

Ubicom Holdings, Inc. (Prime Market of TSE: 3937)



**FY2024
ended March 31, 2025
Full Year Financial Results**

May. 8, 2025



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Overview of Consolidated Financial Results (P/L) for FY2024



Sales, operating income, ordinary income, and net income

all reached record highs for the full fiscal year.

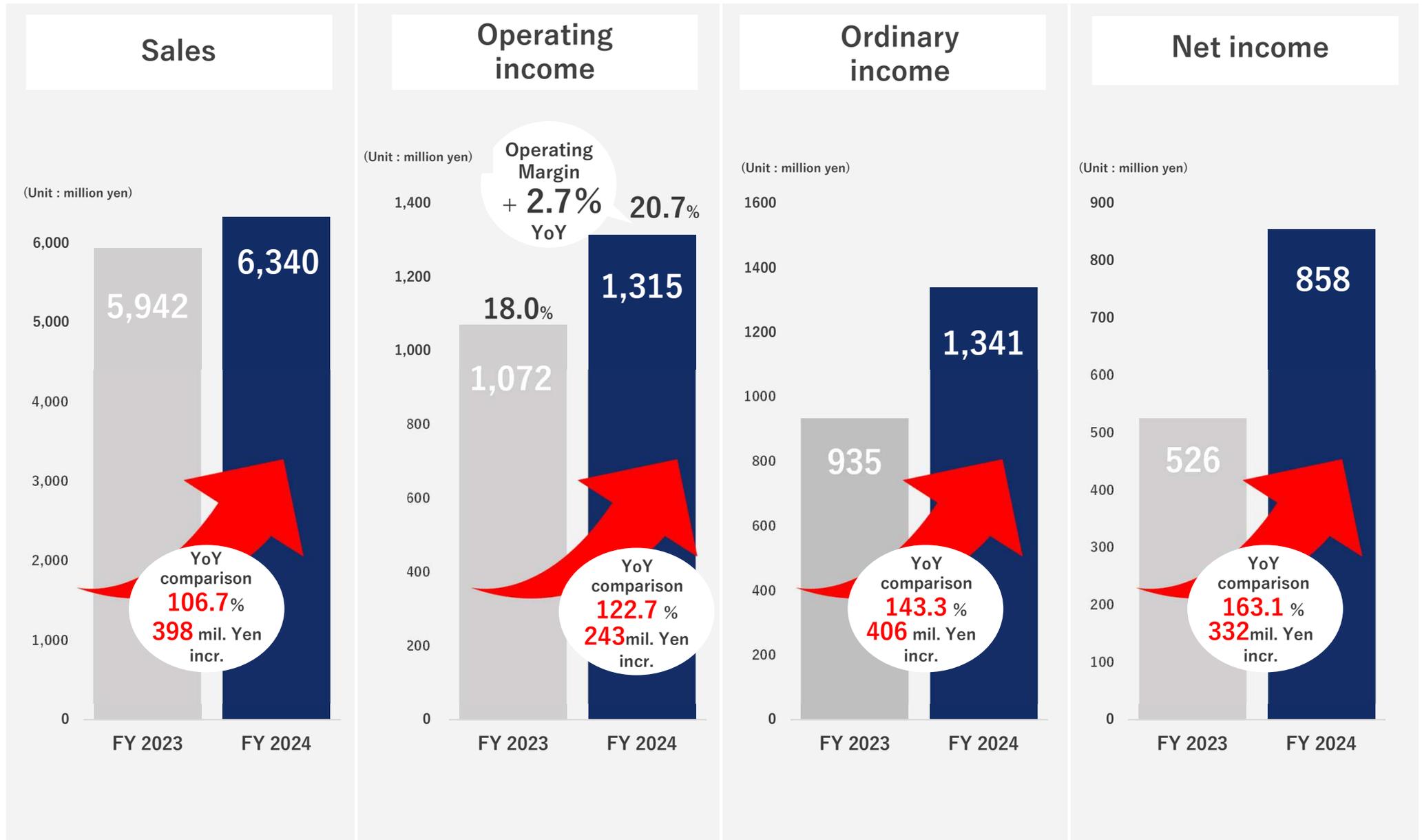
Consolidated sales increased by 106.7% YoY to 6,340 million yen.

Operating income rose by 122.7% YoY to 1,315 million yen.

Net income significantly improved to 858 million yen, 163.1% of the figure from the previous year.

(Unit : million yen)	Full-Year of FY2023 (Accumulated)		Full-Year of FY2024 (Accumulated)		YoY Comparison	Variance
	Amount	Sales ratio	Amount	Sales Ratio		
Sales	5,942	100.0%	6,340	100.0%	106.7%	+398
Operating income	1,072	18.0%	1,315	20.7%	122.7%	+243
Ordinary income	935	15.7%	1,341	21.2%	143.3%	+406
Net income attributable to shareholders of the parent company	526	8.9%	858	13.5%	163.1%	+332

Trends in Consolidated Result for FY 2024



Both business segments recorded increases in revenue and profit, **reaching all-time highs.**

(Unit : million yen)		Full-Year of FY2023 (Accumulated)		Full-Year of FY2024 (Accumulated)		YoY Comparison	Variance
		Amount	Sales Ratio	Amount	Sales Ratio		
Sales	MD	1,646	100.0%	1,723	100.0%	104.7%	+77
	TC	4,295	100.0%	4,617	100.0%	107.5%	+322
Operating Income	MD	1,010	61.4%	1,128	65.5%	111.7%	+118
	TC	420	9.8%	562	12.2%	133.7%	+142

※MD : Medical business、 TC : Technology consulting business

Medical Business

Expanded the stock of the Mighty Series using the AI × Subscription model and increased unit prices, achieving record-high sales and operating income.

