

SMS Co., Ltd.

(Securities Code: 2175/TSE 1st section)

Presentation Material for Investors

Financial Results Summary for the Fiscal Year
Ended March 31, 2020 (the 17th Fiscal Year)

April 30, 2020



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1 FY03/20 Consolidated Financial Results (Full-year)



- ✓ Achieved growth in both sales and profits for the 16th consecutive year.
- ✓ Elderly Care Career improved significantly from the Q3 slowdown.
- ✓ Fell short of the FY03/20 forecast due to the timing of sales recognition^{*1} and the impact of COVID-19.

Consolidated P/L Statement [JPY million]

	FY03/19 Actual	FY03/20 Forecast	FY03/20 Actual	YoY Change	vs. Forecast
Net Sales	30,836	37,557	35,140	+ 14%	(6%)
Operating Income	4,743	5,623	4,935	+4%	(12%)
Ordinary Income	5,979	6,854	6,355	+6%	(7%)
Net Income	4,216	5,065	4,760	+13%	(6%)

*1. Sales of recruiting agent services are recorded when a job seeker starts working, with a time lag after the job seeker accepts an offer from an operator.

1 The Career Segment (Full-year)

- ✓ Segment sales increased 17% YoY.
- ✓ Achieved steady growth despite the impact of COVID-19 in Q4.

YoY Comparison of Sales [JPY million]

	FY03/19	FY03/20	YoY Change
Elderly Care Career	7,974	10,618	+33%
Medical Care Career	12,423	13,218	+6%
Total	20,398	23,837	+17%

Highlights

- Elderly Care Career grew significantly due to the expansion of RAG*¹ for care workers.
 - RAG for care workers recovered from the Q3 slowdown, by resolving its business operation issues. In February, the number of matching exceeded the original plan and achieved a record high. The majority of the sales will be recognized in FY03/21*².
 - Improvement of RAD for care workers is in progress.
- Medical Care Career grew steadily including RAG for nurses.
- The spread of COVID-19 has caused the cancellation of job events since late February, and negatively affected the processes of interviews and office tours in RAG since March.

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

© SMS Co., Ltd. *2. Sales of recruiting agent services are recorded when a job seeker starts working, with a time lag after the job seeker accepts an offer from an operator.

1 The Elderly Care Operators Segment [Kaipoke] (Full-year)



✓ Segment sales increased 25% YoY, exceeding the original plan.

YoY Comparison of Sales [JPY million]

	FY03/19	FY03/20	YoY Change
Elderly Care Operators [Kaipoke]	3,930	4,894	+25%

Highlights

- The number of Kaipoke memberships increased steadily.
 - 27,400 service offices [18,850 locations*¹] as of April 1, 2020.
 - Annual membership increase: 3,150 service offices [2,050 locations]
- Sales of optional add-ons such as additional tablets, smartphones, and factoring services increased.

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

1 The Overseas Segment (Full-Year)

- ✓ Segment sales decreased 3% YoY.
- ✓ Grew YoY excluding the negative effects of foreign exchange rates and other temporary factors.

YoY Comparison of Sales [JPY million]

	FY03/19	FY03/20	YoY Change
Overseas	5,464	5,276	(3%)

Highlights

MIMS's Existing Business

- Business fundamentals remain solid, while sales decreased due to temporary factors such as foreign exchange rates and Hong Kong protests.

Global Career Business

- Business fundamentals remain solid, while the consolidation timing^{*1} of a Korean subsidiary and changes in the immigration process for Malaysian HCPs^{*2} led to a slight decline in sales.

*1. Reorganized Medilabs, a company providing career-related services for nurses in Korea under MIMS group in Mar. 2019. MIMS P/L statement is consolidated with a three-month delay and Medilabs started to be consolidated from Q2 in FY03/20. *2. Healthcare professionals

1 Impact of COVID-19 (FY03/20)

- ✓ COVID-19 mainly affected the domestic career businesses.
- ✓ The negative impact on FY03/20 results was JPY 350 million in net sales and JPY 250 million in operating income.
- ✓ Operating income grew about 10% YoY excluding the impact of COVID-19.

Impact of COVID-19 (FY03/20)

Segment	Details	Sales Impact [JPY million]
Elderly Care Career	<ul style="list-style-type: none">• Cancellation of job fairs for care workers• Suspension of job interviews at some care operators in RAG*1	(150)
Medical Care Career	<ul style="list-style-type: none">• Cancellation of job fairs for nurse students• Suspension of job interviews at some healthcare institutions in RAG	(200)
Kaipoke	<ul style="list-style-type: none">• Cancellation of seminars for care operators* <p>*Lead generation for new membership acquisition was affected.</p>	—
Overseas	<ul style="list-style-type: none">• No impact on FY03/20* <p>*MIMS results from January to December 2019 were consolidated to FY03/20 P/L with a three-month delay.</p>	—

*1. RAG: Recruiting agent service

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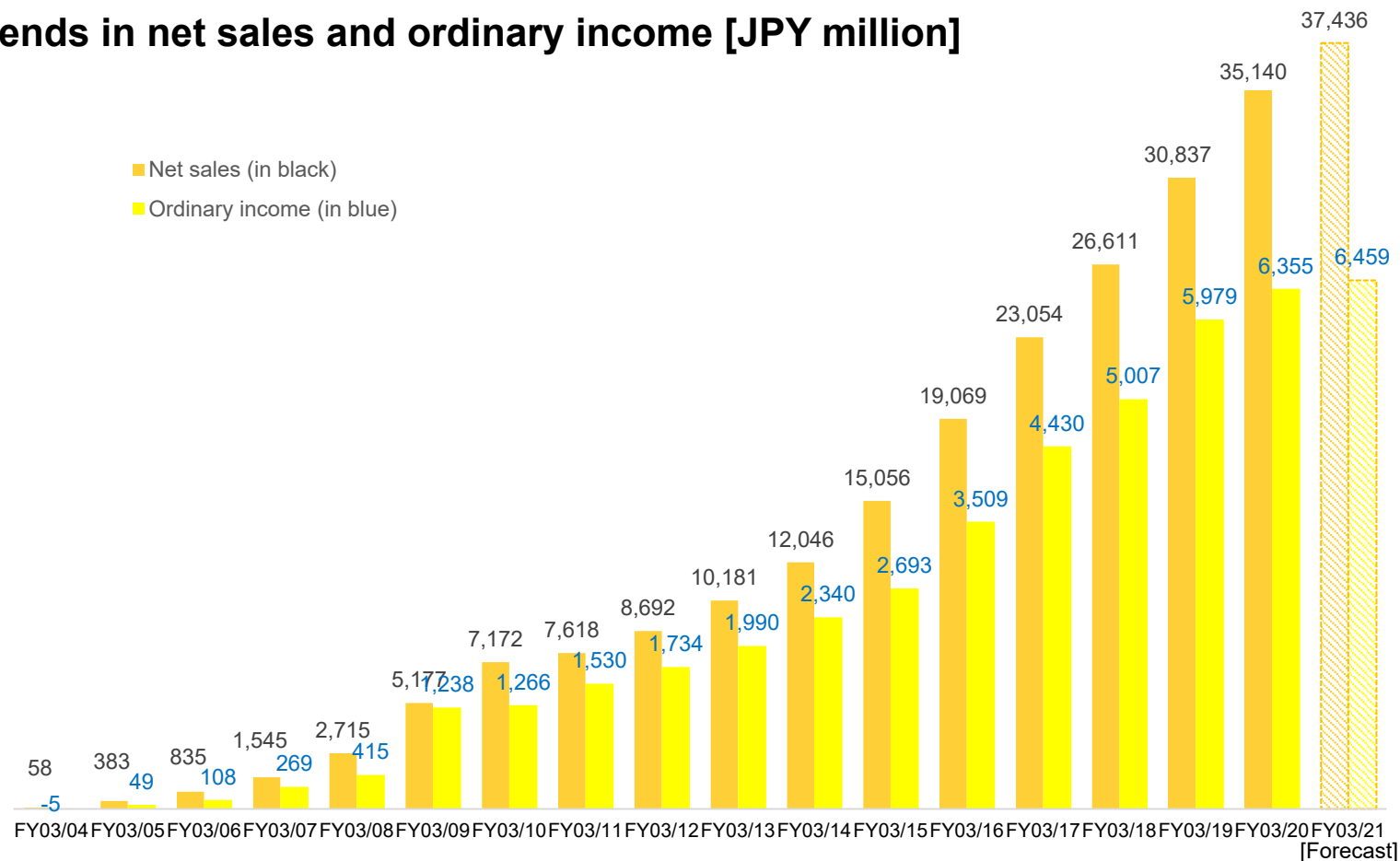
- ✓ Expect 2% growth in operating income and 1% growth in net income.
- ✓ Plan to maintain profit growth by controlling costs to mitigate the impact of the spread of COVID-19.

Consolidated P/L Statement [JPY million]

	FY03/20 Actual	FY03/21 Forecast	Difference (Amount)	YoY Change
Net Sales	35,140	37,436	+ 2,295	+7%
Operating Income	4,935	5,028	+93	+2%
Ordinary Income	6,355	6,459	+103	+2%
Net Income	4,760	4,785	+25	+1%

- ✓ Expect to achieve growth in both sales and profits for the 17th consecutive year since our establishment.

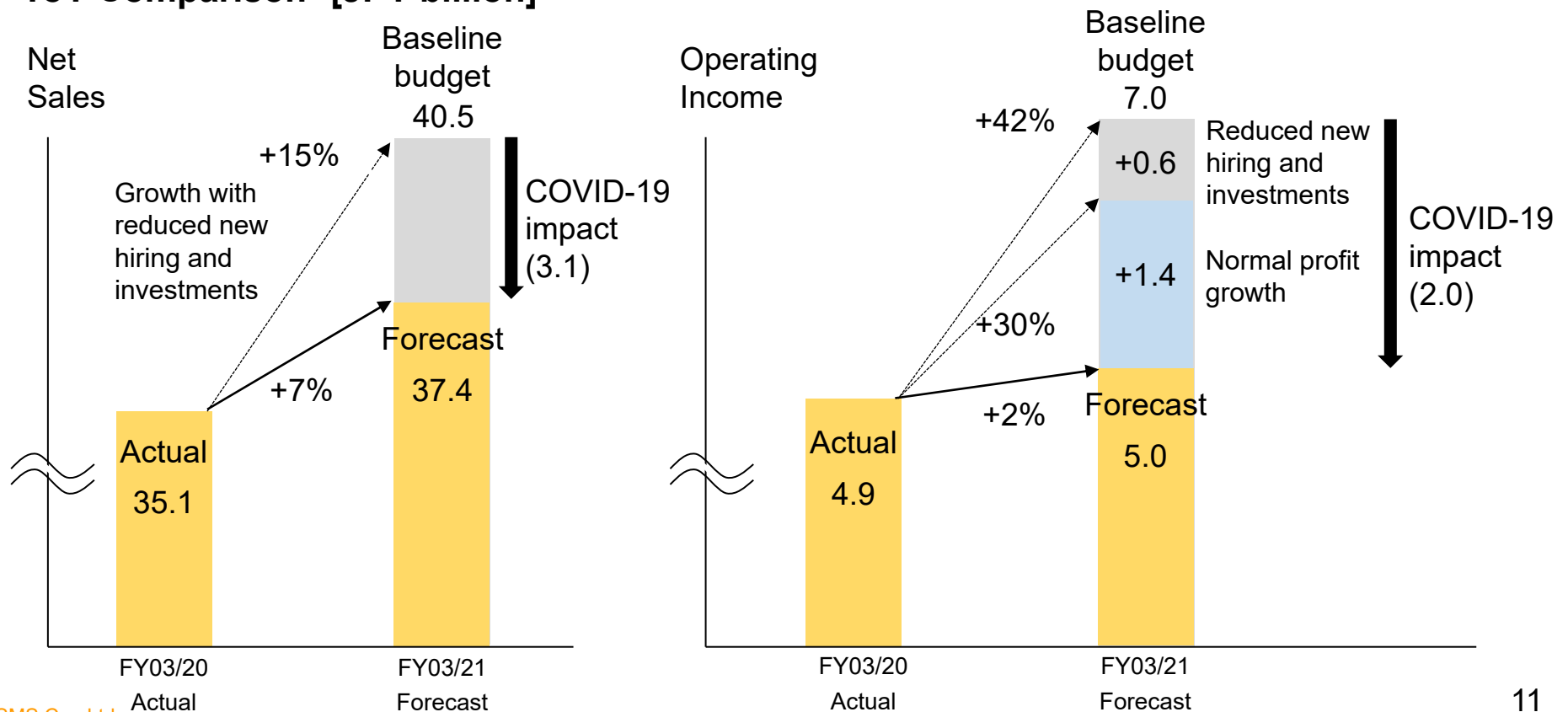
Trends in net sales and ordinary income [JPY million]



2 Assumptions for FY03/21 Forecast

- ✓ Developed a “baseline budget” with reduced new hiring and investments to cope with the uncertainty caused by COVID-19.
- ✓ The final forecast is formulated by adding the COVID-19 impact to the baseline budget, assuming that its effect will continue until the end of September 2020.
- ✓ The negative impact of COVID-19 on the baseline budget is JPY 3.1 billion in net sales and JPY 2.0 billion in operating income.

YoY Comparison [JPY billion]



✓ The COVID-19 impact pushes sales down by JPY 3.1 billion, mainly in the Career Segment and the Overseas Segment.

Impact of COVID-19 (FY03/21)

Segment	Details	Sales Impact [JPY billion]
Elderly Care Career	<ul style="list-style-type: none"> • Suspension of job interviews at some care operators in RAG*1 • Closure of schools for care workers • Cancellation of job fairs for care workers 	(0.6)
Medical Care Career	<ul style="list-style-type: none"> • Suspension of job interviews at some healthcare institutions in RAG • Cancellation of job fairs for nurse students 	(0.8)
Kaipoke	<ul style="list-style-type: none"> • Slowdown of new membership acquisition • Slowdown of sales of paid options 	(0.1)
Overseas	<ul style="list-style-type: none"> • Cancellation or postponement of events for pharmaceutical companies • Postponement of cross-border travels of healthcare professionals in the Global Career Business • Delays in business progress due to lockdowns in various countries 	(1.4)
New Business	<ul style="list-style-type: none"> • Postponement of site visits in the housing information service for the elderly • Delays in sales activities in other businesses 	(0.2)

2 The Career Segment FY03/21 Forecast



- ✓ Long-term market prospects remain strong, and both Elderly Care Career and Medical Care Career are expected to grow steadily.
- ✓ COVID-19 temporarily depresses the growth rate in FY03/21.

YoY Comparison of Sales [JPY million]

	FY03/20 Actual	FY03/21 Forecast	YoY Change
Elderly Care Career	10,618	12,294	+16%
Medical Care Career	13,218	13,390	+1%
Total	23,837	25,684	+8%

Highlights

- Elderly Care Career is back on a growth track by resolving the operational issues in RAG*1 for care workers, which caused the slowdown in Q3 FY03/20.
- Medical Care Career continues to grow steadily including RAG for nurses.
- The growth rate slows down due to reduced hiring of career partners to cope with the uncertainty of the COVID-19 impact, as well as suspensions of job interviews at some clients and cancellations of job fairs due to COVID-19.

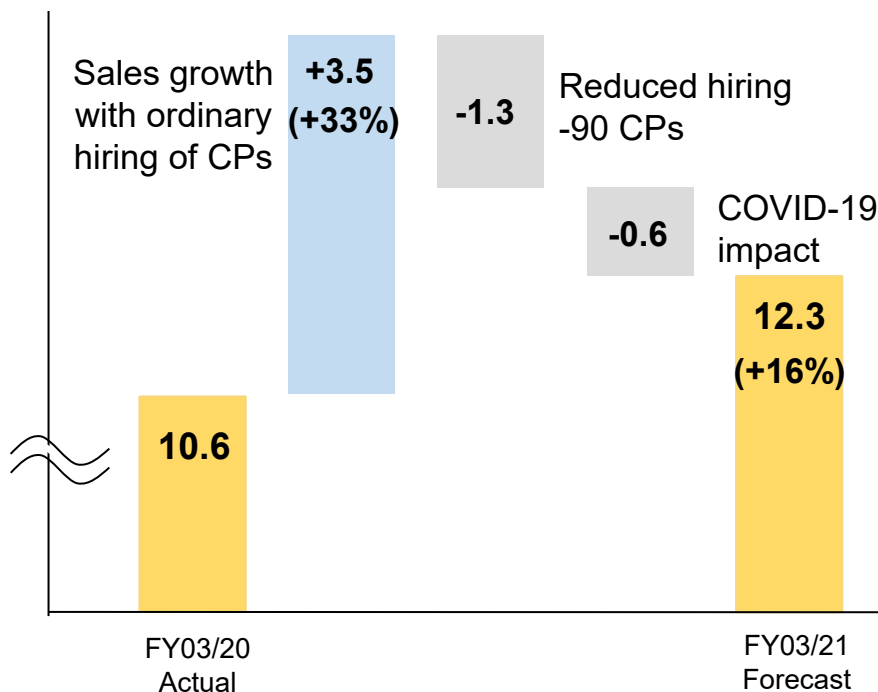
*1. RAG: Recruiting agent service

2 Growth Rate of the Career Segment

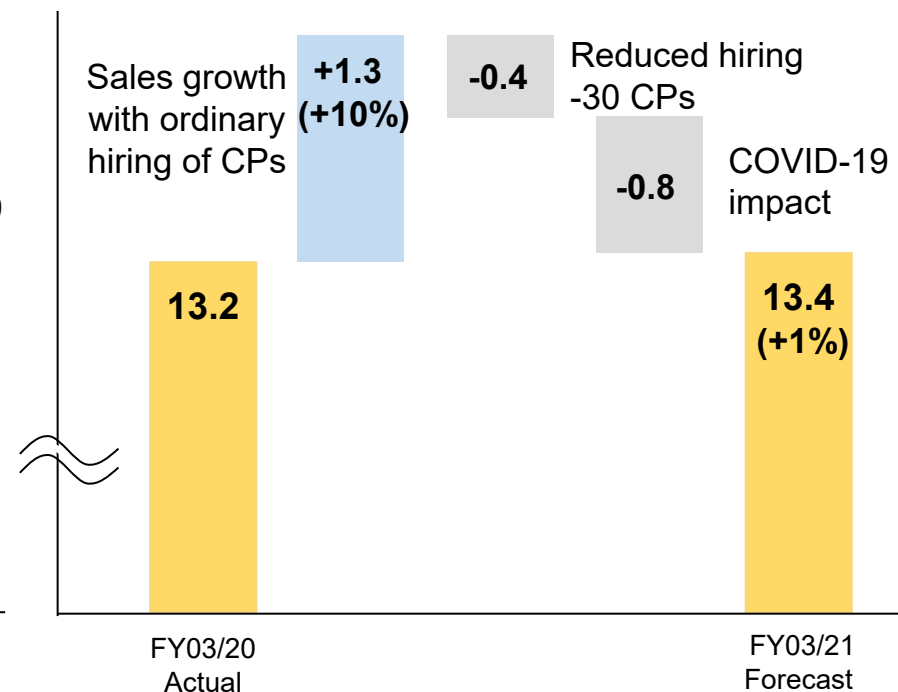
- ✓ Elderly Care Career and Medical Care Career would grow 33% and 10%*¹ YoY respectively, without the reduced hiring of career partners (CPs) and the COVID-19 impact on the businesses.
- ✓ The number of CPs to be hired is 70 (90 fewer than the original plan of 160) for Elderly Care Career and 60 (30 fewer than the original plan of 90) for Medical Care Career.

YoY Comparison of Sales in the Career Segment [JPY billion, % for YoY growth rate]

Elderly Care Career



Medical Care Career



2 The Elderly Care Operators Segment [Kaipoke] FY03/21 Forecast



- ✓ Long-term market prospects remain strong, and Kaipoke is expected to grow steadily with an increase in both the membership and the usage of optional services.
- ✓ The impact of COVID-19 on sales will be limited because of its stock-type business model.

YoY Comparison of Sales [JPY million]

	FY03/20 Actual	FY03/21 Forecast	YoY Change
Elderly Care Operators [Kaipoke]	4,894	5,728	+17%

Highlights

- Kaipoke continues to grow steadily by acquiring new memberships and increasing the usage of paid-options such as tablets, smartphones and factoring services.
- Expect a slight impact of COVID-19 on new membership acquisition and paid option sales.

2 The Overseas Segment FY03/21 Forecast

- ✓ Prospects for the Asian healthcare market and global demand for HCPs*¹ remain strong, with huge long-term growth potential. The Overseas Segment was expected to grow by double digits in the baseline budget.
- ✓ COVID-19 causes temporary decline in sales in FY03/21.

YoY Comparison of Sales [JPY million]

	FY03/20 Actual	FY03/21 Forecast	YoY Change
Overseas	5,276	4,811	(9%)

Highlights

MIMS's existing businesses

- Planned to grow YoY in the baseline budget, by improving the sales organization of the Pharma Marketing businesses.
- Sales decline YoY as COVID-19 causes postponements and cancellations of events for pharmaceutical companies, and delays in business progress due to lockdowns in countries where we operate.

