

October 7, 2015

Company Name: SMS Co., Ltd.
Representative: Natsuki Goto, CEO
(Code No.: 2175 Tokyo Stock Exchange, First Section)
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Notice Concerning Borrowing of Funds

SMS Co., Ltd. ("SMS") hereby gives notice of its resolution of the Board of Directors on October 7, 2015 to borrow funds.

1. Reasons for the Borrowing

As announced in the press release "Acquisition of the Shares of Medica Asia (Holdco) Limited" today (October 7, 2015), SMS resolved at the Board of Directors to execute a Share Purchase Agreement for acquiring shares of Medica Asia (Holdco) Limited and subscribe to a capital increase through third-party allotment of shares of Medica Asia. For this reason, SMS will borrow the funds from a financial institution.

2. Detail of the Borrowing

(1) Lender	Sumitomo Mitsui Banking Corporation
(2) Loan Amount	19 billion Japanese Yen
(3) Borrowing Date	October 7, 2015
(4) Loan Period	One Year
(5) Loan Type	Unsecured / non-guaranteed

3. Future outlook

We expect the impact that this transaction may have on the results of operations of SMS to be minimal. As for future finance, SMS will consider appropriate finance methods by taking into account the Group's business plan and demand of funds.