COMPANY RESEARCH AND ANALYSIS REPORT

UNIRITA Inc.

3800

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Contents

Summary 01

1. Company profile 01
2. Overview of FY3/26 results 01
3. FY3/27 forecasts 01
4. Medium- to long-term direction 02

Company profile 03

1. Business overview 03
2. Corporate characteristics 05

Results trends 07

1. Overview of FY3/26 results 07
2. FY3/26 summary 09

Results of main activities 10

1. Release of new service to utilize generative AI 10
2. Promoting Group-wide ecosystem orders 10
3. Track record in transportation infrastructure DX 10

Business forecasts 11

1. FY3/27 forecasts 11
2. FISCO's view 11

Medium- to long-term direction 12

1. Overview of the medium-term management plan 12
2. Medium- to long-term focal points 13

History and business performance 14

1. History 14
2. Past business performance 15

Shareholder returns 17

Summary

Results for FY3/26 were strong. Increased sales and profits also expected in FY3/27 along with a third consecutive dividend increase

1. Company profile

UNIRITA Inc. <3800> (hereafter, also "the Company") is engaged in the development and sale of products and services related to data utilization and IT system operations, as well as peripheral system development and consulting services for a wide range of industries, primarily finance and manufacturing. As the role of IT shifts from "defensive" (for example, improving operational efficiency and reducing costs) to "offensive" (a means to achieve competitive advantages in business), the Company has leveraged its strengths in the fields of service management and data management to demonstrate its ability to provide solutions that directly address the operational challenges faced by companies engaged in digital transformation (DX). Recently, under a management policy of service shifting, the Company has been promoting a transformation of its business model by transitioning to a subscription-type earnings model that is characterized by the provision of proprietary services via the cloud, engaging in businesses that address social issues—such as workstyle reforms, regional revitalization, and revitalization of primary industries—through the use of digital technologies, and incorporating AI functionality.

2. Overview of FY3/26 results

In the FY3/26 results, net sales increased 5.6% year on year (YoY) to ¥12,342mn, and operating income increased 14.4% to ¥962mn, resulting in increased sales and profits. Results were strong in Product Services—mainly driven by the automation domain, where a carefully planned migration strategy produced successful results—while increased sales in Cloud Services, which resulted from greater demand in the service management domain and other factors, significantly contributed to the growth in revenue. In addition, in Professional Services, sales remained favorable in consulting, system integration, and outsourcing. Despite the costs associated with human capital investment, profits also increased significantly due to building up base profits through Cloud Services and Professional Services, reviewing advertising expenses, reducing outsourcing expenses, and other factors. The Company also achieved results through activities such as releasing a new service featuring patented technologies that utilize generative AI, and securing orders via a Group-wide business model (ecosystem).

3. FY3/27 forecasts

In the Company's forecasts for FY3/27, which is the final fiscal year of the medium-term management plan, net sales are expected to increase 7.4% YoY to ¥13,250mn and operating income is expected to increase 9.1% to ¥1,050mn, with increases expected in both sales and profits. Net sales are expected to remain strong in each business. In particular, price revisions announced in March 2026 and initiatives to enhance added value (using AI in each product and service, strengthening security, and reinforcing the development and operations framework) are expected to help boost earnings. Meanwhile, in terms of profits, although the Company will undertake strategic upfront investments for future growth, these will be covered by the effect of increased sales, the accumulation of base profit in Cloud Services, and the shift to added value fields in Professional Services, thereby securing increased profits. The Company plans to raise the annual dividend by ¥3.0 to ¥75.0 per share, making for the third consecutive dividend increase.

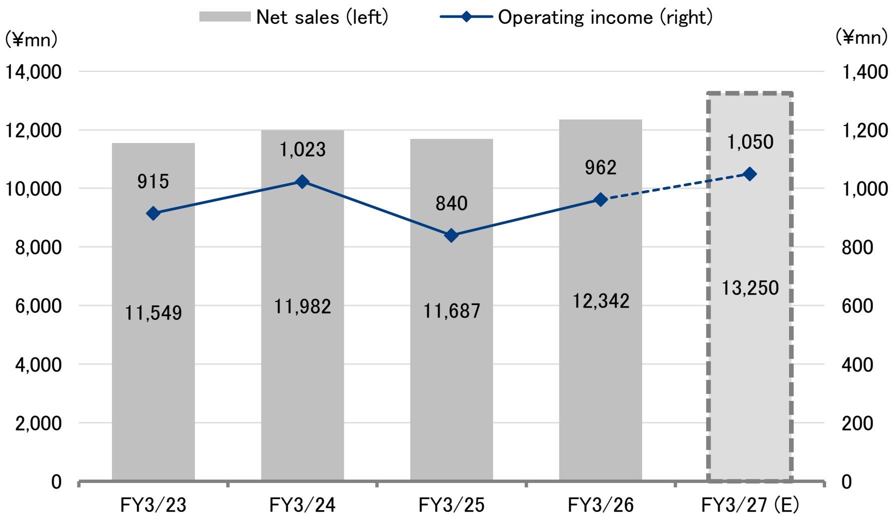
4. Medium- to long-term direction

The medium-term management plan aims to establish a new value provision model through the Group ecosystem, redefining its core competencies as service management and data management. In particular, the Company has promoted a larger scale in each cloud category by continuing to invest in cloud growth areas and promoting value co-creation, including through collaborations with partners. In the final fiscal year of the current medium-term management plan, the Company will strengthen its framework to shift from partial to overall optimization, thereby strengthening customer touchpoints, improving investment efficiency, and paving the way for new business creation, with the aim of accelerating growth under the next medium-term management plan.

