



FY12/2025 2Q Financial Results and Explanatory Materials

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

August 14, 2025

Profit significantly exceeded eWeLL's forecasts.

Investment phase starts in 2H, accelerated growth investment.

◆ **Both net sales and operating profit exceeded eWeLL's earnings forecast.**
Plan to invest capital in growth investment in 2H.

- Sales led by AI Home-visit Nursing Plans & Reports, legal training services, and BPaaS. Higher sales resulted in slightly higher profit compared to our earnings forecast, and an impact was seen in postponing investment to 2H. More than JPY100M achieved over our earnings forecast.
- The free trial period for AI Home-visit Scheduling & Routes extended until year end and aim to maximize number of billed customers in 2H. In addition to the already-announced investment, namely the Tokyo Office relocation, eWeLL's policy is to invest even more in growth, including invest in R&D, promote sales, increase advertising, and recruit personnel.
- While accelerating above growth investment, plans to achieve sales and profit indicated in initial earnings forecast.

◆ **AI Home-visit Scheduling & Routes launched on July 24, start of free trials**

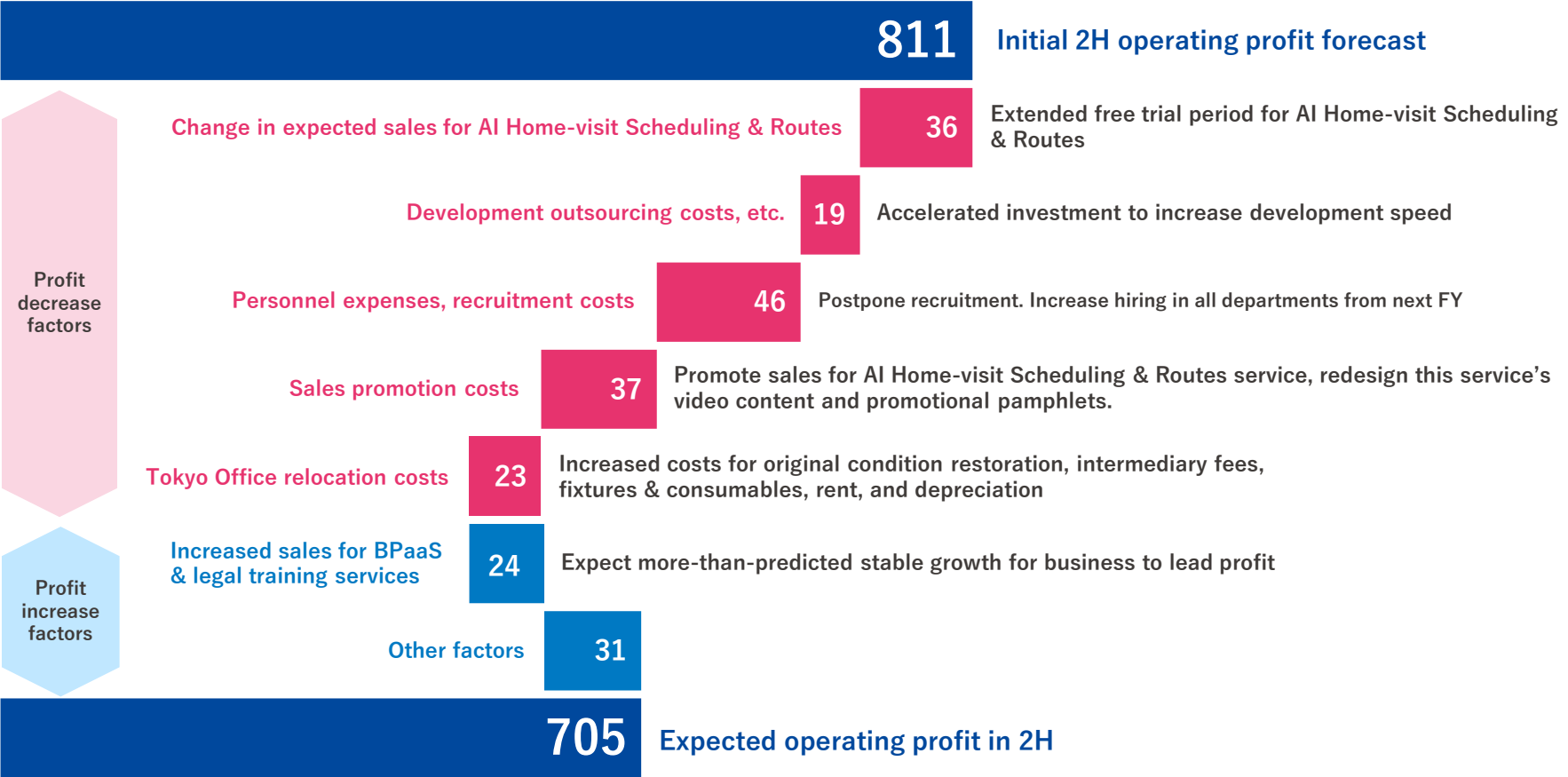
- Free trial period started from July 24, 2025 for AI Home-visit Scheduling & Routes (free trial period until December 2025 is planned)
- The free trial is based on a “advance application system”, and by establishing a system whereby we can create opportunities to explain our new services to our customers, we can increase the conversion rate to fee-based use. We aim to maximize the number of customers billed from January 2026.



2H operating profit expected to be about JPY700M, and eWeLL predicts we will reach our initial forecasts for FY2025. eWeLL foresees even further growth from next FY, and plans to invest in sales promotion, development, personnel, and its infrastructure.

Expected 2H operating profit and variance factors from figures in initial forecast

(Unit: million yen)



In the circumstances of an increasingly aging population in 2040, medical institutions face a significant social issue: Growth and Sustainability. eWeLL supports the locally essential medical resources, based on the concept of realizing “Team Medical Care.”

Our Concept

eWeLL will provide its **Team Medical Care** to realize Growth and Sustainability. Our concept is to manage the below 3 areas based on this goal.

1 Risk Management

Manage underlying risks and safety concerns
ex) Problems during a visit, harassment, and staff resignations

2 Resource Management

Distribute resources based on a foundation for sustainable growth
ex) Invest in productivity improvements, train human resources, stabilize operating rates

3 Governance Management

Control as an organization, establish sound management
ex) Improve service quality, ensure compliance, understand business policies

Trial Application System

Only customers who have received an explanation or watched a seminar video may submit a trial application

We believe understanding the concept is essential to maximize use of this service.
Unlike past free trials, we are targeting **customers whom we expect will have a high conversion rate to paid users.**

AI Home-visit Nursing Plans & Reports

This service does not require any special set-up and can be used by simply clicking on the button to generate a daily report, as long as accurate records are kept.