Global Career Business

- Planned to grow significantly in the baseline budget, due to the contribution of CCM and the elimination of the negative effects of temporary factors*² that caused the sales decline in FY03/20.
- The growth rate slows down due to the spread of COVID-19 preventing cross-border travels of HCPs mainly from Asia and Europe to the Middle East.

*1. Healthcare professionals *2. Reorganized Medilabs, a company providing career-related services for nurses in Korea under MIMS group in Mar. 2019. MIMS P/L statement is consolidated with a three-month delay and only nine-month sales were consolidated in FY03/20. Also, the sales were affected by the change in the immigration process of Saudi Arabia for Malaysian HCPs, which prolonged the lead time for them to start working.

- ✓ Even under the influences of COVID-19, our mission to provide “information infrastructure” remains unchanged.
- ✓ Ensure business continuity by promoting work-from-home and providing online services, while preventing the spread of infection.

Measures to prevent the spread of infection and ensure business continuity

Segment	Our Approach
Career	<ul style="list-style-type: none"> • Continue to offer career services in response to the shortage of workforce in elderly care and medical care fields • Hold online job events • Promote online interviews in RAG*1
Kaipoke	<ul style="list-style-type: none"> • Support sustainable service operation of elderly care operators • Provide financial support for elderly care operators through factoring • Hold online seminars for elderly care operators
Overseas	<ul style="list-style-type: none"> • Provide online marketing support services for medical and healthcare-related companies • Promote online interviews in Global Career Business
New Business	<ul style="list-style-type: none"> • Expand remote health guidance services and remote industrial health services
Company	<ul style="list-style-type: none"> • Promote work-from-home

In terms of the domestic businesses, the forecast for FY03/21 is formulated based on the COVID-19 impact on each business that could reasonably be expected as of April 2020, when a state of emergency was declared in Japan, and the assumption that the COVID-19 impact will continue until the end of September 2020.

In terms of the overseas businesses, the forecast for FY03/21 is formulated based on the situations of each country in which we operate and the COVID-19 impact on each business that could reasonably be expected as of April 2020, and the assumption that the COVID-19 impact will continue until the end of September 2020.

If the impact of COVID-19 on each business becomes significantly worse than the expectation above, or if the impact remains after October 2020, our business performance could be further affected.

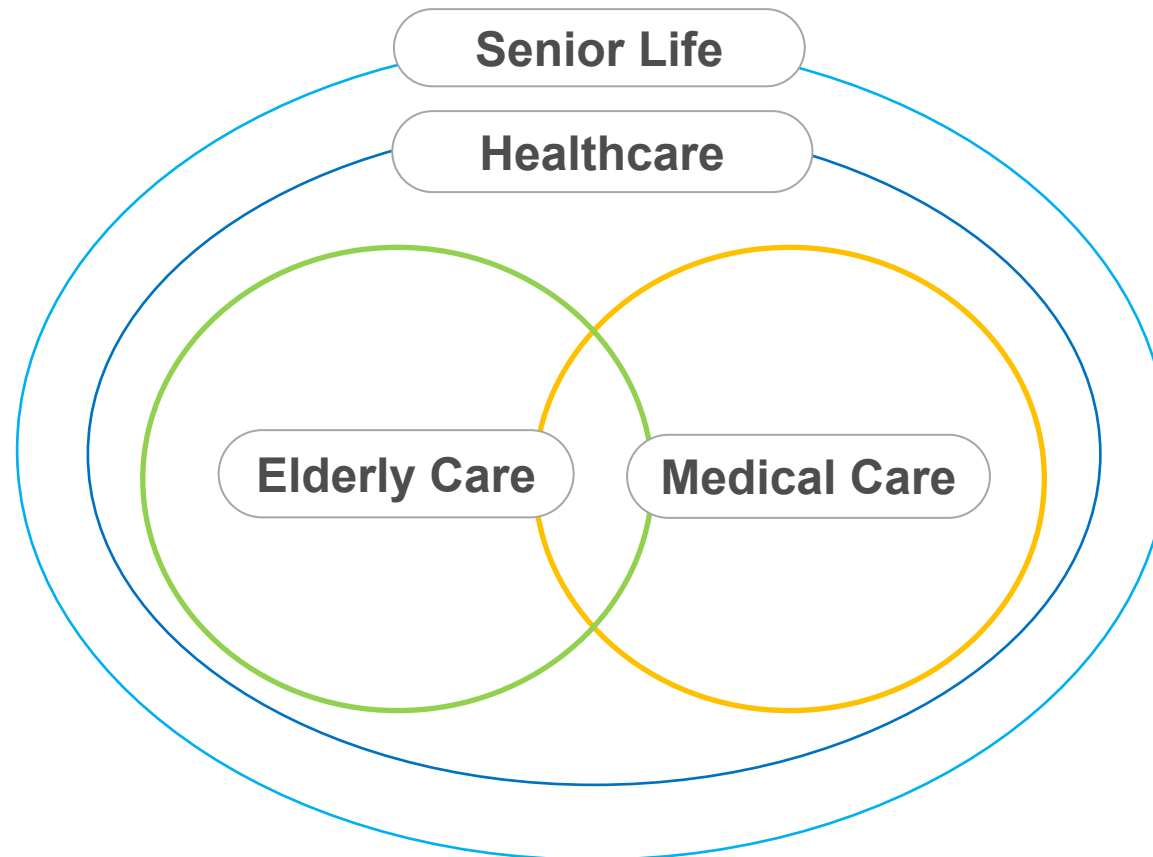
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Strategy

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

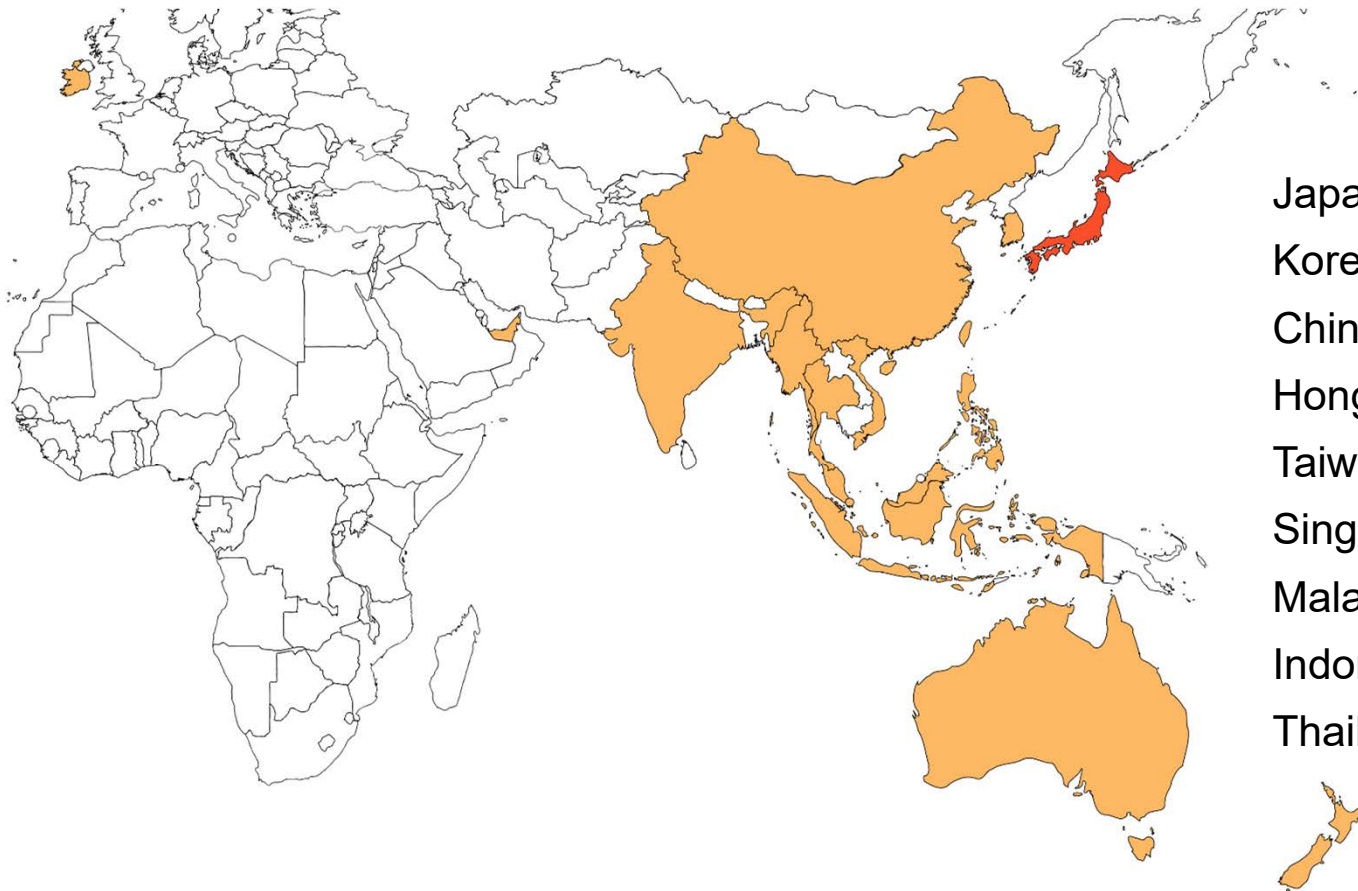
3 Business Domains in Aging Society

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



3 Where We Operate

- ✓ Started our business in Japan and have established a leading position in this attractive market with an enormous growth potential.
- ✓ Expanding our businesses into the growing Asian and Oceanian markets.



Japan

Korea

China

Hong Kong

Taiwan

Singapore

Malaysia

Indonesia

Thailand

Vietnam

Philippines

Myanmar

India

Australia

New Zealand

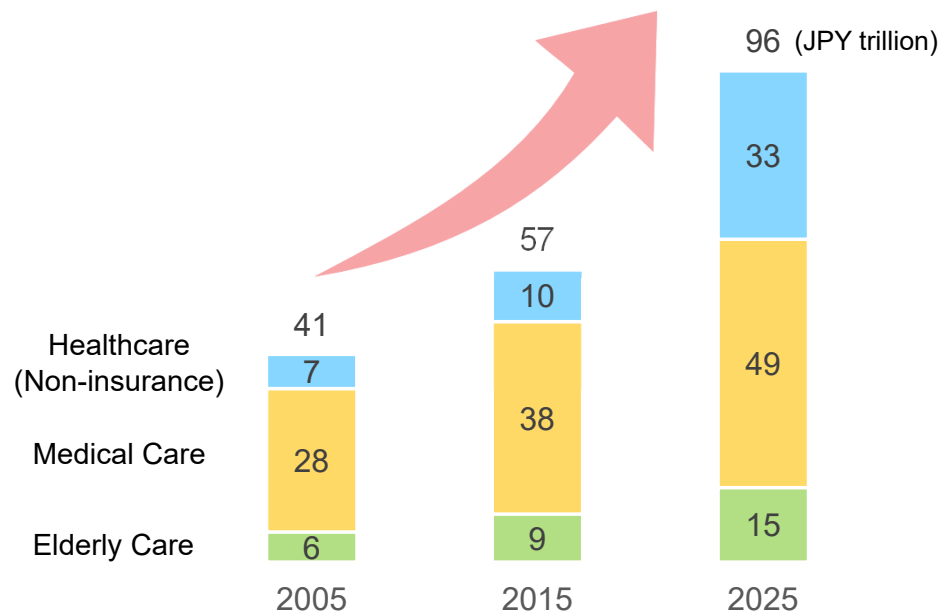
UAE

Ireland

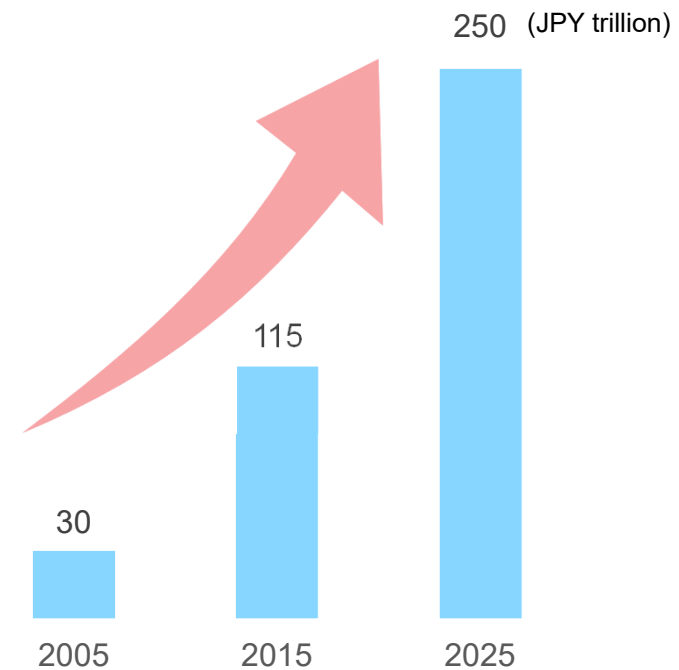
3 Market Size

- ✓ The healthcare-related markets are expanding rapidly because of the aging population in Japan and the economic growth in Asia.

Healthcare Expenditure*1 in Japan



Healthcare Expenditure*2 in Asia and Oceania*3



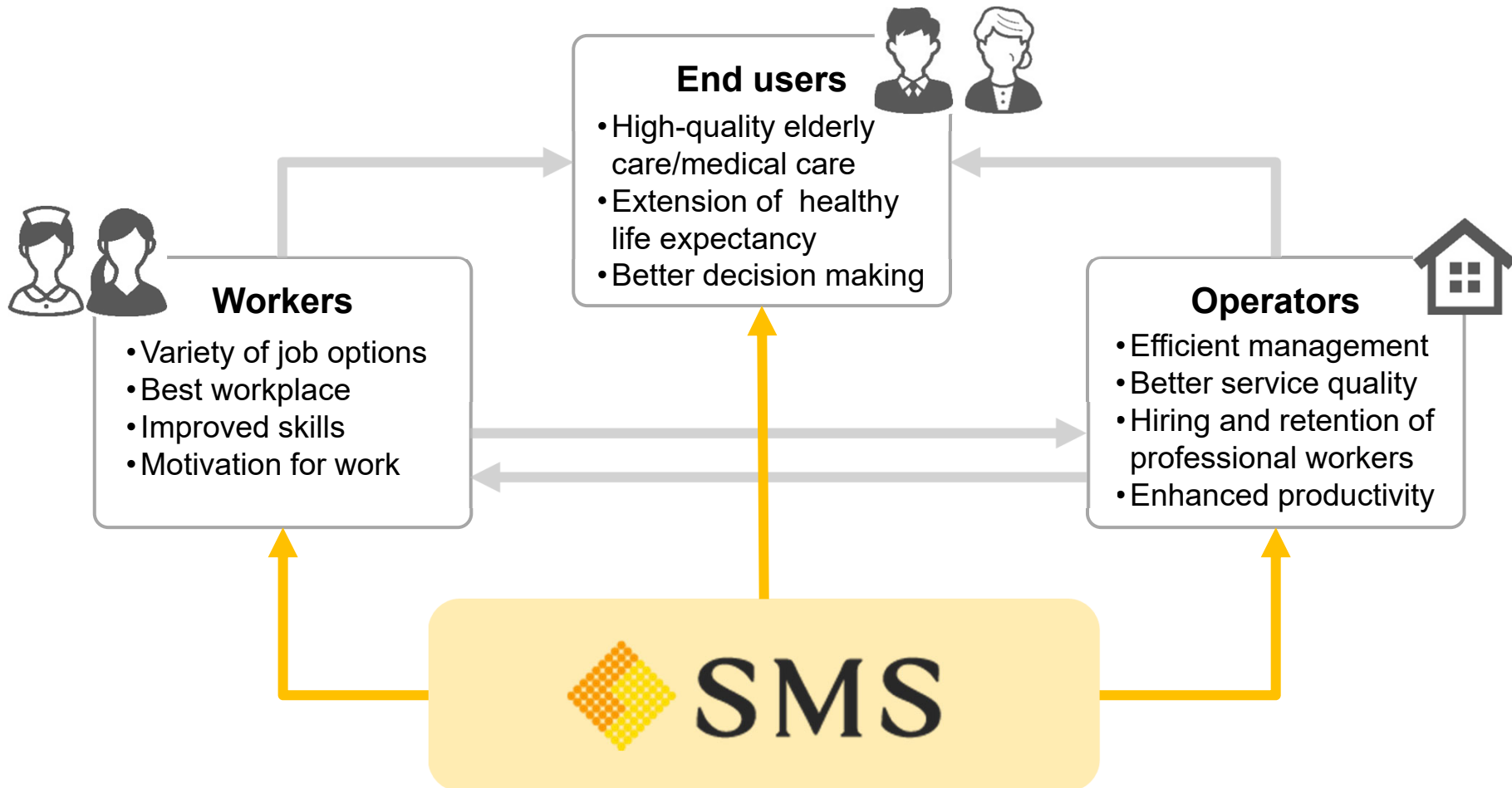
3 Information Infrastructure

- ✓ Information infrastructure is a platform to support people in aging society through information.
- ✓ Aging of society causes information gaps related to elderly care, medical care, healthcare, etc., creating enormous business opportunities for us.



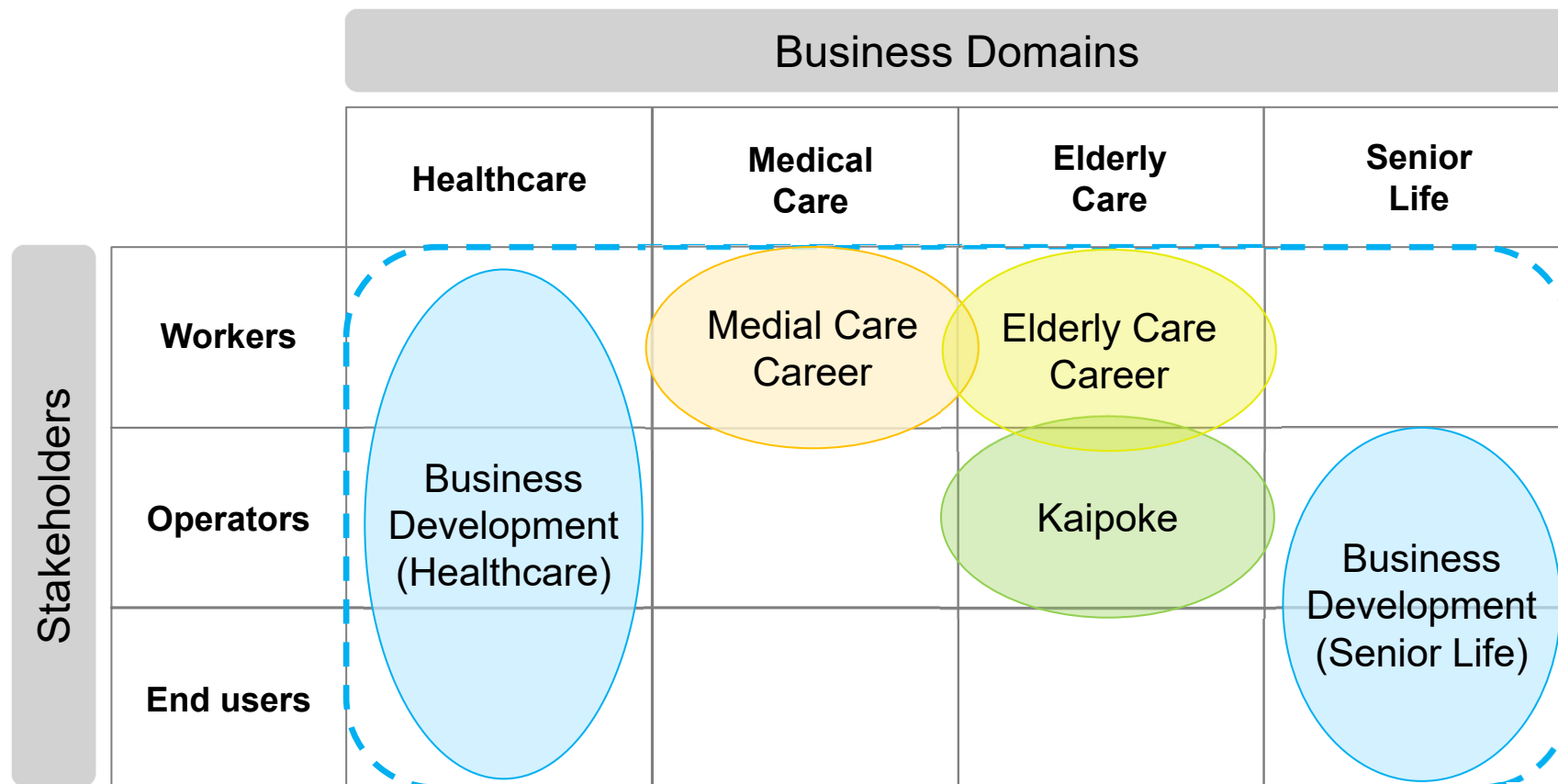
3 Improving the Quality of Life

- ✓ Address social issues that arise in aging society and contribute to improve the quality of lives of workers, operators, and end users.



