



CUC Inc.

Business Model and Growth Strategy
Fiscal year ended March 2024

Business Overview

Mission

Creating Hope through Healthcare.

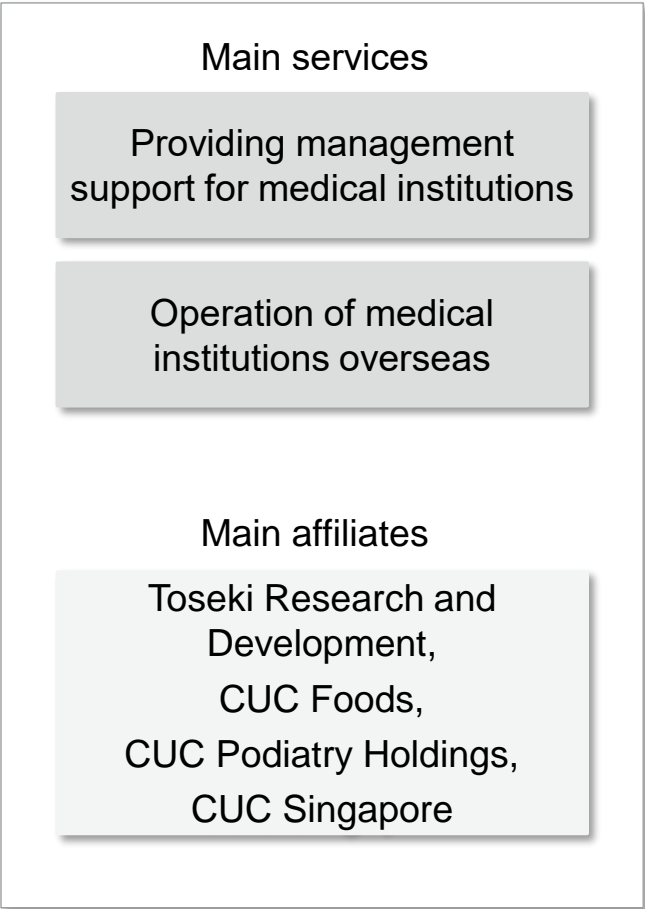


Main Services of CUC group

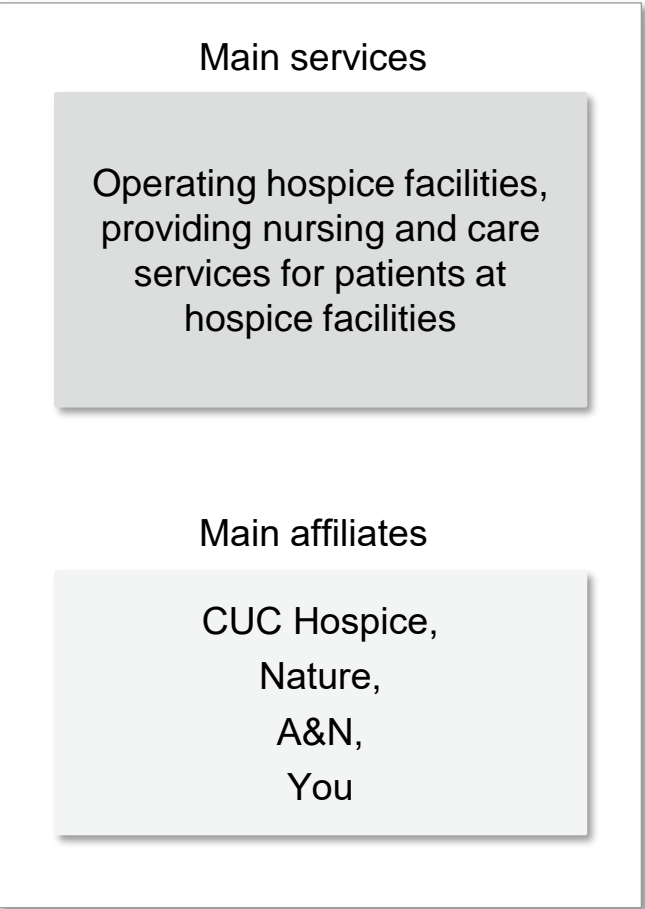
CUC group provides vertically-integrated 3 business platforms

| CUC group's segments⁽¹⁾

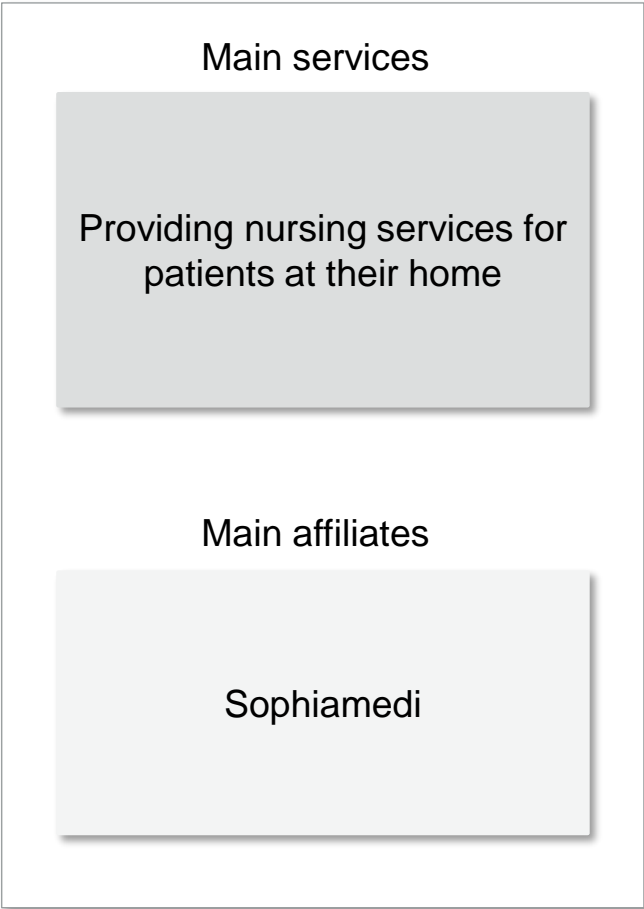
Medical Institution segment



Hospice segment



In-home Nursing segment

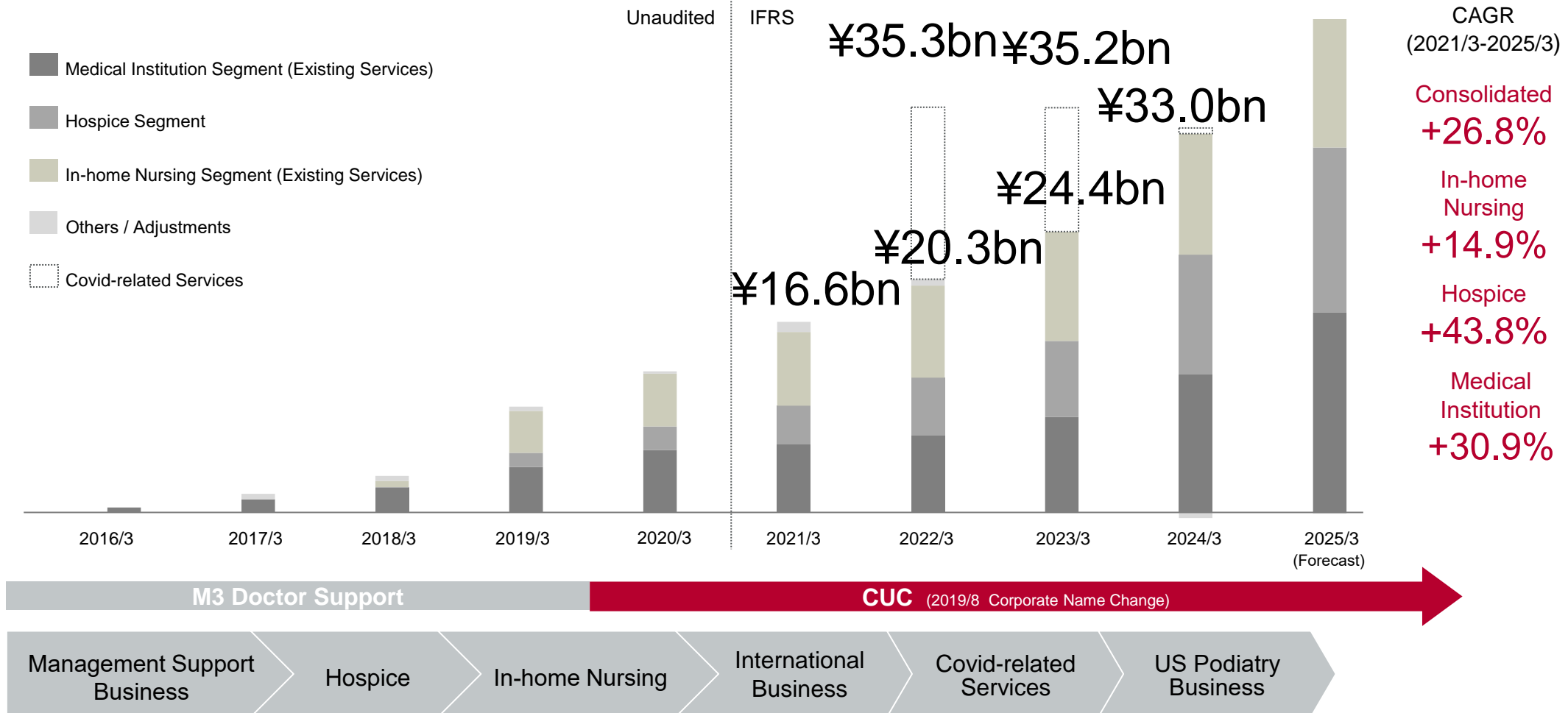


1. CUC's reportable segments were divided into Management Support segment and In-home Nursing/Hospice segment, and those were reclassified to Management Support segment, Hospice segment and In-home Nursing segment from the fiscal year ended March 31, 2024. Also, CUC group acquired the US Podiatry Business in January 2024. Therefore, the name of the reportable segment was changed from Management Support segment to Medical Institution segment in order to represent the CUC group's business properly.

Successful High Growth Track Record

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

Business expansions and segment revenue⁽¹⁾

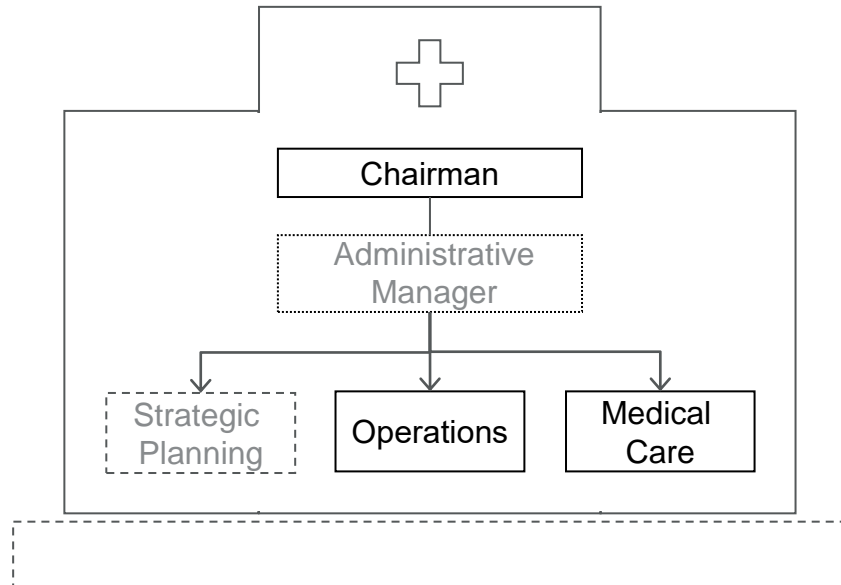


1. Financials for 2021/3 through 2025/3 are based on IFRS. Financials for 2020/3 and before are unaudited and do not include consolidation adjustments. ¥ 35.3bn for 2022/3, ¥ 35.2bn for 2023/3 and ¥ 33.0bn for 2024/3 are consolidated figures. ¥ 20.3 bn for 2022/3 and ¥ 24.4 bn for 2023/3 are consolidated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

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

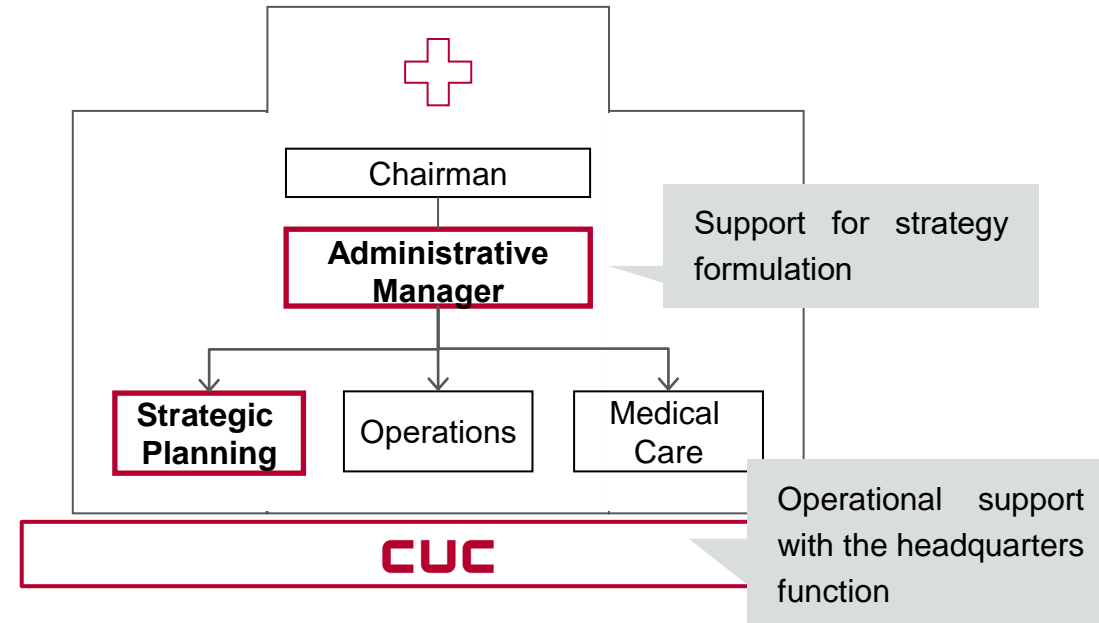
Sending indispensable management support personnel for expansion and efficient operation

| 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></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
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>	<ul style="list-style-type: none"> Achieve revenue growth and scale expansion Achieve stable operation through scale expansion

