

H1FY2025

Financial Results Presentation

FINDEX Inc.

Aug 13, 2025



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In the graphs and tables of this document, some of the figures are rounded up or truncated for the purpose of adjusting fractional values.

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“Enriching Society with Technologies and Creation”

We harness innovative technologies and creativity to drive digital transformation (DX) in the medical and public sectors. Our goal is to contribute to the maintenance of people’s health and the optimization of social systems, ultimately working toward a more sustainable future.



Medical Business

Flagship Products : *Claio, C-Note, DocuMaker, REMORA, Medical Avenue, etc*

Through the provision of electronic medical record (EMR) integration systems, image management solutions, initiatives to promote the adoption of electronic prescriptions, and the development of cloud-based medical collaboration platforms, we support both the streamlining of hospital operations and the enhancement of healthcare service quality. In this business domain, our involvement extends beyond supplying products and services to medical institutions—we also actively participate in several government-led DX projects, including the implementation of electronic prescriptions and the utilization of real-world data. We contribute to the advancement of the essential healthcare industry from multiple angles.



Future Vision for 2030

All of our products are **developed in-house**. Across sectors such as healthcare and public services, we are accelerating our business development by leveraging **cloud technology** and **AI**, with the goal of becoming a leading company in building data-driven social infrastructure. With continuous technological innovation, we remain committed to advancing sustainable solutions in **the medical and public sectors**.



Public Sector Business

Flagship Product : *DocuMaker Office*

We provide document management and approval solutions for municipalities and public institutions, supporting the realization of DX in government administration.

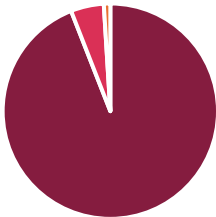


Health Tech Business

Flagship Product : *GAP/GAP-screener*

We develop and deliver innovative healthcare solutions leveraging advanced technologies, such as our proprietary eye-tracking visual field analyzer *GAP*. We also promote the effective utilization of healthcare data to support better medical outcomes.

Ratio of Sales by Business



- Medical Business
- Public Sector Business
- Health Tech Business

*Result of FY2024



Medical Business

Expansion of Medical Data and Healthcare Network Infrastructure Business

With the advancement of medical DX, the medical software business is shifting significantly from conventional in-hospital systems to the **utilization of interconnected medical information and clinical data (Real World Data)**. In addition to reducing duplicate prescriptions and tests, improving safety and efficiency, the use of RWD for drug discovery and healthcare policy-making is becoming more widespread.

Building on our extensive track record and technological expertise, we aim to fulfill our social **mission by providing digital infrastructure** that supports these medical DX as one of the national initiatives, while also creating significant new business opportunities. These services are knowledge-intensive, cloud-based businesses that offer **exceptionally high profitability and scalability** - on top of our current stable hospital information system business - **laying the foundation for substantial growth**.

We are also actively investing in AI technologies, accelerating the deployment of AI services tailored to assist physicians in medical documentation and analyzing clinical data. By enabling functions such as summarizing medical records, visualizing disease conditions, and analyzing treatment trends, we support the operational efficiency and profitability of medical institutions, thereby driving further corporate growth through the expansion of high-value-added services.



Public Sector Business

Rapid and Large-Scale Deployment of Highly Rated Services

Due to the acceleration of DX in local governments in recent years, **digitizing public document management is gaining increasing attention**—not only as a response to legal requirements, but also to improve operational efficiency, address staffing shortages, and reduce the risks associated with personnel transfers and retirements.

DocuMaker Office, with its intuitive user interface and high customizability, has already been adopted by many municipalities. Going forward, we will further strengthen our development and sales capabilities, build a nationwide distributor network, and **swiftly expand our market presence across Japan**.

In addition, we aim to **differentiate our offering as a high-value, long-term solution** by proposing implementation schemes aligned with government subsidies and grants, offering a cloud-based SaaS model to reduce initial costs, and enhancing functionality through AI-powered document search, summarization, and case similarity extraction. These initiatives will position us for stable growth and high profitability in the expanding municipal DX market.



Health Tech Business

Creating a Global Health Impact Through Innovative Approaches

In aging societies across the developed countries, diseases such as age-related macular degeneration, glaucoma, and various forms of dementia are having **serious economic consequences**, including loss of workforce productivity and increasing long-term care costs. Early detection and the ability to slow disease progression are crucial for both reducing healthcare expenses and maintaining quality of life.

GAP, the world's only medical device capable of estimating retinal conditions through gaze analysis, is **already being adopted by ophthalmology clinics and hospitals in Japan**. Internationally, sales have begun in regions such as the EU, Taiwan, and South America, **marking the early phase of global market expansion**. Furthermore, *GAP* has been found to **be effective in detecting mild cognitive impairment (MCI)**, and in collaboration with Kyoto University, we plan to commercialize the device for MCI detection within two years.

These approaches offer transformative potential for **preventive healthcare** in a globally aging society, delivering a **substantial health impact on society**. At the same time, they are expected to **become a powerful growth engine** for our company, generating high profits over the medium to long term. We will continue to drive business expansion through cutting-edge technology development and global deployment.

01

H1FY2025 Financial Performance Highlights

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Progress remains on track toward the full-year forecast

- H1FY2025:
Net sales: -2.5% YoY, Operating profit: +1.6% YoY
- **Progress rate:**
Net sales: 51.9%, Operating profit: 65.2%
- As for FY2025, our business is strong in Q1 and Q4 (see p.27)

Enhanced shareholder return through “increased dividends” & “share repurchase”

- Our plan for FY2025 annual dividends: ¥17.0
- Aiming for the dividend payout ratio of 40%
- Interim dividend of ¥8.0, up ¥1.0 from the previous year
- Executing “share repurchase” (see p.23)
- Maximum amount of repurchase: ¥1 billion
- Maximum number of repurchasable shares: 1,333,300 (5.19% of the total number of shares issued)

Progress on Key Investment Outcomes

- Increased number of sales negotiations for the *PiCIs* cloud-based service series
- Launched free plan for *DocuMaker Cloud* (see p.25)
- Growing number of inquiries for *Cocktail AI*, developed by our subsidiary Fitting Cloud (demo site launched in July)
- Expanded overseas interest and negotiations for the gaze analyzing perimeter *GAP*

Strong performance of Public Sector Business continues

Public Sector Business:
H1 Net sales: ¥244 million (+69.3% YoY)
H1 Operating profit: ¥125 million (+154.5% YoY)
(2.54 times)

Backlog remains high

- Backlog at the end of H1FY2025: ¥1,585 million
*Record high as of the end of Q2
- Health Tech Business performing well, its backlog is 14times higher YoY

Key Growth Drivers

- **e-Prescriptions**
We offer an HPKI cloud-based signature service, positioning us to meet growing market demand as electronic prescription adoption expands.
- **Revised Next Generation Medical Infrastructure Act**
Legal reforms now allow the use of “pseudonymized medical data” in addition to traditional anonymized data, promoting broader data utilization. Future initiatives may include integrated analysis with public databases such as the NDB.
- **Electronic Medical Record (EMR) Data Sharing Service**
Under the government-led medical DX initiative, the current focus is on “3 document types and 6 data items”. We support early infrastructure development by providing our in-house medical documentation service *DocuMaker Cloud* free of charge.

- Delivered strong results in H1, at the same level as last year’s front-loaded performance, progressing smoothly toward full-year targets
- While SG&A expenses increased - mainly due to higher personnel costs - this was offset by improved gross profit margins, resulting in a YoY increase in operating profit
- The decline in profit attributable to owners of parent was due to a tax credit recorded in Q1FY2024 under the 2023 wage increase promotion tax scheme. On an adjusted basis, profit actually grew by 4.6% YoY
- By segment, the standout performer was the Public Sector Business, with net sales up 69.3% and operating profit up 154.5% YoY, showing steady growth

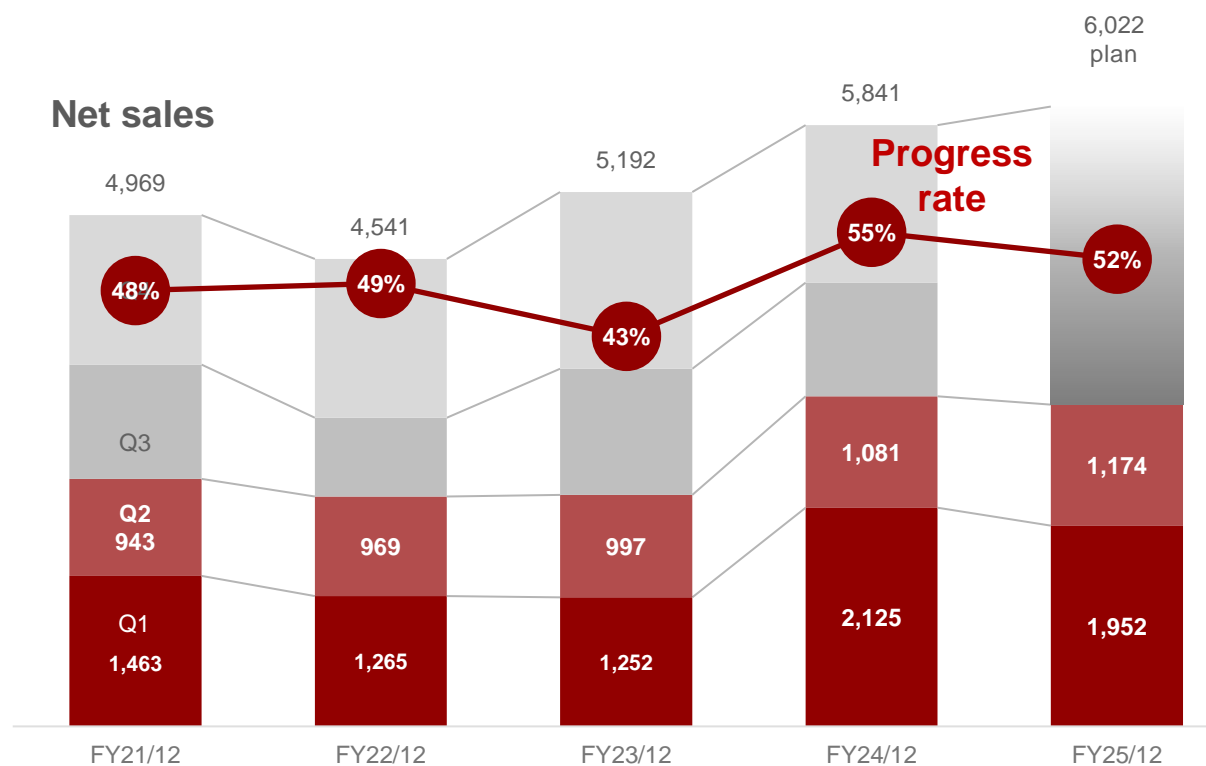
(¥Million)	H1FY2024	H1FY2025	YoY	Forecast (FY2025)	Progress Rate
Net sales	3,205	3,125	(2.5)%	6,022	51.9%
Medical Business	3,038	2,856	(6.0)%	5,550	51.4%
Public Sector Business	143	243	69.3%	372	65.3%
Health Tech Business	23	25	12.0%	100	25.0%
Gross profit margin	1,923	2,036	5.9%	—	—
SG&A	982	1,081	10.1%	—	—
Operating profit	940	955	1.6%	1,465	65.2%
Medical Business	976	936	(4.1)%	—	—
Public Sector Business	48	124	154.5%	—	—
Health Tech Business	(84)	(105)	—	—	—
Recurring profit	945	985	4.2%	1,515	65.1%
Profit attributable to owners of parent	701	685	(2.2)%	1,108	61.9%

* Profit attributable to owners of parent for H1 FY2024 includes a tax adjustment related to the application of the Wage Increase Promotion Tax System

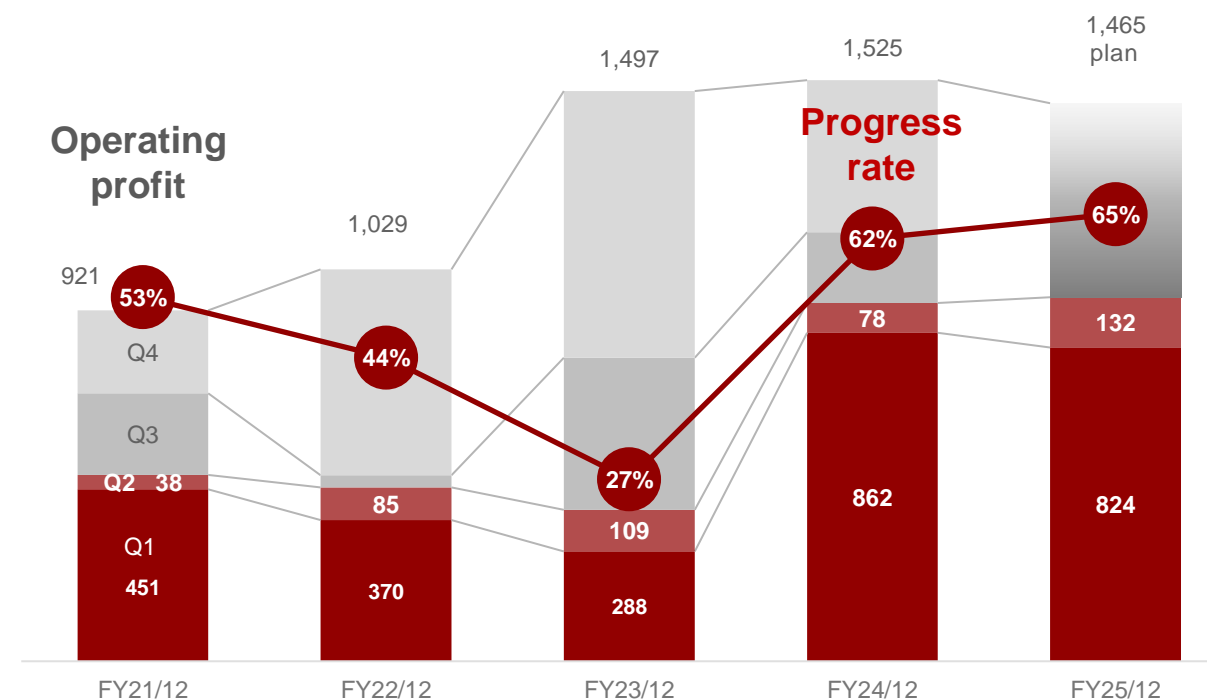
H1FY2025 Progress Rate vs. Annual Financial Results and Forecasts

- Compared to the progress rates for the first half in previous years, FY2025 is also proceeding smoothly
- This fiscal year is expected to follow the same pattern as FY2022, with strong sales in Q1 and Q4
- While the operating profit progress rate is high relative to past years, the profit target for FY2025 is conservatively estimated

Progress Rate vs. Net Sales (¥Million)

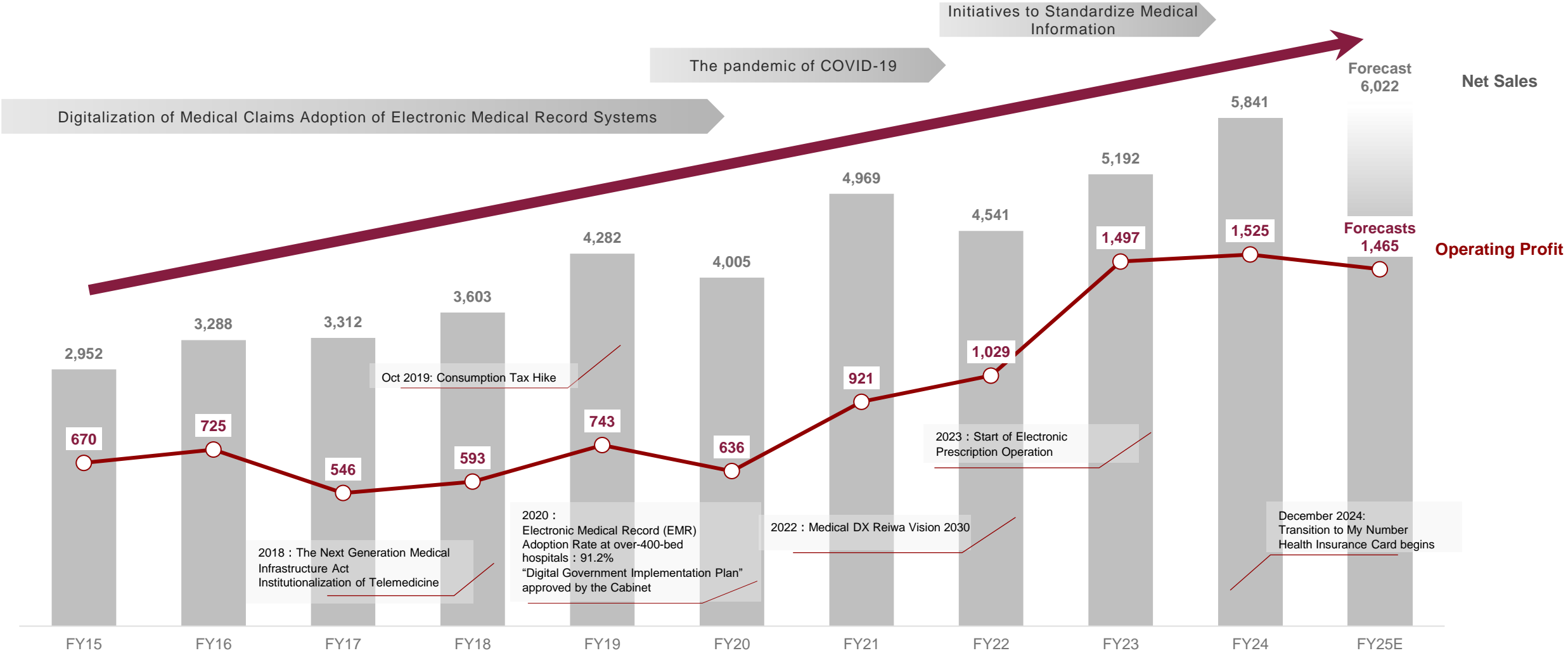


Progress Rate vs. Operating Profit (¥Million)



