



SMS Co., Ltd. (2175 TSE Prime Market) Earnings Presentation for Investors, FY03/2022

April 28, 2022

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01 **FY03/2022 Consolidated Financial Results**

FY03/22 Consolidated Financial Results (Full-year)

- Achieved growth in both sales and profits for the 18th consecutive year.
- FY03/22 profits outperformed our forecast, although the COVID-19 impact exceeded initial expectation.

FY03/22 [JPY million]

	FY03/21 Actual	FY03/22 Forecast	FY03/22 Actual	YoY Change	vs. Forecast
Net Sales	35,960	40,043	38,899	+8%	(3%)
Operating Income	5,470	6,205	6,318	+16%	+2%
Ordinary Income	6,653	7,352	7,726	+16%	+5%
Net Income	4,800	5,281	5,408	+13%	+2%

FY03/22 Career Segment (Full-year)

- The COVID-19 pandemic negatively affected both Elderly Care Career and Medical Care Career and temporarily decreased the growth rates.*1
- Significant surges in new cases from July to September, 2021 and from January to March, 2022 caused a more negative impact on our business than expected.
- With the expanding demands for medical/ elderly care professionals due to the aging of the population as well as the recovery of business operators' willingness to hire professionals, we hired more career partners than originally budgeted, aiming for boosting the growth rate from FY03/23 onwards.

Sales, FY03/22 [JPY million]

	FY03/21 Actual*2	FY03/22 Actual	YoY Change
Elderly Care Career	10,948	10,487	(4%)
Medical Care Career	12,521	13,011	+4%
Total	23,469	23,498	+0%

1. The sales of Elderly Care Career decreased by JPY 400 million due to the termination of temporary staffing service for care workers in August 2020. The sales of Medical Care Career decreased by JPY 180 million due to changes in revenue recognition standards, which were applied from the beginning of FY03/22.

2. The stress check service was transferred from Career Segment to New Business Segment, and the FY03/21 sales were reclassified accordingly.

FY03/22 Elderly Care Operators Segment (Kaipoke, Full-year)

- The number of Kaipoke memberships increased steadily.
 - 34,850 service offices (23,900 locations^{*1}) as of April 1, 2022.
 - Annual membership increase: 3,750 service offices (2,650 locations)
- Sales of optional add-ons such as additional tablets and smartphones increased.

Sales, FY03/22 [JPY million]

	FY03/21 Actual	FY03/22 Actual	YoY Change
Elderly Care Operators (Kaipoke)	5,918	7,192	+22%

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.

FY03/22 Overseas Segment (Full-year*1)

- 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.

Sales, FY03/22 [JPY million]

	FY03/21 Actual	FY03/22 Actual	YoY Change
Overseas	5,147	6,362	+24%

1. Income statement of MIMS is consolidated with a three-month delay and the results are for January to December. (Please refer to p.85)

2. Electronic direct mails

02 FY03/2023 Forecast

FY03/23 Consolidated Financial Forecast

- Expect double-digit growth in both sales and profits.
- Plan to invest actively in hiring and other strategic areas and get back on a sustainable high-growth track in post pandemic.

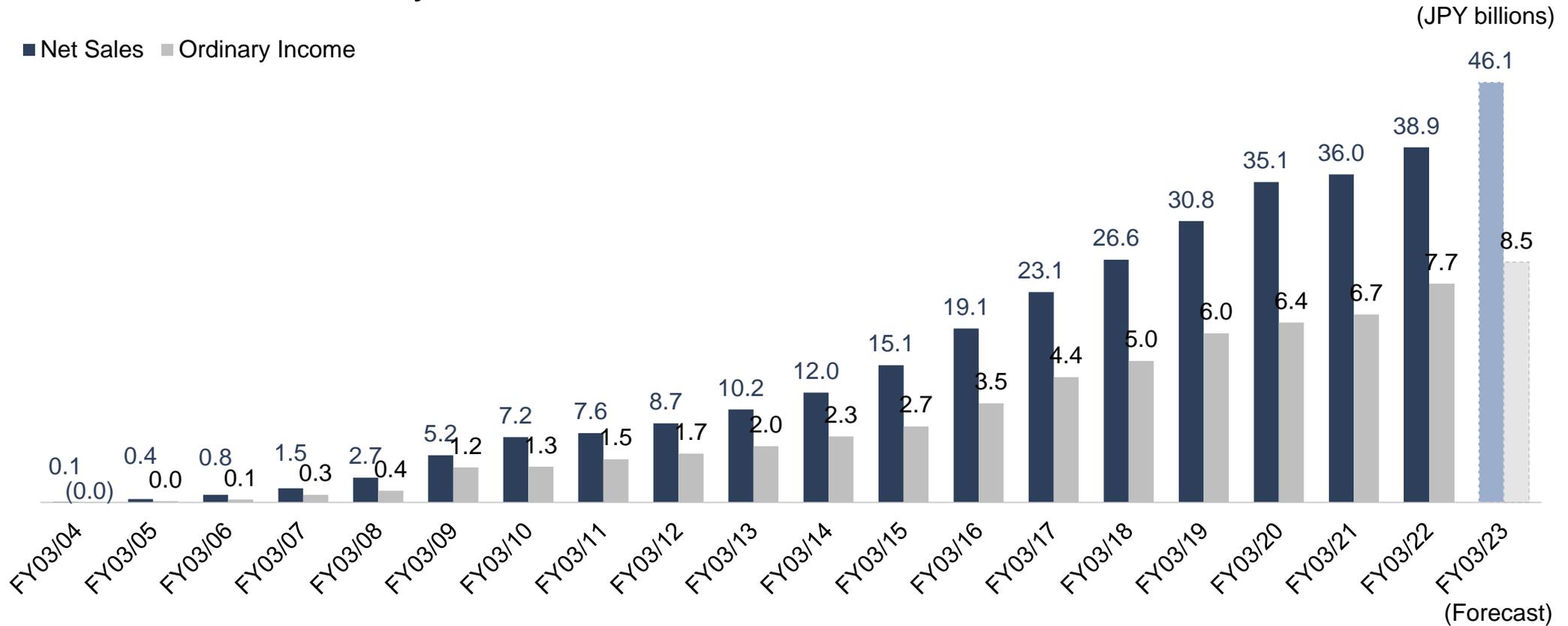
FY03/23 Forecast [JPY million]

	FY03/22 Actual	FY03/23 Forecast	Difference (Amount)	YoY Change
Net Sales	38,899	46,063	7,164	+18%
Operating Income	6,318	7,238	919	+15%
Ordinary Income	7,726	8,499	773	+10%
Net Income	5,408	5,984	575	+11%

Historical Financial Results and FY03/23 Forecast

Expect to achieve growth in both sales and profits for the 19th consecutive year since our establishment.

Trends in net sales and ordinary income



FY3/23 Forecast: Career Segment

- The demands for medical care and elderly care professionals continue to expand over the long term with the aging of the population and the decline in the working-age population.
- With the improvement of business operators' willingness to hire professionals, we plan to increase the number of hiring of career partners and get back on the growth track.

Sales, FY03/23 Forecast [JPY million]

	FY03/22 Actual	FY03/23 Forecast	YoY Change
Elderly Care Career	10,487	12,993	+24%
Medical Care Career	13,011	14,036	+8%
Total	23,498	27,029	+15%

FY3/23 Forecast: Elderly Care Operators Segment (Kaipoke)

- Long-term market prospects remain strong, backed by a continuous increase in the number of elderly care operators and their needs for management support.
- Expect steady growth by acquiring new customers and increasing the usage of optional add-ons such as tablets and smartphones.

Sales, FY03/23 Forecast [JPY million]

	FY03/22 Actual	FY03/23 Forecast	YoY Change
Elderly Care Operators (Kaipoke)	7,192	8,441	+17%

FY3/23*¹ Forecast: Overseas Segment

- Long-term market prospects for the Medical Platform Business remain strong with a continuous expansion of the healthcare market in Asia. Expect steady growth by promoting online services.
- The global career business has huge long-term growth potential with the expanding demands for healthcare professionals across the globe. Expect significant growth owing to the easing of travel restrictions and by increasing the number of clients (healthcare institutions).

Sales, FY03/23 Forecast [JPY million]

	FY03/22 Actual	FY03/23 Forecast	YoY Change
Overseas	6,362	7,918	+24%

1. Income statement of MIMS is consolidated with a three-month delay and the results are for January to December. (Please refer to p.85)

03 References

Mission and Strategy

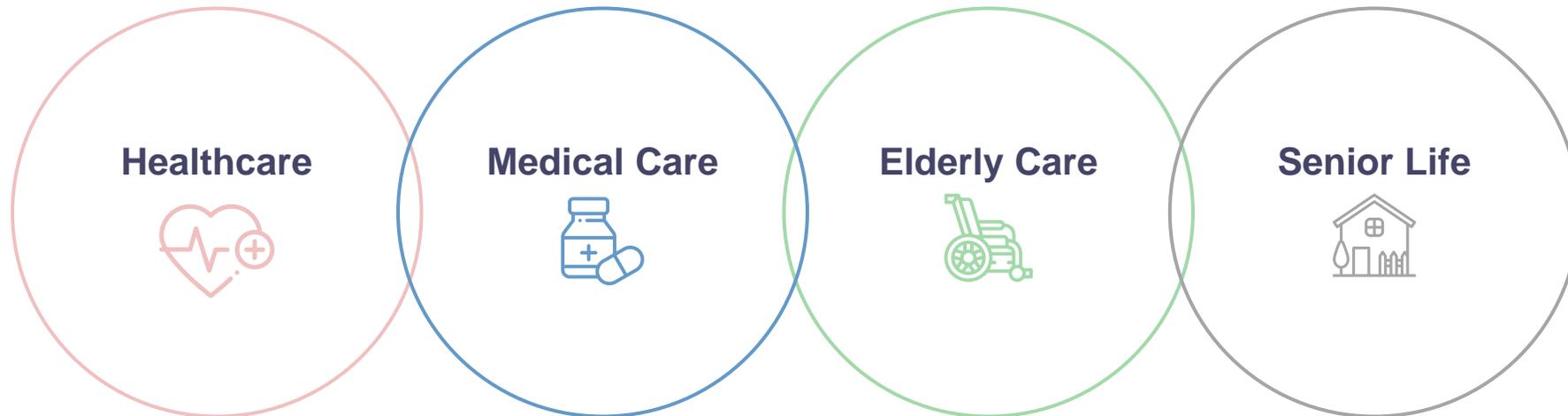
Mission

Group Mission

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

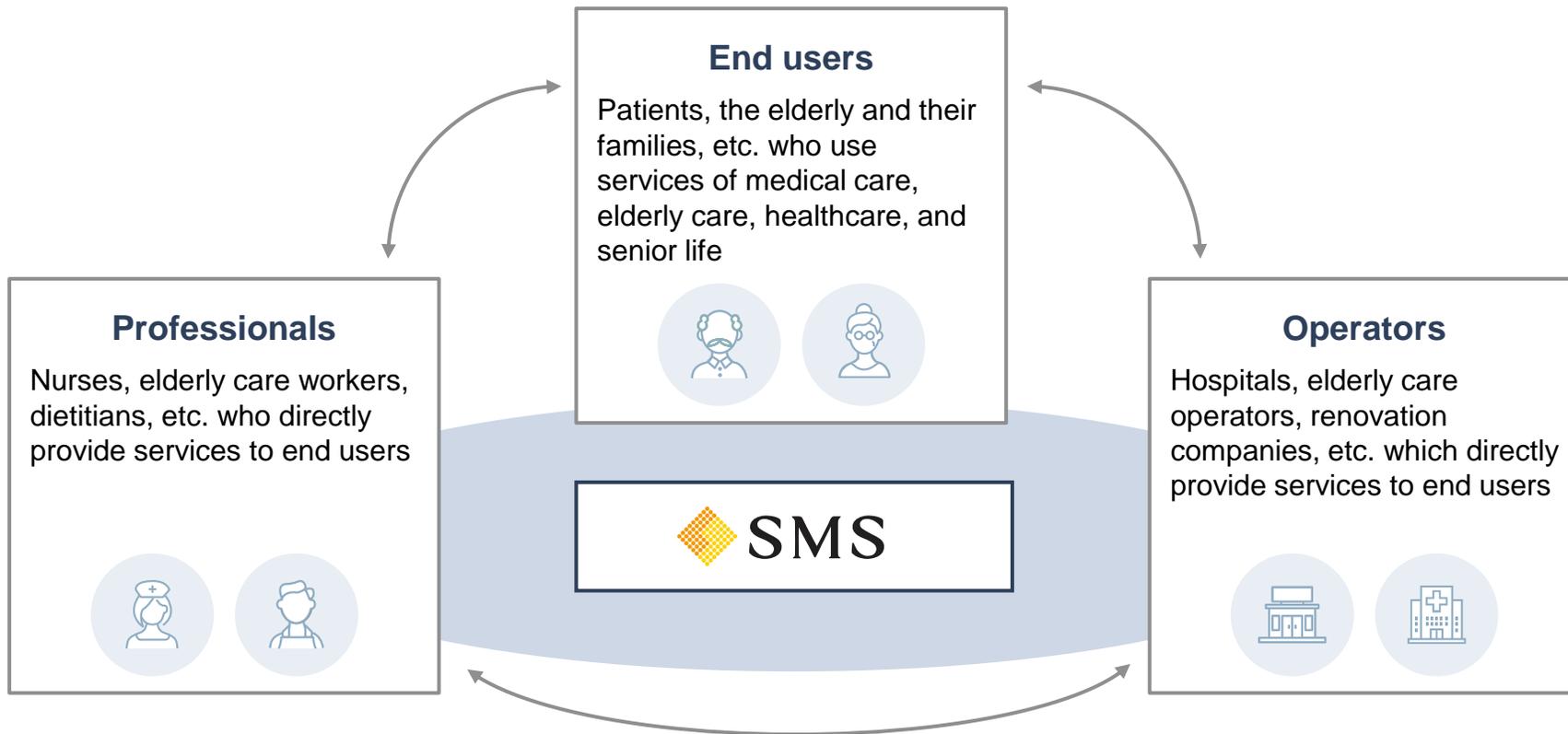
Aging Society

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



Information Infrastructure

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



Business Areas

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

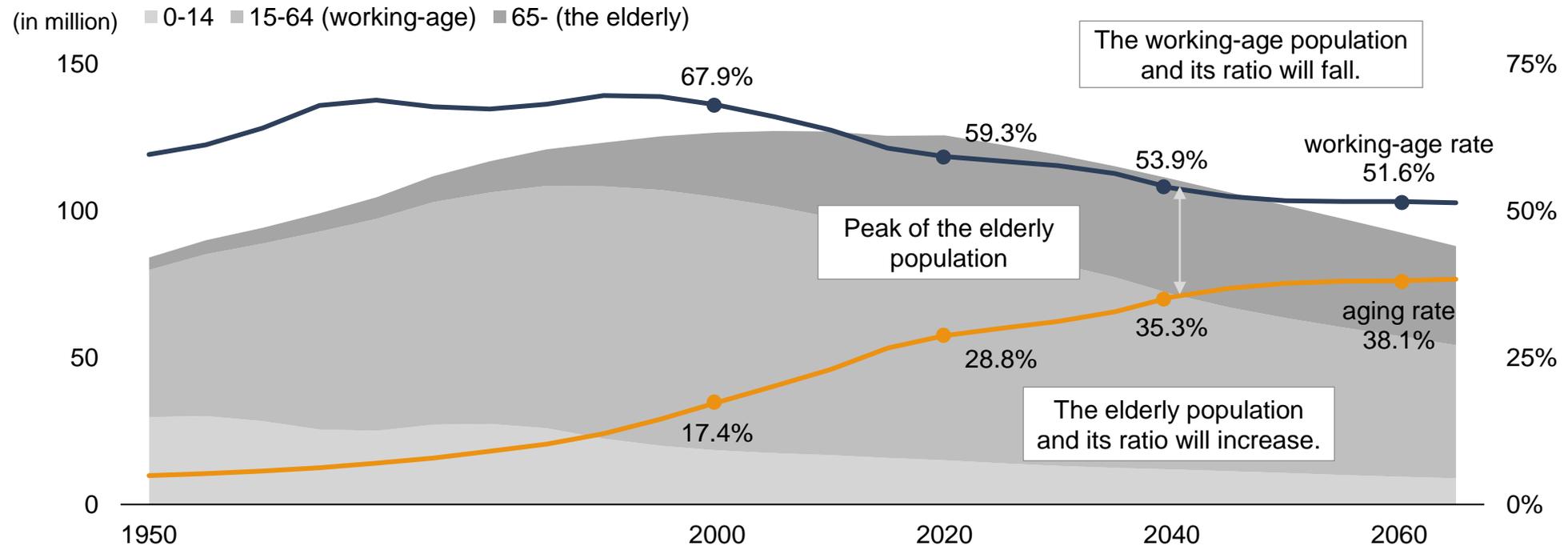
	Healthcare 	Medical Care 	Elderly Care 	Senior Life 
Professionals 				
Operators 	Business Areas			
End users 				

Issues in an Aging Society and Our Solutions

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

- We are facing rapid aging and population decline simultaneously in Japan.
- The aging rate is expected to exceed 35% by 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"

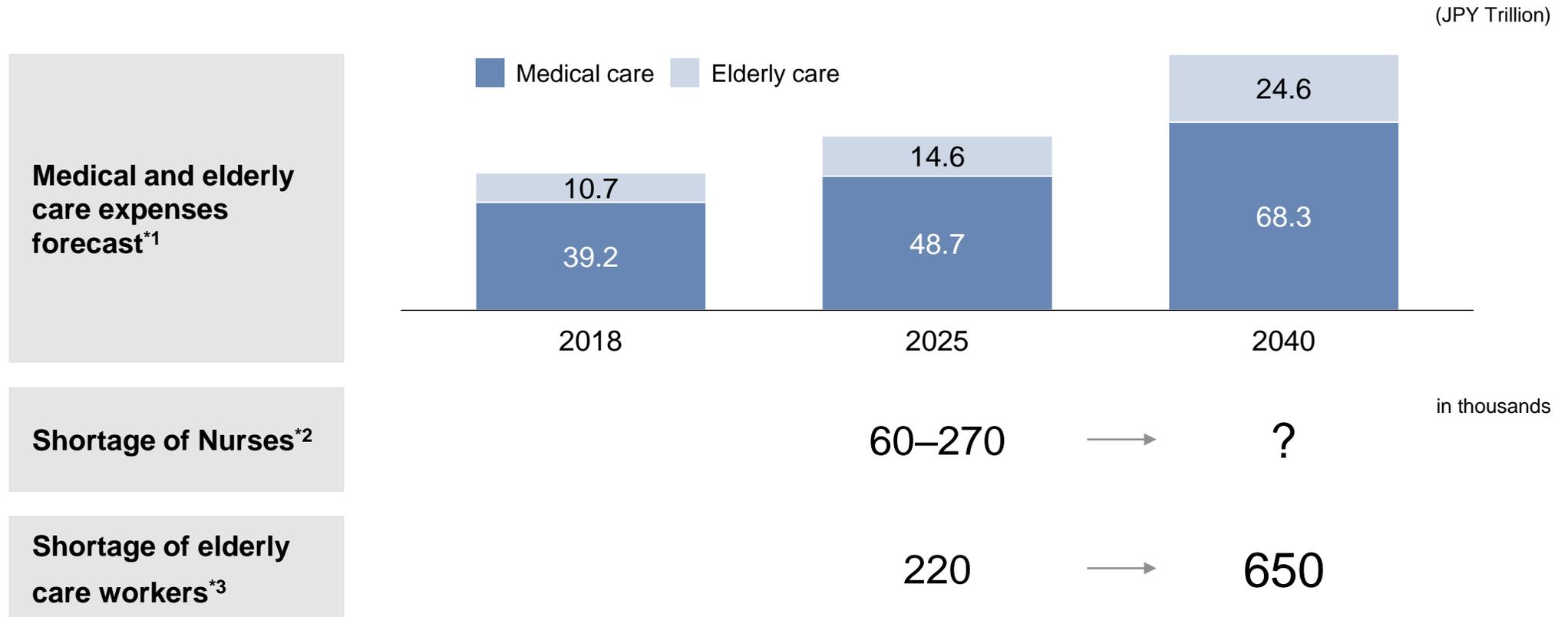
Three Critical Issues Faced by an Aging Society

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

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

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

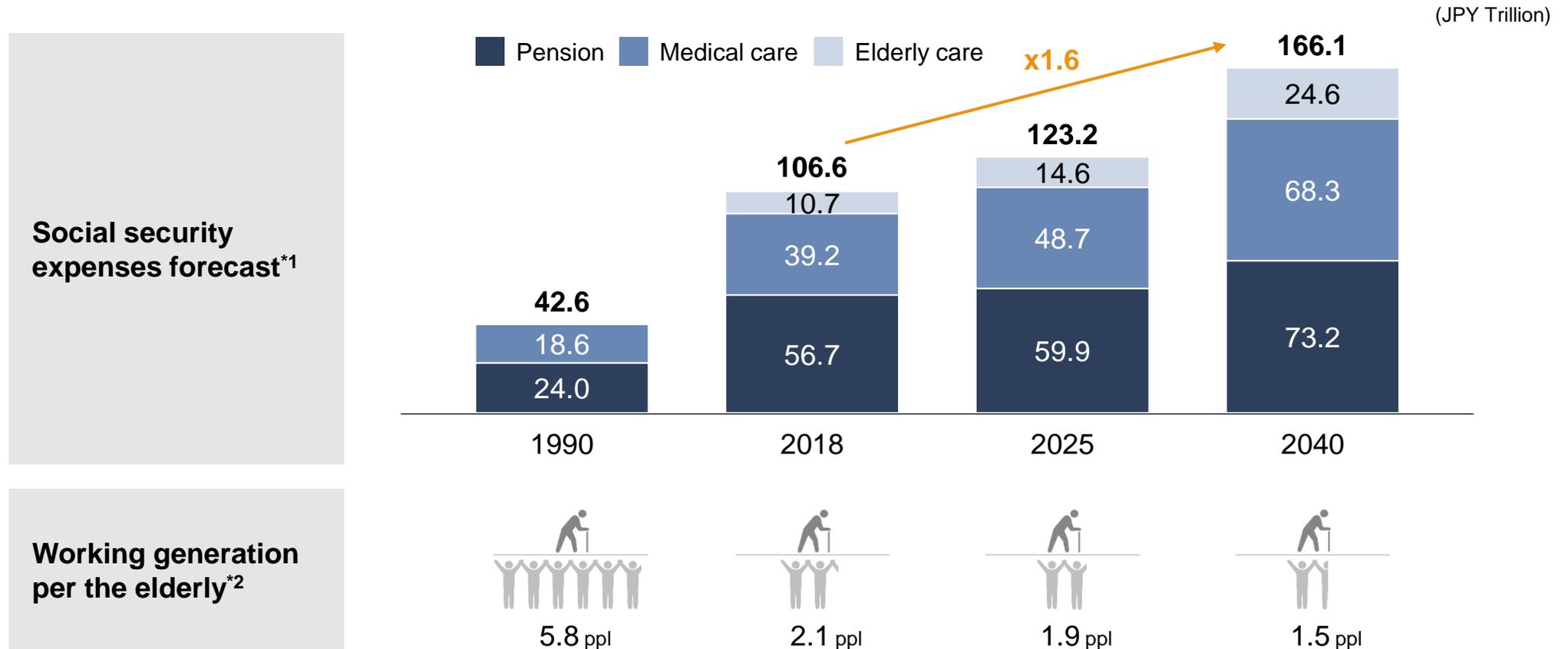
While the demand for medical care and elderly care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly care services.



1. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"
 2. MHLW, "Subcommittee on supply and demand of nursing staff, study group on supply and demand of medical care workers"
 3. MHLW, "Required number of elderly care staff based on the 8th plan for long-term care insurance"

Issue 2: More severe burden on the working generation

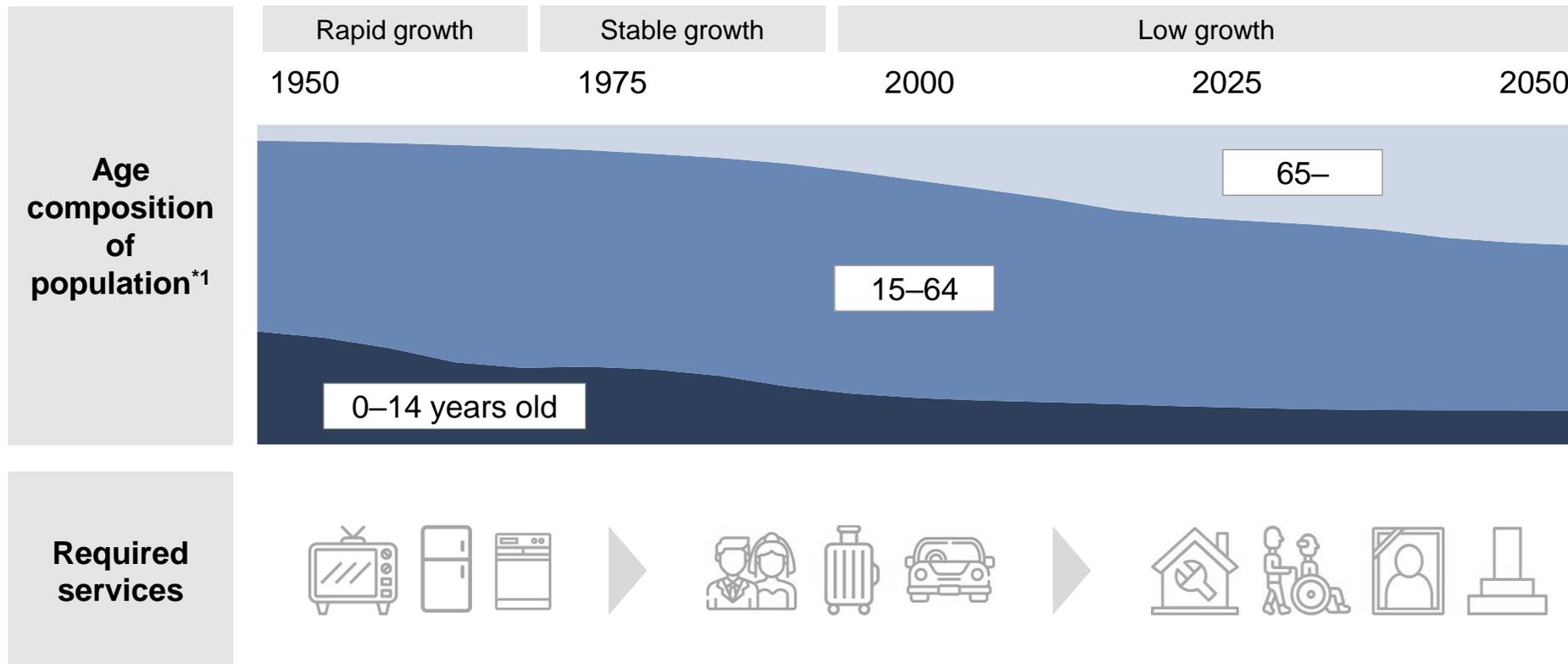
The burden on the working generation will become more serious due to the increasing social security expenses for pensions, medical care, and elderly care, as well as the declining working-age population who cover these expenses.



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"

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

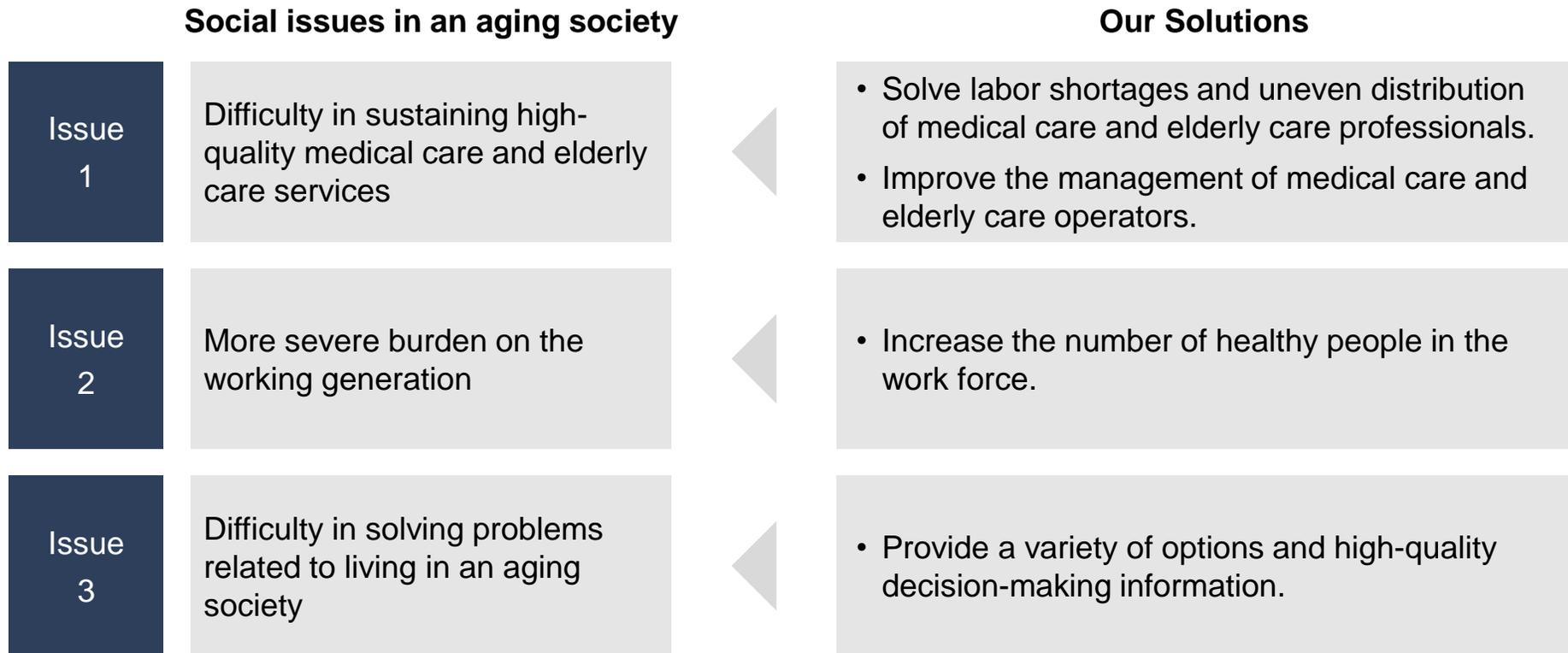
- While services required in society are changing and expanding with the population aging, information related to living in an aging society is insufficient in terms of quality and quantity, and the future labor shortage will result in an inability to adequately supply such services.
- The elderly and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



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

Our Solutions for Issues in an Aging Society

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



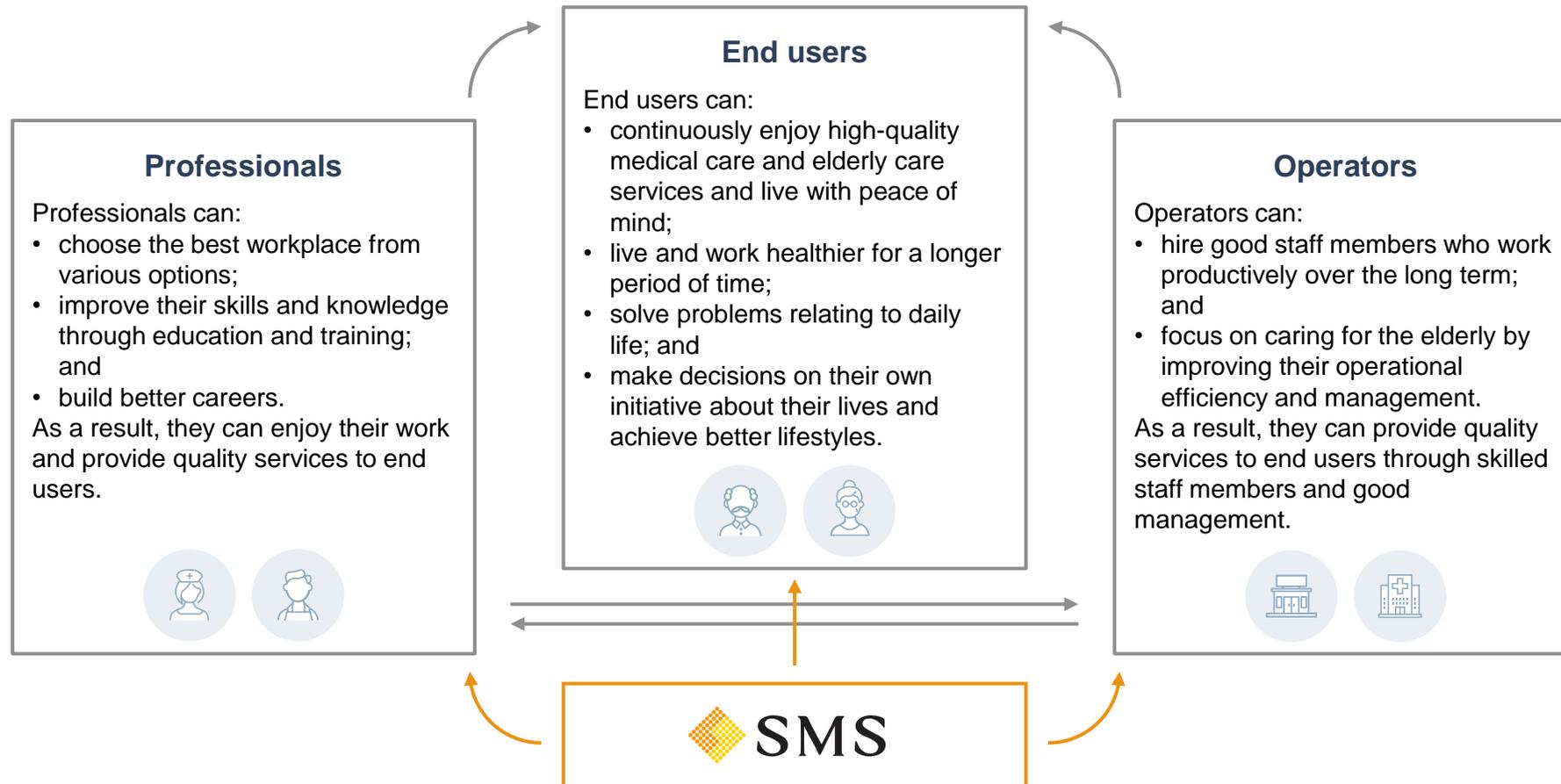
Strategic Business Areas

Aim to solve the three critical issues in an aging society by defining our strategic business areas as Career, Elderly 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 data-bbox="930 906 1031 1006" style="background-color: #333; color: white; padding: 5px; border-radius: 10px;">Issue 2</div> <div data-bbox="891 1035 1070 1106">Healthcare Business</div>	<div data-bbox="1223 806 1324 906" style="background-color: #333; color: white; padding: 5px; border-radius: 10px;">Issue 1</div> <div data-bbox="1350 821 1503 892">Career Business</div>		<div data-bbox="1949 906 2051 1006" style="background-color: #333; color: white; padding: 5px; border-radius: 10px;">Issue 3</div> <div data-bbox="1911 1035 2089 1106">Senior Life Business</div>
Operators 		<div data-bbox="1579 856 1681 956" style="background-color: #333; color: white; padding: 5px; border-radius: 10px;">Issue 1</div> <div data-bbox="1477 978 1783 1049">Elderly Care Operators Business</div>		
End users 				

Realization of the Group Mission

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



Growth Track

Location

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



- | | |
|-------------|-------------|
| Japan | Vietnam |
| South Korea | Philippines |
| China | Myanmar |
| Hong Kong | India |
| Taiwan | Australia |
| Singapore | New Zealand |
| Malaysia | UAE |
| Indonesia | Ireland |
| Thailand | |

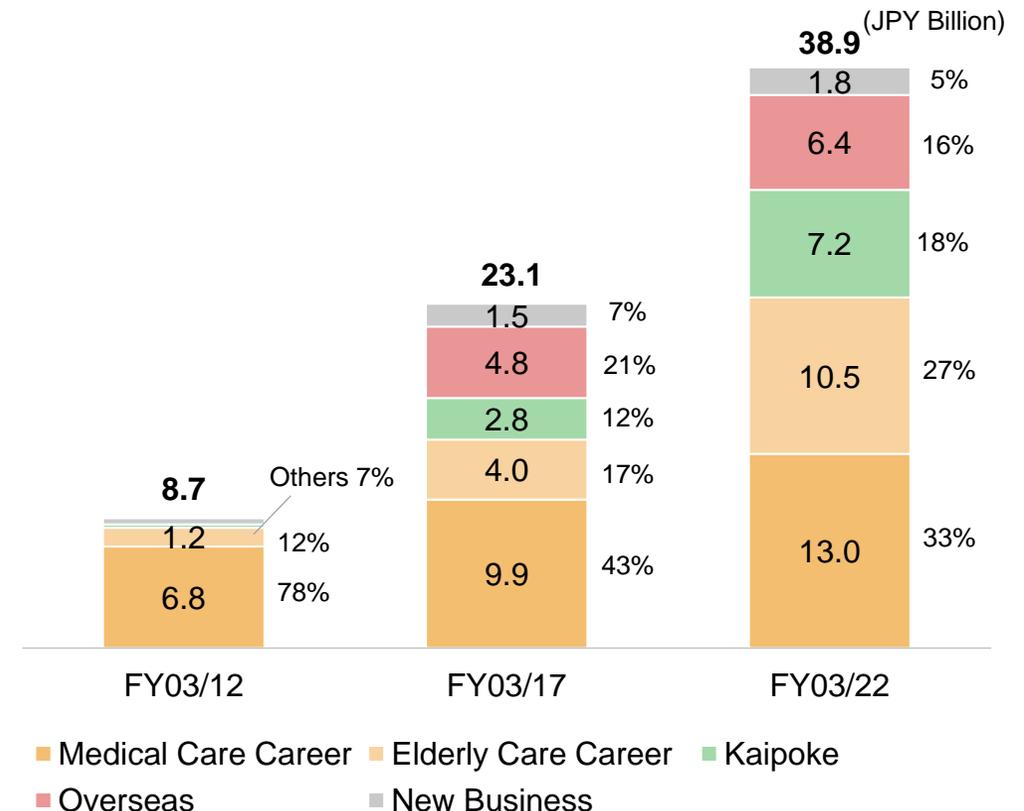
Business Portfolio

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

Business Areas

- **Career Business – Medical Care Career**
 - Recruiting service for medical care professionals
- **Career Business – Elderly Care Career**
 - Recruiting service for elderly 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

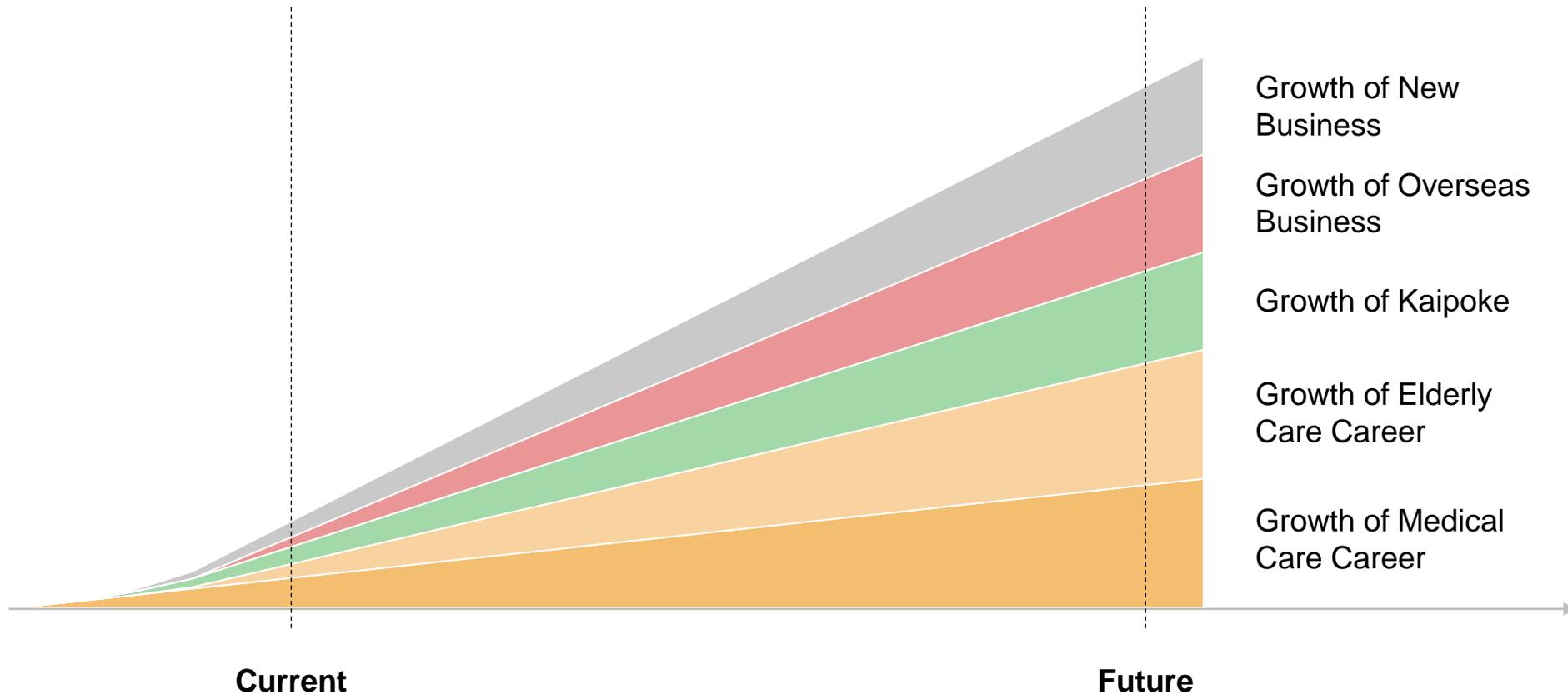
Breakdown of Net Sales



1. Healthcare professionals

Growth Scenario

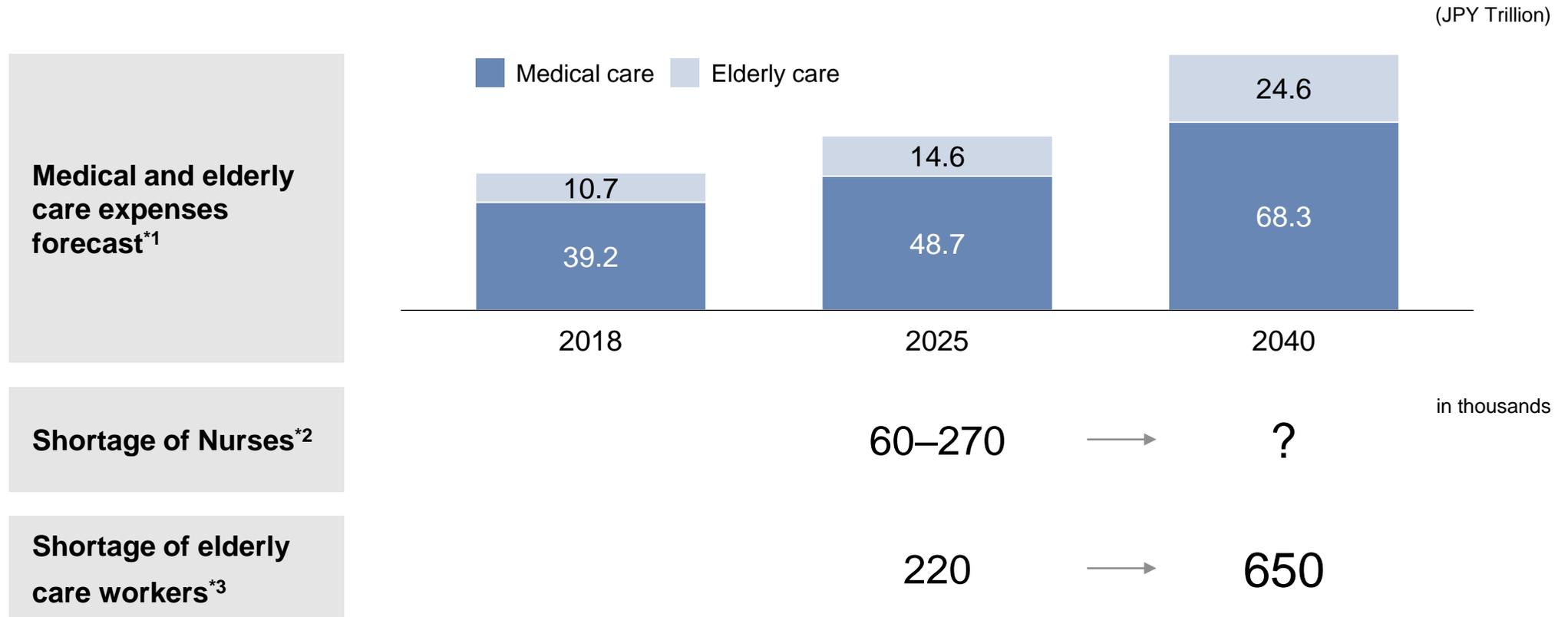
- On top of the solid expansion of Career Business, we accelerate the growth of Kaipoke and Overseas Business.
- Actively develop new businesses, mainly in healthcare and senior life domains, to create next pillars of our businesses, which will further drive our long-term growth.