←

Additional Management support following scale expansion

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

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

Treatment Options

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

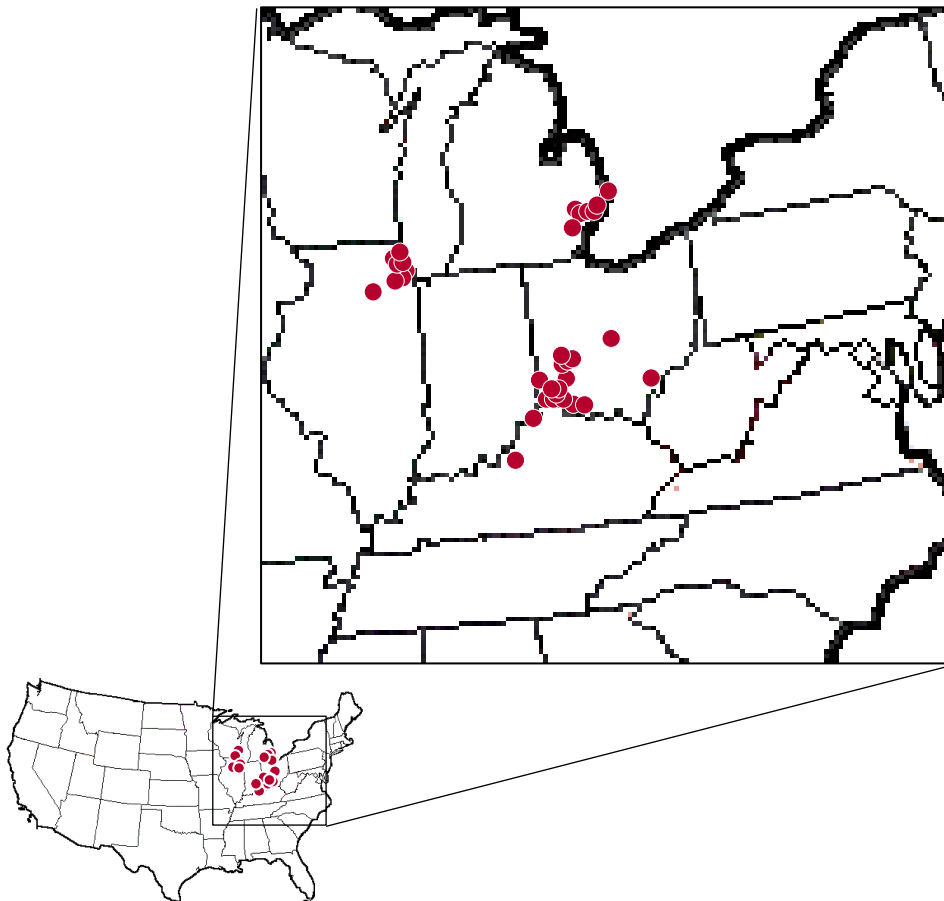


1. Quoted from the company's website: <https://beyond-podiatry.com/>.

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

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

Locations

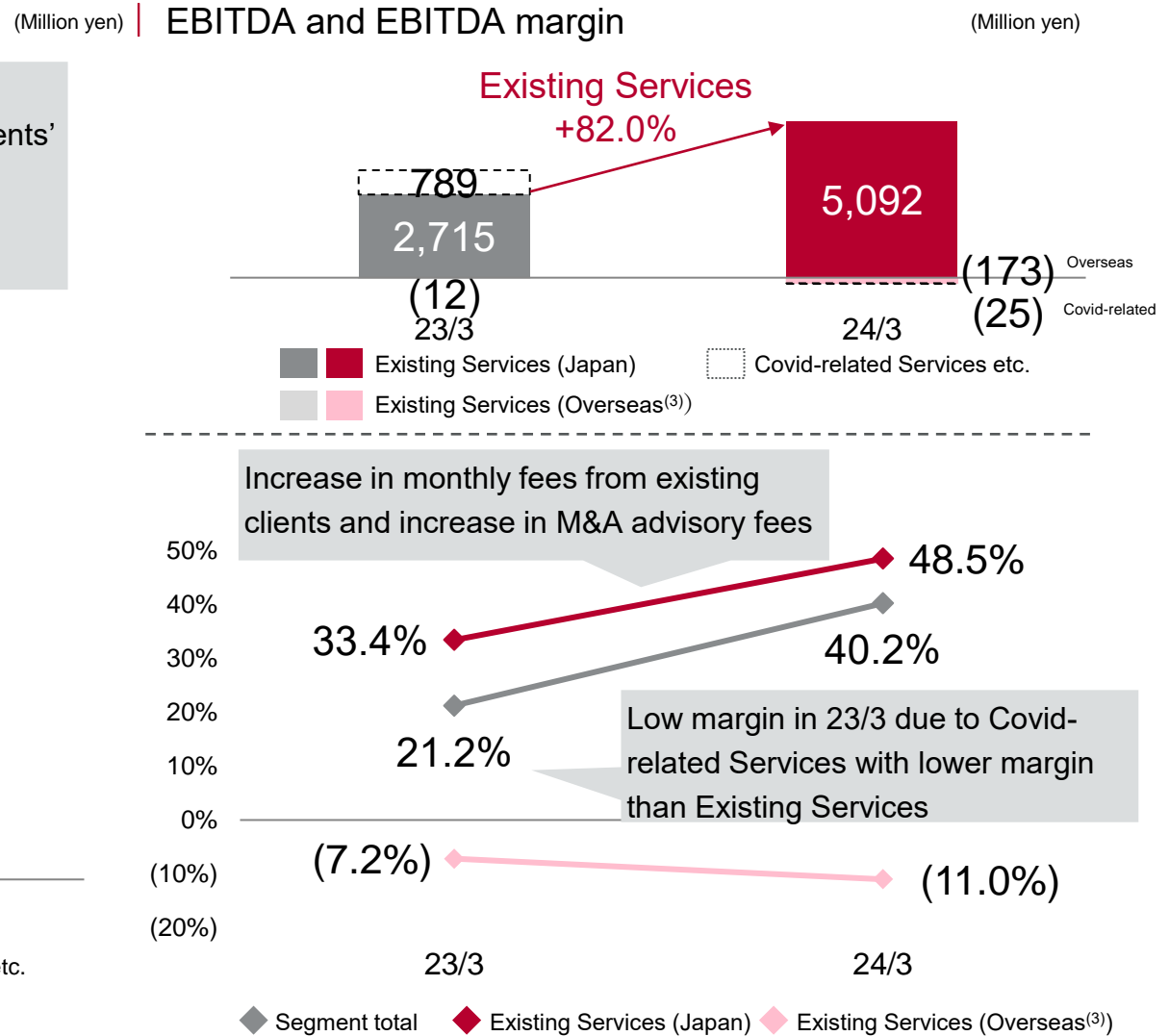
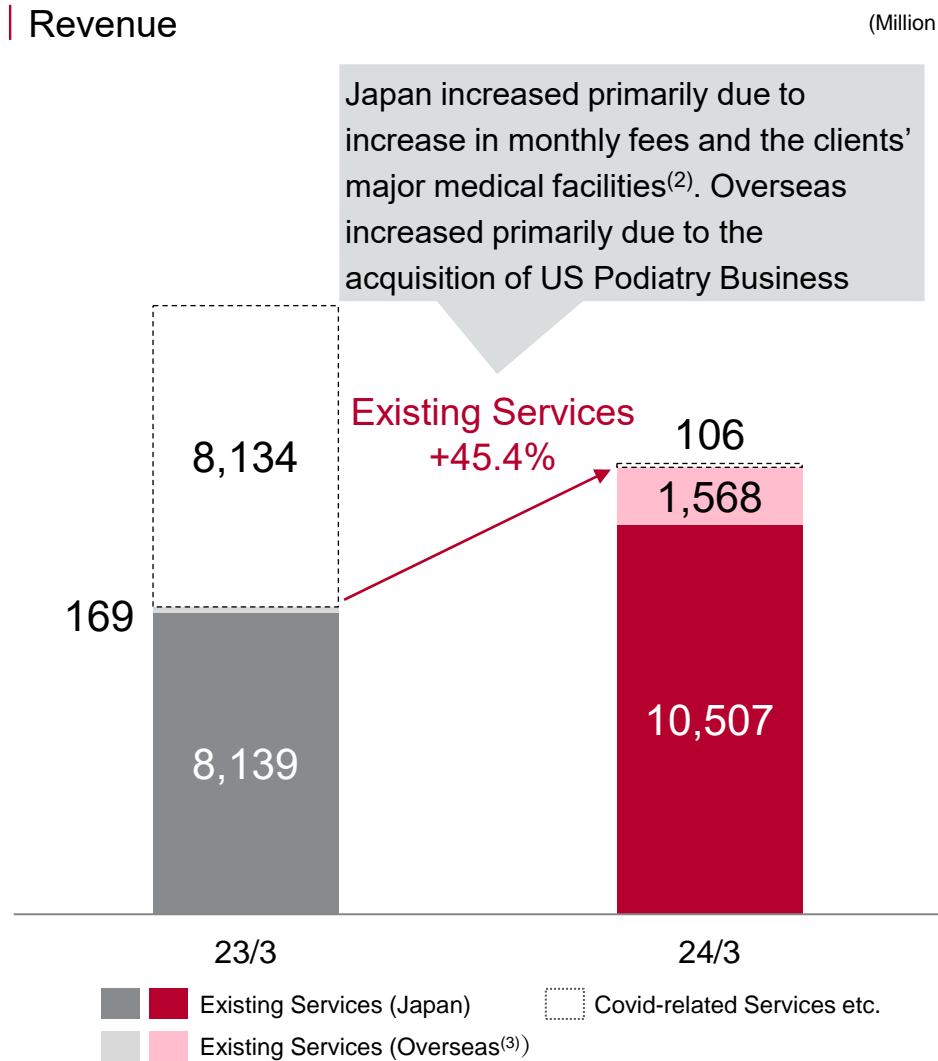


Name	State	#of clinics ⁽¹⁾
Great Lakes Foot & Ankle Institute	Michigan	5
Foot & Ankle Associates	Illinois	3
Commonwealth Foot & Ankle	Kentucky	1
First Step Foot Care	Illinois	3
Columbus Vascular Vein & Aesthetics	Ohio	1
Cincinnati Foot & Ankle Care	Ohio	13
North Shore Foot & Ankle	Illinois	2
Michigan Foot & Ankle Center	Michigan	2
Total		30

1. Number of clinics at the end of March 2024.

Financial Results of Medical Institution Segment

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⁾

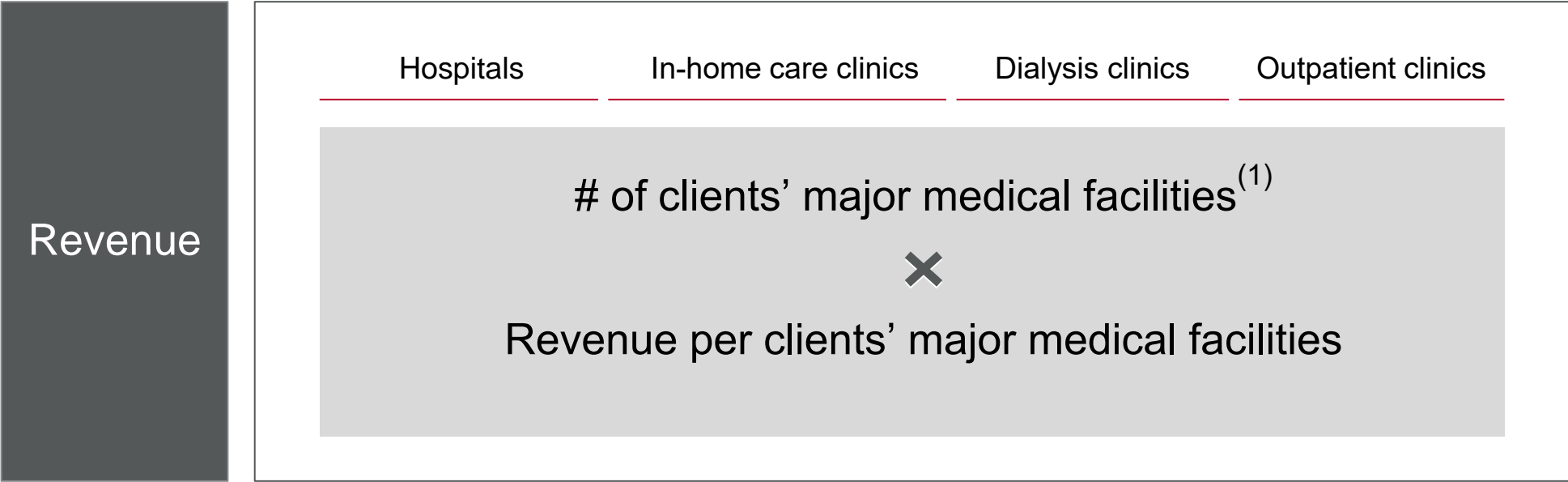


1. Fees received from client medical institutions for successfully completing M&A.

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.

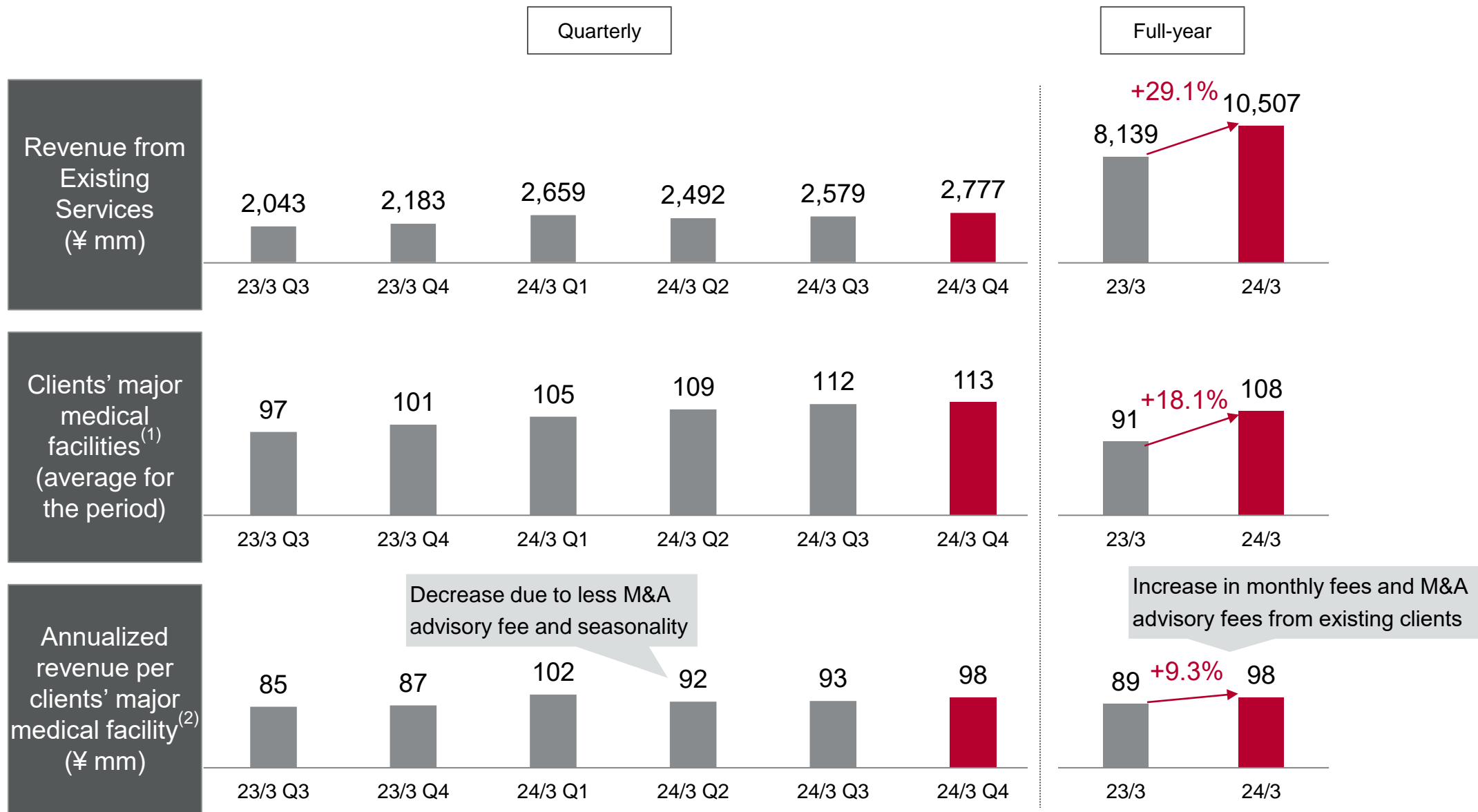
3. The US and Southeast Asia.

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



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)



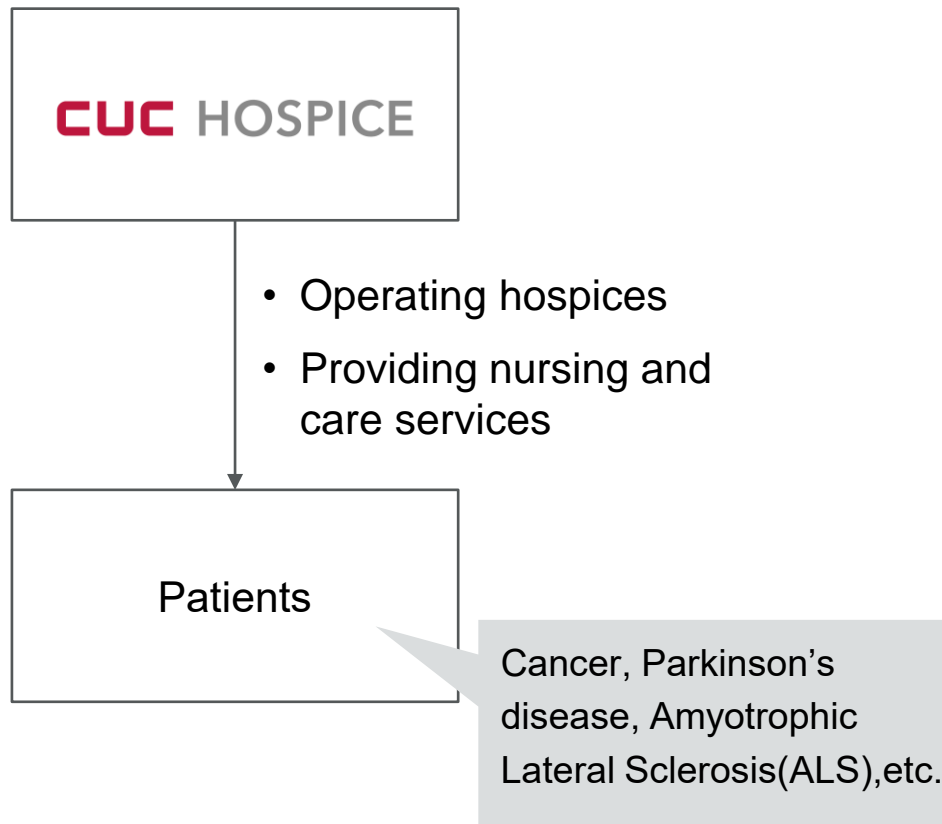
1. Number of hospitals, long-term care health facilities, in-home care clinics, dialysis clinics, and outpatient clinics that CUC provides management support in Japan. The average of the number at the beginning of the period and the number at the end of the period.

