Tokyo Stock Exchange Prime Market: Securities Code 3992

Needs Well Inc.

# Financial Results for the Third Quarter of Fiscal Year 2026

## (October 1, 2025 – June 30, 2026)

August 6, 2026

Try & Innovation
NeedsWell

1. 2026/9 3Q Financial report summary

2. 2026/9 Results forecast

3. Growth strategy

4. Reference

# 1.1 Financial highlights

## In the third quarter, both net sales and profit achieved double-digit growth year-on-year

- ✓ For the cumulative third quarter, net sales continued to increase and reached 105.9% year-on-year. All service lines achieved growth exceeding the previous year. Stable demand for system development, mainly in public, life insurance, and telecommunications sectors, was captured, and Business Systems SI remained solid
- ✓ Development projects originating from the introduction of our solutions are expanding, and the shift to high-value-added businesses combining development and solutions is progressing, centered on AI, cloud-based expense reimbursement, and RPA
- ✓ The expansion of orders for municipal DX projects utilizing the Power Platform is further strengthening the track record and customer base in the public-sector DX domain, which is a growth area
- ✓ While continuing upfront investment for sustainable future growth, including substantial salary increases, strengthened recruitment and personnel training, and R&D, including that related to AI-driven development, profit was secured through solid order intake and improved project management efficiency

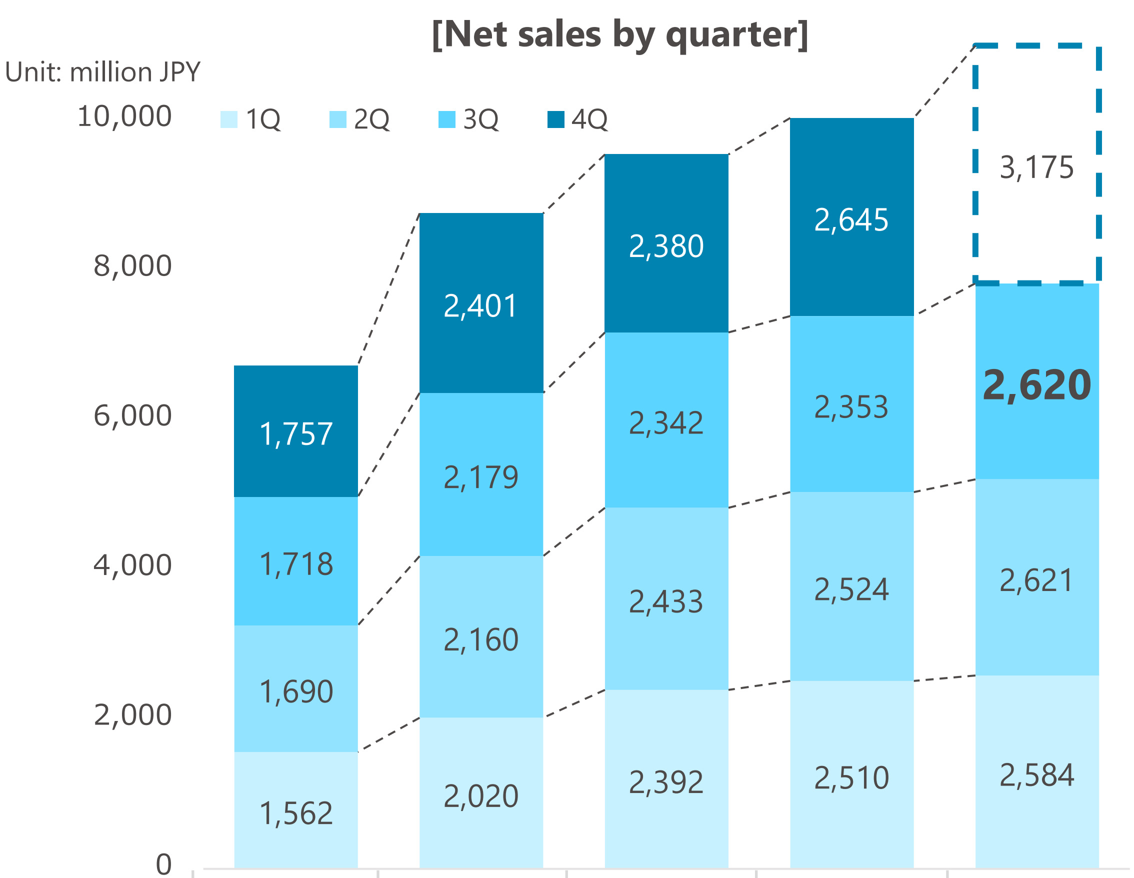
| | Quarterly period | | | Cumulative period | | |
|---|---|---|---|---|---|---|
| | Amount recorded (million JPY) | Ratio to net sales (%) | Year-on-year (%) | Amount recorded (million JPY) | Ratio to net sales (%) | Year-on-year (%) |
| Net sales | 2,620 | - | 111.3 % | 7,826 | - | 105.9 % |
| **Underlying operating profit*** | 242 | 9.3 % | 121.2 % | 1,024 | 13.1 % | 109.6 % |
| **Underlying ordinary profit*** | 240 | 9.2 % | 119.7 % | 1,035 | 13.2 % | 109.7 % |
| Operating profit | 234 | 8.9 % | 117.0 % | 842 | 10.8 % | 90.2 % |
| Ordinary profit | 232 | 8.9 % | 115.4 % | 854 | 10.9 % | 90.5 % |

- **Underlying operating profit** and **underlying ordinary profit**: Operating profit and ordinary profit excluding shareholder benefit expenses.
- Due to changes to the shareholder benefit program, the timing of the recognition of shareholder benefit expenses differs between the previous fiscal year and the current fiscal year. Accordingly, to facilitate a more meaningful year-on-year comparison of earnings performance, underlying operating profit and underlying ordinary profit, which exclude shareholder benefit expenses, are presented as supplemental reference metrics in addition to reported operating profit and ordinary profit. Excluding the impact of shareholder benefit expenses, we maintained approximately 10% year-on-year profit growth.

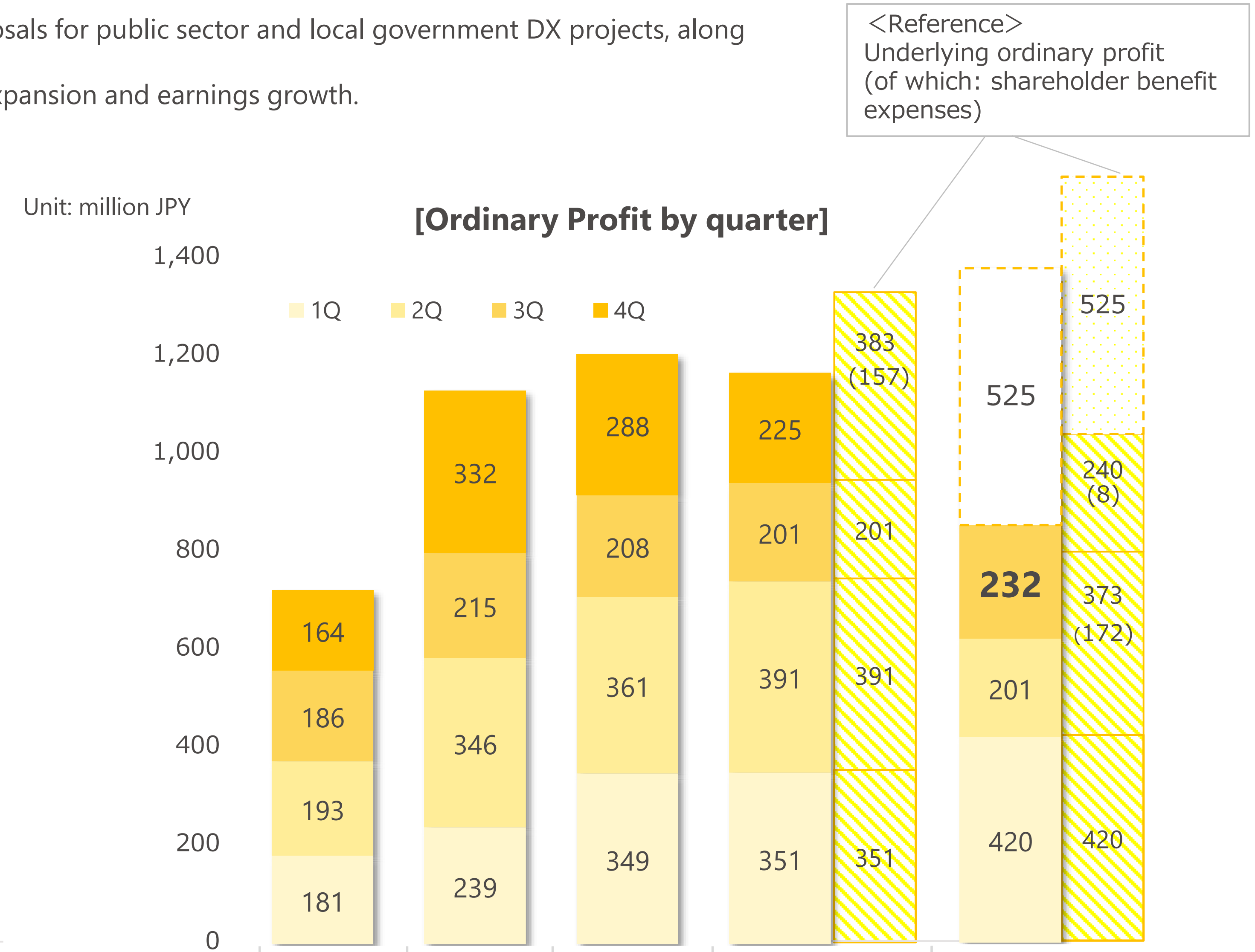
# 1.2 Trends/comparison by FY

## Record High Revenue and Ordinary Profit Achieved in the Third Quarter Since Incorporation

- ✓ Toward the fourth quarter, project opportunities are increasing, driven by proposals for public sector and local government DX projects, along with proactive cross-selling to existing customers.
- ✓ Demand for DX and AI solutions continues to grow, supporting further order expansion and earnings growth.



