

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 15, 2025

Summary of Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: EUCALIA Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 286A
 URL: <http://eucalia.jp/>
 Representative: Hideo Misawa, Representative Director and President
 Inquiries: Kazunari Ogawa, Business Strategy Headquarters General Manager
 Telephone: +81-3-5501-2271
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	4,677	—	356	—	270	—	411	—
March 31, 2024	—	—	—	—	—	—	—	—

(Note) Comprehensive income For the three months ended March 31, 2025: ¥387million [—%]
 For the three months ended March 31, 2024: ¥ —million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	11.62	11.40
March 31, 2024	—	—

(Note) As quarterly consolidated financial statements were not prepared for the first quarter of the fiscal year ended December 31, 2024, the figures for that quarter and the year-on-year percentage changes from the same quarter of the previous year, as well as the year-on-year percentage changes for the first quarter of the fiscal year ending December 31, 2025, have not been provided.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	58,036	19,125	31.3
December 31, 2024	60,148	18,951	29.9

(Reference) Equity
 As of March 31, 2025: ¥18,140 million
 As of December 31, 2024: ¥17,959 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		0.00	—	0.00	0.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes compared to the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	23,721	19.6	2,925	27.6	2,678	(4.4)	2,608	28.7	73.72

* Notes

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

Newly included: 4 companies

(SmartScan Inc.; DIC CO., Ltd.; Gplus Co., Ltd.; and hello scout inc.)

SmartScan Inc., DIC Corporation, and hello scout inc. have been included in the scope of consolidation from this consolidated fiscal year due to a review of their business operations. Gplus Co., Ltd. has been included in the scope of consolidation due to the acquisition of shares on March 31, 2025.

Excluded: — companies (Company name —)

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	37,982,900 shares
As of December 31, 2024	37,982,900 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	2,435,600 shares
As of December 31, 2024	2,606,000 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025	35,432,917 shares
Three months ended March 31, 2024	— shares

(Note) As quarterly consolidated financial statements were not prepared for the first quarter of the fiscal year ended December 31, 2024, the average number of shares outstanding during that period (cumulative from the beginning of the fiscal year) has not been provided.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

Overview of the business performance for the first quarter

Under the vision of “Industrialization of Health Care,” the Group works with all kinds of stakeholders to protect the social infrastructure of medical and nursing care in local communities, while maintaining the continuous growth of the company and increasing corporate value.

During the first quarter of this consolidated cumulative period ended March 31, 2025, the Japanese economy continued a moderate recovery led by domestic demand—particularly personal consumption and capital expenditure.

The medical and nursing care sectors where the Group operates is facing a prolonged severe business environment due to rising prices caused by resource prices and currency fluctuations, rising labor costs due to chronic labor shortages, and the burden of responding to work style reforms, especially doctors. Furthermore, the trend toward expanding wage increases is further increasing the cost burden, and the industry as a whole will continue to face a situation in which trends must be closely monitored going forward.

In this economic environment, the Group has positioned “building partnerships” as one of its basic policies to reinforce its business platform and create value for sustainable growth and is advancing the initiatives outlined below.

1. Strengthening the development of the Total Medical Management Support Business

The Group began affiliations with two additional hospitals and acquired shares of Supernurse Co., Ltd., a company engaged in nurse placement and dispatch services, making it an equity method affiliate. With these efforts, we will establish a flexible and agile staffing framework to address one of the most pressing issues in the medical and nursing care fields—staff shortages—and further enhance our support functions.

In addition, at the Board of Directors meeting held on April 25, 2025, the Company resolved to acquire all shares of ZEROMEDICAL, INC., which excels in marketing and sales support mainly for the medical and nursing care sectors and made it a wholly owned subsidiary. ZEROMEDICAL provides highly specialized support services to medical institutions and nursing care facilities, and its integration is expected to accelerate the Group’s acquisition of new customers, strengthen patient attraction capabilities at affiliated hospitals, and increase the number of residents at senior care facilities.

2. Expanding service domains in the Senior Related Business

-i-life Inc. (a consolidated subsidiary), which operates a placement and referral service for fee based- elderly care homes, promotes a senior life support business. Aiming to expand this business domain and upgrade its services, the Company acquired all shares of Gplus Co., Ltd., which engages in the real- estate- business, and welcomed them into our Group. This will enable us to deliver more comprehensive and effective services, including housing support.

In addition, KURACI Co., Ltd. (a consolidated subsidiary), which operates nursing care facilities, acquired a serviced senior housing facility and day service business from JALUX TRUST Inc. as of April 1, 2025. Leveraging this opportunity, we will build a community-based integrated care model in collaboration with the medical institutions we support and establish a community-based support system with an eye toward horizontal expansion to other regions.

3. Pursuing growth investments and strategic M&A

To secure a foundation for future business growth, we continue to strengthen our organization through aggressive recruitment and to promote system development that improves operational efficiency at medical institutions. At the same time, we will continue to undertake strategic M&A with the aim of maximizing corporate value, creating synergies and enhancing our competitiveness across the Group.

As a result, the consolidated performance for the first quarter cumulative period ended March 31, 2025, is as follows: net sales amounted to 4,677,704 thousand yen, operating profit 356,498 thousand yen, ordinary profit 270,539 thousand yen, and profit attributable to owners of parent 411,778 thousand yen. Since the Group has been preparing quarterly consolidated financial statements only from the current first quarter consolidated cumulative period, no comparative analysis with the same period of the previous fiscal year is presented.

