July 2024

CUC Inc.

Financial results for the three months ended June 2024

©2024 CUC Inc.

Consolidated Financial Results

©2024 CUC Inc.

Consolidated Financial Results

Revenue, EBITDA and operating profit increased significantly YoY and the progress is above CUC's plan. The progress of net income excluding foreign exchange gain accrued from the intercompany loan to the US subsidiary is also above CUC's plan

(Million yen)	24/3 Q1 (Actual)	25/3 Q1 (Actual)	YoY	25/3 (Forecast)	Progress
Revenue	7,663	10,597	+38.3%	42,900	24.7%
EBITDA(1)	1,239	1,921	+55.0%	6,500	29.6%
Operating profit	834	1,341	+60.9%	4,000	33.5%
Net income attributable to CUC shareholders	482	966	+100.5%	2,200	43.9%
(Adjusted) Net income attributable to CUC shareholders	482	678	+40.9%	2,200	30.8%

Excluding impact of foreign exchange gain of 287 million yen accrued from the intercompany loan to the US subsidiary. The intercompany loan was repaid in full on May 15, 2024(2)

1. EBITDA = Operating profit + depreciation and amortization expenses ±other income and expenses (the same applies hereinafter).
2. CUC invested additional equity into CUC America Inc., which is a wholly-owned subsidiary of CUC. CUC America Inc. repaid the loan from CUC in full by proceed of the additional investment.

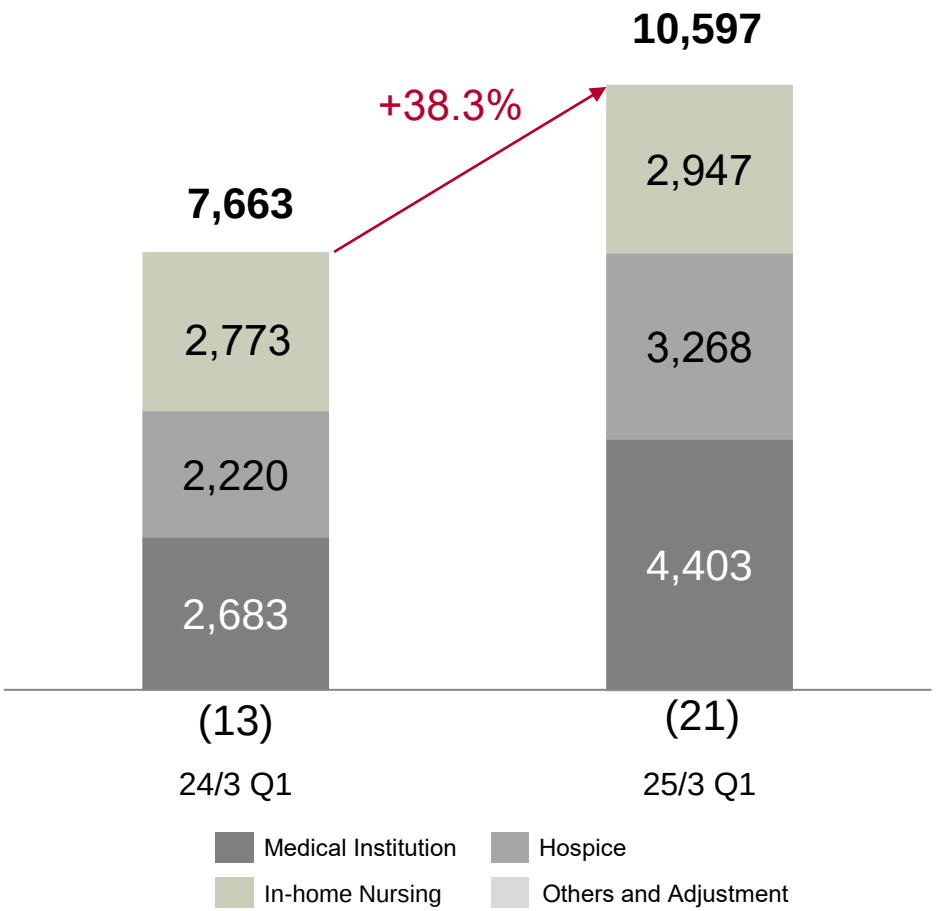
©2024 CUC Inc.

Consolidated Financial Results

Revenue grew 38.3%. EBITDA margin increased by 1.9pt

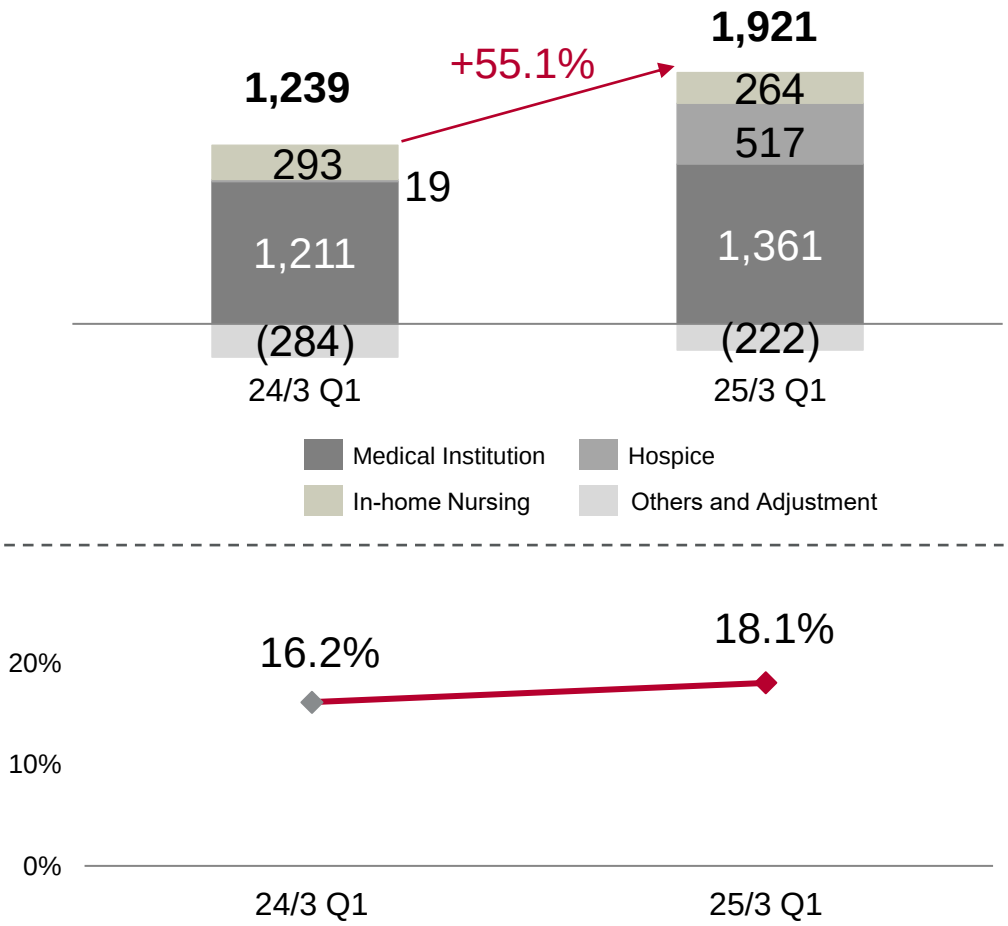
Revenue[1]

(Million yen)



EBITDA and EBITDA margin[1]

(Million yen)



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

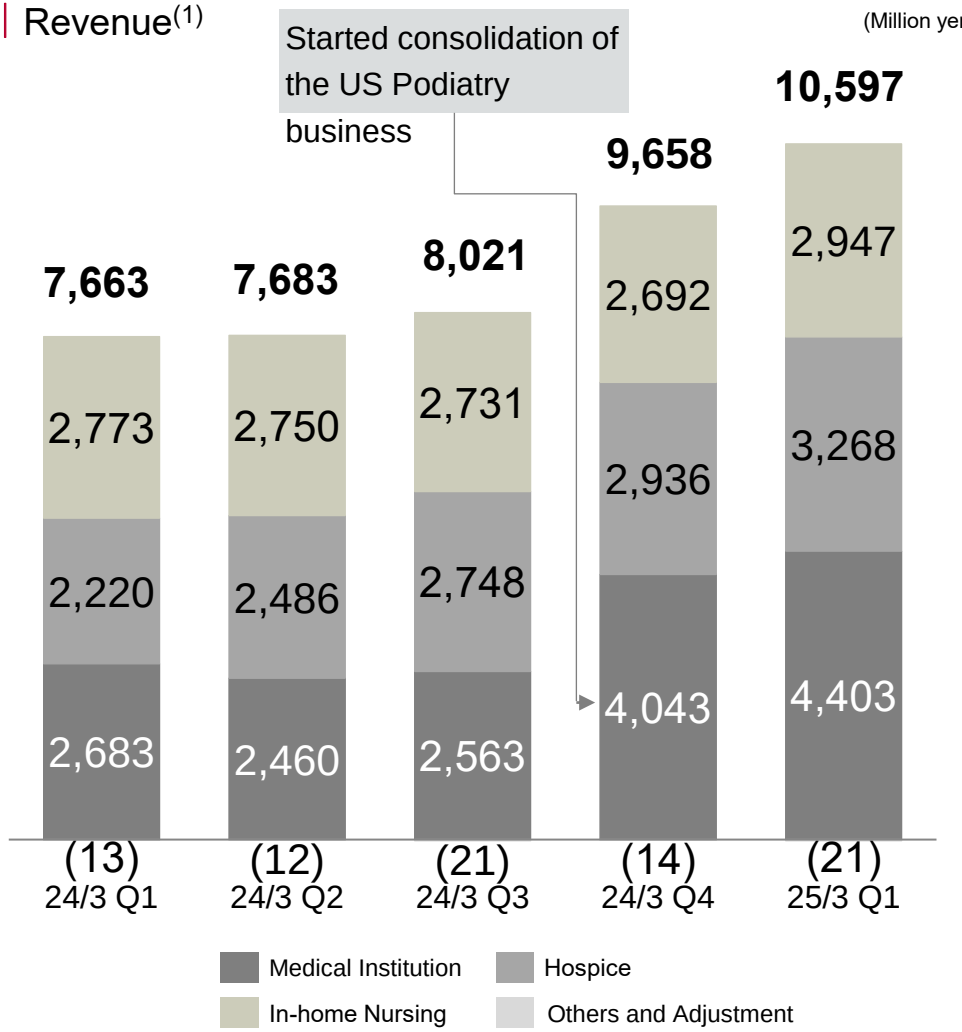
©2024 CUC Inc.

Consolidated Financial Results (Quarterly)

Revenue, EBITDA and EBITDA margin increased compared to 24/3 Q4

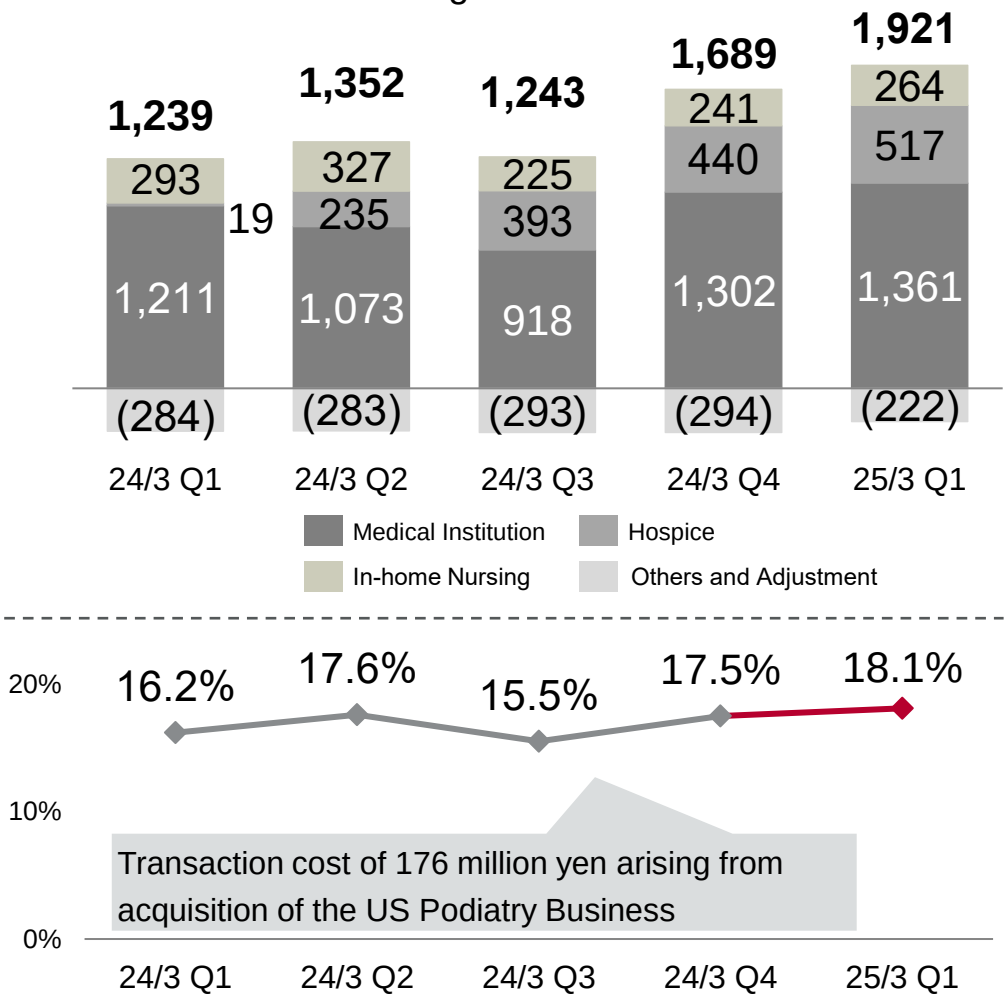
Revenue[1]

(Million yen)



EBITDA and EBITDA margin [1]

(Million yen)



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

©2024 CUC Inc.

Summary of Consolidated Statement of Financial Position

(Million yen)	24/3	24/6
Current Assets	**17,651**	**23,834**
Cash and cash equivalents	8,256	13,652
Trade and other receivables	8,758	9,446
Non-current assets	**45,185**	**47,012**
Property, plant and equipment	12,028	12,827
Right-of-use assets	7,669	7,934
Goodwill	13,642	14,352
Intangible assets	4,420	4,581
Total assets	**62,836**	**70,846**

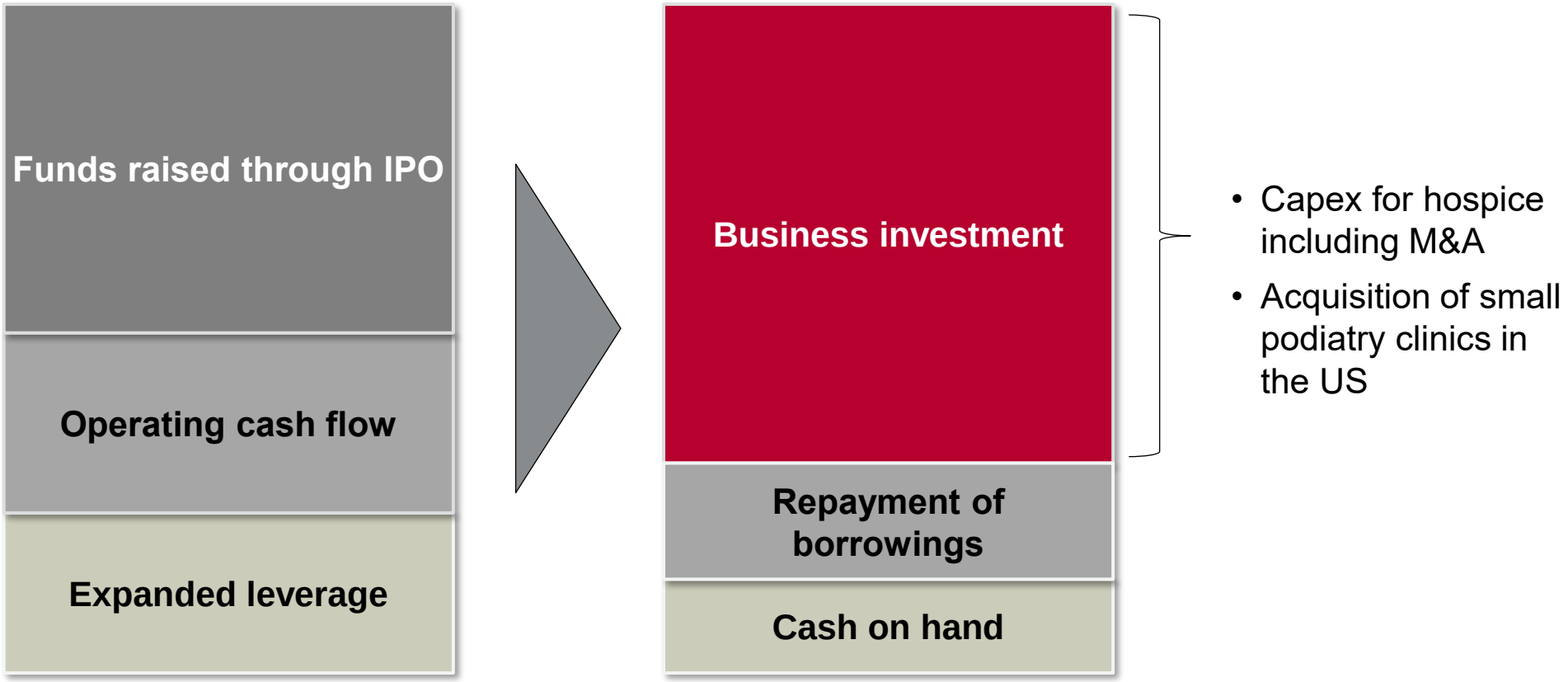
	24/3	24/6
Current liabilities	**8,391**	**9,046**
Trade and other payables	2,479	2,873
Borrowings	2,000	2,700
Lease liabilities	1,159	1,172
Non-current liabilities	**26,440**	**32,681**
Borrowings	16,434	22,198
Lease liabilities	7,126	7,430
Total liabilities	**34,831**	**41,727**
Total equity	**28,005**	**29,120**
Equity attributable to CUC shareholders	27,316	28,486
Non-controlling interests	689	633
Total liabilities and equity	**62,836**	**70,846**

1. Borrowed 7,000 million yen to cover part of consideration of the US Podiatry Business CUC acquired in January 2024
2. Increase in hospice facilities
3. Foreign exchange fluctuation and acquisition of a small podiatry clinic (Ankle & Foot Surgery, LLC) in the US

©2024 CUC Inc.

