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August 12, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)



Company name: ExaWizards Inc.

Listing: Tokyo Stock Exchange

Securities code: 4259

URL: <https://exawizards.com/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2026	3,448	41.0	200	39.0	168	21.3	87	31.1
June 30, 2025	2,446	15.9	144	-	139	-	66	-

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 89 million [23.2%]
For the three months ended June 30, 2025: ¥ 72 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	0.92	0.90
June 30, 2025	0.80	0.78

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
As of June 30, 2026	14,342	10,161	70.1
March 31, 2026	9,436	4,750	48.1

Reference: Equity

As of June 30, 2026: ¥ 10,047 million

As of March 31, 2026: ¥ 4,540 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		0.00	-	5.00	5.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit	
	Million yen	%	Million yen	%
Full year	15,600	30.0	2,300	44.3

Note: Revisions to the financial result forecast most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 companies(Exa Frontier Edge Inc.)
Excluded: - companies()

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
June 30, 2026: 97,005,000 shares
March 31, 2026: 87,156,500 shares

- (ii) Number of treasury shares at the end of the period
June 30, 2026: 1,719,681 shares
March 31, 2026: 1,774,813 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
Three months ended June 30, 2026: 95,166,664 shares
Three months ended June 30, 2025: 83,553,733 shares

(Note) The number of treasury shares at the end of the period includes the shares of the Company held by the stock-granting ESOP trust (564,283 shares for the fiscal year ended March 31, 2026: 509,151 shares for the three months ended June 30, 2026). Also, when calculating the average number of shares during the period, the average number of shares of the Company held by the stock-granting ESOP trust during the period is included in the number of treasuries shares to be deducted. (639,033 shares for the three months ended June 30, 2025: 520,639 shares for the three months ended June 30, 2026)

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Disclaimer)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. In addition, actual results may differ significantly due to various factors. For the assumptions underlying the earnings forecasts and notes on the use of earnings forecasts, please refer to “1. Overview of Operating Results for the first quarter of the fiscal year ending March 31, 2026 (3) Overview of Consolidated Earnings Forecast” on page 6 of the attached document.

Appendix

Table of Contents

1. Overview of Operating Results for the first quarter of the fiscal year ending March 31, 2026.	4
(1) Overview of Operating Results	4
(2) Overview of Financial Position	6
(3) Overview of Consolidated Earnings Forecast	6
2. Quarterly Consolidated Financial Statements and Primary Notes	7
(1) Quarterly Consolidated Balance Sheet	7
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	9
(Quarterly Consolidated Statement of Income)	9
(Quarterly Consolidated Statement of Comprehensive Income)	10
(3) Notes for the Quarterly Consolidated Financial Statements	11
Notes on going concern assumption.....	11
Notes in the event of a significant change in the amount of shareholders' equity.....	11
Additional Information.....	12
Notes on Segment Information	13
Notes on Cash Flows.....	15
Notes on Business Combinations.....	16
Significant Subsequent Events.....	21

(Reference)

As used in this document, “FY2027” and “current fiscal year” refer to our consolidated accounting period, which is from April 1, 2026 to March 31, 2027.

1. Overview of Operating Results for the current period

Forecasts in this document are based on judgments made as of the end of the current period.

(1) Overview of Operating Results

Overall

With the mission of “Solving social issues through Artificial Intelligence for future generations” the Group is engaged in the following three businesses.

AI Products Business	Providing a wide range of customers with AI software that can be used immediately in their business operations with minimal additional adjustments, with the aim of solving social issues
AI Solutions Services Business	Discovering industrial and social issues in various industries and realizing innovations through solving management issues of clients, mainly large corporations.

Consolidated Results of Operation

Net sales

Net sales for the current period amounted to 3,448 million yen (+41.0% YoY), driven primarily by an increase in the Number of users of the Company’s services in the AI Products Business, as well as growth in AI consulting engagements in the AI Solution Services Business.

Cost of sales, gross profit

Cost of sales for the current period was 1,463 million yen (+89.2% YoY). This was mainly due to increases in personnel expenses, system usage fees, and depreciation expenses, included in the cost of sales.

Gross profit for the current period was 1,984 million yen (+18.7% YoY), with a gross profit margin of 57.6%.

Selling, general and administrative expenses, operating profit (loss)

Selling, general and administrative expenses for the current period were 1,784 million yen (+16.7% YoY). This was due to increases in personnel and other expenses and advertising expenses, which are recorded under SG&A.

As a result of the above, Operating profit for the current period was 200 million yen (+39.0% YoY).

Non-operating income and expenses, Ordinary profit (loss)

Non-operating income for the current period was 0 million yen, and non-operating expenses were 32 million yen.

As a result, the ordinary profit for the current period was 168 million yen (+21.3.% YoY).

Extraordinary income (loss), net income (loss) attributable to owners of the parent company

Net income before taxes for the current period was 168 million yen (+19.8% YoY).

As a result, Net income attributable to owners of the parent company for the current period was 87 million yen (+31.1% YoY).

Segment Results

AI Products Business

During the current period, in addition to expanding sales of existing products, the Company has been actively engaged in developing generative AI and AI agents amid the rapid market expansion driven by companies' full-scale AI investments. "exaBase AI" (formerly "exaBase Generative AI") performed well, with 1,626 companies having adopted the product as of June 2026. In particular, sales through distributors expanded, accelerating adoption among regional mid-sized companies and SMEs. Adoption by government agencies and local governments also progressed steadily, with the Company capturing a share well above 50% of prefectural governments, steadily broadening its customer base. In AX human resource development, deal formation progressed steadily, driven by growing demand for talent development as companies accelerate full-scale AI utilization. Net sales shifted to a recovery trend after bottoming out in the third quarter of the previous fiscal year, returning to a growth trajectory.