Technology Consulting Business

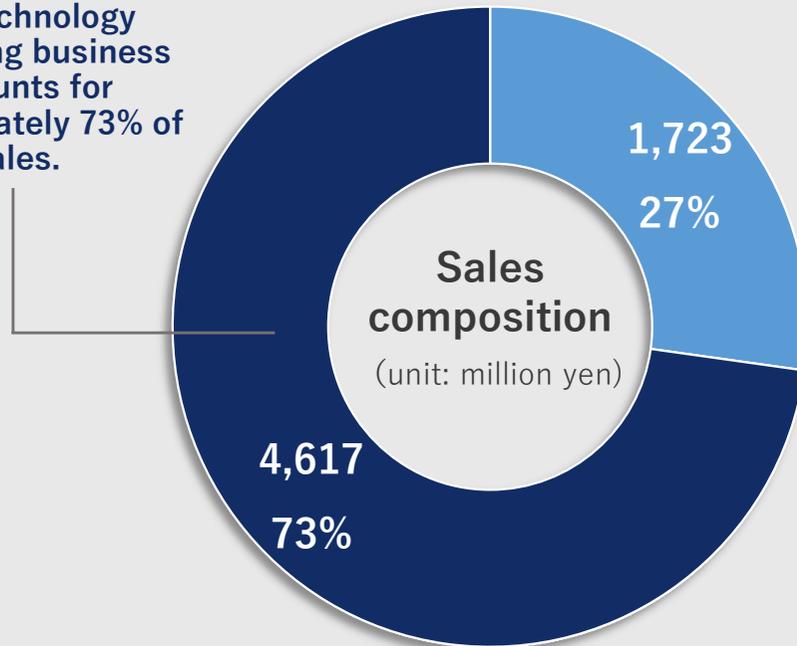
Resolved the delay in Sler-related projects that occurred in FY2023 3Q through business reinforcement and organizational reform, leading to record highs in both sales and operating income.

Matters Related to Changes in Reportable Segments, etc.

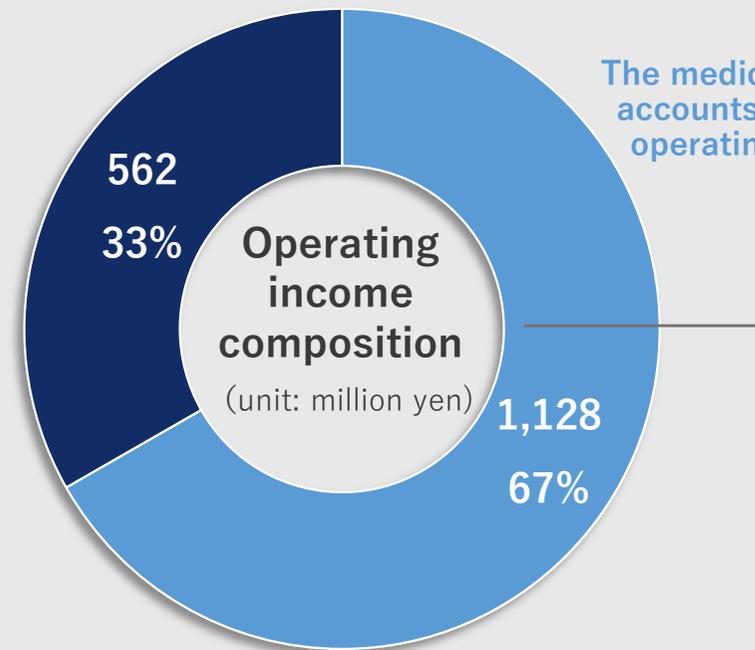
From the first quarter of the current fiscal year, the name of "Global Business" has been changed to "Technology Consulting Business" in accordance with the organizational change implemented on May 1, 2024. There is no impact of this change on segment information.



The technology consulting business accounts for approximately 73% of sales.



The medical business accounts for 67% of operating income.



■ Medical business ■ Technology consulting business

※The difference between segment profit and consolidated performance mainly arises from adjustments of general administrative costs not attributed to any reportable segment.

01

Medical Business



Reforming the workstyle of medical professionals
Improving the profitability of medical institutions
Improving medical safety and quality

Mission

02

Technology Consulting Business

Addressing the shortage of **787,000*** IT engineers by 2030
Developing Overseas Advanced IT Human Resource



AI × Subscription model
Operating income margin of **60% or higher**

Business Model

30 years of trust and proven track record in offshore development
Over **900** young sophisticated engineers

Medical database cultivated over more than **30 years**
Owning numbers of AI engines

Strengths

Offshore development center (ODC) partnership
Offshore transfer consulting

More than **21,000** medical institutions
Healthcare-related businesses

Clients

- Technology: AI, IOT, etc.
- Strategic markets: Healthcare, finance/public, automobiles (EVs), mobile, real estate, etc.

Medical Business

Medical Business : FY2024 Full-Year Segment Performance Overview



By implementing the following measures, the company achieved **record highs** in both sales and operating income through the stock expansion of the Mighty series using the AI × subscription model and increased average user unit price. The operating margin was **65.5%**, a 4.1-point increase year-on-year.

Sales

1,723 million yen
(YoY 104.7%, +77 million yen)

