

Why are we so passionate about driving change?

"Live true to yourself, until the very end."

A wish we all hold dear,

yet one that is becoming increasingly difficult to fulfill.

As rapid aging brings about a society with a high mortality rate,

it is forecast that by 2040,

there will be a shortage of

approximately 490,000 end-of-life care spaces.

Healthcare is not reaching everyone.

Addressing this challenge is difficult;

there are countless reasons why it cannot be done.

Perhaps it would be much easier to simply give up.





And yet, we rise to face this formidable challenge.

There are those who suffer in silence, unable to access the medical care they need, burdened by pain and fear. Some fight illness alone, passing away with no one by their side.

For all who seek medical care, we offer compassionate, patient-centered healthcare because healthcare is not just a service; it is a vital part of life, supporting people and igniting hope.



There are those who sacrifice themselves to work tirelessly in support of their patients. The shortage of staff and challenging work conditions only add to their burden.

For the healthcare workers on the frontlines, we must create an environment where they can work with pride and security. To fulfill the hopes of patients, it is crucial that these dedicated professionals can work with vitality and purpose.



Rapid aging, rising healthcare costs,
a shrinking working population,
and a lack of successors for aging healthcare managers.
The challenges facing healthcare are numerous.
And these issues are not confined to Japan; globally,
obstacles are emerging that hinder
the spread of healthcare infrastructure.

A lack of healthcare means a lack of hope in people's lives.
Such a future must never come to pass.

No matter where they are, no matter who they are,
everyone should have access to the healthcare they need,
so that they can walk through life with hope
in their hearts and live true to themselves until the very end.

Until the hope of healthcare reaches
every corner of the world,
we will continue to take on formidable challenges.

[Mission]

Creating Hope Through
Healthcare.

CUC Partners Philosophy

[Statement]

In Unity, We Can Achieve.

Our purpose is to bring solace to as many individuals as possible, ensuring that patient-centered healthcare becomes the norm.

While there are many obstacles on the way to achieving this, we keep going, driven by our strong and unwavering commitment.

[Way]

- 01 Prioritizing Patients' Needs over Our Own Perspectives.
- 02 Seeking Solutions, Not Making Excuses.
- 03 Pursuing Ideals, Driven by Innovation.
- 04 Value Personality ahead of Professional Expertise.
- 05 United beyond Hierarchies. One Team, Extending a Helping Hand.

*CUC Partners is the name of the community of CUC Group companies and the medical institutions we support.
*To learn more about CUC Partners Philosophy, visit our website



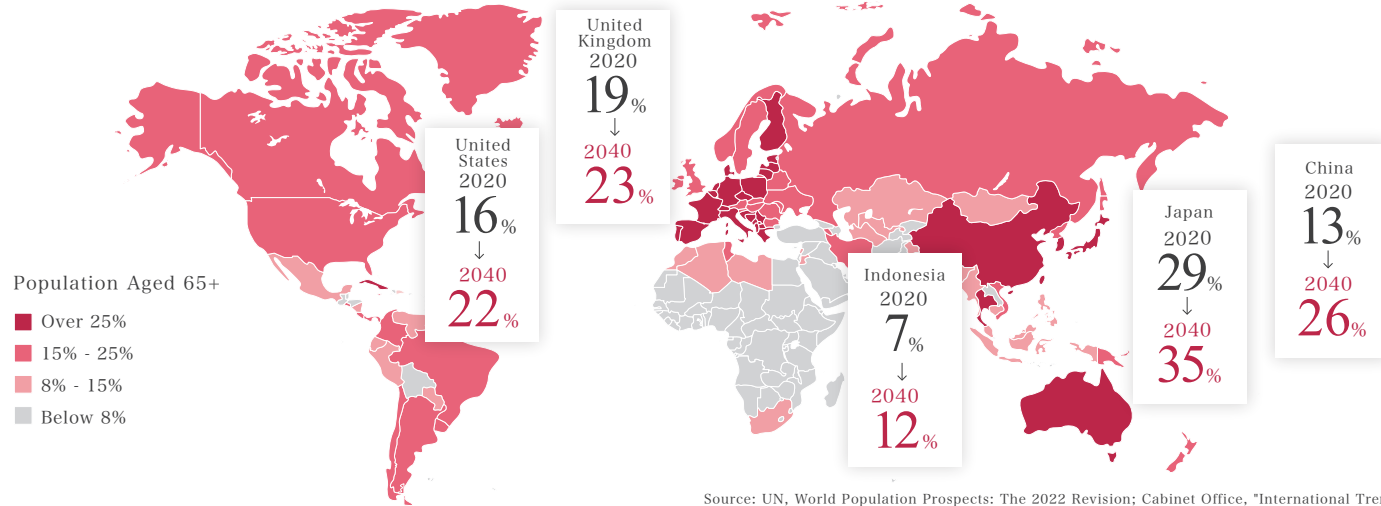
CUC's Views on Social Issues



Global Aging Trend

Aging is no longer just an issue for Japan or some advanced nations; it has become a global challenge. This trend is driven by factors such as declining birth rates, increasing life expectancy, and the aging of large population cohorts. Countries around the world, including Japan, are facing rising healthcare costs and shortages of healthcare professionals. As a result, there is an increasing need for innovative healthcare services and fundamental reforms to healthcare systems.

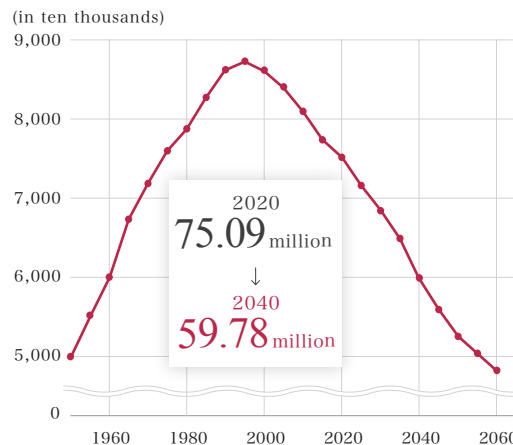
Percentage of Population Aged 65 and Over Worldwide



Decline in Japan's Working-Age Population

Japan's working-age population (ages 15 to 64), which forms the backbone of the nation's economic activity, has been rapidly declining since its peak in 1995. By 2040, it is expected to have decreased by approximately 15.31 million people compared to 2020. This decline raises concerns about the sustainability of the social security system and its broader impact on the economy. In the healthcare sector, the shortage of medical professionals, including doctors and nurses, is anticipated to become even more.

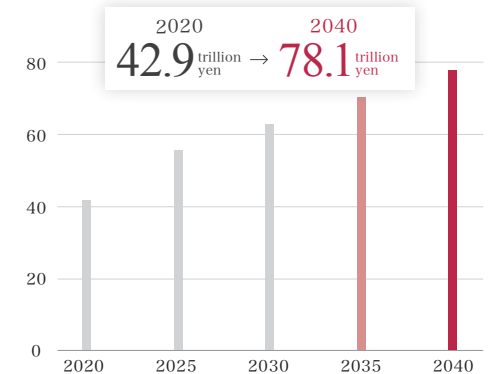
Trends in Japan's Working-Age Population



Rising National Healthcare Costs

With the rapid aging of the population, Japan's national healthcare costs have been increasing year by year. In 2020, these costs exceeded 42 trillion yen, and they are projected to surpass 78 trillion yen by 2040. Healthcare expenses are primarily covered by insurance premiums paid by the working-age population and public funds (contributions from the national, prefectural, and municipal governments). As healthcare costs continue to rise, the financial burden on the working-age population is becoming increasingly heavy, making a re-evaluation of the healthcare system an urgent necessity.

Trends in Japan's National Healthcare Costs

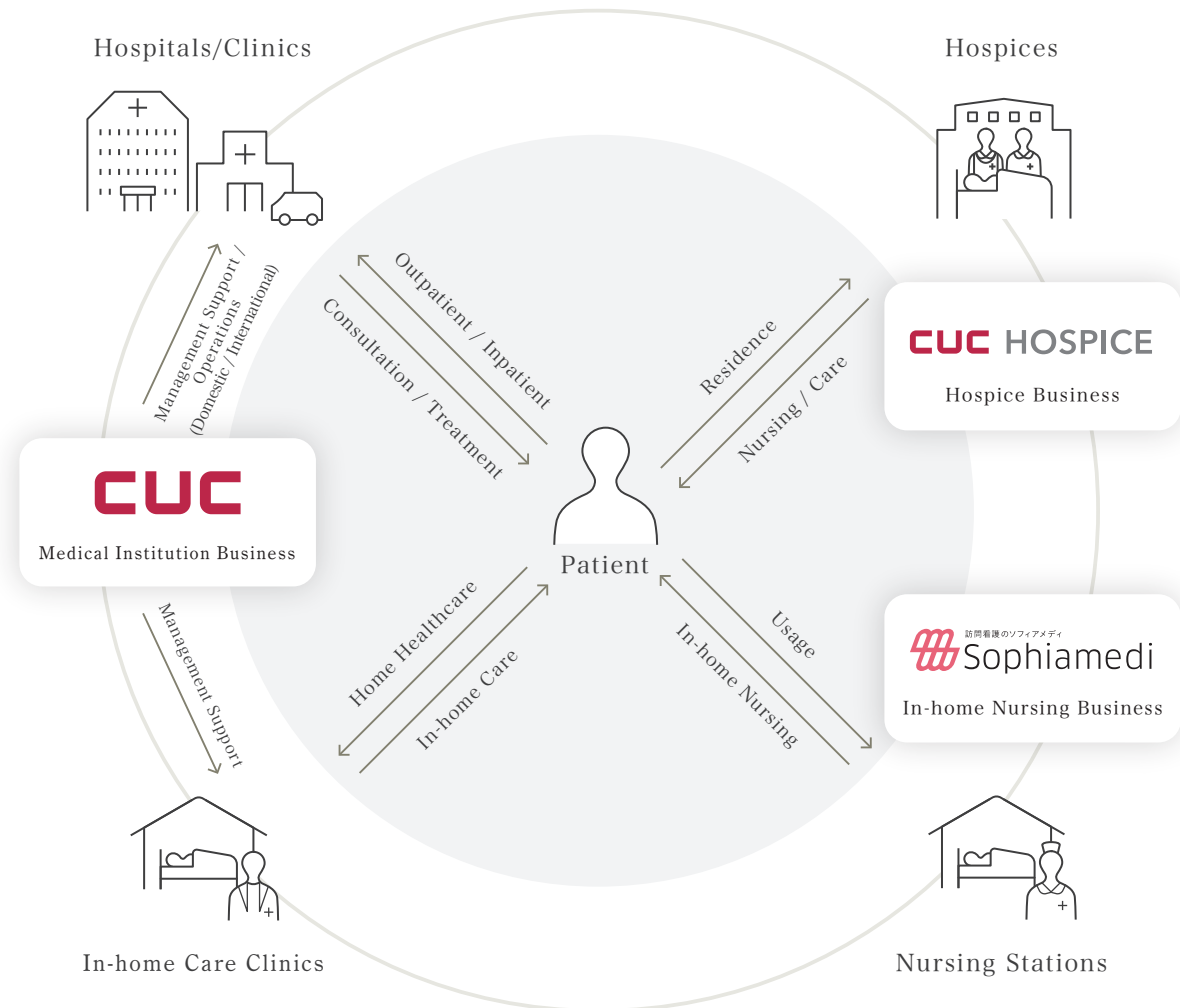


CUC Group's Approach to Addressing Challenges

Since our founding, as we have encountered challenges within the healthcare field, we have strongly recognized the need for social transformation and have dedicated ourselves to addressing these challenges.

Currently, the CUC Group operates three main business segments: Medical Institution Business, Hospice Business, and In-Home Nursing Business. In the Medical Institution Business segment, we provide management support for medical institutions in Japan and abroad, and operate medical institutions in the United States and Vietnam. In the Hospice Business segment, we manage hospice-style residences, while in In-Home Nursing Business segment, we primarily operate home-visit nursing stations. Through these three core businesses, we offer a wide range of healthcare services, meeting patient needs seamlessly from inpatient and outpatient care to home healthcare and end-of-life care.

Moving forward, we will continue to work as a unified group to create hope for patients, healthcare professionals, and society, both in Japan and globally.



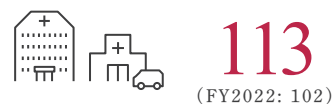
FY2023 Highlights

* 1 Figures as of March 2024 * 2 Cumulative total from April 2023 to March 2024

Medical Institution Business

(Domestic)

■ Number of Supported Key Facilities^{*1}



■ Number of Healthcare Workers Recruited with CUC's Recruitment Support^{*2}



(Overseas)

■ Number of Operating Facilities^{*1}

United States



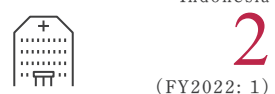
*Data collection began this fiscal year.

■ Number of Operating or Management Support Facilities^{*1}

Vietnam



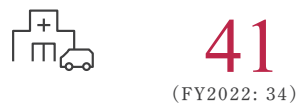
Indonesia



Hospice Business

Aggregate scope of coverage: hospices that CUC Group operates

■ Number of Facilities^{*1}



■ Number of Residents^{*1}



■ Number of Residents Who Passed Away under End-Of-Life Care^{*2}



In-home Nursing Business

■ Number of Stations^{*1}



■ Number of Users^{*1}



■ Number of Patients Who Passed Away under End-Of-Life Care^{*2}



■ Hours of in-home nursing care provided^{*2}



Total hours of service provided to patients by nurses/therapists.
Therapist is a collective term for physical therapists, occupational therapists, and speech therapists.

Key Figures of the CUC Group

■ Number of Employees^{*1}



CUC Inc.	434	(FY2022: 423)
CUC HOSPICE Inc.	1,222	(FY2022: 813)
Sophiamedi Inc.	1,455	(FY2022: 1,370)
その他	632	(FY2022: 388)

*Total number of group employees, excluding contract and part-time employees

■ Annual Recruitment Count^{*2}



CUC Inc.	91	(FY2022: 154)
CUC HOSPICE Inc.	663	(FY2022: 421)
Sophiamedi Inc.	345	(FY2022: 393)

*Excluding contract and part-time employees

■ Percentage of Female Employees^{*1}



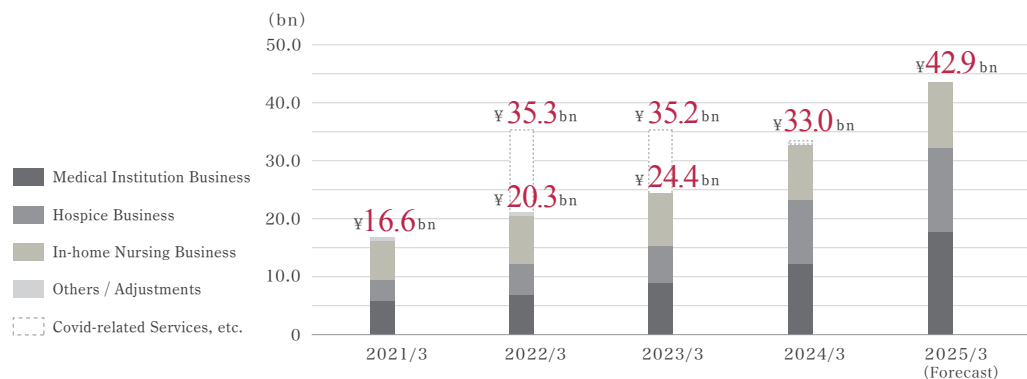
CUC Inc.	40.3 %	(FY2022: 39.2%)
CUC HOSPICE Inc.	78.5 %	(FY2022: 77.9%)
Sophiamedi Inc.	71.1 %	(FY2022: 69.0%)

■ Percentage of Female Managers^{*1}



CUC Inc.	12.4 %	(FY2022: 12.1%)
CUC HOSPICE Inc.	54.7 %	(FY2022: 64.7%)
Sophiamedi Inc.	62.5 %	(FY2022: 64.6%)

| Business Expansions and Segment Revenue



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).

| External Evaluation Awards Received

- CUC Inc.
 - LACP 2023 Vision Awards: Gold in Business/Construction/Engineering (Annual Report), Silver in Sustainability Report
 - International ARC Awards: Honors in Sustainability Report (Asia/Pacific, PDF Version), Honors in Script & Writing
- CUC HOSPICE Inc.
 - International ARC Awards: Gold in Script & Writing (Healthcare & Diverse Businesses)
 - D&I Award 2023: Advanced Certification
- Sophiamedi Inc.
 - 12th Japan HR Challenge Awards: Encouragement Prize
 - Internal Newsletter Awards 2023: Gold in Print Internal Newsletter and Series/Regular Projects
 - Internal Newsletter Awards 2024: Bronze in Video Internal Newsletter
 - LACP 2023 Vision Awards: Gold in Annual Report and Gold in ESG Report (Healthcare Provider/Services)
 - International ARC Awards: Gold in PDF Version of Annual Report (Healthcare & Diverse Businesses)

TOPICS

U.S. Clinic Platform Joins the CUC Group



In January 2024, CUC, through its group company CUC America Inc., began operating the podiatry clinic platform Beyond Podiatry in the United States. With the growing demand for podiatry services due to the aging population and an increase of patients with lifestyle-related diseases, Beyond Podiatry has become one of the largest platforms in the Midwest, in terms of both clinic locations and the number of podiatrists. Moving forward, we plan to further expand by operating clinics under multiple regional brands.



