

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



FY2023 Q3 Presentation Materials

Feb. 8, 2024



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We are a unique business innovation company that creates innovative IT solutions through the combination of "Human" and "Technology."

Medical business

medical business

- The pioneer in management support IT solutions for hospitals and clinics (systems for inspecting health insurance claims)
- Our medical information system boasts one of the largest number of users (20,417 medical institutions).
- Developed "Insurance Knowledge Platform," an IT solution for life insurance companies, by sharing intellectual property we hold in a cross-sectoral manner. It has been adopted by leading life insurance companies.
- **Started full-blown measures for cross-selling "Mighty QUBE® Hybrid" to small and medium-sized hospitals in cooperation with electronic health record manufacturers.**
- Based on the transactions with some of the largest medical institutions in Japan, **we promote new platform business.**

Global business

global business

- We provide leading enterprises inside and outside Japan with services for supporting IT development by utilizing advanced technologies, including AI.
- At R&D bases in Asia, **over 900 global IT staff members** operate business.
- We can offer our solutions in a broad range of industries, including manufacturing, finance, automobiles, healthcare, and AI.
- **Promoted capital and business alliances with leading companies in Japan. Invested in the expansion of R&D bases and personnel training.**

Medical Business

As COVID-19 was reclassified in May 2023, post-pandemic measures were started at medical institutions.

Against the backdrop of Workstyle Reform-related laws applying to medical doctors from April 2024, digital transformation in medical institution is accelerating. The number of orders received increased, as we received more inquiries about the “MightyChecker®” series and the “Mighty QUBE®” series, especially “Mighty QUBE® Hybrid,” solutions in the Medical Business, which would contribute to workstyle reform. **Started preparations for “a remote service platform” for promoting new platform business.**

Global Business

In response to **the economic security promotion law**, which was enacted in May 2022, leading companies and system integrators reviewed suppliers. As a result, the demand for our services grew considerably, because our company was recognized as a reliable outsourcing partner. By taking advantage of the above demand growth, we selected **20 candidates for new pillars*** as targets.

In order to meet the increased demand, we **recruited many global IT engineers and trained them.**

Amid growing interest in capital and business partnerships, accelerated the alliance with OGIS-RI. Quickly prepared and executed advance investments for R&D expansion and the retraining IT engineers, including leaders, with the aim of medium-term scale-up.

(*)pillars : Clients with sales of 100 million yen or more

Sales

4,397 million yen

(112.5% year on year)

Operating income

773 million yen

(105.3% year on year)

Ordinary income

716 million yen

(96.0% year on year)

Net income

461 million yen

(111.6% year on year)

Consolidated performance

- Consolidated sales reached **4,397 million yen**, **112.5%** of the sales of the same period last year, due to business expansion. **Sales reached a new record high in cumulative Q3.**
- In the global business landscape, amidst increased partnership inquires, we've expedited a pre-arranged collaboration with OGIS-RI, involving advance investments for R&D expansion and IT engineers retraining, including leaders. Toward achieving mid-term scalability, there is a temporary increase in cost. However, after recouping the investment, we achieved **an operating income of 773 million yen**, **105.3%** of the operating income of the same period last year in consolidated results. **Our company achieved a record-high profit in cumulative Q3.**
- In the medical business, Workstyle Reform-related laws are driving digital transformation in medical institutions, lead to record-high revenue and operating income.
- Due to the rapid depreciation of the yen, our company posted **a foreign exchange loss** (non-operating expense) from the year-end translation of foreign currency-denominated assets at R&D centers in Asia, resulting in an ordinary income of **716 million yen**, **96.0%** of the previous year's level.
(without the foreign exchange loss, ordinary income would have been 102.1% of the previous year's level).

[unit: million yen]	Q3 (cumulative) of FY2023		Q3 (cumulative) of FY2024		YoY comparison
	Amount	Sales ratio	Amount	Sales ratio	
Sales	3,910	100.0%	4,397	100.0%	112.5%
Operating income	733	18.8%	773	17.6%	105.3%
Ordinary income	746	19.1%	716	16.3%	96.0%
Net income	413	10.6%	461	10.5%	111.6%

Medical Business

medical business

Medical business

【Business Model】

Providing management support IT solutions for hospitals and clinics. In particular, the medical information system provided by our group's subsidiary boasts the **largest number of users in Japan**.

【KPI】

Number of affiliated medical institutions. **Cross-selling** to existing customers.

【Characteristics of our company】

Our advantage is that we have **an extensive medical database of disease names, drugs, and national health insurance points**, as well as **advanced AI technology** that makes use of this database. We also **have extensive sales channels to a wide range of medical institutions**, including small and large ones, on a nationwide scale.

【External environment】

The DX at medical institutions is accelerating in conjunction with the application of the Workstyle Reform Law **to doctors starting in April 2024**. As a result, inquiries about our solutions are increasing.

【Second growth phase】

In Nov. 2023, we started full-scale measures for cross-selling “Mighty QUBE® Hybrid” to small and medium-sized hospitals in cooperation with electronic medical record manufacturers. We are negotiating with 4 companies and formed a business alliance with a company. We will strive to receive more orders while targeting the market with a scale of 3.1 billion yen. We will expand the new platform business by utilizing the customer base in the medical field, medical databases, and intellectual property.

Performance of the Medical Business

- Due to the reclassification of COVID-19 into Class 5 in May 2023 and the impact of workstyle reform laws that will also be applied to medical doctors from April 2024, investments in DX at medical institutions will resume.
- As a result, the medical business achieved sales of **1,214 million yen, 107.6%** of the sales of the same period in the previous year. **The sales in the cumulative Q3 reached a new record high.**
- Operating income reached **740 million yen**, which is **111.9%** of the operating income of the same period last year. **Our company achieved a record-high operating income in the cumulative Q3.** The operating margin increased by 2.4%, reaching a record high of 61.0%.
- The increase in revenue and operating income is attributed to the expansion of orders for "Mighty QUBE® Hybrid" and MightyChecker® EX driven by the impact of labor reform-related legislation and cross-selling initiatives.
- The "Insurance Knowledge Platform" has entered the full-scale implementation phase and is expected to contribute to sales and profit in the future.
- We began full-scale cross-sales of "Mighty QUBE® Hybrid" in collaboration with electronic medical record manufacturers, targeting small and medium-sized hospitals. **We also started selling "MightyChecker® EX." Inquiries increased ahead of schedule.**

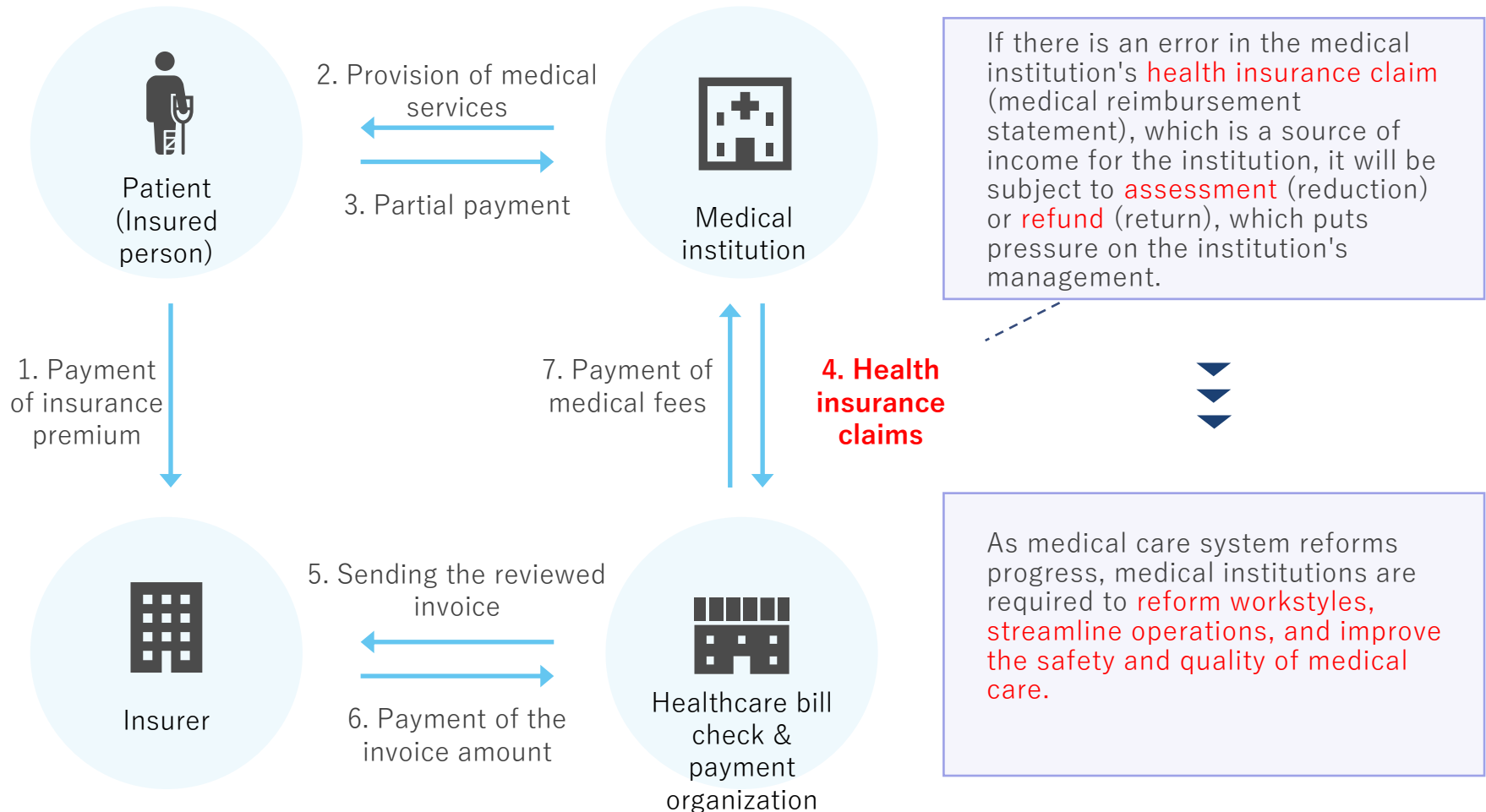
medical business

Medical business [unit: million yen]	Q3 (cumulative) of FY2023		Q3 (cumulative) of FY2024		YoY comparison
	Amount	Sales ratio	Amount	Sales ratio	
Sales	1,129	100.0%	1,214	100.0%	107.6%
Operating income	661	58.6%	740	61.0%	111.9%

Amid strong demand, achieved a **7.6%** YoY increase in revenue and a record-high **2.4%** boost in operating margin. Anticipate continued profit growth beyond Q4.

