



# Summary of Our Views on “A Better SMS”

---

June 5, 2026

# Regarding the Disclosure of This Document

---

- On May 28, 2026, Oasis Management Company Ltd. ("Oasis") published presentation materials titled "A Better SMS" (the "Oasis Presentation") together with a dedicated website, in which **Oasis stated its opposition to the company-proposed resolutions for the election of Takahata Masaki ("CEO Takahata"), CEO & Representative Director, and Takagi Nobuko ("Outside Director Takagi"), Outside Director and Audit & Supervisory Committee Member.**
- The Oasis Presentation sets out views — including critical ones — regarding the history of dialogue with SMS, SMS's recognition of management challenges, and its policies for enhancing corporate value. **Since 2025, SMS has maintained ongoing dialogue with Oasis through meetings and letters.** The feedback received through this process has **deepened our understanding of our own management challenges and served as a catalyst to review and refine our corporate value enhancement initiatives**, and we regard this engagement as constructive.
- In addition, **the early publication in April of this year of our "Corporate Value Creation Roadmap" (the "Roadmap") enabled us to receive specific and timely feedback from investors, including Oasis.** SMS intends to take such feedback and concerns seriously and, where appropriate, reflect them in the development of our Medium-Term Management Plan and our consideration of corporate value enhancement initiatives going forward.
- At the same time, **the Oasis Presentation contains certain statements that are inconsistent with the facts as SMS understands them.** This document is therefore published with **the aim of providing our shareholders with a fuller understanding of SMS's position and views.**

# 目次

<b>01</b>	<b>Executive Summary</b>	<b>p.4</b>
<b>02</b>	<b>Dialogue with Oasis</b>	<b>p.9</b>
<b>03</b>	<b>Our Views on the Roadmap</b>	<b>p.12</b>
<b>04</b>	<b>Our Views on Oasis's Value Enhancement Proposals</b>	<b>p.16</b>
	<b>Appendix</b>	<b>p.19</b>

# 01 Executive Summary

# Executive Summary (1/4)

---

- **SMS has engaged in sincere and ongoing dialogue with investors, including Oasis, and has incorporated the feedback received into its corporate value enhancement initiatives.**
  - First, **since 2025, SMS has held 20 meetings with Oasis** and has arranged meetings with all director candidates. SMS will continue dialogue with Oasis and other investors going forward.
  - Second, through this dialogue, **the strategic direction that SMS and Oasis are pursuing is broadly aligned.** Across all areas — business portfolio transformation, strengthening of the SaaS and DR (Direct Recruiting) businesses, and enhancement of the management structure — SMS has translated the feedback received into concrete action.
  - Third, **SMS has substantially strengthened its governance framework.** In addition to appointing four new outside directors and welcoming a new CFO in August of this year, SMS plans to establish the Corporate Value Improvement Committee (the “CVIC”), through which it will continuously advance verification of the Roadmap and development of the Medium-Term Management Plan.
- **It is CEO Takahata and Outside Director Takagi who have led this series of transformations. A disruption in the continuity of both individuals at this critical juncture could, in fact, impede the realization of the very goal of corporate value enhancement that SMS and shareholders share.** The re-election of CEO Takahata and Outside Director Takagi is the rational conclusion for ensuring the continuity and steady execution of SMS's ongoing transformation.
- SMS has identified the required skills matrix and selected the most suitable director candidates to meet those requirements. **SMS respectfully asks shareholders for their support in electing all company-nominated director candidates, including CEO Takahata and Outside Director Takagi.**

# Executive Summary (2/4)

- Since February 2025, SMS's current and former management and employees have engaged in ongoing dialogue with Oasis through meetings and letters, discussing management challenges and the strategic direction we aim to pursue.
- We intend to continue our dialogue with Oasis and other investors going forward.

## Dialogue with Oasis (February 2025 – May 2026)

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>▪ Takahata, Current CEO &amp; Representative Director (up for re-election) : 7 times</li> <li>▪ Matsubayashi, Current Outside Director : 1 time</li> <li>▪ Takagi, Current Outside Director (up for re-election) : 1 time</li> <li>▪ Kawasaki, Outside Director Candidate (New) : 1 time</li> <li>▪ Ota, Outside Director Candidate (New) : 1 time</li> <li>▪ Yasuda, Outside Director Candidate (New) : 1 time</li> </ul> | <ul style="list-style-type: none"> <li>▪ Harada, Outside Director Candidate (New) : 1 time</li> <li>▪ Sonoda, Division Head*1 : 1 time</li> <li>▪ Yamamoto, Division Head*1 : 1 time</li> <li>▪ IR Department : 5 times</li> <li>▪ Exchange of Letters : 7 times</li> </ul> |
|---|---|

We have shared our understanding of the key challenges and the strategic direction we aim to pursue, maintaining constructive dialogue throughout.

1. For titles of Sonoda and Yamamoto, see p.26.

# Executive Summary (3/4)

- Under the new management structure, SMS developed the Roadmap incorporating insights gained through dialogue with Oasis and other investors, and has proactively driven the concretization of initiatives and the reconstitution of the board.
- Through this dialogue, the strategic direction that SMS and Oasis are pursuing is broadly aligned.

<p><b>Portfolio Transformation</b></p>	<ul style="list-style-type: none"> <li>▪ SMS has positioned the Overseas Business (MIMS) in the “Value Restructuring” category*<sup>1</sup>, clarifying a policy of evaluating all options without assuming continuation.</li> <li>▪ SMS has begun establishing a business evaluation framework and exit criteria, and has already decided to exit multiple overseas operations.</li> </ul>
<p><b>SaaS Business Enhancement</b></p>	<ul style="list-style-type: none"> <li>▪ SMS and Oasis have reached a shared understanding of Kaipoke's potential value and the need to expand its TAM.</li> <li>▪ SMS is actively pursuing pricing revisions toward appropriate levels, expansion into adjacent verticals such as SaaS for disability care field, and domain expansion through M&amp;A.</li> </ul>
<p><b>DR Business Strengthening</b></p>	<ul style="list-style-type: none"> <li>▪ Recognizing that investment in DR has been insufficient in the past, SMS has expanded headcount and development investment, reflecting this in its plans for significant business growth toward FY03/31.</li> </ul>
<p><b>Top Talent Recruitment</b></p>	<ul style="list-style-type: none"> <li>▪ Four new outside directors with the skills identified by Oasis as necessary (AI/data, SaaS, and capital market engagement) are nominated for election. A new CFO is scheduled to join in August of this year.</li> <li>▪ With Oasis's proposals serving as one catalyst, SMS plans to establish the CVIC to continuously review and advance value enhancement initiatives.</li> </ul>

1. "Value Restructuring" category: A category characterized by low growth and low profitability, in which business value and improvement potential are carefully assessed; where improvement is not anticipated, decisive action — including exit — will be taken.

# Executive Summary (4/4)

- **SMS will steadily advance decision-making on these initiatives through an objective process centered on the CVIC.**

Oasis's Claim	SMS's Understanding and Response
<ul style="list-style-type: none"> <li>▪ The Roadmap lacks clarity on KPIs and specific measures, raising concerns about its feasibility.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Roadmap has been developed on the basis of historical performance, specific initiatives, and their expected impact, and represents achievable targets.</li> <li>▪ While details on KPIs, business portfolio, and capital allocation have not yet been finalized, SMS will advance deliberations within the CVIC and communicate these to the capital markets going forward.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Despite the need to withdraw from the overseas business, SMS's announcement of "evaluating all options" suggests it remains wedded to underperforming operations.</li> </ul>	<ul style="list-style-type: none"> <li>▪ At the time the Roadmap was formulated, the Overseas Business (MIMS) had already been classified in the "Value Restructuring" category.*1 Within the CVIC, SMS will make a determination by the end of FY03/27 — including on whether to exit — and will respond decisively.</li> <li>▪ Precisely because CEO Takahata was directly involved in this business, we recognizes the need for objective decision-making informed by third-party perspectives, and intend to advance this determination through a transparent process in the CVIC.</li> </ul>
<ul style="list-style-type: none"> <li>▪ The CFO, as well as a CTO and CRO for the SaaS business, are absent.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SMS strongly recognizes the need for a dedicated CFO function during the current management transformation phase and the appointment of a CFO has been confirmed, with a start date of August of this year.</li> <li>▪ While SMS does not use the titles 'CTO' or 'CRO,' personnel fulfilling those functions in substance are already in place, leading the advancement of the SaaS business and product development.</li> <li>▪ To further strengthen its structure for corporate value enhancement, SMS will pursue collaboration with and utilization of external advisors.</li> </ul>

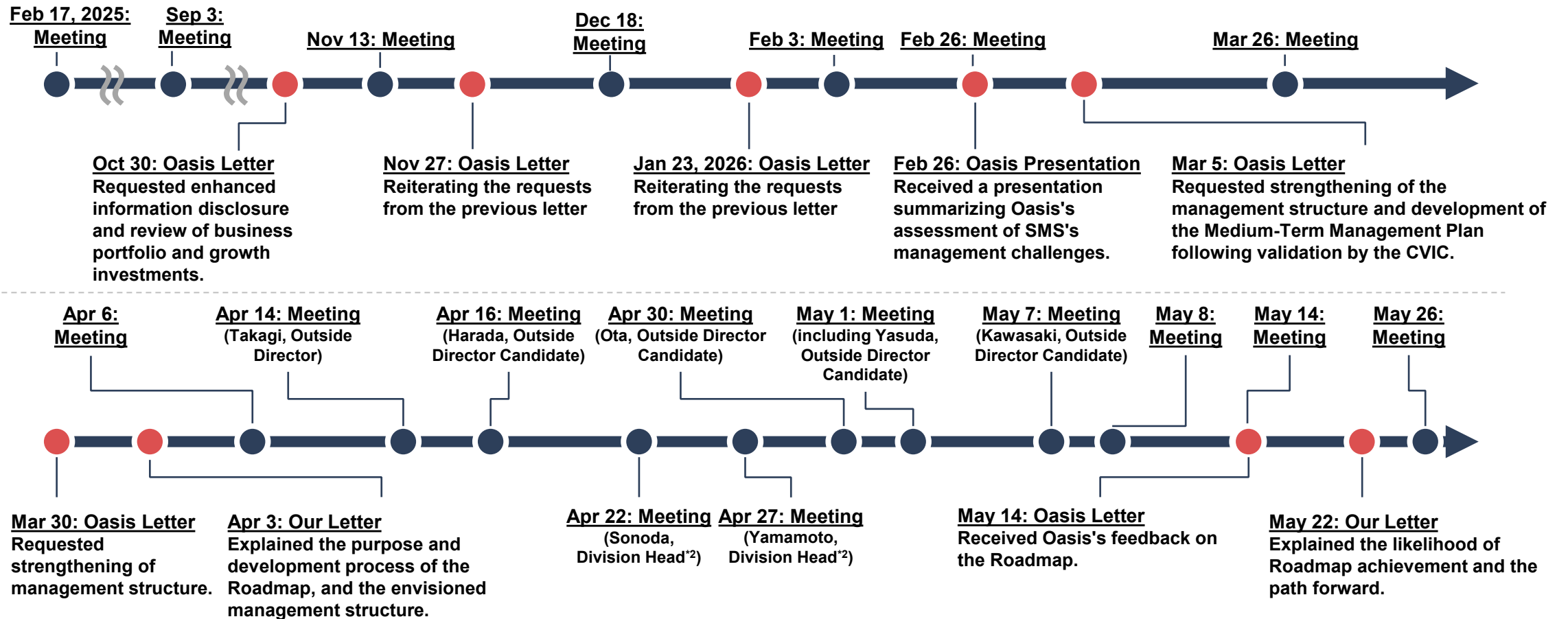
1. "Value Restructuring" category: A category characterized by low growth and low profitability, in which business value and improvement potential are carefully assessed; where improvement is not anticipated, decisive action — including exit — will be taken.

# 02 Dialogue with Oasis

# Dialogue with Oasis



Since 2025, SMS has maintained ongoing dialogue with Oasis through meetings and letters, covering topics including business portfolio, management initiatives, and board structure. Meetings have been arranged with all director candidates — both those standing for re-election and newly appointed — bringing the total number of meetings to 20.\*1



# Dialogue with Oasis Leading Up to the Roadmap Disclosure

- Through ongoing dialogue with Oasis, Oasis itself accepted the appropriateness of disclosing the Roadmap on April 28.
- In its April 14 communication, Oasis stated its intention to exercise its voting rights based on the disclosed Roadmap — there is therefore no basis for the claim that SMS proceeded to publish the Roadmap without heeding Oasis's recommendations.

- Takahata and Oasis met on April 6 to discuss the timing of the Roadmap disclosure.
  - Oasis indicated that disclosing the Roadmap on April 28 would be appropriate.

“

(Oasis)

*Is it possible to publish the Roadmap any earlier?*

(Takahata)

*As work remains to compile the materials in a clear and accessible format, the earliest possible date would be April 28.*

(Oasis)

*Understood. Since we are not in a position to evaluate the contents of the Roadmap in advance, we believe releasing the Roadmap on April 28 would be appropriate.*

(Apr 6, 2026 — Meeting) ”

- On Apr 14, the following email was received from Oasis:
  - At the June Annual General Meeting (AGM), Oasis has decided not to submit a shareholder proposal
  - Oasis will review the Roadmap to be announced on April 28 and exercise its voting rights accordingly

“

*Based on the series of discussions to date, Oasis has decided not to submit a shareholder proposal at the Annual General Meeting scheduled for June.*

*Instead, Oasis will carefully review the content of the Roadmap scheduled for release on April 28 and exercise its voting rights at the AGM based on that content.*

*We expect that our engagement to date will be meaningfully reflected in the Roadmap.*

*While we have communicated our intention not to submit a shareholder proposal at the June AGM, our view that SMS lacks the necessary internal and external resources to drive transformation remains unchanged. We will review the content of the Roadmap and determine our course of action accordingly.*

(Apr 14, 2026 — Email from Oasis) ”

# 03 **Our Views on the Roadmap**

# Background to the Formulation of the Roadmap

## Share Price and Financial Indicator Trends

- As noted in the Roadmap, our share price has been on a soft trajectory since reaching its all-time high since listing in November 2021 (see right).
  - Financial indicators (ROE and P/E ratio) are also at low levels compared to historical trends.

## Our Management Challenges

- We recognize that our subdued share price performance reflects management challenges, including insufficient business portfolio strategy, short-term-oriented investment decisions and over-concentration of capital in existing businesses, and inadequate utilization of technology and data.

## Recognition of Impairment Loss

- An impairment loss was recognized in the Overseas Business in FY03/26.
  - In the Medical Platform Business, the order environment for marketing support remained weak due to prolonged budget cuts by major pharmaceutical companies. For the Global Career Business, a partial revision of future plans was implemented in response to the deteriorating situation in the Middle East.

## Execution of Investments for Medium- to Long-Term Growth

- Due to investments for medium- to long-term growth, FY03/26 profit fell short of the initial plan. As growth investments will continue in FY03/27, the expansion of operating profit is expected to remain limited.

### Our "Corporate Value Creation Roadmap" (pp.7-8)

#### Our Stock Price Performance

- Since peaking in November 2021, our stock price has declined significantly and substantially underperformed the TOPIX.

Trends in our stock price and TOPIX over the past 5 years (Indexed to April 2021)

#### Trends in Financial Indicators

- ROE has declined to historically low levels, reflecting both margin compression in recent periods and the continued accumulation of shareholder equity.
- PER remains on a sustained downward trajectory, indicating persistent market undervaluation.

Our ROE and PER Trends<sup>1</sup>

Fiscal Year	ROE (%)	PER (x)
FY03/16	29.5%	38.5x
FY03/17	21.8%	41.8x
FY03/18	18.5%	58.6x
FY03/19	24.4%	41.2x
FY03/20	27.5%	38.3x
FY03/21	23.1%	61.3x
FY03/22	20.8%	54.7x
FY03/23	19.0%	43.5x
FY03/24	17.6%	31.2x
FY03/25	13.3%	15.9x

Taking into account our share price performance, the recognition of impairment losses, and the impact of growth investments on operating profit, we concluded it was necessary to present to the capital market at this time our recognition of management challenges, the measures to address them, and our vision including financial targets. We therefore formulated the Roadmap ahead of the medium-term management plan and disclosed it on the FY03/26 full-year earnings announcement date (April 28, 2026).

