

SMS CO., LTD.

(Securities Code: 2175/TSE 1st section)

Presentation Material for Investors

Financial Results Summary for the Fiscal Year
Ended March 31, 2019 (the 16th Fiscal Year)

April 26, 2019



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1 FY03/19 Consolidated Financial Results

- ✓ Achieved growth in both sales and profits for the 15th consecutive year since our establishment.
- ✓ Net Income exceeded the guidance significantly.

Consolidated P/L Statement [JPY million]

	FY03/18 Actual	FY03/19 Forecast	FY03/19 Actual	YoY Change	vs. Forecast
Net Sales	26,611	32,273	30,836	+ 16%	▲4%
Operating Income	4,021	4,827	4,743	+18%	▲2%
Ordinary Income	5,007	5,803	5,979	+19%	+3%
Net Income	3,361	3,905	4,216	+25%	+8%

1 The Career Segment (Full-year)

- ✓ Segment sales increased 21% YoY.
- ✓ Elderly Care Career recorded strong growth.

YoY Comparison of Sales [JPY million]

	FY03/18	FY03/19	YoY Change
Elderly Care Career	5,836	7,974	+37%
Medical Care Career	11,027	12,423	+13%
Total	16,863	20,398	+21%

Highlights

Elderly Care Career

- RAG*1 for care workers expanded greatly due to the increase in the number of career partners.

Medical Care Career

- RAG for nurses grew steadily.
- RAG for dietitians and WILLONE*2 contributed to the growth.
- Launched RAG for childcare workers in Oct. 2018 to enter a market of huge growth potential.

*1. Recruiting Agent

*2. WILLONE, acquired in FY03/18, provides a career services for Judo therapists and licensed masseurs such as finger pressure practitioners, acupuncturists, and moxibustion practitioners.

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

✓ Segment sales increased 18% YoY.

YoY Comparison of Sales [JPY million]

	FY03/18	FY03/19	YoY Change
Elderly Care Operators [Kaipoke]	3,328	3,930	+18%

Highlights

- The number of Kaipoke memberships increased steadily.
 - An increase of 1,750 locations over the year to 16,800 [24,250 service offices*1] as of Apr. 1, 2019.
- Sales of optional add-ons such as additional tablets, smartphones, and factoring service increased.

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

1 The Overseas Segment (Full-year)

✓ Segment sales increased 7% YoY.

YoY Comparison of Sales [JPY million]

	FY03/18	FY03/19	YoY Change
Overseas	5,109	5,464	+7%

Highlights

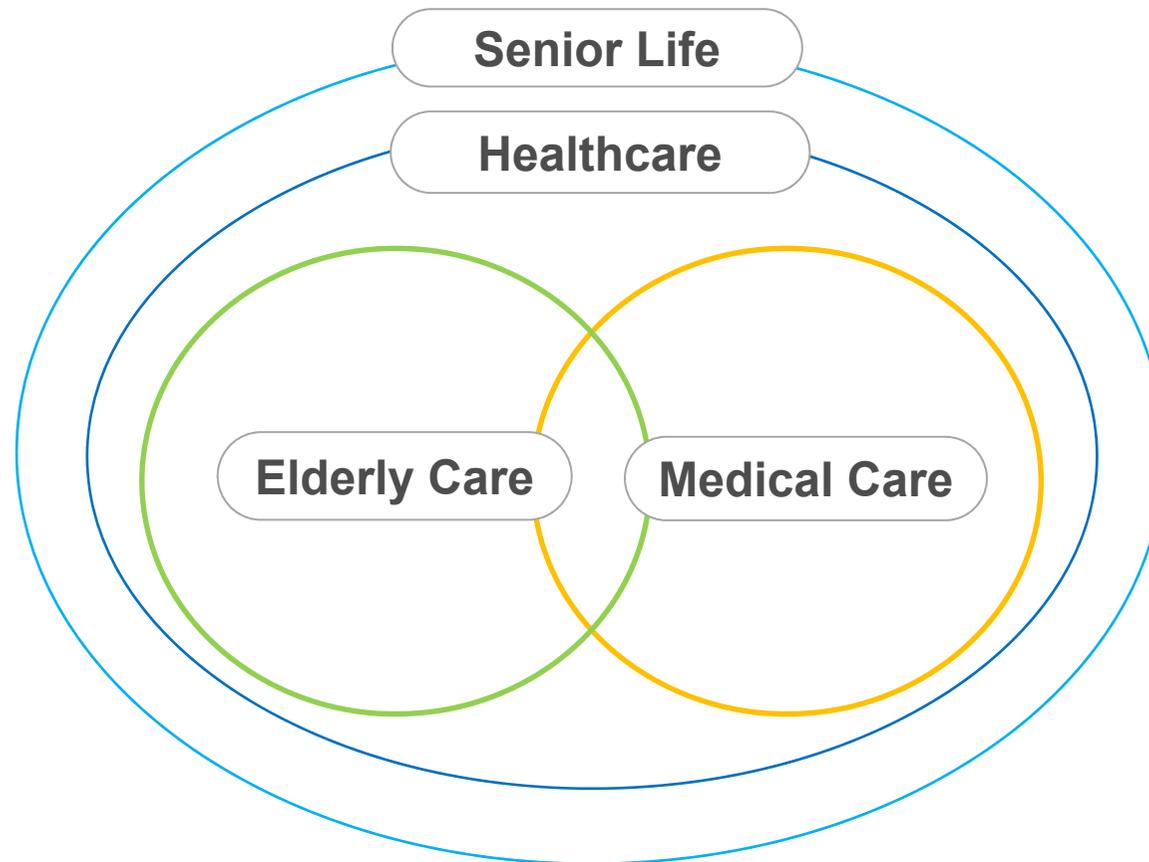
- Both MIMS's existing businesses and Global Career Business grew steadily.
- Made MIMS a wholly owned subsidiary in Sep. 2018 to accelerate its growth by improving agility in decision making and realizing greater synergies within SMS Group.

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

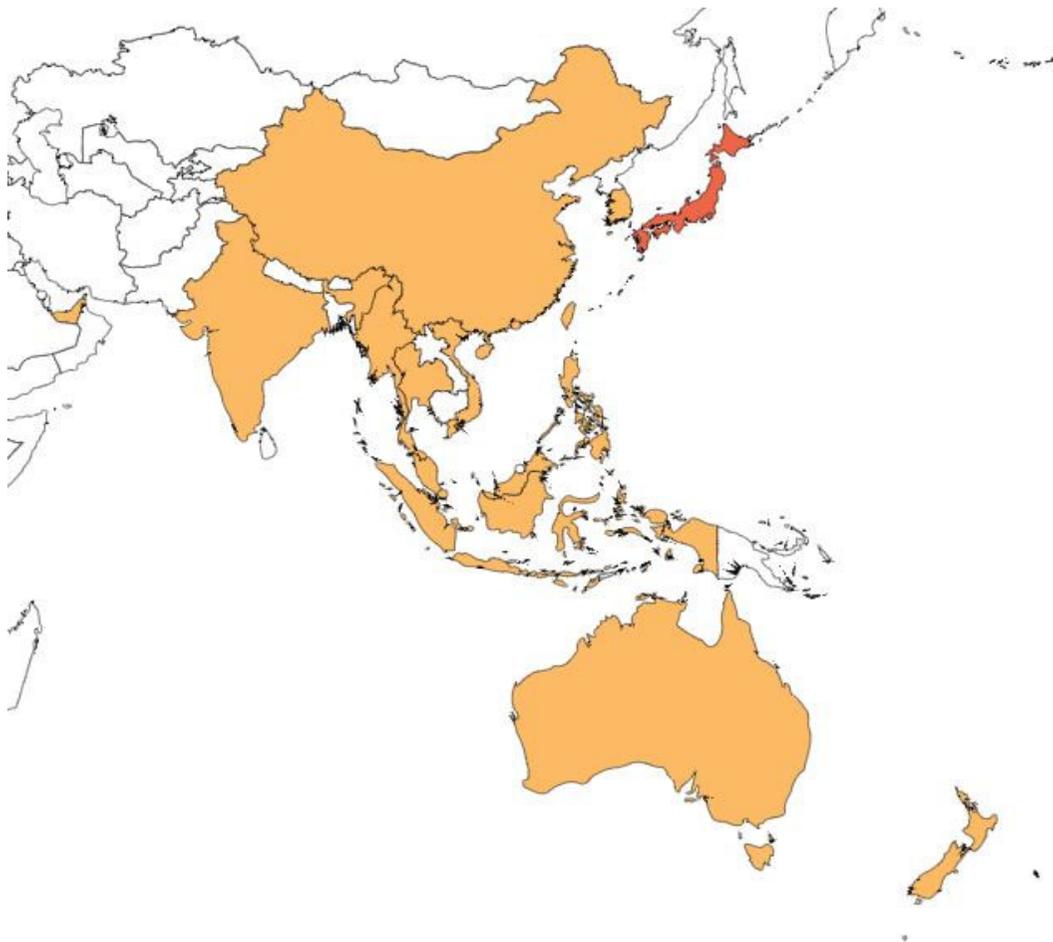
2 Business Domains in Aging Society

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



2 Where We Operate

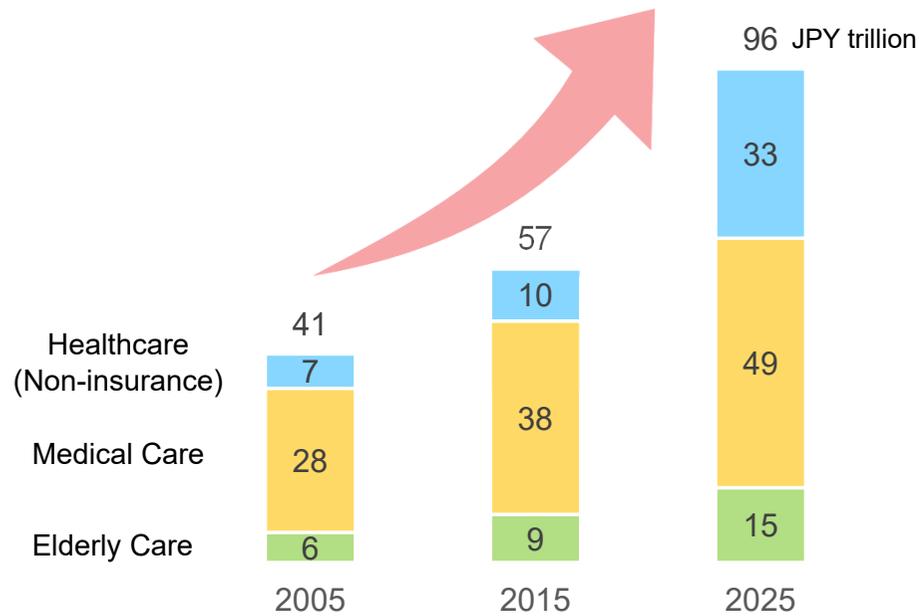
- ✓ Started our business in Japan and have established a leading position in this attractive market with an enormous growth potential.
- ✓ Expanding our businesses into the growing Asian and Oceanian markets.



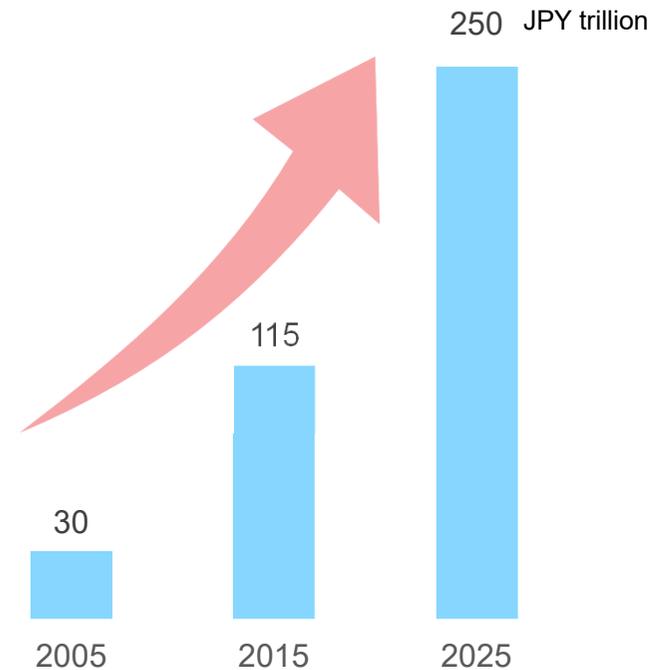
Japan	Thailand
Korea	Vietnam
China	Philippines
Hong Kong	Myanmar
Taiwan	India
Singapore	Australia
Malaysia	New Zealand
Indonesia	UAE

✓ 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

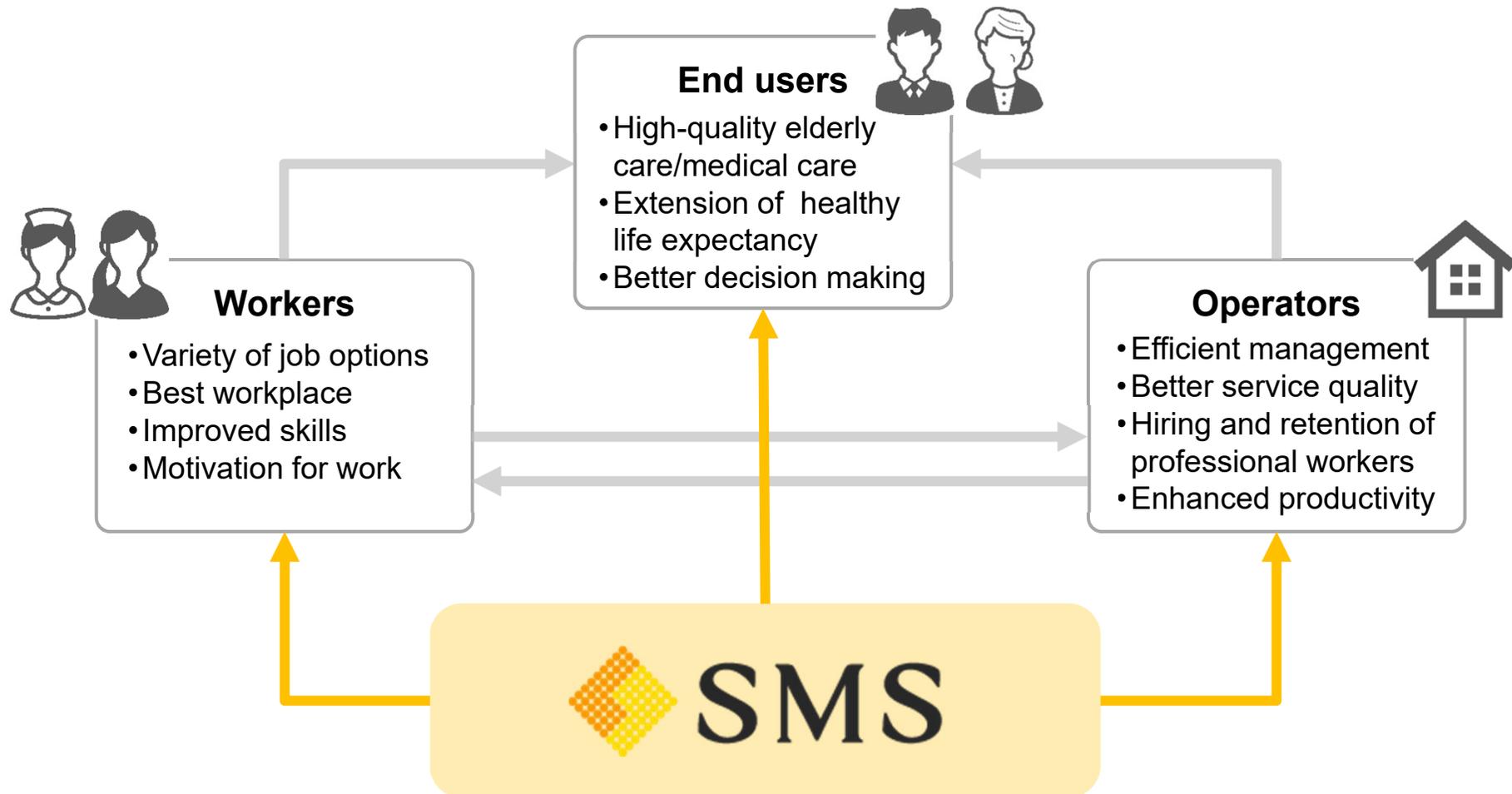


2 Information Infrastructure

- ✓ 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.

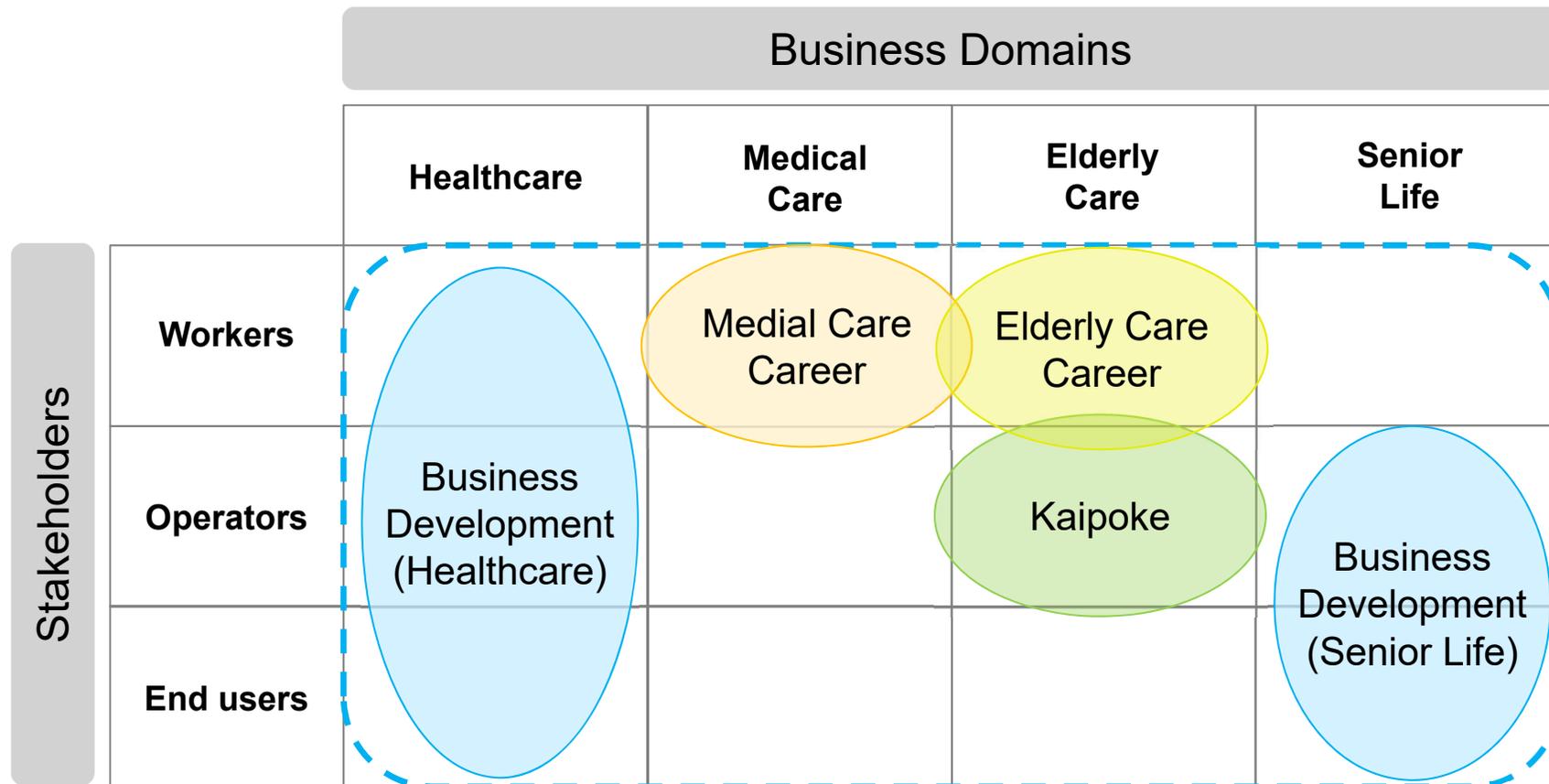


- ✓ Address social issues that arise in aging society and contribute to improve the quality of lives of workers, operators, and end users.



