

Tender Offer for the Shares of Welbe, Inc.

Polaris Capital Group Co., Ltd. (“Polaris”) is pleased to announce that PTCJ-5 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 Welbe, Inc. (“Welbe”, Securities Code 6556, Listed on the Prime Market of the Tokyo Stock Exchange).

The Offeror is a corporation established in January 2024 primarily for the purpose of acquiring and owning the common shares and the stock acquisition rights of Welbe through the Tender Offer and is currently wholly-owned by Polaris.

Welbe is a disability welfare service company that operates an employment transition support business for adults, a habilitation business for children, and a nursing care business for the elderly. Since its founding in 2011, Welbe has been opening facilities nationwide and currently operates over 190 facilities as of January 2024. Through the provision of disability welfare services, Welbe aims to provide opportunities for growth and success to as many individuals with disabilities as possible.

If Welbe becomes a wholly-owned subsidiary of the Offeror as a result of the Tender Offer, Polaris will strongly support Welbe to aggressively promote opening new facilities with a view to achieve revolutionary growth of its disability welfare business by leveraging Polaris’ knowledge and human resources gained from the variety of investment experience, including in disability welfare service, nursing care, and healthcare related projects, in a number of companies through executing several initiatives, such as creating synergies with existing portfolio companies, supporting the development of growth strategies, and promoting DX and ESG initiatives. Without being bound by existing constraints, Polaris and Welbe aim to further enhance Welbe’s corporate value by promoting the reallocation of management resources and the evolution of its business model under the new stakeholder and governance structure.

Please refer to the attached Press Release of the Offeror.

<Contact for inquiries>

Naohiko Ohno, Partner

Polaris Capital Group Co., Ltd.

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Welbe, Inc.

Founded	December, 2011
Representative	Makoto Ota, President and Representative Director
Address	Ginza Namiki-dori building 7F, 2-3-6 Ginza, Chuo-ku, Tokyo, Japan
Business	Welfare business consisting of employment transition support for adults, habilitation for children, and nursing care for the elderly.
Website	https://corporate.welbe.co.jp/

Polaris Capital Group Co., Ltd.

Founded	September 13, 2004
Representative	Yuji Kimura, Founder, President and CEO
Paid in Capital	JPY 100 million
Address	Gran Tokyo 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)
Website	http://www.polaris-cg.com/

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February 8, 2024

For Immediate Release

Company name:	PTCJ-5 Holdings Inc.
Name of representative:	Shinsuke Kawamoto, Representative Director
Contact:	Same as above
	03-5223-6780 (main)

**Notice regarding Commencement of the Tender Offer for Share Certificates, Etc. of
Welbe, Inc. (Securities Code 6556)**

PTCJ-5 Holdings Inc. (the “**Tender Offeror**”) hereby announces that it decided on February 8, 2024 to acquire share certificates, etc. in Welbe, Inc. (securities code: 6556; listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “**TSE**”); the “**Target Company**”) through a tender offer under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the “**Act**”) (the “**Tender Offer**”).

The Tender Offeror is a stock company established on January 15, 2024 for the principal purpose of acquiring and holding all of the shares of common stock in the Target Company (the “**Target Company Shares**”) and the Stock Acquisition Rights (defined in “(2) Stock Acquisition Rights” of “2. Type of Share Certificates, Etc. Subject to Tender Offer” below; the same applies hereinafter) through the Tender Offer. Polaris Capital Group Co., Ltd. (“**Polaris**”) holds all of the issued shares of the Tender Offeror as of the date hereof. As of the date hereof, the Tender Offeror and its wholly-owning parent company Polaris does not hold any Target Company Shares or Stock Acquisition Rights.

Polaris is a private equity fund management firm founded in September 2004, which has established investment funds totaling approximately 350 billion yen through five rounds of domestic and foreign capital financing. Over the past 19 years, Polaris has invested in a total of approximately 40 companies, including Lincstech Co., Ltd., Space Value Holdings Co., Ltd., Eclasia HD Co., Ltd., Social Inclu Co., Ltd., Sendenkaigi Co., Ltd. and MASSMEDIAN Co., Ltd., under its investment concept of “revival of venture spirit and promotion of business model innovation for revitalizing the Japanese economy.”

The Tender Offeror has determined on February 8, 2024 to conduct the Tender Offer as part of a series of transactions (the “**Transactions**”) intended to take the Target Company Shares private by acquiring all of the Target Company Shares listed on the Prime Market of the TSE (excluding the Non-Tendering Agreement Shares (defined below) and treasury shares held by the Target Company) and the Stock Acquisition Rights.