At ExaMD Inc., a consolidated subsidiary developing AI medical devices, the clinical trial for its AI-based dementia diagnostic support app using conversational speech is progressing as planned, steadily achieving development milestones toward future revenue contribution.

As a result, net sales were 1,585 million yen (+50.6% YoY), gross profit was 1,139 million yen (+21.5% YoY), gross profit margin was 71.9%, and operating profit was 518 million yen (+9.1% YoY).

AI Solution Services Business

During the current period, demand for corporate AI and DX support expanded across all industries. Against this robust demand, the Company continued to work with numerous major corporations on innovation creation through AI projects. Recently, projects for "AI-driven development," which redesigns organizations and development processes around AI, have been increasing, and the scope of support has been expanding, led by Exa Frontier Edge Inc., a consolidated subsidiary. In addition, operations through a joint venture with MS&AD Insurance Group Holdings, Inc. have commenced, advancing the development of a new business foundation for the next stage of growth. The improved sales productivity from the project screening and optimized personnel allocation implemented in the previous fiscal year has also continued.

As a result, net sales were 1,909 million yen (+31.1% YoY), gross profit was 889 million yen (+11.0% YoY), gross profit margin was 46.6%, and operating profit was 450 million yen (+44.6% YoY).

(2) Overview of Financial PositionAssets

Total assets at the end of the current period were 14,342 million yen, an increase of 4,905 million yen compared to the end of the previous period. This was mainly due to an increase of 5,214 million yen in cash and deposits, primarily as a result of fund procurement through a third-party allotment of shares and other financing activities.

Liabilities

Total liabilities at the end of the current period were 4,180 million yen, a decrease of 505 million yen compared to the end of the previous period. This was mainly due to decreases of 413 million yen in accounts payable - other and 497 million yen in income taxes payable.

Net assets

Total net assets at the end of the current period were 10,161 million yen, an increase of 5,410 million yen compared to the end of the previous period. This was mainly due to an increase of 5,395 million yen in Capital and Capital reserve resulting from the issuance of new shares through third-party allotment.

(3) Notes on Forward-Looking Information Such as Consolidated Earnings Forecasts

There are no changes to the earnings forecast for the current fiscal year from the consolidated earnings forecast disclosed on May 12, 2026.

2. Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	3,979	9,194
Accounts receivable - trade and contract assets	2,355	1,950
Other	477	344
Total current assets	6,812	11,489
Non-current assets		
Property, plant and equipment	122	201
Intangible assets		
Goodwill	4	-
Customer-related intangible assets	939	916
Software	951	1,119
Other	0	0
Total intangible assets	1,895	2,036
Investments and other assets		
Investment securities	40	40
Deferred tax assets	169	177
Other	396	397
Total investments and other assets	606	615
Total non-current assets	2,624	2,852
Total assets	9,436	14,342
Liabilities		
Current liabilities		
Current portion of long-term borrowings	360	360
Accounts payable - other	775	679
Accrued expenses	451	458
Income taxes payable	477	63
Contract liabilities	182	235
Provision for bonuses	30	129
Other	328	264
Total current liabilities	2,606	2,190
Non-current liabilities		
Long-term borrowings	1,875	1,785
Retirement benefit liability	110	110
Asset retirement obligations	94	94
Total non-current liabilities	2,079	1,989
Total liabilities	4,685	4,180

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Net assets		
Shareholders' equity		
Share capital	2,491	5,202
Capital surplus	4,638	7,322
Retained earnings	(1,904)	(1,816)
Treasury shares	(685)	(661)
Total shareholders' equity	4,540	10,047
Share acquisition rights	99	114
Non-controlling interests	110	-
Total net assets	4,750	10,161
Total liabilities and net assets	9,436	14,342

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	2,446	3,448
Cost of sales	773	1,463
Gross profit	1,672	1,984
Selling, general and administrative expenses	1,528	1,784
Operating profit	144	200
Non-operating income		
Interest and dividend income	0	0
Foreign exchange gains	0	-
Surrender value of insurance policies	2	-
Other	0	0
Total non-operating income	2	0
Non-operating expenses		
Interest expenses	6	6
Share of loss of entities accounted for using equity method	-	0
Foreign exchange losses	-	0
Share issuance costs	-	24
Miscellaneous losses	1	-
Total non-operating expenses	7	32
Ordinary profit	139	168
Extraordinary income		
Gain on sale of non-current assets	1	-
Total extraordinary income	1	-
Extraordinary losses		
Profit before income taxes	140	168
Income taxes - current	75	86
Income taxes - deferred	(7)	(8)
Total income taxes	68	78
Profit	72	89
Profit attributable to non-controlling interests	6	2
Profit attributable to owners of parent	66	87

Quarterly Consolidated Statement of Comprehensive Income
For the Three-Month Period

	(Million yen)	
	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	72	89
Comprehensive income	72	89
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	66	87
Comprehensive income attributable to non-controlling interests	6	2

(3) Notes for the Quarterly Consolidated Financial Statements

Notes on going concern assumption

Not applicable.