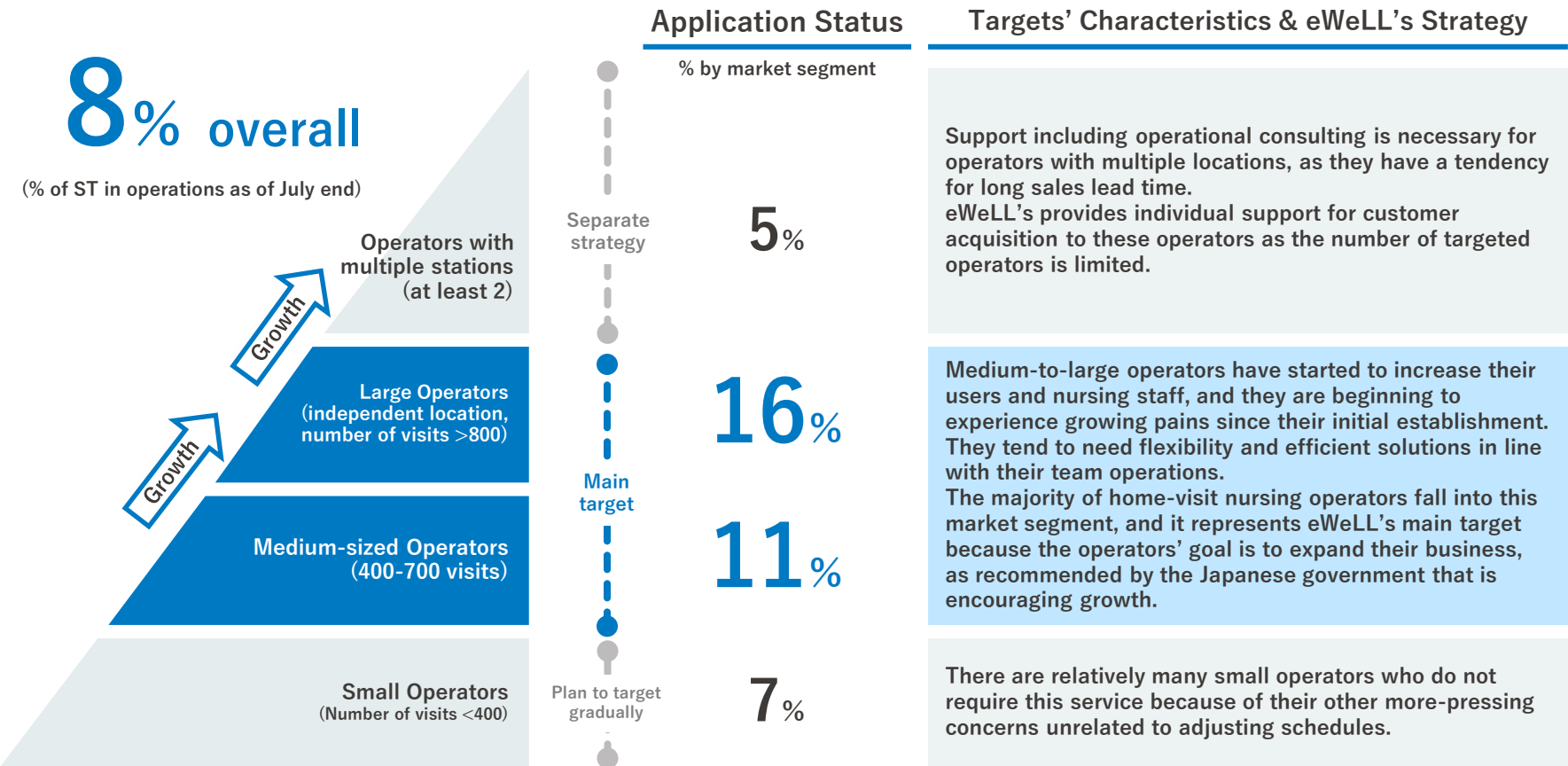
→ **Separate set-up is unnecessary, but reports containing users’ updated information are.**

AI Home-visit Scheduling & Routes

Each station creates the rules for its users’ visit schedules and its visiting nurses’ schedules and qualifications.

→ **Coordination between a station’s goals and its operations is required**

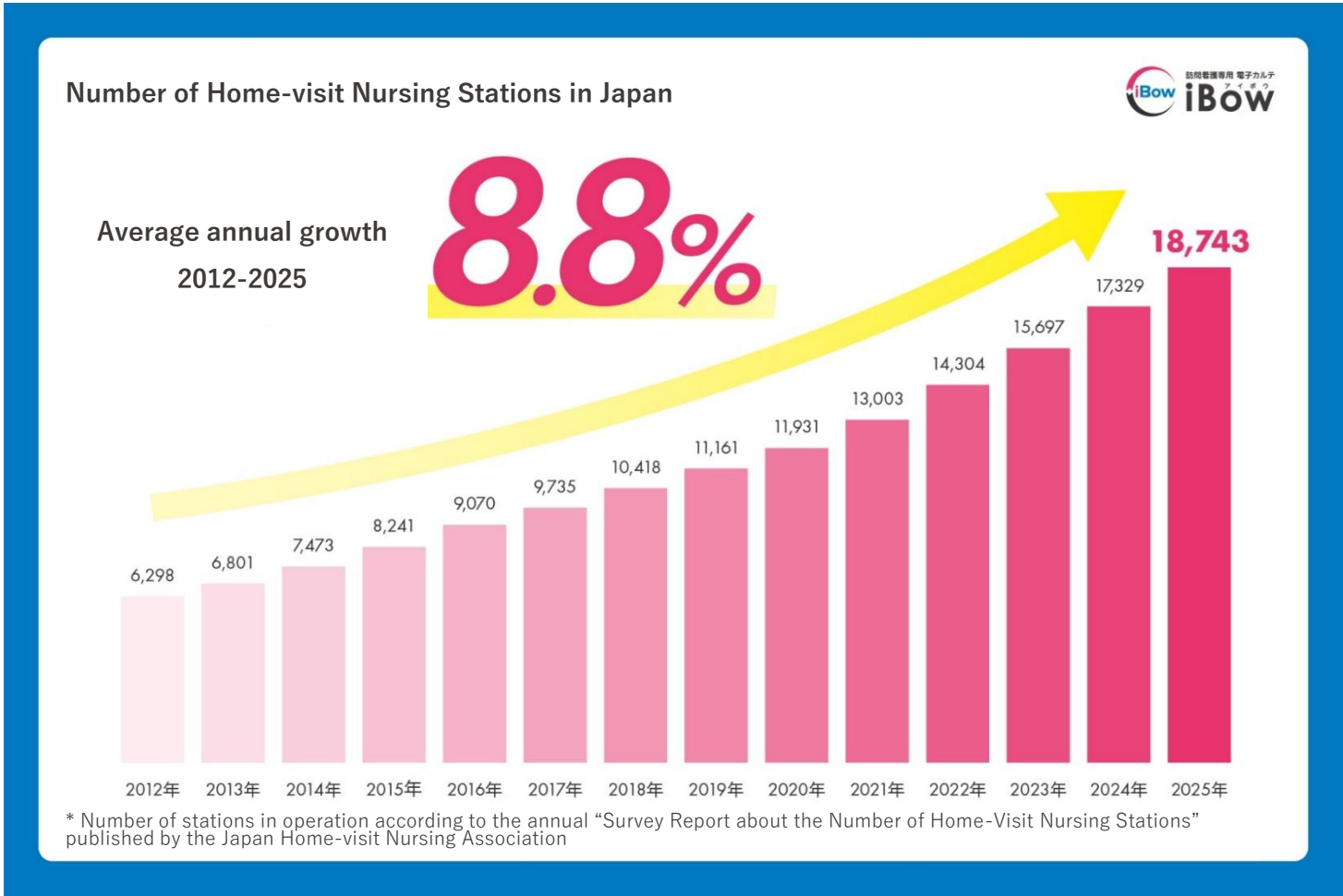
Since starting this service 2 weeks ago, 8% of customers have signed up for a free trial. Most applications were by mid-to-large operators. eWeLL will put effort into supporting the introduction of this service to support its growth and sustainability goals.



