

SMS Co., Ltd.

(Securities Code: 2175/TSE 1st section)

Presentation Material for Investors

Financial Results Summary for the First Quarter of
the Fiscal Year Ending March 31, 2022 (the 19th Fiscal Year)

July 30, 2021



1

Q1 FY03/22 Consolidated Financial Results P3 – P7

2

References P9 – P81

Mission and Strategy P9 – P64

Appendix P65 – P81

1

Q1 FY03/22 Consolidated Financial Results P3 – P7

2

References P9 – P81

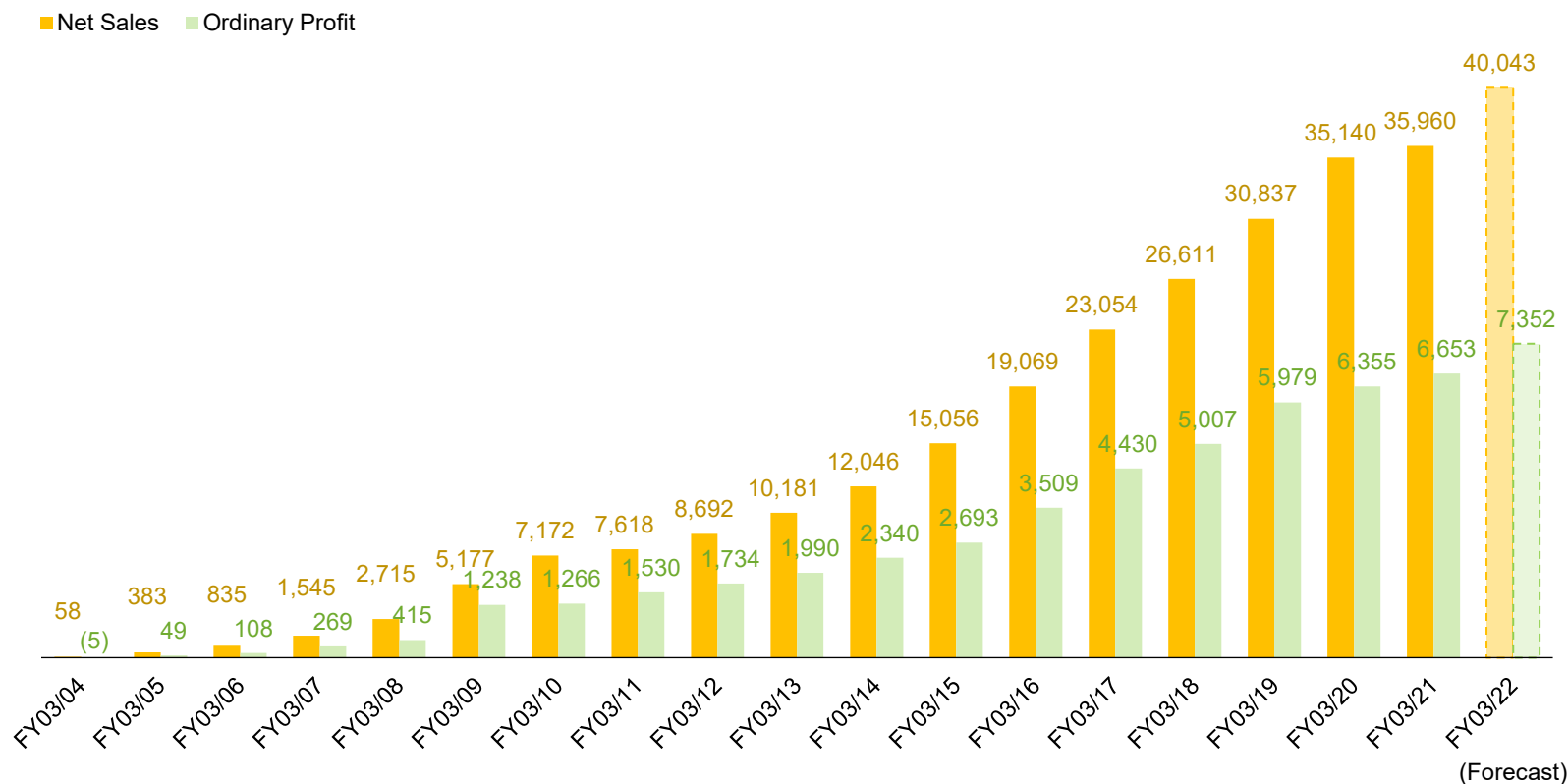
Mission and Strategy P9 – P64

Appendix P65 – P81

1 Historical Financial Results and FY03/22 Forecast

✓ Expect to achieve growth in both sales and profits for the 18th consecutive year since our establishment.

Trends in net sales and ordinary income [JPY million]



- ✓ Achieved YoY growth in both sales and profits.
- ✓ Marked steady progress toward the FY03/22 guidance.

Consolidated P/L Statement [JPY million]

	Q1 FY03/21 Actual	Q1 FY03/22 Actual	YoY Change
Net Sales	10,539	10,838	+3%
Operating Income	2,230	2,547	+14%
Ordinary Income	3,018	3,319	+10%
Net Income	2,201	2,476	+13%

YoY Comparison of Sales [JPY million]

	FY03/21*1	FY03/22	YoY Change
Elderly Care Career	3,400	3,099	(9%)
Medical Care Career	4,686	4,599	(2%)
Total	8,086	7,699	(5%)

Highlights

- The COVID-19 pandemic negatively affected both Elderly Care Career and Medical Care Career and temporarily decreased the growth rates as expected.*2,3
- Expect to get back on a growth path from Q2 onwards.

*1. The stress check service for elderly care operators and medical institutions was transferred from Career Segment to New Business Segment, and the FY03/21 sales were reclassified accordingly.

*2. The COVID-19 impact on the sales in Q1-FY03/21 was limited as they were mainly from matching activities before the COVID-19 outbreak.

*3. The sales of Elderly Care Career decreased by JPY 150 million due to the termination of temporary staffing service for care workers in August 2020. The sales of Medical Care Career decreased by JPY 100 million due to changes in revenue recognition standards.

YoY Comparison of Sales [JPY million]

	FY03/21	FY03/22	YoY Change
Elderly Care Operators (Kaipoke)	1,358	1,718	+26%

Highlights

- The number of Kaipoke memberships increased steadily.
 - 32,200 service offices (22,000 locations^{*1}) as of July 1, 2021.
 - Q1 membership increase: 1,100 service offices (750 locations)
- Sales of optional add-ons such as additional tablets and smartphones increased.

*1. # of locations: the number of elderly care service office locations, # of service offices: the number of elderly care services provided based on the public elderly care insurance scheme e.g. When an operator provides two types of elderly care services, home care support service and home-visit elderly care, at one specific address, the number of locations is counted as one and the number of service offices is counted as two. Kaipoke's subscription fee is charged per membership location. Normally, the number of locations is smaller than the number of service offices.

YoY Comparison of Sales [JPY million]

	FY03/21	FY03/22	YoY Change
Overseas	826	1,031	+25%

Highlights

- Medical marketing business grew significantly owing to the expanding demands of digital services such as online events and eDMs*2 along with the digital transformation accelerated by the COVID-19 pandemic.
- Global career business grew steadily even though the influence of travel restrictions remained to an extent due to the COVID-19 pandemic.

*1. MIMS P/L statement is consolidated with a three-month delay and the Q1 results are for January to March. (Please refer to p.71)

*2. Electronic direct mails

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Q1 FY03/22 Consolidated Financial Results P3 – P7

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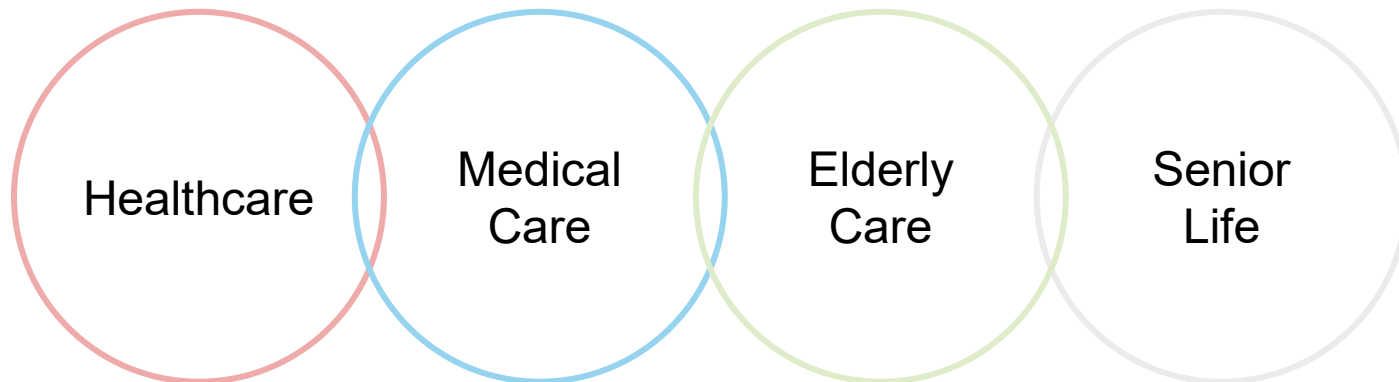
References P9 – P81**Mission and Strategy P9 – P64****Appendix P65 – P81**

Mission and Strategy

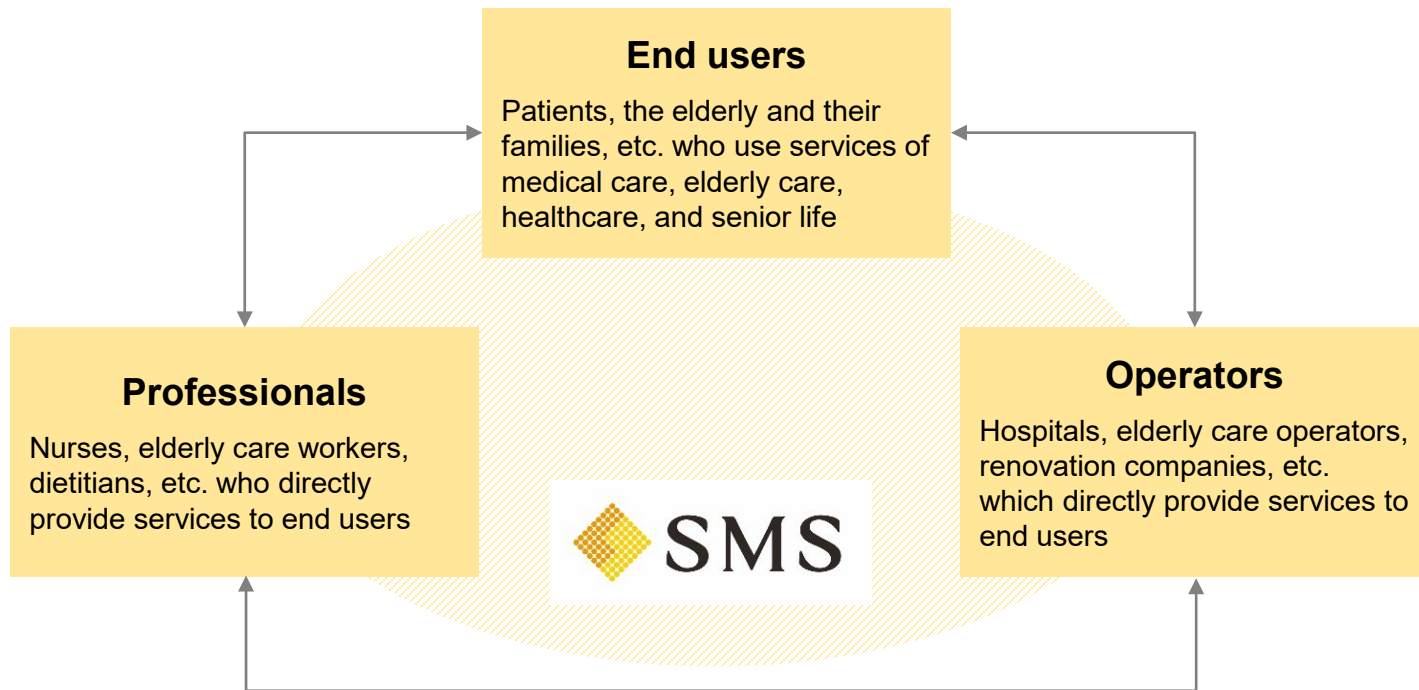
Mission

We aim to improve the quality of life
by providing information infrastructure
for an aging society.

- ✓ Define our business domains in an aging society as Medical Care, Elderly Care, Healthcare, and Senior Life.



- ✓ Define information infrastructure as a platform to connect those whom we provide value to: end users such as patients, the elderly and their families; professionals such as nurses and elderly care workers, and business operators such as hospitals and elderly care operators.



2 Business Areas

- ✓ Set our business areas based on the four domains required for an aging society and the three stakeholders which we provide value to.
- ✓ Build the information infrastructure by developing and nurturing businesses in each business area.

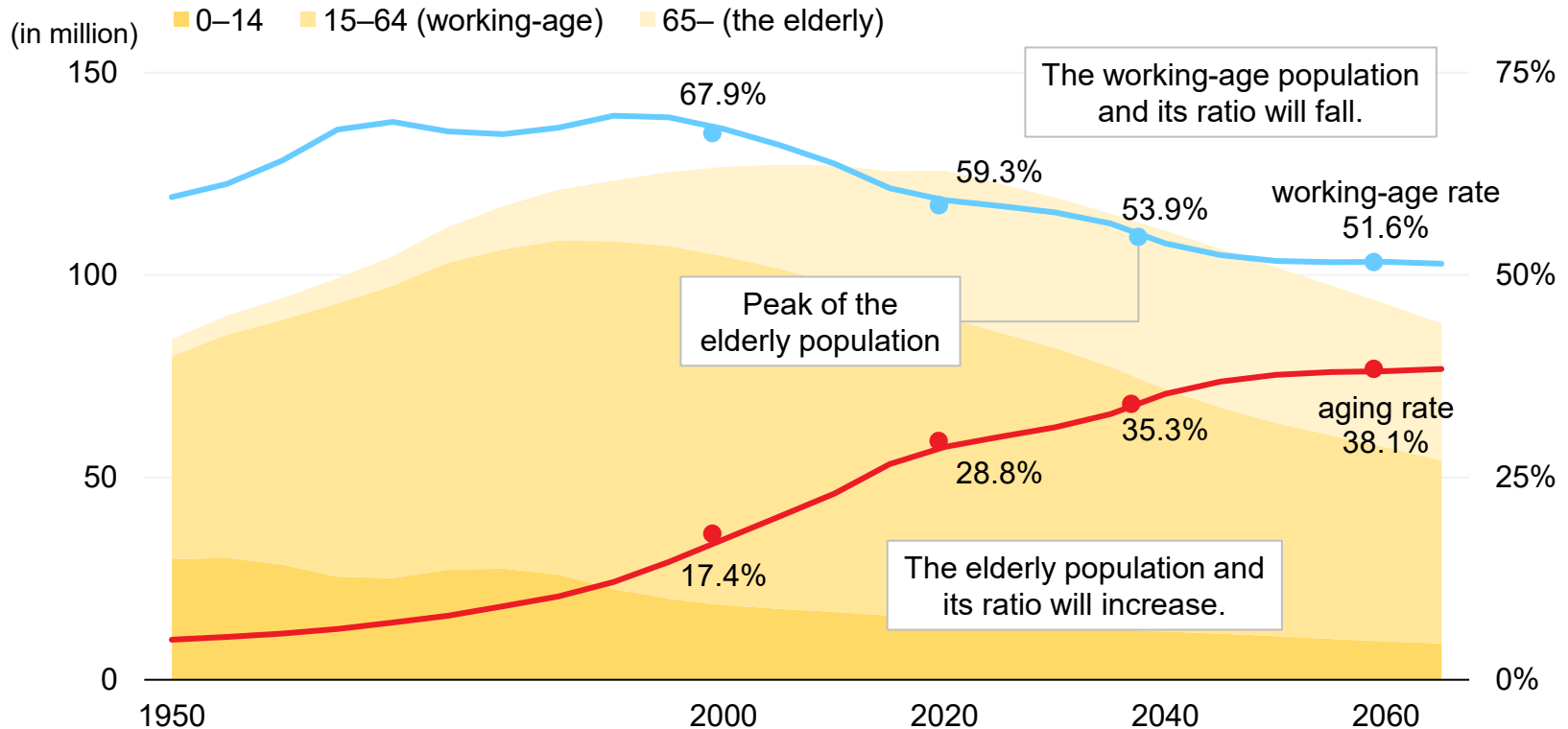
	Healthcare	Medical Care	Elderly Care	Senior Life
Professionals				
Operators				
End users				

Business Areas

Issues in the Aging Society and Our Solutions

- ✓ We are facing rapid aging and population decline simultaneously in Japan.
- ✓ The aging rate is expected to reach about 35% in 2040 when the elderly population approaches its peak.
- ✓ The working-age population is declining, and its ratio will drop to nearly 50% by 2040.

Population trends in Japan*1



* 1. MIC, "Census", "Population estimates"

National Institute of Population and Social Security Research "2017 Estimated future population of Japan"

2 Three Critical Issues We Face in the Aging Society

- ✓ We are facing three critical issues in the aging society with the low birth rate, aging and population decline.
- ✓ Need to solve these issues in order to improve the quality of life in the aging society.

Issue
1

Difficulty in sustaining high-quality medical care and elderly care services

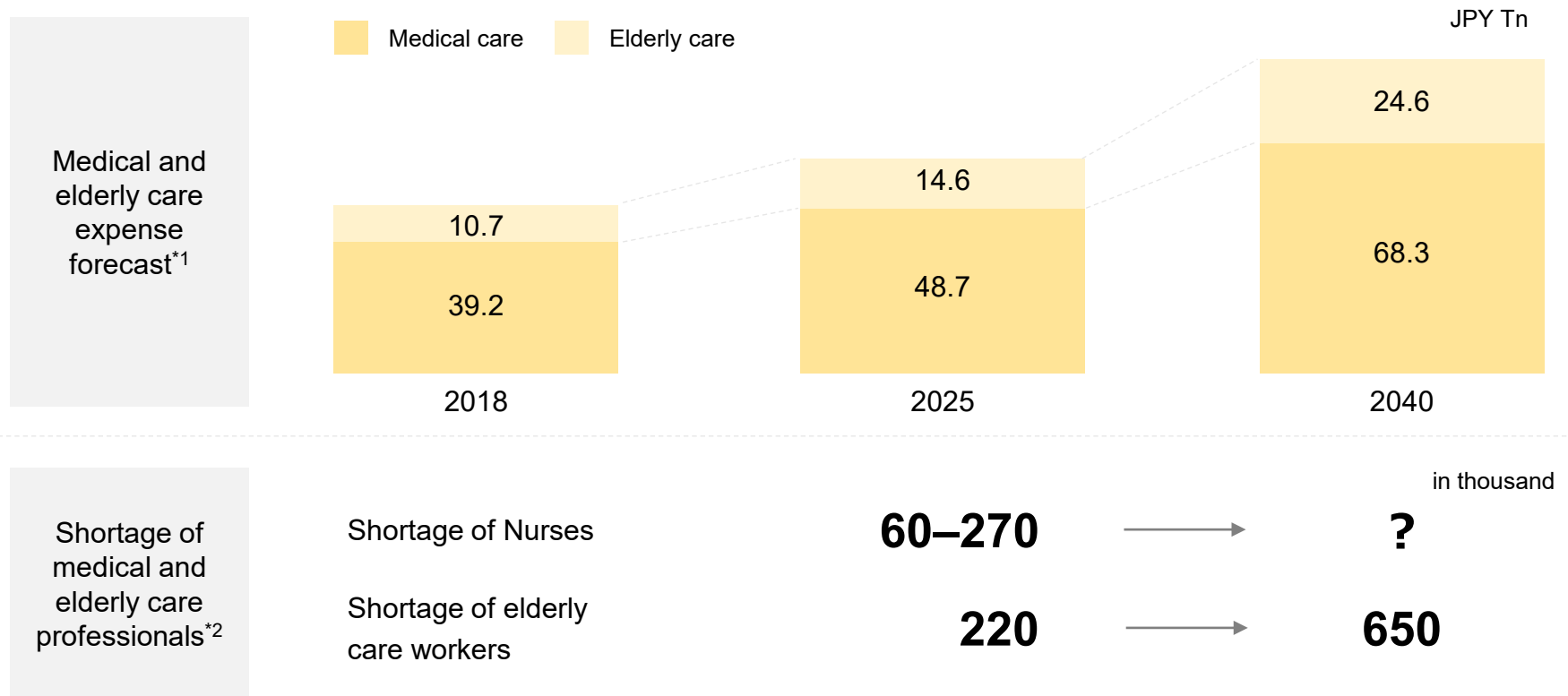
Issue
2

Severe burden on the working generation

Issue
3

Difficulty in solving problems about life in the aging society

- ✓ While the demand for medical care and elderly care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly care services.

