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Consolidated Financial Results for the Nine Months Ended December 31, 2024 (IFRS)

January 29, 2025

Company name: CUC Inc.
Stock exchange: Tokyo Stock Exchange
Code number: 9158
URL: https://www.cuc-jpn.com/en/
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Availability of supplementary materials on financial results: Available
Schedule of financial results briefing session: Not Scheduled

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2024

(1) Consolidated operating results (% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before taxes		Net income		Net income attributable to CUC shareholders		Total comprehensive income	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	34,562	47.9	4,576	74.6	4,536	86.5	2,722	82.8	2,770	84.7	2,404	92.3
December 31, 2023	23,368	(14.9)	2,620	(17.2)	2,431	(22.4)	1,489	(30.2)	1,500	(30.0)	1,251	(21.3)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	94.50	94.50
December 31, 2023	55.45	55.45

(Note) On April 13, 2023, CUC conducted a 200-for-1 stock split of its common share. Basic earnings per share and diluted earnings per share were calculated assuming that the stock split was conducted at the beginning of the fiscal year ended March 31, 2024.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to CUC shareholders	Ratio of equity attributable to CUC shareholders
	Million yen	Million yen	Million yen	%
As of December 31, 2024	86,785	30,549	29,898	34.5
As of March 31, 2024	62,836	28,005	27,316	43.5

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2025	-	0.00	-		
Fiscal year ending March 31, 2025 (Forecast)				0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated financial results forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before taxes		Net income		Net income attributable to CUC shareholders		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	46,800	41.7	5,000	33.8	4,900	18.4	2,850	9.3	2,900	11.7	98.92

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included : 1 company (Noah Konzer Co.,Ltd)

(2) Changes in accounting policies and accounting estimates

1) Changes in accounting policies required by IFRS: None
2) Changes in accounting policies other than item 1) above: None
3) Changes in accounting estimates: None

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024 : 29,990,400 shares

March 31, 2024 : 29,990,400 shares

2) Total number of treasury shares at the end of the period:

December 31, 2024 : 675,091 shares

March 31, 2024 : 675,048 shares

3) Average number of shares during the period:

Nine months ended December 31, 2024: 29,315,328 shares

Nine months ended December 31, 2023: 27,049,775 shares

(Note) On April 13, 2023, CUC conducted a 200-for-1 stock split of its common share. “Average number of shares during the period” was calculated assuming that the stock split was conducted at the beginning of the fiscal year ended March 31, 2024.

* Quarterly consolidated financial statements are outside the scope of review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements in this report including the forecast of financial results are based on the information that is currently available, as well as certain assumptions that are deemed to be reasonable by CUC. These forward-looking statements do not represent any guarantee of achievement. Therefore, there might be cases in which actual results differ materially from the forecast due to various factors.

1. Qualitative information on quarterly financial results

(1) Explanation of operating results

The group's mission is "Creating Hope through Healthcare". Under this mission, CUC group provides various services, aiming to create an environment where patient-centered healthcare is provided for as many people as possible, to develop a workplace required by local communities in which all healthcare workers are proud and motivated, and to build sound and sustainable society by solving healthcare issues.

Medical Care Residence segment is newly added since CUC acquired all the issued shares in Noah Konzer Co.,Ltd ("Noah Konzer"), which operates nursing homes in Sapporo, Hokkaido, in October 2024, and made it a consolidated subsidiary.

Medical Institution segment mainly provides comprehensive management support services to domestic medical institutions such as strategic and business management support, marketing support, HR/recruiting support, IT support, accounting support, and general affairs support. . It also provides strategic support for M&A transactions, PMIs hospital bed conversion and the launch of new clinics. Those medical institutions include hospitals, in-home care clinics, dialysis clinics and outpatient clinics in Japan. The segment provides management support services in Southeast Asia and operates podiatry and varicose vein clinics in the United States.