Operating income

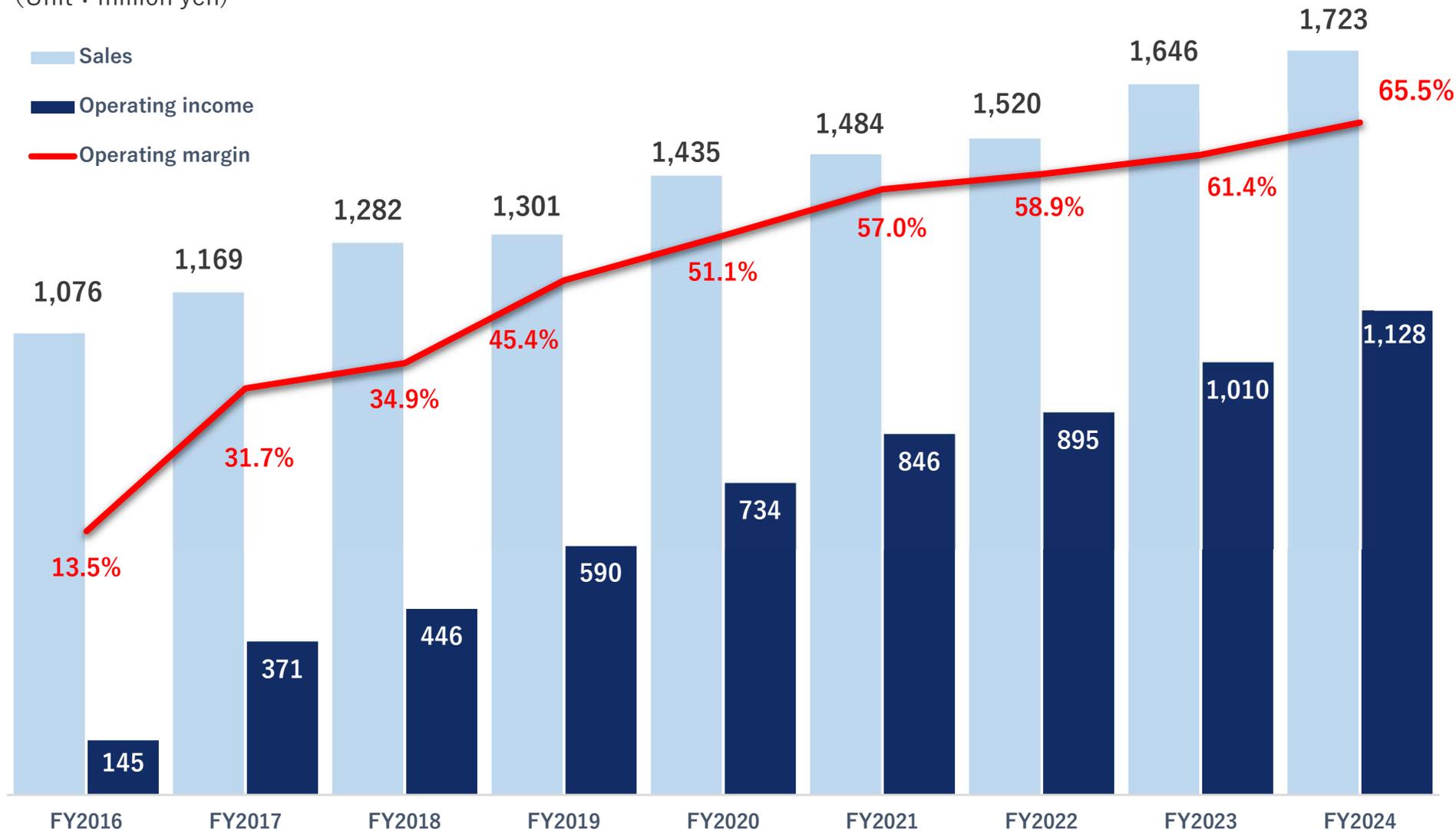
1,128 million yen
(YoY 111.7%, +118 million yen)

Workstyle reforms for doctors and medical fee revisions starting in April 2024 have accelerated DX investments in medical institutions.

- ① Began M&A preparations to integrate ISM Co., Ltd., the distributor of the Mighty Checker series, into the group.
- ② Launched remote service platform through business alliance with Nihon Kyoiku Create.
- ③ Implemented measures to expand orders for MightyChecker® EX, improving unit prices and increasing revenue. Transitioned existing users from the old products (MightyChecker® for ORCA / former MightyChecker® PRO) to MightyChecker® EX.
- ④ Launched the company's first OEM supply of Mighty QUBE® Hybrid to EMR manufacturers specializing in home healthcare.
- ⑤ Expanded the number of users through cross-selling of 'Mighty QUBE® Hybrid' and formed business alliances with two EMR vendors targeting small and medium-sized hospitals already using 'MightyChecker®'.

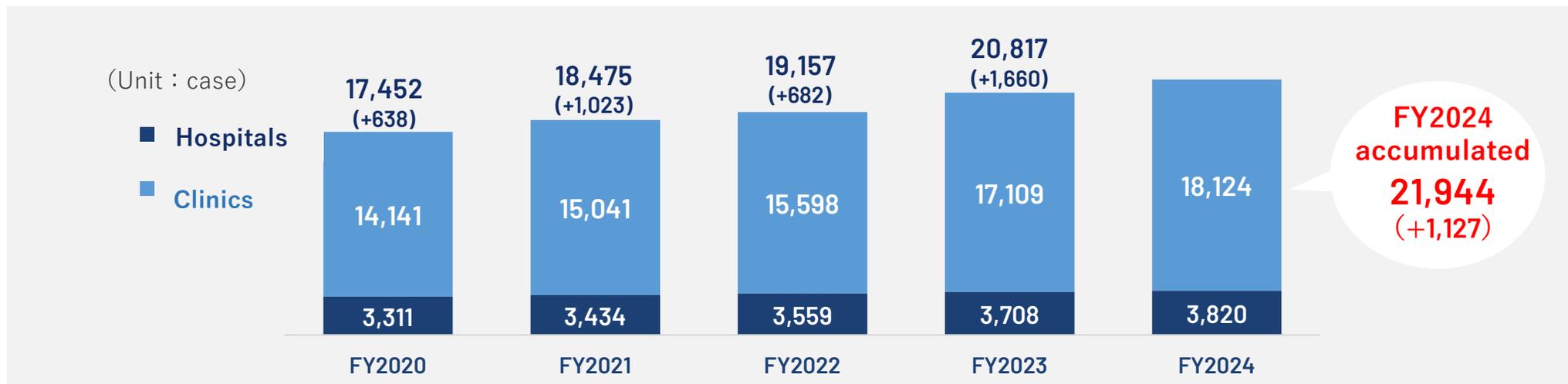
Achieved record-high results through the expansion of a high-profit foundation built on the subscription model.

(Unit : million yen)



AI × Subscription Model User's Trend of the Core Solution 「Mighty」 Series

The implementation of workstyle reforms for medical doctors in April 2024 has led to an acceleration of digital transformation in the medical industry. While focusing on converting existing users, the number of users is steadily increasing.

