



# **SMS Co., Ltd. (2175 TSE Prime Market) Earnings Presentation for Investors, FY03/2024**

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April 26, 2024

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# 01 **FY03/2024 Consolidated Financial Results**

# FY03/24 Consolidated Financial Results (Full-year)

- Achieved growth in both sales and profits for the 20th consecutive year.
- FY03/24 results were generally in line with the guidance despite proactive investments, such as hiring more career partners than originally planned.

## FY03/24 [JPY million]

	FY03/23 Actual	FY03/24 Guidance	FY03/24 Actual	YoY Change	vs. Guidance
Net Sales	45,667	54,799	<b>53,973</b>	+18%	(2%)
Operating Income	7,279	8,375	<b>8,269</b>	+14%	(1%)
Ordinary Income	8,759	9,960	<b>9,901</b>	+13%	(1%)
Net Income	6,406	7,127	<b>7,227</b>	+13%	+1%

# FY03/24 Career Segment (Full-year)

- Grew significantly with a strong demand from business operators looking to hire professionals.
- Hired more career partners than originally planned, aiming for the continued growth of FY03/25 and beyond.

Sales, FY03/24 [JPY million]

	FY03/23 Actual	FY03/24 Actual	YoY Change
Elderly Care Career	12,676	<b>16,292</b>	+29%
Medical Care Career	14,585	<b>16,086</b>	+10%
Total	27,261	<b>32,379</b>	+19%

# FY03/24 Elderly Care Operators Segment (Kaipoke, Full-year)

- The number of Kaipoke memberships increased steadily.
    - 50,400 service offices (29,150 locations)<sup>\*1</sup> as of April 1, 2024
    - Annual membership increase: 5,200 service offices (2,700 locations)
  - Sales of optional add-ons such as additional tablets and smartphones increased.
  - Started new services for the disability welfare field on a trial basis in Q4.
- \*Details are explained in the FY03/25 guidance part.

## Sales, FY03/24 [JPY million]

	FY03/23 Actual	FY03/24 Actual	YoY Change
Elderly Care Operators (Kaipoke)	8,362	9,811	+17%

1. # of service offices: the number of elderly care services / welfare services for persons with disabilities provided based on the public insurance scheme

# of locations: the number of service office locations

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.

# FY03/24 Overseas Segment (Full-year\*1)

- **Medical Platform Business** grew steadily. While the lead time for sales recognition was prolonged due to the recovery in the use of non-digital services such as on-site events, projects on order have been delivered steadily since Q3.
- **Global Career Business** grew significantly driven by the increasing HCP\*2 introductions in the countries where we have already operated, as well as the contribution of CWC/CF (Germany), which we acquired in December 2022.

## Sales, FY03/24 [JPY million]

	FY03/23 Actual	FY03/24 Actual	YoY Change
Overseas	7,815	9,002	+15%

1. Income statement of MIMS group is consolidated with a three-month delay and the results are for January to December. (Please refer to p.102)

2. Healthcare professionals

# 02 **FY03/2025 Guidance**



# FY03/25 Consolidated Financial Guidance

- Expect double-digit growth in both sales and profits.
- Plan to invest actively in hiring, strengthening service brands, and developing new businesses to achieve sustainable high growth in light of the strong market due to population aging.
- Major investments will be made mainly in Q1, with growth coming in Q2 onwards. Consequently, profits in Q1 will decrease YoY, and both sales and profits are expected to grow from Q2.

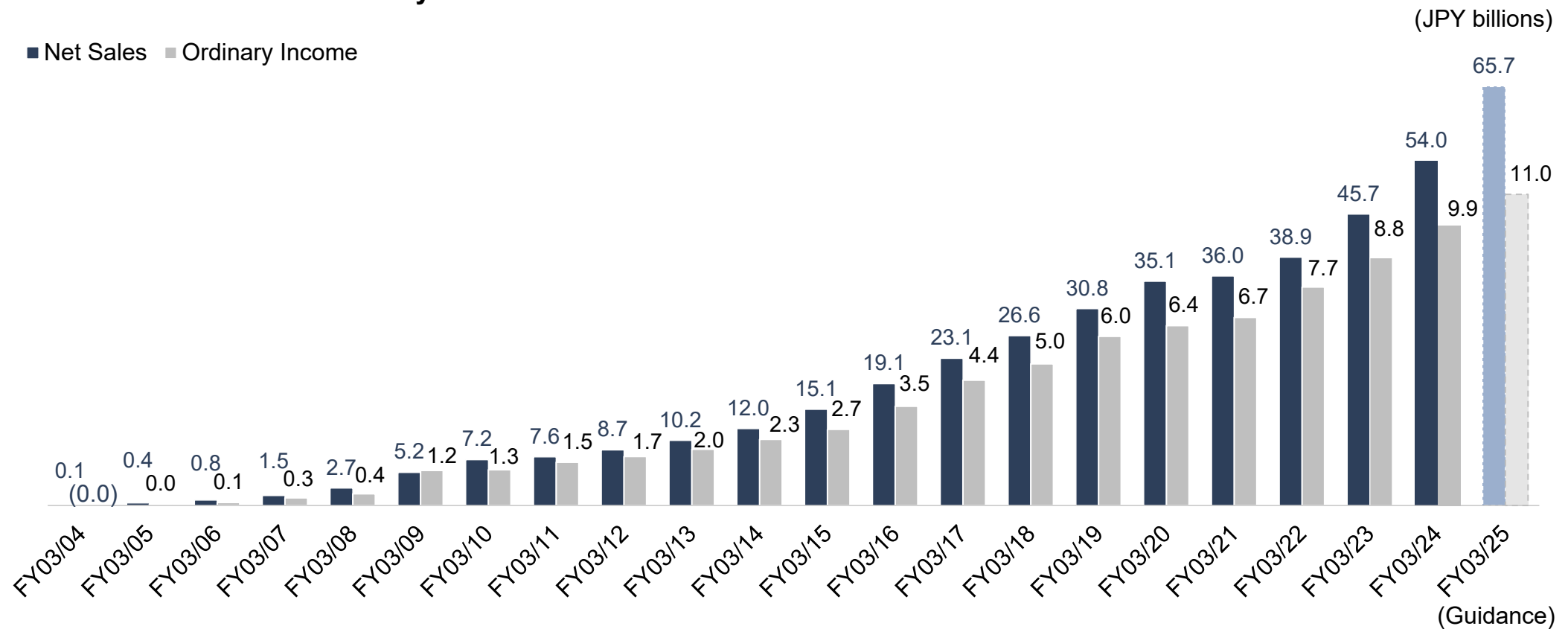
## FY03/25 Guidance [JPY million]

	FY03/24 Actual	FY03/25 Guidance	Difference (Amount)	YoY Change
Net Sales	53,973	<b>65,665</b>	11,692	+22%
Operating Income	8,269	<b>9,096</b>	826	+10%
Ordinary Income	9,901	<b>11,002</b>	1,100	+11%
Net Income	7,227	<b>8,018</b>	790	+11%

# Historical Financial Results and FY03/25 Guidance

Expect to achieve growth in both sales and profits for the 21st consecutive year since our establishment.

## Trends in net sales and ordinary income



# FY03/25 Guidance: 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 a high willingness of the business operators to hire professionals, we expect significant growth especially from Q2, as the number of career partners increases and they start to contribute to the matching activities.
  - Plan to hire career partners more intensively in April in FY03/25 than in FY03/24.
  - Invest in rebranding, with a focus on services for nurses.
- \*Details are explained from the next page.

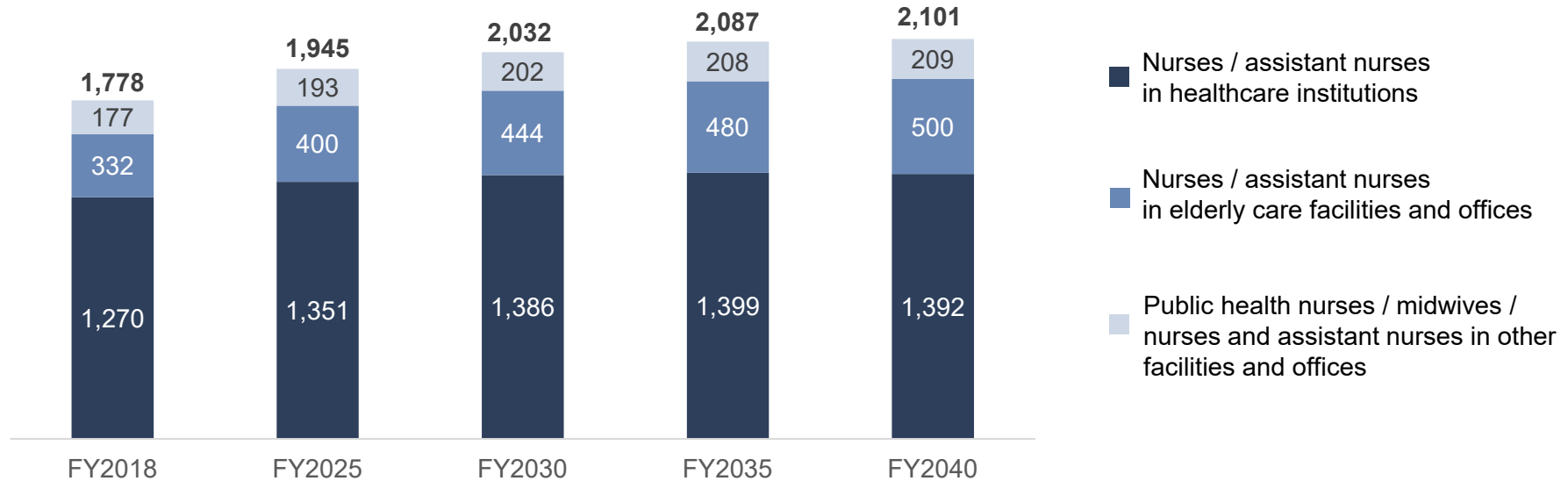
Sales, FY03/25 Guidance [JPY million]

	FY03/24 Actual	FY03/25 Guidance	YoY Change
Elderly Care Career	16,292	21,086	+29%
Medical Care Career	16,086	18,615	+16%
Total	32,379	39,701	+23%

# Supplementary Info 1: Social Issues Surrounding Nurses

- Demand for nursing continues to rise as the number of elderly people increases and where nursing is needed becomes more diverse.
- It is becoming increasingly important not only to secure nurses quantitatively, but also to improve their qualifications, and to address the issue of regional and functional uneven distribution of nurses. Therefore, there is a long-term opportunity to resolve these issues through our Career Business.

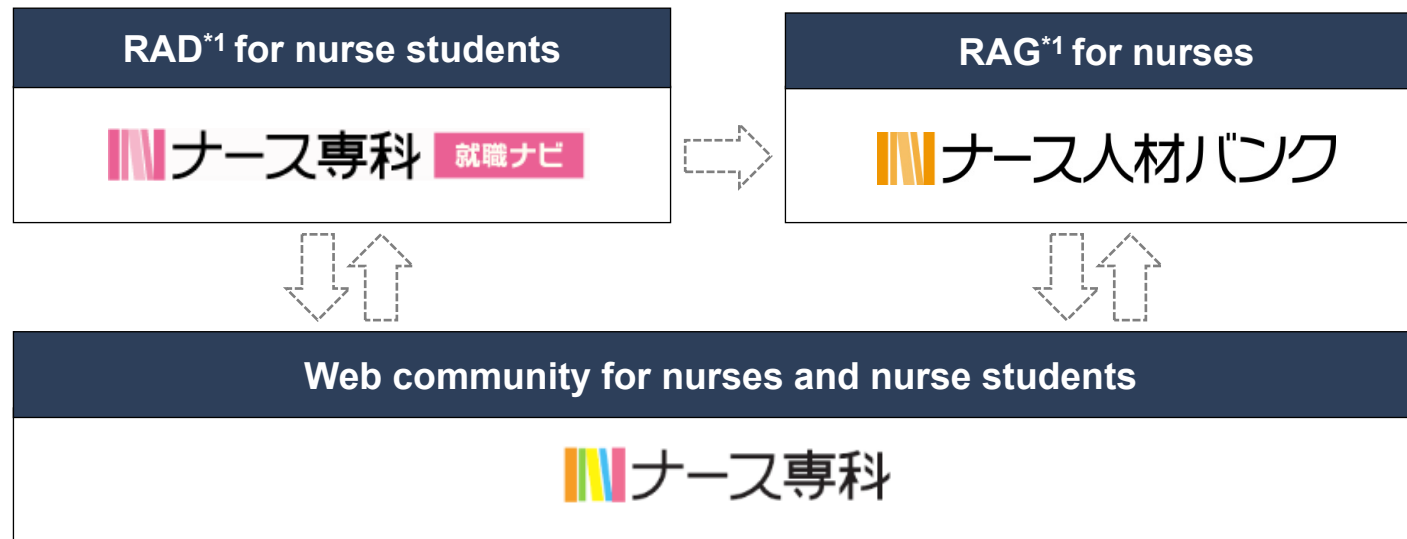
**Estimated demand for nurses\*1**  
(in thousands)



1. MHLW, "The Situation Concerning the Securing of Nurses, etc. (Nursing Personnel)", actual figures for FY 2018

# Supplementary Info 2: Our Approach to Nurses to Date

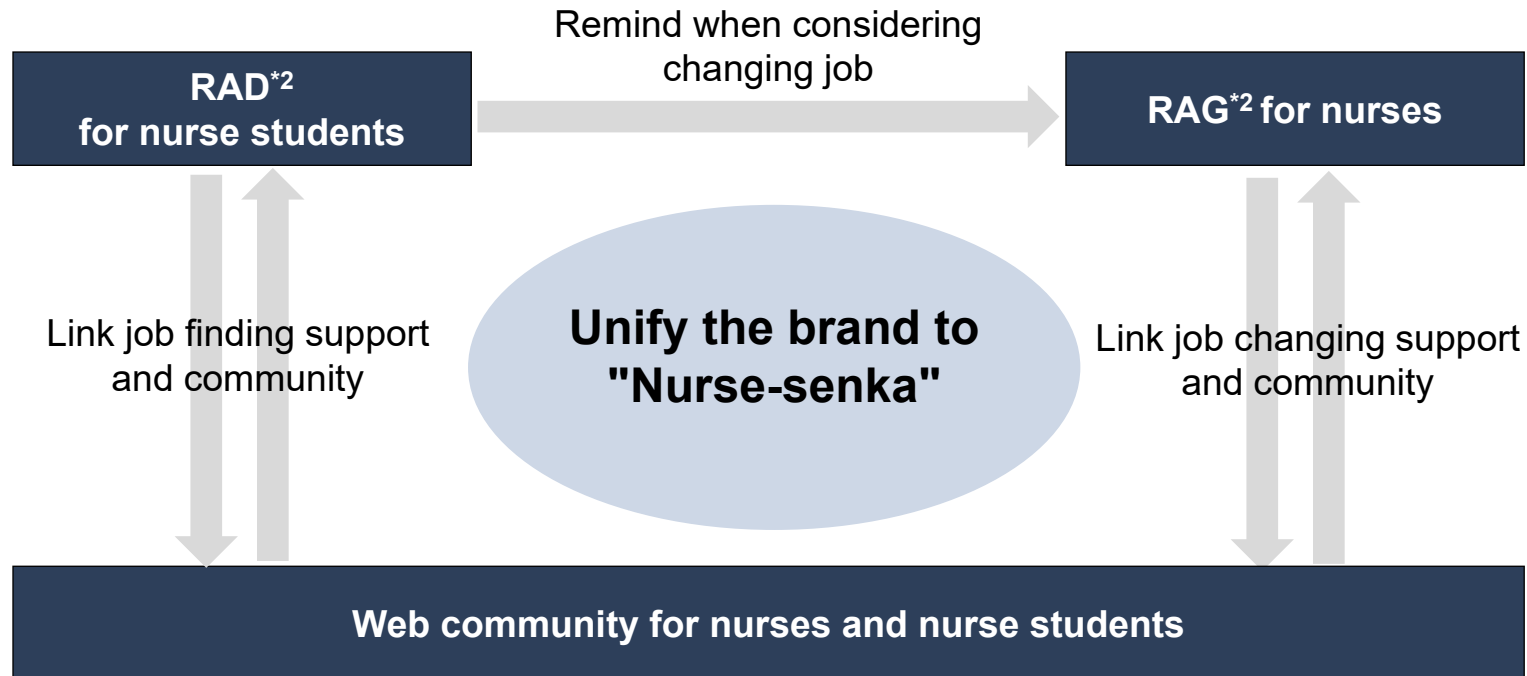
- As a pioneer in the industry, we have been supporting nurses in their career development by providing the services such as “Nurse Jinzai-bank”, RAG\*1 for nurses since 2005, “Nurse-senka”, web community for nurses and nurse students since 2006, and “Nurse-senka Shusyoku-navi”, RAD\*1 for nurse students since 2009.
- While each service has achieved recognition among nurses and nurse students, the existence of multiple service brands and insufficient seamless links between services have resulted in a situation where we are not always able to provide effective support.



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

# Supplementary Info 3: What We Achieve by Rebranding

- Establish and maintain the No. 1 position in the industry over the long term by unifying the brands of multiple services for nurses and ensuring that each service can be used seamlessly.
- Aim to maximize the value provided as a partner throughout the professional life of nurses by offering highly specialized services\*1.

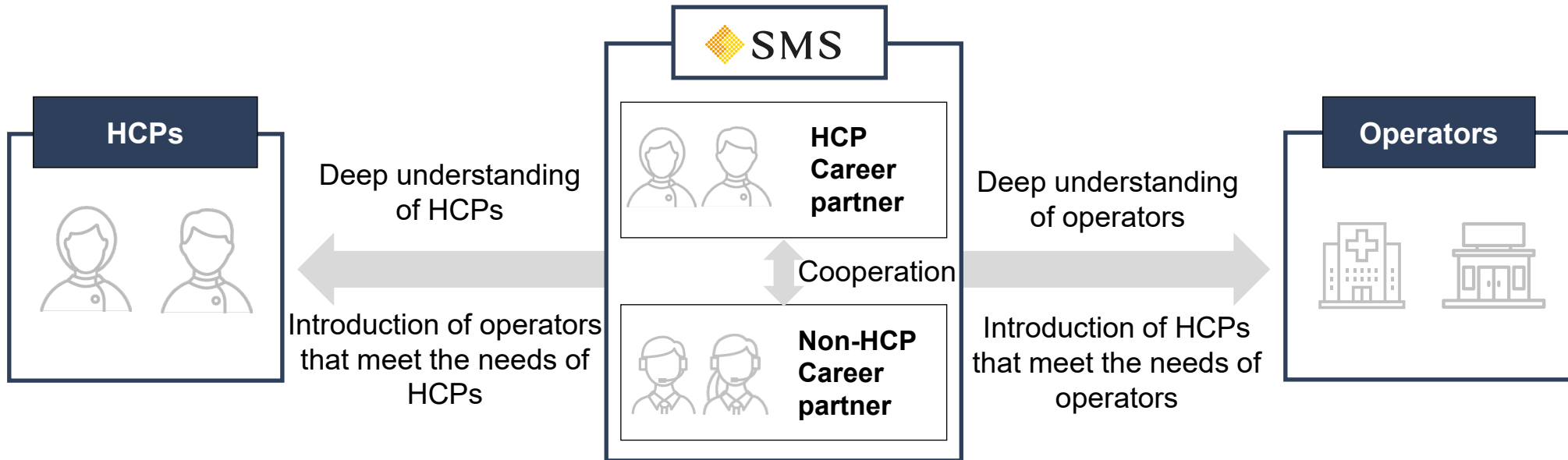


1. Please refer to "(FYI) Realization of High-Quality Matching by Career Partners with Healthcare Backgrounds" on p.15 for details.

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

# (FYI) Realization of High-Quality Matching by Career Partners with Healthcare Backgrounds

- Since 2021, we have been actively recruiting qualified HCPs\*<sup>1</sup> (e.g. nurses) as career partners.
- With their industry knowledge and experience as HCPs, they can deeply understand the concerns of HCPs and operators and also help career partners who do not have healthcare backgrounds to understand HCPs and operators. This enables us to provide high-quality matching and deliver highly professional services throughout the organization.

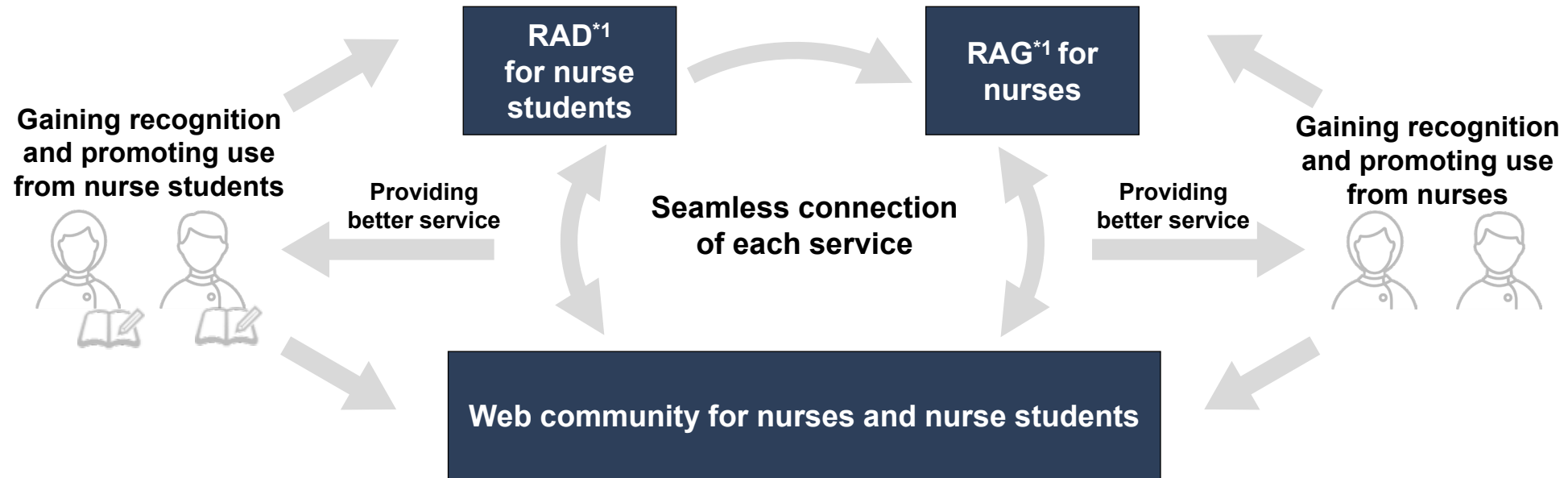


1. Healthcare professionals

# Supplementary Info 4: Specific Measures

The following measures are planned for the rebranding.

- Visualize the user path and mutually utilize site contents to seamlessly connect each service.
- Expand site contents and improve matching accuracy by leveraging our deep understanding of nurses to provide better service.
- Implement commercial and web marketing appeals to deliver the right message to nurses as a unified brand and gain further recognition.



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



# FY03/25 Guidance: Elderly/Disability 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 significant growth by acquiring new customers and increasing the usage of optional add-ons such as tablets and smartphones.
- Launch new services for the disability welfare field officially and changed the name of segment to Elderly/Disability Care Operators Segment.  
\*Details are explained from the next page.

## Sales, FY03/25 Guidance [JPY million]

	FY03/24 Actual	FY03/25 Guidance	YoY Change
Elderly/Disability Care Operators (Kaipoke)	9,811	11,760	+20%

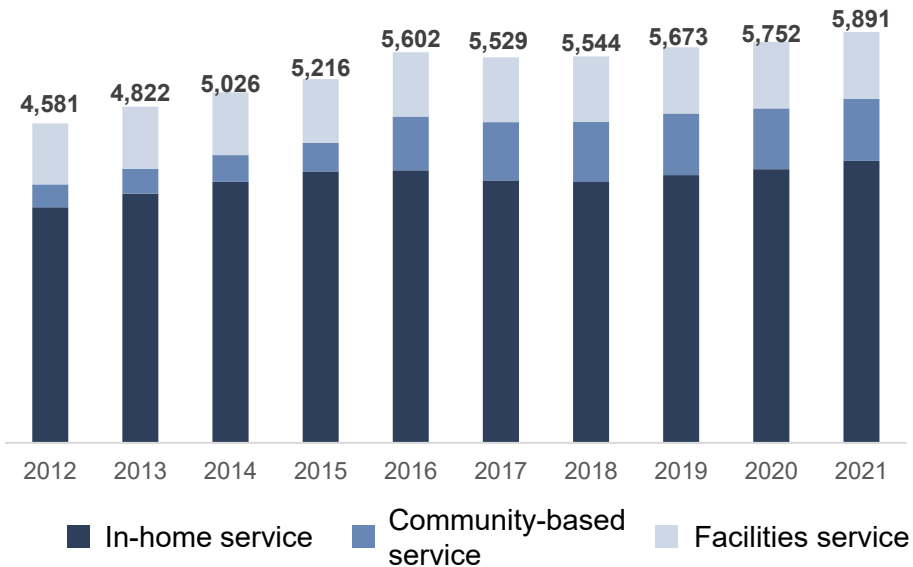
# Supplementary Info 1: Comparison of Elderly Care and Disability Welfare - Service Users

- The number of users of welfare services for persons with disabilities is on the rise due to the growing social awareness toward disabilities and easier access to diagnosis, and the rate of increase is higher than that of the elderly care field.

## Number of recipients of elderly care services (average per month)\*1

(in thousands)

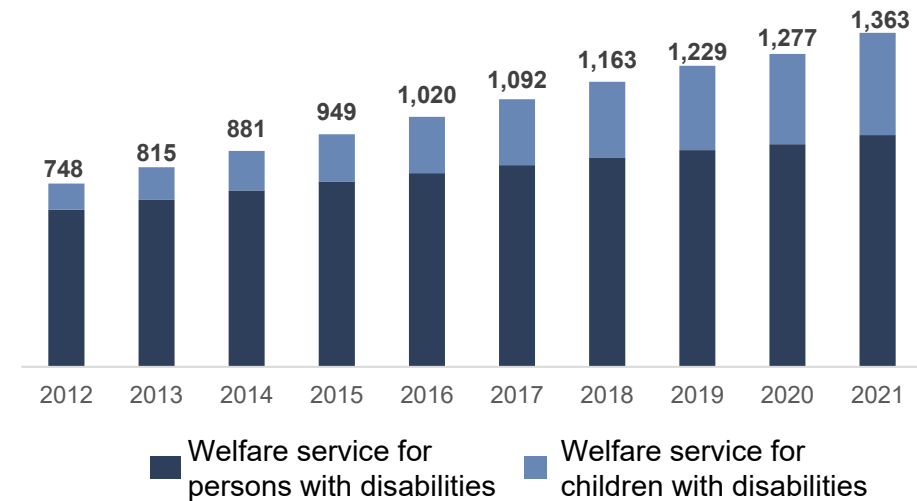
Average annual rate of increase: 2.8%



## Number of users of welfare services for persons with disabilities and for children with disabilities (average per month)\*2

(in thousands)

Average annual rate of increase: 6.9%



1. MHLW, "Report on Long-Term Care Insurance"

2. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc."

# Supplementary Info 2:

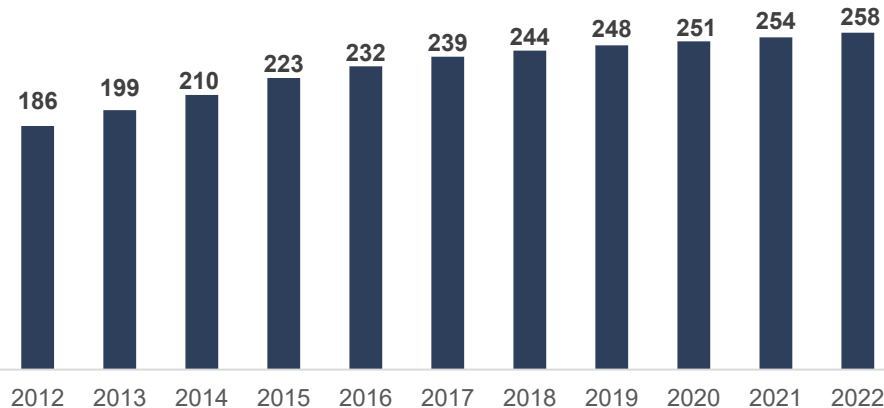
## Comparison of Elderly Care and Disability Welfare - Service Offices

- Along with the increase in the number of users of welfare services for persons with disabilities, the number of service offices has also increased significantly, and the rate of increase is higher than that of the elderly care field.

