

SMS CO., LTD.

(Securities Code: 2175 / TSE1)

Presentation Materials for Investor Relations

Financial Results Summary for

the Fiscal Year Ended March 31, 2016 (the 13th Fiscal Year)

April 28, 2016



SMS
Best matching Best value

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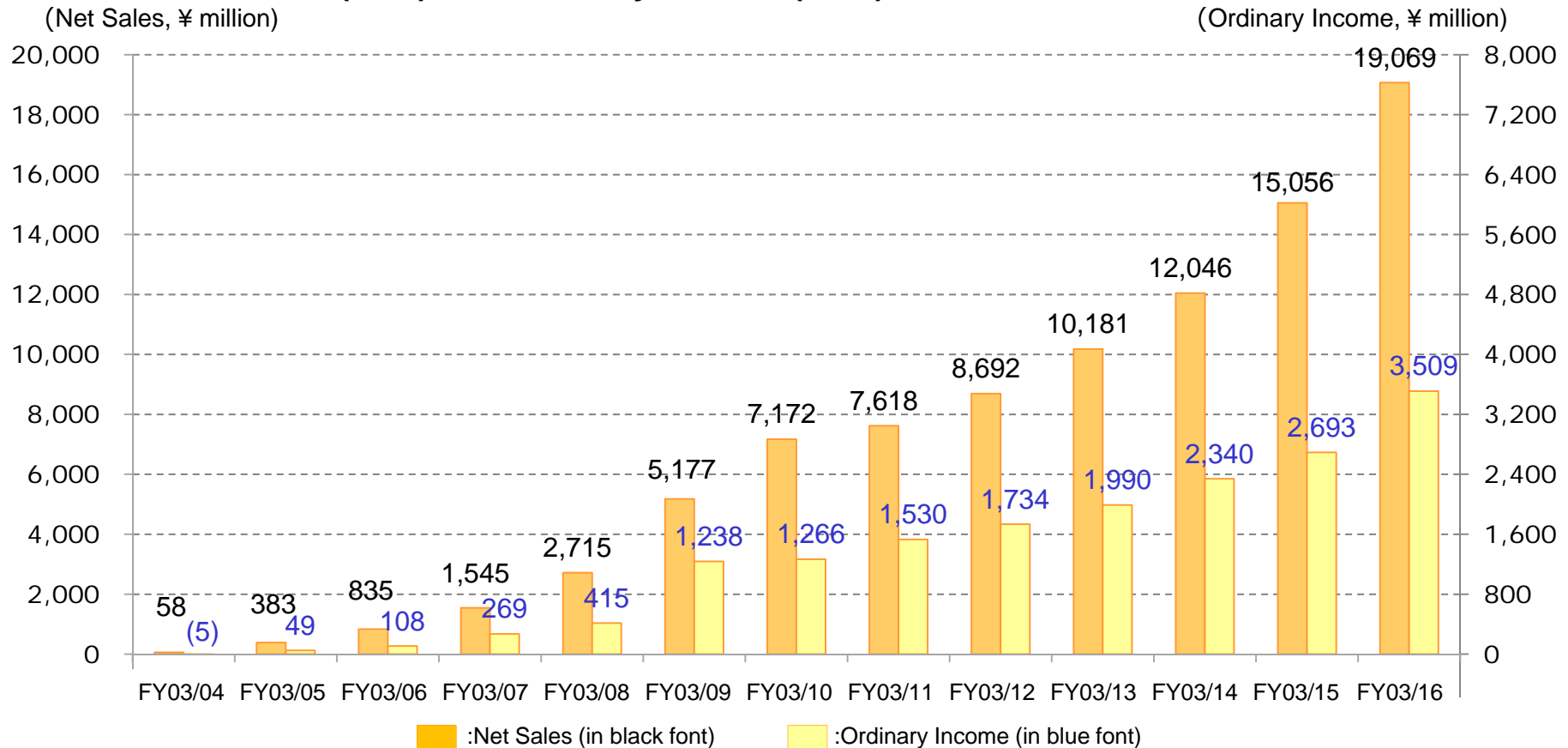
- ✓ Both net sales and incomes increased YoY.
- ✓ Incomes exceeded forecasts.

FY03/16 P/L Statement [¥ million]

	FY03/15 Actual	FY03/16 Forecasts*1	FY03/16 Actual	YoY Change	vs. Forecasts
Net Sales	15,056	19,102	19,069	+27%	-0%
Operating Income	2,079	2,740	2,756	+33%	+1%
Ordinary Income	2,693	3,429	3,509	+30%	+2%
Net Income	1,824	2,265	2,265	+24%	+0%

✓ Achieved growth in both net sales and ordinary income for 12 consecutive years*¹ since the establishment of the Company.

Trends in Net Sales (LHS) and Ordinary Income (RHS)*²



*1 :Excludes the first fiscal year

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1 Analysis of Year-on-Year Differences

✓ *Kaipoke* contributed to a significant YoY increase in net sales and incomes.

Year-on-Year Differences and Analysis [¥ million]

	FY03/16 Actual	FY03/15 Actual	Differences	Analysis
Net Sales	19,069	15,056	+4,012	<ul style="list-style-type: none"> • Almost all services, including <i>Kaipoke</i> and Career-related services, increased YoY • MIMS Group acquired in October 2015 contributed to an increase in net sales.*1
Operating Income	2,756	2,079	+677	<ul style="list-style-type: none"> • <i>Kaipoke</i> increased significantly YoY
Ordinary Income	3,509	2,693	+816	<ul style="list-style-type: none"> • Gains from M3 Career, an equity method affiliate, increased
Net Income	2,265	1,824	+441	—

*1: SMS's FY03/16 net sales results only include MIMS Group's net sales for Oct-Dec 2015 (¥1,581 million).

1 Career Segment (Full-year)

- ✓ Net sales increased 10% YoY.
- ✓ Almost all services increased steadily.

Year-on-Year Comparison of Net Sales [¥ million]

		FY03/15	FY03/16	YoY Change
Nursing Care	Recruiting Agent	1,090	1,326	+22%
	Media	1,589	1,946	+22%
Medical Care	Recruiting Agent	7,450	7,876	+6%
	Media	1,472	1,571	+7%
Total		11,603	12,720	+10%

Highlights

- In recruiting agent services, new consultants contributed to an increase in net sales
 - ✓ Recruiting agent for nurses: # of consultants on average: 265 in FY03/15 to 290 in FY03/16
- Recruiting agent for paramedics, excluding nurses, increased steadily
- Recruiting ads for nursing care professionals increased steadily

1 Nursing Care Segment (Full-year)

- ✓ Net sales increased 58% YoY.
- ✓ *Kaipoke* increased significantly due to the new service concept.

Year-on-Year Comparison of Net Sales [¥ million]

	FY03/15	FY03/16	YoY Change
Mngt Support for Service Operators	1,537	2,551	+66%
New Businesses	347	421	+21%
Total	1,884	2,972	+58%

Highlights

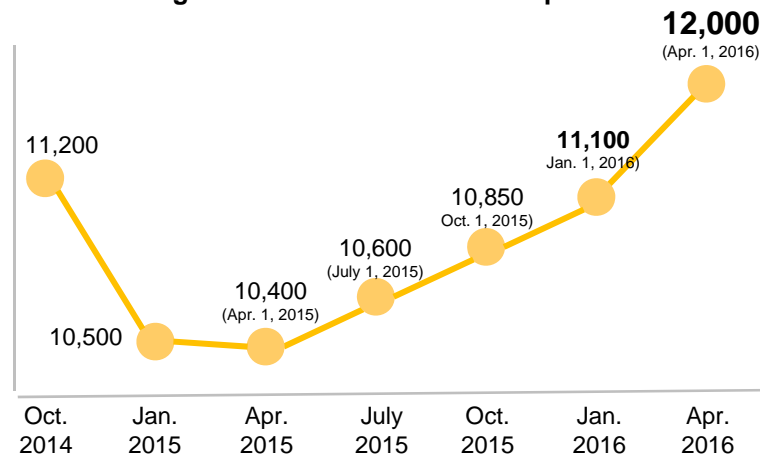
- Management Support for Service Operators increased significantly because of *Kaipoke's* price revision associated with the renewal of management support services (applied from the 2H of FY03/15)

- ✓ As of April 1, 2016, we achieved our target for the number of membership locations.
- ✓ Our franchise (FC) strategy is performing well.

Number of Membership Locations

- The number of membership locations reached **12,000** as of April 1, 2016

Trend and Target for Number of Membership Locations



Actions and Results

- Strengthening sales activities targeting operators owning multiple locations

- ✓ Continue to target medium-sized operators and franchisers
- ✓ Subsequent to Rehacontents Co., Ltd., implemented *Kaipoke* to Sawahompo and Waseda Elderly Health Association, which respectively offer nursing care day services and rehabilitation day services nationwide
- ✓ Running several other projects with franchisers, each covering over 100 locations

1 Medical Care, Healthcare and overseas Segments (Full-year)

- ✓ In the overseas Segment, the acquisition of MIMS Group in October 2015 contributed to an increase in net sales.
- ✓ Medical Care and Healthcare segments engaged in new businesses developments.

Year-on-Year Comparison of Net Sales [¥ million]

	FY03/15	FY03/16	YoY Change
Medical Care	784	657	-16%
Healthcare	42	117	+174%
Overseas	740	2,601 ^{*1}	+251%

Highlights

Medical Care
Health-care
Overseas

- Net sales of “Mail order/online sales of nursing goods” decreased YoY, but the profitability improved by discontinuing catalog sales and focusing on online sales
- Developing the services based on specific segments/themes, such as information portals for hospital office managers and regional partnership support in the medical segment
- Developing the services based on specific segments/themes such as dementia
- MIMS Group contributed to the increase in net sales

*1: SMS's FY03/16 net sales results only include MIMS Group's net sales for Oct-Dec 2015 (¥1,581 million).

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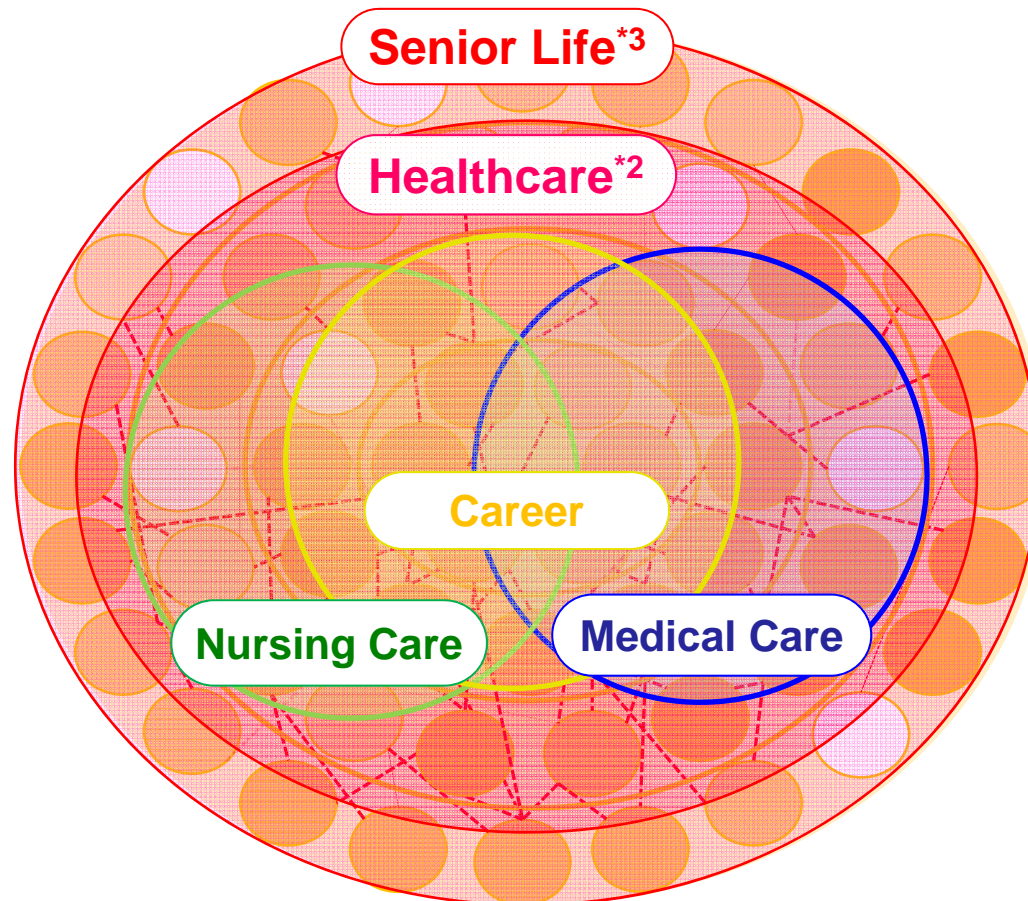
2 Our Mission

**We create values and contribute to society by providing an
“information infrastructure for an aging society.”**

SMS stands for “Senior Marketing System.”

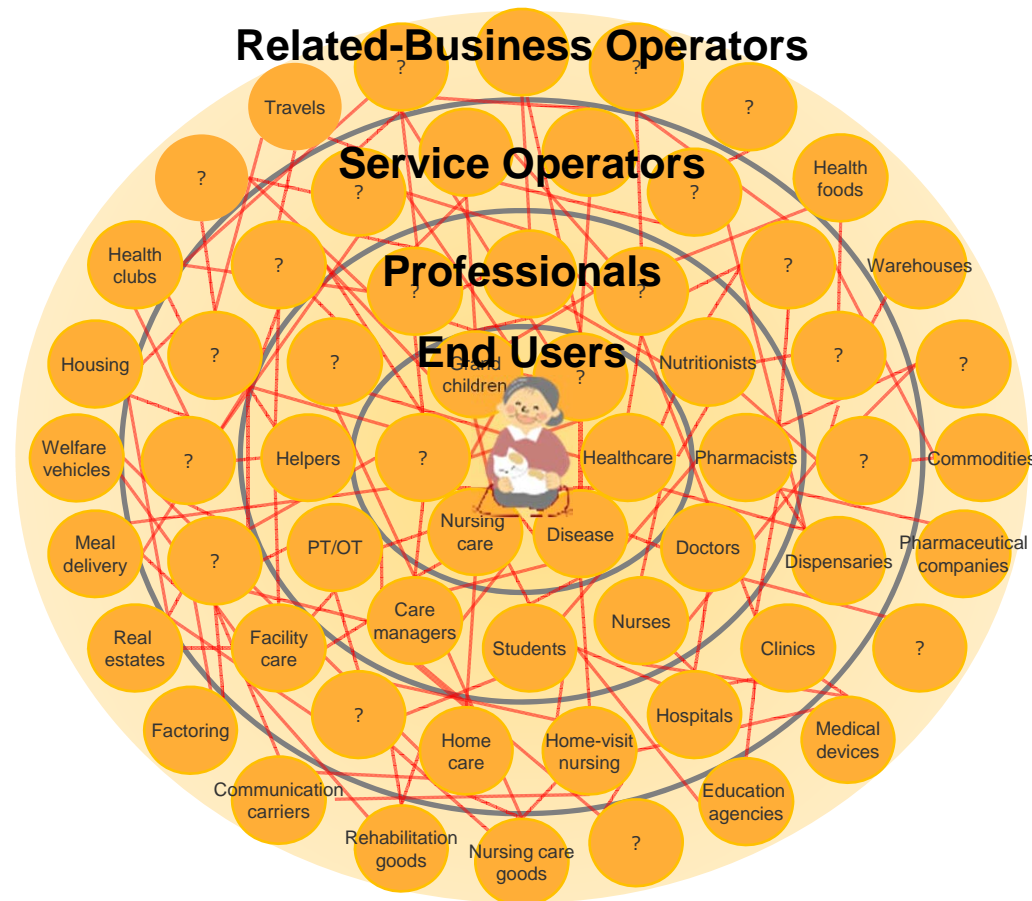
2 Marketing Segments in the Aging Society

- ✓ We define our market segments as Nursing Care, Medical Care, Career, Healthcare, Senior Life.
- ✓ In the overseas market, we are targeting Asia^{*1} and promoting businesses in each country with a focus on Medical Care and Healthcare.



