

October 7, 2015

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Representative: Natsuki Goto, CEO
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Acquisition of the Shares of Medica Asia (Holdco) Limited

SMS Co., Ltd. (“SMS”) announces its resolution of the Board of Directors on October 7, 2015 to acquire MIMS Group, a leading drug information service provider in the Asia and Oceania region and subscribe to capital increase through third-party allotment of shares of Medica Asia (Holdco) Limited. SMS will execute a Share Purchase Agreement with AXIO Data Hedgeco Limited (UK headquartered) and 6 individual shareholders, for shares of Medica Asia (Holdco) Limited (“Medica Asia”). The paid in capital for third-party allotment of new shares will be allocated to pay off existing debt owed by Medica Asia to AXIO Data Hedgeco Limited.

This transaction is a joint acquisition with Mitsui & Co., Ltd. (“Mitsui”). After the acquisition, SMS and Mitsui will hold 60% and 40% of the shares of Medica Asia respectively, and Medica Asia will be a consolidated subsidiary of SMS.

1. Purpose of the acquisition

SMS’s corporate mission is: “We create values and contribute to society by providing an information infrastructure for an aging society”. In each business segment of nursing care, medical care, healthcare, and senior life, SMS offers various information services including career-related services, management support services, and online communities. Given the increasing need in Asian medical and healthcare market, SMS is putting its top priority in the region, and operates its businesses in 12 countries.

MIMS Group, established in 1963, has presence in 12 different countries in Asia-Oceania providing drug information through printed publications, websites, and mobile applications. With more than 50 years of history, MIMS brand has tremendous name recognition in the region, with approximately 1.7 million memberships of healthcare professionals. Especially doctors have high registration rate in many of the countries. By leveraging this strong membership base, MIMS Group has built broad business relationships with pharmaceutical companies in the area.

Due to the increasing population and economic development in the Asia-Oceania region, healthcare spending is growing rapidly from USD 480 billion in 2008 to USD 935 billion in 2013(*), and this increase is expected to continue going forward. In this promising market, both, SMS’s know-how of developing and operating various information services and Mitsui’s global network, will serve to strengthen MIMS Group’s brand value, membership base of healthcare professionals, and business relationship with pharmaceutical companies, that will lead to expanding its existing

businesses and rapidly developing new businesses in various fields. Some of SMS and Mitsui's business plans include: marketing support to pharmaceutical companies (e-detailing), management support to clinics and doctors, and career-related services.

Owing to the expansion of career-related services and management support services for nursing care operators in Japan, SMS has been rapidly growing.

By acquiring MIMS Group and making it a new platform of business developments in Asia-Oceania, SMS is determined to rapidly expand its overseas businesses and grow further.

(*): Sourced by WHO, total healthcare spending of countries where MIMS is present in the market.

2. Overview of the company to be acquired

(1)	Company Name	Medica Asia (Holdco) Limited		
(2)	Registered Office	Tallis House, 2 Tallis Street, London EC4Y 0AB		
(3)	Representative's name and title	Henry Elkington, Director		
(4)	Business description	Investment holding		
(5)	Share capital	GBP 109.89		
(6)	Date of incorporation	02/2013		
(7)	Major Shareholder and their holdings	AXIO Data Hedgeco Limited: 91.0% 6 individual shareholders: 9.0%		
(8)	Relation between SMS and Medica Asia	Capital	None	
		Personal	None	
		Business	None	
		Status of related parties	Medica Asia is not a related party of SMS	
(9)	Medica Asia's consolidated business results for past three years (Unit: thousand U.S. dollar)			
	Fiscal Year	December 2012	December 2013	December 2014
	Consolidated sales	46,951	47,605	47,354
	Consolidated operating Income	9,479	12,193	13,377

Note 1: AXIO Data Hedgeco Limited is a subsidiary of Electra Private Equity PLC, LSE listed investment trust.

Note 2: This transaction is the acquisition of MIMS Group, a part of AXIO Group. MIMS Group has produced the consolidated business results for management purposes and has not produced the consolidated financial statement. The consolidated business results above are unaudited financials which have been produced for management purposes.

Note 3: Certain financials for December 2012 and December 2013 refer to a period before the incorporation of Medica Asia.

Changes in specified subsidiaries in MIMS Group required to be disclosed, other than Medica Asia, are the three companies below:

(1)	Company Name	MIMS Pte. Ltd.	
(2)	Registered Office	6 Shenton Way, #15-08, OUE Downtown, Singapore 068809	
(3)	Representative's name and title	Yeo Eng Peow	
(4)	Business description	Providing drug information to health care professionals	
(5)	Share capital	SGD 13,725 Thousand	
(6)	Date of incorporation	09/1979	
(7)	Major Shareholder and their holdings	Medica Asia(Holdco) Limited: 100.0%	
(8)	Relation between SMS and MIMS Pte. Ltd.	Capital	None
		Personal	None
		Business	None
		Status of related parties	MIMS Pte. Ltd. is not a related party of SMS