Financial Policy

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



©2024 CUC Inc.

Progress Towards Guidance

©2024 CUC Inc.

Progress Towards Guidance (1/2)

(Million yen)	25/3 (Forecast)	25/3 Q1 (Actual)	Progress
Revenue	**42,900**	**10,597**	**24.7%**
Medical Institution segment	17,400	4,403	25.3%
- Japan	10,500	2,845	27.1%
- Overseas[1]	6,900	1,558	22.6%
Hospice segment	14,400	3,268	22.7%
In-home Nursing segment	11,200	2,947	26.3%
Others and Adjustment	(100)	(21)	-
EBITDA	**6,500**	**1,921**	**29.6%**
Medical Institution segment	4,520	1,361	30.1%
- Japan	4,030	1,361	33.8%
- Overseas[1]	490	0	0.0%
Hospice segment	1,950	517	26.5%
In-home Nursing segment	950	264	27.8%
Others and Adjustment	(920)	(222)	-

Summary of progress

Consolidated

- The progress of revenue and profit was above CUC's plan

Medical Institution segment

- The progress of revenue in Japan was slightly above CUC's plan. The progress of profit in Japan was above CUC's plan due to cost control and deferral of some expenses
- The progress of overseas revenue and profit excluding FX fluctuation was below CUC's plan as # of encounters of the US Podiatry Business was lower than CUC's plan

Hospice segment

- Revenue progress was in line with CUC's plan, and the revenue forecast is expected to increase every quarter
- Due to better-than-expected cost control and deferral of some expenses, the progress of profit exceeded that of revenue

In-home Nursing segment

- Revenue and profit progress was above CUC's plan due to increase in users

©2024 CUC Inc.

1. The US and Southeast Asia. Average exchange rate for the 2025/3 forecast is 140 yen/USD and average exchange rate for 2025/3 Q1 is about 156 yen/USD.

Progress Towards Guidance (2/2)

(Million yen)	25/3 (Forecast)	25/3 Q1 (Actual)	Progress
Operating profit	**4,000**	**1,341**	**33.5%**
Medical Institution segment	3,580	1,121	31.3%
- Japan	3,580	1,246	34.8%
- Overseas[1]	0	(125)	-
Hospice segment	850	301	35.4%
In-home Nursing segment	500	143	28.6%
Others and Adjustment	(930)	(224)	-
Net income attributable to CUC shareholders	2,200	966	43.9%
(Adjusted) Net income attributable to CUC shareholders	**2,200**	**678**	**30.8%**

Excluding impact of foreign exchange gain of 287 million yen accrued from intercompany borrowings to the US subsidiary. Intercompany borrowings were repaid in full on May 15, 2024. The progress of adjusted net income is above CUC's plan

1. The US and Southeast Asia. Average exchange rate for the 2025/3 forecast is 140 yen/USD and average exchange rate for 2025/3 Q1 is about 156 yen/USD.
2. CUC invested additional equity into CUC America Inc., which is a wholly-owned subsidiary of CUC. CUC America Inc. repaid the loan CUC in full by proceed of the additional investment.

©2024 CUC Inc.

Financial Results by Segment

©2024 CUC Inc.

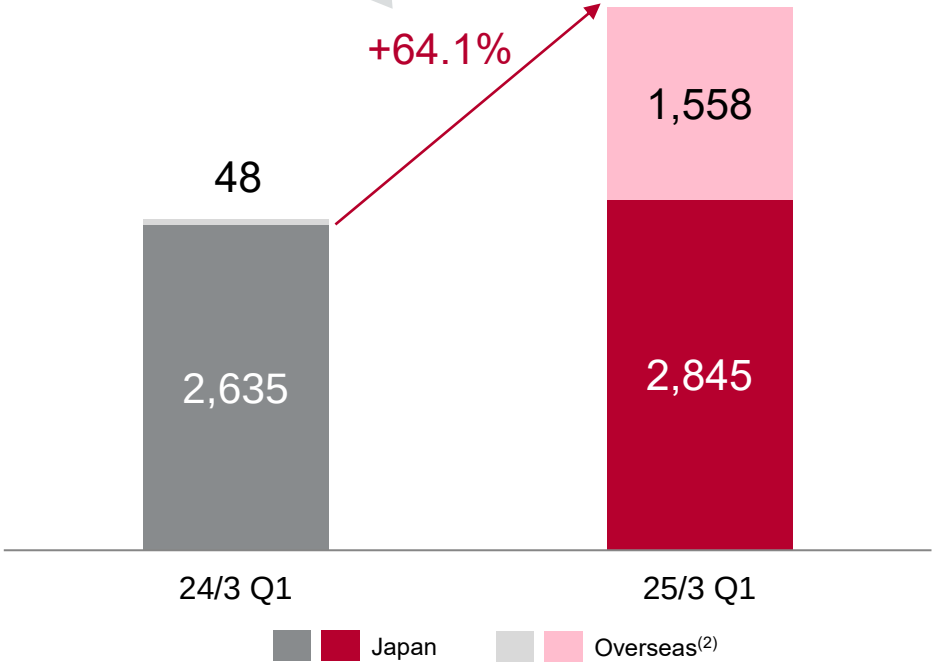
Financial Results of Medical Institution Segment

Revenue and EBITDA in Japan increased due to high M&A advisory fees. EBITDA margin in the segment decreased while overseas revenue increased significantly due to the acquisition of the US Podiatry Business in the previous fiscal year

Revenue[1]

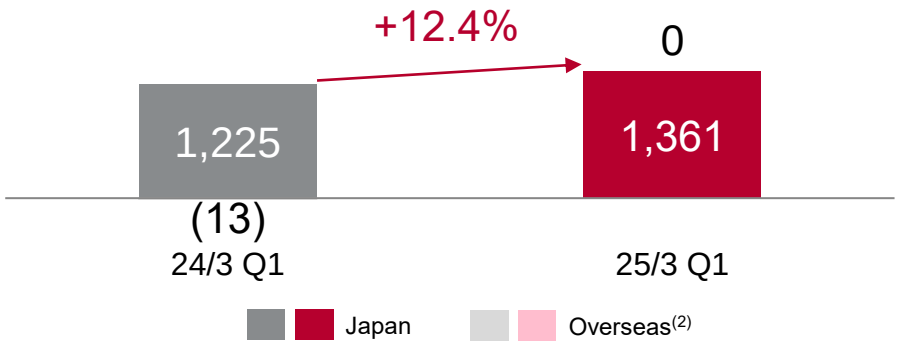
(Million yen)

Japan increased due to an increase in the number of clients' medical institutions and M&A advisory fees. Overseas increased primarily due to the acquisition of the US Podiatry Business in Jan 2024



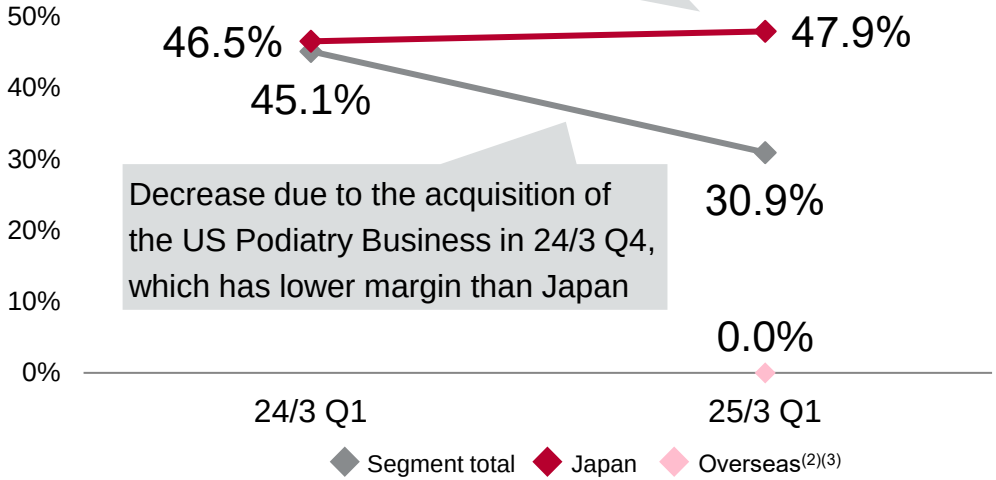
EBITDA and EBITDA margin[1][3]

(Million yen)



Increase in M&A advisory fees

Decrease due to the acquisition of the US Podiatry Business in 24/3 Q4, which has lower margin than Japan



©2024 CUC Inc.

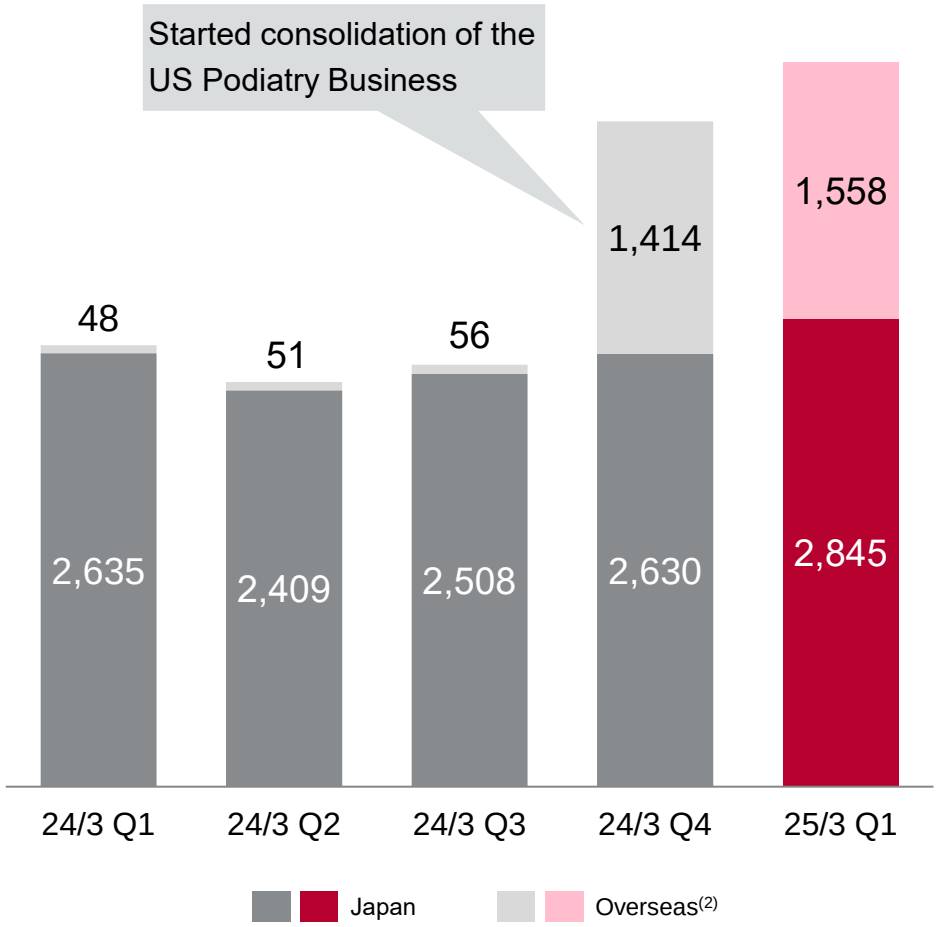
1. Retroactively adjusted on assumption that fixed assets related to hospice facilities in the Medical Institution segment was transferred to the Hospice segment at the beginning of the fiscal year ended March 31, 2024.
2. The US and Southeast Asia. 3. Indicates EBITDA margin (Overseas) only for 25/3 Q1.

Financial Results of Medical Institution Segment (Quarterly)

Revenue and EBITDA in Japan increased compared to 24/3 Q4 due to an increase in M&A advisory fees while overseas EBITDA decreased due to an increase in personnel cost

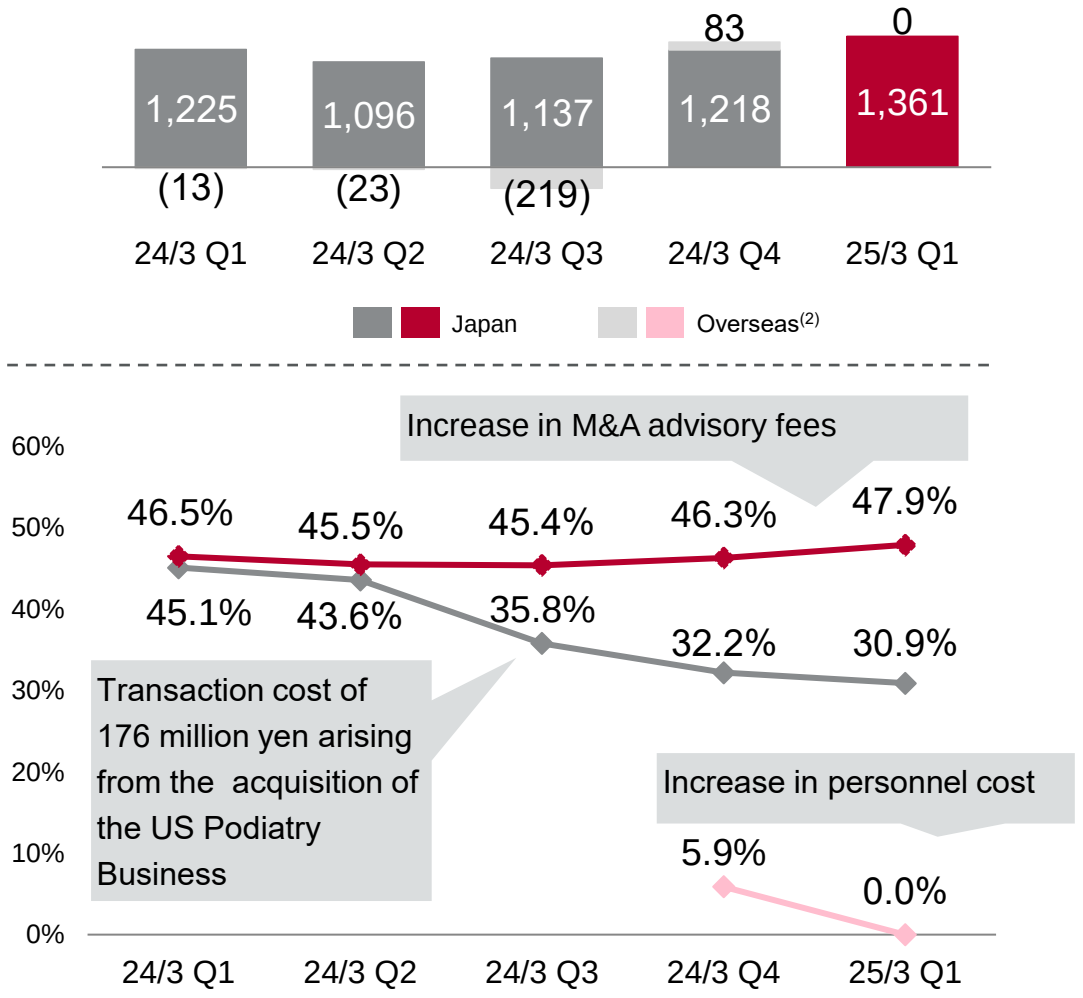
Revenue[1]

(Million yen)



EBITDA and EBITDA margin[1][3]

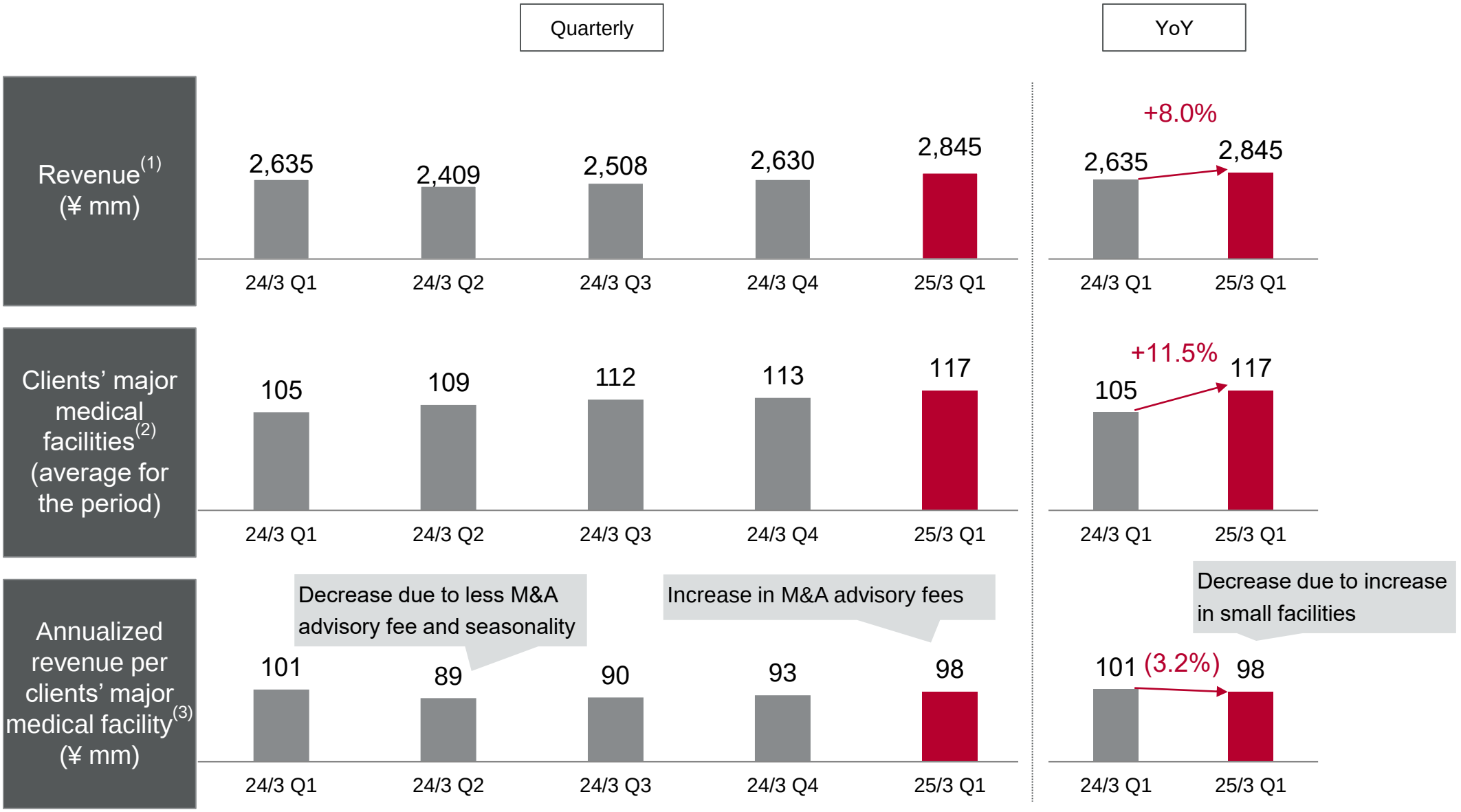
(Million yen)



©2024 CUC Inc.