System for health insurance claims in medical institutions

Areas where the core solutions of the Medical Business are used



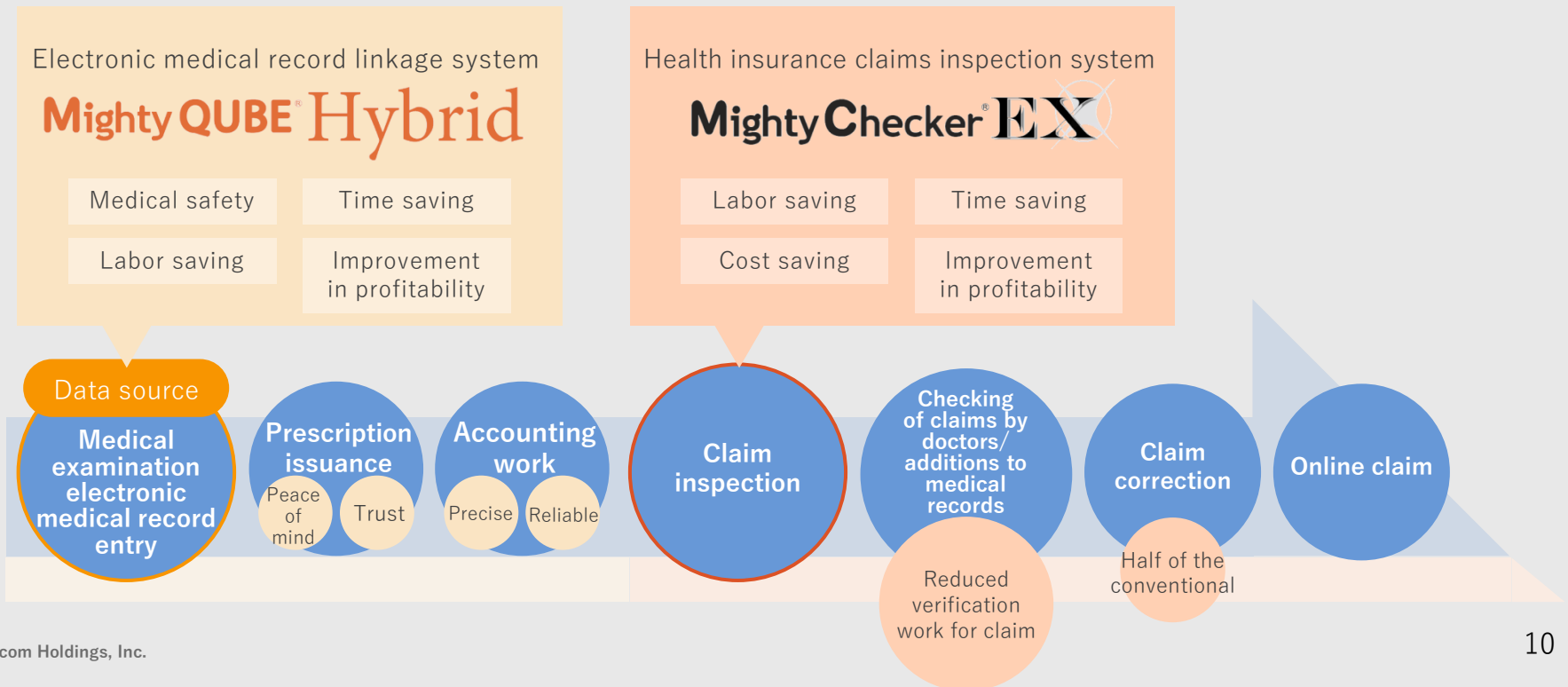
Main solutions in the medical business

■ Mighty QUBE® Hybrid

Electronic medical record linkage system: Based on the linkage with electronic medical records, AI helps medical doctors input data in electronic medical records, to secure medical safety and streamline the work of medical doctors. We aim to achieve a **GP of 75%**.

■ MightyChecker® EX

Health insurance claim inspection system: Based on the linkage with the medical accounting system (computer for health insurance claims), AI inspects claims to prevent errors and lack of contents in claims and streamline the operations in the medical section. We aim to achieve a **GP of 75%**.



Reform of doctors' workstyles will limit overtime hours for working doctors to **"960 hours per year, in principle."**

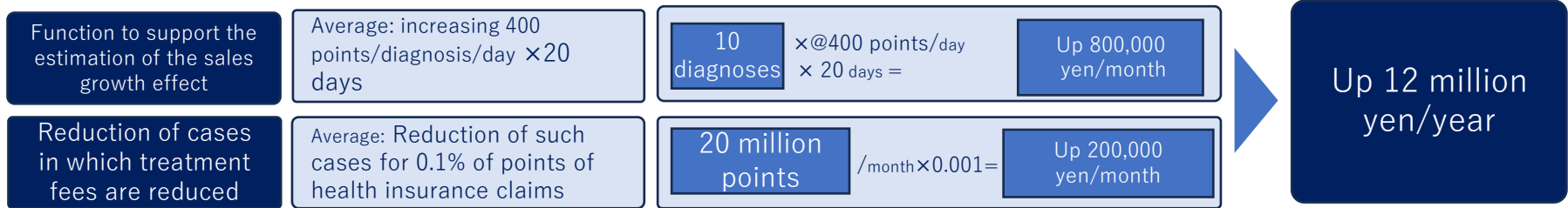
(Effective from April 2024)

→According to the Ministry of Health, Labor and Welfare's "Progress toward the Implementation of the Reform of Workstyles of Doctors," 21.1% of full-time hospital doctors worked overtime or on holidays over 960 hours, a 16.6% decrease from the results of the same survey conducted four years ago (2019). However, long working hours are still an issue.

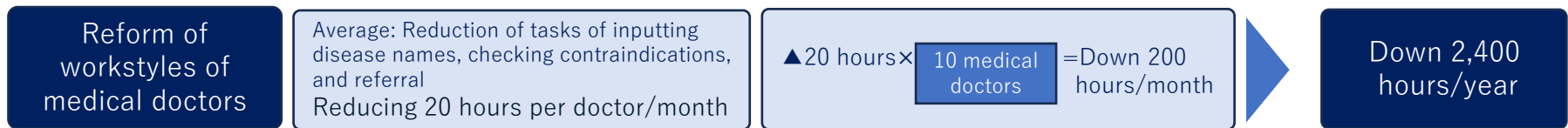
*Source: Produced with reference to "MHLW_Progress toward the reform of workstyles of medical doctors in 2024"

Sales growth effect: 12 million

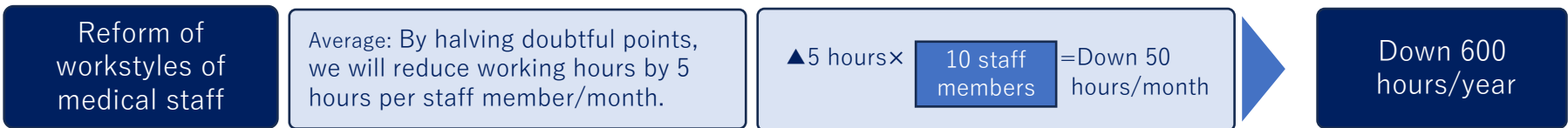
In the case of a small hospital with 99 beds



10 medical doctors: Reduction in working hours by 2,400 hours per year



10 medical staff members: Reduction in working hours by 600 hours per year



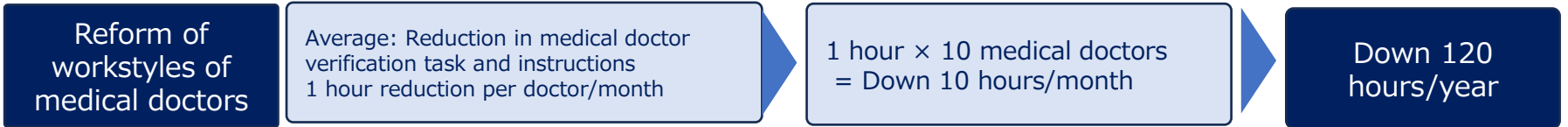
To solve the problem of shortage of personnel, reform the workstyles of medical doctors and others, and reduce overtime work

*The results of this verification are indicated under the conditions set by our company, while assuming a small hospital with 99 beds.