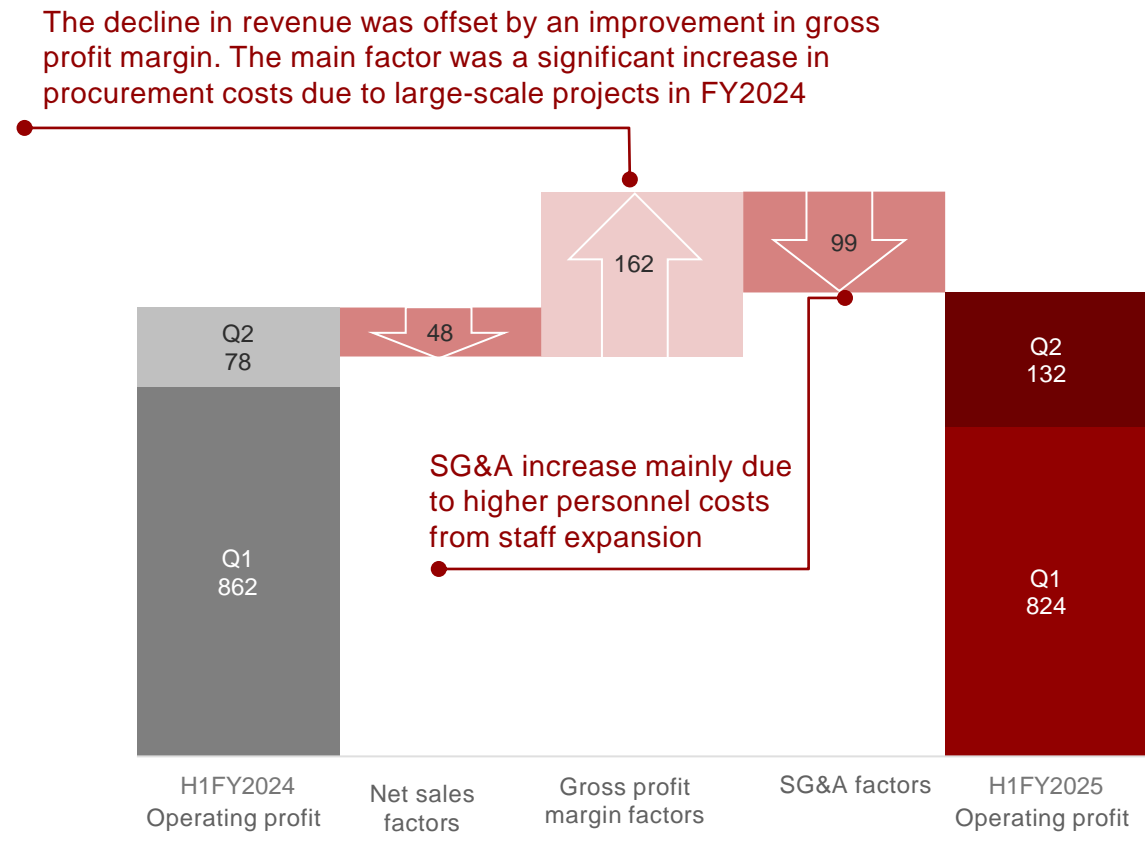
Net Sales and Operating Profit Trends

- Overall, steady upward growth continues
- Sales declined in 2020 and 2022 - 2020 due to a reactionary drop following a surge in demand before the consumption tax hike, and 2022 due to the impact of COVID-19 on business operations
- Despite delays in executions of policies like medical DX, core healthcare trends remain steady
- Since COVID-19, public-sector clients increasingly value ease of use, and our UI-focused products have been well received

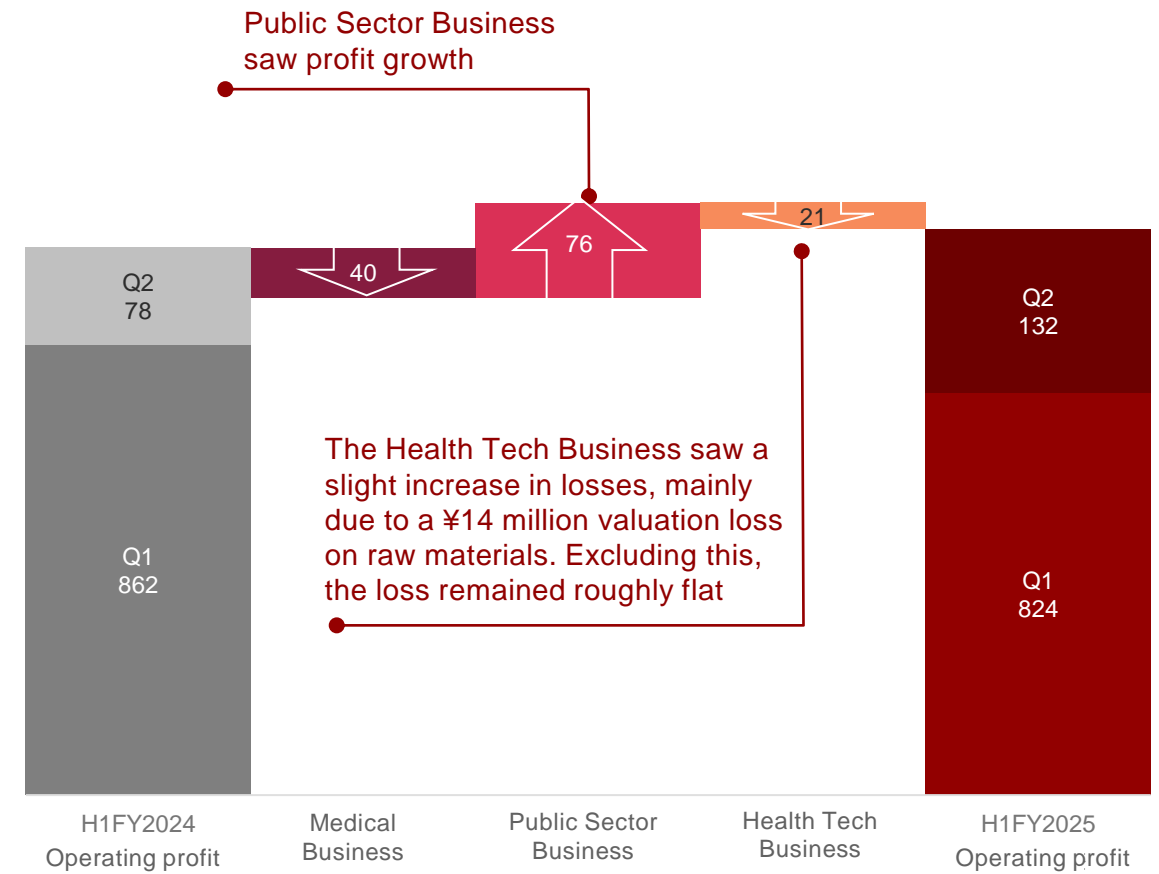


- Operating profit for H1 increased YoY, primarily due to improved gross profit margin (from 60.0% to 65.2%) resulting from the absence of large-scale procurement
- Personnel-related expenses - including executive compensation, salaries, allowances, statutory welfare, and employee benefits - increased by ¥75 million within SG&A
- By segment, the Public Sector Business recorded higher profit, while the Medical Business and Health Tech Business saw declines. The expanded loss in the Health Tech segment includes a ¥14 million impairment on raw materials

Factors Affecting Operating Profit Changes ¥Million)



Factors Affecting Segment Profit Changes ¥Million)



H1FY2025 Balance Sheet

- While treasury shares are being repurchased, the balance sheet remains largely unchanged, and financial soundness is maintained, with an equity ratio of 83.0%
- Due to internal operational changes in inventory management, the number of items held in merchandise, finished goods, and work-in-progress has decreased
- The share buyback is expected to enhance ROE and EPS
- Investment securities are liquid subordinated bonds from major banks, available for flexible use. Including cash and deposits, we are ready to flexibly pursue growth opportunities such as M&A

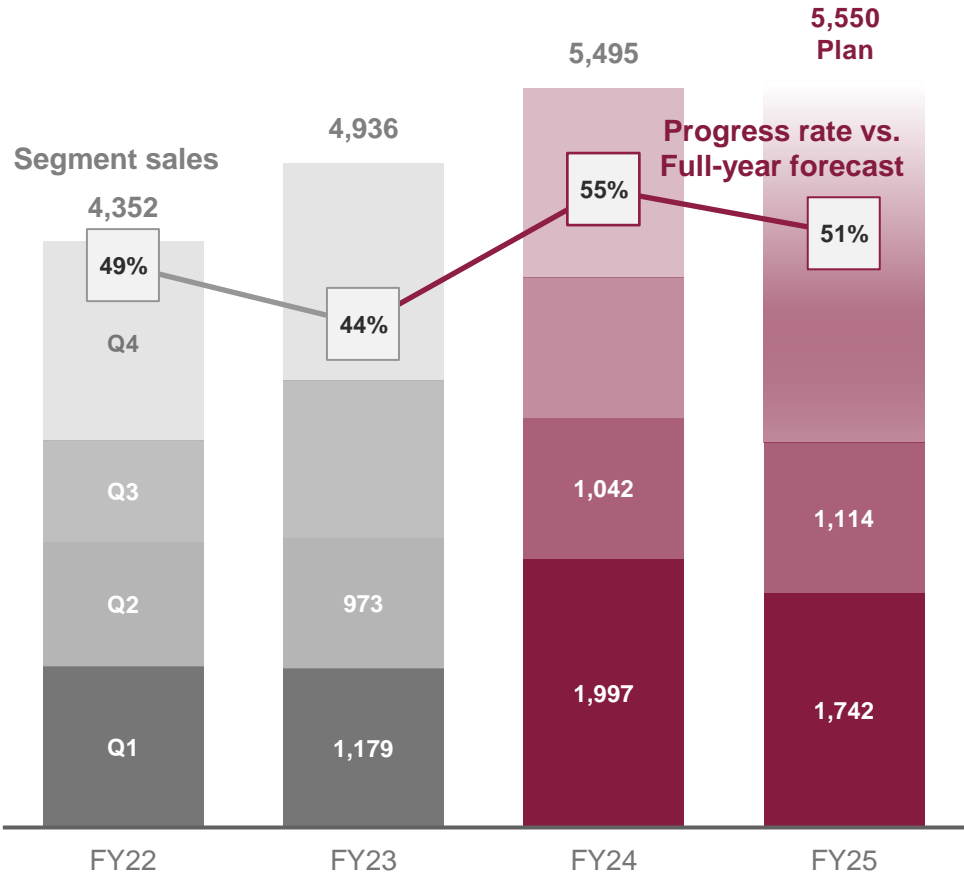
B/S (¥Million)	FY2024	H1 FY2025	Changes
CURRENT ASSETS	3,582	3,772	190
Cash and deposits	1,734	2,382	648
Notes and accounts receivable - trade and contract assets	1,550	1,124	(426)
Merchandise and finished goods, work in progress	190	132	(58)
Raw materials and supplies	50	35	(15)
Other	58	97	39
NON-CURRENT ASSETS	3,102	3,110	8
Property, plant and equipment	80	88	8
Intangible assets	311	311	0
Software	311	311	0
Investments and other assets	2,711	2,710	(1)
Investment in securities	2,315	2,302	(14)
TOTAL ASSETS	6,684	6,883	199
LIABILITIES	1,076	1,162	86
TOTAL CURRENT LIABILITIES	774	865	91
TOTAL NON-CURRENT LIABILITIES	303	297	(6)
Long-term and short-term interest-bearing liabilities	0	0	0
NET ASSETS	5,607	5,721	114
Treasury shares	(772)	(1,133)	(361)
TOTAL LIABILITIES and NET ASSETS	6,684	6,883	199

H1FY2025 Financial Performance by Segments

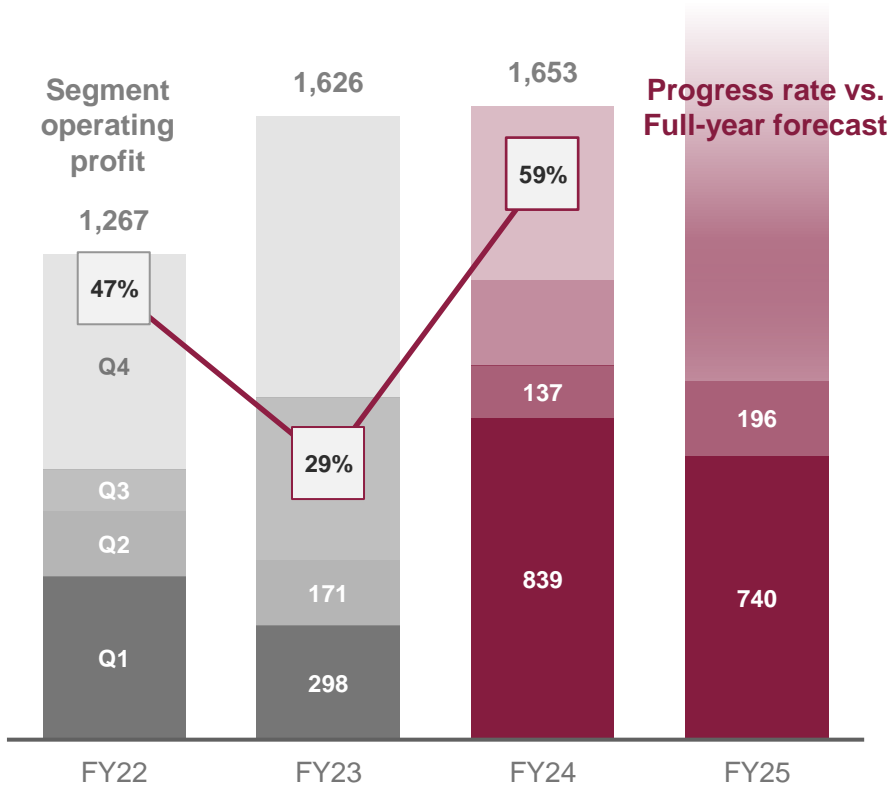
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- H1 results showed a YoY decline in sales (-6.0%) and operating profit (-4.1%), due mainly to exceptionally strong performance in the same period last year. H2 performance is expected to be on par with the first half
- *PiCIs* products, including the electronic tracing report *AAde-Report*, are steadily growing, though their subscription model limits immediate earnings impact
- The demonstration website for *CocktailAI* launched and is driving strong sales interest
- We also began payment collection for cloud-based HPKI second digital certificate services used in e-prescriptions, under contract from MEDIS

Net Sales and Progress Rate (¥Million)

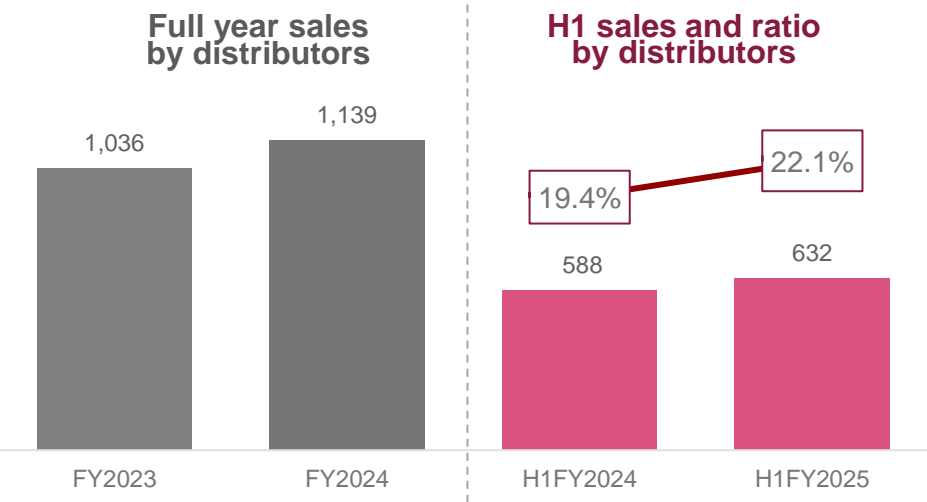


Operating Profit and Progress Rate (¥Million)