1. Retroactively adjusted on assumption that fixed assets related to hospice facilities in the Medical Institution segment was transferred to the Hospice segment at the beginning of the fiscal year ended March 31, 2024.
2. The US and Southeast Asia. 3. Indicates EBITDA margin (Overseas) only for 24/3 Q4 onwards.

Key Operating Drivers of Medical Institution Segment (Japan)



1. Retroactively adjusted on assumption that fixed assets related to hospice facilities in the Medical Institution segment was transferred to the Hospice segment at the beginning of the fiscal year ended March 31, 2024.
2. Number of hospitals, long-term care health facilities, in-home care clinics, dialysis clinics, and outpatient clinics that CUC provides management support in Japan. The average of the number at the beginning of the period and the number at the end of the period.
3. Calculated by dividing annualized revenue in Japan by the average number of clients' major medical facilities during the same period.

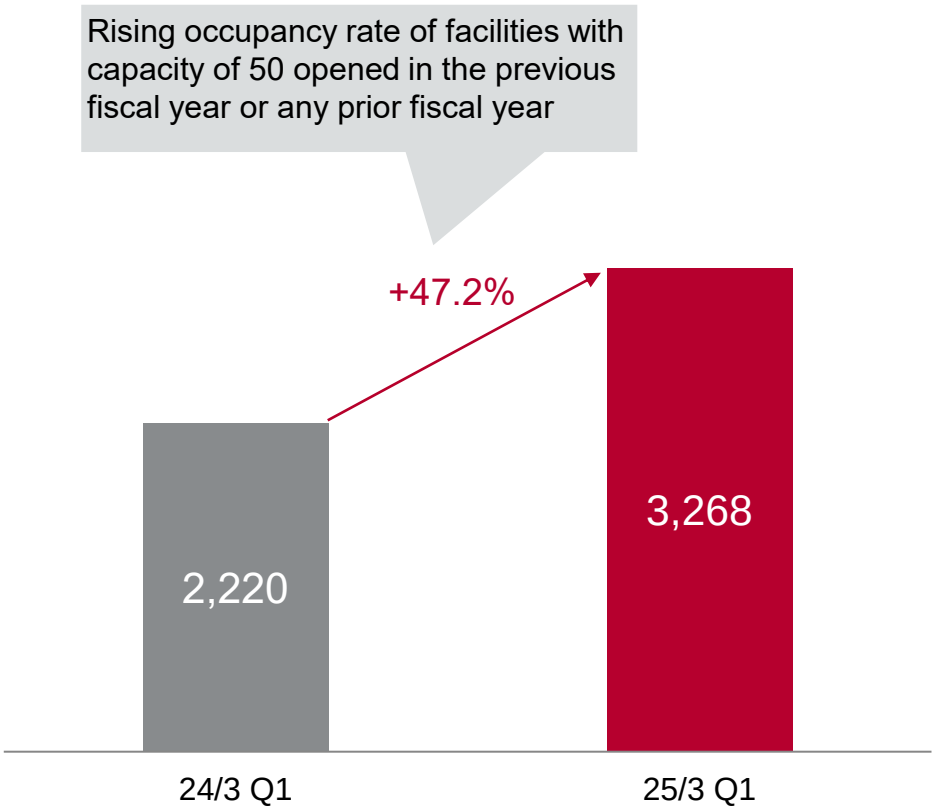
©2024 CUC Inc.

Financial Results of Hospice Segment

EBITDA margin increased significantly due to an increase in margin at facilities and a decrease in headquarters cost ratio by rising occupancy rate of facilities with capacity of 50 which have higher margin than small facilities

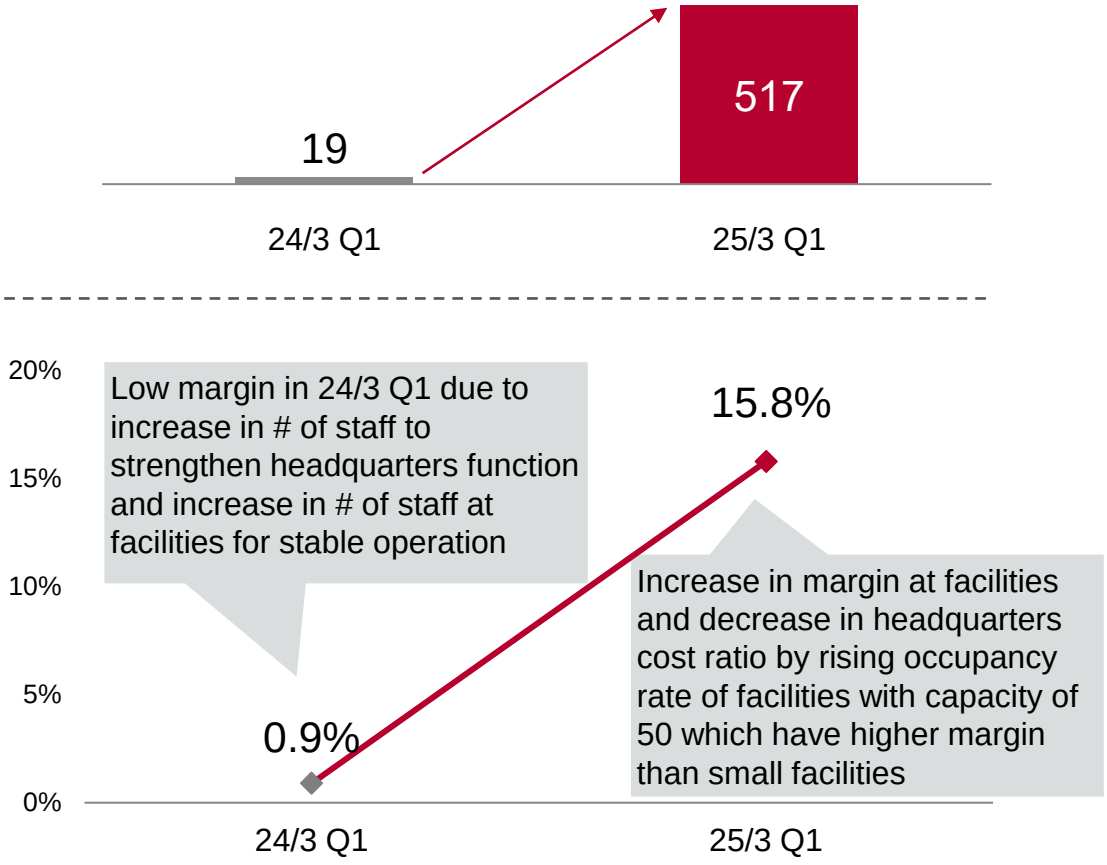
Revenue

(Million yen)



EBITDA and EBITDA margin[1]

(Million yen)



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

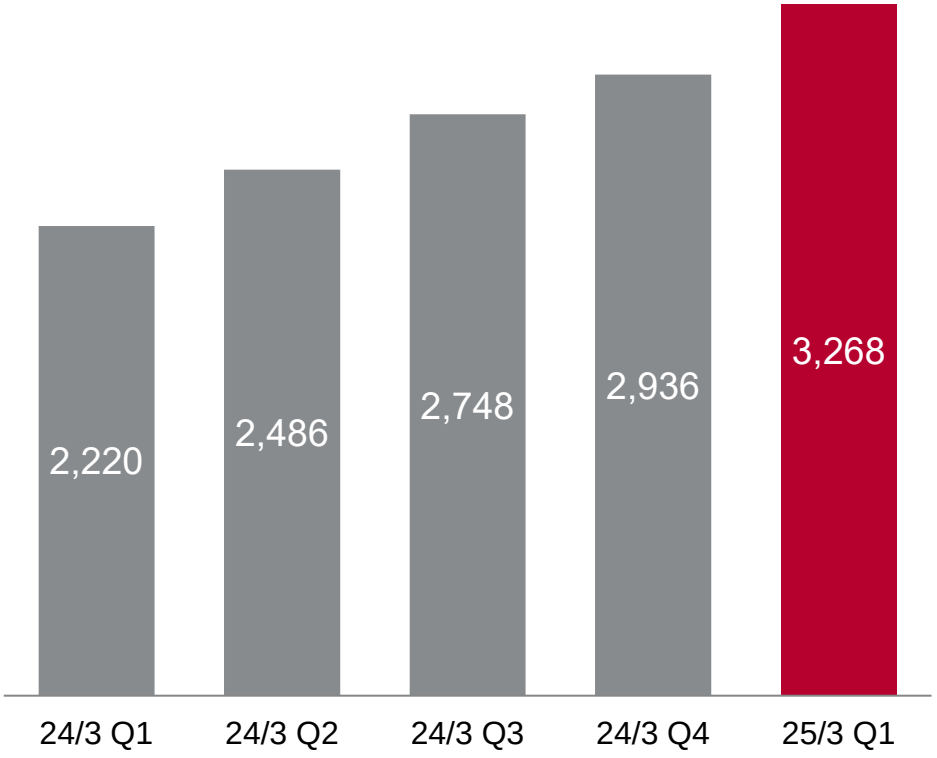
©2024 CUC Inc.

Financial Results of Hospice Segment (Quarterly)

EBITDA margin increased slightly due to rising occupancy rate while cost increased due to an increase in new openings compared to 24/3 Q4

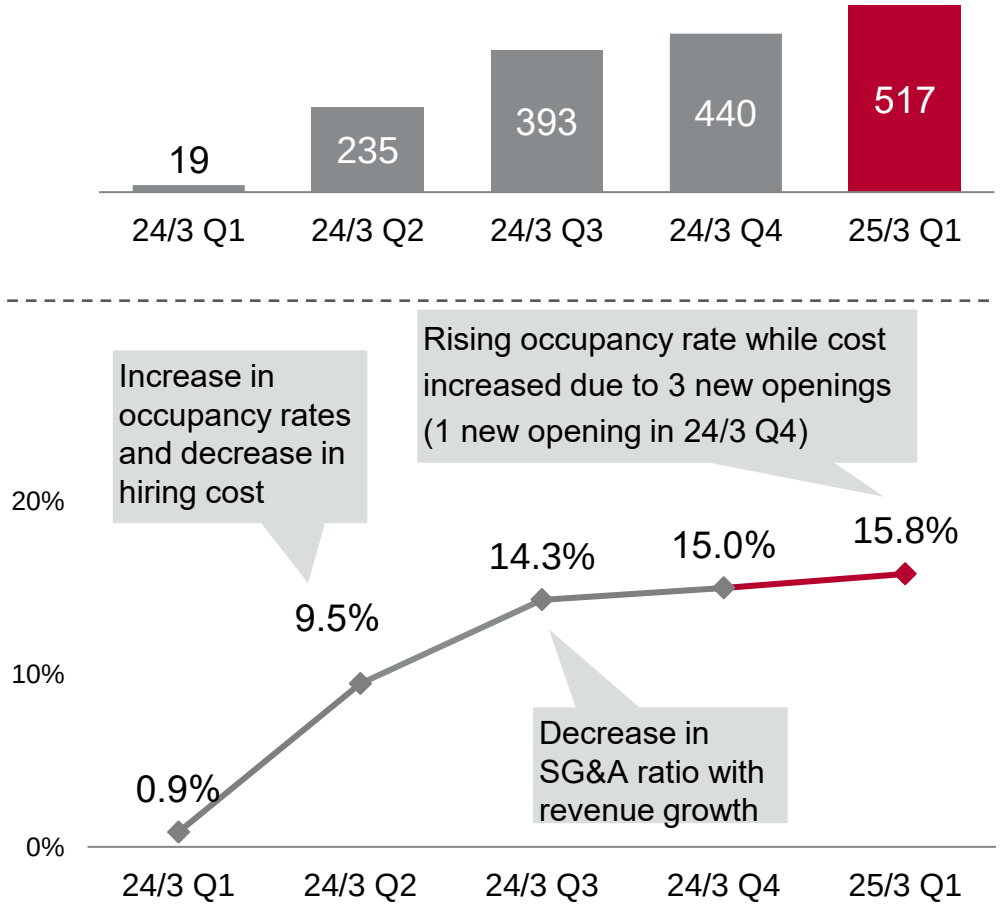
Revenue

(Million yen)



EBITDA and EBITDA margin(1)

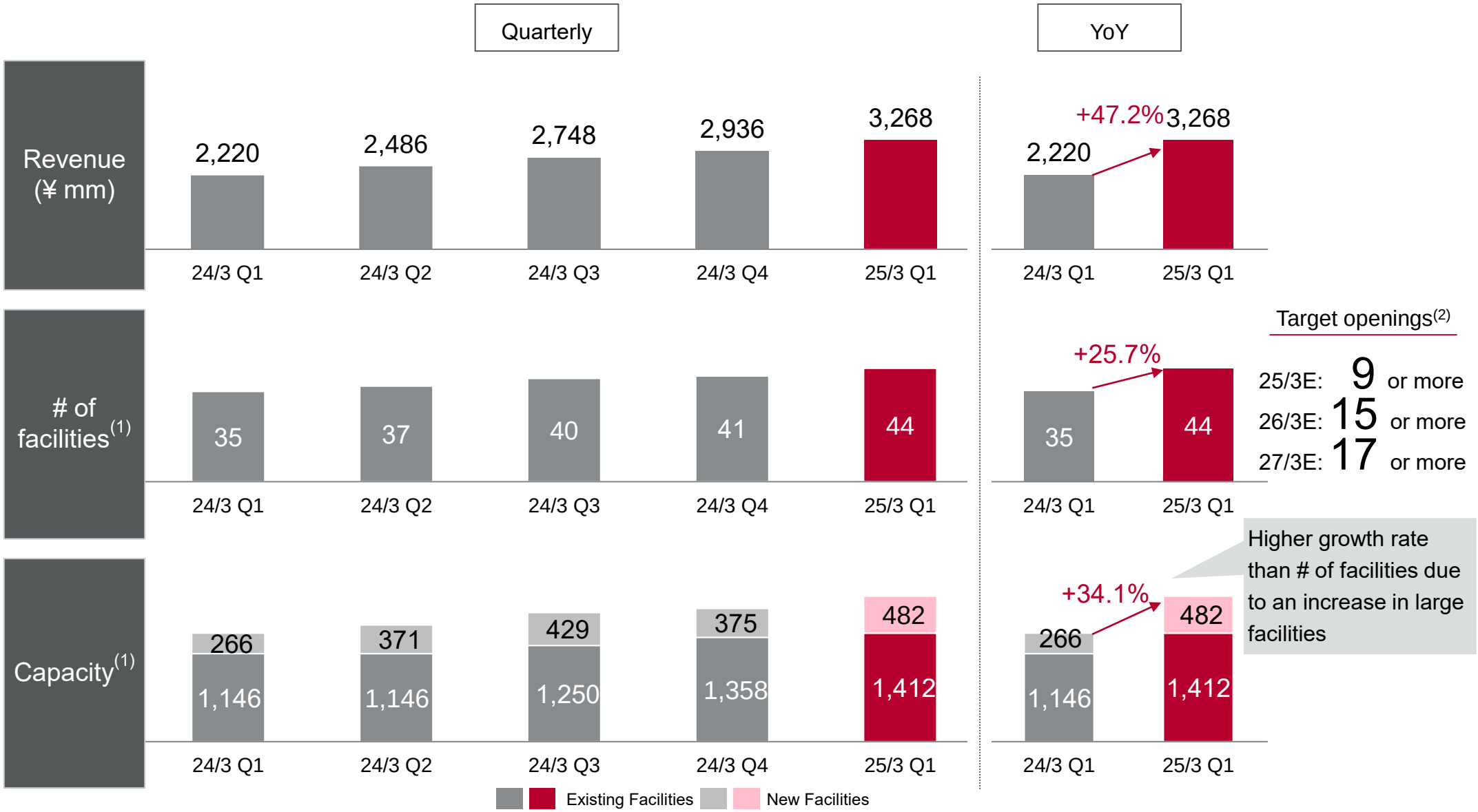
(Million yen)



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

©2024 CUC Inc.

