



# CUC Inc.

Financial results for the quarter ended December 2023

# Consolidated Financial Results

# Consolidated Financial Results (YTD)

Revenue and EBITDA from Existing Services increased while consolidated revenue and EBITDA decreased due to a steep decline of New Services related to Covid-19

(Million Yen)

	2023/3 Q3 (YTD)	2024/3 Q3 (YTD)	Change	%
Revenue	27,445	23,368	(4,078)	(14.9%)
- Existing Services <sup>(1)</sup>	17,736	22,869	+5,133	+28.9%
- New Services <sup>(2)</sup>	9,709	499	(9,210)	(94.9%)
EBITDA <sup>(3)</sup>	4,025	3,834	(191)	(4.7%)
- Existing Services <sup>(1)(4)</sup>	1,905	3,614	+1,709	+89.7%
- New Services <sup>(2)(4)</sup>	2,120	220	(1,900)	(89.6%)
Net income attributable to CUC shareholders	2,144	1,500	(644)	(30.0%)

1. CUC group's services except for the New Services (the same applies hereinafter).

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

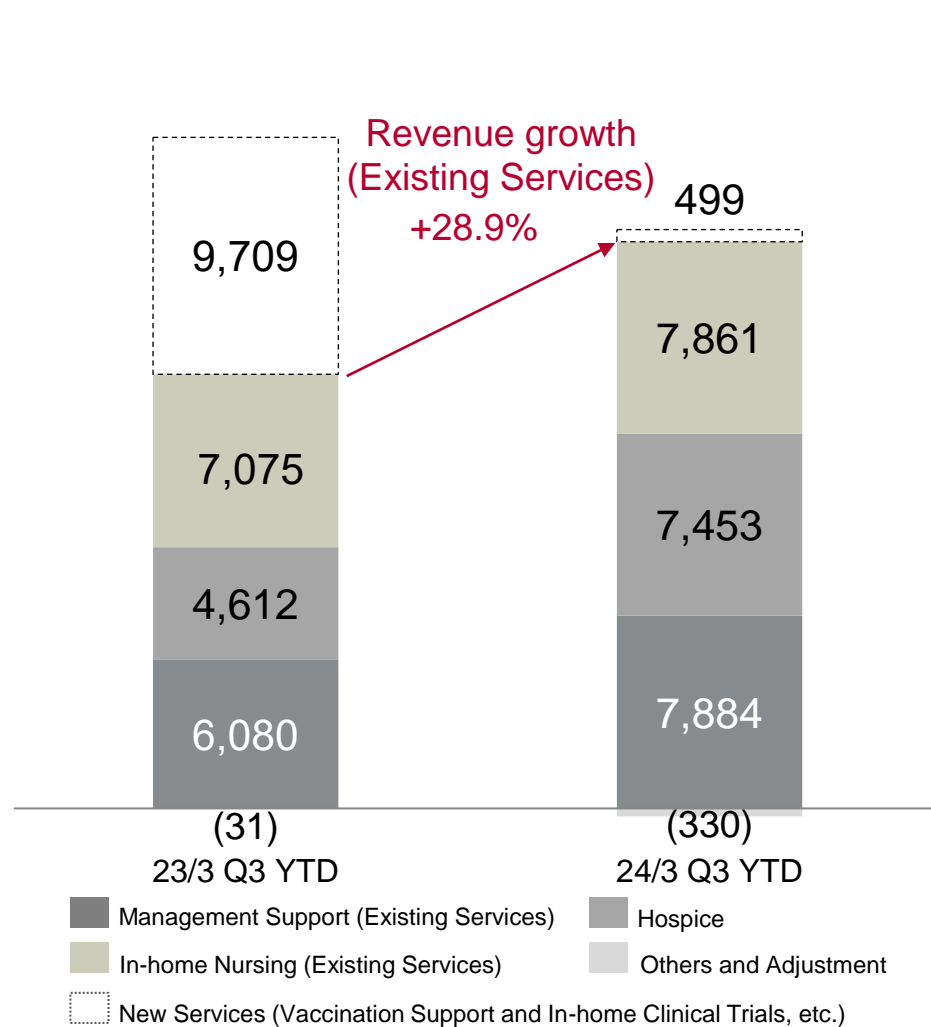
3. EBITDA = Operating profit + depreciation and amortization expenses ± other income and expenses (the same applies hereinafter).

4. EBITDA from Existing Services and New Services are based on management accounting figures (the same applies hereinafter).

# Consolidated Financial Results (YTD)

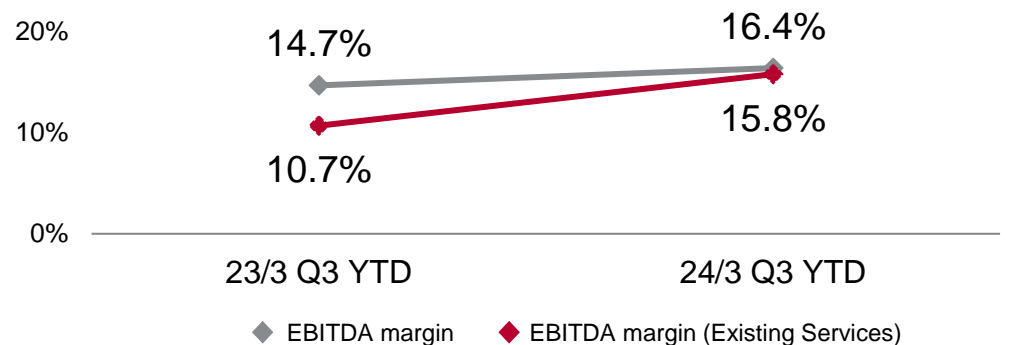
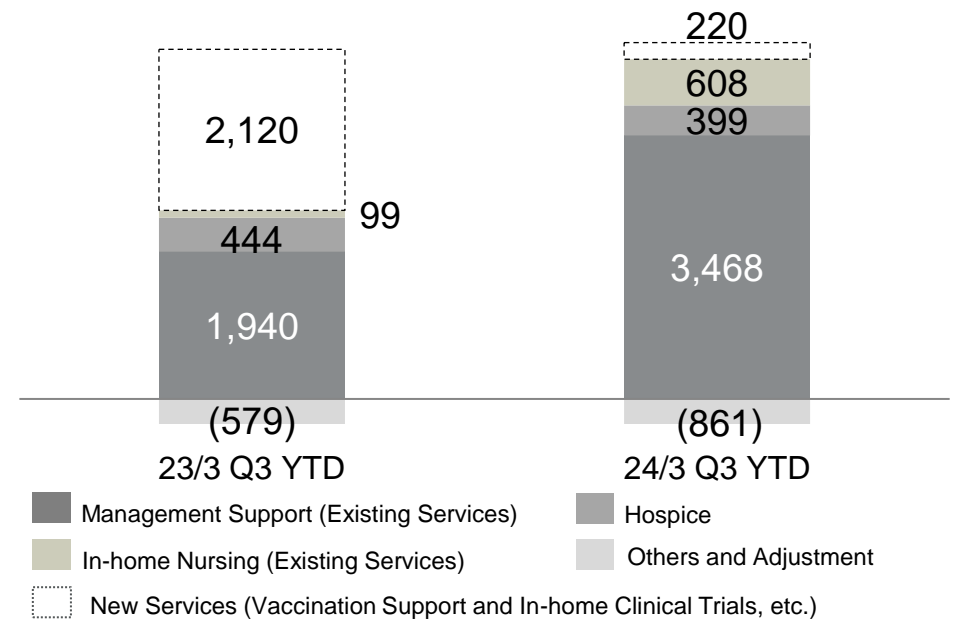
Revenue from Existing Services grew 28.9%. EBITDA and EBITDA margin from Existing Services increased significantly

Revenue



(Million Yen) | EBITDA and EBITDA margin

(Million Yen)



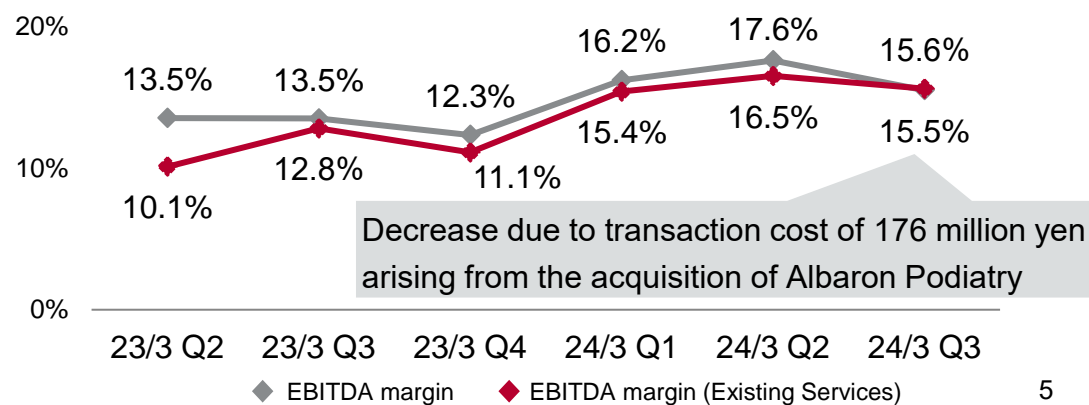
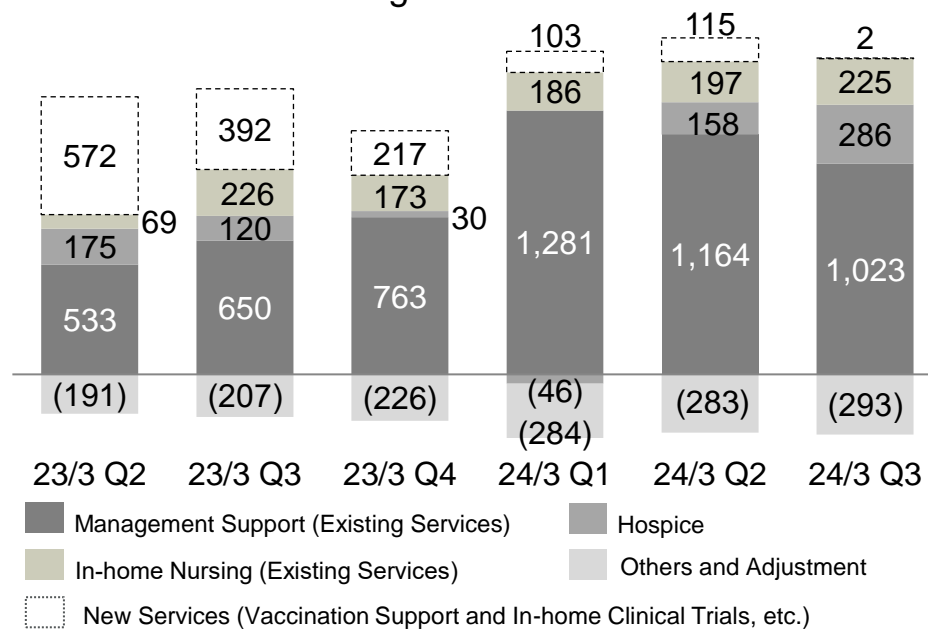
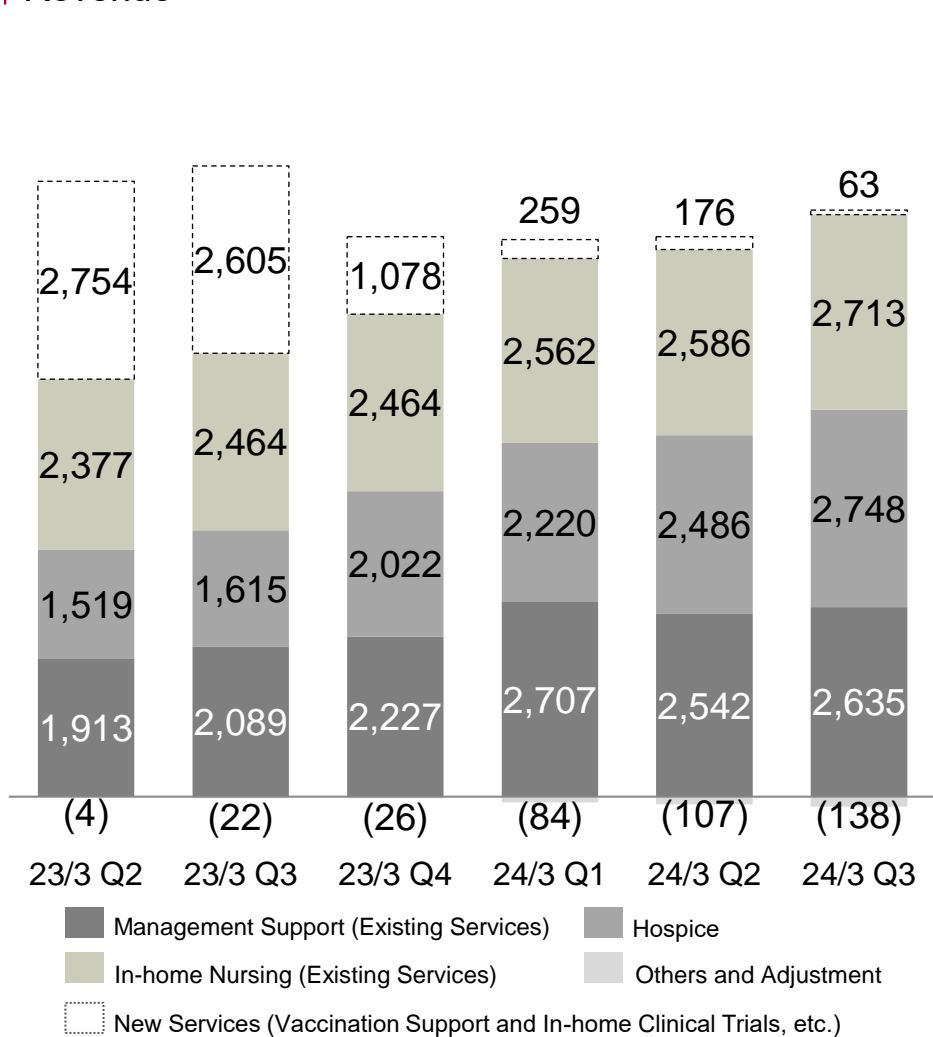
# Consolidated Financial Results (Quarterly)

Revenue from Existing Services increased compared to 2024/3 Q2. EBITDA margin from Existing Services decreased about 1% point due to transaction cost arising from the acquisition of Albaron Podiatry Holdings<sup>(1)</sup>

## Revenue

## (Million Yen) | EBITDA and EBITDA margin

(Million Yen)



# Summary of Consolidated Statement of Financial Position

(Million Yen)	2023/3	2023/9	2023/12
<b>Current Assets</b>	<b>12,732</b>	<b>28,510</b>	<b>26,425</b>
Cash and cash equivalents	4,120	20,004	17,532
Trade and other receivables	8,240	8,155	8,484
<b>Non-current assets</b>	<b>27,018</b>	<b>30,275</b>	<b>31,609</b>
Property, plant and equipment	7,350	9,547	11,173
Right-of-use assets	4,712	5,969	5,850
Goodwill	4,723	4,844	4,785
Intangible assets	2,775	2,699	2,649
<b>Total assets</b>	<b>39,750</b>	<b>58,786</b>	<b>58,034</b>