Notes in the event of a significant change in the amount of shareholders' equity

I. Previous consolidated accounting period (from April 1, 2025 to June 30, 2025)

(Significant change in the amount of shareholders' equity)

Based on a resolution of the Board of Directors held on May 28, 2025, the Company disposed of 1,214,400 shares of treasury stock through third-party allotment to NTT Communications Corporation (currently NTT DOCOMO BUSINESS). As a result, treasury shares decreased by 468 million yen in the first quarter of the current fiscal year. Consequently, treasury shares amounted to 706 million yen as of this period.

II. The current consolidated accounting period (From April 1, 2026 to June 30, 2026)

(Significant change in the amount of shareholders' equity)

At the Board of Directors meeting held on March 31, 2026, the Company resolved to enter into a capital and Business alliance with Sumitomo Mitsui Financial Group, Inc. and to issue new shares to Sumitomo Mitsui Financial Group, Inc. through a third-party allotment. Payment was completed on April 16 of the same year, resulting in increases of 2,697 million yen each in Capital and Capital reserve.

As a result, as of the end of the current period, Capital stood at 5,202 million yen and capital surplus stood at 7,322 million yen.

Additional Information

(Stock-granting ESOP trust)

The Company has introduced a stock granting ESOP trust (an employee stock ownership plan trust) as an incentive plan aimed at fostering a sense of belonging to the Company Group and management participation among eligible employees, enhancing their motivation and morale toward long-term performance improvement and stock price appreciation, and increasing the Company's corporate value.

1. Overview of the additional contribution to the trust fund and acquisition of the Company's shares

Under the "Share Delivery Rules," established upon the introduction of the trust, the Company grants shares to employees who meet certain requirements.

The Company awards points to eligible employees based on individual contribution and other factors. When employees satisfy specified conditions and acquire benefit rights, the Company delivers shares equivalent to the points awarded.

Shares for delivery, including future grants, are purchased in advance with funds placed in trust and managed separately as trust assets.

2. Company shares remaining in the trust

Company shares remaining in the trust are recorded as treasury stock in net assets at their book value in the trust

(excluding incidental expenses). The book value and number of such treasury stock were 216 million yen and 564,283

shares at the end of the previous fiscal year, and 194 million yen and 509,151 shares at the end of the current fiscal year.

(Notes to Segment information)

Segment information

I. Previous the first quarter consolidated accounting year (from April 1, 2025 to June 30, 2025)

1. Information on sales and profit (loss) amounts by reportable segment, and breakdown of revenue

(Million yen)

	Reportable segments			Adjustment*1	Amounts in the consolidated financial statement*2
	AI Products Business	AI Solution Services Business	Total		
Net sales					
Revenue from contracts with customers	1,052	1,393	2,446	—	2,446
Net sales to external customers	1,052	1,393	2,446	—	2,446
Intersegment revenues or transfer	0	63	63	(63)	—
Total	1,053	1,456	2,509	(63)	2,446
Segment Profit (Loss)	474	311	786	(641)	144

Notes: 1. The adjustment to segment profit consists of eliminations of inter-segment transactions and company-wide profit or loss not allocated to any reportable segment.

2. Segment profit is consistent with operating profit in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets, goodwill, etc. by reportable segments

Significant impairment loss on non-current assets

Not applicable

Significant changes in the amount of goodwill

Not applicable

Significant gain on negative goodwill

Not applicable

II. The current first quarter consolidated accounting year (from April 1, 2026 to June 30, 2026)

1. Information on Net Sales and Profit or Loss by Reportable Segments, and Breakdown of Revenue

(Million yen)

	Reportable segments			Adjustment*1	Amounts in the consolidated financial statement*2
	AI Products Business	AI Solution Services Business	Total		
Net sales					
Revenue from contracts with customers	1,585	1,863	3,448	—	3,448
Net sales to external customers	1,585	1,863	3,448	(46)	3,448
Intersegment revenues or transfer	0	45	46	(46)	—
Total	1,585	1,909	3,495	(46)	3,448
Segment Profit (Loss)	518	450	968	(768)	200

Notes: 1. The adjustment to segment profit consists of eliminations of inter-segment transactions and company-wide profit or loss not allocated to any reportable segment.

2. Segment profit is consistent with operating profit in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets, goodwill, etc. by reportable segments

Significant impairment loss on non-current assets

Not applicable

Significant changes in the amount of goodwill

Not applicable

Significant gain on negative goodwill

Not applicable

Notes on Cash Flows

No quarterly consolidated cash flow statement was prepared for the current period. However, for depreciation (including amortization of intangible fixed assets but excluding goodwill and customer-related assets) and amortization of goodwill and customer-related assets for the first quarter of the current consolidated fiscal year are as follows.

	The previous period (from April 1, 2025 to June 30, 2025)	The current period (from April 1, 2026 to June 30, 2026)
Depreciation	53 million yen	126 million yen
Amortization of Goodwill	12	4
Amortization of Customer-related assets	22	22

Notes on Business Combination

(Business Succession by Absorption-Type Split (Simplified Absorption-Type Split))

At the Board of Directors meeting held on February 12, 2026, it was resolved that the Company's HR Tech business would be transferred to its wholly owned subsidiary, Exa Enterprise AI Inc. (hereinafter "Exa Enterprise AI"), through an absorption-type split (the "Company Split") with an effective date of April 1, 2026.