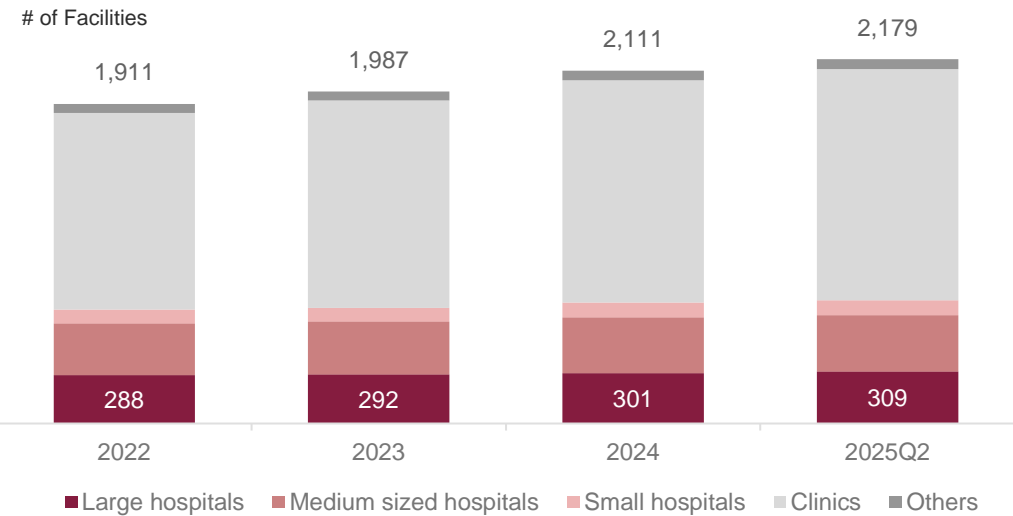


* The progress rate is not stated as segment profit for FY2025 has not been forecasted

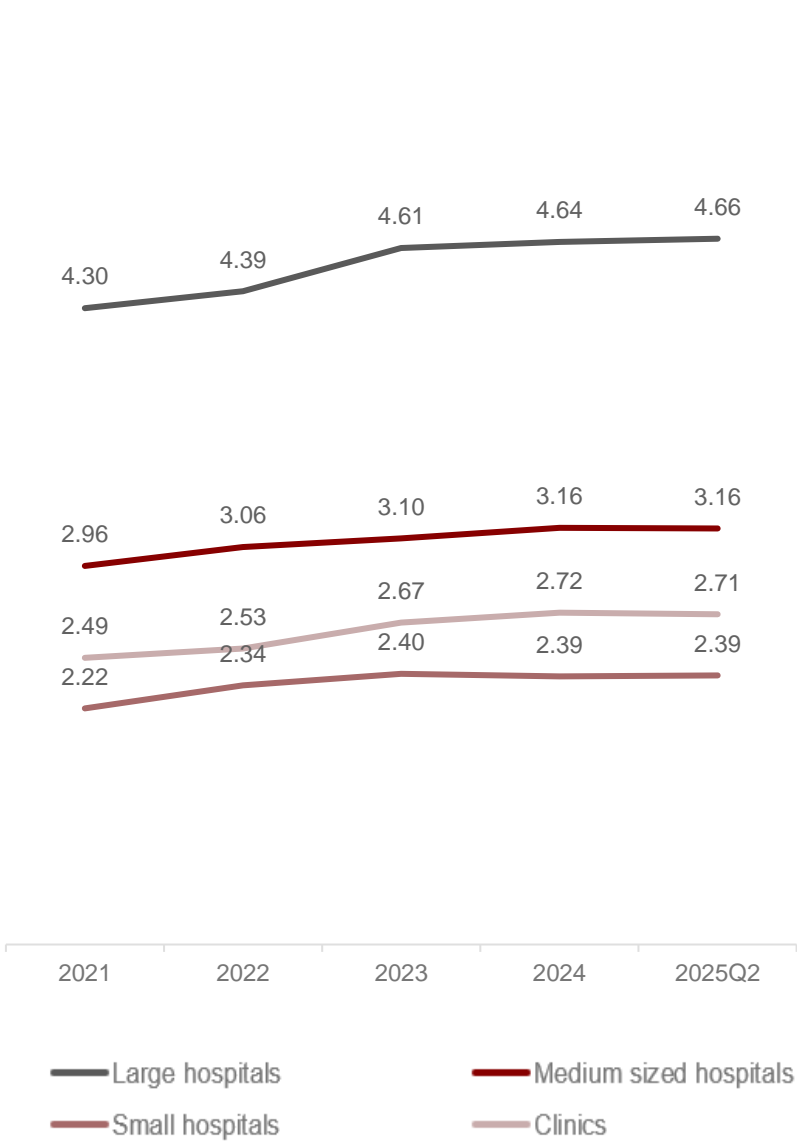
Trends in Distributors Sales (¥Million)



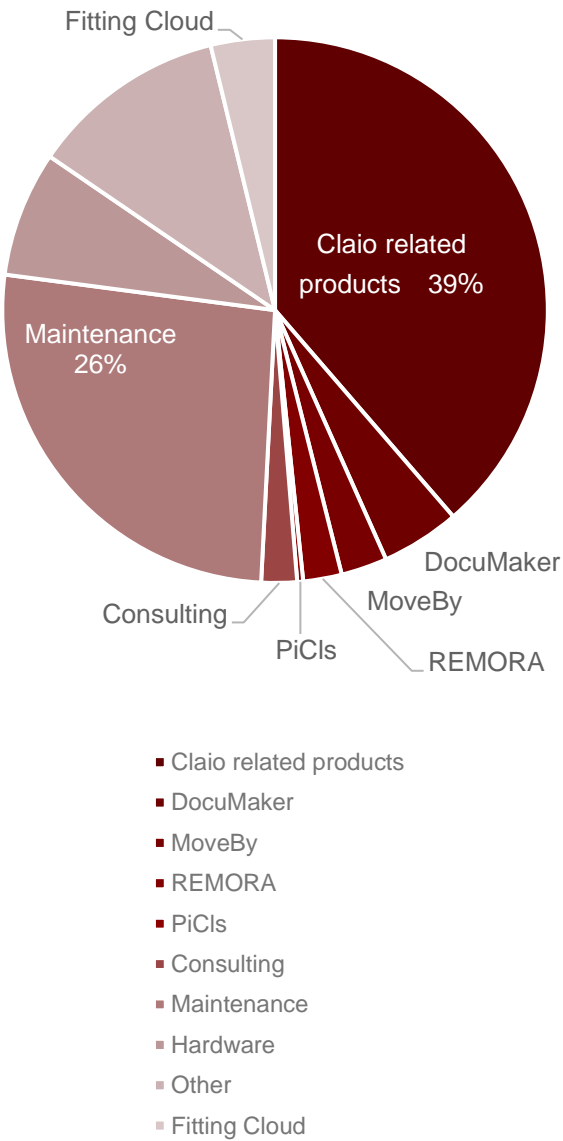
Changes in the Number of Medical Solutions Users



Average Numbers of Solutions Installed per Medical Facility



Composition of Sales by Products (%)



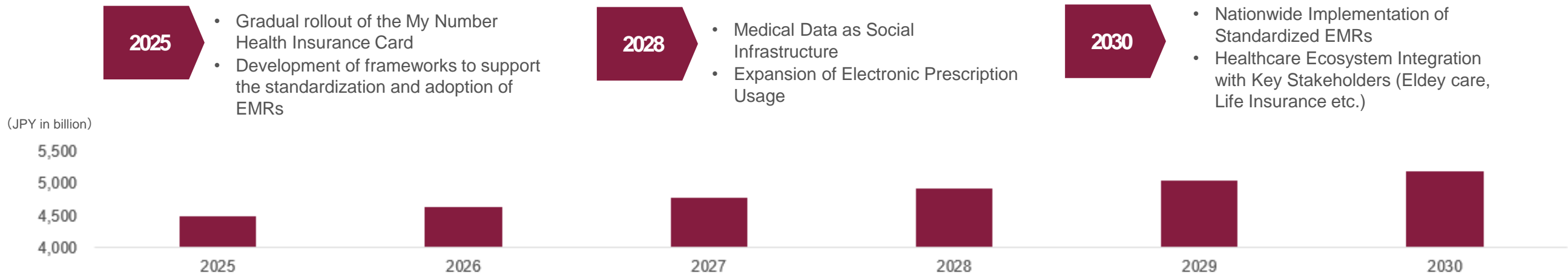
Market Environment

- Many hospitals operate under challenging financial conditions, but our products remain essential to medical practice
- Our client base mainly consists of clinics with strong-performing specialties and acute care hospitals with stable management foundations, resulting in a low churn rate
- While awareness of innovative technologies such as AI is high, larger hospitals tend to take a more cautious approach, especially regarding security

Strategies

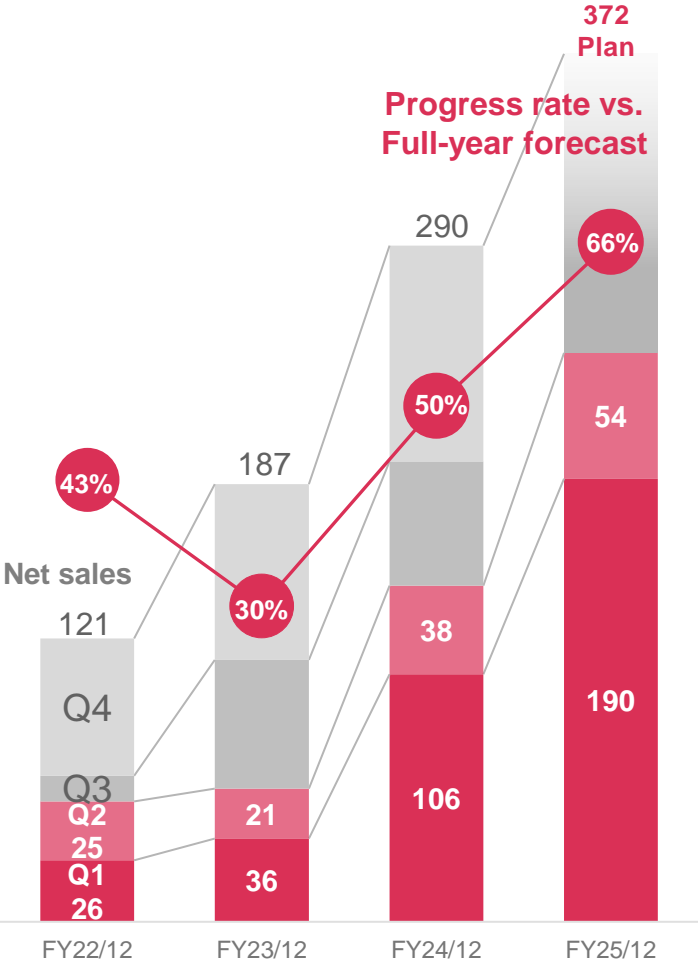
- **Enhancing Medical Management**
 - ✓ Solutions to enhance profitability and cut costs
 - ✓ New support services developed alongside *CocktailAI* and *PiCIs*
- **Advancing Medical Connectivity**
 - ✓ Solutions supporting medical DX (e.g., HPKI, DocuMaker Cloud)
 - ✓ Structure aligned with revised Next Generation on Medical Infrastructure Act
- **Expanding Core Products**
 - ✓ Service upgrade via cloud, SaaS, AI, and cross-selling
 - ✓ Channel expansion through MEDICEO CORPORATION partnership

Growth Forecast on Japanese Medical DX Market

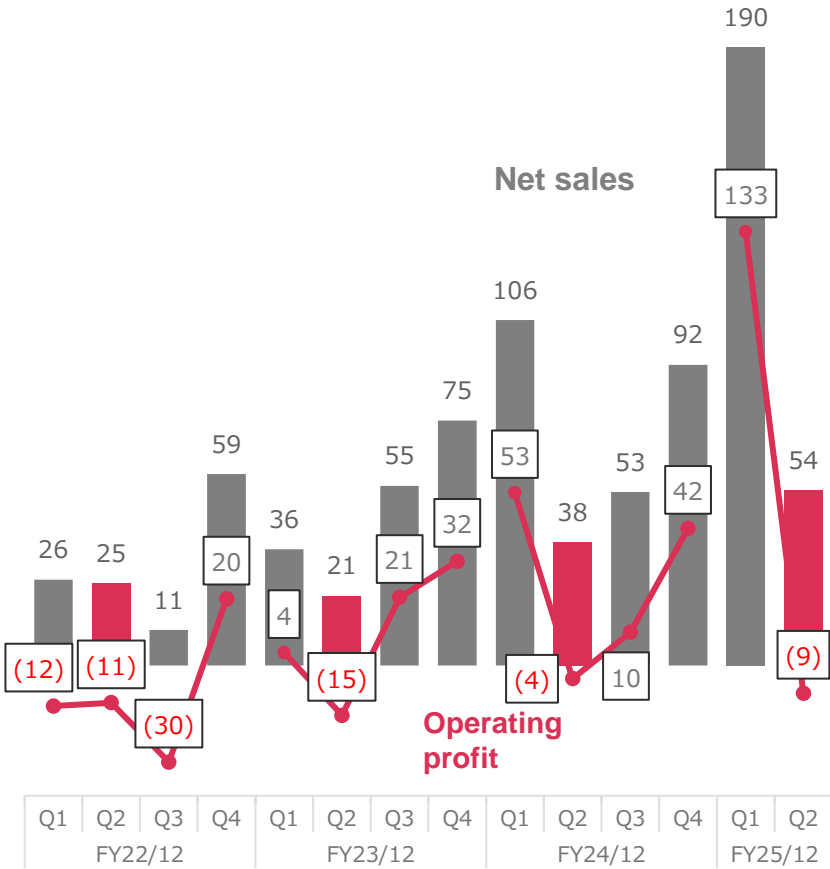


- H1 results were strong: revenue up 69.3% YoY, operating profit up 154.5% YoY. The flagship solution *DocuMaker Office* was newly adopted by 14 municipalities and 2 medical institutions, bringing the total to 53 municipalities and 14 hospitals since launch
- New agent partnerships expanded reach to smaller municipalities and public bodies
- Following its Q1 launch in Okayama Prefectural Government, monthly revenue rose. We continue targeting large municipalities via direct sales

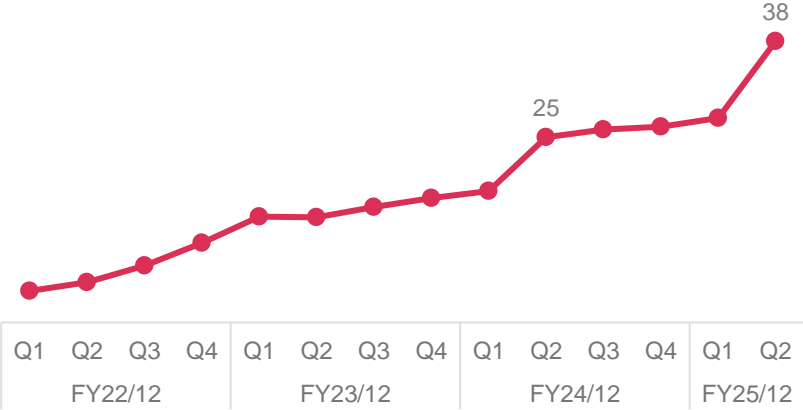
Net Sales and Progress Rate (¥Million)



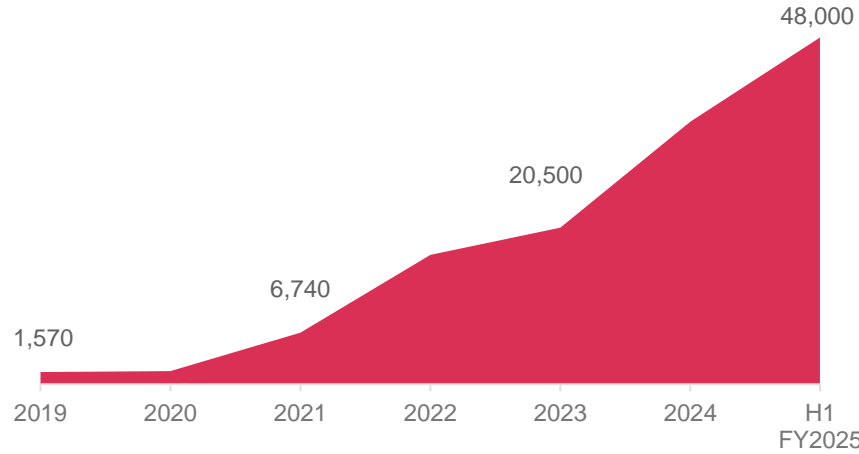
Quarterly Net Sales and Operating Profit (¥Million)



Share of Monthly Subscription Fees in Total Revenue (¥Million)



Total Number of DocuMaker Office Users



Market Environment

- Driven by the acceleration of local government DX, the digitization of official document management is rapidly advancing
- In addition to meeting legal requirements, there is growing demand for document management systems as a means to improve operational efficiency, address labor shortages, and mitigate succession risks.
- The adoption is further supported by increased use of cloud services and the availability of subsidies and grant programs, which help lower implementation barriers

TAM: Domestic Market Size of Document Management System: approx. ¥74 billion

of private-sector companies with 10 or more employees: approx. 440,000

SAM: approx. ¥40 billion

of private-sector companies with 100 or more employees: approx. 50,700

of Public interest corporations: approx. 9,700

SOM : approx. ¥5.5 billion

of Municipalities: 40

of Incorporated Administrative Agencies : 87

of Local Incorporated Administrative Agencies: 165

of Public Interest Corporations: approx. 100

Strategies

- Establish efficient sales channels and expanding functionality through new distributor partnerships and integration with third-party systems
- Strengthening our sales structure to further drive expansion leveraging our track record of installations
- Enhance product visibility through both online and offline marketing initiatives

Product and services mainly installed in:

Municipality

Incorporated Administrative Agency

Local Incorporated Administrative Agency

Public Interest Corporation

National University Corporation

Admn of hospitals



53 facilities
Public sector

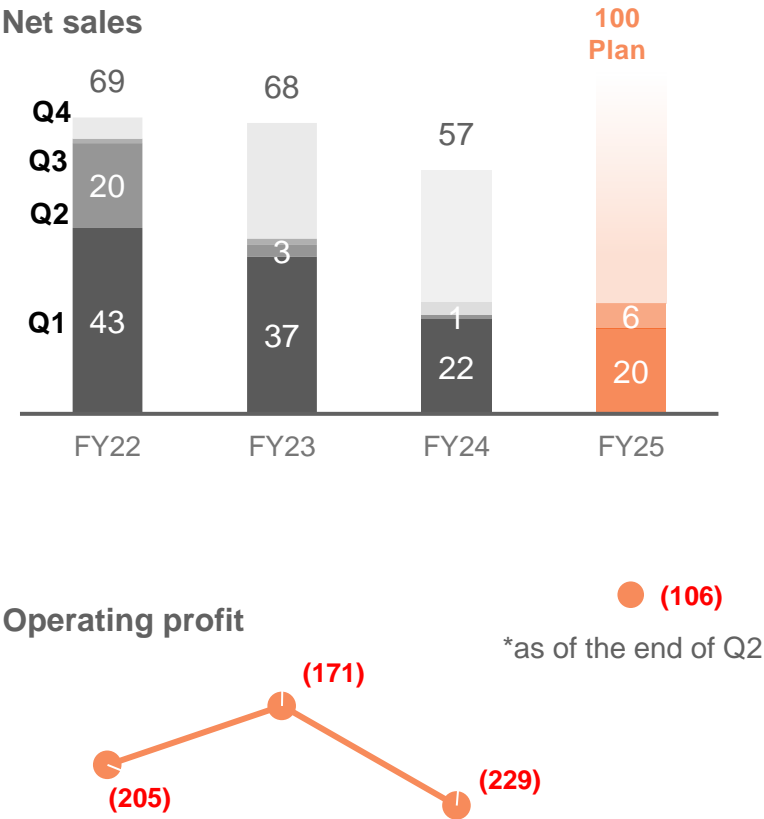


11 facilities
Admn of hospitals

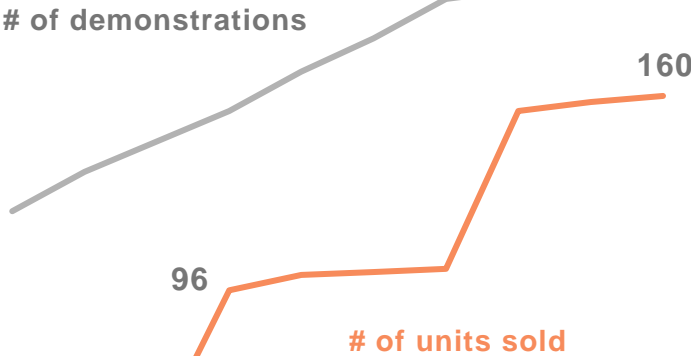
Excerpton from Installation History	# of Users
Ehime Prefectural Government	Approx. 5,000
Okayama Prefectural Government	Approx. 6,000
National Research and Development Agency K	Approx. 4,500
Nasu-Shiobara city	Approx. 800
City M	Approx. 4,000
RIKEN National Research and Development Agency	Approx. 2,000

- H1 net sales increased 12.0% YoY to ¥26 million, with an operating loss of ¥106 million (Operating loss of ¥84 million in the same period last year)
- As for *GAP*, 5 units were sold. Sales grew due to shipments of higher-priced models. Despite a ¥14 million inventory valuation loss, results were largely flat YoY excluding this impact
- Overseas shipments are scheduled for Q3, with order backlog now 14x YoY
- Domestic demand rose for *GAP*-screener at health screening facilities
- Development of new *GAP* features and MCI-related research is progressing smoothly

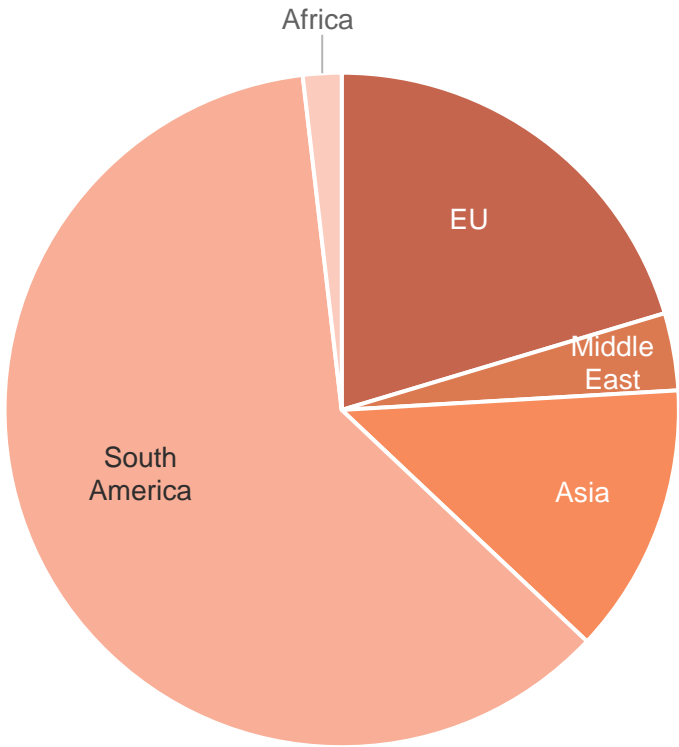
Net sales and operating profit (¥Million)



Cumulative numbers of sales and domestic demonstrations



International shipping records by region



*Sales and profit by a former subsidiary EMC Healthcare are included in FY2022

Market Environment

- The visual field testing market is shifting away from the traditional de facto standard, with an increasing number of devices adopting head-mounted display formats. However, no other product currently incorporates eye-tracking technology, giving us a significant advantage in medical data accumulation

Strategies

- Addition and selection of domestic and international distributor candidates
- Expansion into new overseas markets
- Functional enhancement of the GAP (support for cataract testing: contrast sensitivity measurement)
- Expansion and R&D of applications to other medical devices utilizing the HMD (e.g., MCI)
- A sales agreement with Canon Medtech Supply was signed in July to drive further expansion

Global Market Size of Perimeter: approx. ¥50 billion

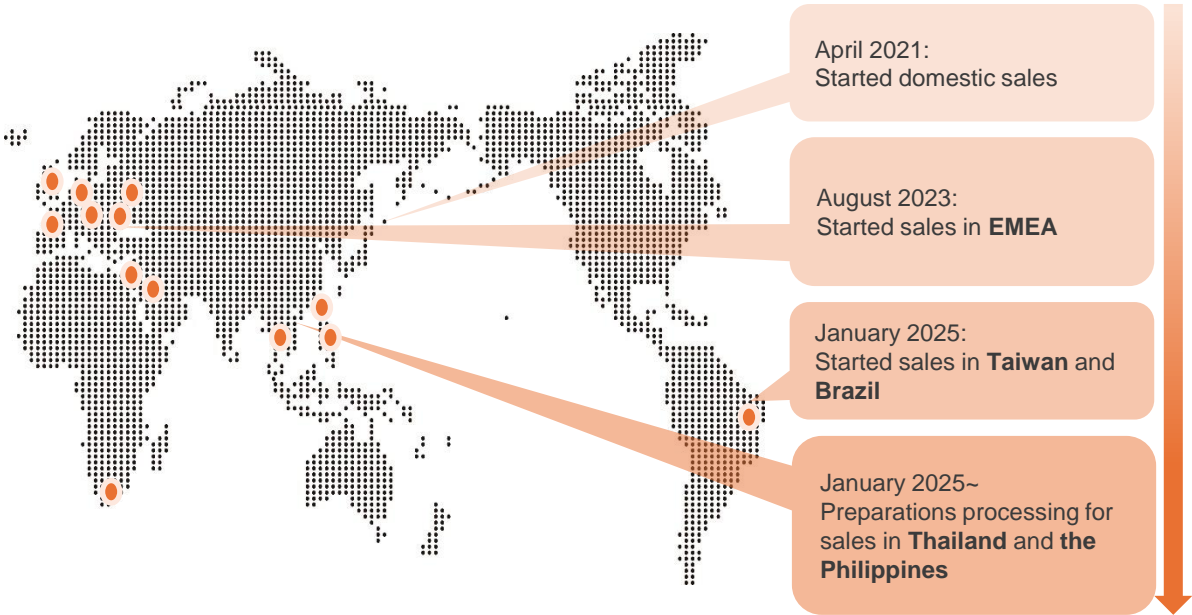
Hospitals: approx. ¥9.4bn Clinics: approx.¥19.7bn Others: approx. ¥2.2bn

Domestic Market Size of Perimeter: approx. ¥2.1 billion

Hospitals(incl. check up facilities): approx. ¥0.5bn
Clinics: approx.¥1.6bn



Timeline of Product Shipments



*1: Ministry of Health, Labour and Welfare “Outline of the 2024 Medical Facility Survey and Hospital Statistics in Japan”

FY2025 Earnings Forecast

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FY2025 Earnings Forecast

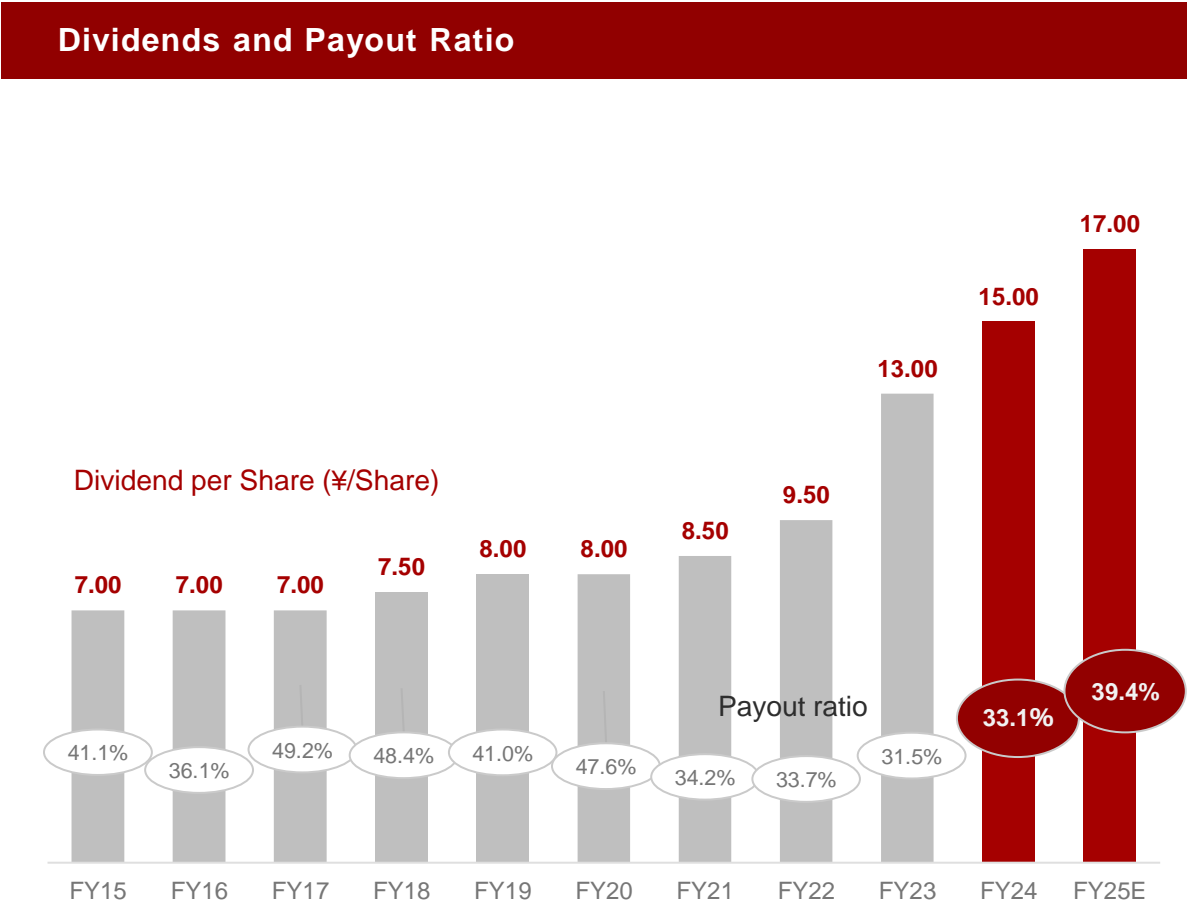


- There are no changes to the earnings forecast announced at the beginning of the fiscal year. The interim dividend is set at ¥8.0, up ¥1.0
- Quarterly performance is expected to remain strong in Q1 and Q4 (Pattern B; see p.27), with no change in outlook
- The forecast remains conservative, and earnings from new businesses in each segment are not included in the current financial plan

	FY2024 Actual	FY2025 Forecast	Change
(¥Million)			
Net sales	5,841	6,022	3.1%
Medical Business	5,495	5,550	1.0%
Public Sector Business	290	372	28.5%
Health Tech Business	57	100	75.8%
Operating profit	1,525	1,465	(4.0)%
Recurring profit	1,544	1,515	(1.9)%
Profit attributable to owners of parent	1,162	1,108	(4.7)%
Earning per share	¥45.30	¥43.18	-
Dividend per share (full-year)	¥15.00	¥17.00	+¥2.00
Interim dividend	¥7.00	¥8.00	+¥1.00
Year-end dividend	¥8.00	¥9.00	+¥1.00
Dividend payout ratio	33.1%	39.4%	+6.3%

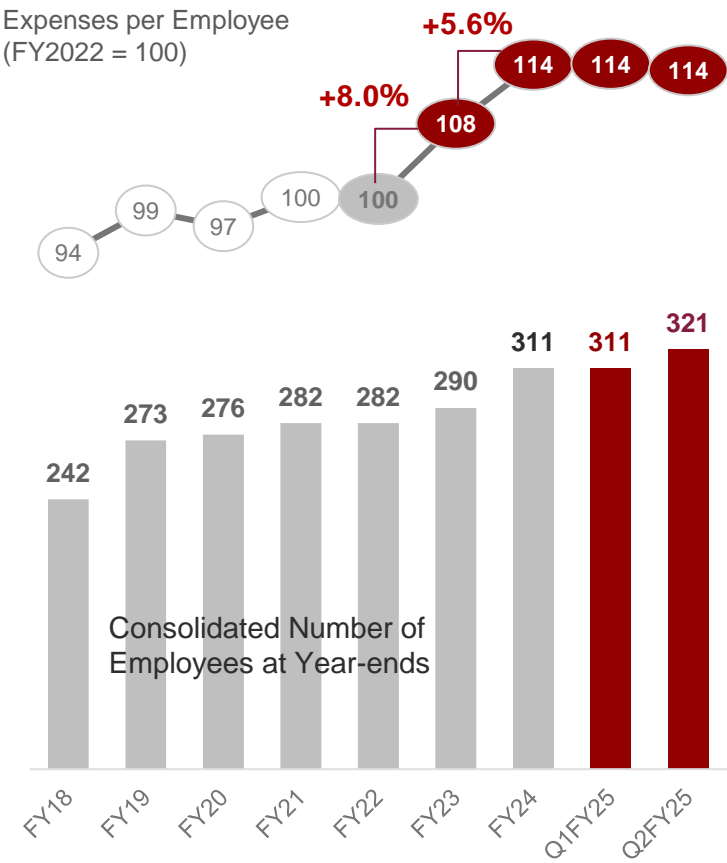
- Executing share repurchase of up to ¥1.0 billion or 5.19% of outstanding shares, considering shareholder returns and capital efficiency
- As of July 31, 650,900 shares (¥468 million) has been repurchased. The period of repurchase is until December 7th, 2025
- FY2025 projected dividend payout ratio: approx. 40%

Details of Share Repurchase	
Class of shares to be repurchased	Common shares
Total number of repurchasable shares	1,333,300 shares (maximum) (5.19% of the total number of shares issued excluding treasury shares)
Total repurchase amount	¥1,000,000,000 (maximum)
Repurchase period	From March 14, 2025 to December 7, 2025
Repurchase method	Market purchase through Tokyo Stock Exchange
Status of Share Repurchase	
Total number of shares repurchased	650,900 shares
Total purchase price for repurchase of shares	¥467,511,700
Repurchase period	From March 14, 2025 to July 31, 2025