Established in 2018, Beyond Podiatry operates a platform of 30 podiatry clinics (as of March 2024) across the Midwest, including Michigan, Illinois, and Ohio.

■ Message from the Leadership

Although CUC and Beyond Podiatry are located on opposite sides of the globe, we share the same values in providing compassionate healthcare and showing respect for our teams. In order to address the growing healthcare needs in the rapidly aging U.S., we embrace a mindset that is unafraid of challenges and are committed to meeting global healthcare demands. Together, we will continue to expand our vision through podiatric care.



John Moroney, CEO



Stephen Frascone, Founder and CMO

For over five years, Beyond Podiatry has been a leader in foot, ankle, and venous care in the U.S., committed to providing timely and high-quality medical services to patients. We are proud to join the CUC Group, which shares our core value of realizing hope through healthcare.

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About This Report

This report contains information about CUC's endeavors to operate its business in a sustainable and responsible way. It covers our material sustainability issues that could influence the value CUC creates for society.

*Most data is from FY2023 (April 2023 to March 2024), but some data may include other periods.

The Change We Pursue in Healthcare: The CUC Group's 10-Year Journey and Future Vision

Keita Hamaguchi

Transforming ourselves to transform society in a rapidly changing world

The years 2023 to 2024 marked the dawn of the post-COVID era, yet they also brought harsh realities into sharp focus. The prolonged geopolitical tensions, such as the Ukraine crisis, alongside natural disasters like floods and storms driven by climate change, have challenged us profoundly. Moreover, global inflation has led to increased poverty and social unrest in many countries, casting a shadow over people's lives.

In Japan, as the so-called baby boomer generation, born between 1947 and 1949, reaches late old age in 2025, we are on the brink of entering a fully-fledged, rapidly aging society. The rising costs of social security and the growing shortage of healthcare and caregiving workers are realities that we can no longer avoid. With this crisis looming, I feel a deep sense of urgency when I see the current state of Japan's healthcare and caregiving industry, which although protected by the universal health insurance system, is advancing at a pace that is far from adequate.

It is my belief that maintaining the status quo is no longer a viable option for this industry. Doing so poses significant risks and leads to decline. In order to remain relevant and competitive, it is essential not only to adapt our services and delivery systems to meet changing times and needs, but also to reassess our fundamental purpose and reason for being. In such a challenging era, we are committed to self-reflection and to proactively driving the changes needed in society.

On 8 August 2024, CUC celebrated its 10th anniversary. The desire that led to our founding - to create sustainable healthcare for our children's future - remains unchanged. What began as a small spark of social change ten years ago has, through the collaboration of many like-minded individuals, grown into a mission to Create Hope Through Healthcare that now spans the globe. As we reach this 10-year milestone, I would like to reflect on the evolution of the CUC Group and share our vision for the future.



Message from the
Representative Director

The 10-year journey of the CUC Group: Two turning points that have shaped our present

From our founding until 2019, we expanded our Management Support Business for medical institutions from home healthcare to hospitals and dialysis care. In 2017, we launched our own Hospice Business and In-home Nursing Business, establishing the foundation of our current vertically integrated platform that supports everything from acute care to end-of-life care. After navigating the COVID-19 pandemic, we were listed on the Tokyo Stock Exchange Growth Market in June 2023 and began our U.S. expansion in January 2024. In April 2024, we further expanded with new ventures, including medical tourism for foreign visitors seeking healthcare in Japan (See the CUC Group business structure diagram on the facing page).

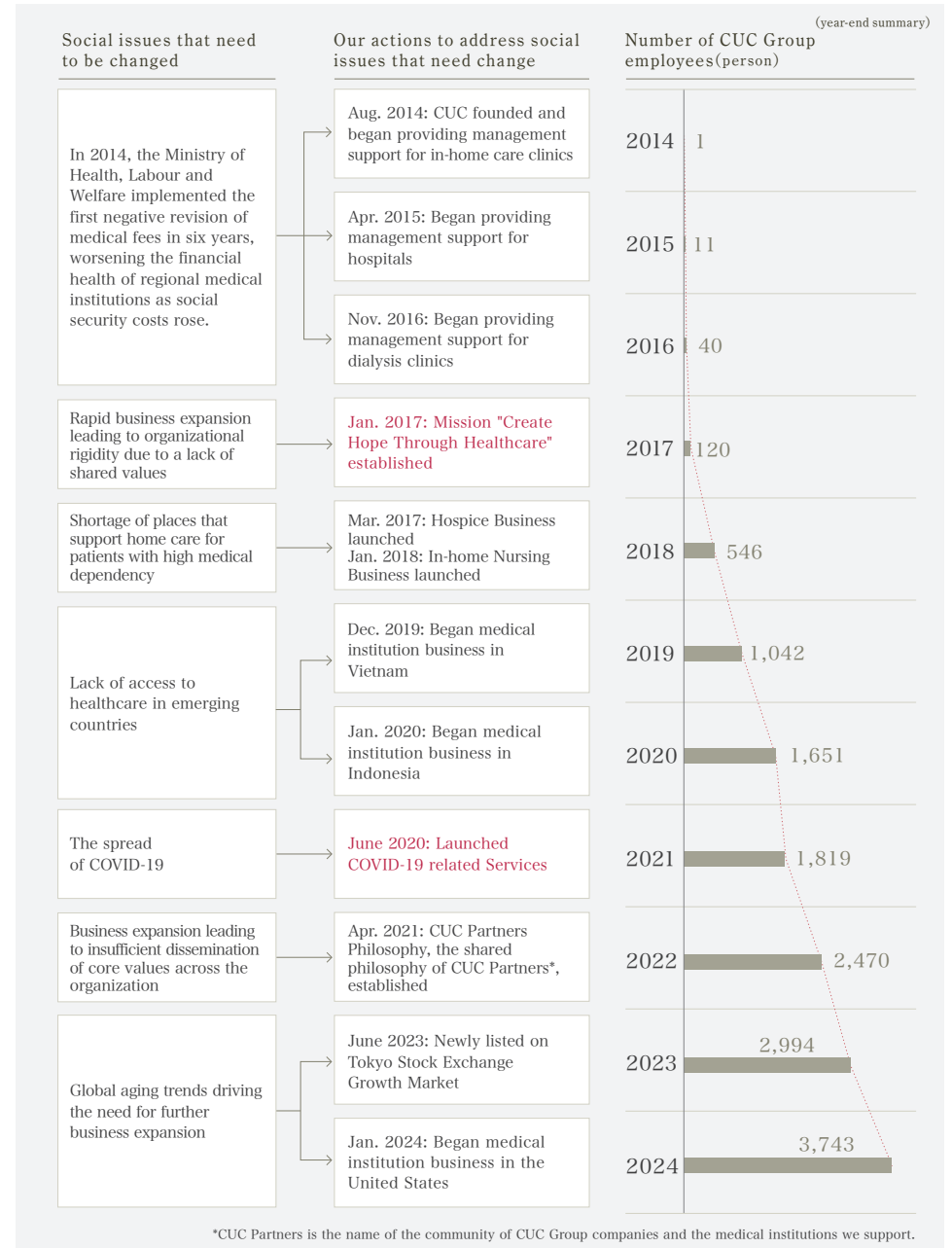
While it may seem like we were on a smooth growth trajectory, the reality was far from it. Our journey was marked by continuous challenges and setbacks. However, there were two major turning points that have shaped our present.

The first turning point was the creation of our mission: Creating Hope Through Healthcare. In the first three years after our founding, I was involved in everything, from customer interactions to decision making. However, as our team grew to nearly 100 members and our business expanded, it became clear that we needed to address the challenges that came with such growth. The need for delegation was urgent. To delegate effectively, we needed a guiding philosophy. Together with the management team, we redefined our group's purpose and crafted the mission, Creating Hope Through Healthcare. This mission reflects our

commitment to serve anyone seeking hope through healthcare, regardless of location or field. This marked the beginning of CUC's mission-driven management, which continues today. Since then, I've made it clear that our mission, not any individual, should lead the way.

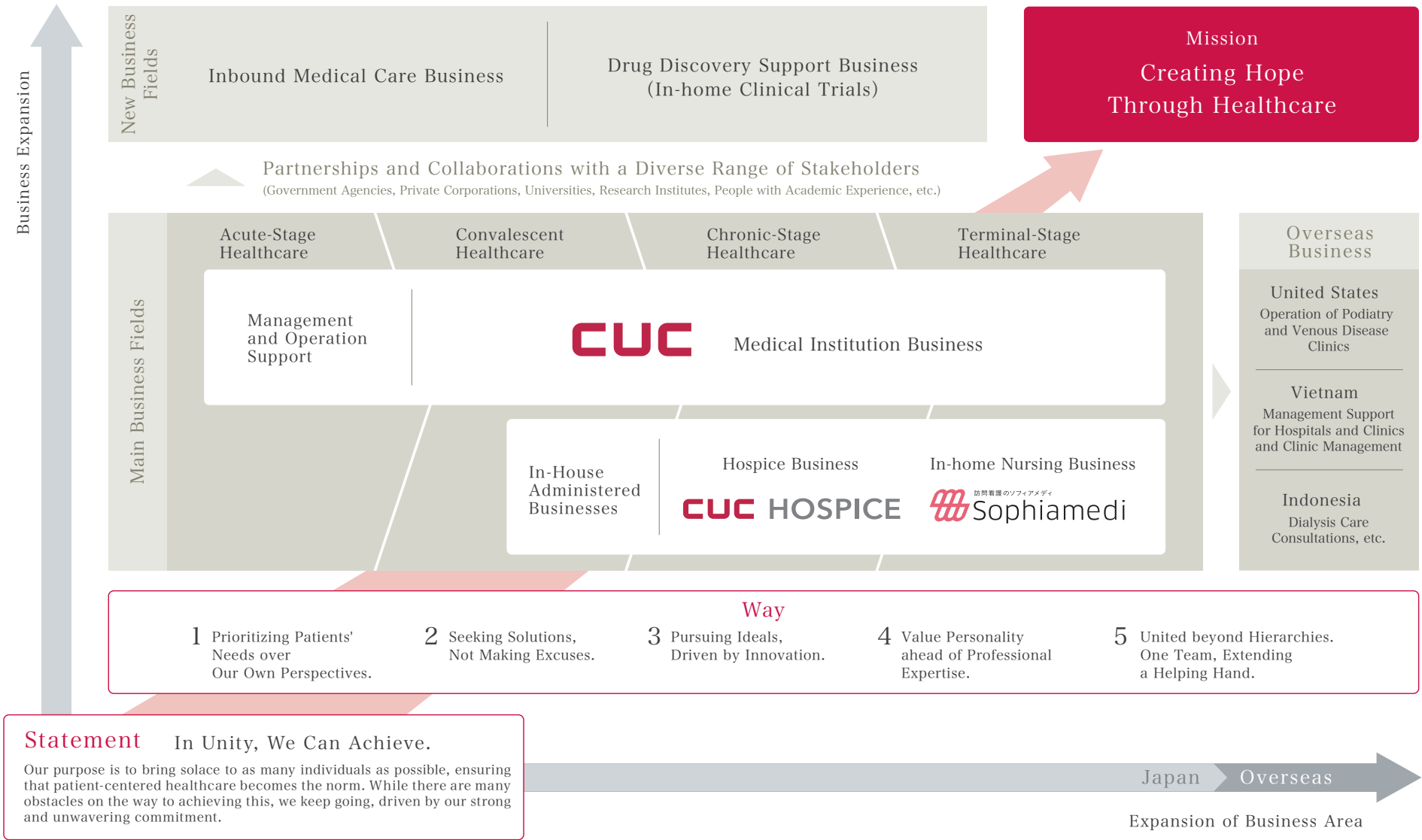
The second turning point was the COVID-19 management crisis. In 2020, as the rapid spread of COVID-19 severely strained healthcare systems both in Japan and abroad, our group also suffered a significant blow. The senior management was faced with dire projections, even contemplating the possibility of bankruptcy, creating an atmosphere of intense tension within the company. It was the employees' extraordinary efforts that ultimately overcame this crisis.

In the scorching heat of summer, our in-home care teams completed their visits wearing the necessary protective gear. We launched new services, including supporting the establishment of PCR testing centers, creating health monitoring systems in collaboration with local governments and related medical institutions, and assisting in the operation of large-scale vaccination sites. Most importantly, each individual stood firm, tirelessly dedicating themselves to the patients and society, enabling our group to contribute to the fight against this unknown infectious disease. As a result, we experienced significant growth as a company. However, witnessing the exhausted faces of the employees who pulled us back from the brink of crisis made me question whether we were truly Creating Hope Through Healthcare.



CUC Group Business Structure

CUC Group has spent ten years since its founding in 2014 expanding both its service areas and geographic reach. The group's core businesses are medical institutions, hospice services, and in-home nursing. Its mission is "Creating Hope Through Healthcare," and it provides a wide range of medical services both domestically and internationally.



Advancements in philosophy implementation and cross-business collaboration in FY 2023

The greatest challenge we faced was the COVID-19 pandemic, and our employees always came through in these tough times. They are essential to realizing our mission of Creating Hope Through Healthcare, which is why maximizing their job satisfaction is a key management responsibility.

To support this, we established the CUC Partners Promise in August 2023. This promise outlines our commitment to creating an environment where employees can thrive and pursue their goals. Over the past year, we have focused on embedding this philosophy, enhancing development and career support, and boosting internal communication based on the Promise.

For example, starting in April 2023, we launched Philosophy Talk, a small-group session for employees to discuss our philosophy, and CUC TIMES, a monthly event for management messages, increasing opportunities for employees to engage with our philosophy. Additionally, we introduced the Self-Declaration System, allowing employees to express their future career hopes, and Lectures by External Speaker, a lecture series featuring prominent external speakers for development and career support.

