

SMS Co., Ltd.

(Securities Code: 2175/TSE 1st section)

Presentation Material for Investors

Financial Results Summary for the Third Quarter of
the Fiscal Year Ending March 31, 2021 (the 18th Fiscal Year)

January 29, 2021



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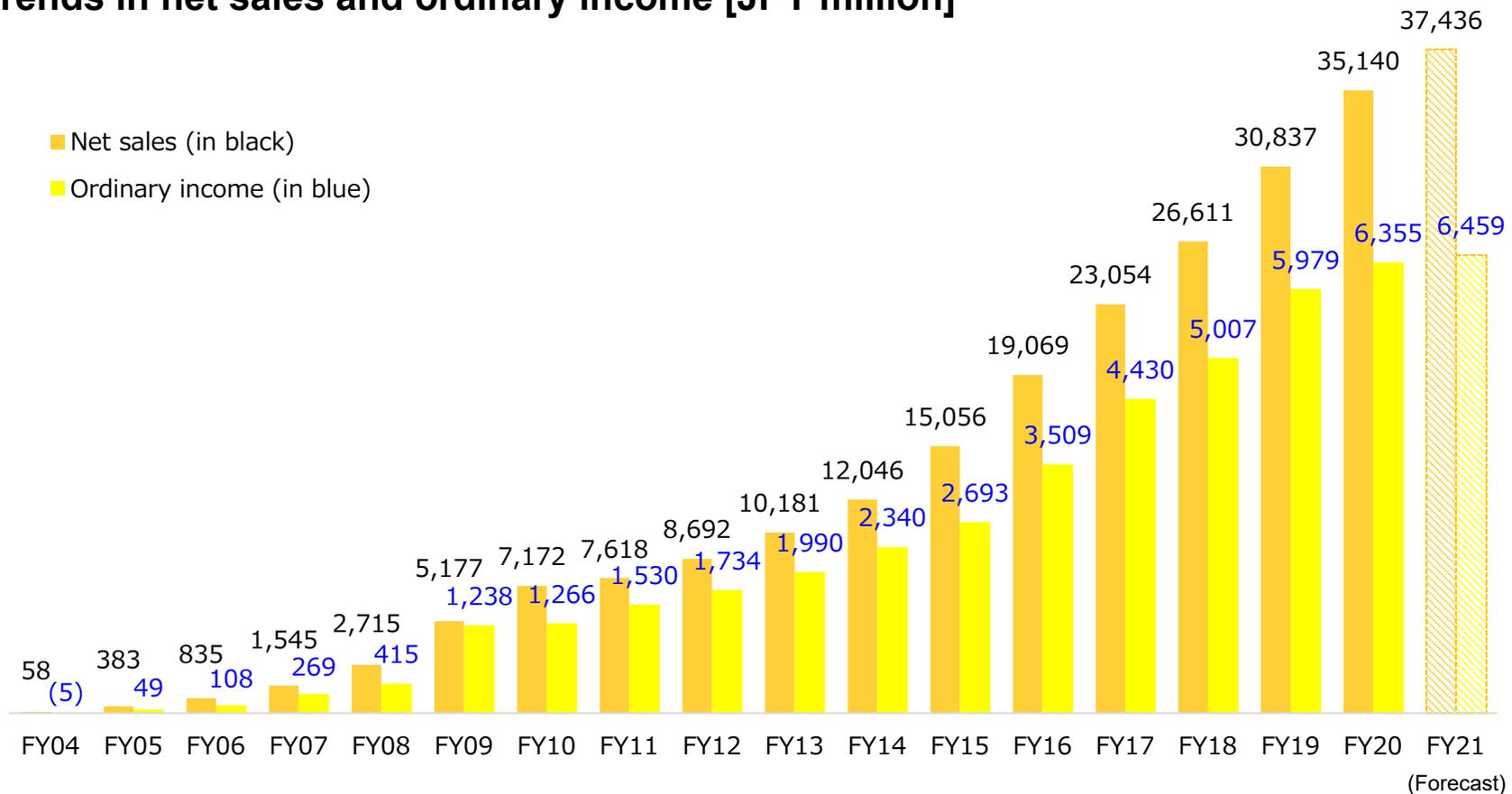
P44-P61

1 Historical Financial Results and FY03/21 Forecast



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

Trends in net sales and ordinary income [JPY million]



1 FY03/21 Consolidated Financial Results (Q1-Q3)



- ✓ Achieved YoY growth in both sales and profits.
- ✓ Profits increased significantly, mainly due to a reduction in the number of new hires.
- ✓ Marked steady progress toward the FY03/21 guidance.

Consolidated P/L Statement [JPY million]

	Q1-Q3 FY03/20 Actual	Q1-Q3 FY03/21 Actual	YoY Change	FY03/21 Guidance
Net Sales	25,300	26,366	+4%	37,436
Operating Income	2,088	3,220	+54%	5,028
Ordinary Income	3,410	4,245	+24%	6,459
Net Income	2,516	2,868	+14%	4,785

1 The Career Segment (Q1-Q3)

YoY Comparison of Sales [JPY million]

	Q1-Q3 FY03/20	Q1-Q3 FY03/21	YoY Change
Elderly Care Career	7,701	8,252	+7%
Medical Care Career	9,898	9,741	(2%)
Total	17,599	17,993	+2%

Highlights

- The Career Segment made steady progress.
- The prolonged COVID-19 pandemic affected Q3 sales more negatively than initially expected*1.

*1. The FY03/21 guidance had assumed that the COVID-19 pandemic would end by September 2020.

1 The Elderly Care Operators Segment (Kaipoke, Q1-Q3)



YoY Comparison of Sales [JPY million]

	Q1-Q3 FY03/20	Q1-Q3 FY03/21	YoY Change
Elderly Care Operators (Kaipoke)	3,533	4,302	+ 22%

Highlights

- The number of Kaipoke memberships increased steadily.
 - 30,100 service offices (20,550 locations*¹) as of January 1, 2021.
- Sales of optional add-ons such as additional tablets, smartphones, and factoring services increased.
- The COVID-19 impact on Q1-Q3 results was limited, as expected.

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

1 The Overseas Segment (Q1-Q3*¹)



YoY Comparison of Sales [JPY million]

	Q1-Q3 FY03/20	Q1-Q3 FY03/21	YoY Change
Overseas	3,377	3,196	(5%)

Highlights

- As expected*², sales were negatively affected by the COVID-19 impact such as the cancellation or postponement of events for pharmaceutical companies and the postponement of cross-boarder travels of healthcare professionals.
- COVID-19 is accelerating digital transformation, creating opportunities for our digital services such as online events and eDMs*³.

*1. MIMS P/L statement is consolidated with a three-month delay and Q1-Q3 results are for January to September 2020.
(Please refer to p.52.)

*2. The FY03/21 guidance had assumed that the COVID-19 pandemic would end by September 2020.

*3. Electronic direct mails

1 Impact of COVID-19

- ✓ The COVID-19 impact remains longer than initially expected in the FY03/21 guidance*¹, mainly affecting domestic and global career businesses.
- ✓ Expect to achieve the FY03/21 guidance of increasing sales and profits YoY by controlling costs and promoting online services.

Impact of COVID-19

Segment	Q1-Q3	Q4 prospect/ Measures against impacts
Elderly Care Career	<ul style="list-style-type: none"> • The RAG*² matching activities have been recovering more slowly than expected, after the COVID-19 impact peaked in May and June. 	<ul style="list-style-type: none"> • COVID-19 will continue to affect the business for the time being. • The declaration of a state of emergency may cause additional impact. • Develop new job orders from elderly care operators which are less affected by COVID-19.
Medical Care Career	<ul style="list-style-type: none"> • The RAG*² matching activities have been recovering more slowly than expected, after the COVID-19 impact peaked in May and June. 	<ul style="list-style-type: none"> • COVID-19 will continue to affect the business for the time being. • The declaration of a state of emergency may cause additional impact. • Develop new job orders from hospitals and clinics which are less affected by COVID-19. • Promote transition from on-site job fairs to online job fairs.
Kaipoke	<ul style="list-style-type: none"> • As expected 	<ul style="list-style-type: none"> • The COVID-19 impact will be limited. • Promote the acquisition of new customers through web marketing and online seminars.
Overseas	<ul style="list-style-type: none"> • As expected 	<ul style="list-style-type: none"> • Pharma marketing business will be affected by COVID-19 as expected. • Promote digital services such as online events and eDMs*³, taking advantage of new opportunities brought by the COVID-19. • Global career business will continue to be affected after October*⁴ due to travel restrictions.

*1. The FY03/21 guidance had assumed that the COVID-19 pandemic would end by September 2020.

*2. Recruiting Agent service *3. Electronic direct mails

*4. MIMS P/L statement is consolidated with a three-month delay and Q4 results are for October to December 2020. (Please refer to p.52.)

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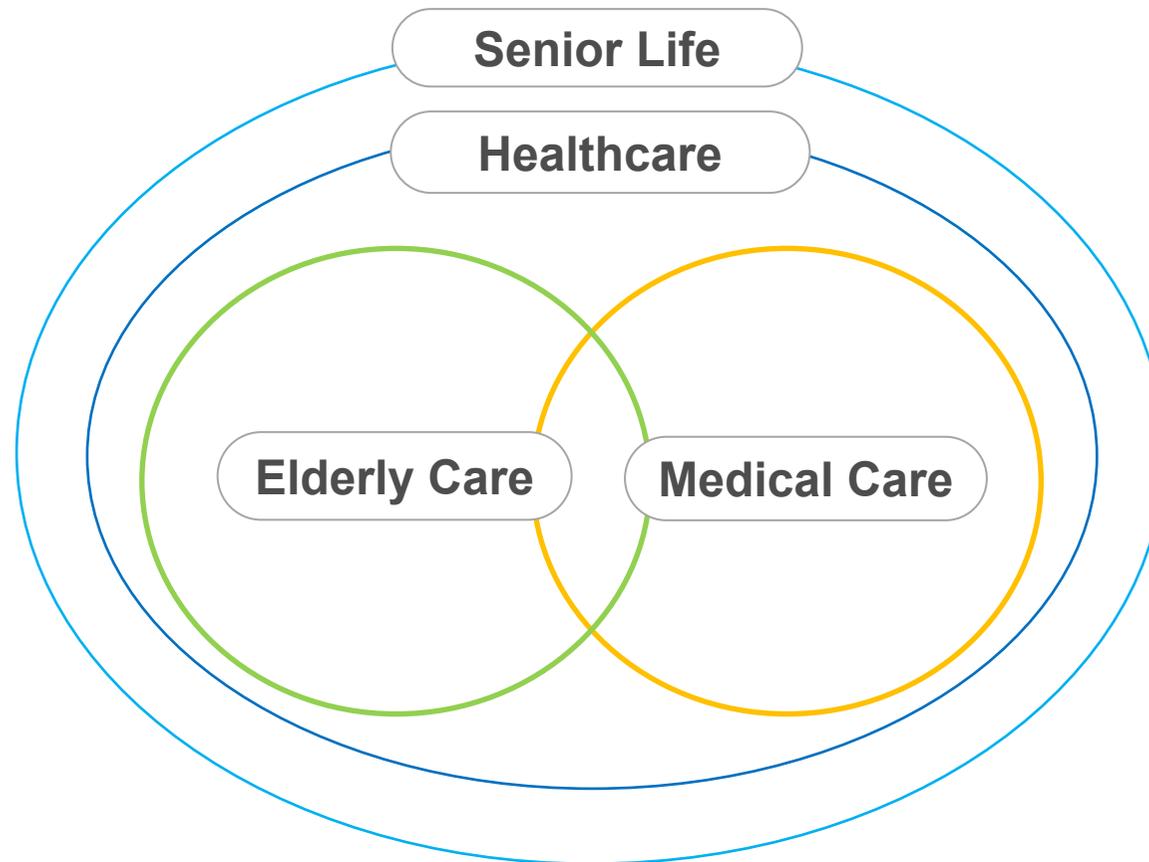
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Strategy

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

2 Business Domains in Aging Society

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



2 Where We Operate

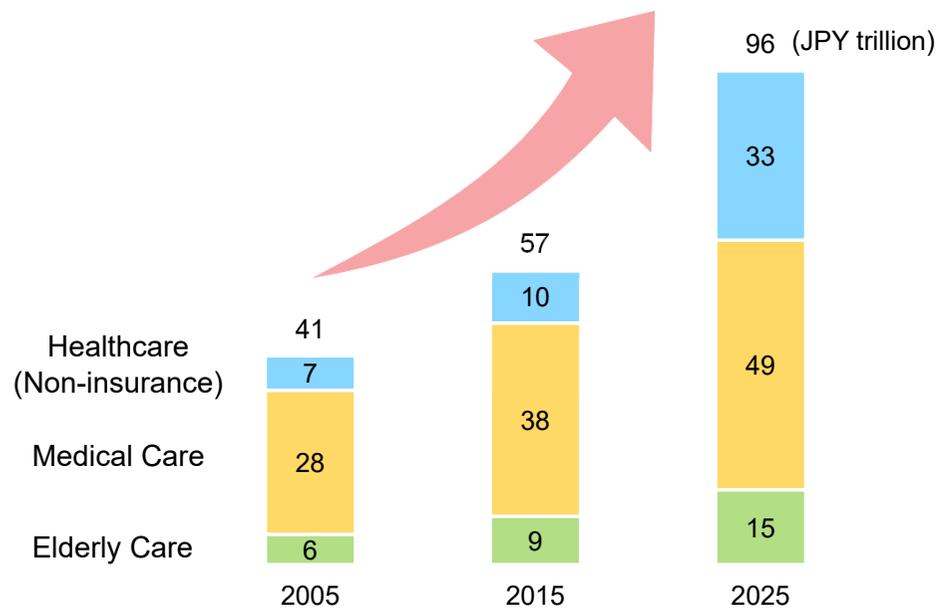
- ✓ Started our business in Japan and have established a leading position in this attractive market with an enormous growth potential.
- ✓ Expanding our businesses into the growing Asian and Oceanian markets.