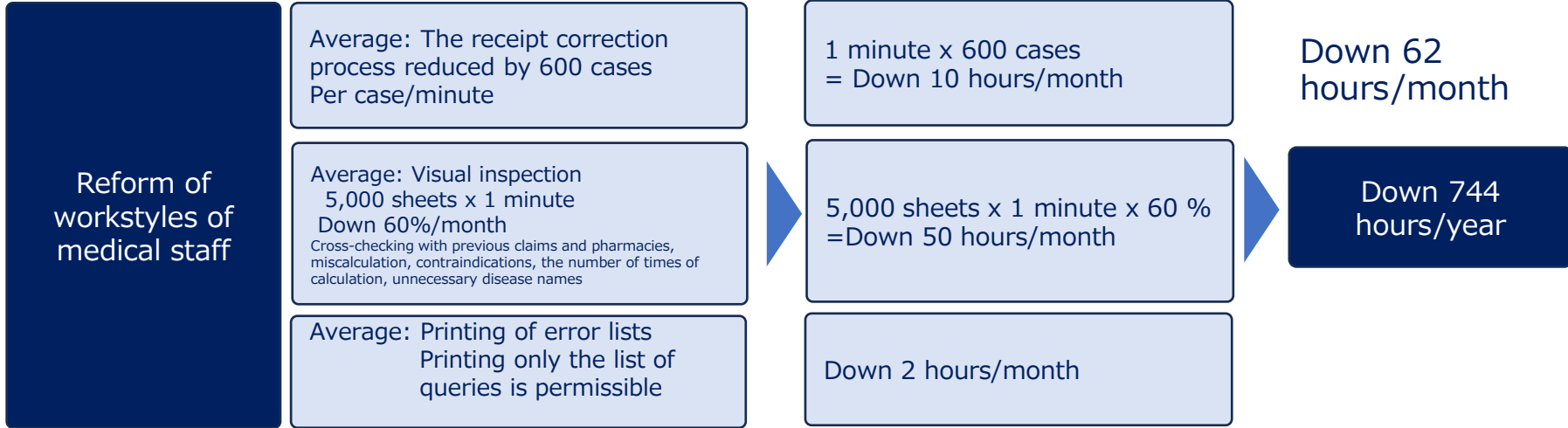
In addition to the sales growth effect of Mighty QUBE[®] Hybrid
Sales growth effect : 1.44 million yen In the case of a small hospital with 99 beds



In addition to the working hours reduction effect of Mighty QUBE[®] Hybrid
10 medical doctors: Reduction in working hours by 120 hours per year



In addition to the working hours reduction effect of Mighty QUBE[®] Hybrid
10 medical staff members: Reduction in working hours by 744 hours per year



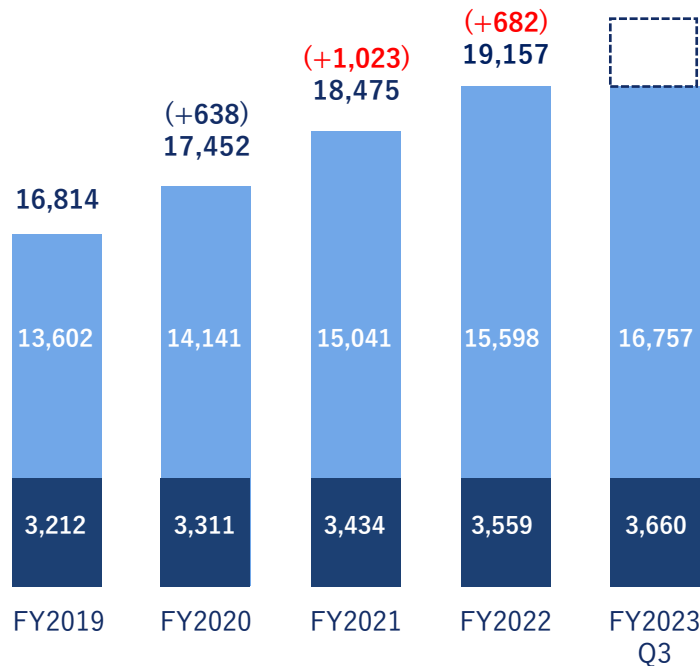
To solve the problem of shortage of personnel, reform the workstyles of medical doctors and others, and reduce overtime work

*The results of this verification are indicated under the conditions set by our company, while assuming a small hospital with 99 beds.

Variation in the number of users of MightyChecker®

In Q3 of FY 2023, it rose 1,260 (over 200%) year on year.
The increase rate exceeded those in FY2021 and FY2022.

Expecting +1,500 (Over 200% y/y) (+1,260)Q3
20,417



Market share in terms of the number of users*1

■ Hospitals (20 or more beds) ■ Clinics (less than 20 beds)

Approx. 45% 3,660/8,130 facilities **Approx. 16%** 16,757/105,331 facilities

No. of users as of the end of Dec. 2023/No. of medical facilities as of the end of Jul. 2023*2

*1 This figure was obtained under certain conditions with reference to the records of our transactions.

*2 Source: "MHLW Survey on the dynamics of medical institutions in 2023"

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Core Solutions

Mighty Checker® Series

Pre-submission claim inspection software

Acceleration of DX and IT investment in medical institutions
Steady increase in the number of users to **20,417** (hospital users: 3,660 + clinic users: 16,757, +1,260 from the previous year)

TOPIX

As the remuneration for medical services will be revised in 2024, business inquiries will keep increasing.

Regarding the posting of sales (charging method)

The Mighty Checker® EX package is initially licensed for 15 months.

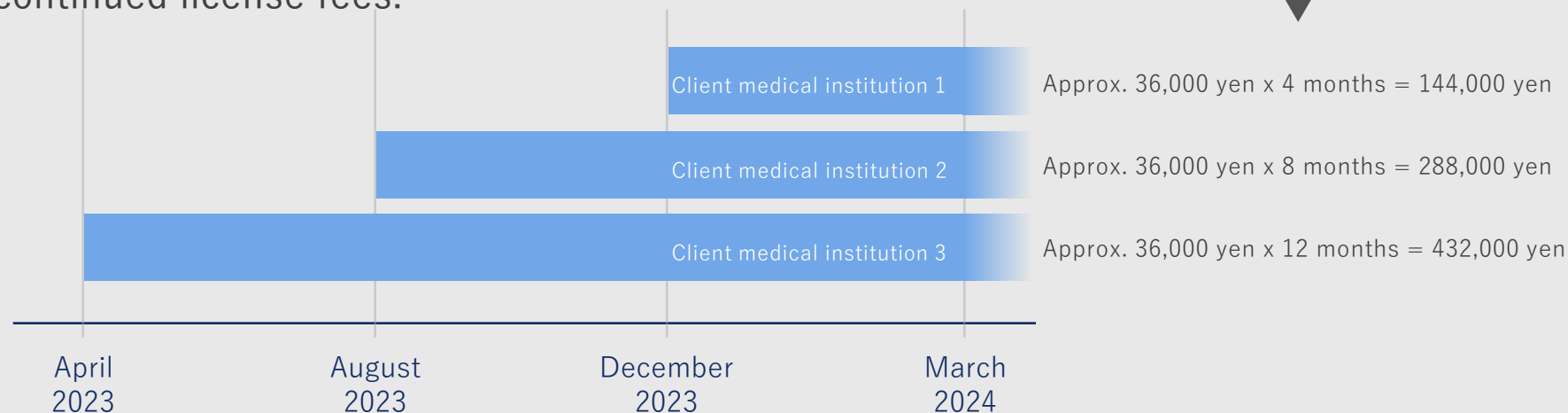
Assuming an initial license cost of 544,000 yen (less than 20 beds), the amount that can be recorded monthly would be 1/15th of the initial cost (approximately 36,000 yen).

Although the number of client medical institutions is increasing steadily, **the amount that can be recorded monthly is the divided amount (approx. 36,000 yen)**, resulting in a gradual increase.

Sample

Initial (15-month) license fee: 544,000 yen (new fee)

*From the following fiscal year, we will charge continued license fees.



To implement measures for cross-selling “Mighty QUBE® Hybrid”

Small and medium-sized hospitals make up 91% of all hospitals, and we will enhance marketing targeted at them.

Through the alliances with electronic medical record manufacturers mainly for small and medium-sized hospitals, the sales of “Mighty QUBE® Hybrid” are expected to grow at an accelerated pace.

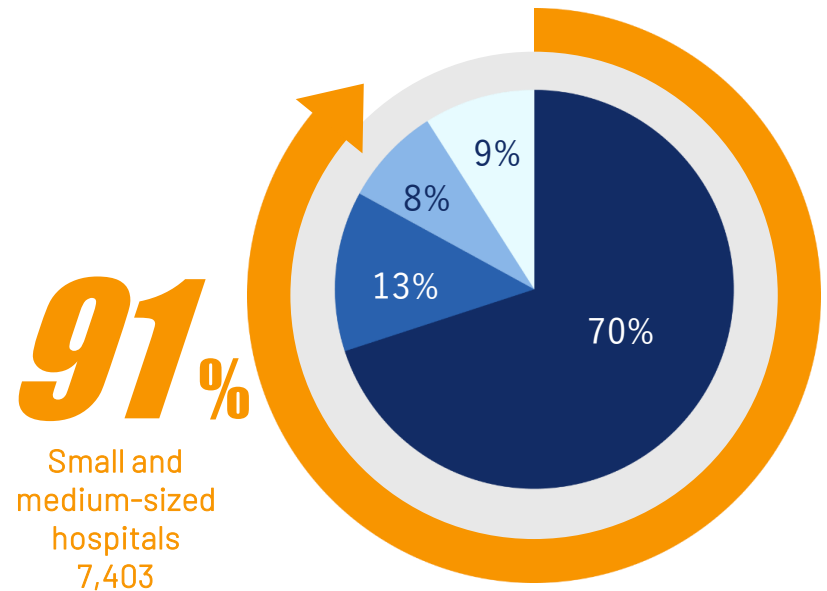
< No. of facilities in each scale >

20-199 beds	5,708 hospitals	70%
200-299 beds	1,027 hospitals	13%
300-399 beds	668 hospitals	8%
400 or more beds	753 hospitals	9%

Total number of hospitals: 8,156

No. of target small and medium-sized hospitals: 7,403

Target on which we will concentrate further



Mighty QUBE® Hybrid

Focus on the electronic medical record market for small and medium-sized hospitals

*The linkage with electronic medical records is indispensable.

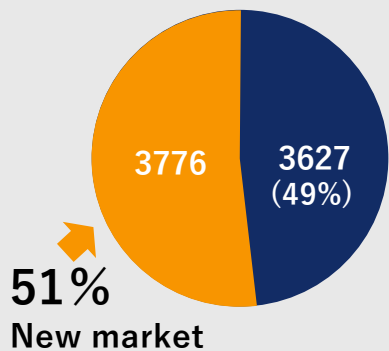
Report on the Results of a Survey on the Installation of JAHIS Hospital Information System – Survey in 2022 –

According to a survey in 2022, **over 4,000 hospitals adopted an electronic medical record system, accounting for 49%** of the total number of hospitals: 8,156.

