

## SMK Information Services

20770 West Dixie Highway

Aventura, Florida 33180

(305) 705-0551 ~ (305) 986-1331 ~ (Fax) 305-937-1445

website: [www.smkinfo.com](http://www.smkinfo.com) e-mail: [david@smkinfo.com](mailto:david@smkinfo.com)

### OFFER TO PURCHASE

Attention: Shareholders of PalmSource, Inc.

October 29, 2003

SMK Information Service is pleased to announce an economic offer to purchase shares of PalmSource, Inc. common stock through which shareholders holding fewer than 100 shares may conveniently sell all their shares or purchase enough additional shares to increase their holdings to 100 shares.

We realize the inconvenience and cost of commissions may deter you from selling or purchasing fewer than 100 shares. For this reason, SMK Information Services is offering you this opportunity to help you sell or purchase PalmSource, Inc. common stock conveniently and economically.

To take part in this offer, please contact SMK Information Services at 305-986-1331 and inform us of your decision to sell or purchase through this special offer.

If you have any further questions concerning this program contact SMK at 305-986-1331, or if you would like public information about PalmSource, Inc., contact your broker or account representative.

#### **\*\*\* OFFER TO PURCHASE \*\*\***

SMK Information Service has extended its offer to purchase shares of PalmSource, Inc. common stock (Cusip # 697154102) (NASDAQ: PSRC) from holders of 1 or more shares, but fewer than 100 shares (1 – 99), held as of the record date 10/29/2003.

**TERMS:** Holders will receive the price per share determined at the close of business on the date of transfer less a processing fee of \$1.50 per share.

This offer will expire on 2/20/2004 (5:00 PM Eastern Time Zone). There is no protect period or withdrawal privilege available.

A maximum number of 10,000 shares per week will be accepted on a first come basis, any shares exceeding this number will be carried over to the following week. SMK Information Services reserves the rights to extend, amend, and/or terminate the program at any time with or without notice, as well as the right to reject or waive any irregularities of any transmittal not in proper order.

Holders may purchase shares to increase holdings to 100 shares, no deposit is required. The price per share will be determined on a transaction-by-transaction basis, plus a \$1.50 per share processing fee.

SMK Information Services reserves the rights to extend, amend, and/or terminate the program at any time with or without notice, as well as the right to reject or waive any irregularities of any transmittal not in proper order. The offer is only being made to holders of less than 100 shares of PalmSource, Inc. common stock as of 10/29/2003. The program is not being made to, nor will tenders be accepted from, any shareholder in any jurisdiction in which the program would not comply with the laws of such jurisdiction. All processing fees collected during this program will be used to offset the program's expenses. Such expenses include but are not limited to SMK Information Services management fees, printing, postage, data processing, telephone, stock transfer, inspection of tenders, curing of defects, check issuance, and broker related costs. SMK Information Services does not make any recommendation as to your participation in this program. Shares held in any PalmSource, Inc. sponsored employee benefit plan are excluded from this program.

**TO PARTICIPATE, PLEASE CALL SMK INFORMATION SERVICES OR  
YOUR BROKER ACCOUNT REPRESENTATIVE**

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### QUESTIONS AND ANSWERS

Q: How do I sell my PalmSource, Inc. Shares?

A: To sell your shares, you must contact your broker or account representative and inform them of your decision to sell through this special program. If you decide to sell, you must sell all of your shares.

Q: How do I purchase PalmSource, Inc. shares?

A: To purchase enough shares of stock to reach exactly 100 shares, you must contact your broker or account representative and have them communicate with us as to the number of shares to be purchased on your behalf. The purchase price is equal to the price per share determined at the at the close of business on the date of transfer, or the price paid on date order placed (whichever is greater), plus a \$1.50 per share processing fee, multiplied by the difference between the total shares you own and 100 shares.

Q: What will I be paid for PalmSource, Inc. shares?

A: You will receive a market-based price per share. For DTC participants, a weekly accumulation program has been set for all shares tendered as of Wednesday each week. These shares will receive the Opening price of the stock the following trading day (Thursday) minus the processing fee of \$1.50 per share. The program is a weekly accumulation program, with a weekly price set every week, and paid every week to DTC. For Broker-to-Broker participants, the price you will be paid is the settlement price on the transfer date, minus the processing fee of \$1.50 per share. Therefore, the actual price for the Program Period cannot be guaranteed in advanced and your authorization to sell or buy shares cannot be revoked.

Q: What is the price of PalmSource, Inc. common stock?

A: PalmSource, Inc. common stock is listed on the NYSE and trades under the stock symbol of "PSRC". The market price is listed in the Wall Street Journal under "PSRC". The closing price as reported 10/29/2003 was \$29.00.

Q: When will I receive my money or new shares?

A: SMK Information Services, as paying agent will distribute the sales proceeds or newly purchased shares to your broker/bank, or to a broker depository for forwarding purposes, approximately five business days after delivery of the stocks. Please allow time for the broker/bank to credit your account with the proceeds.

Q: How much time do I have to participate?

A: This program will expire on 2/20/2004. You may participate in this offering at any time up to the expiration date of the offering. If the program is extended, the terms within any extension period may vary from the terms in the Program Period.

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