Career Strategy

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

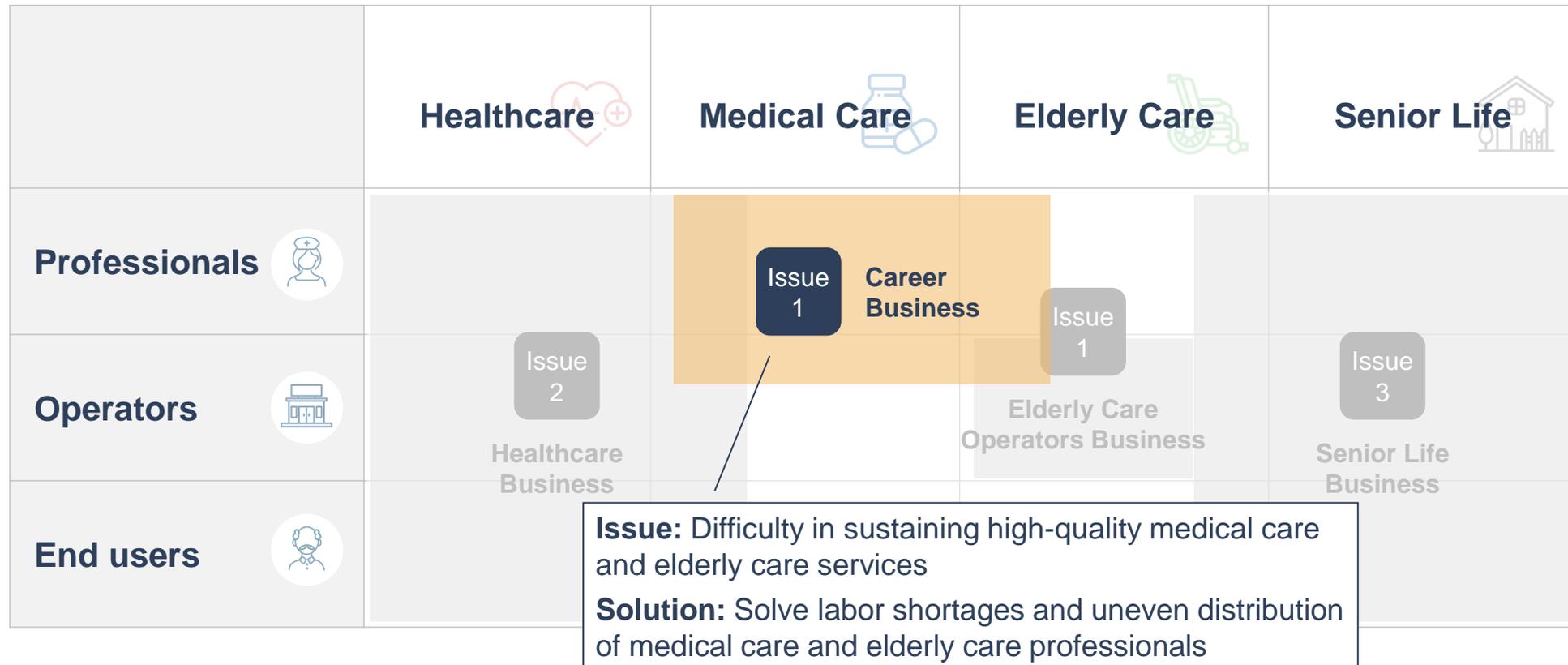
While the demand for medical care and elderly care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly care services.



1. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"
 2. MHLW, "Subcommittee on supply and demand of nursing staff, study group on supply and demand of medical care workers"
 3. MHLW, "Required number of elderly care staff based on the 8th plan for long-term care insurance"

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.

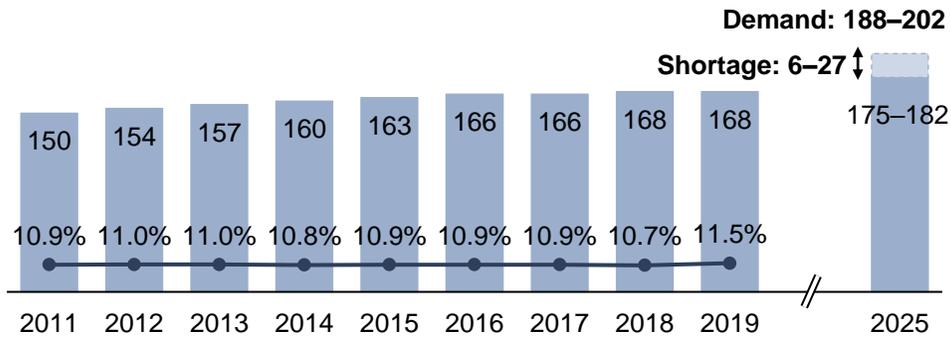


Shortage of Professionals

- 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.

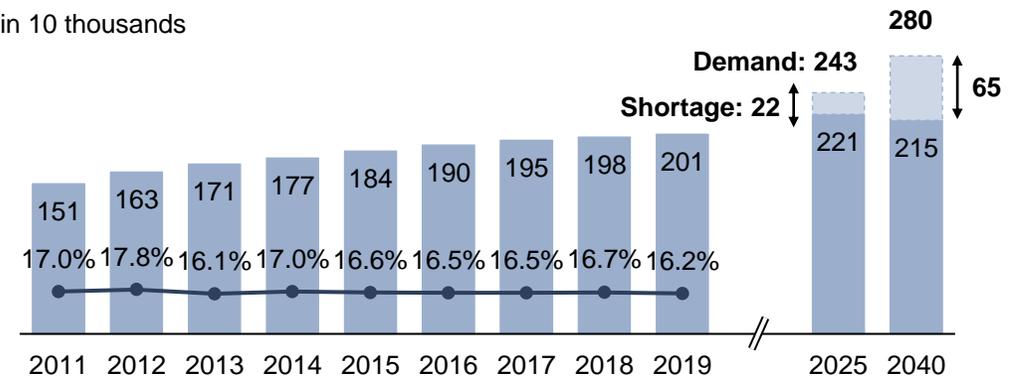
Number of nurses / their turnover rate*1

in 10 thousands

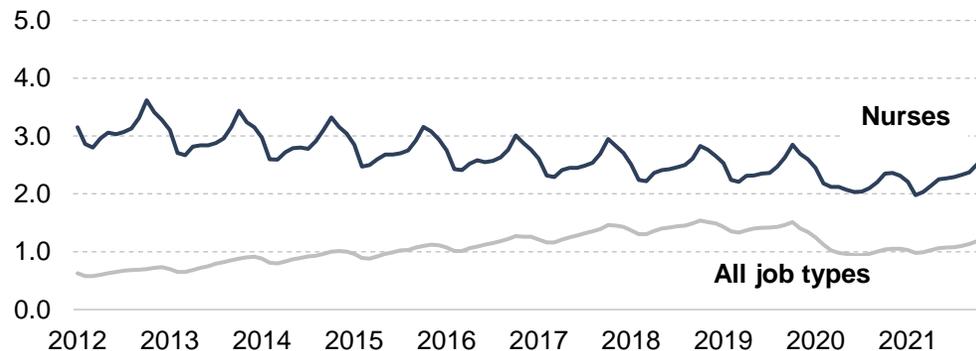


Number of care workers / their turnover rate*2

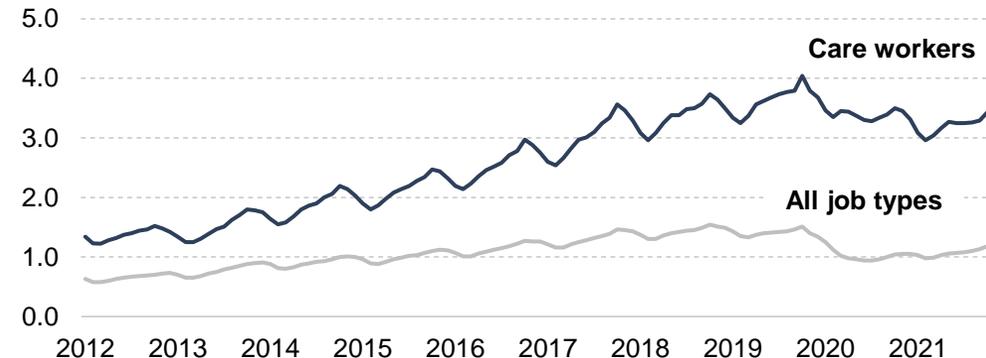
in 10 thousands



Jobs-to-applicants ratio of nurses*3



Jobs-to-applicants ratio of care workers*3



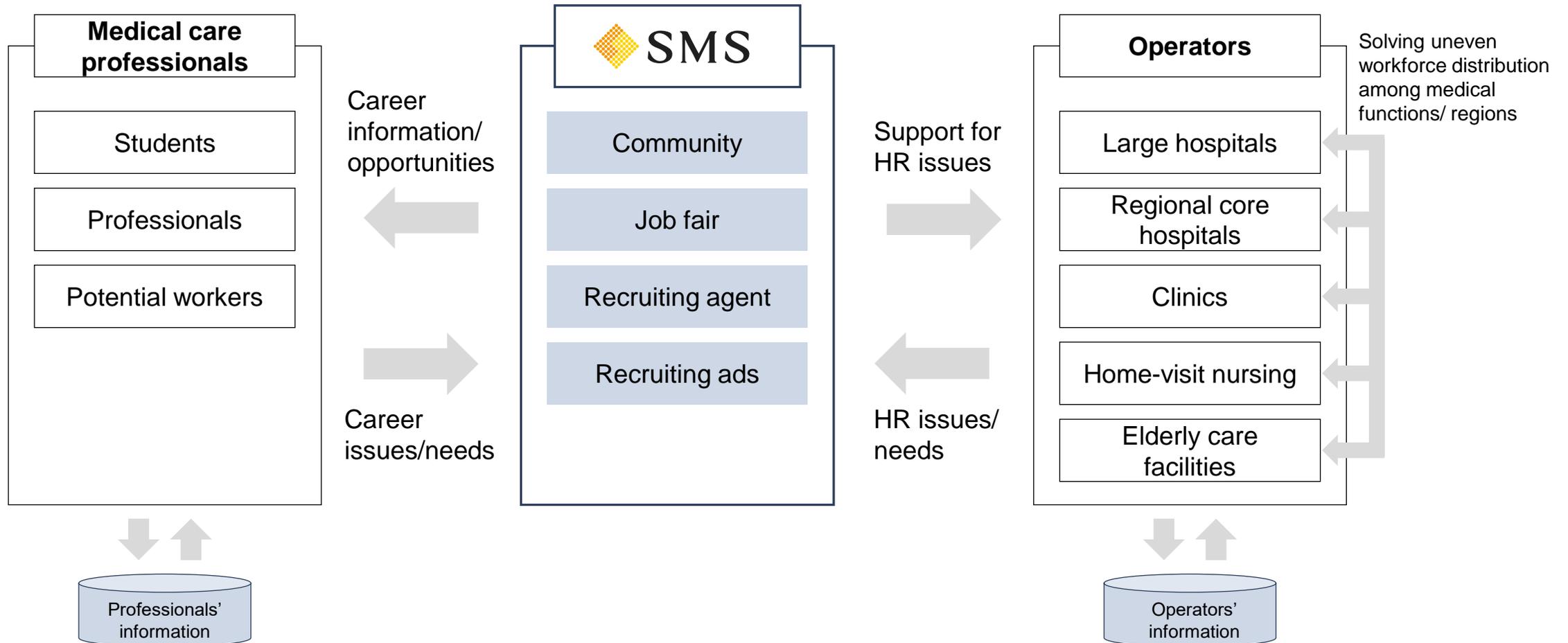
1. Japanese Nursing Association, Estimated number of nurses in 2025 – MHLW 2. Number of elderly care workers (Estimated number in 2025 and 2040) – MHLW, Turnover rate – Care Work Foundation 3. MHLW

Mission of Career Business

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

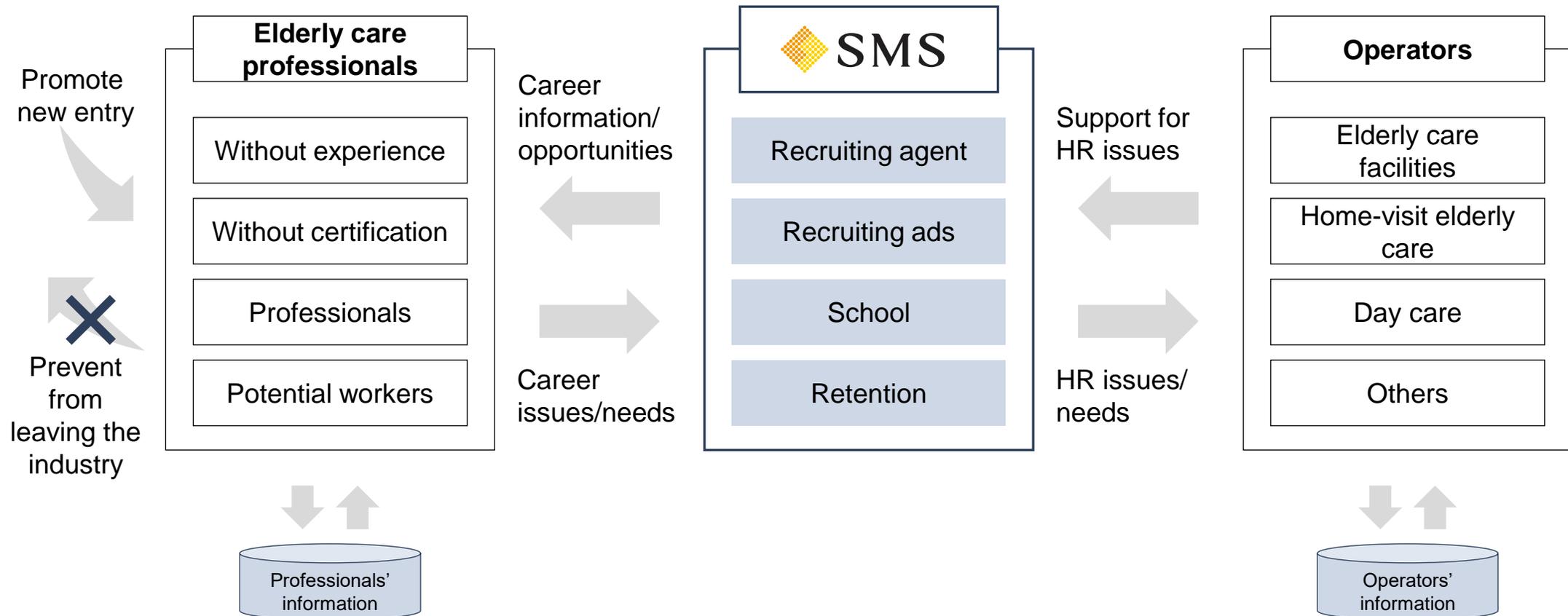
Strategy of Medical Care Career

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



Strategy of Elderly Care Career

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

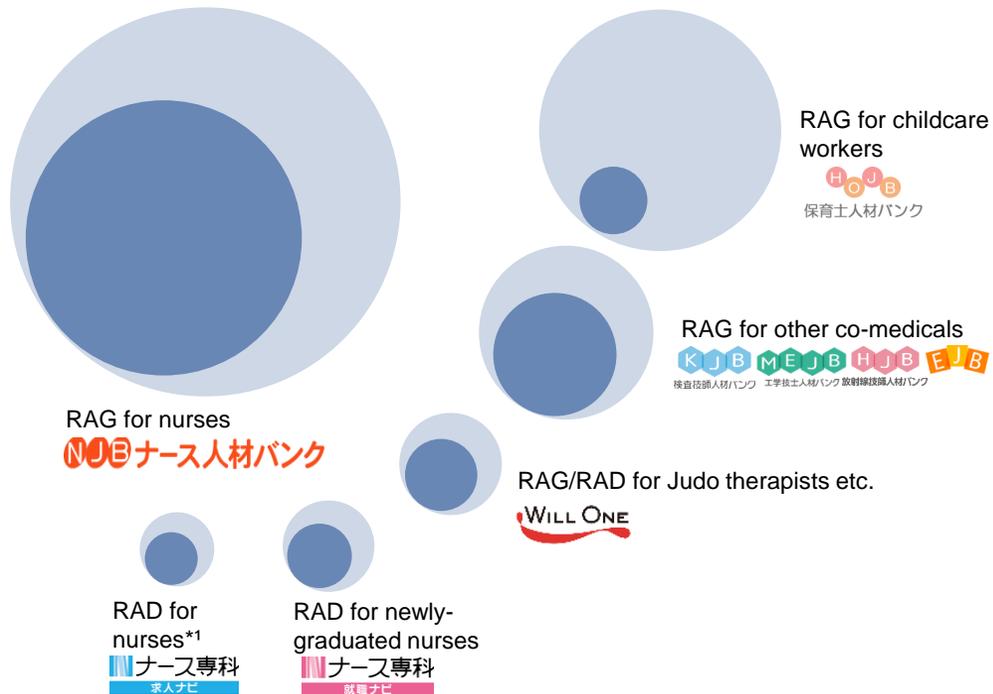


Growth Scenario

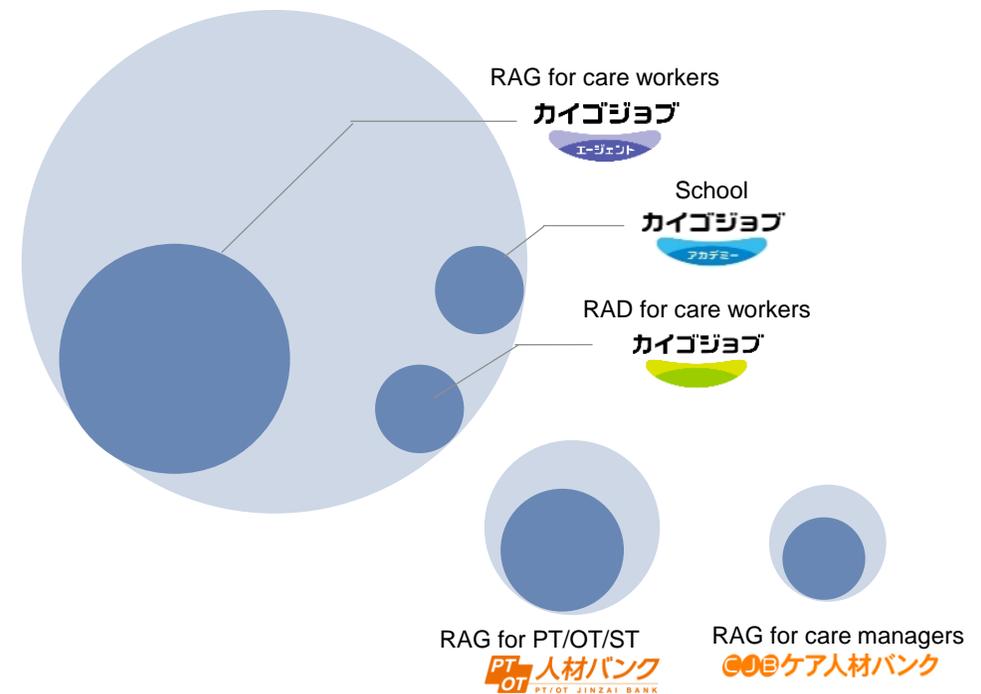
- The Career Segment has huge growth opportunities.
- In addition to the market share expansion of existing services such as RAG*1 for nurses, services for elderly care workers with serious labor shortages and services for newly-covered occupations such as childcare workers drive the growth.

Sales of Medical Care Career: JPY 13.0 billion*2*3

● : Sales for FY03/22 ● : Estimates of the future sales



Sales of Elderly Care Career: JPY 10.5 billion*3

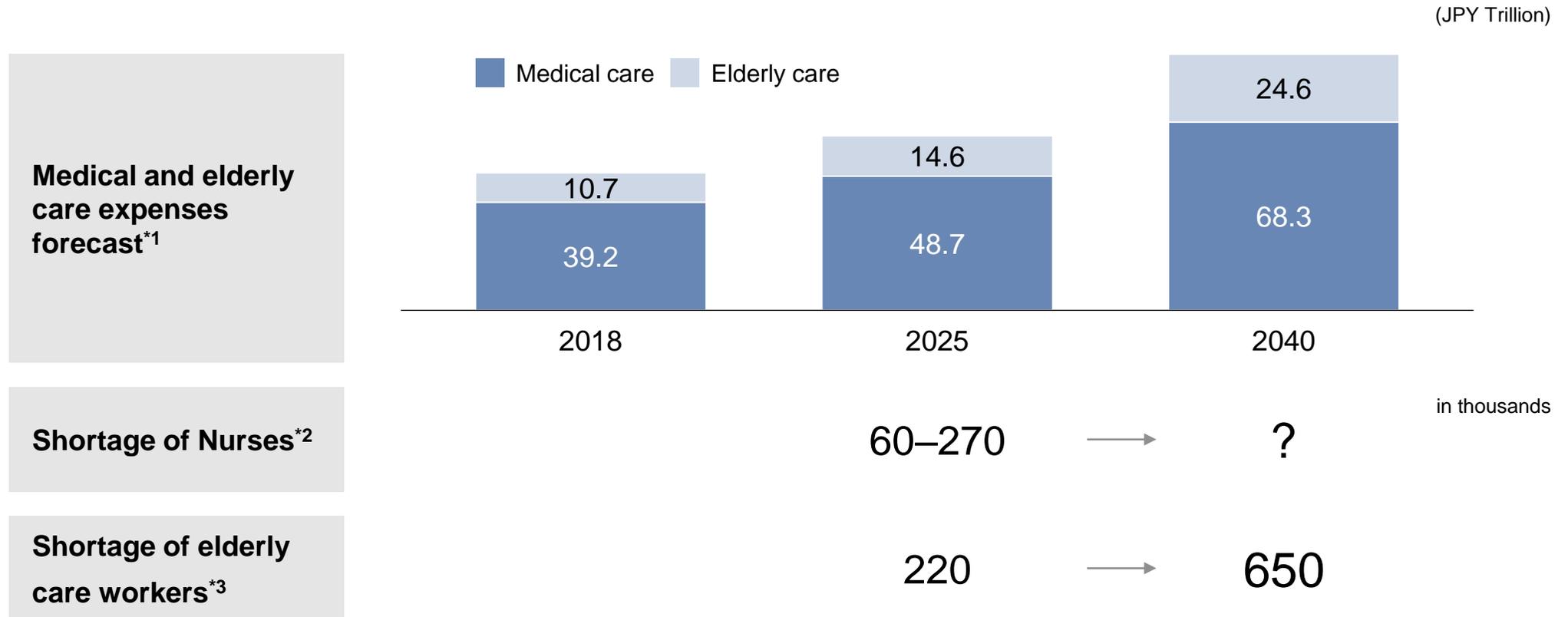


1. RAG: Recruiting Agent service RAD: Recruiting Ads service
 2. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).
 3. Sales for FY03/22

Elderly Care Operators (Kaipoke) Strategy

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

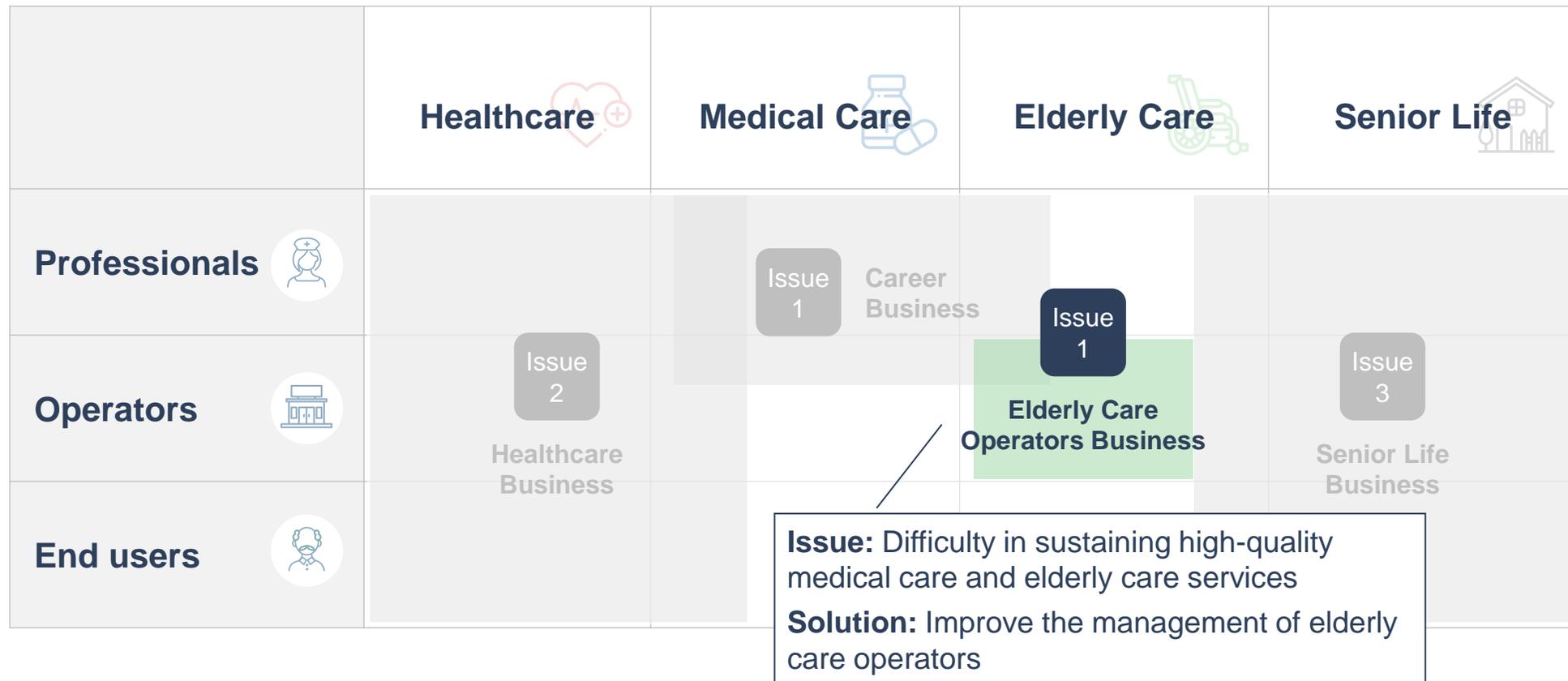
While the demand for medical care and elderly care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly care services.



1. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"
 2. MHLW, "Subcommittee on supply and demand of nursing staff, study group on supply and demand of medical care workers"
 3. MHLW, "Required number of elderly care staff based on the 8th plan for long-term care insurance"

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”.

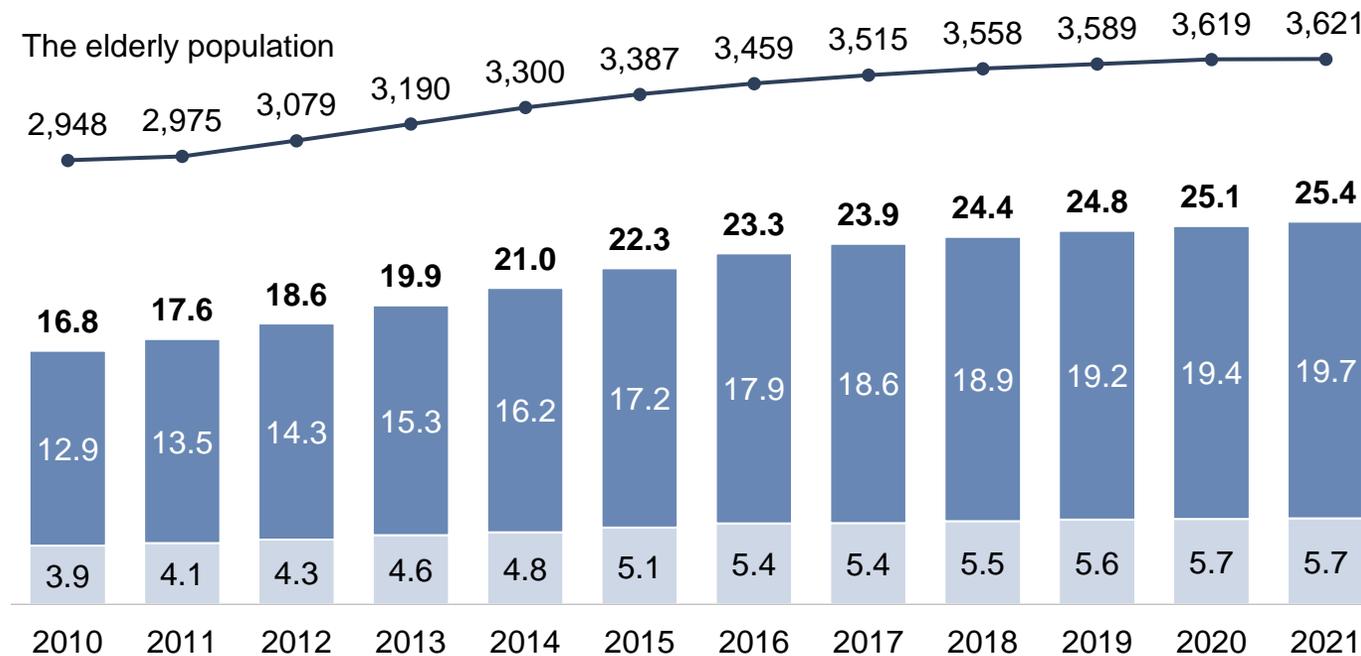


Business Environment of Kaipoke

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 (in 10 thousands)

of elderly care service offices CAGR: approx. 4%



Operators that Kaipoke covers^{*2}

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

Operators that Kaipoke does not 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.

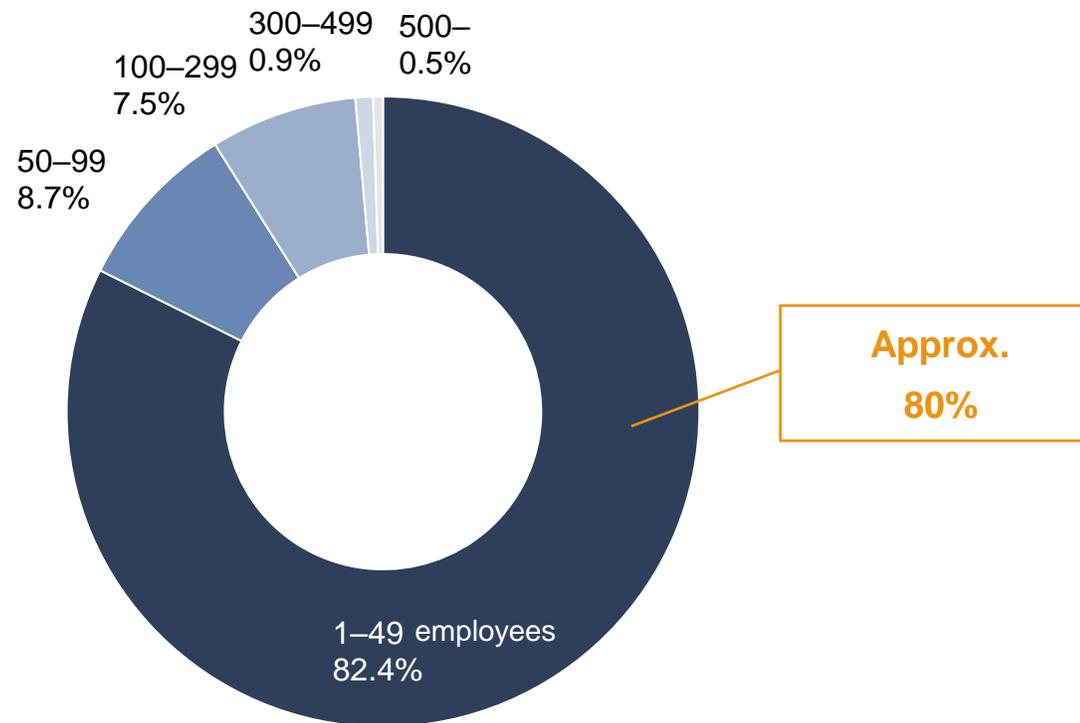
1. Number of elderly care service offices – MHLW; The elderly population – MIC

2. As of April 2022

Business Environment of Kaipoke

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

Size of elderly care operators*1



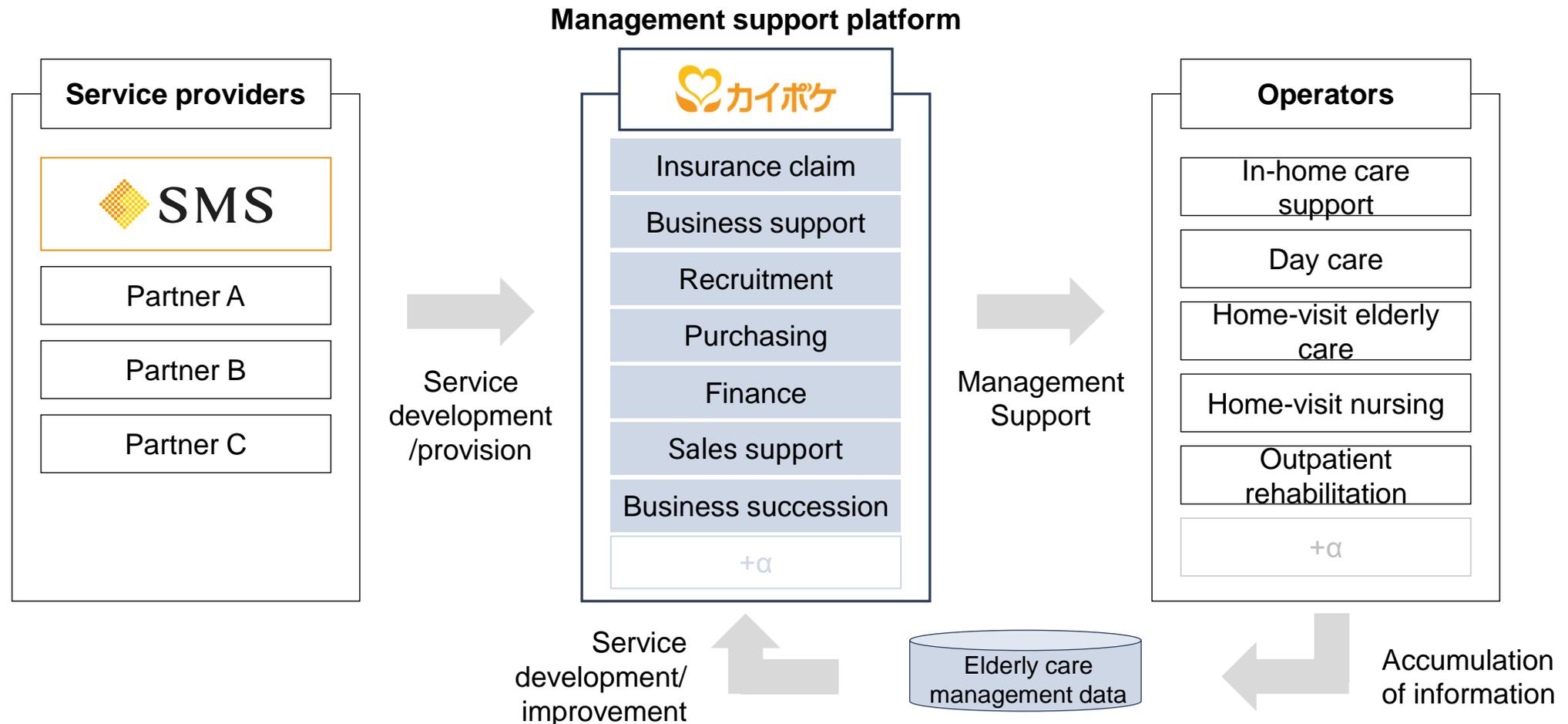
1. Survey by SMS

Mission of Kaipoke

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

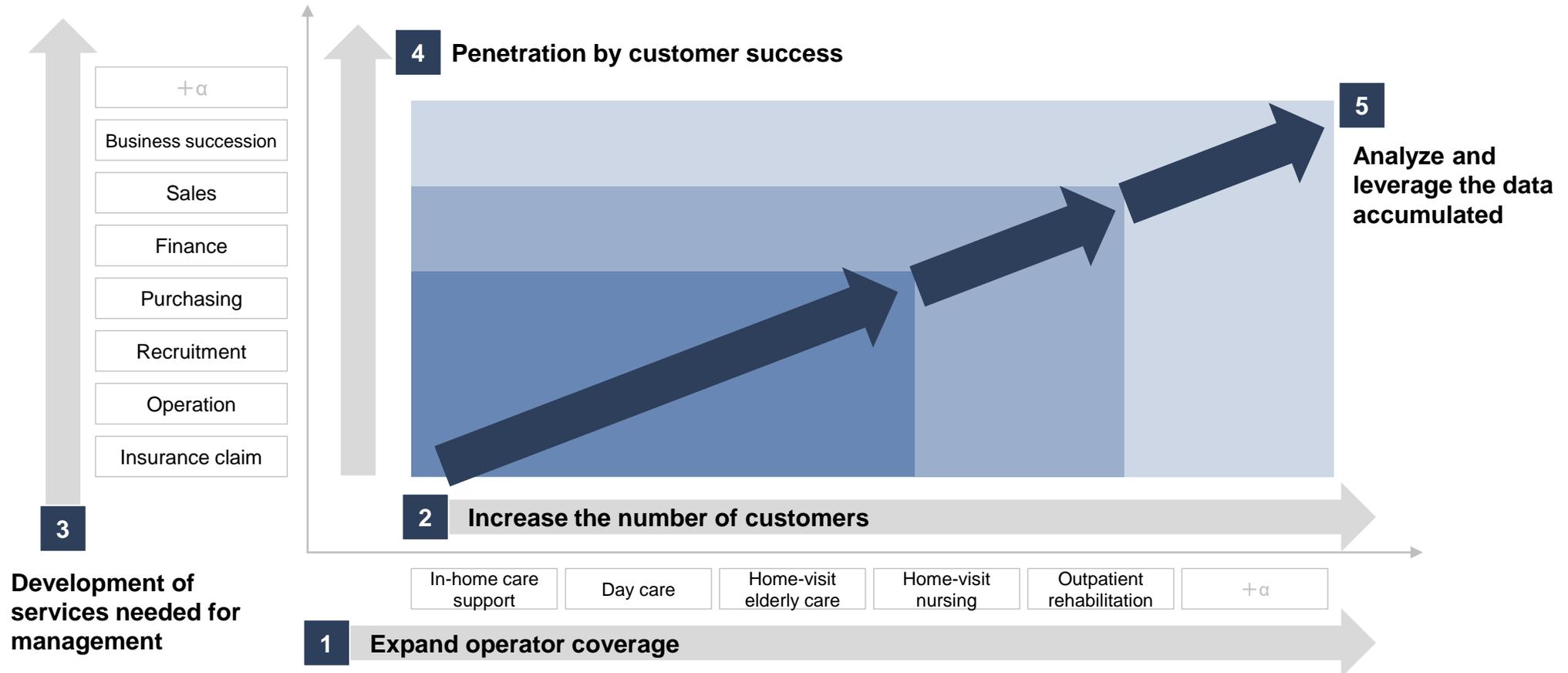
Management Support Platform

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



Strategy of Kaipoke

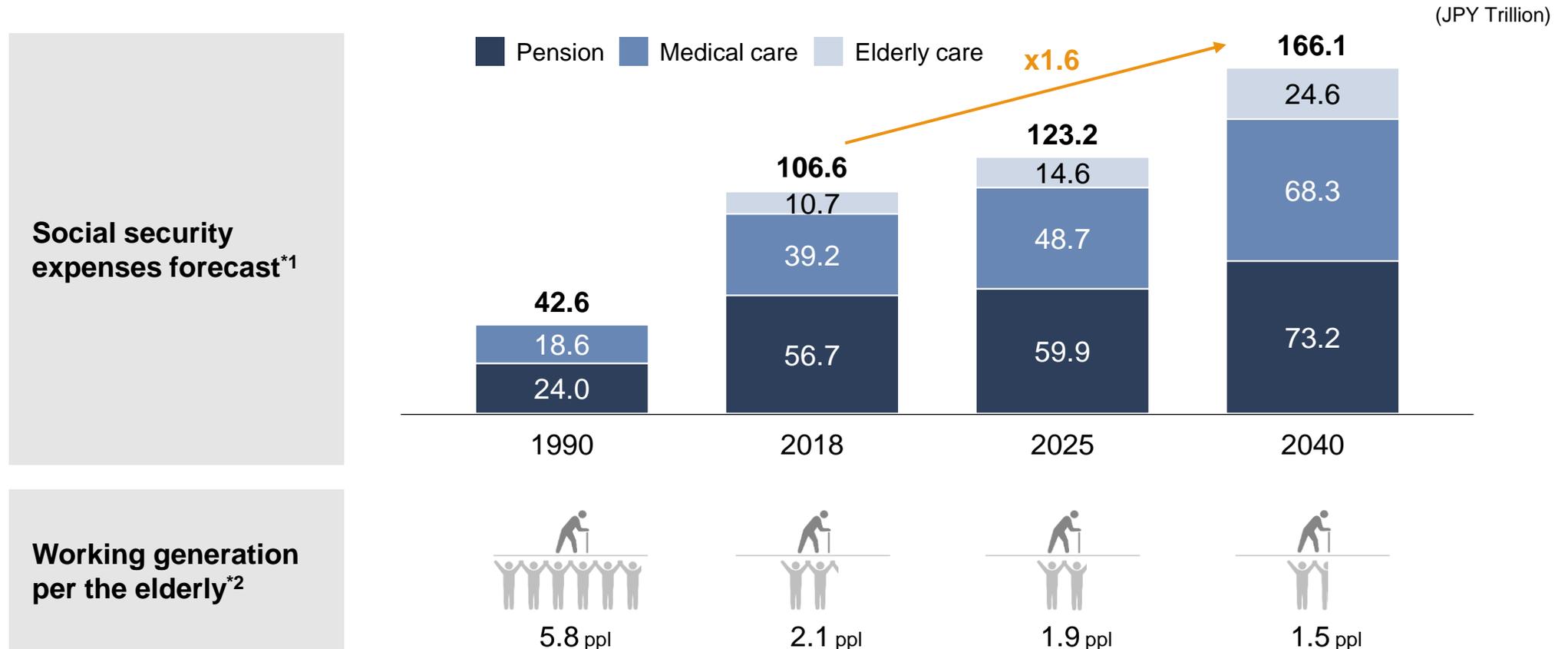
Maximize the value as a management support platform by No. 1 – 5 below.



New Business (Healthcare) Strategy

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

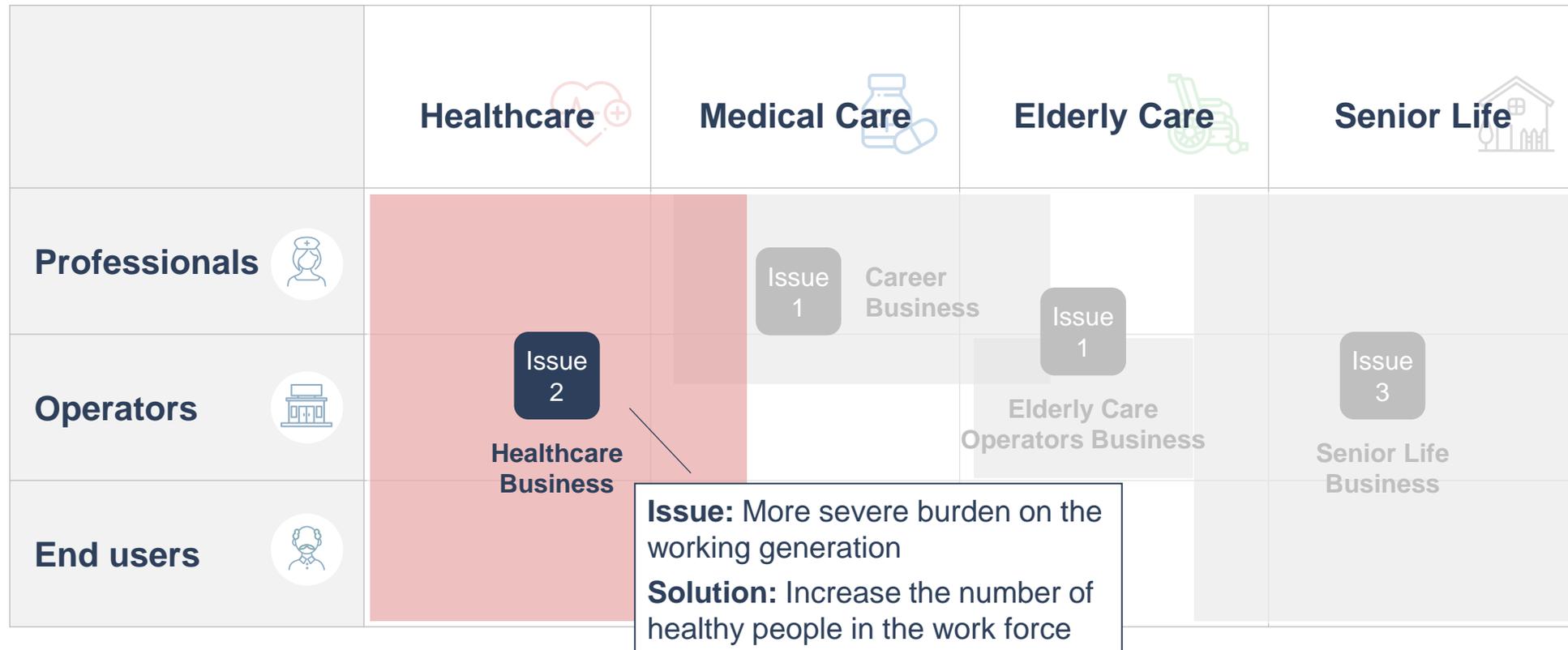
The burden on the working generation will become more serious due to the increasing social security expenses for pensions, medical care, and elderly care, as well as the declining working-age population who cover these expenses.