Key Points

- Both sales and profits increased in FY3/26 due to strong performance in each business
- Achieved results through a new service utilizing generative AI, group-wide ecosystem orders, etc.
- Despite strategically making upfront investments, increased sales and profits are forecast for FY3/27, with a plan to raise the dividend for the third consecutive fiscal year
- Working on organizational framework enhancements to shift from partial to overall optimization as the medium-term management plan enters its final year

Results trends



Source: Prepared by FISCO from the Company's financial results

Company profile

Has strengths in service management and data management and supports the digital transformation of customers

1. Business overview

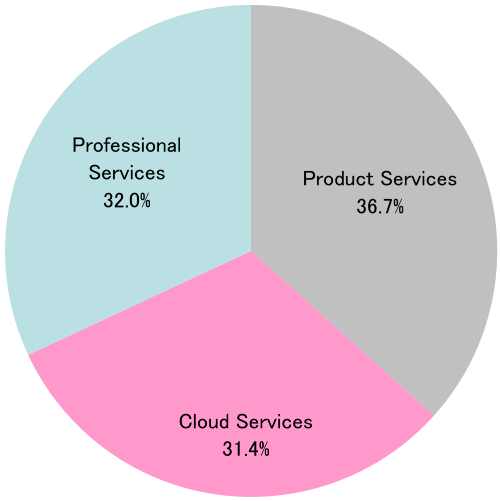
The Company is engaged in the development and sale of products and services related to data utilization and IT system operations, as well as peripheral system development and consulting services for a wide range of industries, primarily finance and manufacturing.

Products for mainframe computers, primarily for financial institutions and large corporations, have been a stable source of income since the Company's establishment and continue to maintain high profitability. In the past, the Company achieved steady business growth by contributing to the automation and efficiency of IT system operations, including customers' job management and form management.

However, in response to changes in the external environment, such as the shift to open architecture systems, system downsizing, the proliferation of cloud computing, and the utilization of big data and generative AI, the Company has expanded its business domain beyond its previous focus on areas that contributed to automation and productivity improvement in IT system operations. This business domain now includes fields that directly contribute to enhancing customers' corporate value, such as market expansion and improved competitiveness. In particular, the trend toward DX is accelerating not only in corporate information system departments but also in the service provision models of business departments. The Company's strength lies in its established business structure, which addresses customers' DX needs on both the offensive and defensive sides of IT. Recently, the Company has worked on transitioning to a subscription-type earnings model that provides proprietary services through cloud utilization as part of the Company's own business model, engaging in business that addresses social issues through the use of digital technologies, incorporating AI functionality, and other initiatives.

The Company divides its business into the three segments of Product Services, Cloud Services, and Professional Services. The sales ratio for Product Services, which has been the Company's core business area since it was founded, is 36.7% (FY3/26), and sales in this area have become a key income source due to the high operating income margin. Going forward, the Company's strategy calls for substantially increasing business in Cloud Services, which is a growth area.

Breakdown of net sales by business segment (FY3/26 results)



Source: Prepared by FISCO from the Company's financial results

An overview of each business is provided below.

(1) Product Services

This segment provides products related to system operations (automation, forms, etc.) in on-premises-type*1 and service provision-type formats. It also handles sales and support for mainframe products (operation and management of core mainframe systems), primarily for financial institutions, insurers, and major manufacturers. These mainframe products have been the Company's core business since its founding. Core products include the job management tool A-AUTO (automation business)*2 and Marutto Form Cloud Service*3, which comprehensively assists with form business.

*1 This refers to the operation of an information system, including servers and software, using equipment at facilities managed by the user.
*2 A-AUTO is a batch processing job management tool that manages jobs on systems that are operating on different platforms in an integrated manner and realizes automatic execution controls.
*3 This is a service that comprehensively assists customers in cumbersome form output tasks (these range from form printing and mailing services to digitalization and online distribution).

(2) Cloud Services

This segment divides areas for solving issues through service provision into IT issues, business issues, and social issues, and provides services suited to the characteristics of each area. 1) In the field of IT issues, the Company offers LMIS (a service management platform)*1, Digital Workforce (an ID management platform), Waha! Transformer (a data conversion and processing service), and other services to corporate information system departments. 2) In the field of business issues, the Company provides The Staff-V Series (an attendance management service for temporary staffing businesses), Rakuraku BOSS (a comprehensive solution for work management), Growwwing (a customer success ramp-up and growth assistance service), and other services to corporate business departments and management departments. The Company views this business area as a growth opportunity. 3) In the field of social issues, the Company promotes Community MaaS*2, a solution that supports public transportation and efforts to revitalize local areas, targeting local governments and public transportation entities.

*1 A service management platform that focuses on corporate service desk functions (channels through which users can make inquiries regarding system malfunctions, technical support, etc.).

*2 A platform that enables the subsidiary UNITRAND Inc. to coordinate services promoting purposes for travel with mobility as a service (MaaS), which is a one-stop service for route searches, reservations, payments, etc. that optimally combines multiple forms of public transport with other mobility services, and to utilize data collected from those services.

(3) Professional Services

This segment supplies services through Group companies in a one-stop manner, from consulting services to services for system introduction support, system integration, and outsourcing, all of which draw on the Company's expertise in service management and data management.

