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

FY2025
ended March 31, 2026
Full Year Financial Results

May 14, 2026

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Consolidated Financial Results Highlights for FY2025

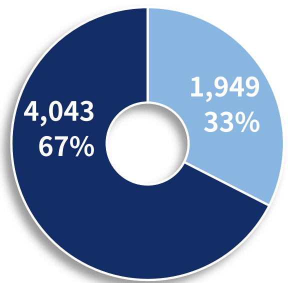
FY2025 was positioned as a "structural transformation phase" focused on strengthening the future earnings base. As a result, net sales, operating income, and ordinary income declined year on year, while net income increased. Operating income excluding M&A-related expenses associated with growth investments exceeded the full-year forecast ※1, and initiatives aimed at expanding revenue are progressing steadily across both business segments.

Sales	Operating Income	Ordinary Income	Net Income
5,992 million yen	**1,304** million yen	**1,287** million yen	**891** million yen
YoY comparison 94.5% (-5.5%)※2	YoY comparison 99.1% (-0.9%)※2	YoY comparison 96.0% (-4.0%)※2	YoY comparison 103.9% (+3.9%)※2
Full-year budget achievement rate 91.2%	Full-year budget achievement rate 96.5%	Full-year budget achievement rate 94.4%	Full-year budget achievement rate 94.0%

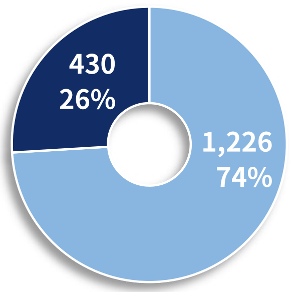
*1 Forecast for operating income for FY2025 was 1,351 million yen *2 Year-on-year index (same period previous year = 100). Figures in parentheses indicate percentage change.

Breakdown by Segment

Sales



Operating income



■ Medical
■ Technology Consulting

※The difference between segment income and consolidated results is primarily attributable to adjustments arising from company-wide expenses, such as general and administrative expenses, which are not allocated to any specific reporting segment.

Current initiatives

【Medical Business】
A key initiative under the Company's M&A strategy, targeting the formation of a group of 8–10 companies by 2030.

①Full acquisition of ISM Co. (December 2025)
② Resolution to incorporate Radianceware Inc. as a subsidiary (March 2026)

【Technology Consulting Business】
Leveraging IBM's AI platform (watsonx)*3 as the core, the Company is promoting PoC initiatives for AI-driven development using IBM Bob and related technologies.
Based on validation needs in IBM Japan's large-scale enterprise projects, the Company is executing PoC engagements and advancing verification toward commercialization.

※3 "watsonx" is a trademark or registered trademark of International Business Machines Corporation in the United States and/or other countries

Consolidated Financial Results: Overview of FY2025 Full-Year Results (P/L)

Sales, operating income, and ordinary income all declined year on year, while net income increased.

Operating income excluding one-off M&A-related expenses associated with growth investments exceeded the Company's forecast* and achieved year-on-year growth. Both business segments remain in an investment phase toward growth, with continued investment in M&A and AI-driven development, aiming to maximize long-term profitability through a shift to a high value-added business model.

* Forecast for operating income for FY2025 was 1,351 million yen

(Unit：million yen)	FY2024 Full-Year		FY2025 Full-Year		YoY Comparison	Variance
	Amount	Sales Ratio	Amount	Sales Ratio		
Sales	6,340	100.0%	5,992	100.0%	94.5% (-5.5%)	-348
Operating Income	1,315	20.7%	1,304	21.8%	99.1% (-0.9%)	-11
Operating Income (Excluding M&A-related expenses)	1,315	20.7%	1,379	23.0%	104.9% (+4.9%)	+64
Ordinary Income	1,341	21.2%	1,287	21.5%	96.0% (-4.0%)	-54
Net Income attributable to shareholders of the parent company	858	13.5%	891	14.9%	103.9% (+3.9%)	+33

- Medical Business：Sales and operating income reached record highs, driven by the expansion of a stable revenue base through the subscription model and increased scale from M&A.
- Technology Consulting Business：Sales and operating income declined overall, as the Company prioritized the transition to a future high value-added, high-productivity model by restricting small-scale, short-term projects and reviewing low-margin engagements, while focusing on AI engineer development. However, the Philippines subsidiary achieved a significant increase in profit, supported by structural reforms implemented during FY2025.
- Operating income was also impacted by one-off M&A-related expenses (including due diligence and advisory fees) associated with the acquisition of Radianceware Inc. which contributed to the year-on-year decline.

Medical Business

Medical Business: Overview by Segment for FY2025 Full-Year Results

Both revenue and operating profit reached record highs, reflecting steady, sustained growth. This was supported by the expansion of a stable subscription revenue base and the contribution from M&A-driven scale effects, leading to strong profitability.

(Unit：million yen)	FY2024 Full-Year		FY2025 Full-Year		YoY Comparison	Variance
	Amount	Sales Ratio	Amount	Sales Ratio		
Sales	1,723	100.0％	1,949	100.0％	113.1％（＋13.1%）	+226
Operating Income	1,128	65.5％	1,226	62.9％	108.7％（＋8.7%）	+98

【TOPIC】

① Implementation of the insurance knowledge platform at Asahi Mutual Life Insurance (January 2026) and the implementation already completed at five companies and currently in negotiations with two companies.

② Acquisition of shares in Radianceware Inc. (making it a subsidiary) completed. (Contributing to consolidated results from FY2026)

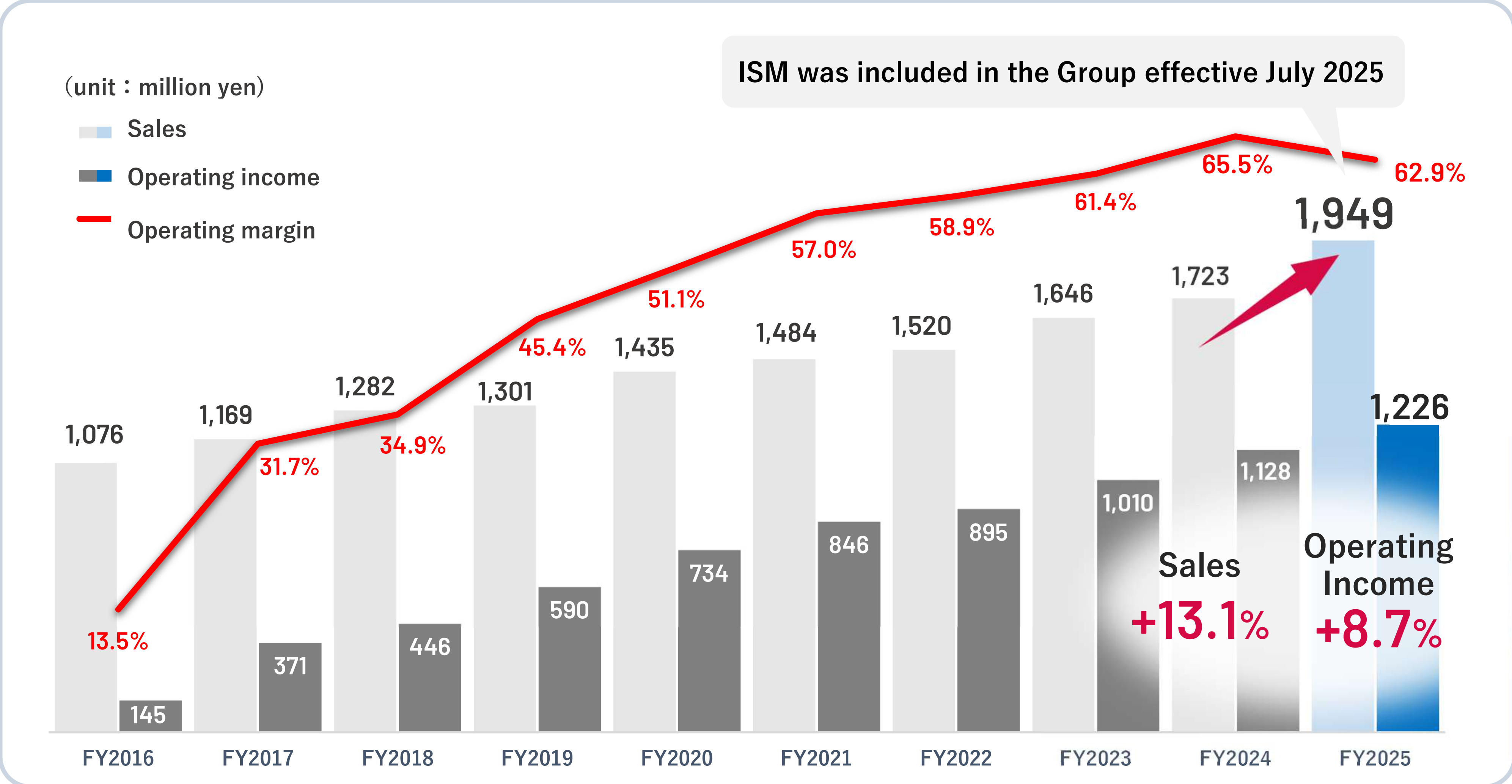
③ Launch of the new product 'MightyChecker® Cloud X'. (April 2026)

④ Measures to expand orders for "MightyChecker® EX" have resulted in higher unit prices and increased revenue.

