



Acquisition of a podiatry service platform in the United States

Summary of the transaction⁽¹⁾

CUC America will acquire 79.35% of membership interests in Albaron Podiatry Holdings, which operates a podiatry/veins⁽²⁾ service platform in the United States

Company to be transferred	Albaron Podiatry Holdings
% of membership interests to be held	79.35%
Enterprise value	\$87.0 million USD / ¥12.4 billion JPY ⁽³⁾
Consideration to be paid	\$69.1 million USD / ¥9.9 billion JPY ⁽⁴⁾
Financing plan	Cash on balance sheet (a loan facility to cover part of the consideration amount is to be arranged within a few months from closing)
Impact on financials	The impact on earnings per share will be positive from the next fiscal year ⁽⁵⁾
Planned date of transfer	January 6, 2024 (JST) (January 5, 2024 (EST))

1. Plan as of today and may change due to various reasons. 2. Includes podiatry and varicose veins treatment 3. Calculated at the exchange rate of 1 USD to 143 JPY.

4. The final consideration to be paid is expected to vary based on the price adjustment mechanism in accordance with the Membership Interest Purchase Agreement. Calculated at the exchange rate of 1 USD to 143 JPY.

5. May vary depending on the allocation of goodwill and intangible assets, and the period of amortization.

Investment highlights

Podiatry/veins⁽¹⁾ sector in the US will continue to see robust growth driven by aging population and increase in diabetes, etc. CUC will become a controlling owner of a growing practice management platform in a highly fragmented market. Post transaction, CUC will focus on enhancing organic growth utilizing its strength in management support of medical institutions and accelerating the execution of targeted acquisitions to drive further expansion

| Market Characteristics

- **Growth market:** The number of podiatry patients expected to increase steadily due to aging population and the rising number of diabetes patients.
- **Fragmented market:** The market is not dominated by large players; mostly consists of individual or small-scale practices.
- **Stable market:** Low risk for a technology-driven market disruption to occur

| Merits of a Scaled Platform

- **Value to patients and doctors:** Management support from a platform allows doctors to focus on medical care, promoting patient-centered healthcare.
- **Strategic acquisitions at appropriate prices:** M&A by a scaled platform provides effective management support to struggling small clinics.
- **Post-acquisition value enhancement:** Track record of value enhancement through rationalization initiatives after acquisitions.

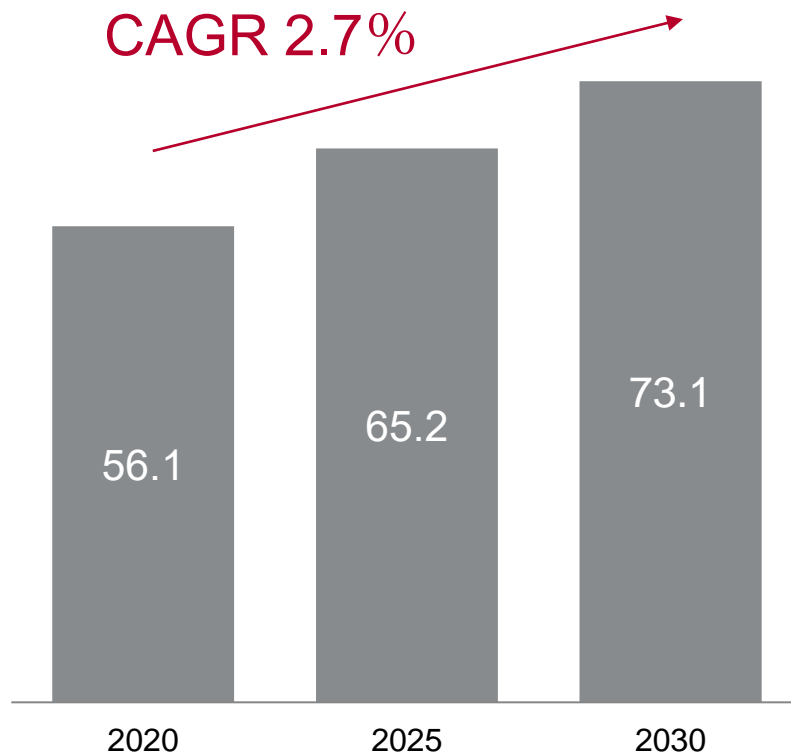
1. . Includes podiatry and varicose veins treatment