In the customer base of this segment, the Company has an extensive track record of services being adopted by large enterprises. There is a wide range of customer industries, with the manufacturing, retail and distribution, and finance and insurance industries accounting for high percentages in terms of sales ratio by industry.

Regarding sales channels, the Company previously provided its products and services mainly through direct sales, but has recently been working to strengthen its ability to provide solutions through collaborations with its partner companies (sales agencies). The number of partner companies now exceeds 100. It is also focusing on online marketing and has established a framework to acquire projects through this. Going forward, the Company will also work to secure orders through a Group-wide ecosystem, with consulting as its starting point.

The Company has the following eight main consolidated subsidiaries. BSP Solutions Inc. runs a systems operations consulting business. BSP (Shanghai) Inc. is the base for sales in China. HuApp Technology Inc. provides services to the human resource business industry. Data Research Institute handles data management consulting business. UNITRAND Inc. offers mobile IoT services for local public transport*. UNIRITA PLUS Inc. strengthens sales to customers in western Japan while collaborating with partner companies. Mugen Corp. conducts system integration business and develops and sells its own packaged software. UNIRITA SR Inc. provides system operation agency services and technical support services.

* UNITRAND Inc. was merged by absorption into UNIRITA Inc. on July 1, 2026.

2. Corporate characteristics

The Company has set its purpose as “Rita de tsumugu keizai wo tsukuru” (creating an economy spun together through altruism). Its shared values are expressed through the name UNIRITA, which is a combination of “unique” and “rita” (“rita” being the Japanese word for altruism).

The Company has the following three characteristics.

(1) An independent developer of proprietary packaged software

A strength of the Company's products for system operations and mainframe businesses, which have been its core businesses since its establishment, is that they enable smooth system operation without being constrained by the scale of the computer, the manufacturer, or other factors. Competing manufacturer-based products do not allow the hardware component to be replaced with products from other manufacturers, which hinders customers' ability to build flexible systems. In contrast, the Company's products are free from such constraints and enable flexible system development. Also, the Company's value proposition in its core businesses is ultimately defined by how much it contributes to the automation and improved efficiency of IT system operations. Recently, it has also come to play an important role in improving the quality of customer service provided by each company, and the track record and know-how the Company has accumulated by specializing in this area contribute to the performance of its products and services and to the strengthening of its proposal capabilities. Amid a prevailing trend for relying on agents for system installation, the Company has provided its products directly, primarily to financial institutions and large corporations. The fact that its products are often adopted as replacements during system updates can lay claim to being proof of this.

In addition, the Company has been entrusted with the operation of the SysAdmin's Group, the largest network of system administrators in Japan, which has approximately 20,000 individual members and more than 450 endorsing companies, thereby demonstrating the Company's presence as a driving force in this field. Going forward, to meet customers' changing needs, the Company plans to build even stronger ties with customers by shifting from the conventional method of product sales to a subscription-type earnings model that combines cloud utilization and system operations.

(2) Stable income from the mainframe business being invested in new growth areas

Much of the Company's income comes from Product Services, and within this segment, the mainframe business has a profit margin exceeding 50%, thereby supporting the Company's performance as a stable source of income. This profitability is believed to be enabled not only by customer confidence in the Company's products and services but also by the high switching costs (costs arising from system replacement) borne by customers. Although the mainframe business continues to shrink due to external factors such as the advancement of open architecture systems*, it is expected to serve as a cash cow for the time being by capitalizing on its positioning of enjoying remaining-player advantages and through ongoing strong demand. Therefore, the ability to redirect this cash flow into investments in growth areas such as Cloud Services is considered a significant advantage for the Company.

* Fujitsu <6702> has expressed its intent to exit the mainframe manufacturing and sales businesses in 2030. User companies are expected to migrate to the cloud by the end of the maintenance period.

(3) Strength in total proposals that leverage service management and data management

Through previous business structure reforms, the Company has expanded the scope of its service provision from the conventional focus on information system departments to include business departments and management departments, and has not only contributed to the automation and improved efficiency of IT system operations, but also worked to broaden its business domains into areas that create corporate value. Amid a shift in consumption trends from goods to experiences, and in addition to movement by companies to transition their service provision models from sales-based to service-based (set-fee usage models), recently, data utilization has become increasingly important due to the popularization of AI. In this environment, the Company's establishment of operations capable of supporting both the offensive and defensive aspects of customer businesses has become a competitive advantage.

The Company has redefined its core competencies as service management and data management, which it has cultivated in the domains of system operations and data utilization, and it is working to leverage these to help companies transform their businesses and solve IT issues. In FY3/22, the Company reorganized Group functions into three segments: Product Services, Cloud Services, and Professional Services. In Professional Services in particular, the Company has established a cross-segment Group ecosystem that enables it to provide a one-stop solution—from consulting-led implementation support for various product and cloud segment services to system integration and outsourcing.

Results trends

Both sales and profits increased in FY3/26 due to strong performance in each business

1. Overview of FY3/26 results

In the FY3/26 results, net sales increased 5.6% YoY to ¥12,342mn, operating income increased 14.4% to ¥962mn, ordinary income increased 13.3% to ¥1,135mn, and profit attributable to owners of parent increased 7.3% to ¥769mn, resulting in increased sales and profits. Meanwhile, both net sales and profits at each stage were slightly below initial forecasts.

Net sales were strong in Product Services, mainly driven by the automation domain, where the planned migration strategy produced successful results. In addition, increased sales in Cloud Services, which resulted from increasing demand in the service management domain and other factors, significantly contributed to the growth in revenue. In addition, in Professional Services, sales remained favorable in consulting, system integration, and outsourcing.

