

SMS Co., Ltd.

(Securities Code: 2175/TSE 1st section)

Presentation Material for Investors

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

October 29, 2021



1

1H FY03/22 Consolidated Financial Results pp.3 – 7

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Mission and Strategy pp.9 – 71

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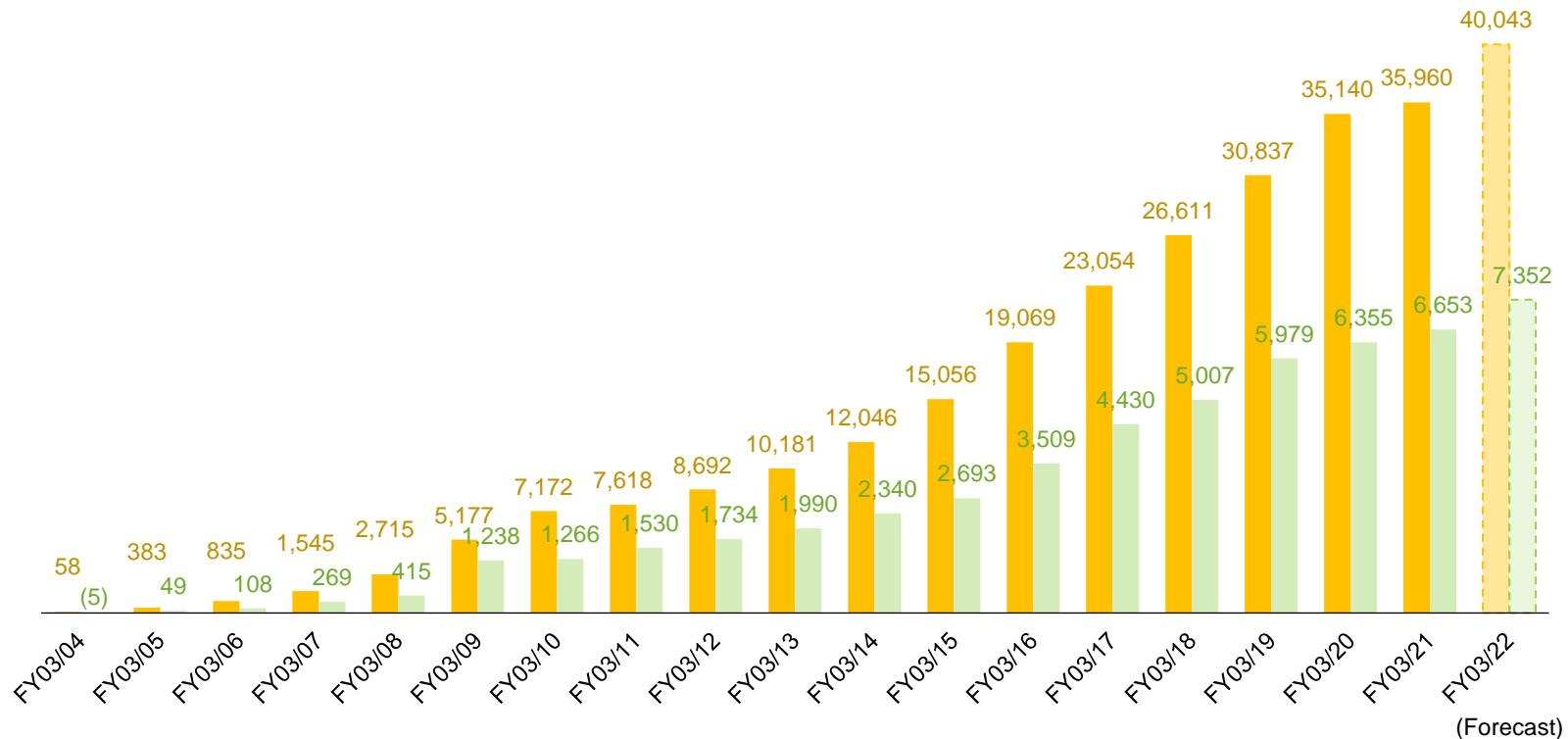
1 Historical Financial Results and FY03/22 Forecast



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

Trends in net sales and ordinary income [JPY million]

■ Net Sales ■ Ordinary Profit



(Forecast)

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

Consolidated Income Statement [JPY million]

	1H FY03/21 Actual	1H FY03/22 Actual	YoY Change
Net Sales	18,638	19,927	+7%
Operating Income	2,949	3,682	+25%
Ordinary Income	3,852	4,700	+22%
Net Income	2,775	3,404	+23%

YoY Comparison of Sales [JPY million]

	1H FY03/21 Actual*1	1H FY03/22 Actual	YoY Change
Elderly Care Career	5,992	5,597	(7%)
Medical Care Career	7,377	7,473	+1%
Total	13,369	13,071	(2%)

Highlights

- The COVID-19 pandemic negatively affected both Elderly Care Career and Medical Care Career and temporarily decreased the growth rates.*2
- The negative impact on matching activities is diminishing, so we decided to hire more career partners than planned in the original budget.

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

*2. The sales of Elderly Care Career decreased by JPY 270 million due to the termination of temporary staffing service for care workers in August 2020. The sales of Medical Care Career decreased by JPY 140 million due to changes in revenue recognition standards, which were applied from the beginning of FY03/22.

YoY Comparison of Sales [JPY million]

	1H FY03/21 Actual	1H FY03/22 Actual	YoY Change
Elderly Care Operators (Kaipoke)	2,775	3,464	+25%

Highlights

- The number of Kaipoke memberships increased steadily.
 - 33,100 service offices (22,650 locations^{*1}) as of October 1, 2021.
 - 1H membership increase: 2,000 service offices (1,400 locations)
- Sales of optional add-ons such as additional tablets and smartphones increased.

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

YoY Comparison of Sales [JPY million]

	1H FY03/21 Actual	1H FY03/22 Actual	YoY Change
Overseas	1,885	2,567	+36%

Highlights

- Medical platform business grew significantly owing to the expanding demand for digital services such as online events and eDMs*2, along with the digital transformation accelerated by the COVID-19 pandemic.
- Global career business grew significantly even though the influence of travel restrictions due to the COVID-19 pandemic remained to a certain extent.

*1. Income statement of MIMS is consolidated with a three-month delay and the 1H results are for January to June. (Please refer to p.78)

*2. Electronic direct mails

1

1H FY03/22 Consolidated Financial Results pp.3 – 7

2

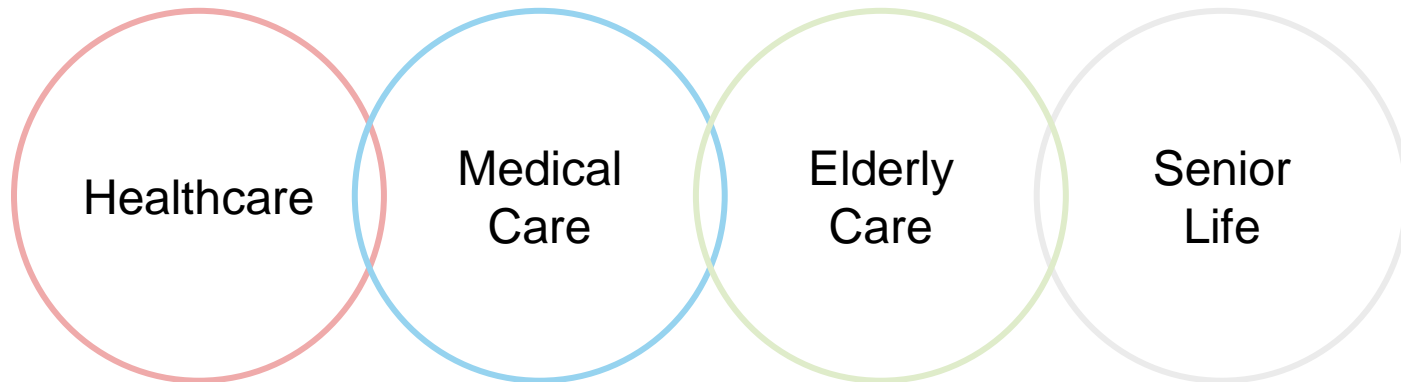
References pp.9 – 88**Mission and Strategy** pp.9 – 71**Appendix** pp.72 – 88

Mission and Strategy

Mission

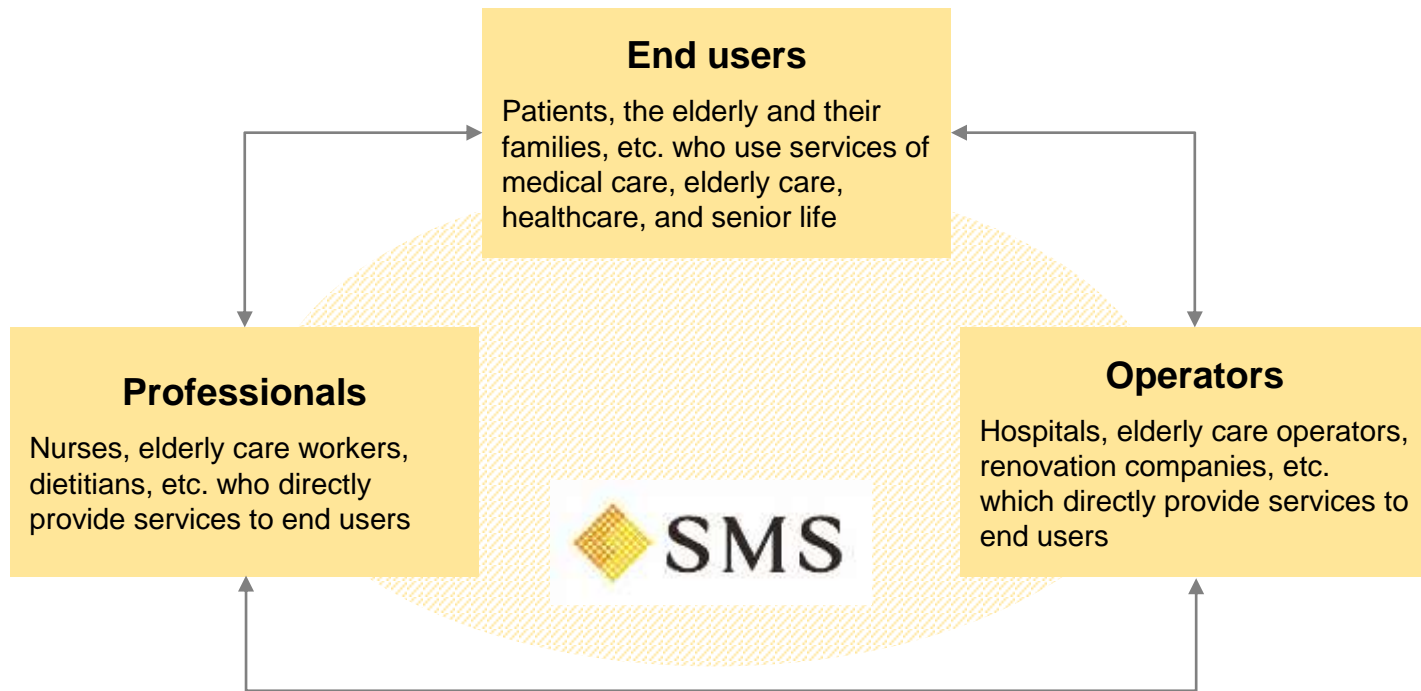
We aim to improve the quality of life
by providing information infrastructure
for an aging society.

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




2 Information Infrastructure

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



2 Business Areas

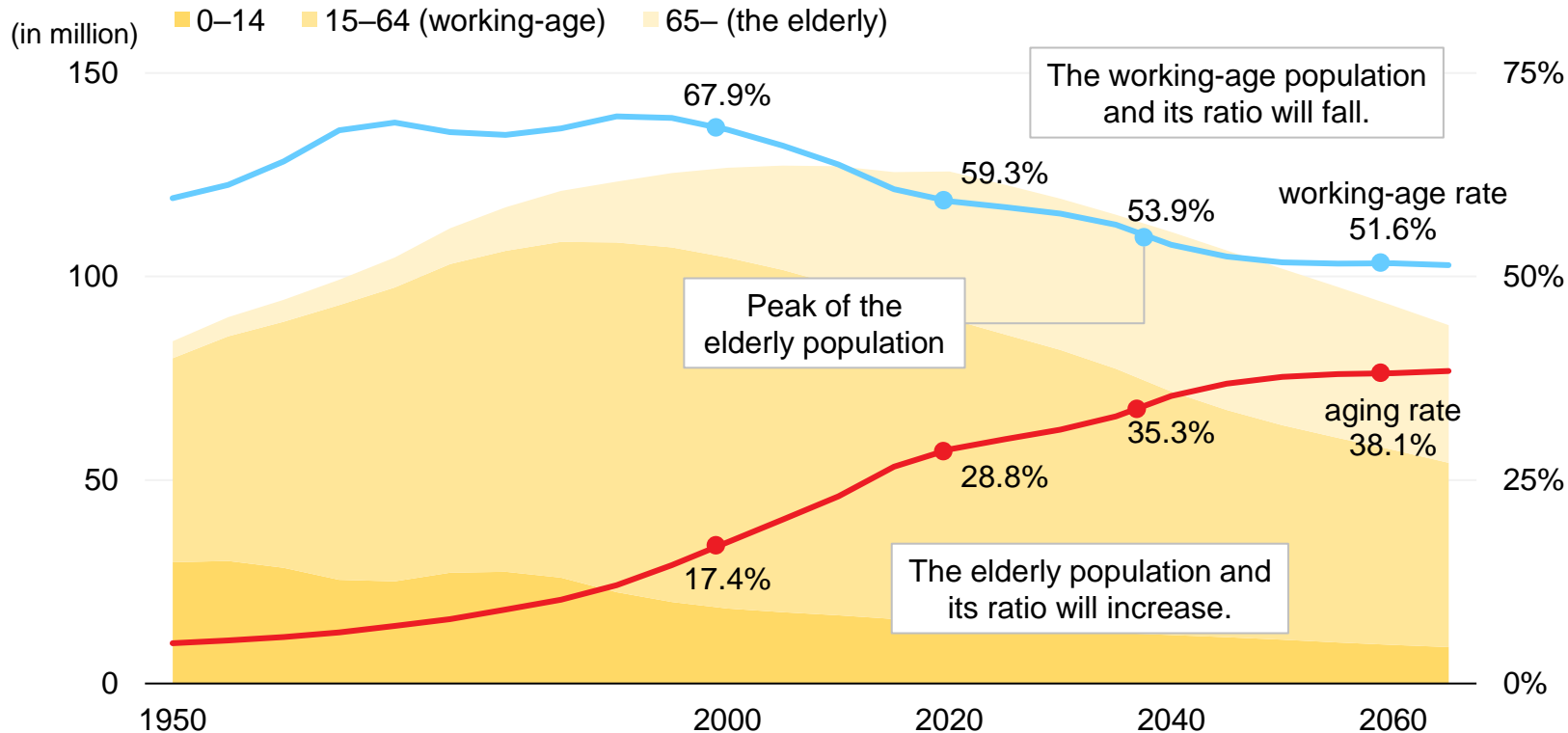
- ✓ Our business areas are combinations of four business domains in an aging society and three types of stakeholders whom we provide value to.
- ✓ Build the information infrastructure by developing and nurturing businesses in each business area.

	Healthcare	Medical Care	Elderly Care	Senior Life
Professionals				
Operators				
End users				

Issues in the Aging Society and Our Solutions

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

Population trends in Japan*1



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

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

2 Three Critical Issues We Face in the Aging Society

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

Issue
1

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

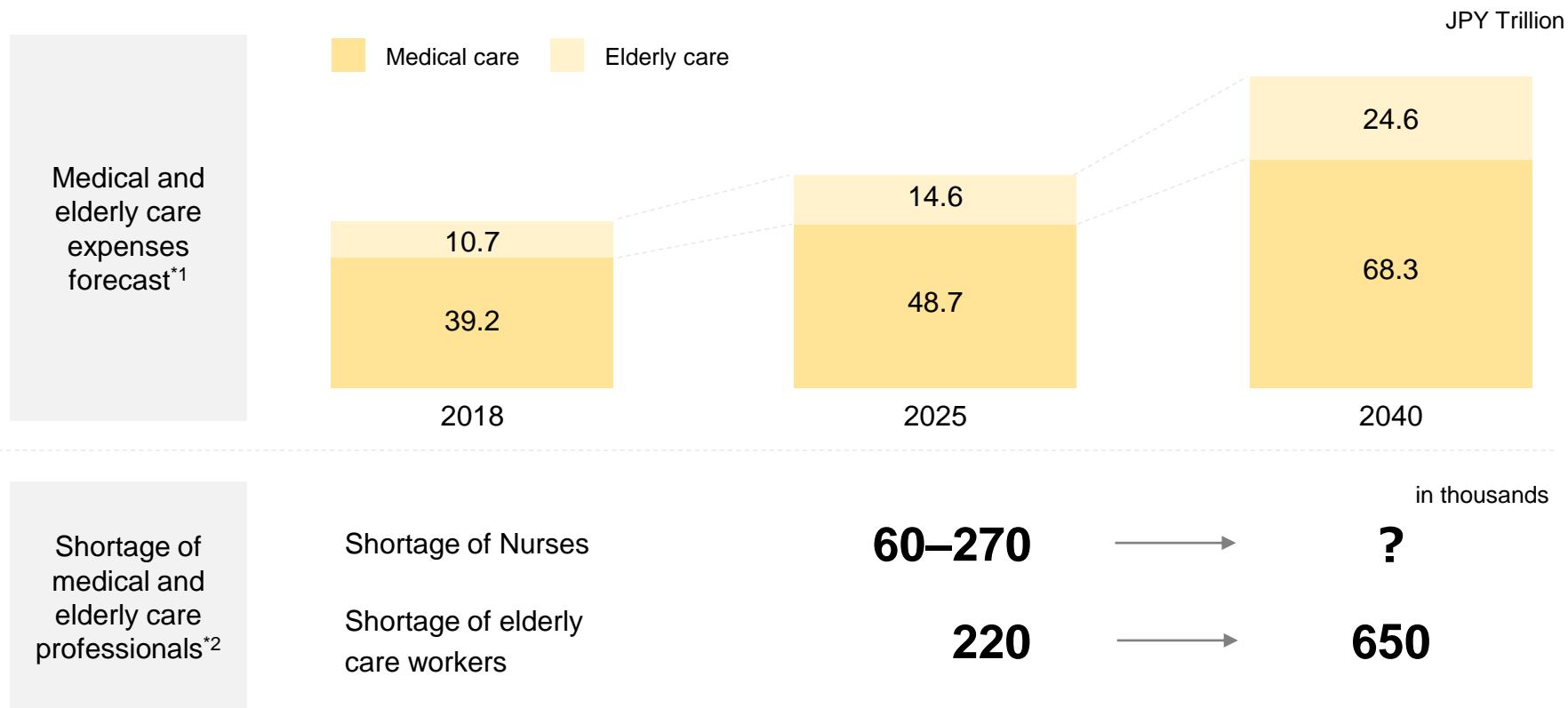
Issue
2

Severe burden on the working generation

Issue
3

Difficulty in solving problems about life in the aging society

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

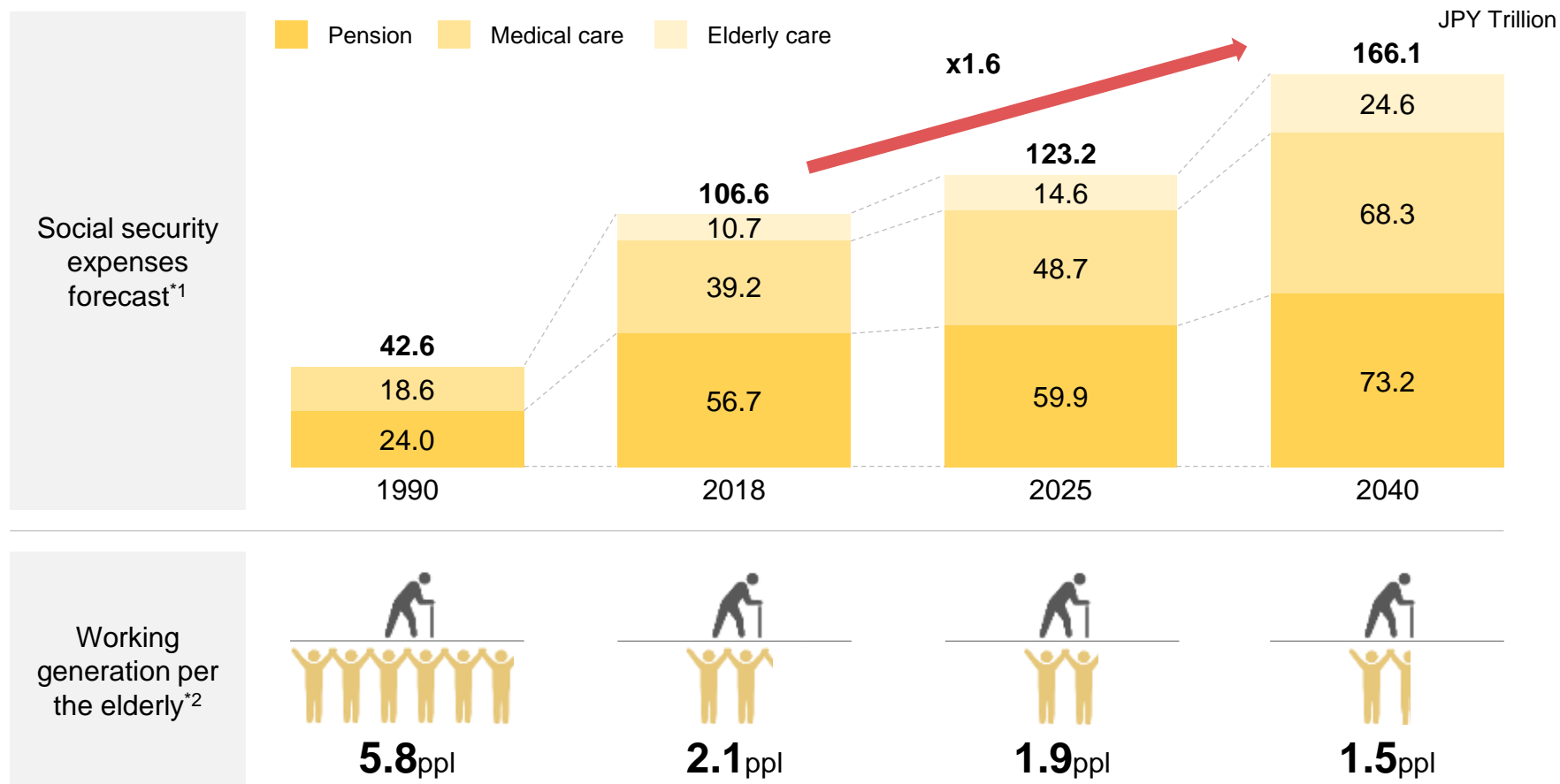


*1. Cabinet Secretariat, CAO, MOF, MHLW, “Future outlook for social security in 2040”

