



What drives CUC?



We want healthcare to be a warm hope close to each and every one of us.

We would like to Create Hope Through Healthcare so that patients can change their anxious expressions into smiles of relief, face tomorrow with a positive outlook again, and meet the end of their lives in the way they wish.



Healthcare workers, who face patients on the front lines of healthcare, are constantly surrounded by challenges, such as chronic labor shortages and burdensome responsibilities.

If they, those who are supposed to be the creators of hope, are not happy, they surely cannot create hope for patients.

That is why we will transform the medical field. We are a team that will not give up on that goal.



Our goals are:

To help create a society where people can live healthy and secure lives in any country.

To provide quality medical care without leaving anyone behind.

To spread patient-centered healthcare around the world.

To transcend national borders.



Is there any hope for the future of healthcare in this country?

We need to take a step forward in order to solve the problems of a rapidly aging society, declining workforce, rising medical costs, and finding suitable successors for aging high-level managers in medical institutions.

Our hope for the future depends on our actions now.

The thoughts of each of us
become beacons of hope

We want to Create Hope Through Healthcare.

A team who gathered with the desire
to face the flaws of the healthcare industry,
fills society with hope.

Each one of us can make changes that will light up our hearts.
Based on that,
we will passionately, swiftly, and boldly,
continue to pursue ideal medical care.

We will never give up on a hopeful future.





CUC's Views on Social Issues

Japan has a mountain of healthcare challenges. The working population continues to decline due to the rapid aging of the population and falling birth rate, national social security costs are increasing, and hospitals and clinics nationwide are having problems finding suitable successors for aging high-level managers. In addition, many lives are being lost overseas due to the underdeveloped healthcare environment, imbalance in healthcare standards, and rapid increase in the number of patients with lifestyle-related diseases. We, the CUC Group, have been facing these challenges since our establishment, and as we witness the formidable difficulties facing the healthcare field, we strongly feel the need for change and are working to deal with these issues from every possible angle.

■ Rapid aging of the population



Percentage of population aged 65 and over^{*1}
(Actual 2021→Forecast 2040)

29% → 35%

Number of people who cannot access end-of-life care^{*2}
(Forecast for 2040)

Approx. 490,000 people

■ Decrease in labor force^{*3}



67.2 million → 58.5 million
(Actual 2017→Forecast 2040)

■ Increasing medical costs^{*4}



44 trillion yen → 78 trillion yen
(Actual 2019→Forecast 2040)

■ Hospitals with no suitable successors for aging high-level managers



Medical institutions with no suitable successors for aging high-level managers^{*5}
(2017 results) 68.4%

Hospitals where the head is 60 or over^{*6}
(2020 results) 68.5%

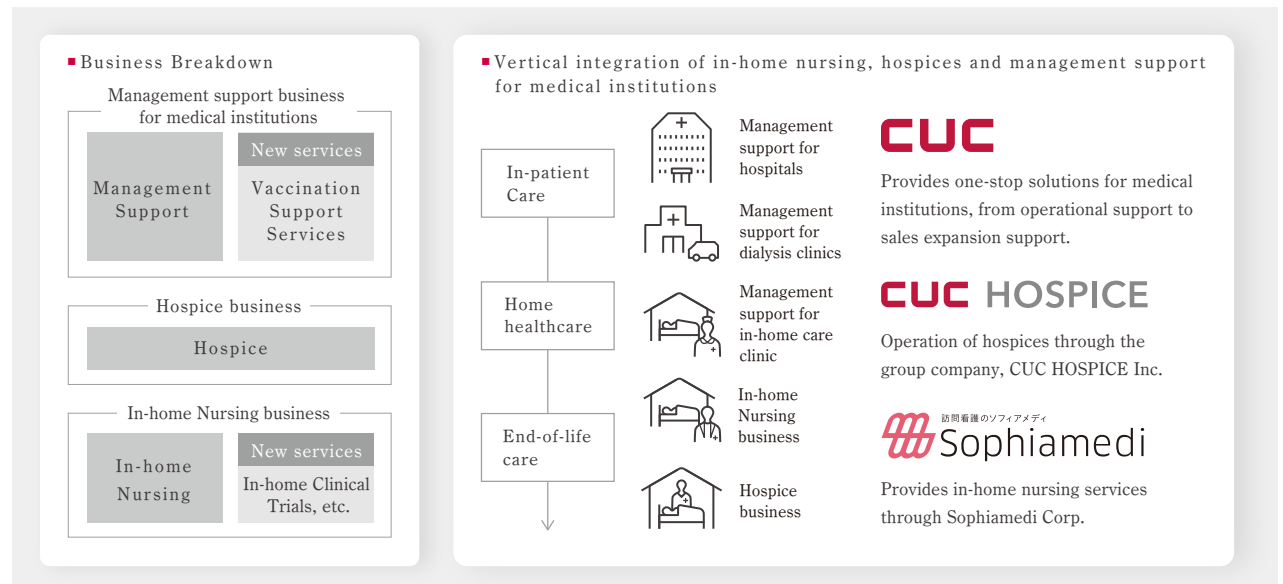
^{*1} National Institute of Population and Social Security Research, Population Projections for Japan (2023 estimate) . 2023 ^{*2} 2011 Basic Data on Medical Care in Japan (Ministry of Health, Labour and Welfare) ^{*3} Ministry of Health, Labour and Welfare. White Paper on Health, Labour and Welfare 2021. ^{*4} Ministry of Health, Labour and Welfare. Overview of National Medical Expenditure. Cabinet Office, Ministry of Finance, Ministry of Health, Labour, and Welfare. Future Outlook for Social Security Looking Ahead to 2040 (study material). 2018. ^{*5} Japan Medical Association Research Institute. Current Status and Issues of Medical Business Succession. 2019. ^{*6} Ministry of Health, Labour and Welfare. Summary of Statistics on Physicians, Dentists and Pharmacists 2020.



Our Approaches to the Future of Healthcare

The CUC Group operates three major businesses: management support business for medical institutions, hospice business, and in-home nursing business. The COVID-19 pandemic created new businesses in collaboration with government agencies and companies, such as vaccination support services, In-home clinical trials, and health monitoring support services. We are also working to solve healthcare issues from all directions by vertically providing a wide range of services from in-patient care to home healthcare and end-of-life care.

We will continue to work together as a group to evolve the environment surrounding healthcare and create hope for patients, healthcare workers, and society in Japan and around the world.



FY2022 Highlights

*1 Cumulative total from April 2022 to March 2023
*2 Figures as of March 2023

Management support business for medical institutions

- Number of supported key facilities*²
- Number of healthcare workers recruited with CUC's recruitment support*¹


102 Last year +23

 **224** Doctors
 **689** Non-physician healthcare professionals

*All of the above include part-time employees (excluding temporary employees).
*Data collection began this fiscal year.

Hospice business Aggregate scope of coverage: hospices that CUC Group operates

- Number of facilities*²
- Number of patients*²
- Number of patients who passed away under end-of-life care*¹


34 Last year +8

 **1,029** Last year +138

 **840** Last year +30

In-home Nursing business

- Number of stations*²
- Number of patients*²
- Number of patients who passed away under end-of-life care*¹


86 Last year +15

 **12,704** Last year +1,550

 **1,253** Last year +191


- Hours of in-home nursing care provided*¹

 **953,536** Last year +150,717

*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*²

 **3,008** Last year +440

CUC Inc.	453
CUC HOSPICE Inc.	957
Sophiamedi Corp.	1,598

Includes contract and part-time employees


- Annual recruitment count*¹

 **968** Last year +74

CUC Inc.	154
CUC HOSPICE Inc.	421
Sophiamedi Corp.	393


Excludes contract and part-time employees

- Percentage of female employees*²

 **62.0%**

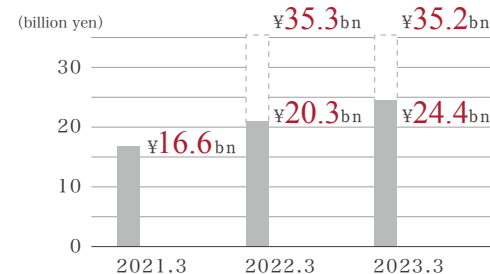
CUC Inc.	39.2%
CUC HOSPICE Inc.	77.9%
Sophiamedi Corp.	69.0%

- Percentage of female managers*²

 **47.1%**

CUC Inc.	12.1%
CUC HOSPICE Inc.	64.7%
Sophiamedi Corp.	64.6%

- Revenue(consolidated)



CAGR (2021.3~2023.3)

Existing services + **21.3%**


Existing Services: Management support business, Hospice business, In-home Nursing business
New Services: COVID-19 vaccination support / in-home clinical trials, etc.

External Evaluation Awards Received (Apr. 2022-Mar. 2023)

- CUC Inc.
 - Gold award in the startup category of the ONE CAREER Review Awards 2023
 - Platinum award in the Sustainability Report category and Gold award in the Annual Report category of the LACP 2021/22 Vision Awards
- Sophiamedi Corp.
 - Platinum award in the Annual Report category and Gold award in the ESG Report category of the LACP 2021 Vision Awards
 - Honorary Mention of International ARC Awards for Annual Report
 - Advanced Recognition of D&I Award 2022

Key Points in FY2022



Point 2

Head Office Functions of Group Companies Consolidated in Tamachi Office



On February 1, 2023, we relocated our head office to Tamachi, Tokyo. By relocating and consolidating the head office functions of group companies, we aim to further strengthen collaboration and realize our mission of Creating Hope Through Healthcare.

Point 1

Newly Listed on the Growth Market of the Tokyo Stock Exchange

On June 21, 2023, CUC Inc. was newly listed on the Growth Market of the Tokyo Stock Exchange.

The reason for the listing is to establish a structure that will enable us to take on greater challenges by strengthening our recruiting capabilities, acquiring social credibility, managing funds raised, and introducing stock-based compensation and a stock ownership plan, in order to realize our mission of Creating Hope Through Healthcare.

In addition to our traditional stakeholders such as customers, patients, users, employees including healthcare workers, and local communities, the management will work to meet the expectations of our shareholders. We will also continue the expansion of each of our core businesses, namely management support business for medical institutions, hospice business, and in-home nursing business, as well as bringing about further hope by creating synergies among the businesses, continuing to develop new businesses, and expanding overseas businesses.



CUC Inc.
Corporate Officer CFO
Jun Hashimoto

Point 3

CUC Group's Number of Employees Surpasses 3,000



Since its establishment, the CUC Group has added many colleagues as it has expanded into various business areas and regions. As of March 2023, the number of employees in the group exceeded 3,000. We will continue to strive for further growth and sustainable development with our many colleagues.

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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 in FY2022 (Since April 2022 to March 2023), but some data may be in various durations.



Message from Representative Director

The value of CUC is our human resources.
Our culture of mutual recognition and
mutual improvement creates hope for healthcare.

Keita Hamaguchi

COVID-19, which stagnated society for more than three years, seemed to have been conquered in Japan when it was reclassified as a category 5 infectious disease under the Infectious Control Disease Law in May 2023. However, the waves of pandemics continue, and the medical field remains unpredictable. Furthermore, Russia's sudden invasion of Ukraine in February 2022 not only terrified people, but also triggered a global resource surge and energy crisis, again worsening the global economy already damaged by the COVID-19 pandemic. The effects of this crisis have been felt without exception in Japan's healthcare and nursing care industries. Soaring prices for utilities, food, and medical supplies have taken a heavy toll on business operations, forcing many medical institutions and nursing homes to take some kind of action. The medical field is now facing unprecedented difficulties.

Under these circumstances, the two management themes that we have been working on for the past year are spreading our philosophy and evolving standardization.

In difficult times, we need a common purpose.
Now is the time to fulfill our mission of
Creating Hope Through Healthcare

The COVID-19 pandemic that began in 2020 made me rethink CUC's philosophy. It was a turbulent three-year period in which the physical and mental burden on the healthcare workers who bravely faced patients was enormous. Witnessing the overworked healthcare workers and personnel, I spent days asking myself, "Are we really creating hope through healthcare?" The conclusion I reached was that an organizational culture in which we, the creators of hope, can work vigorously, and a philosophy that serves as a purpose and a common language, are essential.

In April 2021, we formulated the CUC Partners Philosophy* as a philosophy to be shared by the CUC Group and the medical institutions that we support in management, and we have worked to instill it in all organizations as a decision-making axis for management, a guideline for human resource development, and a norm for daily actions. As of August 2023, conversations and behavior in the organizations are slowly but steadily changing, and examples of hope creation that should be emulated are beginning to emerge.

Our commitment to creating a culture where
our philosophy becomes reality

In order to instill our philosophy, we are currently working on a variety of measures, both large and small. One of the most distinctive is the Leader's Promise, an original guideline that outlines the behavior and ideas that CUC Partners expects from its leaders. The following passage is included in it.

"The leaders who helped us create this guideline were not all successful from the start. Like all of you, they struggled at first, and through trial and error, we got the hang of things, and here we are today". Our history is one of trial and error, of facing healthcare issues head-on and repeating challenges and overcoming failures. This text, which summarizes the leadership style we have developed in the process, is filled with our experience in confronting many changes.

In August 2022, we began the annual CUC Partners AWARDS to share and honor examples that embody our mission, Creating Hope Through Healthcare, at a high level.

This is the day when the CUC Partners Philosophy is most strongly felt, as we present how we have created hopes for patients, hopes for healthcare workers, and hopes for society. CUC Partners work in their own different fields every day and learn how to create hope in a variety of ways.



CUC Partner AWARD held in August 2023,
celebrating the 9th anniversary of the company's founding

*CUC Partners is the name of the community of CUC Group companies and the medical institutions we support.



Two approaches to realize patient-centered healthcare: Operational Standardization and Enhancement of Gemba-Power

Another theme we have focused on over the past year is the development of operational standardization.

