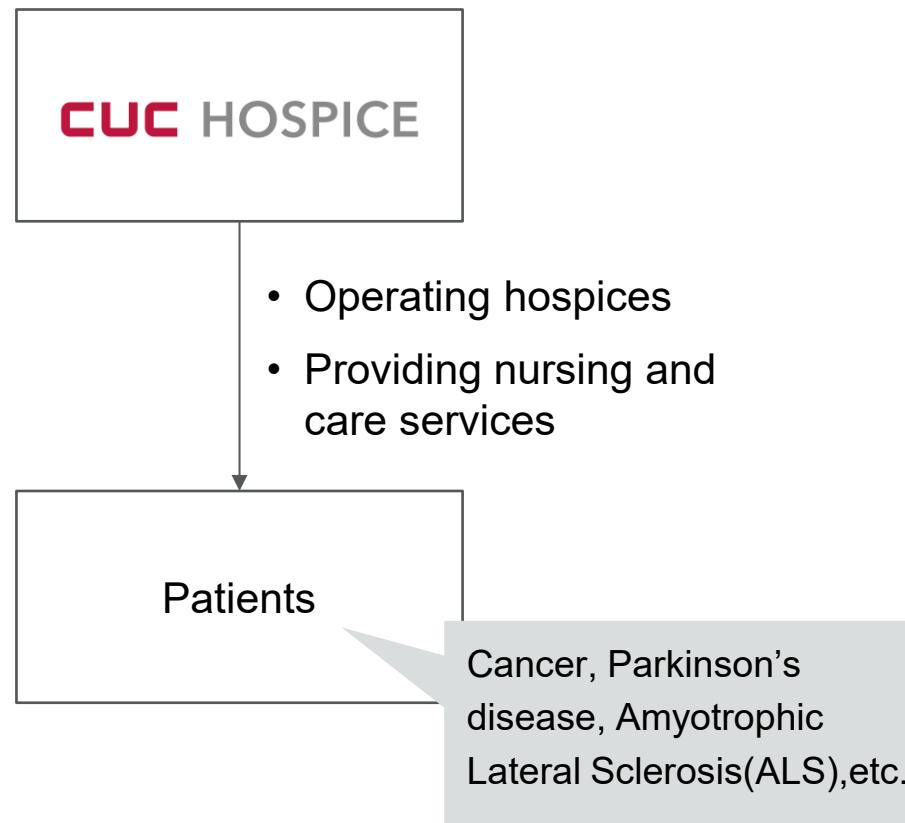
3. Calculated by dividing annualized revenue in Japan by the average number of clients' major medical facilities during the same period.

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 March 31, 2025)⁽¹⁾



Hospices
51



Capacity
2,234 beds



Nurses
/Caregivers
1,380



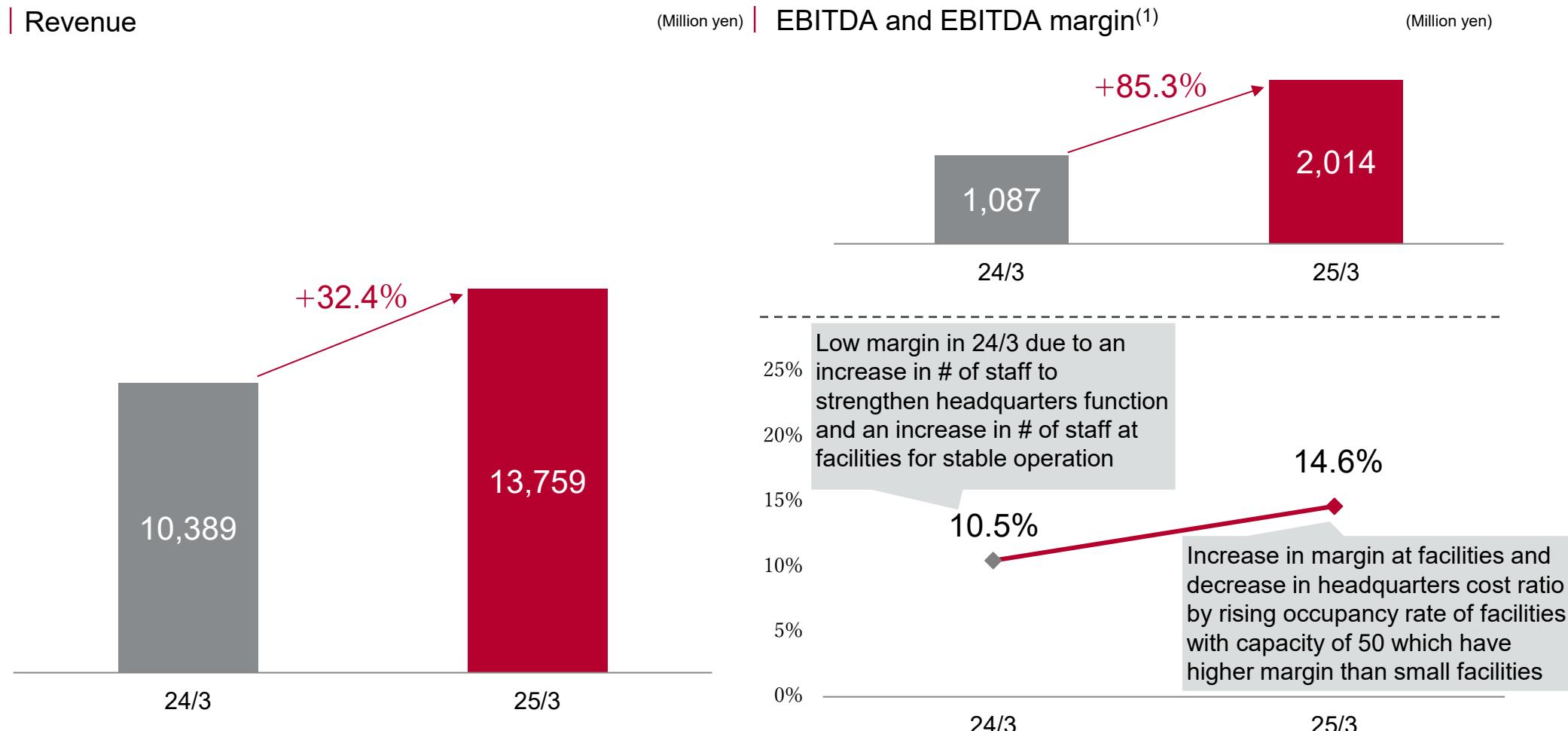
Existing hospices
occupancy rate⁽²⁾
83.2%

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 2025/3.

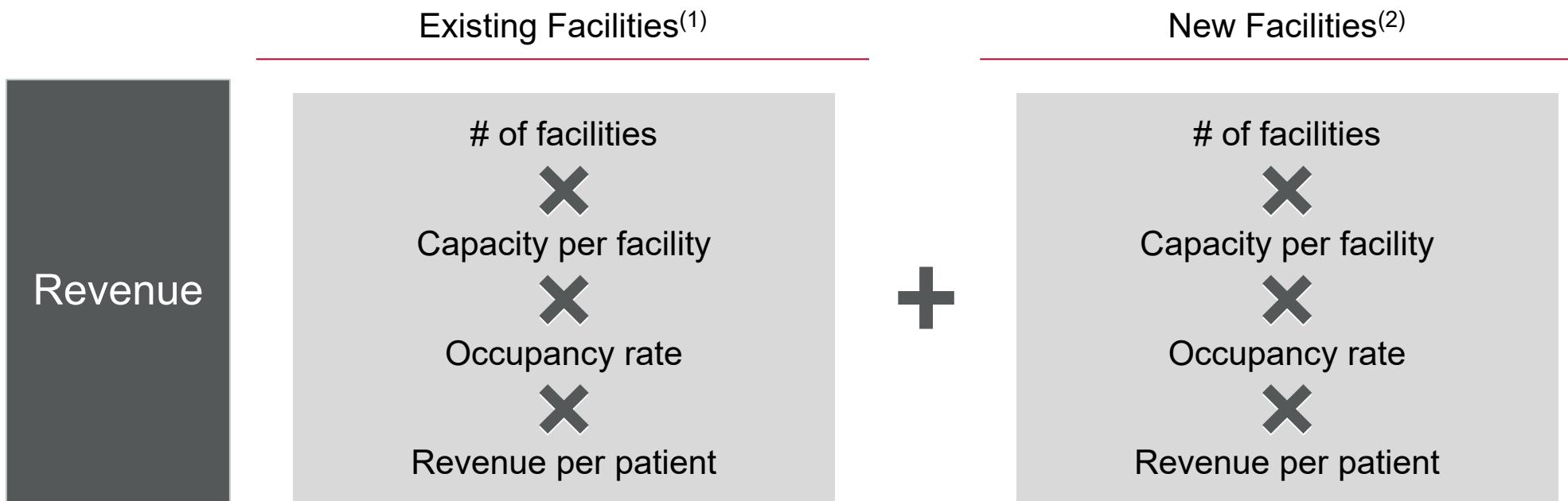
Financial Results of Hospice Segment

Strong and steady growth both in revenue and profit. EBITDA margin increased by 3.9pt YoY due to the rise in occupancy rate at larger facilities (capacity of 50 or more)



1. Retroactively adjusted on assumption that fixed assets related to hospice facilities in the Medical Institution segment was transferred to the Hospice segment at the beginning of the fiscal year ended March 31, 2024.

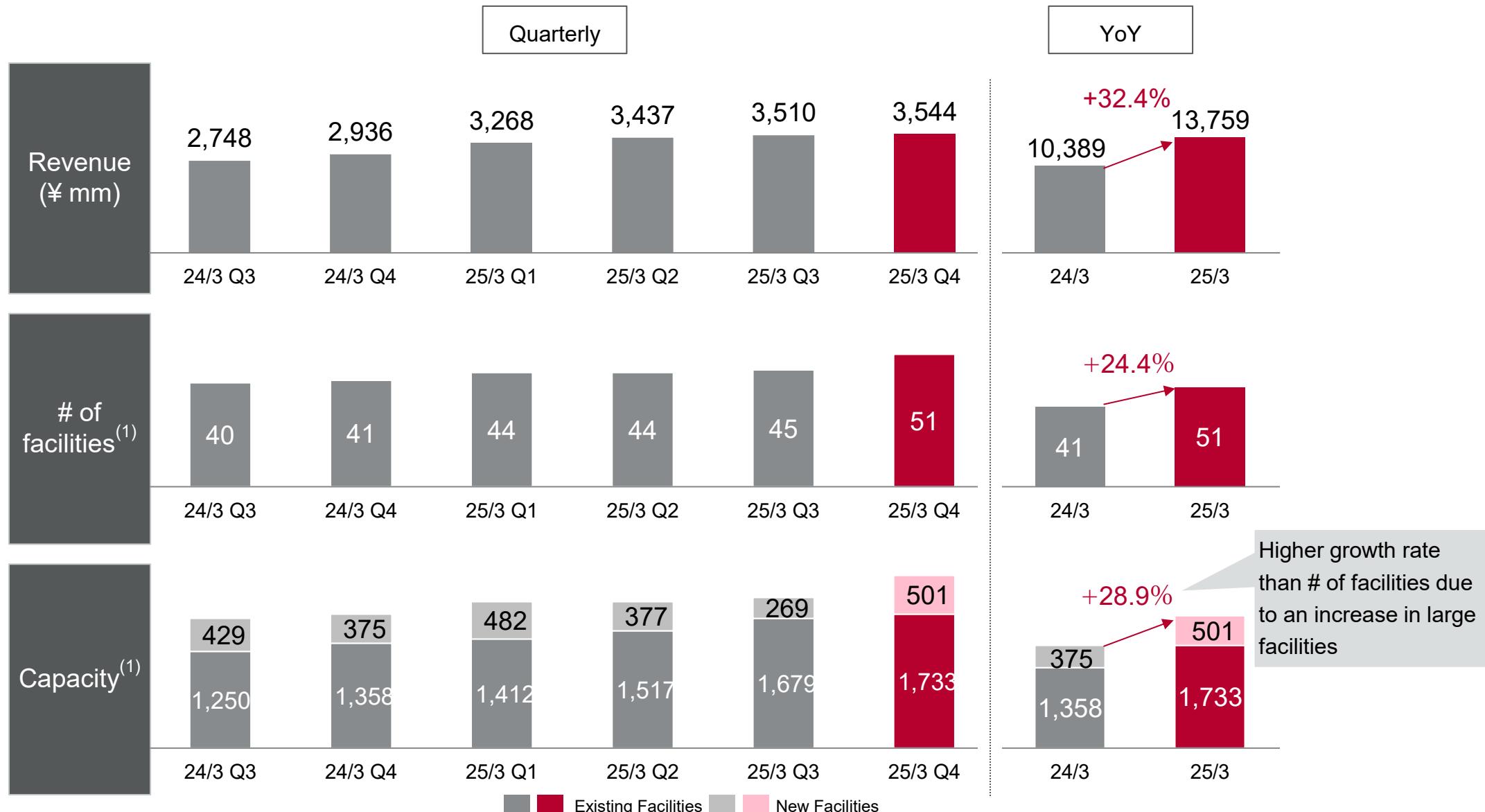
Key Operating Drivers of Hospice Segment (1/3)