### Number of elderly care service offices\*1

(in thousands)

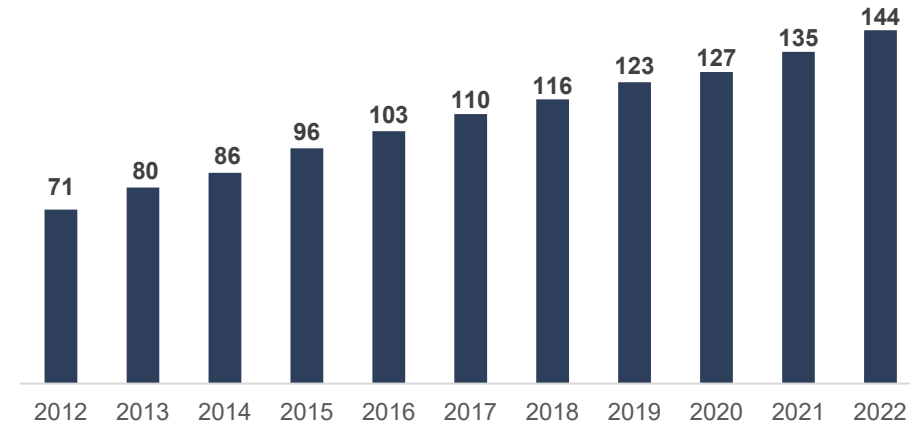
Average annual rate of increase: 3.3%



### Number of welfare service offices for persons with disabilities\*2

(in thousands)

Average annual rate of increase: 7.3%



1. MHLW, "Statistics of Long-term Care Benefit Expenditures" (March of each year)

2. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc.", "Recent Trends in the Field of Welfare for Persons with Disabilities"

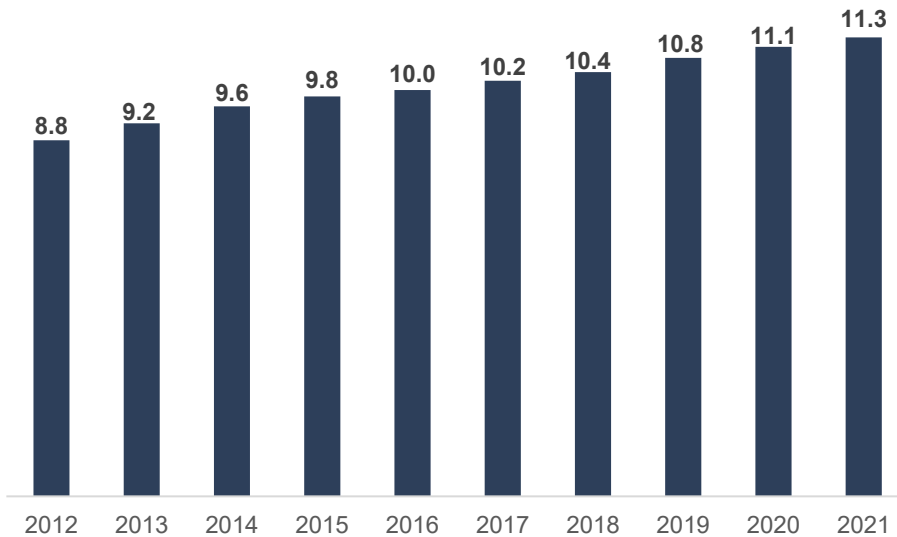
# Supplementary Info 3: Comparison of Elderly Care and Disability Welfare - Total Expenses

- In terms of the total expenses for the use of services, the rate of increase of the disability welfare is higher than that of the elderly care field.

## Total expenses for elderly care\*1

(in JPY trillions)

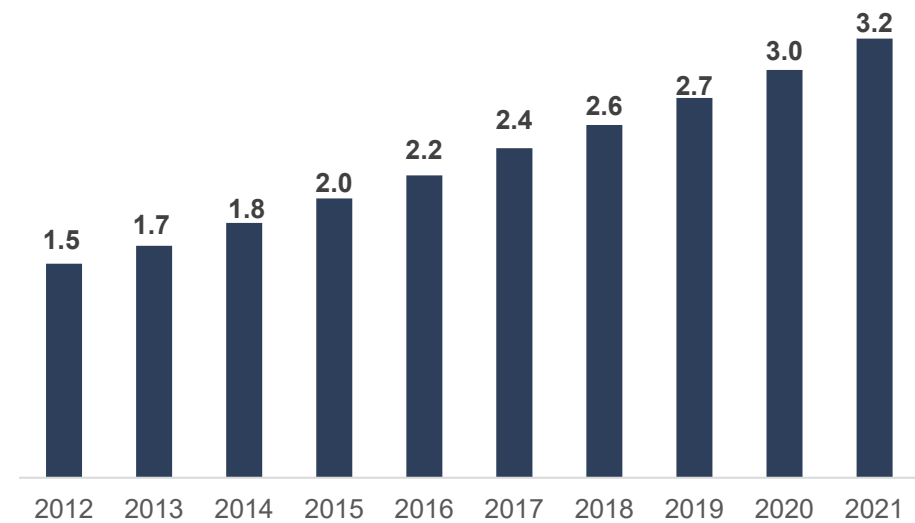
Average annual rate of increase: 2.9%



## Total expenses for welfare services for persons with disabilities\*2

(in JPY trillions)

Average annual rate of increase: 8.3%



1. MHLW, "Report on Long-Term Care Insurance"

2. MHLW, "Recent Trends in the Field of Welfare for Persons with Disabilities"

# Supplementary Info 4: Types of Disability Welfare Services

- Welfare services for persons with disabilities include long-term care, training/employment, living support, consultation support, community life support, and services for children with disabilities.
- Kaipoke provides a management support platform for visiting care services, child development support, and after-school day services.
- Launch services for Employment Transition Support and other employment support offices officially from FY03/25.\*<sup>1</sup>

Types of disability welfare services (Services in blue are already targeted by Kaipoke, red are newly targeted.)

<b>Long-term care</b> <b>Visiting service</b> <ul style="list-style-type: none"> <li>• In-home nursing care<sup>*2</sup></li> <li>• Visiting care for persons with severe disabilities</li> <li>• Companion support<sup>*2</sup></li> <li>• Activity support<sup>*2</sup></li> <li>• Comprehensive support for persons with severe disabilities<sup>*2</sup></li> </ul>	<b>Training/employment</b> <ul style="list-style-type: none"> <li>• Rehabilitation services (functional training)</li> <li>• Rehabilitation services (life training)</li> <li>• <b>Employment transition support</b></li> <li>• <b>Employment continuation support (Type A)</b></li> <li>• <b>Employment continuation support (Type B)</b></li> <li>• <b>Employment retention support</b></li> </ul>	<b>Consultation support</b> <ul style="list-style-type: none"> <li>• Planning consultation support<sup>*2</sup></li> <li>• Consultation support for children with disabilities<sup>*2</sup></li> <li>• Transition support for community life</li> <li>• Support for continuing community life</li> </ul>	<b>Services for children with disabilities</b> <b>Admission support</b> <ul style="list-style-type: none"> <li>• Welfare services facility</li> <li>• Medical services facility</li> </ul>
<b>Day activity service</b> <ul style="list-style-type: none"> <li>• Short-stay service<sup>*2</sup></li> <li>• Medical nursing care</li> <li>• Daily nursing care</li> </ul>	<b>Living support</b> <ul style="list-style-type: none"> <li>• Independent living support</li> <li>• Group home assistance</li> </ul>	<b>Community life support</b> <ul style="list-style-type: none"> <li>• Transportation support</li> <li>• Community activity support center</li> <li>• Welfare home</li> </ul>	<b>Visiting service</b> <ul style="list-style-type: none"> <li>• Home-visit type child development support</li> <li>• Visit support for nursery centers</li> </ul>
<b>Facility service</b> <ul style="list-style-type: none"> <li>• Residential facility care</li> </ul>			<b>Outpatient support services</b> <ul style="list-style-type: none"> <li>• <b>Child development support</b></li> <li>• Medical services child development support</li> <li>• <b>After-school day services</b></li> </ul>

1. Started trials in the latter of FY03/24.
2. These services are also available to children with disabilities.

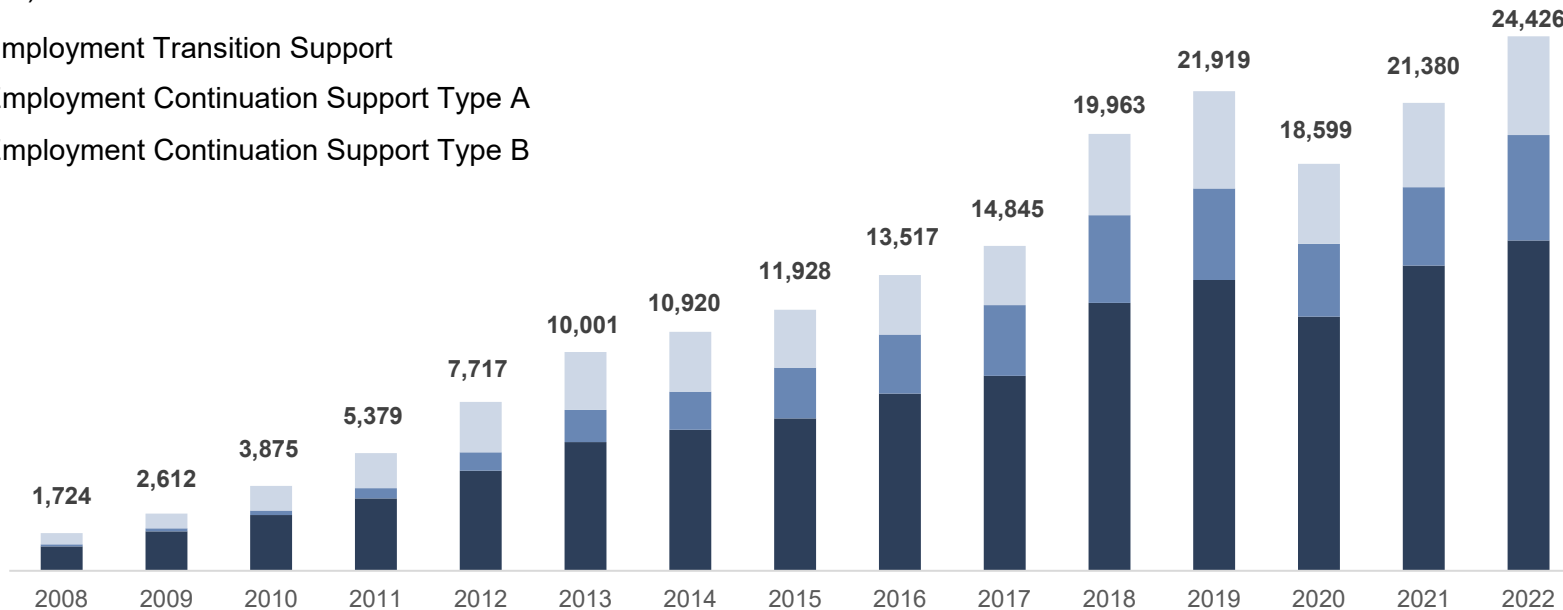
# Supplementary Info 5: What is Employment Transition Support?

- A commuting-type welfare service for persons with disabilities that provides training to acquire the skills necessary to work and support for their job search activities.
- The number of persons with disabilities who find employment in general companies through Employment Transition Support is increasing and accounts for more than half of all employment through welfare services for persons with disabilities.

**Number of persons employed by general companies from Employment Support Offices<sup>\*1\*2</sup>**

(persons)

- Employment Transition Support
- Employment Continuation Support Type A
- Employment Continuation Support Type B

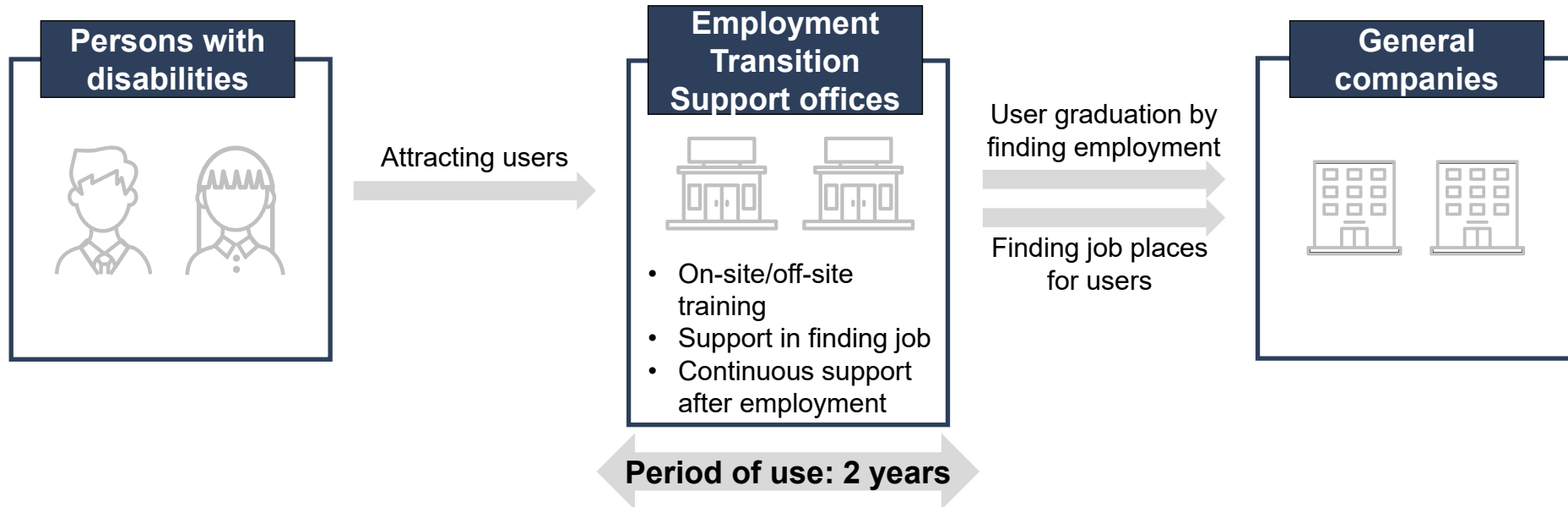


1. MHLW, "Survey of Social Welfare Institutions"

2. In 2020 and 2021, the number of people employed temporarily decreased due to COVID-19.

# Supplementary Info 6: Management Issues at Employment Transition Support Offices

- Since the period of use of Employment Transition Support is generally limited to two years, it is necessary to continue to attract users to ensure stable management of the offices.
- It is also important to secure job placement for users, as they aim to graduate by finding employment in general companies.



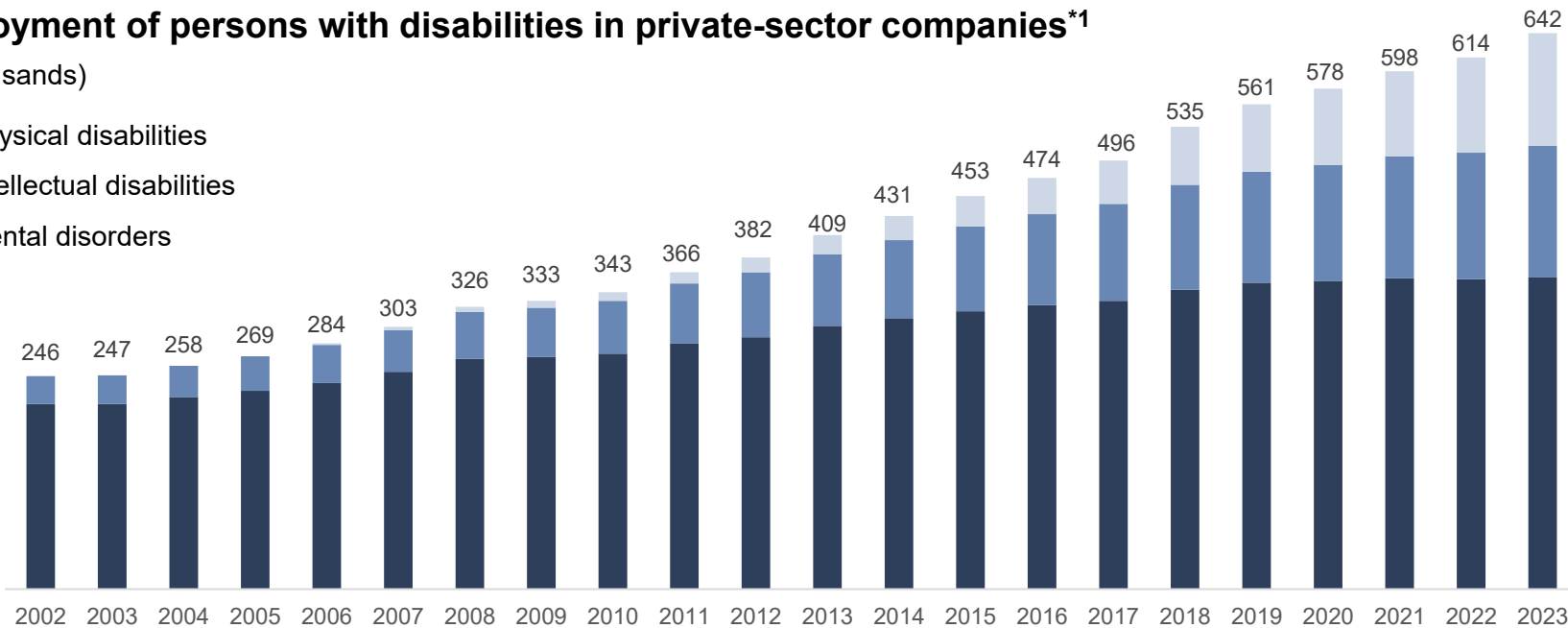
# Supplementary Info 7: Expanding Employment of Persons with Disabilities in Companies

- Employment of persons with disabilities in companies is increasing from the perspective of creating a society in which everyone can play an active role.
- The legal employment rate for persons with disabilities has been raised in stages, from 2.3% to 2.5% in April 2024, scheduled with a further increase to 2.7% in 2026, and the number of employments is expected to continue to grow.
- On the other hand, approximately 50% of companies do not meet the legal employment rate, and there are needs to hire persons with disabilities.

## Employment of persons with disabilities in private-sector companies\*1

(in thousands)

- Physical disabilities
- Intellectual disabilities
- Mental disorders



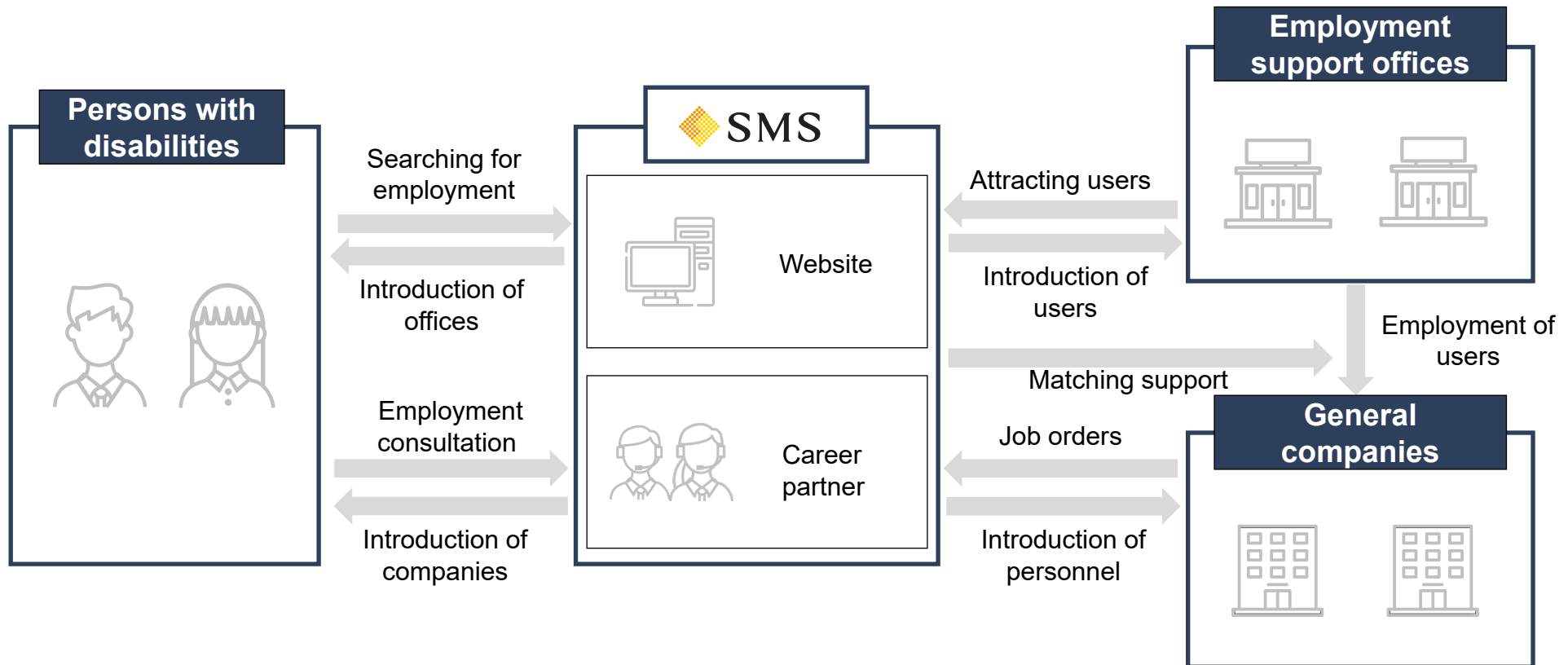
Actual employment rate(%)	1.47	1.48	1.46	1.49	1.52	1.55	1.59	1.63	1.68	1.65	1.69	1.76	1.82	1.88	1.92	1.97	2.05	2.11	2.15	2.20	2.25	2.33
Legal employment rate(%)	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	2.00	2.00	2.00	2.00	2.00	2.20	2.20	2.20	2.30	2.30	2.30

1. MHLW, "Employment Status of Persons with Disabilities in 2023"



# Supplementary Info 8: Launch New Services for Employment Support Offices\*1

- Start a service to introduce Employment Transition Support offices and other employment support offices to persons with disabilities in order to support the attraction of users, which is a management issue at these offices.
- In addition, launch a job matching service to assist employment support office users to find employment, which also meets the hiring needs of persons with disabilities at general companies.



1. Employment Transition Support office, Employment Continuation Support offices (Type A/B), etc.

# FY03/25\*<sup>1</sup> Guidance: Overseas Segment

- Expect steady growth in Medical Platform Business as the long-term market prospects remain strong with a continuous expansion of the healthcare market in Asia.
- Global Career Business has huge long-term growth potential with the expanding demands for healthcare professionals across the globe. Expect steady growth by increasing the number of clients (healthcare institutions) .

Sales, FY03/25 Guidance [JPY million]

	FY03/24 Actual	FY03/25 Guidance	YoY Change
Overseas	9,002	10,491	+17%

1. Income statement of MIMS group is consolidated with a three-month delay and the results are for January to December. (Please refer to p.102)

# 03 Topic

# Topic: Share Repurchase Program

Plan to repurchase shares (up to 2 billion yen / 876,400 shares) in order to enable flexible implementation of capital policies in response to changes in the business environment.

## Overview of Share Repurchase announced on April 26, 2024

Total number of shares to be repurchased	876,400 shares <sup>*1, 2</sup> (1.01% of total shares outstanding <sup>*3</sup> )
Aggregate repurchase price	2 billion yen <sup>*1</sup>
Repurchase period	From April 30, 2024 to June 30, 2024
Repurchase method	Market purchase based on a discretionary trading agreement

1. Maximum

2. The total number of shares to be repurchased is calculated based on the aggregate repurchase price of 2 billion yen and the closing price (2,282 yen) on April 25, 2024, which is one business day before the Board resolution, and the number of shares less than one unit is rounded down.

3. Excluding treasury shares

# Capital Policy and Shareholder Return Policy

- Our group's capital policy is focused on achieving continuous growth in net income while ensuring financial soundness and maintaining higher ROE than our cost of equity.
- Update our dividend policy as we have prioritized internal reserves since the acquisition of MIMS group in 2015 and have achieved a certain level of financial soundness.

## Our Approach to Shareholder Returns

<p>Dividend Policy</p>	<p>(Before the changes) Our basic policy for the dividend is to prioritize growth investments while considering the financial conditions when determining dividend payouts to our shareholders.</p> <p>(After the changes) Our basic policy for profit distribution is <u>to pay dividends in line with business results for each fiscal year, with a target consolidated dividend payout ratio of 30%, while prioritizing growth investment and considering the financial conditions. However, this does not apply in the event of major investment opportunities such as M&amp;A.</u></p> <p>*This policy will be applied from the dividend for FY03/25 (to be paid in June 2025).</p>
<p>Share Repurchase Program</p>	<p>We implement share repurchases flexibly, according to financial conditions and share price levels.</p>

# 04 References

# Mission and Strategy

# Mission



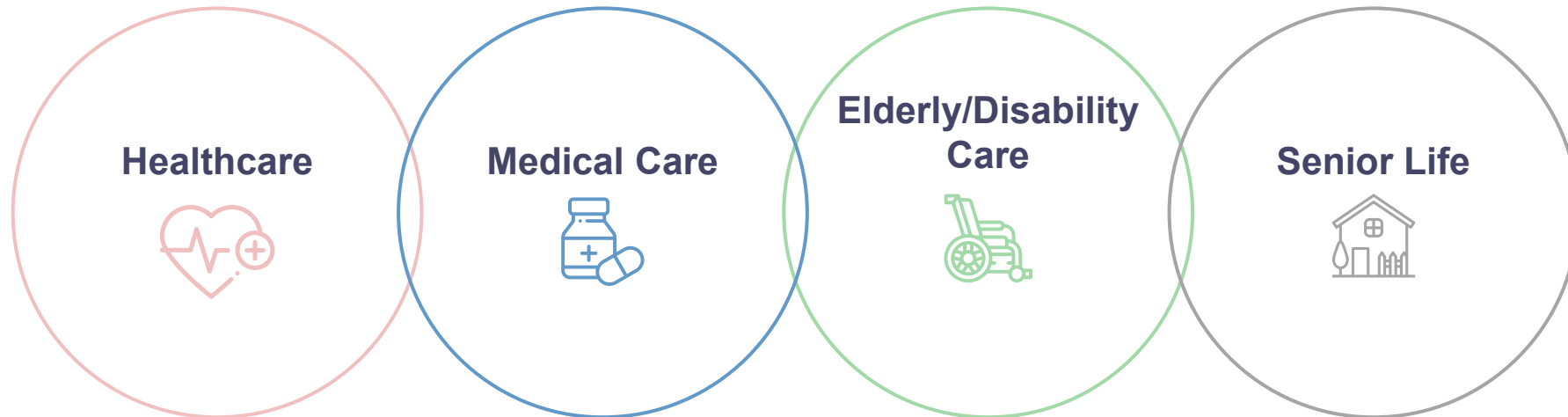
## Group Mission

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

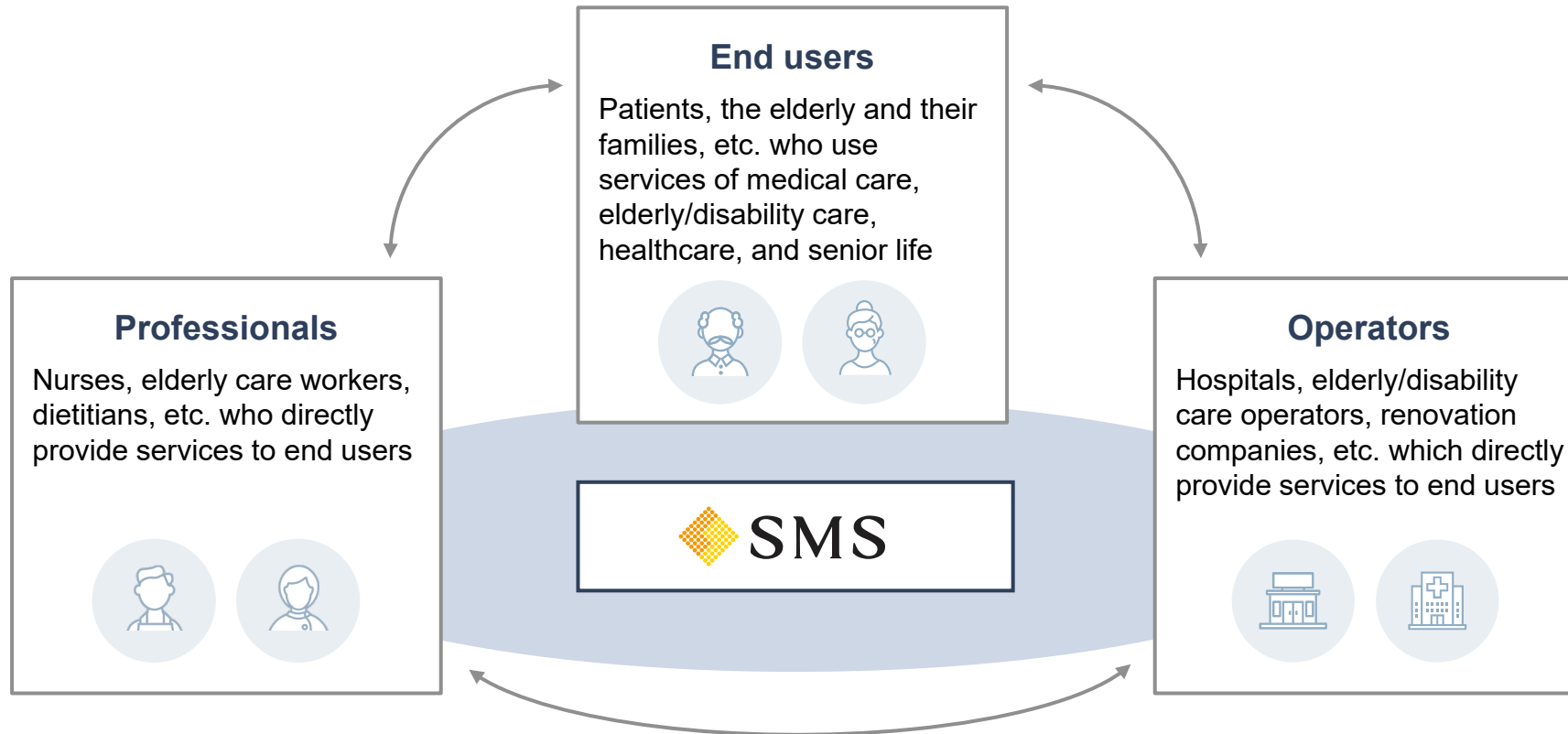
# Aging Society

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








# Information Infrastructure

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



# Business Areas

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

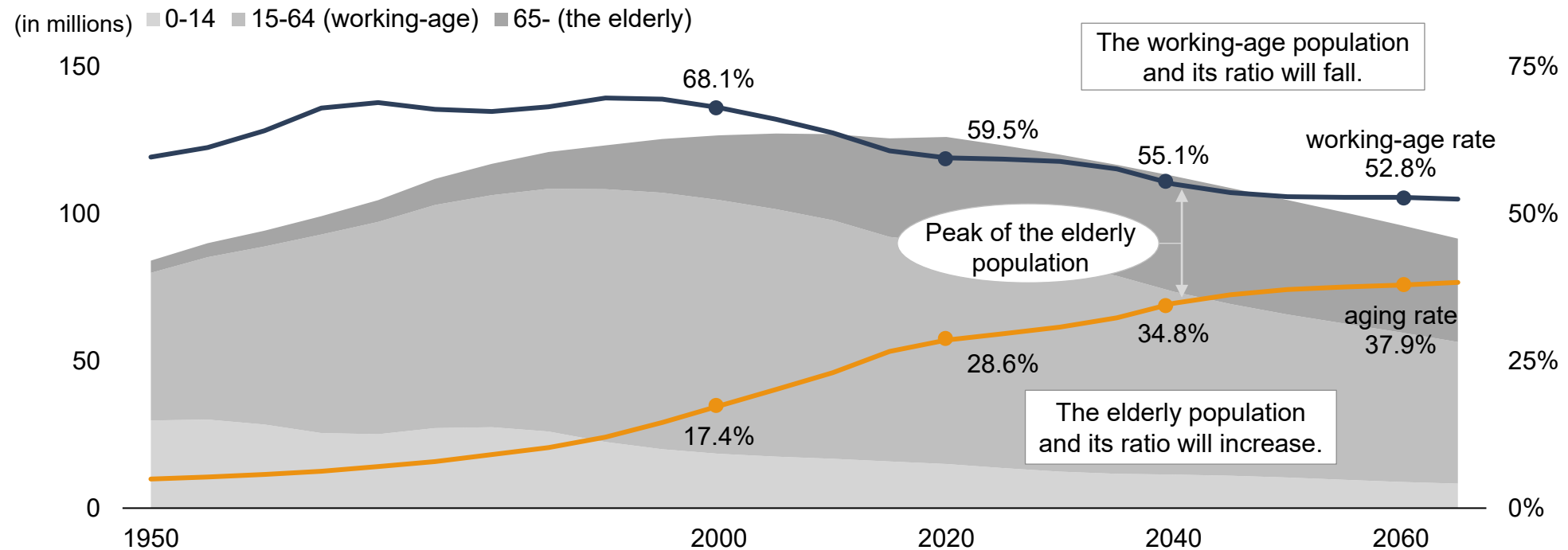
	Healthcare 	Medical Care 	Elderly/Disability Care 	Senior Life 
Professionals 				
Operators 	<b>Business Areas</b>			
End users 				

# **Issues in an Aging Society and Our Solutions**

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

- We are facing rapid aging and population decline simultaneously in Japan.
- The aging rate is expected to reach approximately 35% by 2040 when the elderly population approaches its peak.
- The working-age population is declining, and its ratio will drop to nearly 55% by 2040.