⑤ User numbers have grown through the roll-out of cross-selling initiatives for "Mighty QUBE® Hybrid".

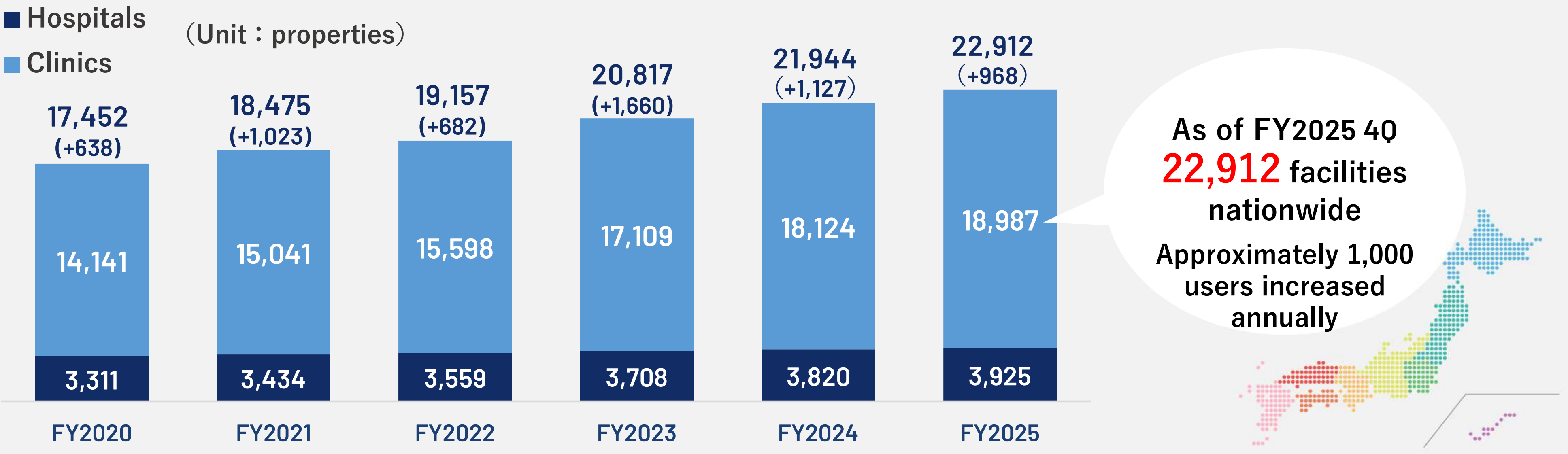
Medical Business Performance Trends

The revenue base was steadily strengthened through the expansion of the subscription model and the advancement of M&A, resulting in growth in both revenue and operating profit.
While the acquisition of ISM's distributor business temporarily reduced profit margins, further growth and profitability improvements are expected through the creation of synergies and the implementation of revenue enhancement initiatives.



Mighty Series User Base Trend

Due to the Work Style Reform for physicians, which came into effect in April 2024, and the impact of the medical fee revision, digital transformation (DX) investment by medical institutions has accelerated. While focusing on migrating existing users, new user acquisition has progressed steadily.

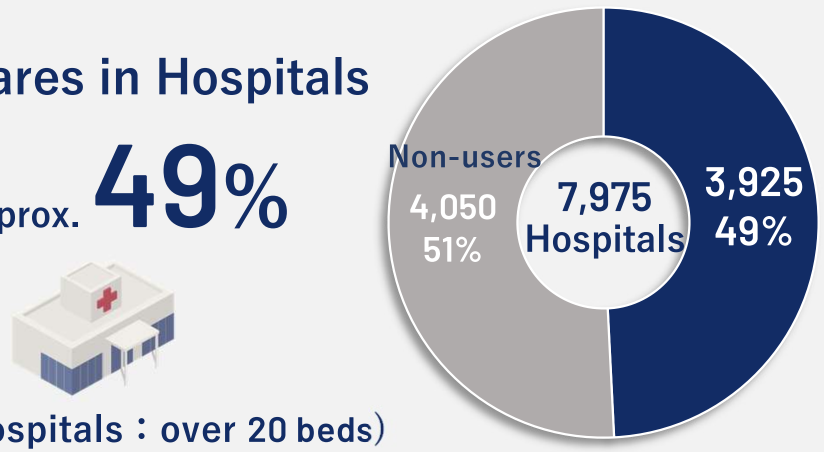


Mighty Series User Share ※1

Users (as of Mar. 31, 2026) / Medical facilities (as of Jan. 31, 2026) ※2

Shares in Hospitals

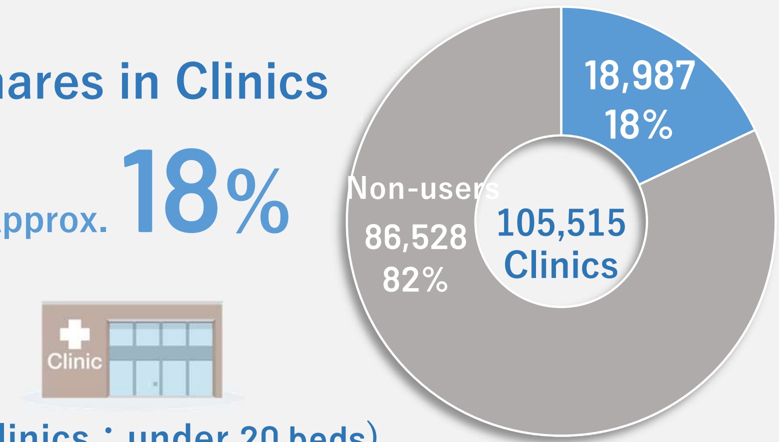
Approx. 49%



(Hospitals：over 20 beds)

Shares in Clinics

Approx. 18%



(Clinics：under 20 beds)

*1 Calculated under certain assumptions based on the Company's transaction data.
*2 Source: Ministry of Health, Labor and Welfare, "Dynamic Survey of Medical Institutions" (preliminary figures as of Jan. 2026)

From 2025 through 2030, the Company will advance a Group direct sales model through strategic M&A initiatives aimed at maximizing the profitability of the Medical Business.

Phase 1: Full Acquisition of ISM
(December 2025)

Phase 2: Subsidiary Acquisition
Approved the Acquisition of Radianceware Inc. as a Subsidiary (March 2026)
(Expected to contribute to consolidated results from FY2026)

Expansion Phase:
Accelerating Group-wide Sales Network Integration

2030 VISION
Integrating a Total of 8–10 Companies

Distributors account for 95% of Mighty Series sales

Strategic partnerships will continue to be pursued on a nationwide scale.

【M&A Strategy】

Target Number	cumulative integration of 8–10 companies by 2030
Revenue Scale	Regional medical network operators with revenue ranging from several hundred million to 1 billion yen
Funding Policy	Primarily self-funded M&A backed by a strong financial base

Kyushu Base:
ISM Corporation

Tokyo Metropolitan & Northern Kanto Area
Radianceware Inc.

Illustration of scale expansion through M&A strategy

M&A Strategy Phase 2: Maximizing Medical Business Profitability

Purpose of M&A

① **Acquisition of Strategic Assets**
Strengthening one-stop medical IT proposal capabilities and technological expertise, including industry-academia collaboration.

② **Strengthening the Revenue Model**
Expanding the customer base and shifting to a direct sales model in the Tokyo metropolitan and Northern Kanto areas.

③ **Synergies and Corporate Value Enhancement**
Creating synergies with the Medical Business and enhancing long-term corporate value.

Outline of Subsidiary (Radianceware Inc.)

Company name	Radianceware Inc.
Acquisition ratio	Acquired 100% of the ordinary shares
Business details	Provides implementation and support services for receipt computers, electronic medical records, and peripheral devices to clinics and small-scale hospitals, alongside medical IT systems, proprietary product development, and consulting services.
Customer base	Existing customers in the healthcare sector 475 clients
Features	• JMA "WebORCA" (on-premises version) ※Leading track record in implementation support • Industry-academia collaboration in the use of medical IT and data, and technological development

※ORCA: Standard medical claims software provided by the JMA, widely adopted by clinics nationwide as a core healthcare IT platform.

Combination of Strengths of Radianceware Inc. × Medical business

Strengths of Radianceware Inc.

