



CUC Inc.

Financial results for the fiscal year ended March 2024

Consolidated Financial Results

Consolidated Financial Results (Full-year)

Revenue and EBITDA from Existing Services increased significantly while consolidated revenue decreased due to a steep decline of Covid-related Services. Consolidated revenue and profit achieved the initial forecast

(Million yen)	23/3 (Actual)	24/3 (Actual)	YoY	24/3 (Forecast)	vs. forecast
Revenue	35,210	33,025	(6.2%)	31,864	+3.6%
- Existing Services ⁽¹⁾	24,423	32,523	+33.2%	31,603	+2.9%
- Covid-related Services etc. ⁽²⁾	10,787	502	(95.3%)	261	+92.5%
EBITDA ⁽³⁾	4,982	5,524	+10.9%	5,375	+2.8%
- Existing Services ⁽¹⁾⁽⁴⁾	2,645	5,312	+100.8%	5,283	+0.6%
- Covid-related Services etc. ⁽²⁾⁽⁴⁾	2,337	212	(90.9%)	93	+128.2%
Net income attributable to CUC shareholders	2,423	2,595	+7.1%	2,033	+27.7%

1. CUC group's services except for the Covid-related Services etc. (the same applies hereinafter).

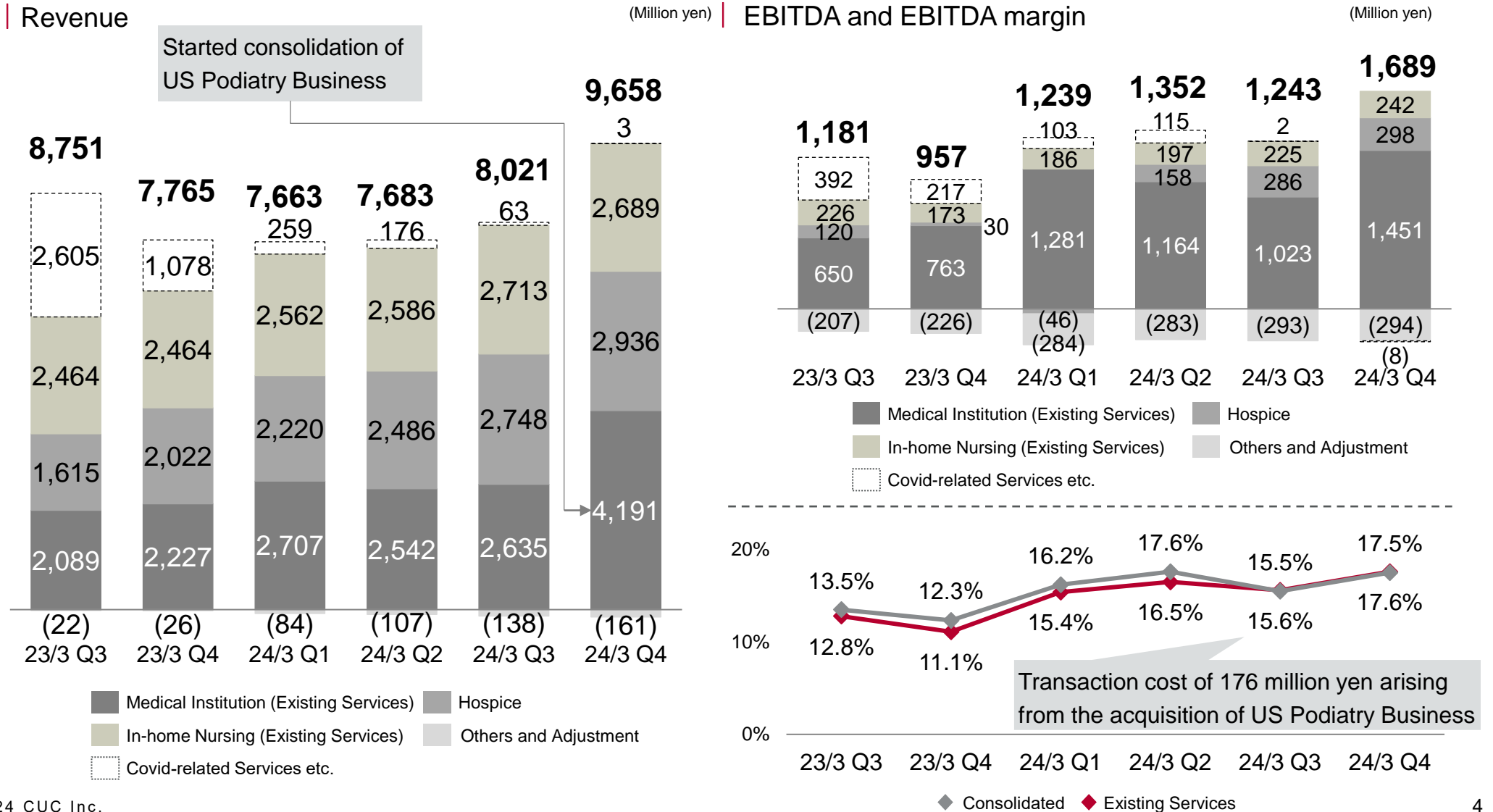
2. Covid-19 Vaccination Support Services, In-home Clinical Trials and In-home Monitoring Services (the same applies hereinafter).

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

4. EBITDA from Existing Services and Covid-related Services etc. are based on management accounting figures (the same applies hereinafter).

Consolidated Financial Results (Quarterly)

Revenue, EBITDA and EBITDA margin increased compared to 24/3 Q3



Summary of Consolidated Statement of Financial Position

(Million yen)	23/3	23/12	24/3
Current Assets	12,732	26,425	17,651
Cash and cash equivalents	4,120	17,532	8,256
Trade and other receivables	8,240	8,484	8,758
Non-current assets	27,018	31,609	45,185
Property, plant and equipment	7,350	11,173	12,028
Right-of-use assets	4,712	5,850	7,669
Goodwill	4,723	4,785	13,642
Intangible assets	2,775	2,649	4,420
Total assets	39,750	58,034	62,836

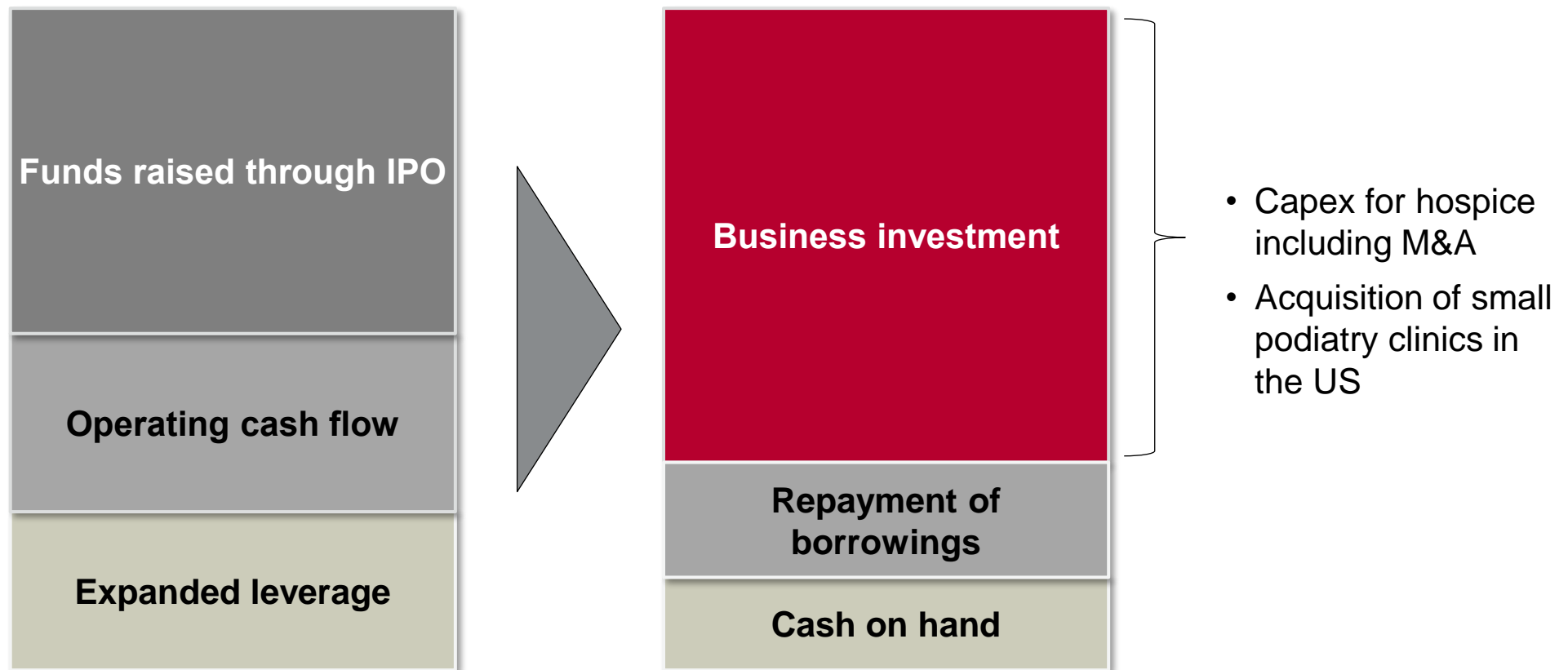
	23/3	23/12	24/3
Current liabilities	21,290	7,229	8,391
Trade and other payables	2,155	1,953	2,479
Borrowings	16,040	2,000	2,000
Lease liabilities	889	981	1,159
Non-current liabilities	6,540	24,496	26,440
Borrowings	-	16,930	16,434
Lease liabilities	4,523	5,499	7,126
Total liabilities	27,830	31,726	34,831
Total equity	11,920	26,309	28,005
Equity attributable to CUC shareholders	11,704	26,066	27,316
Non-controlling interests	216	242	689
Total liabilities and equity	39,750	58,034	62,836

① Decreased by 9,277 million yen primarily due to the acquisition of US Podiatry Business and the Capex for construction of hospices

② Increased primarily due to the acquisition of US Podiatry Business

Financial Policy

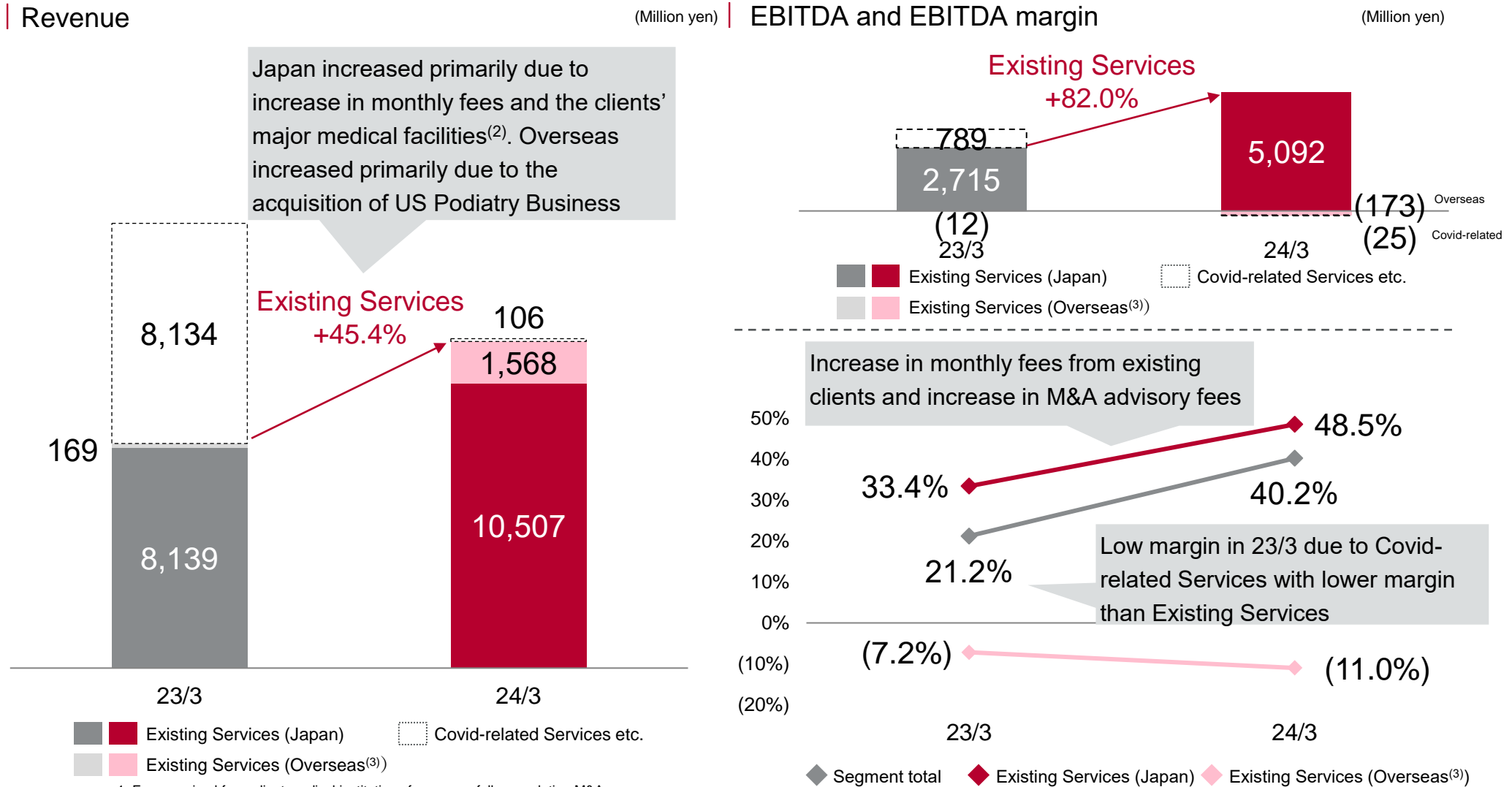
CUC does not plan to pay dividends or to acquire treasury shares at this stage since CUC is currently in the growth stage and needs to conduct business investments such as new openings of hospice facilities and M&As. CUC will consider leveraging while monitoring Net debt/EBITDA ratio and ratio of equity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



Financial Results by Segment

Financial Results of Medical Institution Segment (Full-year)

Revenue from Existing Services grew 45.4%. EBITDA margin in Japan was 48.5% primarily due to increase in monthly fees from existing clients and increase in M&A advisory fee⁽¹⁾



1. Fees received from client medical institutions for successfully completing M&A.

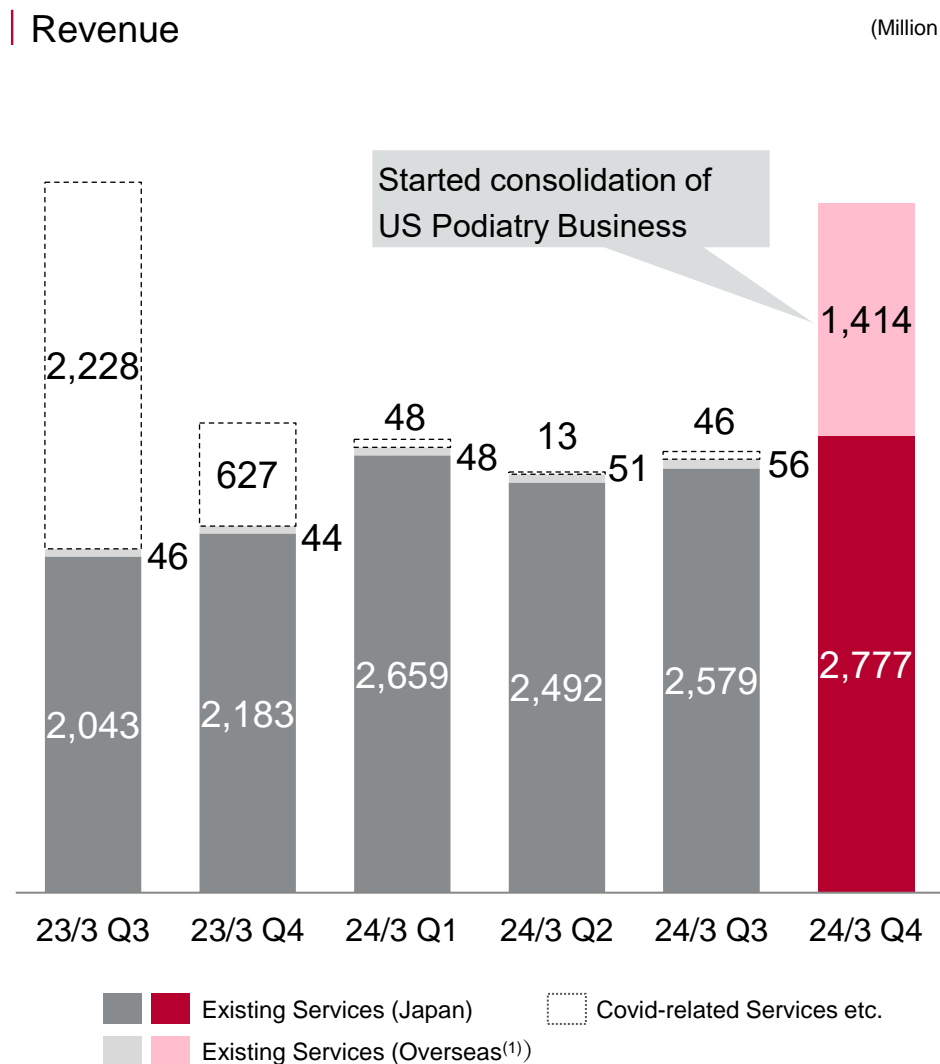
2. Number of hospitals, long-term care health facilities, in-home care clinics, dialysis clinics, and outpatient clinics that CUC provides management support in Japan. The average of the number at the beginning of the period and the number at the end of the period.