In order to sustainably provide patient-centered healthcare, tasks that rely on individual experience and skills must be identified and standardized. We believe that by minimizing the number of highly personalized tasks that new employees learn by watching their seniors, and by promoting task shifting (the redistribution of tasks among health workforce teams to enable highly skilled staff to focus on high skill tasks) and digitalization, we can enhance the ability of the frontline to improve its own autonomous operations. However, operational standardization in the medical field is not a straightforward process.

Operational standardization has not progressed as expected due to many comments from the field, such as "It is difficult to create manuals because the situation differs greatly from patient to patient" and "It is very difficult to share information due to the segmented nature of the specialty." We have had bitter experiences of trying and failing at operational standardization many times in the past, but after the COVID-19 pandemic, we recognized the importance of standardization more strongly and decided to try again by launching a project for the entire CUC group in FY2022. Analyzing any job, the basic parts that are "natural to be able to do" and "everyone should know" become clear. However, in many medical fields, such basics are not manualized, and new staff members do not know who to ask, and it takes time to understand, resulting in repetition of the same mistakes, waste and duplication of effort. We first focused on this basic part of the business, worked on its visualization, and compiled it in the form of an operations manual. We have completed manuals on a variety of topics, including the process of

recruiting healthcare workers, know-how on attracting patients, and operations at each facility, totaling 1,126 topics and 12,537 pages*.

*As of August 2023, one page is calculated as one A4 page.

By eliminating the individualization of work waste, and inconsistency, we focus on the essential business of value creation.

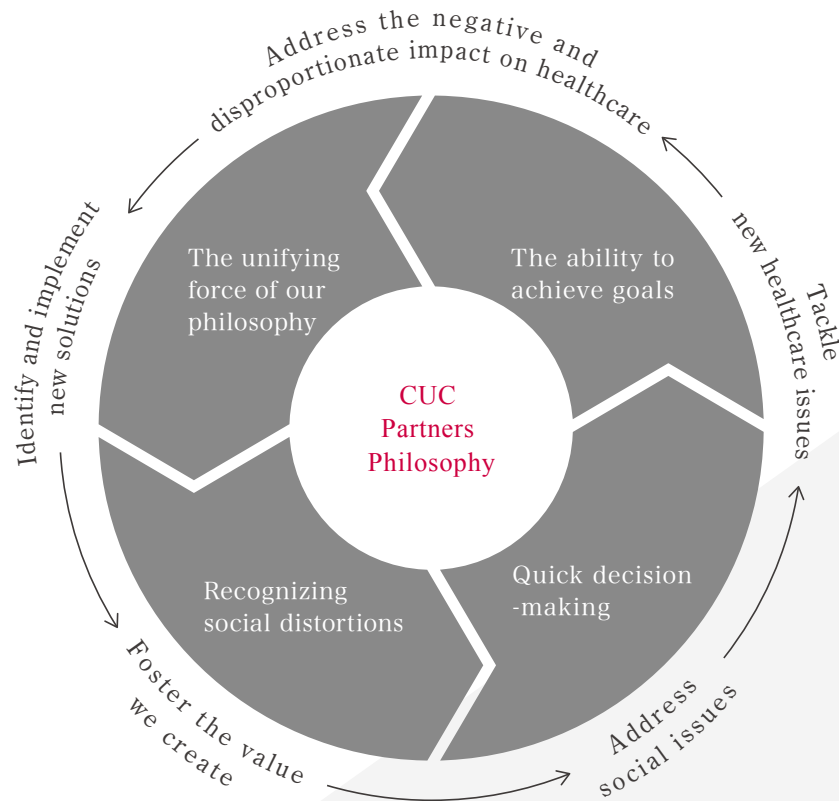
The greatest benefit of operational standardization is that the time created by eliminating the individualization of work (where the style of doing a task becomes specific to the person doing it), waste, and inconsistency can be used for work that is truly necessary for the customer, region, type of work, or facility. As a result, they can concentrate on essential and creative work, such as devising new ideas and systems. If we are only busy with day-to-day operations, we will not be able to take on the challenge of realizing our mission of Creating Hope Through Healthcare. The penetration of philosophy and operational standardization are inseparable.

Operational standardization projects are not temporary, but rather an ongoing cycle of implementation, maintenance, and improvement, with the goal of further advancement. Currently, the project has developed into the Gemba-Power Improvement Project. The term 'Gemba' in Japanese means the actual place where the work is carried out, where the strategies are executed, and where the value is created. 'Gemba-power' represents improving our workplace capability and giving our staff working in 'gemba' the power to keep improving on their own, therefore bringing us closer to our goal.

We are working to create a system for staff development using the manuals we have created, as well as a library of various good practices to improve operations, the next step after operational standardization. Our strength is our Gemba-Power, and we will continue to enhance the value we provide to patients by improving it.

Philosophy Realization Roadmap

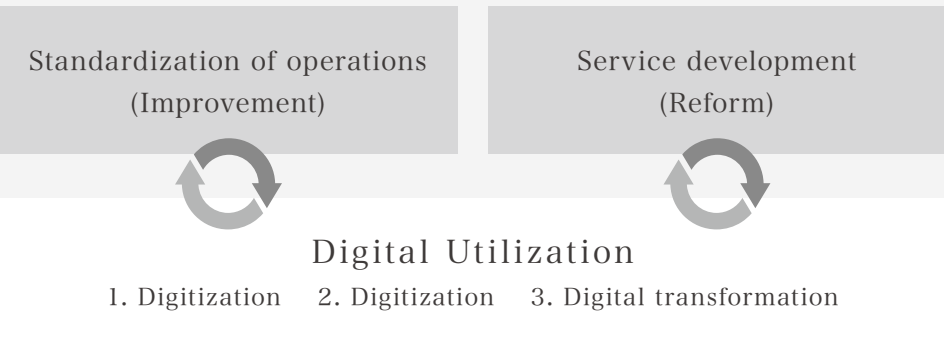
Value Creation Process (driving force)



Mission

Creating Hope Through Healthcare.

- ### Materiality
- Environmentally Conscious Management
 - Pursuing the Well-Being of Patients and Healthcare Workers
 - Creation of Sustainable and Innovative Healthcare
 - Providing Safe and Reliable Medical Care
 - Ensuring Compliance



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.

Culture (culture and climate)

CUC's value comes from human resources.
We manage in a way that draws out
the strengths of our staff

In FY2022, we formulated a value creation process and materiality to realize Creating Hope Through Healthcare and announced them through our Sustainability Report. In the following year, we organized the positioning of key themes in CUC Partners' business strategy, such as Service Development and Digital Utilization, including the aforementioned Operational Standardization, into a Road Map for Realizing Our Philosophy and drew a map toward realizing our philosophy (Figure on the left page).

The healthcare industry can be compared to a sports team. Doctors, nurses, caregivers, and other professionals on the frontlines of the field are just like athletes. We must create an environment that allows these 'athletes' to perform at their maximum potential, attract many patients as clients, and create a stage where they can celebrate each other's great efforts and successes. The ideal organization is one in which all people fulfill their roles and where there is a culture of mutual improvement.

We focus on staff development, organizational development, and culture development because providing services and creating value to society are realized through the power of human resources.

We believe that only by believing in the potential of healthcare providers and drawing out the power of each individual to pursue their dreams and ideals, can we realize our mission of Creating Hope Through Healthcare and deliver patient-centered healthcare to as many people as possible.

CUC's commitment to the next new stage

In the summer of 2023, we established our CUC Partners Promise, a commitment to our employees: A Fulfilling Environment for Your Aspirations. This is a declaration of how we, the senior management, promise to support our colleagues in their efforts to realize the CUC Partners Philosophy. We will consider and implement various human resource and communication measures to create an organizational culture in which all CUC Partners employees can work with passion.

Listed on the Growth Market of the Tokyo Stock Exchange in June 2023, we will continue on our growth path with our new stakeholders. In parallel with the expansion of our hospice business to other regions of Japan and the expansion of the number of medical institutions to which we provide management support, we will also focus on revitalizing business partnerships in each region.

We will also accelerate our overseas expansion, which has been difficult due to the COVID-19 pandemic, and plan to expand our business not only in Asia but also in the United States.

We will continue to face the challenge of constant change in order to realize our mission of Creating Hope Through Healthcare not only in Japan but around the world.

August 2023
Representative Director
Keita Hamaguchi



Creating Hope Through Healthcare. Culture of the CUC Group

What is the driving force behind our growth?

It is the organizational culture that has taken root in the CUC Group.

The CUC Partners Philosophy is a philosophy of the CUC Group's employees, who work for the CUC Group and the medical institutions they support, as well as all healthcare workers who work at the medical institutions we support.

This philosophy is the heart of our culture.

[Statement]

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CUC Partners Philosophy

[Mission]

Creating Hope Through
Healthcare.

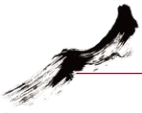
[Way]

01. Prioritizing Patients' Needs over Our Own Perspectives.
02. Seeking Solutions, Not Making Excuses.
03. Pursuing Ideals, Driven by Innovation.
04. Valuing Humanity alongside 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.

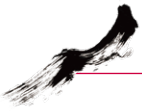




Value Creation Process

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





List of Actions for Value Creation

*Data collection period: April 2022 - March 2023
*Data was compiled by CUC, CUC HOSPICE, and Sophiamed.

Information dissemination to external parties

CUC Group's activities and employment information are posted on our website, owned media, YouTube, and SNS.

Number of articles for external publication:
164
*Total number of external content transmissions (excluding SNS)



Implementation of Philosophy Realization Meetings

We hold regular Philosophy Realization Meetings, where the managers responsible for each business gather to discuss the theme of permeating our philosophy.



Total hours of Philosophy Realization Meetings: Approx. **600**

Philosophy education

We create opportunities to think about our philosophy through training and reading sessions so that each and every employee can share and put our philosophy into practice.



Total hours of philosophy training: approx. **301,200**

*Multiplication of hours, number of times conducted, and number of participants

Group management message dissemination

We share our philosophy and management policies through internal events and regular publication of internal newsletters.

Number of in-house events: **31**
Number of in-house newsletters published: **15**

*Aggregate scope of coverage: in-house events held and in-house newsletters published by the Group



01. The unifying force of our philosophy

Ability to gather colleagues who share our philosophy and continue to raise their spirits

Providing opportunities for independent learning

CUC's learning support system, "Challenge!", covers the costs of purchasing books for reading groups, obtaining qualifications, and taking online business school courses (paid in accordance with internal regulations). Beginning in April 2023, CUC Academia will hold lectures in which employees serve as lecturers in their own areas of expertise.

Total hours of reading sessions: approx. **1,300**

Total hours of online business school viewing: **1,563**

Total hours of CUC Academia: approx. **1,200**

*Multiplication of hours, number of times conducted, and number of participants
*Only for CUC Academia, the period of data is April 2023 to July 2023.



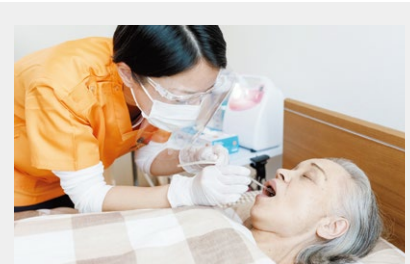
CULTURE

Medical field driven management

The CUC Group has a large number of healthcare workers who come across issues in the medical field and aim to solve them. We are able to create medical care from the patient's point of view because we are confronted with the scenes of life on a daily basis.

Number of main healthcare workers in the CUC group: **1,809**

*Breakdown: 935 nurses, 451 therapists, 423 caregivers (excluding temporary employees)
*As of March 2023



02. Recognizing social distortions

The ability to identify various healthcare issues and their negative effects, and to think independently about how to solve them



The ability to persevere and not give up until the end, no matter how difficult the situation

04. The ability to achieve goals



Ability to quickly select an option to solve a problem and take action

Quick decision-making 03.

Creating a system to measure the realization of the philosophy

Through the Way Letter, a biannual 360-degree evaluation for managers, and a monthly survey of proprietary indicators using the Geppo (*) employee condition check tool, we quantify the degree of penetration and implementation of our philosophy.

*Courtesy of Human Capital Technology, Inc.

Change in Philosophy Penetration Score 5 stage rating	April 2022 Implementation	3.67	→	March 2023 Implementation	3.97
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*Aggregation scope of coverage limited to CUC



Improvement of on-site capabilities through standardization

By standardizing common tasks into manuals that can be shared within the organization, we can eliminate wasteful practices and create time to focus on highly specialized work.

Breakdown of completed manuals	Number of themes:	Number of pages:
<small>*One page is calculated as one A4 page. *As of August 2023</small>	1,126	12,537



Provide opportunities for career planning

Twice a year, we have a "Dream" system whereby employees who wish to transfer can submit a transfer request to any group company or department that is seeking staff.

Use of the "Dream" application system	Number of applications	32	Number of transfers	10
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*Calculation period: Total of October 2022 and April 2023



Implementation of internal praise events

The annual CUC Partners AWARDS, which honors teams and individuals who embody our philosophy, is an important opportunity to share our exemplary behavior through the sharing of various case studies.

CUC Partners AWARDS 2023	Number of entries:	88
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Conduct training for management and supervisors

We offer a variety of training programs to enhance management skills so that executives and managers can make decisions quickly and accurately.

Total number of training hours:	approx. 15,500
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*Multiplication of hours, number of times conducted, and number of participants



Training to enhance medical skills and knowledge

Study groups and training sessions are held to hone medical expertise and skills and to improve judgment.

Total number of medical skills and knowledge training hours:	approx. 72,600
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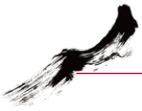
*Multiplication of hours, number of times conducted, and number of participants



CULTURE Strength of diverse professions and collaborations

The CUC Group brings together professionals from a wide range of fields, from medical professionals to business professionals. By sharing their knowledge with each other in management, human resources, IT, and other different specialties, multifaceted discussions can proceed swiftly.