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

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

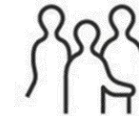
| Business overview



| 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).

Financial Results of Hospice Segment

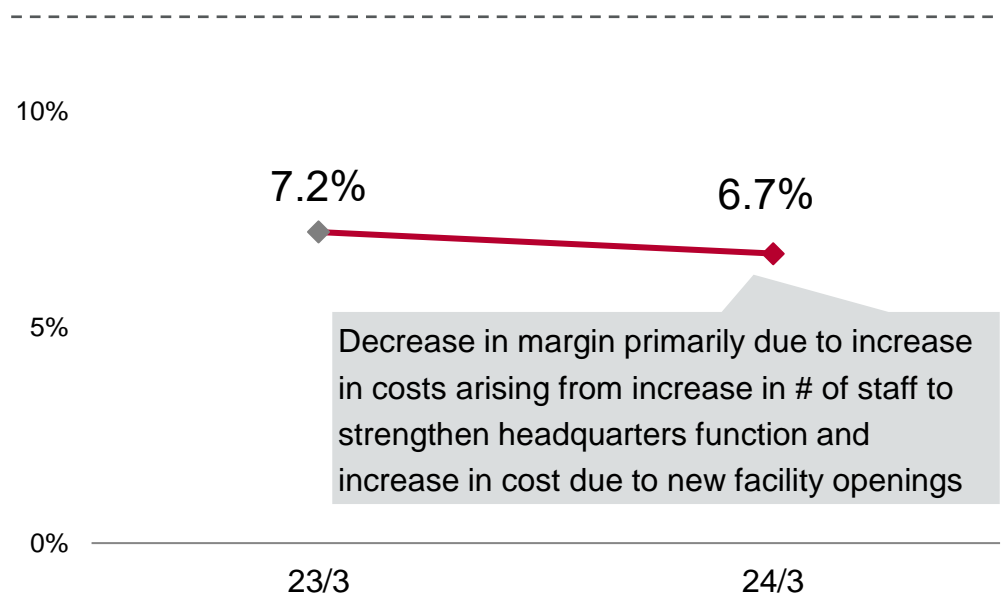
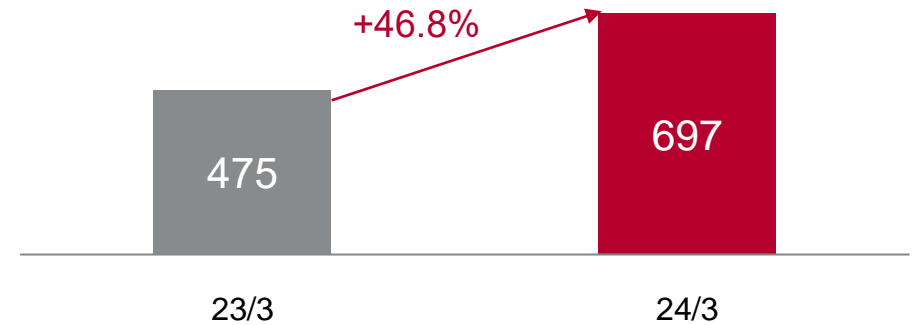
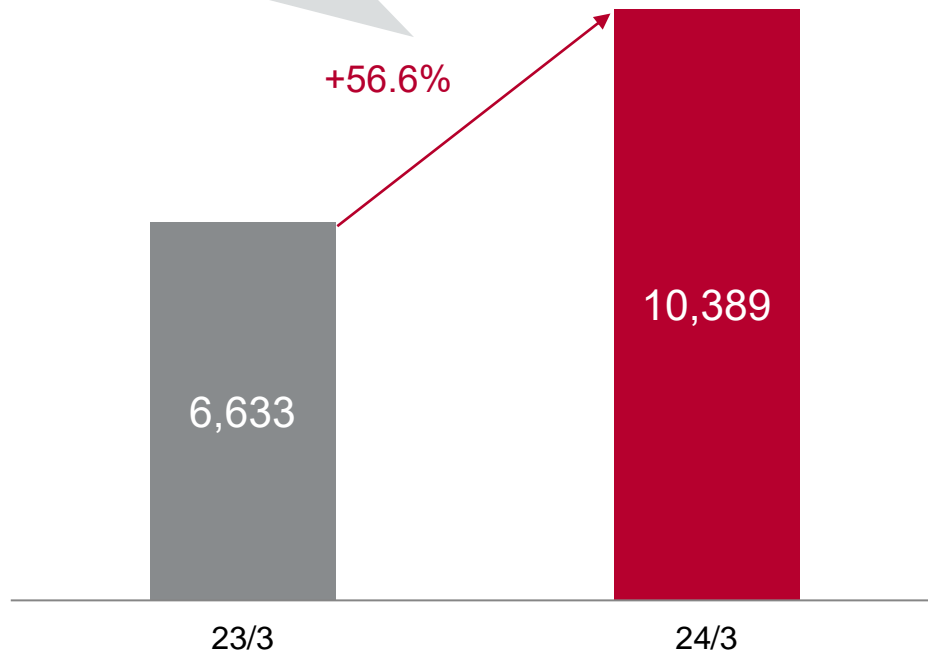
Revenue grew 56.6% primarily due to M&A in the previous fiscal year and new facility openings. EBITDA margin decreased primarily due to increase in costs arising from increase in the number of staff aiming to strengthen headquarters and increase in cost due to new facility openings

Revenue

(Million yen) | EBITDA and EBITDA margin

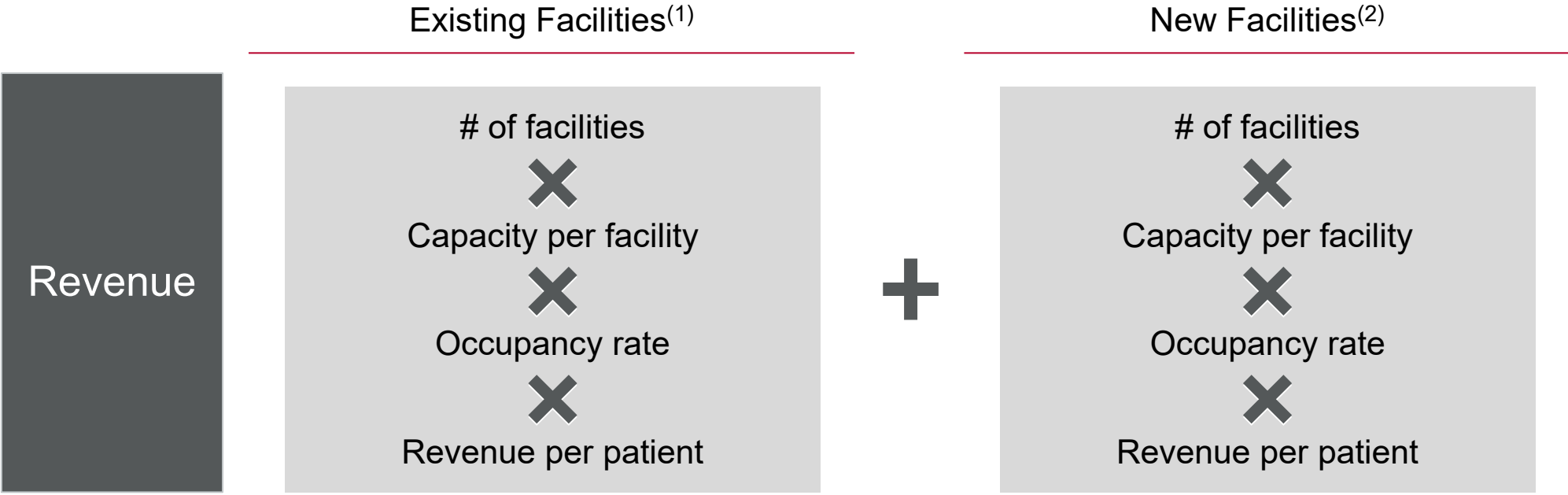
(Million yen)

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



Decrease in margin primarily due to increase in costs arising from increase in # of staff to strengthen headquarters function and increase in cost due to new facility openings

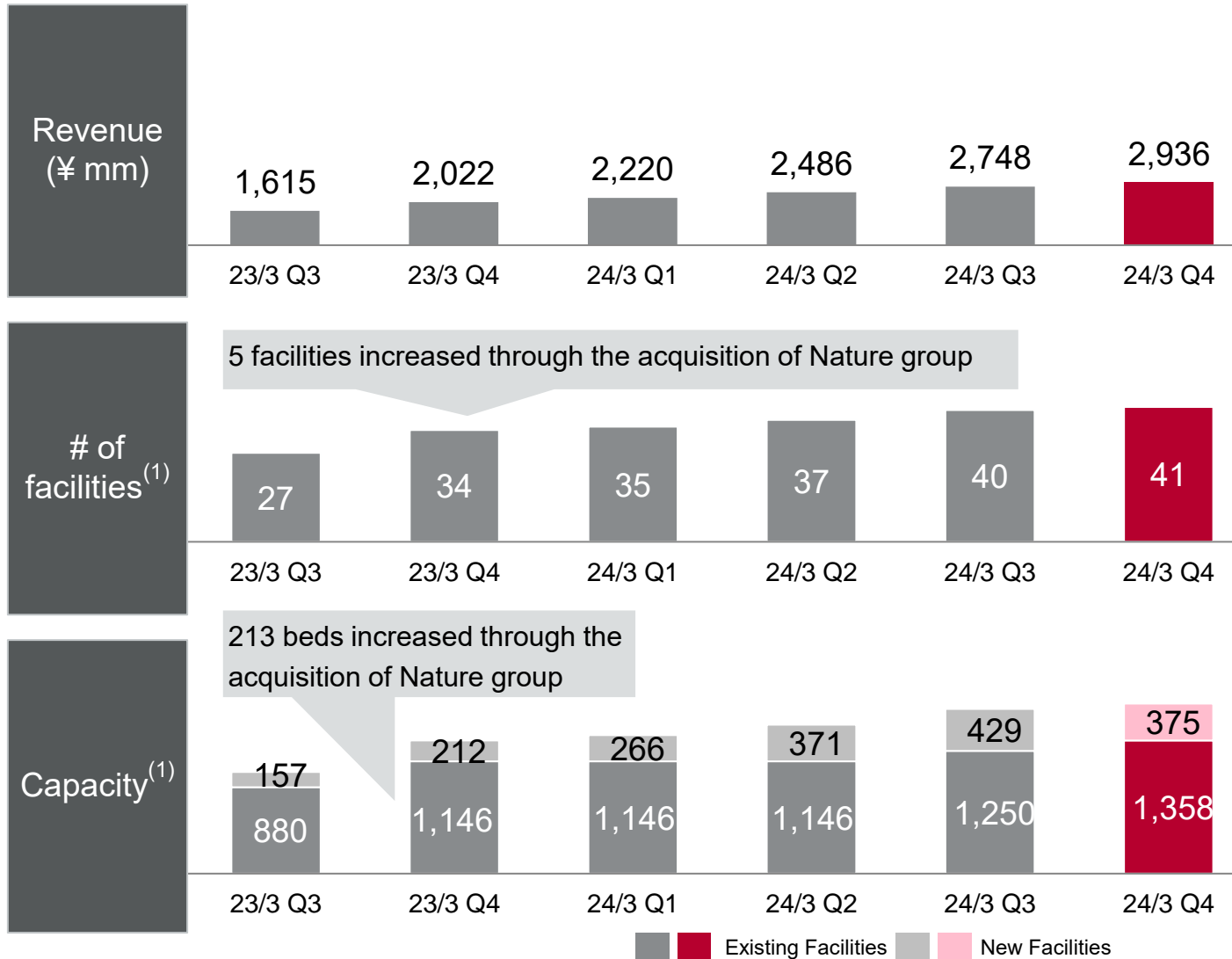
Key Operating Drivers of Hospice Segment (1/3)



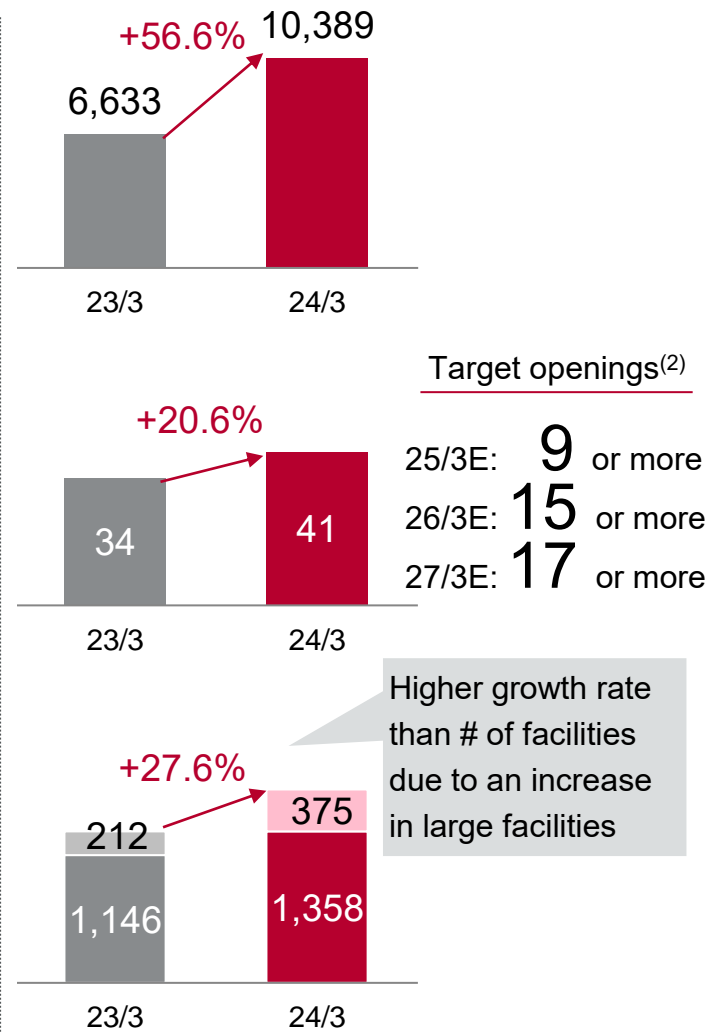
1. Hospices past 12+ months after the opening or acquired through M&A.
2. Hospices opened within 12 months.

Key Operating Drivers of Hospice Segment (2/3)

Quarterly



Full-year



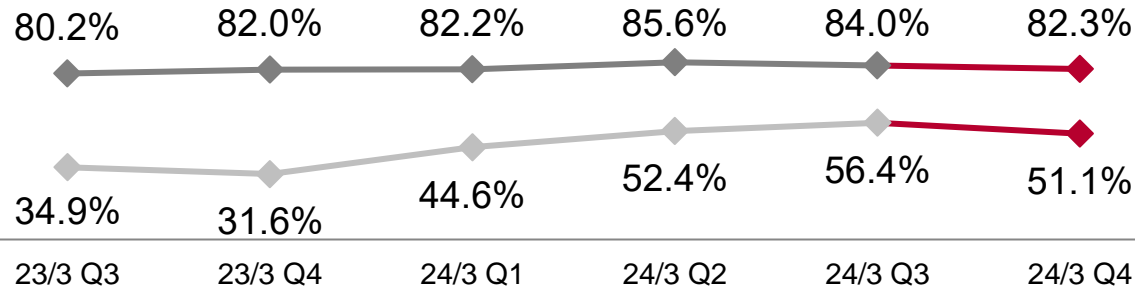
1. The number of hospices and capacity which CUC group provides services at the end of each period. Hospices past 12+ months after the opening at the end of each period or acquired through M&A are defined as "Existing Facilities" and other hospices are defined as "New Facilities".

