

Tender Offer for the Shares of SOGO MEDICAL HOLDINGS CO., LTD.

Polaris Capital Group Co., Ltd. ("Polaris") is pleased to announce that PSM Holdings Inc.(the "Offeror"), which is to be invested by Polaris Private Equity Fund V, L.P. ("Polaris Fund V"), etc. will commence a tender offer ("Tender Offer") to acquire the shares of SOGO MEDICAL HOLDINGS CO., LTD. ("Sogo Medical", Securities Code 9277, Listed on the First Section of the Tokyo Stock Exchange).

The Offeror is a corporation established in December 2019 primarily for the purpose of acquiring and owning the common shares of Sogo Medical through the Tender Offer and currently wholly-owned by Polaris.

Sogo Medical provides a comprehensive range of services related to medical business management, including consultation to medical institutions, and DtoD (Doctor to Doctor; medical succession, medical collaboration, and medical occupation support systems) to assist job transfers and clinic openings, as well as leasing and renting medical devices and equipment, in-hospital retail store operation, and staffing services. It also operates over 700 pharmaceutical dispensing stores nationwide, including those in the medical malls that the company developed. Based on the concept of "Good Medical Practice Through Good Management," the company aims to support good healthcare and contribute to the creation of a better society through consulting services to medical institutions as a basis, DtoD business, and developing valuable pharmacies.

If Sogo Medical becomes a wholly-owned subsidiary of the Offeror as a result of the Tender Offer, Polaris will extend strong support to Sogo Medical to achieve its stable growth in the dispensing pharmacy business as well as remarkable growth in the medical support business through M&A, etc., with a view to establishing a highly resilient management base and business structure responding to the impact of changes in the system, by leveraging Polaris' knowledge gained from the past experiences investing in a number of healthcare companies and multi-store companies. To this end, under a new stakeholder and governance system without being constrained by existing Shigarami, the company aims to boldly transform its business structure by promoting a reallocation of management resources and an evolution of the business model for growth as a comprehensive healthcare company.

Please refer to the attached Press Release of the Offeror.

[Reference] Press Release of the Tender Offeror (Attachment)

< Contact for inquiries >

Akira Inuma, Partner

Polaris Capital Group Co., Ltd.

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SOGO MEDICAL HOLDINGS CO., LTD.

Founded	October 2018 (Founded in June 1978, as its predecessor, Sogo Medical Lease., Ltd.)
Representative	Kenji Sakamoto, President and CEO
Address	Fukuoka Tenjin Center Bldg. 16F, 2-14-8, Tenjin, Chuo-ku, Fukuoka City, Fukuoka Prefecture, Japan
Business	Medical support business, dispensing pharmacy business, and incidental business, etc.
Website	<a href="https://www.sogo-medical-hd.co.jp/ja/index.html">https://www.sogo-medical-hd.co.jp/ja/index.html</a>

Polaris Capital Group Co., Ltd.

Founded	September 13, 2004
Representative	Yuji Kimura, President and CEO
Paid-in Capital	JPY 100 million
Address	GranTokyo North Tower 38F, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
Managed fund	Polaris Private Equity Fund I, L.P. (JPY 29.6 billion) Polaris Private Equity Fund II, L.P. (JPY 31.9 billion) Polaris Private Equity Fund III, L.P., etc. (JPY 52.0 billion) Polaris Private Equity Fund IV, L.P., etc. (JPY 75.0 billion) Polaris Private Equity Fund V, L.P., etc. (JPY 150.0 billion (expected))
Website	<a href="http://www.polaris-cg.com/">http://www.polaris-cg.com/</a>

End

February 5, 2020

Company Name: PSM Holdings Inc.  
Representative: Akira Iinuma  
Representative Director  
Contact: same as above  
Telephone: +81-3-5223-6780

**Commencement of Tender Offer for the Shares of  
SOGO MEDICAL HOLDINGS CO., LTD. (Security Code: 9277)**

PSM Holdings Inc. (the "Offeror") is pleased to announce that on February 5, 2020, it has decided to acquire common shares ("Target Shares") of SOGO MEDICAL HOLDINGS CO., LTD. ("Target", Security Code 9277, listed on the First Section of the Tokyo Stock Exchange through a tender offer; the "Tender Offer") in accordance with the Financial Instruments and Exchange Act (No. 25 of 1948, including subsequent amendments).

