



# **SMS Co., Ltd. (2175 TSE Prime Market) Earnings Presentation for Investors, Q3 FY03/2025**

---

January 31, 2025

# Table of Contents

<b>01</b>	<b>Q3 FY03/2025 Consolidated Financial Results</b>	<b>p.3</b>
<b>02</b>	<b>Revisions to Financial Results Forecast for FY03/2025</b>	<b>p.8</b>
	<b>Revision to Dividend Forecast</b>	
<b>03</b>	<b>Establishment of a Joint Venture Company Aiming to Expand Business in the Disability Welfare Field</b>	<b>p.19</b>
<b>04</b>	<b>References</b>	<b>p.27</b>
	<b>Mission and Strategy</b>	<b>p.28</b>
	<b>Appendix</b>	<b>p.92</b>

# 01 **Q3 FY03/2025 Consolidated Financial Results**

# FY03/25 Consolidated Financial Results (Q3)

- Sales increased and profits decreased YoY due to the intensive hiring of career partners in Q1 and increased investments in advertising, etc.
- Revised the financial results forecast for FY03/2025 due to a slowdown in job seekers' motivation to change jobs and increased competition to attract job seekers in the Career Segment.\*1

## Q3 FY03/25 [JPY million]

	Q3 FY03/24 Actual	Q3 FY03/25 Actual	YoY Change
Net Sales	39,357	<b>44,885</b>	+14%
Operating Income	4,945	<b>3,592</b>	(27%)
Ordinary Income	6,171	<b>5,121</b>	(17%)
Net Income	4,376	<b>3,846</b>	(12%)

1. Details are explained from p.8.

# FY03/25 Career Segment (Q3)

- Grew with strong demand for hiring professionals by medical/elderly care business operators.
- Sales growth was limited due to a slowdown in job seekers' motivation to change jobs and increased competition to attract job seekers.
- Hiring demand for professionals from business operators is further increasing, and we will continue to invest in advertising to attract job seekers, aiming for the growth in FY03/26 and beyond.

Sales, Q3 FY03/25 [JPY million]

	Q3 FY03/24 Actual	Q3 FY03/25 Actual	YoY Change
Elderly Care Career	11,869	14,411	+21%
Medical Care Career	12,472	13,227	+6%
Total	24,342	27,639	+14%

# FY03/25 Elderly/Disability Care Operators Segment (Kaipoke, Q3)

- The number of Kaipoke memberships increased steadily.
  - 54,350 service offices (31,150 locations)\*1 as of January 1, 2025
  - Q3 YTD membership increase: 3,950 service offices (2,000 locations)
- Sales of optional add-ons such as additional tablets and smartphones, as well as M&A matching business, grew steadily.

Sales, Q3 FY03/25 [JPY million]

	Q3 FY03/24 Actual	Q3 FY03/25 Actual	YoY Change
Elderly/Disability Care Operators (Kaipoke)	7,168	8,796	+23%

1. # of service offices: the number of elderly care services / welfare services for persons with disabilities provided based on the public insurance scheme

# of locations: the number of service office locations

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.

# FY03/25 Overseas Segment (Q3\*1)

- Sales growth of Medical Platform Business was limited due to factors such as temporary reductions in marketing budgets by some customers and continued demand for non-digital services\*2.
- Sales growth of Global Career Business was limited, affected by temporary factors such as visa suspensions and fluctuations of the situation in the Middle East.

Sales, Q3 FY03/25 [JPY million]

	Q3 FY03/24 Actual	Q3 FY03/25 Actual	YoY Change
Overseas	5,920	6,083	+3%

1. Income statement of MIMS group is consolidated with a three-month delay and the Q3 YTD results are for January to September. (Please refer to p.99)

2. Non-digital services have a relatively long lead time for sales recognition compared to digital services.

# **02 Revisions to Financial Results Forecast for FY03/2025 Revision to Dividend Forecast**



# Revisions to Financial Results Forecast for FY03/2025

- Net sales have been revised downward, mainly in the Career Segment. (Details are explained on the next page.)
- Personnel expenses are expected to be lower due to a reduction in the hiring of career partners and other staff in 2H.
- Advertising expenses are planned to be invested as initially forecasted without reduction, as business operators' needs for RAG\*<sup>1</sup> are increasing against strong demand for professionals although the cost per acquisition is rising due to increased competition to attract job seekers.

## Revised Forecast of Financial Results for FY03/2025 [JPY million]

	FY03/24 Actual	FY03/25		vs Initial Forecast		vs FY03/24	
		Initial Forecast	Revised Forecast	Change (Amount)	Change (%)	YoY (Amount)	YoY (%)
Net Sales	53,973	65,665	<b>61,050</b>	(4,615)	(7%)	+7,077	+13%
Personnel Expenses* <sup>2</sup>	17,900	22,000	<b>21,350</b>	(650)	(3%)	+3,449	+19%
Advertising Expenses	8,731	12,550	<b>12,550</b>	-	-	+3,818	+44%
Cost of Sales / Other SG&A	19,071	22,018	<b>20,850</b>	(1,168)	(5%)	+1,778	+9%
Operating Income	8,269	9,096	<b>6,300</b>	(2,796)	(31%)	(1,969)	(24%)
Ordinary Income	9,901	11,002	<b>8,250</b>	(2,752)	(25%)	(1,651)	(17%)
Net Income	7,227	8,018	<b>6,050</b>	(1,968)	(25%)	(1,177)	(16%)

1. RAG: Recruiting agent service

2. Total of salaries and allowance, legal welfare expenses, and provision for bonuses

# Revisions to Financial Results Forecast for FY03/2025: Net Sales

- In the Career Segment, the forecast has been revised downward by 3.36 billion yen from the initial forecast, against a slowdown in job seekers' motivation to change jobs and increased competition to attract job seekers.
- In the Overseas Segment, the forecast has been revised downward by 1.11 billion yen to reflect the impact of factors such as temporary reductions in marketing budgets by some customers in Medical Platform Business, and temporary factors such as visa suspensions and fluctuations of the situation in the Middle East in Global Career Business.

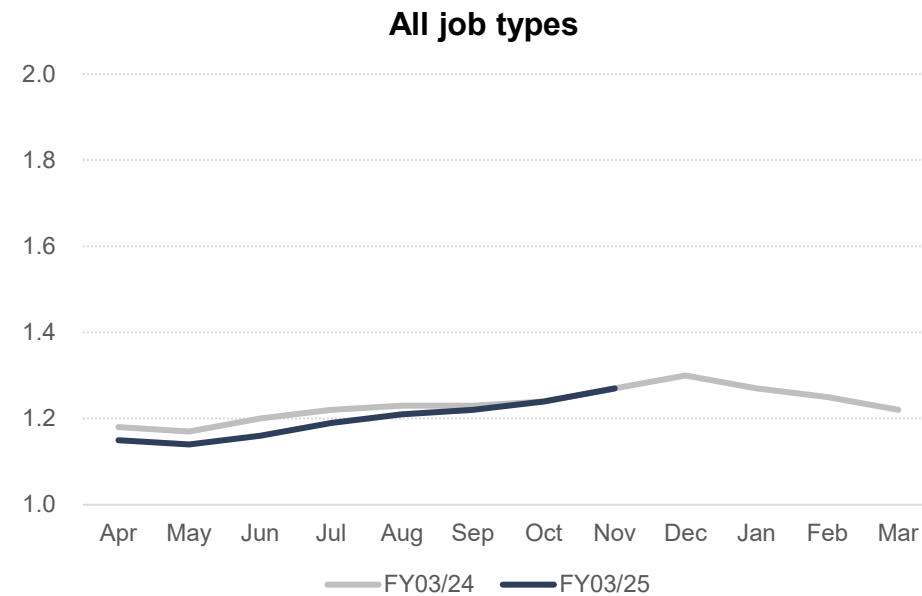
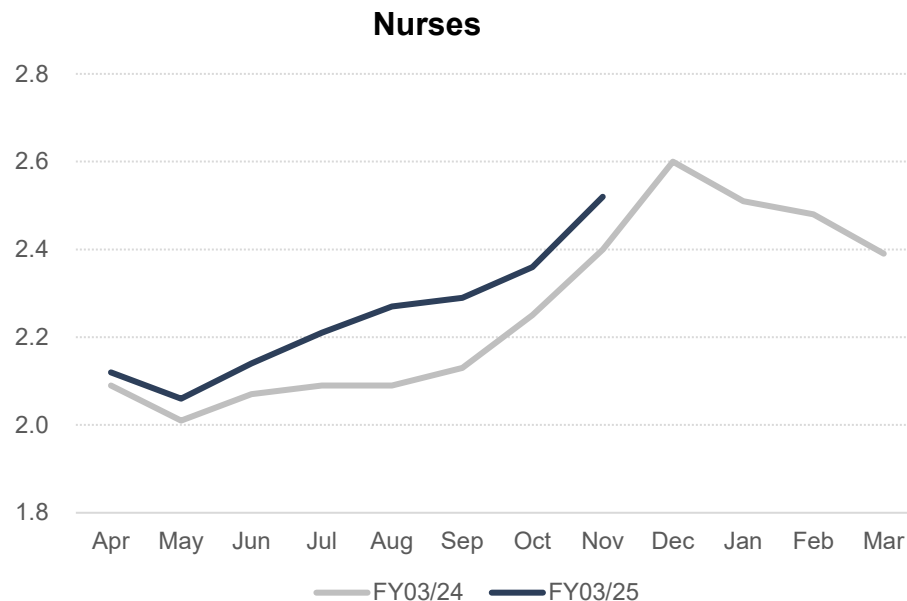
## Revised Forecast of Financial Results for FY03/2025 [JPY million]

	FY03/24 Actual	FY03/25		vs Initial Forecast		vs FY03/24	
		Initial Forecast	Revised Forecast	Change (Amount)	Change (%)	YoY (Amount)	YoY (%)
Net Sales	53,973	65,665	<b>61,050</b>	(4,615)	(7%)	+7,077	+13%
Career	32,379	39,701	<b>36,340</b>	(3,361)	(8%)	+3,960	+12%
Elderly Care Career	16,292	21,086	<b>19,490</b>	(1,596)	(8%)	+3,197	+20%
Medical Care Career	16,086	18,615	<b>16,850</b>	(1,765)	(9%)	+763	+5%
Elderly/Disability Care Operators (Kaipoke)	9,811	11,760	<b>11,920</b>	+159	+1%	+2,108	+21%
Overseas	9,002	10,491	<b>9,380</b>	(1,111)	(11%)	+377	+4%

# Supplementary Info: Supply and Demand of Nurses

- Job seekers have been less motivated to change jobs<sup>\*1</sup> due to factors such as work style reforms, especially in medical institutions, following overtime regulations for doctors beginning in April 2024, and wage increases resulting from revisions to medical fees.
- As the elderly population increases, the demand for nurses continues to expand, leading to an increasing number of job openings.
- The supply-demand gap is widening and business operators' willingness to use RAG<sup>\*2</sup> is expected to increase.

## Jobs-to-applicants ratio<sup>\*3</sup>



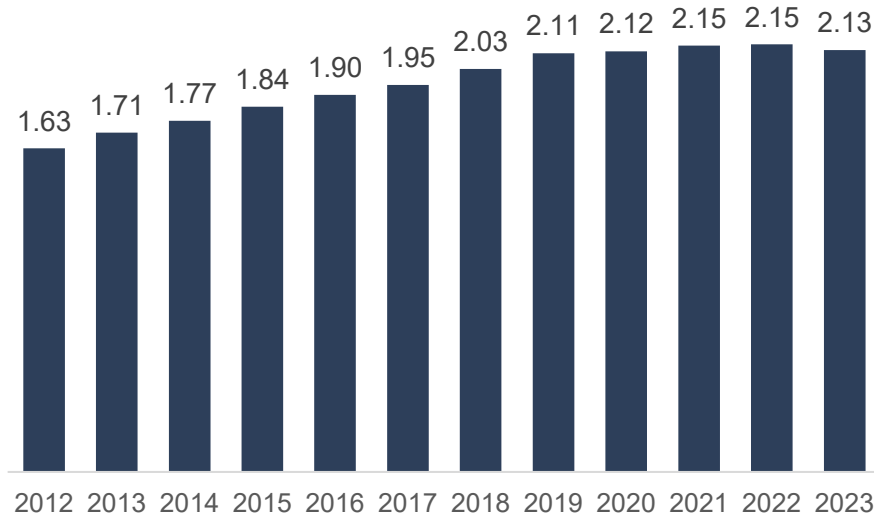
1. The impact is particularly significant for nurses who are available for night shifts, which are difficult to fill.  
 2. RAG: Recruiting agent service  
 3. MHLW, "Employment referrals for general workers"

# Supplementary Info: Supply and Demand of Elderly Care Workers

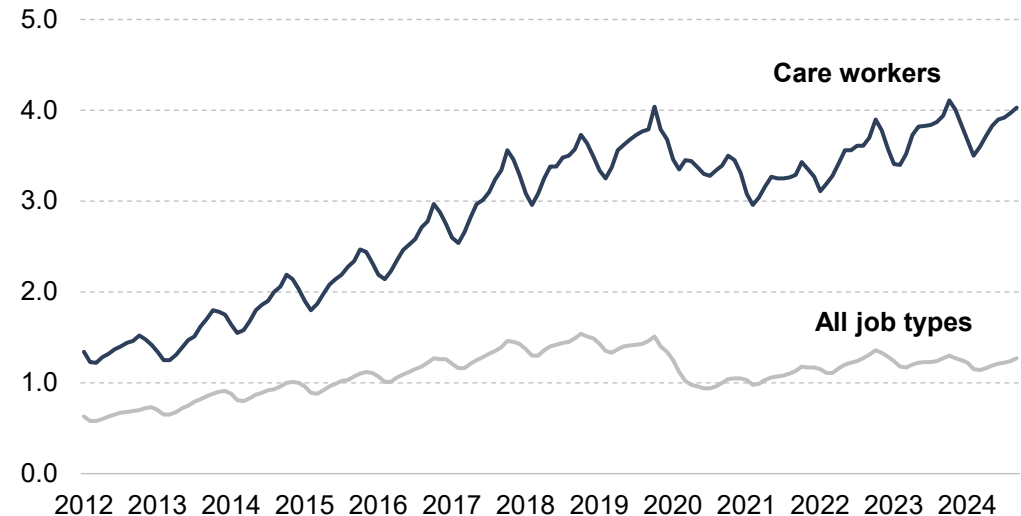
- The number of elderly care workers has been flat or decreasing recently. Job seekers have been less motivated to change jobs due to factors such as wage increases resulting from revisions to long-term care fees.
- As the elderly population increases, the demand for elderly care workers continues to expand, leading to an increasing number of job openings.
- The supply-demand gap is widening and business operators' willingness to use RAG\*<sup>1</sup> remains strong.

**Number of care workers\*<sup>2</sup>**

(in millions)



**Jobs-to-applicants ratio\*<sup>3</sup>**

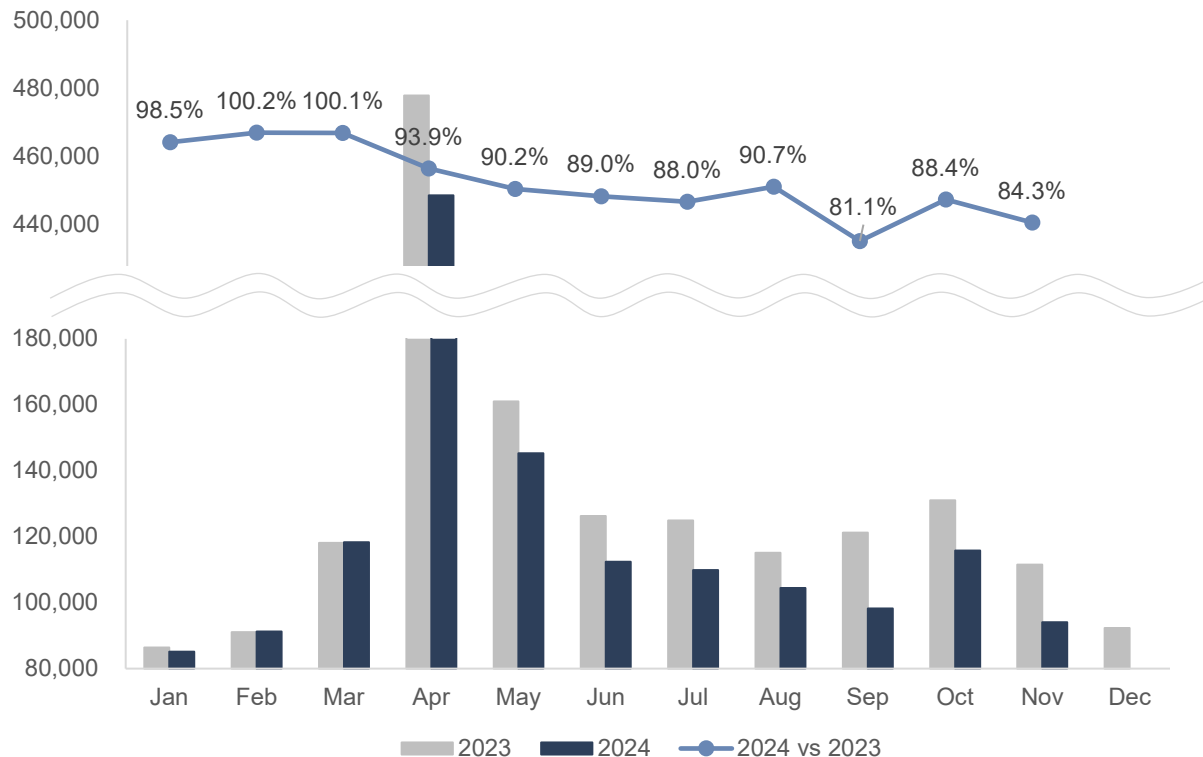


1. RAG: Recruiting agent service  
 2. MHLW, "Update on number of elderly care staff (2023)"  
 3. MHLW, "Employment referrals for general workers"

# Supplementary Info: Slowdown in Job Seekers' Motivation to Change Jobs

- The number of new employees in the medical and welfare fields has been on a downward trend since April 2024.

Number of regular employees entering the medical and welfare fields\*1



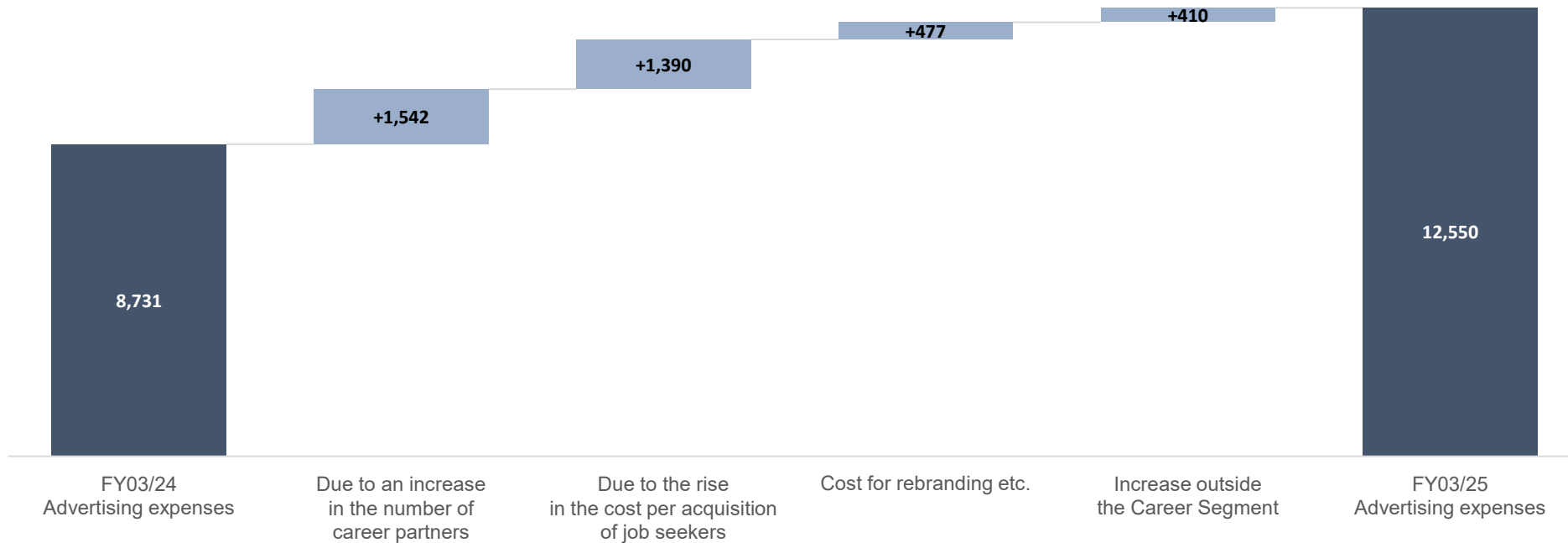
1. MHLW, "Monthly labor survey (nationwide survey)"

# Supplementary Info: Status of Job Seeker Acquisition

- As job seekers in the medical and elderly/disability care fields have become less motivated to change jobs, competitors are increasing their advertising spending to attract job seekers from a limited pool.
- We will continue to optimize advertising expenses by leveraging the web marketing expertise we have developed. However, if the current environment for attracting job seekers continues, some level of investment will be necessary.

## Factors behind the YoY increase in advertising expenses (revised forecast), Q3 FY03/25

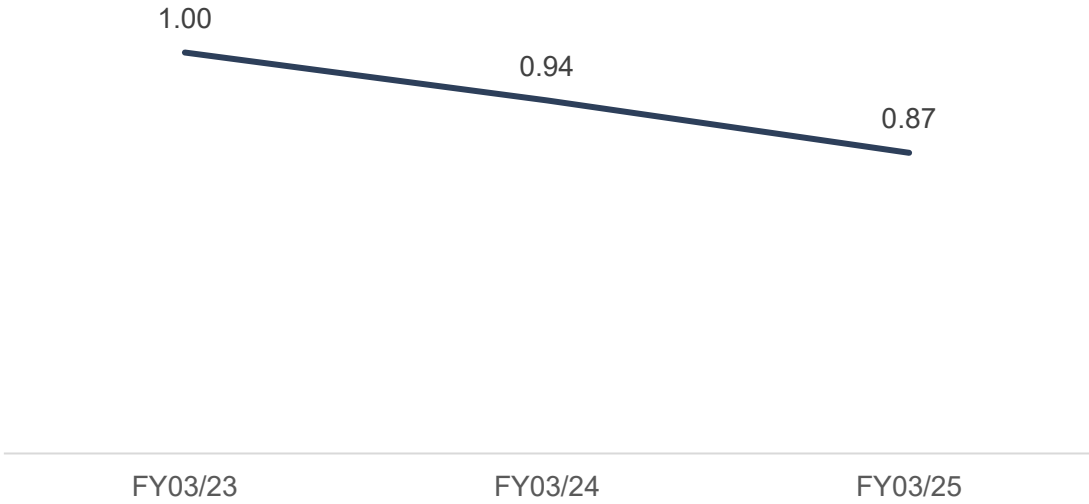
(in JPY millions)



# Supplementary Info: Productivity of Career Partners

- In order to increase the number of career partners, which was reduced due to the COVID-19 pandemic, we have been actively hiring career partners since FY03/2023, and sales per person have been on a downward trend.
- In FY03/2025, sales per person are expected to decrease by approximately 7% YoY due to the continued increase in the number of career partners and the current situation in attracting job seekers.

Sales per career partner\*1



1. The sales of each year in the Career Segment were divided by the average number of career partners during the fiscal year, and the index was calculated with FY03/2023 as 1.

# Supplementary Info: Future Outlook and Our Measures

---

## Job openings

- **As the shortage and uneven distribution of professionals in medical care and elderly/disability care operators becomes more severe, business operators' needs for RAG\*<sup>1</sup> are expected to increase further.**
- **We will work to increase the number of more attractive job openings for job seekers, by proposing revisions to the hiring process and working environment/conditions to business operators.**
- **We can support business operators comprehensively in their recruitment activities by providing both our RAG and RAD\*<sup>1</sup>.**

## Job seekers

- **Job seekers' motivation to change jobs is expected to recover as improvements in the working environment/conditions by individual business operators create an appropriate competitive hiring environment in the medium to long term.**
- **As the competitive environment for attracting job seekers becomes more intense, the high satisfaction of job seekers with our services\*<sup>2</sup> becomes a key strength.**
- **Aiming to improve the efficiency of advertising investment in the medium to long term, we will work to increase our relative competitive advantage in attracting job seekers by promoting brand penetration for each service\*<sup>3</sup>, strengthening our own media, expanding customer acquisition channels, and reinforcing CRM, etc.**
- **We will work to increase the number of job seekers and workers through initiatives such as promoting new employment in the elderly care field from outside the industry via our schools, supporting retention, and assisting in the reemployment of so-called dormant nurses, who had once worked as nurses but had left their jobs.**

## Matching

- **We will work to improve the productivity of career partners through the reinforcement of management/training systems and utilization of technology including generative AI.**

1. RAG: Recruiting agent service RAD: Recruiting ads service (direct recruiting)

2. RAG for nurses and RAG for care workers ranked first overall in the "2025 ORICON Customer Satisfaction Survey." (Details are explained on p.17)

3. In Q2 FY03/24, we implemented measures such as rebranding and TV commercials for our services for nurses.



# Supplementary Info: High Job Seeker Satisfaction in Our RAG\*1

- “Nurse-senka Tenshoku,” RAG for nurses and “Kaigo Job Agent,” RAG for care workers, ranked first overall in the “2025 ORICON Customer Satisfaction Survey\*2.”
- The deep understanding of the medical and elderly/disability care fields, developed through years of business operations, as well as the relationships with workers and business operators have been leveraged to provide high-quality matching, which received high evaluation.
- We will continue to pursue high-value services for medical and elderly/disability care professionals and business operators, aiming for growth in the medium to long term.



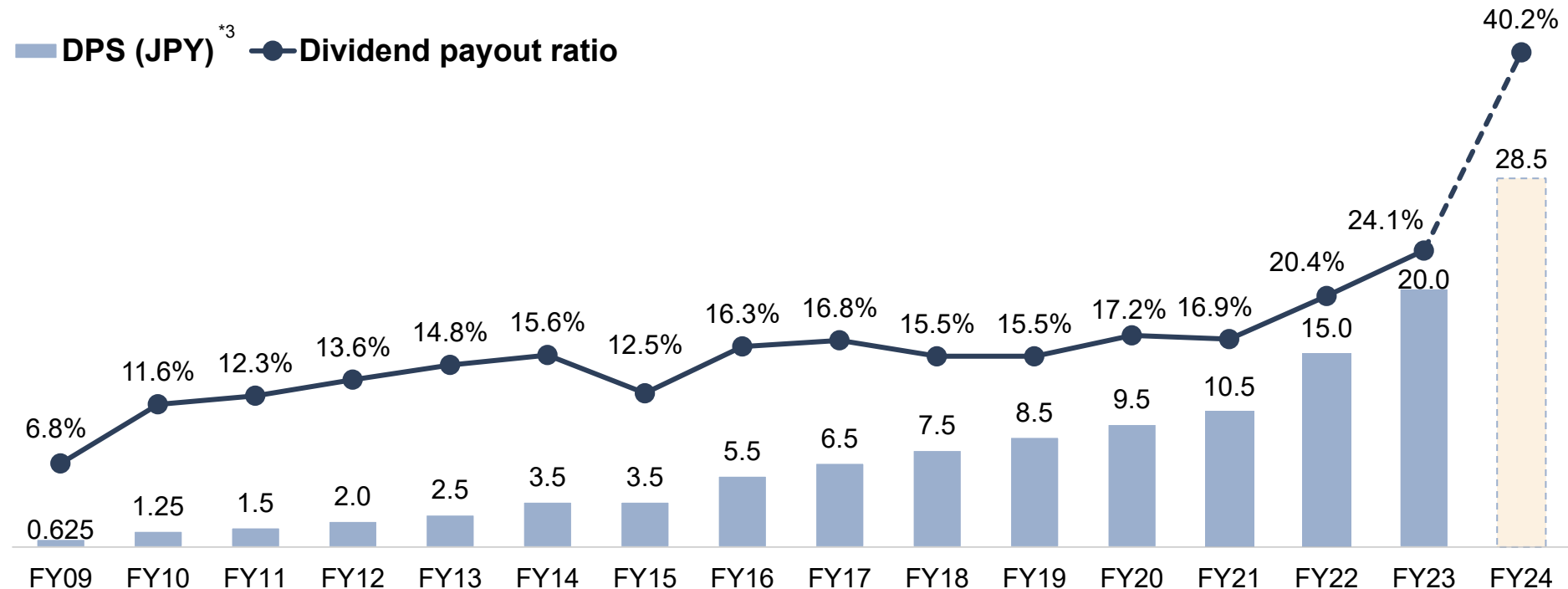
Evaluation criteria (5 in total)
Ease of use
Agent responsiveness
Variety of job listings
Quality of job listings
Negotiation skills

1. RAG: Recruiting agent service

2. 2025 ORICON Customer Satisfaction Survey “Nurse changing job” / “Carer for the elderly changing job” Rankings are based on targeting nurses and elderly/disability care workers aged 20 to 69 nationwide, who have used recruitment agencies to change jobs in the past 7 years, with evaluation criteria including ease of use, agent responsiveness, variety of job listings, quality of job listings, and negotiation skills.