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 (3/3)

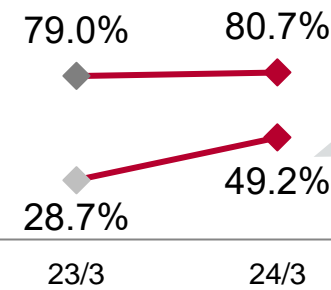
Quarterly

Occupancy rate⁽¹⁾⁽²⁾



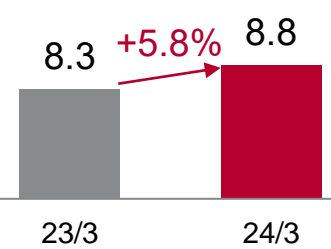
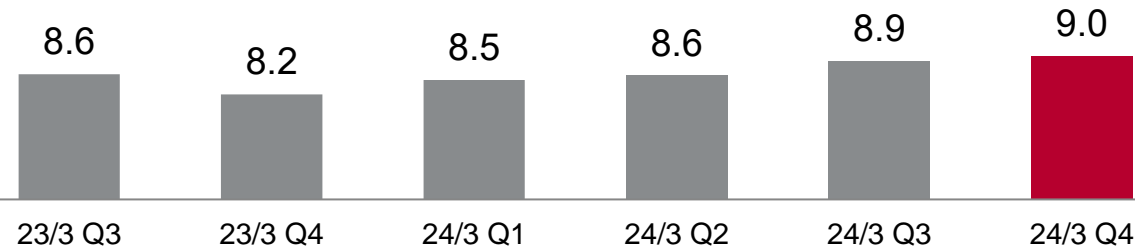
◆ Existing Facilities ◆ New Facilities

Full-year



Increase primarily due to change in strategy for patient acquisition and staff allocation

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.

Planned Opening of Facilities in April 2024 and onwards

| Planned openings⁽¹⁾⁽²⁾

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	2025/3 Q4	2025/1
Kanagawa, Kawasaki ⁽³⁾	49	335		2025/1
Okayama, Okayama	50	450		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

Opened on May 7, 2024

Opened on June 5, 2024

1. The table above 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.

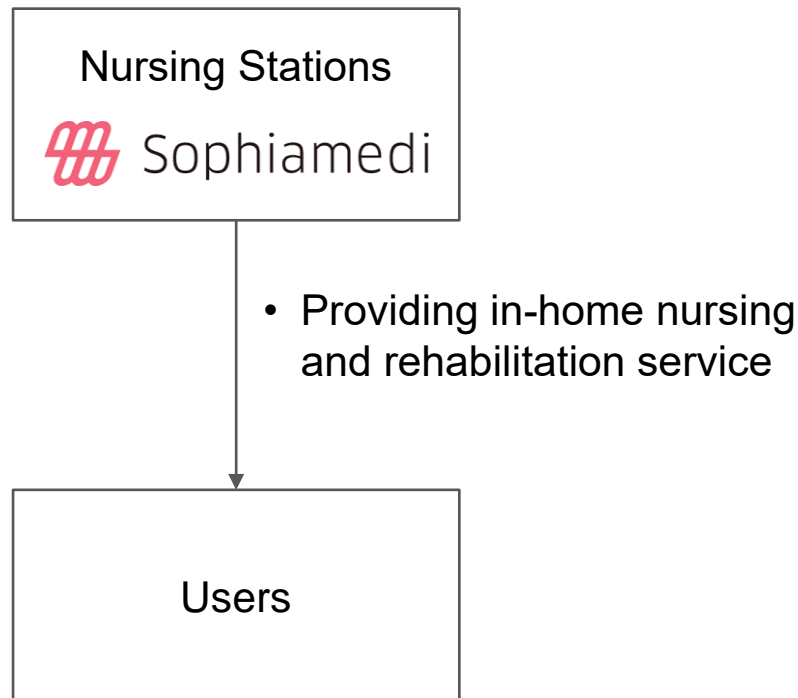
2. This is a schedule as of the date of this document. The capacity, the amount of Capex and the opening date may change in the future due to various reasons.

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

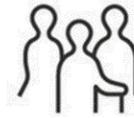
In-home Nursing Segment Overview

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

| Business overview



| KPI (as of March 31, 2024)⁽¹⁾



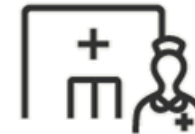
Users⁽¹⁾
13,615



Total Care Hours⁽²⁾
1,065k hours



Nurses/Therapists⁽³⁾
1,151



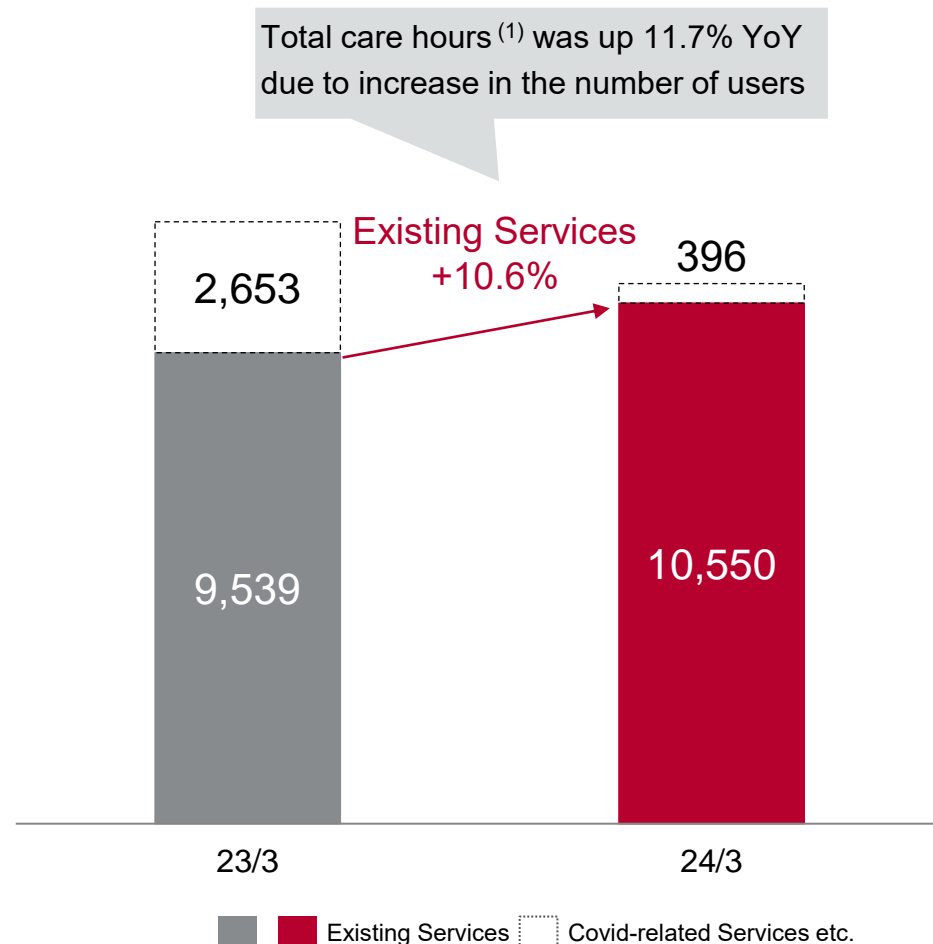
Nursing Stations⁽⁴⁾
88 stations

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.

Financial Results of In-home Nursing Segment

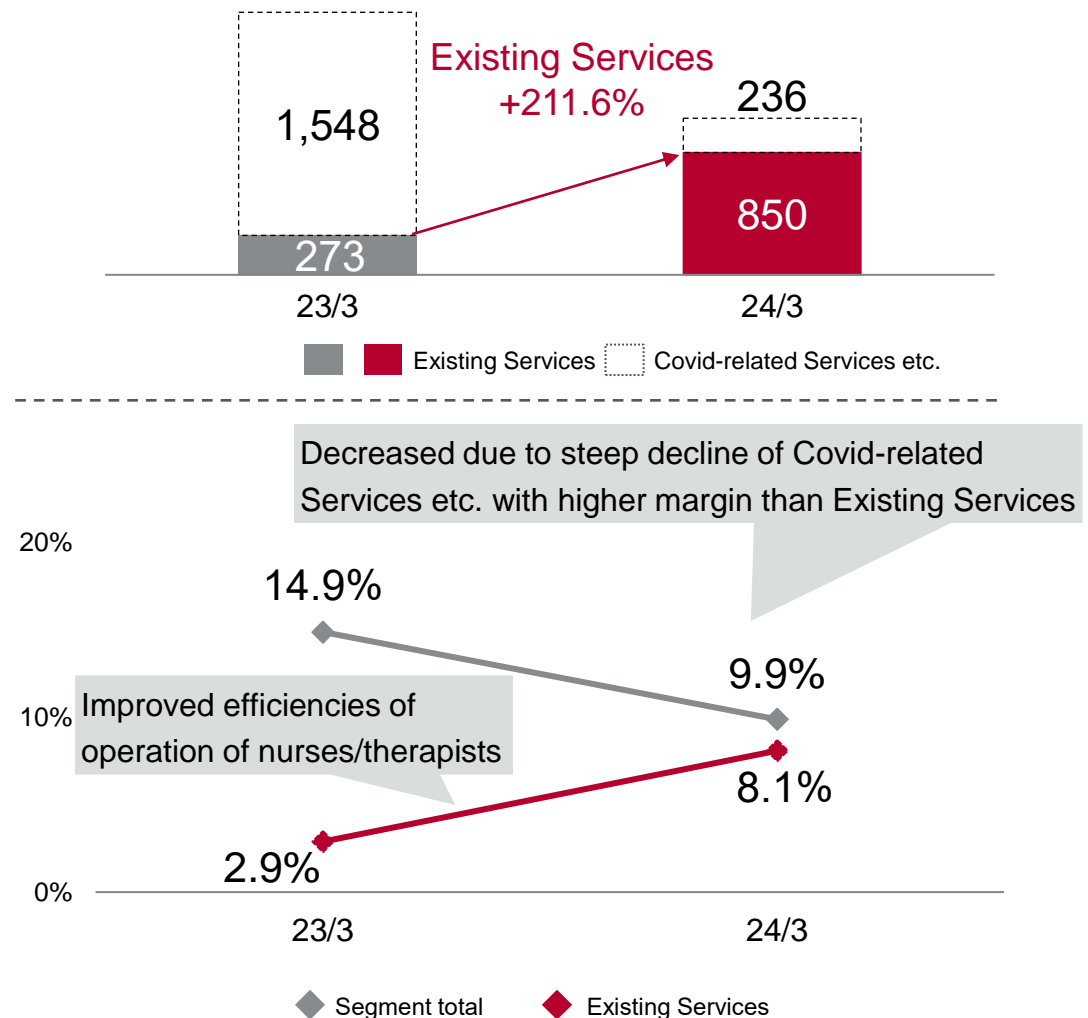
Revenue from Existing Services grew at 10.6% due to increase in total care hours⁽¹⁾. EBITDA margin improved due to improved efficiencies of operation of nurses/therapists

Revenue



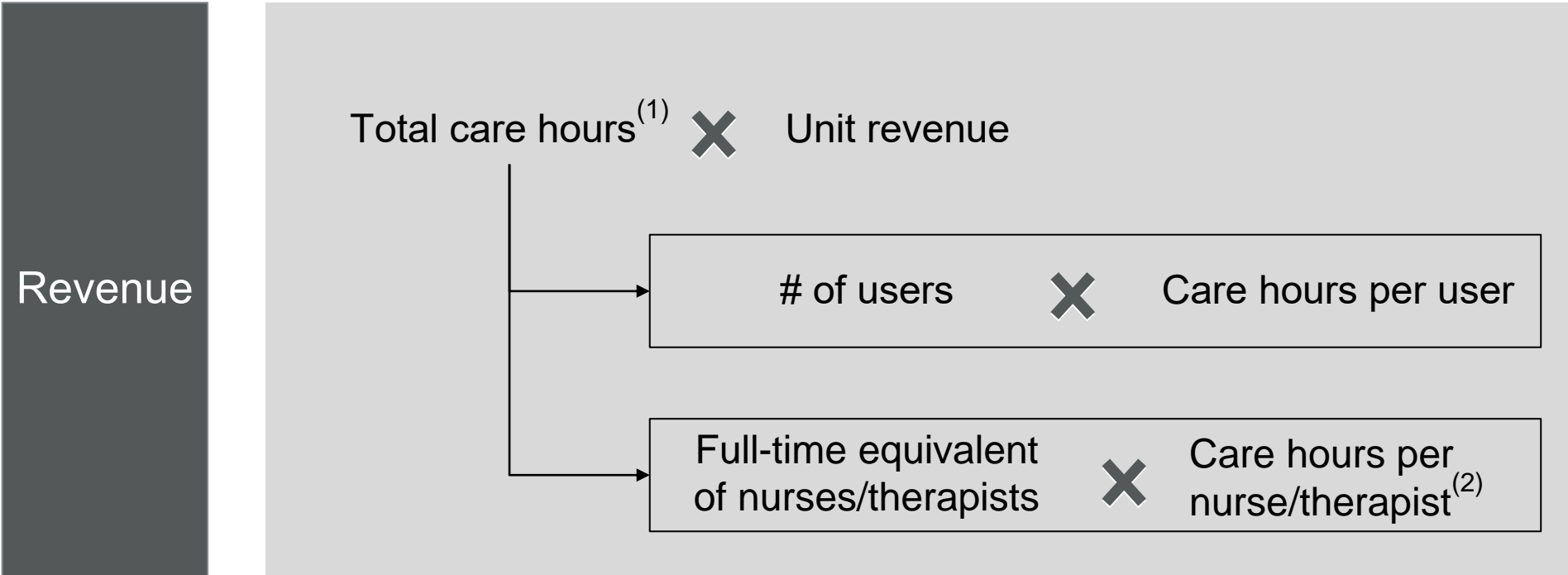
(Million yen) | EBITDA and EBITDA margin

(Million yen)



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

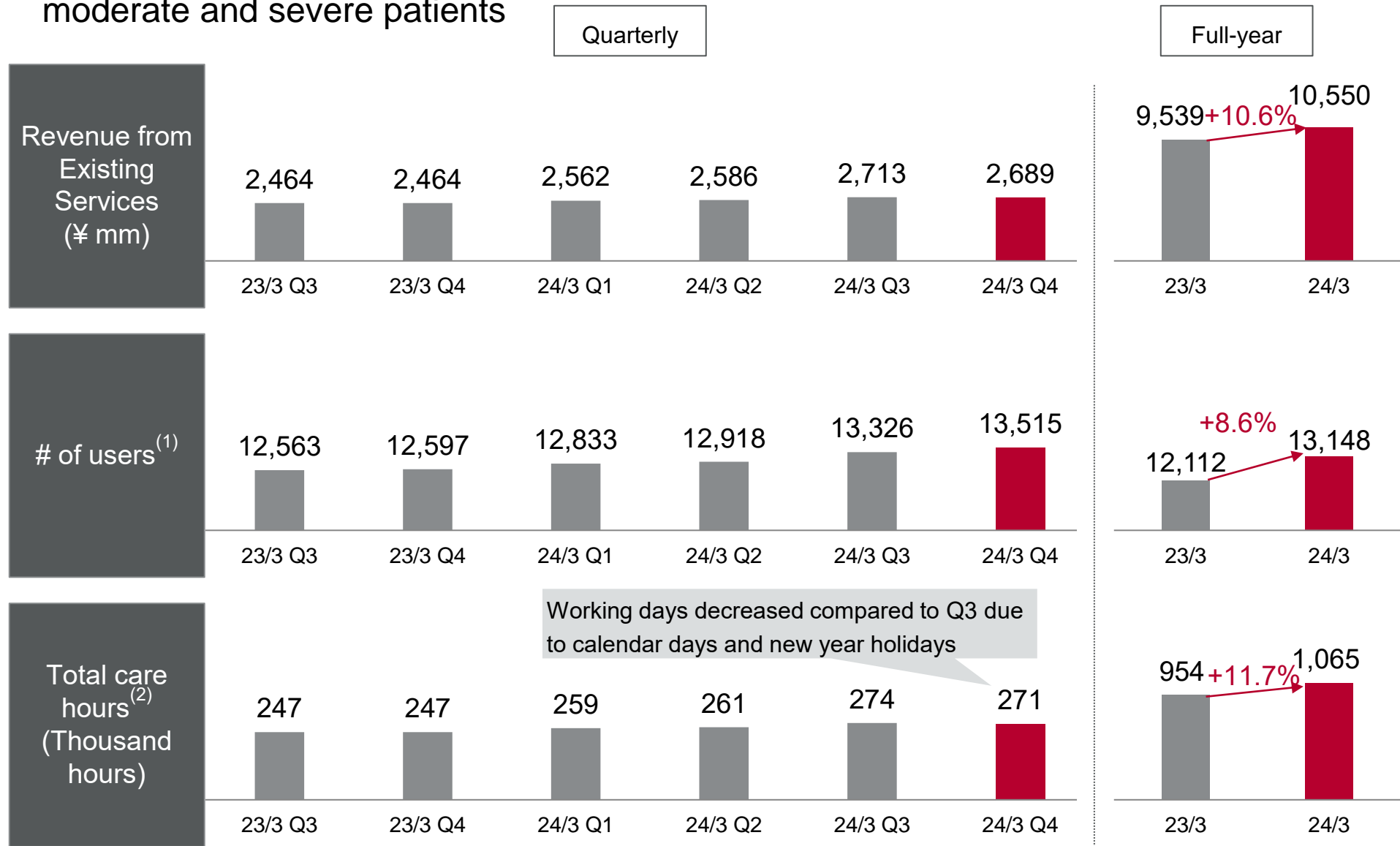
Key Operating Drivers of In-home Nursing Segment (1/3)