3. The US and Southeast Asia.

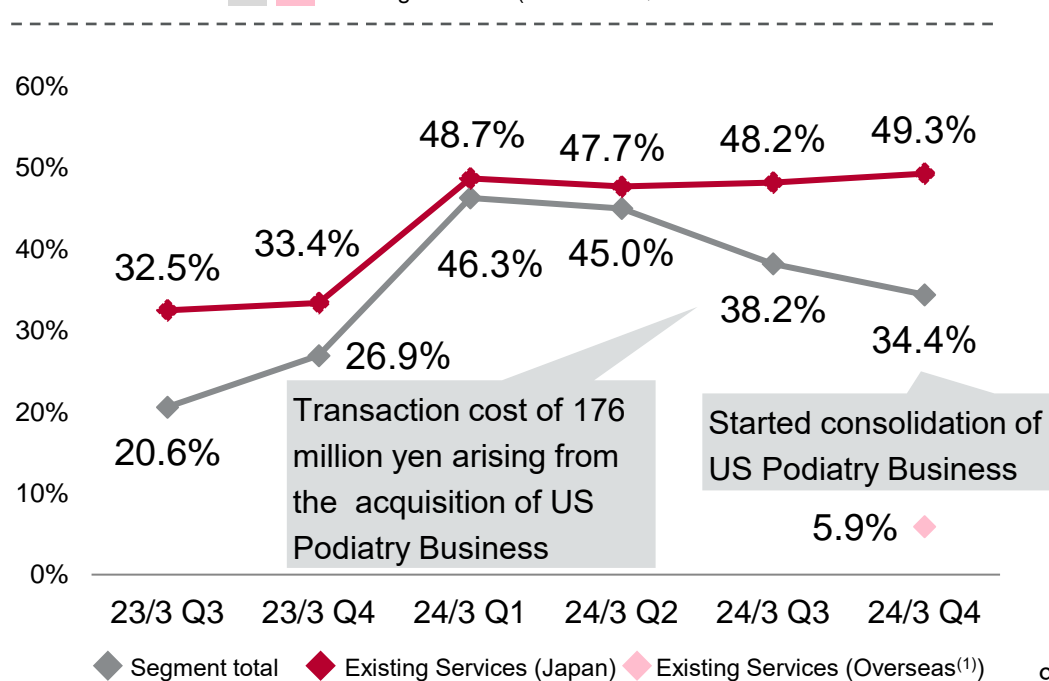
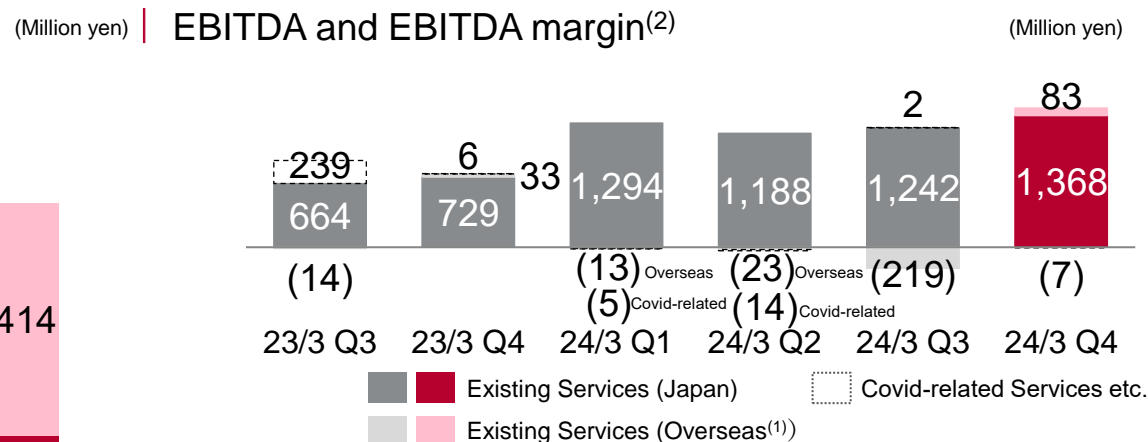
Financial Results of Medical Institution Segment (Quarterly)

EBITDA margin in this segment decreased by 3.8pt compared to 24/3 Q3 as started consolidation of US Podiatry Business

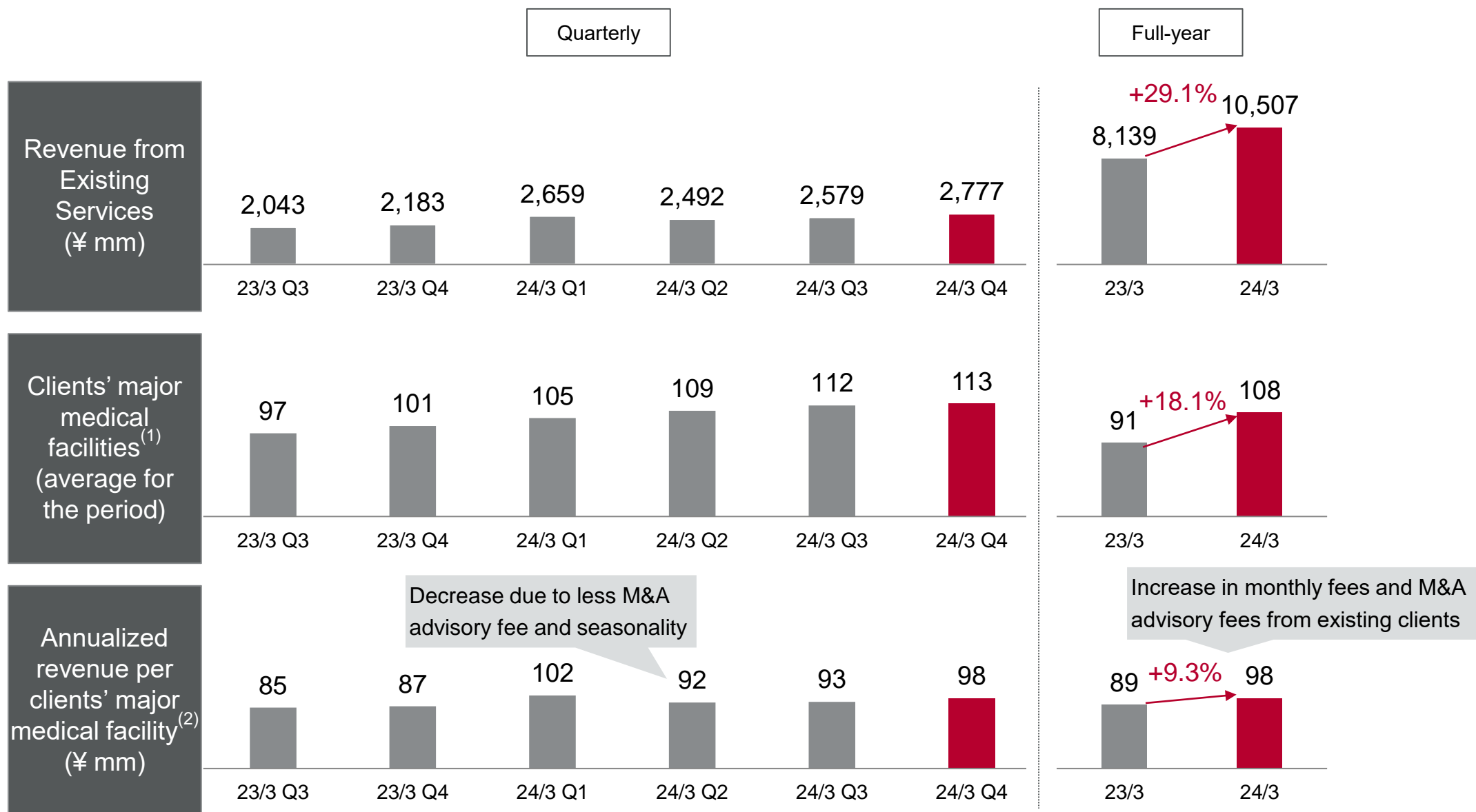
Revenue



EBITDA and EBITDA margin⁽²⁾



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.

Financial Results of Hospice Segment (Full-year)

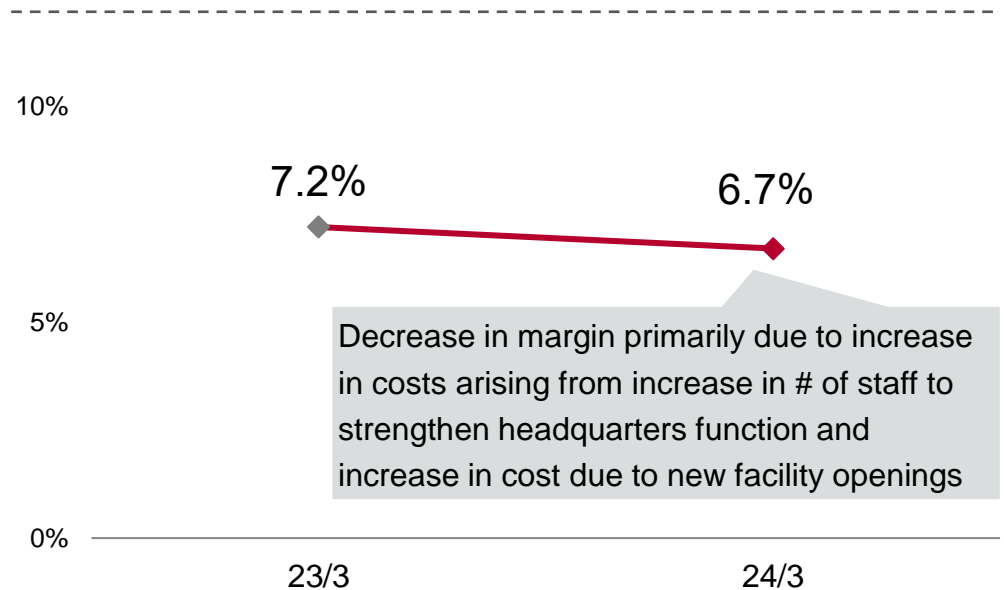
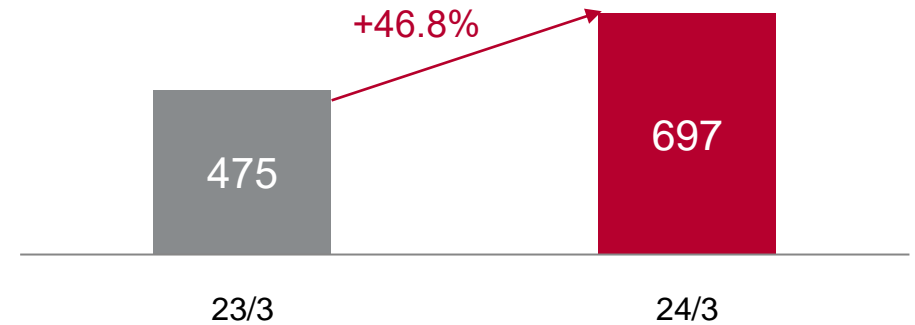
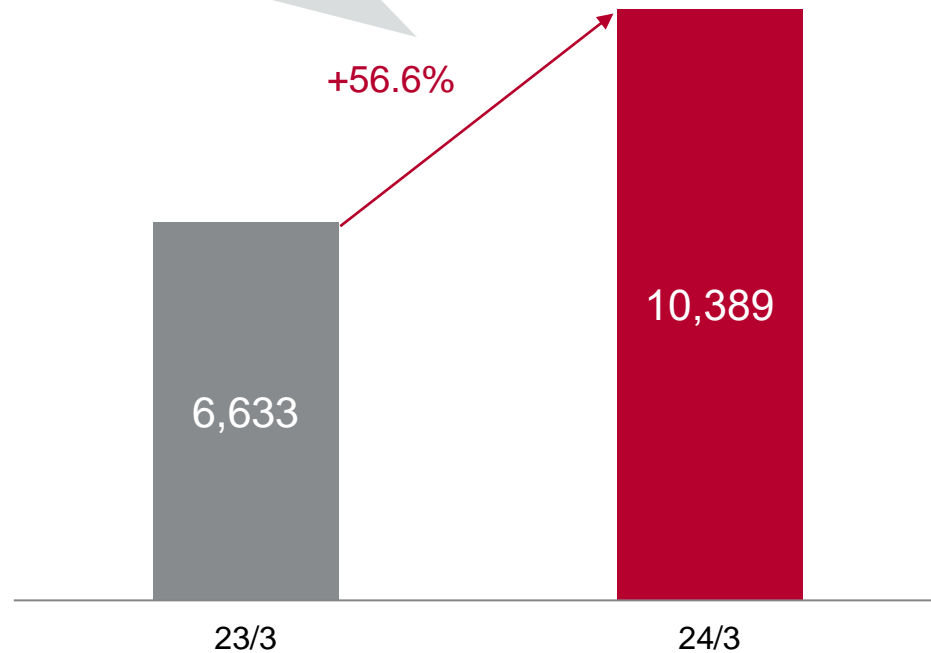
Revenue grew 56.6% primarily due to M&A in the previous fiscal year and new facility openings. EBITDA margin decreased primarily due to increase in costs arising from increase in the number of staff aiming to strengthen headquarters and increase in cost due to new facility openings

Revenue

(Million yen) | EBITDA and EBITDA margin

(Million yen)

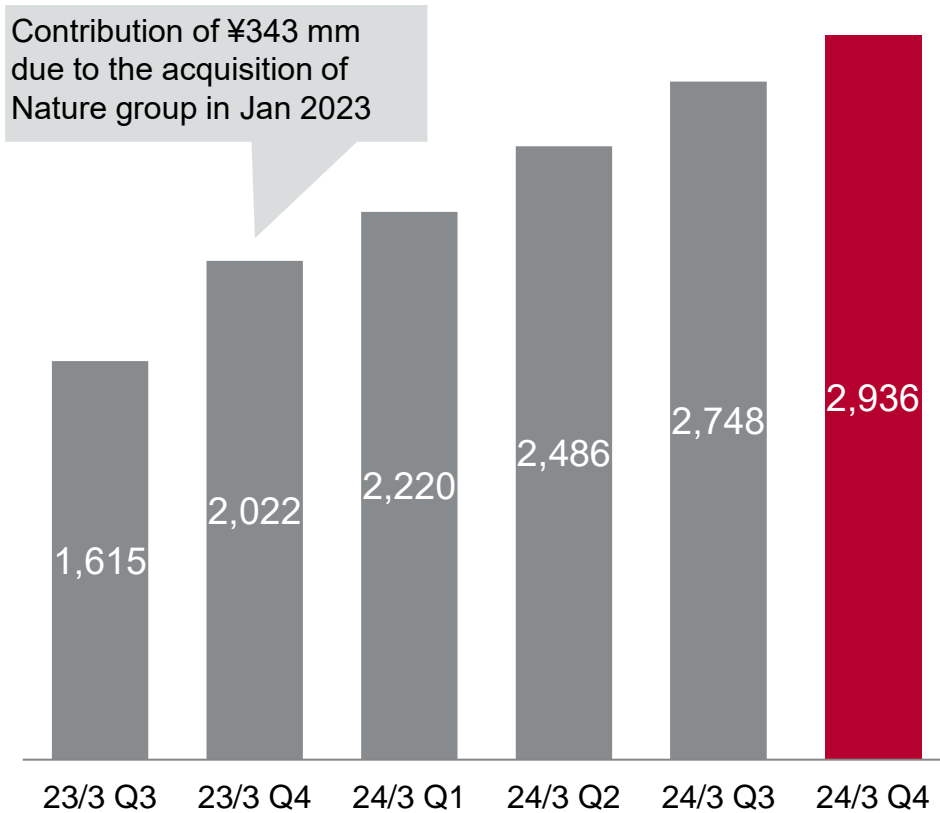
Increase in occupancy rates of 4 facilities opened in 23/3 and 7 facilities opened in 24/3. Also, Nature group CUC acquired in January 2023 contributed throughout the year



Financial Results of Hospice Segment (Quarterly)

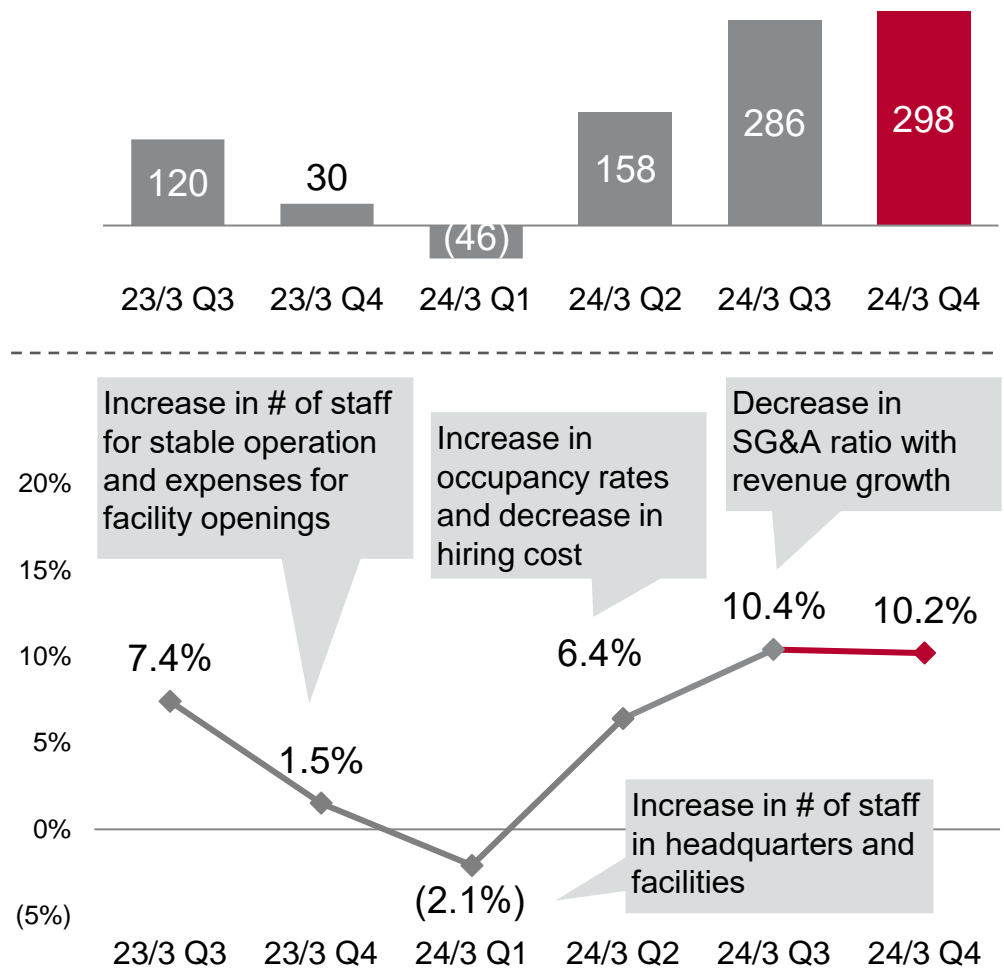
Revenue increased compared to 24/3 Q3 while EBITDA margin decreased slightly

