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August 14, 2025

Summary of Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 286A
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 Scheduled date to file semi-annual securities report: August 14, 2025
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	10,520	11.7	1,134	6.9	981	(40.2)	823	(25.4)
June 30, 2024	9,415	—	1,061	—	1,639	—	1,104	—

(Note) Comprehensive income For the six months ended June 30, 2025: ¥770 million [(44.6) %]
 For the six months ended June 30, 2024: ¥1,390 million [— %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	23.20	22.75
June 30, 2024	35.44	—

(Note)

- The year-on-year change percentage for the six months ended June 30, 2024 is not presented, as the Company did not prepare semi-annual consolidated financial statements for the six months ended June 30, 2023.
- The Company conducted a 400-for-1 stock split of common stock on September 1, 2024. Accordingly, basic earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.
- Diluted earnings per share for the six months ended June 30, 2024 is not presented because, although there were potential shares, the Company's shares were not listed, and the average stock price during the period cannot be determined.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	61,219	19,740	30.3
December 31, 2024	60,148	18,951	29.9

(Reference) Equity

As of June 30, 2025: ¥18,555 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	—	0.00			
Fiscal year ending December 31, 2025 (Forecast)			—	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

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

*** Notes**

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

Newly included: 7 companies

(SmartScan Inc., DIC Co., Ltd., hello scout inc., Gplus Co., Ltd., ReMedica Inc., ZEROMEDICAL, INC., Medistep Inc.)

Excluded: —

(Note) SmartScan Inc., DIC Co., Ltd., and hello scout inc. have been included in the scope of consolidation during the period due to a review of their business operations. In addition, Gplus Co., Ltd., ZEROMEDICAL, INC., and Medistep Inc., which were acquired during the interim period, as well as ReMedica Inc., which was newly established, have been included in the scope of consolidation.

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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 June 30, 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 June 30, 2025	2,374,800 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)

Six months ended June 30, 2025	35,494,119 shares
Six months ended June 30, 2024	31,173,903 shares

(Note) The Company conducted a 400-for-1 stock split of common stock on September 1, 2024. Accordingly, average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Explanation for the appropriate use of performance forecasts and other special notes:

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 second quarter

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

During the interim consolidated accounting period, the Japanese economy continued a moderate recovery on the back of improving employment and income conditions. At the same time, downside risks—such as the impact of U.S. trade policy and prolonged inflation that could weigh on consumer sentiment—remained, leaving the outlook uncertain.

In the medical and nursing care sectors where the Group operates, rising prices stemming from resource prices and currency fluctuations, higher personnel expenses due to chronic labor shortages, and the burden of complying with workstyle reforms—especially for physicians—continued to prolong a severe operating environment. 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 we must continue to closely monitor trends.

In this environment, the Group positioned “building partnerships” as one of its basic policies to reinforce its business platform and create value, and promoted the following initiatives.

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

The Company acquired all shares of ZEROMEDICAL, INC., making it a wholly owned subsidiary. ZEROMEDICAL provides highly specialized support services primarily to medical institutions and nursing-care facilities. The Group is strengthening collaboration to accelerate new customer acquisition, strengthen patient attraction at affiliated medical corporations, and increase the number of residents at senior facilities.

At the meeting of the Board of Directors held on June 5, 2025, the Company also resolved to acquire shares of Epigno Corporation effective July 1. Epigno provides DX solutions in the HR-tech domain dedicated to the medical and nursing-care industries, including “Epital HR,” which visualizes staff skills and motivation, and “Epitaku,” an AI-driven workload coordination tool, to more than 10,000 medical and nursing-care providers nationwide. Through this, the Group will further strengthen efforts to address recruitment difficulties, appropriate placement, and workstyle reforms at care sites.

2. Expanding service domains in the Senior Related Business

During the period, the Company acquired shares of Medistep Inc., which operates a home-visit nursing business, and made it a consolidated subsidiary. i-life Inc., a consolidated subsidiary of the Company, is collaborating with Gplus Inc., which joined the Group at the end of the first quarter, to provide one-stop support ranging from the selection of residences and facilities to care consultation and asset sales/management. With Medistep Inc. newly providing in-home nursing and care management services, the Group is strengthening a comprehensive support structure for seniors’ living environments.