# Revision to Dividend Forecast

- The year-end cash dividend per share for FY03/25: 28.5 yen (increased by 8.5 yen compared with FY03/24)
- The consolidated dividend payout ratio\*<sup>1</sup> based on the revised forecast of net income for FY03/25: 40.2% (maintaining the consolidated payout ratio at the 30% level based on the initial forecast)
- Total payout ratio\*<sup>2</sup>, including the share repurchase executed in FY03/25: 105.0%



1. Dividend payout ratio = DPS / EPS \*Revised forecast for FY03/25

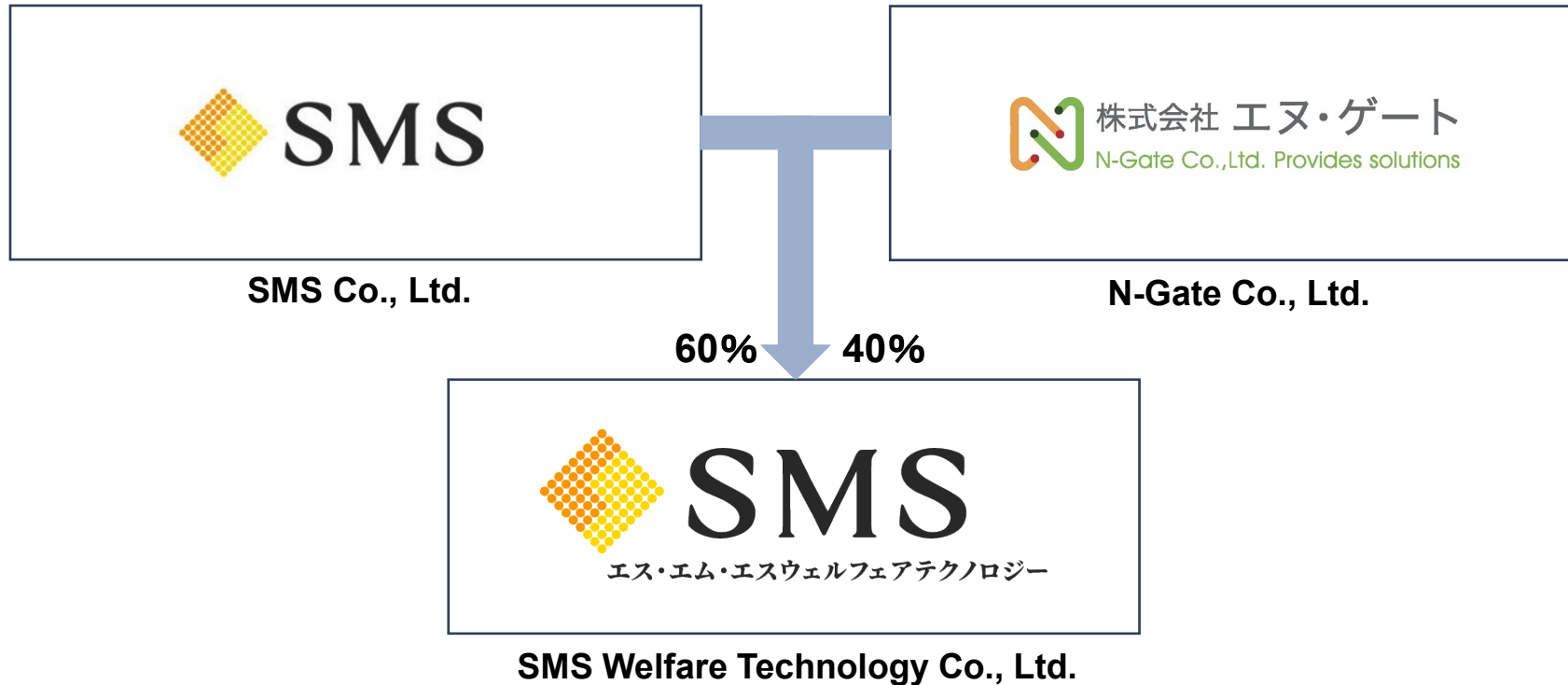
2. Total payout ratio = (Total dividends to be paid + Total share repurchased) / Net income \*Forecast for dividends and net income

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

# **03 Establishment of a Joint Venture Company Aiming to Expand Business in the Disability Welfare Field**

# Establishment of a Joint Venture Company Aiming to Expand Management Support in the Disability Welfare Field

- Established a joint venture company, “SMS Welfare Technology Co., Ltd.” with N-Gate Co., Ltd. in December 2024, aiming to further expand management support for disability care operators in Kaipoke.



# Existing Services in the Disability Welfare Field

- Since 2016, Kaipoke has been providing management support services to some disability care operators, including afterschool day services and child development support services.
- We have expanded our services in the disability welfare field in the following segments.
  - In the Career Segment, RAD\*1 and RAG\*1 for care workers in the disability welfare field have been officially provided since 2022.
  - In the Elderly/Disability Care Operators Segment, in addition to Kaipoke, employment support and RAG for persons with disabilities were launched in 2024.

	Elderly/Disability Care Operators Segment	Career Segment
Care workers in the disability welfare field		2022—*2  カイゴジョブ
Disability care operators	2016—*2  カイポケ	 ケア人材バンク
Persons with disabilities		

1. RAD: Recruiting ads service RAG: Recruiting agent service  
 2. Timing of starting the business in the disability welfare field

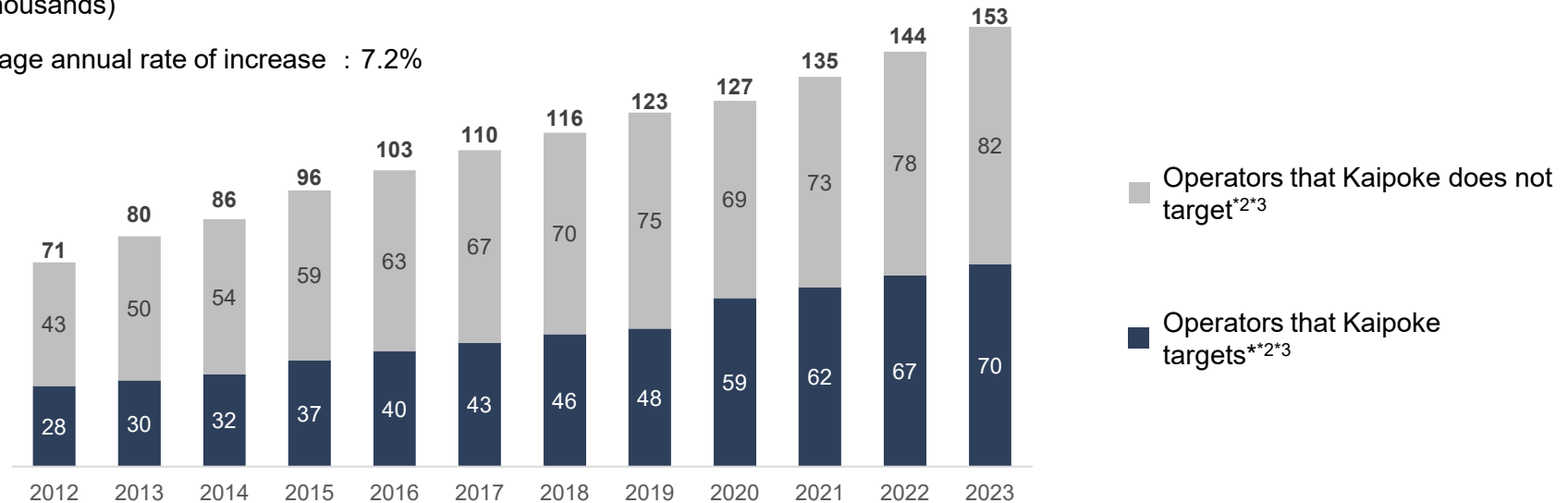
# Growth Potential for Kaipoke in the Disability Welfare Field (1)

- The number of users of welfare services for persons with disabilities is on the rise due to the growing social awareness toward disabilities and easier access to diagnosis, and the number of offices providing disability welfare services continues to increase as well.
- There are approximately 153,000 welfare service offices for persons with disabilities nationwide, but the operators that Kaipoke targets account for less than half of that, with 70,000 operators. There is a large room for market expansion through our service development.

**Number of welfare service offices for persons with disabilities\*1**

(in thousands)

Average annual rate of increase : 7.2%

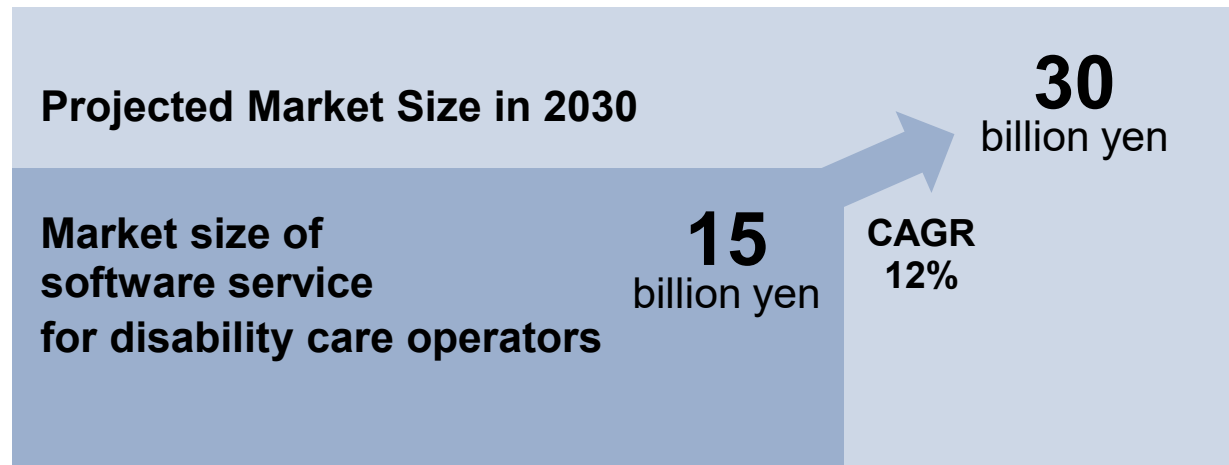


1. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc.", "Recent Trends in the Field of Welfare for Persons with Disabilities"
2. Kaipoke targets child development support, after-school day services, in-home nursing care, visiting care for persons with severe disabilities, companion support, and activity support.
3. For companion support and activity support are targeted by Kaipoke, but the number of individual offices is unknown prior to FY 2019, so they are not targeted until 2019 and are counted as targeted starting in 2020.

# Growth Potential for Kaipoke in the Disability Welfare Field (2)

- In the disability welfare field, the use of ICT by disability care operators is lagging behind that of elderly care operators, and there is a large room for software adoption.\*1
- The current market size of software services for disability care operators is approximately 15 billion yen, and it is expected to double in size by 2030.

## Market size of software service in the disability welfare field\*2



1. The current rate of software adoption in the disability welfare field is around 50%, while in the elderly care field, the rate of software adoption, mainly for insurance claim, is over 80%.  
 2. The market size is calculated by multiplying the assumed unit price by the software adoption rate for each type of service at disability care operators.

# N-Gate Co., Ltd.

- N-Gate Co., Ltd. is an IT company founded in 2007.
- The company has developed and provided the “PROJECT RIN”, a business support system for disability care operators, based on the knowledge gained from rehabilitation services (life training) and employment continuation support services (type B) operated by its affiliated company.



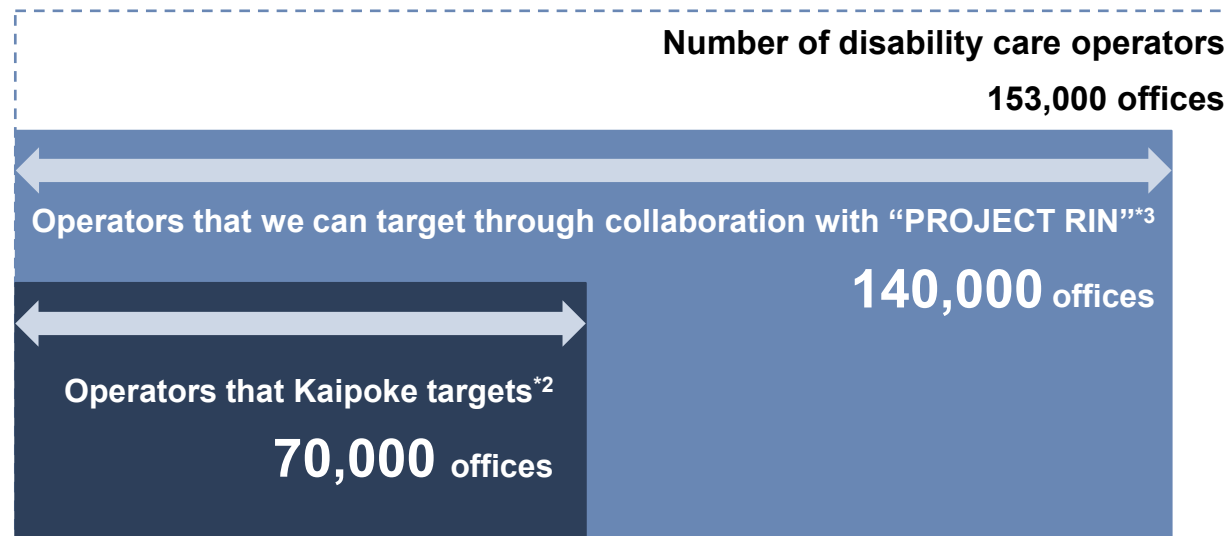
<b>Representative</b>	Naoki Iwashita, CEO
<b>Founded</b>	March 2007
<b>Location</b>	Hakata-ku, Fukuoka city, Fukuoka
<b>Business</b>	Provision of business support systems for disability welfare services, software design and development, infrastructure development, and creation of systems to solve social problems



# “PROJECT RIN”, a Business Support System for Disability Welfare Service

- The collaboration with “PROJECT RIN” allows us to significantly expand the range of operators to which we can provide management support services, as it covers disability welfare services that Kaipoke has not yet addressed, such as daily nursing care, group home assistance, and employment support offices.
- This is a system equipped with various functions to streamline indirect operations, such as centralized record management and information sharing. Since its launch in 2023, it has received favorable reviews from customers who have adopted it, and its demand is expected to continue to grow going forward.

Room for providing management support services based on the number of welfare service offices for persons with disabilities\*1 in 2023



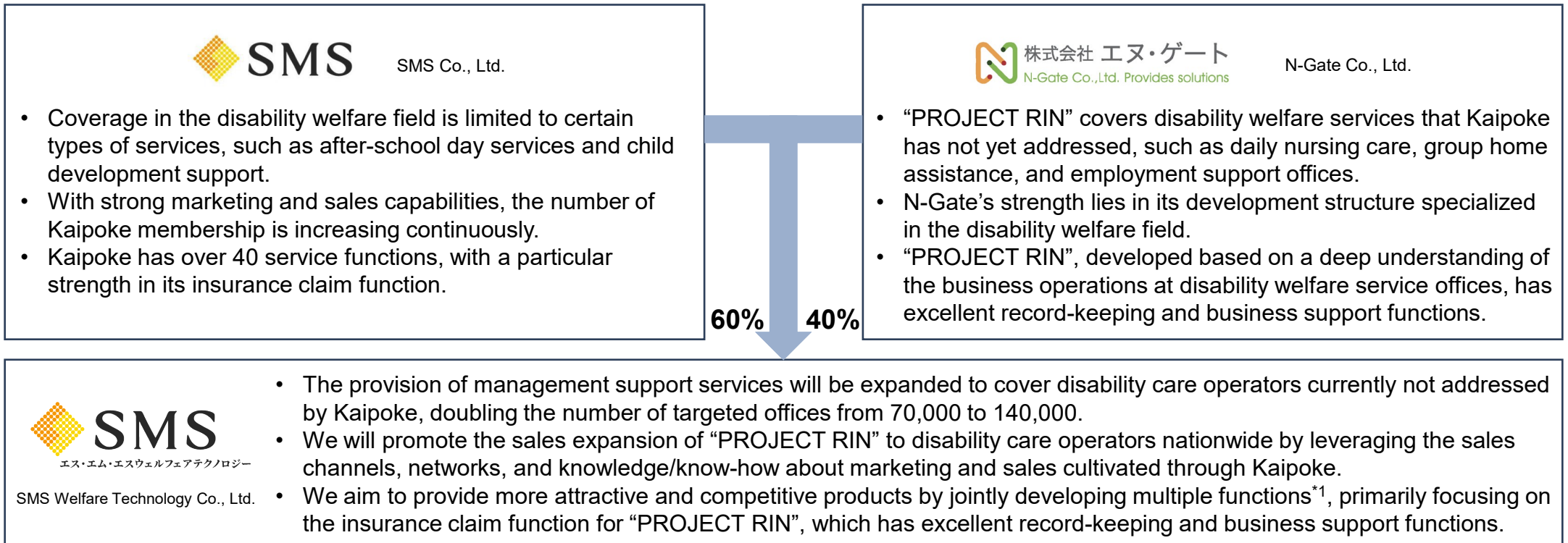
1. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc.", "Recent Trends in the Field of Welfare for Persons with Disabilities"

2. Kaipoke targets child development support, after-school day services, in-home nursing care, visiting care for persons with severe disabilities, companion support, and activity support.

3. “PROJECT RIN” targets daily nursing care, group home assistance, employment transition support, employment retention support, employment continuation support (A/B), rehabilitation services (life/functional training), planning consultation support, consultation support for children with disabilities, independent living support, child development support and after-school day services.

# Future Initiatives through Joint Venture Company

- The collaboration will enable the provision of management support services to disability care operators not currently covered by Kaipoke.
- We will promote the sales expansion of “PROJECT RIN”, a business support system for disability care operators, by utilizing Kaipoke's marketing and sales capabilities.
- In order to make the product more competitive, we will leverage Kaipoke's expertise to jointly develop multiple functions for “PROJECT RIN”, primarily focusing on the insurance claim function.



1. Initially, we plan to develop the insurance claim function for employment support offices.

# 04 References

# Mission and Strategy

# Mission

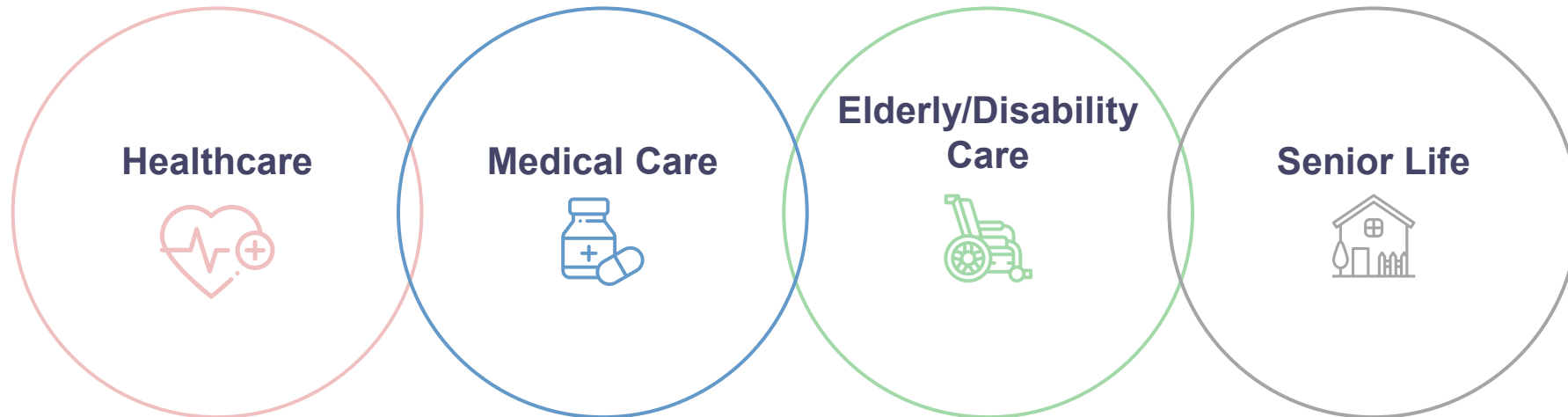
# Group Mission

---

**We aim to improve people's quality of life  
by providing information infrastructure  
for an aging society.**

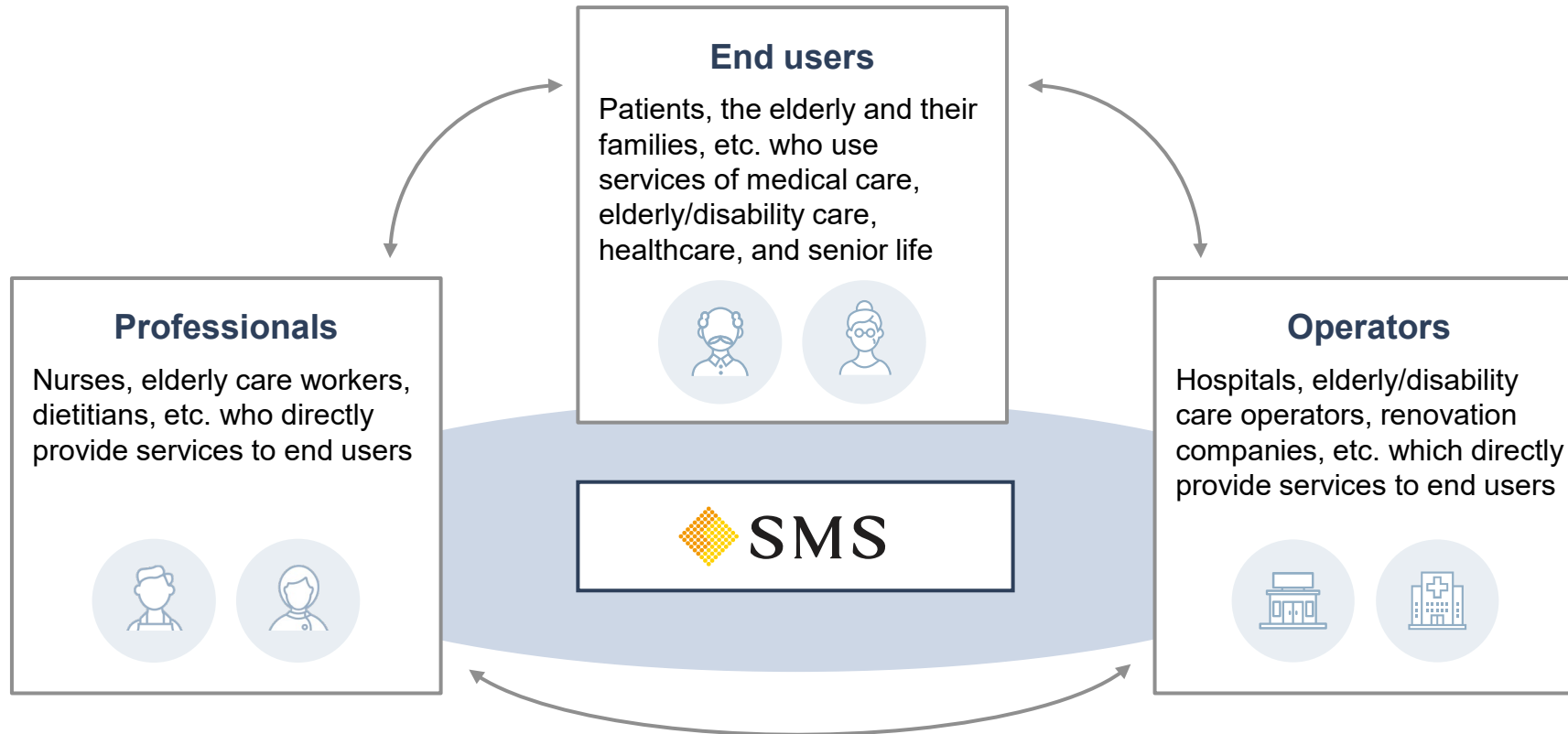
# Aging Society

Define our business domains in an aging society as **Medical Care**, **Elderly/Disability Care**, **Healthcare**, and **Senior Life**.



# Information Infrastructure




Define information infrastructure as a platform to connect those to whom we provide value: 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/disability care operators.





# Business Areas

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

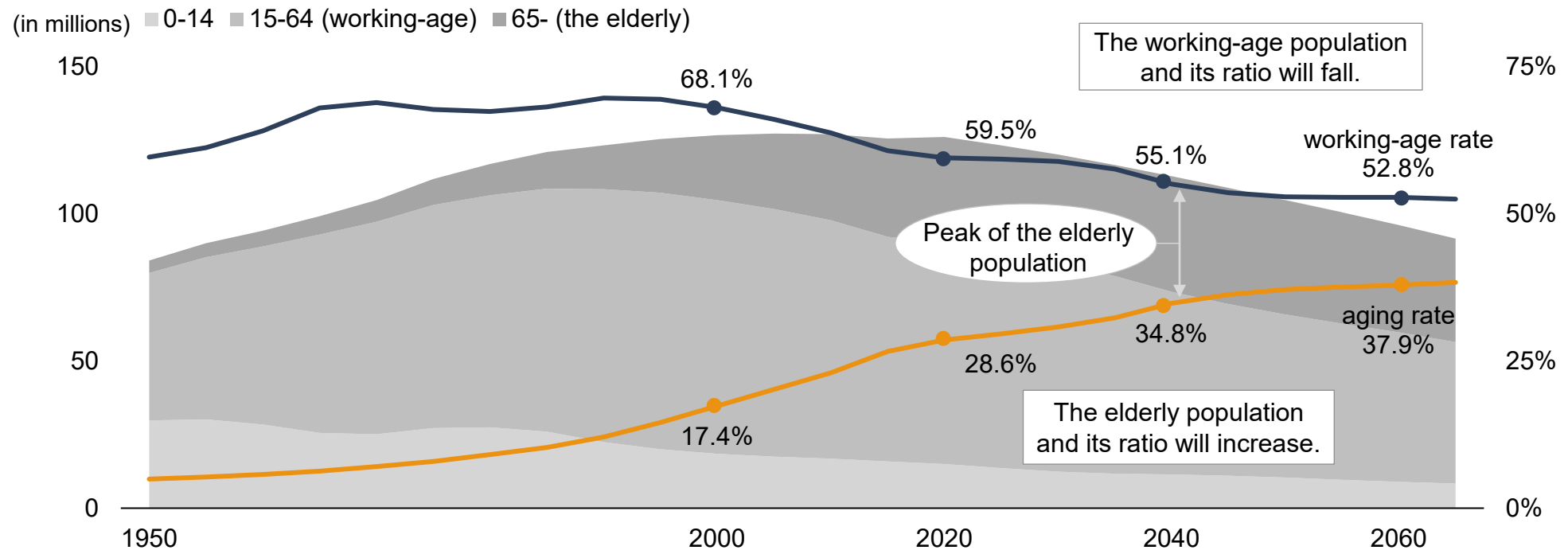
	Healthcare 	Medical Care 	Elderly/Disability Care 	Senior Life 
Professionals 				
Operators 	<b>Business Areas</b>			
End users 				

# **Issues in an Aging Society and Our Solutions**

# An Unprecedented Era of Low Birth Rate, Aging and Population Decline

- We are facing rapid aging and population decline simultaneously in Japan.
- The aging rate is expected to reach approximately 35% by 2040 when the elderly population approaches its peak.
- The working-age population is declining, and its ratio will drop to nearly 55% by 2040.