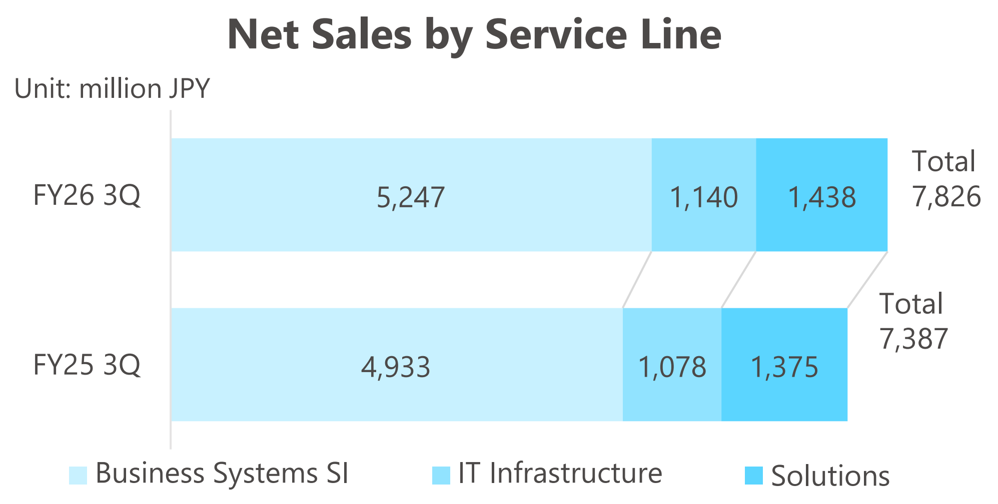

| | FY22/9 | FY23/9 | FY24/9 | FY25/9 | FY26/9 |
|---|---|---|---|---|---|
| Total | 6,730 | 8,761 | 9,549 | 10,032 | **11,000** |




| | FY22/9 | FY23/9 | FY24/9 | FY25/9 | FY26/9 |
|---|---|---|---|---|---|
| Total | 724 | 1,135 | 1,208 | 1,169 | **1,380** |

# 1.3 Net Sales by Service Line

## Broad-Based Revenue Growth Across All Service Lines
## Strong Execution Driving Business Expansion




Unit: million JPY, %

| Service Line | Net Sales | Revenue Mix | Increase YoY | YoY |
|---|---|---|---|---|
| Business Systems SI | 5,247 | 67.0% | 315 | 106.4% |
| IT Infrastructure | 1,140 | 14.6% | 62 | 105.8% |
| Solutions | 1,438 | 18.4% | 62 | 104.5% |
| Total | 7,826 | 100.0% | 439 | 105.9% |

### Business Systems SI 106.4% year-on-year

- Solid performance in the public sector, life insurance, and telecommunications, with growing demand and contract wins for DX projects leveraging Power Platform.
- Increased SI orders associated with the implementation of the Company's solutions (AI, expense management, and RPA).
- Growth in large-scale bidding projects for municipalities and government agencies, coupled with a stable increase in medium- to long-term orders.

### IT Infrastructure 105.8% year-on-year

- Continued strong demand for testing support services driven by accelerated development cycles amid DX initiatives.
- Expanded Test Support Services to life insurance companies and other financial-sector customers.

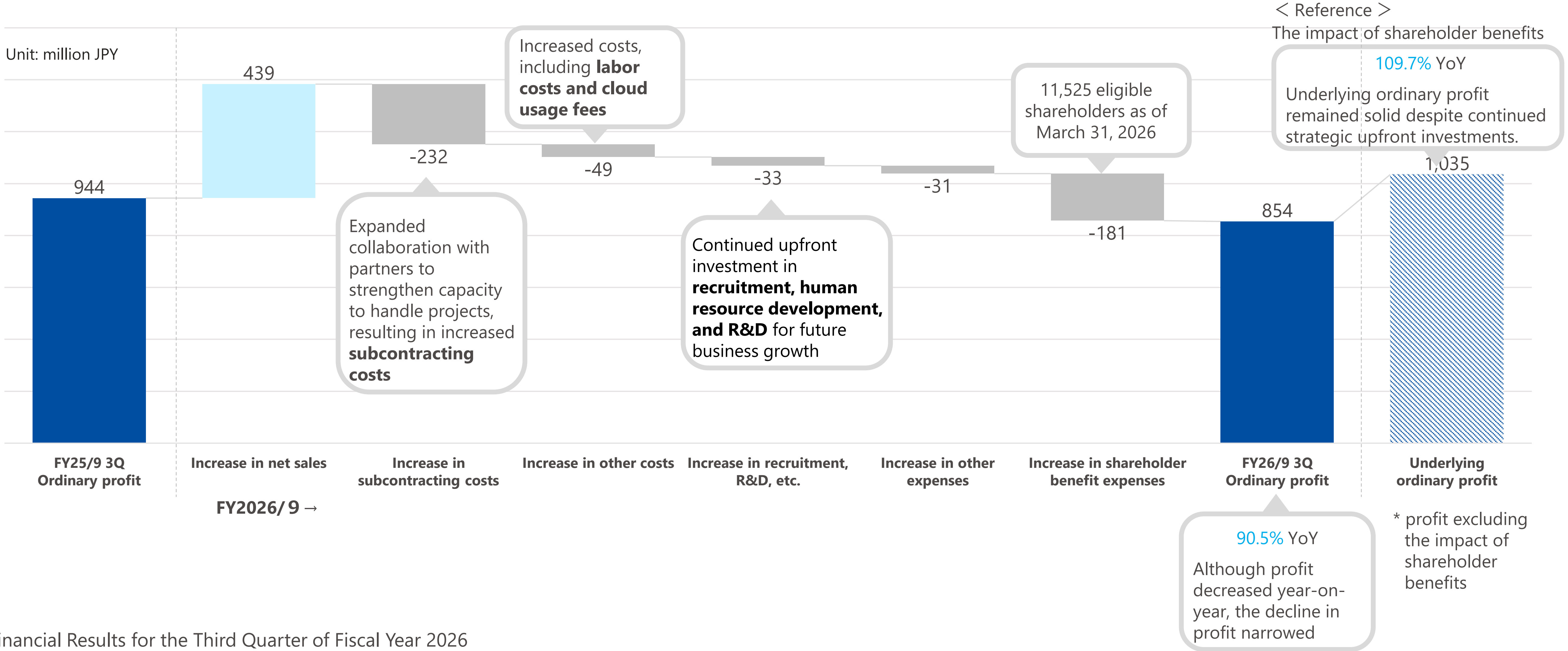
### Solutions 104.5% year-on-year

- Cloud-based expense reimbursement solutions
  - First introduction of expense reimbursement systems for the education sector. Use this track record for horizontal expansion
  - Strengthened implementation services for municipalities
  - Achieved Over 170 Cumulative Implementations
- AI-related solutions
  - Started offering “Tsunagi AI”, a Generative AI Agent Platform..
  - Secured RAG-based business process improvement projects, responding swiftly to growing market demand.
- Security solutions
  - Started offering “SOLTAGE,” a comprehensive IT infrastructure services brand.

# 1.4 Ordinary profit analysis

## Continue strategic upfront investments to accelerate ValueCreationProject

- ✓ In line with sales growth, the Company continued to invest in recruitment, talent development, and R&D, while outsourcing costs and cost of sales increased.
- ✓ By continuing to invest in human capital and technology development, the Company is accelerating business expansion to support future growth.
- ✓ Ordinary profit improved from 83.7% of the prior-year level in the first half to 90.5% in the first nine months, reflecting a narrowing year-on-year decline.



# 1.5 Profit & loss statement

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## Accelerating Strategic Investments in Talent and Development on the Back of Improved Profitability and Cost Discipline

### Transitioning to a Growth Driver-Building Phase

| *Selection of significant entries only Unit: million JPY | FY2025/9 3Q | | FY2026/9 3Q | | | | |
|---|---|---|---|---|---|---|---|
| | Result | Net Sales | Result | Net Sales | Year-on-year | Achievement rate | Forcast |
| Net sales | 7,387 | - | 7,826 | - | 105.9% | 71.2% | 11,000 |
| Business Systems SI | 4,933 | 66.8% | 5,247 | 67.0% | 106.4% | - | - |
| IT Infrastructure | 1,078 | 14.6% | 1,140 | 14.6% | 105.8% | - | - |
| Solutions | 1,375 | 18.6% | 1,438 | 18.4% | 104.5% | - | - |
| Gross profit | 1,670 | 22.6% | 1,827 | 23.3% | 109.4% | - | - |
| M&A-related amortization | 40 | 0.5% | 35 | 0.4% | 86.3% | - | - |
| Others | 695 | 9.4% | 949 | 12.1% | 136.5% | - | - |
| SG&A expenses | 735 | 10.0% | 984 | 12.6% | 133.8% | - | - |
| Operating profit | 934 | 12.6% | 842 | 10.8% | 90.2% | 61.1% | 1,380 |
| Non-operating profit | 20 | 0.3% | 17 | 0.2% | 83.7% | - | - |
| Non-operating expenses | 10 | 0.1% | 5 | 0.1% | 54.0% | - | - |
| Ordinary profit | 944 | 12.8% | 854 | 10.9% | 90.5% | 61.9% | 1,380 |
| Profit before taxation | 944 | 12.8% | 858 | 11.0% | 91.0% | - | - |
| Income taxes | 314 | 4.3% | 294 | 3.8% | 93.8% | - | - |
| Net profit | 628 | 8.5% | 565 | 7.2% | 90.0% | 61.5% | 920 |

| KPI achievement | | |
|---|---|---|
| Item | Numerical targets | Results |
| Net sales growth rate | 20% or more | 5.9% |
| Gross profit margin | 25% or more | 23.3% |
| SG&A expenses rate | 10% or less | 12.6% |
| SG&A expenses rate (excluding the impact of shareholder benefits) | 10% or less | 10.3% |
| Ordinary profit margin | 10% or more | 10.9% |
| Equity ratio | 60% or more | 75.8% |
| EPS | ¥30 or more | Renewal for the full year only |
| PER | 20 times or more | |
| ROE | 20% or more | |
| ROIC | 20% or more | |