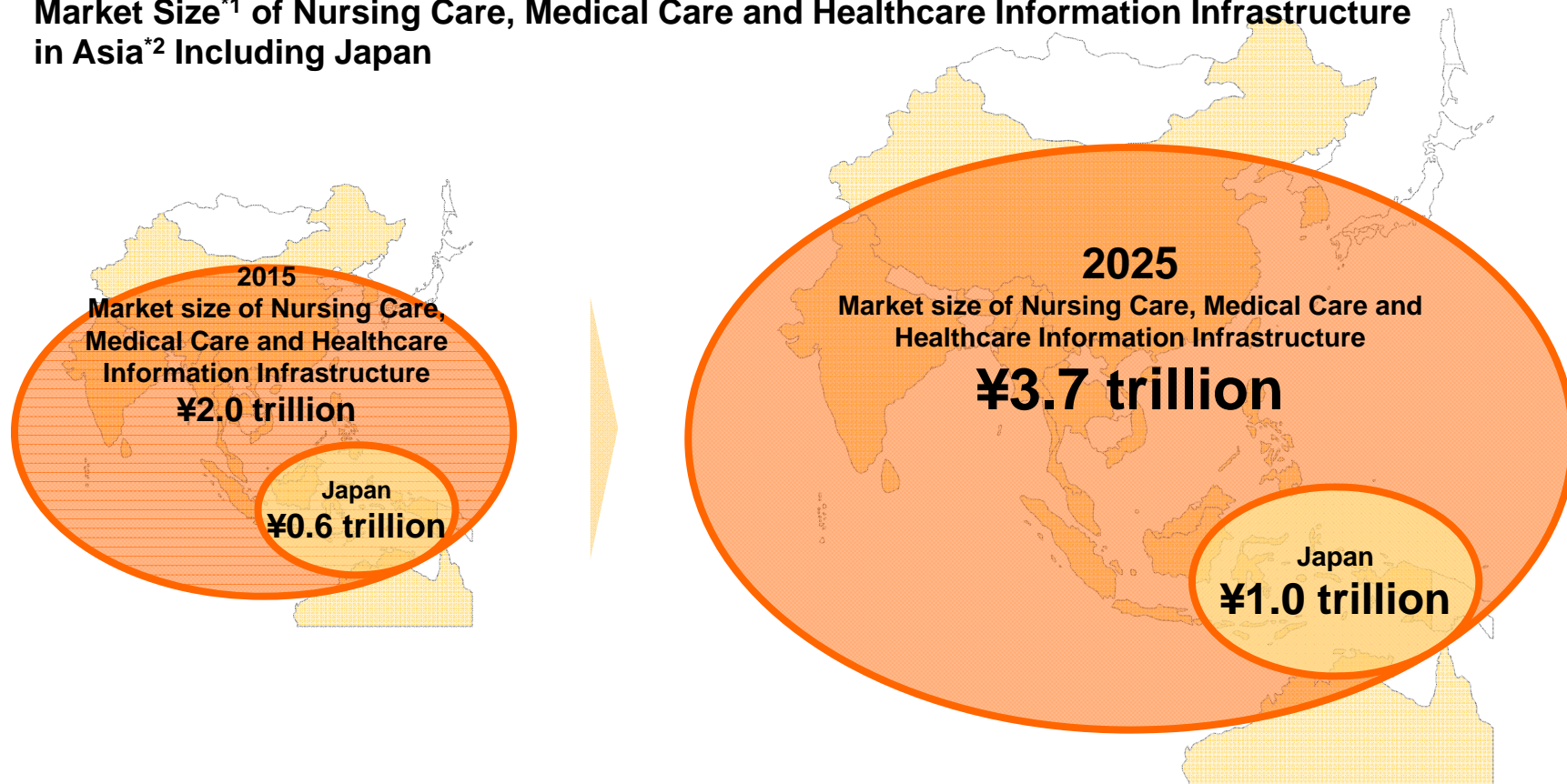
*1: Includes Oceania *2: Covers health-related matters that are not subject to long-term care insurance or medical insurance

- ✓ In order to establish an effective information infrastructure, it is important to lock in stakeholders who present value to SMS (i.e. service operators, professionals and end users), offer a feasible business model and solve information asymmetry.



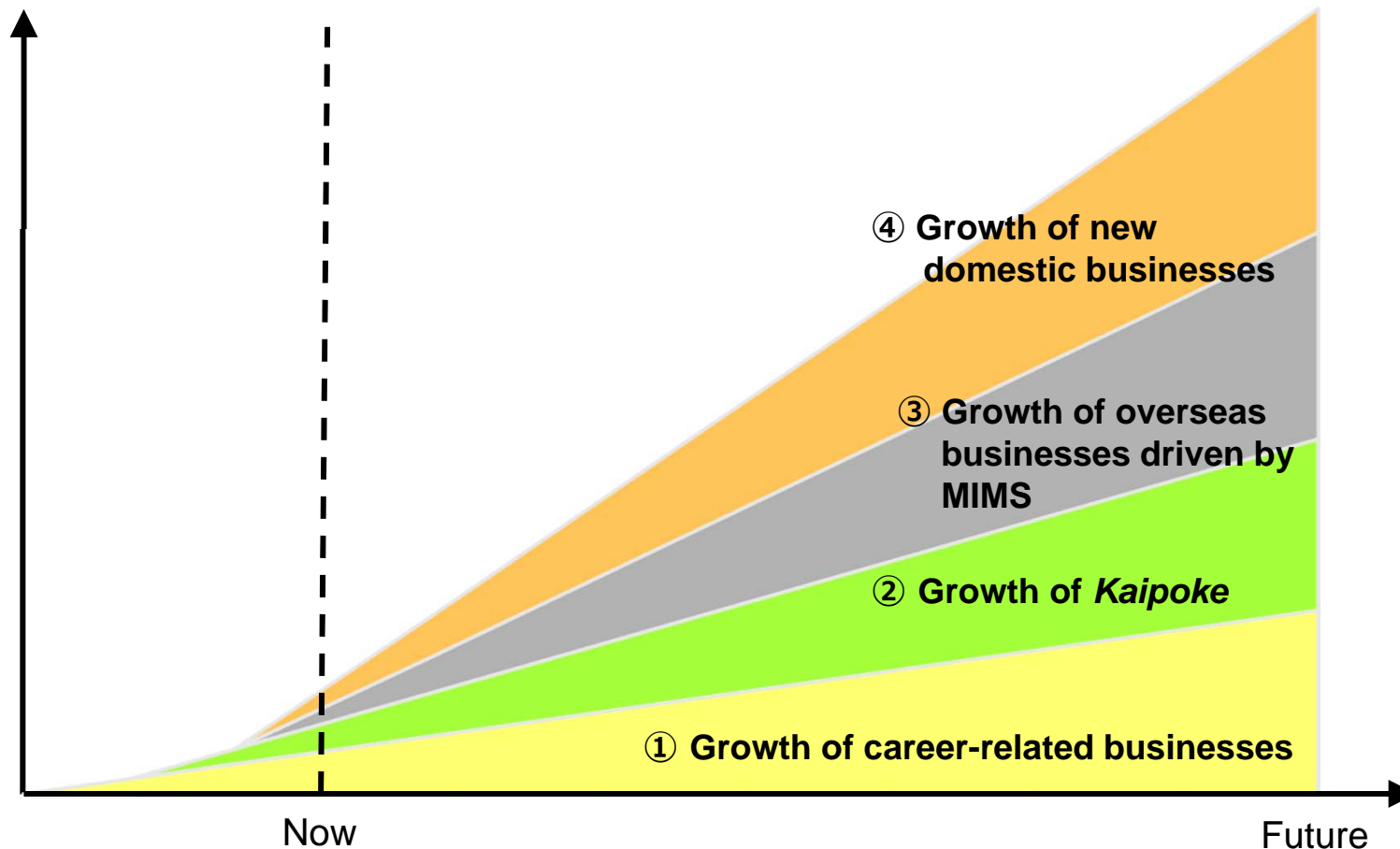
- ✓ In 2025, the market size of information infrastructure for Nursing Care, Medical Care and Healthcare in Asia (including Japan) is estimated to exceed ¥3.7 trillion, making it an extremely attractive market.

Market Size*¹ of Nursing Care, Medical Care and Healthcare Information Infrastructure in Asia*² Including Japan



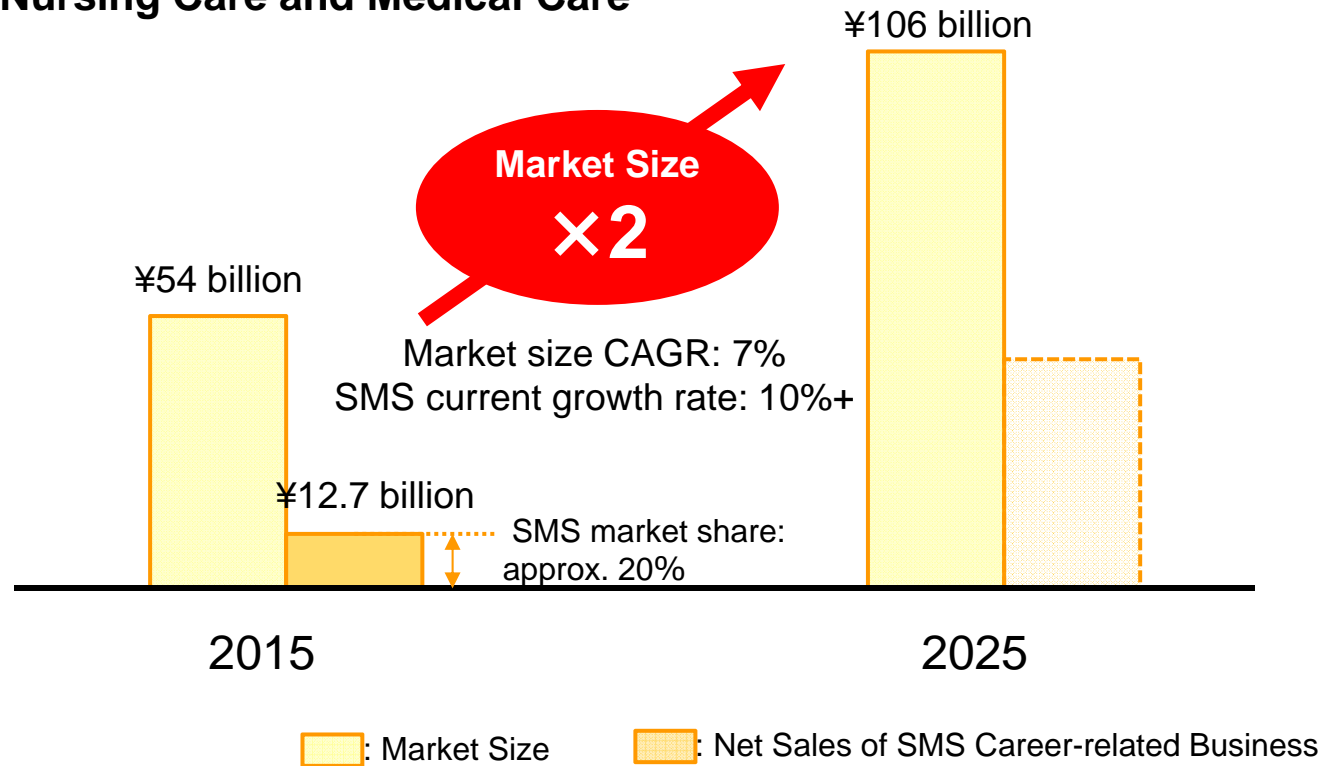
2 Growth Scenario

- ✓ Our growth thus far has been driven by career-related businesses*1.
- ✓ Going forward, we aim to sustain stable growth in career-related businesses, while also driving growth in *Kaipoke*, overseas businesses and new domestic businesses.

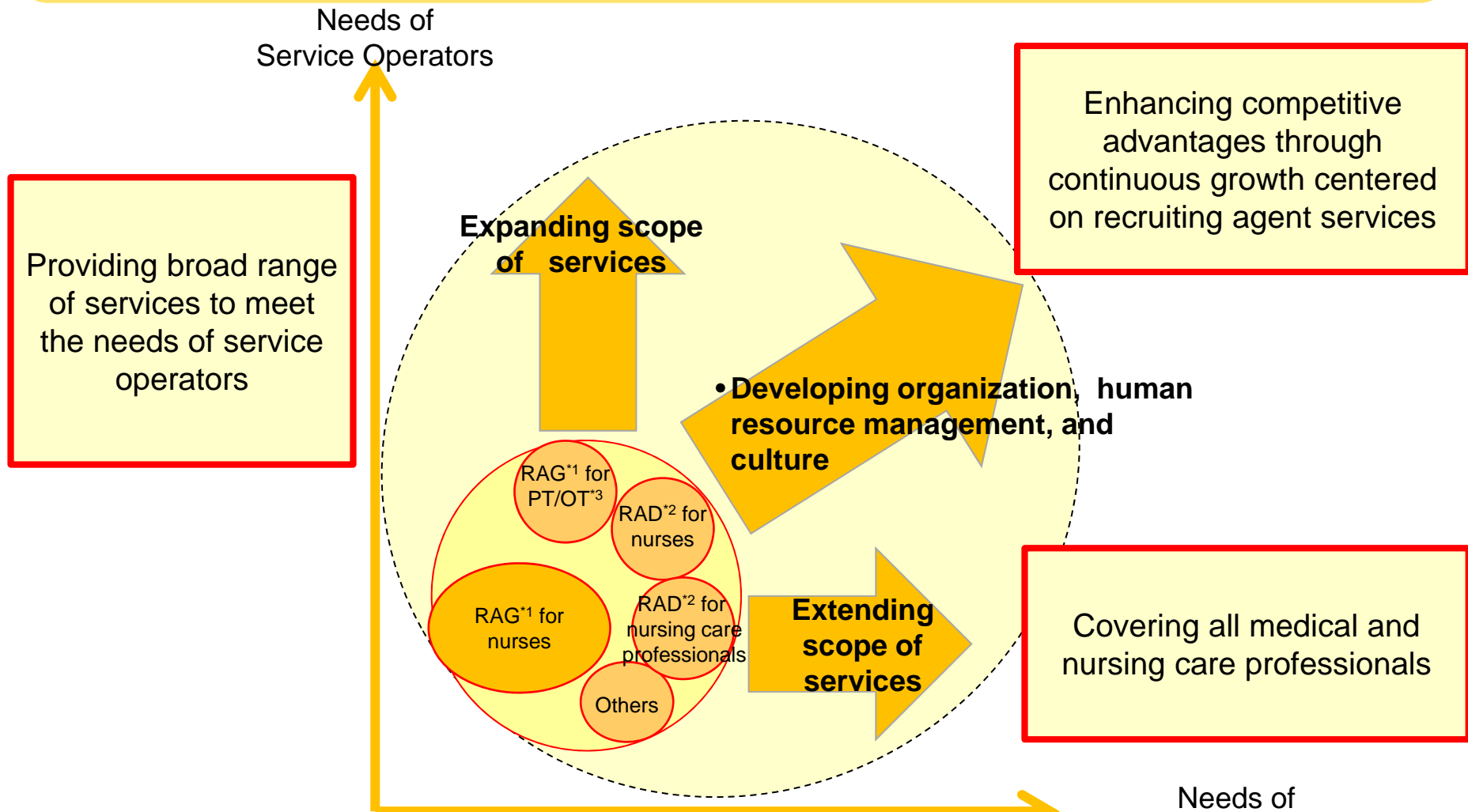


- ✓ The market size of career-related businesses will double in the next decade.
- ✓ Our current growth rate surpasses market size CAGR estimates.

Market Size of Career-related Businesses in Nursing Care and Medical Care*1



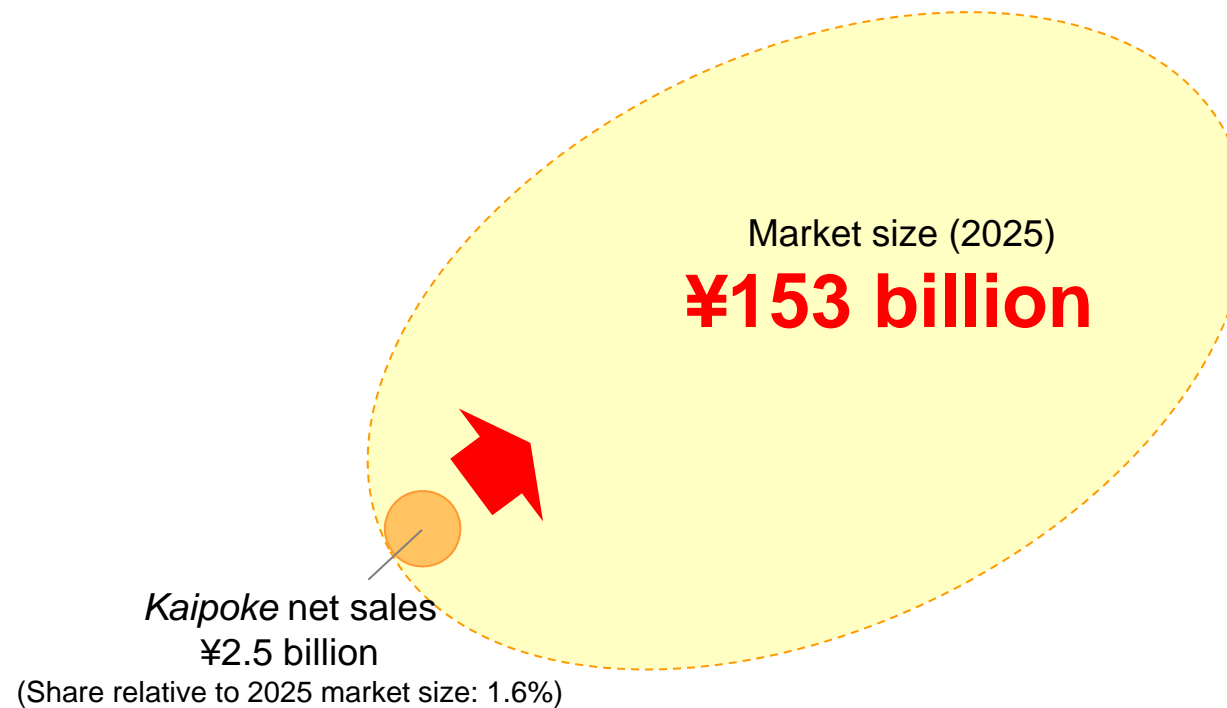
✓ Aim to realize long-term and continuous growth in the Career-related businesses by developing an optimal organization and expanding the scope of each service.



