



SMS

SMS Co., Ltd. (2175 TSE Prime Market) Earnings Presentation for Investors, 1H FY03/2027

October 29, 2026

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Glossary of Terms and Definitions

Terms	Definitions	Related Segment
RAG (Recruiting Agent service)	A business model in which a third-party recruitment agent acts as an intermediary to match employers with job seekers.	Career
CP (Career Partner)	Agents responsible for matching in RAG.	Career
Productivity	Net sales per CP. Calculated by dividing quarterly net sales of RAG by the average number of CPs during the period.	Career
DR (Direct Recruiting)	A recruiting method where employers directly connect with job seekers via a recruitment platform without human intermediaries, aiming to achieve a match through two-way communication.	Career
Kaipoke	Cloud-based management support software (SaaS) for elderly care and disability welfare service operators.	Elderly/Disability Care Management Support
Kabenashi Cloud	Cloud-based management support software (SaaS) for disability welfare service operators.	Elderly/Disability Care Management Support
ARPA (Average Revenue Per Account)	Calculated as: Quarterly recurring revenue ÷ Number of corporate accounts at the end of the quarter.	Elderly/Disability Care Management Support
ARR (Annual Recurring Revenue)	Calculated as: Monthly Recurring Revenue (MRR) of Kaipoke and Kabenashi Cloud for the last month of each quarter × 12.	Elderly/Disability Care Management Support
EBITDA	Calculated by adding depreciation and amortization of goodwill to operating income.	—
Segment profit	Operating income by segment (before allocation of corporate expenses).	—

Highlights

Company-wide

- Net sales: ¥36.4 billion (+9% YoY), EBITDA: ¥6.7 billion (+3% YoY), Operating income: ¥4.9 billion (+12% YoY)
 - Operating income reached 72% of the full-year plan. In 2H, we will invest for growth in the next fiscal year and beyond, and expect full-year results to land in line with the plan.
- Full-year plan: Net sales ¥71.8 billion (+11% YoY), EBITDA ¥10.4 billion (-9% YoY), Operating income ¥6.8 billion (+0% YoY)

Career

- Net sales: ¥23.2 billion (+7% YoY), EBITDA: ¥6.1 billion (+2% YoY). In RAG, AI-driven improvements in operational efficiency and proposal quality, mainly in nursing, contributed to net sales growth. In childcare, a growth area, the top line expanded steadily, driven mainly by a larger CP headcount. In elderly care, we will prioritize a turnaround and plan to hire fewer CPs in 2H than originally planned.
- In RAG, productivity gains translate directly into net sales and profit growth in our core areas of nursing and elderly care, while in the growth area of childcare, increases in CP headcount translate directly into near-term net sales growth. We will continue to increase headcount while maintaining or improving productivity through AI and other measures.
- In DR, securing job postings is the immediate challenge; we are pursuing an area-dominance strategy focused on specific regions.

Elderly/Disability Care Management Support

- Net sales: ¥7.1 billion (+11% YoY), EBITDA: ¥3.0 billion (+6% YoY). Kaipoke and Kabenashi Cloud performed in line with the plan. In M&A support, deals delayed from Q1 were recorded in Q2. Net sales for the segment as a whole grew steadily.
- Kaipoke: Expanding the value we deliver through enhanced functionality from the transition to Kaipoke Connect and partnerships with other companies on AI features. We see room for growth in revenue per customer through accompanying price revisions and expanded cross-selling.
- Kabenashi Cloud: Aiming to grow memberships by strengthening our sales and marketing structure in the disability welfare field,^{*1} where the market continues to grow.

Overseas

- Net sales: ¥3.8 billion (+12% YoY), EBITDA: a loss of ¥0.0 billion (vs. a loss of ¥0.2 billion in the prior year).
- Sharpening business portfolio focus. Started the process to sell or exit the Medical Platform Business.

1. The number of disability welfare service offices is increasing every year, and the software penetration rate is approximately 50%.

Highlights

Business & Management Topics

- Under the leadership of CEO Takahata and new CFO Sugaya,^{*1} it has become established practice to reflect the capital-market perspective in management decision-making and external disclosure. To enhance corporate value, we have been reviewing our business portfolio and expanding external disclosure, among other measures. The Board of Directors, further strengthened following the Ordinary General Meeting of Shareholders, is monitoring the progress and results of these initiatives.
- Conducted strategy reviews and business evaluations of all businesses.
 1. Career: Positioned childcare and DR as growth areas, nursing as a profit-generating area, and elderly care as a turnaround area.
 2. Elderly/Disability Care Management Support: Investing actively in both Kaipoke and Kabenashi Cloud as growth areas.
 3. Overseas: Decided to sell or exit the Medical Platform Business; the Global Career Business is sharpening its focus.
 4. Others: Decided to sell Remote Chat Guidance and Stress Check in the Healthcare Business. For other businesses, we will select focus areas and decide whether to continue each business based on our business evaluation framework.
- Toward announcing a medium-term management plan built around a company-wide equity story, we are refining each business's growth strategy and reviewing capital allocation, among other efforts. We are also strengthening governance, including by enhancing the CEO evaluation process.
- Ahead of announcing the medium-term management plan, we will further expand opportunities for dialogue with investors and plan to hold business-specific briefings and small-group meetings with Outside Directors.

1. For Sugaya's background, see <https://global.bm-sms.com/ir/management/leadership/>

01 **1H FY03/2027 Consolidated Financial Results**

1H FY03/27 Consolidated Financial Results

- In line with the initial plan, achieved YoY growth in net sales and in profit down to the ordinary income line.
- To sustain growth from the next fiscal year onward, we will continue to invest actively, including in hiring, from Q3 onward, while prioritizing areas based on business conditions. For the full year, we expect profit to land in line with the initial plan.*¹

[¥ million]	1H FY03/26 Actual	1H FY03/27 Actual	YoY Change	Summary
Net Sales	33,475	36,444	+9%	Steady growth, led by Career and Elderly/Disability Care Management Support.
EBITDA	6,532	6,716	+3%	Active hiring to expand RAG in growth areas, advance the area-dominance strategy in DR, and strengthen Kabenashi Cloud sales and marketing.* ²
Operating Income	4,391	4,905	+12%	Boosted by lower amortization following the FY03/26 impairment in the Overseas Business.
Ordinary Income	5,750	6,310	+10%	Grew at a slower rate than operating income, mainly because equity in earnings of affiliates grew more slowly than operating income and interest expense rose with higher interest rates.
Net Income	4,992	4,211	(16%)	Declined, mainly reflecting the absence of the deferred tax benefit recorded in prior-year 1H following the decision to liquidate an overseas regional holding subsidiary, as well as the quarterly timing of overseas tax expenses.

1. The initial FY03/27 full-year plan assumes an EBITDA decline of 9% and operating income roughly in line with the prior year.

2. In RAG, we successfully increased CP headcount while improving productivity (see p.14 for details).

Major Expenses and Operating Income

- The company-wide operating margin improved 0.3pp YoY. Despite investment costs such as higher recruiting expenses, lower amortization following the prior-year impairment in the Overseas Business contributed positively.
- Thanks to higher productivity in RAG in the Career Segment, the personnel expense ratio (to net sales) remained at the prior-year level despite a higher share of new CPs. The advertising expense ratio was also flat.

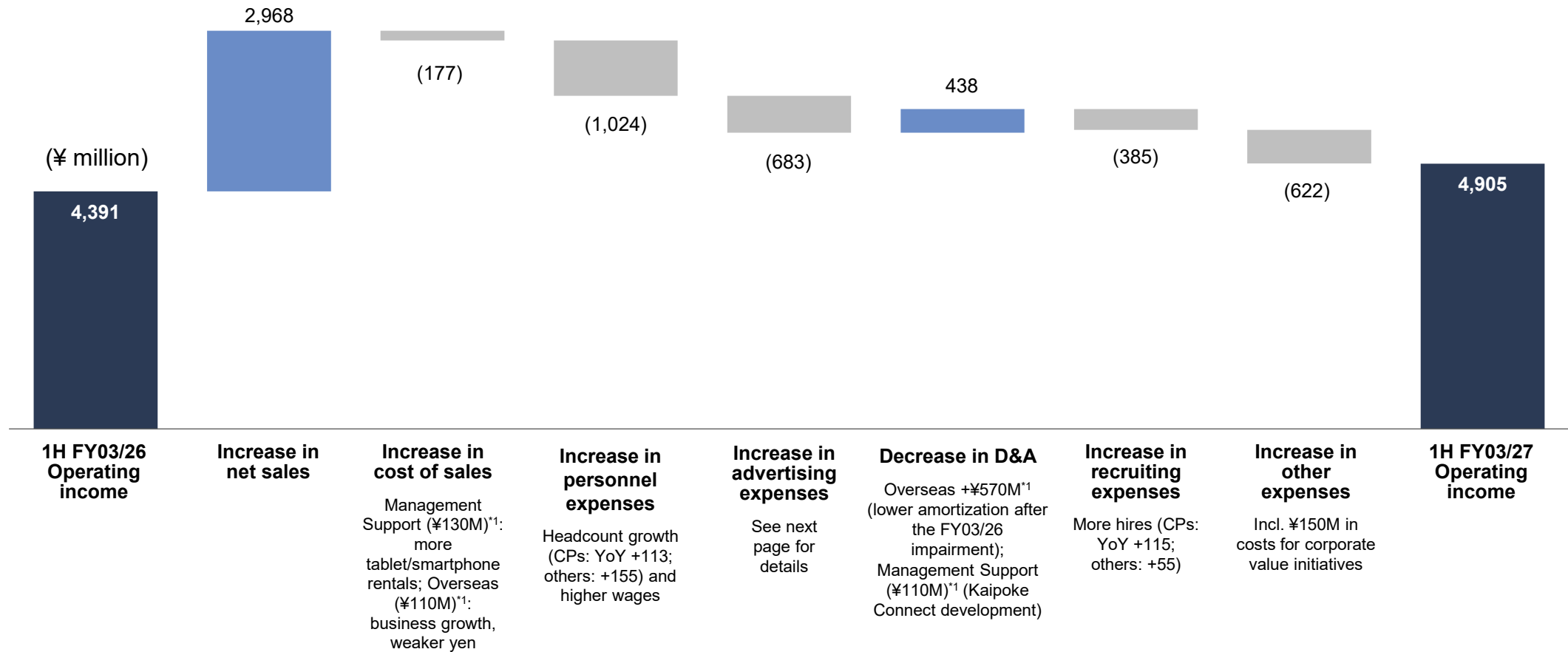
[¥ million]	Actual			% of Net Sales		
	1H FY03/26	1H FY03/27	YoY Change	1H FY03/26	1H FY03/27	Change
Net sales	33,475	36,444	+9%	-	-	-
Cost of sales	3,521	3,699	+5%	10.5%	10.2%	(0.4pp)
SG&A expenses	25,561	27,839	+9%	76.4%	76.4%	+0.0pp
Personnel expenses ^{*1}	11,180	12,204	+9%	33.4%	33.5%	+0.1pp
Advertising expenses	7,058	7,742	+10%	21.1%	21.2%	+0.2pp
Depreciation & amortization ^{*2 *3}	2,140	1,702	(20%)	6.4%	4.7%	(1.7pp)
Recruiting expenses	498	884	+77%	1.5%	2.4%	+0.9pp
Others	4,683	5,305	+13%	14.0%	14.6%	+0.6pp
Operating income	4,391	4,905	+12%	13.1%	13.5%	+0.3pp

1. Total of salaries and allowances, statutory welfare expenses, and provision for bonuses.

2. Total of depreciation and amortization of goodwill.

3. In 1H FY03/27, part of depreciation and amortization in the Overseas segment (¥109 million) is recorded as cost of sales. This amount is not included in "depreciation & amortization" in this table and is instead presented within cost of sales. Meanwhile, in the EBITDA calculations on pp. 4, 7, 23, and 25, this amount is included in depreciation and amortization.

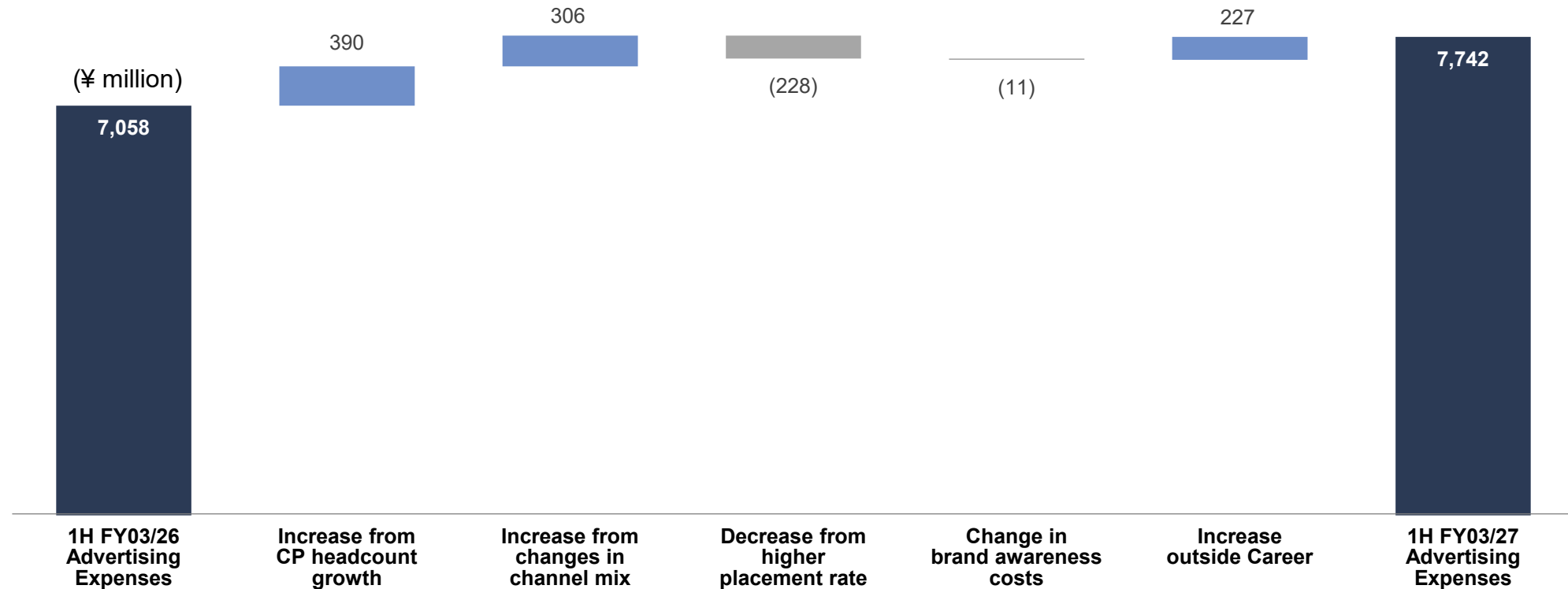
Factors Behind Changes in Operating Income



1. Increases are shown in parentheses and decreases with a plus sign (+).

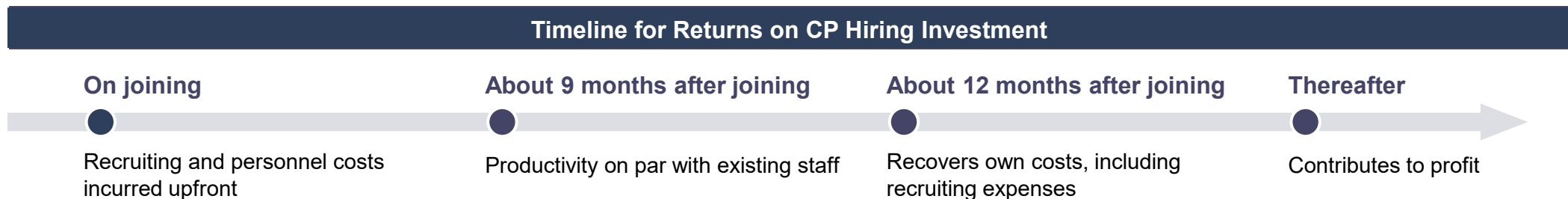
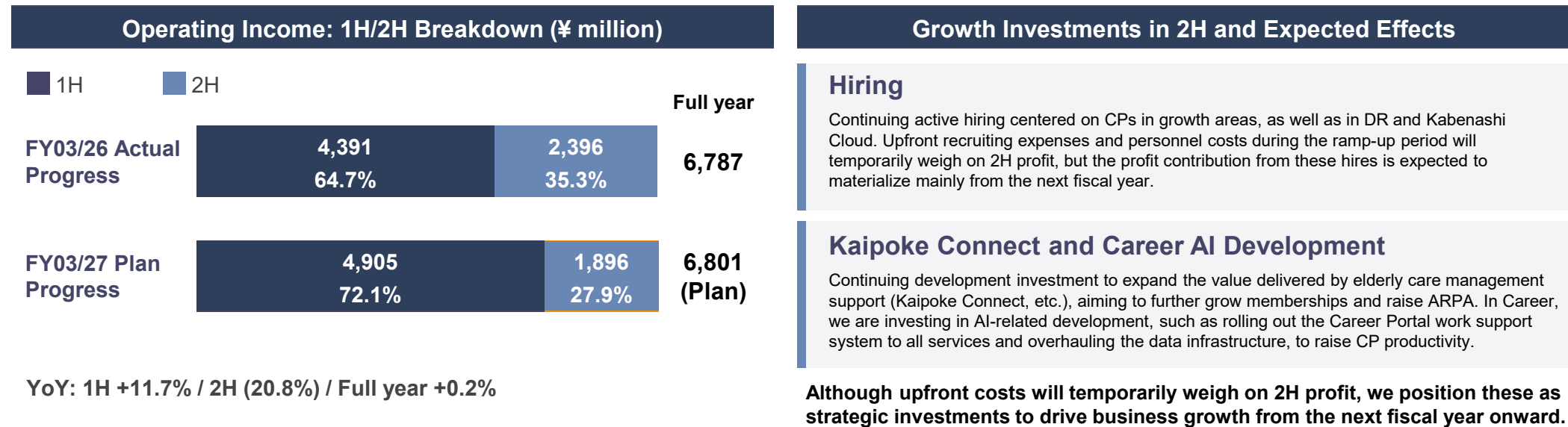
Factors Behind Changes in Advertising Expenses

- To grow RAG net sales, secured a sufficient number of new job-seeker registrations to support the expanded CP team.
- Acquisition cost per job seeker rose as we actively used channels with high placement rates, but improved placement rates enabled us to efficiently contain the total number of job seekers acquired.



2H FY03/27: Profit Plan and Approach to Growth Investment

- Strong 1H profit progress already factors in the growth investments planned for 2H; we expect full-year results to land in line with the initial plan.
- The effects of the upfront investments in 2H (hiring, development, etc.) are expected to materialize as continued business growth from the next fiscal year onward.



1H FY03/27 Career Segment

- Achieved higher net sales and profit in 1H. RAG continued to grow steadily on ongoing improvements to the matching process, while other areas saw a negative impact on net sales from business exits and downsizing.
- In 2H, we will make upfront investments to expand earnings from the next fiscal year onward, such as spreading CP hiring throughout the year^{*1} and strengthening hiring in DR. As a result, profit is expected to decline (the full-year plan assumes an EBITDA decline of 3%).

	[¥ million]	1H FY03/26 Actual	1H FY03/27 Actual	YoY Change	Summary
Net sales		21,693	23,281	+7%	
	RAG	20,272	21,935	+8%	• RAG and DR: see next page • Other areas: negative impact from business exits and downsizing
	DR / Others	1,421	1,346	(5%)	
EBITDA		6,037	6,164	+2%	• Hired 320 CPs in 1H, focusing on areas with strong near-term growth prospects; productivity improved alongside headcount growth • Also strengthened hiring in DR to advance the area-dominance strategy • Profit growth was limited relative to net sales growth due to higher recruiting expenses and other hiring-related costs
<i>EBITDA margin</i>		27.8%	26.5%	(1.4pp)	
Segment profit		5,480	5,566	+2%	
<i>Segment profit margin</i>		25.3%	23.9%	(1.4pp)	

1. CP hiring, which in previous years was concentrated in 1H (particularly Q1), will be spread throughout the year to secure talent, taking into account hiring market conditions and the circumstances of each business

Status and Outlook by Area

- Nursing and childcare grew steadily. In elderly care, we are prioritizing a turnaround of operations and curbing CP hiring in 2H. DR is in an early growth phase, with the number of employers posting jobs, a leading indicator, increasing steadily in focus areas.

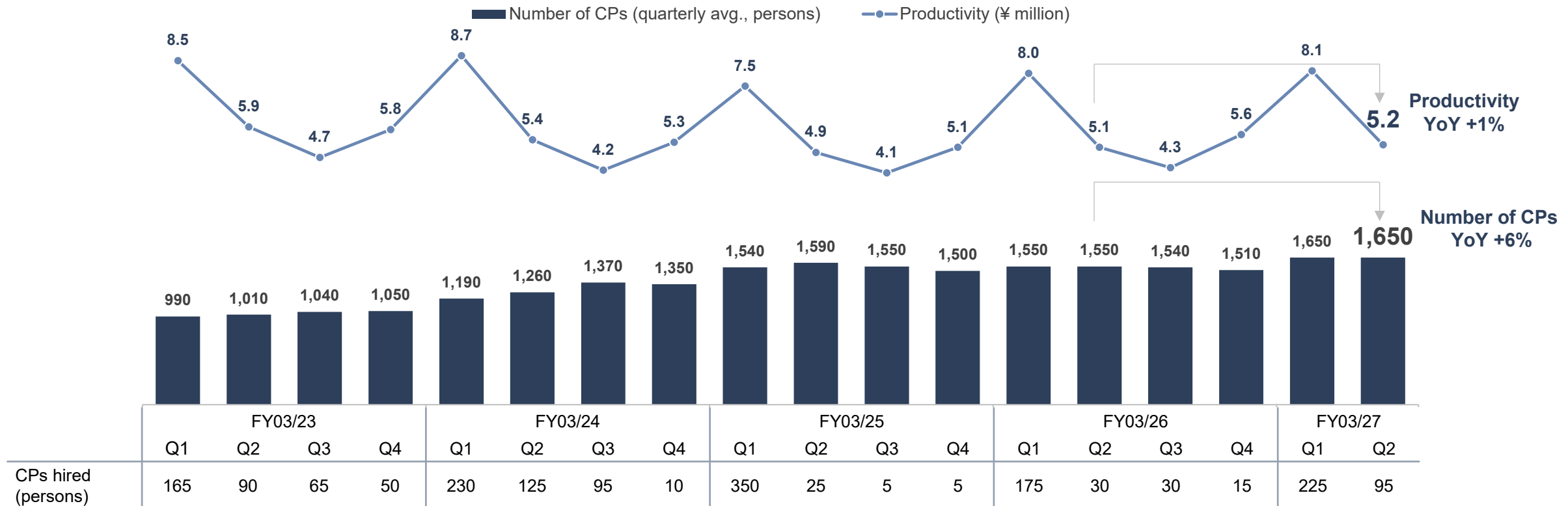
		Area	Current Status (1H FY03/27)	Outlook (2H FY03/27)
RAG		Nursing	 Competition has been milder than expected. Job-seeker acquisition progressed well, and AI improved matching productivity, driving growth in net sales and profit.	 We view nursing as an area where our matching strength can deliver growth quickly and will continue adding CPs. This will temporarily weigh on profit this fiscal year but is intended to drive business growth and margin improvement from the next fiscal year.
		Elderly care	 Job seekers' job-change trends have not changed significantly, but intensifying competition in acquiring leads and scheduling interviews slowed net sales growth. We are rebuilding our structure, including operations.	 To prioritize a recovery in net sales growth, we will curb CP hiring in 2H and focus on rebuilding the process from job-seeker acquisition to placement.
		Childcare	 There is ample room to expand market share, and we can leverage our RAG know-how. High net sales growth continues.	 Growth potential from adding CPs is large, and we expect net sales growth of over 20% YoY. Near-term costs from headcount growth mean the profit contribution will be gradual.
DR		DR	- As part of this early growth phase, we are strengthening the sales structure in focus areas and expanding the number of employers posting jobs, a leading indicator. - Growth in listings is expected to lead to job-seeker acquisition, applications, and placements, gradually feeding through to net sales. - The number of employers posting jobs is increasing as planned,¹ while costs are currently being incurred ahead of revenue during this upfront investment period.	