Hospice segment provides nursing and care services for patients with cancer and intractable diseases who live in hospice facilities, prioritizing the quality of services. The segment has increased the number of patients at existing hospices and launched hospices in the area which is in lack of terminal care.

In-home Nursing segment provides nursing services for patients at their home, prioritizing the quality of services. The segment has increased the number of users for existing in-home nursing stations and launched in-home nursing stations in new areas.

Medical Care Residence segment operates nursing homes and provides regular on-demand in-home care and in-home nursing care for patients in facilities and day care services for rehabilitation, prioritizing the quality of services. The segment aims to improve its occupancy rate in the existing facilities, open new facilities in areas which has high demand for care services and accept patients with high medical and care dependencies.

The following table presents operating results for the nine months ended December 31, 2024 and the previous corresponding period. From the first quarter of current fiscal year, renting and management services of real estates provided for hospice facilities have been transferred from the Medical Institution segment to the Hospice segment due to expansion of new hospice facilities. The amount for the previous corresponding period has been adjusted retroactively based on changes in reportable segments in the current fiscal year.
The definition of EBITDA is as follows.
EBITDA = operating profit + depreciation and amortization expenses ±other income and expenses

Consolidated operating results

(Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Changes	
Revenue	23,368	34,562	+11,194	+47.9%
Operating profit	2,620	4,576	+1,955	+74.6%
Profit before taxes	2,431	4,536	+2,104	+86.5%
Net income attributable to CUC shareholders	1,500	2,770	+1,270	+84.7%
EBITDA	3,834	6,603	+2,769	+72.2%

Operating results by segment

(Million yen)

		Nine months ended December 31, 2023	Nine months ended December 31, 2024	Changes	
Medical Institution	Revenue	7,707	13,425	+5,718	+74.2%
	Segment profit	2,807	2,992	+185	+6.6%
	EBITDA	3,203	3,812	+610	+19.0%
Hospice	Revenue	7,453	10,215	+2,762	+37.1%
	Segment profit	177	1,054	+877	+494.9%
	EBITDA	647	1,759	+1,112	+171.8%
In-home Nursing	Revenue	8,254	9,254	+1,000	+12.1%
	Segment profit	497	993	+496	+99.8%
	EBITDA	845	1,345	+500	+59.1%
Medical Care Residence	Revenue	-	1,798	+1,798	-
	Segment profit	-	116	+116	-
	EBITDA	-	312	+312	-
Others	Revenue	148	102	(46)	(31.3%)
	Segment profit	13	56	+43	+332.3%
	EBITDA	13	10	(3)	(21.7%)
Adjustment	Revenue	(193)	(231)	(37)	-
	Segment profit	(874)	(635)	+239	-
Total	Revenue	23,368	34,562	+11,194	+47.9%
	Segment profit	2,620	4,576	+1,955	+74.6%
	EBITDA	3,834	6,603	+2,769	+72.2%

1) Medical Institution

Revenue in Japan increased primarily due to an increase in the number of clients' medical institutions and M&A advisory fees for the nine months ended December 31, 2024. In addition, overseas revenue increased primarily due to the acquisition of the US podiatry business in January 2024. As a result, revenue from the segment amounted to 13,425 million yen (up 74.2% year on year).

Operating profit and EBITDA from the segment amounted to 2,992 million yen (up 6.6% year on year) and 3,812 million yen (up 19.0% year on year) respectively since overseas profit increased primarily due to the decrease in the acquisition cost of the US podiatry business recorded in the previous corresponding period.

2) Hospice

Revenue from the segment for the nine months ended December 31, 2024 amounted to 10,215 million yen (up 37.1% year on year) primarily due to an increase in occupancy rates of existing hospice facilities which opened during the previous fiscal year or any prior fiscal year.

Operating profit and EBITDA from the segment amounted 1,054 million yen (up 494.9% year on year) and 1,759 million yen (up 171.8% year on year) respectively. This is primarily due to an increase in occupancy rates of hospice facilities which has capacity of 50 beds or more with high profitability.