Despite costs associated with human capital investment (including strengthened recruitment and expenditures for education and training), profits also increased significantly due to building up base profits through Cloud Services and Professional Services, reviewing advertising expenses, reducing outsourcing expenses, and other factors. The operating income margin also improved to 7.8% (versus 7.2% in the previous fiscal year).

Regarding the Company’s financial condition, there were no notable developments. Total assets increased 5.0% from the end of the previous fiscal year to ¥16,140mn, mainly due to an increase in cash and deposits. Meanwhile, shareholders’ equity increased 3.4% to ¥12,380mn due to the accumulation of retained earnings, and the equity ratio was largely unchanged at 76.7% (versus 77.9% at the end of the previous fiscal year).

Overview of FY3/26 results

(¥mn)

	FY3/25		FY3/26		YoY		FY3/26		
	Results	Composition ratio and profit margin	Results	Composition ratio and profit margin	Change	Change (%)	Initial forecast	Profit margin	Achievement rate
Net sales	11,687	-	12,342	-	655	5.6%	12,500		98.7%
Product Services	4,468	38.2%	4,526	36.7%	57	1.3%	-	-	-
Cloud Services	3,693	31.6%	3,872	31.4%	178	4.8%	-	-	-
Professional Services	3,525	30.2%	3,943	31.9%	418	11.9%	-	-	-
Cost of sales	5,022	43.0%	5,490	44.5%	467	9.3%	-	-	-
SG&A expenses	5,823	49.8%	5,889	47.7%	66	1.1%	-	-	-
Operating income	840	7.2%	962	7.8%	121	14.4%	1,050	8.4%	91.6%
Product Services	1,286	28.8%	1,236	27.3%	-50	-3.9%	-	-	-
Cloud Services	-412	-	-357	-	54	-	-	-	-
Professional Services	303	8.6%	413	10.5%	109	36.2%	-	-	-
Adjusted value	-337	-	-329	-	7	-	-	-	-
Ordinary income	1,001	8.6%	1,135	9.2%	133	13.3%	1,200	9.6%	94.6%
Profit attributable to owners of parent	716	6.1%	769	6.2%	52	7.3%	850	6.8%	90.5%

	End of FY3/25	End of FY3/26	Compared with the end of the previous fiscal year	
			Change	Change (%)
Total assets	15,366	16,140	773	5.0%
Shareholders' equity	11,971	12,380	408	3.4%
Equity ratio	77.9%	76.7%	-1.2pp	-

Source: Prepared by FISCO from the Company's financial results and supplementary results briefing materials

Results by business are as set out below.

(1) Product Services

Net sales increased 1.3% YoY to ¥4,526mn and segment profit decreased 3.9% to ¥1,236mn, meaning that profit decreased despite an increase in sales. Regarding net sales, despite a decrease in the mainframe domain due to a gradually shrinking market resulting from factors such as the market exit of major mainframe manufacturers, automation domain (A-AUTO) sales rose due to a successful migration strategy that captured the timing of users' system renewals. In the form domain, too, backed by its strong capability for satisfying requirements, the Company captured replacement demand from other companies' products, and performance remained strong. Profit declined due to the impact of a decrease in the high-margin mainframe domain. However, the segment profit margin remained high at 27.3% (versus 28.8% in the previous fiscal year).

(2) Cloud Services

Net sales increased 4.8% YoY to ¥3,872mn, and the segment loss came to ¥357mn (¥412mn segment loss in the previous fiscal year), making for an increase in sales and improved segment loss. The core product LMIS (a service management platform), with its customer portal functionality (supporting stable and efficient operations after implementation), met the needs of IT service providers and drove results growth. Meanwhile, regarding Waha! Transformer (a data integration service), inquiries increased following the release of the generative AI cloud service SecuAiGent*, although its contribution to results was deferred until FY3/27 and beyond. Among the Company's other core services, The Staff-V Series (a support tool for temporary staffing businesses) enjoyed high user satisfaction and a low churn rate, but acquisition of new customers stagnated, with only a slight increase. Rakuraku BOSS (a commuting expense management tool) saw an increase in sales, due in part to the acquisition of new customers associated with major fare revisions in March 2026. Digital Workforce (an ID management platform) recorded higher sales as inquiries from enterprise companies regarding authentication infrastructure and ID management increased. Although the Company continued to make upfront investments, segment losses narrowed due to building up base profits in core services, reviewing advertising expenses, reducing outsourcing expenses, and other factors.

* A cloud service leveraging patented technologies that achieves accurate generative AI responses and prevents information leaks. Released in September 2025 (details below).

(3) Professional Services

Net sales increased 11.9% YoY to ¥3,943mn and segment profit increased 36.2% to ¥413mn, with both posting strong growth. Factors contributing to an increase in net sales include strong inquiries for the consulting business in the service management and data management domains, which are strengths of the Company, a shift to added value fields in the system integration business (increased ecosystem orders through collaboration within the Group), and increased orders received for system operations agency services in the outsourcing business (including maintenance services released in 2024 for legacy assets). The Company also achieved a significant increase in profits due to the effect of increased net sales and a shift to added value fields.