(1)	Company Name	MIMS (Shanghai) Ltd.	
(2)	Registered Office	Room 568, 2, Lane 501, Anyuan Road, Jingnan district, Shanghai, China	
(3)	Representative's name and title	Yeo Eng Peow	
(4)	Business description	Providing drug information to health care professionals	
(5)	Share capital	USD 3Million	
(6)	Date of incorporation	10/2006	
(7)	Major Shareholder and their holdings	MIMS Pte. Ltd.: 100.0%	
(8)	Relation between SMS and MIMS (Shanghai) Ltd.	Capital	None
		Personal	None
		Business	None
		Status of related parties	MIMS (Shanghai) Ltd. is not a related party of SMS

(1)	Company Name	KIMS Limited	
(2)	Registered Office	Yeoksam-dong, 12FL., SangKyoung Bldg., 824-21 Yeoksam-dong, 120, Gangnam-gu, Seoul 135-934	
(3)	Representative's name and title	Yeo Eng Peow	
(4)	Business description	Providing drug information to health care professionals	
(5)	Share capital	KRW 1,600 Million	
(6)	Date of incorporation	08/1994	
(7)	Major Shareholder and their holdings	Medica Asia(Holdco) Limited:100.0%	
(8)	Relation between SMS and KIMS Limited	Capital	None
		Personal	None
		Business	None
		Status of related parties	KIMS Limited is not a related party of SMS

Note 1: In accordance with the request by the other parties, the business results and the financial position of the three specified subsidiaries above are not to be disclosed.

3. Overview of the shareholders whose shares will be Acquired

(1) AXIO Data Hedgeco Limited

(1)	Company Name	AXIO Data Hedgeco Limited	
(2)	Registered Office	Tallis House, 2 Tallis Street, London EC4Y OAB	
(3)	Representative's name and title	Henry Elkington, Director	
(4)	Business description	Investment holding	
(5)	Share capital	GBP 24 Million	
(6)	Date of incorporation	08/2013	
(7)	Net assets	GBP 70 Million (as of December 31, 2014)	
(8)	Total assets	GBP 186 Million (as of December 31, 2014)	
(9)	Major Shareholder and their holdings	AXIO Data Group Holdings Limited: 100%	
(10)	Relation between SMS and AXIO Data Hedgeco Limited	Capital	None
		Personal	None
		Business	None
		Status of related parties	AXIO Data Hedgeco Limited is not a related party of SMS

Note 1: AXIO Data Hedgeco Limited and Axio Data Group Holdings Limited are subsidiaries of Electra Private Equity PLC, LSE listed investment trust.

(2) 6 individual shareholders

6 individual shareholders are mainly the management of MIMS Group. SMS has no capital, personal or business relationship with the 6 individual shareholders (including their close relatives, or any company and its subsidiaries in which the shareholders and their close relatives have majority stakes). Also, no related persons or companies within SMS have a capital, personal or business relationship with the individual shareholders, or related persons and companies.

4. Number of the shares to be Acquired, Acquisition Price and State of the share Ownership Before and After Acquisition

(1)	Number of shares held before transfer	Shares: n/a (number of voting rights: n/a) (voting rights holding ratio: n/a)
(2)	Number of shares to be acquired	7,650,316 shares (number of voting rights : 7,650,316) Consisting of: Transfer of the share 6,593,407 shares Subscription to capital increase through third-party allotment of the shares 1,056,909 shares
(3)	Acquisition price	USD 154 Million (The Acquisition price above is the approximate amount of the share acquisition price, subscription price to the capital increase through third-party allotment of the shares, advisory fees etc. The breakdown will be disclosed once it is determined.)
(4)	Number of shares held after transfer	7,650,316 shares (number of voting rights: 7,650,316) (voting rights holding ratio: 60.0%)

Note 1: The share acquisition price of the shares of Medica Asia will be adjusted by the terms stated in the Share Purchase Agreement.

Note 2: As described in the press release "Notice Concerning Borrowing of Funds" today (October 7, 2015), the acquisition cost of the shares will be funded by a bank loan.

Note 3: As a result of the subscription to the capital increase through third-party allotment of the shares, Medica Asia will be a specified subsidiary of SMS.

5. Timeline

The resolution date of the Board of Directors	October 7, 2015
Signing date of the Share Purchase Agreement	October 7, 2015
The date of the share transfer	October 7, 2015

Payment date of Subscription to capital increase through third-party allotment of shares	October 7, 2015
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6. Future Outlook

The impact of the acquisition of Medica Asia on the group's results and financial position will be disclosed in a timely manner, once it is determined.

(Reference) Consolidated forecasts (released in April 30, 2015) and actual results of fiscal year ending March 2015

(Unit: Million Japanese Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Consolidated forecasts (March 2016)	18,881	2,702	3,403	2,306
Consolidated actual results (March 2015)	15,056	2,079	2,693	1,824

Note 1: The net income of the consolidated forecasts (March 2016) is attributed to the owner of the parent