3. Promoting growth investment and strategic M&A

As a foundation for future business growth, the Group is reinforcing its organization through proactive recruitment and promoting system development that contributes to operational efficiency in medical settings. In parallel, the Group continues to pursue strategic M&A aimed at maximizing corporate value, creating synergies across the Group, and enhancing competitiveness.

4. Business alliance

At the Board meeting held on July 15, 2025, the Company resolved to enter into a strategic business alliance with TSUNAGU GROUP HOLDINGS Inc., and began collaboration on August 1. To address HR-related social issues in the medical and nursing-care industries—such as labor shortages, recruitment difficulties, and early attrition—the Group will work to generate synergies by expanding solutions and establishing new services.

As a result, for the interim consolidated accounting period, net sales were 10,520,969 thousand yen (up 11.7% year on year), operating profit 1,134,716 thousand yen (up 6.9%), ordinary profit 981,021 thousand yen (down 40.2%), and profit attributable to owners of parent 823,612 thousand yen (down 25.4%).

Segment Information

(1) Total Medical Management Support Business

Following the expansion of lending limits by the Welfare and Medical Service Agency (WAM), some counterparties postponed consideration of management improvement measures. While negotiations with multiple medical corporations are ongoing, the number of affiliated medical corporations remained flat as of the end of the second quarter. However, alongside continued support for existing affiliates, full-scale support commenced for the two hospitals newly affiliated at the end of the first quarter, expanding the recurring revenue base. In consulting services to non-affiliated medical corporations, the segment won several large projects—including multiple contracts with very large hospitals with over 500 beds and an engagement with a core public hospital—with revenue recognition expected sequentially from the third quarter. Meanwhile, the timing of revenue recognition for certain transactions shifted to subsequent quarters, causing a slight downward impact on current-period revenue; however, overall revenue remained generally stable.

The segment also continued proactive hiring and executed investments to expand its scope—such as co-developing a Japanese-language conversational generative-AI healthcare agent specialized in non-clinical, patient-facing tasks together with Hippocratic AI, Inc., and launching BPO services for hospitals to address chronic staffing shortages—resulting in higher up-front expenses mainly for personnel and DX-related items. Although ZEROMEDICAL, INC. became a wholly owned subsidiary during the period, its contribution to results for the interim consolidated accounting period will be limited.

As noted in the Segment Information, expenses related to the joint development with Hippocratic AI are currently classified as a company-wide new business and included in the adjustment to segment profit. As a result, net sales were 3,059,247 thousand yen (up 1.9% year on year) and segment profit 1,299,983 thousand yen (up 6.4%).

(2) Senior Related Business

Both the placement/referral and operations sub-segments posted steady sales. In the placement/referral business, the segment continued new hiring of placement consultants, working to enhance consultation capacity and increase the number of move-ins.

In the operations business, the Company transferred in a serviced senior housing facility and a day service business from JALUX TRUST effective April 1, 2025, and began recognizing revenue from the interim consolidated period. The segment is currently in the PMI, post merger integration, phase and is executing strategic investments in stages to generate synergies—such as refreshing operating structures, promoting digitalization, and integrating back-office functions. Although rising personnel costs and inflation are pushing up operating costs across all facilities, in order to absorb these structural cost increases while improving profitability, the segment is optimizing operating costs while investing in initiatives to raise occupancy. Excluding the two newly acquired homes in 2024 and 2025—KURACI Familia-Nishishinjuku and Solcias-Sakura—the occupancy rate at the 11 existing homes was 92.9%, maintaining a solid upward trend. For KURACI Familia-Nishishinjuku (operations commenced April 1, 2024), the number of residents and the operating rate have been increasing as planned, although it is expected to take some additional time to exceed the break-even point. In addition, because the segment focused more intensively on increasing the number of residents in the first half, referral fees (expenses) rose significantly, resulting in a temporary year-on-year decline in segment profit.

In the placement/referral business, the number of placements in the second quarter increased 5.3% year on year, falling short of the initially assumed 10–15% pace since it is taking longer than expected for newly hired staff to become effective; however, based on typical seasonal patterns, the number of placements is expected to increase toward the fourth quarter. In real-estate-related services, procurement of properties is proceeding smoothly, but because a certain amount of time is required from procurement to sale, contribution to results in the current interim period is limited.