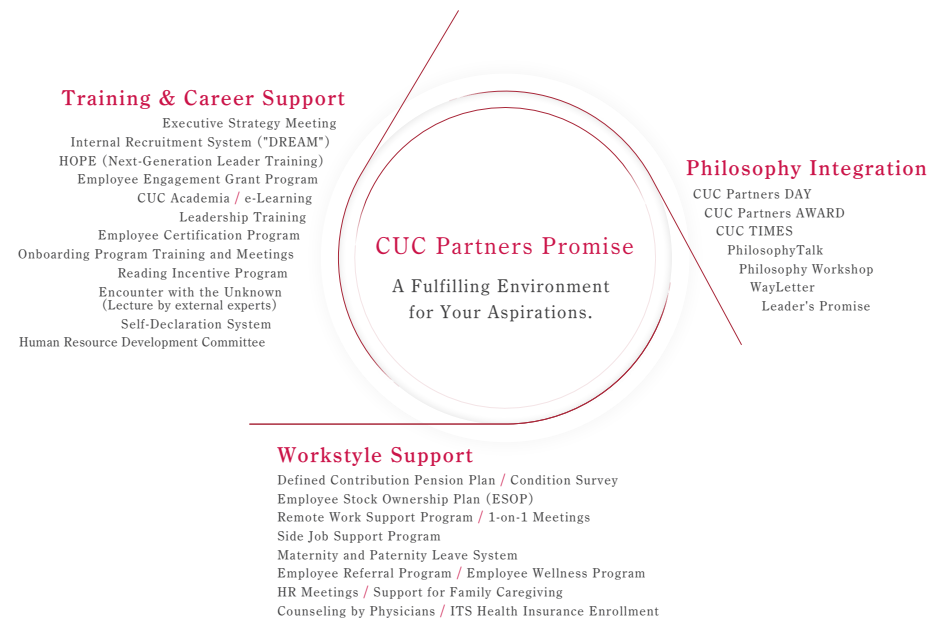
As a result of these initiatives, the average score for philosophy practice, measured monthly among employees, improved from 3.97 out of 5 in FY2022 to 4.17 in FY2023. This reflects the increased alignment and implementation of our philosophy

among our employees.

In FY2023, we also focused on enhancing cross-business collaboration. Until then, the CUC Group had accelerated expansion by enhancing specialization within each business unit. While this approach led to steady growth in each area, a significant challenge emerged due to insufficient information sharing and collaboration between businesses, making it difficult to create synergies across the organization.

In response to this, in October 2023, we launched the Hope Town Project, a cross-group initiative aimed at promoting business collaboration. Over six months, we held the Hope Town Regional Summit in eight areas across the country, bringing together core members from various businesses. More than 500 participants, including CUC Group managers and executives from supported medical institutions, such as chairpersons, directors, and nursing department heads, gathered from Sapporo to Hakata.

At the summit, CUC's senior management and frontline leaders collaborated to align on regional healthcare challenges and create vision statements for each area. This face-to-face interaction built trust, leading to new collaborations like personnel exchanges and service trials. Personally, it provided me valuable insights into regional needs and enthusiasm.



Hope Town Project: Hokuriku Summit held in November 2023

Aiming for 2040: Advancing patient-centered healthcare and creating a motivating workplace for employees

Reflecting on our journey from inception to now, the past decade has clarified what we must continue to change and what we must preserve.

By 2040, Japan's elderly population will peak, leading to severe labor shortages and potential breakdowns in social security. While we must adapt our actions to address healthcare challenges flexibly, our mission remains constant. Under this unwavering mission, our goals are to promote patient-centered healthcare and create a motivating workplace for employees.

In advancing patient-centered healthcare, it is essential to reconsider the approach to medical care. As global aging progresses, the role of healthcare is shifting from traditional "curative" medicine to a "supportive care" model that focuses on daily living support. In this context, collaboration beyond the boundaries of healthcare and caregiving becomes crucial. Instead of the traditional disease-centered, siloed approach, a team-based model that focuses on patients' daily lives and addresses all their issues comprehensively in the community is essential.

We will enhance regional collaboration across various sectors. By leveraging the CUC Group's broad capabilities in healthcare, nursing, and caregiving, we aim to provide essential services to patients. We will also expand into adjacent areas where current systems fall short, such as life

planning and insurance, using our extensive patient data and professional experience to comprehensively address all patient needs.

The key to creating a motivating workplace for employees is Gemba-Power. This involves proactively addressing daily issues in the field to improve patient acceptance and employee ease of movement. By enhancing Gemba-Power, where the field takes an active role in problem-solving, we can boost overall organizational productivity and dedicate more time to improving service quality. This, in turn, enhances patient satisfaction and employee motivation.

In April 2022, the CUC Group launched the Gemba-Power Improvement Project to standardize operations and techniques through detailed

manuals. From FY2024, we will focus on fostering a field-driven culture, enhancing problem-solving skills, and improving knowledge sharing to further boost Gemba-Power.

I believe that a culture focused on advancing patient-centered healthcare and creating a motivating workplace for employees will be the CUC Group's greatest and most unique competitive advantage. As a result, we will continue to be a preferred workplace.

Together, we aim to become the most indispensable medical group in each region and shape the future. Under the motto Change Until Change, we strive to embrace change and achieve our mission of Creating Hope Through Healthcare.

August 2024

Keita Hamaguchi
Representative Director, CEO



The Drive Behind Our Unwavering Commitment to Change

Change

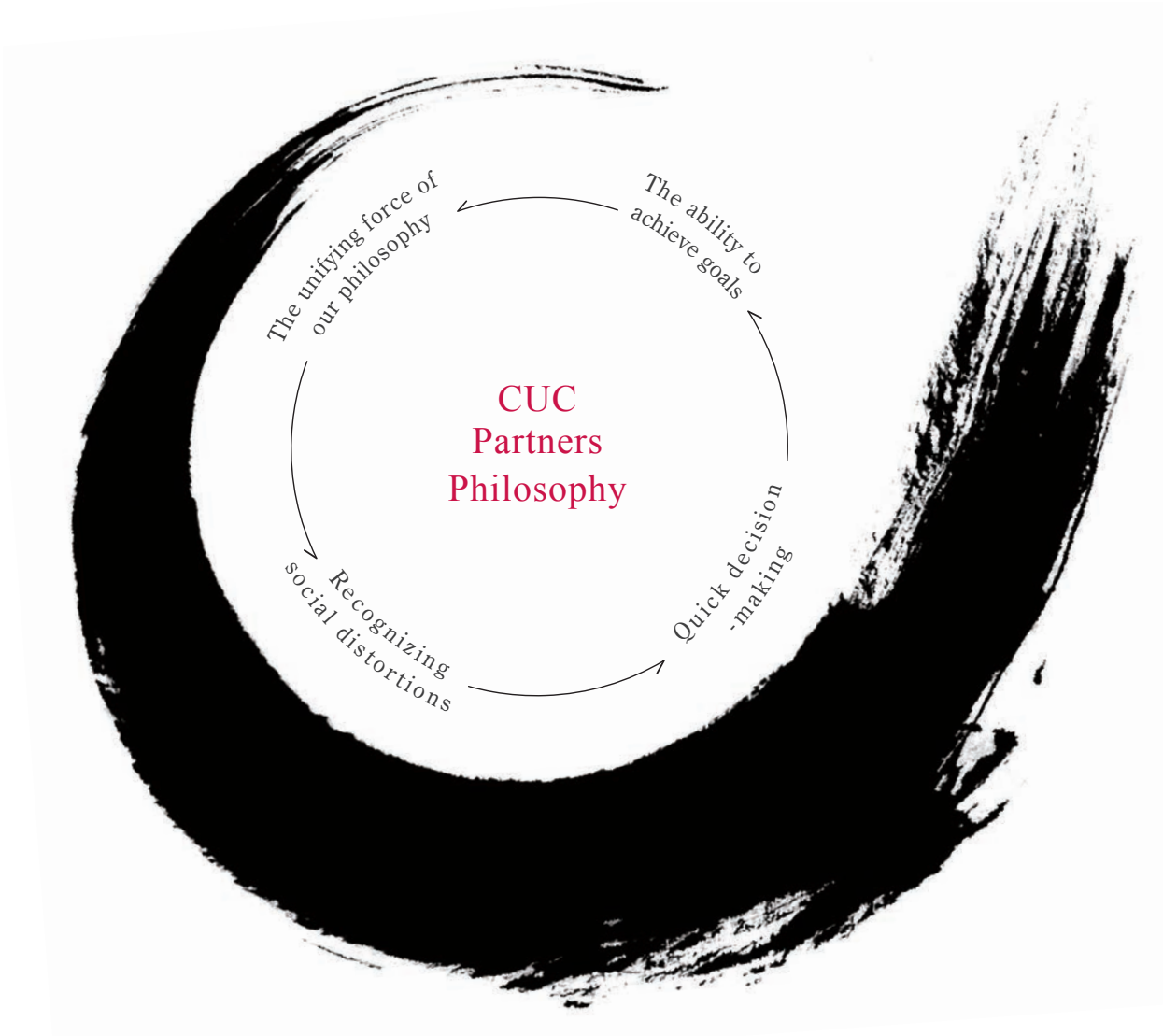
What started as a single dream has grown into a group where many have joined together, creating a powerful force. Through spring, summer, autumn, and winter, we tirelessly work year-round to transform the burdens of healthcare into hope. To drive this change, we ourselves continue to evolve. But why are we so dedicated to change? What fuels our drive to create transformation?



Change



The Driving Force Behind **Change**



Change Powered by People

This Value Creation Process represents the driving force to realize our mission, Creating Hope Through Healthcare, as well as our ability to realize it.

Four forces revolve strongly around our philosophy: The unifying force of our philosophy, recognizing social distortions, quick decision-making, and the ability to achieve goals.

This rotation of forces is strengthened by investment in human capital, which moves us even more powerfully toward the realization of our mission.

Approaches to Driving Change Effectively

To accelerate and sustain the value creation process that drives CUC Partners*, we are practicing Philosophy-Based Decision-Making, Gemba-Power that Creates Positive Cycles, and Cross-Business Collaboration that generate better changes for patients, healthcare workers, and society in general.

*CUC Partners refers to the collective term for the CUC Group and the medical institutions it supports



Philosophy-Based Decision-Making

The CUC Group and our partner healthcare organizations share a common philosophy (CUC Partners Philosophy) as allies in Creating Hope Through Healthcare. By using this philosophy as a common language for decision-making and action, we foster an organizational culture focused on advancing patient-centered healthcare.



Gemba-Power That Creates Positive Cycles

We define Gemba-Power as the organizational ability and culture where each team member proactively identifies issues and continuously improves. By celebrating small daily improvements, we enhance overall productivity and create a positive cycle that improves patient-centered healthcare quality.



Cross-Business Collaboration

By strengthening cross-regional collaboration across our business areas, we generate synergies that individual sectors alone cannot achieve. By combining each team's expertise as one unified group, CUC Partners aims to become the No.1 group in realizing patient-centered healthcare.

Change *for* Patients

Change *for* Healthcare Workers

Change *for* Society

Change *for* Patients

Providing Healthcare That Allows Patients to Live with Dignity, Even in Illness

Problem



As Japan faces the reality of an aging society with a high mortality rate, how one spends the final stages of life has become a crucial issue. Many people wish to spend their last days in a place of their choosing, living with dignity. However, under the current healthcare delivery system in Japan, it is not always easy to receive the desired medical care and support. Additionally, opportunities for social participation are limited for those with serious illnesses, which can lead to increased feelings of loneliness during the end-of-life stage.

Change



The CUC Group supports a shift from curative healthcare to curative and supportive healthcare. By prioritizing patient-centered care that respects the wishes of the individual and supports not only physical but also mental well-being, we aim to create a society where each patient can live without giving up their individuality or connection to their community.

CASE 01 | CUC Group

Enabling High-Dependency Patients to Stay at Home

In Japan, with rapid aging and increasing social security costs, building a sustainable healthcare system through community-based integrated care has become an urgent priority. Due to the shortage of hospital beds in response to the growing number of terminally ill patients, it is projected that by 2040, approximately 490,000 people may be unable to receive end-of-life care.* This underscores the growing importance of in-home care. The CUC Group is actively supporting the establishment of in-home care clinics, hospices, and nursing stations nationwide, thereby promoting in-home care and supporting patients in continuing their lives at home. Additionally, to deliver medical care to a greater number

of high-dependency patients, we are focusing on staff training, enhancing assessment capabilities, and fostering collaboration with local medical institutions. By further enhancing the expertise and responsiveness of our staff, we aim to create a healthcare delivery system that allows high-dependency patients to live at home until the end, if they so wish.

*Ministry of Health, Labour and Welfare. Basic Data on Healthcare in Japan. 2011.

■ Number of Home-Based Patients Supported

Hospice Business 1,733 In-home Nursing Business 13,615

*As of March, 2024





CASE 02 | Hospice Business

Living Without Giving Up on Society, Even with Cancer or Intractable Diseases

We are committed to supporting environments where individuals can live as normally as possible while managing illness. At CUC HOSPICE, which operates the hospice ReHOPE for those with terminal cancer or severe neurological diseases, we organize events that allow residents to participate while receiving medical support. In February 2024, the facility hosted a soccer viewing event in support of the local J.League club. Nurses from the facility and collaborating doctors attended the event, ensuring that residents could enjoy the match with peace of mind by monitoring their health through vital checks and suctioning

during breaks in the game. Additionally, ReHOPE welcomes residents who continue to work while undergoing treatment, striving to create an environment where individuals can maintain their connection to society, even when facing serious illness. Moving forward, we will continue to increase opportunities that support our residents' social participation.

CASE 03 | Medical Institution Business (Domestic)

Supporting Patients and Families by Easing Their Concerns: Building a Support System for In-Home Care

In in-home care, doctors provide care at patients' homes or in nursing facilities. The administrative tasks and coordination with various parties associated with medical care are extensive, making it difficult for doctors to handle everything on their own. Since its founding in 2014, CUC has been supporting the development of a robust support system for in-home care by training and dispatching staff who handle a wide range of non-medical tasks for the clinics we support. These staff members not only reduce the burden on doctors by accompanying them on home visits, but also play a crucial role in closely interacting with

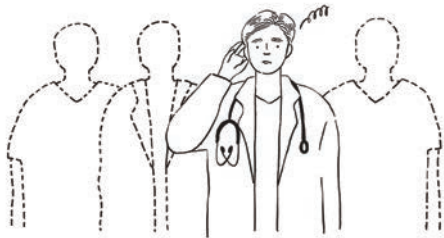
patients and their families. They provide a listening ear for concerns and questions about treatment, insurance systems, and future care plans, topics that may be difficult to discuss directly with doctors. We continue to support the recruitment of these staff members and provide training programs on medical knowledge and patient care etiquette, enhancing service quality and helping to create an environment where patients can continue living at home.



Change *for* Healthcare Workers

Addressing the Global Shortage of Healthcare Workers

Problem



As global demand for healthcare continues to rise, the shortage of healthcare workers has become a critical issue. In Japan, the job-opening-to-application ratio in the healthcare industry is 2.44¹, making recruitment more than twice as challenging compared to the overall average of other sectors. Internationally, only half of the countries and regions worldwide are able to secure the workforce necessary to provide high-quality healthcare services².

¹ Ministry of Health, Labour and Welfare. General Employment Statistics (February 2024). The average job-opening-to-application ratio for medical technicians, public health nurses, midwives, doctors, pharmacists, etc.
² GBD¹ Global Burden of Disease Study 2019¹

Change



The CUC Group supports medical institutions by assisting with the recruitment and retention of healthcare workers. Additionally, we contribute to creating a sustainable working environment for healthcare workers both in Japan and abroad by supporting onboarding processes, promoting work style reforms, facilitating the acceptance of international staff, and reducing the burden on healthcare workers through task sharing.