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.

- ✓ 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

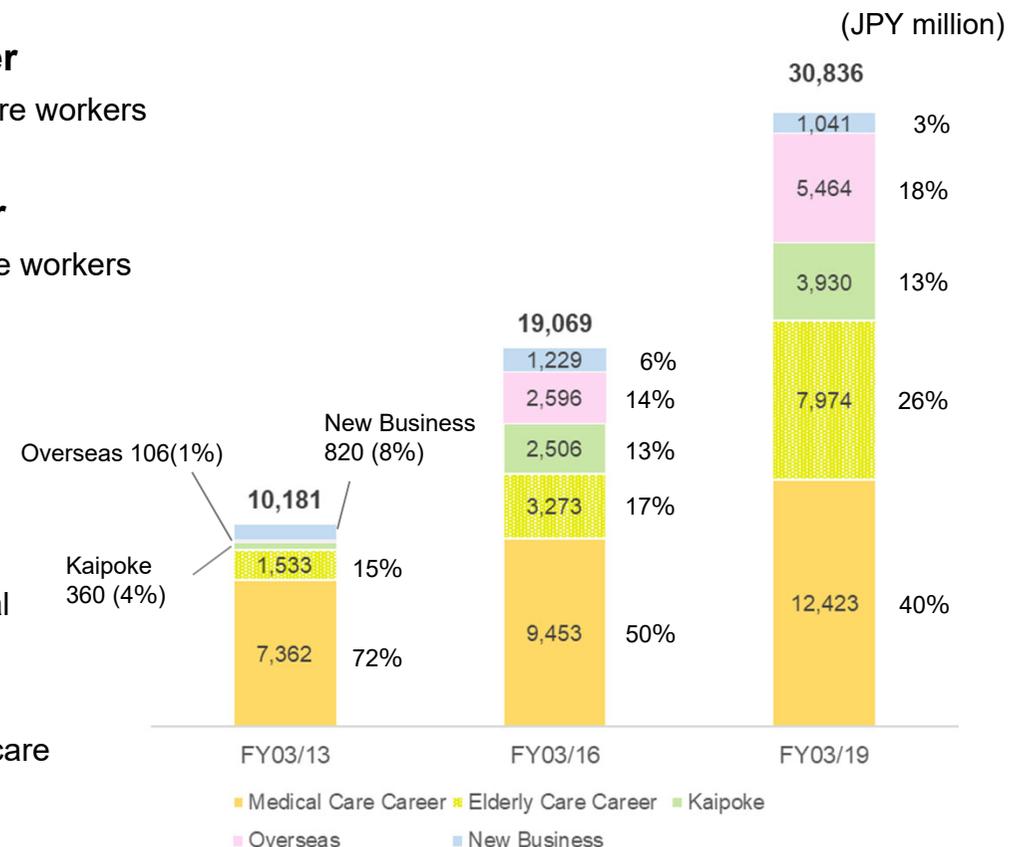
Overseas Business (MIMS)

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

New Business

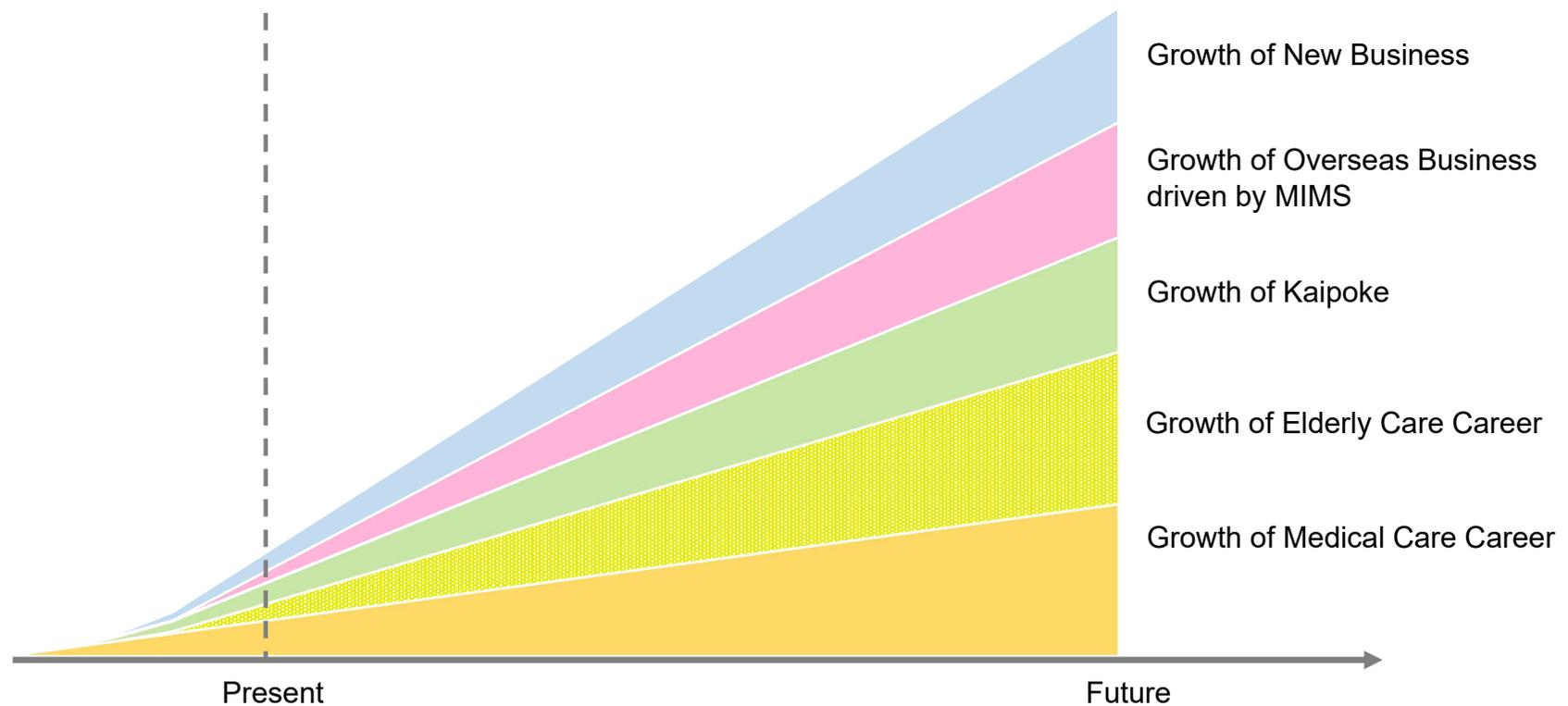
- Developing new businesses mainly in Healthcare and Senior Life

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.

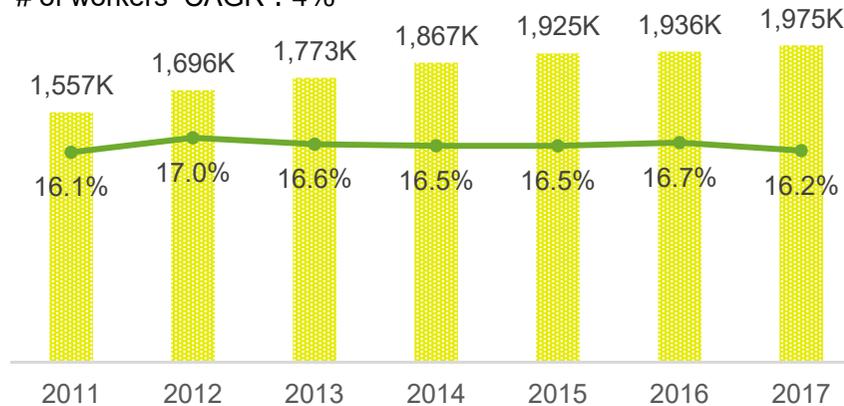


Career Business

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

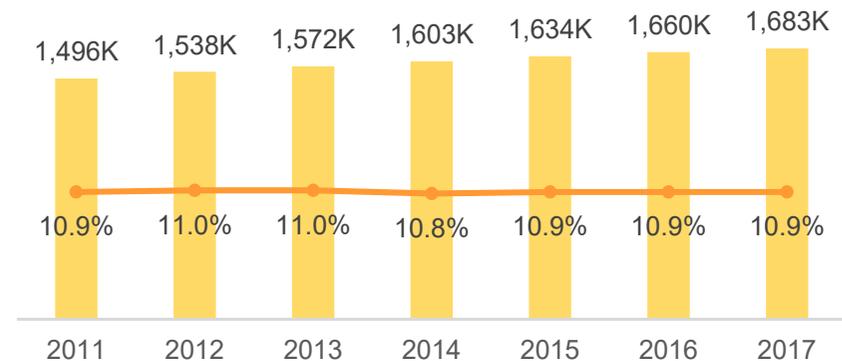
Number of care workers and their turnover rate*1

of workers CAGR : 4%

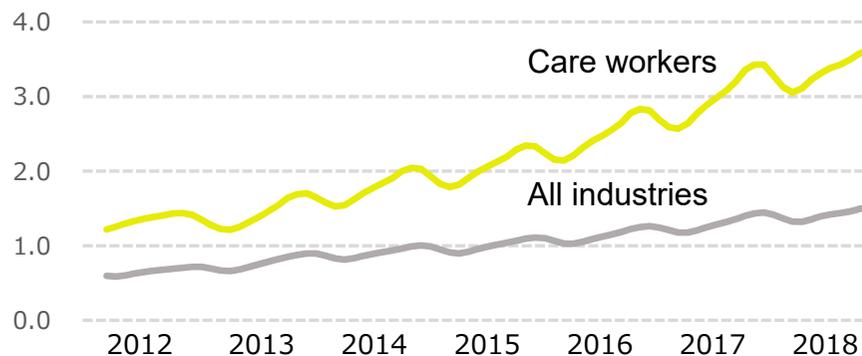


Number of nurses and their turnover rate*3

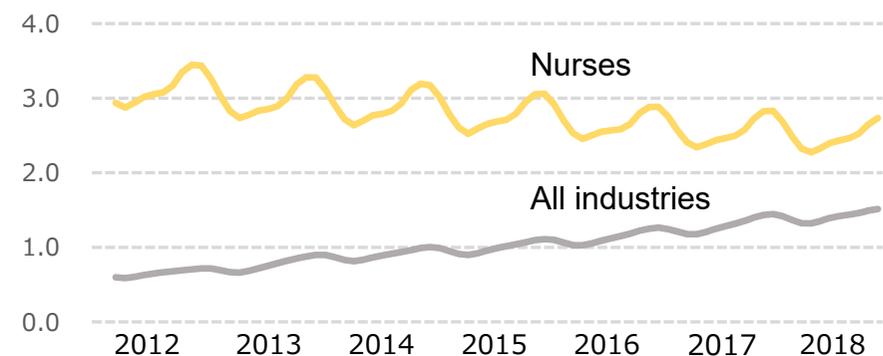
of workers CAGR : 2%



Jobs-to-applicants ratio of care workers*2



Jobs-to-applicants ratio of nurses*2

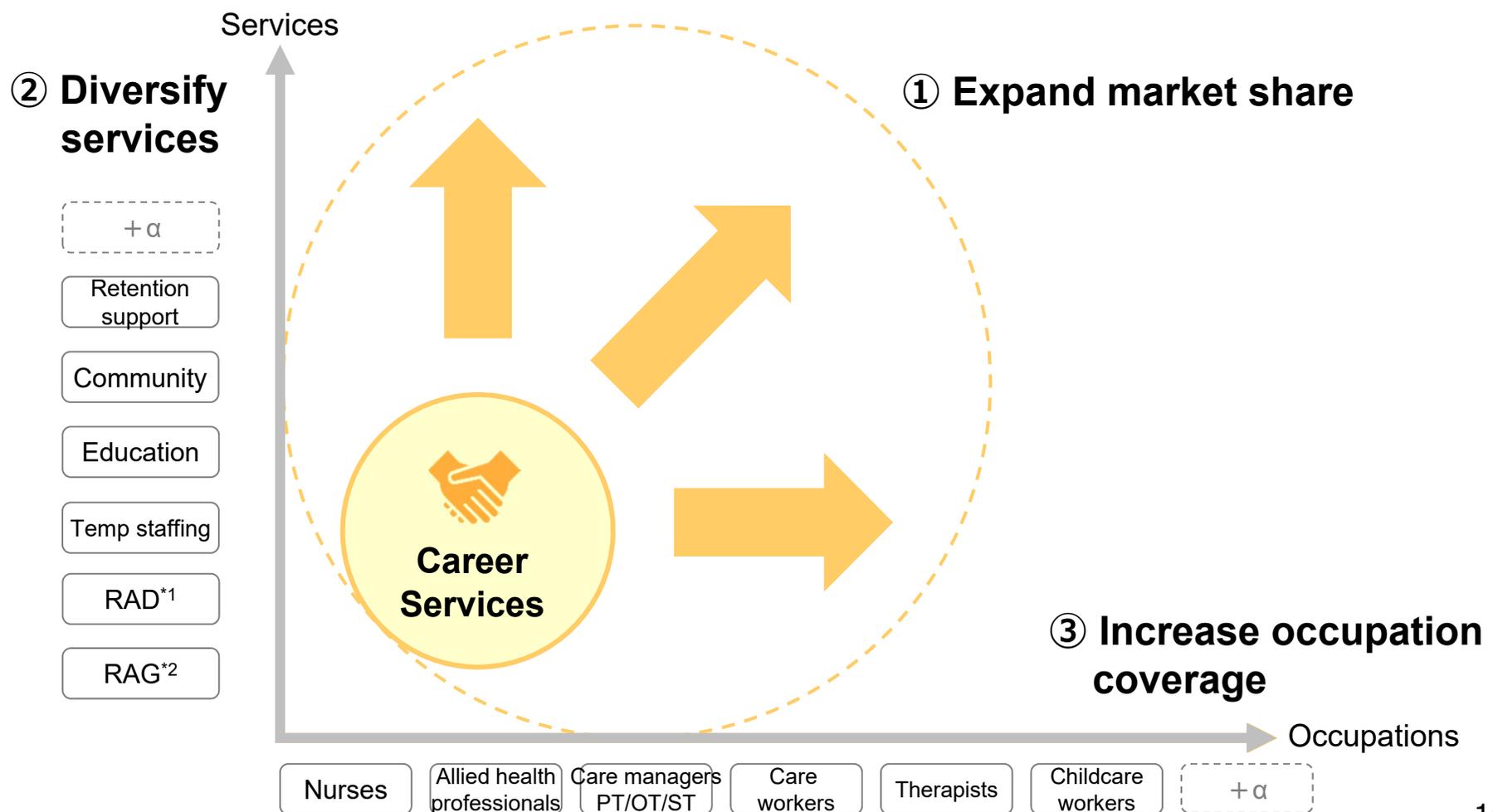


*1. Sources : Number of workers – MHLW; Turnover rate – Care Work Foundation

*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.