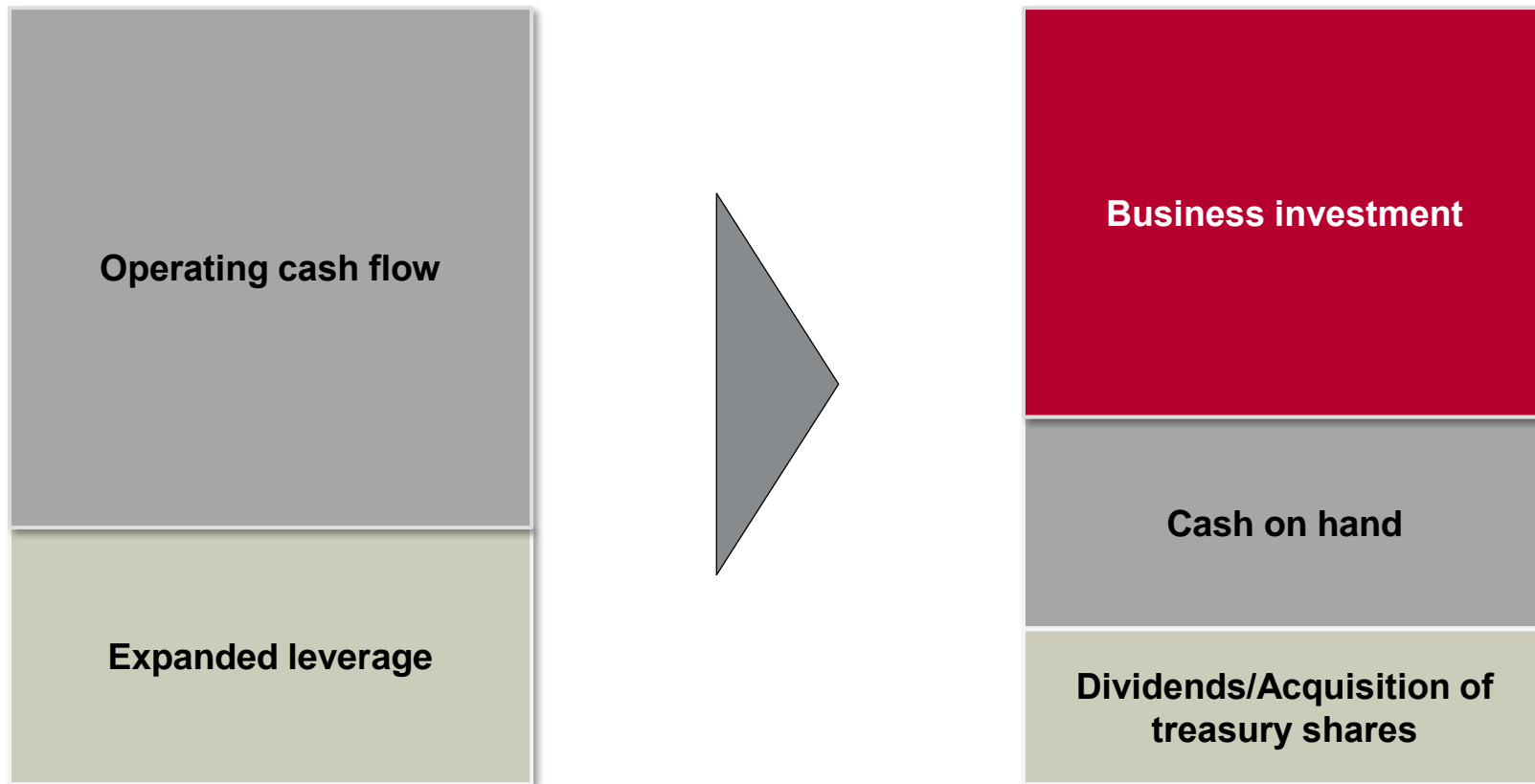
	2023/3	2023/9	2023/12
<b>Current liabilities</b>	<b>21,290</b>	<b>7,605</b>	<b>7,229</b>
Trade and other payables	2,155	1,839	1,953
Borrowings	16,040	2,000	2,000
Lease liabilities	889	988	981
<b>Non-current liabilities</b>	<b>6,540</b>	<b>25,149</b>	<b>24,496</b>
Borrowings	-	17,426	16,930
Lease liabilities	4,523	5,627	5,499
<b>Total liabilities</b>	<b>27,830</b>	<b>32,754</b>	<b>31,726</b>
<b>Total equity</b>	<b>11,920</b>	<b>26,031</b>	<b>26,309</b>
Share capital	1,063	7,669	7,669
Capital surplus	1,258	7,761	7,761
Retained earnings	7,715	8,753	9,215
Other components of equity	1,669	1,590	1,421
<b>Equity attributable to CUC shareholders</b>	<b>11,704</b>	<b>25,774</b>	<b>26,066</b>
Non-controlling interests	216	258	242
<b>Total liabilities and equity</b>	<b>39,750</b>	<b>58,786</b>	<b>58,034</b>

**1** Decreased by 2,472 million yen primarily due to the Capex for construction of hospices, repayment of long-term borrowings and payment of income taxes

**2** Increased by 1,626 million yen primarily due to the construction of hospices

# 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 the construction of hospice facilities and M&As. CUC will consider leveraging while monitoring Net debt/EBITDA ratio and ratio of equity attributable to CUC shareholders



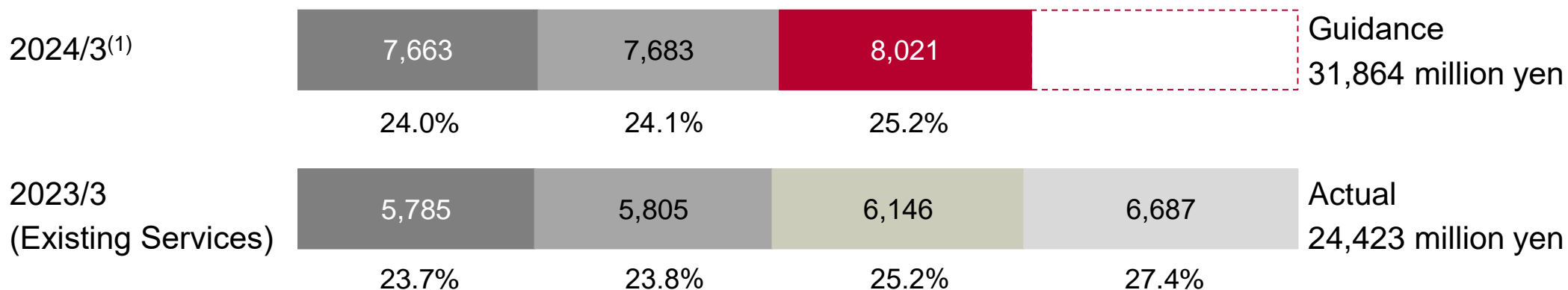
# Progress Against Guidance



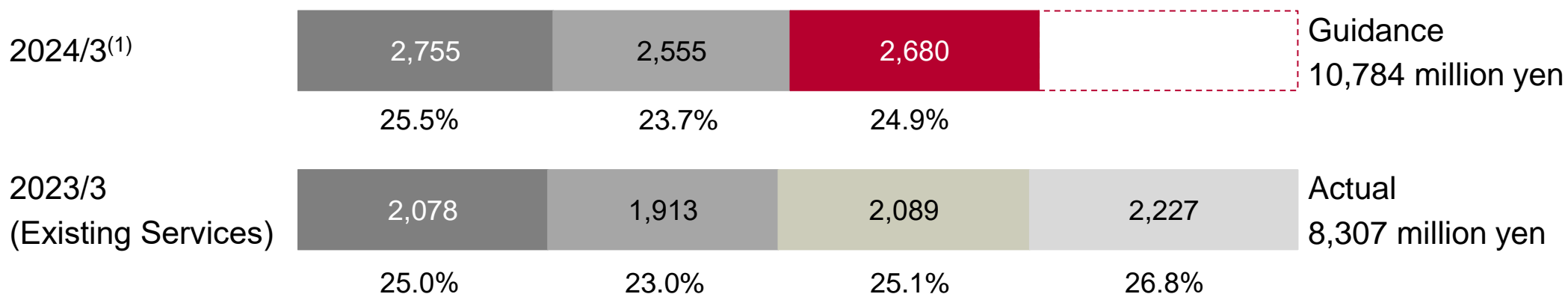
# Revenue Progress Against Guidance (1/2)

Consolidated revenue and revenue from Management Support segment have progressed at a pace exceeding the previous year

## Consolidated



## Management Support Segment

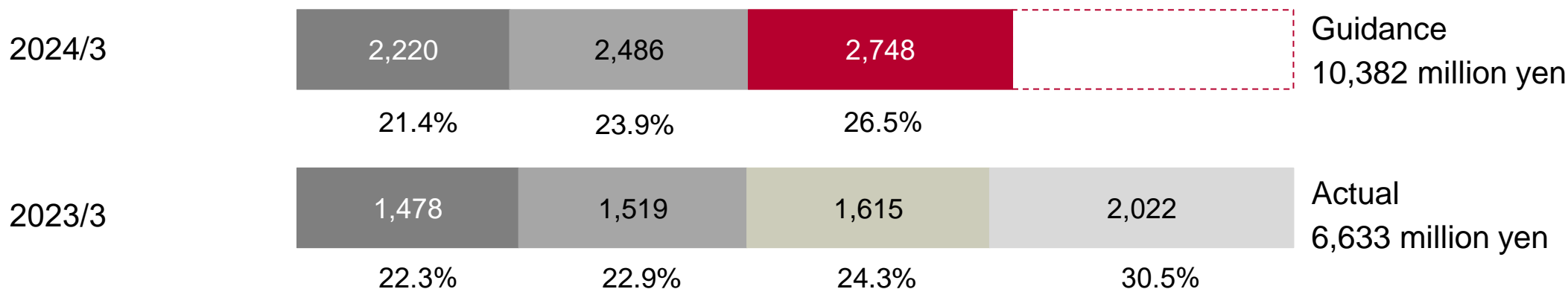


1. Including revenue from New Services with marginal impact.

# Revenue Progress Against Guidance (2/2)

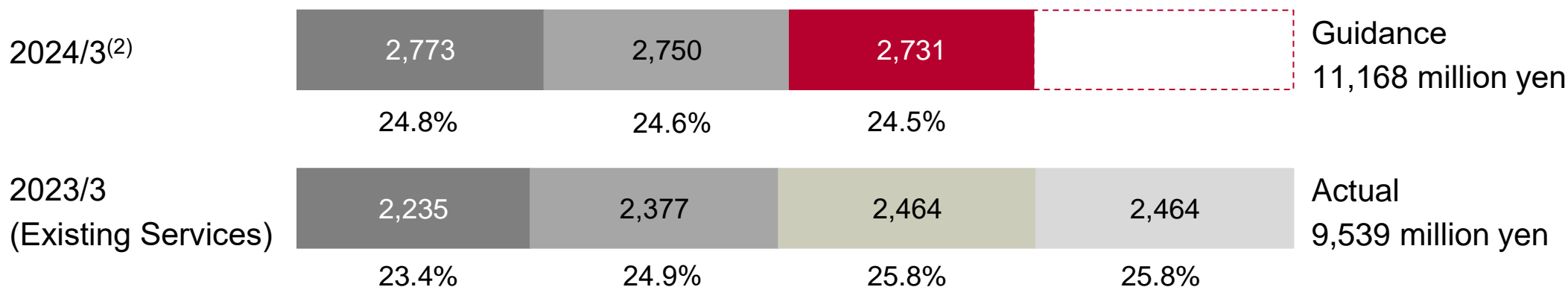
Hospice accelerated revenue growth in 24/3 Q3 compared to 24/3 Q2. Revenue from In-home Nursing decreased slightly compared to 24/3 Q2 due to decrease in New Services

## Hospice Segment



Increased due to the acquisition of Nature group<sup>(1)</sup> in Jan 2023

## In-home Nursing Segment



1. Nature Inc., A&N Inc. and You Inc. (the same applies hereinafter)  
 2. Including revenue from New Services with marginal impact.

# Financial Results by Segment

# Financial Results by Segment (1/2)

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

(Million Yen)

	2023/3 Q3 (YTD)	2024/3 Q3 (YTD)	Change	%
Revenue	27,445	23,368	(4,078)	(14.9%)
Management Support segment	13,587	7,991	(5,597)	(41.2%)
- Existing Services	6,080	7,884	+1,804	+29.7%
- New Services	7,507	106	(7,401)	(98.6%)
Hospice segment	4,612	7,453	+2,841	+61.6%
In-home Nursing segment	9,277	8,254	(1,024)	(11.0%)
- Existing Services	7,075	7,861	+786	+11.1%
- New Services	2,202	393	(1,809)	(82.2%)
Others and Adjustment	(31)	(330)	(298)	-

## Financial Results by Segment (2/2)

EBITDA from Existing Services of Management Support and In-home Nursing segment increased while EBITDA from Hospice segment decreased year-on-year

(Million Yen)

	2023/3 Q3 (YTD)	2024/3 Q3 (YTD)	Change	%
EBITDA	4,025	3,834	(191)	(4.7%)
Management Support segment	2,724	3,451	+728	+26.7%
- Existing Services	1,940	3,468	+1,528	+78.8%
- New Services	783	(17)	(801)	-
Hospice segment	444	399	(46)	(10.3%)
In-home Nursing segment	1,436	845	(590)	(41.1%)
- Existing Services	99	608	+509	+511.4%
- New Services	1,336	237	(1,099)	(82.3%)
Others and Adjustment	(579)	(861)	(282)	-

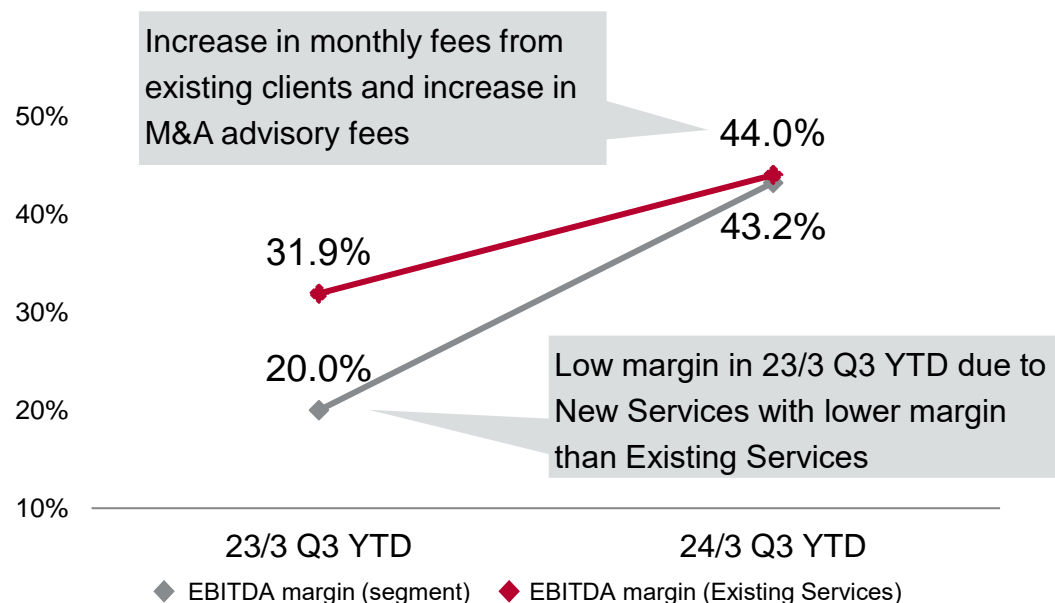
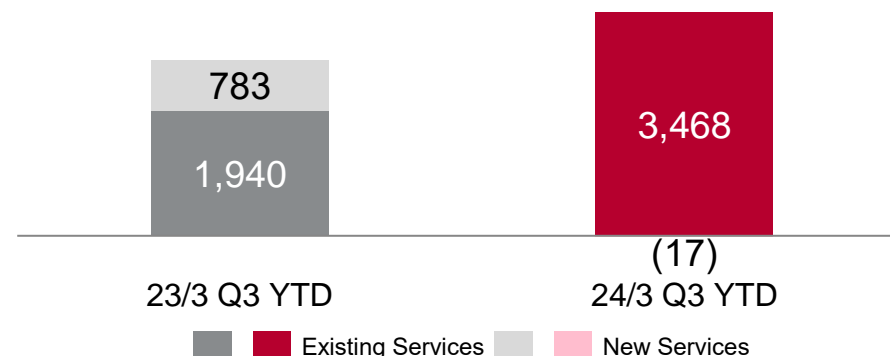
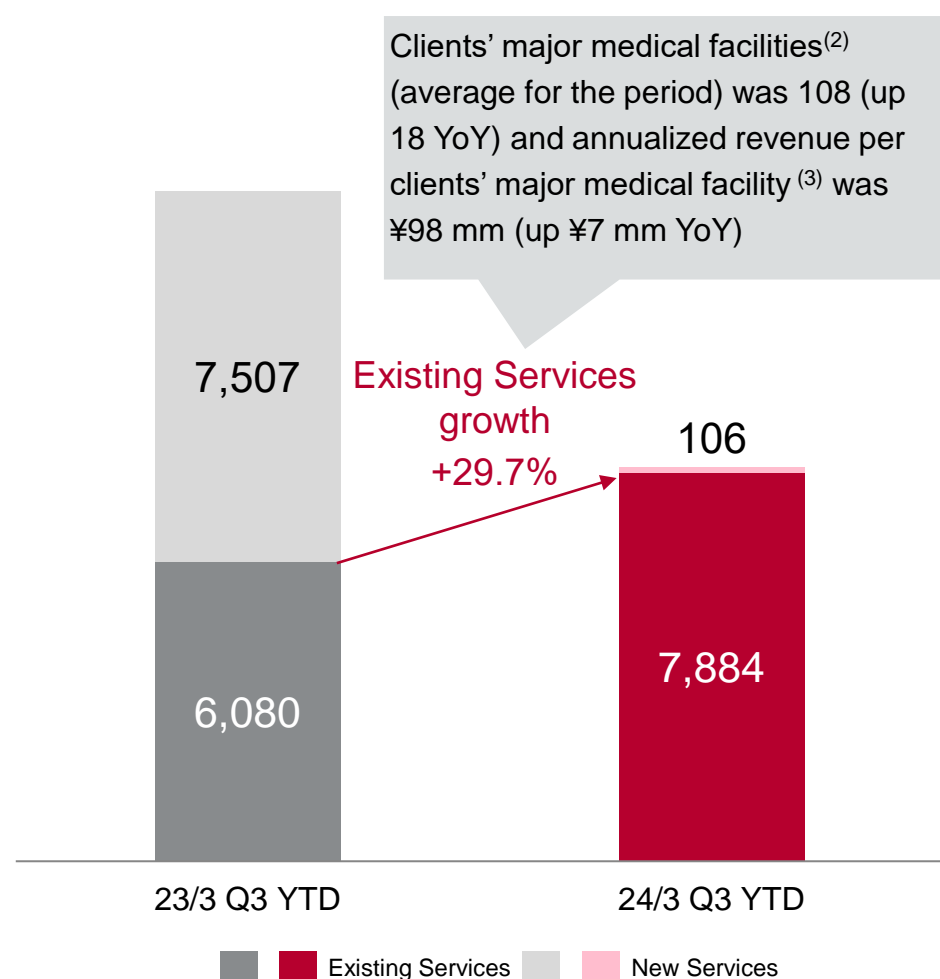
# Financial Results of Management Support Segment (YTD)