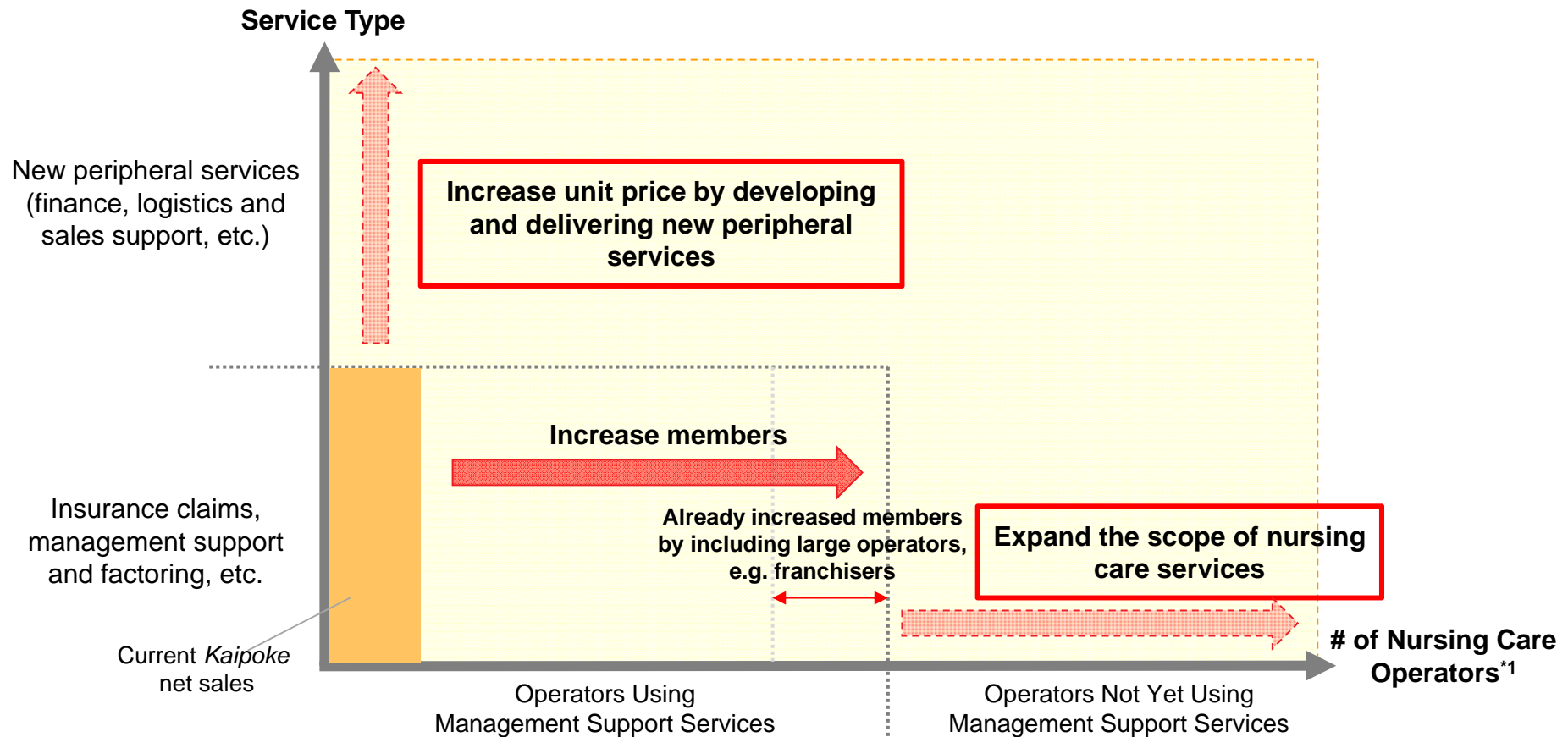
*1 : RAG stands for Recruiting Agent *2 : RAD stands for Recruiting Ads
 *3 : PT/OT stands for Physical Therapist, Occupational Therapist, respectively

- ✓ *Kaipoke* has abundant leeway considering the current market penetration level, and the market size is estimated to increase to ¥153 billion 10 years from now.

Management Support Services for Nursing Care Operators: Market Size*¹



- ✓ We are the only company offering management support services to nursing care operators, and thus the number of *Kaipoke* members and users is growing.
- ✓ We can enter into new markets through expanding the scope of our nursing care services and developing peripheral services.



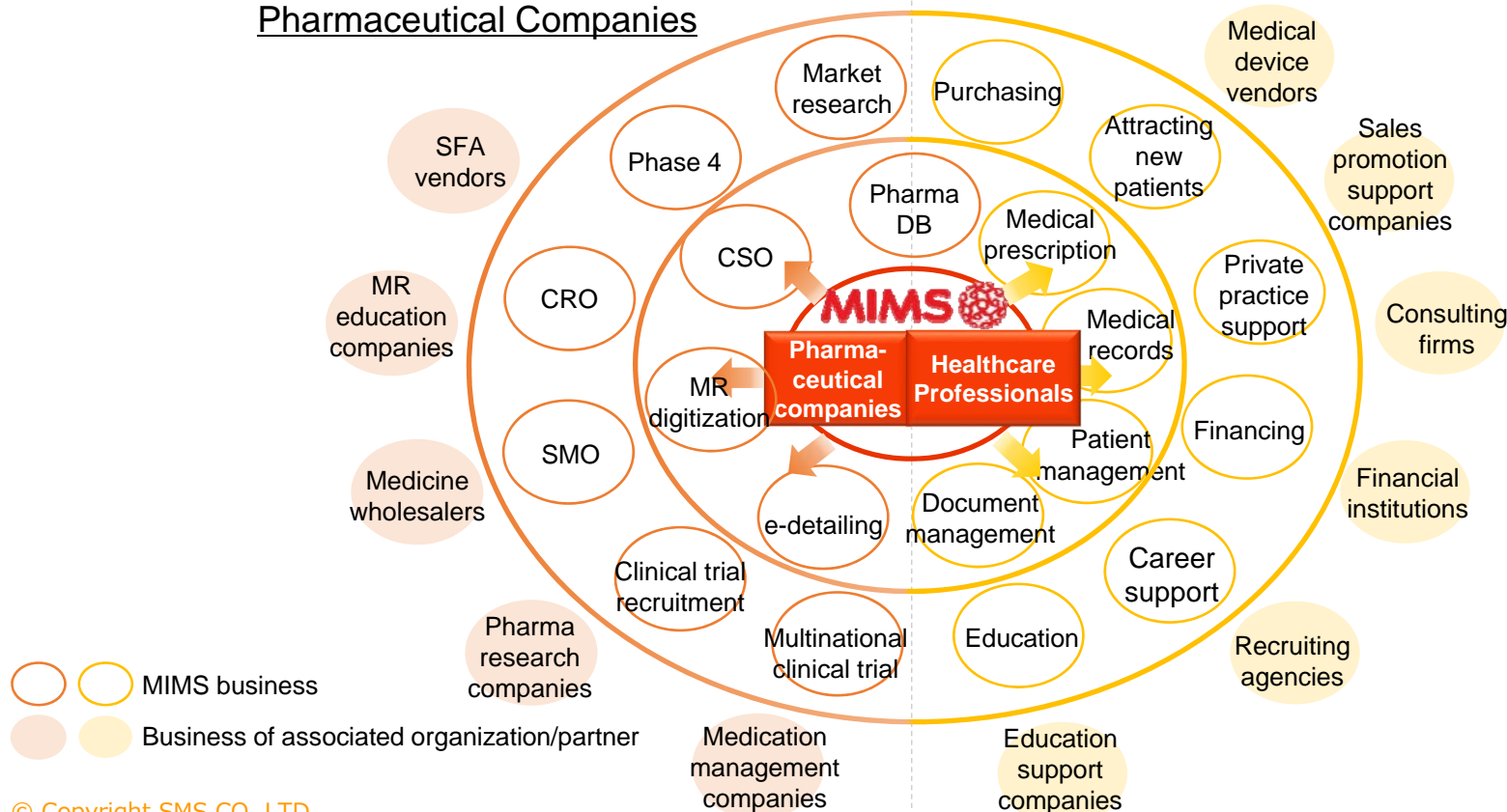
✓ MIMS aims to achieve further growth in existing businesses and develop new businesses by utilizing its membership base of 2 million healthcare professionals and partnerships with pharmaceutical companies.

Pharmaceutical Field

Clinic Field

Marketing Support for Pharmaceutical Companies

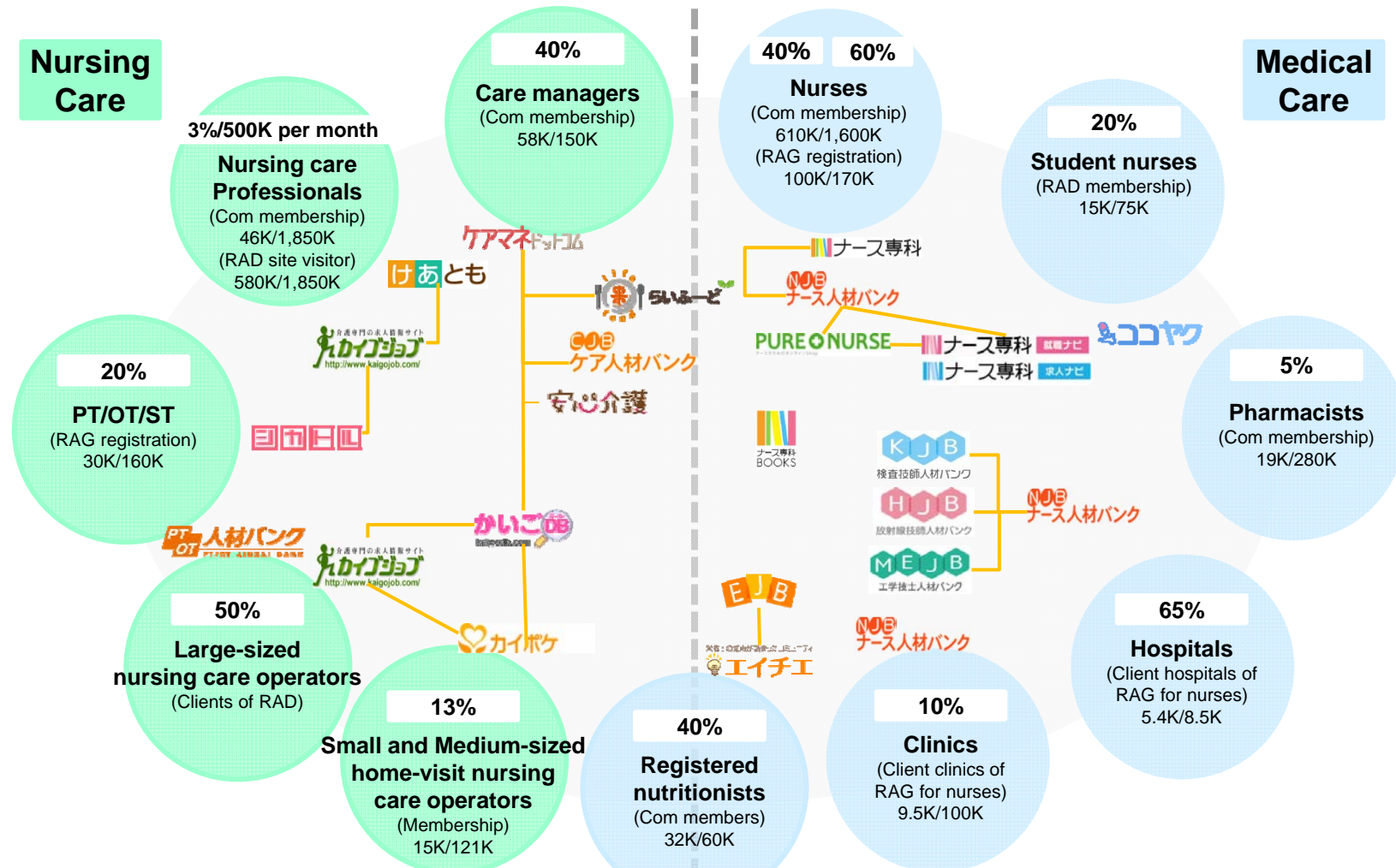
Management Support for Clinics



- ✓ In the short term, we plan to invest in future growth. For the first few years, we will focus on promoting online systemization of existing businesses and launching new businesses in the key countries where we operate.
- ✓ In the medium to long term, we will enhance our businesses in other countries and accelerate growth.

Business Classification	First and Second Year	Third Year and Beyond
Existing Businesses*1	<ul style="list-style-type: none"> •PM: Promote online systemization of services targeting key countries <ul style="list-style-type: none"> - Strengthen ties with members - Develop web-based products •HD: Enhance system-based products 	<ul style="list-style-type: none"> •PM: As online systemization of services proceeds in key countries, expand to other countries <ul style="list-style-type: none"> - Roll out best practices developed during the first two years to other countries - Drive growth in web-based products •HD: Establish a solid presence by expanding to other countries and integrating with other systems
New Businesses	<ul style="list-style-type: none"> •In several countries, conduct tests and launch businesses related to management support systems for clinics and career-related businesses 	<ul style="list-style-type: none"> • Solidify businesses in the countries where we have already expanded and start the businesses in other countries
Phase	Investment	Growth acceleration

- ✓ Create an environment that enables immediate contact with potential clients by locking in stakeholders who present value to SMS.
- ✓ Rapidly develop various new services and offer such services to those stakeholders. This will allow for significantly faster and less costly implementation than starting from scratch.



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✓ Net sales and net income are expected to increase by 26% and 20% YoY respectively.

P/L Statement [¥ million]

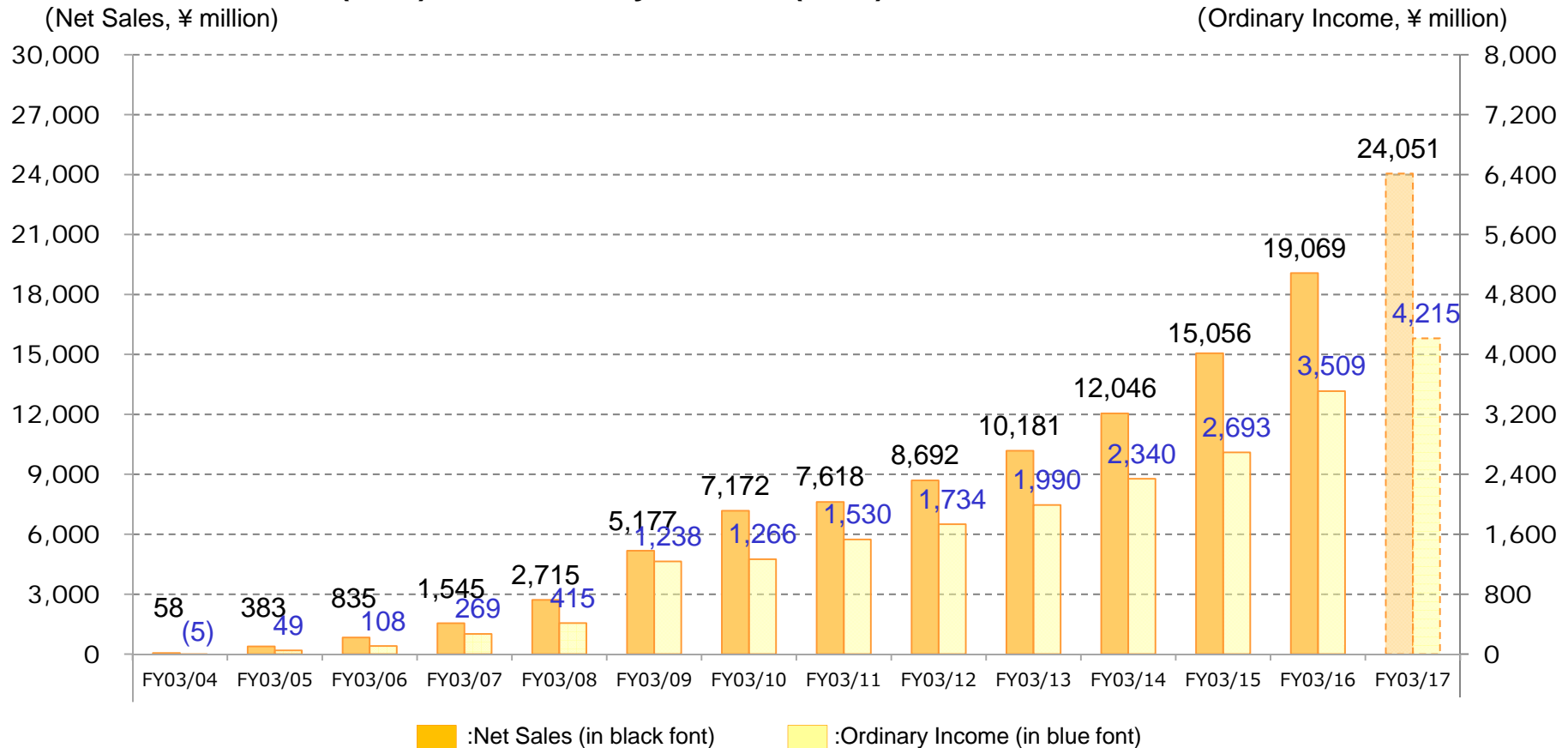
	FY03/16 Actual	FY03/17 Forecasts	Difference (Amount)	YoY Changes
Net Sales	19,069	24,051	+4,982	+26%
Operating Income	2,756	3,432	+676	+25%
Ordinary Income	3,509	4,215	+705	+20%
Net Income	2,265	2,718	+453	+20%

3 Historical Financial Results and FY03/17 Forecasts



✓ We expect to achieve growth in both net sales and ordinary income for the 13th consecutive year*¹ since our establishment.

