



FY12/2025 1Q Financial Results and Explanatory Materials

eWeLL Co., Ltd. (TSE Growth Market: 5038)

May 15, 2025



High growth thanks to good progress in AI services and executing major contracts.

Favorable start for financial targets and KPI.

◆ “ AI Home-visit Nursing Plans & Reports ” is strongly leading our cloud services and customers’ unit price.

- Strong performance maintained with **945 contracts** (upsell rate of 29.7%^{*}) for **AI home-visit nursing plans & reports** as of 2025/03.

70% of newly-contracted iBow customers in 1Q also signed up for AI home-visit nursing plans & reports

Furthermore, billing started in 1Q as expected, whereby sales of 18 million yen was factored in (659 stations in operation as of 2025/03)

- Realized **net sales and operating profit 30% growth yoy**

Steady growth with the **highest number of new contracts, 196** (including large-scale contracts), and **customers’ unit price increased to 83,700 yen (yoy +10.8%)**

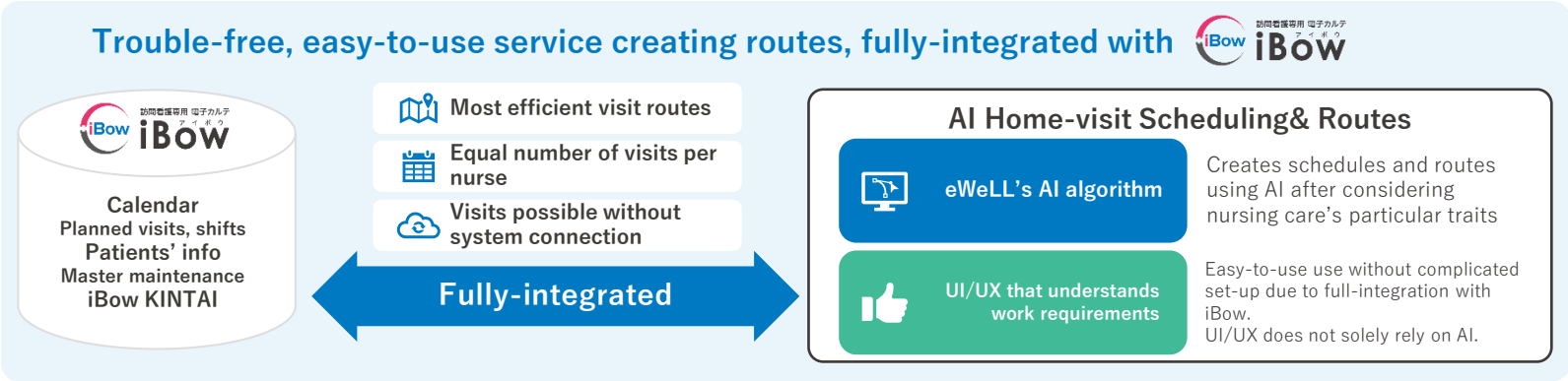
◆ Towards sustainable growth due to relocating the Tokyo Office, strengthening a development framework, and improving the motivation to work

- Our new Tokyo office created a work environment whereby we are taking care of our expanding business by increasing our team members, enhancing our ability to develop, and finding creative ways to communicate. Our current position is in the **final investment stage for our foundation strengthening period** finishing in 2025.
- From 2Q, we expect the relocation costs to be approx. 20 million yen, and the progress rate for our operating profit was satisfactory, and at present, **we assume we will achieve the level of our forecasted results by this FY’s end.**

* The Upsell Rate is based on the number of contracts for AI Home-visit Nursing Plans & Reports with respect to 3,186 contracts as of 2025/03



This service automatically creates home-visit schedules and routes using AI. Demand is high because the work involved in scheduling shifts is extremely complicated as it needs to take into account the diverse wishes and appropriate routes to schedule home-visits to many users.



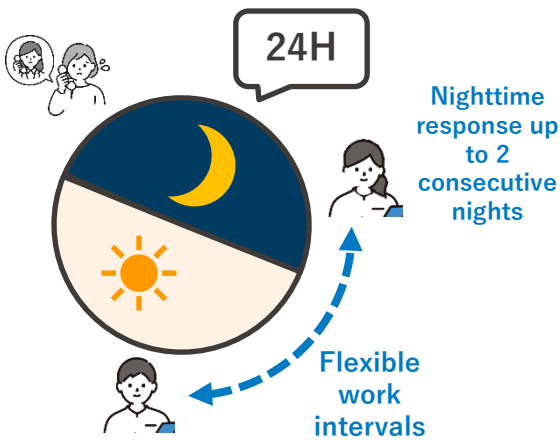
Overview and Background	Many factors (including each user's situation and preferences, each nurse's skillset and workload, as well as the shortest route for home visits) must be considered for the best operation serving an average of 80 users. Adjusting the schedule has become extremely difficult due to the necessity of making changes caused by changes in a patient's condition or hospitalization, and accepting new patients. This easy-to-use, easy-to-introduce service we developed, fully-integrated with iBow, successfully reduces a manager's workload and improves the quality of care provided, while simultaneously addresses the highest number of patients' requests.
Positioning	Service added to iBow, creating home-visit schedules and routes using AI.
Launch	To be launched in May 2025, but billing from October 2025 is under consideration.
Acquisition Targets	Target is approx 15% of contracted stations by the end of December 2025.
Fee Rate Structure	Number of visits x ¥30 (separate application from iBow's regular functions is required).

Nursing care involves frequent schedule changes due to emergency visits and patients' sudden hospitalization.
Adjusting nurses' schedules to improve their work systems and to provide efficient care has become extremely difficult.

2024 Double Revision

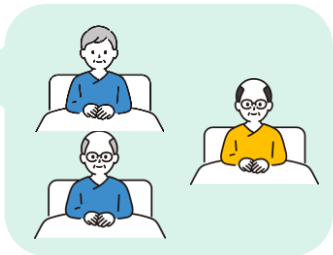
Promote establishing sustainable 24-hour response system

- Additional points for emergency visit nursing care (subject to care insurance)
- Additional points 24-hour response system (subject to additional medical insurance)



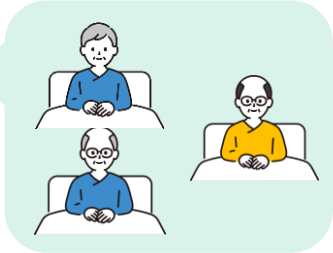
Balance between a flexible work system and high-quality home-visit nursing care

In-charge Nurse



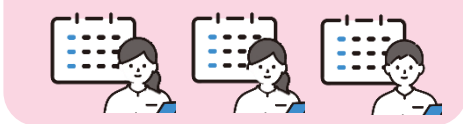
Specific nurse overburdened in emergencies and during their time off

In-charge Team



Onsite workload for home-visit care

Members' shifts, qualifications, & skillset
Patient compatibility and care workload