CASE 01 | Medical Institution Business (Domestic)

Stabilizing Healthcare Through Recruitment and Retention Support

In February 2024, CUC established a Talent Acquisition and Retention Office to strengthen the recruitment and retention of healthcare workers at the 113 partner facilities we support nationwide (as of March 2024). In terms of recruitment, we assist in hiring experienced professionals through staffing agencies, job boards, and referral programs, as well as supporting the implementation of new graduate recruitment initiatives, providing comprehensive recruitment planning and execution support.

For physician retention, we have introduced measures to clearly identify resignation trends through exit surveys. We have also begun supporting the introduction of regular follow-up interviews during the first six months of employment — a period when mismatches are more

likely to occur — to address feelings of isolation and work-related concerns. Additionally, for nurses and therapists, we deploy staff with deep knowledge of the medical field to partner medical institutions across the country. By providing retention-focused support tailored to each region, including job rotations and cross-disciplinary training, we help to create a more fulfilling work environment for healthcare staff.

■ Number of Healthcare Workers Recruited with CUC's Support for Supported Medical Institutions

1,260 (Doctors: 279, non-physician healthcare workers: 981)

■ Training conducted for supported medical institutions

A total of **102,510** hours

*Reporting period: April 1, 2023 – March 31, 2024





CASE 02 | Medical Institution Business (Domestic)

Supporting the Recruitment and Skill Development of Foreign Personnel to Alleviate Hospital Staffing Shortages

At CUC, we assist hospitals facing severe staffing shortages across the nation by facilitating the recruitment of skilled trainees from Indonesia and the Philippines for roles such as nursing assistants and caregivers. To ensure these foreign personnel can work with confidence, we provide support during their immigration and onboarding processes, offer Japanese language learning assistance, and establish a system where they can easily seek advice on daily living issues through in-person meetings every 1 to 3 months and online chats. Additionally, we support the receiving hospitals by offering tailored training on how to prepare for and accommodate foreign personnel, including guidance on necessary internal

procedures, cultural and religious considerations, and effective communication techniques, based on our proprietary curriculum. Through this process of supporting foreign personnel, we have also seen the added benefits of improving the coaching skills of Japanese staff and promoting the standardization of operations. Moving forward, we plan to expand our recruitment efforts to further alleviate hospital staffing shortages and support the skill development and retention of foreign personnel.

■ Number of Foreign Personnel Supported in Supported Medical Institutions

43 (14 institutions)

Reporting period: April 1, 2023 – March 31, 2024

CASE 03 | Medical Institution Business (United States)

Reducing Physicians' Workload through Task Sharing

The shortage of physicians is a significant issue not only in Japan but also in many countries and regions worldwide. In the United States, a shortage of up to 124,000 physicians is projected by 2033¹. To address this challenge, CUC Group's U.S.-based platform, Beyond Podiatry, which operates podiatry and venous disease treatment clinics², is advancing task sharing to reduce the workload on physicians by distributing some of their responsibilities to other professionals. This includes employing Medical Assistants who handle patient guidance, document management, and assist physicians, as well as Physician Assistants

and Nurse Practitioners who cover certain medical tasks traditionally performed by physicians, such as exams, procedures, and prescribing medications. Additionally, Virtual Assistants are used in remote environments to input medical records and diagnostic reports based on the physicians' verbal instructions. By delegating tasks to assistants, we aim to alleviate the burden on physicians, reduce long working hours, and address the shortage of medical professionals.

¹ American Hospital Association. Strengthening the Health Care Workforce. 2021.

² Podiatry and venous disease treatment clinics: Clinics that treat unhealthy lower limbs and feet conditions that interfere with daily life.



Change *for* Society

Connecting People, Communities, and Healthcare to Contribute to Community-Based Integrated Care

Problem



In today's so-called 100-year life era, Japan has one of the world's longest life expectancies. However, with the rapid aging of the population, declining birth rates, and a rising unmarried rate, there is an increasing number of elderly individuals living alone, often facing isolation and loneliness*1. Globally, more than half of the world's population is said to lack access to adequate healthcare due to underdeveloped medical infrastructure and economic barriers*2.

*1 Cabinet Office. National Survey on the State of Loneliness and Isolation. 2023.
*2 WHO. 'Universal health coverage(UHC)'. 2023.

Change



The CUC Group aims to create a society where people can live safely and securely, regardless of age or location. We are strengthening the connection between communities and healthcare, working to ensure that medical care reaches those who need it at the right time. Additionally, by establishing accessible healthcare delivery systems both domestically and internationally, we support healthy living for all.

CASE 01 | Medical Institution Business (Domestic)

Supporting the Integration of Regional Core Hospitals to Build a Sustainable Healthcare System

In Japan, where rising healthcare costs have become a critical issue, the consolidation of hospitals to streamline healthcare delivery systems is accelerating nationwide. Integrating hospitals to meet the specific medical needs of a region ultimately contributes to the continued safety and well-being of local residents. CUC provides comprehensive management support to healthcare institutions, including facilitating such hospital integrations. Since January 2023, we have been supporting the integration of Juko Osu Hospital and Osu Hospital, both located in central Nagoya and managed by Keimeikai, one of our supported medical corporations. We helped reorganize the hospital beds to

leverage the strengths of each facility, and guided the process until the newly integrated hospital, with 250 beds, reopened as a core rehabilitation hospital in Nagoya in January 2024. We continue to provide ongoing support after the integration, covering everything from physical infrastructure and medical equipment to human resources and cultural integration.

Information on Juko Osu Hospital



A regional general hospital located in Naka Ward, Nagoya, providing a wide range of medical services, including outpatient care, inpatient care, examinations, and rehabilitation, with a focus on orthopedics since 1971. The hospital strengthens the integration of acute care, chronic care, and in-home care.





CASE 02 | Medical Institution Business (Domestic)

Supporting Collaboration between Hospitals/Clinics and Communities to Build Healthier Communities Together

For people living in a community, medical institutions are indispensable for supporting health and can only truly thrive when integrated with the community. At CUC, we assist our partner hospitals in becoming not just places to visit when ill, but hospitals that are familiar and loved by the community. In FY2023, we supported our partner hospitals in organizing educational seminars to promote understanding of diseases and healthcare systems, as well as hosting community events like health exercises and hospital-sponsored festivals to bring the community closer to healthcare. Additionally, we provided support for disseminating

information through websites, video content, and social media. We will continue to support various activities that bridge the gap between healthcare and the community.

■ Cumulative Number of Participants in Community Events Held by Supported Hospitals

7,200

Reporting Period: April 2023 – May 2024

CASE 03 | Medical Institution Business (Indonesia)

Supporting Early Detection of Cataracts through Free Eye Screenings in Indonesia

Cataracts are one of the leading causes of blindness worldwide. Although cataracts can often be treated effectively to prevent blindness, many people in developing countries lose their sight due to a lack of medical infrastructure. In response to this situation, CUC Healthcare Indonesia began providing management support to Cakra Husada Hospital in Indonesia in April 2024, in collaboration with the CUC-supported Chuo Eye Clinic Group. Currently, we are conducting monthly medical camps (free eye screenings) in local areas far from urban centers in Indonesia, using smartphone-based ophthalmic devices* to offer Japanese-standard eye care to local residents.

Through these efforts, we continue to contribute to the early detection of cataracts and the global advancement of ophthalmic medical technology.

*Provided by OUI Inc.

■ Information on Cakra Husada Hospital



Established in 1980, this hospital provides comprehensive ophthalmology services in Indonesia. In addition to ophthalmology, it also offers outpatient and inpatient care in internal medicine, general surgery, oral surgery, obstetrics, and more.

■ Cumulative Number of Patients Who Received Free Eye Screenings Supported in Indonesia

479

Reporting Period: October 2023 – May 2024



Change Until Change for the FUTURE

Enhancing the power of rehabilitation as a team, we fully support our residents in looking forward and living life to the fullest.

Kodai Matsudo
CUC HOSPICE Inc.
Physical Therapist



Leveraging our group's strengths, we aim to support the realization of Creating Hope Through Healthcare and the growth of each individual.

Aya Kaga
CUC Inc.
Operations Support Department,
Management Support Division



Creating a healthcare facility that is welcoming and accessible to the community. We aim to make our hospitals and clinics places that people feel comfortable visiting.

Natsumi Ando
CUC Inc.
Outpatient Clinic Department,
Management Support Division



As healthcare professionals, we pursue excellence. Our goal is a society where anyone who wishes to live at home can do so, and where everyone can maintain their dignity until the end.

Masaya Yoshida
Sophiamedi Inc.
Physical Therapist



We contribute to creating a sustainable community where people can live full lives. Together as a team, we pursue initiatives that other regions will want to emulate.

Kazuya Ito
CUC Inc.
Regional Medical Collaboration
Department,
Operations Support Department,
Management Support Division



We cherish every moment of care, supporting our residents' precious days by tending to both their health and emotions.

Mitsuki Kawamura
CUC HOSPICE Inc.
Caregiver



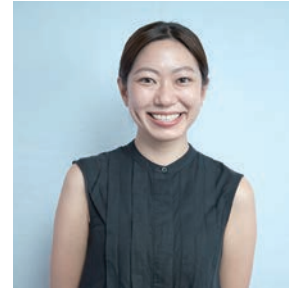
Learning from Japan's approach to healthcare management, we aim to increase patient-centered medical institutions in Vietnam.

Thai Thanh Hai
CHANGE UNTIL CHANGE
VIETNAM COMPANY
LIMITED



We support each other across roles, treating everyone's work as our own. Through teamwork, we ensure safe and reliable medical care.

Akari Mori
CUC Inc.
Operations Headquarters
Department,
Management Support Division



We value each user's individuality. By refining our nursing expertise, we strive as a team to enhance the quality of in-home nursing.

Kumiko Nagashima
Sophiamedi Inc.
Nurse



Making in-home care a natural choice for everyone. We strive to create a medical environment where patients and their families feel grateful for having met us.

Syuhei Tamayama
CUC Inc.
Operations Headquarters
Department,
Management Support Division



A bright and positive workplace where all employees can grow. We strive to meet patient needs through suggestions that go beyond our roles.

Erika Wilkosz
Beyond Podiatry
Director of Operations



We support cost reduction to stabilize hospital management and control medical expenses, aiming for a future with better regional healthcare.

Hiroaki Shoji
CUC Inc.
Medical Institution
Support Department



Change Until Change for the Future

Isao Endo

Sina Corporation Inc.
CEO

Author of numerous books on management with a focus on *Gemba-Power*, including *Gemba Theory: The Logic and Practice of Creating Extraordinary Workplaces (2014)*. Since June 2023, he has been an advisor to the CUC Group's Gemba-Power Improvement Project.



Yasuhito Yabū

CUC HOSPICE Inc.
Executive Officer,
General Manager of Management
Support Division

After working as a nurse at a university hospital, he joined CUC. He supported the establishment of hospitals, provided management support as an administrative director and head nurse, and assumed the role of Executive Officer and Director of the Management Support Division at CUC HOSPICE in July 2024.

Yuriko Uno

CUC Inc.
Leader of the Gemba-Power
Improvement Project,
Corporate Strategy Department,
CFO Division

Since 2022, she has been leading and overseeing the Gemba-Power Improvement Project across the CUC Group.

The Gemba-Power Needed for Change in the Healthcare Industry

Gemba-Power is essential for achieving the CUC Group's mission of Creating Hope Through Healthcare. In this session, we invited Mr. Isao Endo, a leading expert in Gemba-Power, to discuss effective Gemba-Power in the healthcare field with the leaders at the CUC Group who are advancing its enhancement.

What the CUC Group Aims for in Gemba-Power

In every working environment, Gemba-Power refers to the organizational ability and culture where employees proactively identify problems and continuously make improvements through teamwork, creativity, and innovation.

Why Enhancing Gemba-Power in Healthcare Settings is Critical Today

Endo: The term Gemba-Power originally comes from the manufacturing sector in Japan, but it is no longer limited to that field. To build a strong organization, it's essential in every industry, and the healthcare sector is no exception.

Yabu: Especially in recent times, the focus in healthcare has shifted from cure to care. It's no

longer sufficient to just treat; the quality of care as an additional aspect has become essential. As maintaining health, including both physical and mental well-being, is increasingly important, creativity and innovation on the ground are indispensable to meet patient needs.

Endo: Healthcare workers bring high expertise and pride to their work, but they also face challenges due to various legal and systemic constraints that can limit their ability to innovate. Additionally, while good ideas often emerge at individual sites, they sometimes struggle to be shared and implemented across different locations. This issue is not unique to healthcare and is also seen in

other industries with distributed operations, such as services and retail.

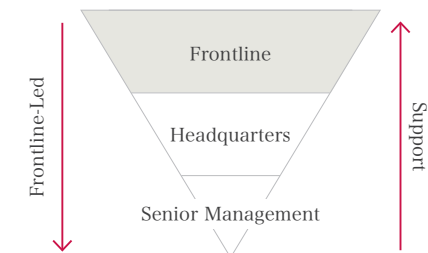
Yabu: Indeed. From my observations at various hospitals and hospices, it's clear that physical distance can limit regular interaction between locations. Without strong lateral connections, promising initiatives from one site often don't spread as widely as they could. This is a missed opportunity.

Endo: Without spreading creativity, achieving satisfaction becomes harder, leading to higher turnover. Having fewer staff increases the burden, causing a negative cycle that weakens the industry. To foster environments where creativity thrives, emphasizing Gemba-Power is crucial.

Key to Gemba-Power: Transforming to a Reverse Pyramid Organizational Culture

Uno: What is most needed for the frontline to proactively generate innovation?

Endo: The organization needs to shift from a top-down approach to a bottom-up one, which means moving to a reverse pyramid structure. Only with this reverse pyramid model at the core of management can a culture of innovation be created. To develop strong Gemba-Power, we must transform from a management-centric to a development-centric organization. The role of the headquarters and executives should not be to command the frontline but to enhance the value of their work and inspire them. This is a challenging task.



Uno: The frontline is indeed the key to value creation and should be the engine of competitiveness. At the CUC Group, we are continuing to accelerate the enhancement of frontline capabilities by implementing several new initiatives.

Yabu: The safety and support initiatives that CUC HOSPICE began in April 2022 are a pioneering effort in this regard. Because reporting incidents and accidents has become standard practice in many medical institutions, we started by encouraging all levels of incidents and accidents to be reported at our sites. Initially, the number of reports was very low, but through rapid feedback and sometimes by accompanying the frontline, we have seen the number of reports increase more than sixfold. The initiative where the frontline identifies problems, organizes study sessions, reviews operations, and implements improvements is spreading. Since the latter half of 2023, we have further advanced this effort by collecting and sharing examples of incidents where proactive measures have prevented accidents, which we call Good Jobs, across the entire company. We are seeing significant progress in sharing the wisdom of the frontline.

Endo: Ideal improvement isn't about making sudden, big changes but about continuously reducing small everyday stresses. By accumulating these slight differences, we eventually see significant results. Even minor improvements should be clearly communicated and shared company-wide. This encourages the frontline to innovate more eagerly, making the process enjoyable and fostering a sense of ownership. This is crucial for genuine progress.

Uno: As part of our new initiative to enhance Gemba-Power, CUC HOSPICE launched the Gemba-Power Improvement Project (internally referred to as the "We Can Project") in July 2024.

We have appointed two staff members who have previously excelled as nursing managers and therapists in the hospice as dedicated Gemba-Power Supporters. They are tasked with supporting and guiding improvements that originate from the frontline, and sharing these with the entire organization. As a first step, they are visiting all facilities nationwide to spread effective practices across the organization.