# 1.6 Balance sheet

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## Supported sustained growth with a solid financial foundation (equity ratio : 75.8%)

| *Selection of significant entries only | | FY2025/9 | FY2026/9 3Q | |
|---|---|---|---|---|
| Unit: million JPY | | Result | Result | Year-on-year |
| Assets | Cash and deposits | 2,760 | 2,952 | 191 |
| | Accounts receivable - trade and contract assets | 2,253 | 1,990 | -263 |
| | Prepaid expenses | 62 | 102 | 40 |
| | Others | 7 | 9 | 1 |
| | Total current assets | 5,084 | 5,054 | -29 |
| | Buildings, net | 41 | 38 | -3 |
| | Software | 39 | 59 | 19 |
| | Software in progress | 16 | 20 | 4 |
| | goodwill | 261 | 226 | -35 |
| | Customer-related assets | 315 | 288 | -27 |
| | Investment securities | 304 | 340 | 36 |
| | Defferred tax assets | 162 | 151 | -11 |
| | Leasehold and guarantee deposits | 137 | 153 | 16 |
| | Insurance funds | 76 | 76 | 0 |
| | Other | 72 | 56 | -15 |
| | Total non-current assets | 1,429 | 1,412 | -16 |
| Total assets | | 6,513 | 6,466 | -46 |

| *Selection of significant entries only | | FY2025/9 | FY2026/9 3Q | |
|---|---|---|---|---|
| Unit: million JPY | | Result | Result | Year-on-year |
| Liabilities | Accounts payable - trade | 396 | 465 | 68 |
| | loans | 6 | 5 | -1 |
| | Accounts payable - others | 330 | 228 | -101 |
| | Accrued corporate tax, etc. | 352 | 64 | -287 |
| | Accrued consumption taxes | 117 | 116 | 0 |
| | Deposits received | 48 | 51 | 2 |
| | Provision for bonuses | 304 | 164 | -139 |
| | Others | 34 | 319 | 285 |
| | Total current liabilities | 1,591 | 1,417 | -173 |
| | loans | 23 | 19 | -4 |
| | Long-term deferred tax liabilities | 109 | 99 | -9 |
| | other | 16 | 17 | 1 |
| | Total non-current liabilities | 148 | 136 | -12 |
| Total liabilities | | 1,740 | 1,553 | -186 |
| Equity | Share capital | 908 | 908 | 0 |
| | Legal capital surplus | 796 | 799 | 2 |
| | Retained earnings brought forward | 3,758 | 3,869 | 111 |
| | Treasury shares | -798 | -796 | 2 |
| | Valuation difference on available-for-sale securities | 98 | 123 | 25 |
| | Non-controlling interests | 10 | 8 | -1 |
| Total net assets | | 4,773 | 4,913 | 140 |
| Total liabilities and net assets | | 6,513 | 6,466 | -46 |

# 1.7 ValueCreationProject: Progress Update

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## Steady Progress in ValueCreationProject Initiatives Across AI, DX, Talent, and Solutions

- Actively communicating a wide range of initiatives aimed at enhancing corporate value, including shareholder returns (commemorative dividend), AI/DX, order expansion in public-sector projects, talent development, and partner collaboration.

### FY2026 3Q: Timely Disclosure (3 Additional Disclosures)

| Date | Contents |
|---|---|
| Apr. 30, 2026 | Notice of Upward Revision to Consolidated Earnings Forecast for the Fiscal Year Ending September 2026 |
| June. 15, 2026 | Notice Regarding Upward Revision to Dividend Forecast |

### FY2026 3Q: PR Releases (25 Additional Releases)

| 日付 | 内容 |
|---|---|
| Apr. 16, 2026 | Initiation of R&D for an AI Chat Platform Integrated with SharePoint Access Permissions |
| Apr. 27, 2026 | Commencement of Sales of "Tsunagi AI", a Generative AI Agent Platform |
| Apr. 28, 2026 | Establishing a Consulting-Centric Organization Focused on Human Value in the AI Era |
| May 14, 2026 | Public-Sector Contract Awards Increase Approximately Eightfold |
| May 19, 2026 | Enhanced Collaboration with Canon IT Solutions Inc. to Expand Security Solutions Delivery Capabilities |
| May 21, 2026 | Expense Management Solution Surpasses 170 Customer Implementations |
| May 28, 2026 | Initiation of R&D for AI-Driven Development |
| Jun. 16, 2026 | Advancing Expense DX at Toyo Engineering Corporation |
| Jun. 18, 2026 | Building an Engineering Workforce for the AI Era |
| Jun. 22, 2026 | Supporting Reskilling and Career Transitions for Regional IT Talent |

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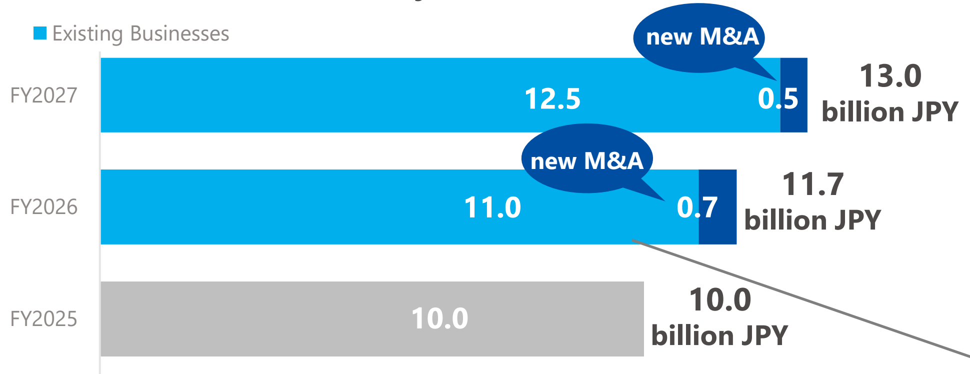
## FY2027 targets: Net sales of 13.0 billion JPY, ordinary profit of 1.7 billion JPY, and net sales CAGR (compound annual growth rate) of 10%

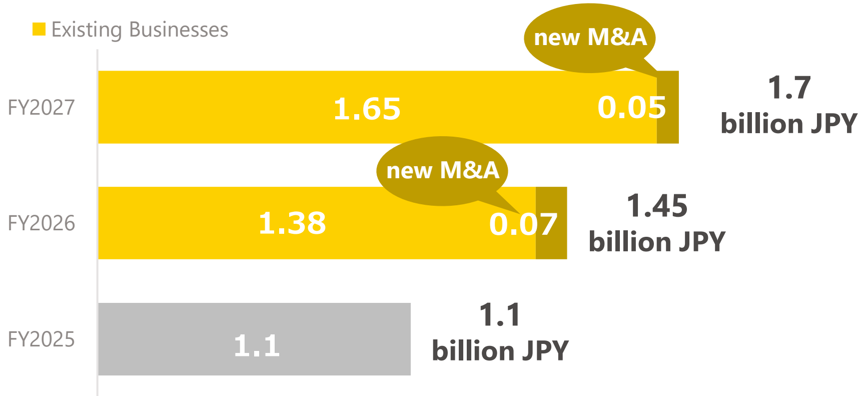
- Expansion of proposal activities for public-sector and local government DX projects.
- Acceleration of cross-selling and AI/DX solution proposals.
- Capturing growing demand for AI solutions.
- Promotion of collaboration and joint research in AI-driven development.
- Continuation of M&A sourcing activities and executive-level engagement.

* No new M&A transactions were completed as of the end of the third quarter.

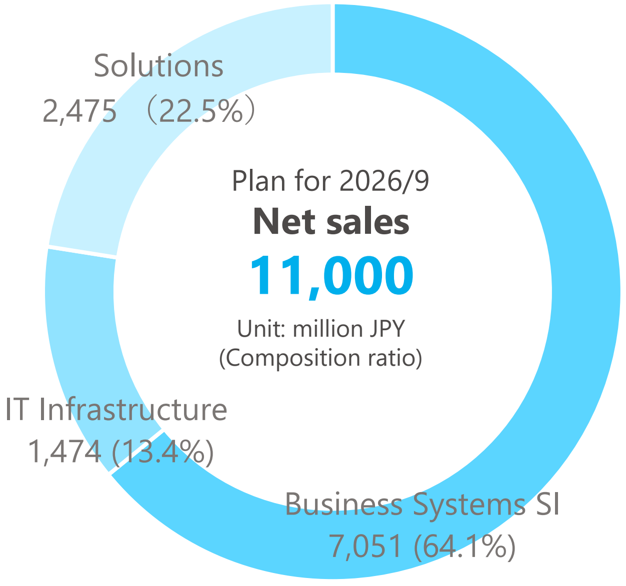
Unit: billion JPY **[Net sales by FY]**




Unit: billion JPY **[Ordinary profit by FY]**




**[Sales Plan by Service Line (Consolidated) for FY2026/9]**




* New M&As not included in net sales.