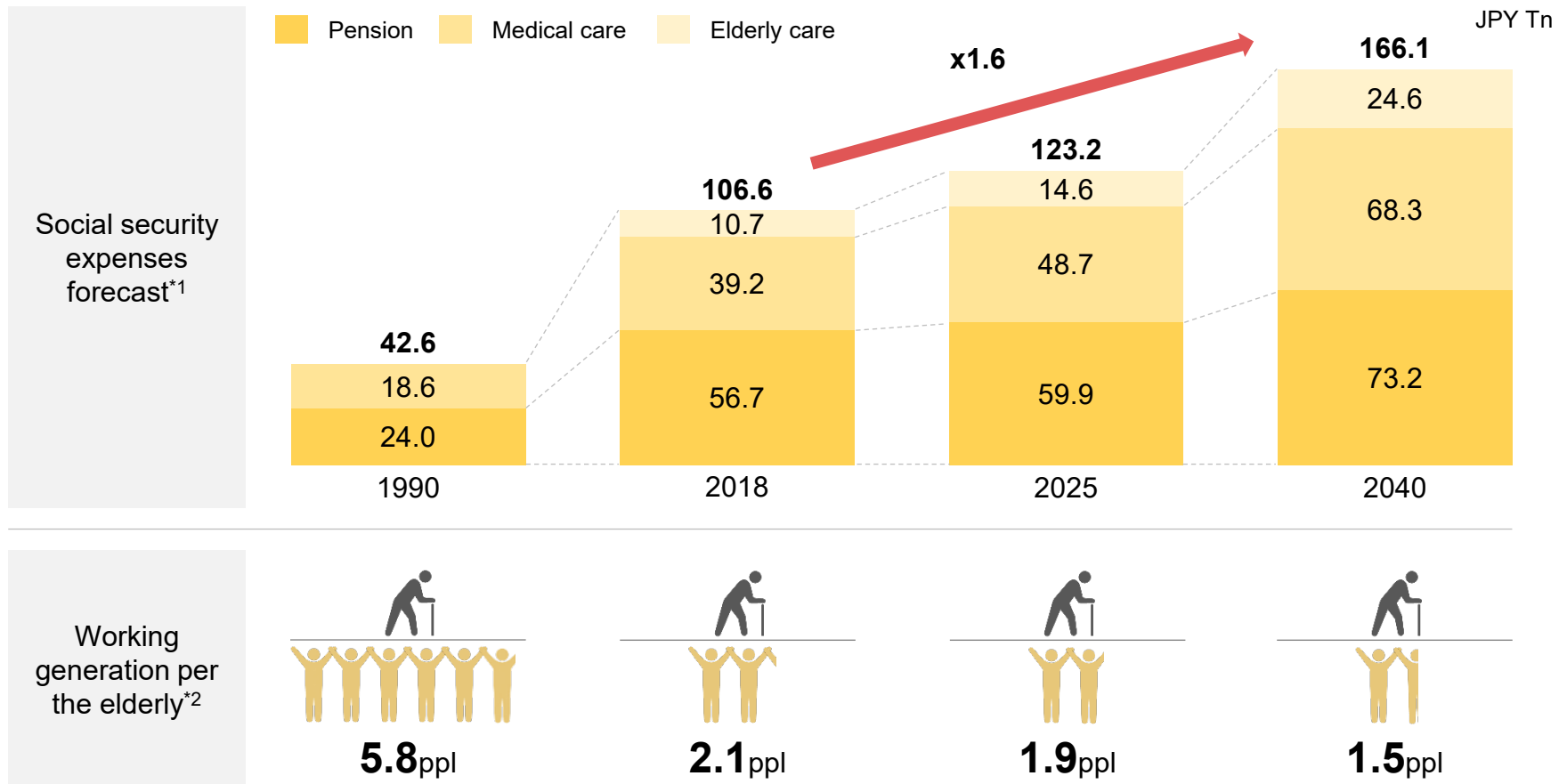


*1. Cabinet Secretariat, CAO, MOF, MHLW, “Future outlook for social security in 2040”

*2. Nurses: MHLW, “Subcommittee on supply and demand of nursing staff, study group on supply and demand of medical care workers”
Care workers: MHLW, “Required number of elderly care staff based on the 8th plan for long-term care insurance”

2 Issue 2: Severe burden on the working generation

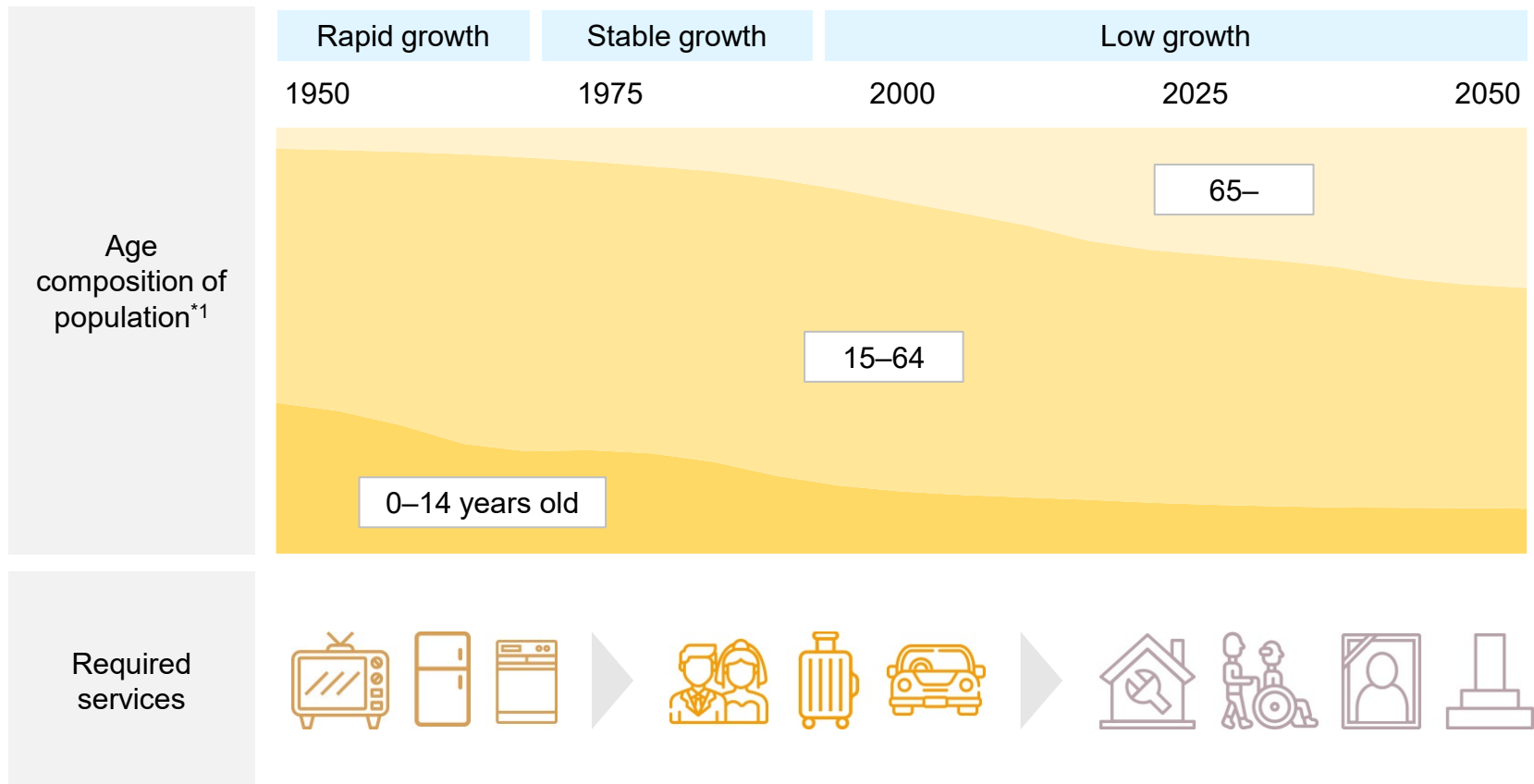
✓ The burden on the working generation will become more serious due to the increasing social security expenses for pensions, medical care, and elderly care, as well as the declining working-age population who cover these expenses.



*1. MHLW, "Trends in social security benefit costs", Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"

*2. CAO, "2020 White paper on the aging society"

- ✓ While the needs of services required in the aging society is expanding with the population aging, information related to life in the aging society is not sufficient in terms of quality and quantity, and the service supplies will also be in short due to a shortage of workforce.
- ✓ The elderly and their families will have difficulties in solving problems about life in the aging society.

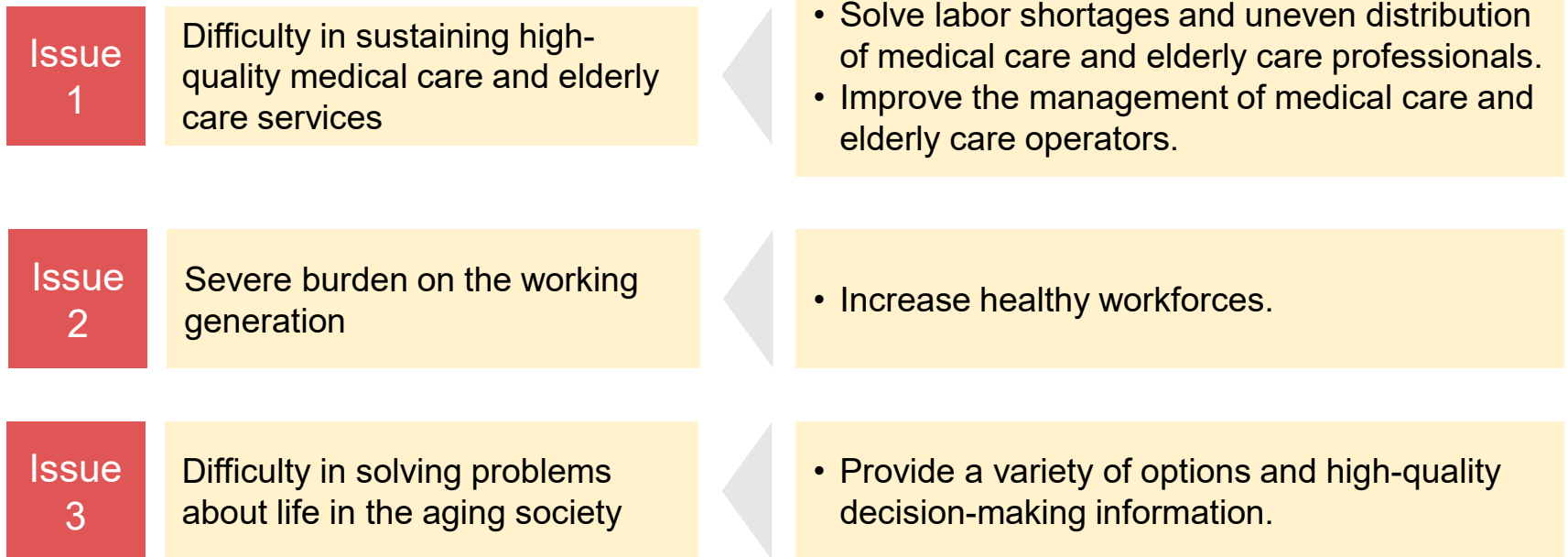


* 1. CAO, "2020 White paper on the aging society"

- ✓ Address the issues in the aging society by setting concrete solutions for them and building an information infrastructure.

Social issues in the aging society

Our Solutions



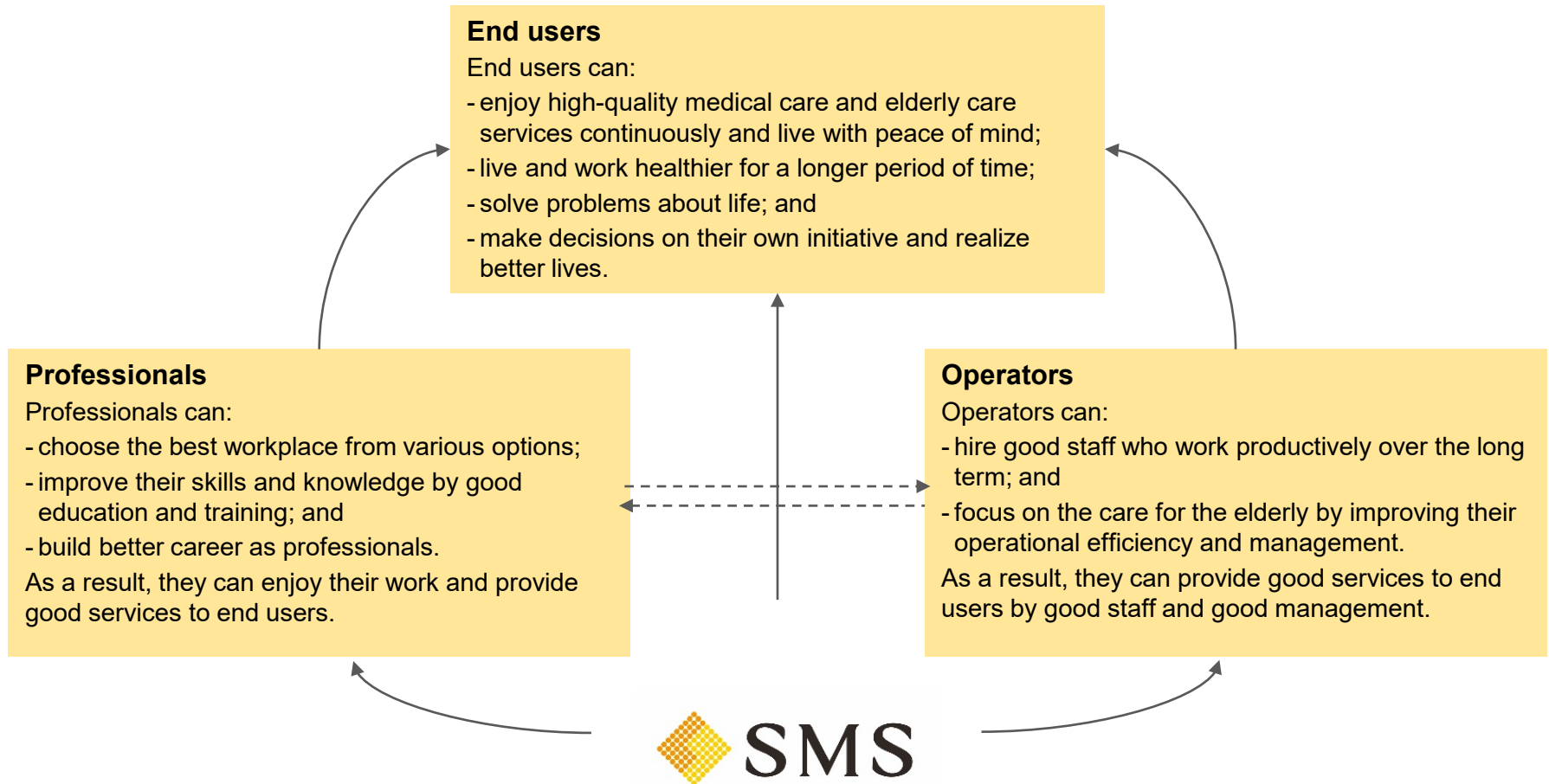
2 Strategic Business Areas

- ✓ Aim to solve the three critical issues in the aging society by defining our strategic business areas as Career, Elderly Care Operators, Healthcare, and Senior Life, and by strategically developing and nurturing businesses to address the issues.

	Healthcare	Medical Care	Elderly Care	Senior Life
Professionals	<div style="background-color: #f08080; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <div style="background-color: #c00000; color: white; padding: 5px; margin-bottom: 10px;">Issue 2</div> <div style="text-align: center;"> <p>Healthcare Business</p> </div> </div>	<div style="background-color: #c00000; color: white; padding: 5px; display: inline-block;">Issue 1</div> <div style="margin-left: 10px;"> <p>Career Business</p> </div>		<div style="background-color: #c00000; color: white; padding: 5px; margin-bottom: 10px;">Issue 3</div> <div style="text-align: center;"> <p>Senior Life Business</p> </div>
Operators		<div style="background-color: #c00000; color: white; padding: 5px; display: inline-block;">Issue 1</div> <div style="margin-left: 10px;"> <p>Elderly Care Operators Business</p> </div>		
End users				

2 Realization of the Group Mission

- ✓ Contribute to improving the quality of life in the aging society by building an information infrastructure and providing value to end users, professionals, and operators.



Growth Track

2 Growth Track (Business Area)

- ✓ Started our business in Japan from 2003 and have accelerated our overseas expansion since the acquisition of MIMS in 2015.
- ✓ Operate in 17 countries and regions, mainly in Asia and Oceania.



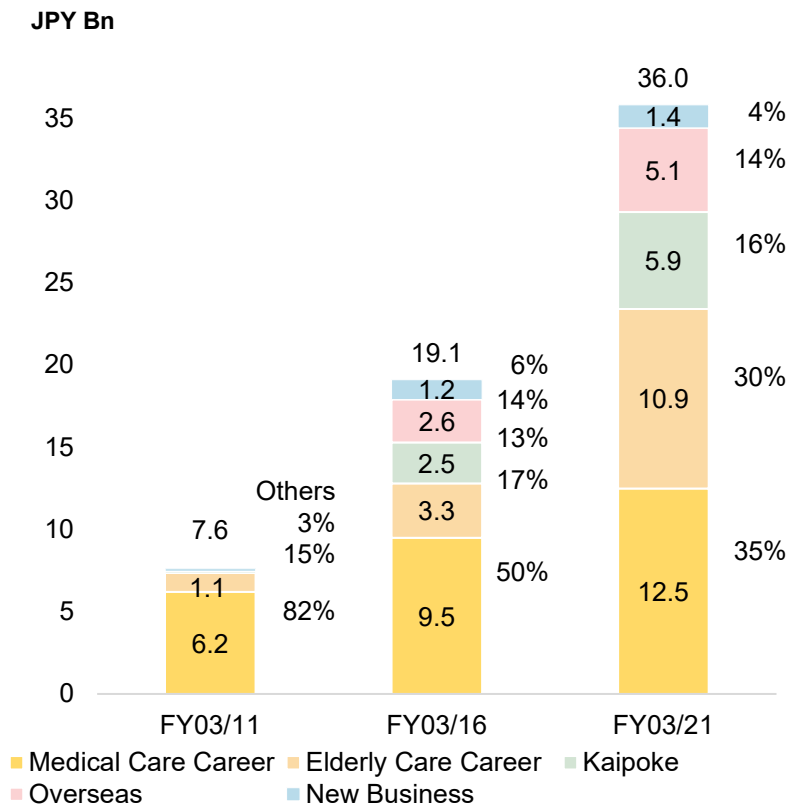
2 Growth Track (Business Portfolio)

- ✓ Medical Care Career has been driving our growth since our establishment.
- ✓ Elderly Care Career, Kaipoke and Overseas businesses are growing as the new pillars of our business portfolio.

Business Areas

- Medical Care Career**
 - Recruiting service for medical care professionals
- Elderly Care Career**
 - Recruiting service for elderly care professionals
- Kaipoke**
 - Management support platform for elderly care operators
- Overseas Business (MIMS)**
 - Marketing support service for medical/healthcare-related companies
 - Clinical decision support
 - Domestic/cross-border recruiting service of HCPs*1
- New Business**
 - Developing new businesses mainly in Healthcare and Senior Life domains

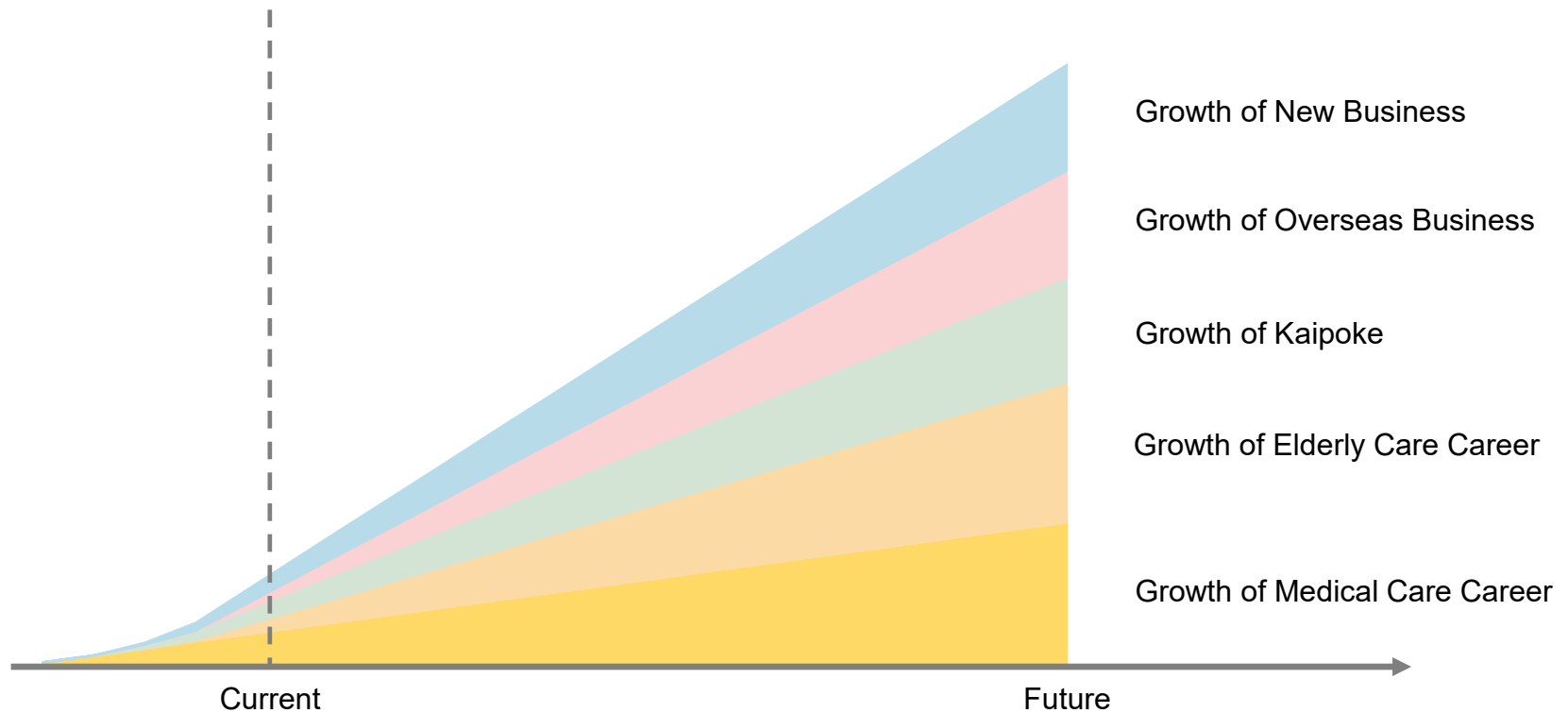
Breakdown of Net Sales



*1. Healthcare professionals

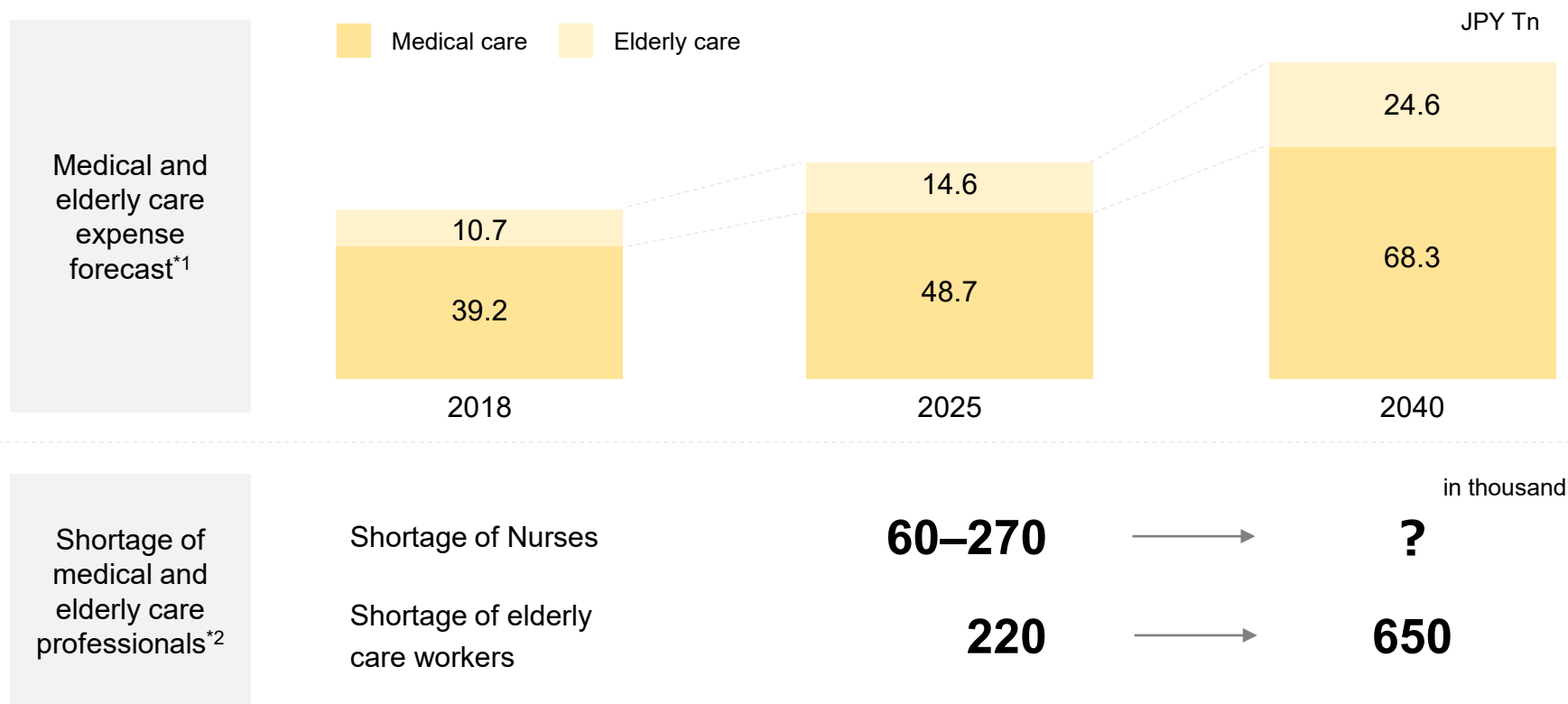
2 Growth Scenario

- ✓ On top of the solid expansion of Career Business, we accelerate the growth of Kaipoke and Overseas Business.
- ✓ Actively develop new businesses, mainly in healthcare and senior life domains, to create next pillars of our businesses, which will further drive our long-term growth.



Career Strategy

- ✓ While the demand for medical care and elderly care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly care services.

