

FOR IMMEDIATE RELEASE:

**Integral Announces MBO through Tender Offer for Shares of Shinoken Group Co., Ltd.**

Integral Corporation ("Integral") hereby announces that SK Life Support Corporation (the "Company") has decided today to launch a tender offer (the "Tender Offer") for the common shares and Stock Acquisition Rights of **Shinoken Group Co., Ltd.** ("Shinoken", Securities code: 8909) for MBO, i.e., management buyout. The Company is a wholly-owned subsidiary of Integral and additional investment will be made by Integral 4 Limited Partnership, Innovation Alpha IV L.P., operated and managed by Innovation Partners Alpha IV Ltd, and Initiative Delta IV L.P., operated and managed by Initiative Partners Delta IV Ltd.

Mr. Hideaki Shinohara ("Mr. Shinohara"), Representative Director and President of Shinoken, has agreed in principle to continue to manage Shinoken as Representative Director. This transaction shall be conducted as an MBO transaction where Mr. Shinohara plans to acquire some portion of the shares of the Company after the completion of the Tender Offer. Mr. Shinohara has signed a contract with the Company in which he promised to offer his shares to the Tender Offer. Shinoken, at the meeting of its board of directors held today, has resolved to express an opinion in support of the Tender Offer and to recommend all shareholders and Stock Acquisition Right Holders of Shinoken to offer their shares and rights to the Tender Offer.

Since its founding in 1990, Shinoken has built the No. 1 position in the industry in the development and sales of newly-built wooden apartments. Shinoken has continued to grow as a "life support company" that stays close to its customers throughout their lives, providing apartment management support and covering the area of nursing care, which is indispensable in an aging society, etc., under its corporate philosophy of "All for customers success," "Never forget Gratitude," and "Challenge Spirit". However, Shinoken faces unprecedented changes in external business environment and international conditions, and stands at a stage where it needs to explore ways to transform their business, including but not limited to growth of recurring revenue, expansion of overseas businesses, and enforcement of digital transformation, in order to increase further its corporate value in medium- to long-term. Such business transformation might involve a decline of stock price on a short term basis, which makes it difficult for Shinoken to implement the effective business transformation while being listed. Thus, Shinoken decided to go private, and Integral agrees to support the MBO as an MBO sponsor.

Integral's corporate philosophy is to be a "Trusted Investor," and we will make equity investments from a long-term perspective based on a relationship of highest trust with the management of our portfolio companies. Subsequent to investment, we will work together with the invested company sharing the same objectives and time horizon with the management, and support the growth of its corporate value by



utilizing our extensive human resources network and knowledge of management and governance. For details of the Tender Offer, please refer to the attached press release by the Company.

**About Integral**

Integral (Representative Director: Reijiro Yamamoto) was founded in September 2007 as an independent Japanese private equity company investing in listed and unlisted companies in Japan. “Integral” stands for “integral calculus – accumulation over time” meaning that the company will strive to establish a relationship of highest trust with the management of invested companies, and will aim to accumulate the highest wisdom over time. Integral makes equity investments from a long-range perspective through its unique “hybrid investment” approach, utilizing both principal and fund money for investment. Subsequent to investment, the company will provide optimal support in terms of management and finance through the “i-Engine” corporate value enhancement team, and will collaborate with the invested company sharing the same objectives and time horizon and seeing eye-to-eye with its management. Integral aspires to be a trusted investment fund, contributing to society through the success of invested companies.

**Please Contact Integral for Additional Information:**

10F, GranTokyo South Tower 1-9-2, Marunouchi, Chiyoda-ku, Tokyo 100-6610 Japan

Integral Corporation

Tel: +81-3-6212-6100 Fax: +81-3-6212-6099

URL: <https://www.integralkk.com/en/>

August 10, 2022

FOR IMMEDIATE RELEASE

Company Name:	SK Life Support Co., Ltd.
Name of Representative:	Yoshihiro Hemmi, Representative Director

**Announcement on Commencement of Tender Offer for Share Certificates, Etc. of Shinoken Group Co., Ltd. (Securities Code: 8909)**

SK Life Support Co., Ltd. (the “**Tender Offeror**”) hereby announces that, today, it decided to acquire share certificates, etc. of Shinoken Group Co., Ltd. (listed on the Standard Market of the Tokyo Stock Exchange, Inc. (the “**TSE**”); securities code: 8909; the “**Target Company**”) by way of a tender offer (the “**Tender Offer**”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended), as further detailed below.

The Tender Offeror is a stock company (*kabushiki kaisha*) established on July 7, 2022 mainly for the purpose of acquiring and holding the share certificates, etc. of the Target Company, and as of today, all of the issued shares of the Tender Offeror are held by Integral Corporation (“**Integral**”). As of today, Integral and its subsidiaries and affiliates, including the Tender Offeror, do not hold any common shares of the Target Company (the “**Target Company Shares**”) or any of the Stock Acquisition Rights (defined in (B) of “(2) Type of Share Certificates, Etc. Subject to Tender Offer” below).