Population trends in Japan\*1



1. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"

# Three Critical Issues Faced by an Aging Society

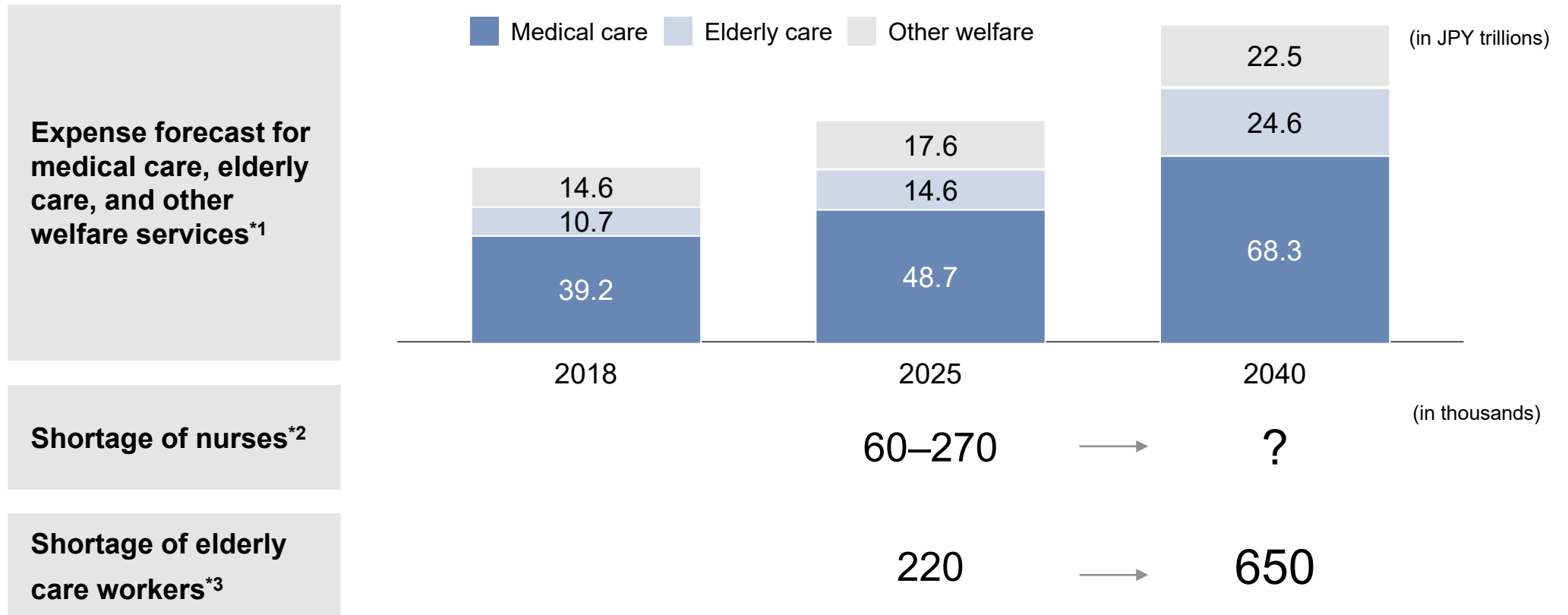
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- We are facing three critical social issues in an aging society with the low birth rate, aging and population decline.
- Need to solve these issues in order to improve people's quality of life in an aging society.

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

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

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

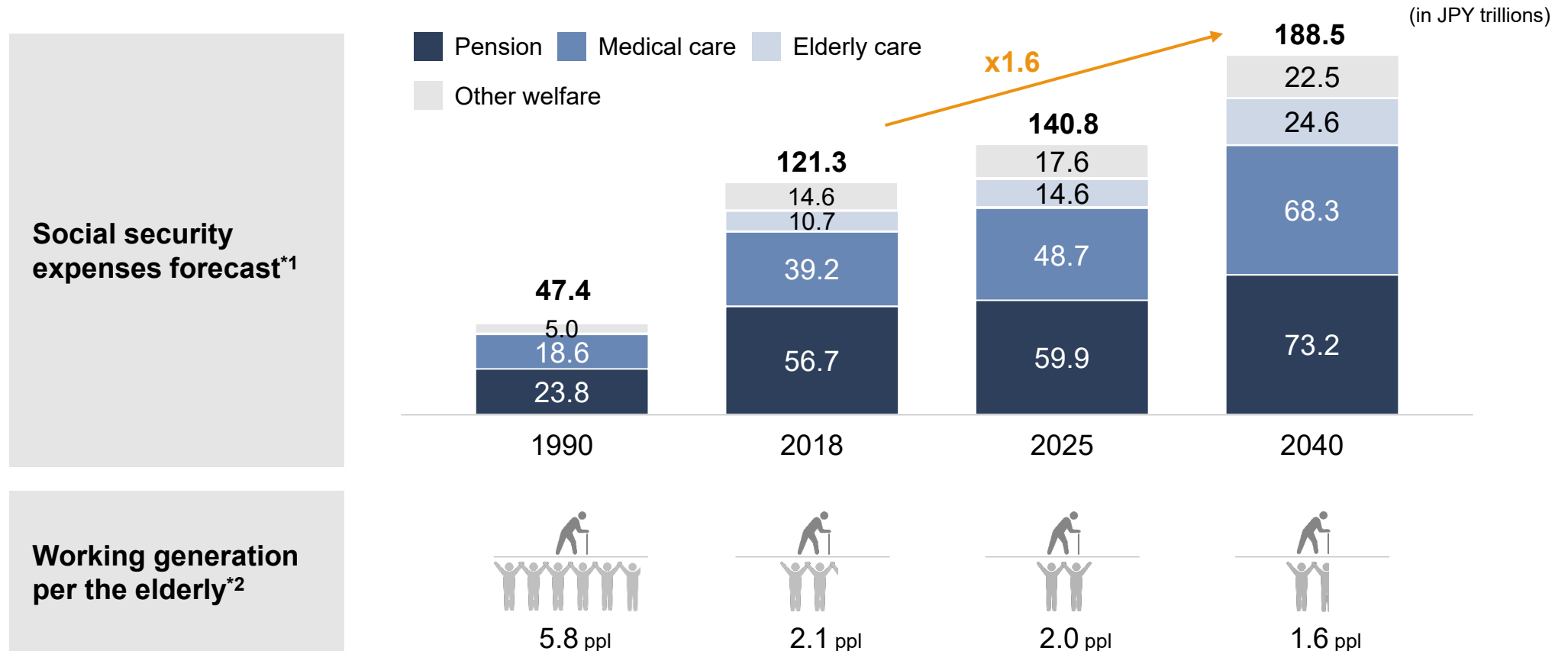


1. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"  
 2. MHLW, "Subcommittee on supply and demand of nursing staff, study group on supply and demand of medical care workers"  
 3. MHLW, "Required number of elderly care staff based on the 8th plan for long-term care insurance"



# Issue 2: More severe burden on the working generation

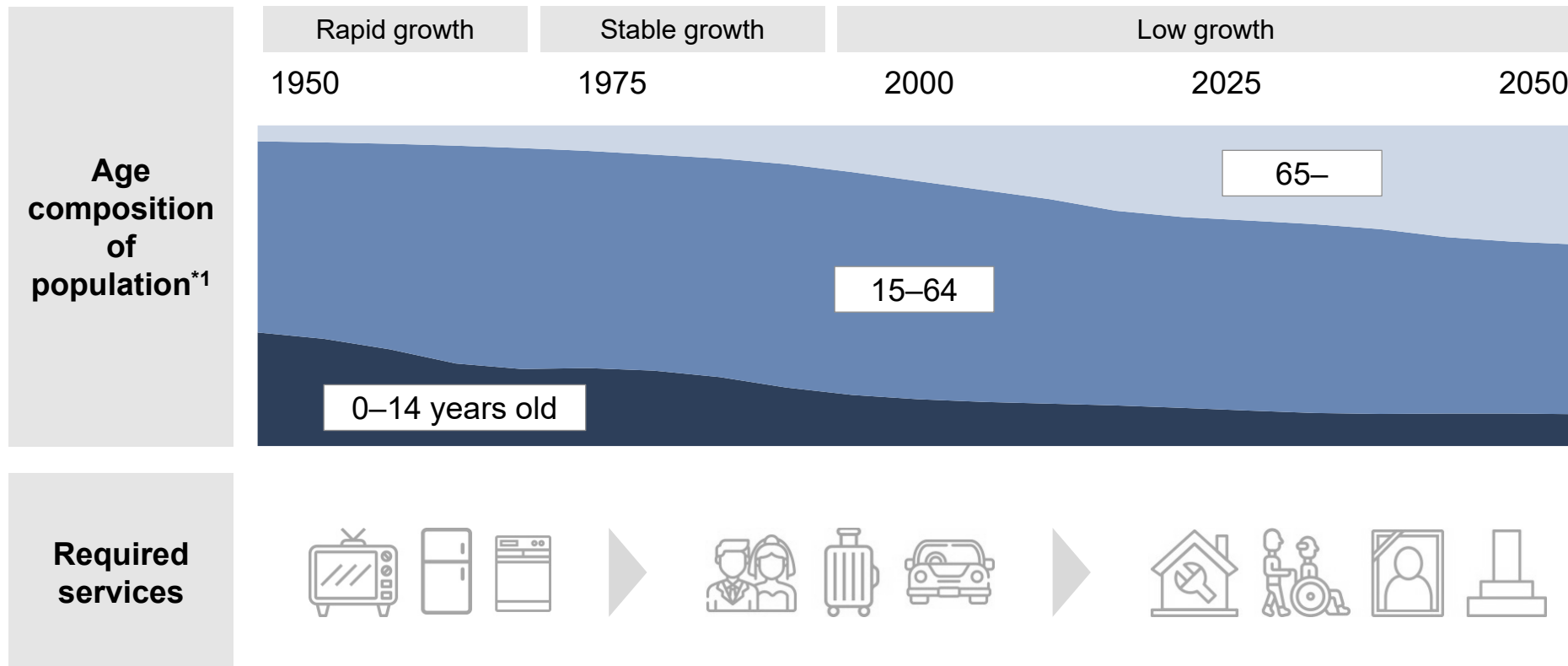
The burden on the working generation will become more serious due to the increasing social security expenses for pensions, medical care, elderly care, and other welfare services, as well as the declining working-age population who cover these expenses.



1. MHLW, "Trends in Social Security Benefits", Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"  
 2. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"

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

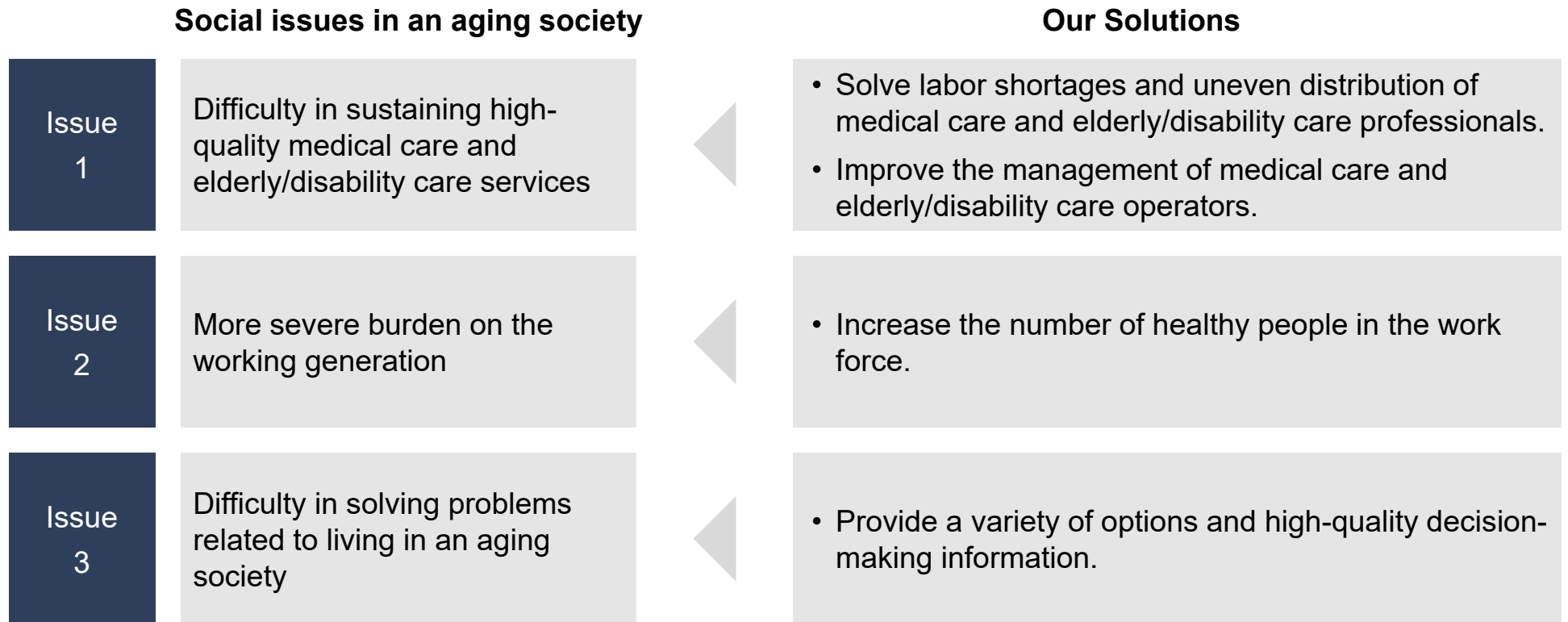
- While services required in society are changing and expanding with the population aging, information related to living in an aging society is insufficient in terms of quality and quantity, and the future labor shortage will result in an inability to adequately supply such services.
- The elderly and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



1. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"








# Our Solutions for Issues in an Aging Society

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



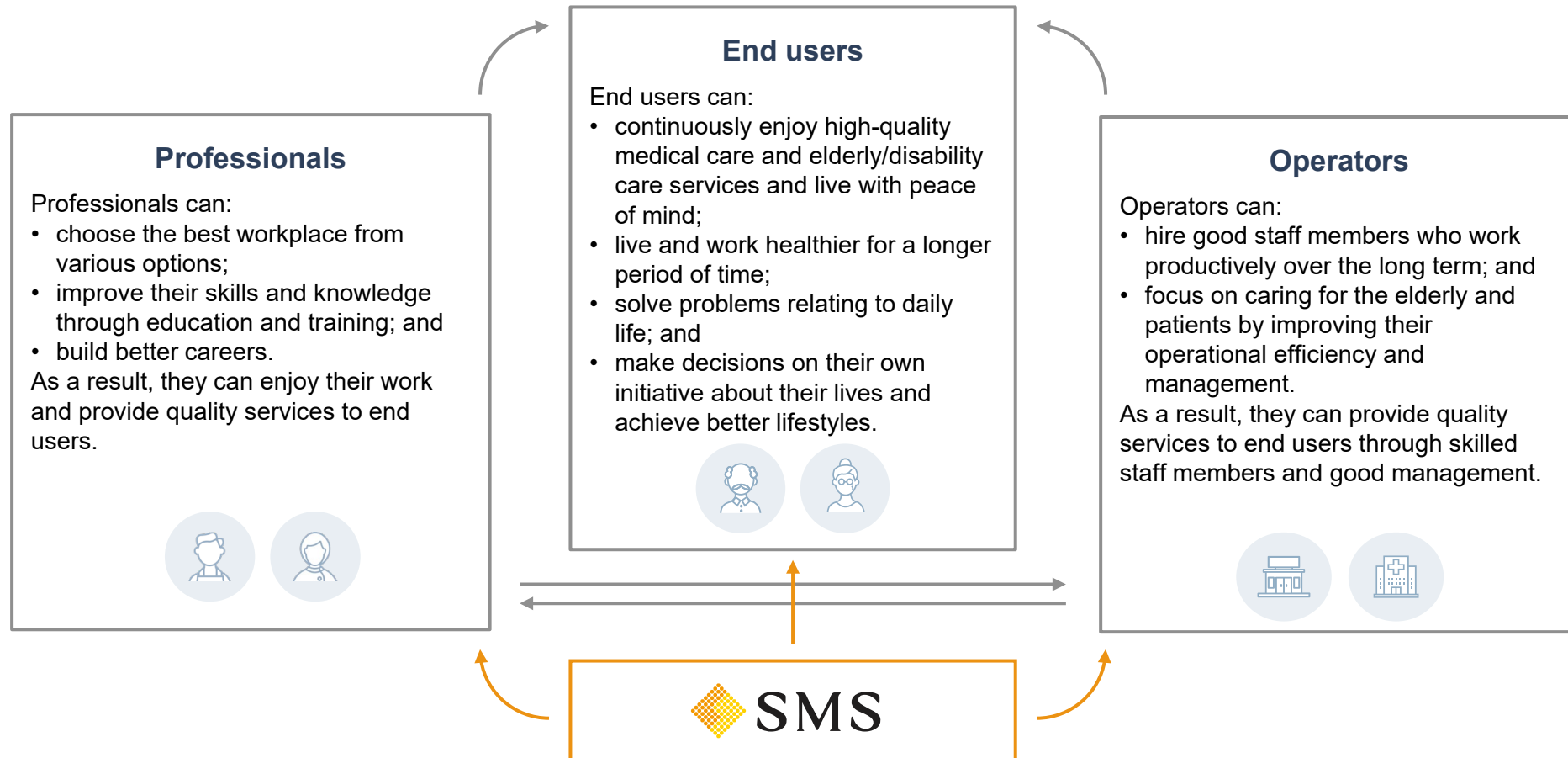
# Strategic Business Areas

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

	Healthcare 	Medical Care 	Elderly/Disability Care 	Senior Life 
<b>Professionals</b> 	Healthcare Business	Issue 1 Career Business		Senior Life Business
<b>Operators</b> 		Issue 2	Issue 1 Elderly/Disability Care Operators Business	
<b>End users</b> 				

# 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 group in 2015.
- Have offices in 18 countries and regions, mainly in Japan and APAC.



# Business Portfolio

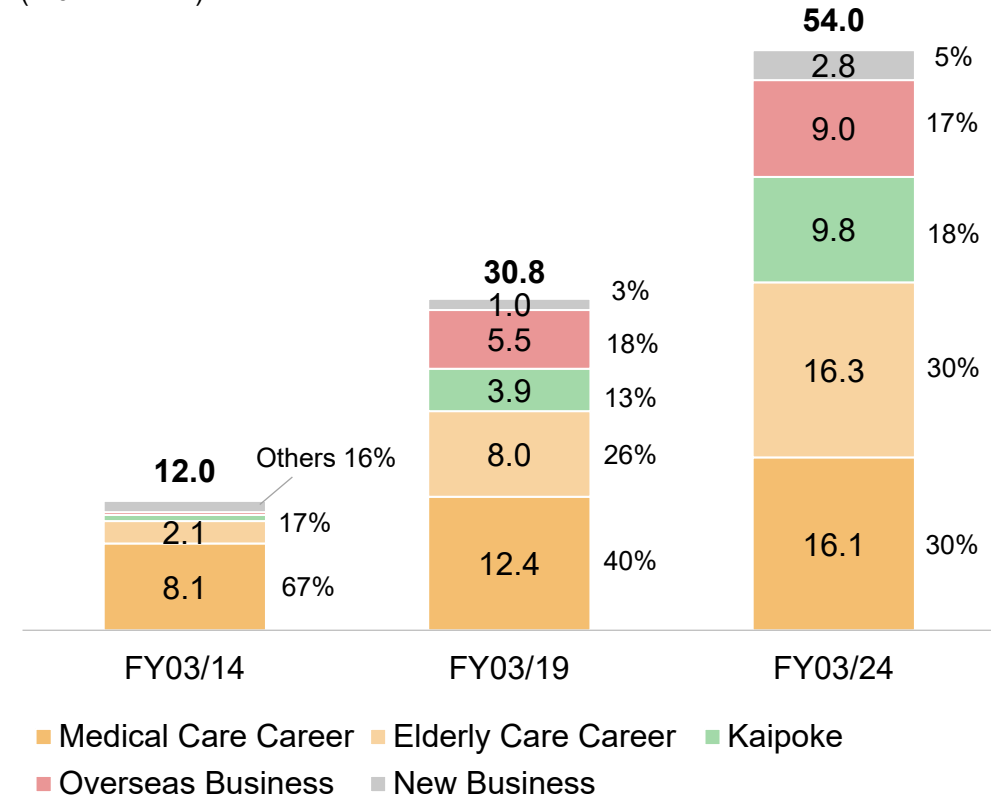
- **Medical Care Career** has been driving our growth since our establishment.
- **Elderly Care Career, Kaipoke and Overseas business** are growing as the new pillars of our business portfolio.

## Business Areas

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

## Breakdown of Net Sales

(in JPY billions)

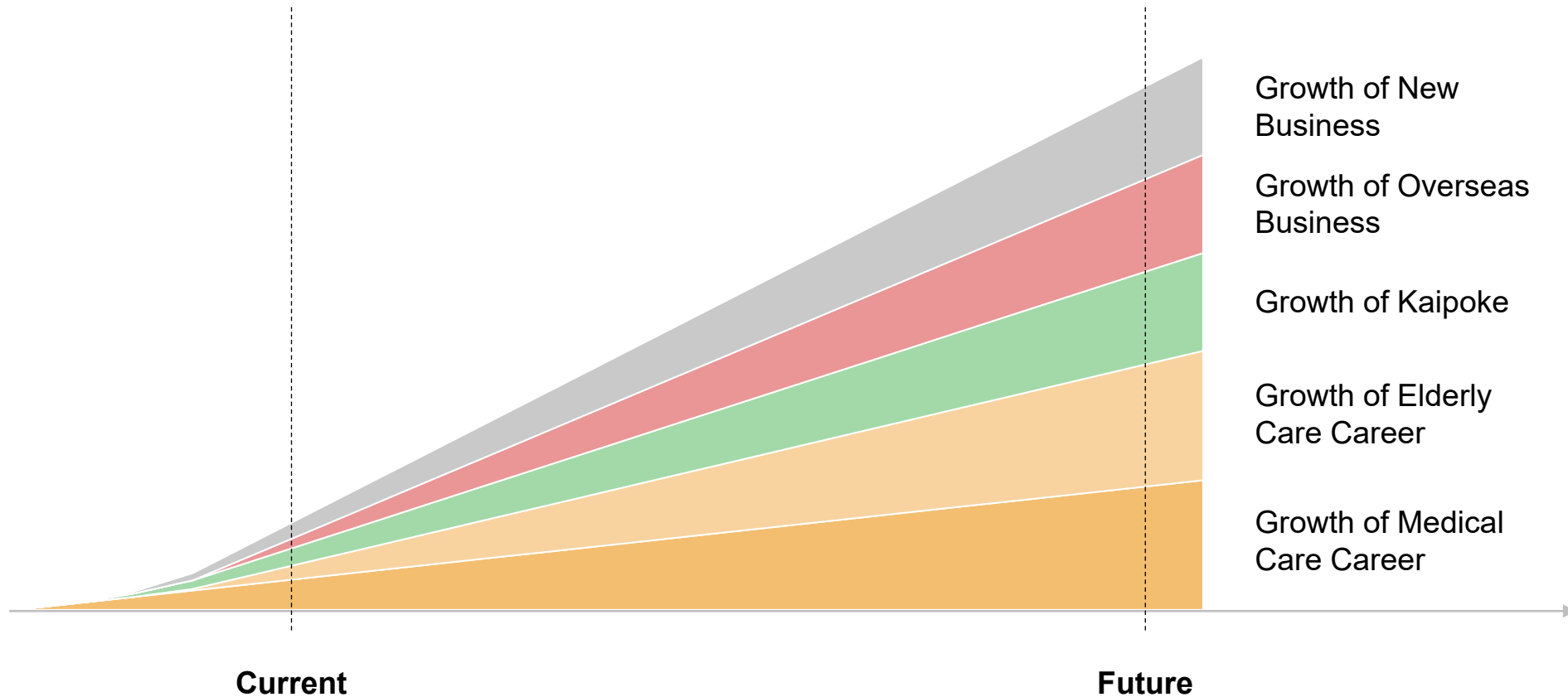


1. Healthcare professionals



# Growth Scenario

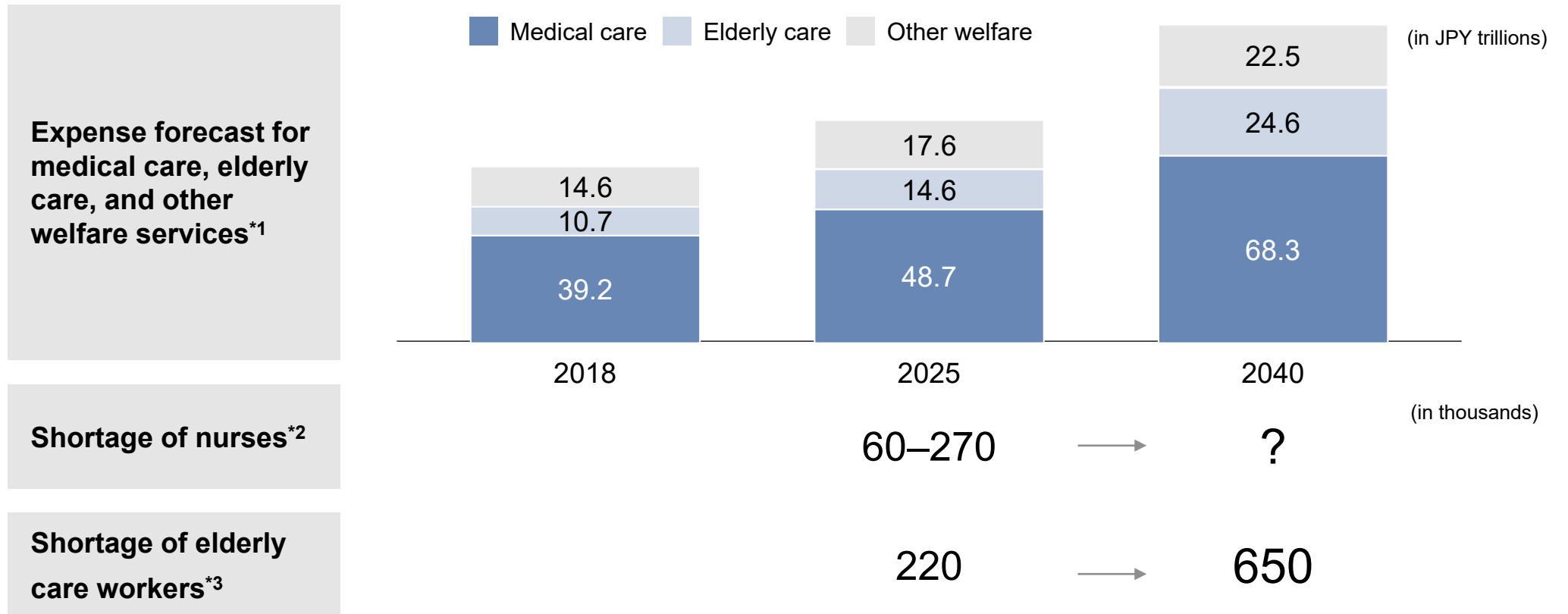
- On top of the solid expansion of Career Business, we accelerate the growth of Kaipoke and Overseas Business.
- Actively develop new businesses, mainly in healthcare and senior life domains, to create next pillars of our businesses, which will further drive our long-term growth.