Population trends in Japan\*1



1. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"

# Three Critical Issues Faced by an Aging Society

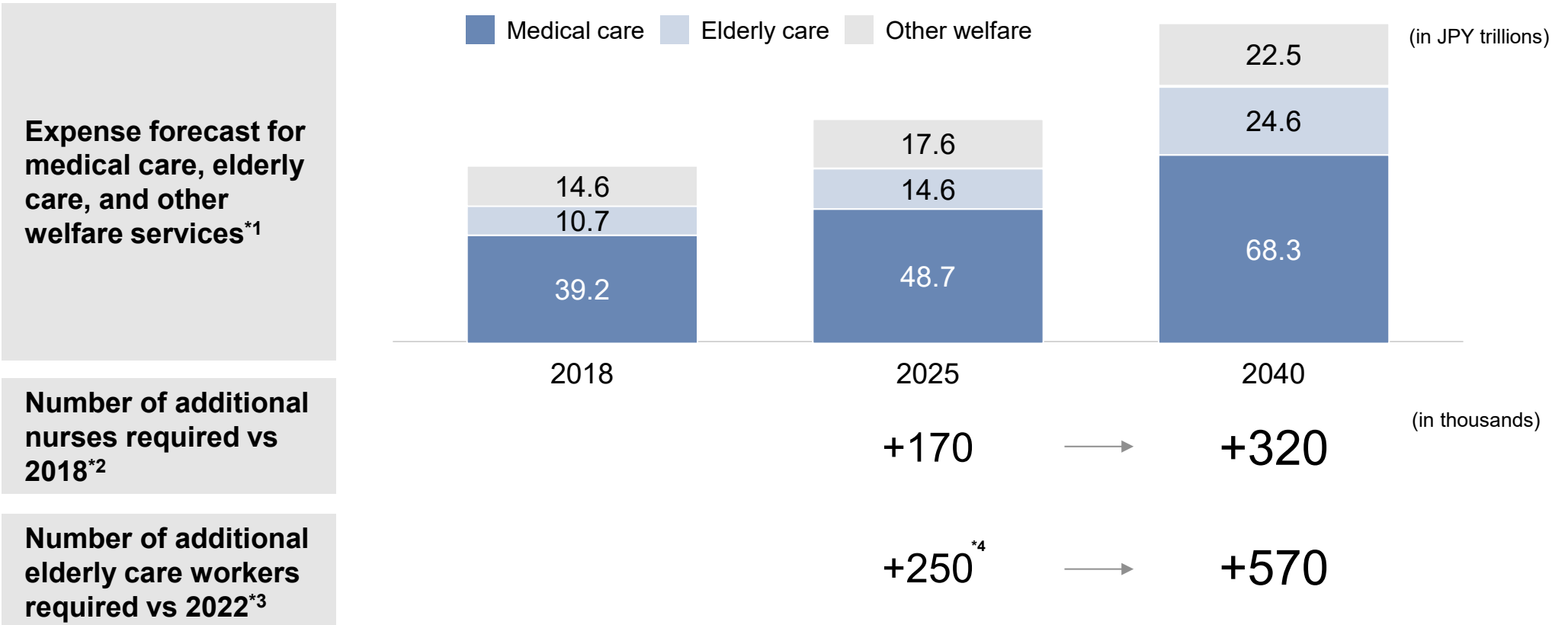
---

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

<p>Issue 1</p>	<p>Difficulty in sustaining high-quality medical care and elderly/disability care services</p>
<p>Issue 2</p>	<p>More severe burden on the working generation</p>
<p>Issue 3</p>	<p>Difficulty in solving problems related to living in an aging society</p>

# Issue 1: Difficulty in sustaining high-quality medical care and elderly/disability care services

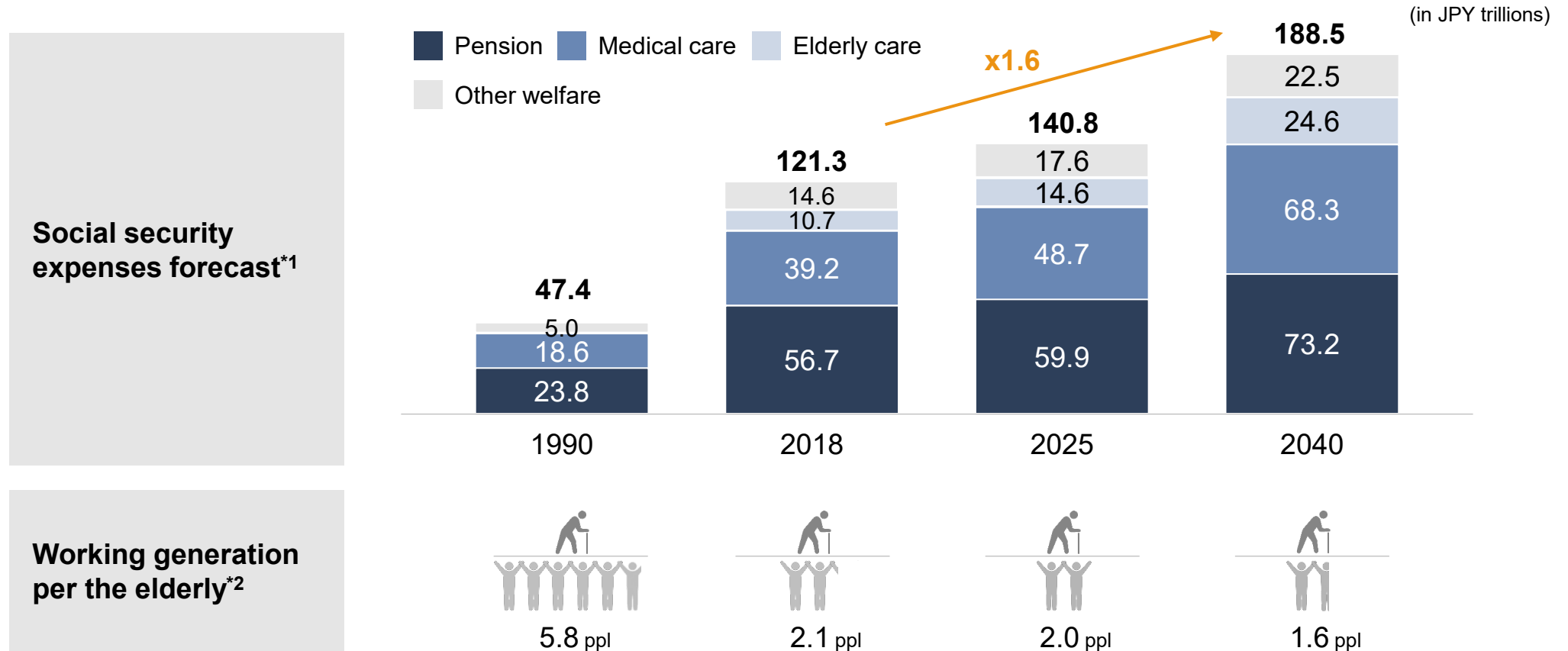
While the demand for medical care and elderly/disability care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly/disability care services.



1. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"
2. MHLW, "Status of securing nurses and other nursing staff"
3. MHLW, "Required number of elderly care staff based on the 9th plan for long-term care insurance"
4. Required number as of 2026

# Issue 2: More severe burden on the working generation

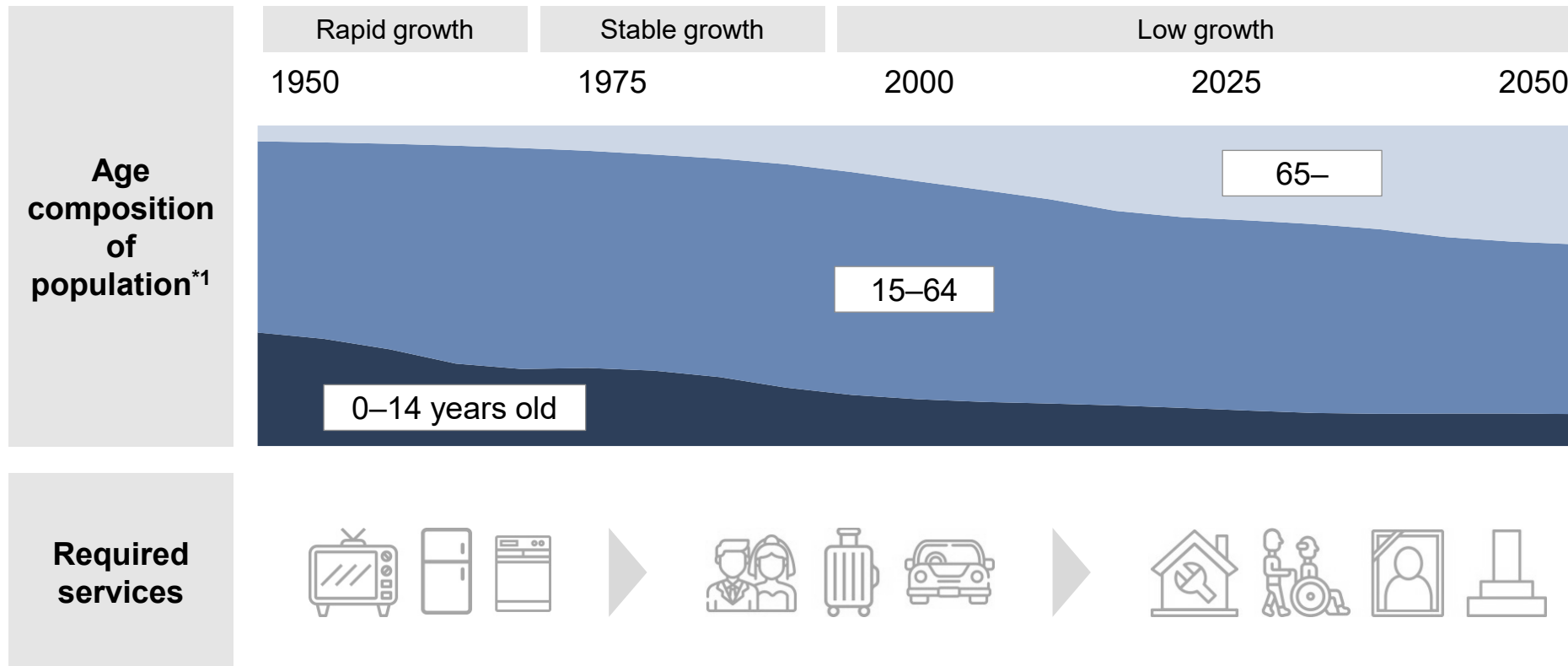
The burden on the working generation will become more serious due to the increasing social security expenses for pensions, medical care, elderly care, and other welfare services, as well as the declining working-age population who cover these expenses.



1. MHLW, "Trends in Social Security Benefits", Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"  
 2. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"

# Issue 3: Difficulty in solving problems related to living in an aging society

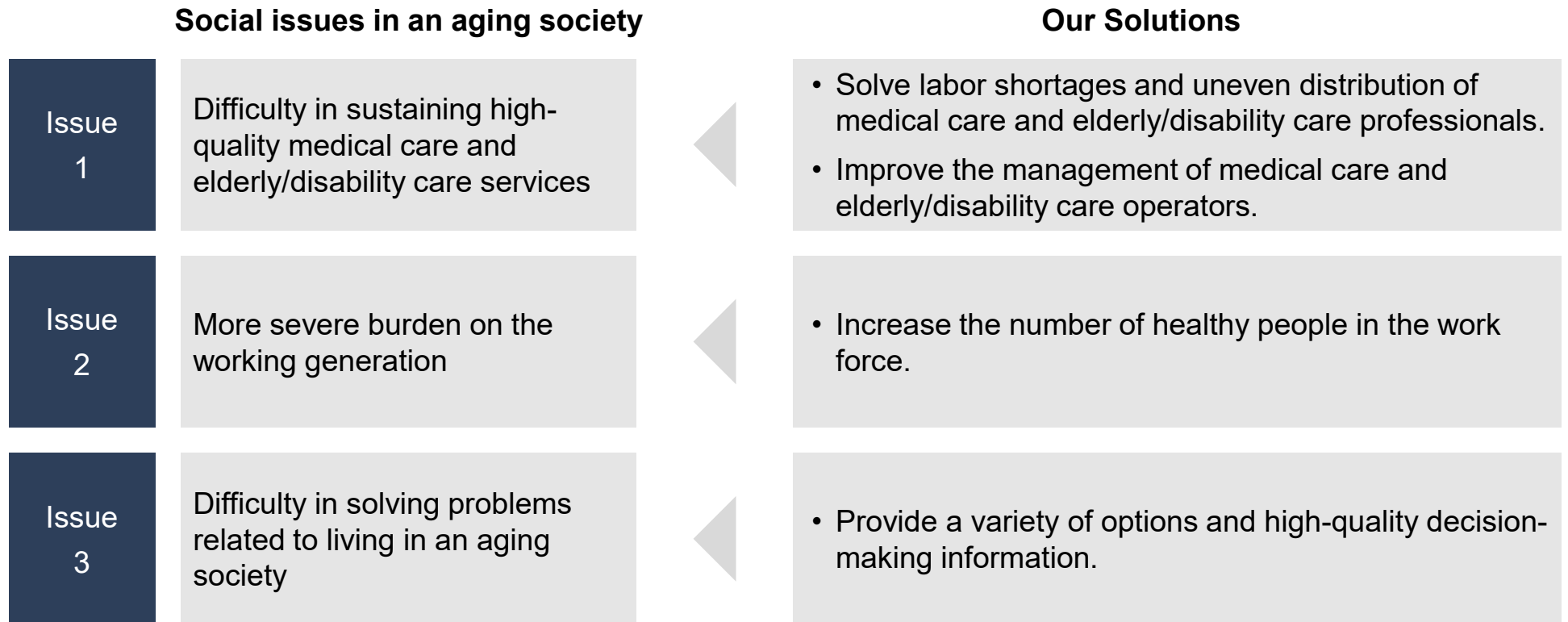
- While services required in society are changing and expanding with the population aging, information related to living in an aging society is insufficient in terms of quality and quantity, and the future labor shortage will result in an inability to adequately supply such services.
- The elderly and their families will have difficulties in solving life-related problems in an aging society.



1. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"

# Our Solutions for Issues in an Aging Society








Address the social issues in an aging society by establishing specific solutions targeting each social issue and building information infrastructure.





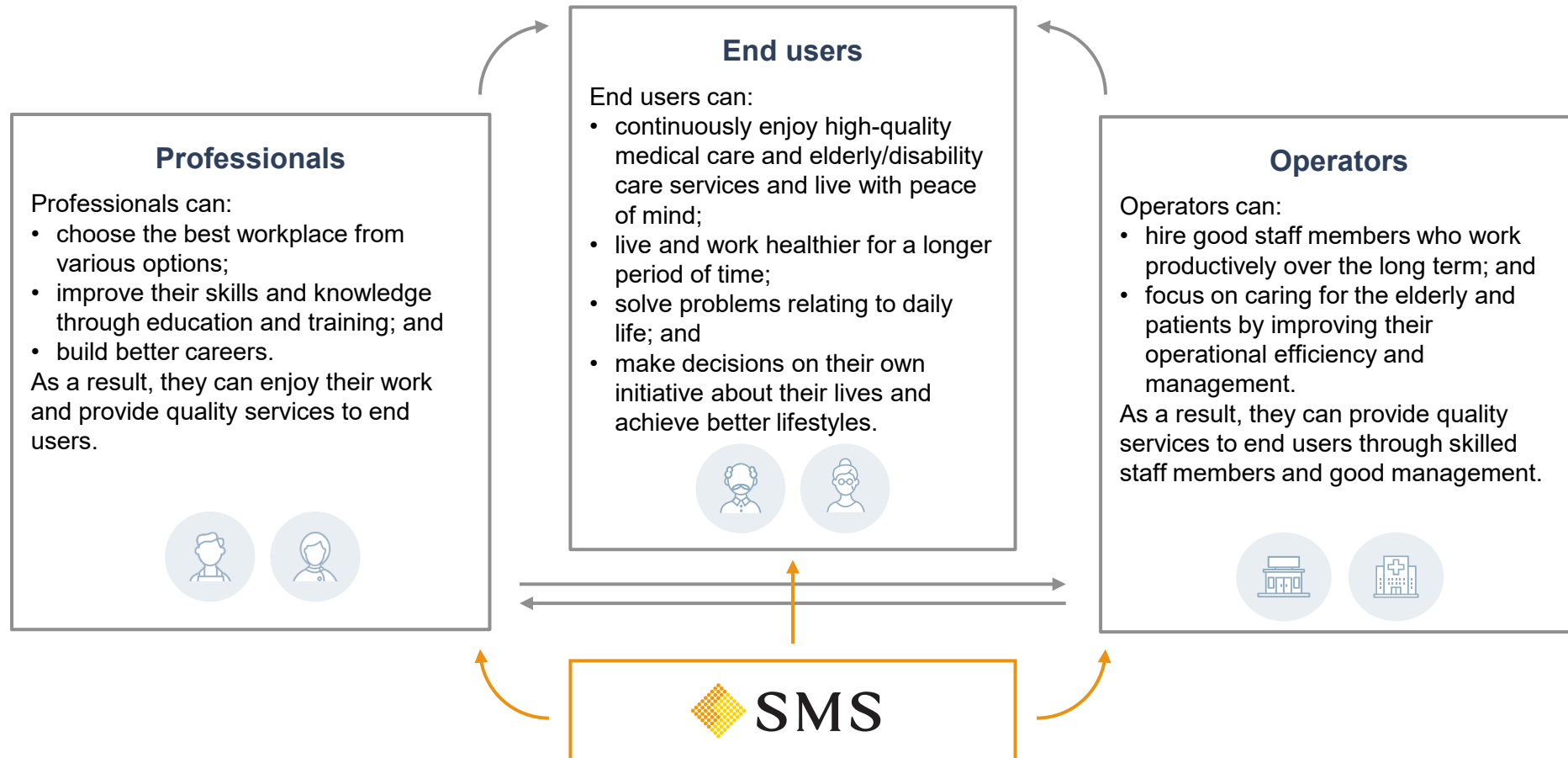
# Strategic Business Areas

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

	Healthcare 	Medical Care 	Elderly/Disability Care 	Senior Life 
Professionals 	Healthcare Business	Issue 1 Career Business		Senior Life Business
Operators 		Issue 1 Elderly/Disability Care Operators Business		
End users 				

# Realization of the Group Mission

Contribute to improving people's quality of life in an aging society by building information infrastructure and providing value to end users, professionals, and operators.



# Growth Track

# Location

- Started our business in Japan in 2003 and have accelerated our overseas expansion since the acquisition of MIMS group in 2015.
- Have offices in 17 countries and regions, mainly in Japan and APAC.



Japan  
 South Korea  
 China  
 Hong Kong  
 Taiwan  
 Singapore  
 Malaysia  
 Indonesia  
 Thailand

Vietnam  
 Philippines  
 India  
 Australia  
 New Zealand  
 UAE  
 Ireland  
 Germany

# Business Portfolio

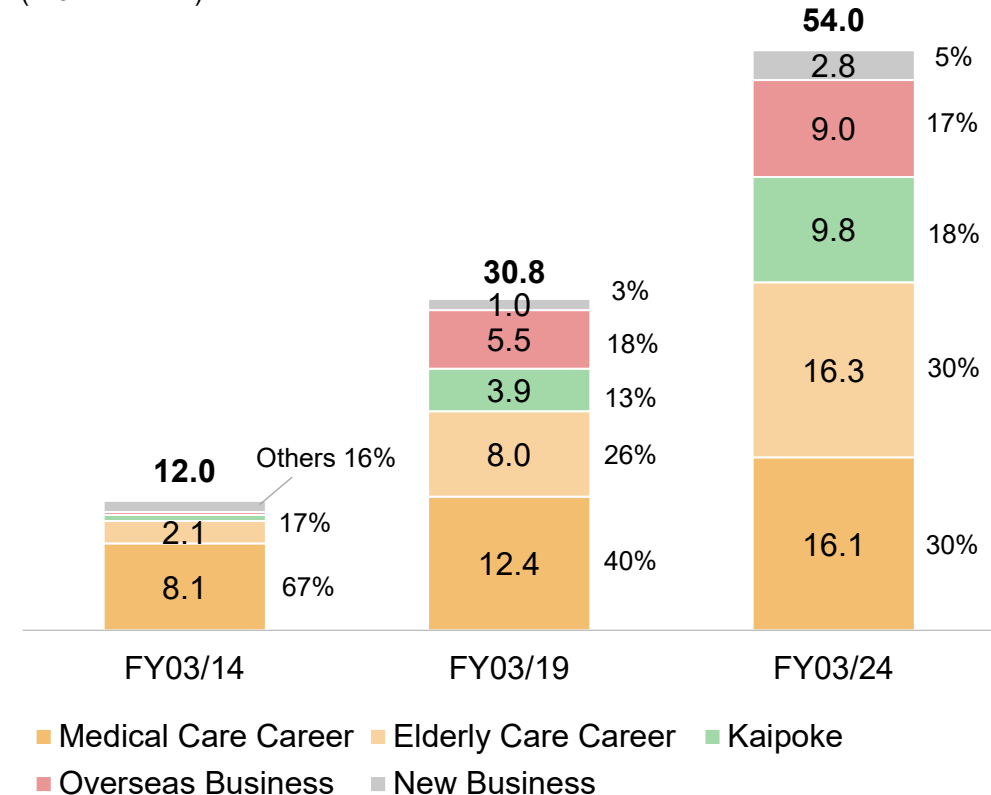
- **Medical Care Career** has been driving our growth since our establishment.
- **Elderly Care Career, Kaipoke and Overseas business** are growing as the new pillars of our business portfolio.

## Business Areas

- **Career Business – Medical Care Career**
  - Recruiting service for medical care professionals
- **Career Business – Elderly Care Career**
  - Recruiting service for elderly/disability care professionals
- **Elderly/Disability Care Operators Business (Kaipoke)**
  - Management support platform for elderly/disability care operators
- **Overseas Business**
  - Marketing support service for medical-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

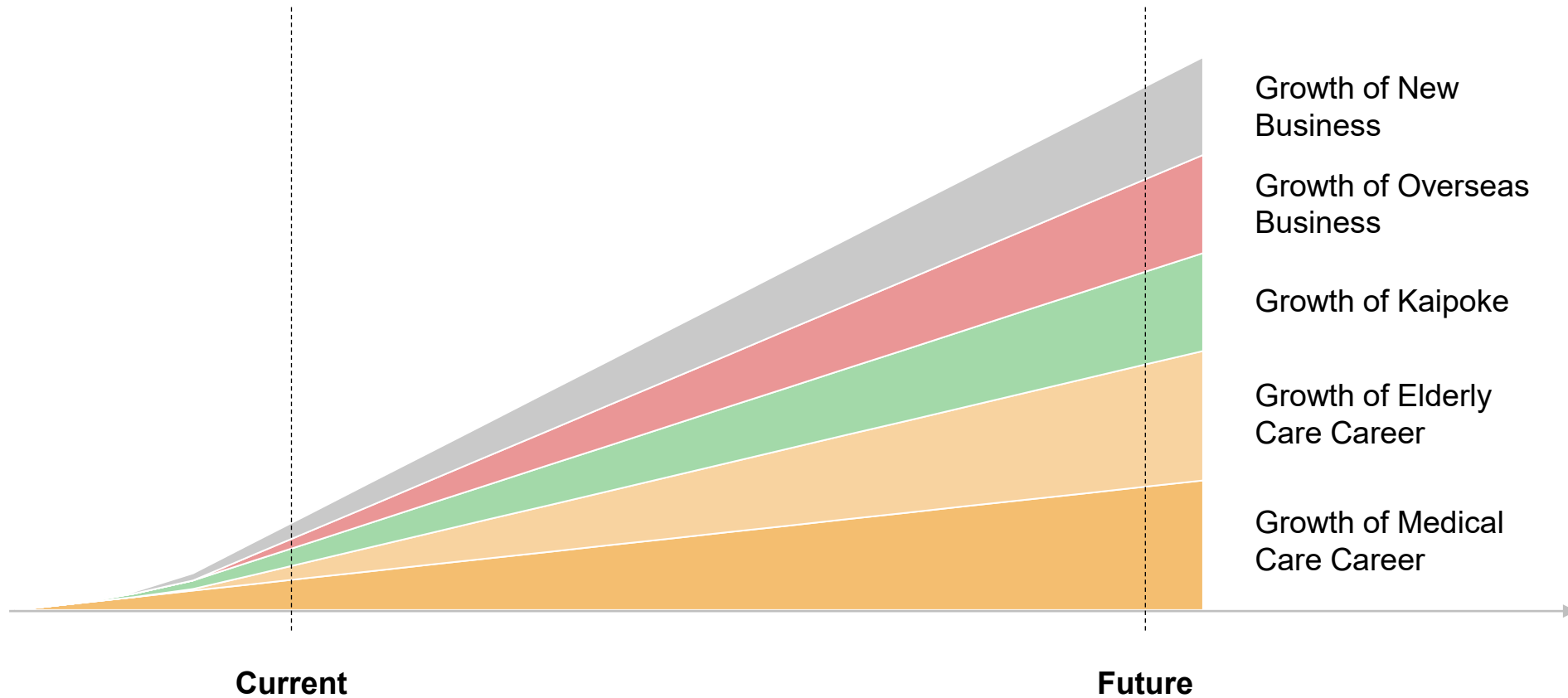
(in JPY billions)



1. HCP: Healthcare professionals

# Growth Scenario

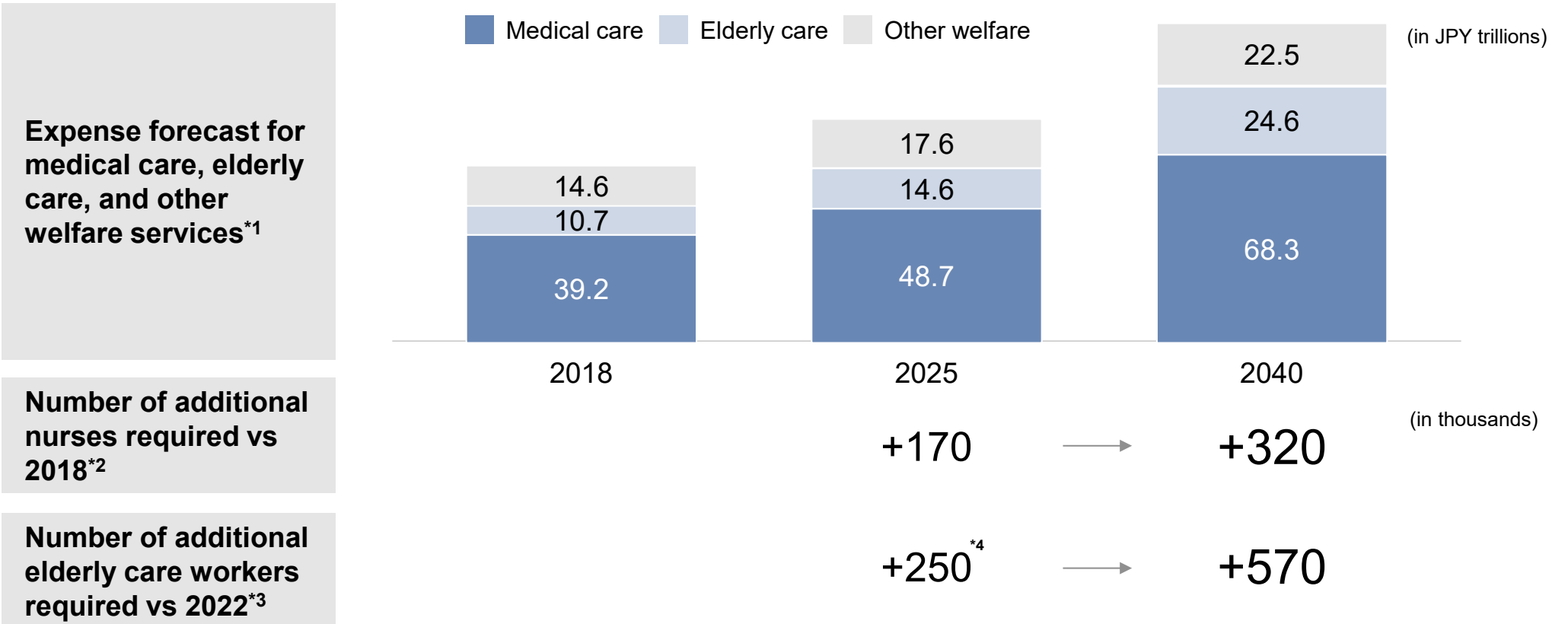
- On top of the solid expansion of Career Business, we accelerate the growth of Kaipoke and Overseas Business.
- Actively develop new businesses, mainly in healthcare and senior life domains, to create next pillars of our businesses, which will further drive our long-term growth.



# Career Strategy

# Issue 1: Difficulty in sustaining high-quality medical care and elderly/disability care services (Repost)

While the demand for medical care and elderly/disability 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/disability care services.

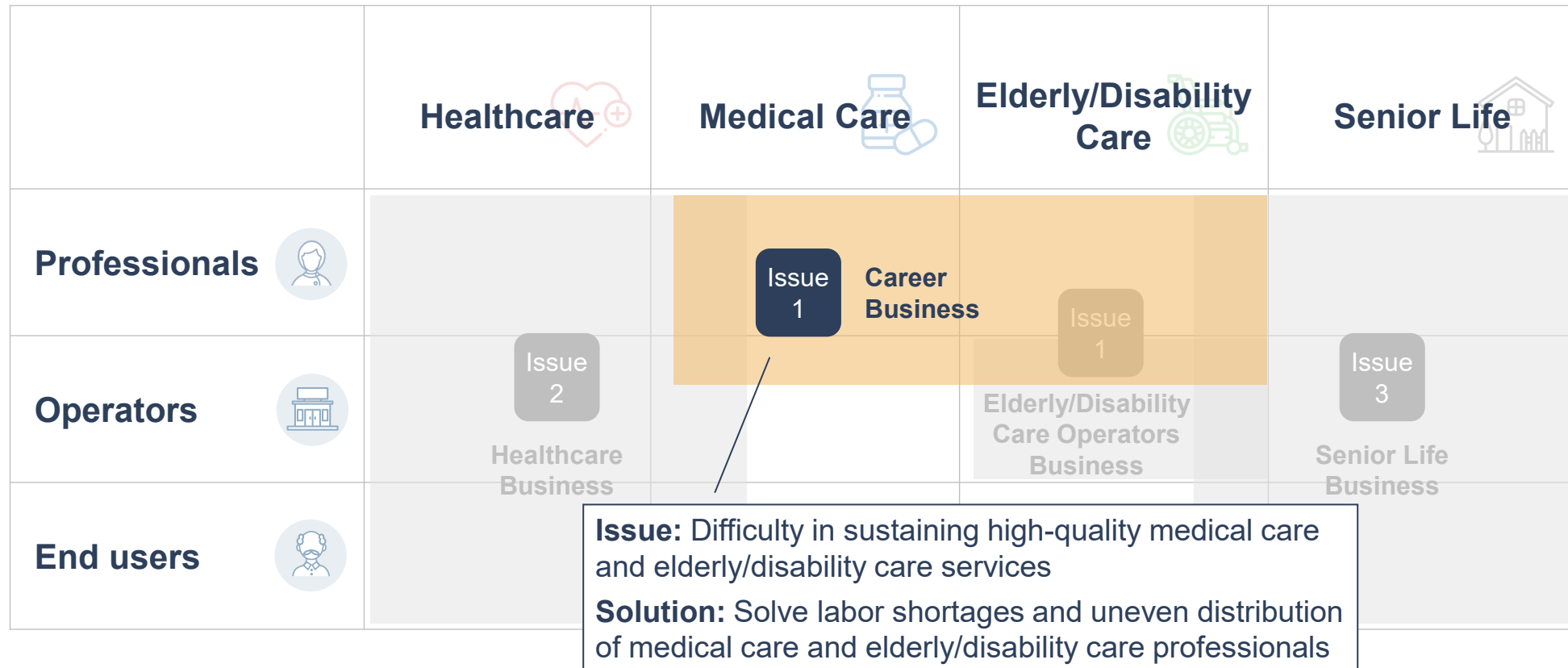


1. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"  
 2. MHLW, "Status of securing nurses and other nursing staff"  
 3. MHLW, "Required number of elderly care staff based on the 9th plan for long-term care insurance"  
 4. Required number as of 2026



# Solution for Issue 1 in Career Business

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

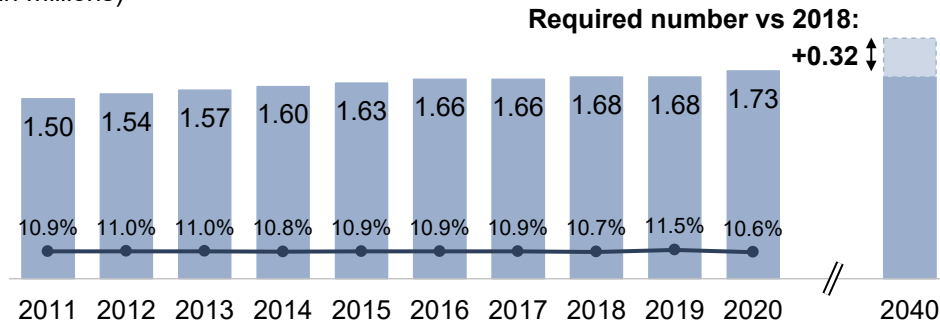


# Shortage of Professionals

- 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 an additional 570,000 care workers will be required by 2040 compared to 2022.