3) In-home Nursing

Total care hours (Note) for the nine months ended December 31, 2024 were 921 thousand hours (up 16.0% year on year) due to an increase in the number of users and care hours per user. As a result, revenue from the segment for the nine months ended December 31, 2024 amounted to 9,254 million yen (up 12.1% year on year).
Operating profit and EBITDA from the segment amounted to 993 million yen (up 99.8% year on year) and 1,345 million yen (up 59.1% year on year) respectively. This is due to the improvement in efficiencies of nurses and therapists in the segment.

(Note) Total number of hours of services provided by the segment's nurses and therapists to users. Therapists mean physical therapists, occupational therapists, and speech therapists.

4) Medical Care Residence

Since CUC acquired all the issued shares in Noah Konzer, which operates nursing homes in Sapporo in October 2024, and made it a consolidated subsidiary, revenue, operating profit and EBITDA from the segment for the nine months ended December 31, 2024 amounted to 1,798 million yen, 116 million yen and 312 million yen, respectively.

As a result of above, the group recorded revenue of 34,562 million yen (up 47.9% year on year), operating profit of 4,576 million yen (up 74.6% year on year), EBITDA of 6,603 million yen (up 72.2% year on year).
CUC invested additional equity into CUC America Inc. and CUC America Inc. repaid the borrowing from CUC in full by the proceed of additional equity investment on May 15, 2024. Therefore, foreign exchange gain of 362 million yen was recorded.
As a result, the group recorded profit before taxes of 4,536 million yen (up 86.5% year on year) and net income attributable to CUC shareholders of 2,770 million yen (up 84.7% year on year).

(2) Explanation of financial position

Total assets as of December 31, 2024 amounted to 86,785 million yen, an increase of 23,949 million yen compared with the balance as of March 31, 2024. Current assets as of December 31, 2024 amounted to 23,163 million yen, an increase of 5,512 million yen compared with the balance as of March 31, 2024. This was primarily due to an increase in cash and cash equivalents of 3,318 million yen, which was primarily due to the proceed from long-term borrowing which was intended to cover part of consideration paid in January 2024 to acquire the US podiatry business and the acquisition of Noah Konzer and the sale of some of its real estate. Non-current assets as of December 31, 2024 amounted to 63,622 million yen, an increase of 18,437 million yen compared with the balance as of March 31, 2024. This was primarily due to an increase in property, plant and equipment of 4,805 million yen primarily arising from an increase in hospice facilities and an increase in right-of-use assets of 12,449 million yen primarily arising from the acquisition of Noah Konzer and the sale and lease back of part of its real estate.

Total liabilities as of December 31, 2024 amounted to 56,237 million yen, an increase of 21,405 million yen compared with the balance as of March 31, 2024. This was primarily due to an increase in lease liabilities of 12,491 million yen primarily arising from the acquisition of Noah Konzer and the sale and lease back of part of its real estate and also an increase in borrowings of 5,730 million yen primarily arising from the long-term borrowing which was intended to cover part of consideration paid in January 2024 to acquire the US podiatry business.

Total equity as of December 31, 2024 amounted to 30,549 million yen, an increase of 2,544 million yen compared with the balance as of March 31, 2024. This was primarily due to an increase in retained earnings of 2,770 million yen arising from the recording of net income attributable to CUC shareholders.

(3) Explanation of forward-looking information such as consolidated financial results forecast

CUC announces the revision of its full-year forecast for for the fiscal year ending March 31, 2025, which was announced on April 24, 2024, in light of the recent trends in its business performance, as follows.