### Business Systems SI

- Continue orders for financial system development centered on system development for life insurance and accident insurance sectors
- Receive orders through bidding for development for public and education sectors and municipalities
- Promote stock-type business from product sales and kitting, as well as operation and maintenance
- Pursue speedy development projects by leveraging highly productive and high-quality system development services that combine low-code tools and testing services. Actively receive orders.
- Standardize speedy development through AI-driven development and strengthen proposals

### IT Infrastructure

- Current operation analysis and improvement proposals for the utilization of generative AI
  → Resolve human resource shortages. Provide operational support including device procurement
- Expand orders through business improvement from IT outsourcing
- Expand software testing services to financial-sector areas

### Solutions

- Expand cloud-based expense reimbursement system solutions
  Expand and develop InvoicePA Direct and peripheral solutions
  Use order results for the education sector for horizontal expansion and market share expansion
- Expand AI solutions
  Launch "AI Physician Scheduling" solutions
  Develop medical solutions through industry-academia collaboration
  Expand solutions that assist hospital DX
- Expand security-related solutions
  Add new solutions to lineup through collaboration with business alliance companies

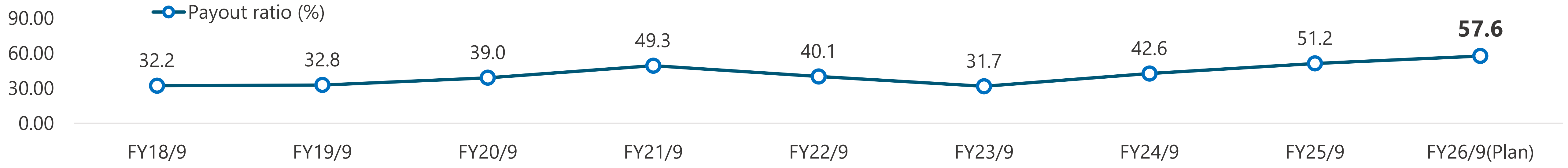
# 2.2 Shareholder returns



**Paid a 40th anniversary commemorative dividend of 2 JPY, increasing the dividend per share by 16.7% year-on-year to 14 JPY**

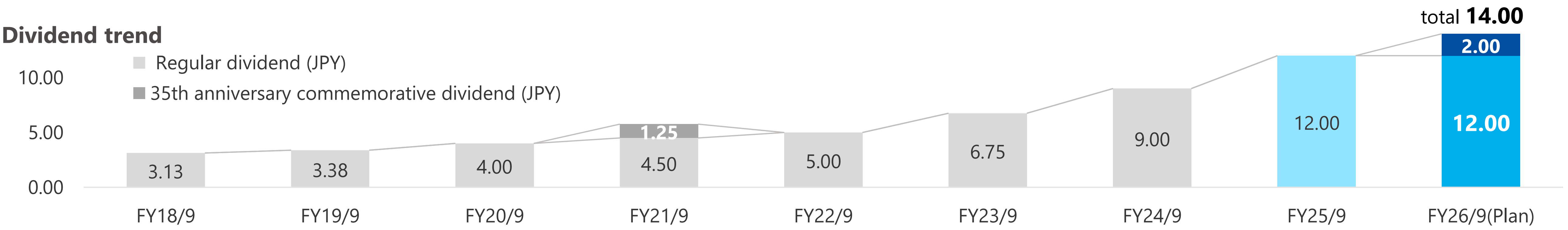
- Decided to increase the dividend to express gratitude for the 40th anniversary of establishment and as part of ongoing efforts to enhance shareholder returns.

## Payout ratio trend




* Total return ratio (%) = (Payments for dividends + Payments for treasury share purchase) / Profit
* Due to treasury share purchase in 2022 and 2023, the total return ratios for 2022 , 2023 and 2024 were 79.6% , 90.5% and 66.8%, respectively.

## Dividend trend




*The Company paid a commemorative dividend in commemoration of the Company's 35th anniversary for the fiscal year 2021/9.
*Needs Well conducted stock splits on April 1, 2018, January 1, 2019, June 1, 2023 and June 1 2024 at a ratio of 2 shares per share. Past annual dividends per share have been retrospectively adjusted based on these stock splits.
*The Company paid a commemorative dividend in commemoration of the Company's 40th anniversary for the fiscal year 2026/9. –Notice Regarding Upward Revision to Dividend Forecast (dated June 15, 2026)

## Shareholder Benefit Program

QUO cards worth 15,000 yen are presented to shareholders who continuously held 1,000 shares (10 units) or more for at least one year, with March 31 of each year as the record date

# 3.1 Management philosophy and medium-term policy

**Enhance corporate value**

**Enhance business value**: Achieving performance and business targets
**Enhance social value**: Achieving sustainable management

■ Management philosophy

**Contributing Broadly to the Economy and Society**

■ Management policy

**Constantly evolving, Needs Well continues to contribute broadly to the economy and society with the slogan “Try & Innovation.”**

■ Medium-term basic policy

**Transition to a true system integrator**

■ Medium-term management policy

**Improving profitability and reducing overtime work through increased productivity**
**Achieving high salaries and bonuses, as well as work-life balance**

# 3.2 Our three strengths

Co-create and deliver optimal solutions that support customers' management innovation, mainly in **DX, generative AI, AI agents, and cloud-based expense reimbursement**.
Propose optimal solutions for customers' issues as a **solution provider**, not only through system development.
Have many solutions that lead to issue resolution, and propose and support **solutions, SI, operations, and support in an integrated manner**.

## Ability to provide solutions / AI

## Capacity for financial system development

Financial sector accounts for 50% of net sales in main service line, Business Systems SI.
Particularly advanced in **life insurance and accident insurance sectors**.

**Migration** using low-code tools, **testing services** that verify quality together with system development, and **IT outsourcing** that supports information systems departments while building operational structures.
Proposals for flexible system development through solution provision.
Development capabilities that achieve business improvement together with customers.

## Proficiency in direct sales to end users

End-user transactions remain high, accounting for **more than 65%** of the net sales composition.

**Continue direct transactions** with end users, mainly life insurance companies, leading hotels, and telecommunications carriers.

End-user transactions are increasing due to solution provision and our track record in projects through bidding for municipalities and government agencies.

***a solution provider which supports our customers' business***

# 3.3 ValueCreationProject:
## Transformation Roadmap for Enhancing Corporate Value

**Transform from a business model centered on contract development into a high-value-added solutions company that fundamentally resolves customer issues, thereby enhancing corporate value**

### To date

**Contract development company focused on financial system development**

- Evolve into a true system integrator
  Essential to further enhance added value
- Launch the Solutions Business
  Coordination with SI and the limited scope remain challenges

Net sales
10.0 billion JPY

Number of employees
597

### Transformation phase

**Transform into a solution provider that delivers high added value based on a solid business foundation**

**Strengthening of human resources**
- "Nakama" recruitment
  Mid-career and new graduate recruitment
- Strengthen "Nakama"
  Expand human resource development
- Secure specialized personnel

**Utilization of AI/DX**
- Improve productivity through the standardization of AI-driven development
- Expand DX proposals for municipalities and the education sector
- Enhance development processes

**Creation and expansion of solutions**
- Develop and expand solutions (AI/DX/security)
- Strengthen consulting and upstream processes
- Expand the range of industries and business domains

**Utilization of M&A**
- Maximize business synergies
- Acquire technologies and expertise
- Expand business domains

**Transformation to a high-value-added business model**
- Shift to an outcome- and value-delivery business
- Expand recurring revenue
- Improve profitability

**Advance from multiple perspectives**

### Future

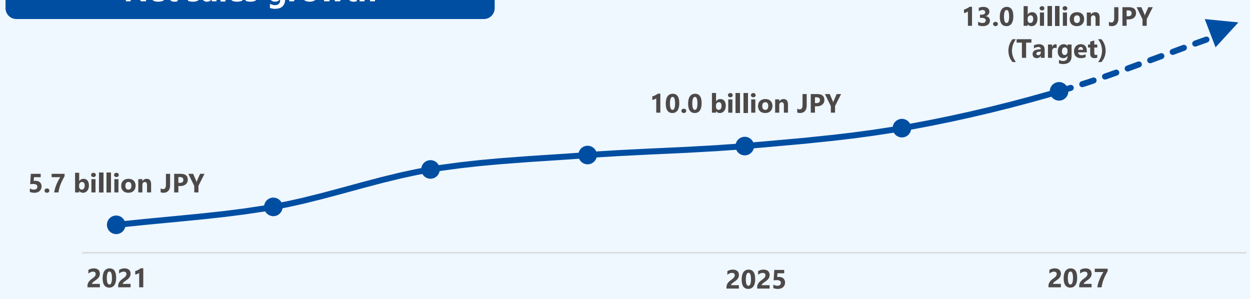
**High-value-added solutions company that fundamentally resolves customer issues**

- Strengthen issue-solving proposals and consulting capabilities
- Significantly increase the share of solutions business
- Enhance stability by increasing the share of recurring revenue
- Provide value across a wide range of industries and domains

FY27
Net sales
13.0 billion JPY

FY27
Number of employees
700

### Net sales growth




### Enhancement of corporate value

**Add high value to a solid business foundation and transform into a solution provider**

**Improvement in capital efficiency**
Efficient business operations and ROE of 20% or more

**Enhancement of stakeholder value**
Maximize corporate value through sustainable growth

# 3.3 ValueCreationProject:
## Realize improvement of brand value and enhancement of corporate value company-wide

### Business expansion / Performance improvement

**Increased orders driven by business expansion in AI, DX, and public sector domains, alongside continued growth in recurring revenue**

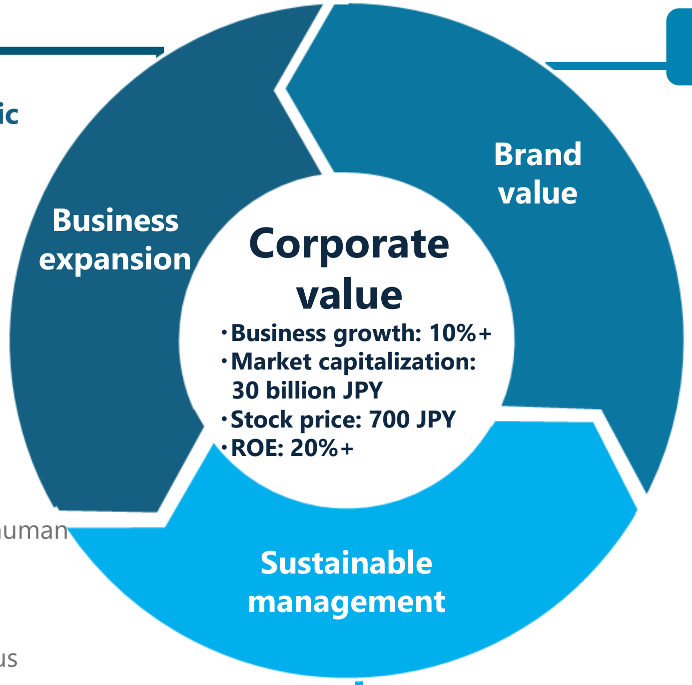
- Growth in orders supported by rising demand for AI (data analytics), DX-related services, and cloud solutions
- Orders secured through horizontal deployment of DX implementation achievements for local governments
- Expansion of contract scale, stable order intake, and recurring revenue generation through public sector tenders
- Deepening relationships with existing customers to enhance recurring business in core areas, while capturing new orders through expansion into adjacent domains