Yabu: There are surely many people at the frontline with great ideas. However, reasons such as "I want to, but I'm too busy," "I don't know how," or "There's no one to lead the proposal" often prevent these ideas from being implemented. I believe that if everyone could spend just one minute sharing their ideas, it would significantly improve our operations, and we are committed to making this happen.

Hope Beyond Enhancing Frontline Capability

Uno: Since 2022, the CUC Group has focused on enhancing frontline capability by standardizing areas such as medical recruitment, regional collaboration, facility management, and care in home visits and hospice settings. By formalizing and standardizing specialized knowledge and skills, we've cultivated the ability to maintain healthcare quality. Moving forward, we aim to refine our ability to improve healthcare settings based on this foundational strength.

Yabu: For this, it's crucial to genuinely engage with the frontline. I'm confident that unexpected outcomes will emerge, and I'm really looking forward to it.

Endo: Without standards, there is no improvement. It's about nurturing and increasing people who can make improvements and creating a culture

where continuous improvement is the norm. Additionally, it's crucial to focus on sharing and spreading improvement cases starting from the frontline staff's initiatives. If asked, "What is CUC's strength?" everyone should be able to answer, "Our outstanding frontline capability." Building such a medical environment is the goal we should aim for.

Uno: Exactly. The frontline should always be the main player and driving force, creating an environment where those working on the ground receive recognition and praise.

Yabu: First, by improving the quality of relationships among staff and enhancing each individual's quality of thinking, we will see a rise in the quality of actions. This, in turn, will lead to higher employee satisfaction and, as a result, improved frontline capability. We aim to achieve this positive cycle through everyone's participation.



Stories from Patients and Staff

Thank You for Supporting the Time My Parents Spend Together



From Mr. N.K.'s family

My father, who is battling cancer, is unable to move on his own and needs constant care. My mother decided to care for him at home to cherish their time together. Initially, she was anxious about home care, but your support quickly reassured her, filling her with peace of mind. She frequently praises the excellent care from Sophiamedi, noting the thoughtful advice and warmth of the staff. This reassurance allows her to care for him calmly, and I believe my father is genuinely enjoying his time at home. We are profoundly grateful for your help.

Staff's Voice

Lately, his wife has been taking many photos and often shows us pictures of her husband smiling, saying, "He was just smiling a moment ago." Seeing them enjoying their time together at home warms our hearts. We will continue to provide strong support so that she can care for her husband at home without worry, allowing them to spend more precious time together.



Maki Kanda
Sophiamedi Inc.
Nurse

Supporting Both My Son's Language Development and Emotional Growth



From Mr. H.K.'s family

We are deeply grateful for the constant respect and support you've shown our son, who is still developing his speech. Thanks to the speech therapy, he has become more interested in language and is gradually improving his ability to speak. Recently, at a noodle shop, he proudly pointed out the word "udon" and tried to say "u-do-n" on his own. It was wonderful to see how happy he was when praised. We also appreciate how you carefully explained his current situation and tongue movement techniques to his elementary school teacher, which left a lasting impression as the teachers were touched by your thoroughness. Although he can be fussy at times, he always looks forward to his therapy sessions. We look forward to continuing this journey with you.

Staff's Voice

We aim for smooth communication through our rehabilitation efforts. Initially, he would ask to be picked up by saying "oh," but now he says goodbye by saying "bye-bye" with a smile. We are seeing growth not only in his physical abilities but also in his emotional development. As a language specialist, I am committed to noticing every small change and continuing to support his progress.



Hikaru Nakashima
Sophiamedi Inc.
Speech Therapist

My Father Who Loved Sake: Fulfilling His "Final Toast"



From Mr. U.Y.'s family

My father, who loved Japanese sake and had specific preferences for its brands and drinking style, wanted to enjoy sake one last time. I shared this wish with the staff, and they worked diligently to make it happen. They focused on oral care and prepared him to taste the sake. The staff used a sponge to let him experience the sake and asked if he could taste it. His affirmative nod was a touching moment for us. The next day, we celebrated with a toast, and shortly after, my father passed away. We are deeply grateful for the staff's dedication in fulfilling his final wish. Their effort made his last moments special, and we truly appreciate their support and warmth. Thank you for making his final wish come true.

Staff's Voice

Initially, Mr. U.Y., who was suffering from hypopharyngeal cancer, experienced severe dryness in his mouth and had a high risk of aspiration, accompanied by pain. Despite this, we were determined to fulfill his wishes, focusing on oral care and moisturization. As a result, we successfully achieved his longed-for "toast." When we presented him with sake, both he and his family were overjoyed, making it an unforgettable moment for us as well.



Chiemi Tanaka
CUC HOSPICE Inc.
Nurse

Expressing My Deep Gratitude to My Beloved Mother Through a Letter



From Mr. F.K.'s family

During a time when I had to leave my job due to illness and questioned the meaning of life, I felt a strong urge to express my gratitude to my mother, who had always supported me. I shared this wish with the staff, who carefully listened to how I wanted to convey my feelings and helped with drafting and decorating the letter. Thanks to their dedicated support, I successfully surprised my mother with the letter, sharing my gratitude and personal thoughts. My mother was elated and said, "I will cherish this letter."

Staff's Voice

Due to muscular dystrophy and head injury surgery, Mr. F.K. had difficulty moving his arms. To realize his wish of expressing gratitude to his mother, we worked together on selecting writing tools and practicing writing. We were thrilled to see the surprise succeed and to witness the joy of both Mr. F.K. and his mother.



Tomoko Ishii
CUC HOSPICE Inc.
Nurse

CUC HOSPICE

CUC HOSPICE operates hospices for patients with terminal cancer and intractable diseases. We provide reliable nursing care services for residents from daily care to end-of-life care.



FY2023 Materiality Activity Report

Continuing to Create Hope Through Healthcare

In order to sustainably achieve our corporate philosophy of Creating Hope Through Healthcare, we have identified five key themes (materiality) as our priorities. Each theme is assigned to a dedicated full-time director or executive officer, who personally leads the planning and execution. This hands-on leadership by the executives is one of the key aspects we prioritize in driving our sustainability initiatives. Progress is reported to the Board of Directors twice a year, providing opportunities for discussion, decision-making, and oversight.

At the same time, daily discoveries, insights, and awareness of issues are essential for

promoting sustainability. We place great importance on the participation of our employees, who are key stakeholders in this effort. In addition to strong leadership from management, we believe that each individual's intrinsic motivation, suggestions, and concrete actions are also indispensable.

As a company involved in healthcare, we constantly ask ourselves what we should do and what is required of us, both in the present and from a mid- to long-term perspective. Additionally, we reflect on what kind of value creation is needed — one that is not self-serving, but true to who we are. With these considerations

in mind, we strengthened our group-wide collaboration in FY2023, actively engaging in initiatives addressing the five key challenges. Examples include joint disaster preparedness training, employee satisfaction surveys, and a contest where employees competed to present ideas for environmental conservation activities. It was also a year marked by active knowledge sharing within the group, particularly in areas such as medical safety, customer satisfaction surveys, and management. Moving forward, we will continue to drive initiatives that incorporate diverse perspectives, aiming for long-term value creation.



Aya Ito

CUC Inc.
Corporate Officer
Sophiamed Inc.
Representative Director

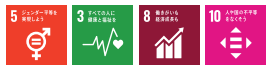
Five Materiality Issues of the CUC Group

Materiality 01

Social



Pursuing the Well-Being of Patients and Healthcare Workers



Materiality 02

Social



Creation of Sustainable and Innovative Healthcare



Materiality 03

Social



Providing Safe and Reliable Medical Care



Materiality 04

Environment



Environmentally Conscious Management



Materiality 05

Governance



Ensuring Compliance





Materiality 01

Pursuing the Well-Being of Patients and Healthcare Workers

The CUC Group is committed to enhancing the well-being of both patients and healthcare workers, aiming to create a world where patients can live true to themselves and all healthcare workers can work with pride and purpose. For patients, we conduct Customer Satisfaction (CS) surveys across our three main group companies to support the development of healthcare delivery systems and improve services that enhance patient satisfaction. For employees, under our CUC Partners Promise, we are dedicated to creating "A Fulfilling Environment for Your Aspirations," where each individual can feel a sense of purpose in their work and pursue their dreams and ideals. To achieve this, we focus on promoting our core values, supporting career development, fostering diversity, and encouraging a healthy work-life balance. We believe that when all employees in the healthcare field feel motivated and continuously pursue their dreams and ideals, it leads to the realization of the CUC Partners Philosophy and improves patient satisfaction. With this belief, we will continue to revitalize our organization and strengthen investment in human capital.



Toshio Matsuura
CUC Inc.
Corporate Officer,
CHRO

CUC Group

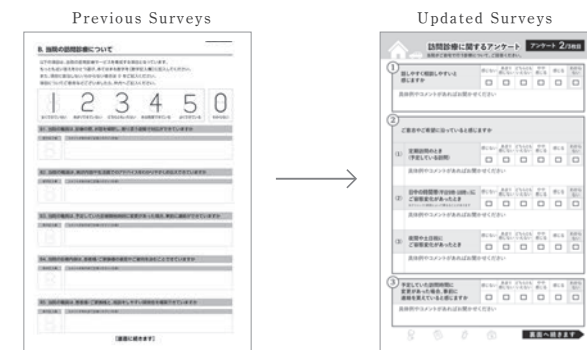
Enhancing Patient Care Across the CUC Group through Customer Satisfaction (CS) Surveys

At the CUC Group, we believe that regularly reflecting on and improving the medical services we provide is essential for building patient trust. With this belief in mind, we actively promote the implementation of Customer Satisfaction (CS) surveys for both our own operations and the services we support.

Since 2019, CUC has supported CS surveys for in-home care clinics nationwide, as part of our healthcare operations. By collaborating with supported clinics and assisting in the design, aggregation, and analysis of survey results, we contribute to improving the quality of healthcare provided by supported medical institutions across the country.

In the second half of FY2023, we revised the survey questions and design to make them easier to understand and answer, ensuring we receive more honest feedback from patients. The results of these CS surveys are utilized to evaluate and improve the quality of in-home care medical services provided by the supported clinics.

Supporting the Update of Customer Satisfaction Surveys



Surveys were redesigned to be more visually engaging and easier to respond to.

■ Number of Supported Medical Institutions Receiving CS Survey Support (CUC)

48 (FY2022: 50) *Due to changes in facility organizational structures, some locations did not conduct surveys in FY2023.

■ NPS® from Resident CS Survey (CUC HOSPICE)

19.0 (Number of responses: 316)
Collected starting in FY2023

■ NPS® from User CS Survey (Sophiamedi)

17.6 (Number of responses: 6,459)
FY2022: 0.8

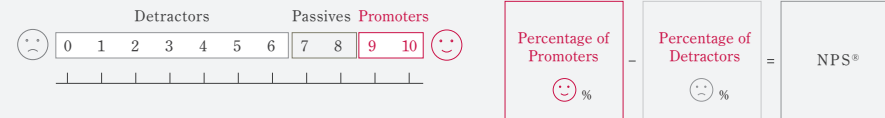
At Sophiamedi, which operates In-home Nursing Business, we have conducted Customer Satisfaction (CS) surveys using the Net Promoter Score (NPS®)* since 2020. By conducting these surveys annually, we aim to enhance our ability to meet evolving societal needs and identify areas for service improvement. In FY2022, we recognized the need to further strengthen staff skills and improve assessments, and implemented various measures to enhance service quality and care, such as staff development initiatives and the introduction of assessment tools. As a result, the 2023 CS survey showed a 16.7-point improvement over the previous year in response to the question, "Would you recommend Sophiamedi's nursing stations to a friend?"

At CUC HOSPICE, which operates our hospice business, we rebranded the business as ReHOPE on June 1, 2023, and since August of the same year, we have been conducting monthly Customer Satisfaction (CS) surveys using the Net Promoter Score (NPS®) with our residents. The surveys have shown relatively high satisfaction in areas such as "flexibility of visiting arrangements" and "the quality of care provided to residents." Based on the results of these surveys, we plan to further enhance our care system.

The results of the CS surveys conducted by each division are shared with healthcare workers, creating a positive cycle that leads to more patient-centered medical services. We will continue to implement these surveys across the group to further improve the quality of our healthcare services.

NPS® Calculation Method

Respondents who rate 9–10 are classified as "promoters," those who rate 7–8 are "passives," and those who rate 0–6 are "detractors." The NPS value is calculated by subtracting the percentage of detractors from the percentage of promoters. NPS scores vary by industry, but are generally considered good at 0-30.



■ Excerpt from Survey Results (CUC HOSPICE)

Q. Service Satisfaction (5-point scale)

Visiting Arrangements: **4.3**

Quality of Care: **4.0**

Pricing: **3.7**

(Sophiamedi)

Q. I feel that they have chosen the method that suits me best: **84.6 %**

Q. I feel that they address my concerns and anxieties in a way that suits me: **86.0 %**

Q. I feel that sufficient information is shared with my primary doctor, care manager, helpers, and other related parties: **77.6 %**

Q. I feel that I can take an active role in deciding my treatment and care plan: **71.0 %**

Collected starting in FY2023

*Questions were revised and collected starting in FY2023.

*Net Promoter Score (NPS®): A metric used to measure customer loyalty.



Creating an Environment Where All Healthcare Workers Can Find Fulfillment

In FY2023, we welcomed approximately 750 new team members, bringing the total number of employees across the CUC Group to over 3,700. Guided by the principles of diversity and inclusion, we work with employees from various backgrounds to promote our core values and support long-term career development, all with the aim of enhancing job satisfaction. The 2023 employee satisfaction score across the three main CUC Group companies averaged 3.4 on a 5-point scale, an increase of 0.1 points compared to the previous year. Looking ahead, we will continue to focus on improving employee satisfaction, recognizing that this ultimately leads to greater patient satisfaction.

Key Figures of the CUC Group

Annual Recruitment Count

CUC Inc.	CUC HOSPICE Inc.	Sophiamedi Inc.
91 FY2022: 154	663 FY2022: 421	345 FY2022: 393

Average Staff Turnover Rate

CUC Inc.	CUC HOSPICE Inc.	Sophiamedi Inc.
20.3% FY2022: 14.9%	19.2% FY2022: 23.0%	13.5% FY2022: 14.8%

Employee Satisfaction (5-Point Scale)

CUC Inc.	CUC HOSPICE Inc.	Sophiamedi Inc.
3.5 FY2022: 3.2	3.1 FY2022: 3.0	3.5 FY2022: 3.5

A Workplace Where Diverse Talents Meet

The CUC Group brings together professionals from various fields, including healthcare workers, management, human resources, IT, and more. Their career backgrounds are equally diverse, ranging from medical specialists and management consultants to sales professionals and engineers. Together, they address healthcare challenges from both medical and business perspectives. By fostering an environment where diverse talents collaborate and share ideas, we are able to accelerate comprehensive discussions and make swift decisions.



Number of employees:	Nurses:	Caregivers:	Therapists: <small>*Physical therapists, occupational therapists, and speech therapists.</small>
3,743 FY2022: 2,994 <small>*CUC Group Consolidated</small>	1,196 FY2022: 935	584 FY2022: 423	479 FY2022: 451 <small>*Number of employees in the Hospice Business and In-home Nursing Business</small>

Ongoing Promotion of Our Philosophy



We value the embodiment of our philosophy. At CUC HOSPICE, we hold the Episode Canvas to share examples of how our philosophy is lived out. At Sophiamedi, we host the annual Management Policy Sharing Meeting to recognize individuals and teams who exemplify it. Additionally, since April 2023, CUC has held small group sessions called Philosophy Talk, alongside the annual CUC Partners DAY, providing opportunities for employees to discuss how they incorporate our philosophy into their daily work. These efforts are complemented by year-round value-based training at each company.