3 Number of Home-visit Nursing Stations throughout Japan in 2025



The number of home-visit nursing stations throughout Japan as of April 2025 was 18,743. Growth has continued at a rate of just under 10% and eWeLL aims to expand our business catching the tailwind of this market growth.



■ FY12/2025 2Q Financial Results

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- 3 Net Sales Results by Service
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- 5 Analysis of Operating Profit
- 6 Gross Profit Margin by Service
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Sales growth was led by our AI Home-visit Nursing Plans & Reports Cloud Services, legal training services, and BPaaS. We also expect to achieve the level of our earnings forecast based on our plan to account for our costs during our investment phase in this fiscal year’s 2H.

(Unit: million yen)	FY12/2024 1H Results	FY12/2025 1H Forecasts	FY12/2025 1H Results	YoY (%)	FY12/2025 1H Forecasts v Results (%)
Net Sales	1,205	1,564	1,603	+ 33.0%	+ 2.5%
Cloud	1,075		1,387	+ 29.0%	
BPaaS	115		202	+ 75.2%	
Other	14		13	△9.5%	
Operating Profit	528	683	788	+ 49.2%	+ 15.4%
Operating Profit Margin	43.8%	43.7%	49.2%	+ 5.4pt	+ 5.5pt

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 were added to iBow Receipt services and supported our overall business, 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.

The progress rates for our Cloud Services and BPaaS sales are stable and good. For operating profit, the previous term (1H) had many costs, while the plan for this term (2H) is progressing as expected, and so, the progress rate as of 2Q is also good.

Net Sales

(Unit: million yen)

FY12/2025
Net Sales



3,349
(plan)

FY12/2024
Net Sales



2,571
(results)

Operating Profit

(Unit: million yen)

FY12/2025
Operating Profit



1,494
(plan)

FY12/2024
Operating Profit



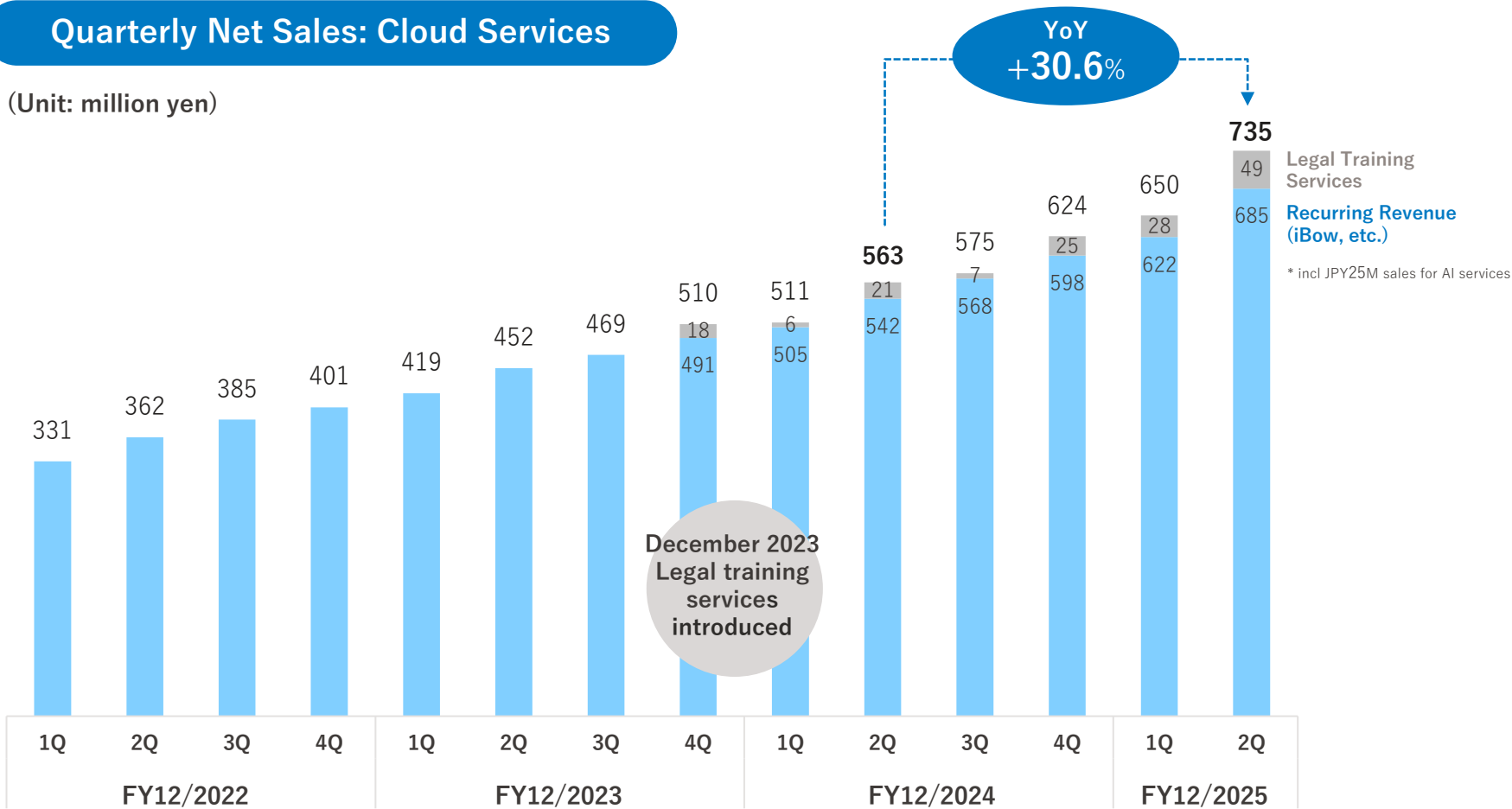
1,135
(results)



Recurring revenue showed a significant increase due to the higher number of Tsukui Corporation contracts and AI services. Moreover, many of last year’s contracts for legal training services were renewed in April, which contributed to the significant increase.