Users' complicated plan changes and status

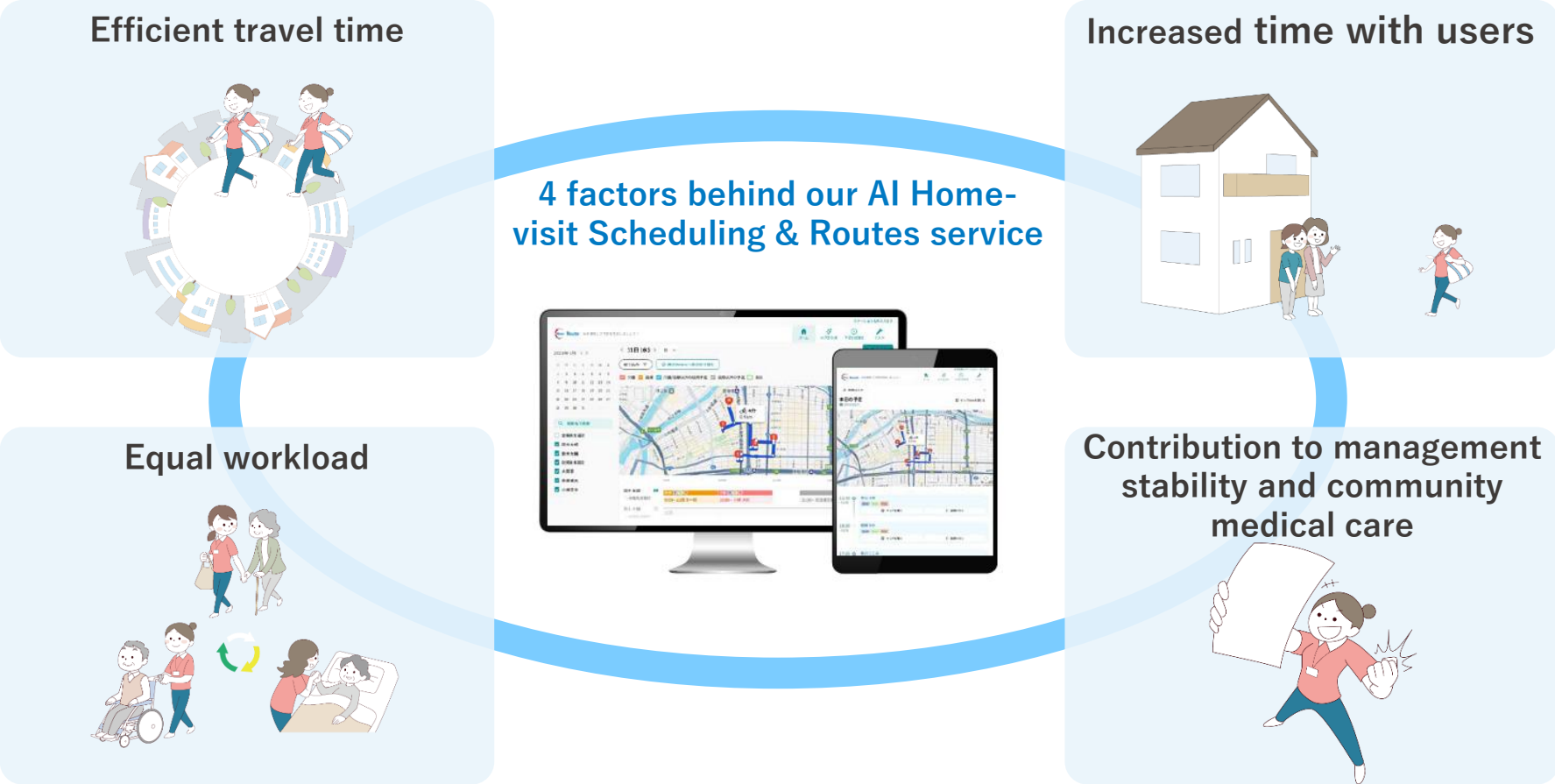


Able to respond to emergency visits and accept many patients, as well as pursue flexible work solutions for nurses.

To balance responding to emergencies and establishing a flexible way to work, a systematic framework is required, rather than relying on individuals' singular traits.

Humans will reach a breaking point for making adjustments when complicated situations and frequent schedule changes arise.

The nature of AI Home-visit Scheduling & Routes aims to solve these issues, and it is related to the foundation of managing home-visit care. This service improves productivity by minimizing the complicated work of creating the schedules and routes for home visits using AI.



Establishes system for home-visit nursing care and improves productivity

In April 2025, iBow and AI home-visit nursing plans and reports were introduced to all Tsukui Corporation’s 68 stations, and they have commenced operations. The future plan is to open more stations, whereby eWeLL continues to support these activities with DX.



Tsukui Corporation

Business Activities: day services, home care services, residential nursing care services

Number of employees: 21,400 (whole group) * as of 2025/03

There are as many as **70** home-visit nursing stations (as of May 2025), and a plan to strengthen and improve the stations has been formulated.

Impact on KPI

Number of contracts in 2025/12 1Q	: [*] 68 for Tsukui	(3,186 contracts by end of 2025/03)
Number of new contracts in 2025/12 1Q	: 43 for Tsukui	(196 new contracts in 2025/12 1Q)

* All 68 contracts started operations from April, and their sales will be factored in from 2Q.

The Tokyo Office relocated to increase our workforce and strengthen our development framework, as well as to create a more comfortable work environment.

The new location was decided based on the distance from our current location in Kyobashi (Chuo-ku, Tokyo).

New Location

Sansho Building 4F, 3-2-9, Nihonbashi, Chuo-ku, Tokyo 103-0027

Moving Date

August 2025 (plan)

Relocation's Purpose

To strengthen our development framework

To strengthen our development function in order to implement further our multiple product strategy.

To create a comfortable work environment

To promote in-person communication and inter-departmental collaboration.

Impact on Forecasts

Impact on PL this FY (est): -20M yen (Costs related to relocation, depreciation costs, increased rent)

Impact on PL next FY (est): -13M yen (depreciation costs, increased rent)



Toward a future sustainable Japanese medical system, where everyone can live as they like in a comfortable place.
eWeLL launched its webpage about sustainability to introduce how our business is coordinating to solve various social issues.

Top Message

Realizing a society where everyone can live as they like free of concerns and establishing a sustainable medical system.
In 2025, Japan is facing an even older society that is applying pressure to various resources. Ever more people are using Japan's medical system and require medical care.
For eWeLL, our goal of a sustainable society means anyone can continue to live as they would like in a comfortable place and we wish to establish a sustainable Japanese medical system for the future.
To achieve these objectives, establishing a system that can efficiently provide effective, high-level, and apt medical and nursing care in response to each patient's situation and needs is essential. In particular, providing at-home medical care, in addition to hospital services, and developing a medical and nursing care system capable of responding to each local situation are required. Home-visit nursing care, which is part of these services, supports patients for both their medical care and follow-up treatment. Therefore, it is becoming ever more important.



President and Representative Director
Norito Nakano

Materiality



Sustainability webpage

<https://ewell.co.jp/sustainability>



Please visit our sustainability
webpage here.

■ FY12/2025 1Q Financial Results

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Although sales increased in line with our forecasts and operating profit exceeded them, we expect the financial results will match our forecasts for the whole FY after factoring in the costs to relocate the Tokyo office and other expenses after 2Q.

Unit: million yen	FY12/2024 1Q Results	FY12/2025 1Q Results	YoY (amount)	YoY (%)
Net Sales	574	754	+179	31.2%
Cloud	511	650	+138	27.1%
BPaaS	54	94	+40	74.5%
Other	8	8	△0	△4.8%
Operating Profit	234	376	+142	61.0%
Operating Profit Margin	40.7%	50.0%	+9.3pt	-

Our BPO services were renamed “BPaaS (Business Process as a Service)” since we announced our financial results for FY12/2024. The name was changed because high profitability was realized compared to common BPO services. eWeLL’s BPO services are added to iBow Receipt services and support the overall work, by integration with our proprietary SaaS. Please note the change was only for the name of the services, and there were no changes to the revenue composition between services or the content of our different businesses.