1. Hospices past 12+ months after the opening or acquired through M&A.

2. Hospices opened within 12 months.

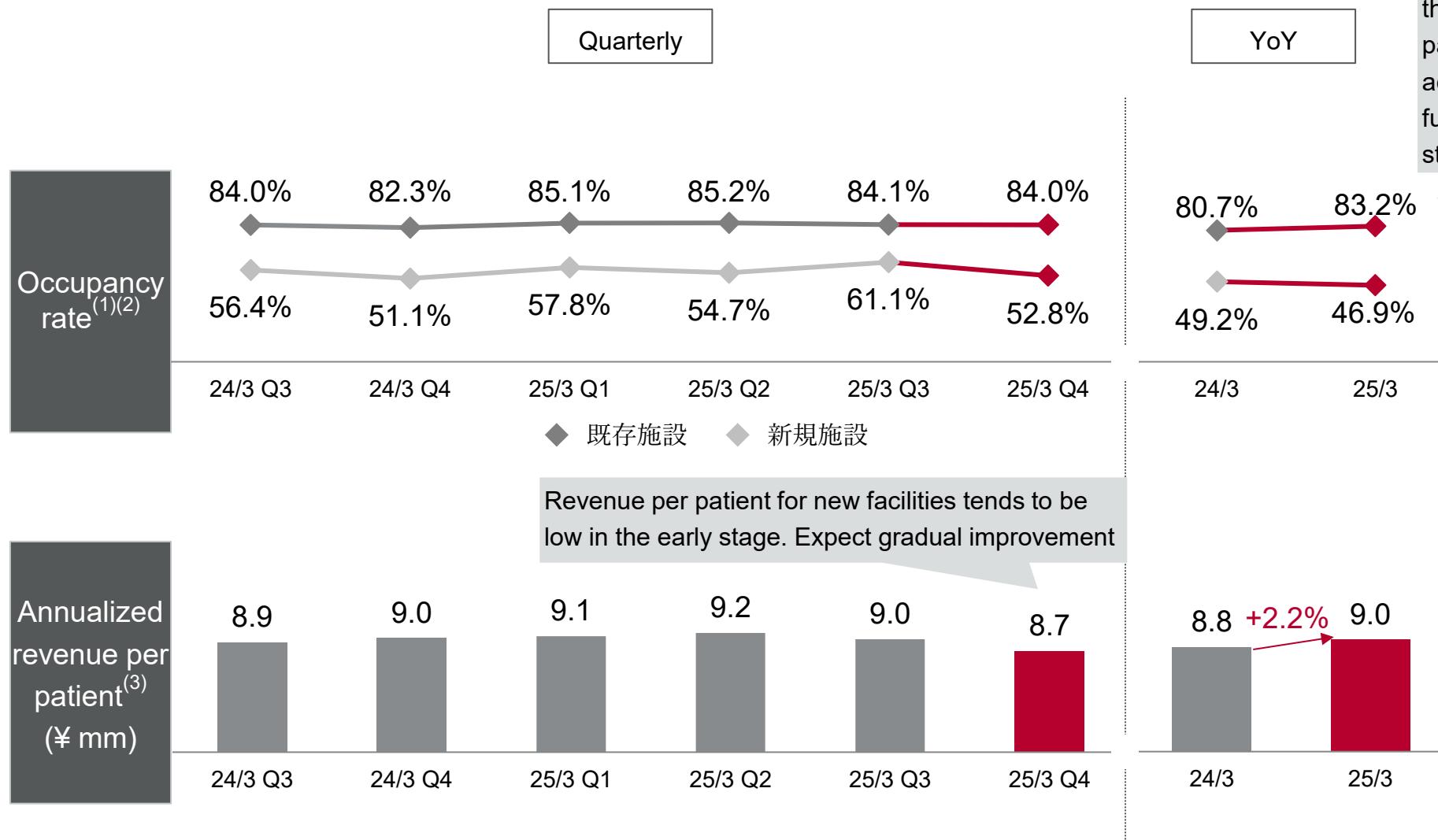
Key Operating Drivers of Hospice Segment (2/3)



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".

2. 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.

Key Operating Drivers of Hospice Segment (3/3)



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.

Opening of Facilities in April 2025 and onwards⁽¹⁾⁽²⁾

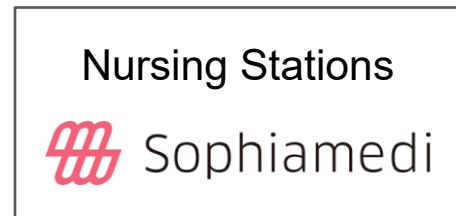
Opening date	Location	Capacity	Capex (¥ mm)
Opened on April 17, 2025	2025/4 Nagano	50	498
Opened on May 21, 2025	2025/5 Hokkaido ⁽³⁾	43	499
	2025/7 Saitama	50	440
	2025/11 Fukushima	50	488
	2025/11 Mie	50	477
	2025/12 Chiba	50	498
	2026/1 Tochigi	50	427
	2026/2 Tokyo	50	642
2026/3 Q4	2026/2 Hyogo	50	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 to hospice within 26/3

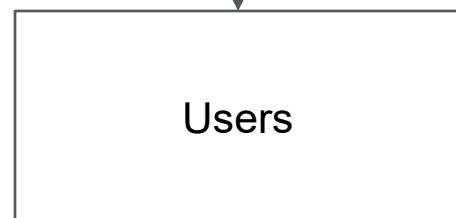
In-home Nursing Segment Overview

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

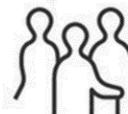
| Business overview



- Providing in-home nursing and rehabilitation service



| KPI (as of March 31, 2025)



Users⁽¹⁾
14,729



Total care hours⁽²⁾
1,220k hours



Nurse/Therapists⁽³⁾
1,252



Nursing Stations⁽⁴⁾
89

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.

Financial Results of In-home Nursing Segment

Revenue and profit grew steadily. Profitability improved significantly through the user acquisition initiatives and optimization and standardization of operation

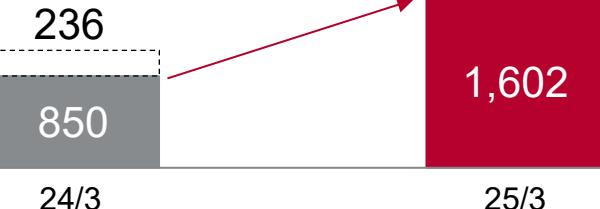
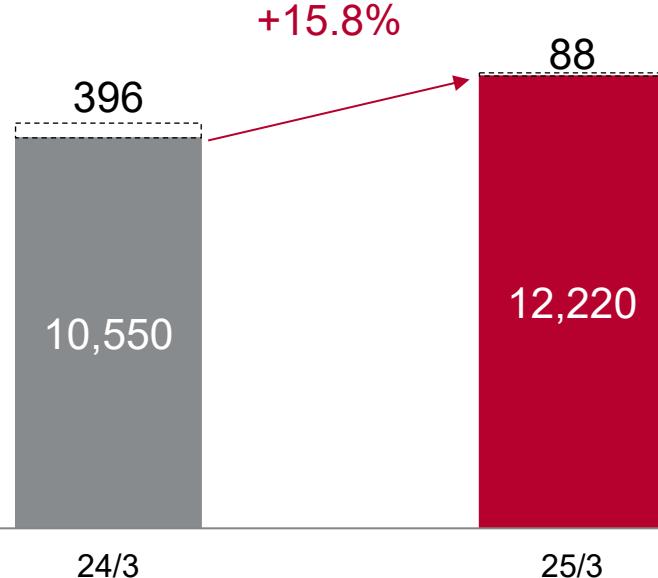
| Revenue

(Million yen)

EBITDA and EBITDA margin

(Million yen)

Increase in the number of users
and care hours per user



Existing Services Covid-related Services etc.

Stop opening new in-home
nursing stations and focus on
improving the efficiency of visits.