Revenue



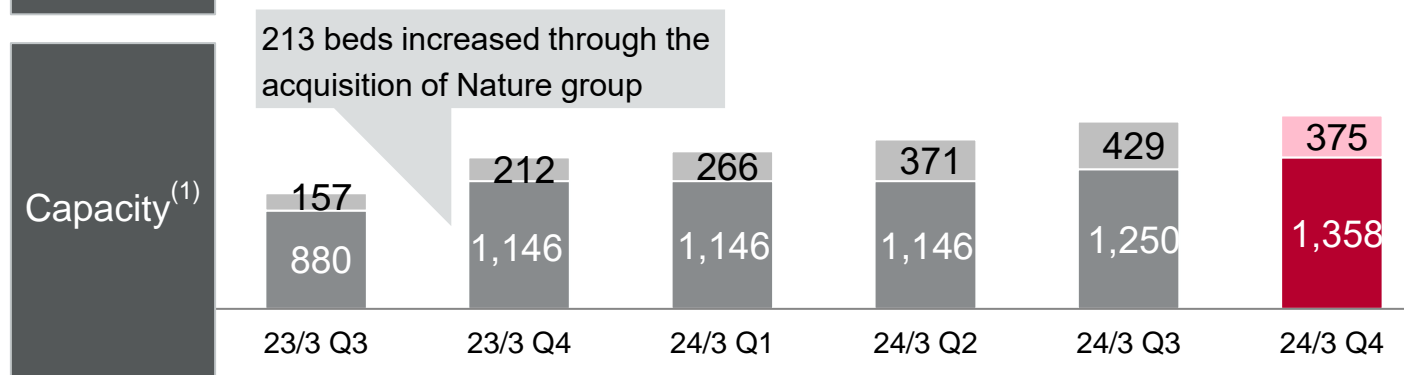
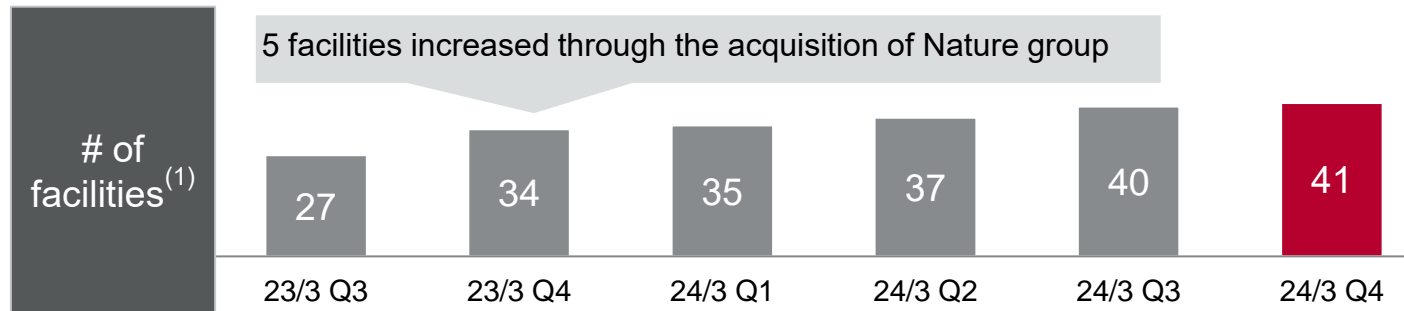
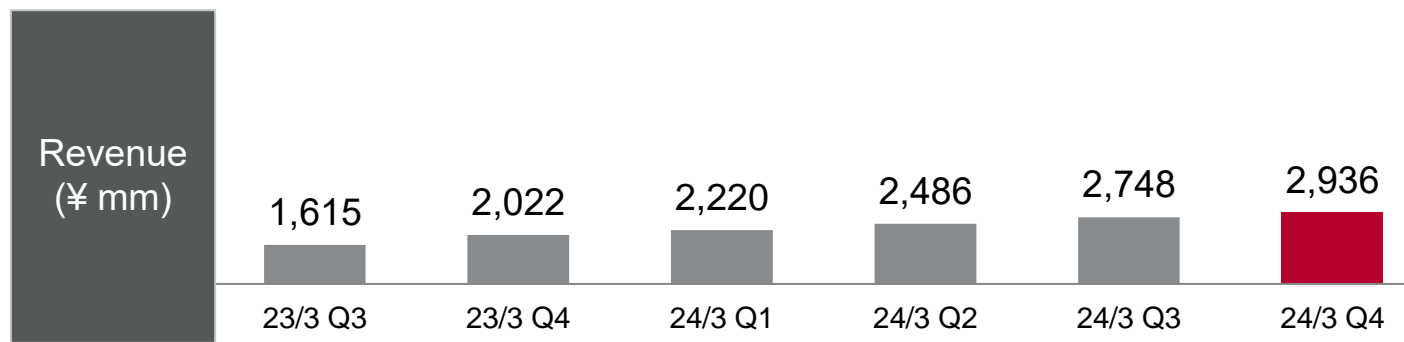
(Million yen) | EBITDA and EBITDA margin

(Million yen)



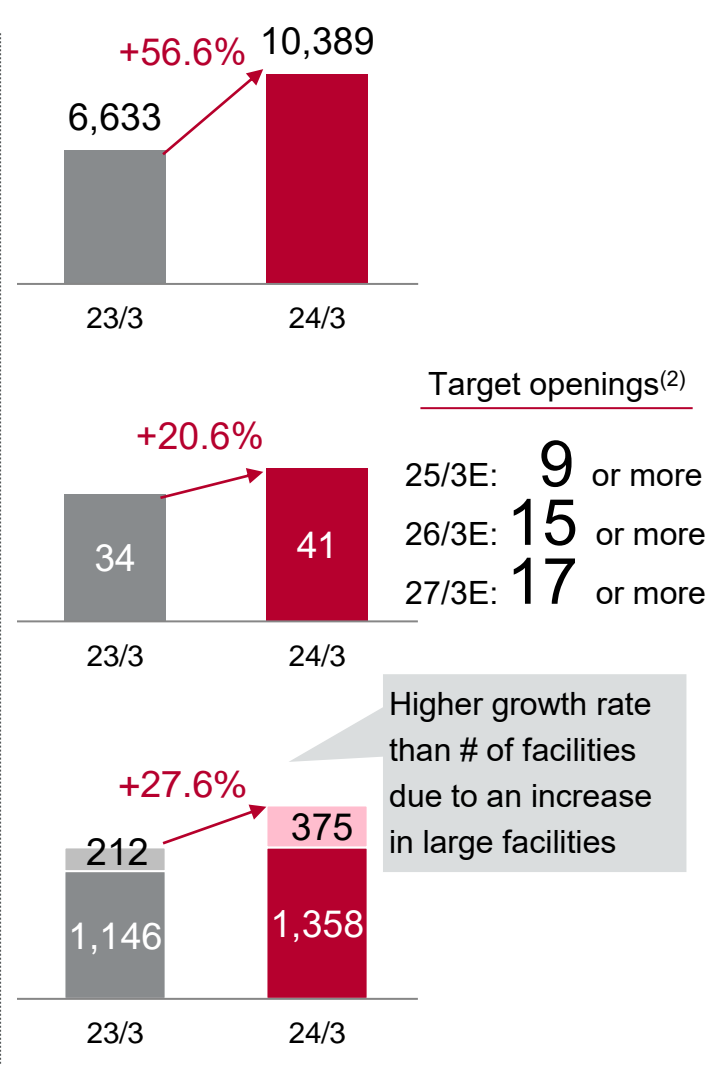
Key Operating Drivers of Hospice Segment (1/2)

Quarterly



Existing Facilities New Facilities

Full-year

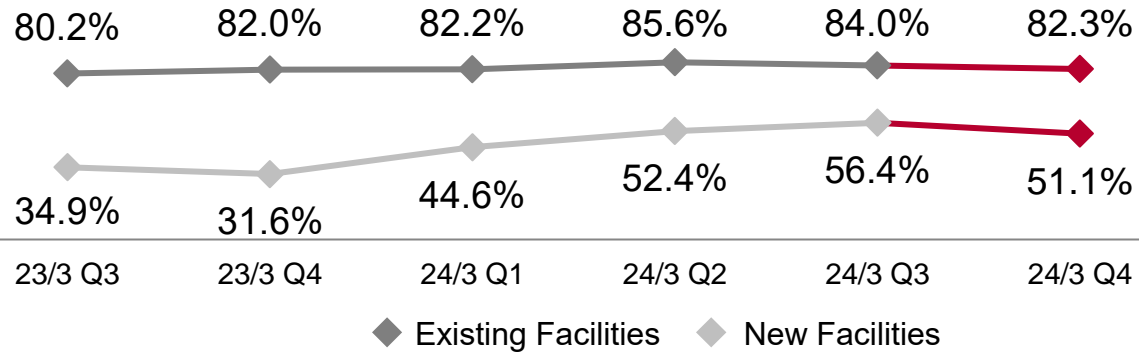


1. The number of hospices and capacity which CUC group provides services at the end of each period. Hospices past 12+ months after the opening at the end of each period or acquired through M&A are defined as "Existing Facilities" and other hospices are defined as "New Facilities".
 2. Target figures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

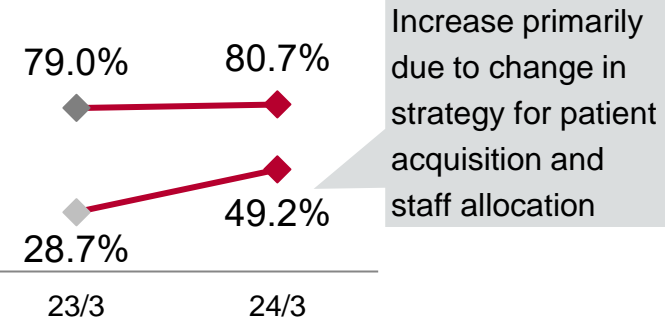
Key Operating Drivers of Hospice Segment (2/2)

Quarterly

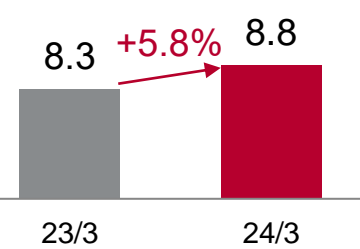
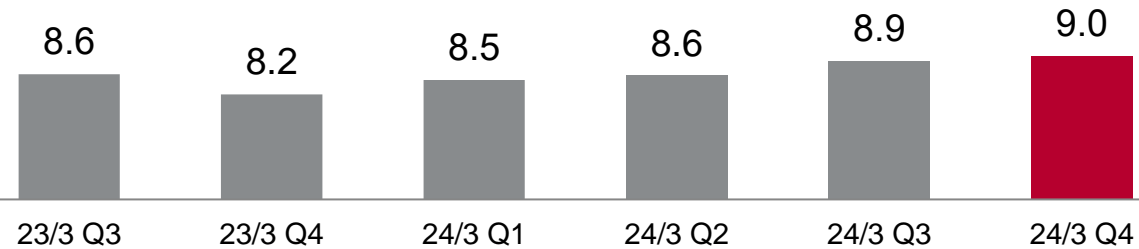
Occupancy rate⁽¹⁾⁽²⁾



Full-year



Annualized revenue per patient⁽³⁾
(¥ mm)

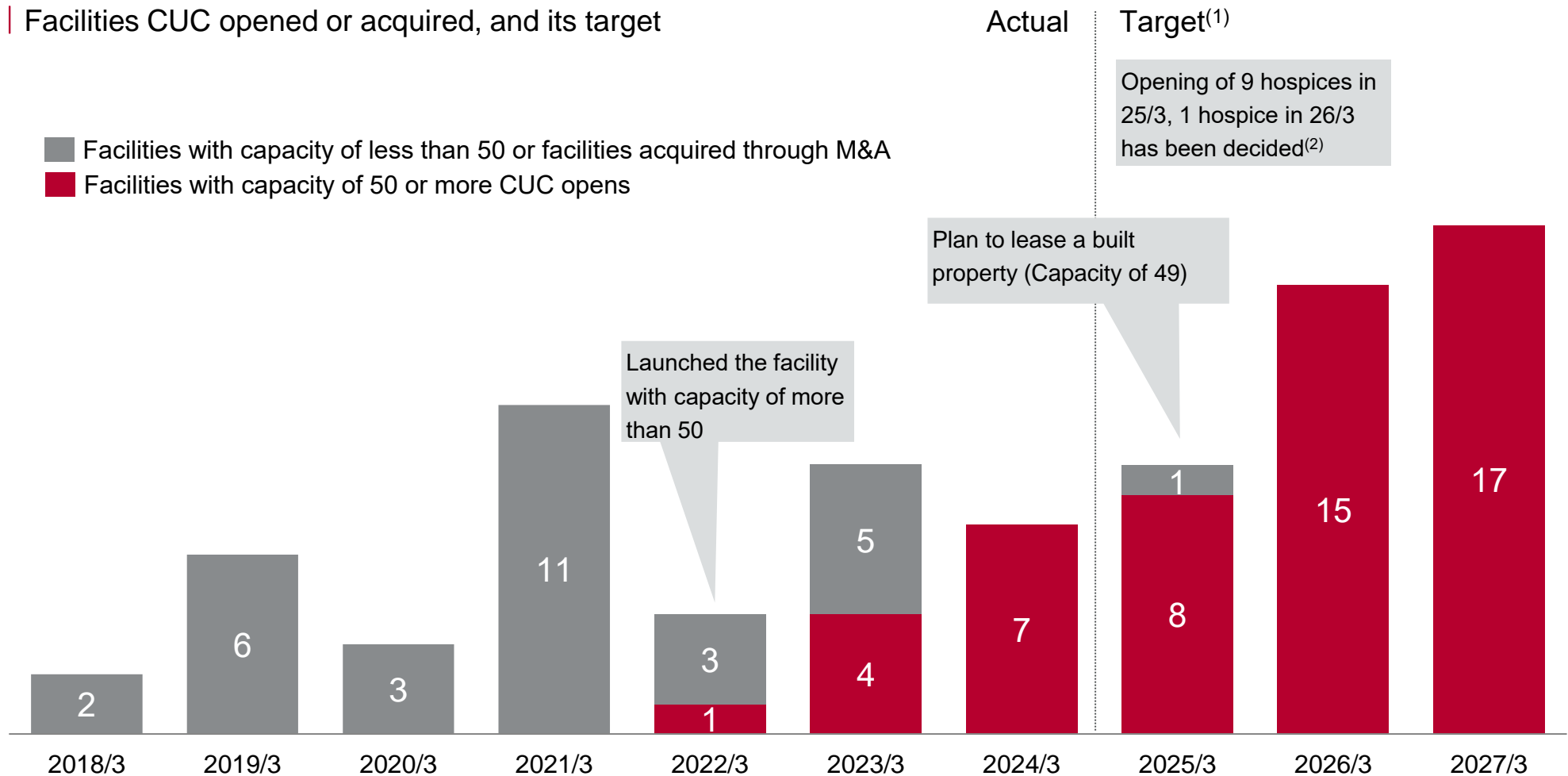


1. Percentage of total number of patients in hospices to the total number of capacity through each period. "Existing Facilities" means hospices past 12+ months after the opening at the end of each period or acquired through M&A and other hospices are referred to as "New Facilities".
 2. New Facilities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

CUC started to launch the large facilities with capacity of 50 or more in March 2022. CUC plans to accelerate the opening of such large facilities which are expected to generate higher margin compared to its existing small facilities

Facilities CUC opened or acquired, and its target



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 indicate the number of hospice facilities whose lease agreements of lands or buildings have been executed. However, they are not a guarantee of the realization of future target.

Planned Opening of Facilities in April 2024 and onwards

| Planned openings⁽¹⁾⁽²⁾

Newly added

Location	Capacity	Capex (¥ mm)	Planned opening date	
Tokyo, Machida	53	530	2025/3 Q1	2024/4
Fukuoka, Fukuoka	54	704		2024/5
Kyoto, Minami	54	697		2024/6
Kyoto, Ukyo	54	710	2025/3 Q3	2024/11
Hyogo, Himeji	50	500		2025/1
Kanagawa, Kawasaki ⁽³⁾	49	335		2025/1
Okayama, Okayama	50	450	2025/3 Q4	2025/2
Aichi, Nagoya	50	561		2025/3
Fukuoka, Fukuoka	50	522		2025/3
Saitama, Soka	50	440	2026/3 Q2	2025/7

Opened on April 22, 2024

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

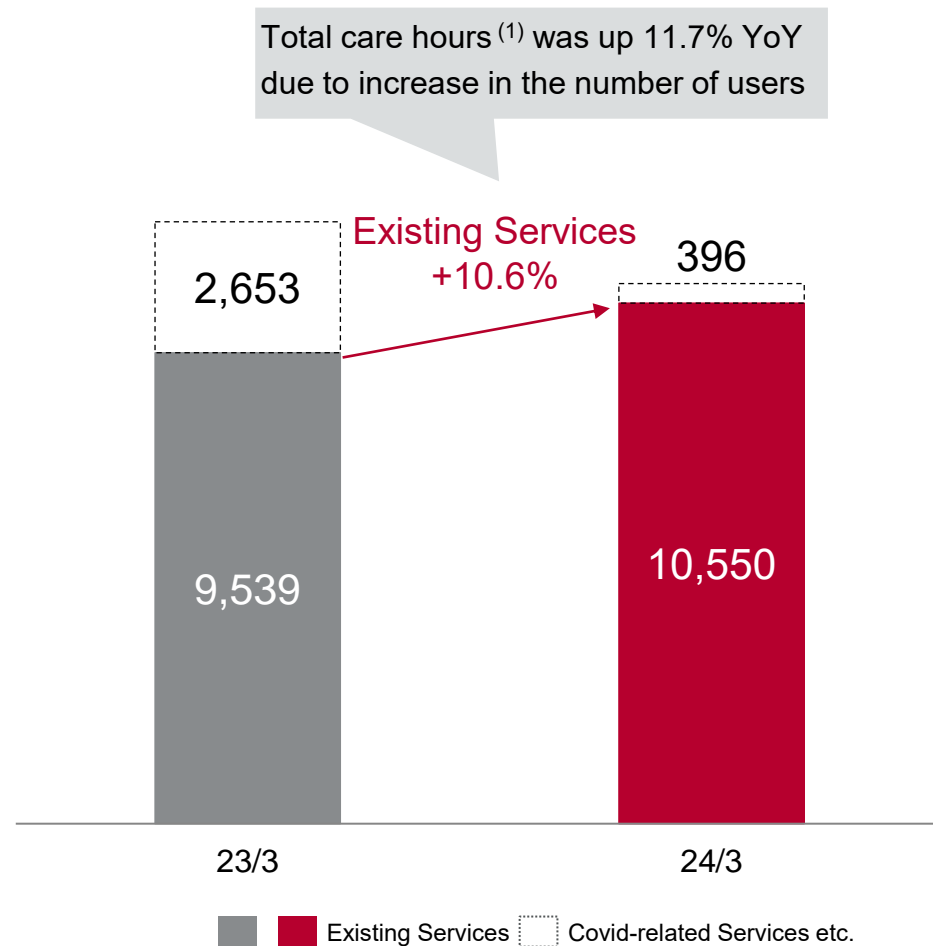
2. This is a schedule as of the date of this document. The capacity, the amount of Capex and the opening date may change in the future due to various reasons.