Revenue from Existing Services grew 29.7%. EBITDA margin was 44.0% primarily due to increase in monthly fees from existing clients and increase in M&A advisory fee<sup>(1)</sup>

## Revenue

## (Million Yen) | EBITDA and EBITDA margin

(Million Yen)



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

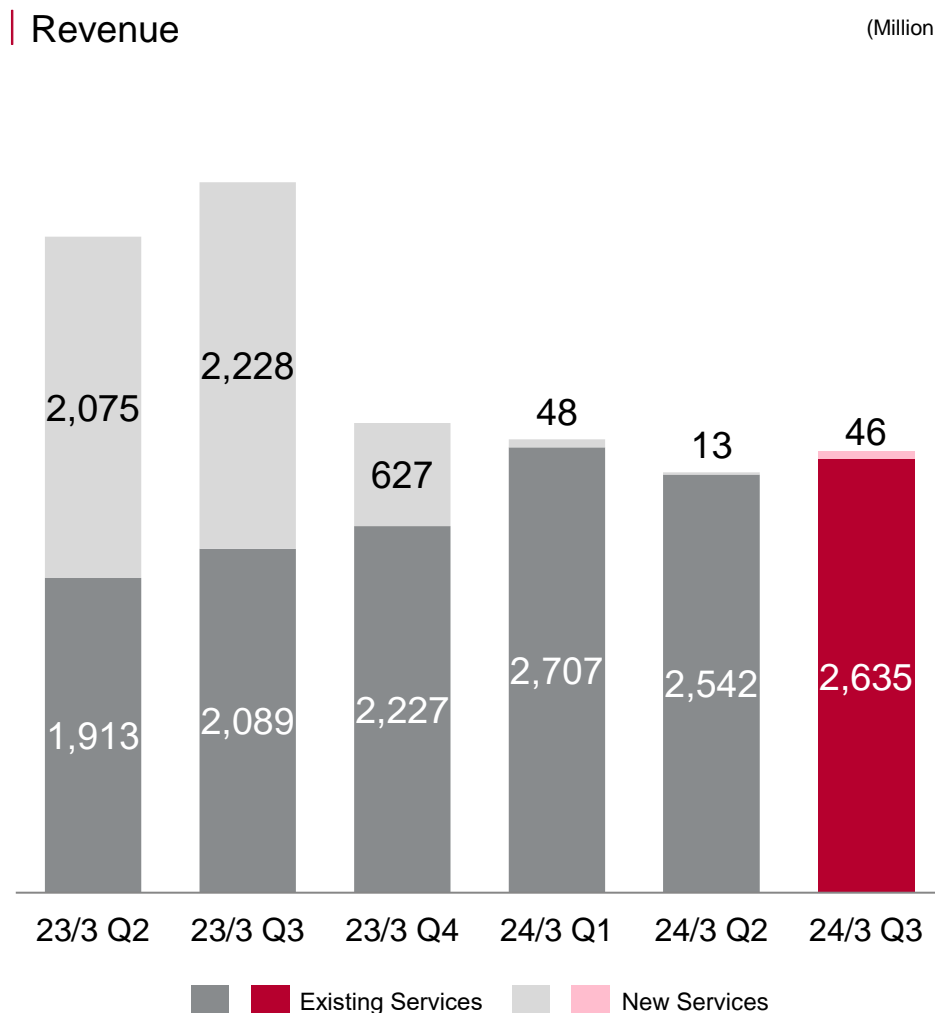
2. Number of hospitals, long-term care health facilities, in-home care clinics, dialysis clinics, and outpatient clinics that CUC provides management support. The average of the number at the beginning of the period and the number at the end of the period.

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

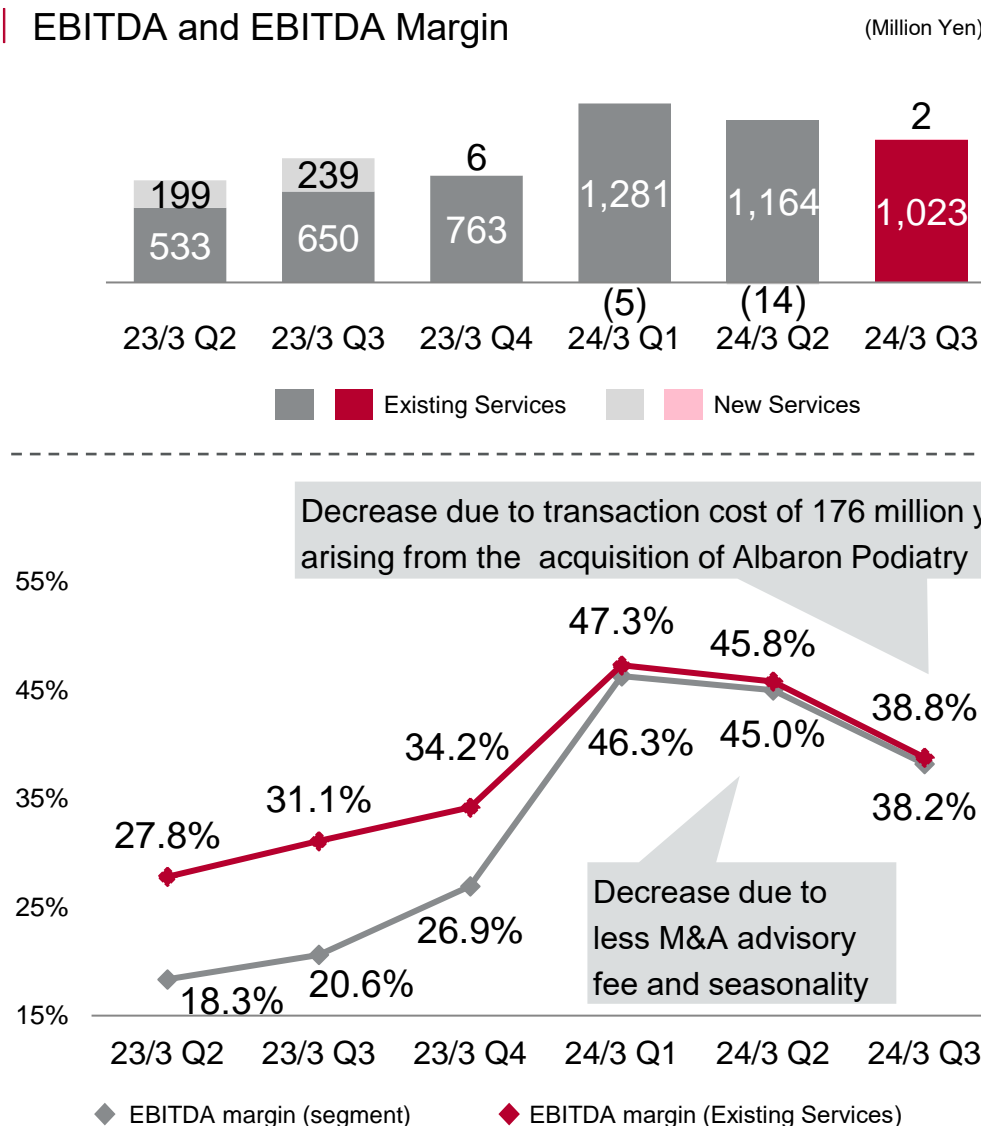
# Financial Results of Management Support Segment (Quarterly)

EBITDA margin from Existing Services decreased by about 7% point compared to 24/3 Q2 due to the transaction cost arising from the acquisition of Albaron Podiatry Holdings <sup>(1)</sup>

## Revenue

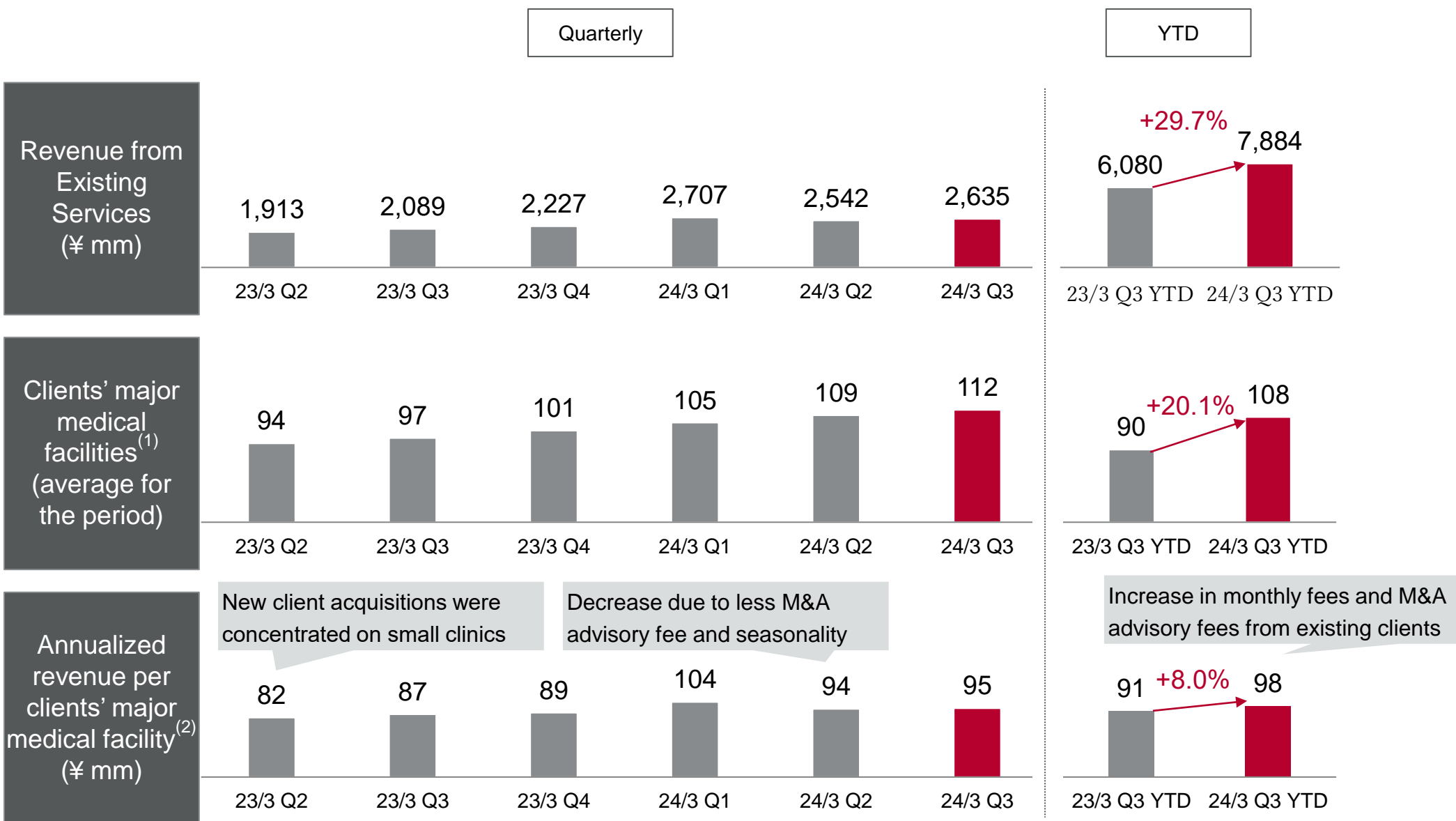


## EBITDA and EBITDA Margin (Million Yen)



1. The company name has been changed to CUC Podiatry Holdings.

# Key Operating Drivers of Management Support Segment



1. Number of hospitals, long-term care health facilities, in-home care clinics, dialysis clinics, and outpatient clinics that CUC provides management support. 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 by the average number of clients' major medical facilities during the same period.

