Tokyo Stock Exchange Prime Market: Securities Code 3992

Needs Well Inc.

Financial Results for the Fiscal Year 2026
(October 1, 2025 – September 30, 2026)

November 11, 2026

40th ANNIVERSARY Since 1986

Try & Innovation NeedsWell

1. 2026/9 Financial report summary

2. 2027/9 Results forecast

3. Reference

1.1 Financial highlights

Despite continued strategic investments for future growth, net sales increased for the sixth consecutive fiscal year, reaching a record high since incorporation
Secured both operating profit margin and ordinary profit margin at over 10%

- ✓ Orders increased for public-sector tenders and municipal DX projects using Power Platform, strengthening our foundation in the growing public-sector DX market
- ✓ Life insurance, telecommunications, and testing fields remained solid, maintaining a stable revenue base
- ✓ Although ordinary profit for the cumulative period declined year on year, the ordinary profit margin recorded 10.9%, exceeding the target level
- ✓ Continued strategic investments for future growth, including recruitment, human resource development, and R&D, mainly that related to AI-driven development

	Quarterly period			Cumulative period		
		Ratio to net sales (%)	Year-on-year (%)	Amount recorded (million JPY)	Ratio to net sales (%)	Year-on-year (%)
Net sales	2,724	-	103.0%	10,551	-	105.2%
Operating profit	283	10.4%	127.9%	1,125	10.7%	97.4%
Ordinary profit	291	10.7%	129.1%	1,145	10.9%	97.9%

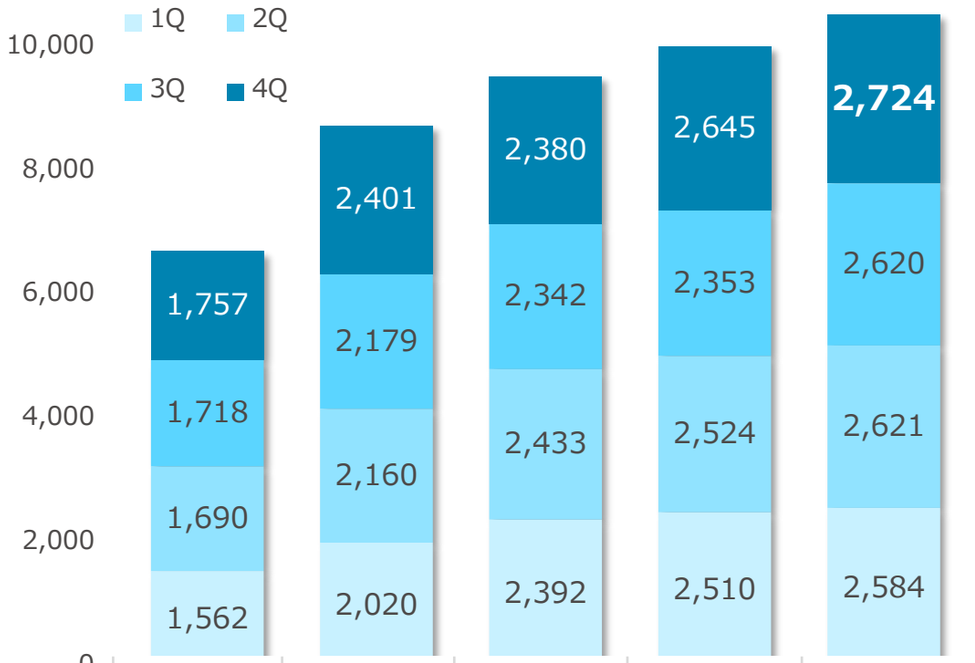
1.2 Trends/comparison by FY

Net sales reached a record high for both the fourth quarter and the cumulative period since incorporation

- ✓ Municipal projects secured through public-sector bidding increased. The order backlog for the next fiscal year and beyond also increased steadily
- ✓ Despite the impact of an increase in SG&A expenses due to strategic investments, profitability remained high, with an ordinary profit margin of 10.9%
- ✓ Net sales for the fourth quarter reached a record high since incorporation. Ordinary profit for the fourth quarter significantly increased to 129.1% of the prior-year level