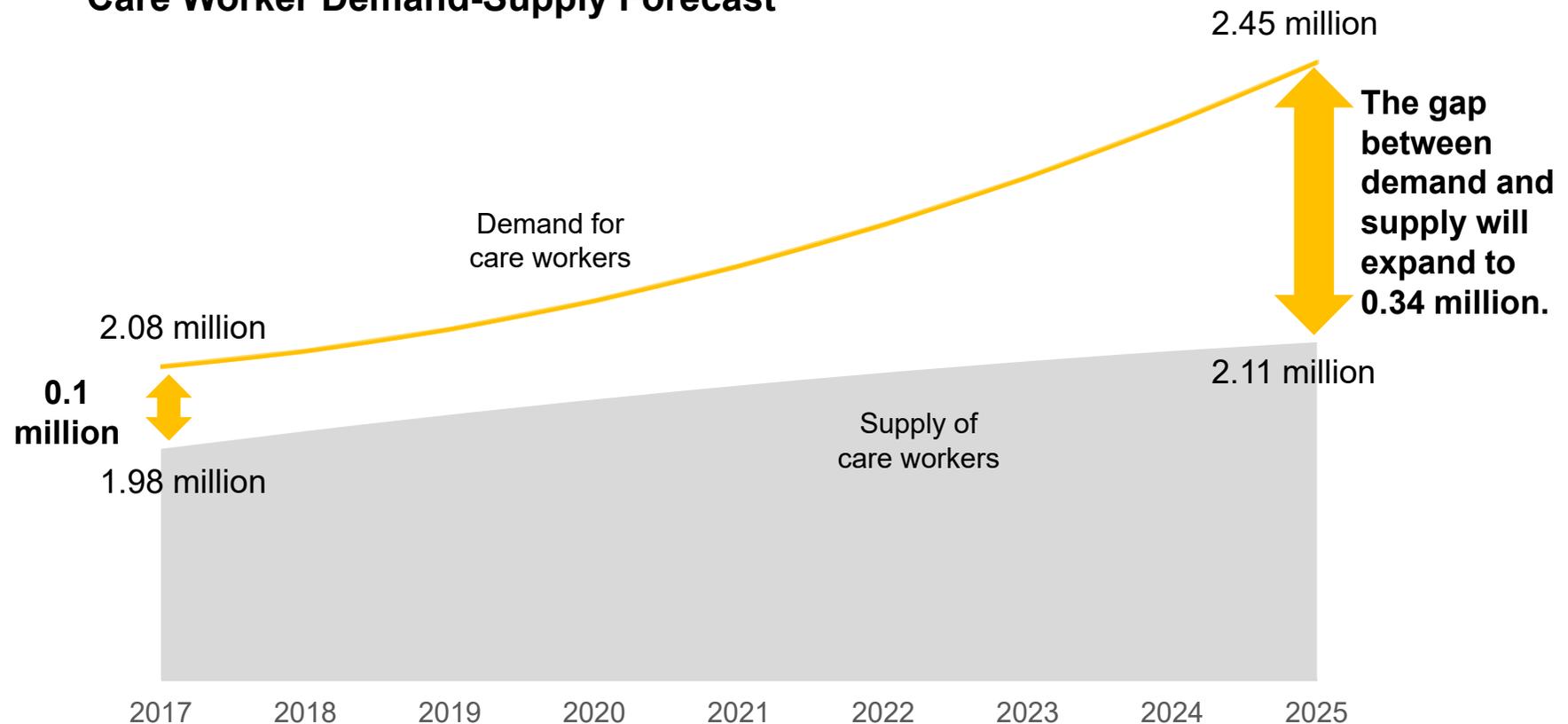
2 ① Expand Market Share

- ✓ 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.

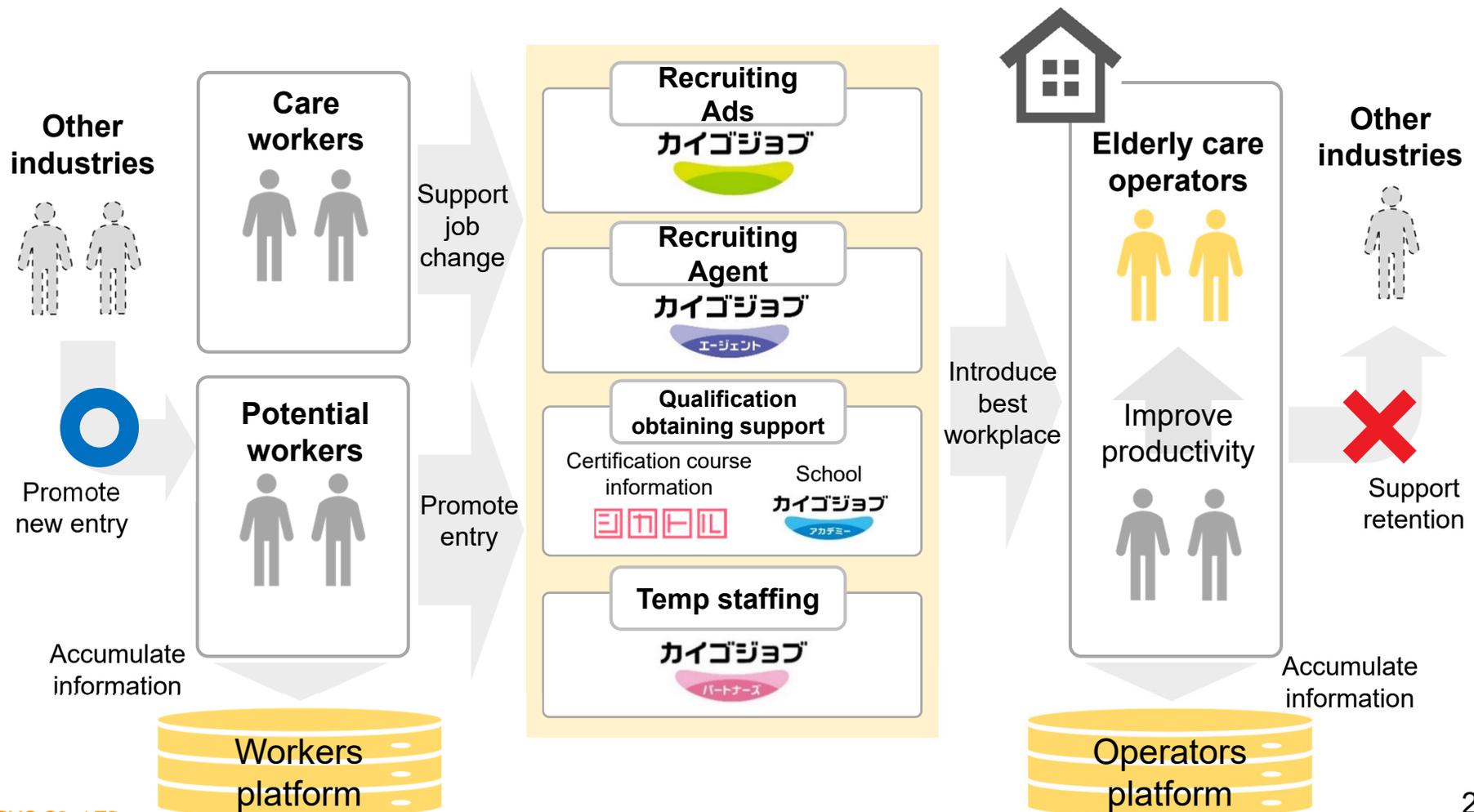


- ✓ The labor shortage in elderly care is worsening due to the rapid aging of population, the gap between demand and supply of care workers being expected to reach 340,000 in 2025.

Care Worker Demand-Supply Forecast*1



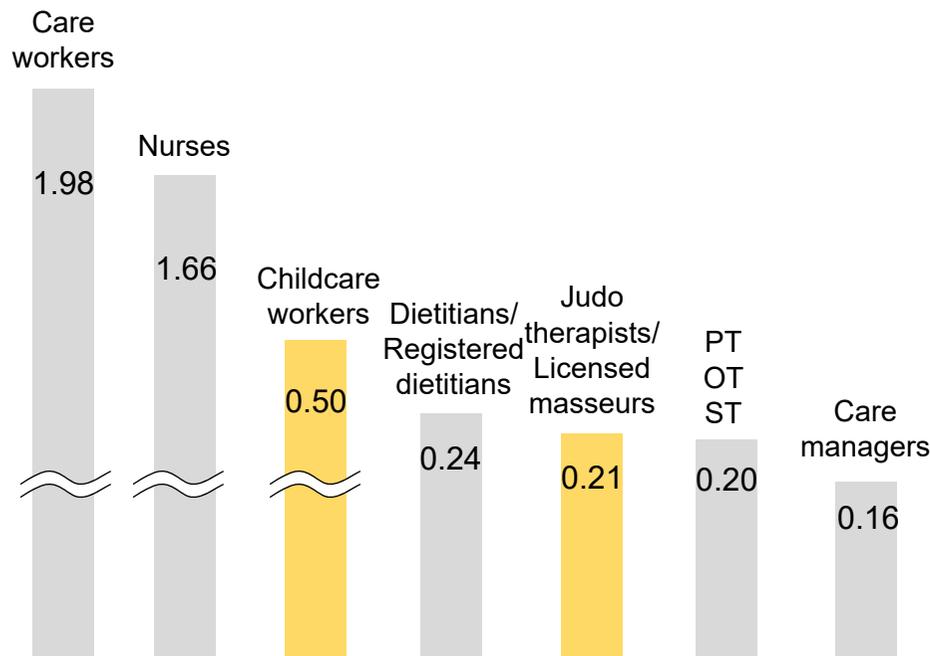
- ✓ Improve the shortage of workers by providing diverse services.
- Promote new entry from other industries in addition to support for changing jobs.
 - Contribute to improve productivity of workers and reduce their turnover through education and retention support.



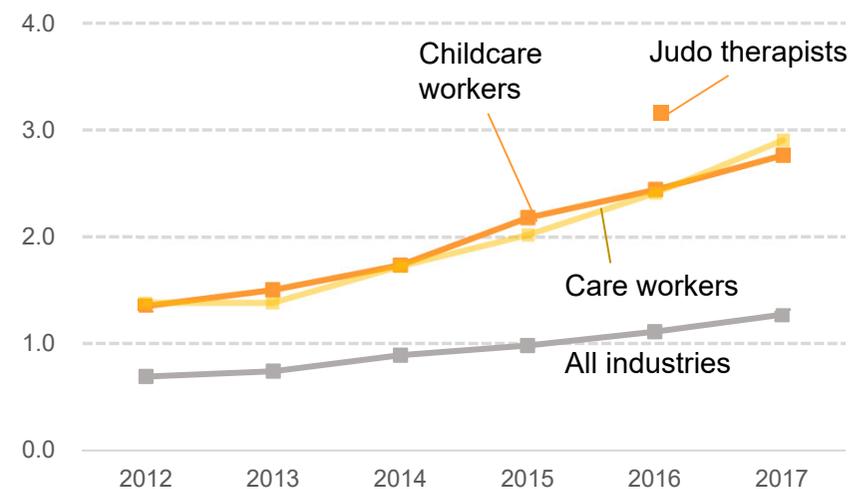
2 ③ Increase Occupation Coverage

- ✓ Enter promising markets to develop new growth businesses following Recruiting Agent (RAG) for nurses and elderly care workers.
- ✓ Started career services for Judo therapists/licensed masseurs*¹ in FY03/18 by M&A and launched RAG for childcare workers in FY03/19 by ourselves.

**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

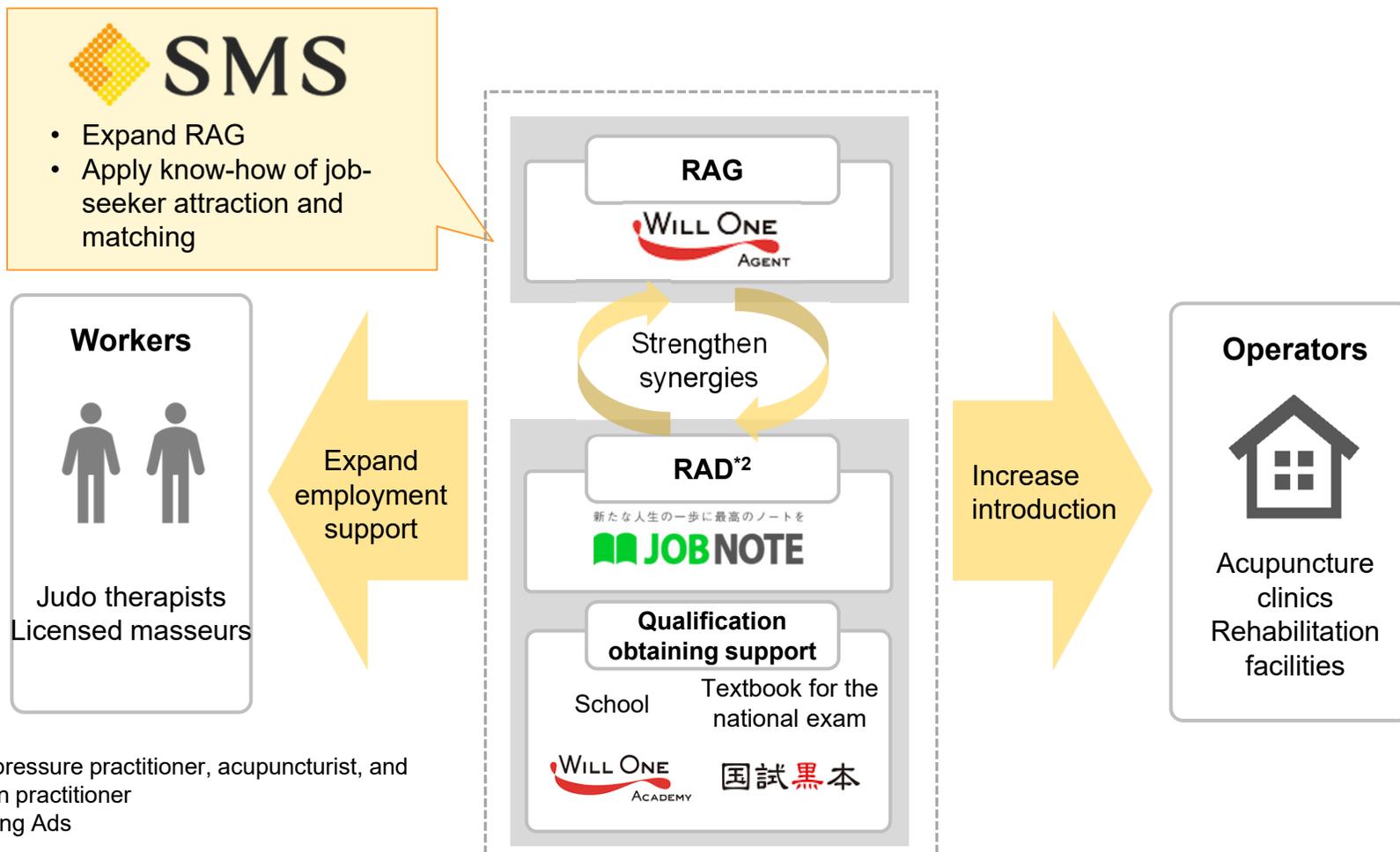
*2. Sources: Care workers/Care managers: MHLW 2017, Nurses: Japanese Nursing Association 2016, Childcare workers/Dietitians/Licensed dietitians: SMS estimates based on MHLW data 2017, Judo therapists/Licensed masseurs: SMS estimate based on MHLW data 2016, PT/OT/ST: MHLW 2017

*3. Source: MHLW

2

③ Increase Occupation Coverage - Judo Therapists/Licensed Masseurs^{*1} SMS

- ✓ Acquired WILLONE in Nov. 2017.
- ✓ Accelerate its growth by applying SMS's know-how and expanding Recruiting Agent (RAG) service.



*1. Finger pressure practitioner, acupuncturist, and moxibustion practitioner

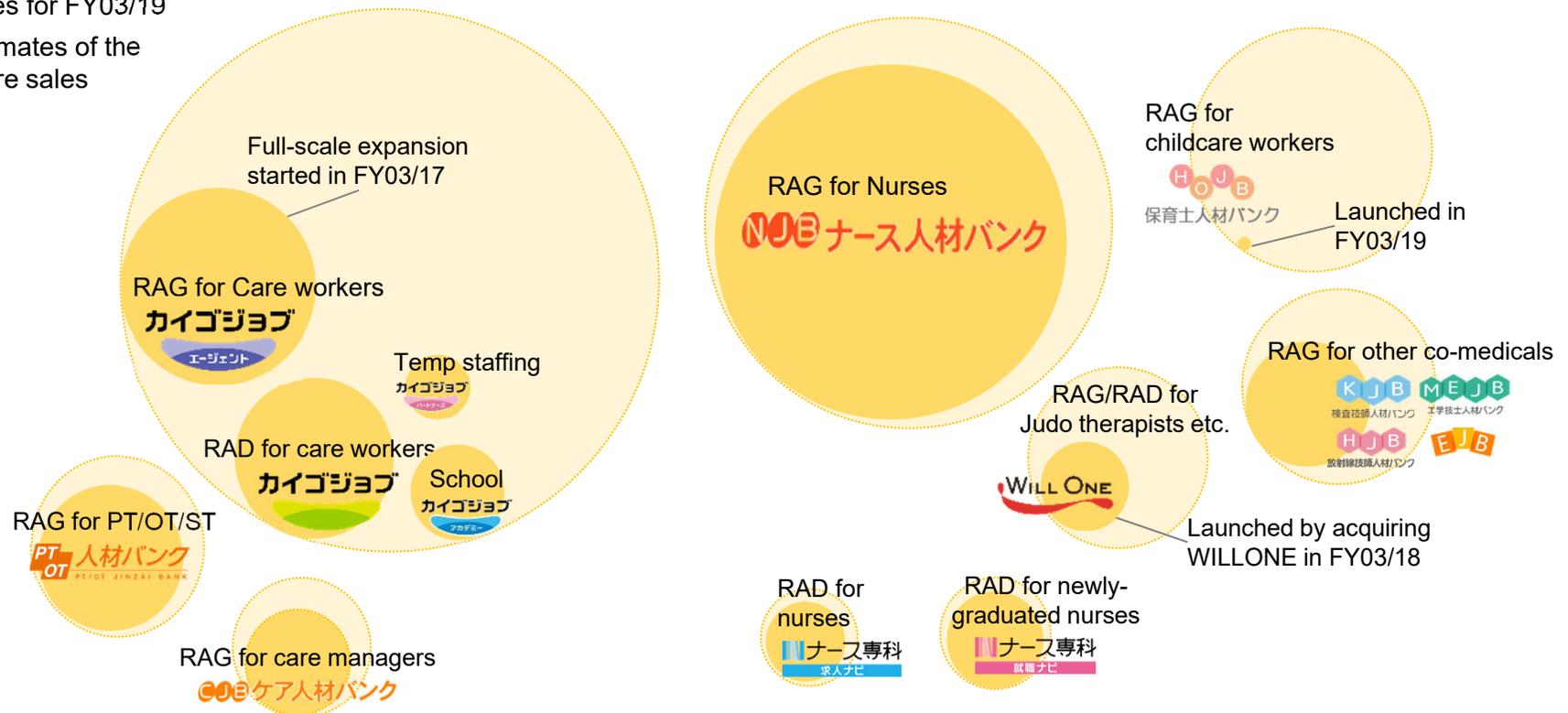
*2. Recruiting Ads

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 FY03/19
- : Estimates of the future sales