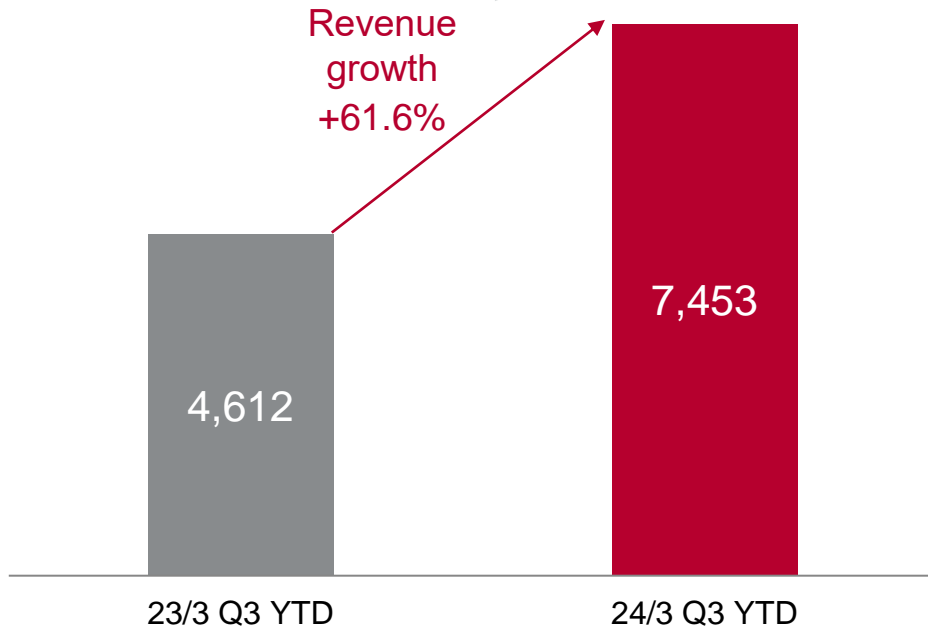


# Financial Results of Hospice Segment (YTD)

Revenue grew 61.6% 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

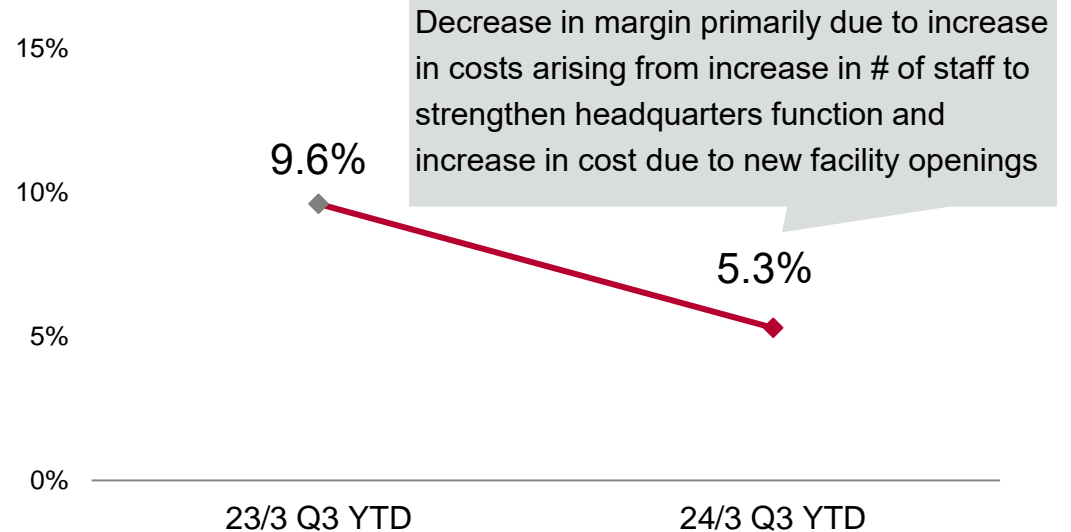
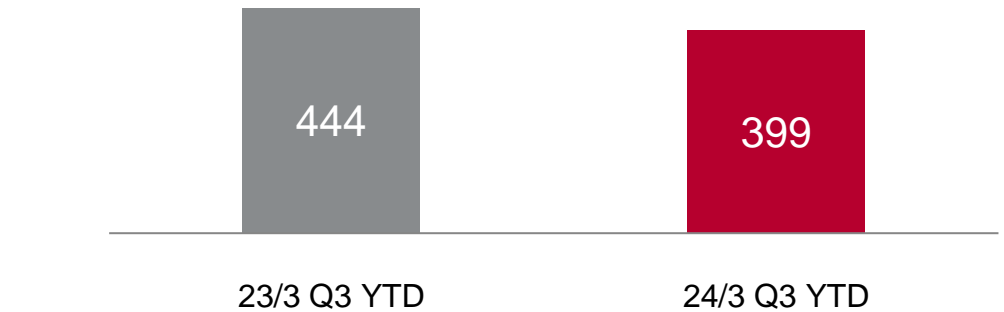
## Revenue

5 facilities increase due to the acquisition of Nature group in Jan 2023. 8 new facilities opened from January 2023 onwards and their occupancy rates increased



## (Million Yen) | EBITDA and EBITDA Margin

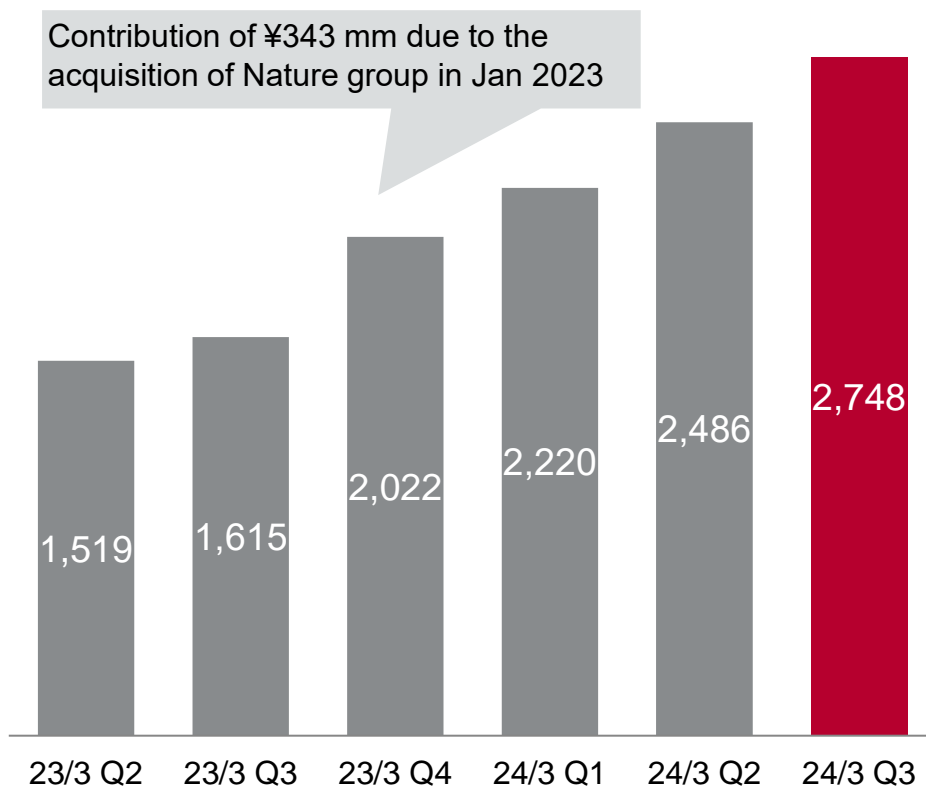
(Million Yen)



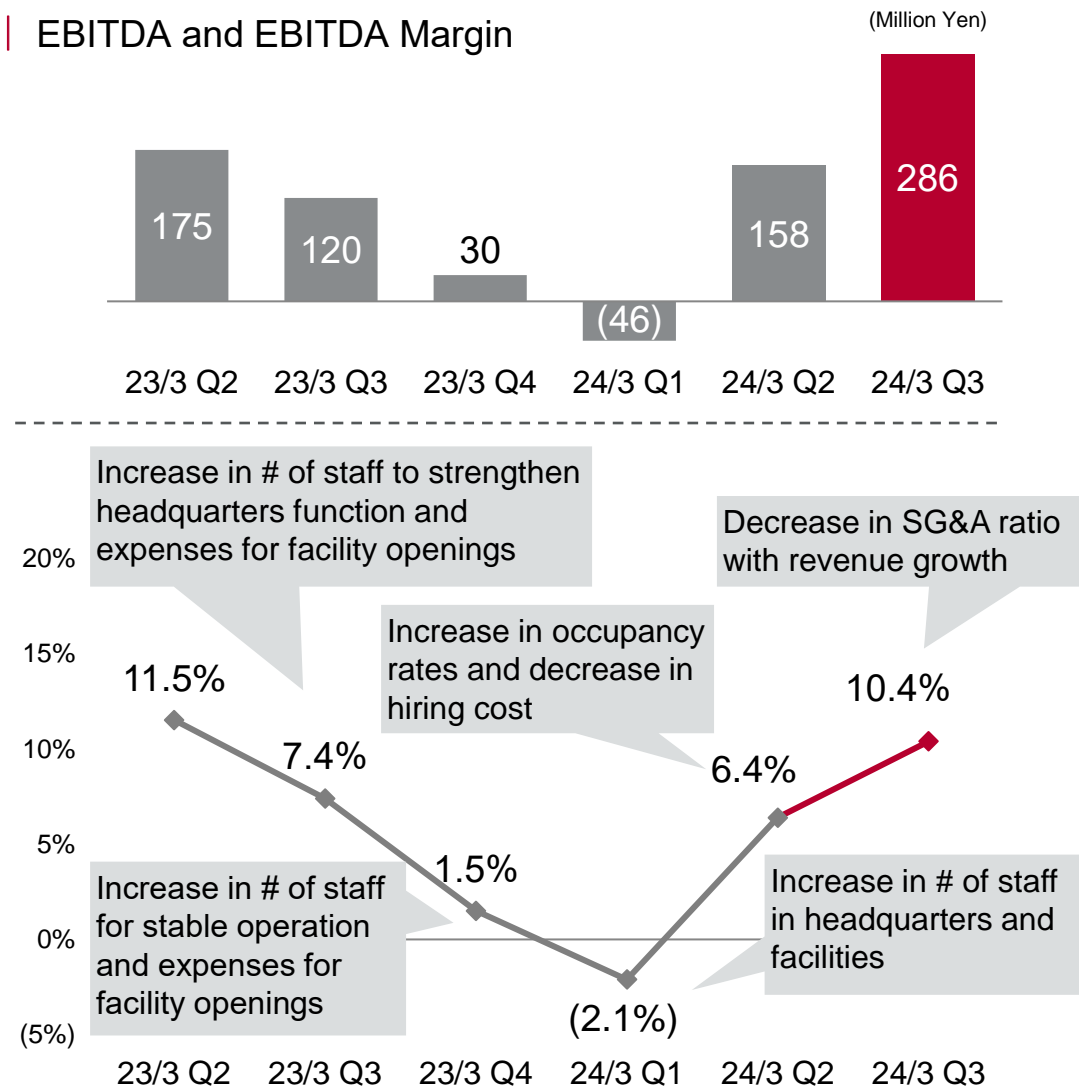
# Financial Results of Hospice Segment (Quarterly)

EBITDA margin improved by about 4% point compared to 24/3 Q2 due to decrease in SG&A ratio arising from increase in revenue

## Revenue



## (Million Yen) | EBITDA and EBITDA Margin

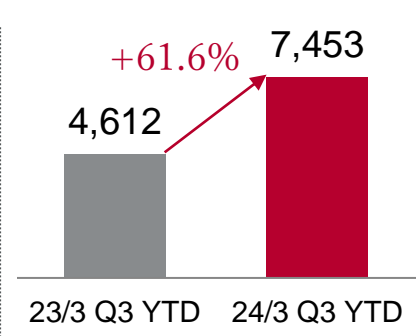
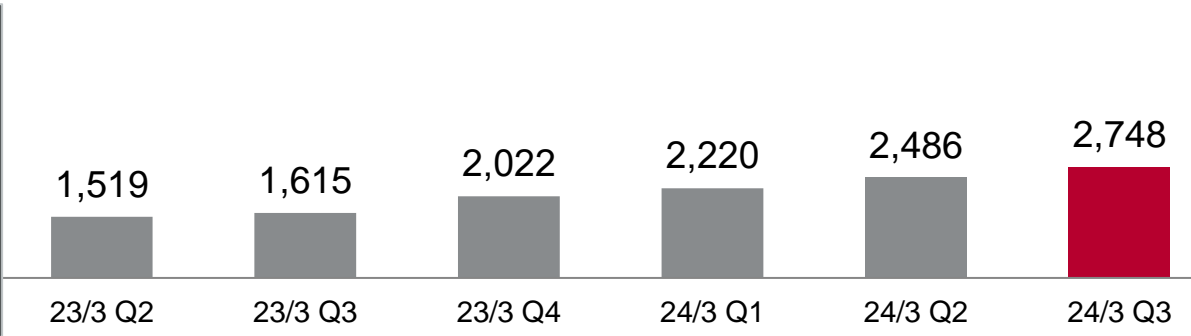


# Key Operating Drivers of Hospice Segment (1/2)

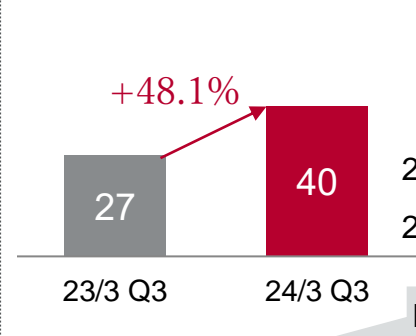
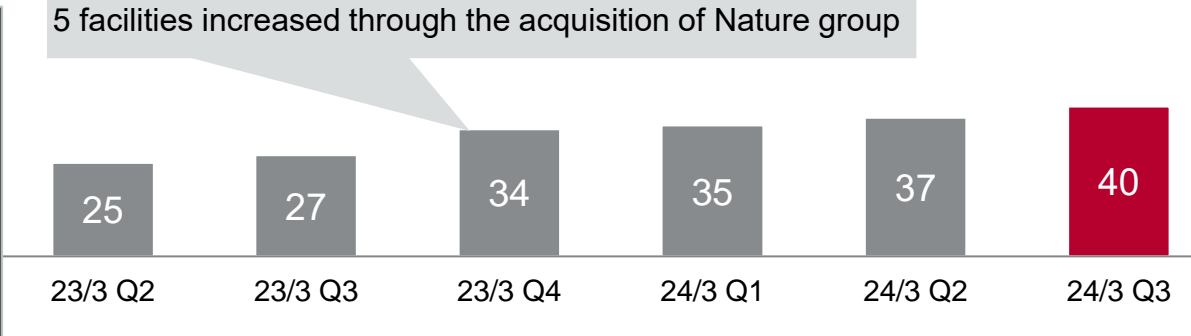
Quarterly

YTD

Revenue  
(¥ mm)



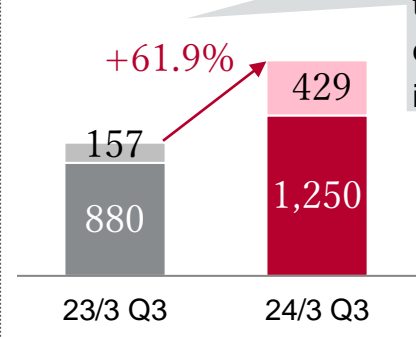
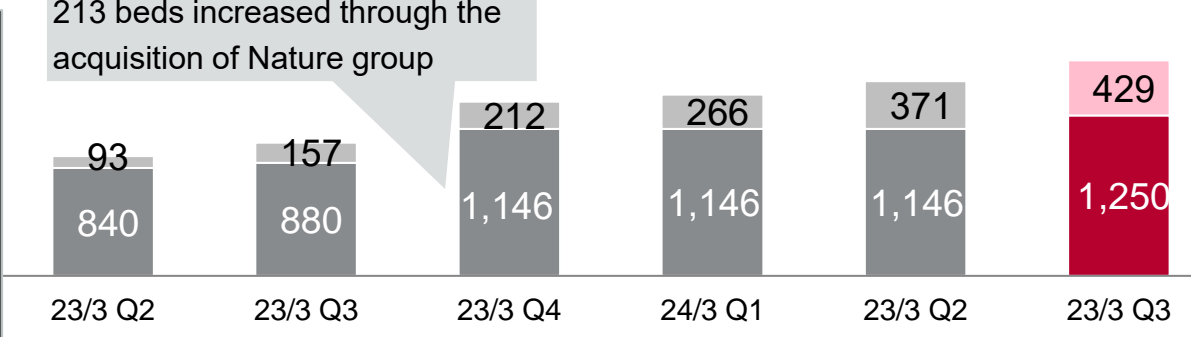
# of facilities<sup>(1)</sup>



Target opening<sup>(2)</sup>

2024/3E: 7  
2025/3E: 10~14  
2026/3E: 15~20

Capacity<sup>(1)</sup>



Higher growth rate than # of facilities due to an increase in large facilities

Existing Facilities    New Facilities

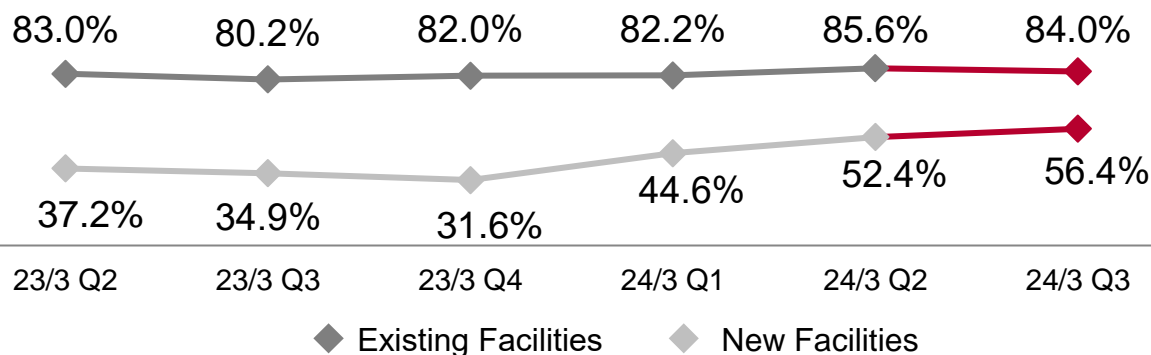
1. The number of hospices and capacity which CUC group provides services at the end of each period. Hospices past 12+ months after the opening at the end of each quarter or acquired through M&A are defined as "Existing Facilities" and other hospices are defined as "New Facilities".