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)

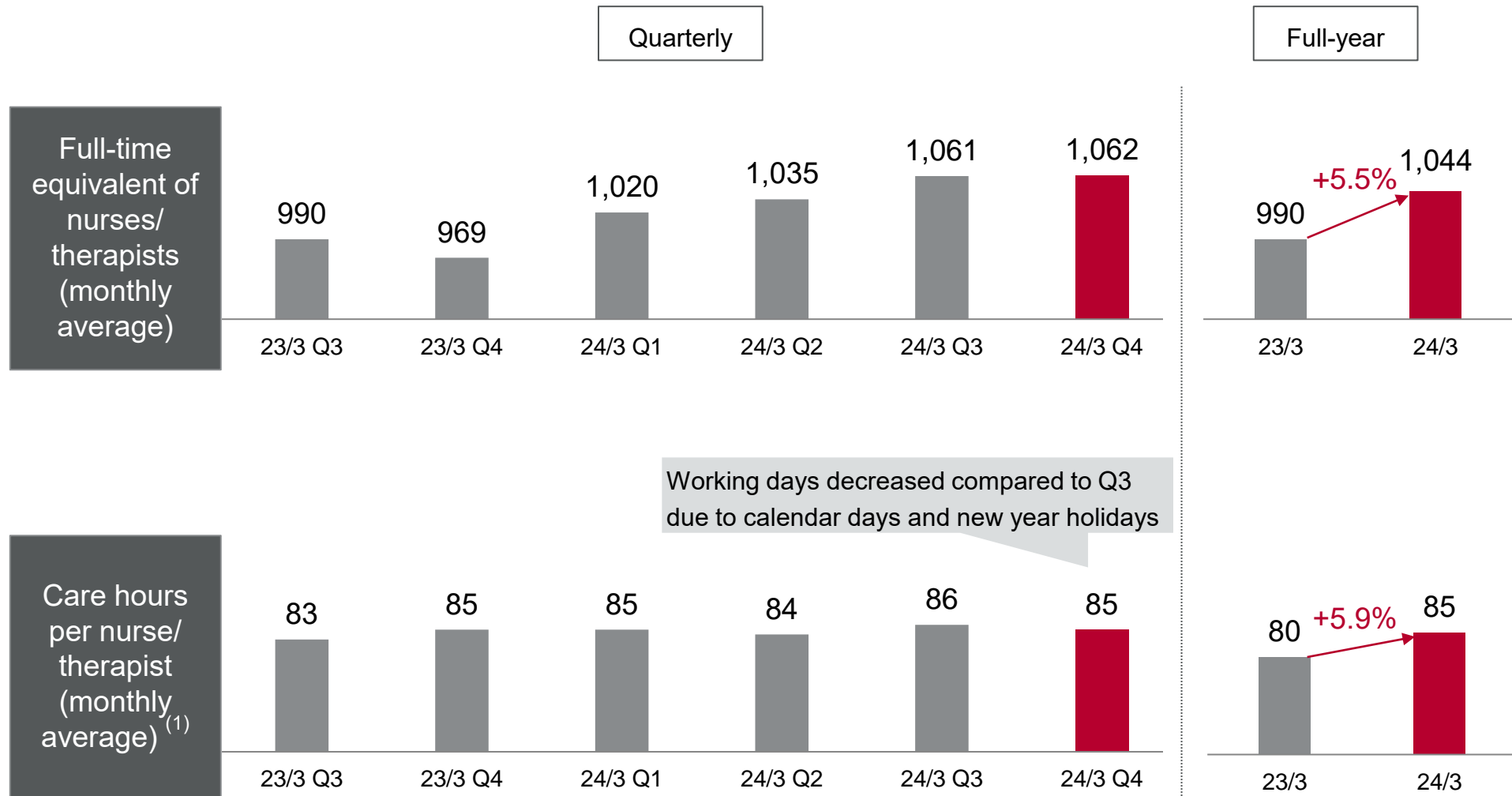
The growth rate of revenue exceeded that of the number of users due to the increase in moderate and severe patients



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 (3/3)

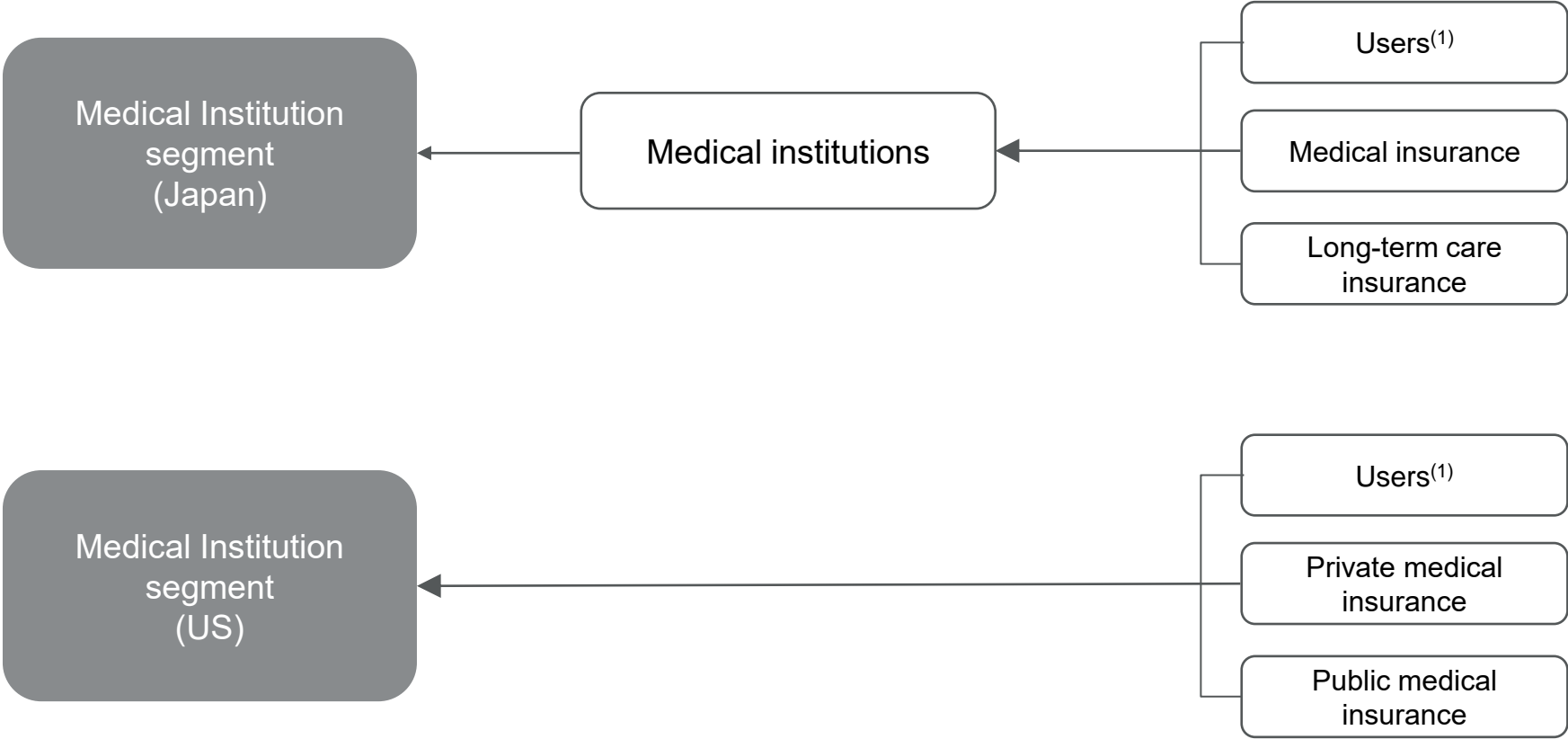
Care hours per nurse/therapist improved year on year



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

Diversified Revenue Sources of CUC group (1/2)

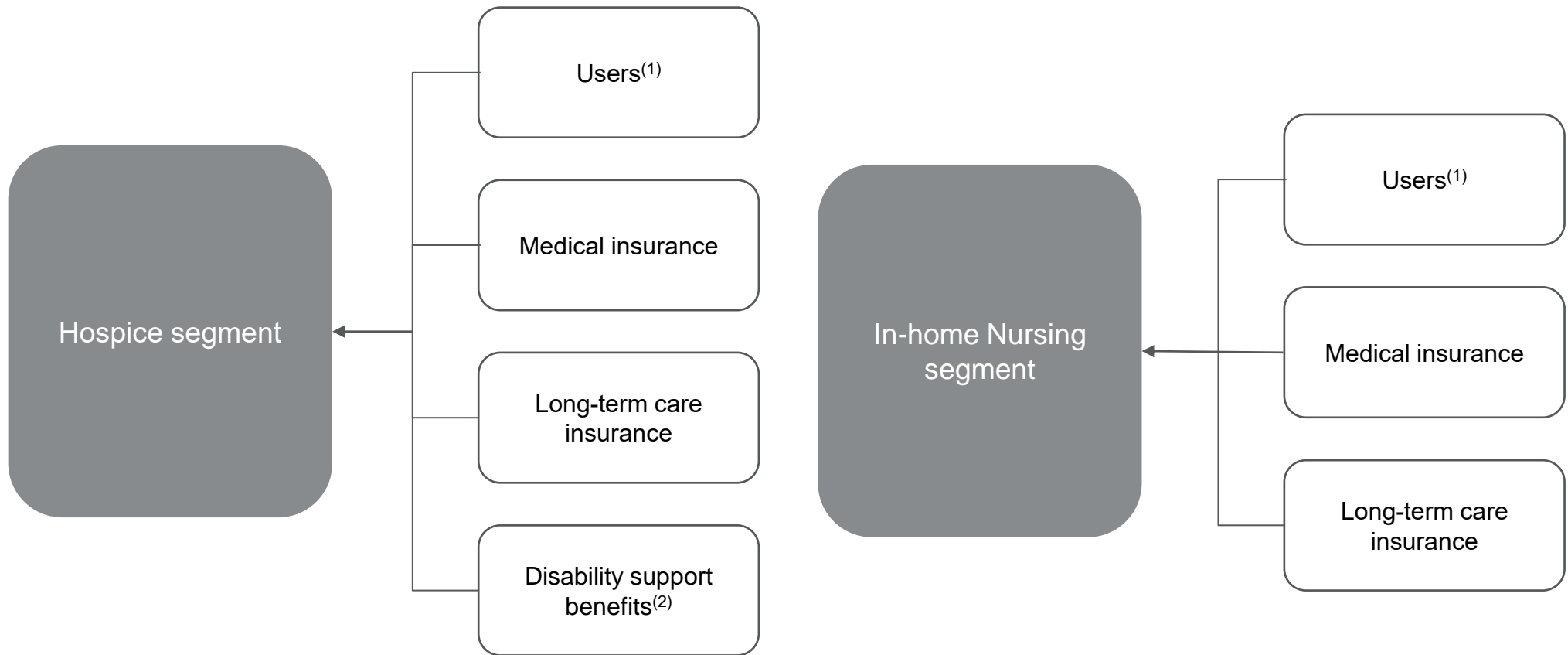
Medical Institution segment receives fees from medical institutions in Japan and has revenue sources from users, private and public medical insurance in the US



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)

In-home Nursing segment has revenue sources from users, medical insurance, and long-term care insurance. Hospice segment has revenue sources from disability support benefits in addition to revenue sources mentioned above



1. User's copayment varies depending on their income and age.
2. Benefits under Services and Supports for Persons with Disabilities Act.

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

Approx. **8,000**

Clinics

Approx. **105,000**

| External environment around medical institutions

- Rapidly aging population (ratio of the 65 years old or older in population is expected to increase from 29% in 2020 to **35%** in 2040⁽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 67.2 million to **58.5 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

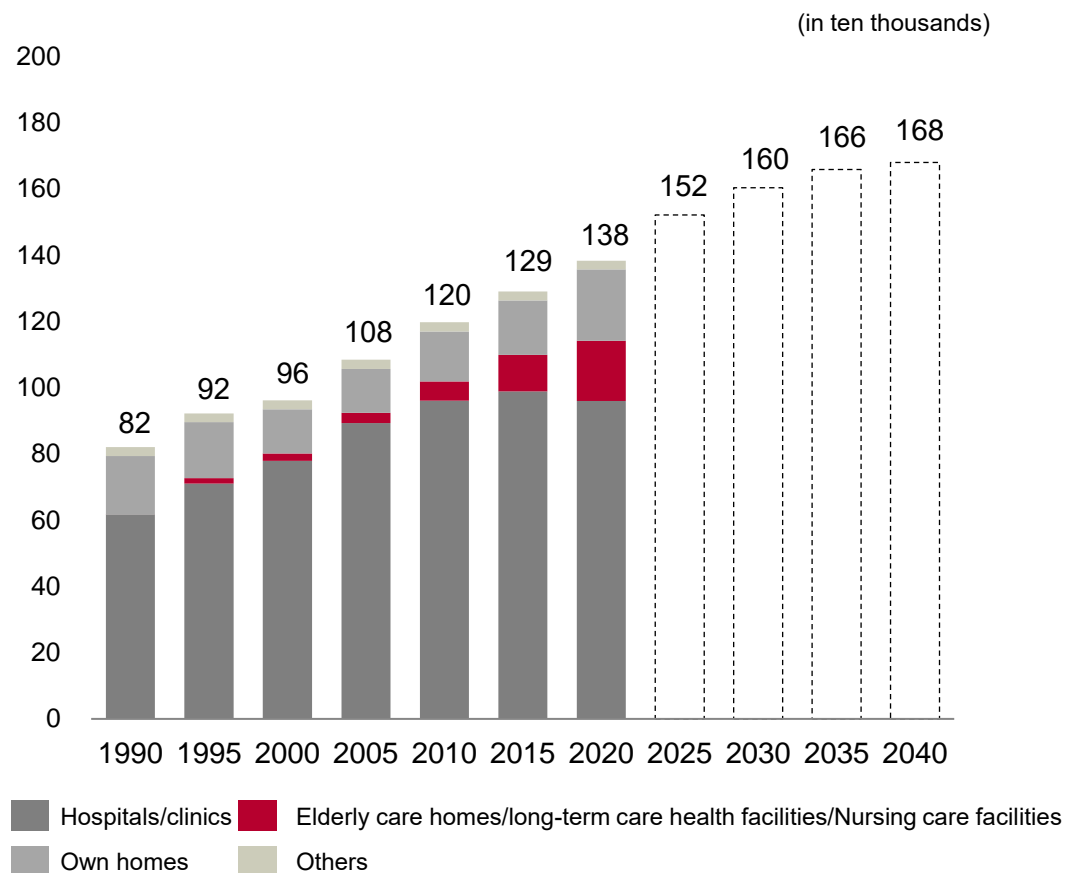
M&A execution support for medical institutions lacking successors