Source: “JAHIS Report on the results of a survey on the adoption of hospital information systems in 2022”

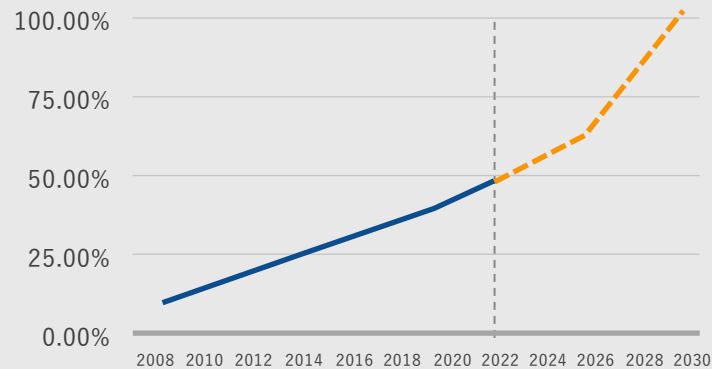
Market size	
Installation rate of electronic medical records	49%
Small and medium-sized hospitals	7,403
Installation of electronic medical records in small and medium-sized hospitals	3,627

Number of hospitals that have adopted electronic medical records (Estimated)



■ Hospitals that have adopted electronic medical records
■ Hospitals that have not adopted them

Rate of Penetration of Electronic Medical Records



Medical DX2030 Vision 2030 Ministry of Health, Labour and Welfare

By 2030, we aim to have all medical institutions have electronic medical records to share necessary patient medical information.

Source: MHLW “Reiwa Vision for Medical DX 2030”

Market size for Mighty QUBE® Hybrid: 6.2 billion yen

The market size of Mighty QUBE® Hybrid is 6.2 billion yen. This includes the implementation of cross-selling measures to facilities that have already adopted electronic medical records for small and medium-sized hospitals and the creation of a NEXT market for facilities that have not yet introduced electronic medical records.

The target index is a GP of 75%.

Our company started cross-selling "Mighty QUBE® Hybrid" at full scale in November 2023 in collaboration with electronic medical record manufacturers, targeting small and medium-sized hospitals. We are negotiating with 4 companies, and formed a business alliance with a company. We aim to expand the orders we receive for the market with a scale of 3.1 billion yen.

Electronic medical records installed

(49%: 3,627 institutions)

Of the 20 major electronic medical record manufacturers for small and medium-sized hospitals, half (10) are existing Mighty Checker® customers. We will cross-sell Mighty QUBE® Hybrid to the 2,100 facilities owned by these 10 companies.

Cross-selling Mighty QUBE® Hybrid



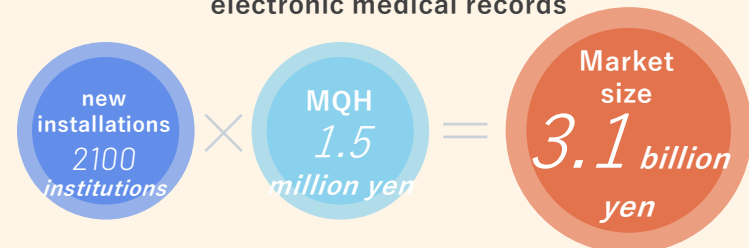
*Plan for replacement of electronic medical records in 5 years

Electronic medical records not yet installed

(51%: 3,776 institutions)

The penetration rate of electronic medical records has been rising, so the 3,776 facilities that have not adopted electronic medical records could form the next market for electronic medical records.

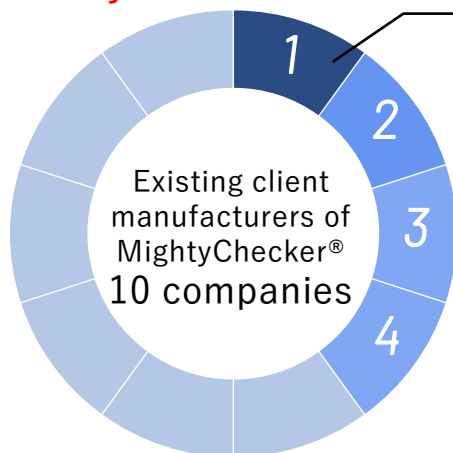
Next market of Mighty QUBE® Hybrid for introducing electronic medical records



*Plan in 7 years based on MHLW's indicators to 2030

Progress of measures for cross-selling Mighty QUBE® Hybrid

In Nov. 2023, we started full-scale measures for cross-selling this to existing client manufacturers of MightyChecker®. We are negotiating with 4 companies and formed a business alliance with a company. We aim to receive more orders in the market with a scale of 3.1 billion yen.



The signing of a business partnership agreement with ACS Corporation

Our subsidiary AIS is scheduled to supply the electronic medical record linkage system Mighty QUBE® Hybrid to the electronic medical record HOSPITAC as an OEM.

It will significantly contribute to the medical safety promoted by the national government, the workstyle reform of medical doctors and reduction of expenses at hospitals by streamlining operations.

OACS Corporation, a subsidiary of Kusurinomadoguchi Inc. (TSE Growth Market: 5592)

- The company develops in-house medical accounting, ordering, and electronic medical records, mainly at its Sendai headquarters.
- Its mainstay products include the HOSPITAC Hospital Information Series.

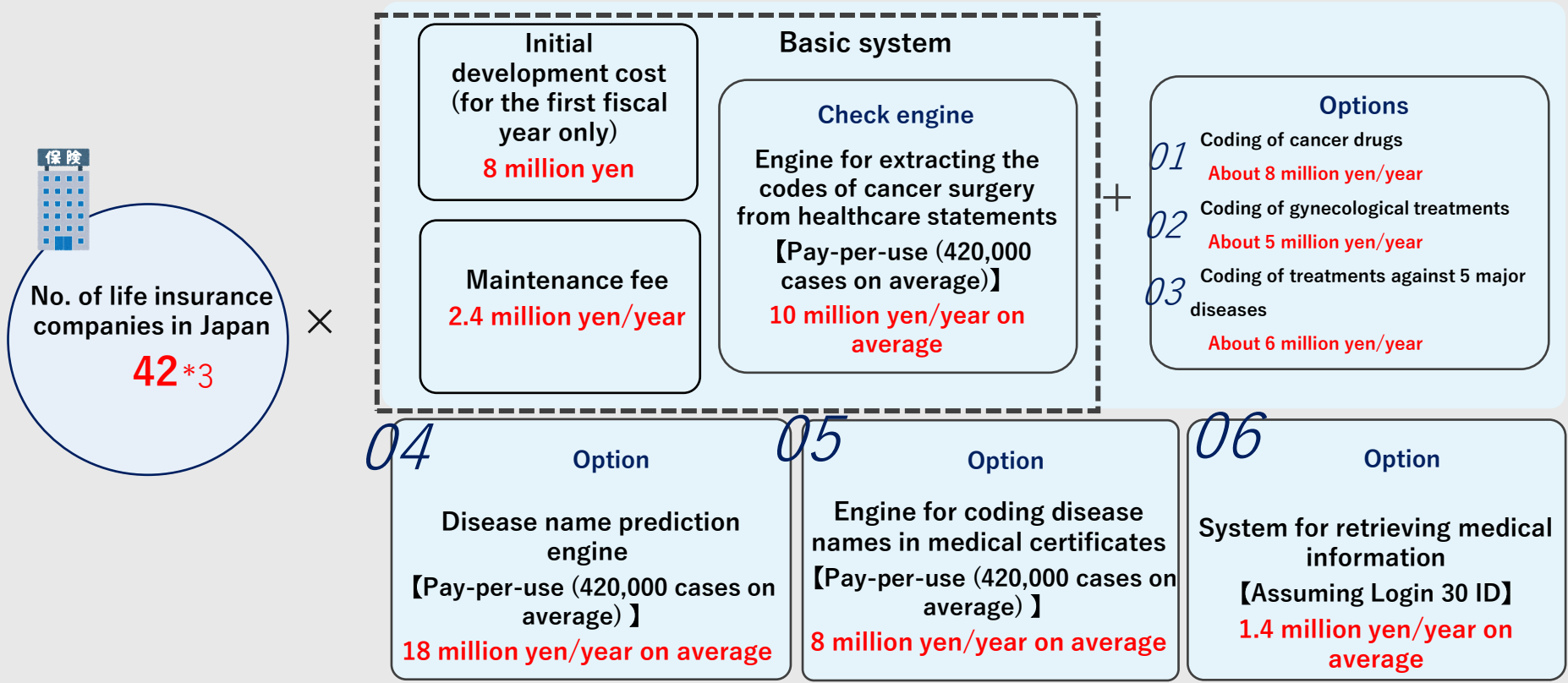
OFeatures of HOSPITAC

- Many medical institutions ranging from bedroom-less clinics to 350-bed hospitals use HOSPITAC.
- HOSPITAC runs on the same Linux server platform, so it excels in consistent operation.
- It can build both cloud-based and on-premises electronic medical record systems.