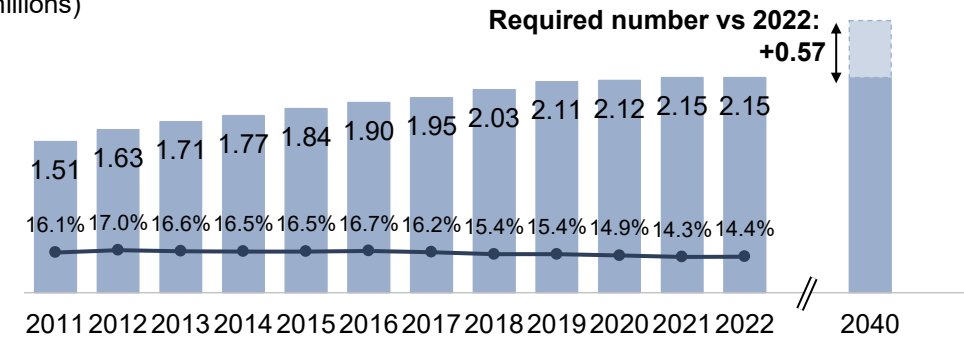
**Number of nurses / their turnover rate\*1**

(in millions)

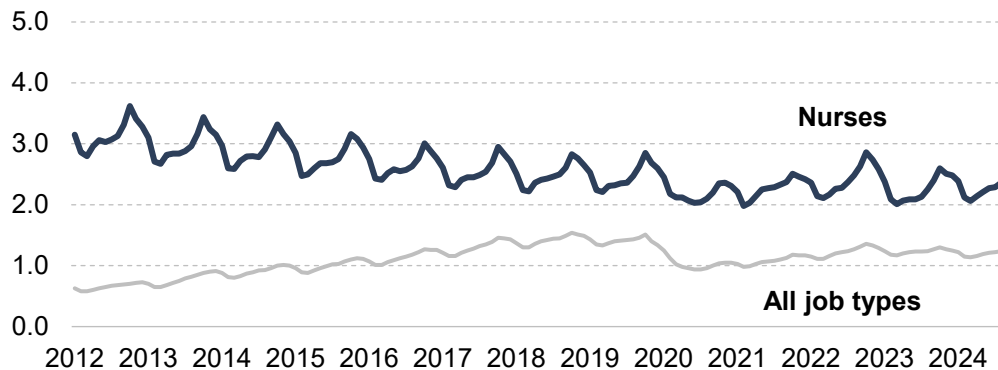


**Number of care workers / their turnover rate\*2**

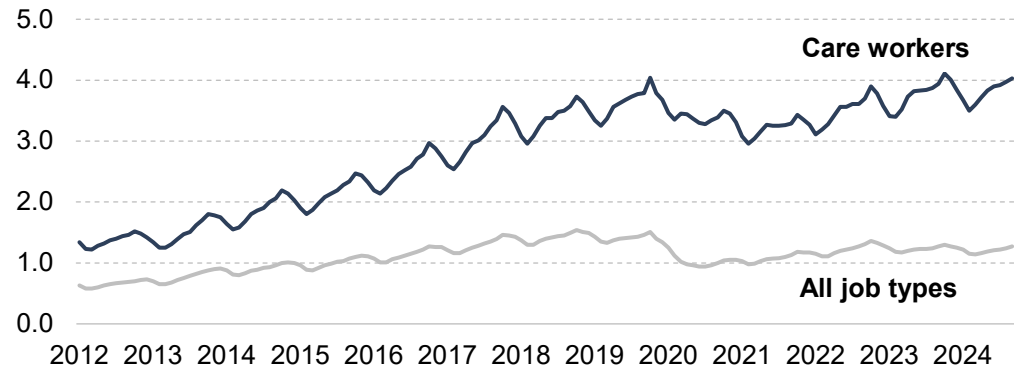
(in millions)



**Jobs-to-applicants ratio of nurses\*3**



**Jobs-to-applicants ratio of care workers\*3**



1. Number of nurses/their turnover rate: Japanese Nursing Association "Nursing Statistics", Required number in 2040: MHLW, "Status of securing nurses and other nursing staff"  
 2. Number of elderly care workers: MHLW, "Required number of elderly care staff based on the 9th plan for long-term care insurance", Turnover rate: Care Work Foundation "Care Work Survey"  
 3. MHLW, "Employment referrals for general workers"

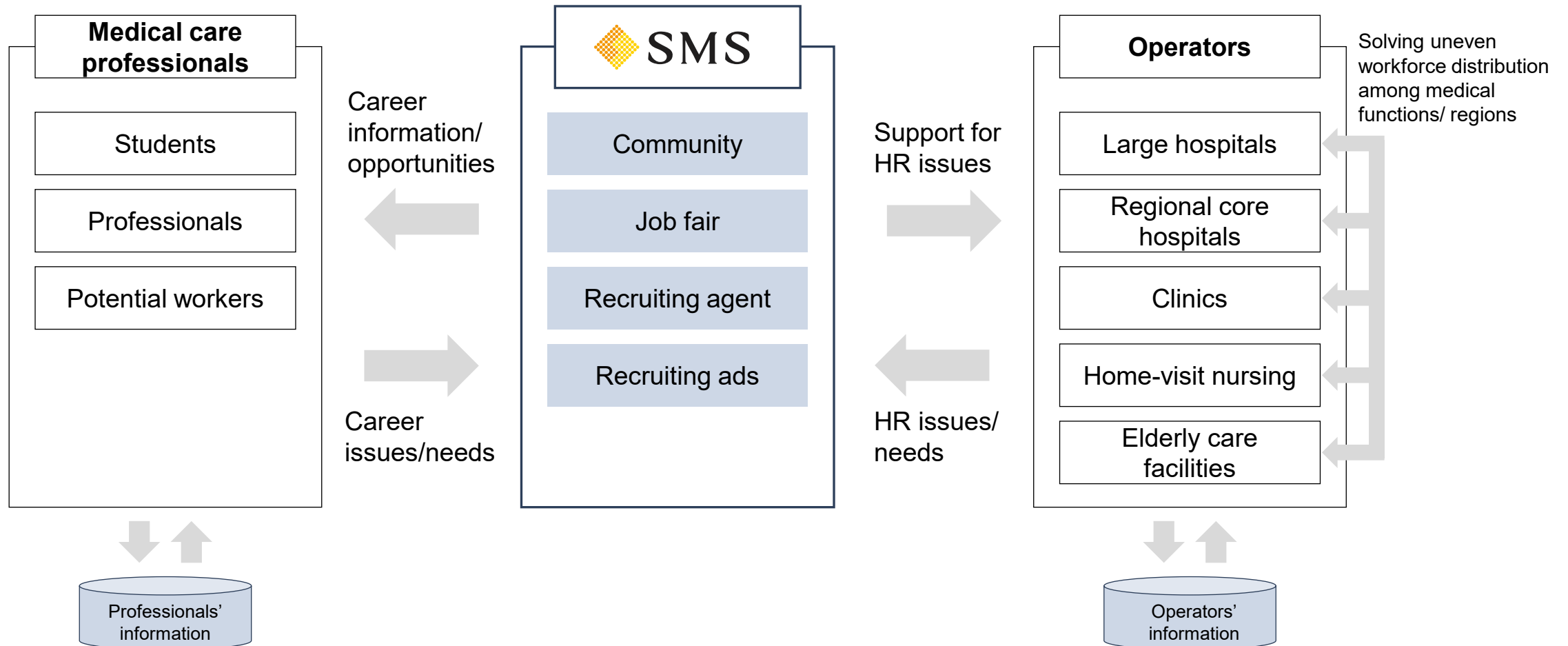
# Mission of Career Business

---

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

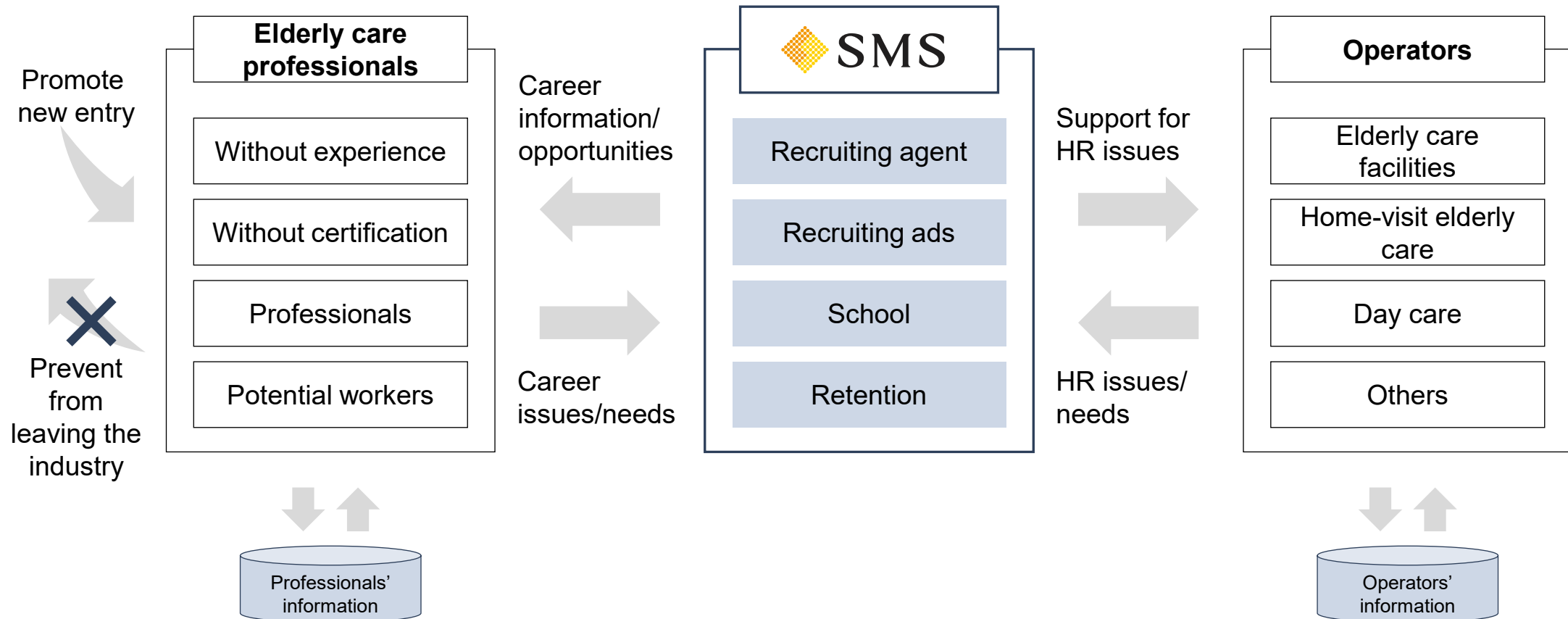
# Strategy of Medical Care Career

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



# 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 working environments of operators and optimizing matching between professionals and operators.

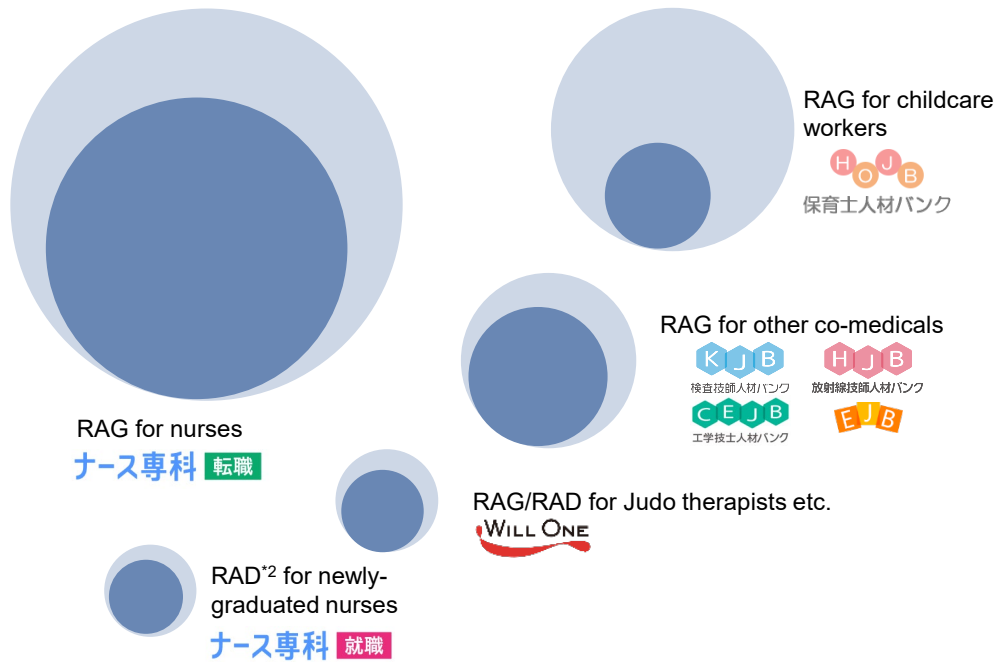


# Growth Scenario

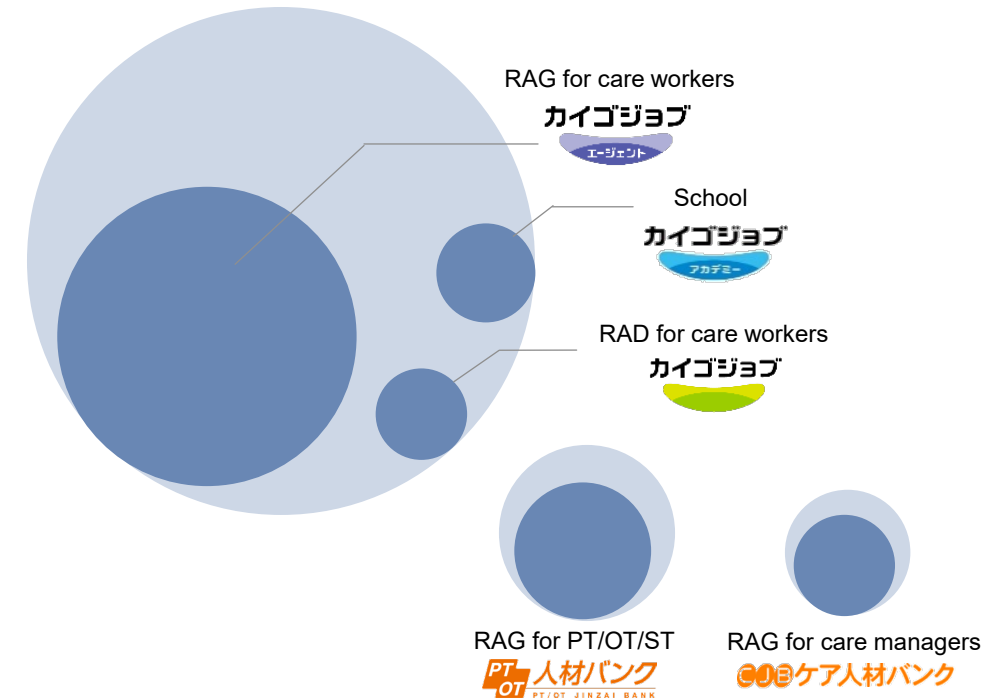
- The Career Segment has huge growth opportunities.
- In addition to the market share expansion of existing services such as RAG\*1 for nurses, services for elderly care workers with serious labor shortages and services for newly-covered occupations such as childcare workers drive the growth.

## Sales of Medical Care Career: JPY 16.1 billion\*3\*4

● : Sales for FY03/24    ● : Estimates of the future sales



## Sales of Elderly Care Career: JPY 16.3 billion\*4

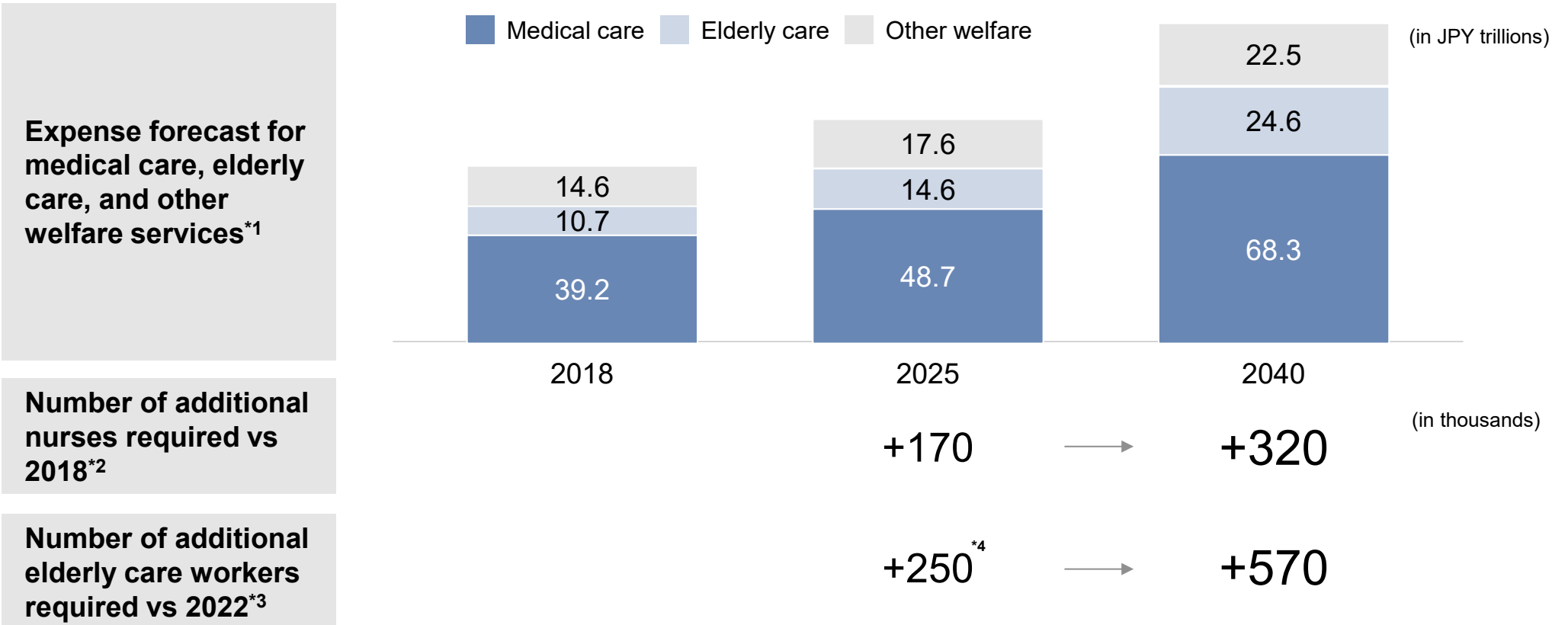


1. RAG: Recruiting agent service
2. RAD: Recruiting ads service
3. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).
4. Sales for FY03/24

# **Elderly/Disability Care Operators (Kaipoke) Strategy**

# Issue 1: Difficulty in sustaining high-quality medical care and elderly/disability care services (Repost)

While the demand for medical care and elderly/disability 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/disability care services.

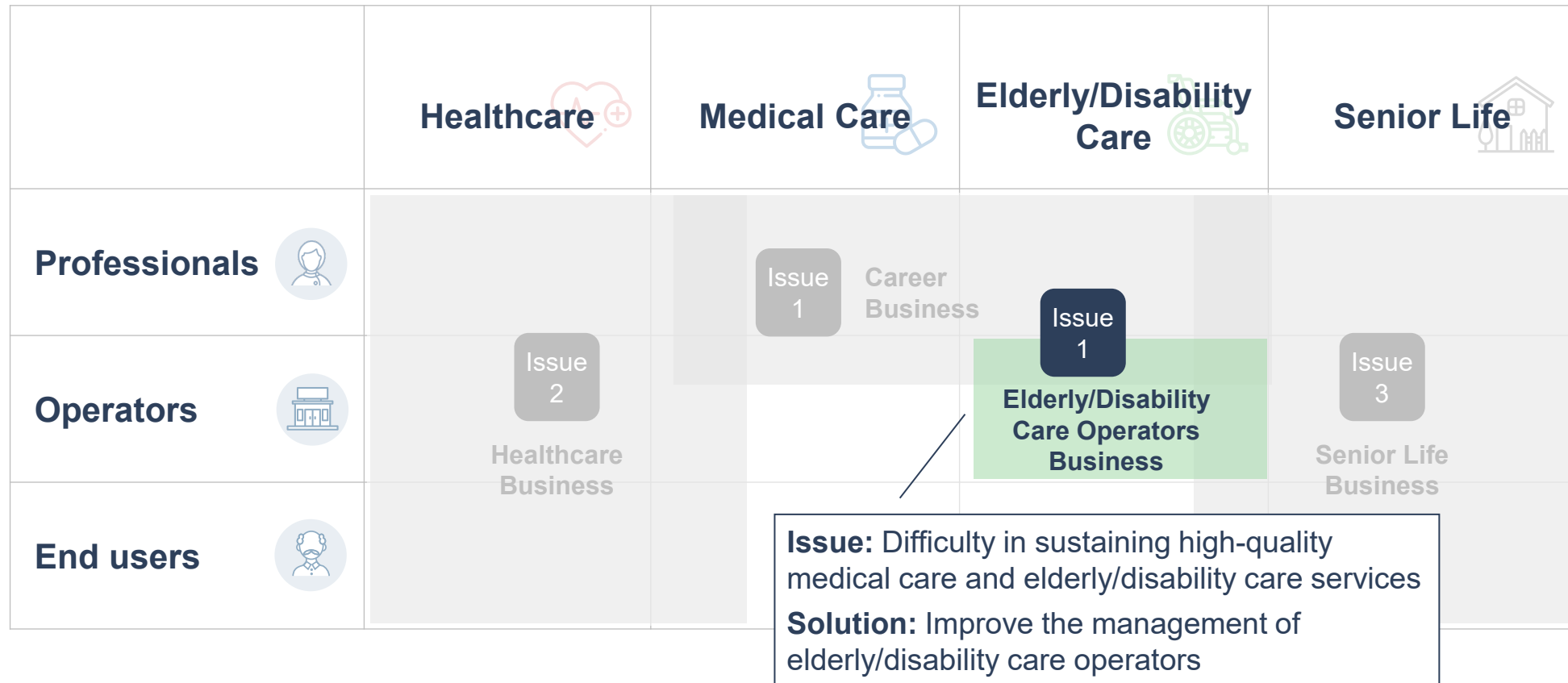


1. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"  
 2. MHLW, "Status of securing nurses and other nursing staff"  
 3. MHLW, "Required number of elderly care staff based on the 9th plan for long-term care insurance"  
 4. Required number as of 2026



# Solution for Issue 1 in Elderly/Disability Care Operators Business

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



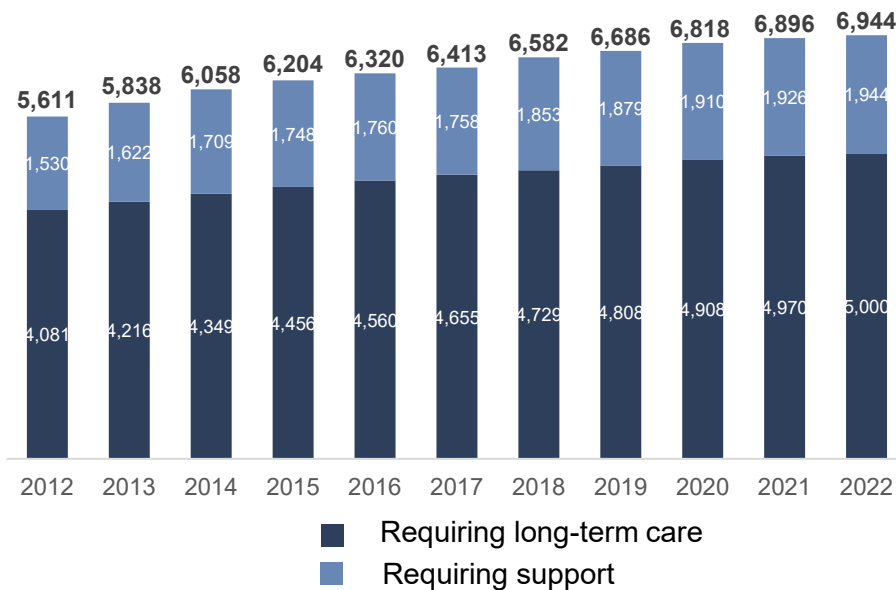
# Business Environment of Elderly Care Services

As the population ages, the number of elderly care operators continues to increase, amounting to 260,000 offices.

## Number of people certified for long-term care/support need\*1

(in thousands)

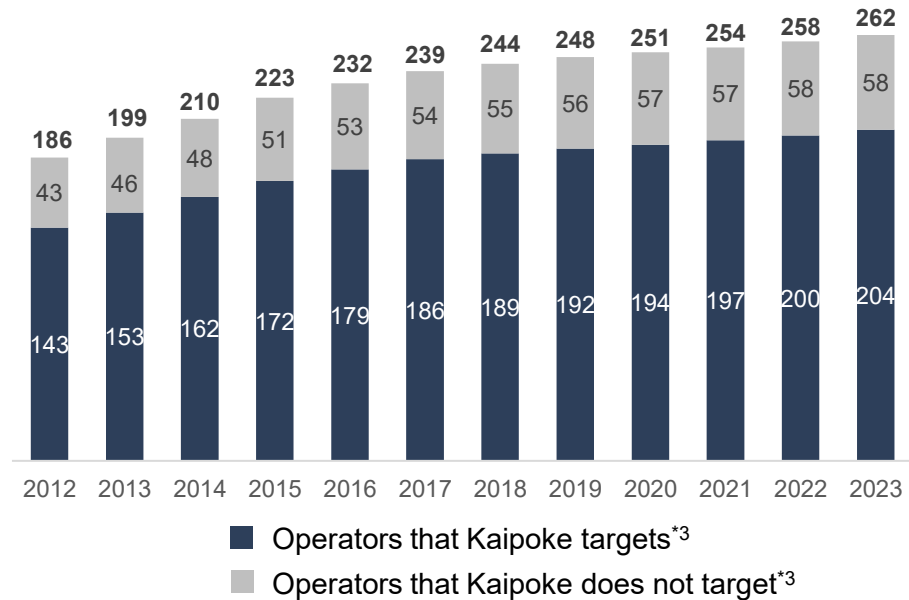
Average annual rate of increase: 2.2%



## Number of elderly care service offices\*2

(in thousands)

Average annual rate of increase: 3.1%



1. MHLW, "Report on Long-Term Care Insurance"

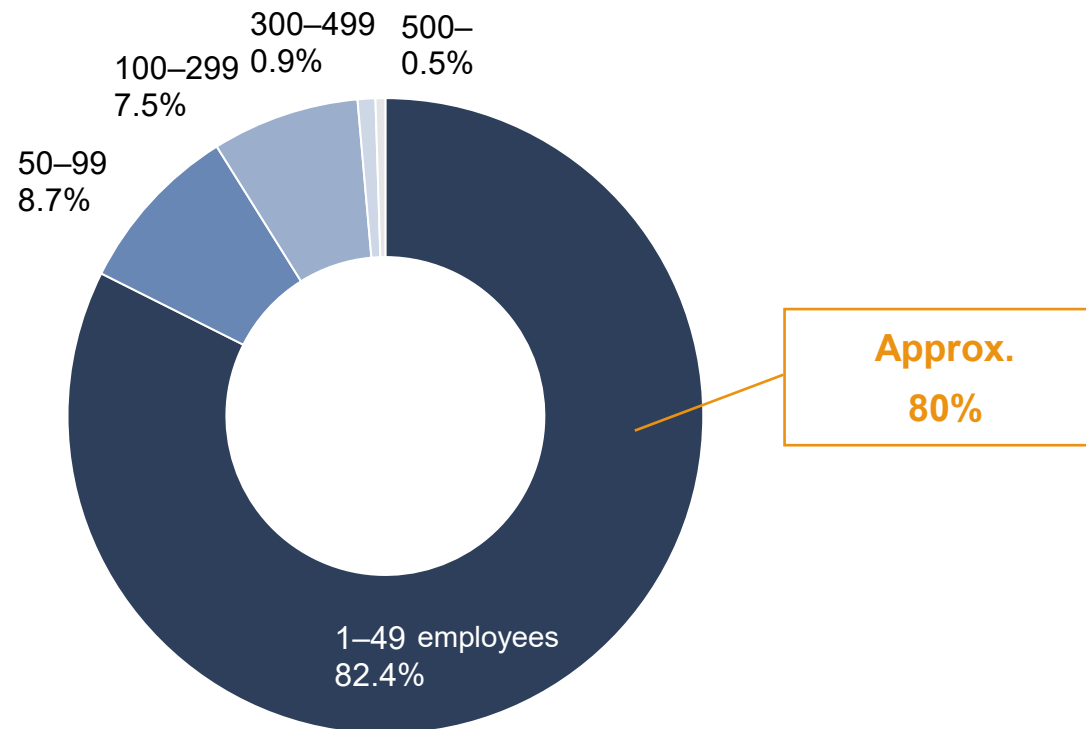
2. MHLW, "Statistics of Long-term Care Benefit Expenditures" (March of each year)

3. Kaipoke targets in-home services such as in-home care support, home-visit elderly care, day care, home-visit nursing, and outpatient rehabilitation, etc., and does not target facility services such as commuting care for elderly with dementia, short stay, daily life care for elderly in specific facilities, and small-sized multifunctional inhome care, etc.