Unit: million JPY

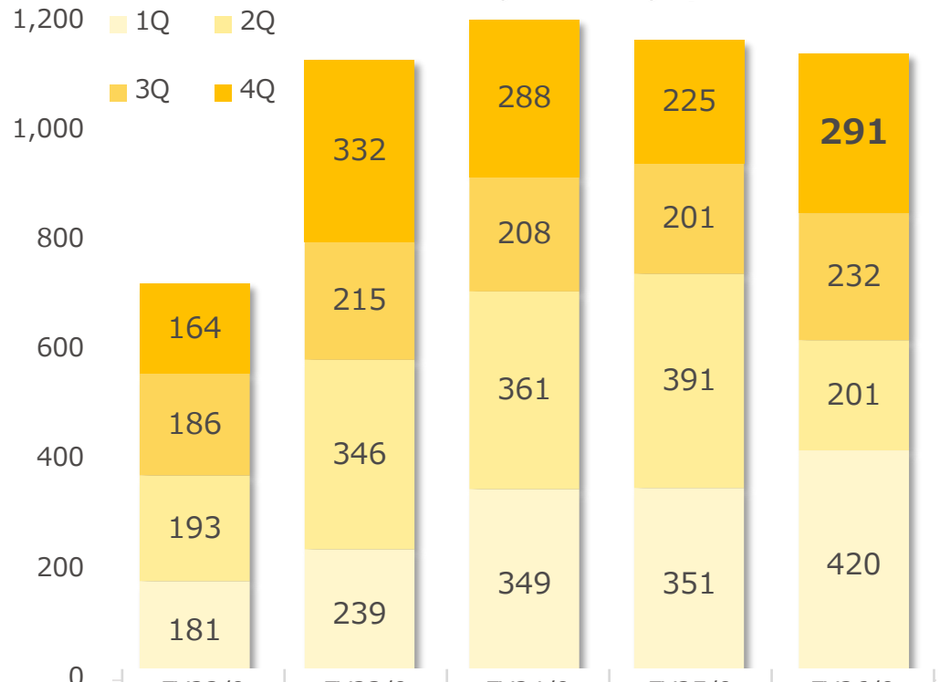
[Net sales by quarter]



	FY22/9	FY23/9	FY24/9	FY25/9	FY26/9
合計	6,730	8,761	9,549	10,032	**10,551**

Unit: million JPY

[Ordinary Profit by quarter]



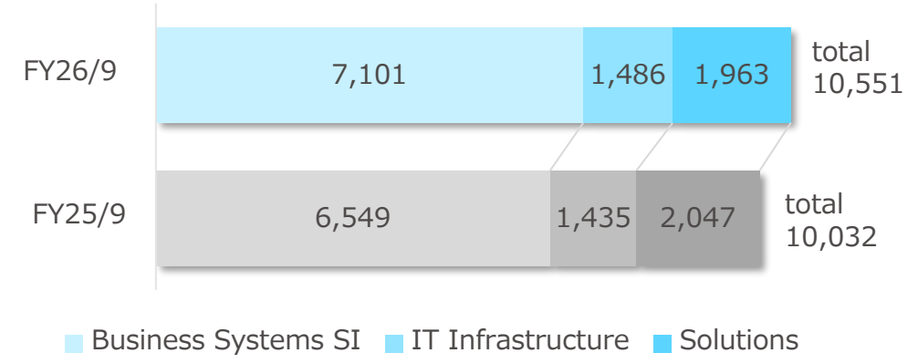
	FY22/9	FY23/9	FY24/9	FY25/9	FY26/9
合計	724	1,135	1,208	1,169	**1,145**

1.3 Net Sales Trends by Service Line

Business Systems SI drove net sales growth; the business foundation expanded by capturing market needs