Progress for net sales was as usual, while the progress for operating profit is projected to be better than last year, as expected overall, because the costs and expenses for this FY will be factored in from 2Q, although these costs were higher in 1H of the previous FY.

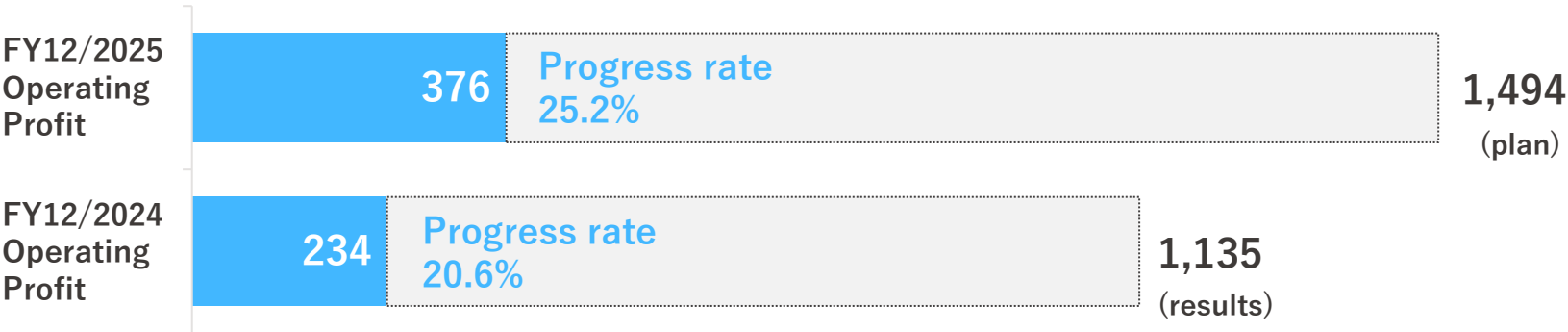
Net Sales

(Unit: million yen)



Operating Profit

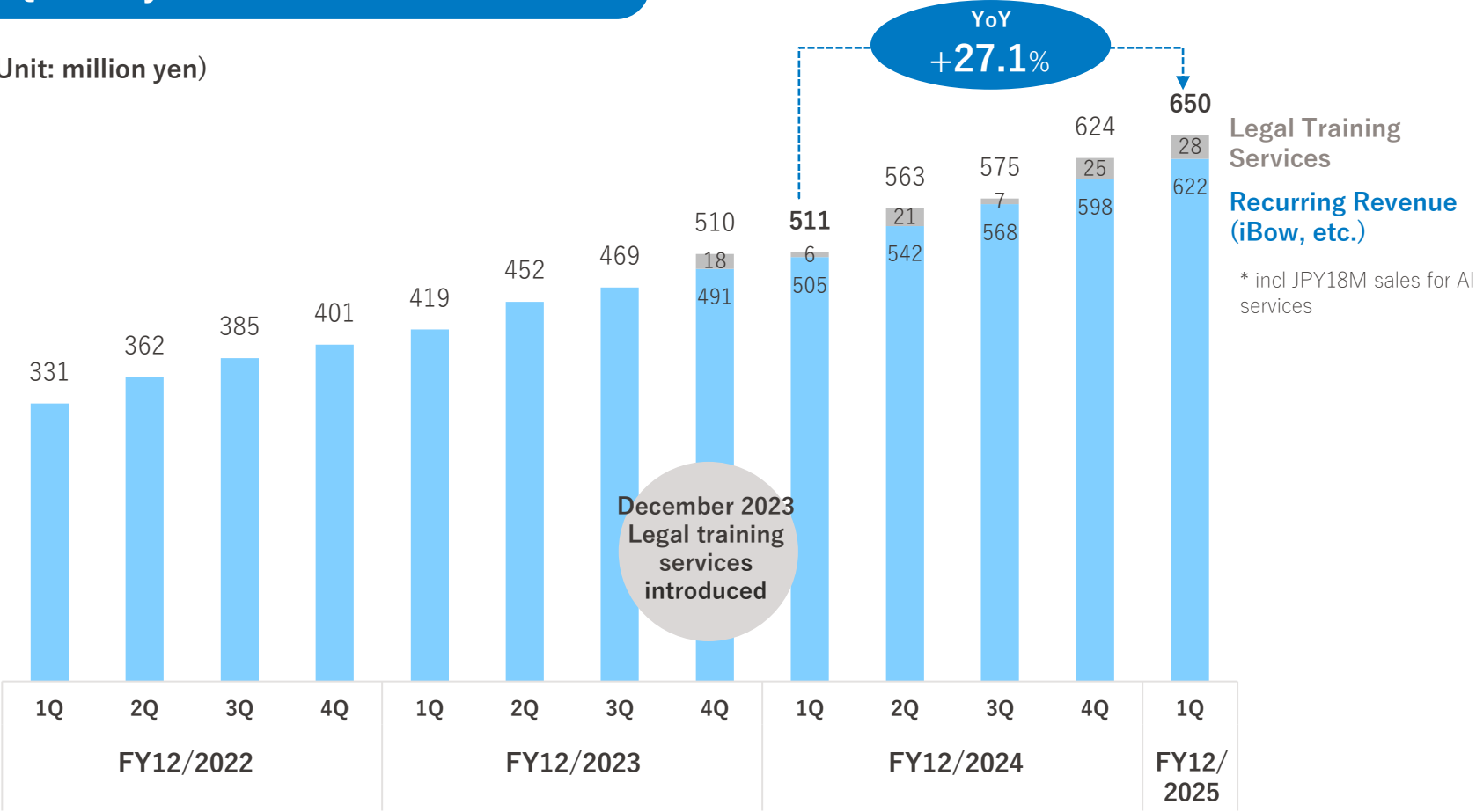
(Unit: million yen)



Recurring revenue increased due to the contribution to sales from services using AI despite the impact of 1Q having fewer business days. Moreover, the contract renewal rate for legal training services showed a steady increase.