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

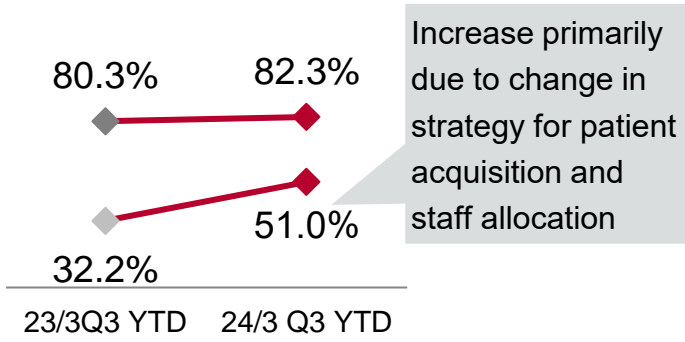
# Key Operating Drivers of Hospice Segment (2/2)

Quarterly

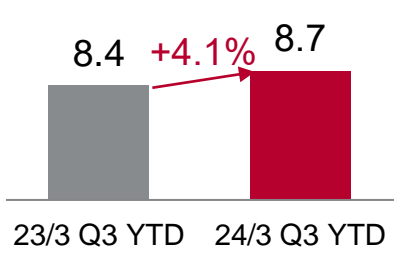
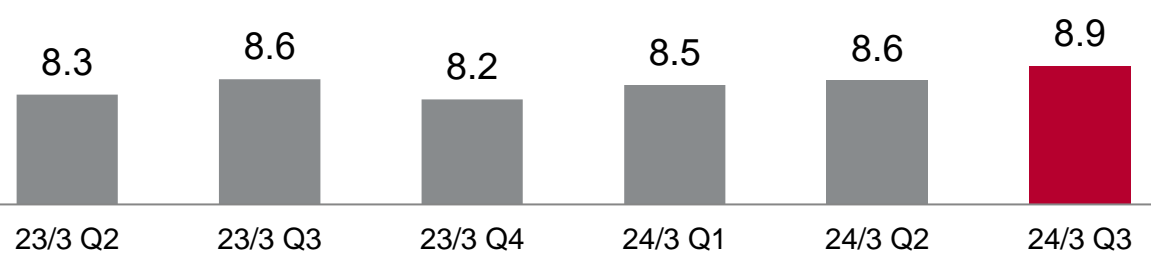
Occupancy rate<sup>(1)(2)</sup>



YTD



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



1. Percentage of total number of patients in hospices to the total number of capacity through each period. "Existing" 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."  
 2. New facilities will be classified as existing facilities in the quarter or cumulative period past 12+ months after the openings. Therefore, the YTD 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

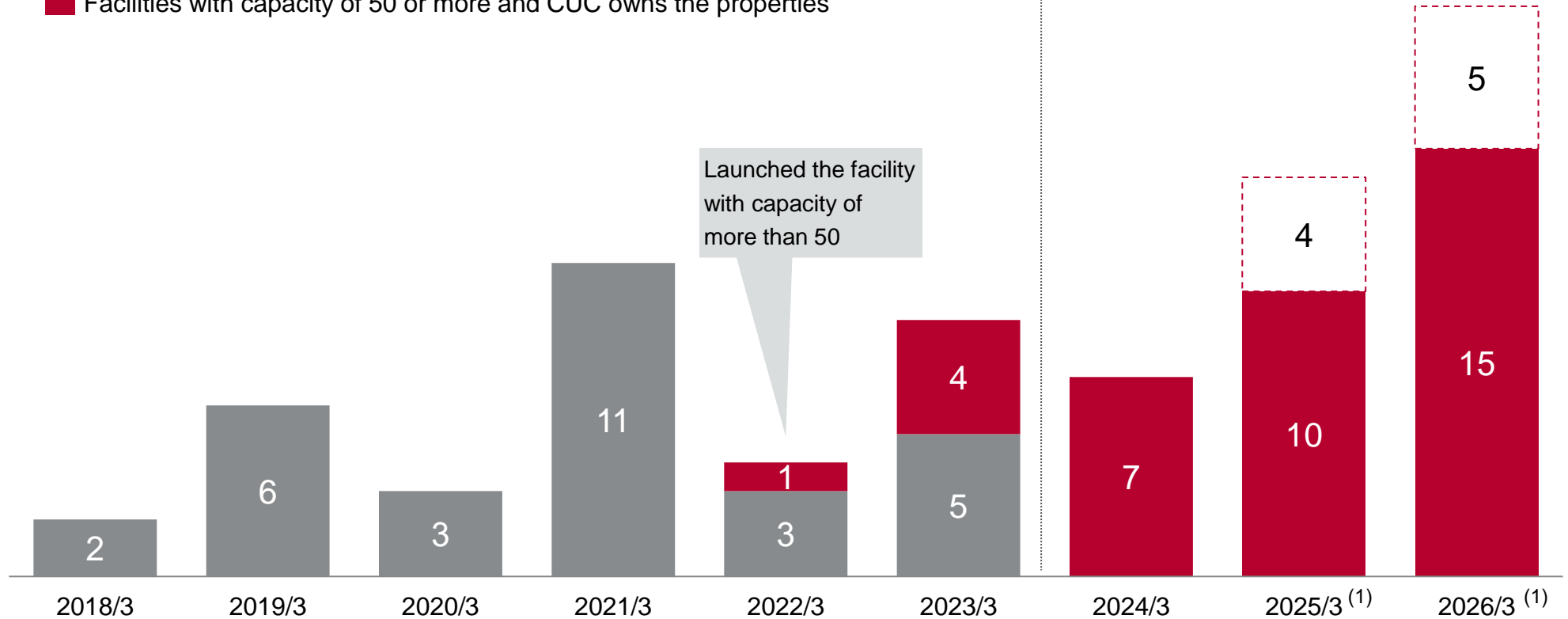
CUC started to launch the large facilities with capacity of 50 or more in March 2022. CUC plans to accelerate the opening of such large facilities which are expected to generate higher margin compared to its existing small facilities

Facilities CUC opened or acquired, and Its target

Actual Target<sup>(1)</sup>

- Facilities with capacity of less than 50 or facilities CUC acquired through M&A
- Facilities with capacity of 50 or more and CUC owns the properties

Opening of 1 hospice in 2024/3 Q4, 10 hospices in 2025/3 and 1 hospice in 2026/3 has been decided<sup>(2)</sup>  
(Opened 6 hospices in 2024/3 Q3 YTD)



1. Target figures set by CUC Group based on information available as of the date of this document and under certain assumptions and premises including macroeconomic environment and regulatory trends and are not a guarantee of the achievement of the target. Target figure in 2025/3 indicates 10 to 14 and target figure in 2026/3 indicates 15 to 20.

2. These figures indicate the number of hospice facilities that Board of Directors has approved. However, it does not guarantee the realization of future target figures.

# Planned Opening of Facilities after January 2024

## | Planned Opening<sup>(1)(2)</sup>

Location	Capacity	Capital expenditure (¥ mm)	Planned Opening date	
Hokkaido, Sapporo	54	787	2024/3 Q4	2024/2
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
Hyogo, Nishinomiya	50	499		2025/1
Okayama, Okayama	50	450		2025/2
Fukuoka, Kurume	50	471		2025/2
Aichi, Nagoya	50	561		2025/3
Fukuoka, Fukuoka	50	522		2025/3
Nagano, Matsumoto	50	498		2026/3 Q1

1. Above table indicates hospice facilities that Board of Directors has approved. 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 capital expenditure and the opening date may change in the future due to various reasons.

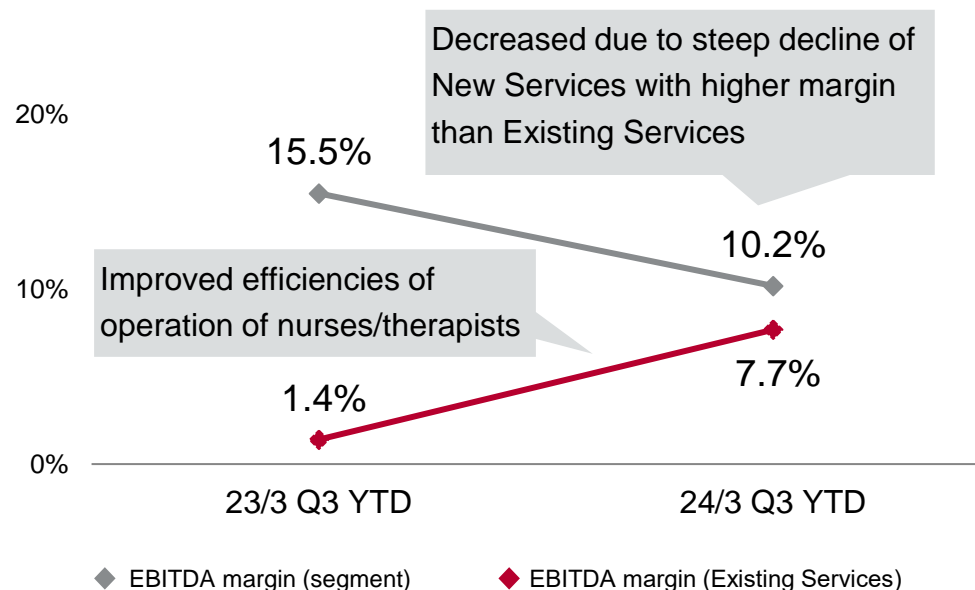
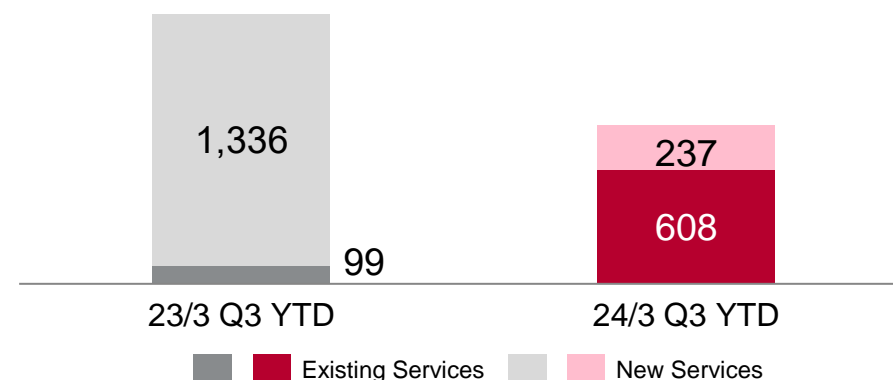
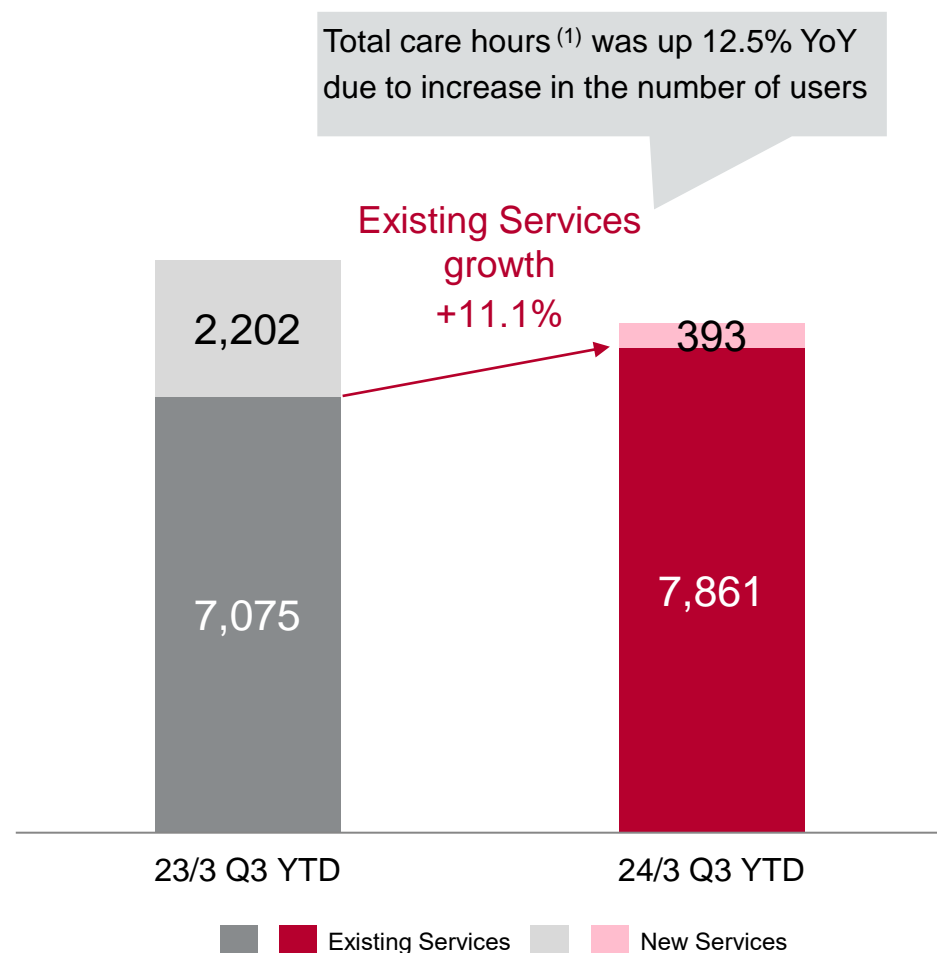
# Financial Results of In-home Nursing Segment (YTD)

Revenue from Existing Services grew at 11.1% due to increase in total care hours<sup>(1)</sup>.  
EBITDA margin improved due to improved efficiencies of operation of nurses/therapists

## Revenue

## (Million Yen) | EBITDA and EBITDA Margin

(Million Yen)

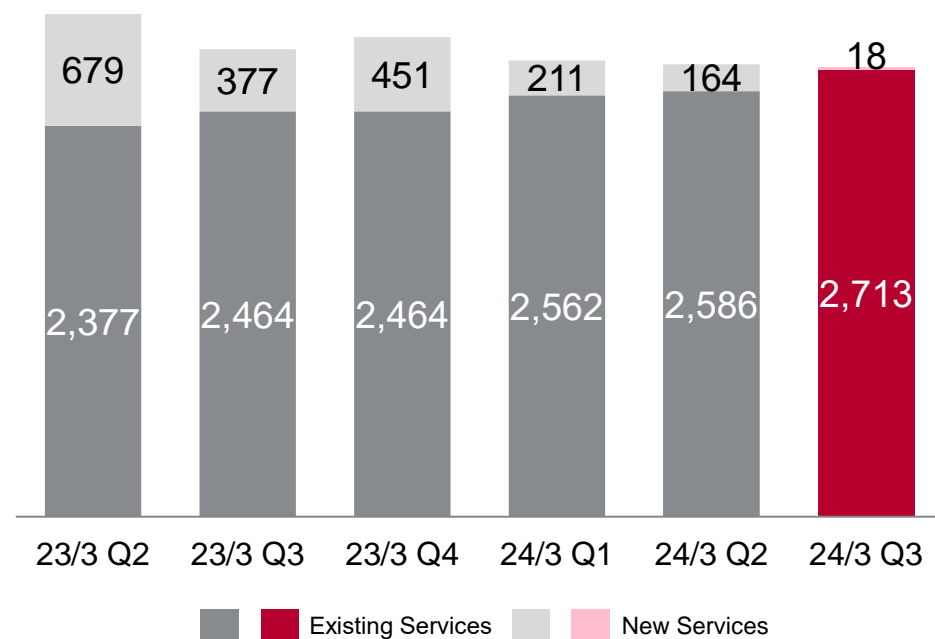


1. Number of hours nurses and therapists provided services for users.

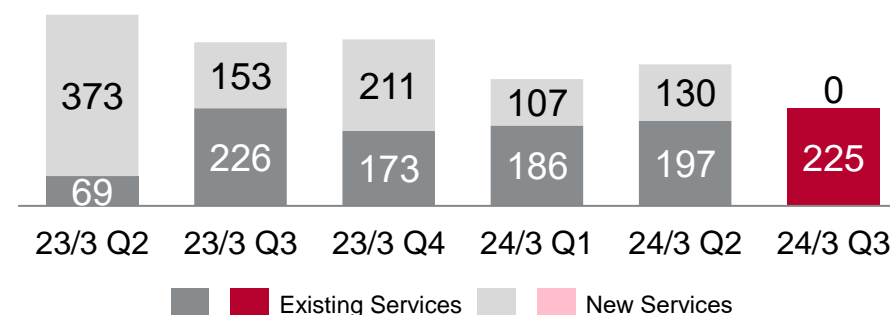
# Financial Results of In-home Nursing Segment (Quarterly)