 Steady / high growth
  Flat / in progress
  Slowing growth / turnaround needed

1. In focus areas, we plan to roughly double the number of employers posting jobs by the end of FY03/27 compared with the end of the previous fiscal year.

KPIs: Quarterly Trends in RAG Productivity and Number of CPs

- Maintained productivity^{*1} above the prior-year level while increasing CP headcount.^{*2}



- Calculated by dividing quarterly net sales of RAG by the average number of CPs during the period.
- To capture strong job-seeker acquisition in nursing and the high growth potential of areas such as childcare, and to accumulate proprietary data (behavioral needs and non-public workplace information) with an eye to future AI use, we are currently prioritizing CP headcount growth. In elderly care, however, we are prioritizing rebuilding operations and will reduce CP hiring in 2H relative to the plan. Going forward, we aim to grow while moderating the pace of headcount increases through further use of technology.

RAG: Building a "People × AI" Hybrid Model

- We are building a "People × AI" hybrid model in which AI handles record-keeping, summarization, and automated job-seeker touchpoints, while CPs focus on high-value conversations and proposals.
- Mechanisms and initiatives proven in nursing are being progressively rolled out to other areas such as childcare and elderly care.

Three Areas of AI Use

① Supporting CP work	Automated summaries of interviews, LINE messages, and calls; drafting of recommendation letters; assessment of job-change intent; AI interview preparation; AI role-play; voice analytics AI	Rolling out
② Automating job-seeker touchpoints with AI	Automated job proposals to job seekers planning to change jobs later; consultation AI (avatar, voice, chat); AI-driven job proposals via LINE	Partly launching in 2H
③ Improving matching accuracy	Structuring proprietary data such as interview records and employer information to improve the accuracy of AI-driven matching	Starting in 2H

Division of Roles Between People and AI

Tasks handled by AI (automating work and touchpoints)

- Automatic recording and summarization of interviews, LINE messages, and calls
- Generating and drafting recommendation letters and messages
- Assessing job-change intent and sending job listings automatically
- Handling initial touchpoints through AI consultation and chat



Tasks CPs focus on (added value)

- Conversations that draw out job seekers' true intentions and circumstances
- Coordinating conditions between job seekers and employers
- Proposals that encourage hesitant job seekers to take the next step

Our Differentiators

1 On-site expertise × AI

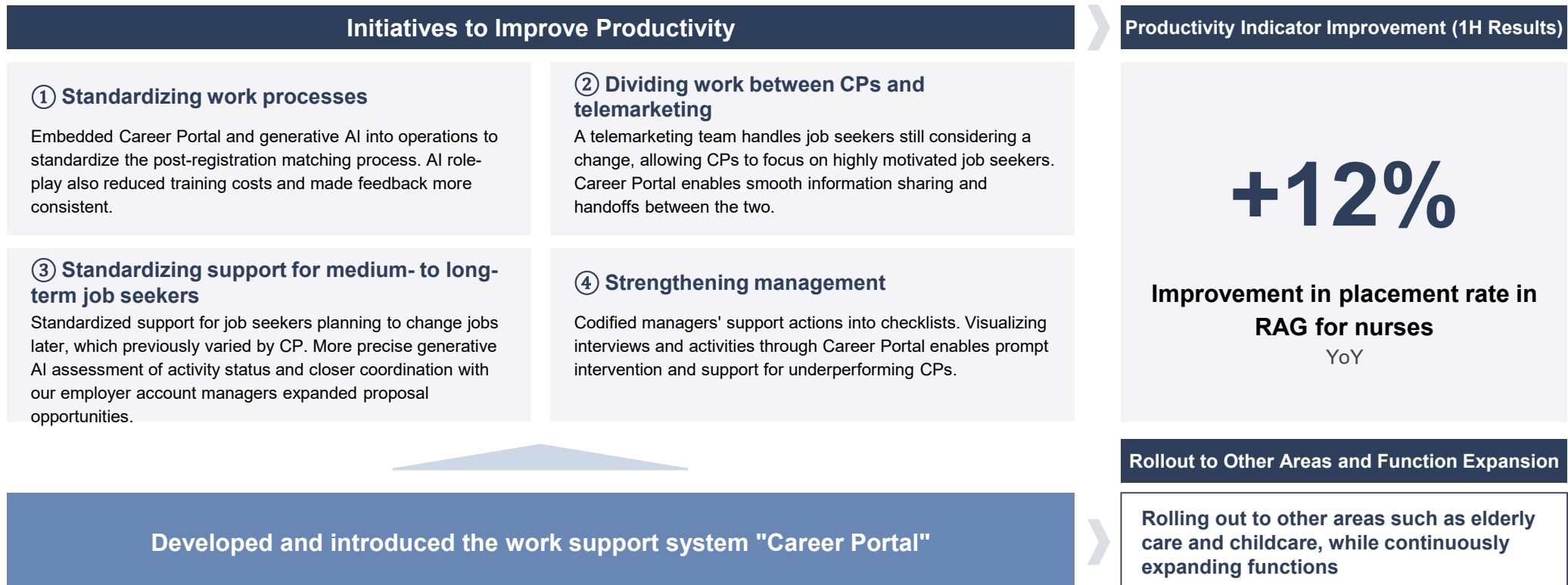
Career Business employs over 200 professionals qualified in medical care, elderly care, or welfare. In nursing, our AI incorporates the "Guide to Nurses' Work Styles by Specialty," developed by employees with nursing experience, to apply specialized frontline expertise to improving proposal quality.

2 Accumulating and using proprietary data not found in job postings

We accumulate job seekers' true intentions, on-site realities (workplace atmosphere and managers' personalities), and placement data across multiple occupations, and aim to improve AI-driven matching accuracy, with a view to linking with Kaipoke's base of service offices.

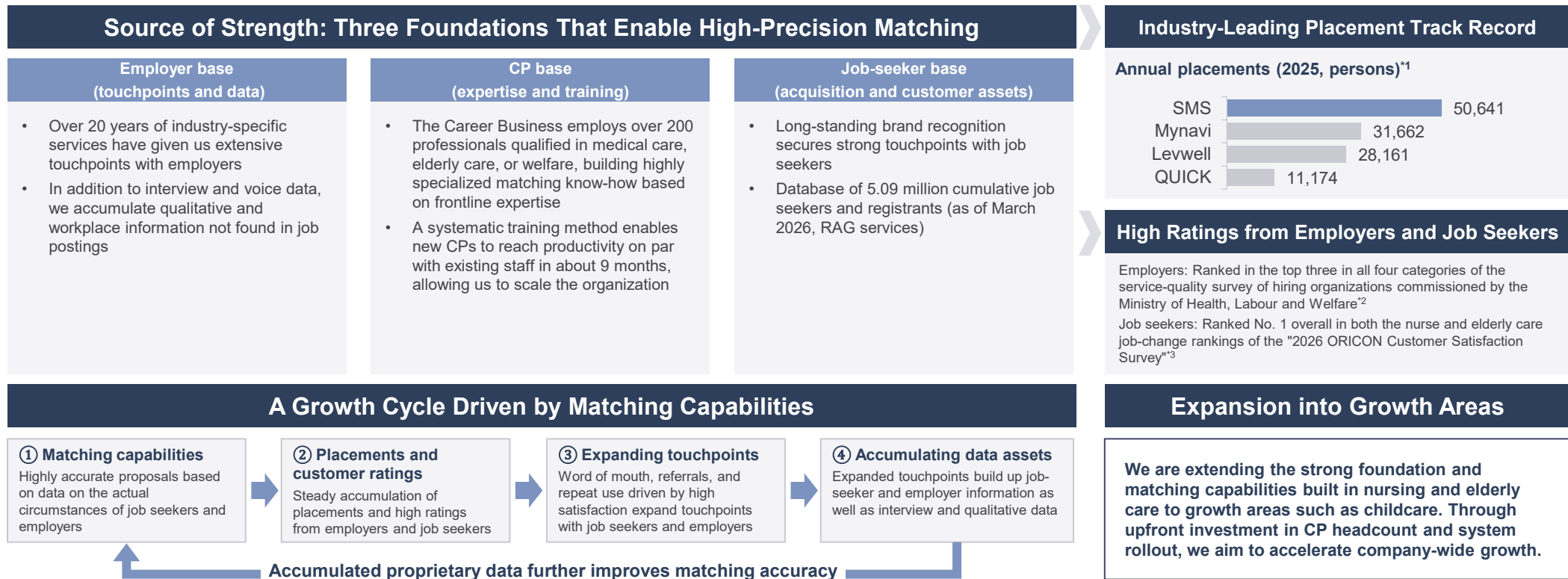
Nursing: Standardized Processes and AI Lift CP Productivity

- Using AI, we have systematized and embedded standardized work processes, division of labor, and stronger management practices.
- Driving a series of operational improvements built on our work support system, "Career Portal."
- We are rolling it out to other areas such as elderly care and childcare while continuously expanding its functions.



RAG: Competitive Advantages and Growth Model

- As an industry pioneer, we have accumulated CP expertise and training capabilities, customer touchpoints, and data assets. Our advanced matching capabilities have delivered an industry-leading track record of placements and high customer satisfaction.
- We will extend these strengths to growth areas such as childcare to drive further growth.



1. MHLW, "Comprehensive Human Resource Services Website." Number of placements into indefinite-term employment; total of all offices of each company. Mynavi includes occupations other than medical, elderly care, and childcare.
2. A project commissioned by the Ministry of Health, Labour and Welfare: "Survey on the Service Quality of Certified Appropriate Fee-Charging Employment Placement Providers in the Medical, Elderly Care, and Childcare Fields." A satisfaction survey of hiring organizations (2025: trial disclosure).
3. 2026 ORICON Customer Satisfaction Survey "Nurse Job Change" / "Elderly Care Job Change" 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.

1H FY03/27 Elderly/Disability Care Management Support Segment

- Net sales grew as planned, driven by increases in memberships of Kaipoke and Kabenashi Cloud and the expanded use of paid optional services.
- Profit growth was modest, as initially planned, due to investment in strengthening the sales and marketing capabilities and higher amortization from Kaipoke Connect development.

	1H FY03/26 Actual	1H FY03/27 Actual	YoY Change	Summary
Net sales	6,494	7,193	+11%	• Grew steadily on membership growth and higher revenue per customer driven by expanded use of paid optional services
EBITDA	2,850	3,028	+6%	• Secured EBITDA growth of 6% while strengthening the Kabenashi Cloud sales structure and marketing (investment in hiring, advertising, etc.)
<i>EBITDA margin</i>	43.9%	42.1%	<i>(1.8pp)</i>	
Segment profit	2,194	2,266	+3%	• Amortization increased by approximately ¥0.1 billion due to Kaipoke Connect development. The amortization burden is expected to continue for some time.
<i>Segment profit margin</i>	33.8%	31.5%	<i>(2.3pp)</i>	

Status and Outlook by Service

- Our core SaaS products (Kaipoke and Kabenashi Cloud) expanded as planned, and net sales in the Elderly/Disability Care Management Support Segment grew steadily.

Service	Current Status (1H FY03/27)	Outlook (2H FY03/27)
Kaipoke	 New member acquisition slowed as the pace of new elderly care office openings eased. Growth remained solid, supported by the expanding member base of the core service and cross-selling of paid options.	 Continuing development investment in "Kaipoke Connect." We will continue to steadily build memberships and promote cross-selling of paid options.
Kabenashi Cloud	 Maintained a high level of member acquisition in the disability welfare field, which has ample room for market growth. Strengthening the sales and marketing structure to accelerate acquisition.	 Strengthening sales and marketing to the many untapped operators to accelerate new member acquisition. Continuing to invest in building out our structure.
M&A support	 Deals that slipped from Q1 were recorded in Q2; however, 1H net sales remained slightly below the prior-year level.	 Demand for business succession remains solid, and leading indicators for deal origination are firm. However, quarterly results are expected to keep fluctuating depending on the timing of deal closings.



Steady / high growth



Flat / in progress



Slowing growth / turnaround needed

KPI Summary

Service offices^{*1}

63,900

(YoY +10%)

Corporate accounts

28,300

(YoY +9%)

ARPA^{*2}

¥123_K

(YoY +4%)

ARR^{*3}

¥14.0

billion

(YoY +14%)

Churn rate^{*4}

<0.6%

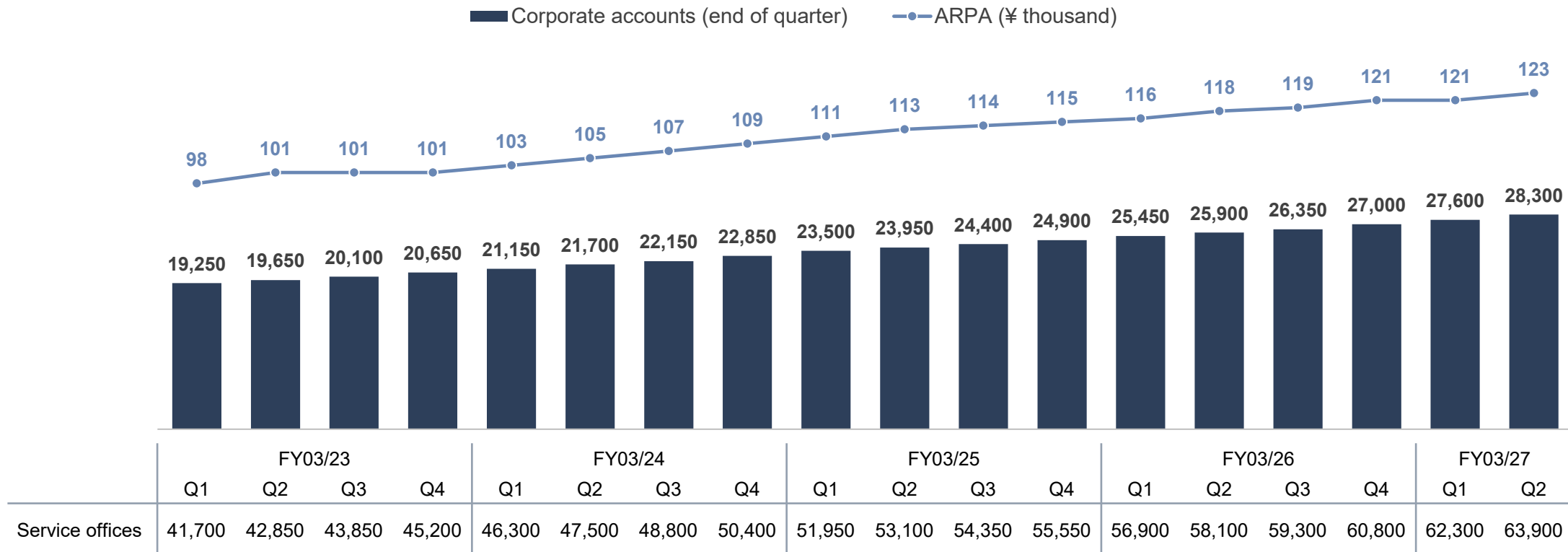
Recurring revenue ratio

Over 90%

1. Number of service offices: each type of elderly care or disability welfare service provided is counted as one office.
2. Calculated as: Quarterly recurring revenue ÷ Number of corporate accounts at the end of the quarter.
3. Calculated as: Monthly Recurring Revenue (MRR) of Kaipoke and Kabenashi Cloud for the last month of each quarter × 12.
4. Membership-based monthly churn rate. About half of churn is due to service office closures.

KPIs: Quarterly Trends in Accounts, ARPA, and Service Offices

- The number of corporate accounts rose 9% YoY, and ARPA*¹ rose 4% YoY, both growing steadily.
- The number of service offices*² rose 10% YoY.

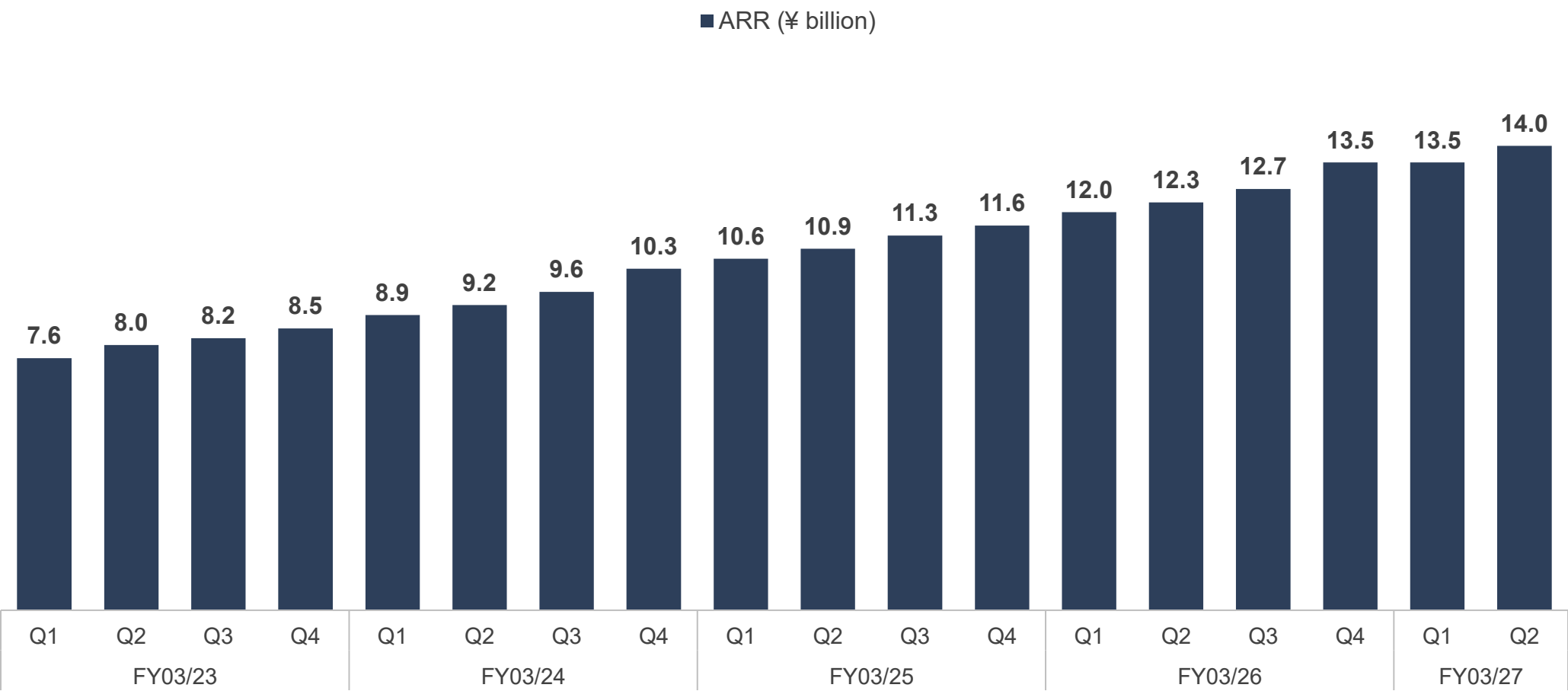


1. Calculated as: Quarterly recurring revenue ÷ Number of corporate accounts at the end of the quarter.

2. Number of service offices: each type of elderly care or disability welfare service provided is counted as one office.

KPIs: Quarterly Trends in ARR

- ARR*1 grew 14% YoY, to ¥14.0 billion.



1. Calculated as: Monthly Recurring Revenue (MRR) of Kaipoke and Kabenashi Cloud for the last month of each quarter × 12.