3 Business Segments

- ✓ Operate Elderly Care Career, Medical Care Career and Kaipoke as our core businesses in Japan.
- ✓ Develop new businesses mainly in Healthcare and Senior Life.



Actively develop new businesses in other areas.

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

Strategic Units

- **Career Business - Medical Care Career**
 - No.1 recruiting service provider for medical care workers

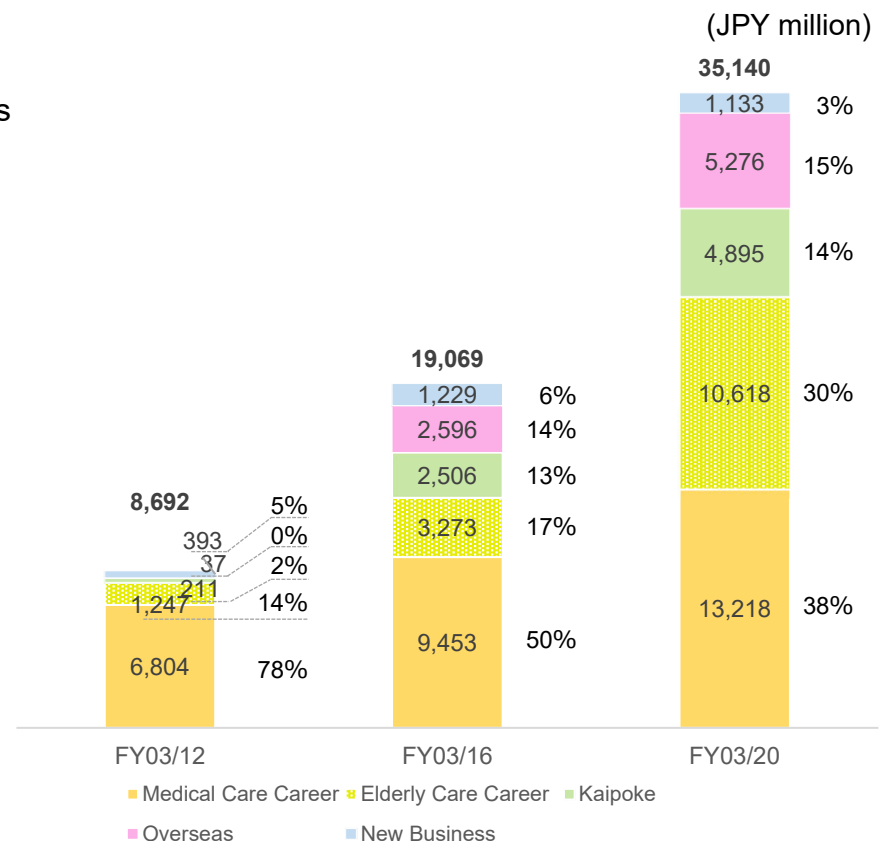
- **Career Business - Elderly Care Career**
 - No.1 recruiting service provider for elderly care workers

- **Kaipoke**
 - Management support platform for elderly care operators

- **Overseas Business (MIMS)**
 - Asia's No.1 drug information service provider
 - Expanding career business from Asia to global

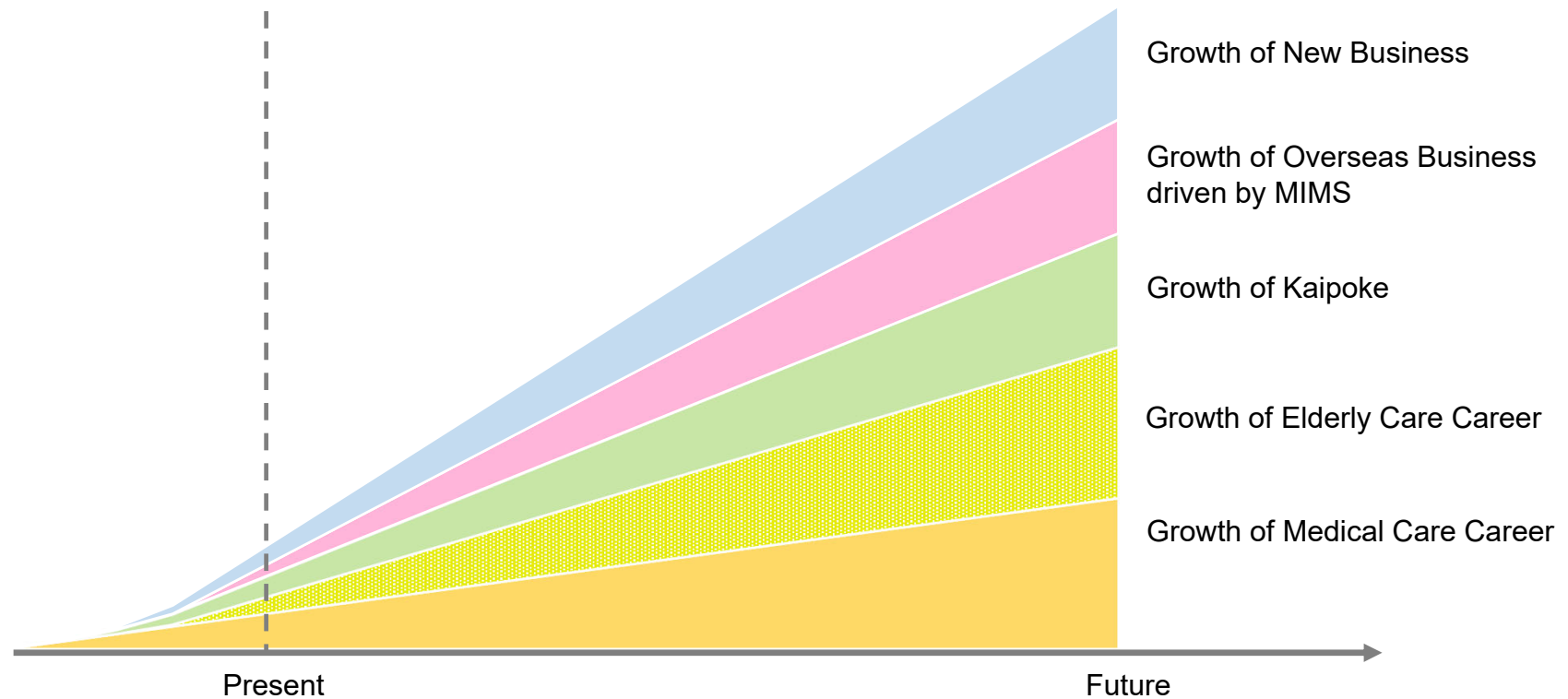
- **New Business**
 - Developing new businesses mainly in Healthcare and Senior Life

Breakdown of Net Sales



3 Growth Scenario

- ✓ On top of the solid expansion of Medical Care Career, we accelerate the growth of Elderly Care Career, Kaipoke, and Overseas Business.
- ✓ Actively develop new businesses to create next pillars of our businesses, which will further drive our long-term growth.



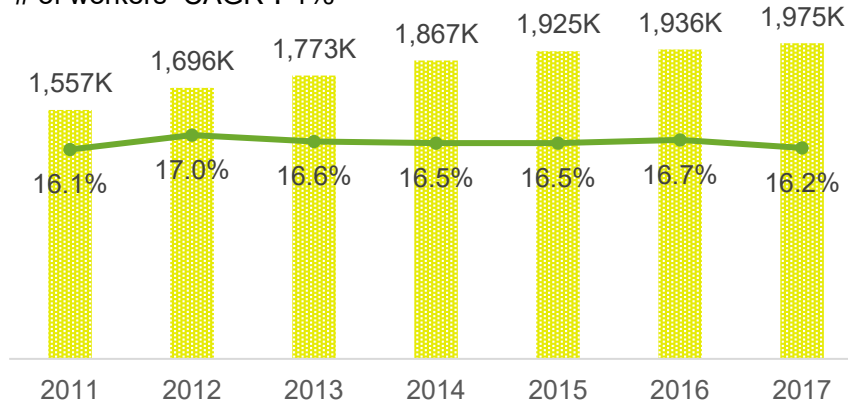
Career Business

3 Environment : Care workers and Nurses

✓ Labor shortage continues to be a serious issue despite the increasing numbers of care workers and nurses.

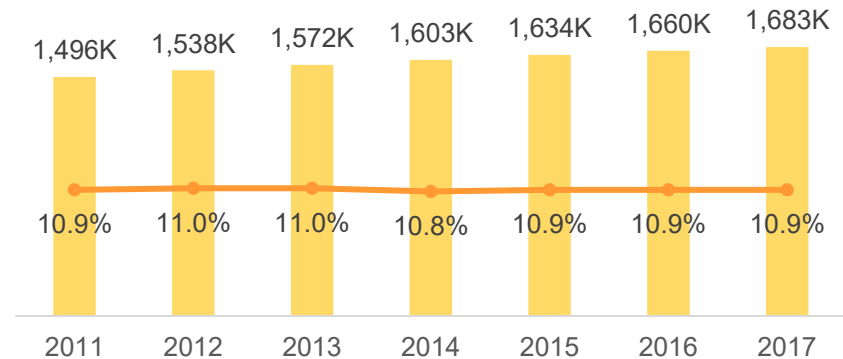
Number of care workers and their turnover rate*1

of workers CAGR : 4%

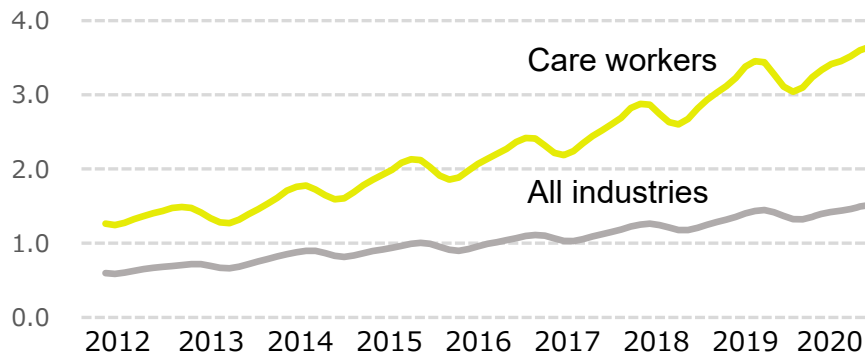


Number of nurses and their turnover rate*3

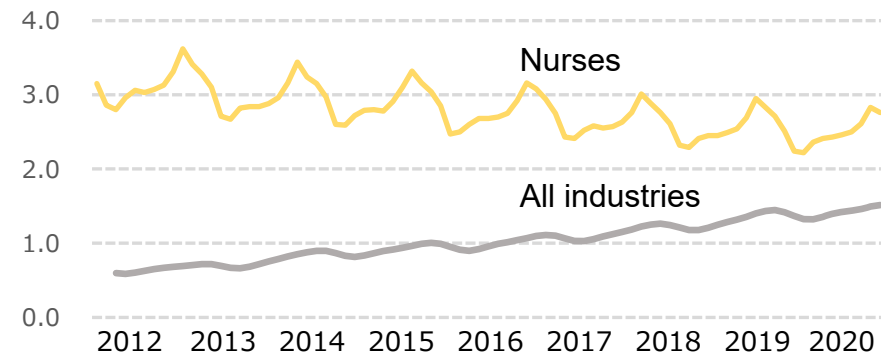
of workers CAGR : 2%



Jobs-to-applicants ratio of care workers*2



Jobs-to-applicants ratio of nurses*2

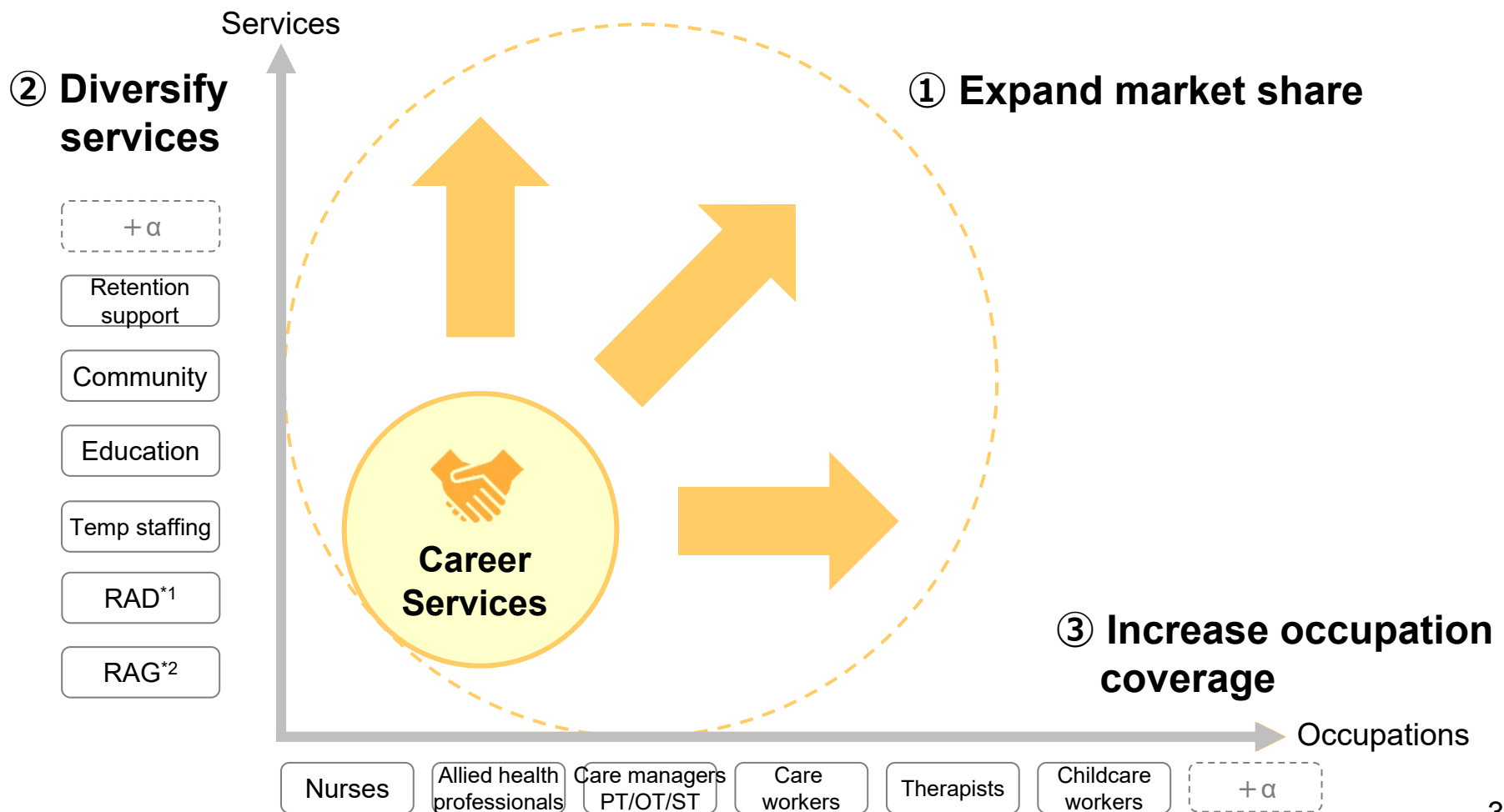


*1. Sources : Number of workers – MHLW; Turnover rate – Care Work Foundation

*2. Source : MHLW *3. Sources : Japanese Nursing Association; Number of workers in 2017 – SMS estimate

3 Strategy of Career Business

✓ Contribute to mitigate labor shortage problem by expanding the market shares of the existing services, diversifying service offerings, and increasing the variety of occupations we cover.

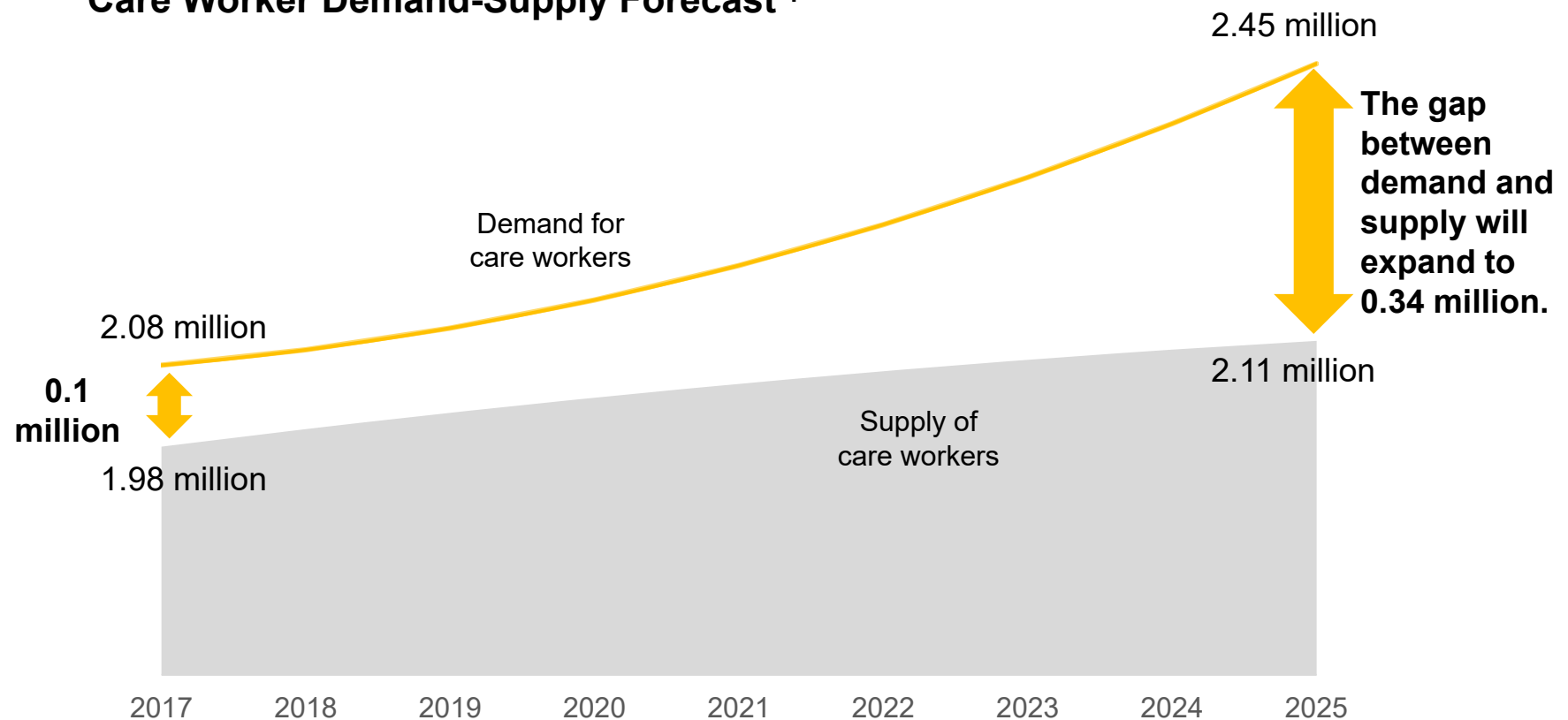


- ✓ As a pioneer, we created attractive markets of recruiting services for elderly and medical care workers and established No.1 positions.
- ✓ Continue to increase the market shares by leveraging a large number of both healthcare professionals (HCPs) and job orders we have accumulated.



- ✓ The labor shortage in elderly care is worsening due to the rapid aging of population, the gap between demand and supply of care workers being expected to reach 340,000 in 2025.