Quarterly Net Sales: Cloud Services

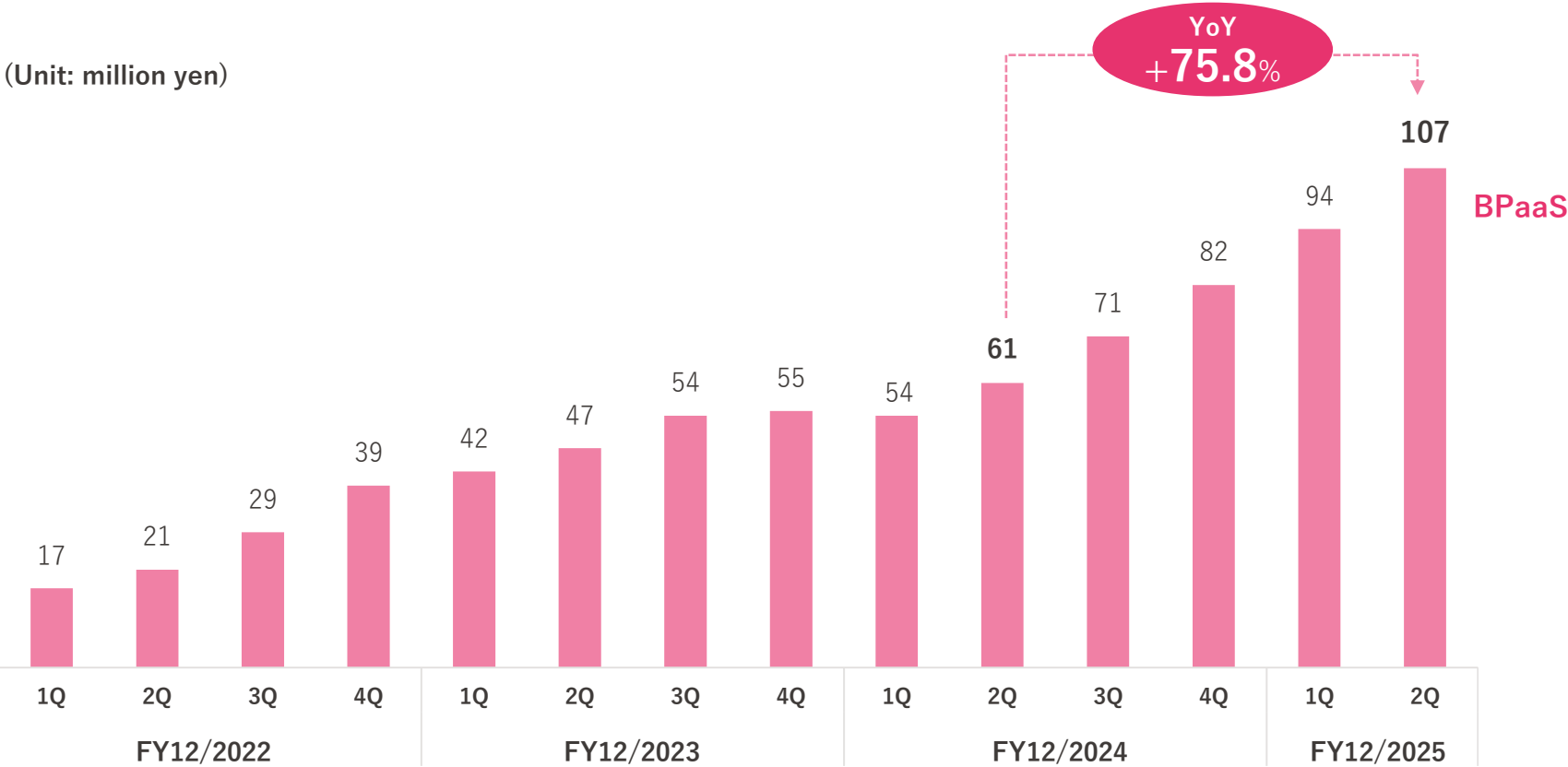
(Unit: million yen)



Both the number of contracts and unit price per customer increased, resulting in continued stable growth compared to last year.

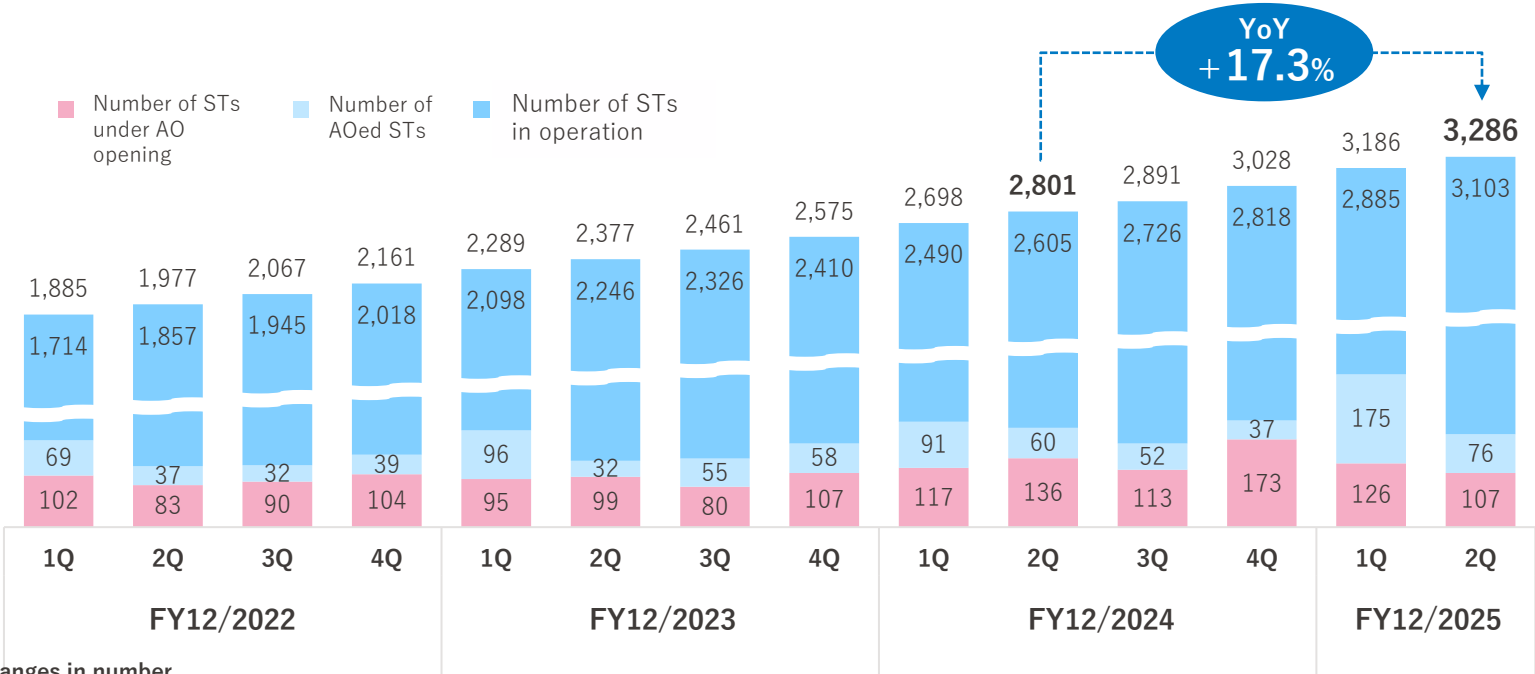
Quarterly Net Sales: BPaaS

(Unit: million yen)





The number of new contracts increased, while the terminated contracts were fewer than expected. Consequently, the number of contracted stations as of 2Q end were more than planned.