Net Sales by Service Line

Unit: million JPY



Unit: million JPY, %

Service Line	Net Sales	Revenue Mix	Increase YoY	YoY
Business Systems SI	7,101	67.3%	552	108.4%
IT Infrastructure	1,486	14.1%	50	103.5%
Solutions	1,963	18.6%	△84	95.9%
Total	10,551	100.0%	518	105.2%

Business Systems Development **108.4**% year-on-year

- Public-sector development demand drove a JPY 552 million revenue increase
- Larger, longer-term public contracts will support FY2027+ growth
- AI/DX, RPA, expense management and Power Platform expanded development and support demand

IT Infrastructure **103.5**% year-on-year

- Revenue increased through telecom customer expansion.
- Continued efforts to grow recurring infrastructure operations and maintenance revenue.

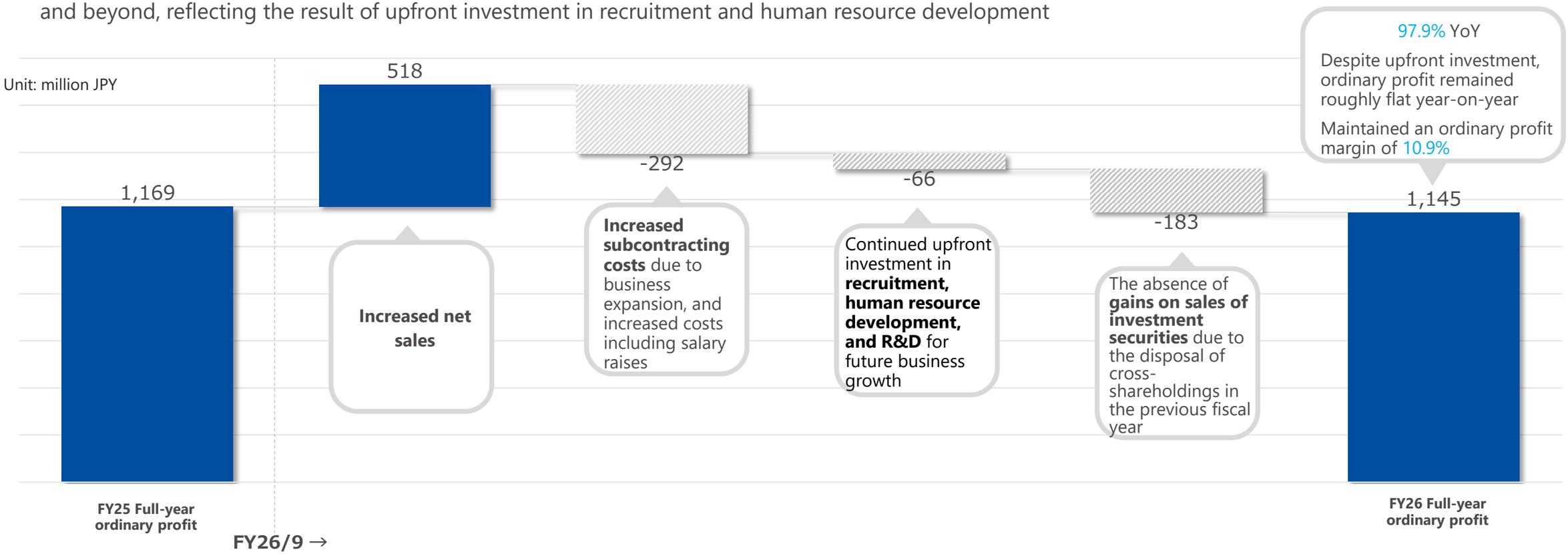
Solutions **95.9**% year-on-year

- Although net sales decreased year on year owing to a drop in sales from special-demand projects in the previous fiscal year, sales of high-value-added solutions continued to grow, standing at 104.3% of the prior-year level
- Projects including those involving Power Platform performed well, particularly in the construction, telecommunications, and public sectors
- Cloud-based expense reimbursement solutions also remained strong and contributed to recurring revenue
- Orders for solutions for municipalities and sales of expense reimbursement licenses are expected to also contribute to net sales in the next fiscal year and beyond