# Business Environment of Elderly Care Services

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

Size of elderly care operators\*1



1. Survey by SMS

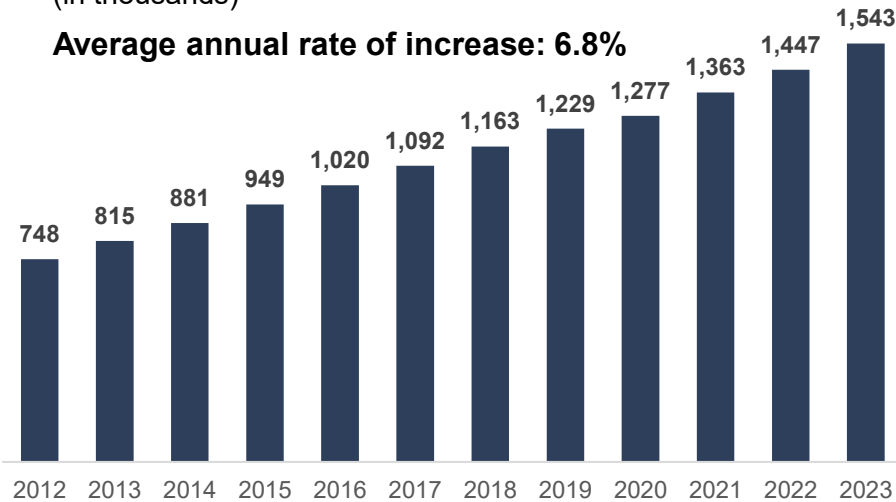
# Business Environment of Disability Welfare Services

The number of users of welfare services for persons with disabilities is on the rise due to better understanding of disabilities and easier access to diagnosis, and the number of service offices is continuously increasing.

**Number of users of welfare services for persons with disabilities and for children with disabilities (average per month)<sup>\*1</sup>**

(in thousands)

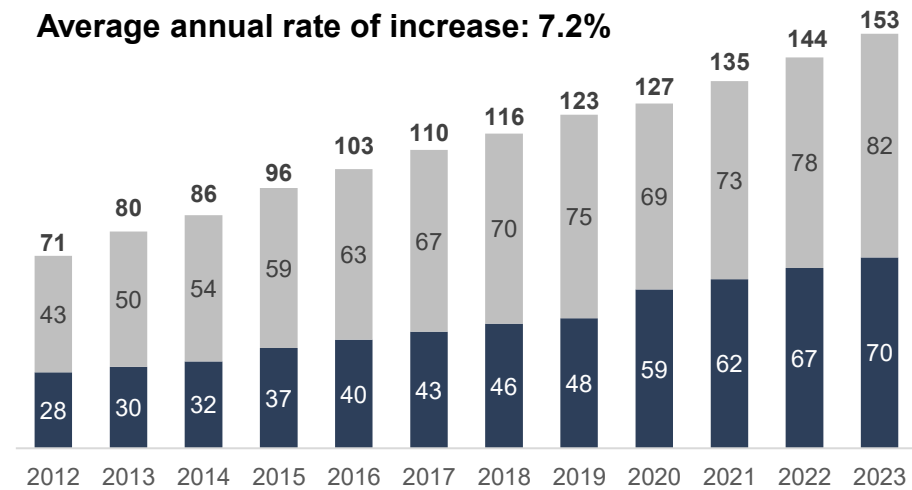
**Average annual rate of increase: 6.8%**



**Number of welfare service offices for persons with disabilities<sup>\*2</sup>**

(in thousands)

**Average annual rate of increase: 7.2%**



■ Operators that Kaipoke targets<sup>\*3\*4</sup>

■ Operators that Kaipoke does not target<sup>\*3\*4</sup>

1. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc."
2. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc.", "Recent Trends in the Field of Welfare for Persons with Disabilities"
3. Kaipoke targets child development support, after-school day services, in-home nursing care, visiting care for persons with severe disabilities, companion support, and activity support. Employment transition support and employment continuation support (Type A/B) are targeted by the user attraction support service, but are counted as not targeted by Kaipoke.
4. For companion support and activity support are targeted by Kaipoke, but the number of individual offices is unknown prior to FY 2019, so they are not targeted until 2019 and are counted as targeted starting in 2020.

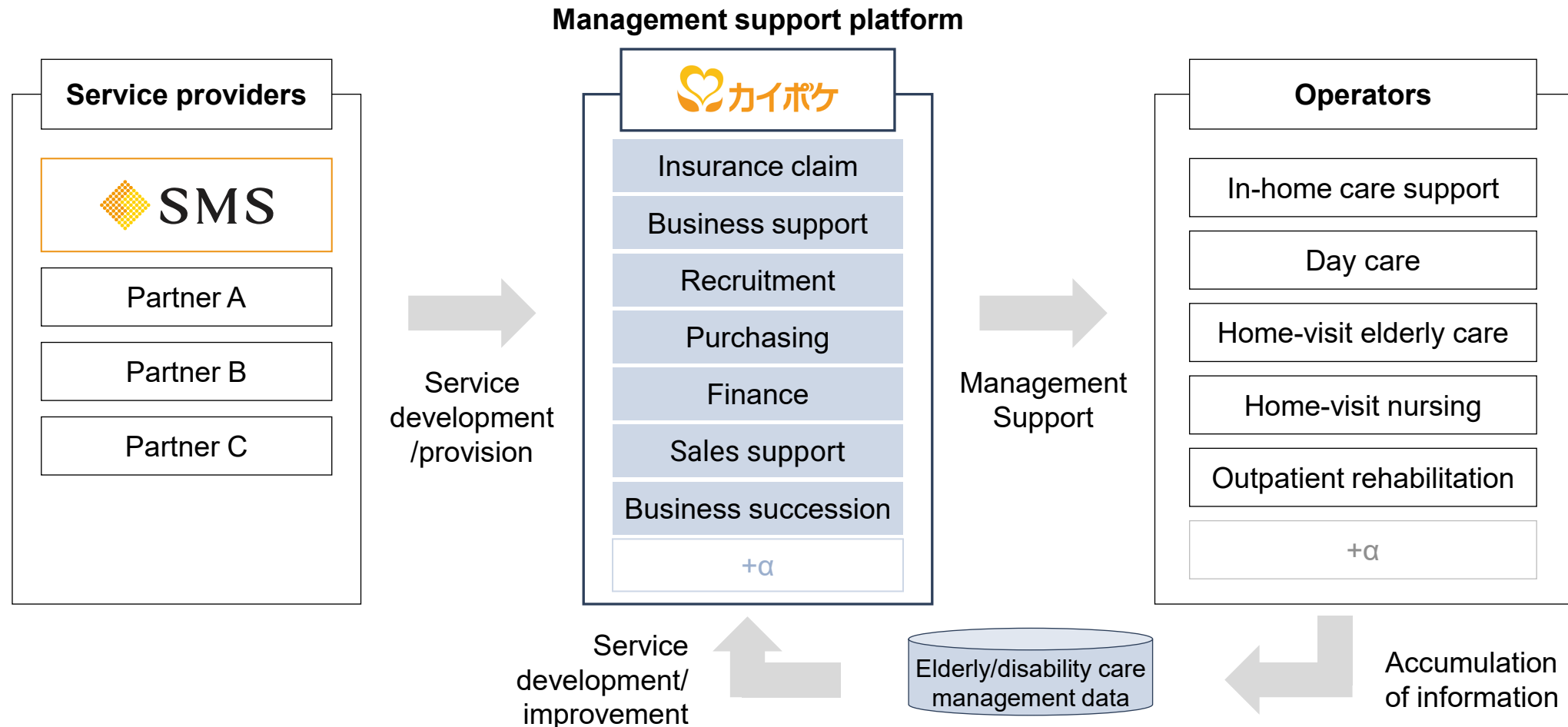
# Mission of Elderly/Disability Care Operators Business (Kaipoke)

---

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

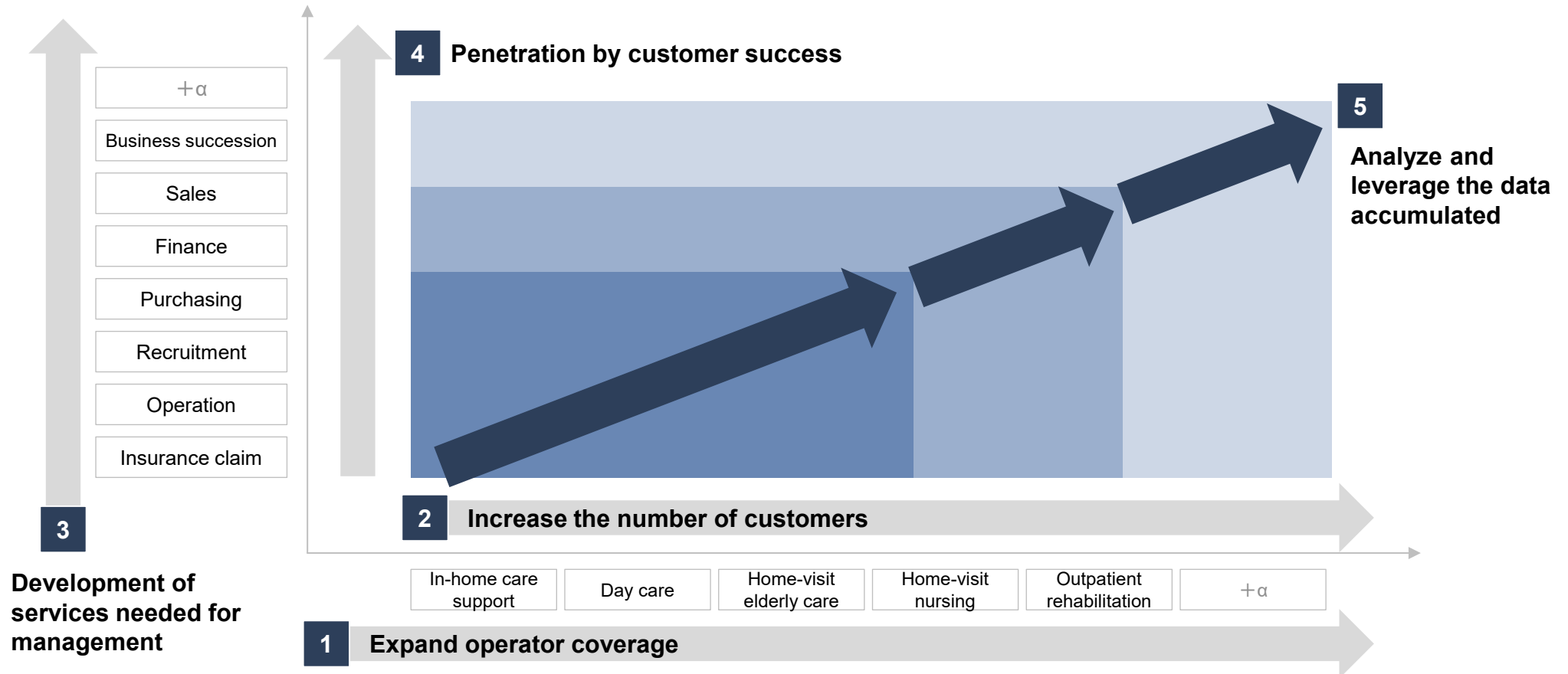
# Management Support Platform

- Kaipoke is a management support platform provided in the form of SaaS, which realizes one-stop support for the management of elderly/disability care operators.
- Offer more than 40 services that support operations, recruitment, purchasing, finance, sales, M&A (Business succession), etc., on top of the insurance claim service that is essential for elderly/disability care operations.



# Strategy of Kaipoke

Maximize the value as a management support platform by No. 1 – 5 below.

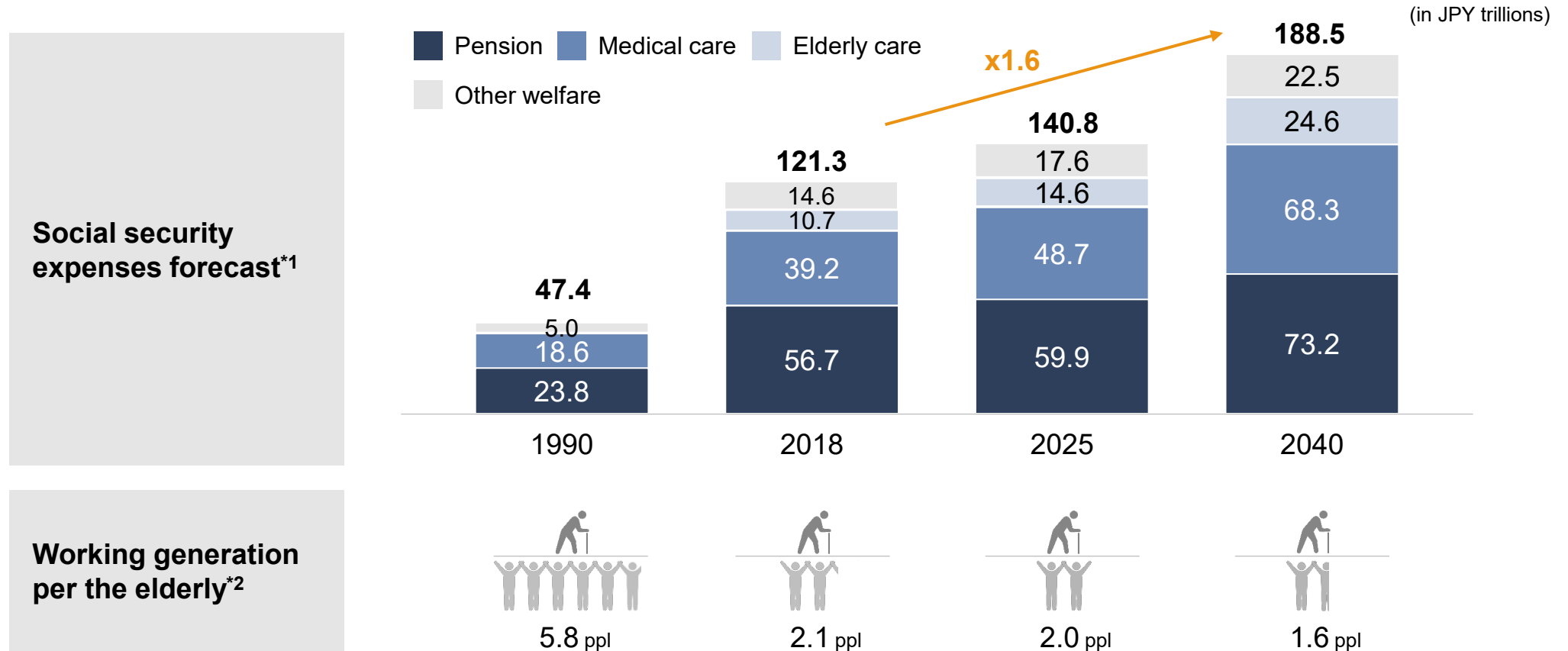


# **New Business (Healthcare) Strategy**



# Issue 2: More severe burden on the working generation (Repost)

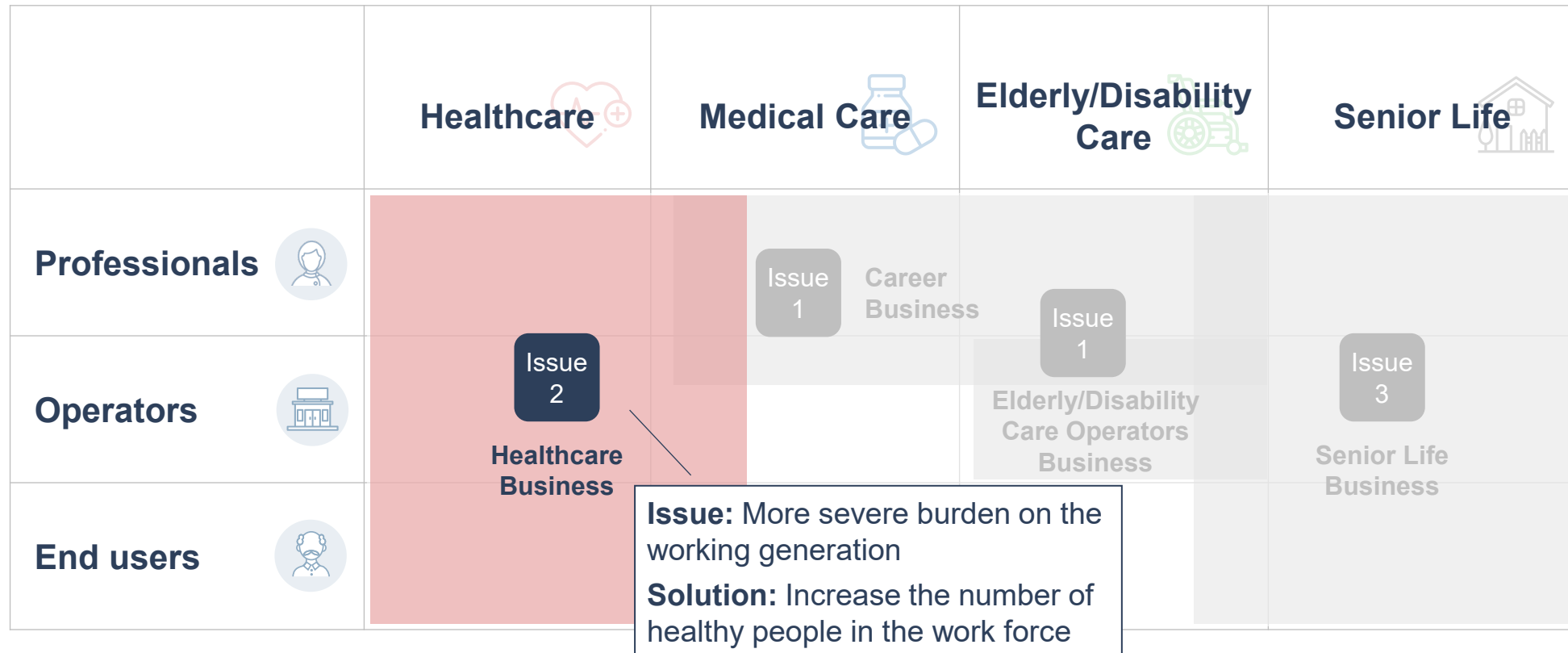
The burden on the working generation will become more serious due to the increasing social security expenses for pensions, medical care, elderly care, and other welfare services, as well as the declining working-age population who cover these expenses.



1. MHLW, "Trends in Social Security Benefits", Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"  
 2. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"

# Solution for Issue 2 in Healthcare Business

Contribute to solving the social issue “more severe burden on the working generation” by increasing the number of healthy people in the work force through a platform that supports “health and productivity management” of companies.



# Declining QOL\*<sup>1</sup> and Productivity Caused by Physical/Mental Disorders

- Among the working generation, there are many patients/potential patients with life-style related diseases, which often progress to critical illnesses such as diabetes.
- Mental disorders caused by overworking or workplace stress are increasing in recent years.
- The government encourages “health and productivity management,” in which companies work to improve the health of employees and their families.

Physical disorder		Mental disorder
<b>Risk of lifestyle-related diseases</b>	<b>Lifestyle-related diseases</b>	
Number of recipients of specific health guidance* <sup>2</sup>	Number of diabetics* <sup>3</sup>	Number of patients with mood disorders* <sup>3</sup>
Approx. <b>5.12</b> million	Approx. <b>5.79</b> million	Approx. <b>1.72</b> million
	Number of hypertensive patients* <sup>3</sup>	
	Approx. <b>15.11</b> million	

1. QOL: Quality of life

2. Subjects are 40 – 74 years old. MHLW, "2022 Implementation of specified health checkups and specific health guidance"

3. MHLW, "2020 Patient survey"

# Mission of Healthcare Business

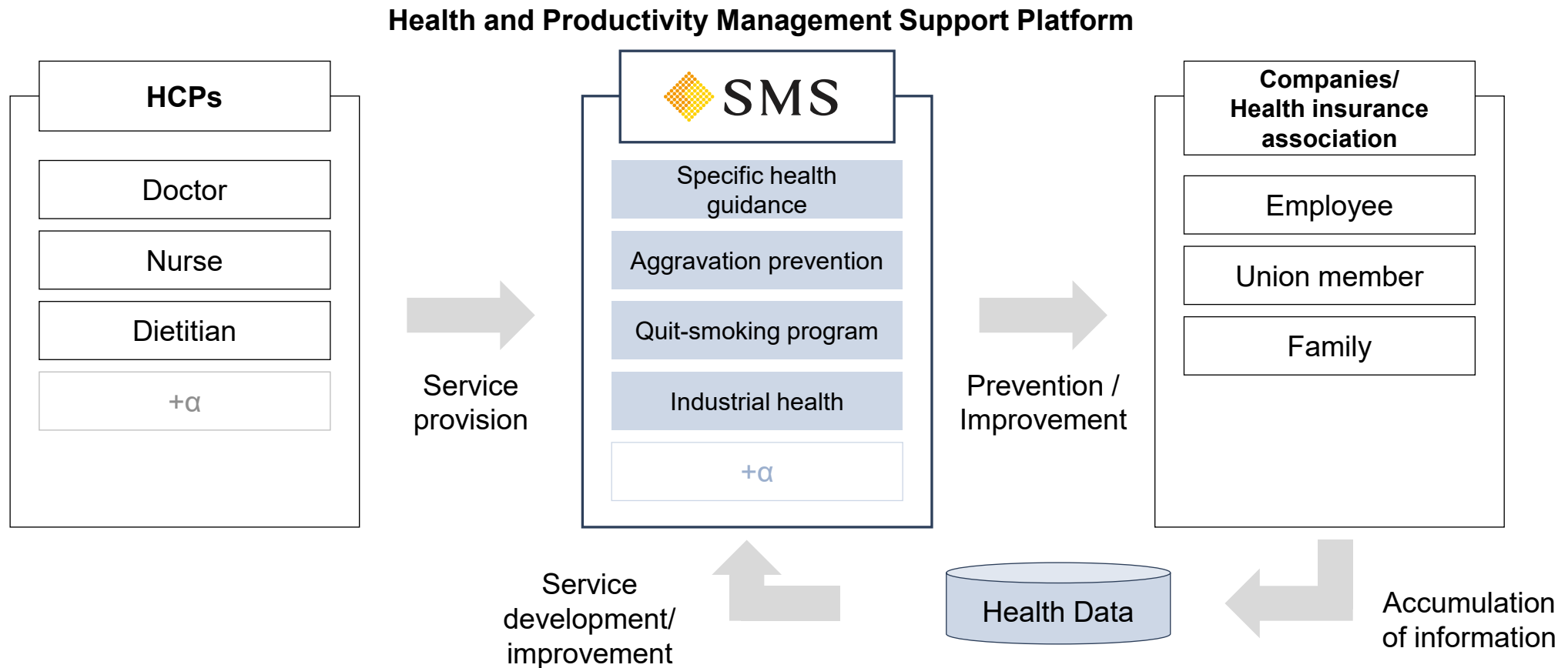
---

**We aim to contribute to improving QOL\*<sup>1</sup> and increasing the number of healthy people in the work force by preventing and treating lifestyle-related diseases and mental disorders.**

1. QOL: Quality of life

# Health and Productivity Management Support Platform

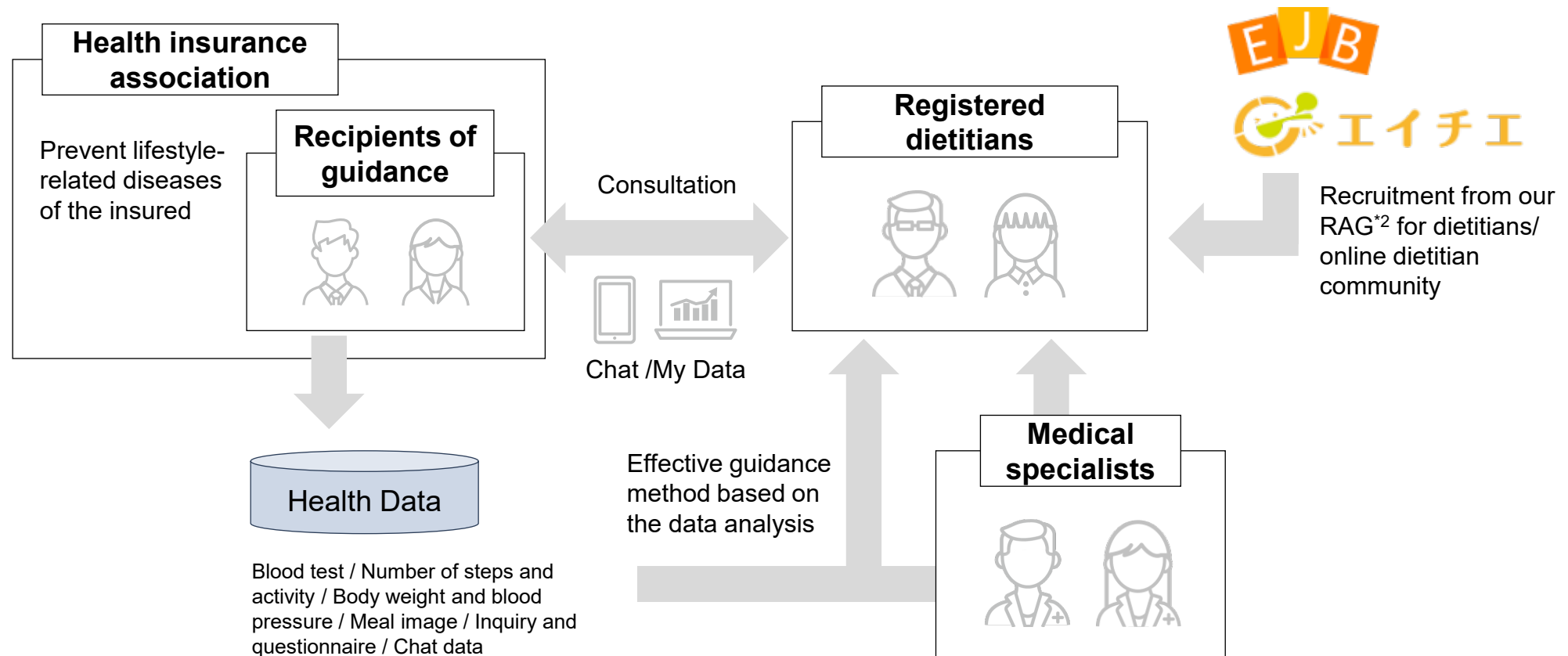
- Provide digital health services\*1 for companies and health insurance associations.
- The services are based on scientific evidences and provided by seasoned healthcare professionals (HCPs) including doctors, nurses, and dietitians.