# Our View on Oasis's Key Strategic Concerns (1/2)

<b>Oasis's Claim</b>	<ul style="list-style-type: none"> <li>▪ The Roadmap lacks clarity on KPIs and specific measures, raising questions about its feasibility.</li> </ul>
<b>Our Understanding</b>	<ul style="list-style-type: none"> <li>▪ The Roadmap has been developed on the basis of historical performance, specific initiatives, and their expected impact, and represents achievable targets.</li> <li>▪ While the approach to external disclosure of KPIs, business portfolio, and capital allocation has yet to be finalized, SMS will explore communication methods that will be well-received by the capital markets.</li> </ul>
<b>Our Initiatives Going Forward</b>	<ul style="list-style-type: none"> <li>▪ Each working group (WG) within the CVIC will conduct objective verification and disclose its findings accordingly.             <ol style="list-style-type: none"> <li>1. Business Portfolio WG: Examine the differentiation and reallocation of capital and human resources between businesses to prioritize and those to restructure, with the aim of maximizing corporate value.</li> <li>2. Growth Strategy &amp; Productivity WG: Develop and execute a profit growth model leveraging AI, DR, and SaaS toward achievement of the Medium-Term Management Plan.</li> <li>3. Management Structure &amp; Governance WG: Build a management structure capable of executing all decision-making with objectivity and discipline.</li> <li>4. IR &amp; Capital Markets WG: Redesign capital efficiency, shareholder returns, and disclosure practices to rebuild investor evaluation frameworks and enhance corporate value assessment.</li> </ol> </li> </ul>
<b>Oasis's Claim</b>	<ul style="list-style-type: none"> <li>▪ Despite the need to withdraw from the overseas business, SMS's announcement of "evaluating all options" suggests it remains wedded to underperforming operations.</li> </ul>
<b>Our Understanding</b>	<ul style="list-style-type: none"> <li>▪ At the time the Roadmap was formulated, Overseas Business (MIMS) had already been classified in the "Value Restructuring" category<sup>*1</sup>.</li> <li>▪ Precisely because CEO Takahata was directly involved in this business, we recognize the need for objective decision-making informed by third-party perspectives, and intend to advance this determination through a transparent process in the CVIC.</li> </ul>
<b>Our Initiatives Going Forward</b>	<ul style="list-style-type: none"> <li>▪ Within the CVIC's Business Portfolio WG, a determination — including on whether to exit — will be made by the end of FY03/27, and we will respond decisively.</li> </ul>

1. "Value Restructuring" category: A category characterized by low growth and low profitability, in which business value and improvement potential are carefully assessed; where improvement is not anticipated, decisive action — including exit — will be taken.

# Our View on Oasis's Key Strategic Concerns (2/2)

<p><b>Oasis's Claim</b></p>	<ul style="list-style-type: none"> <li>▪ Absence of CFO: An indispensable position at this critical juncture of formulating the Growth Roadmap. Given the company's public commitment to cost-of-capital-conscious management and ROE maximization, the absence of a CFO is highly anomalous.</li> <li>▪ Absence of CTO/CRO: C-suite positions capable of overseeing the SaaS business — including adjacent verticals, not just Kaipoke itself — are essential. Given that Kaipoke has been undervalued, leadership talent capable of unlocking its latent potential is needed.</li> </ul>
<p><b>Our Understanding</b></p>	<ul style="list-style-type: none"> <li>▪ With a firm conviction that a dedicated CFO function is essential during the current management transformation phase, the appointment of a CFO has been confirmed, with a start date of August of this year.</li> <li>▪ While the titles "CTO" and "CRO" are not used, personnel fulfilling those functions in substance are already in place, leading the advancement of the SaaS business and product development.</li> <li>▪ At SMS, personnel at the Division Head level effectively perform C-suite-equivalent functions. The CRO role is fulfilled by the Division Head of each business unit, who serves as the revenue owner. For example, in the SaaS business, Sonoda — Division Head of the Elderly Care Management Support Business Division and Wellbeing Support Business Division, and Chief of the Business Development Office — is charged with driving the SaaS business, including Kaipoke and the disability care field, as well as expanding into adjacent verticals. For the CTO role, Tanabe — Division Head of the Product Promotion Division — leads the engineering organization and drives product development across businesses, with a focus on the Career and SaaS businesses.<sup>*1</sup></li> </ul>
<p><b>Our Initiatives Going Forward</b></p>	<ul style="list-style-type: none"> <li>▪ A CFO is scheduled to join in August of this year, enabling early establishment of the structure needed to realize the Roadmap and participation in the formulation of the Medium-Term Management Plan. The incoming CFO has over a decade of investment banking experience, followed most recently by serving in executive roles — including CSO, COO, and CFO — at two startup companies. At one of those companies, the incoming CFO led the IPO process, and brings extensive knowledge and hands-on experience in capital market dialogue, capital policy, M&amp;A, and related areas.</li> <li>▪ We will clarify the talent requirements necessary for future corporate value enhancement and pursue strategic talent acquisition. In particular, as the importance of AI, technology, and data utilization continues to grow, we recognize the need for individuals with deeper expertise capable of leading in these areas, and will work with external advisors to ensure appropriate talent placement.</li> </ul>

1. For details on individual leaders and divisional structure, see pp.26-28.

# **Our Views on Oasis's Value Enhancement Proposals**

# Oasis vs. SMS: Value Enhancement Measures

Orange text: Differences between Oasis's claims and SMS's position

Oasis's Proposed Value Enhancement Measures for SMS (From Oasis Presentation, p.98)	SMS's Value Enhancement Measures (From the Roadmap)
<p><b>Portfolio Transformation</b></p> <ul style="list-style-type: none"> <li>Exit from the Overseas Business</li> <li>Significant restructuring of new businesses and establishment of exit criteria</li> <li>Reallocation of management resources to the SaaS and DR businesses</li> </ul>	<ul style="list-style-type: none"> <li><b>Setting the business portfolio review as a key agenda item in the CVIC — including a decision on the Overseas Business regarding potential exit, with a conclusion by the end of FY03/27.</b></li> <li>Shifting investment focus toward AI products in career services and SaaS in the elderly care and disability care sectors</li> </ul>
<p><b>SaaS Business Enhancement</b></p> <ul style="list-style-type: none"> <li>Entry into the underpenetrated elderly care sector</li> <li>Accelerate growth through expansion into adjacent verticals</li> <li>Revise pricing strategy to improve ARPA</li> </ul>	<ul style="list-style-type: none"> <li>Expanding TAM through platformization of Kaipoke and expansion into the disability care segment</li> <li>Repricing toward appropriate levels already under consideration, including timing</li> <li>Evolving Kaipoke Connect, integrating AI, and implementing value-linked pricing strategies driven by network effects</li> </ul>
<p><b>DR Business Strengthening</b></p> <ul style="list-style-type: none"> <li>Accelerate expansion of the DR through growth investment</li> <li>Hire engineers to improve the platform and expand service offerings</li> <li>Expand job category coverage and increase the number of job listings</li> </ul>	<ul style="list-style-type: none"> <li>Pursuing a regional dominance strategy — concentrating management resources in select regions — to achieve steady market share expansion in the DR business</li> <li>Strengthening recruitment of engineers specialized in AI and data science, and reskilling existing development team members</li> </ul>
<p><b>Top Talent Recruitment</b></p> <ul style="list-style-type: none"> <li>Recruit CTO, CRO and CFO capable of driving corporate transformation</li> <li>CTO and CRO for the SaaS business to drive growth with Healthcare SaaS as SMS's core</li> <li>CFO to lead formulation of growth strategy and effective communication with the capital markets</li> </ul>	<ul style="list-style-type: none"> <li>CFO scheduled to join in August, and will subsequently serve as the central driver of capital market dialogue.</li> <li><b>Personnel who fulfill the role of driving Healthcare SaaS growth — a function referred to as CTO or CRO at other companies — are already in place internally, leading the advancement of the SaaS business and product development.</b></li> </ul>



The strategic direction that SMS and Oasis are pursuing is broadly aligned. At the same time, there are differences in the approach to implementation, and SMS will steadily advance decision-making on these initiatives through an objective process centered on the CVIC.

# Board Composition for Executing Value Enhancement Measures

- Sharing the same recognition of challenges as Oasis and other investors, and with a commitment to driving corporate value enhancement, SMS identified the required skills matrix and selected the most suitable director candidates to meet those requirements.
- To execute the "sweeping reform" necessary for SMS's corporate value enhancement — leveraging CEO Takahata's leadership in steering the organization and Outside Director Takagi's deep expertise in M&A oversight — the board composition proposed by SMS, including both individuals, is indispensable.

Diverse Board Nominees for Corporate Value Enhancement						
	Masaki Takahata	Nobuko Takagi	Tetsuro Harada (New)	Aiko Ota (New)	Makoto Yasuda (New)	Takeshi Kawasaki (New)
Position (Planned)	Representative Director and CEO	Outside Director (Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)	Outside Director	Outside Director
Key Recent Career History (Period)	<ul style="list-style-type: none"> <li>• MIMS Group, SMS Co., Ltd. CFO (2016–2021)</li> <li>• MIMS Group, SMS Co., Ltd. CEO (2021–2025)</li> <li>• SMS Co., Ltd. Director (2025–)</li> <li>• SMS Co., Ltd. Representative Director and CEO (2026–)</li> </ul>	<ul style="list-style-type: none"> <li>• COEING AND COMPANY Representative Director (2018–)</li> <li>• USS Co., Ltd. Outside Director (2018–2025)</li> <li>• SMS Co., Ltd. Outside Director (Audit &amp; Supervisory Committee Member) (2022–)</li> <li>• Kosé Holdings Outside Audit &amp; Supervisory Board Member (2024–)</li> </ul>	<ul style="list-style-type: none"> <li>• Dream Incubator Inc. Director (2018–2020)</li> <li>• Dream Incubator Inc. Representative Director (2020–2023)</li> <li>• Dream Incubator Inc. Board Chair (Audit &amp; Supervisory Committee Member) (2024–)</li> <li>• Mandom Corporation Outside Director (2024–2026)</li> <li>• Wacool Holdings Corp. Outside Director (2024–)</li> </ul>	<ul style="list-style-type: none"> <li>• Freshfields Bruckhaus Deringer LLP (2015–2017)</li> <li>• Nozomi Sogo Attorneys at Law (2017–)</li> <li>• Rajah &amp; Tann Singapore LLP Secondment (2020–2022)</li> <li>• Nozomi Sogo Attorneys at Law Partner (2025–)</li> </ul>	<ul style="list-style-type: none"> <li>• BrainPad Inc. (2004–2011)</li> <li>• BrainPad Inc. Director (2011–2021)</li> <li>• Seedim Representative Director (2021–)</li> <li>• Neairy Inc. (2022–)</li> </ul>	<ul style="list-style-type: none"> <li>• Regional Economy Vitalization Corporation of Japan (2014–2020)</li> <li>• Lifenet Insurance Company Executive Officer (2022–2024)</li> <li>• Lifenet Insurance Company Senior Executive Officer (2024–2025)</li> <li>• Lifenet Insurance Company Deputy President and CFO (2025–)</li> </ul>
Key Skills	<ul style="list-style-type: none"> <li>• Has led group-wide corporate planning since joining SMS</li> <li>• Contributed to the growth of overseas operations as CFO and CEO of the MIMS Group</li> </ul>	<ul style="list-style-type: none"> <li>• Certified Public Accountant with experience in M&amp;A advisory and corporate strategy development</li> <li>• Extensive experience as an outside director at listed companies</li> </ul>	<ul style="list-style-type: none"> <li>• Extensive experience as a corporate executive and outside director at listed companies</li> <li>• Extensive knowledge of business portfolio and strengthening capital market communications</li> </ul>	<ul style="list-style-type: none"> <li>• Experience in international corporate law</li> <li>• Practical experience in Singapore, where the Company has overseas operations</li> </ul>	<ul style="list-style-type: none"> <li>• As a founding member of BrainPad, led the data analytics business centered on statistical analysis and machine learning, as well as the SaaS product division</li> </ul>	<ul style="list-style-type: none"> <li>• Practical experience and broad insight in capital policy and capital market dialogue as a corporate executive at a listed company</li> </ul>

A Well-Balanced Board with These Nominees							
	Masaki Takahata	Nobuko Takagi	Tetsuro Harada (New)	Aiko Ota (New)	Makoto Yasuda (New)	Takeshi Kawasaki (New)	Reasons for Selection
Management	○		○		○	○	To effectively supervise the execution of duties by management toward the formulation of the medium-term management plan, it is meaningful for Directors themselves to have experience in corporate management.
Business Expertise	○	○	○		○	○	To realize "overwhelming medium- to long-term growth," it is important to have an overview of our entire business domains and insight into the business environment, market characteristics, and future outlook of each area.
International Experience	○	○		○			For appropriate advice and oversight of our overseas operations, which are active in many countries primarily in APAC, it is desirable to have knowledge based on overseas experience.
Legal / Risk Management			○	○			The market related to an aging society, our business domain, expands year by year, with the volume of related information growing rapidly and becoming increasingly complex. It is essential to recognize and manage risks in such a business environment.
Accounting / Finance / M&A	○	○	○			○	Business monitoring based on business portfolio strategy, execution of growth investments and new business creation utilizing M&A and business alliances, and the ability to formulate capital policy and make sophisticated investment decisions are required.
IT / DX	○				○		To leverage our vast accumulated data for business model expansion and building a competitive moat, it is necessary to incorporate advanced technology into our management strategy in a timely and appropriate manner.
Sustainability	○	○		○		○	For SMS, whose mission is to address social challenges in an aging society, a deep understanding and practice of sustainability is essential to achieving both business growth and the realization of a sustainable society.

Based on the knowledge and experience of the Director candidates above, we will formulate the medium-term management plan and execute reforms without exceptions (no sacred cows).

# Appendix

# **Appendix A: Key Discussion Points in Dialogue with Oasis**

# Key Discussion Points in Dialogue with Oasis (1/3)

- Regarding the Roadmap and board composition, SMS engaged in ongoing discussions with Oasis through meetings and written correspondence.

	Roadmap		Board Composition	
	Oasis's Claim	SMS's Claim	Oasis's Claim	SMS's Claim
<b>Mar 5, 2026: Oasis Letter</b>	<ul style="list-style-type: none"> <li>▪ Rather than disclosing the Roadmap at the time of the earnings announcement (April 2026), a truly effective plan should be formulated after undergoing a comprehensive review by the CVIC.</li> </ul>		<ul style="list-style-type: none"> <li>▪ Multiple Outside Directors with expertise in business portfolio strategy, capital policy and M&amp;A, technology, and the healthcare sector should be appointed.</li> <li>▪ Oasis requests the opportunity to meet with candidates selected by the company in order to assess their suitability.</li> </ul>	
<b>Mar 26, 2026: Meeting</b>		<ul style="list-style-type: none"> <li>▪ Investment is needed to achieve medium- to long-term growth, and given the potential impact on financial performance, failing to present a future growth vision through the Roadmap could ultimately be detrimental to shareholder value.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The board composition should be reconsidered. It is necessary to select director candidates with the optimal expertise and qualifications. Alternatively, Oasis may submit a shareholder proposal to nominate new director candidates and seek shareholder judgment.</li> </ul>	
<b>Mar 30, 2026: Oasis Letter</b>	<ul style="list-style-type: none"> <li>▪ Through the previous meeting, it became clear that SMS remains committed to announcing the growth roadmap as planned on April 28. What SMS needs today is not a hastily prepared growth roadmap, but a credible and executable management plan developed under a strengthened governance and leadership structure, aimed at maximizing corporate value.</li> </ul>		<ul style="list-style-type: none"> <li>▪ A complete overhaul of the board is essential; Oasis recommends the election of director candidates nominated by Oasis and is prepared to support SMS in the selection of board candidates.</li> <li>▪ If the above is not accepted, Oasis intends to propose its own board director candidates at the next AGM and seek the removal of incumbent directors.</li> </ul>	

# Key Discussion Points in Dialogue with Oasis (2/3)

- SMS demonstrated its willingness to discuss the content of the Roadmap with Oasis and consult with Oasis regarding director candidates.