Specific Action Examples

ACTION 01

Creating a system to develop leaders who embody our philosophy

The leaders of each organization play a central role in instilling the CUC Partners Philosophy into the thoughts and actions of each and every employee, and CUC is taking various steps to develop organizational leaders as champions of the philosophy.

Way Letter Feedback Result	Prioritizing Patients' Needs over...	Seeking Solutions, Not Making Excuses.	Pursuing Ideals, Driven by Innovation.	Value Personality ahead of Professional ...	United beyond hierarchies. One Team...	Average
【5】Very much executed.	50%	53%	50%	31%	50%	47%
【4】Well executed.	50%	40%	44%	44%	25%	41%
【3】Executed as an individual.	0%	7%	6%	19%	13%	9%
【2】Executed, but not enough.	0%	0%	0%	6%	13%	4%
【1】Not executed.	0%	0%	0%	0%	0%	0%
Average	4.50	4.47	4.44	4.00	4.13	4.30

*Above is a sample Way Letter feedback sheet

Way Letter, a survey to measure the level of implementation of the Way

This is an original evaluation survey conducted twice a year for managers. Each leader receives feedback from superiors, colleagues, team members, and even staff of the medical institution where they are

stationed. We named it Way Letter because it is a system whereby the leaders receive messages from many colleagues on what they expect from their leaders in the future.

The Leader's Promise, a textbook for becoming a leader

In the medical world, employees must face daily challenges and conflicts in order to carry out actions in accordance with the Way. Leaders are responsible for encouraging members while also being aware of any concerns they may have. However, this is not an easy task for newly appointed leaders, as there are many obstacles to overcome. Therefore, we spent

about six months interviewing and analyzing senior leaders who play active parts in each role to depict the image of an ideal leader in our organization. The "Leader's Promise" is a textbook for becoming a CUC Partners leader, compiled with advice and examples of successes and failures by senior leaders who are active in CUC Partners.



| ACTION 02

PhilosophyTalk: a discussion of philosophy that transcends departmental and age barriers



As one of our efforts to spread our philosophy, we have been holding PhilosophyTalk, a participatory online talk session for all CUC employees since April 2023. PhilosophyTalk is an event in which employees discuss the Way in small groups. As of July 2023, approximately 100 employees have already participated in the event, and all CUC

employees are expected to participate by the end of the fiscal year. Positive comments from participants include, "It was a good opportunity to reflect on my daily activities," and "I was able to deepen exchanges with people from other departments."

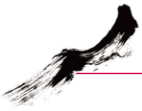
| ACTION 03

Foster a culture of praise and create a positive workplace



Since our founding, we have valued a culture of recognizing employees who have performed well, and initiatives that embody our philosophy. There are numerous opportunities for recognition, including a major annual CUC Partners-wide awards event, as well as best practice sharing sessions within each group company and department. In the CUC Group, which has a diverse mix of medical professionals and business-colored professionals, these events allow employees with different specialties to learn about each other's efforts and to

foster a sense of unity. In addition to events, the CUC Group is also working to enhance motivation and work quality by regularly sharing episodes and images of individuals who have been recognized for their performance through internal newsletters and owned media of each group company. We will continue to raise the morale of the organization through these opportunities and create an environment in which each individual can grow in a positive manner.



Commitment to People and Culture

The nine years of history since CUC's founding is full of examples of developing people and taking on organizational challenges through our philosophy.

We established the mission of Creating Hope Through Healthcare at the time when CUC's number of employees exceeded 100. This was because our business style requires organizational management across multiple locations from afar and it was essential to have a philosophy that would serve as the axis for all our decisions.

Since the establishment of our Mission in 2017, management has focused on developing leaders who will promote its philosophy. This is partly facilitated through leadership activities including the Future Conference, a management camp for

CUC Group executives and physicians from supported medical institutions, and HOPE, a program that is now the foundation for the development of the next generation of management leaders.

After the COVID-19 pandemic from the beginning of 2020, we fully realized the need to create an organization where employees are motivated to work. This is why we developed the CUC Partner's Philosophy as a system of principles to be upheld by CUC and the medical institutions that we support. As of 2023, we are using this philosophy as the foundation for our organizational development, including recruitment, evaluation, and training.



CUC Partners Promise A Fulfilling Environment for Your Aspirations.

Create an environment where each individual can feel fulfilled in their work and pursue their dreams and ideals.

Our Promise is embodied by a pledge between senior management and employees to promote our philosophy.

| History of Philosophy Management

- Aug 2014 M3 Doctor Support Corporation (now CUC Inc.) founded
- Jan 2017 **Formulation of our Mission - Creating Hope Through Healthcare**
1st Future Conference held (and regularly held thereafter)
- May 2019 1st HOPE Conference held (and regularly held thereafter)
- Aug 2019 Company name changed to CUC Inc.
- Apr 2021 **Announcement of CUC Partners Philosophy**

- Sep 2021 1st Philosophy Realization Conference held (and regularly held thereafter)
- Aug 2022 Announcement of Materiality (important items)
- Mar 2023 Establishment of Leader's Promise
Leader's School (to be held regularly thereafter)
- Aug 2023 **Formulation of CUC Partners Promise (Promise to all workers)**

| Message from the officer in charge

Everything is created by people.

Everyone who gathers at CUC Partners supports the CUC Partners Philosophy, and through its embodiment, we are working on a daily basis to realize Creating Hope Through Healthcare.

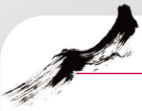
In order to promote this philosophy system as a whole, we have established the CUC Partners Promise as a promise between CUC's management and all of our employees: We will create an

environment where each and every employee feels fulfilled in their work and can fulfill their dreams and ideals. Going forward, we will further accelerate our efforts for people and organizations, using the CUC Partners Promise as a guideline for organizational development and personnel system design.



CUC Inc.
Corporate Officer
CHRO

Toshio Matsuura



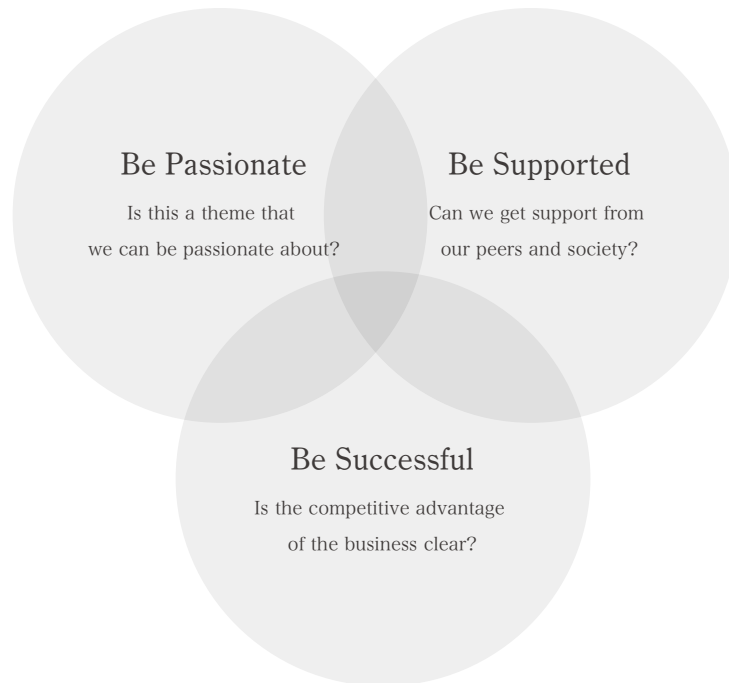
Criteria for Decision-Making in Business Activities

There are three simple concepts that we always refer to when making decisions in our business activities.

Be Passionate, Be Successful, Be Supported.

We believe that where these three concepts overlap forms the criteria for decision-making in business activities.

We believe that the power to change society will be born.



The inspiration for these words was the challenge we faced during the COVID-19 pandemic supporting the vaccination effort.

In May 2021, as the period of the state of emergency was extended in many areas, including Tokyo, vaccination was expected to be the decisive factor in the fight against COVID-19. The then-Prime Minister Suga announced a target of 1 million vaccinations per day in order to complete vaccination of all elderly people who wanted to be vaccinated by the end of July of the same year. While local governments across the country were promoting vaccinations and companies were promoting workplace vaccinations, many local governments were struggling to operate vaccination centers and to secure the necessary doctors and nurses, so vaccinations were not progressing as smoothly as expected.

Although we had never encountered this situation before, we decided to support this huge vaccination support project. Behind this speedy implementation was the strong desire of the senior management and project members to "do something to help individuals highly affected by the pandemic" and "contribute to the acquisition of herd immunity in Japan."

The passion of the parties involved, the experience and execution capabilities of the CUC Group in the medical industry, and the dedication of the medical professionals, government officials, and partner companies who cooperated with us, resulted in a significant contribution to the number of vaccination slots we were able to provide throughout Japan, which totaled 3.88 million (cumulative total from June 2021 to March 2023).

This experience is the source of inspiration of "Be Passionate, Be Successful, Be Supported."; without any one of the three elements, great challenges cannot be overcome. That is why we will continue to say these words.

What is the culture of the CUC Group created around our philosophy?

The CUC Group brings together a variety of professionals, from medical professionals to business professionals. Here three employees of different ages and who undertake different roles discuss our culture.

Philosophy is an important link between diverse values

—What do you think is CUC's unique culture?

Oishi: I am currently in charge of planning the hospice project. I feel that our culture aims to balance emotional thinking, "I want to see my patients smile," with logical thinking to grow our business.

In the CUC Group, medical professionals who deliver services directly to patients and business professionals who support the business structure from the headquarters and back-office work closely

together in a single organization to create services. It is amazing that even though the organization is made up of people from different backgrounds, everyone is unwavering in their fundamental desire to provide good medical care to patients.

Kuwaki: Medical care is a job that is particularly close to human life. Each person who works in this field has a strong sense of responsibility, and this kind of structure can be

prone to conflict due to differing points of view. This is the challenge of the medical industry.

Kuno: After a long career in the medical field as a Biomedical Equipment Technician, I joined CUC and moved into a business position supporting medical institutions from the back-office, so I understand how both the medical professionals and the business professionals feel.

Even if we take the example of solving a single problem, the medical professionals in the field and the business professionals may not agree with each other because they view issues differently. That is why I believe that the best way to create solutions to the most problematic issues is to engage in dialogue with a common goal: what is best for the patient.

Kuwaki: I think there is great value in communicating our philosophy, the CUC Partners

Philosophy, in the sense that medical professionals and business professionals can speak a common language.

Make your philosophy a habit and change your approach

—How do you understand the CUC Partners Philosophy?

Kuwaki: Whenever I provide management support to medical institutions, my approach always centers on philosophy. Medical management involves people from many different departments and backgrounds; because it is a diverse organization, the team can only come together if discussions are conducted with a common language and decision-making criteria. I believe that philosophy is the key to this.

Shintaro Kuno

CUC Inc.
Dialysis Clinic
Department

After working as a Biomedical Equipment Technician at a hospital and a dialysis clinic, he joined CUC in 2021. Currently, he supports dialysis clinics from both inside and outside by planning the optimization of operations and human resource development in the Dialysis Clinic Department.



Kaori Oishi

CUC HOSPICE Inc.
Corporate Planning
Department and
Development Department

She joined CUC as a new graduate in 2022. In her first year, she was transferred to CUC HOSPICE, a group company, where she was in charge of formulating management plans, and planning the opening of new facilities.



Susumu Kuwaki

CUC Inc.
Executive Medical
Adviser of Hospital
Department

After working for hospitals and consulting firms, he joined CUC's Hospital Department in 2021 as a physician and consultant. He is involved in hospital management support and revitalization support.



Kuno: Because it is important, we want to make it more accessible, but some people see philosophy as something sublime or untouchable, so I dare to tell jokes related to it.

For example, "You were talking about many teams, weren't you? lol" in relation to "One Team" in The Way in our philosophy. When we put it into words on a daily basis, we become closer to the philosophy and our team's thinking and actions change, so I'll continue to make jokes consciously.

Oishi: It is true that more and more people in our company are talking about "Way" as if it were a speech habit. Maybe they don't even realize they are doing it.

How does each person make a change

—What are your thoughts on CUCs' keyword, "Change?"

Kuno: It is generally said that the medical industry is averse to change, but I don't think that is true. I feel that there are many people who don't know what to do about issues, want to know how to change, or want a chance to change.

In conversations with medical professionals in the clinics we support, staff, especially those in their 20s and 30s, tell us, "It's not good enough as it is." I believe they have a heightened sense of crisis about the future in the face of negative reimbursement

and rising costs of goods and services.

That's why we create an opportunity for change and give a gentle push. I have the sense that if there is a trigger, the medical field will change in a flash. Of course, this requires a spirit of constant change on one's part.

Kuwaki: I see CUC's job as one of creating difference through change. And sometimes someone has to move forward in order to create big changes. When I get involved with new hospitals through management support, I tell the medical staff that I want them to value "quality and quantity" of services. The quality of medical care delivered to each patient is of course important, but the value and scope of provision will not grow unless the quantity is increased. That is why I keep calling on everyone to think of ways to increase the quantity. Increasing the quantity requires ingenuity, so changes will surely occur. This will ultimately lead to profitability and benefit the staff.

Oishi: CUC has the phrase "Change Until Change" which is the origin of our company name. I take this phrase to mean work through it until it pays off. In my work to open a new facility, I have to formulate a basic strategy and then repeatedly fine-tune it, but if I do a half-hearted PDCA cycle, the entire strategy becomes unclear. I don't like to do things halfway, so I want to be responsible and finish the project. I am very familiar with the phrase



"Change Until Change."