**Next-generation project management**

- Establishment of next-generation project management integrating AI and human resources
- Standardization and operational implementation of AI-driven development
- Integration of QMS and AI-based management
- Provision of trusted testing services backed by our ISTQB Gold Partner status

**Solution creation and expansion**

- Creation of customer issue–solving solutions, including industry-specific AI solutions
- Establishment of a problem-solving process through IT outsourcing–based customer support, issue identification, and improvement proposals




### Transform into a solutions provider

**Expansion of proprietary solutions through the integration of business expertise and AI**

- Deployment of proprietary solutions that combine accumulated business expertise in core domains with advanced technologies, centered on AI, cloud-based expense management, and RPA
- Standardizing our end-to-end in-house services—from analysis and implementation to development, testing, and operations—into comprehensive service offerings, while delivering hands-on, accompanying implementation through an Forward Deployed Engineering approach

**Maximizing engineer value by connecting operations and technology**

- Maximizing engineer value through the development of engineers capable of identifying on-site operational challenges and bridging operations with technology, while continuously enhancing service quality

**Social implementation of advanced technologies**

- Accelerating industry–academia collaborative development to address social challenges in the healthcare, education, and public sectors

**Market share acquisition for our solutions**

- Creation of high-value-added solutions that meet market and customer needs, while expanding market share by ensuring scalability and reproducibility.
- Strengthening market presence through ecosystem development in collaboration with partners and joint proposals.

### Investments / Securing human resources / Training and education

**Strategic investment for sustainable growth**

- Focus investment on human resources, the foundation of our value
- Accelerate R&D in preparation for the full-scale arrival of the AI era
- Conduct M&A as upfront investment for the AI era
- Accelerate orders and recruitment through strategic PR activities

**"Nakama" recruitment and strengthening**

- Secure human resources from both new graduate and mid-career recruitment
- Regional recruitment, effective utilization of internal programs (employee referrals and comeback programs)
- Enhance the development process for hands-on engineers, centered on human capital management
- Expand a strong project promotion structure through mutual growth with partners

**Building trust with stakeholders**

- Strengthen highly transparent information disclosure and IR activities
- Achieve "ValueCreation700"
- Gain trust and empathy through PR activities

**SDGs, ESG, and CSR**

- Establish a corporate brand that continues to contribute to society through the practice of SDGs, ESG, and CSR management

**Strong financial foundation**

- Maintain a highly profitable structure that continuously achieves EPS of 30 yen and ROE of 20%

# 3.4 Focus area

**Promote business structure reform that maximizes the value of people (engineers) and solutions in the AI era**

**Provide optimal solutions and services through engineers and AI**

## Strengthening Solutions and Services

- AI Solutions and Services
- Cloud Solutions
- Software Testing
- IT Outsourcing Services
- Migration Services

## Strengthening Recruitment and Training

## Strengthening Technical Capabilities and Services for the AI era

# 3.4.1 Strengthening Solutions and Services

Try & Innovation NeedsWell

## Establishing the Needswell brand as a solution provider

**Purpose of solution deployment**

〇Focus on a value-driven business
〇Integrating system development with solutions to provide customers with clear and optimal solutions(Offering Menu)
〇Expanding the solution lineup and providing services as a solution provider

| Solution area | Details of solution |
|---|---|
| Information security | Virtualization solution ｜ Symantec ｜ VOTIRO ｜ Resalio Lynx ｜ Remote PC Array ｜ okta ｜ MobiControl ｜ eset<br>* Plan to expand security solutions such as cloud security and ransomware countermeasures<br>* Certified as an ESET 'ESPP Authorized Partner' |
| Operational efficiency | Original solution accompanying the implementation of SAP Concur<br>∟ N-Bridge Series｜ Speed AS ｜ Invoice PA ｜ InvoicePA+ ｜ InvoicePA Direct ｜ CoNeCt ｜ imPac ｜ Corpo Card ｜ N-Navi ｜ BI Startup｜ Expense Management Maturity Assessment Service｜<br>Launched in April 2026<br>Support customer business improvement and operation in conjunction with our IT Outsourcing services<br>∟ IT Re-engineering｜ DXPA ｜ Dgent ｜<br>Provide operational support along with the use of tools<br>∟ UI/UX-Navi （WalkMe） ｜ WinActor ｜ SharePoint Utilization Services｜ ManaSupport ｜ BP-Collabo ｜ Smartphone Rental Service |
| Development tools | Provide highly productive system development utilizing development tools<br>∟ WebPerformer ｜ WebPerformer-NX<br>Specialize in modernization of business systems built on Excel or Access<br>∟ MigrationLC |
| AI | Refer to next section. |
| Finance | CXone ｜ Robotic Call ｜ WELCOME |

# 3.4.1 Strengthening Solutions and Services : AI Solutions and Services

**Expansion of services and solutions that enable DX and operational efficiency improvements through the utilization of AI**

**Promoting AI utilization through industry-specific AI solutions, along with existing solutions + generative AI utilization platforms**

## Started providing AI Physician Scheduling

**Added to the lineup as a business-specific AI solution**

Inquiries are increasing as a solution that achieves hospital DX
Promote horizontal expansion to multiple industries and operations based on track records

## Started sales of "Tsunagi AI," a generative AI use platform

**April 2026:Concluded agency agreement**

Strengthening total AI solution deployment, including peripheral services
Creating new services and solutions that accelerate customer DX and operational improvements by integrating with our existing solutions

## AI-related organizations joined by the Company

- The Japanese Society for Artificial Intelligence
- The Operations Research Society of Japan
- Association to Generalize Utilization of Generative AI (GUGA)

### AI Solutions

- Business AI Automation Service — WorkAI
- Abnormal Sound Detection — AsProphetter (Launched in July 2025)
- Estimate — EsProphetter
- Visual inspection — ViProphetter
- Quality Control — QcProphetter
- Anomaly Detection — AdProphetter

### industry-specific AI solutions

- Medical AI — AI Physician Scheduling (Launched in January 2026)
- AI Solution for Chronic Pain Treatment (Under development)
- Automatic Generation of Financial Statements — FSGen
- Automatic Bidding Eligibility Diagnosis — QualiBot
- Automatic PR Draft Generation — PRGen

### AI chatbot Solutions

- AI Chatbot — Chat Document
- Internal request — 社内FAQ
- Shareholders' Meeting — 株主QA

### IoT×AI Solutions

- BearAI

### Training

- Microsoft 365 Copilot Basic Training (Launched in May 2026)

Try & Innovation NeedsWell

## Expand cloud solutions for municipalities and SMEs

- Accelerating domain expansion with reproducibility, building on our proven track record in the education and local government sectors
- Enhancing service quality and sophistication, driven by our "implementation capabilities" to integrate AI and cloud technologies into practical operations

### Invoice PA Direct

Introduced to various manufacturers

Improve efficiency and save labor in invoice processing, starting with online receipt of invoice data

➡ **Favorably received by more than 80% of users**

### Concur Standard

**A product specialized for small, mid-sized, and venture companies**, with an emphasis on ease of implementation, including a reasonable fee structure, simplified initial setup, and packaged functions

### SAP Concur

First introduced to an education-sector customer in 2026

Concur Professional — For large companies

Implementation track records are increasing

Concur Standard — For small, mid-sized, and venture companies

### SAP Concur Linkage solutions

- Core system linkage: N-Bridgeシリーズ オンプレ版/クラウド版
- Speedy introduction in three months at the fastest: Speed AS 企業版/文教版
- Automated registration of invoices with AI: Invoice PA, Invoice PA Plus, Invoice PA Direct
- Accounting linkage for Standard: CoNeCt, CoNeCt-Pro
- Transportation Expense Entry/Approval Response: Nチェッカ, Nチェッカ-Pro
- Expense analysis using BI: BIスタートアップ
- Accompanying style guidance for Concur: Nナビ
- Higher efficiency of linkage with corporate credit cards: Corpo Card
- Introduction package for Standard: ImPaC

# 3.4.1 Strengthening Solutions and Services : Software Testing

Try & Innovation NeedsWell

**Service that performs customers' testing work in system development from a third-party standpoint**
**Demand is increasing due to the spread of AI-driven system development, maximizing customer satisfaction**

- Test engineers with **ISTQB Certified Tester qualifications and IT Verification Engineer Certification** provide high-quality software testing
  ➡ Certified as an **ISTQB® Gold Partner**
- Achieving up to a 98% test case automation rate, applied to deliver high-speed testing services aligned with the spread of AI-driven development
- Expanding our consulting expertise in software testing across other domains and industries through horizontal deployment, while ensuring high quality through engineer-led design and verification

### Outsourced testing service

Introduced to a payment platform company

Engineers with JSTQB Certified Tester qualifications conduct testing from a third-party standpoint without preconceptions

Early detection of defects and issues that are hard to notice improves system quality

### Automated testing service

Combined with our law-code development tool solutions

→ Test automation reduces man-hours, shortens the development period, and improves operation and maintenance efficiency

### Test management service

Easy test monitoring and control → Reduces management man-hours

Real-time detection of test progress leads to early discovery of problems

### Migration testing service

Conducts current/new system comparison verification, catch-up verification, and regression verification in migration development

Efficiency improvement and reuse through test automation tools → Improves maintainability and reduces operating costs

### Multi-device testing service

Conducts pattern testing using actual devices and OSs

Uses our smartphone rental service → Reduces device costs and enables arrangement of various devices

### Testing support service

Launched in November 2025

Conducts current/new system comparison verification, catch-up verification, and regression verification in migration development

Efficiency improvement and reuse through test automation tools → Improves maintainability and reduces operating costs

## Support for business efficiency improvement and establishment of a long-term framework to meet the demand caused by talent shortages in corporate DX

As the demand for DX and business improvement increases year by year, more companies are facing challenges in controlling all aspects of IT internally. We offer proposals that adapt flexibly to measures against personnel shortages and contract arrangements of each company, providing **comprehensive management, operation, and support**.