Integral is an equity investment company that invests in listed companies, private companies, and the like in Japan. The company’s name, Integral, refers to integration and accumulation, and Integral’s mission is to engage in equity investments from a long-term perspective that involves building relationships of trust with portfolio companies and steadily implementing measures one on top of another that contribute to sustainably enhancing corporate value. Integral’s policy is to walk together with portfolio companies based on the same perspectives and timescales as their management and to provide optimal management support in terms of both management and finances in order to maximize corporate value while respecting the business policies of the portfolio companies.

Since its founding in September 2007, Integral has invested in a total of 27 companies including QB Net Holdings Co., Ltd., Skymark Airlines Inc., Toyo Engineering Corporation, and Oliver Corporation and has provided support thereto in terms of both management and finances in order to enhance corporate value. Integral does not pursue short-term profits only through reducing costs and improving the efficiency of operations but instead aims to achieve lasting business growth and development through investment and resource allocation based on a long-term perspective. As an independent domestic investment company



that has gathered people who are engaged in M&A operations and corporate management and who have a high level of expert knowledge in regard thereto, Integral gives its utmost to support the promotion of growth strategies that prioritize enhancing the corporate value of portfolio companies while fully understanding and respecting the characteristics of management-level personnel at Japanese companies.

The Tender Offeror decided on August 10, 2022 to conduct the Tender Offer as part of the transactions for the purpose of acquiring all of the Target Company Shares listed on the TSE (however, including the Target Company Shares issued due to the exercise of the Stock Acquisition Rights, and excluding the treasury shares held by the Target Company (excluding Target Company Shares held by the trust account of the Target Company's employee stock ownership plan (J-ESOP); the same applies below) and the Shares Agreed to Not Be Tendered (as defined below)) and the Stock Acquisition Rights and taking the Target Company Shares private (the "**Transactions**").

The Tender Offer will be conducted as part of a management buyout (MBO) (Note 1) with the support of the Target Company's board of directors for the purpose of amicably acquiring all of the Target Company Shares (however, including the Target Company Shares to be issued due to the exercise of the Stock Acquisition Rights, and excluding the treasury shares held by the Target Company and the Shares Agreed to Not Be Tendered) and the Stock Acquisition Rights. Hideaki Shinohara ("**Mr. Shinohara**"), who is the representative director and president of the Target Company as well as its top shareholder and major shareholder (shares held: 7,633,957 shares (Note 2) (including the 600,000 Target Company Shares to be issued upon the exercise of the 3,000 Stock Acquisition Rights held by Mr. Shinohara, the "**Shares Held by Mr. Shinohara**"); ownership ratio (Note 3): 22.31%), intends to continue engaging in the management of the Target Company after the Transactions, and in order to share common goals for the enhancement of corporate value, Integral and the Tender Offeror executed a basic agreement with Mr. Shinohara on August 10, 2022 (the "**Basic Agreement**") so that the contribution ratio of Mr. Shinohara to the surviving company after a merger in which the Tender Offeror is the surviving company and the Target Company is the disappearing company will be about 8%. In the Basic Agreement, it is agreed that Mr. Shinohara will tender 6,148,647 Shares Held by Mr. Shinohara (ownership ratio: 17.97%, "**Shares Agreed to Be Tendered**") and 3,000 Stock Acquisition Rights held by Mr. Shinohara ("**Stock Acquisition Rights Agreed to Be Tendered**"; 600,000 Target Company Shares to be issued upon exercise; ownership ratio: 1.75%) in the Tender Offer but will not tender 885,310 Shares Held by Mr. Shinohara (ownership ratio: 2.59 %; the "**Shares Agreed to Not Be Tendered**"; the shares held by Mr. Shinohara for restricted stock awards are included in the Shares Agreed to Not Be Tendered because transfer is restricted and cannot be tendered to the Tender Offer.) in the Tender Offer (provided that Mr. Shinohara may exercise the Stock Acquisition Rights Agreed to Be Tendered and tender the Target Company Shares to be issued upon such exercise to the Tender Offer, in which case the "Shares Agreed to Be Tendered" will be the number including the number of the Target Company Shares to be issued upon such exercise, and Mr. Shinohara will not be obligated to tender any of the Stock Acquisition Rights Agreed to Be Tendered).