3. CUC group plans to lease a built property. Capex indicates the cost of renovation.

Financial Results of In-home Nursing Segment (Full-year)

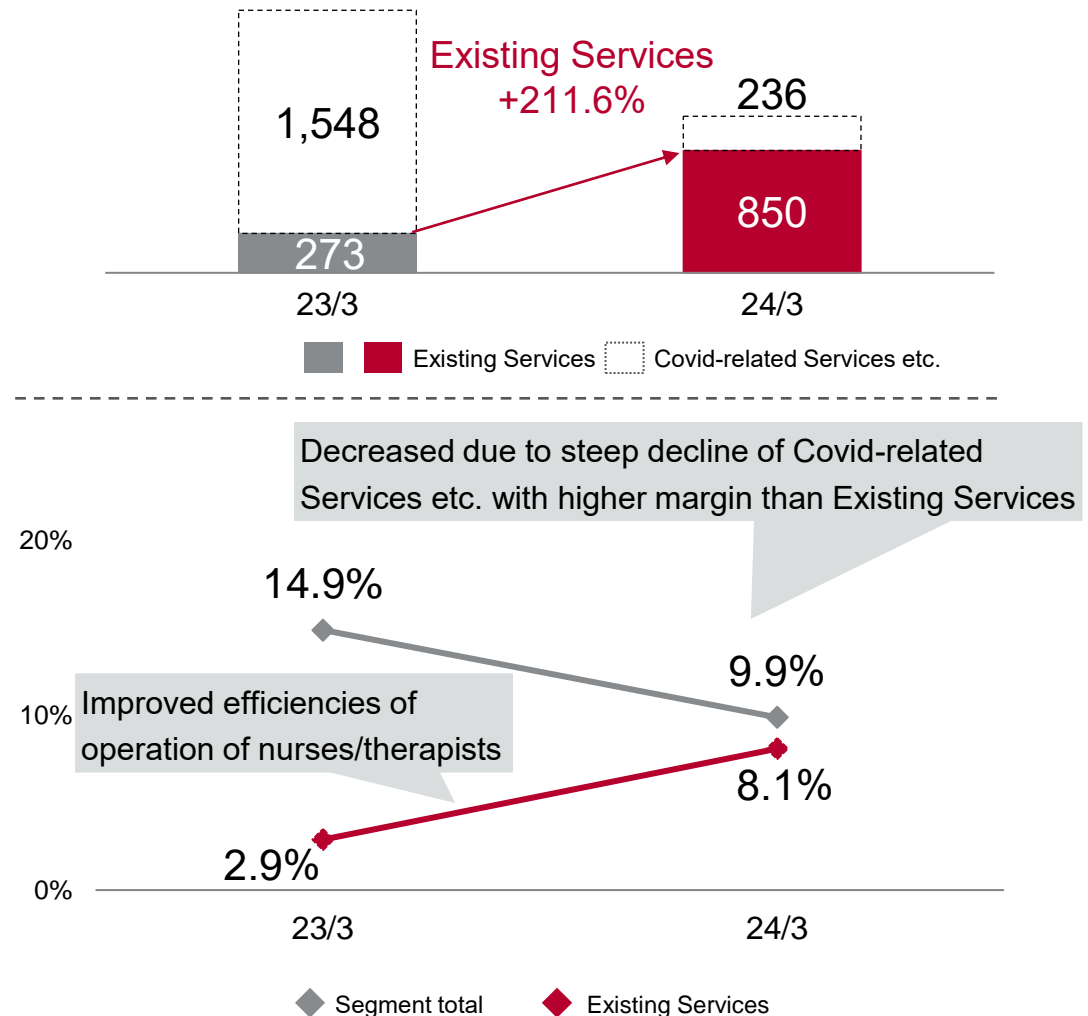
Revenue from Existing Services grew at 10.6% due to increase in total care hours⁽¹⁾. EBITDA margin improved due to improved efficiencies of operation of nurses/therapists

Revenue



(Million yen) | EBITDA and EBITDA margin

(Million yen)



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

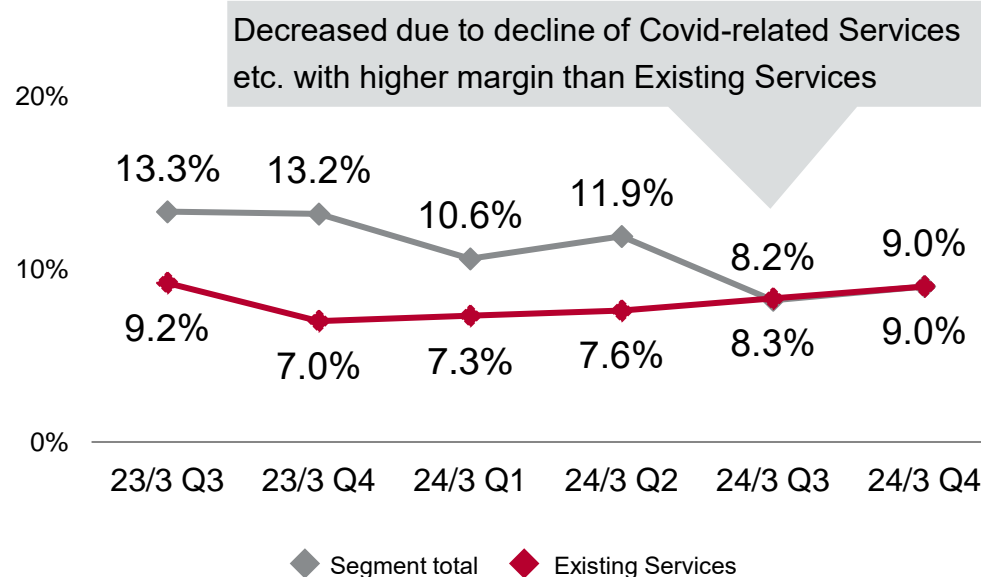
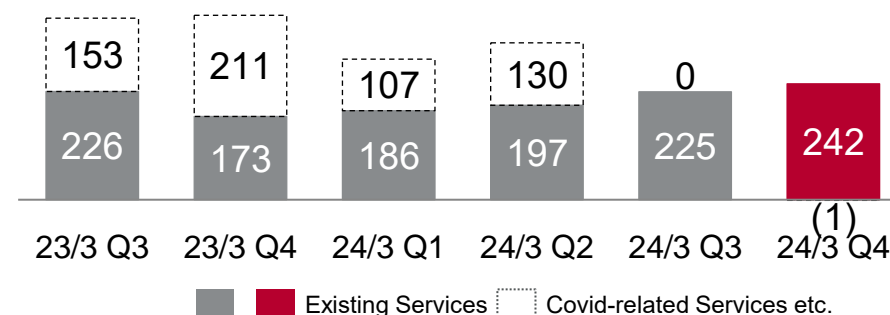
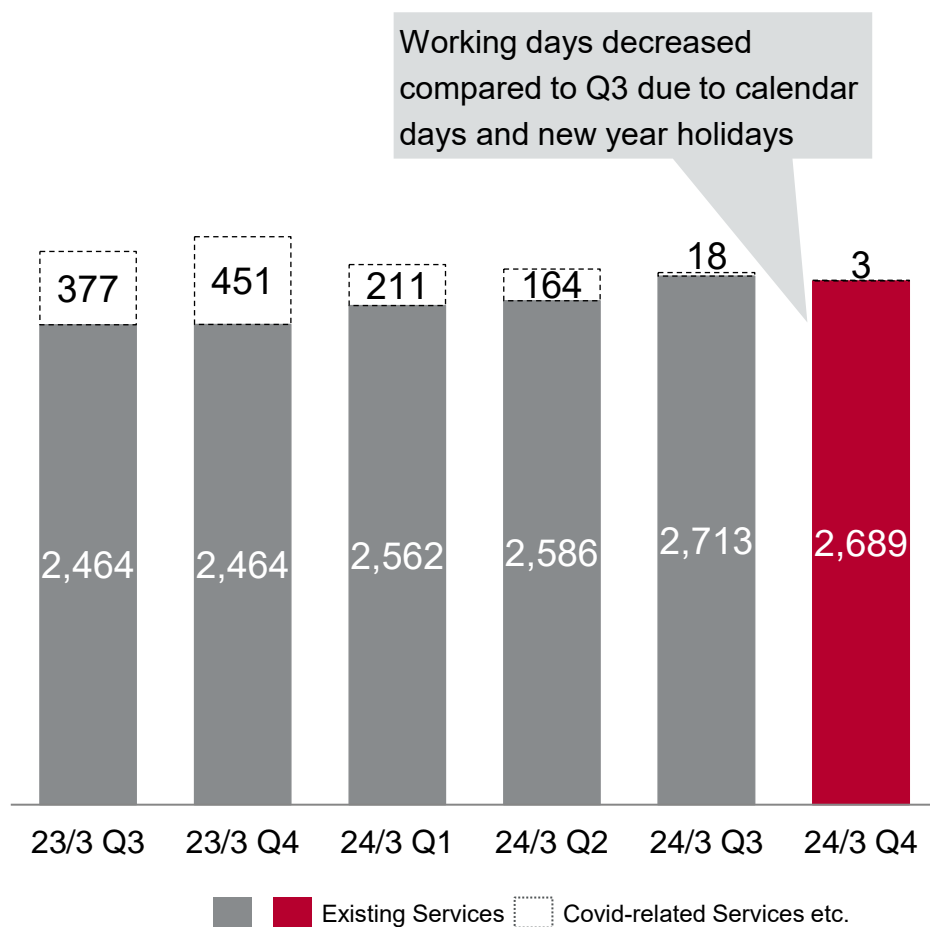
Financial Results of In-home Nursing Segment (Quarterly)

EBITDA margin increased slightly while revenue from Existing Services decreased compared to 24/3 Q3 because of seasonality

Revenue

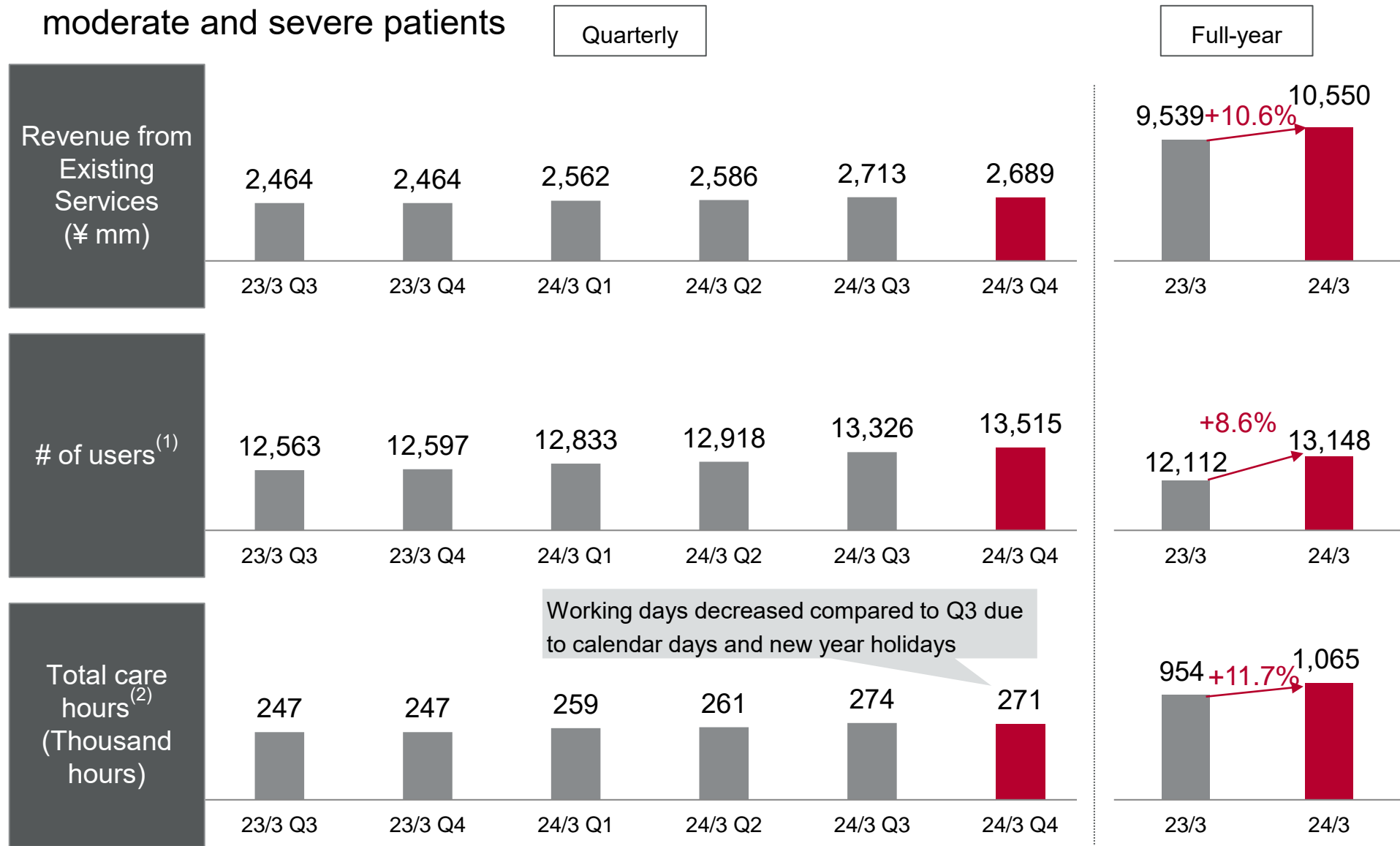
(Million yen) | EBITDA and EBITDA margin

(Million yen)



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

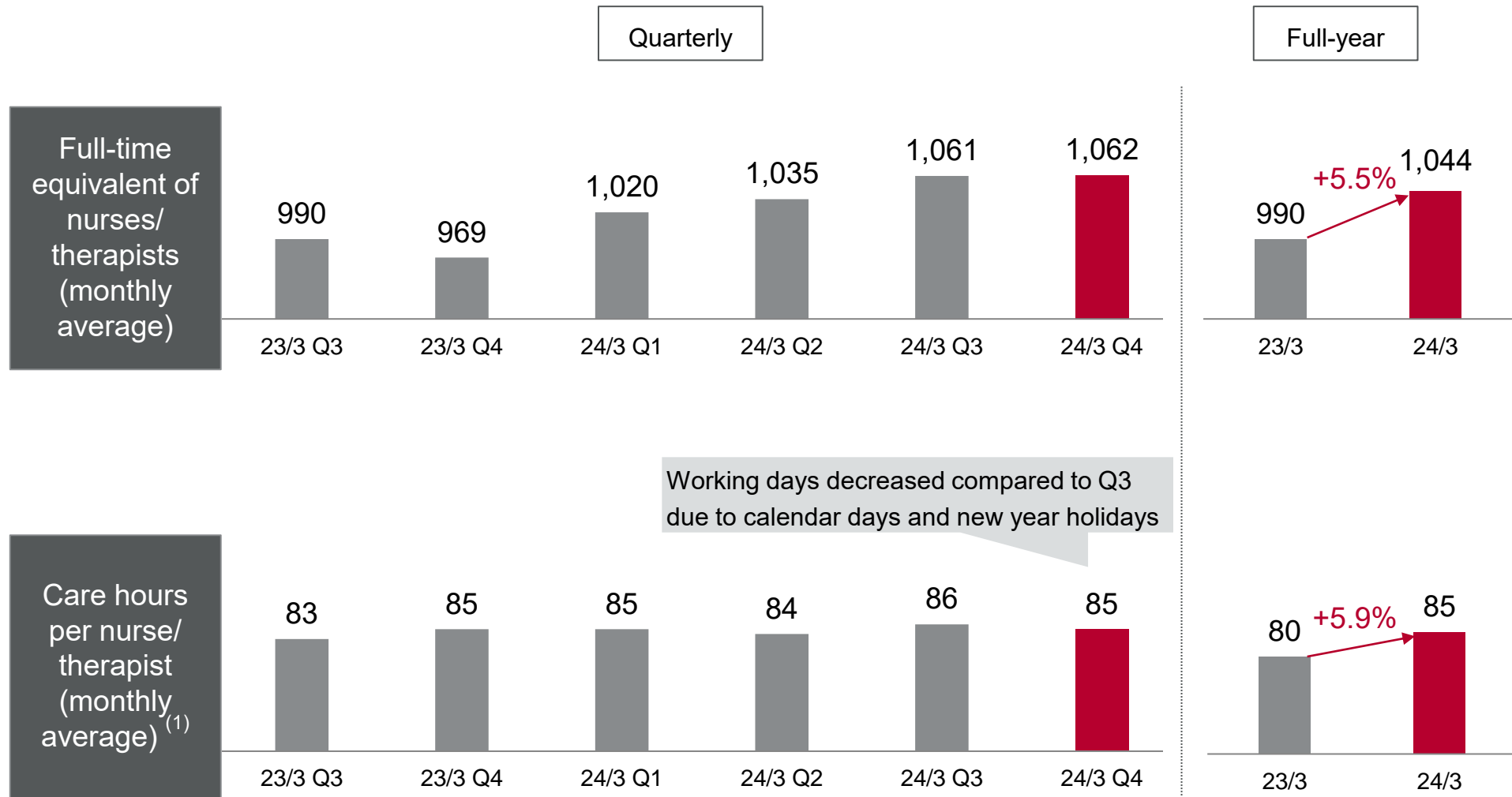
The growth rate of revenue exceeded that of the number of users due to the increase in moderate and severe patients



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)

Care hours per nurse/therapist improved year on year



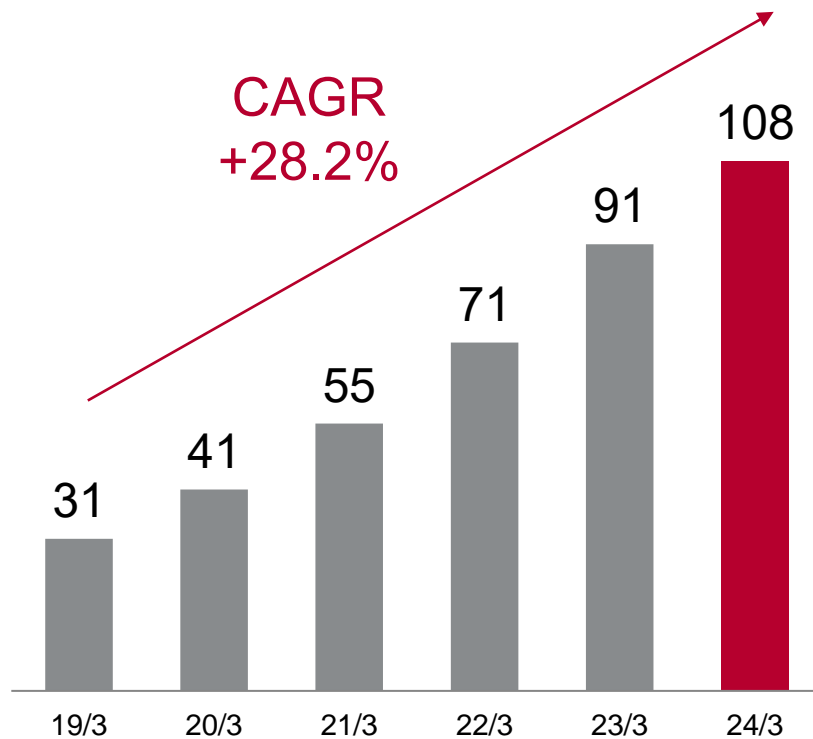
1. Calculating by dividing total care hours (monthly average) by full-time equivalent of nurses/therapists (monthly average).