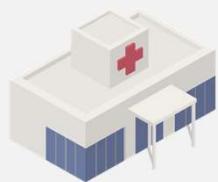


Share in users of Mighty series^{*1}

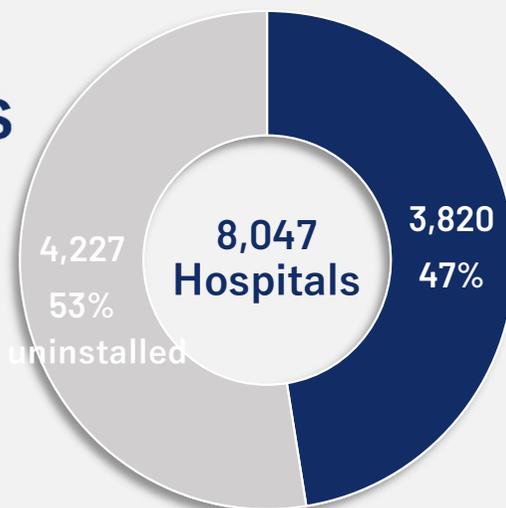
Users as of Mar. 2025 / Estimated users as of Feb. 2025^{*2}

Hospitals

Approx. **47%**



(Hospital : over 20 beds)

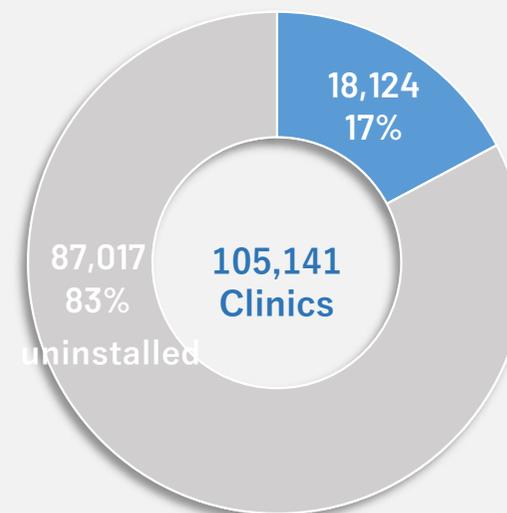


Clinics

Approx. **17%**



(Clinics : under 20 beds)



Expanding Medical Business Revenue with Two Strategies

01

Acquire new users



M&A strategies



- Promoted strategic partnerships with MightyChecker series distributors, anticipating M&A.
- Shifted to direct sales of the MightyChecker series.
- Expanded distribution channels for the Mighty Series.

Strengthen sales structure

Plans to recruit more consulting sales staff to accommodate new customer inquiries.

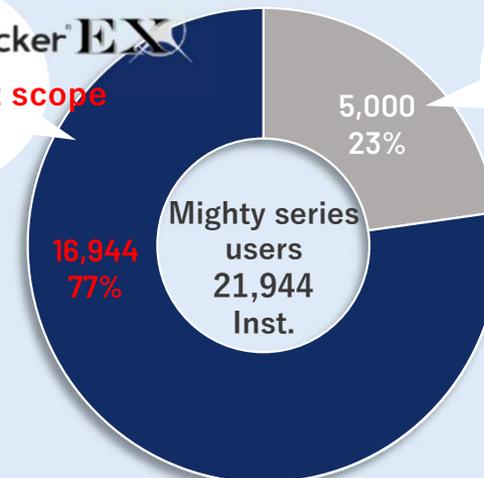
02

Product replacement for existing users



Increase in unit price due to replacement with new products. License fees will continue to accumulate steadily beyond the next fiscal year due to **price stabilization**.

MightyChecker EX
Replacement scope



Out of scope
(MCEX · Cloud)

Deepened collaboration with ISM strengthening business expansion in the Kyushu area with an eye toward future M&A.



Reason of stock acquisition

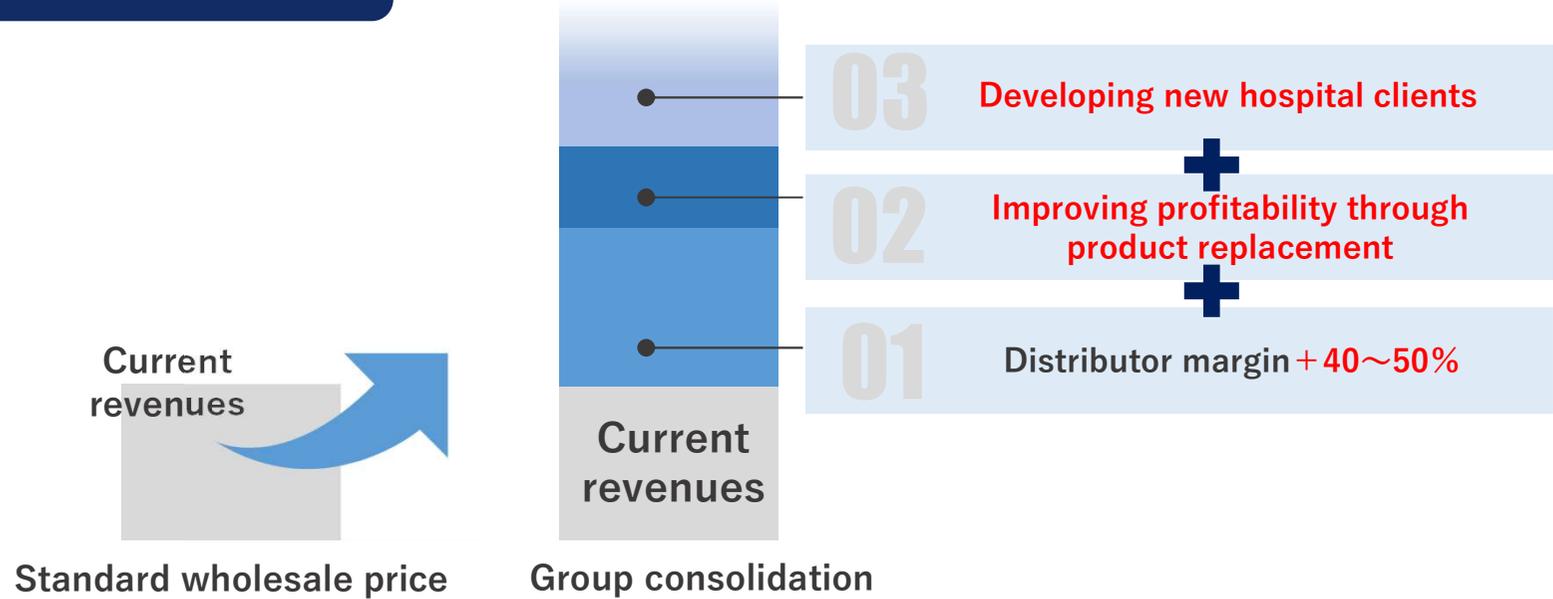
The company has been commissioned by the Fukuoka Medical Association to build a regional medical information network and has established a solid business foundation with more than 800 medical institutions.