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

2 Issue 2: Severe burden on the working generation

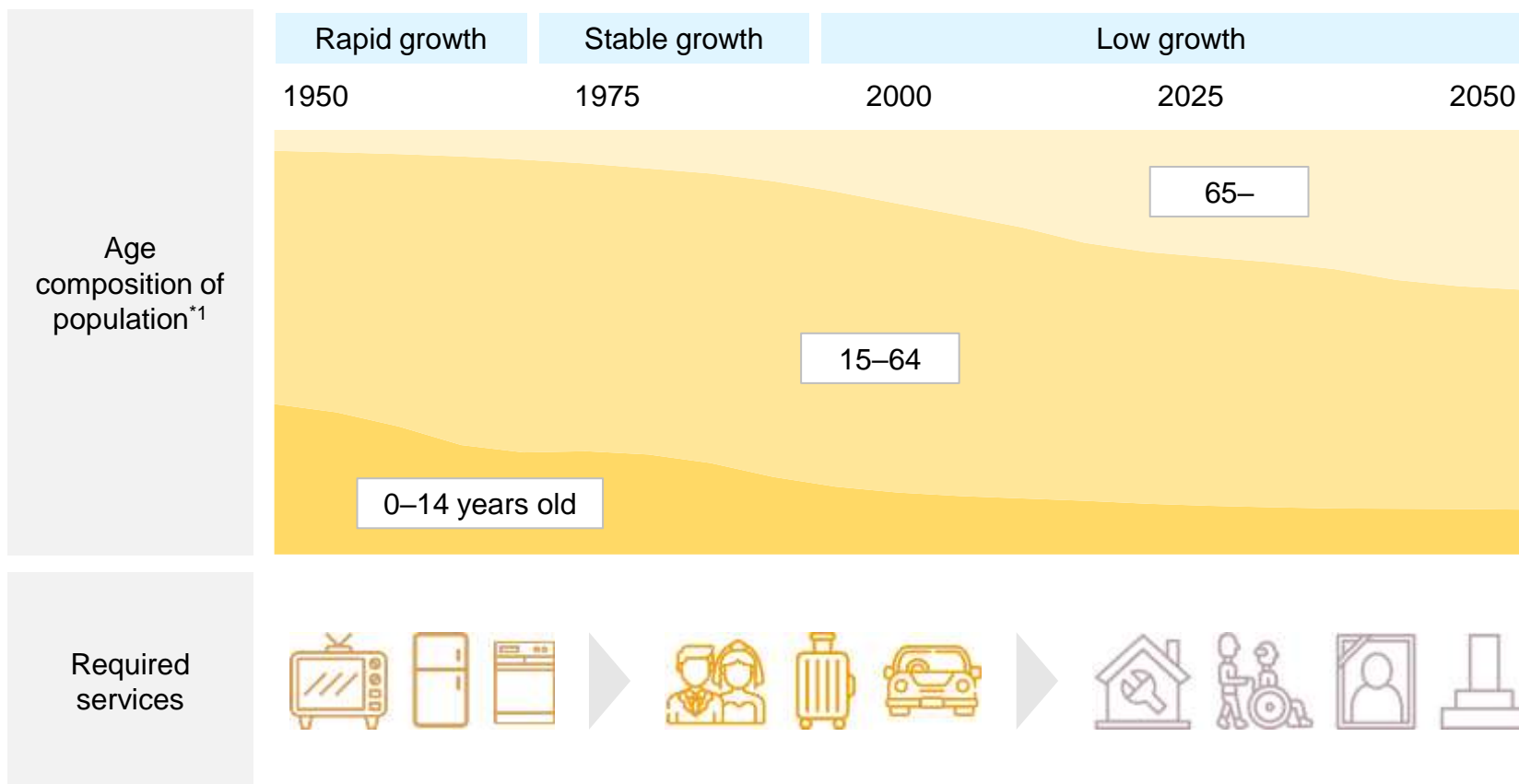
✓ The burden on the working generation will become more serious due to the increasing social security expenses for pensions, medical care, and elderly care, as well as the declining working-age population who cover these expenses.



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

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

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

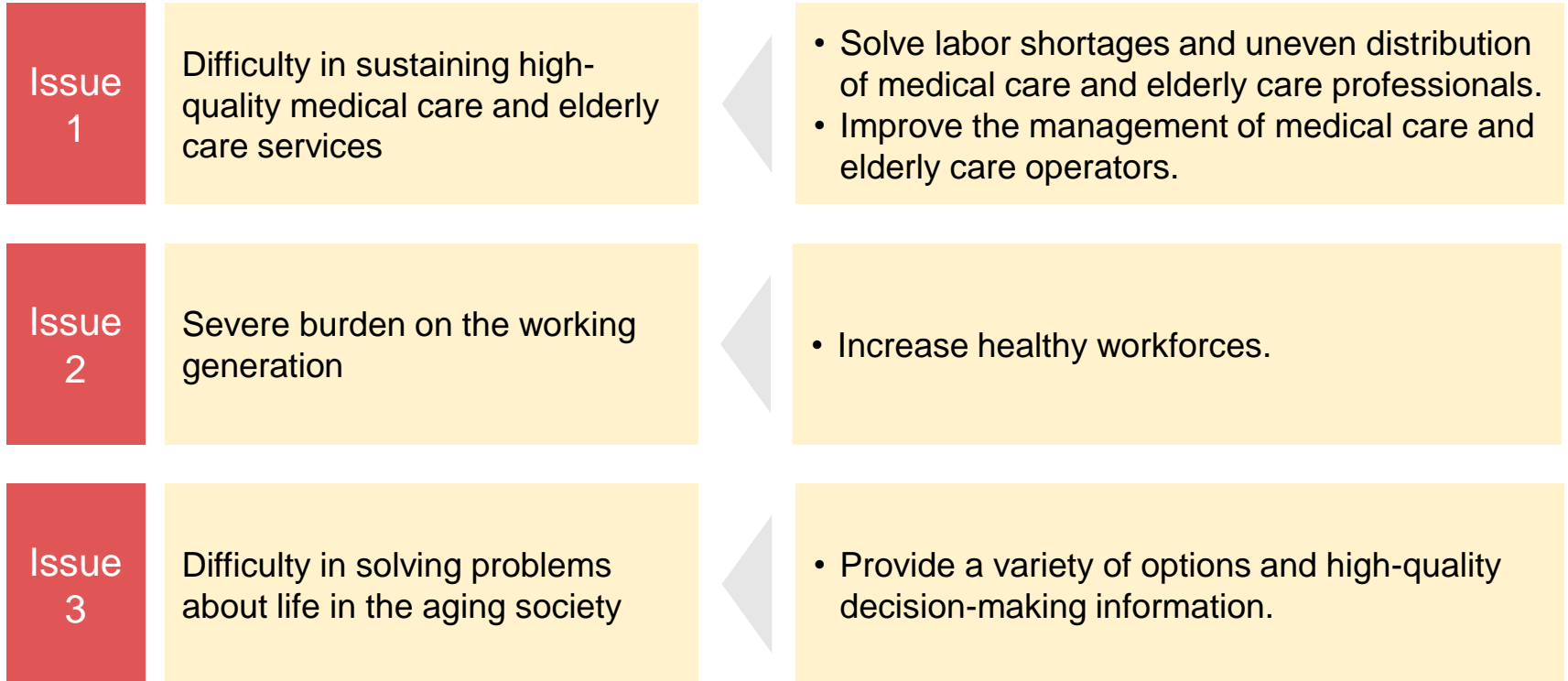


* 1. CAO, "2020 White paper on the aging society"

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

Social issues in the aging society

Our Solutions



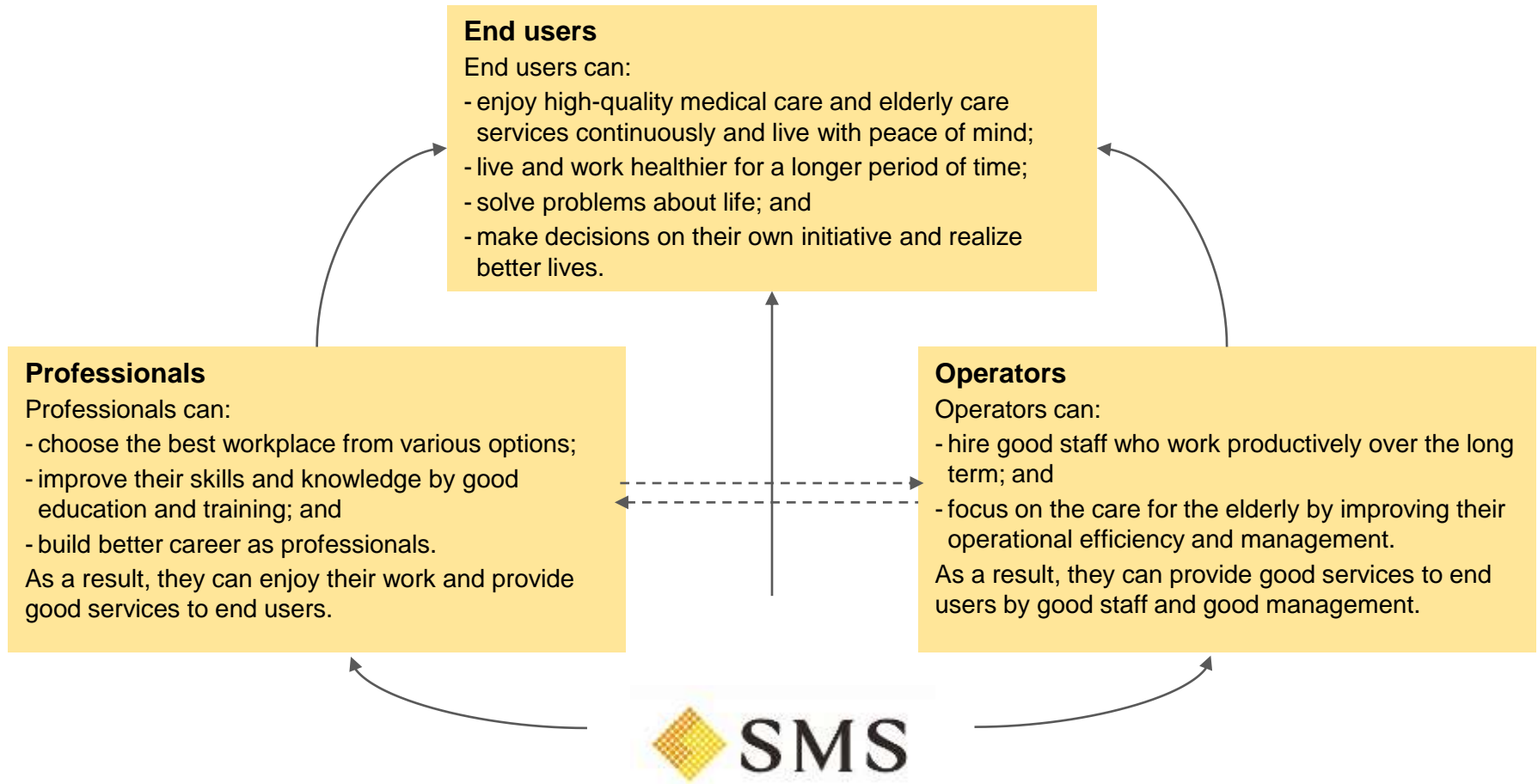
2 Strategic Business Areas

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

	Healthcare	Medical Care	Elderly Care	Senior Life
Professionals	<div style="background-color: #f8d7da; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <div style="background-color: #dc3545; color: white; padding: 5px; margin: 10px;">Issue 2</div> <div style="margin-left: 20px;">Healthcare Business</div> </div>	<div style="background-color: #fff3cd; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <div style="background-color: #dc3545; color: white; padding: 5px; margin: 10px;">Issue 1</div> <div style="margin-left: 10px;">Career Business</div> </div>		<div style="background-color: #d6d8db; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <div style="background-color: #dc3545; color: white; padding: 5px; margin: 10px;">Issue 3</div> <div style="margin-left: 10px;">Senior Life Business</div> </div>
Operators				
End users				

2 Realization of the Group Mission

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



Growth Track

2 Location

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

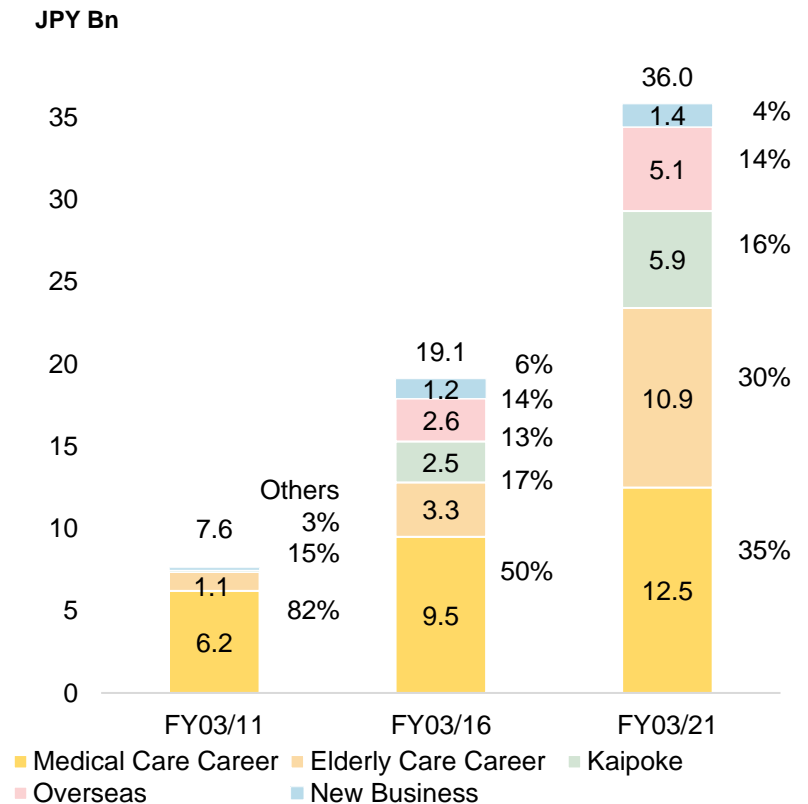


- ✓ Medical Care Career has been driving our growth since our establishment.
- ✓ Elderly Care Career, Kaipoke and Overseas business are growing as the new pillars of our business portfolio.

Business Areas

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

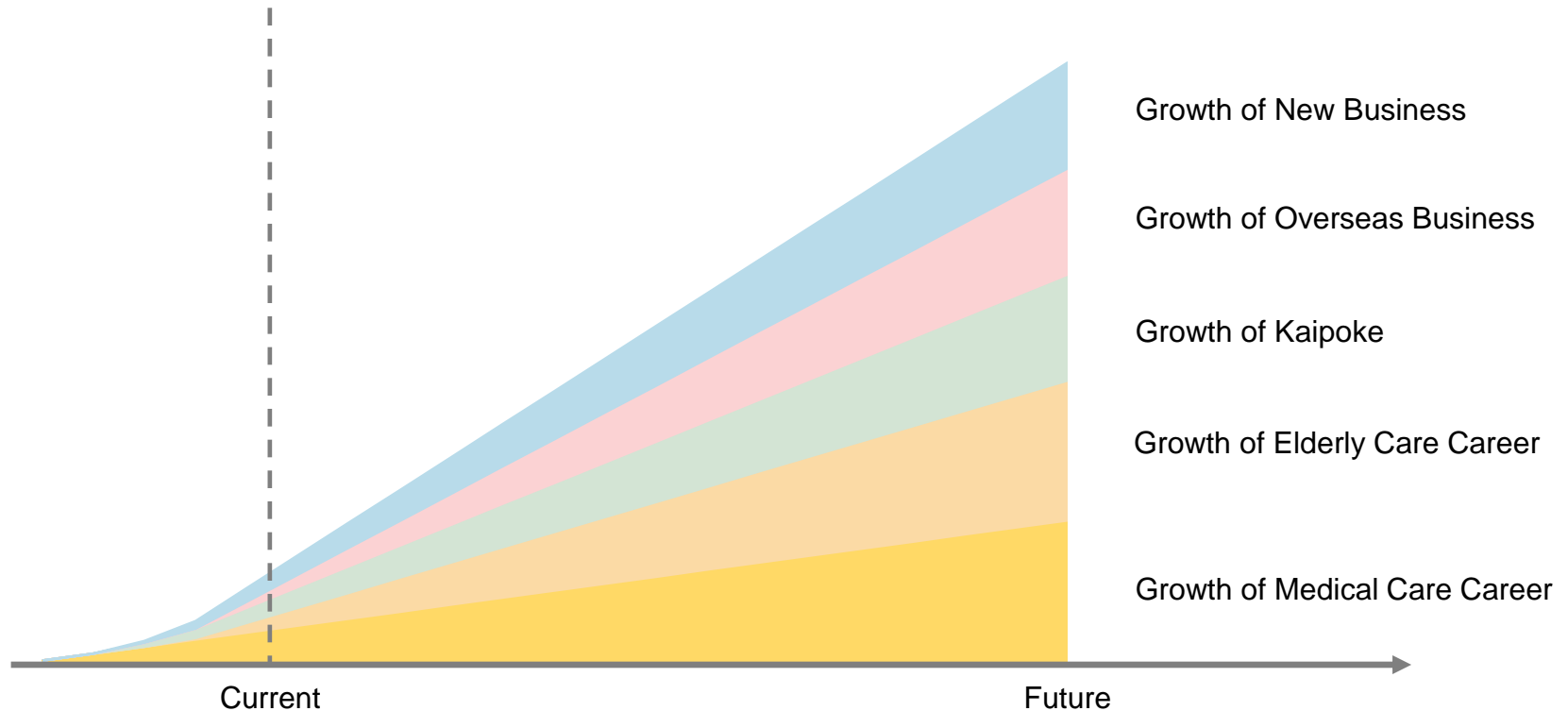
Breakdown of Net Sales



*1. Healthcare professionals

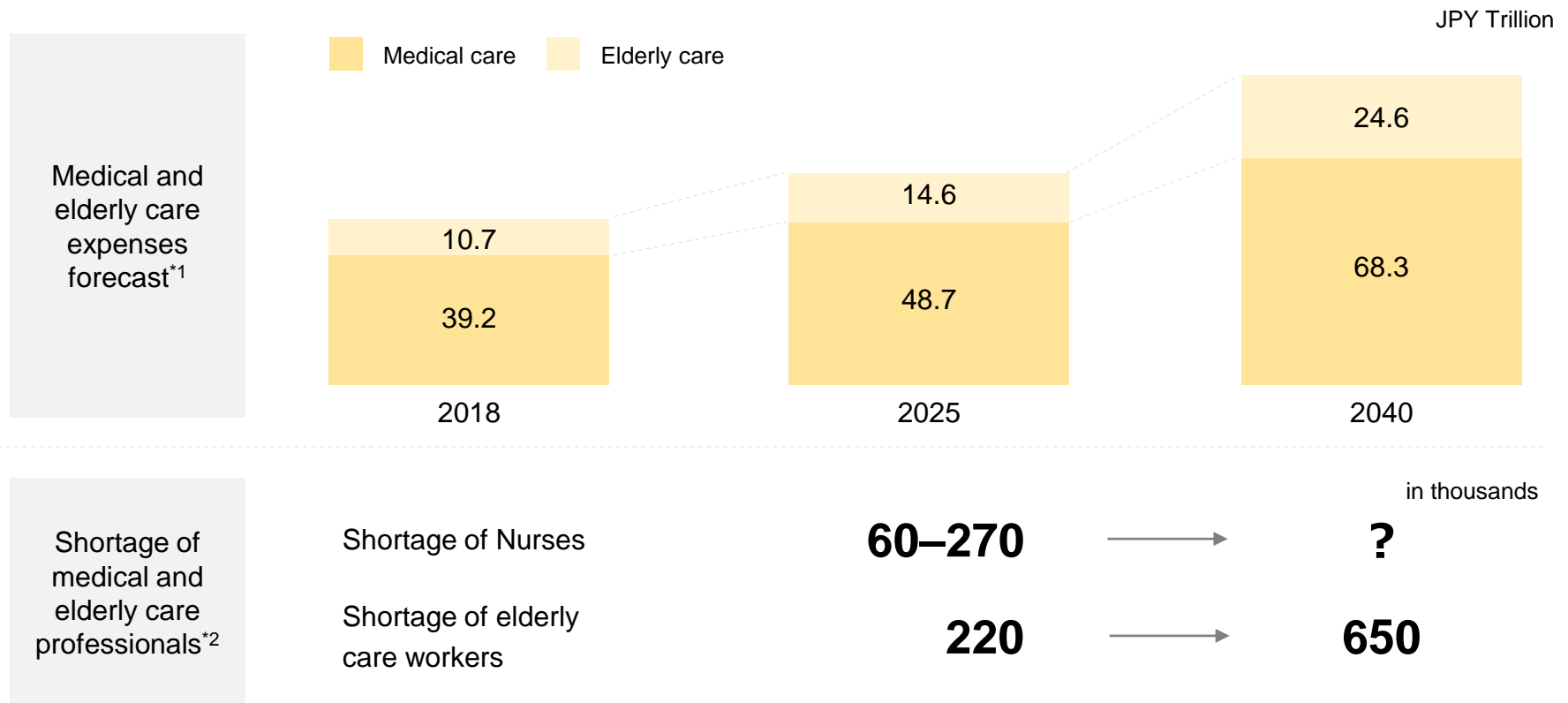
2 Growth Scenario

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



Career Strategy

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

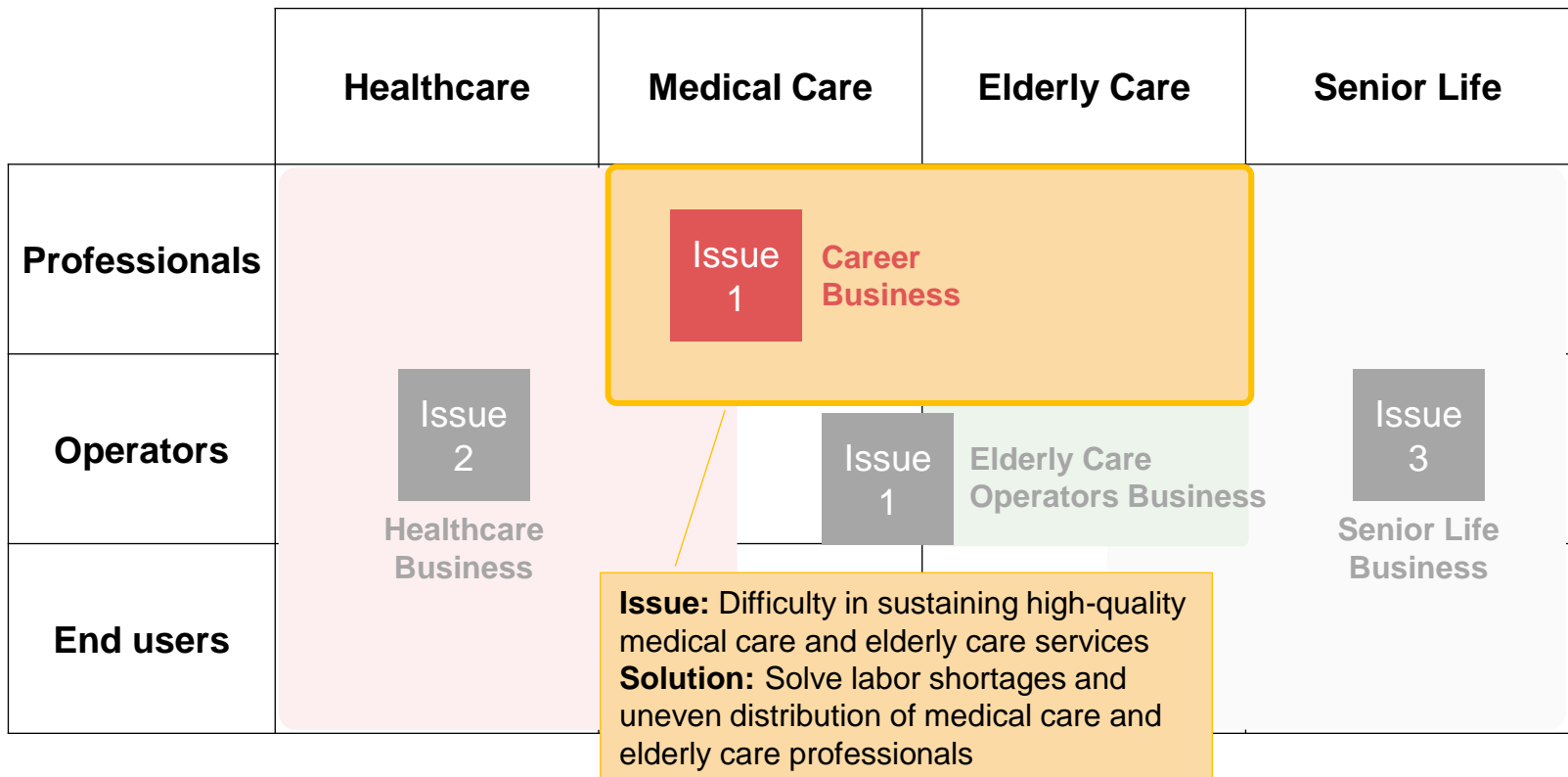


*1. Cabinet Secretariat, CAO, MOF, MHLW, “Future outlook for social security in 2040”