# Career Strategy

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

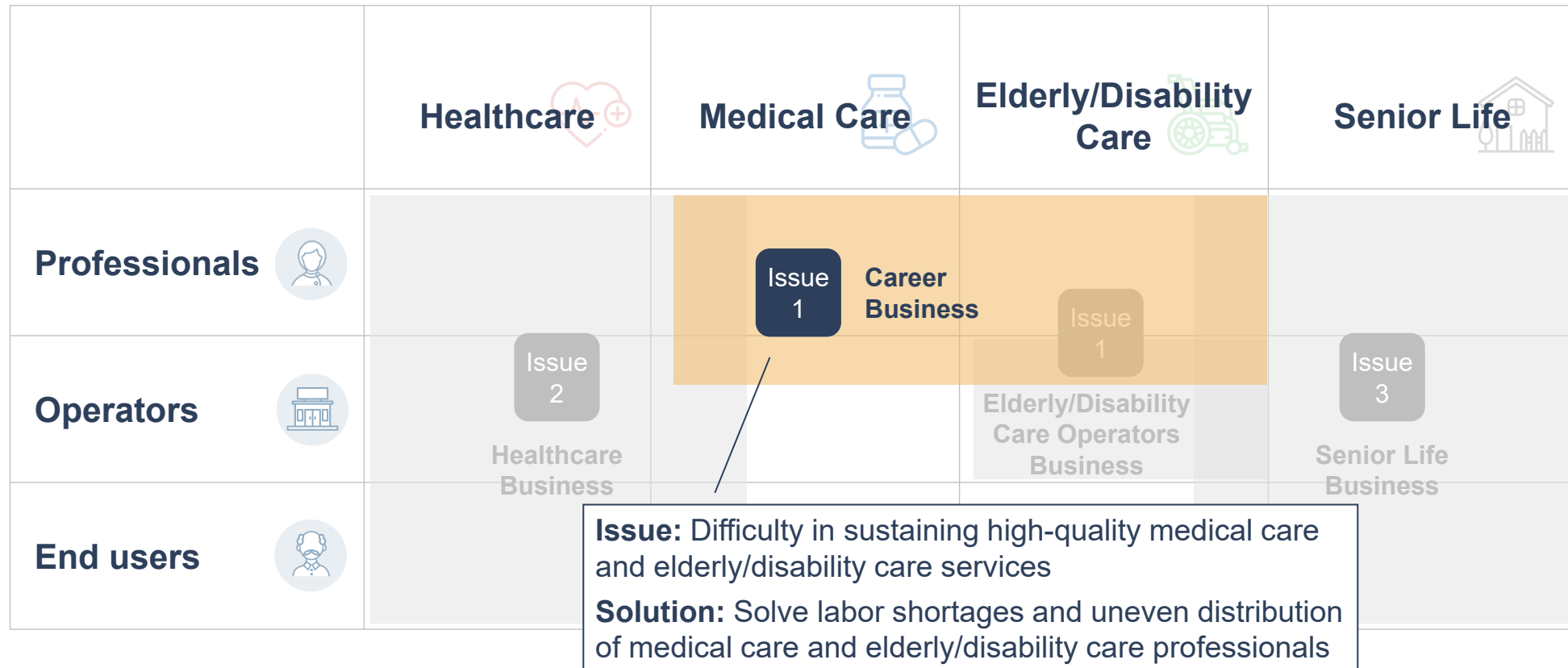
While the demand for medical care and elderly/disability care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly/disability care services.



1. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"  
 2. MHLW, "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/disability care services” by solving labor shortages and uneven workforce distribution through optimized matching of professionals and operators.

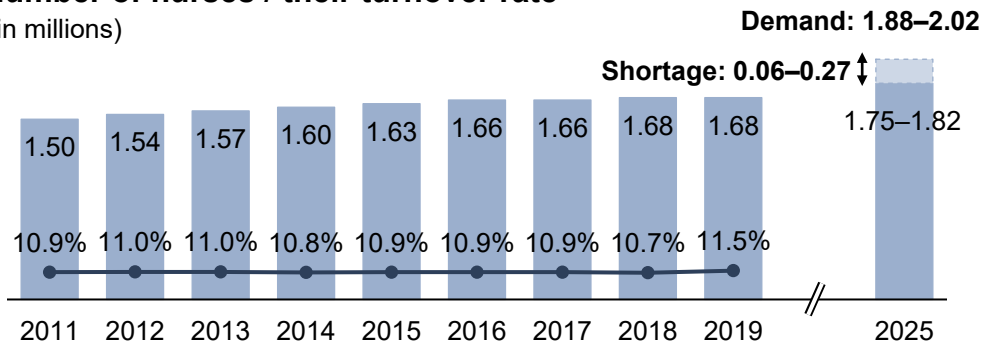


# Shortage of Professionals

- 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.

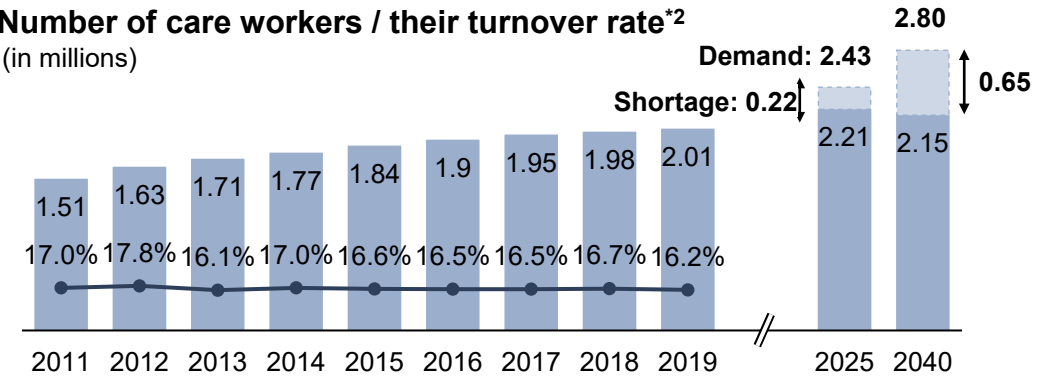
**Number of nurses / their turnover rate\*1**

(in millions)

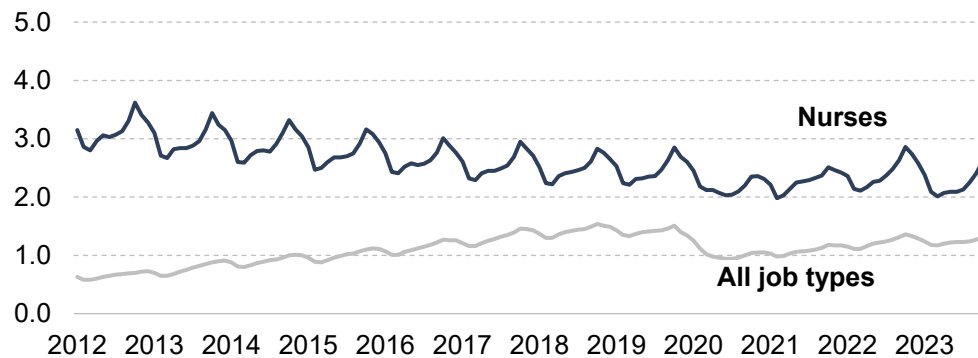


**Number of care workers / their turnover rate\*2**

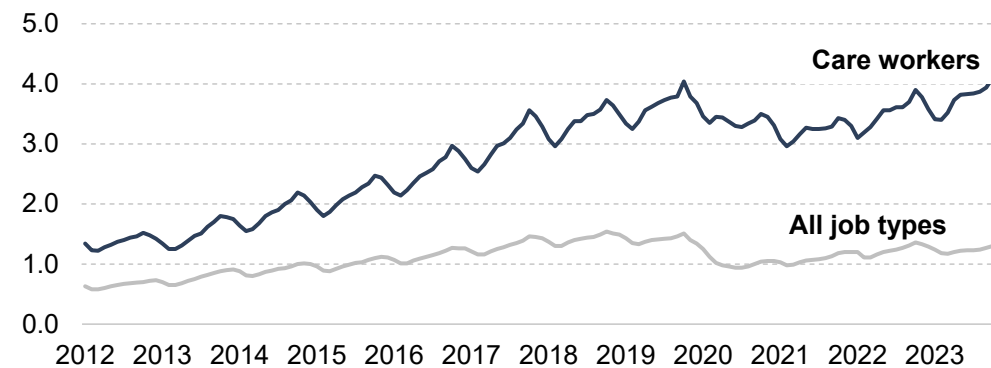
(in millions)



**Jobs-to-applicants ratio of nurses\*3**



**Jobs-to-applicants ratio of care workers\*3**



1. Number of nurses/their turnover rate: Japanese Nursing Association "Nursing Statistics", Forecasted number of nurses in 2025: MHLW, "Subcommittee on supply and demand of nursing staff, study group on supply and demand of medical care workers"  
 2. Number of elderly care workers: MHLW, "Required number of elderly care staff based on the 8th plan for long-term care insurance", Turnover rate: Care Work Foundation "Care Work Survey"  
 3. MHLW, "Employment referrals for general workers"

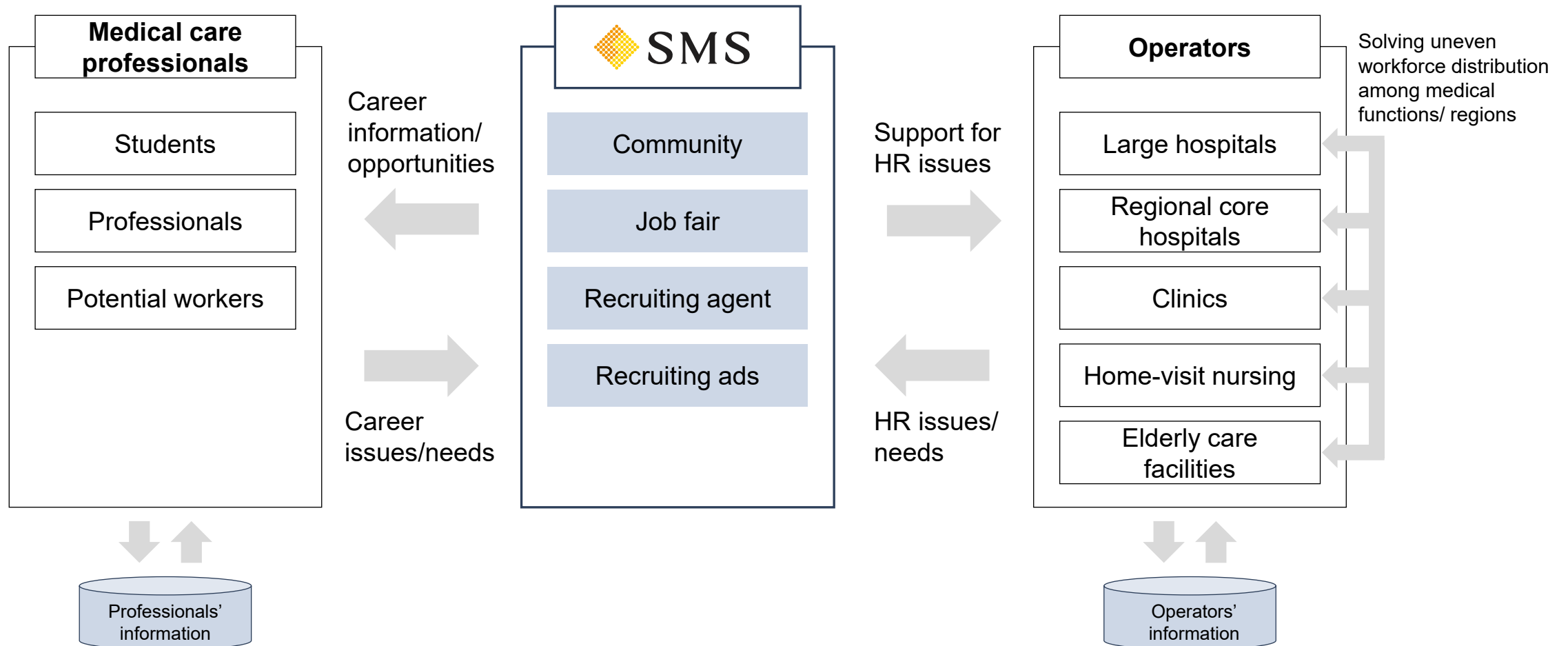
# Mission of Career Business

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

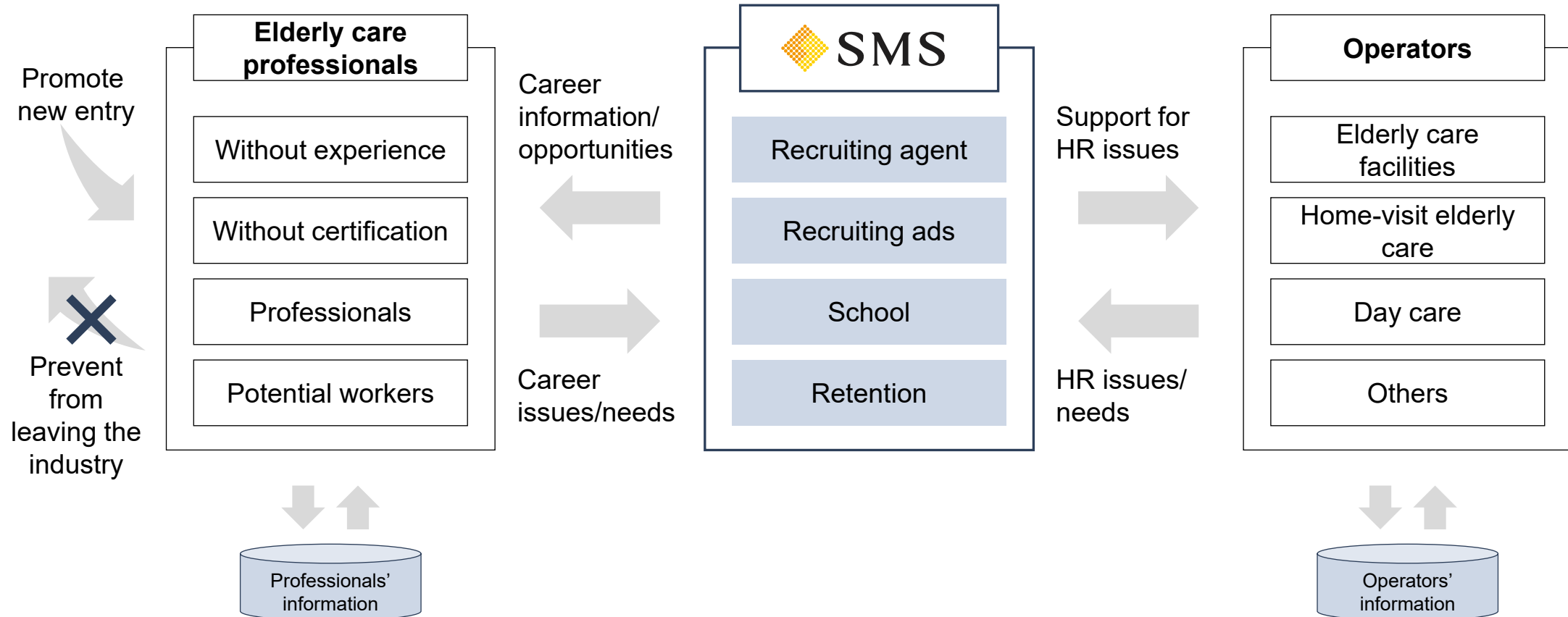
# Strategy of Medical Care Career

- 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.



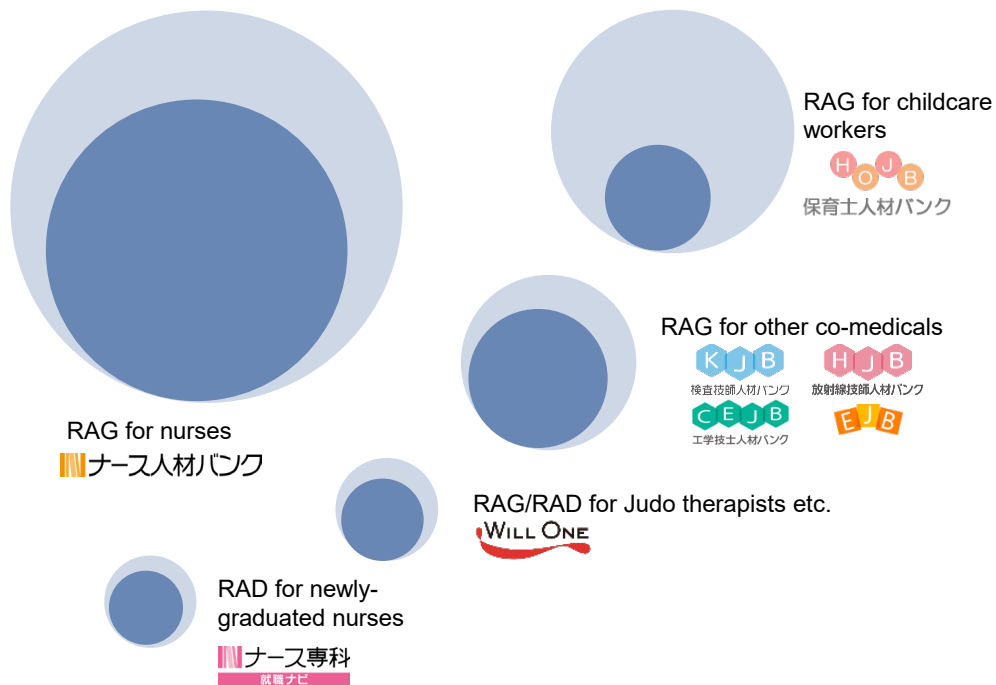


# Growth Scenario

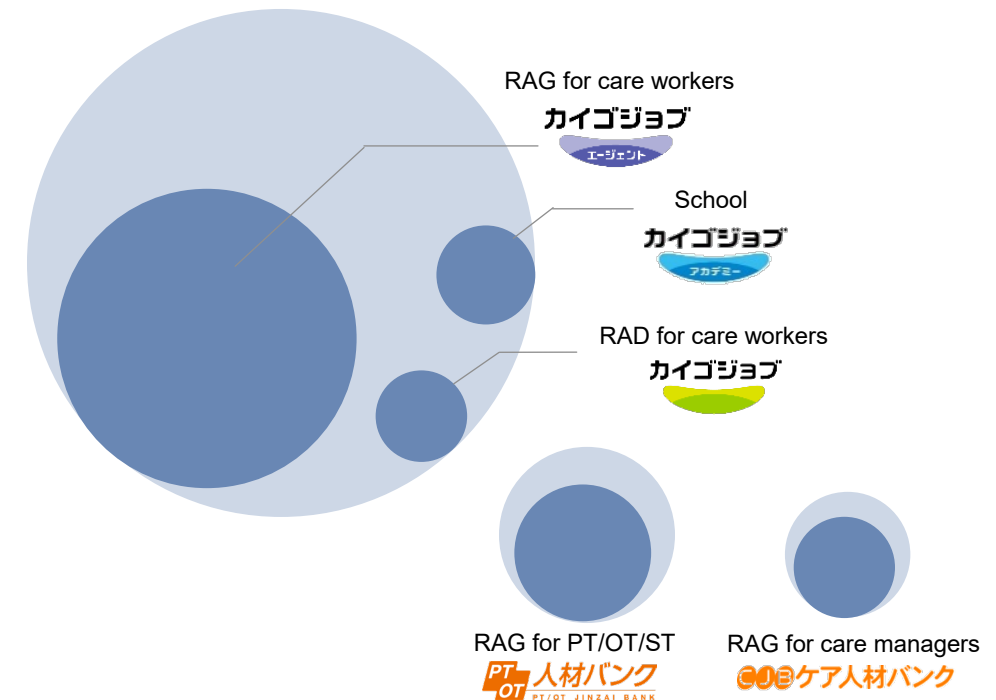
- The Career Segment has huge growth opportunities.
- In addition to the market share expansion of existing services such as RAG\*1 for nurses, services for elderly care workers with serious labor shortages and services for newly-covered occupations such as childcare workers drive the growth.

## Sales of Medical Care Career: JPY 16.1 billion\*2\*3

● : Sales for FY03/24    ● : Estimates of the future sales



## Sales of Elderly Care Career: JPY 16.3 billion\*3

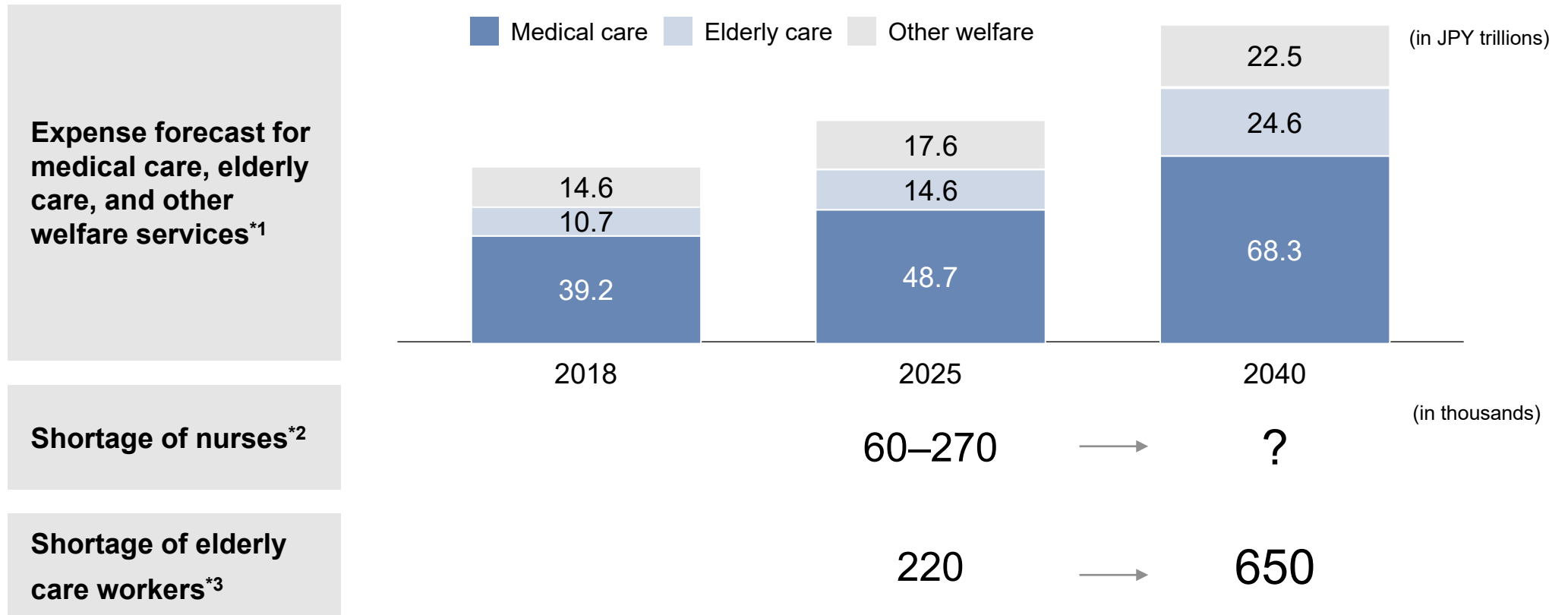


1. RAG: Recruiting Agent service RAD: Recruiting Ads service
2. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).
3. Sales for FY03/24

# **Elderly/Disability Care Operators (Kaipoke) Strategy**

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

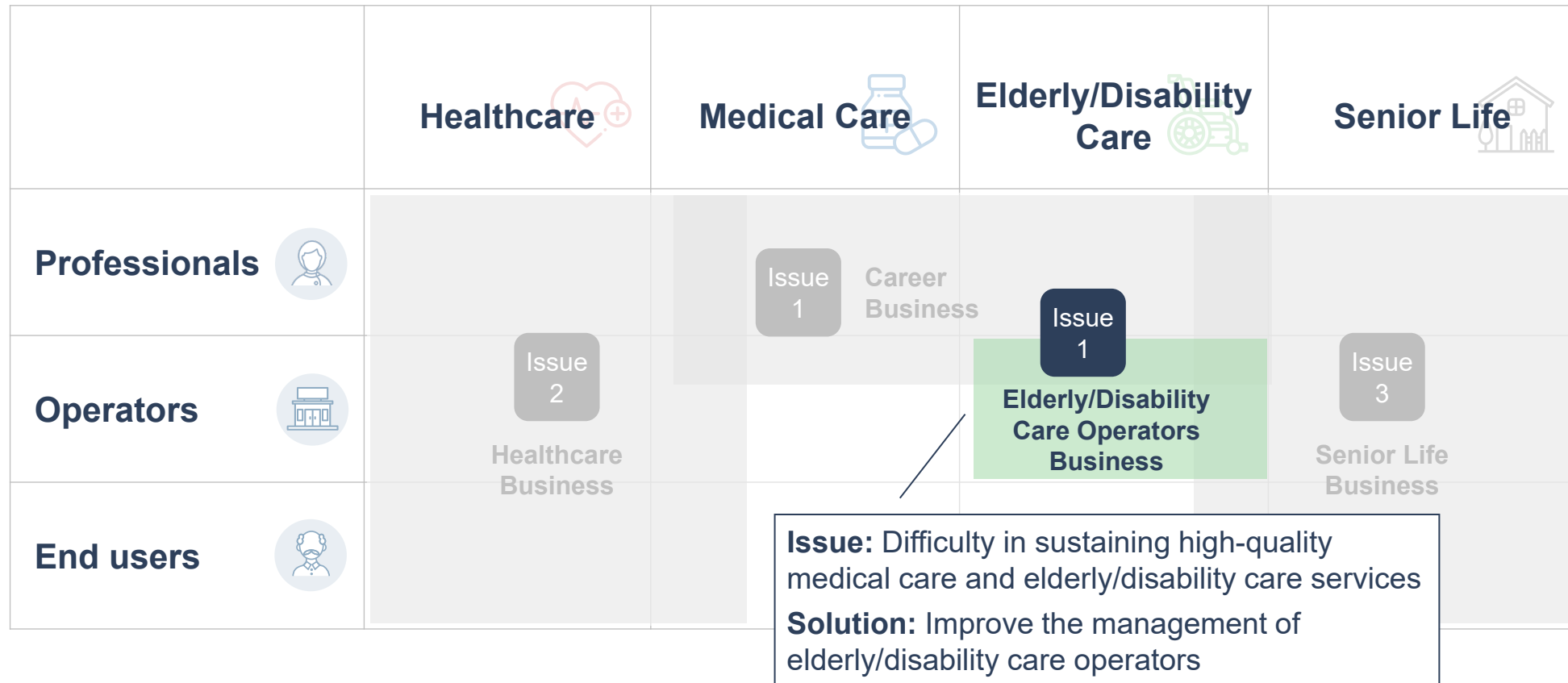
While the demand for medical care and elderly/disability care services is increasing due to the population aging, a growing shortage of medical care and elderly care professionals is making it difficult to sustain high-quality medical care and elderly/disability care services.



1. Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"  
 2. MHLW, "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/Disability Care Operators Business

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



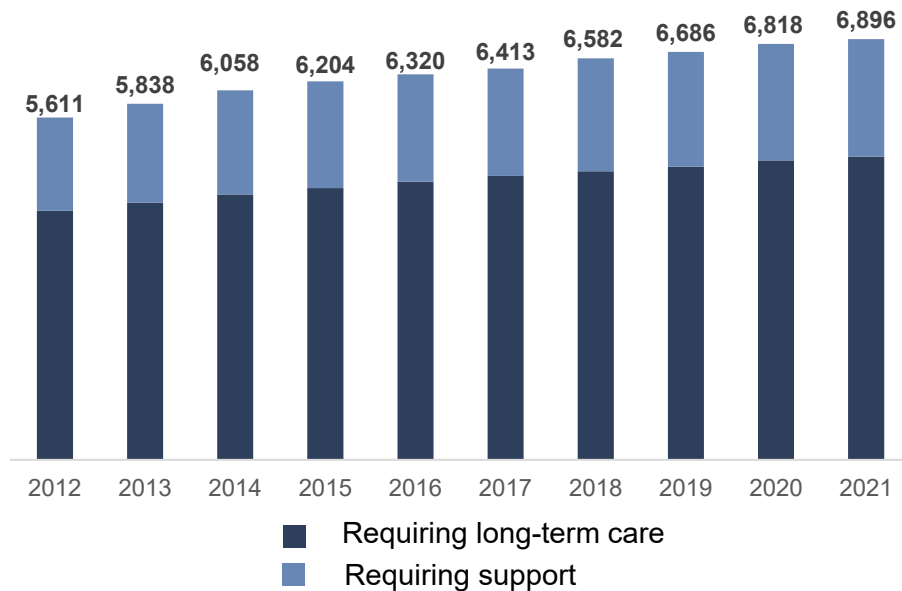
# Business Environment of Elderly Care Services

As the population ages, the number of elderly care operators continues to increase, amounting to 260,000 offices.

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

(in thousands)

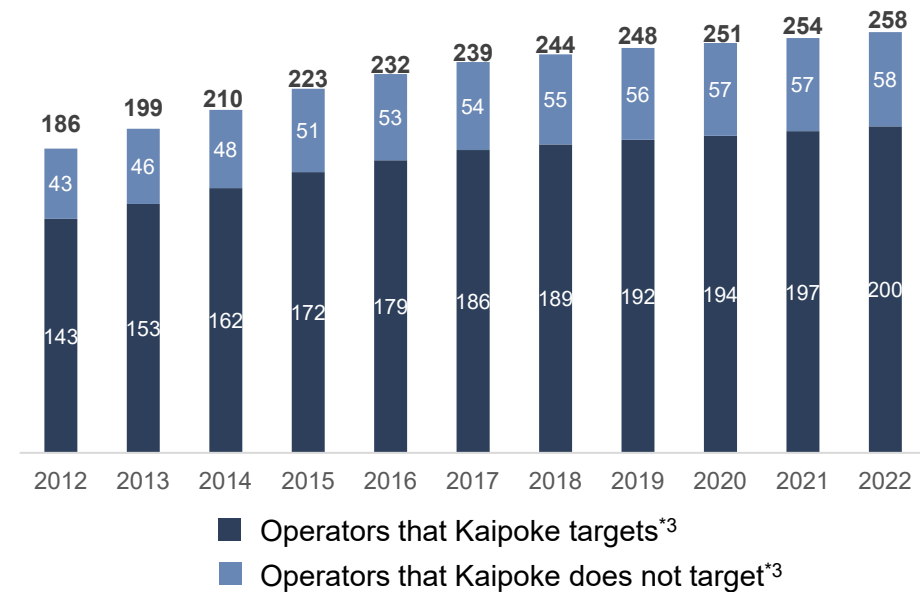
Average annual rate of increase: 2.3%



## Number of elderly care service offices\*2

(in thousands)

Average annual rate of increase: 3.3%



1. MHLW, "Report on Long-Term Care Insurance"

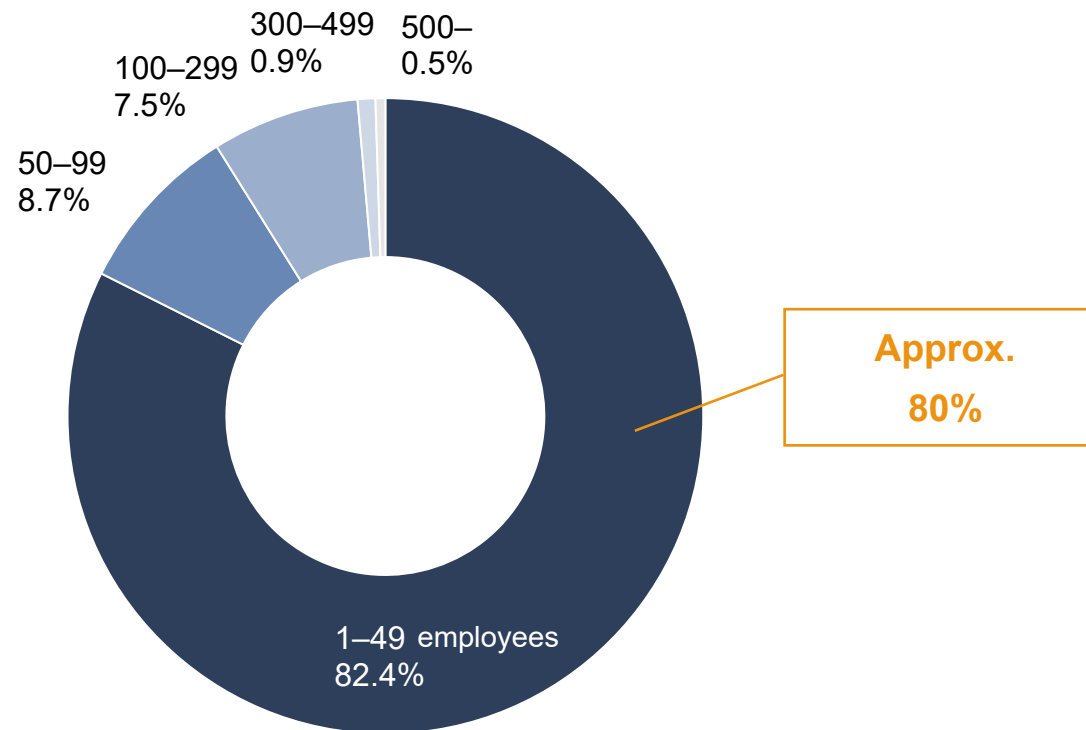
2. MHLW, "Statistics of Long-term Care Benefit Expenditures" (March of each year)

3. Kaipoke targets in-home services such as in-home care support, home-visit elderly care, day care, home-visit nursing, and outpatient rehabilitation, etc., and does not target facility services such as commuting care for elderly with dementia, short stay, daily life care for elderly in specific facilities, and small-sized multifunctional inhome care, etc.

# Business Environment of Elderly Care Services

- 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

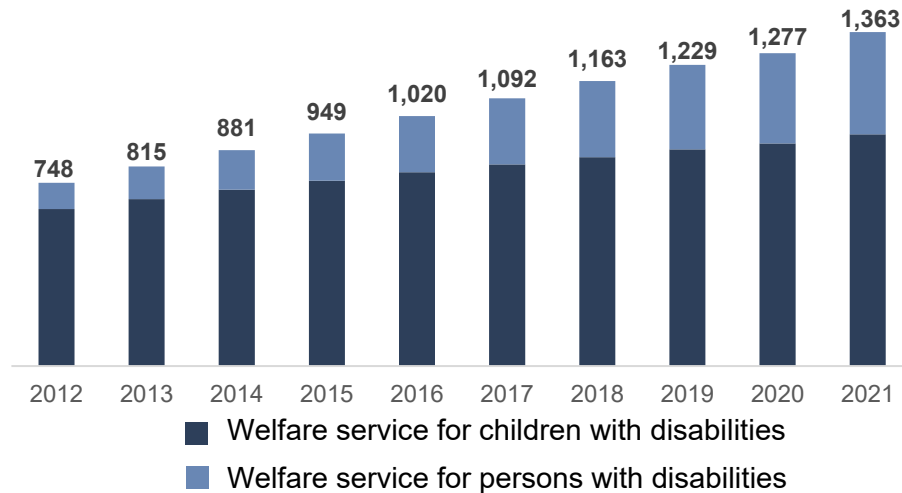
# Business Environment of Disability Welfare Services

The number of users of welfare services for persons with disabilities is on the rise due to better understanding of disabilities and easier access to diagnosis, and the number of service offices is continuously increasing.

**Number of users of welfare services for persons with disabilities and for children with disabilities (average per month)<sup>\*1</sup>**

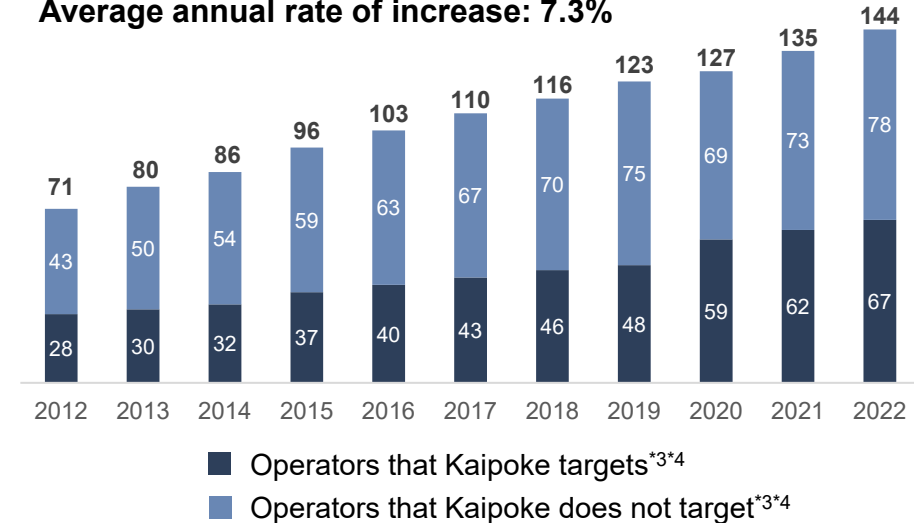
(in thousands)

**Average annual rate of increase: 6.9%**



**Number of welfare service offices for persons with disabilities<sup>\*2</sup>**  
(in thousands)

**Average annual rate of increase: 7.3%**



1. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc."
2. MHLW, "Statistical Information on Welfare for Persons with Disabilities: Status of Use of Welfare Services for Persons with Disabilities, etc.", "Recent Trends in the Field of Welfare for Persons with Disabilities"
3. Kaipoke targets child development support, after-school day services, in-home nursing care, visiting care for persons with severe disabilities, companion support, and activity support. Employment transition support and employment continuation support (Type A/B) are targeted by the user attraction support service, but are counted as not targeted by Kaipoke.
4. For companion support and activity support are targeted by Kaipoke, but the number of individual offices is unknown prior to FY 2019, so they are not targeted until 2019 and are counted as targeted starting in 2020.

## Mission of Elderly/Disability Care Operators Business (Kaipoke)

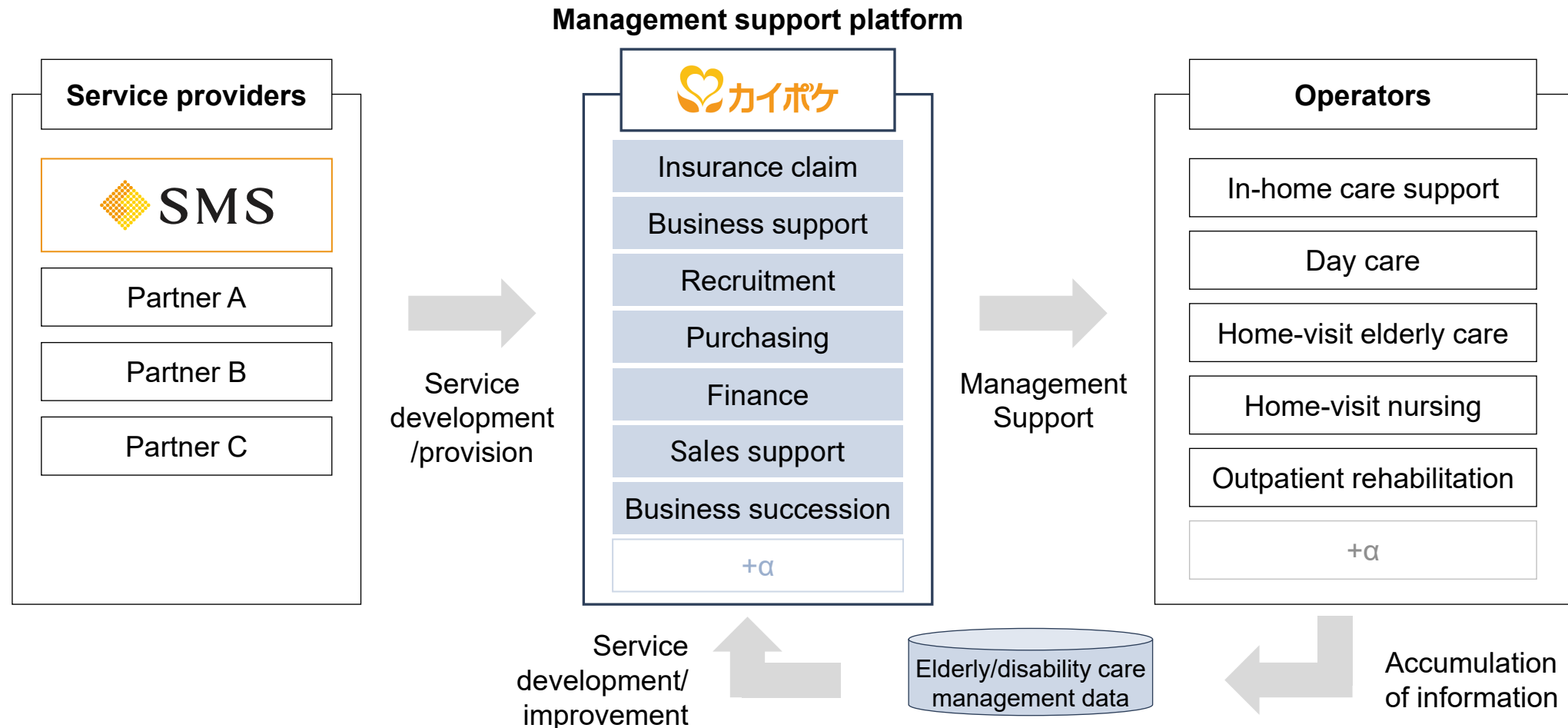
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**We aim to contribute to sustaining high-quality elderly/disability care services by improving the management and the service quality of elderly/disability care operators.**



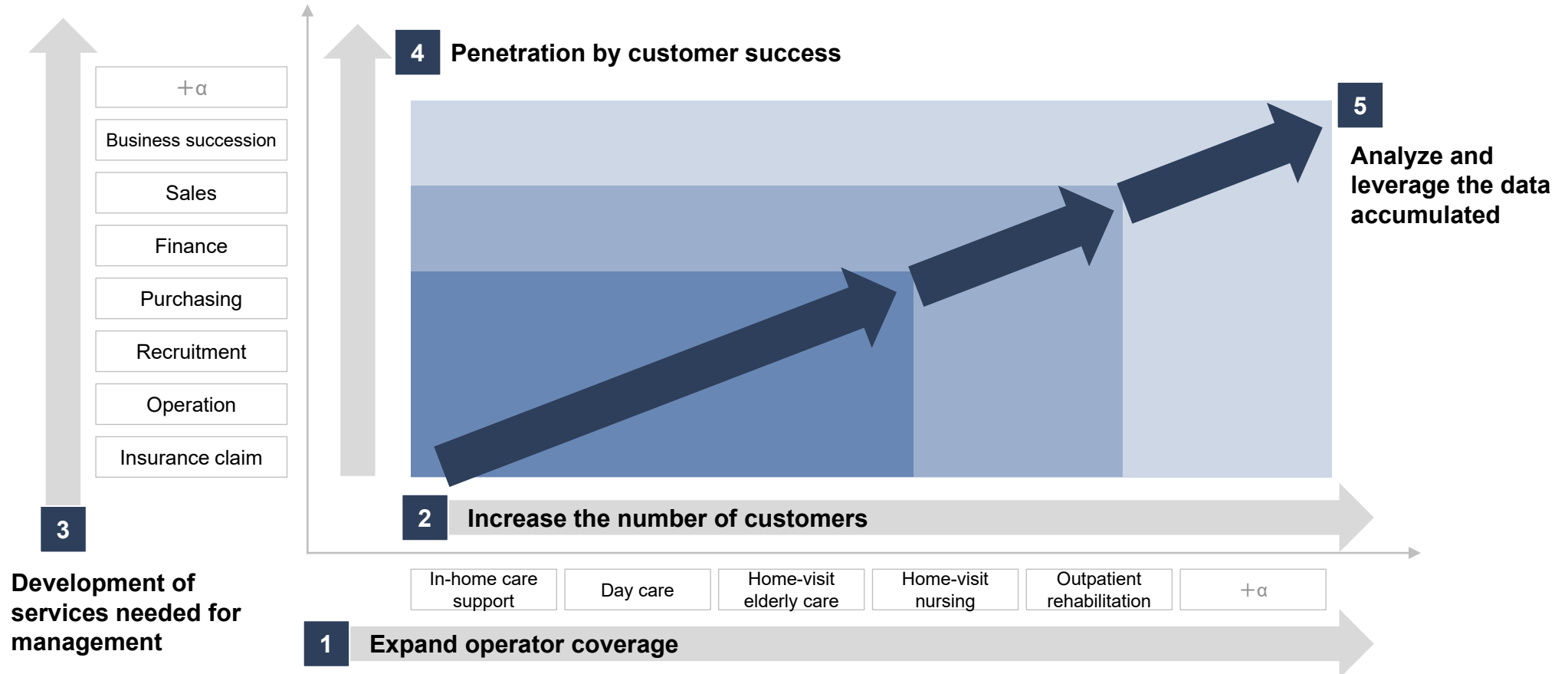
# Management Support Platform

- Kaipoke is a management support platform provided in the form of SaaS, which realizes one-stop support for the management of elderly/disability 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/disability care operations.



# Strategy of Kaipoke

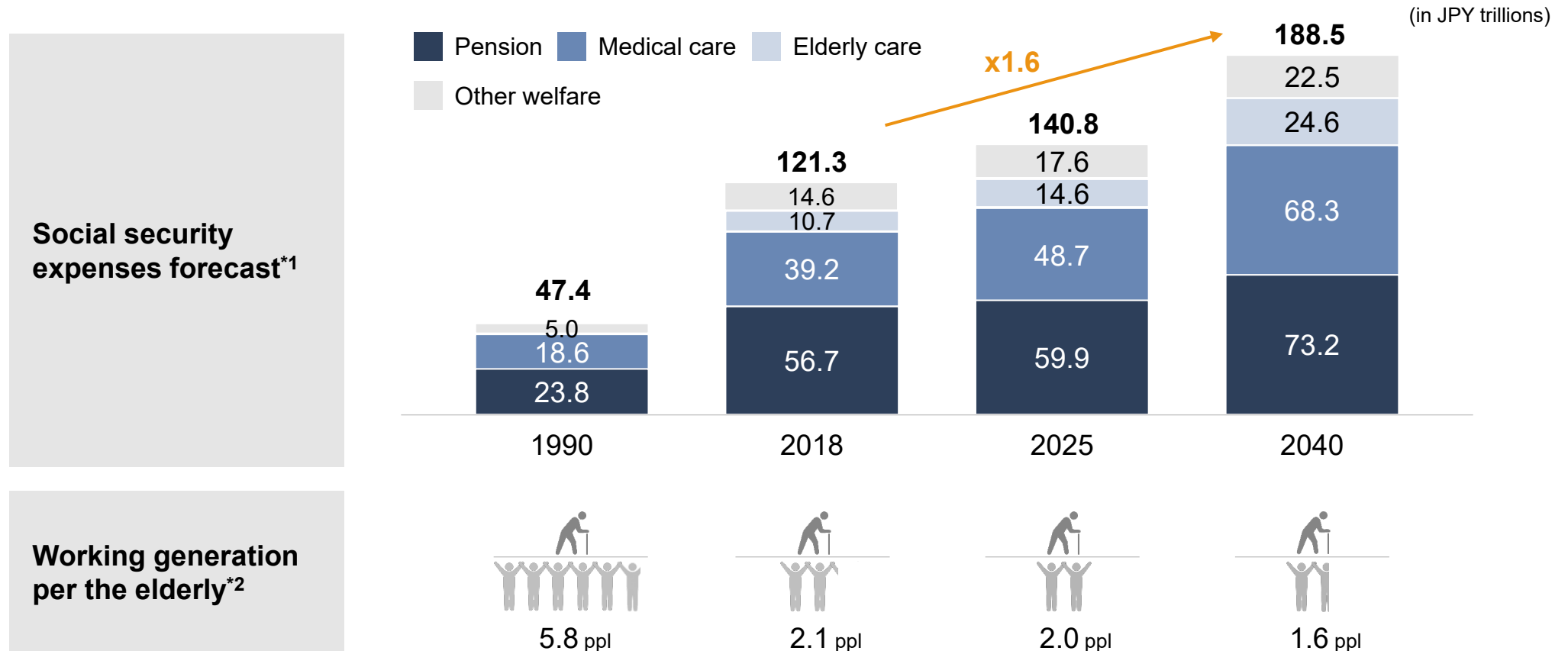
Maximize the value as a management support platform by No. 1 – 5 below.



# **New Business (Healthcare) Strategy**

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

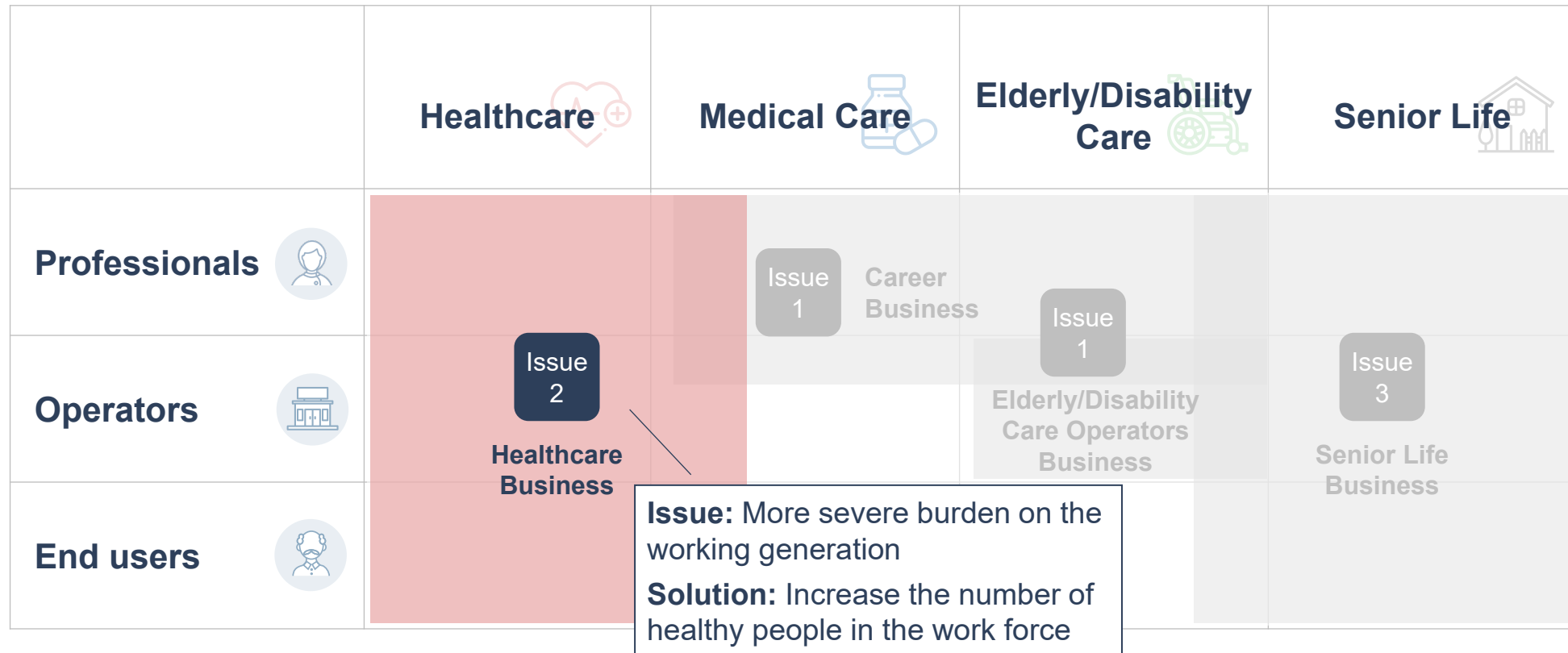
The burden on the working generation will become more serious due to the increasing social security expenses for pensions, medical care, elderly care, and other welfare services, as well as the declining working-age population who cover these expenses.



1. MHLW, "Trends in Social Security Benefits", Cabinet Secretariat, CAO, MOF, MHLW, "Future outlook for social security in 2040"  
 2. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"

# Solution for Issue 2 in Healthcare Business

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



# Declining QOL\*<sup>1</sup> 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
<b>Risk of lifestyle-related diseases</b>	<b>Lifestyle-related diseases</b>	
Number of recipients of specific health guidance* <sup>2</sup>	Number of diabetics* <sup>3</sup>	Number of patients with mood disorders* <sup>3</sup>
Approx. <b>5.26</b> million	Approx. <b>5.79</b> million	Approx. <b>1.72</b> million
	Number of hypertensive patients* <sup>3</sup>	
	Approx. <b>15.11</b> million	

1. Quality of life

2. Subjects are 40 – 74 years old. MHLW, "2021 Implementation of specified health checkups and specific health guidance"

3. MHLW, "2020 Patient survey"

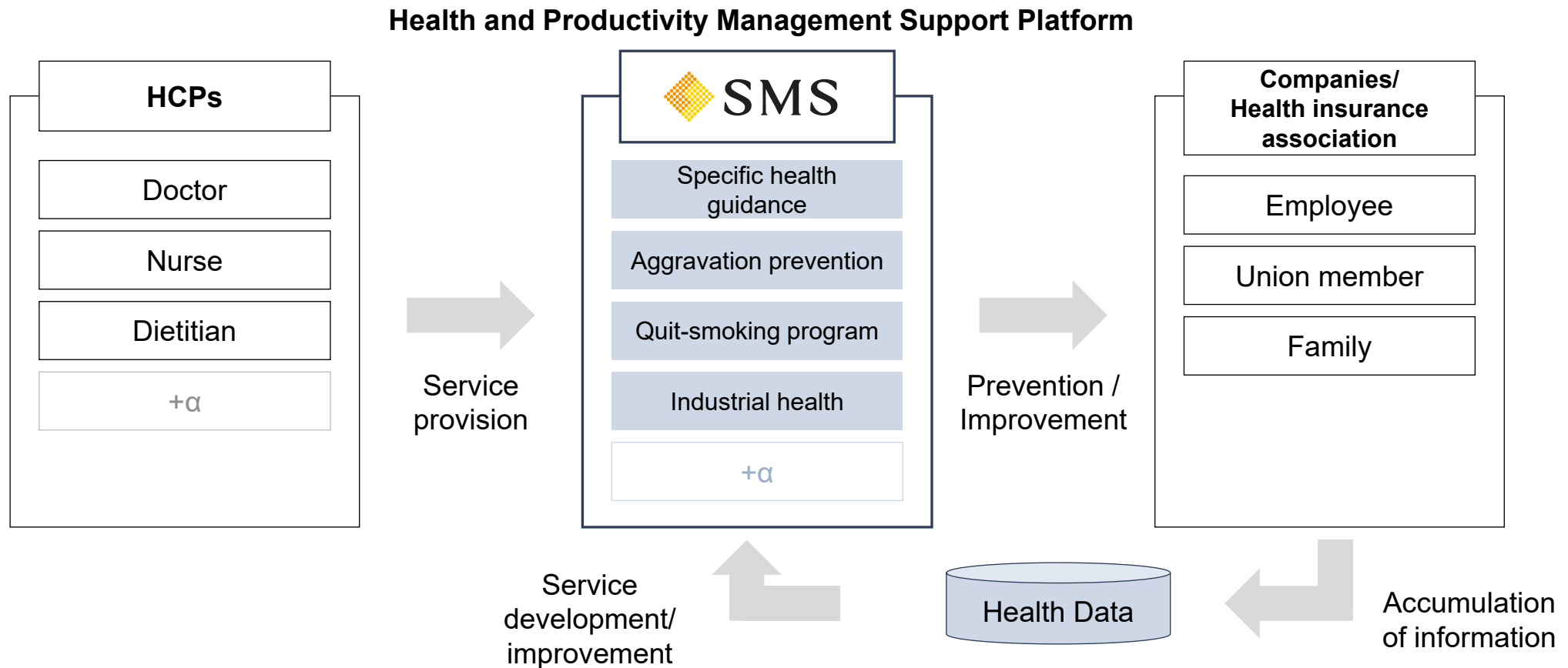
# Mission of Healthcare Business

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**We aim to contribute to improving QOL\*<sup>1</sup> 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.