Quarterly Net Sales: Cloud Services

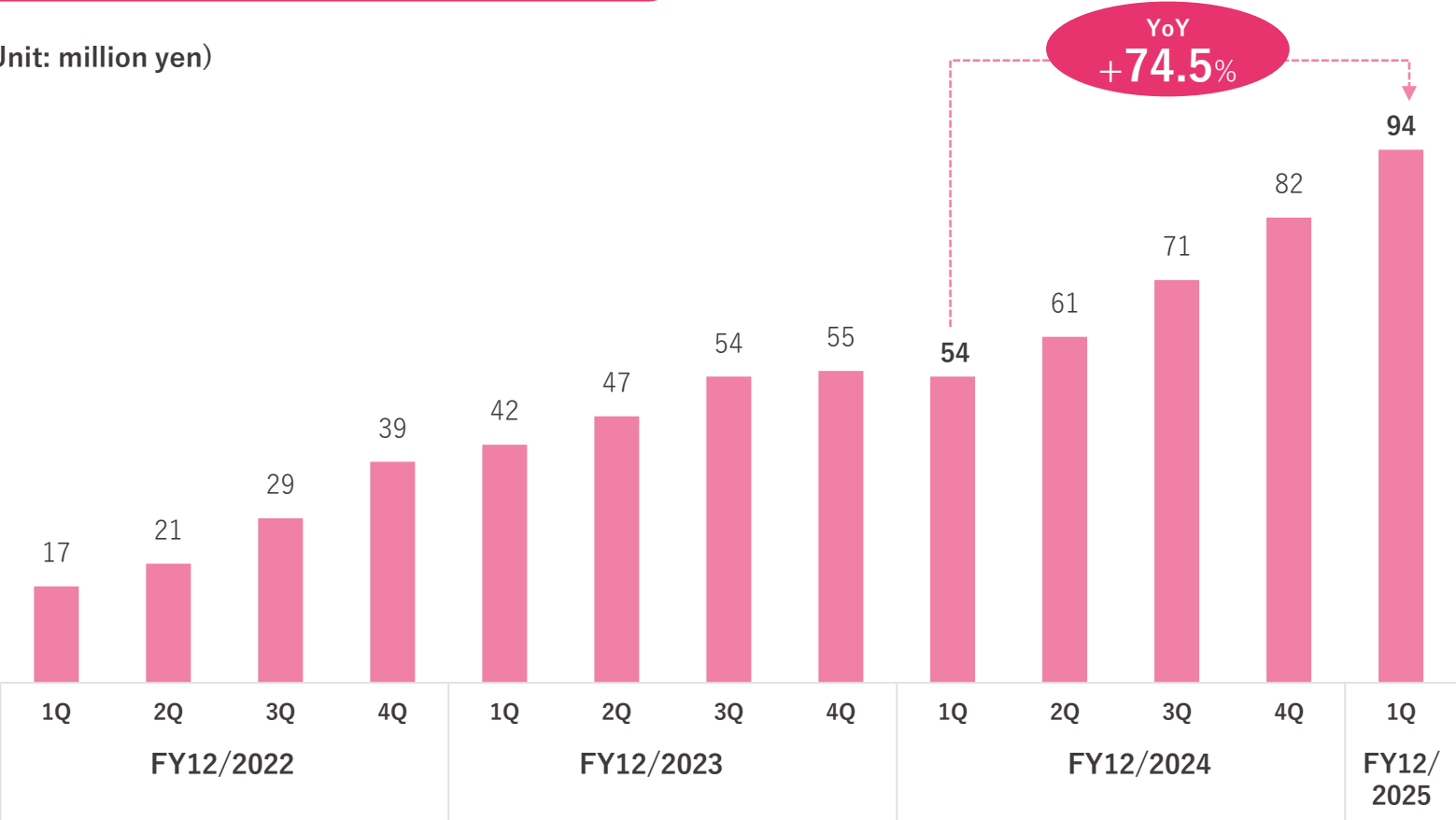
(Unit: million yen)



Net sales continued to rise compared to last year, due to a steady increase in new orders.

Quarterly Net Sales: BPaaS

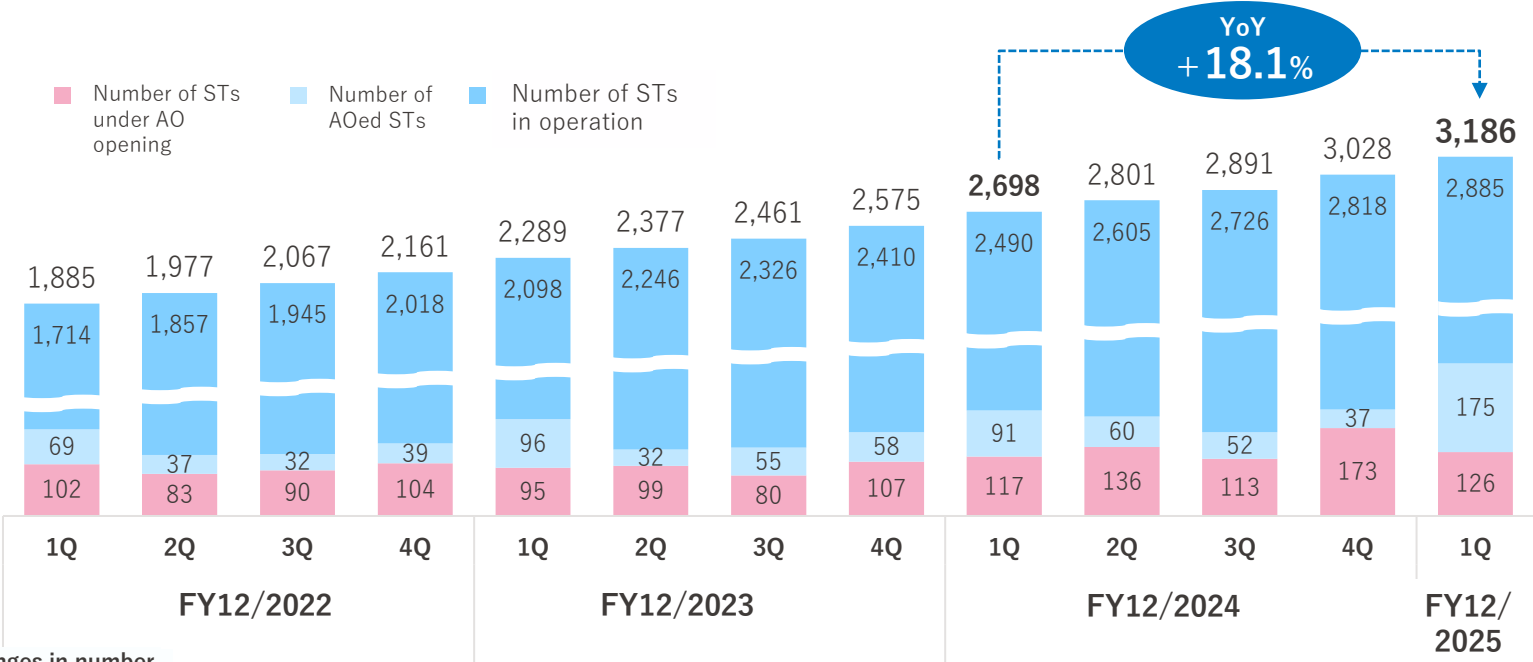
(Unit: million yen)



4 KPI Changes - Number of Contracted Stations



The number of new contracted stations was the highest ever at 196 thanks to the newly-acquired customer, Tsukui. Among the 175 AOed stations that billing was recently started for, 68 were Tsukui contracts and all 68 stations will begin operations in April.