【Current situation of the insurance industry and our initiatives】

- Number of documents dealt with by leading life insurance companies for health insurance claims: about 300,000/year*1
- Costs including personnel expenses: over 1 billion yen/year*2
- **The simplified claims system under public insurance, including the basic system and six additional product configurations**
- **We aim to achieve a GP of 75%.**

*1Our company's estimate for eligible invoice documents*2Estimated by our company



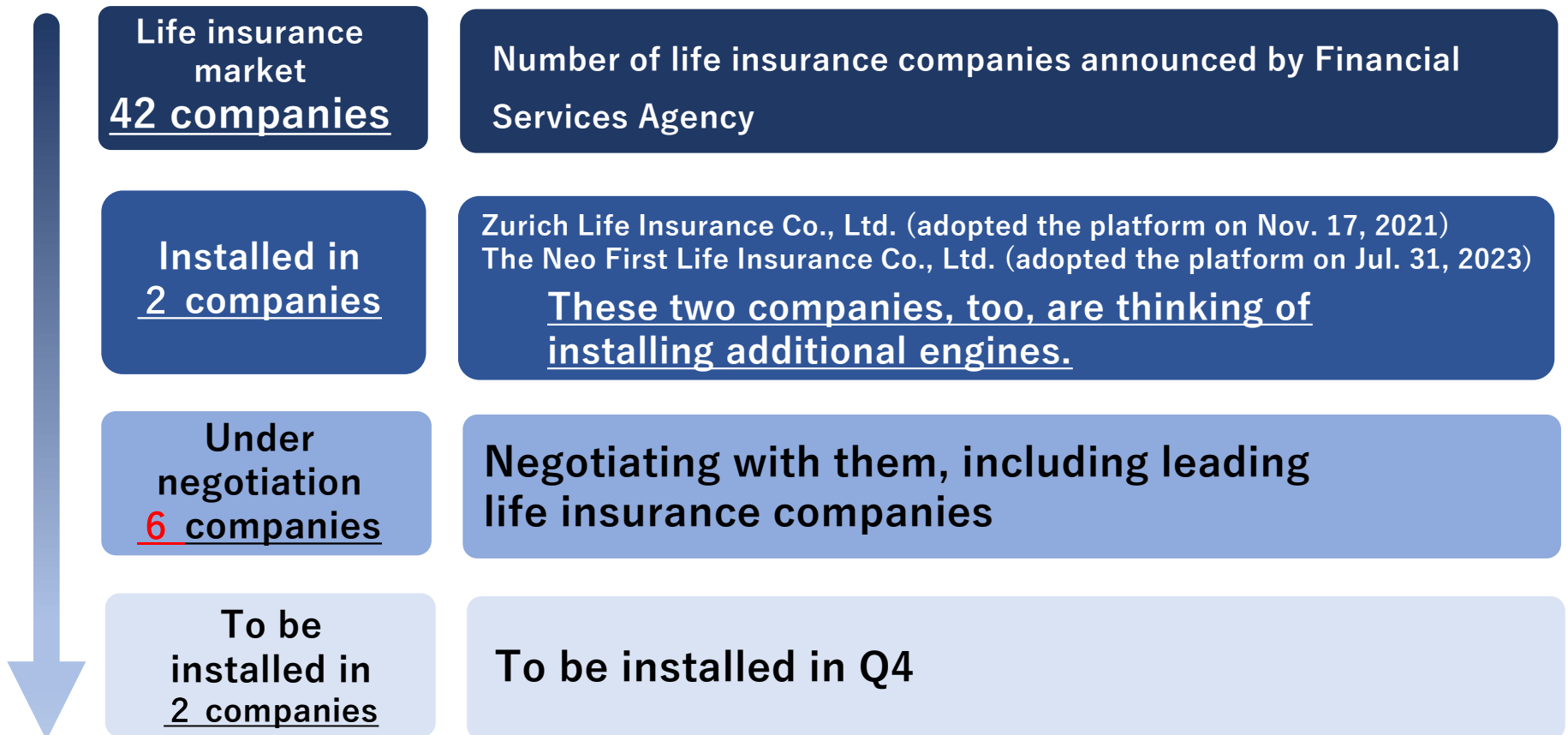
About 66.8 million yen per year per medium-sized insurance company
*58.8 million yen from the second year
*In the case where all options are included



Market size **About 2.4 billion yen/year**
*From the second year

【Insurance knowledge platform business model】

- Annual contract based on the number of healthcare statements, etc.
- Several millions or tens of millions of yen/year/company
- Recurring model, **We aim to achieve a GP of 75%.**



Cloud Lineup

- “MightyChecker® Cloud”**
 Pioneering cloud-based claim inspection
- “Mighty QUBE® Hybrid”**
 One-of-a-kind cloud-compatible order checking
- “SonaM”**
 Risk control solution

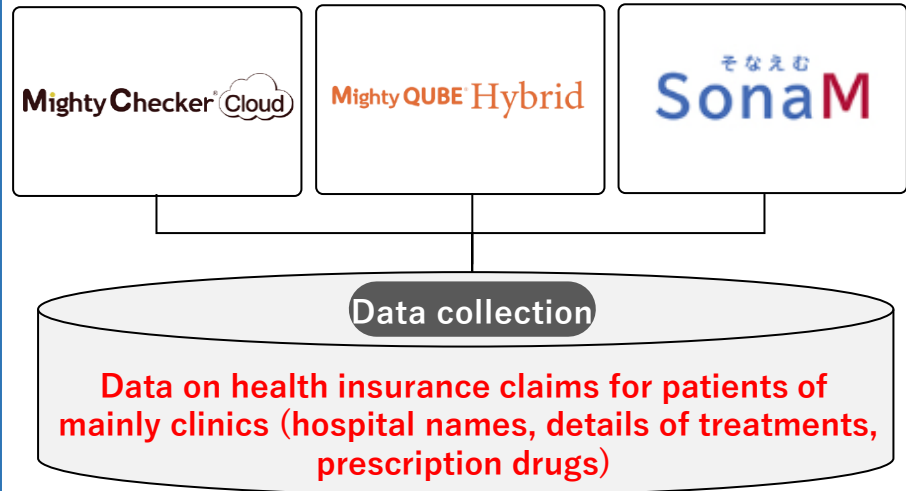


TOPIC

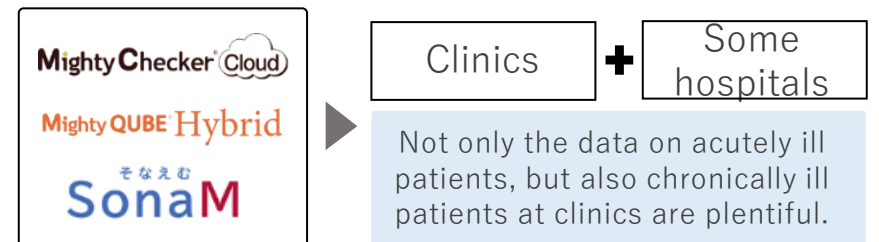
MightyChecker® Cloud
Data on over 42 million
health insurance claims

*Total number of cases

✓ Features of our cloud data



✓ Difference from other companies' data



We will increase data on hospitals.

Based on the databases of over 20,000 medical institutions, MightyChecker® EX, Mighty QUBE® Hybrid, MightyChecker® Cloud, etc. generate revenues stably.

In the second growth phase, we will enter a new business field by utilizing our customer base, medical database, and intellectual property. We started preparations for “a remote service platform” before promoting the new platform business.

- 37 years of trust and business experience in the Japanese healthcare system and medical institutions
- Consulting expertise and solution introduction experience for over 20,000 medical institutions nationwide
- In-house database updated monthly, including medical procedures such as surgeries and treatments, prescribed drugs, and names of injuries and illnesses under the medical care system

Stable earnings

MightyChecker® EX MightyQUBE® Hybrid
MightyChecker® Cloud

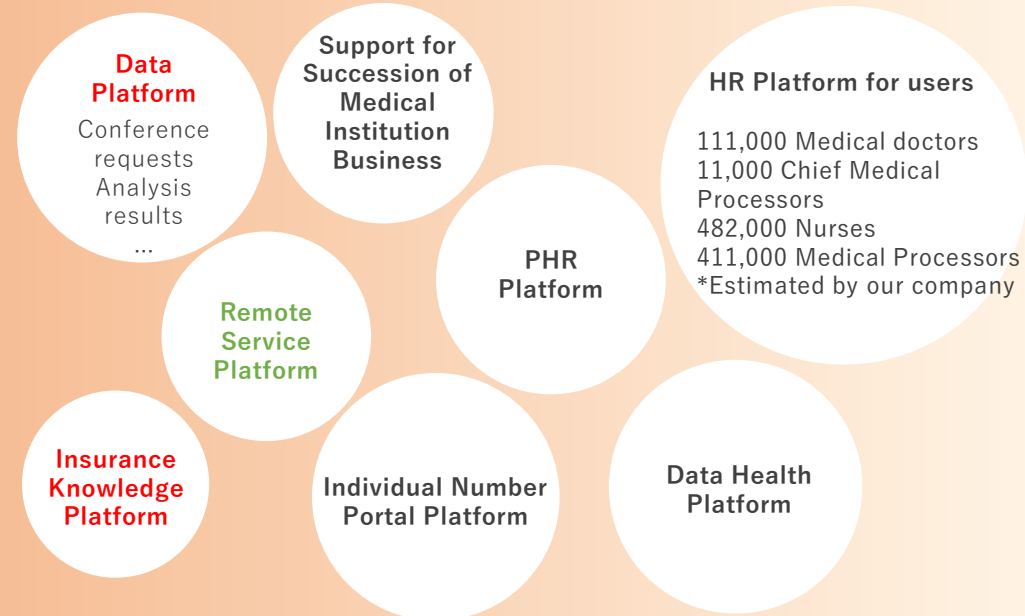
To enter a new business field by utilizing our customer base, medical database, and intellectual property.