Revenue from Existing Services increased compared to 24/3 Q2. EBITDA margin also improved slightly

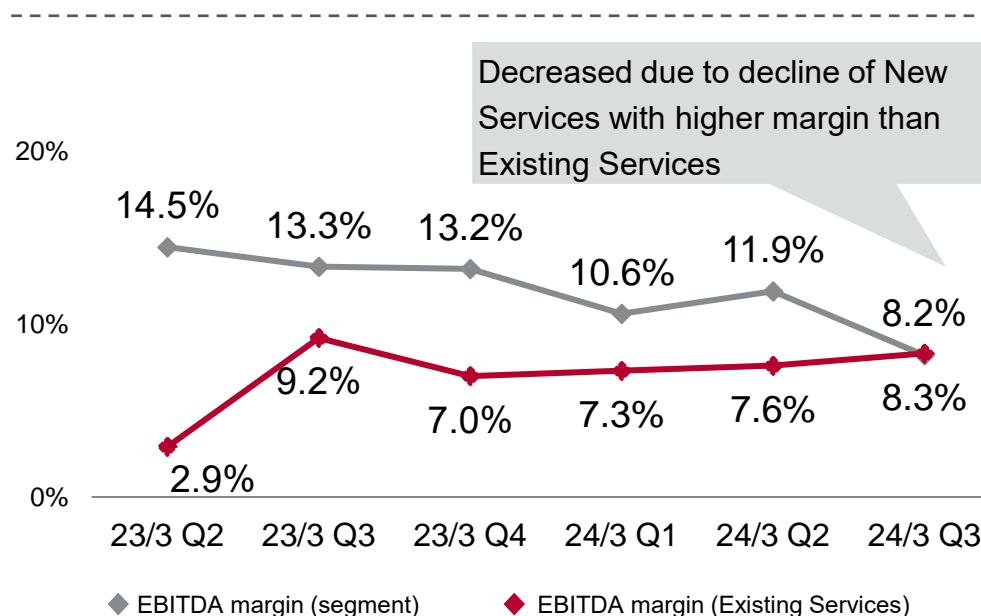
Revenue



(Million Yen) EBITDA and EBITDA Margin



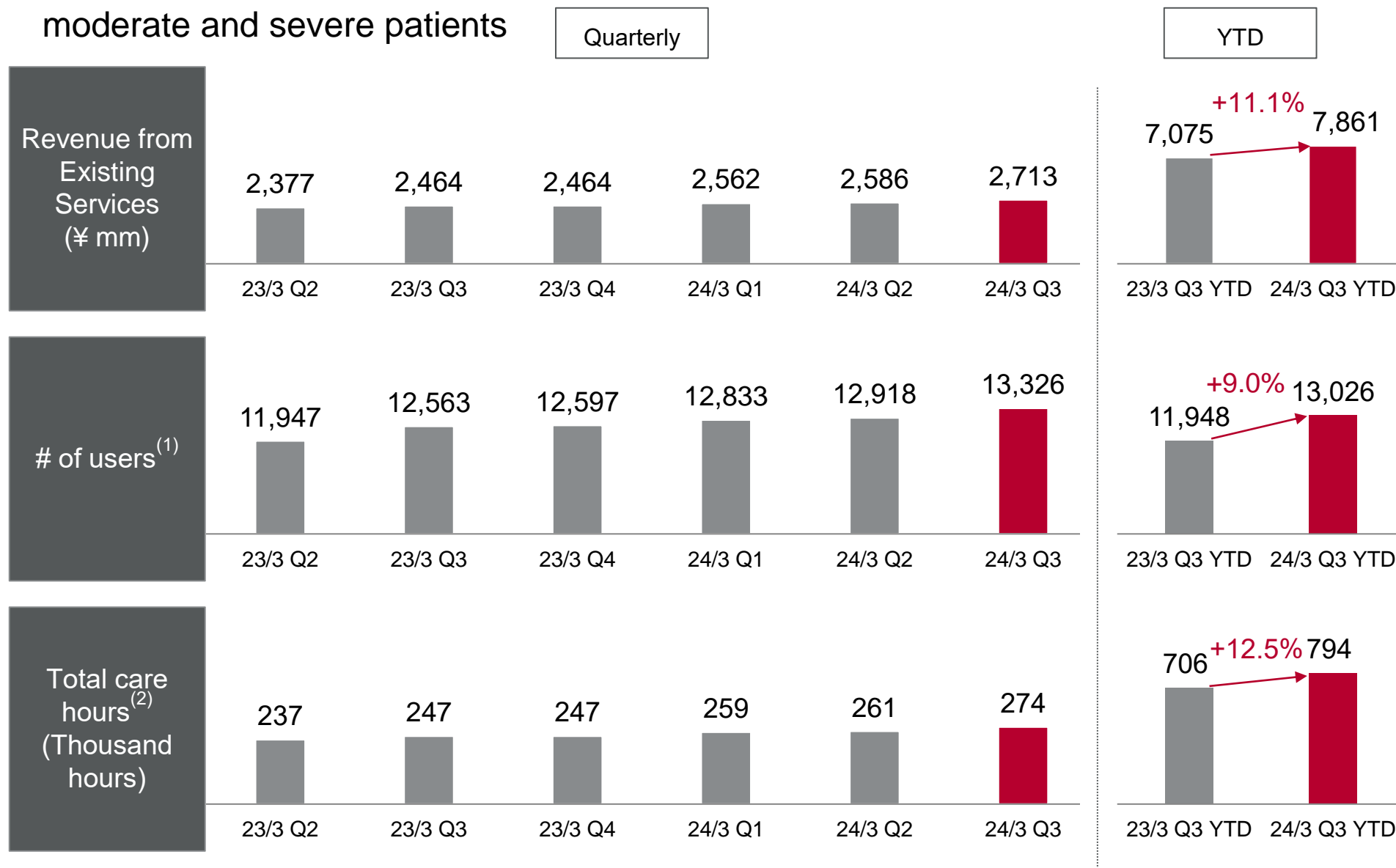
(Million Yen)





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

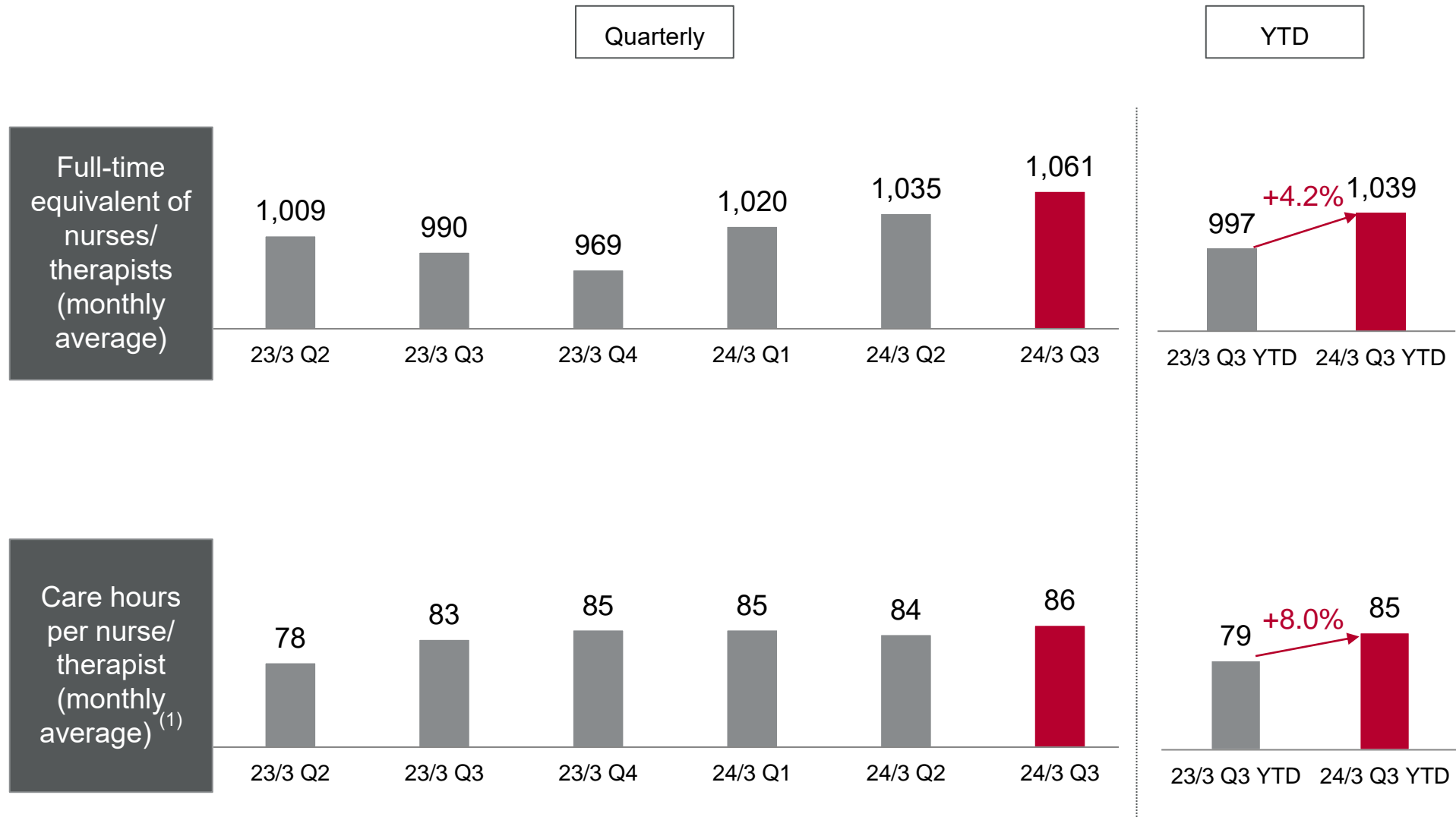
The growth rate of revenue exceeded that of the number of users due to the increase in moderate and severe patients



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 in 24/3 Q3 YTD improved year-on-year



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

# 2024/3 Q3 Topics

# 2024/3 Q3 Topics

## 1 Announcement regarding 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 three hospices “ReHOPE”

- CUC Hospice opened ReHOPE Okazaki (capacity : 54 beds) in November 2023, ReHOPE Sendai Wakabayashi (capacity : 54 beds) and ReHOPE Kobe (capacity : 54 beds) in December 2023
- These facilities are the 4<sup>th</sup> facility in Aichi prefecture, the 2<sup>nd</sup> facility in Miyagi prefecture and the 1<sup>st</sup> facility in Hyogo prefecture

## 3 Launching management support for infertility treatment clinic

- Measures to prevent declining birthrate are becoming more and more important as declining birthrate and aging population have been progressing. Infertility treatment market is expected to grow due to expansion of insurance coverage in 2022
- In December 2023, CUC has launched management support for infertility treatment clinics in Management Support Segment aiming to solve issues related to declining birthrate

# 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)<sup>(1)</sup>

Terminal care refugees

approx. 490 k (2040 estimates)<sup>(2)</sup>

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



Growth in Medical Spending<sup>(3)</sup>

¥43tn → ¥78tn  
(2020A→2040E)

- Expansion of in-home care



Shrinking Labor Force<sup>(4)</sup>

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)<sup>(5)</sup> **68.4%**

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

- Business succession through M&A and PMI

### Management Support 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

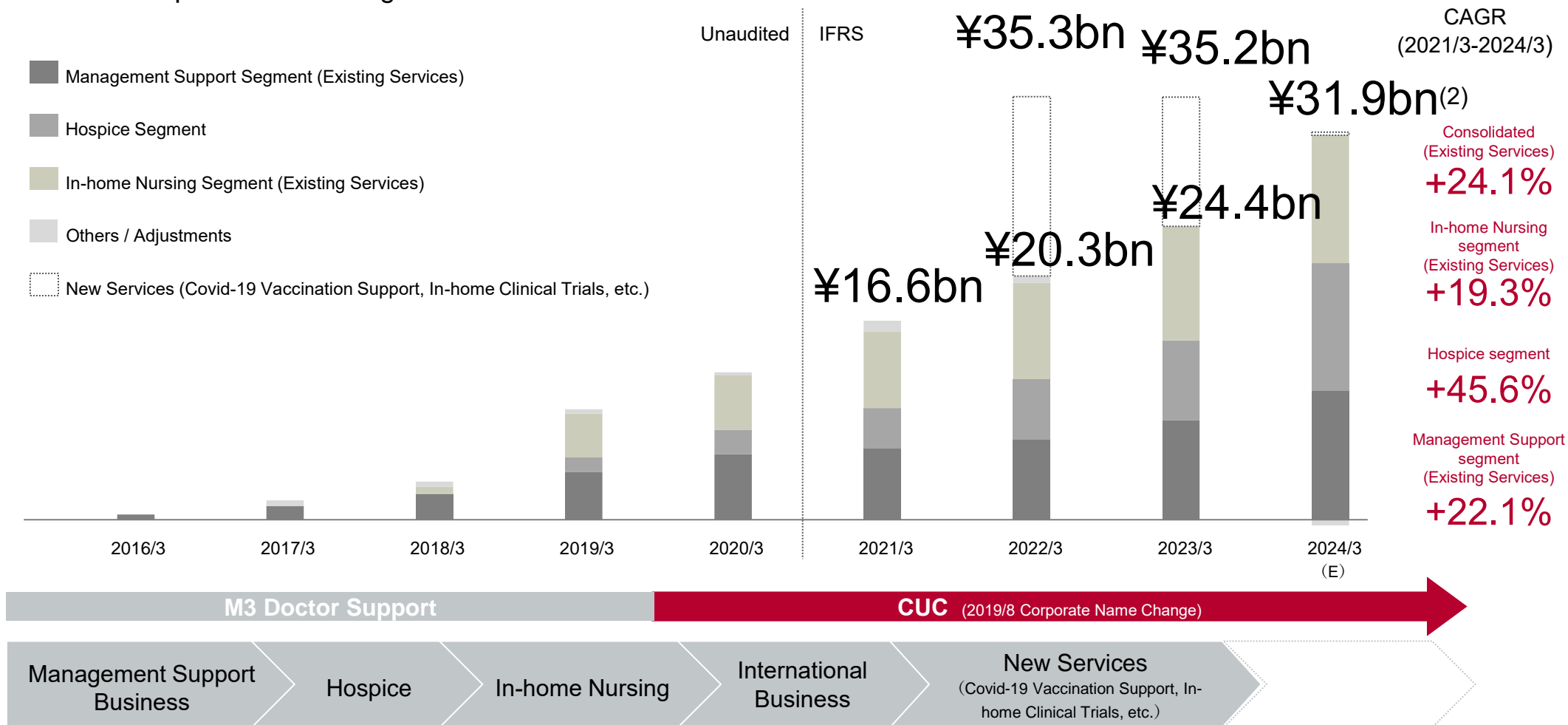
1. "Japan's Future Estimated Population" (National Institute of Population and Social Security Research). 2. "Basic Information regarding Japanese Health and Medical Services" (2011) (MHLW).  
3. "Overview of National Medical Spending" (MHLW), "Future Estimate of Social Security towards 2040" (Cabinet, 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<sup>(1)</sup>

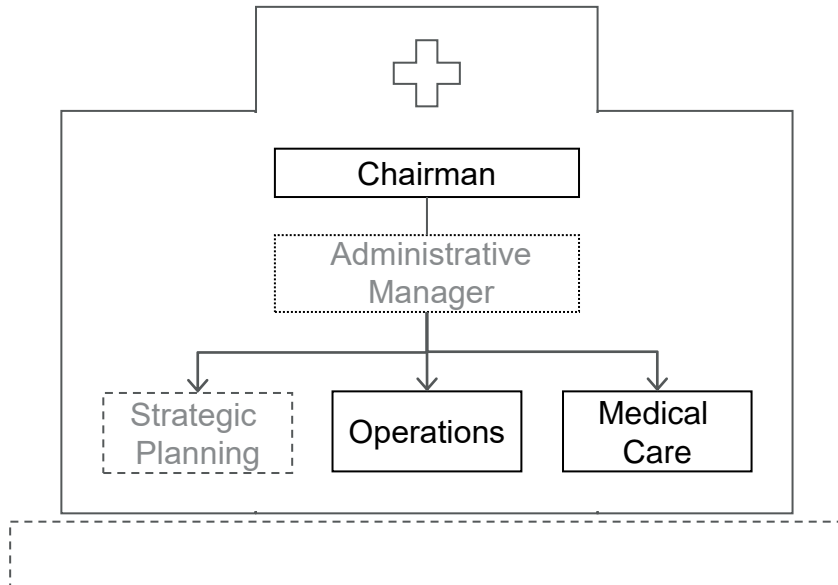


Note: Financials for 2021/3 through 2023/3 are based on IFRS. Financials for 2020/3 and before are unaudited and do not include consolidation adjustments.  
 1. ¥ 35.3bn for 2022/3 and ¥ 35.2bn for 2023/3 are consolidated figures. ¥ 20.3 bn for 2022/3 and ¥ 24.4 bn for 2023/3 are consolidated figures (Existing Services).  
 2. Including revenue from New Services of ¥ 0.26 bn.