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"

Solution for Issue 2 in Healthcare Business

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



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

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

Physical disorder		Mental disorder
Risk of lifestyle-related diseases	Lifestyle-related diseases	
Number of recipients of specific health guidance ^{*2}	Number of diabetics ^{*3}	Number of patients with mood disorders ^{*3}
Approx. 5.10 million	Approx. 3.29 million	Approx. 1.28 million
<small>* 40 – 74 years old</small>	Number of hypertensive patients ^{*3}	
	Approx. 9.94 million	

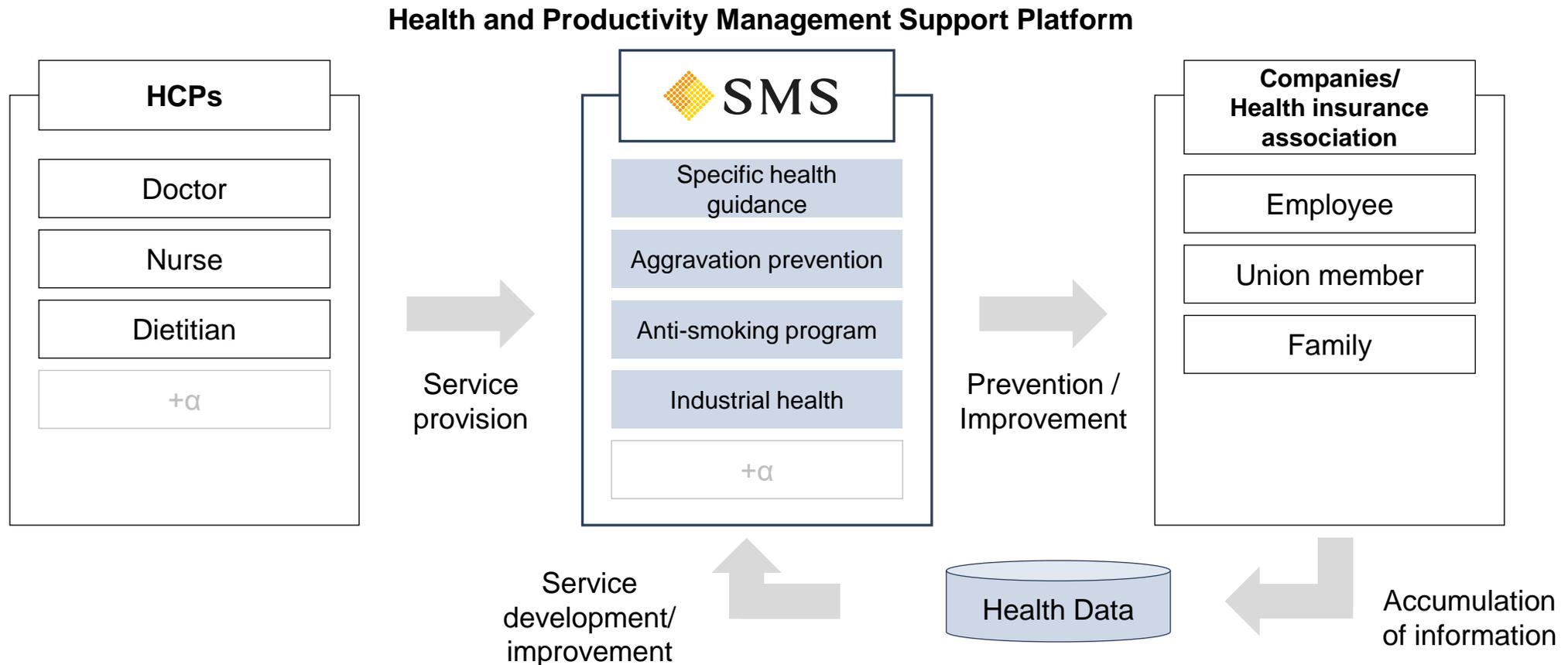
1. Quality of life
 2. MHLW, "2018 Implementation of specified health checkups and specific health guidance"
 3. MHLW, "2017 Patient survey"

Mission of Healthcare Business

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

Health and Productivity Management Support Platform

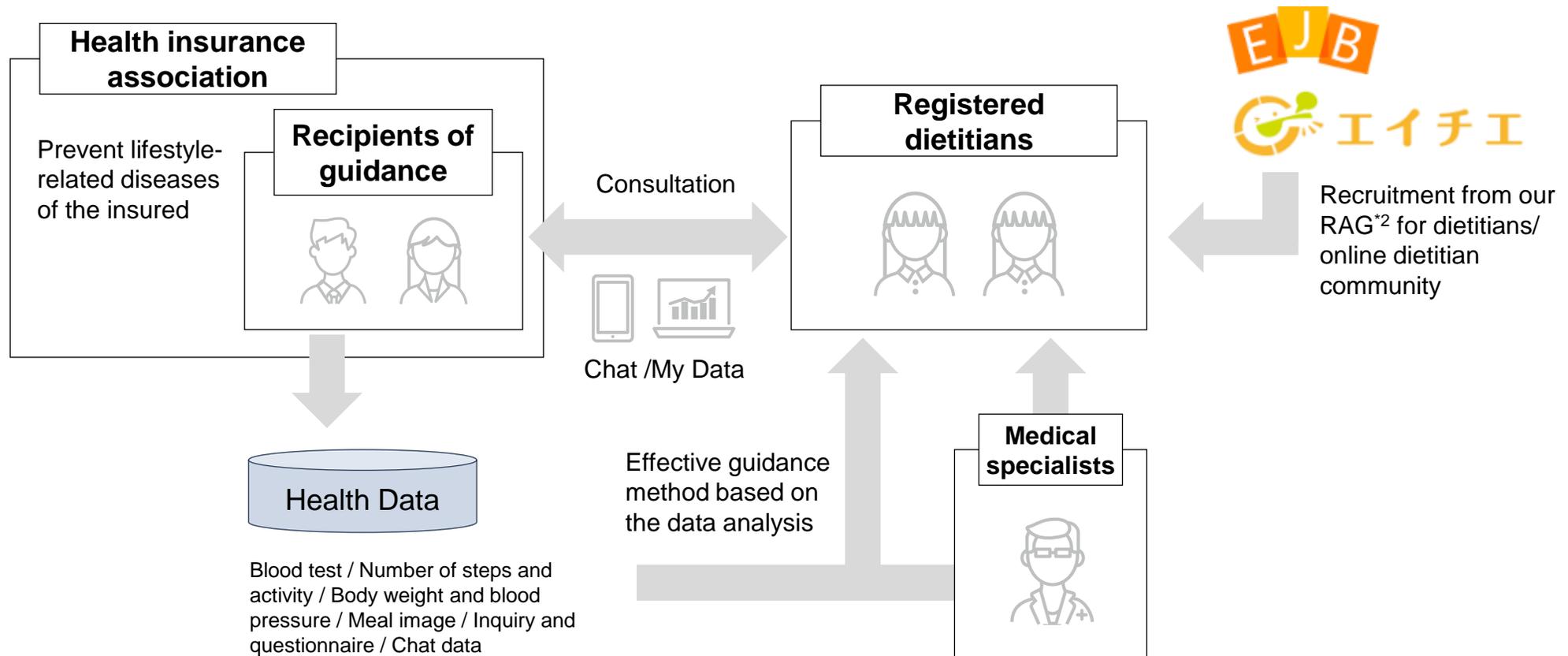
- Provide digital health services^{*1} for companies and health insurance associations.
- The services are based on scientific evidences and provided by seasoned healthcare professionals (HCPs) including doctors, nurses, and dietitians.



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

Remote Health Guidance Service

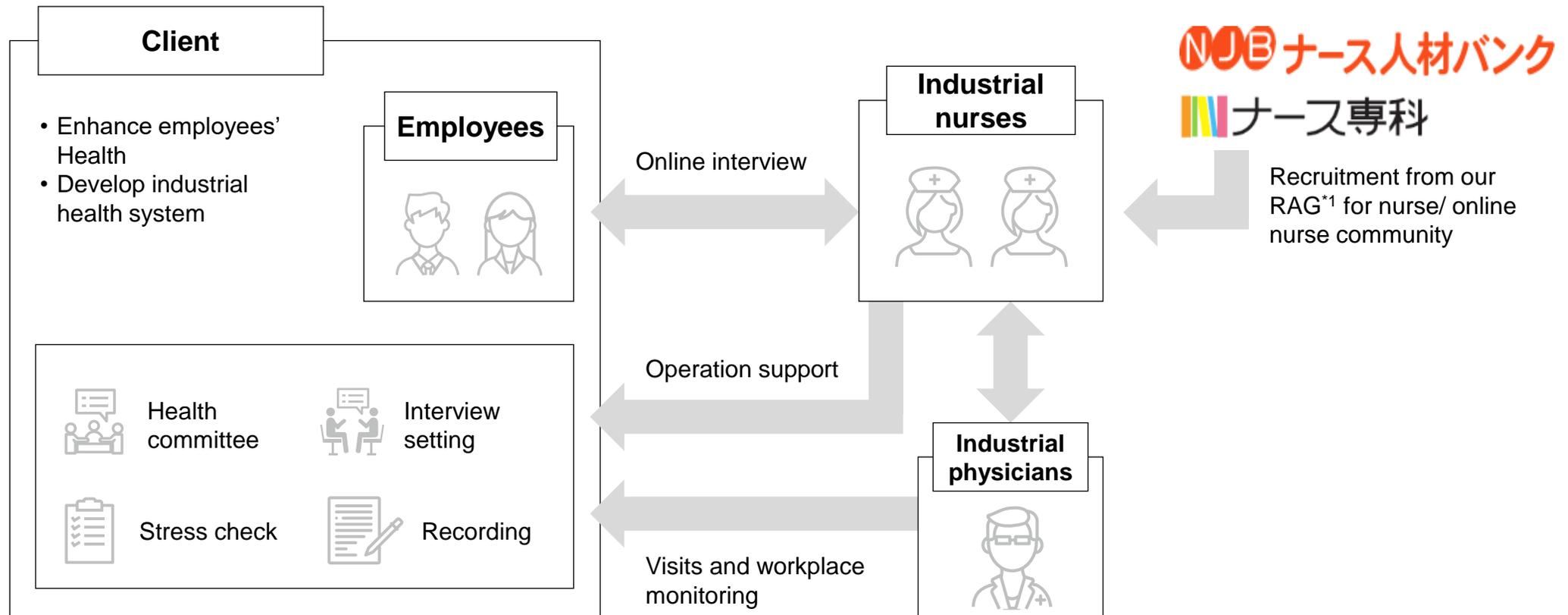
- Provide health guidance service for HIAs*¹ aiming to prevent lifestyle-related diseases of employees and their families. The service is provided by registered dietitians and based on the results of verification projects conducted with MHLW.
- Remote service using smartphones enables frequent and continuous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



1. Health insurance association
2. Recruiting Agent service

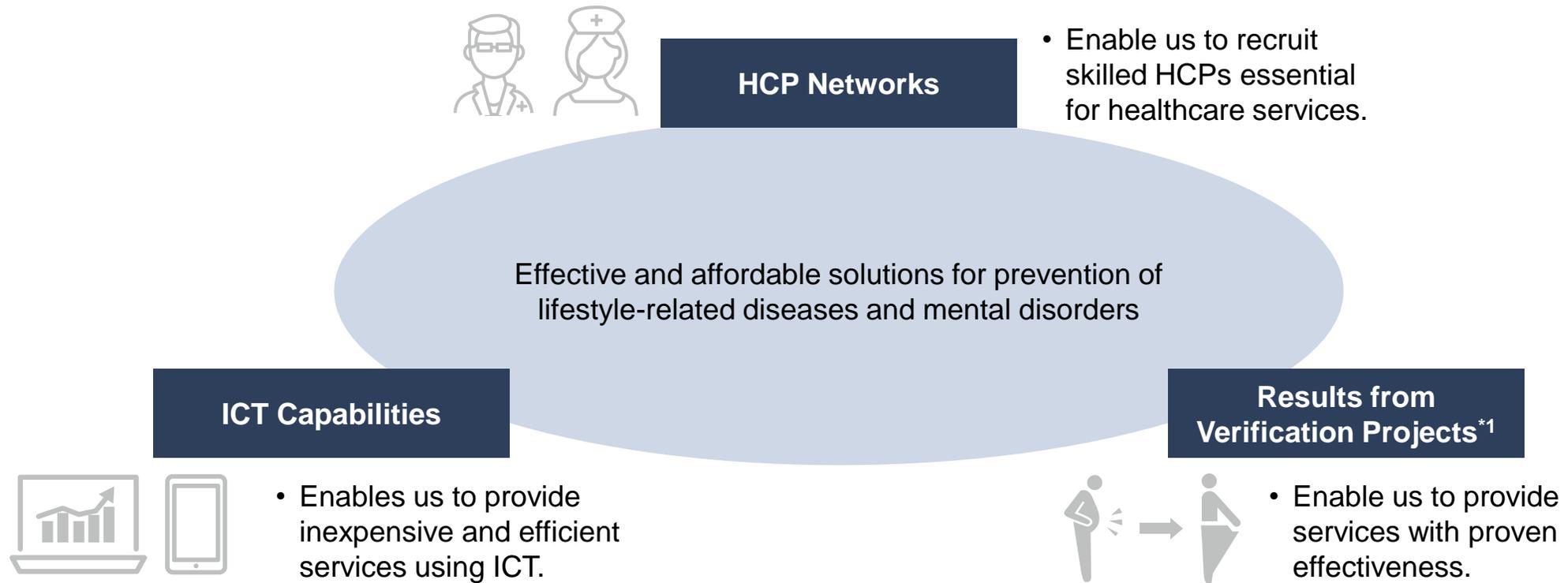
Remote Industrial Health Service

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



Our Strength

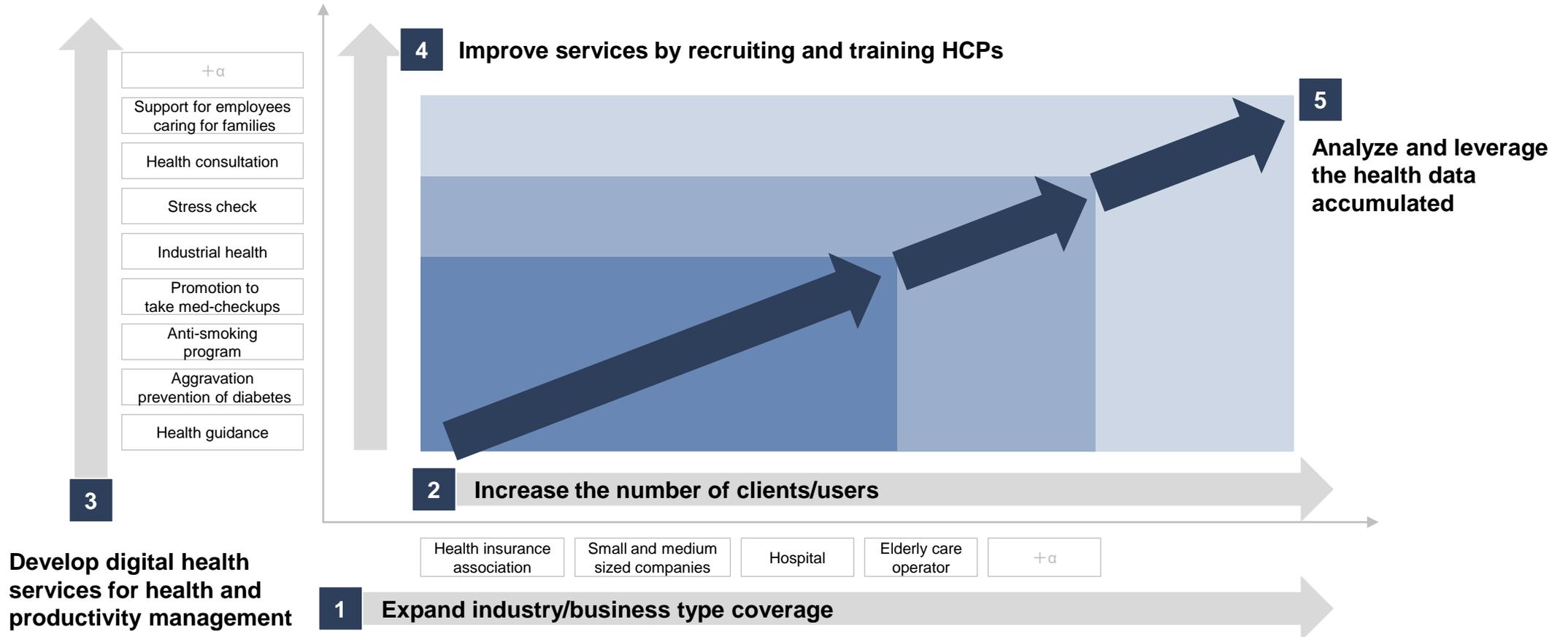
Leveraging our strengths in healthcare professional (HCP) networks, ICT capabilities, and proven results from verification projects conducted with ministries and national agencies, we offer effective solutions with a reasonable price for prevention of lifestyle-related diseases and mental disorders.



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

Strategy of Healthcare Business

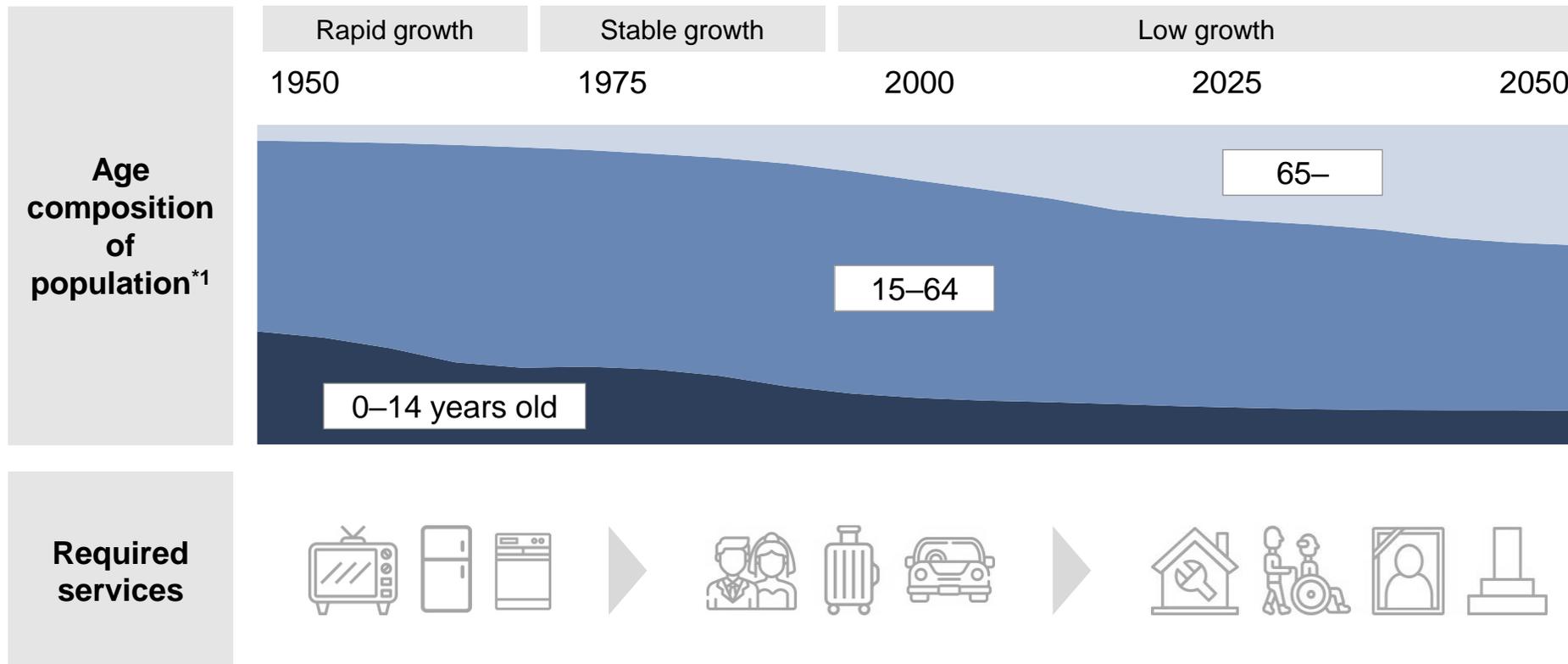
Maximize the value as a health and productivity management support platform by No. 1 – 5 below.