Anticipated Synergies

- Accelerate the Group's growth by expanding sales channels for AIS's products to medical institutions by leveraging its broad transaction base.
- Integration of ISM's direct trading channels into the Group will improve profitability and enhance the Group's overall competitiveness.

Three Expected Benefits of M&A with ISM

Visions of Future Transition through M&A Strategy



01

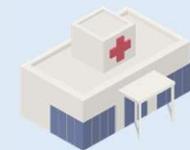
Sales agent charge a 40-50% margin on the wholesale price on their sales to medical institutions.



MightySeries
wholesale price
Sales of AIS

MightySeries
wholesale price + 40~50%
Sales of Sales agents

Integration of ISM into the group, adding distributor margins and improving profitability in the medical business



Strong local sales network with numerous agent relationships already in place.



**Kyushu Base
ISM**



Image of Scale Expansion through M&A Strategy

In addition to expanding new platform businesses by leveraging the customer base, medical database, and intellectual property, we are promoting the enhancement of our revenue base and the development of new recurring models through **M&A strategies**.

01 Stable Earnings AI × Subscription model

Management Support Solutions for Medical Institutions

Knowledge No. of medical institutions
Over 21,000



Over more than 30 years of In-house database

MightyChecker^{EX}

MightyChecker^{Cloud}

MightyQUBE^{Hybrid}

02 New Market Entry (Mid- to Long-Term Vision)

Data Platform

Conference requests
Analysis results
...

Support for Succession of Medical Institution Business

PHR Platform

HR Platform users

Medical doctors 111K
Chief Medical Processors 11K
Nurses 482K
Medical Clerks 411K
*Estimated by our company

