

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

The Takeda Healthcare Foundation (security code: -)

<Outlook Change>

Long-term Issuer Rating: A-
Outlook: from Stable to Negative

Rationale

The Takeda Healthcare Foundation (the "Foundation") is a general incorporated foundation, operating two hospitals in Aizuwakamatsu City, Fukushima Prefecture. It maintains its business base in the Aizu area but is taking longer time than expected in shifting to an earnings structure adapted to changes in the business environment. Amid weakening medical demand, the deterioration of the business environment is extremely severe, as shown by a sharp rise in various expenses. While achieving certain results in its efforts to raise the bed occupancy rate and the unit price of medical care at the Hospital, the Foundation has not been able to secure sufficient cash flow since the fiscal year ended March 2024. On the other hand, borrowings are not large, and near-term investment expenditures are expected to be restrained, meaning that no major financial issues have arisen. Based on the above, JCR, while affirming the rating on the Foundation, changed the outlook to Negative. Whether the Foundation can secure certain cash flow partly through the government's support measures in the medical and nursing care areas will be closely monitored to be reflected in the future rating decisions.

*This rationale is a summary version. JCR will replace it with a full text version within three business days.

Yosuke Sato, Tadashi Ono

Rating

Issuer: The Takeda Healthcare Foundation

<Outlook Change>

Long-term Issuer Rating: A- Outlook: Negative

Rating Assignment Date: February 3, 2026

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.

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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