Creating smiles as well as Hope Through Healthcare

—What themes do you want to focus on in the future?

Kuwaki: As someone in my mid-40s, I am interested in the transfer of knowledge to the next generation and the organizational development that goes along with it. I would like to further expand the potential of CUC by nurturing the next generation.

Oishi: My priority is to complete the opening of new facilities. There are seven new facilities scheduled to open this fiscal year, so there is a lot of work to be done. Since I am in charge of selecting candidate sites for opening, I cannot stop. Once this work is complete, I would like to

be involved in the process of stabilizing operation after the opening.

Kuno: This is a bit abstract, but I want to bring more smiles to the medical field. In today's medical field, there is a shortage of personnel and fees paid to medical institutions by the government are decreasing year by year, so there are not many bright topics. In times like these, I think it is important for us to remember to smile.

By creating change in the medical field one by one, I want people to smile and say, "I'm glad I got to work with you." Beyond that, there will be a future where Creating Hope Through Healthcare will be realized. I am sure that the future will be filled with many smiling faces. I believe that we can create hope for society by bringing smiles to the faces of patients and healthcare workers.



Stories of Hope



Hope for Patients

Demand for home healthcare accelerates in super-aging Japan

Japan is now entering a super-aging society period more extreme than any other country in the world. This will be a "multi-death society" where the number of deaths will increase, and population decline will accelerate.

The number of deaths in Japan is on the rise and is projected to peak at about 1.7 million per year in 2040. Presently about 60% of the population would like to spend their final days at home when they are dying (*1), but the current systems and places to accept them are insufficient, and 70% of people died in hospitals in 2020 (*2).

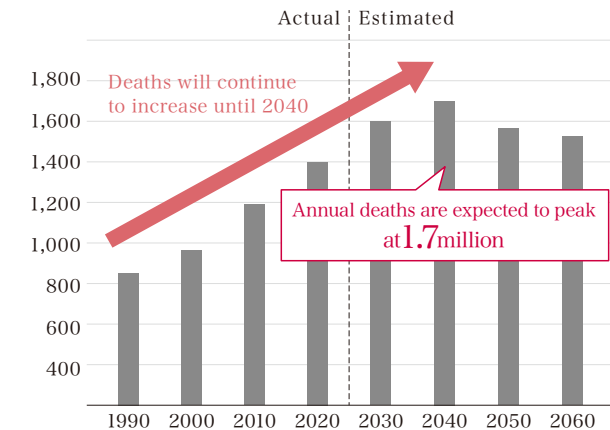
Home healthcare is needed to solve these problems. Home healthcare plays an important role in which doctors and nurses visit patients and support them so that they can live their own lives in their own homes, facilities, and other familiar places.

*1 Ministry of Health, Labour and Welfare. Results of the 2022 Survey on Attitudes Toward Medical Care and Care in the Final Stage of Life (Report). 2022.

*2 Ministry of Health, Labour and Welfare. Vital statistics of Japan, 2021. 2021.

Death dynamics in Japan

Number of deaths per year (thousands)



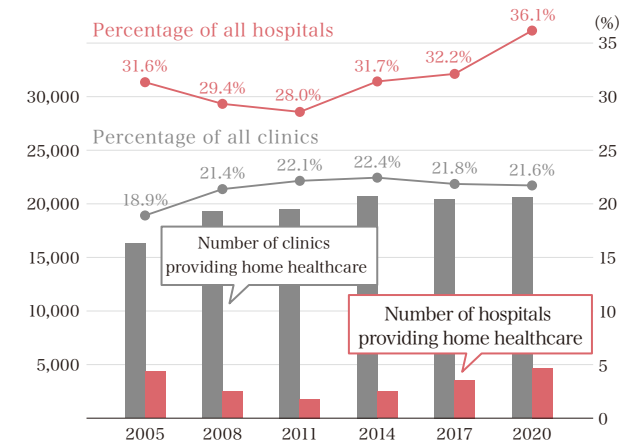
*The data until 2020 is based on "Vital Statistics (2021)" by the Ministry of Health, Labour and Welfare, and after 2030 is based on "Population Estimates for Japan (2023): Median birth and mortality estimates" by the National Institute of Population and Social Security Research.

For a future in which everyone can choose home healthcare when they need it

While demand for home healthcare is growing, there are challenges to its widespread use. The number of clinics providing home healthcare has remained flat, while since 2014, the number of hospitals providing home healthcare has begun to increase, but still only accounts for about 36% of all hospitals.

Since its establishment, CUC has supported the operation and establishment of new medical institutions that provide home healthcare. Through the nationwide development of in-home nursing stations and hospice-type residences by group companies, CUC has also contributed to strengthening regional cooperation. We will continue our efforts to promote home healthcare so that patients in the community can continue to live their lives in their own way.

Number of medical institutions providing home healthcare



* Ministry of Health, Labour and Welfare. Current Status of Home Healthcare in 2022.

Stories from Patients and Staff



STORY 01 Hospice Business From Ms. S. K.'s family

The couple were able to enjoy cherry blossoms together, something which they thought would never happen.

My mother, who had just moved into the hospice was not energetic due to Parkinson's disease. She had many tubes connected to her body and had difficulty eating by mouth. The staff worked very hard to provide rehabilitation for her, and she has gradually been able to eat food by mouth. In addition, upon my mother's admission, my father, who had been suffering from a chronic illness, also moved into the same facility, and they were both able to receive care in the same room together. Having my father by her side helped my mother to regain her energy, and they were able to enjoy cherry blossom viewing together, something which they had thought might not be possible this year. Please continue to watch over them both warmly.

We want to continue to watch over them as they live together for many years to come.

I will never forget the look of joy on Ms. S's face when she drank water for the first time in a long time after two months of rehabilitation. What made Ms.K. even more energetic was the presence of her spouse. I feel that having him by her side is the best therapy for her. Recently we took a picture of them holding hands and looking happy under the cherry blossoms. We would like to continue to watch over Mr. and Ms.K.



Minami Saito
CUC HOSPICE Inc.
Caregiver

STORY 02 Hospice Business From Ms. K. O.'s family

They fulfilled my mother's last wish to grow seasonal flowers.

My mother suffers from amyotrophic lateral sclerosis (ALS), which progresses quickly, and she was depressed after moving into the hospice. After a period of labored breathing and around the time morphine was started, my mother, who had temporarily regained her energy, said she wanted to grow flowers. Hearing this, the staff worked hard to assist my mother to fulfill her wish, and thanks to their efforts, she was able to sow sunflower and morning glory seeds in her garden on a sunny day. After that, my mother spent her time looking forward to the pictures we would send of the flowers being watered. A few days after placing the pot in her room for her to could enjoy the flowers growing in the facility, she quietly departed. Thank you for fulfilling my mother's last wish.

Thinking about the resident and the family

We want to be close to both.

Ms. O looked forward to seeing the flowers grow every day, even as her disease progressed. Even after her passing, the potted flowers in her room continued to grow, so our staff recorded photos of them and later gave them to Ms. O's family along with the harvested seeds, which they were very happy to receive. It was a very valuable experience for me to be able to support Ms. O's zest for life and to be able to be involved in easing her family's grief, which made this job very rewarding.



Junko Ueki
CUC HOSPICE Inc.
Nurse



DATA

Hospice business data

■ Number of facilities: **34** ■ Nurses/Caregivers: **776** ■ Capacity: **1,358**

*As of March 2023

*Aggregate scope of coverage: hospices that CUC Group operates

STORY 03 In-home Nursing Business From Ms. H.O.

I remember how I used to feel when I was younger, and I feel very energetic.

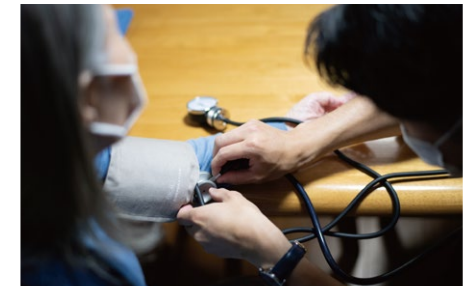
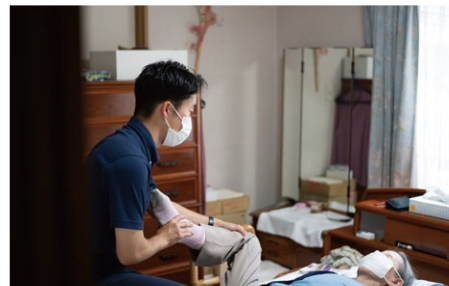
About six months ago, I broke my hip and was bedridden for a while, but I have gradually recovered while receiving nursing care and rehabilitation back at home, and now I am able to take a 15-minute walk on a nice day. I am practicing my movements with the staff so that I can take a bath by myself. When the staff come to visit me, they remind me of my younger days, and it cheers me up. I am grateful to all of you.



Sophiamedia Corp.
Physical Therapist
Shinnosuke Sunaga

I am energized by the efforts made in daily rehabilitation.

She always says to me, "Your coming here makes me feel cheerful, and most of all, it's fun." The visiting staff members are also energized by Ms. O's daily efforts in her rehabilitation to cope with life at home.





STORY 04 In-home Nursing Business From Mr. A. I.'s family

Many of them have experience in pediatric nursing, so we can rely on them.

My son has a tracheostomy and I started using the in-home nursing service. I am able to take care of him at home by talking to the nurses and getting help doing things that would be difficult for me to do alone, such as changing dressings and bathing him. I trust them because they are all very kind and helpful. There are many staff members of the same generation as myself, people with child-rearing experience, and people with experience in pediatric nursing, so they give me advice from various angles and are very helpful.

I would like to continue to watch over his growth while discussing the best way to spend time.

Always smiling, sometimes crying, they show us various expressions every time we visit them. I try to discuss with the mother what is the most comfortable way for her to spend her time and take care of her son. I would like to continue to watch his growth.



Ai Mashima
Sophiamedi Corp.
Nurse

DATA

In-home Nursing business data

■ In-home nursing stations (*1)	■ Total number of patients (*2):	■ Nurses/Therapists (*3) :	■ Hours providing in-home nursing care (*4) :
86	12,704	1,033	953,536

*1 Number of in-home nursing stations served by the Group

*2 Number of patients visited in March 2023

*3 Therapist is a collective term for physical therapists, occupational therapists, and speech therapists.

*4 Total hours nurses and therapists provided services to patients. Total hours of care within the past 12 months. *As of March 2023

I CUC

Reflecting patient feedback in quality improvement

Support for implementation of NPS (Net Promoter Score) surveys

As part of our efforts to promote patient-centered healthcare, we support the patient satisfaction initiatives of the medical institutions we support. A prime example is the Net Promoter Score (NPS) survey conducted by the medical institutions we support. The NPS survey is a questionnaire that asks patients, their families, local nursing homes, and partner institutions to rate their level of trust in home healthcare services on an 11-point scale from 0 to 10. The program is being implemented at CUC-supported in-home care clinics nationwide, and the results are used to evaluate and improve home healthcare services. We contribute to improving the quality of healthcare at the medical institutions we support by assisting in the tabulation and analysis of NPS survey results.

DATA

■ Number of supported medical institutions we assist with NPS surveys: **52** *As of March 2023

I Information on supported medical institution



Sapporo Home Care Clinic Soyokaze

A clinic in Sapporo, Hokkaido that provides home healthcare, in-home nursing, and home care support 24 hours a day, 365 days a year. We provide compassionate home medical care to everyone in the local community.



Feedback from patients and local partner institutions Improving the quality of medical care

Our clinic has been conducting NPS surveys twice a year since 2020. By conducting NPS surveys of patients and their families, as well as nursing homes and home care support offices, we are also able to ascertain the evaluations of patients and the institutions with which they work in the community. The results of the NPS survey are shared with our clinic's doctors to improve the quality of their practice. In the future, we would like to capture more detailed trends in the medical services sought by patients. We believe that the quality of home healthcare services can be further enhanced by strengthening information linkage with CUC and analyzing the data from various perspectives.



Mr. Tomoya Iida
Director of Sapporo Home Care Clinic Soyokaze



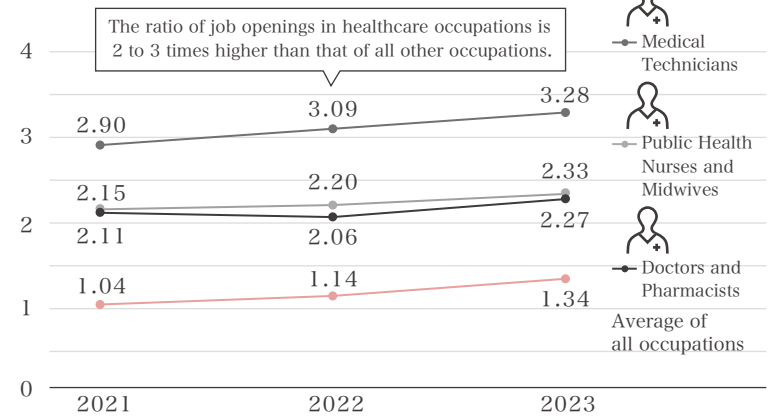
Hope for Healthcare Workers

Shortage of healthcare workers increases burden on the frontline

As Japan's population ages, with a peak in 2040, domestic demand for healthcare increases while the supply of human resources falls short. In the medical field, the workload of each individual healthcare worker, such as doctors and nurses, is becoming heavier, and the normalization of overwork and the resulting increase in the number of people leaving the profession are serious social issues. It is predicted that there will be a shortage of approximately 1.87 million* healthcare workers by 2030, and the healthcare delivery system must respond to the growing demand for healthcare.

* Persol Research Institute. Labour Market Future Estimates 2030. 2018.