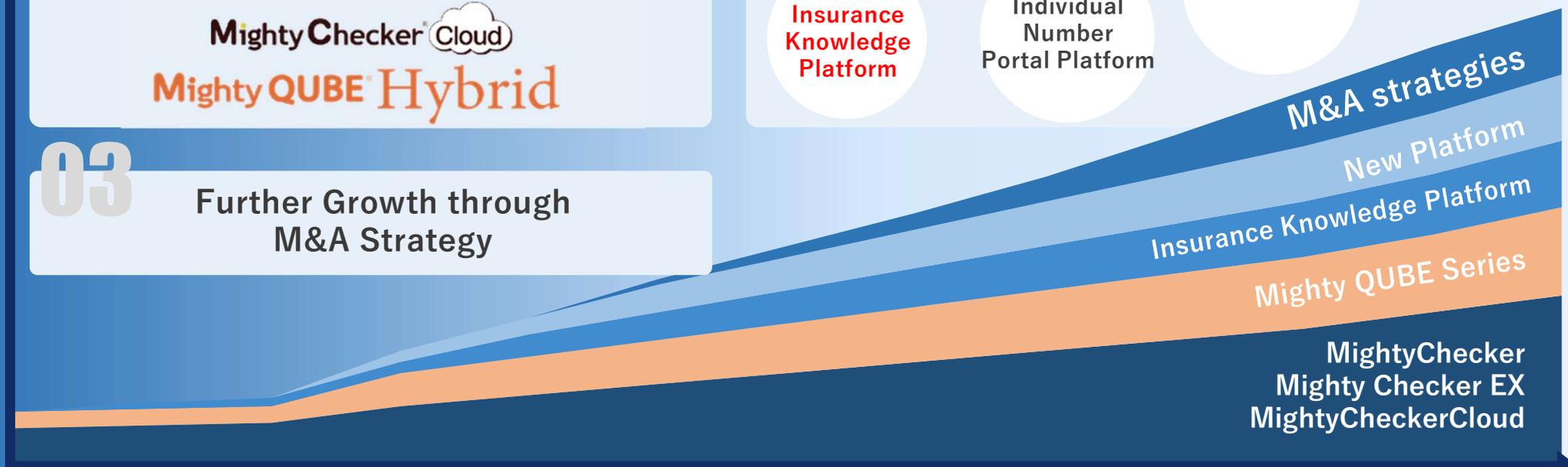
Remote Service Platform

Data Health Platform

Insurance Knowledge Platform

Individual Number Portal Platform

03 Further Growth through M&A Strategy



Sales FY2023 FY2024 FY2025 FY2026 FY2027 FY2028

Technology Consulting Business

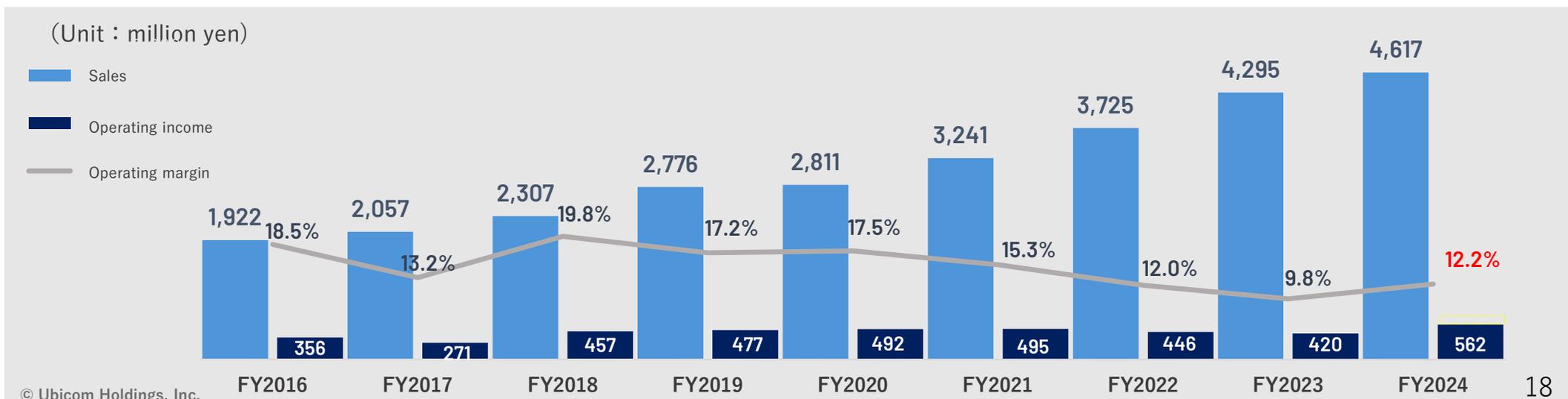
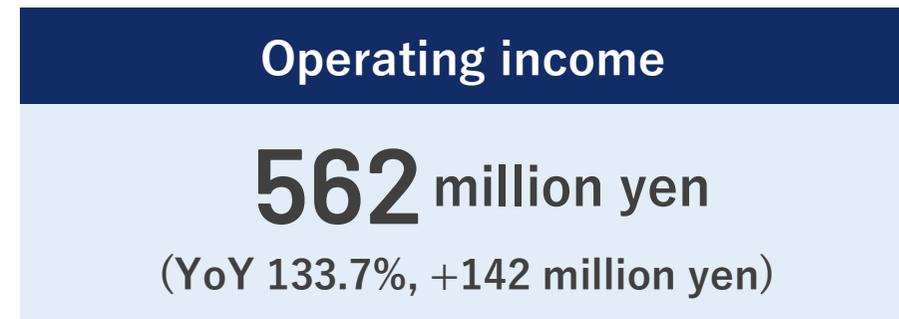
Technology Consulting Business : FY2024 Full-Year Segment Performance Overview



The delay in Sler-related projects that occurred in FY2023 3Q was resolved through the strengthening of the consulting business and organizational reforms, **resulting in record highs** in both sales and operating income.

The operating margin reached 12.2%, a 2.4-point increase from the previous year. Full-year results reached record highs, but 4Q standalone operating income declined due to the following factors in FY2024 4Q.

- ① For client projects affected by U.S. tariff measures, implemented “strategic order selection” after carefully reviewing profitability.
- ② Cost overruns occurred in contract projects in FY2024 4Q.



Beginning in FY2025, investments will be initiated the aim of reinforcing its mid-to long-term profitability.

External Environment

U.S. tariffs have increased price pressure from some clients, mainly in manufacturing

Discount negotiations were initiated

Changes in Supply Chain originating from U.S.-China relations
China's domestic economic downturn

Japanese and global companies downsizing or withdrawing from China

01 Building an organizational structure to strengthen price negotiation capabilities

Developing Advanced IT personnel



Strengthen Sales and PM Structure in Japan



- Strengthen training of sophisticated IT personnel, especially those with advanced skills, including AI, in order to avoid price competition.
- Strengthen collaboration with offshore partners outside of the Philippines.
- Enhancing PM/PMO hiring to boost profitability through better project selection and proposals.

02 Structural Reform of China Base

Downsizing of the base



Personnel reduction



- Downsize the Kunshan office and consolidate operations at the Hefei office.
- Continue to maintain contracts with major global PC makers, reduce fixed costs, and build a structure to secure operating profit.
- Temporary expenses incurred as losses due to headcount reduction, relocation, etc.

Implemented between 1Q and 2Q FY2025 a structure will be established to secure operating profit from 3Q onward. (approx. 80 million)
Due to mid-term uncertainty from tariffs, a conservative plan is developed for this term.

With a view to further growth in FY2025 3Q and beyond, measures to strengthen profitability over the medium to long term, while anticipating short-term cost increases, will be implemented.

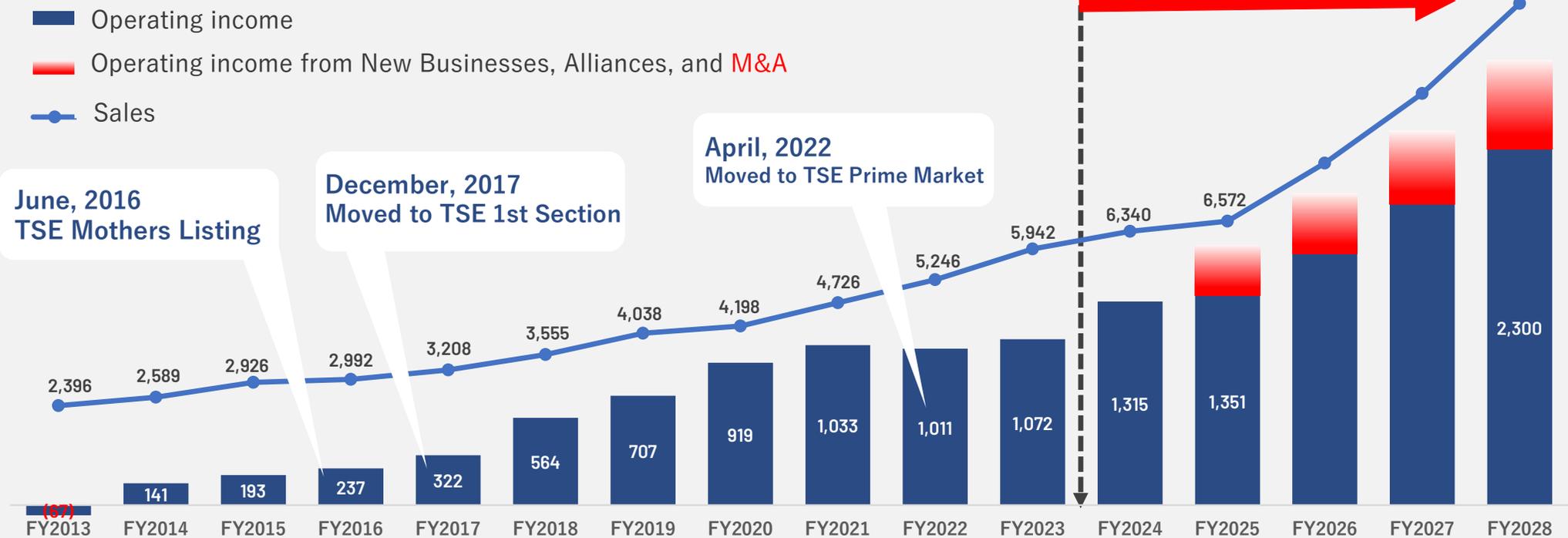
- 01** Continue strategic order selection with a focus on profitability (started in FY2024 4Q).
- 02** Strengthen domestic sales and PM structure as well as develop advanced IT personnel in Japan.
- 03** Downsize the China base and reduce staff count.
- 04** Cost overruns from contract projects will have some residual impact (started in FY2024 4Q).