20%
10%
0%

0%



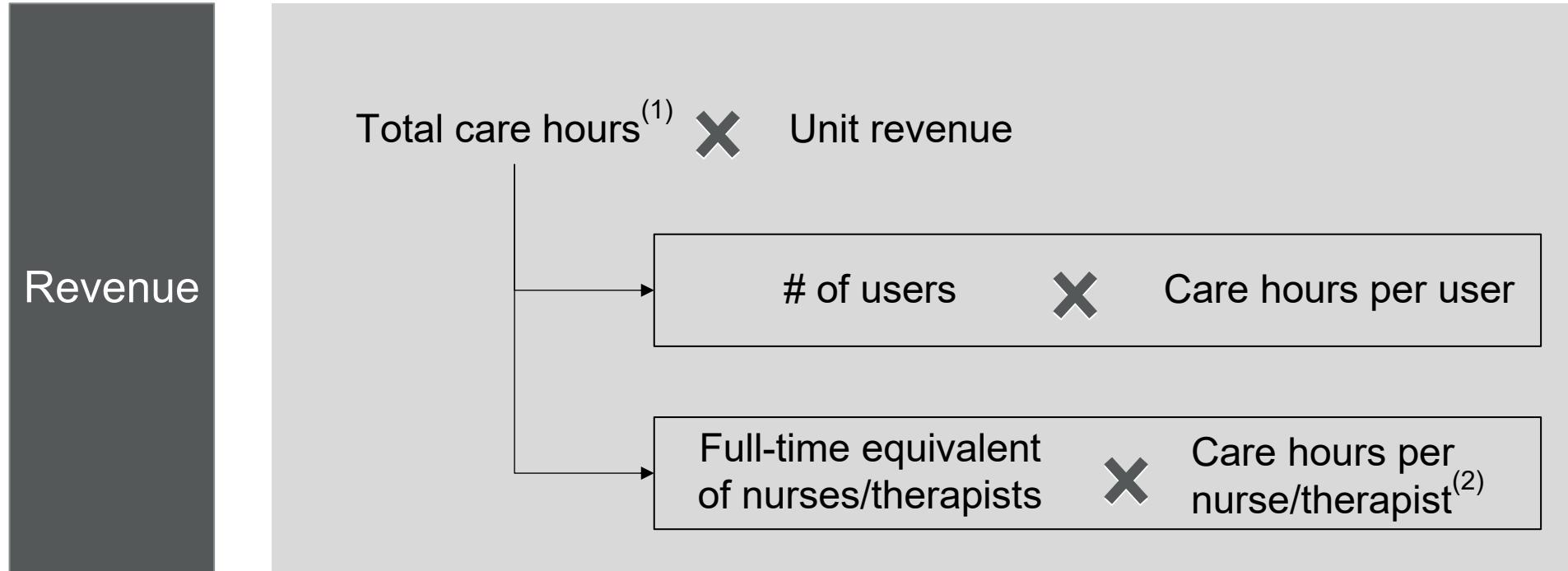
Segment total

Existing Services

1. Services except for the Covid-related Services etc. (the same applies hereinafter).

2. In-home Clinical Trials and In-home Monitoring Services (the same applies hereinafter).

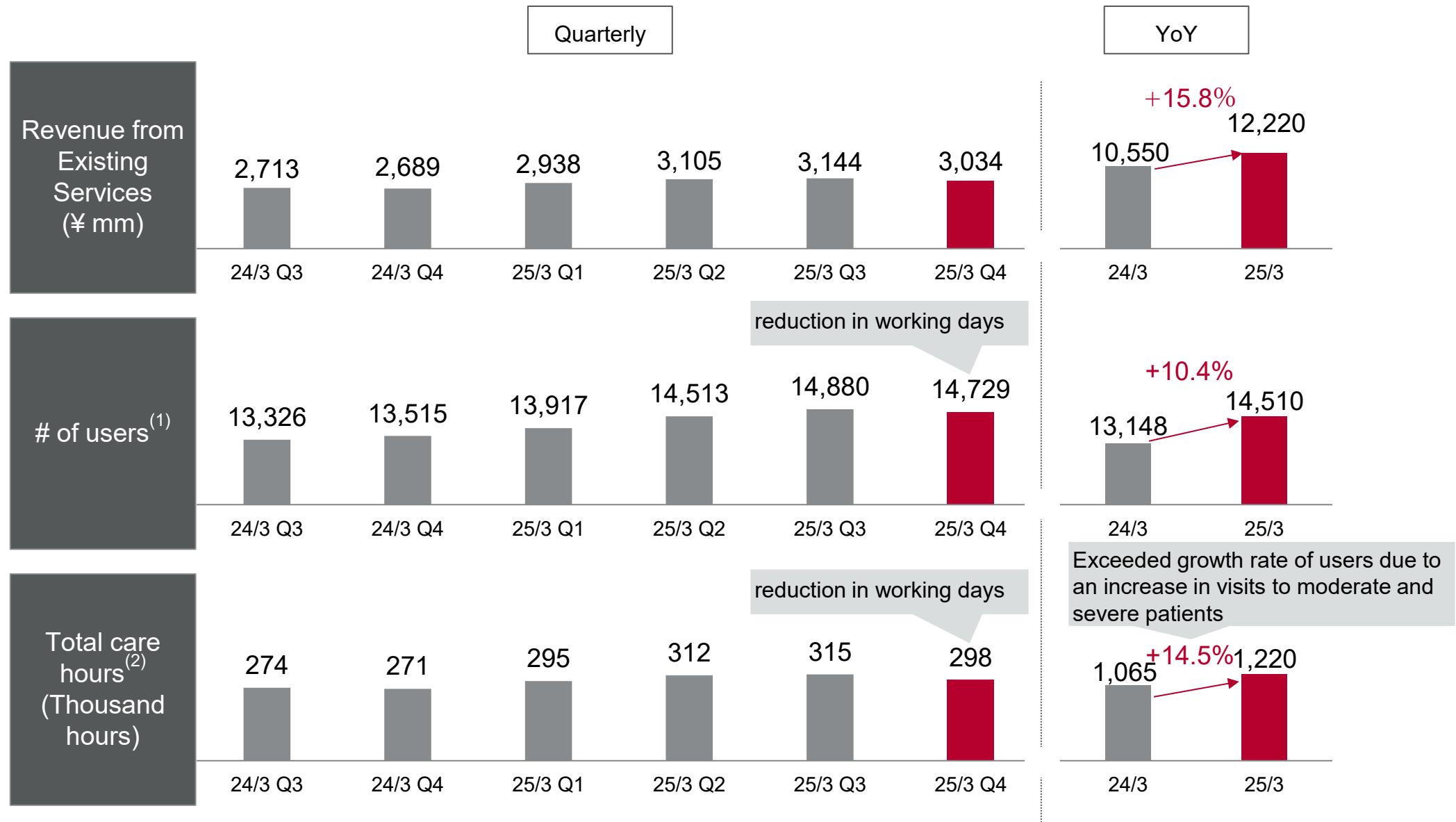
Key Operating Drivers of In-home Nursing Segment (1/3)



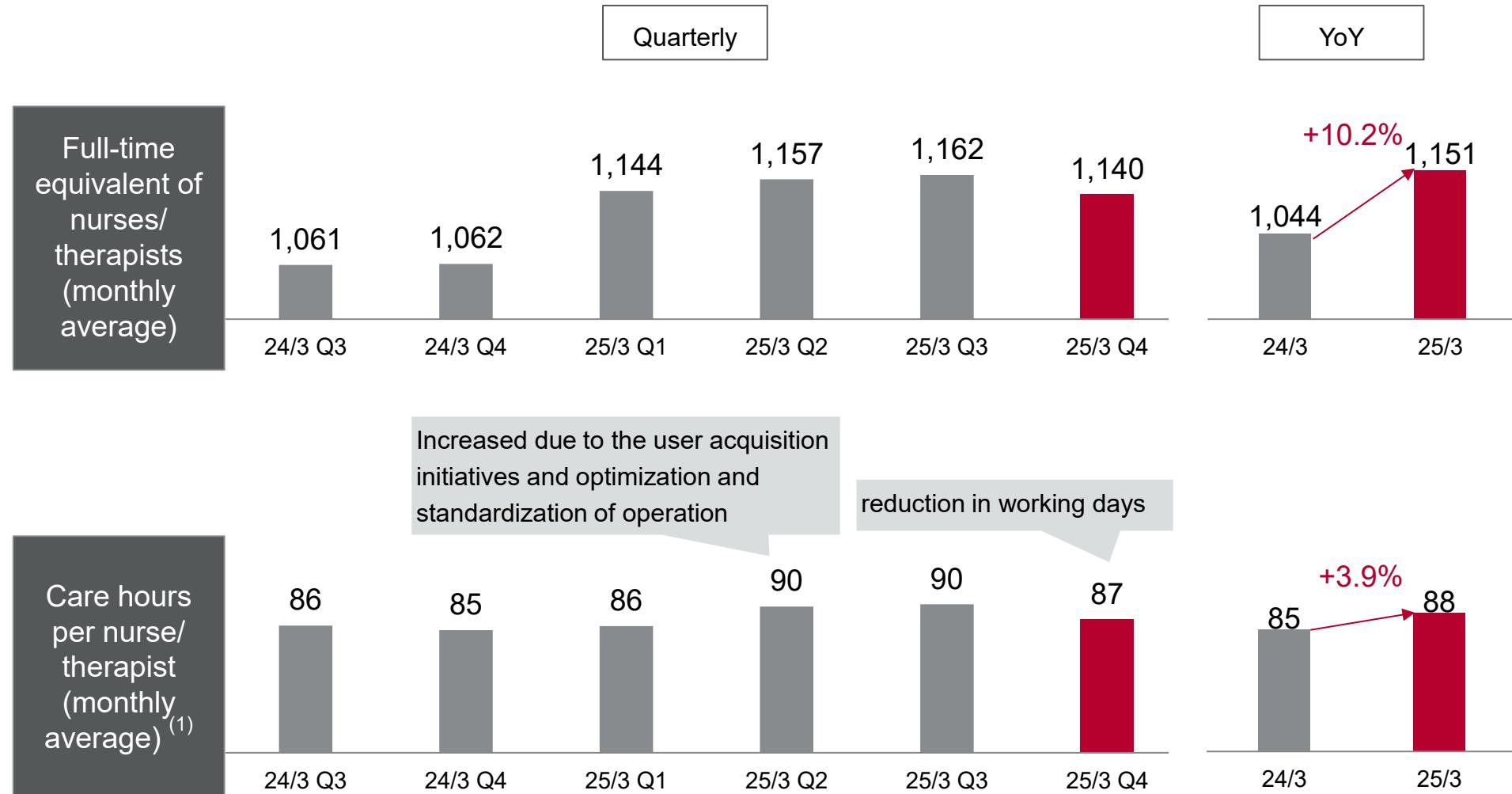
1. Number of hours nurses and therapists provided services for users.

2. Calculating by dividing total care hours by full-time equivalent of nurses/therapists.

Key Operating Drivers of In-home Nursing Segment (2/3)



Key Operating Drivers of In-home Nursing Segment (3/3)



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

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 March 31, 2025)



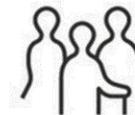
- Operating facilities
- Providing nursing and care services



Patients



Facilities
27



Capacity
2,125 beds



Nurses
/Caregivers
519



Occupancy rate⁽¹⁾
77.8%

1. Percentage of total patients to the total number of capacity in Noah Konzer's facilities for 2025/3.

Financial Results of Medical Care Residence Segment

Revenue of Noah Konzer, which CUC acquired in October 2024, progressed in line with CUC's plan

	24/3	25/3	YoY
Revenue (million yen)	-	3,567	-
EBITDA (million yen)	-	640	-
EBITDA margin (%)	-	17.9%	-
Annualized revenue per patient ⁽¹⁾ (million yen)	-	4.2	-
Occupancy rate ⁽²⁾ (%)	-	77.8%	-