■ Trends in the ratio of job offers to job seekers



*1 Ministry of Health, Labour, and Welfare. General Employment Placement Situation (Employment Security Service Statistics) 2021, 2022, 2023

*Effective job openings to job seekers ratio: The number of jobs available per one job seeker.

Diverse and flexible work environment resulting from changing work styles

The CUC Group has many healthcare workers in the medical field, including nurses, therapists*, and caregivers. In order to provide high quality medical care to patients, it is essential to have a sustainable work environment where healthcare workers can continue to feel fulfilled in their work. For this reason, we have various systems in place that allow employees to work actively over the long term in accordance with their respective lifestyles. We deliver better medical care to patients by putting smiles on the faces of healthcare workers.

*Therapist is a collective term for physical therapists, occupational therapists, and speech therapists.

Examples of Work Support Systems

One-hour paid leave	Re-employment certification for former employees
Babysitting assistance	Assistance for purchasing health equipment, etc.
LGBTQ support - marriage, childcare, and careers	Secondary employment system (permitted under certain conditions)
Kokoromiru system (long-term leave support system)	Mental health support

(as of July 2023)

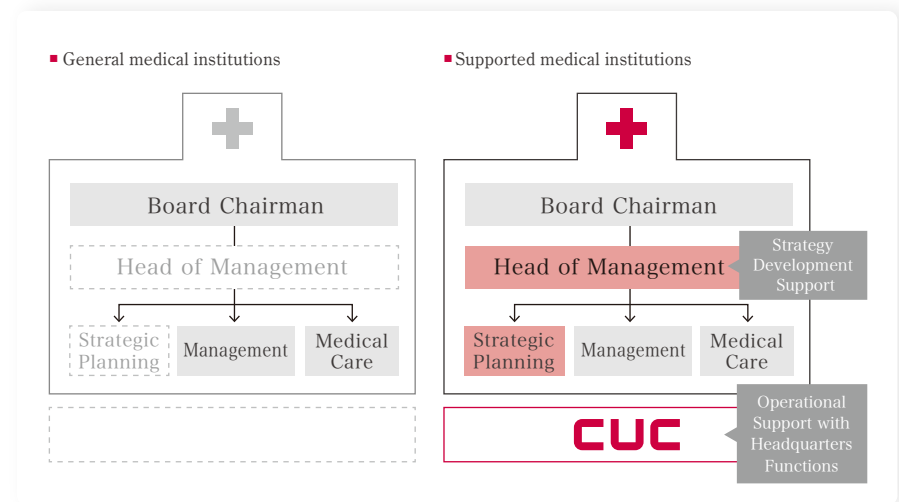
*System details are set individually by each CUC Group company.

| CUC Management Support Division

Total support for medical institutions from daily operations to business growth

In 2020, 68.5% of hospital managers in Japan were over 60 years old (*1), and 68.4% (*2) of medical institutions were at risk of not being able to continue their business due to a lack of suitable successors for aging high-level managers. In addition, it is becoming increasingly difficult to recruit healthcare workers as Japan's workforce continues to shrink. To address these issues, CUC provides comprehensive medical management support by sending management support personnel to medical institutions that operate hospitals, in-home care clinic, dialysis clinics, eye clinics, and pediatric clinics. We provide comprehensive support for management functions ranging from assistance in formulating business strategies to business administration, marketing, human resources and recruitment, IT, accounting and general affairs. We also provide sales growth support through M&A, PMI, conversion of hospital beds, and opening of clinics to ensure stable growth of medical institutions. By supporting the transformation of medical institutions, we will bring patient-centered healthcare to as many people as possible and increase the job satisfaction of healthcare workers.

*1 "Summary of Statistics on Physicians, Dentists, and Pharmacists in 2020" (Ministry of Health, Labour and Welfare, 2020)
 *2 "Current Status and Issues of Medical Business Succession" (Japan Medical Association Research Institute for Policy Studies)



DATA

Number of supported key facilities 102

*As of March 2023

To enhance the job satisfaction of each and every employee To be an organization in which employees can grow sustainably

In the nine years since CUC's inception, the number of medical institutions we have supported has grown each year. As of July 2023, there are 105 locations. As our organization grows in size, we feel it is important to return once again to our roots and build an organization centered on our philosophy. In order to provide good medical care to patients, it is essential that medical staff and CUC employees themselves are motivated to work in the medical field. To this end, we will focus on creating a work environment where all employees can work with a sense of sustainable growth while valuing our philosophy. We will further invest a lot in spreading our ideas and developing our staff. Moreover, we will make an internal environment where the young and new recruits can showcase their skills quickly and continuously. We will enhance the job satisfaction of each employee and increase the value we provide to patients and healthcare workers.



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



| Episodes of employees working to build the organization of a medical institution

Acting as a bridge between management and the frontline
Supporting the smooth operation of hospitals

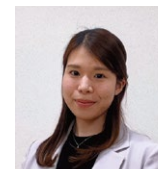
We provide operational support to a general hospital in Aichi Prefecture for the reorganization of hospital bed functions. This support is provided from all perspectives, including that of patients, healthcare workers, and management, and includes things such as creating a comfortable working environment for employees and cooperating with local medical institutions. What is important to me in my work is to connect the management philosophy of the hospital with the aspirations of the healthcare workers in the medical field. Close communication on a daily basis allows us to identify concerns and problems in the field in a timely manner and to be the first on site to resolve issues as they arise. We think that by correctly funding daily activities, we can invest in better hospital equipment and staff training. This will raise the number of satisfied employees and, consequently, improve medical care for patients.



Koji Horimoto
CUC Inc.
Hospital Department
Management Support
Division

Because home healthcare operates 365 days a year,
we take care of our staff

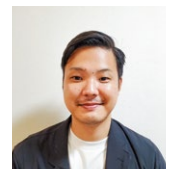
Since January of this year, I have been in charge of an in-home care clinic that we support in Toyama. The local people had been looking forward to the opening of this clinic, so it was rewarding to be able to support it from its start-up. Since I am originally from the area, I have always felt the disparity in medical services between urban and rural areas, and was happy to have the opportunity to contribute to my hometown. What is important to us in supporting the clinic is to deal with each healthcare worker individually. While home visitation is reassuring to patients because it is available 24 hours a day, 365 days a year, from the perspective of the workers, it is a service that requires ingenuity in the way they work, as working hours can easily balloon. That is why I believe it is important to create an environment in which healthcare workers can work comfortably by carefully having daily conversations and keeping our antennae up to ensure that the burden is not disproportionately placed on certain staff members.



Riko Hirata
CUC Inc.
Home Healthcare
Department
Management Support
Division

For better healing medical care for patients
Supporting the management of ophthalmology clinics

We provide management support mainly to ophthalmology clinics that provide treatment and surgery for cataracts and other diseases. If the role of home healthcare is to provide medical care that looks after patients for the rest of their lives, the main purpose of our outpatient care is to treat their illnesses and injuries. It is rewarding to be involved in medical care that leads to tangible symptom improvement for patients. For example, I'm delighted to see patients' faces light up when they have undergone cataract surgery, and their vision has improved. The Outpatient Clinic Department is a new organization that has only been up and running for less than two years. In the future, we hope to support the creation of a more advanced medical care delivery system by further solidifying the foundation of the clinic, including medical treatment flow, measures to attract patients, and a system for human resource development.



Takuma Sugo
CUC Inc.
Outpatient Clinic
Department
Management Support
Division

| Sophiamedi

Aiming for an organization based on appreciation and empathy, we promote well-being in the medical profession

In recent years, the word well-being has become a key word in the way we work and live. This concept means a good state of being, not only physically and mentally, but also socially. Medical professionals, who deal with patients' lives on a daily basis, sometimes self-sacrifice out of regard for their patients. Although the need for in-home medical care is increasing in Japan, there is a serious shortage of human resources, with approximately 120,000 home care nurses needed in 2025 (*1) compared to 60,000 in 2020 (*2). The aging of the population has necessitated the acceptance of seriously ill patients at home, as a result in-home nursing services are required to be available 24 hours a day, 365 days a year and to make emergency visits even late at night or early in the morning, making the heavy physical and mental burden on the medical staff a major issue. In response to these issues, Sophiamedi introduced a work system in 2020, "WOW!", which supports a balance between work and private life. Furthermore, we have established a specialized department, the Well-Being Promotion Group, which aims to improve the health and well-being of staff.

*1 Japan Visiting Nurse Foundation: Current Status and Future of Home-Visit Nursing Care 2023 Edition
 *2 Ministry of Health, Labour and Welfare: Overview of the Year 2020 Health Administration Report (Employment Medical Personnel)

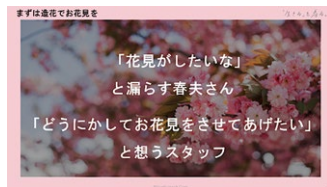
■ Four initiatives of the Well-Being Promotion Group

01. Thank You E-mails



The "Thank You E-mails" program collects messages from staff members at each stations who wish to express their appreciation and share them to the desired colleagues via e-mail on their behalf. In FY2022, 1,182 messages were received.

02. Story of Caring for Lives



Stories of actual episodes between staff and clients are shared in monthly online meetings attended by all employees. The total number of likes from staff was 1,619 in fiscal year FY2022.

03. Wellbeing Awards



This program recognizes offices that implemented outstanding measures to deepen relationships among staff members, thereby accelerating these efforts. Exemplary efforts are shared to stations nationwide.

04. Follow-up for new employees



To ensure that employees feel comfortable working immediately after joining the company, we provide training, and regular follow-up e-mails. In addition, medical staff who have been with the company for less than one year are offered the opportunity to have a support chat to talk about any concerns or issues they have. Pulse Survey scores improved for 76.5% of these staff.

Promoting relationships in which staff members accept themselves as they are and support and respect each other

The group aims to improve job satisfaction and retention rates by creating a workplace where healthcare professionals can work with enthusiasm. Great Place To Work®, a professional organization that conducts research and analysis on job satisfaction in approximately 100 countries around the world, proposes five components of job satisfaction: pride, solidarity, trust, respect, and fairness. We focus particularly on pride and solidarity and work to improve them. In FY2022, 565 new employees joined the company. As a result of these initiatives, the index for solidarity in the employee satisfaction survey increased by 0.5 points. On the other hand, since there was a decline in the overall evaluation of job satisfaction and the index for pride, in FY2023 we will evolve existing initiatives and strengthen measures to ensure that new employees feel comfortable in their work immediately after joining the company. In order to continue to provide better care to clients, it is extremely important to have a sense of pride in their work and their own well-being based on trusting relationships with their peers. We believe that improving the job satisfaction of our employees will lead to higher quality care and client satisfaction. That is why we are committed to creating a workplace where each individual can think about and choose how to work happily for themselves.

*Workplace survey on "Solidarity" index
 52.5% in 2023 (2022: 52.0%)



Mami Miyazi
 Sophiamedi Corp.
 Group Manager of
 Well-Being Promotion Group

DATA

■ Employee satisfaction from Pulse Survey	
Response rate	Average point (5-point scale)
82.2 percent (last year: 79.5%)	3.5 (last year: 3.5)

*Total period: April 2022 to March 2023
 *Pulse Survey: Monthly questionnaire survey to measure staff health, human relations, job satisfaction, etc.

| CUC

Reducing task individualization, Project to improve on-site capabilities for patient-centered healthcare

Since our founding, we have worked hard to solve problems in various healthcare fields, including providing management support to medical institutions nationwide, as well as operating in-home nursing and hospice businesses. What emerged was a sense that, due to the labor-intensive nature of the business and the serious shortage of labor, it is easy to fall into a negative spiral of increased workload per worker, which results from the individualization of work (where the style of doing a task becomes specific to the person doing it), over-reliance on certain staff to do particular tasks, and the difficulty other staff face doing tasks that have been individualized. In response to this situation, the CUC Group as a whole launched the Gemba-Power Improvement Project in April 2022. 'Gemba' in

Japanese means the actual place where the work is carried out, where the strategies are executed, and where the value is created. 'Gemba-power' represents improving our workplace capability and giving our staff working in 'gemba' the power to keep improving on their own, therefore bringing us closer to our goal. By promoting standardization of operations and technology in every medical field and enhancing autonomous and continuous improvement capabilities in the field, we aim to achieve a state where we can continuously provide high value services tailored to each individual patient in various situations. While there are a wide range of initiatives, the first year of the project has focused on three main themes: medical staff recruitment, patient attraction activities, and operational management.



In the highly challenging area of physician recruitment support,
Almost 50% more full-time physicians were recruited

The standardization of medical recruitment, which is directly related to the quality of medical care, is one of the focal points of the project to improve Gemba-power. In particular, the recruitment support operations for full-time physicians were highly challenging due to their specialty focused nature and scarcity. Therefore, we have positioned it as the most important theme of the project. In the standardization of operations, we defined the ideal workflow, clarified and standardized the required recruitment information and evaluation criteria for interviews, and redeveloped the recruitment management system. In standardization of technology, we brought together knowledge by analyzing the know-how accumulated by each of our experienced recruiters. All of these are reflected in the manual, which is continuously being updated. Although the initiative has been in place for less than a year, it has resulted in an increase in the number of candidates, a reduction in the time to hire, an improvement in the speed of hiring decisions, and an almost 50% increase in the number of full-time physicians hired compared to the same period last year. There is still room for improvement, and we will continue to strengthen our ability to recruit physicians and provide patient-centered healthcare.