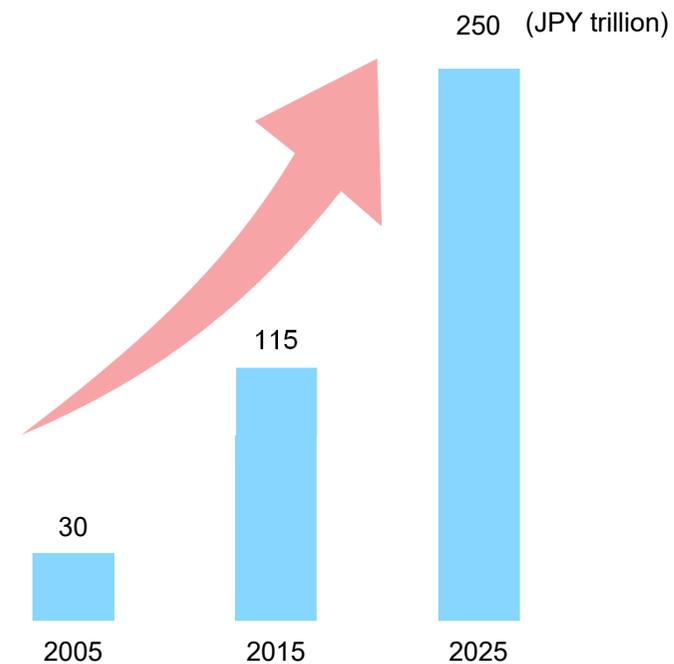
2 Market Size

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

Healthcare Expenditure*¹ in Japan



Healthcare Expenditure*² in Asia and Oceania*³



*1. Source: SMS estimates based on MHLW, METI, and WHO statistics

*2. Source: 2005/2015-WHO 2025-SMS estimate *3. Excluding Japan

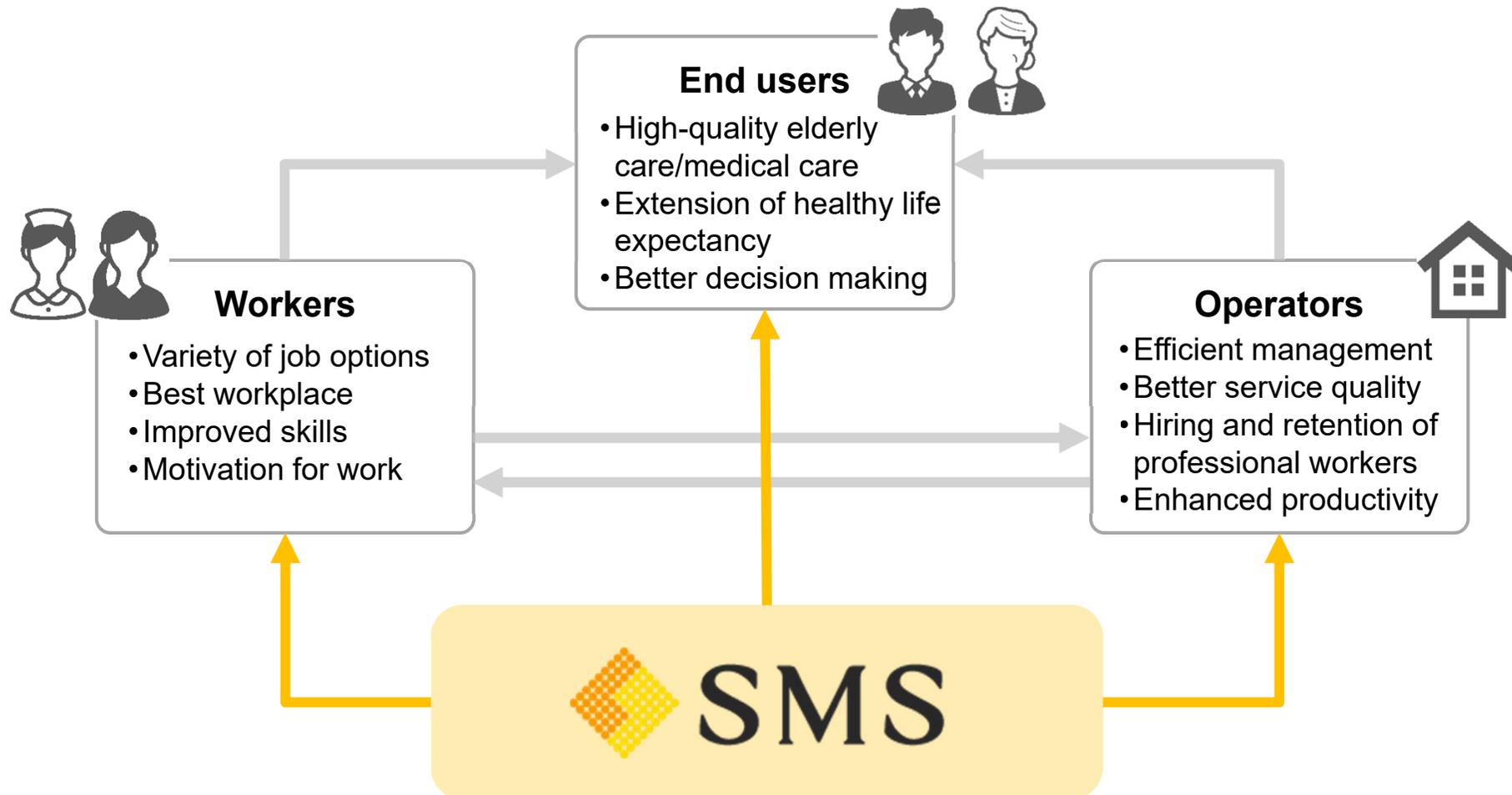
2 Information Infrastructure

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



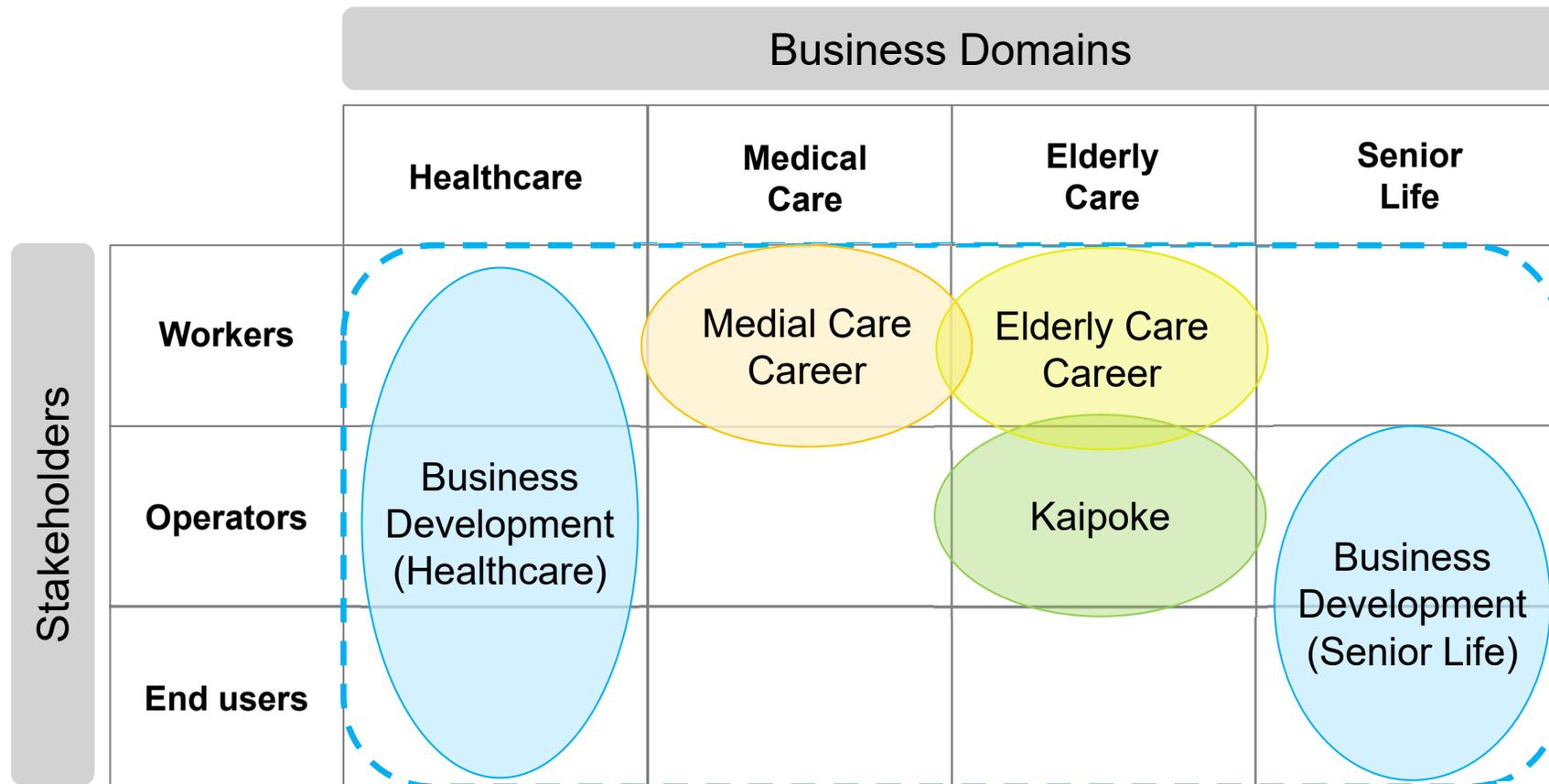
2 Improving the Quality of Life

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



2 Business Segments

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



Actively develop new businesses in other areas.

2 Growth Track

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

Strategic Units

■ Career Business - Medical Care Career

- No.1 recruiting service provider for medical care workers

■ Career Business - Elderly Care Career

- No.1 recruiting service provider for elderly care workers

■ Kaipoke

- Management support platform for elderly care operators

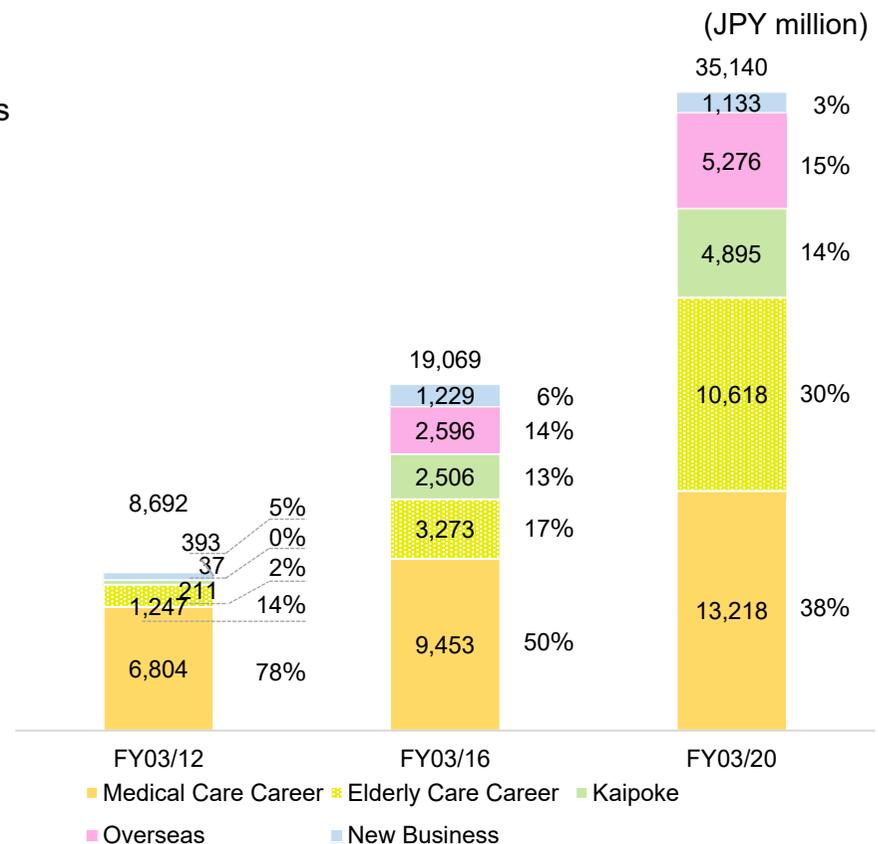
■ Overseas Business (MIMS)

- Asia's No.1 drug information service provider
- Expanding career business from Asia to global

■ New Business

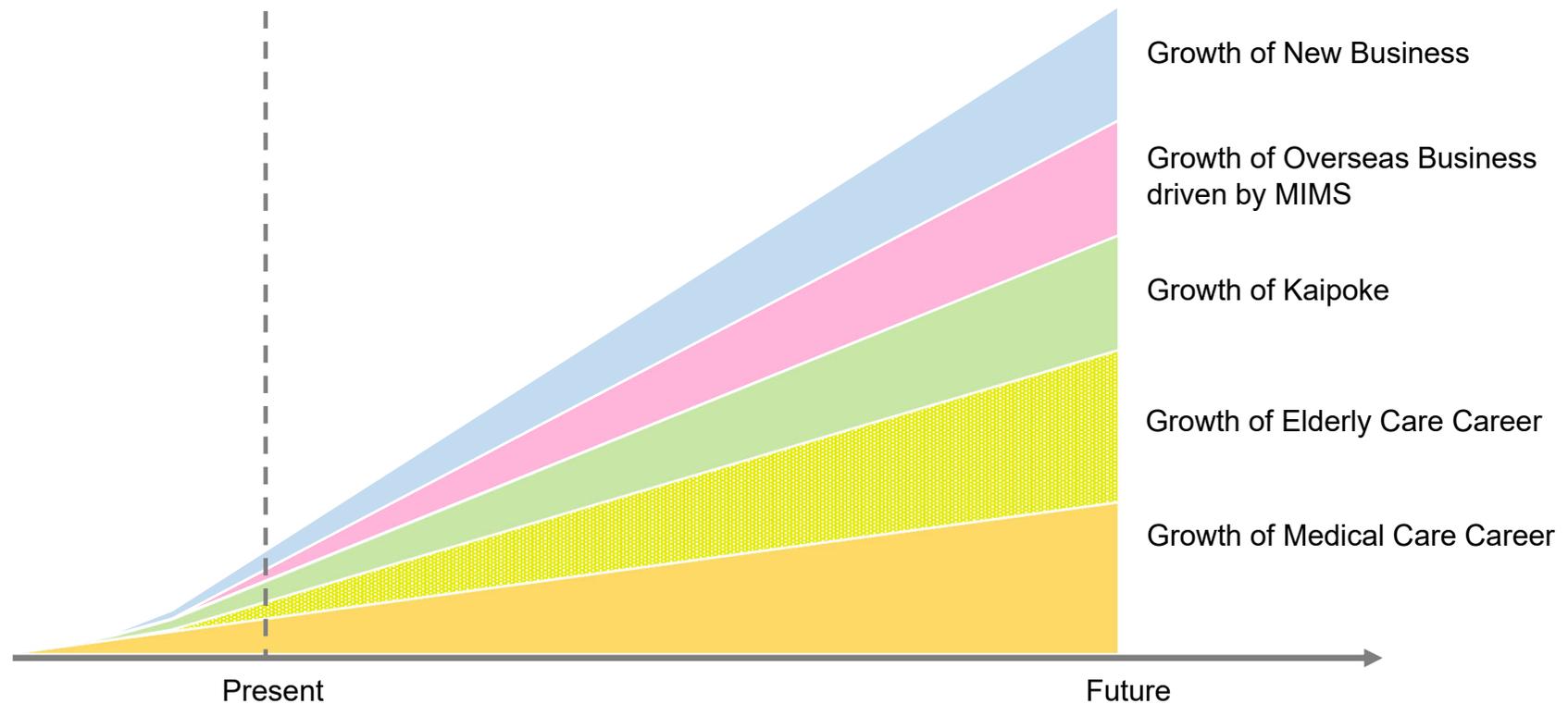
- Developing new businesses mainly in Healthcare and Senior Life

Breakdown of Net Sales



2 Growth Scenario

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



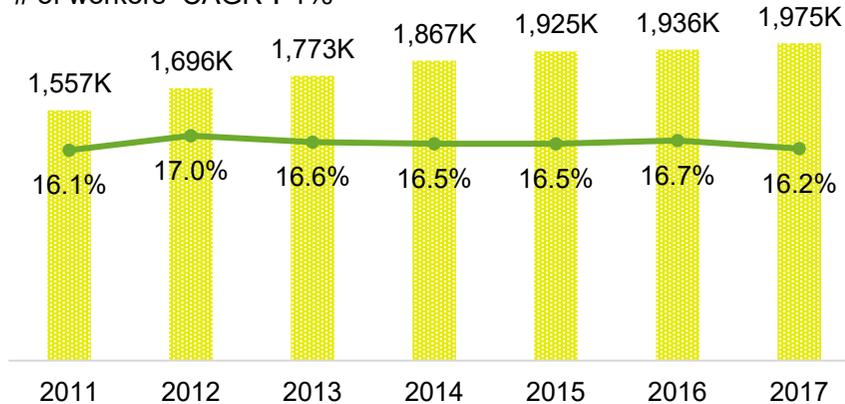
Career Business

2 Environment : Care workers and Nurses

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

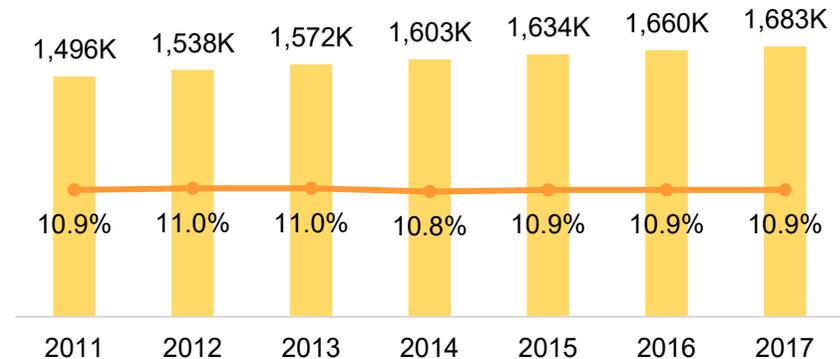
Number of care workers and their turnover rate*1