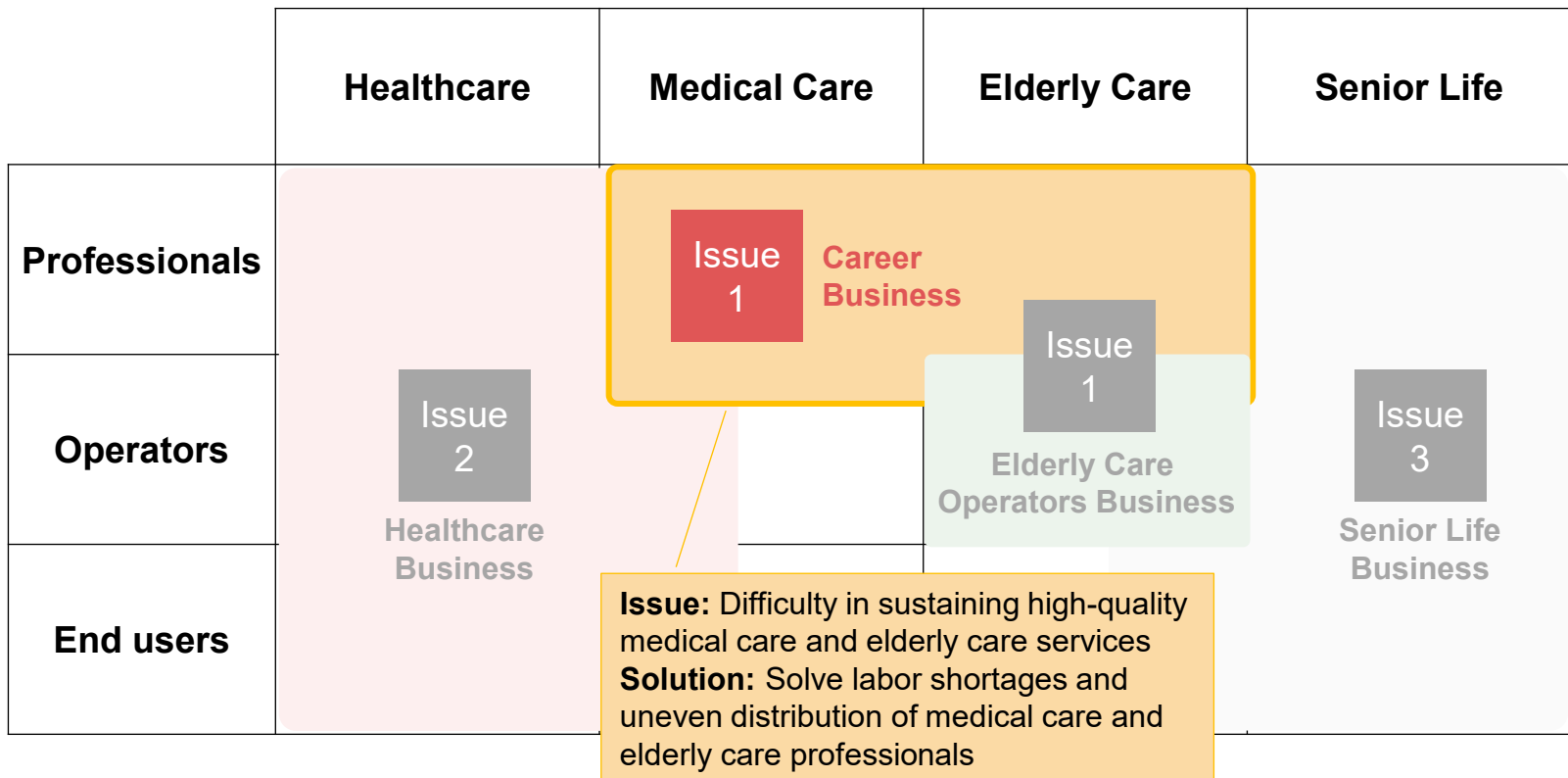


*1. Cabinet Secretariat, CAO, MOF, MHLW, “Future outlook for social security in 2040”

*2. Nurses: MHLW, “Subcommittee on supply and demand of nursing staff, study group on supply and demand of medical care workers”
Care workers: MHLW, “Required number of elderly care staff based on the 8th plan for long-term care insurance”

2 Solution for Issue 1 in Career Business

- ✓ Contribute to solving the social issue “Difficulty in sustaining high-quality medical care and elderly care services” by solving labor shortages and uneven workforce distribution through optimized matching of professionals and operators.

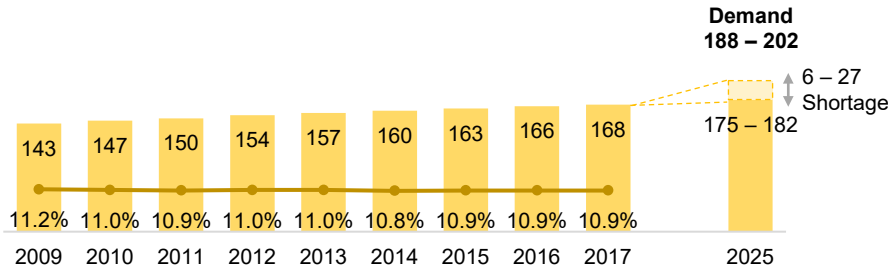


2 Shortage of Professionals

- ✓ Labor shortage continues to be a serious issue despite the increasing numbers of nurses and elderly care workers.
- ✓ The labor shortage of care workers is particularly severe, with a projected shortage of 650,000 professionals in 2040.

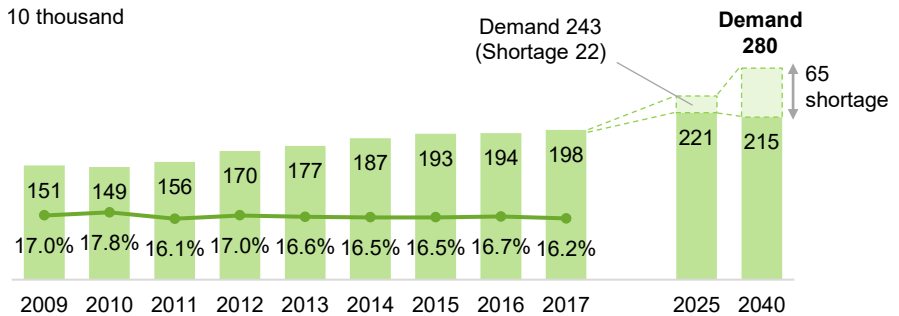
Number of nurses / their turnover rate^{*1}

in 10 thousand

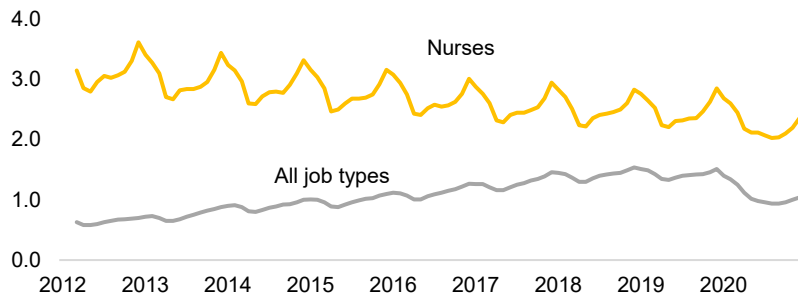


Number of care workers / their turnover rate^{*2}

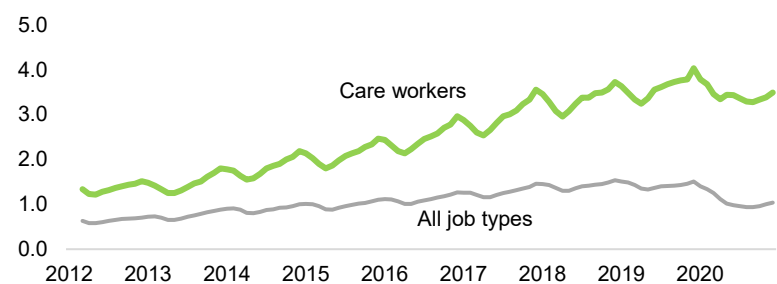
in 10 thousand



Jobs-to-applicants ratio of nurses^{*3}



Jobs-to-applicants ratio of care workers^{*3}

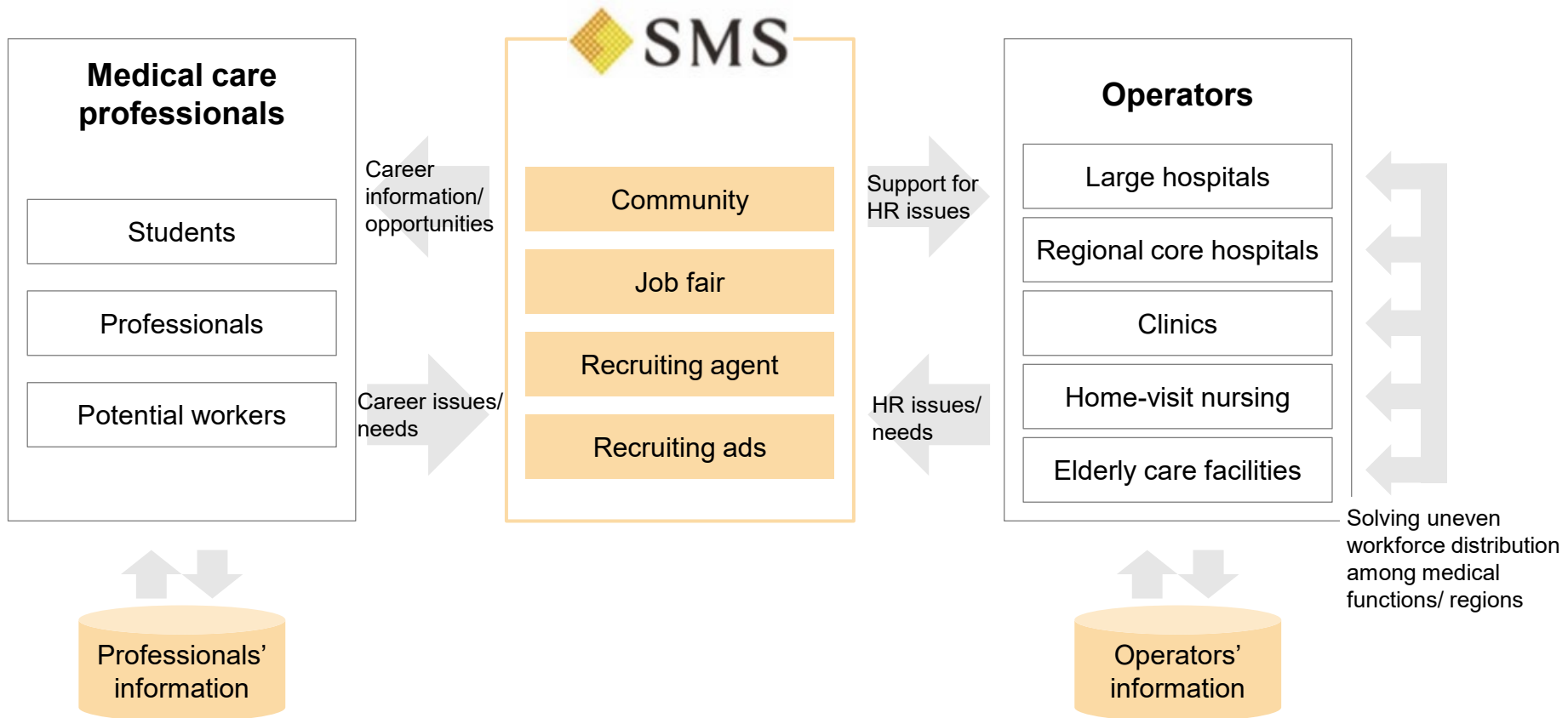


* 1. Japanese Nursing Association, Number of nurses in 2017 - SMS estimate, Number of nurses in 2025 – METI
 * 2. Number of elderly care workers - MHLW, Number in 2025/2035 - METI, Turnover rate - Care Work Foundation
 * 3. MHLW

We aim to contribute to sustaining high-quality medical care and elderly care services by solving labor shortages and uneven workforce distribution.

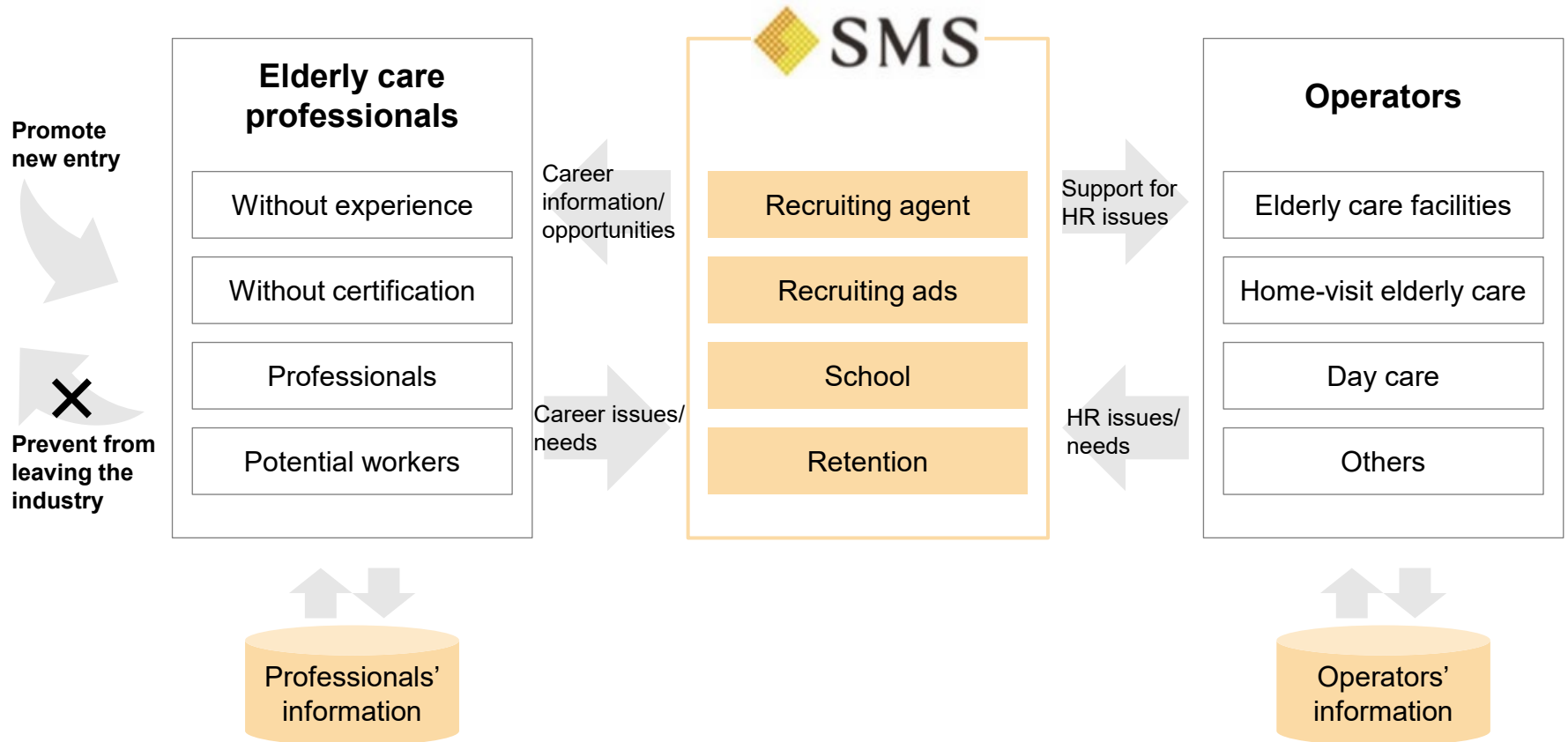
2 Strategy of Medical Care Career

- ✓ Provide various supports for professionals to pursue their ideal career throughout their professional lives, including supports in: finding/changing jobs, returning to work, and developing their career.
- ✓ Promote optimal matching between professionals and operators in order to solve uneven workforce distribution among medical functions and regions.



2 Strategy of Elderly Care Career

- ✓ Promote new entry from outside the industry through helping new entrants obtain a qualification and find a good job at a good operator.
- ✓ Prevent turnover to outside the industry through enhancing the work environment of operators and optimizing matching between professionals and operators.

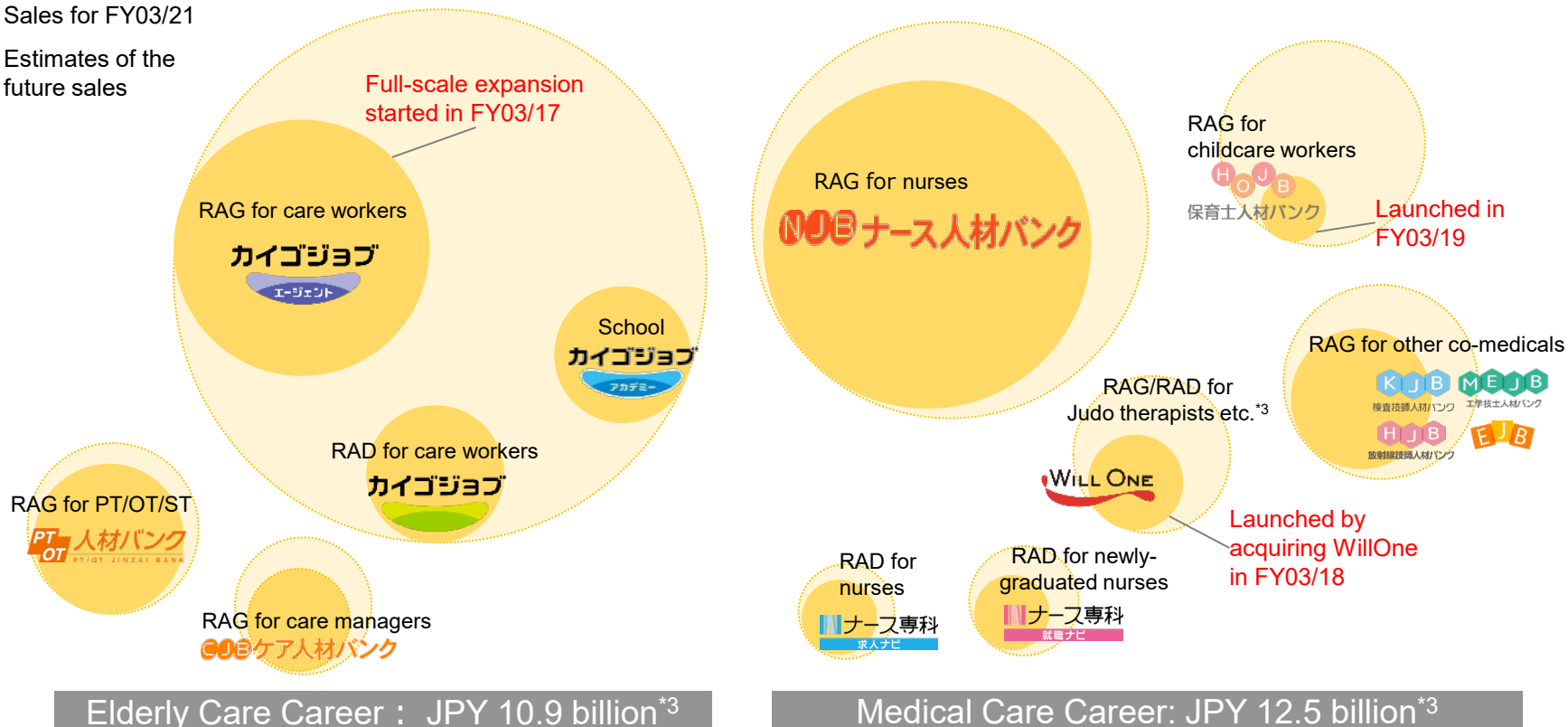


2 Growth Scenario

- ✓ The Career Segment has huge growth opportunities.
- ✓ In addition to the market share expansion of existing services such as RAG for nurses, services for elderly care workers with serious labour shortages and services for newly-covered occupations such as childcare workers drive the growth.

Current and future sales by service*1

- : Sales for FY03/21
- : Estimates of the future sales

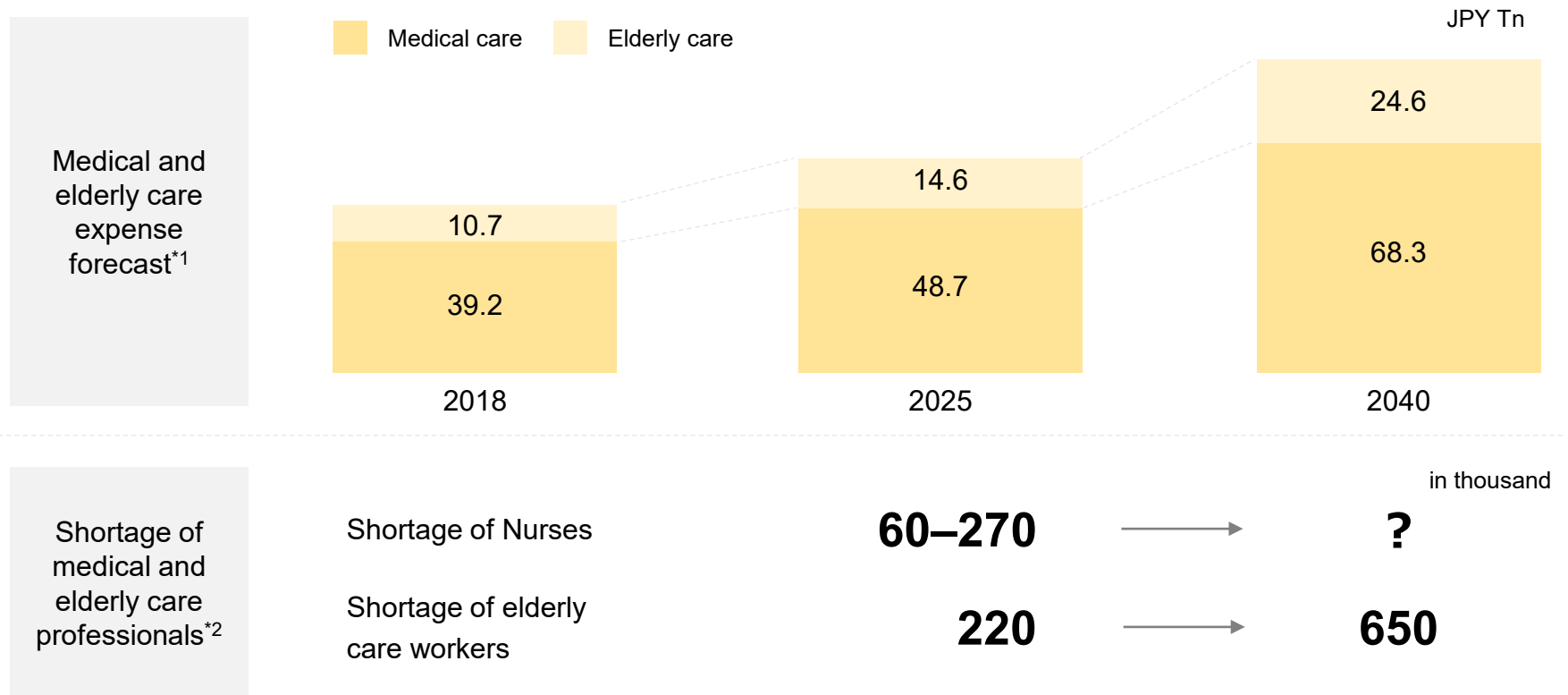


*1. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).

*2. RAG: Recruiting Agent service RAD: Recruiting Ads service *3. Sales for FY03/21

Elderly Care Operators (Kaipoke) Strategy

- ✓ While the demand for medical care and elderly care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly care services.

