



**M3's Subsidiary CUC to Acquire Membership Interests in Albaron Podiatry Holdings, LLC
Which Owns and Operates a Podiatry Service Platform under the Name of 'Beyond Podiatry'**

CUC Inc. ("CUC" below), a TSE-listed subsidiary of M3, Inc., has announced that its Board of Directors passed a resolution today, authorizing CUC America Inc., a wholly-owned subsidiary of CUC, to acquire membership interests of Albaron Podiatry Holdings, LLC, which owns and operates a podiatry service platform under the name of 'Beyond Podiatry'.

For more details, please refer to CUC's disclosure documents (attached).

Note:

This document is a translation of the original Japanese language document and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original Japanese language document, the original Japanese language document shall prevail in all respects.

December 22, 2023

Company name: CUC Inc.
Representative: Keita Hamaguchi, Representative Director
Code number: (9158, Tokyo Stock Exchange)
Contact: Jun Hashimoto
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Announcement regarding the acquisition of membership interests in Albaron Podiatry Holdings, LLC which operates a podiatry service platform under the name of “Beyond Podiatry”

CUC Inc. (“CUC”) announces that its Board of Directors passed a resolution today, authorizing CUC America Inc. (“CUC America”), a wholly-owned subsidiary of CUC, to acquire 79.35% of membership interests in Albaron Podiatry Holdings, LLC (“Albaron Podiatry”), which operates a podiatry service platform under the name of “Beyond Podiatry”. The resolution aims to integrate Albaron Podiatry as a consolidated subsidiary of CUC.

1. Purpose of acquisition

CUC started global expansion mainly into Southeast Asia in 2019, with its mission “Creating Hope through Healthcare”. CUC has recently founded CUC America in July 2023 to undertake market research and facilitate business development in the United States. Similar to Japan, the United States is grappling with aging population and diabetes. CUC has decided to enter into the podiatry industry which has potential for increasing demand.

Albaron Podiatry operates a podiatry practice management platform named “Beyond Podiatry” in the United States. Since its establishment in 2018, Beyond Podiatry has consistently expanded its footprint in podiatry practices through M&A or launching new clinics, and recently initiated a related clinical practice specializing in the treatment of varicose veins. Becoming a prominent podiatry practice group in the Midwestern United States, Beyond Podiatry is distinguished by both its scale and commitment to quality. Beyond Podiatry boasts a team of over 50 podiatrists and varicose vein physicians. It has established more than 30 podiatry and veins clinics across Michigan, Illinois, Ohio, Kentucky, and Indiana under various brands. Beyond Podiatry is dedicated to providing practitioners with advanced support, enabling podiatrists to concentrate on patient care. Beyond Podiatry strives to offer a unique, focused, customized experience for their patients.

With this acquisition, CUC’s objective is to support and strengthen the operational capacities of Beyond Podiatry as a premier practice management platform by utilizing CUC’s know-how generated through management support for medical institutions in Japan. Following this transaction, Beyond Podiatry will maintain its operations under the direction of its current management team, including John Moroney as President and Stephen Frascone as CMO, Chief Medical Officer and several directors dispatched from CUC.

2. Method of acquisition

CUC America will acquire all membership interests in Albaron Podiatry held by Albaron Acquisition II, LP, Albaron Acquisition II-B, LP and Foot and Ankle Management, LLC, an asset management company held by John Grady, podiatrist affiliated by Beyond Podiatry, and about 41% of membership interests held by GLFA Founder Holdings, Inc, an asset management company held mainly by Stephen Frascone, and other physician unitholders or physicians’ asset management vehicles. After the transaction, CUC America will hold 79.35% of membership interests in Albaron Podiatry, which will undergo a name change to CUC Podiatry Holdings, LLC upon transaction. Albaron Podiatry will be integrated as a consolidated subsidiary of CUC.

CUC intends to initially cover the acquisition cost using its existing cash reserves. Subsequently, CUC plans to secure financing through a bank loan, with the proceeds allocated for the acquisition of a stake in Albaron Podiatry and covering transaction costs. Any significant developments regarding this financing that require public disclosure will be promptly communicated.

3. Outline of the acquiring entity for the membership interest (As of December 22, 2023)

Name	CUC America Inc.
Location	108 Lakeland Ave, Dover, Delaware, County of Kent, 19901
Name and title of the Representative	Keita Hamaguchi, President
Business description	Provide healthcare management services and other related services Invest in healthcare services and other related services Conduct research on the healthcare market and related markets
Share capital	\$100,000 USD

4. Outline of the subsidiary to be transferred

Name	Albaron Podiatry Holdings, LLC (Company name will be changed to CUC Podiatry Holdings, LLC following the transaction.)		
Location	142 W 57th St, Floor 11, New York, New York 10019		
Name and title of the Representative	John Moroney, President		
Business description	Physician practice management in the field of podiatry and varicose vein		
Paid in capital (as of November 30, 2023)	\$14,243 thousand USD		
Established Date	November 20, 2018		
Major investors and investment ratios	Albaron Acquisition II, LP 38.84% Albaron Acquisition II-B, LP 17.00% GLFA Founder Holdings, Inc 24.26% Foot & Ankle Management, LLC 9.33% Other investors 10.57%		
Relationship with CUC	Capital relationship	Not applicable	
	Personal relationship	Not applicable	
	Business relationship	Not applicable	
Consolidated operating results and consolidated financial position of this company for the past three years (U.S. GAAP, in thousand USD)			
Fiscal year	For the Fiscal year ended December 31, 2020	For the Fiscal year ended December 31, 2021	For the Fiscal year ended December 31, 2022
Net assets	5,541	6,758	10,528
Total assets	14,632	16,913	34,501
Revenue	10,587	16,154	22,593
Loss from operations	(495)	(127)	(2,009)
Income (loss) before provision for income taxes	(388)	645	(2,525)
Net income (loss)	(359)	353	(2,832)