Trends in Net Sales (LHS) and Ordinary Income (RHS)*²



*1 :Excludes the first fiscal year

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3 Career Segment FY03/17 Forecasts



- ✓ Net sales is expected to increase 11% YoY on the back of steady growth in most of the services.

Year-on-Year Comparison of Net Sales [¥ million]*1

		FY03/16	FY03/17	YoY Changes
Nursing Care	Recruiting Agent	1,438	1,932	+34%
	Media	1,833	2,146	+17%
Medical Care	Recruiting Agent	8,229	8,692	+6%
	Media	1,223	1,397	+14%
Total		12,725	14,167	+11%

Highlights (vs. FY03/16)

- Productivity will improve in recruiting agent service for nurses and contribute to an increase in net sales
 - ✓ In FY03/17, focus will be placed on engaging existing members
- In recruitment agent service for nursing care, growth is expected not only in the original scope of care managers and PT/OT/ST but also in nursing care professionals

*1: From FY03/17, “recruiting agent service for nursing care professionals” will be transferred from Media to Recruiting Agent Service both under Nursing Care (Career Segment); “solutions” from Media to Recruiting Agent Service both under Medical Care (Career Segment); and “Community for nurses” from the Medical Care Segment to Media under Medical Care (Career Segment).

- ✓ Net sales is expected to increase 28% YoY with *Kaipoke* serving as the key driver of growth.

Year-on-Year Comparison of Net Sales [¥ million]

	FY03/16	FY03/17	YoY Changes
Mngt Support for Service Operators	2,551	3,241	+27%
New Businesses	421	564	+34%
Total	2,972	3,806	+28%

Highlights (vs. FY03/16)

- Net sales will increase in management support for service operators because of the rise in membership locations
 - ✓ The number of membership locations is 12,000 as of April 2016 and is expected to reach 14,500 in April 2017
- Significant growth is expected in business models that are becoming solidified, e.g. home-delivered meal search site for seniors

3 Medical Care, Healthcare and overseas Segments FY03/17 Forecasts



✓ MIMS will contribute significantly to an increase in net sales.

Year-on-Year Comparison of Net Sales [¥ million]*1

	FY03/16	FY03/17	YoY Changes
Medical Care	652	674	+3%
Healthcare	117	179	+52%
Overseas	2,601	5,223 ^{*2}	+101%

Highlights (vs. FY03/16)

Medical Care
Health-care
Overseas

- Mail order/online sales of nursing goods will continue to improve the profitability while engaging in collaboration with the Career Segment
- New services will be developed in line with changes in policies regarding regional comprehensive care and with market needs
- Services will be developed based on specific segments/themes such as dementia
- MIMS Group, acquired in October 2015, will contribute to an increase in net sales. Online systemization of existing businesses and development of new businesses will advance

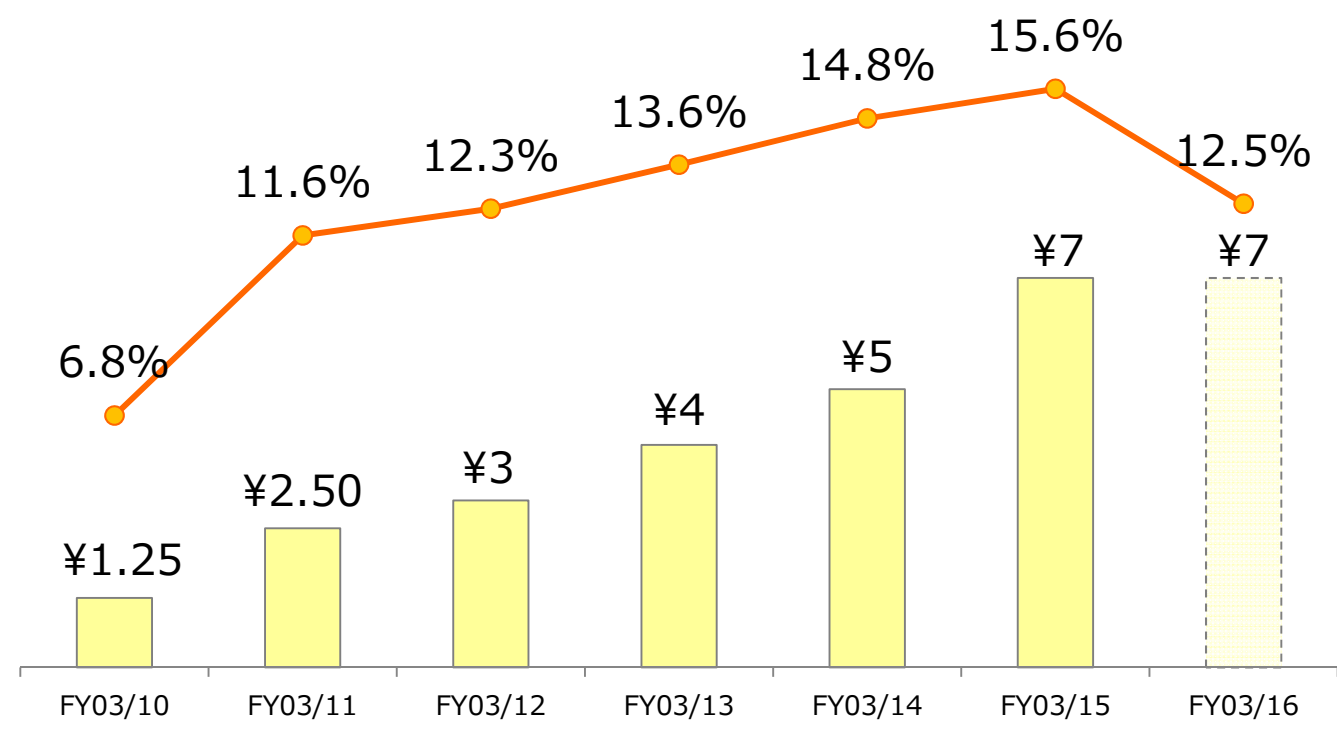
*1: From FY03/17, "Community for nurses" will be transferred from the Medical Care Segment to Medical Care Media in the Career Segment.

*2: MIMS Group's net sales for FY03/17 is forecasted at ¥4,731 million. Net sales is expected to increase slightly YoY ignoring the impact of exchange rates. Since SMS Taiwan CO., LTD. was sold, as disclosed on April 28, 2016, net sales of its subsidiary iHealth is not included in FY03/17 forecasts; therefore, overseas net sales excluding MIMS Group is expected to decrease.

3 Dividends

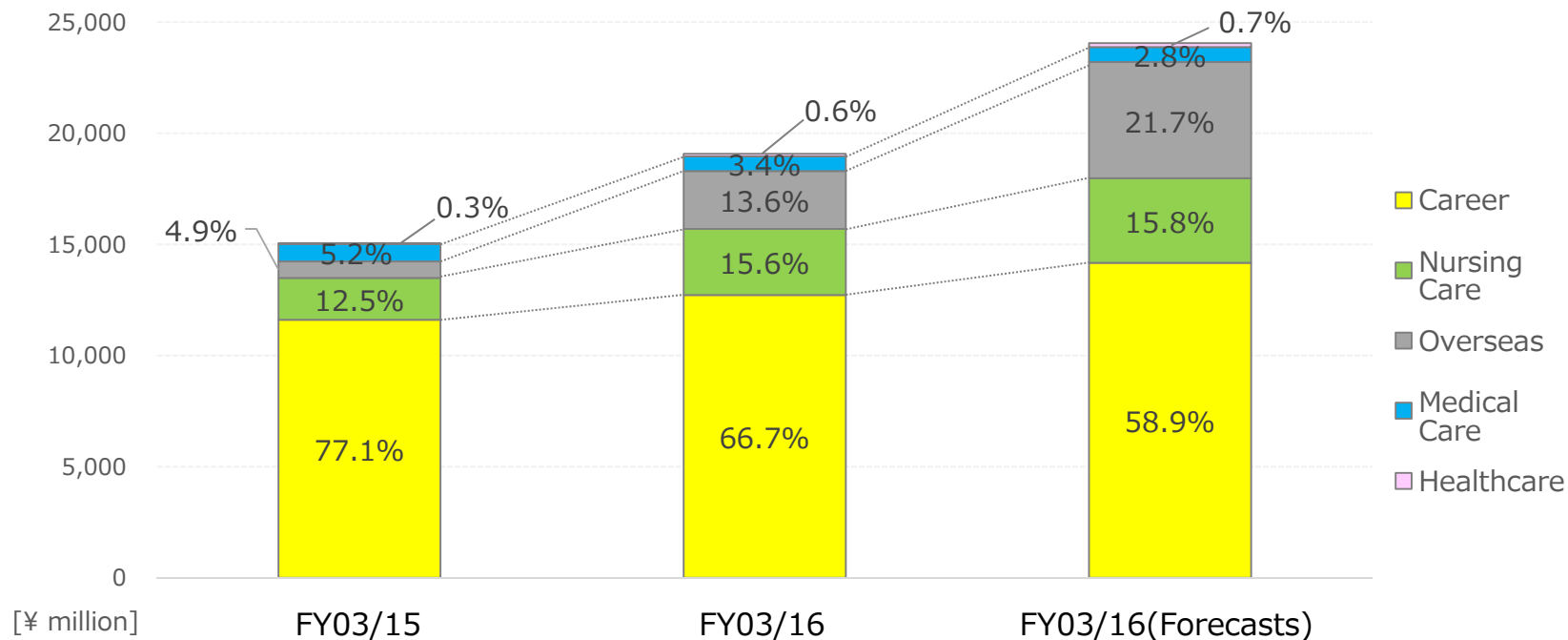
✓ We plan to pay a dividend of ¥7 per share (Same as last year).

Trends of the Amount and the Payout Ratio of Dividends*1



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Breakdown of Consolidated Net Sales by Segment



Segment	FY03/15	FY03/16	FY03/17 Forecasts	Note
Career	11,603	12,720	14,167	Of which recruiting agent service for nurses accounts for approx. 60%*1
Nursing Care	1,884	2,972*2	3,806	Of which <i>Kaipoke</i> accounts for approx. 90%*1
Overseas	740	2,601	5,223	Of which MIMS accounts for approx. 60%*1
Medical Care	784	657	674	-
Healthcare	42	117	179	-
Total	15,056	19,069	24,051	-

*1 : Ratio to segment net sales

*2 : SMS's FY03/16 net sales results only include MIMS Group's net sales for Oct-Dec 2015.

4-1

List of Services Provided*1



Segment	Sub-segment	Service Name							
Nursing Care	Mngt Support for Service Operators	Management support service for nursing care operators 			Information portal of housing for seniors 		Home-delivered meal search site 		
	New Businesses	Com for care managers 	Com for nursing care professionals 	Com for families with those requiring nursing care 	Com for managers of nursing care operators 	User review site regarding nursing care operators 	Renovation support 	Livelihood support search site 	
Medical Care	-	Mail order/online sales of nursing goods 	Magazines for hospital management 	Com for pharmacists 	Drug and medicine DB for pharmacists 	Home-visit pharmacy DB 	Regional partnership support system 	Magazines for regional medical resources 	
		Publishing for nurses 	Information portal for hospital Admin. managers 	Purchase support for hospital Admin. managers 	Regional partnership support in the nursing/medical segment 	IT service for pharmacies 	Online academic media for nurses 		
Career	Nursing Care RAG	RAG for care managers 	RAG for PT/OT/ST 		RAG for Care Workers 			Home-visit nursing stations DB 	
	Nursing Care RAD	RAD for nursing care professionals 	RAD for newly-graduated nursing care professionals 		Certification course information 				
	Medical Care RAG	RAG for nurses 	RAG for medical technologists 	RAG for radiological technologists 	RAG medical engineers 	RAG for childcare workers 	RAG for nutritionists 	Solution service for hospitals 人事ソリューション	
	Medical Care RAD	RAD for nurses 	RAD for newly-graduated nurses 	Scholarship information portal 	Com for nurses and student nurses 				
Health-care	-	Com for nutritionists 	Q&A site on health 	Information portal of dementia 	News column for active seniors 	Information of genetic test 	News column regarding pregnancy, childbirth and child-raising 	Information portal of end-of-life preparations 	
overseas	-	Com for nurses (South Korea) 	Medical bill e-claiming solution for hospitals (Australia) 	Doctor's appointment service for patients (Sri Lanka) 	Development/sales of system for clinic information (Malaysia) 		Drug information service for healthcare professionals and institutions 		
Associated Companies	-	RAG and RAD for doctors and pharmacists 		RAG for pharmacists 					

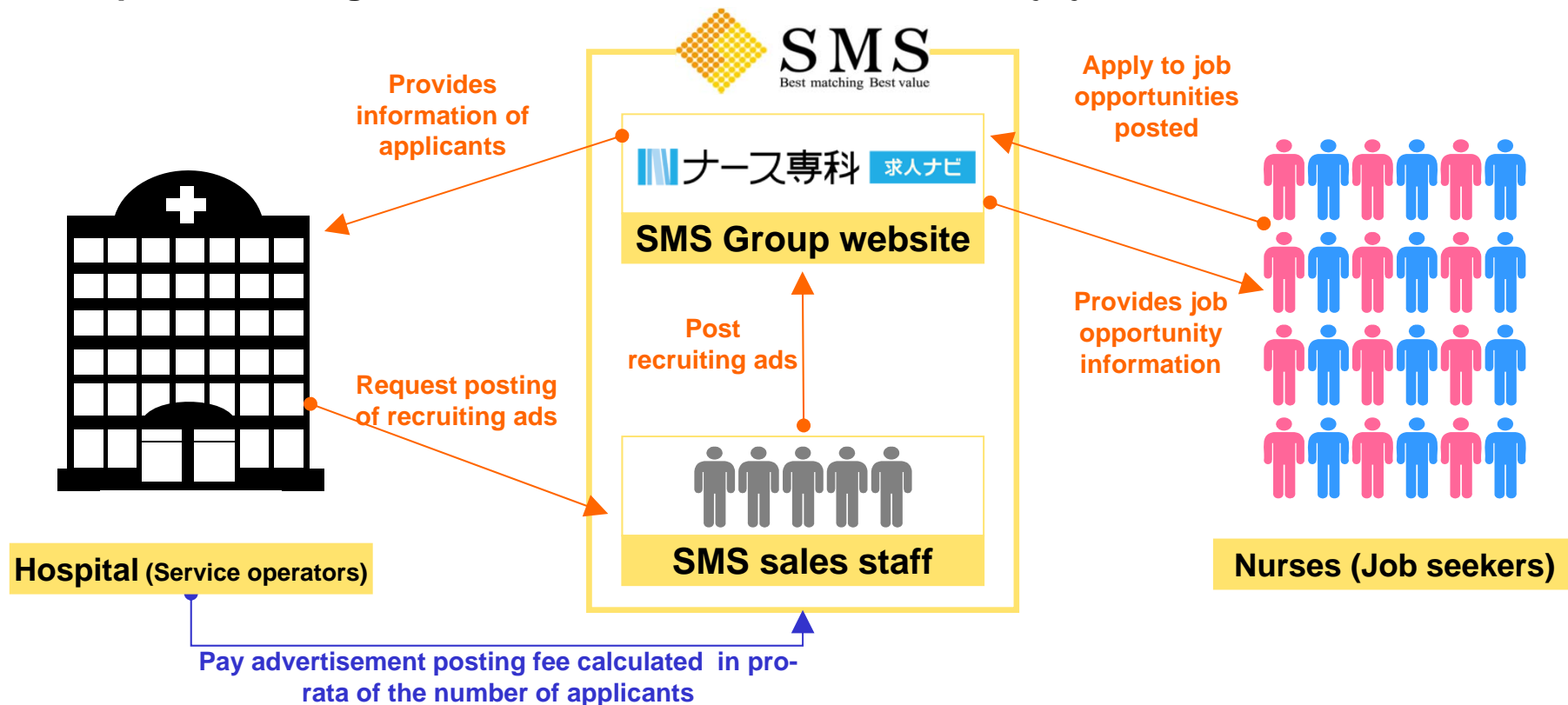
- ✓ When a job seeker successfully changes jobs through SMS's service, SMS receives a percentage of the job seeker's estimated annual income from the service operator (e.g. hospitals and nursing care operators) as a commission.