- A customer base centered in the Tokyo Metropolitan and Northern Kanto region approx. 475 clients
- Proven track record in selling and implementing a wide range of medical systems, including EMRs
- Top-class implementation support track record for JMA "WebORCA" (on-premises version)
- Strong R&D capabilities through industry-academia collaboration

Strengths of Medical business

- Leading nationwide market share and trust
  Number of healthcare facilities approx. 22,912
- System development expertise in data- and AI-driven inspection and diagnosis prediction technologies
- The 'Mighty' series—a subscription-based model that underpins high retention rates—and our consulting-based sales capabilities
- A medical data foundation cultivated over more than 40 years

M&A Strategy Phase 2: Maximizing Medical Business Profitability

By integrating technology platforms developed through industry-academia collaboration with one-stop medical IT solution capabilities, the Company aims to establish a value-creation partnership beyond conventional business integration.
Through the utilization of consulting personnel from the Medical Business, the Company will address resource constraints in EMR implementation support while enhancing profitability by expanding into the high-value EMR domain.

Radianceware's Challenges and Growth Opportunities

Insufficient consulting personnel for EMR and medical system implementation support

Labor shortage

Strong demand for EMRs and other medical systems under the Medical DX Vision 2030 is resulting in opportunity losses.
Elimination of opportunity loss ＝ growth opportunities

Strengths of the Medical Business

Consulting and sales talent base supported by the growing adoption of the Mighty series

Accelerating Growth Through Synergies

Ubicom Group × RAD RADiance ware

Growth acceleration via opportunity loss elimination

Three pillars: transition to recurring revenue and sustainable growth

Flow revenue (high-ticket products) | Stock Revenue

RAD RADiance ware
Existing customer base
Approx. **475** clients

01 Accelerating EMR adoption

Healthcare digitalization under the Medical DX Vision 2030 is increasing.

02 Medical Institution DX Support (System Replacement)

One-stop implementation support for healthcare IT systems centered on electronic medical records, including billing, imaging, and infrastructure.

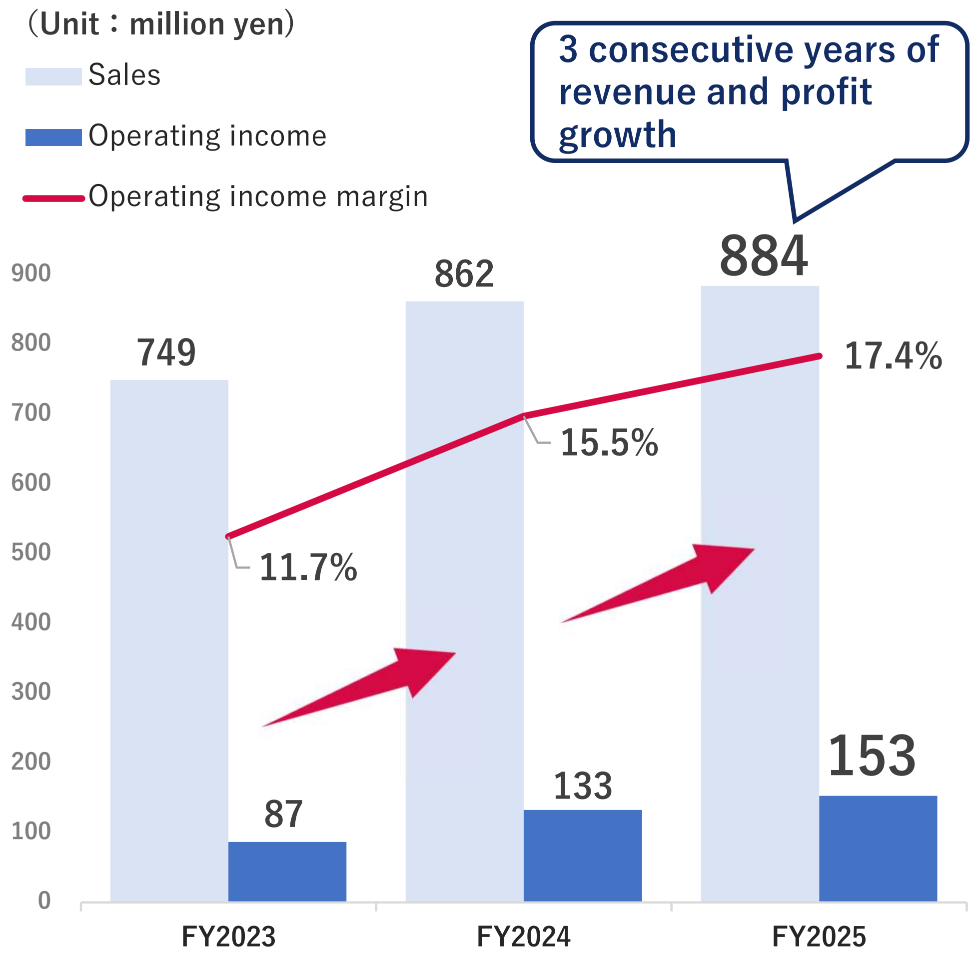
03 Mighty Series Cross-Sell

MightyChecker EX
Mighty QUBE Hybrid

Mighty Series expansion to existing customers, maximizing customer value.

M&A Strategy Phase 2: Maximizing Medical Business Profitability

Radianceware Inc. Financial Performance Trend Over the Past Three Years



※All fiscal years end in September

Quantitative Evaluation and Investment Decision for This M&A

① Comparison with Target Payback Period

The transaction meets the Company's target payback period of within five years. Furthermore, cross-selling and direct sales synergies may further shorten the payback period, contributing to Group-wide earnings growth.

※ Payback period is calculated as total acquisition cost (including DD and advisory fees) divided by the target's latest EBITDA, excluding synergies on a conservative basis.

② Comparison with Cost of Capital

ROIC significantly exceeds the Company's cost of capital.

③ Financial Soundness Perspective

The transaction involves a controlled level of goodwill and is consistent with the Company's financial discipline and is therefore assessed as appropriate from a financial soundness perspective.

Ubicom Holdings, Inc.

Next-generation cloud-based medical claims inspection software

Launch of New Product “MightyChecker® Cloud X” (April 2026)

Features of MightyChecker® Cloud X

Improved Operational Efficiency Through UI/UX Revamp
Significantly improved usability

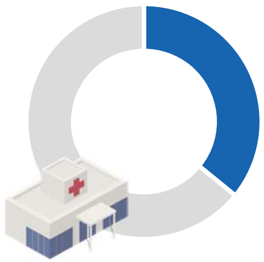
Expansion of the Targeted Market
Serving clinics and small hospitals with fewer than 100 beds

Standard business analysis features included
Visualize claim data to support data-driven management decisions

Advanced security
Compliant with the MHLW guidelines and supports multi-factor authentication

Targets

Market opportunities



Approx. 40%
of Japanese Hospitals Market of small hospitals with fewer than 100 beds

Among small hospitals under 100 beds (approx. 3,000 facilities, ~40% of hospitals in Japan), 2,000 facilities not yet using the Mighty series are the target market.

Migration of Existing Customers

MightyChecker® Cloud
Previous product

New
MightyChecker® Cloud X

Promote migration of existing users from legacy products to the new product
(Completion: October 2026)

We aim to expand our revenue base through the subscription model by strengthening direct sales to small hospitals approximately 2,000 facilities that have not yet adopted our service and by upselling to existing customers.

"Insurance Knowledge Platform" Driving DX in the Insurance Industry

Leveraging a proprietary medical data infrastructure accumulated over 40 years and AI-based diagnostic prediction capabilities, the Company is promoting digital transformation (DX) for insurance companies. It provides a business support platform that streamlines claims assessment processes for life insurance companies.

Challenges facing the insurance industry

- Increased operational complexity due to product sophistication and diversification
- Manual-labor dependency in claims assessment operations
- Dependence on individual employees and difficulty in transferring know-how

▶ Digital transformation is essential

① Features and benefits

Streamlining benefit payment processes Speeding up payments

Instantly convert claims documents into text data using AI-OCR. Through our proprietary medical data and AI analyzing treatment details and suggesting options, we significantly streamline the process from assessment to payment.

Staff shortages and the elimination of reliance on individual staff members

AI equipped with the medical knowledge required for claims assessment supports the work of claims handlers.
This standardizes the claims assessment process, making it independent of the handler's years of experience. Resolves the industry-wide challenges of a shortage of specialist staff and the reliance on individual expertise.