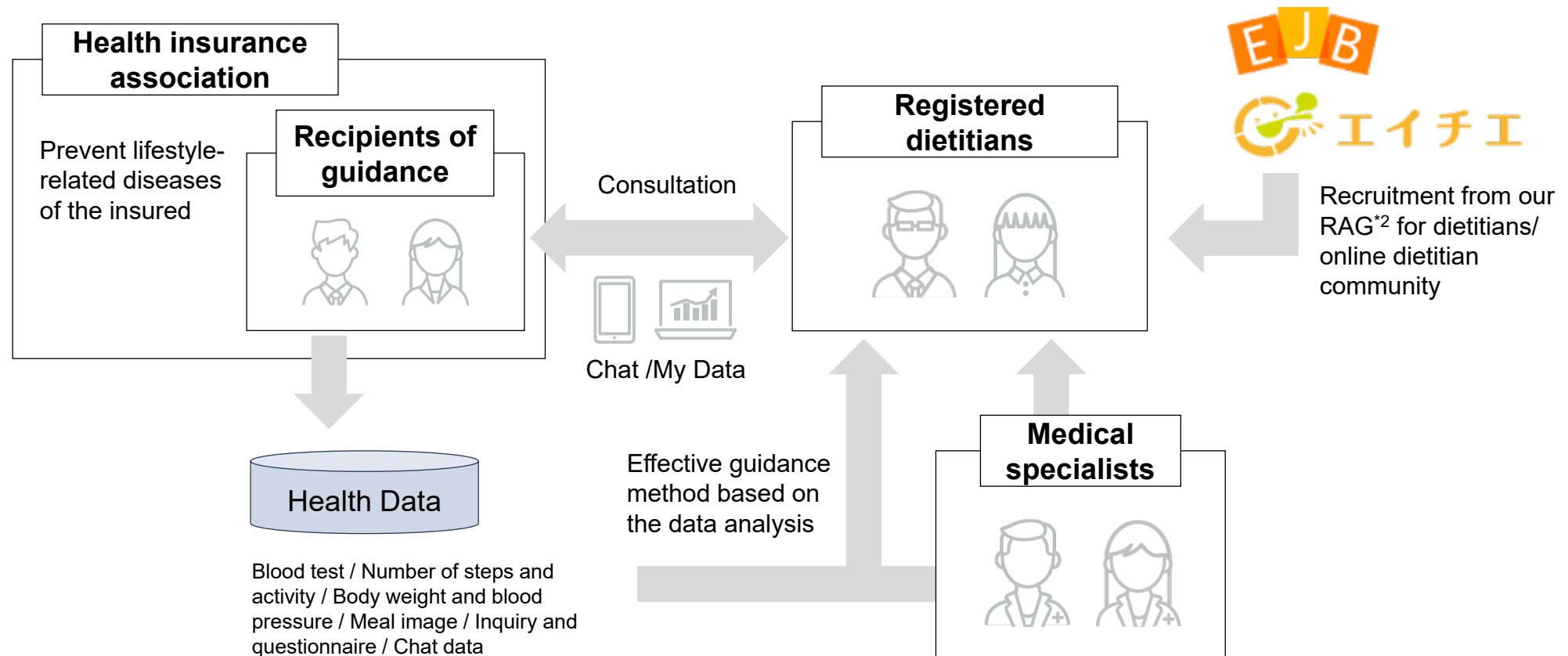


1. Digital Health: Improving the effects of medical care and healthcare by utilizing the latest digital health technologies such as AI, ICT, IoT, wearable devices, and big data analysis.



# Remote Health Guidance Service

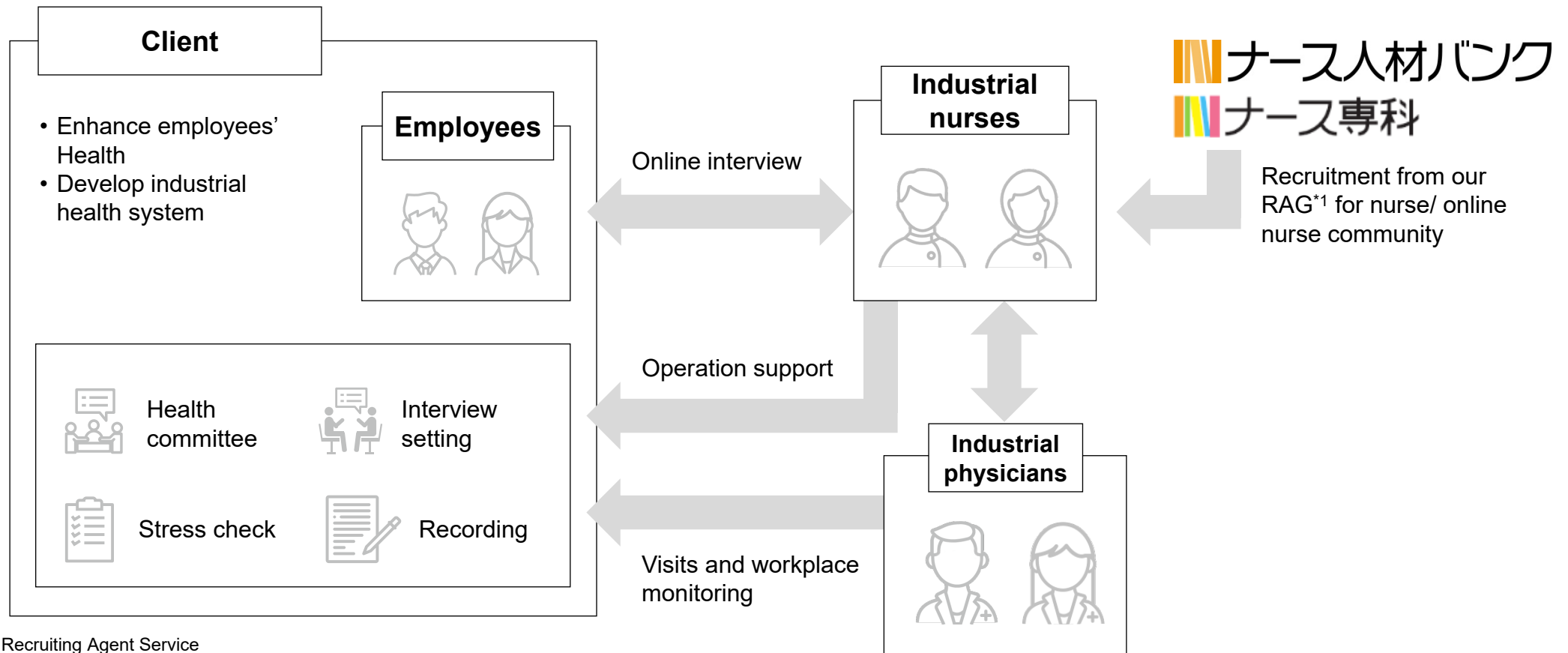
- Provide specific health guidance service for HIAs\*<sup>1</sup> aiming to prevent lifestyle-related diseases of employees and their families. The service is provided by registered dietitians and based on the results of verification projects conducted with MHLW.
- Remote service using smartphones enables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



1. Health insurance association  
2. Recruiting Agent service

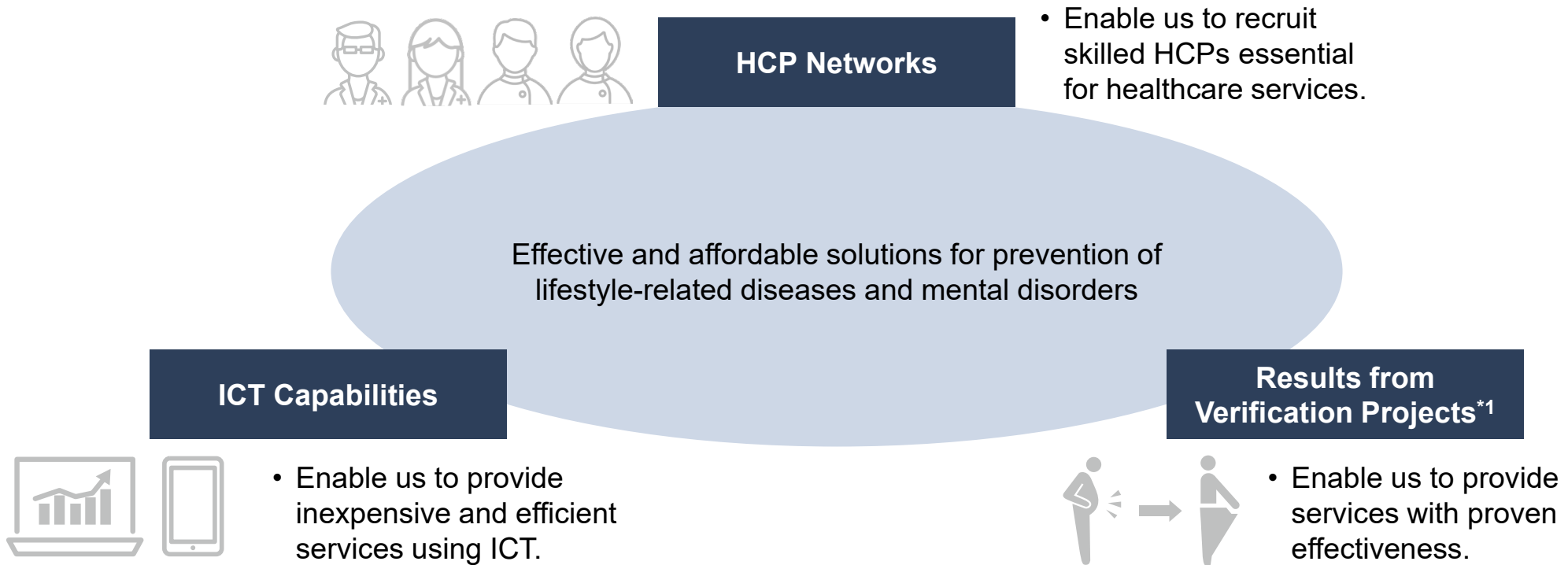
# Remote Industrial Health Service

- 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

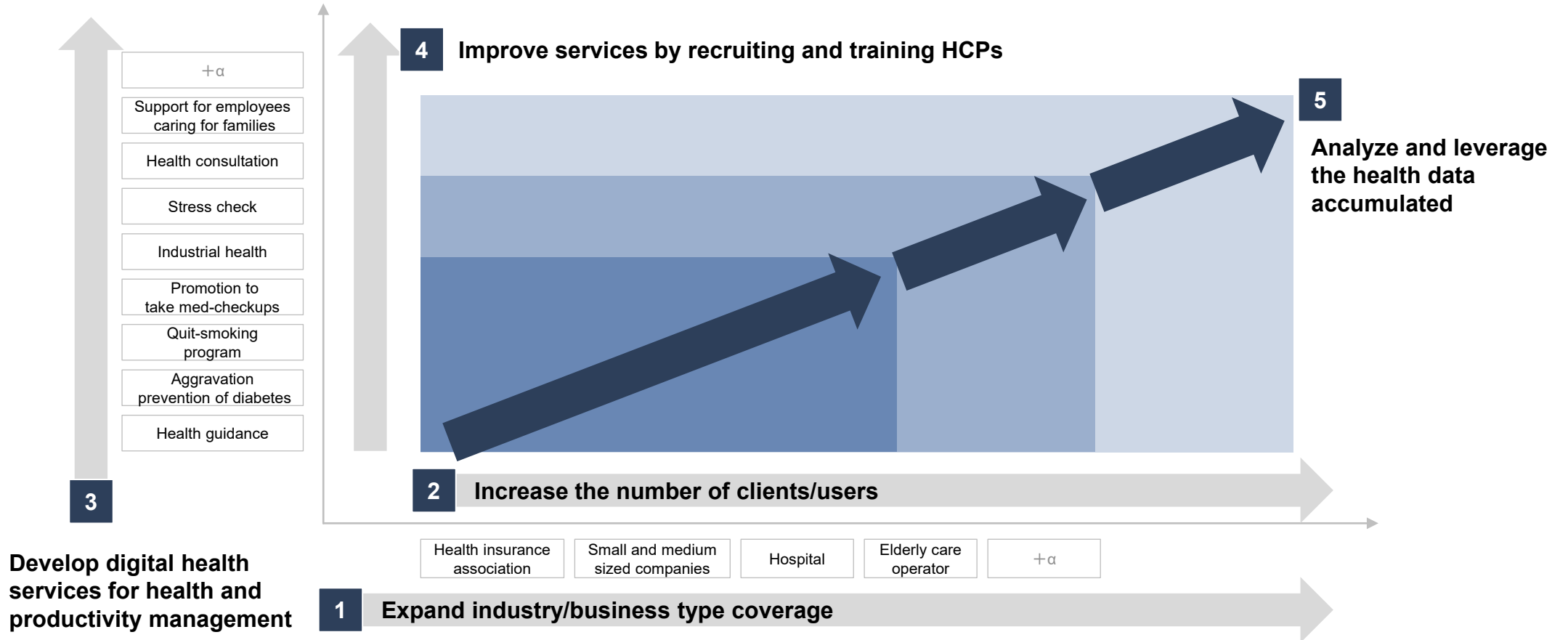
Leveraging our strengths in healthcare professional (HCP) networks, ICT capabilities, and proven results from verification projects conducted with ministries and national agencies, we offer effective solutions with a reasonable price for prevention of lifestyle-related diseases and mental disorders.



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

# Strategy of Healthcare Business

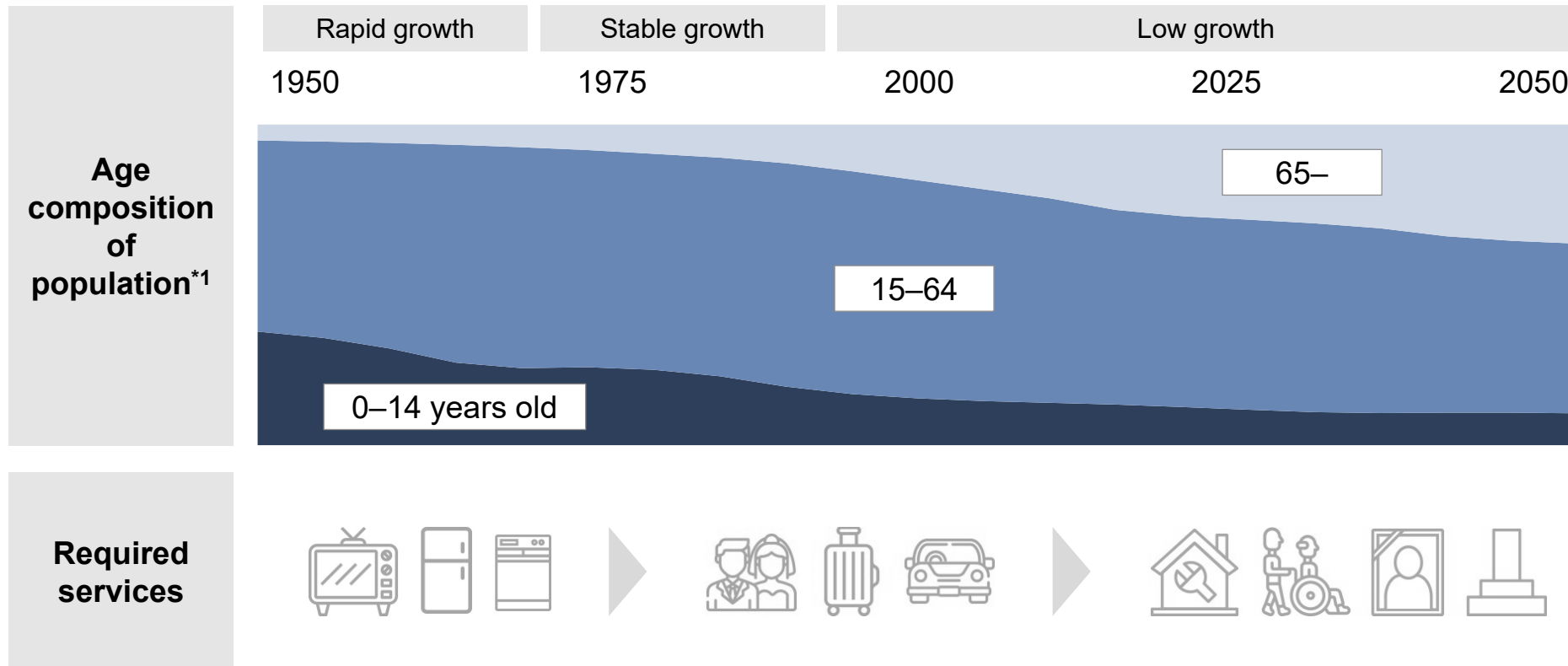
Maximize the value as a health and productivity management support platform by No. 1 – 5 below.



# **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. MIC "Census", "Population estimates", National Institute of Population and Social Security Research "2023 Estimated future population of Japan"

# Solution for Issue 3 in Senior Life Business

Contribute to solving the social issue “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.

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

# Mission of Senior Life Business

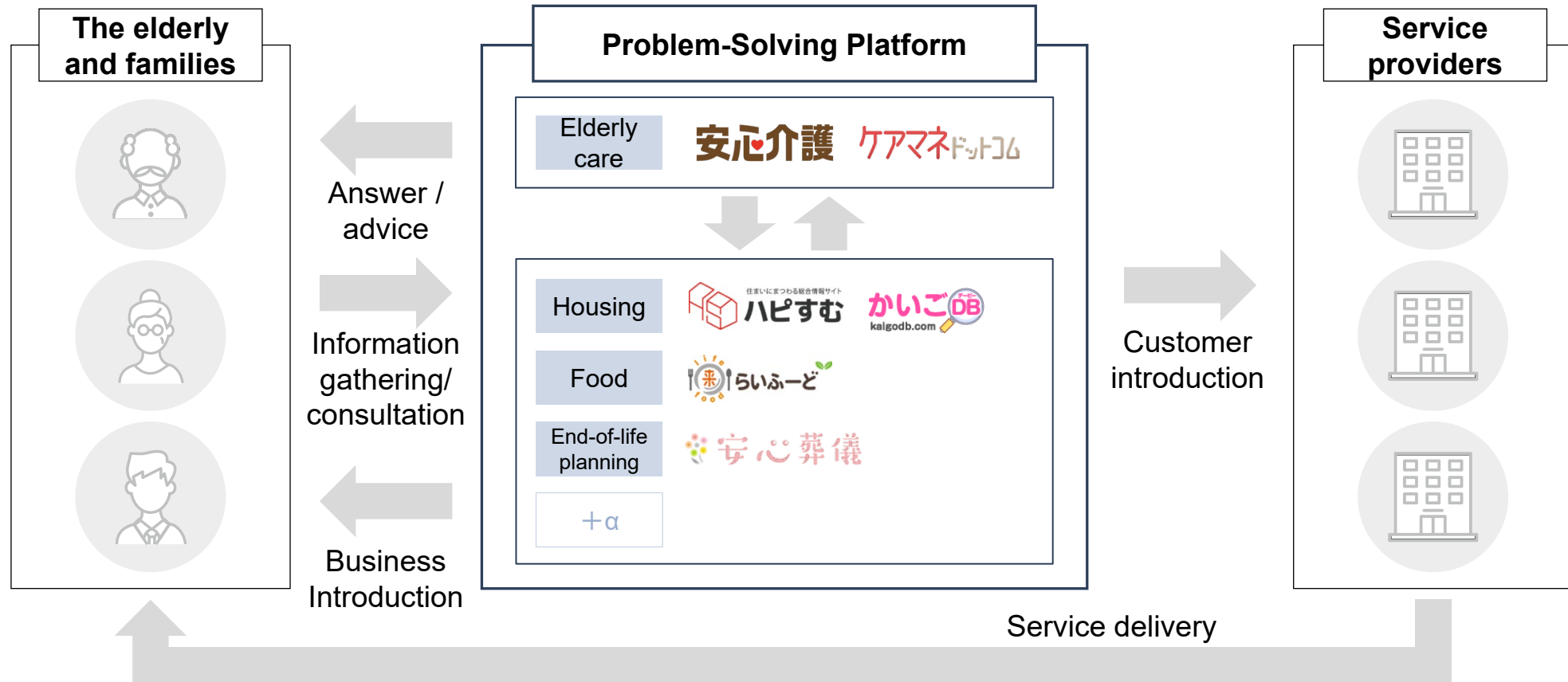
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**We aim to contribute to improving people's lives  
by offering a wide range of options and  
information related to living in an aging society.**



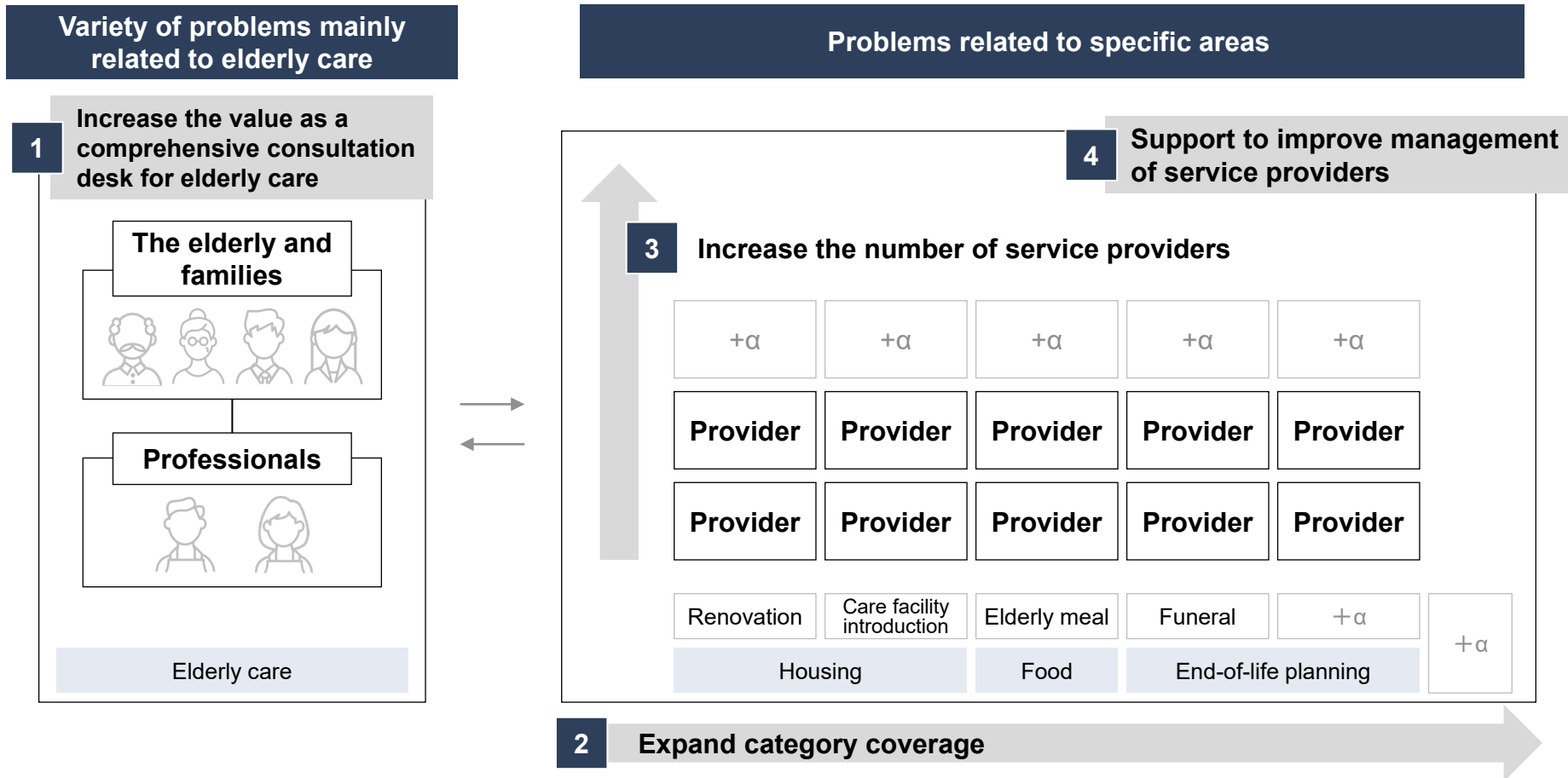
# Problem-Solving Platform

- 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.

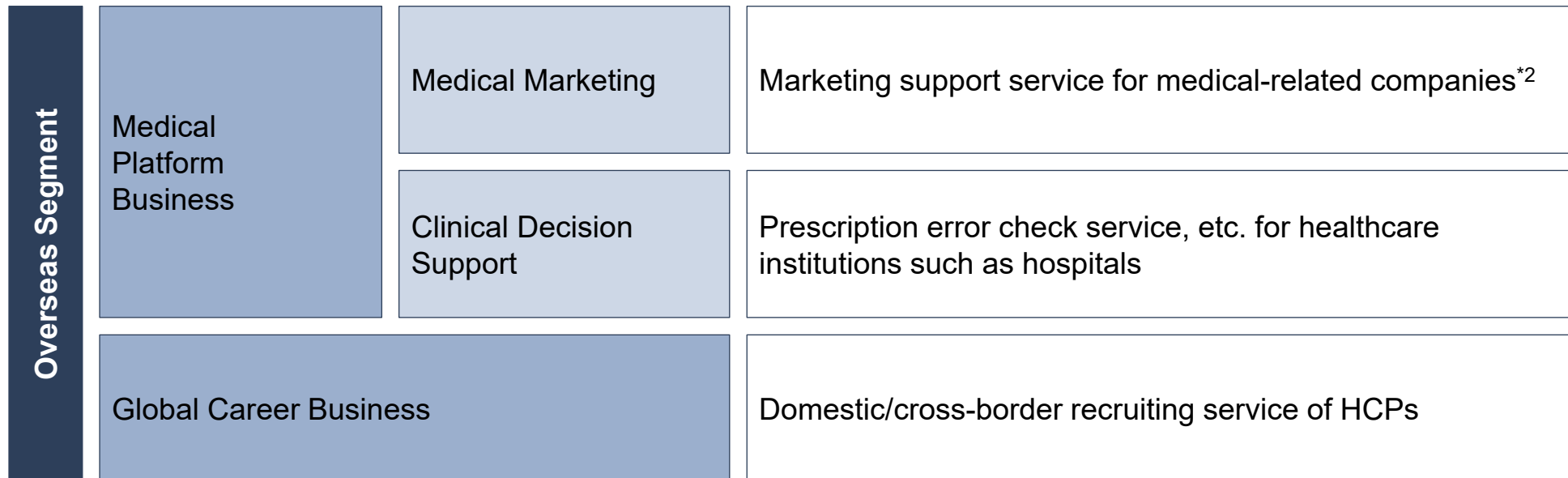


# Overseas Strategy

# Overview of Overseas Segment

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

## Overseas Business Structure



1. Healthcare professionals

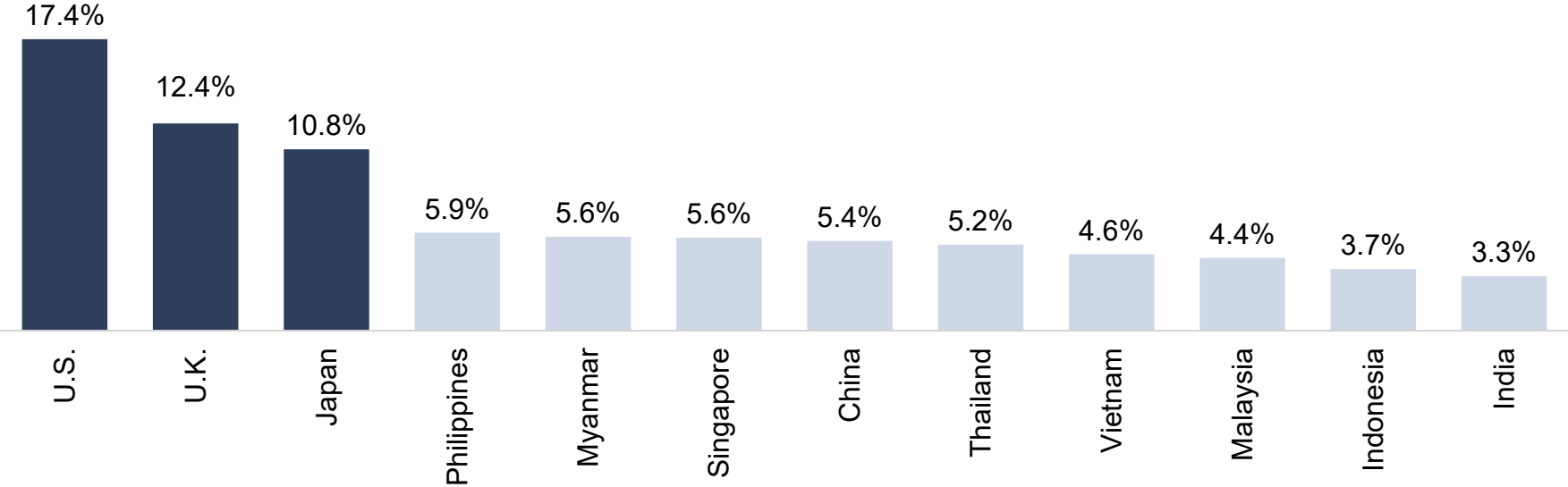
2. Operators such as pharmaceutical companies, medical device manufacturers, healthcare service operators, and industrial group.