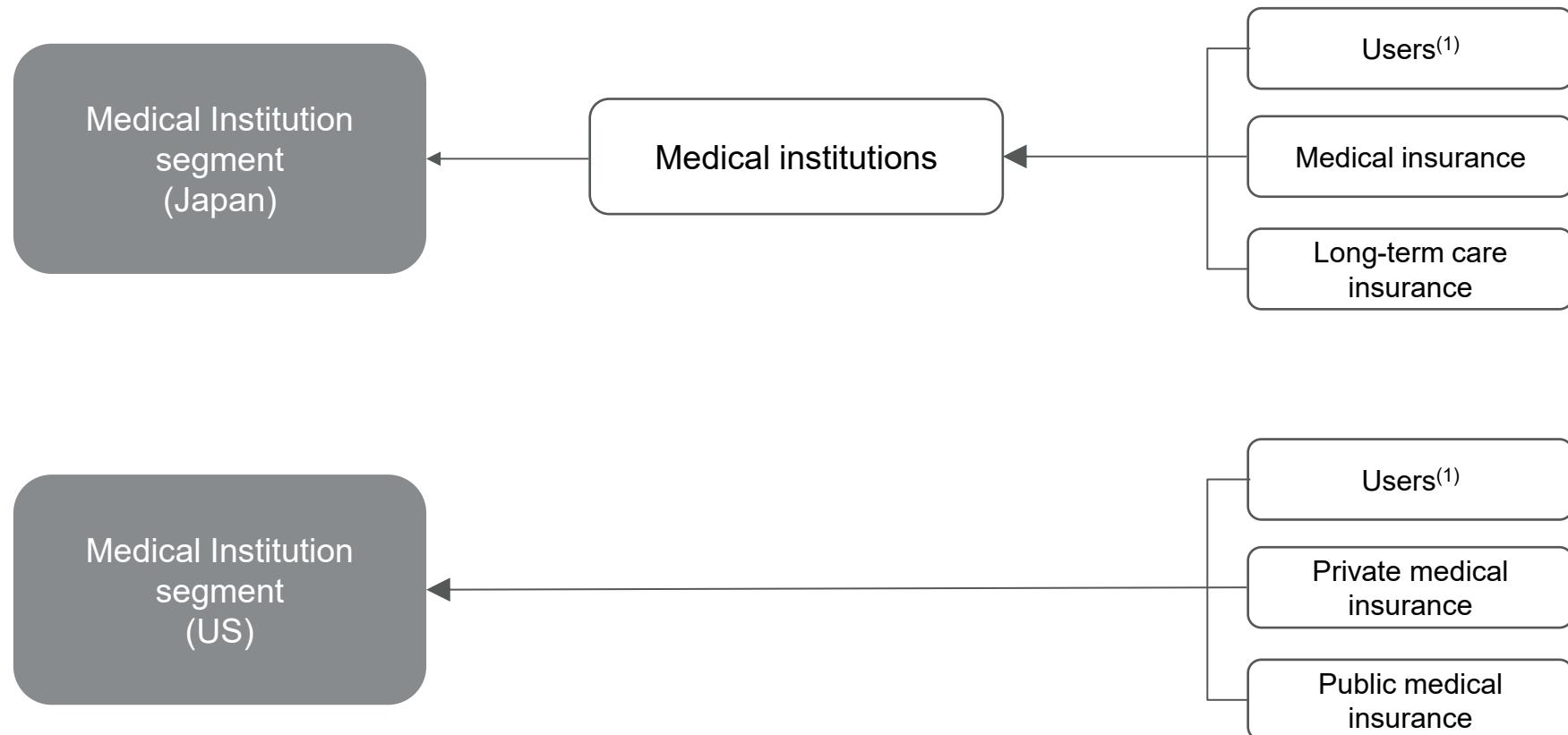
Acquisition cost of Noah Konzer amounted 251 million

1. Calculated by dividing the annualized revenue of Noah Konzer's facilities by the average number of its patients during the period.

2. Percentage of total patients to the total number of capacity in Noah Konzer's facilities for 2025/3 Q3.

Diversified Revenue Sources of CUC group (1/2)

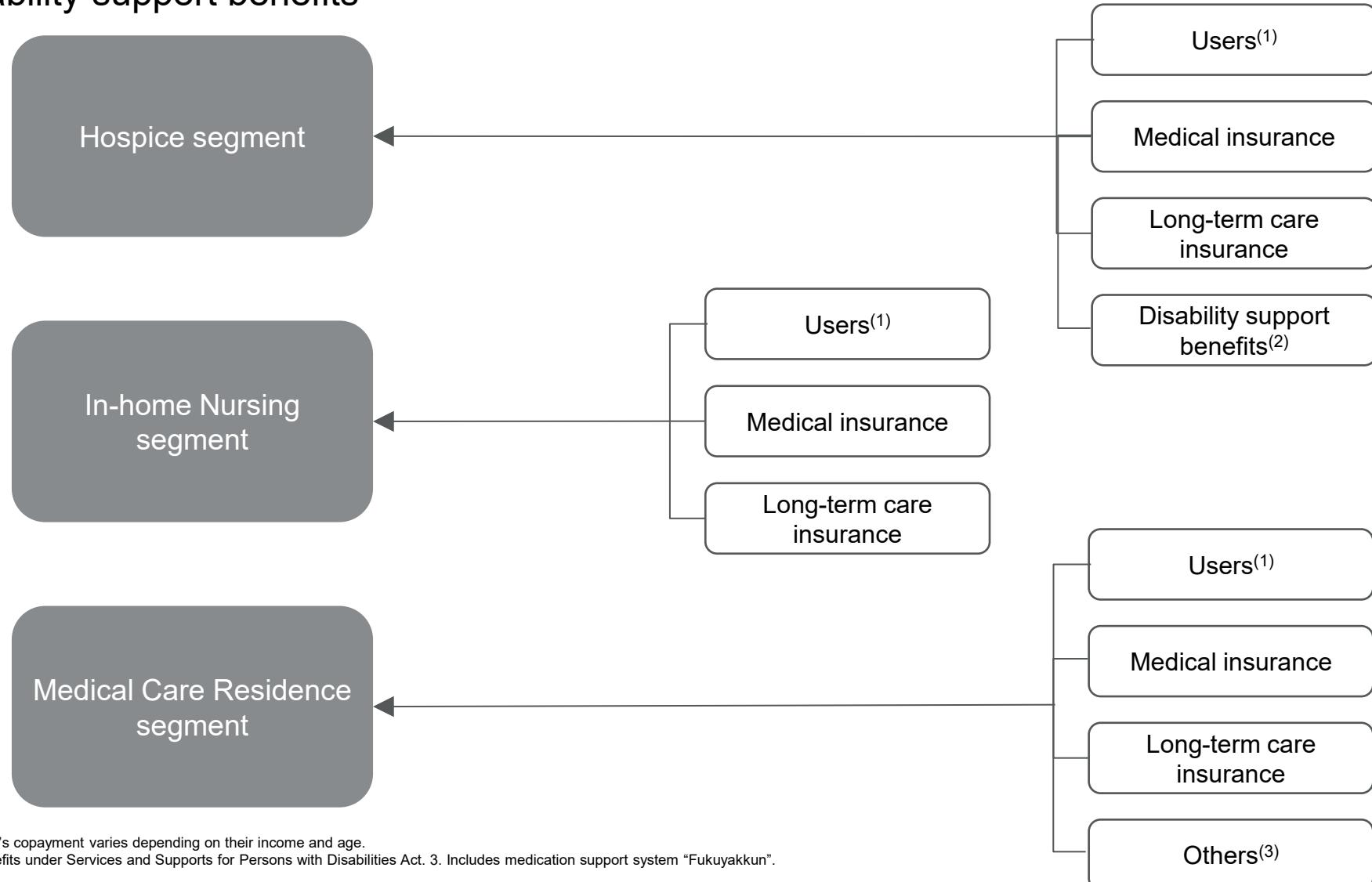
Medical Institution segment receives fees from medical institutions in Japan and has revenue sources from users, private and public medical insurance in the US



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⁽¹⁾

Hospitals	Clinics
Approx. 8,000	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⁽²⁾)
- Growth in medical spending (expected to increase from 45 trillion yen in 2021 to **78 trillion yen** in 2040⁽³⁾)
- Shrinking labor force (expected to decrease from 69.0 million to **65.4 million** in 2040⁽⁴⁾)
- **Revision of medical fee** once every 2 years
- **68.4%** of hospitals have no successors⁽⁵⁾ and **68.7%** of hospitals are managed by 60-years-old-or-older owners⁽⁶⁾

| 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).

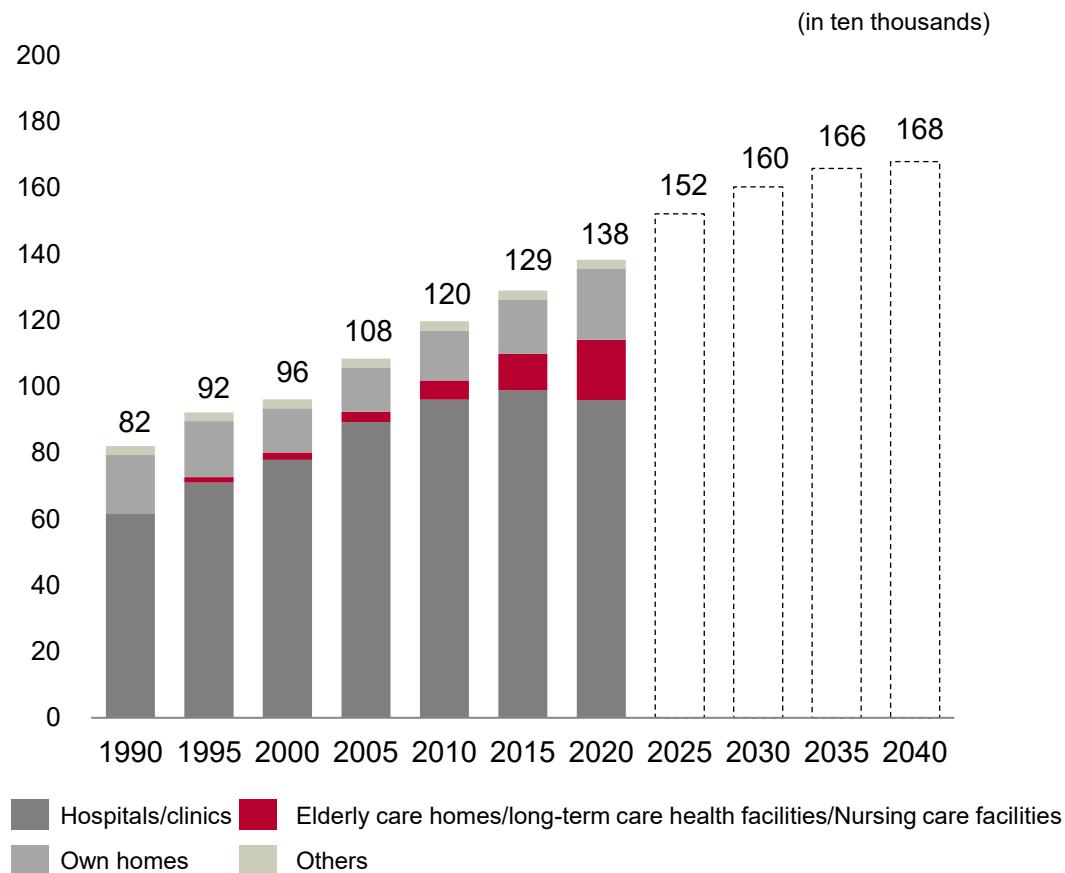
3. "Overview of National Medical Spending" (Ministry of Health, Labour and Welfare), "Future Estimate of Social Security towards 2040" (Cabinet, MOF, Ministry of Health, Labour and Welfare).

4. "Annual Report on Health, Labor and Welfare - Materials" (Ministry of Health, Labour and Welfare). 5. As of 2017. "Current Situation and Challenges of Medical Business Succession" (The Japan Medical Association Research Institute). 6. As of 2022. "Statistics Overview for Doctors, Dentists and Pharmacists" (Ministry of Health, Labour and Welfare).