	Roadmap		Board Composition	
	Oasis's Claim	SMS's Claim	Oasis's Claim	SMS's Claim
<b>Apr 3, 2026: SMS Letter</b>		<ul style="list-style-type: none"> <li>▪ SMS provided an explanation of the purpose of the Roadmap and the process by which it has been developed to date.</li> <li>▪ From the perspective of communicating CEO Takahata's management direction promptly following his appointment, SMS believes it is necessary to disclose the Roadmap on April 28. SMS also plans to simultaneously disclose the establishment of the CVIC as proposed by Oasis.</li> <li>▪ <u>SMS wishes to present the contents of the Roadmap to Oasis, discuss whether the Roadmap carries any risk of being detrimental to corporate value, and then make a final determination on whether to proceed with publication on April 28.</u></li> </ul>		<ul style="list-style-type: none"> <li>▪ SMS provided an explanation of its current thinking on board composition and director candidates.</li> <li>▪ <u>In response to Oasis's request, SMS will arrange meetings between Oasis and the director candidates.</u></li> <li>▪ <u>If Oasis nominates director candidates, SMS wishes to receive an explanation of their qualifications and expertise before entering into discussions with Oasis.</u></li> </ul>
<b>Apr 6, 2026: Meeting</b>	<ul style="list-style-type: none"> <li>▪ <u>Since Oasis is not in a position to evaluate the contents of the Roadmap in advance, Oasis believes releasing the Roadmap on April 28 would be appropriate.</u></li> </ul>	<ul style="list-style-type: none"> <li>▪ SMS explained the concept and basic structure of the Roadmap.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Oasis will consider director candidates taking into account the shareholder proposal deadline.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SMS explained the director candidates and the selection status.</li> <li>▪ SMS expressed its wish to engage in concrete discussions regarding any candidates recommended by Oasis.</li> </ul>

# Key Discussion Points in Dialogue with Oasis (3/3)

- SMS recognized that Oasis had expressed understanding, in our meetings, of SMS's plan to disclose the Roadmap on April 28. However, the Oasis Presentation shows a critical view of that disclosure.

	Roadmap		Board Composition	
	Oasis's Claim	SMS's Claim	Oasis's Claim	SMS's Claim
<b>Apr 14, 2026: Oasis Email</b>	<ul style="list-style-type: none"> <li>▪ Oasis has decided not to submit a shareholder proposal at the AGM in June. Instead, Oasis will carefully review the content of the Roadmap scheduled for release on April 28 and exercise its voting rights at the AGM based on that content.</li> <li>▪ Oasis will review the content of the Roadmap and determine its course of action accordingly.</li> </ul>		<ul style="list-style-type: none"> <li>▪ Oasis has decided not to submit a shareholder proposal at the AGM in June. Instead, Oasis will carefully review the content of the Roadmap scheduled for release on April 28 and exercise its voting rights at the AGM based on that content.</li> <li>▪ Oasis will review the content of the Roadmap and determine its course of action accordingly.</li> </ul>	<p>SMS continued to arrange meetings between Oasis and SMS's director candidates.</p>
<b>May 1, 2026: Meeting</b>	<ul style="list-style-type: none"> <li>▪ Oasis raised questions regarding the initiatives and figures in the Roadmap disclosed on April 28.</li> </ul>			
<b>May 8, 2026: Meeting</b>	<ul style="list-style-type: none"> <li>▪ Oasis continued to ask questions about the Roadmap's initiatives and figures.</li> <li>▪ Citing the decline in SMS's share price following the Roadmap disclosure and analyst downgrades, Oasis sharply criticized the content of the Roadmap and the process by which it was developed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SMS conveyed its understanding that, through repeated dialogue with Oasis, an agreement had been reached to disclose the Roadmap on April 28.</li> </ul>	<ul style="list-style-type: none"> <li>▪ While still under consideration, Oasis indicated its intention to oppose the election of multiple director candidates.</li> </ul>	
<b>May 14, 2026: Meeting</b>	<ul style="list-style-type: none"> <li>▪ <u>Oasis denied having agreed to the April 28 Roadmap disclosure.</u></li> <li>▪ Oasis continued to strongly criticize the content of the Roadmap.</li> </ul>		<ul style="list-style-type: none"> <li>▪ Oasis stated that CEO Takahata is not the right person for the role and that it intends to oppose his reappointment.</li> </ul>	

# **Appendix B: SMS's Management Structure**

# Rationale for Appointing Takahata and Key Initiatives

- Takahata, who assumed the role of Representative Director and CEO in January 2026, has experience managing a complex business group.
- He has deepened his understanding of the Company's business structure and capital markets, and is executing management measures, including the formulation of the Roadmap, with speed.

<p><b>CEO Qualifications</b></p>	<ul style="list-style-type: none"> <li>▪ Takahata served as CEO of MIMS (the Company's overseas operations) from 2021 to 2025, managing a complex business group spanning 17 countries and regions, operating five businesses, and comprising over 30 subsidiaries.</li> <li>▪ The role of CEO at SMS requires the ability to optimize the business portfolio while driving corporate value. Takahata's expertise in managing complex organizations with balance is deemed essential to our growth. <ul style="list-style-type: none"> <li>— Objective approach to overseas business continuation decisions, despite having personally led all overseas operations.</li> <li>— It would be difficult to recruit externally a CEO who deeply understands our current complex business structure and can engage in candid, rigorous discussions with the heads of each business.</li> </ul> </li> </ul>
<p><b>Post-Appointment Initiatives</b></p>	<p><u>Management and business execution</u></p> <ul style="list-style-type: none"> <li>▪ Since July 2025, following his appointment as Director, Takahata has collaborated with Corporate Planning and business division heads on the deliberation and review of the Roadmap. Through internal information gathering and dialogue with shareholders and investors, he deepened his understanding of our complex business structure and capital markets, culminating in the April 28 disclosure of the overall strategic direction.</li> <li>▪ He has also been implementing the following management measures (including measures in the Roadmap) with speed: <ul style="list-style-type: none"> <li>— Establishing the business portfolio strategy and processes for business evaluation and continuation decisions (multiple businesses have already been exited,<sup>*1</sup> with further exits under consideration)</li> <li>— Strategy formulation and execution of necessary investments aimed at leveraging technology and data</li> <li>— Building a framework for M&amp;A evaluation and promotion</li> <li>— Promoting proactive disclosure, including the commencement of segment-based disclosure from FY03/27</li> </ul> </li> </ul> <p><u>Governance</u></p> <ul style="list-style-type: none"> <li>▪ Through Board deliberations including Takahata, it was decided to revamp the Board composition and strengthen governance through the establishment of the CVIC. <ul style="list-style-type: none"> <li>— Regarding Board composition, four new outside director candidates with skills essential for enhancing corporate value have been appropriately selected through consultation with and recommendation by the Nomination and Remuneration Advisory Committee.</li> </ul> </li> </ul>

1. For businesses where the decision to exit has already been made, please refer to Q7 in the accompanying "Frequently Asked Questions on the Corporate Value Creation Roadmap."

# Profiles and Key Initiatives: Tanabe & Sonoda

## Head of Product Promotion Division (equivalent to CTO)



Beginning his career as an engineer in 2001, he gained extensive experience at an AIG Group life insurance company, where he contributed to a major system integration project for three insurers, the development of a mobile service with 2 billion monthly PVs, and the launch of an e-commerce joint venture. In 2011, he joined DeNA Co., Ltd., where he established the development infrastructure team, drove development efficiency through CI (Continuous Integration) implementation, and launched a genetic testing service. Joining SMS in 2015 as Engineering Lead, he spearheaded the shift to in-house development, product modernization, and organizational growth. After serving as Chief of the Technology Promotion Office and General Manager of the Product Development Department, he currently leads the company's product development as Head of the Product Promotion Division.

### Head, Product Promotion Division Sunao Tanabe

#### Role and Key Initiatives at SMS

- Joined SMS in 2015 as head of the technology function. Set a goal of transforming the company so that technology is integrated into business strategy and drives business growth through its utilization. Led the in-housing of the development organization and formulated a product replacement plan.
- 2017: Cloud migration of Kaipoke
- 2019: Replacement of Kaigojob (currently, Wellme-Job)
- 2025: Commenced review of the next-generation business model for RAG and DR
- 2025: Released Kaipoke Connect, the next-generation elderly care management software.

## Head of Elderly Care Management Support Business Division and Well-being Support Division (equivalent to CRO for Kaipoke and Disability Care SaaS)



After graduating from the University of Tokyo with a degree in Law in 2009, he built an extensive background in business management and new business development at an IT startup and within the M3 Group. He joined SMS in 2017, where he oversaw overseas operations and post-merger integration (PMI). After a period of pursuing his own entrepreneurial ventures, he rejoined SMS in 2020. In 2022, he was appointed as Head of the Elderly Care and Disability Welfare Management Support Business. In 2024, he spearheaded the establishment of SMS Welfare Technology Co., Ltd. to lead the vertical launch of its SaaS platform for the disability welfare field, serving as its Representative Director. Since April 2025, he has concurrently served as Head of the Healthcare Business (currently Well-being Support Business) and Chief of the Business Development Office. He also contributes to the industry as a Director of the Japan Day Service Association.

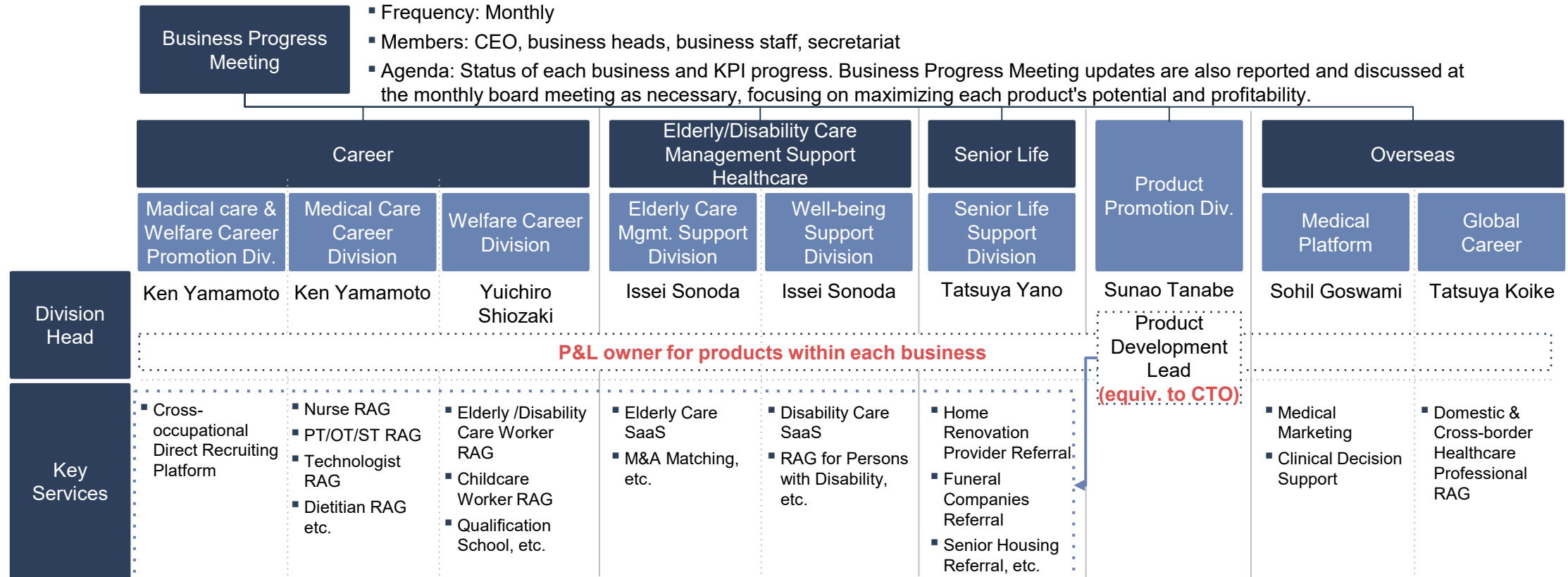
### Head, Elderly Care Management Support Business Division / Well-being Support Business Division Chief, Business Development Office Issei Sonoda

#### Role and Key Initiatives at SMS

- Joined SMS in 2020. From 2022, served as head of the overall SaaS business, delivering average annual EBITDA growth of +20%.
- By 2024, launched a disability care SaaS business through M&A and exited multiple businesses, driving TAM expansion and business portfolio transformation.
- From 2025, also took on responsibility for company-wide business development including M&A of SaaS business, leading the SaaS domain expansion and evolution into a technology business as set out in the Roadmap.

# Business Division Structure at SMS

- While we do not use the CXO title, each Division Head performs duties equivalent to C-Suite executives.



**A product development lead (the Head of Product Promotion Division) fulfilling the CTO role is already in place. The dual structure of the Business Progress Meeting and Division Heads (product P&L owners) ensures an agile operational setup and clear accountability for profit maximization — the CRO function is effectively embedded in this structure.**

# Experienced Leaders Across Each Business Area, Under the Product Development Lead

---

- **A strong product development leadership team — comprising leaders from major web companies and individuals with C-suite experience — is driving the digital strategy.**

## **Tech Lead for RAG (Recruiting Agent) Business**

### **Kenji Suzuki**

After managing infrastructure at DeNA, he gained broad hands-on experience at a healthcare venture spanning web development to organizational design, leading the entire development organization as VPoE (Vice President of Engineering). At SMS, he leads the management of the product development organization for the RAG business.

## **Tech Lead for DR Business**

### **Yoshinobu Toyohama**

At Yahoo Japan (now:LINE Yahoo), he served as Division Head overseeing systems for media services and on the CTO Board. He held engineer and development lead roles at Recruit Lifestyle (now Recruit), Gurunavi, and other companies. At Dip, he served as Executive Officer and CTO, as well as Head of the CTO Office within the Product Development Division. At SMS, he serves as EM (Engineering Manager) and PdM (Product Manager) for the DR business. Also serves as a technical advisor to startups.

## **Tech Lead for Hiring and Organizational Development Support**

### **Tadashi Furukaya**

He started his career with carrier-facing development at a system integrator, then spent 12 years at M3 in a wide range of roles from web development to management and IT due diligence, followed by experience as VPoE at a venture company. At SMS, he serves as EM and hiring promotion lead.

## **Tech Lead for Global Product / Cross-Product**

### **Director, SMS Welfare Technology Co., Ltd.**

### **Makoto Miura**

At Hatena, he led the renewal of 'Hatena Bookmark' and new service development; at an education venture, he overhauled the analytics platform and handled product management and international expansion. At SMS, he leads product strategy as architect for Kaipoke Connect, the next-generation elderly care management software, and the DR/RAG businesses, and also serves as Chief of the Global Product Strategy Office.

## **Tech Lead for Senior Life Business**

### **Takahiro Oishi**

At DeNA, he served as one of the leads in launching Pochocha, contributing consistently from launch through international expansion and scaled operations. Continuously drove architecture improvements, API performance enhancements, and technical debt management with the aim of scalability. At SMS, he leads cross-product development and operations in the Senior Life business.

# **Appendix C: Feasibility of the Roadmap**

# Feasibility of the Roadmap (1/5)

- The Oasis presentation claims that the Roadmap is fundamentally flawed and amounts to nothing more than 'an unrealistic pipe dream.' However, the Roadmap was developed through rigorous internal deliberation and sets targets that SMS believes are fully achievable.