The Offeror is a corporation established on December 26, 2019 primarily for the purpose of acquiring and owning the common shares of the Target through the Tender Offer and currently wholly-owned by Polaris Capital Group Co., Ltd. ("Polaris"). As of today, the Target Shares are listed on the First Section of the Tokyo Stock Exchange, but the Tender Offeror does not own the Target Shares. Polaris is a private equity fund management company established in September 2004. The company has launched investment funds with a total amount of approximately JPY300 billion accumulated through domestic and overseas 5 fund raisings, and has invested in a total of 35 projects over 15 years, including HITOWA Holdings Co., Ltd., Panasonic i-PRO Sensing Solutions Co., Ltd., Fujitsu Connected Technologies Limited, Qsai Co., Ltd., and NOVARESE, Inc., etc., under the themes of "returning the founder's spirit" and "promoting business model innovation" that contribute to Japan's revitalization.

Recently, the Tender Offeror has decided to implement the Tender Offer as a part of series of transactions (the "Transaction") aimed at privatizing the Target Shares and owning 100% of the Target (excluding treasury shares owned by the Target).

The Transaction falls under the category of management buyout (MBO) (Note 1) as the Tender Offer will be made based on the agreement of both the Tender Offerer and Mr. Kenji Sakamoto ("Mr. Sakamoto"), the representative director and president of the Target (Current shares ownership: 69,500, Ownership ratio (Note 2): 0.23%), and concurrently as he intends to make a capital contribution to the Tender Offeror after the Transaction, to clarify that he is in a position to take responsibility for enhancing corporate value after the Transaction, in an amount equivalent to about 0.1% of the total number of outstanding shares by a third-party allotment, up to the amount equivalent to the after-tax proceeds obtained by a sale through the application for the Tender Offer, and to continue to be the management of the Target after the Transaction.

(Note 1) Management Buy-out (MBO) is generally categorized in a tender offer in which the tender offeror is an officer of the target (including a tender offer in which the tender offeror conducts a tender offer based on the request of the target officer while sharing common interests with the target officer) (Article 441 of the Securities Listing Regulations of the Tokyo Stock Exchange).

(Note 2) "Ownership ratio" refers to the proportion of the total number of shares outstanding as of December 31, 2019 (30,680,312 shares) described in the "The Financial Results for the 3Q of FY2020/3 [Japan Standards] (Consolidated)" announced on January 28, 2020, to the number of shares outstanding (29,934,823 shares) on which the number of treasury shares owned by the Target as of December 31, 2019 (745,489 shares) is deducted. (the third decimal point and below is rounded and the following is calculated in the same manner).

Mr. Hiroshi Oyamada ("Mr. Oyamada"), the founder, former president of the Target and the seventh largest shareholder (Current shares ownership: 907,548 shares, Ownership ratio: 3.03%), who is currently acting as the senior advisor of the Target and in charge of handing down the Group's corporate philosophy and supporting the maintenance and expansion of relationships with business partners, also agrees with the Transaction. After the Transaction, Mr. Oyamada intends to make a capital contribution equivalent to about 0.1% of the total number of issued shares to the Tender Offeror by the third-party allotment, up to the amount equivalent to the after-tax proceeds obtained by a sale through the application for the Tender Offer, to clarify his intention externally to continue the support to the Target, although he will not be involved in the management of the Target after the Transaction same as before.

The Offeror has entered into Share Tender Agreement on February 5, 2020 with shareholders respectively, namely Mr. Sakamoto, Mr. Oyamada, and major shareholders of the Target including Mitsui Corporation, The SFP Value Realization Master Fund Limited, Tokyo Century, The Bank of Fukuoka, and The Kitakyushu Bank on applying the entire Target common shares owned by them (totally 13,964,256 shares, Ownership ratio: 46.65%) to the Tender Offer. Currently, Mitsui Corporation owns 7,639,108 of Target common shares (Ownership ratio: 25.52%) as the first largest shareholder of the Target. The SFP Value Realization Master Fund Limited owns 1,866,100 of Target common shares (Ownership ratio: 6.23%) as the second largest shareholder of the Target. Tokyo Century owns 1,444,000 of Target common shares (Ownership ratio: 4.82%) as the third largest shareholder of the Target. The Bank of Fukuoka owns 1,230,000 Target common shares (Ownership ratio: 4.11%) as the fifth largest shareholder of the Target. The Kitakyushu Bank owns 808,000 Target common shares (Ownership ratio: 2.70%) as the eighth largest shareholder of the Target.

The outline of the Tender Offer is as follows:

- (1) Target Company  
SOGO MEDICAL HOLDINGS CO., LTD.

(2) Type of Securities for the Tender Offer

Common shares

(3) Period of the Tender Offer

From Thursday, February 6, 2020 to Monday, March 30, 2020 (30 business days)

(4) Price of Purchase, etc.

JPY2,550 per common share

(5) Number of Shares to be Purchased

Shares to be Purchased	Minimum	Maximum
29,934,823 shares	19,956,600 shares	— shares

(6) Tender Agent

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

(7) Settlement Date

Monday, March 30, 2020

End