Establishing a process to deepen customer understanding through operational support, **while driving operational improvements and DX together with our customers.**

### Operational design and monitoring

Leverage know-how cultivated over many years of operation to establish a stable and secure DX conversion and operational framework.

### Taking on operations

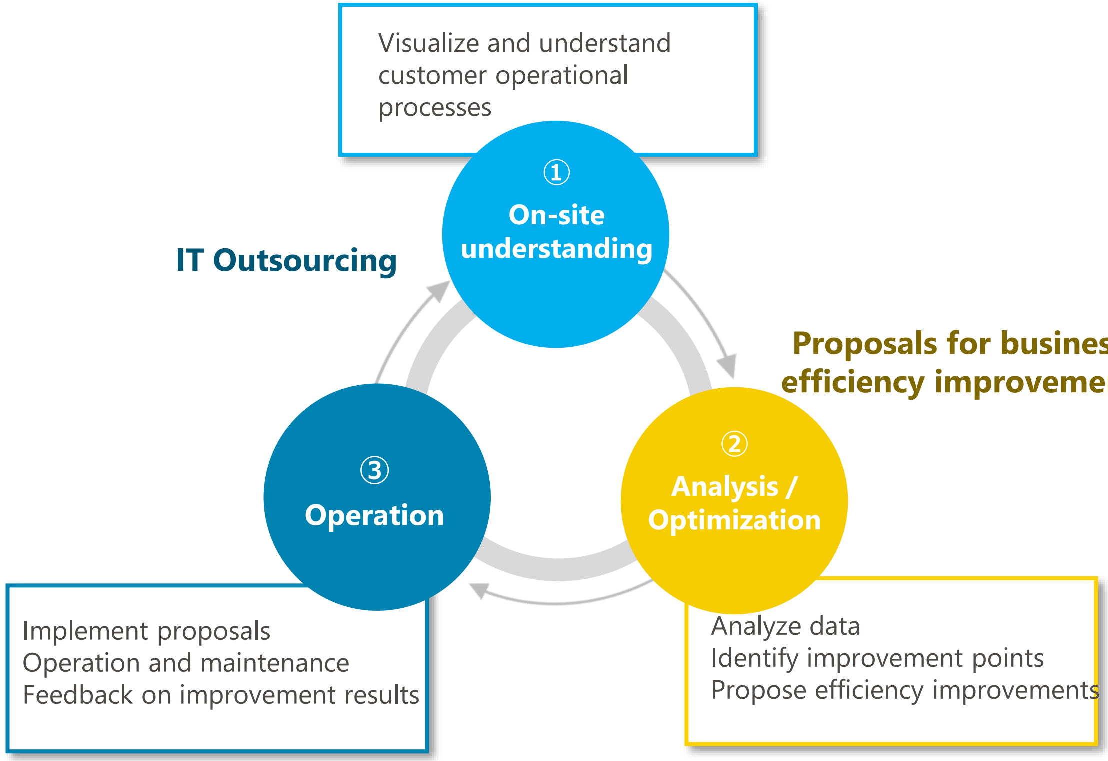
Take on system operations, such as restoration, backup, and vulnerability management.

IT outsourcing for taking on digitization of paper documents for government agencies, local public entities, and other bodies in the public sector with **DX support** by DXPA.

### Managed services

Take on everything from migration, design, and construction to maintenance and operation, achieving high quality and on-going cost reduction through technical capabilities cultivated over the years.

**[Virtuous cycle of IT Outsourcing and business efficiency]**



# 3.4.1 Strengthening Solutions and Services : Migration Services

## Providing consistent support throughout the migration from design and manufacturing to testing

## Providing flexible support for diversifying market needs, including legacy migration and modernization of legacy tools

● **The demand for migration has been increasing more than ever** due to various factors such as the withdrawal of domestic manufacturers from general-purpose computers, the migration of legacy systems to new platforms, and a shortage of skilled personnel and technicians in current systems.

● **Reduction of system verification costs in association with migration through automated testing services.**

### Migration

**Support for wide range of migration, including legacy migration and modernization**

・Aggregate engineers specialized in migration development
→Expand technical know-how and scope of services

・Aggregate development know-how at **Nagasaki Development Center**

### Testing services

**Enhancement of quality testing services**

・Conduct reliable, high-quality testing

・Build efficient testing system using **test management services** and the Nagasaki Development Center

・Collaborate with RGS Information System to provide **test automation services** and contribute to cost reduction

### MigrationLC

**Service provision starts in April**

**Migration development solution**

Address operational issues in business systems built on Excel and Access through migration and modernization utilizing low-code technology, providing comprehensive solutions and benefits to a wide range of customers regardless of industry or business type.

* Standardize business processes
* Improve system maintainability
* Optimize operating costs
* Integrate data management
* Promote web-based and cloud-based migration

# 3.4.2 Strengthening Recruitment and Training

**Position human capital as the most important management resource, strengthen recruitment and education, and achieve sustainable growth**

**Focus on the value of people (engineers) as AI use advances in system development**

## ● Steady progress in recruitment and medium-term workforce expansion

Expand the workforce strategically to support business growth and R&D
→ Aim to reach 700 employees in 2027

**Hiring results for H1 FY2026**

| New graduates | Mid-career hires |
| --- | --- |
| 25 | 22 |

**Needs Well Group employee target**

2027 **700**

## ● Recruitment Policy

Aim to build a Group-wide structure of 700 employees in 2027 to establish a business foundation as a solution provider.

New graduate recruitment: Sustainable organizational growth

Mid-career recruitment:

(Engineers)

Securing immediate assets and strengthening specialized expertise

Strengthening and differentiating AI-driven development project management

Securing resources to support the expansion of order domains

(Sales)

Sales recruitment: Accelerate proposal-based solution expansion

## ● Strengthen education and training

Maximize provided value by enabling engineers with solid basic technologies to make advanced use of next-generation tools

**① Standardization of AI use in system development (AI-driven development)**

**② Project management capabilities to manage "people and AI"**

**③ Evaluation technologies to correctly evaluate development deliverables**

## ● Develop and produce AI engineers who provide high added value

○Developing engineers who utilize AI as a powerful tool

・Maximizing delivered value through the synergy of human expertise and AI

○Reconstructing project management predicated on AI utilization

・Establishing a management framework that appropriately oversees system development—accelerated, enhanced, and automated by AI—while maintaining core compliance with QMS (Quality Management System)

→Introducing and launching an updated curriculum for AI utilization training

# 3.4.3 Strengthening Technical Capabilities and Services for the AI era

Try & Innovation NeedsWell

**Strengthen the medium- to long-term growth foundation through human resource development for the AI era, stronger technical capabilities, and services that move customers**

**Position this as sustainable value creation through human resource growth and investment in human capital management**

## ① R&D and internal standardization

**AI use in the medical field (Industry-academia joint R&D with Nagasaki University)**

**[R&D of an AI Solution for Chronic Pain Treatment]**

* Chronic pain is defined as "pain that continues beyond the expected time required for treatment, or pain related to progressive non-cancer diseases."

**Needs for business efficiency improvement through AI use are rapidly expanding**

**[Internal standardization of an AI chat platform linked to SharePoint viewing permissions]**

Aim to achieve safe and practical AI use while maintaining existing SharePoint permission management
Verify engineer development, business efficiency effects, and operational effectiveness and safety through implementation in the internal environment

➡ **Based on the results, we plan to expand external sales from the next fiscal year onward**

* RAG (Retrieval Augmented Generation): A technology that enables generative AI to answer while searching and referring to external data

**Spread of AI use in system development**

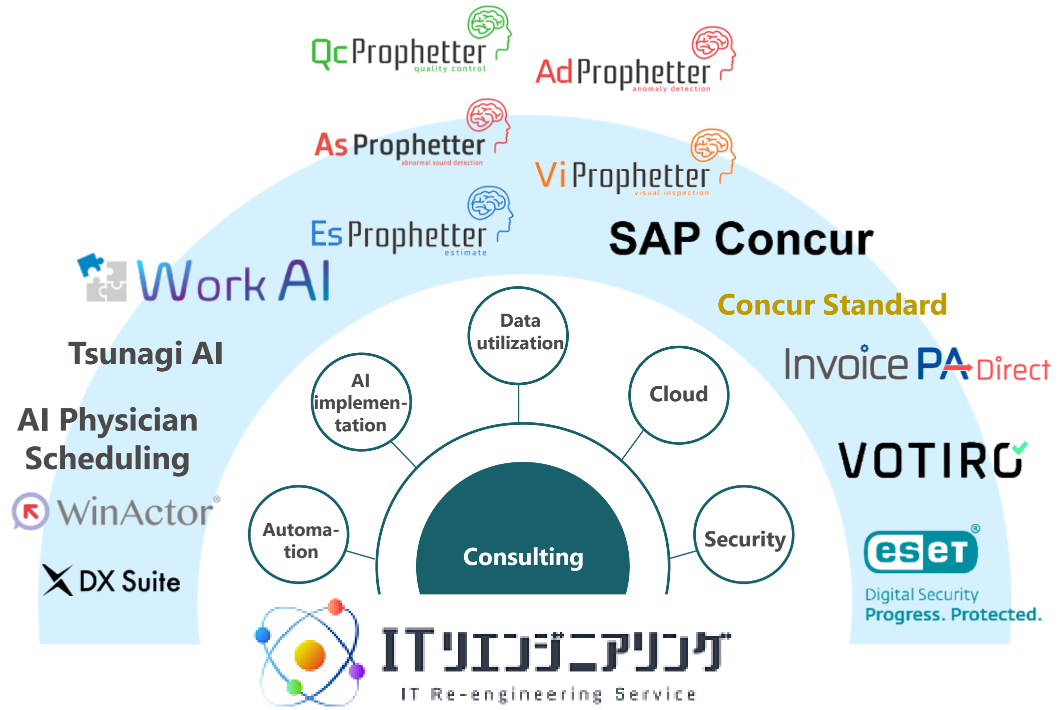
**[Internal Standardization of AI-Driven Development]**

Promote the standardization of next-generation system development methods. Establish development procedures and project management processes that improve development efficiency through AI use while ensuring quality and preventing "understanding debt." This will contribute to higher service quality.