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

2 Solution for Issue 1 in Career Business

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

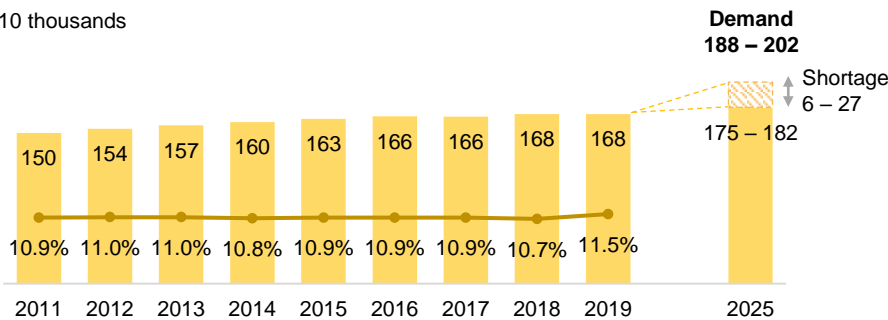


2 Shortage of Professionals

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

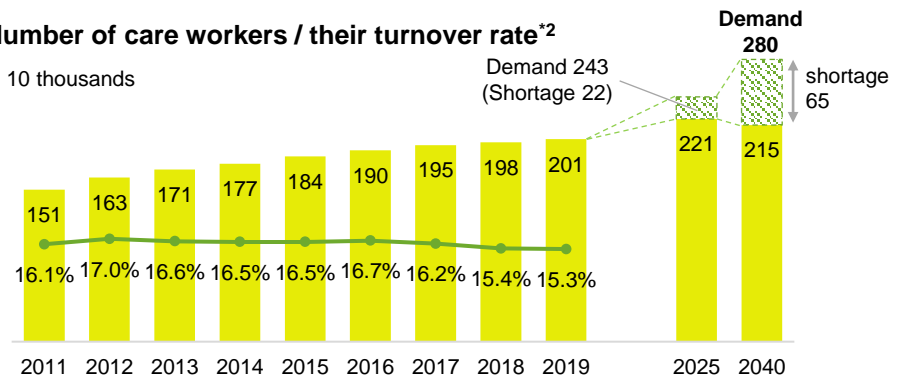
Number of nurses / their turnover rate^{*1}

in 10 thousands

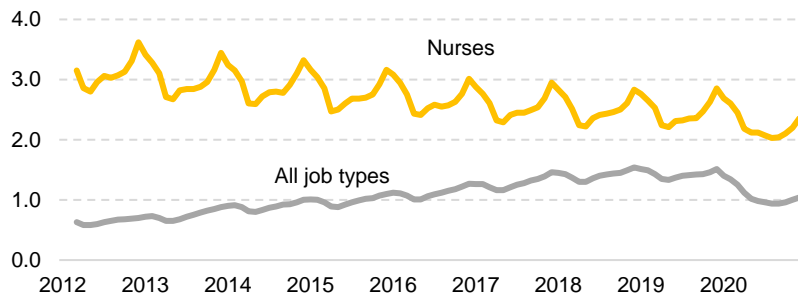


Number of care workers / their turnover rate^{*2}

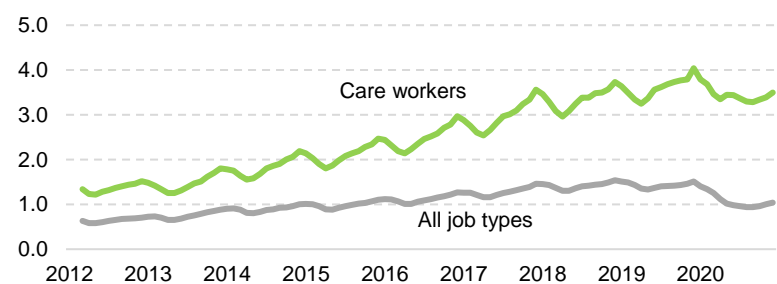
in 10 thousands



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



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



* 1. Japanese Nursing Association, Number of nurses in 2025 – MHLW

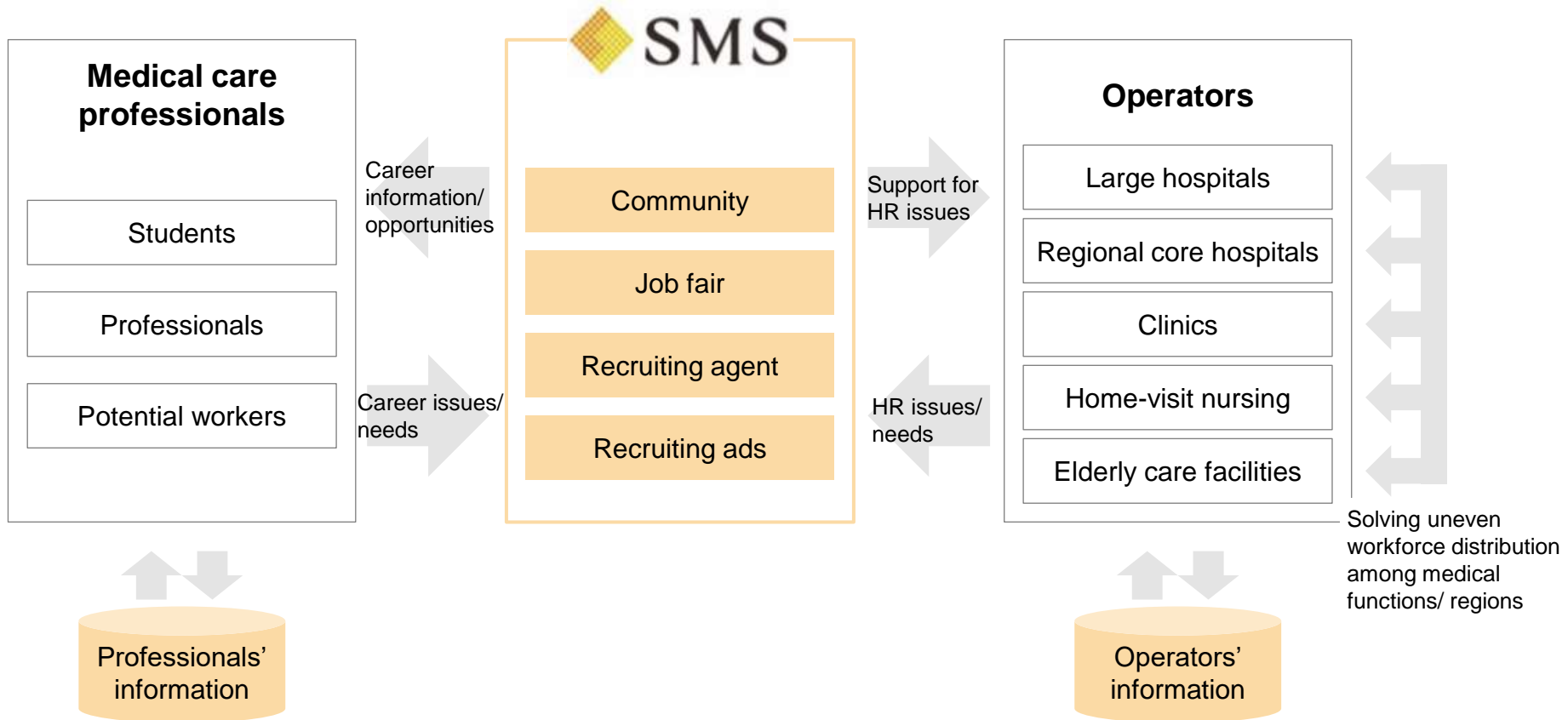
* 2. Number of elderly care workers – MHLW, Turnover rate – Care Work Foundation

* 3. MHLW

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

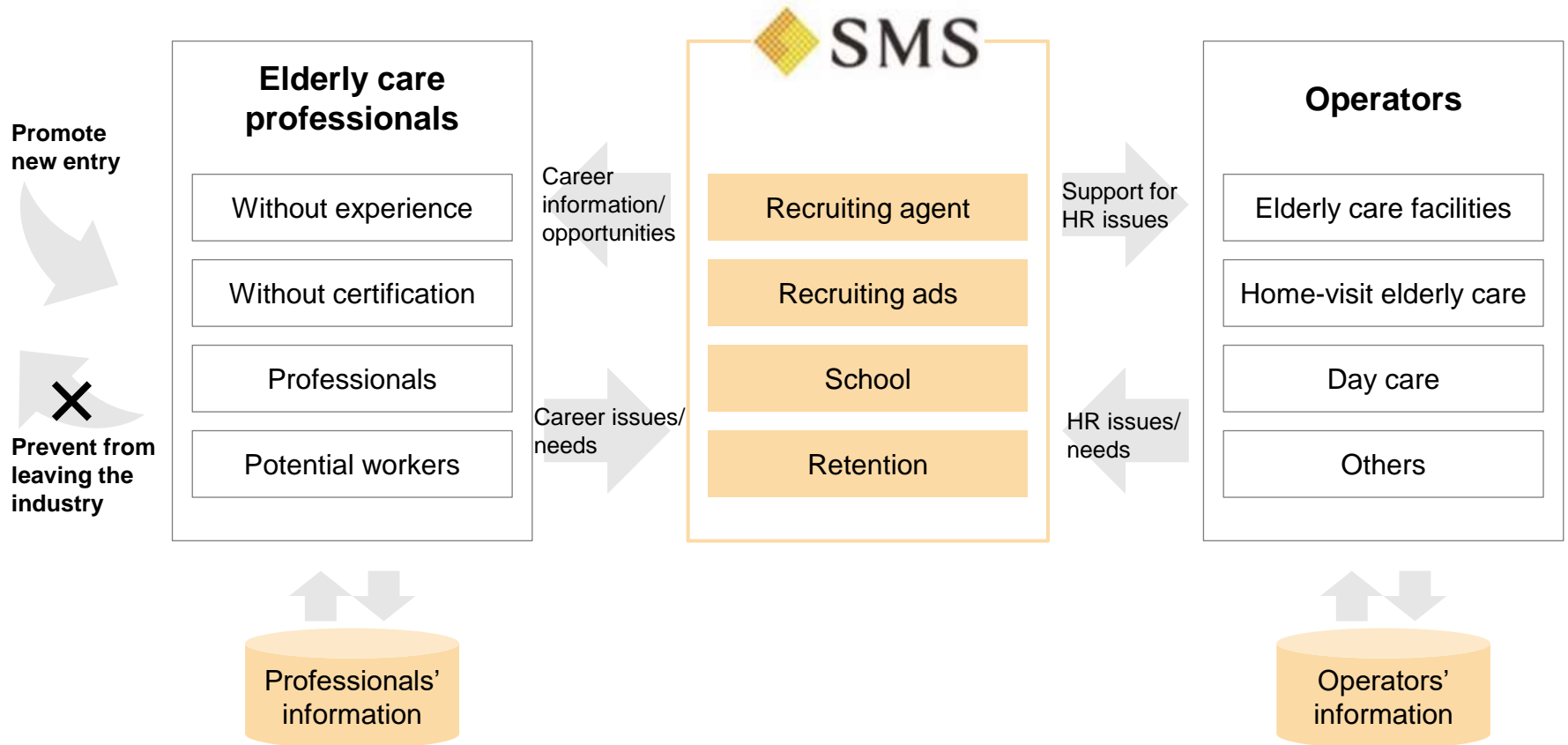
2 Strategy of Medical Care Career

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



2 Strategy of Elderly Care Career

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

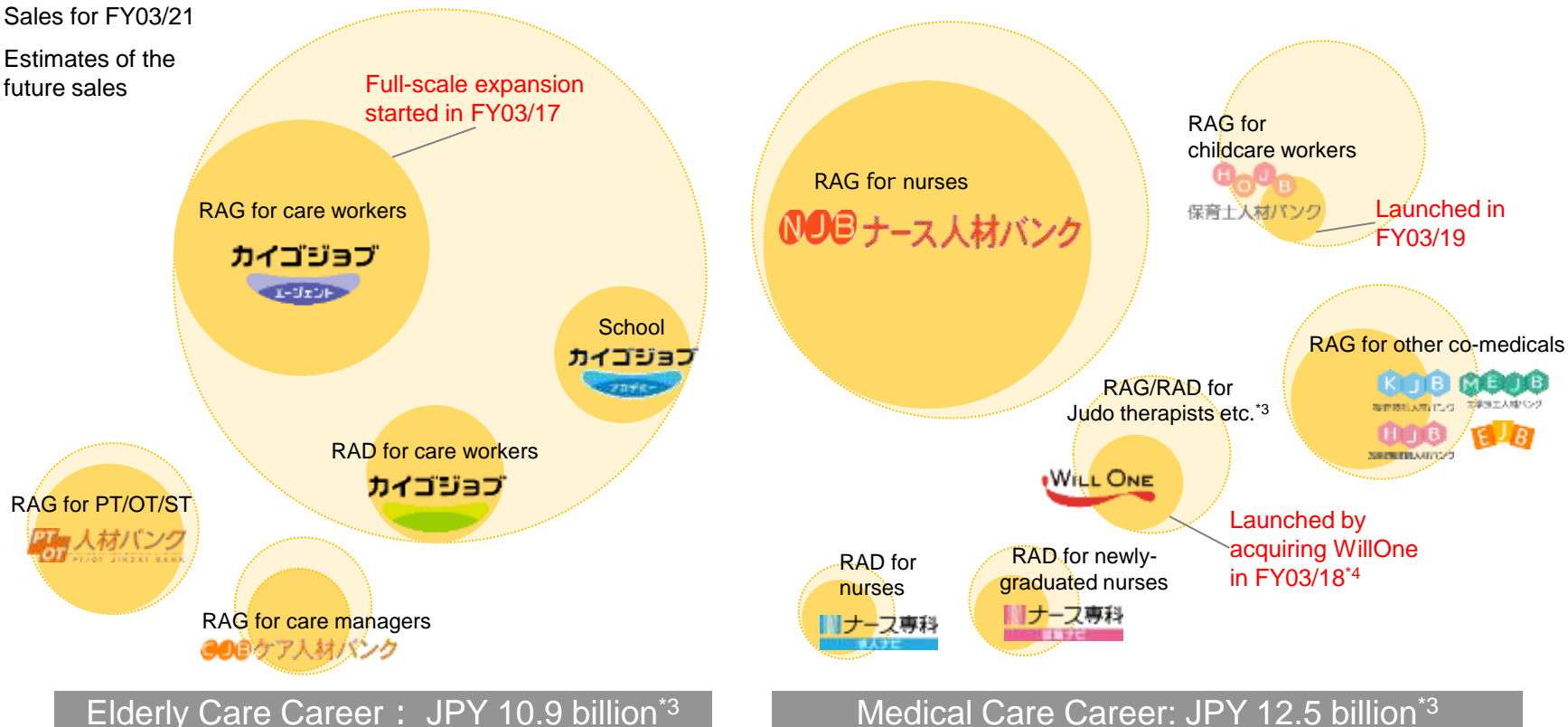


2 Growth Scenario

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

Current and future sales by service*1

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

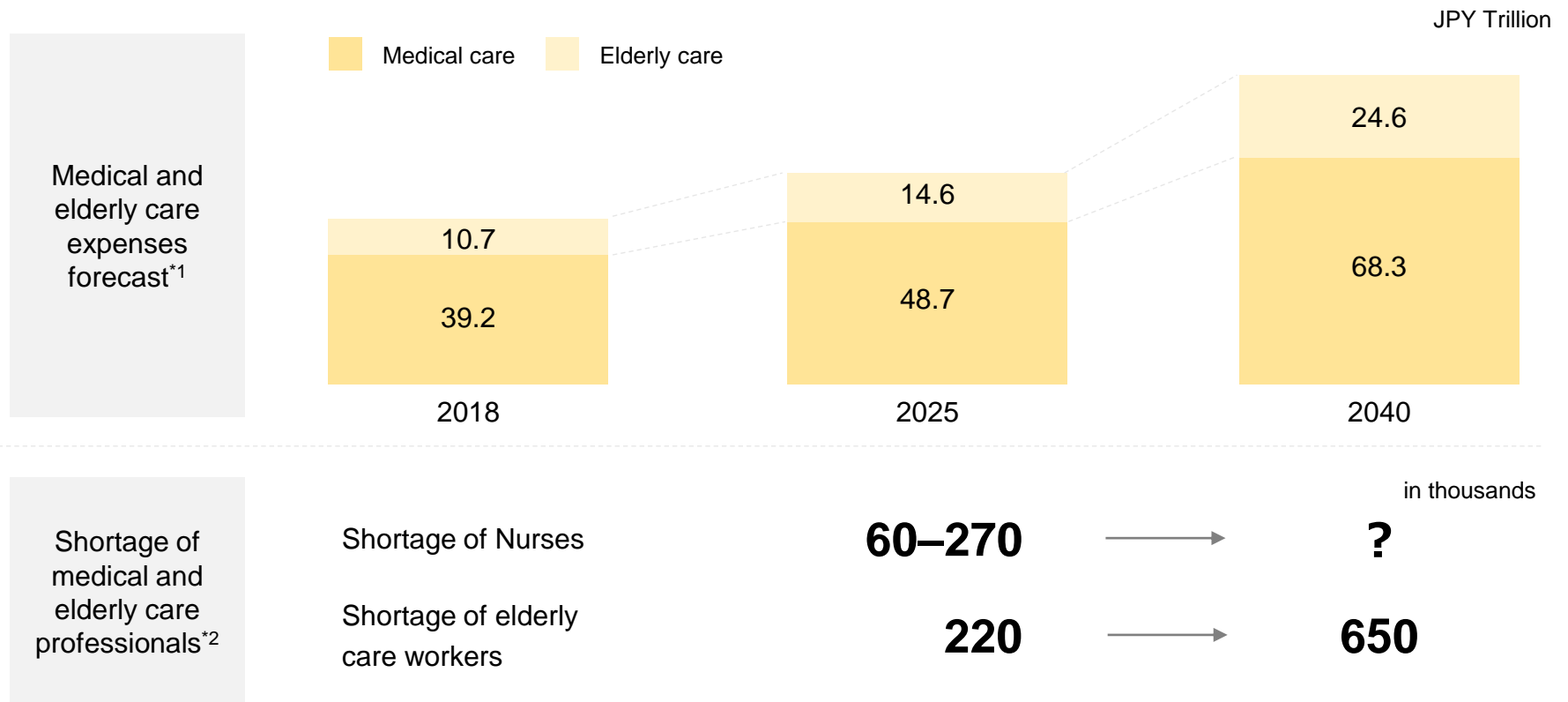


*1. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).