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⁽¹⁾



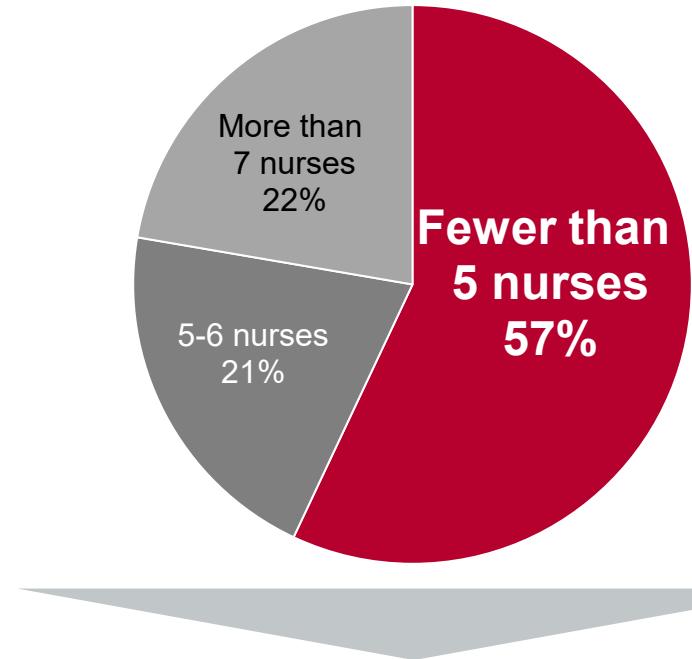
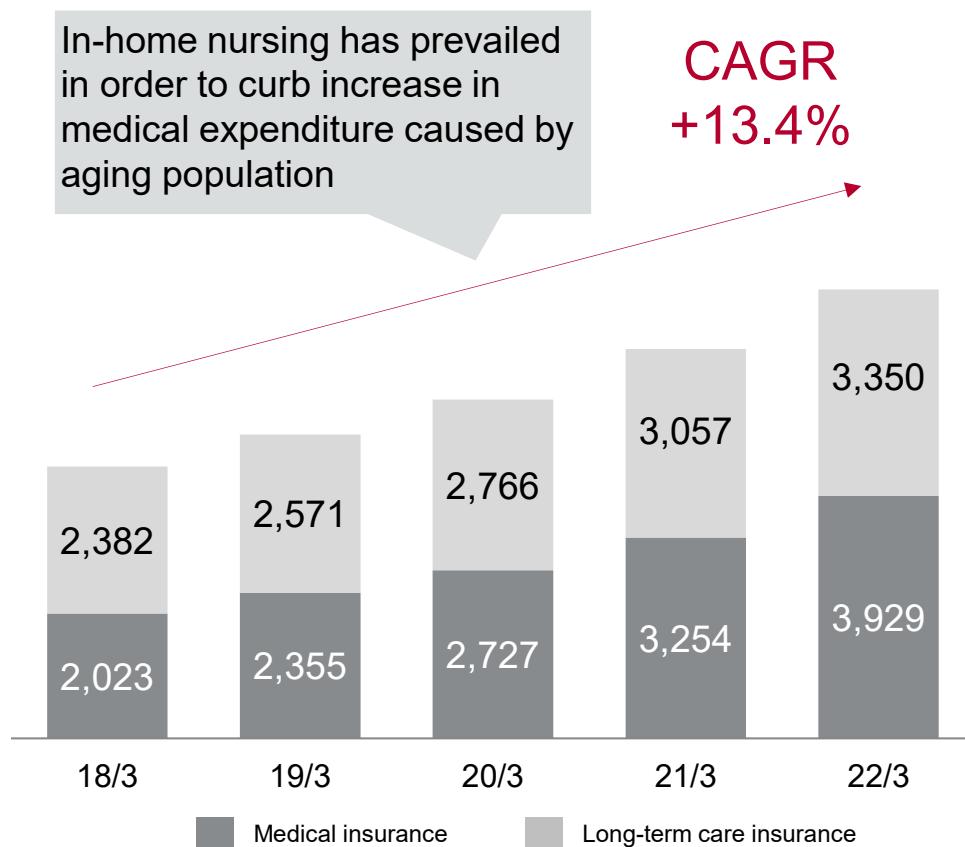
| Demands for hospice facilities

- 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⁽¹⁾ and approximately **490,000** terminal care refugees estimated for 2040⁽²⁾. 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⁽³⁾. Deaths by cancer reached approximately **400,000** per year⁽⁴⁾.

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⁽¹⁾ (in hundred millions) | Ratio of nursing stations by number of nurses⁽²⁾



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

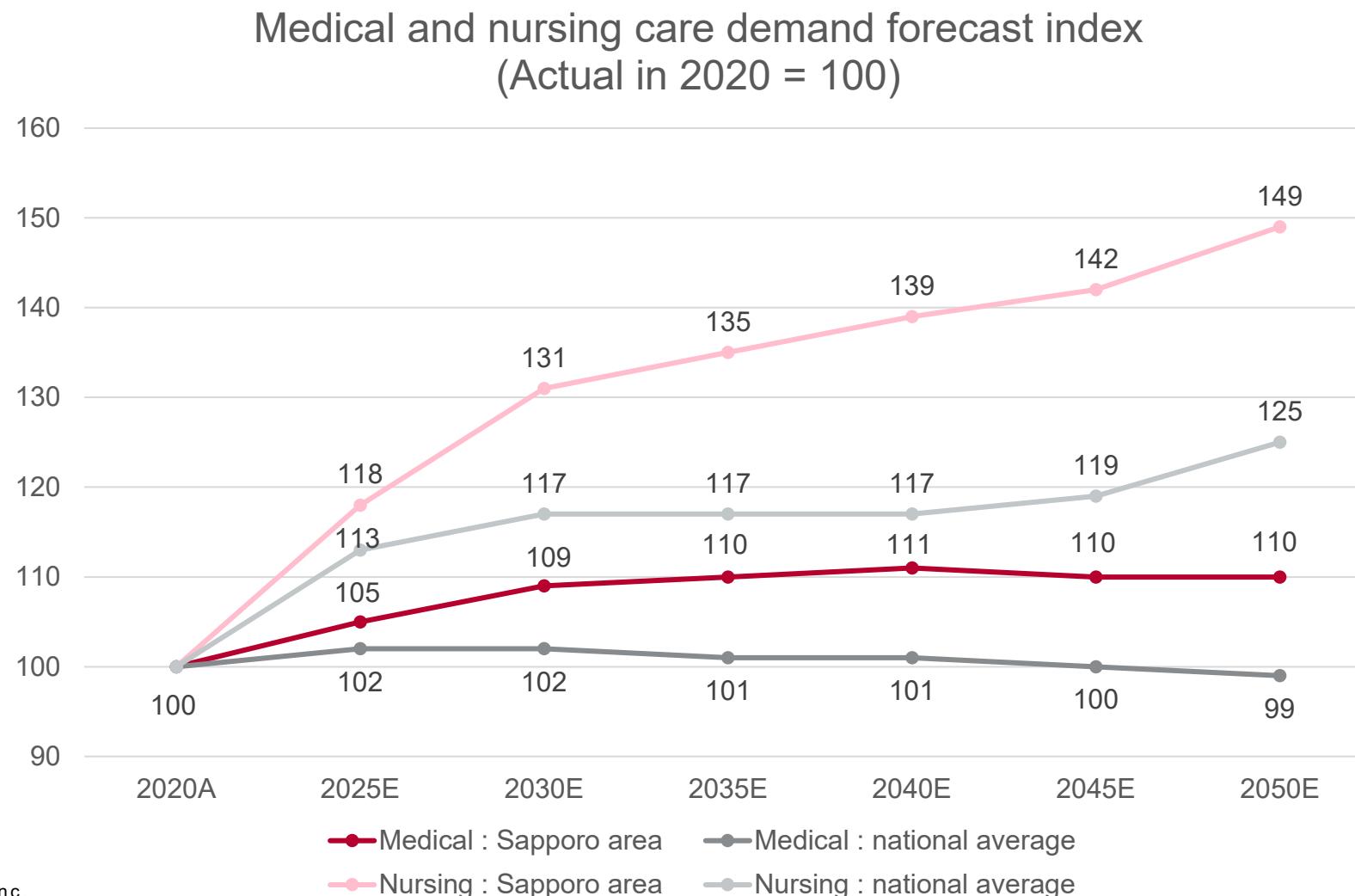
1. "Overview of National Medical Spending", "Survey on Nursing Care Benefits" (Ministry of Health, Labour and Welfare).

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

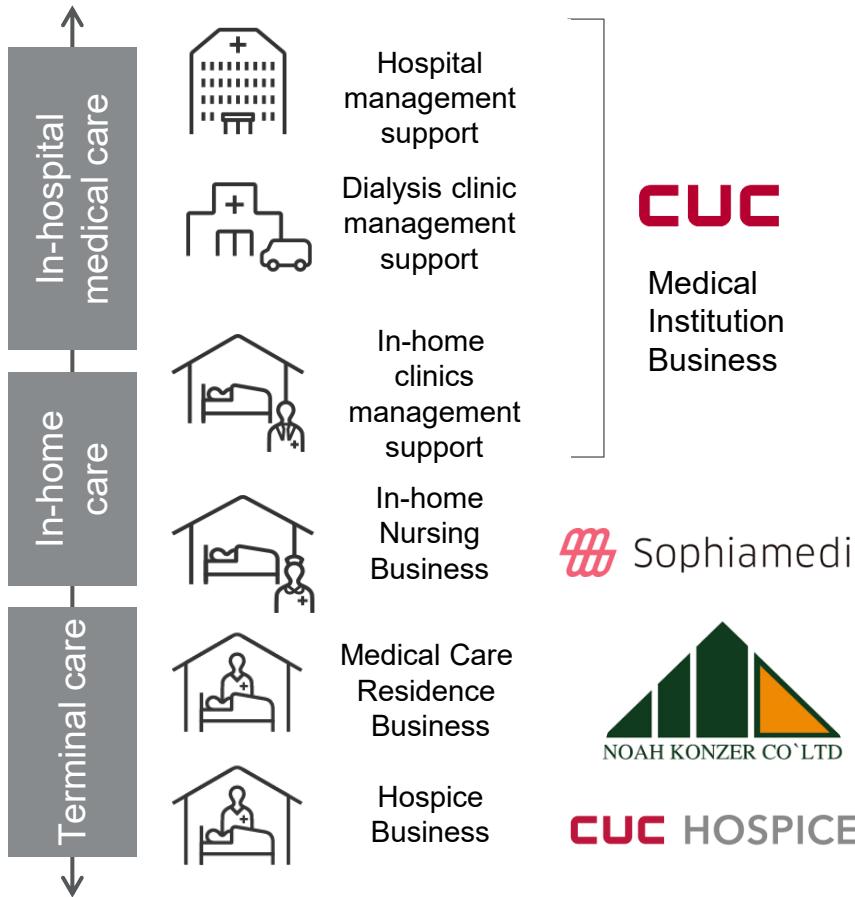


Competitive Advantage

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⁽¹⁾ that is not limited to a single business

Vertically integrated key businesses



Benefits of vertically integrated platform



Network

Extensive network with highly acute hospitals (access to patients and KOL⁽²⁾)



Patient Referrals

Increased patient referrals within CUC Group and the client medical institutions



Recruitment & Retention

Enhanced recruitment and internal transfer in CUC Group
Diverse career opportunities for employees



Capital Allocation

Cash flow generated from Medical Institution segment are available to allocate to capex for hospice

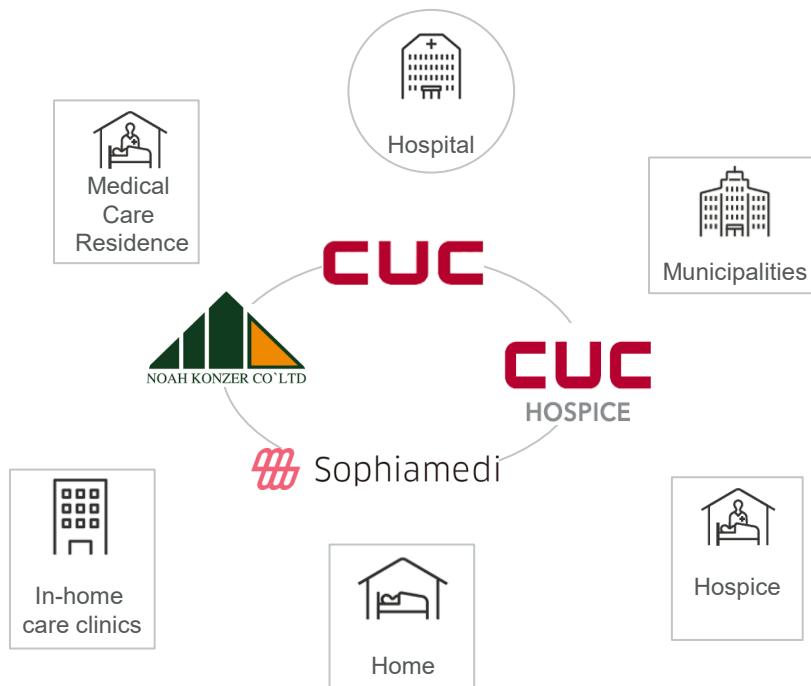
1. "Total Addressable Market": A total market demand for a product and service.

