

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 care health facility for the elderly, etc., in Higashi Yodogawa-ku, Osaka City. The Hospital celebrated its 70th anniversary of foundation in 2025. 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 including pediatric through yodomachi Co., Ltd.
- (2) The Corporation remains highly competitive in the northern part of Osaka City. The business environment for medical institutions is extremely tough as indicated that personnel expenses and other costs grow in the midst of sluggish revenue. In addition, competition of acquiring patients seems to have become intensified among hospitals in the center of Osaka City. Under such circumstances, the Hospital has been attracting patients through hospital-clinic cooperation and strengthening the acceptance system of ambulance patients. It is expected that it can also consistently respond to the medical fee revision for the fiscal 2026; therefore, it will probably be able to continue stable business operation into the future. Moreover, the Corporation's financial position is sound. Based on the above, JCR has affirmed the rating on the Corporation with Stable outlook.
- (3) Employing more than 240 doctors, the Corporation as a private medical institution has an extensive human resource base. The number of patients may soften at times, but there is a sense of stability in the operation because it has already established a system to swiftly analyze the factor to take countermeasure for such changes. For the medical fee revision for fiscal 2026, the rate of revision will be positive for medical fee as a whole and the major content revision will be carried out. The Hospital has prospects of calculating newly establishing items such as basic inpatient fees for medical wards for severely ill patients and add-on payments, and a relatively large growth in medical revenue can be expected. Considering the appropriate expenditure control to date, the Hospital will probably secure certain cash flow.
- (4) Financial management is prudent. Borrowings have become less than half of the peak at the end of the fiscal year ended March 2013, and net assets are also being accumulated. Over the medium-term, an investment amount is expected to increase due to planned upgrading electronic medical record system and medical equipment, and facility repairs, but the impact on the financial foundation is considered to be limited. Hospital repairs are under way based on the ultra-long-term plan, and the concentration of large spending at one time is not expected.

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 16, 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.



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