Topic	Claims in the Oasis Presentation	Our Response (Roadmap assumptions, etc.)
Performance Targets (Oasis Presentation (same below) pp.50, 51, 57, 66)	<ul style="list-style-type: none"> <li>▪ The numerical targets in the Roadmap require revenue and EBITDA growth rates that exceed historical levels — an aggressive set of targets that lacks credibility.               <ul style="list-style-type: none"> <li>— Only end-point figures for FY03/31 are provided for the Career and Elderly/Disability Care Management Support segments, with no underlying assumptions disclosed to support the numerical targets.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ The numerical targets in the Roadmap were developed through a bottom-up process in which each business head built up projections based on market conditions and key KPIs, with repeated deliberation by the Board of Directors; the targets are not without underlying assumptions. At the same time, SMS recognizes that further verification of the validity and feasibility of assumptions is needed, particularly in higher-uncertainty areas such as the Overseas and other business segments.               <ul style="list-style-type: none"> <li>— Accordingly, SMS will advance verification of the assumptions and feasibility through the CVIC, ensuring third-party objectivity. Full details including key KPIs and assumptions will be disclosed in the Medium-Term Management Plan scheduled for release in April 2027.</li> </ul> </li> </ul>
Career Business (p.52)	<ul style="list-style-type: none"> <li>▪ There is an inherent contradiction in simultaneously projecting growth through a low-unit-price model while also assuming unit price increases.               <ul style="list-style-type: none"> <li>— SMS's projected sharp increase in market share (20%→30%) and roughly doubling of revenue requires simultaneously achieving substantial volume growth and a significant increase in unit prices. However, Direct Recruiting (DR), which drives much of the anticipated growth, is not labor-intensive and thus benefits from economies of scale, but its per-unit price would be lower compared to the Recruiting Agent (RAG) business.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ The FY03/31 market share figure is calculated on the assumption that the market grows at a mid-single-digit annual rate. On that basis, the projected doubling of Career Business revenue by FY03/31 is achieved by combining the growth of two fundamentally different models..               <ul style="list-style-type: none"> <li>— Under the RAG model (high unit price / selective expansion), the plan is to steadily grow the number of placements while maintaining the existing high-unit-price structure, driven primarily by a gradual increase in average placement fees in line with rising income levels among healthcare professionals, combined with CP headcount growth supported by productivity improvements.</li> <li>— The DR model (low unit price / volume expansion) is designed to reach job seekers and employers that traditional RAG has been unable to serve. While the per-transaction fee is lower than in the RAG model, the margin structure improves through SEO gains driven by increased job listings, higher lead generation efficiency, and improved application rates from better-quality job content. The plan is to close the gap with competitors incrementally through broader occupational coverage and a growing number of listed positions.</li> </ul> </li> <li>▪ The doubling of revenue represents the combined output of these two models, and there is no assumption that "the high-unit-price model will shift to a lower-price structure." RAG and DR are not cannibalistic — they are complementary, addressing distinct needs among job seekers and employers.               <ul style="list-style-type: none"> <li>— As DR accounts for a larger share of revenue, the blended average unit price will decline. This is not a contradiction — rather, it reflects a structure in which reaching more employers and job seekers through DR, in addition to RAG services, increases the total number of people supported in career transitions and drives market share from 20% to 30%.</li> </ul> </li> </ul>

# Feasibility of the Roadmap (2/5)

Topic	Claims in the Oasis Presentation	Our Response (Roadmap assumptions, etc.)
<p>Career Business (p.62)</p>	<ul style="list-style-type: none"> <li>▪ Despite acknowledging the challenges inherent in the "labor-intensive" model, SMS is planning to aggressively hire Career Partners (CPs) this fiscal year.               <ul style="list-style-type: none"> <li>— SMS is also planning further increases in advertising expenses that are already at significantly elevated levels, making it clear that the company has yet to break free from the "labor-intensive" model.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ "Breaking free from the labor-intensive model" is a medium-to-long-term objective, and the near-term increase in CP headcount and advertising spend is not inconsistent with this direction — these are initiatives operating on different time horizons.</li> <li>▪ In the RAG business, human involvement remains essential at this stage for building trust with job seekers, understanding nuanced needs, and making complex matching judgments. While the plan calls for leveraging AI to improve efficiency in these areas over the medium to long term, improving AI accuracy requires time and the accumulation of training data, and business growth cannot be put on hold in the meantime.</li> <li>▪ The decision to increase CP headcount was made based on the following two considerations:               <ol style="list-style-type: none"> <li>1. <u>Capturing growth opportunities in the childcare and elderly care/disability care sectors</u> <ul style="list-style-type: none"> <li>— In these segments, given market growth trends and SMS's competitive positioning, expanding CP headcount translates directly to revenue and profit growth. Since newly hired CPs typically reach full productivity in approximately nine months, the temporary cost increase in FY03/27 is expected to convert into profit contribution from FY03/28 onward. Additionally, productivity improvements through AI and other initiatives are expected to keep per-CP revenue for the full year of FY03/27 at the same level as the prior year.</li> </ul> </li> <li>2. <u>Building a data foundation to support the transition to AI</u> <ul style="list-style-type: none"> <li>— Accumulating data on the behaviors and needs of both job seekers and employers, as well as non-public workplace information, is a prerequisite for improving matching accuracy and enabling a future model transition. Obtaining this depth of information requires human-mediated communication, and this is where the capabilities of CPs will be leveraged.</li> </ul> </li> </ol> </li> <li>▪ Regarding advertising expenses: due to the structural characteristics of the RAG business, the cost per job seeker acquired tends to rise gradually as the business scales. SMS will address this through two levers: (1) improving advertising investment efficiency by raising the placement success rate, and (2) reducing acquisition costs by encouraging simultaneous registration in DR and RAG, and by strengthening SEO. Through these initiatives, the ratio of advertising expenses to revenue is expected to decline gradually from FY03/29 onward.</li> <li>▪ In light of the above, the current investments represent "necessary investment during a transitional period toward a new model" rather than "a return to the labor-intensive model." SMS believes that combining different approaches across short-term and medium-term phases will lead to sustained improvement in corporate value.</li> </ul>

# Feasibility of the Roadmap (3/5)

Topic	Claims in the Oasis Presentation	Our Response (Roadmap assumptions, etc.)																					
Career Business (p.53)	<ul style="list-style-type: none"> <li>The explanation of the 'dominant strategy' for the DR business is unclear (is it not Medley, a competitor, that is the dominant player?)</li> </ul>	<ul style="list-style-type: none"> <li>Regarding the 'dominant strategy' cited as one of the growth strategies for the DR business, as also addressed in the May 22 disclosure materials (FAQ No.10), this refers to a 'regional dominant strategy' and is not intended to mean that SMS aims to become the dominant player in DR overall. Rather than immediately pursuing comprehensive nationwide coverage, the strategy focuses on concentrating management resources in specific regions first to achieve reliable share gains.</li> </ul>																					
Overseas Business / Business Development (pp.54, 55, 59, 66)	<ul style="list-style-type: none"> <li>Regarding the FY03/31 revenue target, the approximately ¥24.0 billion excluding the Career and Kaipoke segments has not been broken down, leaving the breakdown of targets for the Overseas and Business Development segments remains unclear (the same applies to EBITDA).               <ul style="list-style-type: none"> <li>If the approximately ¥24.0 billion referenced above is attributable to the Overseas Business and Business Development segments, revenue would be doubling even as business contraction is being suggested.</li> <li>The Overseas Business and Business Development segments have not even disclosed numerical targets.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The segment breakdown of the FY03/31 revenue and EBITDA targets is as follows:               <table border="1" data-bbox="1177 575 1964 962"> <thead> <tr> <th>(in billion yen)</th> <th>Revenue</th> <th>EBITDA</th> </tr> </thead> <tbody> <tr> <td><b>Career</b></td> <td>72.0</td> <td>19.0</td> </tr> <tr> <td><b>Elderly/Disability Care Management Support</b></td> <td>26.0</td> <td>12.0</td> </tr> <tr> <td><b>Overseas</b></td> <td><b>15.0</b></td> <td><b>2.2</b></td> </tr> <tr> <td><b>Other</b></td> <td><b>9.0</b></td> <td><b>1.3</b></td> </tr> <tr> <td><b>Adjustments</b></td> <td>-</td> <td>-65.0</td> </tr> <tr> <td><b>Total (Consolidated)</b></td> <td>122.0</td> <td>28.0</td> </tr> </tbody> </table> </li> <li>For the Overseas Business and Business Development segments, the level of uncertainty remains high at this stage, and SMS is in the process of fundamentally restructuring its earnings profile and exploring all available options.               <ul style="list-style-type: none"> <li>In setting the FY03/31 numerical targets, SMS has avoided overly optimistic assumptions; the Medical Platform Business is not expected to achieve significant growth, and the plan incorporates expansion of the Global Career Business in markets including the US, Australia, and Germany.</li> <li>The future direction for the Overseas Business and Business Development segments will be refined through deliberation by the CVIC and incorporated into the Medium-Term Management Plan. In the event of a business exit or sale, SMS expects to be able to complement its performance targets by executing value-enhancing M&amp;A and other transactions.</li> </ul> </li> </ul>	(in billion yen)	Revenue	EBITDA	<b>Career</b>	72.0	19.0	<b>Elderly/Disability Care Management Support</b>	26.0	12.0	<b>Overseas</b>	<b>15.0</b>	<b>2.2</b>	<b>Other</b>	<b>9.0</b>	<b>1.3</b>	<b>Adjustments</b>	-	-65.0	<b>Total (Consolidated)</b>	122.0	28.0
(in billion yen)	Revenue	EBITDA																					
<b>Career</b>	72.0	19.0																					
<b>Elderly/Disability Care Management Support</b>	26.0	12.0																					
<b>Overseas</b>	<b>15.0</b>	<b>2.2</b>																					
<b>Other</b>	<b>9.0</b>	<b>1.3</b>																					
<b>Adjustments</b>	-	-65.0																					
<b>Total (Consolidated)</b>	122.0	28.0																					

# Feasibility of the Roadmap (4/5)

Topic	Claims in the Oasis Presentation	Our Response (Roadmap assumptions, etc.)
Overseas Business (p.56)	<ul style="list-style-type: none"> <li>While the recognition of an impairment loss in FY03/26 is explained as resulting from a revision to forward plans in response to the deterioration of conditions in the Middle East affecting Global Career, there is an inexplicable claim that Global Career will account for the majority of revenue growth toward FY03/31.</li> </ul>	<ul style="list-style-type: none"> <li>The calculation of the impairment loss for FY03/26 was based on future cash flows assuming the current business environment and confirmed usage plans, in accordance with the applicable accounting standard [Commentary on Accounting Standard for Impairment of Fixed Assets (Note 5)]. The deterioration of conditions in the Middle East was identified as an event to be reflected under these assumptions and was incorporated into the forward plan. The growth plan toward FY03/31, on the other hand, serves a different purpose from the impairment calculation — it represents the growth trajectory that SMS believes is achievable with reasonable probability. The fact that the two sets of figures differ is a faithful result of applying each respective standard. The rationale for the Global Career Business growth plan is as follows: the business is not limited to RAG for Middle Eastern employers, and is building a foundation in markets less affected by Middle Eastern conditions. Cross-border demand for healthcare professionals is a market expected to grow over the medium to long term, and expansion of RAG and staffing operations in the US, Australia, Germany, and other markets, as well as foreign national referral services targeting Japan, are expected to be the primary growth drivers going forward. Within the Overseas segment overall, the structural contribution of Global Career is relatively higher compared to the Medical Platform Business, given the latter's slower growth.</li> </ul>
ROE Target (pp.60, 70)	<ul style="list-style-type: none"> <li>While the target has now been raised to 30%, the large impairment loss in the Overseas has reduced the equity base, making the target materially easier to achieve               <ul style="list-style-type: none"> <li>While acknowledging that measures to improve capital efficiency are unclear, are concrete initiatives to improve ROE still lacking?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>There are two main reasons for raising the target from the previous 20% to 30%. First, the impairment of the Overseas Business reduced net assets, making 20% no longer reflective of actual conditions. Second, scenario analysis across each business indicated that achieving ROE of 30% by FY03/31 is within reach through business growth alone. This ROE 30% target is not attributable merely to a reduction in the denominator; rather, it has been set as an achievable target that is fundamentally based on expanding the numerator through business growth, combined with optimization of the denominator through capital management measures.               <ul style="list-style-type: none"> <li>It should be noted that the combined boost to ROE from the compression of equity following the recognition of the impairment loss and the reduction in amortization expenses is estimated at approximately +7–8 %pt from FY03/30 onward, when ROE is expected to begin improving materially on the basis of business growth. While this accounts for a significant portion of the upward revision to the ROE target from 20% to 30%, the target has not been set with a lowered achievement hurdle.</li> </ul> </li> <li>To achieve ROE of 30%, SMS will pursue margin improvement accompanied by absolute profit growth across each business, while flexibly implementing capital management measures such as share buybacks, calibrated to share price levels, financial headroom, and the expected impact on ROE improvement. In doing so, SMS intends to maintain a balance between growth investment and shareholder returns, and to rigorously monitor investment allocation on a capital return basis each fiscal year.               <ul style="list-style-type: none"> <li>Regarding the timing of achievement, SMS believes the target can be achieved by FY03/31 even without share buybacks. With buybacks of a certain scale, earlier achievement is also considered feasible, and the target has been set as challenging but fully achievable.</li> </ul> </li> </ul>

# Feasibility of the Roadmap (5/5)

Topic	Claims in the Oasis Presentation	Our Response (Roadmap assumptions, etc.)
Business Portfolio Strategy (pp.63, 99-102)	<ul style="list-style-type: none"> <li>▪ While referencing "cost of capital" and "capital profitability," SMS has not disclosed the current state of its business portfolio using metrics such as ROIC.               <ul style="list-style-type: none"> <li>— For the overseas business and business development segments, which are generating returns below the cost of capital, the target return levels and the timeline for achieving them remain unclear.</li> <li>— There is a need to conduct a review of the business portfolio using ROIC.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ SMS's business portfolio consists largely of asset-light businesses, and we believe that ROIC alone does not necessarily fully capture the economic reality of these businesses. For this reason, SMS currently evaluates the portfolio using business profit margins against hurdle rates designed to cover the cost of capital and corporate-wide shared costs, and plans to further refine this approach through the CVIC's review.               <ul style="list-style-type: none"> <li>— At the same time, SMS fully recognizes that disclosure using capital efficiency metrics including ROIC is important information for investors. Going forward, using the appointment of the new CFO (scheduled for August 2026) as a starting point, SMS will work to enhance disclosure on capital efficiency by segment. SMS aims to disclose segment-level ROIC or equivalent capital efficiency metrics in the Medium-Term Management Plan (scheduled for release in April 2027), and also considers disclosing items where the CVIC review is completed ahead of that schedule on a rolling basis.</li> </ul> </li> </ul>
Same as above (p.64)	<ul style="list-style-type: none"> <li>▪ Why does the Roadmap suggest continuation of the Overseas Business and Business Development segments, which should be exited?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regarding the overseas business, SMS does not exclude either sale or exit as possibilities, and the CVIC will examine the matter against criteria including: (1) whether SMS is the best owner; (2) whether SMS can generate the growth the market demands; and (3) whether the business is an appropriate investment target from a capital efficiency perspective, and will make a determination— including on whether to exit — by the end of FY03/27.</li> <li>▪ Regarding discipline in the business development segment, SMS acknowledges that the establishment and application of exit criteria have been insufficient in the past. SMS has already begun a review of its business portfolio, including assessments of whether to continue each business, and the CVIC will establish clear hurdle rates and time-based criteria, and plans to publicly disclose policies such as exiting businesses that fail to scale within a defined period.</li> </ul>
Capital Allocation (p.69)	<ul style="list-style-type: none"> <li>▪ The allocation is presented only at a conceptual level, with no quantitative detail disclosed.               <ul style="list-style-type: none"> <li>— Company should provide segment-level allocation targets and clear prioritization.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ At present, there is a range of uncertainty in the anticipated scale of M&amp;A activity and the amount of share buybacks, making it difficult to present a quantitative framework. However, through deliberation by the CVIC, SMS will organize the prioritization and allocation framework and plans to present it in a more concrete form in connection with next year's Medium-Term Management Plan announcement.               <ul style="list-style-type: none"> <li>— For the anticipated investment areas, please refer to p.23 of the Roadmap disclosed on April 28.</li> </ul> </li> </ul>

# FAQ on Feasibility of the Roadmap (1/3)

- The following reproduces key Q&As on Roadmap feasibility from SMS's "Supplementary Explanation on Corporate Value Creation Roadmap" disclosed on May 22.