1. Digital Health: Improving 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.

# Remote Health Guidance Service

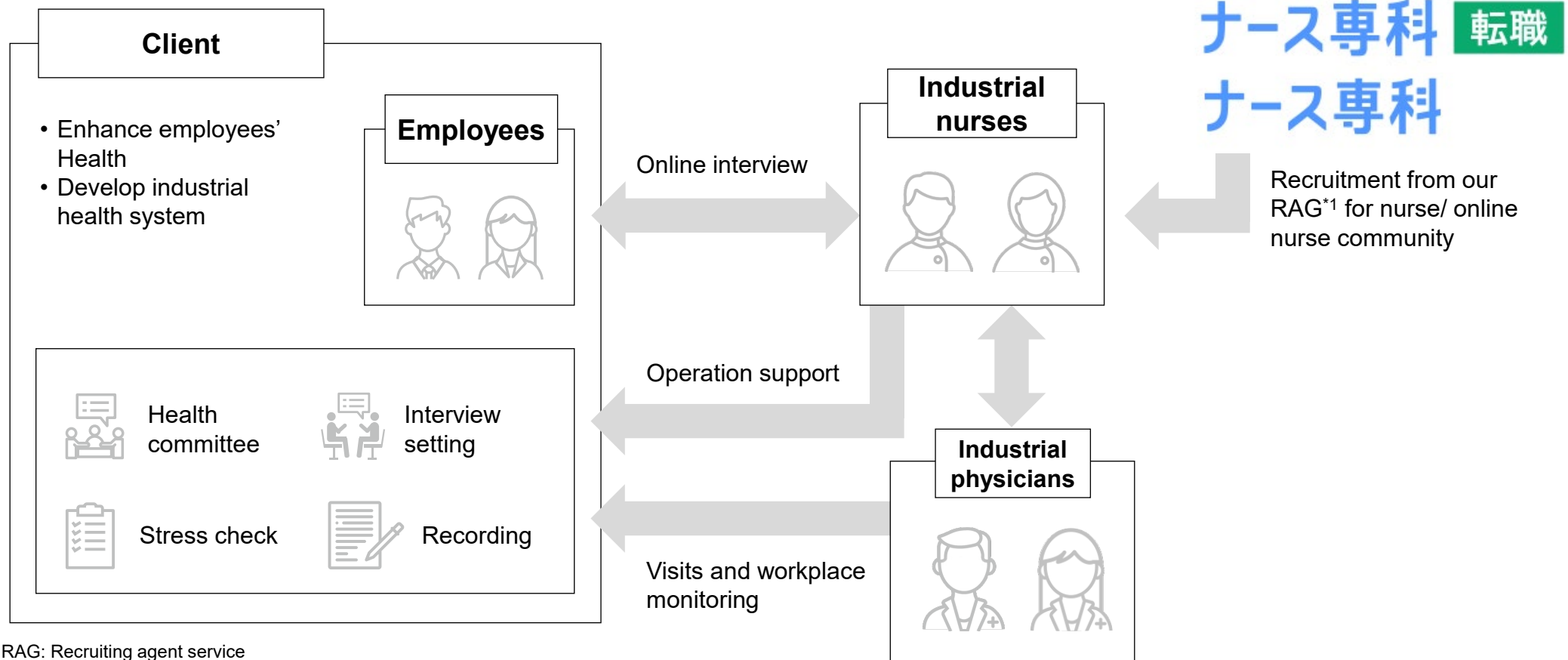
- Provide specific health guidance service for HIAs\*<sup>1</sup> aiming to prevent lifestyle-related diseases of employees and their families. The service is provided by registered dietitians and based on the results of verification projects conducted with MHLW.
- Remote service using smartphones enables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



1. HIA: Health insurance association  
 2. RAG: Recruiting agent service

# Remote Industrial Health Service

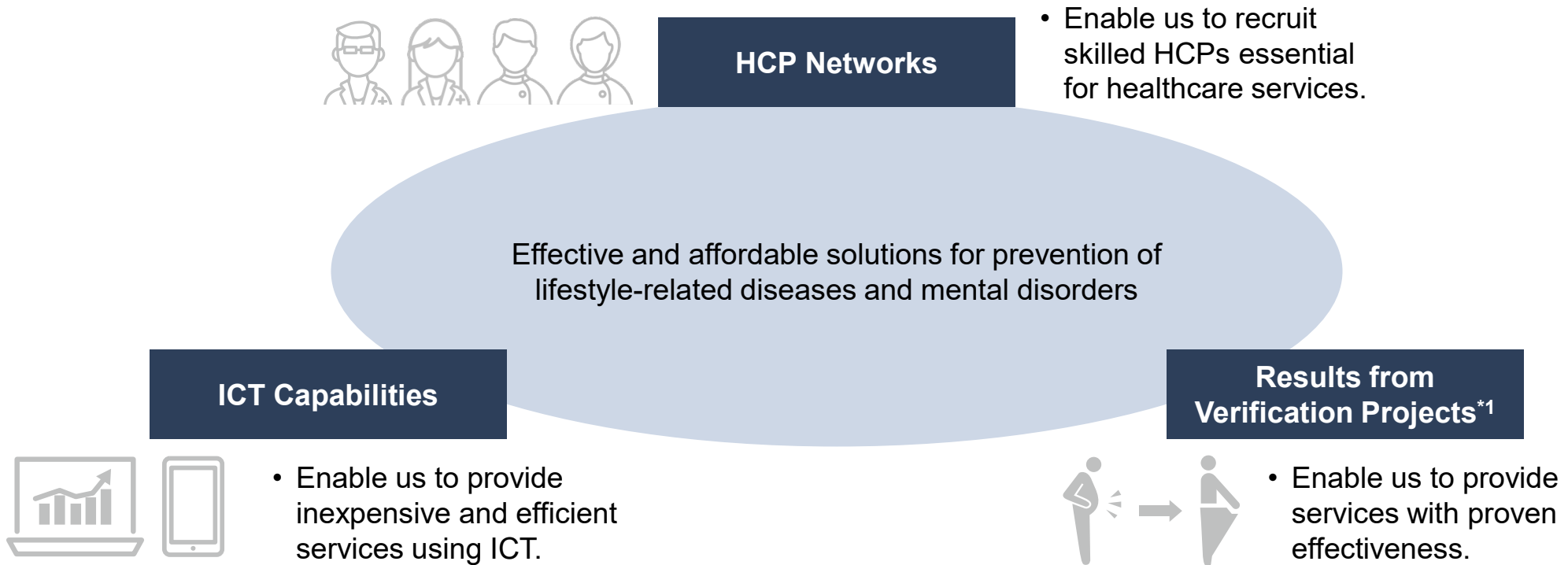
- Provide comprehensive support for industrial health operations in the human resources and labor departments of companies, including visits by industrial physicians, stress checks, and the establishment and operation of health committees.
- Reduce the workload of HR and realize effective mental care through the service provided by the two-person system of an industrial physician and an industrial nurse.



1. RAG: Recruiting agent service

# Our Strength

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.

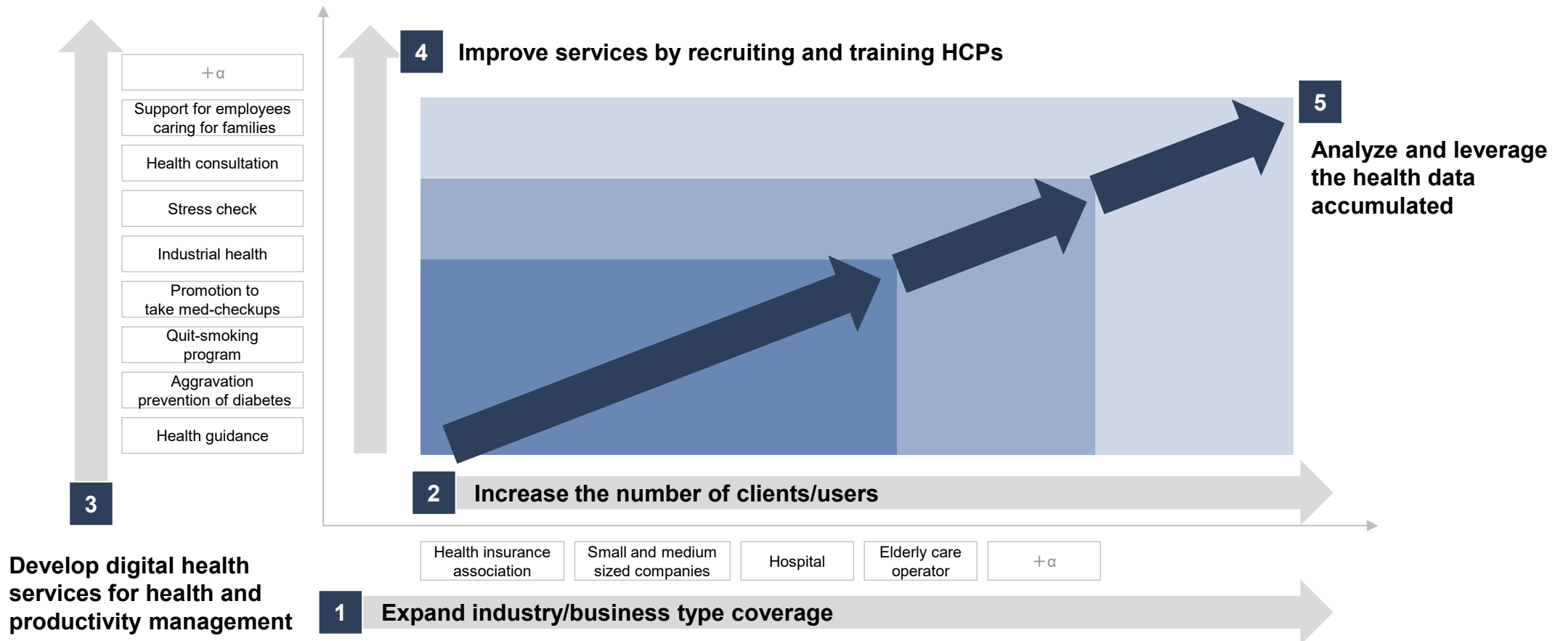


1. Joint project with MHLW, METI, and national hospitals



# Strategy of Healthcare Business

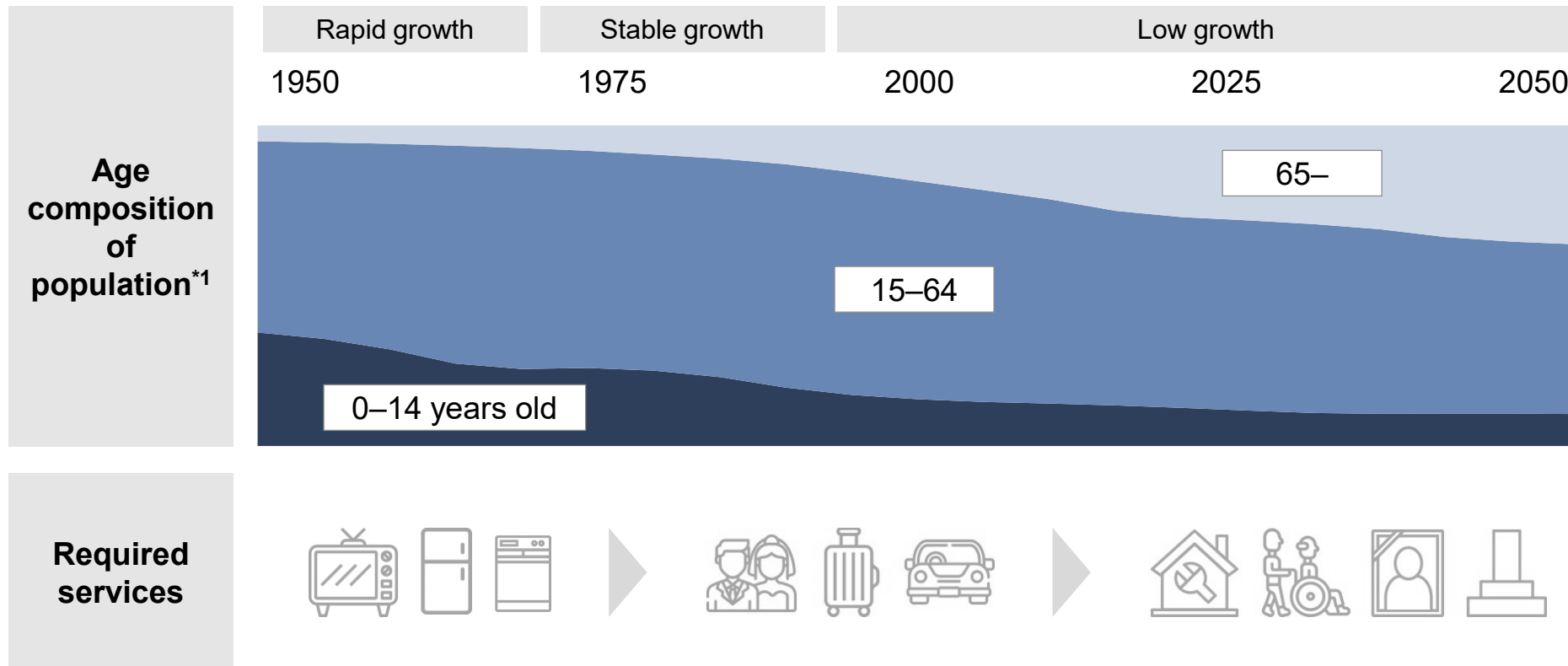
Maximize the value as a health and productivity management support platform by No. 1 – 5 below.



# **New Business (Senior Life) Strategy**

# Issue 3: Difficulty in solving problems related to living in an aging society (Repost)

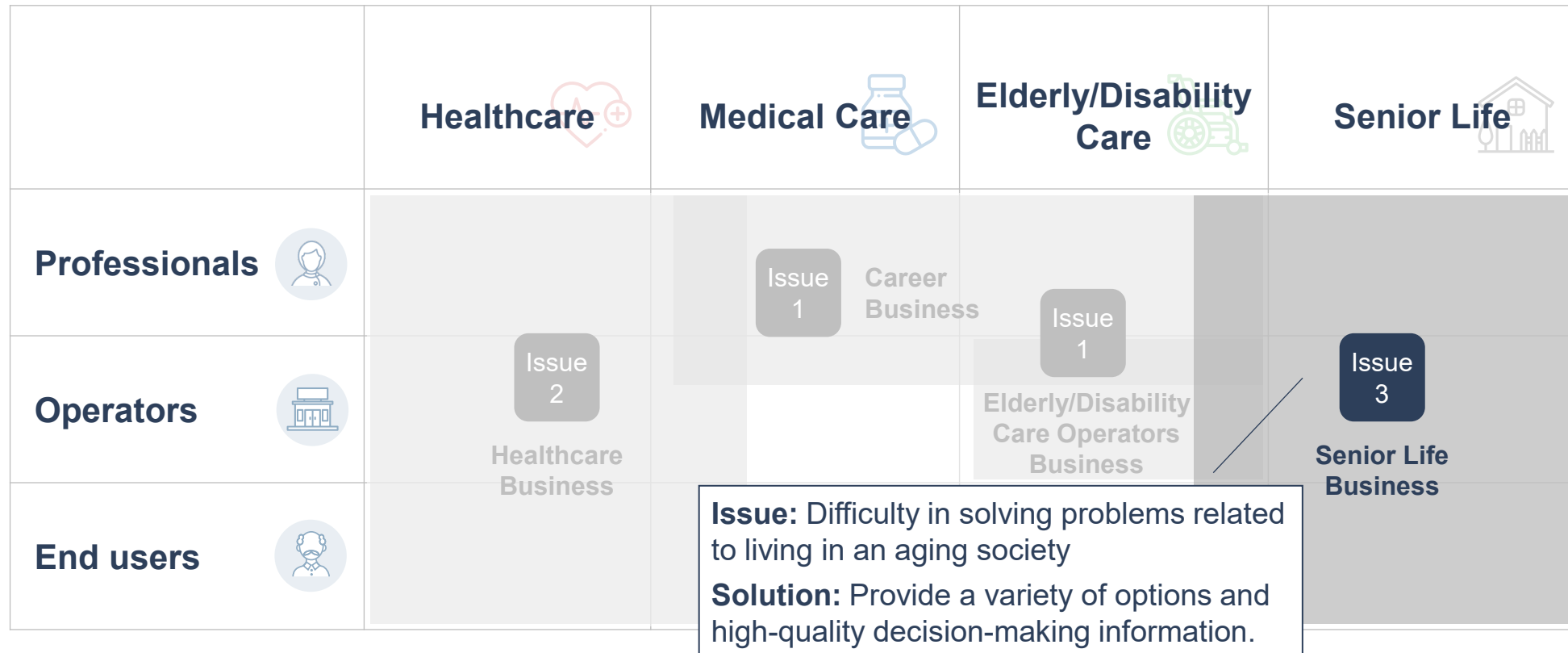
- While services required in society are changing and expanding with the population aging, information related to living in an aging society is insufficient in terms of quality and quantity, and the future labor shortage will result in an inability to adequately supply such services.
- The elderly and their families will have difficulties in solving life-related problems in an aging society.



1. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"

# Solution for Issue 3 in Senior Life Business

Contribute to solving the social issue “difficulty in solving problems related to living in an aging society” by developing a platform that connects people who have some worries or problems in their lives, with advisors and solution services.



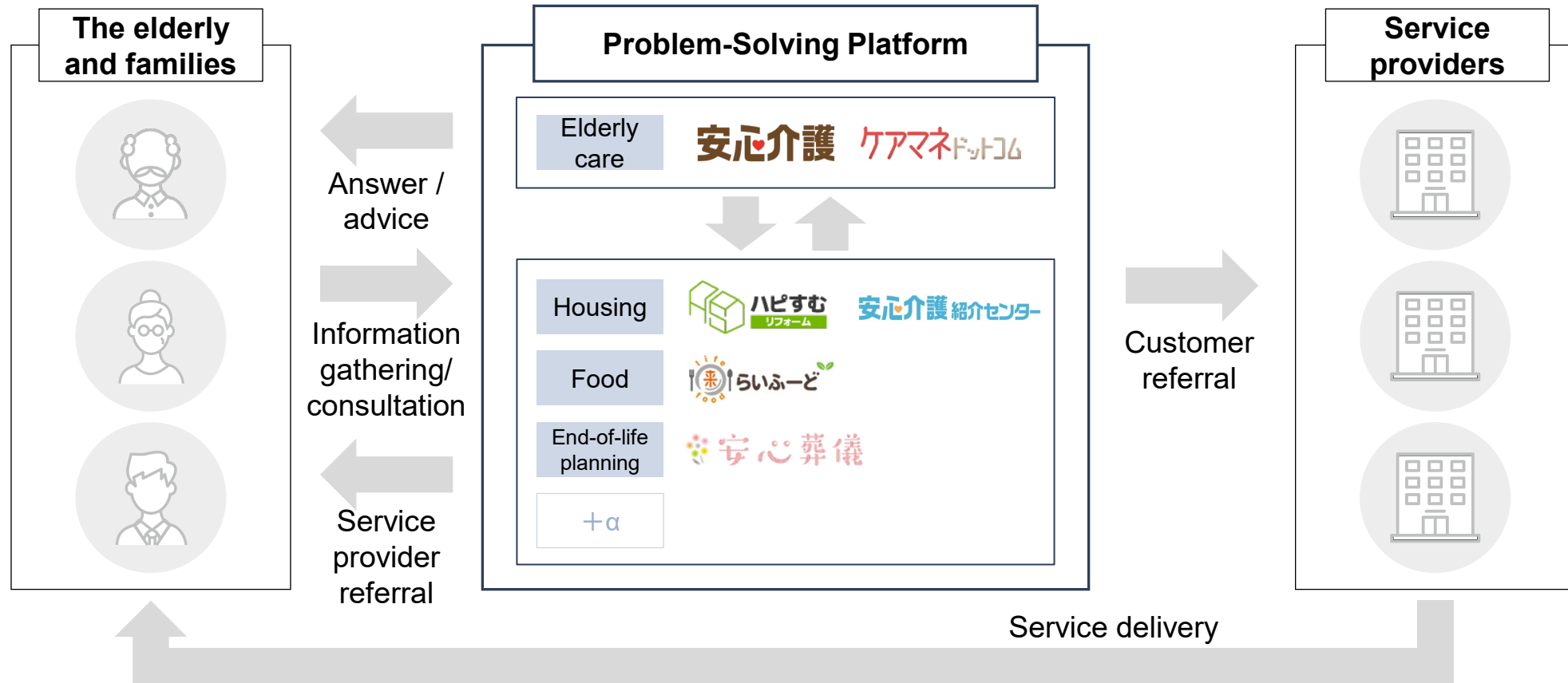
# Mission of Senior Life Business

---

**We aim to contribute to improving people's lives  
by offering a wide range of options and  
information related to living in an aging society.**

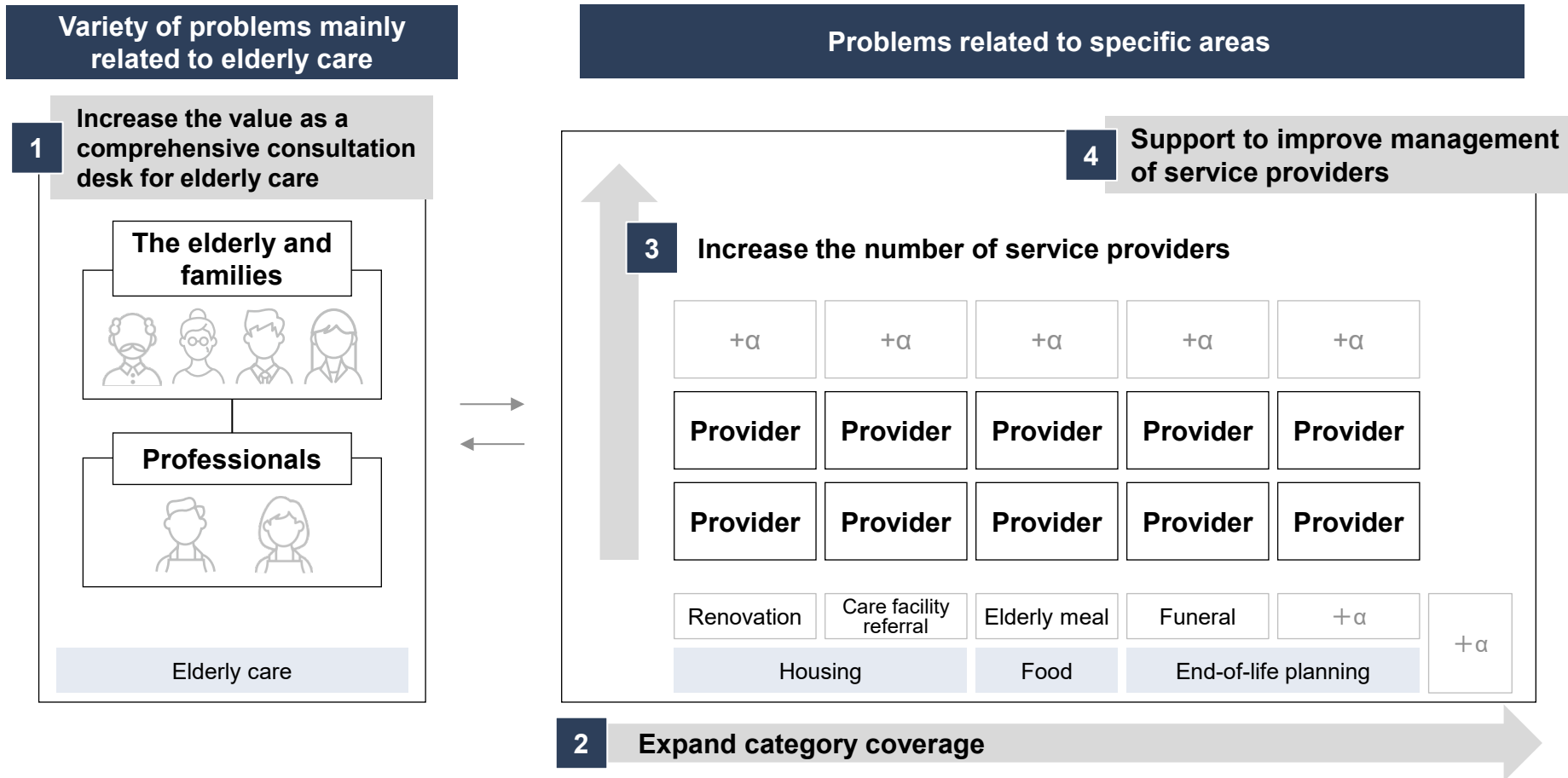
# Problem-Solving Platform

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



# Strategy of Senior Life Business

Maximize the value as a problem-solving platform by No. 1 – 4 below.



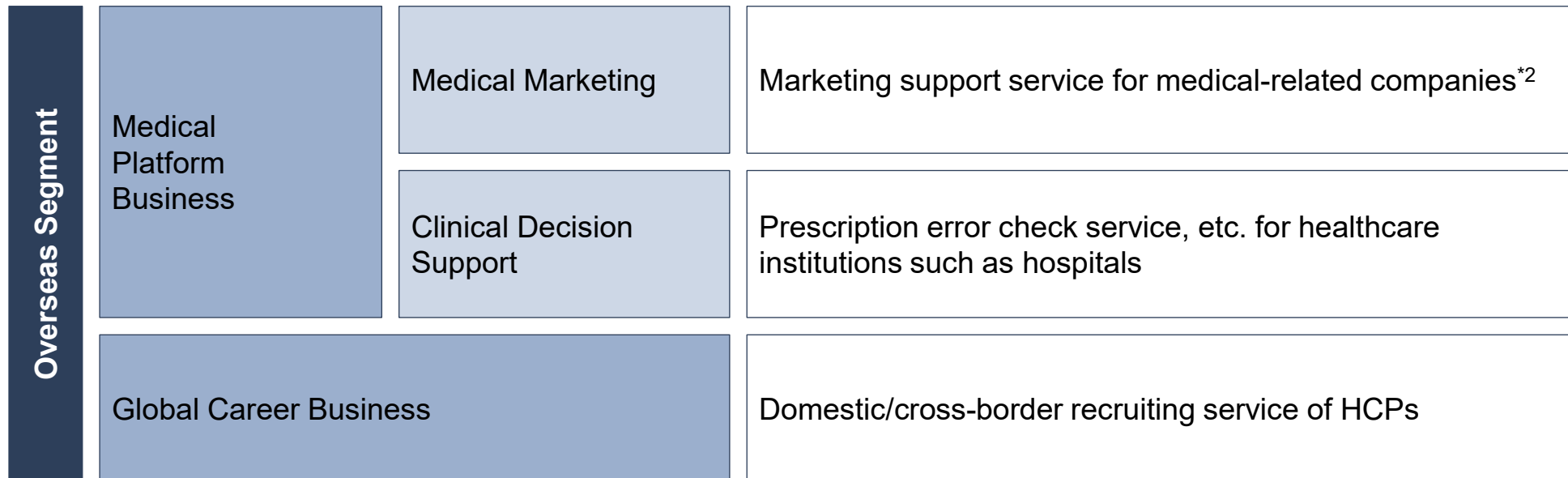
# Overseas Strategy



# Overview of Overseas Segment

- Define two strategic business areas in the segment:
  - Medical Platform Business, operated mainly in MIMS group, which we acquired in 2015, and
  - Global Career Business, which supports recruitment of HCPs\*1 around the world.

## Overseas Business Structure



1. HCP: Healthcare professionals

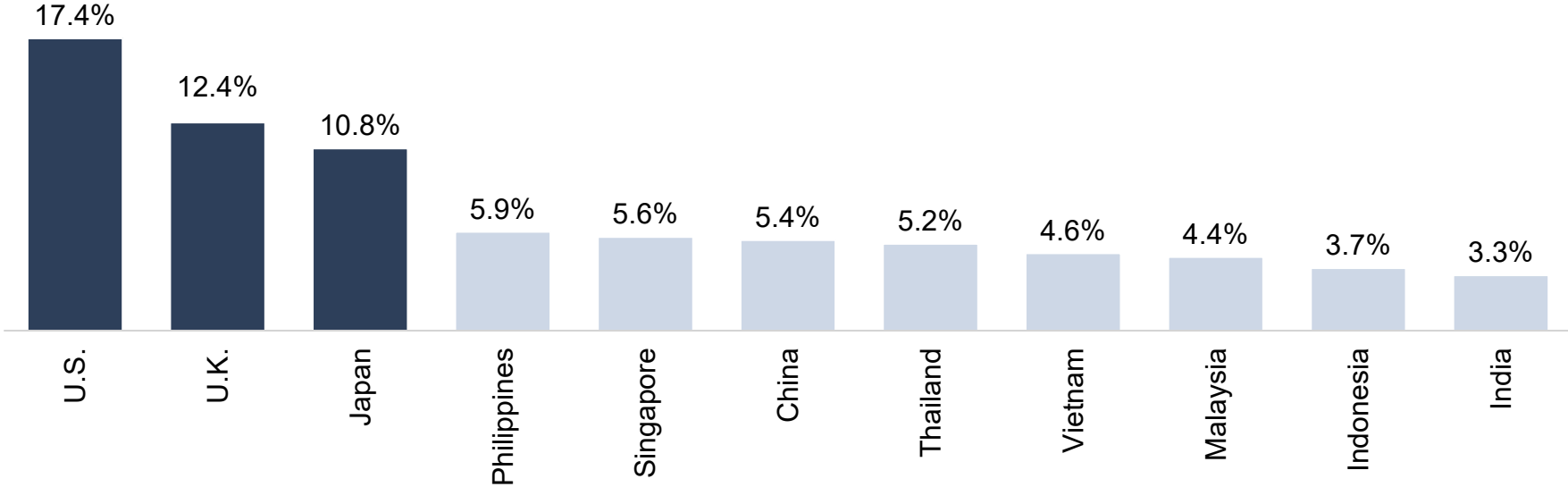
2. Operators such as pharmaceutical companies, medical device manufacturers, healthcare service operators, and industrial group.

# Medical Platform Business

# Issue: Low Availability of Medicines and Medical Devices, and Inadequate Quality of Medical Care in APAC

- Health expenditure per economic scale in APAC is less than in developed countries.
- Medical-related companies face high entry barriers, as the medical systems, regulations, languages, cultures, and social customs are different by country.
- This results in the social issue of low availability of medicines/medical devices and inadequate quality of medical care.