Also, while Medistep Inc. became a consolidated subsidiary during the period, its contribution to results for the interim consolidated accounting period will be limited.

As a result, net sales were 3,690,749 thousand yen (up 11.8% year on year) and segment profit 187,401 thousand yen (down 38.4%).

(3) Advanced Medical Equipment Business

In the core contact lens business, brisk sales of flagship clear-lens products continued, and the segment also transferred in a color contact lens sales business, sustaining growth. As a result, net sales were 3,551,502 thousand yen (up 14.9% year on year) and segment profit 275,972 thousand yen (up 51.3%).

(4) Other Businesses

In treatment-course data analysis and sales support services for pharmaceutical companies, the segment carried out active sales activities aimed at expanding orders from pharmaceutical companies, leading to the award of a large project, a portion of which was recognized in the second quarter.

In preventive medicine centered on brain dock screening, the segment worked to raise utilization rates of high-end medical equipment such as MRI during underutilized hours and to promote initiatives contributing to the prediction and prevention of brain diseases through analysis of accumulated exam data. During the period, the number of brain dock exams increased steadily as services were introduced at multiple major corporations, and the segment also launched a new service that uses AI to analyze brain MRI images of examinees and provide a report assessing brain health, thereby expanding the lineup in line with user needs.

As a result, net sales were 219,469 thousand yen (up 937.7% year on year) and segment profit 41,055 thousand yen (compared with a 87,103 thousand yen loss in the prior-year period).

Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	11,168,782	8,198,516
Notes and accounts receivable - trade	3,382,738	3,765,672
Securities	—	500,018
Merchandise	983,633	1,386,475
Work in process	15,091	27,116
Raw materials and supplies	348,147	338,015
Other	8,249,092	8,764,894
Allowance for doubtful accounts	(8,556)	(15,742)
Total current assets	24,138,928	22,964,967
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,675,690	11,175,545
Land	15,363,932	15,632,017
Leased assets, net	5,779,116	5,649,698
Other, net	459,328	190,989
Total property, plant and equipment	32,278,067	32,648,251
Intangible assets		
Goodwill	841,646	1,942,074
Other	513,509	525,644
Total intangible assets	1,355,155	2,467,719
Investments and other assets		
Other	2,382,809	3,146,219
Allowance for doubtful accounts	(6,591)	(7,510)
Total investments and other assets	2,376,218	3,138,708
Total non-current assets	36,009,440	38,254,678
Total assets	60,148,369	61,219,646

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,397,988	1,850,513
Short-term borrowings	1,664,583	3,310,333
Current portion of long-term borrowings	3,728,484	1,713,148
Income taxes payable	886,792	363,840
Provision for bonuses	346,424	304,161
Provision for shareholder benefit program	4,540	—
Asset retirement obligations	—	1,463
Other	2,798,184	2,979,580
Total current liabilities	11,826,997	10,523,040
Non-current liabilities		
Bonds payable	—	170,000
Long-term borrowings	14,800,486	16,315,430
Provision for repairs	27,371	39,335
Lease liabilities	6,730,275	6,620,319
Asset retirement obligations	700,146	742,198
Guarantee deposits received	7,002,532	6,990,643
Other	109,347	77,895
Total non-current liabilities	29,370,160	30,955,822
Total liabilities	41,197,157	41,478,863
Net assets		
Shareholders' equity		
Share capital	2,022,558	100,000
Capital surplus	6,905,374	8,904,875
Retained earnings	9,527,939	10,067,087
Treasury shares	(589,066)	(536,815)
Total shareholders' equity	17,866,805	18,535,147
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2,660)	(3,300)
Deferred gains or losses on hedges	109,645	39,074
Foreign currency translation adjustment	(13,848)	(15,312)
Total accumulated other comprehensive income	93,136	20,461
Non-controlling interests	991,270	1,185,173
Total net assets	18,951,212	19,740,782
Total liabilities and net assets	60,148,369	61,219,646