Topic	FAQ	Our Response (Roadmap assumptions, etc.)
Career Business	<ul style="list-style-type: none"> <li>How long will the large-scale hiring of CPs continue? Will the number of hires decrease in the future?</li> </ul>	<ul style="list-style-type: none"> <li>We will continue hiring at a certain scale, but the ratio of recruitment costs and personnel expenses to net sales is planned to decrease as revenue growth outpaces hiring. However, once AI agents are incorporated into front-end interactions with job seekers and service offices, the areas requiring human involvement will narrow, and we expect to reach a state where we do not need to significantly increase the number of CPs from around FY03/30.</li> </ul>
Same as above	<ul style="list-style-type: none"> <li>Is there a winning strategy for DR to catch up with competitors?</li> </ul>	<ul style="list-style-type: none"> <li>Rather than competing head-on on the same playing field as competitors, we are envisioning a strategy to win by focusing on areas where we can leverage our strengths. There are three main structural advantages and strategies.               <ol style="list-style-type: none"> <li><u>Deep Service Office Data Centered on the Medical and Elderly Care Sectors</u> <ul style="list-style-type: none"> <li>The detailed interview data accumulated by CPs over the years—including nurturing policies, reasons for resignation, and workplace culture—are proprietary assets that overwhelmingly enhance DR matching precision. The depth of this information represents a strength that is difficult for competitors to replicate.</li> </ul> </li> <li><u>Winning Through a "RAG-DR Hybrid Model" Rather Than DR Alone</u> <ul style="list-style-type: none"> <li>By leveraging synergies with the RAG business, we can maintain high job seeker acquisition efficiency through simultaneous registration in both services, while also improving the hiring success rate for service offices, establishing a unique structural advantage that no other company possesses.</li> </ul> </li> <li><u>Regional Dominant Strategy Aimed at Resolving Uneven Distribution of Job Listings, Rather Than Competing Across the Board</u> <ul style="list-style-type: none"> <li>Rather than adopting a strategy of comprehensive coverage across all areas from the outset, we will concentrate management resources on areas where our strengths can be leveraged, aiming for steady market share expansion.</li> </ul> </li> </ol> </li> </ul>
Same as above	<ul style="list-style-type: none"> <li>To what extent is AI matching currently implemented? Is there a competitive advantage?</li> </ul>	<ul style="list-style-type: none"> <li>We are currently in the stage of back-end utilization. Specifically, we are seeing results in productivity improvement through AI analysis of interview recording data from all CPs, including automated generation of interview feedback and improvements in job proposal precision. We believe we have an advantage over competitors in terms of the volume and depth of high-quality matching data, which we believe will translate into a unique and difficult-to-replicate strength.</li> </ul>

# FAQ on Feasibility of the Roadmap (2/3)

Topic	FAQ	Our Response (Roadmap assumptions, etc.)
Career Business	<ul style="list-style-type: none"> <li>What are the risk factors related to recruiting and developing personnel?</li> </ul>	<ul style="list-style-type: none"> <li>Regarding talent acquisition, for the recruitment of CPs—who constitute a relatively large portion of our workforce—we believe that year-round recruitment will enable us to stably secure the necessary headcount while also making it easier to respond to changes in market conditions.                             <ul style="list-style-type: none"> <li>For FY03/27, we plan to hire approximately 465 CPs, a number that is fully achievable based on our track record. We will also work to improve CP productivity to prevent performance-related attrition and achieve more stable organizational management.</li> </ul> </li> <li>While we expect to recruit CPs at a certain scale each year, the ratio of recruitment costs and personnel expenses to net sales is planned to gradually decrease from FY03/28 onwards as productivity improves.</li> <li>For other roles, we will work to improve our recruiting competitiveness and retain talent by strengthening our corporate brand and continuously reviewing our talent management systems.</li> </ul>
Elderly/Disability Care Management Support Business	<ul style="list-style-type: none"> <li>When will the migration to Kaipoke Connect be completed? What will be the impact on profits during the migration period?</li> </ul>	<ul style="list-style-type: none"> <li>We plan to release Kaipoke Connect in stages by service type, with full migration planned for 2029. During the migration period, dual depreciation of the current Kaipoke and Kaipoke Connect will occur, so the depreciation burden will remain heavy through approximately FY03/29. After the migration is complete, the depreciation burden is expected to decrease significantly, and the operating profit margin is expected to improve.</li> </ul>
Same as above	<ul style="list-style-type: none"> <li>Is there room to increase Kaipoke's ARPA?</li> </ul>	<ul style="list-style-type: none"> <li>There are areas where Kaipoke is priced relatively lower compared to competitors, and we are considering revisions to appropriate price levels and the timing of such revisions. The plan also incorporates unit price increases through the sale of optional services such as factoring and device rental. While operators with a preference for lower prices may choose competing services, the comprehensive value of the management support services provided by Kaipoke is difficult to substitute, and we view the churn risk as limited.</li> </ul>

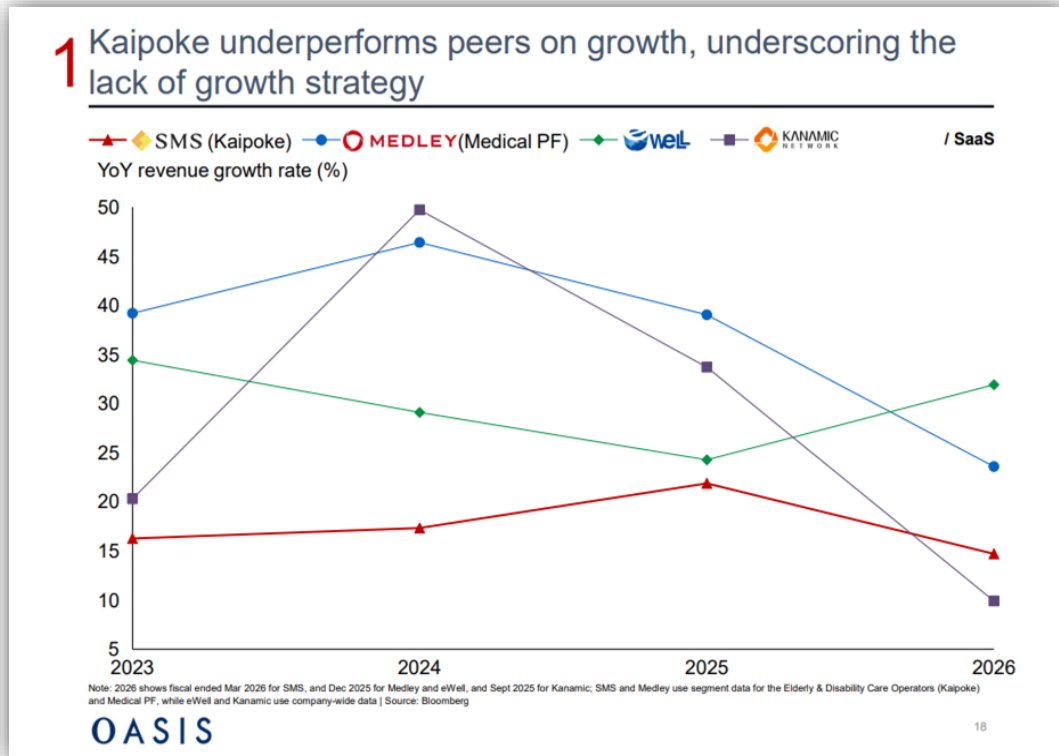
# FAQ on Feasibility of the Roadmap (3/3)

Topic	FAQ	Our Response (Roadmap assumptions, etc.)
Elderly/Disability Care Management Support Business	<ul style="list-style-type: none"> <li>What is the current status and future plan for Disability Care SaaS?</li> </ul>	<ul style="list-style-type: none"> <li>Disability care is a market growing at a CAGR of 10% toward FY03/31, and over the next five years we will prioritize industry penetration and expansion of our customer base, offering services at a price structure that is easy for customers to adopt.</li> <li>Over the medium to long term, while continuously enhancing features and improving service value, we will advance appropriate revisions to pricing structures (pricing optimization) in line with these improvements.</li> <li>Regarding Disability Care SaaS, net sales were approximately ¥500 million in FY03/26, and we are targeting net sales of approximately ¥5.0 billion in FY03/31.</li> </ul>
AI & Technology Utilization	<ul style="list-style-type: none"> <li>What are the risks related to the adoption of AI and other technologies?</li> </ul>	<ul style="list-style-type: none"> <li>Risks related to technology utilization primarily concern the pace of technology implementation in both the Career and Kaipoke products, and we are advancing the following three measures in response.             <ol style="list-style-type: none"> <li><u>Strengthening Implementation Capabilities in Development</u> <ul style="list-style-type: none"> <li>We are simultaneously advancing the reinforcement of hiring for PdMs and specialist engineers proficient in AI and data science, alongside reskilling and development of existing development team members. For example, in the Career Business, we are using AI to analyze CP interview recording data, which is contributing to the automatic generation of interview feedback and improvements in job proposal precision, with results such as an improving placement rate already emerging.</li> </ul> </li> <li><u>Leveraging External Experts</u> <ul style="list-style-type: none"> <li>To make the most appropriate technology decisions at the fastest possible pace, we plan to appoint Mr. Suzumura—a leading authority in computer science who has served as an Outside Director of our Company and provided advice and oversight on our technology utilization—as a Technology Advisor. This will enable us to transition to a structure that allows us to obtain sophisticated advice at the operational level, including product architecture.</li> </ul> </li> <li><u>Actively Leveraging External AI Capabilities</u> <ul style="list-style-type: none"> <li>We are advancing the utilization of external AI capabilities through API integration and other means, without being constrained by an in-house-first approach. Specific initiatives are already underway: in Kaipoke, AI functionality has been expanded through a partnership with Welmo.</li> </ul> </li> </ol> </li> </ul>

# **Appendix D: SMS's Understanding and Facts in Response to the Oasis Presentation**

# SMS's Understanding and Facts in Response to the Oasis Presentation (1/18)

## Oasis Presentation p.18: Kaipoke Revenue Growth Rate (%)

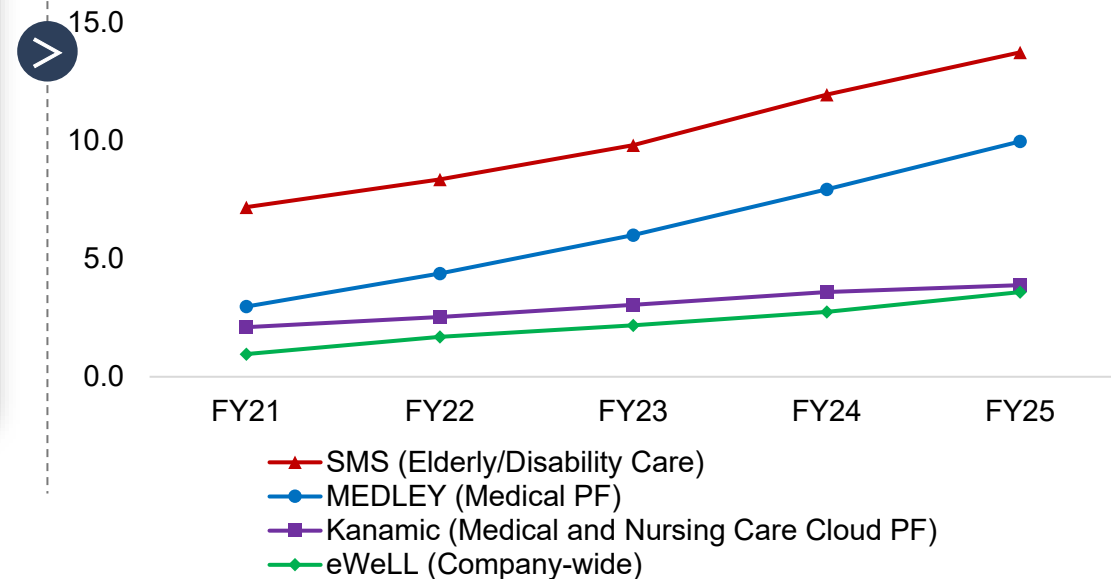


1. Source: Company disclosure materials

## SMS's Understanding and Facts

- SMS believes the peer companies used in Oasis's analysis are inappropriate for comparison, as they differ significantly in scale from SMS.
  - The comparables on that page include companies with smaller revenue than SMS, and when comparing companies of different scales, a wider divergence in revenue growth rates (%) is inevitable.

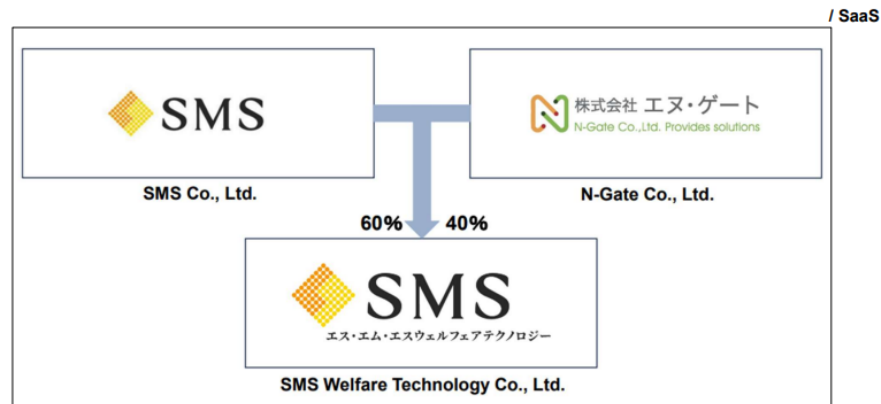
- Segment Revenue\*<sup>1</sup> (aggregated on SMS's fiscal year basis, in ¥ billions)



# SMS's Understanding and Facts in Response to the Oasis Presentation (2/18)

## Oasis Presentation p.20: Entry into the Disability Care Sector

1 SMS finally announced long waited entry into disability care through JV with N-Gate, but nothing further



- SMS entered an adjacent segment to its core elderly care business, disability care, through a joint venture with N-Gate, aiming to expand the service offerings within Kaipoke
- This announcement was made in December 2024, **nearly two decades after the launch of Kaipoke in 2006**

Source: Company IR  
OASIS

20

## SMS's Understanding and Facts

- The claim that 'there has been no progress since entering the disability care sector' is not accurate.
  - Please also refer to p.37 of this document for future initiatives and revenue targets (approximately ¥500 million in FY03/26 and approximately ¥5 billion by FY03/31).
  - In the disability care sector, SMS plans to grow through business development not only in the Disability Care SaaS but also in adjacent areas.
  - SMS has made active investments in sales personnel and product development for the Disability Care SaaS. In addition to growing the customer base, in FY03/26 SMS released more than 30 new features and achieved ARPA improvement through the introduction of usage-based pricing.
  - Development of adjacent products has also progressed, with offerings such as "Kabenashi Business Launch Support," "Kabenashi Online Training," "Kabenashi Consultation Room," "Kabenashi Consulting," and "Kabenashi Training Room" already launched.



# SMS's Understanding and Facts in Response to the Oasis Presentation (3/18)

## Oasis Presentation p.22: Information Disclosure on SaaS Products

### 1 Attractiveness of the SaaS offering is not being effectively communicated to investors

/ SaaS

**FY03/26 Elderly/Disability Care Operators Segment (Kaipoke, 1H)**

- The number of Kaipoke memberships<sup>1)</sup> increased steadily.
- 58,100 service offices<sup>2)</sup> (25,900 companies<sup>3)</sup>) as of October 1, 2025
- 1H membership increase: 2,550 service offices (1,000 companies)
- In addition to the increased usage of optional add-ons (factoring, tablets, smartphones, etc.), the M&A matching business and RAG<sup>4)</sup> for persons with disabilities also contributed to growth.

Sales, 1H FY03/26 [JPY million]	1H FY03/25 Actual	1H FY03/26 Actual	YoY Change
Elderly/Disability Care Operators (Kaipoke)	5,770	6,591	+14%

Only disclosing segment revenue and # of accounts

**Growth of Elderly/Disability Care Operators Business**

- The number of customers and ARPA<sup>1)</sup> have shown consistent growth, driven by the wider adoption of Kaipoke, the development and cross-selling of paid options, and our expansion into new services (M&A matching, RAG<sup>2)</sup> for persons with disabilities, and business support systems for disability welfare service operators).
- With 15-20% average annual revenue growth, alongside margin expansion built upon our high recurring revenue ratio, we consistently achieve the "Rule of 40,"<sup>3)</sup> a key benchmark for healthy SaaS businesses.

Added Average Revenue Per Account from most recent earnings update, but SaaS KPIs still missing

Source: Company IR

**OASIS**

22

## SMS's Understanding and Facts

- The claim that 'insufficient disclosure has prevented the appeal of SMS's SaaS products from resonating with investors' is not accurate.
  - The Roadmap discloses that Kaipoke has a low churn rate (monthly churn rate below 0.6%) and ARR of approximately ¥13.5 billion, which serves to communicate the product's value to investors. The following presents an example of Roadmap disclosures.
  - SMS has begun disclosing not only standard SaaS KPIs such as ARR, churn rate, average revenue per customer, and number of subscribers, but also key metrics including segment profit, TAM growth strategy, and billing volume, and will continue to consider further enhancements to its disclosures going forward.

SMS

**Management support**

**Massive Market Opportunity and Overwhelming Track Record as a Vertical SaaS**

- The elderly and disability welfare market has an extremely large number of service offices, and this number continues to increase.
- As there are many small-scale corporations, in-house IT implementation and efficiency improvement are difficult, creating strong structural demand for SaaS.<sup>1)</sup>
- Kaipoke has become an overwhelming presence, especially as a Vertical SaaS in the home-care area.

