



October 21, 2026
SMS Co., Ltd.
(Company Code: 2175, TSE Prime Market)
<https://global.bm-sms.com/>

<PRESS RELEASE>

Notice Regarding the Establishment of a Subsidiary through a Company Split (Simplified Incorporation-Type Company Split) and the Transfer of Shares in the Subsidiary (Change in Subsidiary)

SMS Co., Ltd. (the “Company”) hereby announces that, at a meeting of its Board of Directors held on October 21, 2026, it resolved to transfer the stress check outsourcing service business operated by the Company (the “Target Business”) to a wholly owned subsidiary to be newly established by the Company (the “New Company”) by way of a company split (a simplified incorporation-type company split; the “Company Split”), and thereafter to transfer all of the issued shares of the New Company to Wellness Communications Corporation (“Wellness Communications”) (the “Share Transfer”). On the same date, the Company entered into a share transfer agreement with Wellness Communications.

Upon completion of the Share Transfer, the New Company is expected to be excluded from the Company’s scope of consolidation.

As the Company Split constitutes a simplified incorporation-type company split conducted by the Company alone, certain disclosure items and details have been omitted.

I. Purpose of the Company Split and the Share Transfer

As stated in the “Corporate Value Creation Roadmap” (the presentation material for financial results summary for the fiscal year ended March 31, 2026) disclosed on April 28, 2026, the Company has been reviewing its business portfolio in order to concentrate management resources on its focus areas.

The Target Business provides services centered on the outsourced implementation of stress checks for medical institutions and nursing care providers, and has established a certain customer base. However, taking into account its relevance to the SMS Group’s focus areas and the priority of future growth investments, the Company has concluded that, in order to achieve further growth of the Target Business and to maintain and enhance service quality for its customers and employees, it would be optimal for the business to be operated under Wellness Communications, which offers a range of solutions centered on “Growbase,” a platform that provides continuous support for the well-being of companies and individuals.

In light of the above, the Company has decided to transfer the Target Business to the New Company by way of the Company Split and to transfer all of the shares of the New Company to Wellness Communications.

II. The Company Split

1. Outline of the Company Split

(1) Schedule of the Company Split and the Share Transfer

Date of Board of Directors Resolution Approving the Incorporation-Type Company Split Plan	October 21, 2026
Date of Execution of the Share Transfer Agreement	October 21, 2026
Effective Date of the Company Split (Date of Registration of Incorporation of the New Company)	December 1, 2026 (planned)
Closing Date of the Share Transfer	December 1, 2026 (planned)

(Note) As the Company Split constitutes a simplified incorporation-type company split as provided in Article 805 of the Companies Act, it will be conducted without obtaining the approval of a general meeting of shareholders.

(2) Method of the Company Split

An incorporation-type company split (simplified incorporation-type company split) in which the Company will be the splitting company and the New Company to be newly established will be the succeeding company.

(3) Details of the Allocation Related to the Company Split

Upon the Company Split, the New Company will issue 100 shares of common stock, all of which will be allotted to the Company as the splitting company.

(4) Treatment of Share Acquisition Rights and Bonds with Share Acquisition Rights in Connection with the Company Split

There will be no change in the treatment of the share acquisition rights issued by the Company as a result of the Company Split. In addition, the Company has not issued any bonds with share acquisition rights.

(5) Increase or Decrease in Capital Stock as a Result of the Company Split

There will be no increase or decrease in the Company's capital stock as a result of the Company Split.

(6) Rights and Obligations to Be Succeeded to by the New Company

Through the Company Split, the New Company will succeed to the assets, liabilities, contractual positions and the rights and obligations incidental thereto belonging to the Target Business, as well as the employment agreements with its employees, in accordance with the incorporation-type company split plan.

(7) Prospects for the Performance of Obligations

The Company has determined that there are no issues with respect to the prospects for the performance of the obligations to be borne by the Company and the New Company on and after the effective date of the Company Split.

2. Overview of the Parties to the Company Split

	Splitting Company (the Company)	Newly Established Company (planned)
(1) Name	SMS Co., Ltd.	Stress Check Co., Ltd.
(2) Location	2-11-1 Shibakoen, Minato-ku, Tokyo	2-11-1 Shibakoen, Minato-ku, Tokyo
(3) Title and Name of Representative	President and Representative Director, Masaki Takahata	Representative Director, Issei Sonoda (Note 1)

	Splitting Company (the Company)	Newly Established Company (planned)
(4) Description of Business	Businesses aimed at building information infrastructure for an aging society	Stress check outsourcing service business
(5) Capital Stock	2,551 million yen	1 million yen
(6) Date of Establishment	April 4, 2003	December 1, 2026 (planned)
(7) Number of Issued Shares	87,561,600 shares	100 shares
(8) Fiscal Year End	March 31	March 31
(9) Major Shareholders and Shareholding Ratios (Note 2)	MORO LLC 18.72% The Master Trust Bank of Japan, Ltd. (Trust Account) 11.19% MISAKI ENGAGEMENT MASTER FUND 3.44% GOLDMAN, SACHS & CO. REG 3.39% NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB) 3.36%	SMS Co., Ltd. 100% (Note 3)
(10) Relationship between the Company and the New Company	—	Capital relationship: The New Company, to be established through the Company Split, will be a wholly owned subsidiary of the Company. Personnel relationship: Employees of the Company are expected to assume office as directors of the New Company upon its establishment. Business relationship: There is no business relationship to be stated. Status as a related party: As the New Company will become a subsidiary of the Company through the Company Split, it falls under the category of a related party of the Company. Other noteworthy relationships: There are no matters to be stated.