Health Expenditure to GDP\*1



1. WHO "Global Health Expenditure Database" (2021)

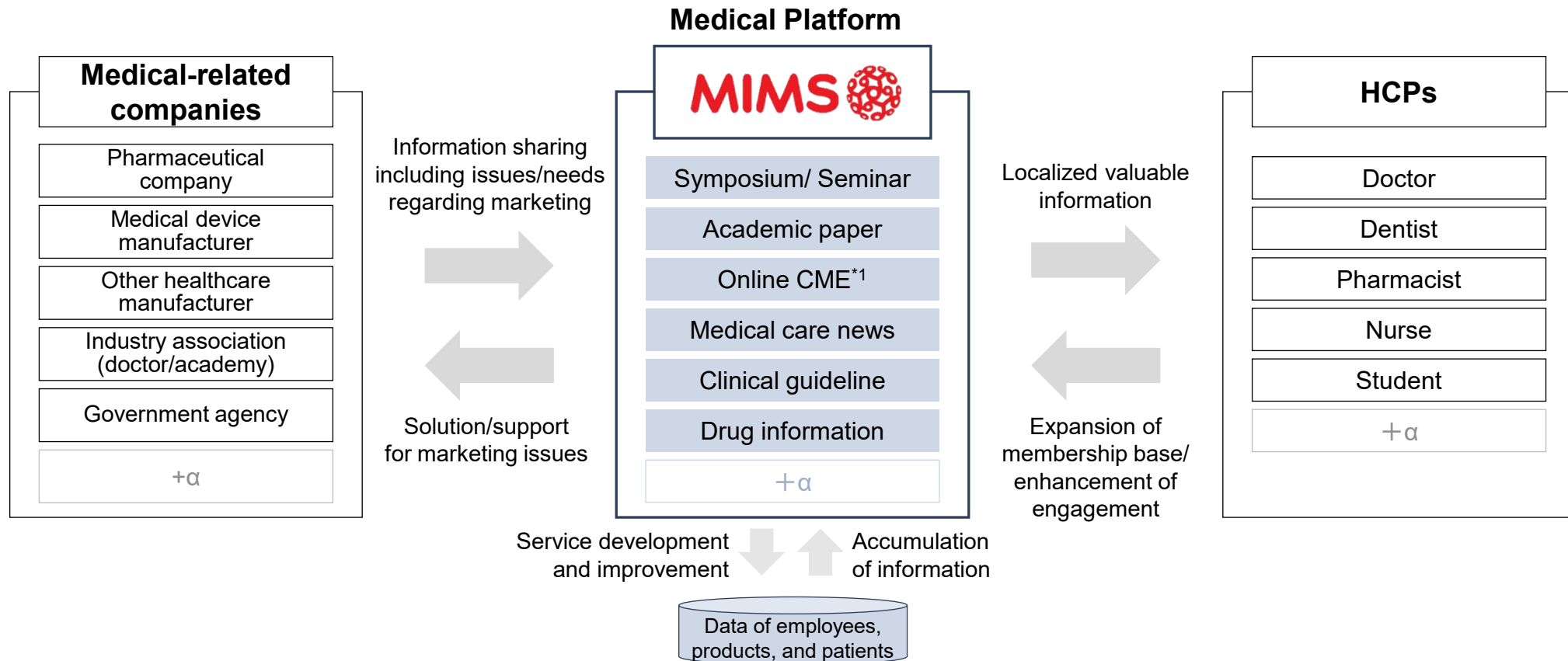
# Mission of Medical Platform Business

---

**We aim to contribute to realizing healthy and high-quality lives by improving the availability and safety of medical care in APAC.**

# Medical Platform

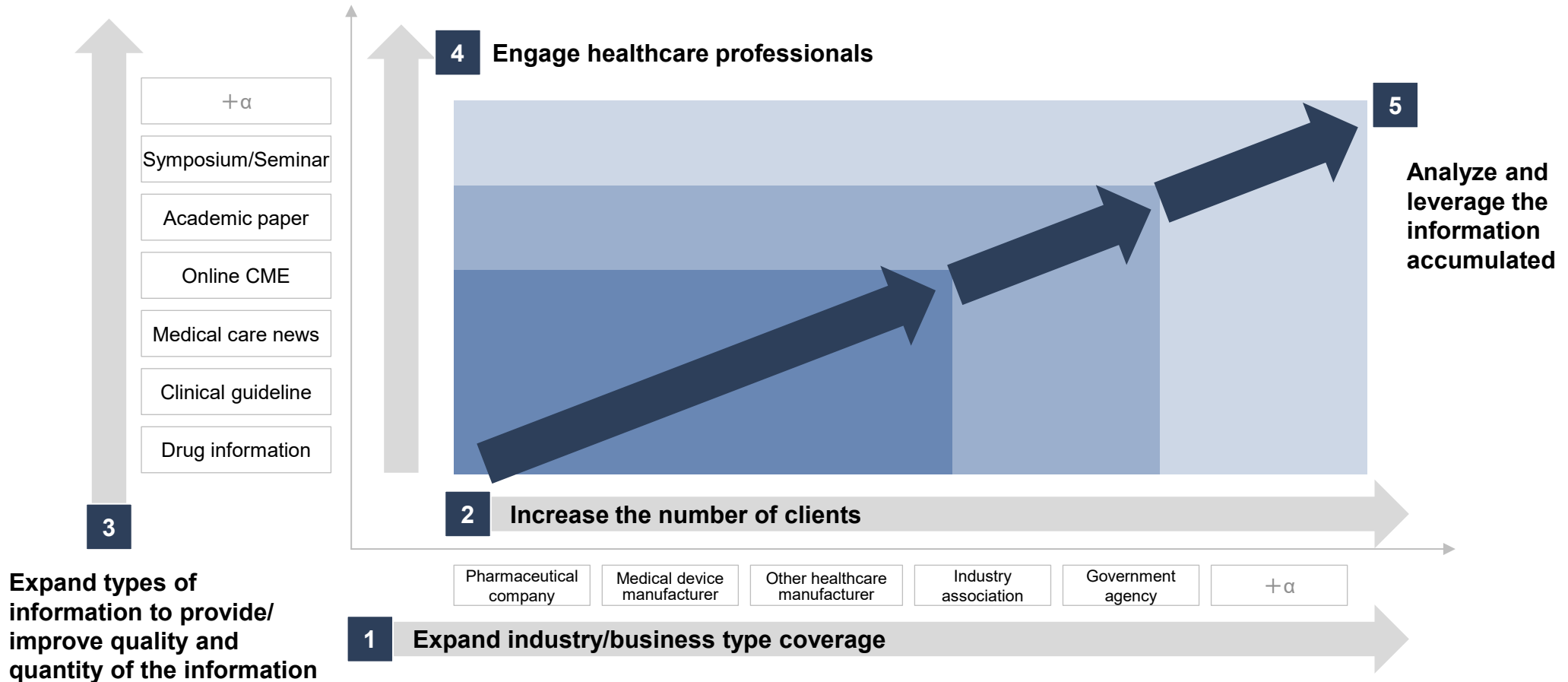
- Support the marketing activities of medical-related companies by using our membership base of healthcare professionals (HCPs) in APAC.
- Expand our membership base of HCPs and enhance their engagement by providing localized valuable information, thereby making marketing activities of medical-related companies more effective and efficient.



1. CME: Continuing medical education

# Strategy of Medical Platform Business

Maximize the value as a medical platform by No. 1 – 5 below.

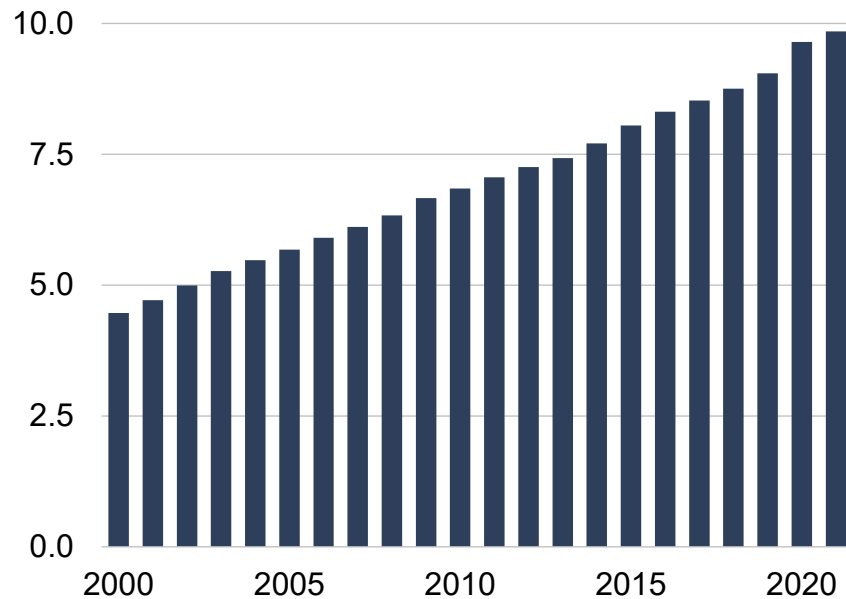


# Global Career Business

# Issue: Global Shortage and Uneven Distribution of Healthcare Professionals

- While the situation surrounding medical care services differs greatly among countries and regions, the demand for medical care is continuously increasing around the world due to economic growth and population aging.
- The shortage and uneven distribution of healthcare professionals has become an issue in many countries due to the increasing demand for medical care.

**Health Expenditure\*1**  
(in USD trillions)



**Expected Shortage of Nurses\*2**  
(in thousands)

	Japan	320	(2040)
	Germany	390	(2035)
	Australia	120	(2030)
	South Korea	160	(2030)
	Saudi Arabia	100	(2030)

1. WHO "Global Health Expenditure Database" (FX rates: 2021)

2. Japan: MHLW, "Status of securing nurses and other nursing staff", Germany: PwC "Fachkräftemangel im Gesundheitswesen: Wenn die Pflege selbst zum Pflegefall wird", Australia: Department of Health and Aged Care "Australia's Future Health Workforce – Nurses Overview Report", South Korea: Korea Institute for Health and Social Affairs "2017 mid- to long-term supply and demand outlook for major health and medical personnel", Saudi Arabia: Nourah Alsadaan, Linda K. Jones, Amanda Kimpton and Cliff DaCosta "Challenges Facing the Nursing Profession in Saudi Arabia: An Integrative Review"



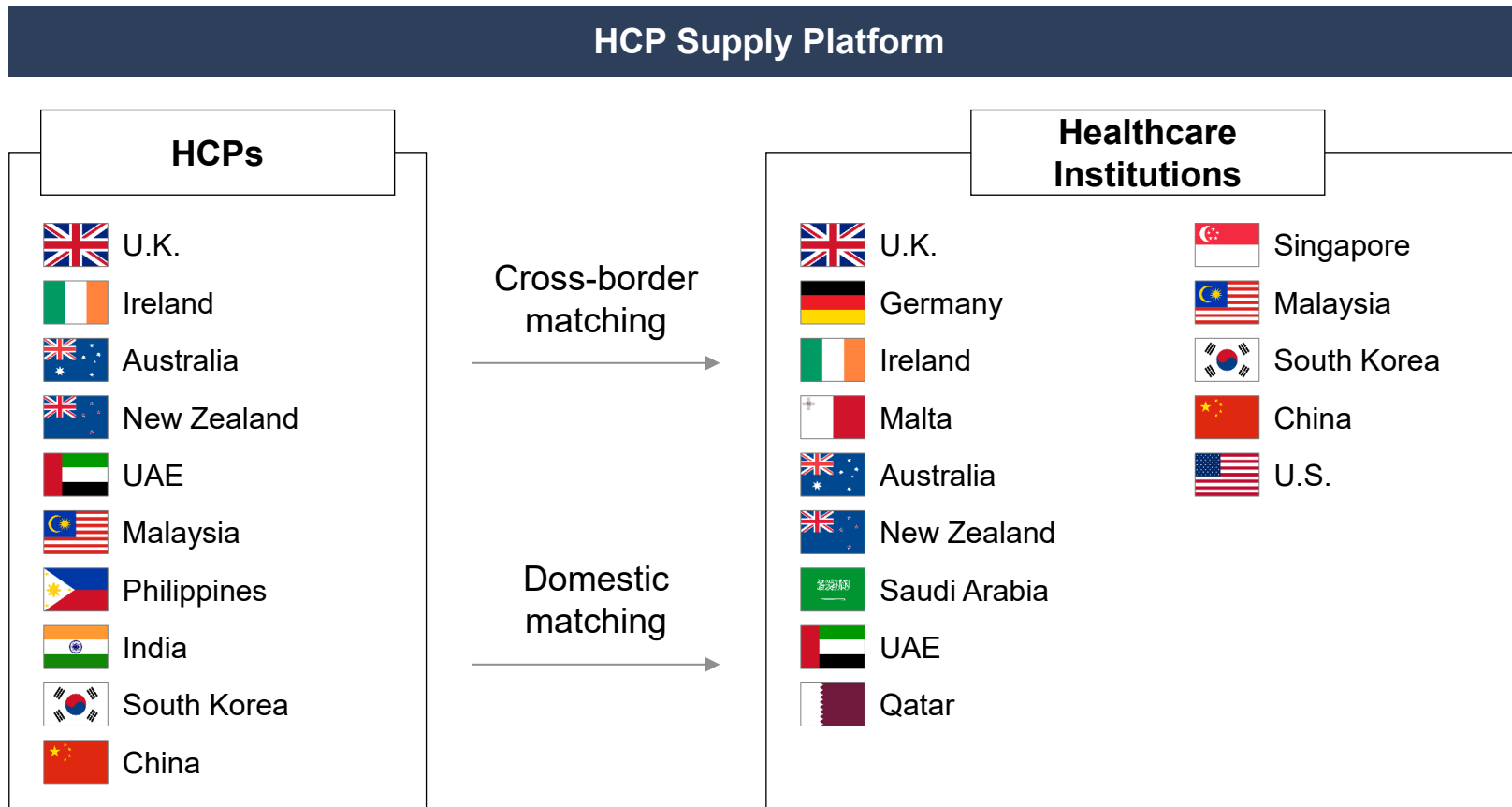
# Mission of Global Career Business

---

**We aim to contribute to improving the quality of medical care around the world by solving the shortage and uneven distribution of healthcare professionals.**

# HCP\*<sup>1</sup> Supply Platform

Promote optimal cross-border and domestic matching according to the supply of HCPs and the demand from healthcare institutions\*<sup>2</sup>.

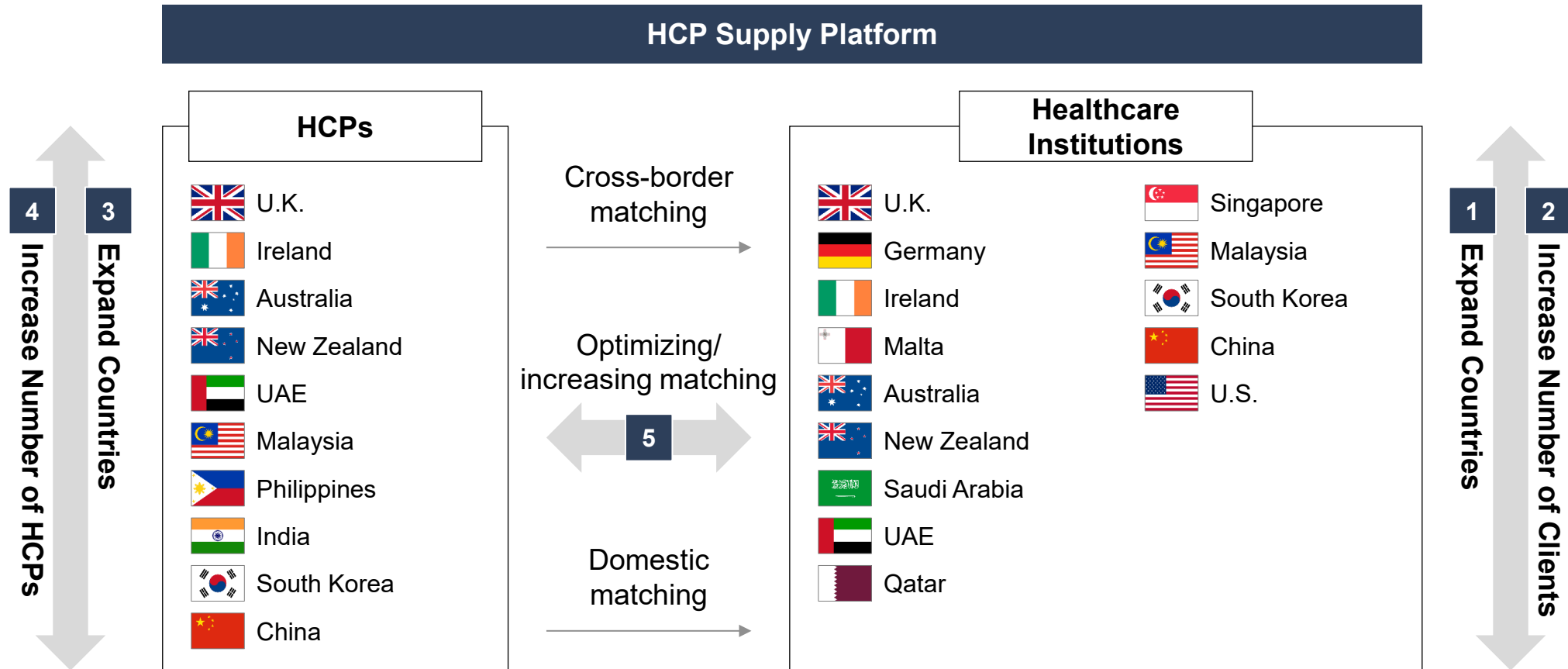


1. HCP: Healthcare professional

2. Hospitals, clinics etc.

# Strategy of Global Career Business

Maximize the value as a HCP supply platform by No. 1 – 5 below.

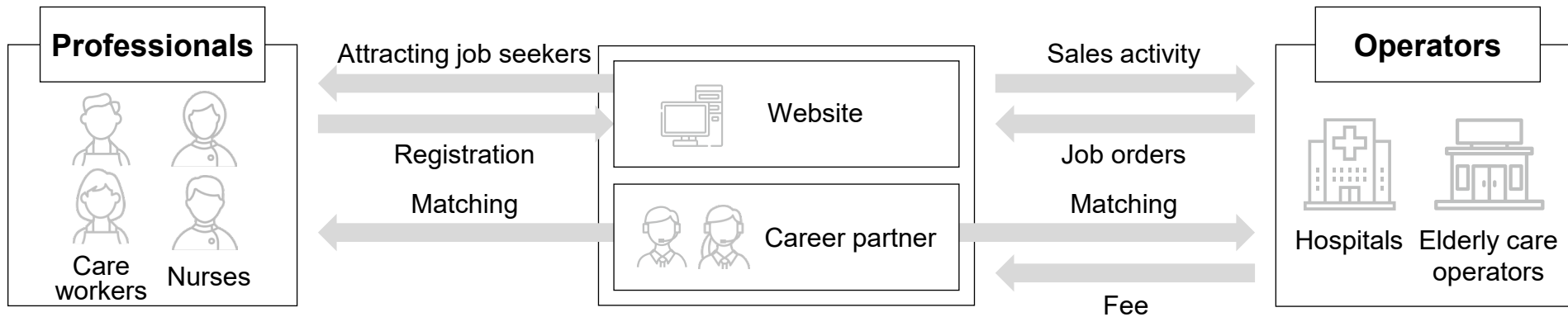


# Appendix

# Business Model of Career Business

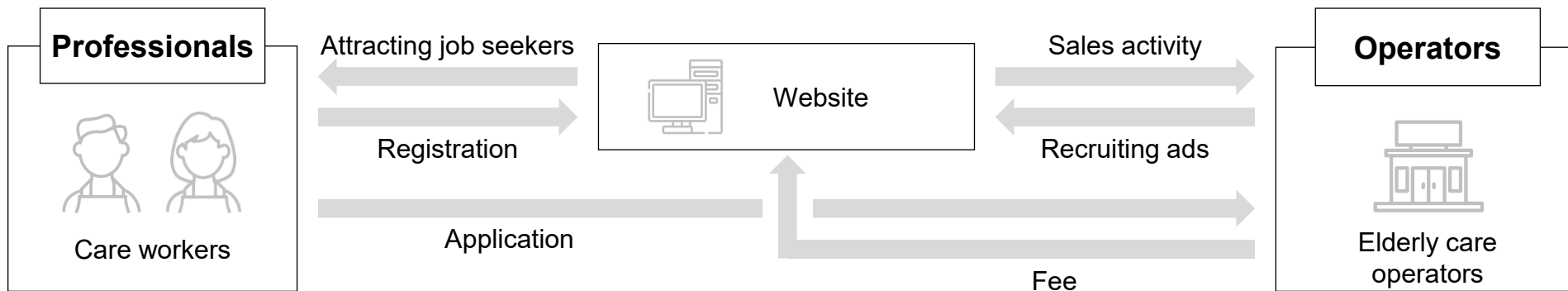
## Business model of Recruiting Agent

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 or each hiring via our Recruiting Ads website.



# Kaipoke's Main Services

Subscription-based management support platform providing more than 40 services as a package\*<sup>1</sup>

Insurance Claim	<ul style="list-style-type: none"> <li>Elderly care operators can claim for the reimbursement of insurance efficiently.</li> </ul>
Recruitment	<ul style="list-style-type: none"> <li>Provide SMS's industry-leading Recruiting Ads service "Kaigo Job" for free and a job ad creation agency service.</li> </ul>
Sales Support	<ul style="list-style-type: none"> <li>Assist sales activities by supporting research, planning, and managing actions.</li> <li>Offer a function to create a website for free by automatically linking with registered data.</li> </ul>
Operation Improvement	<ul style="list-style-type: none"> <li>Provide one iPad for free to enable care workers to complete documentations at their customer sites.</li> </ul>
Opening Support	<ul style="list-style-type: none"> <li>Support procedures needed to open an elderly care business such as application for designation, financing, finding office properties and market research.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Provide factoring services to improve operators' cash flows.</li> </ul>
Purchasing	<ul style="list-style-type: none"> <li>Elderly care operators can procure various equipment and supplies, such as rental smartphones, in an easy and inexpensive way.</li> </ul>
Business Succession	<ul style="list-style-type: none"> <li>Supporting the succession of elderly care operators</li> </ul>

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

# MIMS Group Profile

## MIMS group global coverage



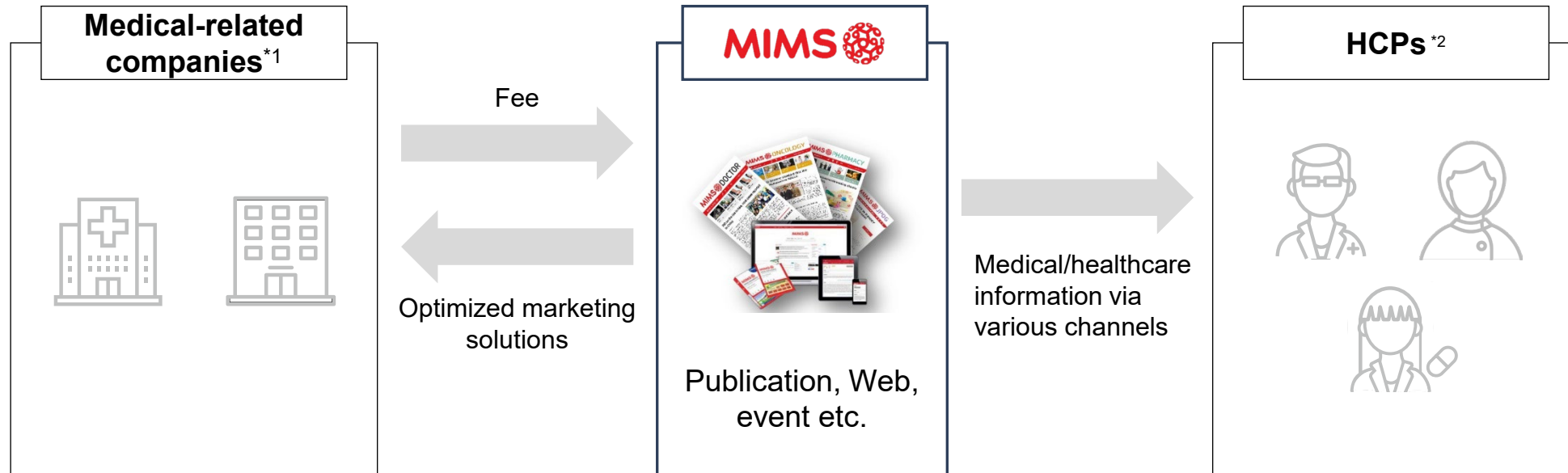
## MIMS group profile

Founded	1963
Business	<ul style="list-style-type: none"> <li>• Medical Platform</li> <li>• Global Career</li> </ul>
Global coverage	17 countries and regions, mainly in APAC
Number of memberships	3.50 million <sup>*1</sup>
Acquisition date	October 7, 2015

1. As of December 2023

# Business Model of Medical Marketing

Support marketing activities of medical-related companies\*<sup>1</sup>



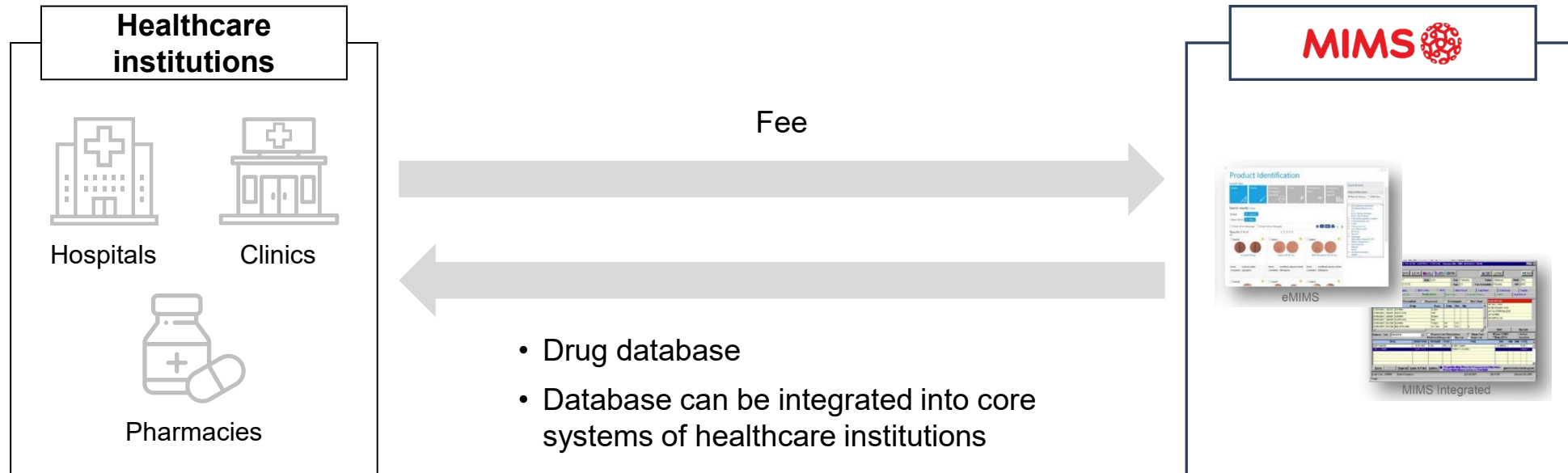
1. Operators such as pharmaceutical companies, medical device manufacturers, healthcare service operators, and industrial group

2. Healthcare professionals such as doctors, nurses, and pharmacists













# Business Model of Clinical Decision Support

Provide a drug database for prescription error checks in healthcare institutions



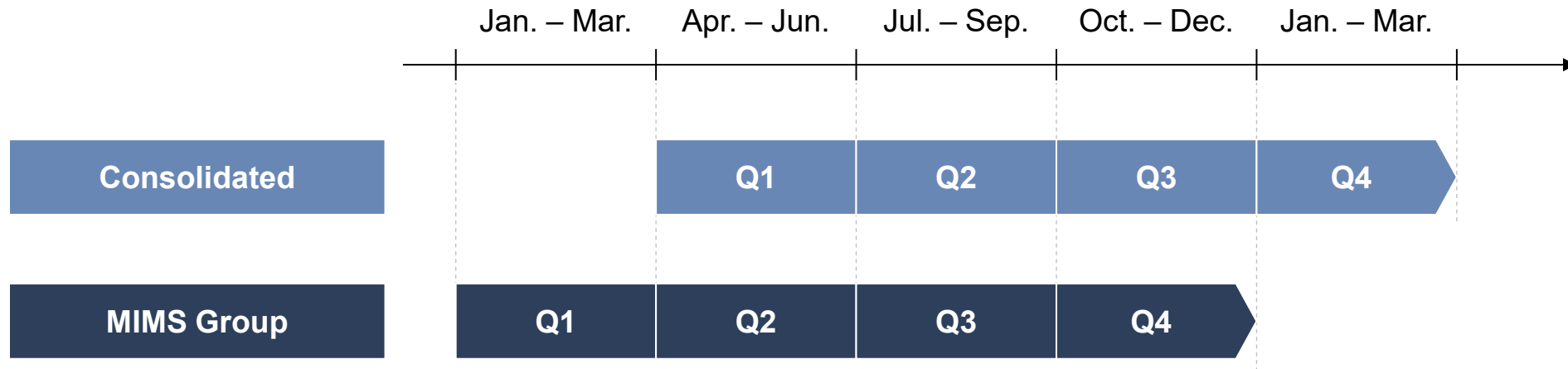
# Expansion of the Global Career Business

Starting with the acquisition of NURSCAPE in South Korea in 2011, we have expanded our overseas bases steadily to Malaysia in 2017, to the Philippines in 2018, to Europe and Oceania in 2019, and to Germany in 2022.