**MARKET OPPORTUNITY** — Attractive market environment generating structural demand

- The number of service offices continues to increase

Elderly care 266k + Disability care 163k = 429k service offices

Convenience stores: 56k locations

Predominantly small-scale corporations

**76%**  
50 or fewer employees

Source: Ministry of Health, Labour and Welfare, "Survey Report on Long-term Care Benefit Expenditures" and "Statistical Information on Disability Welfare: Usage Status of Disability Welfare Services, etc.," JFA, "Convenience Store Statistics Monthly Report (March 2025)"

**PROVEN POSITION** — Solid track record as a Vertical SaaS

Sales CAGR (FY22-25) <b>17%</b>	Paid Membership Share <sup>2)</sup> <b>14%</b>	Home-care Connection Share <sup>3)</sup> <b>62%</b>
Solid growth driven by an increase in memberships and ARPA	86% is white space (untapped market)	Expanded use of information linkage functions between care managers and other service offices
Monthly Churn Rate <b>&lt;0.6%</b>	Annual Claims Processed for Nursing Care Fees, etc. <b>¥1.3 trillion</b>	Vertical SaaS ARR <sup>4)</sup> <b>No.1</b>
Low churn rate for a SaaS business	Established a solid position as an infrastructure	¥13.5 billion (End of FY03/26)

Source: Ministry of Health, Labour and Welfare, "Long-term Care Service Information Disclosure System" and "WAM NET"

1. As a result, the possibility of replacement by AI is low. For details, please refer to p.81 of "Earnings Presentation for Investors, FY03/2026" disclosed on April 28, 2026.  
2. Paid membership share among elderly and disability care service offices.  
3. Share of paid and free memberships among home-care service offices, which are our focus area.  
4. Scale of Vertical SaaS among listed companies in Japan. Based on our research.

18

# SMS's Understanding and Facts in Response to the Oasis Presentation (4/18)

## Oasis Presentation p.34: Strategy for Strengthening the DR Business

### 2 SMS announced plans to strengthen its Direct Recruiting through the revamp of "Kaigo Job" in May 2025

/ Career

SMS

**Supplementary Info: Revamp of Direct Recruiting Service**

- We have revamped "Kaigo Job", our direct recruiting (DR) service for elderly care workers, into "Wellme Job", a cross-occupational DR platform covering the medical, elderly/disability care, and childcare fields, in July.<sup>1</sup>
- Achieve significant growth by expanding the market into areas previously unreachable by recruiting agent services.

Kaigo Job

- Launched "Kaigo Job", RAD<sup>2</sup> for elderly care workers, in 2004.
- Initially based on posting and application fee model.
- Converted to a success-based fee DR model around 2021.
- Extended the service to nurses from FY03/25.

Wellme Job

- DR platform covering a wide range of occupations in the medical, elderly/disability care, and childcare fields.
- Plan to gradually expand into occupations such as childcare workers, dietitians, rehabilitation professionals and medical technologists.

1. In addition to the brand name change, we have enhanced the job posting and scouting functions previously offered by Kaigo Job, and started providing new job-seeking experiences through our official LINE account and named media to deepen industry understanding.  
2. RAD: Recruiting ads service

8

Little visibility into strategy to capture market growth

Source: Company IR  
**OASIS**

34

## SMS's Understanding and Facts

- The claim that 'the strategy for strengthening the DR business is unclear' is not accurate.
  - On p.16 of the Roadmap, SMS sets out a strategy to 'leverage the matching expertise cultivated in the RAG business and the foundation of the management support business to differentiate from competitors and establish a unique position.'
  - DR business strategy is also described on pp. 30, 32, and 35 of this document.

Career

SMS

**DR: Building a Unique Position and Evolving the Recruiting Platform**

- In the DR area, which has significant room for growth, we will differentiate ourselves from competitors and establish a unique position by leveraging our strengths (placement know-how cultivated in RAG and the foundation of our management support business).

PHASE 1

**Establish a winning formula through a dominant strategy**

- Achieve No. 1 in the number of service offices with job postings by utilizing operator touchpoints in the management support business and investing in sales and marketing.
- Differentiate through the quality of realistic job information by utilizing workplace and other information gained from RAG and the management support business.
- Improve the placement rate by strengthening product and customer success functions.
- Through a dominant strategy, roll out the above nationwide, starting sequentially from specific major areas.

PHASE 2

**Establish a unique position by reducing customers' hiring workloads and unit costs**

- Incorporate recommendation functions, applicant tracking systems, and other capabilities leveraging RAG know-how into DR.
- Build a solid position that achieves both a reduction in hiring workload and a lower cost per hire for operators.

PHASE 3

**Maximize the value of the recruiting platform**

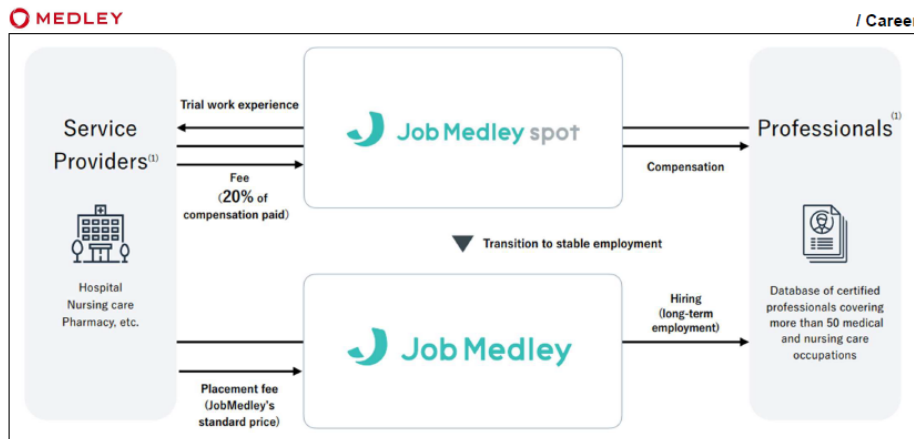
- Integrate our group's assets, including management support business.
- Evolve into an AI platform beyond a mere job advertising medium, realizing improved matching quality.

16

# SMS's Understanding and Facts in Response to the Oasis Presentation (5/18)

## Oasis Presentation p.37: Introduction of New Services in the Staffing

### 2 SMS trails behind Medley in launching new products



Medley promptly rolled out spot services aligned with the demands of healthcare and elderly care businesses

Source: Company IR  
**OASIS**

37

## SMS's Understanding and Facts

- SMS is actively engaged in business development and has new service areas planned for launch.**
  - As described on p.21 of the Roadmap, SMS plans to launch a service placing foreign elderly care professionals in Japan, with a start expected in Q2 of the current fiscal year. SMS will leverage the relationships and touchpoints with elderly care operators built through its existing businesses, as well as the expertise in sourcing cross-border job seekers developed through the Global Career Business.
  - As also described on p.23 of the Roadmap, SMS also plans to enter the elderly care/medical care spot work market and expand into essential worker sectors such as construction, logistics, and manufacturing.

SMS

### Potential Investment Areas

- There is massive room for TAM expansion through the execution of investments, including M&A.
- Growth from these investments is not reflected in the business plan up to FY03/31, excluding certain items in the core businesses.

**Expansion of TAM through investment execution**

**Existing Business TAM**

**Investment Items**

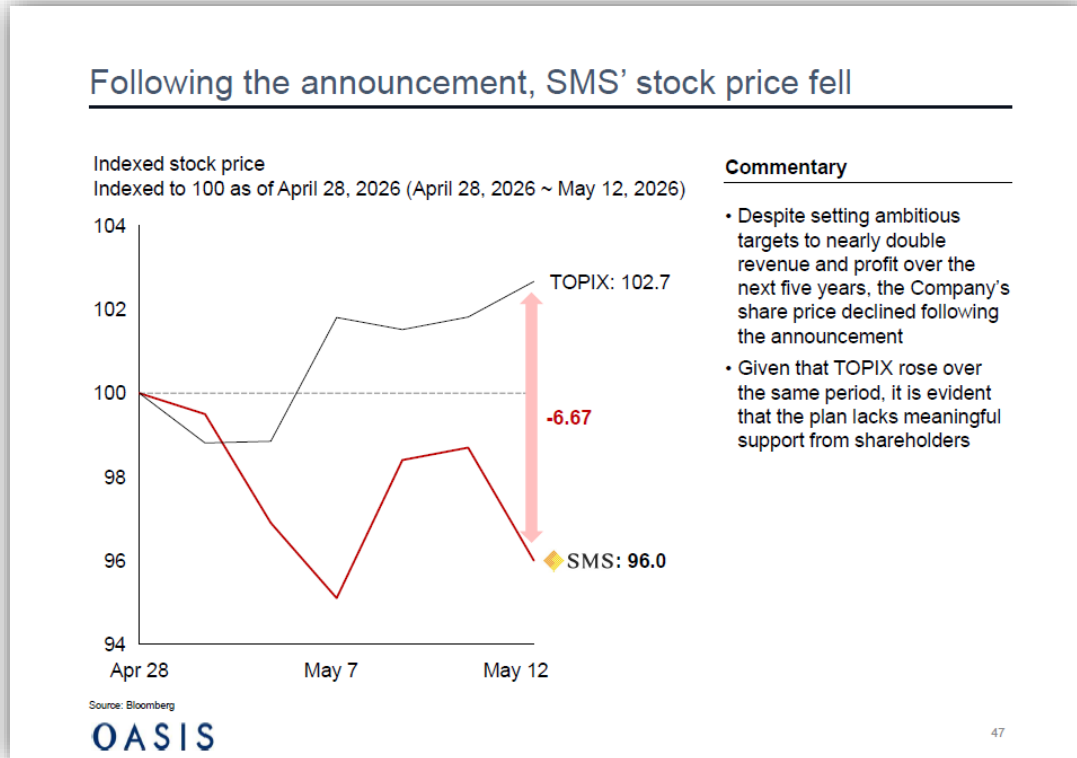
- Evolution of core businesses**
  - Construction of Kaipoke Connect and making it AI-native
  - Expansion of supported service types for Kabenashi Cloud
  - AI integration in RAG and fusion with DR, and strengthening synergies with management support business
  - Employment support for foreign workers entering Japan
  - Entry into the spot-work market for elderly/medical care
  - Acquisition of technologies such as AI for advancing services and operations
- Horizontal expansion of existing businesses**
  - Expansion of career and management support businesses into essential worker areas such as construction, logistics, and manufacturing
  - Expansion of Vertical SaaS into areas other than elderly/disability care<sup>1)</sup>
- Exploration of new areas**
  - Business development areas such as health and productivity management / inheritance
  - Physical AI for elderly care, etc.
  - RAG and staffing of international healthcare professionals in the U.S. and Australia

<sup>1)</sup> Apply our unique ecosystem of Career × Management Support to areas that, like medical and Elderly Care, are labor-intensive and face challenges such as labor shortages and the need for productivity improvement. Achieve comprehensive customer acquisition, including the existing Career Business, by expanding into areas with overlapping job seeker attributes, such as Elderly Care workers.  
<sup>2)</sup> Select areas based on perspectives such as "size of social issues and TAM," "synergies with existing businesses," "competitive environment and barriers to entry," and "whether network effects and the accumulation of valuable data can be expected," and apply the "mechanism to expand Vertical SaaS" cultivated through Kaipoke.

23

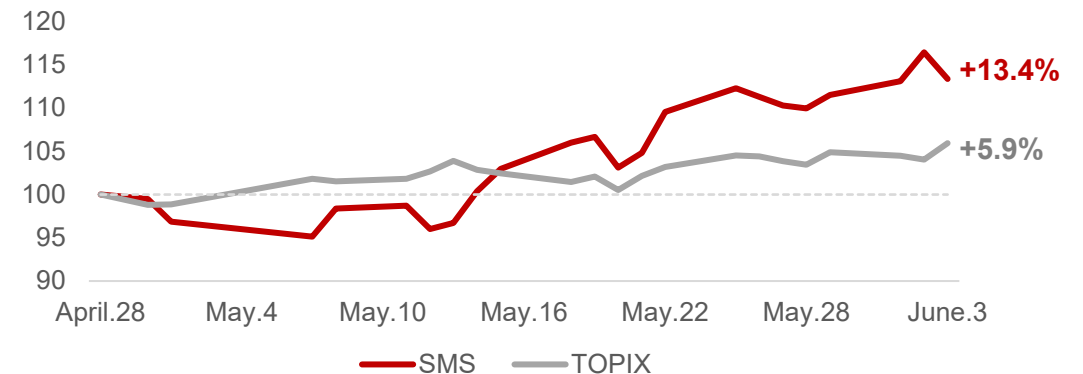
# SMS's Understanding and Facts in Response to the Oasis Presentation (6/18)

## Oasis Presentation p.47: SMS Share Price Performance After Roadmap Announcement



## SMS's Understanding and Facts

- The claim that 'SMS's share price declined following the Roadmap announcement' is not entirely accurate.
  - Since the Roadmap announcement, SMS's share price has outperformed TOPIX.
  - The share price has risen from ¥1,788 (closing price on April 28, 2026, immediately prior to the Roadmap announcement) to ¥2,027 (closing price on June 3, 2026), a performance of +13.4%. TOPIX rose only +5.9% over the same period.
- While SMS acknowledges that it has not significantly outperformed TOPIX, its share price has been on an upward trend since the announcement of the Roadmap.
- Stock Price Index Performance\*<sup>1</sup>  
(Indexed to 100 on April 28, 2026; April 28, 2026 – June 3, 2026)



1. Source: Stock prices are based on the closing price for each trading day.

# SMS's Understanding and Facts in Response to the Oasis Presentation (7/18)

## Oasis Presentation p.52: Growth of the Career Business

### 1 Career: Inconsistent strategy pursuing growth with low-price model while assuming increase in unit price

#### Company explanation

FY03/31 VISION Realization of an "Overwhelming No. 1" Position through the Structural Establishment of Competitive Advantage			
<b>Net Sales</b> ¥72.0 billion FY03/26: ¥38.2 billion CAGR: 13%	<b>EBITDA</b> ¥19.0 billion FY03/26: ¥7.8 billion CAGR: 19%	<b>EBITDA margin</b> 26% FY03/26: 20%	<b>Sales Share*1</b> 30% FY03/26: 20%

"We assume that the market size will expand by job category, with particularly strong growth in the elderly and disability care sectors. On the other hand, in the nurse segment, job-change motivation has been slowing for about two years, and we assume this trend will continue, making our outlook there relatively neutral. Regarding pricing, given the labor shortage in these industries, we believe there is some room to increase unit prices."

President Takahata (Earnings briefing, April 28, 2026)

Note: Oasis translation; \*Direct Recruiting, a method where employers directly connect with job seekers via a recruitment platform  
Source: Company IR

OASIS

52

#### Commentary

- To achieve the significant share increase (20% to 30%) and nearly double revenue assumed by SMS, both substantial volume expansion and meaningful price increases are necessary
- This relies on strong growth not only in the agency business but also in direct recruiting (revenue breakdown unclear)
- While DR\* benefits from scalability due to less human involvement, it typically comes with lower unit pricing compared to agency
- In this context, assuming both **growth driven by a low-price model** and **simultaneous price increases** appears **contradictory**

## SMS's Understanding and Facts

- The claim that 'the assumptions underlying the Career Business growth strategy are contradictory' is not accurate.
  - The FY03/31 market share figure is calculated on the assumption that the market grows at a mid-single-digit annual rate. On that basis, the projected doubling of Career Business revenue by FY03/31 is achieved by combining the growth of two fundamentally different models.
  - Under the RAG Model (high fee, selective growth): the plan is to gradually increase the fee per placement driven primarily by rising compensation for healthcare professionals, while steadily growing RAG services through CP additions coupled with productivity improvements — all while maintaining the existing high-fee structure.
  - Under the DR Model (low fee, volume-driven growth): this model targets job seekers and employers previously unreachable through traditional RAG. While the fee per transaction is lower, profitability improves through SEO gains from growing job listings, improved lead generation efficiency, and higher application rates from better job listing quality. The plan involves gradually closing the gap with competitors by expanding occupational coverage and increasing the number of listed positions.
  - For further details, please refer to p.30 of this document.