# Medical Platform Business

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

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

Health Expenditure to GDP\*1



1. WHO "Global Health Expenditure Database" (2021)

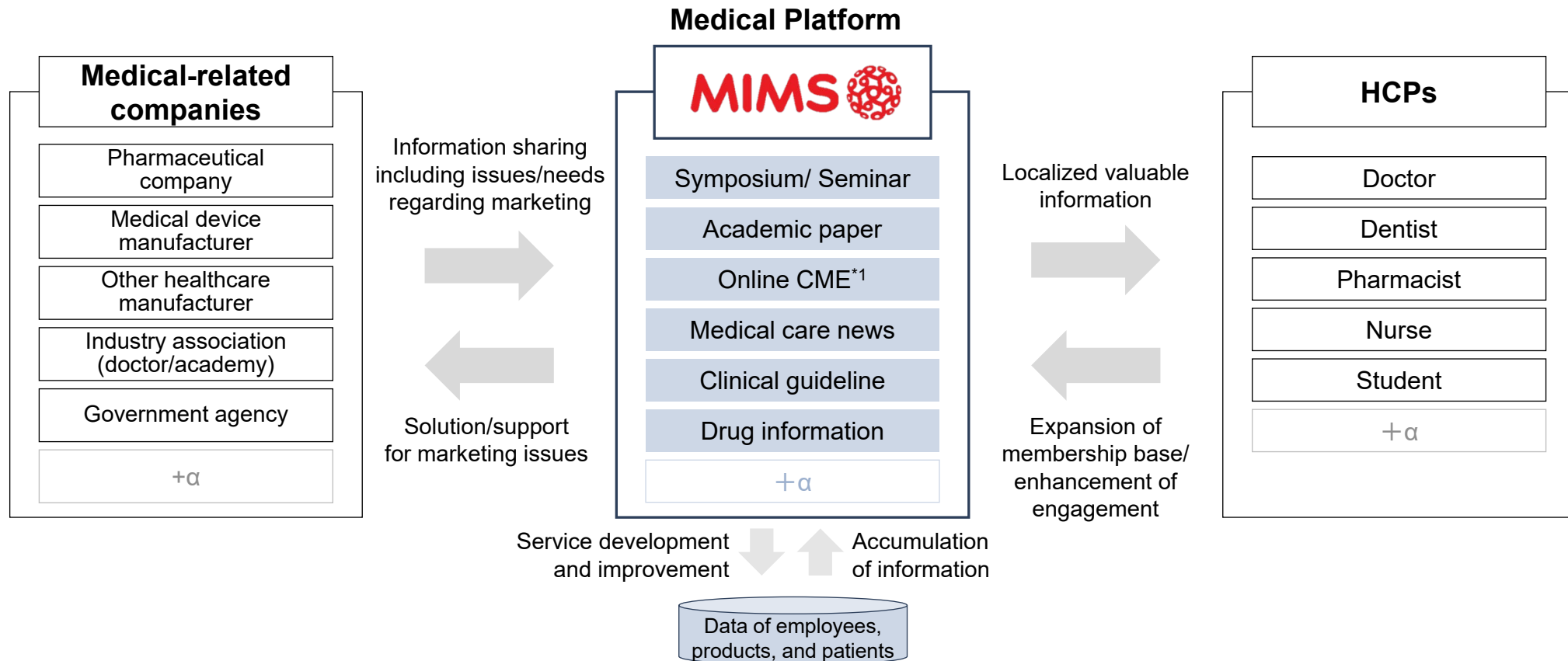
# Mission of Medical Platform Business

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**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.

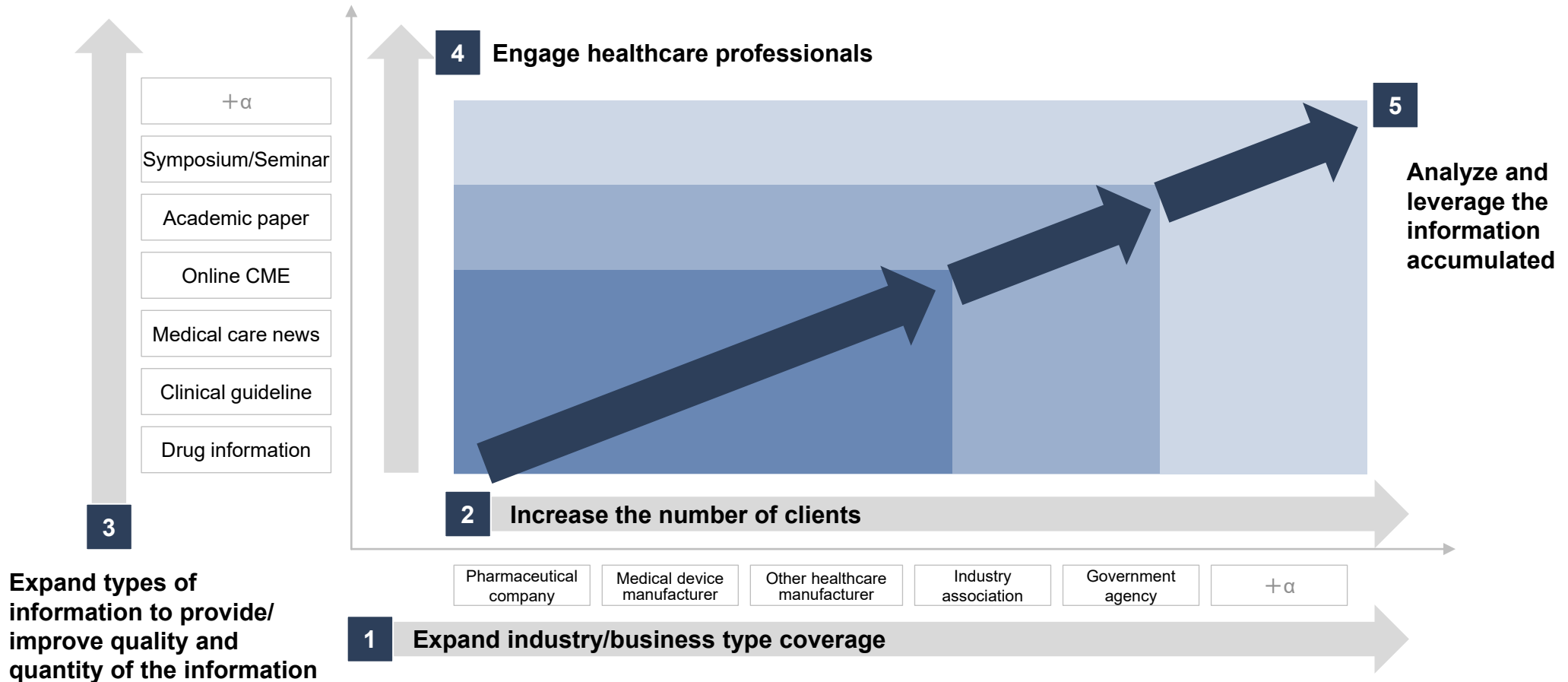


1. CME stands for continuing medical education



# Strategy of Medical Platform Business

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

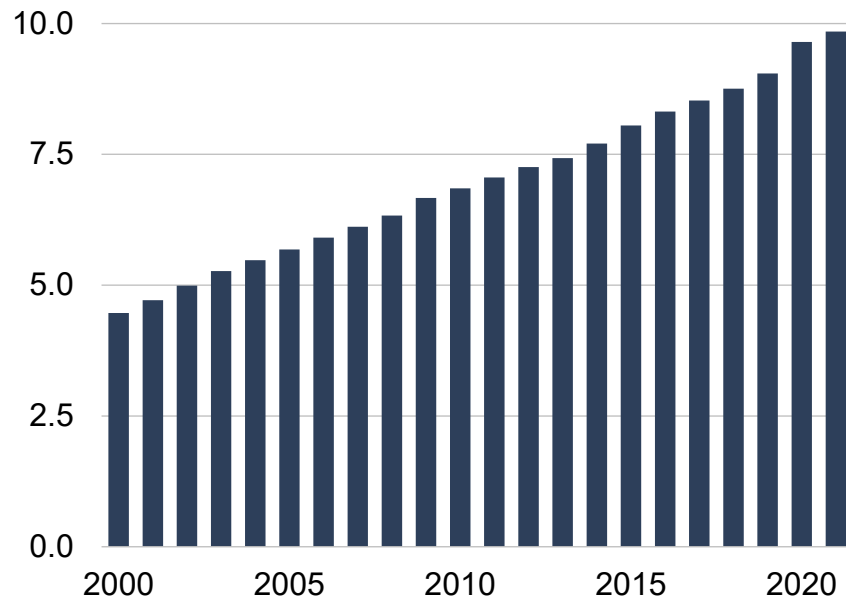


# **Global Career Business**

# 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 trillions)



**Expected Shortage of Nurses\*2**  
(in thousands)

	Japan	60 – 270	(2025)
	Germany	390	(2035)
	Australia	120	(2030)
	South Korea	160	(2030)
	Saudi Arabia	100	(2030)

1. WHO "Global Health Expenditure Database" (FX rates: 2021)

2. Japan: MHLW, "Subcommittee on supply and demand of nursing staff, study group on supply and demand of medical care workers", Germany: PwC "Fachkräftemangel im Gesundheitswesen: Wenn die Pflege selbst zum Pflegefall wird", Australia: Department of Health and Aged Care "Australia's Future Health Workforce – Nurses Overview Report", South Korea: Korea Institute for Health and Social Affairs "2017 mid- to long-term supply and demand outlook for major health and medical personnel", Saudi Arabia: Nourah Alsadaan, Linda K. Jones, Amanda Kimpton and Cliff DaCosta "Challenges Facing the Nursing Profession in Saudi Arabia: An Integrative Review"

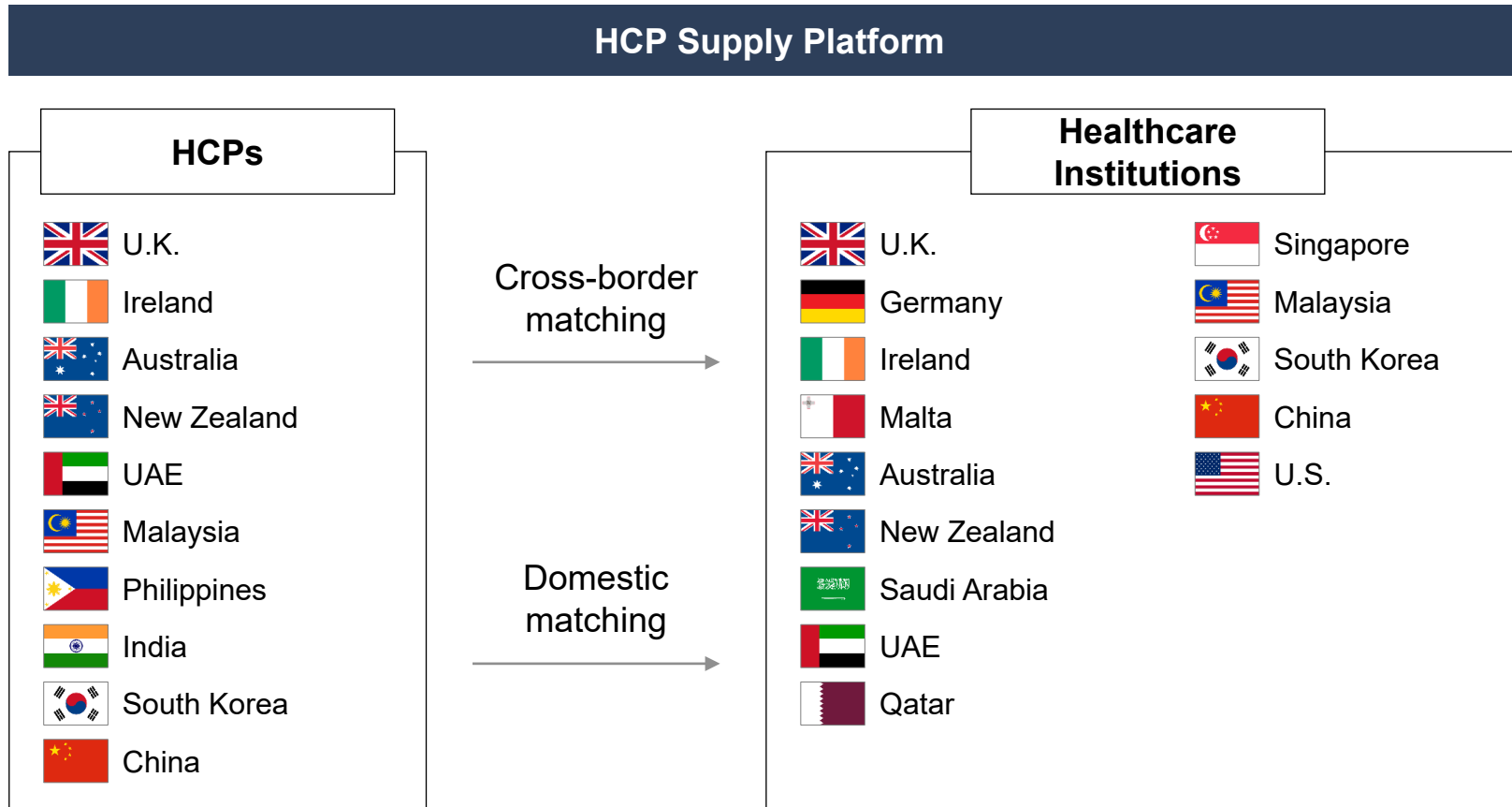
# Mission of Global Career Business

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**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\*<sup>1</sup> Supply Platform

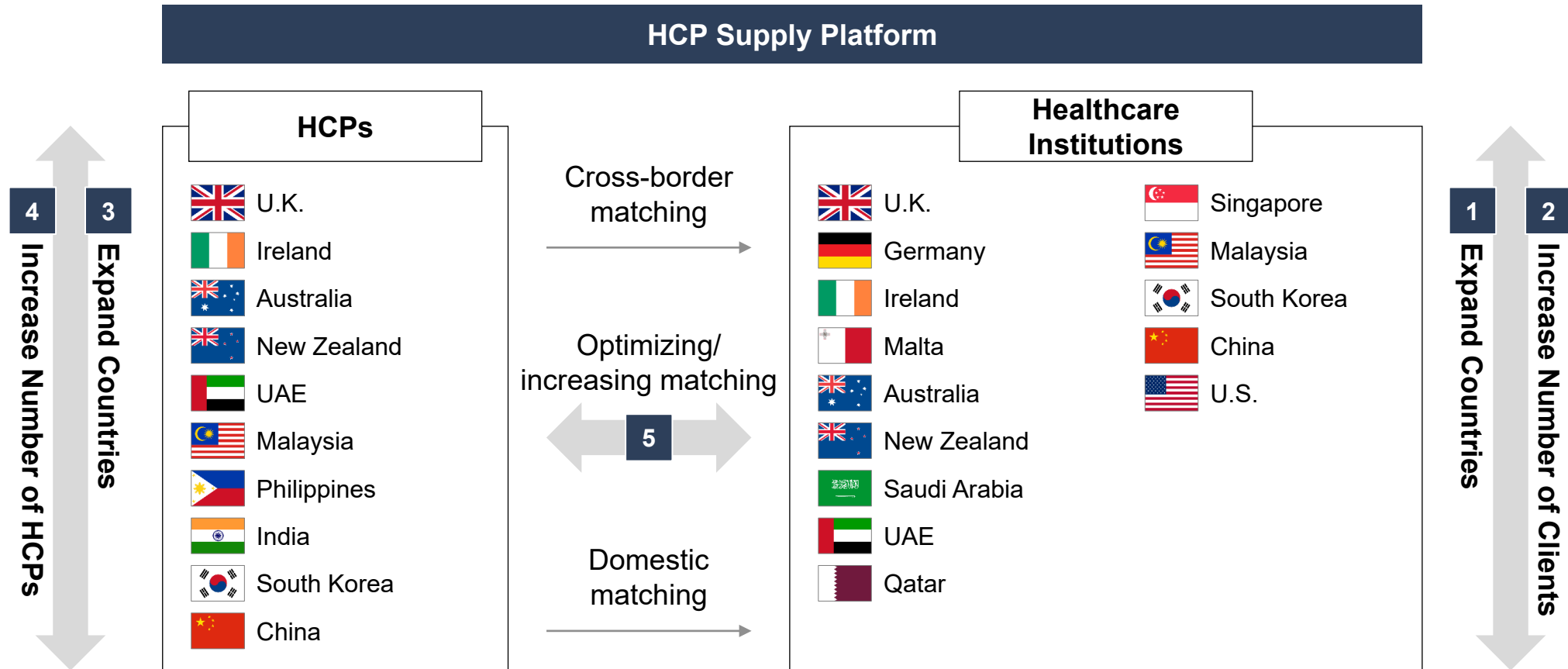
Promote optimal cross-border and domestic matching according to the supply of HCPs and the demand from healthcare institutions\*<sup>2</sup>.



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.

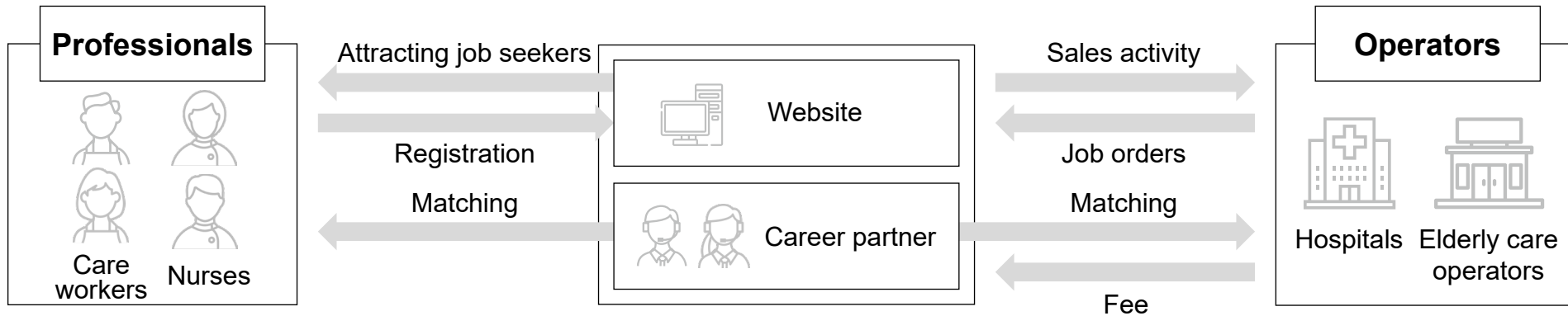


# Appendix

# Business Model of Career Business

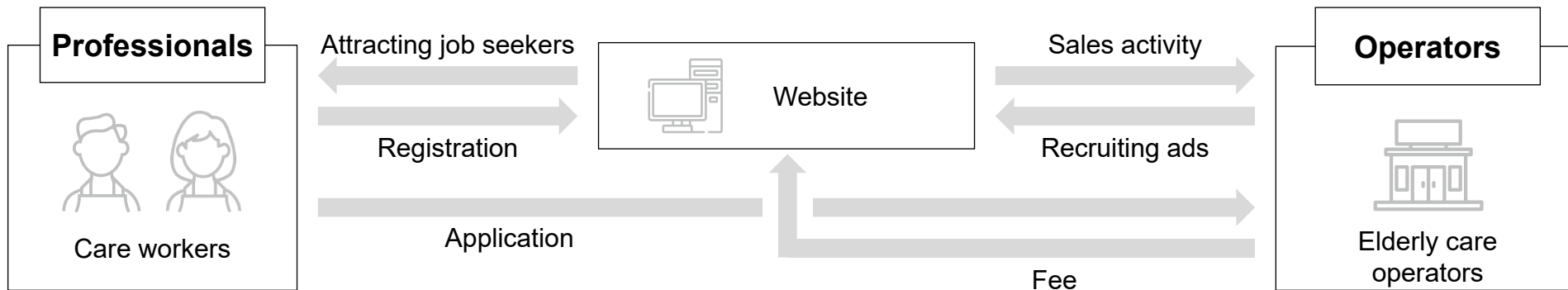
## Business model of Recruiting Agent

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\*<sup>1</sup>

Insurance Claim	<ul style="list-style-type: none"> <li>Elderly care operators can claim for the reimbursement of insurance efficiently.</li> </ul>
Recruitment	<ul style="list-style-type: none"> <li>Provide SMS's industry-leading Recruiting Ads service "Kaigo Job" for free and a job ad creation agency service.</li> </ul>
Sales Support	<ul style="list-style-type: none"> <li>Assist sales activities by supporting research, planning, and managing actions.</li> <li>Offer a function to create a website for free by automatically linking with registered data.</li> </ul>
Operation Improvement	<ul style="list-style-type: none"> <li>Provide one iPad for free to enable care workers to complete documentations at their customer sites.</li> </ul>
Opening Support	<ul style="list-style-type: none"> <li>Support procedures needed to open an elderly care business such as application for designation, financing, finding office properties and market research.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Provide factoring services to improve operators' cash flows.</li> </ul>
Purchasing	<ul style="list-style-type: none"> <li>Elderly care operators can procure various equipment and supplies, such as rental smartphones, in an easy and inexpensive way.</li> </ul>
Business Succession	<ul style="list-style-type: none"> <li>Supporting the succession of elderly care operators</li> </ul>

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

# MIMS Group Profile

## MIMS group global coverage

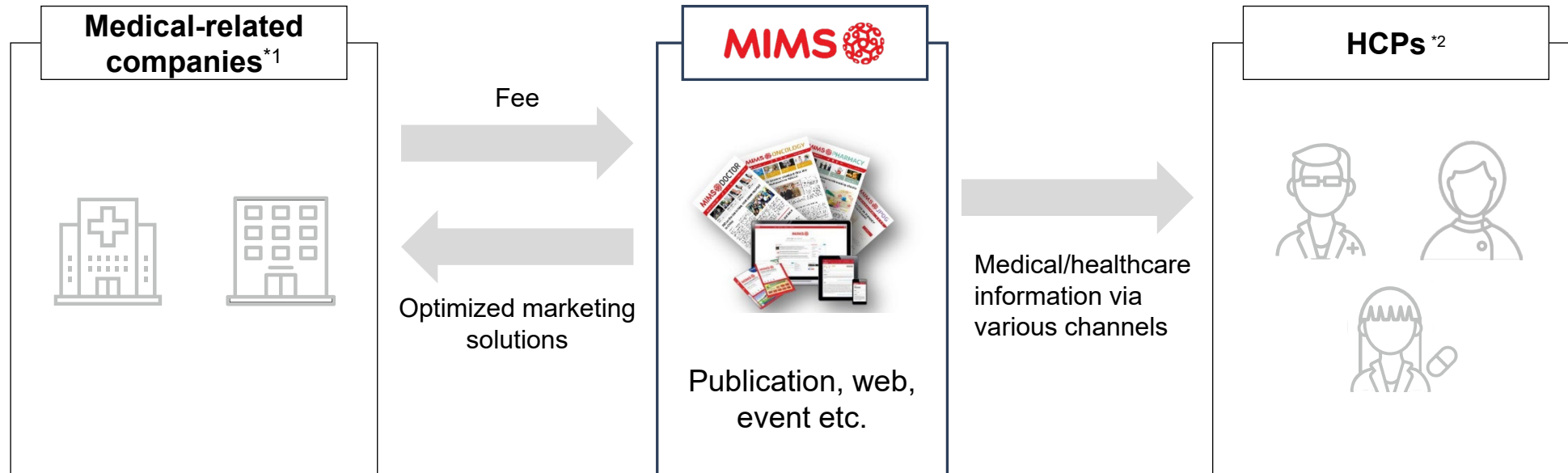


## MIMS group profile

Founded	1963
Business	<ul style="list-style-type: none"> <li>• Medical Platform</li> <li>• Global Career</li> </ul>
Global coverage	18 countries and regions, mainly in APAC
Number of memberships	3.50 million
Acquisition date	October 7, 2015

# Business Model of Medical Marketing

Support marketing activities of medical-related companies\*<sup>1</sup>

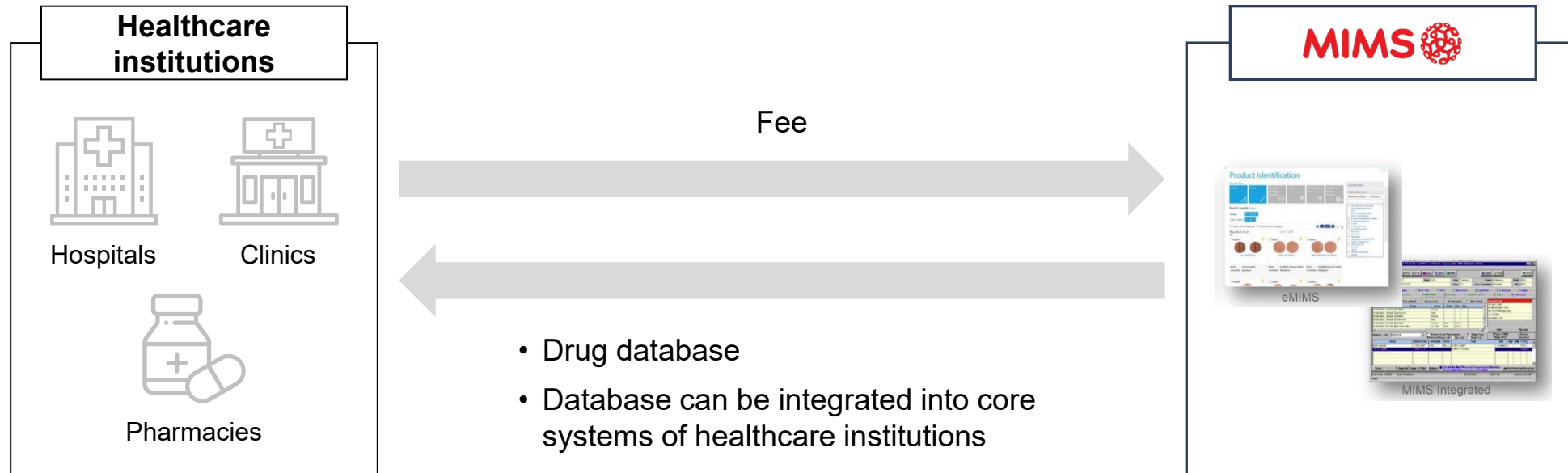


1. Operators such as pharmaceutical companies, medical device manufacturers, healthcare service operators, and industrial group

2. Healthcare professionals such as doctors, nurses, and pharmacists











# Business Model of Clinical Decision Support

Provide a drug database for prescription error checks in healthcare institutions



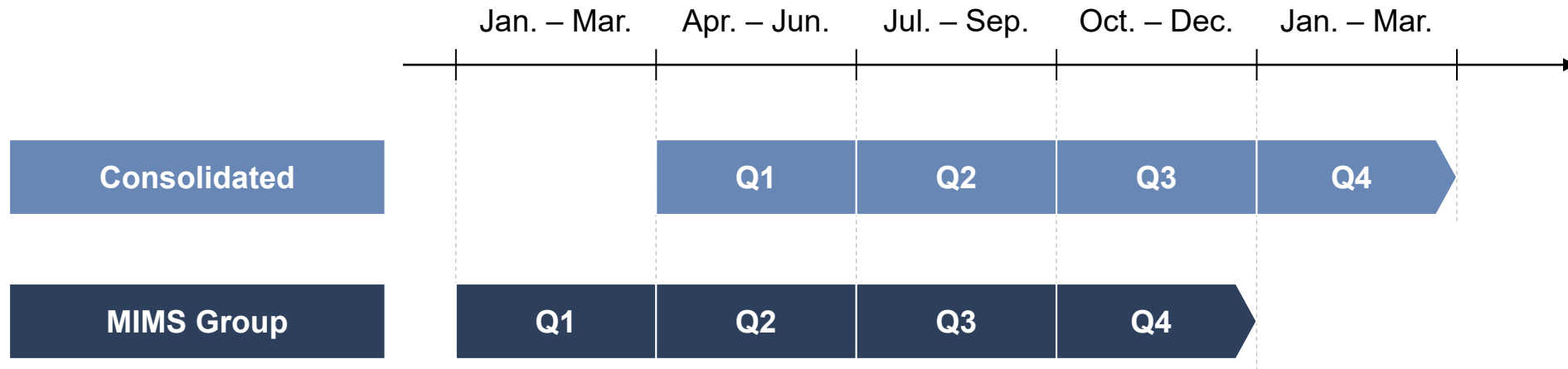
# Expansion of the Global Career Business

Starting with the acquisition of NURSCAPE in South Korea in 2011, we have expanded our overseas bases steadily to Malaysia in 2017, to the Philippines in 2018, to Europe and Oceania in 2019, and to Germany in 2022.