(Note 1) The representative director of the New Company is the person expected to assume office upon its establishment (scheduled for December 1, 2026). The officer structure of the New Company following the Share Transfer, which is to be executed on the same date, will be determined going forward.

(Note 2) As of March 31, 2026. Only shareholders whose beneficial shareholdings have been identified are listed.

(Note 3) The major shareholders and shareholding ratios of the New Company are those as of the time of its establishment (scheduled for December 1, 2026). The New Company is expected to cease to be a subsidiary of the Company as a result of the Share Transfer, which is to be executed on the same date.

(11) Consolidated Operating Results and Financial Position of the Splitting Company for the Last Three

Fiscal Years

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets	44,284 million yen	47,319 million yen	26,724 million yen
Total assets	72,475 million yen	76,540 million yen	52,774 million yen
Net assets per share	507.23 yen	554.24 yen	322.79 yen
Net sales	53,973 million yen	60,952 million yen	64,735 million yen
Operating profit	8,269 million yen	6,335 million yen	6,787 million yen
Ordinary profit	9,901 million yen	8,357 million yen	8,721 million yen
Net income (loss) attributable to owners of parent	7,227 million yen	6,054 million yen	(14,317) million yen
Net income (loss) per share	82.97 yen	70.96 yen	(173.66) yen

(Note) As the New Company is a newly established company, it has no immediately preceding fiscal year.

3. Overview of the Business Division to Be Split

(1) Description of the Business of the Division to Be Split

Stress check outsourcing service business (outsourced implementation of stress checks under the Industrial Safety and Health Act, provision of an online survey system, aggregation and analysis of results, arrangement of face-to-face guidance, and related services)

(2) Operating Results of the Division to Be Split (Fiscal Year Ended March 31, 2026)

	Division to Be Split (a)	The Company's Consolidated Results (b)	Ratio (a / b)
Net sales	179 million yen	64,735 million yen	0.3%

(Note) The net sales above represent net sales to external customers.

(3) Items and Book Values of the Assets and Liabilities to Be Split

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current assets	26 million yen	Current liabilities	3 million yen
Non-current assets	4 million yen	Non-current liabilities	0 million yen
Total	30 million yen	Total	3 million yen

(Note) The amounts above are calculated based on book values as of March 31, 2026. The actual amounts to be succeeded to will be determined by adjusting the above amounts for any increases or decreases through the effective date.

4. Status after the Company Split

There will be no change in the Company's name, location, title and name of representative, description of business, capital stock or fiscal year end as a result of the Company Split.

The name, location, title and name of representative, description of business, capital stock and fiscal year end of the New Company are as stated in the "Newly Established Company (planned)" column of II.2. above.

III. The Share Transfer

1. Overview of the Subsidiary Subject to the Change (the New Company)

As described in the “Newly Established Company (planned)” column of II.2. above.

2. Overview of the Transferee

(1) Name	Wellness Communications Corporation (Tokyo Stock Exchange Growth Market, Company Code: 366A)
(2) Location	1-12-32 Akasaka, Minato-ku, Tokyo
(3) Title and Name of Representative	President and Representative Director, Yasuhide Matsuda
(4) Description of Business	Cloud business Solutions business
(5) Capital Stock	1,301 million yen
(6) Date of Establishment	July 3, 2006
(7) Number of Issued Shares	12,463,400 shares
(8) Fiscal Year End	March 31
(9) Major Shareholders and Shareholding Ratios (Note)	SOMPO Holdings, Inc. 32.08% LHP Holdings, L.P. 28.65% Advantage Risk Management Co., Ltd. 4.37% BELLSYSTEM24 Holdings, Inc. 3.23% ITOCHU Corporation 2.71%
(10) Relationship between the Company and Wellness Communications	Capital relationship: There is no capital relationship to be stated between the Company and Wellness Communications. Personnel relationship: There is no personnel relationship to be stated between the Company and Wellness Communications. Business relationship: There is no business relationship to be stated between the Company and Wellness Communications. Status as a related party: Wellness Communications does not fall under the category of a related party of the Company.
(11) Consolidated Operating Results and Financial Position for the Immediately Preceding Fiscal Year (Fiscal Year Ended March 31, 2026)	Net assets: 5,832 million yen Total assets: 9,729 million yen Net assets per share: 467.99 yen Net sales: 14,778 million yen Operating profit: 1,186 million yen Ordinary profit: 1,164 million yen Net income attributable to owners of parent: 822 million yen Net income per share: 68.13 yen

(Note) As of March 31, 2026.

3. Number of Shares to Be Transferred, Transfer Price, and Shares Held before and after the Transfer

(1) Number of Shares Held before the Transfer	100 shares (number of voting rights: 100; voting rights ownership ratio: 100.0%)
(2) Number of Shares to Be Transferred	100 shares (number of voting rights: 100; voting rights ownership ratio: 100.0%)
(3) Transfer Price	The transfer price is not disclosed due to confidentiality obligations between the parties.
(4) Number of Shares Held after the Transfer	0 shares (number of voting rights: 0; voting rights ownership ratio: 0.0%)

IV. Future Outlook

The impact of the Company Split and the Share Transfer on the Company's consolidated financial results for the fiscal year ending March 31, 2027 is expected to be minor.

There is no change to the consolidated financial forecast for the fiscal year ending March 31, 2027 announced on April 28, 2026.