# SMS's Understanding and Facts in Response to the Oasis Presentation (8/18)

## Oasis Presentation pp.66–67: KPIs and Assumptions Supporting the Roadmap Targets

### 3 No KPIs or underlying assumptions to support quantitative targets

#### 2031 targets by segment

Segment	2031 Vision	Net Sales	EBITDA	EBITDA margin	Sales Share <sup>1</sup>
Career	FY03/31 VISION Realization of an "Overwhelming No. 1" Position through the Structural Establishment of Competitive Advantage	¥72.0 billion	¥19.0 billion	26%	30%
		FY03/26: ¥38.2 billion CAGR: 13%	FY03/26: ¥7.8 billion CAGR: 19%	FY03/26: 20%	FY03/26: 20%
Kaipoke	FY03/31 VISION Become the industry infrastructure as the No. 1 platform for elderly and disability care management support	¥26.0 billion	¥12.0 billion	21%	90% or more
		FY03/26: ¥13.4 billion CAGR: 14%	FY03/26: ¥6.0 billion CAGR: 15%	FY03/26: 14%	FY03/26: 62%
Overseas and New Business	Not disclosed				

Source: Company IR

OASIS

66

#### Commentary

- For Career and Kaipoke, only the end-state for 2031 is disclosed, with no underlying assumptions provided to support achievability
- For the Overseas and Business Development segments, even target figures have not been disclosed
- Company should disclose the KPIs required to achieve these targets to establish their credibility

## SMS's Understanding and Facts

- The numerical targets in the Roadmap were developed through a bottom-up process in which each business head built up projections based on market conditions and key KPIs, with repeated deliberation by the Board of Directors; the targets are not without underlying assumptions. At the same time, SMS recognizes that further verification of the validity and feasibility of assumptions is needed, particularly in higher-uncertainty areas such as the Overseas and other business segments.
  - Accordingly, SMS will advance verification of the assumptions and feasibility through the CVIC, ensuring third-party objectivity. Full details including key KPIs and assumptions will be disclosed in the Medium-Term Management Plan scheduled for release in April 2027.
  - For further details, please refer to pp.30 and 32 of this document.



# SMS's Understanding and Facts in Response to the Oasis Presentation (9/18)

## Oasis Presentation pp.71, 105: Segment-Level Profit Disclosure

5 While segment-level profits have been disclosed, a lack of transparency remains

Company explanation		Commentary				
Reference: Pro-Forma Performance Under New Segment Structure <sup>1</sup>						
(In millions)	FY03/2023 Actual	FY03/2024 Actual	FY03/2025 Actual	FY03/2026 Actual	FY03/2027 Guidance	
<b>Net Sales</b>						
Career	27,264	32,380	38,214	38,279	41,914	
Elderly/Disability Care Management Support	8,302	9,805	11,868	13,471	15,190	
Overseas	7,815	9,002	9,365	8,851	9,788	
<b>EBITDA</b>						
Career	8,111	9,191	7,104	7,815	7,556	
Elderly/Disability Care Management Support	3,538	4,121	5,188	6,091	6,430	
Overseas	1,757	1,858	1,663	1,338	1,271	
<b>EBITDA Margin</b>						
Career	29.8%	28.4%				
Elderly/Disability Care Management Support	42.3%	42.0%				
Overseas	22.5%	20.4%				

• Although EBITDA by segment has been provided, the details of "Others" (primarily the business development segment) and "Adjustments" remain unclear

• "Adjustments" are described as mainly corporate overhead and administrative expenses; however, they account for

1 SMS should shift its focus to Kaipoke and domestic Career businesses by conducting full portfolio review

### Status Quo

- Both Overseas and New Business segments have **generated returns below the cost of capital**, and the Company has yet to articulate a pathway to exceed it
- Key management metrics, such as segment-level profit margins, ROIC, and WACC, **have not been disclosed to investors**
- As a result, **investors lack visibility** into the scale and level of profitability these businesses are targeting, the timeline for achieving them, and **when management intends to assess whether these initiatives should continue or be reconsidered**

### Oasis's Proposal

- Enhance segment-level disclosures to a standard appropriate for a TSE Prime-listed company
- Promptly disclose a policy to exit the Overseas business and begin exploring potential buyers
- For New Business initiatives, **withdraw from those that have failed to scale** despite having been launched for a reasonable period. Going forward, disclose a policy of setting a clear hurdle rate and exiting any initiatives that fail to meet it within a defined timeframe
- Based on the above measures, **reallocate management resources and focus them on the domestic SaaS and Career businesses**

OASIS

105

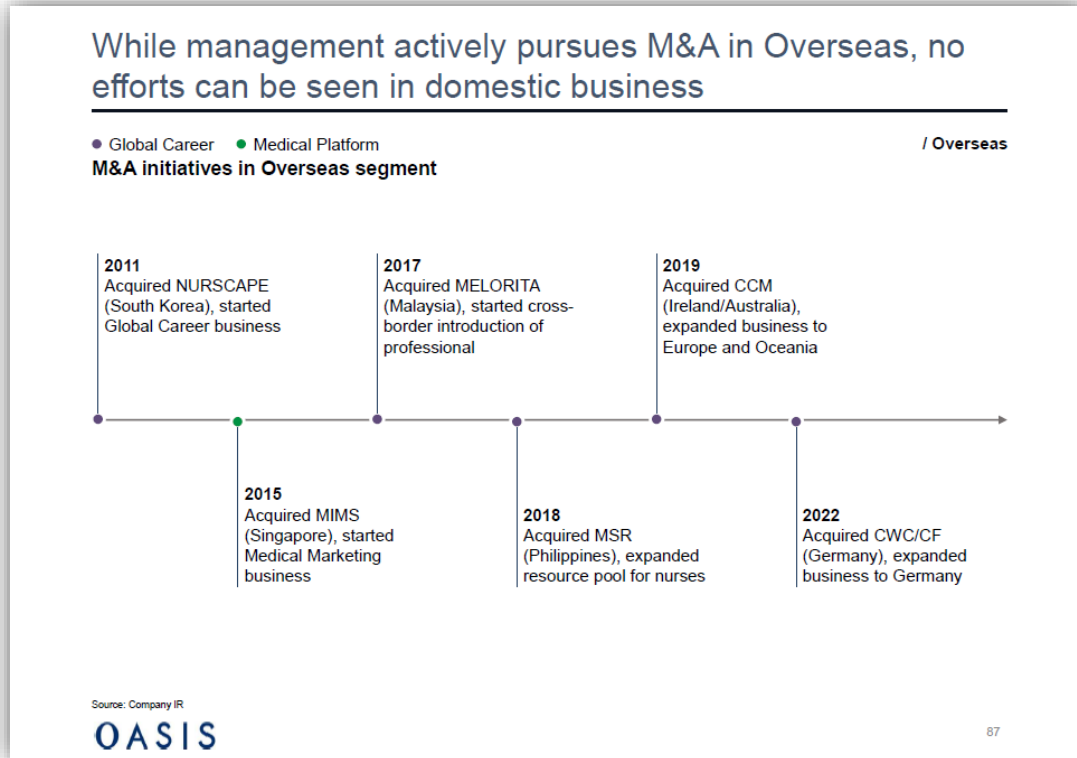
## SMS's Understanding and Facts

- SMS has begun disclosing segment-level profit and other metrics from FY03/26.
- Financial figures for 'Other (Business Development)' and 'Adjustments' are disclosed in the earnings report.
  - In the FY03/26 earnings report, SMS has begun disclosing revenue, profit/loss, and depreciation for 'Other (Business Development)' and 'Adjustments (costs attributable to group-wide administrative functions).'
- Segment-level ROIC will be reviewed and deliberated by the CVIC.



# SMS's Understanding and Facts in Response to the Oasis Presentation (10/18)

## Oasis Presentation p.87: Track Record of Domestic M&A



## SMS's Understanding and Facts

- The claim that 'SMS has no track record of domestic M&A' is not accurate.
- SMS has the following track record of domestic M&A transactions:
  - 2009: Acquired the medical business from Anfamie, Inc. and launched 'Nurse Senka Shushoku-navi' (now 'Nurse Senka Shushoku'), an employment support for nursing students.
  - 2011: Acquired 'Ninchisho-net,' a dementia information portal, from Care-Link Co., Ltd.
  - 2017: Acquired Work Ambitious, Inc. and Zweig, Inc. (elderly care qualification schools), and Will One, Inc. (RAG for Judo therapists etc.).
  - 2024: Established a joint-venture subsidiary for the Disability Care SaaS development with N-Gate, Inc.


# SMS's Understanding and Facts in Response to the Oasis Presentation (11/18)

## Oasis Presentation p.89: Resource Allocation to Kaipoke

**Experts claim that SMS has not allocated sufficient management resources to Kaipoke**


---

/ SaaS

  
 View from analyst


*"Kaipoke is often used by small operators shortly after launch. Despite clear expansion opportunities in large-scale elderly care homes and home-visit care, **SMS has not moved quickly enough to capture this potential.**"*

Analyst, Securities Firm B

  
 View from analyst

*"**SMS lacks a sufficient sense of urgency** regarding how quickly competing services are catching up. Both Kanamic and eWeLL receive very high evaluations from users, including for their interfaces and functionality. SMS needs to recognize that its **market position is increasingly under threat.**"*


Analyst, Securities Firm C

  
 View from former employee

*"From my perspective, while I used to take pride in viewing SMS as a SaaS company, it is **hard to say that Kaipoke has received adequate investment and attention from the management.** Although the Company once had individuals with meaningful SaaS expertise, they have already left, and SMS has made no effort to bring in strong external talent."*

Former Business Development Manager, SMS

Note: Oasis translation  
Source: Expert interview, Analyst interview


89

## SMS's Understanding and Facts

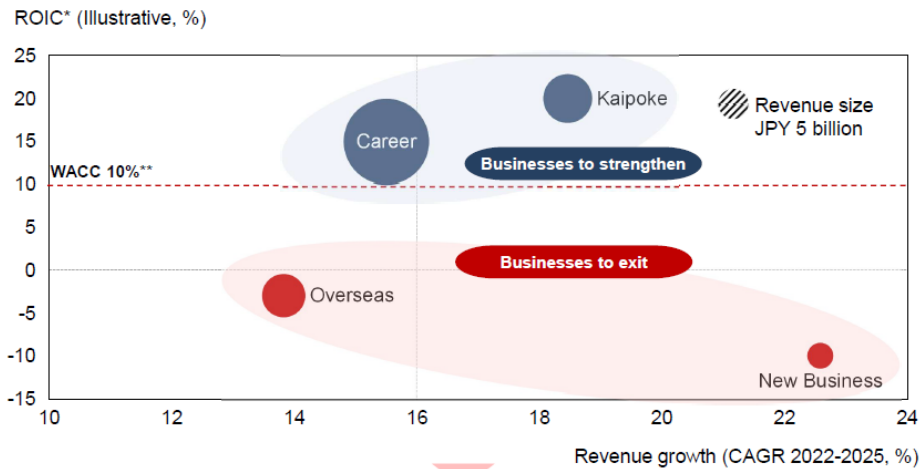
- The claim that "SMS has not allocated sufficient management resources to Kaipoke" is qualitative and is not accurate.
  - SMS holds a substantial market share advantage over competitors, and that gap is widening — evidence that SMS has consistently made sufficient and appropriate investments in Kaipoke.
  - Please refer to p.39 of this document, where SMS's revenue is compared against competitors.
  - Additionally, SMS's monthly churn rate is below 0.6%, and approximately half of cancellations are due to facility closures, indicating that switching to competitor products is not on the rise.
  - SMS will continue to invest in Kaipoke Connect with expanded features going forward.
  
- Market share in the home-visit nursing care area\*<sup>1</sup>
  - SMS: 38.8%
  - eWeLL: 18.7%

1. eWeLL's market share is calculated using the number of active home-visit nursing stations as of April 1, 2025, as published by the National Association for Visiting Nurse Service, as the denominator, and eWeLL's number of contracted stations as of December 31, 2025, as the numerator (citing eWeLL's disclosure materials). SMS's market share is calculated using the same definition (SMS's own calculation).

# SMS's Understanding and Facts in Response to the Oasis Presentation (12/18)

## Oasis Presentation p.102: Segment-Level Profit Disclosure

1 The Overseas and New Business segments appear to have impaired shareholder value over an extended period



**Urgent need to conduct portfolio review through introduction of ROIC**

Note: \*ROIC data is illustrative due to data availability; \*\*Company indicates cost of equity around 10%. With net cash position, it is assumed WACC equals cost of equity  
Source: Company IR; Bloomberg

OASIS

102

## SMS's Understanding and Facts

- SMS's business portfolio consists largely of asset-light businesses, and we believe that ROIC alone does not necessarily fully capture the economic reality of these businesses
- For this reason, SMS currently evaluates the portfolio using business profit margins against hurdle rates designed to cover the cost of capital and corporate-wide shared costs, and plans to further refine this approach through the CVIC's review.
  - At the same time, SMS fully recognizes that disclosure using capital efficiency metrics including ROIC is important information for investors. Going forward, using the appointment of the new CFO (scheduled for August 2026) as a starting point, SMS will work to enhance disclosure on capital efficiency by segment. SMS aims to disclose segment-level ROIC or equivalent capital efficiency metrics in the Medium-Term Management Plan (scheduled for release in April 2027), and also considers disclosing items where the CVIC review is completed ahead of that schedule on a rolling basis.

(The above response is the same as p.34 of this document.)

# SMS's Understanding and Facts in Response to the Oasis Presentation (13/18)

## Oasis Presentation p.112: Expansion Potential for Kaipoke in Home-Visit Nursing Care and Nursing Homes (Facilities)

### 2 Even within elderly care, Kaipoke has room to expand home-visit and large-scale care homes



#### Home-visits

- Competitor eWeLL has strengths in Home-visit nursing (訪問看護), offering solutions for nursing reports and visit planning for efficient operations
- SMS only provides home-visit nursing reports service as an ancillary function to its elderly care (訪問介護) claims billing system

*"SMS has the potential to take share from eWeLL in the home-visit nursing segment by investing further in Kaipoke, but **product enhancements have been slow and reactive**. As a result, eWeLL currently has a clear lead in usability."*

Analyst, Securities Firm C

Note: Oasis translation  
Source: Analyst interview; Expert interview

**OASIS**

112



#### Elderly care homes

- Competitors ND Software, Wiseman, and Kanamic are widely used in mid- to large-scale elderly care homes
- Kaipoke is missing a key opportunity, as smaller providers switch to alternative platforms as they scale operations

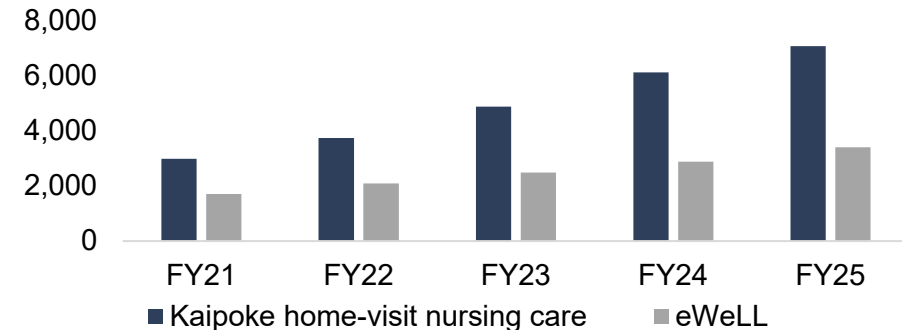
*"Although many operators adopt Kaipoke at the initial launch of their businesses due to its strong cost-effectiveness, **a significant number eventually switch to more user-friendly and feature-rich systems** such as Wiseman or Honobono Next as their operations expand."*

Kaipoke user

## SMS's Understanding and Facts

- Kaipoke holds the top market share in home-visit nursing care, and the claim that it lags behind competitors is not accurate.
  - Kaipoke's adoption share and annual net additions in home-visit nursing care are approximately twice those of eWeLL, representing a substantial lead. Both Oasis's understanding and the analyst comments suggesting a delay in expanding into the home-visit nursing care sector are recognized as incorrect.
  - In the elderly care SaaS market, where small and medium-sized operators are the primary customers, SMS considers it strategically appropriate to assign lower priority to nursing homes (facilities) at present. However, nursing homes are not excluded as a customer target, and SMS is also considering entering this segment in the future.
  - SMS already provides software for residential care services such as fee-based group homes and serviced senior housing, which are often offered in conjunction with home-visit care.