<p><b>Sep. 2011</b></p>	 <p>South Korea</p>	 <p>Acquired <b>NURSCAPE</b></p>	<p><b>Launched the Global Career Business.</b></p> <ul style="list-style-type: none"> <li>Started career-related business for nurses in South Korea</li> </ul>
<p><b>Jun. 2017</b></p>	 <p>Malaysia</p>	 <p>Acquired <b>MELORITA</b></p>	<p><b>Launched cross-border matching.</b></p> <ul style="list-style-type: none"> <li>Started cross-border introduction of Malaysian healthcare professionals(HCPs) to hospitals in the middle east and other countries.</li> </ul>
<p><b>May 2018</b></p>	 <p>the Philippines</p>	 <p>Acquired <b>MSR</b></p>	<p><b>Increased the number of countries from which nurses are introduced.</b></p> <ul style="list-style-type: none"> <li>Started introduction of Filipino HCPs to hospitals in the middle east and other countries.</li> </ul>
<p><b>Aug. 2019</b></p>	 <p>Ireland Australia</p>	 <p>Acquired <b>CCM</b></p>	<p><b>Expanded business to Europe and Oceania.</b></p> <ul style="list-style-type: none"> <li>Started matching for European/Oceanian healthcare professionals.</li> <li>Expanded client hospitals in Europe/Oceania for HCPs from Southeast Asia and other countries.</li> </ul>
<p><b>Dec. 2022</b></p>	 <p>Germany</p>	 <p>Acquired <b>CWC/CF</b></p>	<p><b>Expanded business to Germany.</b></p> <ul style="list-style-type: none"> <li>Started cross-border introduction of foreign nurses to healthcare institutions and elderly care operators in Germany.</li> </ul>

# Consolidation of MIMS Group Financial Results

Income statement of MIMS group is consolidated to income statement of SMS following a time lag of three months.



# Business Portfolio\*1 – Career\*2

Segment	Category	Services					
Elderly Care Career	Services for care workers	RAD*3 for care workers 	RAG*3 for care workers 	Elderly care certification course 	Certification course information 		
	Others	RAG*3 for PT/OT/ST 	RAG*3 for care managers 				
Medical Care Career	RAG*3 services	RAG*3 for nurses 	RAG*3 for radiological technologists 	RAG*3 for medical technologists 	RAG*3 for clinical engineers 	RAG*3 for childcare workers 	
	Others	RAG*3 for Judo therapists etc. 	RAG*3 for dietitians 	RAD*3 for newly-graduated nurses 	Scholarship information portal 	Web community for nurses and nurse students 	RAD*3 for Judo therapists etc. 
		Workplace assessment tool for nurses 					

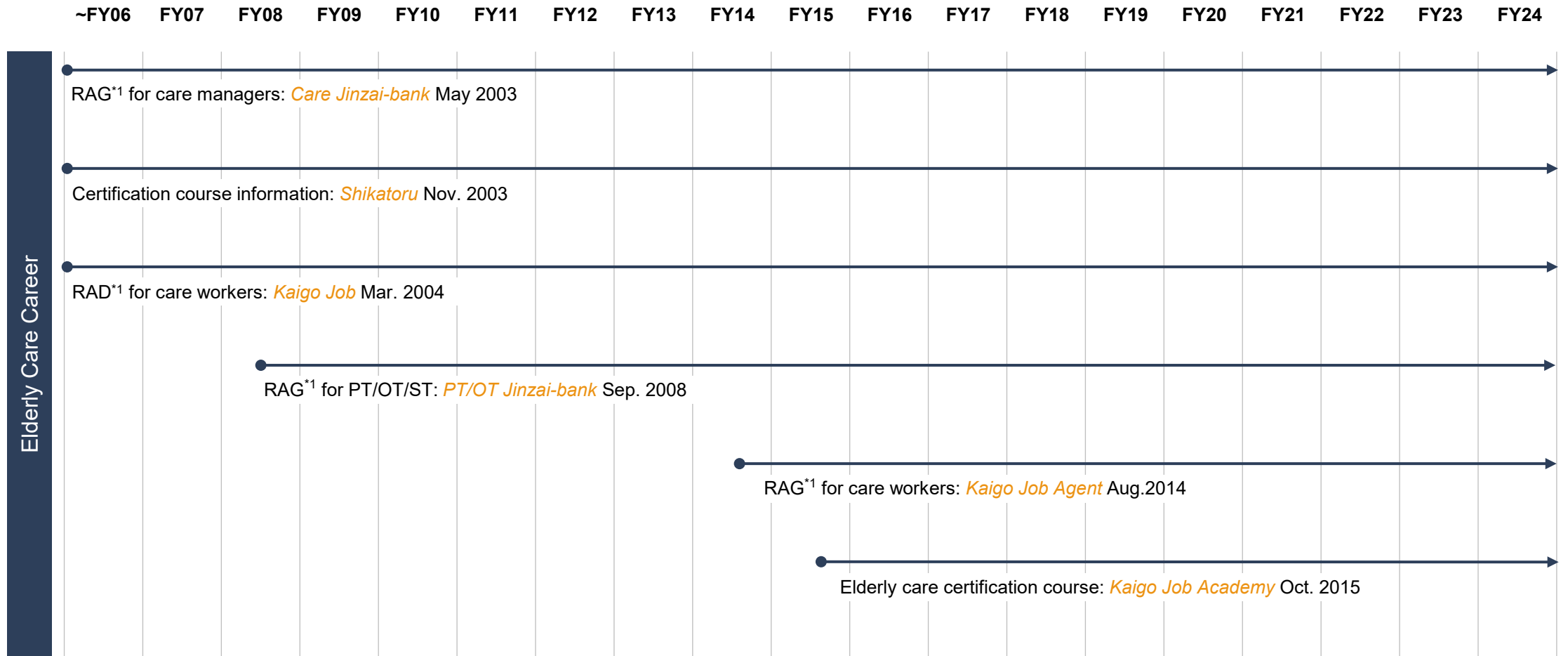
1. As of January 2025  
 2. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).  
 3. RAD: Recruiting ads service RAG: Recruiting agent service

# Business Portfolio\*1 – Elderly/Disability Care Operators, Overseas, New Business

Segment	Services						
Elderly/Disability Care Operators	<p>Management support platform for elderly/disability care operators</p>	<p>Information portal for management of elderly care operators</p>	<p>Research and information on the aging society</p>	<p>RAG*2 for persons with disabilities</p>	<p>Information service on employment support offices for persons with disabilities</p>		
Overseas	<p>Drug information service for healthcare professionals and institutions</p>	<p>Cross-border RAG*2 for healthcare professionals (Malaysia, Philippines, Ireland, UK, Germany, etc.)</p>			<p>Career related service for nurses (South Korea)</p>	<p>Medical ad services (Philippines, Indonesia, Malaysia)</p>	
New Business (Healthcare)	<p>Preventive solution for lifestyle-related diseases</p>	<p>Health guidance solution</p>	<p>Quit-smoking support using ICT</p>	<p>Quit-smoking solution with behavior therapy</p>	<p>Remote industrial health service</p>	<p>Information portal of dementia</p>	<p>Solution for dementia prevention</p>
	<p>Web community for dietitians</p>	<p>Frailty prevention service</p>	<p>Preventive solution for elderly care turnover</p>	<p>Health maintenance/promotion support for women</p>	<p>Information portal of industrial health service</p>	<p>Stress checks specialized for medical care and elderly care industries</p>	<p>Habitual support for dementia prevention</p>
New Business (Senior life)	<p>Web community for people struggling with elderly care</p>	<p>Referral service of home-delivered meals</p>	<p>Referral service of housing for the elderly</p>	<p>Referral service of renovation operators</p>	<p>RAG*2 for construction industry</p>	<p>Referral service of funeral companies</p>	<p>Web community for care managers</p>

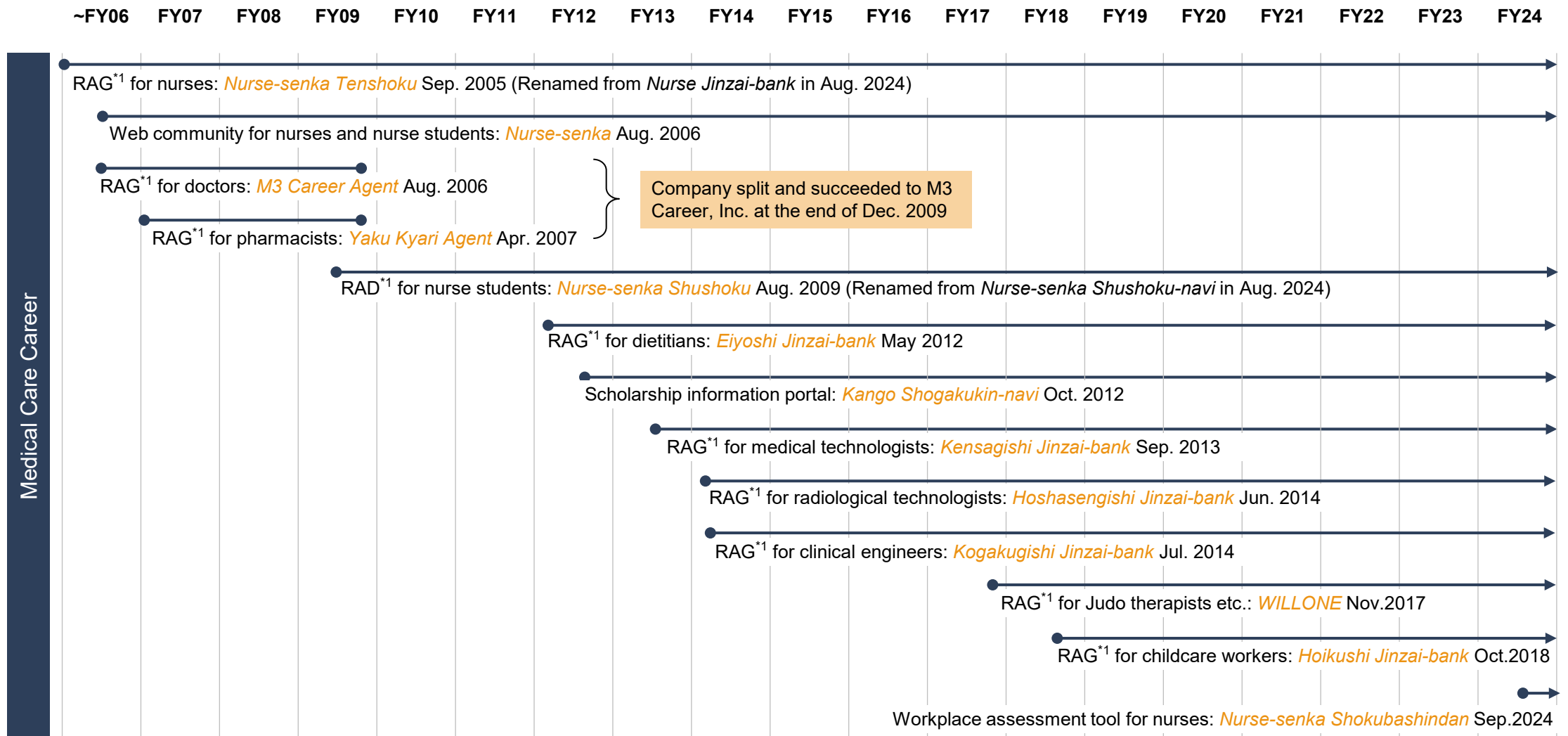
1. As of January 2025  
 2. RAG: Recruiting agent service

# History of Service Launches – Elderly Care Career



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

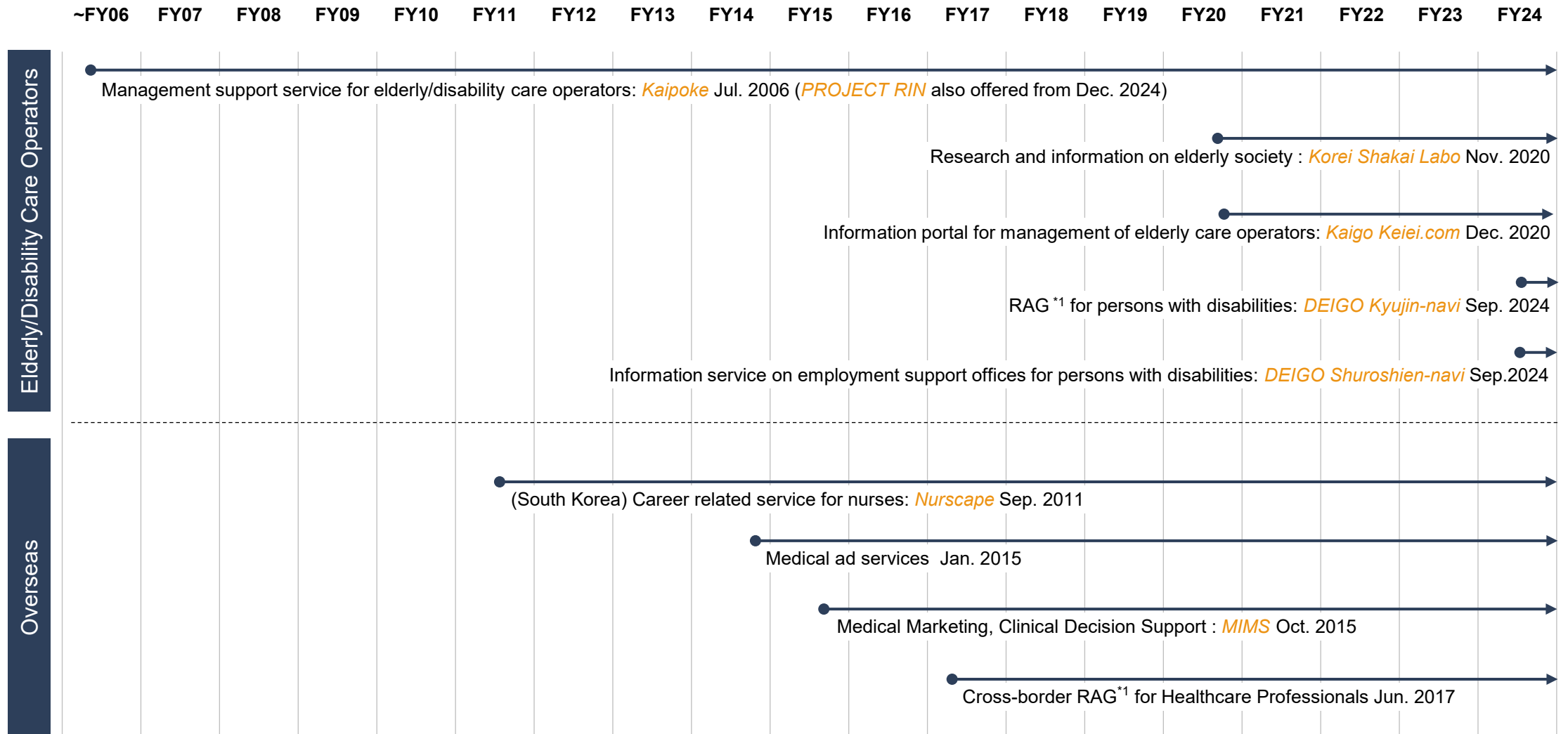
# History of Service Launches – Medical Care Career



Medical Care Career

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

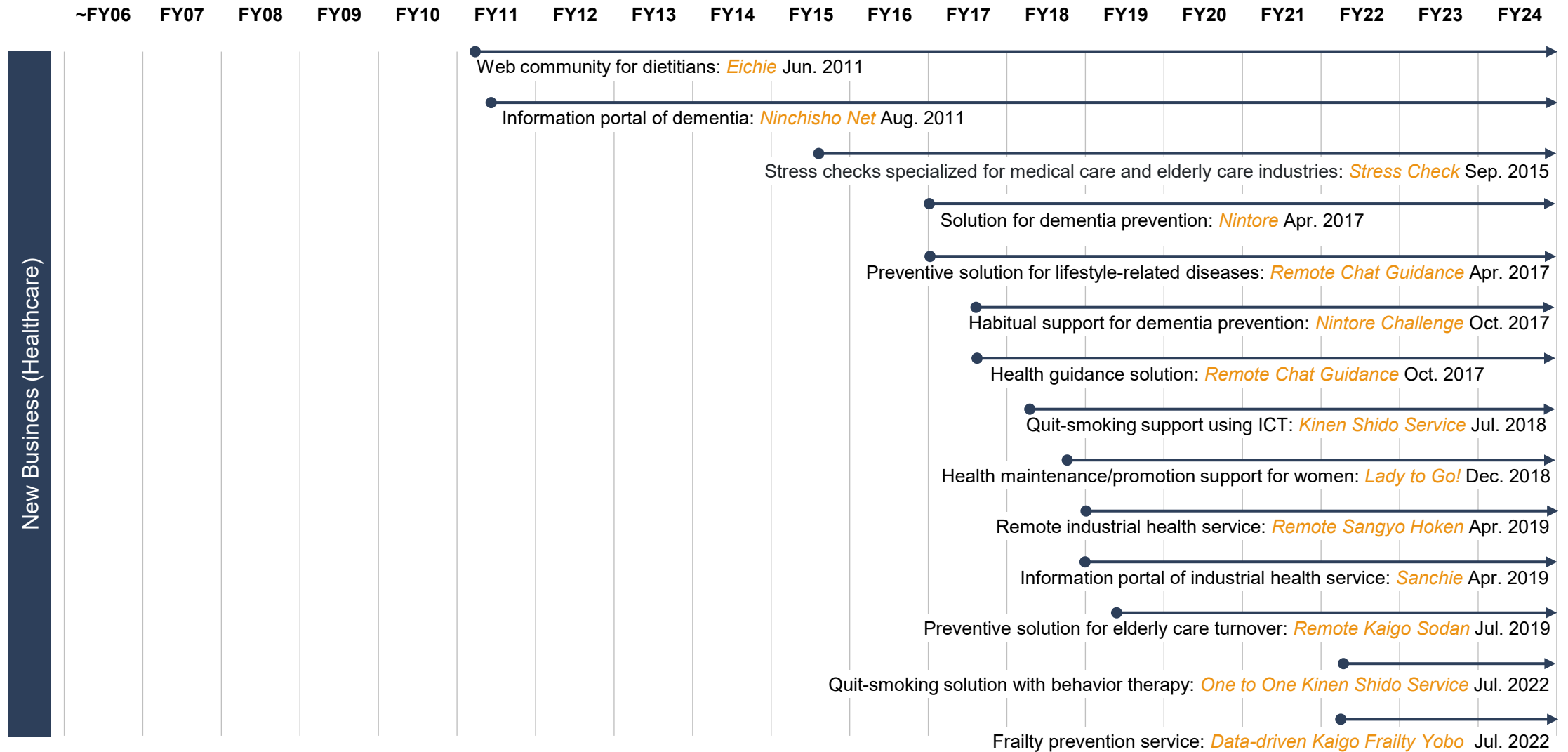
# History of Service Launches – Elderly/Disability Care Operators, Overseas



1. RAG: Recruiting agent service

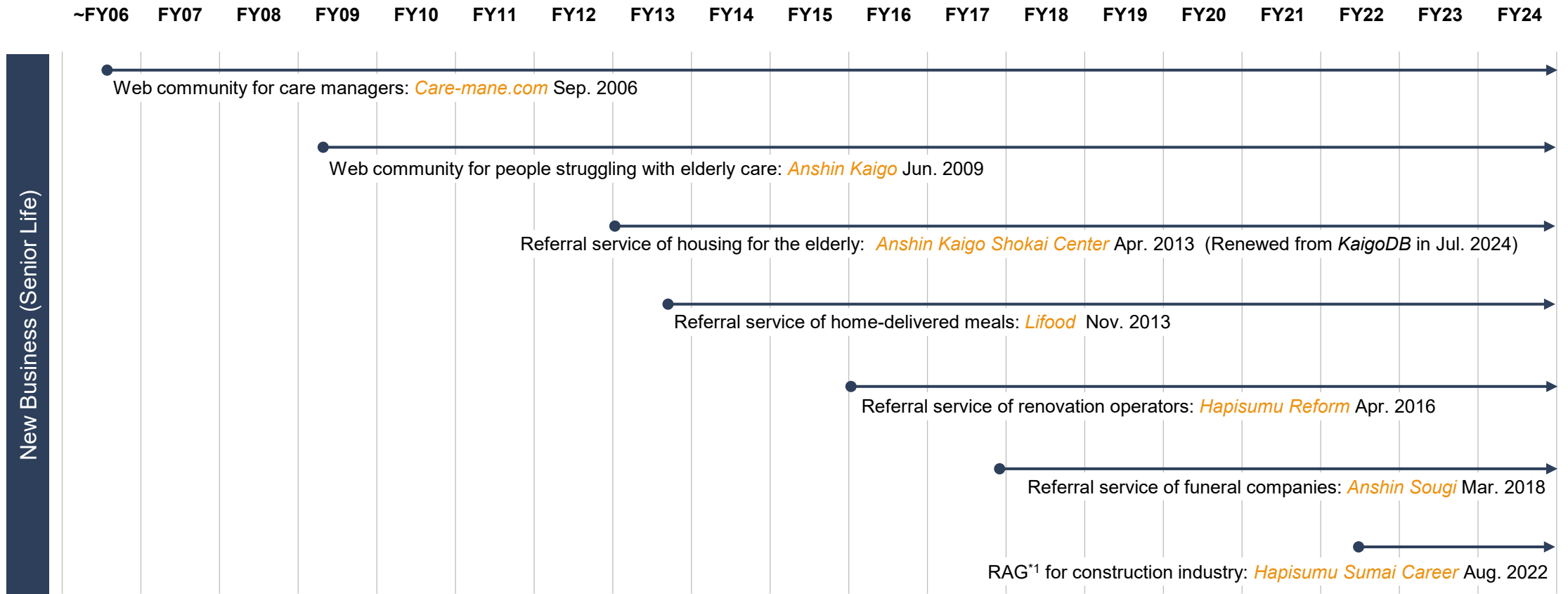


# History of Service Launches – New Business (Healthcare)



New Business (Healthcare)

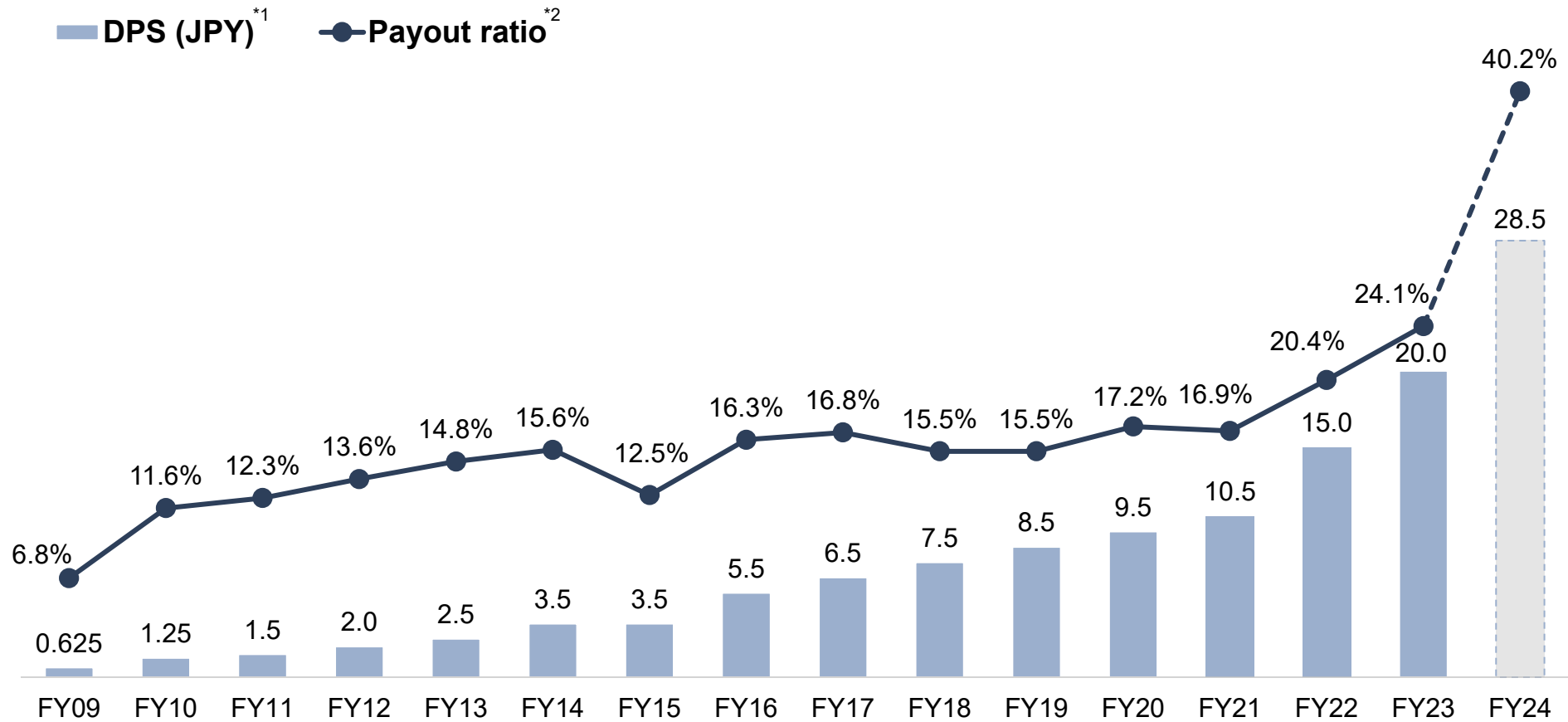
# History of Service Launches – New Business (Senior Life)



New Business (Senior Life)

1. RAG: Recruiting agent service

# Dividends



1. Past stock splits are taken into account for the DPS calculation.  
 2. Payout ratio = DPS / EPS

# Historical Financial Results

(in JPY millions)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
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	38,899	45,667	53,973
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	6,318	7,279	8,269
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	7,726	8,759	9,901
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	5,408	6,406	7,227
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	62.1	73.5	83.0
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	56,585	65,098	72,475
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	26,594	26,677	28,190
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	29,991	38,421	44,284
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	52.4	58.3	60.7
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	20.8	19.0	17.6
DPS*1 (JPY)	-	-	-	-	-	0.625	0.625	1.25	1.5	2.0	2.5	3.5	3.5	5.5	6.5	7.5	8.5	9.5	10.5	15.0	20.0
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	16.9	20.4	24.1
TSR**2 (%)	-	-	-	-	-	-	-	-	-	-	177.1	514.5	1,150.3	1,057.5	682.8	402.3	263.6	317.8	243.5	143.2	132.6

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

# Number of Employees and Shareholder Composition

## Number of Employees

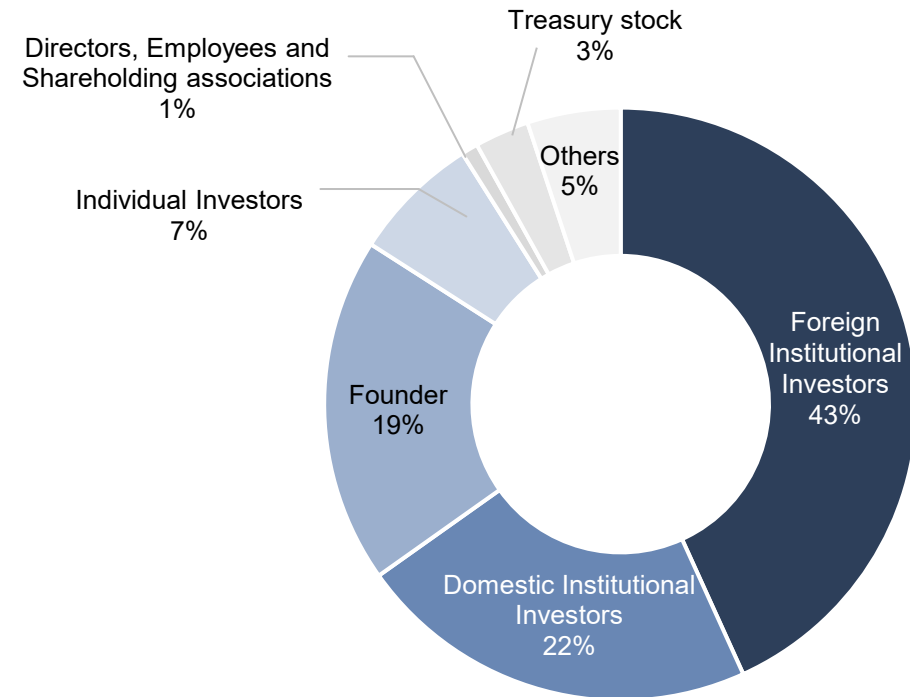
As of December 31, 2024:

Category	# of Employees
Consolidated	4,586
Japan	3,468
Overseas	1,118

## Shareholder Composition\*1

As of September 30, 2024:

Number of shareholders 8,578



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

# Cautionary Statement with Respect to Forward-Looking Statements

---

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 December 31, 2024. 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 medical care, elderly/disability 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, medical care, and elderly/disability 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<sup>\*1</sup>.

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.

For any inquiries on the materials, please contact below:

IR and Research Department

Email: [irinfo@bm-sms.co.jp](mailto:irinfo@bm-sms.co.jp)

Phone: +81-3-6721-2403

1. [https://global.bm-sms.com/ir/management/risk\\_factor/](https://global.bm-sms.com/ir/management/risk_factor/)