Teppei Taguchi
CUC Inc.
Gemba-Power Support Team
Corporate Strategy Department

DATA

Breakdown of manuals created

■ Number of pages:	■ Number of themes:
12,537	1,126

*As of August 2023
*Total volume of manuals produced by the CUC Group,
including manuals developed by the Gemba Power Improvement Project

| CUC Group

Diverse career paths for healthcare workers

The CUC Group has a large number of healthcare professionals. There are a wide variety of positions, ranging from those that deal directly with patients, such as nurses, therapists, and caregivers, to back-office positions that support the management of medical institutions. In addition, some of our employees are licensed physicians and nurses who work in business positions. We take into account each individual's desire to take on new challenges. We provide opportunities and encourage our employees to take them on. We also have a culture that provides opportunities for those who raise their hands. There are many opportunities for job transfers from medical to business positions. We will actively create an environment where healthcare workers can expand their careers in a positive manner.

| “DREAM” internal recruitment system



Once a year, this system allows those who wish to transfer the opportunity to submit a request to move to any CUC Group company or department seeking staff. Employees can choose to transfer to a different department or even to a different group company.

DATA

Number of healthcare workers in the CUC Group

■ Nurses: 935 ■ Therapists: 451 ■ Caregivers: 423

*Number of employees excluding temporary employees as of March 31, 2023

| Employees pursuing diverse careers in the CUC Group

■ Case1

Nursing assistant, then facility manager, then to human resources. Hospice experience came in handy for recruitment



Yukari Kimura

CUC HOSPICE Inc.
Recruitment Team
Human Resources Department

When I first joined the company, I worked as a nursing assistant. In my second year with the company, when I had finished raising my children and began to think about my own personal growth, an opportunity arose to gain experience as a facility manager. I had no prior experience, but my desire to try it out outweighed my fear to take the plunge. I realized the difficulty of managing a facility with many staff and community members, and the satisfaction of working as a team to create a good facility. At the same time, I became strongly motivated to spread hospice-type housing, which is desperately needed in the community, throughout Japan. Since April of this year, I have been working in a new position as a human resource officer, contributing to the spread of hospices through recruiting activities. In the future, I would like to increase the number of people I work with throughout Japan.

■ Case2

Diversity healthcare management as seen through nursing and hospital management support



Yasuhito Yabu

CUC HOSPICE Inc.
Head of Operational Management Department
*Seconded from CUC Inc. in April 2023.

After obtaining my nursing license in college, I worked at a university hospital for about 5 years. While working there, I wanted to acquire skills in healthcare institution management, so I went to graduate school to obtain an MBA. Once I left the clinical field, I decided to move to CUC in order to help deal with domestic medical issues from a business perspective. At CUC, I have been providing management support to the hospitals it supports for about five years, and since April of this year, I have been overseeing the operation of hospices and in-home nursing services nationwide at CUC Hospice. I feel that the appeal of the CUC Group is that there are many opportunities for licensed medical professionals like myself to participate in the business. New ideas can be generated from both medical and business perspectives, and the value of medical care can be expanded.

■ Case3

Getting involved in disaster preparedness support in the community as a specialist in disaster nursing



Chiho Konno

Sophiamedi Corp.
QM Promotion Group and Disaster Response
Project Team Quality Management Division

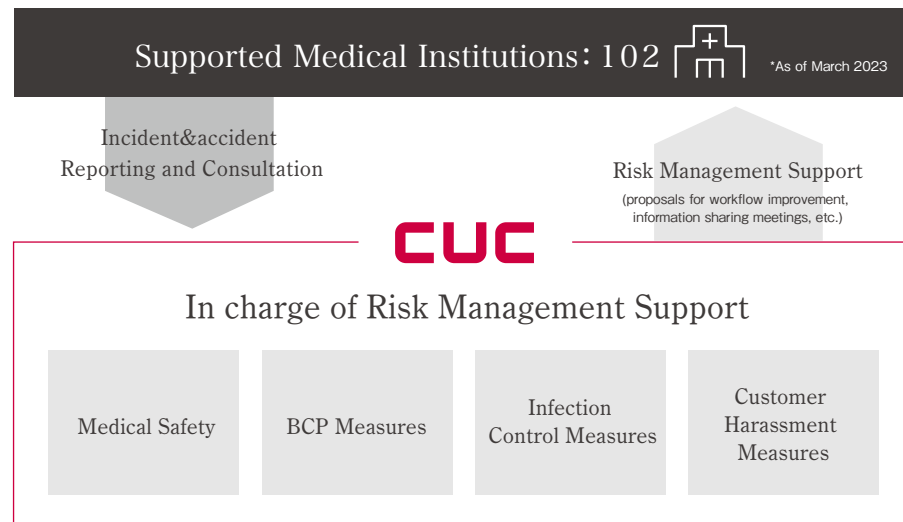
After graduating from university, I worked in the emergency room and at a critical care center, but because my hometown was hit by the Great East Japan Earthquake, I studied disaster nursing in graduate school and became certified as a disaster nursing specialist. I joined Sophiamedi because I wanted to be involved in disaster preparedness in the home healthcare field and contribute to the community. Since joining the company, while working as a home nurse, I have been a member of the Disaster Response Project, creating Business Continuity Plans and disaster manuals for each business site, and educating the community on disaster preparedness. I feel that the experience and learning I have gained while working with clients, their families, and community stakeholders through in-home nursing has been put to good use as a disaster nursing specialist. We would like to further strengthen our disaster countermeasures in the future.

| CUC

Provide a safe workplace for all healthcare Workers.

Advancement of risk management in the frontline of healthcare

The healthcare field is fraught with various risks, including medical accidents, spread of infectious diseases, disasters, and customer harassment. In recent years, these problems have become social issues. For healthcare workers working in the medical field, such a risk-exposed environment leads to a significant psychological burden, making it difficult to work in a sustainable manner. The CUC Group has established a risk management department to protect the work environment for healthcare workers. Risks are classified into four categories: medical safety, BCP measures, infection control, and customer harassment. Each team works with the medical institutions they support to achieve safety for both patients and healthcare workers.



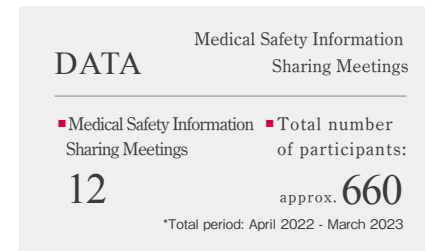
■ Focus Theme 1

medical accidents in the home healthcare field
Medical safety Initiatives

In the area of home healthcare, it tends to be difficult to accumulate knowledge about medical safety because the services are provided in the patient's home, an environment with limited medical resources, and because each clinic is small in size. That is why we are strengthening our comprehensive support system to prevent medical accidents at the in-home care clinics we support. An example is the monthly incident and accident sharing meeting. Sharing case studies with other staff members at the supported medical institutions enables the discussion of ideas for preventing recurrence. We also develop operational manuals to prevent medical accidents. By systematizing these efforts, we hope to provide a safe and secure environment for both patients and healthcare workers.



Ami Shigematsu
CUC Inc.
Medical Safety Team
Risk Management Support Department
Management Support Division



■ Focus Theme 2

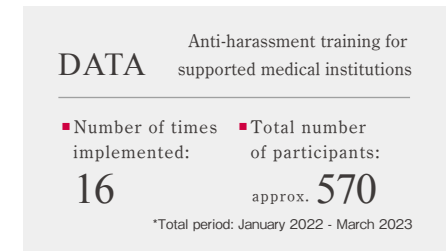
Conducting anti-harassment training to ensure the safety of healthcare workers

In the medical field, the increase in the number of healthcare workers forced to take leave or leave their jobs due to verbal abuse or violence has become a social issue. According to the 2017 Nursing Staff Survey conducted by the Japan Nursing Association, 52.8% of all nursing staff have experienced some form of violence or harassment in the workplace in the past year.

The Anti-harassment Team conducts anti-harassment training to ensure a safe and secure work environment. We create awareness of the issue and how to deal with it through the use of case studies and inform healthcare workers at supported medical institutions about the policy for dealing with harassment when it is confirmed. We will continue to provide more opportunities to improve our knowledge in order to avoid occurrences.



Kaito Fukunaka
CUC Inc.
Anti-harassment Team
Risk Management Support Department
Management Support Division





Hope for Society

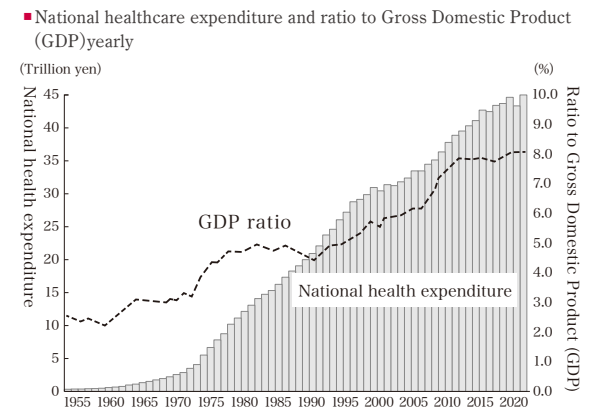
National healthcare expenditure and ratio to Gross Domestic Product(GDP)yearly

Japan's healthcare expenditure has been increasing year after year. Although it temporarily fell by approximately 1.4 trillion yen year-on-year in 2020, partly due to the impact of the COVID-19 pandemic, it increased by approximately 2 trillion yen in the following year, 2021, reaching an all-time high (see graph on the right). Due to the aging of society, medical expenses are estimated to grow to approximately 78 trillion yen by 2040 (*1).

In order to curb these medical costs, there is an urgent need to reduce the number of hospital beds and shift to home healthcare. By shifting those who can be cared for at home from in-patient care to home care, the CUC Group aims to limit the rise of medical and nursing care costs. Through the management support service for medical institutions (*2) and the operation of hospice-type residences and in-home nursing stations, the CUC Group will promote the spread of home healthcare throughout Japan and contribute to curbing social security costs.

*1 Cabinet Secretariat, Cabinet Office, Ministry of Finance, Ministry of Health, Labour, and Welfare. Future Outlook for Social Security Looking Ahead to 2040 (study material) 2018.

*2 We provide management strategy development, business administration support, marketing support, staffing, IT, accounting and general affairs support, and human resources and recruitment support. In addition, we also provide one-time services such as support for opening new clinics, conversion of hospital beds, and M&A/PMI (Post Merger Integration: integration process after business merger) on a one-time fee basis.



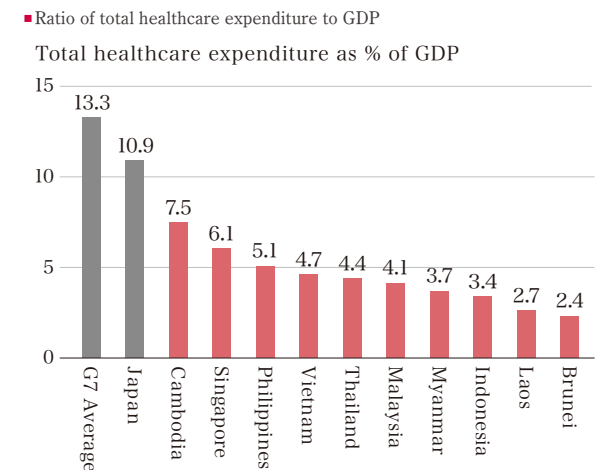
* Ministry of Health, Labour and Welfare · Annual National Medical Expenses vs. Gross Domestic Product Rate 1954-2021

Promoting patient-centered healthcare abroad, creating a world where everyone has access to quality medical care

As populations increase and lifestyles change due to economic growth, cases of lifestyle-related diseases such as diabetes increase, and greater health awareness and medical care becomes necessary. However, public healthcare spendings in Southeast Asian countries are lower than that of developed countries, with healthcare spending as a percentage of Gross Domestic Product (GDP) averaging 4.4% in 2020, compared to 13.3% in the major developed countries (G7 member countries). The healthcare systems in each country are far from adequate, and there is a lack of high-quality healthcare services. In response to this situation, CUC is expanding overseas in order to provide high-quality, patient-oriented healthcare cultivated in Japan, one of the world's leading super-aged societies and a country where people have a long and healthy life expectancy*.

Starting with Southeast Asia, we aim to realize our mission of Creating Hope Through Healthcare worldwide.

*World Health Organization. World health statistics 2023.



*World Health Organization. Global Health Expenditure Database Key Statistics 2020. *The G7 average is the average of G7 member countries including Japan.

| CUC HOSPICE

Restoring hope for patients with incurable diseases

Hospice business "ReHOPE" brand relaunch

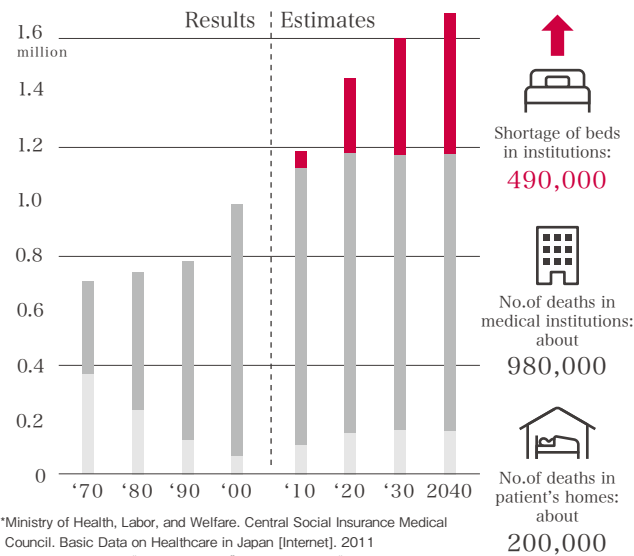


看護と介護でよりそう家
ReHOPE

CUC Hospice relaunched its business brand as ReHOPE in June 2023. This is due to the dire social need for our services in the world. With the advent of a death-ridden society, there is a shortage of places to provide end-of-life care for many people. Those in the terminal stages of cancer and those with neurological incurable diseases, may find it especially hard to be able to receive end-of-life care in appropriate places. Although the number of patients with cancer and incurable diseases in Japan has reached 5.69 million (*), there is a lack of end-of-life care for those who are highly dependent on medical care, and this situation calls for immediate change. Against this backdrop, we decided to change the brand name to reflect our determination to spread hospice services that enable people living with illness to look forward to their lives. We will continue to promote ReHOPE throughout the country.