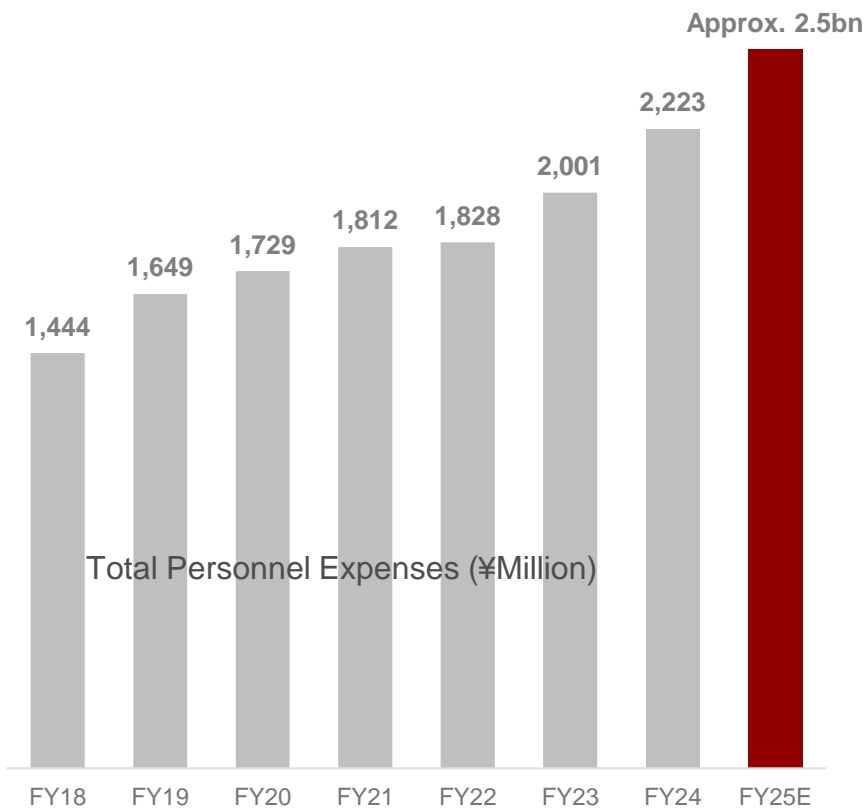
- Hiring is on track, with nearly all of the 15 planned new positions filled. As of June 30, the total number of full-time employees on a consolidated basis reached 321
- Leveraging generative AI to boost internal productivity and reduce reliance on individual expertise
- Cloud adoption in medical software progresses.
- we are shifting from onsite operations to a knowledge-based service model that leverages specialized expertise and data

Trends on the number of Consolidated Employee and Expenses-per-Employee

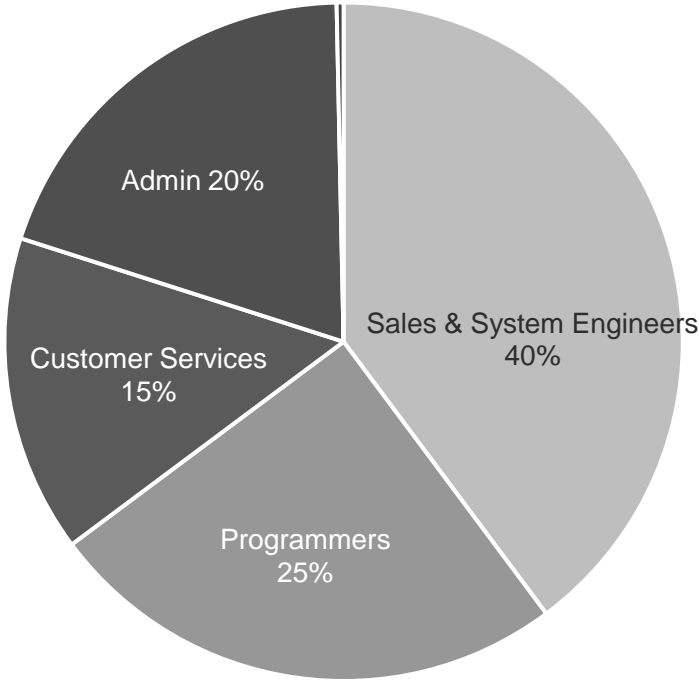


*Calculated based on the number of permanent employees
*Executives, part-time employees, and temporary staffs are excluded

Trends in Total Personnel Expenses



Employee Composition (As of June 30, 2025)



Medical DX Reiwa Vision 2030

The Medical DX Promotion Plan led by the Ministry of Health, Labour and Welfare refers to a national initiative to accelerate the digital transformation of healthcare. It focuses on three key pillars: **the establishment of a National Medical Information Platform, the standardization of electronic medical records, and the digital transformation of the medical fee reimbursement system**

Step1 : Online Eligibility Verification System

«Target» Installation rate of 92% (as of June 2025)

Step2 : Installation of e-Prescription

«Target» Installation rate of 33% (as of June 2025)

Step3 : EMR information-sharing service

«Target» Launch nationwide pilot projects within 2025

Background

- Medical documentation systems in the healthcare IT market are designed for large hospitals
- DX, including installation of EMR, remains slow in clinics and small hospitals
- To ensure sustainable healthcare delivery, the digitalization of medical information is an urgent priority

How Our *DocuMaker Cloud* can contribute

- Offer a free plan to **promote digitalization** in clinics and small hospitals
- Accelerate the **development of a healthcare information infrastructure**
- Support the creation and management of **referral letters**—one of the key documents designated for implementation under the EMR information-sharing initiative in the medical DX policy

Prospectives and goals

- The EMR information-sharing service begins with the initial scope of “3 documents and 6 data items”, and is expected to expand to include other types of documents and information (e.g., designated intractable diseases, vaccination records, infectious disease reports, etc.)
- We target to become the de facto standard in medical documentation services
- By advancing national policy objectives such as information sharing and utilization, we aim to contribute to solving issues in drug development and clinical trials, including drug loss and drug lag



EMR information-sharing service (3 documents and 6 data items):

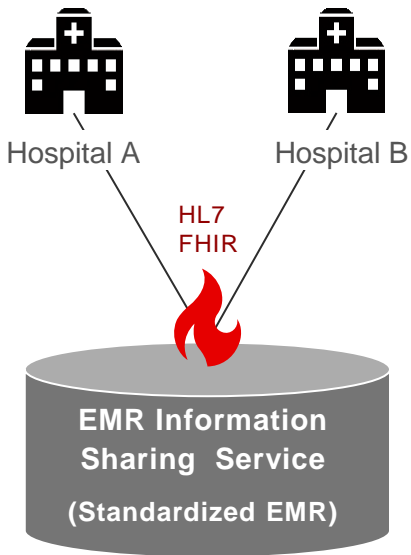
The initiative aims to share patient information - currently managed differently by each electronic medical record (EMR) vendor - by utilizing the international healthcare data exchange standard, HL7 FHIR. Starting with the “3 documents and 6 data items”, this marks the first step in the national policy to standardize EMR data

1. 3 documents

- **Referral letters**
- Discharge summaries
- Medical checkup reports

2. 6 data items <EMR info>

- Diagnosis
- Allergies
- Infectious diseases
- Tests (Emergency, Lifestyle-Related Disease)
- Prescriptions
- Drug Contraindications



Appendix

- 01 / H1 FY2025 Financial Performance Highlights
- 02 / H1 FY2025 Financial Performance by Segments
- 03 / FY2025 Earnings Forecast
- 04 / Appendix

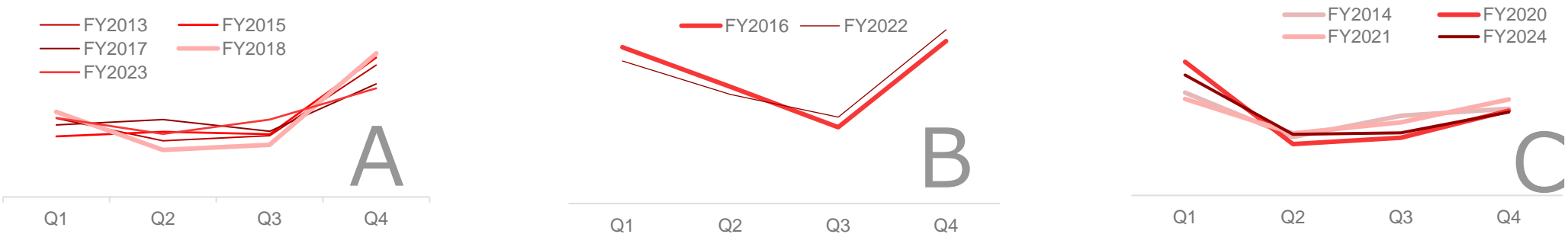
- Starting FY2025, previously disclosed “Standalone Performance Plans” and “Consolidated Interim Performance Plans” will no longer be disclosed
- While consolidated interim performance plans will not be disclosed, the quarterly net sales trend for FY2025 is expected to follow **Pattern B**

1 Reasons for Non-Disclosure of Standalone Performance Plans

- Investors are believed to prioritize consolidated financial information when making investment decisions
 - The impact of our consolidated subsidiary, Fitting Cloud Inc. is expected to grow further
- *Fitting Cloud Inc. has begun developing and marketing new products such as *CocktailAI* and *Weberi*, along with enhancing its workforce

2 Reasons for Non-Disclosure of Consolidated Interim Performance Plans

- The decision to withhold consolidated interim performance plans aims to avoid information on our quarterly performance potentially being misleading, which differs from our annual financial trends
- As reported in the Q3FY2024 financial results, the sales of our Medical Business has seasonality. However, this seasonality varies annually due to factors such as the hospital investment environment and overlapping holidays affecting software inspections. As a result, comparing quarterly results on YoY basis or relying on short-term progress rates (e.g., Q1 results vs. H1 plans) may lead to misjudgments about our performance trends
- Historical quarterly sales patterns can be categorized into three types: (A) Flat sales from Q1 to Q3, followed by an increase in Q4, (B) Sales expand in Q1 and Q4, with Q3 being the bottom, and (C) Sales peak in Q1 and gradually increase from Q2 and onwards
- Based on the current order outlook, **the trend for FY2025 is expected to align closely with Pattern B**



Among National, Public and Private University Hospitals in Japan:

Approx. **80%**



Among Large Hospitals in Japan:

Approx. **40%**

are our customers

*Reference: Ministry of Health, Labor and Welfare 2023 Survey of Medical Facilities (static and dynamic) and Summary of Hospital Reports

(# of Facilities)			
Medical Solutions –By Type of Medical Facility	Q1FY2025	Q2FY2025	QoQ
Large hospitals (400 beds and more)	306	309	+3
Medium sized hospitals (100-399 beds)	335	338	+3
Small hospitals (20-99 beds)	90	90	+0
Clinics (19 beds and less)	1,350	1,383	+33
Other	57	59	+2
Total	2,138	2,179	+41

(# of Facilities)			
Solutions for Public Sector –By Product	Q1FY2025	Q2FY2025	QoQ
Solutions for Public Sector	53	53	+0
Solutions for Medical Facilities	11	13	+2
Total	64	66	+2

「Medical DX Reiwa Vision 2030」

Establishment of a National Medical Information Platform

Medical AI・Big Data

- Generally, all medical institutions and pharmacies are connected to the Online Certification System for Healthcare
→Laying the Groundwork for Data Utilization
- The implementation of the Next Generation Medical Infrastructure Act will expand the collection and utilization of diverse real-world data
- In addition to the Health Insurance Claims Data currently being traded in the market, it will be possible to handle more accurate medical data such as medical records in the future

Advantages for hospitals and healthcare industry:

- Support for diagnosis, treatment, and surgery
- Applications for disease and nursing care prevention and reduction of medical costs
- Development of new markets via data accumulation

Electronic Prescriptions

- The Japanese gov't targets all hospitals and pharmacies to implement e-Prescriptions by the end of March 2025, but the extension of transitional measures has postponed it until around this summer (As of March 2025, the adoption rate is approx. 30%)
- Medical facilities need to install Online Certification System for Healthcare and issue HPKI cards prior to the utilization of e-Prescriptions

Advantages for hospitals and healthcare industry:

- Optimization of dispensing and counseling tasks
- Prevention of duplicated prescriptions by centralizing management of prescribing information
- Contribution to telemedicine and home care services

Standardization of EMR Information
(Promotion across all medical institutions)

Cloud-Based Services

- Cloud-based operations with high security levels are now possible without compromising the "three principles of electronic storage"
- In small and medium-sized hospitals and clinics, the use of cloud-based products is expanding, while in large hospitals, on-premises system operation is still common
→The widespread adoption of cloud storage will likely accelerate as its market prices decrease
- Utilizing the cloud for the development of a Regional Collaboration Network

Advantages for hospitals and healthcare industry:

- Efficient information sharing enables smart coordination with other facilities
- No need for extensive capital investment, server room allocation, or regular system updates

Myna Insurance Card

- The Japanese is phasing out health insurance cards and integrate them into the national My Number identification system (conventional health insurance card abolished in Dec 2024)
- About 80% of medical institutions and pharmacies nationwide have started using online qualification verification system

Advantages for hospitals and healthcare industry:

- Enhanced healthcare through centralized medical history management
- Reduction of administrative costs

Digitalization of Medical Treatment Fee Amendment

Telemedicine

- The 2022 revision of medical fees has led to an increase in the insurance points for initial consultation fees to 87% of in-person medical care, resulting in a rapid increase in facilities that have introduced telemedicine
- Meanwhile, there is a limited number of medical facilities that offer telemedicine services, and large hospitals are hesitant to fully implement them
→The applications are limited, primarily in second opinion outpatient settings
- Emergence of teleoperated surgical robots

Advantages for hospitals and healthcare industry:

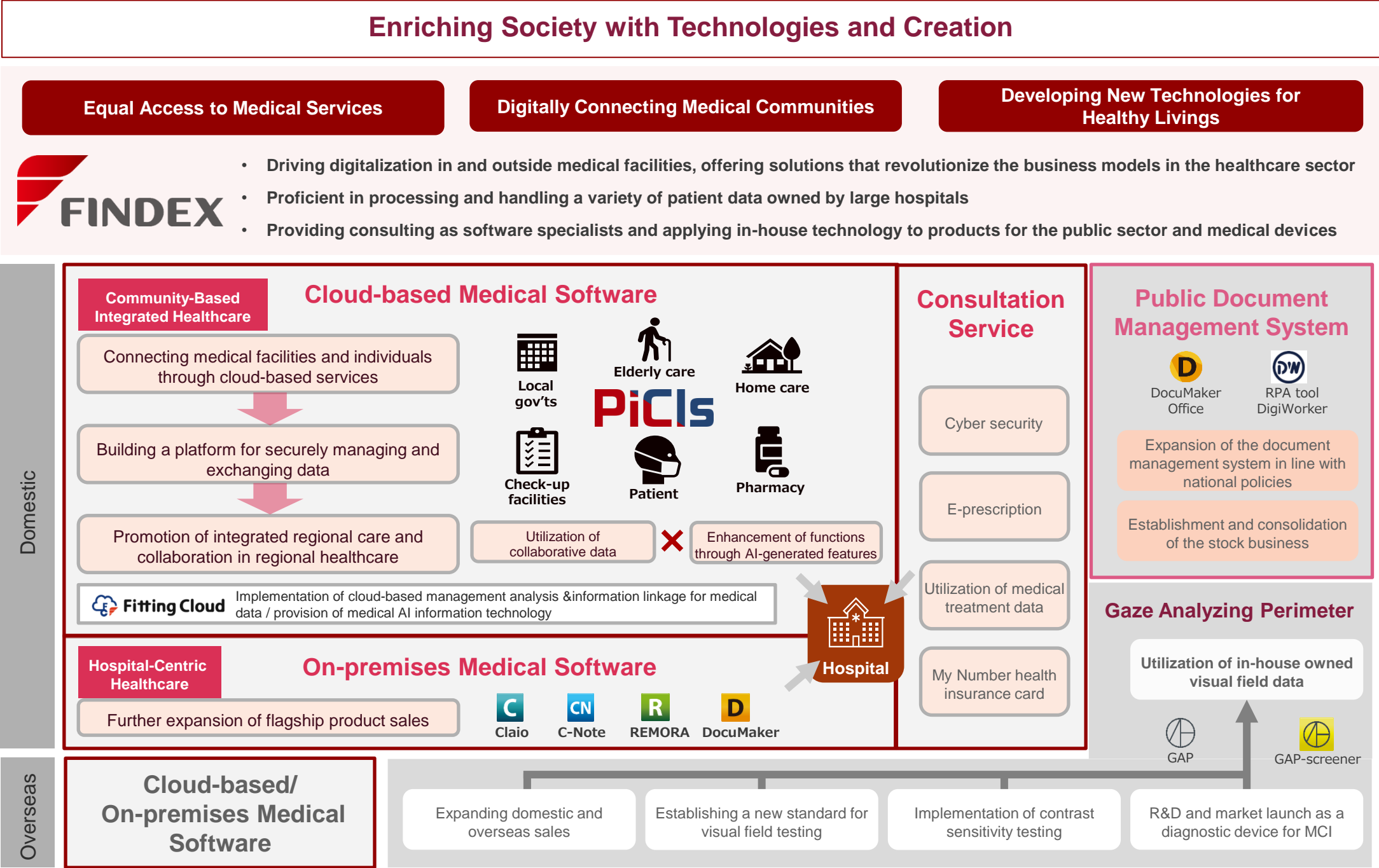
- Expanding the choice of medical facilities, improving healthcare systems in remote areas and to address medical service disparities
- The reduction of congestion and infection risk due to a drop in patient visits