Elderly Care Career : 7,974 JPY million^{*3}

Medical Care Career : 12,423 JPY million^{*3}

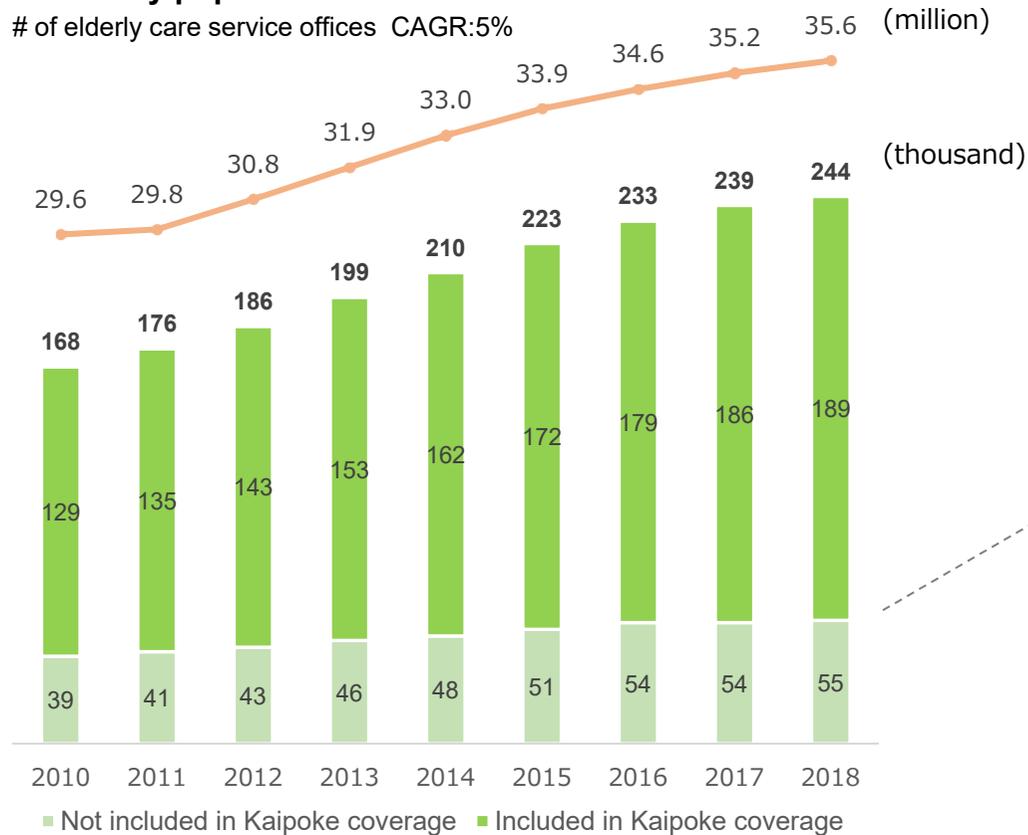
*1. Career businesses for doctors and pharmacists are operated by M3 Career, Inc., a JV between M3, Inc.(51%) and SMS (49%).
 *2. RAG: Recruiting Agent RAD: Recruiting Ads *3. Sales for FY03/19

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

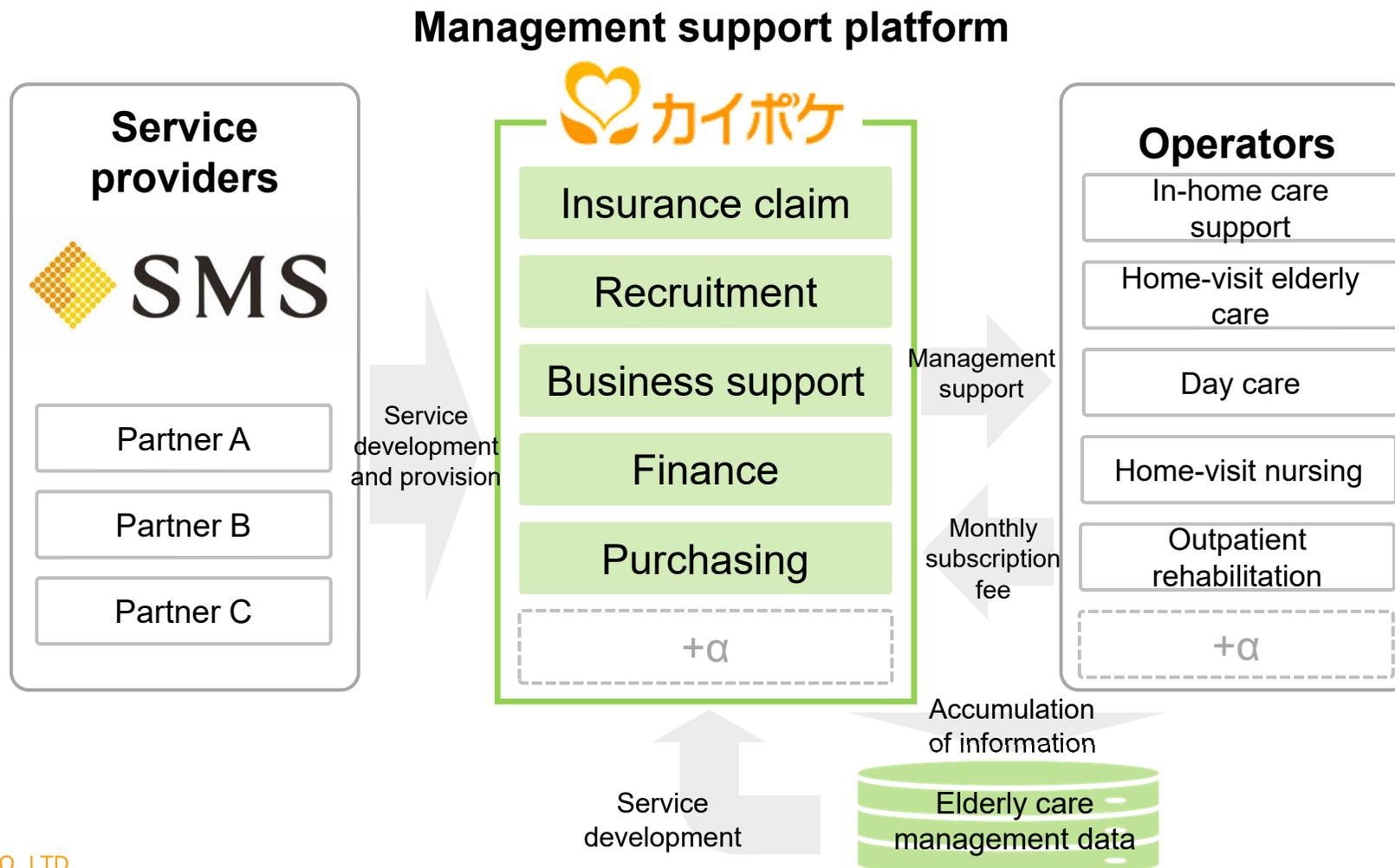
- Home care support services
- Home-visit elderly care
- Day care
- Home-visit nursing
- Outpatient rehabilitation etc.

Operators that Kaipoke doesn't cover*2

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

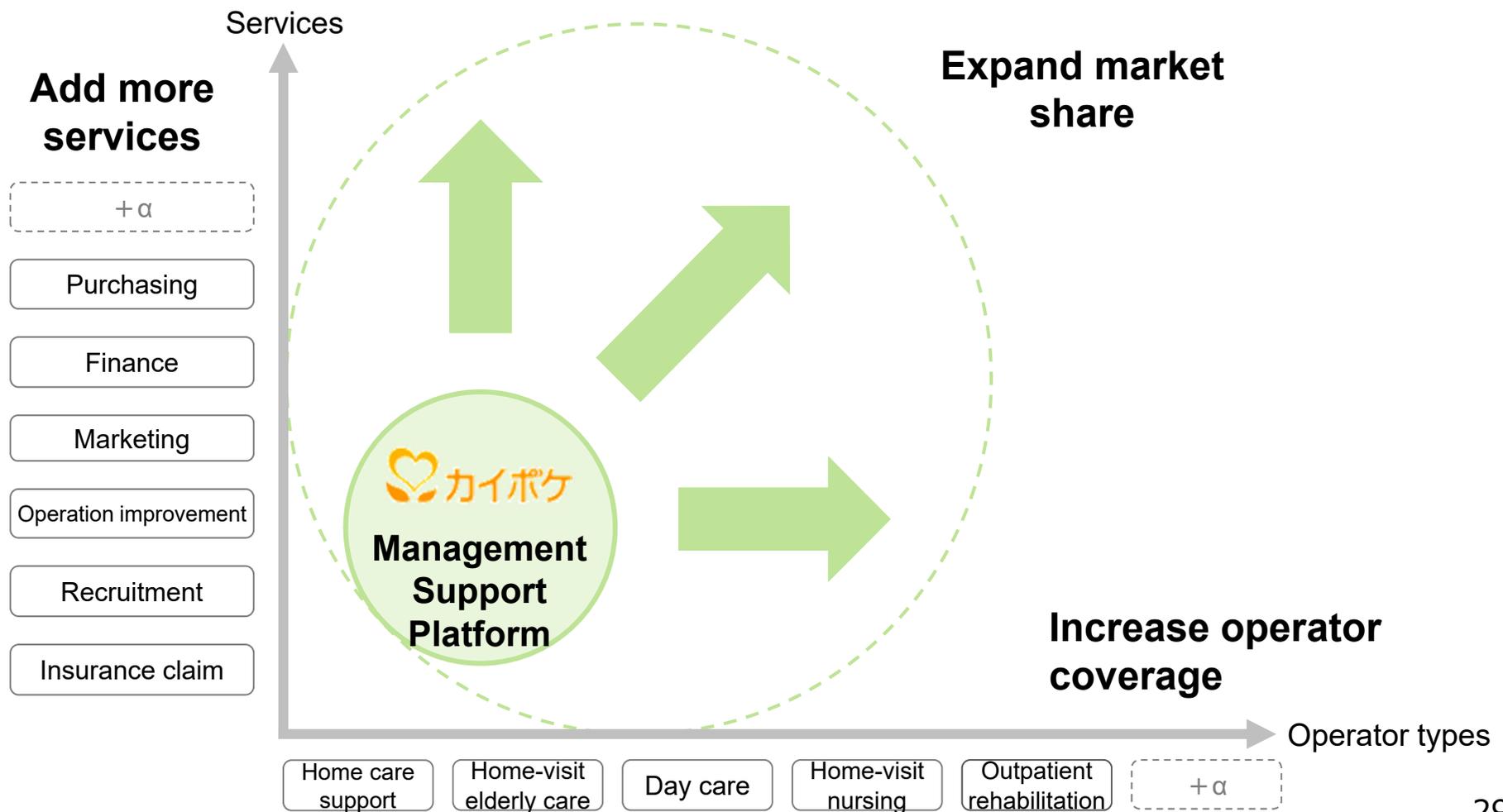
2 Kaipoke's Business Model

- ✓ 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.



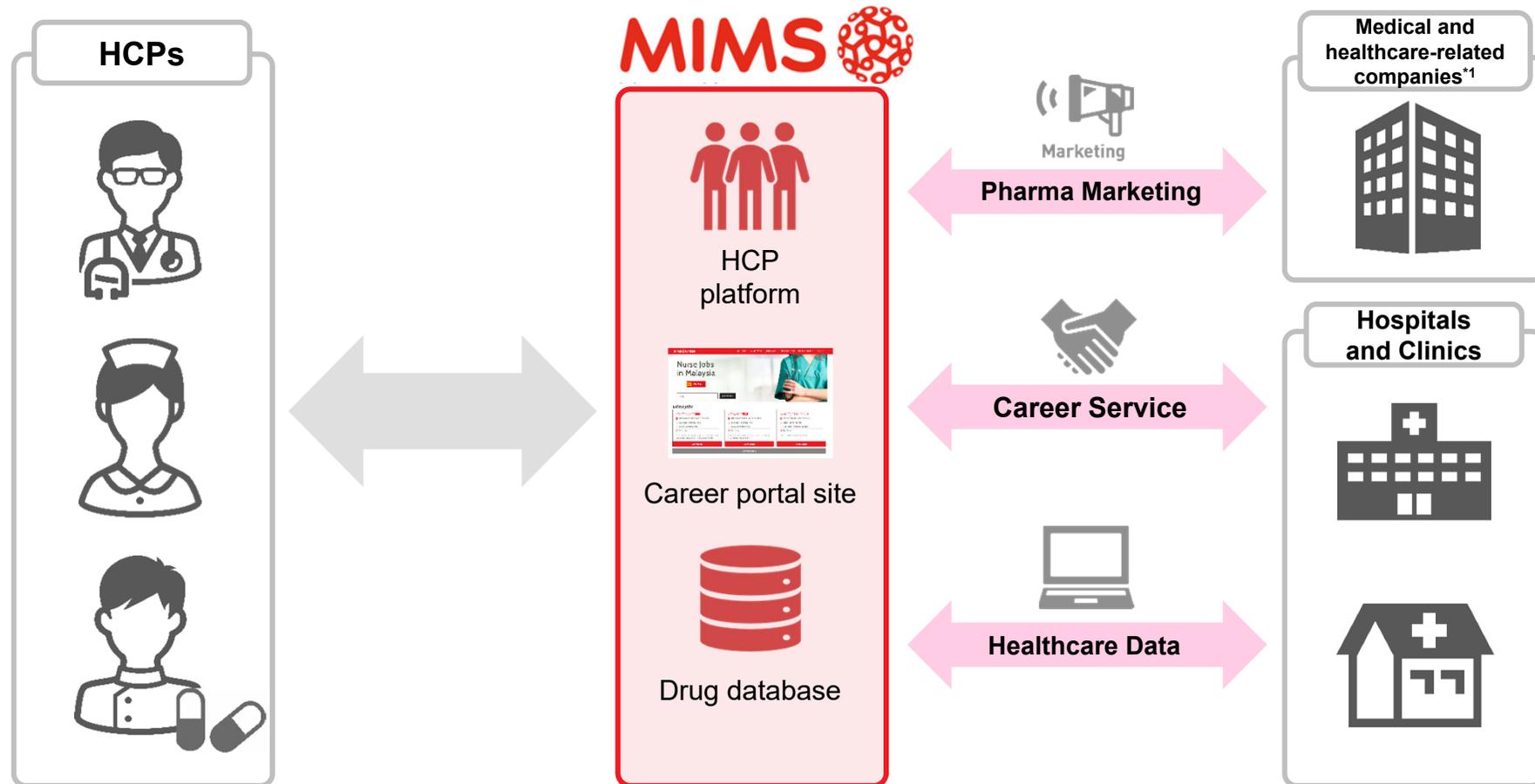
2 Strategy of Kaipoke

- ✓ 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.



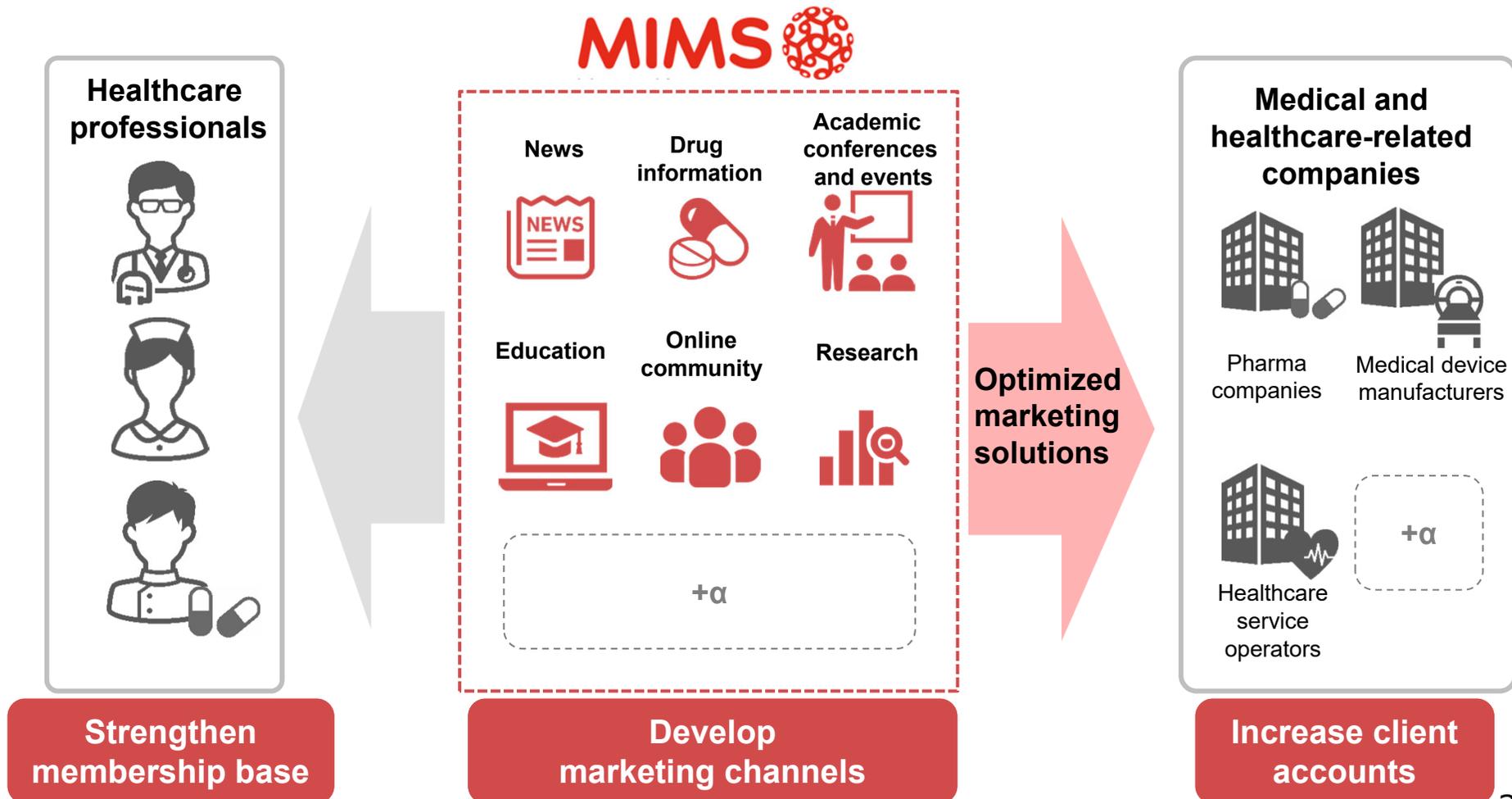
Overseas Business

✓ 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.