## ② Strengthen consulting services through IT reengineering services

As AI improves efficiency in system development, engineers will play an even more important role in hands-on support and decision-making support that lead customers to issue resolution.

Engineers will be responsible for establishing optimal issue-resolution methods together with customers while using the latest technologies as tools.



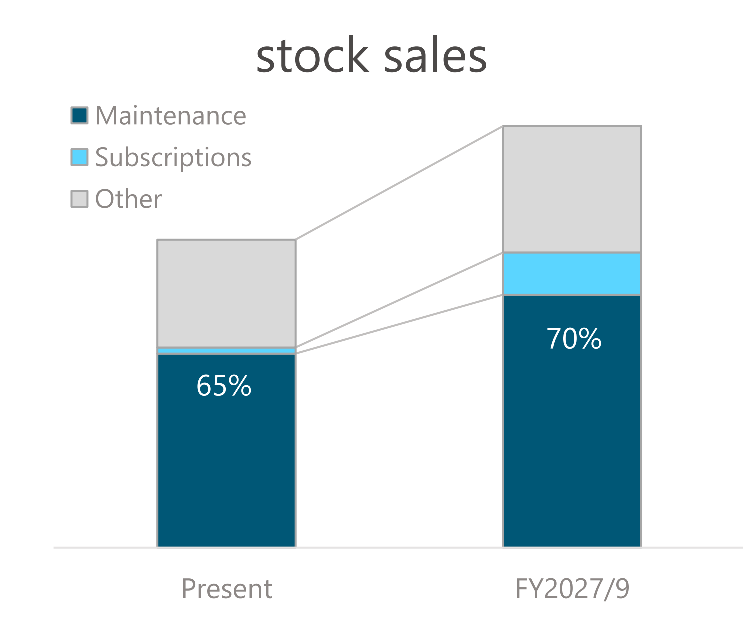
# 3.5 Revenue expansion and targets

## Expand stock sales

**increasing to 70% by 2027**

- Increase the weight of areas where revenues are accumulated continuously (subscriptions and maintenance) to stably expand the revenue structure.
- Ensure stable revenue through the expansion of stock sales, leveraging our development know-how.
- Maintain and expand ongoing transactions with customers we have cultivated over time.

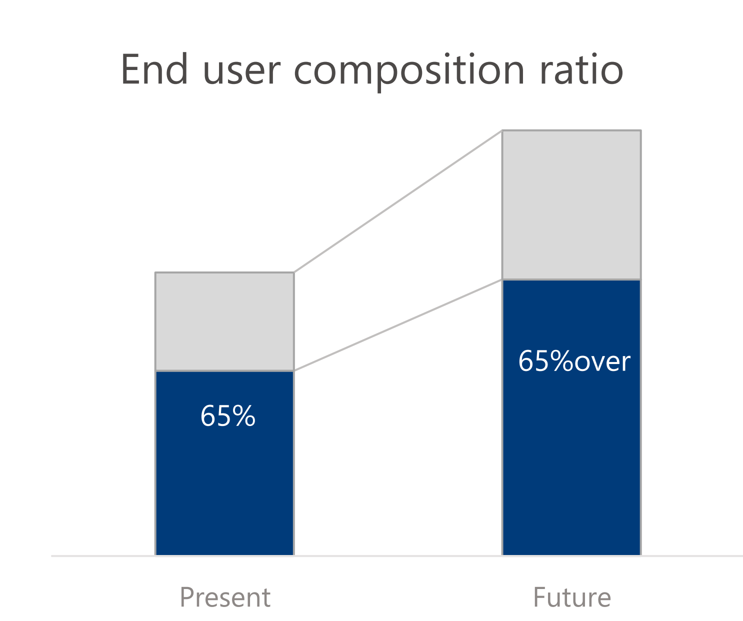
Stock sales: System maintenance and operation for at least two years, subscription-based solutions, etc.




## Increase direct sales to end users

**maintaining and expanding over 65% of net sales**

- Ratio of direct sales to end users is over 65%, a high level in the software development industry.
- Focus on continuing to work with existing customers, expanding the scale of projects in relevant sectors, and cultivating new sectors of expertise.
- Cultivate new users
  Attracting customers through HP, PR activities, and hosting seminars.
  Based on case studies, approach existing users in the same industry.