② Business Model (Subscription model)

Basic System
+
Consisting of six options

- Option ①
- Option ②
- Option ③
- Option ④
- Option ⑤
- Option ⑥

+
Basic System

Introduce additional offerings to existing customers
▼
ARPU (average revenue per customer) expansion

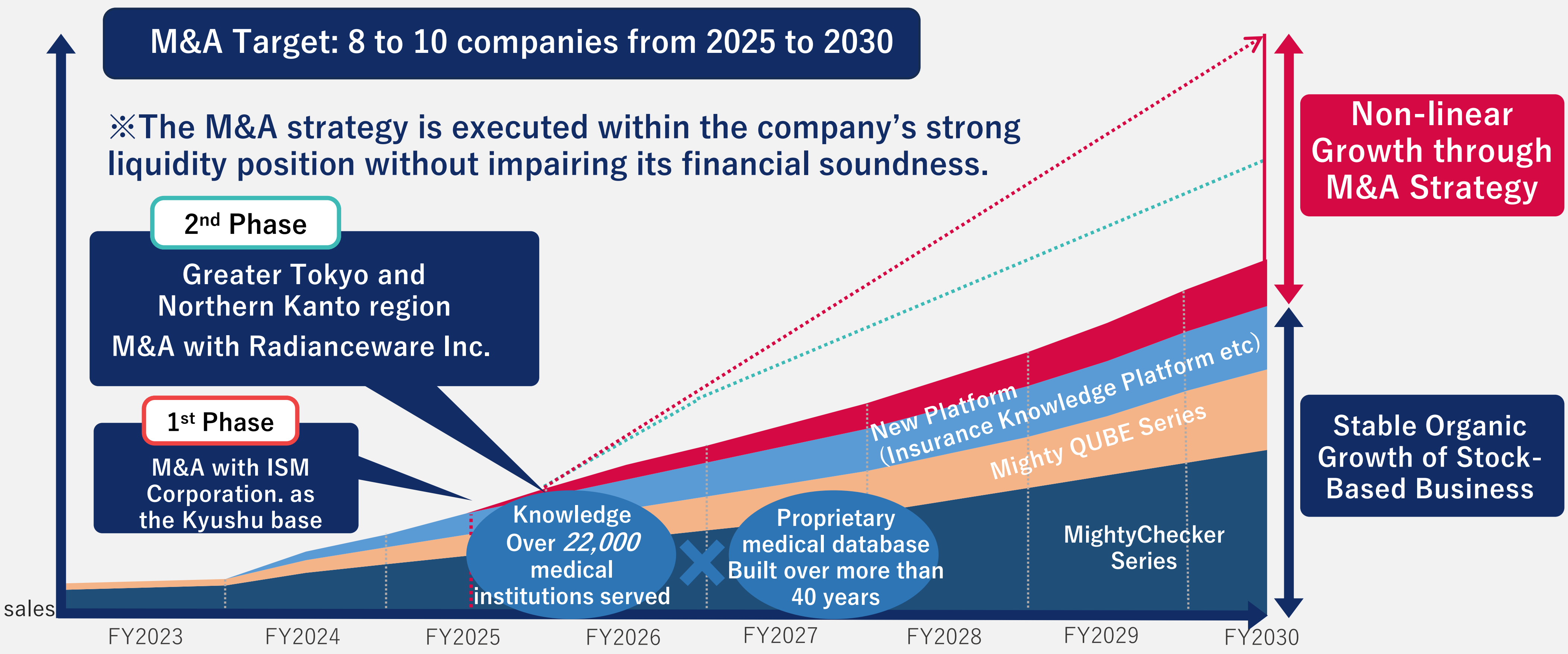
Annual sales of several million to tens of millions of yen per company

③ Achievements and Progress

Life insurance company 41 companies	List of Licensed Life Insurance Companies by Financial Services Agency (as of April 1, 2024)
Installed 5 companies	Asahi Mutual Life Insurance Company (scheduled for implementation from January 2026)
In negotiations 2 companies	Targeting implementation during FY2026

We aim to achieve medium- to long-term growth through a dual-track strategy combining stable recurring organic growth with M&A-driven expansion. In the short term, we prioritize top-line growth as a strategic investment to scale revenue. Post-acquisition, we will enhance profitability through cross-selling and expansion of recurring revenue streams, thereby transitioning to a higher-margin business structure.

Business Growth Strategy Image



Technology Consulting Business

Technology Consulting Business：Overview by Segment for FY2025 Full-Year Results (Business Performance)

Promoting a shift toward a high value-added, high-productivity model by advancing AI-driven development and operational sophistication, while transforming the business model to deliver new client value through AI. As part of this effort, it reduced small-scale, short-term, and low-profit projects, resulting in lower overall revenue and profit. Meanwhile, the Philippine subsidiary significantly improved operating profit through expanded direct-contract projects and cost structure reforms despite a slight decline in revenue. As a result, the shift from a traditional man-month model to a higher value-added business model is steadily progressing, with core profitability continuing to improve.

(Unit: million yen)	FY2024 Full-Year		FY2025 Full-Year		YoY Comparison	Variance
	Amount	Sales Ratio	Amount	Sales Ratio		
Sales	4,617	100.0%	4,043	100.0%	87.6%(-12.4%)	-574
Operating Income	562	12.2%	430	10.7%	76.7%(-23.3%)	-132

【Factors Behind the YoY Decline in Technology Consulting Business】

- As previously announced, first-half profit decreased by approximately JPY 60 million year-on-year due to strategic order restrictions focused on profitability in response to the impact of U.S. tariffs.
- From the second half, the Japanese parent company prioritized building an AI-driven development structure centered on IBM’s AI platform, watsonx, while leveraging IBM Bob and multiple generative AI technologies to support a transition to a high value-added, high-productivity business model. As a result of initiating training for approximately 50 AI-native engineers and curtailing small-scale, short-term, and low-margin projects, the company recorded a decline in revenue and profit.
- This was due to temporary sales restraints implemented with future growth in mind, rather than a decline in business competitiveness.

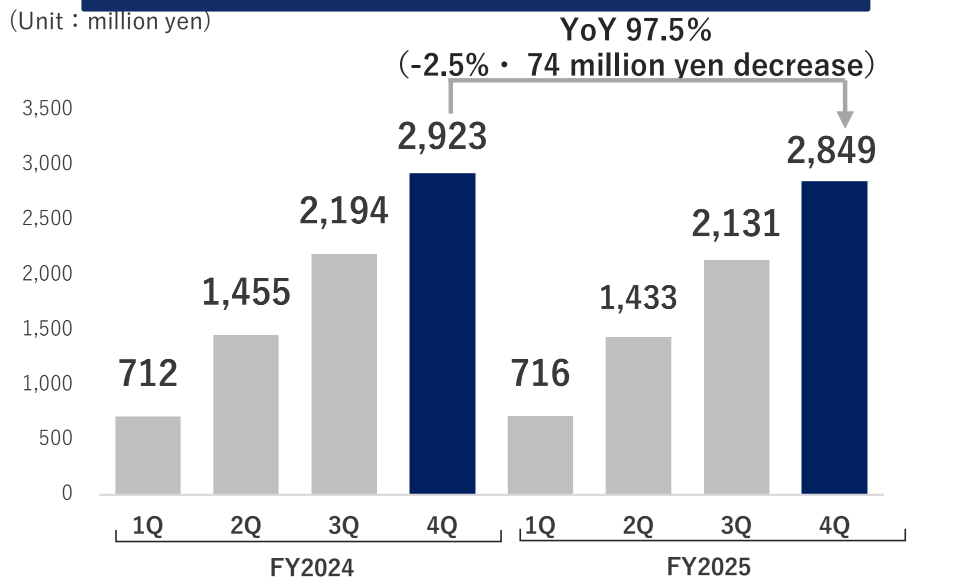
Technology Consulting Business: Philippine Subsidiary Performing Strongly

【Factors Behind Strong Performance at the Philippine Base (Slight Revenue Decline with Profit Growth)】

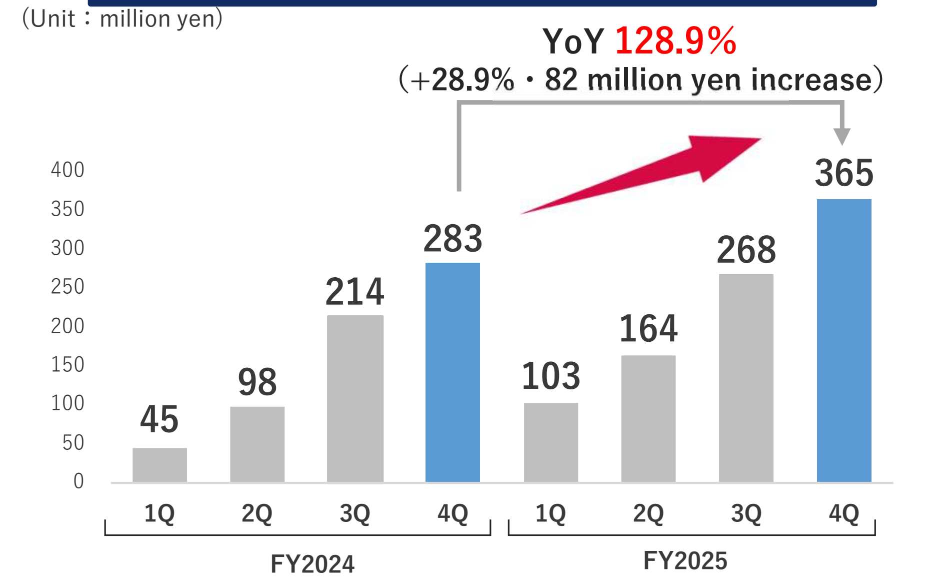
- **Revenue at the Philippine subsidiary consists of approximately half from projects through the Japanese parent company and half from direct contracts and overseas clients, including those in the Philippines and the U.S. Revenue declined slightly due to a decrease in Japan-related projects.** On the other hand, under the Go Global strategy, **the expansion of direct contracts, including with leading companies in the U.S. healthcare and life sciences sectors leveraging AI, is driving greater diversification of the revenue structure.**
- **From FY2025, management restructuring and cost structure reforms led by the Japanese headquarters (optimization of personnel and indirect costs, etc.) contributed to improved profitability.**

Revenue remained largely stable at 97.5% year-on-year (-JPY 74 million), while operating profit improved significantly, increasing 28.9% year-on-year (+JPY 82 million).