1) Revision of earnings forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Amounts are rounded to the nearest million yen)

	Revenue	Operating profit	Profit before taxes	Net income	Net income attributable to CUC shareholders	Basic earnings per share
Previous forecast (A)	Million yen 42,900	Million yen 4,000	Million yen 3,600	Million yen 2,300	Million yen 2,200	Yen 75.05
Revised forecast (B)	46,800	5,000	4,900	2,850	2,900	98.92
Difference (B-A)	+3,900	+1,000	+1,300	+550	+700	-
Difference (%)	+9.1	+25.0	+36.1	+23.9	+31.8	-
(Reference) Actual results of the fiscal year ended March 31, 2024	33,025	3,737	4,138	2,608	2,595	93.99

2) Reason for the differences

Consolidated revenue for the fiscal year ending March 31, 2025 is expected to amount 46,800 million yen, up 9.1% compared to the previous forecast primarily because of the acquisition and the consolidation of Noah Konzer and the increase in the number of users and care hours per user in In-home Nursing segment.

Operating profit is expected to amount 5,000 million yen, up 25.0% compared to the previous forecast primarily due to the outperformance in revenue in In-home Nursing segment.

Profit before taxes, net income and net income attributable to CUC shareholders is expected to amount 4,900 million yen, 2,850 million yen, 2,900 million yen respectively, up 36.1%, 23.9%, 31.8% compared to the previous forecast respectively. This is primarily due to foreign exchange gain accrued from intercompany borrowings of CUC America, Inc ("CUC America"), a wholly owned subsidiary of CUC. CUC invested additional equity into CUC America and CUC America repaid the borrowings from CUC in full by proceed of the additional investment.

2. Condensed quarterly consolidated financial statements

(1) Condensed quarterly consolidated statement of financial position

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	8,256	11,574
Trade and other receivables	8,758	10,877
Inventories	72	107
Other financial assets	78	120
Other current assets	488	485
Total current assets	17,651	23,163
Non-current assets		
Property, plant and equipment	12,028	16,833
Right-of-use assets	7,669	20,119
Goodwill	13,642	14,230
Intangible assets	4,420	4,509
Investment property	4,356	4,376
Deferred tax assets	380	437
Other financial assets	2,644	3,059
Other non-current assets	44	58
Total non-current assets	45,185	63,622
Total assets	62,836	86,785

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,479	3,395
Borrowings	2,000	2,811
Lease liabilities	1,159	2,686
Deposits received	508	632
Income taxes payable	960	1,739
Contract liabilities	4	7
Other current liabilities	1,281	2,278
Total current liabilities	8,391	13,547
Non-current liabilities		
Borrowings	16,434	21,353
Lease liabilities	7,126	18,090
Retirement benefit liability	233	267
Deferred tax liabilities	1,453	1,395
Other financial liabilities	677	981
Other non-current liabilities	518	604
Total non-current liabilities	26,440	42,690
Total liabilities	34,831	56,237
Equity		
Share capital	7,669	7,669
Capital surplus	7,761	7,820
Retained earnings	10,307	13,078
Treasury shares	(0)	(0)
Other components of equity	1,578	1,331
Equity attributable to CUC shareholders	27,316	29,898
Non-controlling interests	689	651
Total equity	28,005	30,549
Total liabilities and equity	62,836	86,785

(2) Condensed quarterly consolidated statement of income and comprehensive income

Condensed quarterly consolidated statement of income

(Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	23,368	34,562
Cost of sales	12,100	17,335
Gross profit	11,267	17,227
Selling, general and administrative expenses	8,663	12,823
Other income	47	264
Other expenses	31	92
Operating profit	2,620	4,576
Finance income	24	339
Finance costs	213	379
Profit before taxes	2,431	4,536
Income tax expense	943	1,814
Net income	1,489	2,722
Net income attributable to		
CUC shareholders	1,500	2,770
Non-controlling interests	(11)	(48)
Net income	1,489	2,722
Earnings per share		
Basic earnings per share	55.45	94.50
Diluted earnings per share	55.45	94.50