Total hours of philosophy training:	
approx. 333,000	FY2022: 301,200
<small>*Applicable to: CUC, CUC HOSPICE, and Sophiamedi *Multiplication of hours, number of times conducted, and number of participants</small>	
Number of in-house events:	Philosophy penetration score (5-Point scale):
93 <small>*Data collection began this fiscal year. *Applicable to: Company-wide Events of CUC, CUC HOSPICE, and Sophiamedi</small>	4.17 FY2022: 3.97 <small>*Applicable to: Employees of CUC</small>



■ Supporting Career Development for Women

The CUC Group is committed to promoting diversity, and women make up 43.2% of management positions across the company—a consistently high ratio. We provide a workplace environment where employees can continue working without needing to resign due to childbirth or childcare, and we support long-term career growth for all employees through career development training programs.

Percentage of Female Managers	CUC Inc.	CUC HOSPICE Inc.	Sophiamedi Inc.
	12.4 %	54.7 %	62.5 %
	FY2022: 12.1%	FY2022: 64.7%	FY2022: 64.6%

■ Providing Training to Enhance Medical Expertise

At the CUC Group, where many healthcare workers are employed, we conduct workshops and training sessions aimed at refining the specialized knowledge and skills required in medical settings. These sessions cover a range of topics, including medical expertise, legal knowledge, and communication skills, tailored to the specific needs of each role, helping individuals improve and advance in their careers.



Total number of medical skills and knowledge training hours	approx. 103,600	FY2022: approx. 72,600
	*Applicable to: CUC, CUC HOSPICE, and Sophiamedi *Multiplication of hours, number of times conducted, and number of participants	



■ Providing Opportunities for Self-Directed Learning

In addition to company-sponsored training programs, we support self-directed learning through online business courses (GLOBIS Unlimited) and assistance with professional certifications. Since April 2023, we have also launched CUC Academia, where employees take on the role of instructors in their areas of expertise and share their knowledge with the entire company. This learning community fosters skill development and encourages mutual growth.

Total hours of CUC Academia:	Total hours of online business school viewing:
approx. 2,011	2,071 FY2022: 1,563
*Implemented from April 2023 *Applicable to: CUC, CUC HOSPICE, and Sophiamedi *Multiplication of hours, number of times conducted, and number of participants	



■ Career Support for Shaping Your Own Future

The "Dream" internal job posting system, held twice a year, allows employees to apply for transfers between different divisions within the CUC Group. Additionally, we offer an annual Career Advisory System where employees can declare their career aspirations, and we also permit side jobs to help employees explore new opportunities. These initiatives support employees in proactively shaping their careers.

Use of the "Dream" application system		Number of employees who have applied for side jobs:
Number of applications:	Number of transfers:	84 Calculated from FY2023
46 FY2022: 32	16 FY2022: 10	*Applicable to: CUC, CUC HOSPICE, and Sophiamedi

■ Fostering a Culture of Recognition

We offer many opportunities for recognition, including the annual company-wide award event, CUC Partners AWARDS, and best practice sharing sessions within each business division. Additionally, we regularly share stories of patient interactions and employee achievements through internal newsletters and owned media across the group. These efforts help create an environment where everyone can grow positively.



CUC Partners AWARDS
Number of entries: 96 FY2022: 88
*Applicable to: CUC, CUC HOSPICE, and Sophiamedi



■ Supporting Work-Life Balance

To create a sustainable workplace where employees can continue to find fulfillment over the long term, we have established various systems that allow them to work flexibly and energetically, adapting to changes in their lifestyle. By fostering a positive and supportive environment in the healthcare setting, we aim to deliver even better care to our patients.

Examples of Work Support Systems	•One-hour paid leave	•Remote work
	•Kokoromiru system (long-term leave support system)	•Full Flex-Time Work
	•LGBTQ support (marriage, childcare, and careers)	•Secondary employment system (permitted under certain conditions)
		*System details are set individually by each CUC Group company.



Materiality 02

Creation of Sustainable and Innovative Healthcare

The CUC Group aims to build sustainable communities that can deliver high-quality healthcare services to as many people as possible. To address complex challenges such as rising healthcare costs and a shortage of healthcare workers, creating innovative healthcare services that break away from conventional models is essential. As a key theme of our business strategy, we are focused on leveraging digital technologies and advancing various DX (digital transformation) initiatives. Additionally, we are expanding our business to meet market needs, such as medical tourism for individuals traveling to Japan for healthcare services. With the easing of entry restrictions imposed during the COVID-19 pandemic and the increase in medical stay visas issued by Japan, we are strengthening our capacity to meet the growing demand for medical services from overseas. Furthermore, by expanding our support to pediatric and gynecological practices, we aim to contribute not only to solving the issue of an aging population but also to addressing the challenge of declining birthrates.



Kenichiro Hori
CUC Inc.
Corporate Officer,
General Manager of
Management Support Division

CUC Group

Our Vision for Digital Transformation (DX)

With the goal of creating hope for patients, healthcare workers, and society, the CUC Group has outlined three key directions for planning and implementing DX initiatives.



1. DX to Create Hope for Patients

We aim to enhance the medical experience by promoting DX initiatives that enable patients to receive optimal healthcare services smoothly when they need them.

2. DX to Create Hope for Healthcare Workers

By implementing DX initiatives that reduce the burden on healthcare workers, we contribute to building a more supportive work environment and addressing workforce shortages in the medical field.

3. DX to Create Hope for Society

With the goal of reducing regional disparities in healthcare, we will promote DX initiatives to expand access to quality medical services, ensuring people can live safely and securely.

CASE 01 | Medical Institution Business (Domestic)

Developing a Management Monitoring System to Support Business Improvement in the In-home Healthcare Sector

CUC has rapidly expanded its operations in the In-home Healthcare sector, where it provides management support. As the number of supported in-home care clinics continues to grow, we have been working since 2018 to better visually express management data from supported medical institutions through a centralized dashboard, allowing for timely and accurate tracking of each clinic's business performance.

After continuous improvements, such as standardizing measurement rules and reducing the data aggregation burden, we developed a more secure system in March 2023 that enables faster business analysis. As of August 2024, the system has been implemented and utilized at 53 supported in-home care clinics. The system is also being used for management analysis related to the 2024 revision of medical fees. Moving forward, we will continue to upgrade this data platform to support the formulation and promotion of effective business strategies.



Motoki Shibuya
CUC Inc.
Operations Headquarters
Department,
Management Support Division

We have been working on expressing clinic management data in a more visual way for some time, but with the newly developed management monitoring system, it is now easier to track the financial status of clinics quickly and accurately in a more secure environment. In addition to viewing data for the clinics I manage, I can also see average figures from other supported clinics, making it easier to conduct comparative analysis across locations. By actively using the system to track key indicators, such as the number of patients per month and the number of consultations per doctor, I can better strategize clinic operations and personnel allocation.

CASE 02 | In-home Nursing Business

Standardizing the Quality of In-home Nursing Care: Implementing an Assessment System

With the growing demand for In-home Healthcare and the need to enhance both the quality and quantity of services, Sophiamedi, which operates the in-home nursing care business, began gradually rolling out an assessment sheet in May 2023. The primary goal of this implementation is to standardize service quality by unifying staff perspectives during assessments, which form the basis of service delivery. The assessment sheet helps evaluate each user's condition, focusing on individual symptoms and living situations, and identifies nursing issues and standardized interventions to ensure consistent care. Since March 2024, the system has been further developed as an internal tool and rolled out nationwide across all stations. Moving forward, we will continue to refine assessment items and improve accessibility to provide even better in-home nursing care services.



Kotoe Ashida
Sophiamedi Inc.
Sophiamedi In-home
Nursing Station
Center Kita

We use the assessment system daily to accurately understand the condition of our in-home care users. It's convenient that the system automatically identifies nursing issues by simply checking items based on symptoms and living conditions. The system also generates alerts for high-risk user's, making it easier to prioritize those who require more attention. Additionally, the input fields in the system cover all essential points to be confirmed during visits, helping prevent any oversight during user's care. I believe this feature is crucial. Looking ahead, I hope the system will further improve its usability to facilitate better information sharing within the community.



Creation of Sustainable and Innovative Healthcare

CUC Business Development

Building a Medical Tourism System to Meet the Healthcare Needs of International Visitors

In recent years, medical tourism, where individuals travel abroad to receive advanced healthcare services that may be difficult to access in their home country, has gained attention. The global medical tourism market reached \$119.7 billion in 2023 and is projected to grow to \$650.8 billion by 2032 (see right graph). The number of medical stay visas issued by Japan has also been increasing annually, excluding the COVID-19 pandemic period, reflecting the expanding market in Japan.*

In response to these market trends, CUC began exploring initiatives to strengthen its medical tourism services around May 2023, when COVID-19 was reclassified as a Category 5 infectious disease. Starting in April 2024, CUC has formed a partnership with Juntendo University, which operates one of the largest university hospitals in Japan, and has established a joint research course called the International Healthcare Promotion Research Course. This initiative focuses on developing business models for Japan's medical tourism industry. Through domestic and international market research and the analysis of foreign visitors' needs, CUC has been working to enhance the medical tourism experience by reducing waiting times for consultations and developing new treatment options and healthcare services that offer high added value. The company plans to focus on the high-demand Chinese market, while also expanding into Southeast Asian countries. Through this research, CUC aims to improve the quality and international presence of Japan's medical

tourism and contribute to advancements in healthcare both domestically and internationally.

*Cabinet Office. e-Stat Visa Issuance Statistics (2016-2022).

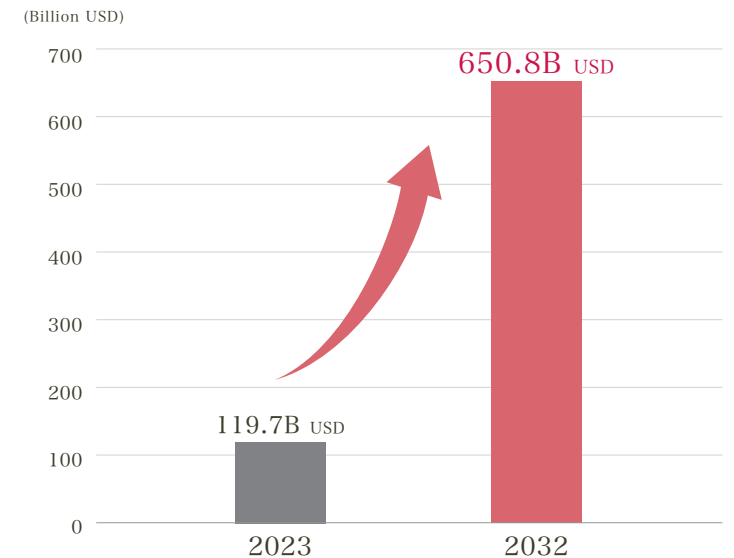
Japan possesses advanced medical technology and high-quality services, positioning it to lead the world in the field of medical tourism. Through this joint research course, we aim to support a system that provides a one-stop solution for various patient needs, including not only treatment during their visit to Japan but also health checkups, comprehensive medical exams, second opinions via online connections and post-treatment follow-ups. This will contribute to enhancing the value of services offered. Additionally, by supporting the acceptance of a wide range of cases, we hope to contribute to the further development of Japan's medical technology. Our goal is to innovate Japan's medical tourism so that more people worldwide can access advanced medical care.



Ryutaro Nakajima
CUC Inc.
Head of Business
Development Department



Global Market Size of Medical Tourism



Source: Global Information, Inc. Medical Tourism Report. 2024.

Medical Institution Business (Domestic)

Contributing to the Solution of Japan's Declining Birthrate Issue through Support for Fertility and Pediatric Medical Institutions

While Japan's population is aging, the birth rate is also declining. With the trend of later marriages, more people are facing fertility challenges as the age at which they desire to have children rises. In response, the Japanese government began providing insurance coverage for certain fertility treatments in April 2022, and since 2023, it has also strengthened support for balancing fertility treatment with work.

In light of the growing importance of fertility treatment, CUC launched its management support for fertility clinics in December 2023. This includes supporting clinics that offer advanced fertility treatments, such as fallopian tube formation surgery (FT), performed on an outpatient basis.

Closely related to the declining birthrate is the issue of pediatric healthcare. Recently, the uneven distribution of pediatric facilities across regions, largely due to a shortage of pediatricians, has become a concern. Additionally, with the increase in dual-income families, the need for local pediatricians who can provide care on weekends, after hours, or during sudden child illnesses has risen, leading to a growing gap between the supply and demand for pediatric care. In response to this, CUC has been supporting the management of pediatric clinics since November 2020 and, in May 2024, assisted in the opening of a second clinic in the Kanto area. We are also supporting clinics that offer services like weekend and holiday care, as well as maternal health

consultations alongside pediatric care, addressing the healthcare needs of busy modern families.

CUC has primarily focused on supporting the management of elderly healthcare, but addressing the serious issue of the declining birthrate alongside aging has been another challenge we wanted to tackle in our mission of Creating Hope Through Healthcare. The clinics we support, both in fertility and pediatric care, maintain high standards of medical quality and staff motivation. We believe that expanding such medical institutions across Japan will have a positive impact and contribute to the well-being of society. We aim to support the growth of these businesses with the hope that anyone who wishes can face pregnancy, childbirth, and parenting with dreams and hope for the future.

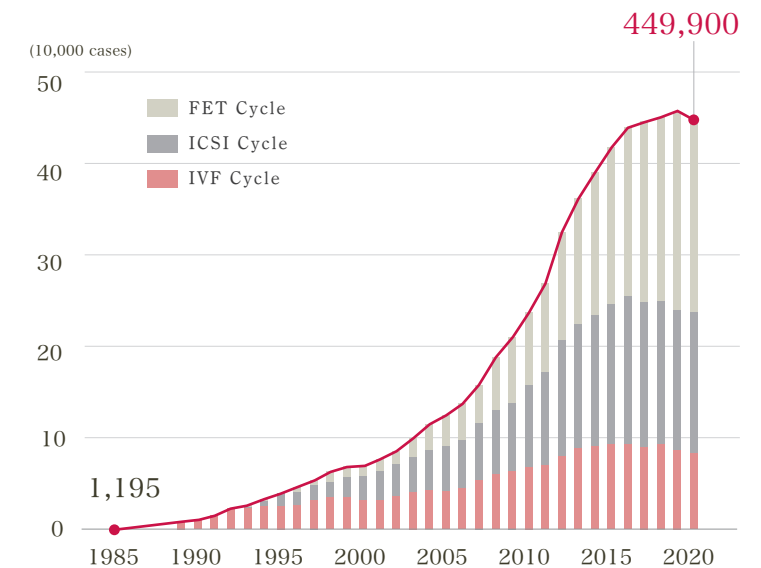


Hitoshi Sato

CUC Inc.
Pediatrics and Gynecology Unit,
Outpatient Clinic Department,
Management Support Division



■ Trends in the Number of Fertility Treatments in Japan



Source: Japan Society of Obstetrics and Gynecology. ART Data Book. 2021.



Materiality 03

Providing Safe and Reliable Healthcare

The CUC Group aims to provide safe and reliable healthcare on an ongoing basis. Since its founding, we have enhanced various training programs, including those on medical safety and infection control, to raise the awareness and technical skills related to safety across all CUC Partners employees, including those at the medical institutions we support. In addition, by establishing an internal reporting system, we are fostering a safe working environment for healthcare workers. In FY2023, we launched a new major initiative focused on creating a disaster support system for CUC Partners, ensuring that patients continue to receive medical care even in times of disaster. By working with experts, we are strengthening our organizational response capabilities. Our commitment to delivering safe and reliable healthcare for both patients and healthcare workers will enable us to further solidify our position as an essential part of the social infrastructure.