1H^{*1} FY03/27 Overseas Segment

- While the Medical Platform Business continued to be affected by reduced marketing budgets at some clients, and the Global Career Business by the deteriorating situation in the Middle East, the Segment grew year over year.
- Started the process to sell or exit the Medical Platform Business.^{*2}
- We are sharpening the focus of the Global Career Business country by country.^{*3}

	1H FY03/26 Actual	1H FY03/27 Actual	YoY Change	Summary
[¥ million]				
Net sales	3,418	3,832	+12%	• Both businesses grew despite external headwinds
EBITDA	(255)	(35)	-	• EBITDA loss narrowed in 1H, driven by earnings improvement measures.
<i>EBITDA margin</i>	(7.5%)	<i>(0.9%)</i>	+6.6pp	
Segment profit	(956)	(285)	-	• Amortization decreased following the FY03/26 impairment of intangible assets
<i>Segment profit margin</i>	(28.0%)	<i>(7.4%)</i>	+20.6pp	

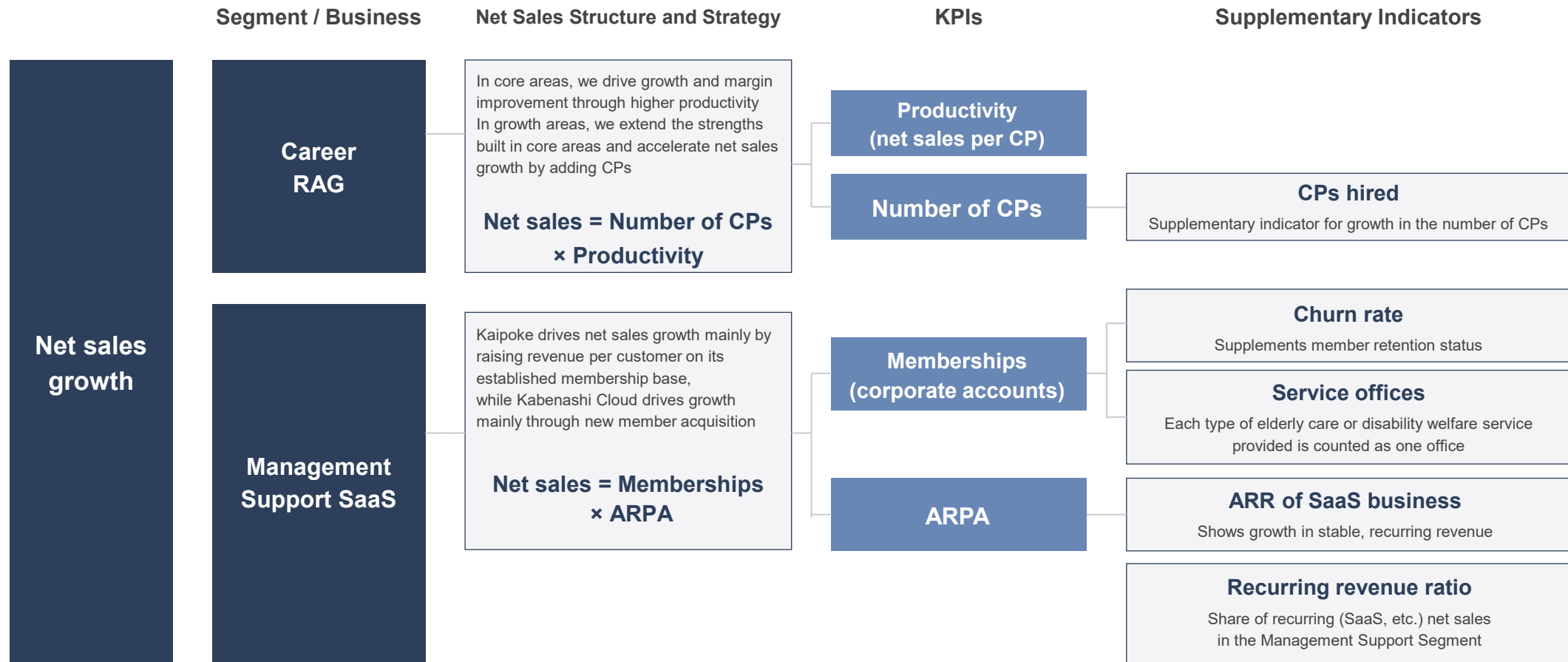
1. Because the MIMS Group is consolidated with a three-month lag, its January–June results are reflected in the 1H consolidated results (please refer to p.85).

2. See p.31 for details.

3. See p.32 for details.

Relationship Between Net Sales and KPIs for Key Businesses

- The KPIs driving net sales are "Number of CPs × CP productivity" for RAG in the Career Segment and "Memberships × ARPA" for SaaS in the Elderly/Disability Care Management Support Segment.



Reference: Segment Information

[¥ million]	1H FY03/26 Actual	1H FY03/27 Actual	YoY Change
Net sales	33,475	36,444	+9%
Career	21,693	23,281	+7%
Elderly/Disability Care Management Support	6,494	7,193	+11%
Overseas	3,418	3,832	+12%
Others	1,869	2,137	+14%
EBITDA	6,532	6,716	+3%
Career	6,037	6,164	+2%
Elderly/Disability Care Management Support	2,850	3,028	+6%
Overseas	(255)	(35)	-
Others	(36)	(11)	-
Adjustments	(2,061)	(2,429)	-
Segment profit	4,391	4,905	+12%
Career	5,480	5,566	+2%
Elderly/Disability Care Management Support	2,194	2,266	+3%
Overseas	(956)	(285)	-
Others	(123)	(93)	-
Adjustments	(2,203)	(2,549)	-

02 **Business & Management Topics**

Shift to Management with a Strong Capital-Market Perspective

- Since Takahata became CEO in January 2026, a framework for reflecting the capital-market perspective in management decisions and external disclosure has taken root. To enhance corporate value, we have been advancing our portfolio review and expanding disclosure.
- With the appointment of Sugaya*¹ as the new CFO, we reorganized the corporate departments, which the CEO previously oversaw, establishing a structure that allows the CEO to focus on company-wide management and business growth.
- We are also continuously considering the optimal executive structure, including recruiting and appointing new CXOs.

Key Feedback from Investors (Selected)	Specific Actions Since Takahata Took Office
• Business portfolio management and the growth strategy lack visibility.	• Rebuilt management rules for each business stage, also drawing on insights from external strategy consultants. Conducted strategy and evaluation reviews of all businesses.
• The Company should quickly decide whether to exit the Overseas Business, which continues to fail to earn its cost of capital.	• Started the process to sell or exit the Medical Platform Business, having determined that we are not its best owner.
• There is no clear "third pillar" beyond Career and Management Support.	• Set up monthly meetings dedicated to business development, advancing strategy formulation and M&A consideration for new areas. • New businesses such as RAG for foreign care workers have been developed and launched.
• Disclosure is thin overall, making it difficult to assess business value.	• Began segment disclosure, and now disclose the number of CPs, number of CPs hired, and productivity for Career, and memberships, ARPA, churn rate, and ARR, among others, for Management Support. We will consider further enhancing disclosure.
• AI initiatives lack visibility, and external communication about them is insufficient. • The Company should consider building an organization, such as by appointing a CAIO, to drive company-wide AI use.	• Incorporating the expertise of Outside Directors and technical advisors to closely assess opportunities for AI use and establish best practices for disclosure. • Examining specific AI measures, organizational structure, and how to measure their effects. Also continuing to consider how best to disclose these efforts.

1. For Sugaya's background, see <https://global.bm-sms.com/ir/management/leadership/>

Strengthening Board Oversight with Expert Outside Directors

- At the Ordinary General Meeting of Shareholders, Outside Directors with extensive knowledge of listed-company management, SaaS, data utilization, and capital markets were elected to the Board. Their advanced expertise is reflected in Board discussions, strengthening the effectiveness of management monitoring.
- We are also reviewing the "Corporate Value Creation Roadmap" and monitoring progress in formulating the medium-term management plan, while strengthening governance through measures such as enhancing the CEO evaluation process.*1

Outside Directors' Backgrounds, Skills, and Experience

	Nobuko Takagi	Tetsuro Harada (New)	Aiko Ota (New)	Makoto Yasuda (New)	Takeshi Kawasaki (New)
Position	Outside Director (Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)	Outside Director	Outside Director
Recent Key Positions	• CEO, COEING AND COMPANY Co., Ltd. • Outside Director, USS Co., Ltd. • Outside Director (Audit & Supervisory Committee Member), SMS Co., Ltd. • Audit & Supervisory Board Member (External), KOSÉ Holdings Corporation	• Representative Director and CEO, Dream Incubator Inc. • Director and Chairman of the Board (Audit & Supervisory Committee Member), Dream Incubator Inc. • Outside Director, Mandom Corporation • Outside Director, Wacoal Holdings Corp.	• Freshfields Bruckhaus Deringer • Nozomi Sogo Attorneys at Law • Seconded to Rajah & Tann Singapore LLP • Partner, Nozomi Sogo Attorneys at Law	• Director, BrainPad Inc. • Representative Director, Seedim Inc. • Nealle Inc.	• Regional Economy Vitalization Corporation of Japan • Senior Executive Officer, LIFENET INSURANCE COMPANY • Director, Executive Vice President and CFO, LIFENET INSURANCE COMPANY
Key Skills & Experience	• Experience as a CPA, in M&A advisory, and in strategy formulation at an operating company • Extensive experience as an outside officer of listed companies	• Extensive experience as a listed-company executive and outside director • Deep knowledge of business portfolio strategy and of strengthening dialogue with capital markets	• Extensive experience in international corporate law • Practical experience in Singapore, home to the main base of our Overseas Business	• As a founding member of BrainPad, led its data analytics business centered on statistical analysis and machine learning, as well as its SaaS product division	• Practical experience and deep insight into capital policy and dialogue with capital markets as a listed-company executive

1. The Nomination and Remuneration Advisory Committee, the majority of whose members are Outside Directors, will evaluate the CEO on an ongoing basis, including at appointment and reappointment, against three criteria: strategy formulation, achievement of financial targets, and succession planning. We also plan to expand the dismissal criteria.

Strategy and Business Evaluation Review of All Businesses

- We conducted strategy reviews and business evaluations of all businesses, including our core Career and Management Support businesses, with the support of external strategy consultants.
- Going forward, we will refine the actions for each business and concentrate capital allocation on areas with high investment priority.

Segment	Summary of Analysis and Future Policy
Career	• Medical (nurses, etc.): We will improve customer-acquisition efficiency through CRM^{*1} and raise CP productivity through AI, establishing this area as a profit generator. • Elderly care: Growth has slowed as competition in acquiring leads and scheduling interviews has intensified since Q2 FY03/27. We are driving a turnaround by shifting to digital operations to raise interview-setting rates and curbing CP hiring, among other measures. We will expand RAG for disability welfare workers, leveraging market growth. • Childcare: High growth continues, driven by market share gains. We will invest actively, including in adding CPs, to drive further expansion. • DR: As an area to be strengthened over the medium to long term, we are refining the business strategy.
Management Support	• Kaipoke: Our stable revenue base. Drive further growth by raising customer value and ARPA through the migration to Kaipoke Connect, and by expanding the TAM^{*2} through M&A and new business development. • Kabenashi Cloud: Our next growth driver. Accelerate customer acquisition by leveraging the know-how built through Kaipoke.
Overseas	• Medical Platform: Determined that we are not the best owner and decided to sell or exit. • Global Career: Revising strategy and capital allocation to rebuild value; exiting unprofitable markets and concentrating on markets with growth potential.
Others	• In both the Healthcare and Senior Life Businesses, we are identifying focus areas and reviewing businesses based on our business evaluation framework.

1. Customer Relationship Management. An acquisition channel that leads registered job seekers to start or resume job searching through ongoing outreach by phone and messages.

2. Total Addressable Market: The maximum market size that a particular business could potentially capture.

Decision to Sell or Exit 12 Businesses to Enhance Corporate Value

- Previously, we had continued to operate some businesses whose profitability was not improving, considering their medium- to long-term growth potential. We have since conducted rigorous evaluations of profitability and growth based on a business evaluation framework newly established in Q2.*¹
- Decided to sell or exit 12 businesses, including the Medical Platform Business in the Overseas Segment, by the Q2 earnings announcement.
- We plan to disclose additional businesses as further exit decisions are finalized.

Businesses Slated for Sale or Exit (Selected; segment names in parentheses)

- Medical Platform (Overseas)
- Global Career in China (Overseas)
- Health guidance solution: "Remote Chat Guidance" (Others)
- Stress checks specialized for medical care and elderly care industries: "Stress Check" (Others)
- Solution for balancing work with family care: "Anshin Kaigo for biz" (Others)
- Scholarship information for high school and nursing students: "Kango Shogakukin-navi" (Career)
- DR for Judo therapists etc.: "JOB NOTE" (Career)
- Survey, planning, and prevention services for local governments: "Data-driven Kaigo Frailty Yobo" (Others)

etc.

1. In addition to P/L-based profit, we have added evaluation criteria focused on capital efficiency, such as the cost of capital and EP (economic profit), and we monitor businesses from multiple perspectives, including the best-owner principle.

Moving to Sell or Exit the Medical Platform Business

- **The Medical Platform Business, the MIMS Group's core business, holds strong assets such as a drug database with strong brand recognition in APAC and a physician network. We concluded that maximizing its value under a partner with superior product development capabilities and financial strength would be the best option.**
- **We also concluded that concentrating resources on the Career and Management Support businesses, which generate high returns on capital, will enhance corporate value. Accordingly, we have begun the process to sell or exit the business.**

1 MIMS Acquisition and Developments to Date

- In 2015, with an eye on long-term growth, we acquired the MIMS Group, which operates a platform for healthcare professionals centered on Southeast Asia.
- After the acquisition, given company-wide priorities, we were unable to allocate sufficient resources to enhancing the value of this business.
- In FY03/26, we recorded impairment losses on goodwill, trademark rights, and other assets following a revision of the overseas business plan. We also began a fundamental overhaul of our overseas strategy.

2 Going Forward

- Started the process to sell or exit the Medical Platform Business.
- The specific amount and timing of any sale will be disclosed promptly once finalized.*¹
- Group-wide, we will also continue exploring a third pillar beyond Career and Elderly/Disability Care Management Support.

1. A carve-out is currently underway, and the impact on financial results is under assessment.

Global Career Business: Refocusing by Country

- While we confirmed structural demand for the Global Career Business, we determined that its value needs to be rebuilt by revising its strategy and capital allocation. We will exit unprofitable markets such as China and concentrate on countries and regions with high growth potential.
- We will evaluate measures such as strengthening RAG for the U.S. market, while assessing the effectiveness of collaboration with our newly launched RAG business for foreign care workers in Japan.
- We will assess the impact of each initiative and closely examine its validity as an investment area based on our business evaluation framework before deciding on its future direction.

1 Current Situation

- Growth has been sluggish in recent years, as the prolonged impact of the situation in the Middle East has led job seekers to keep postponing their departure.
- We engaged external experts to conduct a business evaluation, which reconfirmed that, as in Japan, there is a structural supply-demand gap for healthcare professionals overseas and that the market is large, with significant growth potential.
- However, considering differences in growth and profitability by country and region, we are exiting unprofitable markets such as China.

2 Going Forward

- We will evaluate the potential for expanding RAG for the U.S. market to mitigate the geopolitical risk arising from our dependence on a specific region (the Middle East).
- In parallel, we will pursue synergies with our RAG business for foreign care workers in Japan.
- We will assess the effectiveness of these measures under our business evaluation framework, and consider additional investment only if the criteria are met; otherwise, we will decide on next steps, including a sale or exit.

Upcoming Deliberations and Actions to Enhance Corporate Value

- We will swiftly advance measures to enhance corporate value—such as reviewing the business portfolio and growth strategy and strengthening governance—and build them into an equity story together with the medium-term management plan.
- Ahead of announcing the medium-term management plan, we also plan to hold business-specific briefings and small-group meetings with Outside Directors.

Business Portfolio	Sharpen portfolio focus and promote disciplined capital allocation • Expedite the wind-down of businesses slated for sale or exit, and reallocate resources to growth areas • Clarify investment discipline for M&A and equity investments, and establish an end-to-end process covering decision-making, execution, and monitoring • Drive autonomous business portfolio management based on the newly established business evaluation criteria
Growth Strategy	Raise Career's profitability and expand the scale of Management Support, charting a path to sustainable growth • Career: Improve RAG productivity; establish a growth model and improve customer-acquisition efficiency in DR • Management Support: Scale up the business through value-based price revisions and expansion into the disability welfare field • Develop concrete AI initiatives and formulate an integrated growth strategy spanning Career and Management Support • Explore candidates for a third pillar beyond these two businesses
Management Structure & Governance	Refine the management structure and governance in terms of both execution and oversight • Consider both external hiring and internal promotion for CXO roles such as the CAIO • Led by the Nomination and Remuneration Advisory Committee, enhance the processes for appointing and dismissing the CEO and directors to improve governance effectiveness • Review the Board structure flexibly in response to changes in the business environment
IR & Capital Markets	Build a story for enhancing corporate value, grounded in dialogue with capital markets • Design the optimal capital structure and capital allocation, and build a company-wide equity story for the medium-term management plan • Expand dialogue with investors, including business-specific briefings and small-group meetings with Outside Directors

03 **References**

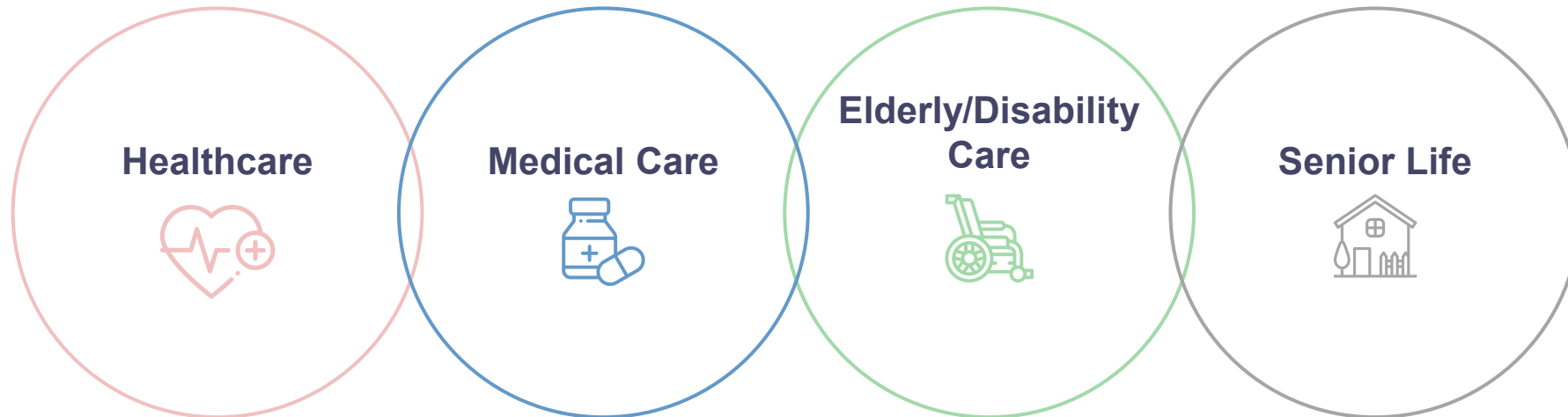
Mission and Business Overview

Group Mission

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

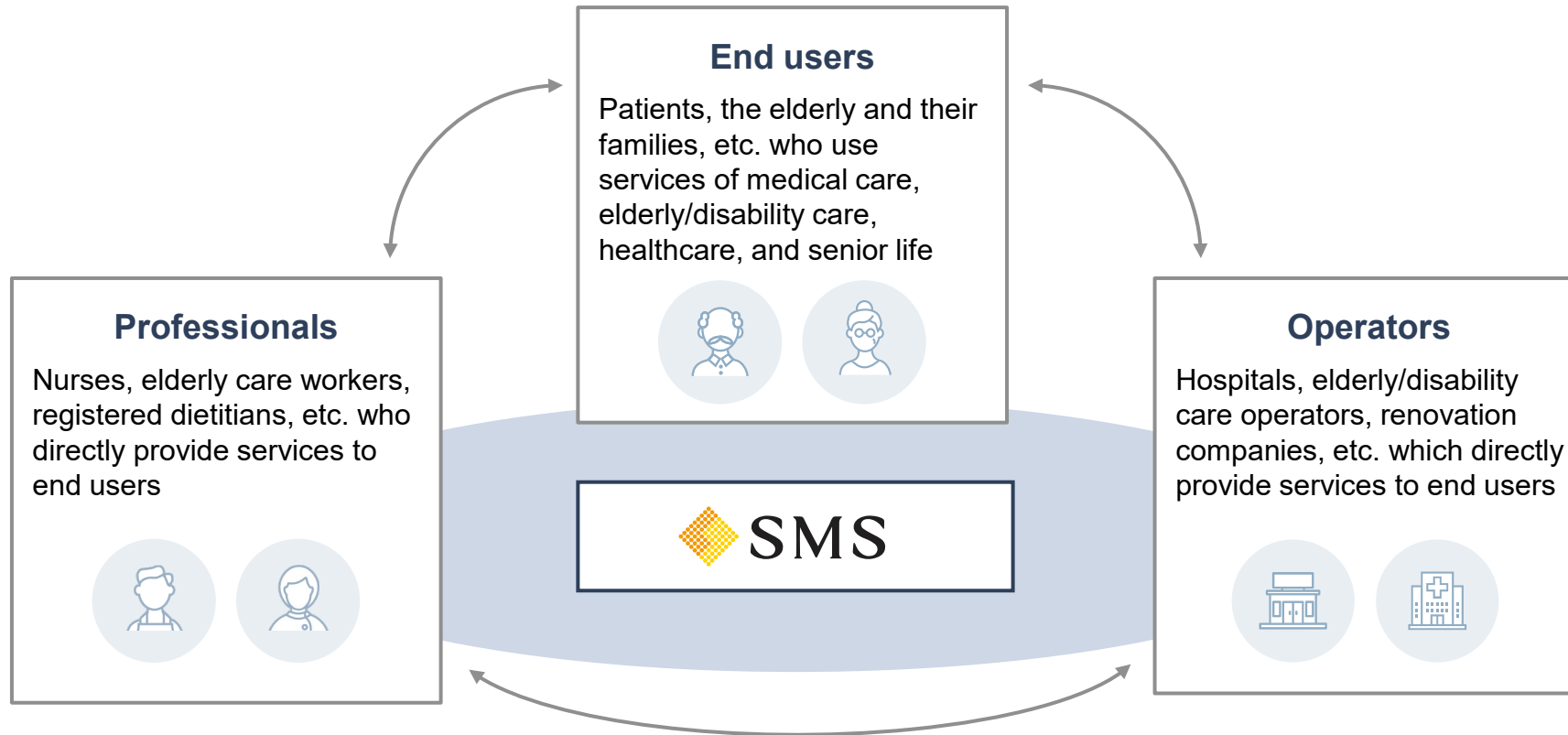
Aging Society

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.