Improvement of recruitment and retention rate of the medical professionals

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⁾



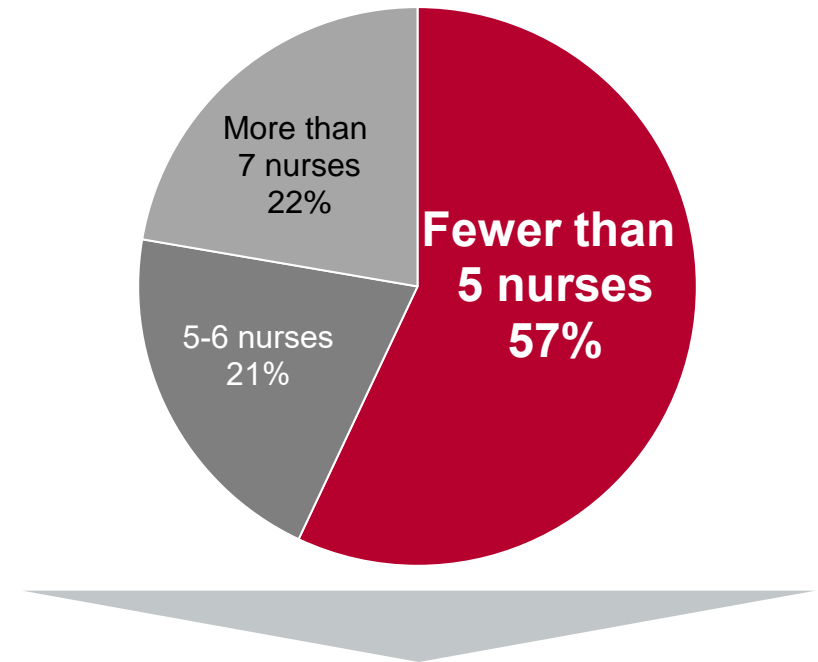
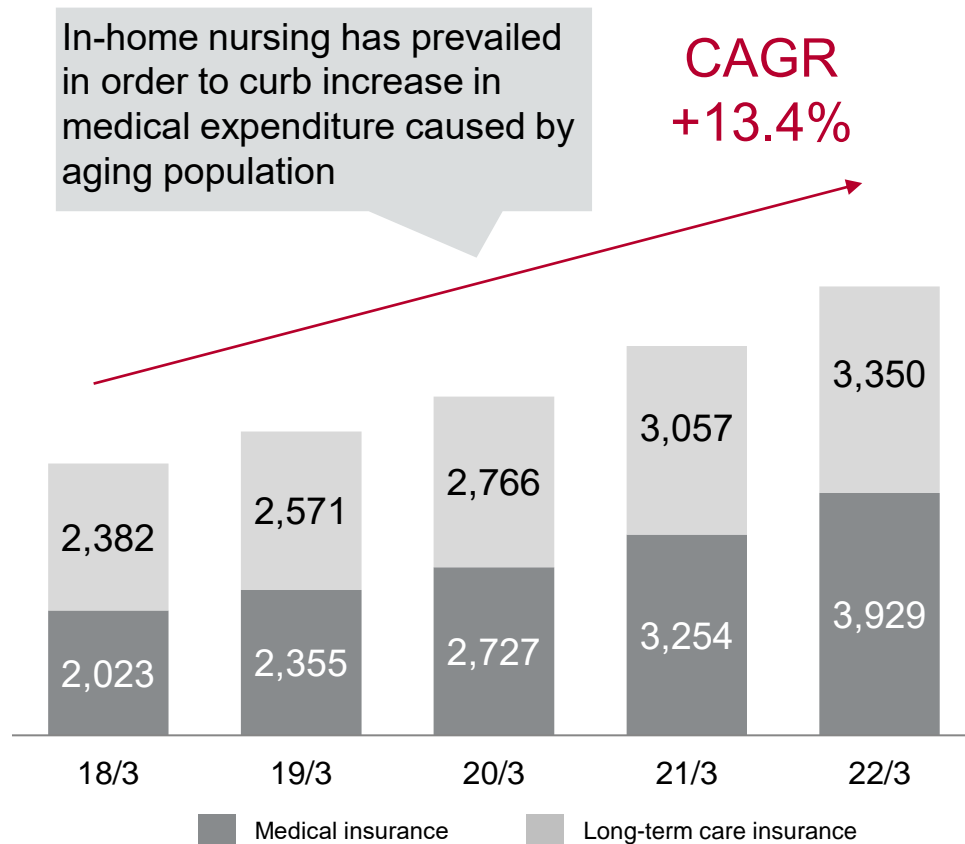
Demands for hospice facilities

- 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 **1.05 million** in 2022⁽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).

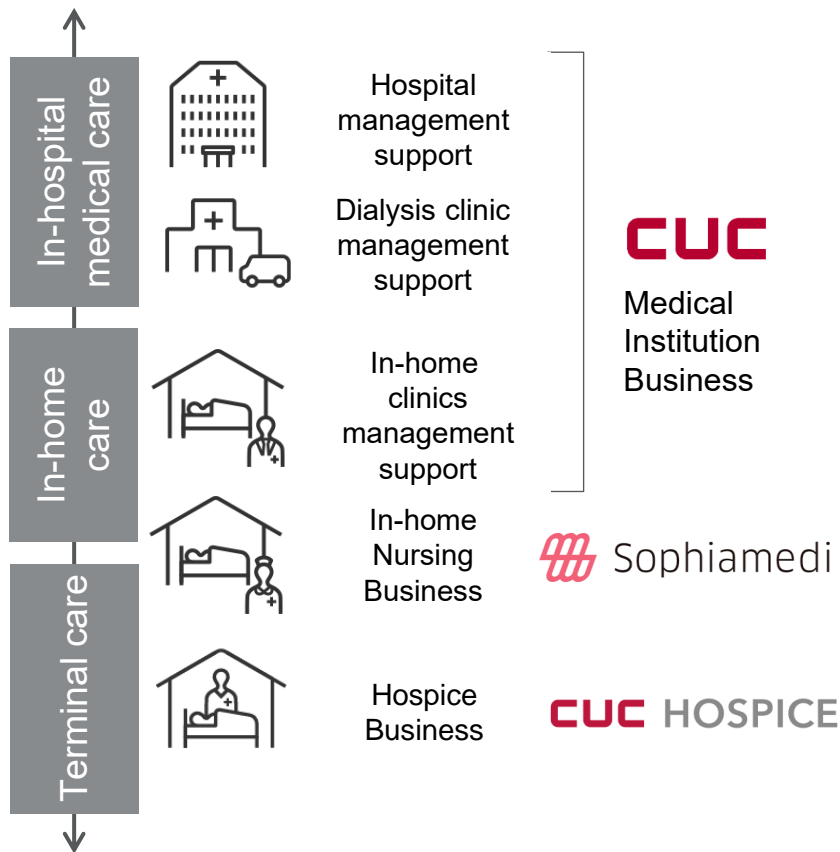
2. "Materials for the 220th Social Security Council Nursing Care Benefit Subcommittee Meeting (online conference) Reference 3" (Ministry of Health, Labour and Welfare).

Competitive Advantage

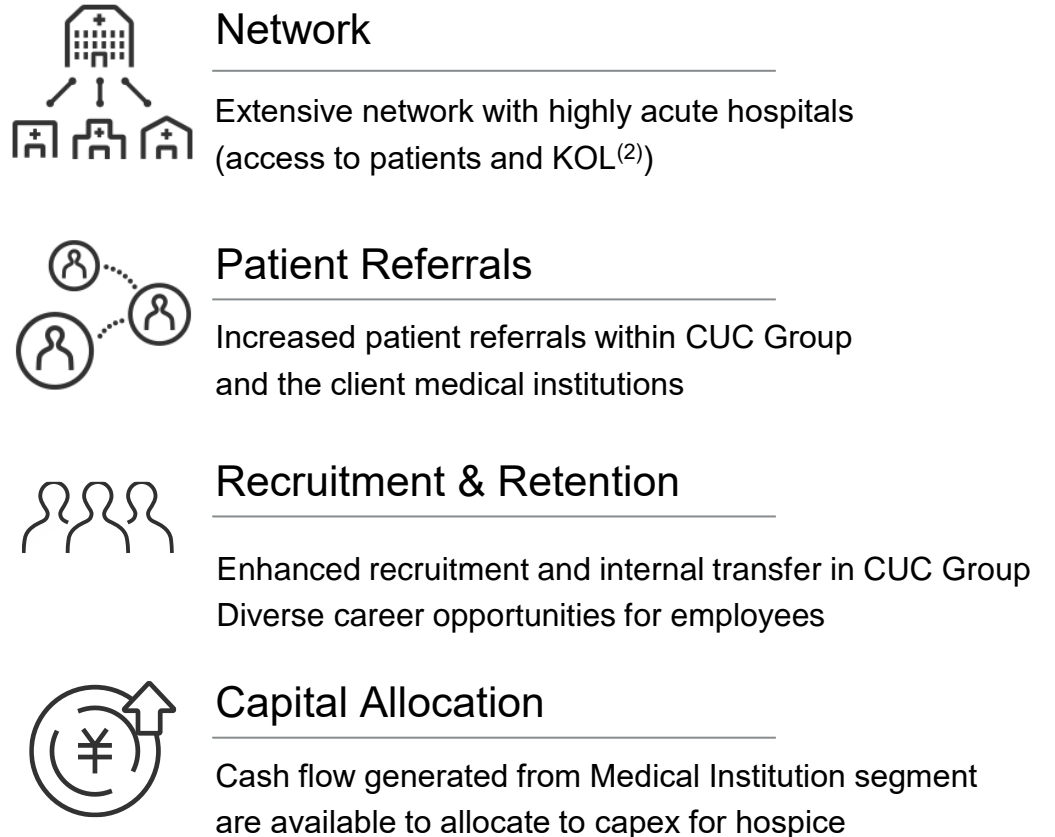
Vertically Integrated Platform (1/2)

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

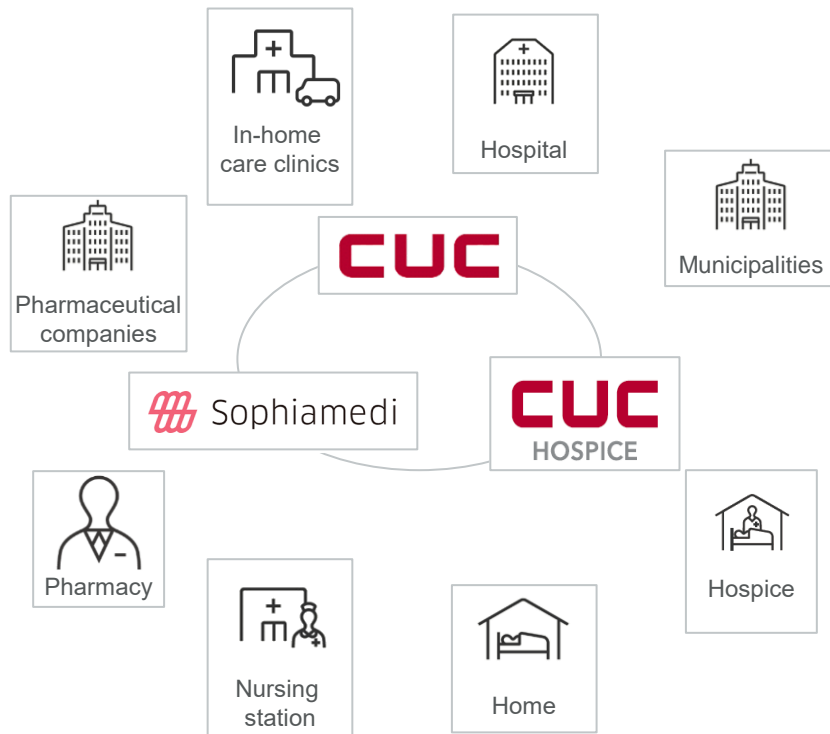


1. "Total Addressable Market": A total market demand for a product and service.
 2. "Key Opinion Leader": A person with great influence in many areas within the medical industry.

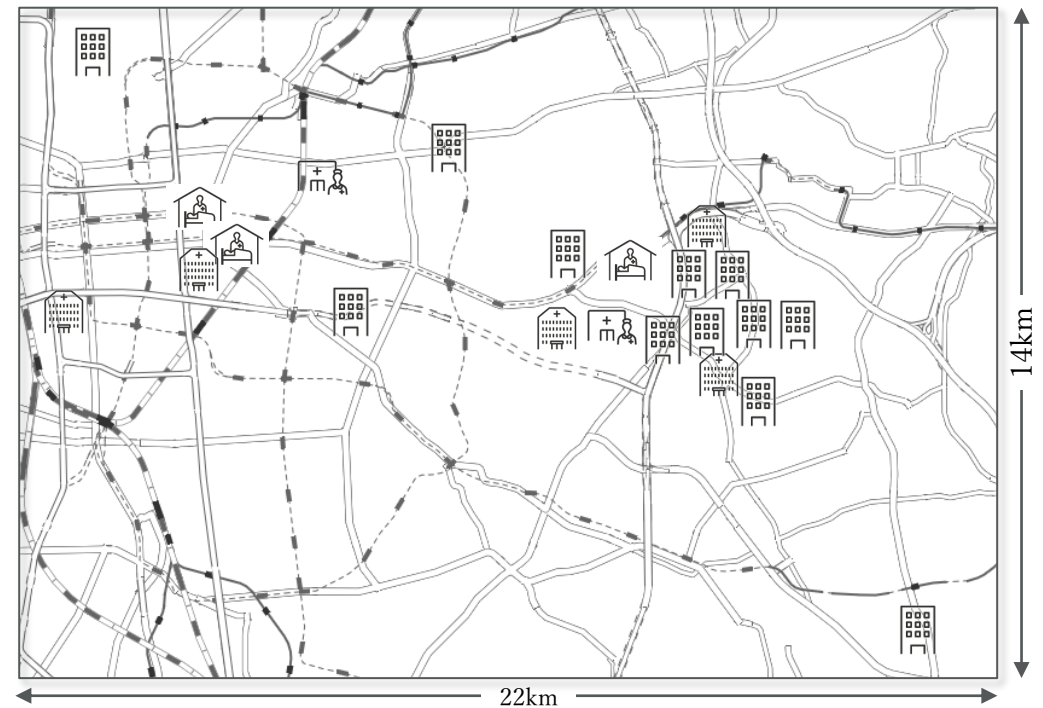
Vertically Integrated Platform (2/2)

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.