【Example: Recruiting agent service for nurses, *Nurse Jinzai-bank*】



- ✓ SMS receives from service operators (e.g. hospitals, nursing care operators, temporary staffing companies and recruiting agents) advertisement posting fees proportional to the number of job seekers' applications.

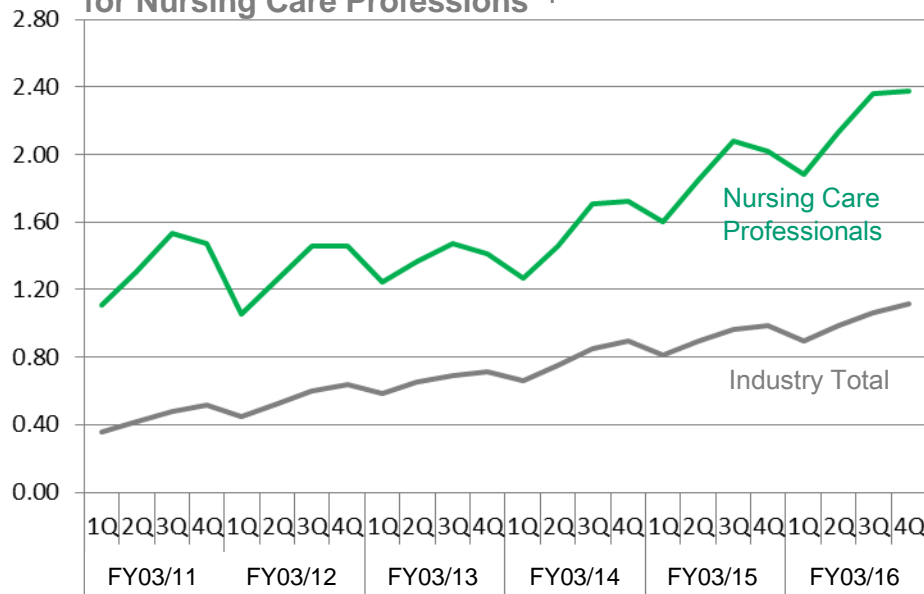
Example: Recruiting ads service for nurses, *Nurse-senka Kyujin-navi*



✓ Continuous labor shortage in both nursing care professions and nursing professions

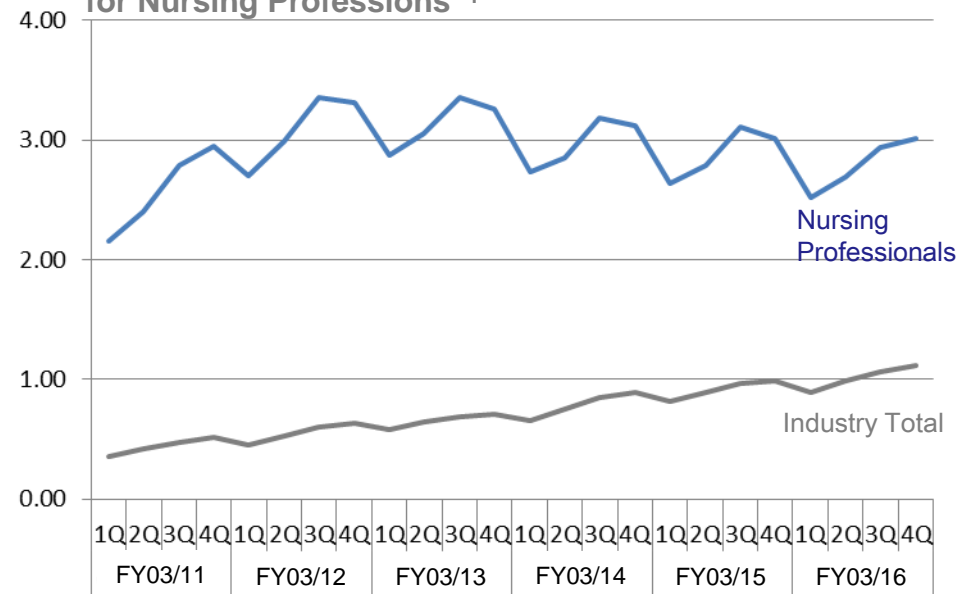
Nursing Care Segment

Transition of effective ratio of job offers to applicants for Nursing Care Professions *1



Medical Care Segment

Transition of effective ratio of job offers to applicants for Nursing Professions *1

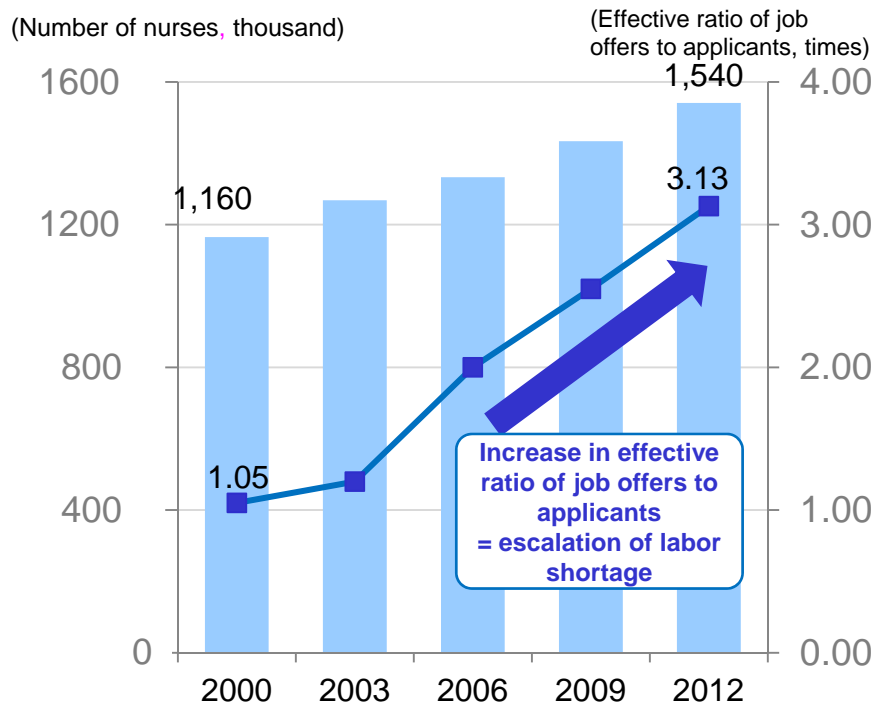


*1: MHLW, General employment placement situation

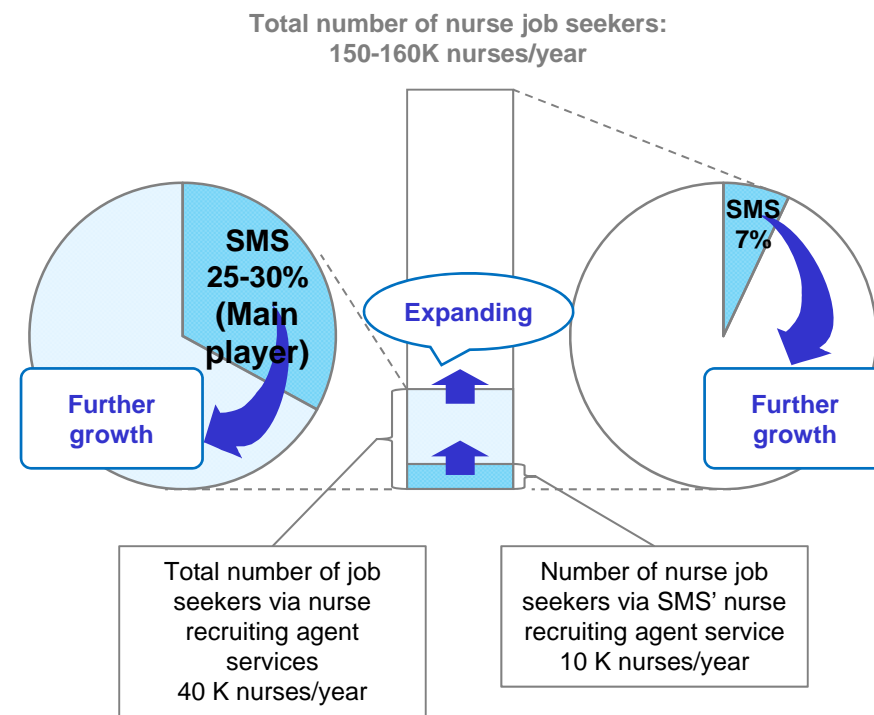
Figures represent the average of values for the 3 months in each quarter. The figure for Q4 FY03/16 is the average of values for January and February

- ✓ Room for further expansion of SMS's nurse recruiting agent service.
 - Despite the increasing number of nurses, shortage of nurses is intensifying over the years.
 - SMS is a market leader in recruiting agent services, but its share among all job seekers is 7%. Therefore, SMS is expected to grow further.

Number of Working Nurses and Effective Ratio of Job Offers to Applicants*1



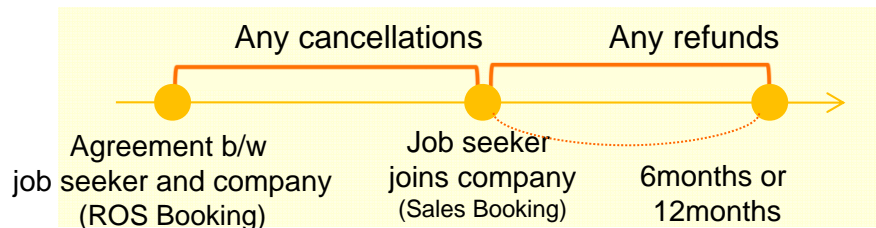
Market Size of Nurse Recruiting Agent Service and SMS's Market Share*2



- ✓ Accumulation of past Received Order Sales(ROS) constitutes net sales.
- ✓ ROS is the result of sales activities during a certain period, and regarded as the leading indicator of net sales.

Sales Formula

$$\text{Sales} = \text{ROS} \times \text{DF} - \text{Cancellation} - \text{Refund}$$



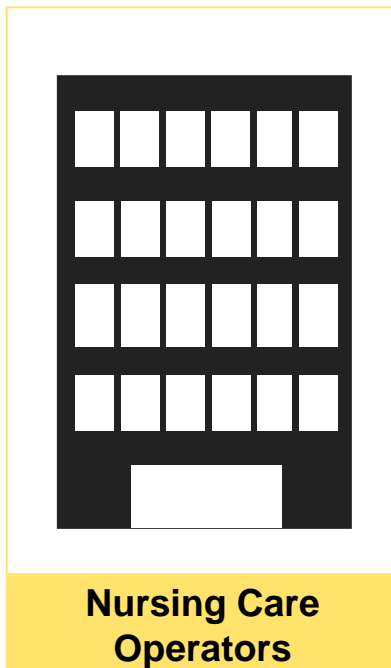
- Net sales : Booked when a job seeker joins a company
- ROS : Recorded when a job seeker and a company reach an agreement
Not booked in financial accounting
- Distribution factor(DF) :
% of ROS distributed to each future month
- Cancellation:
Cancellation of the agreement between a job seeker and a company after recording ROS
Cancellation will be deducted from net sales
- Refund:
When a job seeker quits within a certain period of time, SMS will refund part of the commissions to the company

ROS Formula

$$\text{ROS} = \text{NofC} \times \text{Productivity} \times \text{Unit price}$$

- Number of Consultants (NofC):
Number of sales staff engaging in recruiting agent service
- Productivity:
Number of completed agreements between a job seeker and a company per sales staff per month
- Unit price: The average of commissions for job placement service

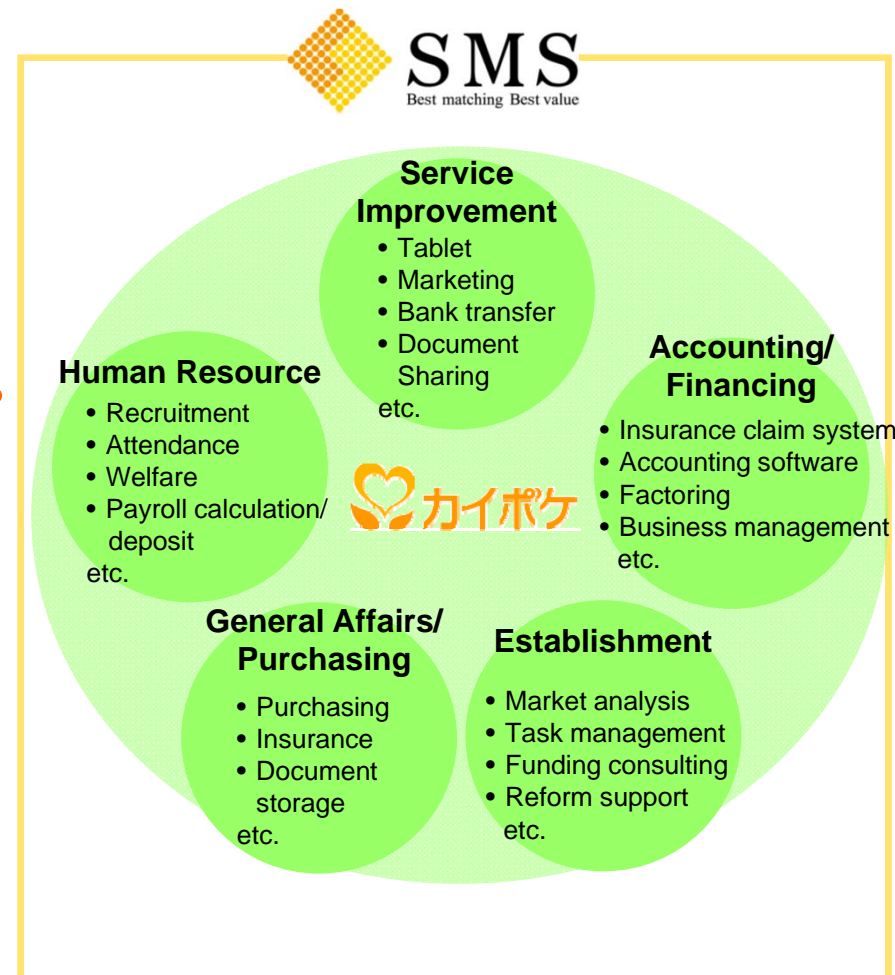
- ✓ Receive service fee from nursing care operators for providing not only insurance claim services but also management support services, which include support in sales, recruiting, and operational efficiency improvement.



