



M3's Subsidiary CUC to Acquire Shares in Noah Konzer Co.,Ltd Which Operates Nursing Home in Sapporo to Make It The Consolidated Subsidiary

CUC Inc. ("CUC" below), a TSE-listed subsidiary of M3, Inc., has announced that its Board of Directors passed a resolution today and has decided to acquire all issued shares in Noah Konzer Co.,Ltd, which operates nursing home in Sapporo. The resolution aims to integrate Noah Konzer as a consolidated subsidiary of CUC.

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.

September 25, 2024

Company name: CUC Inc.
Representative: Keita Hamaguchi, Representative Director
Code number: (9158, Tokyo Stock Exchange)
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**Announcement regarding the acquisition of shares in Noah Konzer Co.,Ltd
to make it the consolidated subsidiary**

CUC Inc. (“CUC”) announces that its Board of Directors passed a resolution today and has decided to acquire all issued shares in Noah Konzer Co.,Ltd (“Noah Konzer”), which operates nursing home in Sapporo. The resolution aims to integrate Noah Konzer as a consolidated subsidiary of CUC.

The closing of this transaction is subject to the completion of review of business combination in accordance with the Antimonopoly Act and satisfaction of other conditions.

1. Purpose of acquisition

CUC provides management support for medical institutions, operates hospice facilities and provides in-home nursing in Japan under the mission of “Creating Hope through Healthcare”

Noah Konzer, which will be acquired by CUC, operates nursing home in Sapporo and provides “Scheduled and on-demand in-home care and nursing”.

This transaction would enable CUC group to provide services for wider range of users in addition to users of existing business. CUC aims to create places that can accommodate elderly people with limited housing options by conversion of some existing floors into hospice floors and accepting persons with higher medical and care dependencies. In addition, CUC aims to establish efficient operation through Digital Transformation and optimization of its headquarters.

2. Method of acquisition

CUC will acquire all issued shares in Noah Konzer from existing shareholders, AW Anomaly, Akihiro Wakatsuki and Keiko Kawajiri.

CUC is considering the sale of some real estate owned by Noah Konzer and leasing the sold real estate after the closing. CUC is discussing this matter with Development Bank of Japan Inc. and will disclose once items that require public disclosure are determined.

3. Outline of the subsidiary to be transferred

Name	Noah Konzer Co.,Ltd
Location	7-14-1-32, Hiragishi, Toyohira-ku, Sapporo, Hokkaido
Name and title of the Representative	Akihiro Wakatsuki, Representative Director
Business description	<ul style="list-style-type: none">• Operation of nursing home• Providing care services in accordance with long-term care insurance law
Share capital	100 million yen
Established date	February 1, 1979
Shareholders and shareholdings ratio	AW Anomaly 54.8% Akihiro Wakatsuki 32.7% Keiko Kawajiri 12.4%

Relationship with CUC	Capital relationship	Not applicable	
	Personal relationship	Not applicable	
	Business relationship	Not applicable	
Consolidated operating results and financial position of the company for the past three years			
Fiscal year ended	January 31, 2022	January 31, 2023	January 31, 2024
Net assets	3,442 million yen	4,330 million yen	4,674 million yen
Total assets	17,925 million yen	16,202 million yen	16,076 million yen
Net assets per share	15,645.72 yen	19,682.50 yen	22,846.89 yen
Revenue	5,158 million yen	5,787 million yen	6,617 million yen
Operating profit	336 million yen	233 million yen	502 million yen
Ordinary profit	421 million yen	270 million yen	439 million yen
Net income	280 million yen	898 million yen	351 million yen
Earnings per share	1,272.45 yen	4,081.78 yen	1,716.79 yen
Dividend per share	45.00 yen	45.00 yen	0.00 yen

(Note 1) Above financial figures have been prepared based on J-GAAP.

(Note 2) Noah Konzer has a subsidiary, but consolidated financial statements are not prepared. Key financials of this subsidiary are as follows and all its revenue was recorded from the transaction with Noah Konzer.

Fiscal year ended	January 31, 2022	January 31, 2023	January 31, 2024
Net assets	34 million yen	34 million yen	34 million yen
Total assets	89 million yen	97 million yen	107 million yen
Net assets per share	1,701,930.80 yen	1,709,065.95 yen	1,718,585.85 yen
Revenue	486 million yen	540 million yen	627 million yen
Operating profit	0 million yen	0 million yen	0 million yen
Ordinary profit	0 million yen	0 million yen	0 million yen
Net income	0 million yen	0 million yen	0 million yen
Earnings per share	2,831.40 yen	7,135.15 yen	9,519.90 yen
Dividend per share	0.00 yen	0.00 yen	0.00 yen

4. Outline of the counterparties of the acquisition

(1) AW Anomaly

Name	AW Anomaly Co.,Ltd	
Location	Office Plaza Sapporo, JR tower, 5, Nishi-2, Kita-5, Chuo, Sapporo, Hokkaido	
Name and title of the Representative	Akihiro Wakatsuki, Representative Director	
Business overview	<ul style="list-style-type: none"> • Holding and managing securities • Sale, purchase, exchange and lease of real estate and their agency. Holding, managing and using real estate 	
Share capital	10 million yen	
Established date	November 29, 2016	
Net assets	188 million yen (as of May 31, 2024)	
Total assets	3,416 million yen (as of May 31, 2024)	
Shareholders and shareholding ratio	Marie Wakatsuki 49.5% Yuma Wakatsuki 49.5% Akihiro Wakatsuki 1.0%	
Relationship with CUC	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Status as a related party	Not applicable

(2) Akihiro Wakatsuki

Name	Akihiro Wakatsuki
Location	Sapporo, Hokkaido

Relationship with CUC	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Status as a related party	Not applicable

(3) Keiko Kawajiri

Name	Keiko Kawajiri	
Location	Sapporo, Hokkaido	
Relationship with CUC	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Status as a related party	Not applicable

5. Number of acquired shares, acquisition price and status of shares held before and after the transfer

Number of shares held before the transfer	0 shares (Number of voting rights : 0) (Percentage of voting rights held : 0.0%)
Number of shares to be acquired	204,600 shares (Number of voting rights : 204,600)
Consideration to be paid	Shares in Noah Konzer 5,300 million yen Transaction costs, etc. 275 million yen
Number of shares held after the transfer	204,600 shares (Number of voting rights : 204,600) (Percentage of voting rights held : 100.0%)

6. Schedule

Date of resolution at the Board of Directors	September 25, 2024
Date of agreement	September 25, 2024
Date of closing	Early October, 2024 (Planned)
Date of sale agreement of real estate	Late December, 2024 (Planned)

7. Future prospects

The impact of this acquisition on the consolidated financial results of the fiscal year ending March 2025 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.