Takamichi Tanabe

CUC Inc.
Director, COO
CUC HOSPICE Inc.
President and
Representative Director

CUC Group

Creating a Safe and Secure Medical Environment Where Staff Can Work with Confidence

The healthcare field is constantly exposed to various risks such as medical accidents, infections, harassment, and natural disasters. This is why the CUC Group sees it as our responsibility to create an environment where all staff can continue working with peace of mind. In doing so, we believe we can maintain a safe and reliable medical system for patients. By working closely with the medical institutions we support, the CUC Group is implementing measures to minimize these risks, ensuring the safety of both patients and healthcare workers.

■ Creating a Safe and Secure Medical Environment: A Key Priority

Medical Safety
Infection Control Measures
Anti-harassment Measures
Internal Reporting System
BCP Measures

<Medical Safety>

■ Every Medical Staff Member Committed to Safety

Providing safe medical services is a fundamental requirement in healthcare, yet the presence of uncertainties means that errors and accidents are always a risk. CUC HOSPICE and Sophiamedi are dedicated to enhancing medical safety through incident and accident reporting. In April 2022, CUC HOSPICE formed a specialized team to review all reports, provide targeted support, and share findings across facilities. This has led to a significant increase in reported incidents, with monthly reports per bed (including near-misses) rising by 659%, although the

actual number of incidents was relatively small overall at just 0.4 by March 2024.

In April 2024, CUC HOSPICE established a Medical Safety Committee to further promote safe medical and caregiving services organization-wide. This committee fosters cross-departmental collaboration to ensure rapid and effective safety measures. Additionally, CUC utilizes data analysis experts to evaluate incident and accident reports from medical institutions, identifying issues and developing solutions through consulting services.

Number of Participants in Medical Safety Training

CUC Inc.	CUC HOSPICE Inc.	Sophiamedi Inc.
440	998	1,280





Providing Safe and Reliable Medical Care

<Infection Control Measures>

■ Protecting Against Infectious Diseases

In high-risk medical environments, implementing effective preventive measures is essential to safeguard staff. At CUC, we contribute to staff safety by sharing the latest global research and evidence-based infection control guidelines. At CUC HOSPICE, all staff receive training using hand hygiene checkers*, raising awareness of proper hand hygiene. While hand hygiene is fundamental, it is often performed ineffectively. Learning the correct techniques ensures both personal protection and the prevention of infection spread. At Sophiamedi, staff are trained and undergo simulations based on the infection control BCP (Business Continuity Plan), ensuring they can provide patient care even during emergencies.

*Hand hygiene checkers use a special lotion to simulate dirt, and after washing hands, staff can check for any residue under a special light to confirm proper hygiene.

Infection Control Trainig

Training Participants:
2,373

(CUC: 130 / CUC HOSPICE: 806 / Sophiamedi: 1,437)

<Anti-harassment Measures>

■ Protection Against Harassment

In recent years, there has been an increase in unreasonable demands, verbal abuse, violence, and sexual harassment from patients and their families toward healthcare workers. These acts of harassment negatively impact the workplace environment and hinder the provision of proper services, becoming a serious social issue.

To protect the rights and dignity of all staff, including those at supported medical institutions, the CUC Group has developed patient harassment response manuals and screening sheets. We also hold regular training sessions and workshops to equip staff with prevention and response strategies, fostering a safer work environment. In addition, we support our partner medical institutions by providing awareness posters and promoting comprehensive measures against human rights violations.

Harassment Prevention

Training Participants:	Manual:
288	59 pages
<small>*Target: Staff of supported medical institutions</small>	<small>*Total number of pages created across the CUC Group</small>

<Internal Reporting System>

■ Maintaining Organizational Integrity

The CUC Group has established an internal whistleblowing system to detect and correct inappropriate or illegal activities early, ensuring the organization's self-regulation. To raise awareness of the system, we distribute cards with contact details for the reporting channels, which are managed independently by the internal audit department. This structure allows staff to report concerns without fear of impact on their performance evaluations.

All reports, including anonymous ones, are handled through a designated process, with feedback provided to the relevant departments. In FY2023, 46 reports were received from both inside and outside the group, leading to necessary actions and improvements.

Additionally, the CUC Group conducts a monthly survey using the Condition Check Tool for all staff. This helps identify concerns that may be difficult to raise directly with supervisors, enabling the Human Resources Department to offer personalized support.

Internal Whistleblowing Reports

Total Reports: **46** (Response Rate: 100%)

*Total number of reports across the CUC Group and supported medical institutions

<BCP Measures>

■ Ensuring Safe and Reliable Medical Services During Disasters

As the 2024 Noto Peninsula earthquake on New Year's Day reminded us, Japan frequently experiences major natural disasters, such as earthquakes and floods, making it crucial to maintain medical services during these events. Previously, disaster response and support within the CUC Group were mainly managed at the business unit level. However, with the expansion of facilities and the nationwide growth of supported medical institutions, the need for a more comprehensive, group-wide disaster strategy became apparent. In response, we launched a project in 2023, positioning disaster preparedness as a critical management issue.

With full support from Professor Tatsuhiko Kubo of Hiroshima University, we reviewed organizational structures, operational methods, and disaster



support strategies, developing a disaster response manual. Five training sessions were held to teach the fundamentals of disaster preparedness, attended by approximately 140 executives, managers, and facility administrators. Additionally, a permanent Disaster Preparedness Planning Committee, comprising key leaders from various divisions, was established to oversee disaster response training and improve readiness across all CUC Partners*.

Moving forward, based on Professor Kubo's principles, we will focus on training personnel to lead disaster response efforts and leverage the nationwide CUC Group network for smooth coordination of supplies and manpower between regions. This will complement public relief efforts and further enhance disaster response capabilities. CUC Partners is committed to strengthening our agility in disaster situations and ensuring the continued provision of safe and reliable medical services.

*CUC Partners refers to the collective term for the CUC Group and the medical institutions it supports.

Disaster Preparedness Training

Sessions Held: **5** (totaling **7** days)

Participants:

Approximately **140**

During disasters, priority is typically given to supporting hospitals that handle severe trauma cases, often leaving those receiving in-home care or terminal care in hospice-type residences vulnerable and with delayed public assistance. The efforts of the CUC Group to continue providing essential medical services to these individuals, even in times of disaster, hold significant social value.

For me, developing disaster response systems in a private company was a new challenge, as most previous training and drills were organized by government bodies. In creating our training programs, I recognized the many similarities between CUC's management philosophy and our disaster response strategies. Effective support cannot be achieved solely through technical skills and know-how; it requires overcoming friction through visible relationships and common language between supporters and recipients.

The CUC Group's business characteristics make it easier to instill fundamental disaster response principles, and I feel a strong sense of achievement from the empathy expressed by training participants. Moving forward, we aim to build systems that ensure the provision of safe and reliable medical services during disasters, leveraging the unique networks and agility of private enterprises.



Tatsuhiko Kubo

Hiroshima University
Professor of Public Health,
Graduate School of Biomedical
and Health Sciences



Materiality 04

Environmentally Conscious Management

Climate change and air pollution, among other global environmental issues, are starting to have a significant negative impact on our health. As environmental challenges become increasingly intertwined with healthcare issues, the CUC Group is advancing initiatives to enable people to live healthy and comfortable lives. In February 2023, the Tamachi office, which consolidated the headquarters functions of the group's main companies, introduced virtually 100% renewable energy for its electricity use, contributing to the reduction of CO₂ emissions. Additionally, aiming to promote sustainability management driven by employees, the group held its first Sustainability Contest in September 2023, with the inaugural theme being Environment. This contest encouraged submissions, recognition, and implementation of business initiatives that contribute to environmental conservation across the group. Going forward, we will continue to actively promote the reduction of greenhouse gas emissions and waste, striving to become a leading environmentally responsible company in the healthcare and nursing care industry.



Jun Hashimoto
CUC Inc.
Corporate Officer, CFO

DATA

■ Greenhouse Gas (GHG) Emissions

Scope 1

Direct emissions from combustion, etc.

715.9 t-CO₂

FY2022: 644.6 t-CO₂

Scope 2

Indirect emissions from the use of purchased electricity

1,788.3 t-CO₂

FY2022: 2,309.8 t-CO₂

*Data on a consolidated basis for CUC, CUC HOSPICE and Sophiamed.
Includes lighting, outdoor air conditioning units and dedicated outlets.

■ Electricity Consumption

4,129.0 MWh

FY2022: 5,313.5 MWh

*Data on a consolidated basis for CUC, CUC HOSPICE and Sophiamed.
Includes lighting, outdoor air conditioning units and dedicated outlets.

To enhance the accuracy of the calculation method, some accounting standards have been revised starting from FY2023.

CUC Group

Inaugural Sustainability Contest 2023 Tackles Environmental Challenges: 77 Teams Participate from Japan and Abroad

Since FY2023, the CUC Group has been organizing the Sustainability Contest, inviting business ideas that contribute to sustainability management. One of the challenges identified was that, among the five materialities set by CUC, Environmentally Conscious Management had limited direct relevance to daily operations in healthcare, resulting in less active promotion within the group. To address this, the first contest centered on the theme of Environment, aiming to enhance awareness of environmental issues across the entire CUC Group. The Sustainability Contest was open to all CUC Group employees as well as all staff working at the medical institutions supported by CUC's management. A total of 77 entries were submitted, featuring ideas from both Japan and abroad, including initiatives for waste reduction, recycling, and creating environmentally friendly medical environments through paperless operations.

The grand prize was awarded to an idea that successfully combines reducing food waste at hospitals with contributing to the local community. The idea involves introducing composting systems in hospitals to turn food waste into fertilizer. Patients can then participate in rehabilitation by working in vegetable gardens using the composted soil, and the harvested produce is donated to local

children's cafeterias. In line with this concept, composting systems were installed in a Tokyo hospital supported by CUC's management in October 2024, and the project is currently being implemented.



Sustainability Contest 2023 Data

Number of entries: **77** Number of participants in entries: **279**

Total audience*: **504** (Domestic & International)

*The total audience number includes the audience for the contest finals as well as attendees of study sessions and roundtable discussions held to share prior knowledge.



In organizing the Sustainability Contest 2023, we aimed to engage not only employees involved in planning but also healthcare workers in our hospice facilities, nursing stations, and the clinics and hospitals we support. We wanted them to take interest and participate, even though the themes of sustainability and environment may not directly relate to their everyday duties. To encourage idea submissions, we actively held study sessions on successful environmental initiatives and roundtable discussions to support participants in business planning. As a result, we received many entries from the healthcare field, with participants sharing feedback such as, "I gained a better understanding of how to approach environmental issues" and "I now have a clearer vision of how to implement environmental initiatives in healthcare settings." Moving forward, we plan to continue developing initiatives that raise awareness of the serious environmental challenges we face and inspire individual action toward solutions.



Haruka Saito

CUC Inc.
Sustainability Project
Business Management Department,
CFO Division



Materiality 05

Ensuring Compliance

Under the mission of Creating Hope Through Healthcare, the CUC Group aims to implement corporate governance with high transparency, capable of swiftly adapting to changes in the business environment. In FY2023, we further strengthened our compliance efforts by unifying management functions that were previously decentralized across group companies, expanding and enhancing a group-wide centralized management and control system. This has led to clearer accountability and improved productivity in management systems. Additionally, all CUC Group employees are now required to complete training on insider trading regulations, ensuring a deeper understanding and heightened awareness to prevent violations. We have also established a basic anti-bribery policy to strengthen anti-corruption initiatives across the group. Moving forward, the CUC Group will continue to uphold compliance, practicing proper corporate governance under its governance principles to achieve sustainable growth and enhance long-term corporate value.



Tomomi Oketani
CUC Inc.
Director, CAO

DATA

■ Corporate Governance

Organizational structure	Company with Audit and Supervisory Committee	
Chairman of the Board	Keita Hamaguchi	
Director	Number of Board Members	6 (including 3 Audit and Supervisory Committee Members)*
	Percentage of Female Directors	33.3%*
	Percentage of Outside Directors	33.3%*
	Term of Office	1 year (The term for Directors who are Audit and Supervisory Committee members is 2 years)
Board of Directors Meetings for FYE March 2024	Number of Meetings	14
	Board Member Attendance Rate	100.0%
	Audit and Supervisory Committee Member Attendance Rate	100.0%
Audit and Supervisory Committee Meetings for FYE March 2024	Number of Meetings	12
	Attendance Rate	100.0%
Number of Corporate Officers	4*	
Accounting Auditor	PricewaterhouseCoopers Japan LLC	

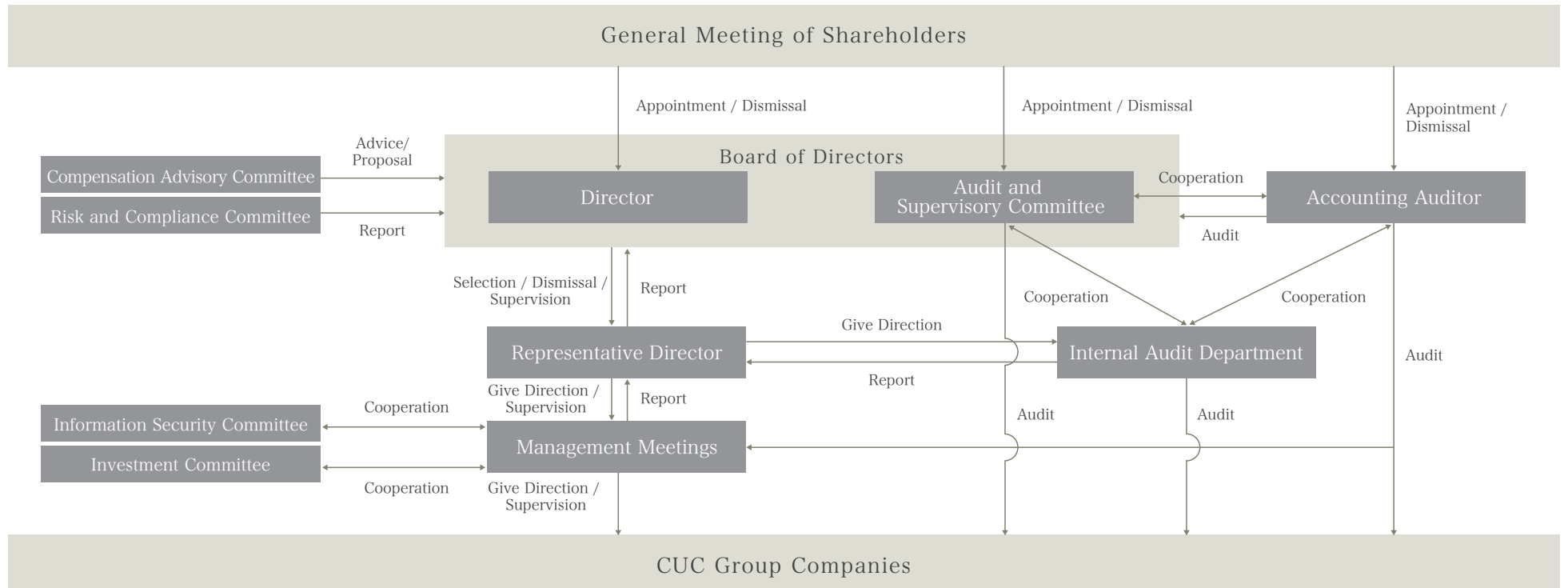
*As of July 1, 2024

■ Policy on Corporate Governance

Our group is committed to the mission of Creating Hope Through Healthcare and aims for continuous improvement in our corporate values. We believe that ensuring management transparency, soundness, fairness, and efficiency is essential. Strengthening corporate governance is a key priority for us. To achieve this, we focus on compliance with laws and standards, and the effectiveness and efficiency of our business execution and decision-making processes. The Board of

Directors and the Audit and Supervisory Committee play central roles in information sharing and monitoring. Additionally, our major shareholder, M3, Inc., holds more than half of the shares and is thus a controlling shareholder. We are dedicated to establishing fair decision-making processes to protect the interests of minority shareholders in transactions with the controlling shareholder.