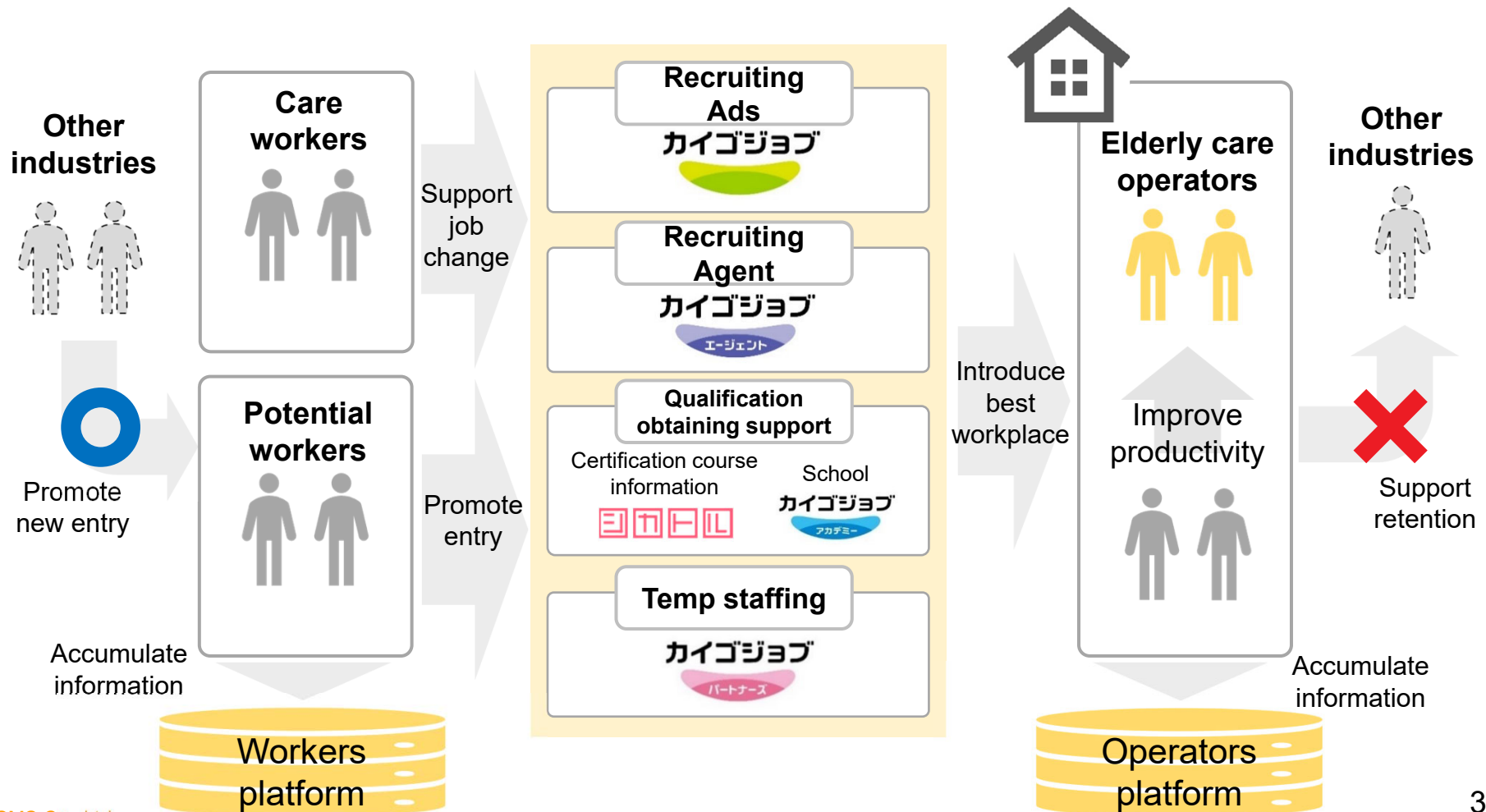
Care Worker Demand-Supply Forecast*1



*1. Source: MHLW. 2017 - SMS estimate.

3 ② Diversify Services - Strategy of Elderly Care Career

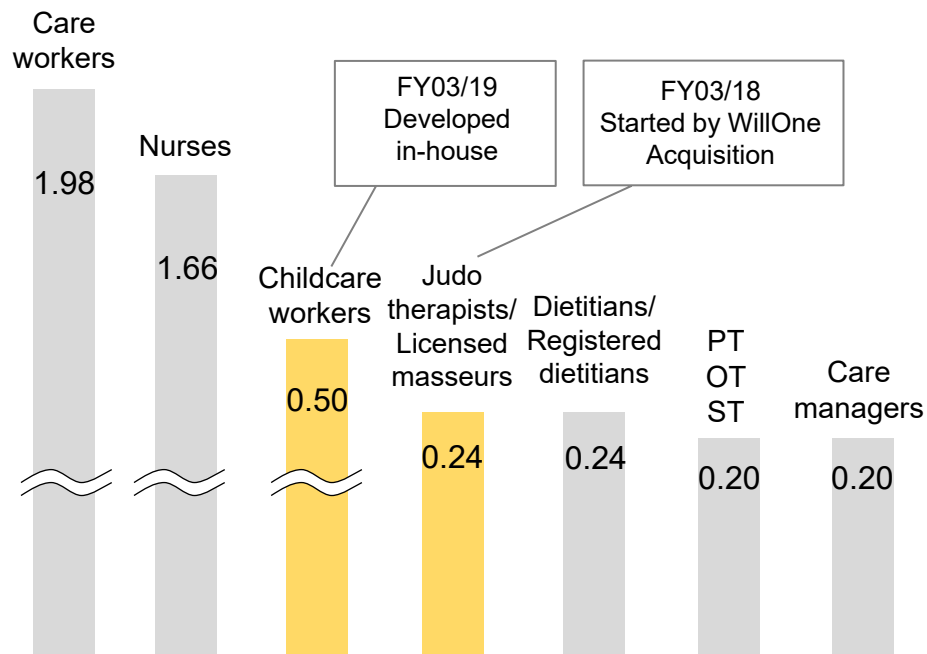
- ✓ Improve the shortage of workers by providing diverse services.
 - Promote new entry from other industries in addition to support for changing jobs.
 - Contribute to improve productivity of workers and reduce their turnover through education and retention support.



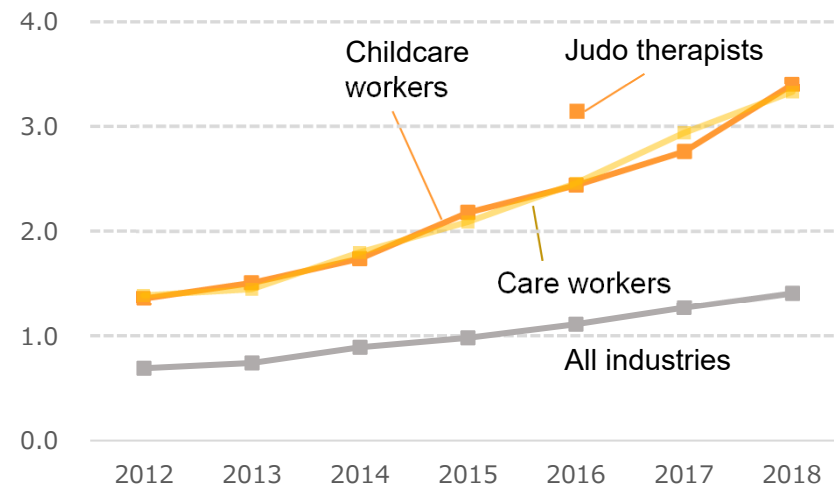
3 ③ Increase Occupation Coverage

- ✓ Started career services for Judo therapists/licensed masseurs*¹ in FY03/18 and RAG for childcare workers in FY03/19, which are promising markets following Recruiting Agent (RAG) for nurses and elderly care workers .
- ✓ Continue to expand our services to other occupations going forward

Number of Workers*² [million] for Occupations in the Career Segment



Jobs-to-Applicants Ratios*³



The jobs-to-applicants ratio for childcare workers has risen in metropolitan areas such as Tokyo (over 5 times)

*1. Finger pressure practitioners, acupuncturists, and moxibustion practitioners

*2. Sources: Care workers: MHLW 2017, Nurses: SMS estimate, Childcare workers/Dietitians/Licensed dietitians: SMS estimates based on MHLW data 2017, Judo therapists/Licensed masseurs: SMS estimate based on MHLW data 2016, PT/OT/ST, Care Managers: MHLW 2017

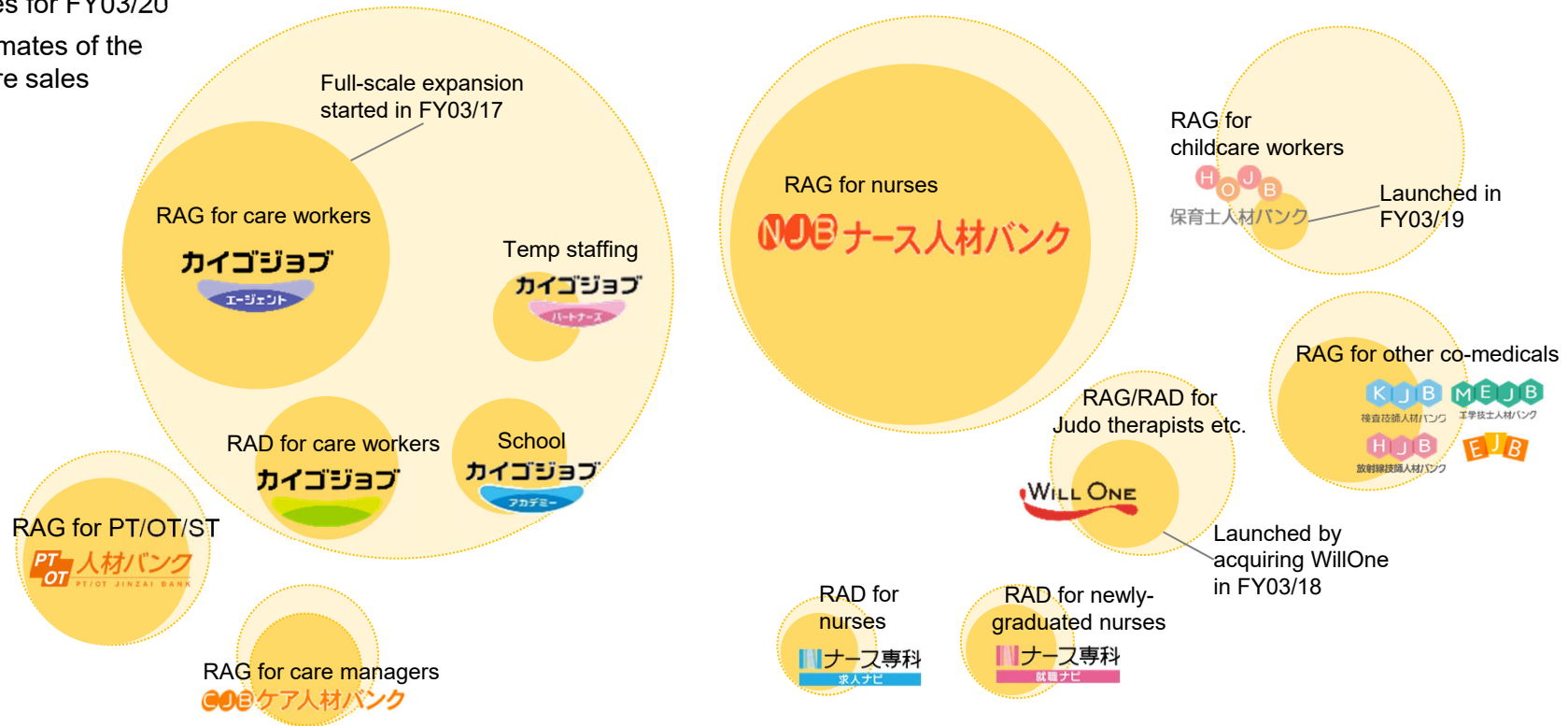
*3. Source: MHLW

3 Growth Scenario

- ✓ The Career Segment as a whole has huge growth opportunities.
- ✓ Increase in the market shares of existing services, rapid expansion of Elderly Care Career and services for newly-covered occupations drive the growth.

Current and future sales by service^{*1*2}

- : Sales for FY03/20
- : Estimates of the future sales



Elderly Care Career : JPY 10,618 million^{*3}

Medical Care Career : JPY 13,218 million^{*3}

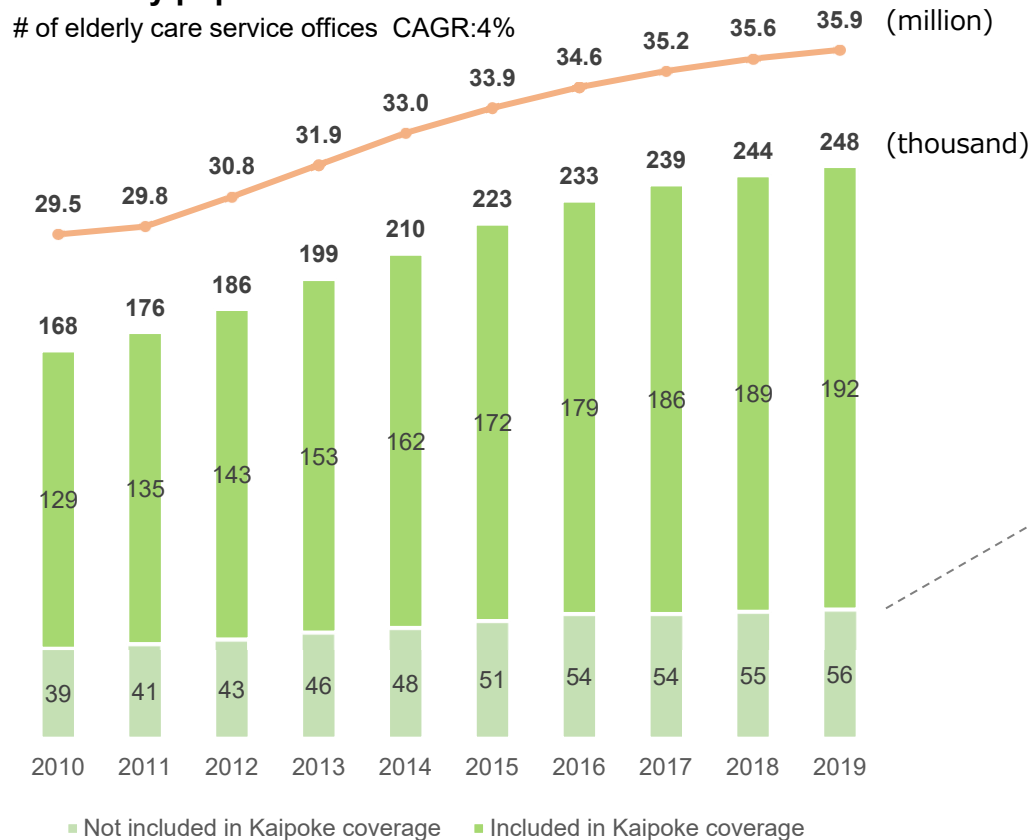
*1. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).
 *2. RAG: Recruiting agent service RAD: Recruiting ads service *3. Sales for FY03/20

Kaipoke

3 Environment : Elderly Care Operators

✓ The number of elderly care operators continues to increase as the population ages.

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



Operators that Kaipoke covers*2

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

Operators that Kaipoke doesn't cover*2

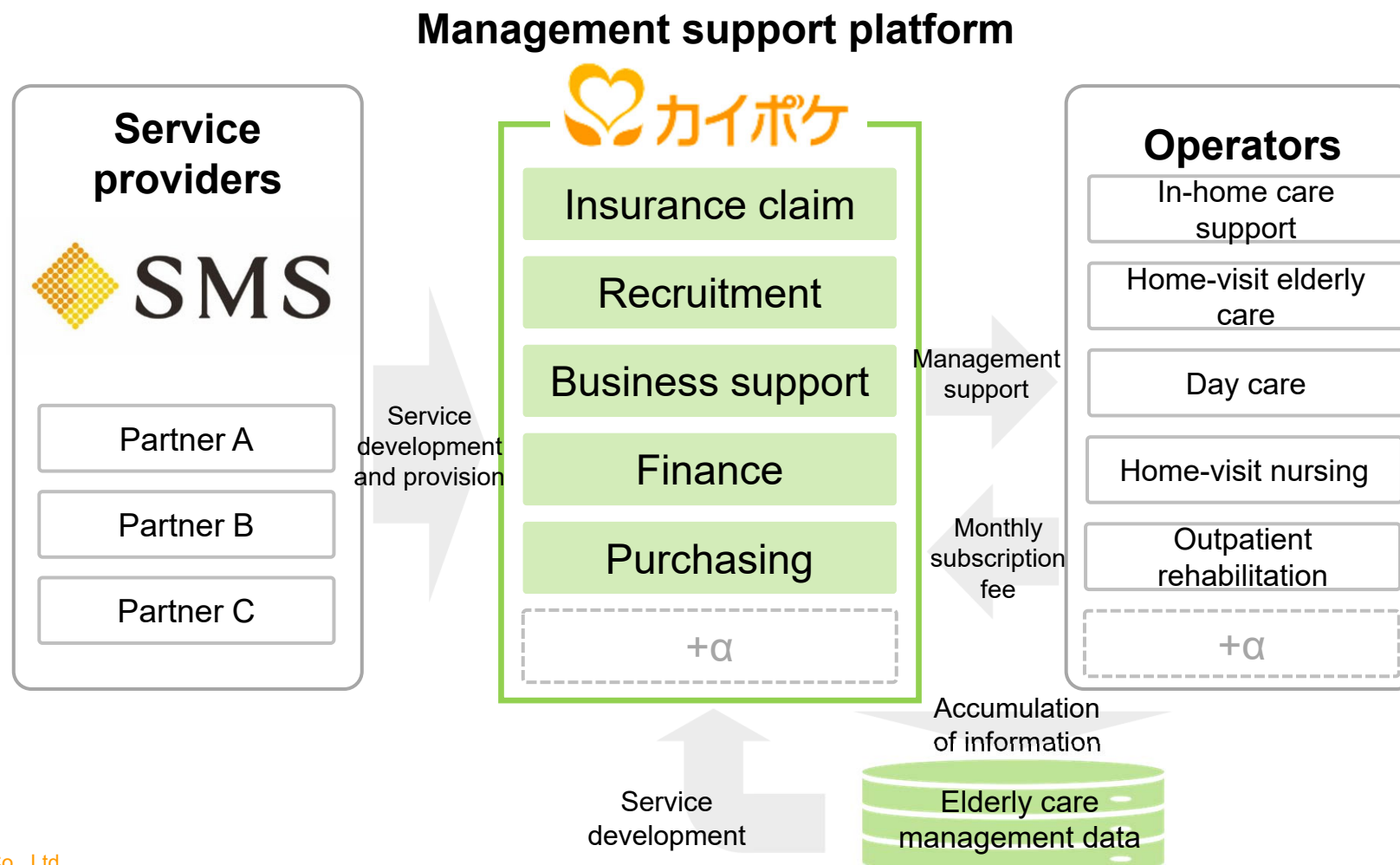
- Commuting care for elderly with dementia
- Short stay
- Daily life care for elderly in specific facilities
- Small-sized multifunctional in-home care
- Facilities etc.

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

*2. As of Mar. 2020

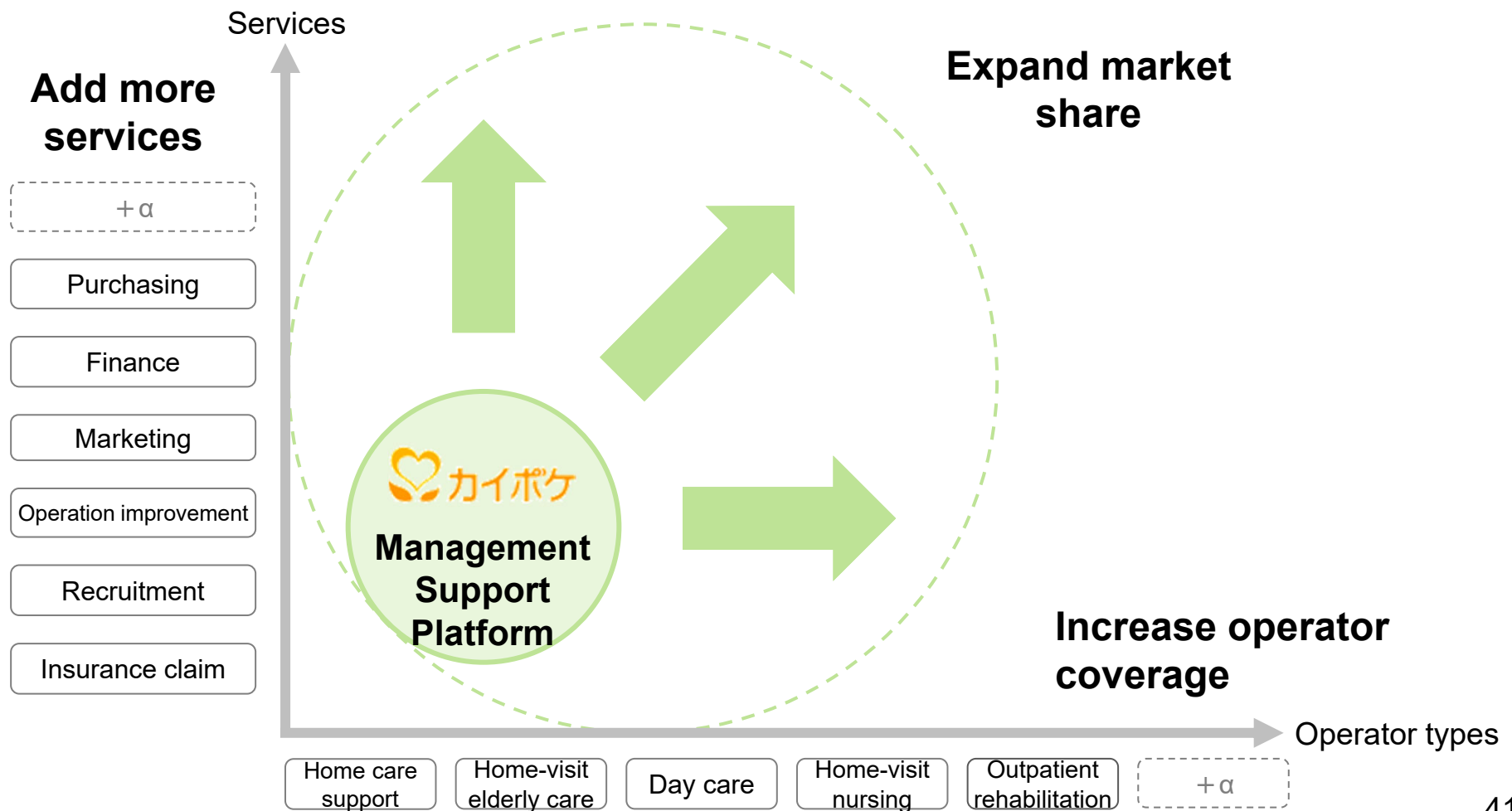
3 Kaipoke's Business Model

- ✓ Kaipoke is a management support platform provided in the form of SaaS, which offers more than 40 services to improve the management efficiency of elderly care operators.