Business Forecast

Business Forecast and Performance Trends



(Unit : million yen)



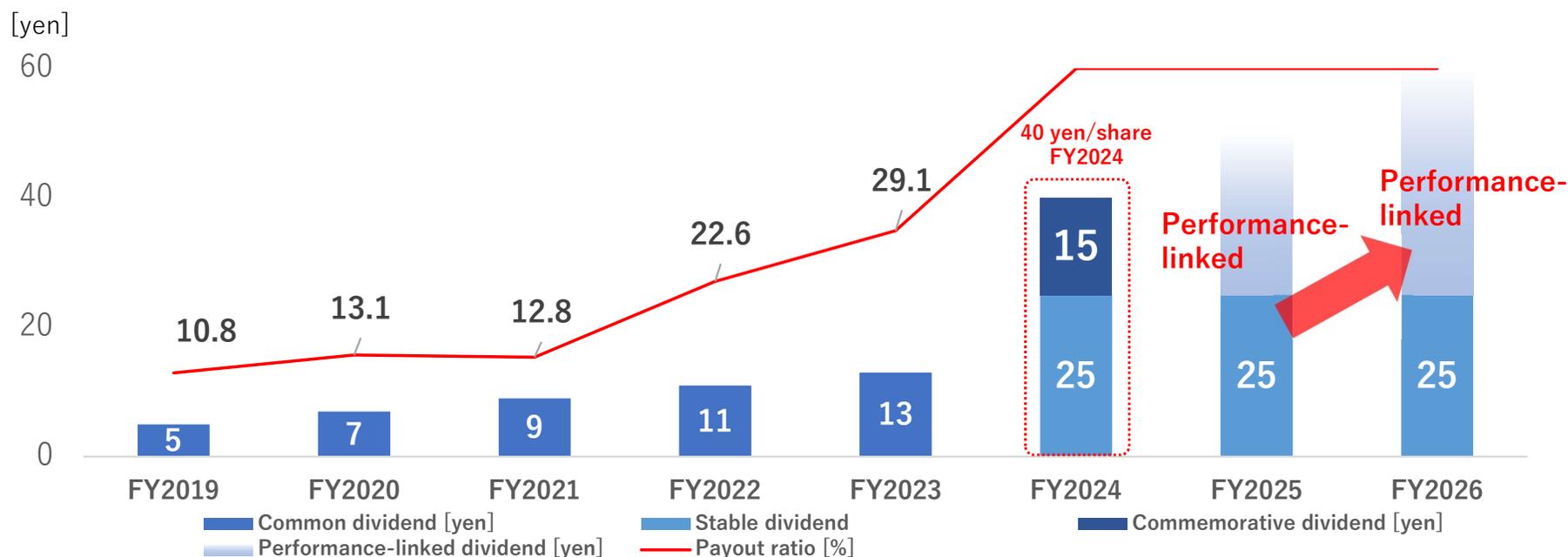
[unit: million yen]	Sales	Operating income	Ordinary income	Net income
Results in FY2024	6,340	1,315	1,341	858
Plans in FY2025	6,572	1,351	1,364	948

Dividend Policy

Dividend Policies to Enable Shareholders to Share in the Benefits from the Growth of Our Company

【Dividend Policies】

- ① We aim to distribute profits to shareholders stably.
- ② To increase the dividend amount about three times from the previous fiscal year, while maintaining a good balance between the growth of business performance and strategic investment.
- ③ We set the dividend per share for FY2024 at 40 yen, and aim to pay high dividends with stable dividends and performance-linked dividends from this fiscal year.
- ④ Review the cash allocation policy to enhance shareholder returns through investments aimed at growth and dividend increases.



Fiscal year	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Common dividend [yen]	0	5	5	7	9	11	13	-	-	-
Stable dividend [yen]	-	-	-	-	-	-	-	25	25	25
Commemorative dividend [yen]	-	-	-	-	-	-	-	15	-	-
Performance-linked dividend [yen]	-	-	-	-	-	-	-	-	(Performance-linked)	(Performance-linked)
Payout ratio [%]	-	15.4	10.8	13.1	12.8	22.6	29.1	-	-	-