New Business (Senior Life) Strategy

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

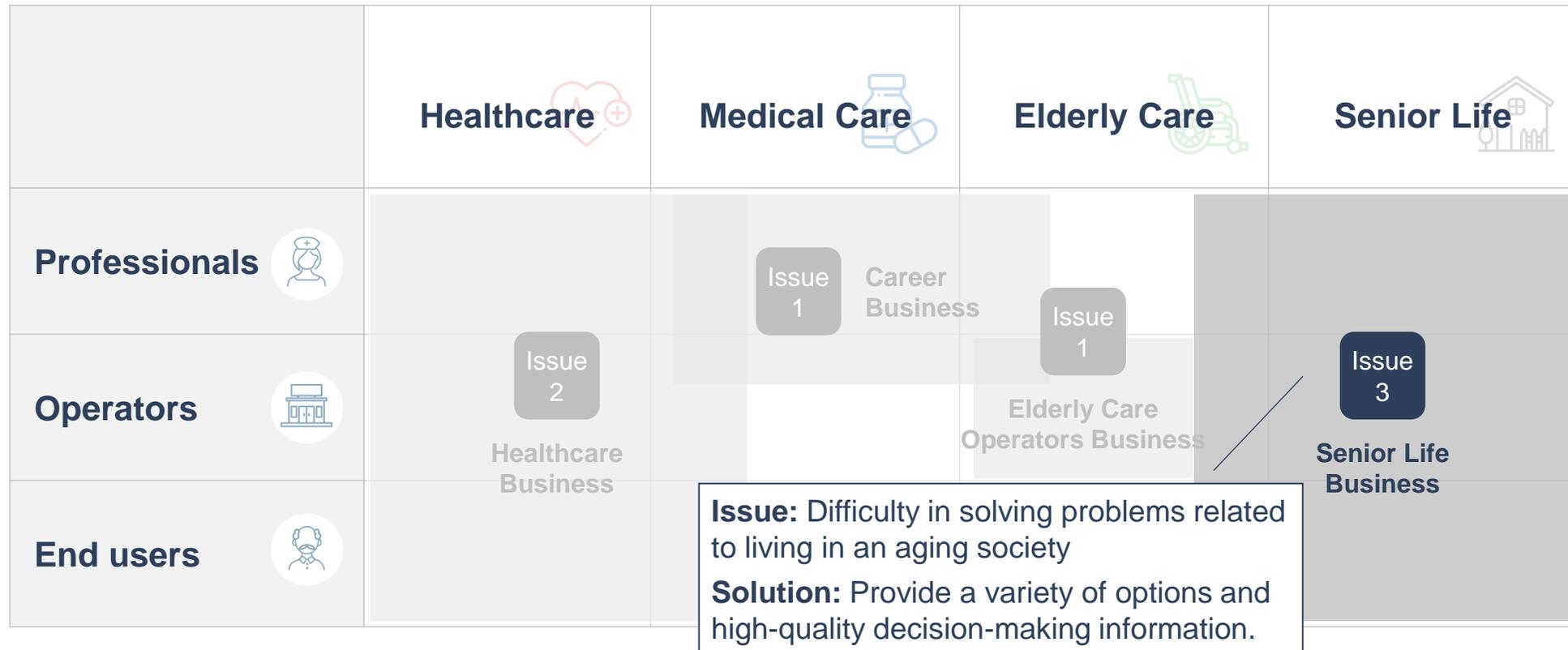
- While services required in society are changing and expanding with the population aging, information related to living in an aging society is insufficient in terms of quality and quantity, and the future labor shortage will result in an inability to adequately supply such services.
- The elderly and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



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

Solution for Issue 3 in Senior Life Business

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

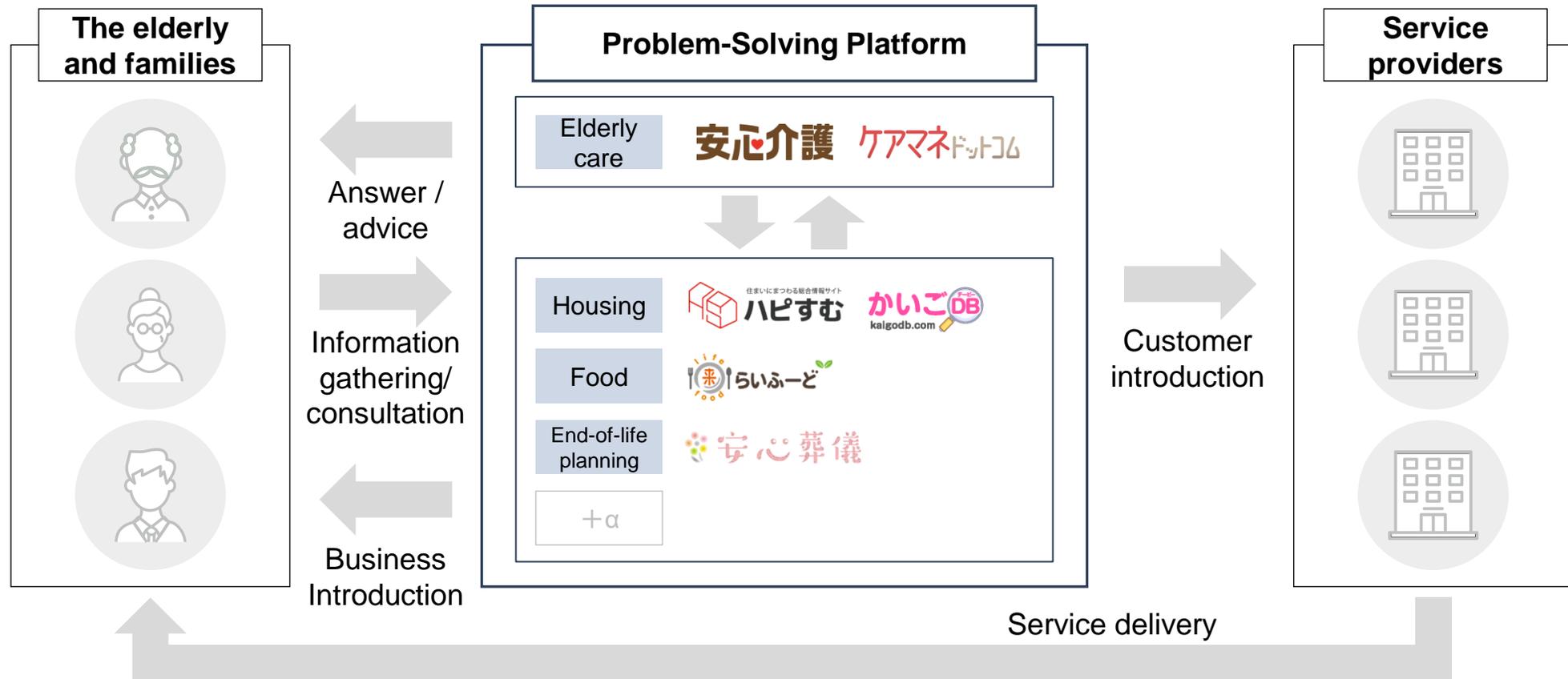


Mission of Senior Life Business

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

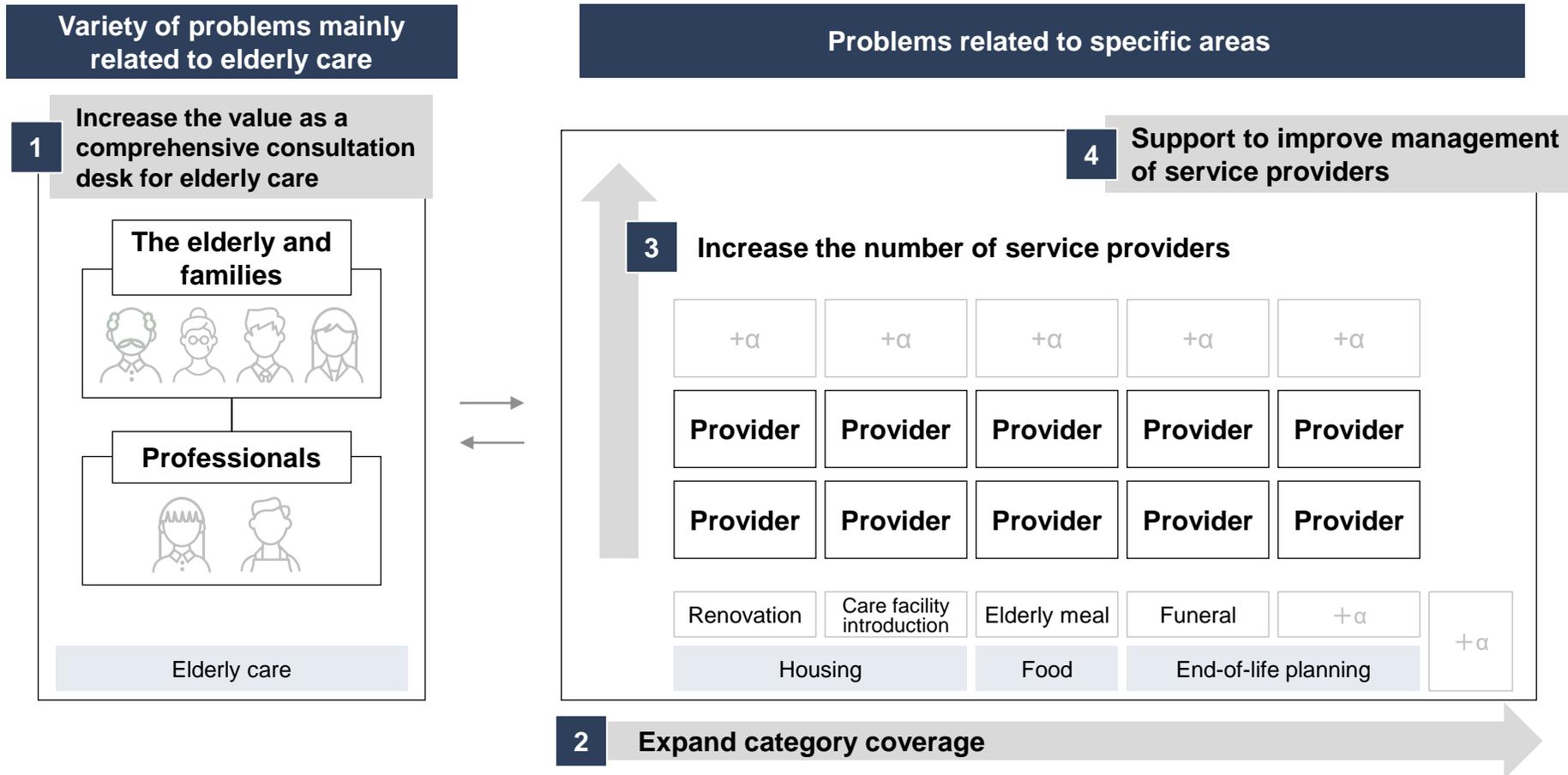
Problem-Solving Platform

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



Strategy of Senior Life Business

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

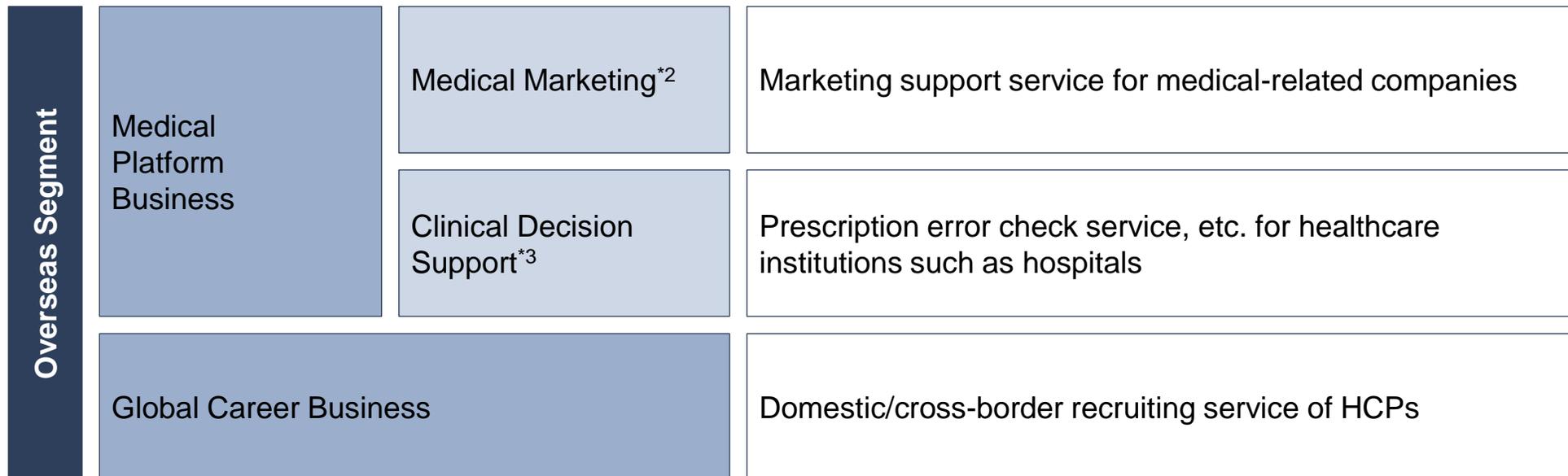


Overseas Strategy

Overview of Overseas Segment

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

Overseas Business Structure



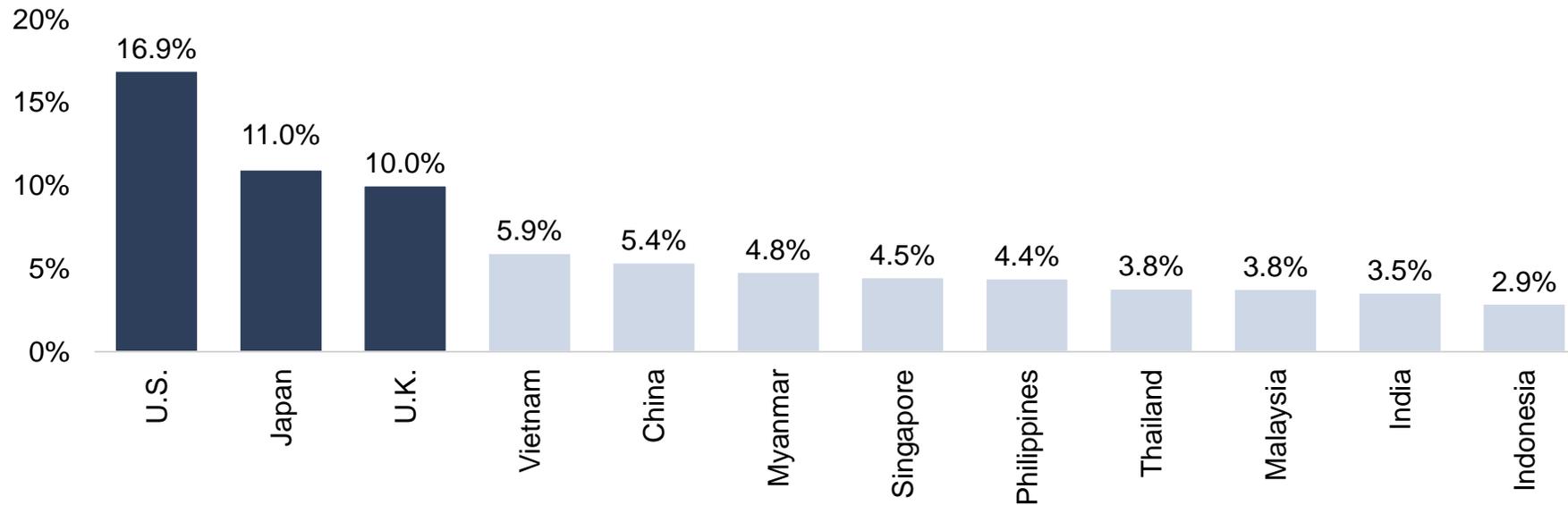
1. Healthcare professionals
 2. Please also refer to p.82 for details.
 3. Please also refer to p.83 for details.

Medical Platform Business

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

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

Health Expenditure to GDP*1



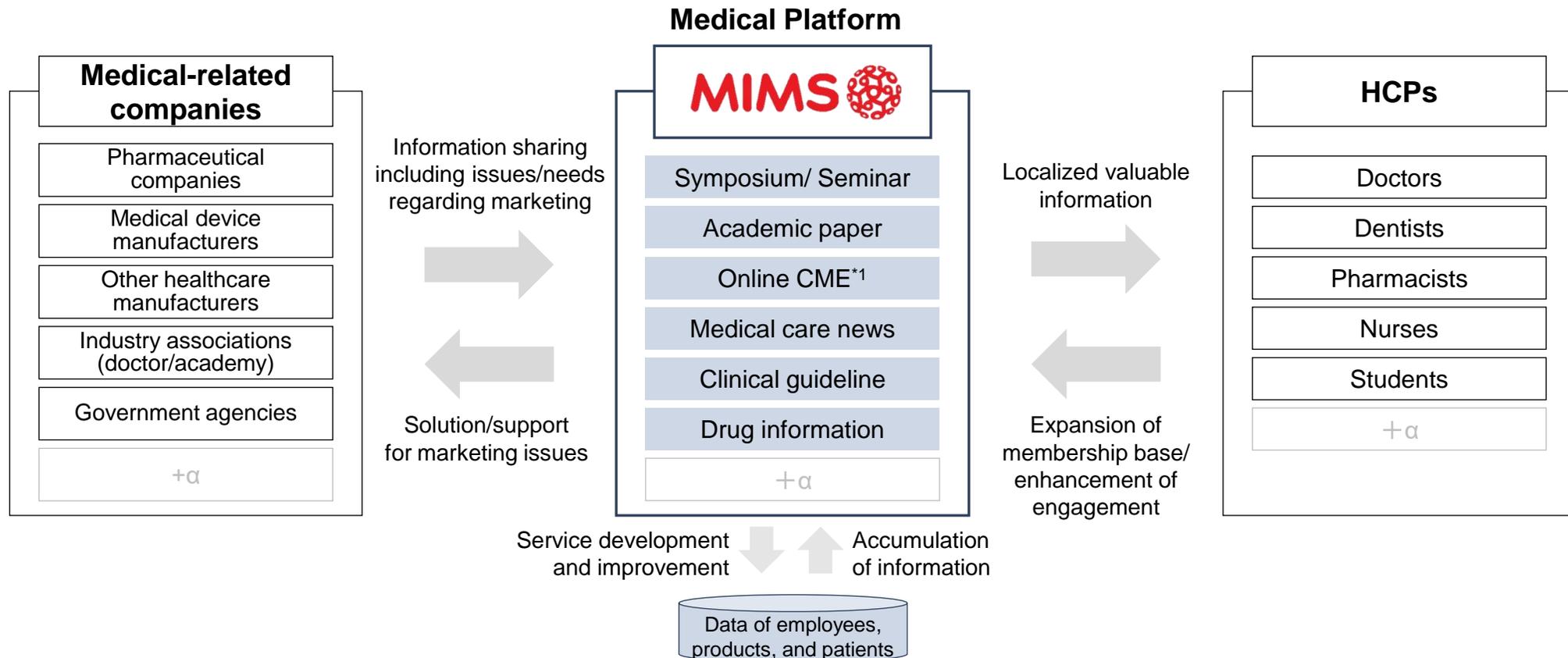
1. WHO (2018)

Mission of Medical Platform Business

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

Medical Platform

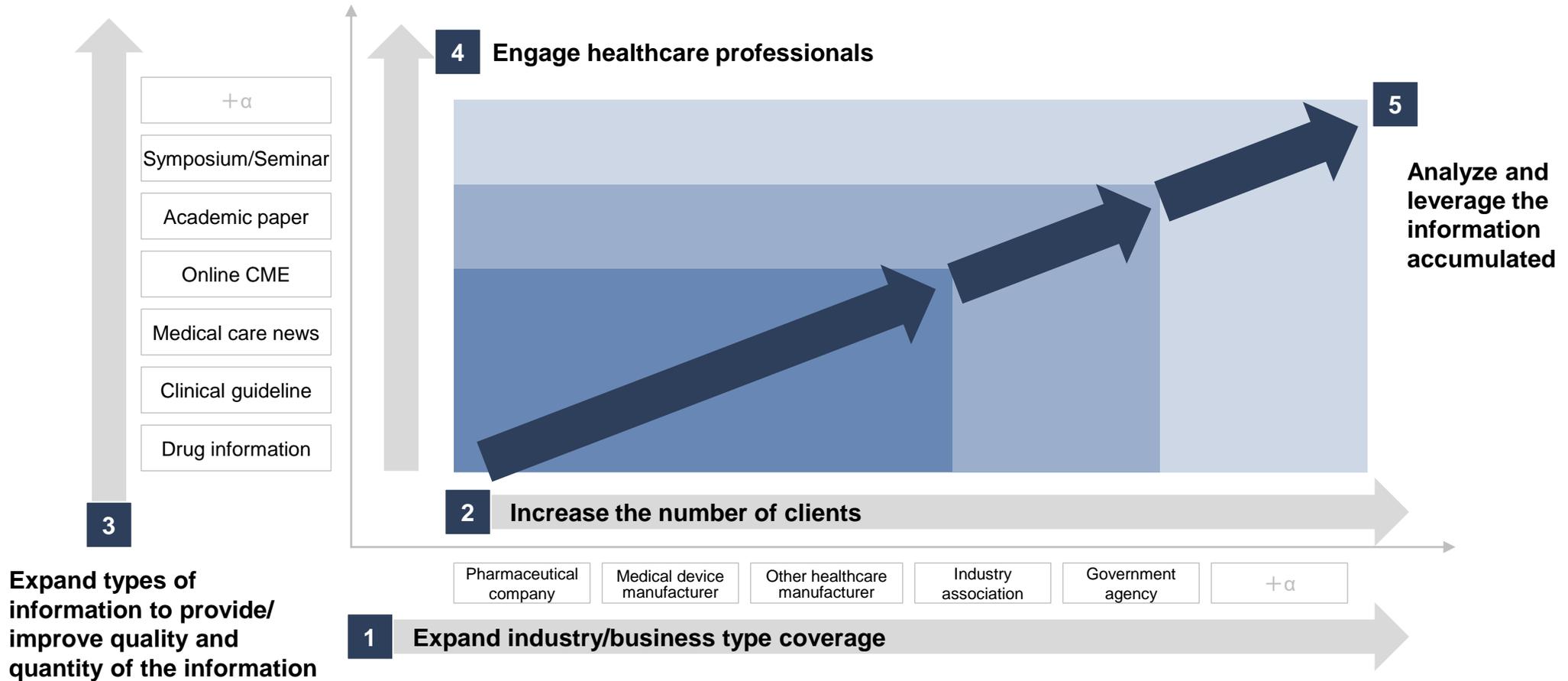
- Support the marketing activities of medical-related companies by using our membership base of healthcare professionals (HCPs) in APAC.
- Expand our membership base of HCPs and enhance their engagement by providing localized valuable information, thereby making marketing activities of medical-related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



1. CME stands for continuing medical education.

Strategy of Medical Platform Business

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



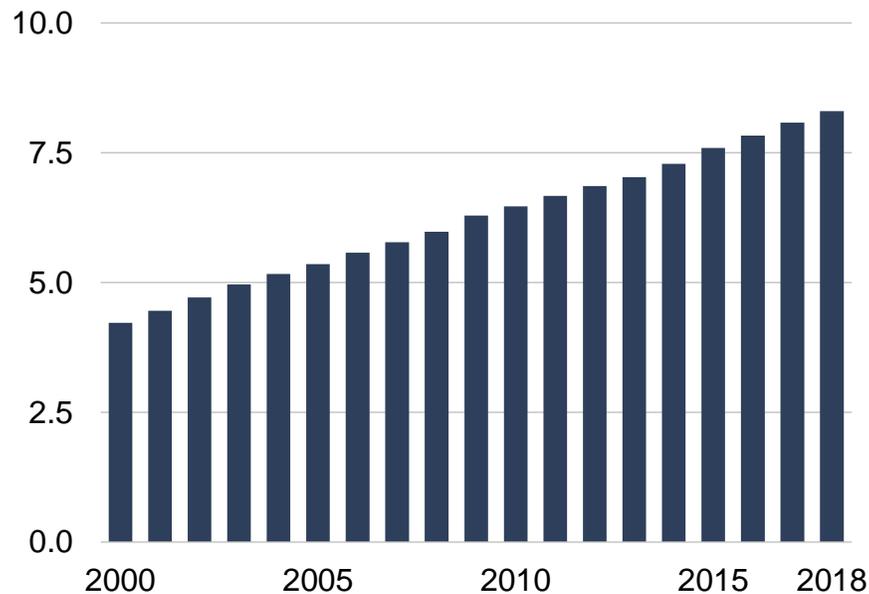
Global Career Business

Issue: Global Shortage and Uneven Distribution of Healthcare Professionals

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

Health Expenditure*¹

in USD 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)