Segment Information

(1) Total Medical Management Support Business

In this segment, revenue remained stable, underpinned by the continued support provided to affiliated hospitals and steady consulting engagements from non-affiliated hospitals. In addition, to further reinforce our management support framework, we continued proactive recruitment, resulting in higher upfront expenses—primarily personnel costs. Although affiliation with two new hospitals began, their earnings contribution is expected from the second quarter onward.

As a result, net sales were 1,284,085 thousand yen and segment profit 400,942 thousand yen.

(2) Senior Related Business

In this segment, both the nursing care facility placement and referral services as well as the nursing care facility operation services recorded steady sales. Following the previous fiscal year, we continued hiring placement counselors to strengthen consultation capabilities and boost the number of placements. In the operation services, aiming to improve profitability, we pursued cost optimization while making strategic investments in promotional expenses to raise occupancy rate.

As a result, net sales were 1,734,112 thousand yen and segment profit 87,828 thousand yen.

(3) Advanced Medical Equipment Business

In this segment, we sustained brisk sales of flagship clear lens products in the core contact lens business with the launch of new items.

As a result, net sales were 1,560,062 thousand yen and segment profit 153,018 thousand yen.

(4) Other Businesses

In this segment, we carried out proactive sales initiatives aimed at increasing orders from pharmaceutical companies in the areas of treatment progress data analysis and sales activity support services. In the preventive medicine field centered on brain dock screening, we worked to raise the utilization rate of high-end medical equipment such as MRI scanners, which are often unused, as well as to contribute to the prediction and prevention of brain diseases through the analysis of the examination data accumulated there.

As a result, net sales were 99,445 thousand yen and segment profit 12,298 thousand yen.

Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	11,168,782	8,150,121
Notes and accounts receivable - trade	3,382,738	3,304,342
Merchandise	983,633	1,232,616
Work in process	15,091	15,704
Raw materials and supplies	348,147	344,576
Other	8,249,092	8,732,687
Allowance for doubtful accounts	(8,556)	(10,365)
Total current assets	24,138,928	21,769,682
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,675,690	11,122,464
Land	15,363,932	15,366,786
Leased assets, net	5,779,116	5,714,407
Other, net	459,328	175,566
Total property, plant and equipment	32,278,067	32,379,225
Intangible assets		
Goodwill	841,646	826,739
Other	513,509	502,911
Total intangible assets	1,355,155	1,329,651
Investments and other assets		
Other	2,382,809	2,564,245
Allowance for doubtful accounts	(6,591)	(6,172)
Total investments and other assets	2,376,218	2,558,073
Total non-current assets	36,009,440	36,266,949
Total assets	60,148,369	58,036,632

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,397,988	1,695,714
Short-term borrowings	1,664,583	1,666,458
Current portion of long-term borrowings	3,728,484	3,697,403
Lease liabilities	293,187	296,972
Income taxes payable	886,792	38,050
Provision for bonuses	346,424	154,020
Provision for shareholder benefit program	4,540	—
Asset retirement obligations	—	1,463
Other	2,504,996	2,357,707
Total current liabilities	11,826,997	9,907,790
Non-current liabilities		
Long-term borrowings	14,800,486	14,477,262
Provision for repairs	27,371	33,353
Lease liabilities	6,730,275	6,675,501
Asset retirement obligations	700,146	701,780
Guarantee deposits received	7,002,532	7,038,653
Other	109,347	76,669
Total non-current liabilities	29,370,160	29,003,220
Total liabilities	41,197,157	38,911,010
Net assets		
Shareholders' equity		
Share capital	2,022,558	100,000
Capital surplus	6,905,374	8,878,472
Retained earnings	9,527,939	9,655,254
Treasury shares	(589,066)	(550,556)
Total shareholders' equity	17,866,805	18,083,170
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2,660)	(3,640)
Deferred gains or losses on hedges	109,645	70,181
Foreign currency translation adjustment	(13,848)	(9,366)
Total accumulated other comprehensive income	93,136	57,173
Non-controlling interests	991,270	985,277
Total net assets	18,951,212	19,125,621
Total liabilities and net assets	60,148,369	58,036,632

(2) Quarterly Consolidated statements of income and Consolidated statements of comprehensive income**Consolidated statement of income**

(Thousands of yen)

	Three months ended March 31, 2025
Net sales	4,677,704
Cost of sales	2,616,349
Gross profit	2,061,355
Selling, general and administrative expenses	1,704,856
Operating profit	356,498
Non-operating income	
Interest income	8,967
Other	9,091
Total non-operating income	18,058
Non-operating expenses	
Interest expenses	81,976
Other	22,040
Total non-operating expenses	104,017
Ordinary profit	270,539
Extraordinary income	
Gain on sale of non-current assets	111,103
Gain on forgiveness of debts	138,172
Total extraordinary income	249,276
Extraordinary losses	
Other	440
Total extraordinary losses	440
Profit before income taxes	519,375
Income taxes - current	20,792
Income taxes - deferred	49,551
Total income taxes	70,343
Profit	449,031
Profit attributable to non-controlling interests	37,252
Profit attributable to owners of parent	411,778

Quarterly Consolidated statements of comprehensive income

(Thousands of yen)

	Three months ended March 31, 2025
Profit	449,031
Other comprehensive income	
Valuation difference on available-for-sale securities	(980)
Deferred gains or losses on hedges	(68,065)
Foreign currency translation adjustment	7,085
Total other comprehensive income	(61,960)
Comprehensive income	387,071
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	375,815
Comprehensive income attributable to non-controlling interests	11,255