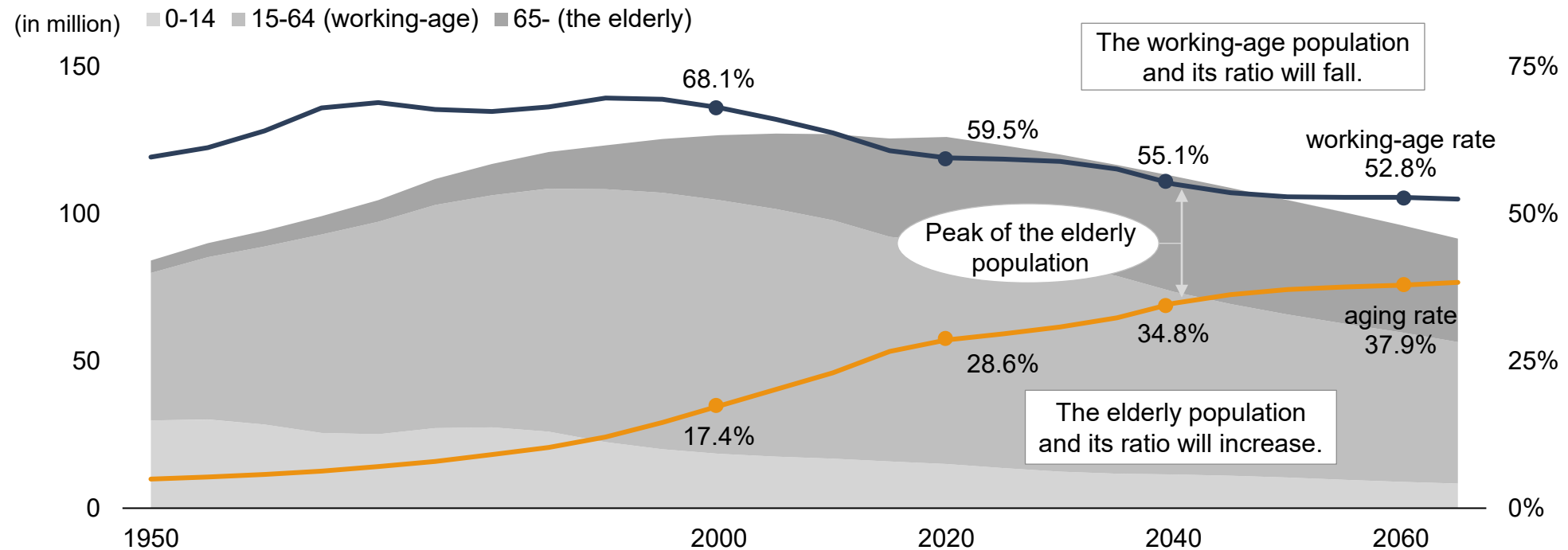
	Healthcare 	Medical Care 	Elderly/Disability Care 	Senior Life 
Professionals 				
Operators 		Business Areas		
End users 				

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"

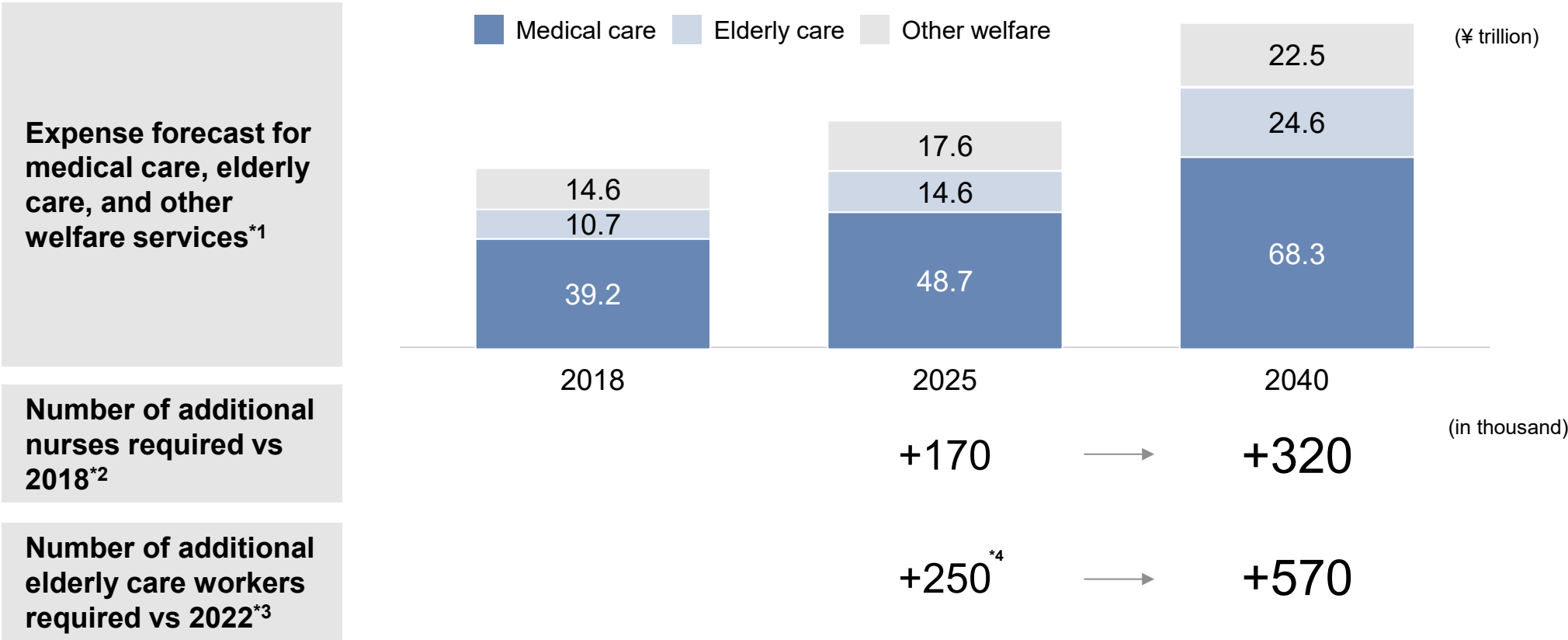
Three Critical Issues Faced by an Aging Society

- 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.

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

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

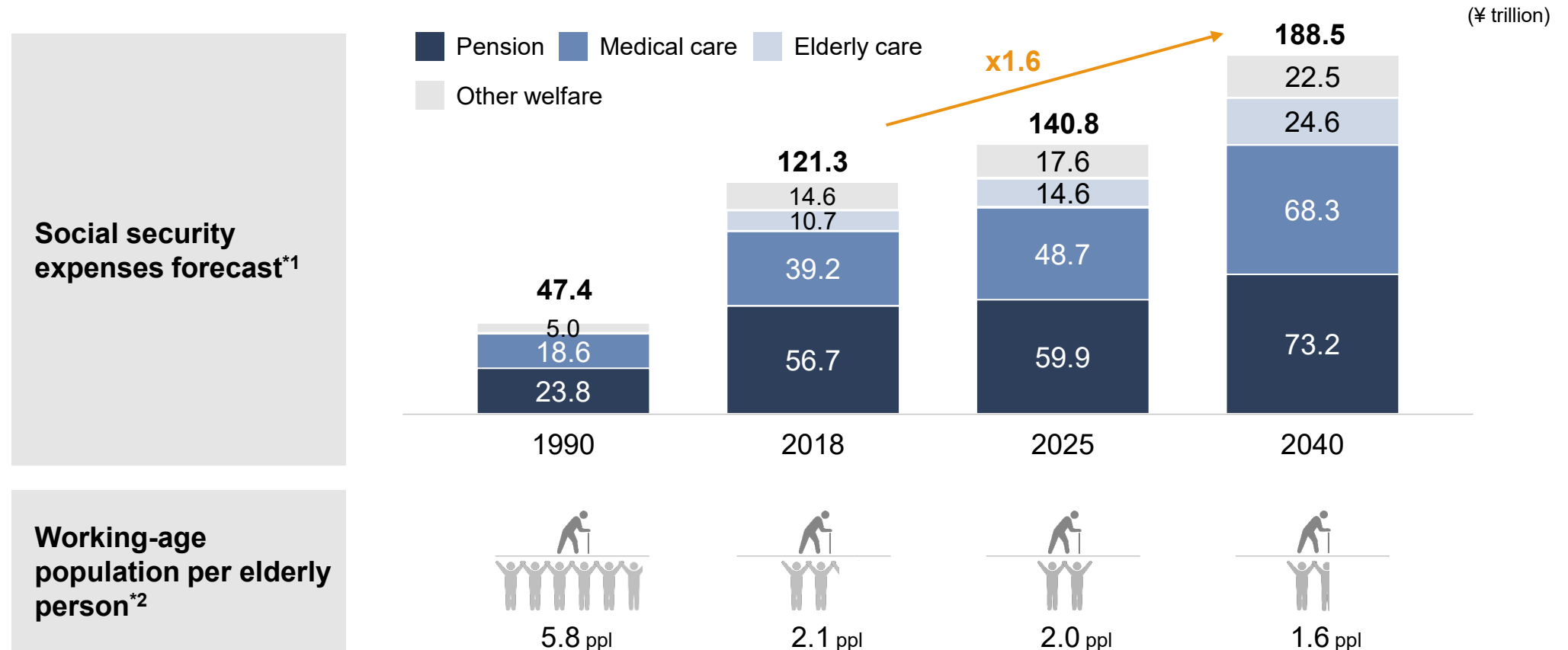
While the demand for medical care and elderly/disability care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly/disability care services.



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.

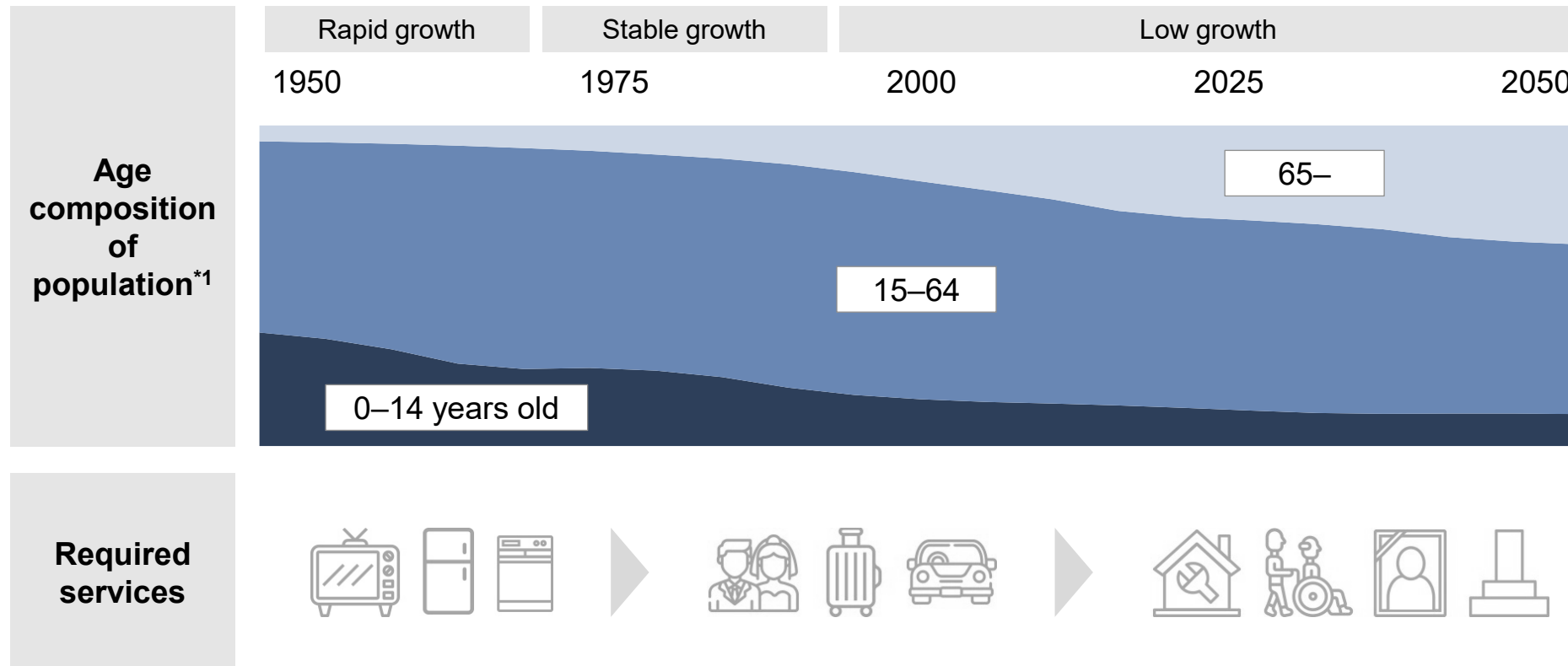


1. MHLW, "Trends in Social Security Benefits", Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"

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.

Social issues in an aging society		Our Solutions
Issue 1	Difficulty in sustaining high-quality medical care and elderly/disability care services	• Solve labor shortages and uneven distribution of medical care and elderly/disability care professionals. • Improve the management of medical care and elderly/disability care operators.
Issue 2	More severe burden on the working generation	• Increase the number of healthy people in the work force.
Issue 3	Difficulty in solving problems related to living in an aging society	• Provide a variety of options and high-quality decision-making information.

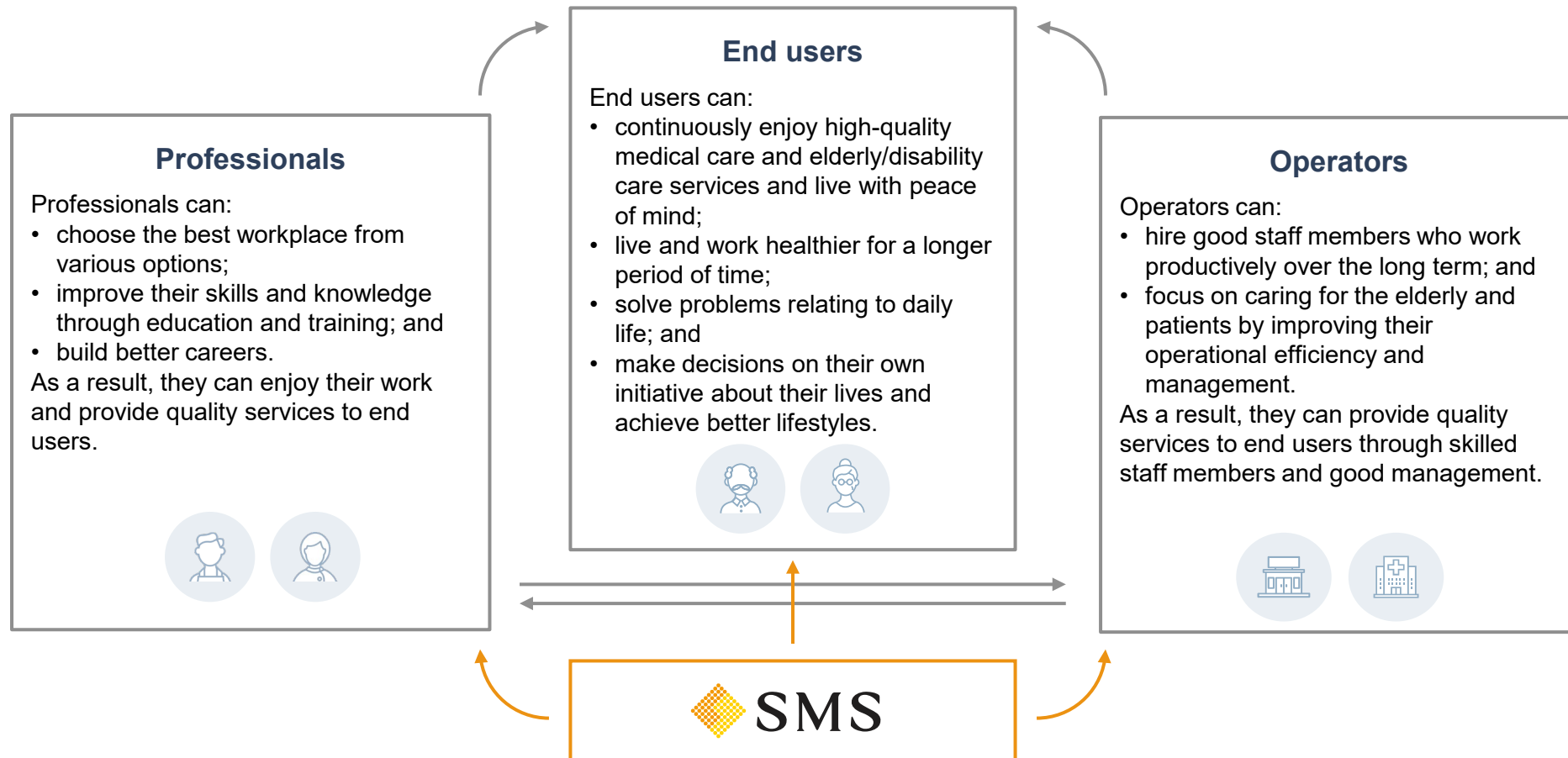
Strategic Business Areas

Aim to solve the three critical issues in an aging society by defining our strategic business areas as Career, Elderly/Disability Care Management Support, 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	Issue 1	Senior Life Business	
Operators 		Issue 2	Elderly/Disability Care Management Support Business			Issue 3
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

Business Portfolio

- Develop diverse services centered on three segments: "Career," "Elderly/Disability Care Management Support," and "Overseas."

Business Descriptions

Career - RAG, DR / Others

- RAG for nurses: "Nurse-senka Tenshoku"
- RAG for care workers: "Kaigo Job Agent"
- RAG for childcare workers: "Hoikushi Jinzai-bank"
- Cross-occupational DR platform: "Wellme Job"

Elderly/Disability Care Management Support

- Management support platforms for elderly/disability care operators: "Kaipoke," "Kabenashi Cloud"

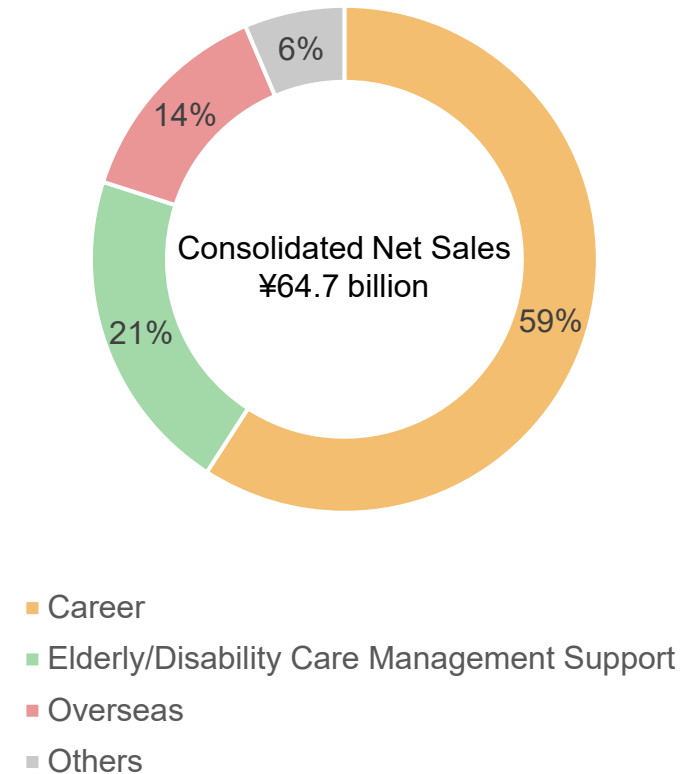
Overseas

- Marketing support service for medical-related companies
- Clinical decision support
- Domestic/cross-border recruiting service of HCPs

Others

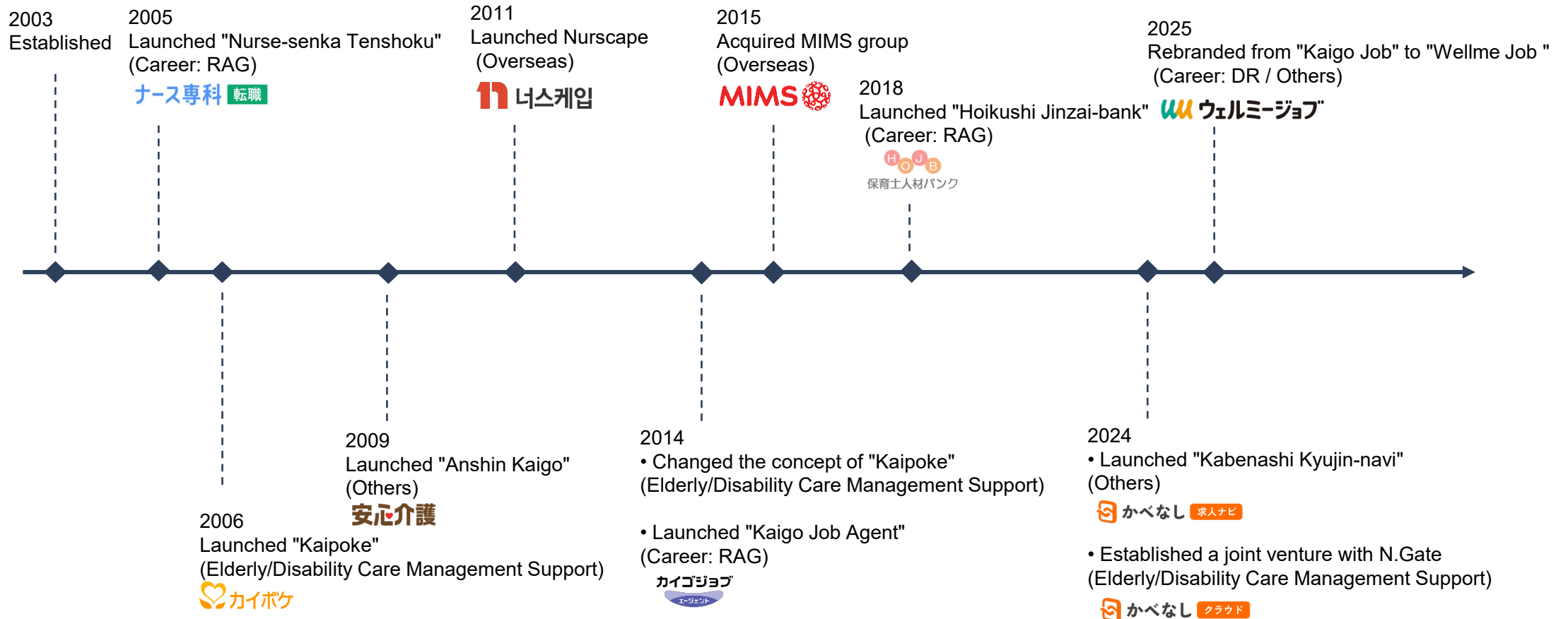
- Developing and nurturing new businesses mainly in the Healthcare and Senior Life domains

Sales by Segment (FY03/26)



Our History

- Since our establishment, the recruiting agent service (RAG) for nurses has driven our growth.
- Expanded businesses including RAG for elderly care workers and childcare workers, Kaipoke, and the Overseas business.
- We will achieve further growth by developing and nurturing new businesses mainly in the Healthcare and Senior Life domains.



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.