Condensed quarterly consolidated statement of comprehensive income

(Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net income	1,489	2,722
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(308)	(448)
Total of items that will not be reclassified to profit or loss	(308)	(448)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	70	131
Total of items that may be reclassified to profit or loss	70	131
Other comprehensive income, net of tax	(238)	(318)
Comprehensive income	1,251	2,404
Comprehensive income attributable to		
CUC shareholders	1,224	2,477
Non-controlling interests	27	(72)
Comprehensive income	1,251	2,404

(3) Consolidated statement of changes in equity

(Nine months ended December 31, 2023)

(Million yen)

	Equity attributable to CUC shareholders					
					Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Share acquisition rights
As of April 1, 2023	1,063	1,258	7,715	-	479	34
Net income	-	-	1,500	-	-	-
Other comprehensive income	-	-	-	-	32	-
Comprehensive income	-	-	1,500	-	32	-
Purchase of treasury shares	-	-	-	(0)	-	-
Issuance of new shares	6,606	6,503	-	-	-	-
Issuance of share acquisition rights	-	-	-	-	-	4
Share-based payment transactions	-	-	-	-	-	25
Transactions with non-controlling interests	-	-	-	-	-	-
Total transactions with shareholders	6,606	6,503	-	(0)	-	29
As of December 31, 2023	7,669	7,761	9,215	(0)	511	63

	Equity attributable to CUC shareholders				
	Other components of equity				
	Financial assets measured at fair value through other comprehensive income	Total	Total	Non-controlling interests	Total equity
As of April 1, 2023	1,155	1,669	11,704	216	11,920
Net income	-	-	1,500	(11)	1,489
Other comprehensive income	(308)	(276)	(276)	38	(238)
Comprehensive income	(308)	(276)	1,224	27	1,251
Purchase of treasury shares	-	-	(0)	-	(0)
Issuance of new shares	-	-	13,109	-	13,109
Issuance of share acquisition rights	-	4	4	-	4
Share-based payment transactions	-	25	25	-	25
Transactions with non-controlling interests	-	-	-	-	-
Total transactions with shareholders	-	29	13,138	-	13,138
As of December 31, 2023	847	1,421	26,066	242	26,309

(Nine months ended December 31, 2024)

(Million yen)

	Equity attributable to CUC shareholders					
					Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Share acquisition rights
As of April 1, 2024	7,669	7,761	10,307	(0)	589	80
Net income	-	-	2,770	-	-	-
Other comprehensive income	-	-	-	-	155	-
Comprehensive income	-	-	2,770	-	155	-
Purchase of treasury shares	-	-	-	(0)	-	-
Issuance of new shares	-	-	-	-	-	-
Issuance of share acquisition rights	-	-	-	-	-	7
Share-based payment transactions	-	59	-	-	-	40
Transactions with non-controlling interests	-	-	-	-	-	-
Total transactions with shareholders	-	59	-	(0)	-	47
As of December 31, 2024	7,669	7,820	13,078	(0)	744	127

	Equity attributable to CUC shareholders			Non-controlling interests	Total equity
	Other components of equity		Total		
	Financial assets measured at fair value through other comprehensive income	Total			
As of April 1, 2024	909	1,578	27,316	689	28,005
Net income	-	-	2,770	(48)	2,722
Other comprehensive income	(448)	(294)	(294)	(24)	(318)
Comprehensive income	(448)	(294)	2,477	(72)	2,404
Purchase of treasury shares	-	-	(0)	-	(0)
Issuance of new shares	-	-	-	-	-
Issuance of share acquisition rights	-	7	7	-	7
Share-based payment transactions	-	40	99	-	99
Transactions with non-controlling interests	-	-	-	34	34
Total transactions with shareholders	-	47	106	34	140
As of December 31, 2024	460	1,331	29,898	651	30,549

3. Segment information

(1) Overview of reportable segment

CUC group's reportable segments are components for which separate financial information is available and regularly reviewed by the board of directors to make decisions about allocation of resources to the segments and evaluate their performance.

CUC group has four reportable segments of "Medical Institution", "Hospice", "In-home Nursing" and "Medical Care Residence".