Philippine Subsidiary Sales



Philippine Subsidiary Operating Income



As a strategic partner of IBM Japan, the Company is establishing an AI center in the Philippines ※to support the transition to a high value-added, high-productivity model centered on the enterprise AI platform watsonx, leveraging IBM Bob and multiple generative AI technologies, while also transforming its business model to deliver new value to clients through AI.

By promoting AI-driven development and operational transformation, the Company is moving away from a traditional delivery model dependent on headcount and man-months, toward a business model that creates value through the use of AI. This shift enables the Company to position itself not as a party exposed to AI-driven disruption, but as one that captures expanding revenue opportunities created by AI adoption.

Why We Do It

“AI Development Capabilities × Direct Access to Leading Domestic Enterprises”

Together, these strengths enable us to expand partner-driven revenue and secure projects leveraging AI-driven development.

English × Japanese × AI Expertise

We rapidly incorporate cutting-edge technologies from the U.S. and Europe, enabling high value-added and agile execution. This supports the development of our proprietary assets.

×

A strategic core partner of IBM Japan

Direct access to PM-level stakeholders and direct contracts with large enterprises

※"watsonx" is a trademark or registered trademark of International Business Machines Corporation in the United States and/or other countries.

Roadmap for Building an AI-Driven Development Framework

Phased development of an AI-driven development framework leveraging IBM's AI platform (watsonx) and other technologies, progressing through 3 stages: Validation ⇒ PoC ⇒ Implementation

Q3 of FY2025 Validation Phase

Analyzing watsonx assets using our technical and English capabilities to build a Japan-market delivery model, including quantitative simulations of efficiency gains and cost reductions

Q4 of FY 2025 PoC Phase

Full-scale evaluation of development environments and AI engines, alongside PoC proposals to IBM and the initiation of project acquisition

Validation of the development environment (e.g., watsonICA, IBM Bob, GitHub Copilot) and evaluation of AI engines/LLMs (e.g., ChatGPT, Gemini, Claude)

Q4 of FY2026 Implementation & Commercialization Phase

Expansion of full-scale orders and high value-added, high-margin projects through an AI-driven development model.

【 Q4 of FY2025 Progress Updates 】

Large-scale enterprise projects with IBM Japan

Driven by AI utilization validation requests, we promote <u>the acquisition and execution of PoC projects.</u>

▼

PoC and requirement definition are progressing in parallel, steadily advancing toward the full development phase

Company-wide AI adoption

Test Phase
Test Automation
Document Summarization
Error Resolution

Design Phase
Requirements definition support
Design document analysis

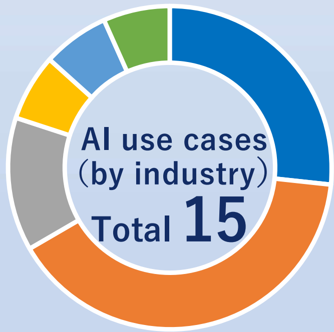
Document Generation
Report Creation
Test code creation

AI Use Cases (Validation and PoC Phase)

IT Services/ SIer Area	Manufacturing Technology Area	Healthcare/ Life Sciences	Technology Solutions Provider	Energy Area	Public Sector
4 cases	6 cases	2 cases	1 case	1 case	1 case

- ✓ Proven track record of AI utilization across industries.
- ✓ Utilization is advancing primarily in the IT services, SIer, manufacturing, and technology sectors

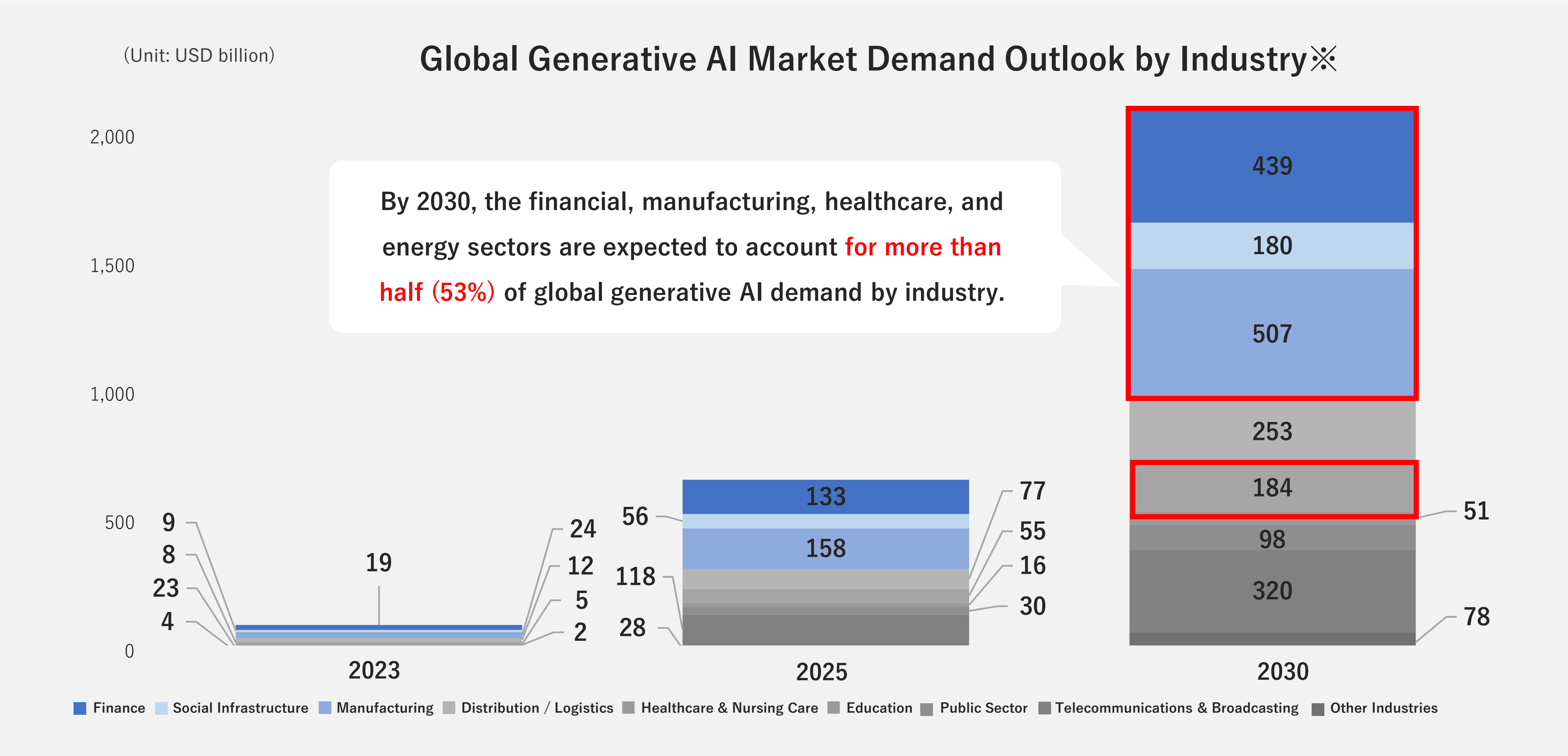
Generative AI adoption is progressing company-wide, driving productivity and quality improvements in software development. Through the establishment of an AI Center in the Philippines, the Company is accelerating its transformation toward an AI-driven value creation model.



- IT Services / SIer Area
- Manufacturing Technology Area
- Healthcare / Life Sciences
- Technology Solutions
- Energy
- Public Sector

Target Domains for Building an AI-Driven Development Framework

The generative AI market is expected to expand both in Japan and worldwide, with particularly strong demand anticipated toward 2030 in the financial, manufacturing, and energy sectors.
Against this backdrop, the company positions highly secure and precision-critical domains—financial services, manufacturing, healthcare, and energy—as strategic focus areas and targets these sectors.



※Source: Japan Electronics and Information Technology Industries Association (JEITA), "Global Demand Outlook for the Generative AI Market."