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

Consolidated statement of income

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	9,415,568	10,520,969
Cost of sales	5,279,731	5,769,824
Gross profit	4,135,836	4,751,144
Selling, general and administrative expenses	3,074,320	3,616,427
Operating profit	1,061,516	1,134,716
Non-operating income		
Interest income	10,297	15,633
Gain on sale of securities	1,566	—
Reversal of allowance for doubtful accounts	530,025	281
Other	166,727	23,999
Total non-operating income	708,616	39,914
Non-operating expenses		
Interest expenses	123,732	165,330
Other	6,995	28,279
Total non-operating expenses	130,728	193,609
Ordinary profit	1,639,404	981,021
Extraordinary income		
Gain on sale of non-current assets	13,334	111,103
Gain on sale of shares of subsidiaries and associates	55,557	—
Gain on forgiveness of debts	—	138,172
Total extraordinary income	68,892	249,276
Extraordinary losses		
Loss on sale of non-current assets	—	13,608
Other	209	779
Total extraordinary losses	209	14,387
Profit before income taxes	1,708,087	1,215,910
Income taxes - current	530,789	359,787
Income taxes - deferred	31,071	(31,323)
Total income taxes	561,860	328,463
Profit	1,146,226	887,447
Profit attributable to non-controlling interests	41,518	63,835
Profit attributable to owners of parent	1,104,707	823,612

Quarterly Consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	1,146,226	887,447
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,500)	(640)
Deferred gains or losses on hedges	256,383	(113,473)
Foreign currency translation adjustment	(7,714)	(2,807)
Total other comprehensive income	244,168	(116,920)
Comprehensive income	1,390,394	770,526
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,265,161	750,937
Comprehensive income attributable to non-controlling interests	125,233	19,589

(4) Consolidated statement of cash flows

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,708,087	1,215,910
Depreciation	436,979	469,745
Amortization of goodwill	69,857	75,552
Loss (gain) on sale of shares of subsidiaries and associates	(55,557)	—
Increase (decrease) in allowance for doubtful accounts	(489,799)	(173)
Interest and dividend income	(10,298)	(15,634)
Interest expenses	224,647	297,731
Loss (gain) on sale of property, plant and equipment	(13,334)	(111,103)
Gain on forgiveness of debts	—	(138,172)
Decrease (increase) in trade receivables	166,081	(30,948)
Decrease (increase) in inventories	171,942	(97,460)
Decrease (increase) in operating loans receivable	(1,228,471)	(861,683)
Decrease (increase) in investments in leases	(22,572)	30,105
Increase (decrease) in trade payables	8,332	(562,045)
Increase (decrease) in accounts payable - other	199,177	(456,034)
Increase (decrease) in guarantee deposits received	181,459	(14,942)
Other	(194,481)	(282,677)
Subtotal	1,152,047	(481,831)
Interest and dividends received	1,852	15,018
Interest paid	(228,651)	(296,442)
Income taxes paid	(506,329)	(884,976)
Net cash provided by (used in) operating activities	418,919	(1,648,231)
Cash flows from investing activities		
Purchase of securities	—	(500,030)
Purchase of property, plant and equipment	(477,310)	(323,738)
Proceeds from sale of property, plant and equipment	95,745	—
Payments for acquisition of businesses	—	(199,220)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(728,755)
Purchase of investment securities	—	(649,042)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,452	—
Purchase of shares of subsidiaries	(367,010)	—
Proceeds from collection of long-term loans receivable	492,230	180
Payments of leasehold and guarantee deposits	(147,433)	(3,940)
Other	74,517	(4,166)
Net cash provided by (used in) investing activities	(325,808)	(2,408,713)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	930,833	1,598,749
Proceeds from long-term borrowings	127,700	1,288,000
Repayments of long-term borrowings	(821,429)	(1,997,660)
Repayments of lease liabilities	(107,810)	(110,310)
Dividends paid to non-controlling interests	(32,099)	(44,704)
Proceeds from sale of treasury shares	1,139,867	122,073
Net cash provided by (used in) financing activities	1,237,061	856,148
Effect of exchange rate change on cash and cash equivalents	27,586	(14,117)
Net increase (decrease) in cash and cash equivalents	1,357,759	(3,214,914)
Cash and cash equivalents at beginning of period	6,698,468	11,139,798
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	244,227
Cash and cash equivalents at end of period	8,056,227	8,169,112