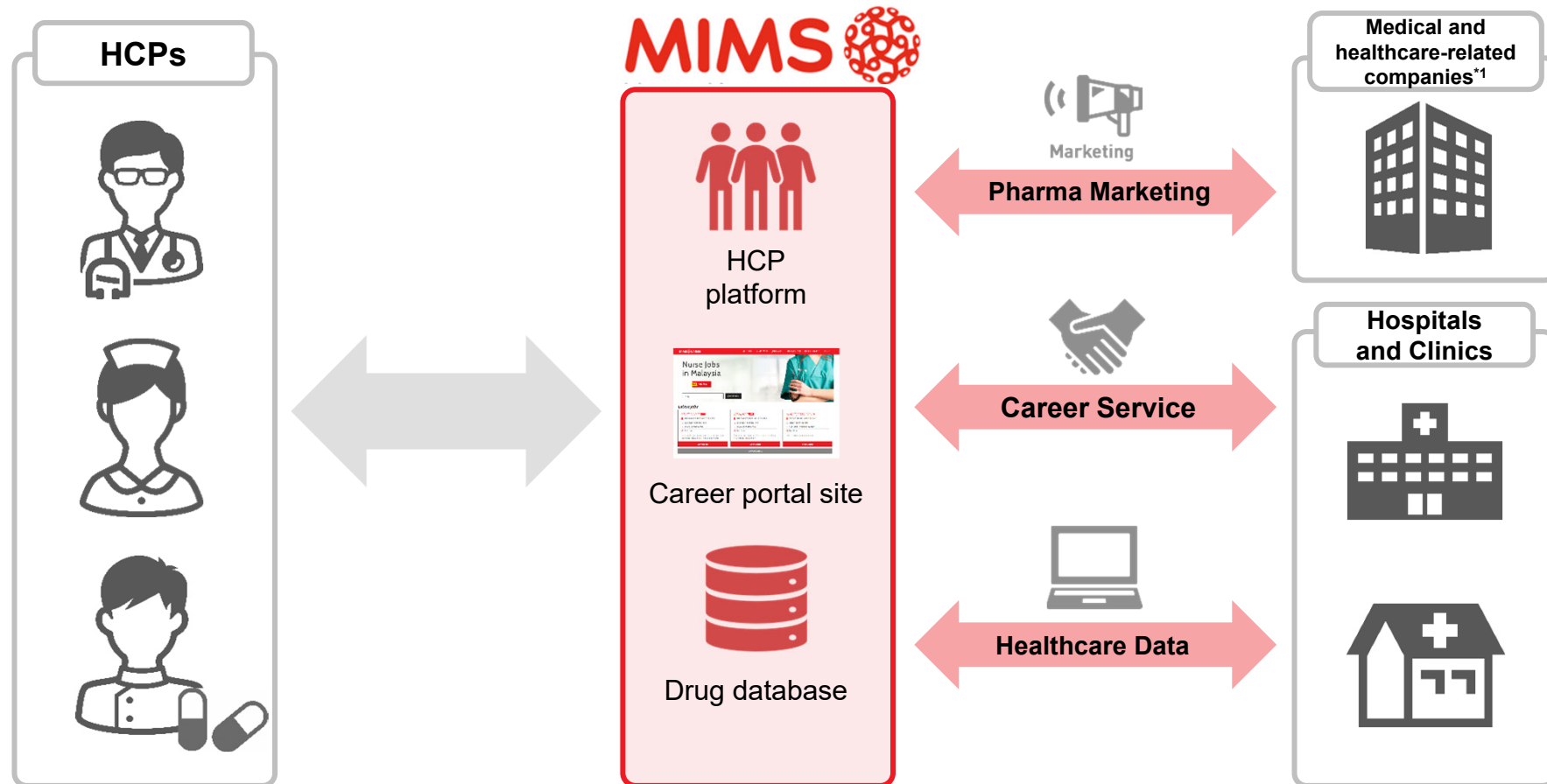
3 Strategy of Kaipoke

- ✓ Maximize value as a management support platform by expanding the market share, adding more services and increasing types of operators we cover.
- ✓ Contribute to enhance the management efficiency and the service quality of elderly care operators.

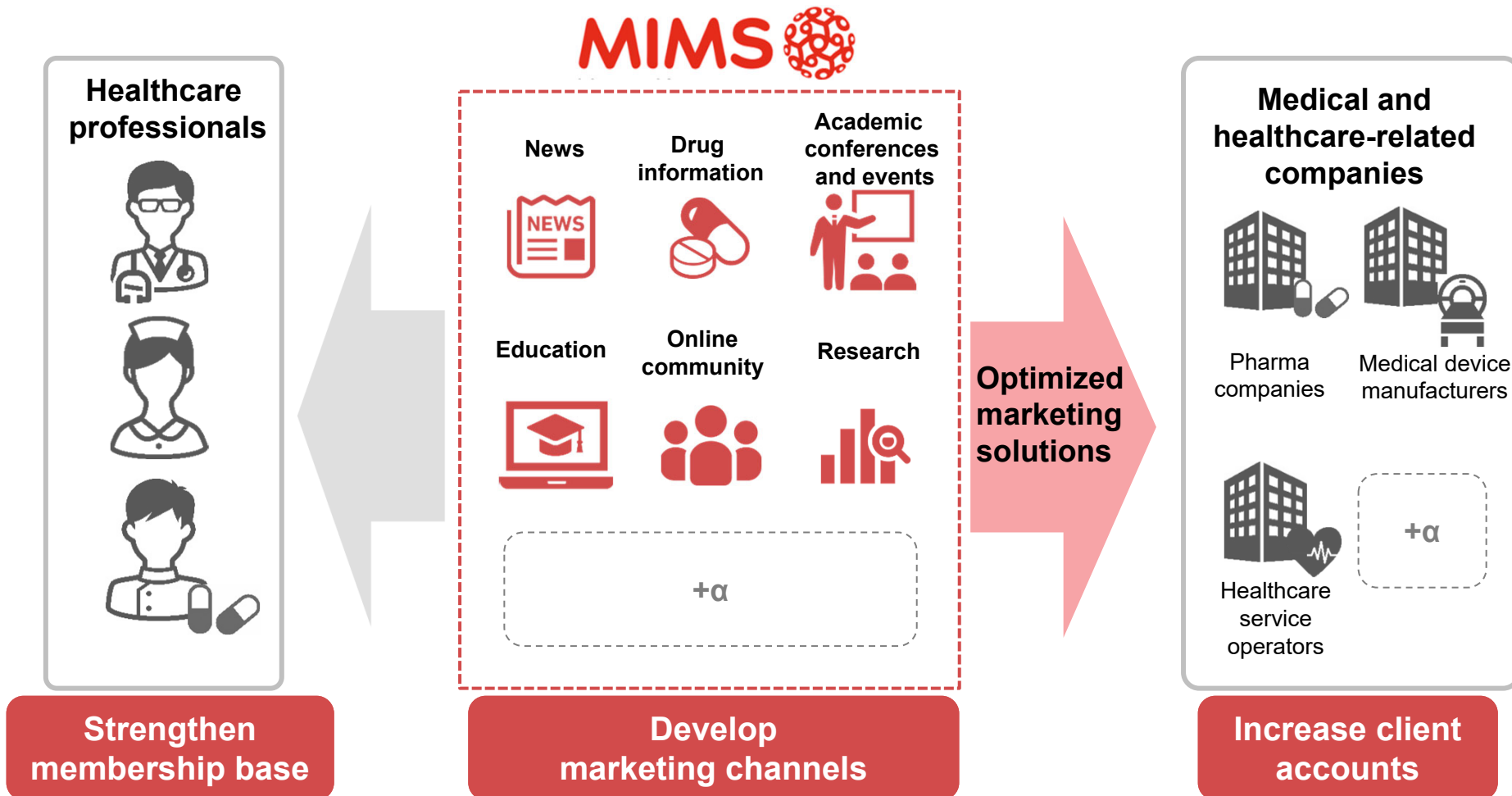


Overseas Business

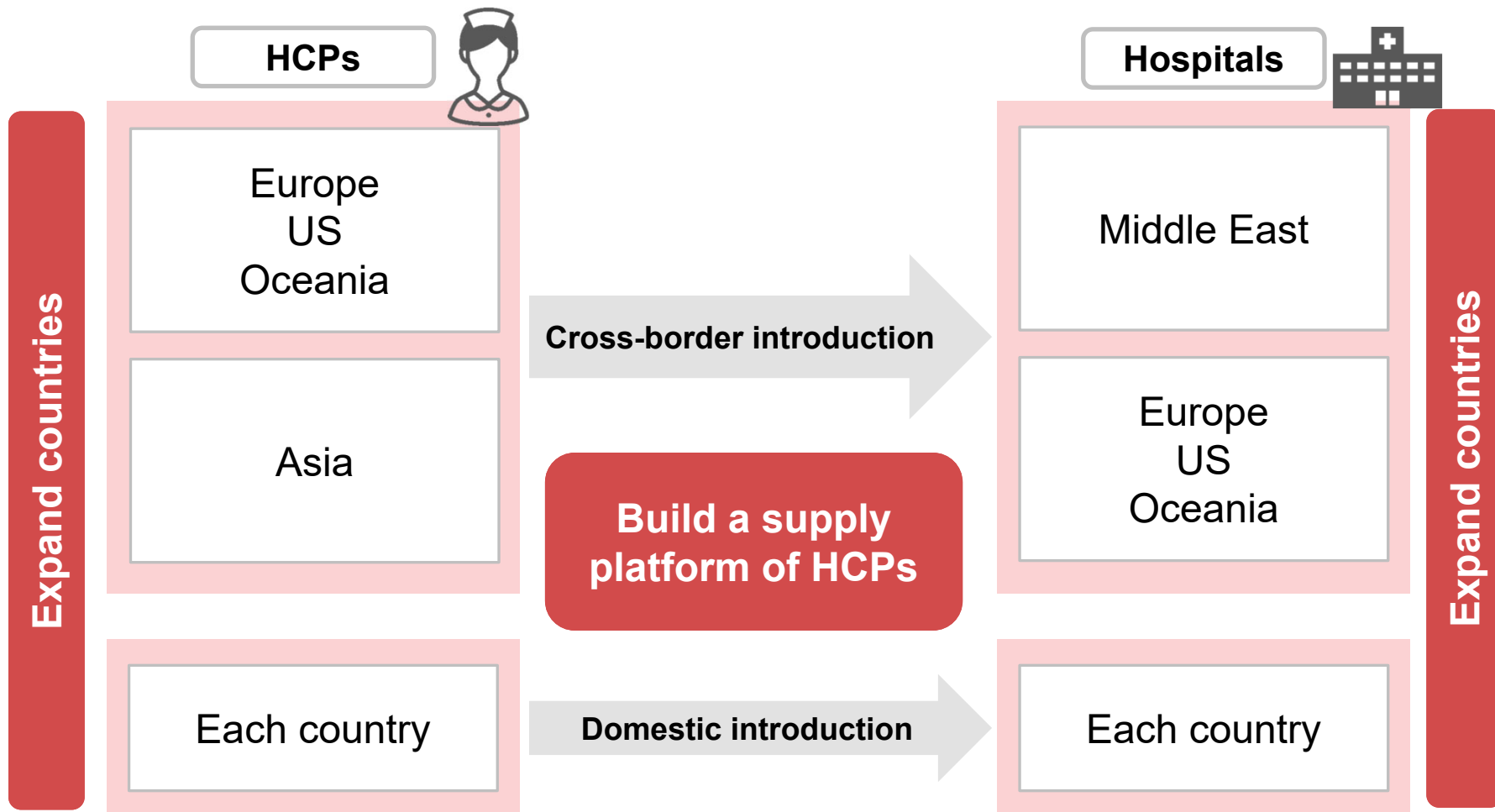
✓ Overseas businesses are built on the strengths of MIMS, which include its overwhelming brand value in Asia and Oceania, enormous membership base of healthcare professionals (HCPs), and strong relationships with medical and healthcare-related companies and hospitals.



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

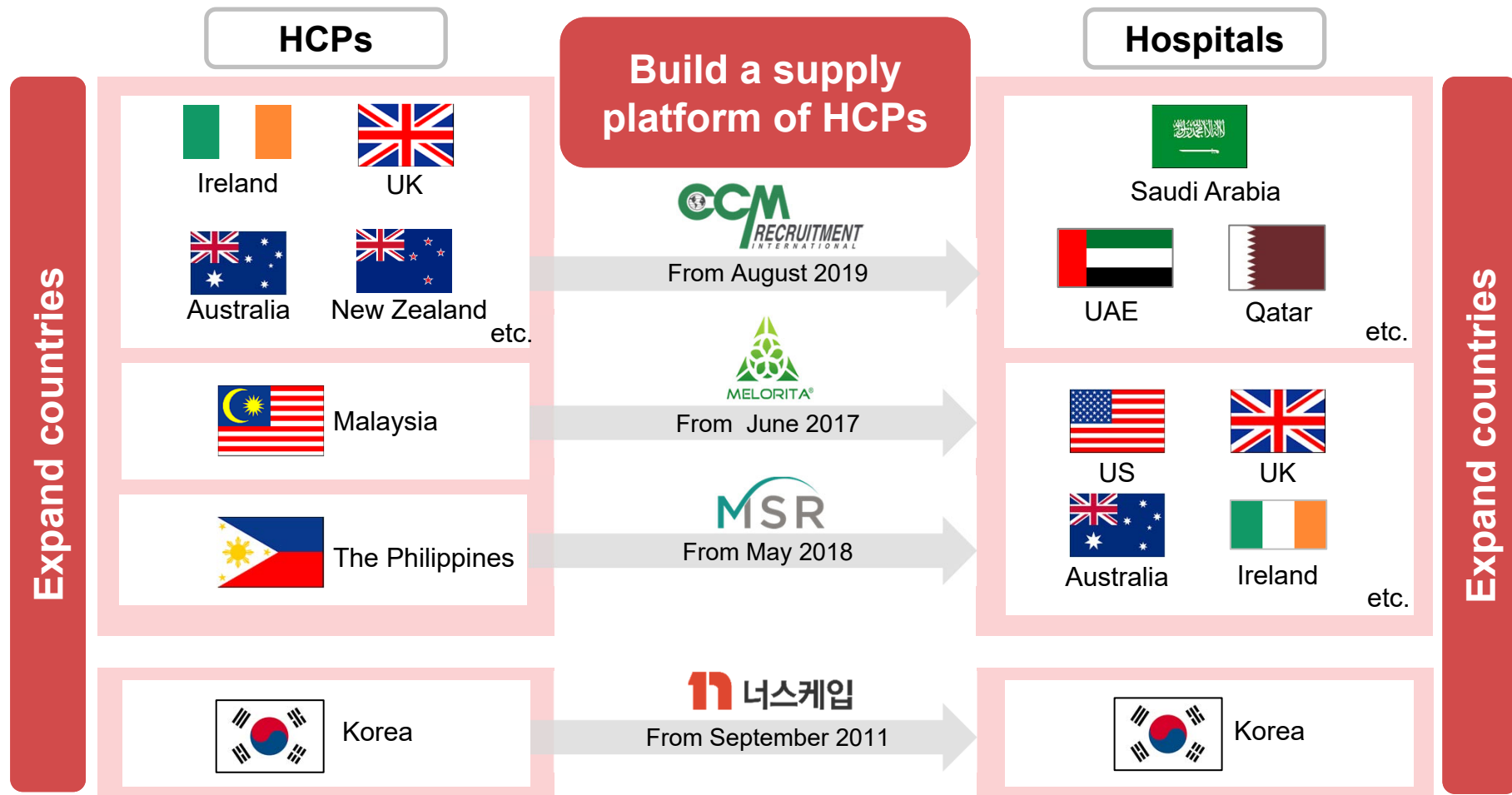


- ✓ Establish No.1 position as a global recruiting agency for healthcare professionals (HCPs) by expanding countries for sourcing HCPs and acquiring job orders.
- ✓ Build a supply platform of HCPs for both domestic/cross-border introductions.



3 Progress in Global Career Business


















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



New Business

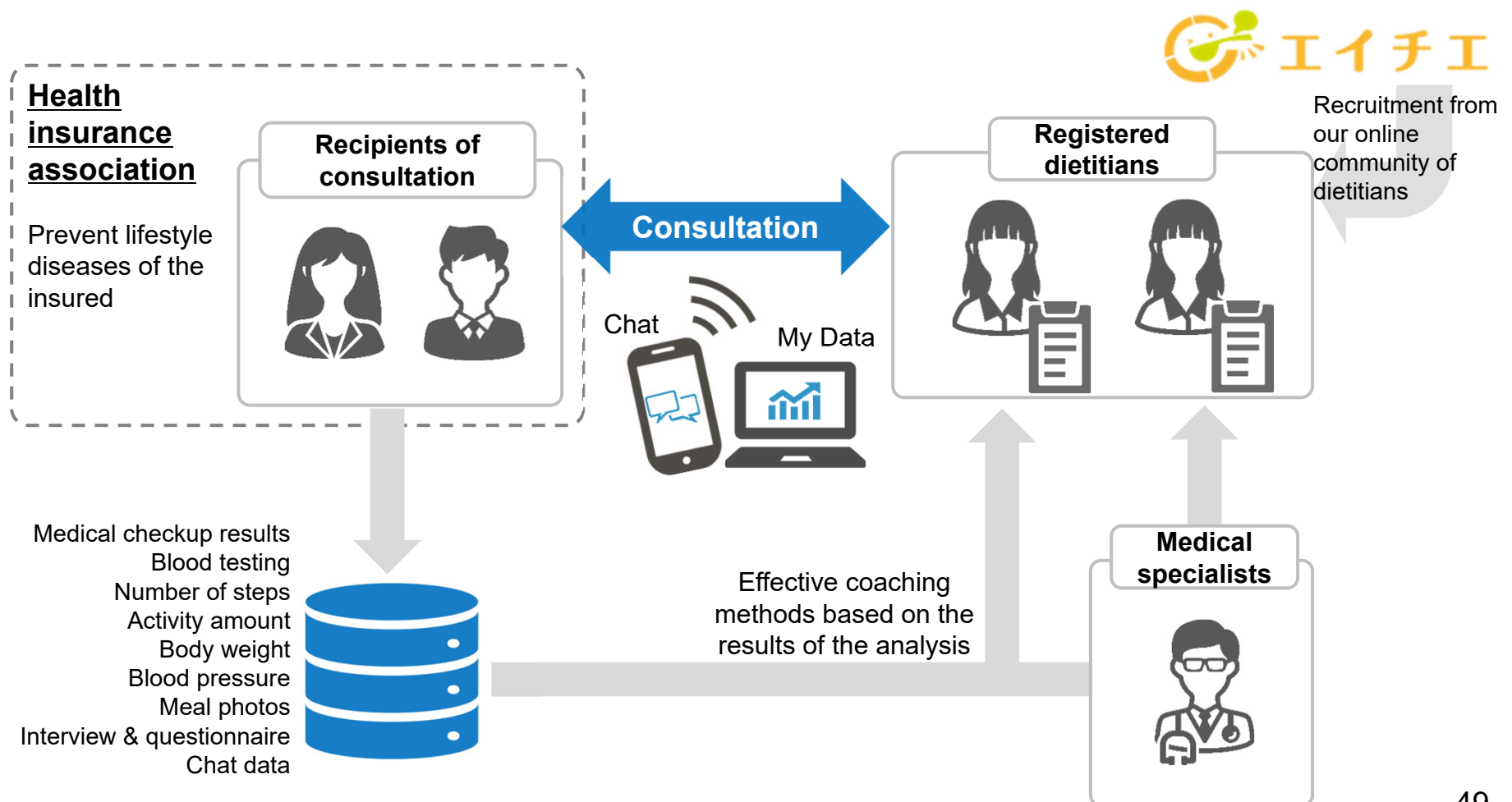
3 Focus of Business Development

- ✓ Develop new businesses mainly in Healthcare and Senior Life.
- ✓ Capture the growing needs for prevention of diseases and services not covered by public insurance schemes.

