

MOTHERS 2158 UBIC, Inc.

Sector; Service

6-Nov-07

*Pioneer of computer forensic service in Japan*

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[report@ftg.jp](mailto:report@ftg.jp)**Company profile**

**Representative** Masahiro Morimoto URL: <http://www.ubic.co.jp/>

**Head Office** Meisan Takahama Building 7F, 2-12-23 Kounan, Minato-ku, Tokyo, 108-0075, Japar

**Business line** UBIC specializes in Japanese language electronic data discovery and digital forensic investigations for litigation support in international cases. We can provide solutions to meet your complete Paper Discovery and eDiscovery needs.

**Sraes issued** 552,000 shares (7/31/2007)

**Major Holders** Special owners 51.8%, Foreign owners 6.7%, Japanese Funds 0.0%  
Masahiro Morimoto 36.3%, Focus Systems Co., Ltd. 19.6%, Naritomo Ikegami 14.0%, Kazunari Togoshi 9.4%, Masahiro Sugiyama 7.2%

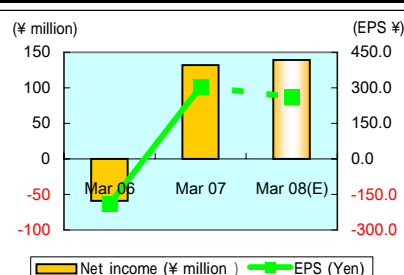
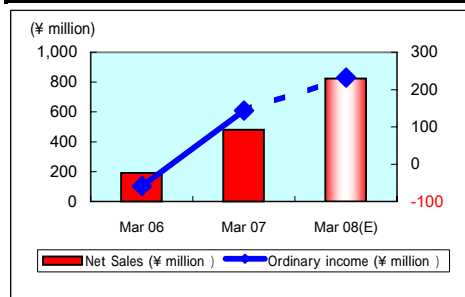
**Established** August 2003

**Listed** June 2007

6-Nov-07

Stock price (¥)	12,120
PER(E)	50.7
ROE(E)	63.3%
Market cap (¥ million)	6,690
Volume	3,100
Trade Unit	10

	Net Sales (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Dividend (Yen)	EPS (Yen)	ROE (%)
Mar 06	190	-59	-59	0	-191.0	-85.7
Mar 07	481	144	132	0	306.0	73.8
Mar 08(E)	824	232	139	0	262.6	63.3
Sep 08(Interim)	304	22	13			

**Industry trend**

Computer forensic service means the search and analysis of electronic data as to litigation (computer forensic search) and the support for evidence disclosure by electronic data (discovery support). The market for computer forensic service is forecast to exceed 300 billion yen by 2008. Although the Japanese market for forensic service is only in its initial stage, demand for the service is expected to expand because of the companies' compliance with the laws and regulations, compliance with Financial Product Transaction Law (Japanese version of U.S. SOX Act) and establishment of internal control system. The service has come to be necessary for companies developing business in USA to prepare for litigation. Market for the service is expected to expand because of its usefulness as one of the

**Business strategy**

UBIC is engaged in the service provision of validating electronic data using high IT technology. Its main customers are companies developing overseas business and law firms. Also, listed companies are clients through the network of risk consulting firms and law firms. In Japan, recognition of computer forensic market is still low and competitors are few. Computer forensic service accounts for two thirds of total sales of UBIC. Moreover, sales of forensic tool accounts for 30% of total sales. Sales of forensic tool is based on exclusive import and selling rights from forensic tool development firm in USA. Market for the service is expected to expand because of its usefulness as one of the measures of minimizing legal risks facing companies. Taking advantage of the market expansion, UBIC forecasts high growth performance as follows: Sales 824 million yen (YoY 71.3%) and ordinary income 232 million yen (YoY 60.9%) in the fiscal year ending March 2008.

**Corporate analysis by IR STREET**

<b>Strength</b> <ol style="list-style-type: none"> <li>1. Sole company specialized in computer forensic service in Japan</li> <li>2. Japanese language environment and service by Japanese-speaking staff</li> <li>3. Agile response to the revision of laws and regulations in USA</li> </ol>	<b>Opportunity</b> <ol style="list-style-type: none"> <li>1. Increasing demand for computer forensic service</li> <li>2. Few competitors</li> <li>3. Revision of laws and regulations in Japan</li> </ol>
<b>Weakness</b> <ol style="list-style-type: none"> <li>1. Market size of computer forensic business and still low name recognition</li> <li>2. Small organization and securement of talent</li> </ol>	<b>Risk</b> <ol style="list-style-type: none"> <li>1. Overseas competitors' foray into Japan</li> <li>2. Technological innovation in computer</li> </ol>

Business Description  
Source: UBIC HP

**eDiscovery Process Flow:****Paper Process Flow:**
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