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

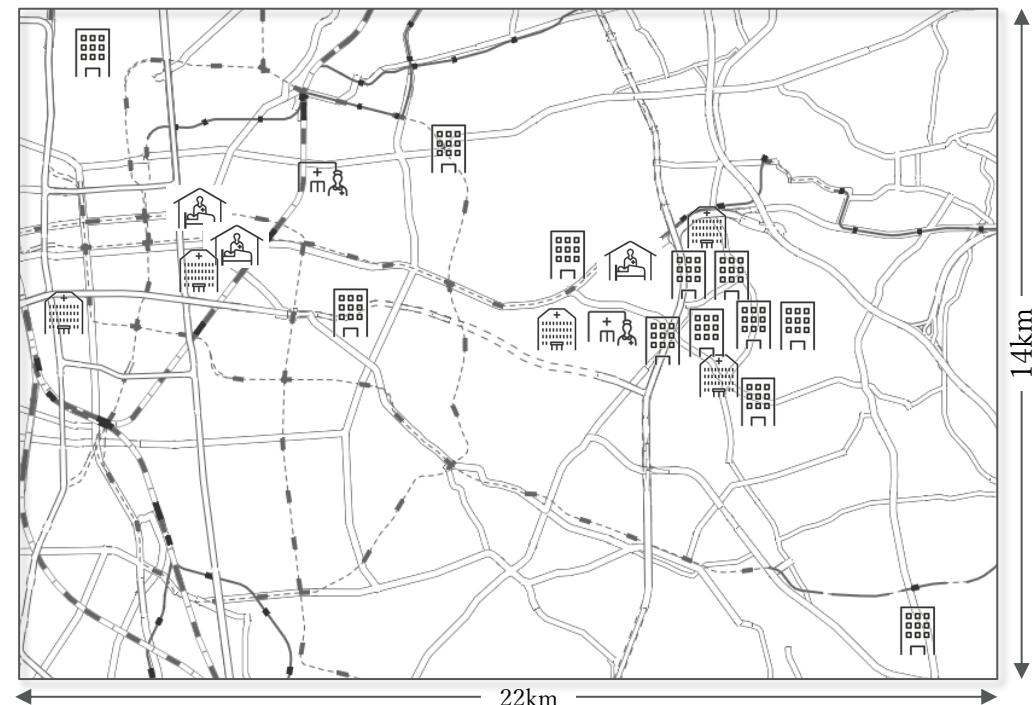
Vertically Integrated Platform (2/2)

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⁽¹⁾



 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)⁽¹⁾

Medical Institution segment



Supported doctor hiring

270

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

Hospice segment



Hired Nurses /
Caregivers

660

In-home Nursing segment



Hired Nurses /
Therapists

297

| Turnover rate (2025/3)

30%

Decreased primarily due to facility visit
before joining and spreading CUC
philosophy throughout the company

20%

24.6%

10%

23.0%

14.4%

14.8%

22/3

23/3

24/3

25/3

Hospice

In-home Nursing

Increase in turnover
rate at new facilities

Increase in turnover
at high-utilization stations

19.6%

24/3

25/3

13.5%

14.8%

24/3

25/3

Hospice

In-home Nursing

Increase in turnover
rate at new facilities

Increase in turnover
at high-utilization stations

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

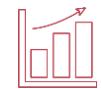
Healthcare professionals are not looking for compensation alone. They are devoted to their mission of providing healthcare. CUC secures human capital by providing the work environment they are looking for

| CUC's unique platform

Environment that healthcare workers look for



Sense of achievement and satisfaction



Skill enhancement



Flexible career opportunities



- Mission-oriented corporate culture
- Focus on patient care, with minimal scut work
- Continued investment in human capital, including an established training system
- Sharing best practices in a flat and cooperative work environment
- 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

| Major awards related to the work environment



企業価値認定
2018
2014 / 2017



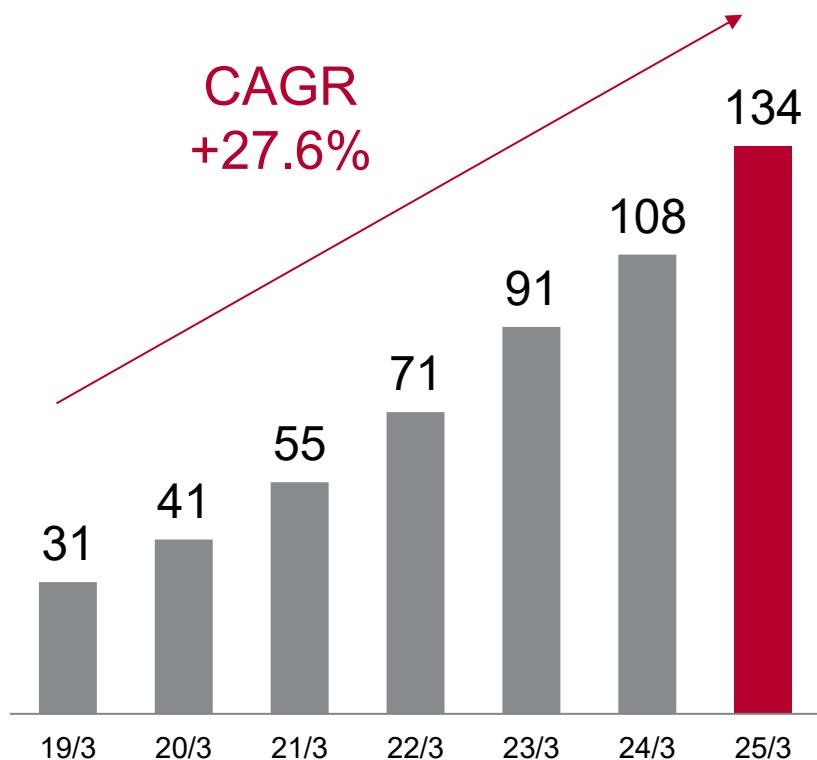
work with Pride

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⁽¹⁾



| 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

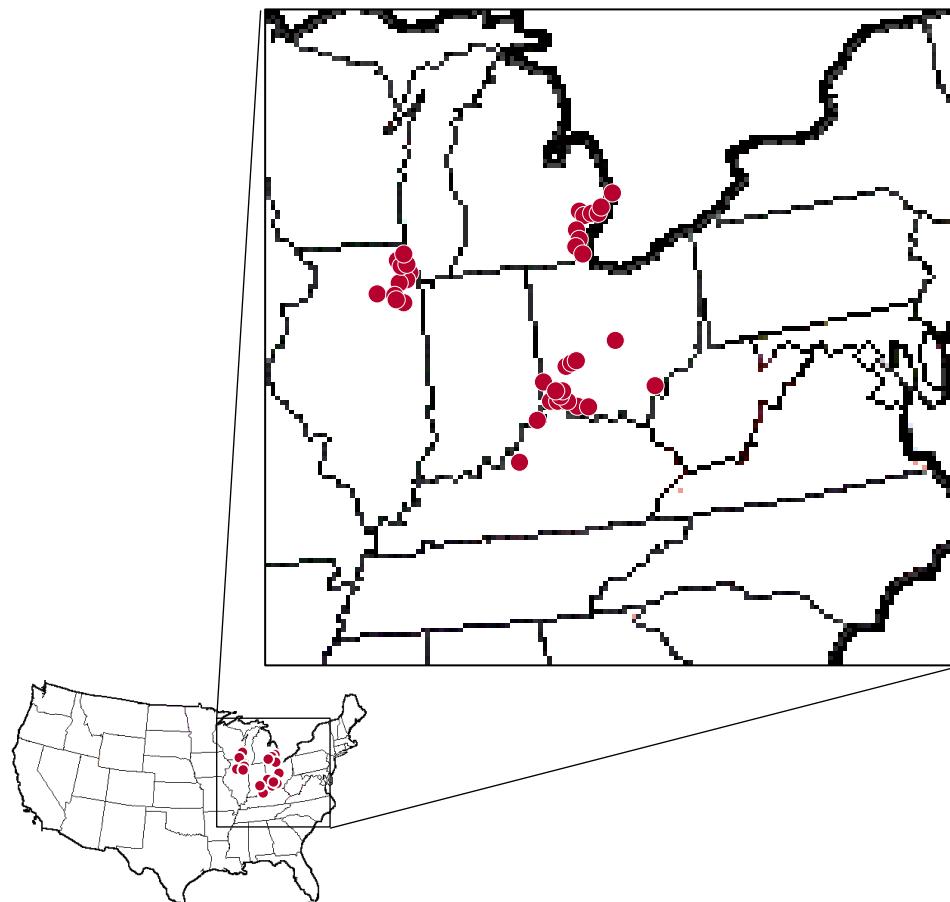
- Medical institutions have difficulties in accumulating and sharing operation know-how. CUC creates manuals describing detailed procedures to cover wide range of operations
- CUC supports establishment of an environment that enables business growth that is not reliant on specific individuals enhancing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

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 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

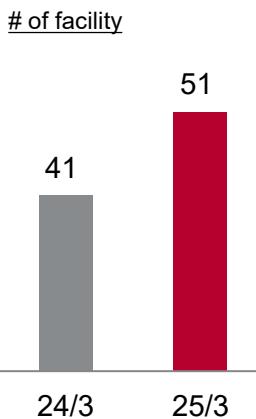
- Reinforce capabilities to deal with diseases related to podiatry such as care for varicose veins which was recently launched

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 41)

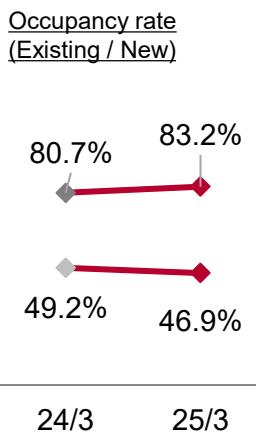
Expand hospice facilities

- Opened facilities with capacity of 50 or more⁽¹⁾ (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⁽²⁾
- 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

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%

Growth Strategy of In-home Nursing Segment

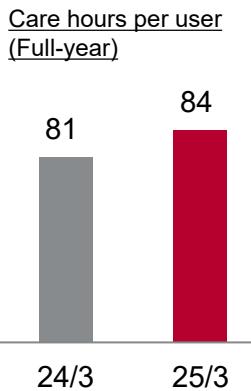
Aiming to reinforce capabilities to deal with patients of moderate and severe cases and to improve profitability by increasing # of users and efficiencies of visit