In connection with the Tender Offer, the Tender Offeror has agreed to the memorandum of understanding (the “**MOU**”) dated February 8, 2024, with Mr. Makoto Ota, the President and Representative Director and the largest shareholder of the Target Company (as of September 30, 2023) (shareholding: 11,872,900 shares; ownership ratio: 43.08%; see Note 1; “**Mr. Ota**”), Mr. Takao Senga, the Vice President and Director and the third largest shareholder of the Target Company (as of September 30, 2023) (shareholding: 1,732,900 shares; ownership ratio: 6.29%; “**Mr. Senga**”), and Mr. Koichi Ito, the Director and the fifth largest shareholder of the Target Company (as of September 30, 2023) (shareholding: 820,000 shares; ownership ratio: 2.98%; “**Mr. Ito**” and collectively with Mr. Ota and Mr. Senga, “**the Management**”).

Mr. Ota has agreed on the following matters in the MOU.

- (i) 6,360,746 shares of the Target Company Shares held by Mr. Ota (ownership ratio: 23.08%) shall be tendered in the Tender Offer;
- (ii) The remaining 5,512,154 shares of the Target Company Shares held by Mr. Ota (ownership ratio: 20.00%, the “**Non-Tendering Agreement Shares**”) shall not be tendered in the Tender Offer;
- (iii) In the event that the Tender Offeror fails to acquire all of the Target Company Shares (excluding the Non-Tendering Agreement Shares and treasury shares held by the Target Company) and the Stock Acquisition Rights through the Tender Offer, the necessary cooperation shall be provided to implement a series of

procedures to take the Target Company Shares private with only the Tender Offeror and Mr. Ota as the Target Company's shareholders (the "**Squeeze-Out Procedure**") after the consummation of the Tender Offer;

(iv) After the completion of the Squeeze-Out Procedure, in order to ensure that the ratio of voting rights pertaining to the shares of the Tender Offeror held by Mr. Ota after the Subsequent Transaction (defined below; the same applies hereinafter) will be 8.23% (rounded to three decimal places; the same shall apply hereinafter in the calculation of the ratio of voting rights), after the Target Company has received approval from the Prime Minister pertaining to an application for interruption of the obligation to submit an Annual Securities Report pursuant to the proviso to Article 24, paragraph (1) of the Act, Mr. Ota shall transfer part of the Target Company Shares to the Tender Offeror (the "**Off-market Transaction**") and take other necessary measures (see Note 2);

(v) After the completion of the Off-market Transaction, the necessary procedures shall be taken to implement the share exchange in which the Tender Offeror will become the wholly owning parent company resulting from the share exchange and the Target Company will become a wholly owned subsidiary resulting from the share exchange with the shares of the Tender Offeror as consideration (the "**Share Exchange**") (see Note 3).

Note 1: "Ownership Ratio" means the ratio (rounded to three decimal places; the same shall apply hereinafter in the calculation of ownership ratio) to the total number of issued shares of the Target Company (27,560,771 shares, the "**Base Number of Shares**") as of September 30, 2023 as stated in the Second Quarterly Report for the 13 fiscal period submitted by the Target Company on November 13, 2023. As of September 30, 2023, the Target Company does not hold any treasury shares. In addition, according to the Target Company, as of December, 31, 2023, there are 280 Stock Acquisition Rights remaining, and the number of shares to be issued pertaining to the Stock Acquisition Rights is 28,000. However, the exercise period for the Stock Acquisition Rights is set from May 26, 2024 to May 25, 2032, and the Tender Offeror does not anticipate that the Stock Acquisition Rights will be exercised and the Target Company Shares will be issued or transferred to the holders of the Stock Acquisition Rights during the period of the Tender Offer. Therefore, the number of shares to be issued pertaining to the Stock Acquisition Rights (28,000 shares) has not been added to the Base Number of Shares.

Note 2: The transfer price of the Off-market Transaction may be different from the purchase price per share of the Target Company Shares in the Tender Offer (the "**Tender Offer Price**") when compared on a per share basis. However, in order not to contradict the purpose of the uniformity regulation of the Tender Offer Price (Article 27-2, paragraph (3) of the Act), the transfer price of the Off-market Transaction will be determined proportionally based on the Tender Offer Price in accordance with the ratio of the consolidation of the Target Company Shares implemented as part of the Squeeze-Out Procedure and other factors, and will be substantially the same amount as the Tender Offer Price.