*2. RAG: Recruiting Agent service RAD: Recruiting Ads service *3. Sales for FY03/21 *4. Currently merged to SMS

Elderly Care Operators (Kaipoke) Strategy

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

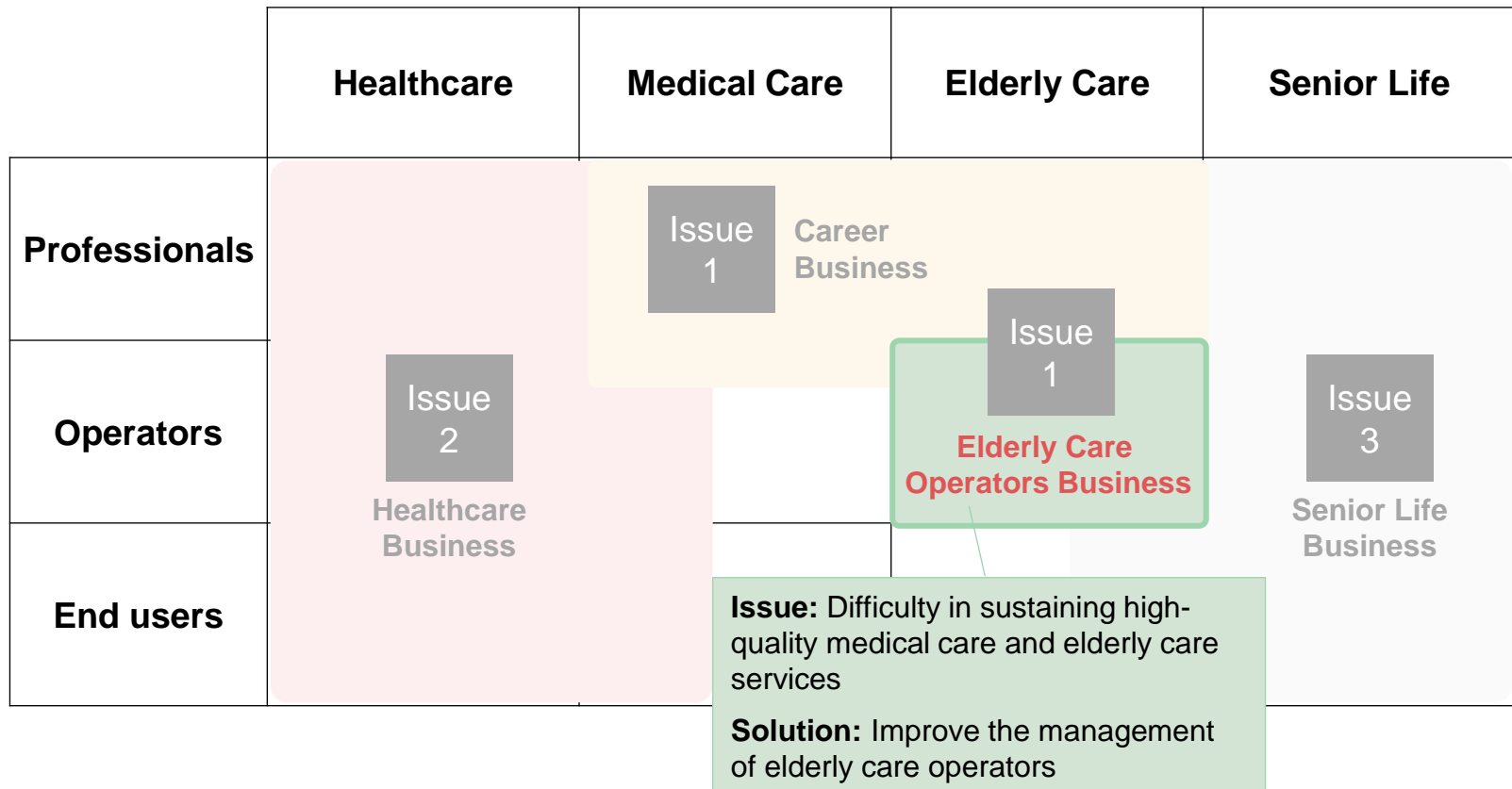


*1. Cabinet Secretariat, CAO, MOF, MHLW, “Future outlook for social security in 2040”

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

2 Solution for Issue 1 in Elderly Care Operators Business

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

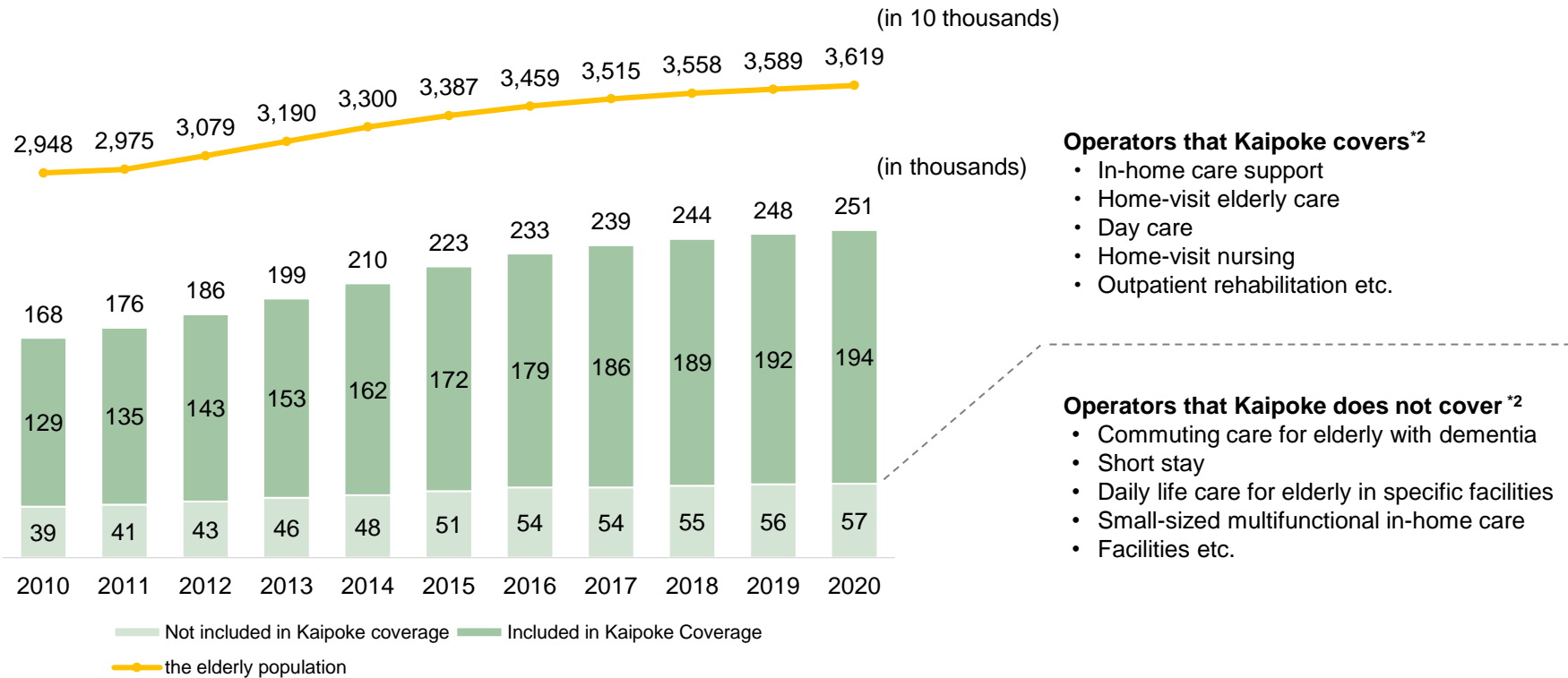


2 Business Environment of Kaipoke

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

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

of elderly care service offices CAGR: 4%



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

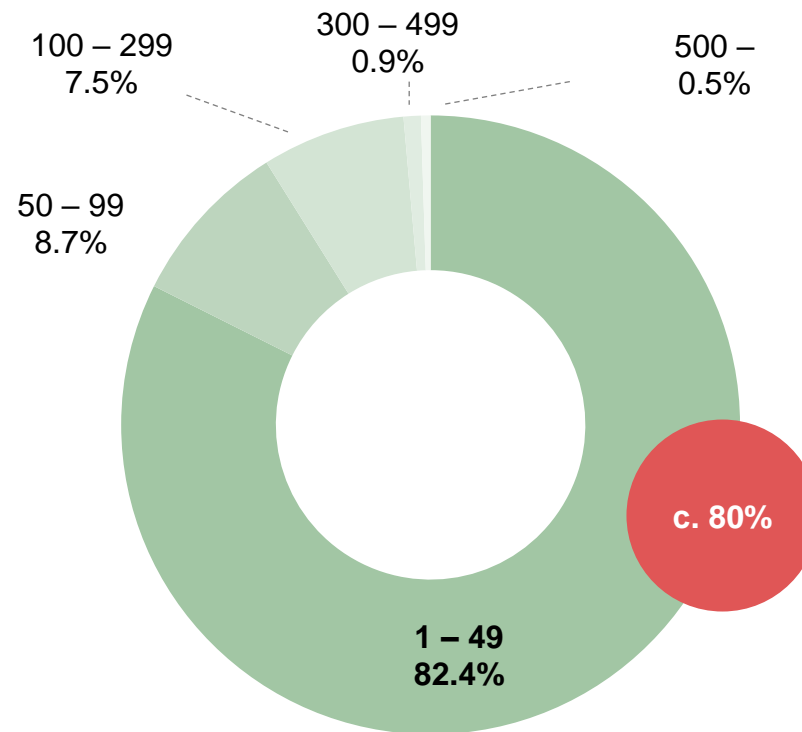
*2. As of Mar. 2021

2 Business Environment of Kaipoke

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

Size of elderly care operators*1

Number of employees per operator



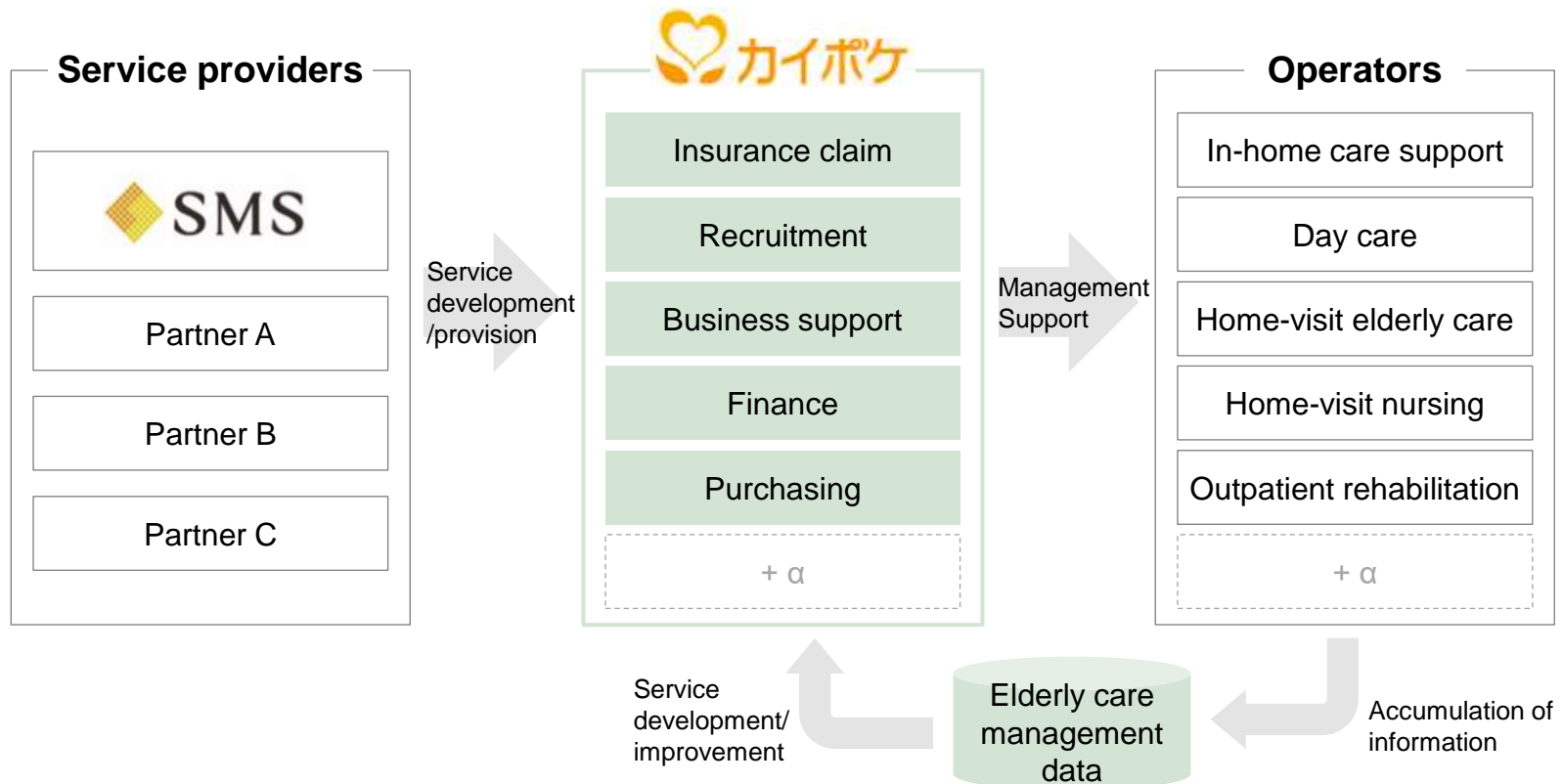
* 1. Survey by SMS

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

2 Management Support Platform

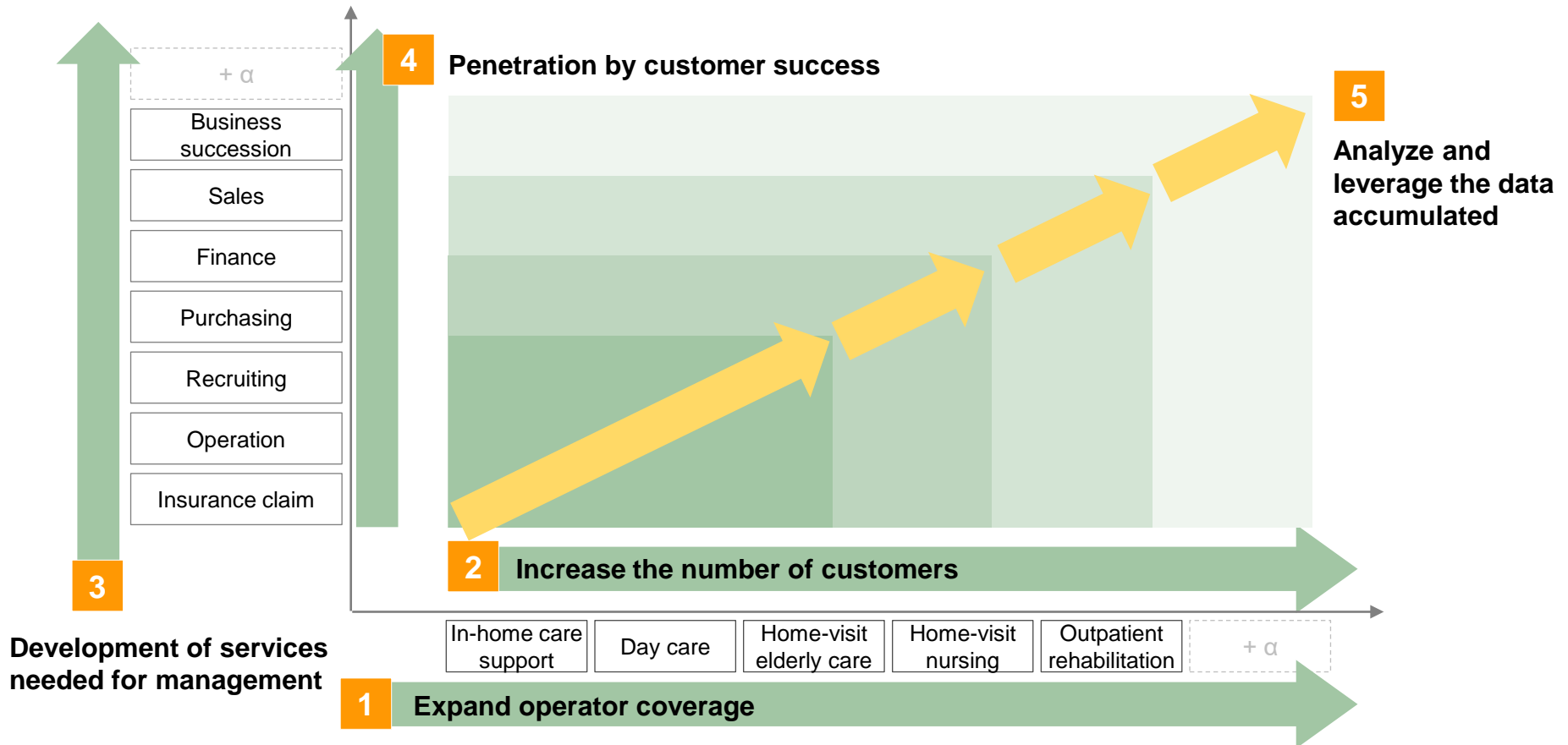
- ✓ Kaipoke is a management support platform provided in the form of SaaS, which realizes one-stop support for the management of elderly care operators.
- ✓ Offer more than 40 services that support operations, recruitment, purchasing, finance, sales, M&A, etc., on top of the insurance claim service that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

Management support platform



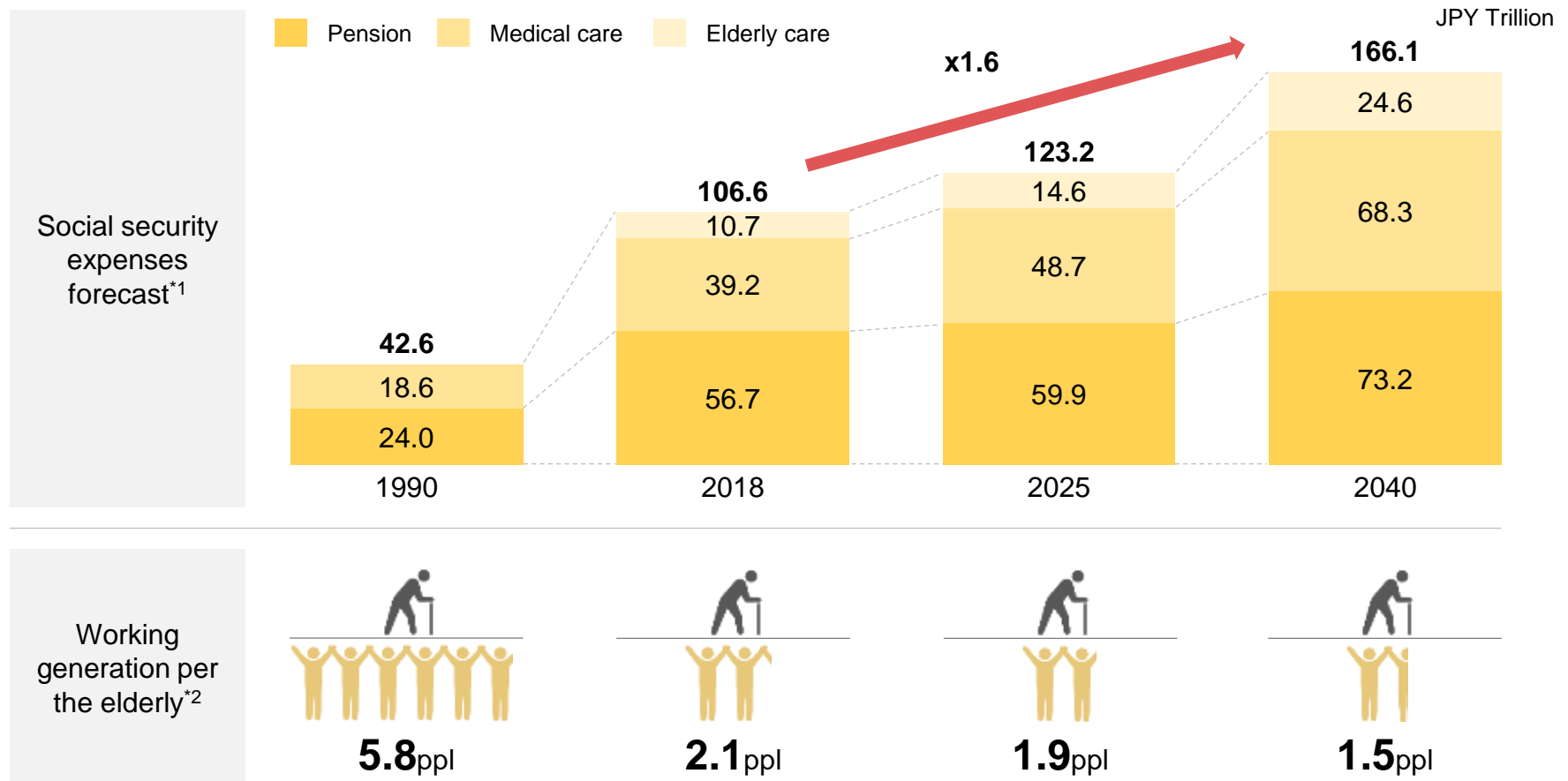
2 Strategy of Kaipoke

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



New Business (Healthcare) Strategy

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

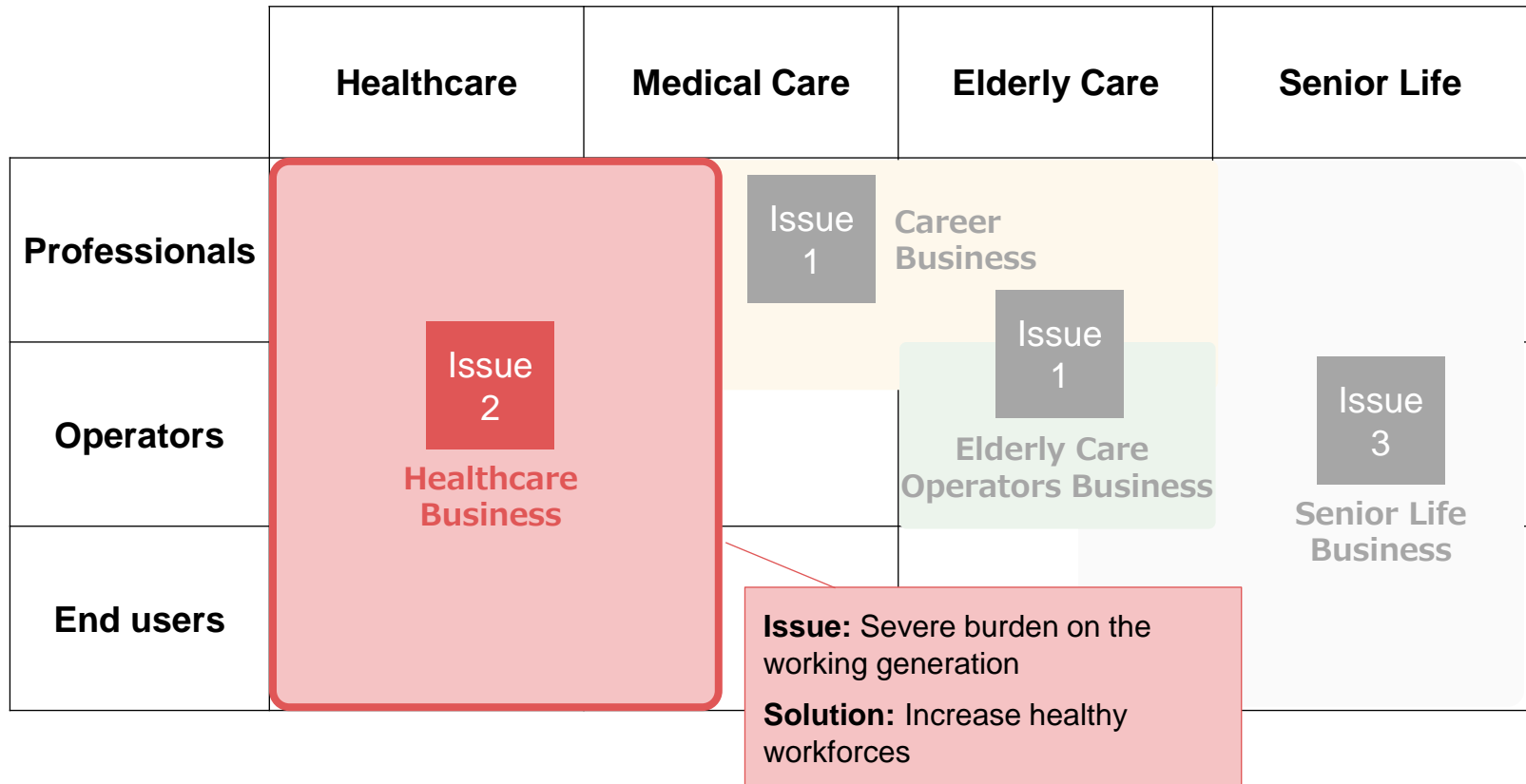


*1. MHLW, "Trends in social security benefit costs", Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"