# Management Support Segment Overview

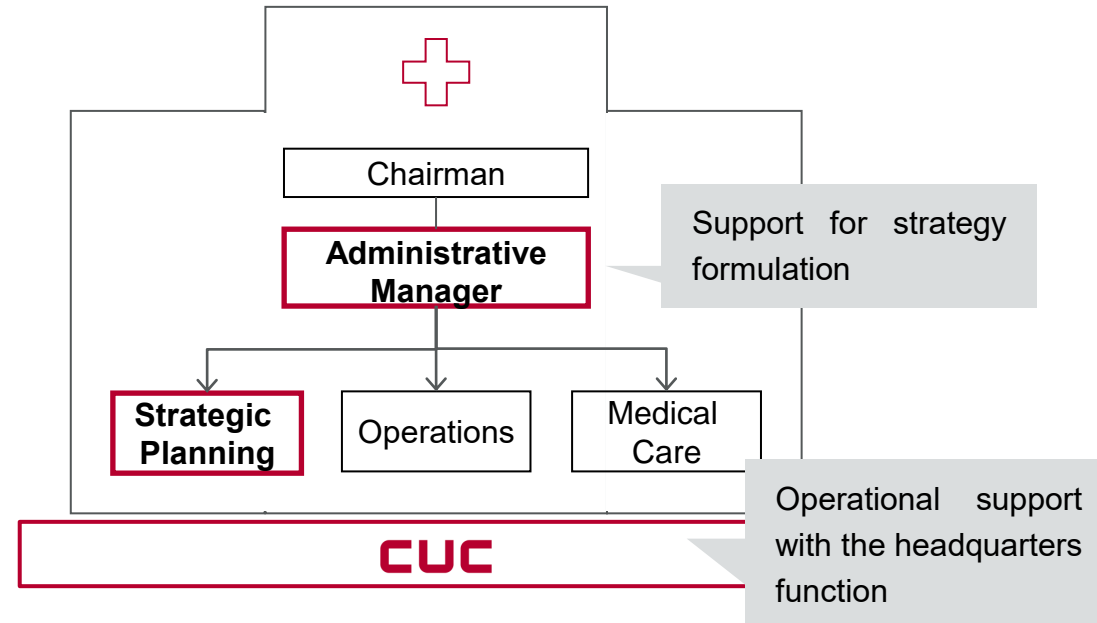
Sending indispensable management support personnel for expansion and efficient operation

## | 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><b>All-in-one monthly fee</b> (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"> <li>Secure management support personnel necessary for decision-making</li> <li>Strengthen strategy formulation capabilities</li> </ul> <p>↓</p> <ul style="list-style-type: none"> <li>Optimize decision-making</li> <li>Achieve efficient hospital operations</li> </ul> <p>↓</p> <ul style="list-style-type: none"> <li>Achieve revenue growth and scale expansion</li> <li>Achieve stable operation through scale expansion</li> </ul>
Medical Institution Revenue Growth Assistance	<p><b>One-time fee</b></p>	<p>M&amp;A</p> <p>PMI<sup>(1)</sup></p> <p>Hospital bed conversion</p> <p>Clinic launches</p>	<p></p> <p>Support for clinic launches and M&amp;A execution</p>	<p>←</p> <p><b>Additional Management support following scale expansion</b></p>

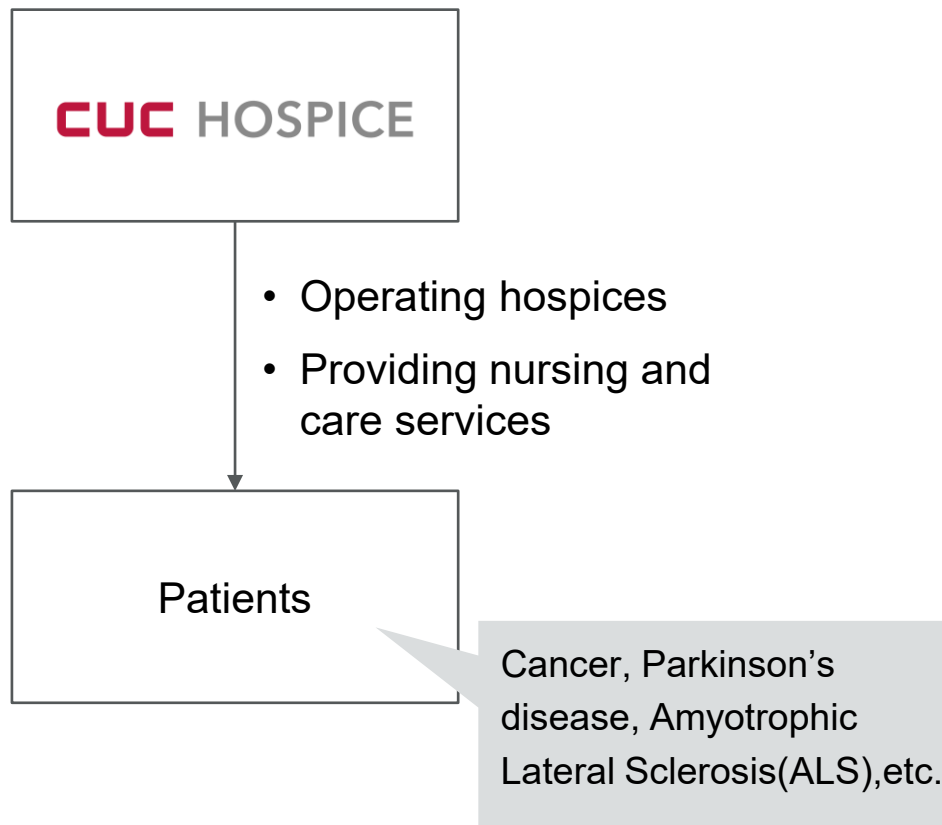
1. "Post Merger Integration": Business integration process after acquisition.

# Hospice Segment Overview

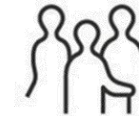
Operating hospices, which are residences for patients in the terminal stages, and provide round-the-clock nursing and care services for patients

| Business Overview

| KPI (as of December 31, 2023)<sup>(1)</sup>



Hospices  
**40 facilities**



Capacity  
**1,679 beds**



Nurses  
/Caregivers  
**1,070**



Existing hospices  
occupancy rate <sup>(2)</sup>  
**82.3%**

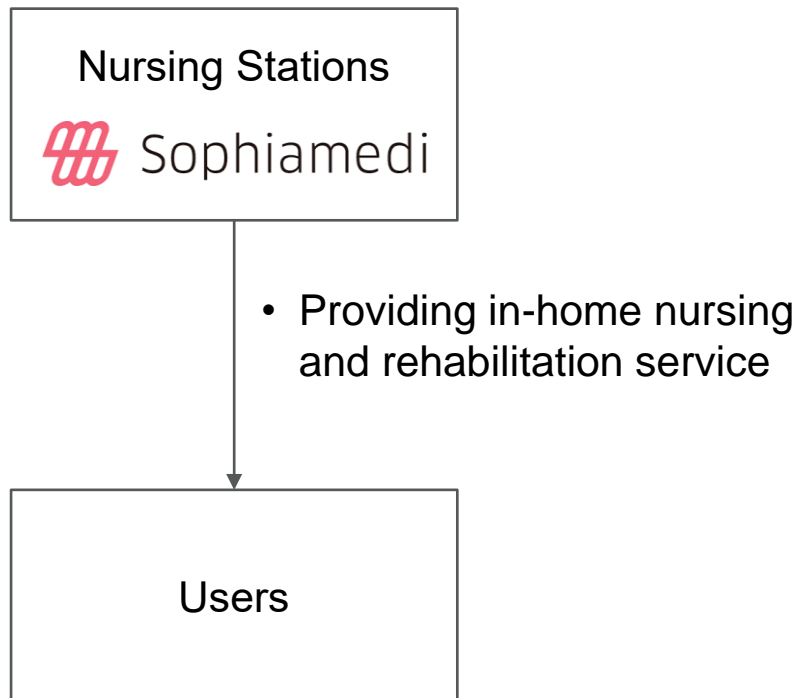
1. Key performance / indicators of hospices which CUC Group provides services.

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 December 31, 2023 (2024/3 Q3 YTD).

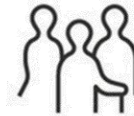
# In-home Nursing Segment Overview

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

## | Business Overview



## | KPI (as of September 30, 2023)<sup>(1)</sup>



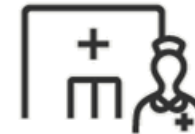
Users<sup>(1)</sup>  
**13,492**



Total Care Hours<sup>(2)</sup>  
**794k hours**



Nurses/Therapists<sup>(3)</sup>  
**1,126**



Nursing Stations<sup>(4)</sup>  
**88 stations**

1. The number of users with actual visits within December 2023.

2. Total number of hours nurses and therapists provided services to users (2024/3 Q3 YTD).

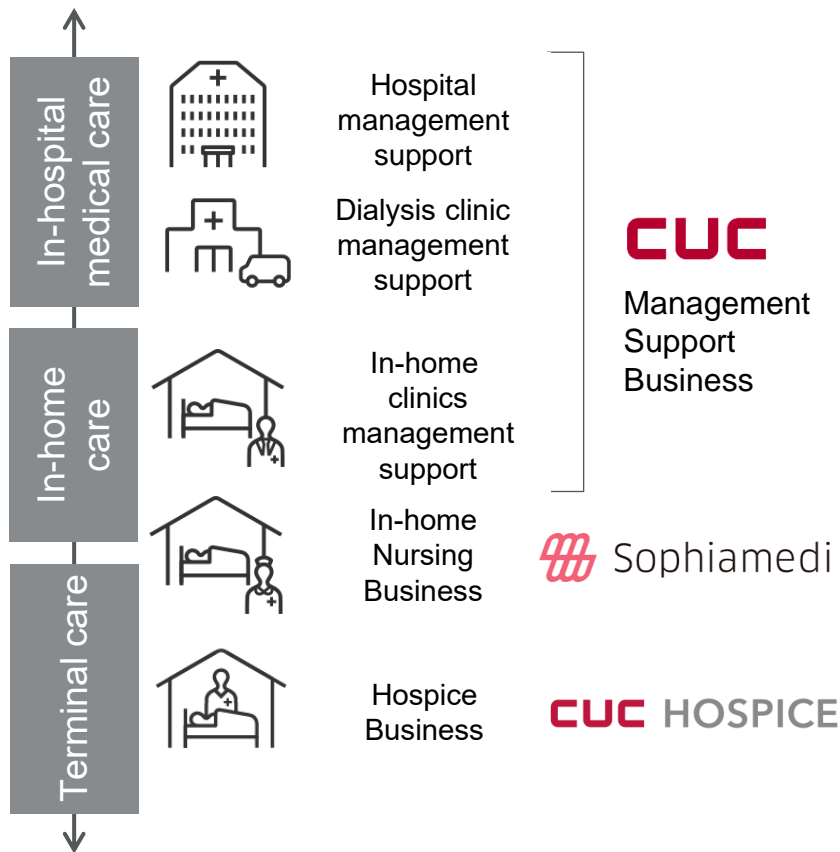
3. Therapists include physical therapists, occupational therapists, and speech therapists.

4. Total number of nursing stations which CUC Group provides services. 1 nursing station closed from October 2023 to December 2023.

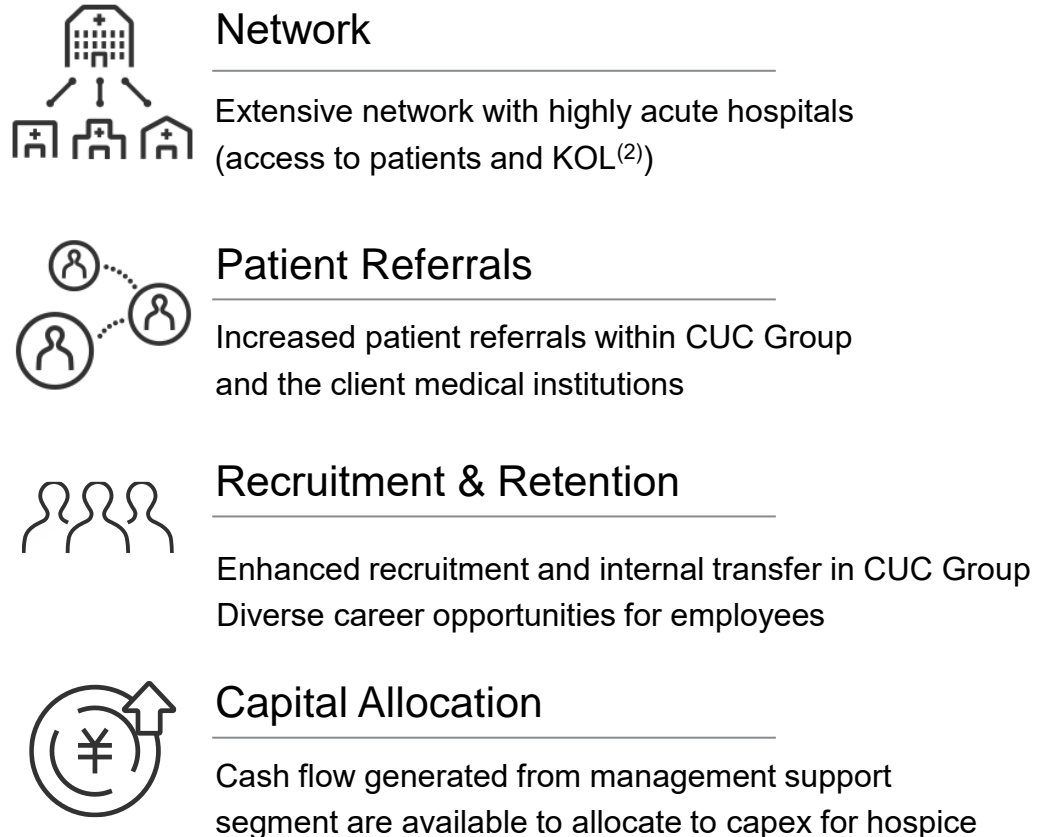
# Vertically Integrated Platform (1/2)

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<sup>(1)</sup> that is not limited to a single business

## Vertically Integrated Key Businesses



## Benefits of Vertically Integrated Platform

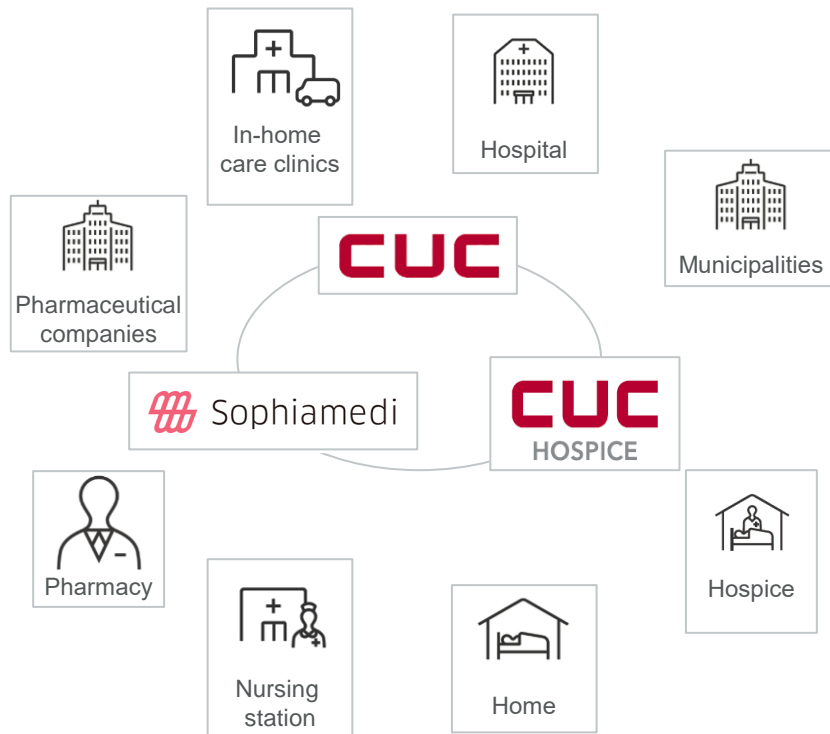


1. "Total Addressable Market": A total market demand for a product and service.  
 2. "Key Opinion Leader": A person with great influence in many areas within the medical industry.