1. Purpose of the Absorption-Type Split

The Company's HR Tech business has traditionally expanded around the DX talent development service "exaBase DX Assessment & Learning." However, in recent years, AI technological maturity has rapidly advanced, and the areas where AI can be applied to business operations have expanded dramatically. Accordingly, market interest is shifting from DX to AX (AI Transformation). To respond to these environmental changes, the Company's HR Tech business has been expanding its AX talent development solutions and will continue to enrich AI utilization education programs and talent development services that enable AX.

Meanwhile, Exa Enterprise AI has been promoting the development and provision of generative AI-based products and solutions, centered on "exaBase Generative AI." The Company's HR Tech business and Exa Enterprise AI share significant overlap in customer base and service content. Integrating these organizations will achieve faster decision-making and improved development speed, and enhanced productivity and synergies are expected across all areas of planning, development, and sales.

For these reasons, the Company will transfer its HR Tech business to Exa Enterprise AI and pursue business expansion under an optimized organizational structure. Through this reorganization, the Company aims to achieve optimal allocation of management resources across the Group and sustainable enhancement of corporate value.

2. Details of the Company Split

(1) Schedule

Date of the Board of Directors Meeting	: February 12, 2026
Date of the Agreement	: February 12, 2026
Effective Date of the Company Split	: April 1, 2026

(2) Method of the Company Split

This is a simplified absorption-type split with the Company as the splitting company and Exa Enterprise AI as the succeeding company.

(3) Allotment of Shares in the Company Split

As the Company Split is conducted between the Company and its wholly owned subsidiary, it will be a non-consideration split, and no allotment of shares, cash consideration, or other assets will be made by Exa Enterprise AI.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in connection with the Company Split.

The Company's outstanding stock acquisition rights will not be transferred through this Absorption-type Company Split. Furthermore, the Company has not issued any bonds with stock acquisition rights.

(5) Share Capital Increased (Decreased) by the Company Split

There is no change in the Company's share capital due to the Company Split.

(6) Rights and Obligations to be Succeeded by the Succeeding Company

Exa Enterprise AI will succeed to the assets, liabilities, and contractual positions and other rights and obligations related to the HR Tech business as specified in the absorption-type split agreement.

(7) Prospects of Fulfilment of Debt Obligations

The Company has concluded that there are no concerns regarding the prospect of fulfilling the obligations to be assumed by the Company and Exa Enterprise AI in the Company Split.

3. Overview of Companies

	Splitting Company	Succeeding Company	
(1) Name	ExaWizards Inc.	Exa Enterprise AI Inc.	
(2) Location	5F, Sumitomo Fudosan Mita First Building,	4-2-8 Shibaura, Minato-ku, Tokyo	
(3) Title and name of Representative	Representative Director & President, CEO Makoto Haruta	Representative Director Takuma Oue	
(4) Description of Business	Development of AI-enabled services for industrial innovation and social problems solutions	Planning, development, and sales of products and services utilizing technologies such as generative AI to improve business operations and productivity	
(5) Share Capital	2,491 million yen	300 million yen (including reserves)	
(6) Date of Establishment	February 2016	October 2023	
(7) Issued Shares	87,156,500 Shares (as of Sept 2025)	100 Shares (as of March 2026)	
(8) Fiscal Year	March 31	March 31	
(9) Major Shareholders (as of March 2026)	betaCatalyst Inc.	9.53%	ExaWizards Inc. 100%
	Yutaka Sakane	4.40%	
	The Master Trust Bank of Japan, Ltd. (trust account)	3.79%	
	Toshikazu Furuya	3.74%	
	RH Corporation	3.49%	
	KH Corporation	3.49%	
	Custody Bank of Japan, Ltd. (trust account)	3.43%	
	Ueda Yagi Tanshi Co., Ltd.	2.33%	
	Makoto Haruta	1.83%	
	D4V Fund I Investment Limited Partnership	1.74%	
(10) Financial Position and Operating Results of the Most Recent Fiscal Year			
Fiscal Year	ExaWizards Inc.	Exa Enterprise AI Inc.	
	Fiscal Year ended March 31, 2026 (Consolidated)	Fiscal Year ended March 31, 2026	
Net Assets	4,750 million yen	1,226 million yen	
Total Assets	9,436 million yen	2,343 million yen	
Net Assets per Share	53.18 yen	12,266,477.49 yen	
Net Sales	11,996 million yen	3,171 million yen	
Operating Profit	1,594 million yen	1,054 million yen	
Ordinary Profit	1,566 million yen	1,061 million yen	
Profit Attributable to Owners of the Parent	1,533 million yen	664 million yen	
Earnings per Share	18.13 yen	6,646,710.88 yen	

ExaWizards Inc. 100%

Note: For “(10) Financial Position and Operating Results of the Most Recent Fiscal Year,” the “Profit (loss) Attributable to Owners of the Parent” for Exa Enterprise AI is presented as net income.

4. Overview of the Business Division to be Split

(1) Description of the Business to be Split

HR Tech business engaged in planning, development, and sales with the DX talent development service “exaBase DX Assessment & Learning” and AX talent development solutions as its core offerings.