1.4 Ordinary profit analysis

Accelerated ValueCreationProject on the back of sales growth, maintaining an ordinary profit margin of over 10%

- ✓ Increased subcontracting costs and upfront investment were offset by profit increases resulting from net sales growth and decreased expenses for product purchases and other costs
- ✓ Investments in recruitment, human resource development, and R&D have established a solid growth foundation for achieving “net sales of 15.5 billion JPY in FY2029,” a target under the Medium-Term Management Plan
- ✓ Although profit decreased due to the absence of gains on sales of investment securities in the previous fiscal year, profitability remained high, with an ordinary profit margin of 10.9%
- ✓ Despite increased subcontracting costs associated with expanded collaboration with partner companies, profitability is expected to improve in the next fiscal year and beyond, reflecting the result of upfront investment in recruitment and human resource development



1.5 Profit & loss statement

*Selection of significant entries only Unit: million JPY	FY2025/9		FY2026/9				
	Result	Net Sales	Result	Net Sales	Year-on-year	Achievement rate	Forcast
Net sales	10,032	-	10,551	-	105.2%	95.9%	11,000
Business Systems SI	6,549	65.3%	7,101	67.0%	108.4%	-	-
IT Infrastructure	1,435	14.3%	1,486	14.6%	103.5%	-	-
Solutions	2,047	20.4%	1,963	18.4%	95.9%	-	-
Gross profit	2,278	22.7%	2,395	22.7%	105.1%	-	-
M&A-related amortization	54	0.5%	46	0.4%	86.3%	-	-
Others	1,068	10.7%	1,223	11.6%	114.5%	-	-
SG&A expenses	1,122	11.2%	1,269	12.0%	113.1%	-	-
Operating profit	1,155	11.5%	1,125	10.7%	97.4%	81.6%	1,380
Non-operating profit	26	0.3%	26	0.2%	96.8%	-	-
Non-operating expenses	13	0.1%	6	0.1%	51.5%	-	-
Ordinary profit	1,169	11.7%	1,145	10.9%	97.9%	83.0%	1,380
Profit before taxation	1,327	13.2%	1,149	10.9%	86.7%	-	-
Income taxes	439	4.4%	467	4.4%	106.5%	-	-
Net profit	887	8.8%	683	6.5%	77.0%	74.3%	920

KPI achievement

Item	Numerical targets	Results
Net sales growth rate	20% or more	105.2%
Gross profit margin	25% or more	22.7%
SG&A expenses rate	10% or less	12.0%
Ordinary profit margin	10% or more	**10.9%**
Equity ratio	60% or more	**76.2%**
EPS	¥30 or more	¥18.04
PER	20 times or more	**24.2 times**
ROE	20% or more	13.9%
ROIC	20% or more	13.3%

1.6 Balance sheet

*Selection of significant entries only		FY2025/9	FY2026/9	
Unit: million JPY		Result	Result	Year-on-year
Assets	Cash and deposits	2,760	3,057	296
	Accounts receivable - trade and contract assets	2,253	2,095	-157
	Prepaid expenses	62	75	13
	Others	7	-15	-23
	Total current assets	5,084	5,212	128
	Buildings, net	41	58	17
	Software	39	55	15
	Software in progress	16	40	23
	goodwill	261	215	-46
	Customer-related assets	315	279	-36
	Investment securities	304	360	56
	Defferred tax assets	162	108	-53
	Leasehold and guarantee deposits	137	152	14
	Insurance funds	76	76	0
	Other	72	52	-19
	Total non-current assets	1,429	1,399	-29
Total assets		6,513	6,612	99

