



September 27, 2018

SMS CO., LTD.

(Company Code: 2175, TSE 1st Section)

<https://www.bm-sms.co.jp/eng/>

<PRESS RELEASE>

**Notice regarding Acquisition of Additional Shares to make Medica Asia
a Wholly Owned Subsidiary and Borrowing of Funds**

SMS CO., LTD. ("SMS") hereby announces that, on September 27, 2018, its Board of Directors has resolved to acquire all of the shares of Medica Asia (Holdco) Limited ("Medica Asia", Registered Office: UK), a consolidated subsidiary of SMS, and borrow funds to finance the consideration payable in the acquisition as follows.

1. Reason for share acquisition

With the Group mission of "We create values and contribute to society by providing an information infrastructure for an aging society", SMS provides more than 40 services in Elderly Care, Medical Care, Healthcare and Senior Life domains in Japan and abroad, including career business such as recruiting agent service, management support service for elderly care operators (Kaipoke) and drug information service.

SMS, together with MITSUI & CO., LTD. ("MITSUI"), acquired MIMS Group with Medica Asia as a holding company in October 2015 and has been offering services in 15 countries and regions mainly in Asia and Oceania, which forms the core part of SMS Group's overseas operations. The MIMS brand, established in 1963, has a history of more than 50 years and boasts tremendous name recognition in the region, with approximately 2.3 million registered memberships of healthcare professionals. By leveraging MIMS's overwhelming brand power, the strong member base of healthcare professionals and the business relationships with pharmaceutical companies and medical institutions, MIMS is operating businesses such as marketing support service for pharmaceutical companies. Since acquiring MIMS Group, SMS has been working on structural reform of MIMS's existing businesses

as well as building a foundation for growth. In addition, MIMS started global career business from 2017 by taking advantage of its member base of healthcare professionals and SMS's expertise in career-related businesses.

After deliberate considerations, SMS decided to make Medica Asia a wholly-owned subsidiary in order to accelerate growth by improving agility in decision-making and realizing greater synergies within SMS Group.

MIMS will maintain cooperative relationships with MITSUI and continue to provide services, such as drug information services and career-related services, to MITSUI's hospital groups.

2. Outline of Medica Asia

(1) Company Name	Medica Asia (Holdco) Limited
(2) Registered Office	6th Floor 65 Gresham Street London EC2V 7NQ
(3) Name and Title of Representative	Natsuki Goto, Director
(4) Business Activities	Holding company
(5) Share Capital	GBP 127.50
(6) Established	February, 2013
(7) Shareholders and their Ownership	SMS CO., LTD. 60.0% MITSUI & CO., LTD. 40.0%

3. Outline of MITSUI

(1) Company Name	MITSUI & CO., LTD.
(2) Registered Office	1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Tatsuo Yasunaga, President and Chief Executive Officer
(4) Business Activities	General trading company
(5) Share Capital	JPY 341,481 Million

4. Number of shares to be acquired, acquisition price and state of share ownership before and after transaction

(1) Number of Shares held before the Transaction	7,650,316 shares
(2) Number of Shares to be Acquired	5,100,210 shares

(3) Acquisition Price	JPY 11 Billion (Approximate amount)
(4) Number of Shares held after the Transaction	12,750,526 shares

5. Schedule

(1) Date of Board Resolution	September 27, 2018
(2) Date of Transfer Agreement	September 27, 2018
(3) Date of Share Acquisition	September 28, 2018

6. Details of the borrowing

SMS has entered into a syndicated loan agreement with Sumitomo Mitsui Banking Corporation acting as arranger and agent.

(1) Lender	Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank, Ltd.
(2) Loan Amount	JPY 11 Billion
(3) Date of Execution	September 28, 2018
(4) Borrowing Period	10 years
(5) Security	Unsecured and unguaranteed

7. Future outlook

This share acquisition and the borrowing of funds will have only minor effects on SMS's consolidated financial results.