(2) Business Results to be Split (fiscal year ended March 31, 2026)

	HR Tech business (a)	FY2026 (ending March 2026) Consolidated Results (b)	Ratio (a/b)
Net sales	988 million yen	11,996 million yen	8.24%

(3) Items and Book Values of Assets and Liabilities to be Split (fiscal year ended March 31, 2026)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	176 million yen	Current liabilities	68 million yen
Fixed assets	132 million yen	Long-Term Liabilities	- million yen
Total	309 million yen	Total	68 million yen

5. Overview of Accounting Treatment to be Applied

The transaction was accounted for as a Transaction under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

(Acquisition of Additional Shares in Subsidiaries)

Pursuant to the Resolution of the Board of Directors held on April 22, 2026, the Company resolved to acquire additional shares of Exa HomeCare Inc. (“Exa HomeCare”), a consolidated subsidiary, and to make it a wholly owned subsidiary (the “Additional Acquisition”).

1. Reasons for the Additional Acquisition

The Additional Acquisition is intended to fully integrate Exa Home Care, which operates CareWiz toruto, a core product for the nursing care business, into the Company’s group, and to further strengthen collaboration with ExaMD Inc. (hereinafter, “ExaMD”), a wholly owned subsidiary of the Company that provides AI products for the healthcare business, in order to streamline development and sales operations.

Through the Additional Acquisition, the Company will acquire all shares of Exa Home Care held by YAMASHITA, LTD. (hereinafter, “YAMASHITA”) and make Exa Home Care a wholly owned subsidiary.

In connection with the Additional Acquisition, the joint venture agreement with YAMASHITA will also be terminated.

2. Overview of the Consolidated Subsidiary Whose Shares Are to Be Acquired (Exa HomeCare Inc.)

(1) Name	Exa HomeCare Inc.		
(2) Location	4-2-8 Shibaura, Minato-ku, Tokyo		
(3) Title and name of Representative	Representative Director Koji Hazama		
(4) Description of Business	Development and sales of nursing care and welfare equipment-related services using AI.		
(5) Share Capital	91 million yen		
(6) Date of Establishment	May 2021		
(7) Issued Shares	200 shares		
(8) Fiscal Year	March 31		
(9) Major Shareholders	ExaWizards, Inc.	51%	
	YAMASHITA, LTD	49%	
(10) Recent Financial Result (Fiscal Year ended March 31, 2026)			
Net Assets	225 million yen		
Total Assets	277 million yen		
Net Assets per Share	1,127,172.78 yen		
Net Sales	236 million yen		
Operating Profit	63 million yen		
Ordinary Profit	63 million yen		
Profit Attributable to Owners of the Parent	63 million yen		
Earnings per Share	325,926.15 yen		

3. Overview of the Counterparty for Share Acquisition

(1) Name	YAMASHITA, LTD.	
(2) Location	737 Nakagawa, Shimada-shi, Shizuoka	
(3) Title and name of Representative	Representative Director Kazuhiro Yamashita	
(4) Description of Business	• Rental and sales of welfare equipment • Home renovation • In-home care support business • Linen supply • Bedding lease • Contract service business	
(5) Share Capital	100 million yen	
(6) Date of Establishment	March 6, 1963	
(7) Net Assets	N/A	
(8) Total Assets	N/A	
(9) Major Shareholders	N/A	
(10) Relationship between the Listed Company and the Company	Capital relationship	ExaWizards jointly established Exa HomeCare with the company.
	Personnel relationship	There are no applicable items.
	Business relationship	Using CareWiz toruto as a customer
	Status as a related party	There are no applicable items.

Note: Items (7) , (8), and (9) above are not disclosed at the request of the respective counterparties.

4. Number of Shares Acquired, Acquisition Price, and Status of Shares Held Before and After Acquisition

(1) Number of shares held before the change	102 shares (Number of voting rights: 102) (Percentage of voting rights held: 51.0%)
(2) Number of shares to be acquired	98 shares (Number of voting rights: 98)
(3) Acquisition price	160 million yen
(4) Number of shares held after the change	200 shares (Number of voting rights: 200) (Percentage of voting rights held: 100.0%)

5. Schedule

(1) Date of the Board of Directors Meeting	: April 22, 2026
(2) Date of Agreement	: April 30, 2026
(3) Date of the Share Acquisition	: April 30, 2026

Significant Subsequent Events

(Absorption-type merger between consolidated subsidiaries and absorption-type split with a consolidated subsidiary)

Pursuant to the Resolution of the Board of Directors adopted on May 12, 2026, the Company resolved to reorganize the portfolio of the “CareWiz” series for the nursing care business within the social domain of the AI Products Business operated by the Company’s group (hereinafter, the “Reorganization”), and to consolidate the relevant business into ExaMD Inc. (hereinafter, “ExaMD”), a wholly owned subsidiary, with the aim of accelerating business growth and optimizing the allocation of management resources.

1. Overview of the Reorganization

(1) Purpose of the Reorganization

The purpose of the Reorganization is to restructure the “CareWiz” series, a group of products for the nursing care business in the social domain of the Company’s AI Products Business segment, into a structure centered on ExaMD, a consolidated subsidiary that handles healthcare-related products, thereby further accelerating AX (AI transformation) in both the healthcare and nursing care fields.

Specifically, the nursing care-related products that have been distributed across the Company and its consolidated subsidiary Exa HomeCare Inc. (hereinafter, “Exa HomeCare”) will be consolidated under ExaMD, optimizing the business portfolio and the allocation of management resources across the entire group.