2. FY3/26 summary

To summarize FY3/26, the Company not only realized increased sales and profits boosted by maintaining strong performance in each business, but also achieved remarkable results in its activities for future growth (details below). In particular, a track record of releasing new services that utilize generative AI, increasing Group-wide ecosystem orders, and addressing social issues through transportation infrastructure DX can be considered an important criterion for assessing future potential. At the same time, one cause for concern is the fact that the Company is still recording segment losses in Cloud Services. However, this is partly because upfront investments for supporting future growth infrastructure (including investment in cloud infrastructure and research and development expenses) are concentrated in Cloud Services, and not necessarily because the profitability of each service is low. For example, to say nothing of the field of social issues (for example, resolving regional transport issues), where monetization takes time, verification tests conducted jointly with a customer that led to the recent obtainment of a patent can be viewed as upfront investment in a field that could become a pillar of earnings in the future. Although it will be ideal if the Company can cover upfront investments with growth in core services, it should be understood that there is a structural dilemma in which the more strategic investments are made in growth, the worse the current segment loss would become due to such investments (whether to prioritize current profit or growth). If anything, the biggest focus will be on how these upfront investments will create new technologies and services and lead to monetization.

Results of main activities

Achieved results through a new service utilizing generative AI, group-wide ecosystem orders, etc.

1. Release of new service to utilize generative AI

In September 2025, the Company released SecuAiGent, a new Cloud Services product that utilizes technologies to ensure correct answers from generative AI and prevent information leaks. This began with verification tests conducted jointly with Nagano Municipal Hospital on how to utilize medical information with generative AI, and the Company obtained a patent in April 2025 for technologies that prevent information leaks when using generative AI and improve the accuracy of its answers (patent number: 7662875). Subsequently, these technologies were developed into a new service by linking them with the data linkage tool Waha! Transformer. As seen in media coverage (including by Nikkei Shimbun), SecuAiGent has been attracting attention as a cloud service that does not leak important information—for example, medical data—externally, reduces the risks from false information with a secure environment, and allows users to utilize generative AI easily.

2. Promoting Group-wide ecosystem orders

Focusing on the strengths of the Group, the Company worked to enhance the value delivered to customers through its ecosystem, and made comprehensive proposals ranging from consulting to the building, development, and operation of services, thereby succeeding in winning large-scale projects. Specifically, the Company's results include: 1) An order received for the reform of the mission-critical system of a public interest incorporated foundation (the decisive factor for winning the order was positive evaluation for its service management and data management); 2) An order received for a project to build a configuration management system for a local government (the customer praised the Company's system for its unified management, which includes the management and handling of configuration information and vulnerabilities in information assets); and 3) An order received for a migration project (the Company developed a data entry management solution through a collaboration among three Group companies and realized a shift of data entry operations from mainframe computers to open-type systems). As a result, Group-wide ecosystem orders achieved an all-time high.

3. Track record in transportation infrastructure DX

Sakaide City, which has adopted Community MaaS* provided by the consolidated subsidiary UNITRAND Inc., received the Minister's Award for Outstanding Transportation-Related Organizations for 2025 from the Ministry of Land, Infrastructure, Transport and Tourism. The implementation of discounts for residents enabled through integration with the My Number Card, the introduction of an easy-to-understand zone-based fare system, and data-based route reorganization have contributed to improved operational efficiency. Going forward, the Company will strengthen its sales capabilities and support structure for a nationwide rollout and, as a core business that embodies the Group's purpose, aims to expand the business within the Company itself (through the merger by absorption of the UNITRAND business).

* A digital platform developed by UNITRAND that enables each local resident to optimally combine multiple modes of public transportation and other mobility services in one-stop search, payment, and related processes.

Business forecasts

The Company expects to secure increased sales and profits in FY3/27 despite strategic upfront investments

1. FY3/27 forecasts

In the Company's forecasts for FY3/27, net sales are expected to increase 7.4% YoY to ¥13,250mn, operating income to increase 9.1% to ¥1,050mn, ordinary income to increase 9.2% to ¥1,240mn, and profit attributable to owners of parent to increase 45.5% to ¥1,120mn, meaning that increases in both sales and profits are expected. Note that the markedly high growth rate in profit attributable to owners of parent reflects a tax effect (one-off) associated with the merger by absorption of a subsidiary.

Net sales are expected to remain strong for each business. In particular, in addition to price revisions announced in March 2026 (applicable to new contracts and contract renewals), initiatives to enhance added value (integrating AI into each product and service, strengthening security, and reinforcing the development and operations framework) are expected to help raise the earnings base.

On the profit front, although the Company will strategically make upfront investments* for the future, these will be covered by increased net sales, the buildup of base profits in Cloud Services, and the shift to added value fields in Professional Services, thereby securing higher profits.

* Investments related to initiatives such as building frameworks to strengthen customer touchpoints and enhance investment efficiency

FY3/27 forecasts

(¥mn)

	FY3/26		FY3/27		YoY	
	Results	% of sales	Initial forecast	% of sales	Change	Change (%)
Net sales	12,342	-	13,250	-	907	7.4%
Operating income	962	7.8%	1,050	7.9%	87	9.1%
Ordinary income	1,135	9.2%	1,240	9.4%	104	9.2%
Profit attributable to owners of parent	769	6.2%	1,120	8.5%	350	45.6%

Source: Prepared by FISCO from the Company's financial results

2. FISCO's view

Although caution is warranted given the highly uncertain economic environment, FISCO thinks the Company's business forecasts are based on reasonable assumptions that reflect the business environment, upfront investments, and other factors, and are fully achievable. Beyond the effects of price revisions, a key point to watch is how much Group-wide ecosystem orders, which have gotten on track, driven by the new service utilizing generative AI that is seeing increasing inquiries, as well as by consulting, will contribute to results. Overall, the business environment is favorable, so if the Company can capture demand efficiently, there is ample potential for an upside to results. In this sense, strengthening customer touchpoints through group-wide optimization and building a framework to improve investment efficiency will be key. FISCO will be watching developments going forward regarding how the Company completes the final year of its medium-term management plan and transitions to the next medium-term management plan.