Note 3: In determining the share exchange ratio in the Share Exchange, in order not to contradict the purpose of the uniformity regulation of the Tender Offer Price (Article 27-2, paragraph (3) of the Act), the value of the Target Company Shares will be assessed at substantially the same amount as the Tender Offer Price.

In addition, Mr. Senga and Mr. Ito have agreed on the following matters in the MOU.

(i) All of the Target Company Shares held by Mr. Senga and Mr. Ito (total shareholding: 2,552,900 shares; total ownership ratio: 9.26%) shall be tendered in the Tender Offer;

(ii) After the effectuation of the consolidation of the Target Company Shares implemented as part of the Squeeze-Out Procedure, and prior to the execution of the Off-market Transaction, Mr. Senga and Mr. Ito will make an investment (the "**Investment**" and collectively with the Off-market Transaction and the Share Exchange, the "**Subsequent Transaction**") to the Tender Offeror by way of subscription for the shares of the Tender Offeror through a third party allotment or by other means, in order to ensure that the ratio of voting rights pertaining to the shares of the Tender Offeror held by Mr. Senga and Mr. Ito after the Subsequent Transaction will be 1.20% and 0.57% (see Note 4).

Note 4: The valuation of the Target Company Shares, which is the basis for determining the paid-in value

per share of the Tender Offeror in the Investment, is planned to be 1,089 yen (a formal adjustment will be made based on the ratio of the consolidation of the Target Company Shares implemented as part of the Squeeze-Out Procedure and other factors), which is the same price as the Tender Offer Price, and there is no plan to issue the shares at a discounted price. Therefore, it is considered that the paid-in value per share of the Tender Offeror by Mr. Senga and Mr. Ito in the Investment is not substantially more favorable than the Tender Offer Price, and that the Investment is implemented by Mr. Senga, who is the Vice President and Director of the Target Company, and Mr. Ito, who is the Director of the Target Company, for the purpose of engaging with the Target Company even after the Target Company goes private through the Investment to the Tender Offeror, and was considered independently from the tendering to the Tender Offer by Mr. Senga and Mr. Ito, the Tender Offeror believes that the Investment does not contradict the purpose of the uniformity regulation of the Tender Offer Price (Article 27-2, paragraph (3) of the Act).

After the completion of the Transactions, the Management plans to acquire the shares of the Tender Offeror equivalent to a total voting right ratio of 10.00% (Of these, 8.23% will be acquired by Mr. Ota, 1.20% by Mr. Senga, and 0.57% by Mr. Ito) through the Share Exchange for Mr. Ota and the Investment for Mr. Senga and Mr. Ito, and the Management plans to continue participating in the management of the Target Company after the Transactions, and the Tender Offer will be conducted based on the agreement between the Management and the Tender Offeror. Therefore, the Transactions falls under the category of management buy-out (MBO) (see Note 5).

Note 5: Management buy-out (MBO) is generally categorized in a tender offer in which the tender offeror is an officer of the target company (including a tender offer in which the tender offeror conducts a tender offer based on the request of the officer of the target company while sharing common interests with the officer of the target company) (Article 441 of the Securities Listing Regulations of the Tokyo Stock Exchange).

The summary of the Tender Offer is as follows.

1. Name of the Target Company
Welbe, Inc.
2. Type of Share Certificates, Etc. Subject to Tender Offer
 - (1) Common Shares
 - (2) Stock Acquisition Rights
Fourth stock acquisition rights issued pursuant to the resolution at the board of directors meeting of the Target Company held on May 25, 2022 (the “**Stock Acquisition Rights**”) (the exercise period is from May 26, 2024 to May 25, 2032)
3. Period of the Tender Offer
February 9 (Friday) 2024 to March 26 (Tuesday) 2024 (30 business days)
4. Price of Tender Offer
Common stock: 1,089 yen per share of common stock
Stock Acquisition Rights: 25,200 yen per one Stock Acquisition Rights
5. Number of Share Certificates, Etc. to be Purchased

Type of Share Certificates, Etc.	Number of Share Certificates, Etc. to be purchased	Minimum number of Share Certificates, Etc. to be purchased	Maximum number of Share Certificates, Etc. to be purchased
Common Shares	22,076,617 shares	12,861,700 shares	— shares

Total	22,076,617 shares	12,861,700 shares	— shares
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6. Commencement date of settlement
April 2, 2024 (Tuesday)

7. Tender Offer Agent
Mizuho Securities Co., Ltd. 1-5-1, Otemachi, Chiyoda-ku, Tokyo

For specific details of the Tender Offer, please refer to the Tender Offer Registration Statement to be submitted by the Tender Offeror for the Tender Offer on February 9 2024.

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