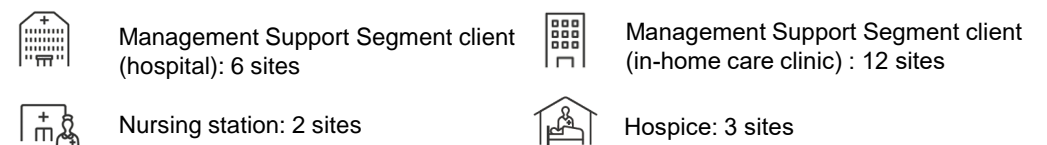
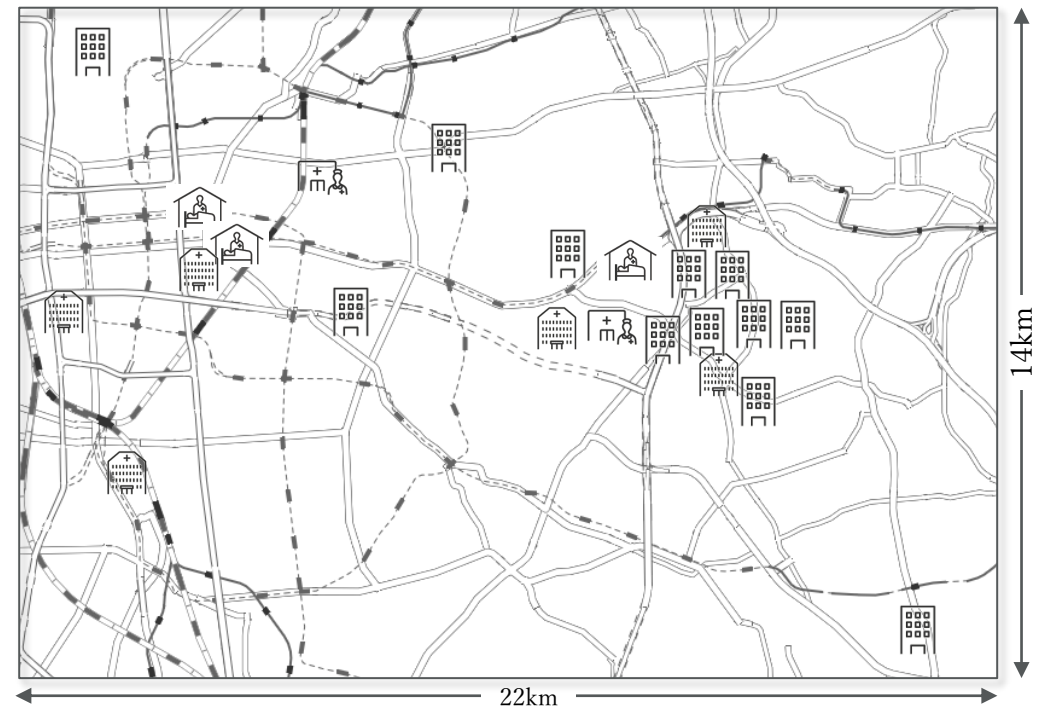
# Vertically Integrated Platform (2/2)

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

## Coordination within CUC Group and Client Medical Institutions



## Case Study: Area Dominance<sup>(1)</sup>





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

# Strong Recruitment Record


CUC's strong recruitment sustains rapid growth of all businesses

## | Track Record (2023/3) <sup>(1)</sup>


### Management Support Segment

	Supported doctor hiring	224
	Supported healthcare professional (excl. doctors) <sup>(2)</sup> hiring for CUC's Client Medical Institutions	689

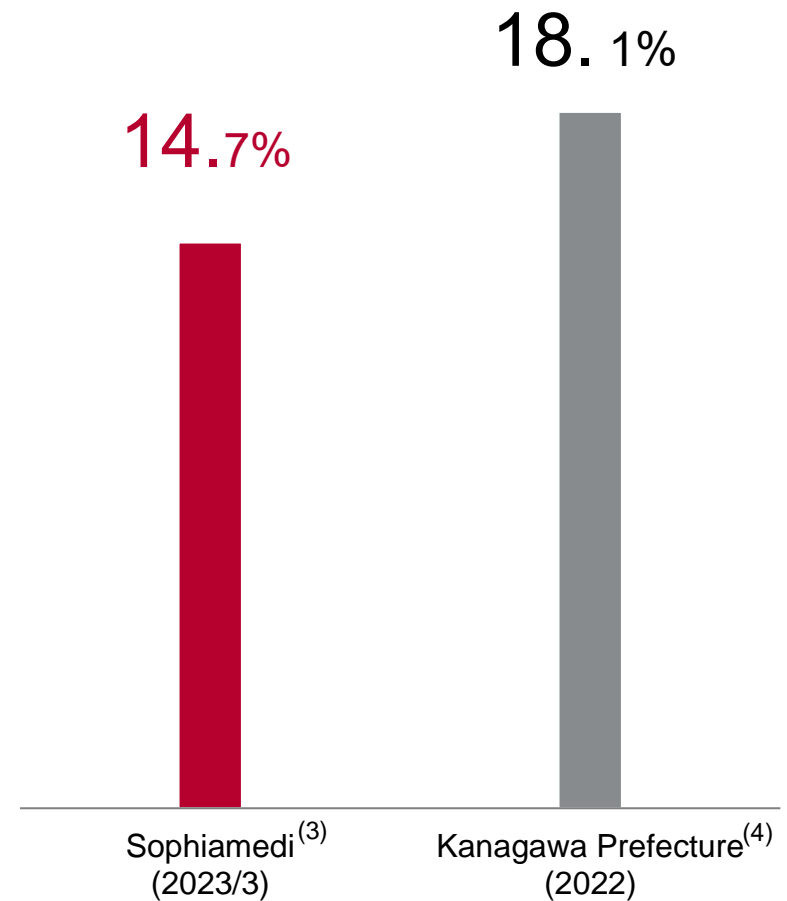
### Hospice

	Hired Nurses / Caregivers at CUC Hospice	405
--	--	-----

### In-home Nursing

	Hired Nurses / Therapists at Sophiamedi	302
---	---	-----

## | Turnover Rate of In-home Nursing Staff



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.).

3. Calculated as the ratio of the number of employees who retired during 2023/3 to the average number of employees during the same period.

4. "Survey on the Situation of Hospital Nursing" (2022) (Kanagawa Prefecture).



# 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



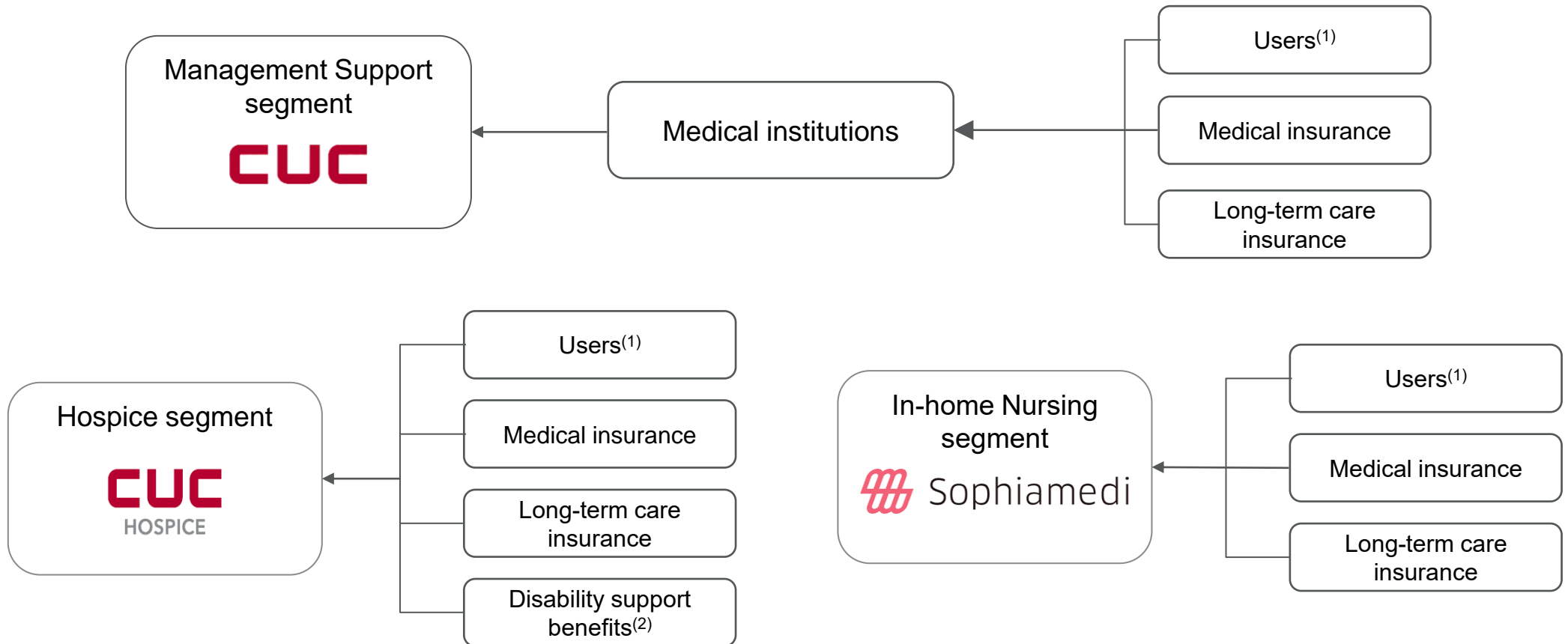
- Various career opportunities through CUC's unique integrated platform
- Flexible employment patterns and support systems for childbearing and childrearing
- Support for marriage, childrearing, and employment of LGBTQ employees

## | Major Awards relating to 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.

# Growth Strategy

# Growth Strategy of Each Segment

## Management Support Segment

Enhance sourcing activities to increase the number of clients

Improve efficiencies through standardization of management support

Increase value of services for clients by utilization of IT

## Hospice Segment

Increase the number of hospice facilities with high ROI

Improve occupancy rate by nurses' patient acquisition activities

Increase retention rates by providing environment for skill enhancement

## In-home Nursing Segment

Improve care hours per nurses and therapists through enhancing patient acquisition activities and efficiencies of visit

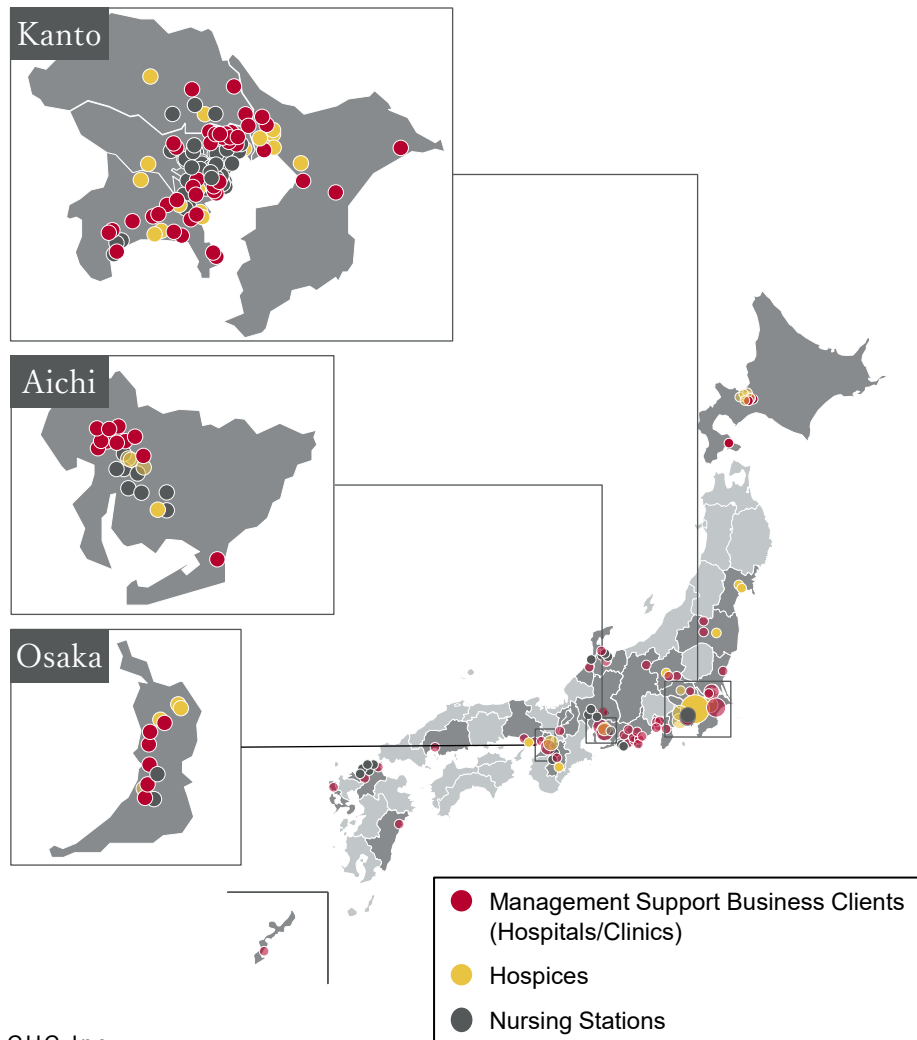
Reinforce capabilities to deal with patients of moderate and severe cases

Strengthen recruitment by introducing a personnel system leveraging diversity

# 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 December 31, 2023)



## 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 Management Support 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

# CUC's International Business

CUC has subsidiaries in Vietnam, Indonesia and US

## Southeast Asia

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



- Established 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)

# Opening of Tokyo Family Clinic

In October 2023, CUC group launched the first branch of the clinic called “Tokyo Family Clinic” operated by CUC group in Ho Chi Minh City, Vietnam, where patients of lifestyle-related diseases are on the rise, in order to provide healthcare solutions

## Overview of Tokyo Family Clinic

### Exterior



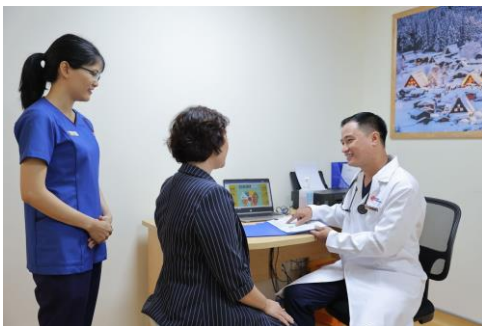
### Interior



### Rationale for “Tokyo Family Clinic”

- In Vietnam, patients of lifestyle-related diseases are on the rise due to rapid economic development, urbanization and change in lifestyles.
- In Japan, the concept of "primary care doctor" is widely embraced, ensuring timely care and preventive medicine. However, such kind of doctors is not yet prevalent in Vietnam. Thus, preventive medicine such as early detection, early intervention and prevention of aggravation has not been developed.
- Japanese doctors conduct long-term training for local healthcare professionals such as doctors and nurses. Tokyo Family Clinic will provide medical services and hospitalities at a level of Japan.

### Consultation room



### Training by Japanese doctor



# Disclaimer

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

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

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

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