(2) List and Positioning of Decisions

The Reorganization consists of the following two transactions:

- i. Absorption-Type Merger between Subsidiaries (hereinafter, the “Merger”)

Exa HomeCare will be absorbed into ExaMD. At the same time, “CareWiz toruto,” Exa HomeCare’s flagship product, will also be integrated into ExaMD.
- ii. Absorption-Type Company Split Between Parent and Subsidiary (hereinafter, the “Company Split”)

An absorption-type company split will be conducted, with the Company as the splitting company and ExaMD as the succeeding company, transferring “CareWiz takusuto” and “CareWiz BCP,” which remain in the Company, to ExaMD.

2. Absorption-Type Merger Between Consolidated Subsidiaries

(1) Purpose of the Merger

As described in “1. Overview of the Reorganization,” the purpose of the Merger is to integrate “CareWiz toruto,” operated by Exa HomeCare, with the healthcare and nursing care data infrastructure and product development functions held by ExaMD, thereby centralizing the management of the product portfolio in the nursing care field and streamlining the development and sales structure.

(2) Outline of the Merger

- i. Schedule

Date of the Board of Directors Meeting	: May 12, 2026
Date of the Agreement	: May 12, 2026
Effective Date of the Merger	: July 1, 2026
- ii. Method of the Merger

An absorption-type merger in which ExaMD will be the surviving company and Exa HomeCare will be the dissolving company.
- iii. Details of Allotment in the Merger

No new shares will be issued, and no cash or other consideration will be delivered in connection with the merger.
- iv. Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights of the Dissolving Company

There are no applicable items.

(3) Overview of the Merging Companies

	Surviving Company	Dissolving Company
i. Name	ExaMD Inc.	Exa HomeCare Inc.
ii. Location	4-2-8 Shibaura, Minato-ku, Tokyo	
iii. Title and name of Representative	Representative Director, Koji Hazama	Representative Director, Koji Hazama
iv. Business Description	Planning, development, sales, and alliance of products and services using multi-modal AI technology to solve social issues related to healthcare	Development and sales of nursing care and welfare equipment-related services utilizing AI
v. Share Capital	150 million yen	91 million yen
vi. Date of Establishment	February, 2024	May, 2021
vii. Issued Shares	600 Shares	200 Shares
viii. Fiscal Year	April 1 to March 31	April 1 to March 31
ix. Major Shareholders (as of March 2026)	ExaWizards Inc. 100%	ExaWizards Inc. 100%
x. Financial Position and Operating Results of the Most Recent Fiscal Year (March, 2026)		
Fiscal Year	ExaMD Inc.	Exa HomeCare Inc.
	Fiscal Year ended March 31, 2026	Fiscal Year ended March 31, 2026
Net Assets	234 million yen	225 million yen
Total Assets	304 million yen	277 million yen
Net Assets Per Shares	391,361.46 yen	1,127,172.78 yen
Net Sales	92 million yen	236 million yen
Operating Profit	(135 million yen)	63 million yen
Ordinary Profit	(142 million yen)	63 million yen
Profit (loss)	(123 million yen)	65 million yen
Earnings per Share	(205,843.91 yen)	325,925.15 yen

(4) Status After the Merger

There will be no changes to the name, location, title and name of the representative, business activities, capital, or fiscal year-end of the surviving company resulting from the Merger.

3. Details of the Company Split between Parent Company and Subsidiary

(1) Purpose of the Company Split

As described in “1. Overview of the Reorganization,” the purpose of the Company Split is to transfer to ExaMD the businesses related to “CareWiz takusuto” and “CareWiz BCP” (hereinafter, the “Transferred Business”), which are nursing care products remaining in the Company, thereby consolidating the nursing care product group under ExaMD to unify business operations and accelerate decision-making.

(2) Outline of the Company Split

i. Schedule for the Absorption-Type Split

Date of the Board of Directors meeting	: May 12, 2026
Date of Agreement	: May 12, 2026
Effective Date of the Company Split	: July 1, 2026

ii. Method of the Company Split

This is a simplified absorption-type split with the Company as the splitting company and ExaMD as the succeeding company.

- iii. Allotment of Shares in the Company Split
As the Company Split is conducted between the Company and its wholly owned subsidiary, it will be a non-consideration split, and no allotment of shares, cash consideration, or other assets will be made by ExaMD.
- iv. Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in connection with the Company Split.
The Company's outstanding stock acquisition rights will not be transferred through this Absorption-type Company Split. Furthermore, the Company has not issued any bonds with stock acquisition rights.
- v. Share Capital Increased (Decreased) by the Company Split
There is no change in the Company's share capital due to the Company Split.
- vi. Rights and Obligations to be Succeeded by the Succeeding Company
ExaMD will succeed to the assets, liabilities, and contractual positions and other rights and obligations related to the Transferred Business as specified in the absorption-type split agreement.
- vii. Prospects of Fulfilment of Debt Obligations
The Company has concluded that there are no concerns regarding the prospect of fulfilling the obligations to be assumed by the Company and ExaMD in the Company Split.