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

2 Solution for Issue 2 in Healthcare Business

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



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

Physical disorder

◆ Risk of lifestyle-related diseases

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

Approx. **5.1** million

* 40 – 74 years old

◆ Lifestyle-related diseases

Number of diabetics^{*3}

Approx. **3.29** million

Number of hypertensive patients^{*3}

Approx. **9.94** million

Mental disorder

Number of patients with mood disorders^{*3}

Approx. **1.28** million

* 1. Quality of life

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

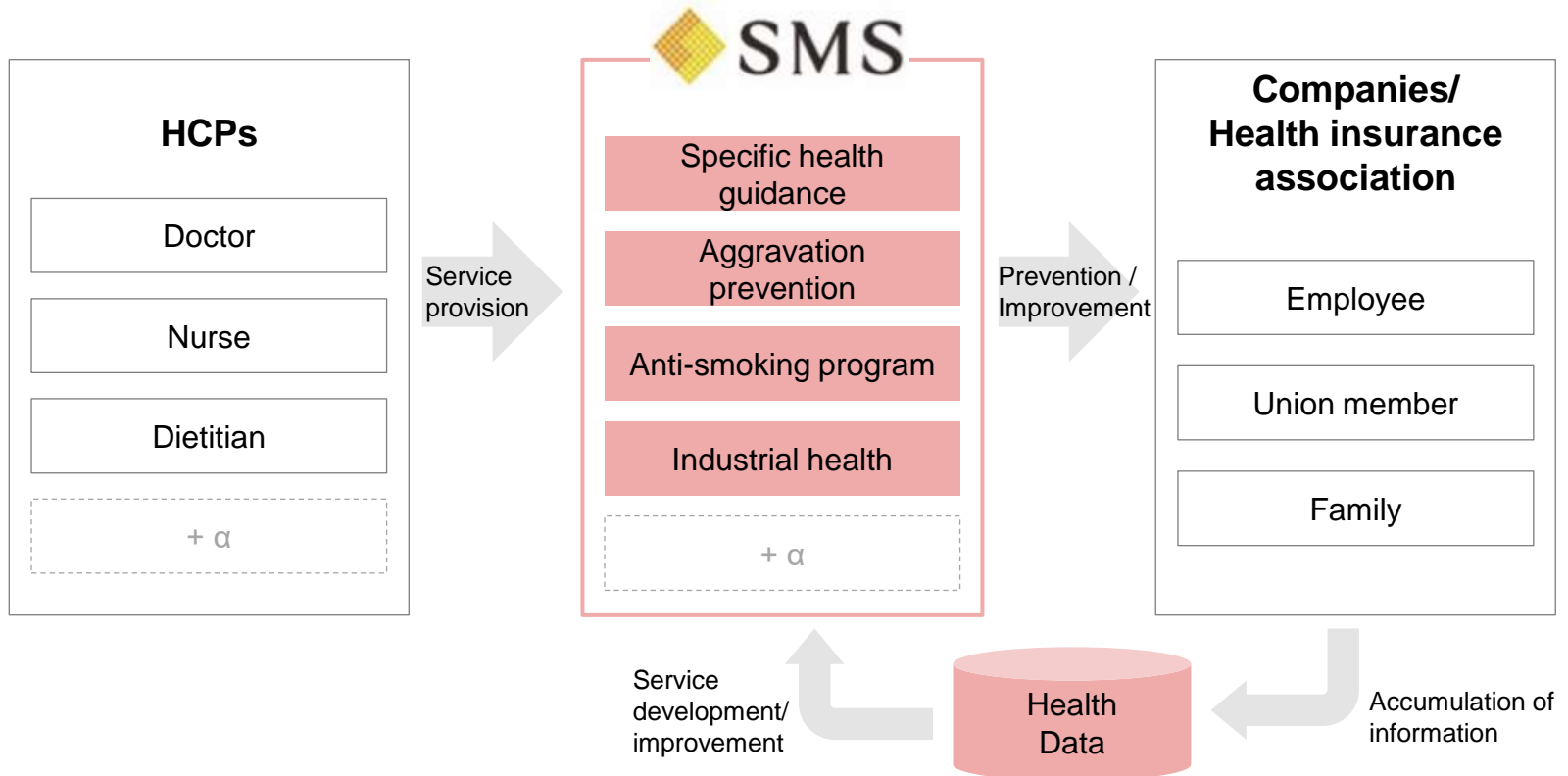
* 3. MHLW, "2017 Patient survey"

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

* 1. Quality of life

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

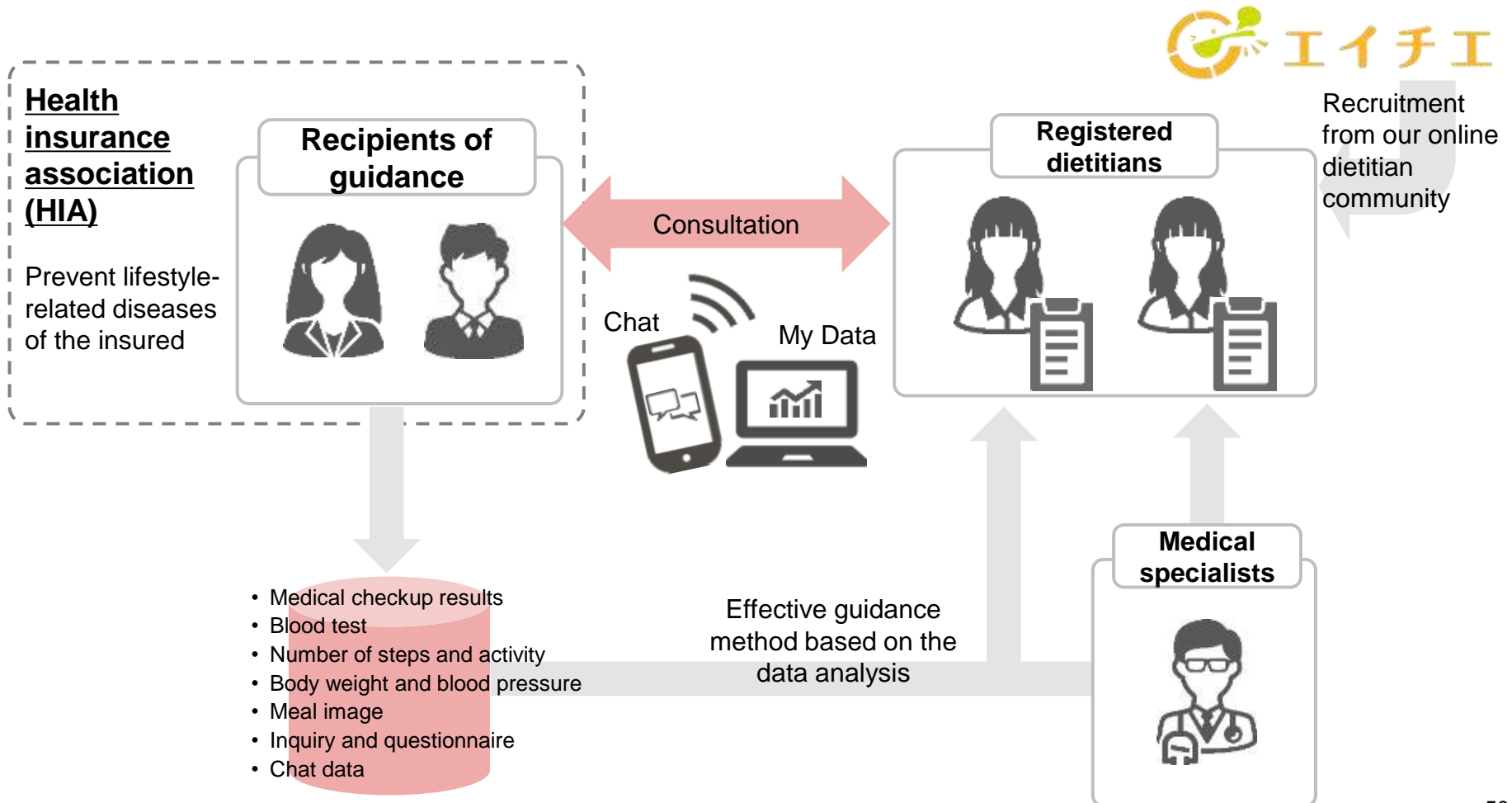
Health and Productivity Management Support Platform



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

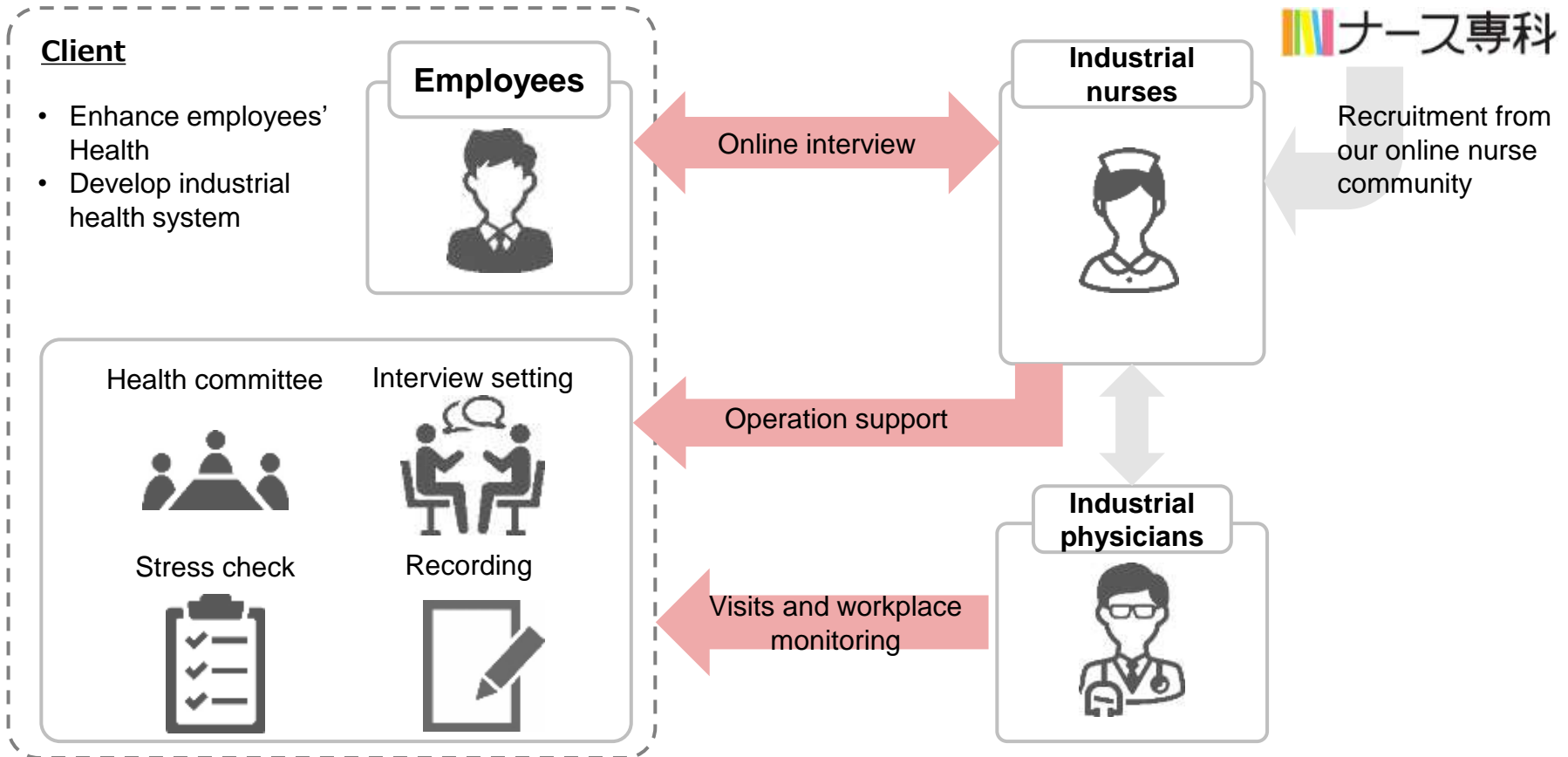
2 Remote Health Guidance Service

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



2 Remote Industrial Health Service

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



2 Our Strength

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



HCP Networks

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

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



ICT Capabilities

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



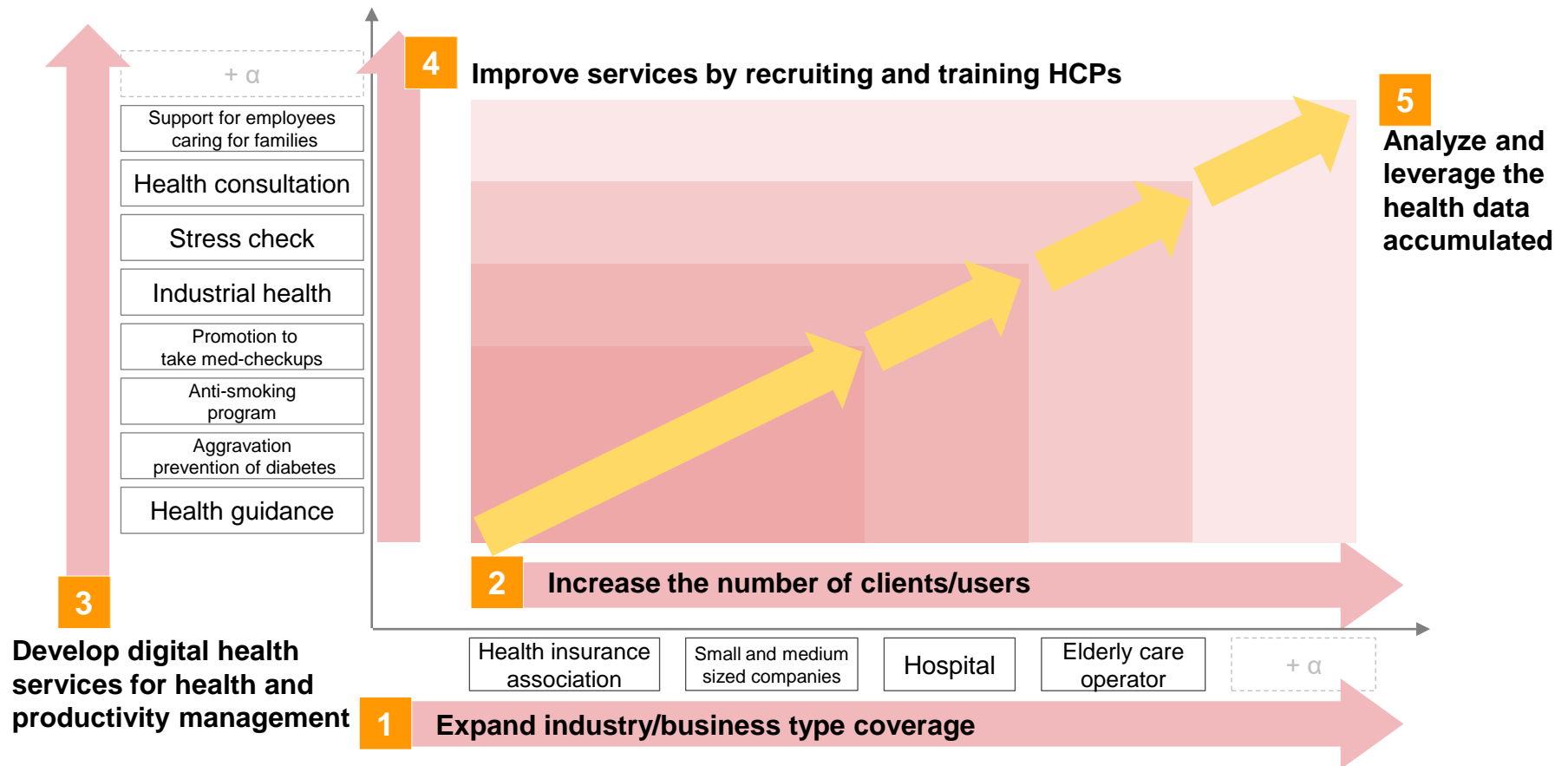
Results from Verification Projects^{*1}

- Enable us to provide services with proven effectiveness.

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

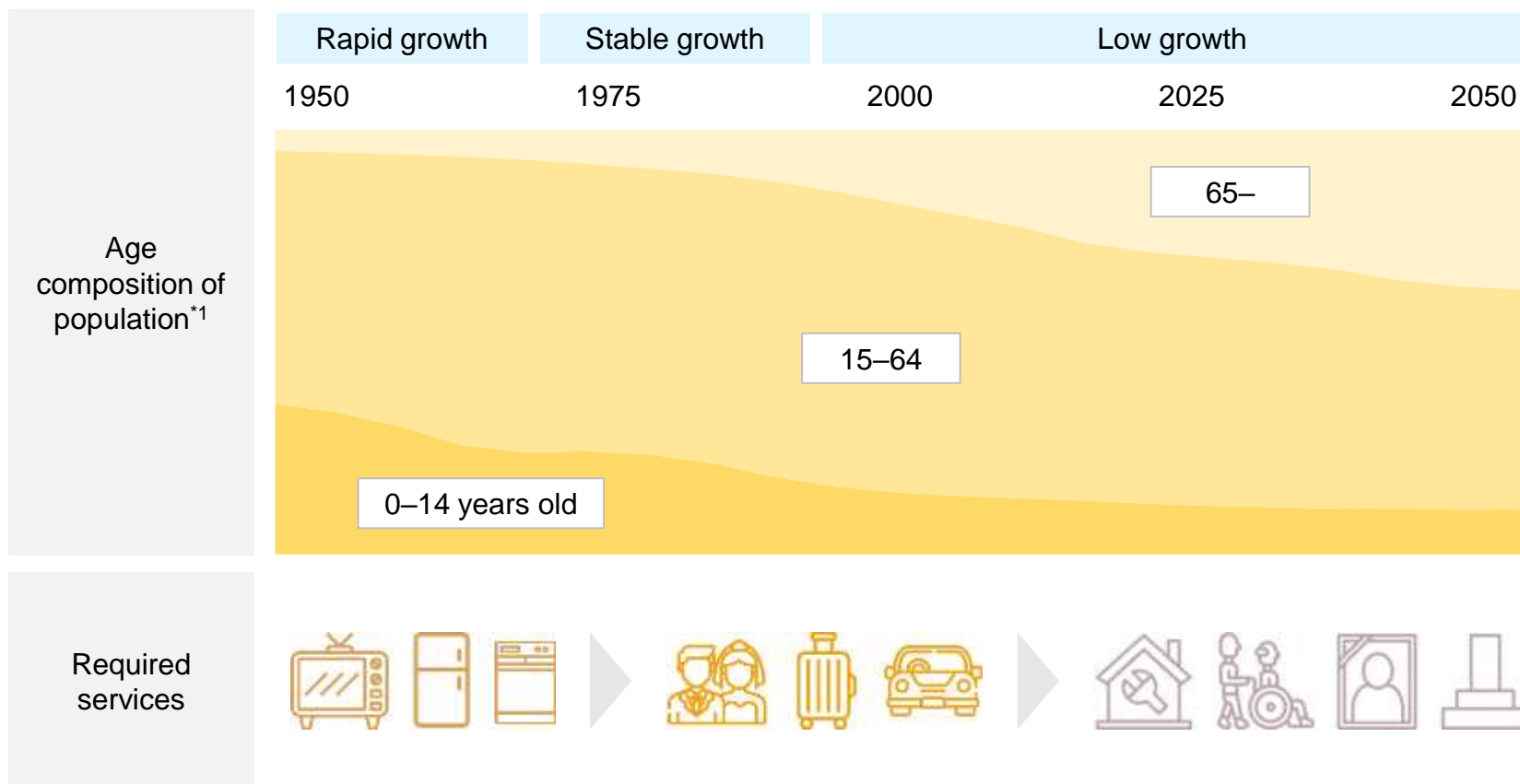
2 Strategy of Healthcare Business

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



New Business (Senior Life) Strategy

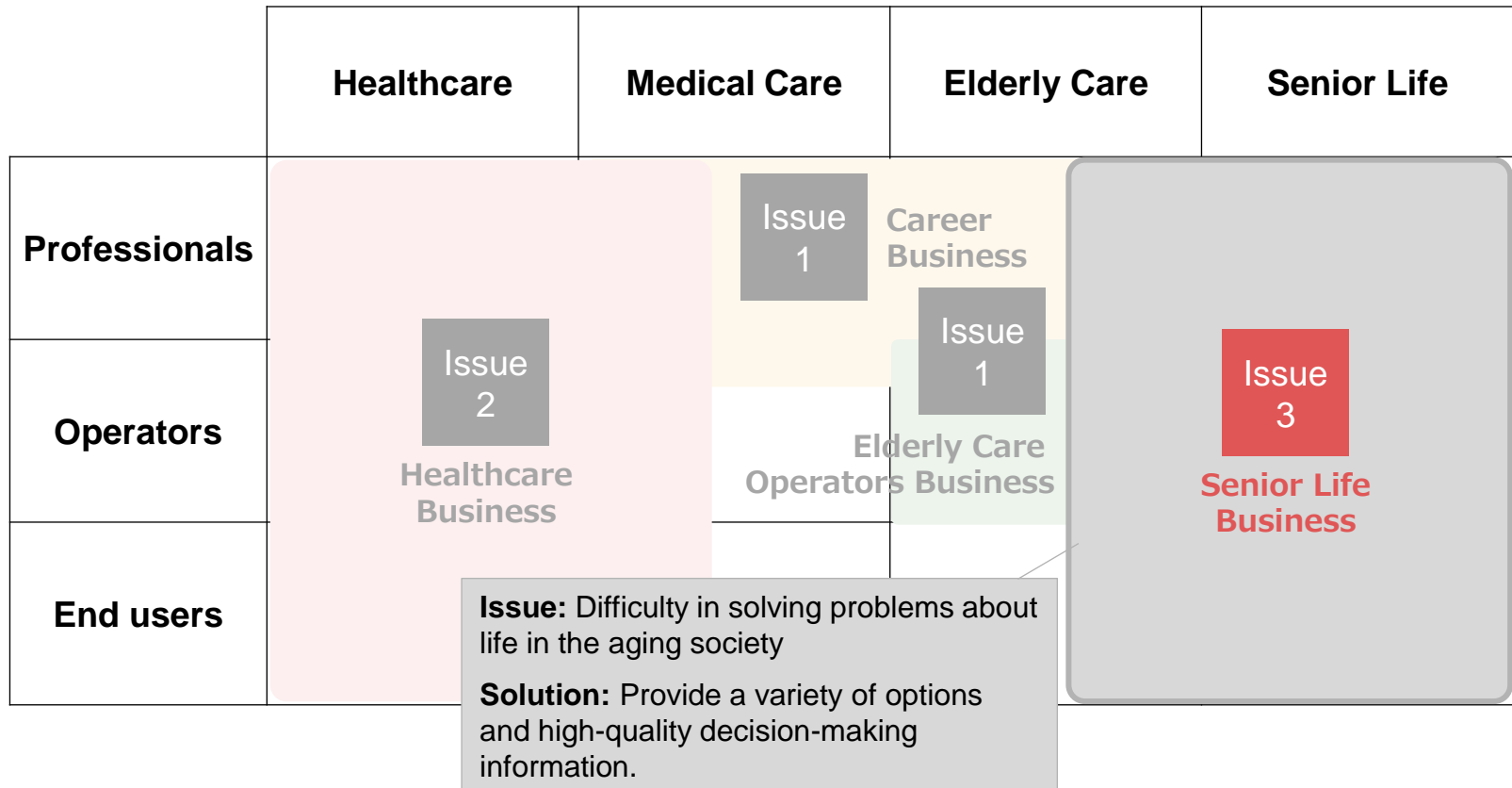
- ✓ While service demands are changing and expanding with the population aging, information related to life in the aging society is not sufficient in terms of quality and quantity, and the service supplies will also be in short due to a shortage of workforce.
- ✓ The elderly and their families will have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