Medical Institution segment mainly provides comprehensive management support services to medical institutions in Japan and provides management support services in Southeast Asia and operates podiatry and varicose vein clinics in the United States.

Hospice segment provides nursing and care services for patients who live in hospice facilities.

In-home Nursing segment provides nursing services for patients at their home.

Medical Care Residence segment provides regular on-demand in-home care and in-home nursing care for residents at facilities, and day care services.

(2) Information about reportable segment

Revenue, profit, and other items by reportable segments are as follows.

Intersegment transaction pricing is determined based on prevailing market prices.

(Nine months ended December 31, 2023)

(Million yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Medical Institution	Hospice	In-home Nursing	Medical Care Residence	Total				
Revenue									
To outside customers	7,514	7,453	8,254	-	23,220	148	23,368	-	23,368
Inter-segment revenue	193	0	-	-	193	-	193	(193)	-
Total	7,707	7,453	8,254	-	23,413	148	23,560	(193)	23,368
Segment profit (Note 3)	2,807	177	497	-	3,482	13	3,495	(874)	2,620
Finance income	-	-	-	-	-	-	-	-	24
Finance costs	-	-	-	-	-	-	-	-	213
Profit before taxes	-	-	-	-	-	-	-	-	2,431
Net income	-	-	-	-	-	-	-	-	1,489
Others									
Depreciation and amortization	380	487	356	-	1,222	7	1,230	-	1,230

(Note) 1. "Others" is a business segment which is not attributable to reportable segments and includes dispensing pharmacy services and sales of ophthalmology materials and eyeglass supplies, etc.

2. "Adjustment" of (874) million yen is primarily general and administrative expense that is not attributable to reportable segments.

3. Consolidated segment profit is correspondent with operating profit in the condensed quarterly consolidated statement of income.

(Nine months ended December 31, 2024)

(Million yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Medical Institution	Hospice	In-home Nursing	Medical Care Residence	Total				
Revenue									
To outside customers	13,194	10,215	9,254	1,798	34,460	102	34,562	-	34,562
Inter-segment revenue	231	-	-	-	231	-	231	(231)	-
Total	13,425	10,215	9,254	1,798	34,691	102	34,792	(231)	34,562
Segment profit (Note 3)	2,992	1,054	993	116	5,155	56	5,211	(635)	4,576
Finance income	-	-	-	-	-	-	-	-	339
Finance costs	-	-	-	-	-	-	-	-	379
Profit before taxes	-	-	-	-	-	-	-	-	4,536
Net income	-	-	-	-	-	-	-	-	2,722
Others									
Depreciation and amortization	744	721	365	363	2,194	6	2,199	-	2,199

(Note) 1. “Others” is a business segment which is not attributable to reportable segments and includes dispensing pharmacy services and sales of ophthalmology materials and eyeglass supplies, etc.

2. “Adjustment” of (635) million yen is primarily general and administrative expense that is not attributable to reportable segments.

3. Consolidated segment profit is correspondent with operating profit in the condensed quarterly consolidated statement of income.

(3) Changes in reportable segment

From the first quarter of the current fiscal year, renting and management services of real estates provided for hospice facilities have been transferred from Medical Institution segment to Hospice segment due to the expansion of new hospice facilities.

In the previous fiscal year, CUC group acquired 79.35% of membership interests in CUC Podiatry Holdings, LLC, which operates podiatry and vein clinics in the United States. Therefore, CUC has changed the name of the reportable segment from Management Support segment to Medical Institution segment at the end of the previous fiscal year to represent the CUC group’s business properly. This change has no impact on financial results by segment.

Medical Care Residence segment is newly added since CUC acquired all the issued shares in Noah Konzer, which operates nursing homes in Sapporo in October 2024, and made it a consolidated subsidiary.

The segment information for the previous corresponding period has been adjusted retroactively based on changed reportable segments.