* The total number of cancer patients is 4.66 million based on the "Summary of Patient Survey (Fixed Number) in 2020" (Ministry of Health, Labour and Welfare) and the number of patients with designated intractable diseases is 1.03 million based on the "FY2020 Health Administration Report" (Ministry of Health, Labour and Welfare).

■ Statistics on the future number of deaths and places of death



*Ministry of Health, Labor, and Welfare, Central Social Insurance Medical Council. Basic Data on Healthcare in Japan [Internet]. 2011
 *Estimates based on " Vital Statistics" until 2007 and " Future Population Projections" after 2008.

Hospice as a place to restore hope, in Japan and around the world

We want to help those who are confused and grieving in the face of serious illnesses so that they and their families are not left alone and can look forward to a better future. To this end, we are expanding our hospice business throughout Japan and the world with the vision, "We will help people to live the way they want to live and create places where they can be hopeful." With this vision, we are expanding our hospice business throughout Japan and the world.

At ReHOPE, our team of highly specialized staff supports and fulfills the wishes of individuals who want to eat what they like, feel the seasons, and spend time with their families and pets. As a leading company in the new end-of-life care field, we will continue to take on new challenges.



CUC Inc,
Corporate Officer
CUC HOSPICE Inc.
President and
Representative Director
Masaaki Inoue

| CUC Home Healthcare Department

Connecting medical corporations, pharmacies, and nursing homes

Polypharmacy Improvement Project

Polypharmacy, a situation in which elderly patients take many medications at the same time, causing adverse events, has long been considered a problem. In addition, as healthcare costs continue to rise in Japan, excessive drug prescribing will lead to further financial strain. Although improving polypharmacy has its benefits, the act of reducing medications leads to patient anxiety, which requires explanation from appropriate medical providers and social awareness.

CUC, in collaboration with the physicians of Heiikukai Medical

Corporation, one of the recipients of our support, launched a project to improve polypharmacy in November 2022 in cooperation with local pharmacies, and nursing homes. This is an initiative in which physicians and pharmacists in charge propose drug reductions and drug modifications to Heiikukai patients who have issues with taking multiple medications. The results of this initiative will be used as a starting point to make similar proposals to many other medical institutions in the future.

*Patient consent was confirmed prior to the project

Aiming to realize better home healthcare through support for drug reduction

The Polypharmacy Improvement Project began as one of CUC's efforts to achieve its goal of better home healthcare. Heiikukai, which has long been concerned about the impact of multiple drug use on the health of patients, its affiliated pharmacies, nursing homes, and CUC worked together as a team on this project to improve the quality of life (QOL) of patients. CUC was responsible for project management and analysis. Looking back on the project period of approximately six months, we have identified trends in the drug reduction process. In the future, we will monitor the prognosis of patients who have reduced their medication, accumulate evidence, and expand the project with other supported medical corporations.



CUC Inc.
Home Healthcare Department
Management Support Division
Muneo Sakuyama

■ Polypharmacy Improvement Project management structure



Overall project design and system development

DATA

Results of efforts at nursing home A

- Number of patients included in the study: **53**
- Number of cases that led to drug reduction: **21**
- Percentage of patients taking more than 5 drugs
71.7% before the project started →
67.9% after the project started

*Total period: December 2022 - March 2023

| CUC Overseas Operations Department

Overseas business initiatives to face global healthcare challenges



Aiming to solve global healthcare issues and spread standardized medical services

In order to become a company that is needed by people around the world, and to solve the unbalanced global demand for medical care, CUC began its overseas expansion in 2019. As the first step, we have expanded into Vietnam and Indonesia.

In Southeast Asia, the medical care delivery system is largely bifurcated into private hospitals for the wealthy and public hospitals run by national, provincial, and other public organizations, and there is a lack of institutions that meet the demand from the middle class. In addition, the rapid increase in the population of patients with lifestyle-related diseases is having an impact, and is assumed to become a major social issue in the near future.

To address these healthcare challenges, we began supporting local medical institutions in Vietnam in December 2019. In Vietnam, we are supporting the medical group Hoan Hao General Hospital in the operation of two general hospitals and one clinic as of July 2023. They are a private medical group that is characterized by providing

reasonable and appropriate-quality medical care. In Indonesia, we began supporting local dialysis operations through a joint venture with a local partner in January 2020; we launched a second joint venture in March 2023.

In addition, as a new challenge for change, we plan to launch a general medical clinic in Ho Chi Minh City, Vietnam, by the end of FY2023 by CUC's subsidiary in Vietnam. In the future, we plan to establish similar clinics mainly in the Ho Chi Minh City area to build a network to support local medical care. In Indonesia, we plan to develop our business in new areas such as ophthalmology and nursing care in addition to the dialysis field.

Our mission is to contribute to the realization of a better society by reducing medical issues that may occur in various parts of the world as foreseen in Japan, a country with an advanced aging population. In order to deliver quality medical care to as many patients as possible, we envision a business model for medical services that will set a new standard.



Takamichi Tanabe
CUC Inc.
Director COO
Head of Overseas Operations Department

Plans to open a local family clinic
"Tokyo Family Clinic" in Vietnam

2023



■ Employees tackling healthcare challenges in Southeast Asia

Overcoming language and value barriers

We want to support the healthcare system for local people

We provide operational support to Hoan Hao General Hospital, a medical group in Vietnam, to provide safe and reliable medical care. For example, we are promoting various initiatives such as renovation of the hospital to create a comfortable treatment space, improvement activities by conducting patient surveys and providing feedback to the staff, and implementation of workplace environment improvement activities such as the Japanese concept of hygiene management and 5S(*). In introducing Japanese-style medical services, what is important to us is to consider what is the best medical care for local people. It is also important to develop the capacity of the Vietnamese staff so that they can become the main actors in the Vietnamese business. I would like to support a good medical system through close communication based on an understanding of the different cultural assumptions.

*Slogans used to maintain and improve the workplace environment; Sort, Systematize, Shine, Standardize, Sustain



Sanako Mihashi
CUC Inc.
Overseas Operations
Department

Contributing to the extension of healthy life expectancy in Vietnam
with the launch of a family clinic

I joined the CUC Group with a desire to develop quality medical care in Vietnam. While demand for medical care is increasing in Vietnam, the medical system remains outdated in many areas, and there is an overconcentration of patients in public hospitals in urban areas. Most of the population tends to prefer large hospitals, which are known for their advanced medical equipment and excellent doctors, and many people have little trust in local private medical institutions and choose not to go to the hospital until their condition worsens. The "Tokyo Family Clinic," which is scheduled to open this year, is a clinic that aims to provide the same quality of medical care provided in Japan in Vietnam. We will implement this while placing importance on the CUC Group's strengths of speed and hands-on approach.



Vu Manh Kha
Change Until Change Healthcare Ltd
Vice Development Director

| CUC Vaccination Support Project

Contributed to the acquisition of mass immunity in Japan

Support for vaccination against COVID-19 infection

Since 2021, CUC has been providing operational support services for vaccination against COVID-19 infection for municipalities and companies. This includes executing comprehensive operational support for safe and secure vaccinations, securing vaccination sites, designing the vaccination process, securing medical supplies and medical institutions to administer the vaccinations, assisting with staff recruitment, and providing human resource management support. Although the scale of support was reduced in May 2023 with the change in the status of COVID-19 under the Infectious Diseases Control Law(*) to a category 5 infectious disease, CUC's ability and know-how to swiftly launch projects in response to society's needs has become a major strength of the company.

*Act on Prevention of Infectious Diseases and Medical Care for Patients Suffering from Infectious Diseases



DATA

■ Number of vaccinations contracted to administer: approx. 3.88 million doses	■ Number of municipalities supported: 22
■ Number of supported companies: 25	■ Number of healthcare workers recruited: more than 8,200

*Total period: June 2021 - March 2023

Things we can do for the future society after experiencing an unprecedented emergency

At the start of the project in 2021, this service was being implemented during a time of intense tension that did not exist in normal times. However, we have gradually established a stable service system as we have supported vaccination programs for many municipalities and companies. We were able to support the provision of a cumulative total of approximately 3.88 million vaccinations over a period of approximately two years because of the efforts of our project members toward our mission to contribute to the acquisition of mass immunity in Japan. We are pleased to have been able to help control the spread of infection in Japan. Although this service is being scaled back in the future, we will continue to contribute to the community and society by leveraging our experience in responding quickly and flexibly to the medical needs of local governments and companies.



Ryutaro Nakajima

CUC Inc.
Project Manager of
Vaccination Support Project

*Name of department as of March 2023.



ESG Initiatives

Materiality and Social Engagement : Identifying Key Sustainability Issues

There are five important themes that we are committed to, in order to Create Hope Through Healthcare. We identify the materiality necessary to realize the management philosophy by comprehensively discussing what is important and the degree to which it is important for society, stakeholders and our company by reference to SASB(*1) and GRI(*2) and other standards. We strive to provide important environmental, social and governance information to society and stakeholders.

*1SASB Standards: Standards for the standardization of non-financial information disclosure led by the Sustainability Accounting Standards Board (SASB) in 2018.

*2GRI Standard: The international standard established by the Global Reporting Initiative (GRI). It is used to report the economic, environmental, and social impact of an organization to the public

From the Director in charge

Within the context of the global transition to a sustainable society we are working to create value in the healthcare area under these materiality themes, and in FY2022 we appointed a director in charge of each of the five items and formulated an ideal action plan for each. As a new initiative, a project team under the direct control of the director has been established to expand the measures already implemented in some group businesses, and study sessions have been held within CUC Partners to solicit ideas from a wide range of employees. Going forward, we plan to promote initiatives based on this action plan throughout the group and report on the progress of each.



Aya Ito
CUC Inc.
Corporate Officer
Sophiamedi Corp.
President and
Representative
Director and CEO

Environment



Environmentally Conscious Management

The global environment and medical care are inseparable, including infectious diseases and natural disasters. We aim to be an environmentally advanced company in healthcare by reducing greenhouse gas emissions, switching to renewable energy, and reducing waste emissions.

Social



Pursuing the Well-Being of Patients and Healthcare Workers

We will pursue an ideal future in which everyone involved in healthcare, including ourselves, can fulfill their individual wishes and live happily. We will provide optimal healthcare so that patients can live their lives as they wish, and healthcare workers can take pride in their work and feel fulfilled in their jobs.

Social



Creation of Sustainable and Innovative Healthcare

We would like to provide medical resources to as many people as possible in a sustainable manner. To address these complex and intertwined issues, we pursue the ideal form of healthcare and create innovative medical services by incorporating new technologies and ways of thinking, based on outside-the-box thinking.

Social



Providing Safe and Reliable Medical Care

We aim to realize a society in which as many people as possible can live with peace of mind, and we will continue to create the following patient-centered healthcare: to provide safe and secure medical care to patients under any circumstances, and to maintain normal social activities despite new infectious diseases or natural disasters.

Governance



Ensuring Compliance

We will ensure that all directors and employees have a high sense of ethics and responsibility, comply with all rules and regulations including laws, ordinances, social norms and corporate ethics, and practice proper corporate governance to ensure that they act in a compliance-conscious manner.

Environmental Data

Greenhouse Gas (GHG) Emissions ^{*1}	FYE Mar. 2023
Scope 1 (t-CO2) (Direct emissions from combustion, etc.)	644.6
Scope 2 (t-CO2) (Indirect emissions from purchased electricity) ^{*2}	2,272.8

*1 Data on a consolidated basis for CUC, CUC Hospice and Sophiamedia Corp. for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023). Includes lighting, outside air conditioning units, and dedicated power outlets.

*2 Calculated on a market basis. Note that emissions on a location basis are 2,032.4 (t-CO2). (FY Mar.2023)

Electricity consumption (kwh) ^{*3}	FYE Mar. 2023
Electricity consumption (kwh) ^{*3}	4,693,902

*3 Data on a consolidated basis for CUC, CUC Hospice and Sophiamedia Corp. for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023). Includes lighting, outside air conditioning units, and dedicated power outlets.