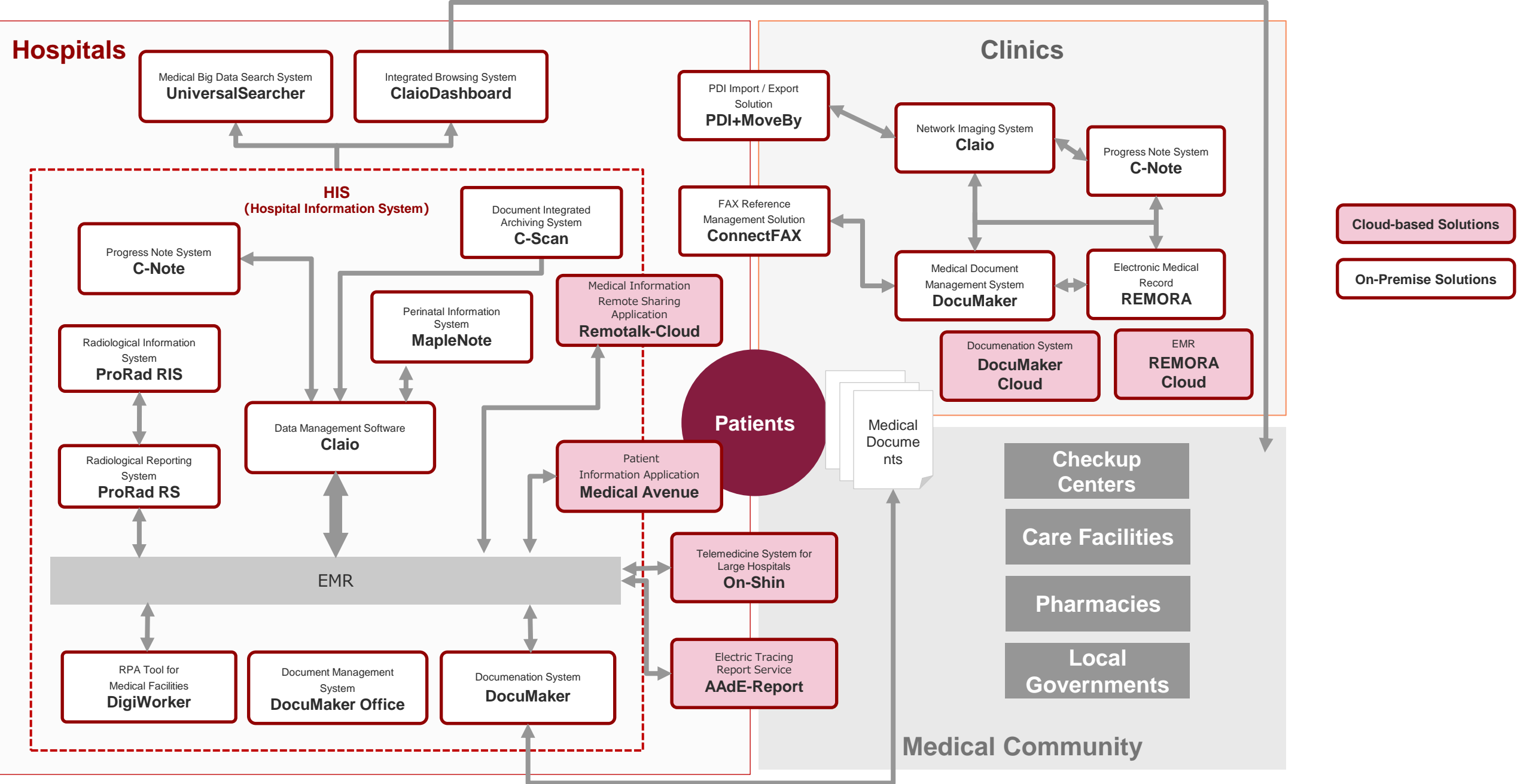
Better Working Environments

- Started in April 2024, overtime work for employed physicians is now limited to no more than 960 hours per year
→Proper management of working hours is necessary
- Digitalization has also been accelerated for improvement of efficiency in medical practices

Advantages for hospitals and healthcare industry:

- Improvement in long working hours of physicians
- Sales opportunities for attendance management solutions





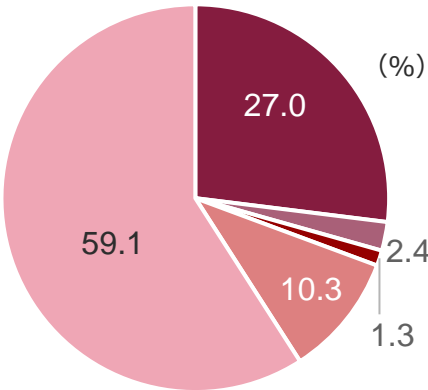
Number of shares and shareholders

Total number of authorized shares	78,336,000
Total number of issued shares	26,608,800
Number of shareholders	4,848

Breakdown of shares by type of shareholder

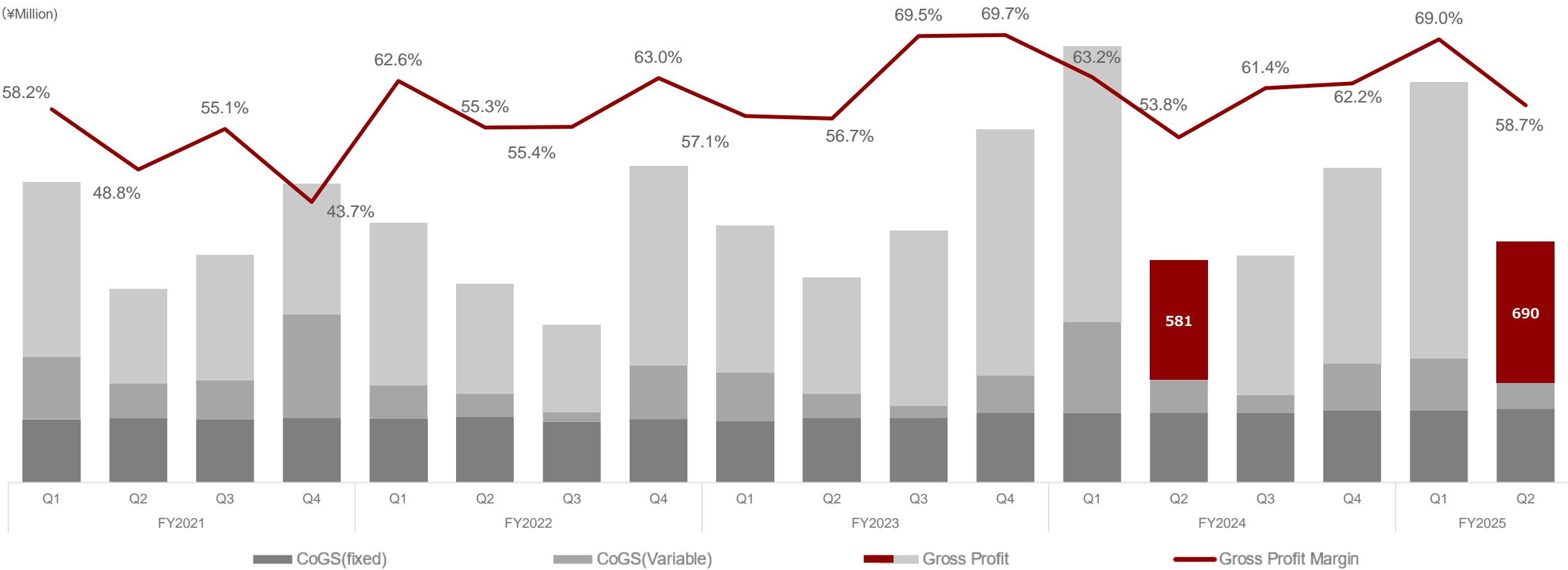
Type	# of shares	# of shareholders	% of total shares in issue
Japanese financial institutions	7,178,100	12	27.0
Japanese securities companies	637,911	27	2.4
Other Japanese companies	341,464	34	1.3
Foreign investors	2,731,909	84	10.3
Japanese individuals, others (Including treasury shares)	15,719,416	4,691	59.1
Total	26,608,800	4,848	100.0

- Japanese financial institutions
- Japanese securities companies
- Other Japanese companies
- Foreign investors
- Japanese individuals, others (including treasury shares)



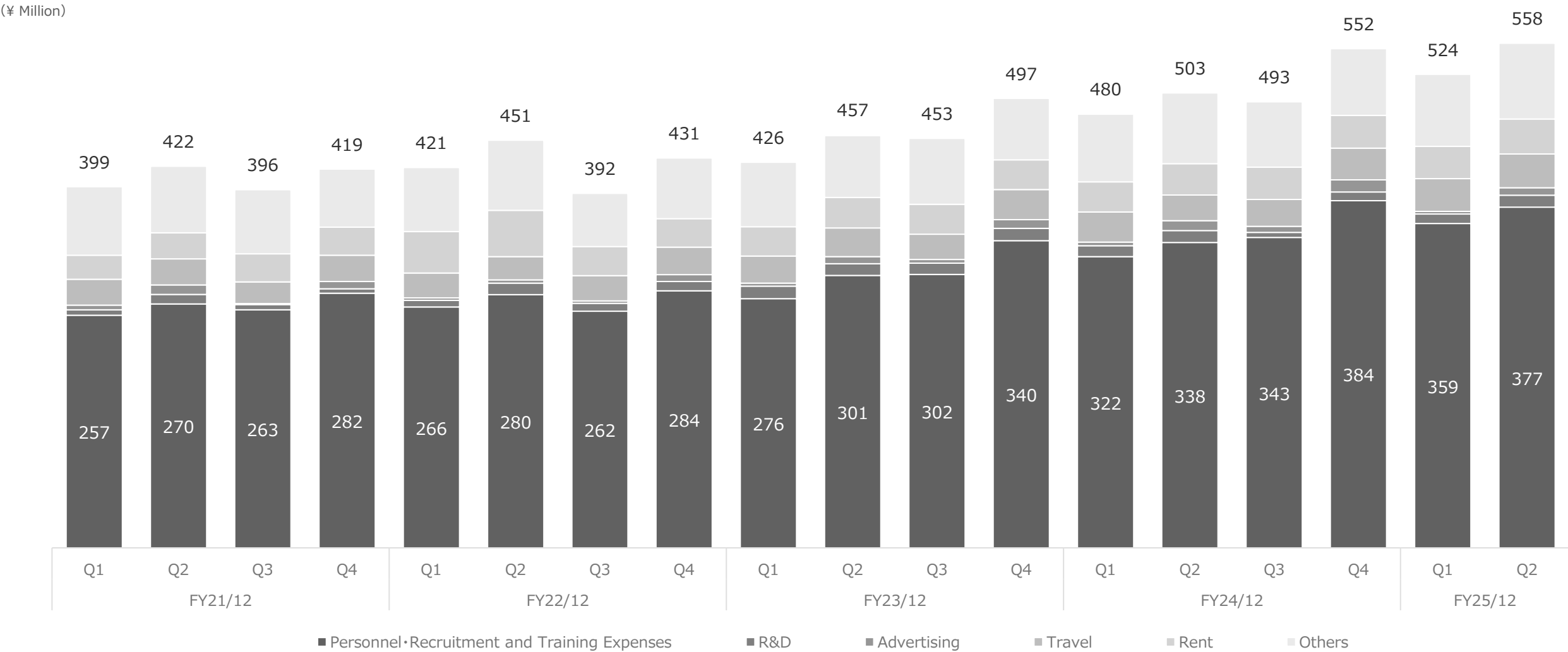
Principal shareholders

Name	# of shares	% of total shares in issue
Teruo Aibara	7,707,600	30.5
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,738,100	10.8
Mizuho Trust & Banking Co., Ltd. Securities Custody Trust 0700068	1,440,000	5.7
Mizuho Trust & Banking Co., Ltd. Securities Custody Trust 0700067	1,440,000	5.7
Ehime Bank, Ltd.	967,200	3.8
CACEIS BANK/QUINTET LUXEMBOURG SUB AC / UCITS CUSTOMERS ACCOUNT (Standing proxy: The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	876,200	3.5
Keiji Takemura	868,500	3.4
THE BANK OF NEW YORK MELLON 140040 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	797,000	3.2
Custody Bank of Japan, Ltd. (Trust Account)	349,800	1.4
SCBHK AC LIECHTENS TEINISCHE LANDESBANK AG (Standing proxy: Mitsubishi UFJ Bank, Ltd.)	275,000	1.1

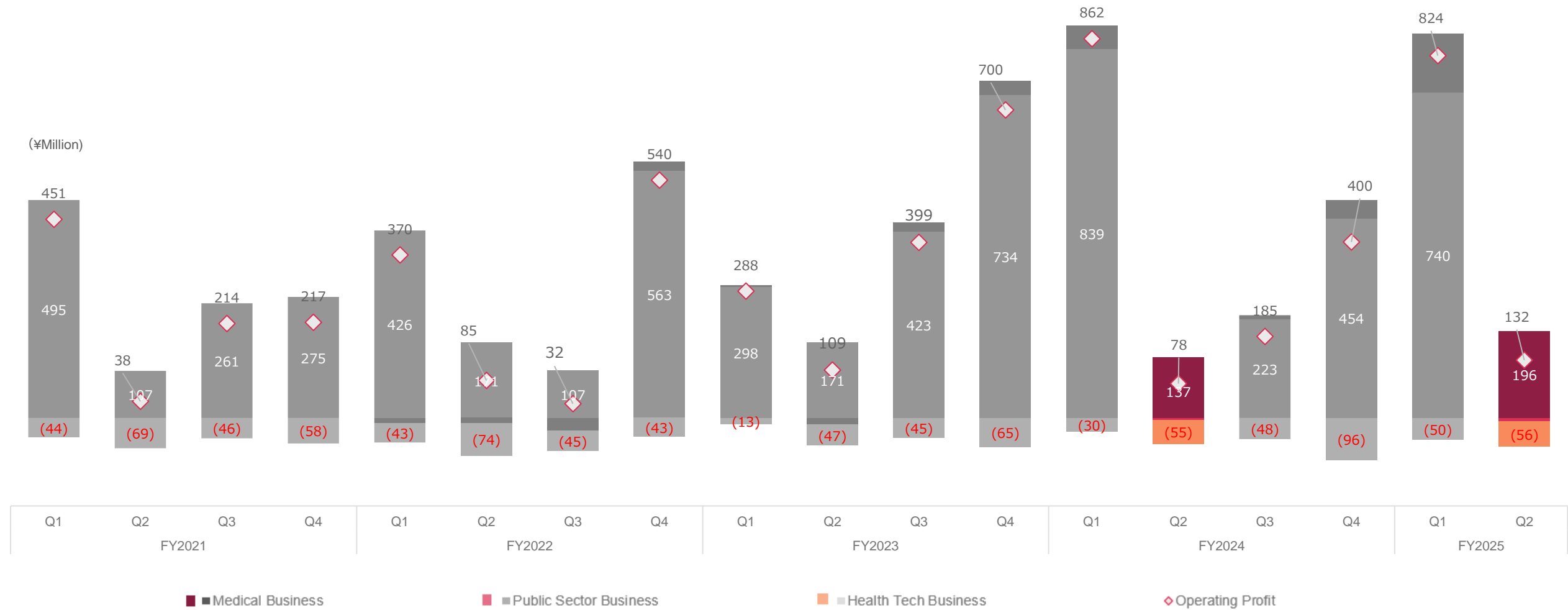


- Gross profit margin improved, with gross profit up 18.6% YoY
- Fixed costs are primarily personnel-related, while variable costs fluctuate significantly depending on procurement costs for large projects

The "Accounting Standard for Revenue Recognition" has been applied from FY2022

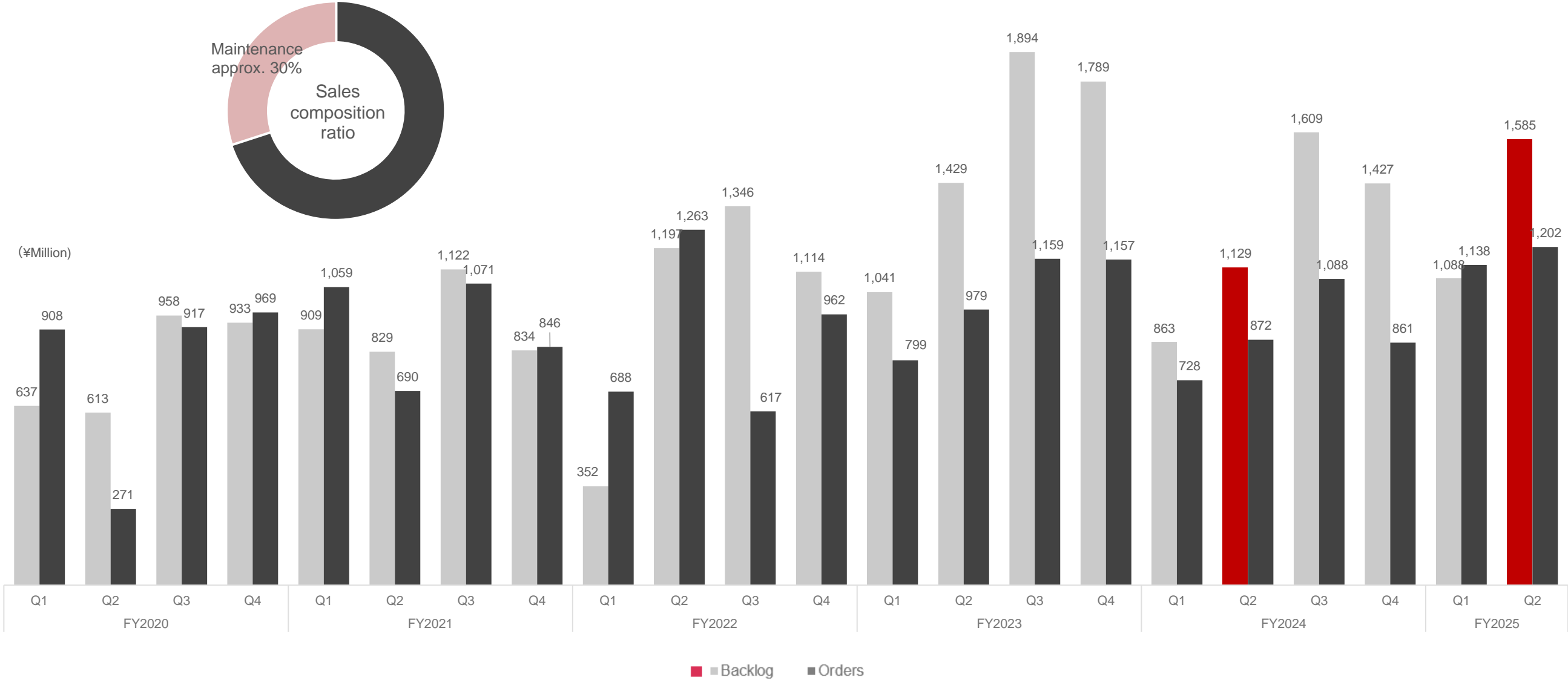


- Personnel and recruitment costs increased due to enhanced hiring and training efforts, but remain in line with the plan
- Q2 personnel and hiring/training costs rose 11.5% YoY
- Number of consolidated employees at the end of H1FY2025: 321