Equity Ratio 76.2%

*Selection of significant entries only		FY2025/9	FY2026/9	
Unit: million JPY		Result	Result	Year-on-year
Liabilities	Accounts payable - trade	396	509	112
	loans	6	5	-1
	Accounts payable - others	330	206	-124
	Accrued corporate tax, etc.	352	217	-134
	Accrued consumption taxes	117	112	-5
	Deposits received	48	46	-2
	Provision for bonuses	304	308	4
	Others	34	29	-4
	Total current liabilities	1,591	1,435	-155
	loans	23	17	-5
	Long-term deferred tax liabilities	109	96	-12
	other	16	17	1
	Total non-current liabilities	148	132	-16
Total liabilities		1,740	1,567	-172
Equity	Share capital	908	908	0
	Legal capital surplus	796	799	2
	Retained earnings brought forward	3,758	3,986	228
	Treasury shares	-798	-796	2
	Valuation difference on available-for-sale securities	98	137	39
	Non-controlling interests	10	8	-1
Total net assets		4,773	5,044	271
Total liabilities and net assets		6,513	6,612	99

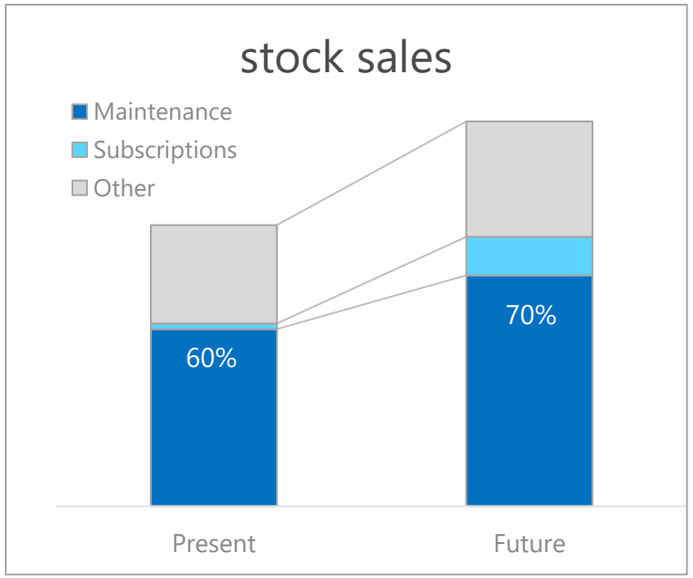
1.7 Revenue expansion and targets

Expand stock sales

increasing to 70% by 2029

- 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.

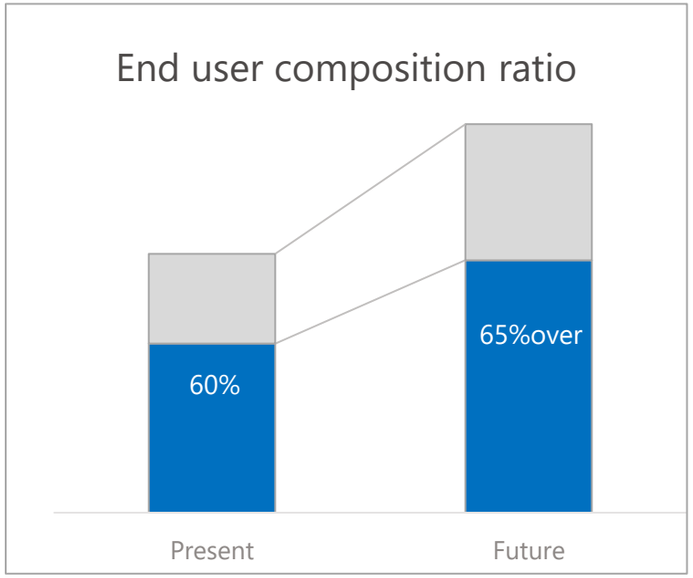
Stock sales: System maintenance and operation for at least two years, subscription-based solutions, etc.



Increase direct sales to end users

maintaining and expanding over 65% of net sales

- Ratio of direct sales to end users is over 60%, 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.