Dividend Policy

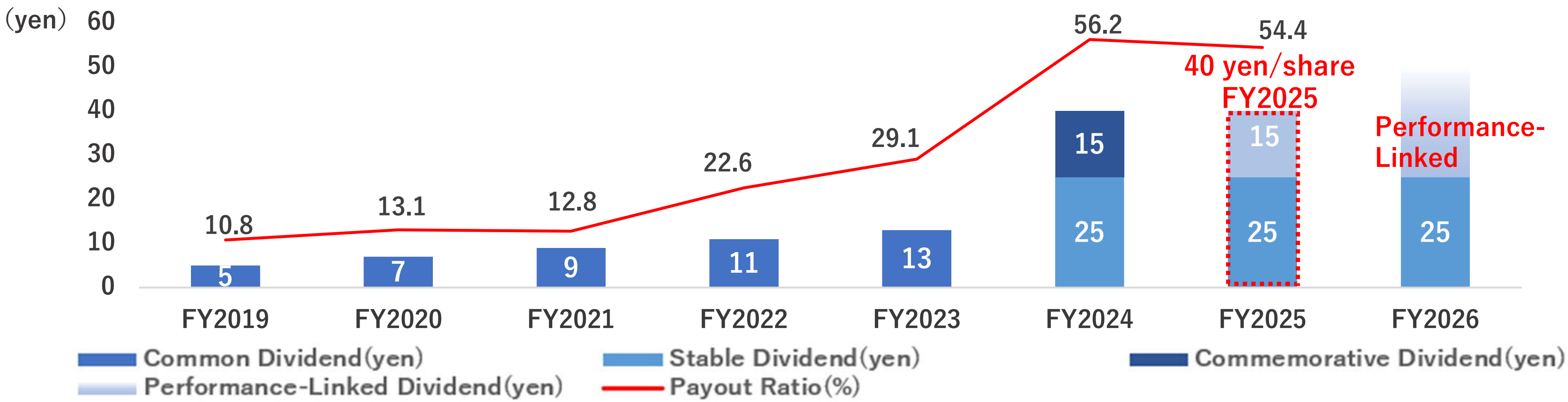
A dividend policy enabling shareholders to directly benefit from growth

【Dividend Policies】

① Despite missing guidance for FY2025 due to temporary impacts from growth investments and portfolio optimization, the core Medical Business continued to strengthen its earnings base, while the Technology Consulting Business steadily advanced its AI-driven high-value-added, high-productivity model from FY2026 onward. In light of this progress, the annual dividend for FY 2025 was maintained at 40 yen per share.

② While maintaining a stable base dividend of 25 yen per share, the Company aims to achieve a total dividend of 40 yen or more per share by adding a performance-linked component based on overall earnings trends and financial position. This policy clarifies the Company's commitment to stable and sustainable shareholder returns, while sharing the benefits of corporate growth with shareholders.

③ Targeting a payout ratio of 50% or more in the medium to long term as part of a core management policy on sustainable shareholder returns.



Fisical 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)	-	-	-	-	-	-	-	-	15	(Performance Linked)
Payout Ratio (%)	-	15.4	10.8	13.1	12.8	22.6	29.1	56.2	54.4	-

※The Company plans to maintain a stable dividend of 25 yen per share in FY2026. Performance-linked dividends have yet to be determined

Business Forecast & Performance Trends

[Earnings Forecast]

- For FY2026 forecast, we expect further expansion of the revenue base in the medical business and contributions from newly acquired subsidiaries through M&A.
- The forecast incorporates higher depreciation expenses related to the new product “MightyChecker® Cloud X,” as well as goodwill amortization and one-time integration costs associated with M&A.
- Revenue contributions from production-level projects driven by AI-based development in the Technology Consulting business are not included in the forecast at this stage due to a conservative outlook.
- At present, geopolitical risks, including the situation in the Middle East, are not expected to have a material impact on the Company’s business performance.
- As a result, sales revenue and operating profit are expected to increase 23.2% and 15.9% year on year, respectively.

【Key Strategic Initiatives】

① Continuous execution of M&A strategy

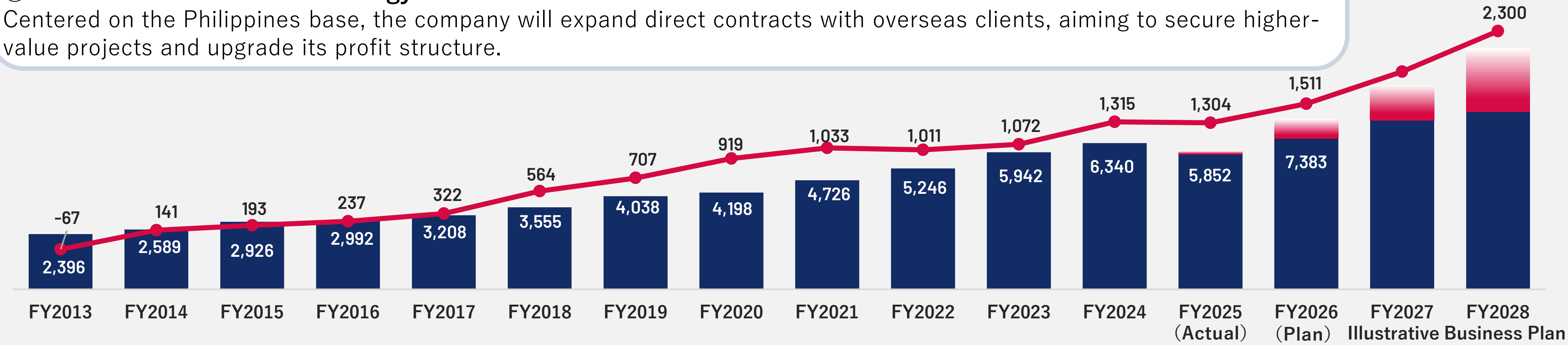
The company will continuously promote M&A to expand its revenue base and accelerate the accumulation of recurring income. Early realization of synergies will be achieved through post-merger integration (PMI).

② Advancement of AI-driven development

The Company is accelerating the transition from PoC to implementation and commercialization, driving a shift toward a high value-added, high-productivity model through AI-driven development and operational enhancement, while evolving its business model to deliver new client value via AI. In addition, the Company aims to establish a medium- to long-term competitive advantage through the development of AI-native engineers.

③ Promotion of Go Global strategy

Centered on the Philippines base, the company will expand direct contracts with overseas clients, aiming to secure higher-value projects and upgrade its profit structure.



(unit: million yen)	FY2025 Full-Year Results	FY2026 Forecast	YoY Increase	YoY Growth Rate
Sales revenue	5,992	7,383	1,391	+23.2%
Operating Income	1,304	1,511	207	+15.9%
Ordinary Income	1,287	1,520	233	+18.1%
Net Income attributable to shareholders of the parent company	891	1,056	165	+18.4%

Appendix

Our Business Model: A Model for Resolving Social Issues in Japan, A Developed Country Facing Challenges

Ubicom Holdings, Inc.

	01 Medical Business		02 Technology Consulting Business
	 Reforming the workstyle of medical professionals Improving the profitability of medical institutions Improving medical safety and quality	**Mission**	Against the backdrop of an **anticipated shortage of※3.26 million AI and robotics personnel** by 2040, we are strengthening AI talent development at our Philippine base. 
	AI×Subscription model	**Business Model**	**To Build an AI-Driven Development Framework, we have initiated preparations to establish a dedicated AI Center.** Over **900** young sophisticated engineers
	Medical database cultivated over more than **40 years** Owning numbers of AI engines	**Strengths**	**Over 30 years** of proven experience and trust in offshore development Lab-based Development Partnership Offshore transfer consulting
	More than **22,000** medical institutions Healthcare-related businesses	**Clients**	■ Technology: AI, IoT, etc. ■ Strategic markets: Healthcare, Finance/Public sector, Automotive, PC/IT devices, Real Estate, Energy/Infrastructure etc.

*Source: METI, " Projections for Industrial Structure and Employment Structure in 2040 "

The Tailwind created by Social issues and Political measures (Market environment)

Increasing deficits of medical institutions and social security spending cuts: three growth opportunities arising from structural challenges

Increasing deficits in healthcare institutions

The financial deterioration of medical institutions is becoming more severe. With approx. 70% of medical institutions suffering deficits in their medical practice profits, the urgent reconstruction of a sustainable healthcare system is imperative.

The coverage rate of EMR is increasing year by year.

Medical DX Vision 2030: Digitalization of healthcare is on the rise. The environment for utilizing medical data is gradually being established.