Reinforce capabilities to deal with patients of moderate and severe cases

Enhance user acquisition activities and efficiencies of visit

Overview of 25/3

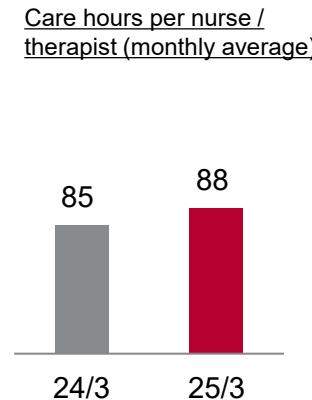
- Care hours per user increased from 81 to 84 hours YoY due to appropriate cross-sectional nursing assessment, reinforced relationships with medical institutions introducing patients to nursing stations and recruitment of nurses



Initiatives for 26/3 onwards

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

- 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 ⁽¹⁾	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 ⁽²⁾	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

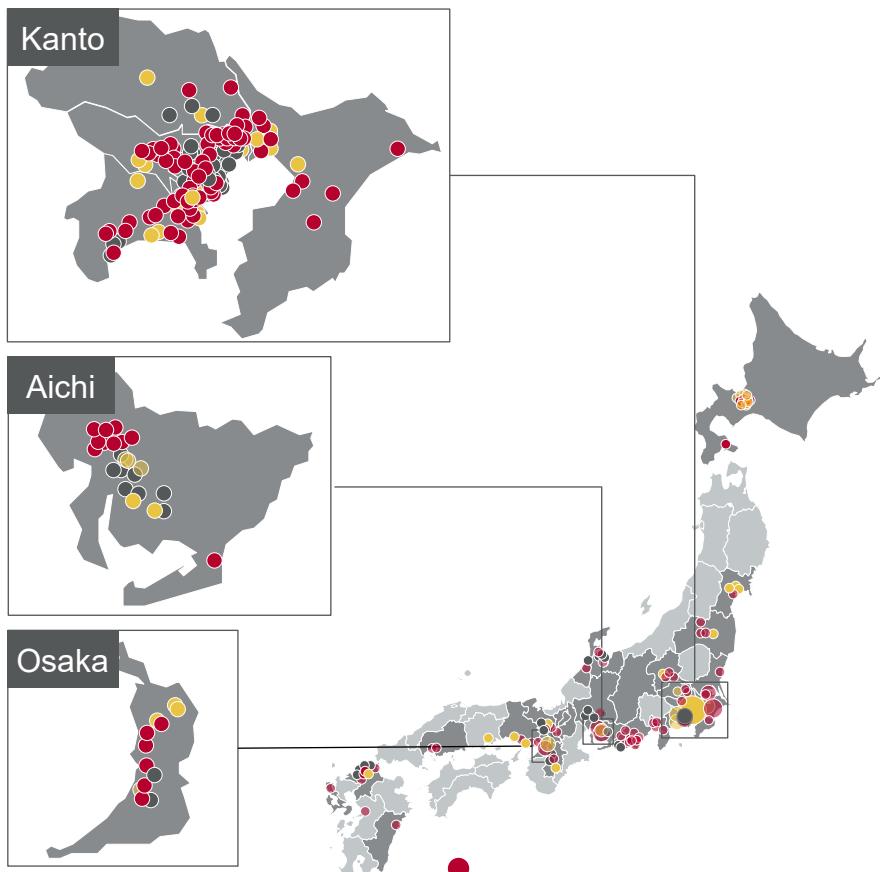
Future prospects and synergies

- 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

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 March 31, 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

Use of Proceeds from IPO

CUC raised 13,143 million yen at IPO and used 4,218 million yen in 2024/3 and 5,395 million yen in 2025/3 for new openings of hospice facilities. Remaining amount of 3,530 million yen will be used in 2026/3

Use of Proceeds	Total Proceeds	Used Amount 2024/3 (Actual)	Used Amount 2025/3 (Actual)	Remaining Amount 2026/3 (Plan)
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Financing for consolidated subsidiaries to open hospice facilities	13,143 million yen	4,218 million yen	5,395 million yen	3,530 million yen
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- CUC will retain proceeds from IPO as financial instruments with low risks until the period of payment is determined.
- Under the mission of “Creating Hope through Healthcare”, CUC group will be driving the growth of integrated business platform which consists of Medical Institution segment, Hospice segment, In-home Nursing segment and Medical Care Residence Segment.
- Hospice segment plants to expand collaborating with local administrative agencies and medical institutions after assessment of demand for hospices in each area.
- CUC plans to use proceeds from IPO for new openings of hospice facilities as above in order to accelerate growth of Hospice segment in accordance with CUC group’s strategy.

Differences between 2025/3
Forecast and actual result,
and 2026/3 Forecast

Differences between 2025/3 Forecast and actual result (1/2)

Revenue achieved the forecast

(Million yen)	25/3 (Forecast)	25/3 (Actual)	Difference	Reason
Revenue	46,800	47,043	+0.5%	
Medical Institution segment	17,550	17,603	+0.3%	
- Japan	10,400	10,581	+1.7%	Increase in non-resident consulting services
- Overseas ⁽¹⁾	7,150	7,021	(1.8%)	Lower-than-expected patients
Hospice segment	13,700	13,759	+0.4%	
In-home Nursing segment	12,150	12,309	+1.3%	Higher-than-expected occupancy rate
Medical Care Residence	3,600	3,567	(0.9%)	
Others and Adjustment	(200)	(195)	-	
EBITDA	8,170	8,051	(1.5%)	
Medical Institution segment	4,650	4,570	(1.7%)	
- Japan	4,170	4,262	+2.2%	
- Overseas ⁽¹⁾	480	309	(35.7%)	Lower-than-expected patients
Hospice segment	2,100	2,014	(4.1%)	
In-home Nursing segment	1,500	1,651	+10.1%	Higher-than-expected occupancy rate
Medical Care Residence	730	640	(12.4%)	Some upfront investments were made earlier than planned
Others and Adjustment	(810)	(824)	-	

Differences between 2025/3 Forecast and actual result (2/2)

Operating profit and Net income attributable to CUC shareholders achieved the forecast

(Million yen)	25/3 (Forecast)	25/3 (Actual)	Difference	Reason
Operating profit	5,000	5,343	+6.9%	
Medical Institution segment	3,600	3,616	+0.4%	
- Japan	3,720	3,832	+3.0%	
- Overseas	(120)	(216)	-	Lower-than-expected patients
Hospice segment	1,000	1,002	+0.2%	
In-home Nursing segment	1,050	1,205	+14.8%	Higher-than-expected occupancy rate
Medical Care Residence	120	299	+149.0%	The recognition of one-time miscellaneous income, etc.
Others and Adjustment	(770)	(778)	-	
Net income attributable to CUC shareholders	2,900	3,131	+8.0%	

2026/3 Forecast (1/2)

(Million yen)	25/3 (Actual)	26/3 (Forecast)	Difference	Reason
Revenue	47,043	58,250	+23.8%	
Medical Institution segment	17,603	17,510	(0.5%)	
- Japan	10,581	9,780	(7.6%)	Existing client experiences a decline in its profitability
- Overseas ⁽¹⁾	7,021	7,730	+10.1%	Expansion of the US podiatry business
Hospice segment	13,759	19,200	+39.5%	Improvement of occupancy rates at existing facilities
In-home Nursing segment	12,309	12,900	+4.8%	Improvement of occupancy rates at existing stations
Medical Care Residence	3,567	8,970	+151.5%	Noah Konzer contributed throughout 26/3
Others and Adjustment	(195)	(330)	-	
EBITDA	8,051	10,230	+27.1%	
Medical Institution segment	4,570	3,930	(14.0%)	
- Japan	4,262	3,100	(27.3%)	Existing client experiences a decline in its profitability
- Overseas ⁽¹⁾	309	830	+169.0%	Expansion of the US podiatry business
Hospice segment	2,014	3,270	+62.3%	Improvement of occupancy rates at existing facilities
In-home Nursing segment	1,651	1,550	(6.1%)	Increase in upfront costs due to the opening of new stations
Medical Care Residence	640	2,300	+259.6%	Noah Konzer contributed throughout 26/3
Others and Adjustment	(824)	(820)	-	

2026/3 Forecast (2/2)

(Million yen)	25/3 (Actual)	26/3 (Forecast)	Difference	Reason
Operating profit	5,343	5,500	+2.9%	
Medical Institution segment	3,616	3,000	(17.0%)	
- Japan	3,832	2,730	(28.8%)	Existing client experiences a decline in its profitability
- Overseas	(216)	270	-	Expansion of the US podiatry business
Hospice segment	1,002	1,815	+81.2%	Improvement of occupancy rates at existing facilities
In-home Nursing segment	1,205	1,020	(15.4%)	Increase in upfront costs due to the opening of new stations
Medical Care Residence	299	490	+64.0%	Noah Konzer contributed throughout 26/3
Others and Adjustment	(778)	(825)	-	
Net income attributable to CUC shareholders	3,131	2,880	(8.0%)	

Risks Related to Business and Actions to Mitigate Risks

Risks related to CUC group's business and countermeasures (1/3)

Some of risks which may affect the growth and business plan are as follows

Item	Details	Actions to mitigate risks
Recruiting and human resource development	<ul style="list-style-type: none">Recruiting and training of nurses, caregivers and therapists are fundamental for Hospice business and In-home Nursing business.In case recruiting does not progress well due to chronic lack of human resources or a lot of existing employees leaves, that may affect CUC group's business or operating results.	<ul style="list-style-type: none">CUC group recognizes recruiting is important and focuses human resources on recruiting activities.In addition, CUC group works on prevailing equal and cooperative corporate culture and provides job training system continuously and flexible working arrangements so that nurses, caregivers and therapist keep working with high motivation.
Laws, regulations, permits and licenses	<ul style="list-style-type: none">CUC group provides services based on permits, licenses and designation required by laws and regulations such as Health Insurance Act, Long-Term Care Insurance Act and Act on Social Welfare for the Elderly, especially in Hospice business and In-home Nursing business.In case revision to laws happens or CUC group does not satisfy requirement for permits and licenses, CUC group's operating results and financial position may be affected adversely.	<ul style="list-style-type: none">CUC group prioritizes compliance first and foremost providing continuous trainings and tests regarding laws, regulations, permits and licenses to its employeesCUC group prioritizes internal audit function and the audit checks regularly whether rules and internal system are complied in facilities and headquarters.
M&A	<ul style="list-style-type: none">It is possible to strengthen CUC group's business or starting new business by M&A and alliance targeting at companies in both same and different industries.In case issues CUC group had not recognized are revealed after M&A, business management of target companies does not progress as planned, or expected synergies are not generated, CUC group's business, operating results and financial position may be affected adversely.	<ul style="list-style-type: none">CUC group aims to mitigate risks by planning of M&A strategy aligned with corporate strategy, due diligence of target companies, decision-making following cautious consideration and proper PMI.

Risks related to CUC group's business and countermeasures (2/3)

Some of risks which may affect the growth and business plan are as follows

Item	Details	Actions to mitigate risks
Relationship with the parent company group	<ul style="list-style-type: none">M3 owns more than half of the issued shares of CUC and is a parent company of CUC.M3 may have significant impacts on CUC as M3 has the right to decide and decline matters which require an ordinary resolution and has the right to decline matters which require a special resolution while M3 is not able to solely decide matters which require a special resolution.Also, in case liquidity of the CUC stock decreases and trading stagnates for some reason, there may be negative impacts on supply and demand relationship of the CUC stock.	<ul style="list-style-type: none">There is one director who concurrently serves as the corporate officer of the parent company in the board of directors which consists of 7 directors and 2 outside directors and adopted the structure of a Company with an Audit and Supervisory Committee, thereby enhancing the supervisory function of the board of directors. In case of any transactions with the parent company, the board of directors of CUC shall thoroughly deliberate the rationality of the transaction and appropriateness of its terms and conditions and make a decision in accordance with the "Related Party Transaction Management Rules" in order to protect the interest of minority shareholders.If necessary, CUC may aim to increase liquidity through mixture of the followings: a request the parent company to sell part of their stake, an incentive plan with stock options or share and expansion of shareholders through growth of revenue and profits.
Delay in new openings of hospice facilities	<ul style="list-style-type: none">In case CUC group is not able to purchase lands due to competition with other companies, to open new hospices due to regulations, or force majeure such as findings of buried treasures, typhoon and heavy snow occurs, feasibility of new opening plan may become uncertain.In addition, in case lack of human resources in construction or building materials causes delay in new openings, CUC group's business, operating results or financial conditions may be adversely affected.	<ul style="list-style-type: none">CUC group enhances capabilities for developing hospice facilities by recruitment, education and standardization of business operation.CUC group considers multiple opportunities in parallel by collaboration with a wide range of construction companies in order to continue new openings.