■ Governance Framework





ESG Initiatives

E: Environmental Data

		FY2023	FY2022
Greenhouse Gas (GHG) Emissions	Scope 1 (t-CO ₂) Direct emissions from combustion, etc.	715.9	644.6
	Scope 2 (t-CO ₂) Indirect emissions from the use of purchased electricity	1,788.3	2,309.8
Electricity Consumption (MWh)*		4,129.0	5,313.5

*Data on a consolidated basis for CUC, CUC HOSPICE and Sophiamedi. Includes lighting, outdoor air conditioning units and dedicated outlets
To enhance the accuracy of the calculation method, some accounting standards have been revised starting from FY2023.

S: People Data and Scorecard

		CUC Inc.						CUC HOSPICE Inc.						Sophiamedi Inc.						
		FY2023		FY2022		FY2021		FY2023		FY2022		FY2021		FY2023		FY2022		FY2021		
Number/ Percentage of Employees	Total	434		423		374		1,222		813		585		1,455		1,370		1,324		
	Male	259	59.7%	257	60.8%	225	60.2%	263	21.5%	180	22.1%	109	18.6%	421	28.9%	425	31.0%	398	30.1%	
	Female	175	40.3%	166	39.2%	149	39.8%	959	78.5%	633	77.9%	476	81.4%	1,034	71.1%	945	69.0%	926	69.9%	
	Management position	Total	97		99		74		117		74		61		112		119		91	
		Male	85	87.6%	87	87.9%	63	85.1%	53	45.3%	29	39.2%	22	36.1%	42	37.5%	47	39.5%	29	31.9%
		Female	12	12.4%	12	12.1%	11	14.9%	64	54.7%	45	60.8%	39	63.9%	70	62.5%	72	60.5%	62	68.1%
	Non- management position	Total	337		324		300		1,105		739		524		1,343		1,251		1,233	
		Male	174	51.6%	170	52.5%	162	54.0%	210	19.0%	151	20.4%	87	16.6%	379	28.2%	378	30.2%	369	29.9%
		Female	163	48.4%	154	47.5%	138	46.0%	895	81.0%	588	79.6%	437	83.4%	964	71.8%	873	69.8%	864	70.1%
Number/ Percentage of Employees (temporary employees)	Total	41		30		30		163		144		134		117		228		121		
	Male	18	43.9%	4	13.3%	6	20.0%	23	14.1%	18	12.5%	17	12.7%	25	21.4%	24	10.5%	16	13.2%	
	Female	23	56.1%	26	86.7%	24	80.0%	140	85.9%	126	87.5%	117	87.3%	92	78.6%	204	89.5%	105	86.8%	
Average Age of Employees	Total	38.5		38.2		36.5		42.8		42.9		43.7		37.0		37.1		36.6		
	Male	39.9		40.1		38.4		38.3		38.9		38.8		37.1		36.6		36.2		
	Female	36.5		35.4		34.2		44.1		44.0		44.8		37.1		37.3		36.7		
Female Manager Ratio	12.4%		12.1%		-		54.7%		64.7%		-		62.5%		64.6%		-			

(Calculated based on the Law for the Promotion of Women's Activities)

		CUC Inc.						CUC HOSPICE Inc.						Sophiamedi Inc.						
		FY2023		FY2022		FY2021		FY2023		FY2022		FY2021		FY2023		FY2022		FY2021		
Number and Percentage of Employees by Age Group (male/female ratio to the total)	Under 30's	Total	88		100		104		190		119		82		321		317		360	
		Male	39	44.3%	37	37.0%	45	43.3%	50	26.3%	33	27.7%	18	22.0%	69	21.5%	85	26.8%	87	24.2%
		Female	49	55.7%	63	63.0%	59	56.7%	140	73.7%	86	72.3%	64	78.0%	252	78.5%	232	73.2%	273	75.8%
	30's	Total	164		152		141		311		210		139		672		612		544	
		Male	96	58.5%	99	65.1%	91	64.5%	107	34.4%	72	34.3%	49	35.3%	229	34.1%	225	36.8%	197	36.2%
		Female	68	41.5%	53	34.9%	50	35.5%	204	65.6%	138	65.7%	90	64.7%	443	65.9%	387	63.2%	347	63.8%
	40's	Total	122		111		90		353		237		161		319		309		301	
		Male	83	68.0%	78	70.3%	60	66.7%	81	22.9%	53	22.4%	27	16.8%	92	28.8%	87	28.2%	93	30.9%
		Female	39	32.0%	33	29.7%	30	33.3%	272	77.1%	184	77.6%	134	83.2%	227	71.2%	222	71.8%	208	69.1%
	50's	Total	56		56		36		324		220		173		129		117		106	
		Male	38	67.9%	41	73.2%	27	75.0%	24	7.4%	23	10.5%	15	8.7%	29	22.5%	26	22.2%	20	18.9%
		Female	18	32.1%	15	26.8%	9	25.0%	300	92.6%	197	89.5%	158	91.3%	100	77.5%	91	77.8%	86	81.1%
	Over 60's	Total	4		4		3		44		27		30		14		15		13	
		Male	3	75.0%	2	50.0%	2	66.7%	1	2.3%	1	3.7%	0	0.0%	2	14.3%	3	20.0%	1	7.7%
		Female	1	25.0%	2	50.0%	1	33.3%	43	97.7%	26	96.3%	30	100.0%	12	85.7%	12	80.0%	12	92.3%
Retirement Rate (employee)	Total	20.3%		14.9%		15.4%		19.2%		23.0%		24.6%		13.5%		14.8%		14.4%		
	Male	22.0%		18.2%		17.7%		22.3%		17.5%		20.0%		13.0%		13.3%		11.2%		
	Female	17.5%		9.9%		11.3%		18.3%		24.2%		25.6%		13.7%		15.5%		15.9%		
Number/ Percentage of New Hires (employee)	New Graduates	Total	15		17		15		0		0		0		0		0		2	
		Male	7	46.7%	6	35.3%	5	33.3%	0		0		0		0		0		0	
		Female	8	53.3%	11	64.7%	10	66.7%	0		0		0		0		0		2	
	Mid-career Hires	Total	76		137		90		663		421		293		345		393		494	
		Male	52	68.4%	100	74.2%	59	65.6%	142	21.4%	93	22.1%	59	20.1%	70	20.3%	103	26.2%	127	25.7%
		Female	24	31.6%	37	25.8%	31	34.4%	521	78.6%	328	77.9%	234	79.9%	275	79.7%	290	73.8%	367	74.3%
Average Working Hours per Employee per Annum	Total	1,918		1,982		2,048		1,903		1,933		1,993		2,047		2,040		2,075		
Year-on-Year Working Hours	Total	96.8%		96.8%		97.9%		98.5%		97.0%		97.8%		100.3%		98.3%		101.0%		
Average Monthly Overtime Hours	Total	19.3		20.7		26.0		7.8		5.8		6.1		14.1		14.5		17.1		
Average Paid Vacation Usage Rate		67.4%		68.4%		61.8%		62.2%		68.1%		57.3%		72.2%		71.6%		62.7%		
Acquisition Rate of Childcare Leave	Male	25.0%		16.7%		14.0%		50.0%		75.0%		33.0%		68.6%		61.3%		25.0%		
	Female	100%		100%		100%		100%		100%		100%		100%		100%		100%		
Return-to-work Rate after Childcare Leave	Male	0%		100%		100%		100%		100%		100%		96.3%		100%		100%		
	Female	100%		100%		100%		100%		100%		100%		77.0%		100%		100%		

S: People Data and Scorecard

		CUC Inc.			CUC HOSPICE Inc.			Sophiamedi Inc.			
		FY2023	FY2022	FY2021	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021	
Gender Pay Gap	All Workers	Male	7,053,000 yen	6,808,000 yen	-	4,685,000 yen	4,651,000 yen	-	5,146,000 yen	4,764,000 yen	-
		Female	4,712,000 yen	4,569,000 yen	-	4,228,000 yen	4,317,000 yen	-	4,742,000 yen	4,468,000 yen	-
		Ratio	66.8%	67.1%	-	90.2%	92.8%	-	92.1%	93.8%	-
	Permanent Worker	Male	7,209,000 yen	6,935,000 yen	-	4,937,000 yen	4,993,000 yen	-	5,212,000 yen	5,012,000 yen	-
		Female	4,788,000 yen	4,660,000 yen	-	4,572,000 yen	4,783,000 yen	-	4,948,000 yen	4,686,000 yen	-
		Ratio	66.4%	67.0%	-	92.6%	96.0%	-	94.9%	94.0%	-
	Non-fulltime Worker	Male	2,758,000 yen	2,743,000 yen	-	1,781,000 yen	1,547,000 yen	-	4,715,000 yen	3,351,000 yen	-
		Female	3,604,000 yen	3,314,000 yen	-	1,962,000 yen	2,022,000 yen	-	3,447,000 yen	3,679,000 yen	-
		Ratio	130.7%	121.0%	-	110.2%	131.0%	-	73.1%	110.0%	-
Number of Employees with Side Jobs	Total	41	-	-	4	-	-	39	-	-	
	Male	25	61.0%	-	2	50.0%	-	20	51.3%	-	
	Female	16	39.0%	-	2	50.0%	-	19	48.7%	-	

G: Corporate Governance Data

		FY2023	FY2022	FY2021
Organizational structure		Company with Audit and Supervisory Committee	Company with Audit and Supervisory Committee	Company with Audit and Supervisory Committee
Chairman of the Board		Keita Hamaguchi	Keita Hamaguchi	Keita Hamaguchi
Director	Number of Board Members	6 members (including 3 Audit Committee Members)* ¹	6 members (including 3 Audit Committee Members)* ²	6 members (including 3 Audit Committee Members)* ³
	Percentage of Female Directors	33.3%* ¹	16.7%* ²	16.7%* ³
	Percentage of Outside Directors	33.3%* ¹	33.3%* ²	33.3%* ³
	Term of Office	1 year (2 years for Audit Committee Members)	1 year (2 years for Audit Committee Members)	1 year (2 years for Audit Committee Members)
Board of Directors Meetings	Number of Meetings	14	12	12
	Director Attendance Rate	100.0%	100.0%	100.0%
	Audit Committee Member	100.0%	100.0%	100.0%
Audit and Supervisory Committee Meetings	Number of Meetings	12	13	14
	Attendance Rate	100.0%	100.0%	100.0%
Number of Corporate Officers		4* ¹	5* ²	3* ³
Accounting Auditor		PricewaterhouseCoopers Japan LLC	PricewaterhouseCoopers Aarata LLC	PricewaterhouseCoopers Aarata LLC

*1 As of July 1, 2024

*2 As of July 1, 2023

*3 As of July 1, 2022

Board of Directors and Corporate Officers



Representative Director, CEO

Keita Hamaguchi

Founder and
Representative Director



Director, COO

Takamichi Tanabe

Joined the company in 2015. Director in charge of domestic Medical Institution Support Business and overseas medical institution support business.
President and Representative Director of CUC HOSPICE Inc.



Director, CAO

Tomomi Oketani

Joined the company in 2015. Director and General Manager, Administration Division. Oversees the Group's administrative divisions.



Outside Director
(Audit and Supervisory
Committee Member)

Yuki Mitsuvara

Representative of
Keep Moms Smiling
(Certified NPO).



Outside Director
(Audit and Supervisory
Committee Member)

Haruka Osawa

Outside Director (Audit and Supervisory Committee Member) of BEENOS Inc. Partner of Miura & Partners



Director
(Audit and Supervisory
Committee Member)

Hirofumi Oba

Corporate Officer, M3,
Inc.



Corporate Officer

Aya Ito

Joined Sophiamedi Inc. in 2019. President and Representative Director of Sophiamedia



Corporate Officer, CFO

Jun Hashimoto

Joined the company in 2021. Oversees the group's accounting, financial, investment, investor relations, and public relations strategies as General Manager of CFO Division.



Corporate Officer

Kenichiro Hori

Joined the company in 2021. Oversees the domestic management support business for medical institutions as General Manager of Management Support Division.



Corporate Officer, CHRO

Toshio Matsuura

Joined the company in 2022. Oversees the human resources strategy, including recruitment and training of human resources as General Manager of Human Resources Department.

List of CxO

CEO: Chief Executive Officer

COO: Chief Operating Officer

CAO: Chief Administrative Officer

CFO: Chief Financial Officer

CHRO: Chief Human Resource Officer

Executive Skill Matrix

In order to strengthen monitoring and supervision of business execution and to discuss strategies to increase corporate value in the medium to long term, the company's Board of Directors as a whole is striving to optimize the balance of knowledge and experience, diversity, and its size. To this end, we have defined the knowledge and experience that we believe is particularly important to the Board of Directors at this time as "Corporate Leadership," "Sales & Marketing," "Finance / Investment," "Human Resources," "Legal / Governance / Risk Management," and "Multinational Experience," etc.

	Representative Director, CEO	Director, COO	Director, CAO	Outside Director (Audit and Supervisory Committee Member)	Outside Director (Audit and Supervisory Committee Member)	Director (Audit and Supervisory Committee Member)
	Keita Hamaguchi	Takamichi Tanabe	Tomomi Oketani	Yuki Mitsuhara	Haruka Osawa	Hirofumi Oba
Corporate Leadership	◎	○	○			
Sales & Marketing	○	◎		○		
Finance / Investment	○		○		○	◎
Human Resources	○	○		◎		○
Legal / Governances / Risk Management			◎		◎	○
Multinational Experience	○	○	○		○	
Sustainability				○	○	○
Healthcare Experience	○	○	○	○		○

Company Information



Company Name	CUC Inc.	Major Group Companies
Established	August 8, 2014	A&N Inc. KEEP Inc.
Representative Director	Keita Hamaguchi	CUC FINANCE Inc. CUC FOODS Inc. CUC PROPERTIES Inc. CUC HOSPICE Inc. Sophiamedi Inc. Toseki Research & Development Co., Ltd. Nature Inc. Medical Pilot Inc. You Inc.
Capital	JPY 7,669 million (As of June 2024)	Wakakusa Contact Co., Ltd. CHANGE UNTIL CHANGE HEALTHCARE COMPANY LIMITED PT CUC HEALTHCARE INDONESIA CHANGE UNTIL CHANGE MANAGEMENT SERVICES JOINT STOCK COMPANY CUC America Inc. CUC Podiatry Holdings, LLC CUC SINGAPORE PTE.LTD.
Main Business	Medical Institution Business Hospice Business In-home Nursing Business	
Address	15F Tamachi Station Tower N, 3-1-1 Shibaura, Minato-ku, Tokyo 108-0023	

(As of August 2024)

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【Corporate website】

<https://www.cuc-jpn.com/en/>



【Note】

This report was prepared for the purpose of providing corporate and other information about our company and does not constitute an offer or solicitation of any stock or other securities issued by our group, whether in Japan or overseas. This report contains forward-looking statements as well as past and present facts. As such, they involve certain risks and uncertainties and should not be relied upon unduly. This report contains statements of information derived from or based on external sources, including information about the markets in which we operate. These statements are based on statistical or other information obtained from external sources cited herein, which we have not independently verified and cannot guarantee their accuracy or completeness. We assume no obligation to update or revise any information contained in this report based on future events.

CUC GROUP