Medium- to long-term direction

Working to strengthen the organizational framework for a shift from partial to overall optimization in the final year of the medium-term management plan

1. Overview of the medium-term management plan

Two years have passed since the Company initiated its medium-term management plan (FY3/25–FY3/27), and it is at last entering the final year of the plan. Under the basic policy titled Re.Connect 2026*, the Company has promoted three business strategies: "expanding service-provision-type businesses," "establishing a new value provision model," and "transforming business processes." It is also working to realize sustainable management and value creation centered on the Group's philosophy by strengthening its sustainability base, including by accelerating human capital investment.

* This name reflects the Company's desire to "reconnect to change relationships for the better" by fundamentally revising the way it interacts and connects with various stakeholders.

(1) Key points and progress of the three business strategies

1) Expanding service-provision-type businesses

The Company is pursuing initiatives such as expanding investment in cloud growth areas and realizing optimal modernization for customers. To date, the Company's achievements include acquiring patented technologies and releasing new services through verification tests conducted jointly with customers, making investments across various domains, and steadily responding to the demand for modernization. However, from an overall optimization perspective, improving and accelerating investment efficiency remains a challenge going forward.

2) Establishing a new value provision model

Based on redefining service management and data management—which have been in the process of being refined—as the Company's core competencies, it is engaging in initiatives that include enhancing the value provided to customers through the Group-wide ecosystem, making ongoing investments in businesses that address social issues, and strengthening alliances. Regarding achievements to date, ecosystem orders won through Group-wide collaboration hit a record high, and the Company decided to retain UNITRAND—which has delivered results in transportation infrastructure DX—within the Company as a core business that embodies the Group's purpose.

3) Transforming business processes

The Company is pursuing measures such as strengthening quality management to support its service shifting, and to date has identified quality issues and conducted improvement activities to enhance service quality.

(2) Priority measures in the final fiscal year

Based on the progress of its business strategies and its awareness of issues, the Company set out the four policies below as key points for the final year of the medium-term management plan. In particular, the Company aims to accelerate growth under the next medium-term management plan by strengthening its organizational framework to shift from partial to overall optimization, thereby strengthening customer touchpoints, improving investment efficiency, and laying the groundwork for creating new business.

1) Reviewing pricing strategy

In March 2026, the Company issued a press release announcing price revisions (effective for new contracts and renewals). The Company aims to facilitate smooth adoption by presenting roadmaps and pricing for products and services that are commensurate with customer value, including by integrating AI into products and services, strengthening security, and enhancing development and operations frameworks.

2) Strengthening customer touchpoints

The Company will establish a Business Co-creation Headquarters, consolidate marketing, offerings, and customer success, and build a strong frontline organization. Furthermore, by gaining a deep understanding of customers' operations and issues, the Company will establish a highly reproducible orders model and maximize customer engagement through side-by-side support.

3) Improving investment efficiency and accelerating necessary investment

The Company will establish a Structural Reform Promotion Office and take the lead in cost control and the reliable execution of investments. Based on an overall framework centered on the core competencies of service management and data management, the Company will make solid growth investments by adopting a "selection and concentration" approach that shifts away from partial optimization and dispersed investment.

4) Initiatives to address social issues and create new business

The Company will establish the Future Value Design Headquarters and, with a view to the social implementation of business addressing social issues, will work to move initiatives from proof of concept to commercialization and formulate a roadmap for early-stage profitability.

(3) Financial targets

In May 2026, the Company revised its targets for the final year of the medium-term management plan (FY3/27) to net sales of ¥13.25bn, operating income of ¥1.05bn (operating income margin of 7.9%), profit attributable to owners of parent of ¥1.12bn, and return on equity (ROE) of 8.8%. Operating income was revised downward by 8.7%, while profit attributable to owners of parent and ROE were revised upward by 20.7% and 1.4 percentage points (pp), respectively, on expectations of tax effects arising from the merger by absorption of UNITRAND conducted in July 2026. As reasons for the revisions, the Company cites an expectation that the effects of a review of its pricing strategy, undertaken in light of recent sharp rises in procurement costs and personnel expenses, will take some time to materialize, and its intention to accelerate investment—with a focus on business investment—for future growth. The Company, which has prioritized dividends, plans to increase the dividend for a third consecutive fiscal year. Although not stated in the medium-term management plan, it also intends to continue considering M&As, with potential targets likely to include companies that would lead to the acquisition of data management and service management personnel and the strengthening of service lines.

2. Medium- to long-term focal points

FISCO also evaluates the direction of the Company's medium-term management plan as being rational. Movement toward DX is accelerating throughout society, while at the same time, a shortage of IT human resources at companies has become apparent, so FISCO feels that the Company's strategy of expanding its scope of business from only IT issues to also include business and social issues, as well as optimizing the value chain (realizing the Group ecosystem) with consulting as a starting point to capture the growth in demand, makes sense in regard to realizing sustainable growth. Furthermore, the priority measures in the final fiscal year of the plan (initiatives to shift from partial to overall optimization) accurately reflect the current issues (bottlenecks) and the direction of group management, and can be highly regarded as actions to break through the status quo.