Breakdown of changes in number of contracted stations

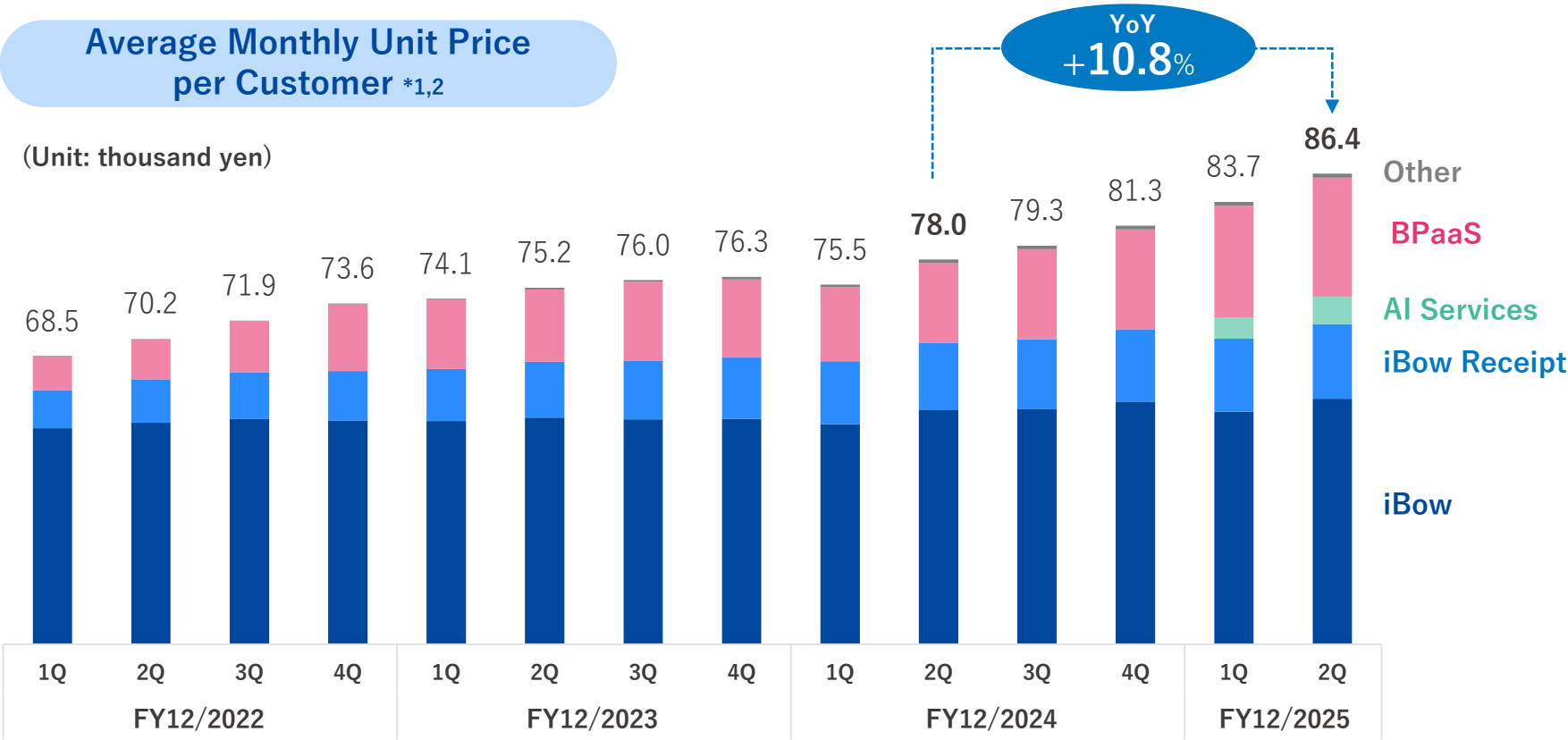
	FY12/2022				FY12/2023				FY12/2024				FY12/2025	
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q
(1) New acquisitions	132	107	105	117	139	127	111	134	160	162	133	178	196	165
(2) Terminations	-7	-14	-13	-22	-19	-27	-22	-24	-36	-56	-48	-37	-34	-59
(3) Change in number of dormant STs	-17	-1	-2	-1	8	-12	-5	4	-1	-3	5	-4	-4	-6
Quarterly total	108	92	90	94	128	88	84	114	123	103	90	137	158	100

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 unit price per customer increased for all services, and we realized growth of another 10% compared to 1Q. We expect the number of users for our BPaaS and AI services will continue to increase, which will lead to another increase in unit price.

Average Monthly Unit Price
per Customer *1,2

(Unit: thousand yen)



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.

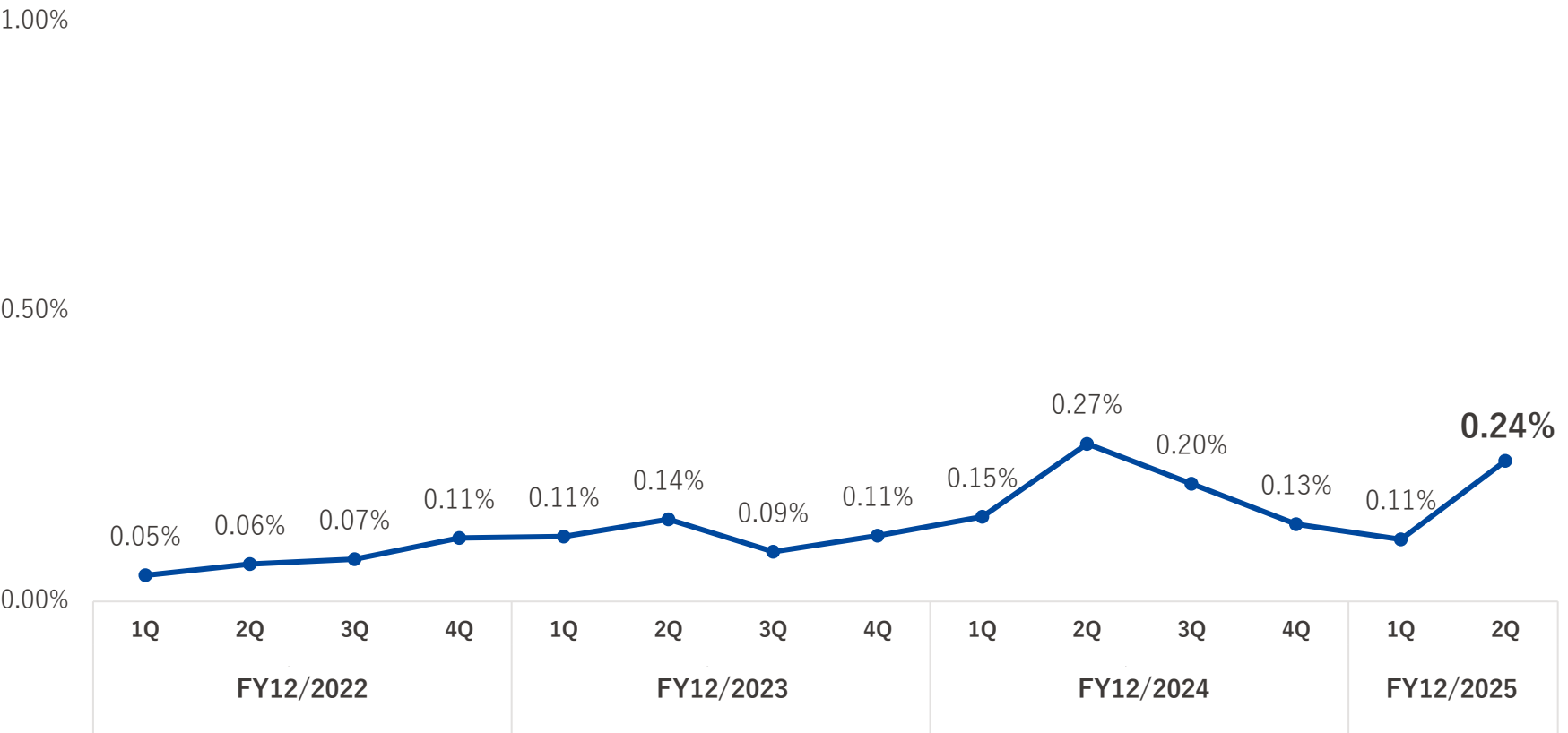
2. Due to the seasonal nature of 2Q, which includes January and February and has fewer business days, resulting in fewer visits, Unit Price Per Customer for both cloud and BPaaS tends to be a few percentage points lower than in other quarters.