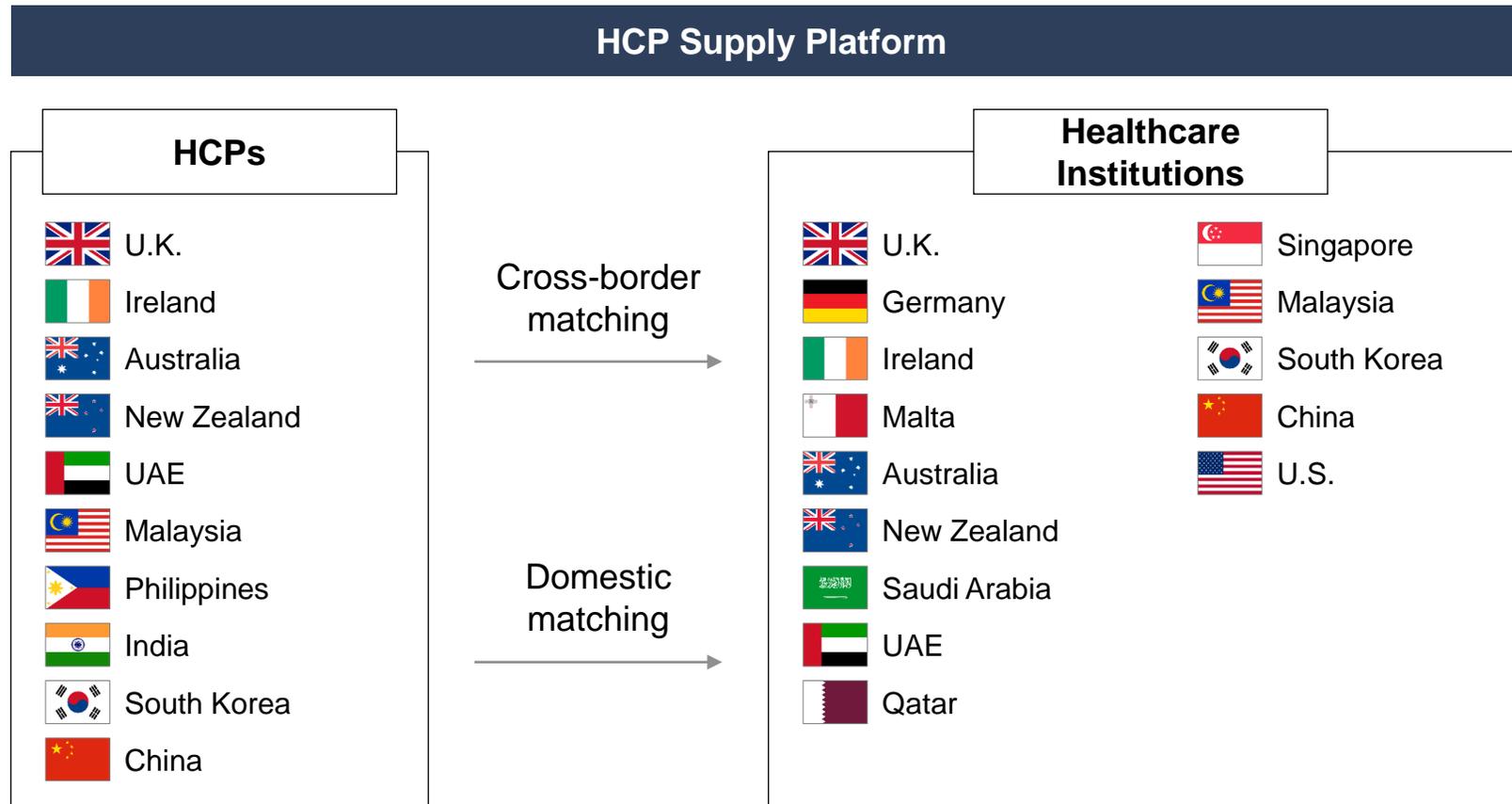
2. MHLW (Japan), DPR (Germany), HWA (Australia), MHW (South Korea), Challenges Facing the Nursing Profession in Saudi Arabia: An Integrative Review/Nourah Alsadaan, Linda K. Jones, Amanda Kimpton and Cliff DaCosta

Mission of Global Career Business

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

HCP*¹ Supply Platform

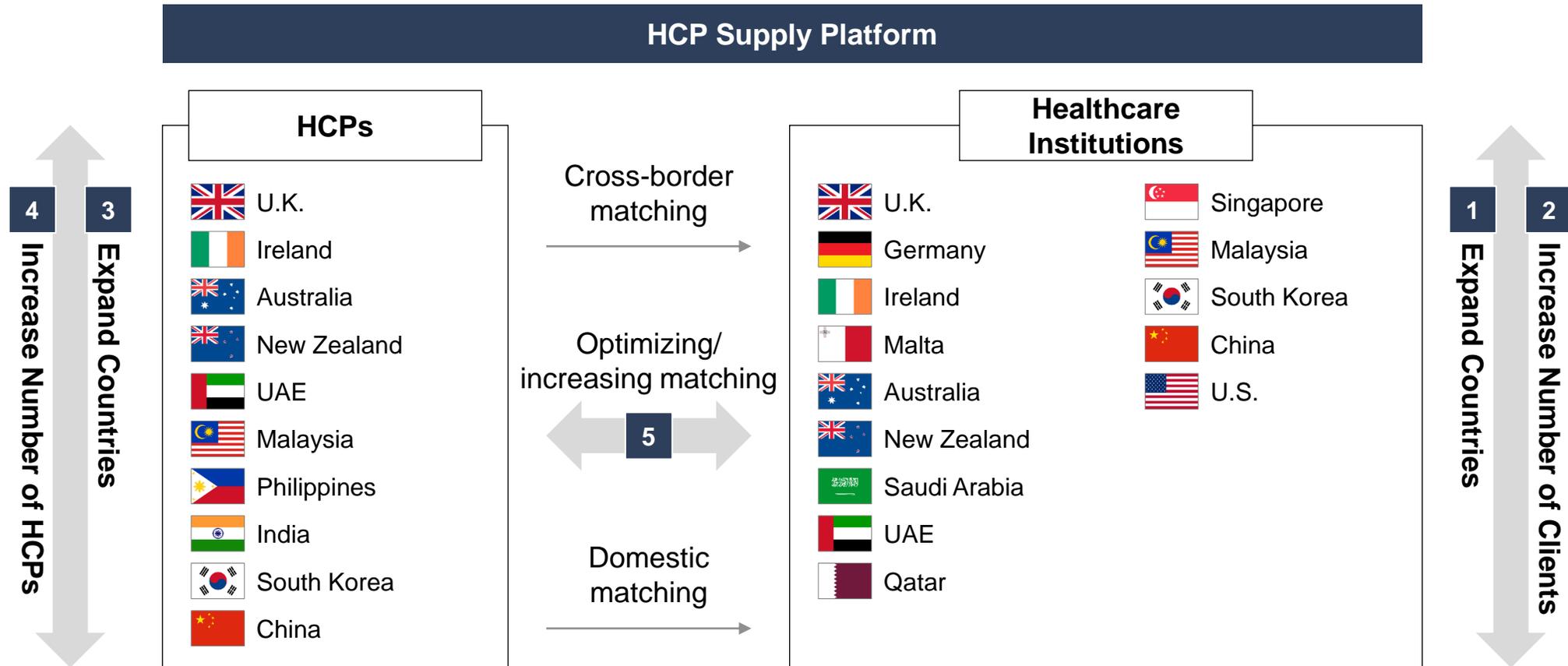
Promote optimal cross-border and domestic matching according to the supply of HCPs and the demand from healthcare institutions*².



1. Healthcare professionals
2. Hospitals, clinics etc.

Strategy of Global Career Business

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

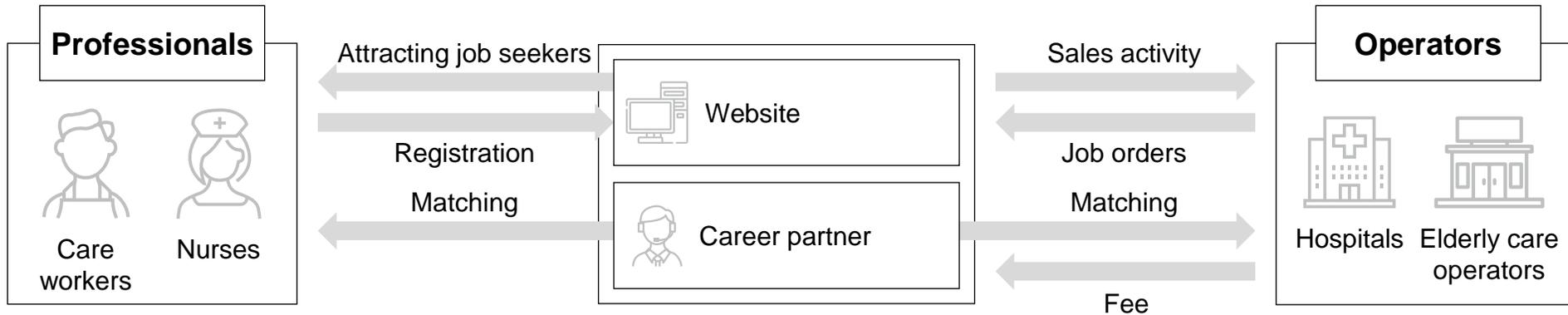


Appendix

Business Model of Career Business

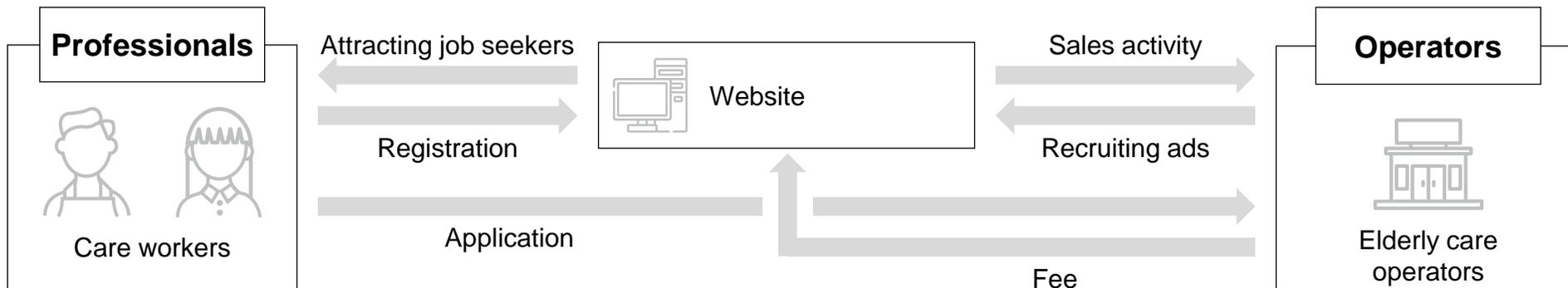
Business model of Recruiting Agent

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



Business model of Recruiting Ads

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



Kaipoke's Main Services

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

Insurance Claim	<ul style="list-style-type: none"> Elderly care operators can claim for the reimbursement of insurance efficiently.
Recruitment	<ul style="list-style-type: none"> Provide SMS's industry-leading Recruiting Ads service "Kaigo Job" for free.*²
Sales Support	<ul style="list-style-type: none"> Offer a function to prepare sales leaflets and a list of care managers who are the sales targets of elderly care operators.
Operation Improvement	<ul style="list-style-type: none"> Provide one iPad for free to enable care workers to complete documentations at their customer sites.
Opening Support	<ul style="list-style-type: none"> Support procedures needed to open an elderly care business such as application for designation, financing, finding office properties and market research.
Finance	<ul style="list-style-type: none"> Provide factoring services to improve operators' cash flows.
Purchasing	<ul style="list-style-type: none"> Elderly care operators can procure various equipment and supplies, such as rental smartphones, in an easy and inexpensive way.
Business Succession	<ul style="list-style-type: none"> 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 Profile

MIMS group global coverage

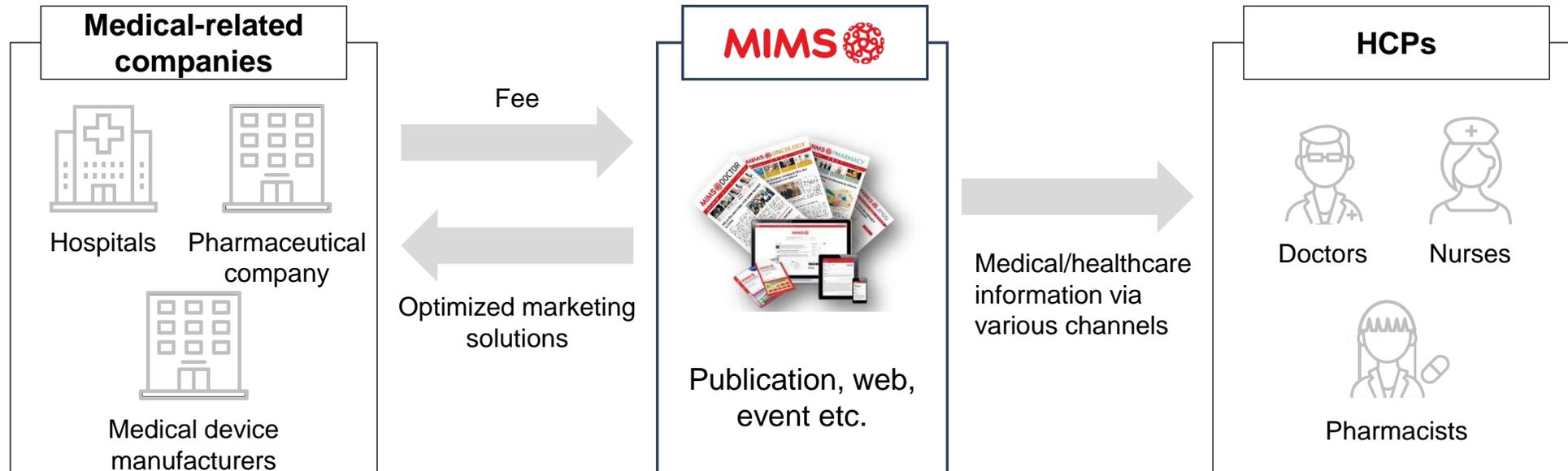


MIMS group profile

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	2.97 million
Acquisition date	October 7, 2015

Business Model of Medical Marketing

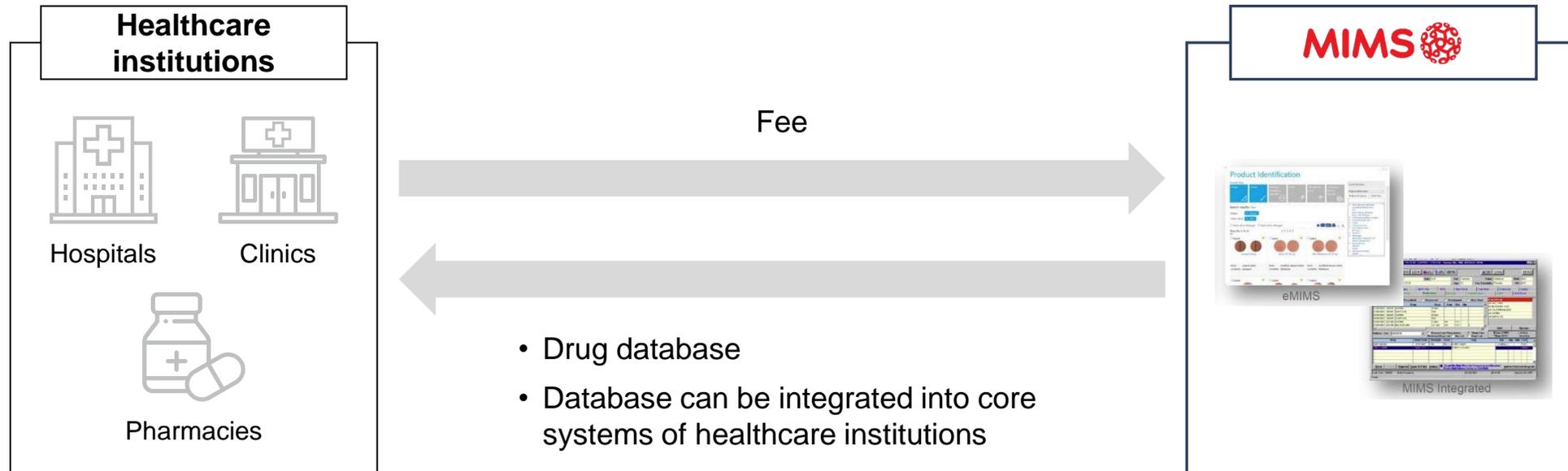
Support marketing activities of medical-related companies*1



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

Business Model of Clinical Decision Support

Provide a drug database for prescription error checks in healthcare institutions



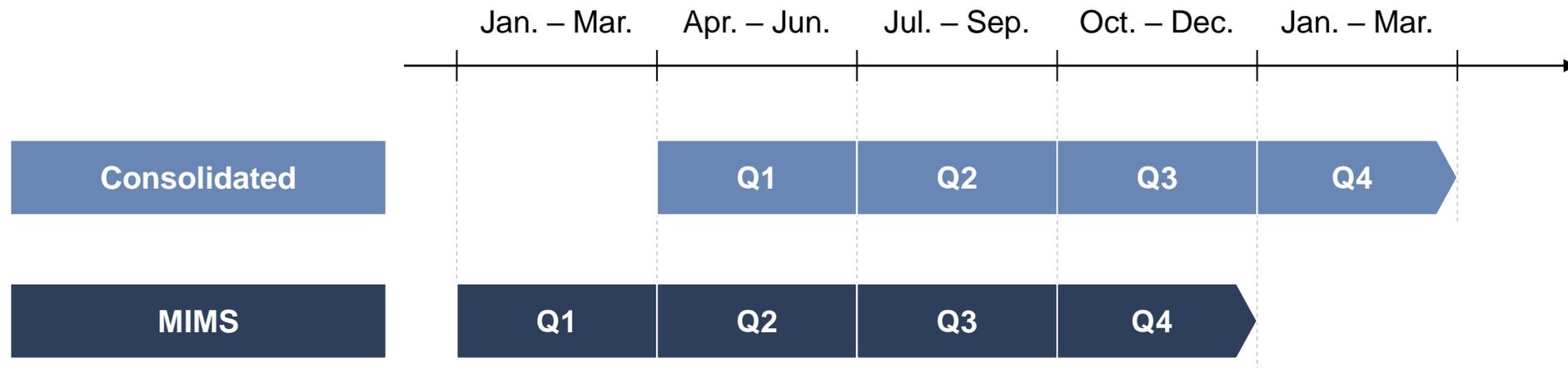
Acquisition History of Global Career Business

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.

<p>September 2011</p>	<p>Acquired NURSCAPE CO., LTD. (Currently Medilabs Co., Ltd.)</p> <ul style="list-style-type: none"> • Recruiting ads business for nurses/online community for nurses in South Korea • Launched Global Career Business.
<p>June 2017</p>	<p>Acquired MELORITA CONSULTANTS SDN. BHD.</p> <ul style="list-style-type: none"> • Recruiting agent business for nurses in Malaysia • Started a cross-border matching between Malaysian nurses and hospitals in the middle east.
<p>May 2018</p>	<p>Acquired MEDICAL STAFFING RESOURCES, INC.</p> <ul style="list-style-type: none"> • Recruiting agent business for nurses in the Philippines • Started to introduce Filipino nurses.
<p>August 2019</p>	<p>Acquired CCM INTERNATIONAL LIMITED</p> <ul style="list-style-type: none"> • 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.

Consolidation of MIMS Financial Results

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



Business Portfolio – Career^{*1*2}

Sub-segment	Category	Services					
Elderly Care Career	Services for care workers	RAD ^{*3} for care workers カイゴジョブ	RAG ^{*3} for care workers カイゴジョブ	Elderly care certification course カイゴジョブ	Certification course information EJTBIL		
	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				
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 放射線技師人材バンク	RAG ^{*3} for medical technologists KJB 検査技師人材バンク	RAG ^{*3} for clinical engineers MEJB 工学技士人材バンク	RAG ^{*3} for childcare workers HOJB 保育士人材バンク
	Others	RAG ^{*3} for Judo therapists etc. WILL ONE	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	Scholarship information portal 看護奨学金Navi	Web community for nurses and nurse students ナース専科	RAD ^{*3} for Judo therapists etc. JOBNOTE
		National examination reference book for Judo therapists etc. 国試黒本	HR solution for hospitals SOL ソリューション				

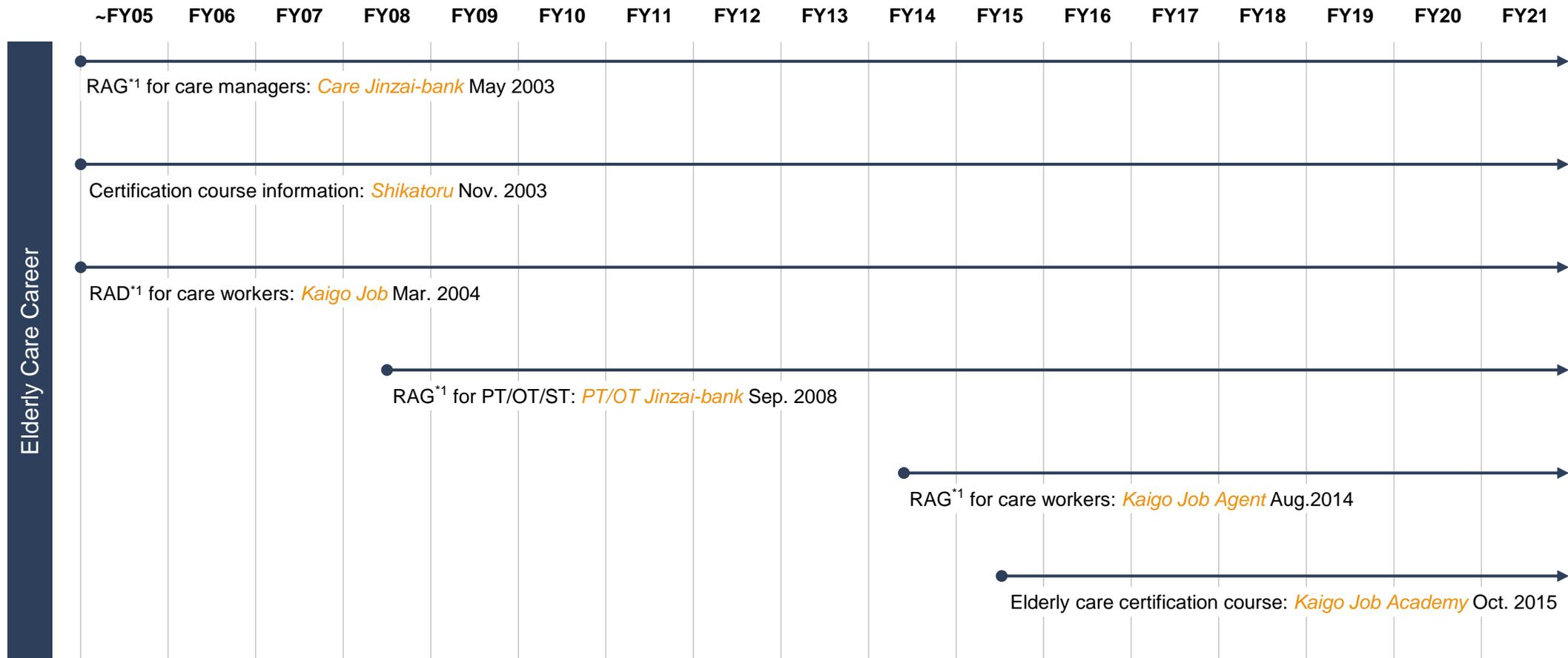
1. As of April 2022
 2. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).
 3. RAD: Recruiting ads service RAG: Recruiting agent service

Business Portfolio*1 – Kaipoke/Overseas/New Business

Segment	Services					
Kaipoke	Management support platform for elderly care operators 	Information portal for management of elderly care operators 	Research and information on the aging society 高齢社会ラボ			
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 (Healthcare)	Preventive solution for lifestyle-related diseases 	Health guidance solution 	Personalized anti-smoking solution 	Remote industrial health service 	Information portal of dementia 	Solution for dementia prevention 
	Web community for dietitians 	Preventive solution for elderly care turnover 	Health maintenance /promotion support for women 	Information portal of industrial health service 	Habitual support for dementia prevention 	
New Business (Senior life)	Web community for people struggling with elderly care 	Home-delivered meals search site 	Information portal of housing for the elderly 	Comprehensive information service on housing 	Information portal of funeral companies 	Web community for care managers 