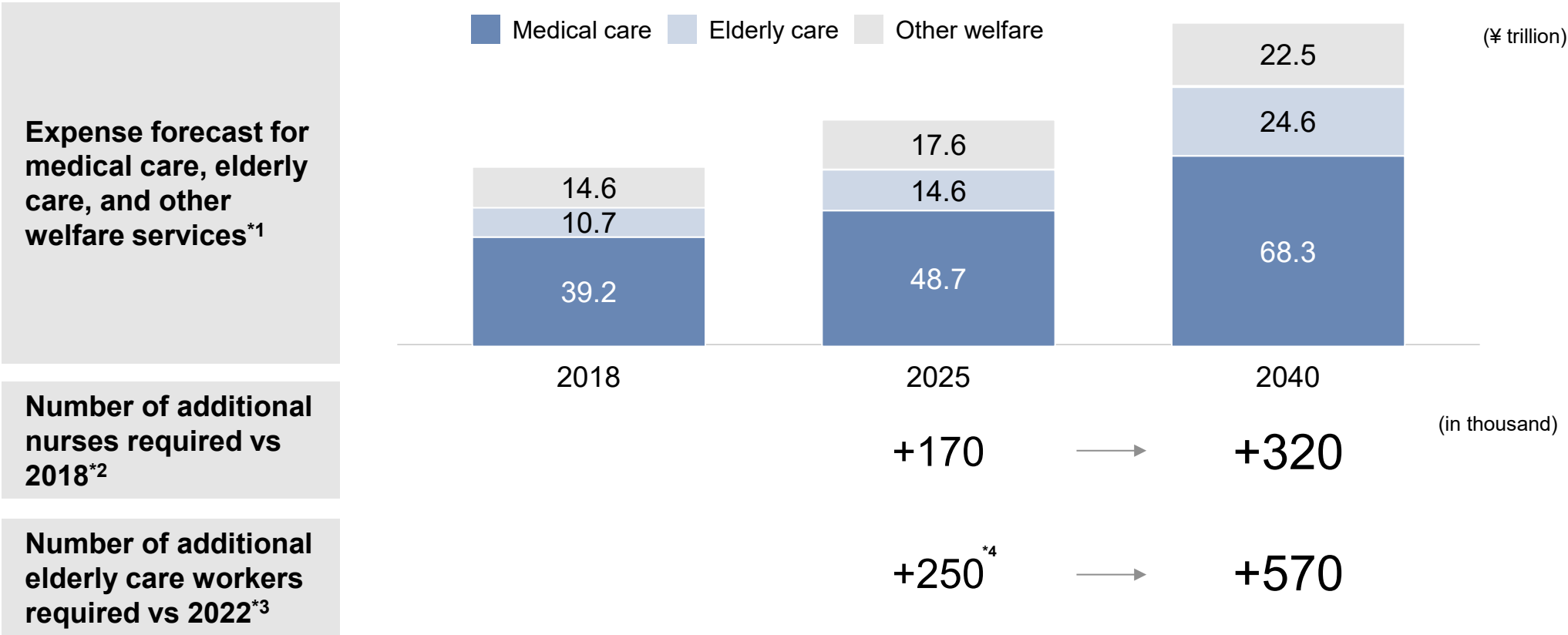
Japan
South Korea
China
Hong Kong
Taiwan
Singapore
Malaysia
Indonesia
Thailand

Vietnam
Philippines
India
Australia
New Zealand
UAE
Ireland
Germany

Career Business

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

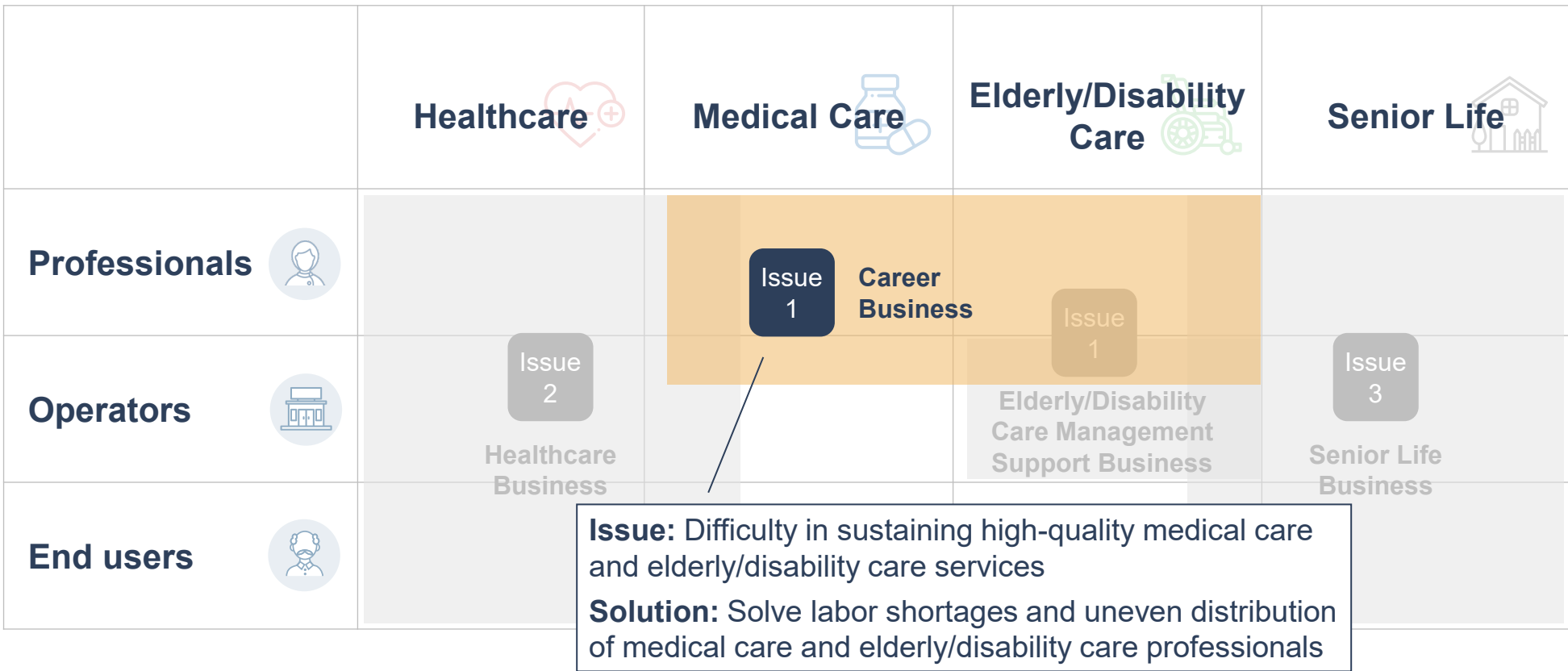
While the demand for medical care and elderly/disability care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly/disability care services.



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

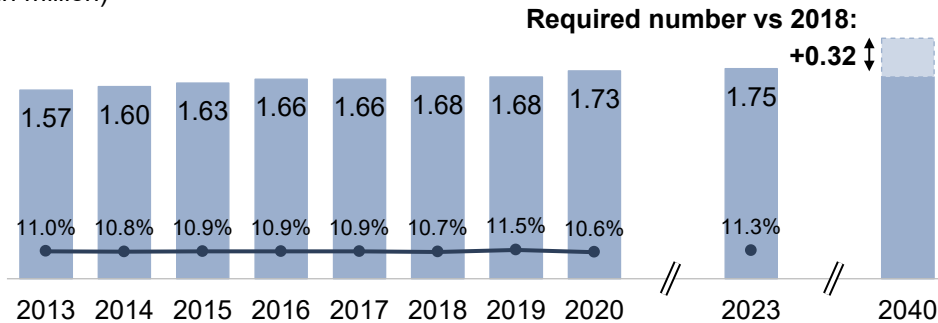
Contribute to solving the social issue “difficulty in sustaining high-quality medical care and elderly/disability care services” by solving labor shortages and uneven workforce distribution through optimized matching of professionals and operators.



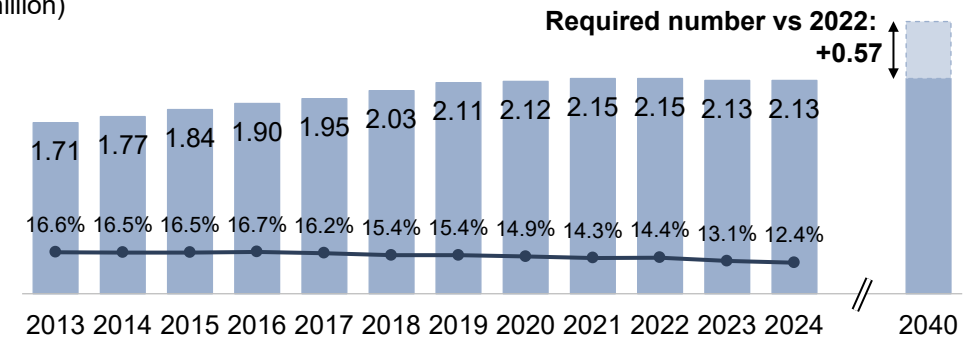
Shortage of Professionals

- Employment of both nurses and elderly care workers has been flat, and labor shortages remain severe.
- The labor shortage of care workers is particularly severe, with an additional 570,000 care workers required by 2040 compared with 2022.

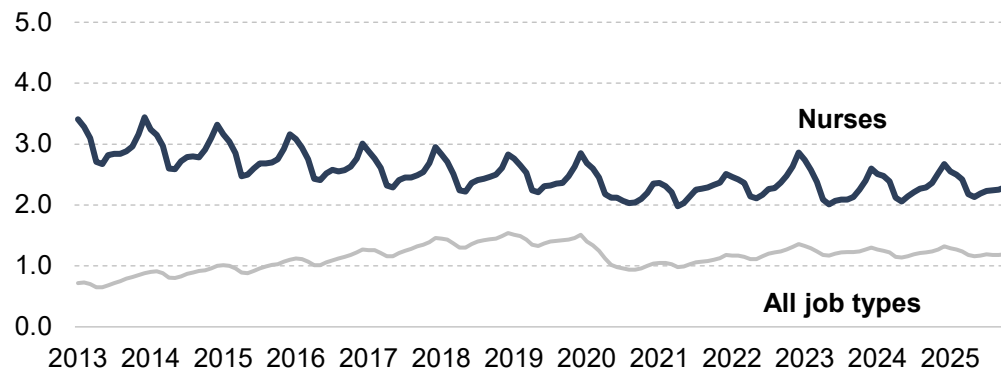
Number of nurses / their turnover rate*1
(in million)



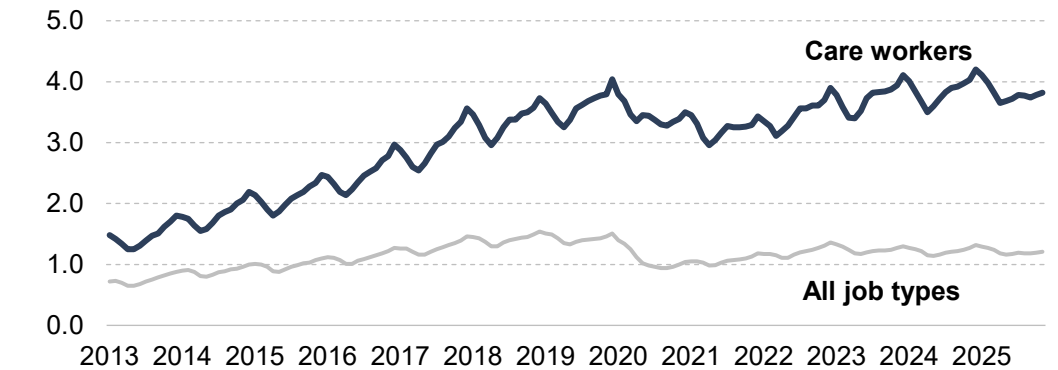
Number of care workers / their turnover rate*2
(in million)



Jobs-to-applicants ratio of nurses*3



Jobs-to-applicants ratio of care workers*3

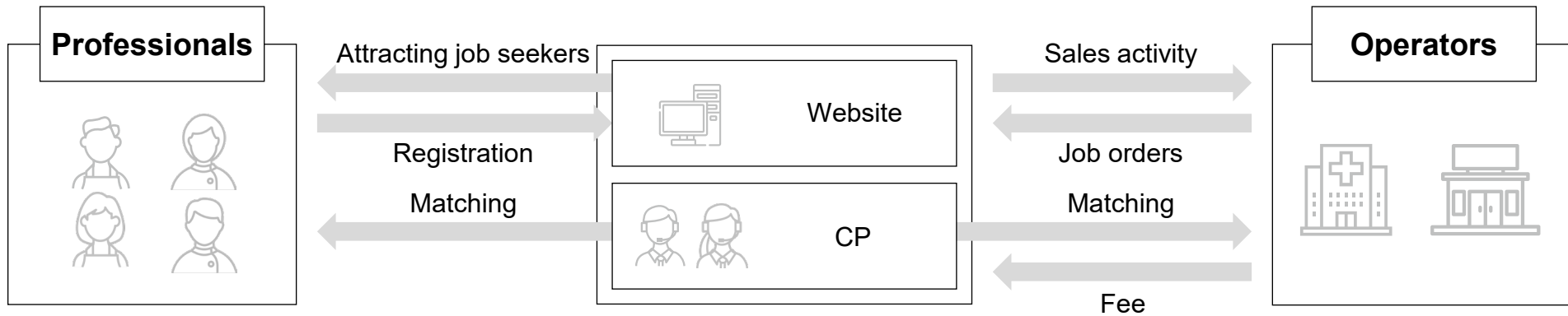


1. Number of nurses/their turnover rate: Japanese Nursing Association "Nursing Statistics", Required number in 2040: MHLW, "Status of securing nurses and other nursing staff"
2. Number of elderly care workers: MHLW, "Required number of elderly care staff based on the 9th plan for long-term care insurance",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

Business Model of Career Business

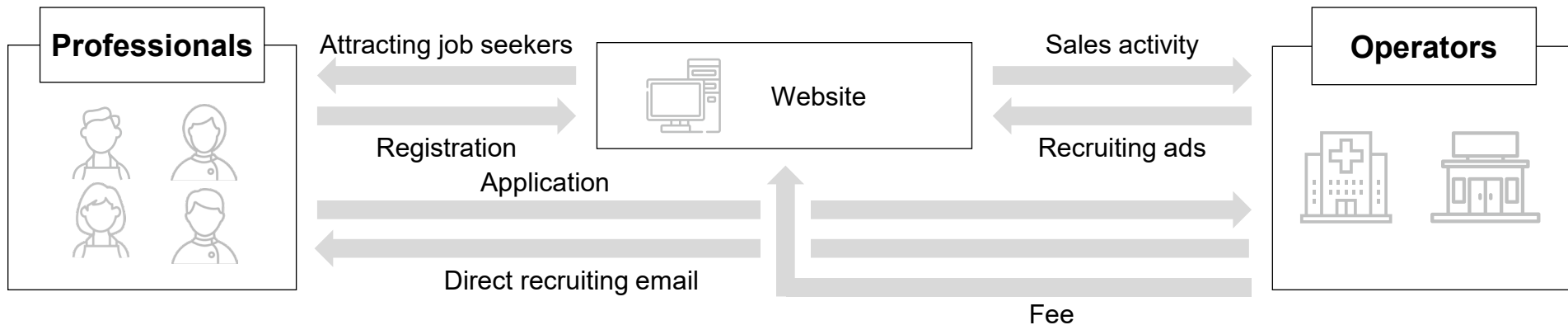
Business model of RAG

Receive a fee from a hiring business operator, calculated as a certain percentage of an annual salary, depending on the occupation, when an applicant joins.



Business model of DR

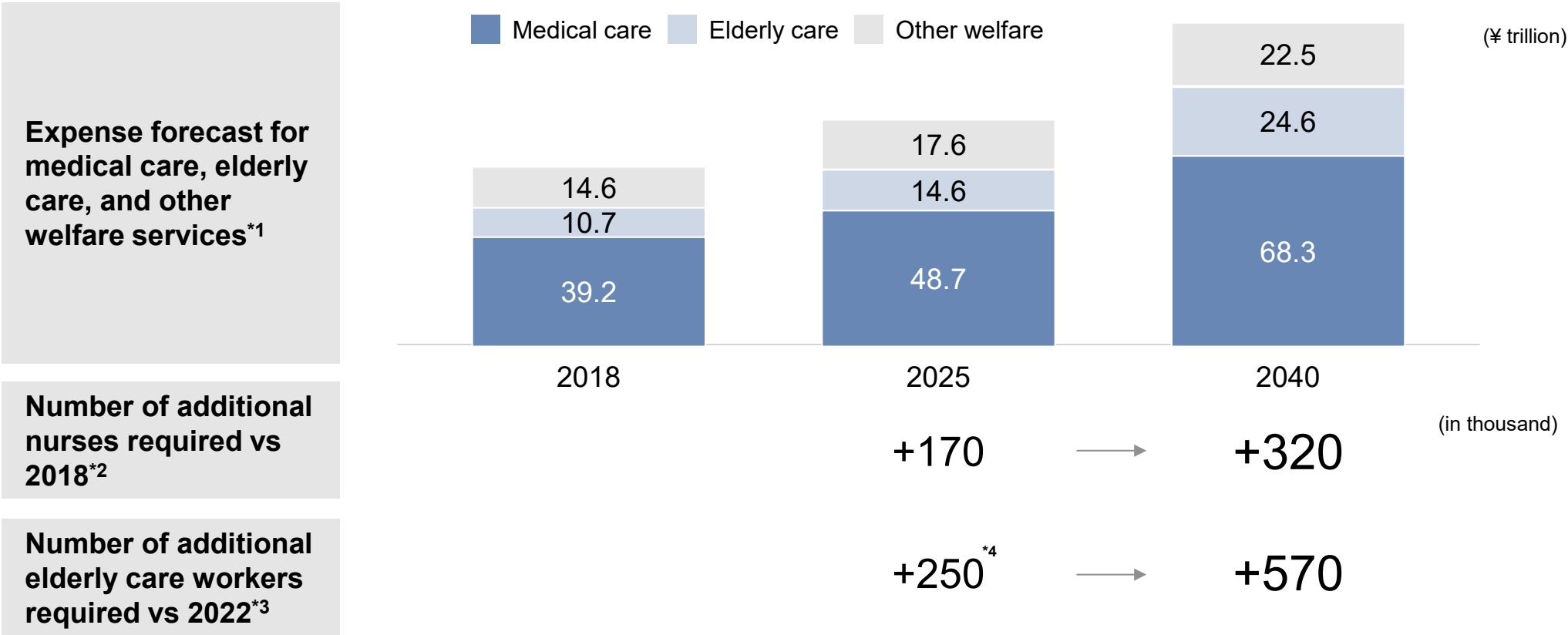
Receive a fee from a hiring business operator, based on the occupation, when an applicant joins.



Elderly/Disability Care Management Support Business

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

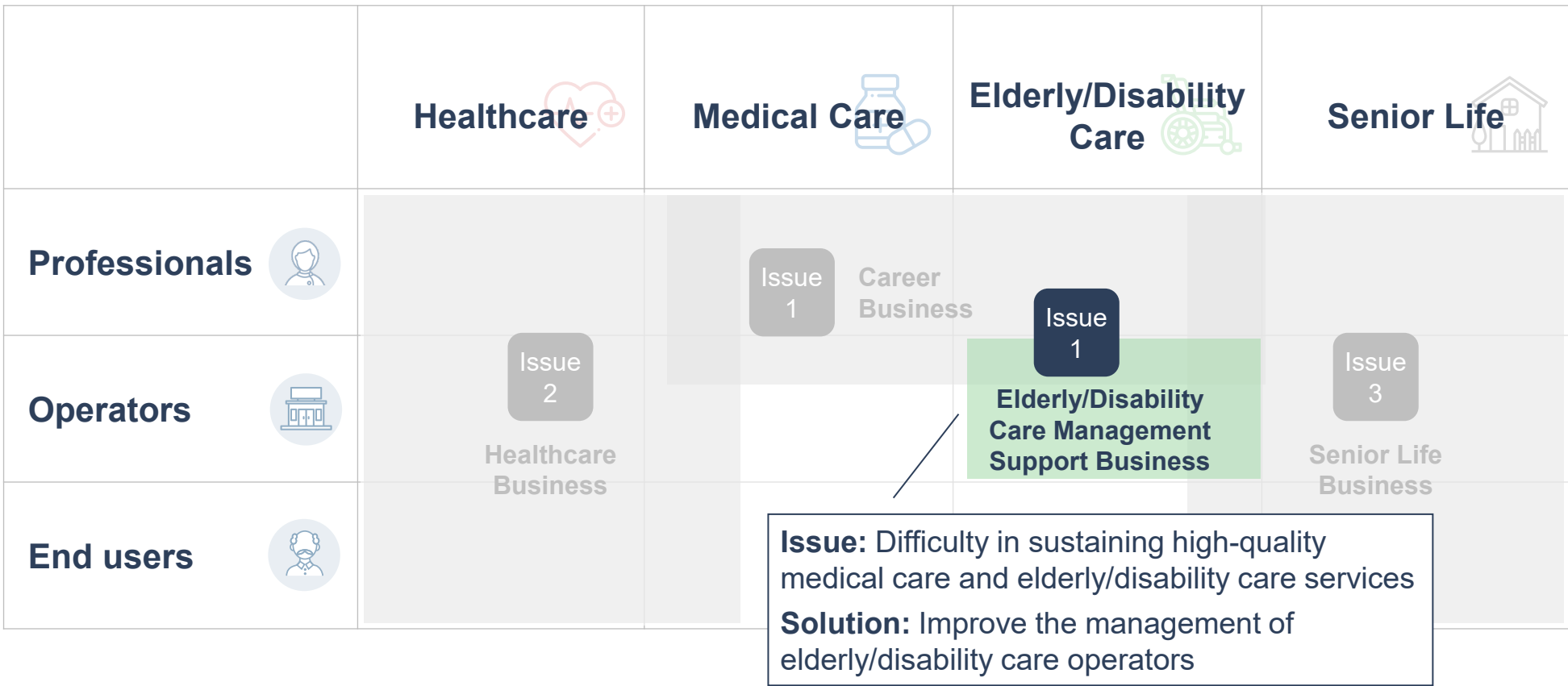
While the demand for medical care and elderly/disability care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly/disability care services.



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 Management Support 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” and “Kabenashi Cloud”.



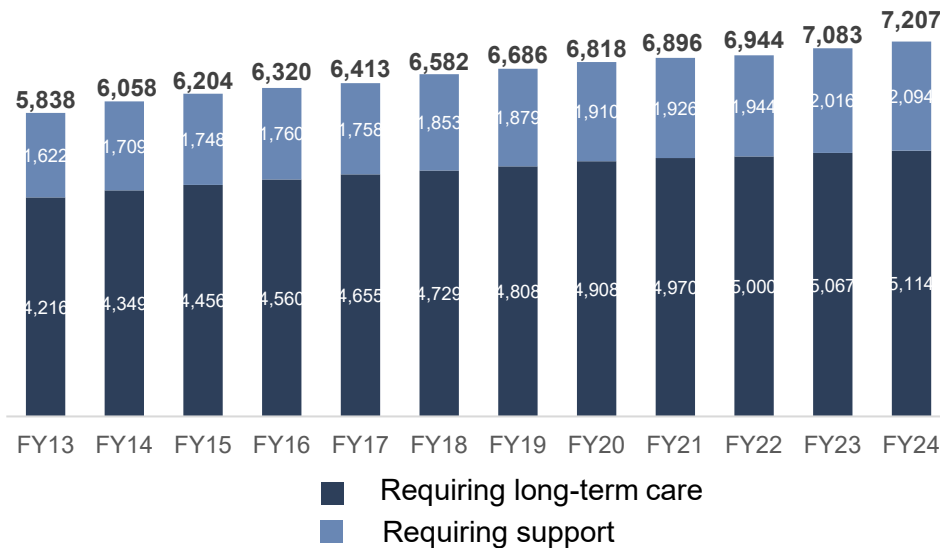
Business Environment of Elderly Care Services

As the population ages, the number of elderly care operators continues to increase, amounting to approximately 270,000 offices.