of workers CAGR : 4%

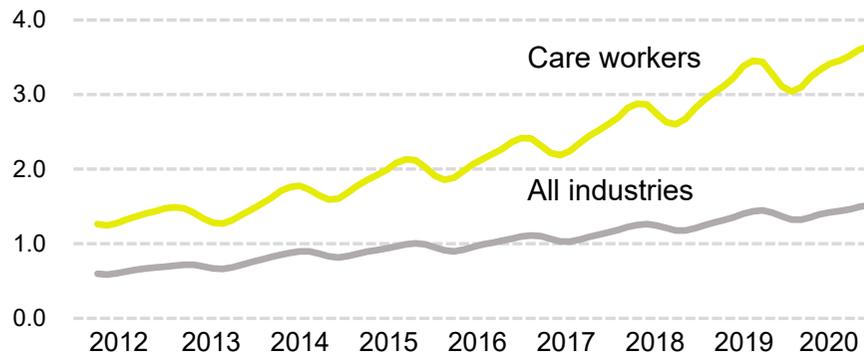


Number of nurses and their turnover rate*3

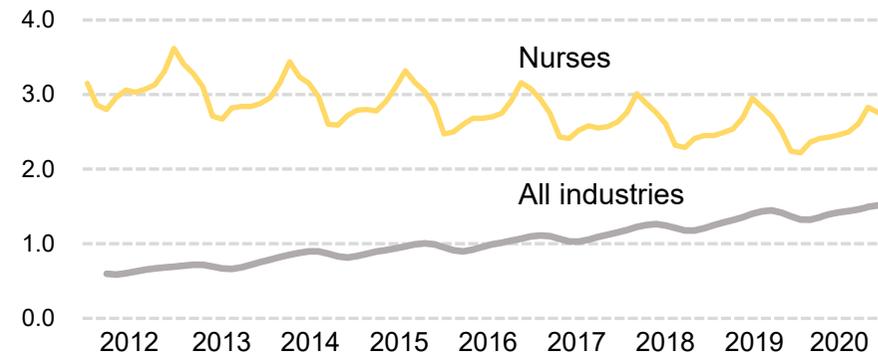
of workers CAGR : 2%



Jobs-to-applicants ratio of care workers*2



Jobs-to-applicants ratio of nurses*2

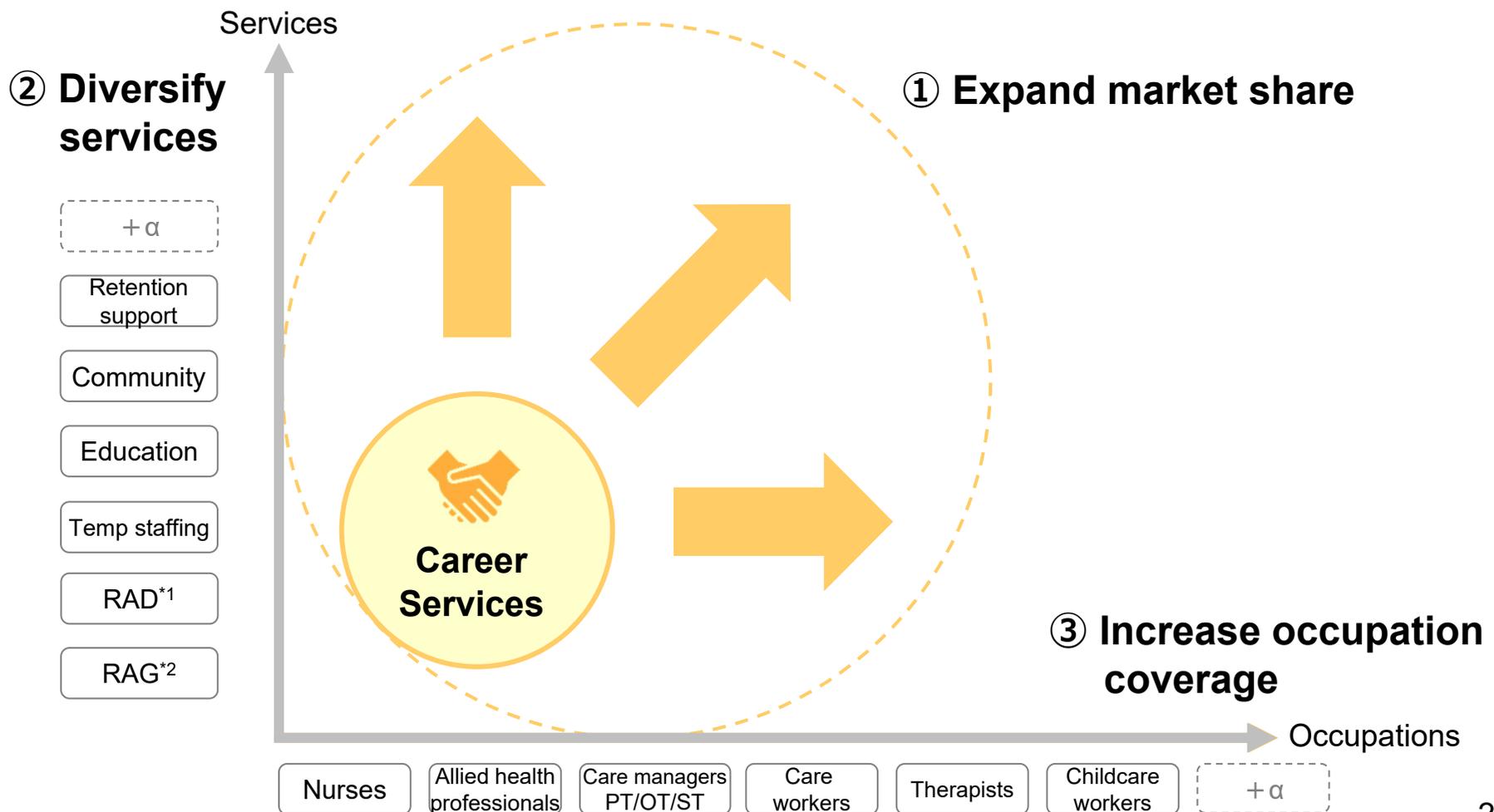


*1. Sources : Number of workers – MHLW; Turnover rate – Care Work Foundation

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

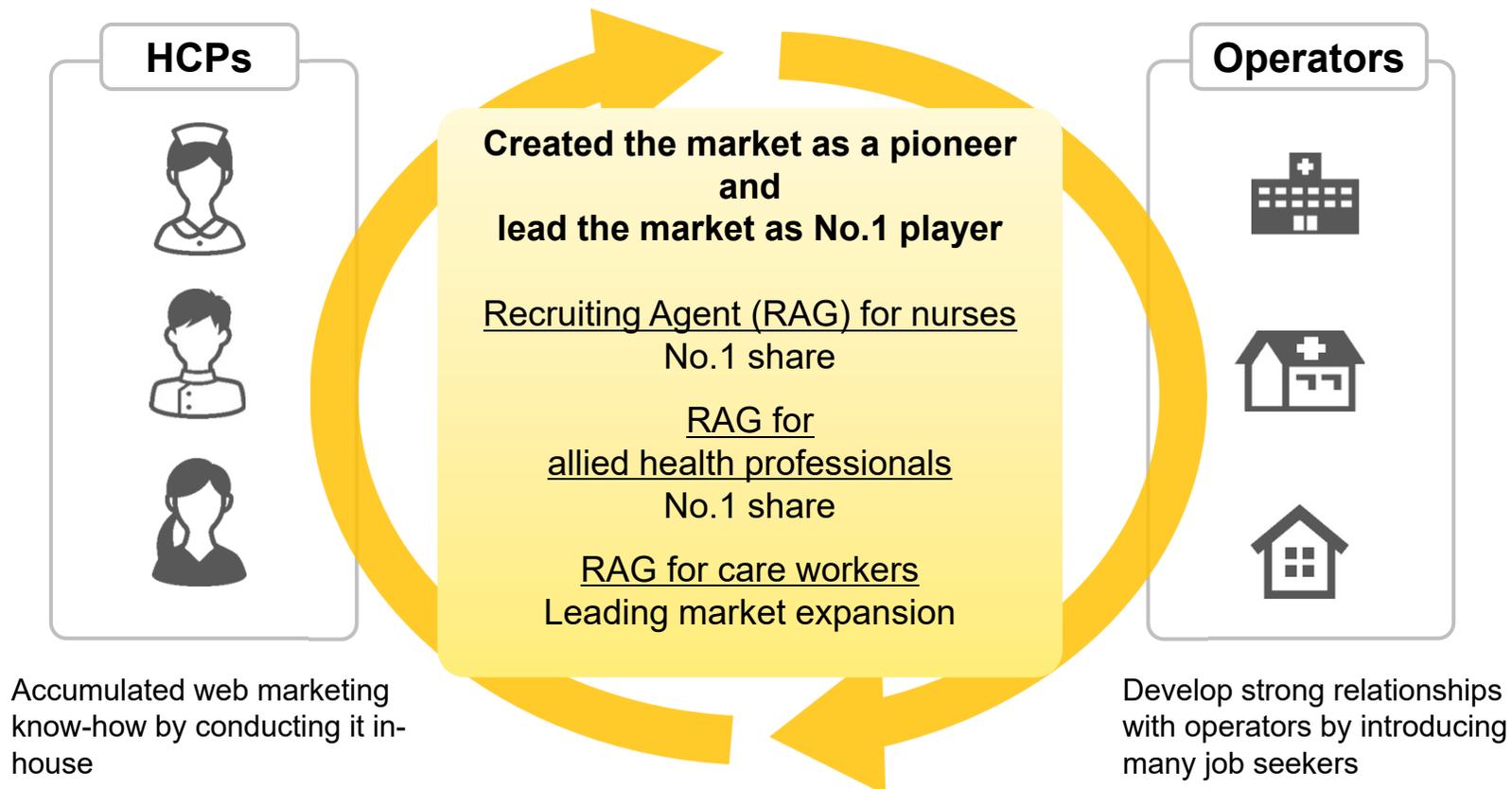
2 Strategy of Career Business

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



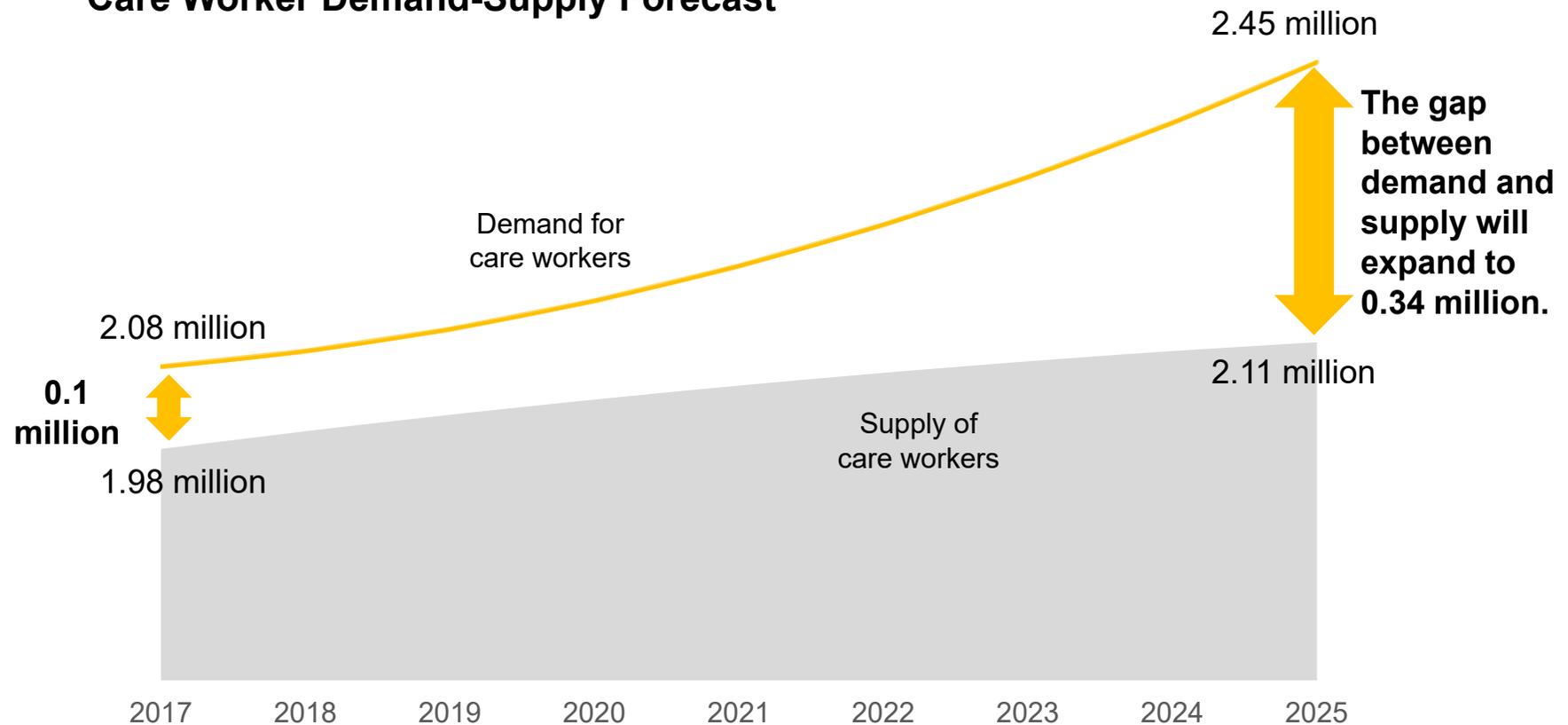
2 ① Expand Market Share

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



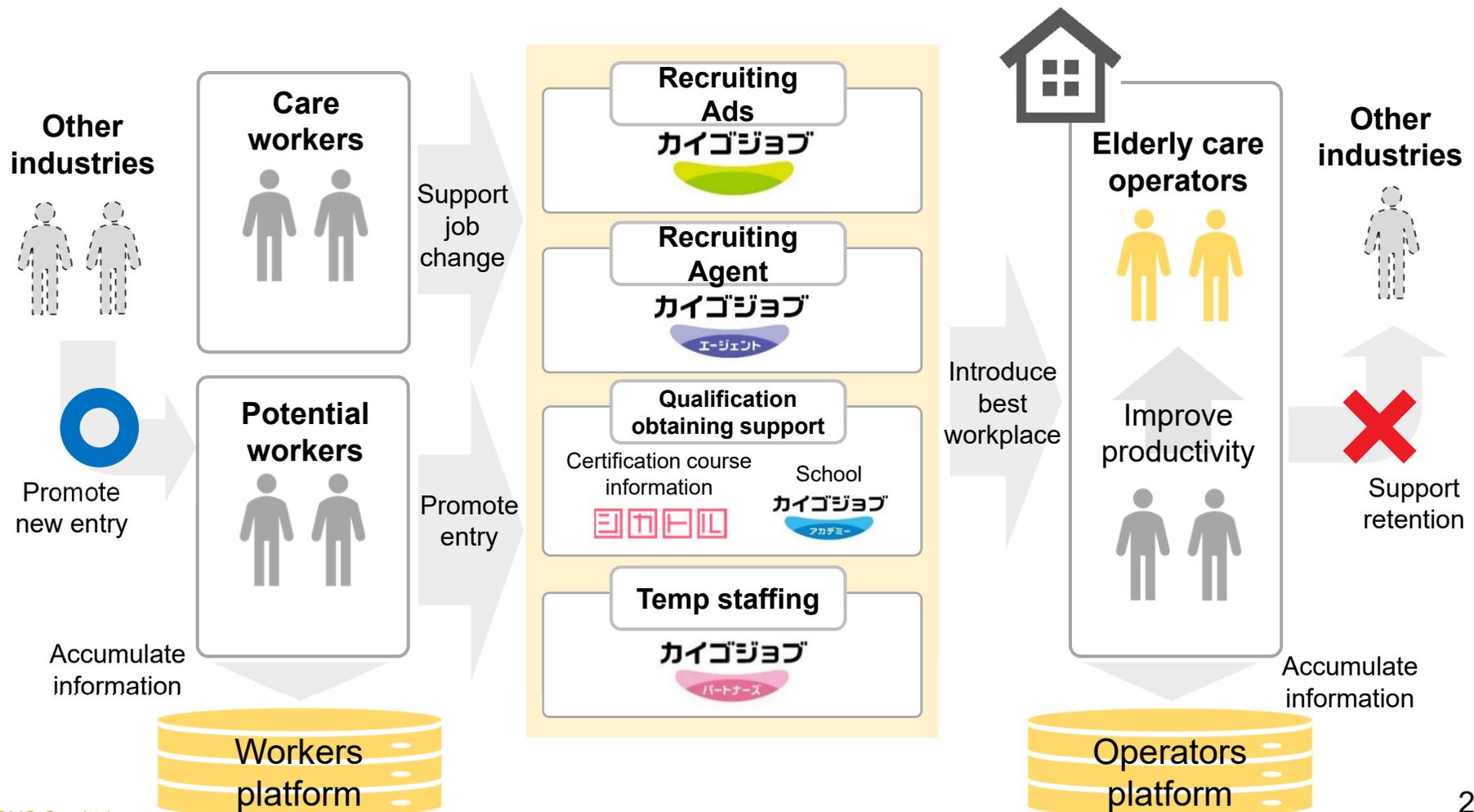
- ✓ The labor shortage in elderly care is worsening due to the rapid aging of population, the gap between demand and supply of care workers being expected to reach 340,000 in 2025.

Care Worker Demand-Supply Forecast*1



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

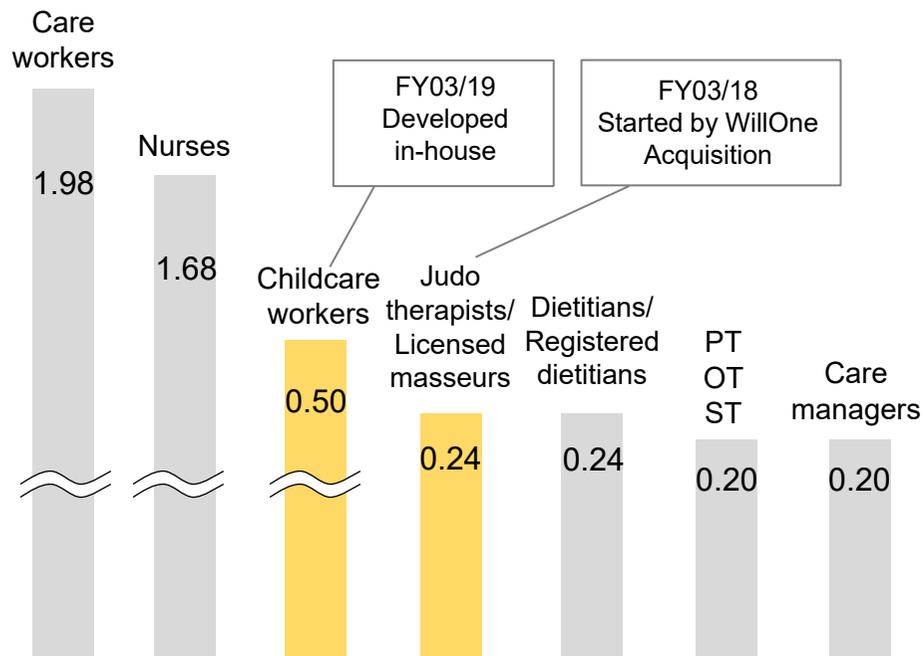
- ✓ Improve the shortage of workers by providing diverse services.
 - Promote new entry from other industries in addition to support for changing jobs.
 - Contribute to improve productivity of workers and reduce their turnover through education and retention support.