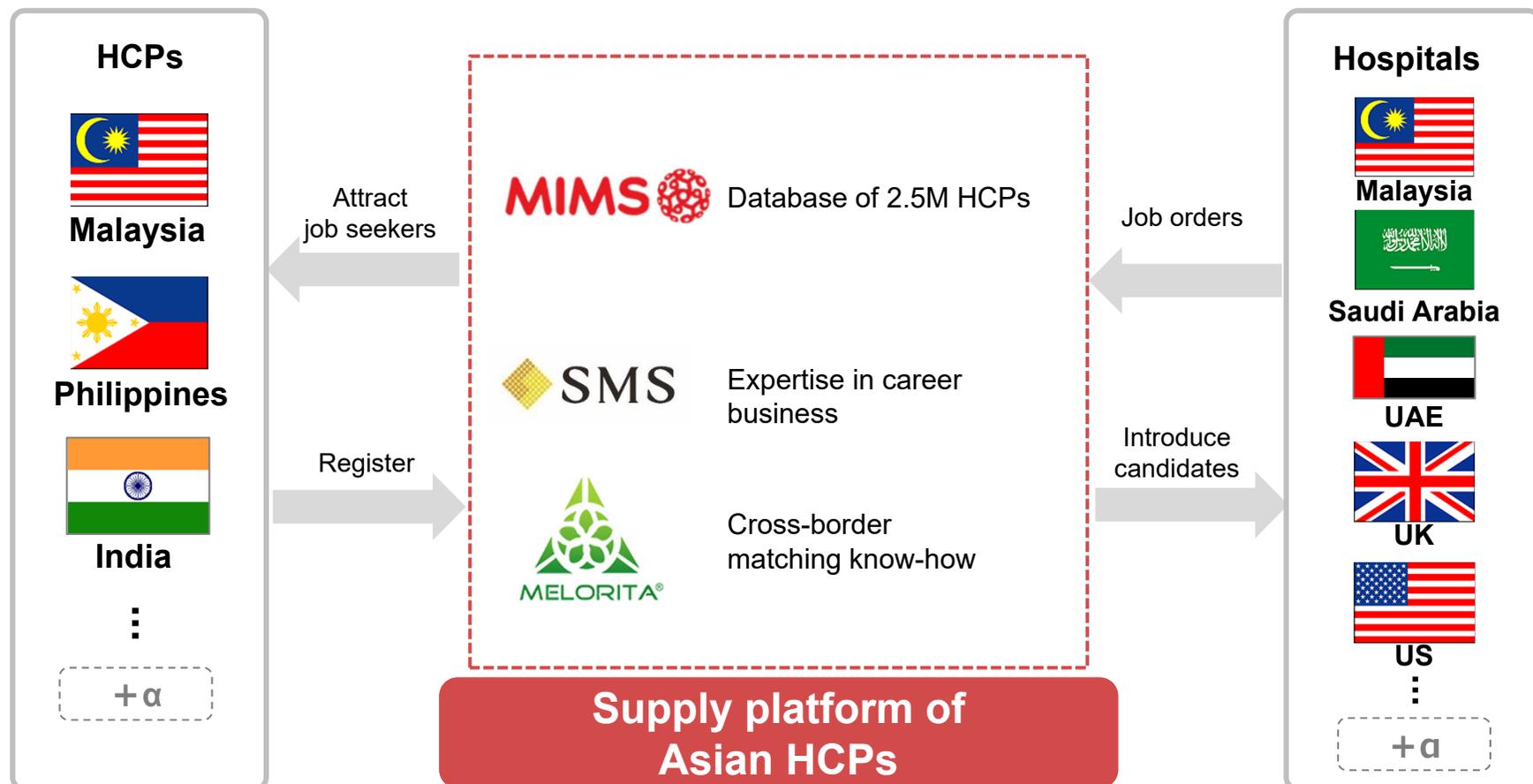


2 Strategy of Overseas Business 2/3 (Pharma Marketing)

- ✓ 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.



- ✓ Accelerate the growth of Global Career Business by combining MIMS's healthcare professional (HCP) database, SMS's expertise in career business and Melorita's cross-border matching know-how.
- ✓ Establish a dominant position as the leading supplier of Asian HCPs to both inside and outside the region.



New Business

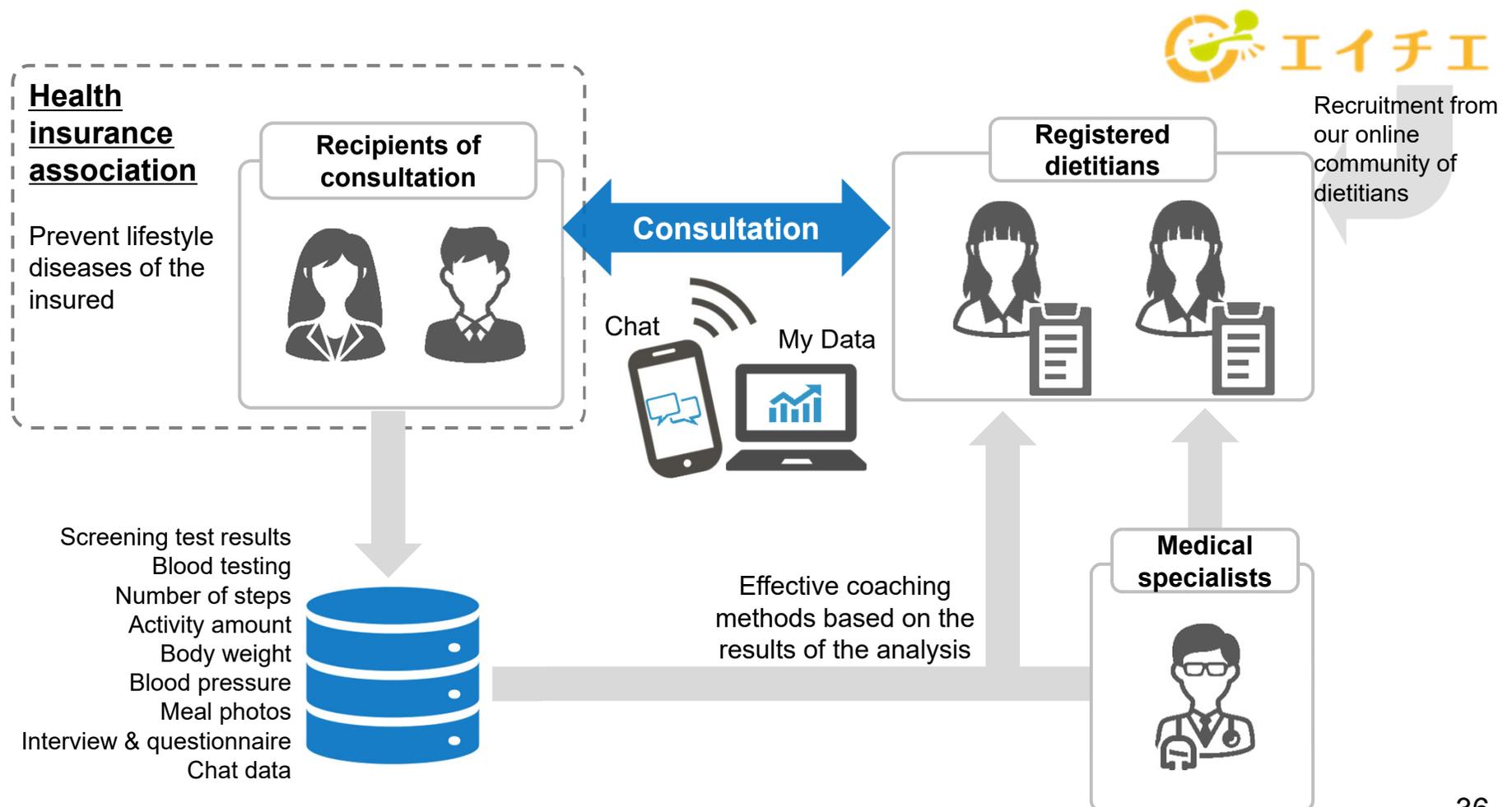
2 Focus of Business Development

- ✓ 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.	Preventive solution of lifestyle diseases  専門医・管理栄養士による 遠隔チャット指導	Health guidance solution  専門医・管理栄養士による 遠隔チャット指導	Remote industrial health service  リモート産業保健	Information portal of industrial health service  産業保健の知恵袋 サンチエ	Health maintenance/promotion support for women  LADY to GO!
		Information portal of diabetes  糖尿病ねっと	Information portal of dementia  認知症ねっと	Solution for dementia prevention  MCIドクター監修 認トレ	Habituation support of dementia prevention  認し チャレンジ	
		Web community for dietitians  エイチエ	Q&A site on health  なるほどカラダのこと なるカラ			
Senior Life	Services to connect operators and end users in areas such as elderly care, housing, and end of life planning.	Web community for people caring for their families  安心介護	Home-delivered meals search site  来らいふーど	Information portal of housing for the elderly  かいごDB kaigodb.com		
		Housing renovation operators search site  住まいにまつわる総合情報サイト ハピすむ	Information of funeral companies  安心葬儀			

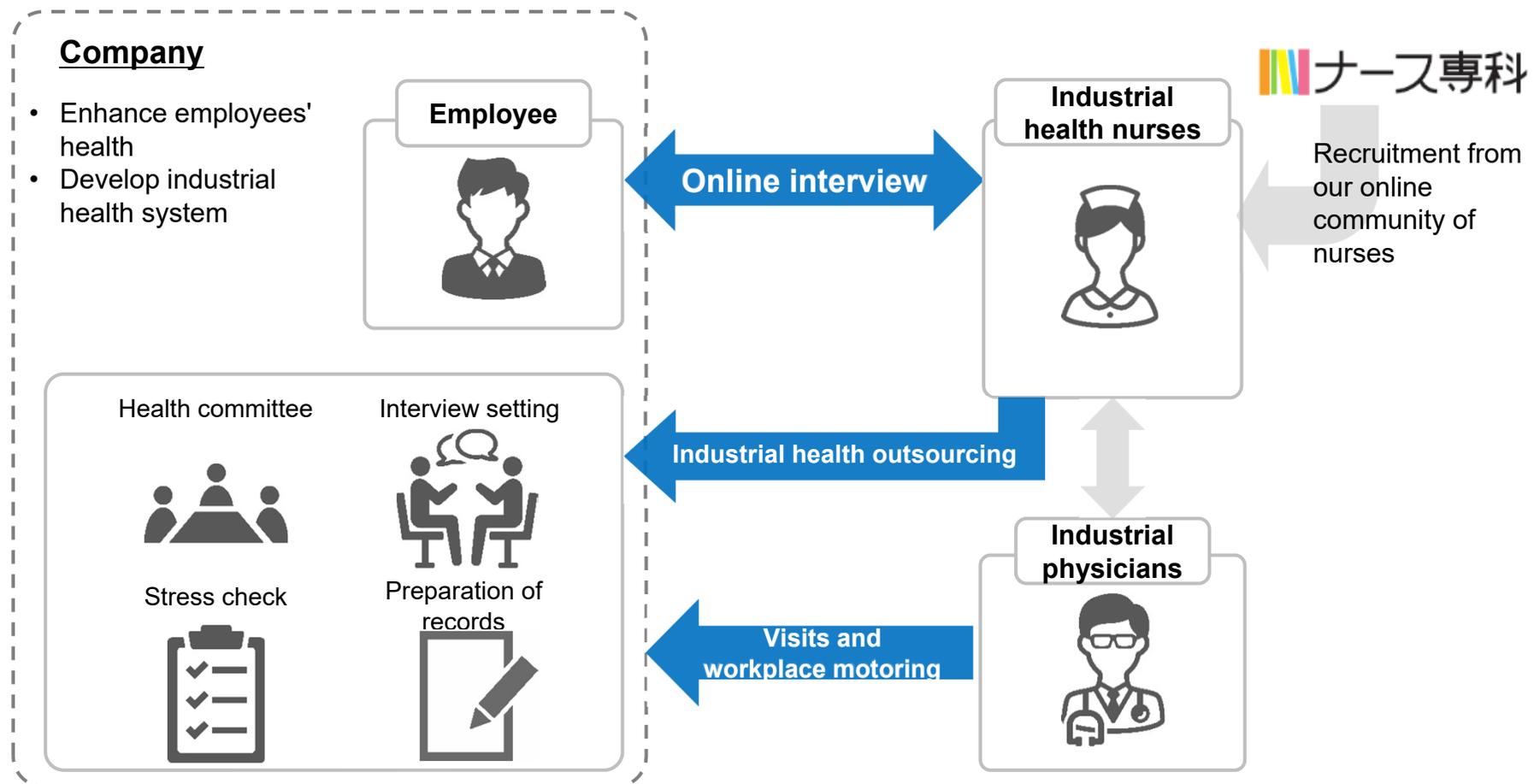
2 Healthcare - Remote Health Guidance

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

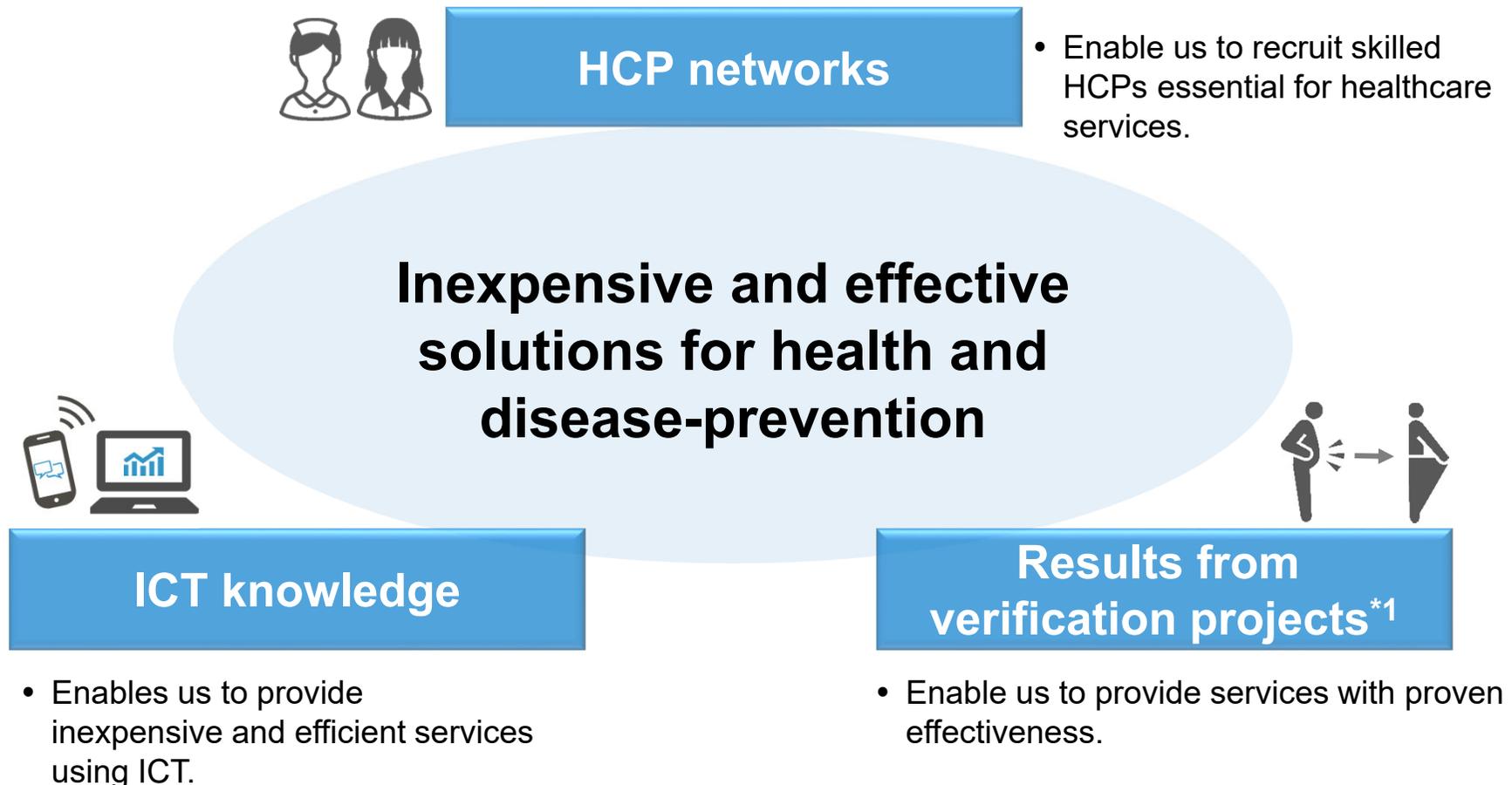


2 Healthcare - Remote Industrial Health Service

- ✓ 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.

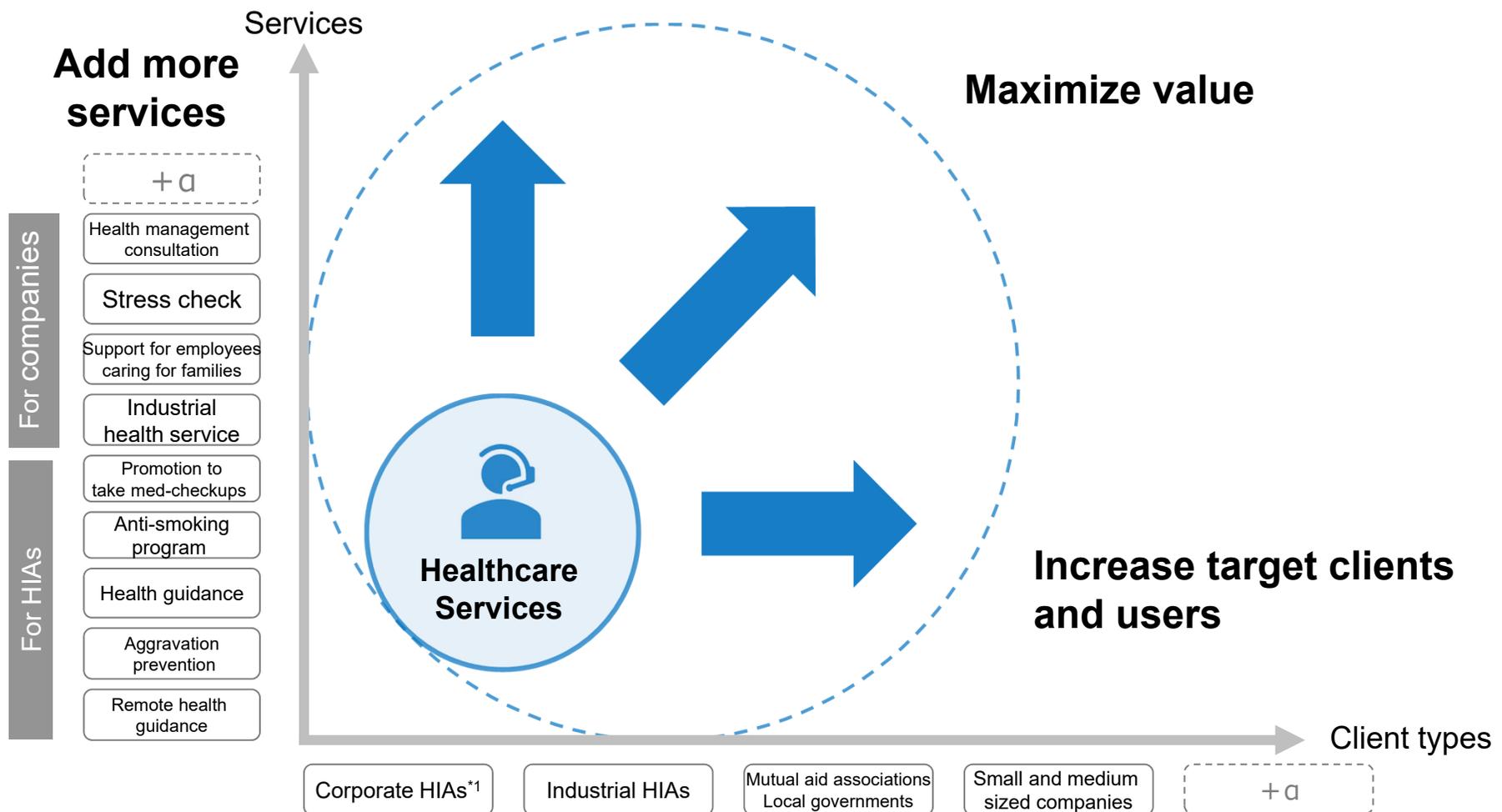


- ✓ Leveraging our strengths in healthcare professional (HCP) networks, ICT knowledge, and proven results from verification projects conducted with ministries and national agencies, we provide inexpensive and effective solutions for health and disease-prevention.