Key Operating Drivers of Hospice Segment (1/2)



Target openings(2)

25/3E: 9 or more

26/3E: 15 or more

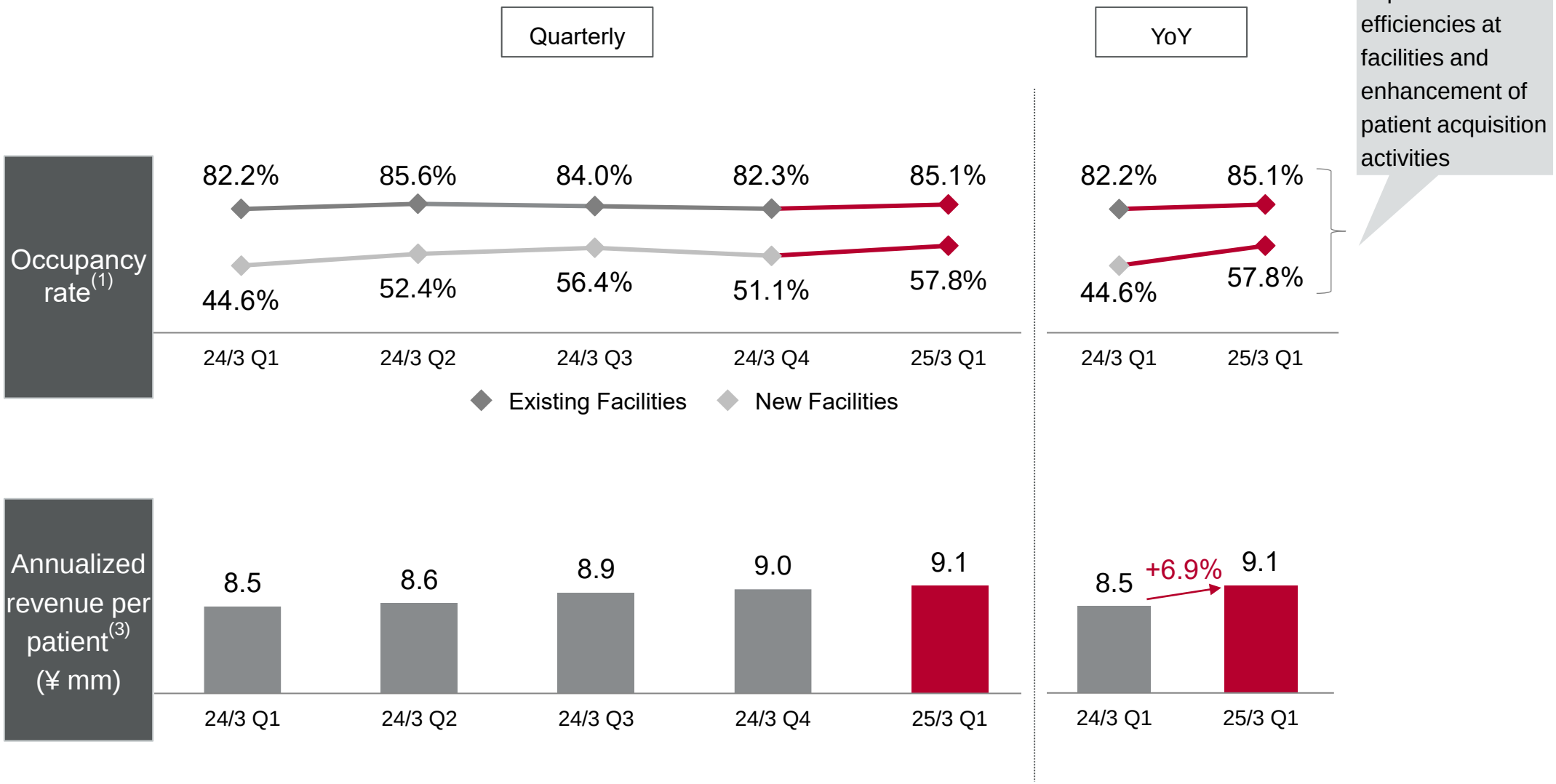
27/3E: 17 or more

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

©2024 CUC Inc.

Key Operating Drivers of Hospice Segment (2/2)



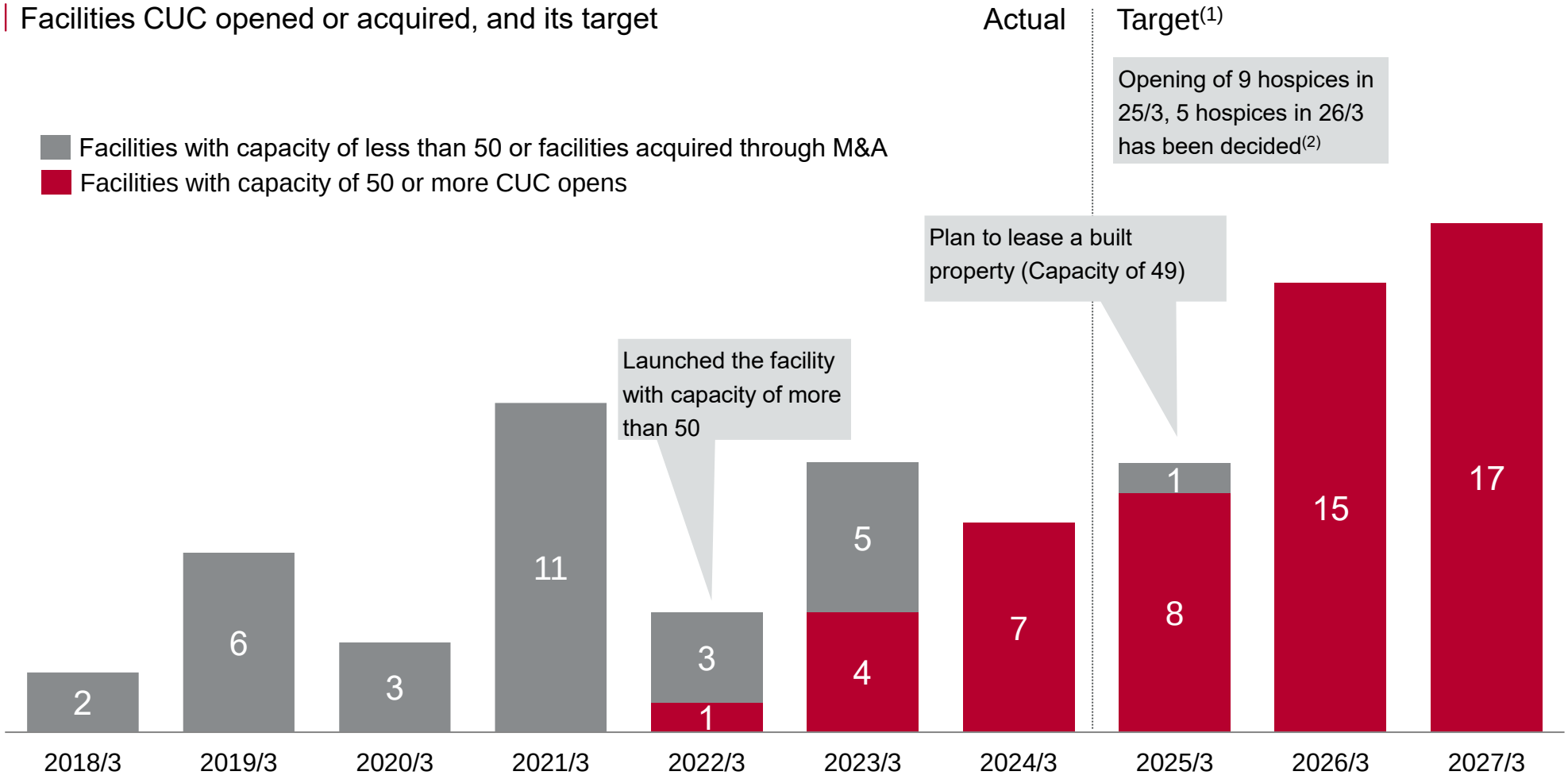
1. Percentage of total number of patients in hospices to the total number of capacity through each period. “Existing Facilities” means hospices past 12+ months after the opening at the end of each period or acquired through M&A and other hospices are referred to as “New Facilities”.
2. Calculated by dividing the annualized revenue from Hospice segment by the average number of patients during each period.

©2024 CUC Inc.

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

©2024 CUC Inc.

Planned Opening of Facilities in July 2024 and onwards

Planned openings[1][2]

Newly added

Location	Capacity	Capex (¥ mm)	Planned opening date	
Kyoto, Ukyo	54	710	2025/3 Q3	2024/11
Hyogo, Himeji	50	500	2025/3 Q4	2025/1
Okayama, Okayama	50	450		2025/2
Kanagawa, Kawasaki[3]	49	335		2025/3
Aichi, Nagoya	50	561		2025/3
Fukuoka, Fukuoka	50	522		2025/3
Nagano, Matsumoto	50	498	2026/3 Q1	2025/4
Saitama, Soka	50	440	2026/3 Q2	2025/7
Tokyo, Adachi	50	642	2026/3 Q2	2025/9
Chiba, Narita	50	483	2026/3 Q3	2025/10
Fukushima, Koriyama	50	488		2025/11

1. Above table indicates hospice facilities whose lease agreements or purchase agreements of real estate have been executed. However, it does not guarantee the realization of new openings in the future.
2. This is a schedule as of the date of this document. The capacity, the amount of Capex and the opening date may change in the future due to various reasons.
3. CUC group plans to lease a built property. Capex indicates the cost of renovation.

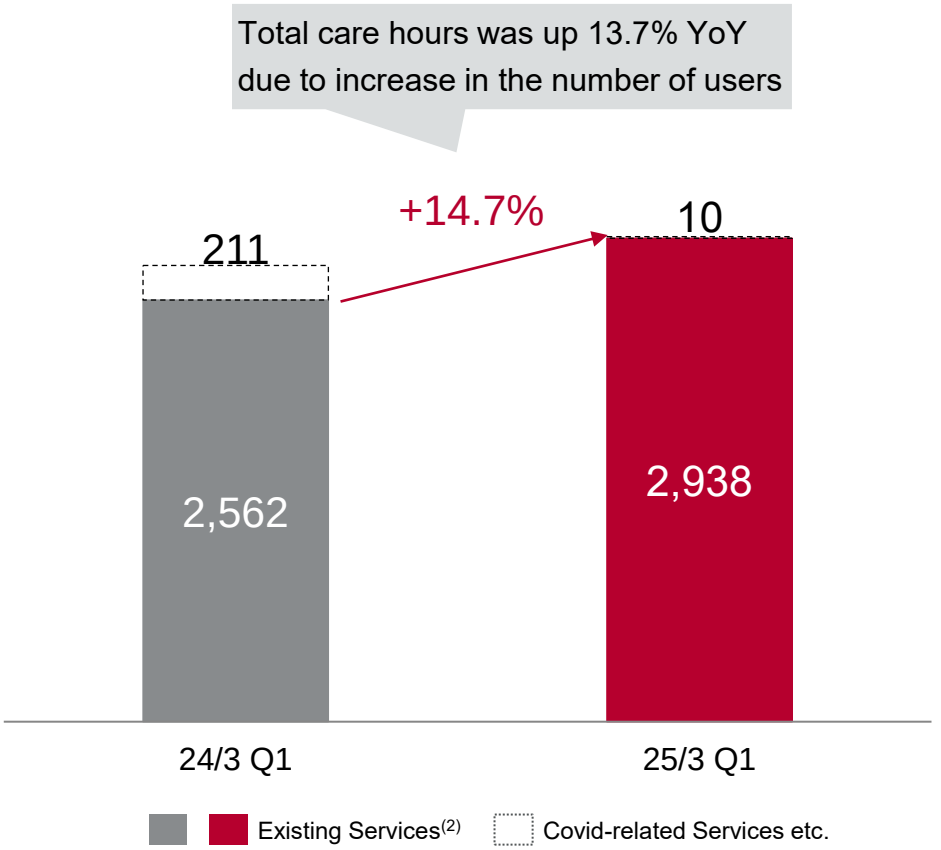
©2024 CUC Inc.

Financial Results of In-home Nursing Segment

Revenue grew 14.7% and EBITDA margin increased excluding Covid-related Services(1)

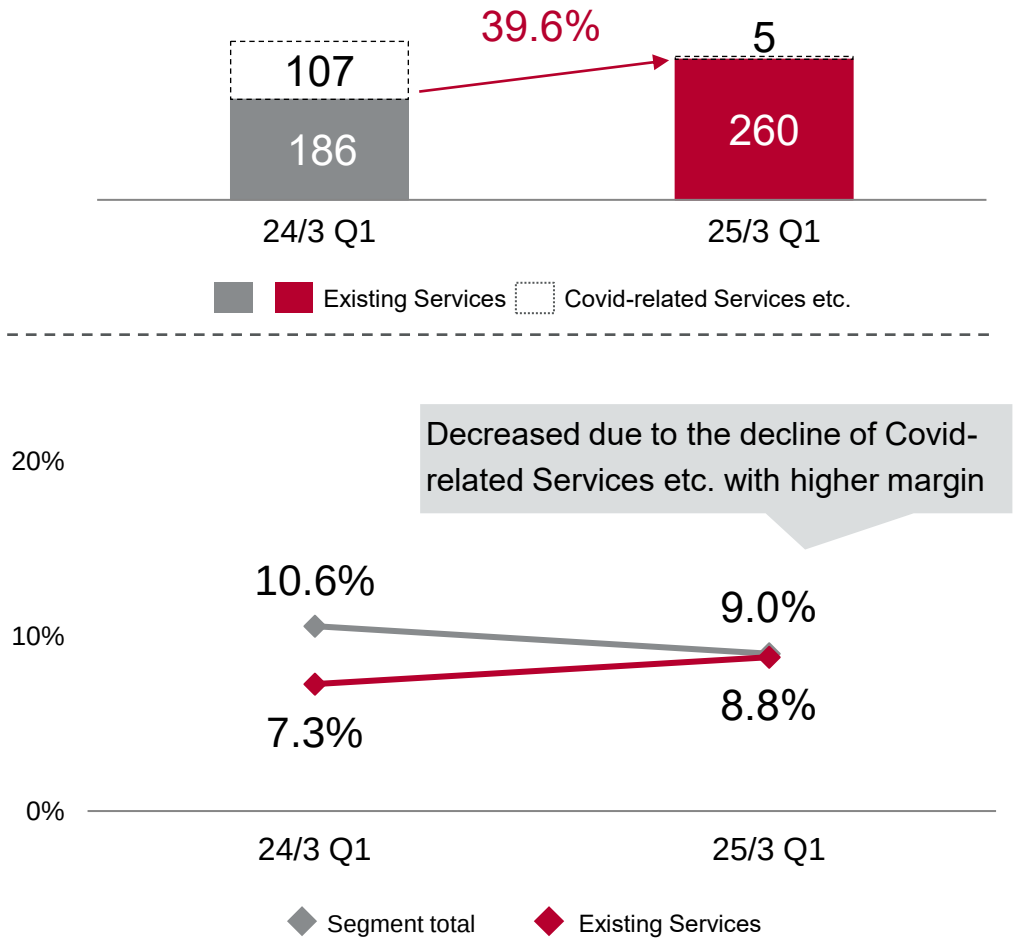
Revenue

(Million yen)



EBITDA and EBITDA margin

(Million yen)



1. In-home Clinical Trials and In-home Monitoring Services (the same applies hereinafter).
2. Services except for the Covid-related Services etc. (the same applies hereinafter).