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

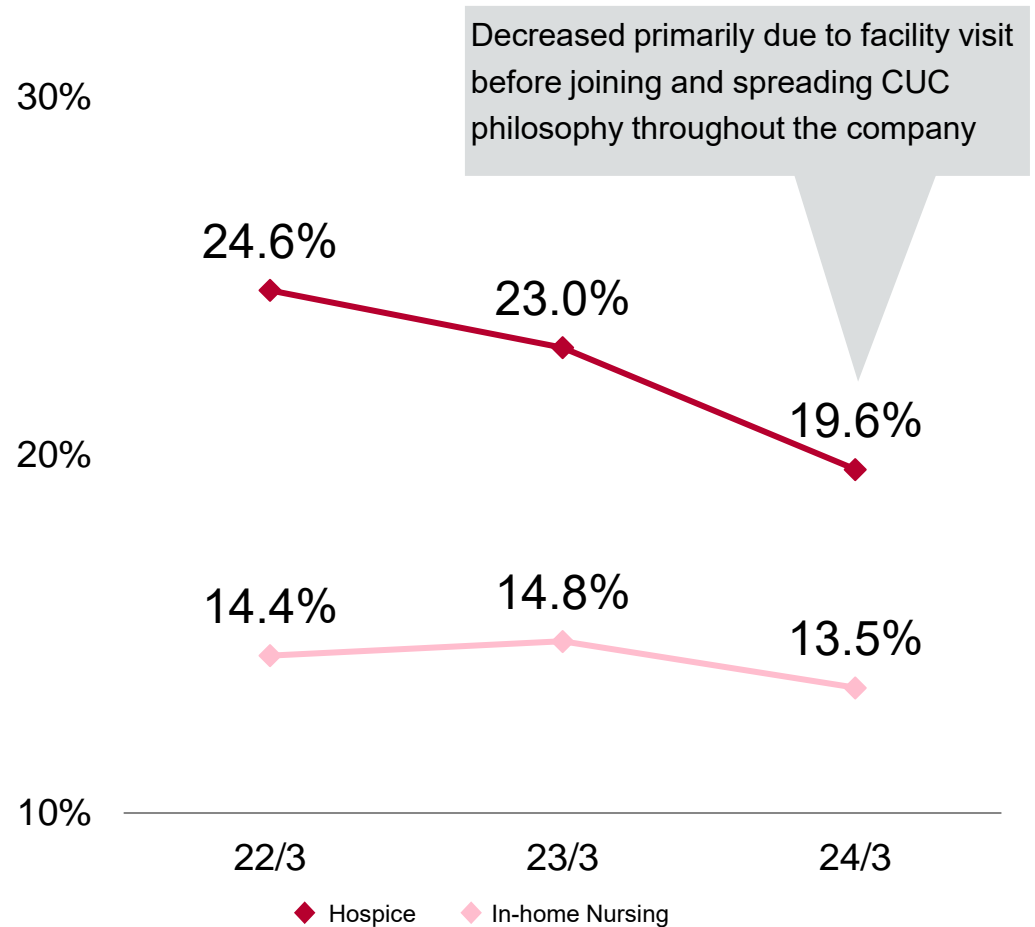
In-home Nursing segment



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

CUC's platform



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

| Major awards related to the work environment

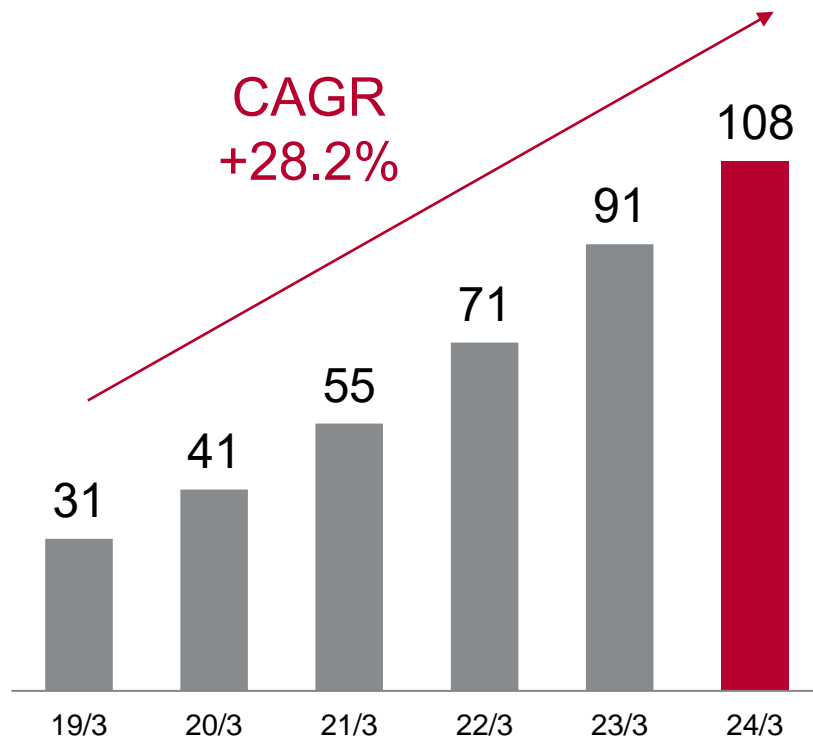


Growth Strategy

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

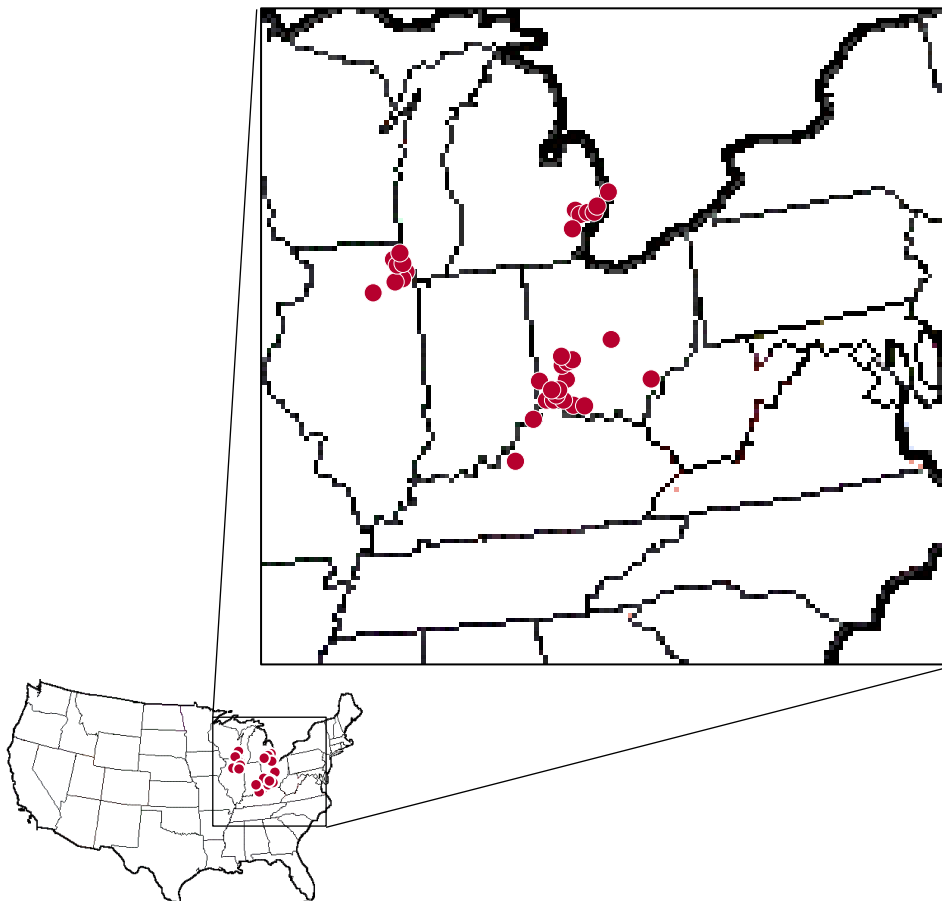
- Medical institutions have difficulties in accumulating and sharing operation know-how. CUC creates manuals describing detailed procedures to cover wide range of operations
- CUC supports establishment of an environment that enables business growth that is not reliant on specific individuals enhancing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

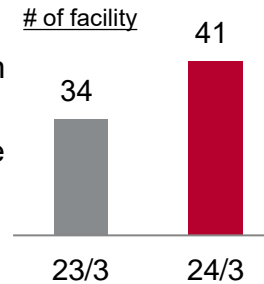
Pursuing further growth through expansion of facilities with capacity of 50 or more ⁽¹⁾ which are expected to generate relatively higher margin and through increase in their occupancy rate

Overview of 24/3

Initiatives for 25/3 onwards

Expand facilities with capacity of 50 or more

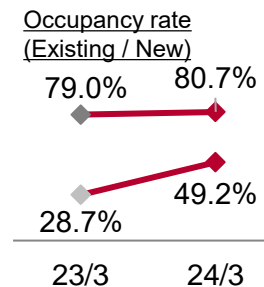
- Opened facilities with capacity of 50 or more (7 facilities in 24/3) with higher margin than small facilities opened in the past
- Capex for facilities whose agreements were executed on this FY with CAPEX of 450 to 600 million yen, lower than that of facilities opened recently



- 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

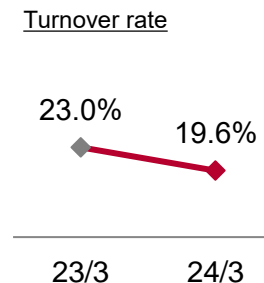
- Occupancy rate of new facilities increased by 20.5pt due to change in strategy for patient acquisition and staff allocation
- Occupancy rate of existing facilities also increased 1.7pt mainly due to nurses' patient acquisition activities



- 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

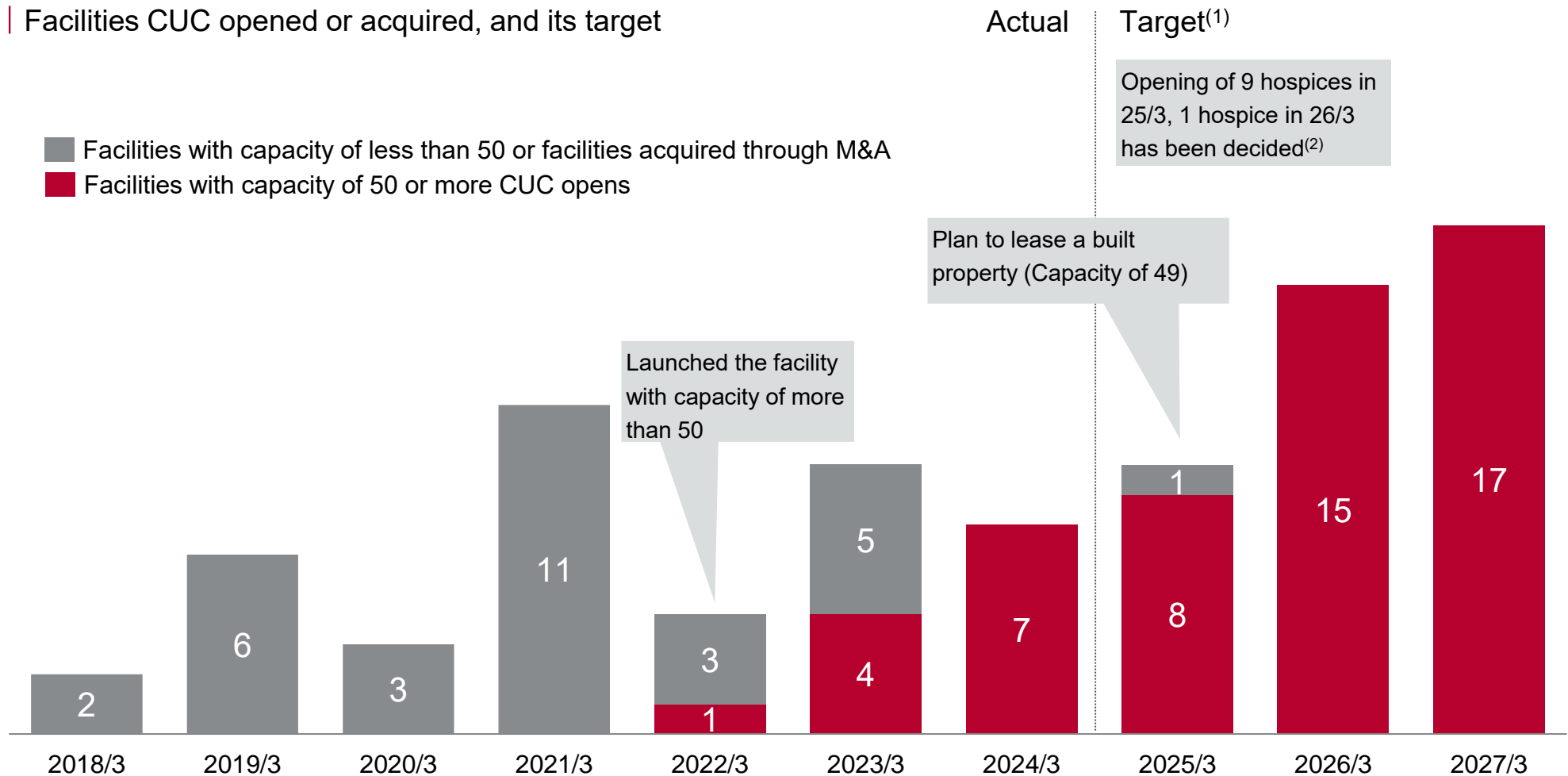


- Increase retention rate even more by providing environment for skill enhancement

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.

Growth Strategy of In-home Nursing Segment

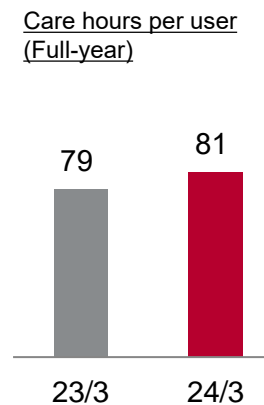
Aiming to reinforce capabilities to deal with patients of moderate and severe cases and to improve profitability by increasing # of users and efficiencies of visit

Overview of 24/3

Initiatives for 25/3 onwards

Reinforce capabilities to deal with patients of moderate and severe cases

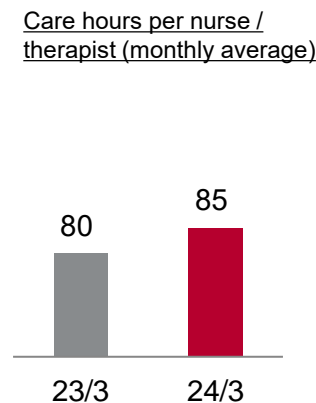
- Care hours per user increased from 79 to 81 hours YoY due to appropriate cross-sectional nursing assessment, reinforced relationships with medical institutions introducing patients to nursing stations and recruitment of nurses



- 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

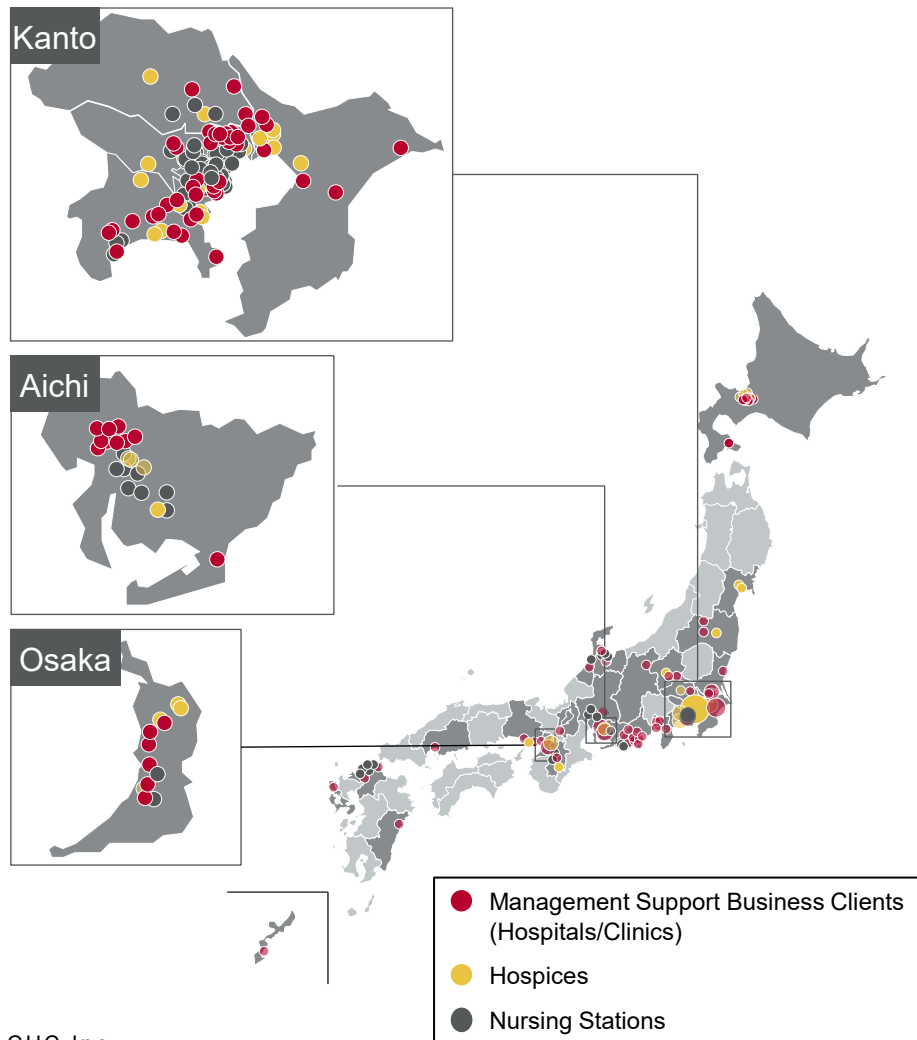


- Revise HR assessment process and thoroughly monitor progress on user acquisition activities on existing stations in order to improve care hours per nurse / therapist. No new openings of stations in 25/3
- Will focus on revenue growth again in 26/3 onwards after profitability is improved

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

Use of Proceeds from IPO

CUC raised 13,143 million yen at IPO and used 4,218 million yen in 2024/3 for new openings of hospice facilities. Remaining amount of 8,925 million yen will be used in 2025/3

Use of Proceeds	Total Proceeds	Used Amount 2024/3 (Actual)	Remaining Amount 2025/3 (Plan)
Financing for consolidated subsidiaries to open hospice facilities	13,143 million yen	4,218 million yen	8,925 million yen

- 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 and In-home Nursing 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.