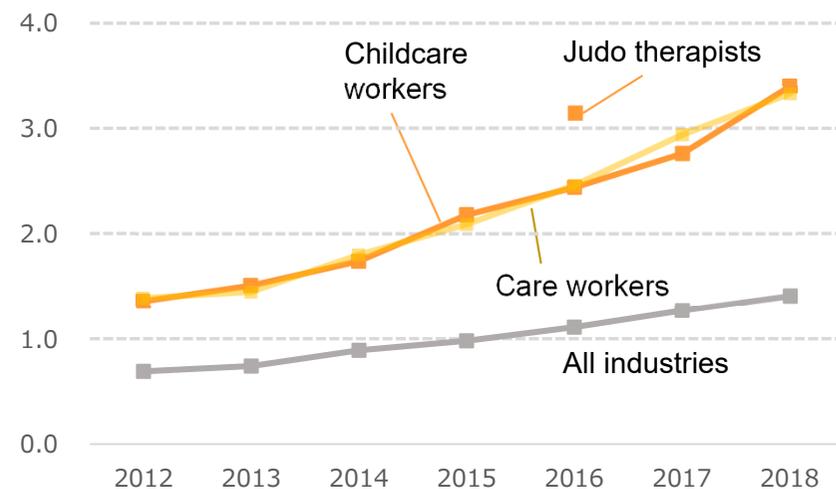
2 ③ Increase Occupation Coverage

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

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



Jobs-to-Applicants Ratios*³



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

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

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

*3. Source: MHLW

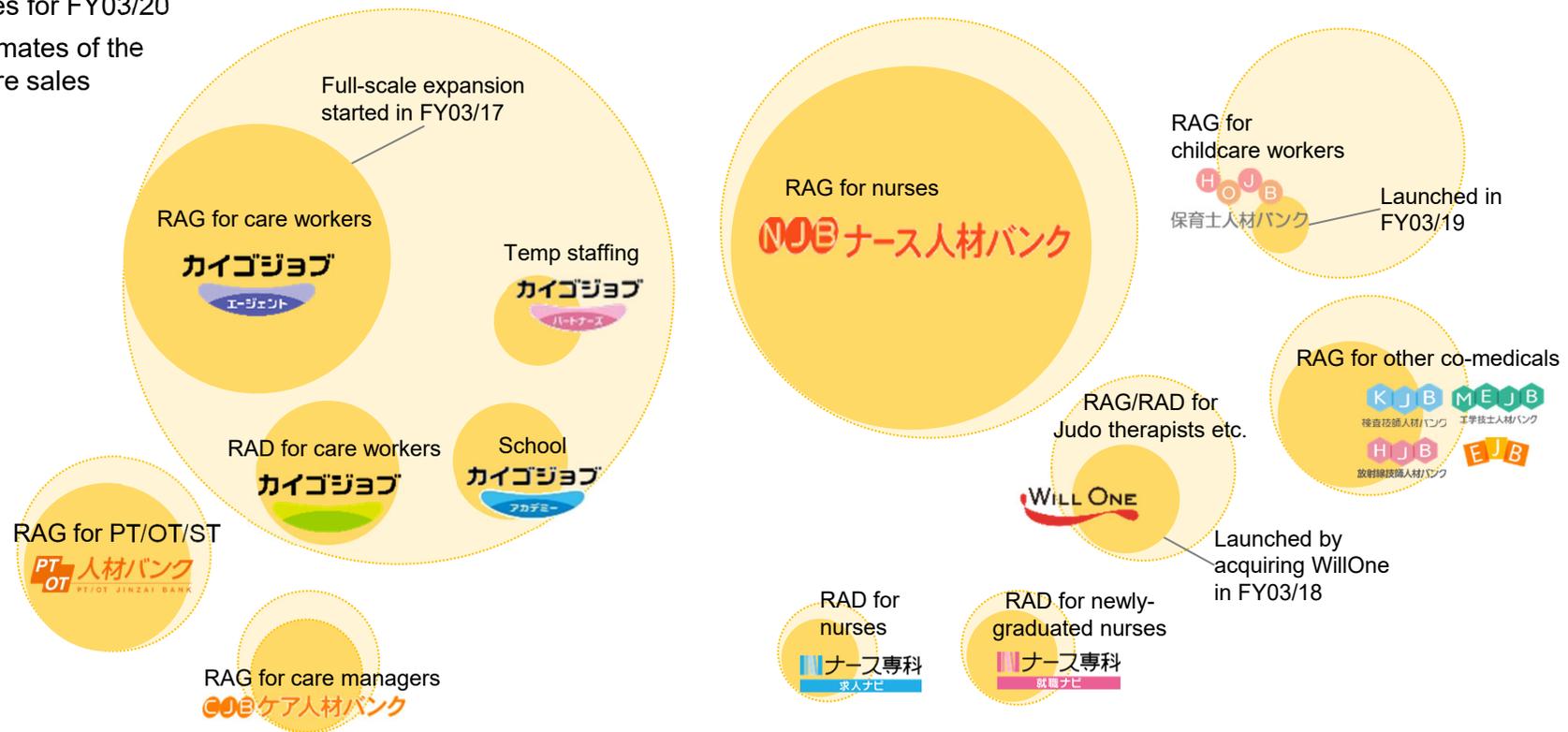
2 Growth Scenario

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

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

● : Sales for FY03/20

○ : Estimates of the future sales



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

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

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

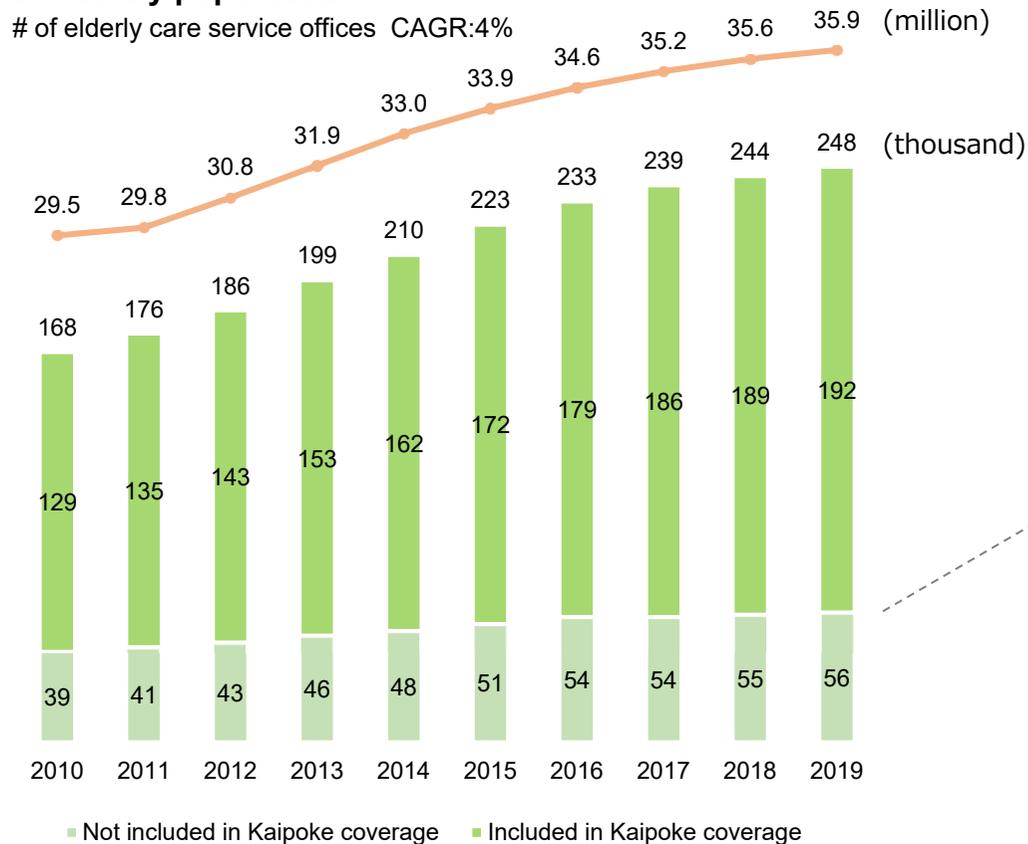
*2. RAG: Recruiting Agent service RAD: Recruiting Ads service *3. Sales for FY03/20

Kaipoke

2 Environment : Elderly Care Operators

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

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



Operators that Kaipoke covers*2

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

Operators that Kaipoke doesn't cover*2

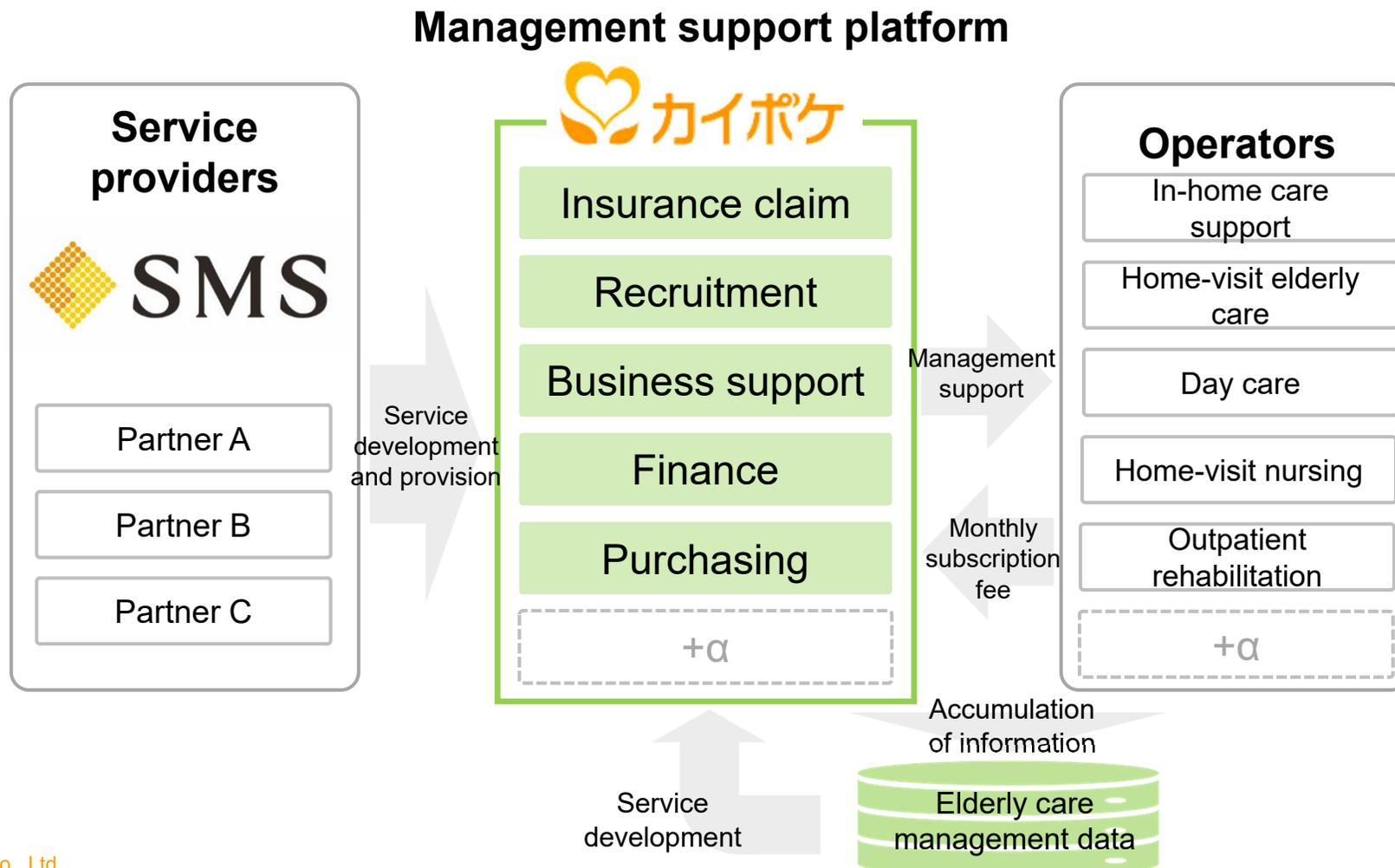
- Commuting care for elderly with dementia
- Short stay
- Daily life care for elderly in specific facilities
- Small-sized multifunctional in-home care
- Facilities etc.

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

*2. As of Mar. 2020

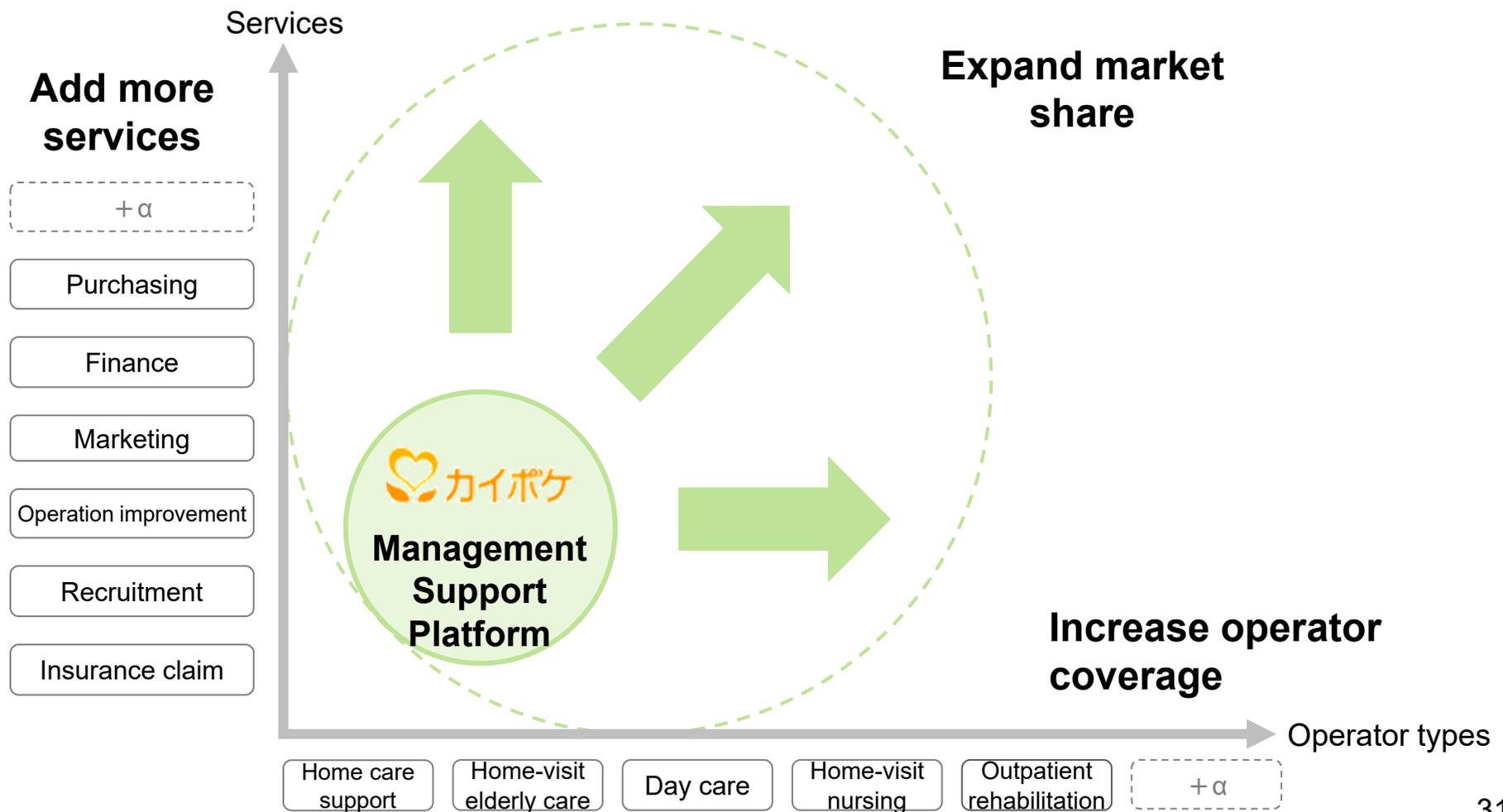
2 Kaipoke's Business Model

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



2 Strategy of Kaipoke

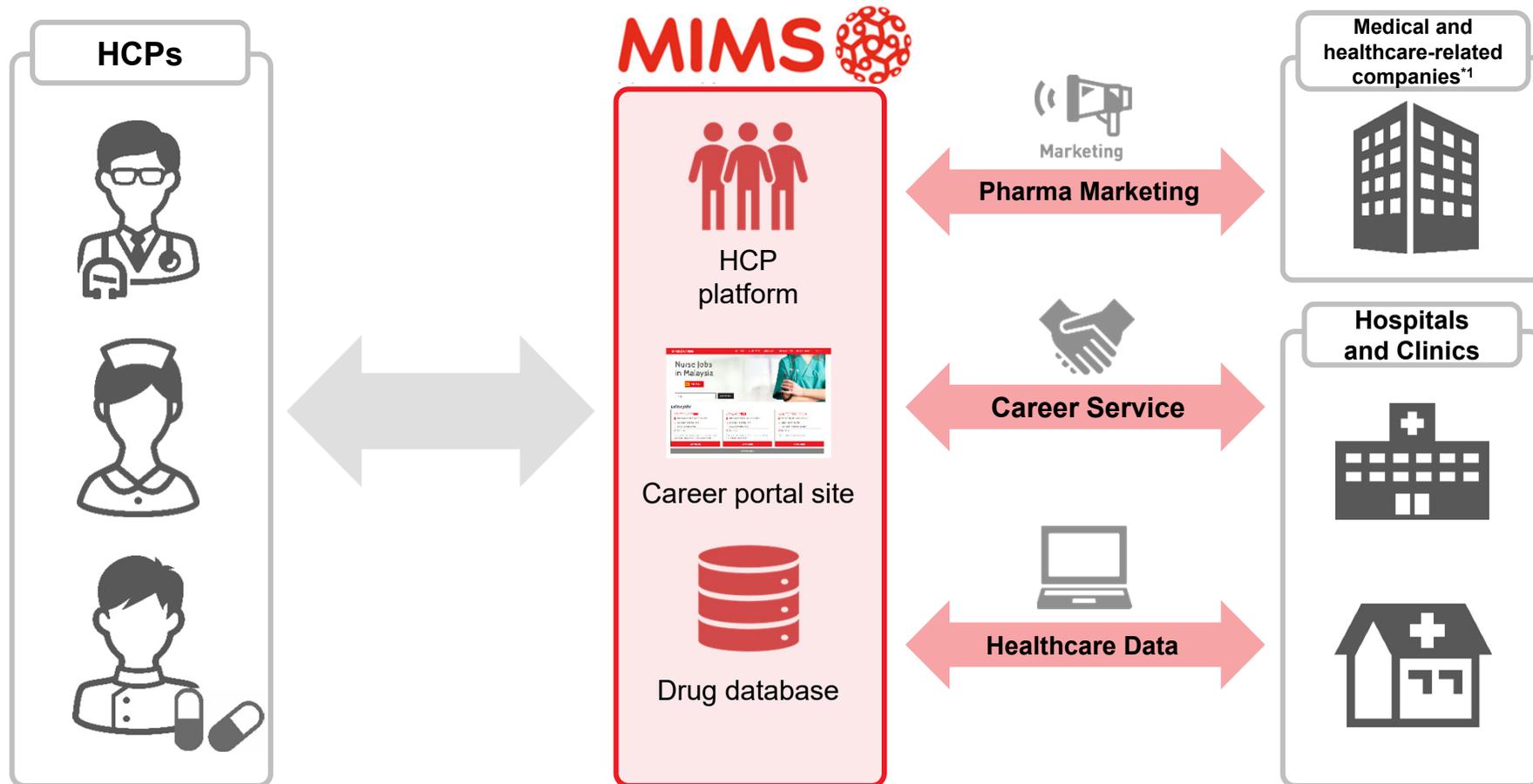
- ✓ Maximize value as a management support platform by expanding the market share, adding more services and increasing types of operators we cover.
- ✓ Contribute to enhance the management efficiency and the service quality of elderly care operators.