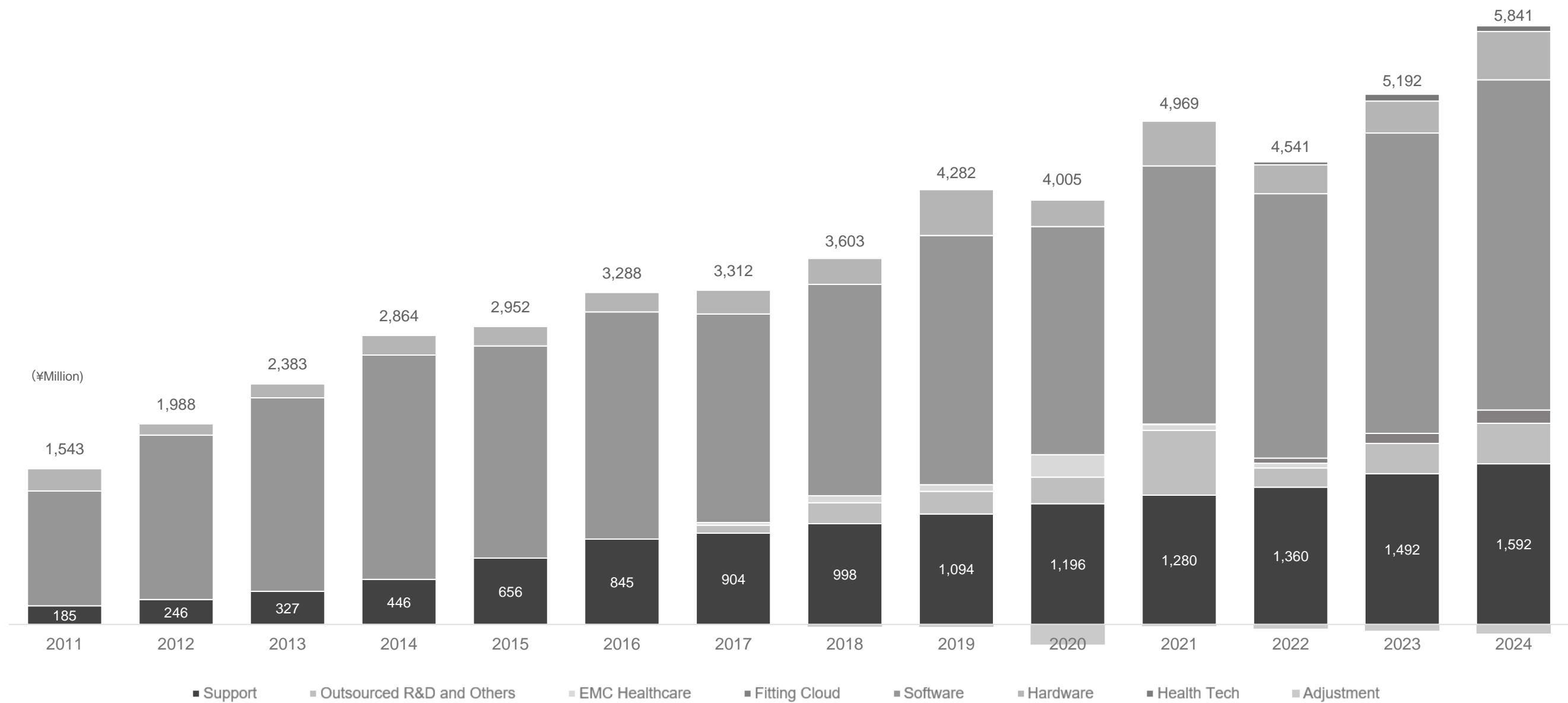


* The "Accounting Standard for Revenue Recognition" has been applied from FY2022

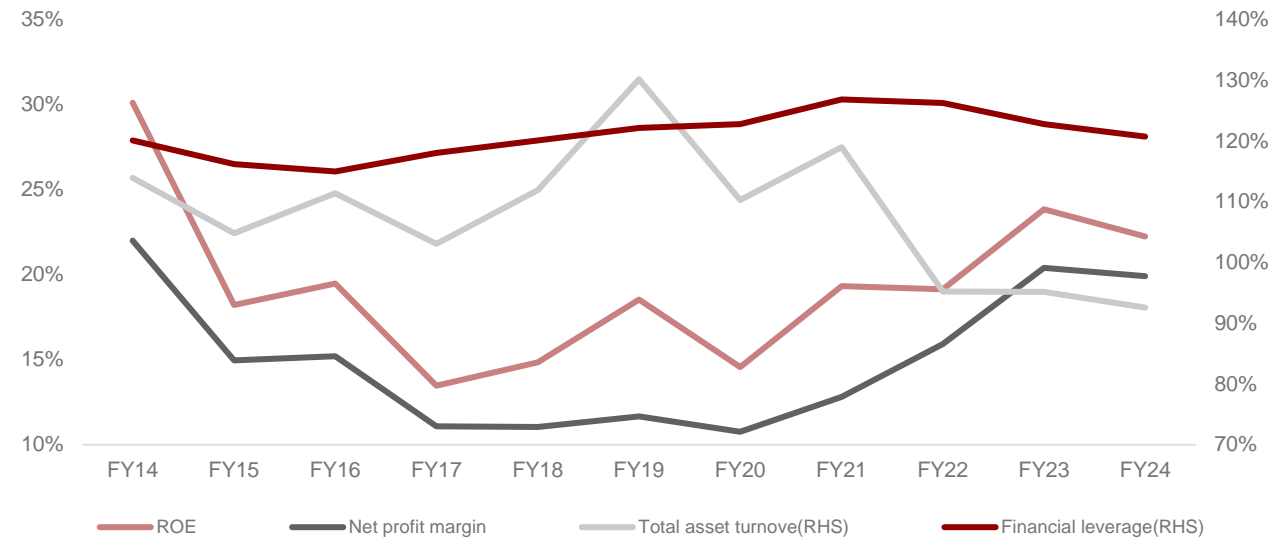
* Business segments changed from FY2023. As for FY2022 figures are reallocated based on the change made Until FY2022. Public Business was included in Medical Business until FY2021. Figures above are unaudited



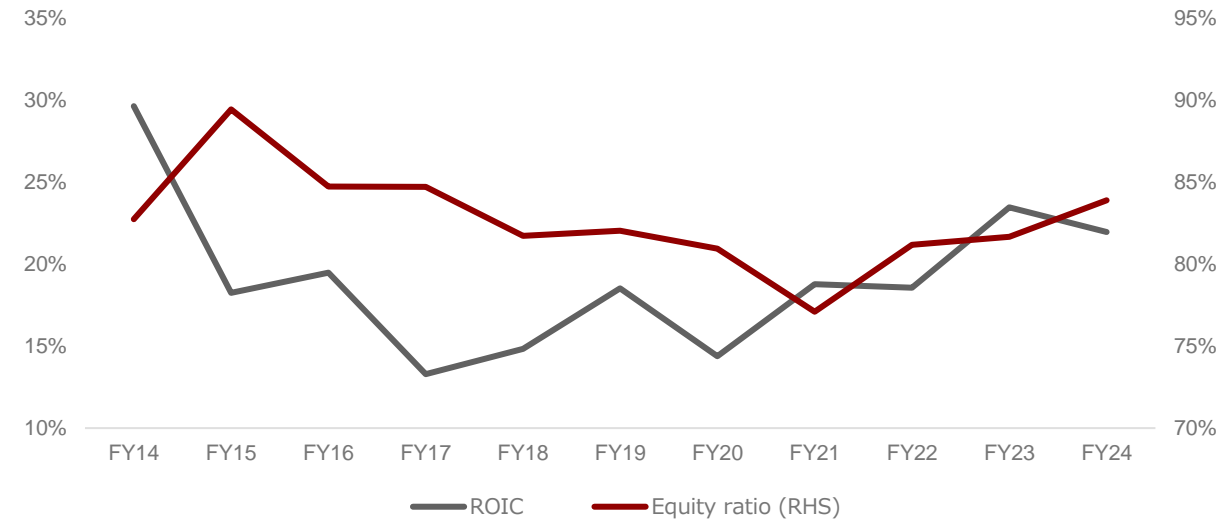
- Backlog reached a record high of ¥1,585 million at the end of Q2
- By segment, the Health Tech Business is performing well, with backlog up 14 times YoY



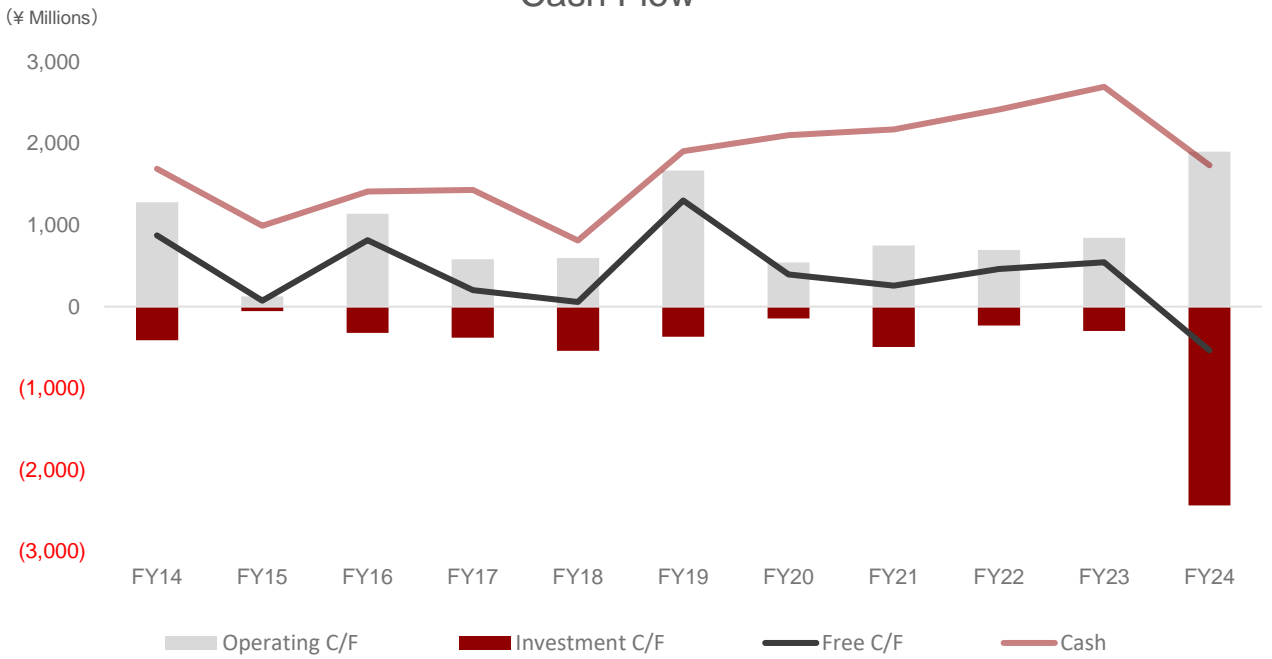
ROE and DuPont Analysis



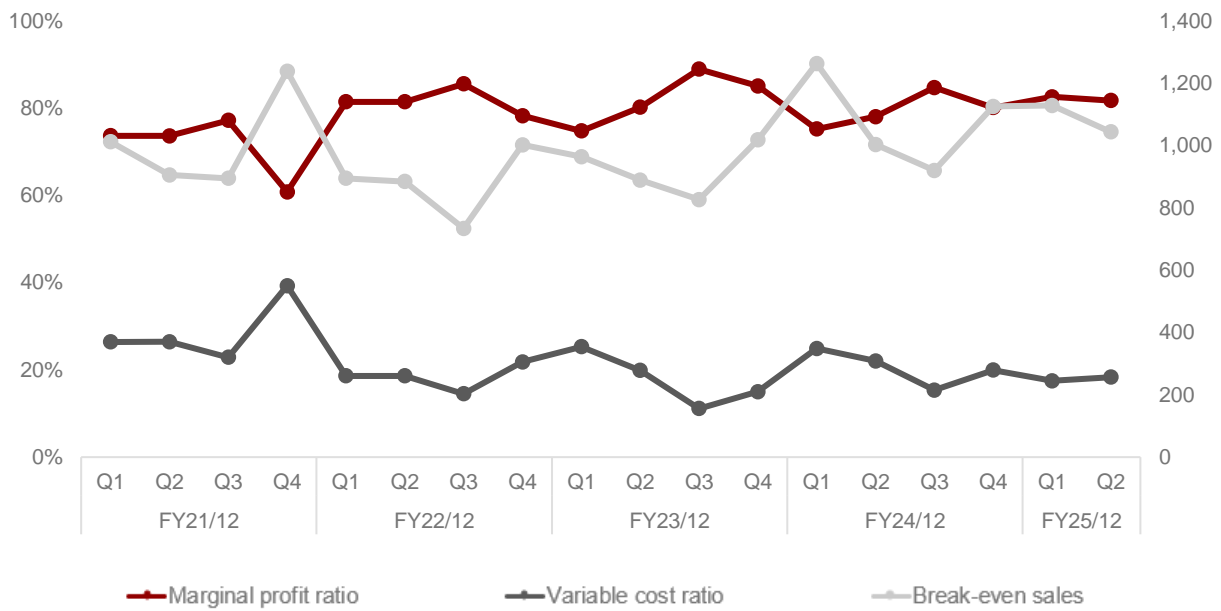
ROIC and Equity Ratio



Cash Flow

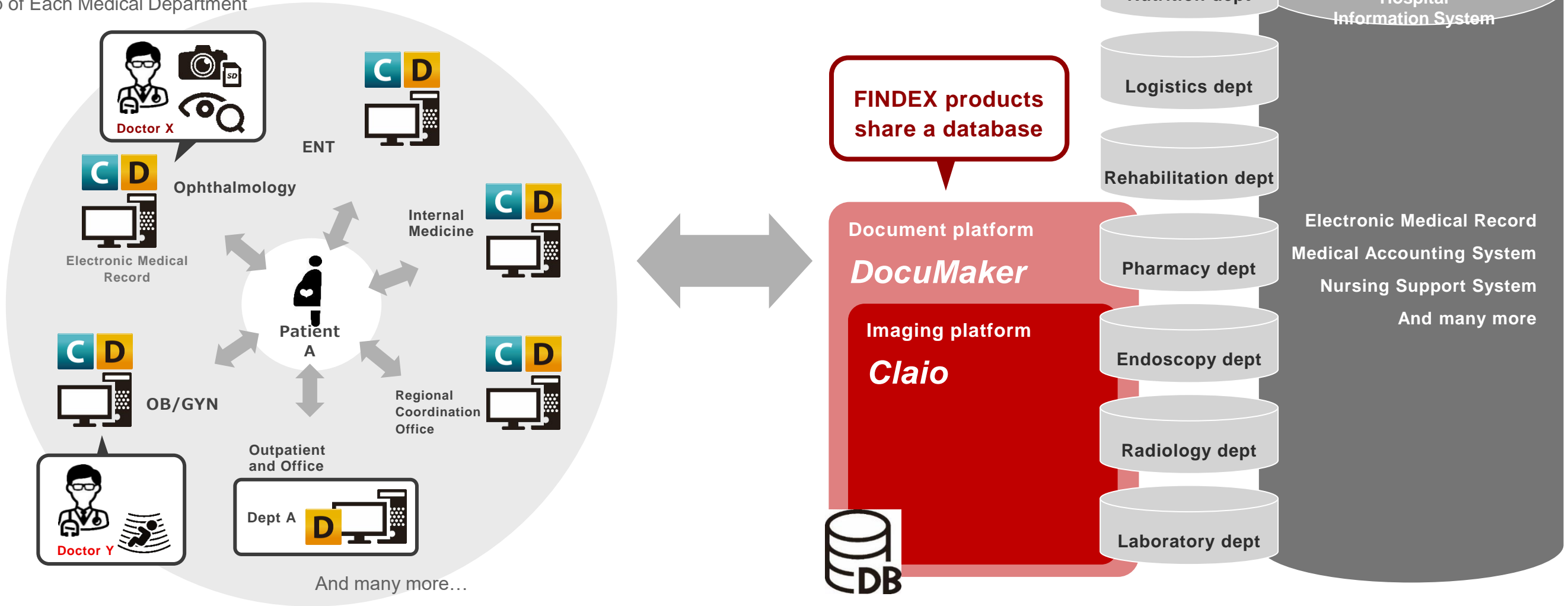


Marginal profit Ratio



- Patient data is connected to departmental systems via the HIS (Hospital Information System)
- While each departmental system has its own unique database, *Claio* and *DocuMaker* serve as cross-departmental platforms that integrate and manage all systems
- Providing department-specific templates allows each departmental system to be used easily

Map of Each Medical Department



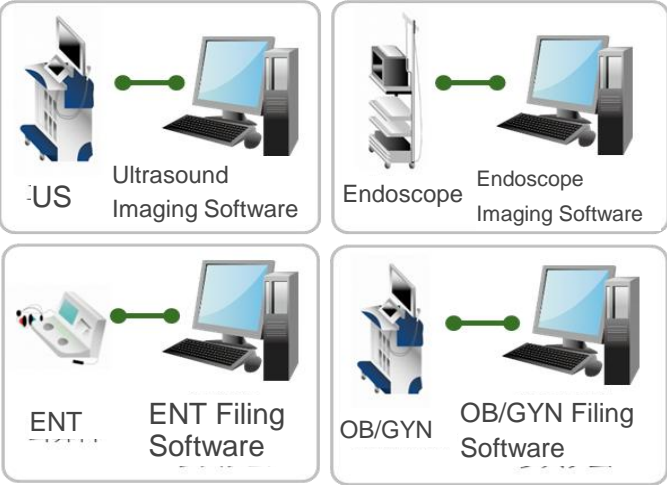
Claio is a medical data management system designed to efficiently manage images and data that are often overlooked during the transition to paperless medical records, while also providing functions for more valuable utilization.