Domains	Outline	Services			
Healthcare	Services such as health guidance, disease prevention, and industrial health services etc.	<p>Preventive solution of lifestyle diseases</p>  <p>専門医・管理栄養士による 遠隔チャット指導</p>	<p>Health guidance solution</p>  <p>専門医・管理栄養士による 遠隔チャット指導</p>	<p>Personalized anti-smoking solution</p>  <p>パーソナライズ 禁煙指導サービス</p>	<p>Web community for dietitians</p>  <p>エイチエ</p>
		<p>Remote industrial health service</p>  <p>リモート産業保健</p>	<p>Information portal of industrial health service</p>  <p>産業保健の知恵袋 サンチエ</p>	<p>Preventive solution for workforce departure due to family care</p>  <p>リモート介護相談</p>	<p>Health maintenance/promotion support for women</p>  <p>LADY to GO!</p>
		<p>Q&A site on health</p>  <p>なるカラ</p>	<p>Information portal of dementia</p>  <p>認知症ねっと</p>	<p>Solution for dementia prevention</p>  <p>MCIドクター監修 認トレ</p>	<p>Habituation support of dementia prevention</p>  <p>認トレ チャレンジ</p>
Senior Life	Services to connect operators and end users in areas such as elderly care, housing, and end of life planning.	<p>Web community for people caring for their families</p>  <p>安心介護</p>	<p>Home-delivered meals search site</p>  <p>らいふど</p>	<p>Information portal of housing for the elderly</p>  <p>かいごDB kaigodb.com</p>	
		<p>Housing renovation operators search site</p>  <p>住まいにまつわる総合情報サイト ハピすむ</p>	<p>Information of funeral companies</p>  <p>安心葬儀</p>		

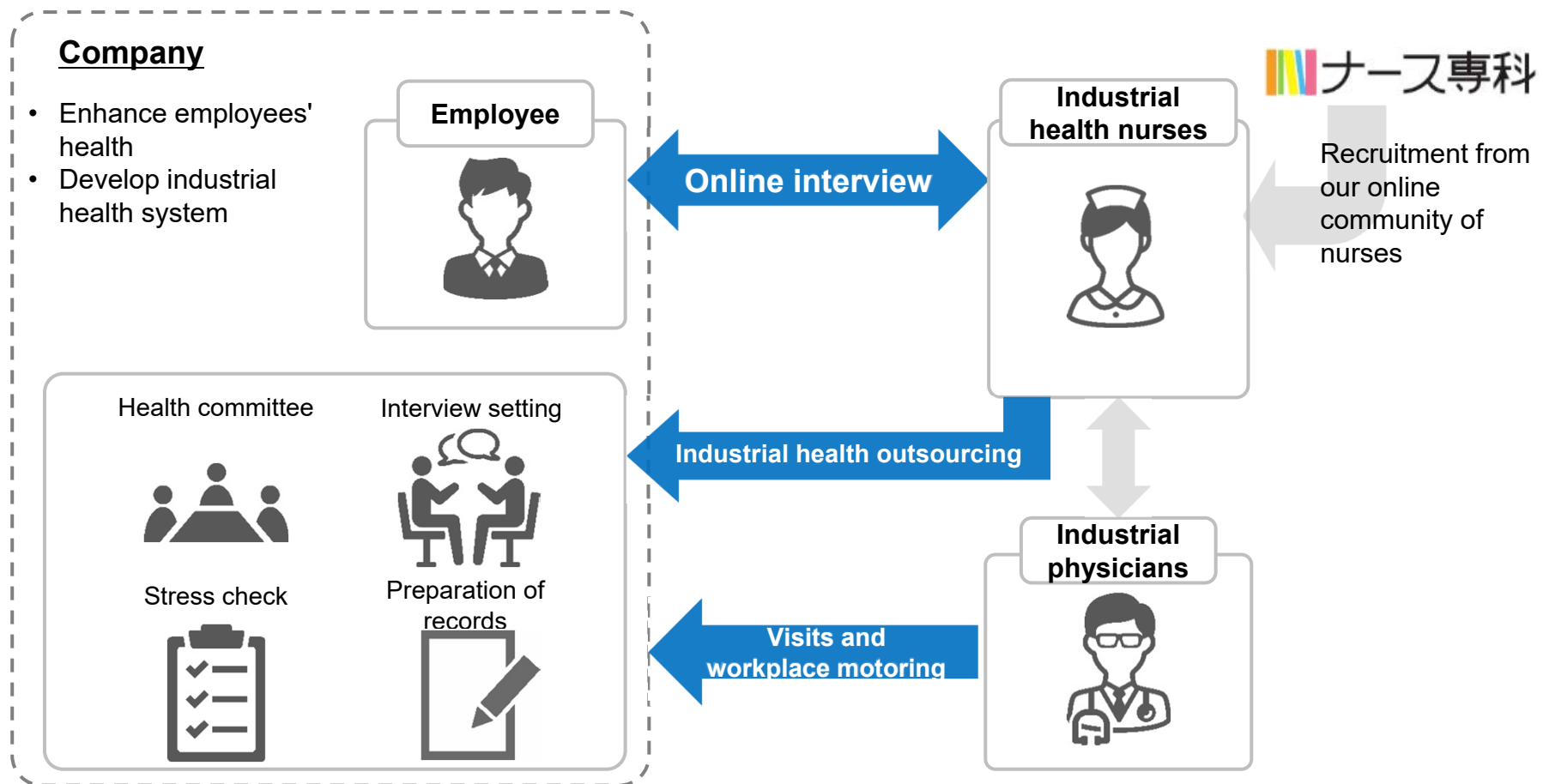
3 Healthcare - Remote Health Guidance

- ✓ Provide remote health guidance services to health insurance associations*1.
- ✓ Contribute to prevent lifestyle diseases of the insured people through effective health guidance.

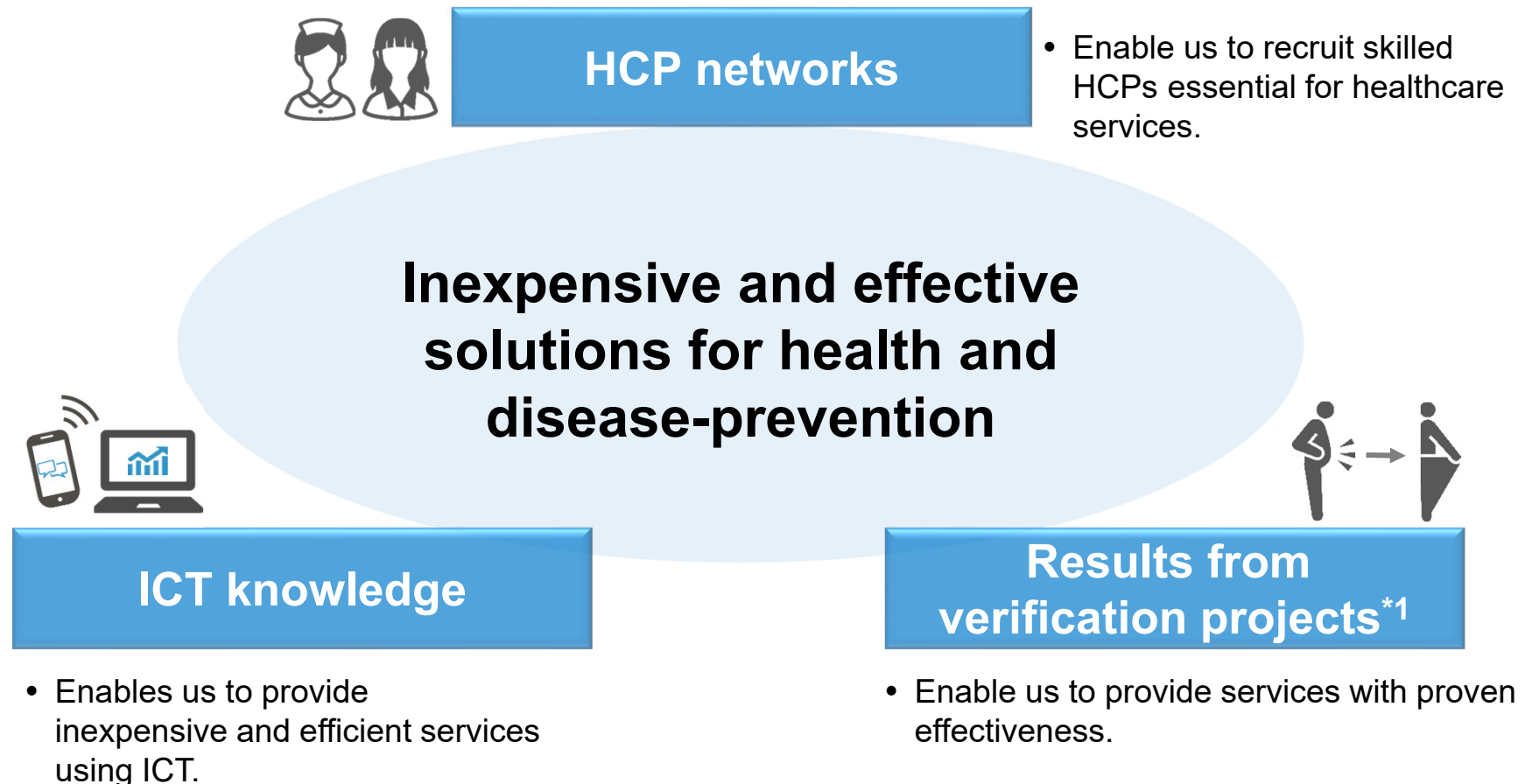


3 Healthcare - Remote Industrial Health Service

- ✓ Provide industrial health services that combine visits and remote support to companies.
- ✓ Contribute to enhance employees' health by providing comprehensive support for operations related to industrial health.

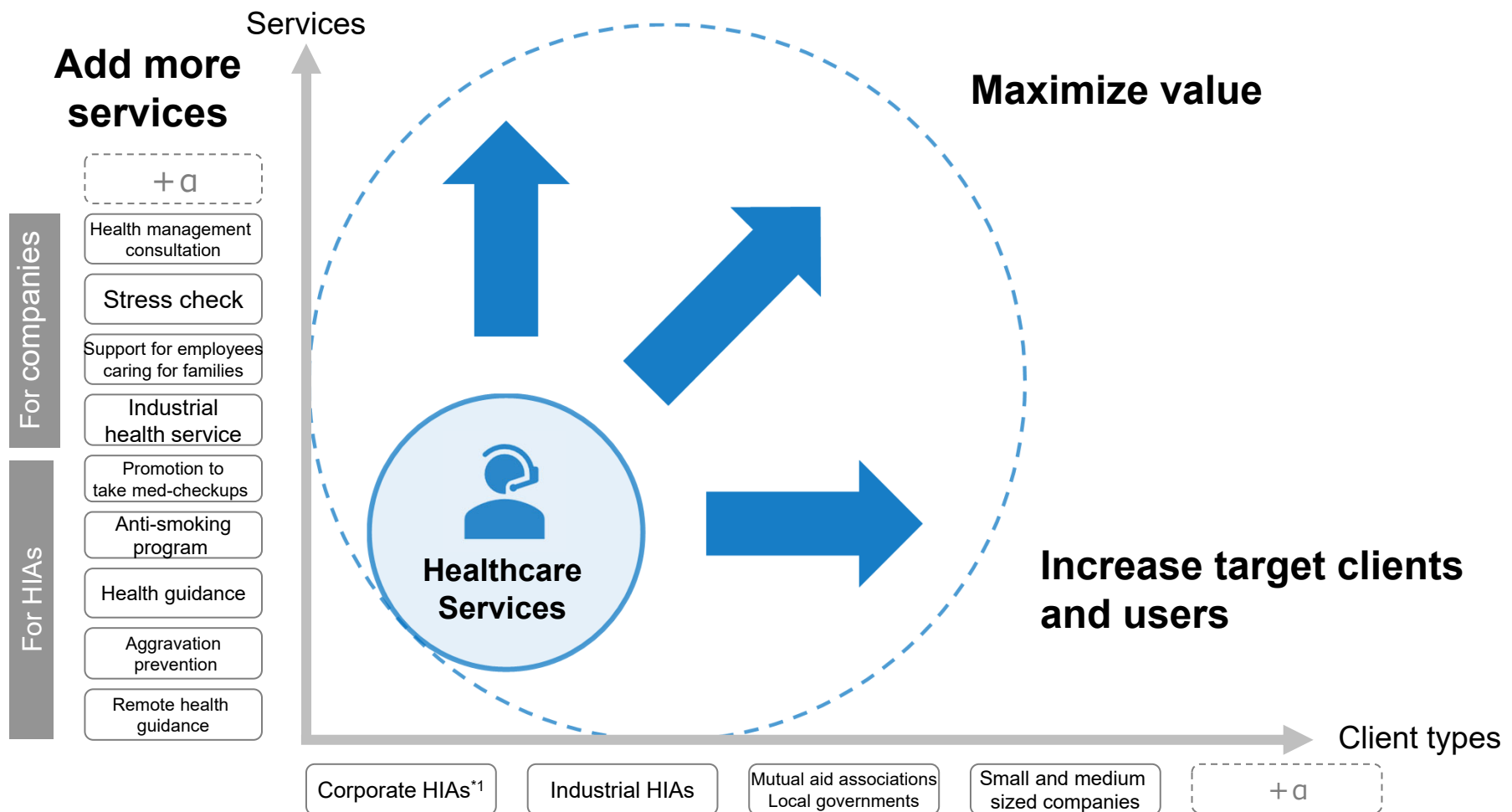


- ✓ Leveraging our strengths in healthcare professional (HCP) networks, ICT knowledge, and proven results from verification projects conducted with ministries and national agencies, we provide inexpensive and effective solutions for health and disease-prevention.



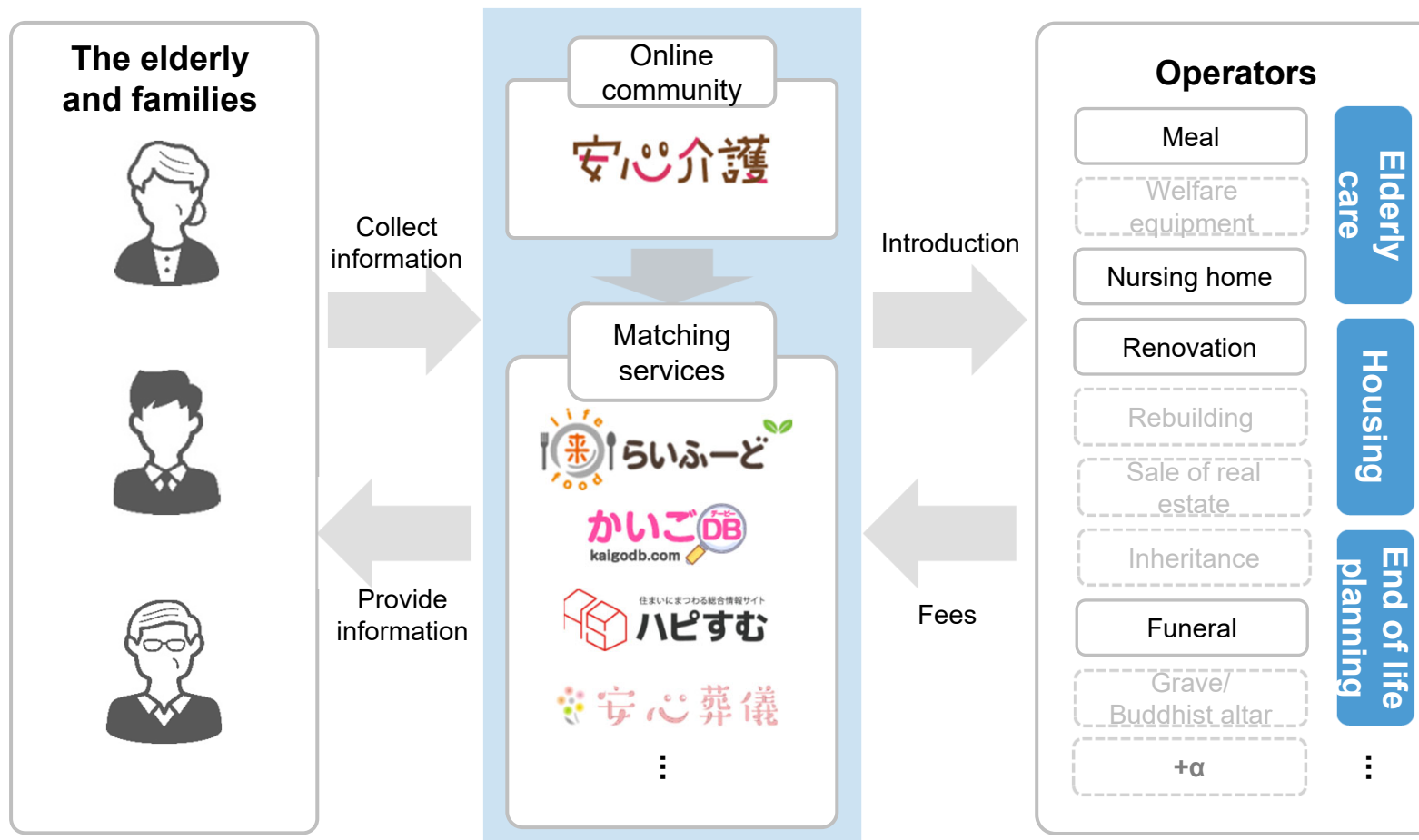
3 Strategy of Healthcare

- ✓ Maximize the value offered and contribute to increase healthy workforce by adding more services and expanding target clients and users.



3 Strategy of Senior Life

- ✓ Develop services to connect operators and end users to meet various needs in the aging society, such as elderly care, housing, and end of life planning.
- ✓ Contribute to improve the quality of lives of the elderly and their families by helping them make better decisions.

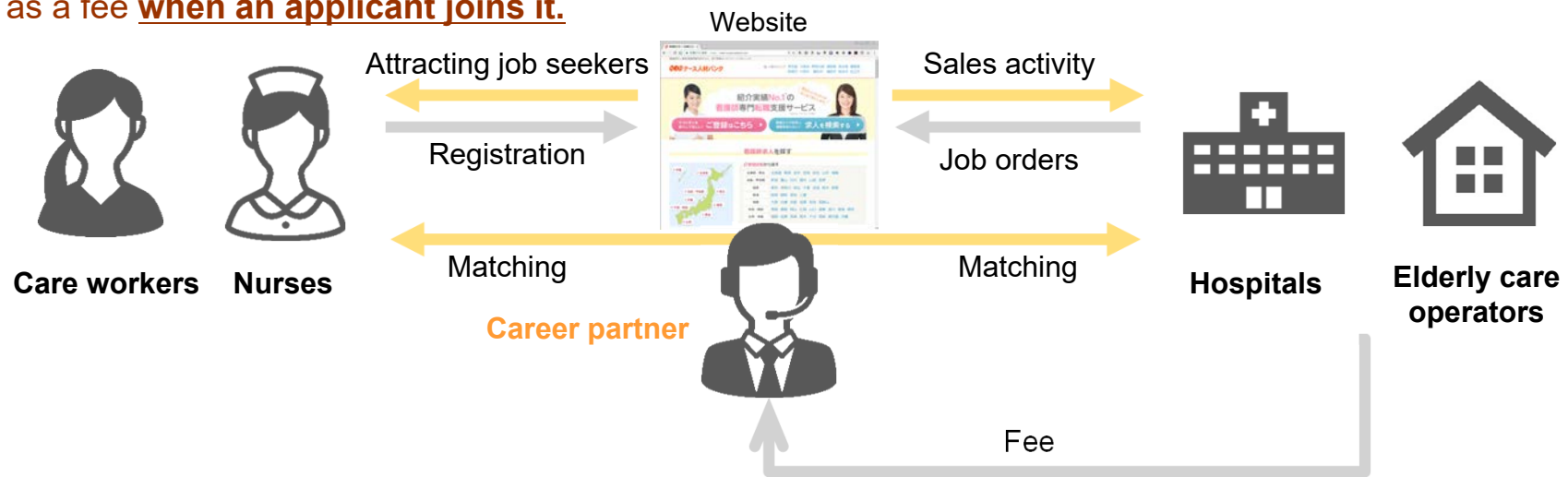


Appendix

3 Business Models of Recruiting Agent and Recruiting Ads

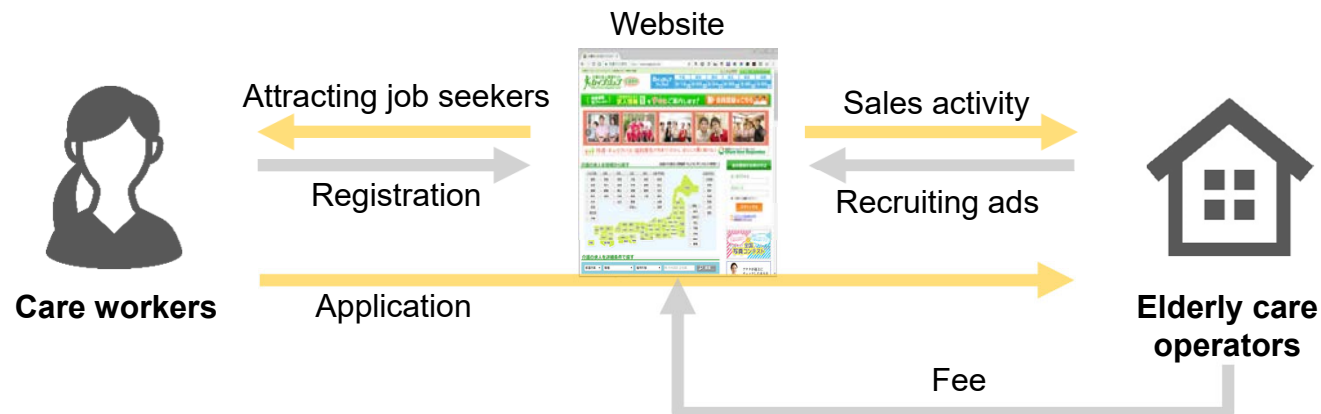
Business model of Recruiting Agent

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



Business model of Recruiting Ads

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





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

Insurance Claim

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

Recruitment

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

Sales Support

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

Operation Improvement

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

Opening Support

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

Finance

Provide factoring services to improve operators' cash flows.