Overseas Business

2 Strategy of Overseas Business 1/3

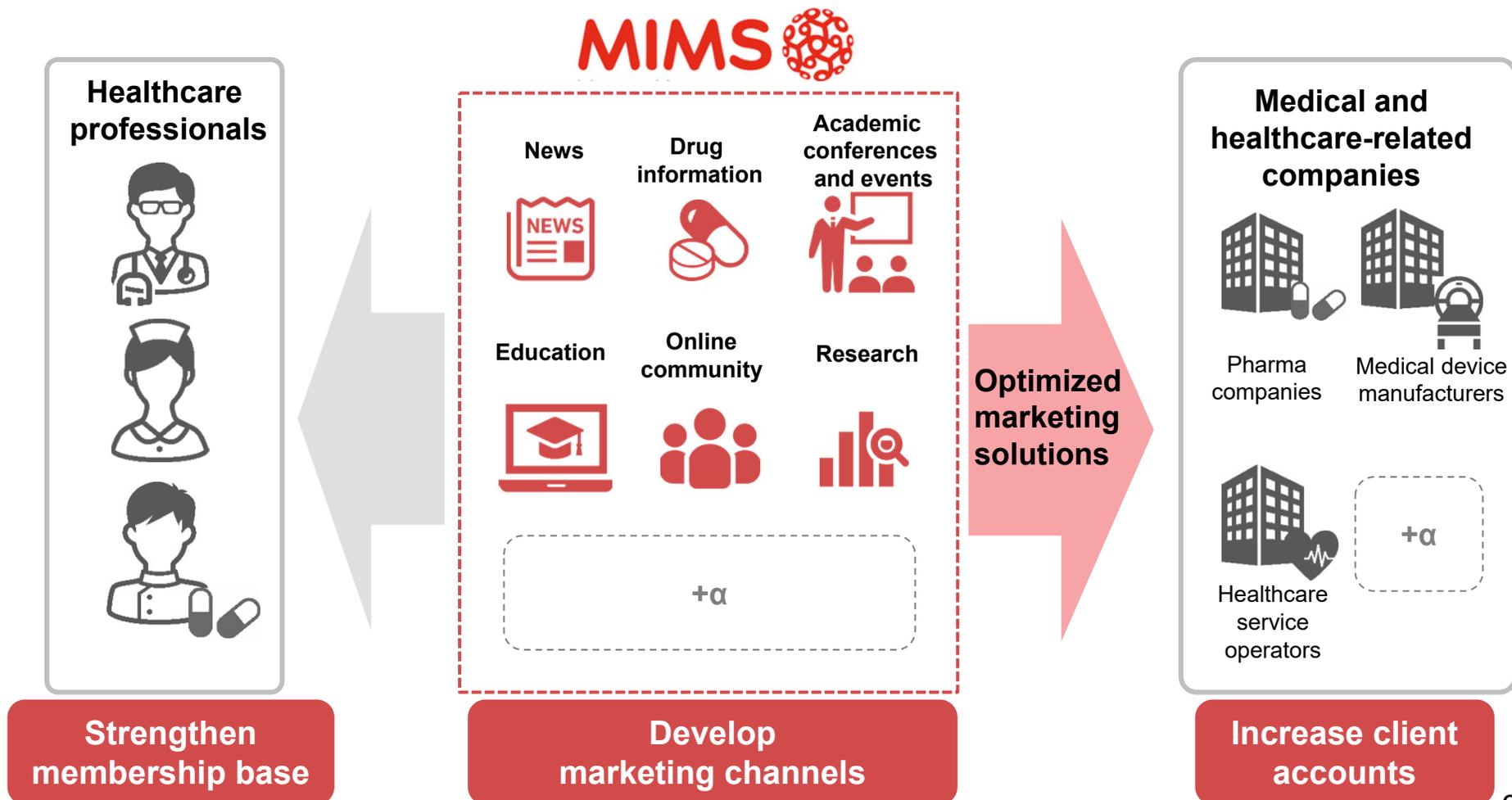
- ✓ Overseas businesses are built on the strengths of MIMS, which include its overwhelming brand value in Asia and Oceania, enormous membership base of healthcare professionals (HCPs), and strong relationships with medical and healthcare-related companies and hospitals.



*1. Include pharmaceutical companies, medical equipment manufacturers, healthcare-related service providers

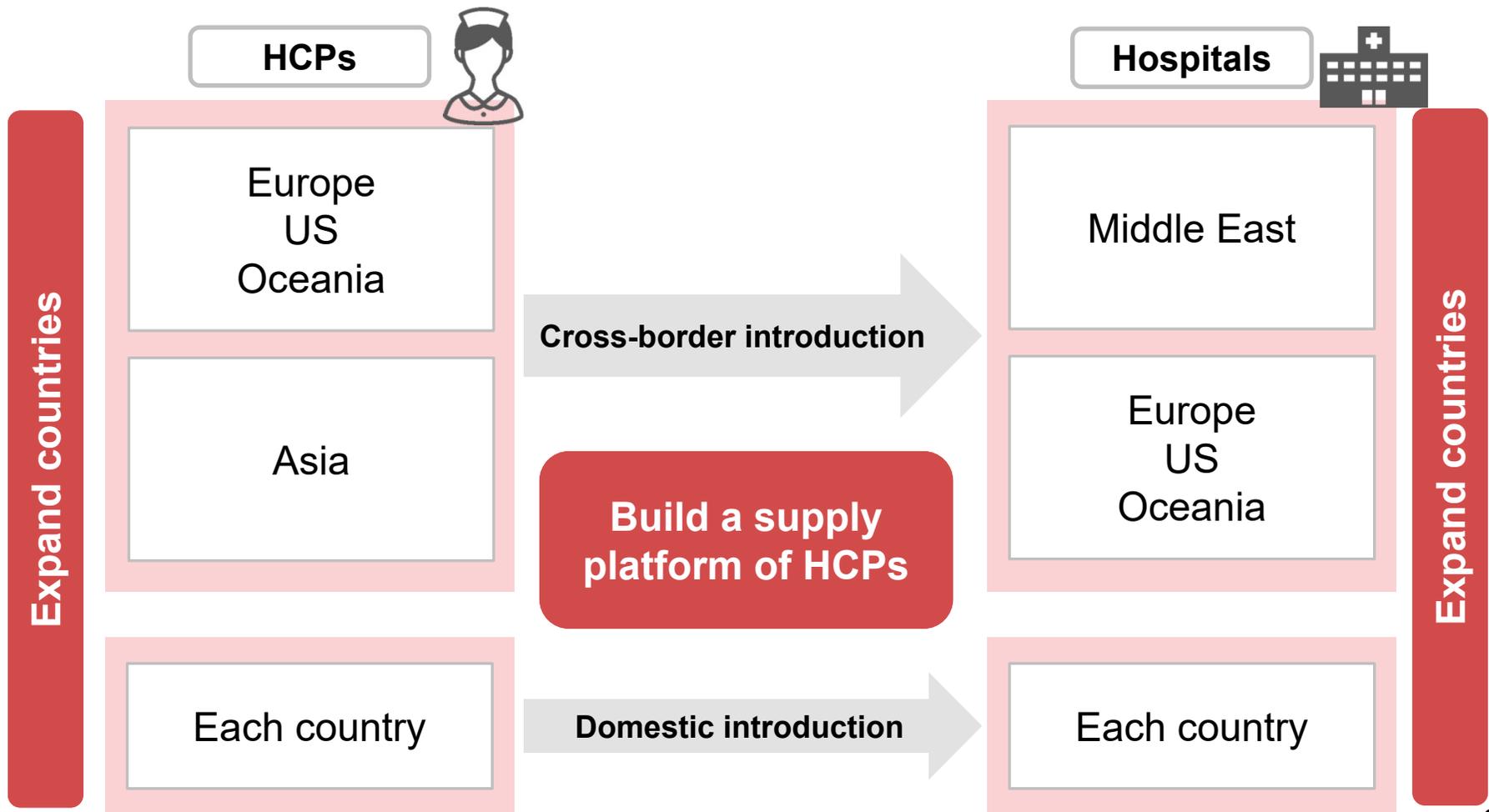
2 Strategy of Overseas Business 2/3 (Pharma Marketing)

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



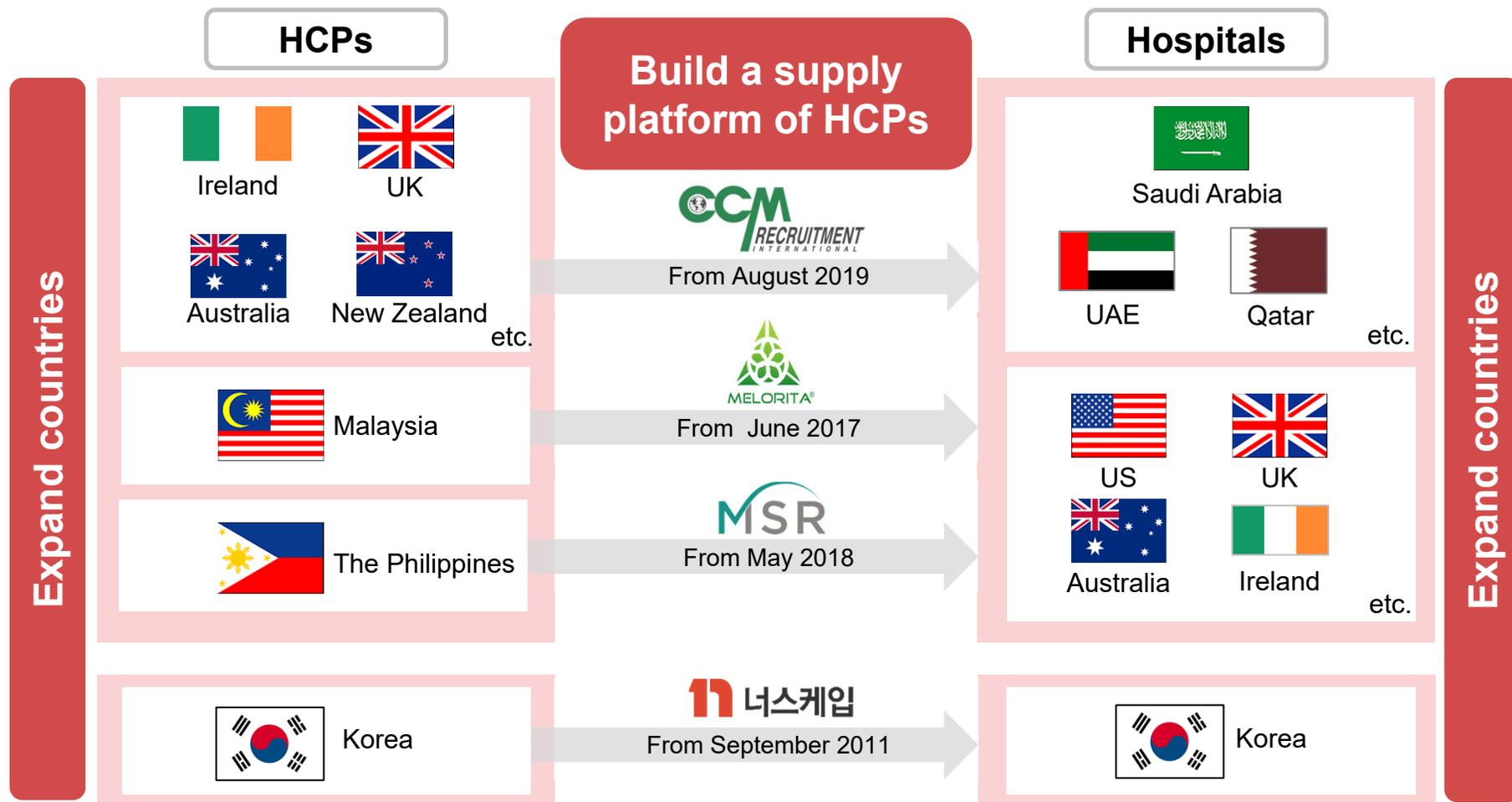
2 Strategy of Overseas Business 3/3 (Global Career Business)

