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[Securities code: 2175]
May 27, 2025

To Our Shareholders

Natsuki Goto
Representative Director, President and CEO
SMS Co., Ltd.
2-11-1 Shibakoen, Minato-ku, Tokyo, Japan

Convocation Notice of the 22nd Ordinary General Meeting of Shareholders

The 22nd Ordinary General Meeting of Shareholders of SMS Co., Ltd. (hereinafter the “Company”) will be held as described below.

You can exercise your voting rights either via the Internet or in writing instead of attending the meeting in person. Please review the attached Reference Materials for the General Meeting of Shareholders and exercise your voting rights by **6:00 p.m. on Thursday, June 19, 2025 (JST)**.

1. Date and time: Friday, June 20, 2025, at 10:00 a.m. (JST)
(Reception opens at 9:30 a.m.)

2. Venue: Tokyo Grand Hotel, 3F Sakura
2-5-2 Shiba, Minato-ku, Tokyo

3. Meeting agenda:
Matters to be reported: Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the 22nd fiscal year (from April 1, 2024 to March 31, 2025), and results of audits by the Accounting Auditor as well as the Audit and Supervisory Committee on Consolidated Financial Statements

Proposals to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal 3: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

4. Matters decided in connection with this convocation:

- (1) If you exercise your voting rights in writing without indicating your approval or disapproval, the vote will be treated as an indication of approval.
- (2) If you duplicate the vote by exercising the voting rights both via the Internet and in writing, only the Internet vote will be treated as valid.
- (3) If you exercise your voting rights multiple times via the Internet, only the last vote will be treated as valid.

◎ Should the Reference Materials for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<https://www.bm-sms.co.jp/ir/library/shareholders/>).

◎ Please note there will be no souvenirs for those attending the General Meeting of Shareholders in person.

Reference Materials for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company's basic policy is to pay dividends in line with business results for each fiscal year, with a target consolidated dividend payout ratio of 30%, while prioritizing growth investment and considering the financial conditions. Based on this policy, the Company proposes to return surplus to the shareholders for this fiscal year in the form of dividends as follows:

Matters concerning year-end dividends:

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and the total amount
28.5 yen per common share of the Company's stock
Total amount of 2,421,429,797 yen
- (3) Effective date of dividends
June 23, 2025

Based on the above, the consolidated dividend payout ratio for this fiscal year will be 40.2%.

(Reference)

1. Total Payout Ratio

The Company implements share repurchases flexibly, according to financial conditions and share price levels, and repurchased a total amount of 3,915,046,700 yen of shares during this fiscal year. The total payout ratio for this fiscal year will be 105.5% after the year-end cash dividend for the fiscal year ended March 31, 2025, to be implemented upon approval of this proposal, and the said share repurchases.

2. Update of Dividend Policy

The Company's Board of Directors resolved on April 28, 2025, to update the Company's dividend policy, based on the judgment that EPS growth is achievable over the medium- to long-term. This policy will be applied from the dividend for the fiscal year ending March 31, 2026.

Dividend Policy

The Company's basic policy for profit distribution is to implement a progressive dividend*, with a target consolidated dividend payout ratio of 30%, while prioritizing growth investment and considering the financial conditions. However, this does not apply in the event of major investment opportunities such as M&A.

* Dividend per share to be maintained or increased compared with the previous fiscal year

Proposal 2: Election of Three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all two (2) Directors, excluding Directors who are Audit and Supervisory Committee members, will expire at the end of this General Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Directors, including one (1) additional Director, to further strengthen and enhance the management structure.

The Nomination and Remuneration Advisory Committee, of which Independent Outside Directors account for the majority, has already been consulted about the proposal.

The Audit and Supervisory Committee has confirmed that it has no objection to the proposal.