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

(in thousand)

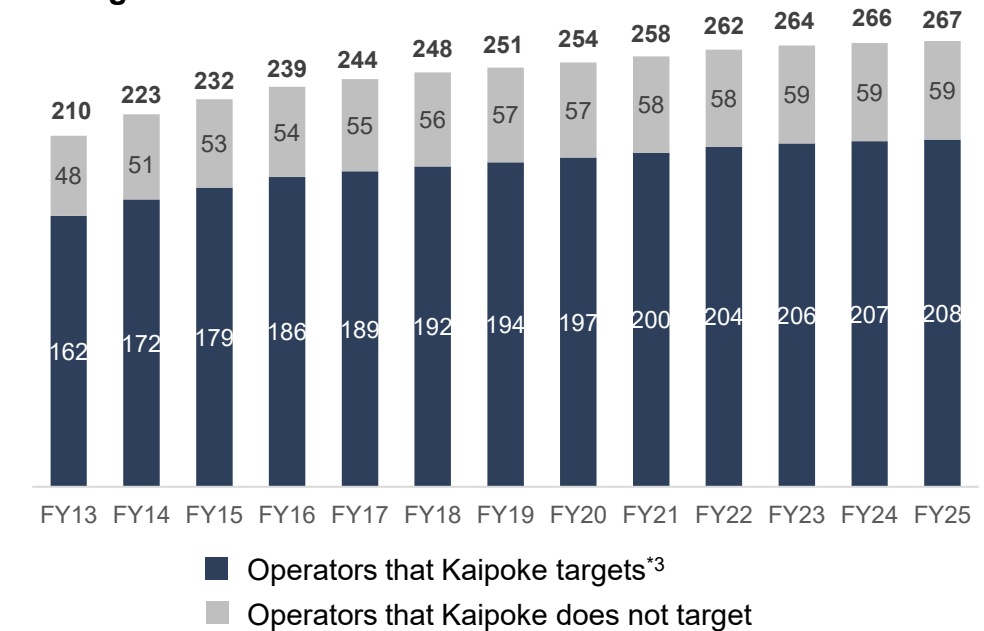
Average annual rate of increase: 1.9%



Number of elderly care service offices*2

(in thousand)

Average annual rate of increase: 2.0%



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 serve residential facility services such as group homes (communal care for the elderly with dementia), short-stay services, specified facilities, and small-scale multifunctional in-home care.

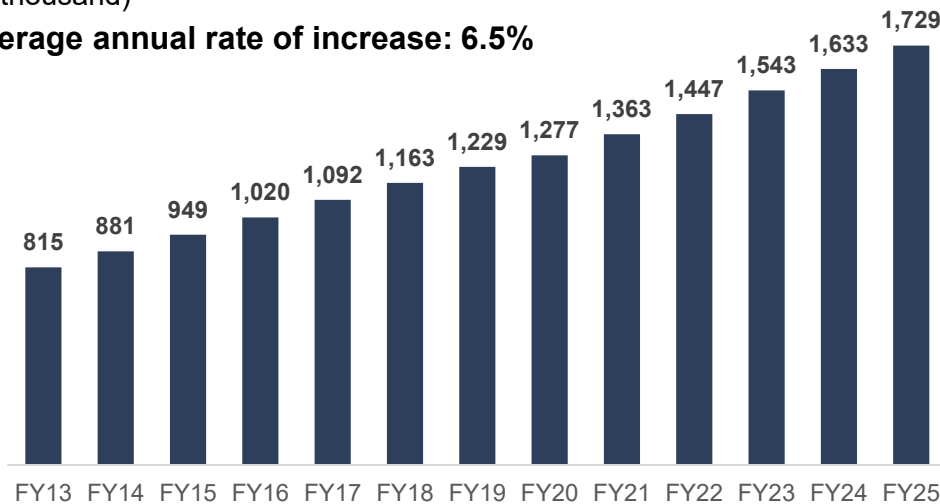
Business Environment of Disability Welfare Services

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)^{*1}

(in thousand)

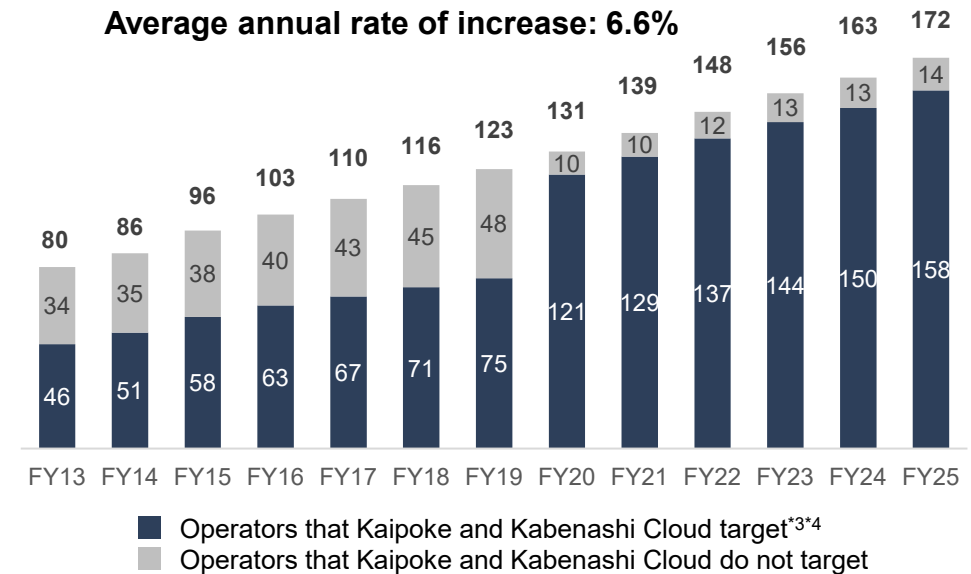
Average annual rate of increase: 6.5%



Number of welfare service offices for persons with disabilities^{*2}

(in thousand)

Average annual rate of increase: 6.6%

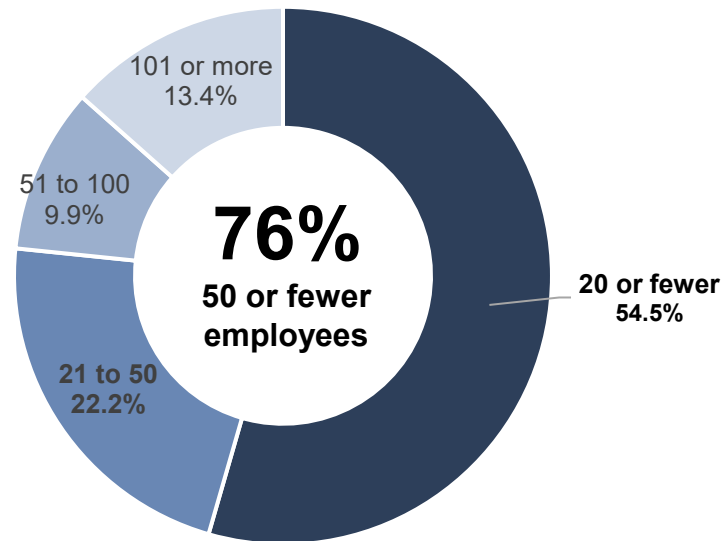


1. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc."
2. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc.", "Recent Trends in the Field of Welfare for Persons with Disabilities" Average number for each fiscal year up to FY2019, as of March 31 from FY2020 onwards
3. Kaipoke and Kabenashi Cloud target in-home nursing care, visiting care for persons with severe disabilities, companion support, activity support, daily nursing care, independent living support, group home assistance, rehabilitation services, employment transition support, employment continuation support (Type A/B), employment retention support, planning consultation support, consultation support for children with disabilities, child development support, and after-school day services, etc.
4. Companion support, activity support, independent living support, group home assistance (external/daytime support types), rehabilitation services, employment transition support, employment continuation support (Type A/B), employment retention support, and consultation support for children with disabilities are targeted by Kaipoke and Kabenashi Cloud, but because the number of individual offices is unknown through FY2019, they are not counted as "targeted" until 2019 and are counted as "targeted" from 2020.

The Environment Surrounding Elderly/Disability Care Operators

- Three-quarters of Elderly/Disability Care operators are small-scale corporations with 50 or fewer employees.
- Because they face operational and management issues such as a heavy burden of indirect tasks like paperwork, labor shortages, weak purchasing power, and cash flow difficulties, they find it difficult to focus on their primary mission of elderly care and disability care.
- It is difficult for them to implement IT and improve efficiency in-house, creating a structural demand for SaaS and comprehensive management support.

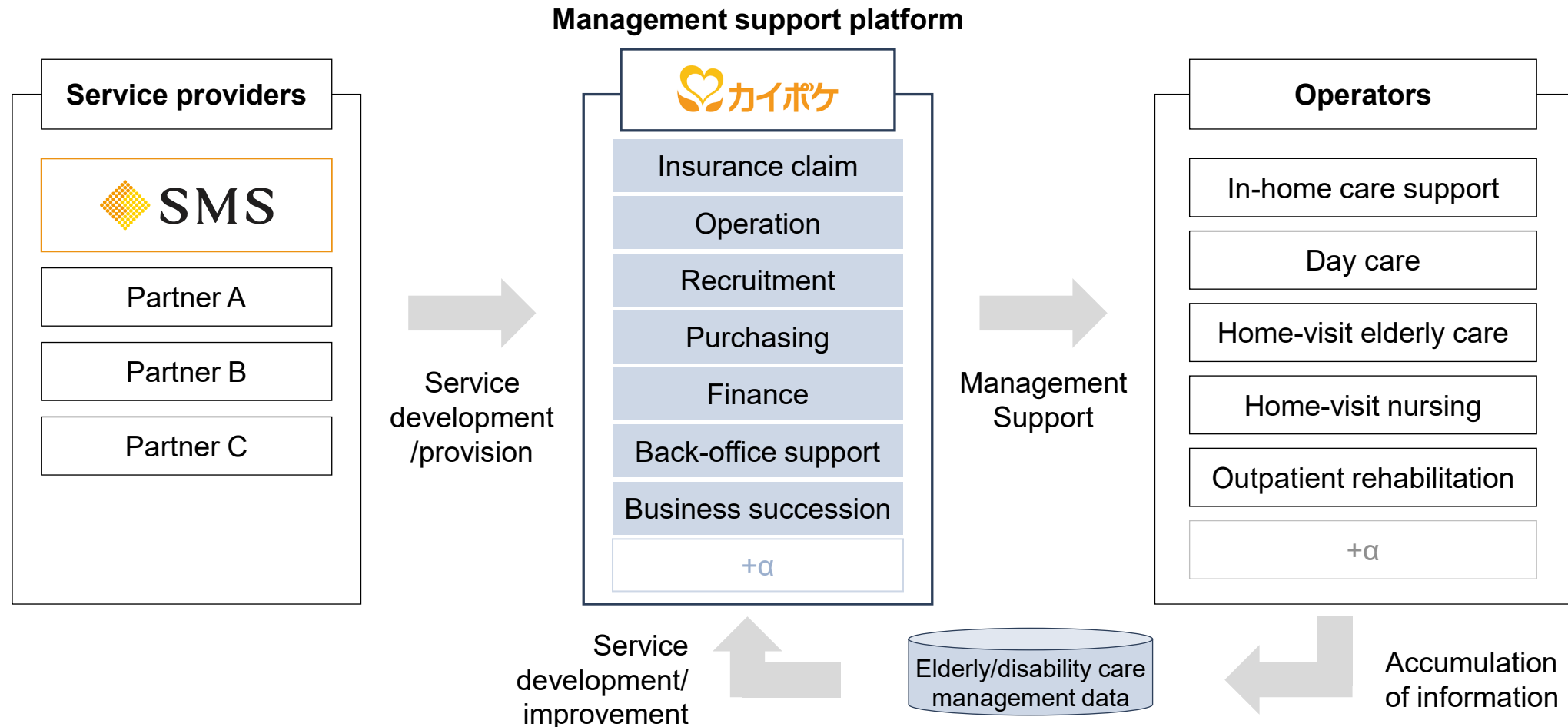
Number of Employees at Corporations Operating Elderly/Disability Care Service Offices*¹



1. Compiled from information as of March 2026 from MHLW, "Elderly Care Service Information Disclosure System" and "WAM NET".

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, back office, M&A (Business succession), etc., on top of the insurance claim service that is essential for elderly/disability care operations.



Kaipoke's Main Services

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

Insurance Claim	Elderly care operators can efficiently claim long-term care insurance reimbursement by managing users' planned and actual service usage and generating the corresponding billing documents in tandem.
Recruitment	Support the recruitment of professionals working for elderly/disability care operators, in collaboration with Career Business.
Back-office Support	Support for improving the efficiency of back-office operations, including labor management (such as staff attendance management, payroll calculation/transfers), business management, client billing information management, and accounting processing.
Operation Improvement	Provide iPads to care workers, allowing them to complete documentation on-site.
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/disability care operators can procure various equipment and supplies, such as rental smartphones, in an easy and inexpensive way.
Business Succession	Supporting the succession of elderly/disability care operators

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

Kaipoke and Kabenashi Cloud will be further strengthened by AI

- With a structurally low risk of being replaced by AI, Kaipoke and Kabenashi Cloud can grow further by deploying AI features based on their accumulated data.

Regulatory requirements act as barriers to AI substitution

Specialization in complex regulated industries

Continuous compliance with elderly care insurance, medical insurance, and disability care systems, as well as immediate responses to fee revisions, are required. General-purpose AI cannot handle the complexity of regulatory compliance and industry-specific contexts.

Recording systems subject to legal retention obligations

The necessity to retain records required for administrative guidance. AI cannot bear the responsibility for retaining legally valid records.

High strictness required by regulations

Records and billing data for medical, elderly, and disability care have an extremely low tolerance for errors, requiring strict management of personal and medical information under high-level security.

A structure highly resistant to switching

High data migration costs

Past user records and billing histories are subject to a 5-year retention obligation, making the cost of transferring past data extremely high.

Value provision beyond software

Providing multifaceted management-related value outside of software, such as financial support, business launch support, recruiting support, and operational support.

Usage structure expanding within and beyond operators

Integrated into the operational workflow of the entire service office, from recording to billing and payment collection, penetrating multiple layers including management, frontline staff, and users. Network effects from inter-operator collaboration further strengthen the barriers to exit.

Room for growth leveraging AI

Qualitative deepening into systems that support actions and practices

Starting from the data accumulated through service provision, we will roll out operational support functions such as AI recording support, AI form creation support, and AI prediction of rejected claims.

Expansion into Kaipoke Connect

Create new value utilizing AI as a platform for collaboration among operators and multidisciplinary teams in community-based comprehensive care.

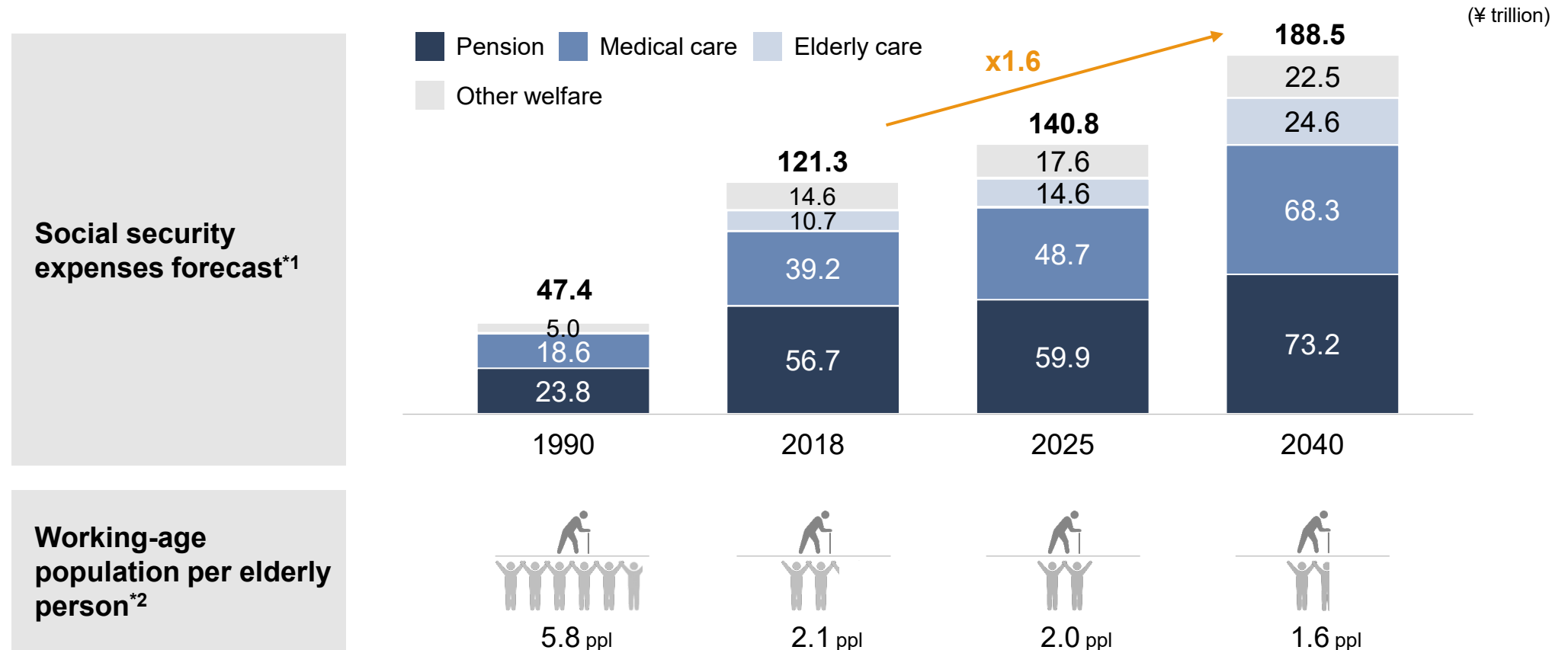
Superiority of industry-specific data

The industry's largest class of data related to management and care services, along with customer-specific data accumulated in recording systems, continuously improves AI accuracy. This forms a barrier to entry for competitors that self-strengthens over time.

Healthcare Business

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

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.

	Healthcare 	Medical Care 	Elderly/Disability Care 	Senior Life 
Professionals 	Issue 2 Healthcare Business	Issue 1 Career Business	Issue 1 Elderly/Disability Care Management Support Business	
Operators 				Issue 3 Senior Life Business
End users 		Issue: More severe burden on the working generation Solution: Increase the number of healthy people in the work force		

Declining QOL*¹ and Productivity Caused by Physical/Mental Disorders

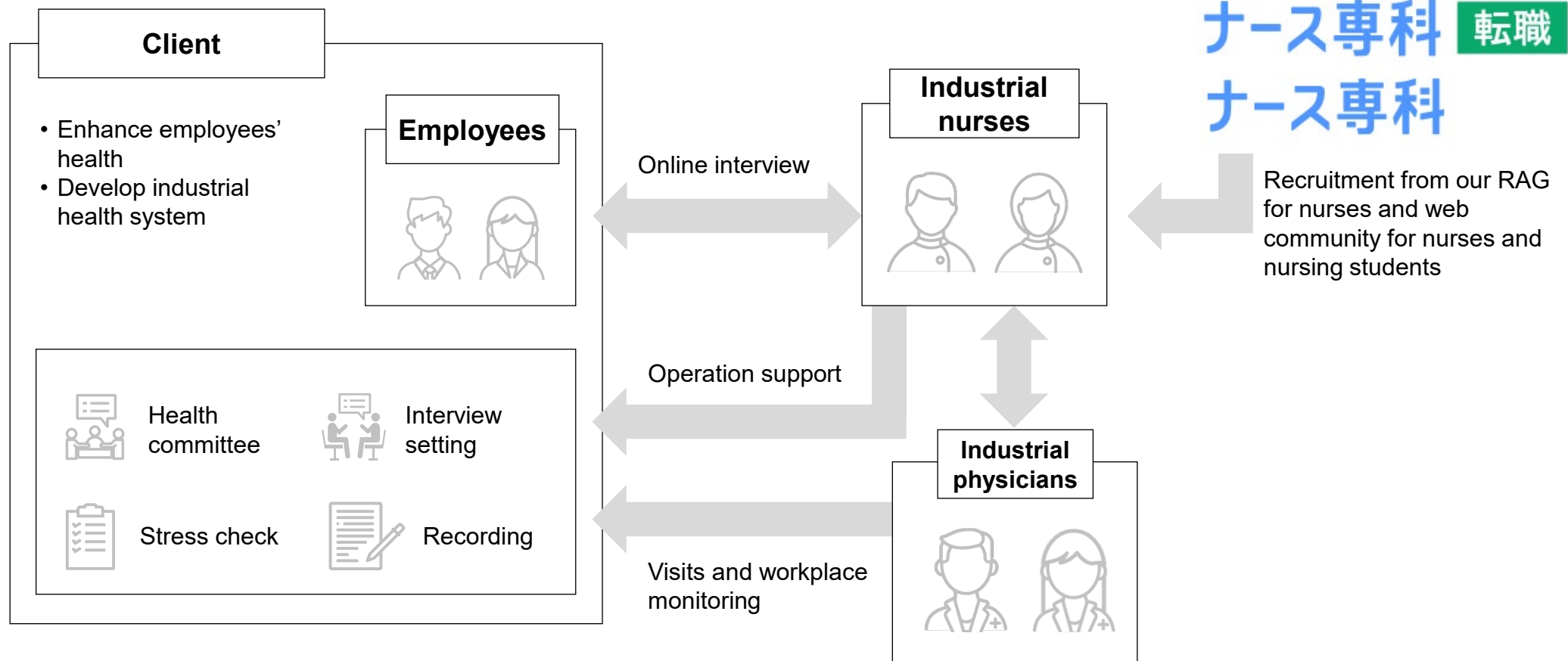
- Among the working generation, there are many patients/potential patients with lifestyle-related diseases, which often progress to critical illnesses such as diabetes.
- Mental disorders caused by overworking or workplace stress are increasing in recent years.
- The government encourages “health and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

Physical disorder		Mental disorder
Risk of lifestyle-related diseases	Lifestyle-related diseases	
Number of recipients of specific health guidance* ²	Number of diabetics* ³	Number of patients with mood disorders* ³
Approx. 5.19 million	Approx. 5.52 million	Approx. 1.59 million
	Number of hypertensive patients* ³	
	Approx. 16.17 million	

1. QOL: Quality of life
 2. Subjects are 40 – 74 years old. MHLW, "2023 Implementation of specified health checkups and specific health guidance"
 3. MHLW, "2023 Patient survey"