1. 2026/9 3Q Financial report summary

2. 2026/9 Results forecast

3. Growth strategy

4. Reference

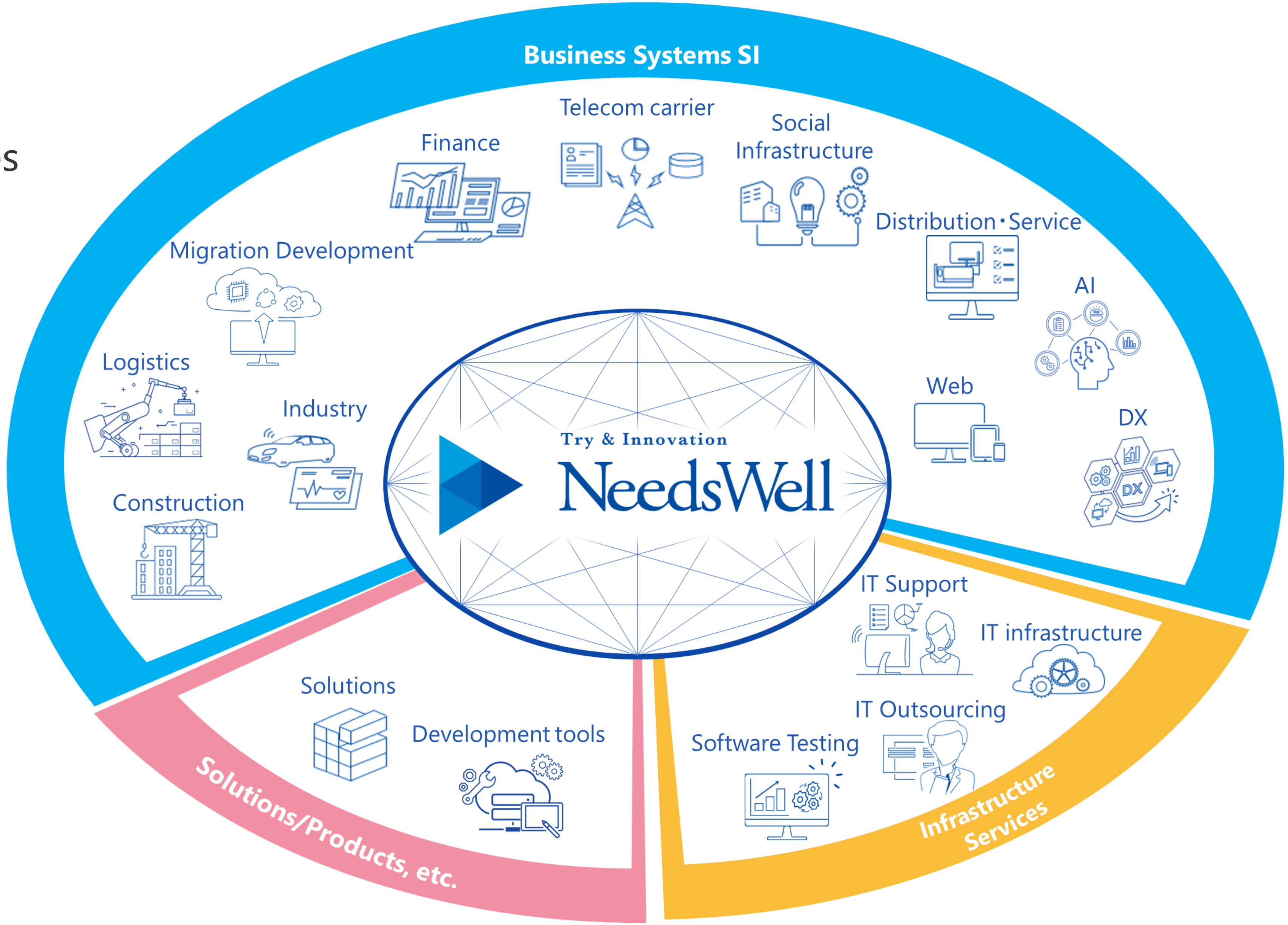
# 4.1 Company profile

As of September 30,2025

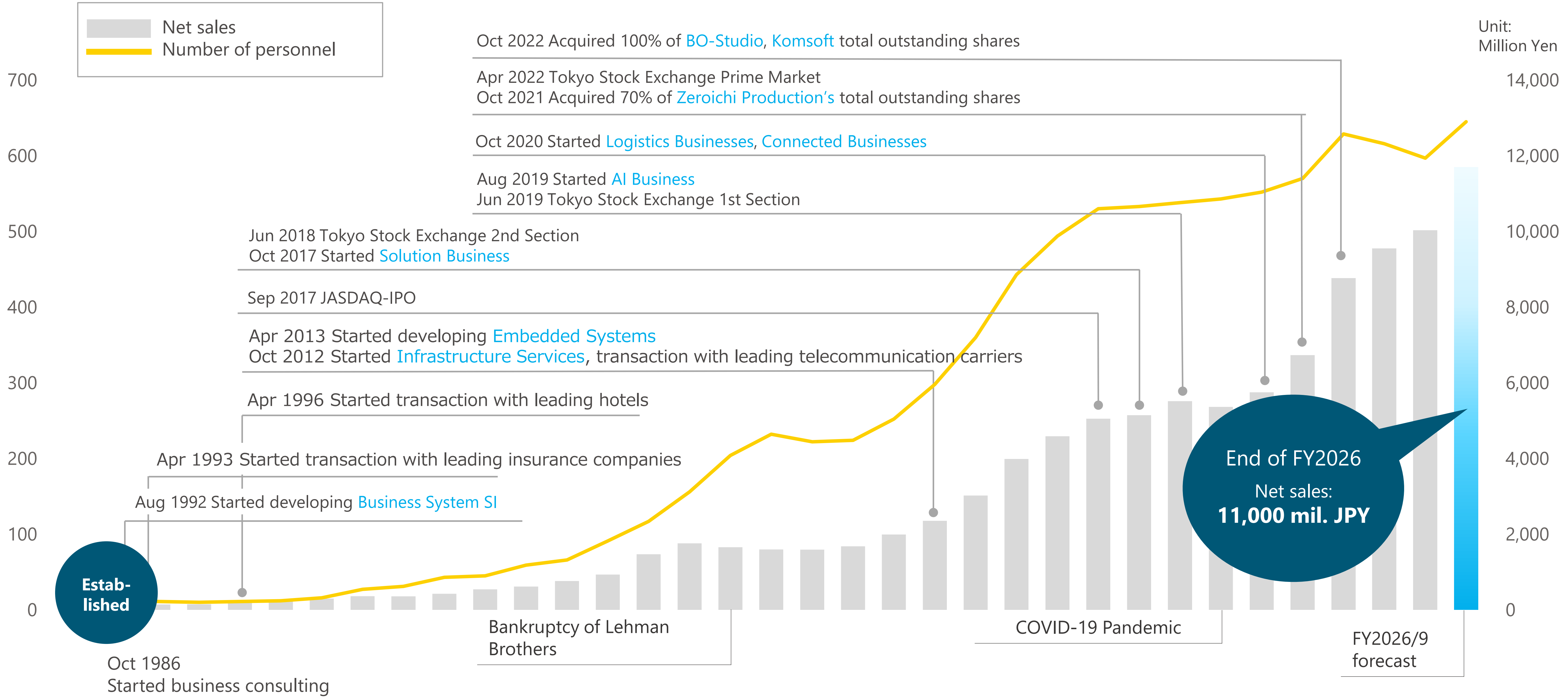
| | | | |
|---|---|---|---|
| **Company Name** | Needs Well Inc. | **Representative** | President and CEO **Hajime Matsuoka** |
| **Established** | October 1, 1986 | **Stock Listing** | Tokyo Stock Exchange, Prime Market (3992) |
| **Paid-in Capital** | 908 million JPY | **Net sales** As of September 30,2025 | 10,032 million JPY(Consolidated) |
| **Number of Employees** As of September 30,2025 | 597 (Consolidated) | **Fiscal year end** | September |
| **Head Office** | 13F, New Otani Garden Court, 4-1 Kioi-cho, Chiyoda-ku, Tokyo, 102-0094 Japan<br>TEL: +81-3-6265-6763 FAX: +81-3-6265-6764 URL: https://www.needswell.com | | |
| **Office** | - Nagata-cho Office : 2F, Sumitomo Fudosan Nagatacho Building, 2-17-3 Nagata-cho, Chiyoda-ku, Tokyo, 100-0014 Japan<br>- Nagasaki Office: 6F, Meijiyasudaseimei Nagasakikozenmachi building, 2-21 Kozen-machi, Nagasaki-shi, Nagasaki, 850-0032 Japan | | |
| **Group structure** | ■ Consolidated subsidiaries **Zeroichi Production** Co., Ltd. (Head Office: Nasushiobara-shi)<br>**BO STUDIO** Inc. (Head Office: Shibuya-ku, Tokyo)<br>**KOMSOFT** Inc. (Head Office: Chiyoda-ku, Tokyo) | | |

# 4.2 Business fields

Needs Well provides
total IT services through three services
focused on
Business Systems SI for finance.

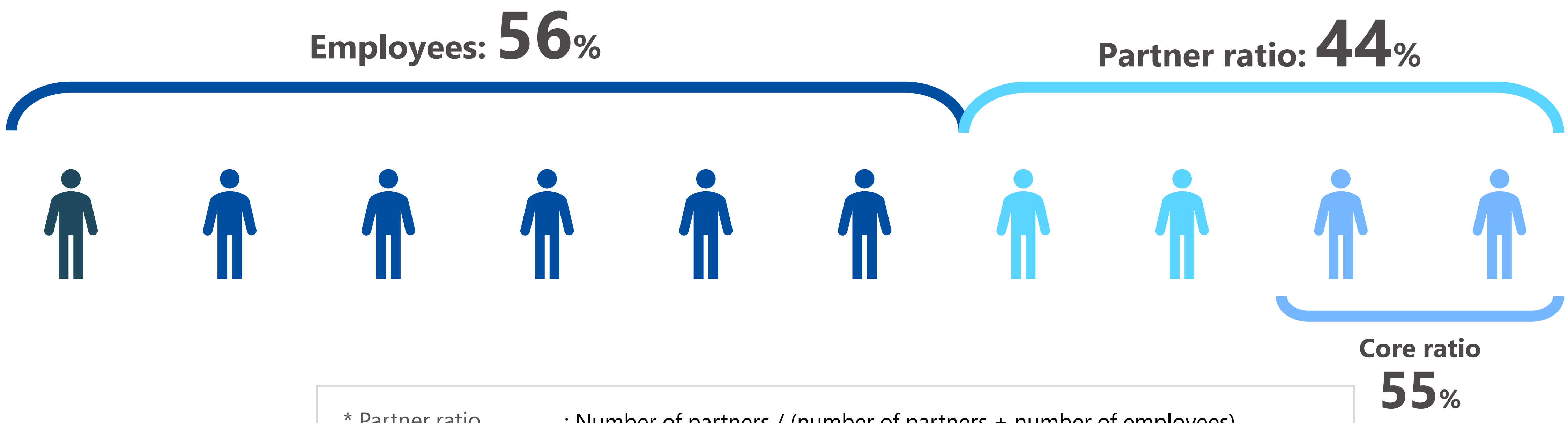


# 4.3 Growth track



# 4.4 Status of collaboration with partners

**Expand order capacity through partner collaboration**
**Strengthen collaboration and raise the core ratio to 70% in the future**




| | |
|---|---|
| * Partner ratio | : Number of partners / (number of partners + number of employees) |
| Core ratio | : Number of core partners / number of all partners |

As of the end of June 2026

# 4.5 Improve social value

**Towards a sustainable society through initiatives to create a sustainable society based on the corporate philosophy of "Contributing Broadly to the Economy and Society"**

### Initiatives directly linked to business

Incorporate the perspectives of the SDGs, ESG and CSR into business strategies to ensure that business activities are directly linked to the goals of the SDGs
Take on the challenge of creating employment, establishing an industrial foundation and technological innovation as an IT company

### Initiatives supported by systems and activities

Themes closely related to Needs Well, such as promoting job satisfaction and gender equality, promoting IT education, supporting local sports culture, etc.

**Nearshore Development Promotion**

**Development of new solutions to assist DX**

**Collaboration with partner companies**

**Work Style Reform and Human Resource Development**

**Increase ratio of female employees and managers**

**Telework**

**AI education for students**

**Support for Project in Nagasaki Prefecture**

**Support for V-Varen Nagasaki of the Soccer J League**

**Others**

# 4.6.1 Initiatives directly linked to business

Try & Innovation NeedsWell

**Aim for sustainable management through business strategies that incorporate the perspectives of SDGs, ESG, and CSR**

## Nearshore Development Promotion: Nagasaki Development Center to maintain 100 employees

・Promote development by committing to QCD (quality, cost, and delivery) through remote development system that utilizes nearshore bases.

・Aim to maintain 100 employees at the Nagasaki Development Center and contribute to prosperous urban development through the development of an industrial foundation, technological innovation, and creating employment opportunities by utilizing highly competent local human resources.

・Certified as the first registered business operator of the Nagasaki Prefecture SDGs Registration System.

・Participated in the Cabinet Office's "Public-Private Partnership Platform for Regional Revitalization SDGs"

・Achieved Four-Star Certification as a "Nagasaki Prefecture Company Promoting an Inclusive and Comfortable Workplace for All (N-Pika Certified Company)"

・ In collaboration with Nagasaki IT CAMP, supporting the reskilling and career transition of local IT talent

## Development of new solutions leading the AI era

- AI technologies, including generative AI, are rapidly spreading across the entire system development process
  Needs Well believes that value lies especially in "areas that people should handle," and is building a structure centered on consulting
  → Aim to co-create value through hands-on support for customers and maximize the added value of engineers who will lead the future of the AI era

・Support companies through hands-on consulting
・Medical AI solution "AI Physician Scheduling"
・Generative AI agent "Tsunagi AI"

## Collaboration with partner companies

Promote partnerships with contractors and suppliers and aim to establish a structure for continuing to develop together over a long period of time.

# 4.6.2 Initiatives supported by systems and activities

## Work style reform & personnel development

- Introduction of a double job system, internal FA system, return-to-work support system, and comeback system to find suitable jobs and enhance motivation
- Promote a healthy work-life balance by incentive dates for paid leave, Premium Friday (leaving work early on the last Friday of the month), reducing overtime work, etc.
- Expand selection of employees eligible for remote work
- System for encouraging skill improvement and motivation
- On-the-job training and mentor system to draw out skills and motivation
- Support for internal circle activities Futsal, basketball, relay races, etc.

8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

## Increase ratio of female employees and managers

- Increase the ratio of female employees by promoting meritocracy and gender equality
- Target female manager ratio: 30%, target female employee ratio: 30%

5 GENDER EQUALITY
10 REDUCED INEQUALITIES

## AI education for students

- Arrange AI programming experiences and 5 day/3 weeks internships for students
- Conduct programming classes on apps for submitting electronic applications and creating interactive AI chatbots, WinActor (RPA) to improve efficiency of school operations, taste data analysis, etc. (2020~)

4 QUALITY EDUCATION

## Donate to assistance programs for repaying student loans

- Contribute to projects by Nagasaki Prefecture for assisting young adults in the repayment of their student loans
  Develop leaders who will establish themselves and play central roles in the local community

4 QUALITY EDUCATION

## Support for V-Varen Nagasaki of the Soccer J League

- Concluded a sponsorship agreement to support the promotion of sports culture and revitalization of the local community

3 GOOD HEALTH AND WELL-BEING

Please view the following link for other initiatives and more information:
https://www.needswell.com/ir/sdgs

Try & Innovation
NeedsWell

- All statements described herein have been prepared by Needs Well based on the currently available information.
- Actual results may differ from forecasts due to various factors in the future.
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