(3) Overview of the Companies

	Splitting Company	Succeeding Company
i. Name	ExaWizards Inc.	ExaMD Inc.
ii. Location	4-2-8 Shibaura, Minato-ku, Tokyo	
iii. Title and name of Representative	Representative Director & President, CEO Makoto Haruta	Representative Director Koji Hazama
iv. Business Description	Development of AI-enabled services for industrial innovation and social problems solutions	Planning, development, sales, and alliance of products and services using multi-modal AI technology to solve social issues related to healthcare
v. Share Capital	2,491 million yen	150 million yen
vi. Date of Establishment	February 2016	February 2024
vii. Issued Shares	87,156,500 Shares (as of March 2026)	600 Shares
viii. Fiscal Year	April 1 to March 31	April 1 to March 31
ix. Major Shareholders (as of March 2026)	betaCatalyst Inc. 9.53% Yutaka Sakane 4.40% The Master Trust Bank of Japan, Ltd. (trust account) 3.79% Toshikazu Furuya 3.74% RH Corporation 3.49% KH Corporation 3.49% Custody Bank of Japan, Ltd. (trust account) 3.43% Ueda Yagi Tanshi Co., Ltd. 2.33% Makoto Haruta 1.83% D4V Fund I Investment Limited Partnership 1.74%	ExaWizards Inc. 100%
x. Financial Position and Operating Results of the Most Recent Fiscal Year		
Fiscal Year	ExaWizards Inc.	ExaMD Inc.
	Fiscal Year ended March 31, 2026 (Consolidated)	Fiscal Year ended March 31, 2026
Net Assets	4,750 million yen	234 million yen
Total Assets	9,436 million yen	304 million yen
Net Assets per Share	53.18 yen	391,361.46 yen
Net Sales	11,996 million yen	92 million yen
Operating Profit	1,594 million yen	(135 million yen)
Ordinary Profit	1,566 million yen	(142 million yen)
Profit (loss) Attributable to Owners of the Parent	1,533 million yen	(123 million yen)
Earnings per Share	18.13 yen	(205,843.91 yen)

Note: For “x. Financial Position and Operating Results of the Most Recent Fiscal Year,” the “Profit (loss) Attributable to Owners of the Parent” for ExaMD is presented as net loss.

(4) Overview of the Business Division to Be Spun Off

i. Description of the Business to be Split or Transfer

- a. The business related to “CareWiz takusuto,” an electronic document management service for nursing care providers that leverages AI to reduce time and costs and improve efficiency in document preparation, printing, enveloping, mailing, and signature collection.
- b. The business related to “CareWiz BCP,” a service that leverages AI to comprehensively support nursing care providers in formulating Business Continuity Plans (BCPs), emergency communications, and their operation.

ii. Business Results to be Split or Transfer (fiscal year ending March 2026)

a. CareWiz takusuto

	Business (a)	Consolidated Results (b)	Ratio (a/b)
Net sales	44 million yen	11,996 million yen	0.37%

b. CareWiz BCP

	Business (a)	Consolidated Results (b)	Ratio (a/b)
Net sales	9 million yen	11,996 million yen	0.08%

iii. Items and Book value of Assets and Liabilities to be split or succeeded (as of March 31, 2026)

a. CareWiz takusuto

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	12 million yen	Current liabilities	9 million yen
Fixed assets	(Million yen)	Long-Term Liabilities	-Million yen
Total	12 million yen	Total	9 million yen

b. CareWiz BCP

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	3 million yen	Current liabilities	1 million yen
Fixed assets	-Million yen	Fixed Liabilities	- Million yen
Total	3 million yen	Total	1 million yen

(5) Status after the Company Split

There will be no changes to the company name, description of business, location of the head office, representative, amount of share capital, or fiscal year ending of the Company nor ExaMD due to the Company Split.

(Establishment of a Subsidiary)

The Company resolved at the meeting of the Board of Directors held on June 9, 2026, to establish Exa Interaction Design Lab Inc.

1. Reasons for Establishment of Subsidiary

In recent years, the rapid evolution of generative AI has driven the swift adoption of coding agents, dramatically improving software development productivity. At the same time, a growing number of cases rely on certain external AI platforms, bringing medium- to long-term management and technology risks to the surface. These include dependence on specific vendors, cost risks arising from rising API fees or changes in fee structures, and constraints on technology choices caused by model updates and specification changes.

In the era of AI agents, the world is also shifting rapidly from one in which “people operate systems” to one in which “AI carries out tasks and people make decisions.” This shift gives companies the opportunity to redesign their business processes themselves. Systems once designed around screen transitions are expected to evolve toward designs premised on dialogue with agents through natural language.

In this environment, to maintain and strengthen sustainable competitiveness, the Company must not only use general-purpose technologies but also lead the way in developing its own proprietary AI technologies.

The Company has also set forth the group synergy strategy “3P × Frontier,” aimed at maximizing growth and synergy across the entire group. “Frontier” refers to a group of agile, strategic subsidiaries specialized in specific businesses and industries. By embedding deeply into the field, each of them seeks to accelerate the social implementation of AI.

In light of this social and business background, the Company has decided to establish this subsidiary as a specialized organization responsible for developing AI technologies with an eye to the future business environment and for implementing the results across its products and services, with the aim of strengthening the technological foundation and competitive advantage of the ExaWizards Group from a medium- to long-term perspective.

2. Overview of the Subsidiary to Be Established

(1) Name	Exa Interaction Design Lab, Inc.
(2) Location	4-2-8 Shibaura, Minato-ku, Tokyo
(3) Title and Name of Representative	Representative Director, Yutaka Sakane
(4) Business Overview	● R&D of technologies for business transformation using AI agents. ● Building and operating local LLM and AI agent platforms, and designing dynamic UI/UX for natural language dialogue.
(5) Capital	100 Million yen (including reserves)
(6) Fiscal Year End	March 31
(7) Major Shareholders and Shareholding Ratios	ExaWizards Inc. 100%

3. Schedule

(1) Date of the Board of Directors Meeting	: June 9, 2026
(2) Date of Establishment	: July 1, 2026
(3) Date of Business Commencement	: July 1, 2026

(Establishment of Subsidiary)

The Company resolved at the Board of Directors meeting held on June 22, 2026, to establish ExaForward Kyushu Inc.