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

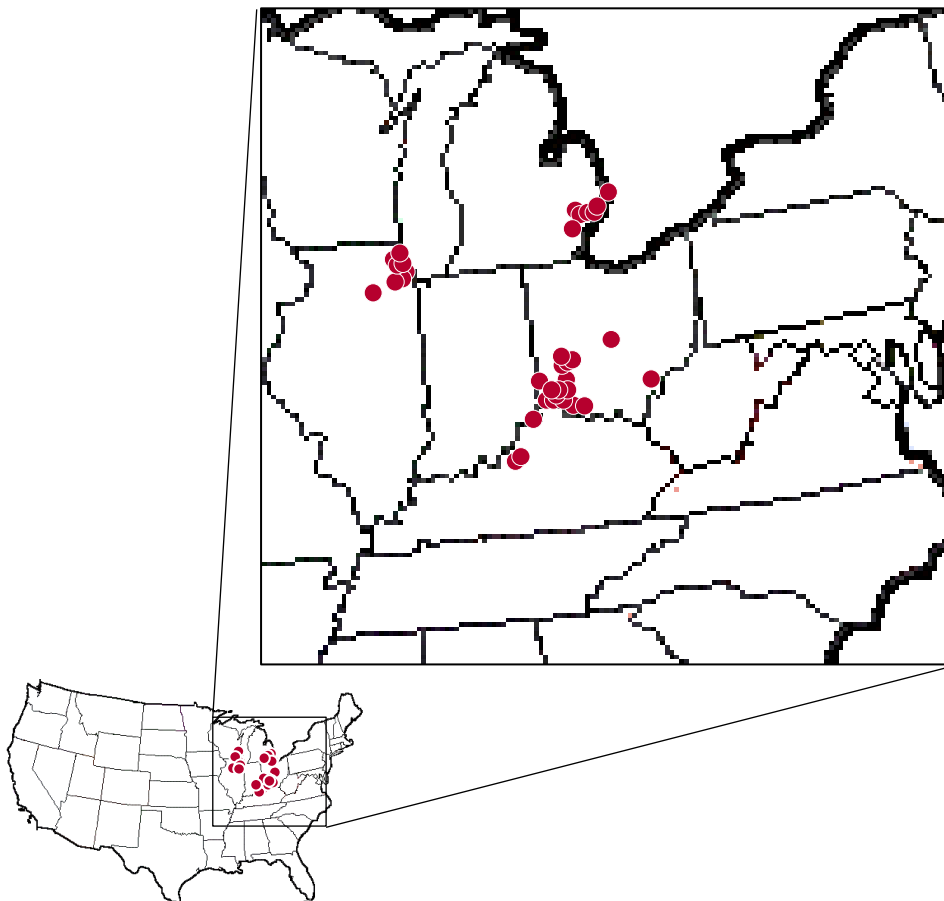
- Medical institutions have difficulties in accumulating and sharing operation know-how. CUC creates manuals describing detailed procedures to cover wide range of operations
- CUC supports establishment of an environment that enables business growth that is not reliant on specific individuals enhancing 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 expand 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

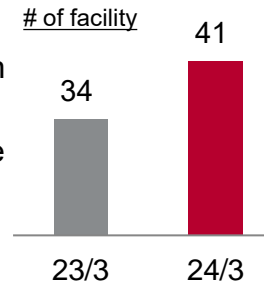
Pursuing further growth through expansion of facilities with capacity of 50 or more ⁽¹⁾ which are expected to generate relatively higher margin and through increase in their occupancy rate

Overview of 24/3

Initiatives for 25/3 onwards

Expand facilities with capacity of 50 or more

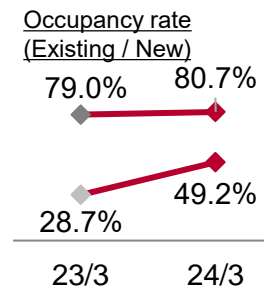
- Opened facilities with capacity of 50 or more (7 facilities in 24/3) with higher margin than small facilities opened in the past
- Capex for facilities whose agreements were executed on this FY with CAPEX of 450 to 600 million yen, lower than that of facilities opened recently



- Expand # of facilities with high ROI (including M&A)
- Facilities with capacity of 50 or more will account for about 63.4% of all facilities at the end of 27/3 when opening progresses as planned (29.3% at the end of 24/3)

Strengthen patient acquisition activities

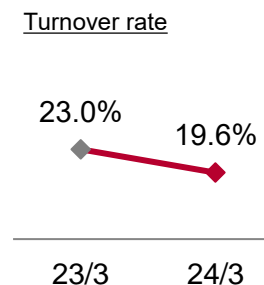
- Occupancy rate of new facilities increased by 20.5pt due to change in strategy for patient acquisition and staff allocation
- Occupancy rate of existing facilities also increased 1.7pt mainly due to nurses' patient acquisition activities



- 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

Increase retention rate

- Turnover rate decreased by 3.4pt mainly by facility visit before joining CUC group and spreading CUC philosophy throughout the company



- Increase retention rate even more by providing environment for skill enhancement

Growth Strategy of In-home Nursing Segment

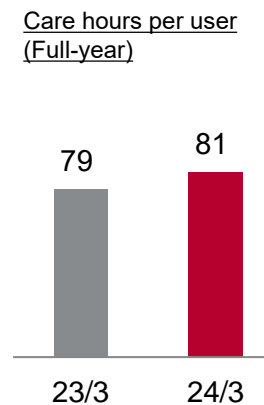
Aiming to reinforce capabilities to deal with patients of moderate and severe cases and to improve profitability by increasing # of users and efficiencies of visit

Overview of 24/3

Initiatives for 25/3 onwards

Reinforce capabilities to deal with patients of moderate and severe cases

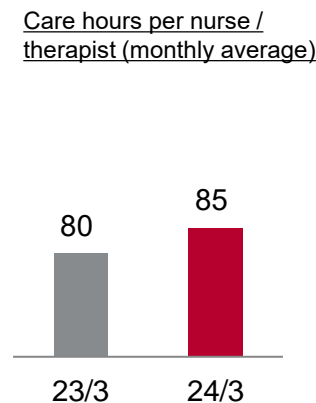
- Care hours per user increased from 79 to 81 hours YoY due to appropriate cross-sectional nursing assessment, reinforced relationships with medical institutions introducing patients to nursing stations and recruitment of nurses



- 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

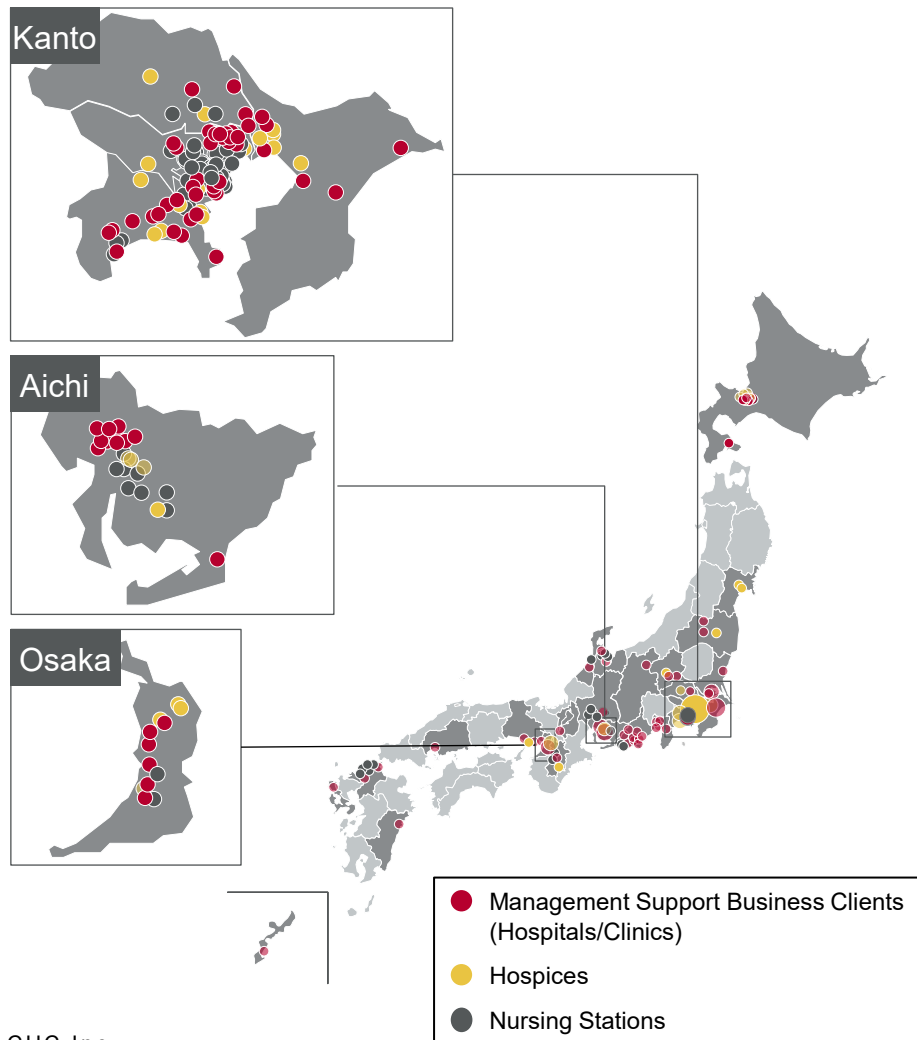


- Revise HR assessment process and thoroughly monitor progress on user acquisition activities on existing stations in order to improve care hours per nurse / therapist. No new openings of stations in 25/3
- Will focus on revenue growth again in 26/3 onwards after profitability is improved

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, 2024)



Facility launch strategy of the three 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 and nursing stations

2025/3 Forecast

2024/3 Forecast and Results Comparison

Revenue, EBITDA and Net income attributable to CUC shareholders achieved the forecast. Net income exceeded forecast significantly due to foreign exchange gain accrued from intercompany borrowings of an US subsidiary

(Million yen)	Forecast	Actual	Difference	Reason
Revenue	31,864	33,025	+3.6%	
Medical Institution segment	10,784	12,182	+13.0%	Acquisition of US Podiatry Business
Hospice segment	10,382	10,389	+0.1%	
In-home Nursing segment	11,168	10,946	(2.0%)	
EBITDA	5,375	5,524	+2.8%	
Medical Institution segment	4,276	4,895	+14.5%	Temporary increase in M&A advisory fees
Hospice segment	880	697	(20.9%)	Expenses exceeded forecast due to measures for increasing occupancy rate
In-home Nursing segment	1,109	1,086	(2.0%)	
Net income attributable to CUC shareholders	2,033	2,595	+27.6%	Foreign exchange gain of 513 million yen accrued from intercompany borrowings of an US subsidiary

2025/3 Forecast (1/2)

(Million yen)	24/3 (Actual)	25/3 (Forecast)	Difference	Reason
Revenue	33,025	42,900	+29.9%	
Medical Institution segment ⁽¹⁾	11,750	17,400	+48.1%	US Podiatry Business contributed throughout 25/3
Hospice segment	10,389	14,400	+38.6%	
In-home Nursing segment	10,946	11,200	+2.3%	Revenue of 396 million yen from Covid-related Services etc. will decrease
Others and Adjustment ⁽¹⁾	(59)	(100)	-	
EBITDA	5,524	6,500	+17.7%	
Medical Institution segment ⁽¹⁾	4,504	4,520	+0.4%	M&A advisory fees exceeded the forecast in 24/3 significantly. In 25/3, M&A advisory fees are expected to decrease to the same level as historical average. Also, costs for future growth in US business and for creating group synergy are expected to increase in 25/3
Hospice segment ⁽¹⁾	1,087	1,950	+79.4%	Increase in facilities with capacity of 50 or more and relatively higher margin
In-home Nursing segment	1,086	950	(12.6%)	EBITDA of 236 million yen from Covid-related Services etc. will decrease
Others and Adjustment	(1,154)	(920)	-	

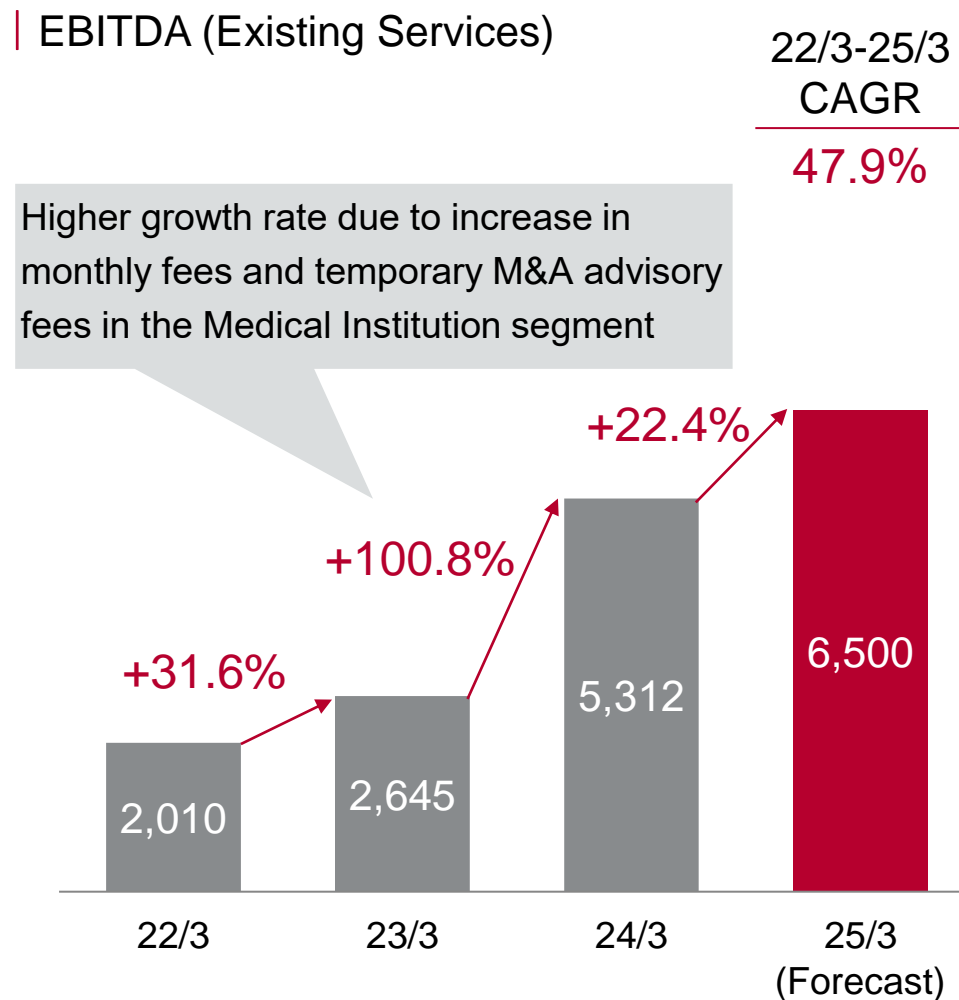
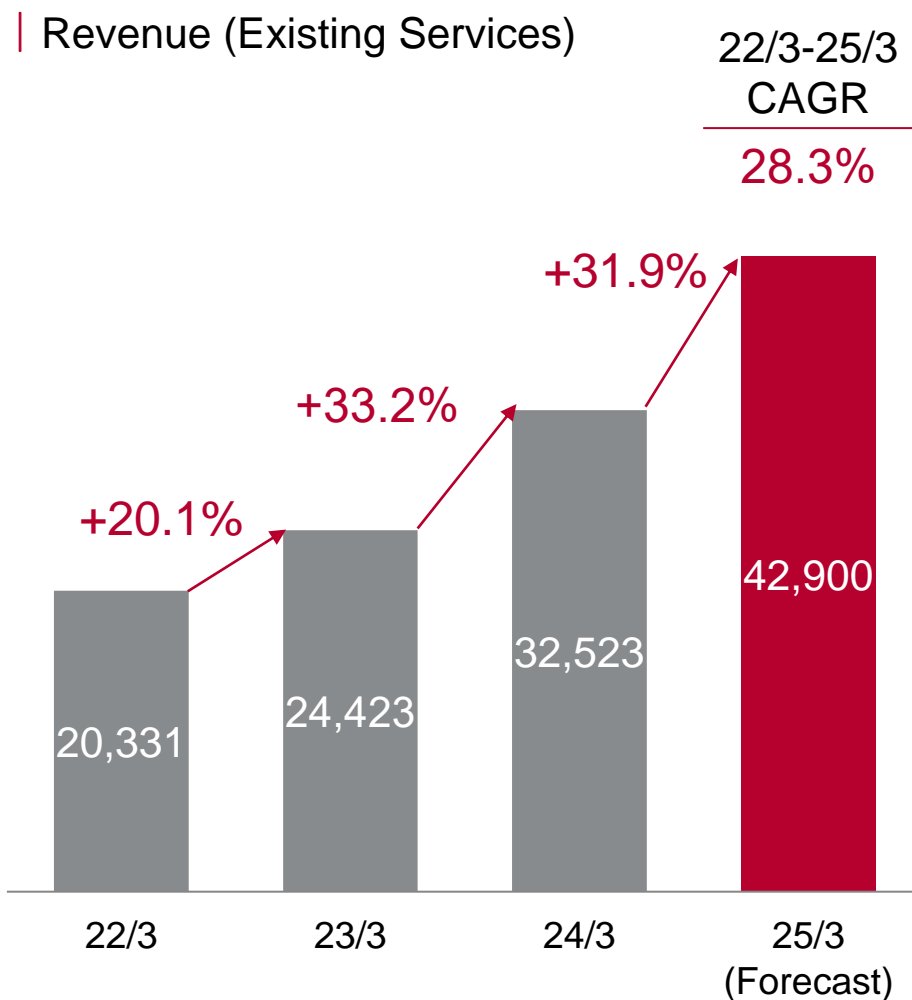
2025/3 Forecast (2/2)

(Million yen)	24/3 (Actual)	25/3 (Forecast)	Difference	Reason
Operating Profit	3,737	4,000	+7.0%	
Medical Institution segment ⁽¹⁾	3,875	3,580	(7.6%)	M&A advisory fees exceeded the forecast in 24/3 significantly. In 25/3, M&A advisory fees are expected to decrease to the same level as historical average. Also, costs for future growth in US business and for creating group synergy are expected to increase in 25/3
Hospice segment ⁽¹⁾	405	850	+109.9%	Increase in facilities with capacity of 50 or more and relatively higher margin
In-home Nursing segment	616	500	(18.8%)	Operating profit of 236 million yen from Covid-related Services etc. will decrease
Others and Adjustment	(1,159)	(930)	-	
Net income attributable to CUC Shareholders	2,595	2,200	(15.2%)	
(Adjusted) Net income attributable to CUC Shareholders	2,082	2,200	+5.6%	Excluded foreign exchange gains of 513 million yen accrued from intercompany borrowings of the US subsidiary in 24/3

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

Track Record of Existing Services

Growth rate of Existing Services in 24/3 was higher than past due to M&A advisory fees exceeding initial forecast and increase in monthly fees in the Medical Institution segment. EBITDA growth rate in 25/3 is expected to be 22.4% despite higher level of EBITDA in 24/3