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

2 Solution for Issue 3 in Senior Life Business

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

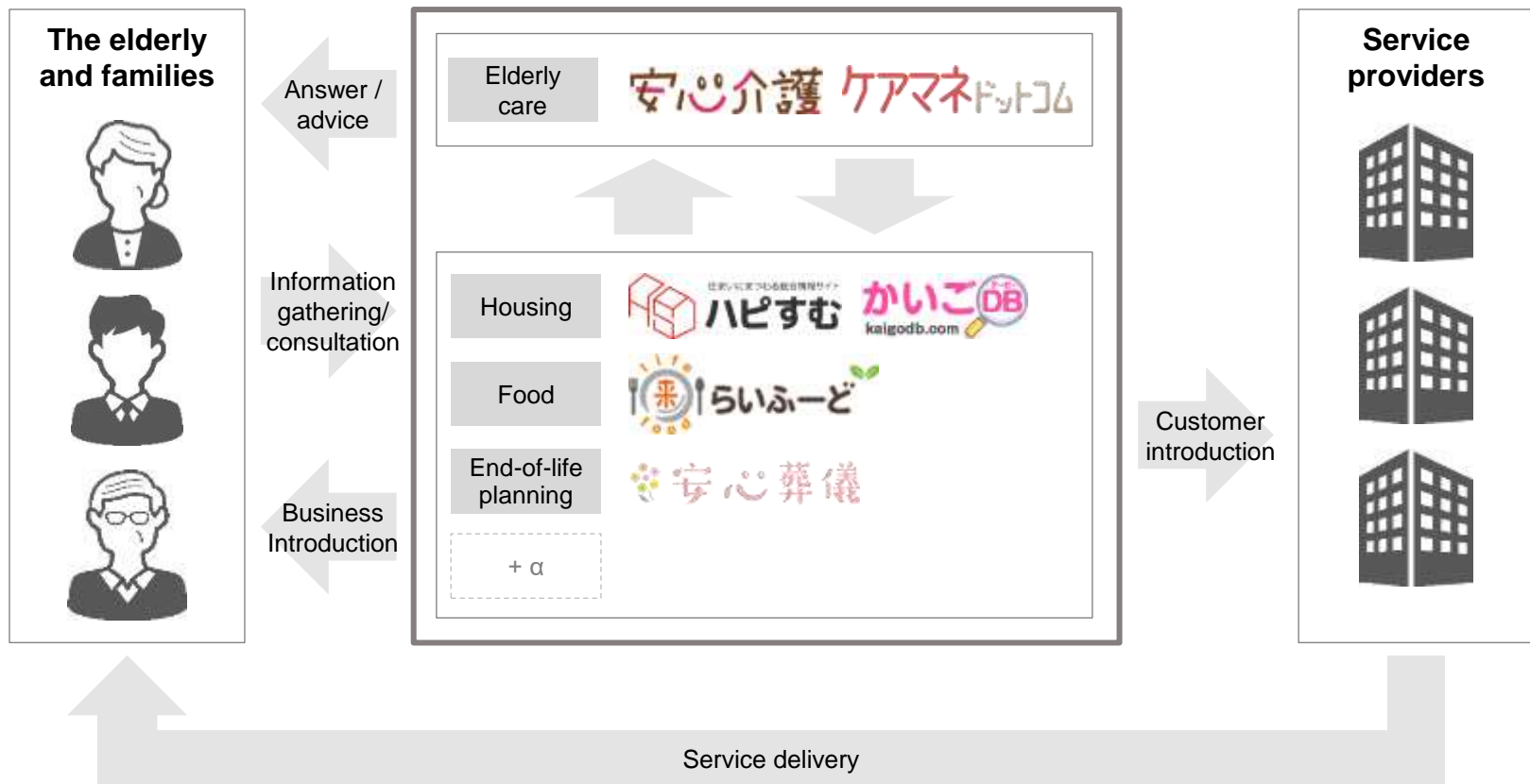


We aim to contribute to the better lives of people by offering a wide range of choices and information related to life in the aging society.

2 Problem-solving Platform

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

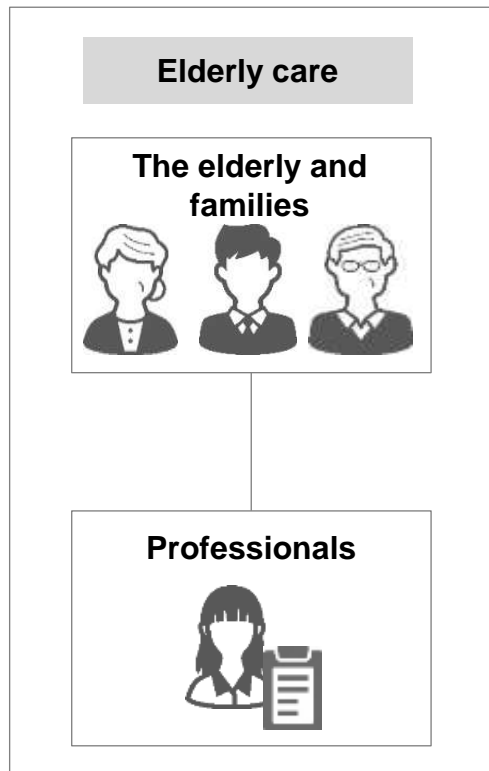
Problem-Solving Platform



2 Strategy of Senior Life Business

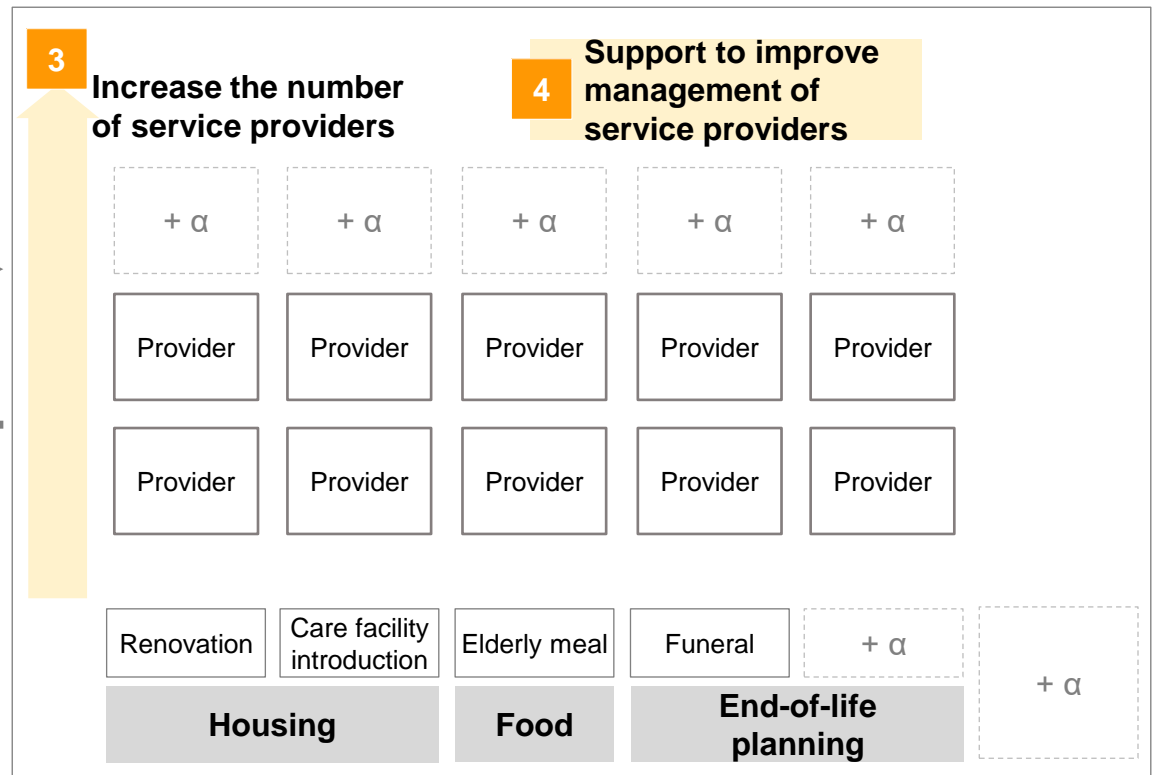
✓ Maximize the value as a problem-solving platform by 1 – 4 below.

Variety of problems mainly related to elderly care



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

Problems related to specific areas



2 Expand category coverage

Overseas Strategy

2 Overview of Overseas Segment

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

Overseas Business Structure

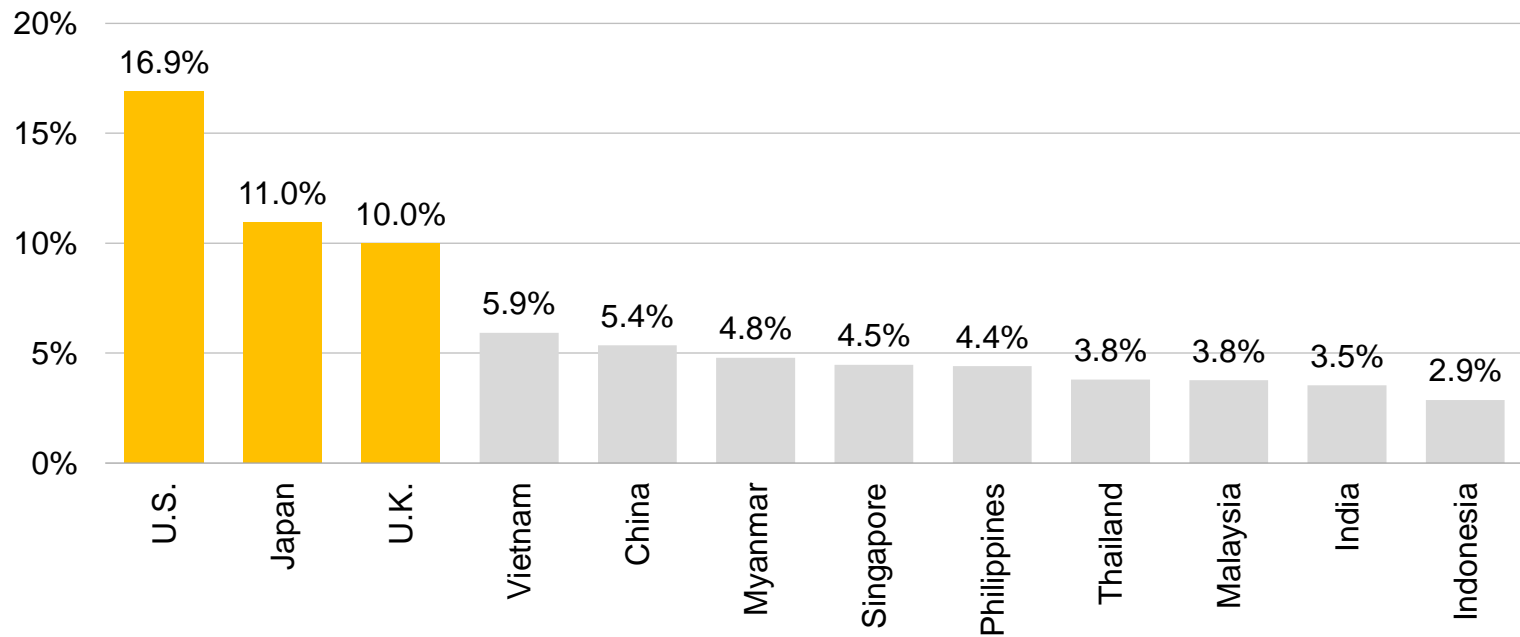
Overseas Segment	Medical Platform Business	Medical Marketing	Marketing support service for medical-related companies
		Clinical Decision Support	Prescription error check service, etc. for healthcare institutions such as hospitals
	Global Career Business		Domestic/cross-border recruiting service of HCPs

*1. Healthcare professionals

Medical Platform Business

- ✓ 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.

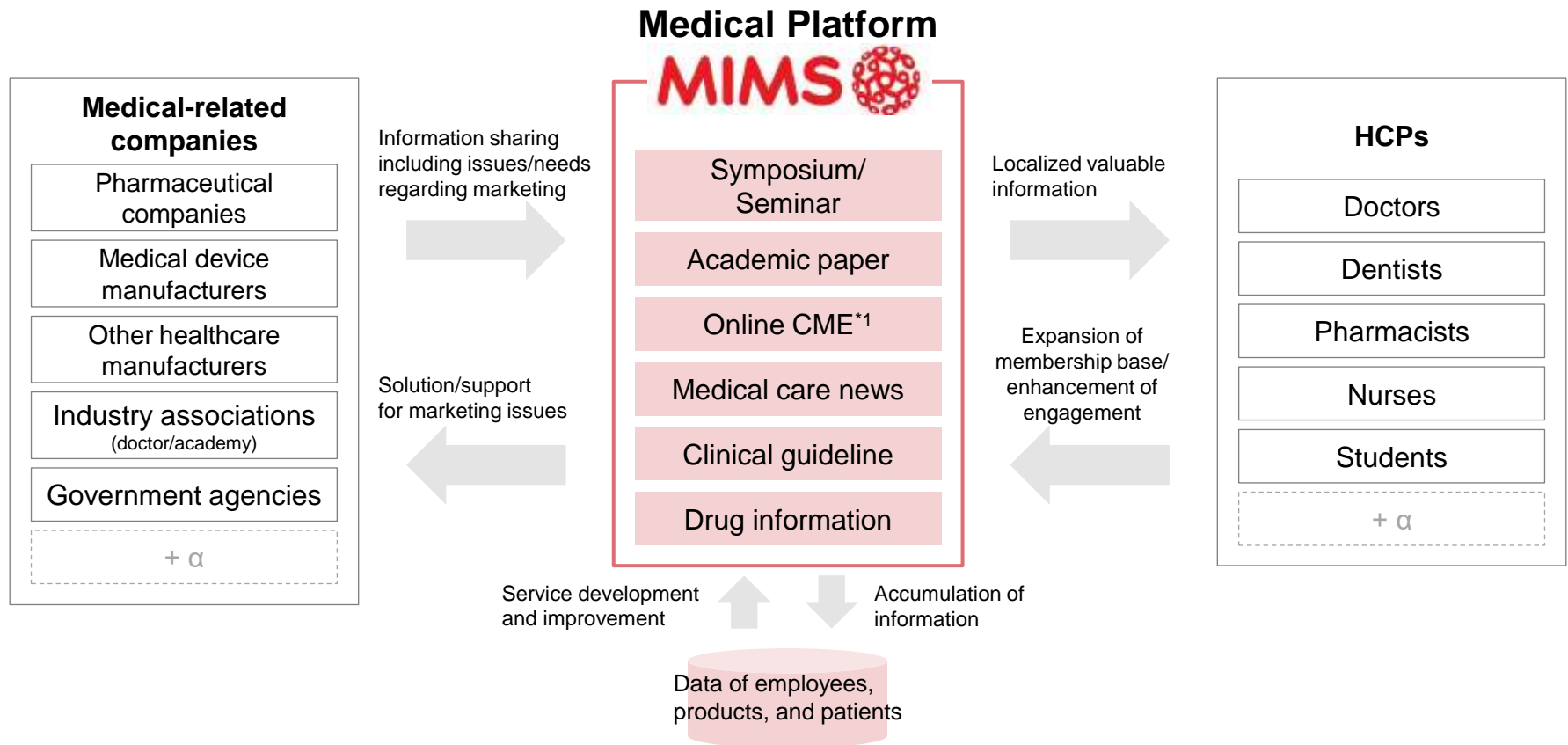
Health Expenditure to GDP*1



* 1. WHO (2018)

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

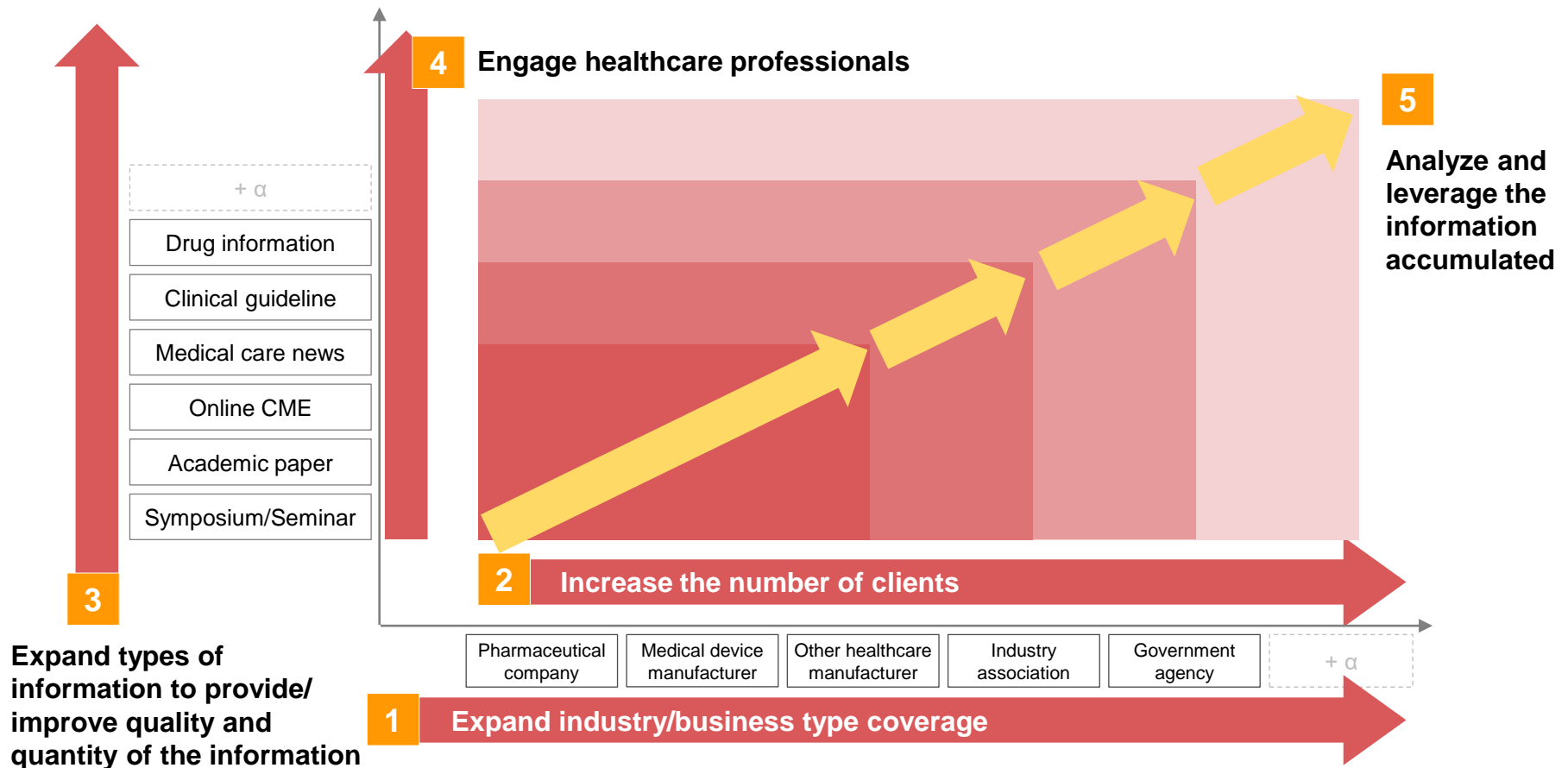
- ✓ Support the marketing activities of medical-related companies by utilizing our membership base of healthcare professionals (HCPs) in APAC.
- ✓ Expand our membership base of HCPs and enhance their engagement by providing localized valuable information, thereby making marketing activities of medical-related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



* 1. CME stands for continuing medical education.