1. Reasons for Establishment of Subsidiary

Through the provision of AI products and services, our Group has supported client companies in the Kyushu region, Japan, in improving operational efficiency and addressing labor shortages. In this region, labor shortages have become increasingly severe against the backdrop of a declining birthrate, an aging population, and population outflow to urban areas. As a result, enhancing productivity through the use of AI and securing talented human resources have become critical management issues for local companies. At the same time, our Group's approach - centered on remote support from our Tokyo headquarters - has revealed challenges in building relationships with clients and in acquiring talented human resources locally.

In addition, AI is expected to be included as a priority field for Kyushu under the "Regional Future Strategy" currently being formulated by the government, and policy support for promoting "AI Transformation" among local governments and businesses, as well as for human resource development, is beginning to gain full momentum.

In the full-year financial results for the fiscal year ended March 2026, announced on May 12, 2026, the Company set forth its "3P × Frontier" strategy, which aims to maximize the growth and synergies of the entire Group. Under this strategy, a group of agile, strategically focused subsidiaries specializing in specific businesses and industries (the "Frontier") engage deeply in their respective domains, thereby accelerating the implementation of AI.

In light of the social challenge of labor shortages, policy trends including the Regional Future Strategy, and our Frontier strategy, the Company has decided to establish the Subsidiary in order to build a locally rooted business model and to support AI implementation by becoming deeply embedded with companies and government agencies in Kyushu and western Japan. The Company will position Fukuoka City as a base for research and development and human resource development, contributing to the promotion of DX (digital transformation) among client companies. Going forward, the Company also aims to build strategic partnerships and capital alliances with leading local companies.

2. Overview of the Subsidiary to Be Established

(1) Name	ExaForward Kyushu Inc.
(2) Location	Within Fukuoka City, Fukuoka Prefecture
(3) Title and Name of Representative	Representative Director, Takahiro Koyama
(4) Business Overview	Resident-type AI implementation services, and the R&D of AI agent technology, business applications, and software based on the knowledge obtained through these services.
(5) Capital	300 million yen (including reserves)
(6) Fiscal Year End	March 31
(7) Major Shareholders and Shareholding Ratios	ExaWizards Inc. 100%

3. Schedule

(1) Date of the Board of Directors Meeting	: June 22, 2026
(2) Date of Establishment	: August 1, 2026
(3) Date of Business Commencement	: November 2026 (Planned)

(Establishment of Subsidiary)

The Company resolved at the Board of Directors meeting held on July 29, 2026, to establish ExaSecurity, Inc.

1. Reasons for Establishment of Subsidiary

The Group provides AI products and services to more than 2,500 client companies and government agencies, helping them work more efficiently and address labor shortages. As more organizations use generative AI and AI agents in their daily operations, new security risks have emerged that conventional security services cannot fully address. These include prompt injection, manipulation of AI agents, leaks of sensitive data through AI models, and weaknesses in the AI supply chain. Security spending is growing along with AI adoption, but few security providers have deep expertise in AI systems. Keeping AI safe has therefore become a key management issue for companies that use it.

Policy and regulation around AI security are also moving forward. New legislation strengthening cyber defense obligations for critical infrastructure operators will take effect during 2026; international rules such as the EU AI Act are taking shape; and guidelines such as the OWASP LLM Top 10 are increasingly used as reference standards. Japan's cybersecurity market is estimated at approximately ¥2 trillion for 2025-26. As AI agents are increasingly embedded in both hardware and software, and are also being built into operations, AI-driven automation in the security field is expected to advance.

Against this background, and as part of the "3P × Frontier" strategy announced on May 12, 2026, the Company has decided to establish the Subsidiary to provide security services for the AI era. The Subsidiary will draw on the hands-on knowledge our Group has gained from building and operating AI systems at scale. It will offer two service areas: "Securing AI," which protects clients' AI systems through red-teaming, security assessments, and support for AI governance and compliance; and "AI-powered security," which uses AI to make conventional security services, such as penetration testing, faster and broader in coverage. The Subsidiary will also help make our Group's own AI products more secure and build greater client trust across the Group. Going forward, the Company aims to develop the Subsidiary into the security backbone of the Group and, over the medium term, to serve clients outside Japan.

2. Overview of the Subsidiary to Be Established

(1) Name	ExaSecurity, Inc.
(2) Location	4-2-8 Shibaura, Minato-ku, Tokyo
(3) Title and Name of Representative	Representative Director, Lachlan Mitchell
(4) Business Overview	● Securing AI: Providing services that ensure the security of customers' AI environments through consulting including AI red-teaming, AI system security assessments, and AI governance and compliance support ● AI-powered security: Providing services that leverage AI to enhance security faster and at greater scale, applying AI to traditional security services such as penetration testing, as well as sales and distribution of AI security-related products
(5) Capital	300 Million yen (including reserves)
(6) Fiscal Year-End	March 31
(7) Major Shareholders and Shareholding Ratios	ExaWizards Inc. 100%

3. Schedule

(1) Date of the Board of Directors Meeting : June 22, 2026

- (2) Date of Establishment : November 2026 (Planned)
- (3) Date of Business Commencement : November 2026 (Planned)