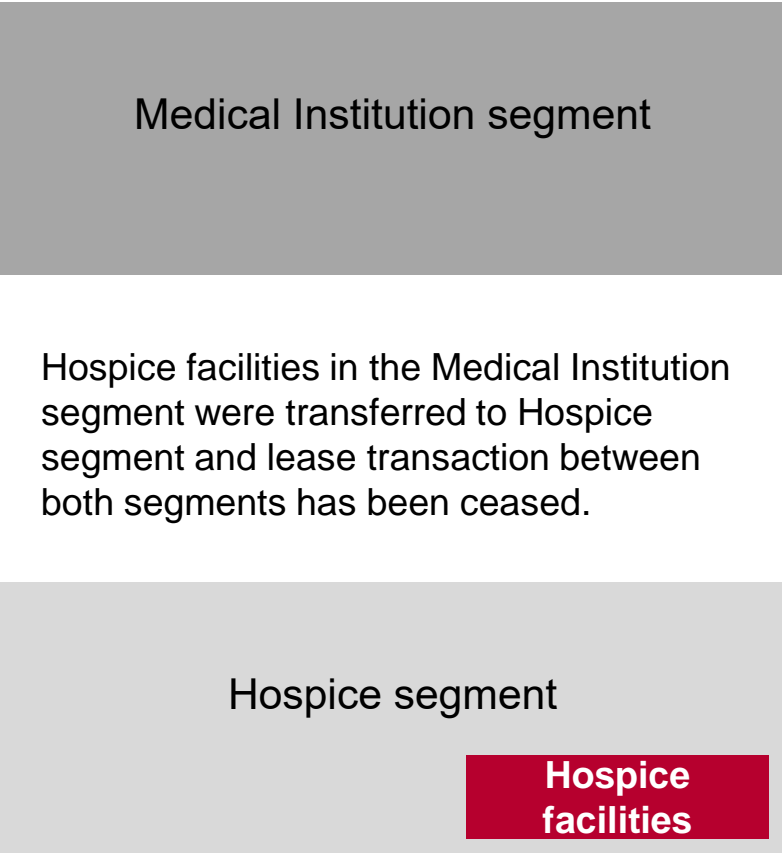
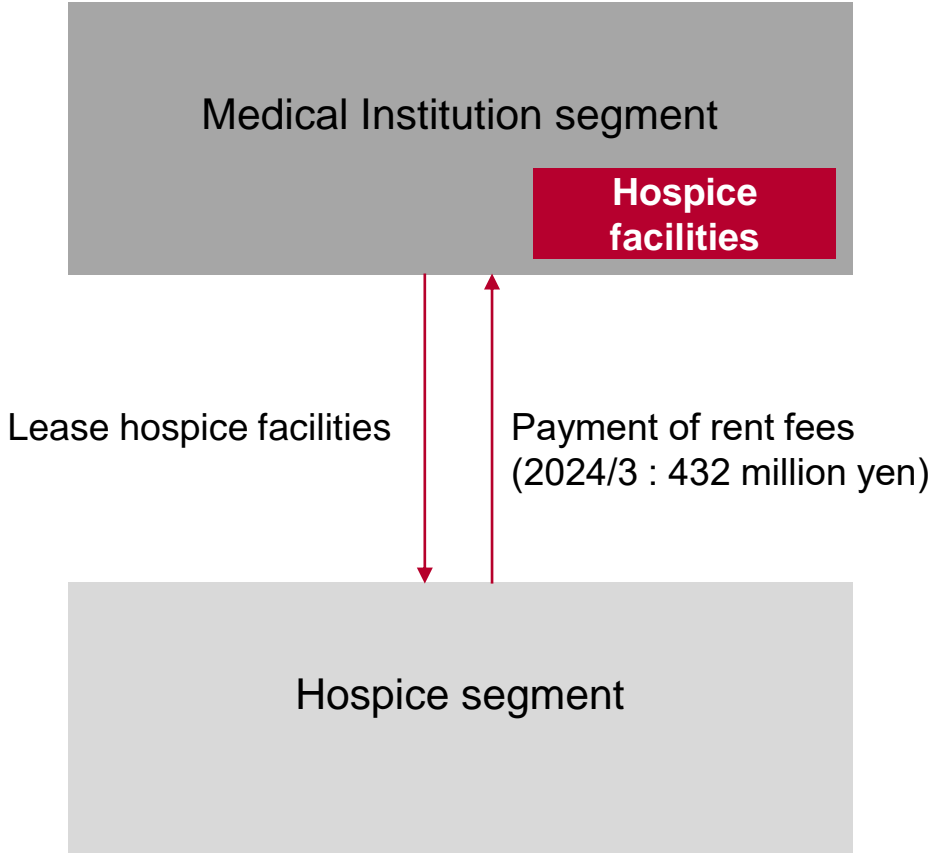


Transfer of Fixed Assets Related to Hospice Facilities

Hospice facilities in the Medical Institution segment were transferred to Hospice segment at the beginning of 25/3 and lease transaction between both segments has been ceased. No impacts on consolidated results

| Before

| After



Retroactively Adjusted Financial Results by Segment

Financial results assuming that hospice facilities was transferred to Hospice segment at the beginning of 24/3 are as follows. No impacts on consolidated results

Adjusted

(Million yen)	24/3 Q1	24/3 Q2	24/3 Q3	24/3 Q4	24/3 Full-year
Revenue	7,663	7,683	8,021	9,658	33,025
Medical Institution segment	2,683	2,460	2,563	4,043	11,750
Hospice segment	2,220	2,486	2,748	2,936	10,389
In-home Nursing segment	2,773	2,750	2,731	2,692	10,946
Others and Adjustment	(13)	(12)	(21)	(14)	(59)
EBITDA	1,239	1,352	1,243	1,689	5,524
Medical Institution segment	1,211	1,073	918	1,302	4,504
Hospice segment	19	235	393	440	1,087
In-home Nursing segment	293	327	225	241	1,086
Others and Adjustment	(284)	(283)	(293)	(294)	(1,154)
Operating Profit	834	945	842	1,117	3,737
Medical Institution segment	1,067	947	793	1,068	3,875
Hospice segment	(124)	74	227	228	405
In-home Nursing segment	175	211	111	119	616
Others and Adjustment	(285)	(287)	(289)	(298)	(1,159)

Financial Results by Segment Before Retroactive Adjustment

Financial results before transferring hospice facilities to Hospice segment are as follows

Before Adjusted

(Million yen)	24/3 Q1	24/3 Q2	24/3 Q3	24/3 Q4	24/3 Full-year
Revenue	7,663	7,683	8,021	9,658	33,025
Medical Institution segment	2,755	2,555	2,680	4,191	12,182
Hospice segment	2,220	2,486	2,748	2,936	10,389
In-home Nursing segment	2,773	2,750	2,731	2,692	10,946
Others and Adjustment	(84)	(107)	(138)	(161)	(491)
EBITDA	1,239	1,352	1,243	1,689	5,524
Medical Institution segment	1,276	1,150	1,025	1,444	4,895
Hospice segment	(46)	158	286	298	697
In-home Nursing segment	293	327	225	241	1,086
Others and Adjustment	(284)	(283)	(293)	(294)	(1,154)
Operating Profit	834	945	842	1,117	3,737
Medical Institution segment	1,073	954	815	1,089	3,932
Hospice segment	(130)	66	205	207	349
In-home Nursing segment	175	211	111	119	616
Others and Adjustment	(285)	(287)	(289)	(298)	(1,159)

Sustainability and ESG

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

Environment



Environmentally Conscious Management

Sustainability Contest

- Solicited business ideas regarding the materiality Environmentally Conscious Management
- Entries of 77 ideas with 278 members from group companies including ones from overseas
- Examples of plans : reduction of food waste in hospitals, minimization of medical supply wastage, and implementation of paperless systems in Vietnam



(Team Vietnam)

Social



Providing Safe and Reliable Medical Care

Counter-Disaster Training

- Implemented trainings to support medical institutions when a natural disaster occurs with professor Tatsuhiko Kubo from Hiroshima University
- Approximately 140 executives, managers, and facility administrators participated in a program spanning 5 sessions over 7 days



(CEO Keita Hamaguchi also joined) 37

2024/3 Q4 Topics

2024/3 Q4 Topics

1 Closing of the acquisition of a podiatry service platform in the US

- On December 22, 2023, CUC announced that CUC America, a wholly-owned subsidiary of CUC, would acquire 79.35% of membership interests in Albaron Podiatry Holdings, which operates a podiatry service platform under the name of “Beyond Podiatry in the United States
- The transaction has been completed on January 6, 2024. The company name has been changed to CUC Podiatry Holdings

2 Opening of new two hospices “ReHOPE”

- CUC Hospice opened ReHOPE Sapporo-Nishi (capacity : 54 beds) in February 2024, ReHOPE Minami-Machida (capacity : 53 beds) in April 2024
- These facilities are the 8th facility in Hokkaido, the 3rd facility in Tokyo

3 Announcement regarding revision of nursing care fee and medical fee

- Revision of nursing care fee has become effective in April 2024. Revision of medical fee will be effective in June 2024
- Such revision has been reflected in the consolidated financial results forecast for the fiscal year ending March 31, 2025

Appendix

Company Overview

Mission

Creating Hope through Healthcare.



Key Themes in Healthcare Ecosystem in Japan

CUC provides fundamental solutions to key themes of the healthcare ecosystem in Japan

| Social challenges



Rapidly Aging Population

65+ years old

29% → 35% (2020A→2040E)⁽¹⁾

Terminal care refugees

approx. 490 k (2040 estimates)⁽²⁾

- Functional transformation of medical institutions
- Lack in supply of terminal care



Growth in Medical Spending⁽³⁾

¥43tn → ¥78tn
(2020A→2040E)

- Expansion of in-home care



Shrinking Labor Force⁽⁴⁾

67.2mm → 58.5mm
(2017A→2040E)

- Recruitment of healthcare professionals
- Improvement in turnover rate in medical institutions



Hospitals with No Successor

% of hospitals with no successor (2017A)⁽⁵⁾ **68.4%**

% of hospitals owned by 60+ years old owner (2020A)⁽⁶⁾ **68.5%**

- Business succession through M&A and PMI

Medical Institution Segment

CUC


Provides one-stop solutions from day-to-day operations to revenue growth initiatives for client medical institutions

Hospice Segment

CUC HOSPICE

Operates hospice facilities through subsidiary CUC Hospice and other subsidiaries

In-home Nursing Segment

 **Sophiamedi**

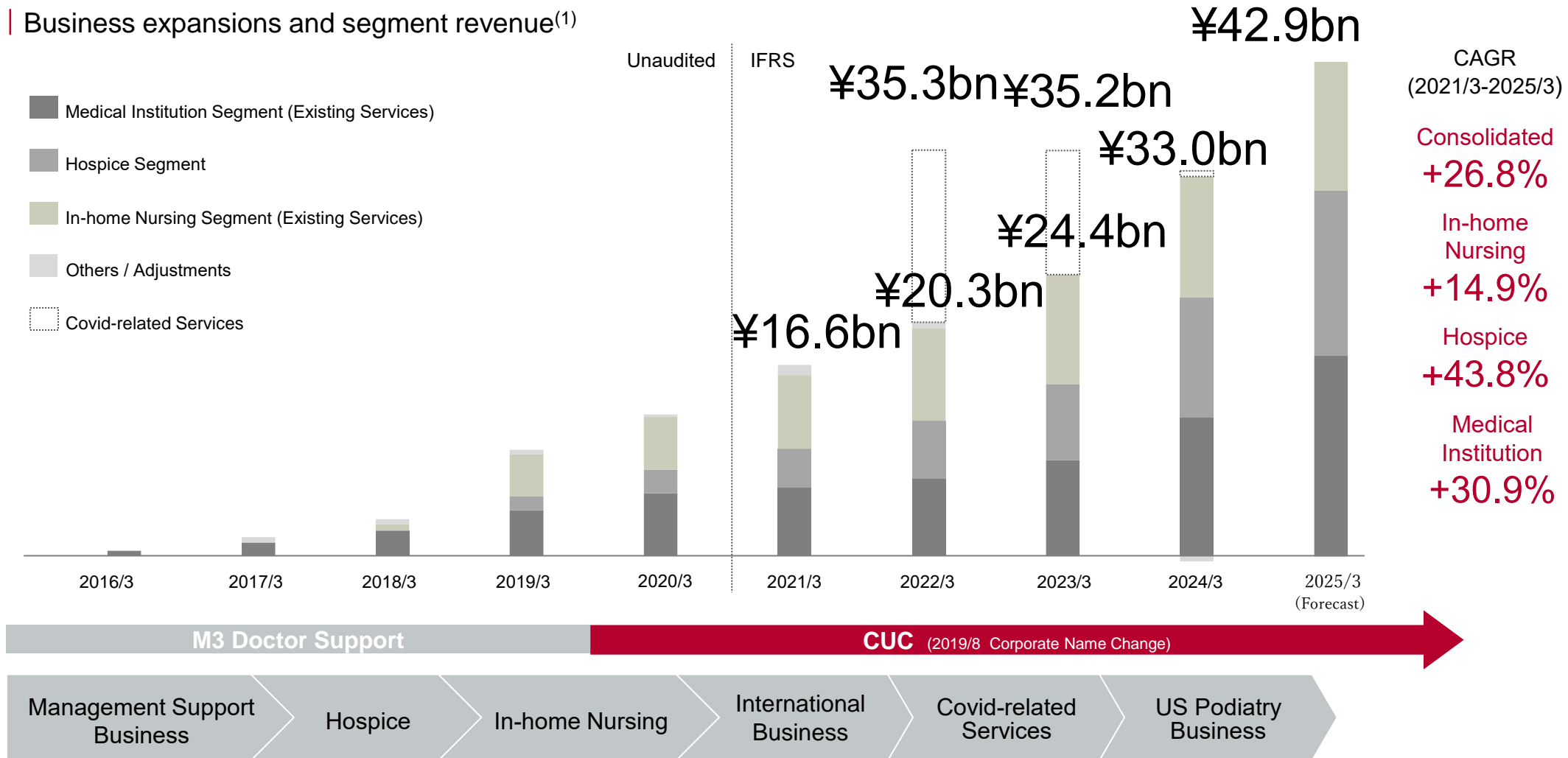
In-home nursing services through subsidiary Sophiamedi

1. "Japan's Future Estimated Population" (National Institute of Population and Social Security Research). 2. "Basic Information regarding Japanese Health and Medical Services" (2011) (MHLW).
3. "Overview of National Medical Spending" (MHLW), "Future Estimate of Social Security towards 2040" (Cabinet, MOF, MHLW). 4. "Annual Report on Health, Labor and Welfare - Materials"(MHLW).
5. "Current Situation and Challenges of Medical Business Succession" (The Japan Medical Association Research Institute). 6. "Statistics Overview for Doctors, Dentists and Pharmacists"(2020)(MHLW).

Successful High Growth Track Record

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

Business expansions and segment revenue⁽¹⁾

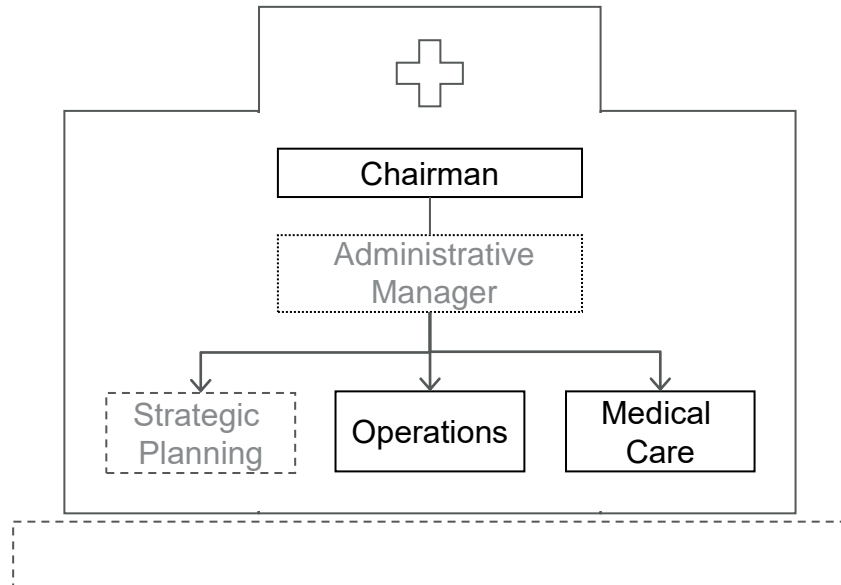


Note: Financials for 2021/3 through 2023/3 are based on IFRS. Financials for 2020/3 and before are unaudited and do not include consolidation adjustments.
 1. ¥ 35.3bn for 2022/3 and ¥ 35.2bn for 2023/3 are consolidated figures. ¥ 20.3 bn for 2022/3 and ¥ 24.4 bn for 2023/3 are consolidated figures (Existing Services).

Medical Institution Segment Overview (Japan)

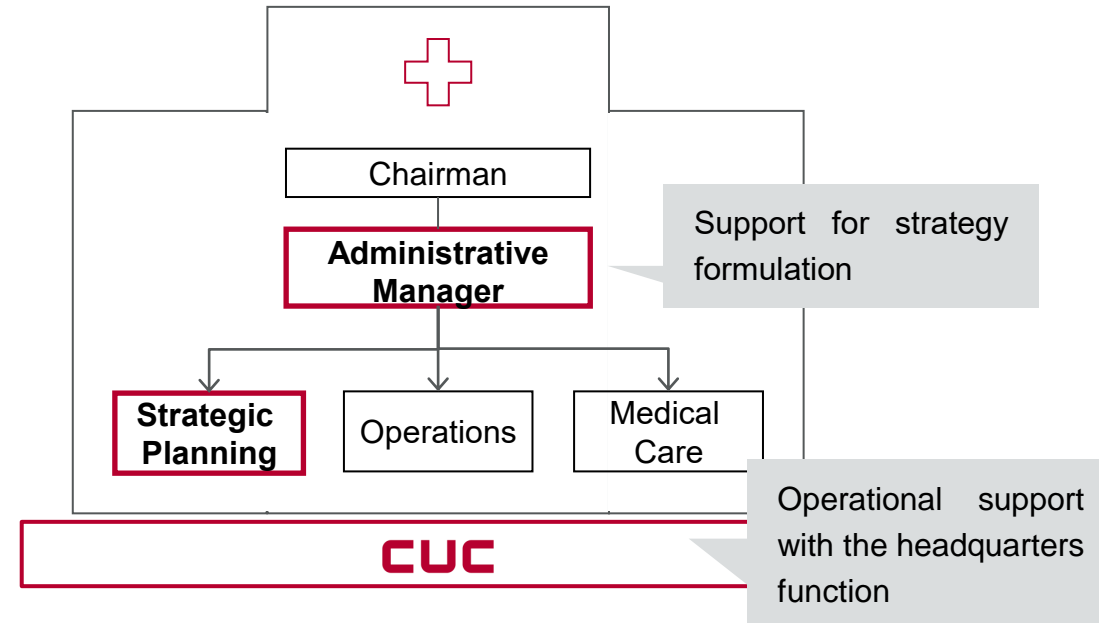
Sending indispensable management support personnel for expansion and efficient operation

| 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)

Comprehensive Services Provided to Medical Institutions

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></p> <p>Dispatching onsite management support personnel</p> <hr/> <p></p> <p>Efficient support through centralization at headquarters</p>	<ul style="list-style-type: none"> Secure management support personnel necessary for decision-making Strengthen strategy formulation capabilities <p>↓</p> <ul style="list-style-type: none"> Optimize decision-making Achieve efficient hospital operations <p>↓</p> <ul style="list-style-type: none"> Achieve revenue growth and scale expansion Achieve stable operation through scale expansion
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></p> <p>Support for clinic launches and M&A execution</p>	<p>←</p> <p>Additional Management support following scale expansion</p>

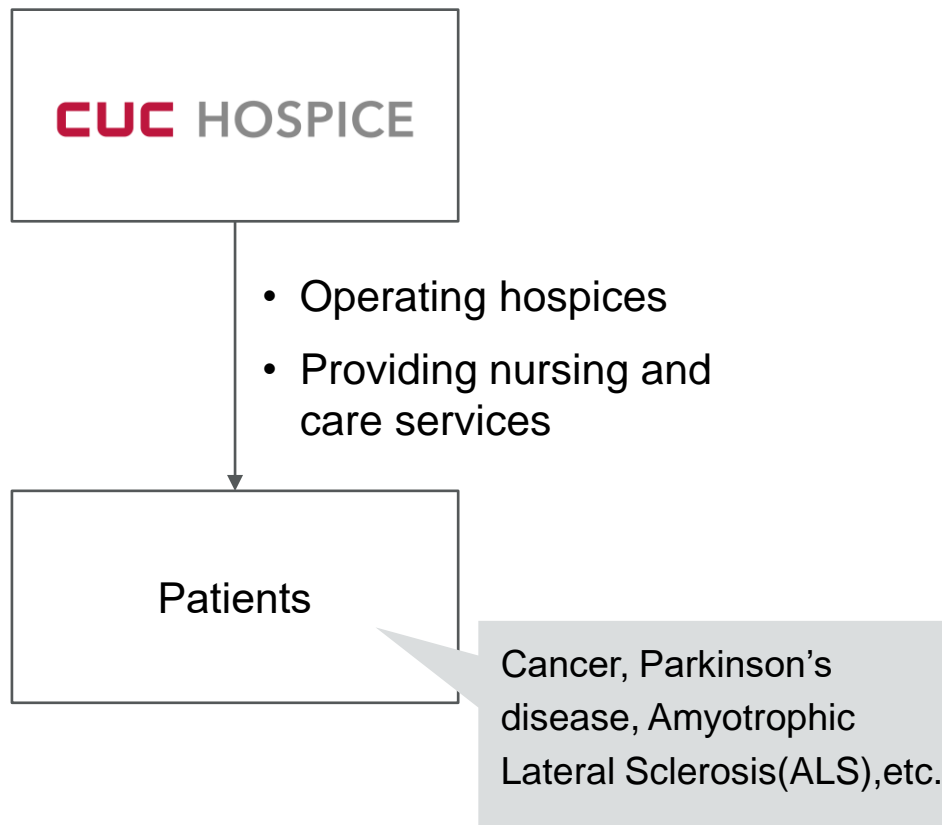
1. "Post Merger Integration": Business integration process after acquisition.

