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Securities code 286A; Tokyo Stock Exchange Growth Section

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(Update) Notice Regarding the Launch of the Recruitment Operations Reform Project for Medical Corporation Suijinkai, a Joint Project under the Strategic Business Alliance with TSUNAGU GROUP HOLDINGS Inc.

EUCALIA Inc. (Head Office: Chiyoda-ku, Tokyo, Representative Director: Hideo Misawa: "EUCALIA") and TSUNAGU GROUP HOLDINGS Inc. (Head Office: Chuo-ku, Tokyo; Representative Director: Mitsuhiro Yoneda; "TSUNAGU GROUP") hereby announce the launch of a Recruitment Operations Reform Project ("this Project") on August 1, 2025.

This marks the first joint project under the strategic business alliance agreement stated in the "Notice Regarding Business Alliance with TSUNAGU GROUP HOLDINGS Inc." dated July 15, 2025. The project will be implemented at three facilities operated by Medical Corporation Suijinkai (Location: Izumiotsu-shi, Osaka; Chairperson: Mariko Hara), a partner medical corporation of EUCALIA: Hara Hospital (Izumiotsu-shi, Osaka), Seiyu Hospital (Tadaoka-cho, Senboku-gun, Osaka), and the nursing care health facility Azalea (Izumiotsu-shi, Osaka).

1. Overview of this Project

This Project aims to solve the shared structural challenges in the medical and nursing care industries: a chronic shortage of personnel and a lack of recruitment know-how accumulation. EUCALIA and the TSUNAGU GROUP will jointly provide comprehensive support to solve the issue of "urgent recruitment" faced by Medical Corporation Suijinkai. This support ranges comprehensively from recruitment assessment to RPO (Recruitment Process Outsourcing) and PMO (Project Management Office: strategic implementation support).

2. Challenges at the Target Medical Corporation

Medical Corporation Suijinkai, the subject of this Project, faced the following challenges in its recruitment activities conducted with a limited number of staff:

Personalization of tasks:

Recruitment tasks are concentrated on specific staff members, making it difficult to ensure organizational flexibility and continuity.

Heavy workload:

Recruiters also handle other duties, making it difficult to allocate sufficient time for

Recruitment process:

The process from application to selection and job offer operates on tacit knowledge, with room for improvement in providing consistent experience for candidates.

Retention support:

A desire to further develop an environment where employees can work with peace of mind for the long term by preventing post-hiring mismatches.

3. Overview of the Initiative

These challenges are common to many hospitals and nursing care facilities. In this Project, EUCALIA, with its track record of recruitment support for medical institutions, and the TSUNAGU GROUP, which possesses extensive know-how in RPO and recruitment consulting as well as various solutions for HR challenges, will bring their respective expertise together. By doing so, we will solve these challenges and aim to maximize recruitment outcomes while reducing the burden on staff at hospitals and nursing care facilities.

4. Future Schedule and Outlook

Period	Phase	Details
From August	Assessment and development of improvement plans	 Research and comparison of job descriptions at Suijinkai and competing medical institutions. Research and selection of recruitment media. Review and redesign of the recruitment process.
From September	Implementation of RPO and PMO	 Posting jobs on recruitment media. Handling applications. Monitoring of KPIs such as the number of applications and pass rates. Facilitating regular meetings related to recruitment. Supporting the establishment of a self-sustaining recruitment system within the corporation (e.g., training staff, developing manuals).

Starting with this recruitment support project, EUCALIA and the TSUNAGU GROUP will continue to address the structural personnel shortage challenges faced by hospitals and nursing care facilities, aiming to build a sustainable and effective support scheme. Through this, we will strive to create an environment where each and every medical and nursing care

professional can work with peace of mind for the long term. Ultimately, we aim to generate a social impact that contributes to improving the overall quality of regional medical and nursing care services.

5. Future Outlook

The impact of the launch of this project on EUCALIA's consolidated business results for the current fiscal year is expected to be minimal. However, we believe it will contribute to the enhancement of EUCALIA's business performance and corporate value in the medium to long term. Should any matters requiring disclosure arise in the future, we will promptly announce any material impact on our financial results.

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