Risks related to CUC group's business and countermeasures (3/3)

Some of risks which may affect the growth and business plan are as follows

Item	Details	Actions to mitigate risks
Medical Fee and Nursing Care Fee	<ul style="list-style-type: none">In the Hospice Business, In-home Nursing Business, and Medical Care Residence Business, the majority of revenue is derived from medical insurance fees under the national health insurance system and long-term care insurance fees under the long-term care insurance system. Medical fee revisions are made every two years, while those of the long-term care insurance fees occur every three years.If an unforeseen and significant downward revision is implemented, or if there is a decline in the number of customers, the frequency of service usage, or the amount of service usage within CUC group's services, CUC group may experience a reduction in medical and long-term care fees. Such circumstances may adversely affect the CUC group's business operations, financial performance, or financial condition.	<ul style="list-style-type: none">CUC group takes measures such as diversifying its revenue sources and enhancing its capacity to serve patients of moderate and severe cases, in anticipation of the long-term direction of future revisions.In light of the risk of decreased revenue resulting from medical fee revisions and those of long-term care insurance fees, CUC group intends to focus on projects with higher investment efficiency by change in facility development plans or remodeling our business model as necessary.

Appendix

Consolidated Financial Results

Strong growth both in revenue and profit. Revenue, operating profit and net income attributable to CUC shareholders exceeded the full-year forecast

(Million yen)	24/3 (Actual)	25/3 (Actual)	YoY	25/3 (Forecast)	vs. Forecast
Revenue	33,025	47,043	+42.4%	46,800	+0.5%
EBITDA ⁽¹⁾	5,524	8,051	+45.8%	8,170	(1.5%)
Operating profit	3,737	5,343	+43.0%	5,000	+6.9%
Net income attributable to CUC shareholders	2,595	3,131	+20.7%	2,900	+8.0%

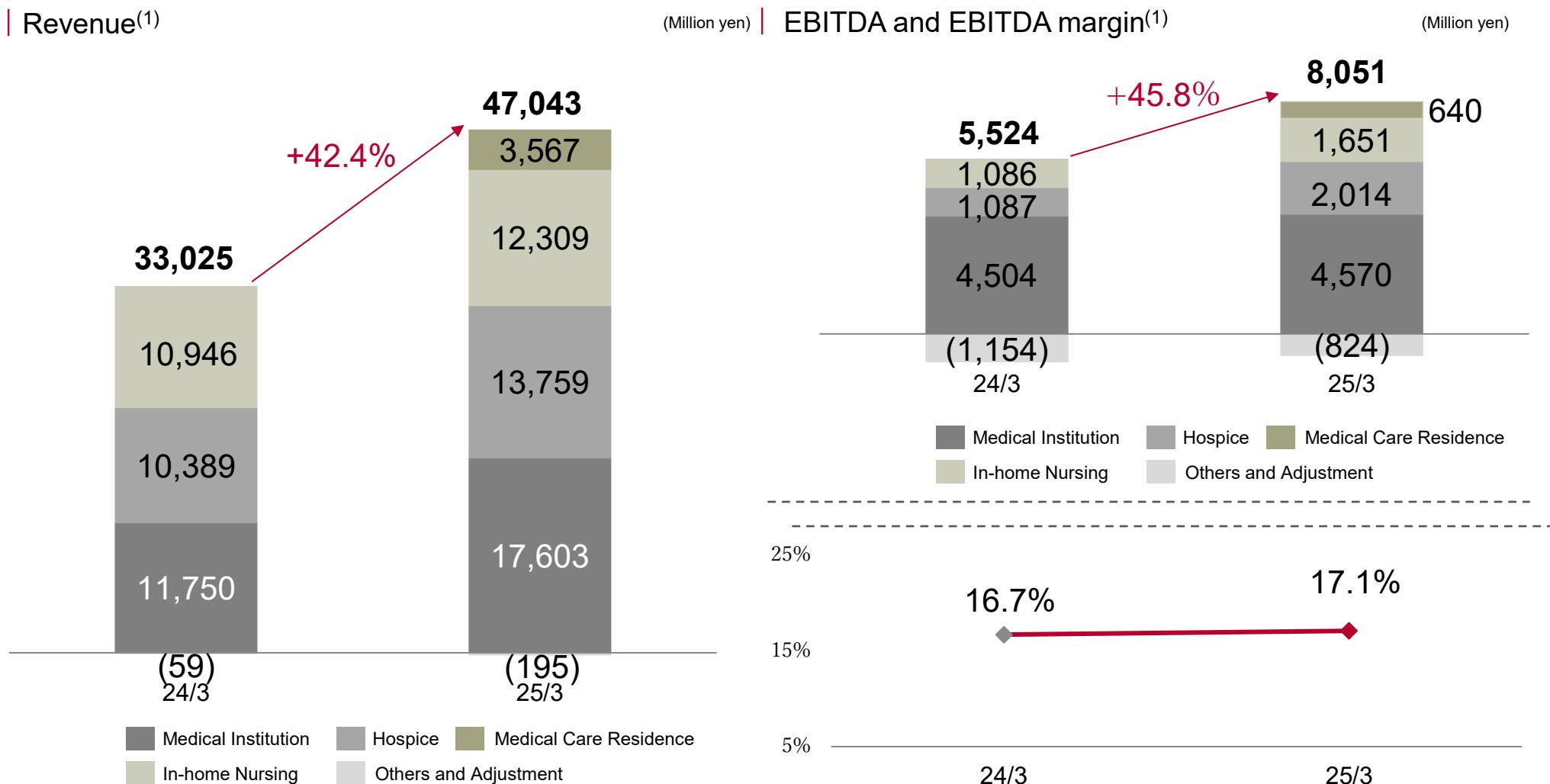
Including impact of foreign exchange gain of 285 million yen accrued from the intercompany loan to the US subsidiary. The intercompany loan was repaid in full on May 15, 2024⁽²⁾

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

2. CUC invested additional equity into CUC America Inc., which is a wholly owned subsidiary of CUC. CUC America Inc. repaid the loan from CUC in full by proceed of the additional investment.

Consolidated Financial Results (Full-year)

Steady growth in revenue and earnings across all four segments. Achieved 42.4% YoY revenue growth and EBITDA margin increased by 0.4pt



1. Retroactively adjusted on assumption that fixed assets related to hospice facilities in the Medical Institution segment was transferred to the Hospice segment at the beginning of the fiscal year ended March 31, 2024.

Summary of Consolidated Statement of Financial Position

(Million yen)	24/3	24/12	25/3
Current Assets	17,651	23,163	20,520
Cash and cash equivalents	8,256	11,574	7,533
Trade and other receivables	8,758	10,877	12,151
Non-current assets	45,185	63,622	64,647
Property, plant and equipment	12,028	16,833	18,830
Right-of-use assets	7,669	20,119	19,401
Goodwill	13,642	14,230	13,665
Intangible assets	4,420	4,509	4,306
Total assets	62,836	86,785	85,167

	24/3	24/12	25/3
Current liabilities	8,391	13,547	13,446
Trade and other payables	2,479	3,395	4,314
Borrowings	2,000	2,811	2,812
Lease liabilities	1,159	2,686	2,769
Non-current liabilities	26,440	42,690	41,435
Borrowings	16,434	21,353	20,653
Lease liabilities	7,126	18,090	17,310
Total liabilities	34,831	56,237	54,881
Total equity	28,005	30,549	30,286
Equity attributable to CUC shareholders	27,316	29,898	29,678
Non-controlling interests	689	651	608
Total liabilities and equity	62,836	86,785	85,167

① Decreased with new hospice openings

② Increased with new hospice openings

CUC's International Business

CUC has subsidiaries in Vietnam, Indonesia and the United States

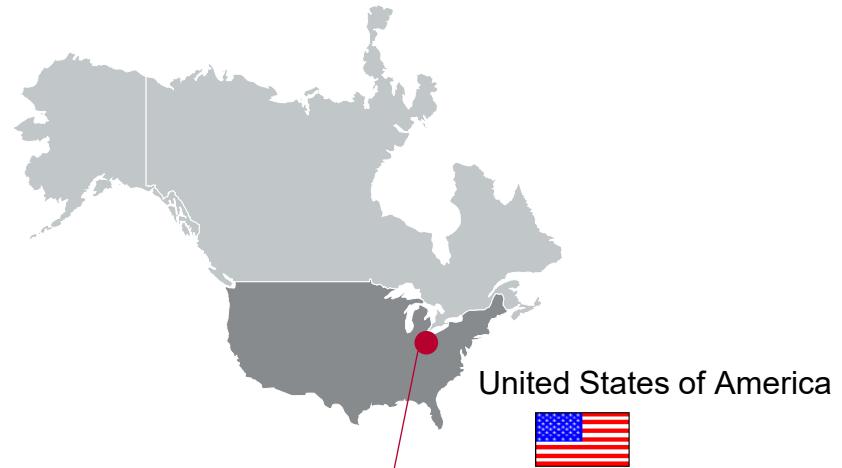
Southeast Asia

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



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

North America



- Established CUC America Inc.⁽¹⁾ 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.

Sustainability and ESG (1/2)

Identified five materiality in order to realize CUC's mission and a director or corporate officer is responsible for each item

Materiality

Environment



Environmentally Conscious Management

Aim to be an environmentally advanced company in healthcare

Social



Creation of Sustainable and Innovative Healthcare

Provide medical resources to as many people as possible in a sustainable manner

Governance



Ensuring Compliance

Implement transparent, sound, fair, and efficient management

Social



Pursuing the Well-Being of Patients and Healthcare Workers

Provide optimal healthcare so that patients live their lives as they wish and working environment where healthcare workers feel proud and fulfilled

Social



Providing Safe and Reliable Medical Care

Provide safe and secure medical care to patients under any circumstances and maintain normal social activities despite new infectious diseases or natural disasters

Sustainability and ESG (2/2)

CUC group conducted some initiatives corresponding to the materiality in this fiscal year as follows

Initiatives

Social



Pursuing of well-being for patients and healthcare workers

Sustainability Contest

- Solicited business ideas regarding the theme of “Human Potential (Human Capital & Diversity),”
- Entries of 50 teams with 155 members from 23 departments from group companies including ones from overseas
- Winning proposals included initiatives such as promoting the balance between cancer care and work, and developing new employment models linking health and careers



Honored with the Well-being Award

- CUC Group received the Grand Prix—the highest honor—in the “Organizations & Teams” category of the Well-being Award 2025, organized by The Asahi Shimbun and others.
- The award recognized initiatives promoting the well-being of healthcare workers, such as career development programs and workstyle support based on feedback from frontline healthcare workers.



WELLBEING
AWARDS 2025
GRAND PRIX

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