Provide services
(improving financials and operation and others)

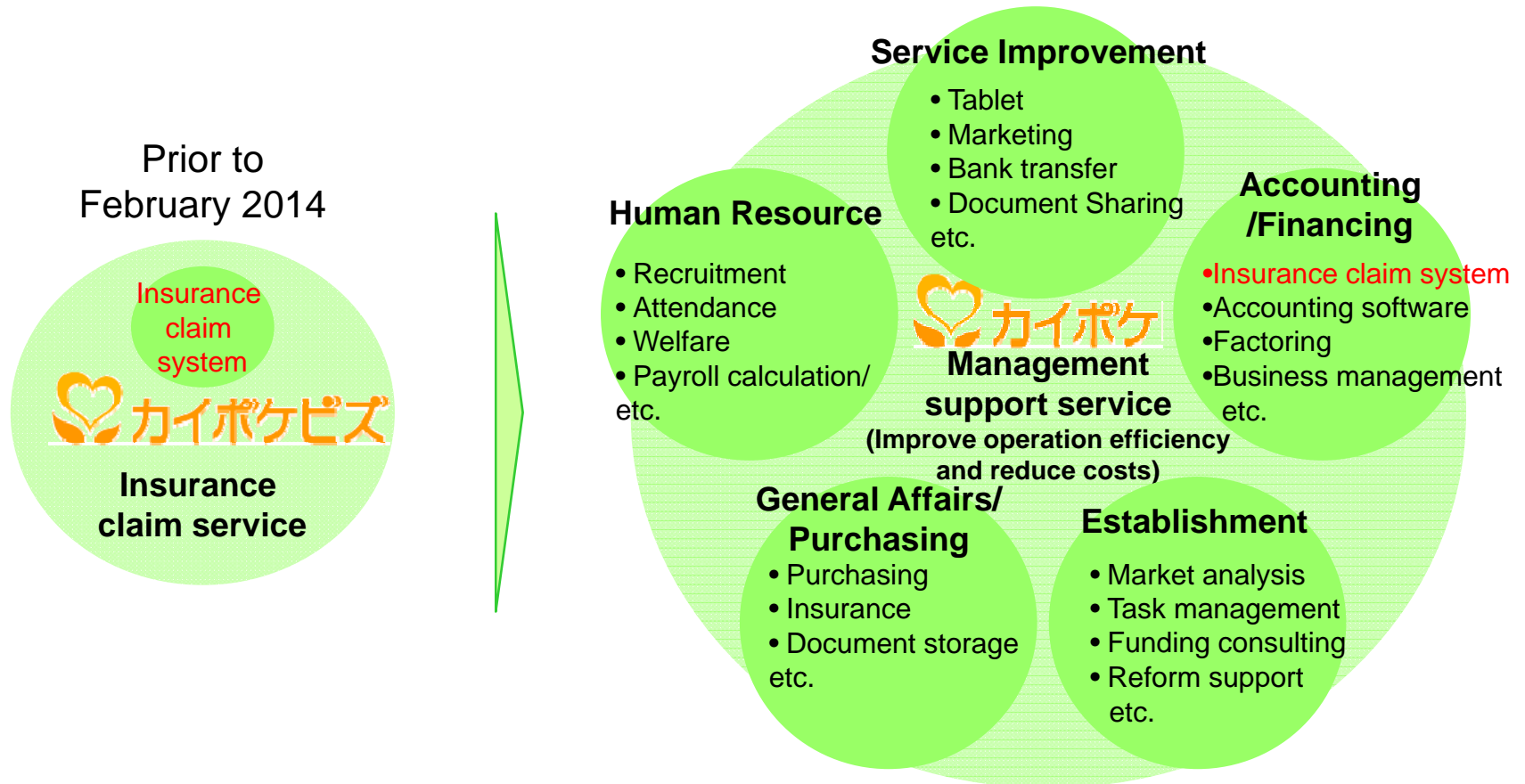
Pay service fee
(fixed rate or measured rate)

- Service fee**
- Fixed monthly rate for packaged service
 - Measured rate for optional services such as factoring and purchasing



- ✓ Renewed from insurance claim service to management support services in February 2014.
- ✓ Already started approximately 40 new services, supporting operational efficiency and financial improvement.

Starting in February 2014*2

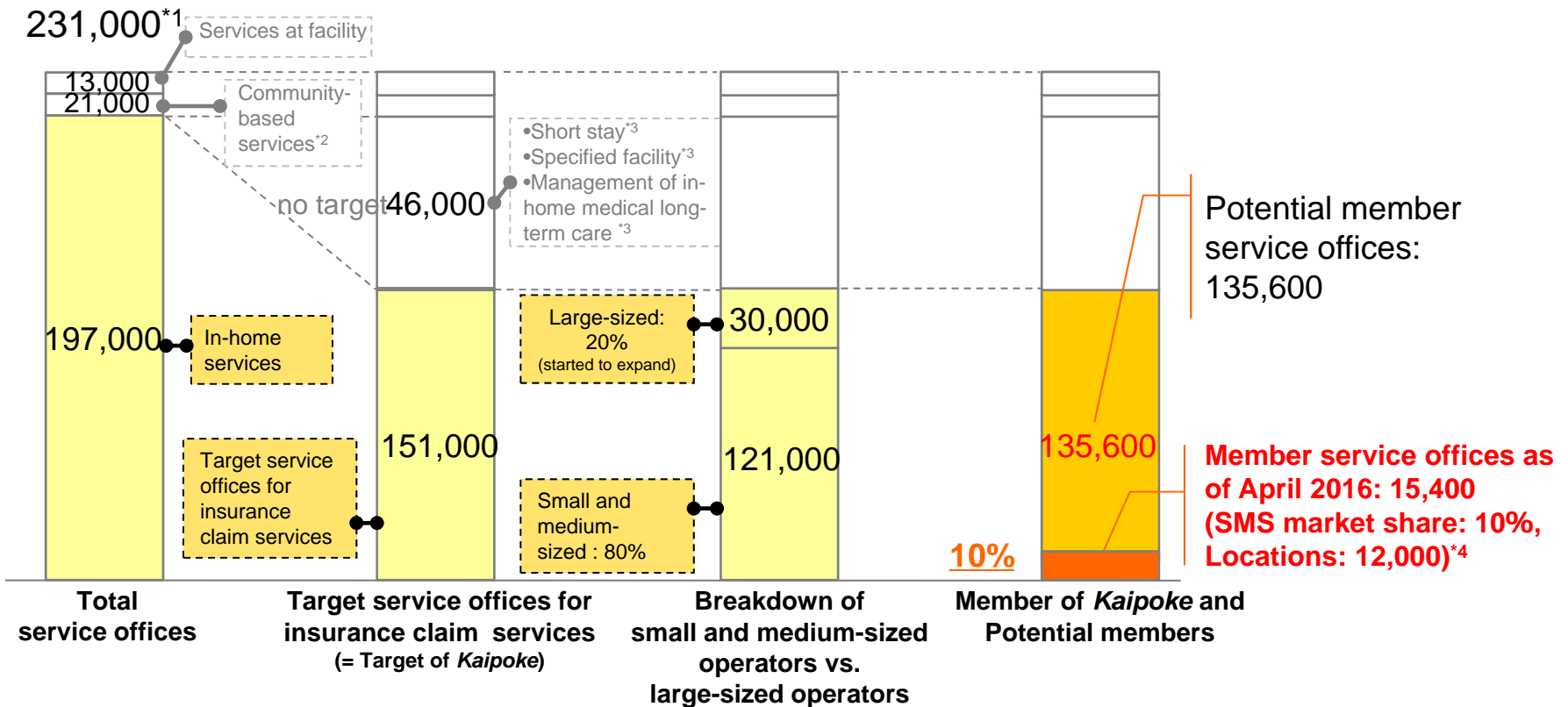


*1: There are around 100,000 nursing care service operators and 80% are small or medium-sized. It is crucial to make strong connections with them, since they will continue to serve an important role in the industry based on such industrial structure.

*2: Only representative services are shown.

- ✓ We have expanded the target of *Kaipoke* service to large operators. Our target now includes 151,000 operators, consisting of small, medium and large-sized operators.
- ✓ SMS holds approximately 11% share and intends to increase its market share by gaining memberships in line with the increase in number of service offices.

Total



*1: SMS estimates based on MHLW, *Monthly report of Survey of Long-term Care Benefit Expenditures (January 2016)*

*2: Among community-based services, nighttime home-visit nursing care services and daycare services for dementia patients are our targets

*3: *Kaipoke* does not support short-stay services or specified facilities. Management of in-home cover medical long-term care is also not covered since the need for insurance claim services is significantly low

*4: In the presentation materials up till FY03/16 Q3, SMS's market share was calculated as a percentage of the total number of small and medium-sized operators. Based on this calculation, SMS's market share was 12% as of FY03/16 Q3.

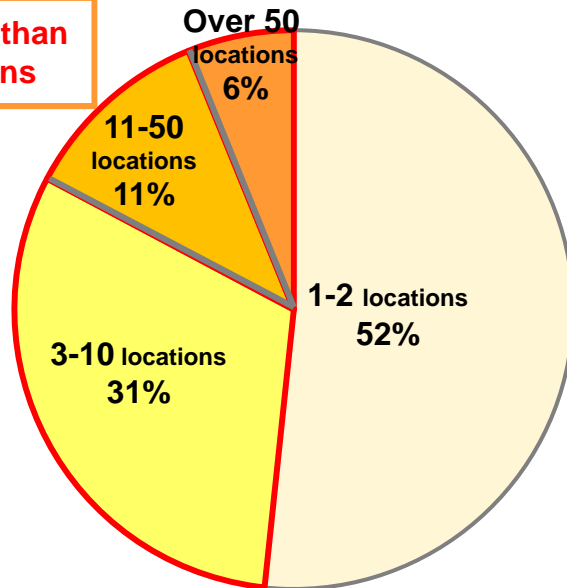
✓ We aim to expand *Kaipoke's* target significantly by including nursing care operators that own offices in multiple locations and new service types such as home-visit nursing operators and outpatient rehabilitation operators.

Breakdown by Number of Locations*1

- 48% of *Kaipoke's* targets are nursing care operators that own offices in more than three locations.
- *Kaipoke's* target will expand significantly by including such operators.

Breakdown by Number of Locations

48% own more than three locations



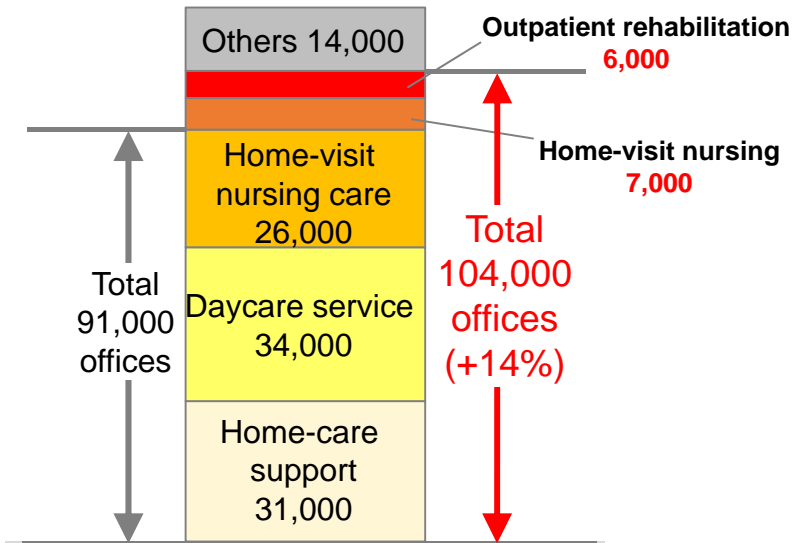
*1: Source: SMS estimates based on WAMNET

*2: Source: SMS estimates based on MHLW, *Monthly report of Survey of Long-term Care Benefit Expenditures (May 2015)* Please note that the numbers of operators shown here do not match those on page 40. (The values are as of a different point of time, and only include small and medium-sized operators)

Covering New Service Types

The number of offices targeted by *Kaipoke* increased by 13,000 (+14%) by covering new services types such as home-visit nursing and outpatient rehabilitation.

Number of Service Offices Targeted by *Kaipoke*



*Residence for elderly people with services is included in home-care support, daycare service, and home-visit nursing care.

MIMS Group Global Coverage

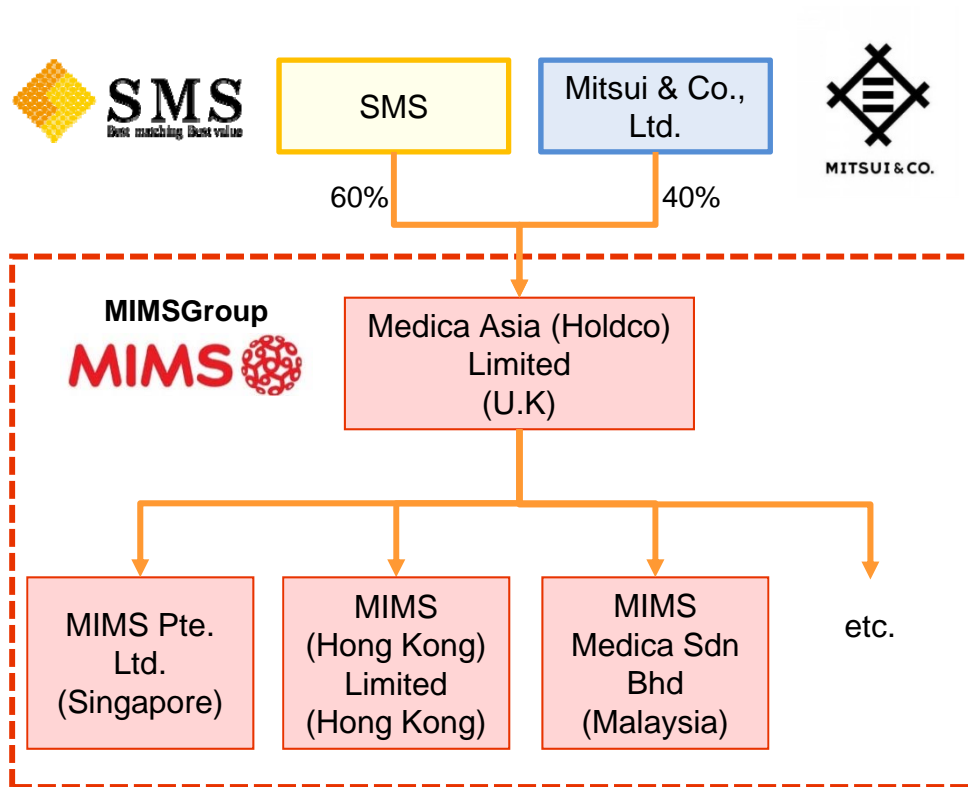


MIMS Group



Founded	1963
Net Sales	US\$47.4 million in FY12/2014
Employees	468 (as of December 2014)
Business Description	Providing drug information
Global Coverage	Singapore, China, Hong Kong, South Korea, India, Indonesia, Philippines, Thailand, Malaysia, Vietnam, Myanmar, Australia and New Zealand
Number of memberships	Approx. 2.0 million memberships including 0.45 million doctors (as of March 2016)

Investment Structure

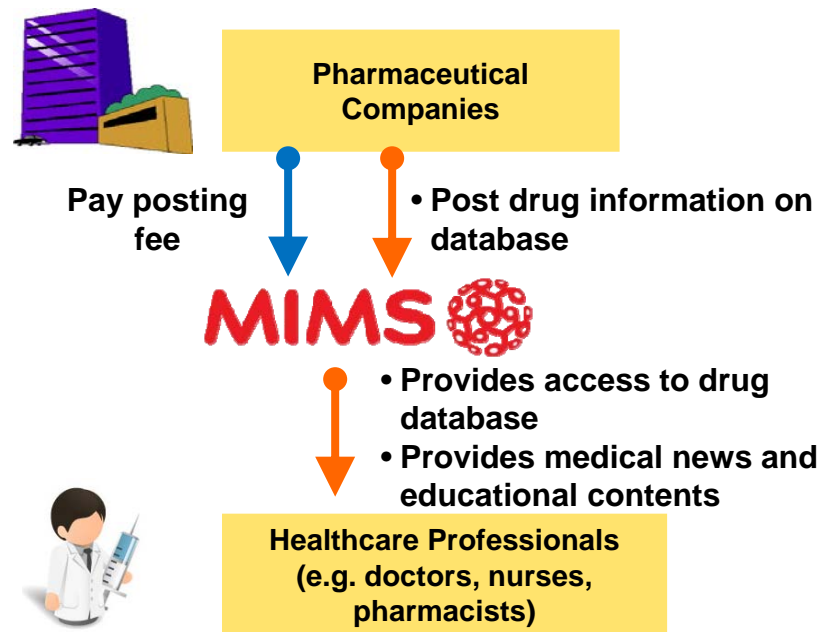


Overview

Acquisition Price	US\$250 million
Investment Ratio	SMS 60%, Mitsui & Co., Ltd. 40%
The Date of the Share Transfer	October 7, 2015
Company from which Shares were Acquired	AXIO Data Hedgeco Limited (subsidiary of Electra Private Equity PLC headquartered in the U.K.)