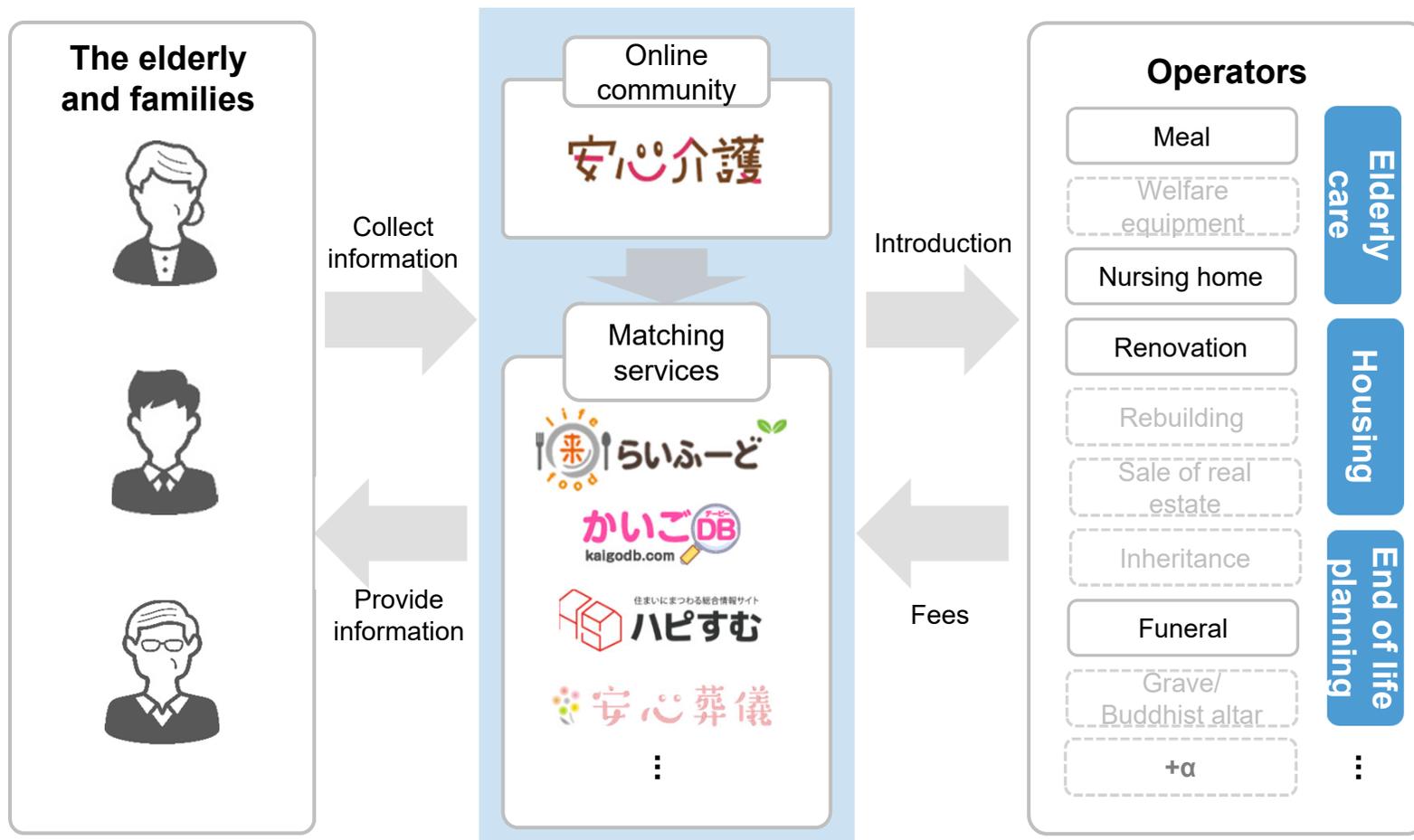
2 Strategy of Healthcare

- ✓ 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.



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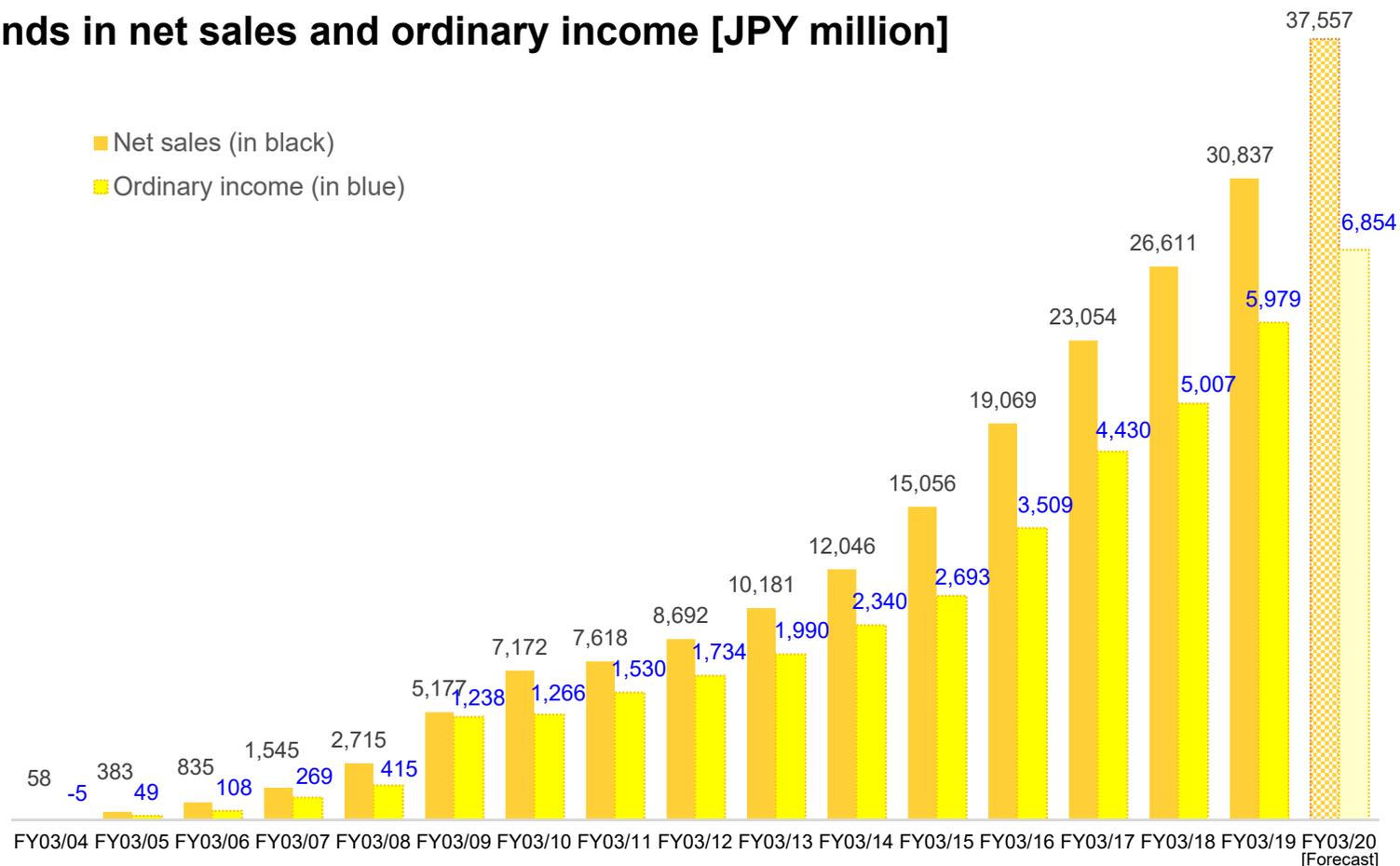
✓ Expect 19% growth in operating income and 20% growth in net income.

Consolidated P/L Statement [JPY million]

	FY03/19 Actual	FY03/20 Forecast	Difference (Amount)	YoY Change
Net Sales	30,836	37,557	+6,720	+22%
Operating Income	4,743	5,623	+880	+19%
Ordinary Income	5,979	6,854	+875	+15%
Net Income	4,216	5,065	+848	+20%

✓ Expect to achieve growth in both sales and profits for the 16th consecutive year since our establishment.

Trends in net sales and ordinary income [JPY million]



3 The Career Segment FY03/20 Forecast



- ✓ Elderly Care Career continues to grow significantly by increasing the number of career partners.
- ✓ In addition to the growth of the existing businesses, we expand Recruiting Agent (RAG) for childcare workers in Medical Care Career.
- ✓ Hire a large number of career partners mainly in Q1.

YoY Comparison of Sales [JPY Million]

	FY03/19 Actual	FY03/20 Forecast	YoY Change
Elderly Care Career	7,974	11,615	+46%
Medical Care Career	12,423	14,008	+13%
Total	20,398	25,623	+26%

Highlights

Elderly Care Career

- RAG for care workers continues to grow significantly by increasing the number of career partners.
- Develop and grow various services such as schools, temporary staffing, and retention support.

Medical Care Career

- RAG for nurses continues to grow steadily.
- RAG for dietitians and Judo therapists/licensed masseurs*¹ grow significantly.
- Expand RAG for childcare workers*² by increasing the number of career partners.

*1. Finger pressure practitioners, acupuncturists and moxibustion practitioners

© SMS CO.,LTD. *2. Contribution to profits is expected to be from FY03/21 as the hiring at nurseries and preschools will be concentrated in April.

- ✓ Expect a robust growth by membership increase and optional services generating additional sales.
- ✓ Develop new services to improve operators' management efficiency.

YoY Comparison of Sales [JPY Million]

	FY03/19 Actual	FY03/20 Forecast	YoY Change
Elderly Care Operators	3,930	4,630	+18%

Highlights

- Increase in Kaipoke memberships drives ongoing growth of the segment.
- Optional add-ons such as additional tablets, smartphones and the factoring service also contribute to the growth.
- In addition to launching the M&A matching service for elderly care operators, we develop and provide new services that improve operators' management efficiency.

3 The Overseas Segment FY03/20 Forecast



- ✓ MIMS's existing businesses grow steadily.
- ✓ Global Career Business expands steadily.

YoY Comparison of Sales [JPY Million]

	FY03/19 Actual	FY03/20 Forecast	YoY Change
Overseas	5,464	5,992	+10%

Highlights

MIMS's existing businesses

- Pharma Marketing business grows by increasing client accounts and providing optimal marketing solutions.
- Expand Healthcare Data business into Asian markets while achieving stable growth in Oceania.

Global Career Business

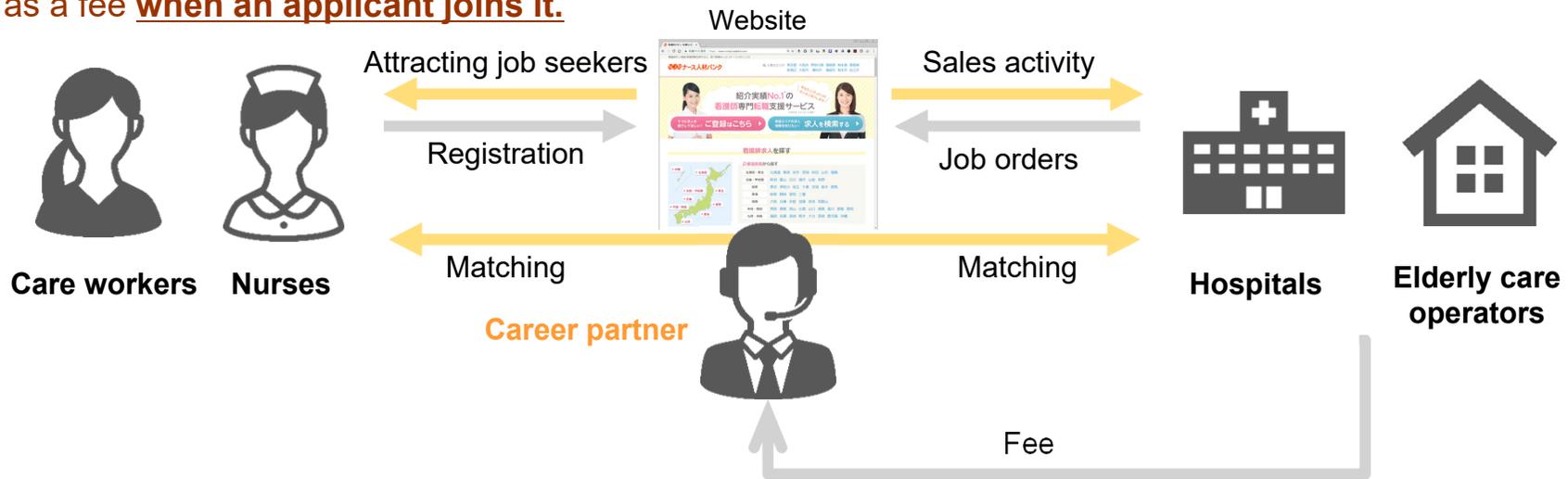
- Increase introduction of healthcare professionals (HCPs), mainly from Malaysia and the Philippines to hospitals within and outside of Asia.
- Continue to expand regions in terms of both the sources and the destinations of HCPs.

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4 Business Models of Recruiting Agent and Recruiting Ads

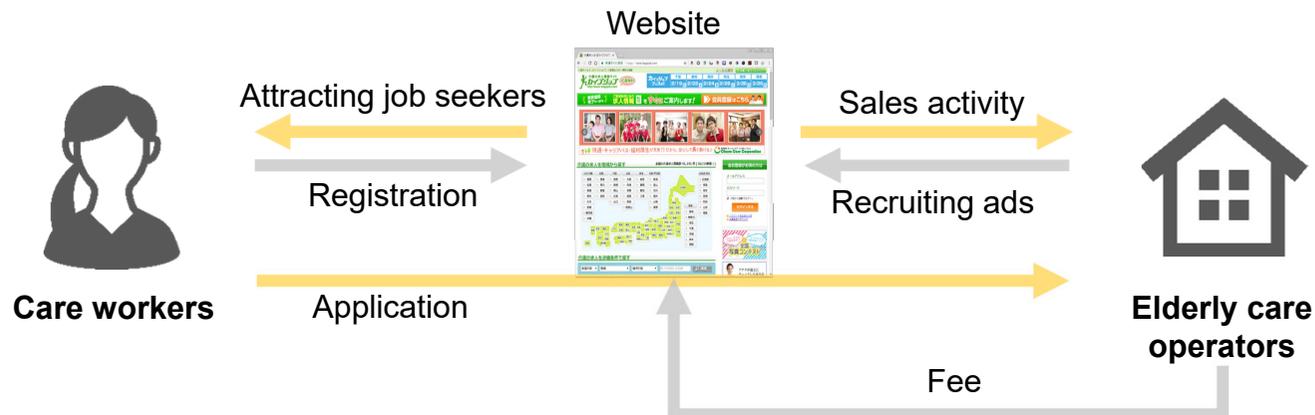
Business model of Recruiting Agent

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.

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

*2. Charged for some types of occupations.

4 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.