Purchasing

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

M&A

Supporting the succession of elderly care operators

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

*2. Charged for some types of occupations.

3 Concept Change of Kaipoke

- ✓ Penetrated the market as a discounter of insurance claim system.
- ✓ Changed the service concept in 2014 and established a unique position as a provider of a management support platform for elderly care operators.

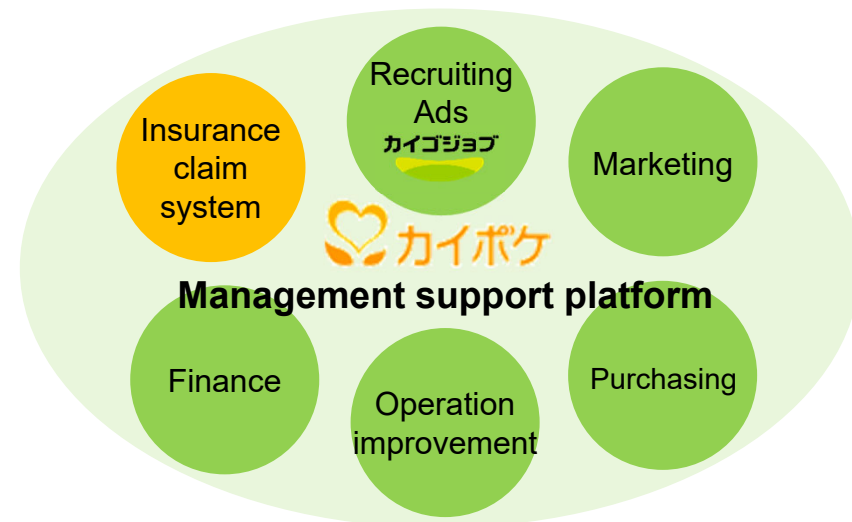
Before February 2014



(ARPU) JPY 3,000 /month

- Intense competition among many providers of on-premise insurance claim system
- SMS entered the market as a discounter with ASP*1 type service

Since February 2014

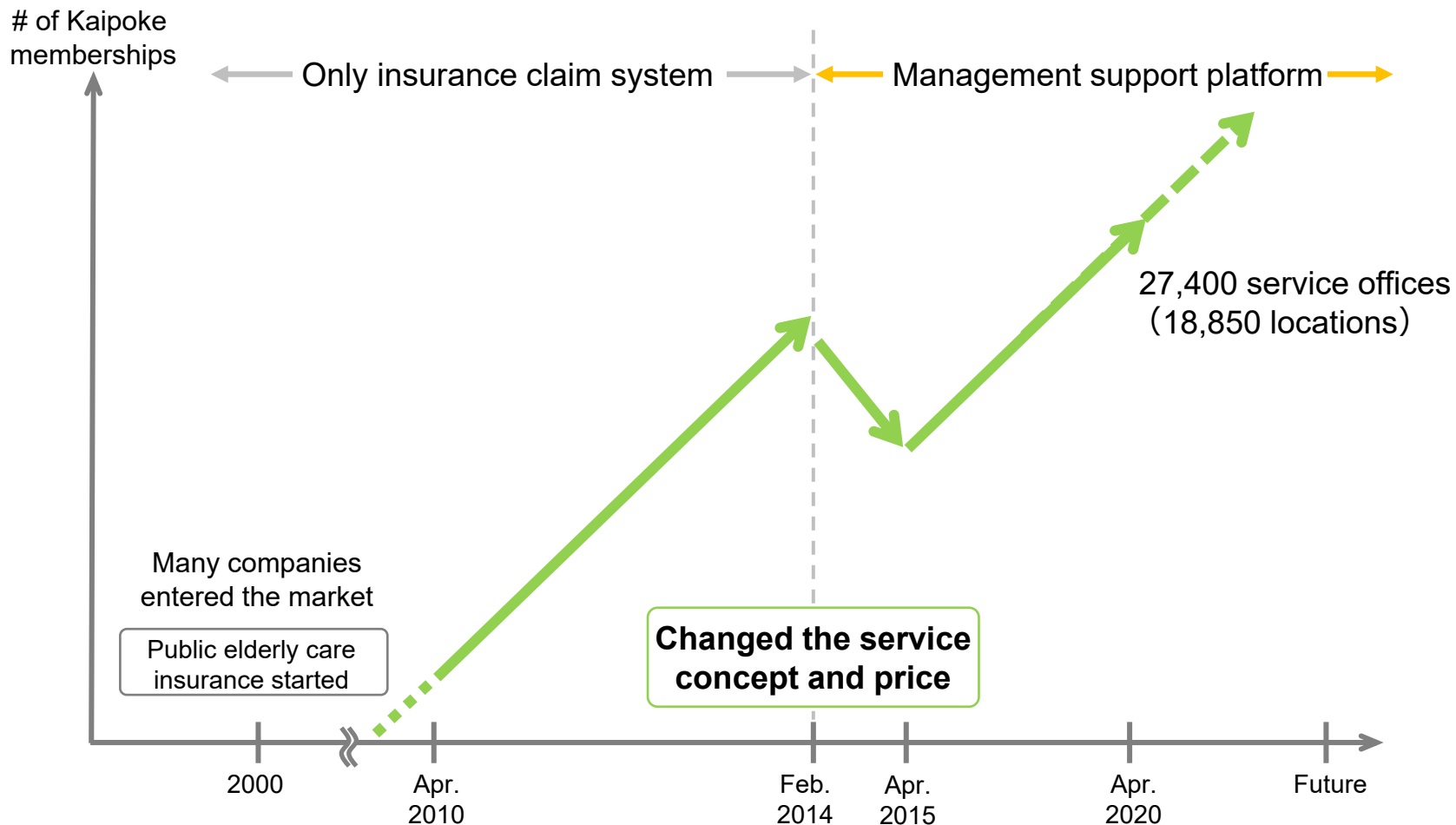


(ARPU) JPY 20,000 /month

- Provide highly differentiated services such as the industry No.1 Recruiting Ads service via the management support platform.

3 Kaipoke Memberships

✓ The number of memberships is increasing in accordance with our strategy, despite a temporary decline right after the concept and price change.



MIMS group global coverage



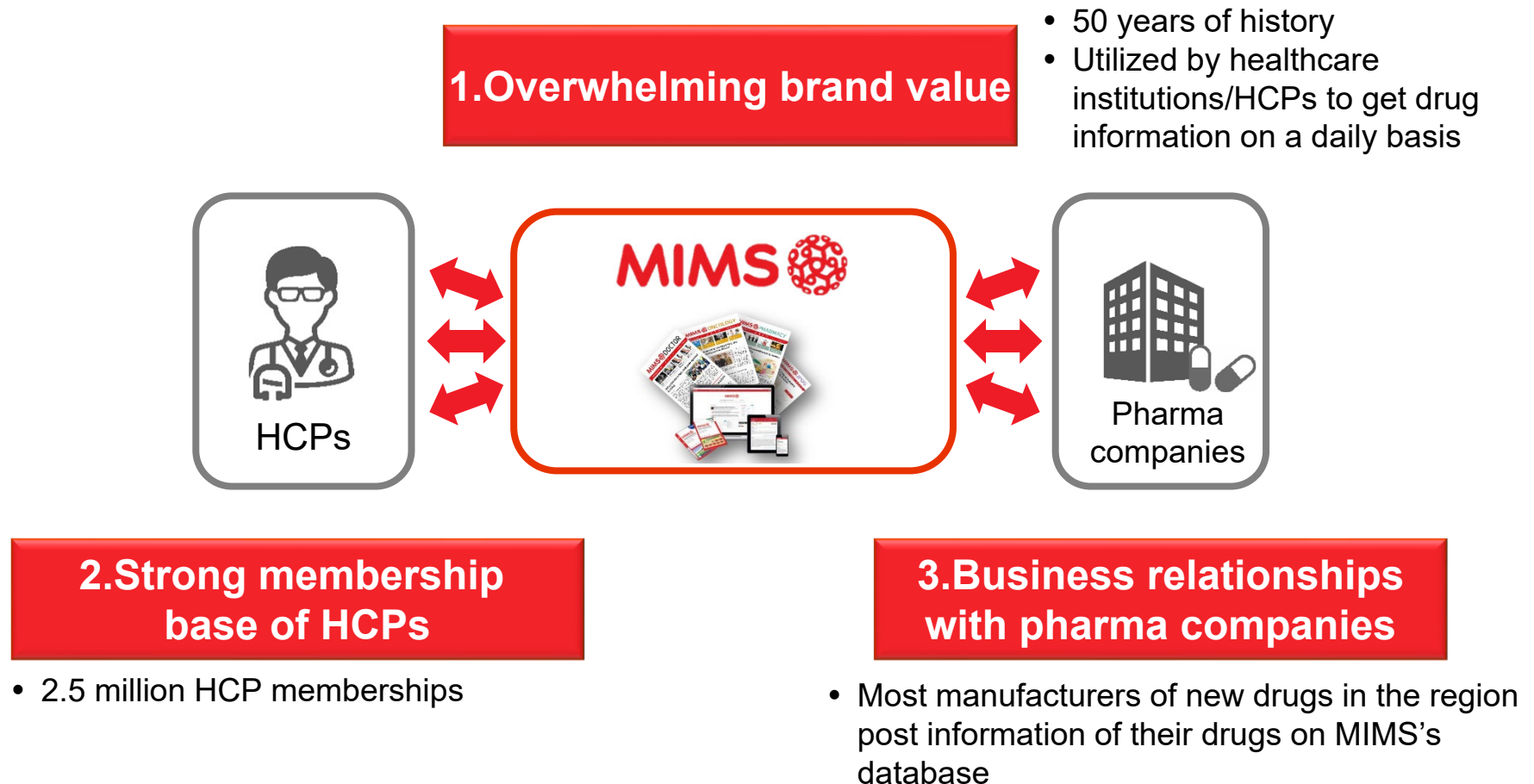
MIMS group profile



Founded	1963
Business	<ul style="list-style-type: none">• Pharma Marketing• Healthcare Data• Career Service
Global coverage	17 countries and regions mainly in Asia and Oceania
Number of memberships	2.65 million
Acquisition date	Oct. 7, 2015

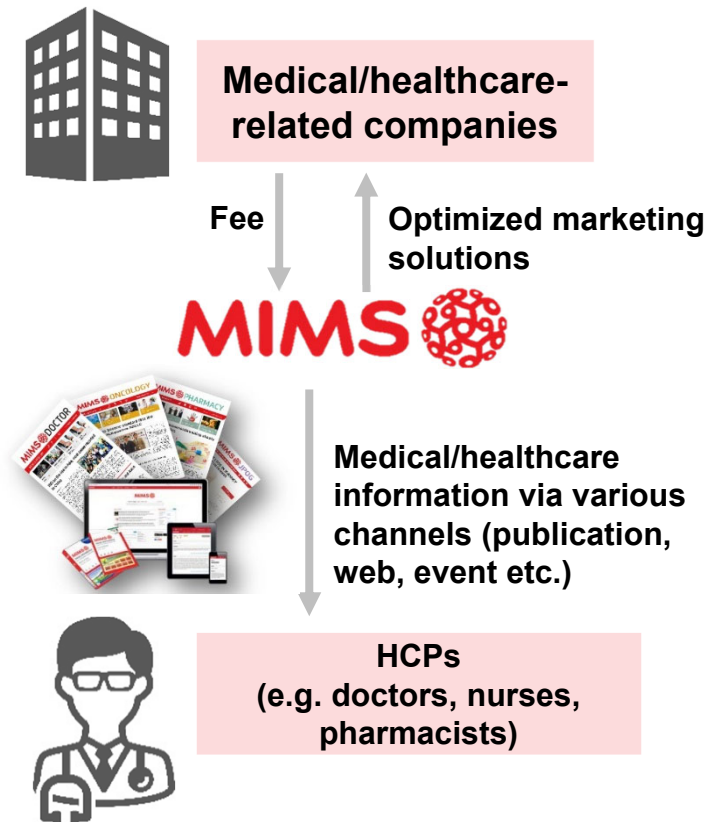
3 Strengths of MIMS Group

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



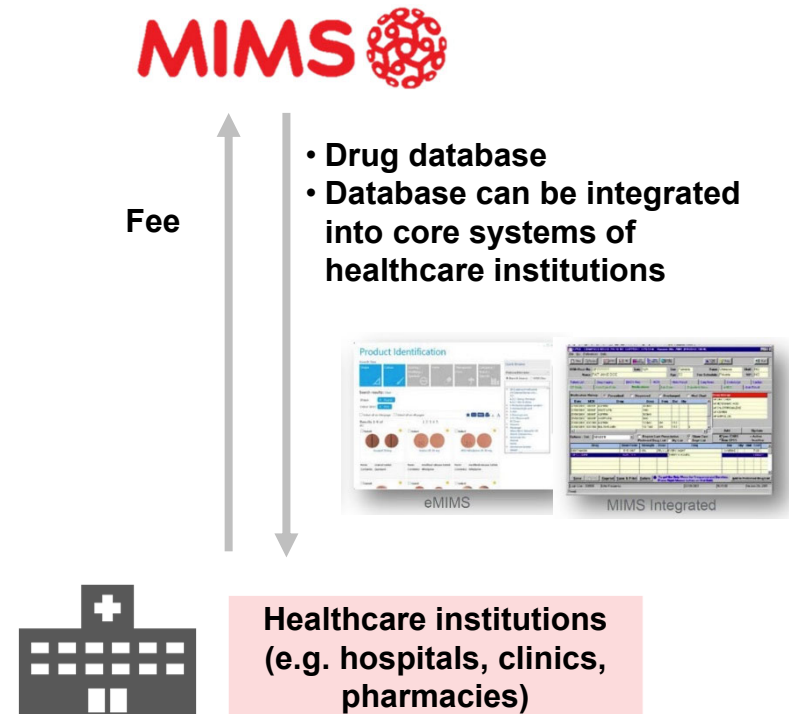
Pharma Marketing

Support marketing activities of medical/healthcare-related companies



Healthcare Data

Provide a drug database for prescription error checks in healthcare institutions

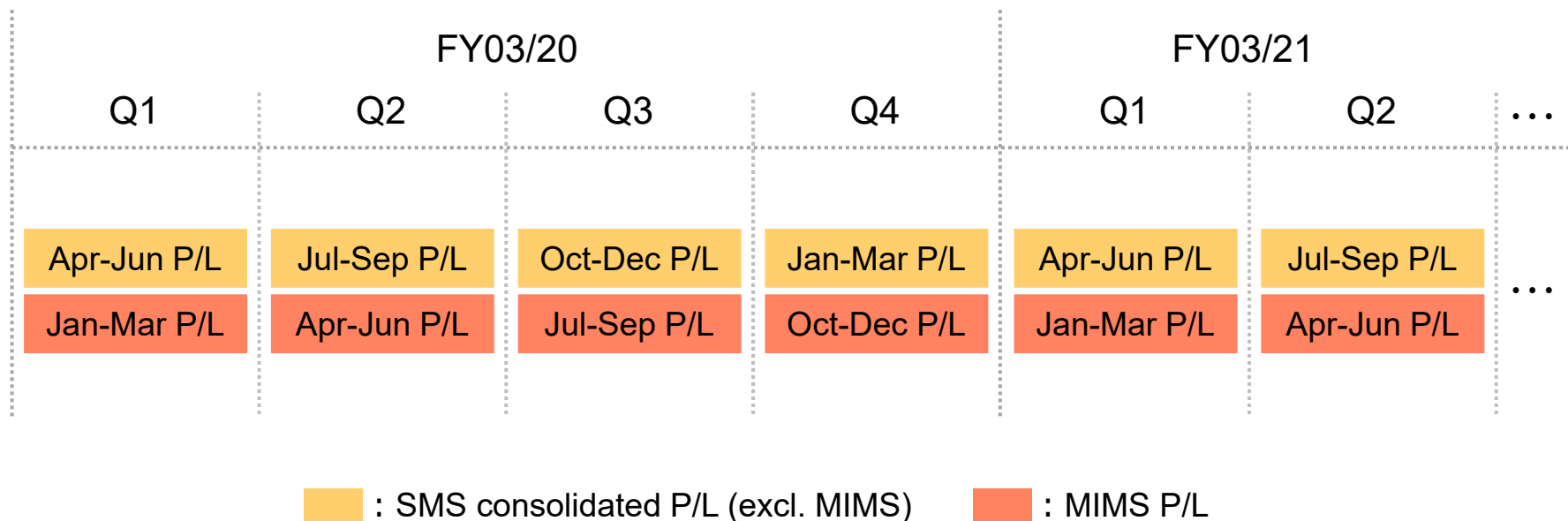


3 Consolidation of MIMS Financial Results



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

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



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

3 Business Portfolio – Career^{*1*2}












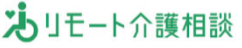












Sub-Segment	Category	Services				
Elderly Care Career	Services for care workers	RAD ^{*3} for care workers カイトジョブ	RAG ^{*3} for care workers カイトジョブ	Temporary staffing for care workers カイトジョブ	Elderly care certification course カイトジョブ	Certification course information EJFB
	Others	RAG ^{*3} for PT/OT/ST PT/OT 人材バンク	RAG ^{*3} for care managers JOB ケア人材バンク	Web community for care managers ケアマネドットコム		
Medical Care Career	RAG ^{*3} services	RAG ^{*3} for nurses JOB ナース人材バンク	RAG ^{*3} for dietitians EJB	RAG ^{*3} for radiological technologists HJB	RAG ^{*3} for medical technologists KJB	RAG ^{*3} for clinical engineers MEJB
	Others	RAG ^{*3} for childcare workers HOJB 保育士人材バンク	RAG ^{*3} for Judo therapists etc. WILL ONE AGENT	Scholarship information portal 看護奨学金Navi	Web community for nurses and nurse students ナース専科	
		RAD ^{*3} for nurses ナース専科 求人ナビ	RAD ^{*3} for newly-graduated nurses ナース専科 就職ナビ	HR solution for hospitals SOL ソリューション		
		RAD ^{*3} for Judo therapists etc. JOBNOTE	National examination reference book for Judo therapists etc. 国試黒本			