5. Outline of the counterparties of the acquisition (As of November 30, 2023)

(1) Albaron Acquisition II, LP

Name	Albaron Acquisition II, LP	
Location	142 W 57th St, Floor 11, New York, New York 10019	
Basis for establishment	Limited Partnership based on Delaware State Law	
Purpose of foundation	Private equity investment fund in healthcare services sector	
Established Date	December 19, 2018	
Total amount of investment	Not disclosed in accordance with confidentiality obligations	
Investor, investment ratio, investor profile	Not disclosed in accordance with confidentiality obligations	
Overview of the managing partner	Name	Alessio Baraldi
	Location	142 W 57th St, Floor 11, New York, New York 10019
	Name and title of the representative	Alessio Baraldi, Manager
	Business description	Private equity investment
	Share capital	Not disclosed due to confidentiality obligations
Agent in Japan	None	
Relationship with CUC and the fund	There is no capital relationship / personal relationship / business relationship to be stated between CUC and the fund.	
Relationship with CUC and the managing partner	There is no capital relationship / personal relationship / business relationship to be stated between CUC and the managing partner.	
Relationship with CUC and the agent	There is no capital relationship / personal relationship / business relationship to be stated between CUC and the agent.	

(2) Albaron Acquisition II-B, LP

Name	Albaron Acquisition II-B, LP	
Location	142 W 57th St, Floor 11, New York, New York 10019	
Basis for establishment	Limited Partnership based on Delaware State Law	
Purpose of foundation	Private equity investment fund in healthcare services sector	
Established Date	October 6, 2022	
Total amount of investment	Not disclosed in accordance with confidentiality obligations	
Investor, investment ratio, investor profile	Not disclosed in accordance with confidentiality obligations	
Overview of managing partner	Name	Alessio Baraldi, Manager
	Location	142 W 57th St, Floor 11, New York, New York 10019
	Name and title of the representative	Alessio Baraldi, Manager
	Business description	Private equity investment
	Share capital	Not disclosed due to confidentiality obligations
Agent in Japan	None	
Relationship with CUC and the fund	There is no capital relationship / personal relationship / business relationship to be stated between CUC and the fund.	
Relationship with CUC and the managing partner	There is no capital relationship / personal relationship / business relationship to be stated between CUC and the fund.	
Relationship with CUC and the agent	There is no capital relationship / personal relationship / business relationship to be stated between CUC and the fund.	

(3) GLFA Founder Holdings, Inc.

Name	GLFA Founder Holdings, Inc.	
Location	32743 23 Mile Road, Suite 210, Chesterfield, Michigan 48047	
Name and title of the representative	Stephen T. Frascone, President	
Business description	Asset management	
Share capital (as of November 30, 2023)	\$0 USD	
Established Date	November 26, 2018	
Net assets	As the counterparty company is an Asset Management Company, at their request, information regarding their net assets, total assets, major shareholders, and shareholding ratios will not be disclosed.	
Total assets		
Major shareholders and shareholding ratio		
Relationship with CUC	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Status as a related party	Not applicable

(4) Foot & Ankle Management, LLC

Name	Foot & Ankle Management, LLC	
Location	4650 Southwest Highway, Oak Lawn, Illinois 60453	
Name and title of the representative	John Grady, DPM, President	
Business description	Asset management	
Share capital (as of November 30, 2023)	\$0 USD	
Established Date	October 30, 2017	
Net assets	As the counterparty company is an Asset Management Company, at their request, information regarding their net assets, total assets, major investors, and investment ratios will not be disclosed.	
Total assets		
Major investors and investment ratio		
Relationship with CUC	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Status as a related party	Not applicable

Additionally, there are other investors including physicians employed by Beyond Podiatry as the counterparties of the acquisition beyond those mentioned above, and the information is not disclosed due to confidentiality obligations. CUC has no capital, personnel or transactional relationships with all of these individual investors, and they do not qualify as related parties.

6. Number of acquired membership interests, acquisition price and status of membership interest held before and after the transfer

Number of membership interests held before the transfer	0 units (Number of voting rights : 0) (Percentage of voting rights held : 0.0%)
Number of membership interests to be acquired	9,764,918 units (Number of voting rights : 9,764,918)
Consideration to be paid	Membership interests of Albaron Podiatry \$69.1 million USD Transaction costs, etc. \$1.3 million USD

Number of equity interests held after the transfer	9,764,918 units (Number of voting rights : 9,764,918) (Percentage of voting rights held : 79.35%)
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Acquisition price is determined in consideration of due diligence and valuation analysis (DCF, comparable company analysis, etc.) conducted by external experts. The acquisition price is expected to fluctuate based on the price adjustment implemented in accordance with the Membership Interest Purchase Agreement.

7. Schedule

Date of resolution at the Board of Directors	December 22, 2023
Date of agreement	December 22, 2023
Planned date of membership interest transfer	January 6, 2024 (Japan time)

8. Future prospects

The impact of this acquisition on the consolidated financial results of the fiscal year ending March 2024 is currently under review. An announcement will be made once it becomes evident that there is a material impact on its financial forecast for the current fiscal year.