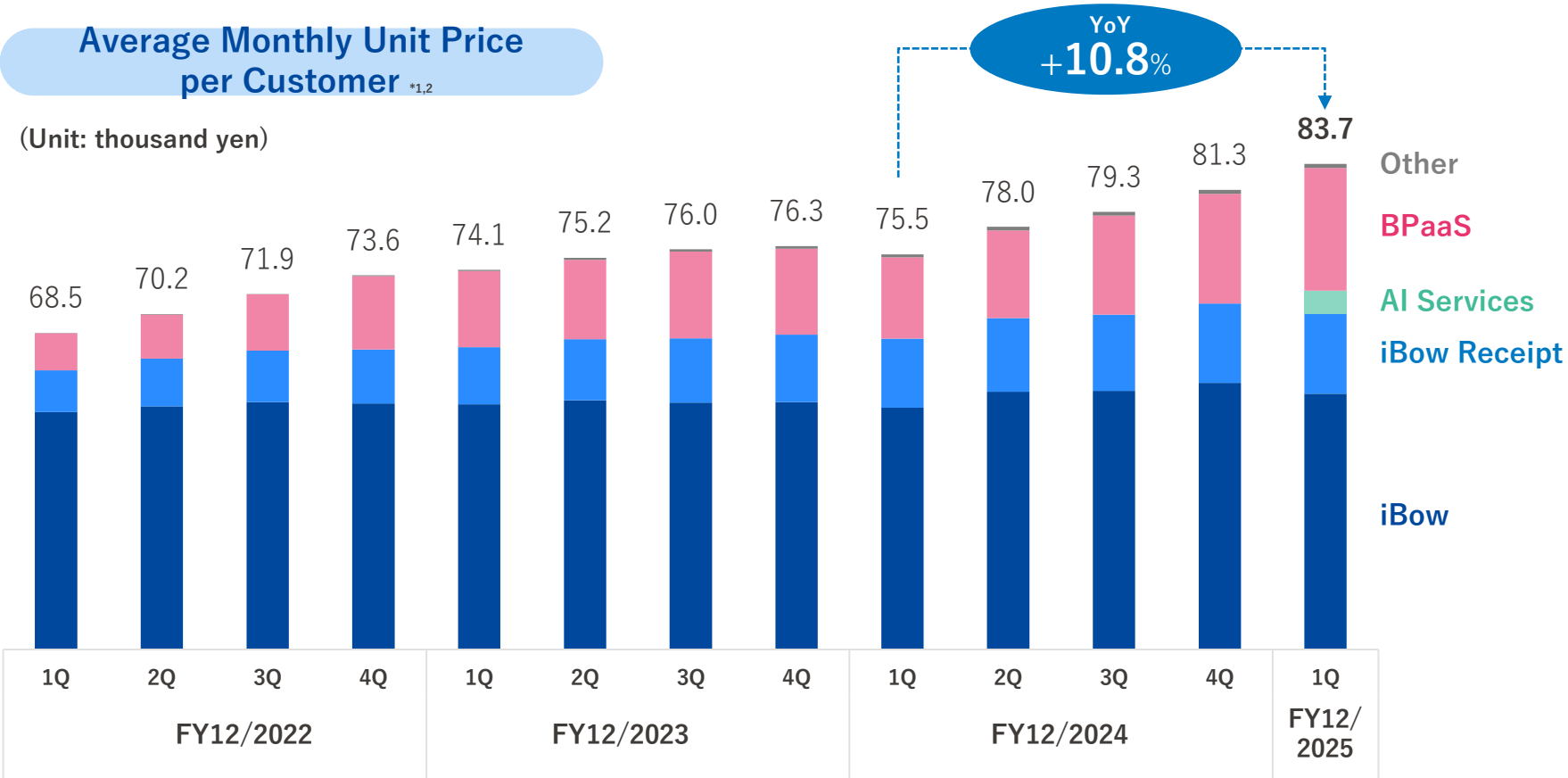


Breakdown of changes in number of contracted stations

	FY12/2022				FY12/2023				FY12/2024				FY12/2025
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q
(1) New acquisitions	132	107	105	117	139	127	111	134	160	162	133	178	196
(2) Terminations	-7	-14	-13	-22	-19	-27	-22	-24	-36	-56	-48	-37	-34
(3) Change in number of dormant STs	-17	-1	-2	-1	8	-12	-5	4	-1	-3	5	-4	-4
Quarterly total	108	92	90	94	128	88	84	114	123	103	90	137	158

The number of STs in operation is the number of stations in service.
The number of AOed STs is the number of stations for which the establishment of an account to use the service has been completed, but before the service is used.
The number of AO stations in operation is the number of stations that have an account established for use of the service.
The number of contracted stations is the sum of the number of STs in operation, the number of STs that have completed AO, and the number of STs that are in the process of opening AO.
The number of inactive stations is the number of stations that have suspended service for a certain period of time during the contract period, and the increase or decrease in the number of inactive stations is subtracted from the number of stations that have resumed service.

The sales for AI services started off well, bringing up the BPaaS sales, which saw unit price per customer increase more than 10%. The unit price for iBow fell slightly qoq due to the impact of fewer business days in this quarter, as per usual.



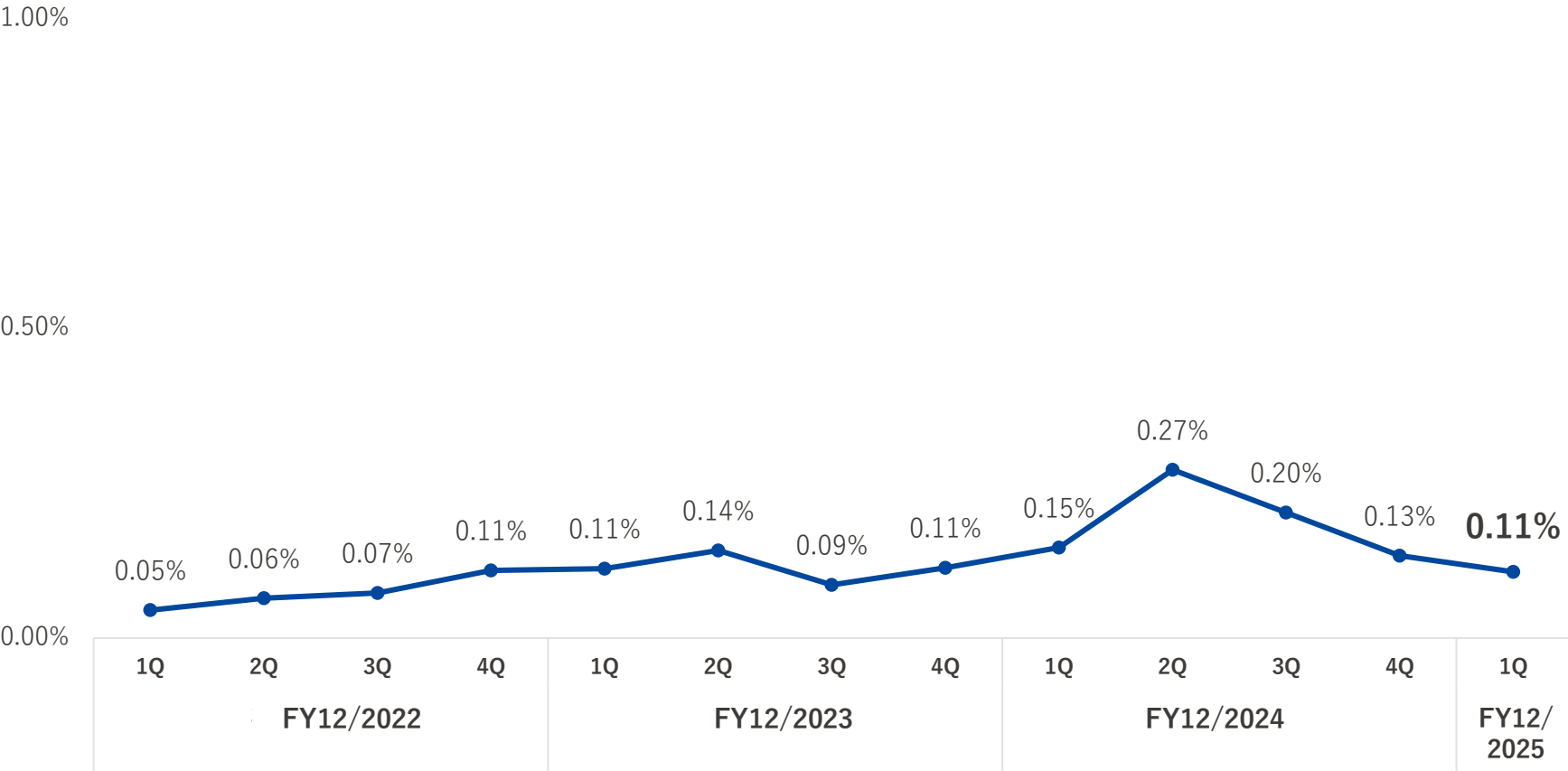
1. Average Monthly Unit Price per Customer is calculated by dividing the average monthly net sales during the quarter (recurring revenue only) by the average number of stations in operation at the end of the month during the same period. Since Unit Price per Customer had been calculated including non-recurring sales until FY12/2023, it has been retroactively adjusted to reflect this updated calculation method.