Market growth potential

The podiatry market, valued at approximately 7 billion USD in 2023 ⁽¹⁾, is a relatively niche segment within the US healthcare sector. However, due to various factors including aging populations and the increasing prevalence of diabetes, podiatric services is expected to continue steady growth in demand

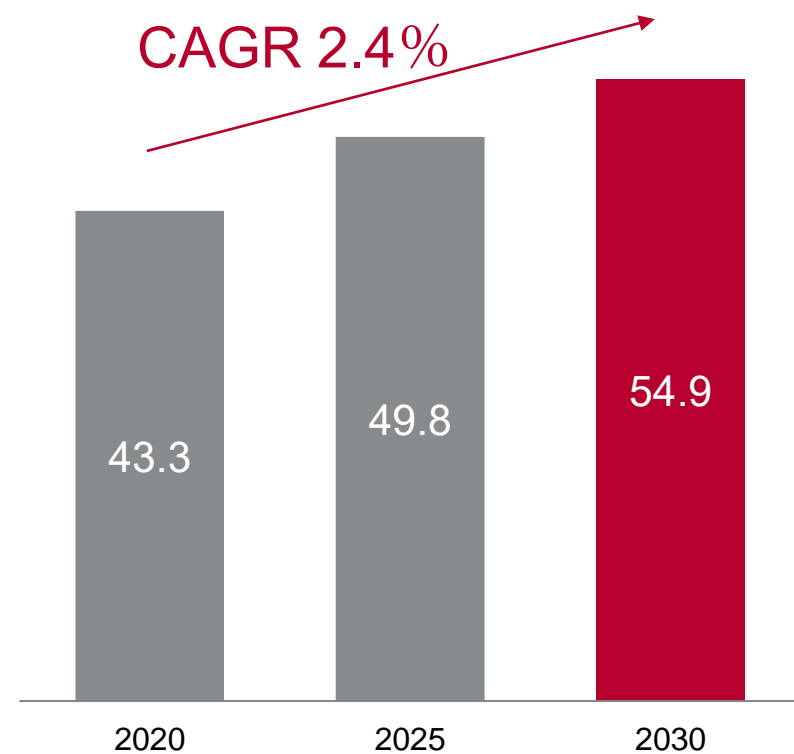
| Increasing elderly population⁽²⁾

(in millions)



| Increase in diabetes patients⁽³⁾

(in millions)



1. "Podiatrists in the US" (IBISWorld. 2023). 2. Age 65 and older. "2017 National Population Projections Tables " (US Census Bureau. 2020).
3. "Diabetes 2030: Insights from Yesterday, Today, and Future Trends" (Rowley et al, Population Health Management. 2016).

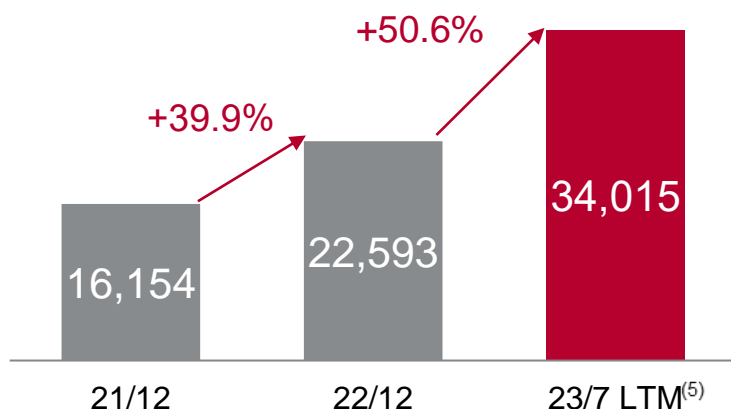
Overview of the company (1/2)

Outline

Established	2018
Registered location	New York, United States
Business description	Physician practice management in the field of podiatry and varicose vein
Employees ⁽¹⁾	Approx. 230 (incl. approx. 50 doctors)
Leadership team	John Moroney, President Stephen Frascone, CMO ⁽²⁾

Revenue⁽⁴⁾

(thousands USD)



1. Consolidated number including temporal employees as of September 2023. 2. CMO is the abbreviation for Chief Medical Officer.
3. Financials are based on U.S. GAAP. 4. Accumulated number from August 2022 to July 2023, unaudited.