The candidates are as follows:

Candidate No.	Name (Date of birth)	Professional background, positions, responsibilities, and significant concurrent positions		Number of the Company's common shares held
1	Reappointment Internal Natsuki Goto (February 25, 1976) Attendance at the Board meetings: 13/13	Apr. 2004	Joined IBM Business Consulting Services KK (Currently, IBM Japan, Ltd.)	169,289 shares
		May 2007	Joined BayCurrent Consulting, Inc. (Currently, BayCurrent, Inc.)	
		Dec. 2007	Joined SMS Co., Ltd.	
		Apr. 2008	General Manager of Corporate Planning	
		Mar. 2009	Director of Administration	
		Jun. 2009	Member of the Board	
		Apr. 2013	Director of Overseas Business	
		Apr. 2014	Representative Director, President and CEO (Current position)	
			Director of Elderly Care Business	
		Apr. 2017	Director of Business Development	
		Dec. 2018	Member of the Nomination and Remuneration Advisory Committee (Current position)	
		(Significant concurrent position) Member of the Board, M3 Career, Inc.		
[Reasons for nomination as a candidate for Director] Since becoming a board member in 2009, Mr. Natsuki Goto has led various divisions including administration section, overseas business, and elderly care business, and has diverse management experience. Since 2014, Mr. Goto has led the entire company as the Representative Director, and has continued to lead the Group's growth. Accordingly, the Company has determined that Mr. Goto is a suitable candidate for enhancing the Group's corporate value in a sustainable manner, and has once again nominated him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Professional background, positions, responsibilities, and significant concurrent positions		Number of the Company's common shares held
2	Reappointment Internal Masato Sugizaki (October 15, 1975) Attendance at the Board meetings: 13/13	Apr. 1998	Joined Mitsui Leasing & Development, Ltd. (Currently, JA Mitsui Leasing, Ltd.)	64,000 shares
		Mar. 2004	Joined ACCA Networks Co., Ltd. (Currently, SoftBank Corp.)	
		Apr. 2009	Joined SMS Co., Ltd.	
		Oct. 2009	General Manager of General Affairs	
		Apr. 2011	General Manager of Corporate Management	
		Apr. 2015	Director of Corporate Management (Current position)	
		Jun. 2016	Member of the Board (Current position)	
		(Significant concurrent position) Corporate Auditor, M3 Career, Inc.		
[Reasons for nomination as a candidate for Director] Since joining the Company in 2009, Mr. Masato Sugizaki has led and been committed to strengthening the corporate divisions as General Manager of General Affairs, General Manager of Corporate Management, and Director of Corporate Management. Since becoming a board member in 2016, he has also contributed to the Group's growth with his extensive experience. Accordingly, the Company has determined that Mr. Sugizaki is a suitable candidate for enhancing the Group's corporate value in a sustainable manner, and has once again nominated him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Professional background, positions, responsibilities, and significant concurrent positions		Number of the Company's common shares held
3	New appointment Internal Masaki Takahata (April 14, 1984)	Apr. 2007	Joined KPMG AZSA & Co. (Currently, KPMG AZSA LLC)	10,810 shares
		Jul. 2011	Joined Frontier Management Inc.	
		Sep. 2013	Joined SMS Co., Ltd.	
		May 2016	CFO, the MIMS Group	
		Mar. 2021	CEO, the MIMS Group (Current position)	
		(Significant concurrent position) —		
[Reasons for nomination as a candidate for Director] Since joining the Company in 2013, Mr. Masaki Takahata, with professional expertise in finance and accounting cultivated at an audit firm, has gained experience in the Corporate Planning Division and has led the overseas business as CFO and then as CEO of the MIMS Group. In light of the importance of the overseas business and his dedication to its strengthening, the Company has determined that Mr. Takahata is a suitable candidate for enhancing the Group's corporate value in a sustainable manner, and has nominated him as a candidate for Director.				

Notes:

1. There are no special conflicts of interests between each candidate and the Company.
2. The number of the shares held by Mr. Natsuki Goto and Mr. Masaki Takahata includes those held through the Company's stock ownership plan.
3. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If Mr. Masaki Takahata assumes the office of Director, he will be insured under the insurance agreement. The Company plans to renew the agreement with the same details in November 2025.