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



2 Progress in Global Career Business

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



New Business

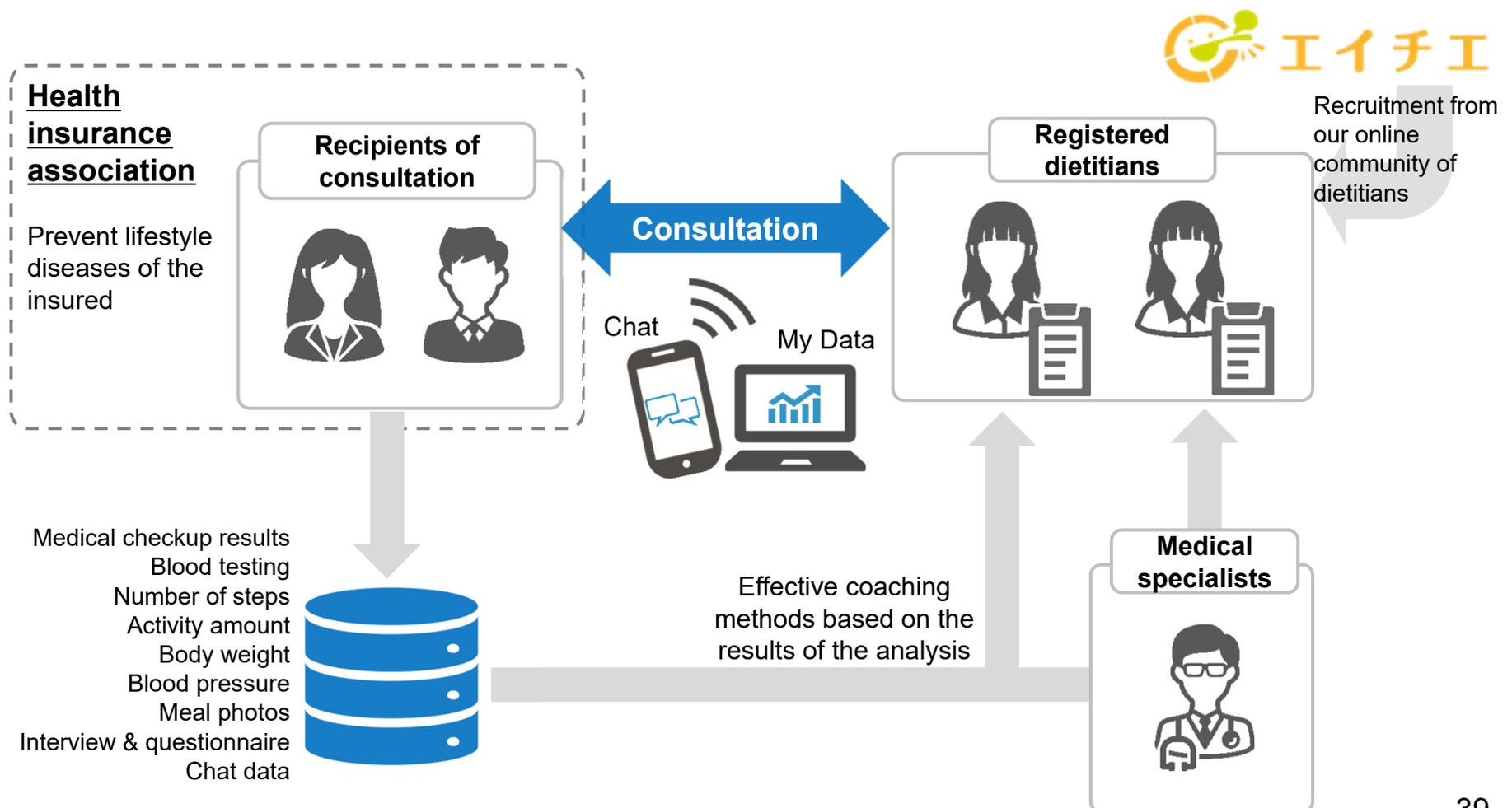
2 Focus of Business Development

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

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

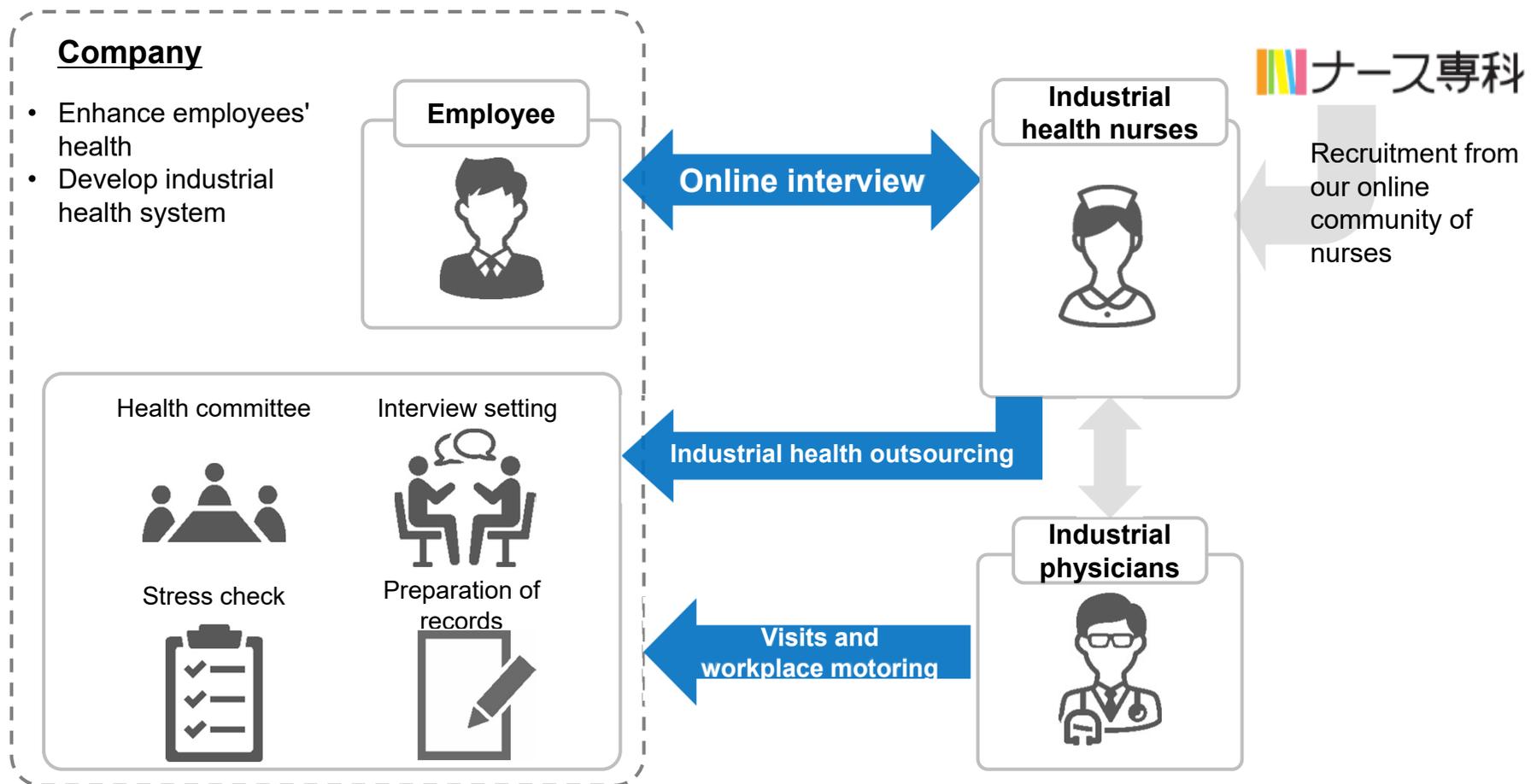
2 Healthcare - Remote Health Guidance

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



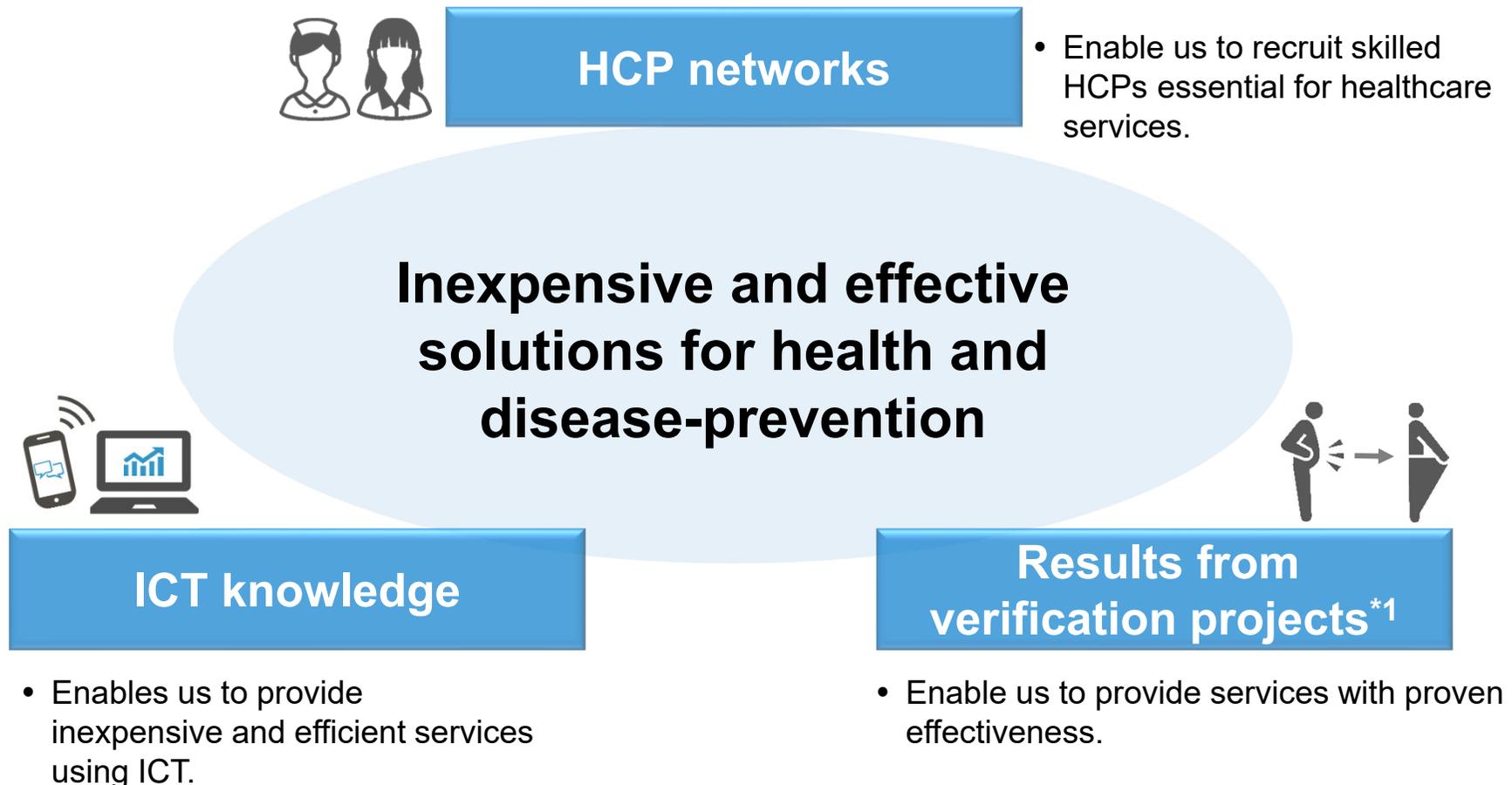
2 Healthcare - Remote Industrial Health Service

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



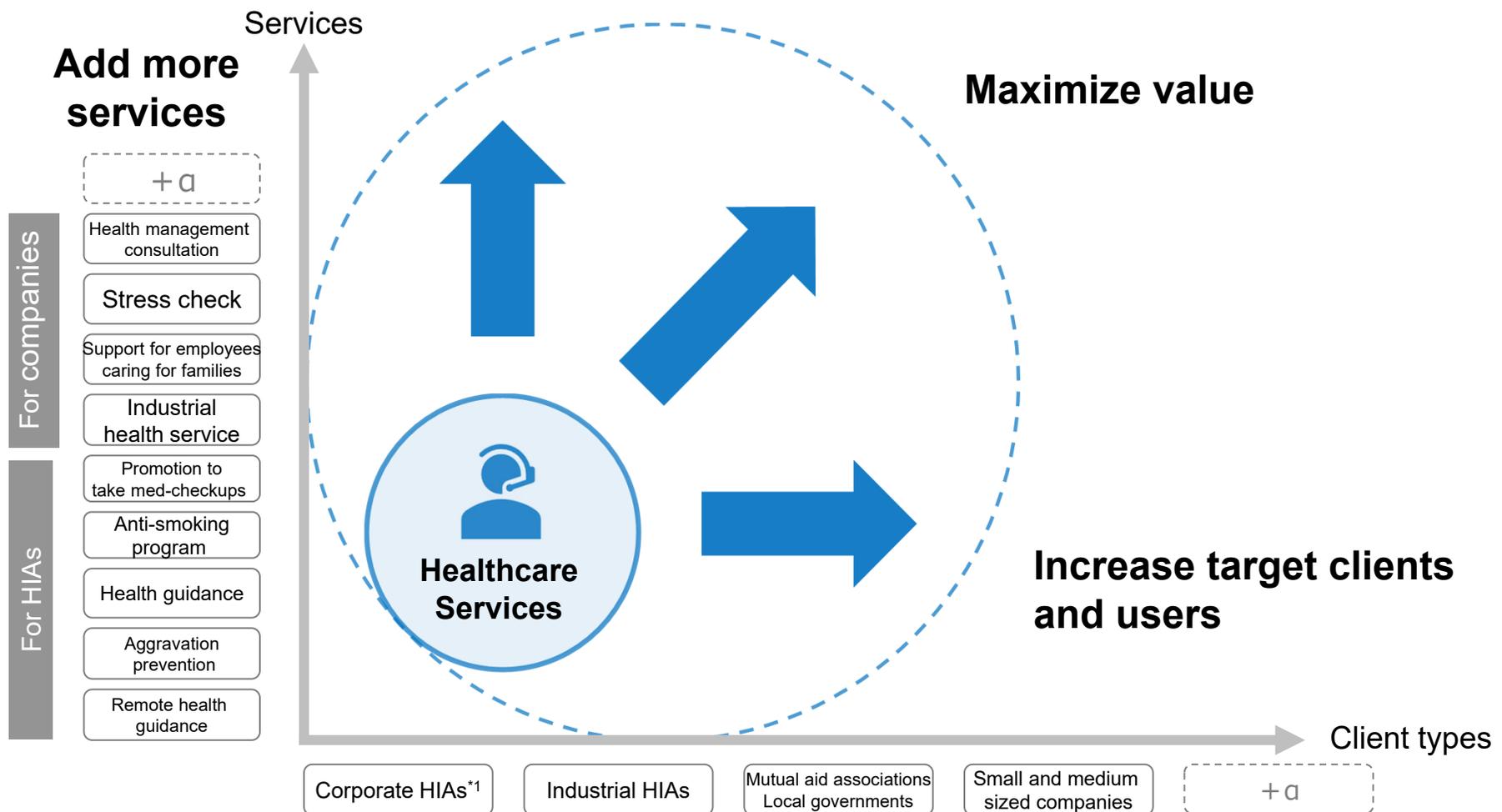
2 Healthcare - Our Strengths

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



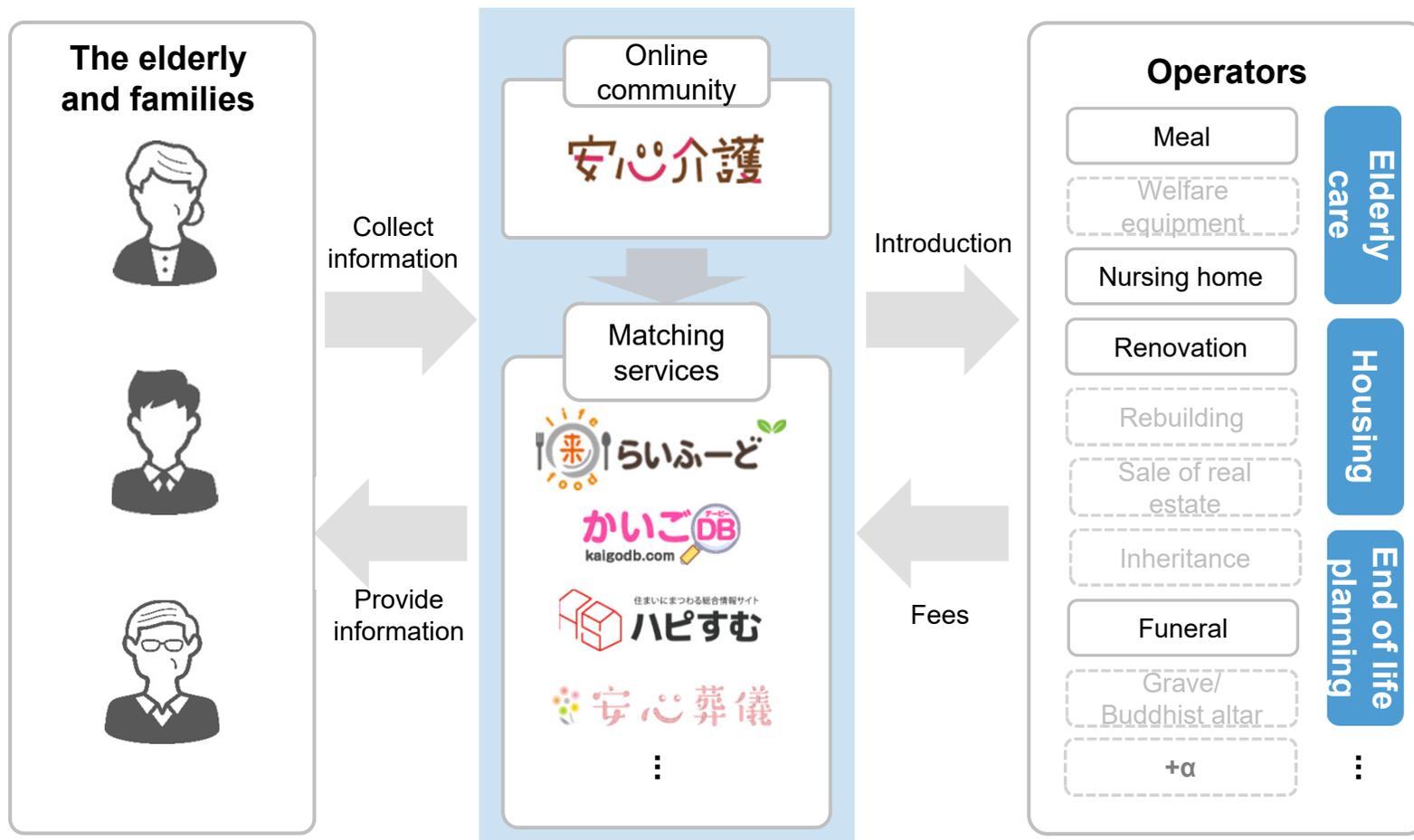
2 Strategy of Healthcare

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



2 Strategy of Senior Life

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



Appendix

2 Business Models of Recruiting Agent and Recruiting Ads

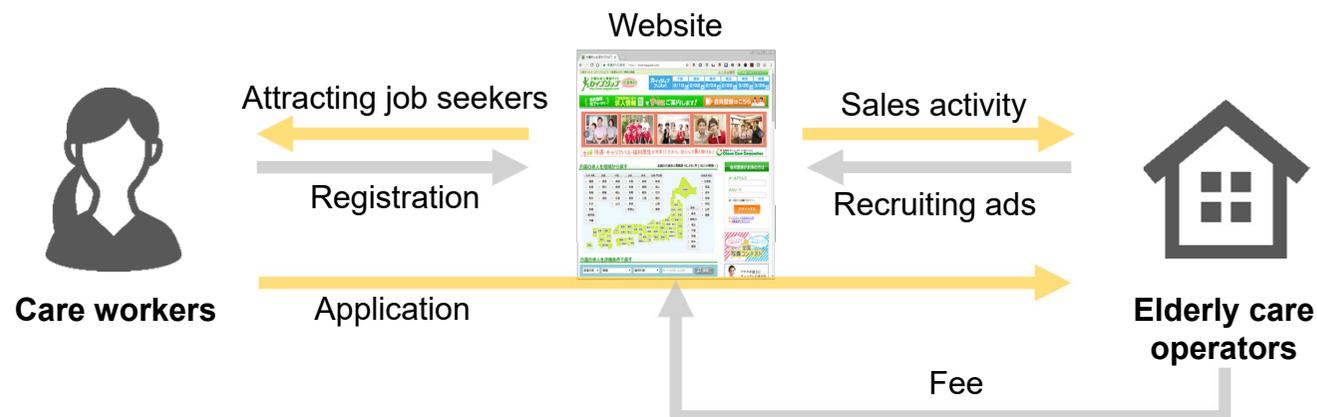
Business model of Recruiting Agent

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



Business model of Recruiting Ads

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





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

Insurance Claim

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

Recruitment

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

Sales Support

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

Operation Improvement

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

Opening Support

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

Finance

Provide factoring services to improve operators' cash flows.

Purchasing

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

M&A

Supporting the succession of elderly care operators

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

*2. Charged for some types of occupations.

