

**Note:**

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September 5, 2023

Company name: CUC Inc.  
Representative: Keita Hamaguchi, Representative Director  
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**Announcement regarding business succession to the consolidated subsidiary through a company split  
(Simplified absorption-type split)**

CUC Inc. (“CUC”) announces that its Board of Directors passed a resolution today to transfer the factoring business of medical fees to CUC Finance Inc. (“CUC Finance”), a consolidated subsidiary of CUC, by means of an absorption-type of company split (the “Company Split”).

**1. Purpose of the Company Split**

CUC aims to optimize business administration in CUC’s group and increase efficiencies of business operation by transferring CUC’s factoring business of medical fees to CUC Finance. In this business, CUC currently purchases medical fee receivables from medical institutions and nursing care benefit receivables from nursing care facilities in order for them to collect funds in a short period of time. Following the Company Split, CUC finance will operate this factoring business.

**2. Outline of the Company Split**

**(1) Timeline for the Company Split**

Resolution of the Board of Directors for the Company Split	September 5, 2023
Conclusion of the absorption-type Company Split agreement	September 5, 2023
Effective date of the Company Split	November 1, 2023 (planned)

(Note) CUC will conduct the Company Split without obtaining approval at the General Meeting of Shareholders since the Company Split qualifies as a simplified absorption-type company split as set forth in Article 784, Paragraph 2 of the Companies Act.

**(2) Method of the Company Split**

The Company Split is an absorption-type company split, in which CUC will be the splitting company and CUC Finance will be the successor company.

**(3) Allocation related to the Company Split**

There will be no consideration paid by CUC to CUC Finance through the Company Split.

**(4) Treatment of stock options and bonds with stock options in connection with the Company Split**

Not applicable.

**(5) Change in share capital due to the Company Split**

There will be no change in share capital of CUC due to the Company Split.

**(6) Rights and obligations to be acquired by the successor company**

Under the Company Split, CUC Finance will acquire the assets, liabilities and rights and obligations under the contracts, which will be set forth in the absorption-type company split agreement.

**(7) Prospects for the fulfillment of obligations**

There will be no issues to the fulfillment of obligations payable by CUC following the Company Split.

### 3. Outlines of the companies involved in the Company Split (As of August 31, 2023)

	Splitting company	Successor company
Name	CUC Inc.	CUC Finance Inc.
Location	3-1-1 Shibaura, Minato-ku, Tokyo	3-1-1 Shibaura, Minato-ku, Tokyo
Name and title of representative	Keita Hamaguchi, Representative Director	Tomomi Oketani, Representative Director
Business description	Management support for medical institutions	Factoring of medical fees
Share capital	7,669 million yen	100 thousand yen
Founded	August 8, 2014	August 7, 2023
Number of outstanding shares	29,990,400 shares	10 shares
Fiscal year end	March 31	March 31
Major shareholders and shareholding ratio	M3, Inc. 63.5% Keita Hamaguchi 6.2%	CUC Inc. 100%

Financial position and operating results for the fiscal year ended March 31, 2023

(Note) In millions of yen unless specified otherwise

	CUC (Consolidated, IFRS)	CUC Finance
Equity attributable to CUC shareholders	11,704	Not applicable as CUC Finance was founded in August 2023.
Total assets	39,750	
Equity attributable to CUC shareholders per share (yen)	533.10	
Revenue	35,210	
Operating profit	3,683	
Profit before taxes	3,634	
Net income attributable to CUC shareholders	2,423	
Basic earnings per share (yen)	113.90	

### 4. Outline of the business to be split

#### (1) Description of the business to be split

The business is related to factoring of medical fees.

#### (2) Operating results of the business to be split

Revenue was 447 million yen for the fiscal year ended March 31, 2023.

#### (3) Items and amounts of assets and liabilities to be split as of March 31, 2023 (millions of yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	3,224	Current liabilities	3,207
Non-current assets	-	Non-current liabilities	-
Total	3,224	Total	3,207

(Note) The above amounts are based on the balance sheet as of March 31, 2023. The actual amount of assets and liabilities to be split will be determined, taking into consideration increases and decreases that will arise by the effective date of the Company Split.

5. Situation after the Company Split

The Company Split will not change the CUC's trade name, business description, head office location, representative, share capital or fiscal year end.

6. Future prospects

The impact on the consolidated financial results is expected to be minimal since the Company Split is an absorption-type company split between CUC and its wholly owned subsidiary.