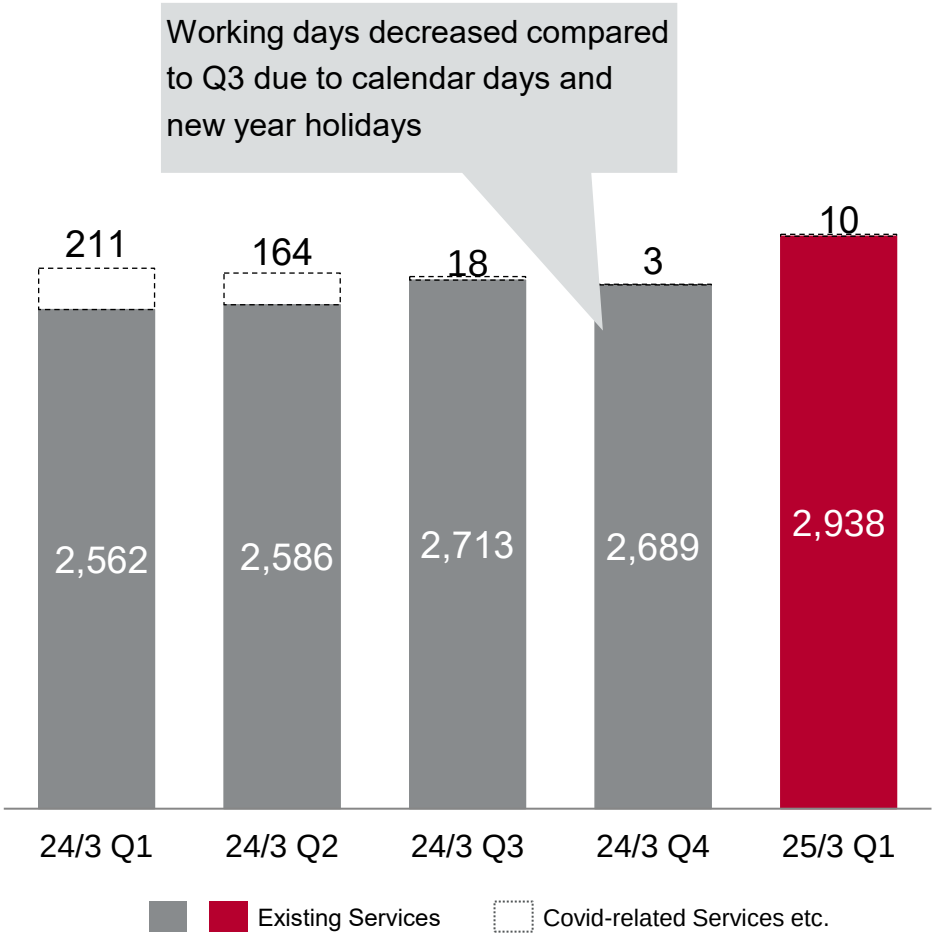
©2024 CUC Inc.

Financial Results of In-home Nursing Segment (Quarterly)

EBITDA margin remained the same level due to increase in recruitment cost compared to 24/3 Q4 while revenue increased

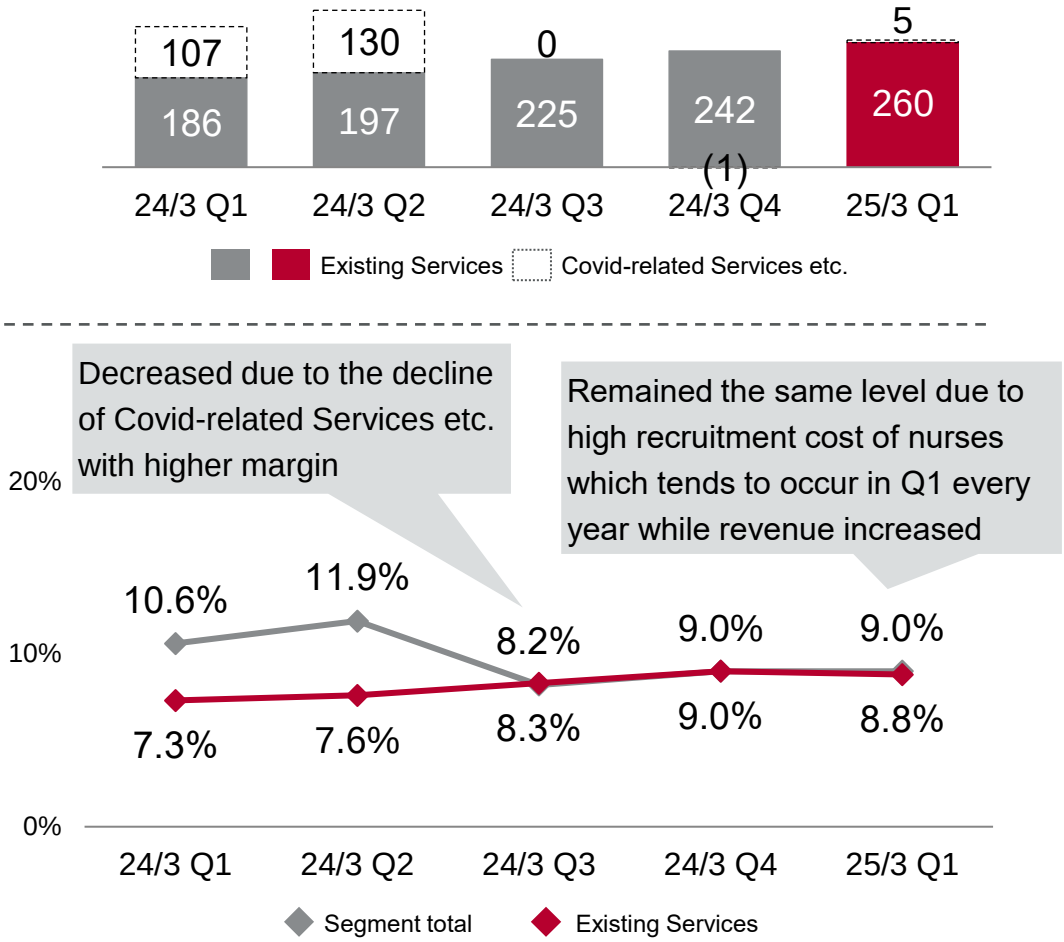
Revenue

(Million yen)



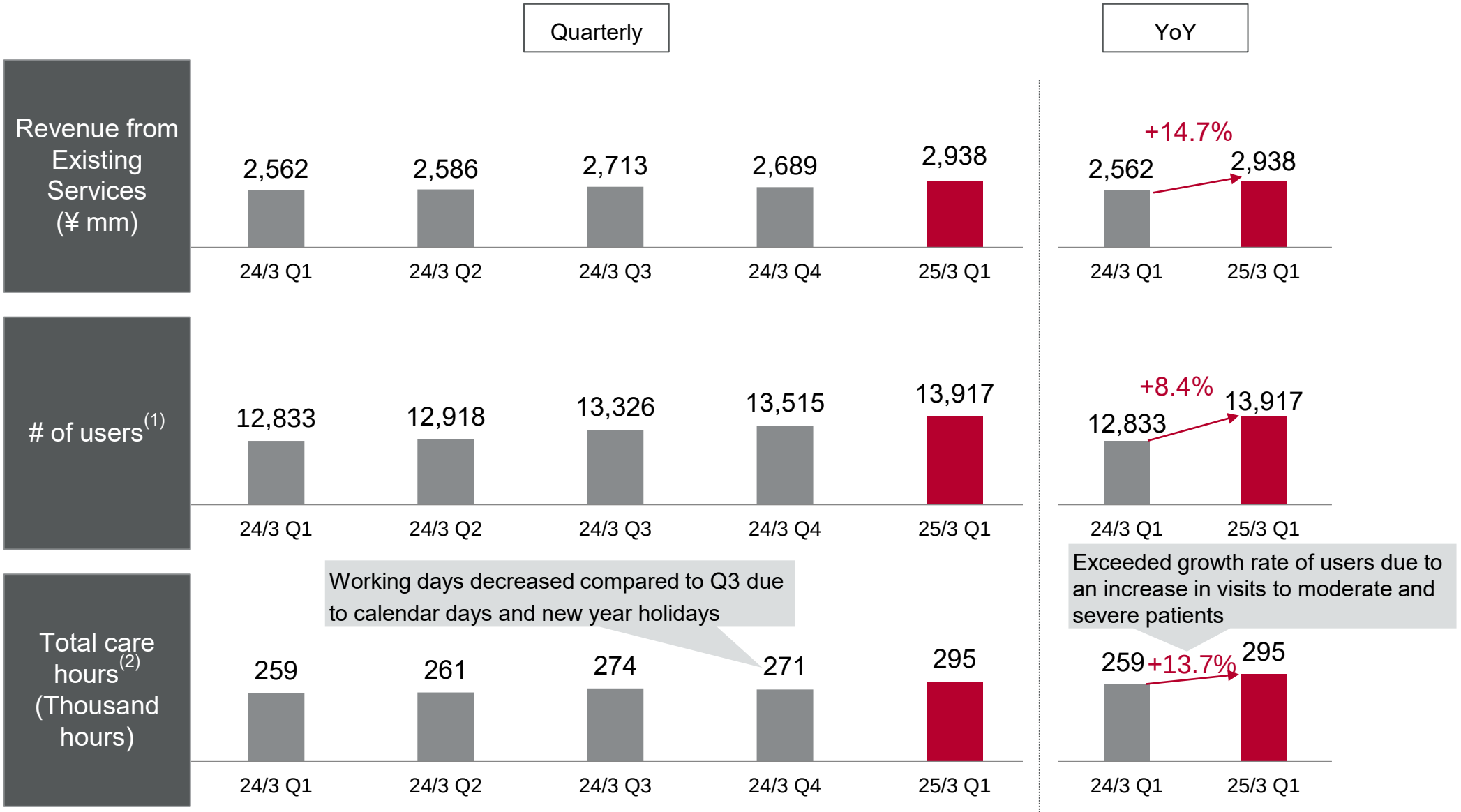
EBITDA and EBITDA margin

(Million yen)



©2024 CUC Inc.

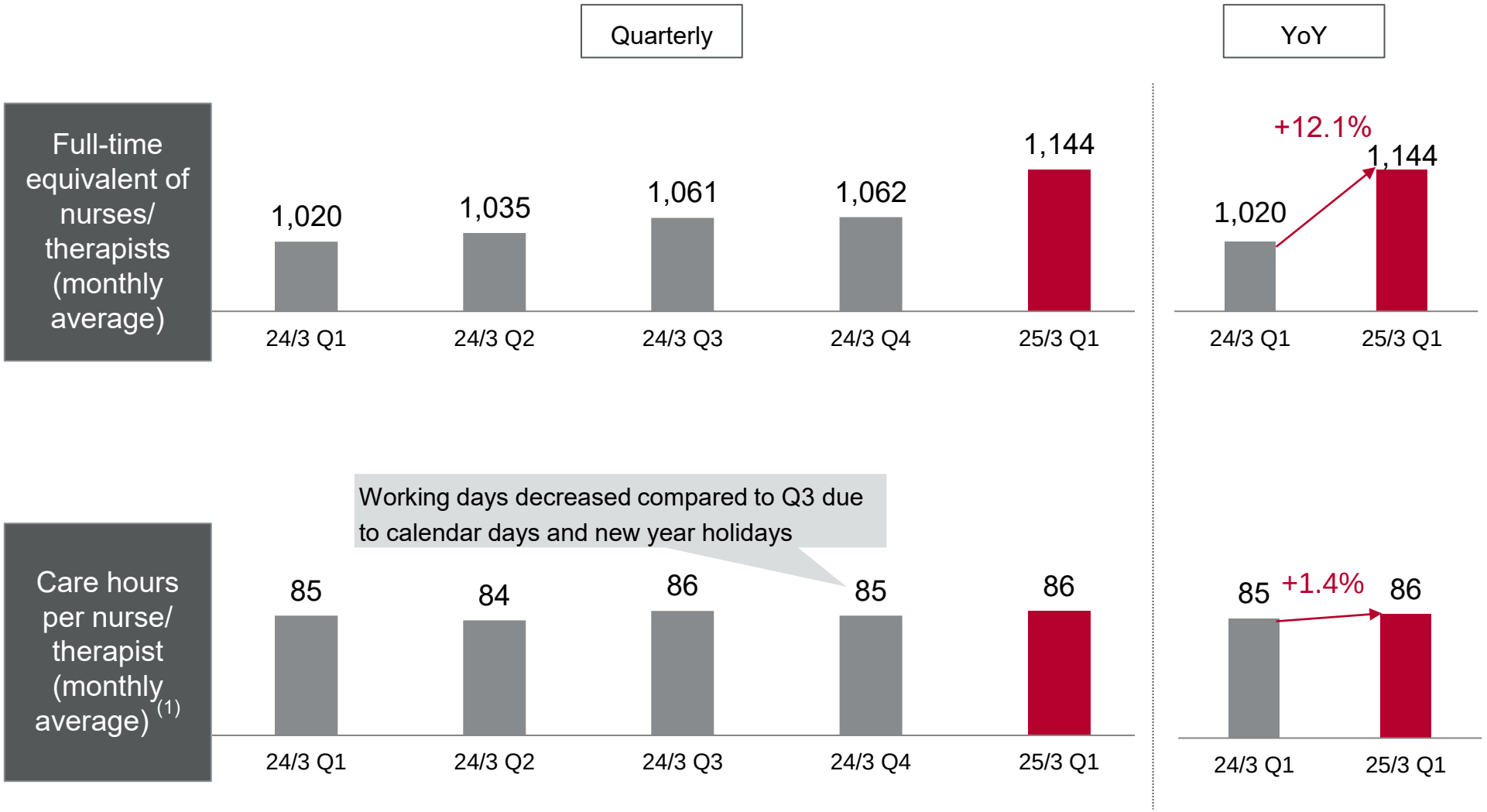
Key Operating Drivers of In-home Nursing Segment (1/2)



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

©2024 CUC Inc.

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



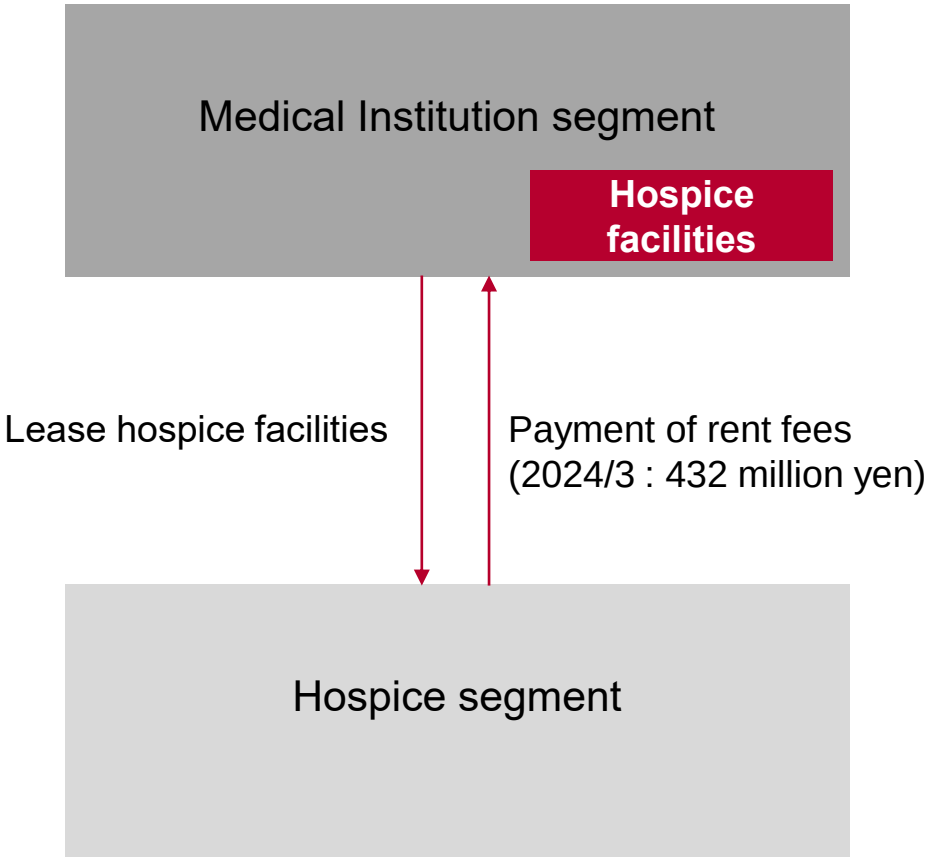
1. Calculating by dividing total care hours (monthly average) by full-time equivalent of nurses/therapists (monthly average).

©2024 CUC Inc.

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



©2024 CUC Inc.

Retroactively Adjusted Financial Results by Segment

Financial results assuming that hospice facilities was transferred to the 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)

©2024 CUC Inc.

Financial Results by Segment Before Retroactive Adjustment

Financial results before transferring hospice facilities to the 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)

©2024 CUC Inc.

2025/3 Q1 Topics

©2024 CUC Inc.

2025/3 Q1 Topics

1 Acquisition of an US podiatry clinic (Ankle & Foot Surgery, LLC)

- In June 2024, CUC America Inc., the US subsidiary of CUC acquired 100% of the membership interest in Ankle & Foot Surgery, LLC which operates a podiatry clinic. The impact of this acquisition is reflected in the consolidated financial forecast
- Ankle & Foot Surgery, LLC has joined the platform of podiatry and varicose vein specialists, "Beyond Podiatry," which is operated by CUC group in the United States

2 Financing through a syndicated loan

- In June 2024, CUC entered into a syndicated loan agreement and borrowed 7 billion yen (loan term : 10 years) to cover part of the consideration of the US Podiatry Business
- The impact of this loan is reflected in the consolidated financial forecast

3 Opening of new three hospices ”ReHOPE”

- CUC Hospice opened ReHOPE Minami-Machida (capacity: 53 beds) in April 2024, ReHOPE Hakata-Chikushi (capacity: 54 beds) in May 2024 and ReHOPE Kyoto-Minami (capacity: 54 beds) in June 2024
- These facilities are the 3rd facility in Tokyo and the 1st facility in Fukuoka and Kyoto respectively

4 Collaborative research of medical tourism with Juntendo University

- CUC and Juntendo University set up the collaborative research program and started analysis of demand for medical tourism, development of business model and preparation of system to accept tourists

©2024 CUC Inc.

Appendix

©2024 CUC Inc.

Company Overview

©2024 CUC Inc.

Mission

Creating Hope through Healthcare.

