

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

## Medical Corporation KEIAIKAI (security code: -)

### <Affirmation>

Long-term Issuer Rating: A-  
Outlook: Stable

### Rationale

- (1) Medical Corporation KEIAIKAI (“KEIAIKAI”) is a medical corporation operating four hospitals in Tamba City, Sanda City and Nishinomiya City in Hyogo Prefecture. KEIAIKAI is one of the largest medical corporations in the prefecture focusing on medical services for the chronic stage, with a total of 1,156 beds (60 for general acute care, 51 for rehabilitation in the convalescent phase, and 1,045 for recuperation). Other than these, it operates four long-term care health facilities (507 beds in total), group homes, and day care rehabilitation centers. The group has all the facilities in Hyogo Prefecture, providing community-based services, and established a management system capable of efficient operation by taking advantage of the business scale. In 2023, Minimally Invasive Treatment Department specializing in laparoscopy and endoscopy was established at Nishinomiya Keiaikai Hospital.
- (2) Stable business operations are expected to continue in the future. The management environment for medical institutions is extremely tough, as it becomes increasingly difficult to attract patients while various expenses are rising. In KEIAIKAI, each facility strives to secure patients and users, as well as to increase revenue, while thoroughly managing expenditures. Nishinomiya Keiaikai Hospital's Minimally Invasive Treatment Department is also operating at a high usage rate, and the cash flow is expected to remain stable going forward. In addition, it has minimal borrowings and surplus funds on hand, maintaining a sound financial position. Based on the above, JCR has affirmed the ratings on KEIAIKAI and retained the Stable outlook.
- (3) Although there are shortages in some positions, efforts are being made to secure and retain personnel, and there has been no significant impact on facility operations. The main long-term medical care ward has a relatively high occupancy rate thanks to its strengths in accepting seriously ill patients and providing end-of-life care. However, in recent years, with a trend toward shorter average hospital stays, it has become increasingly difficult to keep all beds constantly occupied, making it more important to secure new inpatients through further strengthening regional cooperation. At Minimally Invasive Treatment Department of Nishinomiya Keiaikai Hospital, the monthly number of cases has been steadily increasing, and it is considered to be developing as a new source of revenue.
- (4) Among medical institutions mainly specializing in chronic care, a relatively strong earning capacity has been maintained. However, while medical revenue has stagnated, personnel expenses and other costs have risen, resulting in lower operating profit from medical services in the fiscal year ended March 2025 compared to the previous fiscal year. In order to maintain a sound income and expenditure structure, both the changes in the medical service fee schedule for the fiscal year 2026 and how KEIAIKAI respond to this will be key points of attention. In terms of finances, net assets and cash on hand have increased thanks to stable business performance, and the financial structure is on an improving trend. No large-scale investments are planned for the time being, and KEIAIKAI is assumed to be able to maintain the strong financial base going forward.

Shigenobu Tonomura, Yosuke Sato

### Rating

Issuer: Medical Corporation KEIAIKAI

### <Affirmation>

Long-term Issuer Rating: A-      Outlook: Stable

Rating Assignment Date: December 18, 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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