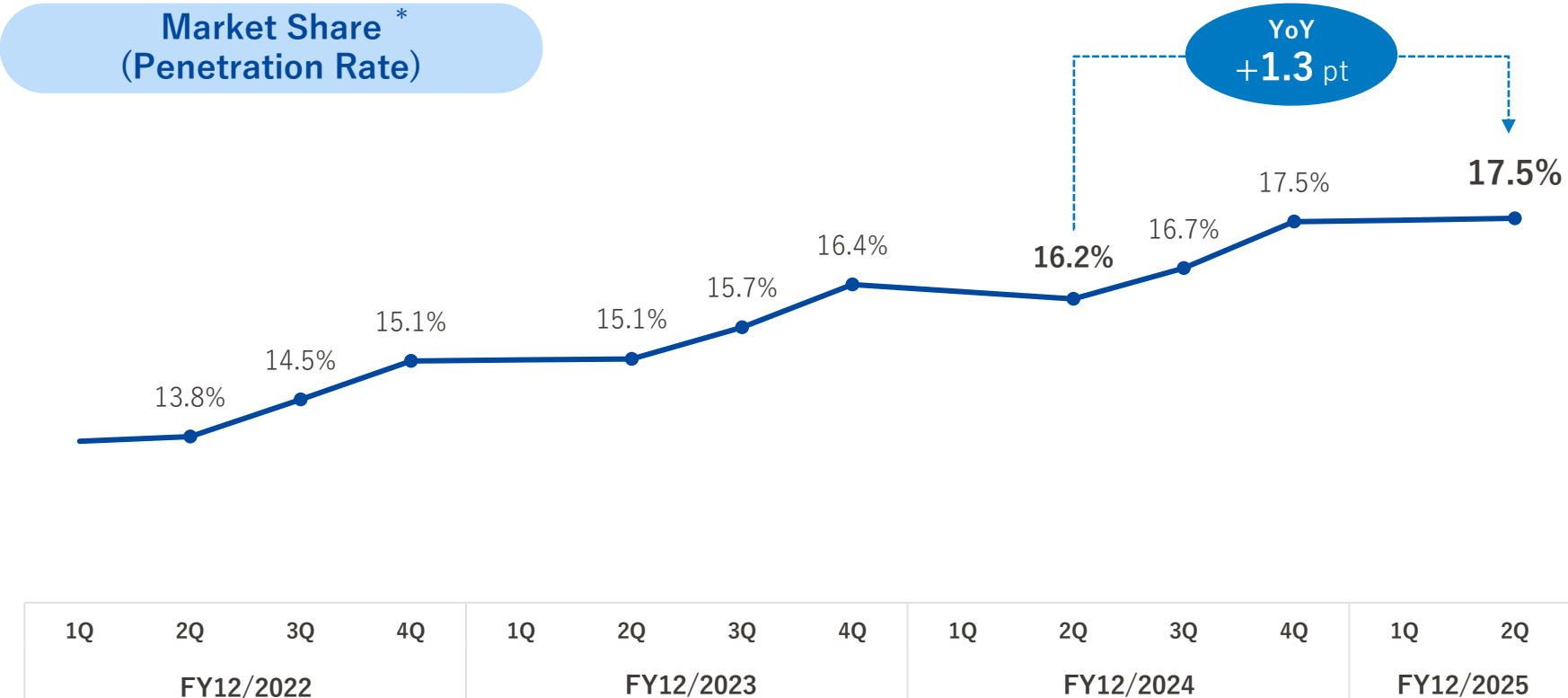
We achieved a decrease compared to last fiscal year’s 2Q based on the seasonal expected increase of terminations accompanying the expiring contracts in 2Q. We expect 3Q’s revenue churn rate will decrease even further compared to 2Q, as there will be no major change with the approximate 50% of customers that will switch to another company.

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.

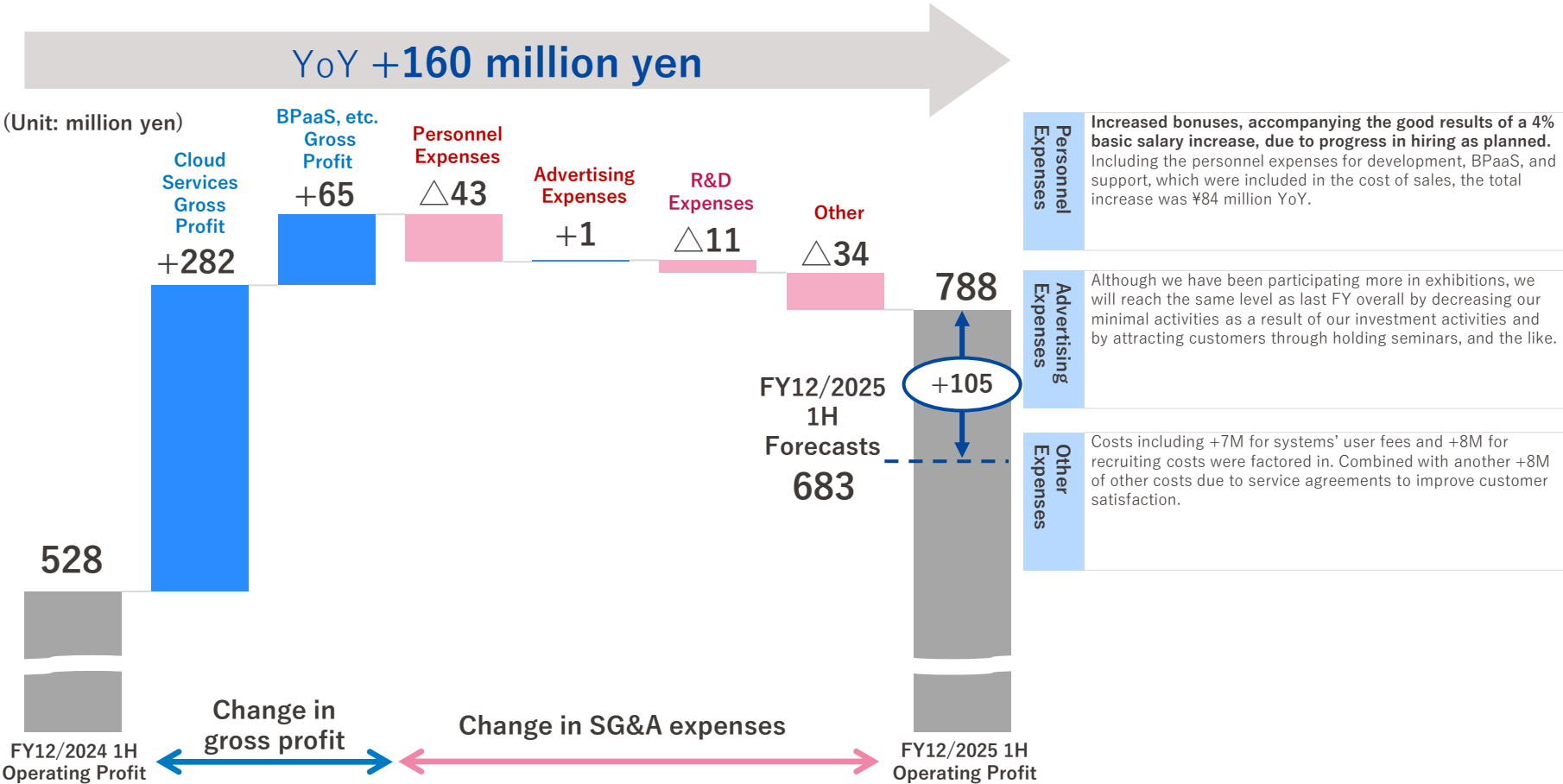


Our market share (penetration rate) is stably increasing. The denominator for calculating market share remains unchanged from 4Q to the following year’s 2Q due to when it is updated.