*1. As of Apr. 2020

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

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

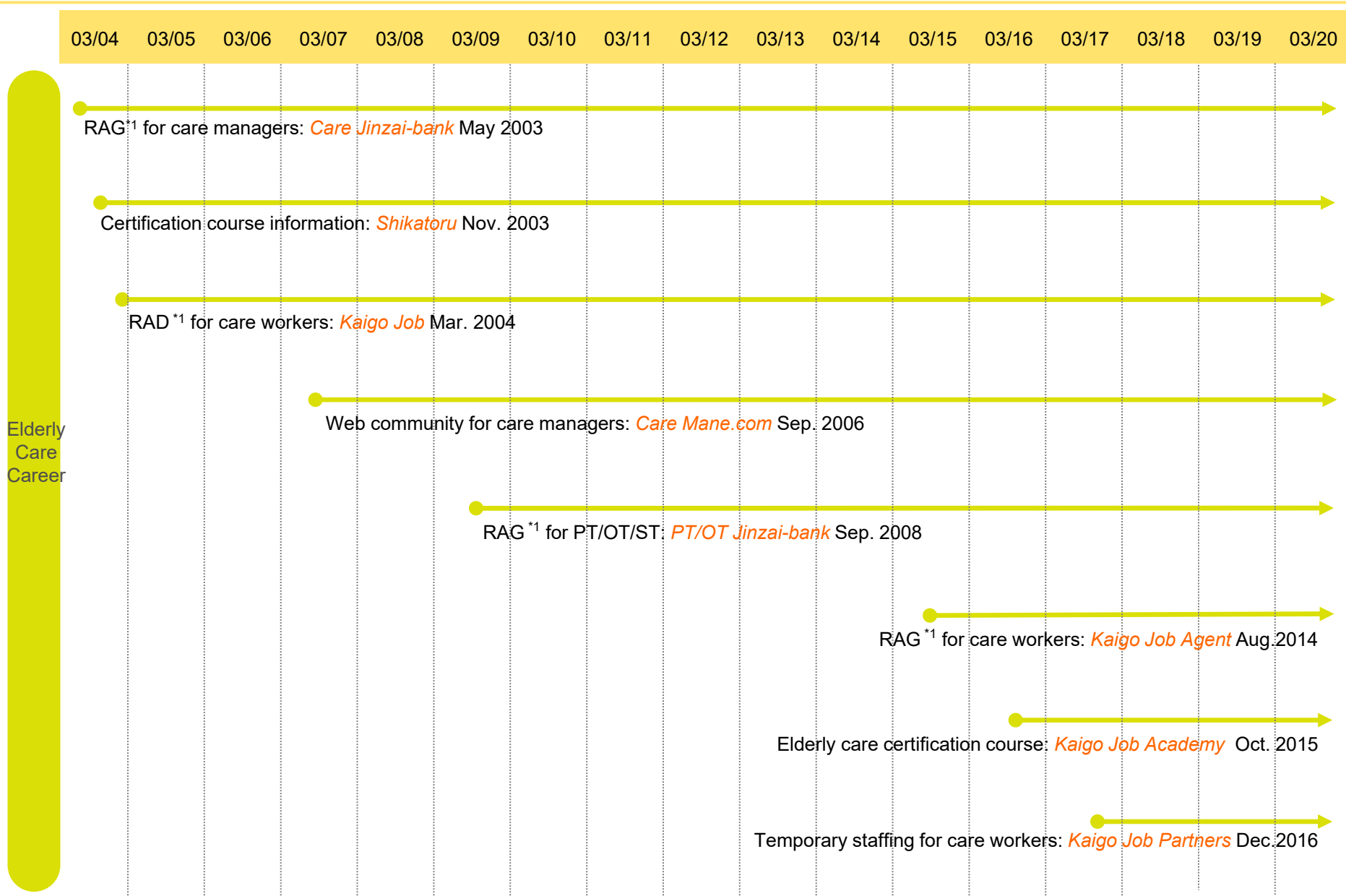
3 Business Portfolio*1 – Kaipoke/Overseas/New Business

Segment	Services				
Kaipoke	Management support platform for elderly care operators 				
Overseas	Drug information service for healthcare professionals and institutions 	Cross-border RAG*2 for healthcare professionals (Malaysia, Philippines, Ireland, UK, etc.) 	Career related service for nurses (South Korea) 	Medical ad services (Philippines, Indonesia, Malaysia)	
New Business	Preventive solution of lifestyle diseases 	Health guidance solution 	Personalized anti-smoking solution 	Web community for dietitians 	Remote industrial health service 
	Information portal of industrial health service 	Preventive solution for workforce departure due to family care 	Q&A site on health 	Health maintenance /promotion support for women 	Online academic media for nurses 
	Information portal of dementia 	Solution for dementia prevention 	Habituation support of dementia prevention 	Web community for managers of elderly care operators 	
	Web community for people caring for their families 	Home-delivered meals search site 	Information portal of housing for the elderly 	Housing renovation operators search site 	Information of funeral companies 

*1. As of Apr. 2020

*2. Recruiting agent service

3 History of Service Launces 1/4



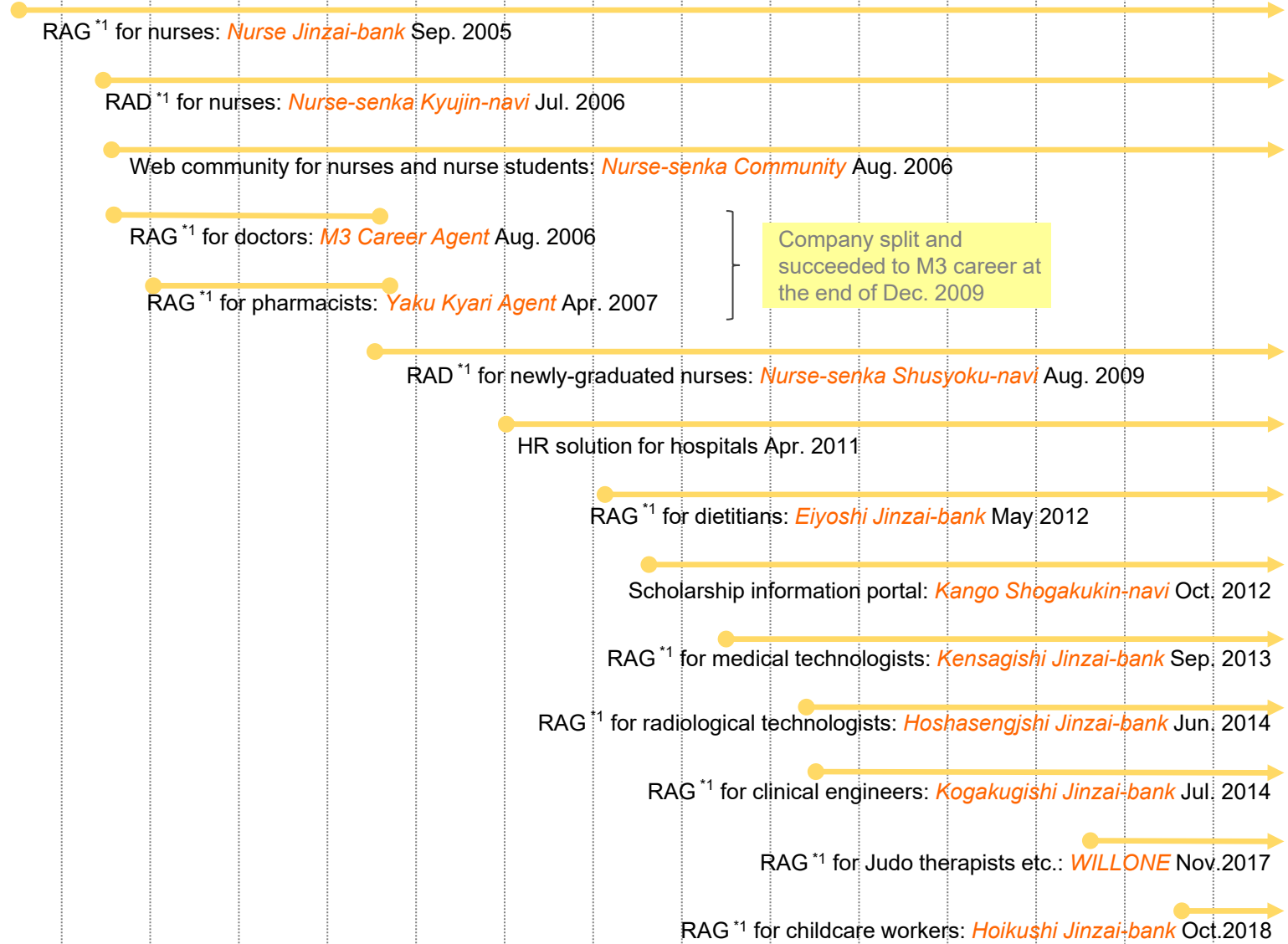
Elderly
Care
Career

3 History of Service Launces 2/4



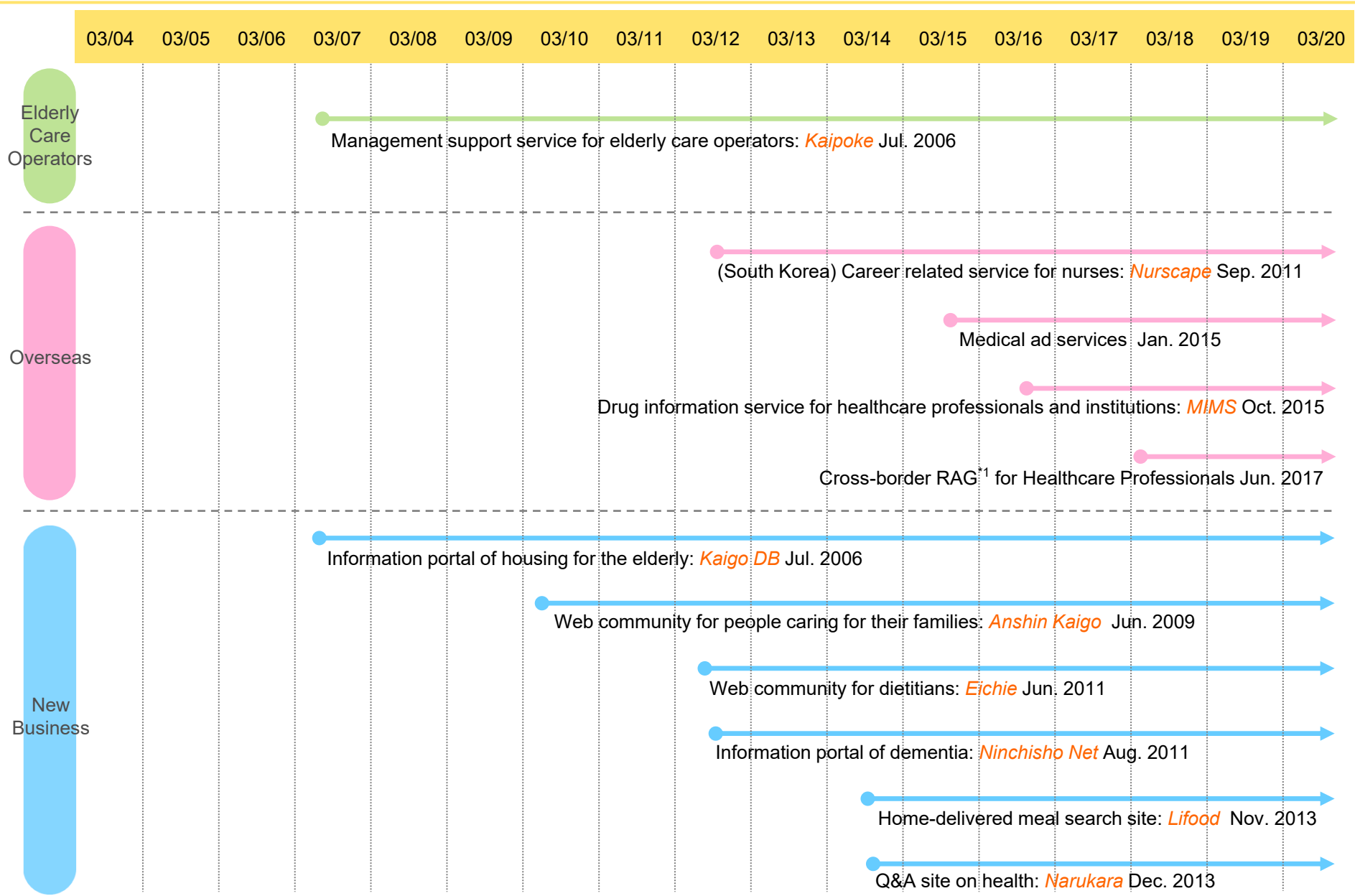
03/04 03/05 03/06 03/07 03/08 03/09 03/10 03/11 03/12 03/13 03/14 03/15 03/16 03/17 03/18 03/19 03/20

Medical
Care
Career



Company split and succeeded to M3 career at the end of Dec. 2009

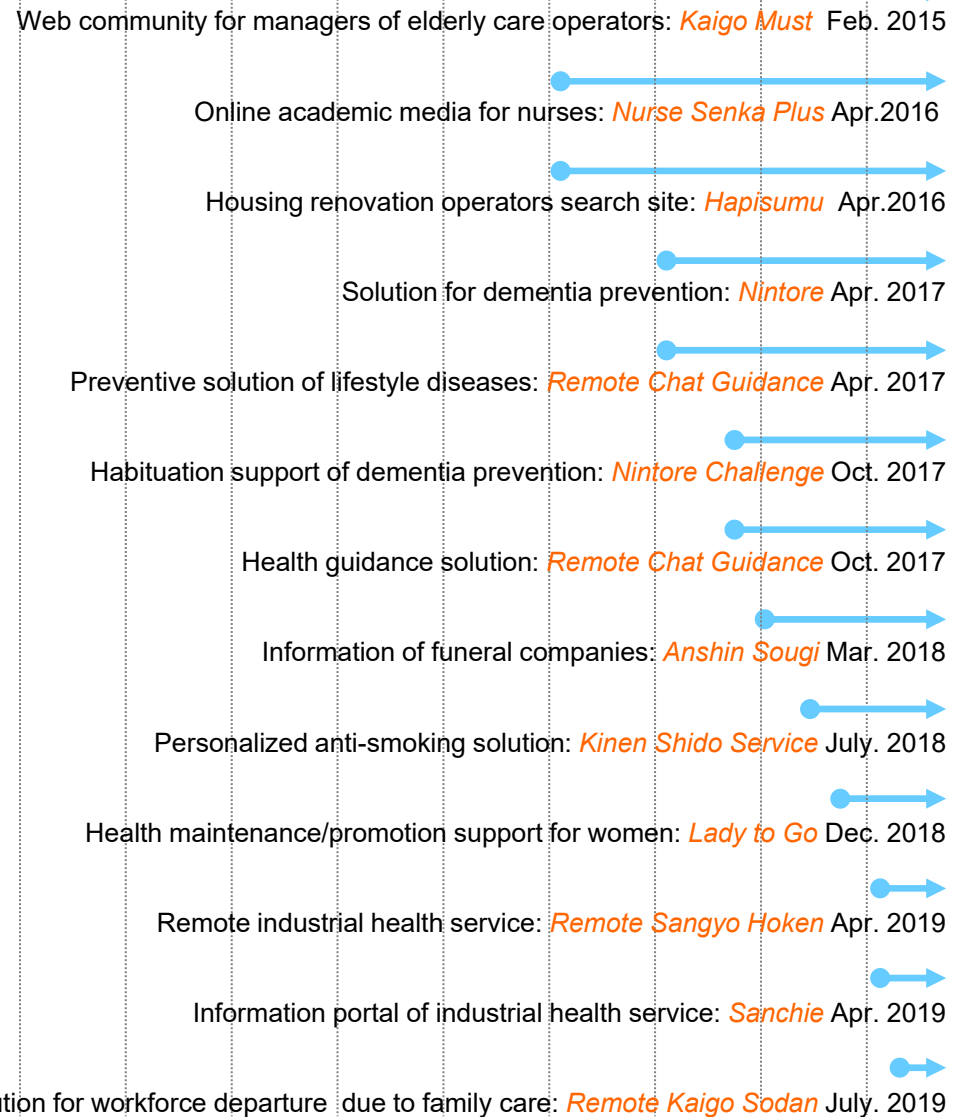
3 History of Service Launces 3/4



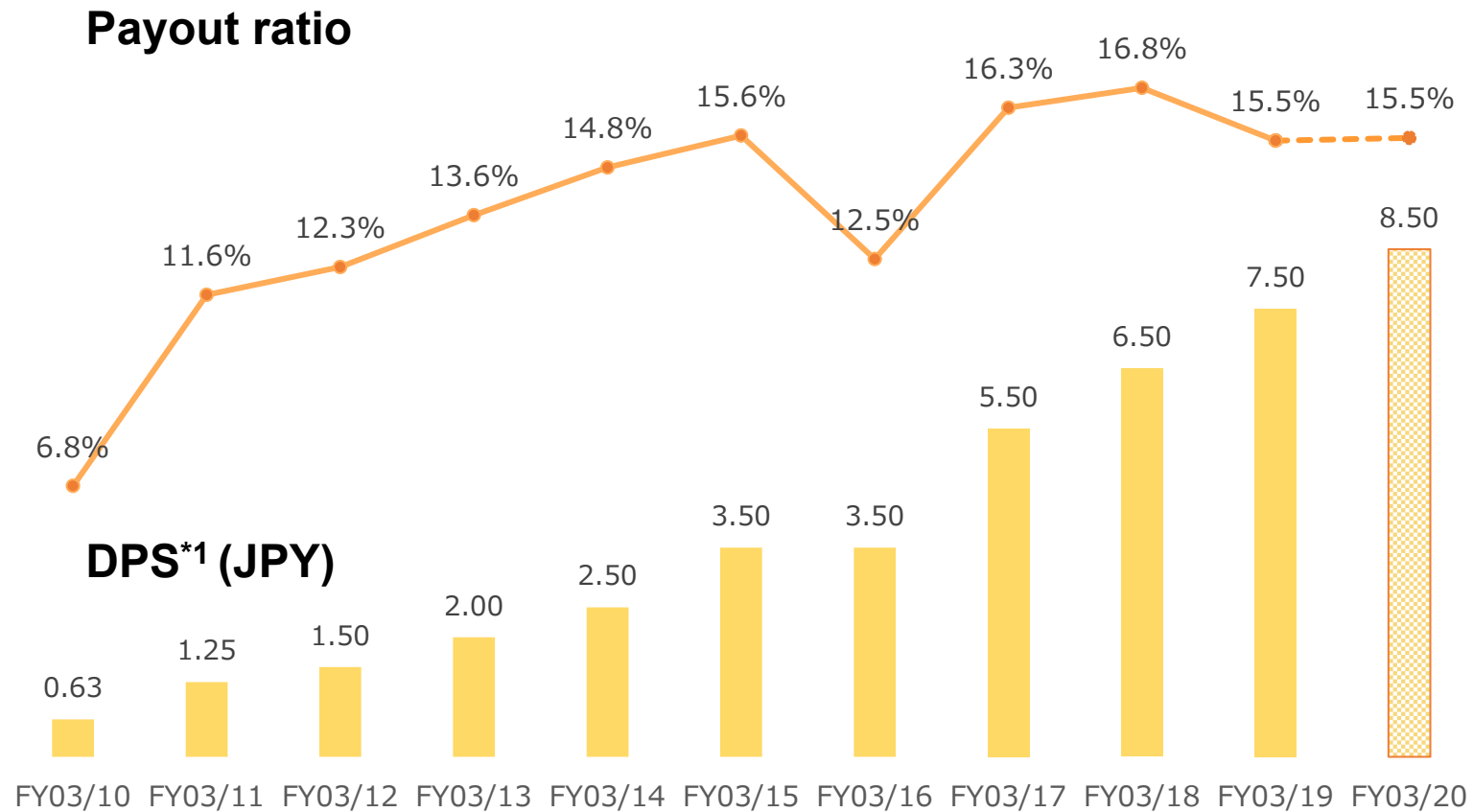
3 History of Service Launces 4/4



03/04 03/05 03/06 03/07 03/08 03/09 03/10 03/11 03/12 03/13 03/14 03/15 03/16 03/17 03/18 03/19 03/20



3 Dividends



3 Historical Financial Results



(JPY million)

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

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

*2. (Ending share price of the fiscal year + Total dividends paid over 5 years) / Ending share price 6 fiscal years ago

3 Number of Employees and Shareholder Composition

Number of Employees

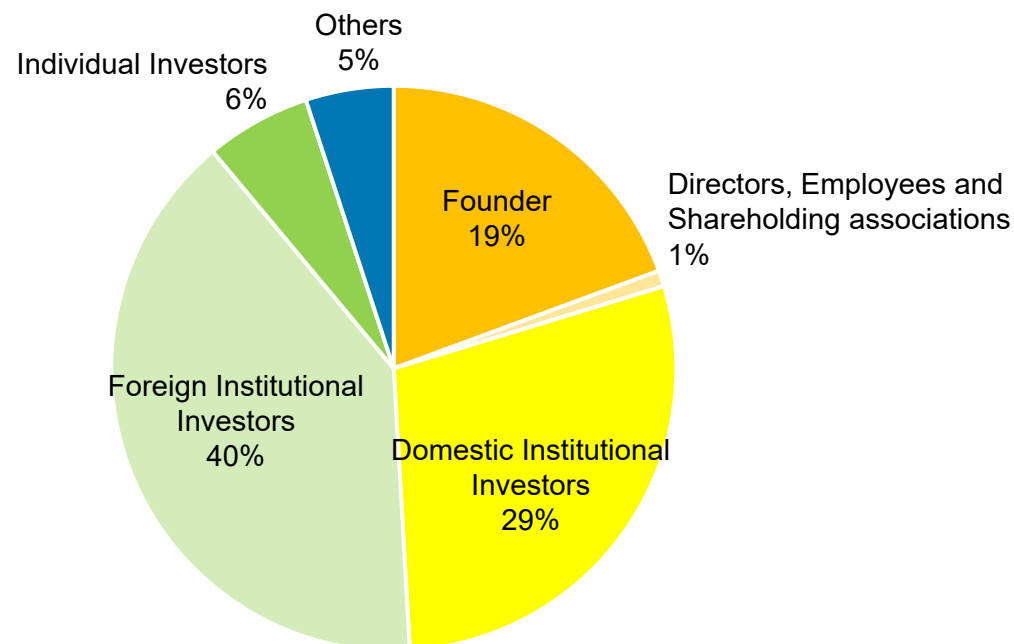
As of March 31, 2020 :

Employees (consolidated)	2,968
Japan	2,173
Overseas	795

Shareholder Composition

As of March 31, 2020 :

Number of shareholders
5,448



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 April 2020. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include, but are not limited to:

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

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

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

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

For any inquiries on the materials, please contact below:
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Phone: +81-3-6721-2403