Track record of expansion

- Jan 2019 : Great Lakes Foot & Ankle Institute (Founding Business)
- Nov 2019 : Foot & Ankle Associates (Acquisition)
- Dec 2020 : Family Foot Care (Acquisition)
- Jul 2021 : Commonwealth Foot & Ankle (Acquisition)
- Sep 2021 : First Step Foot Care (Acquisition)
- Sep 2022 : Columbus Vascular Vein & Aesthetics (Acquisition)
- Nov 2022 : Cincinnati Foot & Ankle Care (Acquisition)
- Jun 2023 : North Shore Foot & Ankle (Acquisition)
- Dec 2023 : Michigan Foot and Ankle Center (Acquisition)

Leadership Team



John Moroney, President

- Held managerial positions in a number of healthcare businesses
- MBA of Illinois University



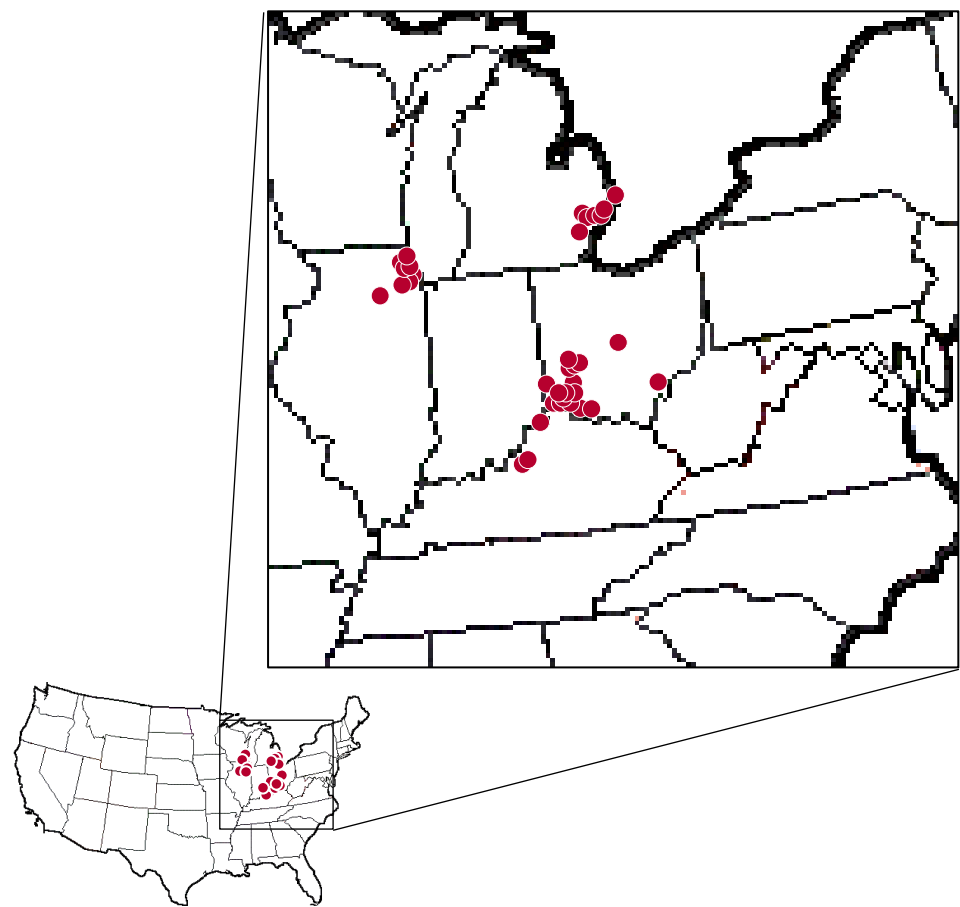
Stephen Frascone, CMO

- Board-certified podiatrist & foot & ankle surgeon
- Founder
- DPM, Des Moines University College of Podiatric Medicine and Surgery

Overview of the company (2/2)

Leading podiatry service platform in Midwest United States operating podiatry and varicose veins clinics through multiple regional brands. It has expanded its footprint mainly through M&A

| Locations



Name	State	#of clinics ⁽¹⁾
Great Lakes Foot & Ankle Institute	Michigan	5
Foot & Ankle Associates	Illinois	3
Commonwealth Foot & Ankle	Kentucky	2
First Step Foot Care	Illinois	3
Columbus Vascular Vein & Aesthetics	Ohio	1
Cincinnati Foot & Ankle Care	Ohio	15
North Shore Foot & Ankle	Illinois	2
Michigan Foot & Ankle Center	Michigan	2
Total		33

1. As of today and may change in accordance with integration of acquisition
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Overview of services provided by the company

Provides a broad range of services for the care of lower extremities, including surgeries. In addition, the company has also expanded their service into related vascular and vein care to address conditions such as varicose veins which are commonly faced by podiatry patients.

| Treatment Examples ⁽¹⁾

Conditions

- ✓ Achilles Tendon Injuries, Transport Accident Injuries,
- ✓ Arthritis
- ✓ Bunions
- ✓ Deep vein thrombosis
- ✓ Gout
- ✓ Neuroma
- ✓ Ulcers
- ✓ Varicose Veins, etc.