Remote Industrial Health Service

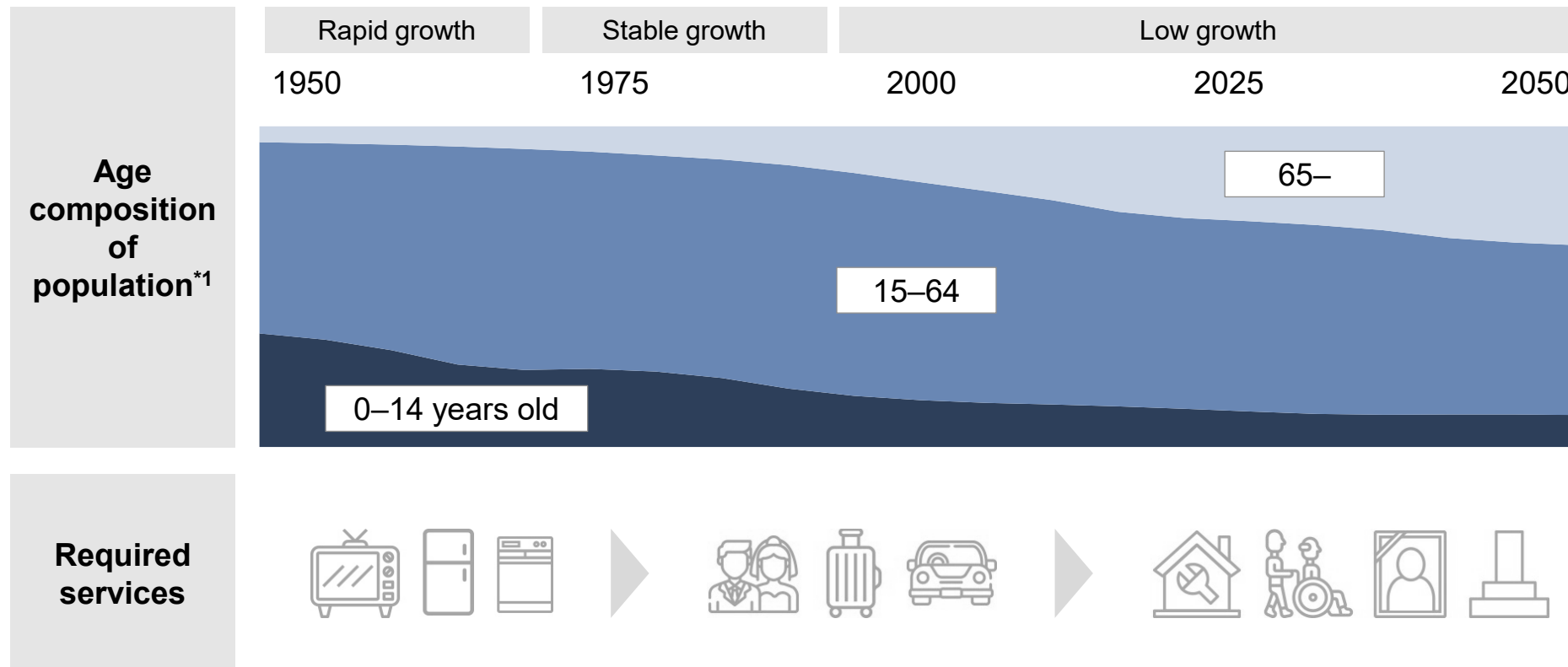
- Provide comprehensive support for industrial health operations in the human resources and labor departments of companies, including visits by industrial physicians, stress checks, and the establishment and operation of health committees.
- Reduce the workload of HR and realize effective mental care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



Senior Life Business

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

- 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"

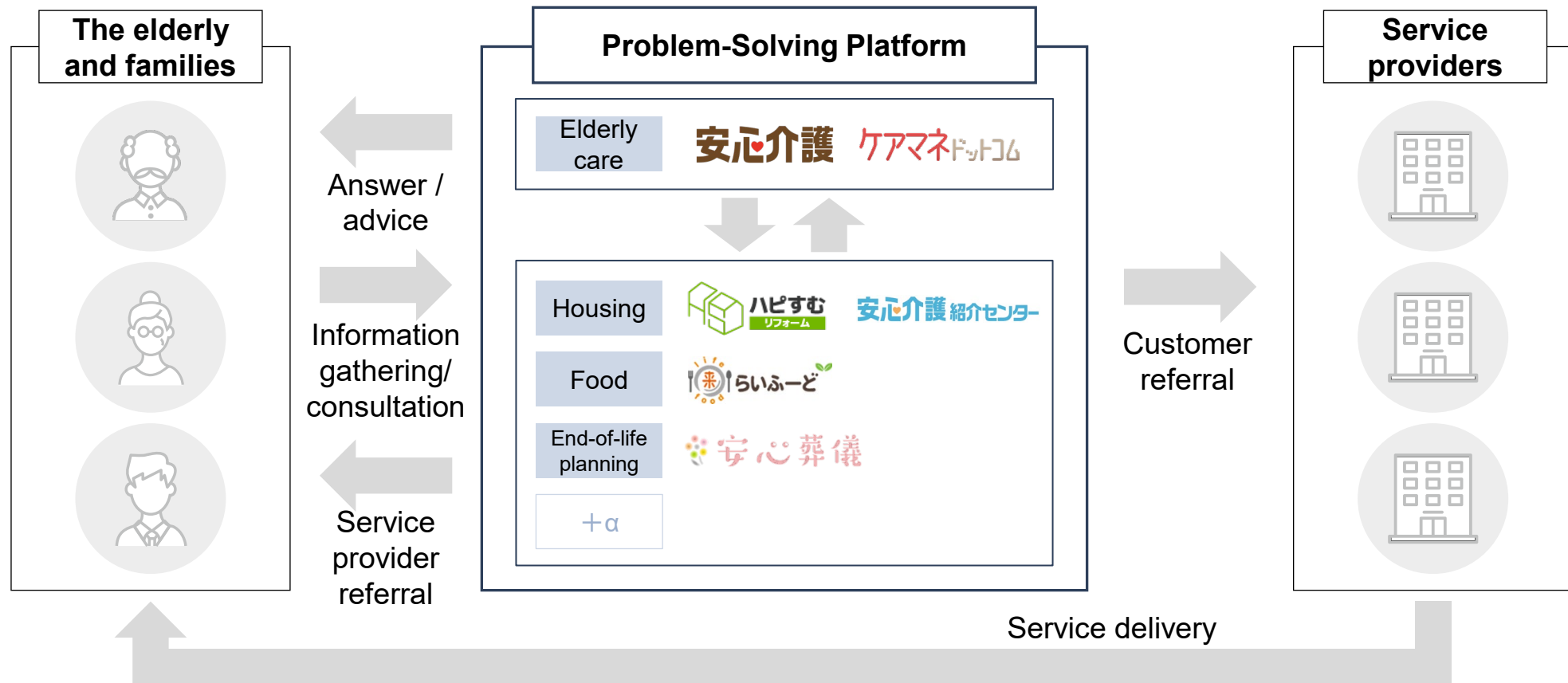
Solution for Issue 3 in Senior Life Business

Contribute to solving the social issue of "difficulty in solving problems related to living in an aging society" by building a problem-solving platform that connects people facing worries or needs in their daily lives with advisors and services that can help, thereby providing diverse options and high-quality decision-making information.

	Healthcare 	Medical Care 	Elderly/Disability Care 	Senior Life 
Professionals 		Issue 1 Career Business	Issue 1	
Operators 	Issue 2 Healthcare Business		Elderly/Disability Care Management Support Business	Issue 3 Senior Life Business
End users 		Issue: Difficulty in solving problems related to living in an aging society Solution: Provide a variety of options and high-quality decision-making information		

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.



Overseas Business

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

Overseas Segment	Medical Platform Business	Medical Marketing	Marketing support service for medical-related companies ^{*2}
		Clinical Decision Support	Prescription error check service, etc. for healthcare institutions such as hospitals
	Global Career Business		Domestic/cross-border recruiting service of HCPs

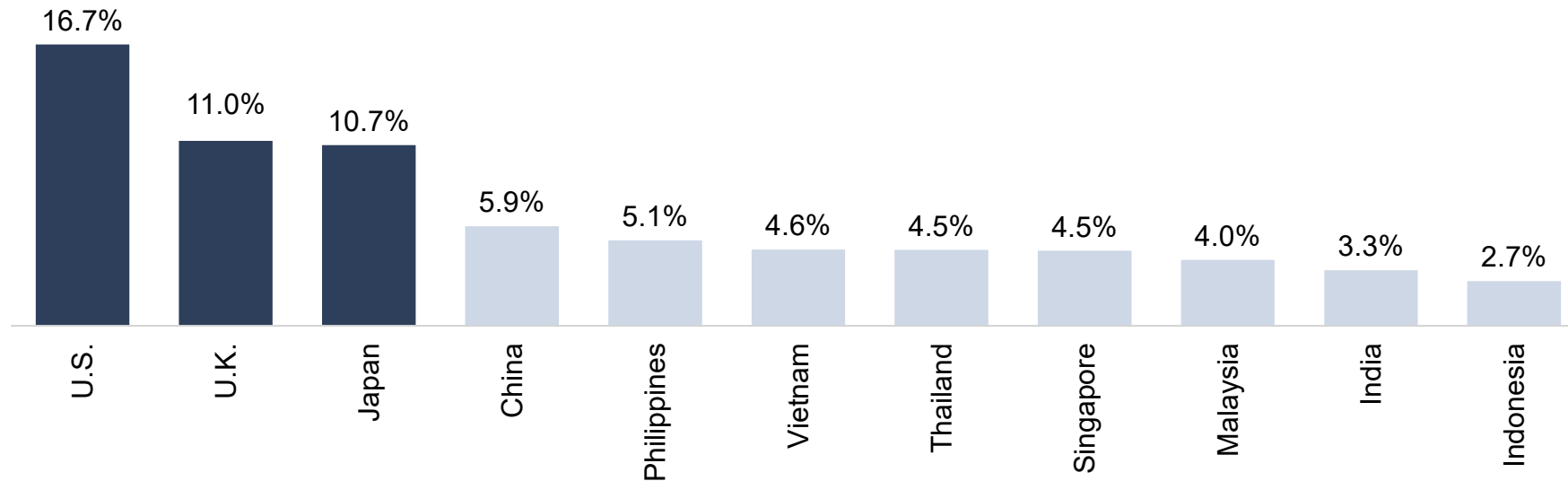
1. HCP: Healthcare professionals
 2. Operators such as pharmaceutical companies, medical device manufacturers, healthcare service operators, industrial associations, and government agencies.

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.

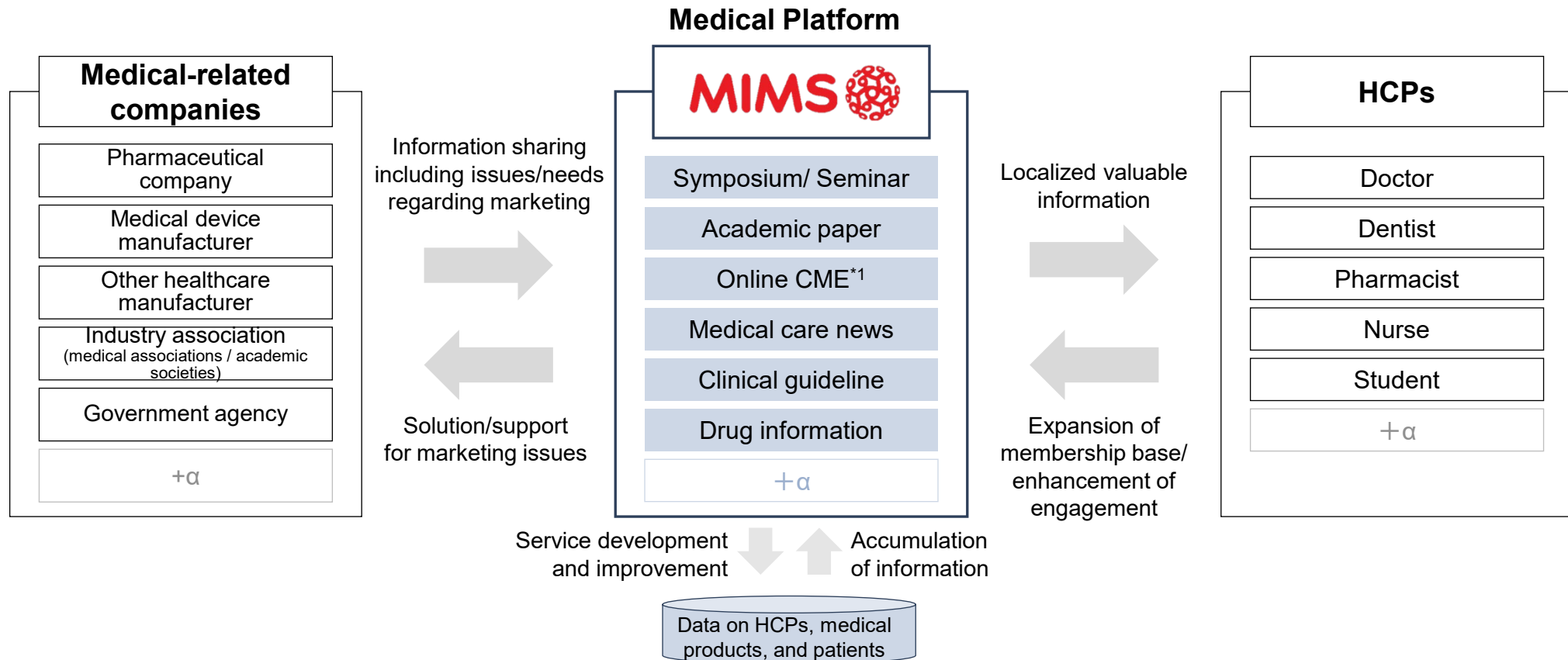
Health Expenditure to GDP*1



1. WHO "Global Health Expenditure Database" (2023)

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.



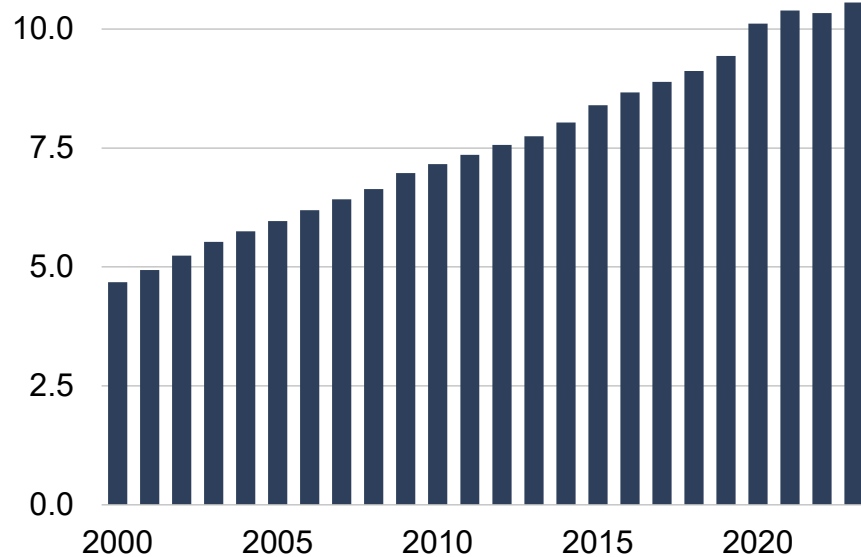
1. CME: Continuing medical education

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 trillion)



Expected Shortage of Nurses*²
(in thousand)

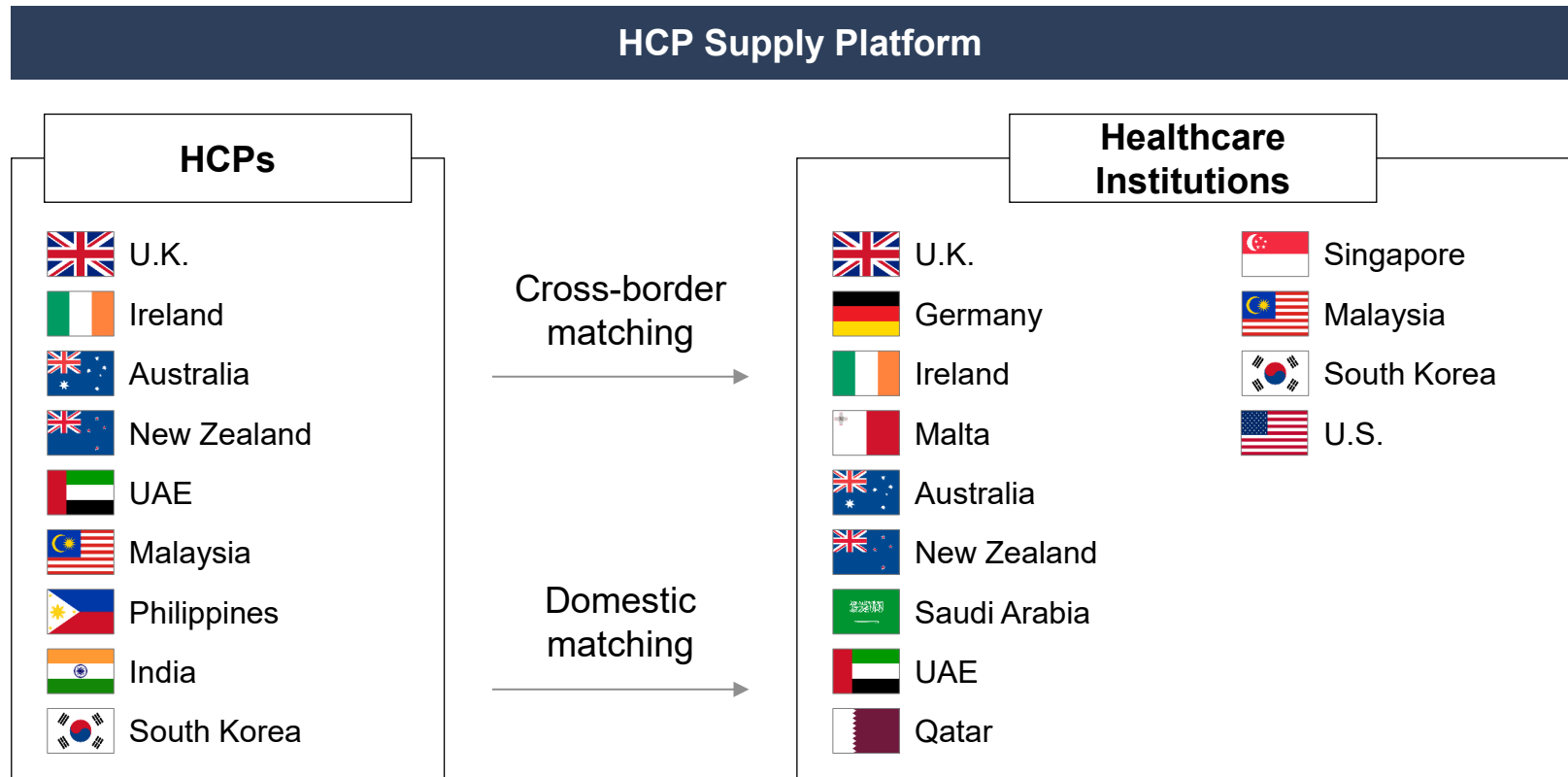
	Japan	320	(2040)
	Germany	390	(2035)
	Australia	120	(2030)
	South Korea	160	(2030)
	Saudi Arabia	100	(2030)

1. WHO "Global Health Expenditure Database" (FX rates: 2023)

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"

HCP^{*1} Supply Platform

Promote optimal cross-border and domestic matching according to the supply of HCPs and the demand from healthcare institutions^{*2}.



1. HCP: Healthcare professional

2. Hospitals, clinics etc.

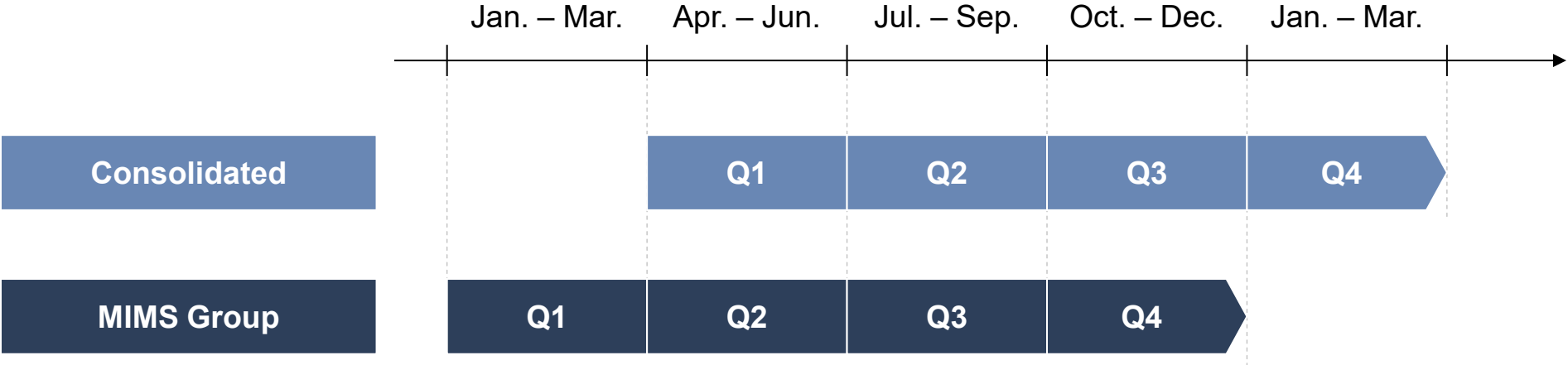
Expansion of the Global Career Business

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.

Sep. 2011	 South Korea	 Acquired Nurscape	Launched the Global Career Business. Started career-related business for nurses in South Korea
Jun. 2017	 Malaysia	 Acquired MELORITA	Launched cross-border matching. Started cross-border introduction of Malaysian healthcare professionals(HCPs) to hospitals in the Middle East and other countries.
May 2018	 the Philippines	 Acquired MSR	Increased the number of countries from which nurses are introduced. Started introduction of Filipino HCPs to hospitals in the Middle East and other countries.
Aug. 2019	 Ireland Australia	 Acquired CCM	Expanded business to Europe and Oceania. - Started matching for European/Oceanian HCPs. - Expanded client hospitals in Europe/Oceania for HCPs from Southeast Asia and other countries.
Dec. 2022	 Germany	 Acquired CWC/CF	Expanded business to Germany. Started cross-border introduction of foreign nurses to healthcare institutions and elderly care operators in Germany.

Consolidation of MIMS Group Financial Results

- The MIMS Group is consolidated into the SMS group with a three-month lag.
- The consolidated results for the period comprise the results of the SMS Group (excluding the MIMS Group) for April–March and those of the MIMS Group for January–December



Appendix

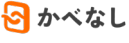
Business Portfolio^{*1} – Career^{*2}

Segment	Category	Services
Career	RAG	RAG for care workers  RAG for nurses  RAG for childcare workers  RAG for registered dietitians/dietitians  RAG for PT/OT/ST  RAG for care managers, social workers, and disability care workers  RAG for radiological technologists  RAG for medical technologists  RAG for clinical engineers  RAG for Judo therapists etc.  School for workers in the elderly care field 
	DR / Others	Cross-occupational DR platform  Web community for nurses and nursing students  Workplace assessment tool for nurses  Employment support for nursing students  Certification course information  Web community for registered dietitians/dietitians  A Comprehensive Media Platform for Aspiring Judo therapists etc. 