Knowledge
No. of medical institutions
Over 20,000



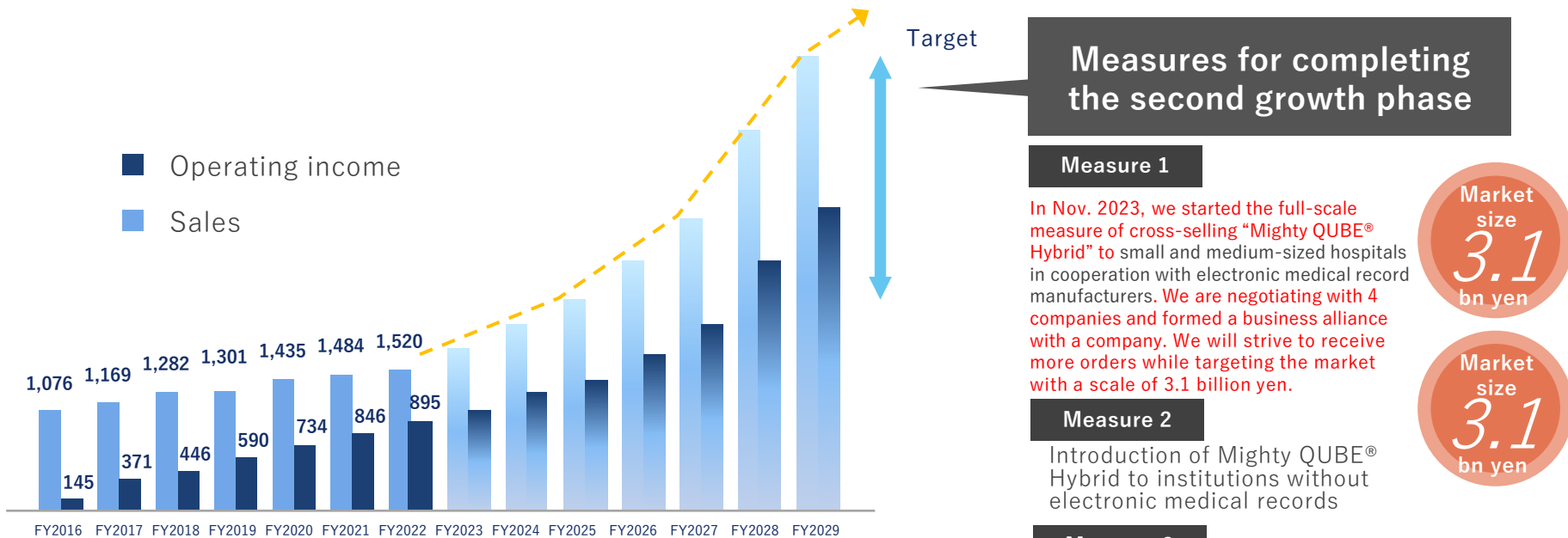
In-house database

New target markets in the second growth phase (medium/long-term vision)



Cross-selling of Mighty Qube® Hybrid & new business for high profitability

- With the subscription model, we achieved a high profitability of 58% in FY2023.
- COVID-19 has revealed the problem of overtime work for medical doctors and nurses, and combined with the fact that the Workstyle Reform Law will be applied to medical doctors from April 2024, there is an urgent need for DX at medical institutions.
- Due to the reclassification of COVID-19 into Class 5 in May 2023, investment in medical institutions will resume, and sales growth of "Mighty QUBE®Hybrid" & "MightyChecker®EX," which contribute to workstyle reform, is expected to accelerate.
- To increase the growth rate of revenue and operation margin, preparations are underway **to launch cross-selling initiatives and a new platform business** with "Mighty QUBE® Hybrid".



Measures for completing the second growth phase

Measure 1

In Nov. 2023, we started the full-scale measure of cross-selling "Mighty QUBE® Hybrid" to small and medium-sized hospitals in cooperation with electronic medical record manufacturers. We are negotiating with 4 companies and formed a business alliance with a company. We will strive to receive more orders while targeting the market with a scale of 3.1 billion yen.

Market size
3.1
bn yen

Measure 2

Introduction of Mighty QUBE® Hybrid to institutions without electronic medical records

Market size
3.1
bn yen

Measure 3

- Developing new business
- Remote service platform
 - Data platform
 - Data health platform . . .

Global Business

global business

Global

global business

【Business model】

To offer IT development support services by utilizing cutting-edge technologies, including AI, for leading enterprises inside and outside Japan

【KPI】

Number of major (pillar) clients. Recruitment of personnel who can deal with the growth of demand

【Characteristics of our company】

Differing from the conventional dispatch of IT engineers, our advantages are to dispatch **professionals who can speak both Japanese and English fluently**, and offer offshore support regarding business operations unique to the field of each client, system languages, tools, AI, etc.

【External environment】

In response to **the economic security promotion law, which was enacted in May 2022**, leading companies and system integrators reviewed suppliers.

As a result, the demand for our services grew considerably, because our company was recognized as a reliable outsourcee.

【2nd growth phase】

Our company is **hiring and training a huge number of global IT engineers** to meet growing demand.

Amid growing interest in capital and business partnerships, accelerated the alliance with OGIS-RI. Quickly prepared and executed advance investments for R&D expansion and the retraining IT engineers, including leaders, with the aim of medium-term scale-up.

Performance of the Global Business

- Sales rose sharply to 3,182 million yen, 114.4% of the sales of the same period last year, as a result of the increased demand in the wake of the Economic Security Promotion Act. **Sales reached a new record high in the cumulative Q3.**
- **However, amid a surge in inquiries for capital and business partnership, we expedited a strategic alliance with OGIS-RI, resulting in rapid preparations and upfront investments for R&D expansion and retraining of IT professionals, including leaders. This temporary cost increase was incurred for mid-term scalability. Before the release of new OS, the hesitant buying of a new computer leads to the temporary reduction of R&D costs resulted in an operating income of 2.9 billion yen, 93.0% compared to the same period last year.**

global business

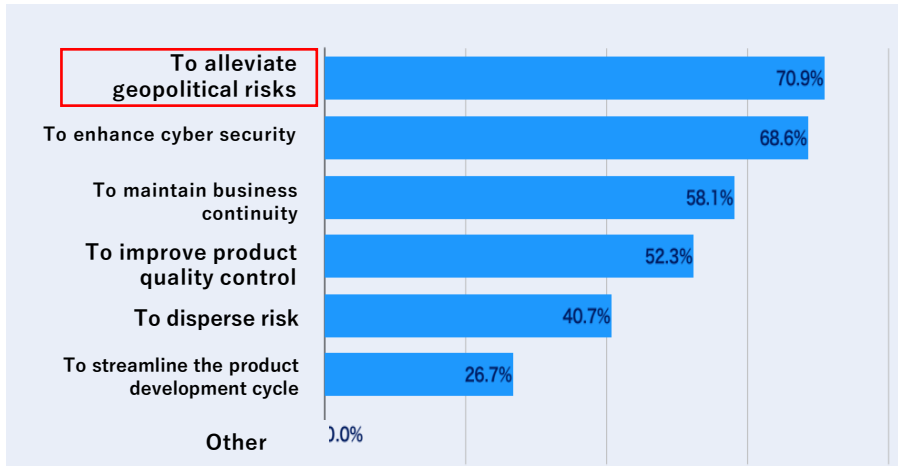
Global Business [unit: million yen]	Q3 (cumulative) of FY2023		Q3 (cumulative) of FY2024		YoY comparison
	Amount	Ratio to sales	Amount	Ratio to sales	
Sales	2,781	100.0%	3,182	100.0%	114.4%
Operating income	312	11.2%	290	9.1%	93.0%

Due to strong demand, we achieved a **14.4%** increase compared to the same period last year and anticipate an improvement in the operating margin from 4Q onwards.

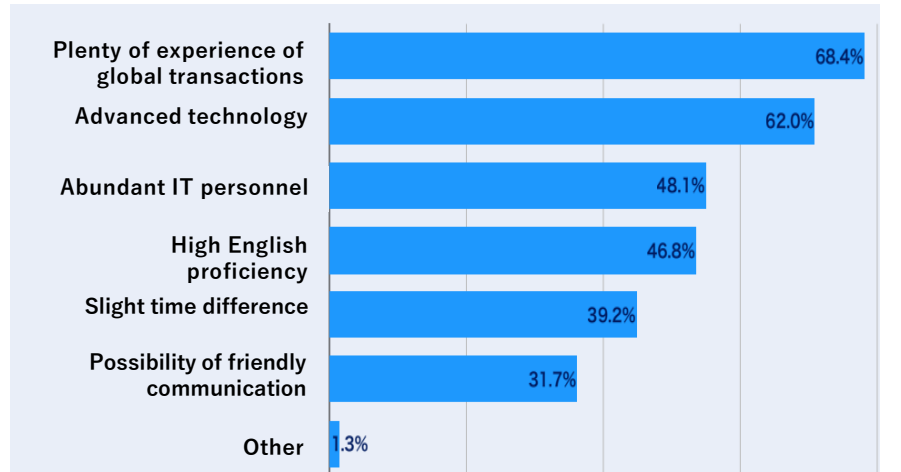
About 90% of offshore development staff of listed companies worry about “geopolitical risks” in regions of their offshore business.

In response to the Economic Security Promotion Law, many companies plan to **reconsider their offshore development** as a concrete measure for “revising the supply chain.”