People Data and Scorecard

HR-related Data		CUC Inc.				CUC HOSPICE Inc.				Sophiamedia Corp.				
		FY22		FY21		FY22		FY21		FY22		FY21		
Number/ Percentage of Employees	Total	423		374		813		585		1,370		1,324		
	Male	257	60.8%	225	60.2%	180	22.1%	109	18.6%	425	31.0%	398	30.1%	
	Female	166	39.2%	149	39.8%	633	77.9%	476	81.4%	945	69.0%	926	69.9%	
	Management position	Total	99		74		74		61		119		91	
		Male	87	87.9%	63	85.1%	29	39.2%	22	36.1%	47	39.5%	29	31.9%
		Female	12	12.1%	11	14.9%	45	60.8%	39	63.9%	72	60.5%	62	68.1%
	Management position	Total	324		300		739		524		1,251		1,233	
		Male	170	52.5%	162	54.0%	151	20.4%	87	16.6%	378	30.2%	369	29.9%
		Female	154	47.5%	138	46.0%	588	79.6%	437	83.4%	873	69.8%	864	70.1%
Number/ Percentage of Employees (temporary employees)	Total	30		30		144		134		228		121		
	Male	4	13.3%	6	20.0%	18	12.5%	17	12.7%	24	10.5%	16	13.2%	
	Female	26	86.7%	24	80.0%	126	87.5%	117	87.3%	204	89.5%	105	86.8%	
Average age of employees	Total	38.2		36.5		42.9		43.7		37.1		36.6		
	Male	40.1		38.4		38.9		38.8		36.6		36.2		
	Female	35.4		34.2		44.0		44.8		37.3		36.7		

			CUC Inc.				CUC HOSPICE Inc.				Sophiamedi Corp.			
			FY22		FY21		FY22		FY21		FY22		FY21	
Number and Percentage of Employees by Age Group (Male/female ratio to the total)	Under 30's	Total	100		104		119		82		317		360	
		Male	37	37.0%	45	43.3%	33	27.7%	18	22.0%	85	26.8%	87	24.2%
		Female	63	63.0%	59	56.7%	86	72.3%	64	78.0%	232	73.2%	273	75.8%
	30's	Total	152		141		210		139		612		544	
		Male	99	65.1%	91	64.5%	72	34.3%	49	35.3%	225	36.8%	197	36.2%
		Female	53	34.9%	50	35.5%	138	65.7%	90	64.7%	387	63.2%	347	63.8%
	40's	Total	111		90		237		161		309		301	
		Male	78	70.3%	60	66.7%	53	22.4%	27	16.8%	87	28.2%	93	30.9%
		Female	33	29.7%	30	33.3%	184	77.6%	134	83.2%	222	71.8%	208	69.1%
	50's	Total	56		36		220		173		117		106	
		Male	41	73.2%	27	75.0%	23	10.5%	15	8.7%	26	22.2%	20	18.9%
		Female	15	26.8%	9	25.0%	197	89.5%	158	91.3%	91	77.8%	86	81.1%
	Over 60's	Total	4		3		27		30		15		13	
		Male	2	50.0%	2	66.7%	1	3.7%	0	0.0%	3	20.0%	1	7.7%
		Female	2	50.0%	1	33.3%	26	96.3%	30	100.0%	12	80.0%	12	92.3%
Retirement Rate (employee)	Total	14.9%		15.4%		23.0%		24.6%		14.8%		14.4%		
	Male	18.2%		17.7%		17.5%		20.0%		13.3%		11.2%		
	Female	9.9%		11.3%		24.2%		25.6%		15.5%		15.9%		
Number/ Percentage of New Hires (employee)	New Graduates	Total	17		15		0		0		0		2	
		Male	6	35.3%	5	33.3%	0		0		0		0	0.0%
		Female	11	64.7%	10	66.7%	0		0		0		2	100.0%
	Mid-career Hires	Total	137		90		421		293		393		494	
		Male	100	74.2%	59	65.6%	93	22.1%	59	20.1%	103	26.2%	127	25.7%
		Female	37	25.8%	31	34.4%	328	77.9%	234	79.9%	290	73.8%	367	74.3%

			CUC Inc.		CUC HOSPICE Inc.		Sophiamedi Corp.	
			FY22	FY21	FY22	FY21	FY22	FY21
Average Working Hours per Employee per Annum			1,982	2,048	1,933	1,993	2,040	2,075
Year-on-Year Working Hours ^{*1}			96.8%	97.9%	97.0%	97.8%	98.3%	101.0%
Average Monthly Overtime Hours			20.7	26.0	5.8	6.1	14.5	17.1
Average Paid Vacation Usage Rate			68.4%	61.8%	68.1%	57.3%	71.6%	62.7%
Acquisition Rate of Childcare Leave	Male		21.4%	14.0%	75.0%	33.0%	61.3% ^{*4}	25.0% ^{*4}
	Female		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Return-to-work Rate after Childcare Leave	Male		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Female		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gender Pay Gap ^{*2}	All Workers	Male	6,808,000yen		4,651,000yen		4,764,000yen	
		Female	4,569,000yen		4,317,000yen		4,468,000yen	
		Ratio	67.1%		92.8%		93.8%	
	Permanent Worker	Male	6,935,000yen		4,993,000yen		5,012,000yen	
		Female	4,660,000yen		4,783,000yen		4,686,000yen	
		Ratio	67.2%		95.8%		93.5%	
	Non-fulltime Worker	Male	2,743,000yen		1,547,000yen		3,351,000yen	
		Female	3,314,000yen		2,022,000yen		3,679,000yen	
		Ratio	120.8%		130.7%		109.8%	
Percentage of female managers ^{*3}			12.1%		64.7%		64.6%	

*1 Percentage compared to average working hours of previous year

*2 Calculated from this year

*3 Calculated based on the Law for the Promotion of Women's Activities from this fiscal year

*4 Denominator is calculated based on the number of dependents added. These are provisional figures, and some internal procedures have been changed since FY2023 to more accurately determine the number of employees whose spouses have given birth.

Policy on Corporate Governance

The Group believes that ensuring sound, transparent and efficient management is necessary to realize its mission of Creating Hope Through Healthcare and to continuously increase its corporate value. It considers continuing to strengthen corporate governance to be one of the Group's key management tasks. To achieve this, every effort is made to ensure compliance with laws, regulations and norms. Furthermore, appropriate information sharing and the monitoring of the effectiveness and efficiency of business execution and the decision-making are carried out, primarily by the Board of Directors and the Audit Committee. In addition, M3 Corporation, the Company's largest shareholder, is a controlling shareholder as its shareholding ratio exceeds a majority. The Company endeavors to establish a fair decision-making process to ensure that the interests of minority shareholders are not undermined when conducting transactions with the controlling shareholder.

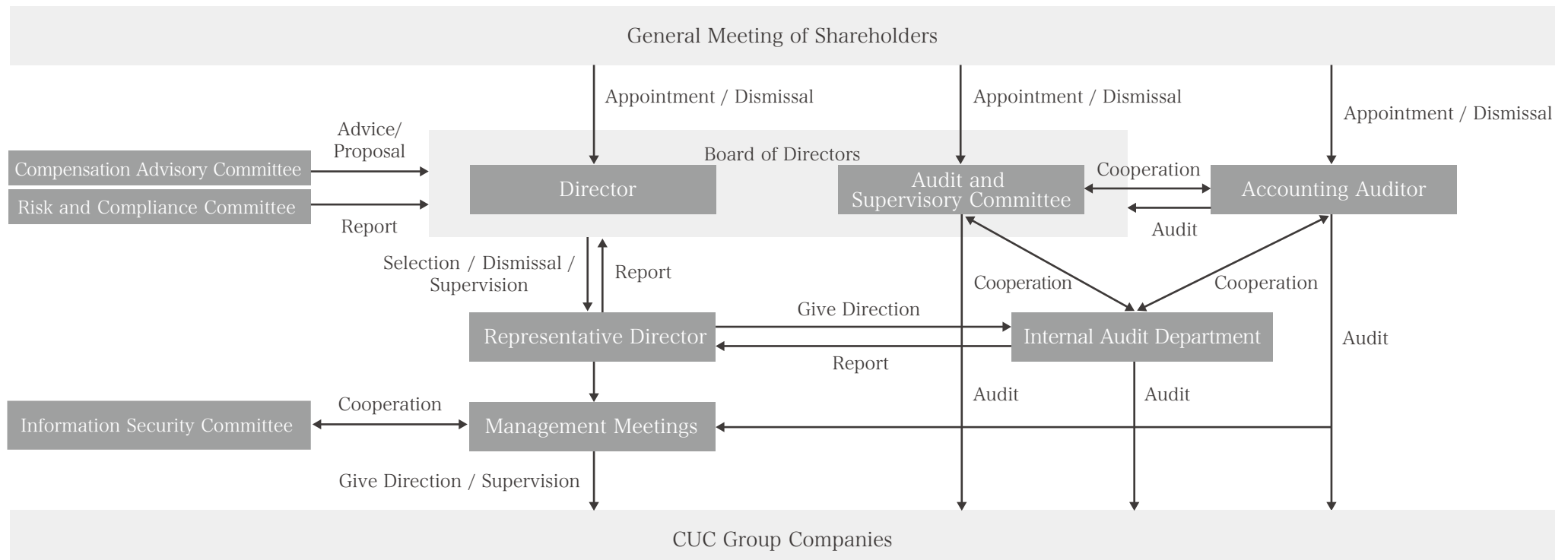
From the Director in charge

The CUC Group aims to Create Hope Through Healthcare through the enhancement of corporate value. In the current fiscal year, we strengthened collaboration among businesses by consolidating the head office functions of group companies into a single location in February, and further fortified our corporate governance structure through our initial listing on the Growth Market of the Tokyo Stock Exchange in June. Furthermore, in order to respond to the recent rapid changes in the business environment and to achieve further growth, CUC has appointed new Corporate Officers. The CUC Group as a whole will continue its efforts to strengthen corporate governance with the aim of implementing transparent, sound, fair, and efficient management.



CUC Inc.
Director CAO
Tomomi Oketani

Governance Framework



Outline of the corporate governance system and reasons for its adoption

The company's adoption of audit-committee system allows the directors to be responsible of auditing and supervising the execution of duties. By giving the Audit Committee members voting rights at Board of Directors meetings, we are strengthening the supervisory function of the Board of Directors and further enhancing corporate governance. Delegating important business execution decisions to the directors further, prompt and flexible management is possible. To ensure that checks and balances in decision-making and monitoring function effectively, the company has adopted a system that emphasizes decision-making at meetings.

In principle, the Board of Directors meets once a month, and extraordinary meetings are held as necessary. The

Board of Directors makes decisions regarding important business operations in accordance with the Board of Directors Regulations and the Rules on Administrative Authority, in addition to matters stipulated by law and the Articles of Incorporation. It also supervises the execution of business by the directors. In addition to regular Audit Committee meetings, which are held once a month in principle, company's Audit Committee holds extraordinary Audit Committee meetings as necessary. The Audit Committee works closely with the internal audit and accounting auditors by exchanging information and opinions as needed, as well as by holding regular three-way meetings to improve audit functions.

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 & Supervisory Board Members)
	Percentage of Female Directors	16.7%
	Percentage of Outside Directors	33.3%
	Term of Office	1 year
Audit and Supervisory Committee Members	Percentage of Outside Directors	66.7%

*As of July 1, 2023

Board of Directors Meetings for FYE March 2023	Number of Meetings	12
	Director Attendance Rate	100.0%
	Audit Committee Member Attendance Rate	100.0%
Audit and Supervisory Committee Meetings for FYE March 2023	Number of Meetings	13
	Attendance Rate	100.0%
Number of Corporate Officers		5
Accounting Auditor		PricewaterhouseCoopers Aarata LLC

役員紹介



Representative Director CEO
Keita Hamaguchi

Founder and
Representative Director,
CUC Inc.



Director COO
Takamichi Tanabe

Joined the company in 2015
Overseeing overseas
management support
business for medical
institutions as Director



Director CAO
Tomomi Oketani

Joined the company in
2015
Overseeing the Group's
administrative divisions as
Director and General
Manager



Director
(Audit Committee Member)
Hirofumi Oba

Corporate Officer, M3,
Inc.



Director
(Audit Committee Member)
Yuki Mitsuvara

Representative of Keep
Moms Smiling (NPO)



Director
(Audit Committee Member)
Ryoichi Yonemura

Former Auditor, Kirin
Company, Limited



Corporate Officer
Aya Ito

Joined Sophiamedi Corp.
in 2019
Appointed as the
President and
Representative Director of
Sophiamedi and CEO in
February 2022



Corporate Officer
Masaaki Inoue

Joined CUC HOSPICE Inc.
in 2022
Appointed President and
Representative Director of
the company in the same
year



Corporate Officer CFO
Jun Hashimoto

Joined the company in 2021
Overseeing the Group's
financial, investment, investor
relations, and public relations
strategies as General Manager
of Corporate Strategy
Department



Corporate Officer
Kenichiro Hori

Joined the company in 2021
Overseeing 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
Overseeing 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," "Multinational Experience,"

"Sustainability," and "Healthcare Experience." The skills matrix is designed to ensure that the Board of Directors is comprised of individuals with appropriate knowledge and experience in these areas.

The knowledge and experience that are important to the Company's Board of Directors will be reviewed from time to time in light of updated management policies and the business environment.

	Representative Director	Director	Director	Director (Audit Committee Member)	Director (Audit Committee Member)	Director (Audit Committee Member)
	Keita Hamaguchi	Takamichi Tanabe	Tomomi Oketani	Hirofumi Oba	Yuki Mitsuhashi	Ryoichi Yonemura
Corporate Leadership	◎	○	○			
Sales & Marketing	○	◎			○	
Finance / Investment	○		○	◎		◎
Human Resources	○	○		○	◎	○
Legal / Governances / Risk Management			◎	○		○
Multinational Experience	○	○	○			○
Sustainability				○	○	
Healthcare Experience	○	○	○	○	○	

Company Information



Company Name	CUC Inc.	Group Companies
Established	August 8, 2014	A&N Inc.
Representative Director	Keita Hamaguchi	CUC i-DATA Inc.
Capital	JPY 6,808 million(*As of June 2023)	CUC FOODS Inc.
Main Business	Management Support Business for medical institutions Hospice Business In-home Nursing Business	CUC PROPERTIES Inc.
Address	15F Tamachi Station Tower N, 3-1-1 Shibaura, Minato-ku, Tokyo 108-0023	CUC HOSPICE Inc.
		Sophiamedi Corp.
		Tsurumi-ekimae Contact Co., Ltd.
		Toseki Research & Development Co., Ltd.
		Nature Inc.
		Medical Pilot Inc.
		You Inc.
		Re-End Inc.
		Wakakusa Contact Co., Ltd.
		CHANGE UNTIL CHANGE HEALTHCARE COMPANY LIMITED
		CHANGE UNTIL CHANGE MANAGEMENT SERVICES JOINT STOCK COMPANY
		CHANGE UNTIL CHANGE MEDICAL SERVICES COMPANY LIMITED
		CHANGE UNTIL CHANGE VIETNAM COMPANY LIMITED
		CUC America Inc.
		CUC SINGAPORE PTE.LTD.
		PT CUC CIPTA HUSADA
		PT GRHAMEDS CUC HEALTHCARE

(As of July 31, 2023)



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Tokyo 108-0023

【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