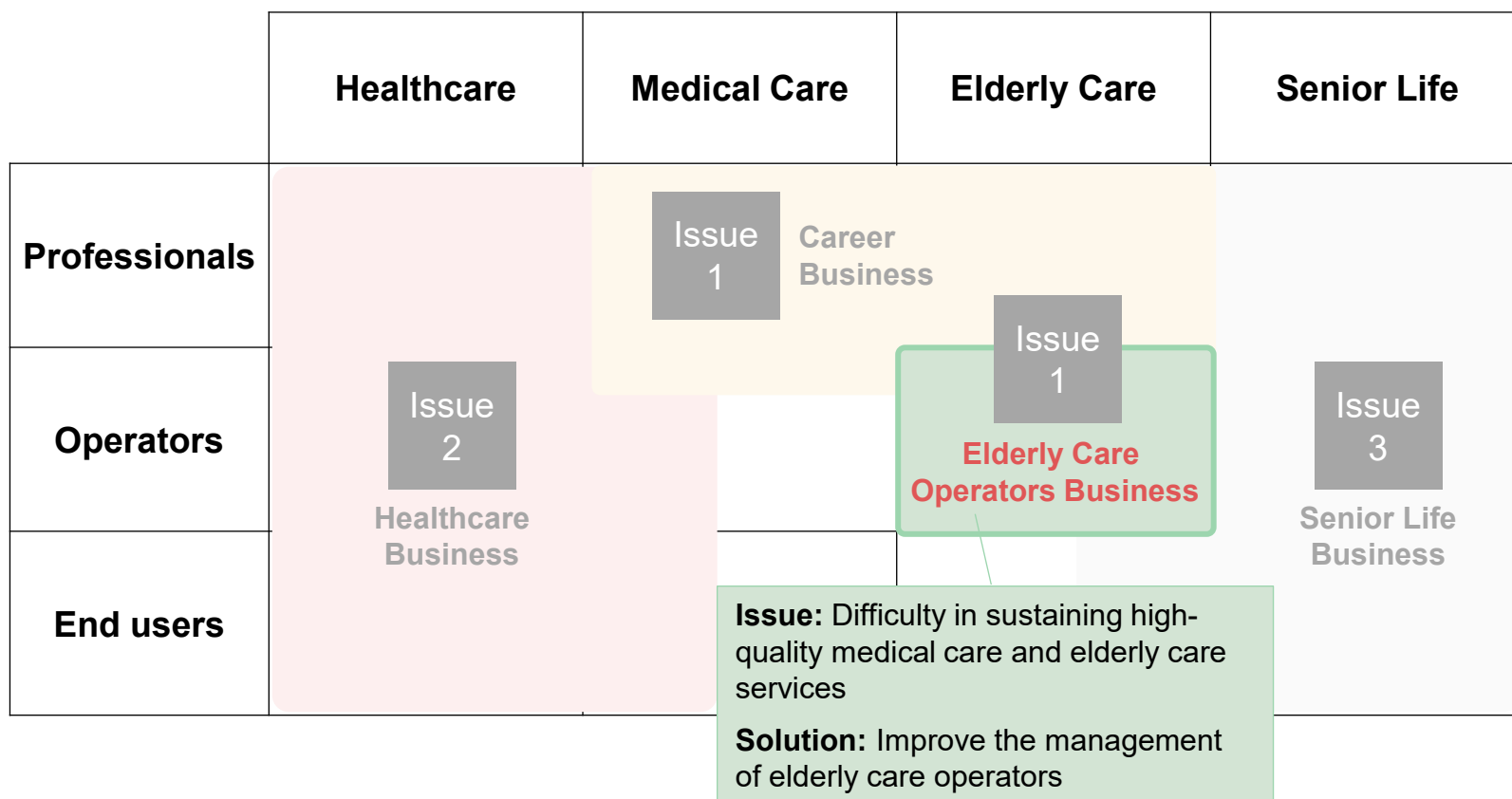


*1. Cabinet Secretariat, CAO, MOF, MHLW, “Future outlook for social security in 2040”

*2. Nurses: MHLW, “Subcommittee on supply and demand of nursing staff, study group on supply and demand of medical care workers”
Care workers: MHLW, “Required number of elderly care staff based on the 8th plan for long-term care insurance”

2 Solution for Issue 1 in Elderly Care Operators Business

- ✓ Contribute to solving the social issue “Difficulty in sustaining high-quality medical care and elderly care services” by improving the management of elderly care operators through a management support platform “Kaipoke”.

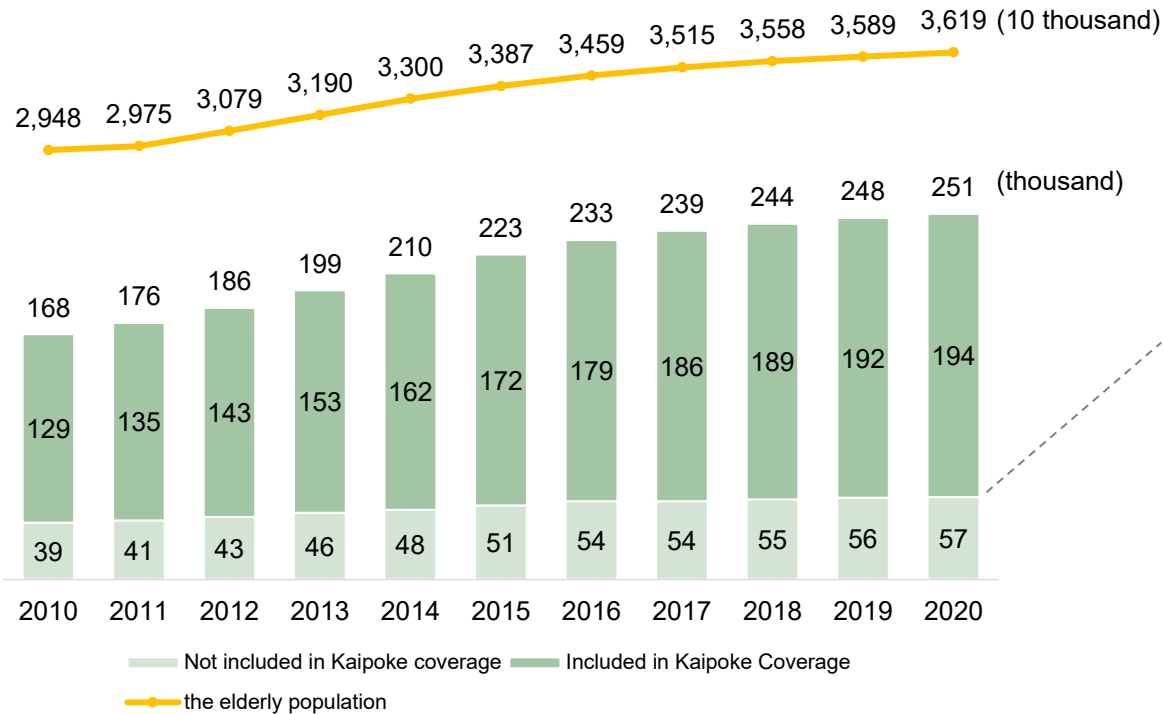


2 Situation Surrounding Elderly Care Providers

- ✓ As the population ages, the number of elderly care providers continues to increase, reaching approximately 250,000 offices.

The number of elderly care service offices and the elderly population*1

of elderly care service offices CAGR: 4%



Operators that Kaipoke covers*2

- In-home care support
- Home-visit elderly care
- Day care
- Home-visit nursing
- Outpatient rehabilitation etc.

Operators that Kaipoke does not cover*2

- Commuting care for elderly with dementia
- Short stay
- Daily life care for elderly in specific facilities
- Small-sized multifunctional in-home care
- Facilities etc.

*1. Sources : Number of elderly care service offices – MHLW; The elderly population – MIC

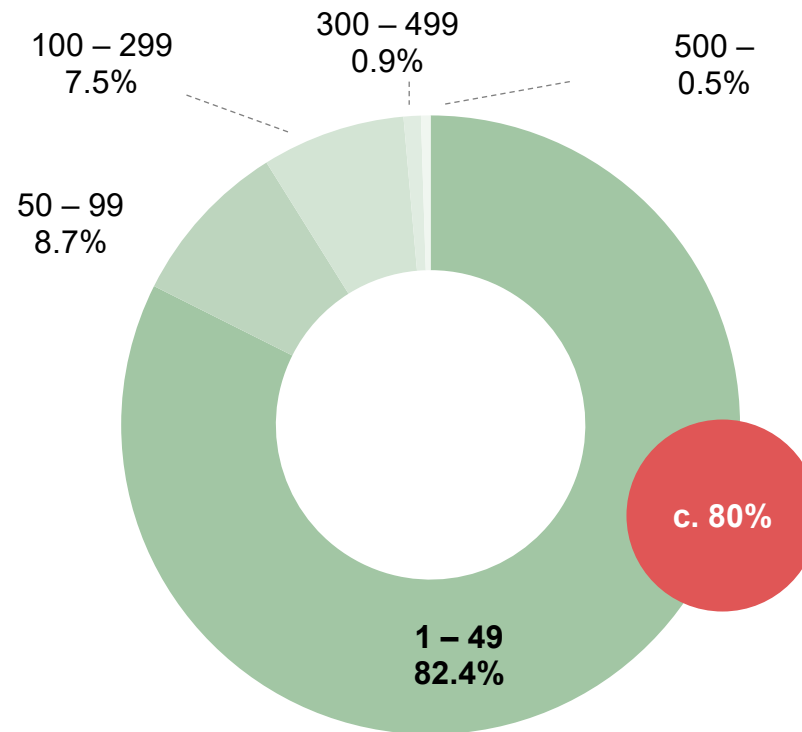
*2. As of Mar. 2021

2 Situation Surrounding Elderly Care Providers

- ✓ 80% of elderly care operators are small corporations with under 50 employees.
- ✓ It is difficult for these operators to focus on the care for the elderly due to various operational/management issues such as a lot of indirect works including document preparation, insufficient manpower, low purchasing power, and cash-flow issues.

Scale of elderly care Operators*1

Number of employees per operator



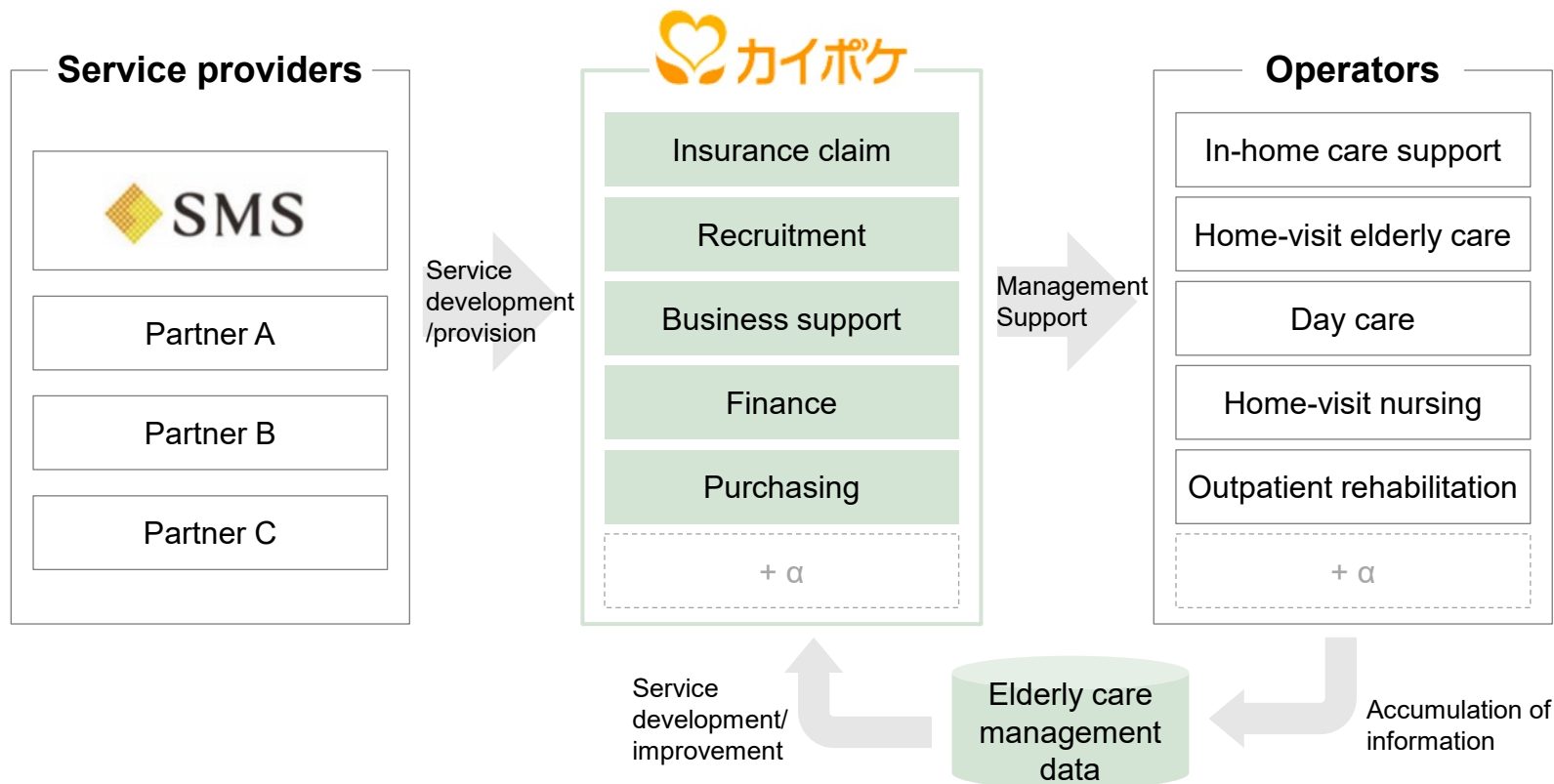
* 1. Survey by the Company

We aim to contribute to sustaining high-quality elderly care services by improving the management and the service quality of elderly care operators.

2 Management Support Platform

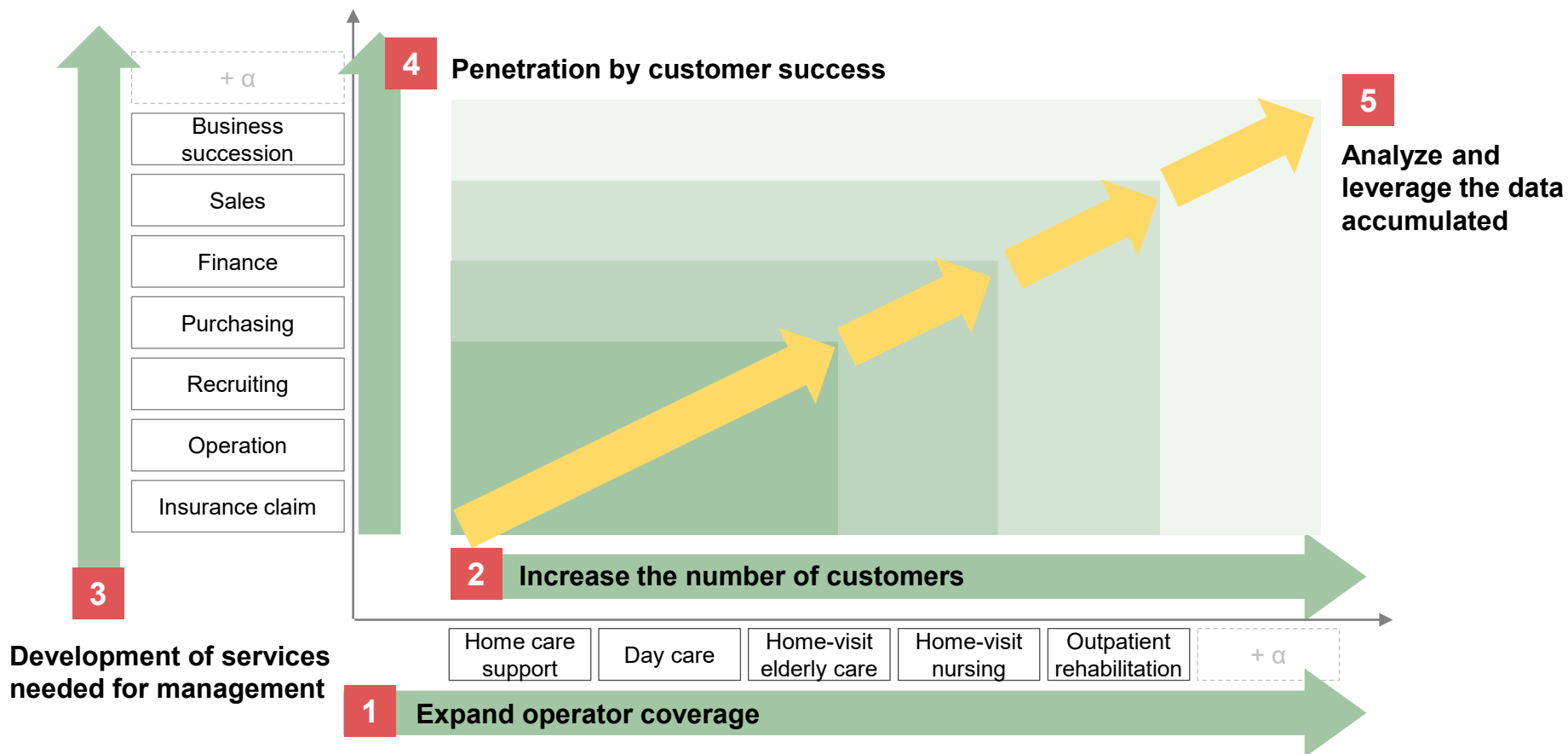
- ✓ Kaipoke is a management support platform provided in the form of SaaS, which realizes one-stop support for the management of elderly care operators.
- ✓ Offer more than 40 services that support operations, recruitment, purchasing, finance, sales, M&A, etc., as well as the insurance claim service that is essential for elderly care operations.

Management support platform



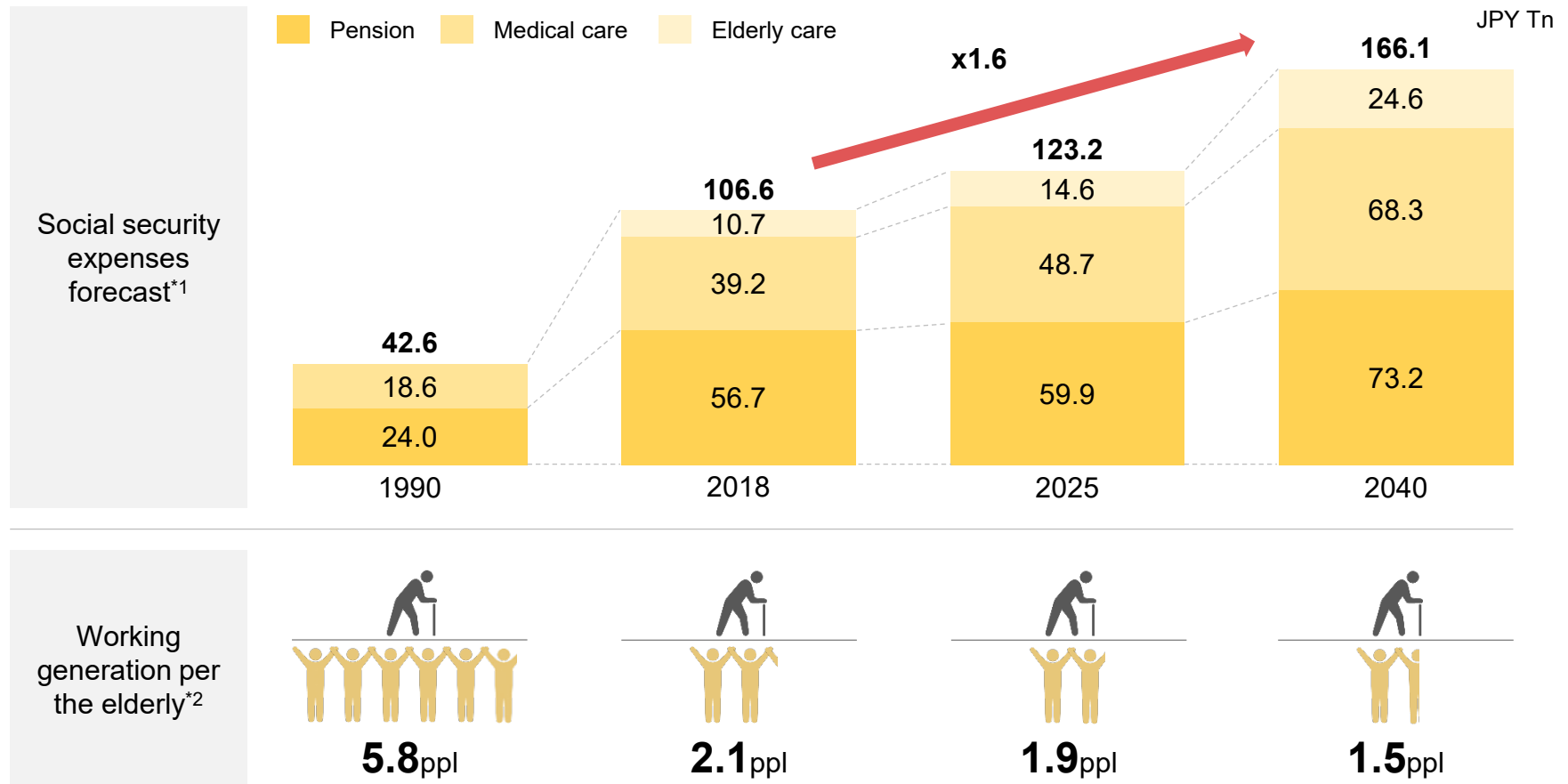
2 Strategy of Kaipoke

✓ Maximize the value as a management support platform by **1** – **5** below.



New Business (Healthcare) Strategy

- ✓ The burden on the working generation will become more serious due to the increasing social security expenses for pensions, medical care, and elderly care, as well as the declining working-age population who cover these expenses.

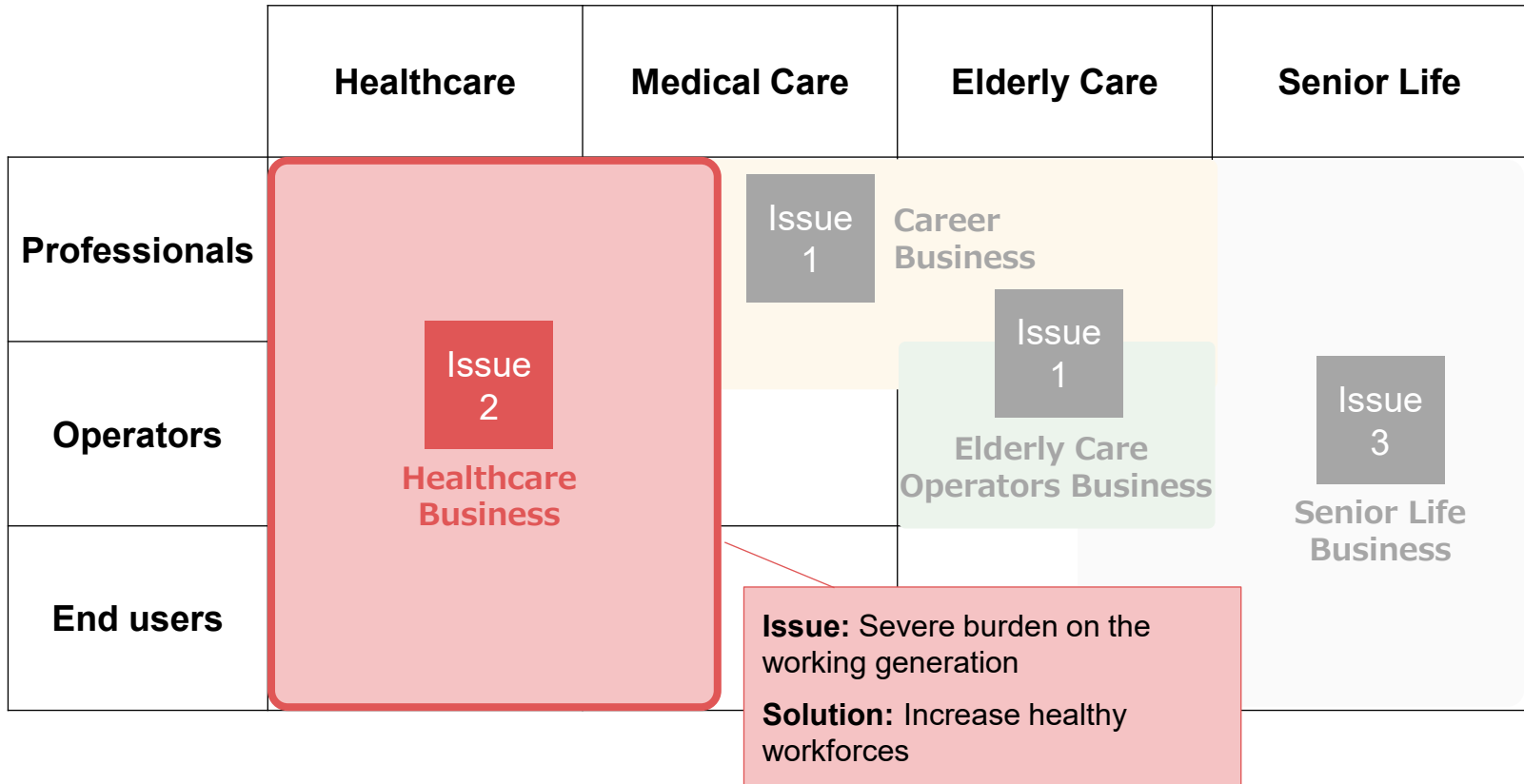


*1. MHLW, "Trends in social security benefit costs", Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"

*2. CAO, "2020 White paper on the aging society"

2 Solution for Issue 2 in Healthcare Business

- ✓ Contribute to solving the social issue “Severe burden on the working generation” by increasing healthy workforces through a platform that supports “health and productivity management” of companies.