Please tell us why you want to further revise the supply chain for software development before the enforcement of the Economic Security Promotion Law. (multiple answers allowed)



What points do you value when reconsidering offshore development in response to the enforcement of the Economic Security Promotion Law? (multiple answers allowed)



Outline of the survey: Survey on the actual situation of response to the Economic Security Promotion Law
 Survey method: Online survey based on the plan of the research PR “Resapee®” provided by IDEATECH
 Survey period: November 1 to 2, 2023

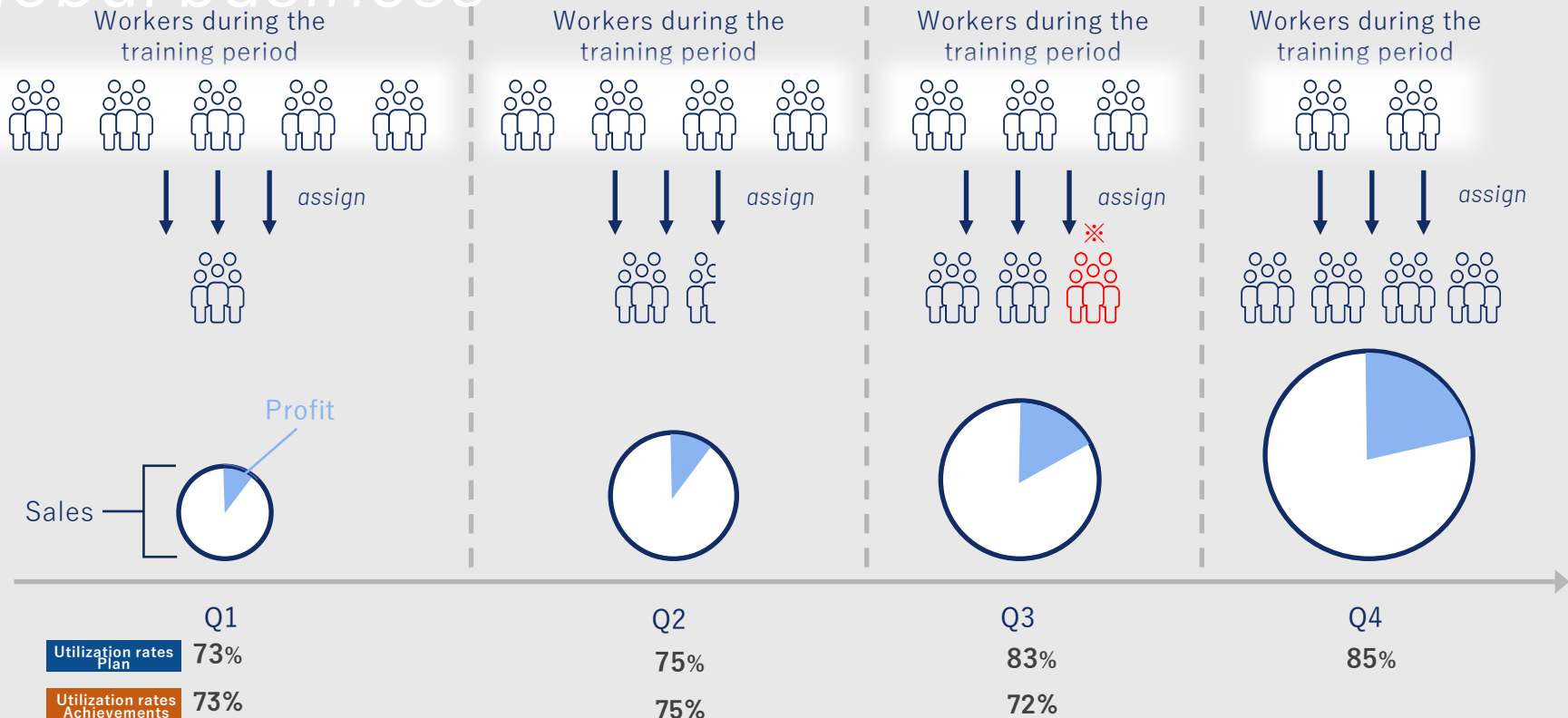
Valid respondents: employers, executives, business administration staff, and IT/information system staff of listed companies that conduct offshore development (100 people)

*Composition ratios were obtained while rounding the ratios to one decimal place, so the sum of the ratios is not necessarily equal to 100.

The response to external environmental changes, including the Economic Security Promotion ACT.

- Amid growing interest in capital and business partnerships, accelerated the alliance with OGIS-RI. **Quickly prepared and executed advance investments for the retraining IT engineers, including leaders.** (the aim of medium-term scale-up)
- The temporary reduction in R&D costs due to the postponement of purchasing a new computer OS.
- An occurrence of some clients' delay in compliance with Economic Security Promotion ACT.
 ※Temporarily the utilization rate declined.

global business



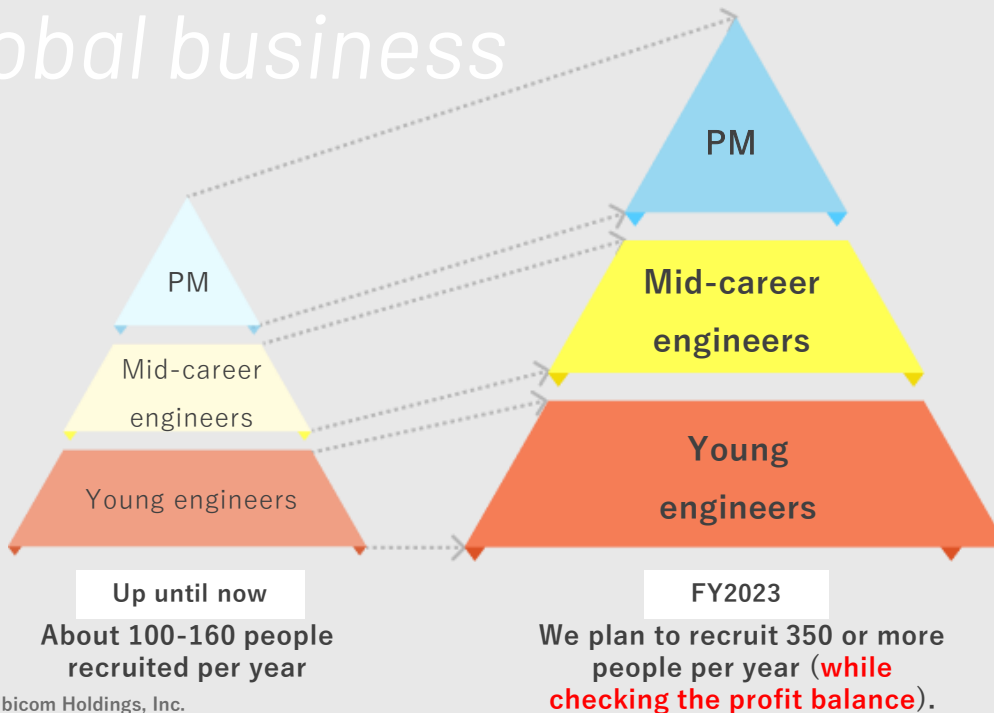
To train professional IT engineers through a 5-6-month intensive course

- Differing from the simple dispatch of IT engineers, our business model is to first train workers thoroughly for 5-6 months, and then assign them to respective projects.
- We train workers about the Japanese language, tasks unique to the field of each client, system languages, tools, and advanced technologies, including AI.

Q3 TOPICS

- ✓ Looking beyond FY2024, we aggressively aim to business partnerships, including capital alliances with major corporations for mid-term scale up.
- ✓ Responding to growing demand in capital and business partnerships, we accelerated our alliance with OGIS-RI, This prompted rapid preparations and upfront investments for expanding R&D facilities and retraining IT engineers, including leaders.

global business



Measure 01

Enhancement of recruitment

Measure 02

Retraining of new skills → to respond to the evolution and sophistication of needs

Measure 03

Training of about 50 leaders → to deal with increased orders and control quality

Measure 04

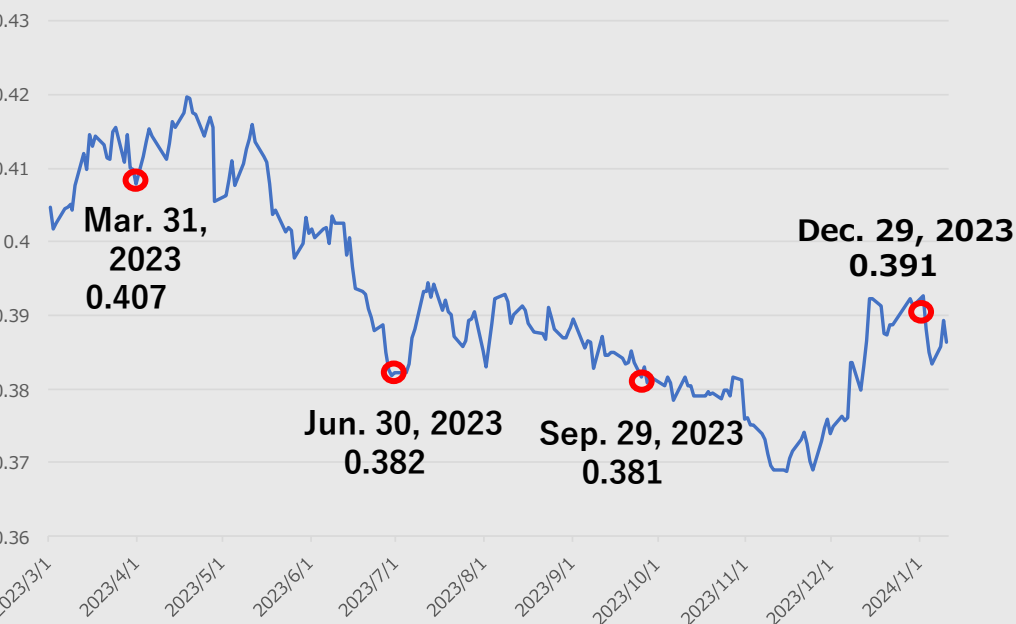
Pooling of resources → to maximize utilization rate through the cooperation among business sections

Measure 05

Improvement in profit margin through the expansion of development volume

Currency fluctuations led to valuation losses on our overseas subsidiaries yen-denominated assets. However, we've controlled the FX risk associated with our business.

Exchange Rate Trends between the Japanese Yen and the Philippine Peso



▲3.6 million pesos
: Business domain

Regarding the impact of exchange rate fluctuations on the core business, we concluded a memorandum for dividing the profit/loss with each client.

Management of the impact of exchange rates.

▲13.4 million pesos
: Non-business domain

Loss on valuation of yen-denominated assets of subsidiaries outside Japan

■ Regarding the investment in Bewell International Co., Ltd. (KOREC)

Purpose and Impact of the Investment

We aim to secure a stable supply of excellent global IT human resources by leveraging the strengths of Bewell International. It operates a recruiting website called KOREC, which has the largest market share in Japan for Korean recruitment support services and provides employment support for excellent students fluent in their native language, Japanese, and English.

We have already enlisted young brilliant engineers from South Korea, anticipating future global resource acquisition through our investment.