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)	-	

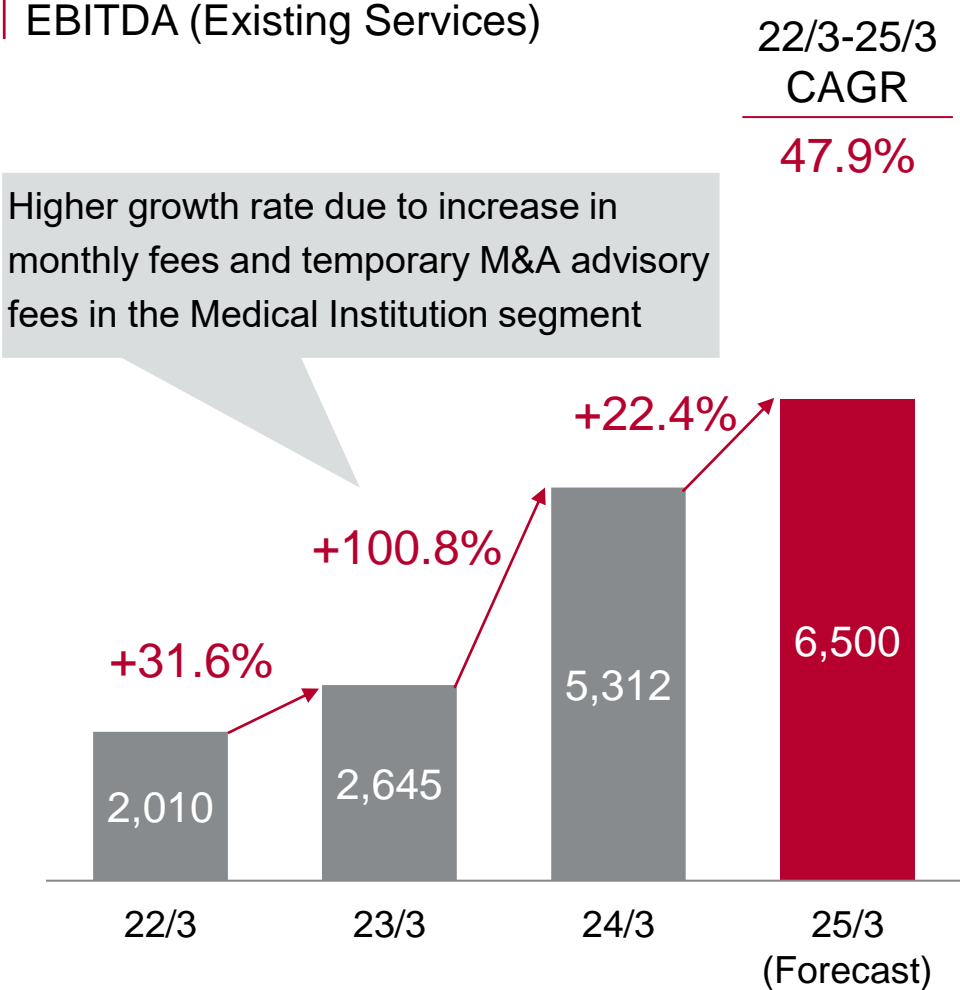
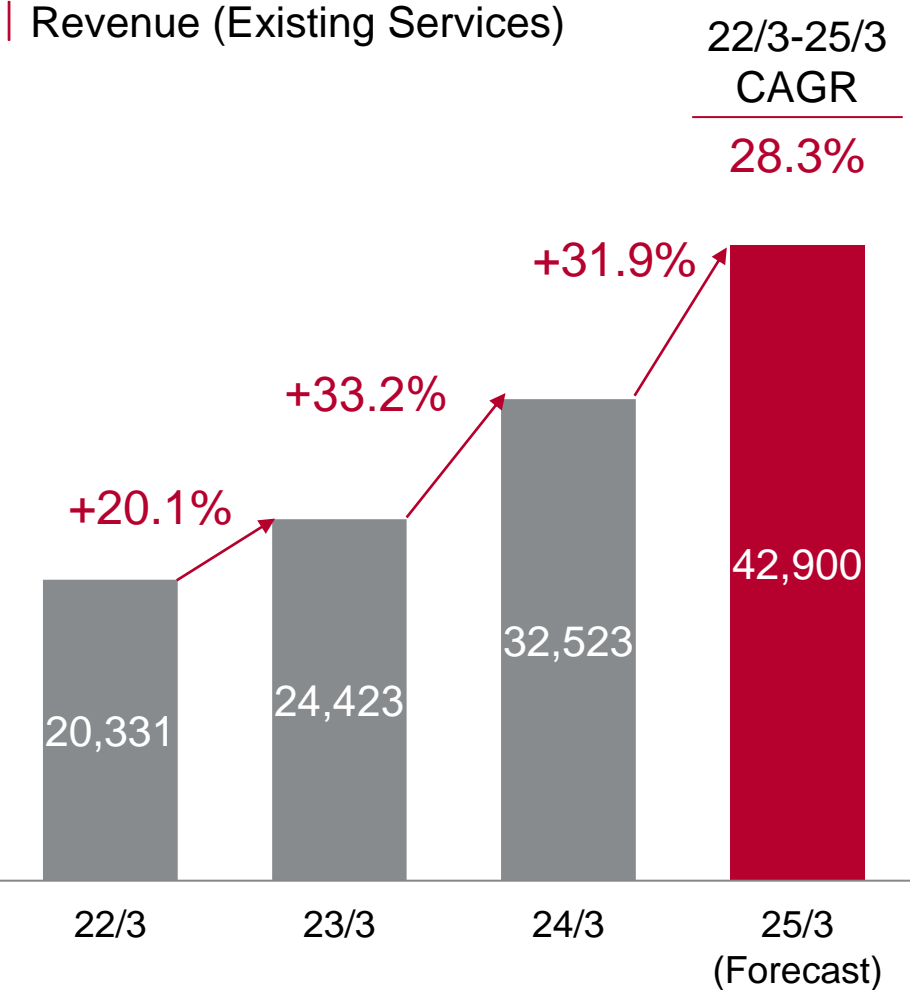
2025/3 Forecast (2/2)

(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

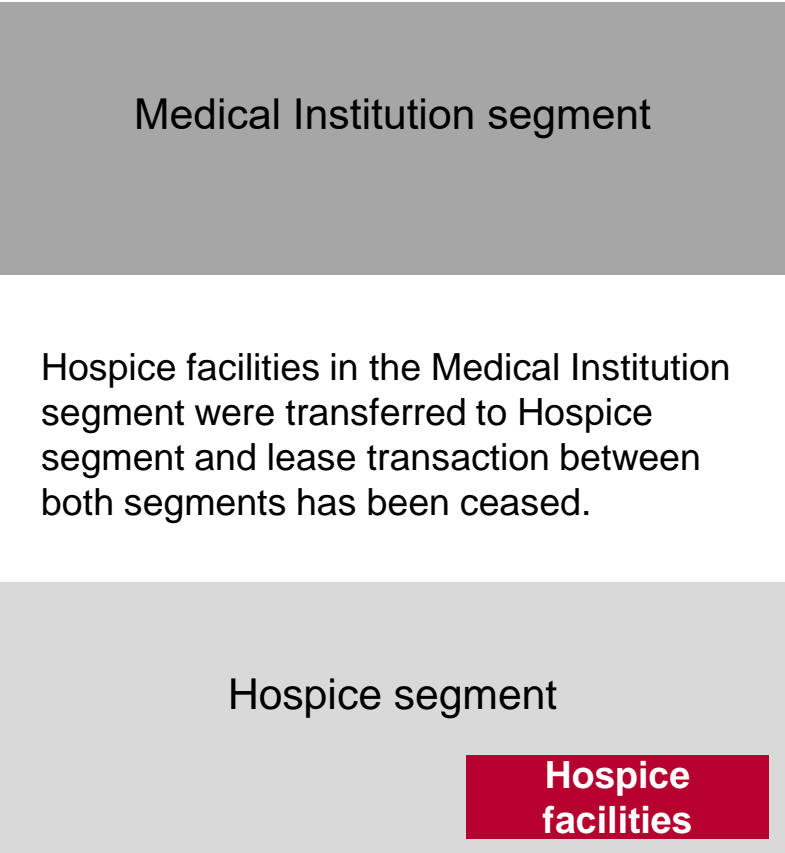
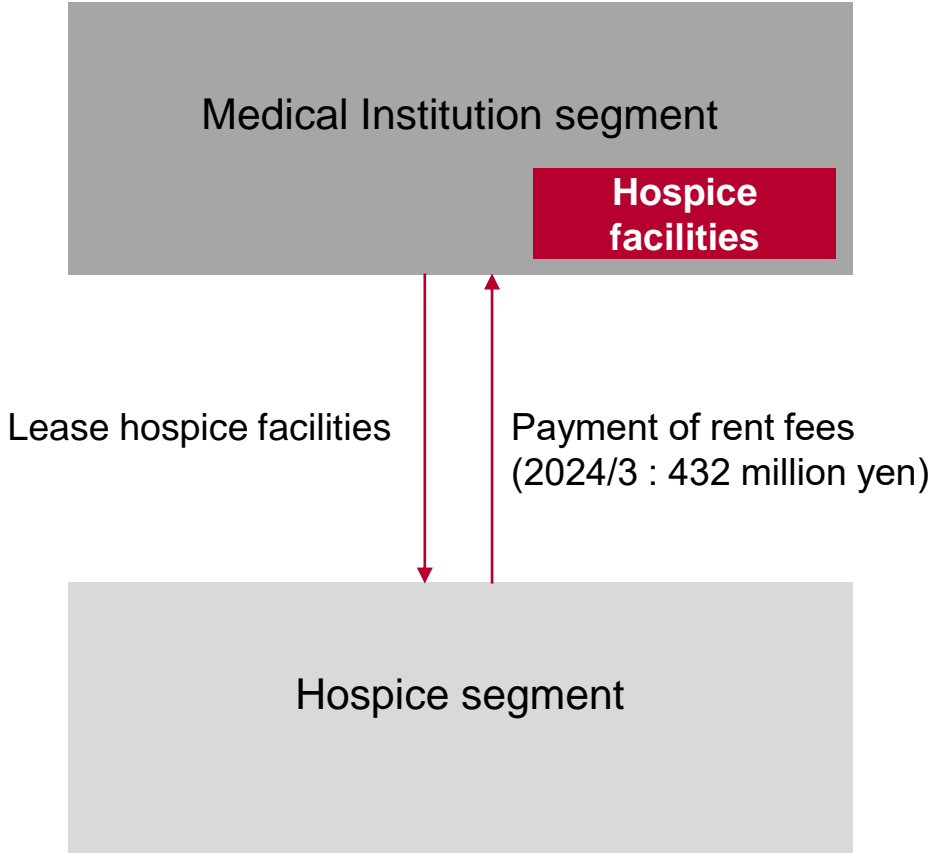


Transfer of Fixed Assets Related to Hospice Facilities

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)

Risks Related to Business and Actions to Mitigate Risks

Risks related to CUC group's business and countermeasures (1/2)

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 employees CUC 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 (2/2)

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

Item	Details	Actions to mitigate risks
<p>Relationship with the parent company group</p>	<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 6 directors and outside directors occupied one-third of board of directors to maintain independence of CUC. 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.
<p>Delay in new openings of hospice facilities</p>	<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.

Appendix

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).

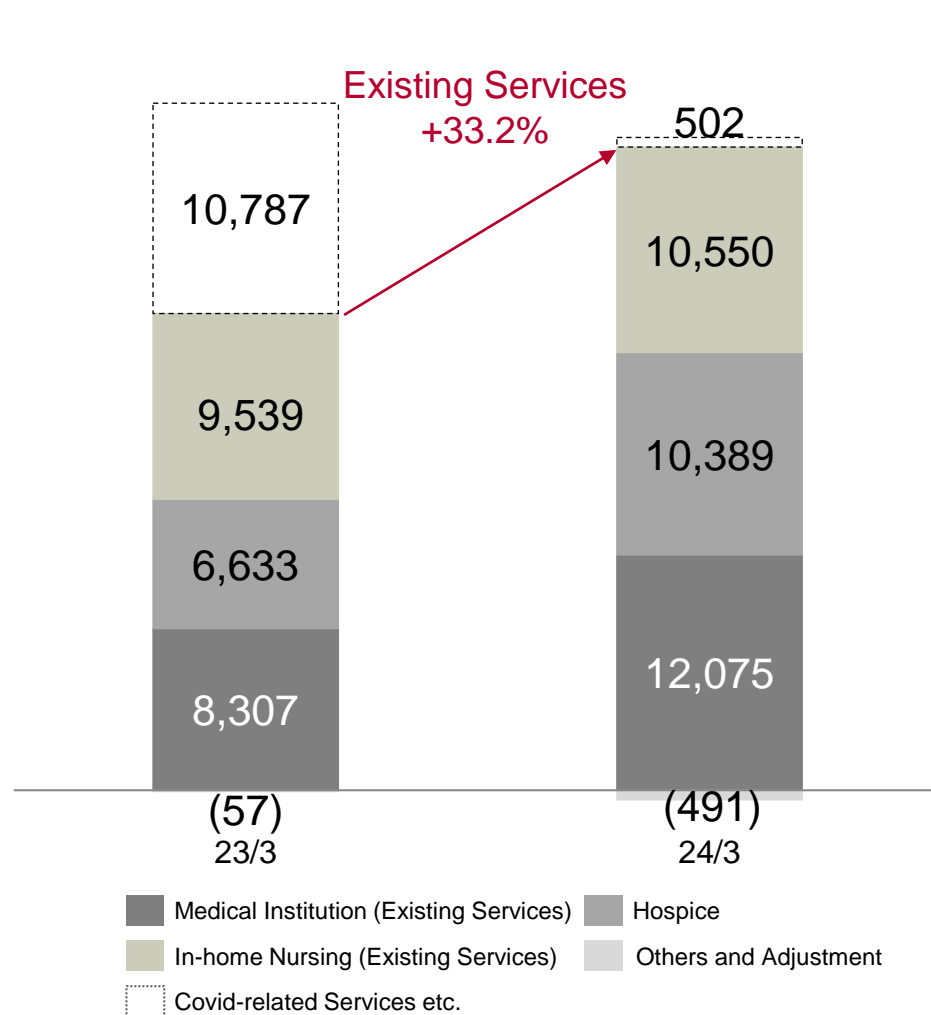
3. EBITDA = Operating profit + depreciation and amortization expenses ± other income and expenses (the same applies hereinafter).

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

Consolidated Financial Results (Full-year)

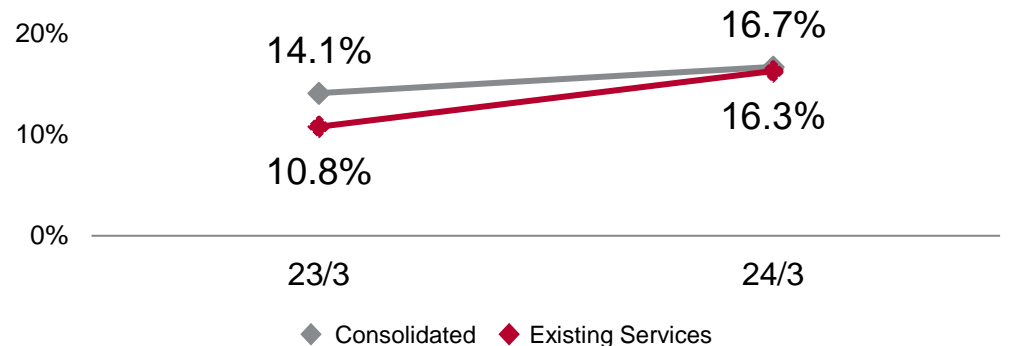
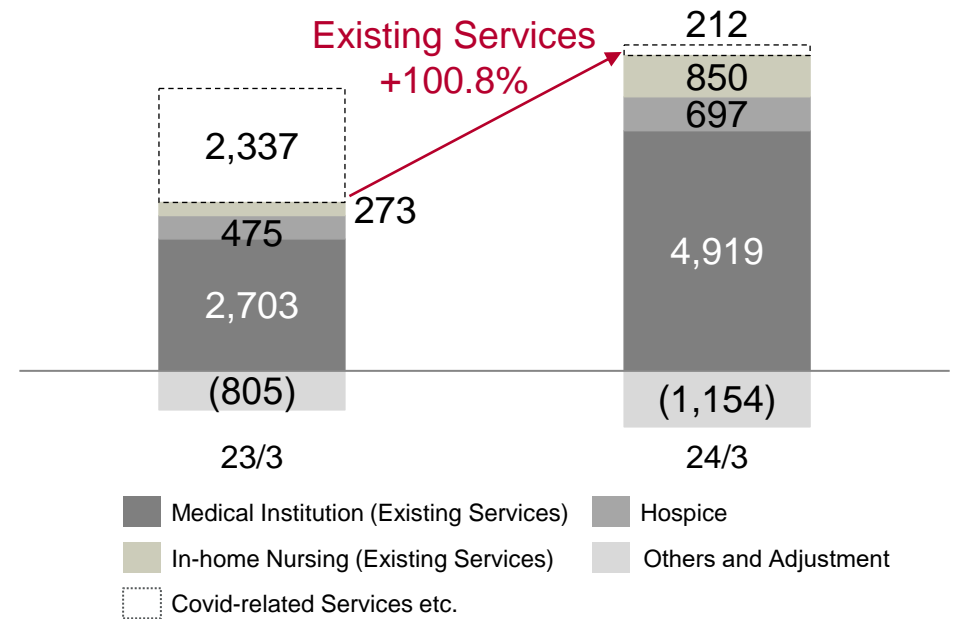
Revenue from Existing Services grew 33.2%. EBITDA and EBITDA margin from Existing Services increased significantly

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%

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

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)

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) 61

Disclaimer

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

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

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

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