1.8 ValueCreationProject | Progress

Try & Innovation NeedsWell

Accelerate business growth and the shift to solutions to increase profitability and corporate value.



Business Growth

Key Initiatives

- Increased public-sector project wins, including larger and longer-term contracts
- Strengthened testing support and IT infrastructure modernization services
- Expanded data security delivery capabilities

Achievements / Assessment

Net sales: JPY 10.55bn (+5.2% YoY)
Public DX foundation expanded

Talent Development

Key Initiatives

- Started a talent-development project for generative AI adoption
- Promoted AI qualifications and engineer upskilling
- Collaborated with Nagasaki University and held generative AI internships

Achievements / Assessment

Strengthened AI/DX talent and skills

Solutions R&D

Key Initiatives

- Promoted R&D in AI-driven development and generative AI services
- Launched the AI Doctor Scheduling solution
- Expanded the Valxia and Prophetter AI brands
- Developed an AI chat platform integrated with SharePoint

Achievements / Assessment

Expanded own brands and solutions

Shareholder Returns & Sustainability

Key Initiatives

- Increased annual dividends to JPY 14 to mark our 40th anniversary
- Continued shareholder benefit program
- Issued a health management declaration; obtained Nagasaki Prefecture N-Pika certification

Achievements / Assessment

Enhanced returns and workplace health

Challenges / Response

[Challenge] ValueCreation700 target not achieved. Free-float market capitalization stood at JPY 9.3 billion, below the TSE Prime Market listing standard.
[Management priorities] Accelerate business growth, increase value added and profitability, and enhance market recognition.
[Response] Execute the medium-term management plan and compliance improvement plan; accelerate growth and the transition to a solutions provider while strengthening IR/PR activities to increase corporate value and meet Prime Market standards.

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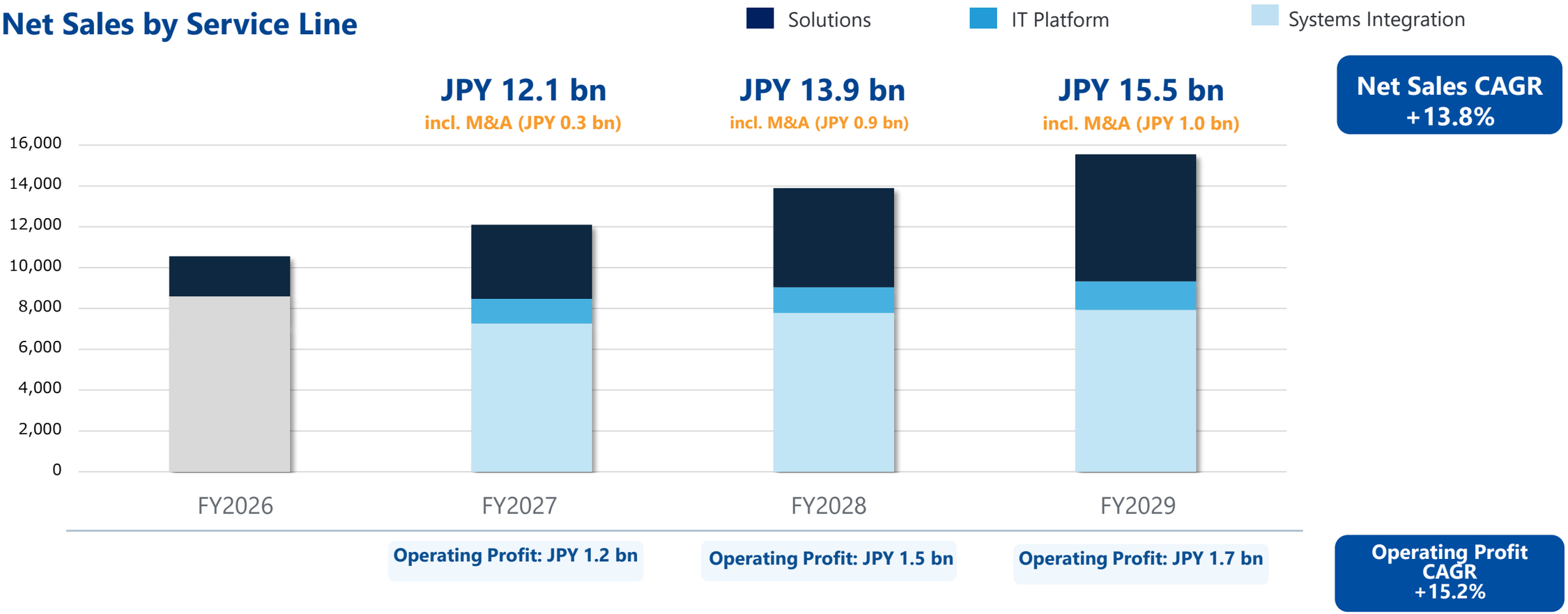
3. Reference