2. Due to the seasonal nature of 1Q, which includes January and February and has fewer business days, resulting in fewer visits, Unit Price per Customer for both cloud and BPaaS tends to be a few percentage points lower than in other quarters.

This fiscal year’s 1Q met expectations, at the usual level, while the rate for customers switching to other companies was about the same as last year, approximately 40%. The churn rate in 2Q is forecast to rise, as many customers’ contracts are ending.

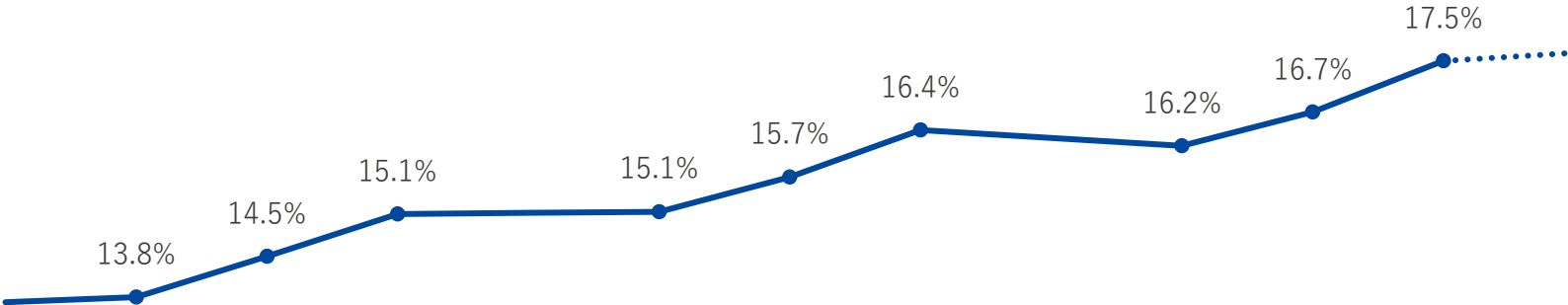
Revenue Churn Rate

The average monthly churn rate is the quarterly average of the percentage of the reduction in monthly subscription fees for existing customers due to cancellations.



* The number of home-visit nursing stations in operation as of April 1 of each year is not disclosed at the end of 1Q, as there is a several-month delay in announcing the number of stations.

Market Share
(Penetration Rate)



1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
FY12/2022				FY12/2023				FY12/2024				FY12/2025

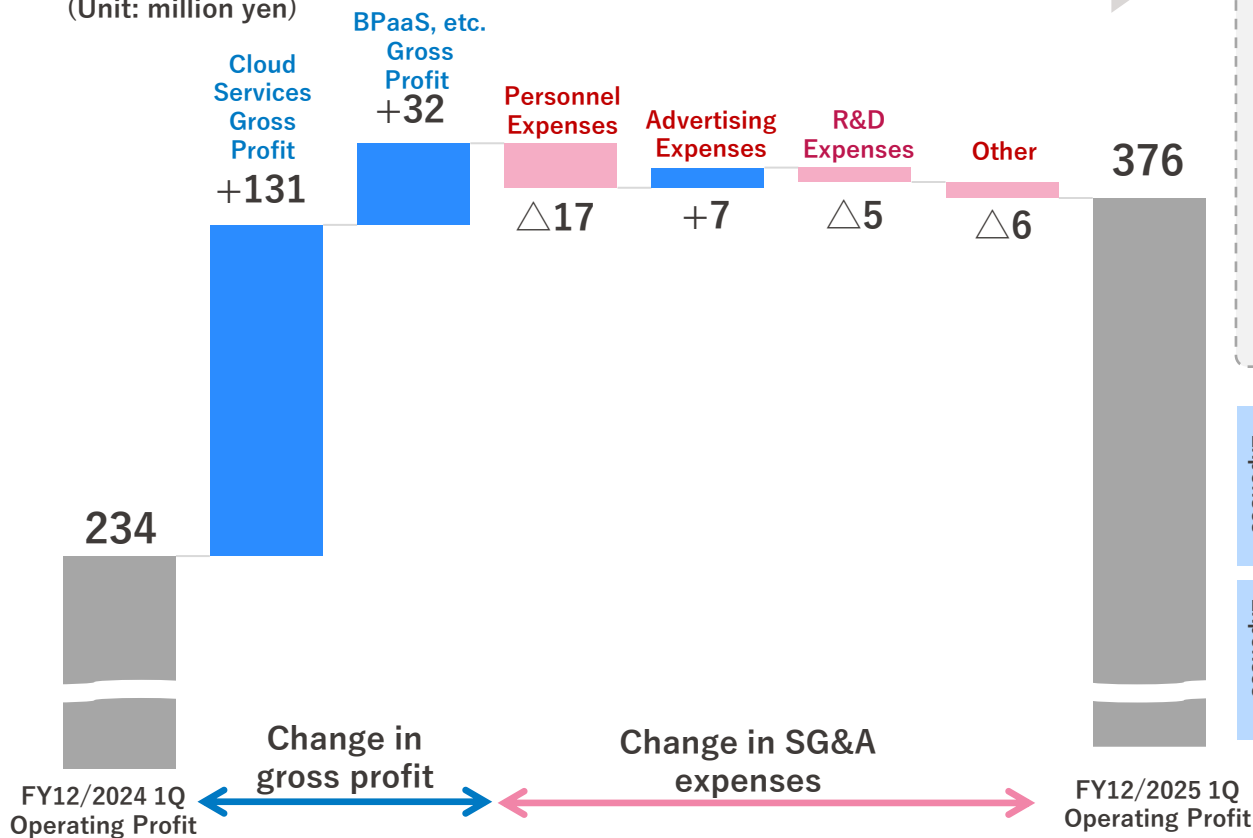
*: Calculated by dividing the number of contracted stations at the end of each quarter by the number of active home-visit nursing stations as of April 1 of each year, as announced by the Japan Home-visit Nursing Association.
The number of home-visit nursing stations in operation as of April 1 of each year is not disclosed at the end of 1Q, as there is a several-month delay in announcing the number of stations.

We assume, at present, operating profit will be as expected by year-end, although it showed an increase in 1Q due to the impact of factoring in later the 1Q expenses (including recruitment costs) and the costs generated in 2Q (including the Tokyo office relocation costs).