2 Concept Change of Kaipoke

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

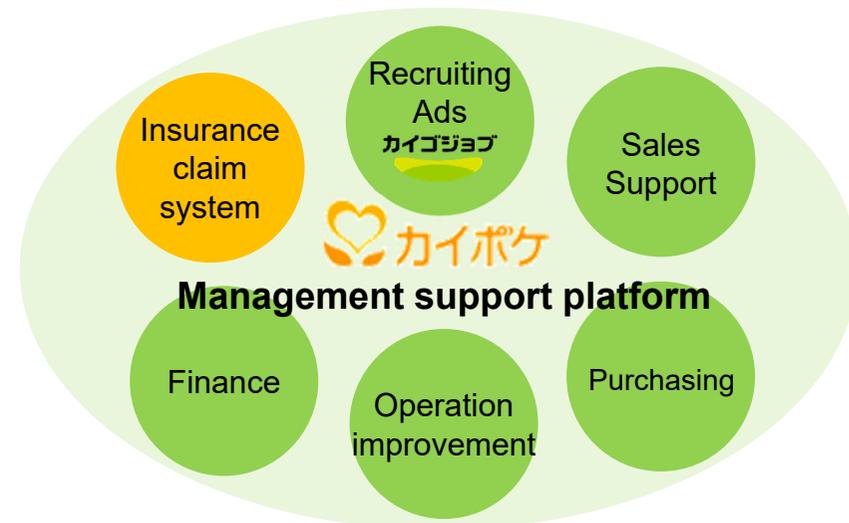
Before February 2014



(ARPU) JPY 3,000 /month

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

Since February 2014

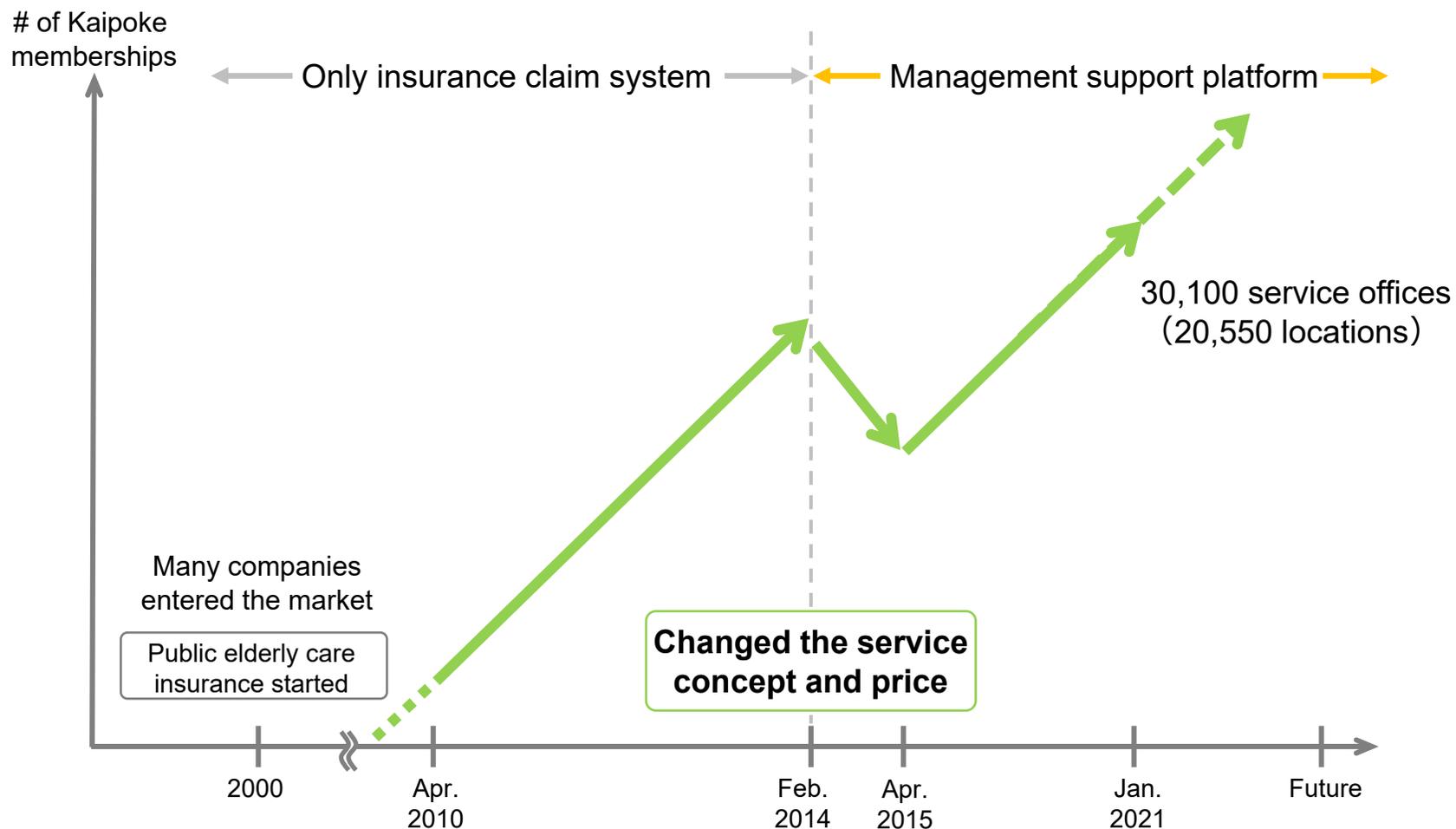


(ARPU) JPY 20,000 /month

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

2 Kaipoke Memberships

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



MIMS group global coverage



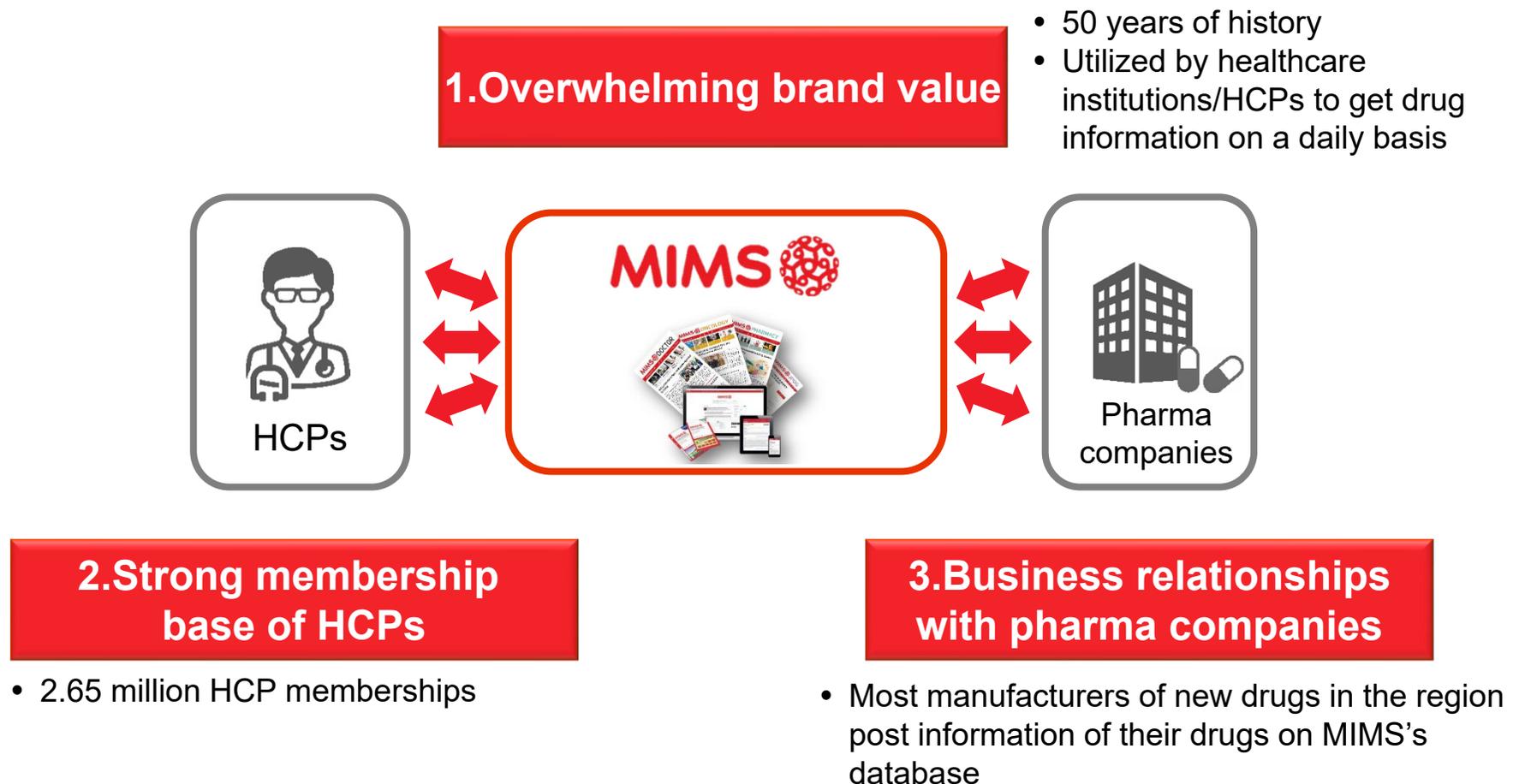
MIMS group profile



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

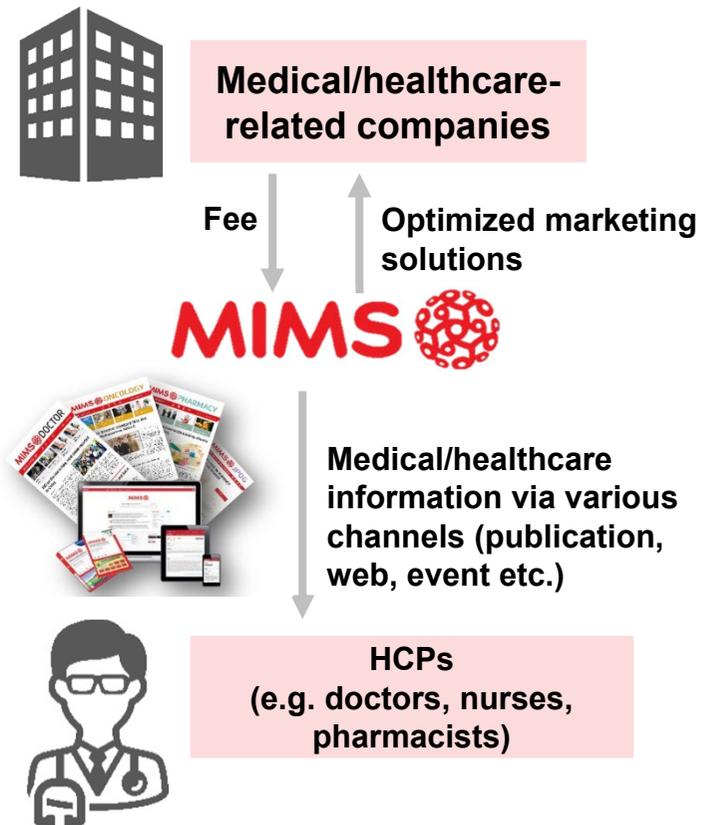
2 Strengths of MIMS Group

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



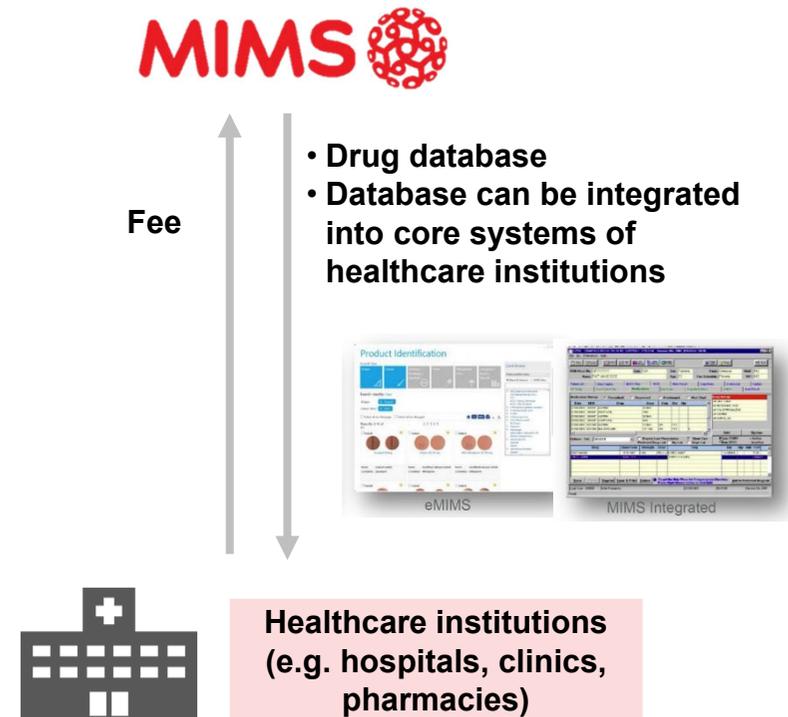
Pharma Marketing

Support marketing activities of medical/healthcare-related companies*1



Healthcare Data

Provide a drug database for prescription error checks in healthcare institutions



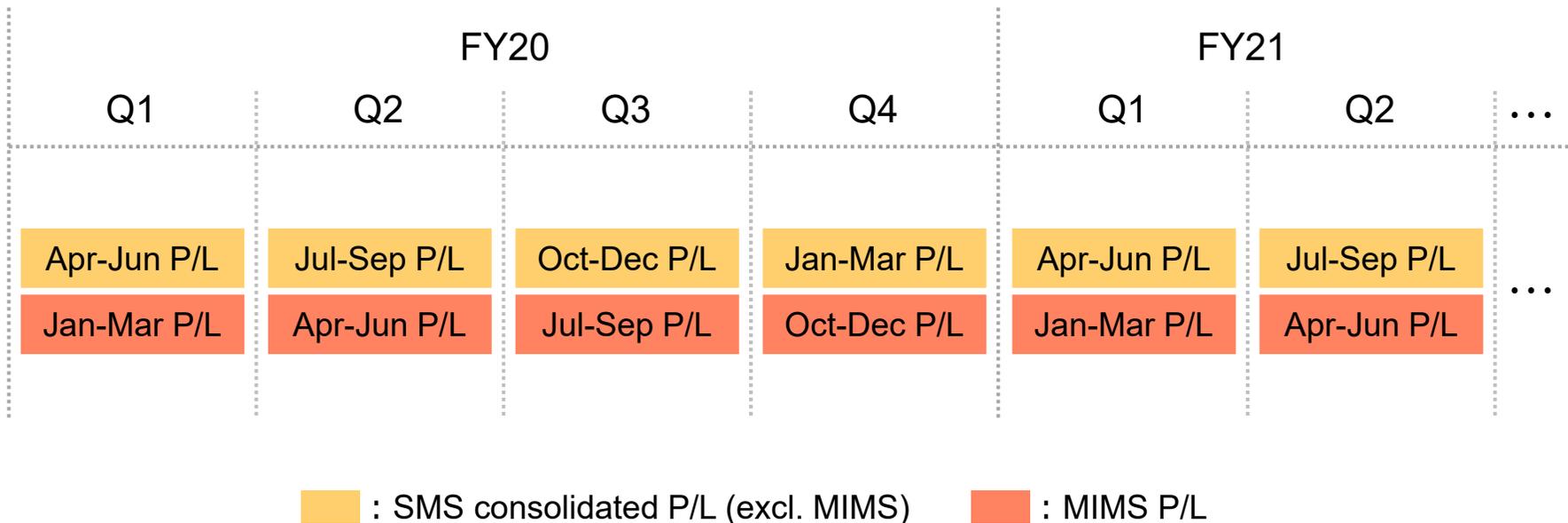
*1. Operators such as pharmaceutical companies, medical device manufacturers and healthcare service operators

2 Consolidation of MIMS Financial Results



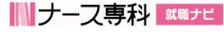
- ✓ MIMS P/L statement is consolidated to SMS P/L statement following a time lag of three months.