Hospice Segment Overview

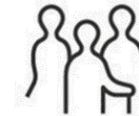
Operating hospices, which are residences for patients in the terminal stages, and provide round-the-clock nursing and care services for patients

| Business overview

| KPI (as of March 31, 2024)⁽¹⁾



Hospices
41 facilities



Capacity
1,733 beds



Nurses
/Caregivers
1,108



Existing Facilities
occupancy rate ⁽²⁾
80.7%

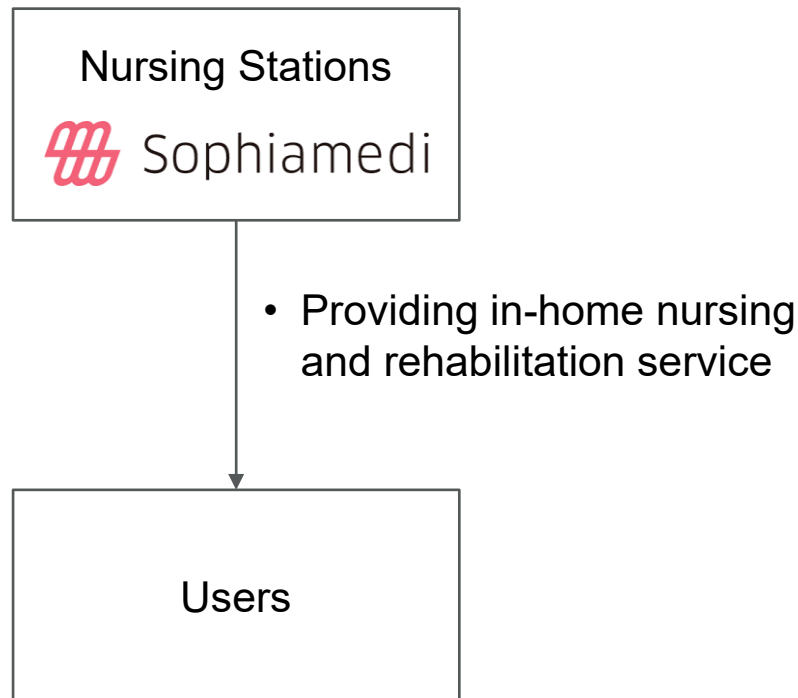
1. Key performance / indicators of hospices which CUC Group provides services.

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) as of March 31, 2024 (Full-year).

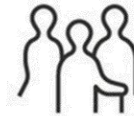
In-home Nursing Segment Overview

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

| Business overview



| KPI (as of March 31, 2024)⁽¹⁾



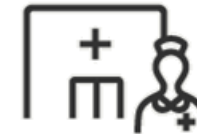
Users⁽¹⁾
13,615



Total Care Hours⁽²⁾
1,065k hours



Nurses/Therapists⁽³⁾
1,151



Nursing Stations⁽⁴⁾
88 stations

1. The number of users with actual visits within March 2024.
2. Total number of hours nurses and therapists provided services to users (Full-year).
3. Therapists include physical therapists, occupational therapists, and speech therapists.
4. Total number of nursing stations which CUC Group provides services.

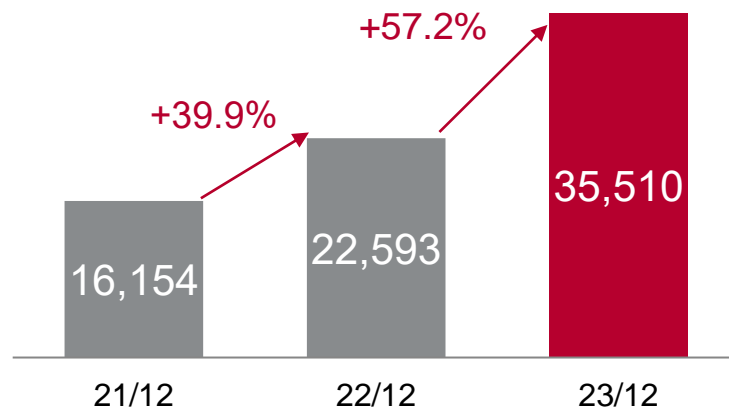
US Podiatry Business Overview (1/3)

Outline

Established	2018
Registered location	Chesterfield, Michigan United States
Business description	Physician practice management in the field of podiatry and varicose vein
Employees ⁽¹⁾	Approx. 230 (incl. approx. 50 doctors)
Leadership team	John Moroney, President Stephen Frascone, CMO ⁽²⁾

Revenue⁽³⁾

(thousands USD)



1. Consolidated number including temporal employees at the end of September 2023. 2. CMO is the abbreviation for Chief Medical Officer.
3. Financials are based on U.S. GAAP, unaudited.

Track record of expansion

- Jan 2019 : Great Lakes Foot & Ankle Institute(Founding Business)
- Nov 2019 : Foot & Ankle Associates (Acquisition)
- Dec 2020 : Family Foot Care (Acquisition)
- Jul 2021 : Commonwealth Foot & Ankle (Acquisition)
- Sep 2021 : First Step Foot Care (Acquisition)
- Sep 2022 : Columbus Vascular Vein & Aesthetics (Acquisition)
- Nov 2022 : Cincinnati Foot & Ankle Care (Acquisition)
- Jun 2023 : North Shore Foot & Ankle (Acquisition)
- Dec 2023 : Michigan Foot and Ankle Center (Acquisition)

Leadership team



John Moroney, President

- Held managerial positions in a number of healthcare businesses
- MBA of Illinois University



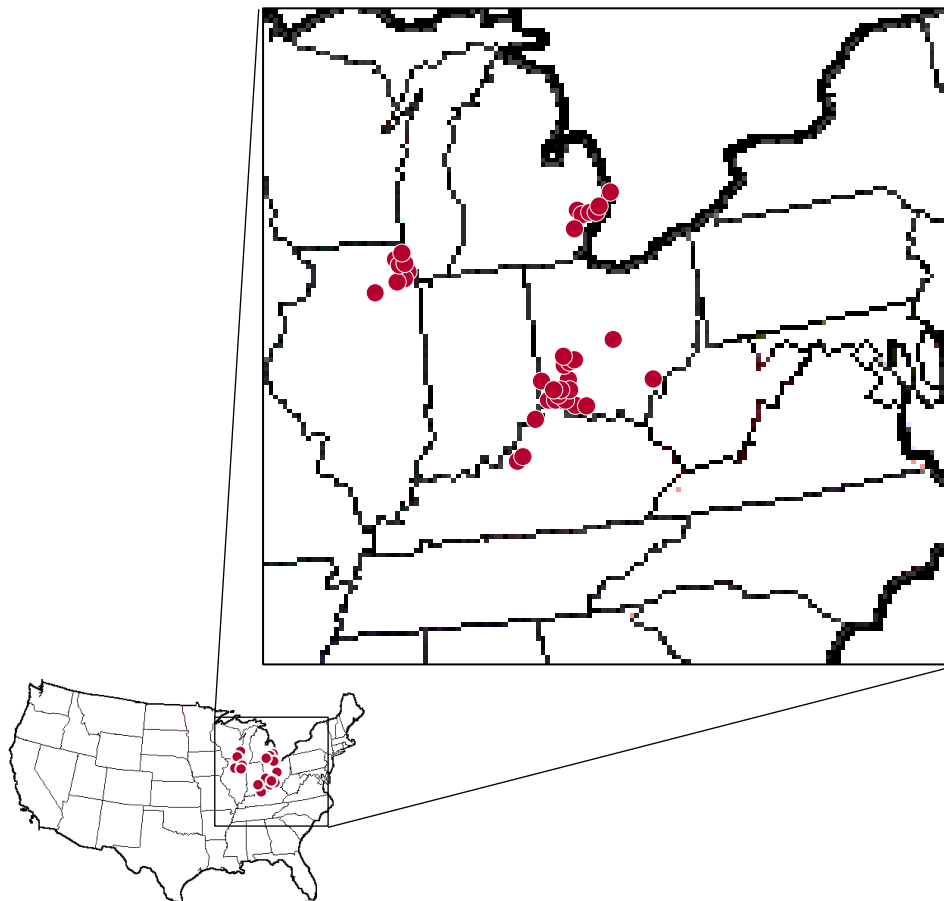
Stephen Frascone, CMO

- Board-certified podiatrist & foot & ankle surgeon
- Founder
- DPM, Des Moines University College of Podiatric Medicine and Surgery

US Podiatry Business Overview (2/3)

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 ⁽¹⁾
Great Lakes Foot & Ankle Institute	Michigan	5
Foot & Ankle Associates	Illinois	3
Commonwealth Foot & Ankle	Kentucky	2
First Step Foot Care	Illinois	3
Columbus Vascular Vein & Aesthetics	Ohio	1
Cincinnati Foot & Ankle Care	Ohio	15
North Shore Foot & Ankle	Illinois	2
Michigan Foot & Ankle Center	Michigan	2
Total		33

1. Number of clinics at the end of December 2023.

US Podiatry Business Overview (3/3)

Provides a broad range of services for the care of lower extremities, including surgeries. In addition, the company has also expanded their service into related vascular and vein care to address conditions such as varicose veins which are commonly faced by podiatry patients.

| Treatment examples ⁽¹⁾

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.

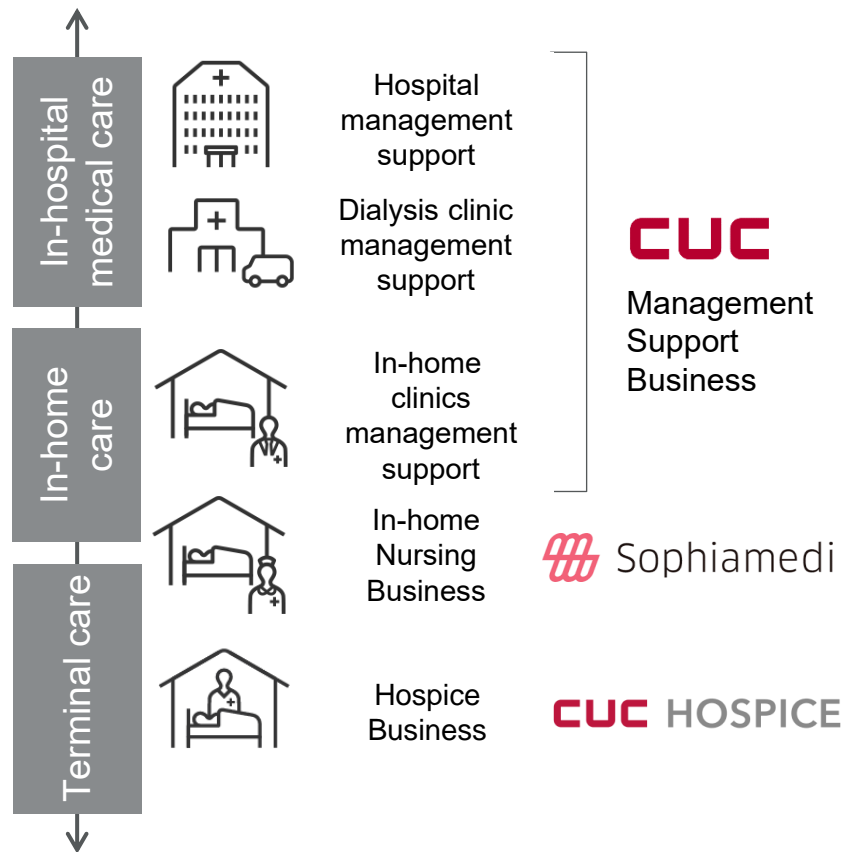


1. Quoted from the company's website: <https://beyond-podiatry.com/>

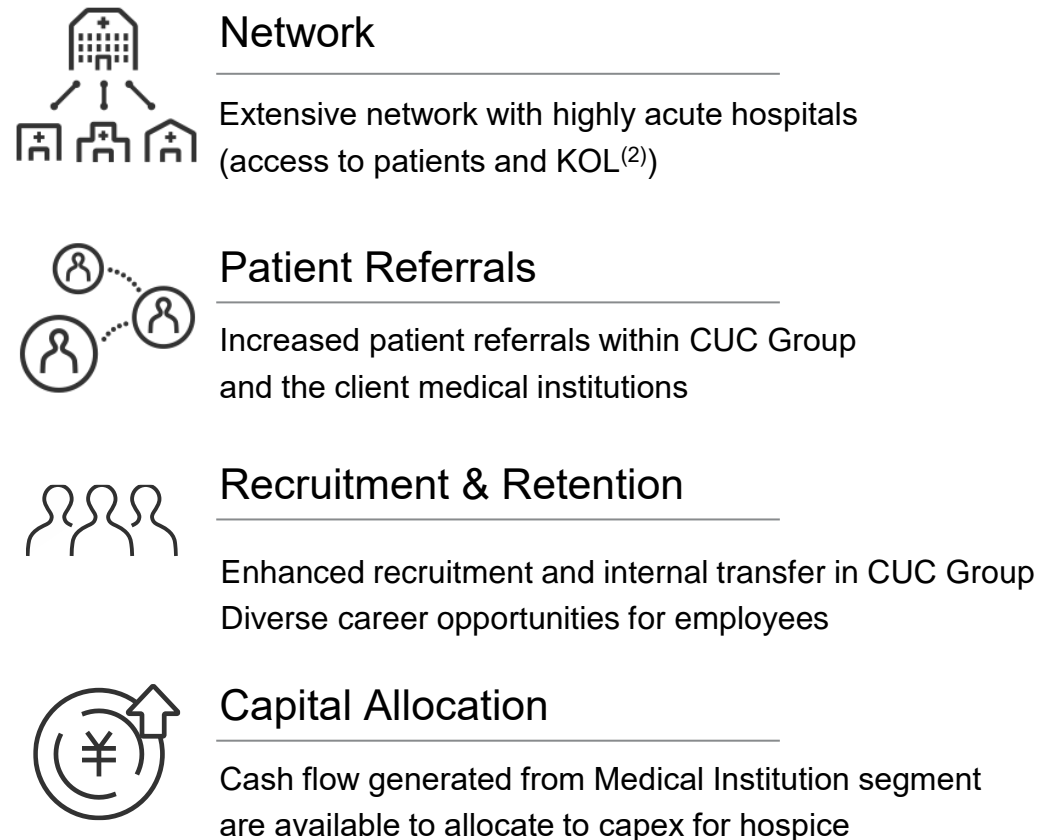
Vertically Integrated Platform (1/2)

CUC has established a vertically-integrated platform across 3 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



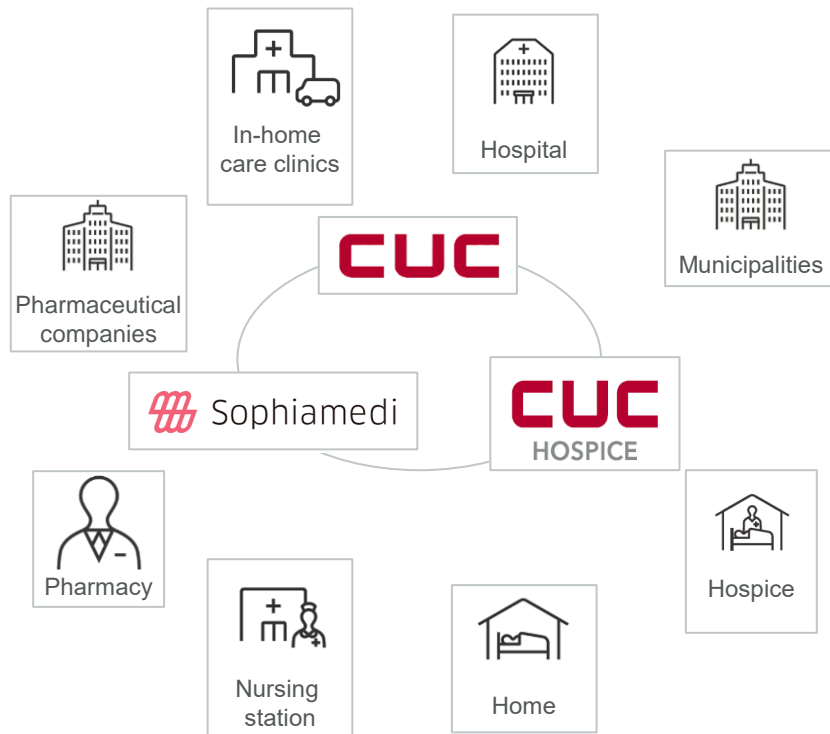
1. "Total Addressable Market": A total market demand for a product and service.

