

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Japan Mission in the partnership with Presbyterian Church U.S.A., Yodogawa Christian Hospital (security code: -)

<Affirmation>

Long-term Issuer Rating: A
Outlook: Stable

Rationale

- (1) Japan Mission in the partnership with Presbyterian Church U.S.A. (the "Corporation") operates Yodogawa Christian Hospital (the "Hospital"; 581 beds for general patients), as well as other facilities for long-term healthcare for the elderly, etc., in Higashi Yodogawa-ku, Osaka City. The Hospital celebrated its 70th anniversary of foundation earlier this year. Under Christianity's "Whole Person Healing" philosophy, the Corporation offers wide-ranging medical services to cover perinatal, emergency and terminal-phase care. Designated as a regional medical care support hospital, regional perinatal medical center and cancer care hospital of Osaka Prefecture, the Hospital plays an important role in its medical care zone. The Corporation also provides such services as home-visiting nursing care for pediatric and other patients through YCH Medical & Healthcare Community Co., Ltd.
- (2) The Corporation remains highly competitive in the northern part of Osaka City. The business environment for medical institutions is becoming increasingly tough, as indicated by growing difficulties in attracting patients and soaring costs. Even so, the Hospital is not only seeing a rise in bed occupancy rate with an increase in newly admitted patients but also performing a greater number of surgeries. It is responding appropriately to the revision of medical treatment fees, too, and is deemed to be attaining earnings from medical practice commensurate with personnel allocation. Moreover, the Corporation's financial position is sound. Financial structure is improving as debt repayment continues. Based on the above, JCR affirmed the rating on the Corporation with Stable outlook.
- (3) Employing approximately 250 full-time doctors, the Corporation as a private medical institution has an extensive human resource base. It has recently been working to strengthen the acceptance system for ambulance patients and make effective use of hospital beds, and the dentistry and oral surgery department, which opened in 2023, is attracting patients at a good pace. These factors are contributing to a boost in earnings from medical practice. The Corporation is also securing users more or less steadily for the Health Promotion Center in the medical examination division and for residential care and day rehabilitation services at the long-term healthcare facility for the elderly. It is managing expenditures appropriately and is expected to attain a certain level of cash flow for a while.
- (4) Financial management is prudent. Borrowings have more than halved from their peak at the end of the fiscal year ended March 2013, while net assets are building up. Investment expenditures are expected to be higher than the amount for the past few years as an upgrade of expensive medical equipment and electronic medical record systems is projected over the medium term, but their impact on the financial base will probably be limited. Hospital repairs are under way based on the ultra-long-term plan, and the concentration of large spending at one time is hardly likely.

Tadashi Ono, Yosuke Sato

Rating

Issuer: Japan Mission in the partnership with Presbyterian Church U.S.A., Yodogawa Christian Hospital

<Affirmation>

Long-term Issuer Rating: A Outlook: Stable

Rating Assignment Date: March 11, 2025

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (October 1, 2024) and "Medical Institutions" (August 1, 2023) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.



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