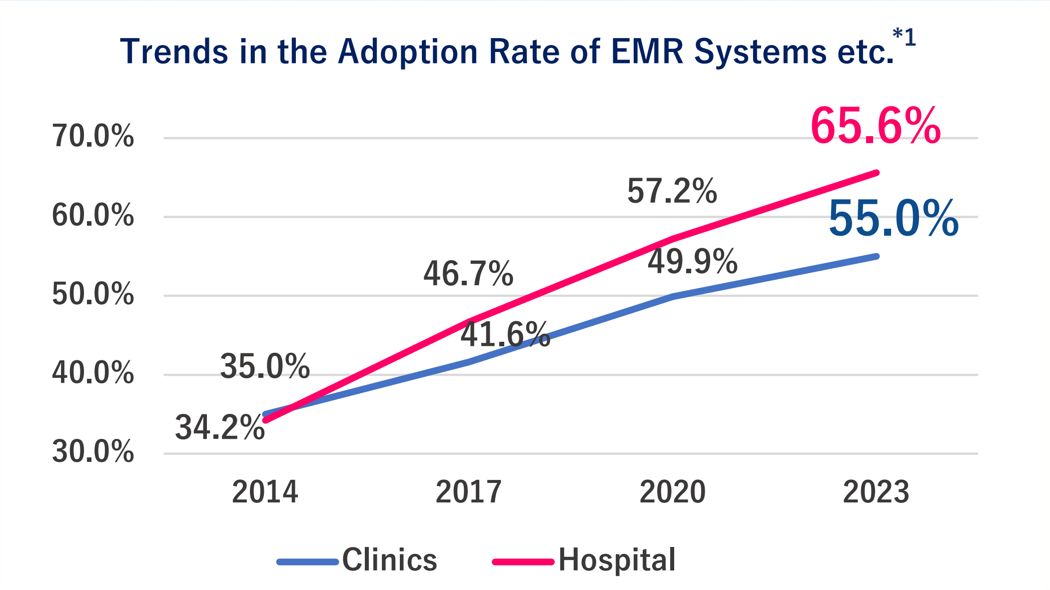
Business fields aligned with the government's key policy initiatives

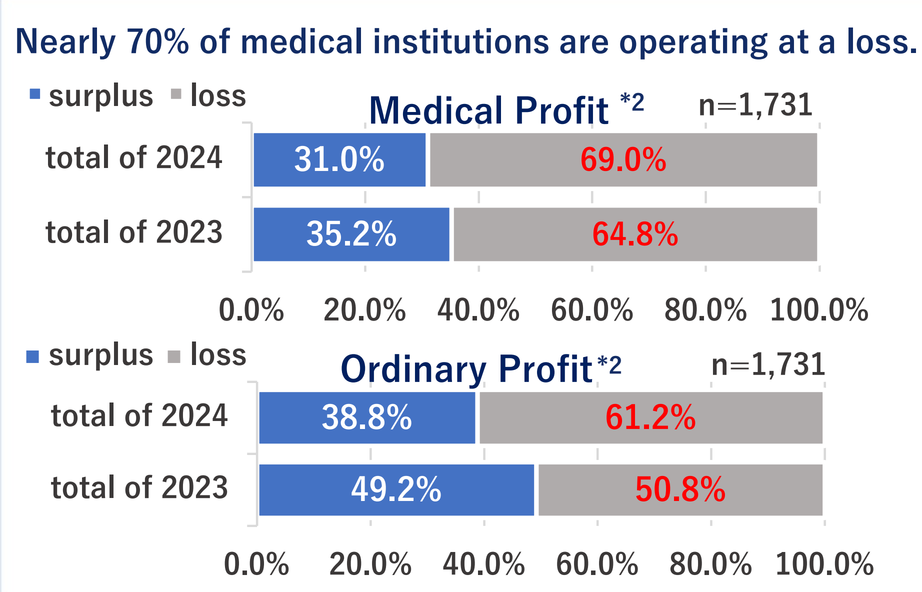
Promoting structural restraint in social security expenditure and advancing healthcare digital transformation as key policy priorities, thereby enhancing efficiency and standardization within healthcare operations.

Management Improvement Solutions for Healthcare Organizations

Promoting the implementation of the "Mighty" series

This business field aligns closely with the government's healthcare digital transformation and productivity improvement policies, being positioned to **both solve societal challenges and improve the management of medical institutions. The Medical Business promotes "businesses that transform societal challenges** into growth opportunities".





 *1 Reference： MHLW 「Medical Facility Survey （2023）」 *2 Reference：JAPAN HOSPITALS「Hospital Management Situation Following the 2024 Medical Fee Schedule Revision」

The flagship product of the “Mighty” series, which leverages AI to enhance operational efficiency in healthcare institutions

【For doctors】AI-oriented EMR Diagnosis Input Support & Input Verification System for Doctors

Mighty QUBE Hybrid

- By linking with electronic medical records, the AI derives possible diagnoses based on prescription, injection medication, and laboratory test orders entered by doctors during consultations, utilizing a medical database cultivated over more than 30 years.
- By preventing medication errors and missed diagnoses in real time during consultations, it contributes to improving doctors' working practices, enhancing medical safety, reducing hospital costs, and saving time and effort for doctors, pharmacists, and medical staff.
- Return on investment 1,154% ※1

（Ex：Mid-sized hospital with 300 beds: Revenue increase effect: Approx. 62 million yen per annum）

【For medical staff】Next-generation medical claim verification software utilizing AI

Mighty Checker EX

- Integrated with claims processing computers, AI-oriented claims verification improves the efficiency of medical staff operations.
- Improving hospital revenue through the prevention of incorrect billing and omitted claims.
- Return on investment 411% ※2

（Mid-sized hospital with 300 beds: Revenue increase effect: Approx. 9 million yen per annum）

Our “Mighty Series” management improvement solutions for healthcare institutions are not merely IT tools; they dramatically enhance hospitals' profit structures.
They are the one and only solution capable of simultaneously achieving not only cost reduction, but also, medical safety, workplace reform, and management efficiency.

＊1：MQH usage fee Ex. 5,340,000 yen/annum（Price revision in January 2024） ※2: MCEX usage fee Ex. 2,220,000 yen/annum

Impact of M&A Strategy Execution (KPI Changes)

Over the five years from 2025 to 2030, we will execute 8 to 10 M&A deals with the aim of increasing the group's direct sales ratio.

＜Factors contributing to LTV ※1 improvement＞

Content	Measurement details
Increase of unit price	①Inclusion of agency profits in group earnings ②Switching to new products (MightyChecker®EX) and cross-selling (Mighty QUBE® Hybrid)
Improving continuity rates	Reflecting the feedback of medical institutions and strengthening customer support to prevent cancellations. （The continuity rate of the Mighty series is already high at 99.6%; therefore, we remain committed to above measures.）
CAC※2 Efficiency Improvement	Obtained the acquired agency's ‘existing customer base (medical institutions),’ ‘medical network,’ and ‘sales channels (human resources).’

＜Mid- to Long-Term KPIs for M&A Strategy＞

KPI	Current(2025)	Target(2030)	Notes
Ratio of Direct Sales by Group	4.8%	35%	Transitioning from distributor-based to hybrid direct sales model
LTV(Lifetime Value)	1.28 million yen	1.97 million yen (+54%)	Cross-sell, increase in unit price, etc.
CAC(Customer Acquisition Cost)	―	▲15%	Utilize acquired channels
LTV/CAC Ratio	**9.3x**	**14.2x**	**Efficiency improvement**

LTV/CAC ratio of 3.0-5.0x or higher is considered investment efficient.（Source: Harvard Business School Online, “What Is the LTV:CAC Ratio?”, 2023）

※1 LTV（Lifetime Value）：Total profit obtained from the beginning to the end of the relationship with a medical institution.

※2 CAC（Customer Acquisition Cost）：Average cost to acquire a new medical institution as a customer.

Medical Business：Revenue Recognition Methods (Billing Methods)

License revenue for the Mighty series adopts a **“instalment recognition”** method.

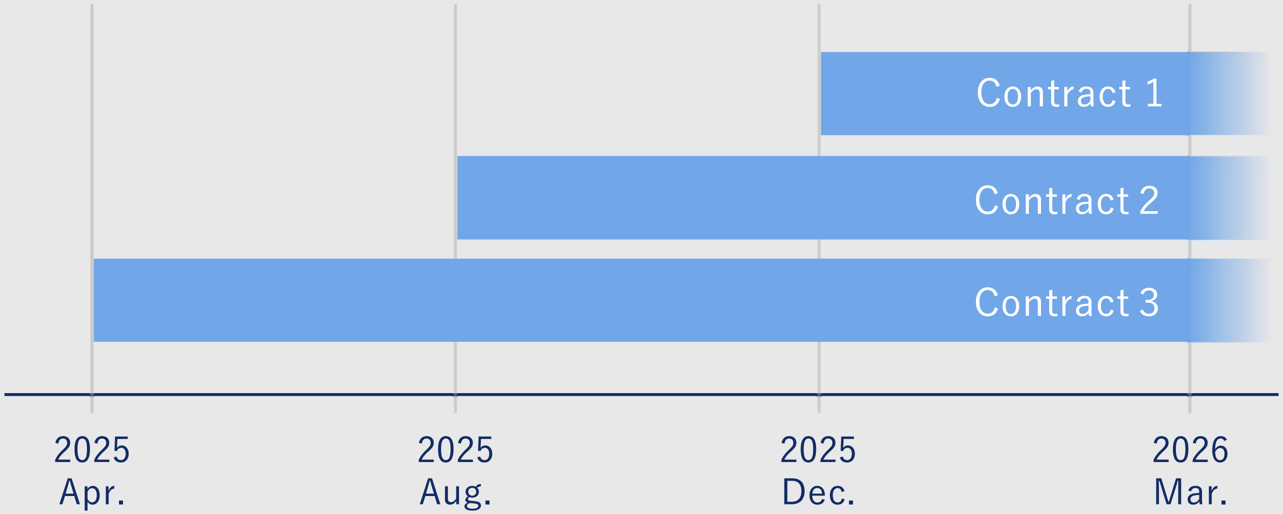
With the increase in contract numbers, sales steadily accumulate on a monthly basis, **achieving revenue stabilization**.