- Provides dedicated input templates suitable for each medical department**
By connecting with imaging devices across departments, the system enables direct import of numerical and image data, eliminating the need for redundant data entry.
- Supports informed consent and enhances quality of care**
Allows direct annotation on images within the system, enabling visual explanations during patient consultations.

Example of an ophthalmology-specific template:
Supports graphical test results



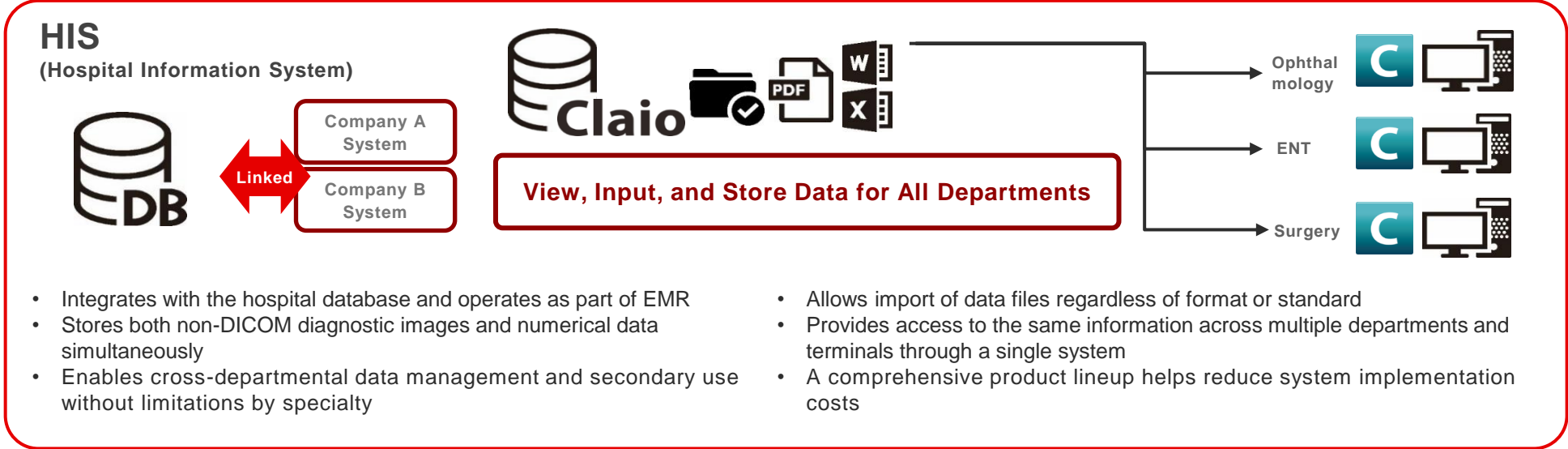
Before installation of Claio:
Each medical device is managed by its own dedicated system, making it impossible to view or search data across different devices



After installation of Claio:
Centralized management of all in-hospital devices and data enables patient-centered data utilization.

Effective in large and acute care hospitals with complex workflows involving many devices, departments, and physicians.

Operation of Claio :
As an image platform, as a departmental system, evolving into an essential solution for hospitals.



More...

DocuMaker is a document creation and database software that allows users to easily digitize medical documents that were previously handwritten, without requiring specialized knowledge. With pre-registered templates, users can quickly generate a wide variety of documents and also utilize the system as a data management tool.

Can be used across multiple professions and clinical departments

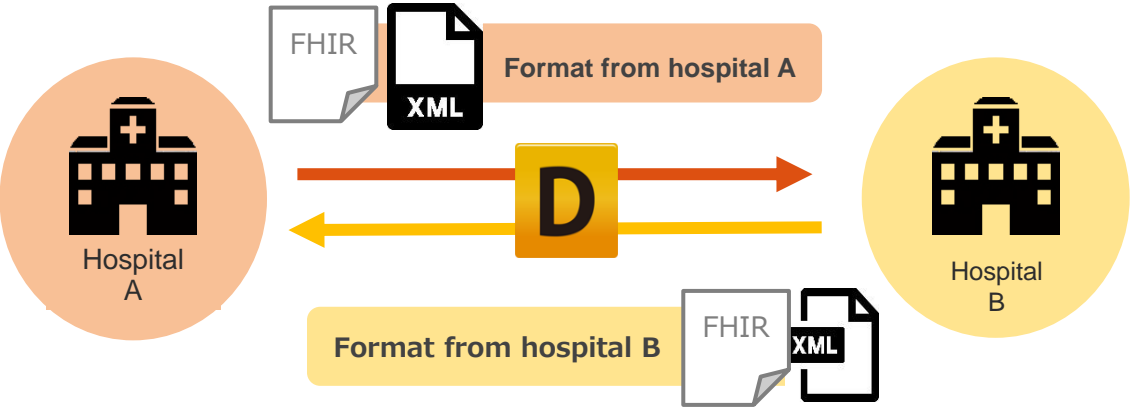
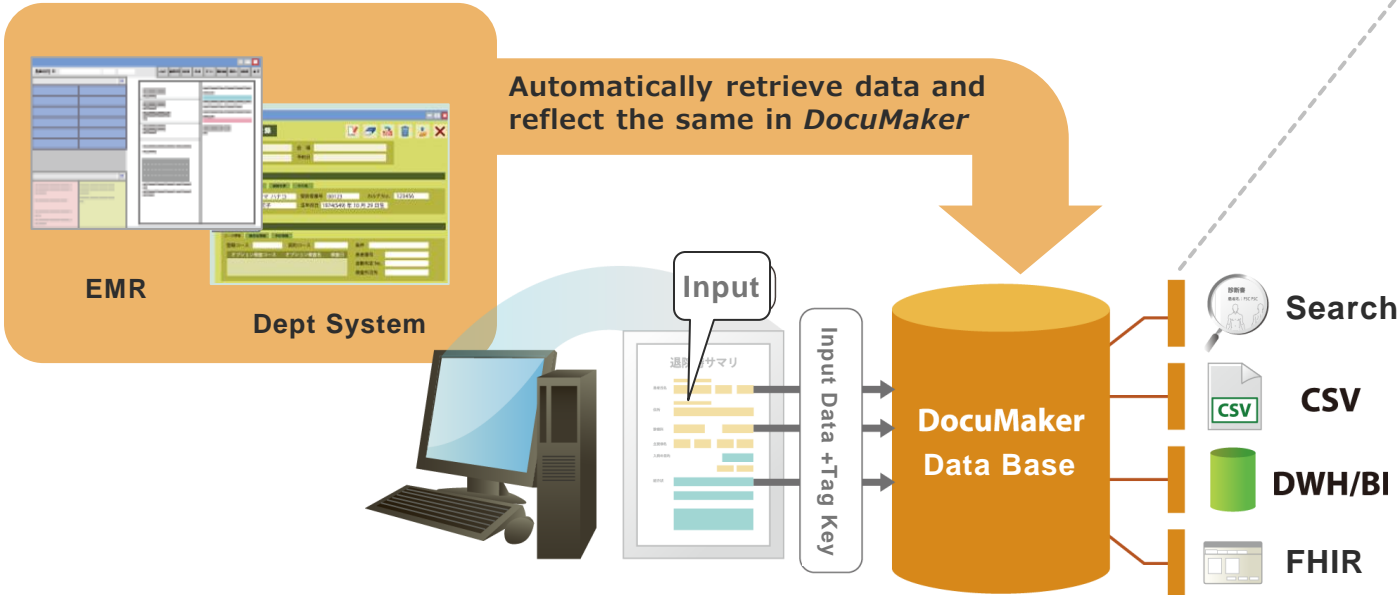
With the customizable template feature, hospitals can easily create their own unique formats. It enables centralized management of various documents needed in different clinical settings.

Document contents are stored in a database for secondary use

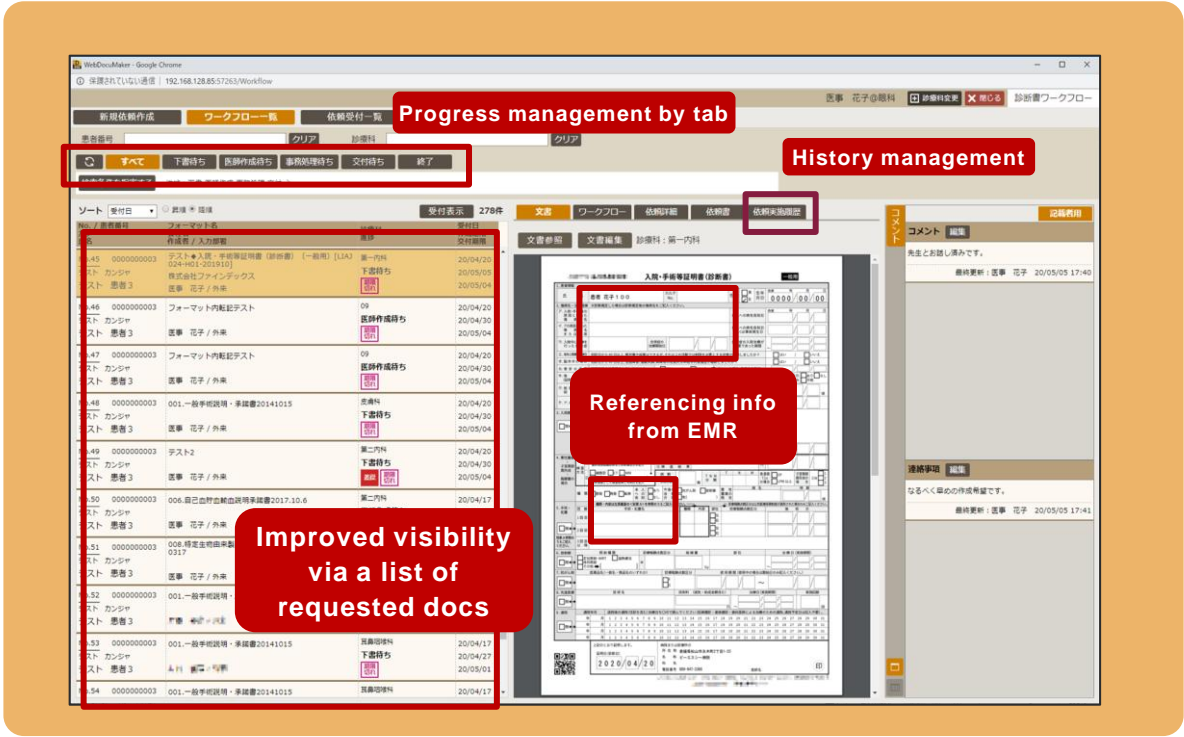
The system accumulates report data related to hospital management and clinical care, supporting analysis and insights. It provides comprehensive support from daily medical practice to overall hospital operations.

Software Certified by the Life Insurance Association of Japan

Automatically retrieve data and reflect the same in *DocuMaker*



DocuMaker is effectively used in regional collaboration across facilities.



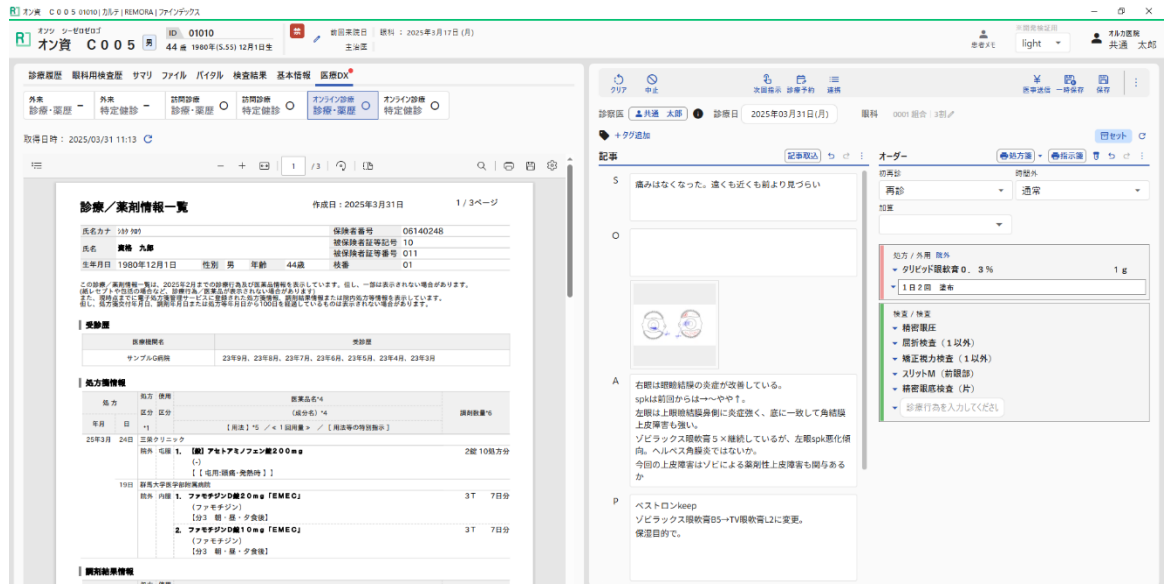
REMORA/REMORA Cloud is an electronic medical record (EMR) system designed for use in clinics and small to mid-sized hospitals. It offers high usability and customizable features to suit user preferences, making it well-suited for managing complex clinical workflows in specialties such as ophthalmology and otolaryngology

Seamless integration with medical images and documents

REMORA has a strong track record of integration with systems like *Claio* and *DocuMaker*. Increasingly, it is being implemented not only as a standalone EMR system, but also in combination with imaging and medical document management solutions.

Functions supporting complex workflows in ophthalmology and ENT

With a track record of use in approximately 1,000 facilities across Japan, the system is equipped with a variety of features to ensure smooth operation even in specialties with numerous diagnostic devices and complex patient flows. It can be implemented and operated in ways that are tailored to the unique needs of each clinical department.



Sales

Installation

Cutover

Maintenance

Nationwide Distributors Network (Approx. 20 Partners)
Following the policy of “a nearby distributor over a distant manufacturer”, we have partnered with around 20 authorized distributors across Japan. These local partners not only handle sales activities in their respective regions but are also equipped to respond promptly to urgent issues, ensuring reliable and timely support for our products.

Fully compatible with the NHI Receipt Software ORCA* and the cloud-based WebORCA
**ORCA refers to a receipt creation software developed and provided free of charge by the Japan Medical Association, used for calculating and billing medical fees

REMORA Cloud comes standard with DocuMaker Cloud: medical documentation service
The integration of these cloud-based services further enhances the efficiency of clinical operations.

A wide range of specialized options available, with the flexibility to add features even after implementation
✓ Ophthalmology: *G-Quick*, *C-peri*, *Claio-Cam*
✓ ENT: *C-Nys ME*
✓ Additional options: Inpatient management, patient ID card issuance, and more

Personalized Support from Our Customer Center
On-site customer support is handled by our authorized distributors, while our dedicated staff provide remote assistance. We also offer flexible licensing to accommodate changes in the number of clerks or terminals.

PiCIs is our service brand that supports the transition to cloud-based systems for large hospitals. It enables efficient use of in-hospital medical data and seamless sharing with the right people and places. Our goal is to establish a platform that supports Community-based Integrated Care.

Electronic Tracing Report Service <i>AAdE-Report</i> Connecting pharmacies with hospital pharmacy departments, the system enables electronic management of tracing reports and provides seamless support up to follow-up inquiries.	Target Users: Healthcare providers Pharmacies
Telemedicine Solution <i>On-Shin</i> This service replicates the complex clinical workflows unique to large hospitals and integrates seamlessly with electronic medical records.	Target Users: Healthcare providers Patients
Patient Guidance Application <i>Medical Avenue</i> This application enables one-stop management of all processes related to medical care from appointment scheduling to payment.	Target Users: Healthcare providers Patients
Online Appointment Service for First-Time Patients <i>Booking Assistant</i> Designed for large hospitals, this online appointment system for first-time patients helps reduce the workload of reservation centers by streamlining front-desk operations.	Target Users: Healthcare providers Patients
Clinical Information Transfer System <i>Referral</i> Eliminates the need for physical media by enabling the exchange of patient information entirely electronically, allowing for secure and rapid information sharing with other hospitals.	Target Users: Healthcare providers

Progressive Software Creators

Always have, Always will.

