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Securities code	286A; Tokyo Stock Exchange Growth Section
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### **Notice Regarding Capital and Business Alliance with Hippocratic AI, Inc.**

EUCALIA Inc. (Headquarters: Chiyoda-ku, Tokyo; President and CEO: Hideo Misawa) is pleased to announce that it has resolved to enter into a capital and business alliance with Hippocratic AI, Inc. (Headquarters: Palo Alto, California, USA; CEO and Co-Founder: Munjal Shah; hereinafter referred to as HAI) on April 25, 2025, and as a result of the two companies reaching an agreement on the same day, the share purchase agreement was completed on May 6, 2025 (Japan time).

Please note that this matter is within the scope of the timely disclosure minor standards for "business alliances" set forth by the Tokyo Stock Exchange, Inc., and is disclosed voluntarily, so some items have been omitted.

#### **1. Background and Reasons for the Capital and Business Alliance**

As Japan's population ages rapidly, issues such as an increased burden on healthcare workers, high turnover rates, and a shortage of on-site personnel are becoming more serious. In addition, as work style reforms are implemented, medical institutions in Japan are being asked to create an environment in which on-site healthcare workers can improve the quality of healthcare and efficiently increase patient satisfaction while paying attention to medical safety within their limited working hours.

With the vision of "industrialization of healthcare" and the mission of "realizing the ideal state of healthcare through transformation," EUCALIA aims to achieve a "win-win-win" through the development of each business: "stabilizing the management

of hospitals and nursing care facilities,” “improving the job satisfaction and income of healthcare workers,” and “improving well-being of patients and those requiring care.” In light of this situation, we have offered a variety of solutions to resolve the personnel issues faced by medical institutions, such as rising recruitment costs for healthcare workers, declining competitiveness in recruitment, and early retirement.

HAI was founded in the United States in February 2023 with the mission to close the growing shortage of healthcare workers worldwide and is currently developing large-scale language models (LLMs) in the clinical field and globally deploying the world’s first safety-focused non-diagnostic, patient-facing generative AI healthcare agent. HAI’s cutting-edge healthcare generative AI performs tasks, such as patient appointment scheduling, clinical interviews, and post-discharge follow-up, which are necessary in actual practice, on behalf of clinicians. The quality of responses from HAI’s healthcare generative AI agent, which has already been introduced in the United States, has been verified by over 300 doctors and over 6,000 nurses from top healthcare institutions in the United States, and the error rate is lower than that of human clinicians, and the quality of the dialogue has reached a level that is considerate and meets the needs of patients, achieving a quality that is acceptable in actual settings. Outside the United States, it is being introduced in several countries including Singapore, and versions in Spanish, Vietnamese, Arabic, and other languages have been developed in addition to English.

With HAI’s entry into Japan, EUCALIA has decided to enter into a capital and business alliance with HAI in the hope that the safety-focused healthcare generative AI agent will contribute to improving the efficiency of work in Japan’s medical fields, reducing the burden on clinicians, and promoting work style reform, thereby helping to solve issues in the healthcare industry through healthcare digital transformation, such as improving the management of medical institutions. Specifically, EUCALIA will support the development of a healthcare generative AI agent that can converse in Japanese, including verification and implementation in the healthcare field.

By utilizing EUCALIA’s network to introduce HAI’s healthcare generative AI agents to medical institutions across the country, we hope to improve the overall quality of healthcare in Japan, increase operational efficiency, and provide momentum for the promotion of healthcare digital transformation to achieve these goals.

## **2. Details of the Business Alliance**

### **(1) Content of the Business Alliance**

Through this capital alliance, EUCALIA and HAI will jointly develop a Japanese-language LLM and aim to reduce the burden on clinicians through the development of a patient-facing generative AI agent based on the LLM. In addition, by imagining various situations in which patients will use this generative AI agent at medical institutions, we will create an environment in which better services can be provided to patients.

Specifically, HAI will provide the initial investment required to enter the Japanese market, as well as the technology to develop Japanese-language LLMs and a platform to access generative AI agents for healthcare. EUCALIA will invest USD 1 million (approximately JPY 140 million) to cover the domestic development costs of HAI's healthcare generative AI agents and acquire 40,000 hours of call credits per year, and will provide HAI with anonymized dialogue data between clinicians and patients from healthcare institutions, including EUCALIA's partner medical corporations, to support the development of Japanese-language LLMs and generative AI agents. Once the Japanese-speaking healthcare generative AI agent is up and running, it will begin selling call credits to medical institutions, such as EUCALIA's affiliated medical corporations.

As a partner of HAI that will cooperate with these activities, EUCALIA will invest US\$1 million (approximately JPY 140 million) in HAI's B preferred stock. At the same time, EUCALIA will receive warrants from HAI equivalent to US\$250,000 (approximately JPY 35 million) in development costs, which will enable EUCALIA to convert this into common shares in HAI once a certain amount of anonymized dialogue data between clinicians and patients has been collected. Following this business alliance, the two companies will promptly begin development of a Japanese-language LLM and safety-focused generative AI agents that is suitable for healthcare environments, although the timing of their release has yet to be decided.

With this capital alliance as a turning point, EUCALIA and HAI, as pioneering strategic partners in Japan, will work together even more closely to spread the country's first patient-facing generative AI agent for healthcare use nationwide. For more information on this initiative, please refer to the press release on EUCALIA's corporate website. ([https://eucalia.jp/news/?news\\_category=2](https://eucalia.jp/news/?news_category=2))

## (2) Overview of the Alliance Partner

Item	Details
(1) Name	Hippocratic AI, Inc.
(2) Location	Palo Alto, California, United States
(3) Representative (Title/Name)	Chief Executive Officer & Co-Founder: Munjal Shah
(4) Business Description	Development of large-scale language models (LLM) with an emphasis on safety in the healthcare field and deployment of patient-facing generative AI agents for healthcare use
(5) Capital	USD 278 million
(6) Date of Establishment	February 2023
	Capital: None
(7) Relationship with EUCALIA Inc.	Personnel: None Business: None Related party: None

### [About HAI]

HAI was founded in the United States by CEO and serial entrepreneur Munjal Shah, along with a group of doctors, hospital administrators, healthcare professionals, and artificial intelligence researchers from Johns Hopkins, Stanford, Microsoft, Google, NVIDIA, and other institutions. HAI has developed the world's first safe large-scale language model (LLM) for healthcare and implemented its first healthcare-oriented generative AI agent at a US health system in September 2024. This generative AI agent using LLM enables natural, patient-centered dialogue in real time, helping to build trust between patients and clinicians. With differentiated, advanced technology, HAI is backed by prominent investors such as Andreessen Horowitz, General Catalyst, Kleiner Perkins, and NVentures ([www.HippocraticAI.com](http://www.HippocraticAI.com)).

*(for more information about HAI, please visit at [www.HippocraticAI.com](http://www.HippocraticAI.com))*

## (3) Capital Alliance Details

EUCALIA will subscribe to HAI's Class B preferred shares and acquire 0.069% of the total issued shares.

### **3. Schedule for the Capital and Business Alliance**

<b>Event</b>	<b>Date</b>
Board resolution	April 25, 2025
Agreement signing	April 28, 2025
Business alliance launch	May 2, 2025
Stock purchase agreement	May 6, 2025

### **4. Future Outlook**

The impact of this capital and business alliance on EUCALIA Inc.' s consolidated financial results for the current fiscal year is expected to be minor.

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