To date, the Company has expanded its services while leveraging the uniqueness and autonomy of each Group company. However, to further enhance Group collaboration and investment efficiency and accelerate growth as a unified Group, structures and mechanisms for overall optimization are required, and the Company can also be seen as having finally entered the next stage (with the groundwork laid). Therefore, the most important theme in the final year of the current medium-term management plan will likely be to ensure that the new organizational structure, which is centered on the Business Co-creation Headquarters, Structural Reform Promotion Office, and Future Value Design Headquarters, functions effectively rather than in name only, and leads to a growth strategy for the next medium-term management plan.

In particular, the rapid expansion of demand for AI and security-related services is a hot spot within services and data management, which is the Company's core domain, and a decisive factor in competitiveness, so a key point will be how the Company can enhance the value of its solutions and how it can secure channels (customer touchpoints) without easing up on investment. In addition, with tangible results now emerging for transportation infrastructure DX (UNITRAND business) that addresses social issues, expectations are high for further development following its integration into the Company. Furthermore, enhancing head office functions and establishing mechanisms for sharing and accumulating know-how should also improve the speed and probability of success in future M&A, including post-merger integration (PMI). In any case, while the mainframe domain, which is a stable source of earnings, plays the role of a cash cow, it is still the case that the biggest medium- to long-term focus is to develop the next pillar of earnings and maintain and expand a strong earnings base, so it will be necessary to pay close attention to future developments.

History and business performance

Management integration with Beacon IT in April 2015 and made a new start as UNIRITA Inc.

1. History

The Company was established as Three B, Inc. in 1982 in Tokyo's Chuo Ward as a subsidiary of Business Consultant, Inc., a provider of programs for HR and organizational development. Business Consultant was the origin for Software AG of Far East, Inc., which changed its name to Beacon Information Technology Inc. in August 1996. Software AG of Far East had been selling A-AUTO software in Japan, with Three B, Inc. being set up to sell this software in the US. Subsequently, Three B, Inc. changed its name to BSP Inc. in 1987

The turning point for BSP Inc. was when it took over the system operations business of Software AG of Far East, Inc. in 1993 and commenced full-scale operations as a specialist in systems administration package software. After that it steadily strengthened its operational platform, while benefiting from increased investment in IT systems, and built a track record chiefly in core mainframe systems, including for financial institutions and large corporations.

In 2001, the Company established BSP Solutions Inc. and commenced full-scale consulting and solutions business. In 2006, it was listed on the JASDAQ Securities Exchange. In response to the reformation of market segmentation of the Tokyo Stock Exchange (TSE) from April 2022, the Company transferred to the Standard Market of the TSE.

Following the consolidation of Beacon IT (registered company name: Beacon Information Technology Inc.) in January 2014, it started capturing demand in growth fields such as data utilization, and also embarked on business reforms.

With the merger by absorption of consolidated subsidiary Beacon IT in April 2015, the Company changed its name to UNIRITA Inc. The new company name embodies the concept of aspiring to contribute to the development of customers and society with "unique ideas" and a "rita spirit" ("rita" being the Japanese word for altruism) in order to create value.

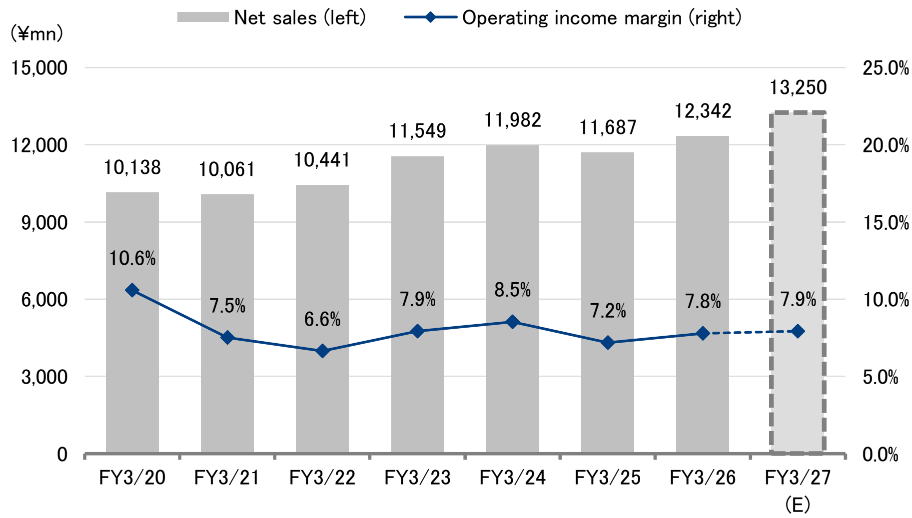
In 2016, the Company established the subsidiary UNITRAND Inc. (absorbed and merged into the Company in July 2026). In 2017, it established the subsidiary UNIRITA PLUS Inc. and in 2018, it made Mugen Corp. a consolidated subsidiary, expanding operations into the business support segment.

2. Past business performance

Looking back on the Company's past business performance, from FY3/12 to FY3/14, in the context of the shift to open-type systems, the increase in net sales in the system operations business (now part of Product Services) drove the Company's growth. However, it conducted business structural reforms after its business scope greatly expanded following the consolidation of Beacon IT in FY3/15, and in this context, growth in net sales remained sluggish for some time. As the acquisition of Mugen Corp., which engages in the system integration business (now part of Professional Services), contributed to the expansion of its business scope in FY3/19, the mainstay cloud business (now Cloud Services) has grown steadily since FY3/20.