■ Regarding the investment in MOYAI Co.

Purpose and Impact of the Investment

MOYAI develops and sells surveillance cameras (IoTube) equipped with edge AI functions and has the No. 1 track record of installation among railroad operators in the Tokyo metropolitan area (50% of major railroad operators have installed IoTube).

In the future, we plan to develop the software for next-generation edge AI devices at our offshore facility in the Philippines.



Responding to growing demand in capital and business partnerships, we accelerated our alliance with OGIS-RI. This prompted rapid preparations and upfront investments for expanding R&D facilities and retraining IT engineers, including leaders.



We accelerated the formation of the capital and business alliance with OGIS-RI, and **established a development center (lab) in Manila** for future alliances to implement upfront investment.



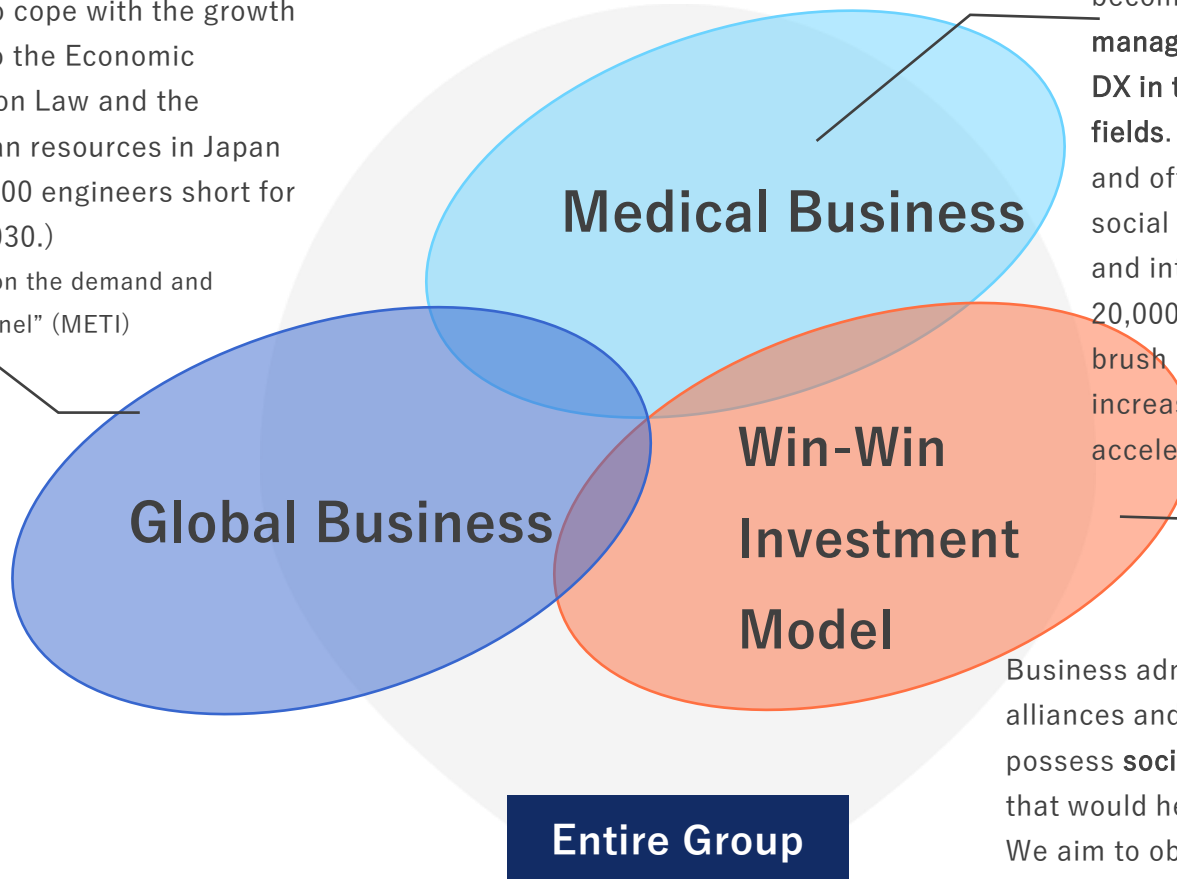
About **900** excellent Filipino IT engineers **proficient in English and Japanese** in Philippines Office

Appendix

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

Training of young IT personnel and DX support in Asia to cope with the growth of demand due to the Economic Security Promotion Law and the shortage of human resources in Japan (We will be 545,000 engineers short for DX in Japan in 2030.)

* Source: "Survey on the demand and supply of IT personnel" (METI)



Provision of solutions that are beneficial to three things: **reform of workstyles of medical doctors**, which are becoming insufficient, **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.

Business administration based on strategic alliances and M&A with enterprises that possess **social impact** and **core competence** that would help attain SDGs. We aim to obtain resources in regions other than the Philippines through cooperation and strategic alliances with leading companies and growing enterprises.

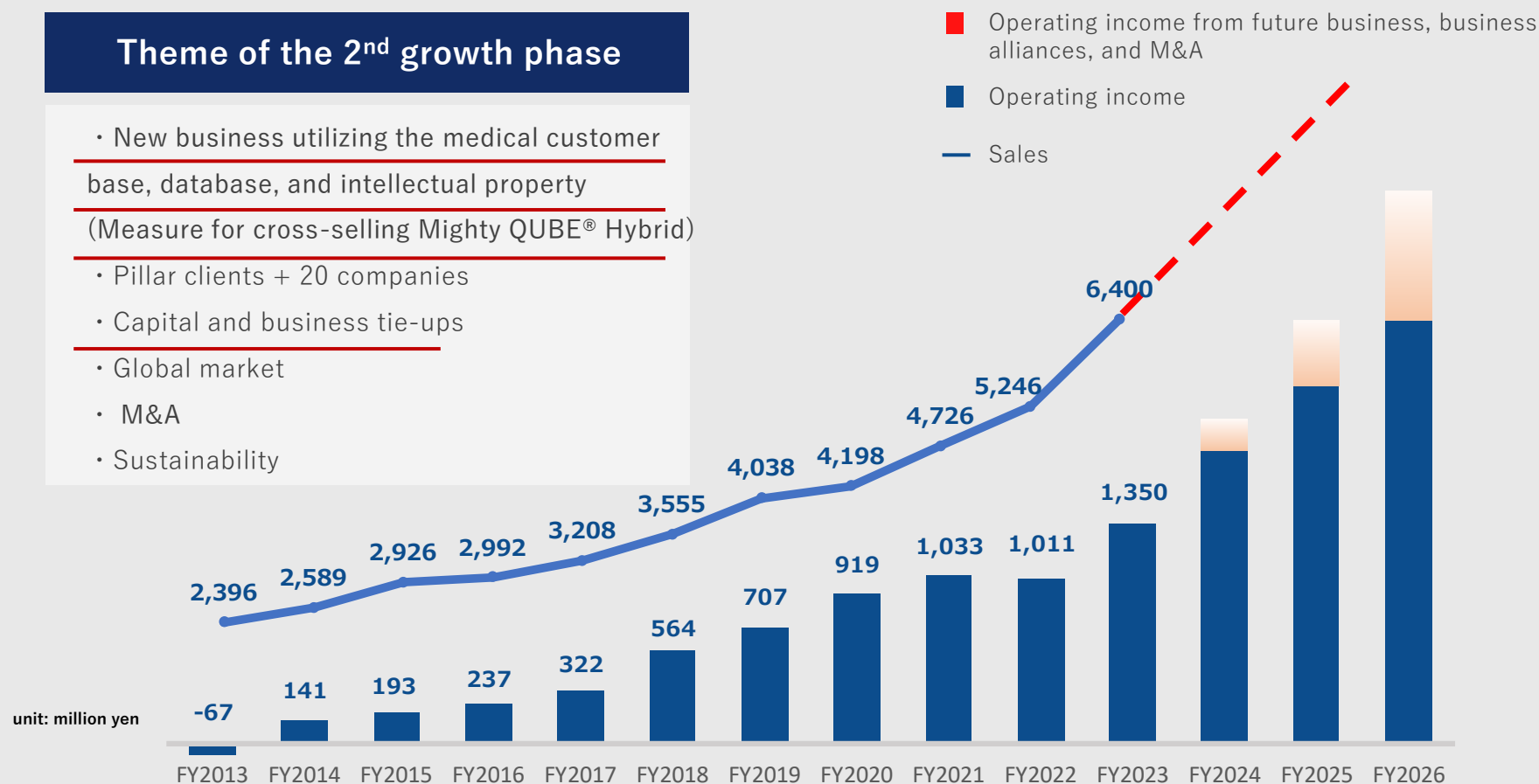
Resilient management, personnel development strategy, business synergy, and pursuit of raison d'être for continuing advancement under unstable circumstances










We will maximize the synergy between the existing business and M&A, with the aim of increasing new recurring/SaaS models.

In response to rapid external changes and to achieve the second phase of growth, we aim to expand further high-profit models, promote new platform business, and strive for revenue and profit margin enhancement in the medical business. In the global business, we are promoting capital and business alliances with multiple companies, expediting a capital and business alliance with OGIS-RI, which temporarily increases costs, but is expected to accelerate growth in the medium term.

Theme of the 2nd growth phase

- New business utilizing the medical customer base, database, and intellectual property
(Measure for cross-selling Mighty QUBE® Hybrid)
- Pillar clients + 20 companies
- Capital and business tie-ups
- Global market
- M&A
- Sustainability



	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"> 1 female director Ratio of female managers: 40% 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:

Global Business

In order to solve the problem of shortage of IT personnel 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

	Sales	Operating income	Ordinary income	Net income
[unit: million yen]				
Results in FY2022	5,246	1,011	1,004	573
Plans in FY2023	6,400 ^{+22.0%}	1,350 ^{+33.5%}	1,369 ^{+36.4%}	963 ^{+67.9%}

- The materials and information provided in this announcement include forward-looking statements based on our current estimates and expectations at this point in 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.