Proposal 3: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

To prepare for a case where the number of Directors who are Audit and Supervisory Committee members falls below the number required by laws and regulations, the Company proposes the election of one (1) Substitute Director who is an Audit and Supervisory Committee member in advance.

The Nomination and Remuneration Advisory Committee, of which Independent Outside Directors account for the majority, has already been consulted about the proposal.

The Company has obtained an approval for the submission of this proposal from the Audit and Supervisory Committee.

The candidate is as follows:

No candidate is as follows:

Name (Date of birth)	Professional background, positions, responsibilities, and significant concurrent positions		Number of the Company's common shares held
Taro Mizunuma (July 6, 1971)	Apr. 2000	Registered as Attorney at Law (Daini Tokyo Bar Association)	—
		Joined Miyakezaka Sogo Law Offices	
	Apr. 2009	Partner, Miyakezaka Sogo Law Offices	
	May 2012	Joined Shinsei Sogo Law Office	
	Sep. 2015	Joined Otake Law Office (Current position)	
	(Significant concurrent position) Attorney at Law, Otake Law Office		
[Reasons for nomination as a candidate for Substitute Outside Director and overview of expected roles] Mr. Taro Mizunuma has been working as a lawyer for many years and has an abundant knowledge and experience as well as broad insight as a legal professional. Specifically, he has rich experience in legal cases with medical institutions and is well-versed in the medical field, one of the Company's business domains. Mr. Mizunuma does not have any issues that may cause conflicts of interest with common shareholders and thus is expected to provide effective oversight and supervision on management from an independent standpoint. Accordingly, the Company has nominated Mr. Mizunuma as a candidate for Substitute Outside Director. Although Mr. Mizunuma has not been directly involved in corporate management, we determine, for the above reasons, that he will be able to adequately fulfill the duties as an Outside Director.			

Notes:

- There are no special conflicts of interests between Mr. Taro Mizunuma and the Company.
- Mr. Mizunuma is a candidate for Substitute Outside Director. If this proposal is approved and adopted and Mr. Mizunuma assumes the office of Outside Director, the Company will designate him as an Independent Director pursuant to the provisions of the Tokyo Stock Exchange and submit a notification to the Exchange.
- If Mr. Mizunuma assumes the office of Director who is an Audit and Supervisory Committee member, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the same Act. The cap on the amount of liability under the said agreement shall be the minimum amount prescribed in Article 425, Paragraph 1 of the same Act.
- The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If Mr. Taro Mizunuma assumes the office of Director who is an Audit and Supervisory Committee member, he will be insured under the insurance agreement. The Company plans to renew the agreement with the same details in November 2025.

(Reference) Composition and Skill Matrix of the Board of Directors after the conclusion of this General Meeting of Shareholders

1. Composition of the Board of Directors

Three of the six Directors are Independent Outside Directors.

2. Skill Matrix of Directors

Name Position	Gender	Notable Knowledge and Experiences						
		Management	Business Knowledge	International Experience	Legal /Risk Management	Accounting/ Finance / M&A	IT / Digital Transformation	ESG / Sustainability
Reappointment Internal Natsuki Goto Representative Director and President (CEO)	Male	●	●	●				●
Reappointment Internal Masato Sugizaki Director	Male	●	●	●	●	●		●
New appointment Internal Masaki Takahata Director	Male	●	●	●		●		
Outside Independent Tomoki Matsubayashi Director (Member of the Audit and Supervisory Committee)	Male		●		●			●
Outside Independent Toyotaro Suzumura Director (Member of the Audit and Supervisory Committee)	Male			●			●	
Outside Independent Nobuko Takagi Director (Member of the Audit and Supervisory Committee)	Female			●		●		●

The Company does not have a system of Advisors (“sodanyaku” or “komon”). Accordingly, the Company does not appoint any former Directors, etc. as Advisors.