### Number of home-visit nursing care Adoptions\*1



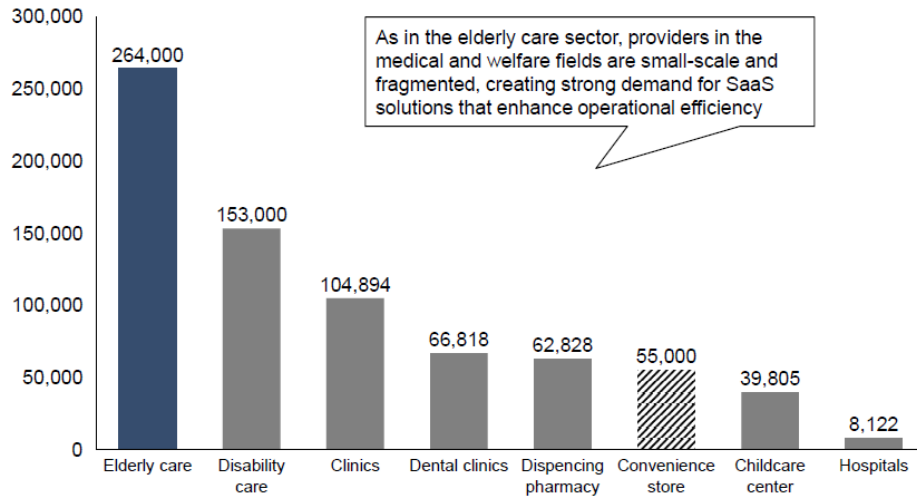
1. For Kaipoke home-visit nursing care, the number of paid subscriptions as of march-end was used. 2. For eWeLL, the number of active stations (i.e., stations currently using the service) disclosed in eWeLL's earnings presentation materials was used.

# SMS's Understanding and Facts in Response to the Oasis Presentation (14/18)

## Oasis Presentation p.113: Expansion Potential into Adjacent Areas of the Elderly Care Sector

### 2 SMS can explore adjacent sectors in healthcare/welfare fields

# of medical/healthcare locations



Source: Company IR; Lit. search

OASIS

113

## SMS's Understanding and Facts

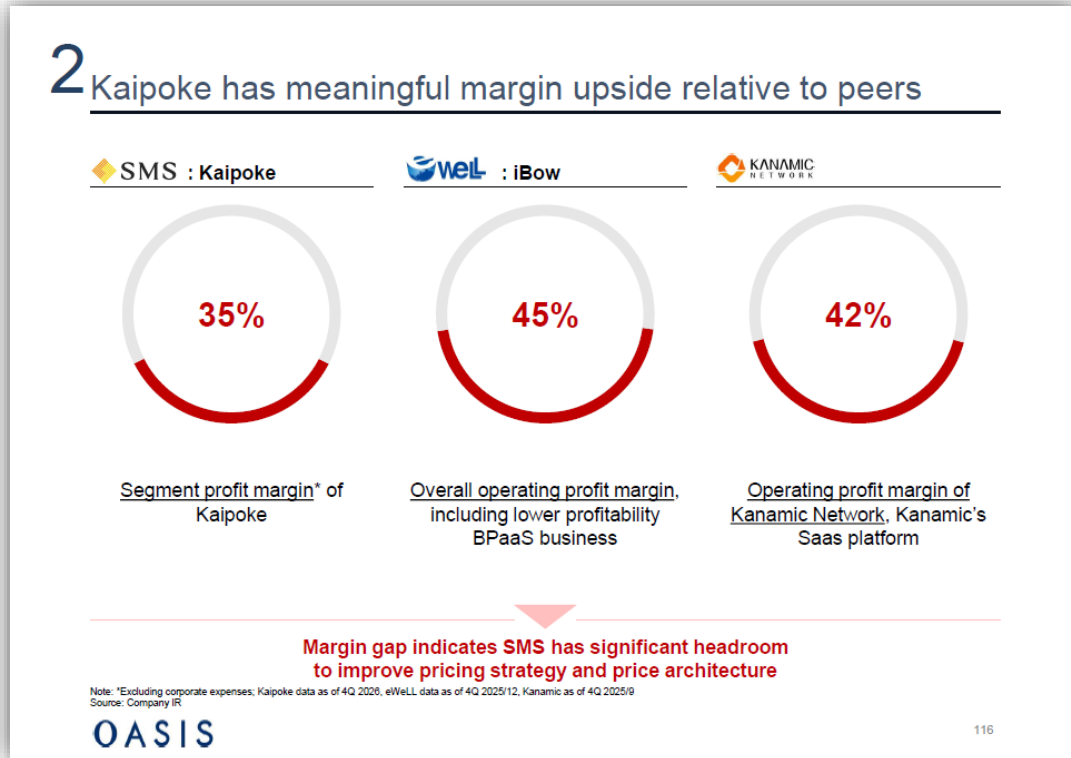
- SMS has already entered the disability welfare sector and is appropriately capturing business expansion opportunities. The color coding on the referenced page may create a misleading impression that SMS has not yet entered this area.
- Leveraging knowledge gained from Kaipoke, SMS has launched 'Kabenashi Cloud,' a SaaS product targeting the disability care sector.

  - In the Roadmap, the plan has been developed on the premise that the market structure and environment for Disability Care SaaS closely resembles the historical conditions of the elderly care SaaS market, enabling a certain degree of quantitative projection based on the trajectory of elderly care SaaS growth to date.



# SMS's Understanding and Facts in Response to the Oasis Presentation (15/18)

## Oasis Presentation p.116: Kaipoke Profit Margin Improvement Potential

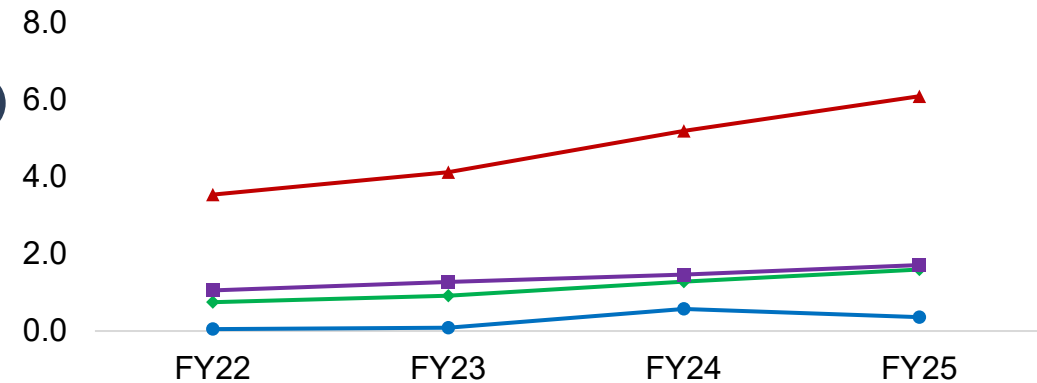


## SMS's Understanding and Facts

- SMS believes that using segment profit margins alone for competitor benchmarking is misleading.

  - While SMS's profit margin shown on the left is not at a high level, SMS offers optional services such as device rental that are effective in reducing churn. SMS also believes that its profit in absolute terms exceeds that of its competitors.

- Segment Profit\*1 (aggregated on SMS's fiscal year basis, in ¥ billions)



- ▲ SMS (Elderly/Disability Care)
- MEDLEY (Medical PF)
- ◆ eWeLL (Company-wide)
- Kanamic (Medical and Nursing Care Cloud PF)

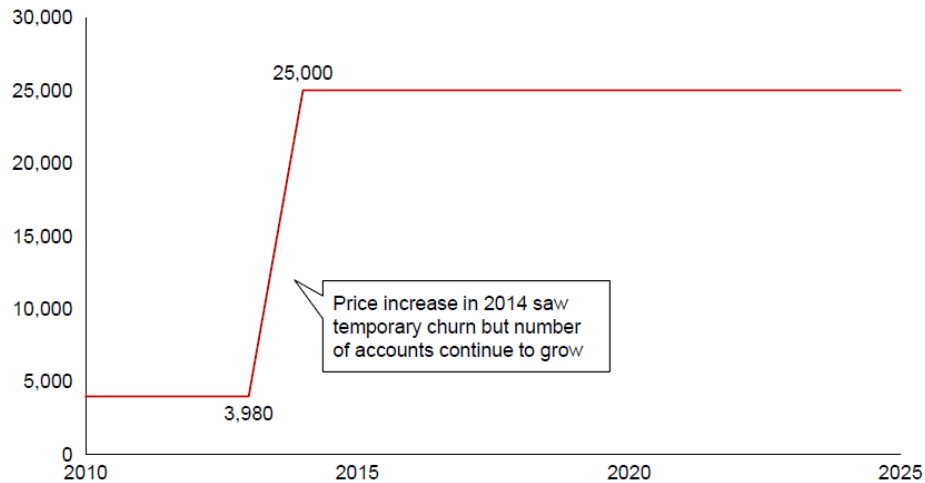
1. Source: Company disclosure materials(Profit metric used: SMS and MEDLEY – EBITDA; eWeLL – Operating Profit; Kanamic – Segment Profit)

# SMS's Understanding and Facts in Response to the Oasis Presentation (16/18)

## Oasis Presentation p.117: Kaipoke Pricing

### 2 Kaipoke's pricing has remained unchanged for a long time

Kaipoke monthly fee for home-visit elderly care providers (JPY)



Source: Lit. search  
**OASIS**

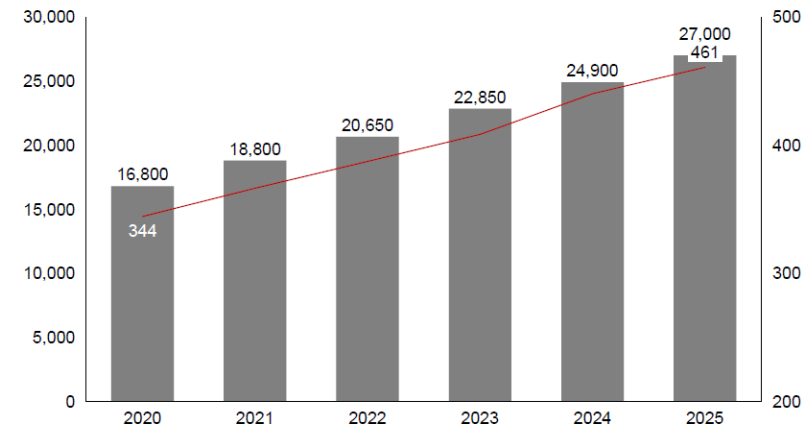
117

## SMS's Understanding and Facts

- The claim that Kaipoke's pricing has stagnated is not accurate.
  - Kaipoke's strategy is to acquire accounts at relatively low base prices and cross-sell adjacent products as optional services. As such, SMS employs a pricing strategy that encompasses adjacent products, and analyzing software pricing alone would therefore be inconsistent with this approach.
  - In practice, Kaipoke's ARPA has been trending upward.
  - This fact is also noted on p.110 of the Oasis Presentation, and SMS infers that Oasis is aware of it.

### 2 Kaipoke continues to show robust customer acquisition while increasing unit price

Kaipoke number of customer accounts (Companies) — ARPA\* (JPY thousand)



Note: \*Average Revenue Per Account  
Source: Company IR

**OASIS**

110

# SMS's Understanding and Facts in Response to the Oasis Presentation (17/18)

## Oasis Presentation pp.122, 127: DR Business Enhancement Measures

### 3 SMS can strengthen DR platform by scaling both customer accounts and job seeker pool

Increase # of customer accounts

×

Increase # of job seekers

- Strengthen the sales, customer success, and marketing teams to increase both the number of clients and the number of postings per client
- Deploy dedicated teams for large clients to accelerate customer acquisition
- Utilize not only online channels but also FAX, print advertising, and telephone follow-up

- Accelerate online-based customer acquisition through digital initiatives (e.g., traffic acquisition via Google and Indeed, YouTube advertising)
- Strengthen the engineering team to improve search rankings through enhanced SEO

### 3 Medley leverages "Indeed" to drive traffic to own platform

2,000+ jobs added within last 7 days

←

7,000+ jobs added within last 7 days

Note: Showing postings added within 7 last days  
Source: Indeed

## SMS's Understanding and Facts

- The DR business enhancement measures advocated by Oasis are already being implemented by SMS.
  - As referenced in the Roadmap with respect to strengthening sales and customer success functions, SMS is actively advancing the DR business.
  - SMS is already pursuing all of the DR enhancement measures advocated by Oasis (including the use of Indeed described on p.127, which has already been implemented), and the direction of Oasis and SMS can be considered aligned.



# SMS's Understanding and Facts in Response to the Oasis Presentation (18/18)

- The biographies of SMS's director candidates on p.130 of the Oasis Presentation are only partially presented. The key experience and skills of each candidate are as set out below, and SMS believes this represents the optimal board composition for achieving its corporate value enhancement goals.

	Masaki Takahata	Nobuko Takagi	Tetsuro Harada (New)	Aiko Ota (New)	Makoto Yasuda (New)	Takeshi Kawasaki (New)
Position (Planned)	Representative Director and CEO	Outside Director (Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)	Outside Director	Outside Director
Key Recent Career History (Period)	<ul style="list-style-type: none"> <li>MIMS Group, SMS Co., Ltd. CFO (2016–2021)</li> <li>MIMS Group, SMS Co., Ltd. CEO (2021–2025)</li> <li>SMS Co., Ltd. Director (2025–)</li> <li>SMS Co., Ltd. Representative Director and CEO (2026–)</li> </ul>	<ul style="list-style-type: none"> <li>COEING AND COMPANY Representative Director (2018–)</li> <li>USS Co., Ltd. Outside Director (2018–2025)</li> <li>SMS Co., Ltd. Outside Director (Audit &amp; Supervisory Committee Member) (2022–)</li> <li>Kosé Holdings Outside Audit &amp; Supervisory Board Member (2024–)</li> </ul>	<ul style="list-style-type: none"> <li>Dream Incubator Inc. Director (2018–2020)</li> <li>Dream Incubator Inc. Representative Director and CEO (2020–2023)</li> <li>Dream Incubator Inc. Board Chair (Audit &amp; Supervisory Committee Member) (2024–)</li> <li>Mandom Corporation Outside Director (2024–2026)</li> <li>Wacoal Holdings Corp. Outside Director (2024–)</li> </ul>	<ul style="list-style-type: none"> <li>Freshfields Bruckhaus Deringer LLP (2015–2017)</li> <li>Nozomi Sogo Attorneys at Law (2017–)</li> <li>Rajah &amp; Tann Singapore LLP Secondment (2020–2022)</li> <li>Nozomi Sogo Attorneys at Law Partner (2025–)</li> </ul>	<ul style="list-style-type: none"> <li>BrainPad Inc. (2004–2011)</li> <li>BrainPad Inc. Director (2011–2021)</li> <li>Seedim Representative Director (2021–)</li> <li>Nealry Inc. (2022–)</li> </ul>	<ul style="list-style-type: none"> <li>Regional Economy Vitalization Corporation of Japan (2014–2020)</li> <li>Lifenet Insurance Company Executive Officer (2022–2024)</li> <li>Lifenet Insurance Company Senior Executive Officer (2024–2025)</li> <li>Lifenet Insurance Company Deputy President and CFO (2025–)</li> </ul>
Key Skills	<ul style="list-style-type: none"> <li>Has led group-wide corporate planning since joining SMS</li> <li>Contributed to the growth of overseas operations as CFO and CEO of the MIMS Group</li> </ul>	<ul style="list-style-type: none"> <li>Certified Public Accountant with experience in M&amp;A advisory and corporate strategy development</li> <li>Extensive experience as an outside director at listed companies</li> </ul>	<ul style="list-style-type: none"> <li>Extensive experience as a corporate executive and outside director at listed companies</li> <li>Extensive knowledge of business portfolio strategy and strengthening capital market communications</li> </ul>	<ul style="list-style-type: none"> <li>Experience in international corporate law</li> <li>Practical experience in Singapore, where the Company has overseas operations</li> </ul>	<ul style="list-style-type: none"> <li>As a founding member of BrainPad, led the data analytics business centered on statistical analysis and machine learning, as well as the SaaS product division</li> </ul>	<ul style="list-style-type: none"> <li>Practical experience and broad insight in capital policy and capital market dialogue as a corporate executive at a listed company</li> </ul>

Red text: experience omitted from the Oasis Presentation

# Disclaimer

---

- **This document is intended to present SMS's views on the Oasis Presentation published on May 28, 2026. This document does not constitute a proxy solicitation on behalf of SMS or any third party with respect to any agenda item at SMS's Annual General Meeting.**
- **Information in this document other than that originating from SMS has been prepared based on publicly available information. However, SMS makes no representations as to the accuracy, reliability, or completeness of such information and assumes no responsibility for any decisions made based on such information.**
- **This document also contains forward-looking statements based on SMS's current plans, estimates, expectations, and forecasts regarding its business and industry trends. Such forward-looking statements are subject to various risks and uncertainties.**
- **The forward-looking statements contained in this document, including performance forecasts, are based on information available to SMS as of June 5, 2026, and on certain assumptions deemed reasonable, and do not constitute a commitment by SMS to achieve such results. Actual performance and other results may differ materially from the forward-looking statements contained in this document due to various factors.**