

Sony Lifecare to Convert Yuuai Holdings to a Subsidiary

Sony Lifecare Inc. hereby provides notice that it resolved, at a Board of Directors meeting, to convert Yuuai Holdings Co., Ltd. (“YHD”)—which is involved in the operation of nursing care homes and other businesses under its umbrella—to a subsidiary, as described below.

The matter is provisional upon receiving permissions from the relevant authorities.

1. Background

Since its establishment in April 2014 to oversee the nursing care business of the Sony Financial Group, Sony Lifecare has pursued a business development strategy of newly building and operating nursing care homes through a subsidiary that offers high-quality and optimal nursing care services. At the same time, on an ongoing basis Sony Lifecare considers forming strategic alliances with partner companies that share a common corporate philosophy with Sony Lifecare and possess the management expertise to expand its bases through the operation of multiple nursing care homes.

In its nursing care business, the YHD Group operates nursing care homes and other facilities in 28 locations (including in Kanagawa, Tokyo and Niigata prefectures). Since May 2015, Sony Lifecare has been in an alliance with YHD that includes acquiring a portion of YHD’s shares and accepting convertible bonds issued by the company (total of ¥2.0 billion).

In the two years since this alliance began, Sony Lifecare and YHD Group have worked to strengthen their relationship and construct various systems for YHD Group. By exercising the stock acquisition rights on the bonds it has received, Sony Lifecare has now resolved to convert YHD to a subsidiary.

2. Future Initiatives

Sony Lifecare aims for its Group-wide growth, including that of YHD Group, by pursuing synergies with YHD Group through such measures as dispatching directors to the company, while respecting YHD Group’s management philosophy and the distinctiveness of its services. Furthermore, going forward Sony Lifecare will strive to contribute to society by coming up with fresh ideas from basic principles, which is its corporate philosophy, and upholding the highest ethics and strong sense of purpose.

(Reference)

Overview of Related Companies (As of March 31, 2017)

(1) Yuuai Holdings Co., Ltd.

Name	Yuuai Holdings Co., Ltd.
Head office	8-4, 2-chome, Kitasaiwai, Nishi-ku, Yokohama, Kanagawa Prefecture, Japan
Representatives	Hiroshi Sonoda, President and Representative Director
Business	Management of companies conducting nursing care business and other
Established	April 5, 2012
Common stock	¥10 million
(Reference) Overview of operations, including subsidiaries	Group sales: Approx. ¥5.5 billion (fiscal year ended March 31, 2016) Group employees: Approx. 900 Number of homes: 28

(2) Sony Lifecare Inc.

Name	Sony Lifecare Inc.
Head office	11-11, 3-chome, Shibuya, Shibuya-ku, Tokyo, Japan
Representative	Manabu Idei, President and Representative Director
Business	Management control of companies handing the nursing care business, and other duties incidental to that role
Established	April 1, 2014
Common stock	¥1,010 million
Shareholder	Sony Financial Holdings Inc. 20,000 shares (wholly owned)

Note: This is an English-language version of a Japanese announcement made by Sony Lifecare on April 14, 2017. This was prepared by Sony Financial Holdings solely for convenience of non-Japanese readers