- ✓ The Pharma Marketing Business provides healthcare professionals with a drug database which sort and summarize drug information provided by pharmaceutical companies and which can be accessed through various media. The database is a de facto standard in the industry.
- ✓ It also provides marketing support to pharmaceutical companies by delivering medical news and educational contents to the professionals, and by running related events

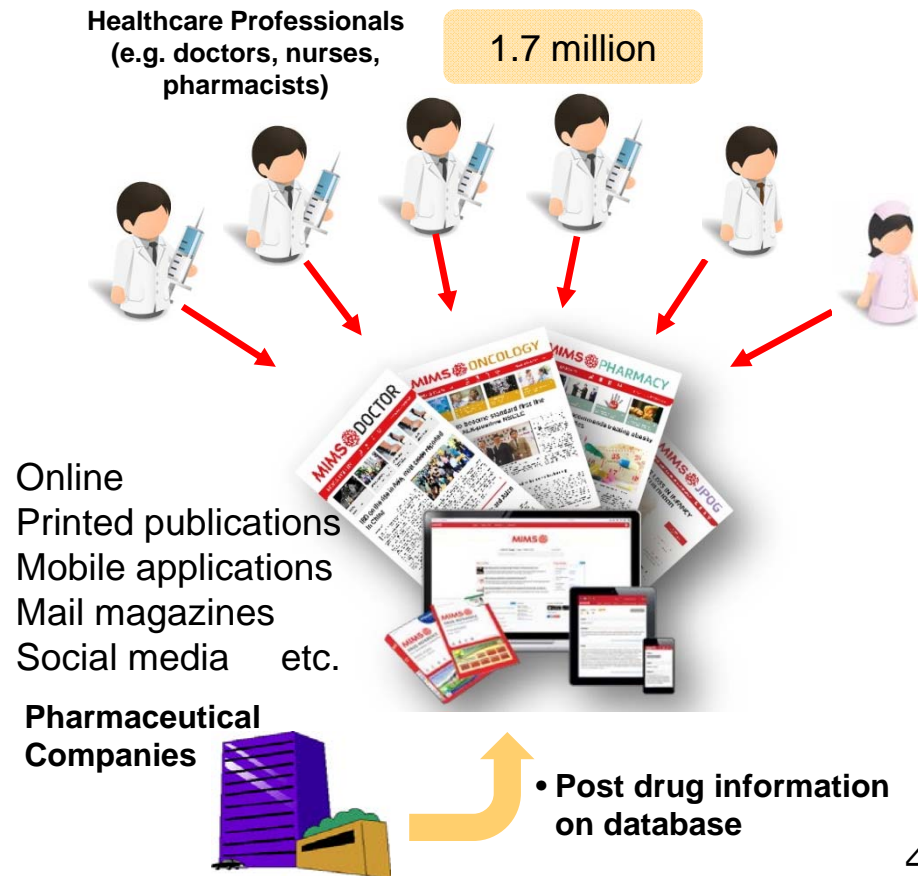
Business Model



Service Provision Area

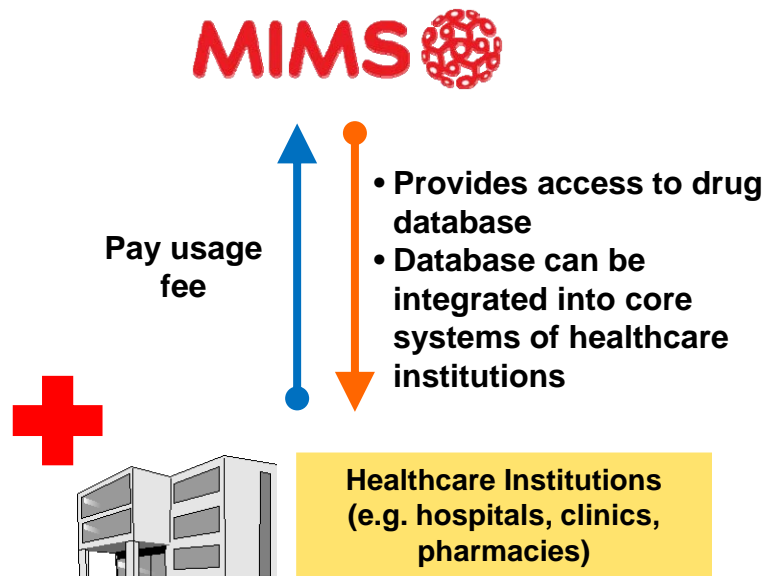
Singapore, China, Hong Kong, South Korea, India, Indonesia, Malaysia, Philippines, Thailand, Myanmar and Vietnam

Media for Accessing Database



- ✓ Healthcare Data Business runs a drug database for healthcare institutions and it covers more than 50% of hospitals, clinics and pharmacies in Australia and New Zealand.
- ✓ While offered as a physical book, the database is also integrated into core systems on hospital information, clinic prescription and pharmacy dispensing.

Business Model



Service Provision Area

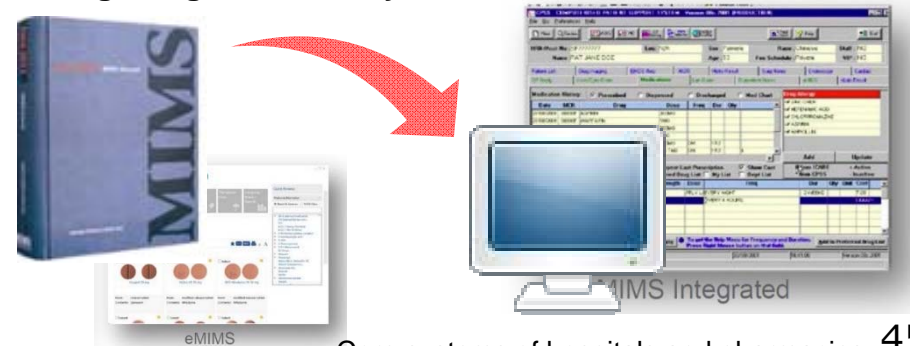
Australia, New Zealand, South Korea and Singapore

Media for Accessing Database

<Drug Database>



<Integrating into Core System>



Core systems of hospitals and pharmacies 45

- ✓ Strengths of MIMS Group include its overwhelming brand value in the region, its strong membership base of healthcare professionals, and its business relationships with pharmaceutical companies.

1. Overwhelming Brand Value

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



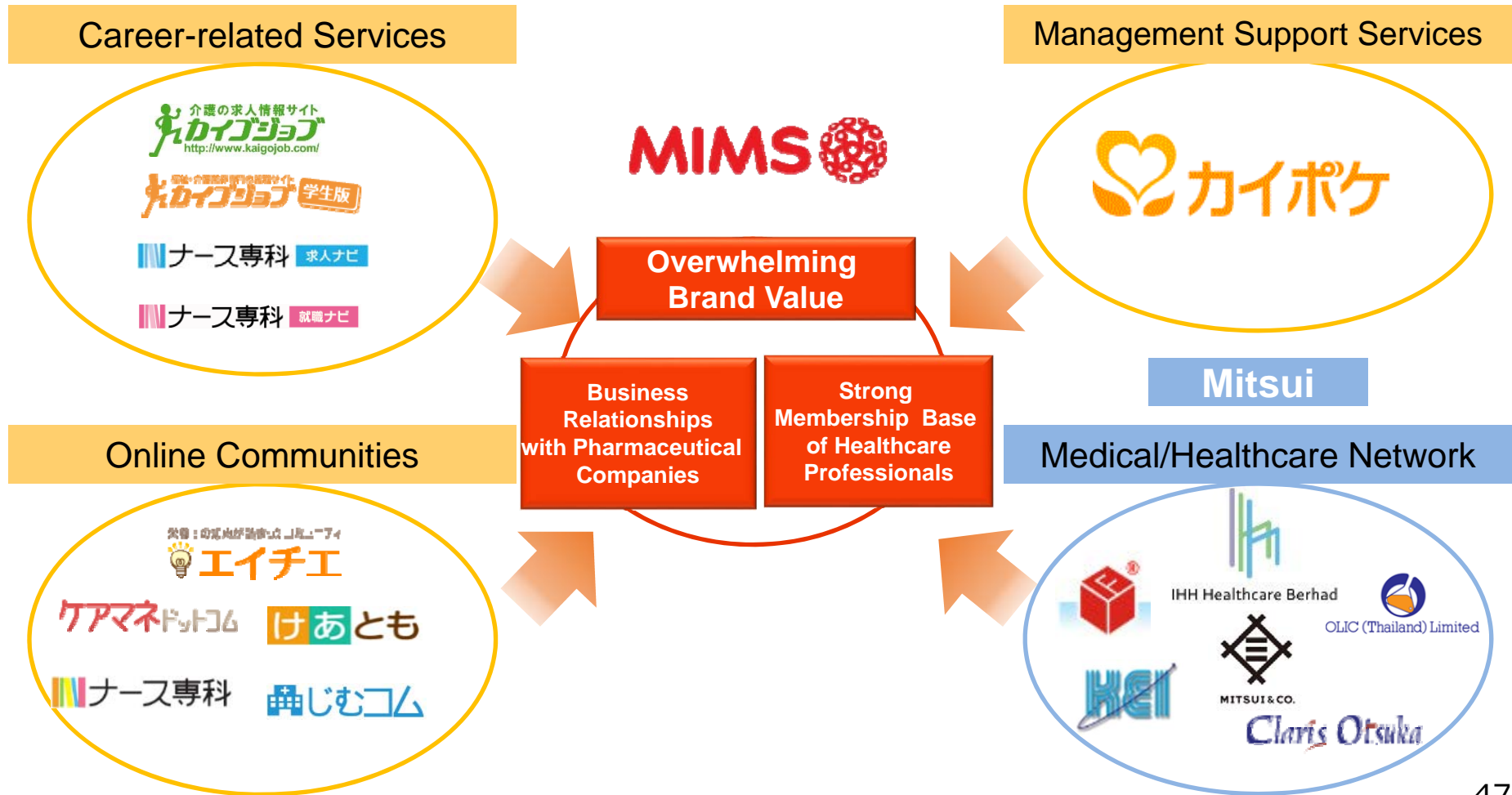
2. Strong Membership Base of Healthcare Professionals

- Healthcare professional memberships **approx. 1.7 million**
 - Including **approx. 0.4 million doctors**
- More than **80% of all doctors are registered** in Singapore and Hong Kong, etc.

3. Business Relationships with Pharmaceutical Companies

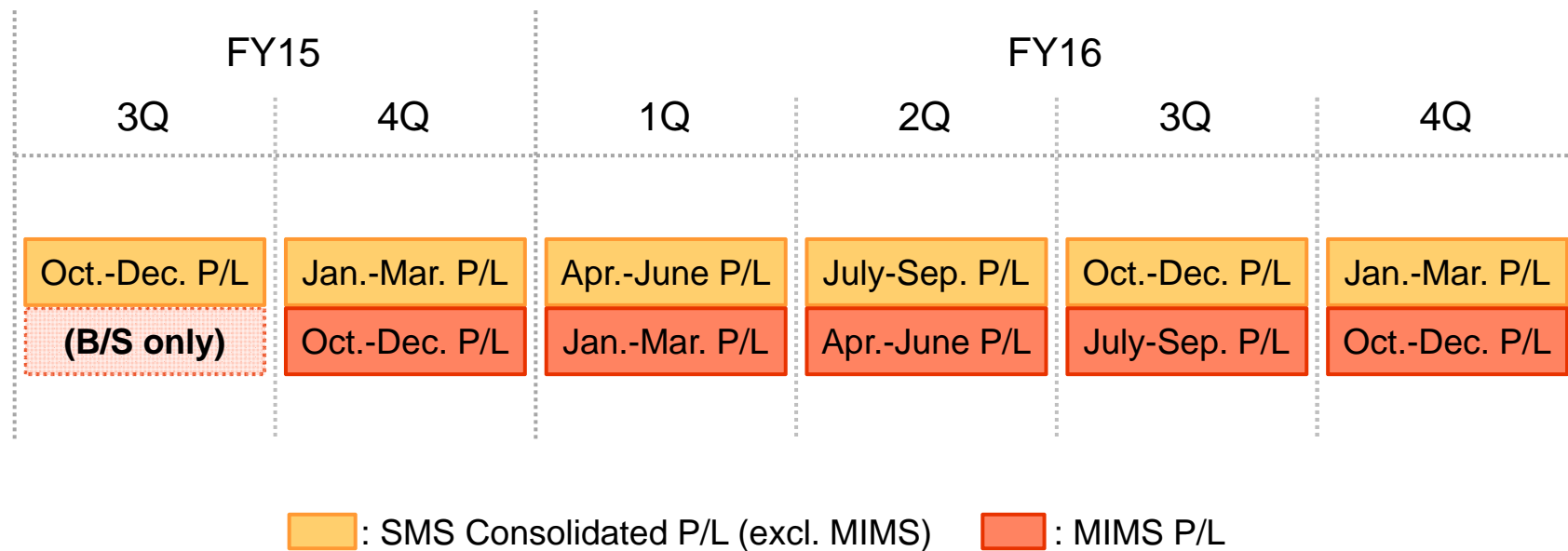
- Almost all patented drug makers in the region post information of their drugs on MIMS's database

- ✓ Both SMS's expertise in developing and operating various information services and Mitsui's network will serve to reinforce MIMS's strength, enabling MIMS Group to expand its existing businesses and develop new ones.



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

Image of Consolidating MIMS P/L to SMS Consolidated P/L (excl. MIMS)*1



*1: Q1-4 presented here are those of the fiscal year of SMS. SMS fiscal year ends in March, while MIMS fiscal year ends in December.

4-5

Historical Financial Results



(¥ million)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
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
Cost of Sales	0	5	20	38	77	149	375	319	431	700	952	1,332	2,204
SG&A Expenses	63	326	705	1,237	2,211	3,796	5,534	5,818	6,740	7,910	9,363	11,644	14,108
Operating Income	-5	52	109	269	426	1,230	1,261	1,480	1,519	1,570	1,730	2,079	2,756
Ordinary Income	-5	49	108	269	415	1,238	1,266	1,530	1,734	1,990	2,340	2,693	3,509
Net Income	-5	31	63	157	244	719	717	876	1,004	1,226	1,380	1,824	2,265
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
Liabilities	55	166	196	489	822	1,410	1,266	1,430	1,579	1,794	2,331	4,497	28,532
Net Assets	4	190	369	527	983	1,708	2,379	3,242	4,136	5,153	6,074	6,923	13,157
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
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
DPS (¥) *1	-	-	-	-	-	1.25	1.25	2.5	3	4	5	7	7
Dividend Payout Ratio(%)	-	-	-	-	-	6.8	6.8	11.6	12.3	13.6	14.8	15.6	12.5

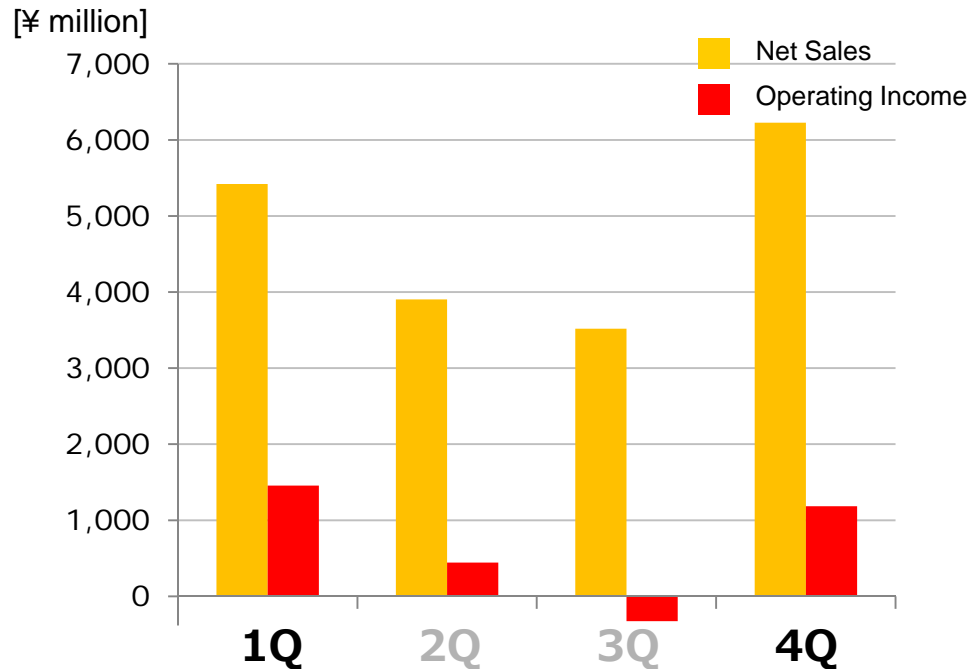
(¥ million)

		FY03/15 Actual	FY03/16 Actual	FY03/17 Forecasts
Amount (¥ million)	Cost of Sales	1,332	2,204	3,848
	Personnel Expenses	4,858	6,116	6,849
	Advertising Expenses	2,518	2,776	2,876
	Other Expenses	4,267	5,214	7,043
Net Sales Ratio (%)	Cost of Sales	8.9	11.6	16.0
	Personnel Expenses	32.3	32.1	28.5
	Advertising Expenses	16.7	14.6	12.0
	Other Expenses	28.3	27.3	29.3

- ✓ Net sales and operating income increase in Q1 and Q4.

