

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

Social Welfare Corporation Southern TOHOKU Social Welfare Foundation (security code: -)

<Affirmation>

Long-term Issuer Rating: BBB+
Outlook: Stable

Rationale

Social Welfare Corporation Southern TOHOKU Social Welfare Foundation (the "Foundation") is a social welfare corporation under the Southern TOHOKU Group (the "Group"), which operates nine hospitals in Tohoku region and the Tokyo metropolitan area. Degree of cash flow stability has increased. Operating environment is still severe such as continuing higher prices and difficult situation in hiring personnel for the nursing care and welfare field. However, the Foundation has been maintaining a certain human resource base on the back of recruitment activities conducted in a broad area leveraging the group companies and also consistently acquiring needs of elderly and disabled people's welfare in the areas where it operates. An improvement in the facility for supporting people with disabilities in Setagaya Ward, which was the Foundation's issue to address, is showing progress. As for the financial side, it is in an improvement trend with consistent repayment of borrowings. The financial foundation is also being strengthened preparing for the investment for upgrading the facilities. Based on the above, JCR has affirmed the rating on the Foundation with Stable outlook.

*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: Social Welfare Corporation Southern TOHOKU Social Welfare Foundation

<Affirmation>

Long-term Issuer Rating: BBB+ Outlook: Stable

Rating Assignment Date: March 25, 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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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)