From a profitability perspective, despite there still being a high degree of reliance on the mainframe business (now part of Product Services) for income, the Company's operating income margin trended upward with improving profitability in the product business (now Product Services) and reached a high level of 28.1% in FY3/14. However, this margin has declined since FY3/15 due to upfront investments in line with its structural business reforms and other factors. Notwithstanding, the Company has maintained the margin at levels around 20%. However, since FY3/19, the operating income margin has trended lower than before due to upfront investment with an eye to the future in growth fields such as cloud business and new business. Going forward, the biggest focus will be on how to build up base profits in Cloud Services and enhance added value in Professional Services, in order to make up for the impact of the shrinking mainframe business.

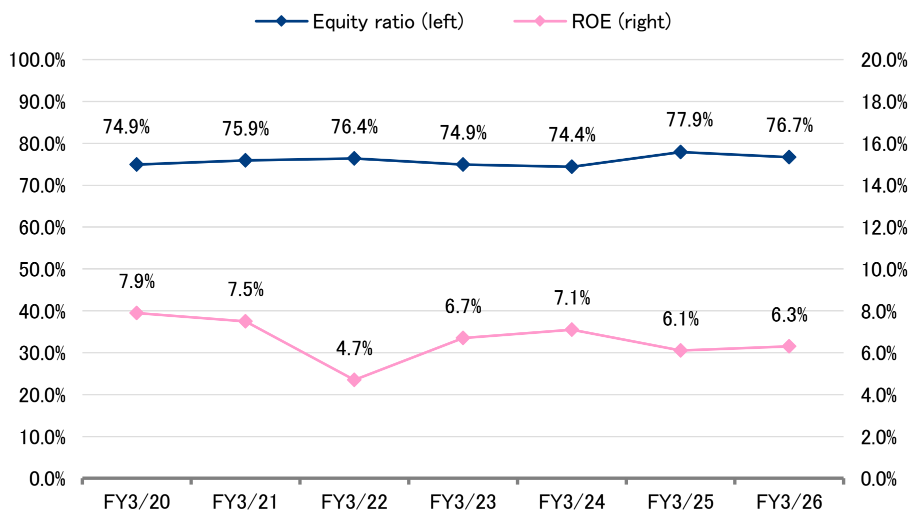
Net sales and operating income margin



Source: Prepared by FISCO from the Company's financial results

From a financial perspective, the Company's equity ratio, which represents the stability of its financial foundation, suffered a one-off decline in FY3/14 as a result of the consolidation of Beacon IT, but in FY3/16, in line with the merger by absorption of Beacon IT (change in ownership interest of parent), the ratio rose to 80.1%. In addition, the current ratio, which is an indicator of short-term liquidity, is also at a high level, reflecting an ample balance of cash and deposits. The Company's financial foundation is highly stable and supports upfront investments for future growth. On the other hand, ROE, which indicates capital efficiency, had also been trending at a double-digit level; however, it has been below 10% since FY3/18 due to changes to the business portfolio and the impact of upfront investment.

Equity ratio and ROE trends



Source: Prepared by FISCO from the Company's financial results

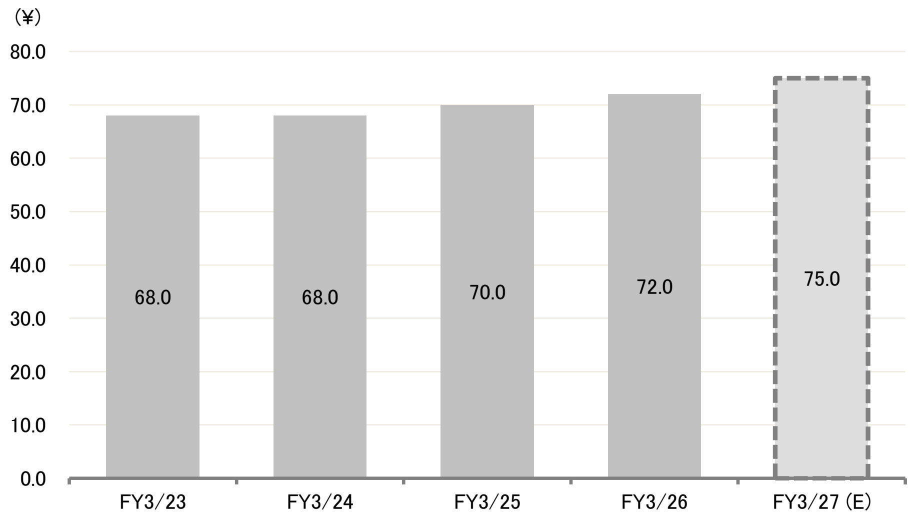
Shareholder returns

Annual dividend of ¥75.0 scheduled for FY3/27, up ¥3.0 YoY

The Company's dividend policy is based on dividends on equity (DOE), and aims for stable and sustainable dividend increases that are unaffected by profits for the period resulting from upfront investments and other factors. The Company also has a policy of flexibly executing share buybacks and retiring the acquired shares as appropriate.

For FY3/26, the annual dividend was set at ¥72.0 (¥36.0 interim and ¥36.0 year-end), up ¥2.0 YoY. For FY3/27, the Company plans another ¥3.0 increase to an annual dividend of ¥75.0 (¥37.0 interim and ¥38.0 year-end), which would mark the third consecutive year of dividend increases. The Company expects the trend of dividend increases in line with profit growth to continue going forward.

Annual dividend per share



Source: Prepared by FISCO from the Company's financial results

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