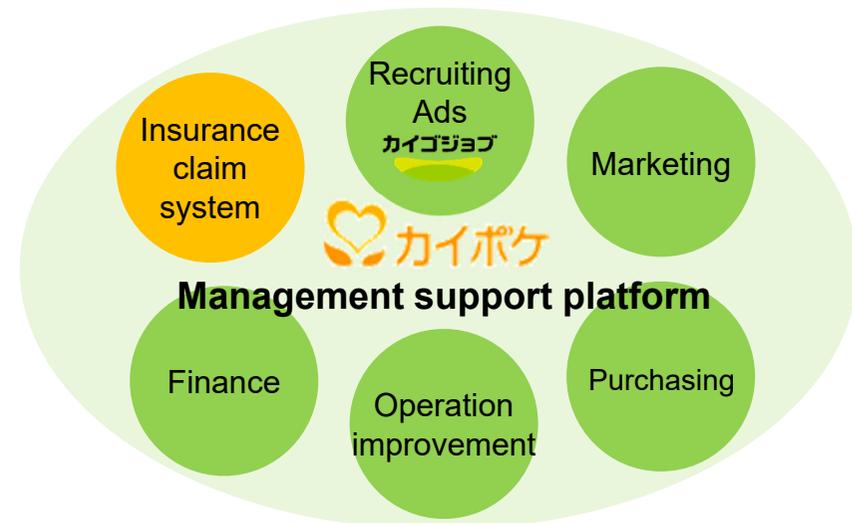
Before February 2014



(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

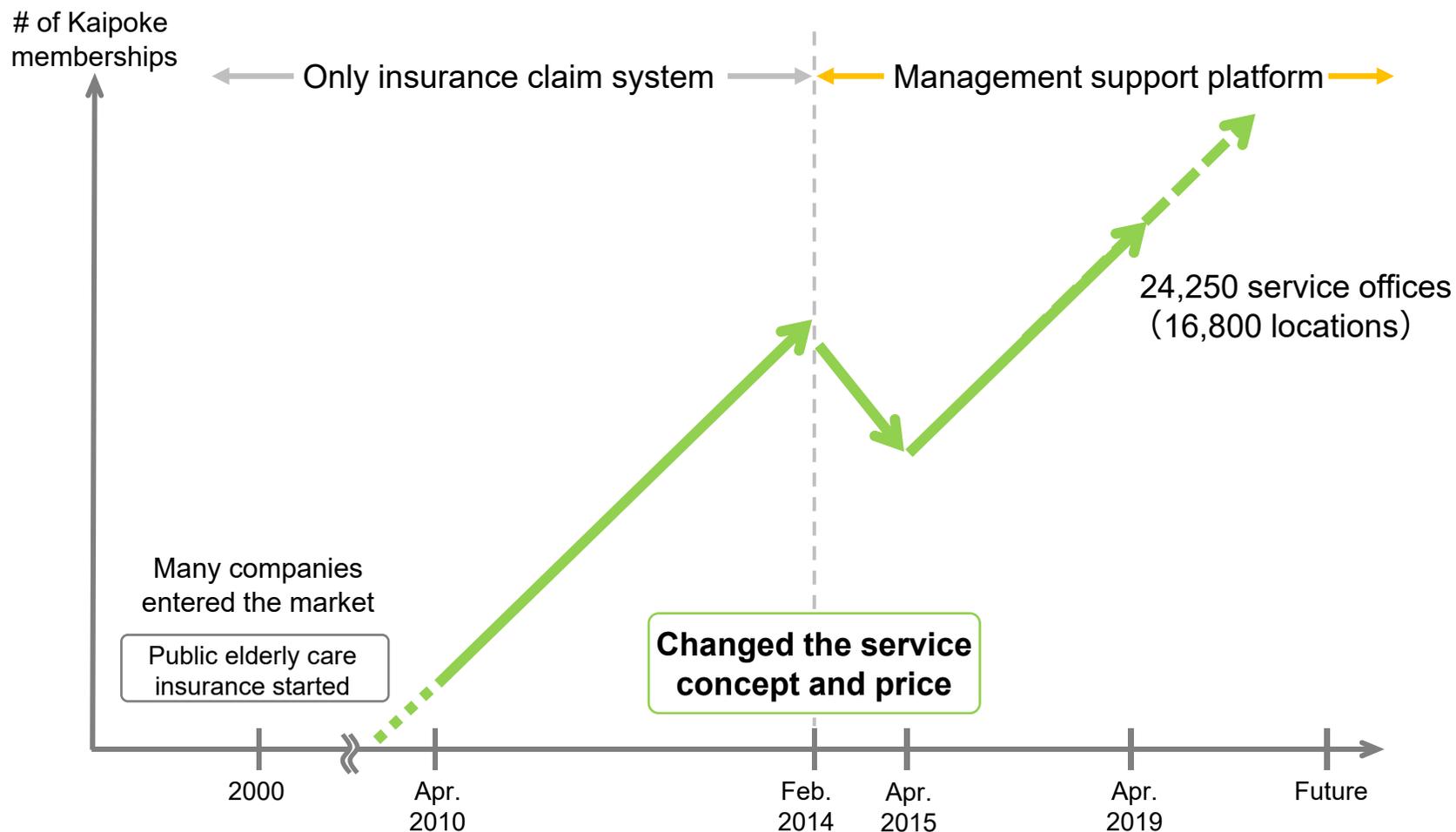


(ARPU) JPY 20,000 /month

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

4 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



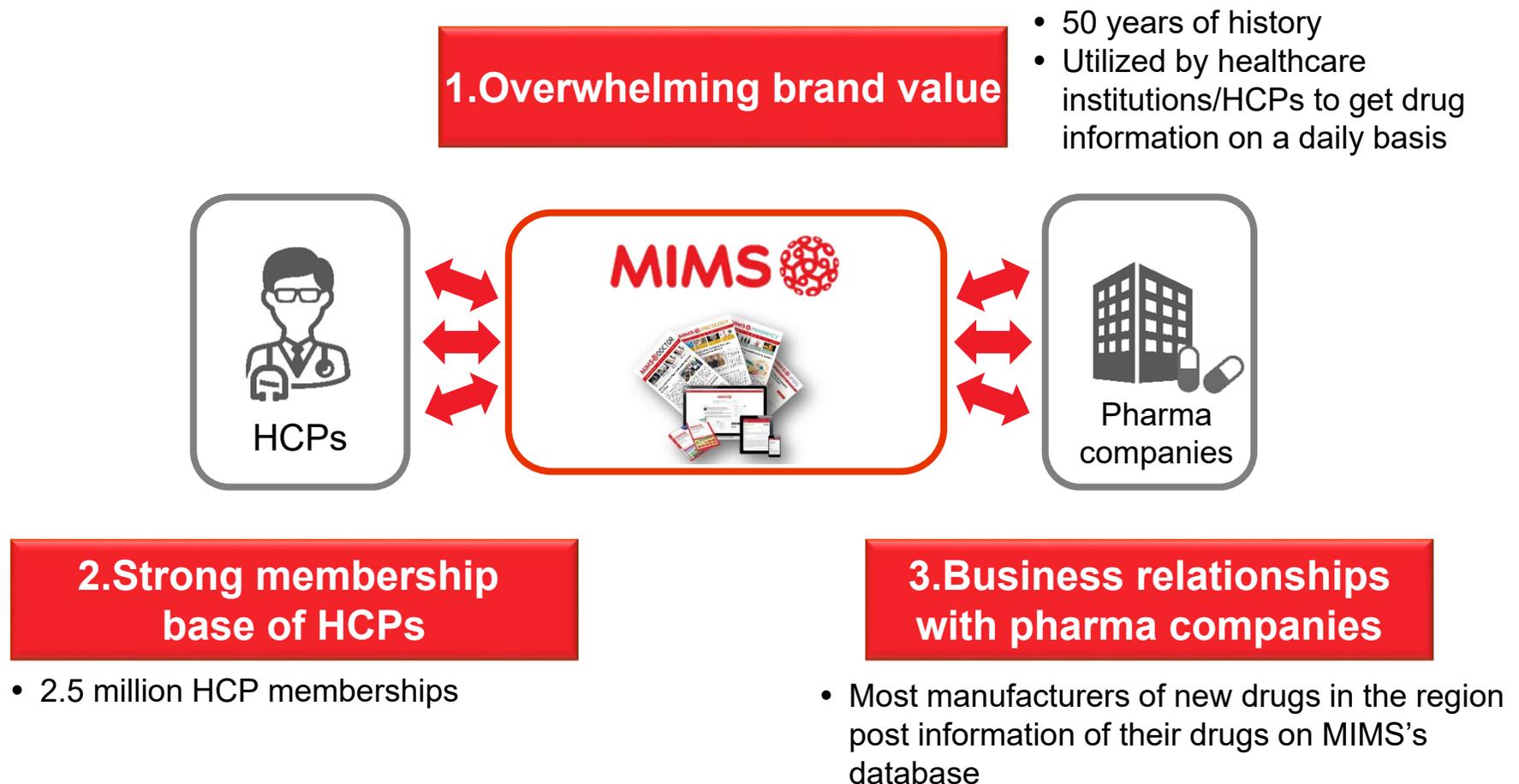
MIMS group profile



Founded	1963
Business	<ul style="list-style-type: none">•Pharma Marketing•Healthcare Data•Career Service
Global coverage	15 countries and regions in Asia and Oceania
Number of memberships	2.5 million
Acquisition date	Oct. 7, 2015

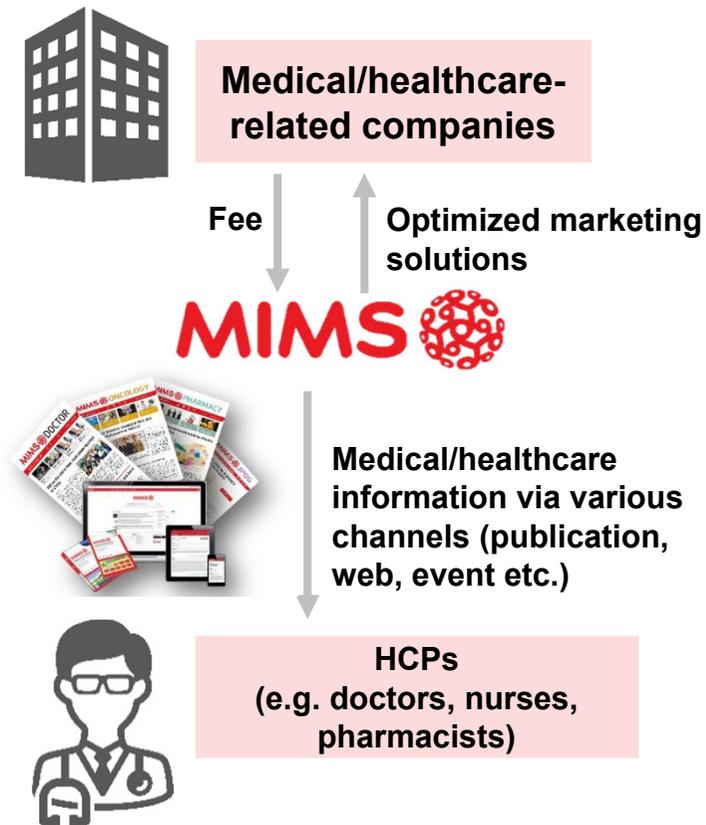
4 Strengths of MIMS Group

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



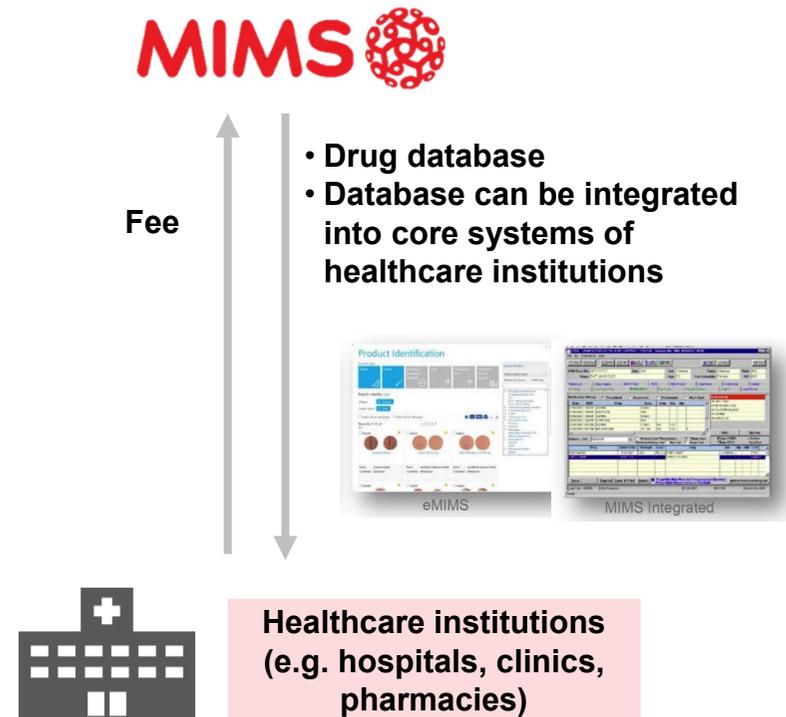
Pharma Marketing

Support marketing activities of medical/healthcare-related companies



Healthcare Data

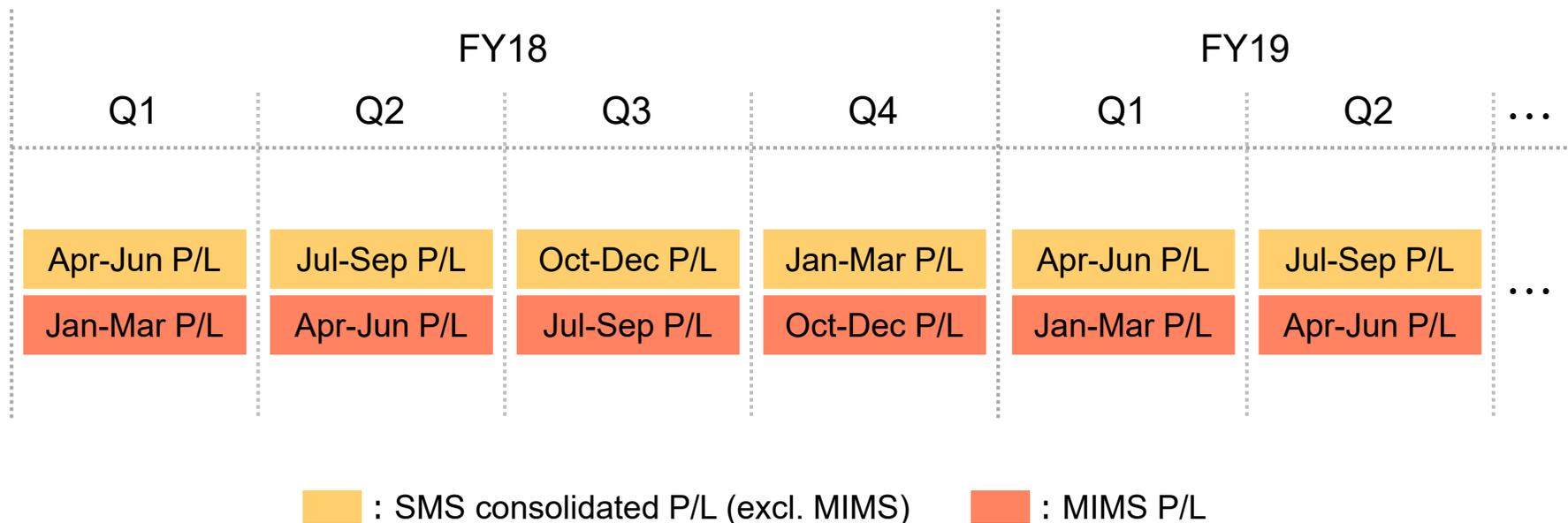
Provide a drug database for prescription error checks in healthcare institutions



4 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.

4 Business Portfolio – Career^{*1*2}



Sub-Segment	Category	Services				
Elderly Care Career	Services for care workers	RAD ^{*3} for care workers カイゴジョブ	RAG ^{*3} for care workers カイゴジョブ エージェント	Temporary staffing for care workers カイゴジョブ パートナース	Elderly care certification course カイゴジョブ アカデミー	Certification course information 三井物産
	Others	RAG for PT/OT/ST PT/OT 人材バンク PT/OT JINZAI BANK	RAG for care managers COB ケア人材バンク	Web community for care managers ケアマネドットコム		
Medical Care Career	RAG services	RAG for nurses NJB ナース人材バンク	RAG for dietitians EJB	RAG for radiological technologists HJB 放射線技師人材バンク	RAG for medical technologists KJB 検査技師人材バンク	RAG for clinical engineers MEJB 工学技士人材バンク
	Others	RAG for childcare workers HOJB 保育士人材バンク	RAG for Judo therapists etc. WILL ONE AGENT	Scholarship information portal 看護奨学金Navi	Web community for nurses and student nurses ナース専科	Information portal for hospital admin. managers じむコム
		RAD for nurses ナース専科 求人ナビ	RAD for newly-graduated nurses ナース専科 就職ナビ	National examination reference book for Judo therapists etc. 国試黒本	HR solution for hospitals SOL ソリューション	
		RAD for Judo therapists etc. 新たな人生の一歩に最高のノートを JOBNOTE	Chiropractic certification course WILL ONE ACADEMY			