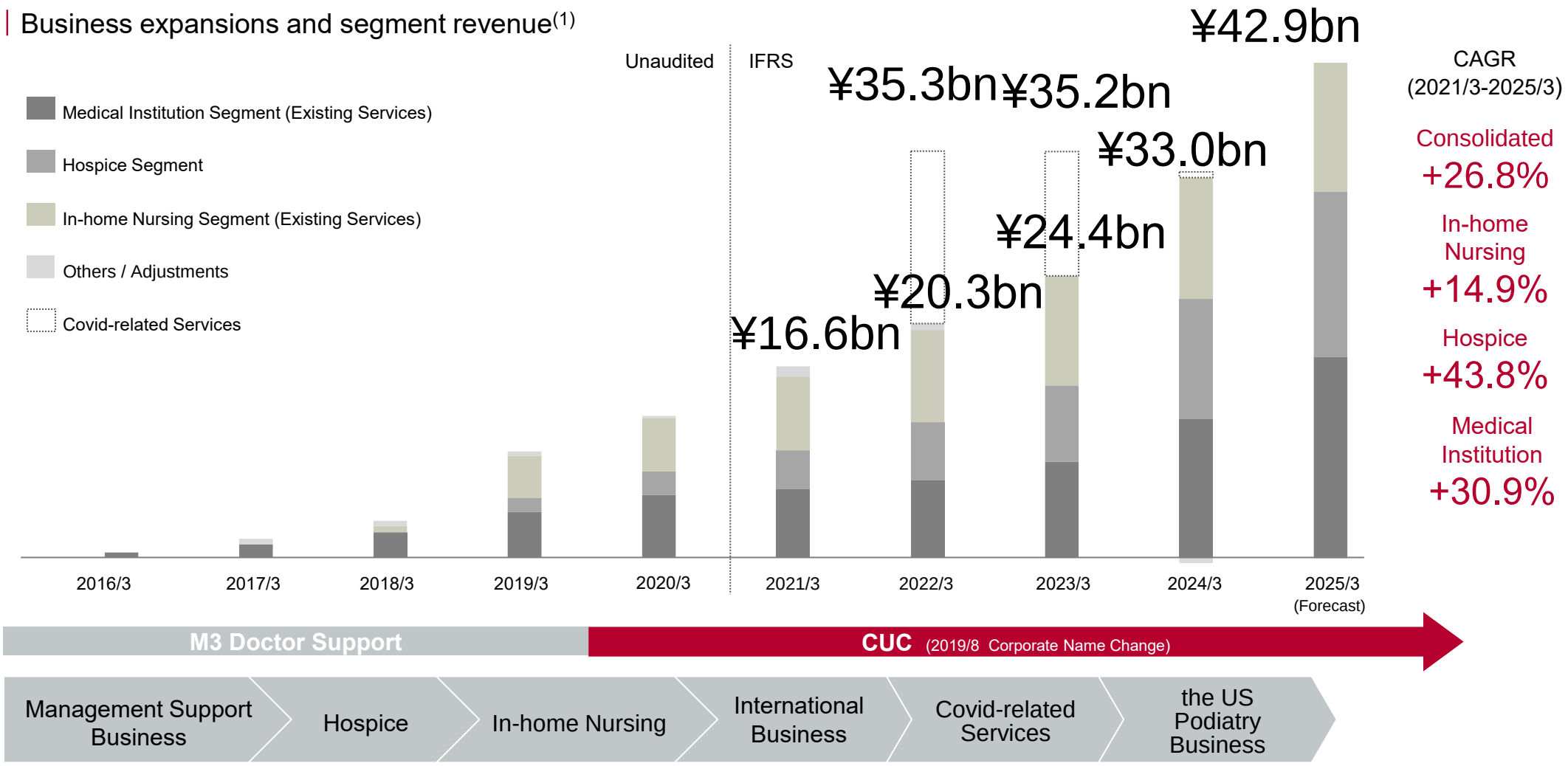


©2024 CUC Inc.

Successful High Growth Track Record

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

Business expansions and segment revenue(1)



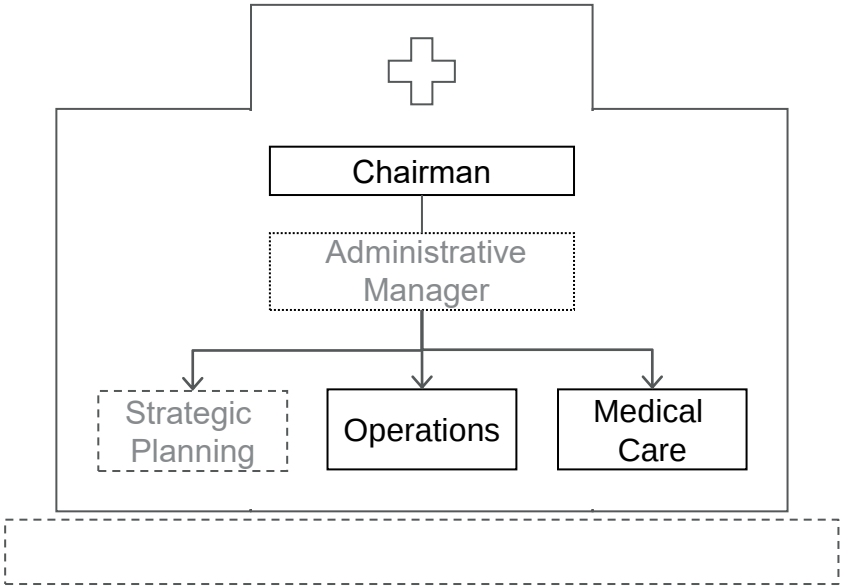
1. Financials for 2021/3 through 2025/3 are based on IFRS. Financials for 2020/3 and before are unaudited and do not include consolidation adjustments. ¥ 35.3bn for 2022/3, ¥ 35.2bn for 2023/3 and ¥ 33.0bn for 2024/3 are consolidated figures. ¥ 20.3 bn for 2022/3 and ¥ 24.4 bn for 2023/3 are consolidated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

©2024 CUC Inc.

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

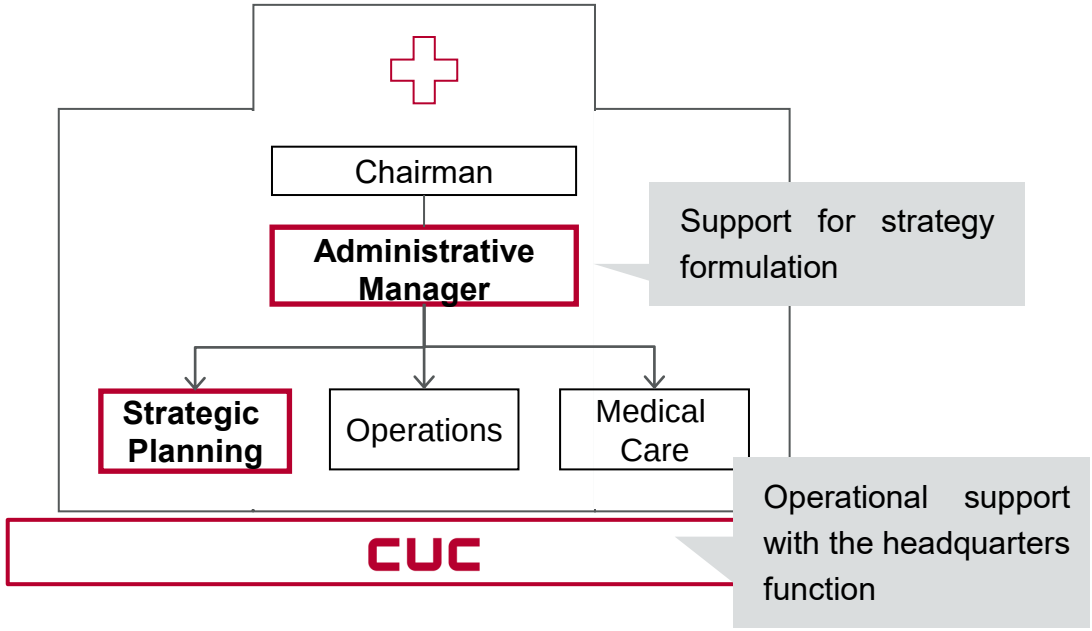
Sending indispensable management support personnel for expansion and efficient operation

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)

©2024 CUC Inc.

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	All-in-one monthly fee (varies depending on the size of the medical institution)	Management Support Staffing (COO/CAO Role) (administrative manager and department head) Strategic and administrative support Marketing support HR/recruiting support Support for IT, accounting, general affairs, etc. Procurement support	Dispatching onsite management support personnel Efficient support through centralization at headquarters	• Secure management support personnel necessary for decision-making • Strengthen strategy formulation capabilities ↓ • Optimize decision-making • Achieve efficient hospital operations
Medical Institution Revenue Growth Assistance	One-time fee	M&A PMI[1] Hospital bed conversion Clinic launches	Support for clinic launches and M&A execution	↓ • 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.

©2024 CUC Inc.

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.









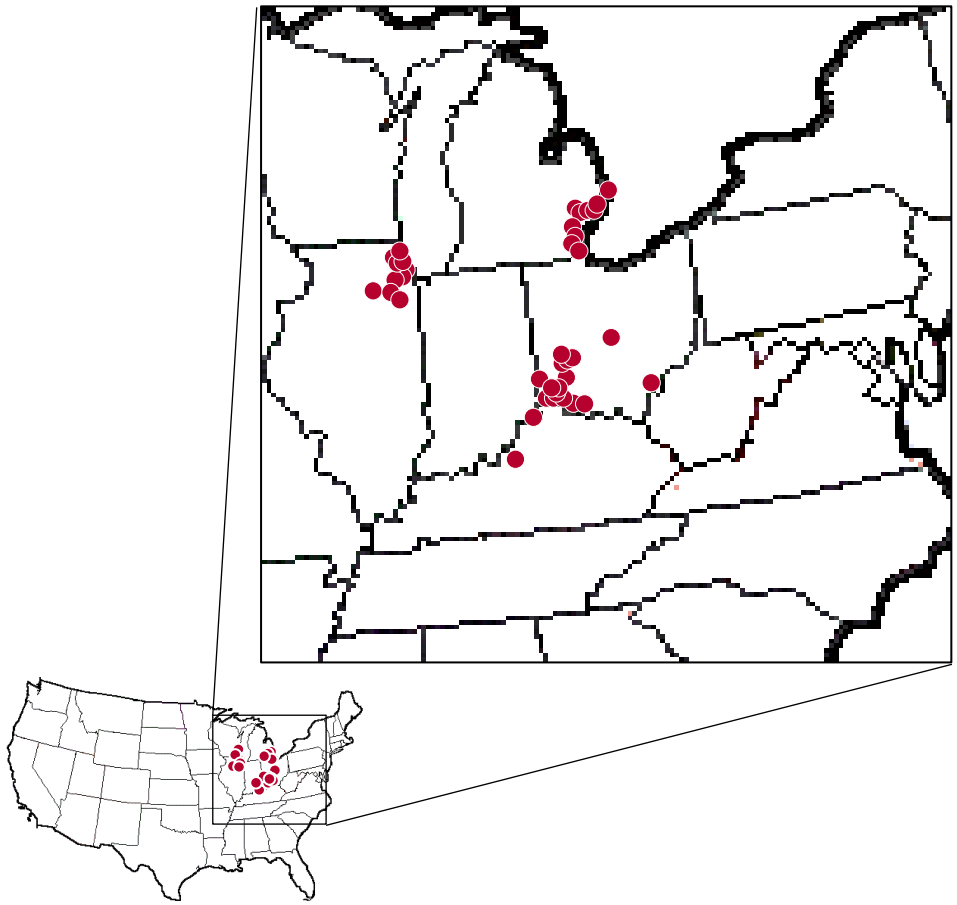
1. Quoted from the company's website: https://beyond-podiatry.com/.

©2024 CUC Inc.

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, Illinois, Michigan	5
Cincinnati Foot & Ankle Care	Ohio, Indiana	13
North Shore Foot & Ankle	Illinois	2
Michigan Foot & Ankle Center	Michigan	2
Ankle and Foot Surgery	Illinois	1
Total		**35**

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

©2024 CUC Inc.

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

CUC HOSPICE

- Operating hospices
- Providing nursing and care services

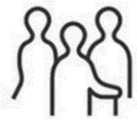
Patients

Cancer, Parkinson's disease, Amyotrophic Lateral Sclerosis(ALS),etc.

KPI (as of June 30, 2024)(1)



Hospices
44 facilities



Capacity
1,894 beds



Nurses /Caregivers
1,178人



Existing hospices occupancy rate(2)
85.1%

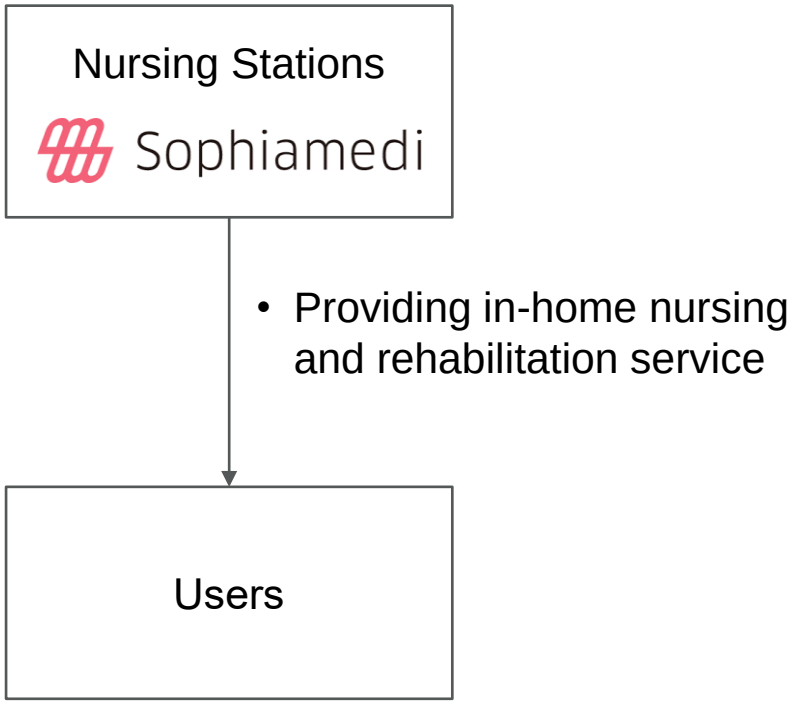
1. Key performance / indicators of hospices which CUC Group provides services.
2. Percentage of total patients to the total number of capacity in existing hospices (Past 12+ months after the opening or acquired through M&A) for 2025/3 Q1.

©2024 CUC Inc.

In-home Nursing Segment Overview

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

Business overview



KPI (as of June 30, 2024)

Users[1]
14,084

Total care hours[2]
1,101k hours
(2024/6 LTM)

Nurse/Therapists[3]
1,217

Nursing Stations[4]
88

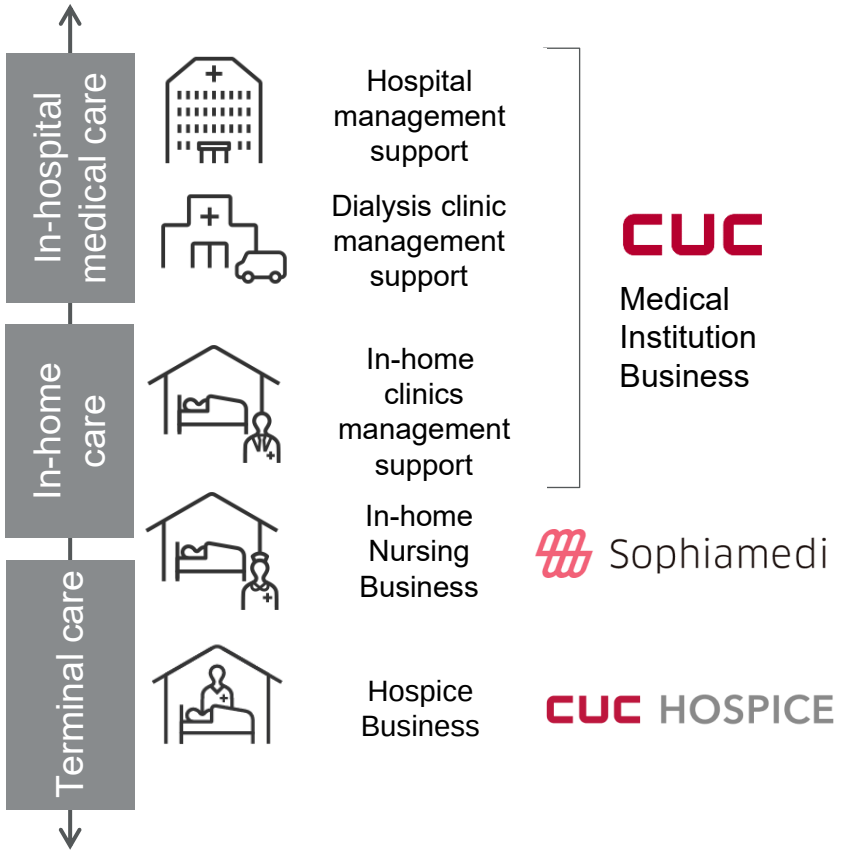
1. The number of users with actual visits within June 2024.
2. Total number of hours nurses and therapists provided services to users.
3. Therapists include physical therapists, occupational therapists, and speech therapists.
4. Total number of nursing stations which CUC Group provides services.

©2024 CUC Inc.