2 Strategy of Medical Platform Business

✓ Maximize the value as a medical platform by 1 – 5 below.

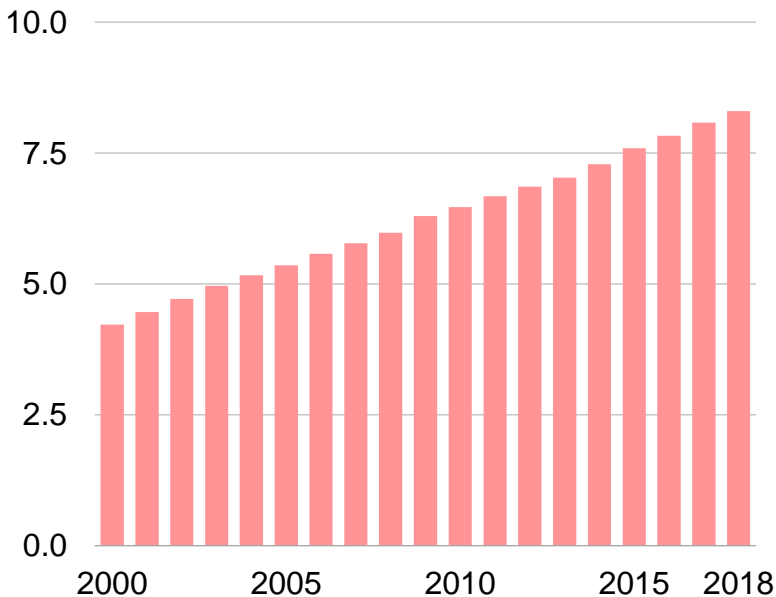


Global Career Business

- ✓ While the environment surrounding medical care services differs from country to country, 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 have 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 thousands

	Japan	60 – 270	(2025)
	Germany	400	(2030)
	Australia	120	(2030)
	South Korea	160	(2030)
	Saudi Arabia	100	(2030)

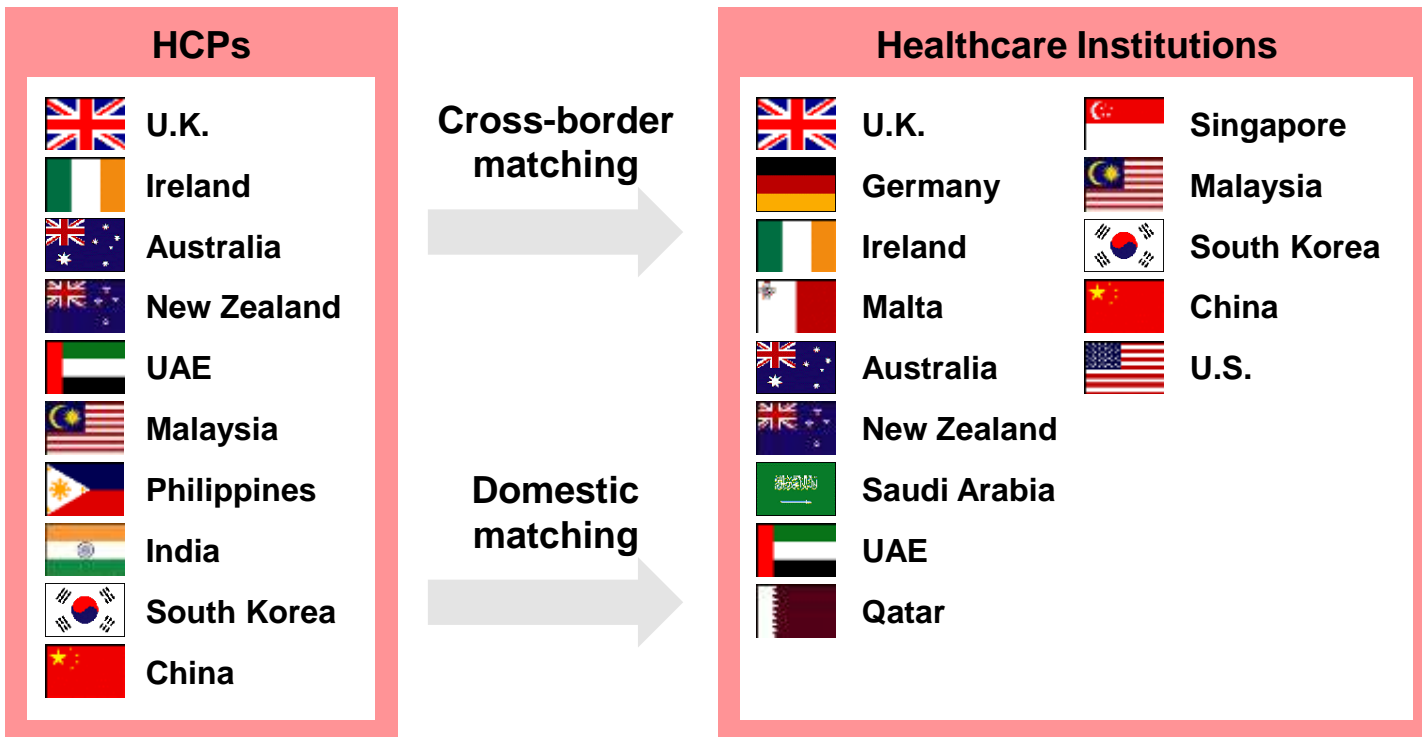
*1. WHO (FX rates: 2018)

*2. MHLW (Japan), DPR (Germany), HWA (Australia), MHW (South Korea), Challenges Facing the Nursing Profession in Saudi Arabia: An Integrative Review/Nourah Alsadaan, Linda K. Jones, Amanda Kimpton and Cliff DaCosta

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

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

HCP Supply Platform



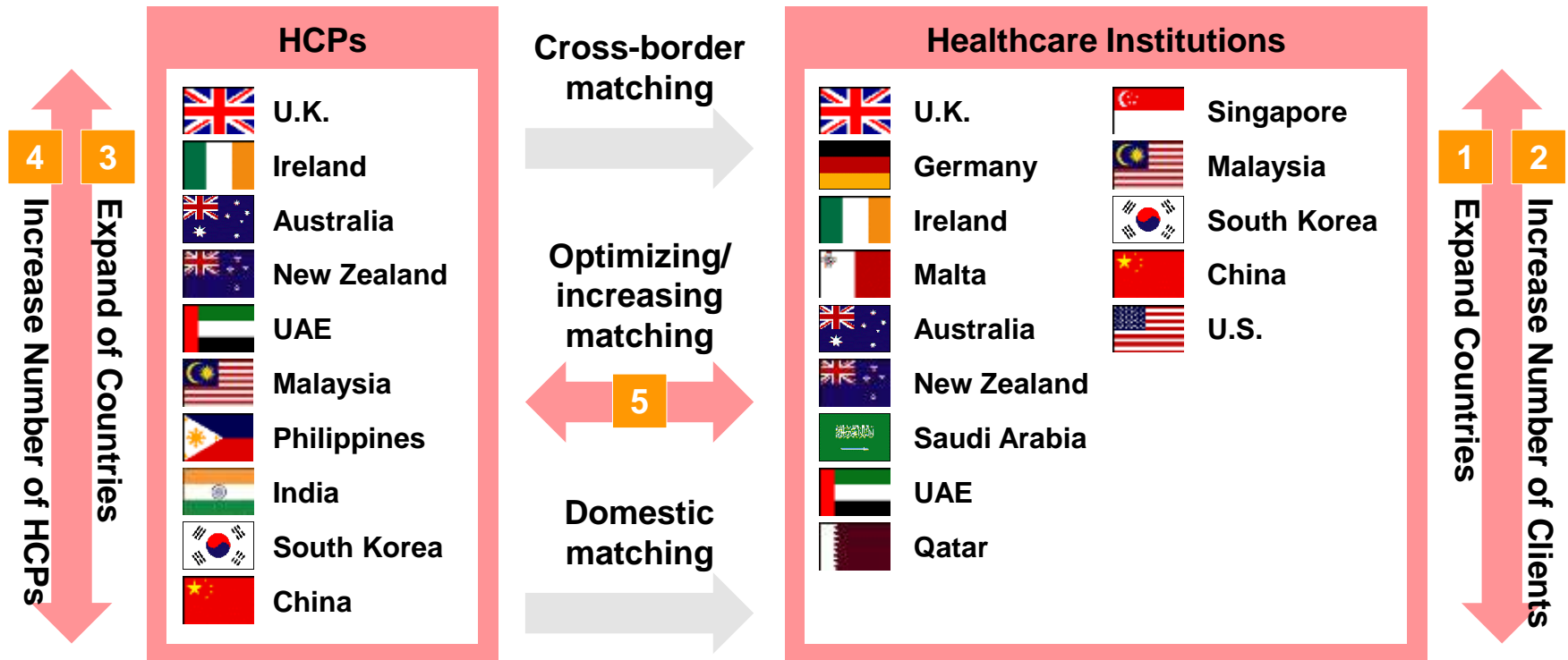
*1. Healthcare professionals

*2. Hospitals, clinics etc.

2 Strategy of Global Career Business

✓ Maximize the value as a HCP supply platform by 1 – 5 below.

HCP Supply Platform

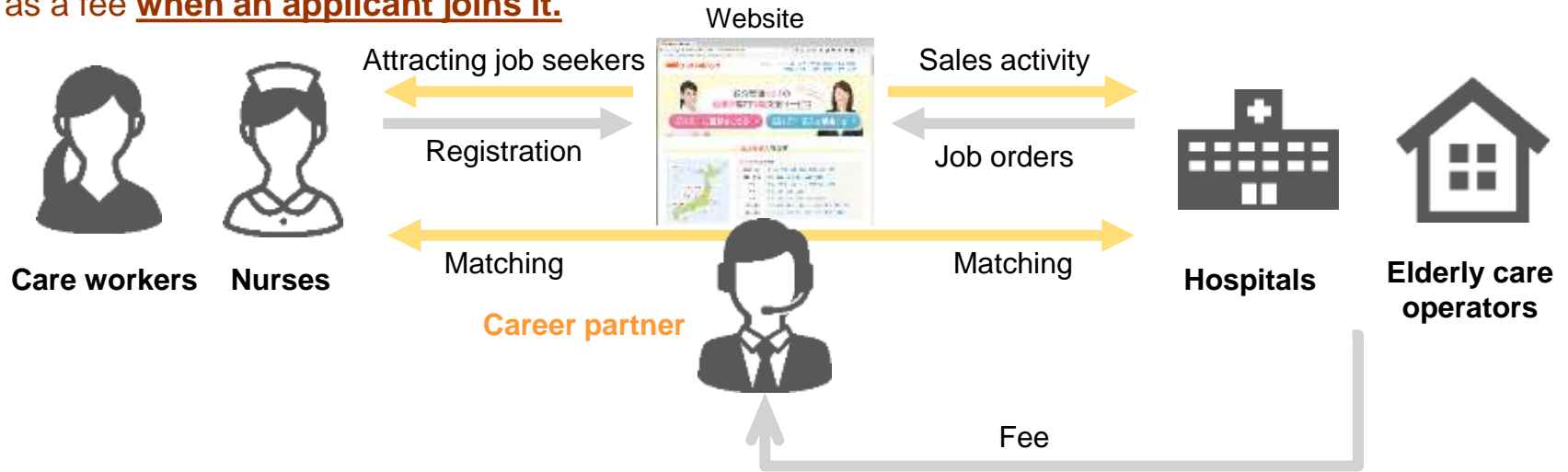


Appendix

2 Business Model of Career Business

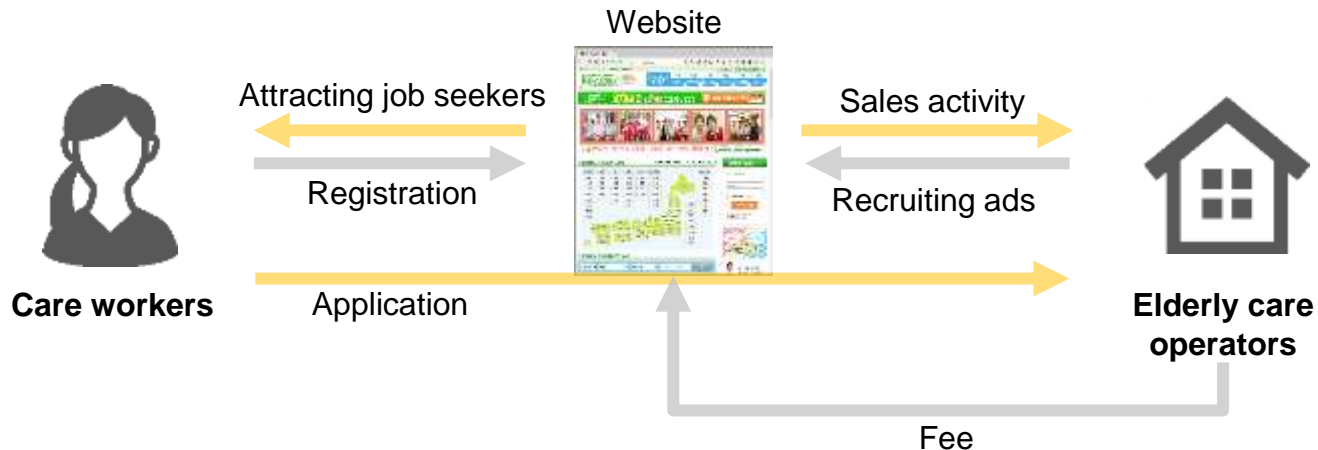
Business model of Recruiting Agent

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



Business model of Recruiting Ads

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





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

Insurance Claim

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

Recruitment

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

Sales Support

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

Operation Improvement

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

Opening Support

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

Finance

Provide factoring services to improve operators' cash flows.

Purchasing

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

M&A

Supporting the succession of elderly care operators

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

*2. Charged for some types of occupations.

MIMS group global coverage



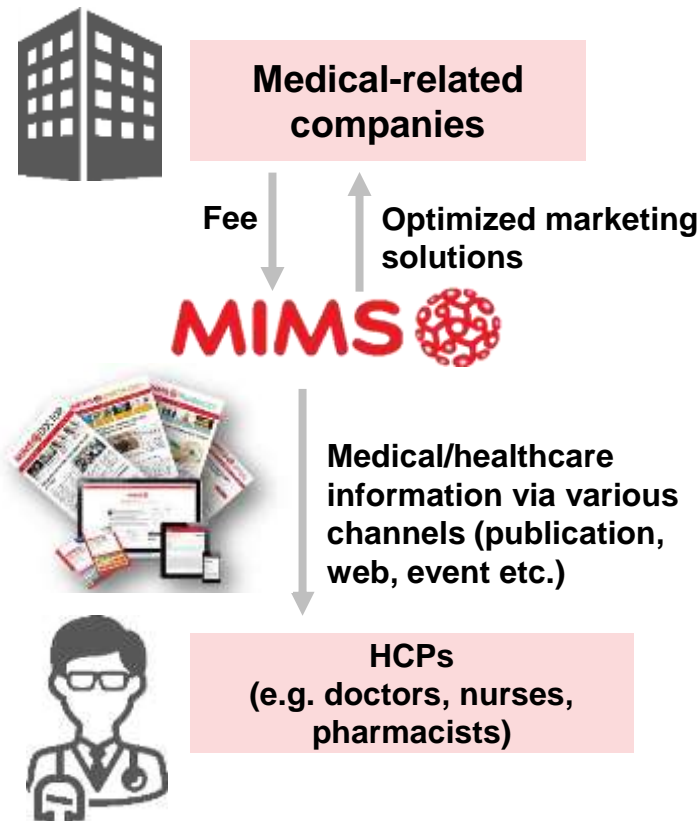
MIMS group profile



Founded	1963
Business	<ul style="list-style-type: none">• Medical Platform• Global Career
Global coverage	17 countries and regions, mainly in APAC
Number of memberships	2.80 million
Acquisition date	Oct. 7, 2015

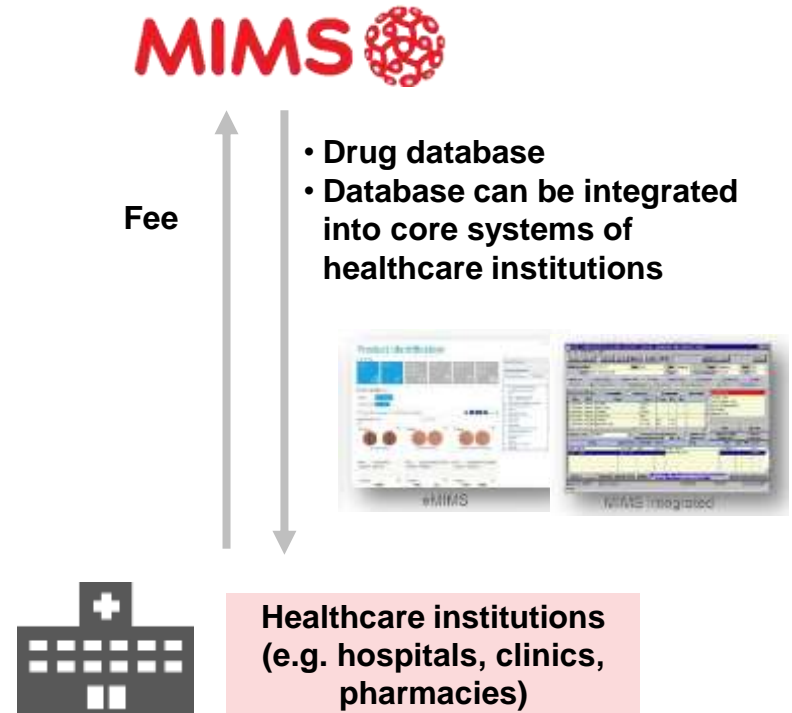
Medical Marketing *1

Support marketing activities of medical-related companies*³



Clinical Decision Support *2

Provide a drug database for prescription error checks in healthcare institutions



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

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

2 Acquisition History of 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, and to Europe and Oceania in 2019.

September 2011

Acquired NURSCAPE CO., LTD. (Currently Medilabs Co., Ltd.)

- Recruiting ads business for nurses/online community for nurses in South Korea
- Launched the Global Career Business.

June 2017

Acquired MELORITA CONSULTANTS SDN. BHD.

- Recruiting agent business for nurses in Malaysia
- Started a cross-border matching between Malaysian nurses and hospitals in the middle east.

May 2018

Acquired MEDICAL STAFFING RESOURCES, INC.

- Recruiting agent business for nurses in the Philippines
- Started to introduce Filipino nurses.

August 2019

Acquired CCM INTERNATIONAL LIMITED

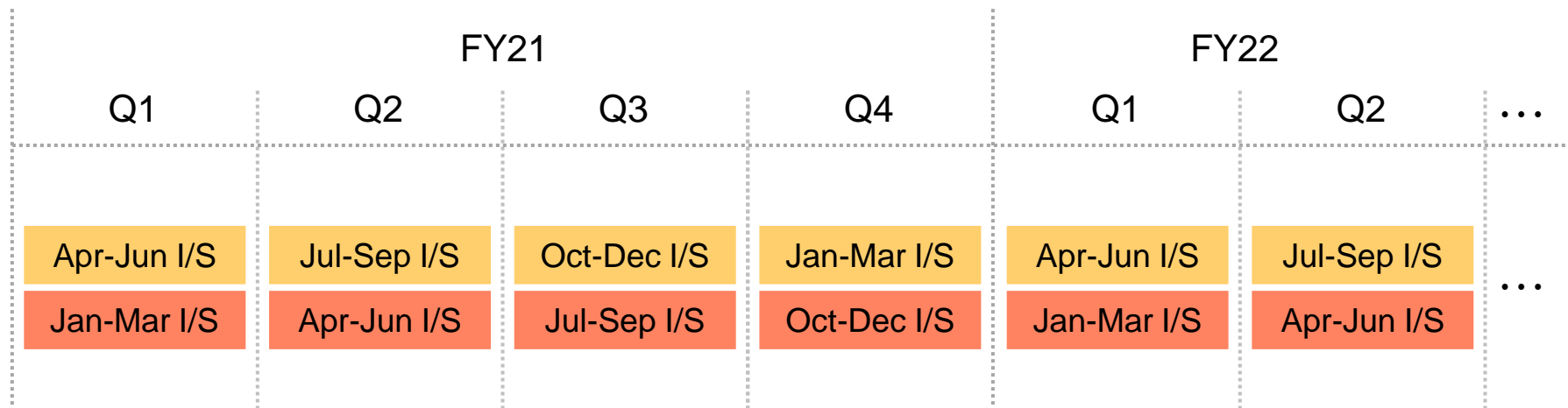
- Recruiting agent business for healthcare professionals in Ireland
- Started to introduce European/Oceanian healthcare professionals, as well as to expand client hospitals in Europe/Oceania.

2 Consolidation of MIMS Financial Results

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

Illustration of Income Statement Consolidation *1

: SMS consolidated I/S (excl. MIMS)
 : MIMS I/S











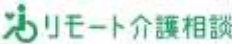






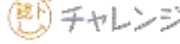






*1. SMS fiscal year ends in March, while MIMS fiscal year ends in December.