SG&A expenses have been deferred to a later period.

YoY +142 million yen

(Unit: million yen)



Forecasts will not be revised mainly because the below SG&A expenses have been deferred to 2Q and more will arise thereafter

- Tokyo office relocation costs approx. JPY20 million
- Advertising expenses (exhibitions) approx. JPY 8 million
- Recruiting expenses approx. JPY 6 million
- Website repair costs approx. JPY 3 million
- Other costs approx. JPY 3 million
- TOTAL JPY 40 million**

Personnel Expenses
Increased due to progress in hiring as planned, and a 4% basic salary increase. Including the personnel expenses for development, BPaaS, and support, which were included in the cost of sales, the total increase was ¥31 million YoY.

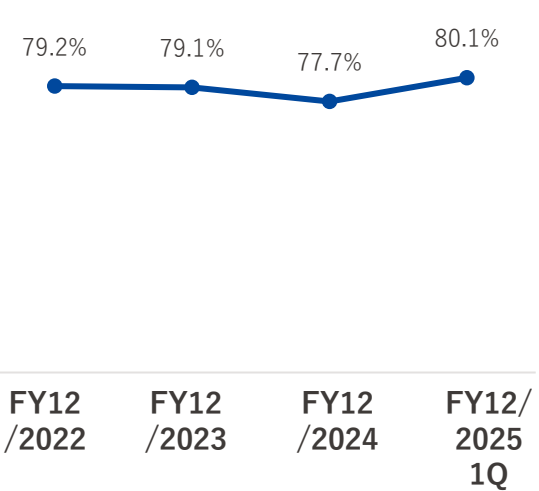
Advertising Expenses
Decreased YoY as there was no exhibition held in last FY's 1Q. However, mostly the same exhibition costs as last FY will be accrued throughout this FY's 1H, as we plan to participate in many exhibitions in 2Q. In addition, other promotional costs were also factored in.



eWeLL’s overall gross profit margin and that for the cloud services slightly increased compared to all of last FY as of 1Q because the costs for cloud services are expected to increase throughout 2H.

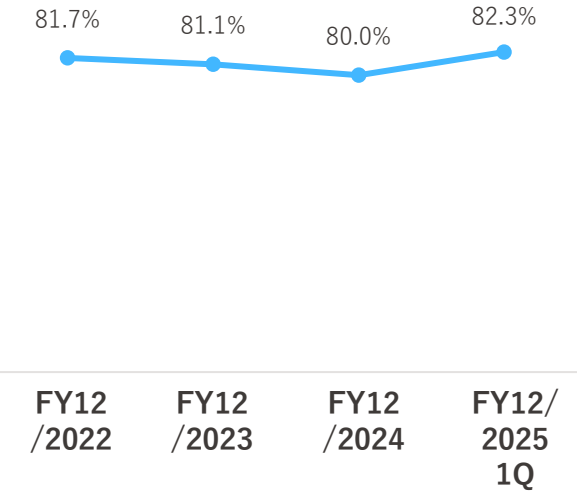
Overall Gross Profit Margin

- Costs for cloud services are expected to increase throughout 2H, and as of 1Q, the gross profit margin increased slightly compared to all of last FY.



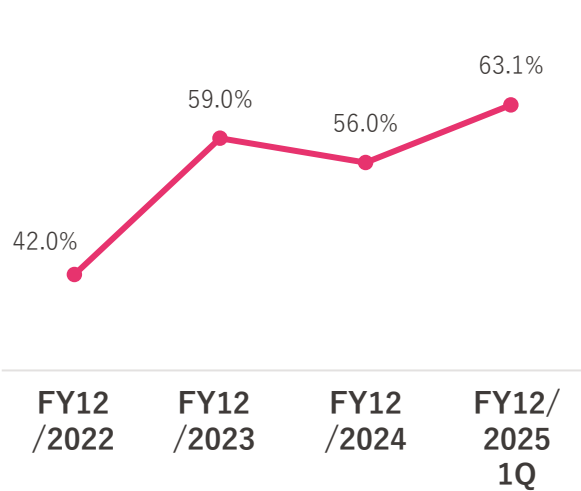
Cloud Services Gross Profit Margin

- Maintenance costs and outsourcing costs are expected to increase throughout 2H. Gross profit margin showed a slight increase compared to all of last FY.
- We expect the gross profit margin to be as expected throughout 2H, since we are maintaining the released products and strengthening our development framework from time to time.



BPaaS Gross Profit Margin

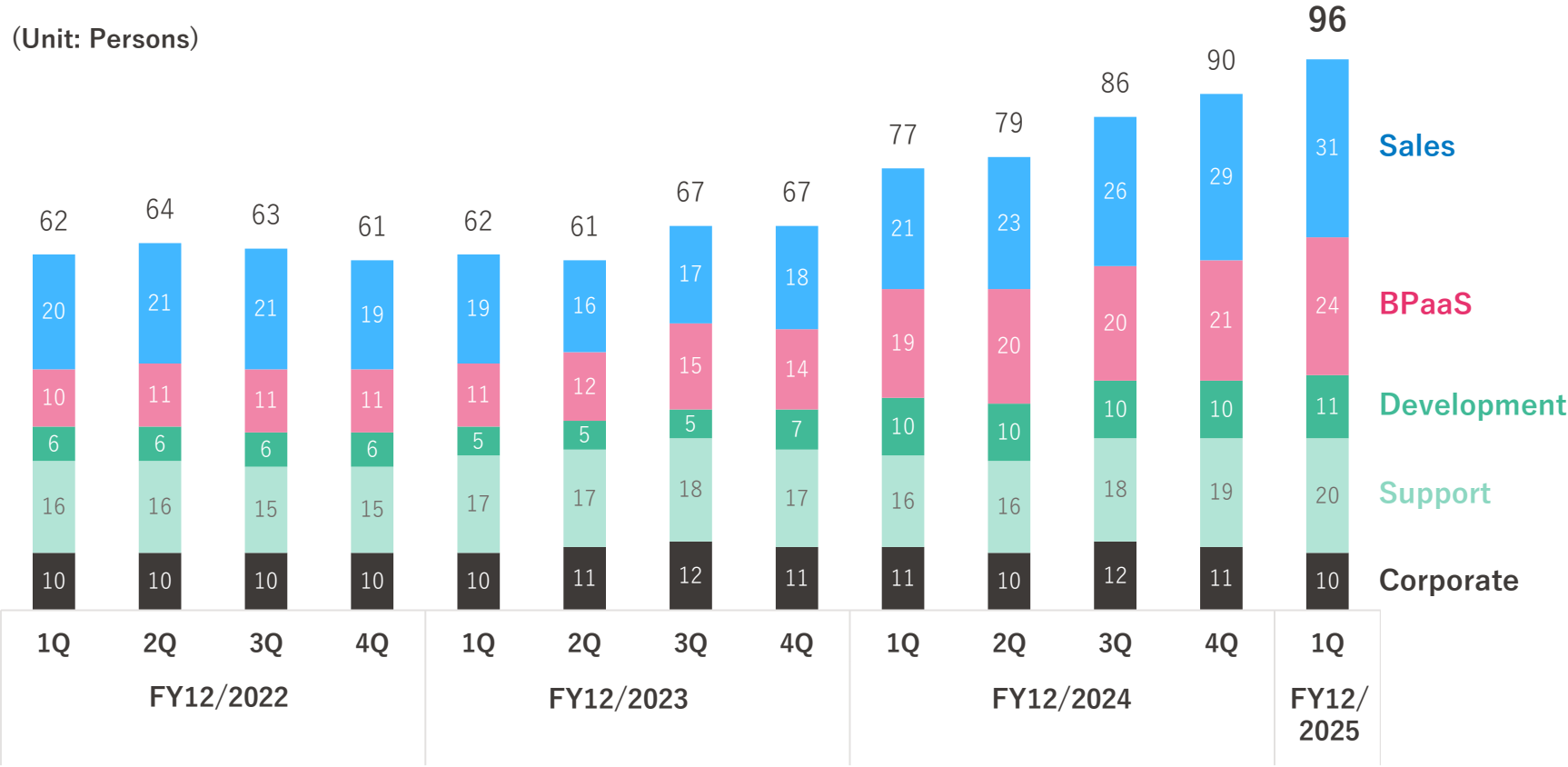
- Sales showed a steady increase, and productivity per person improved.
- We are strengthening our recruitment and are managing our targets at about 60% again.