Furthermore, the AI × subscription model establishes a foundation for sustained growth.

【In the case of MightyChecker® EX】

- Initial license fee (15 months): 544K yen (per clinic). ※New pricing
- Revenue is recognized on a pro rata basis over the provision period (15 months), resulting in monthly sales recognition of approx. 36K yen.

※ Continued license fees will be charged in subsequent years.



Revenue Recognition Rules

Approx. 36K yen × 4months = 144K yen

Approx. 36K yen × 8months = 288K yen

Approx. 36K yen × 12months = 432K yen

【Background for Adopting watsonx in AI-Driven Development Model】

Dramatic Growth Potential

- AI-powered models enable the automation of development processes, significantly reducing development time.
- As a result, scalable growth that was previously unattainable under the traditional “people × time (man-month)” model becomes possible.

IBM’s Globally Proven Capability in “AI Implementation”

- The AI platform “watsonx”, adopted by our company, is a robust, industry-focused AI foundation widely used around the world to support enterprise AI adoption.
- In IBM’s global projects, AI has been deployed across multiple sectors-including the financial sector in Europe and the U.S., the medical sector, and manufacturing sector-driving significant improvements in client operations and development speed.

About watsonx

- watsonx is IBM’s enterprise AI platform that enables companies to safely and efficiently adopt and operate foundation models for generative AI.
- It consists of three core components, watsonx.ai (a studio for developing foundation models and machine learning), watsonx.data (a purpose-built data store), and watsonx.governance (an AI governance toolkit).
  By protecting data within a closed environment and preventing information leaks to external models, watsonx provides a secure and flexible AI infrastructure designed for enterprises.

Based on our global track record, we are promoting the establishment of an AI center at our Philippines base as a strategic partner of IBM Japan. By leveraging the strong English proficiency of our Filipino personnel, we are able to rapidly absorb cutting-edge technologies from Western countries, and build an AI-driven development framework optimized for the domestic Japanese market.

Through this initiative, we aim to lead the productivity transformation of Japanese enterprises using AI.

A new value and differentiation strategy created by the「Designed Lab-type Development」

【 Risks and Concerns of Conventional Offshore Development 】

In the case of setting up an offshore base

Client → Set up a base → Client's base

×Enormous amount of cost and work for setting up.

×Communication errors due to different languages and cultures.

×Infrastructure shutdowns and project delays due to changes in the political climate.

In case the of conventional Lab-type development

Client → Outsourcing → Offshore development company Lab model development team

× Unable to store in-house technical skills.

×Communication errors due to different languages and cultures.

Supporting the resolution of these risks and concerns will be...

On-Site Lab-Type Development

Client → Client's Assigned Employee (Executive Candidates) × Ubicom Lab model development team

Track record: OGIS-RI

Strengths of the On-Site Lab-Type Development Model A Win-Win Relationship between Ubicom and Clients

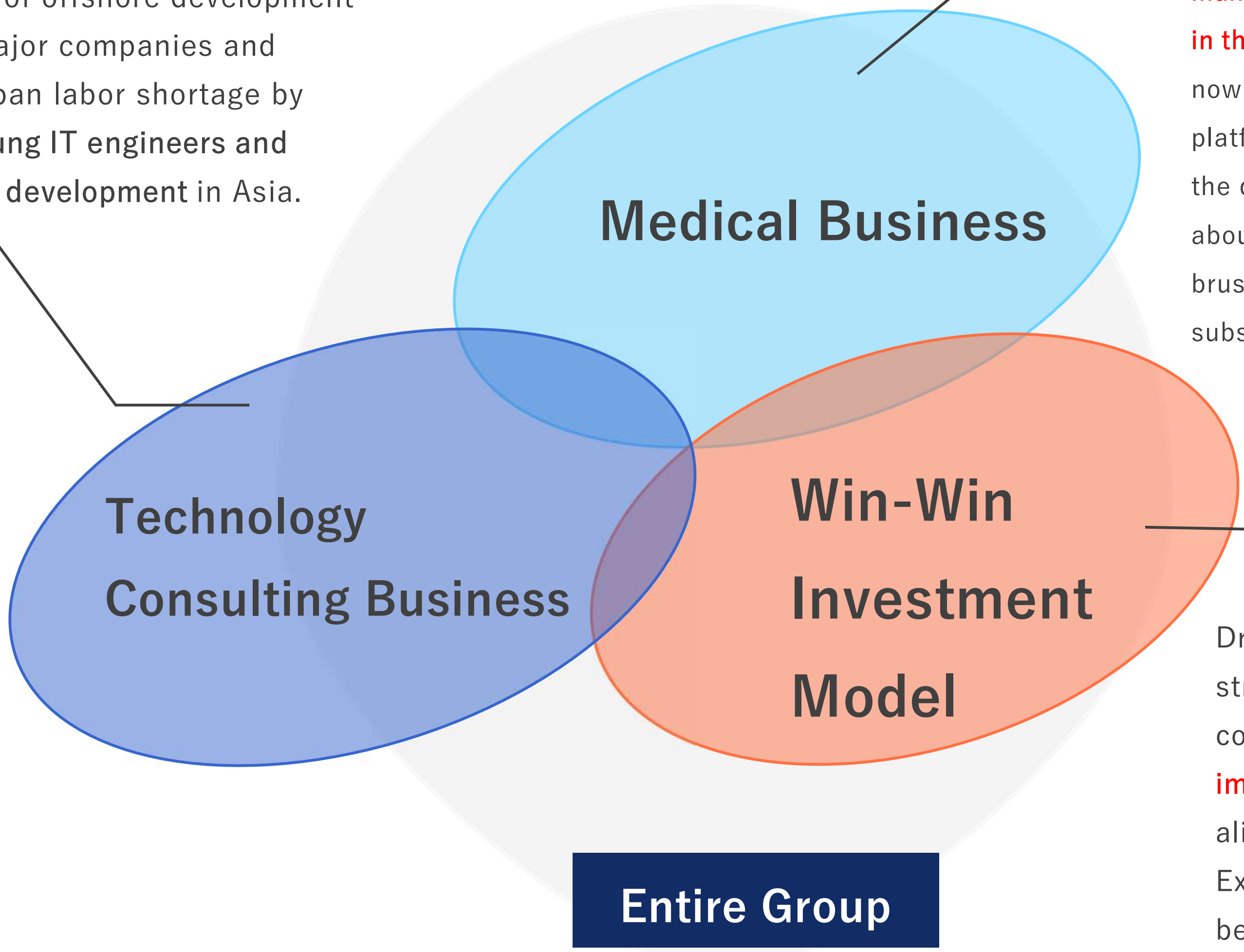
- Able to implement from upstream to downstream in a single process.
- Seconding executive candidates allows them to gain offshore development expertise and experience working with foreign engineers.
- Efficient communication enables rapid development.

We support the offshore development of our client companies with our 30 years of successful track record.
We aim to build partnerships with large enterprises to obtain stable and continuous business.

Promotion of Group Businesses Based on Social Significance

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	・To reduce CO2 emissions ・Global partnership	・To make the electric power consumed at the head office 100% derived from renewable energy ・Investment in equipment of subsidiaries in the Philippines	
S	・Initiatives for diversity	・3 female directors ・Ratio of female managers: 28.5% ・Improvement in the ratios of childcare leave and maternity leave ・Improvement in the ratio of non-Japanese employees	
G	・Fortification of the governance structure	・Information disclosure and securing] of transparency ・Diversity of executives ・Disclosure of the commitment of top executives ・Hiring and training skilled human resources	

Corporate Profile

■Corporate name: Ubicom Holdings, Inc. (Standard 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 FY2025	5,992	1,304	1,287	891
Plans in FY2026	7,383	1,511	1,520	1,056

Cautionary Note Regarding Forward-Looking Statements

- 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.

Ubicom Holdings, Inc.