Sub-Segment	Category	Services				
Elderly Care Career	Services for care workers	RAD ^{*3} for care workers 	RAG ^{*3} for care workers 	Temporary staffing for care workers 	Elderly care certification course 	Certification course information
	Others	RAG ^{*3} for PT/OT/ST 	RAG ^{*3} for care managers 			
Medical Care Career	RAG ^{*3} services	RAG ^{*3} for nurses 	RAG ^{*3} for dietitians 	RAG ^{*3} for radiological technologists 	RAG ^{*3} for medical technologists 	RAG ^{*3} for clinical engineers
	Others	RAG ^{*3} for childcare workers 	RAG ^{*3} for Judo therapists etc. 	Scholarship information portal 	Web community for nurses and nurse students 	RAD ^{*3} for Judo therapists etc.
		RAD ^{*3} for nurses 	RAD ^{*3} for newly-graduated nurses 			
		National examination reference book for Judo therapists etc. 	HR solution for hospitals 			

*1. As of October 2021

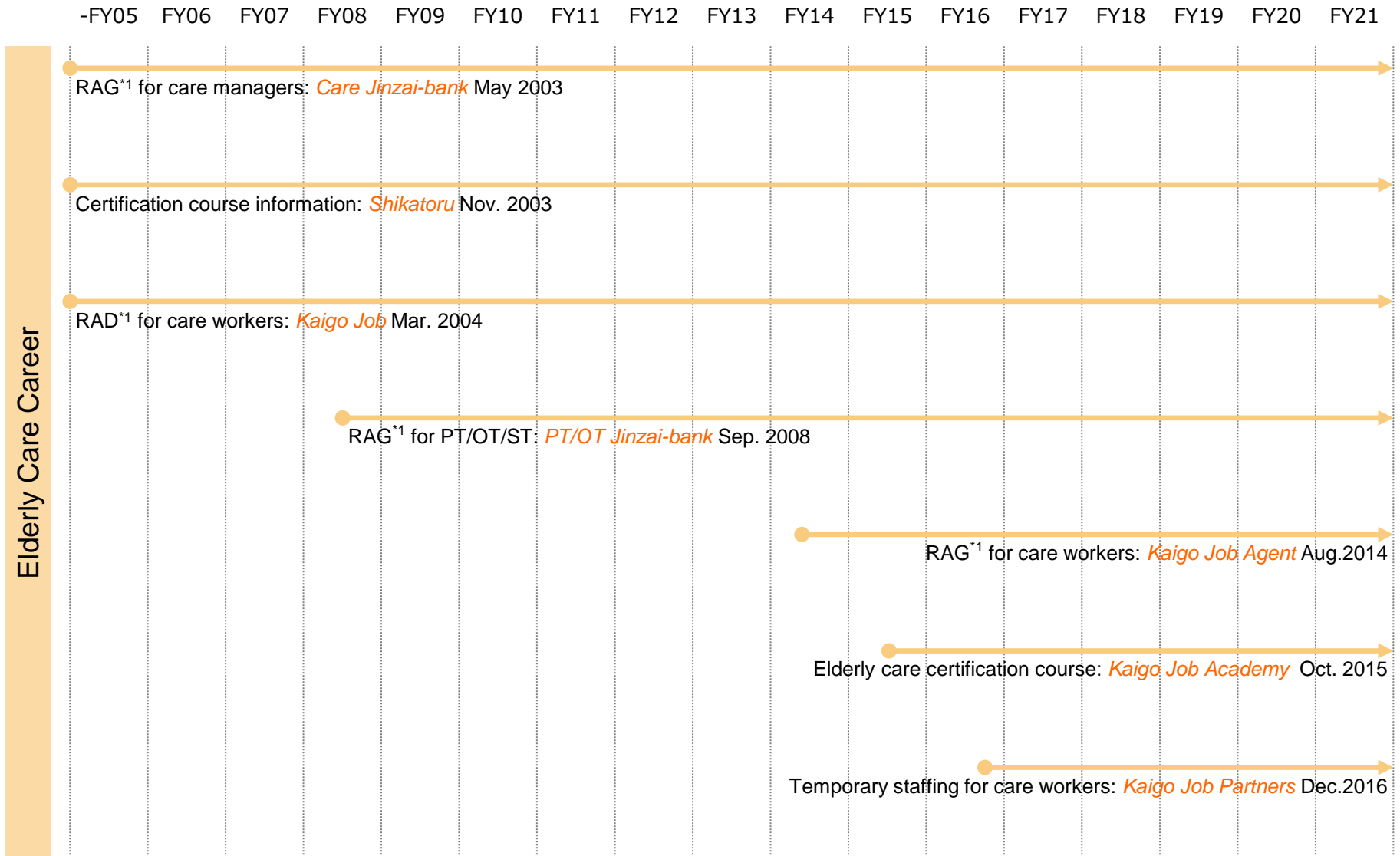
*2. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).

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

Segment	Services				
<p>Kaipoke</p>	<p>Management support platform for elderly care operators</p> 	<p>Information portal for management of elderly care operators</p> 	<p>Research and information on the aging society</p> <p>高齢社会ラボ</p>		
<p>Overseas</p>	<p>Drug information service for healthcare professionals and institutions</p> 	<p>Cross-border RAG² for healthcare professionals (Malaysia, Philippines, Ireland, UK, etc.)</p> 	<p>Career related service for nurses (South Korea)</p> 	<p>Medical ad services (Philippines, Indonesia, Malaysia)</p>	
<p>New Business (Healthcare)</p>	<p>Preventive solution for lifestyle-related diseases</p>  <p>Web community for dietitians</p> 	<p>Health guidance solution</p>  <p>Preventive solution for elderly care turnover</p> 	<p>Personalized anti-smoking solution</p>  <p>Health maintenance /promotion support for women</p> 	<p>Remote industrial health service</p>  <p>Information portal of industrial health service</p> 	<p>Information portal of dementia</p>  <p>Solution for dementia prevention</p>  <p>Habitual support for dementia prevention</p> 
<p>New Business (Senior life)</p>	<p>Web community for people struggling with elderly care</p>  <p>Web community for care managers</p> 	<p>Home-delivered meals search site</p> 	<p>Information portal of housing for the elderly</p> 	<p>Comprehensive information service on housing</p> 	<p>Information portal of funeral companies</p> 

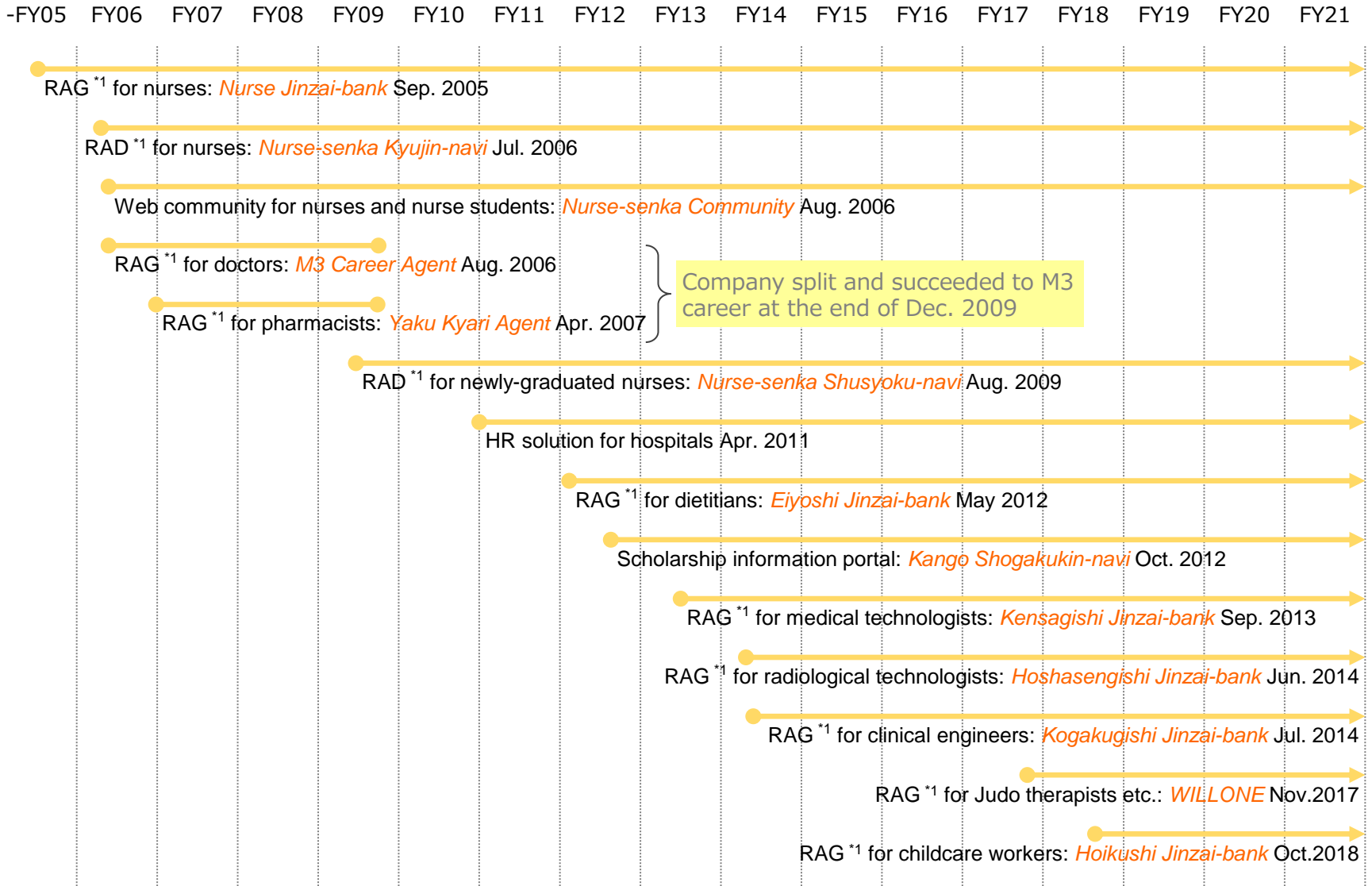
* 1. As of October 2021

2 History of Service Launches 1/5



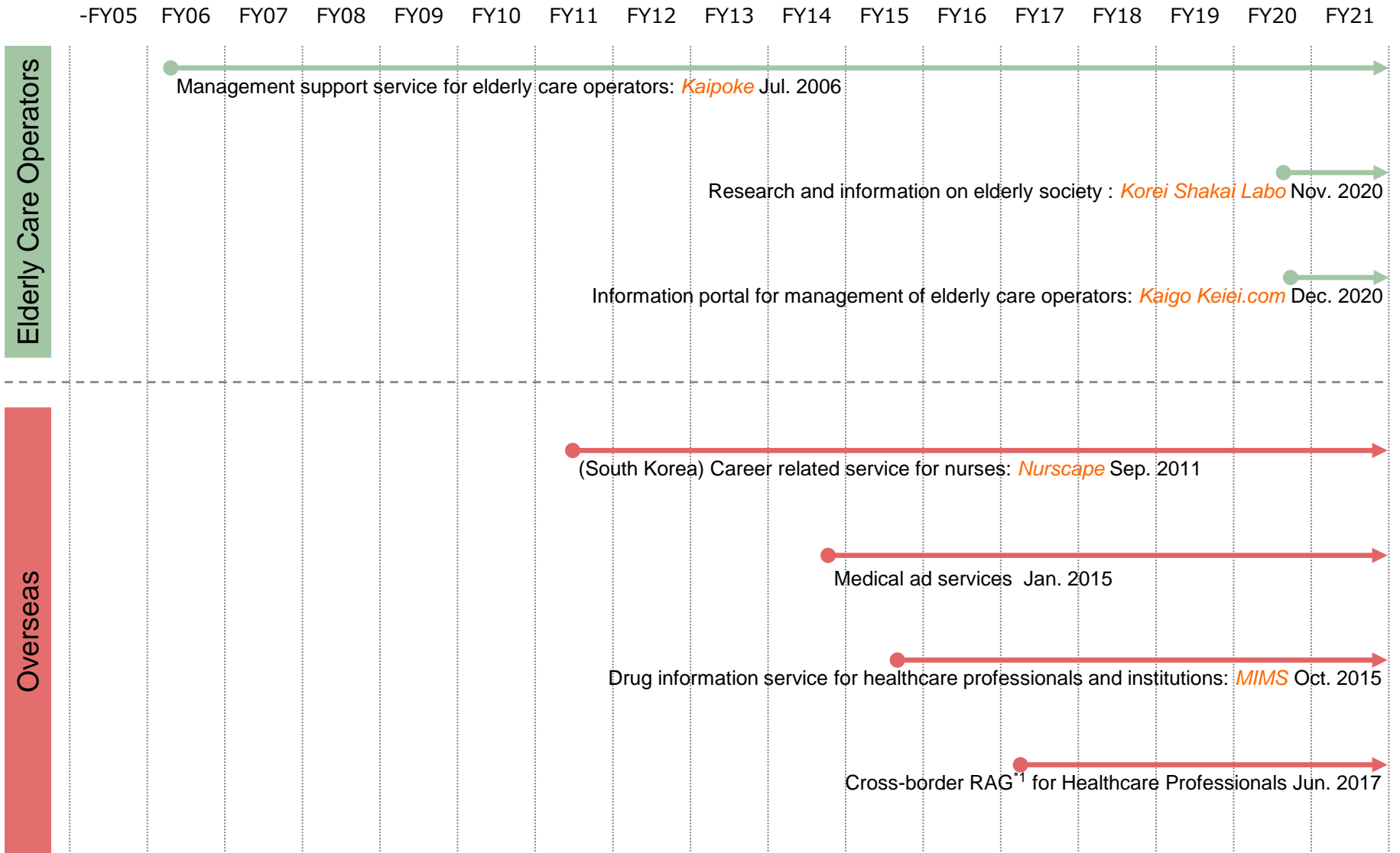
*1. RAD: Recruiting ads service RAG: Recruiting agent service

2 History of Service Launches 2/5

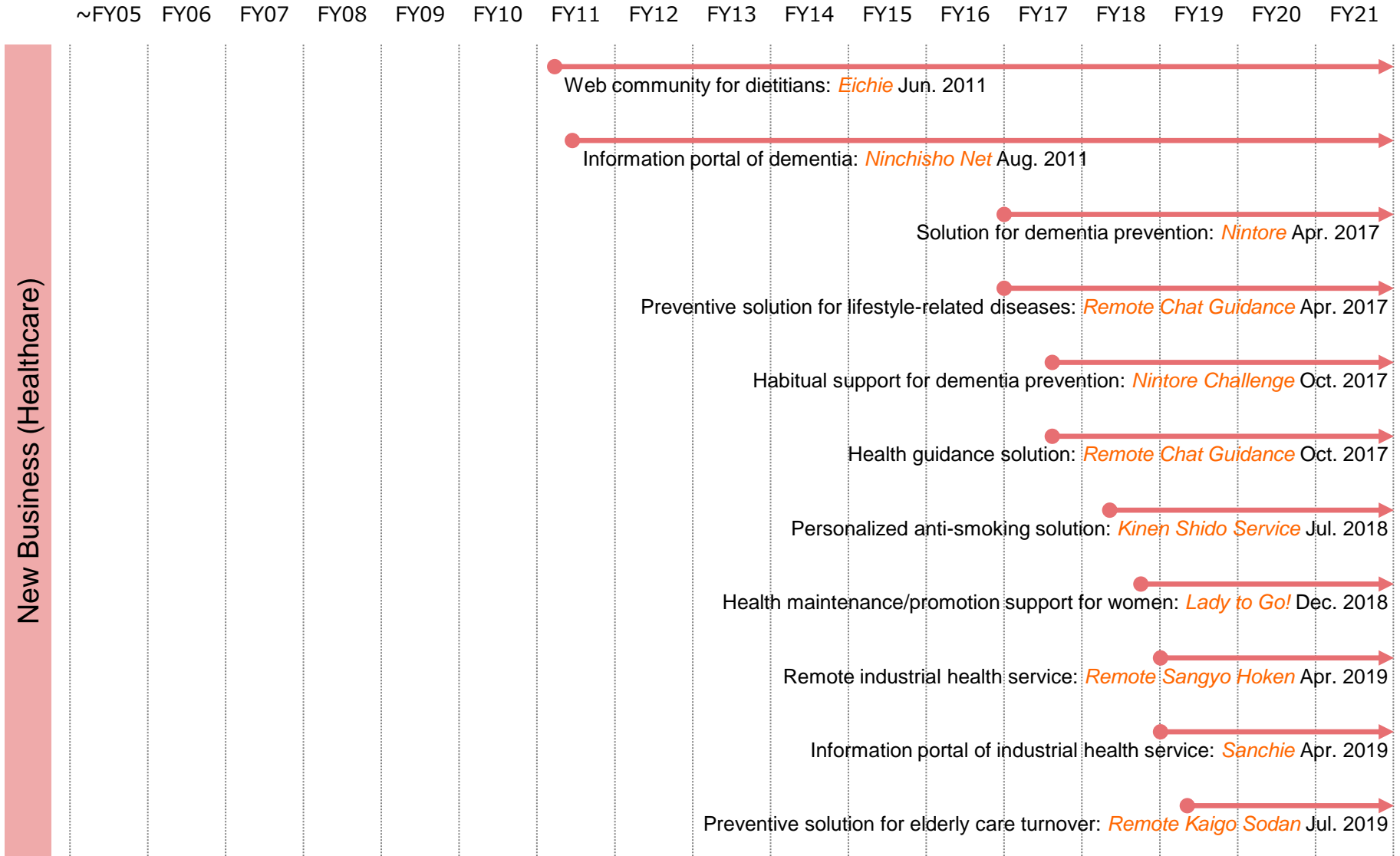


*1. RAD: Recruiting ads service RAG: Recruiting agent service

2 History of Service Launches 3/5



2 History of Service Launches 4/5

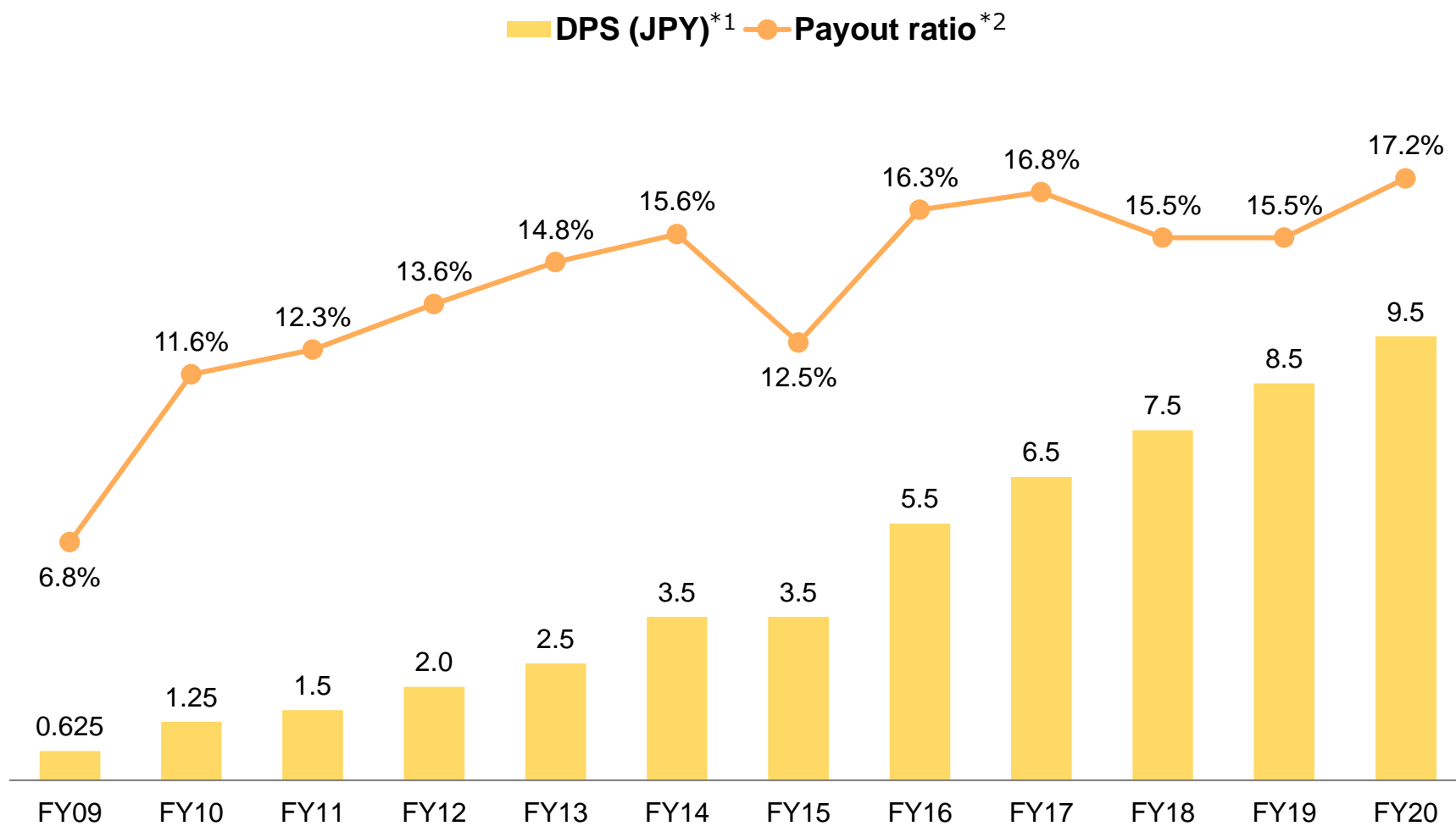


2 History of Service Launches 5/5

New Business (Senior Life)



2 Dividends



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

*2. Payout Ratio = DPS / EPS

2 Historical Financial Results



(JPY million)

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

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

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

2 Number of Employees and Shareholder Composition

Number of Employees

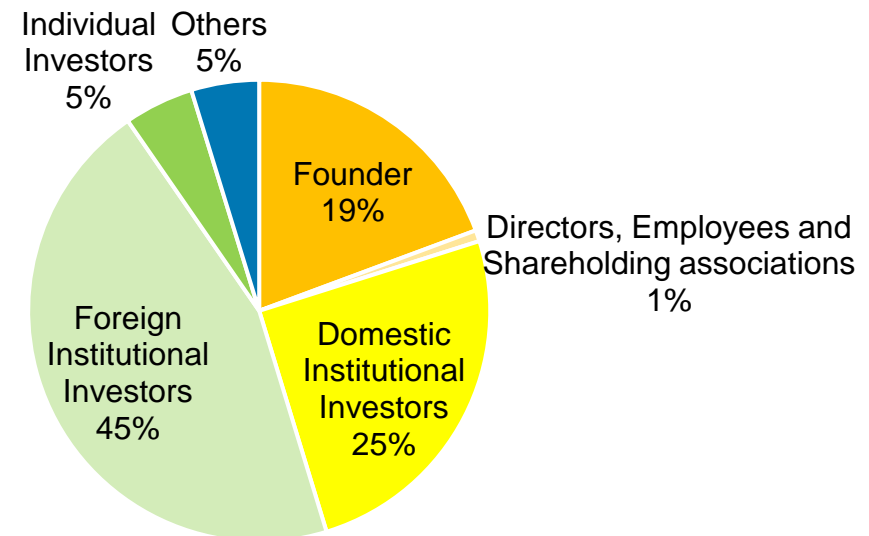
As of September 30, 2021 :

Employees (consolidated)	3,167
Japan	2,252
Overseas	915

Shareholder Composition*1

As of September 30, 2021:

Number of shareholders 6,204



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

Cautionary Statement with Respect to Forward-Looking Statements



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

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

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

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

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

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

For any inquiries on the materials, please contact below:
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