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

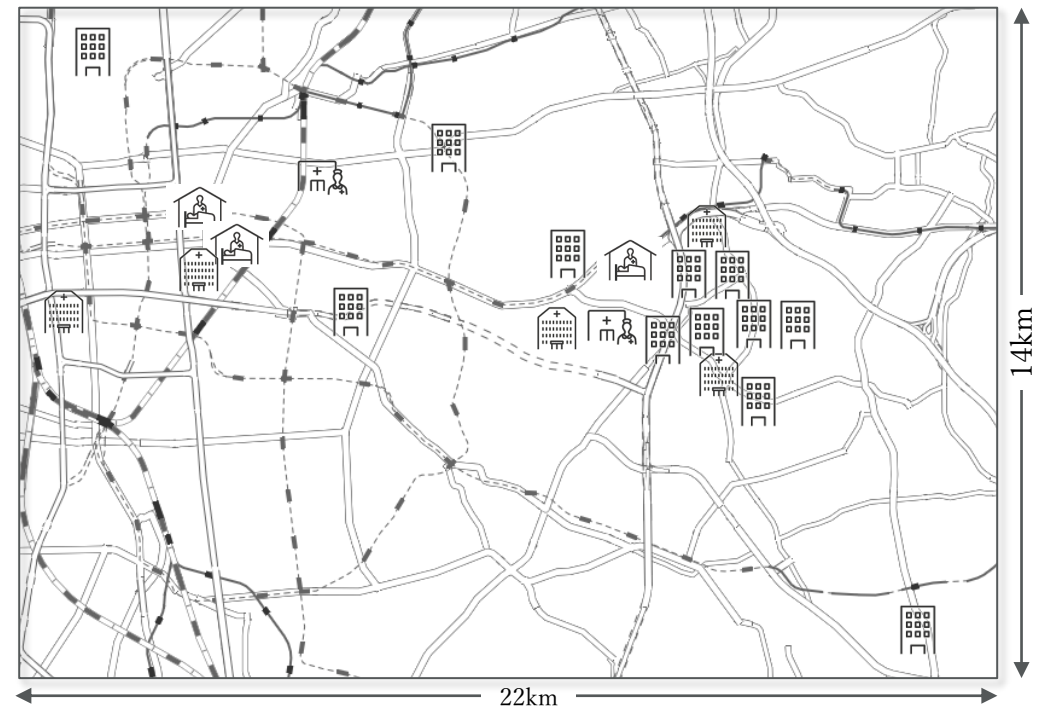
Vertically Integrated Platform (2/2)

CUC Group has built a unique platform that covers regional medical and caregiving needs through close coordination between the client medical institutions, hospices and nursing stations

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.

CUC's International Business

CUC has subsidiaries in Vietnam, Indonesia and the US

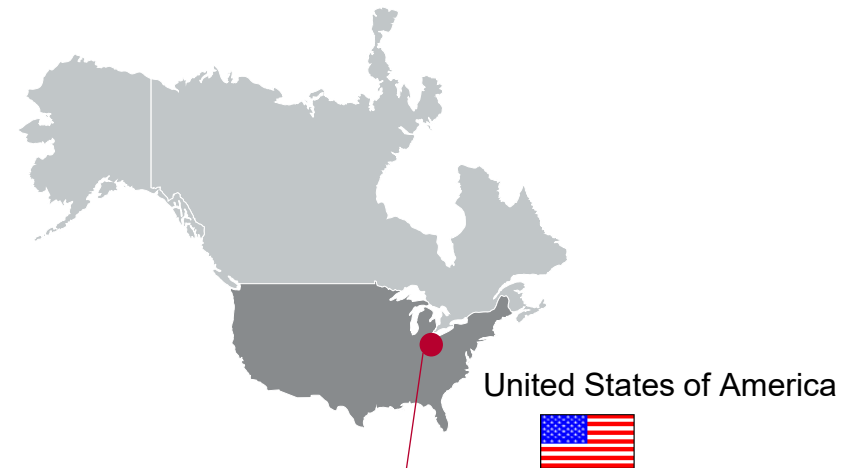
Southeast Asia

- 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 joint venture (PT CUC Cipta Husada) with PT Masa Cipta Husada (Operator of dialysis facility) to expand the client network throughout Indonesia in March 2023

North America



- Established CUC America Inc. in July 2023 in order to conduct market research and business development in the United States
- Acquired Albaron Podiatry Holdings, which operates a podiatry service platform (The company name has been changed to CUC Podiatry Holdings)

Recruitment Record and Turnover Rate

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

| Track record (2024/3)⁽¹⁾

Medical Institution segment



Supported doctor hiring

279

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

981

Hospice segment



Hired Nurses /
Caregivers

603

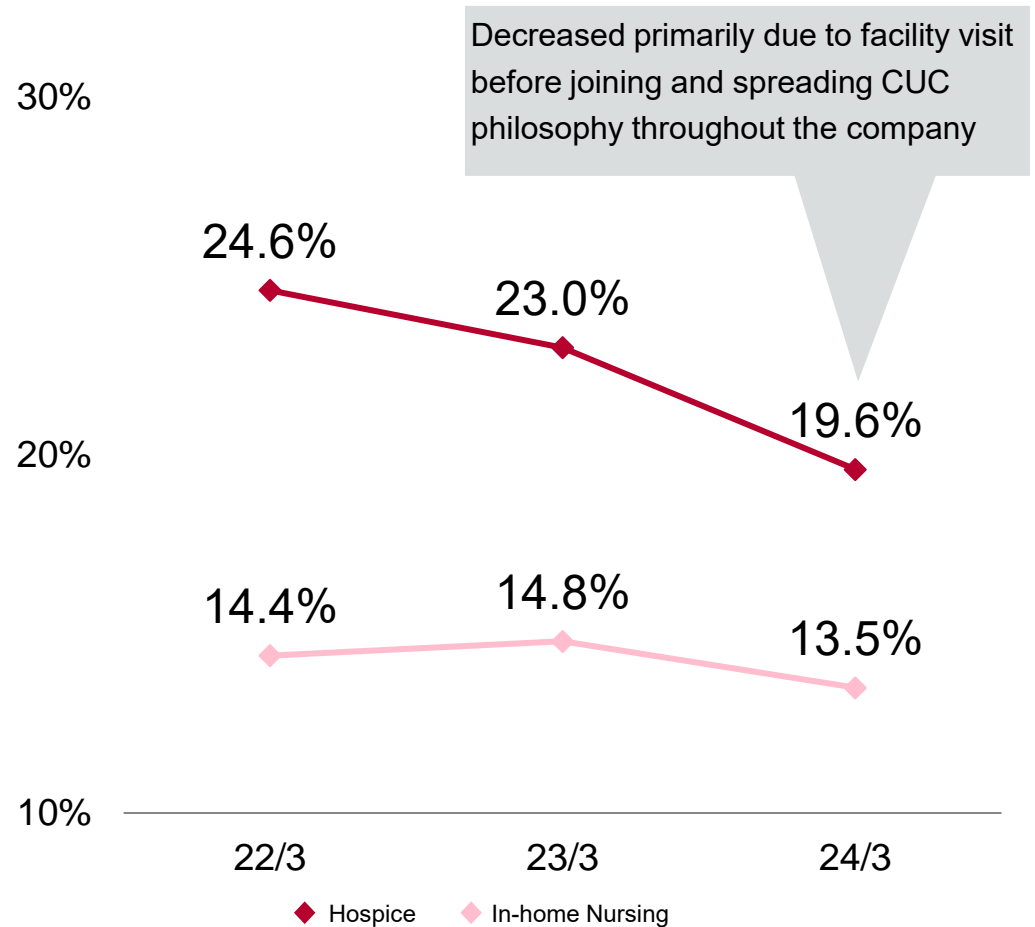
In-home Nursing segment



Hired Nurses /
Therapists

322

| Turnover rate (2024/3)



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

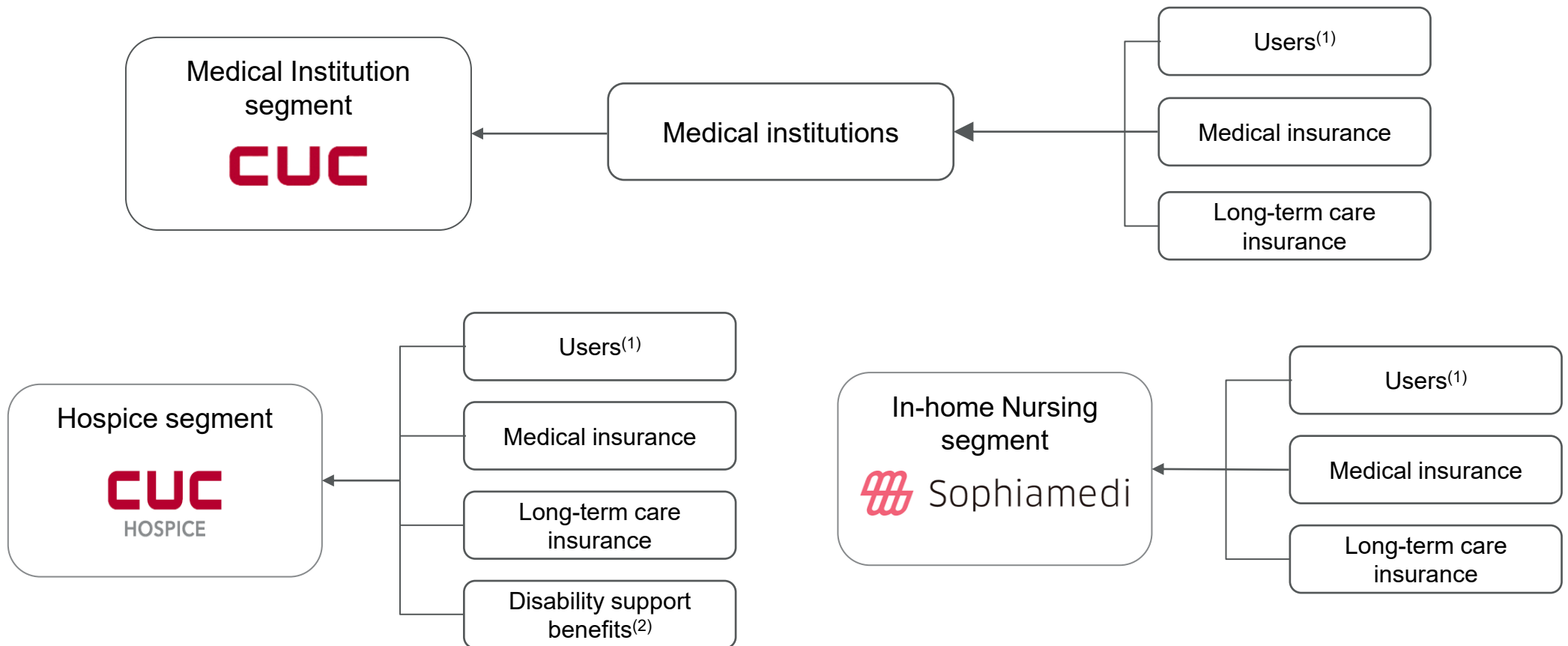
CUC's platform

| Major awards related to the work environment



Diversified Revenue Sources of CUC

CUC has diverse revenue sources from medical institutions, users, medical insurance, long-term care insurance, and disability support benefits etc.



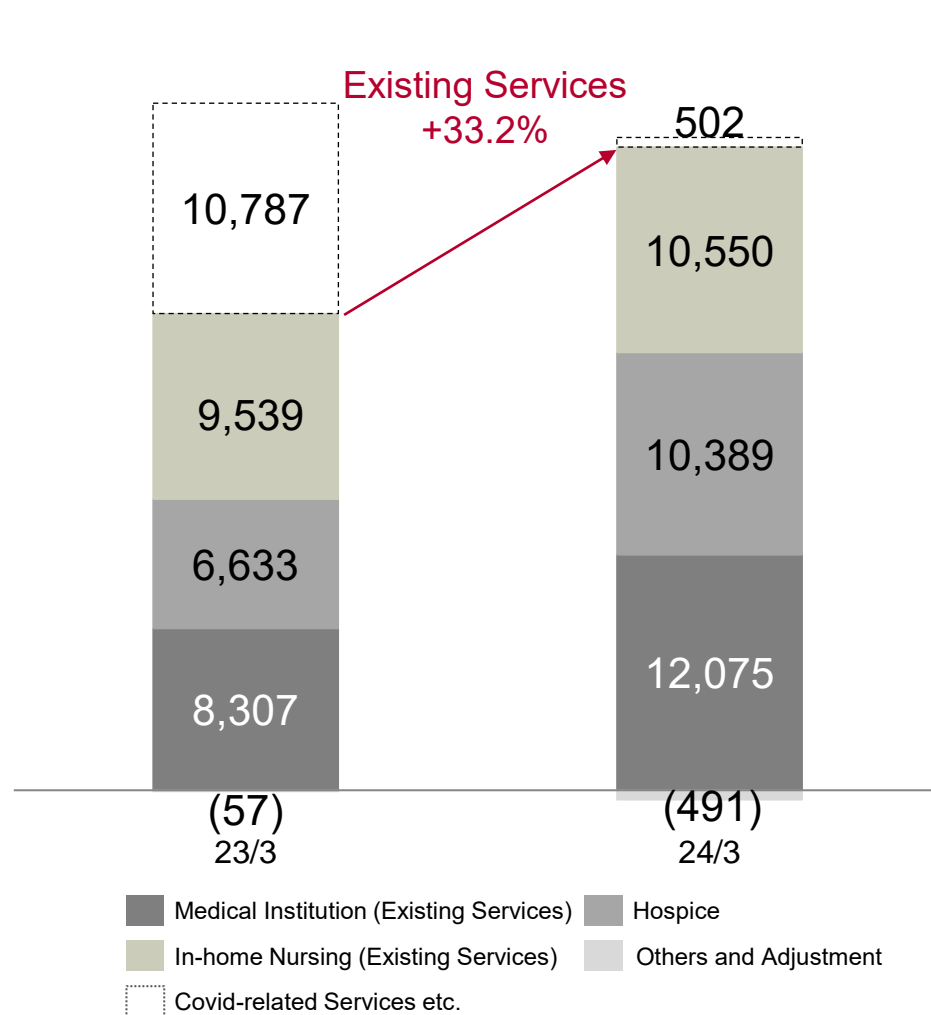
1. User's copayment varies depending on their income and age (0-30%)
2. Benefits under Services and Supports for Persons with Disabilities Act.

Financial Information

Consolidated Financial Results (Full-year)

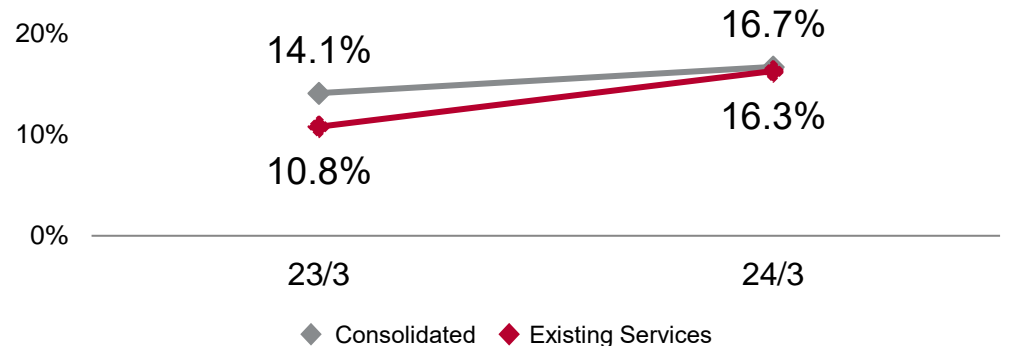
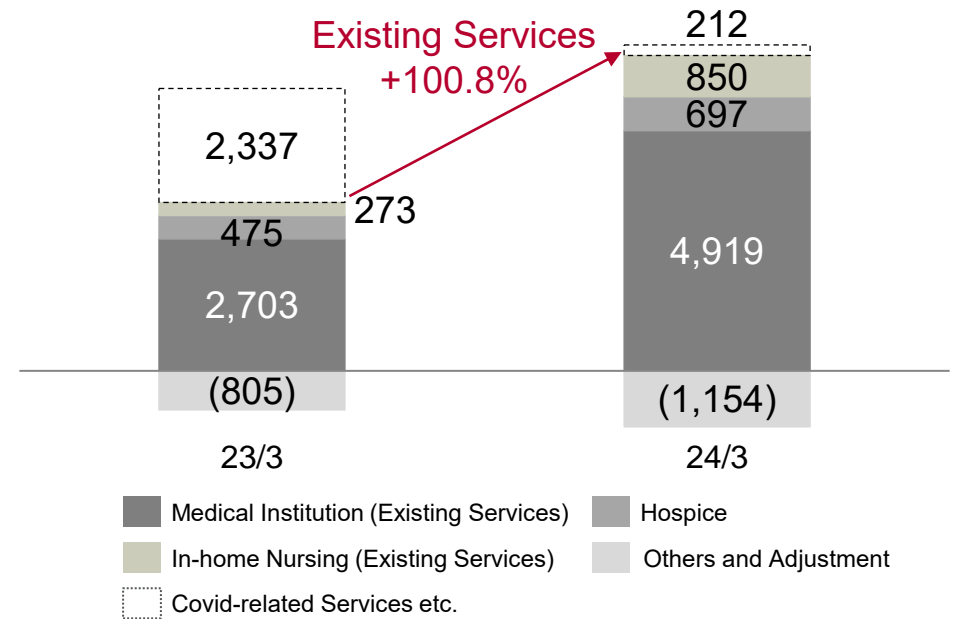
Revenue from Existing Services grew 33.2%. EBITDA and EBITDA margin from Existing Services increased significantly

Revenue



(Million yen) EBITDA and EBITDA margin

(Million yen)



Financial Results by Segment (1/2)

Revenue from Medical Institution (Existing Services), Hospice, and In-home Nursing (Existing Services) segment increased year on year

(Million yen)	23/3	24/3	Change	%
Revenue	35,210	33,025	(2,185)	(6.2%)
Medical Institution segment	16,441	12,182	(4,260)	(25.9%)
- Existing Services	8,307	12,075	+3,768	+45.4%
- Covid-related Services etc.	8,134	106	(8,028)	(98.7%)
Hospice segment	6,633	10,389	+3,755	+56.6%
In-home Nursing segment	12,192	10,946	(1,247)	(10.2%)
- Existing Services	9,539	10,550	+1,010	+10.6%
- Covid-related Services	2,653	396	(2,257)	(85.1%)
Others and Adjustment	(57)	(491)	(434)	-
Total of Existing Services	24,423	32,523	+8,100	+33.2%

Financial Results by Segment (2/2)

EBITDA from Medical Institution (Existing Services), Hospice, and In-home Nursing (Existing Services) segment increased year on year

(Million yen)	23/3	24/3	Change	%
EBITDA	4,982	5,524	+541	+10.9%
Medical Institution segment	3,492	4,895	+1,403	+40.2%
- Existing Services	2,703	4,919	+2,216	+82.0%
- Covid-related Services etc.	789	(25)	(814)	(103.1%)
Hospice segment	475	697	+222	+46.8%
In-home Nursing segment	1,820	1,086	(734)	(40.3%)
- Existing Services	273	850	+577	+211.6%
- Covid-related Services	1,548	236	(1,311)	(84.7%)
Others and Adjustment	(805)	(1,154)	(349)	-
Total of Existing Services	2,645	5,312	+2,667	+100.8%

Disclaimer

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