- Note 1: “Management buyout (MBO)” generally refers to a transaction in which the management of the company being acquired contributes all or part of the acquisition funds and acquires the shares of the company on the assumption of continuing its business.
- Note 2: The number of shares held by Mr. Shinohara stated above (7,633,957 shares) includes 1,657 Target Company Shares indirectly held as equity through the officer shareholding association of the Target Company (the number of shares held as equity is rounded down to the nearest whole number) and 300,800 Target Company Shares granted as restricted stock compensation.
- Note 3: “Ownership ratio” means the ratio to the number of shares (34,210,366 shares) calculated by adding the number of Target Company Shares (618,000 shares) to be issued upon the exercise of the Stock Acquisition Rights (3,090 units) reported by the Target Company to still exist as of June 30, 2022 to the number of shares (33,592,366 shares) calculated by deducting the number of treasury shares (2,788,034 shares; the number of treasury shares does not include the Target Company Shares (162,400 shares) held by the trust account of the Target Company’s employee stock ownership plan (J-ESOP) as of June 30, 2022) held by the Target Company as of June 30, 2022 from the total number of issued shares (36,380,400 shares) of the Target Company as of June 30, 2022 as stated in the “Consolidated Financial Results Release for the Second Quarter of the Fiscal Year Ending December 2022 (Japanese GAAP)” released by the Target Company today. When calculating ownership ratios, numbers are rounded to two decimal places.

An outline of the Tender Offer is provided below.

- (1) Name of the Target Company  
Shinoken Group Co., Ltd.
- (2) Type of Share Certificates, Etc. Subject to Tender Offer
  - (A) Common stock
  - (B) The 7th stock acquisition rights issued pursuant to the resolution at the Target Company’s board of directors meeting held on March 1, 2016 (the “**Stock Acquisition Rights**”) (the exercise period for the Stock Acquisition Rights is from April 1, 2019 to March 15, 2023)
- (3) Period of Tender Offer  
August 12, 2022 (Friday) to September 26, 2022 (Monday (30 Business Days))

(4) Price of Tender Offer

- (A) 1,600 yen per common stock
- (B) 142,600 yen per Stock Acquisition Right

(5) Number of Share Certificates, Etc. to be Purchased

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
33,325,056 shares	21,509,600 shares	– shares

(6) Commencement Date of Settlement

October 3, 2022 ([Monday])

(7) Tender Offer Agent

SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
SBI SECURITIES Co., Ltd.	1-6-1 Roppongi, Minato-ku, Tokyo

For the details of the Tender Offer, please see the Tender Offer Registration Statement to be submitted by the Tender Offeror on August 12, 2022 with respect to the Tender Offer.

End

### Restrictions on Solicitation

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first review the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to buy, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis for any agreement on the Tender Offer or be relied on when executing such an agreement.

### US Regulations

The Tender Offer will be conducted in compliance with the procedures and information disclosure standards provided under the Financial Instruments and Exchange Act of Japan, and those procedures and standards are not always the same as those applicable in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; the same applies hereinafter) or the rules under these sections apply to the Tender Offer; therefore, the Tender Offer is not conducted in accordance with those procedures or standards.

All procedures regarding the Tender Offer will be conducted in Japanese unless specifically set forth otherwise. All or part of the documents regarding the Tender Offer will be prepared in English. However, if there is any discrepancy between the documents in English and those in Japanese, the documents in Japanese shall prevail.

This press release and reference documents for this press release includes “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. The actual results may be significantly different from the predictions expressly or impliedly indicated in the “forward-looking statements”, due to known or unknown risks, uncertainty, or other factors. The Tender Offeror, the Target Company or their affiliates do not guarantee that the predictions expressly or impliedly indicated as the “forward-looking statements” will turn out to be correct. The “forward-looking statements” included in this press release and reference documents for this press release were prepared based on the information held by the Tender Offeror and the Target Company as of the date hereof, and unless obligated by laws or regulations or the rules of a financial instruments exchange, the Tender Offeror, the Target Company or their affiliates shall not be obligated to update or revise the statements to reflect future incidents or situations. The financial information included in this press release and reference documents for this press release may have been prepared in accordance with accounting standards that are significantly different from general accounting standards in the U.S. or other countries. In addition, because the Tender Offeror and the Target Company are corporations incorporated outside the United States and some or all of their officers are non-U.S. residents, it may be difficult to exercise rights or make claims under the federal securities laws of the United States. It also may be impossible to bring an action against a company that is based outside of the United States



or its officers in a court outside of the United States on the grounds of a violation of the federal securities laws of the United States. There is also no guarantee that a company that is based outside of the United States or its subsidiaries or affiliates may be compelled to submit themselves to the jurisdiction of a U.S. court.

Before the commencement of the Tender Offer or during the Tender Offer period, the Tender Offeror, the financial advisor of each of the Tender Offeror and the Target Company, and the tender offer agent (including their affiliates) might purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of the Target Company Shares on their own account or the account of their client to the extent permitted by Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations in the scope of their ordinary business and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on a website of the person that conducted that purchase (or disclosed by any other means).

#### In other countries

Some countries or regions may impose restrictions on the announcement, issue, or distribution of this press release. In such cases, please take note of such restrictions and comply with them. The announcement, issue, or distribution of this press release shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.