Treatment Options

- ✓ Braces or splints
- ✓ Anti-inflammatory drugs, Anticoagulant drugs
- ✓ Surgery
- ✓ Dietary and nutrition counseling
- ✓ Lower limbs venous insufficiency diagnosis and treatment, etc.



1. Quoted from the company's website: <https://beyond-podiatry.com/>

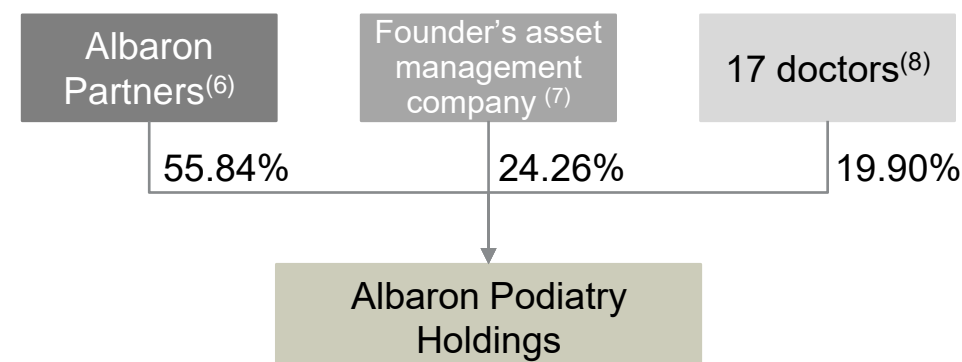
Acquisition structures

CUC America will acquire 79.35% of membership interests from existing investors

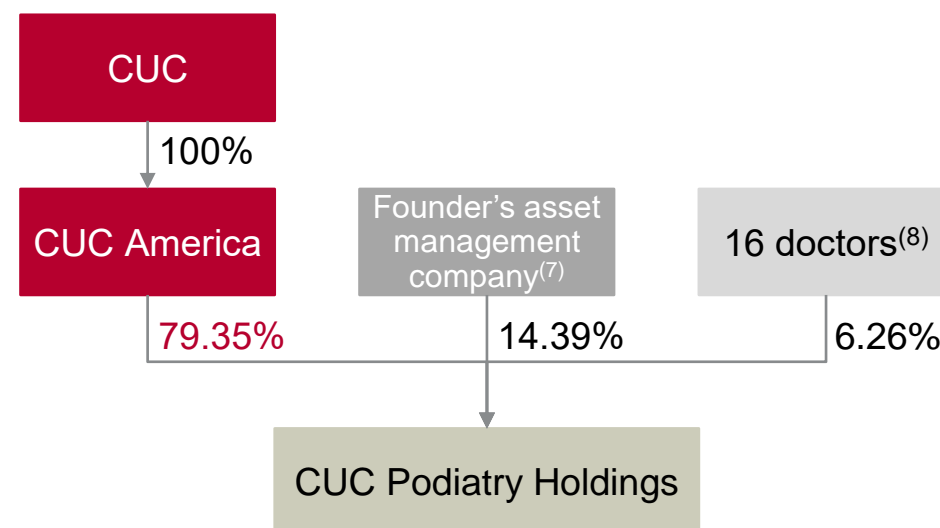
Outline⁽¹⁾

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Consideration to be paid	\$69.1 million USD ⁽⁴⁾ (¥9.9 billion JPY)
Financing	Cash on balance sheet ⁽⁵⁾ (CUC plans to borrow the amount equal to part of consideration a few months after closing)
Leadership team after the transfer	John Moroney, President Stephen Frascone, CMO 3 Executives from CUC
Planned closing date	January 6, 2024 (JST) (January 5, 2024 (EST))

Investment ratio before the transfer



Investment ratio after the transfer



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2. Company name to be changed to CUC Podiatry Holdings at closing. 3. Calculated at the exchange rate of 1 USD to 143 JPY.