- ✓ Many workers have lifestyle-related diseases or risk of them, which may cause critical illnesses such as diabetes.
- ✓ Mental disorders caused by overwork or workplace stress are increasing in recent years.
- ✓ The government encourages “health and productivity management” in which companies promote the health of employees and their families.

Physical disorder

◆ Risk of lifestyle-related diseases

Number of recipients of specific health guidance^{*2}

Approx. **5.1** million ppl

* 40 – 74 years old

◆ Lifestyle-related diseases

Number of diabetics^{*3}

Approx. **3.29** million

Number of hypertensive patients^{*3}

Approx. **9.94** million

Mental disorder

Number of patients with mood disorders^{*3}

Approx. **1.28** million

* 1. Quality of life

* 2. MHLW, "2018 Implementation of specified health checkups and specific health guidance"

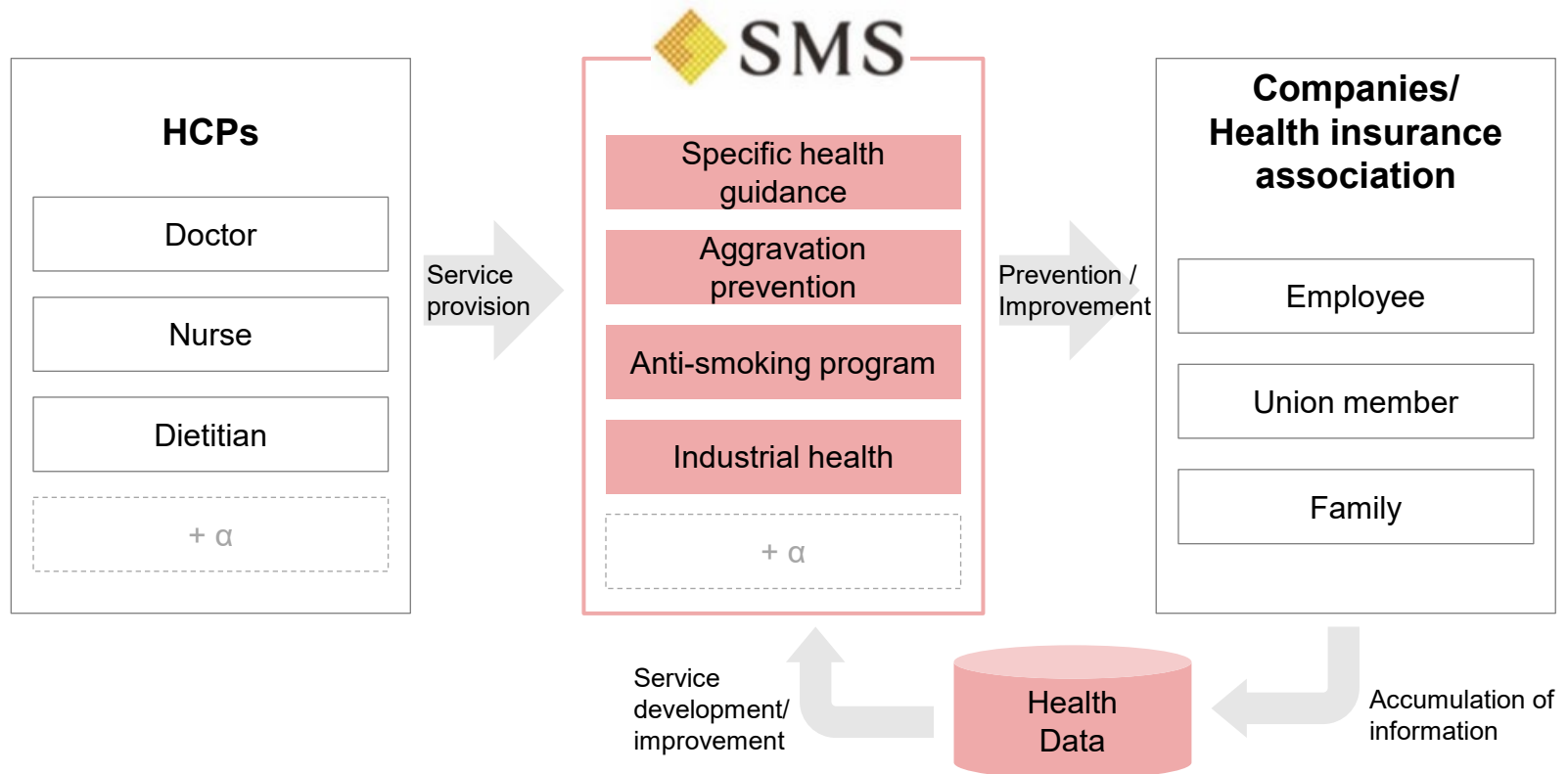
* 3. MHLW, "2017 Patient survey"

We aim to contribute to improving QOL*¹ and increasing the number of healthy workforces by preventing and improving lifestyle-related diseases and mental disorders.

* 1. Quality of life

- ✓ Provide digital health services*¹ to companies and health insurance associations.
- ✓ The services are based on scientific evidences and provided by seasoned healthcare professionals (HCPs) including doctors, nurses, and dieticians

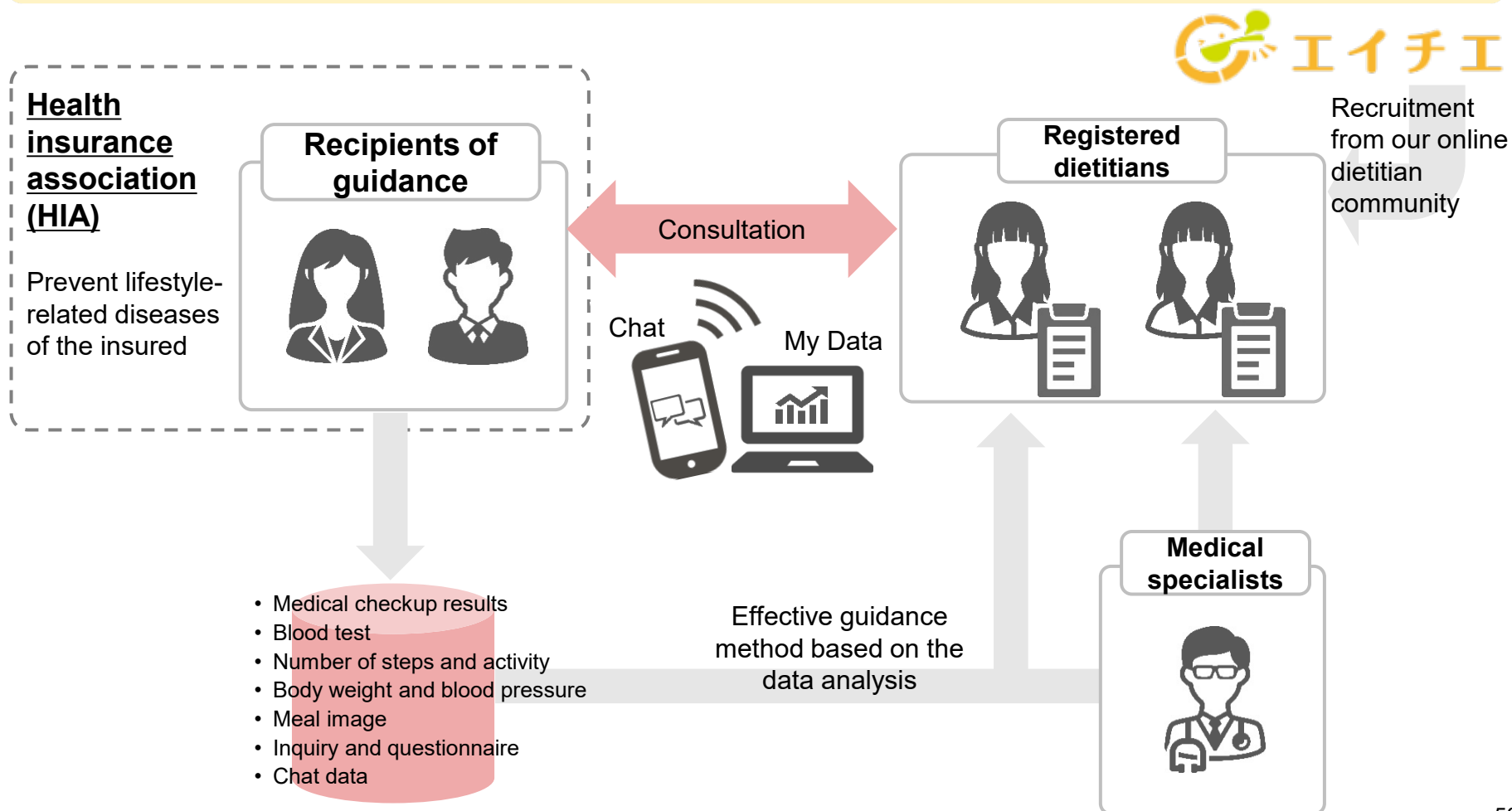
Health and Productivity Management Support Platform



* 1. Digital Health : To improve the effects of medical care and healthcare by utilizing the latest digital health technologies such as AI, ICT, IoT, wearable devices, and big data analysis.

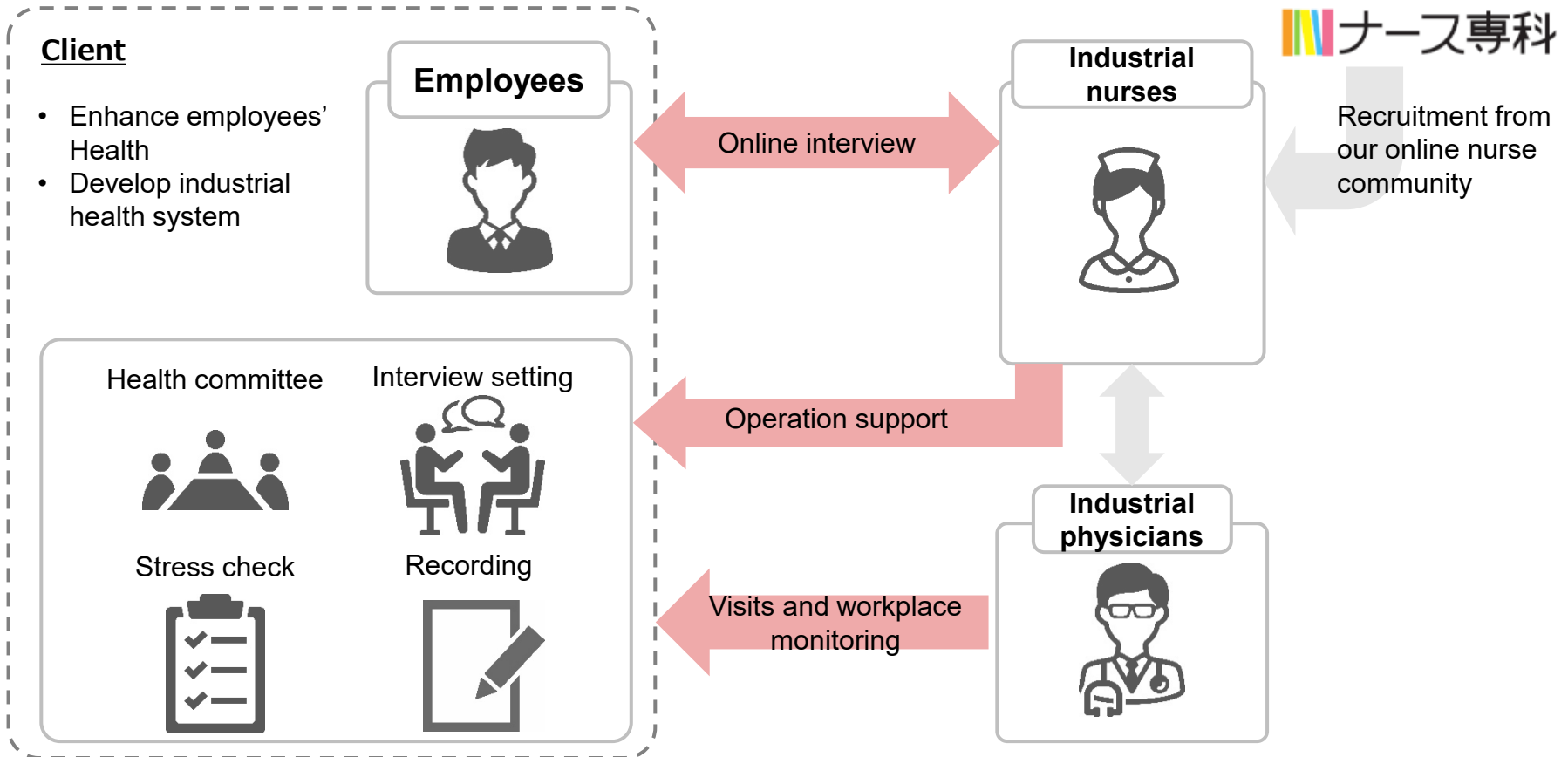
2 Remote Health Guidance Service

- ✓ Provide health guidance service for HIAs*¹ aiming to prevent lifestyle-related diseases of employees and their families. The service is provided by registered dietitians and based on the results of verification projects conducted with MHLW.
- ✓ Remote service using smartphones enables frequent and continuous intervention.



2 Remote Industrial Health Service

- ✓ Provide comprehensive services related to industrial health for client companies, which includes industrial physicians' visits, stress checks, and establishment/operation of health committees.
- ✓ Reduce the workload of HR and realize effective mental care through the service provided by the two-person system of an industrial physician and an industrial nurse.



- ✓ Leveraging our strengths in healthcare professional (HCP) networks, ICT capabilities, and proven results from verification projects conducted with ministries and national agencies, we offer effective solutions with a reasonable price for prevention of lifestyle-related diseases and mental disorders.



HCP Networks

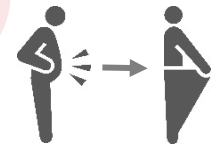
- Enable us to recruit skilled HCPs essential for healthcare services.

Effective and affordable solutions for prevention of lifestyle-related diseases and mental disorders



ICT Capabilities

- Enables us to provide inexpensive and efficient services using ICT.



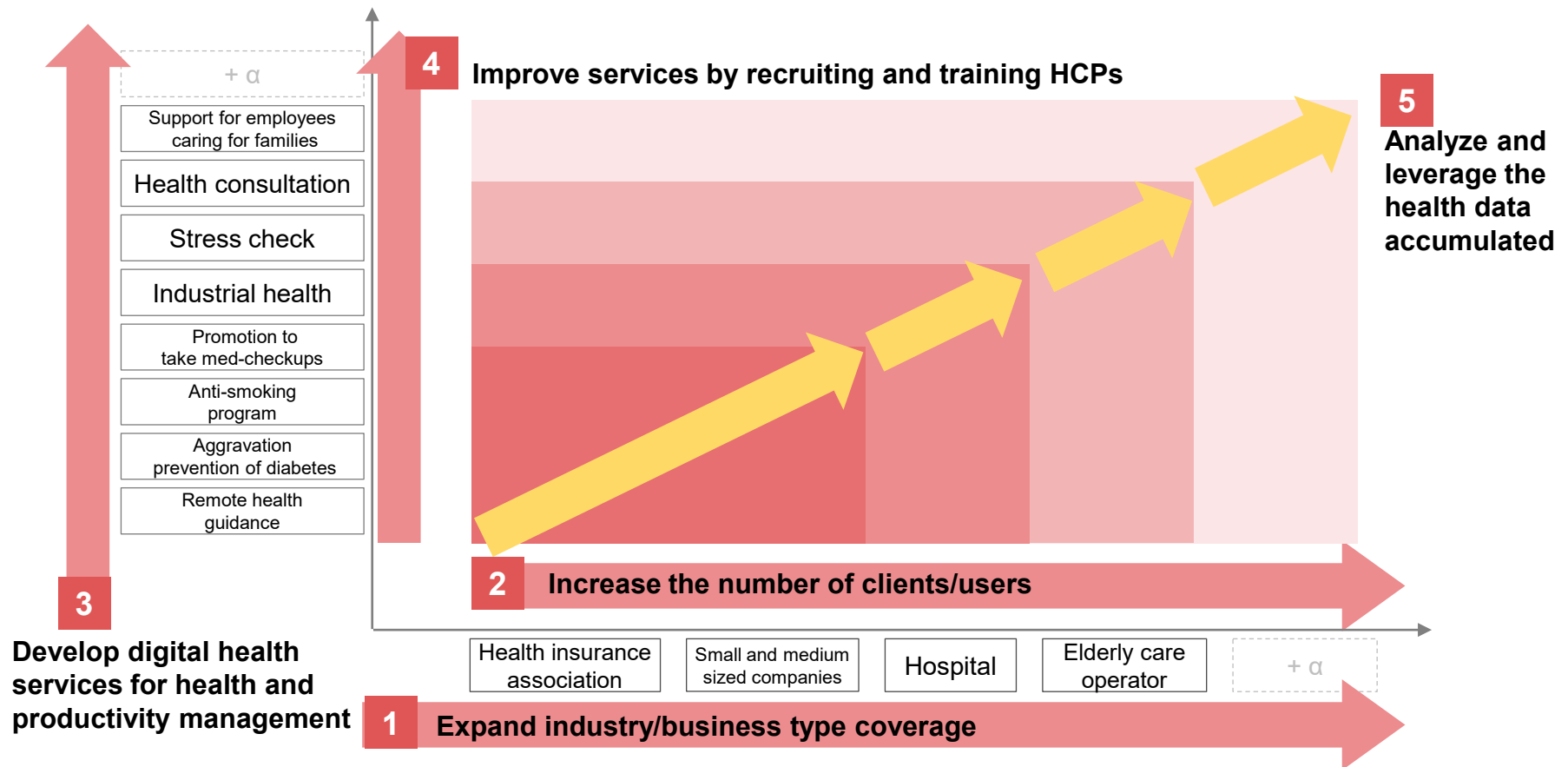
Results from verification projects^{*1}

- Enable us to provide services with proven effectiveness.

* 1. Joint project with MHLW, METI, and national hospitals

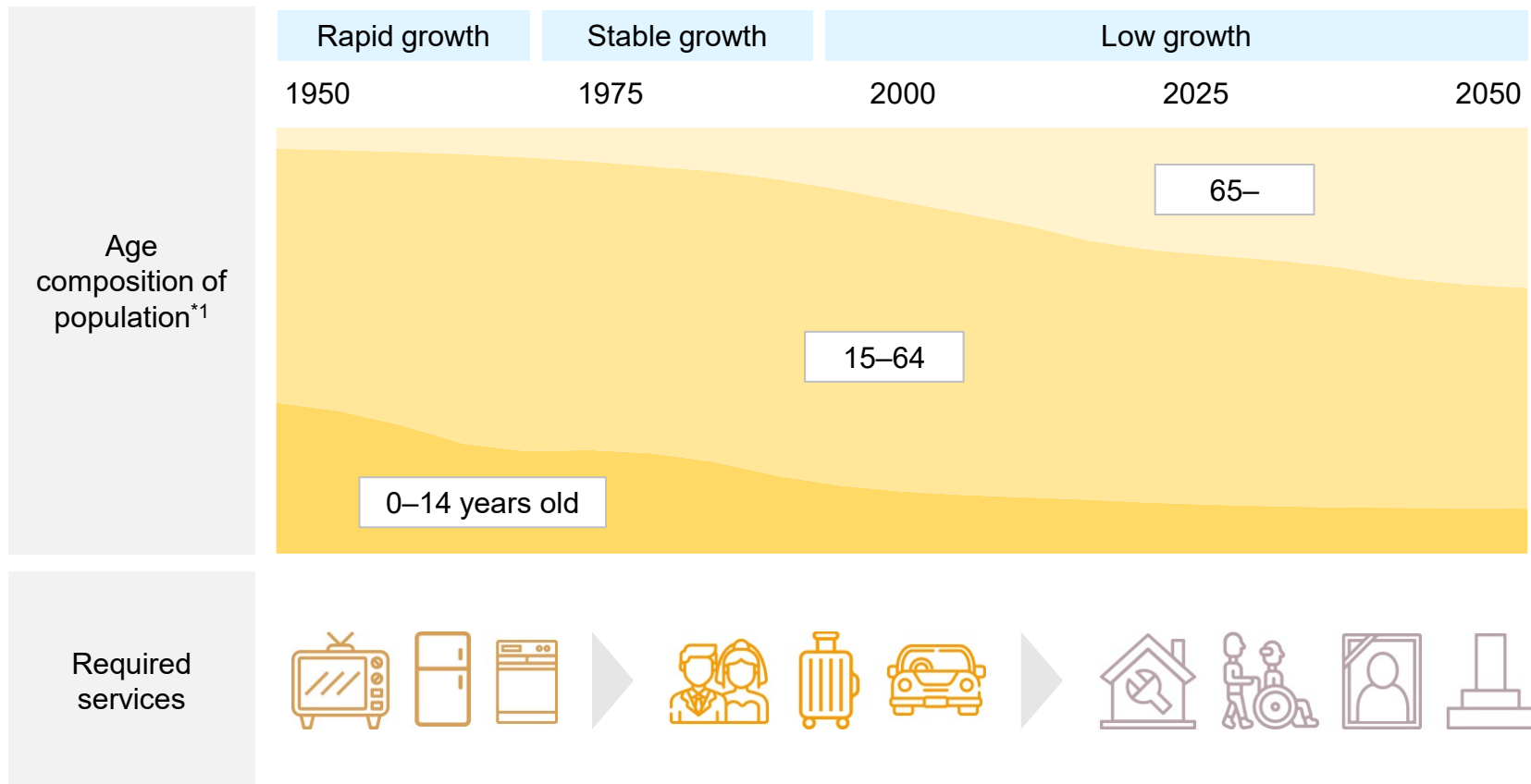
2 Strategy of Healthcare Business

✓ Maximize the value as a health and productivity management support platform by **1** – **5** below.