We are focused on continuing our customers success (in sales and BPaaS). Development and support are also showing positive growth due to eWeLL implementing our multiple product strategy.

Number of Employees by Department

(Unit: Persons)



Cash and deposits fell yoy due to income tax and dividend payments
Thereafter, we work on our company's financial soundness by building a financial structure capable of flexible investment (such as, M&A).

	FY12/2024		FY12/2025 1Q		YoY	
(Unit: million yen)	Amount	%	Amount	%	Amount	%
Current Assets	2,526	82.3%	2,451	82.3%	△75	△3.0%
(Cash and Deposits)	1,965	64.0%	1,855	62.3%	△110	△5.6%
Non-current Assets	543	17.7%	528	17.7%	△15	△2.8%
(Tangible Fixed Assets)	248	8.1%	240	8.1%	△7	△2.9%
Total Assets	3,070	100.0%	2,979	100.0%	△90	△3.0%
Current Liabilities	559	18.2%	387	13.0%	△171	△30.7%
Non-current Liabilities	102	3.3%	102	3.4%	0	0.0%
Total Liabilities	661	21.5%	489	16.4%	△171	△26.0%
Net Assets	2,409	78.5%	2,489	83.6%	+80	+3.4%
Total Liabilities and Equity	3,070	100.0%	2,979	100.0%	△90	△3.0%
Equity Capital Ratio (%)	78.5%		83.6%		+5.1pt	



■ Reference Materials for Financial Results

- 1 P/L Statement Summary
- 2 Gross Profit by Service
- 3 KPI Changes

1 (Reference) P/L Statement Summary



Unit: million yen	FY12/2024 1Q Results	Net Sales %	FY12/2025 1Q Results	Net Sales %	YoY
Sales	574	100%	754	100%	+31.2%
Cost of Sales	135	23.6%	150	19.9%	+10.8%
Labor Costs	67	11.8%	81	10.8%	+20.6%
Manufacturing Costs	54	9.4%	50	6.6%	△7.3%
Outsourcing Costs	13	2.4%	18	2.4%	+33.8%
Gross Profit	439	76.4%	603	80.1%	+37.4%
SG&A Expenses	205	35.7%	227	30.1%	+10.6%
Personnel Expenses	83	14.5%	101	13.4%	+21.1%
Advertising Expenses	24	4.3%	16	2.2%	△32.3%
R&D Expenses	0	0.1%	6	0.8%	+911.8%
Other Expenses	96	16.8%	102	13.6%	+6.6%
Operating Profit	234		376		+61.0%
Operating Profit Margin	40.7%		50.0%		+9.3pt

2 (Reference) Gross Profit by Service



Unit: million yen	FY12/2024 1Q Results	Net Sales %	FY12/2025 1Q Results	Net Sales %	YoY
Net Sales	574	100%	754	100%	+31.2%
Cloud	511	89.0%	650	86.3%	+27.1%
BPaaS	54	9.5%	94	16.5%	+74.5%
Other	8	1.5%	8	1.4%	△4.8%
Cost of Sales	135		150		+10.8%
Cloud	108		115		+6.5%
BPaaS	27		35		+28.1%
Other	0		0		-
Gross Profit	439		603		+37.4%
Cloud	403		535		+32.7%
BPaaS	27		59		+121.3%
Other	8		8		△4.8%
Gross Profit Margin	76.4%		80.1%		
Cloud	78.9%		82.3%		
BPaaS	49.8%		63.1%		
Other	100.0%		100.0%		



	FY12/2022				FY12/2023				FY12/2024				FY12/ 2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
No of contract ST	1,885	1,977	2,067	2,161	2,289	2,377	2,461	2,575	2,698	2,801	2,891	3,028	3,186
No of new contracts	132	107	105	117	139	127	111	134	160	162	133	178	196
No of terminated contracts	7	14	13	22	19	27	22	24	36	56	48	37	34
(contracts switched to other companies)	1	4	7	16	7	7	5	7	15	23	23	18	15
Change in number of dormant STs	-17	-1	-2	-1	8	-12	-5	4	-1	-3	5	-4	-4
No of AO iBow	1,714	1,857	1,945	2,018	2,098	2,246	2,326	2,410	2,490	2,605	2,726	2,818	2,885
No of iBow Receipt Users	1,345	1,485	1,573	1,642	1,722	1,864	1,949	2,039	2,136	2,248	2,377	2,486	2,536
Use rate to number of AO iBow	78.5%	80.0%	80.9%	81.4%	82.1%	83.0%	83.8%	84.6%	85.8%	86.3%	87.2%	88.2%	87.9%
No of BPaaS Users	42	55	71	84	90	102	114	124	124	137	155	179	199
Use rate to number of AO iBow	2.5%	3.0%	3.7%	4.2%	4.3%	4.5%	4.9%	5.1%	5.0%	5.3%	5.7%	6.4%	6.9%
No of Users of AI Home-visit Nursing Plans & Reports													※ 659
Use rate to number of AO iBow													22.8%
Unit Price per Customer (thousand yen)	68.5	70.2	71.9	73.6	74.1	75.2	76.0	76.3	75.5	78.0	79.3	81.3	83.7
MRR Churn Rate (%)	0.05%	0.06%	0.07%	0.11%	0.11%	0.14%	0.09%	0.11%	0.15%	0.27%	0.20%	0.13%	0.11%

* The number of users reached 551 in 2025/1, when billing started for the AI Home-visit Nursing Plans & Reports service.

Disclaimer

These materials include forward-looking statements. These statements, which are based on generally recognized economic, social, and other circumstances and certain assumptions deemed reasonable by the Company as of the writing of this document, include risks and uncertainties. The statements do not guarantee the Company's future results or business performance.

Actual business performance may vary significantly from the forward-looking statements herein due to a wide variety of future factors, including competition with other companies and changes in economic conditions, customer needs, customer preferences, and laws and regulations.

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**To all of our iBow users and to all of those who have supported our company,
we would like to take this opportunity to thank you again.**

**Since its release in 2014, iBow has worked with many nurses and Home-visit Nursing
Stations to develop many functions and new services.**

**We will continue to "make people happy" by providing new value for home care
and aiming to be a company that can contribute to a better society.**