*: 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 2Q, as there is a several-month delay in announcing the number of stations.

Operating profit increased by 105M compared to our earnings forecast due to good sales and pushing back our development outsourcing costs and recruiting costs to 2H. Otherwise, we expect the operating profit to be at the same level as our earnings forecast because the free trial period for our AI Home-visit Scheduling & Routes services was extended and there were relocation costs for our Tokyo Office.





Our overall gross profit margin is expected to be about as expected for the whole FY, as the development costs for cloud services will likely increase as planned from 2Q. We also plan to increase our number of employees before FY end, although our recruitment is slightly behind schedule with respect to our stable growth for new BPaaS orders.

Overall Gross Profit Margin

- The gross profit margins for cloud services and BPaaS were good.
- It is expected the final result will be approximately as expected.



2Q GP Margin
78.5%

FY12/
2022 FY12/
2023 FY12/
2024 FY12/
2025
1H

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 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.

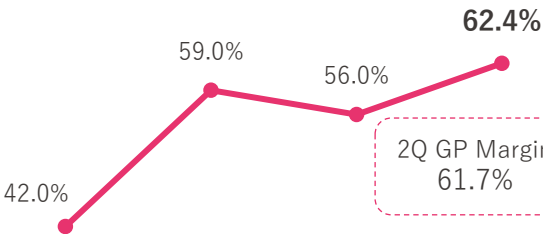


2Q GP Margin
80.8%

FY12/
2022 FY12/
2023 FY12/
2024 FY12/
2025
1H

BPaaS Gross Profit Margin

- The gross operating profit is rising due to the steady increase in sales, although we are slightly behind our recruiting activities.
- We are simultaneously strengthening our recruitment, and are managing our changing targets at about 60% again.



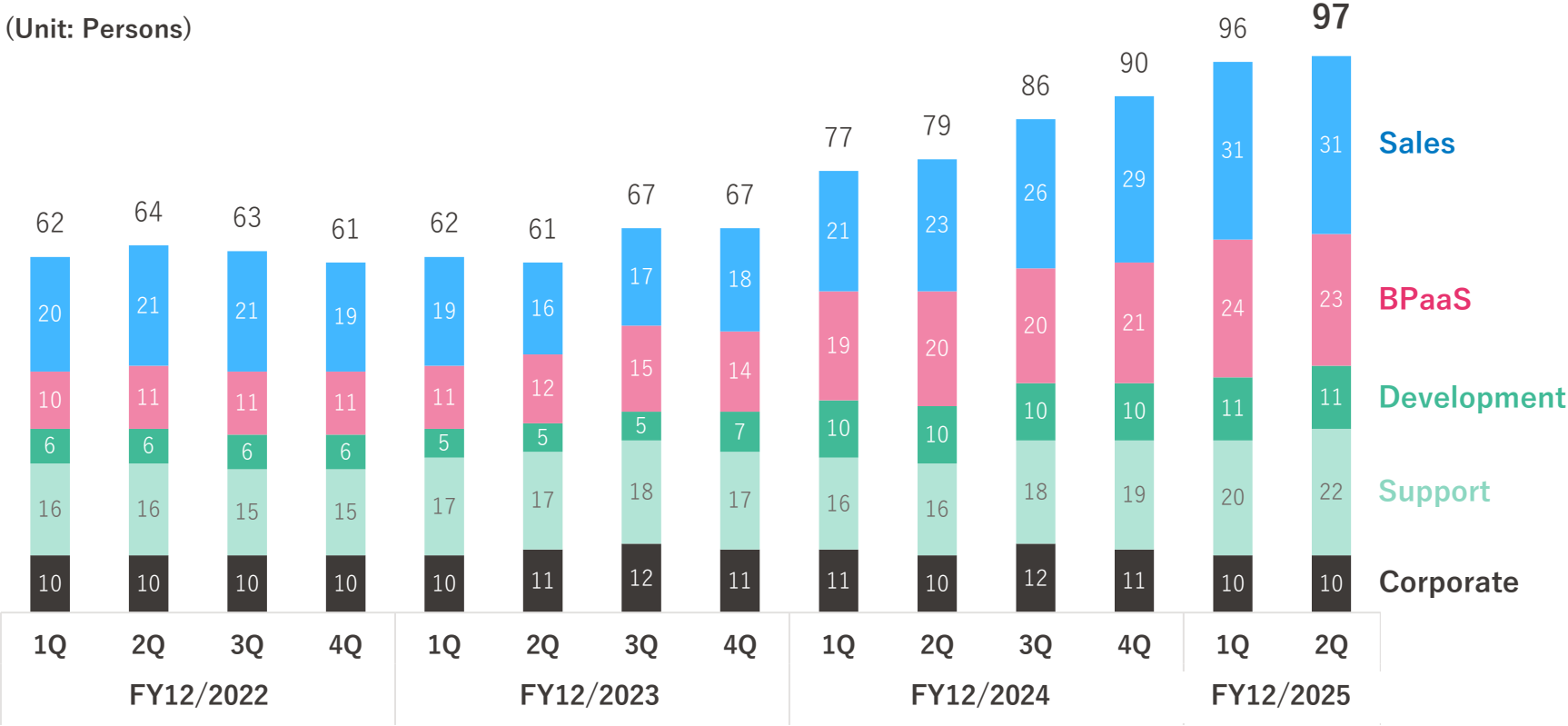
2Q GP Margin
61.7%

FY12/
2022 FY12/
2023 FY12/
2024 FY12/
2025
1H

Our number of employees increased only slightly due to a delay in our recruitment, but we are making more efforts in our recruitment activities across the board for next FY, and we plan to hire about 15 new employees in 2H.

Number of Employees by Department

(Unit: Persons)



There was no noteworthy change in our balance sheet in 2Q.

We will continue our efforts to accumulate net assets and focus on a sound financial foundation to build a financial structure capable of flexible investment (such as, M&A).