New Business (Senior Life) Strategy

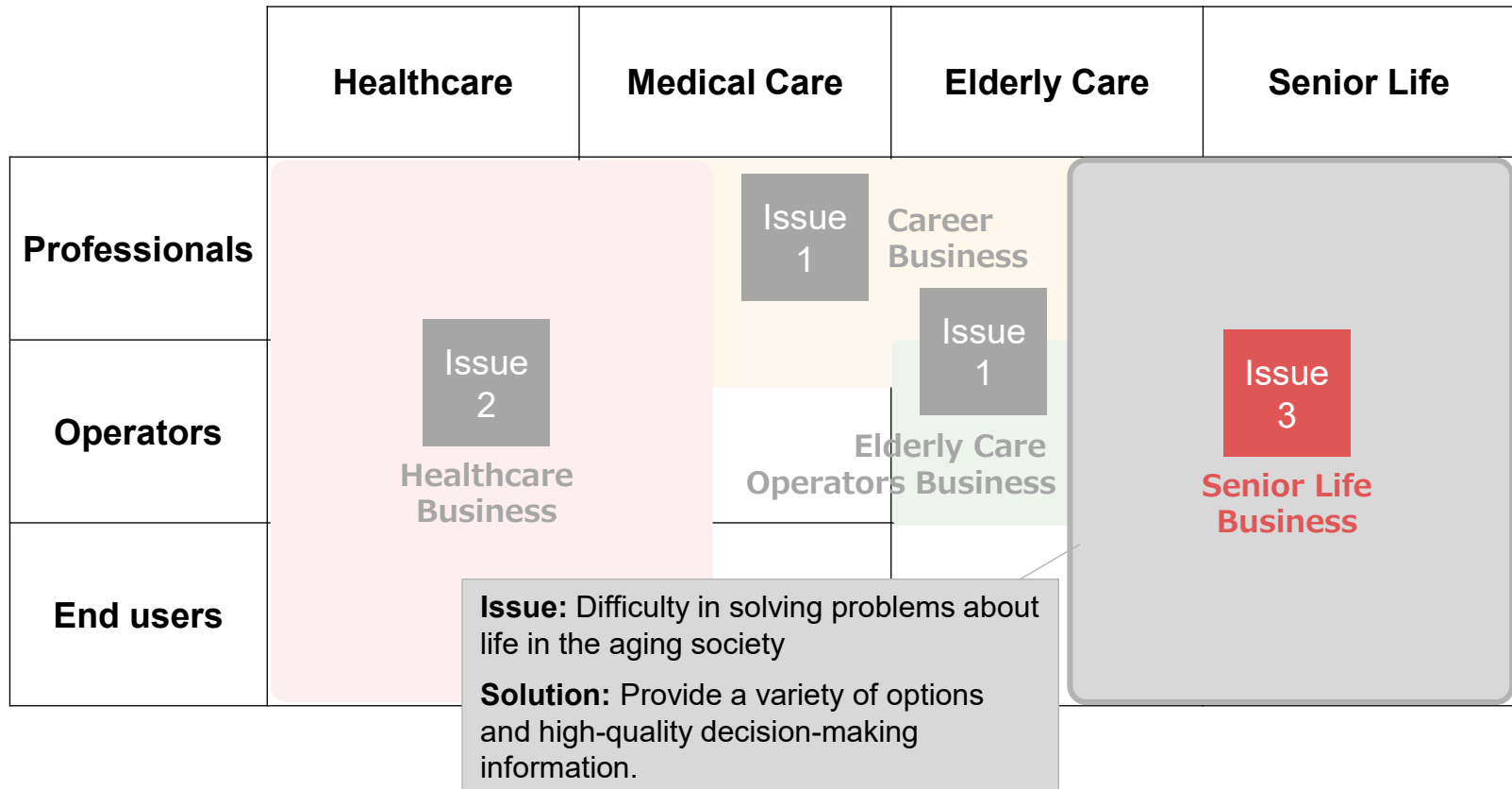
- ✓ While the needs of services required in the aging society is expanding with the population aging, information related to life in the aging society is not sufficient in terms of quality and quantity, and the service supplies will also be in short due to a shortage of workforce.
- ✓ The elderly and their families will have difficulties in solving problems about life in the aging society.



* 1. CAO, "2020 White paper on the aging society"

2 Solution for Issue 3 in Senior Life Business

- ✓ Contribute to solving the social issue “Difficulty in solving problems about life in the aging society” by developing a platform that connects people who have some worries or problems about life, with advisors and solution services.

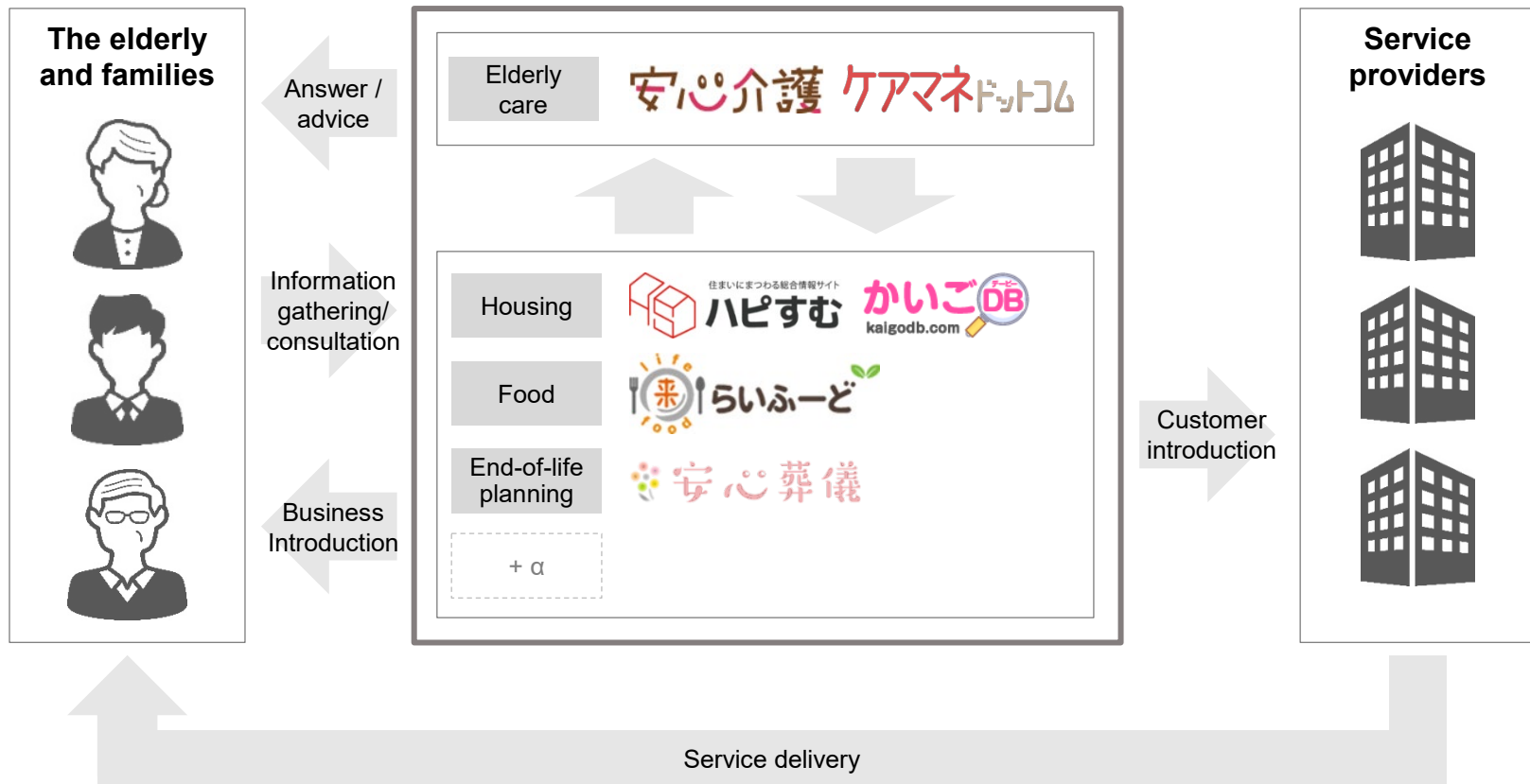


We aim to contribute to the better lives of people by offering a wide range of choices and information related to life in the aging society.

2 Problem-solving Platform

- ✓ Help to solve a variety of problems, mainly related to elderly care, through communication among those who have similar problems and advices from professionals.
- ✓ Introduce service providers to solve problems related to specific areas such as housing, food, and end-of-life planning.

Problem-Solving Platform



2 Strategy of Senior Life Business

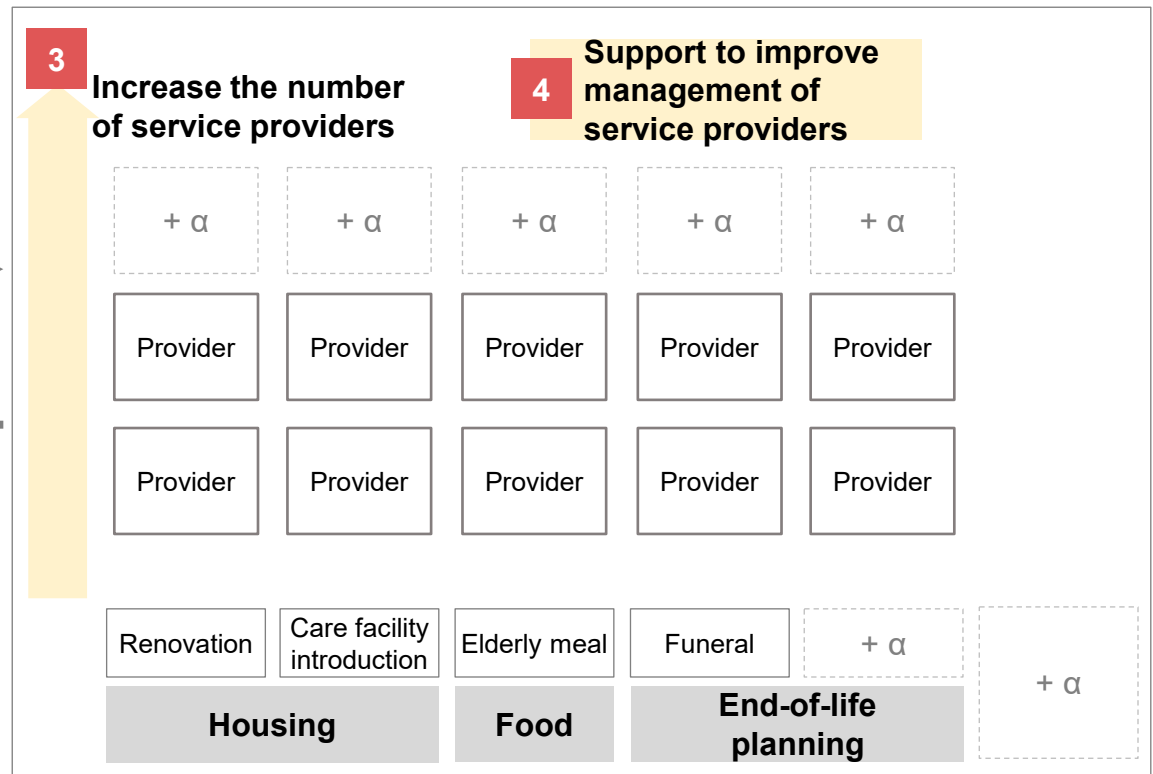
✓ Maximize the value as a problem-solving platform by **1** – **4** below.

Variety of problems mainly related to elderly care



1 Increase the value as a comprehensive consultation desk for elderly care

Problems related to specific areas

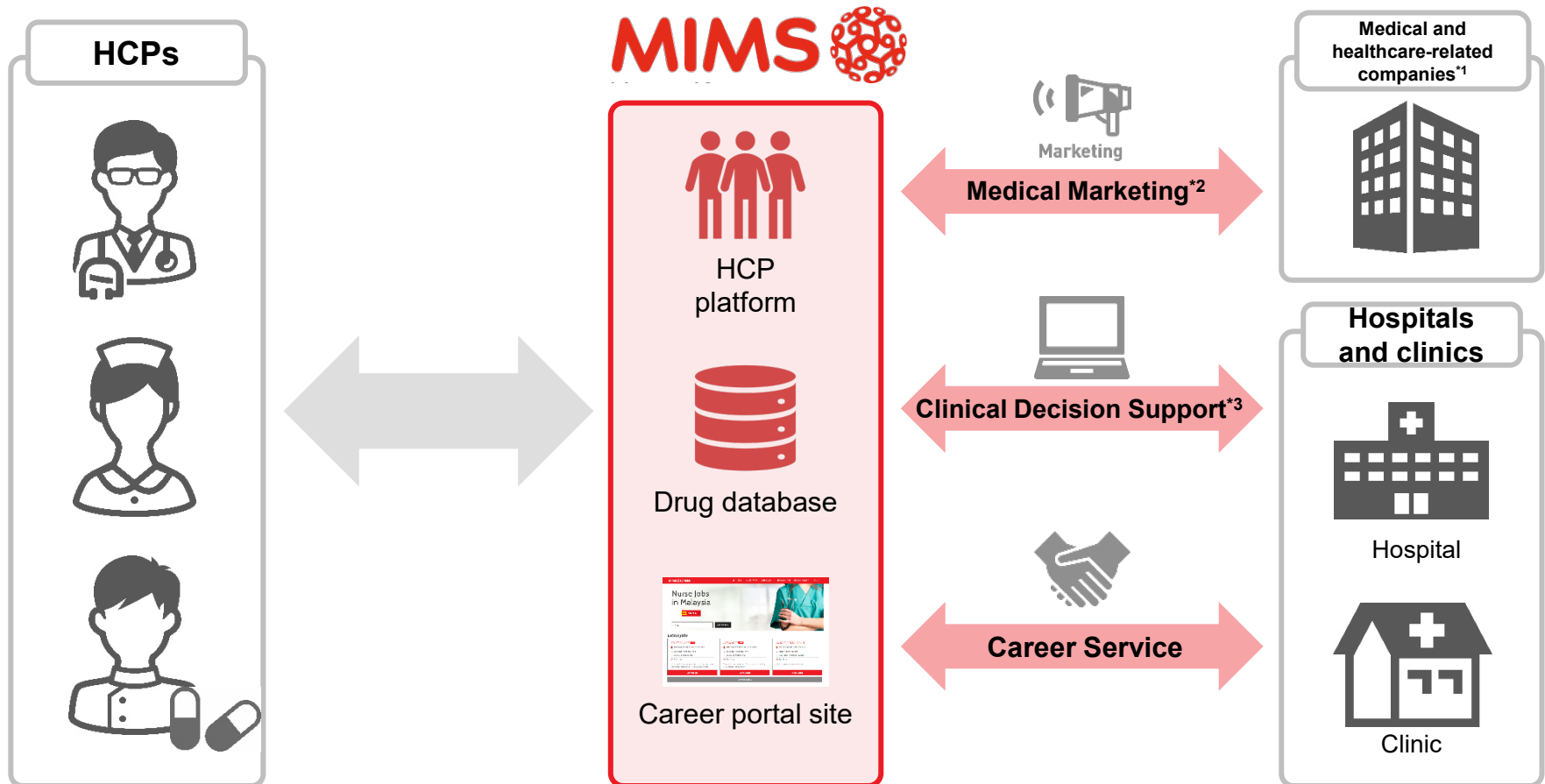


2 Expand category coverage

Overseas Strategy

2 Strategy of Overseas Business 1/3

- ✓ Overseas businesses are built on the strengths of MIMS, which include its overwhelming brand value in Asia and Oceania, enormous membership base of healthcare professionals (HCPs), and strong relationships with medical and healthcare-related companies and hospitals.

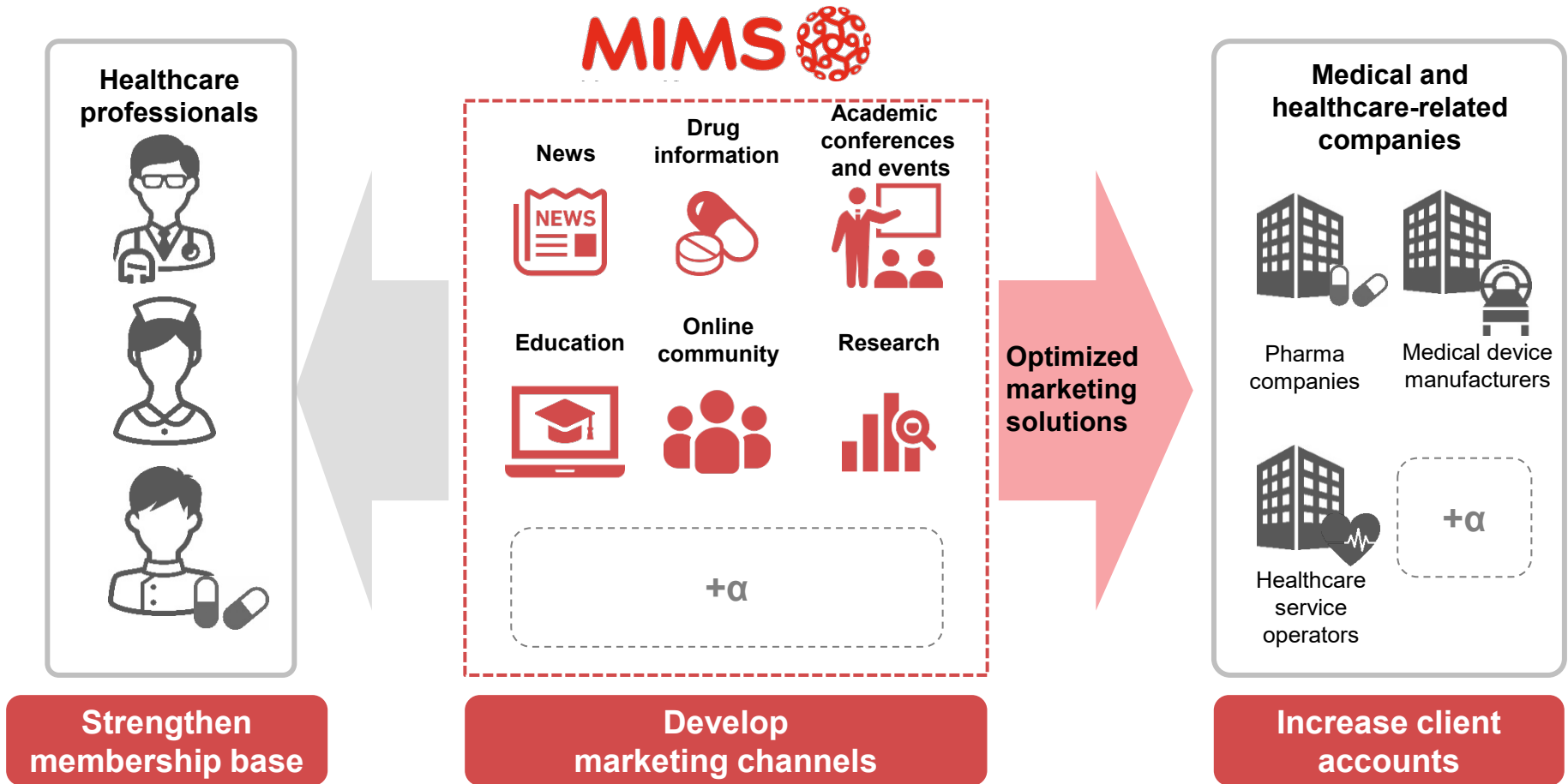


*1. Include pharmaceutical companies, medical equipment manufacturers, healthcare-related service providers

*2. Renamed from Pharma Marketing *3. Renamed from Healthcare Data

2 Strategy of Overseas Business 2/3 (Medical Marketing*1)

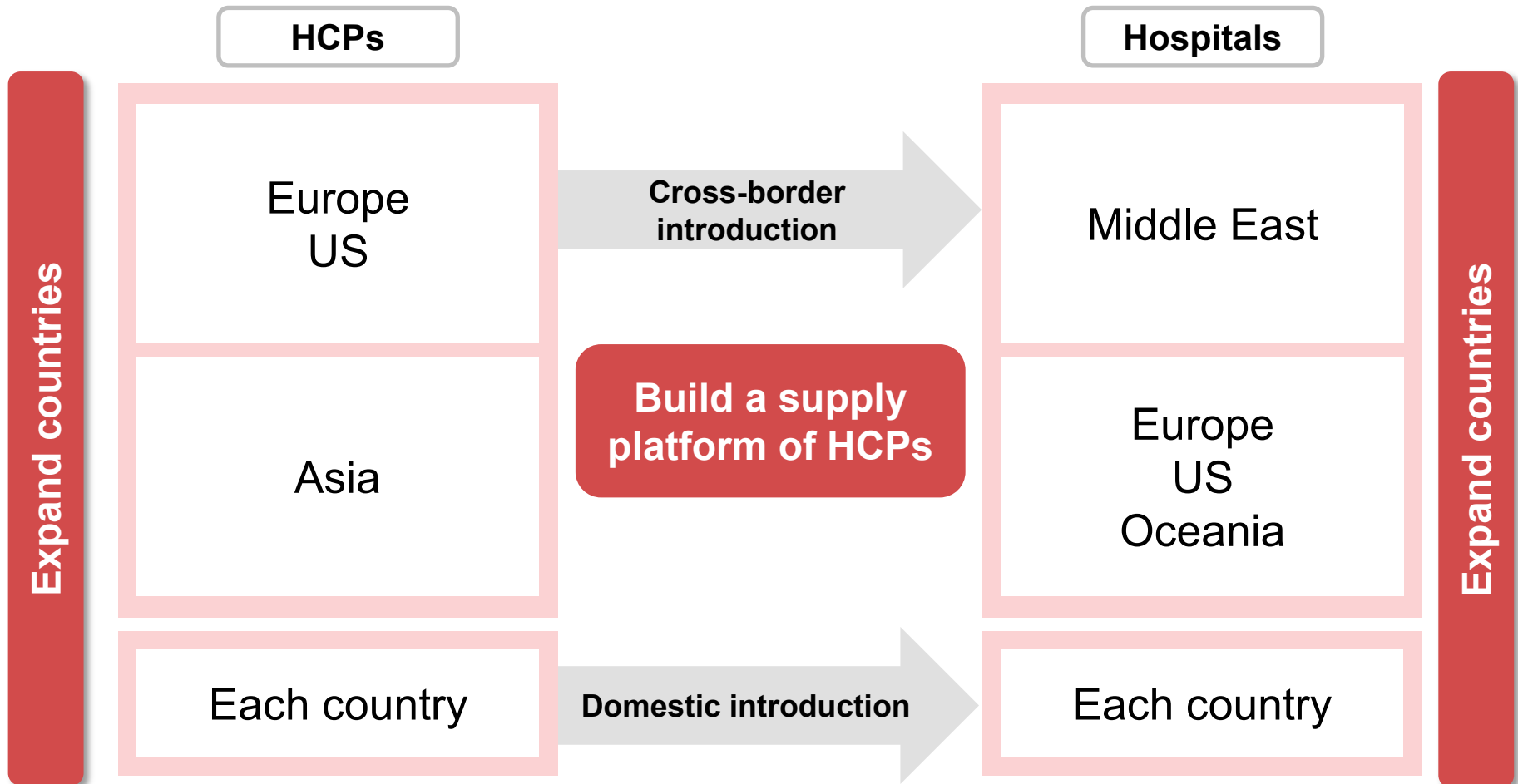
- ✓ Maximize the value as a marketing platform and provide optimized solutions to meet customer needs by strengthening the membership base, increasing client accounts and developing marketing channels.