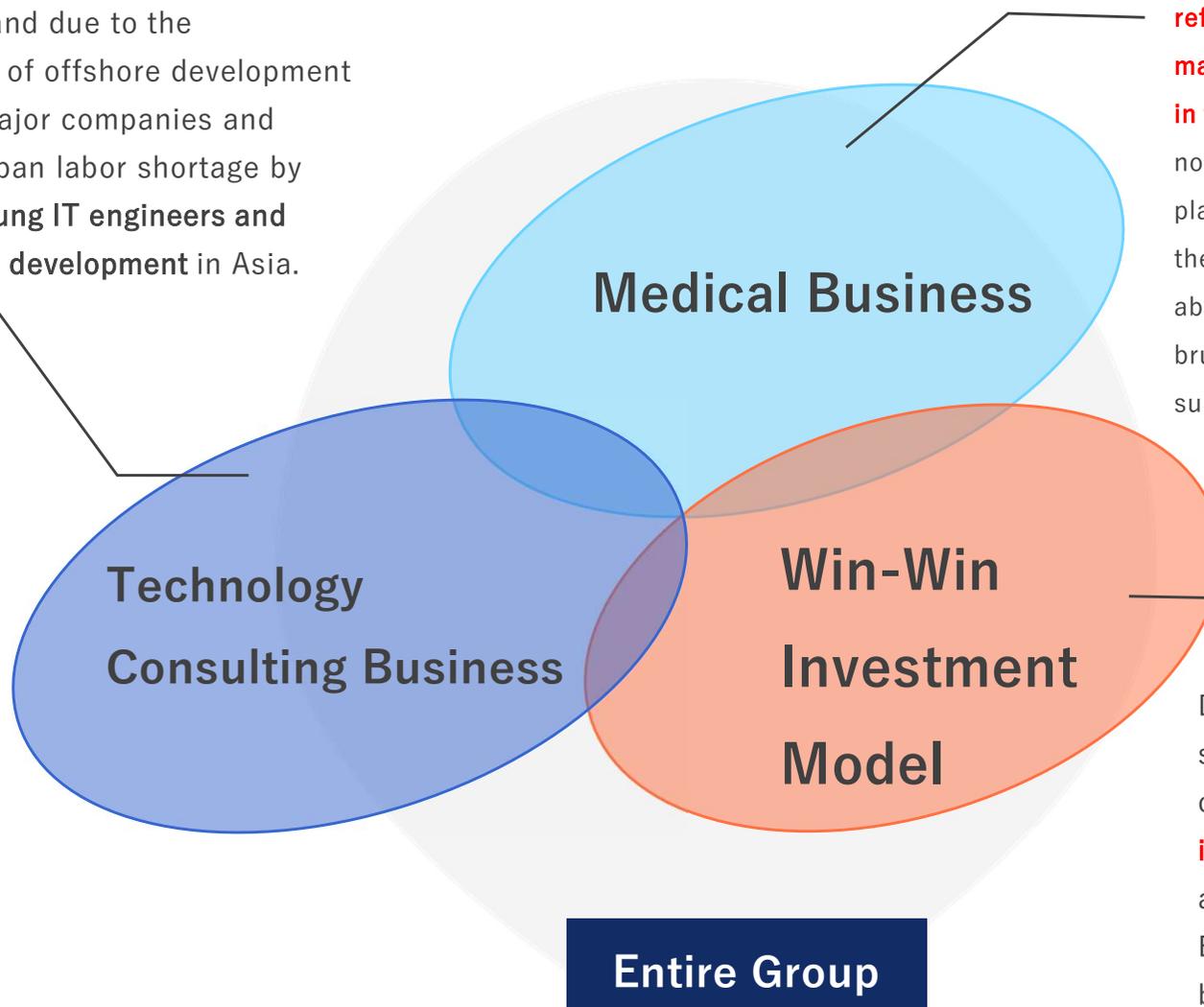
Appendix

Promotion of Our Group's Business That is Socially Meaningful



Considering business and capital alliances with leading global companies for the second growth phase

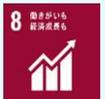
Growing demand due to the reassessment of offshore development partners by major companies and addressing Japan labor shortage by **developing young IT engineers and supporting DX development in Asia.**



Provision of solutions that are beneficial to three key areas: pressing need for **workstyles reforms for medical doctors, improvement in management of medical institutions, and DX in the insurance and healthcare fields.** From now on, we will develop and offer a new platform for solving social issues by utilizing the databases and intellectual property of about 20,000 medical institutions. We will brush up our earning capacity by increasing subscription models at an accelerated pace.

Driving synergistic growth through strategic alliances and M&A with companies that have strong **social impact** and **core competencies** aligned with the SDGs. Expanding resources acquisition beyond the Philippines by partnering with leading and high-growth companies.

Resilient management, engineers development strategy, business synergy, and pursuit of reason to exist for continuing advancement under unstable circumstances

	Goals	Concrete Activities	Related SDGs
E	<ul style="list-style-type: none"> To reduce CO2 emissions Global partnership 	<ul style="list-style-type: none"> To make the electric power consumed at the head office 100% derived from renewable energy Investment in equipment of subsidiaries in the Philippines 	   
S	<ul style="list-style-type: none"> Initiatives for diversity 	<ul style="list-style-type: none"> 3 female directors Ratio of female managers: 33.8% Improvement in the ratios of childcare leave and maternity leave Improvement in the ratio of non-Japanese employees 	   
G	<ul style="list-style-type: none"> Fortification of the governance structure 	<ul style="list-style-type: none"> Information disclosure and securing of transparency Diversity of executives Disclosure of the commitment of top executives Hiring and training talented human resources 	

- Corporate name: Ubicom Holdings, Inc. (Prime Market of TSE: 3937)
- Strategic markets: healthcare, finance, public services, automobiles, manufacturing, robotics, etc.
- Business description:

Technology Consulting Business

In order to solve the problem of shortage of IT engineers and promote digital transformation (DX) in Japan, we develop embedded software and apps by utilizing development bases in the Philippines, etc., offer services of testing, quality assurance, maintenance, 24-hour support, etc., and develop unique advanced solutions with cutting-edge technologies, including 3As (artificial intelligence [AI], analytics, and automation).

Medical Business

As a leading company that offers management support solutions to medical institutions, we provide clients with medical IT solutions, including the inspection of health insurance claims, support for medical safety, data analysis, cloud services, support for development, and consulting, to support the workstyle reform in the healthcare industry by streamlining operations, help medical institutions improve management, and support the improvement in safety and quality of healthcare. In addition, we concentrate on the Knowledge Platform Business for the insurance industry.

Win-Win Investment Model

We promote cooperation, alliances, and M&A with leading companies and growing enterprises, to accelerate the growth of our business.

Development of New Business

We will develop more businesses with high growth potential and high profitability, while considering the next generation.

■ Results

[unit: million yen]	Sales	Operating income	Ordinary income	Net income
Results in FY2024	6,340	1,315	1,341	858
Plans in FY2025	6,572	1,351	1,364	948

- The materials and information provided in this announcement include forward-looking statements based on our current estimates and expectations at this point of time.
- Such forward-looking statements are subject to various risks and uncertainties, which include general industry and market conditions, domestic and international economic conditions such as exchange rate fluctuations and may cause actual results to differ from those described in the forward-looking statements.
- Our actual business activities and performance in the future may differ from the forward-looking statements described in this document.
- The forward-looking statements in this document are based on information available to us and have been made in good faith; however, we are under no obligation to update or revise any forward-looking statements, even if new information or future events occur.