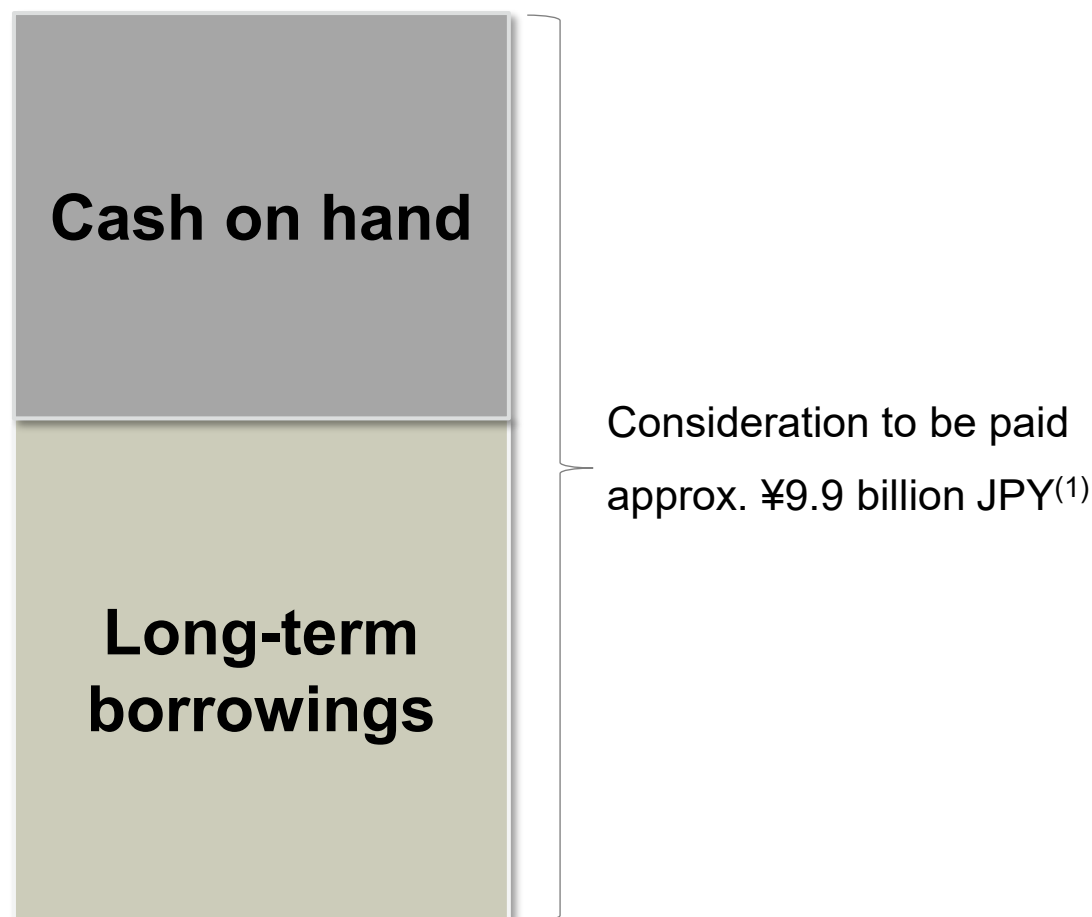
4. The acquisition price is expected to fluctuate based on the price adjustment implemented in accordance with the the Membership Interest Purchase Agreement. Calculated at the exchange rate of 1 USD to 143 JPY.

5. At the time of closing, the payment is temporarily deducted from the available cash on hand. However, CUC plans to fulfill part of it by borrowings a few months from the closing date.

6. Funds named Albaron Acquisition II, LP and Albaron Acquisition II-B, LP under Albaron Partners. 7. Means GLFA Founder Holdings, Inc., an asset management company where the founder Stephen Frascone holds majority of the company's stocks. 8. Including doctors that invest on the company through an asset management company.

Financing plan

At the time of closing, the payment is temporarily deducted from the available cash on hand.
CUC plans to fulfill part of it by borrowings in Japanese yen a few months from the closing date



- ✓ The borrowing amount will be determined based on the necessary funds for future business operations, as well as considering financial soundness and other factors
- ✓ The impact on earnings per share is expected to be positive despite the payment of interest and the amortization of intangible assets

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2. May vary depending on the allocation of goodwill and intangible assets, and the period of amortization.

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