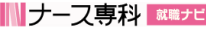

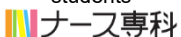



<p><b>Sep. 2011</b></p>	 <p>South Korea</p>	 <p>Acquired <b>NURSCAPE</b></p>	<p><b>Launched the Global Career Business.</b></p> <ul style="list-style-type: none"> <li>Started career-related business for nurses in South Korea</li> </ul>
<p><b>Jun. 2017</b></p>	 <p>Malaysia</p>	 <p>Acquired <b>MELORITA</b></p>	<p><b>Launched cross-border matching.</b></p> <ul style="list-style-type: none"> <li>Started cross-border introduction of Malaysian healthcare professionals(HCPs) to hospitals in the middle east and other countries.</li> </ul>
<p><b>May 2018</b></p>	 <p>the Philippines</p>	 <p>Acquired <b>MSR</b></p>	<p><b>Increased the number of countries from which nurses are introduced.</b></p> <ul style="list-style-type: none"> <li>Started introduction of Filipino HCPs to hospitals in the middle east and other countries.</li> </ul>
<p><b>Aug. 2019</b></p>	 <p>Ireland Australia</p>	 <p>Acquired <b>CCM</b></p>	<p><b>Expanded business to Europe and Oceania.</b></p> <ul style="list-style-type: none"> <li>Started matching for European/Oceanian healthcare professionals.</li> <li>Expanded client hospitals in Europe/Oceania for HCPs from Southeast Asia and other countries.</li> </ul>
<p><b>Dec. 2022</b></p>	 <p>Germany</p>	 <p>Acquired <b>CWC/CF</b></p>	<p><b>Expanded business to Germany.</b></p> <ul style="list-style-type: none"> <li>Started cross-border introduction of foreign nurses to healthcare institutions and elderly care operators in Germany.</li> </ul>

# Consolidation of MIMS Group Financial Results

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



# Business Portfolio\*1 – Career\*2

Segment	Category	Services				
Elderly Care Career	Services for care workers	RAD*3 for care workers 	RAG*3 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 radiological technologists 	RAG*3 for medical technologists 	RAG*3 for clinical engineers 	RAG*3 for childcare workers 
		RAG*3 for Judo therapists etc. 	RAG*3 for dietitians 			
	Others	RAD*3 for newly-graduated nurses 	Scholarship information portal 	Web community for nurses and nurse students 	RAD*3 for Judo therapists etc. 	National examination reference book for Judo therapists etc. 
		HR solution for hospitals 				

1. As of April 2024  
 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

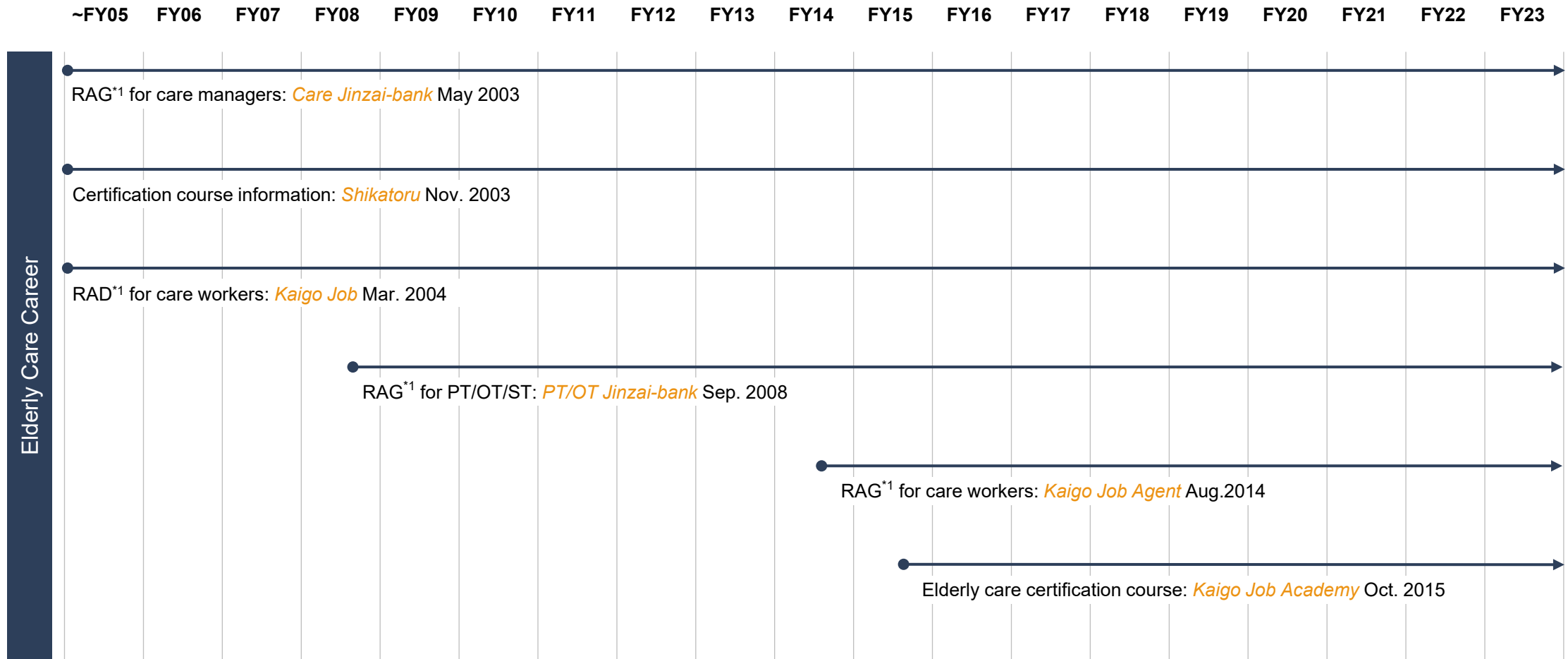
# Business Portfolio\*1 – Elderly/Disability Care Operators, Overseas, New Business

Segment	Services						
Elderly/Disability Care Operators	<p>Management support platform for elderly/disability care operators</p>	<p>Information portal for management of elderly care operators</p>	<p>Research and information on the aging society</p>				
Overseas	<p>Drug information service for healthcare professionals and institutions</p>	<p>Cross-border RAG*2 for healthcare professionals (Malaysia, Philippines, Ireland, UK, Germany, etc.)</p>			<p>Career related service for nurses (South Korea)</p>	<p>Medical ad services (Philippines, Indonesia, Malaysia)</p>	
New Business (Healthcare)	<p>Preventive solution for lifestyle-related diseases</p>	<p>Health guidance solution</p>	<p>Quit-smoking support using ICT</p>	<p>Quit-smoking solution with behavior therapy</p>	<p>Remote industrial health service</p>	<p>Information portal of dementia</p>	<p>Solution for dementia prevention</p>
	<p>Web community for dietitians</p>	<p>Frailty prevention service</p>	<p>Preventive solution for elderly care turnover</p>	<p>Health maintenance/promotion support for women</p>	<p>Information portal of industrial health service</p>	<p>Stress checks specialized for medical care and elderly care industries</p>	<p>Habitual support for dementia prevention</p>
New Business (Senior life)	<p>Web community for people struggling with elderly care</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>	<p>Web community for care managers</p>	

1. As of April 2024

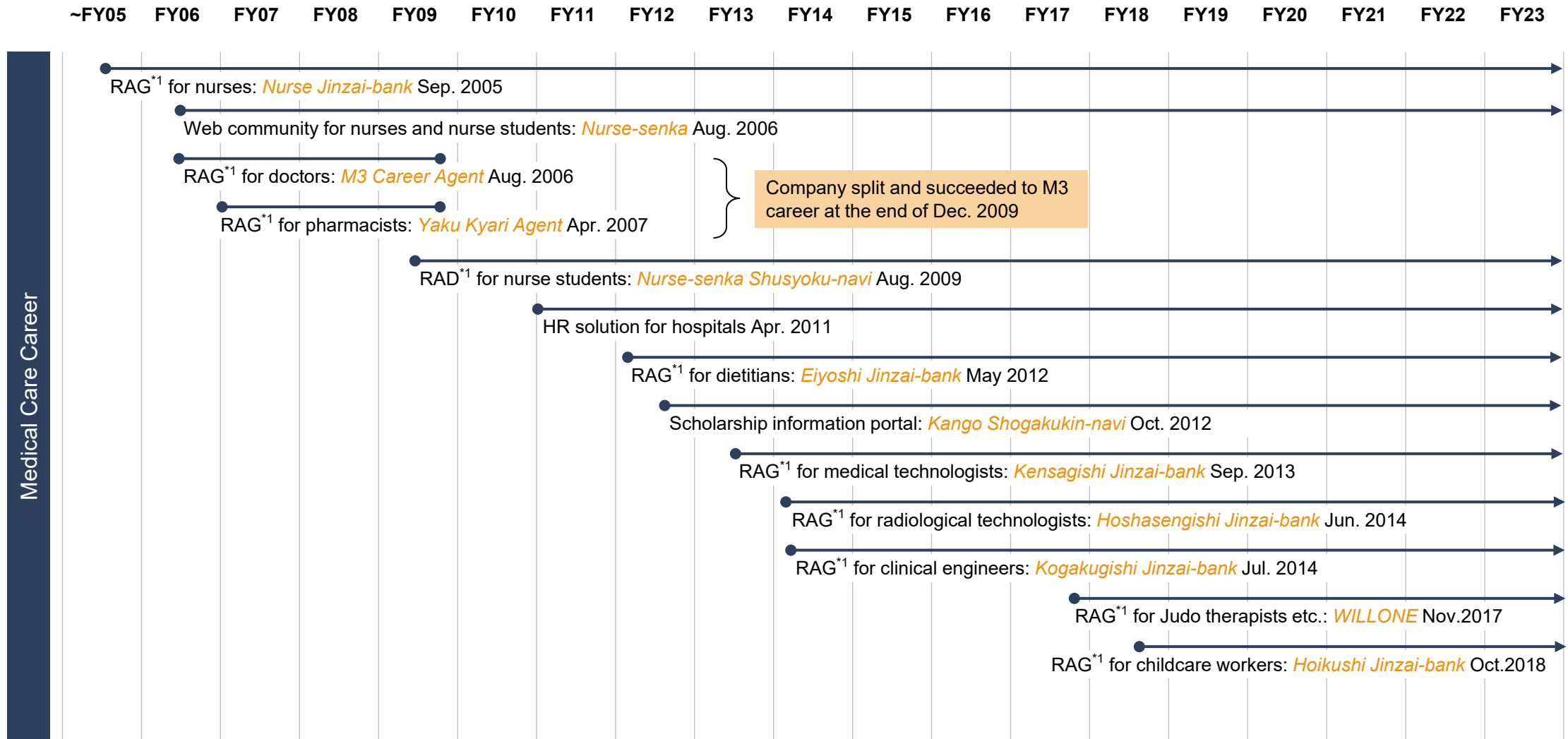


# History of Service Launches – Elderly Care Career



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

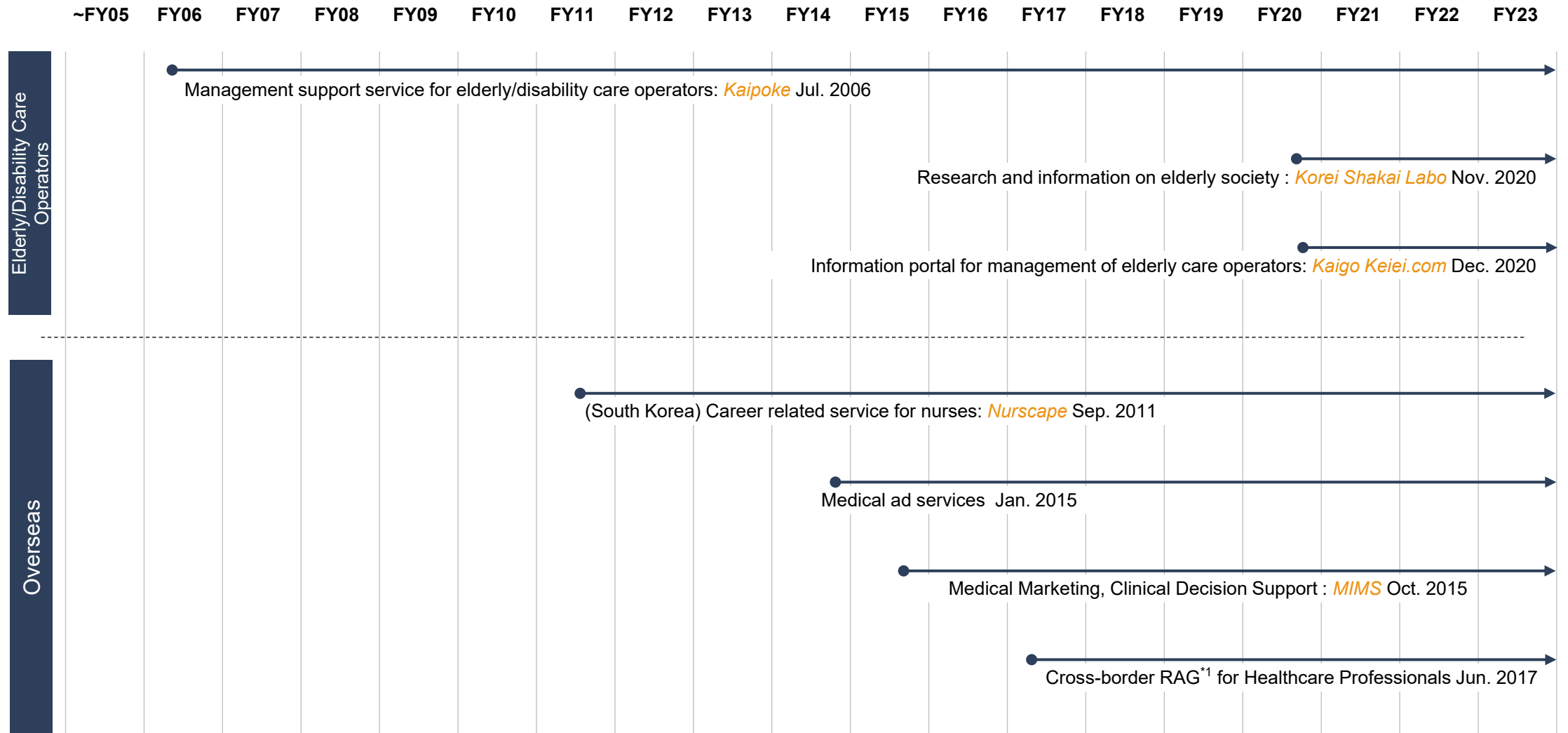
# History of Service Launches – Medical Care Career



Medical Care Career

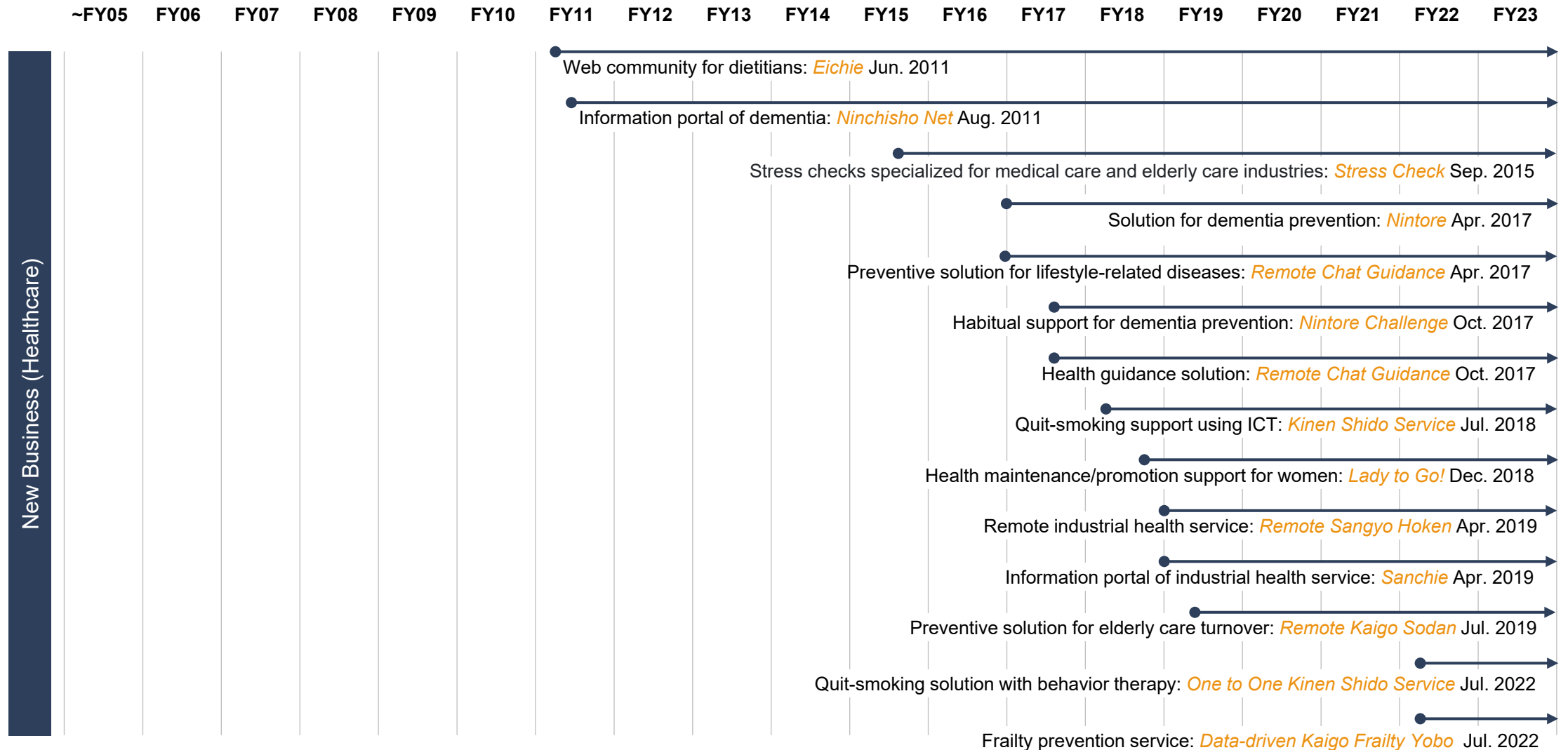
1. RAD: Recruiting ads service RAG: Recruiting agent service

# History of Service Launches – Elderly/Disability Care Operators, Overseas



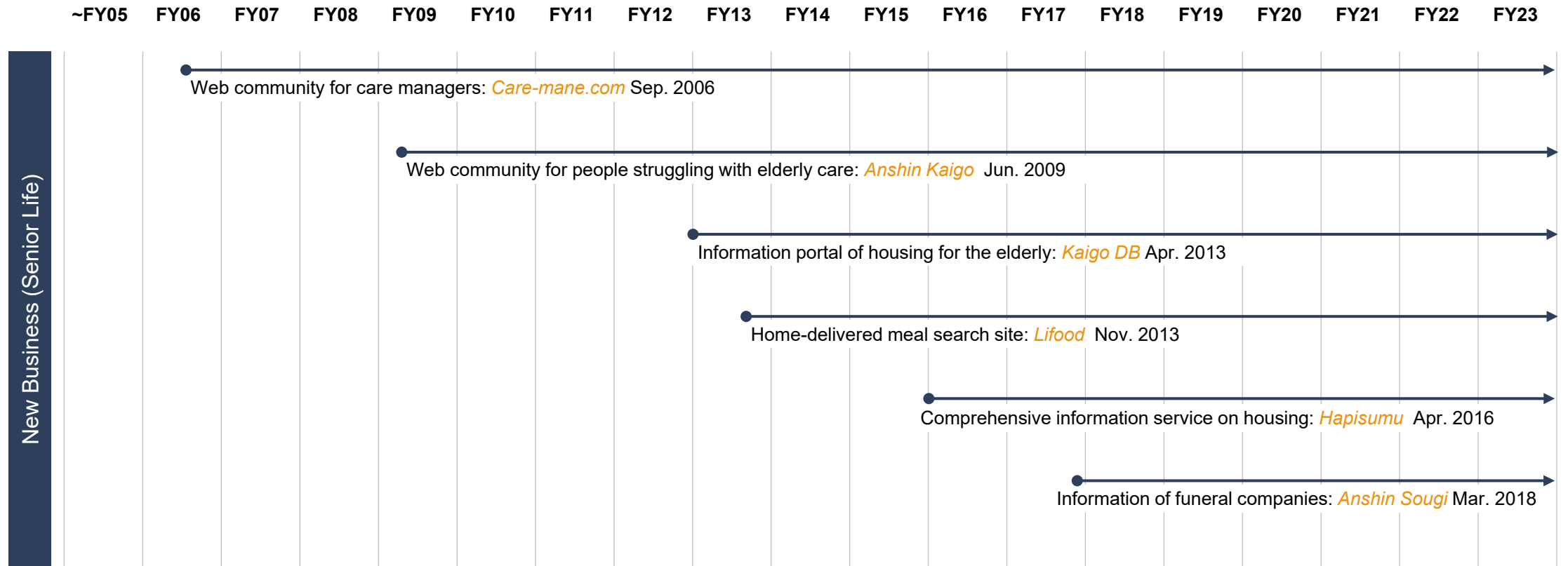
1. RAG: Recruiting agent service

# History of Service Launches – New Business (Healthcare)



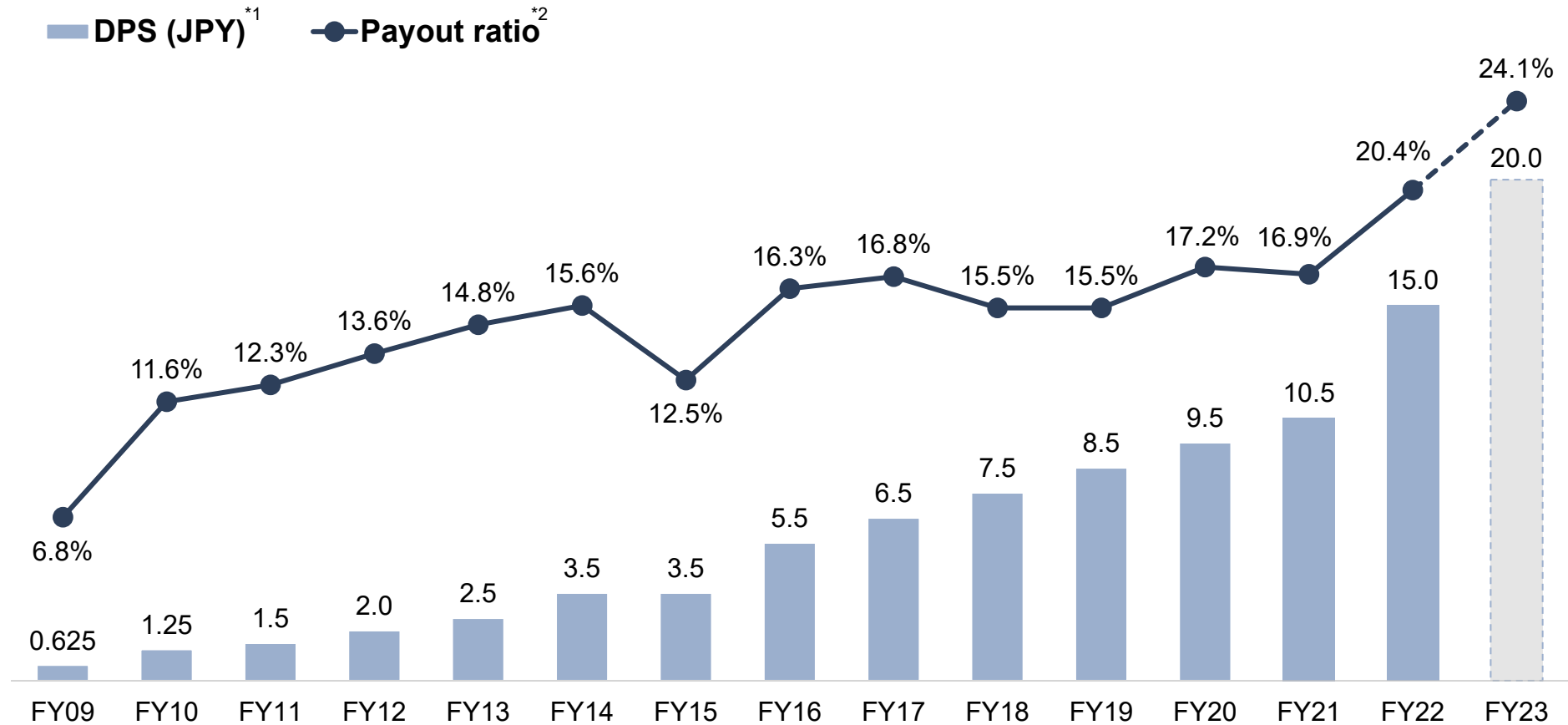
New Business (Healthcare)

# 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

(in JPY millions)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
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	45,667	53,973
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	7,279	8,269
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	8,759	9,901
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	6,406	7,227
EPS* <sup>1</sup> (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	73.5	83.0
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	65,098	72,475
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	26,677	28,190
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	38,421	44,284
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	58.3	60.7
ROE (%)	(124.9)	31.8	22.8	35.1	32.3	53.4	35.1	31.2	27.3	26.4	24.7	28.4	29.5	21.8	18.5	24.4	27.5	23.1	20.8	19.0	17.6
DPS* <sup>1</sup> (JPY)	-	-	-	-	-	0.625	0.625	1.25	1.5	2.0	2.5	3.5	3.5	5.5	6.5	7.5	8.5	9.5	10.5	15.0	20.0* <sup>3</sup>
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	20.4	24.1* <sup>3</sup>
TSR** <sup>2</sup> (%)	-	-	-	-	-	-	-	-	-	-	177.1	514.5	1,150.3	1,057.5	682.8	402.3	263.6	317.8	243.5	143.2	132.6* <sup>3</sup>

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. FY23 Dividend to be finalized following the general meeting of shareholders in June.

# Number of Employees and Shareholder Composition

## Number of Employees

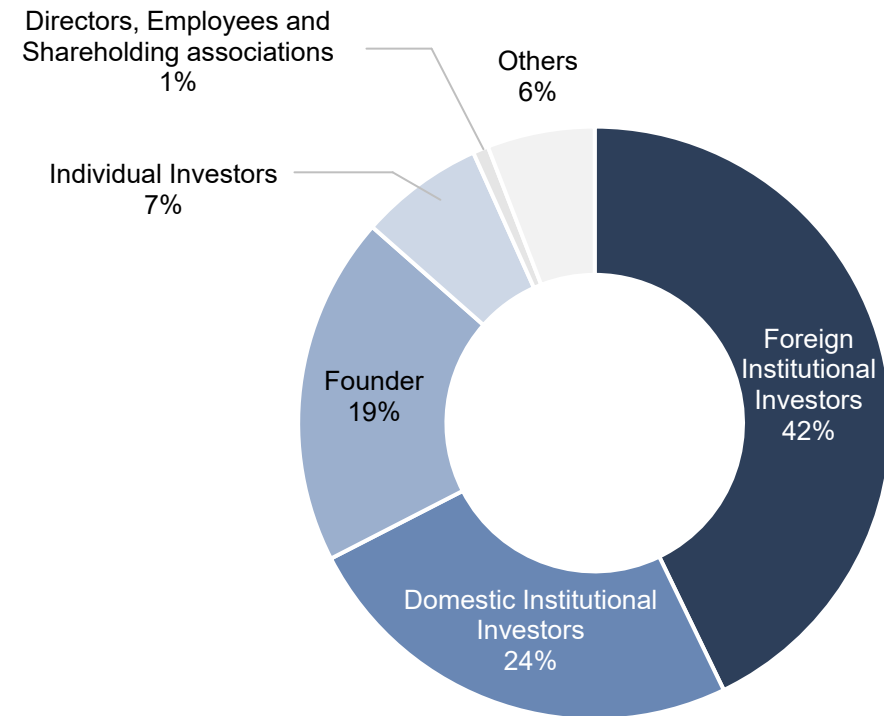
As of March 31, 2024:

Category	# of Employees
Consolidated	4,188
Japan	3,029
Overseas	1,159

## Shareholder Composition\*1

As of March 31, 2024:

Number of shareholders 7,984



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



# Cautionary Statement with Respect to Forward-Looking Statements

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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, 2024. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include, but are not limited to:

- changes in economic conditions, market demand, and the competitive environment affecting Japan, Asia and other markets in which the Company operates;
- reliance on digital and information technology, including with respect to the handling of medical care, elderly/disability care and other client information and operation of the Company’s online community services;
- Inability to effectively execute M&A/business alliance and overseas expansion strategies;
- Changes in the laws, regulations and government policies in the markets in which the Company operates, particularly relating to employment placement, medical care, and elderly/disability care;
- any damage to the brand image;
- risk of infringing intellectual property rights;
- 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<sup>\*1</sup>.

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/](https://global.bm-sms.com/ir/management/risk_factor/)