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



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

2 Business Portfolio – Career^{*1*2}

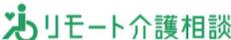
Sub-Segment	Category	Services				
Elderly Care Career	Services for care workers	RAD ^{*3} for care workers 	RAG ^{*3} for care workers 	Temporary staffing for care workers 	Elderly care certification course 	Certification course information 
	Others	RAG ^{*3} for PT/OT/ST 	RAG ^{*3} for care managers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

*1. As of Jan. 2021

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

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

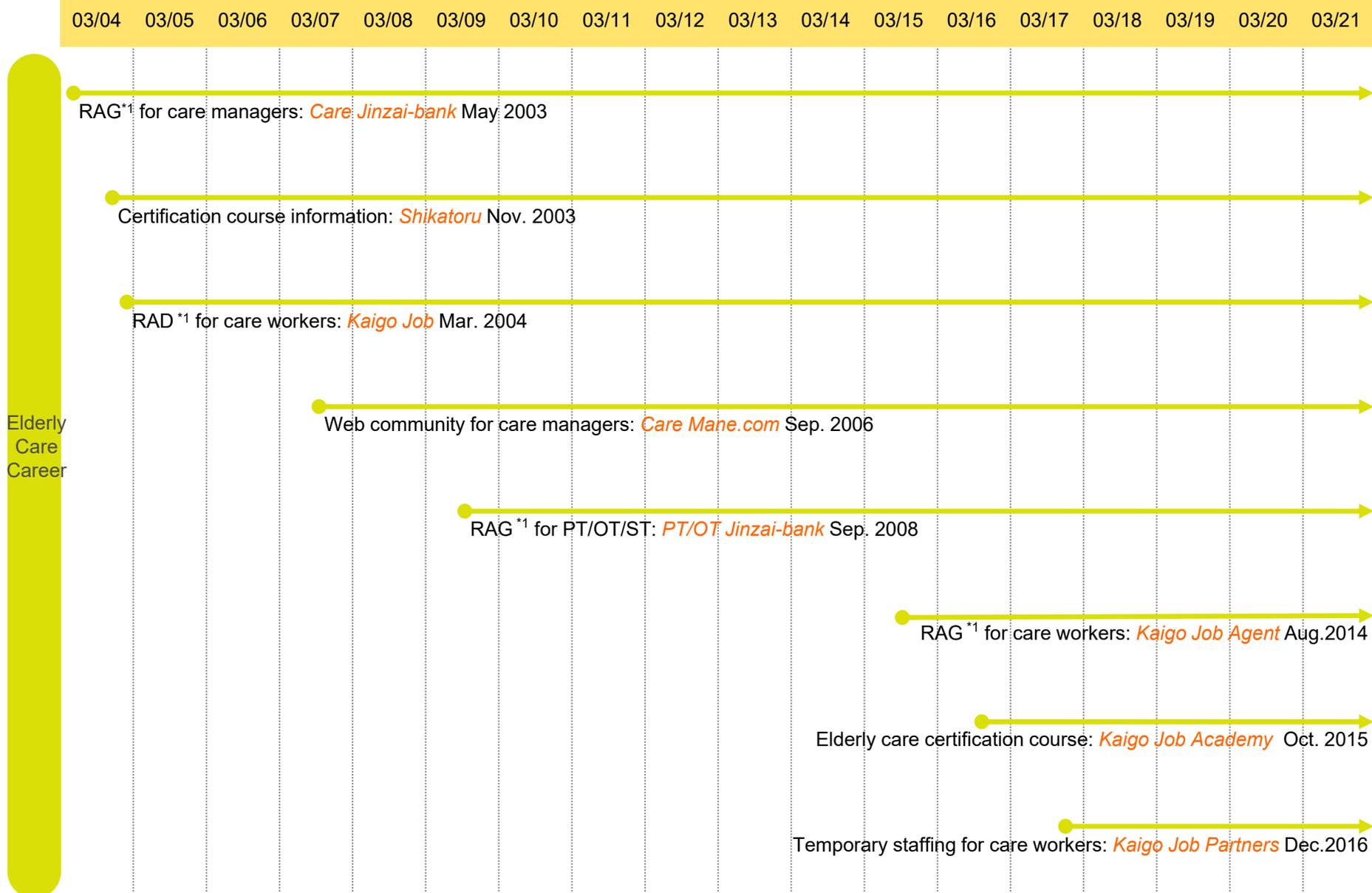
2 Business Portfolio*1 – Kaipoke/Overseas/New Business

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

*1. As of Jan. 2021

*2. Recruiting agent service

2 History of Service Launches 1/4



Elderly
Care
Career

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

2 History of Service Launces 2/4

03/04 03/05 03/06 03/07 03/08 03/09 03/10 03/11 03/12 03/13 03/14 03/15 03/16 03/17 03/18 03/19 03/20 03/21

Medical
Care
Career

RAG *1 for nurses: *Nurse Jinzai-bank* Sep. 2005

RAD *1 for nurses: *Nurse-senka Kyujin-navi* Jul. 2006

Web community for nurses and nurse students: *Nurse-senka Community* Aug. 2006

RAG *1 for doctors: *M3 Career Agent* Aug. 2006

RAG *1 for pharmacists: *Yaku Kyari Agent* Apr. 2007

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

RAD *1 for newly-graduated nurses: *Nurse-senka Shusyoku-navi* Aug. 2009

HR solution for hospitals: Apr. 2011

RAG *1 for dietitians: *Eiyoshi Jinzai-bank* May 2012

Scholarship information portal: *Kango Shogakukin-navi* Oct. 2012

RAG *1 for medical technologists: *Kensagishi Jinzai-bank* Sep. 2013

RAG *1 for radiological technologists: *Hoshasengishi Jinzai-bank* Jun. 2014

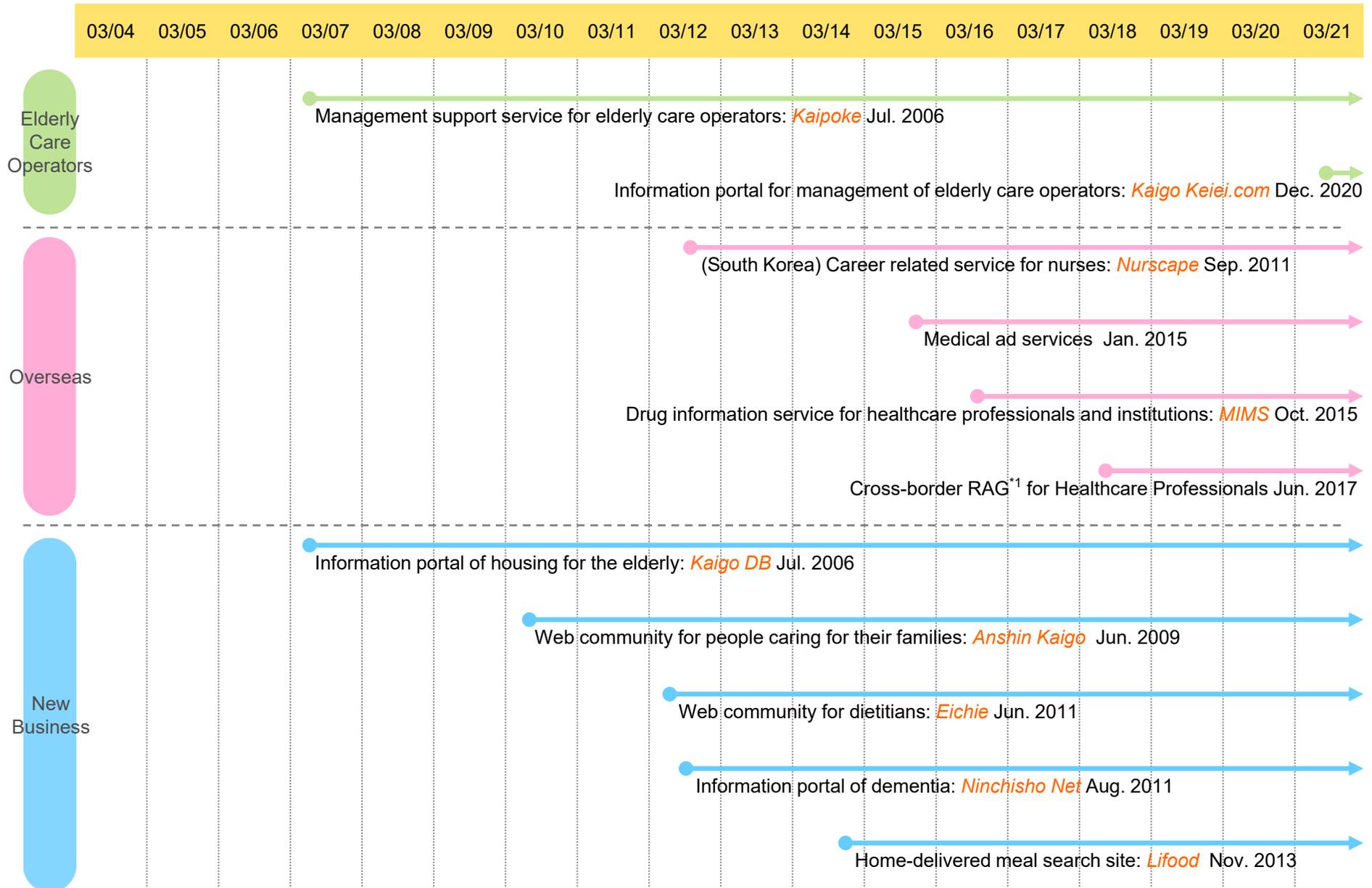
RAG *1 for clinical engineers: *Kogakugishi Jinzai-bank* Jul. 2014

RAG *1 for Judo therapists etc.: *WILLONE* Nov.2017

RAG *1 for childcare workers: *Hoikushi Jinzai-bank* Oct.2018

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

2 History of Service Launces 3/4



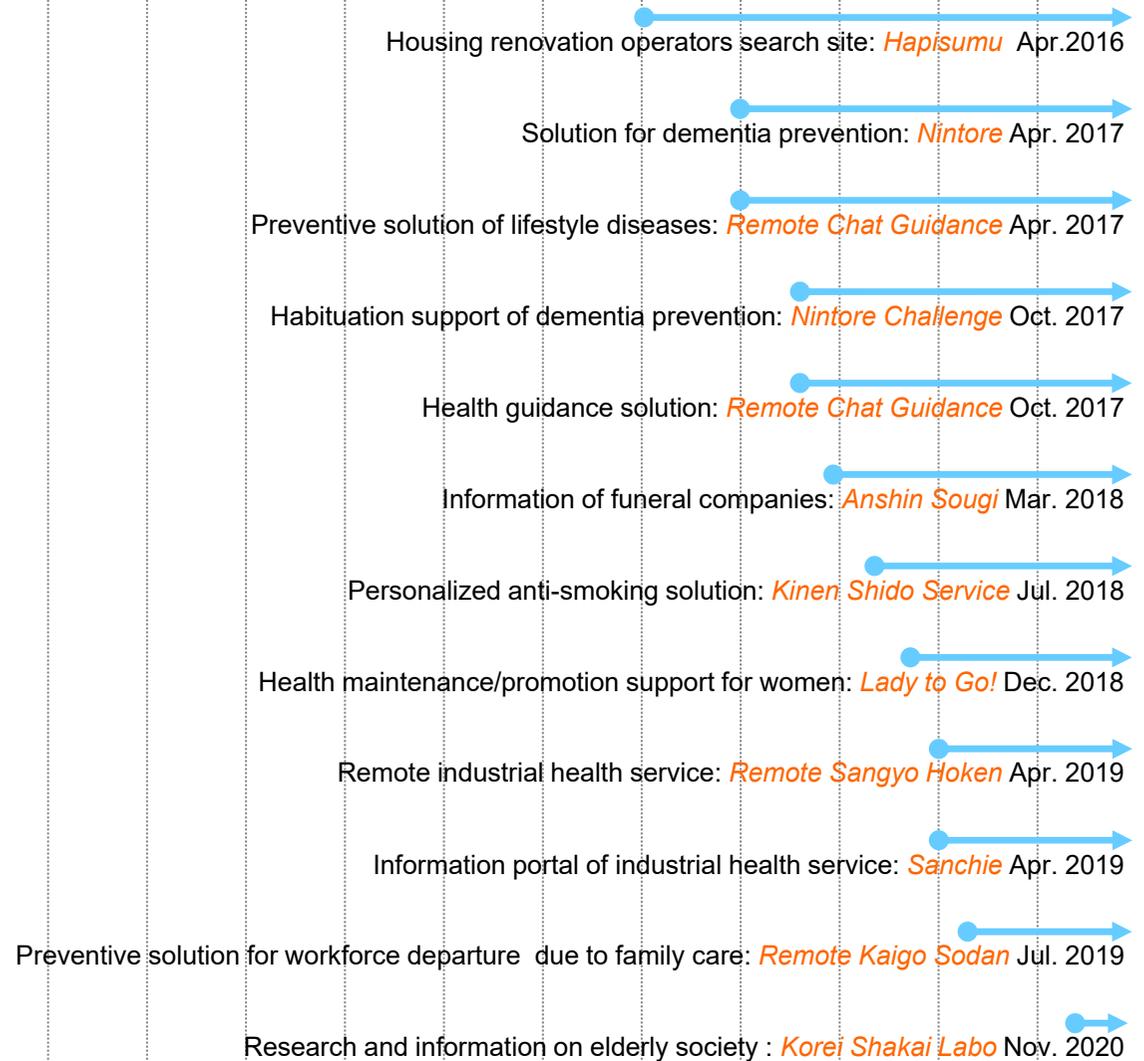
*1. RAG: Recruiting agent service

2 History of Service Launces 4/4

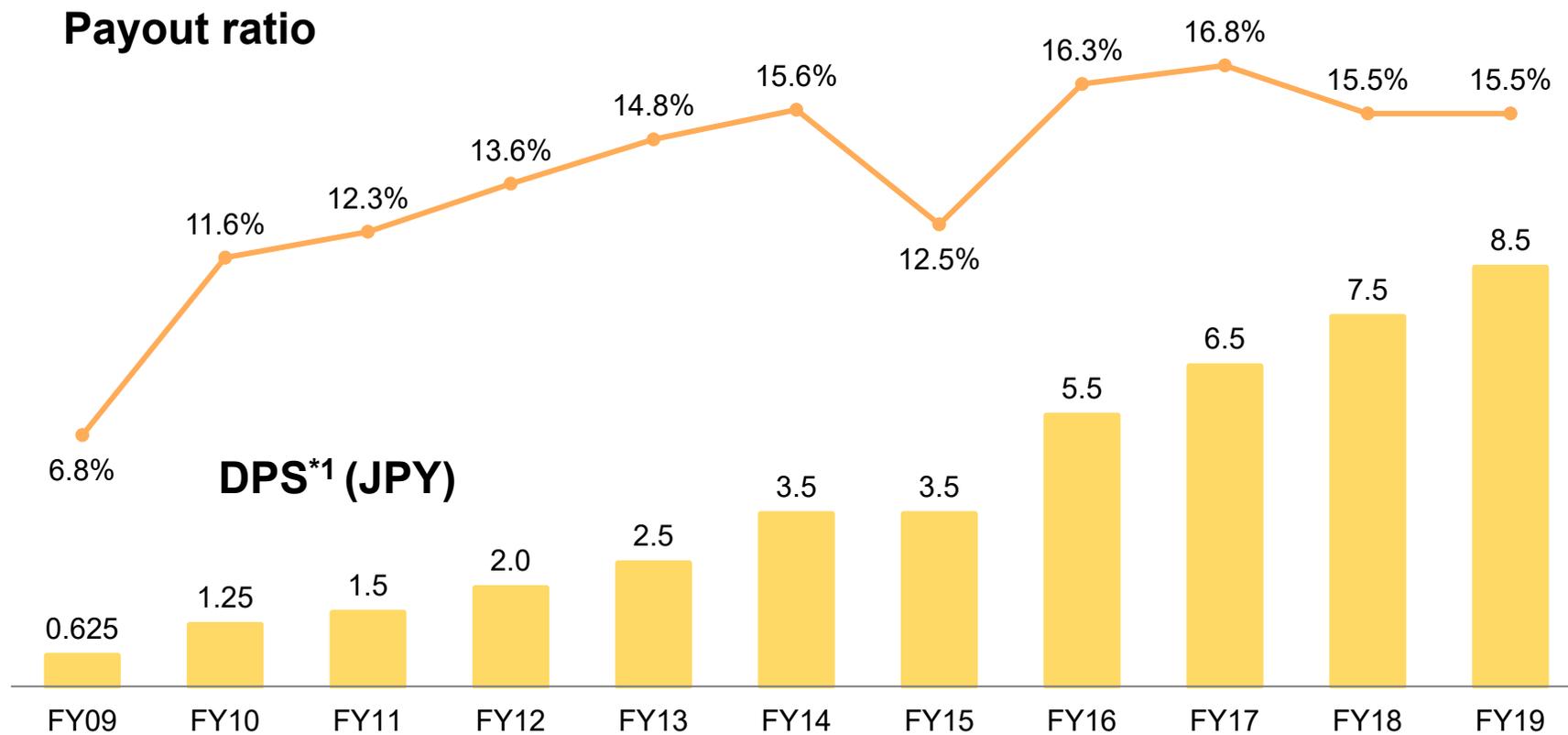
03/04 03/05 03/06 03/07 03/08 03/09 03/10 03/11 03/12 03/13 03/14 03/15 03/16 03/17 03/18 03/19 03/20 03/21



New Business



2 Dividends



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

2 Historical Financial Results



(JPY million)

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

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

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

2 Number of Employees and Shareholder Composition



Number of Employees

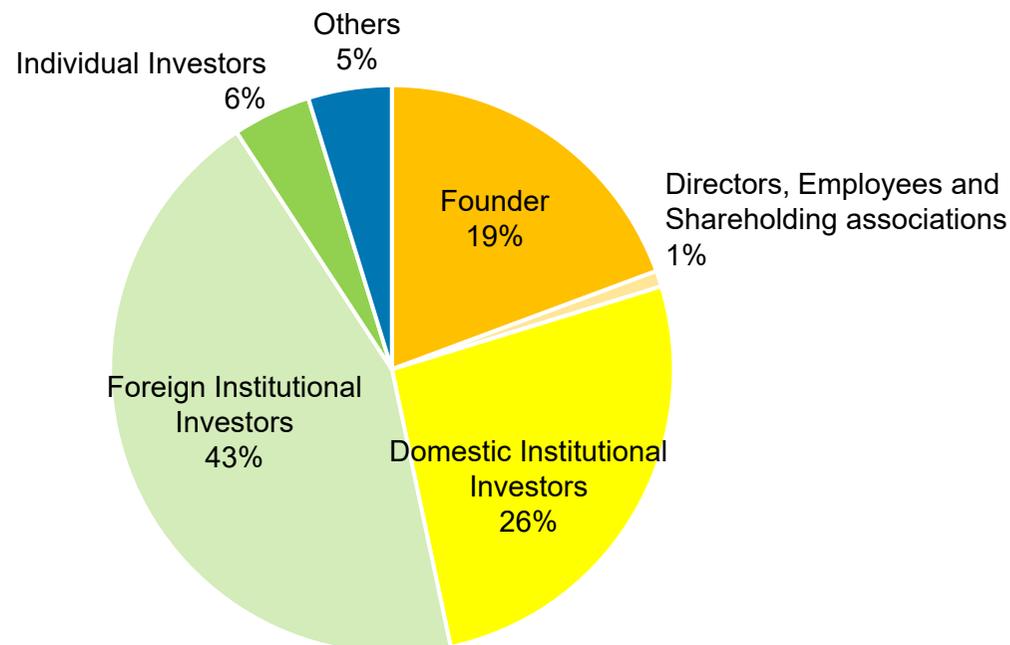
As of December 31, 2020 :

Employees (consolidated)	3,066
Japan	2,223
Overseas	843

Shareholder Composition^{*1}

As of September 30, 2020:

Number of shareholders 5,632



*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 December 31, 2020. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include, but are not limited to:

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

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

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

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

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

For any inquiries on the materials, please contact below:
Finance & Accounting Department
E-mail: irinfo@bm-sms.co.jp
Phone: +81-3-6721-2403