1. As of October 2026

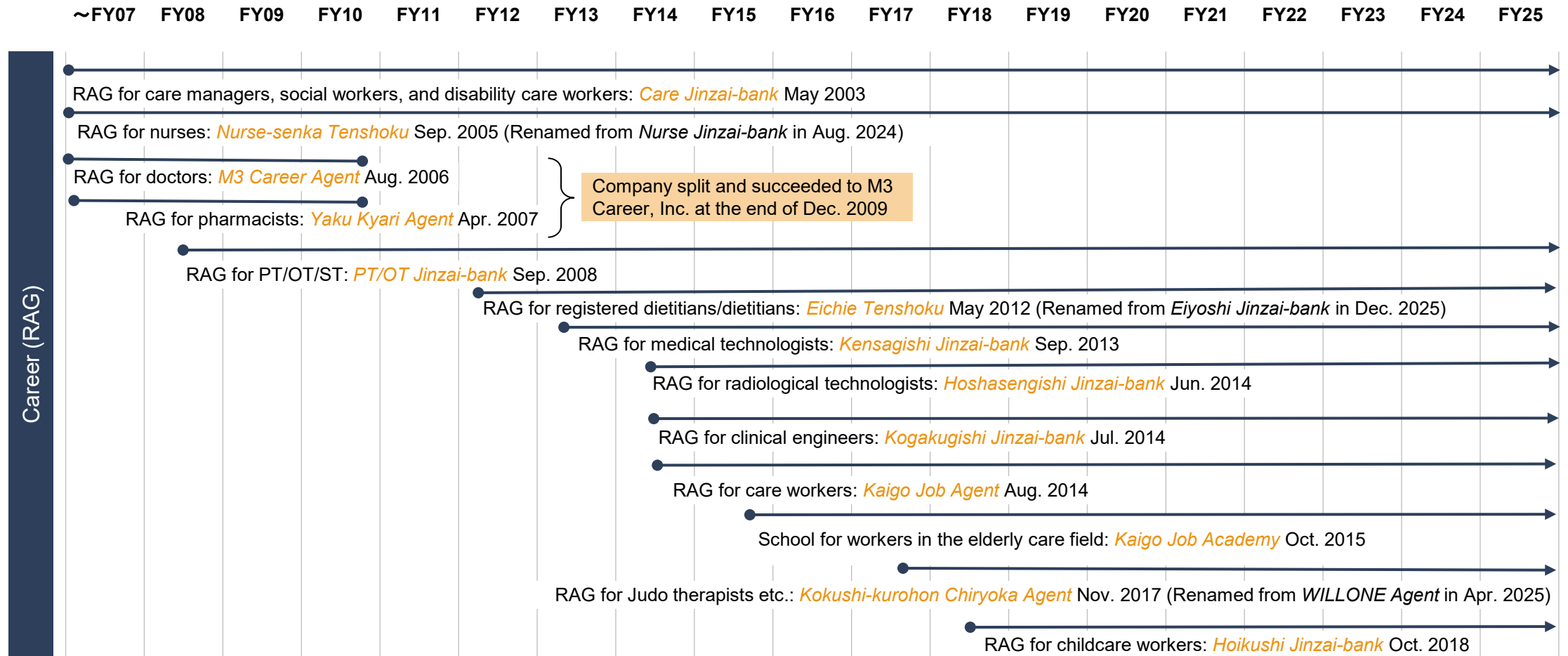
2. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc. (51%) and SMS (49%).

Business Portfolio*1 – Elderly/Disability Care Management Support, Overseas, Others

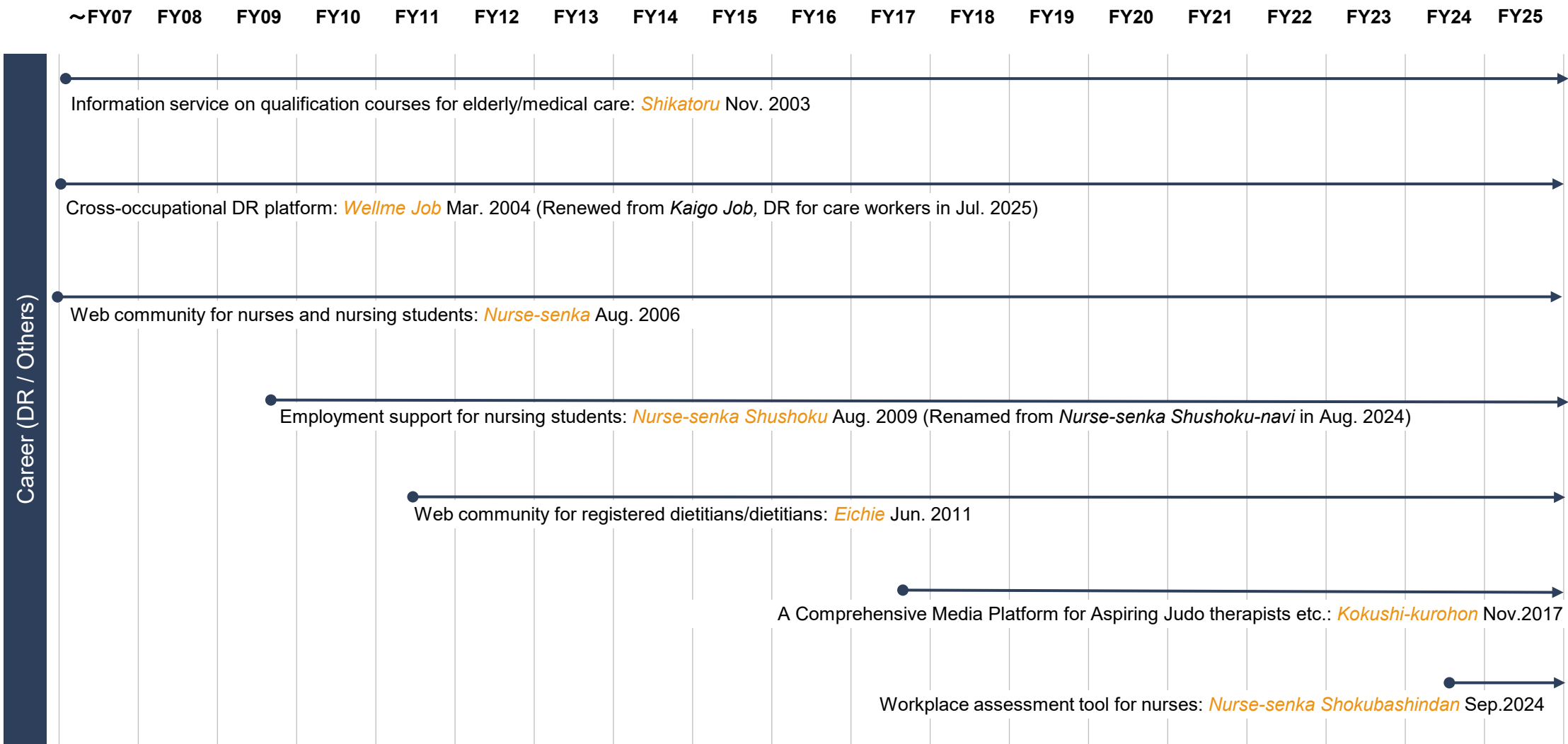
Segment	Services					
Elderly/Disability Care Management Support	Management support platform for elderly/disability care operators   	Information portal for management of elderly care operators 	Research and information on the aging society 高齢社会ラボ			
Overseas	Medical Marketing Clinical Decision Support 	Cross-border RAG for healthcare professionals (Malaysia, Philippines, Ireland, UK, Germany, etc.)   	CWC RECRUITMENT 	Care for Ward 	Career related service for nurses (South Korea) 	
Others	RAG for persons with disabilities  	Information service on employment support offices for persons with disabilities  	Remote industrial health service 	Referral service of renovation operators 	RAG for construction industry 	
	Referral service of funeral companies 	Web community for people struggling with elderly care 	Referral service of housing for the elderly 	Referral service of home-delivered meals 	Web community for care managers 	Information portal of dementia 

1. As of October 2026

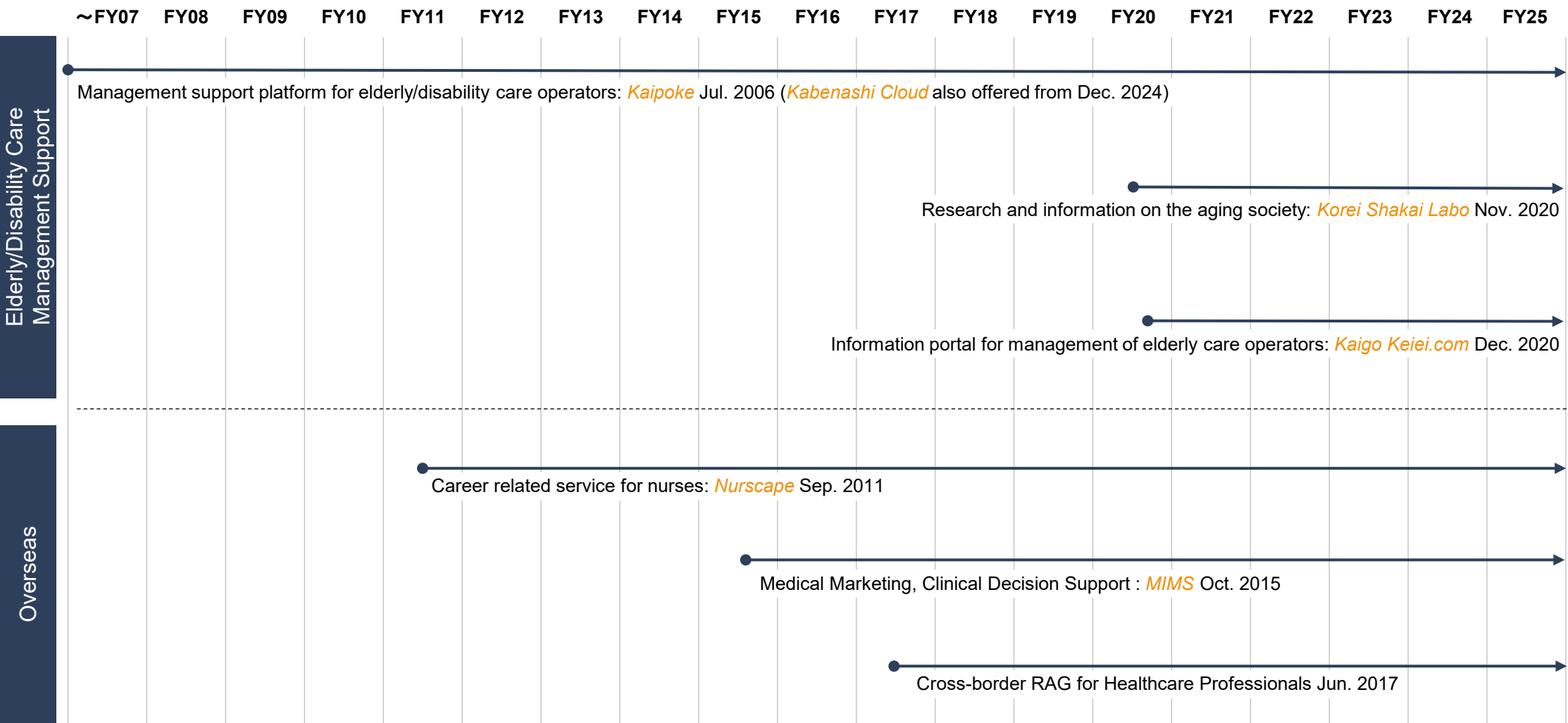
History of Service Launches – Career (RAG)



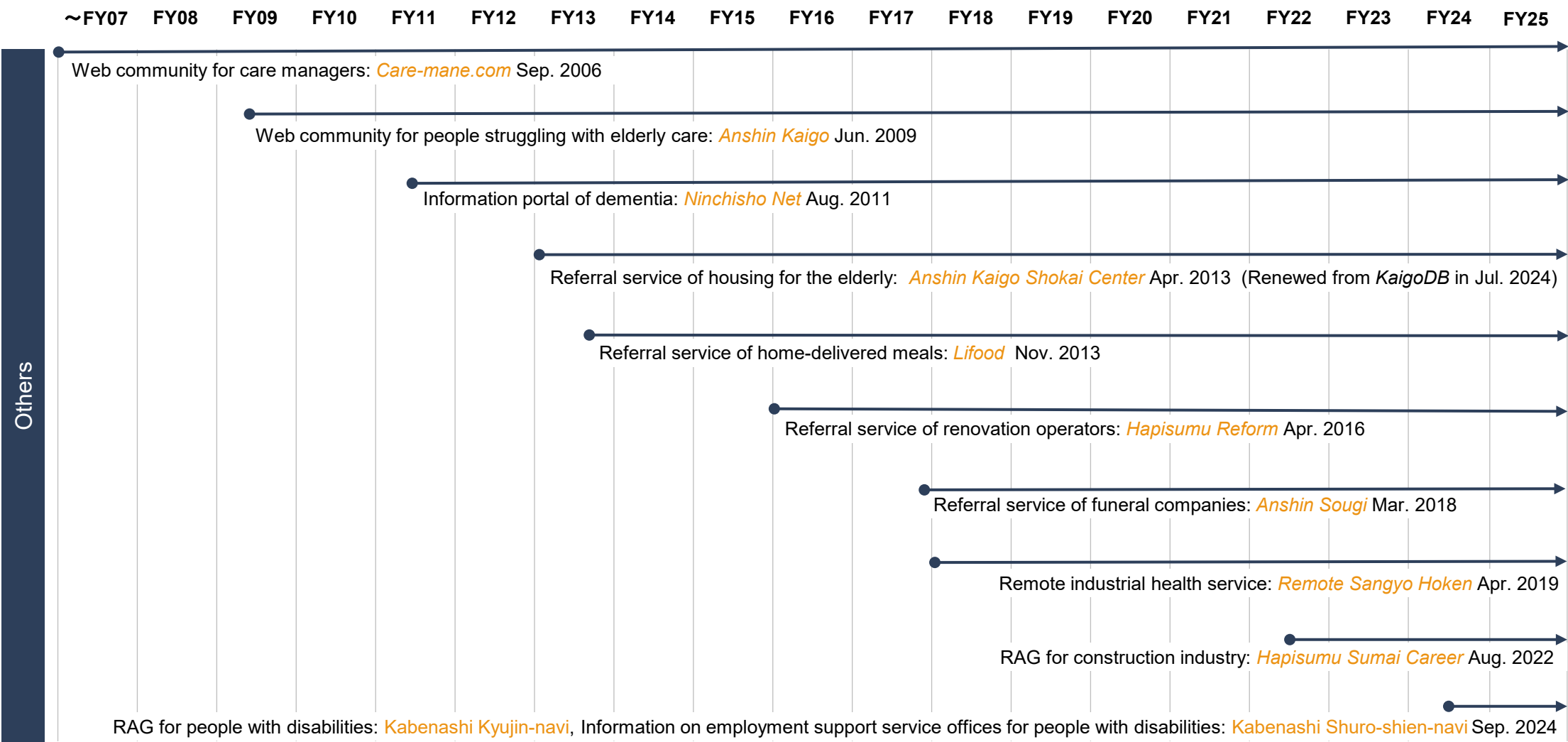
History of Service Launches – Career (DR / Others)



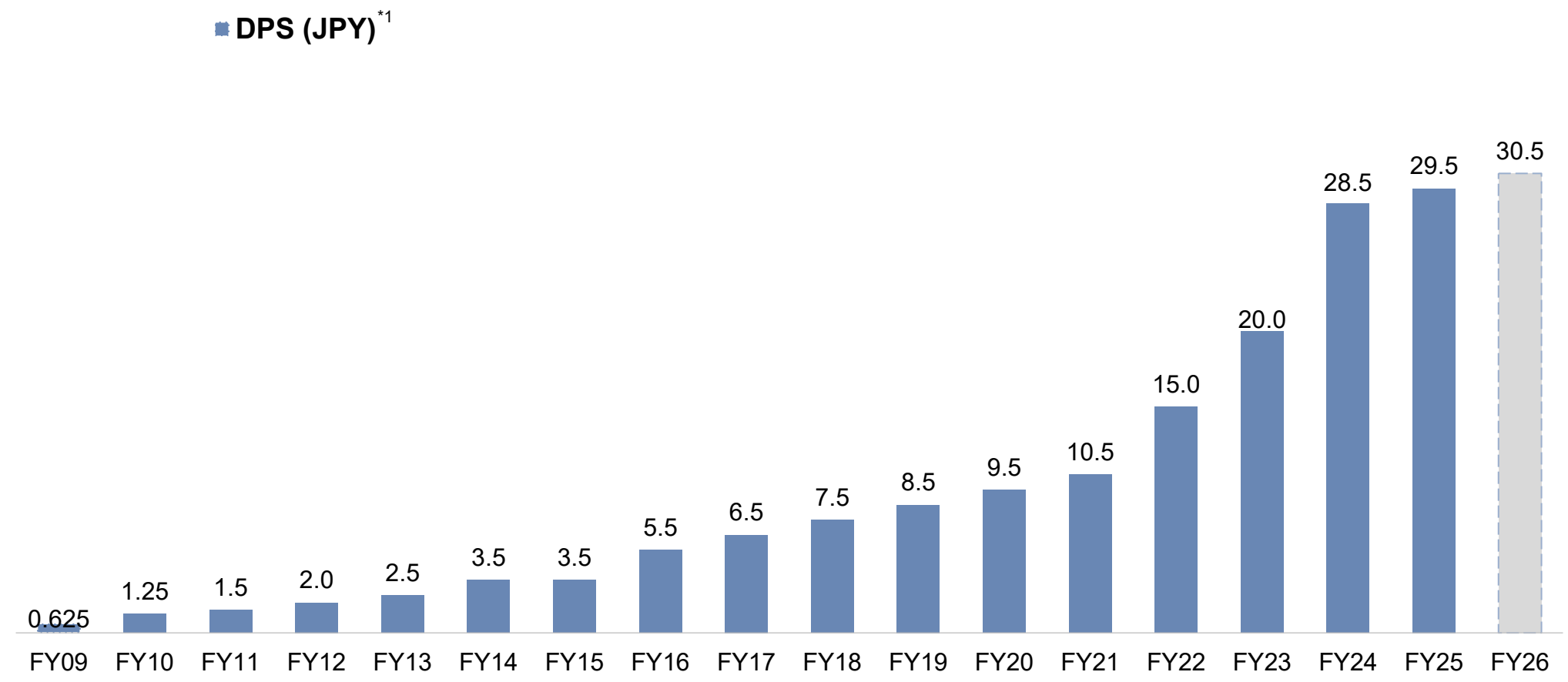
History of Service Launches – Elderly/Disability Care Management Support, Overseas



History of Service Launches – Others



Dividends



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

Historical Financial Results

(¥ million)

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Net Sales	19,069	23,054	26,611	30,836	35,140	35,960	38,899	45,667	53,973	60,952	64,735
EBITDA	3,740	5,163	5,729	6,612	6,956	7,656	8,801	10,260	11,835	10,273	11,406
Operating Income	2,756	3,646	4,021	4,743	4,935	5,470	6,318	7,279	8,269	6,335	6,787
Ordinary Income	3,509	4,430	5,007	5,979	6,355	6,653	7,726	8,759	9,901	8,357	8,721
Net Income	2,265	2,801	3,361	4,216	4,760	4,800	5,408	6,406	7,227	6,054	(14,317)
EPS*1 (¥)	27.9	33.7	38.7	48.5	54.7	55.1	62.1	73.5	83.0	71.0	(173.7)
Total Assets	41,689	43,231	46,087	47,467	50,996	49,444	56,585	65,098	72,475	76,540	52,774
Liabilities	28,532	21,648	22,446	31,928	31,597	26,785	26,594	26,677	28,190	29,221	26,050
Net Assets	13,157	21,583	23,641	15,539	19,398	22,658	29,991	38,421	44,284	47,319	26,724
Equity Ratio (%)	20.5	39.6	41.8	32.4	37.7	45.3	52.4	58.3	60.7	61.5	50.2
ROE (%)	29.5	21.8	18.5	24.4	27.5	23.1	20.8	19.0	17.6	13.3	(38.9)
DPS*1 (¥)	3.5	5.5	6.5	7.5	8.5	9.5	10.5	15.0	20.0	28.5	29.5
Dividend Payout Ratio (%)	12.5	16.3	16.8	15.5	15.5	17.2	16.9	20.4	24.1	40.2	-
TSR*1*2 (%)	1,150.3	1,057.5	682.8	402.3	263.6	317.8	243.5	143.2	132.6	57.8	51.7

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

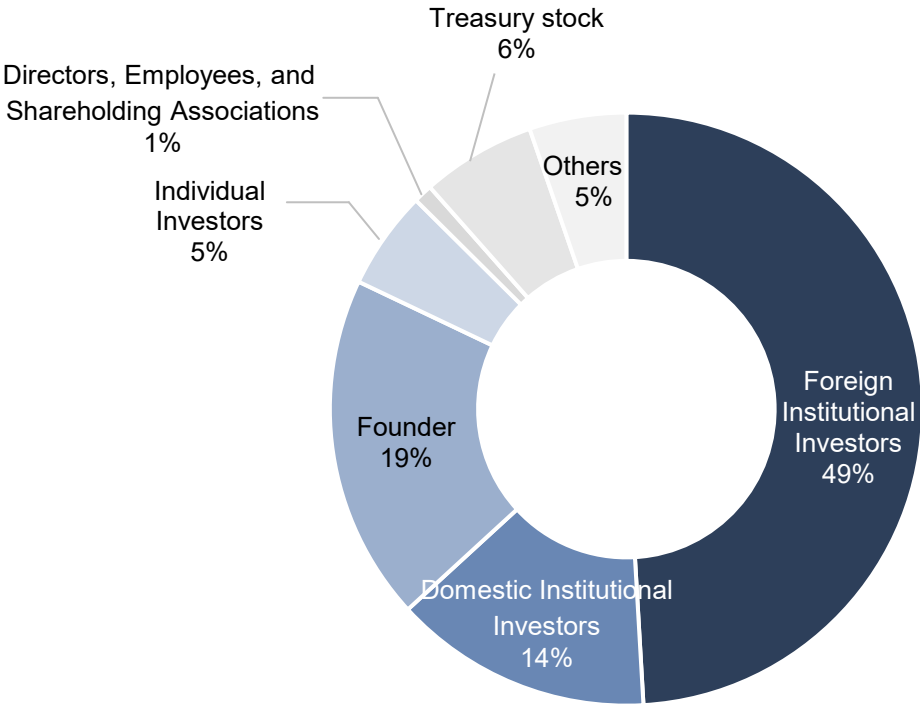
As of September 30, 2026:

Category	# of Employees
Consolidated	4,969
Japan	3,865
Overseas	1,104

Shareholder Composition*1

As of September 30, 2026:

Number of shareholders 6,757



1. The pie chart shows the percentage of shares 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 September 30, 2026. 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; and
- 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.

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.

For any inquiries on the materials, please contact below:

IR and Research Department

Email: irinfo@bm-sms.co.jp

1. https://global.bm-sms.com/ir/management/risk_factor/