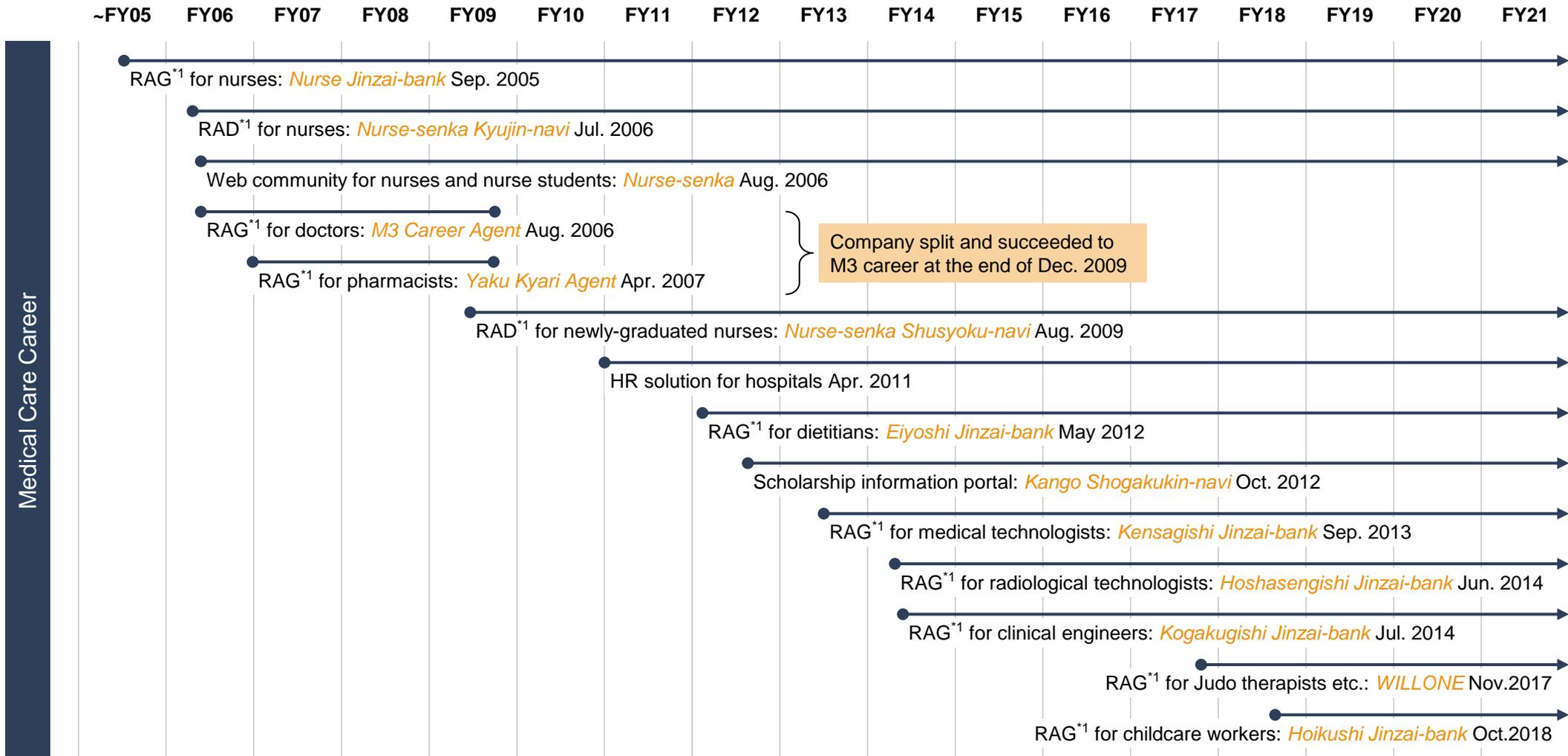
1. As of April 2022

History of Service Launches – Elderly Care Career

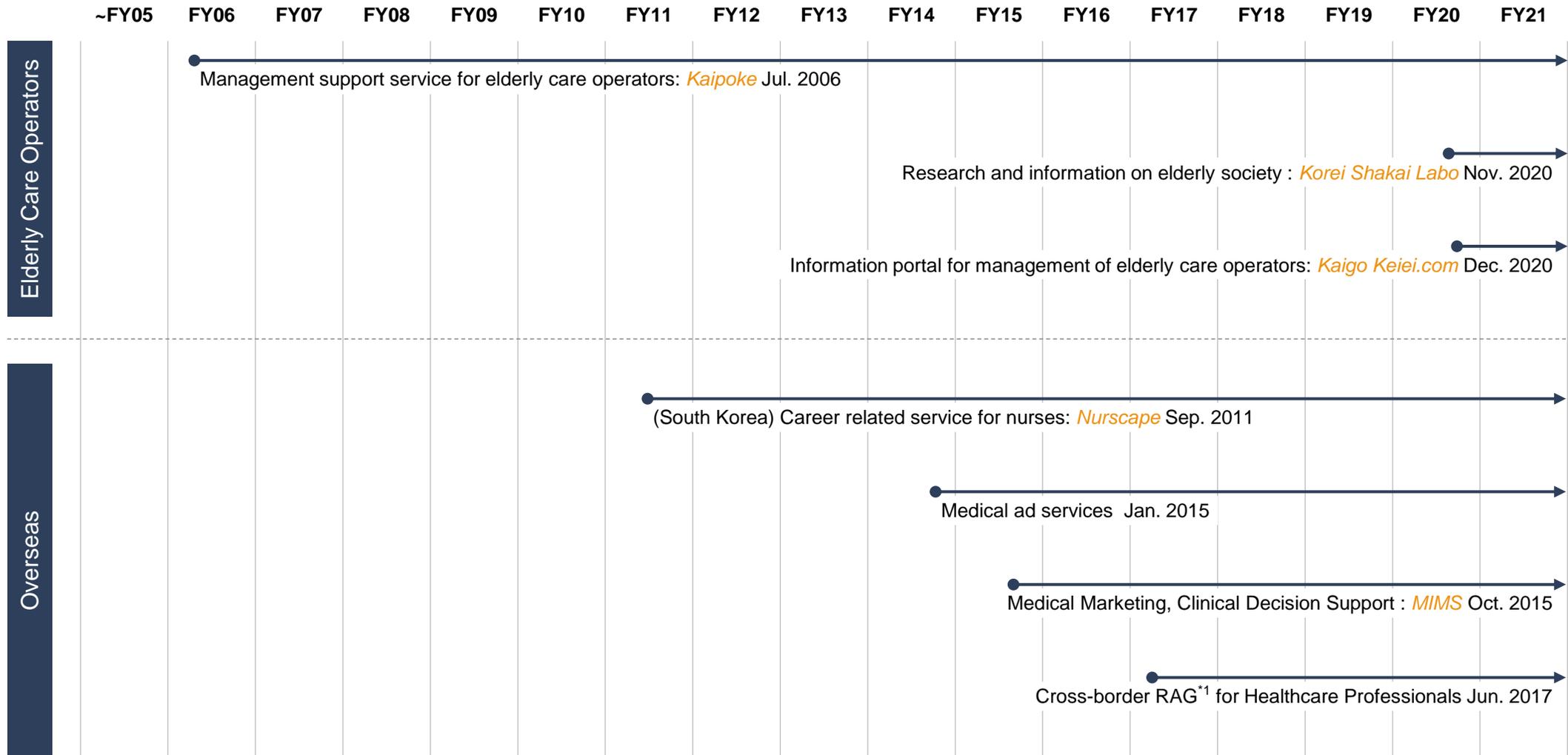


1. RAD: Recruiting ads service RAG: Recruiting agent service

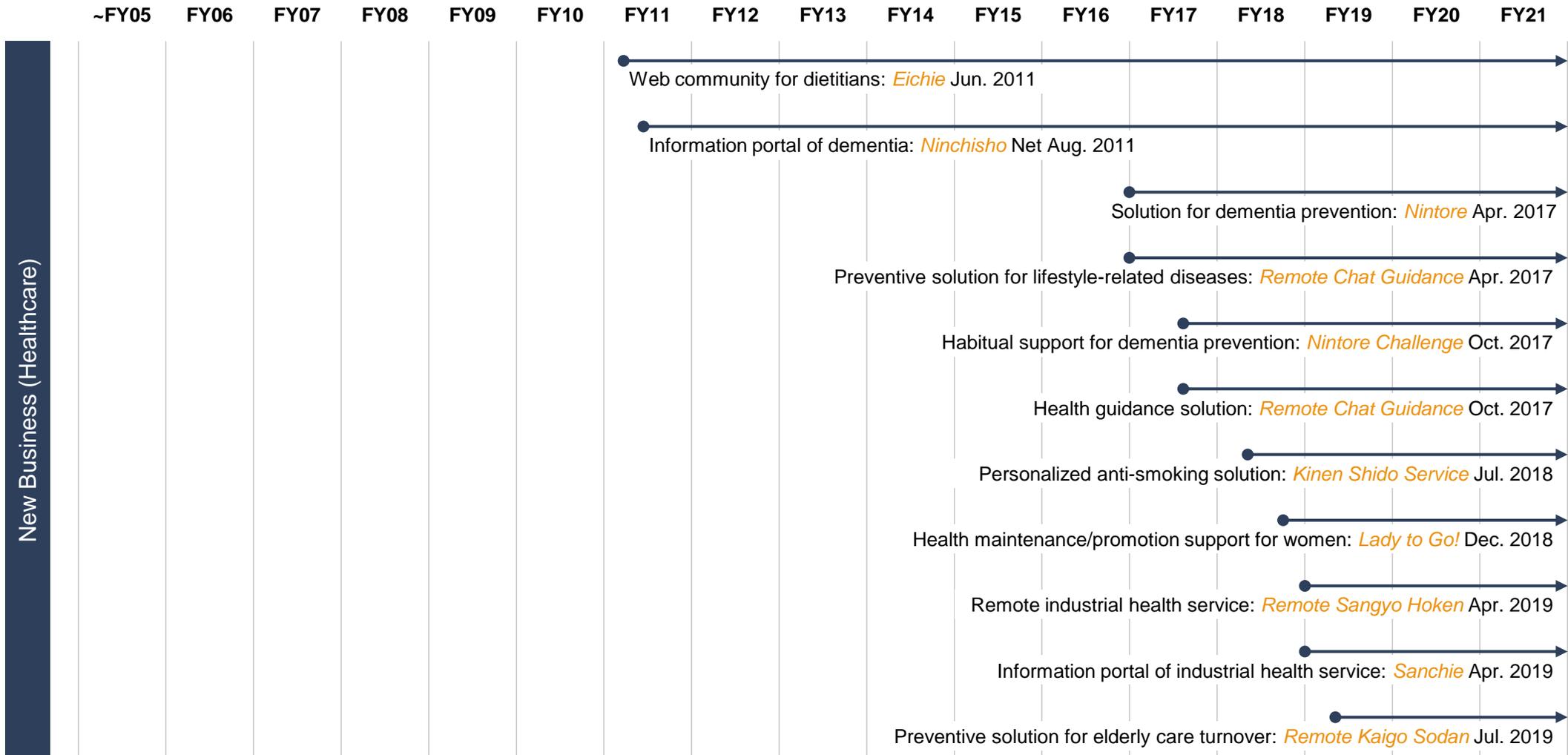
History of Service Launches – Medical Care Career



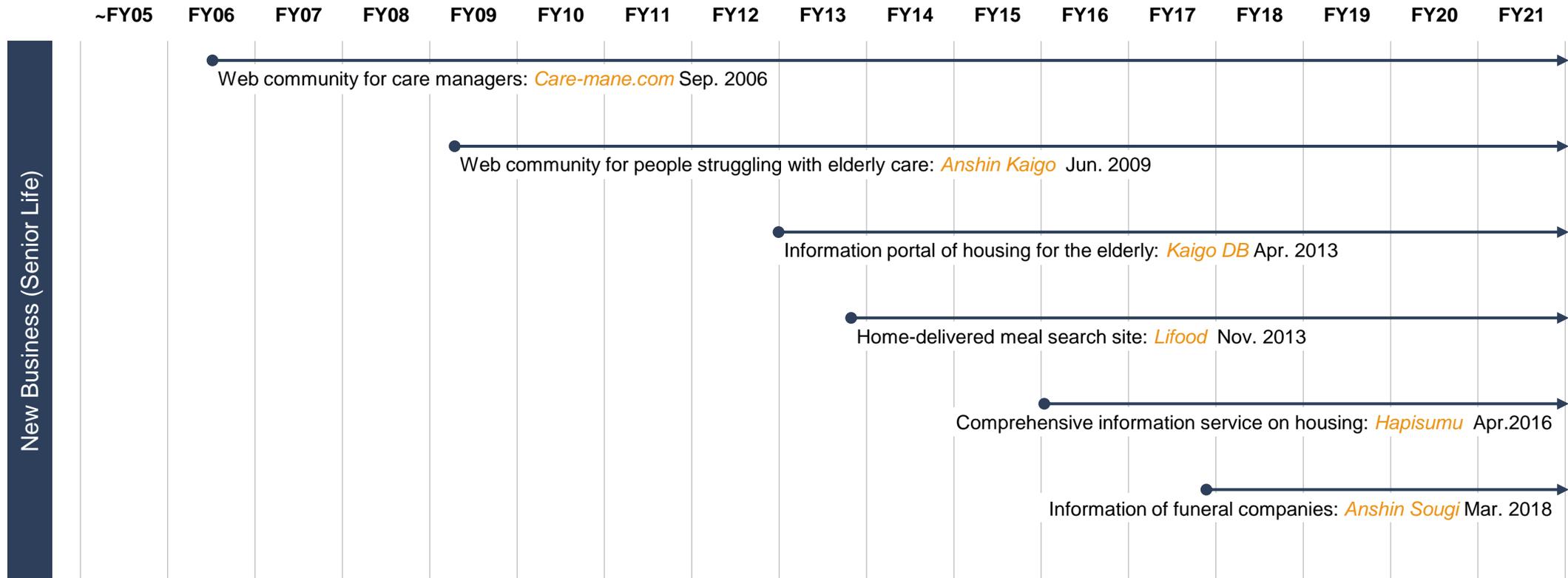
History of Service Launches – Kaipoke/Overseas



History of Service Launches – New Business (Healthcare)

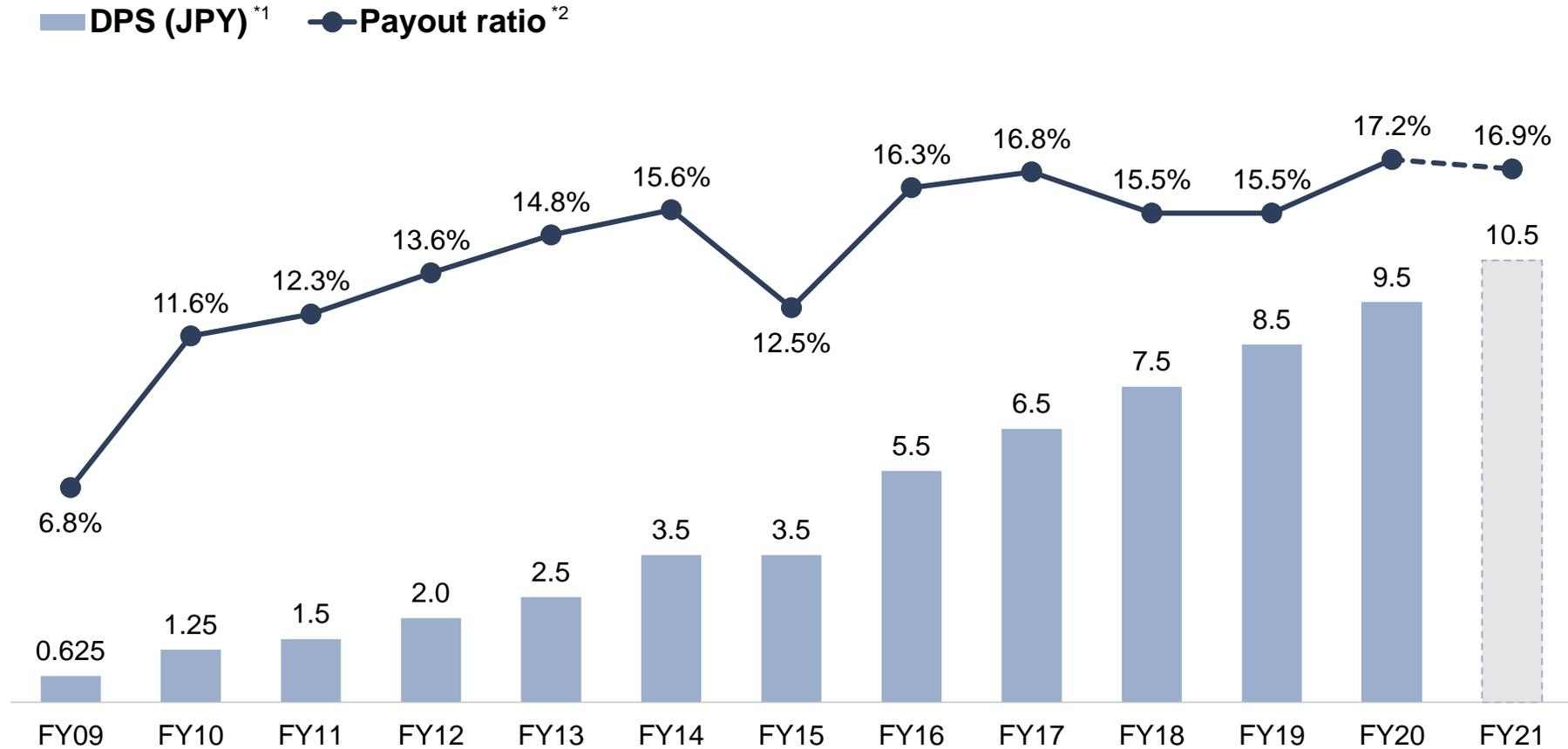


History of Service Launches – New Business (Senior Life)



New Business (Senior Life)

Dividends



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

Historical Financial Results

(JPY million)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Net Sales	58	383	835	1,545	2,715	5,177	7,172	7,618	8,692	10,181	12,046	15,056	19,069	23,054	26,611	30,836	35,140	35,960	38,899
Operating Income	(5)	52	109	269	426	1,230	1,261	1,480	1,519	1,570	1,730	2,079	2,756	3,646	4,021	4,743	4,935	5,470	6,318
Ordinary Income	(5)	49	108	269	415	1,238	1,266	1,530	1,734	1,990	2,340	2,693	3,509	4,430	5,007	5,979	6,355	6,653	7,726
Net Income	(5)	31	63	157	244	719	717	876	1,004	1,226	1,380	1,824	2,265	2,801	3,361	4,216	4,760	4,800	5,408
EPS ^{*1} (JPY)	(5.8)	1.8	1.5	2.2	3.3	9.2	9.2	11.1	12.2	14.9	16.8	22.4	27.9	33.7	38.7	48.5	54.7	55.1	62.1
Total Assets	59	357	566	1,016	1,806	3,118	3,645	4,672	5,716	6,948	8,406	11,421	41,689	43,231	46,087	47,467	50,996	49,444	56,585
Liabilities	55	166	196	489	822	1,410	1,266	1,430	1,579	1,794	2,331	4,497	28,532	21,648	22,446	31,928	31,597	26,785	26,594
Net Assets	4	190	369	527	983	1,708	2,379	3,242	4,136	5,153	6,074	6,923	13,157	21,583	23,641	15,539	19,398	22,658	29,991
Equity Ratio (%)	7.5	53.3	65.3	51.9	54.4	54.8	65.2	69.2	72.3	74.1	71.5	59.7	20.5	39.6	41.8	32.4	37.7	45.3	52.4
ROE (%)	(124.9)	31.8	22.8	35.1	32.3	53.4	35.1	31.2	27.3	26.4	24.7	28.4	29.5	21.8	18.5	24.4	27.5	23.1	20.8
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	10.5 ^{*3}
Dividend Payout Ratio (%)	-	-	-	-	-	6.8	6.8	11.6	12.3	13.6	14.8	15.6	12.5	16.3	16.8	15.5	15.5	17.2	16.9 ^{*3}
TSR ^{*1*2} (%)	-	-	-	-	-	-	-	-	-	-	177.1	514.5	1,150.3	1,057.5	682.8	402.3	263.6	317.8	243.4

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
3. FY21 Dividend to be finalized following the general meeting of shareholders in June.

Number of Employees and Shareholder Composition

Number of Employees

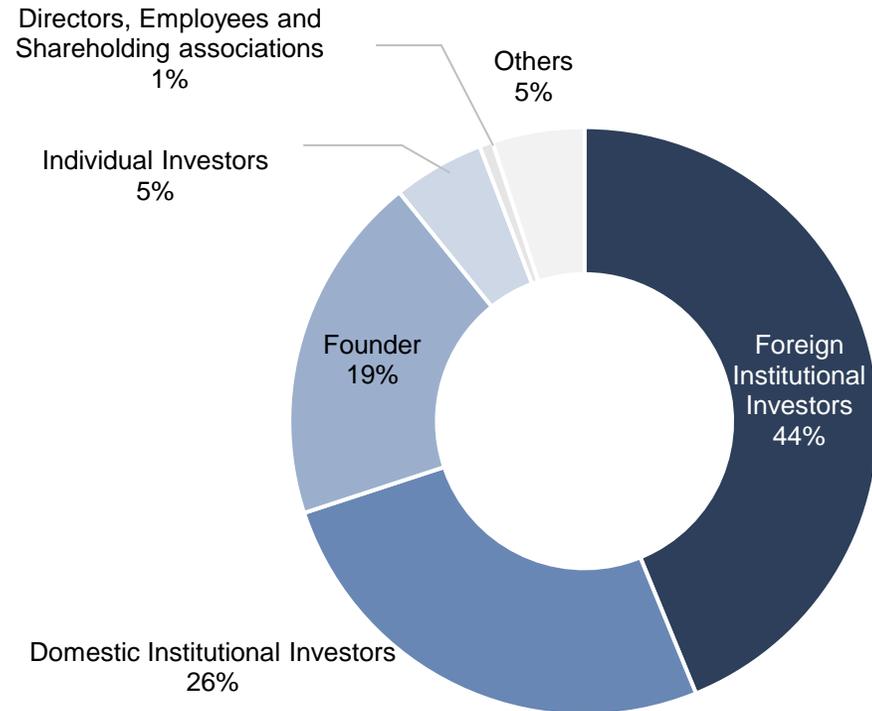
As of March 31, 2022:

Category	# of Employees
Consolidated	3,303
Japan	2,345
Overseas	958

Shareholder Composition*1

As of March 31, 2022:

Number of shareholders 6,600



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 March 31, 2022. 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.

For any inquiries on the materials, please contact below:

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Phone: +81-3-6721-2403

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