Seasonal Volatility of Net Sales and Operating Income

Quarterly Net Sales and Operating Income (FY03/15)



Both net sales and operating income increase significantly in Q1 and Q4

Businesses with Seasonal Volatility and Reasons

Businesses whose net sales and operating income increase in Q1

Recruiting Agent Service

- Net sales are booked when a job seeker joins a company; therefore, net sales and operating income increase in April (Q1) when personnel changes often happen

Businesses whose net sales and operating income increase in Q4

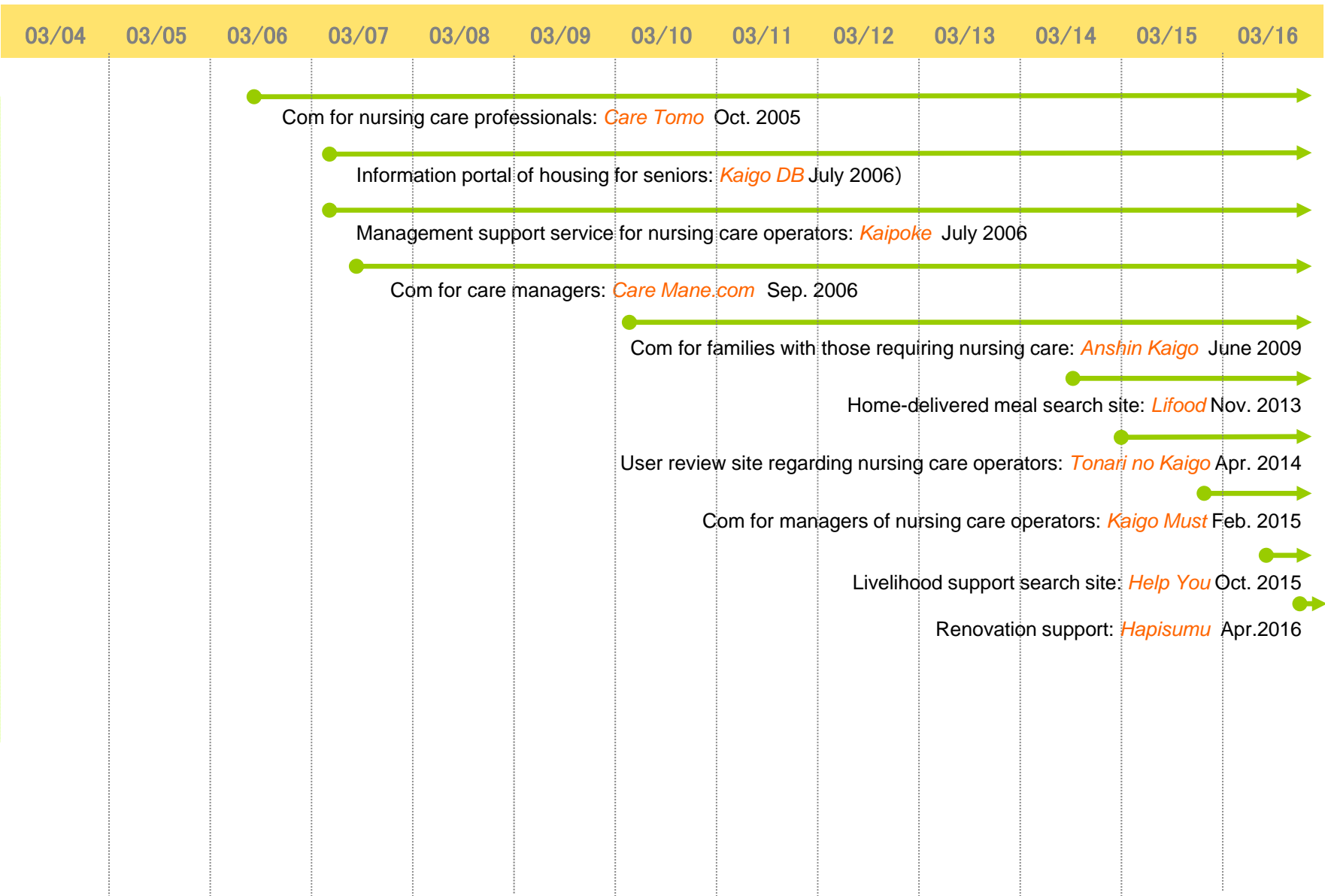
Recruiting Ads Service

- Net sales are booked when a job seeker applies for a recruiting ad; therefore, net sales and operating income increase in Q4 when companies publish recruiting ads targeting the beginning of a fiscal year when job seekers are likely to be motivated to change jobs

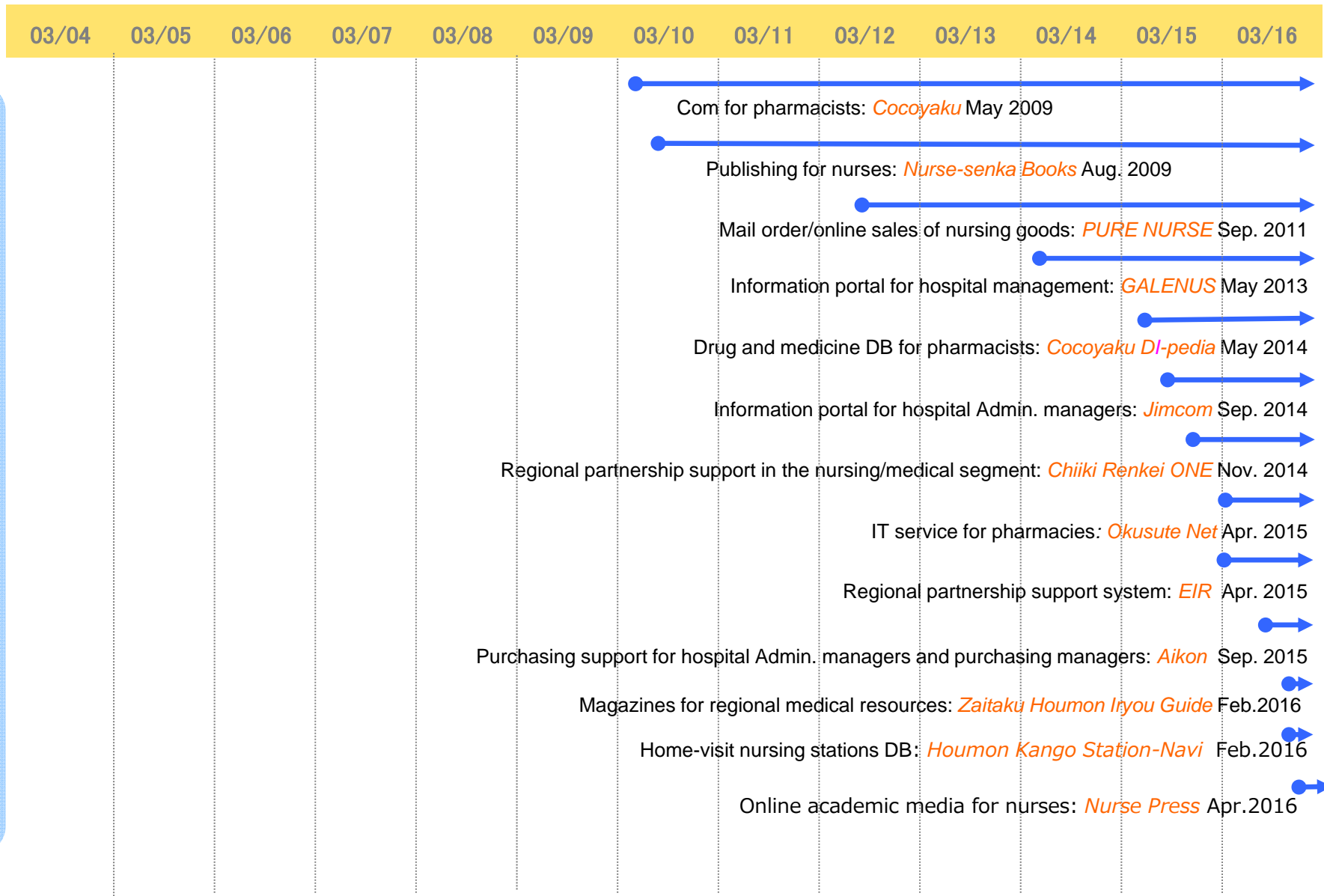
MIMS Group

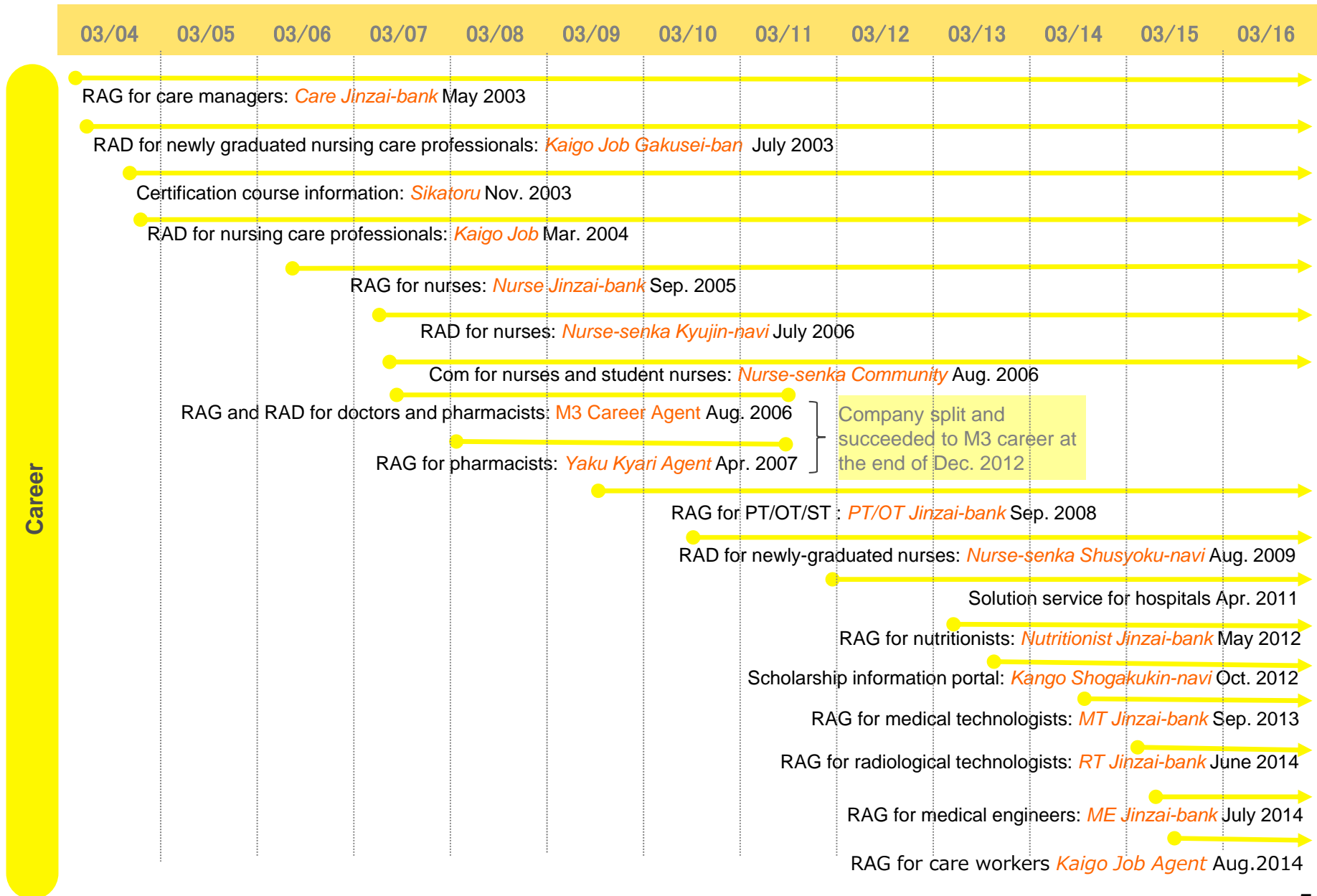
- The number of times MIMS Group issues a brochure containing pharmaceutical information increases in 2H. Also, client pharmaceutical companies often increase their advertising expenses toward December, which is the end of their fiscal year; therefore, net sales and operating income tend to increase in Q4, and hence 2H.

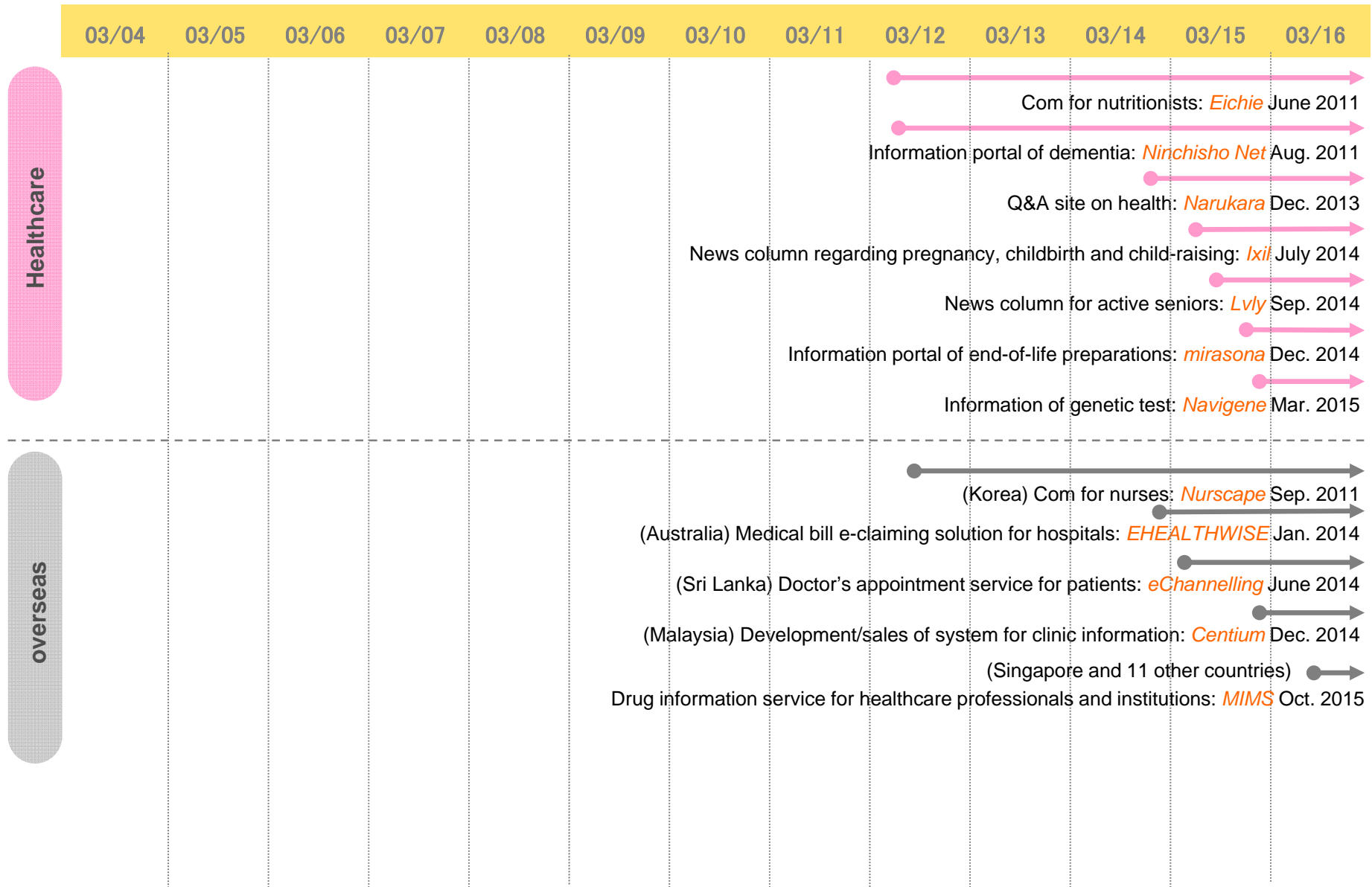
Nursing Care



Medical Care







Number of Employees

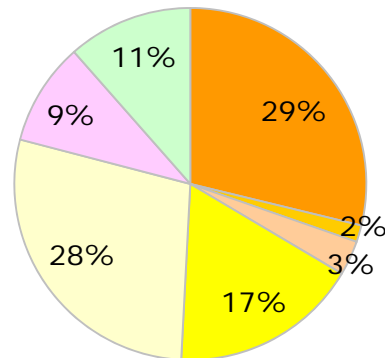
⇒ Number of employees and its breakdown as of March 31, 2016

Employees (consolidated)	1,550
SMS CO., LTD.	258
SMS Career CO., LTD.	504
Subsidiaries and Sub-subsidiaries	788
Japan	238
Overseas	550

Shareholder Composition*1

[as of March 31, 2016]

Number of stock
holders
7,129



These materials contain forward-looking statements, including estimates, projections, and statements related to business operations of SMS CO., LTD. (hereinafter referred to as the “Company”).

The forward-looking statements are based on current expectations and assumptions in light of the information available to the Company as of March 31, 2015 and are subject to significant risks and uncertainties. The results or events predicted in these forward-looking statements may differ materially from actual results or events.

As a result, we cannot guarantee that any forward-looking statements will materialize nor do we undertake any obligation to update or revise publicly any of these forward-looking statements.

For any inquiries on the materials, please contact below:

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