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

Network

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

Patient Referrals

Increased patient referrals within CUC Group and the client medical institutions

Recruitment & Retention

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

Capital Allocation

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

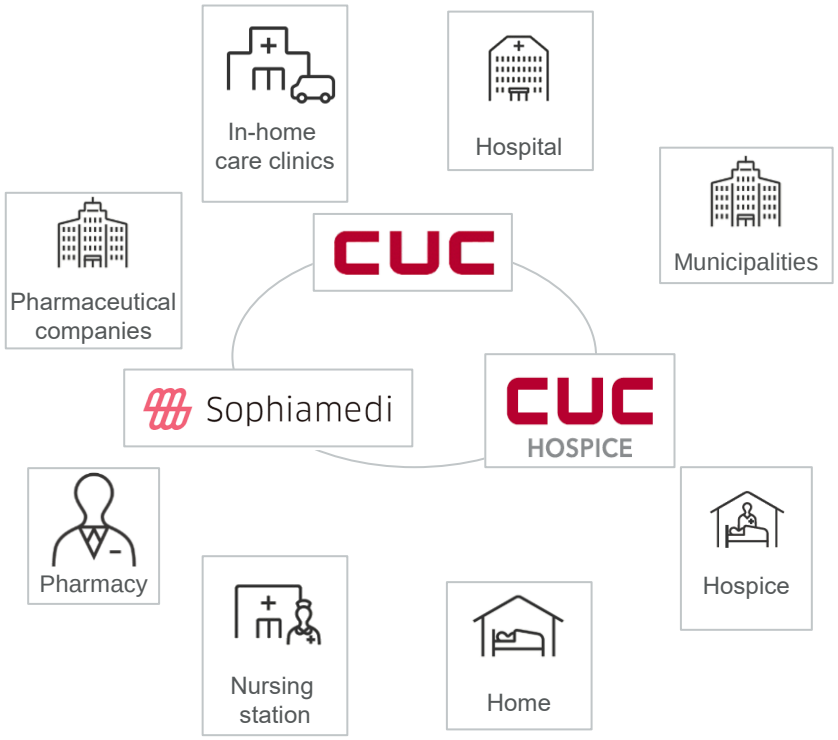
1. “Total Addressable Market”: A total market demand for a product and service.
2. “Key Opinion Leader”: A person with great influence in many areas within the medical industry.

©2024 CUC Inc.

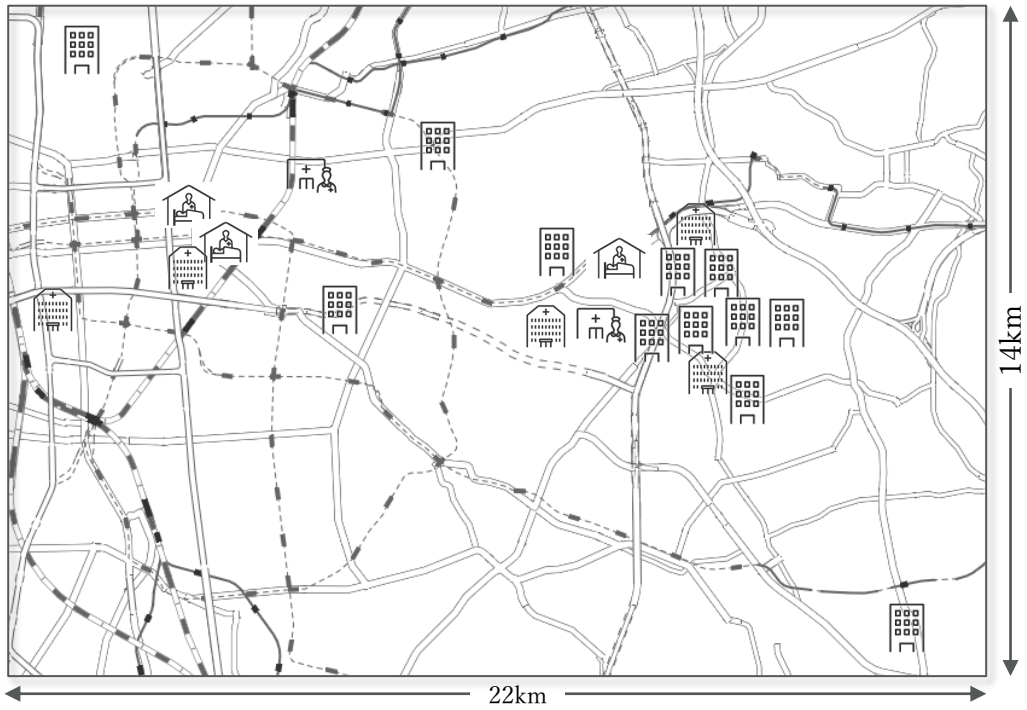
Vertically Integrated Platform (2/2)

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.

©2024 CUC Inc.

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

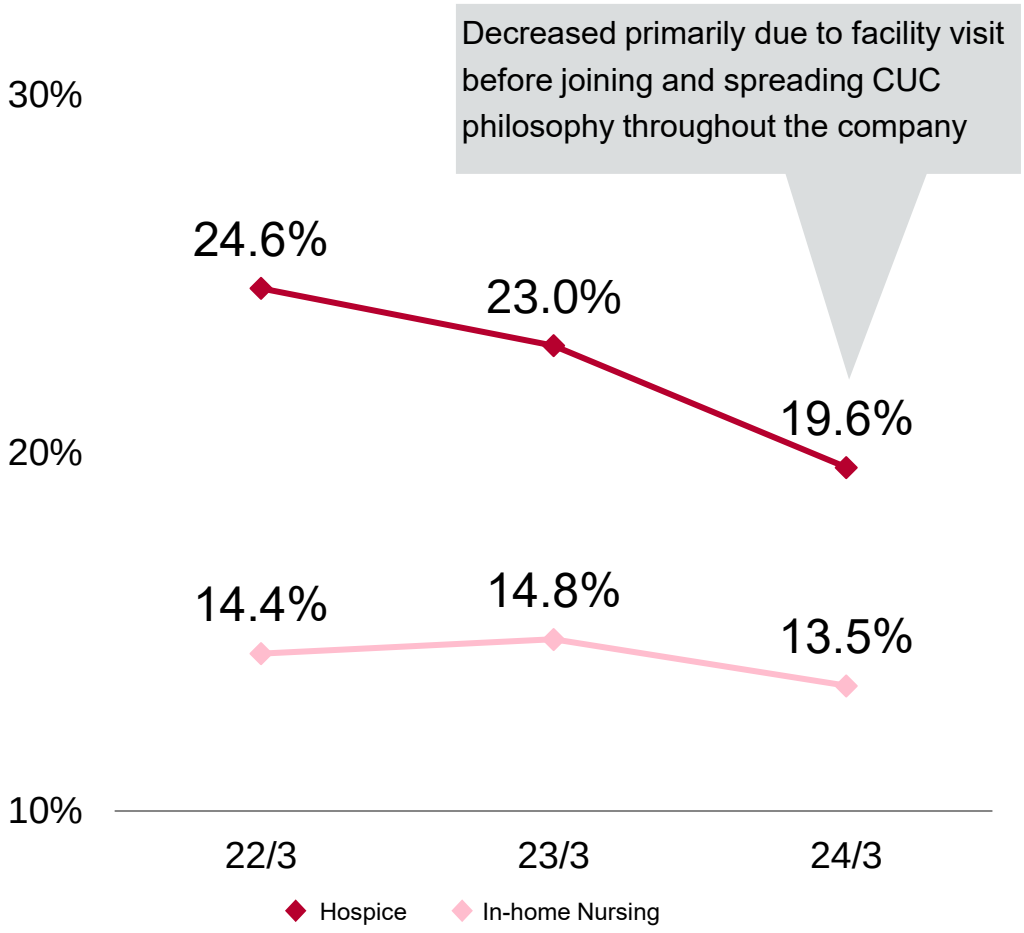
Hospice segment

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.).

©2024 CUC Inc.

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

就活クチコミアワード 2023

WORK STORY AWARD 056 テーマ部門賞

WORK STORY AWARD 100

GOOD ACTION

受賞 Value Prize 2018 Certificate 企業価値認定 2018 2014 / 2017

女性が活躍しています！

YOU'RE A WINNER! GLOBAL GOOD AWARDS 2020

work with Pride

©2024 CUC Inc.

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

North America



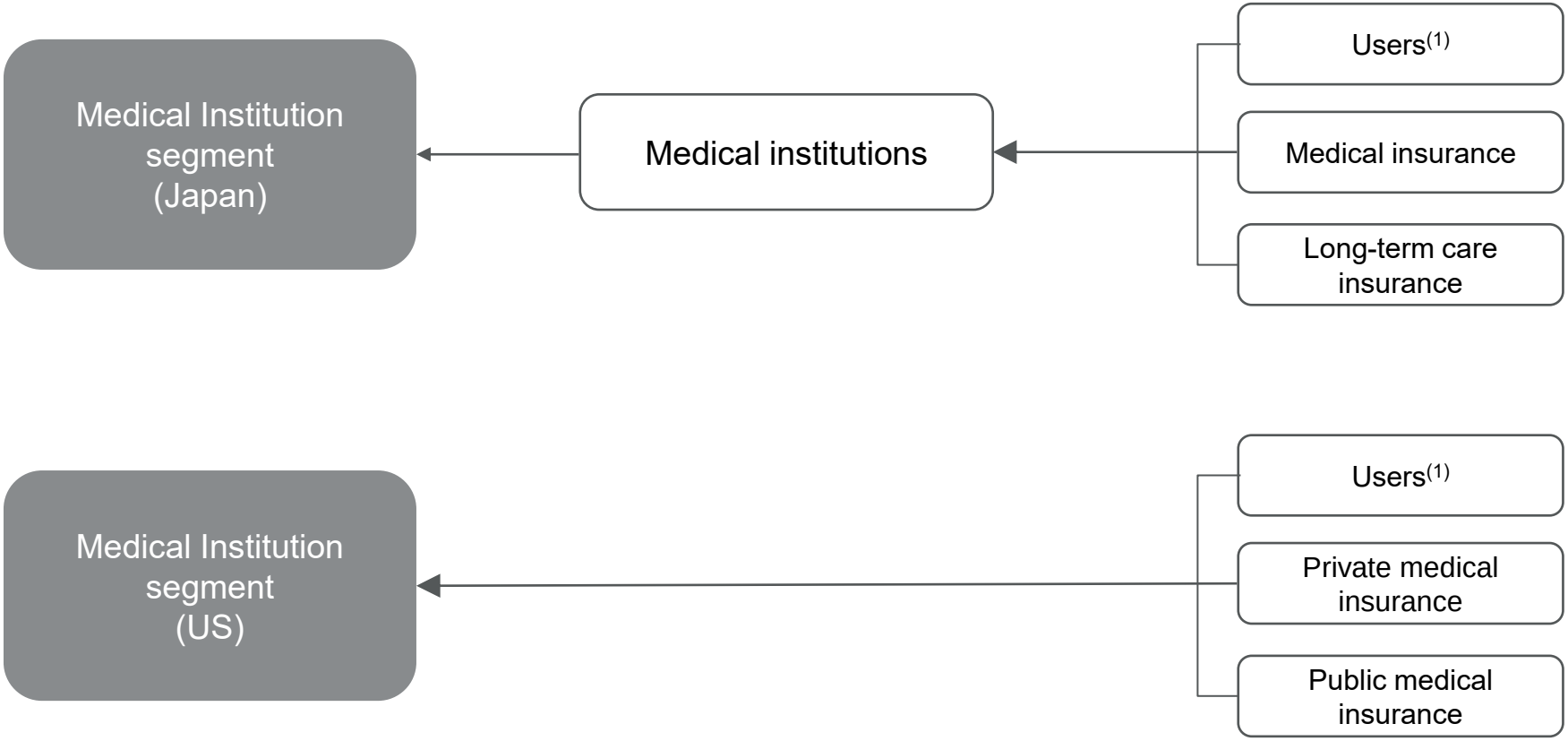
- Established CUC America Inc.(1) in July 2023 in order to conduct market research and business development in the United States
- Acquired 79.35% of membership interest in Albarn Podiatry Holdings, which operates a podiatry service platform (The company name changed to CUC Podiatry Holdings)

1. Wholly owned subsidiaries.

©2024 CUC Inc.

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

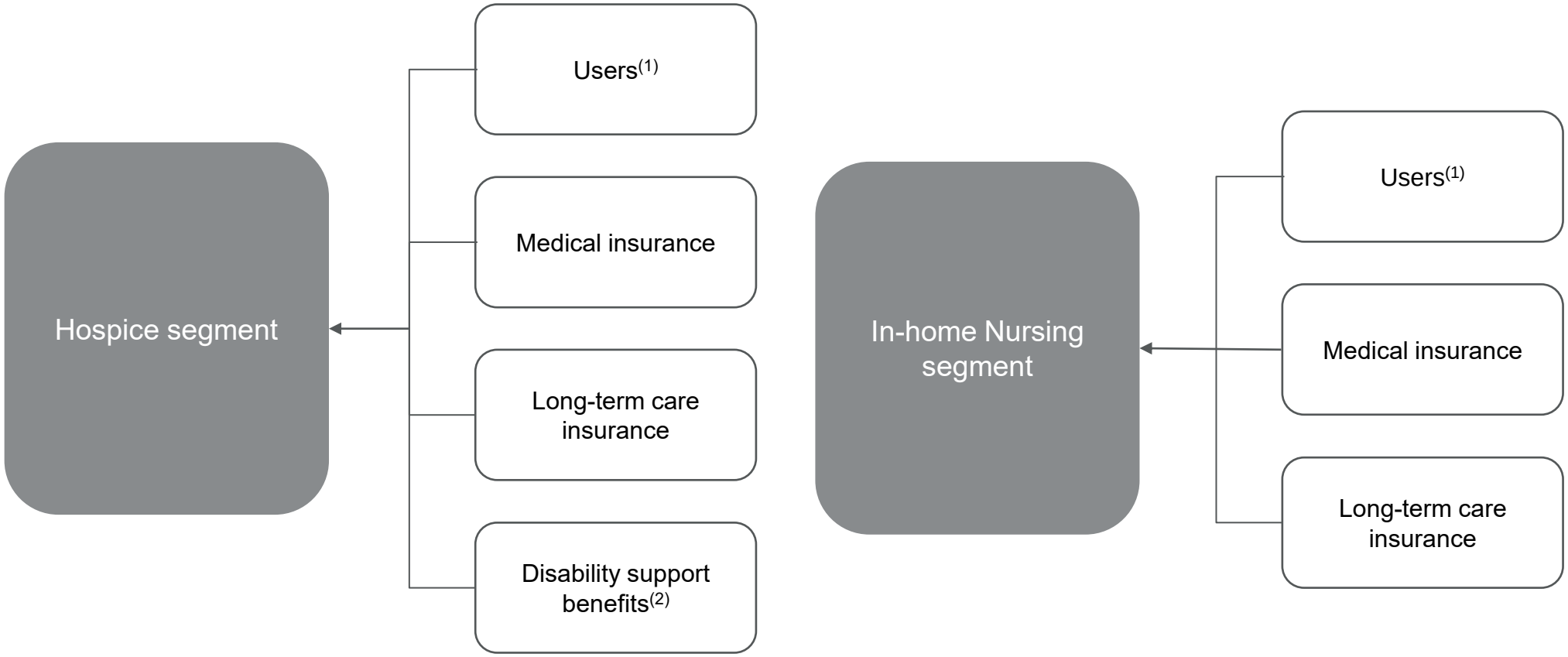


1. User's copayment varies depending on their income and age in Japan and on their insurance, income and age in the US.

©2024 CUC Inc.

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.

©2024 CUC Inc.

Market Environment

©2024 CUC Inc.

Market Environment of Medical Institution Segment (Japan)

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

Number of medical institutions in Japan(1)

Hospitals	Clinics
Approx. 8,000	Approx. 105,000

External environment around medical institutions

- Rapidly aging population (ratio of the 65 years old or older in population is expected to increase from 29% in 2020 to 35% in 2040(2))
- Growth in medical spending (expected to increase from 45 trillion yen in 2021 to 78 trillion yen in 2040(3))
- Shrinking labor force (expected to decrease from 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

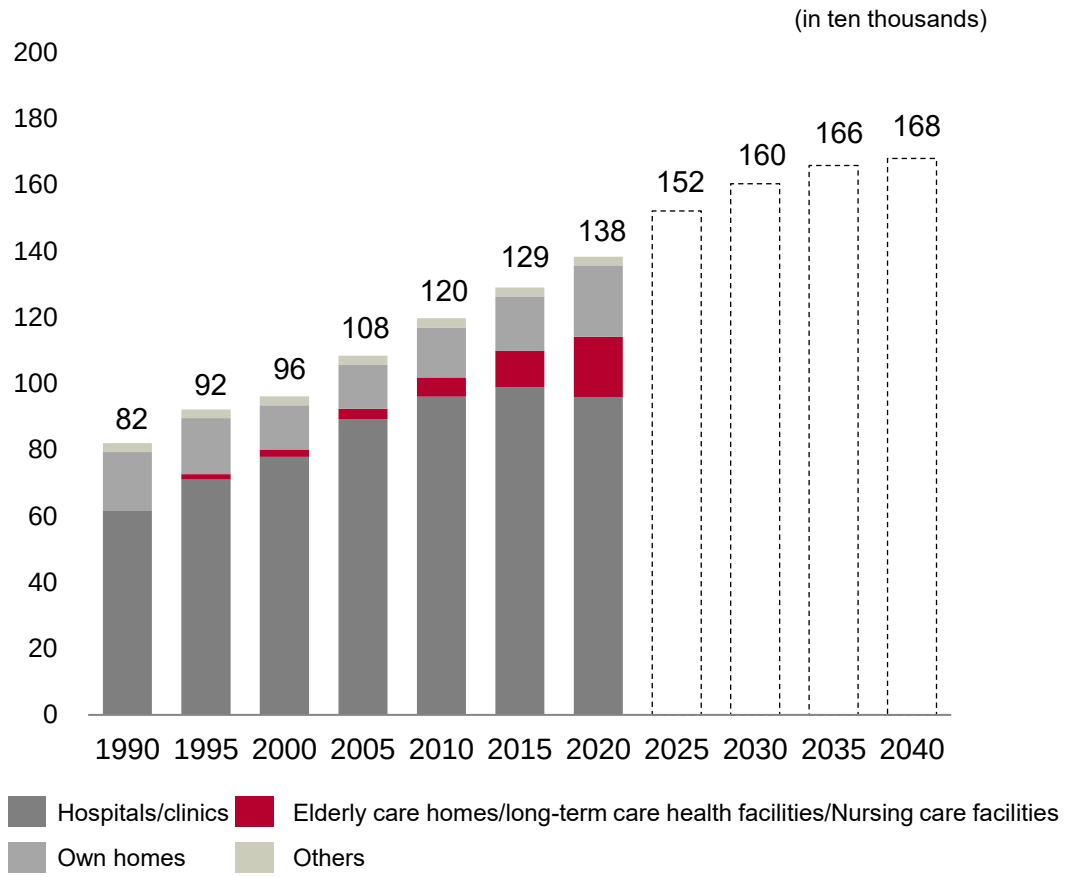
©2024 CUC Inc.