* 1. Renamed from Pharma Marketing

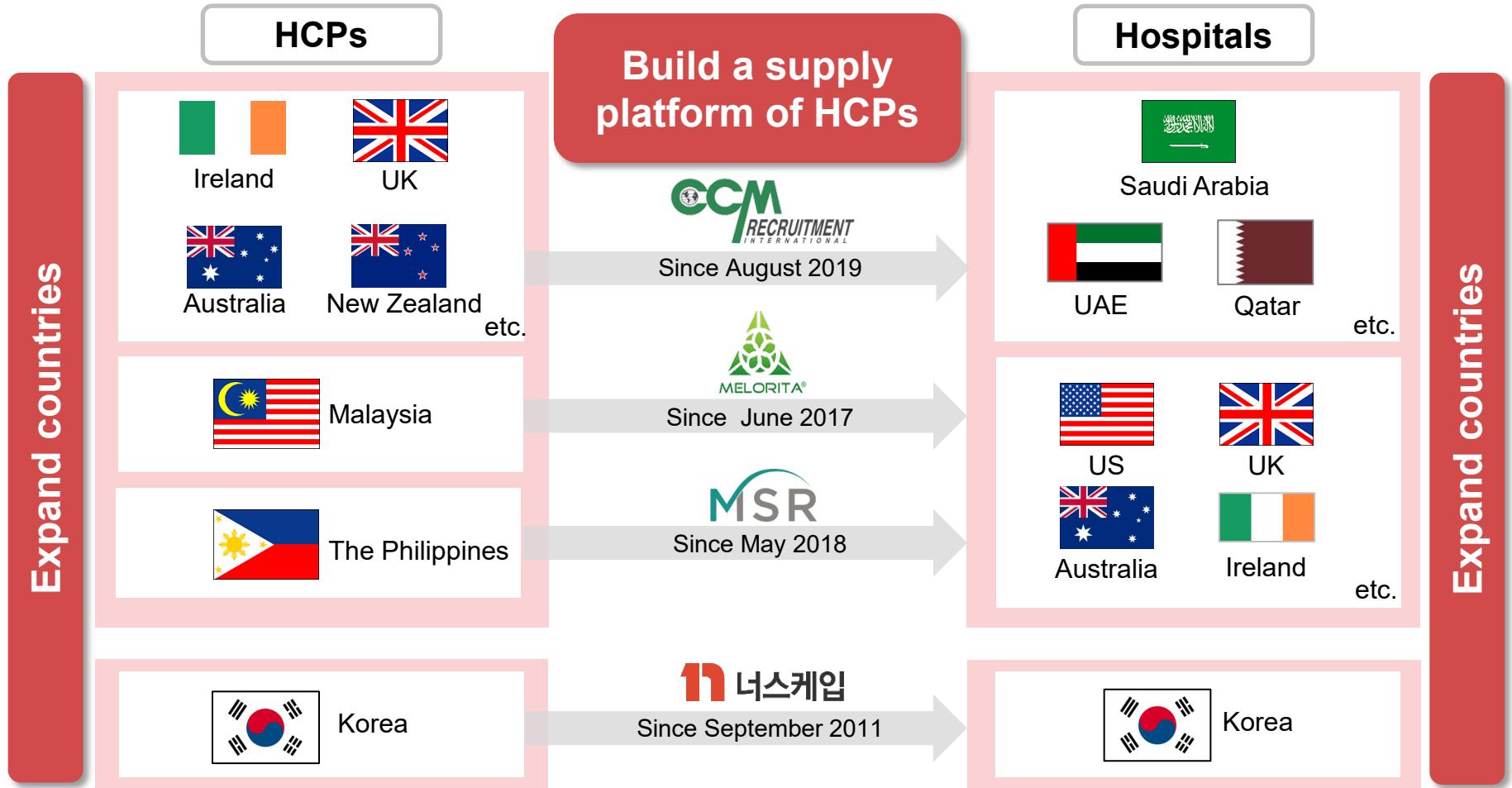
2 Strategy of Overseas Business 3/3 (Global Career)

- ✓ Establish No.1 position as a global recruiting agency for healthcare professionals (HCPs) by expanding countries for sourcing HCPs and acquiring job orders.
- ✓ Build a supply platform of HCPs for both domestic/cross-border introductions.



2 Progress in Global Career

- ✓ Have made steady progress, as laid out in our strategy, expanding countries to Malaysia in 2017, the Philippines in 2018, and Ireland and Australia in 2019.

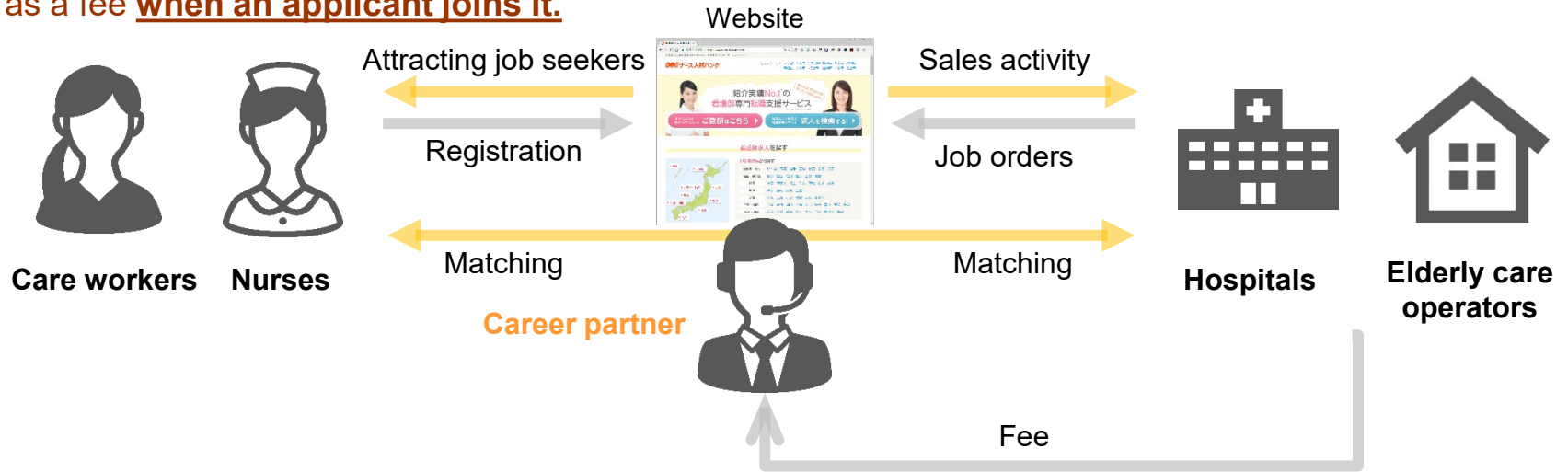


Appendix

2 Business Model of Career Business

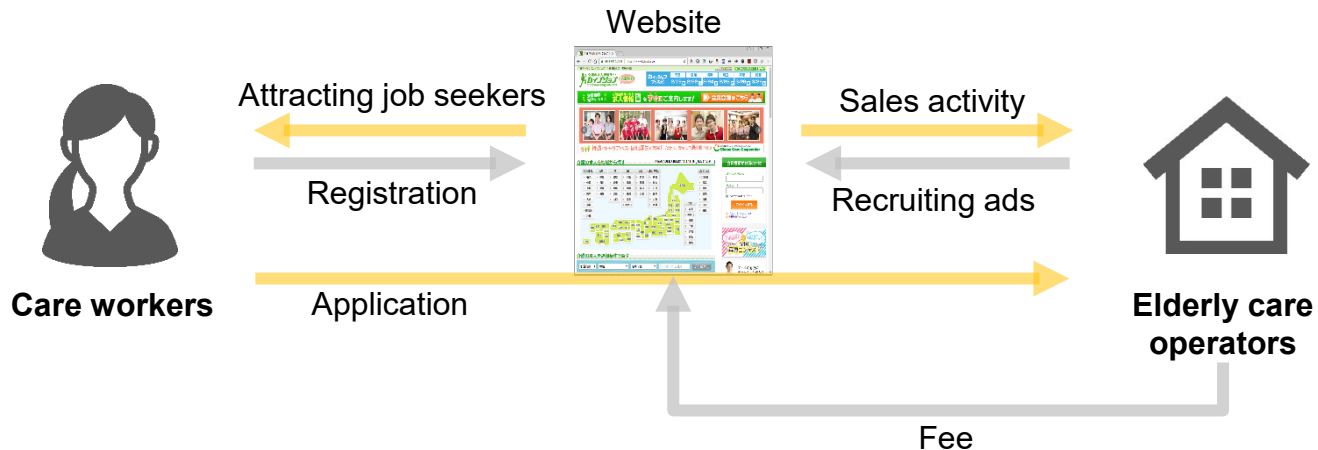
Business model of Recruiting Agent

Receive a certain percentage of an annual salary from a hiring business operator as a fee when an applicant joins it.



Business model of Recruiting Ads

Receive a fee for each application for a job or a fee for a successful hiring via our Recruiting Ads website.





Subscription-based management support platform providing more than 40 services as a package*¹

Insurance Claim

Elderly care operators can claim for the reimbursement of insurance efficiently.

Recruitment

Provide SMS's industry-leading Recruiting Ads service "Kaigo Job" for free.*²

Sales Support

Offer a function to prepare sales leaflets and a list of care managers who are the sales targets of elderly care operators.

Operation Improvement

Provide one iPad for free to enable care workers to complete documentations at their customer sites.

Opening Support

Support procedures needed to open an elderly care business such as application for designation, financing, finding office properties and market research.

Finance

Provide factoring services to improve operators' cash flows.

Purchasing

Elderly care operators can procure various equipments and supplies, such as rental smartphones, in an easy and inexpensive way.

M&A

Supporting the succession of elderly care operators

*1. Additional payments are required for the use of two or more iPads, factoring, etc.

*2. Charged for some types of occupations.

MIMS group global coverage



MIMS group profile



Founded	1963
Business	<ul style="list-style-type: none">· Medical Marketing· Clinical Decision Support· Career Service
Global coverage	17 countries and regions mainly in Asia and Oceania
Number of memberships	2.80 million
Acquisition date	Oct. 7, 2015

2 Strengths of MIMS

- ✓ Strengths of MIMS group include its overwhelming brand value in Asia and Oceania, strong membership base of healthcare professionals (HCPs), and business relationships with pharmaceutical companies.

1. Overwhelming brand value

- 50 years of history
- Utilized by healthcare institutions/HCPs to get drug information on a daily basis



2. Strong membership base of HCPs

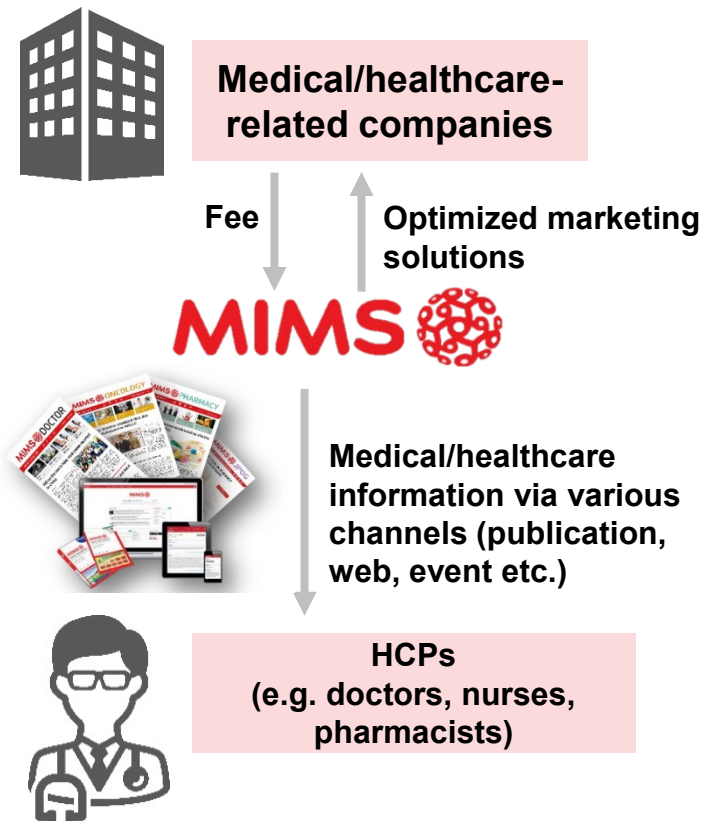
- 2.80 million HCP memberships

3. Business relationships with pharma companies

- Most manufacturers of new drugs in the region post information of their drugs on MIMS's database

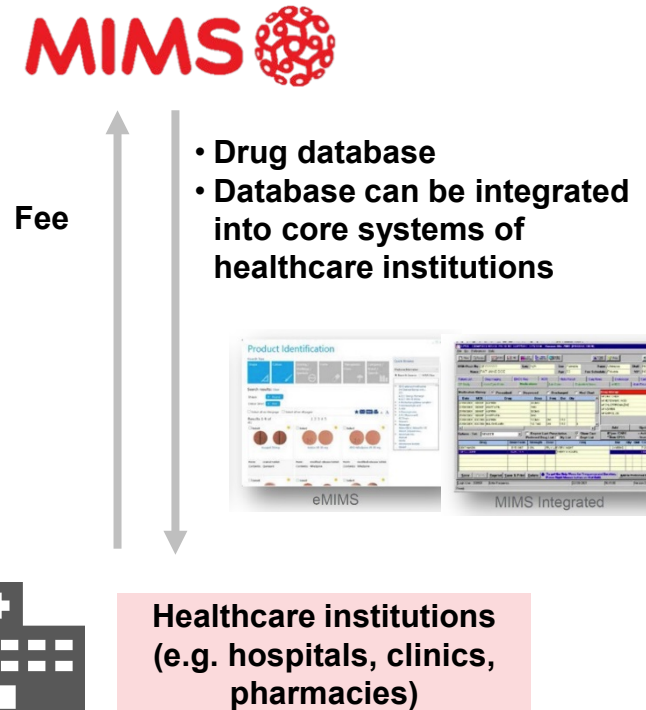
Medical Marketing *1

Support marketing activities of medical/healthcare-related companies*3



Clinical Decision Support *2

Provide a drug database for prescription error checks in healthcare institutions



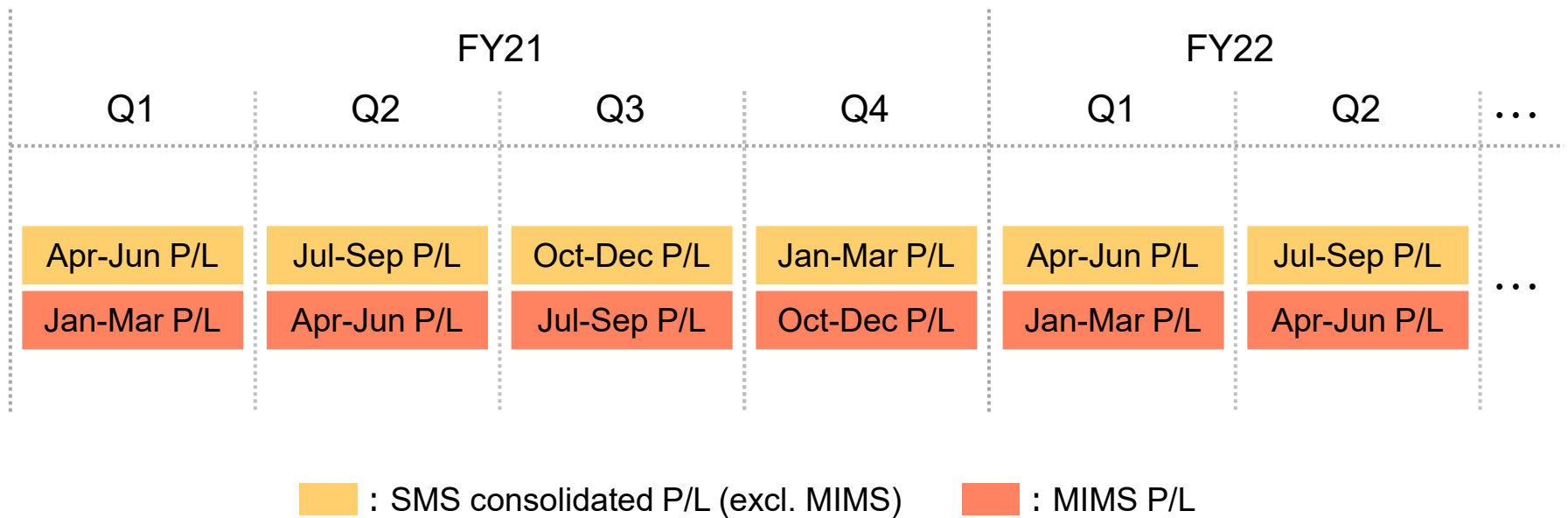
*1. Renamed from Pharma Marketing *2. Renamed from Healthcare Data

*3. Operators such as pharmaceutical companies, medical device manufacturers and healthcare service operators

2 Consolidation of MIMS Financial Results

✓ MIMS P/L statement is consolidated to SMS P/L statement following a time lag of three months.

Illustration of MIMS P/L Consolidation to SMS Consolidated P/L (excl. MIMS) *1









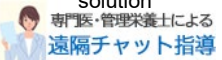










*1. Q1-Q4 presented above are those of the fiscal year of SMS. SMS fiscal year ends in March, while MIMS fiscal year ends in December.

Sub-Segment	Category	Services				
Elderly Care Career	Services for care workers	RAD ^{*3} for care workers カイゴジョブ	RAG ^{*3} for care workers カイゴジョブ エージェント	Temporary staffing for care workers カイゴジョブ パートナース	Elderly care certification course カイゴジョブ アカデミー	Certification course information
	Others	RAG ^{*3} for PT/OT/ST PT/OT 人材バンク PT/OT JINZAI BANK	RAG ^{*3} for care managers COBケア人材バンク			
Medical Care Career	RAG ^{*3} services	RAG ^{*3} for nurses NJB ナース人材バンク	RAG ^{*3} for dietitians EJB	RAG ^{*3} for radiological technologists HJB 放射線技術人材バンク	RAG ^{*3} for medical technologists KJB 検査技師人材バンク	RAG ^{*3} for clinical engineers MEJB 工学技士人材バンク
	Others	RAG ^{*3} for childcare workers HOJB 保育士人材バンク	RAG ^{*3} for Judo therapists etc. WILL ONE AGENT	Scholarship information portal 看護奨学金Navi	Web community for nurses and nurse students ナース専科	RAD ^{*3} for Judo therapists etc. 新たな人生の一步に最高のノートを JOB NOTE
		RAD ^{*3} for nurses ナース専科 求人ナビ	RAD ^{*3} for newly-graduated nurses ナース専科 就職ナビ			
		National examination reference book for Judo therapists etc. 国試黒本	HR solution for hospitals SOL ソリューション			

*1. As of July, 2021

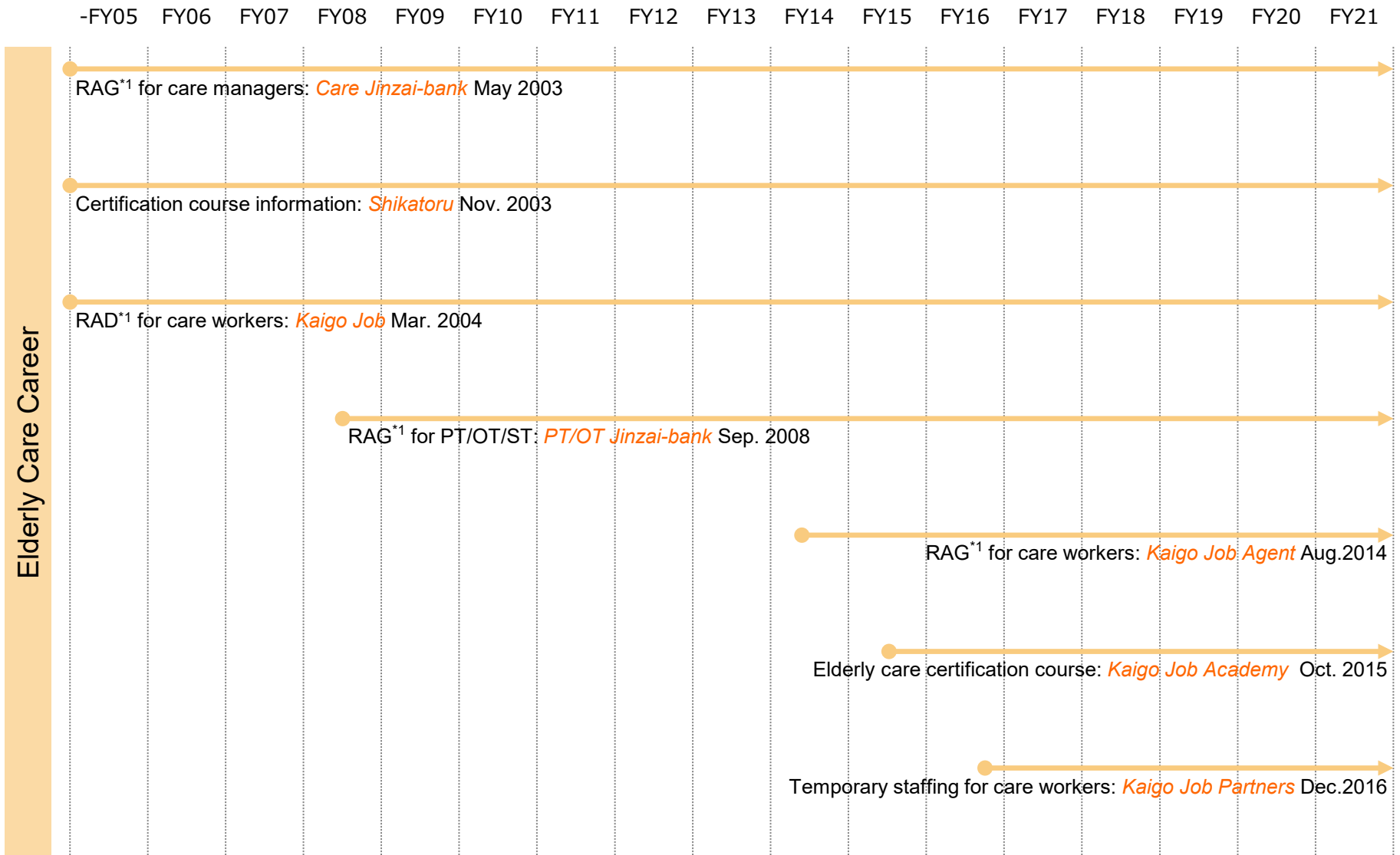
*2. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).