	FY12/2024 4Q		FY12/2025 2Q		FY12/2025 2Q v FY12/2024 4Q	
(Unit: million yen)	Amount	%	Amount	%	Amount	%
Current Assets	2,526	82.3%	2,898	82.3%	371	+14.7%
(Cash and Deposits)	1,965	64.0%	2,221	63.0%	255	+13.0%
Non-current Assets	543	17.7%	625	17.7%	81	+15.0%
(Tangible Fixed Assets)	248	8.1%	246	7.0%	△1	△0.6%
Total Assets	3,070	100.0%	3,523	100.0%	453	+14.8%
Current Liabilities	559	18.2%	598	17.0%	39	+7.1%
Non-current Liabilities	102	3.3%	102	2.9%	0	0.0%
Total Liabilities	661	21.5%	701	19.9%	39	+6.0%
Net Assets	2,409	78.5%	2,822	80.1%	413	+17.2%
Total Liabilities and Equity	3,070	100.0%	3,523	100.0%	453	+14.8%
Equity Capital Ratio (%)	78.5%		80.1%		+1.6pt	



■ Reference Materials for Financial Results

- 1 P/L Statement Summary
- 2 Gross Profit by Service
- 3 KPI Changes
- 4 1H Operating Profit's Difference
with Earnings Forecast

(Unit: million yen)	FY12/2024 1H Results	Net Sales %	FY12/2025 1H Results	Net Sales %	YoY
Net Sales	1,205	100%	1,603	100%	33.0%
Cost of Sales	283	23.5%	332	20.8%	17.4%
Labor Costs	136	11.3%	177	11.1%	29.9%
Outsourcing Costs	119	9.9%	115	7.2%	△3.2%
Manufacturing Costs	27	2.3%	39	2.5%	44.8%
Gross Profit	922	76.5%	1,270	79.2%	37.8%
SG&A Expenses	393	32.7%	481	30.1%	22.4%
Personnel Expenses	170	14.2%	214	13.4%	25.8%
Advertising Expenses	49	4.1%	47	3.0%	△3.2%
R&D Expenses	1	0.1%	12	0.8%	818.1%
Other Expenses	172	14.3%	206	12.9%	19.9%
Operating Profit	528		788		49.2%
Operating Profit Margin	43.8%		49.2%		



2 (Reference) Gross Profit by Service



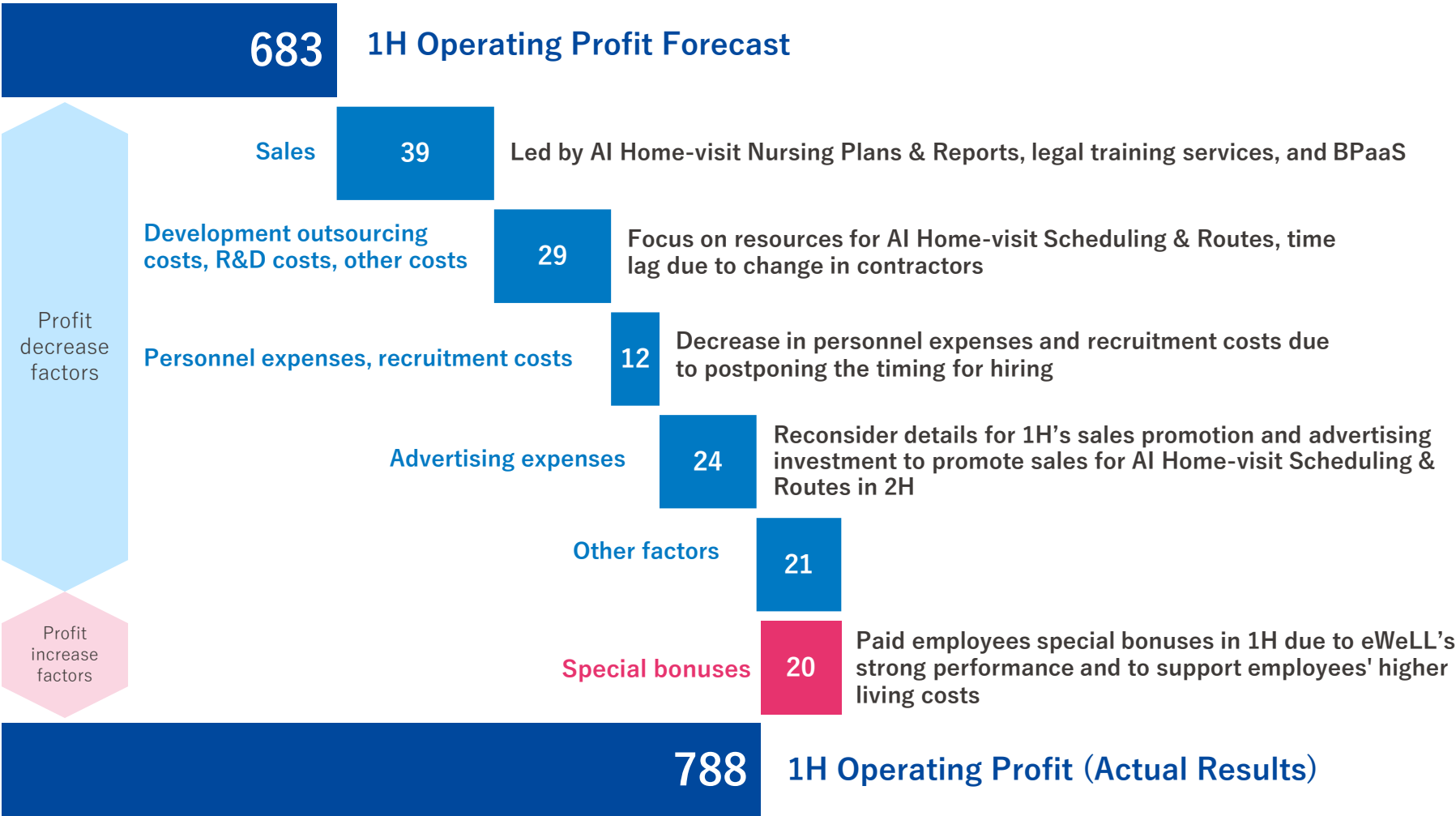
(Unit: million yen)	FY12/2024 1H Results	Net Sales %	FY12/2025 1H Results	Net Sales %	YoY
Net Sales	1,205	100%	1,603	100%	33.0%
Cloud	1,075	89.2%	1,387	86.5%	29.0%
BPaaS	115	9.6%	202	12.3%	75.2%
Other	14	1.2%	13	0.8%	△9.5%
Cost of Sales	283		332		17.4%
Cloud	227		256		12.9%
BPaaS	56		76		35.5%
Other	0		0		-
Gross Profit	922		1,270		37.8%
Cloud	847		1,130		33.3%
BPaaS	59		126		112.9%
Other	14		13		△9.5%
Gross Profit Margin	76.5%		79.2%		
Cloud	78.9%		81.5%		
BPaaS	51.3%		62.4%		
Other	100%		100%		-



	FY12/2022				FY12/2023				FY12/2024				FY12/2025	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
No of contract Stations	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	3,286
No of new contracts	132	107	105	117	139	127	111	134	160	162	133	178	196	165
No of terminated contracts	7	14	13	22	19	27	22	24	36	56	48	37	34	59
(contracts switched to other companies)	1	4	7	16	7	7	5	7	15	23	23	18	15	34
Changes in suspended contracts	-17	-1	-2	-1	8	-12	-5	4	-1	-3	5	-4	-4	-6
No of iBow Stations in Operation	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	3,103
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	2,675
% of iBow Stations in Operation	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%	86.2%
No of BPaaS Users	42	55	71	84	90	102	114	124	124	137	155	179	199	221
% of iBow Stations in Operation	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%	7.1%
No of Users of AI Home-visit Nursing Plans & Reports													659	890
% of iBow Stations in Operation													22.8%	27.1%
Unit Price per Customer (1000yen)	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	86.4
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%	0.24%

Factors for 1H Operating Profit's Difference with 1H Operating Profit Forecast

(Unit: million yen)



Disclaimer

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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.**