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

Market Environment of Hospice Segment

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

Trends in mortality and locations of death in Japan(1)



Demands for hospice facilities

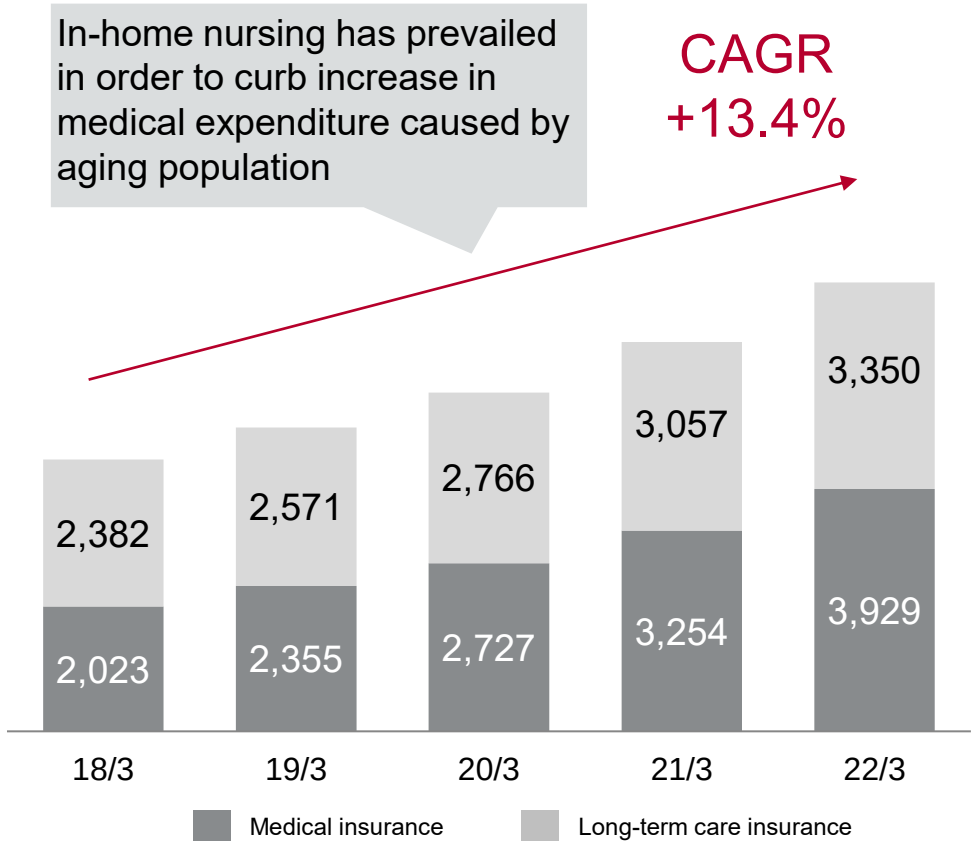
- The number of increase in deaths in medical institutions is on the decline while mortality in elderly care homes and similar facilities have been increasing recently.
- Mortality continues to increase annually, with an estimated 1.68 million deaths(1) and approximately 490,000 terminal care refugees estimated for 2040(2). However, capacity of hospice facilities that provide deliberate care to patients with terminal cancer and intractable diseases is currently at the shortage.
- Patients with designated intractable diseases such as Parkinson's disease, Amyotrophic Lateral Sclerosis (ALS) reached around 1.05 million in 2022(3). Deaths by cancer reached approximately 400,000 per year(4).

©2024 CUC Inc.
1. "Demographic Survey" , "Annual Report on Health, Labor and Welfare - Materials" (Ministry of Health, Labour and Welfare).
2. "Basic Information regarding Japanese Health and Medical Services" (Ministry of Health, Labour and Welfare, 2011).
3. "Examples of Health Administrative Reports 2022" (Ministry of Health, Labour and Welfare). 4. "Demographic Survey 2022" (Ministry of Health, Labour and Welfare).

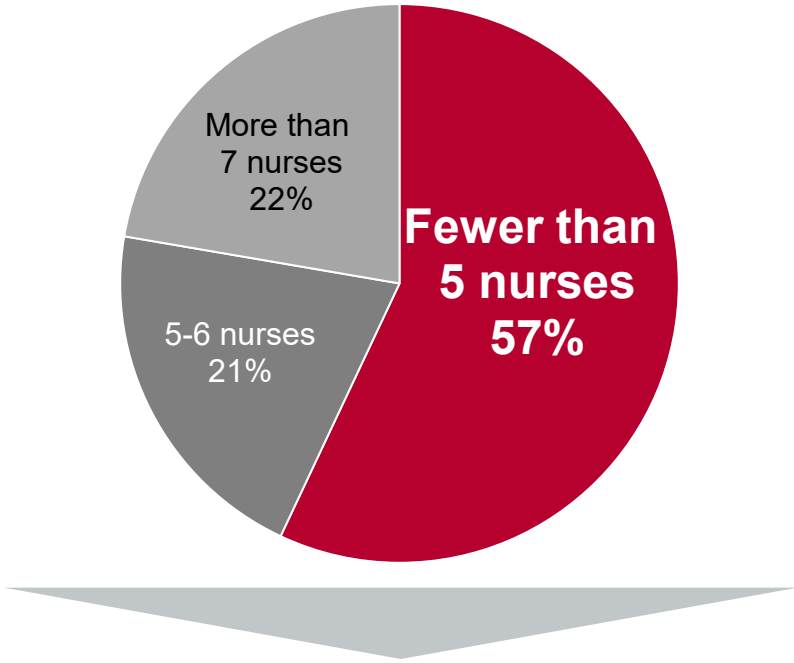
Market Environment of In-home Nursing Segment

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

Trends in in-home nursing expenditure[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).

©2024 CUC Inc.

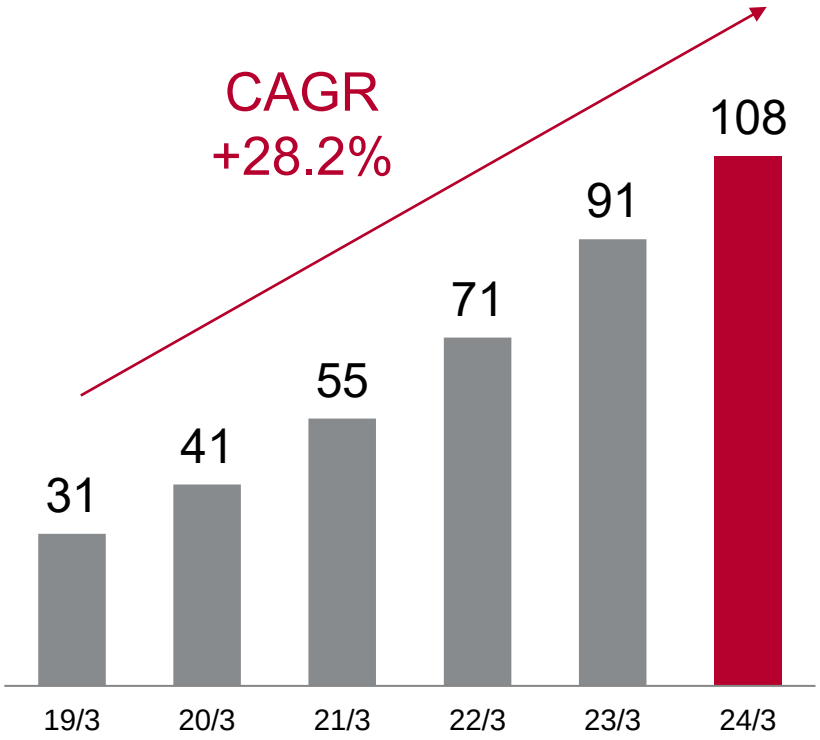
Growth Strategy

©2024 CUC Inc.

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

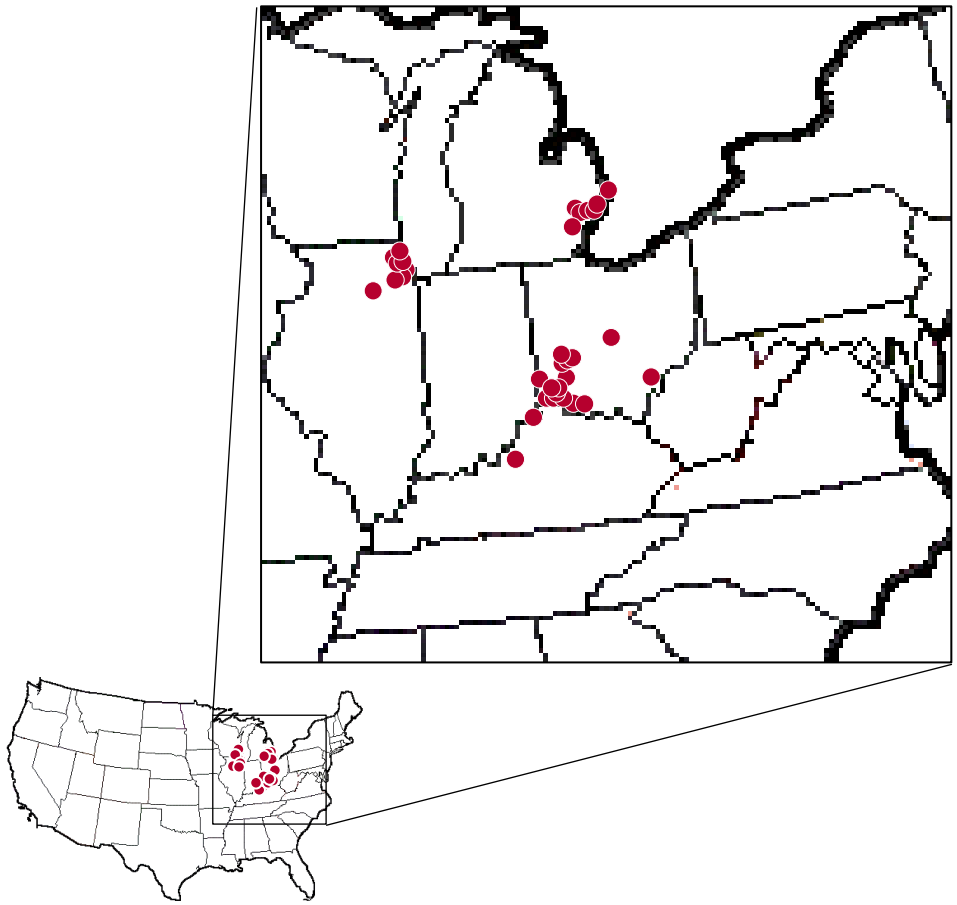
1. Number of hospitals, long-term care health facilities, in-home care clinics, dialysis clinics, and outpatient clinics that CUC provides management support in Japan. The average of the number at the beginning of the period and the number at the end of the period.

©2024 CUC Inc.

Growth Strategy of Medical Institution Segment (US)

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

Current footprint



Growth strategy

A Increase in revenue per doctor

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

B Roll-up acquisition of small podiatry clinics

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

C Providing care for related disease such as varicose veins

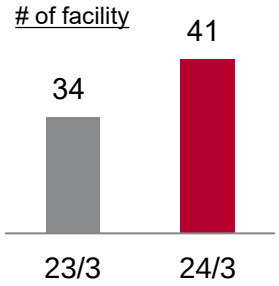
- Reinforce capabilities to deal with diseases related to podiatry such as care for varicose veins which was recently launched

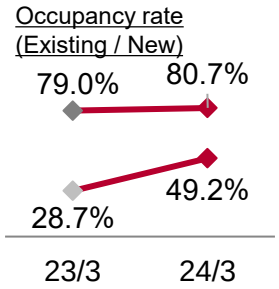
©2024 CUC Inc.

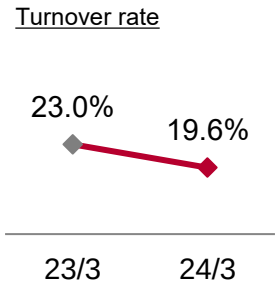
Growth Strategy of Hospice Segment

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





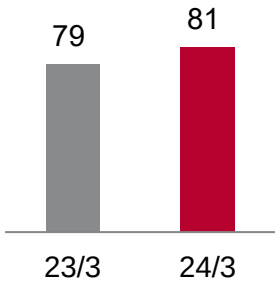
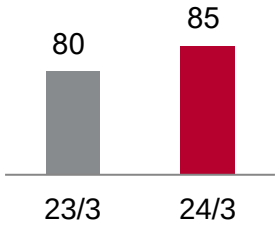


1. Facilities with capacity of 50 or more CUC opens.

©2024 CUC Inc.

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

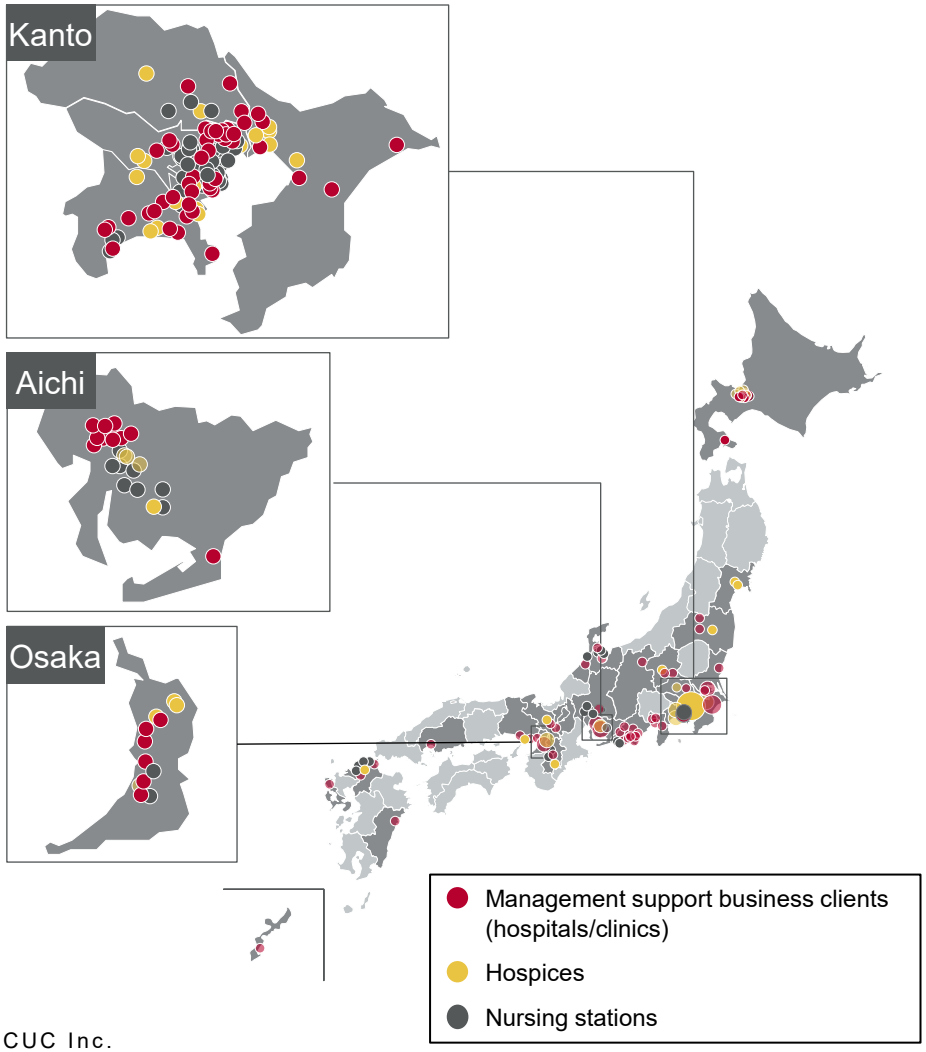
	Overview of 24/3	Initiatives for 25/3 onwards
Reinforce capabilities to deal with patients of moderate and severe cases	• Care hours per user increased from 79 to 81 hours YoY due to appropriate cross-sectional nursing assessment, reinforced relationships with medical institutions introducing patients to nursing stations and recruitment of nurses Care hours per user (Full-year) 	• 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 Care hours per nurse / therapist (monthly average) 	• 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

©2024 CUC Inc.

Growth Strategy by Vertically Integrated Platform

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

Current footprint (as of June 30, 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

©2024 CUC Inc.

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.

©2024 CUC Inc.