*3. RAD: Recruiting ads service RAG: Recruiting agent service

Segment	Services				
Kaipoke	Management support platform for elderly care operators 	Information portal for management of elderly care operators 	Research and information on the aging society 高齢社会ラボ		
Overseas	Drug information service for healthcare professionals and institutions 	Cross-border RAG ² for healthcare professionals (Malaysia, Philippines, Ireland, UK, etc.) 	Career related service for nurses (South Korea) 	Medical ad services (Philippines, Indonesia, Malaysia)	
New Business (Healthcare)	Preventive solution of lifestyle diseases 	Health guidance solution 	Personalized anti-smoking solution パーソナライズ 禁煙指導サービス	Remote industrial health service 	Information portal of dementia 認知症ねっと Solution for dementia prevention 
	Web community for dietitians 	Preventive solution for workforce departure due to family care 	Health maintenance /promotion support for women LADY to GO!	Information portal of industrial health service 産業保健の知恵袋 サンチエ	Habituation support of dementia prevention 認知症 チャレンジ
New Business (Senior life)	Web community for people caring for their families 	Home-delivered meals search site 	Information portal of housing for the elderly 	Housing renovation operators search site 	Information portal of funeral companies 
	Web community for care managers 				

* 1. As of July 2021

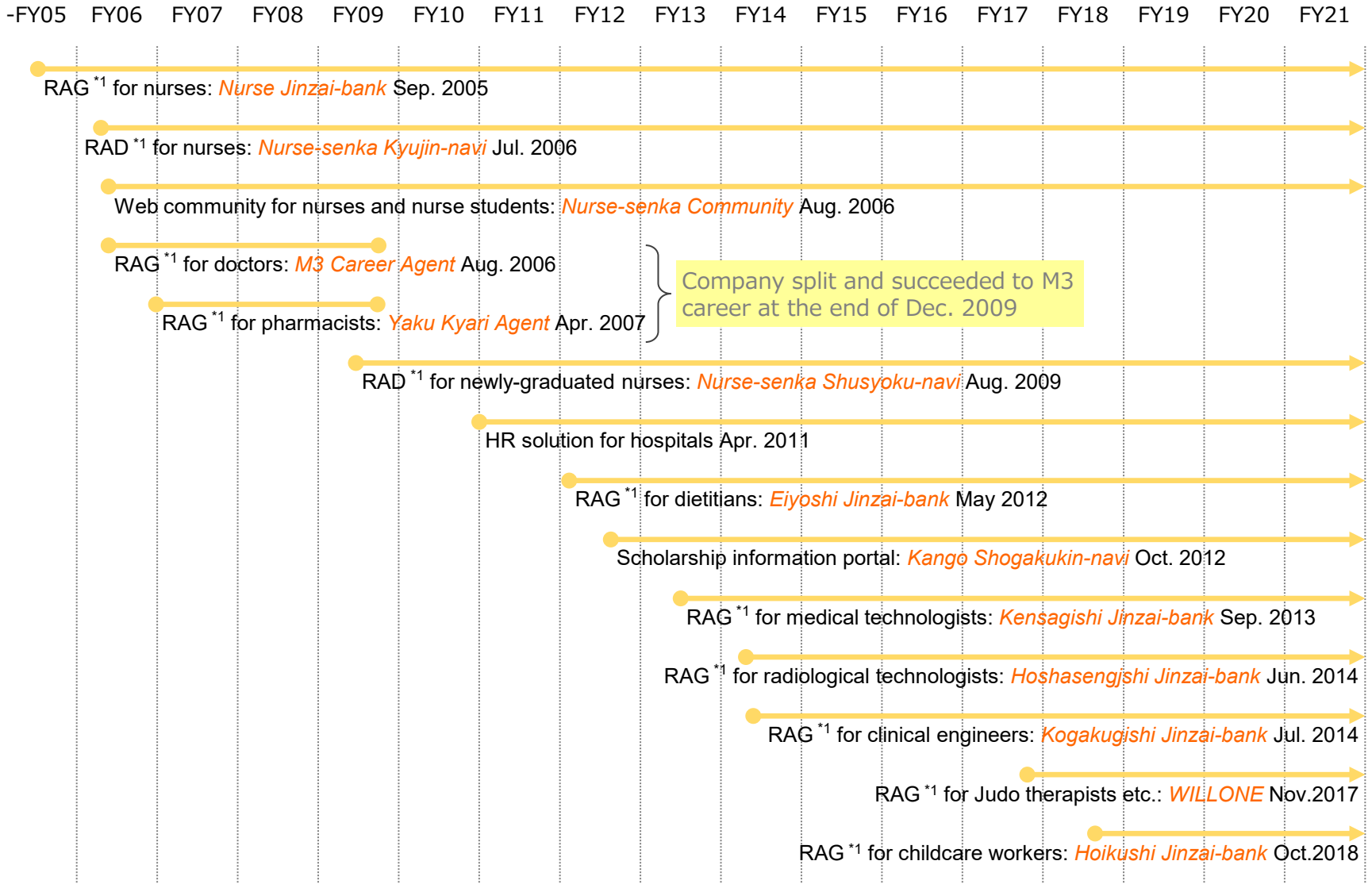
2 History of Service Launches 1/5



*1. RAD: Recruiting ads service RAG: Recruiting agent service

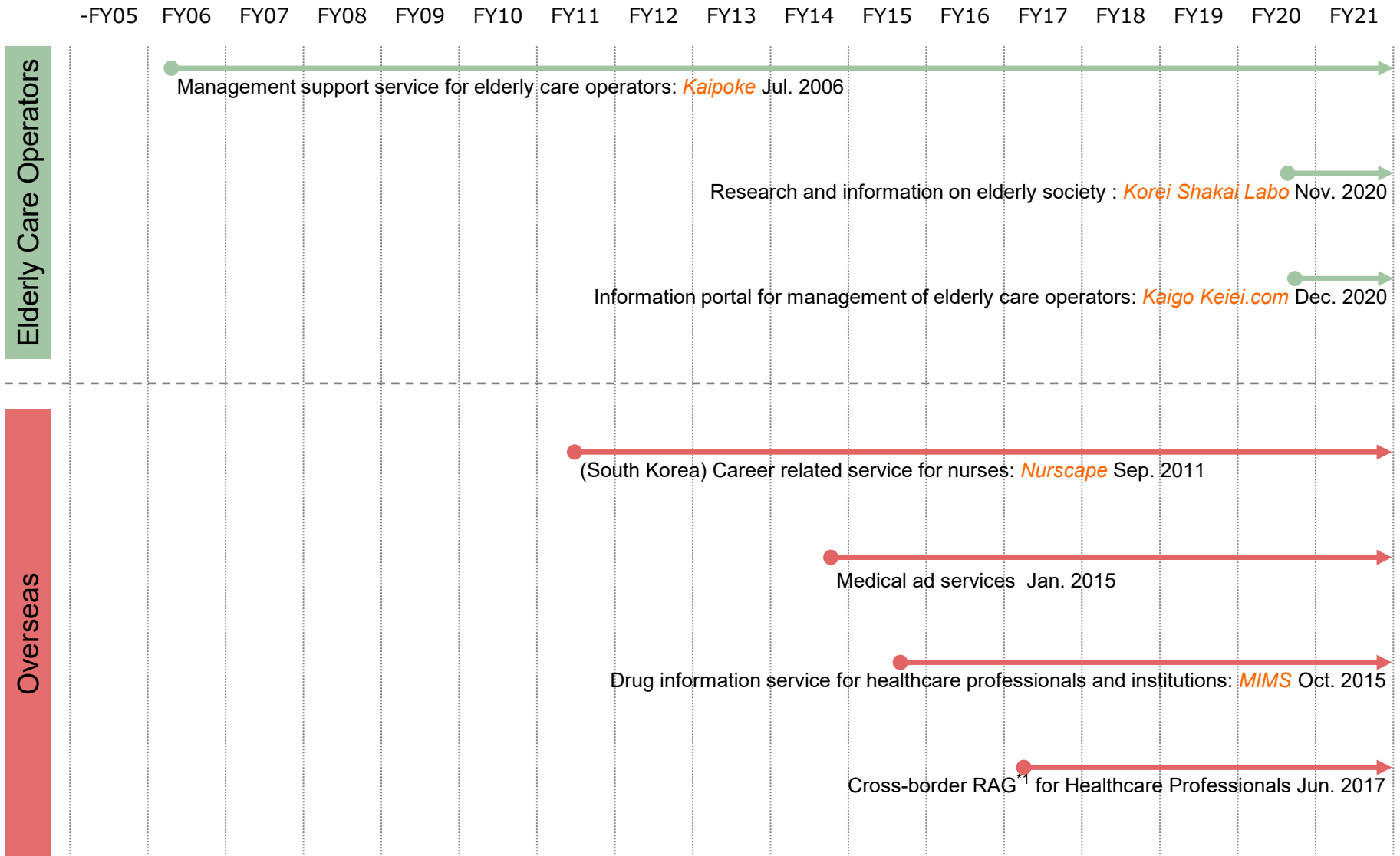
2 History of Service Launches 2/5

Medical Care Career

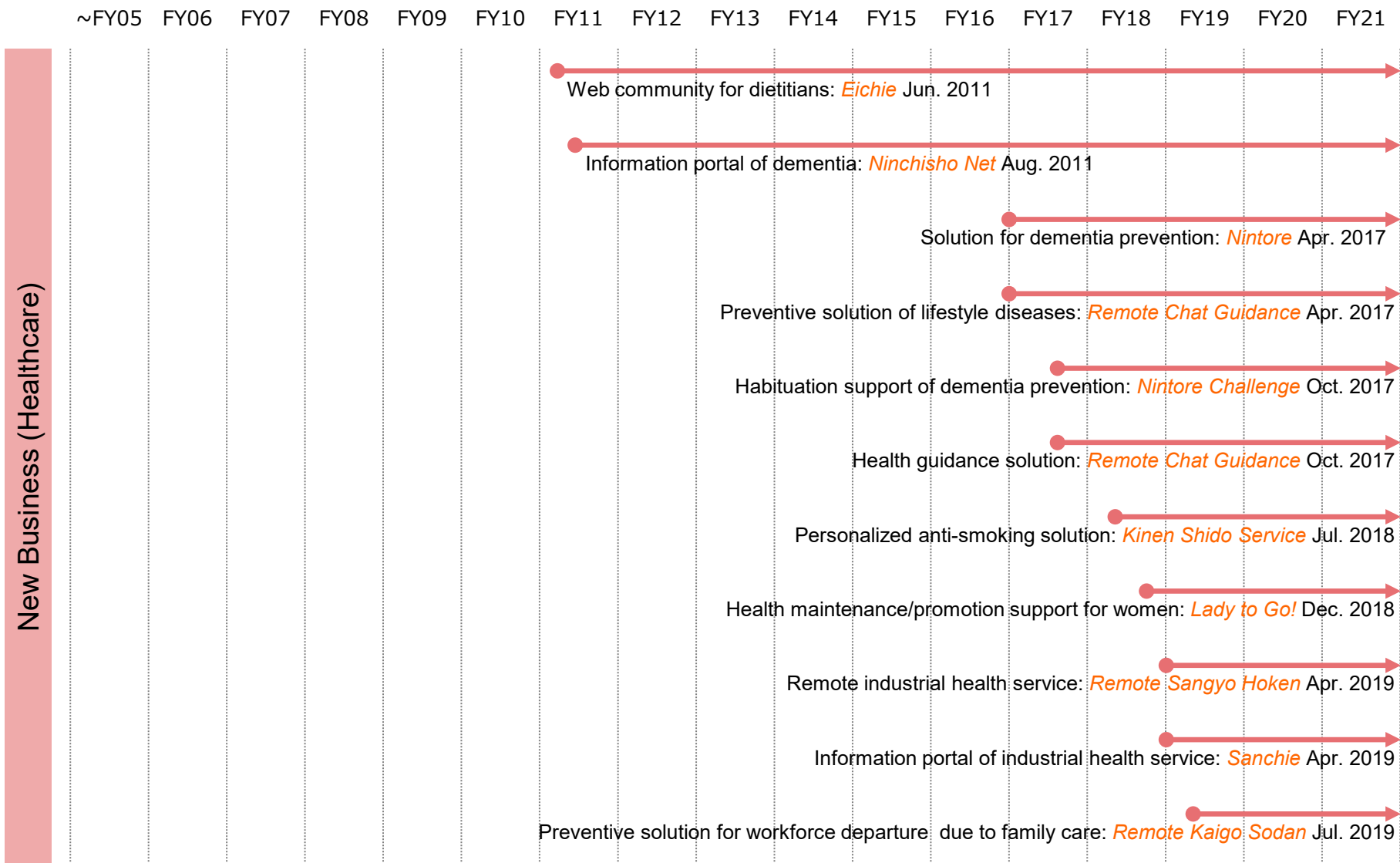


*1. RAD: Recruiting ads service RAG: Recruiting agent service

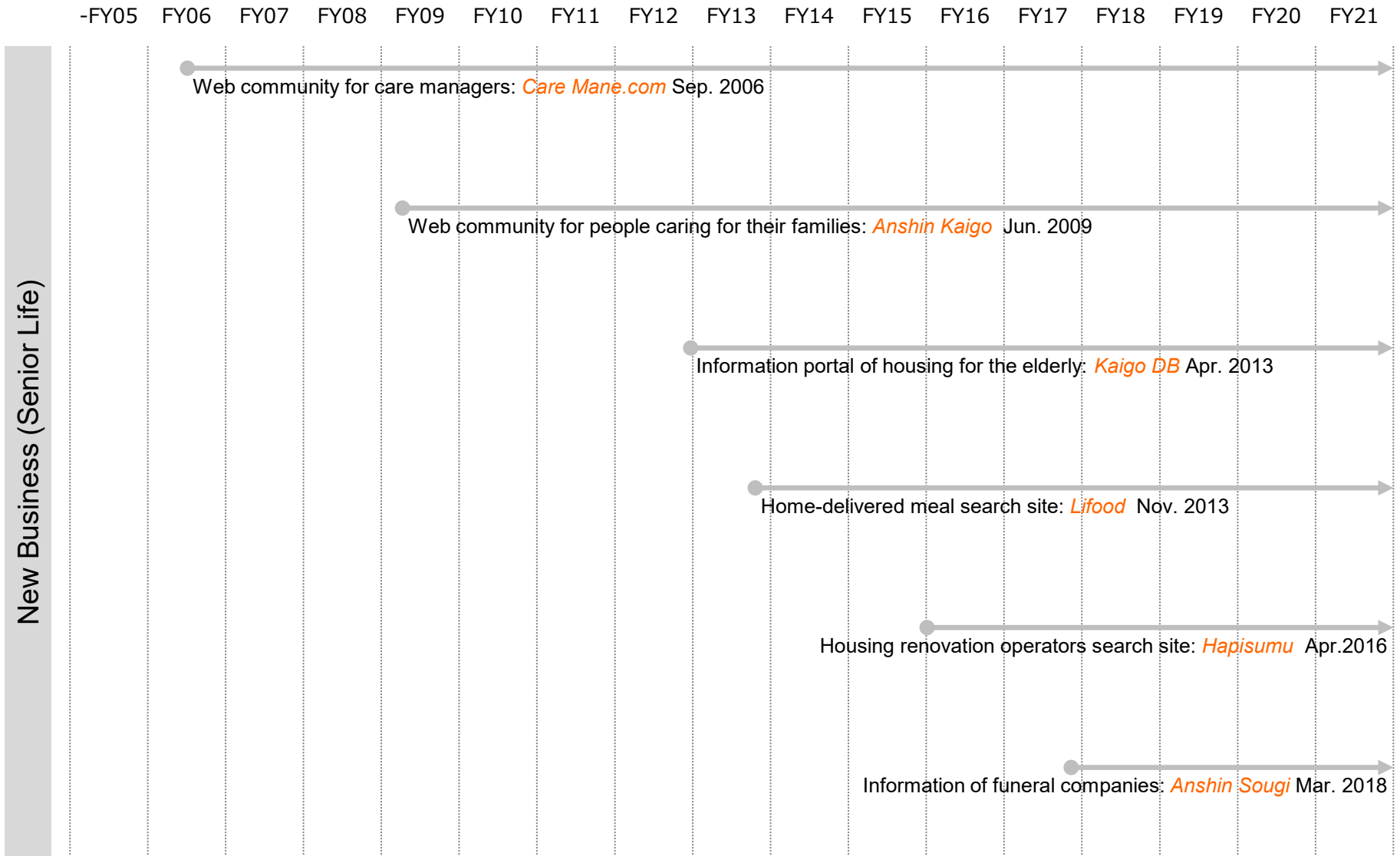
2 History of Service Launches 3/5

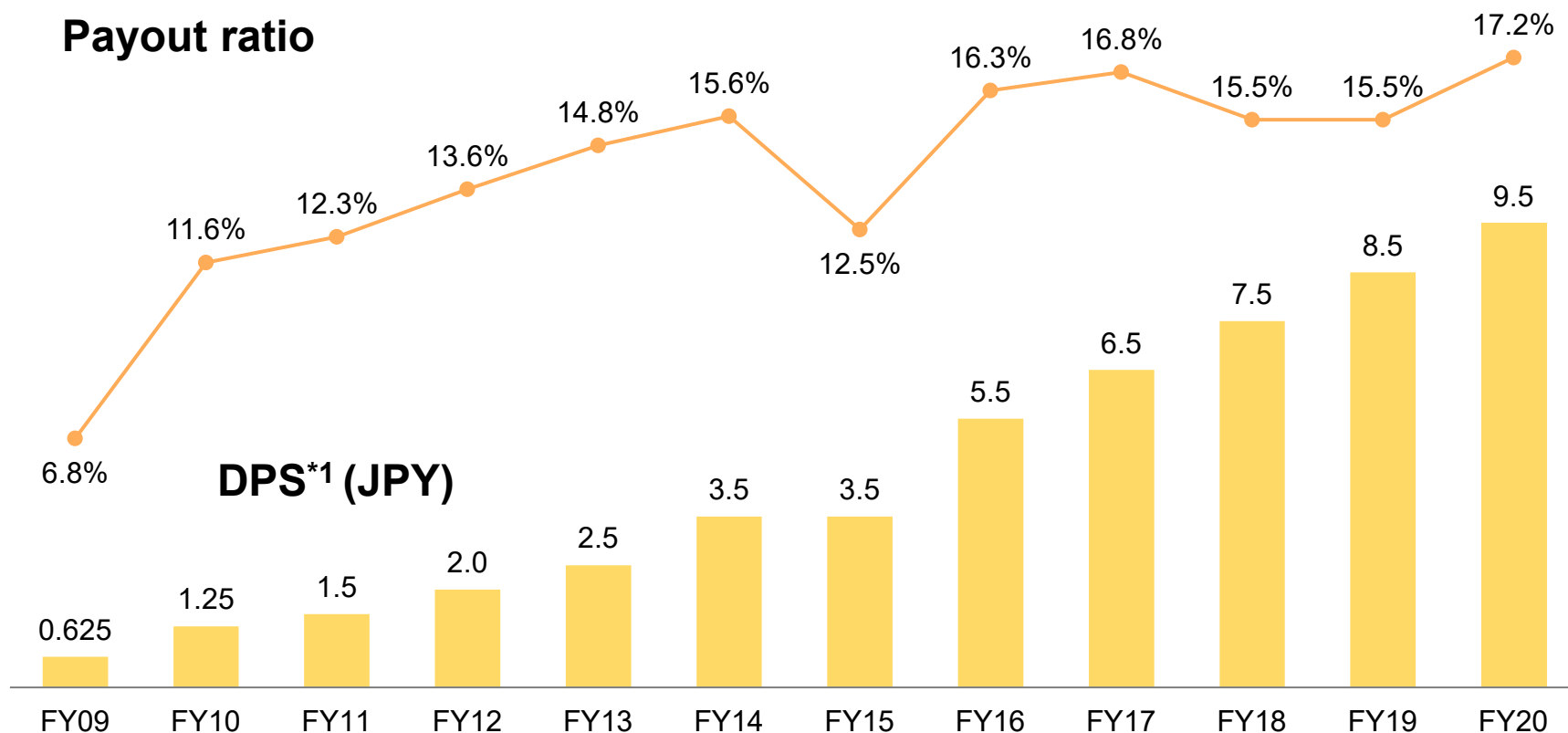


2 History of Service Launches 4/5



2 History of Service Launches 5/5





*1. Past stock splits are taken into account for the DPS calculation.

2 Historical Financial Results

(JPY million)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	
Net Sales	58	383	835	1,545	2,715	5,177	7,172	7,618	8,692	10,181	12,046	15,056	19,069	23,054	26,611	30,836	35,140	35,960	
Operating Income	(5)	52	109	269	426	1,230	1,261	1,480	1,519	1,570	1,730	2,079	2,756	3,646	4,021	4,743	4,935	5,470	
Ordinary Income	(5)	49	108	269	415	1,238	1,266	1,530	1,734	1,990	2,340	2,693	3,509	4,430	5,007	5,979	6,355	6,653	
Net Income	(5)	31	63	157	244	719	717	876	1,004	1,226	1,380	1,824	2,265	2,801	3,361	4,216	4,760	4,800	
EPS*1 (JPY)	(5.8)	1.8	1.5	2.2	3.3	9.2	9.2	11.1	12.2	14.9	16.8	22.4	27.9	33.7	38.7	48.5	54.7	55.1	
Total Assets	59	357	566	1,016	1,806	3,118	3,645	4,672	5,716	6,948	8,406	11,421	41,689	43,231	46,087	47,467	50,996	49,444	
Liabilities	55	166	196	489	822	1,410	1,266	1,430	1,579	1,794	2,331	4,497	28,532	21,648	22,446	31,928	31,597	26,785	
Net Assets	4	190	369	527	983	1,708	2,379	3,242	4,136	5,153	6,074	6,923	13,157	21,583	23,641	15,539	19,398	22,658	
Equity Ratio (%)	7.5	53.3	65.3	51.9	54.4	54.8	65.2	69.2	72.3	74.1	71.5	59.7	20.5	39.6	41.8	32.4	37.7	45.3	
ROE (%)	(124.9)	31.8	22.8	35.1	32.3	53.4	35.1	31.2	27.3	26.4	24.7	28.4	29.5	21.8	18.5	24.4	27.5	23.1	
DPS*1 (JPY)	-	-	-	-	-	0.625	0.625	1.25	1.5	2	2.5	3.5	3.5	5.5	6.5	7.5	8.5	9.5	
Dividend Payout Ratio (%)	-	-	-	-	-	6.8	6.8	11.6	12.3	13.6	14.8	15.6	12.5	16.3	16.8	15.5	15.5	17.2	
TSR*1*2 (%)	-	-	-	-	-	-	-	-	-	-	-	177.1	514.5	1,150.3	1,057.5	682.8	402.3	263.6	317.8

*1. Past stock splits are taken into account for the EPS, DPS and TSR calculations.

*2. (Ending share price of the fiscal year + Total dividends paid over 5 years) / Ending share price 5 fiscal years ago

2 Number of Employees and Shareholder Composition

Number of Employees

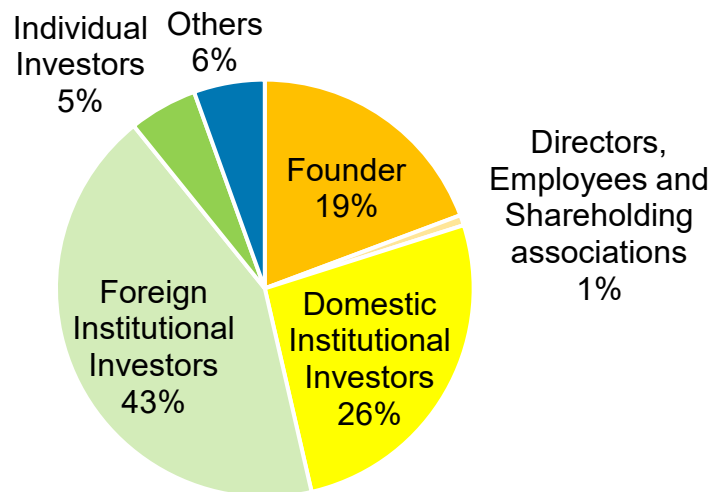
As of June 30, 2021 :

Employees (consolidated)	3,158
Japan	2,246
Overseas	912

Shareholder Composition*1

As of March 31, 2021:

Number of shareholders 7,234



*1. Pie chart shows the ratio of number of stocks held by each category.

These materials contain forward-looking statements, including estimates, projections, and statements related to the business operations of SMS Co., Ltd. (hereinafter, “the Company”) based on current expectations and assumptions in light of the information available to the Company as of June 30, 2021. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include, but are not limited to:

changes in economic conditions, market demand, and the competitive environment affecting Japan, Asia and other markets in which the Company operates;

- reliance on digital and information technology, including with respect to the handling of elderly care, medical care and other client information and operation of the Company’s online community services;
- inability to effectively execute M&A/business alliance and overseas expansion strategies;
- changes in the laws, regulations and government policies in the markets in which the Company operates, particularly relating to employment placement, elderly care and medical care;
- any damage to the brand image;
- risk of infringing intellectual property rights;
- fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the US dollar, the Singapore dollar, the Hong Kong dollar and the Australian dollar; and
- risk of impairment losses, particularly with respect to goodwill, trademark right and customer-related assets recognized in connection of the acquisition of Medica Asia (Holdco) Limited in October 2015.

A discussion of these and other factors which may affect the Company’s actual results, performance, achievements or financial position is described in “Business Risks” contained in the Company’s corporate website*1.

We do not intend, and disclaim any duty, to update or revise any forward-looking statements contained in these materials to reflect new information, future events or otherwise. We caution you not to place undue reliance on any forward-looking statements contained in these materials.

*1. <https://www.bm-sms.co.jp/en/ir/policy/risk/>

For any inquiries on the materials, please contact below:
Finance & Accounting Department
E-mail: irinfo@bm-sms.co.jp
Phone: +81-3-6721-2403