*1. As of Mar. 2019

*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 RAG: Recruiting Agent

4 Business Portfolio – Kaipoke/Overseas/New Business

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

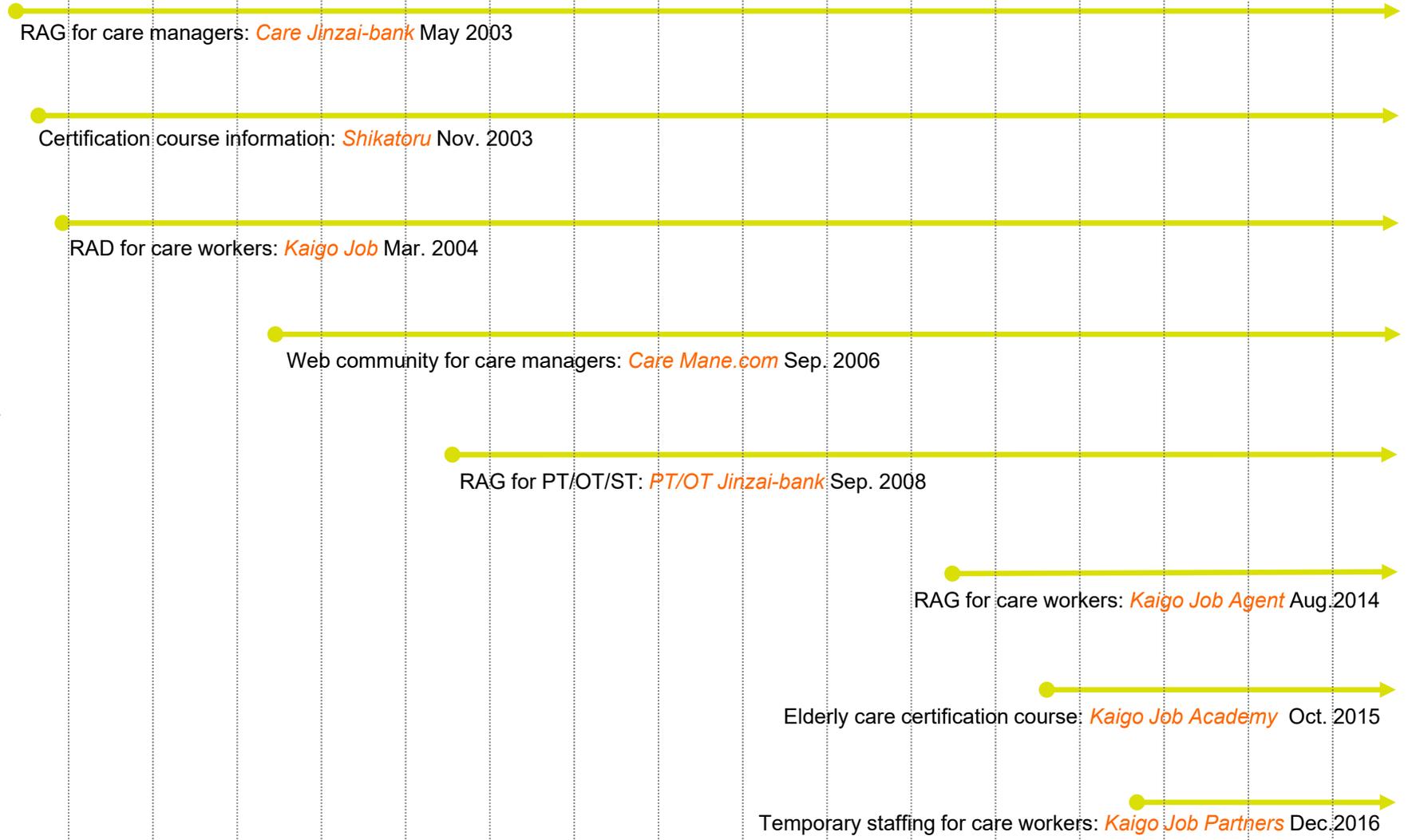
*1. Recruiting Agent

4 History of Service Launches 1/4



Elderly
Care
Career

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

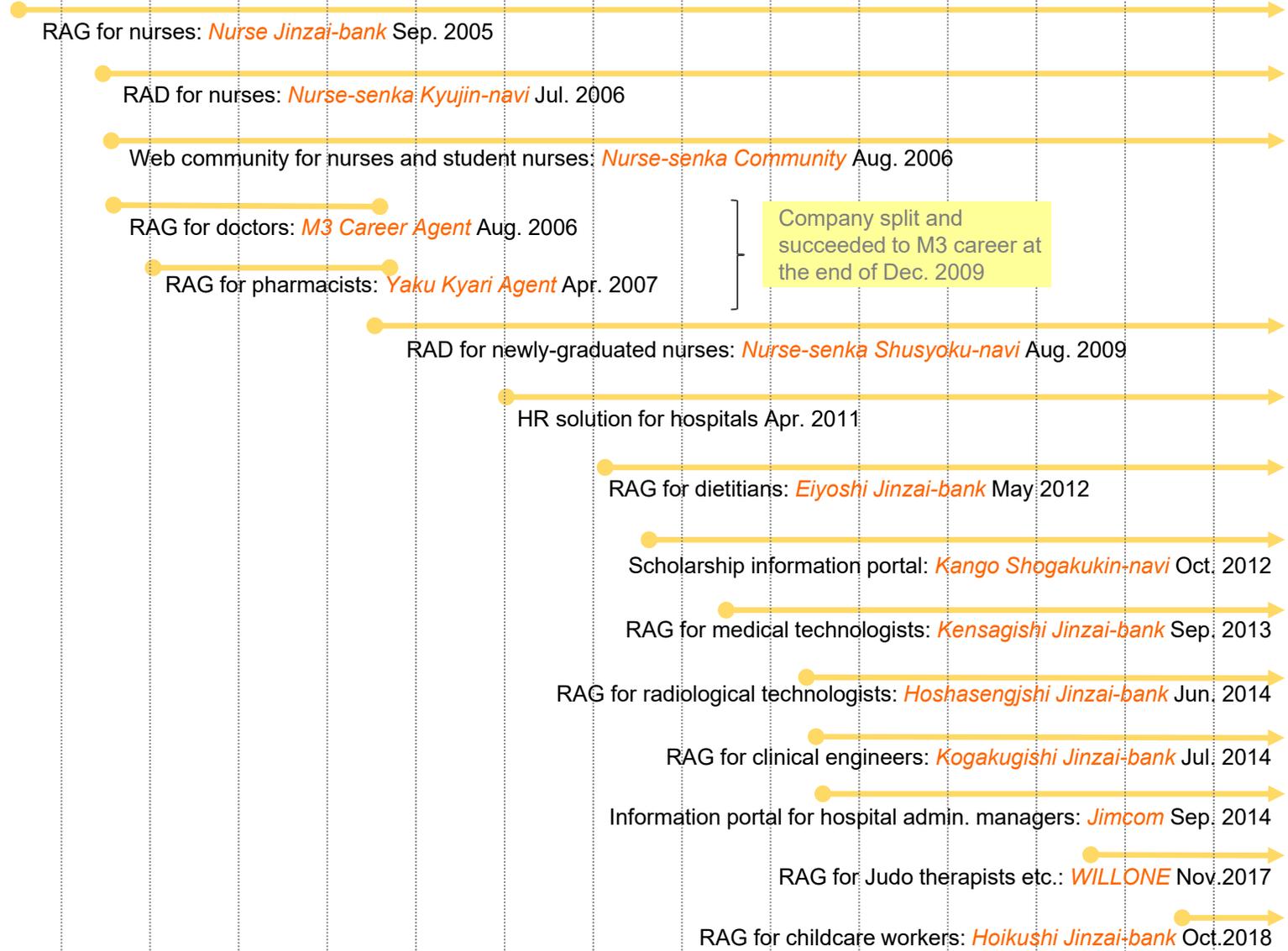


4 History of Service Launches 2/4



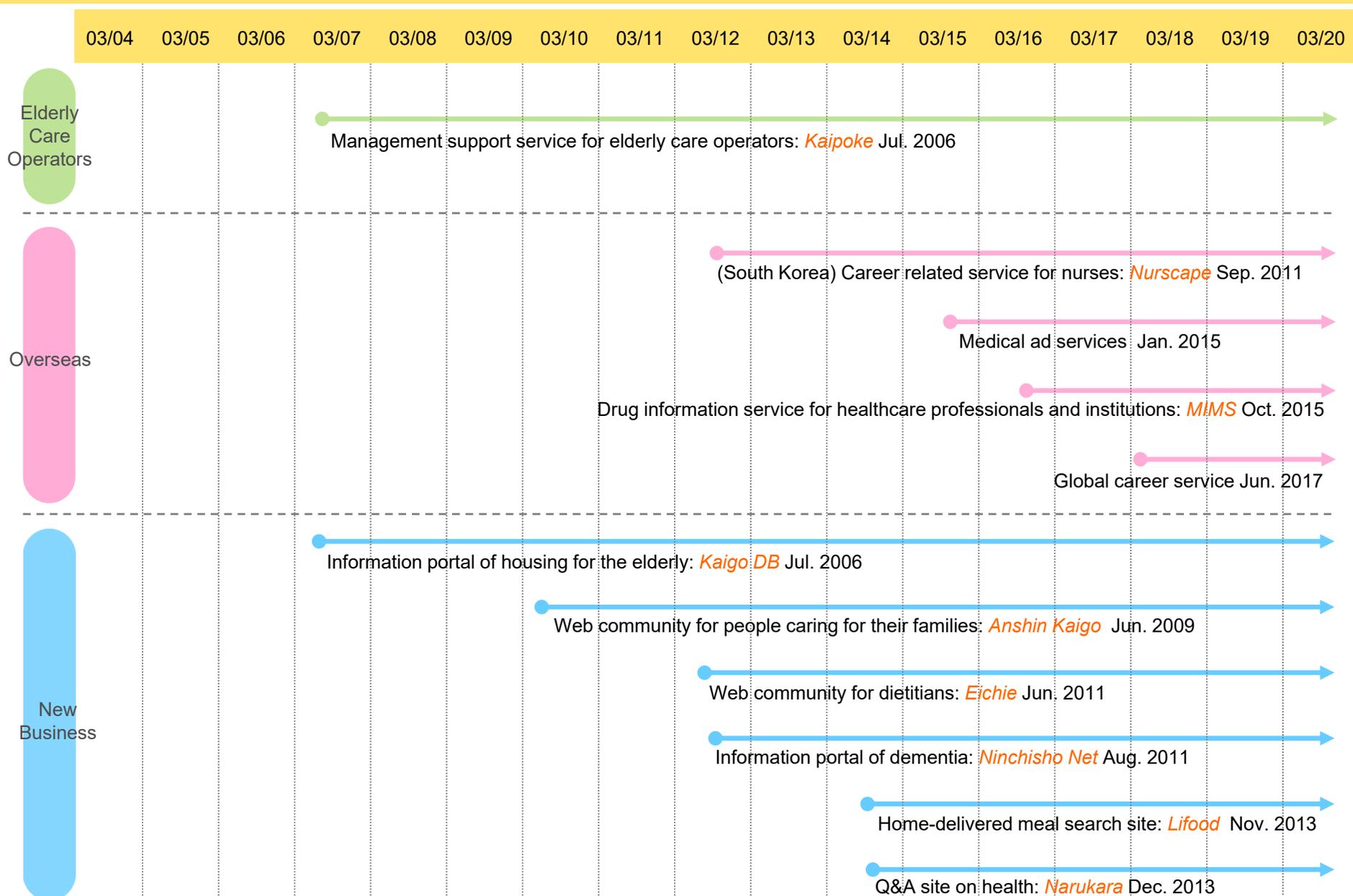
03/04 03/05 03/06 03/07 03/08 03/09 03/10 03/11 03/12 03/13 03/14 03/15 03/16 03/17 03/18 03/19 03/20

Medical
Care
Career



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

4 History of Service Launces 3/4



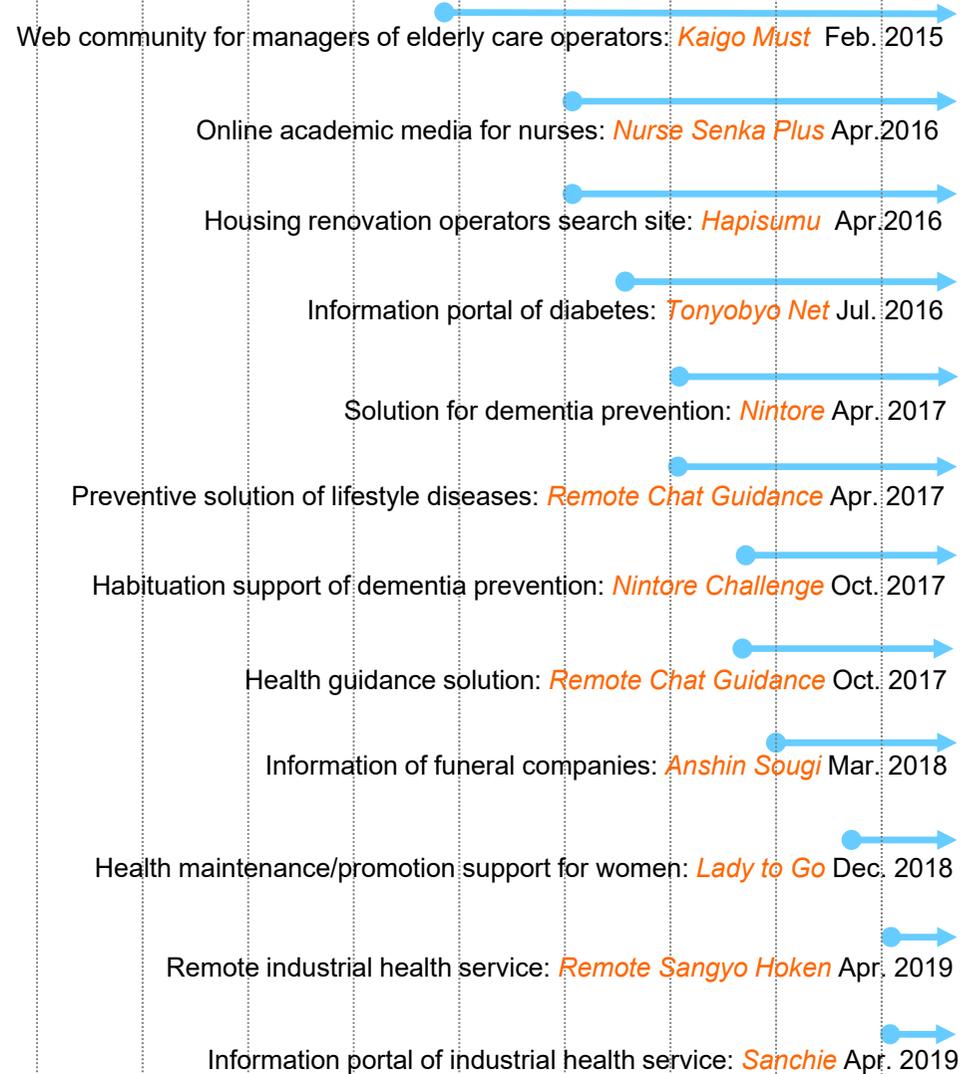
4 History of Service Launches 4/4



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

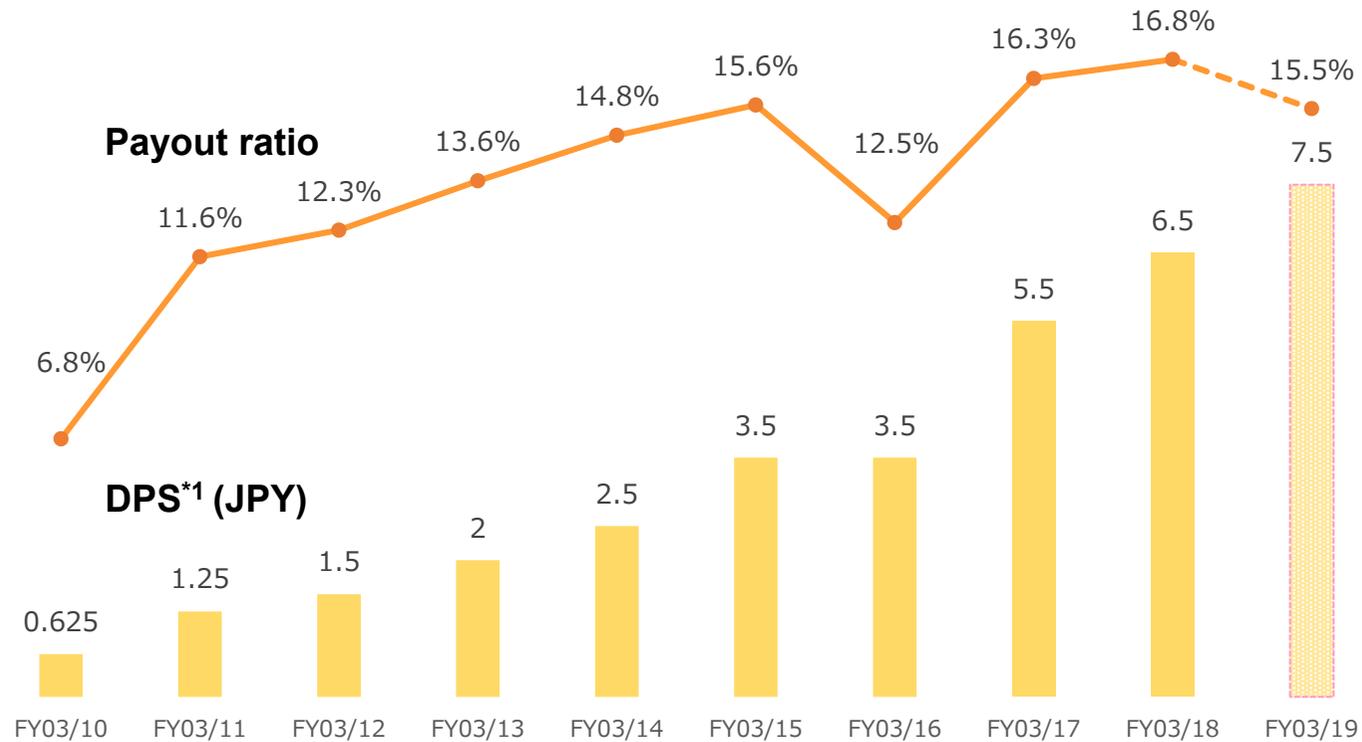


New Business



4 Dividends

✓ Plan to pay a dividend of JPY 7.5 per share.



4 Historical Financial Results



(JPY million)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
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
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
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
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
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
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
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
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
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
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
DPS*1 (JPY)	-	-	-	-	-	0.625	0.625	1.25	1.5	2	2.5	3.5	3.5	5.5	6.5	7.5
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
TSR*2 (%)	-	-	-	-	-	-	-	-	-	-	177.1	514.5	1,150.3	1,057.5	682.8	402.3

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

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

4 Number of Employees and Shareholder Composition

Number of Employees

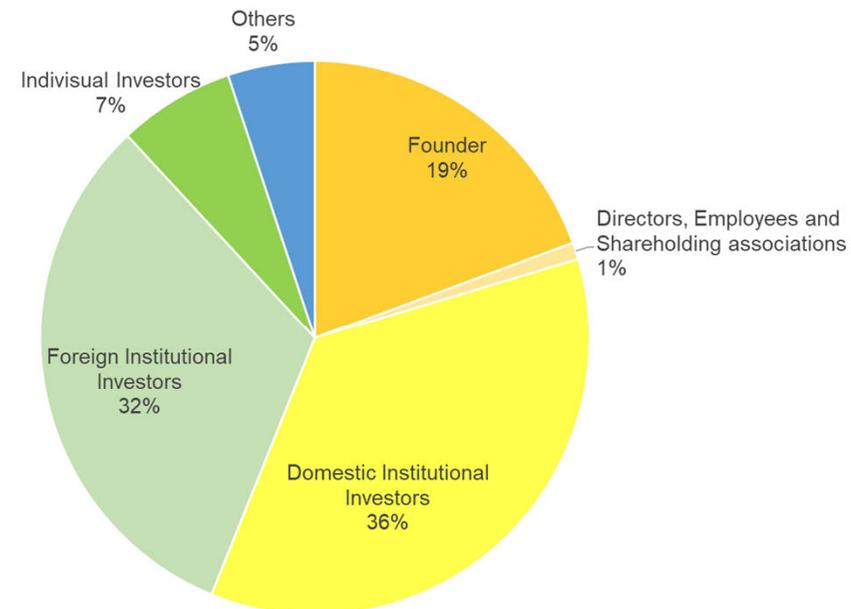
As of March 31, 2019:

Employees (consolidated)	2,438
Japan	1,742
Overseas	696

Shareholder Composition

As of March 31, 2019:

Number of shareholders
5,566



Cautionary Statement with Respect to Forward-Looking Statements



These materials contain forward-looking statements, including estimates, projections, and statements related to the business operations of SMS CO., LTD. (hereinafter, “the Company”) based on current expectations and assumptions in light of the information available to the Company as of March 31, 2019. 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/>

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