2.1 Medium-Term Management Plan (FY2027–FY2029) | Sales by Service Line

Try & Innovation NeedsWell

FY2027 target: JPY 11.8 billion from existing businesses + JPY 0.3 billion from M&A = JPY 12.1 billion

Net Sales by Service Line

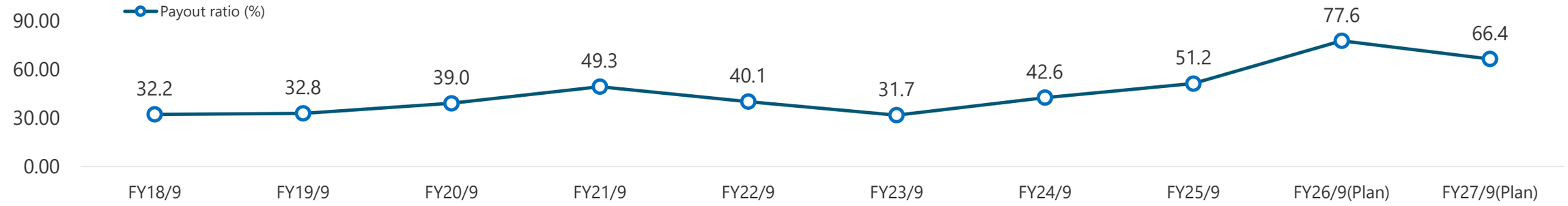


Combine organic and inorganic growth to steadily increase revenue scale and earnings.

2.2 Shareholder returns

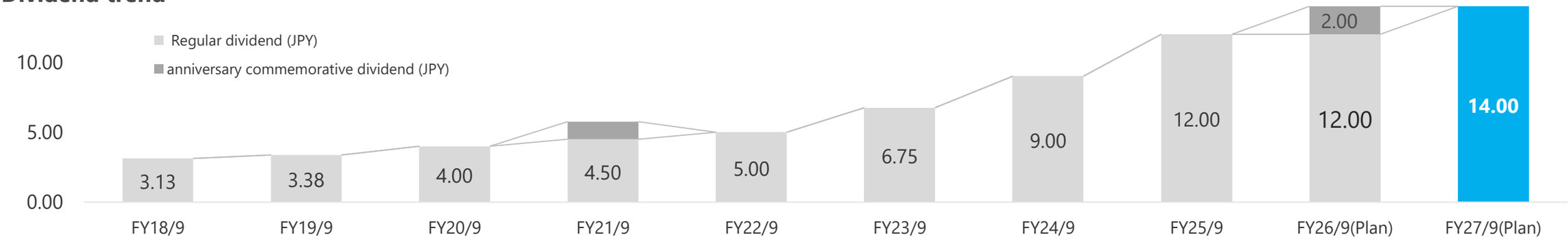
Implemented a 40th anniversary commemorative dividend in FY2026/9, increasing the dividend per share by 16.7% year-on-year to 14 JPY
Plan to maintain a dividend of 14 JPY in FY2027/9

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

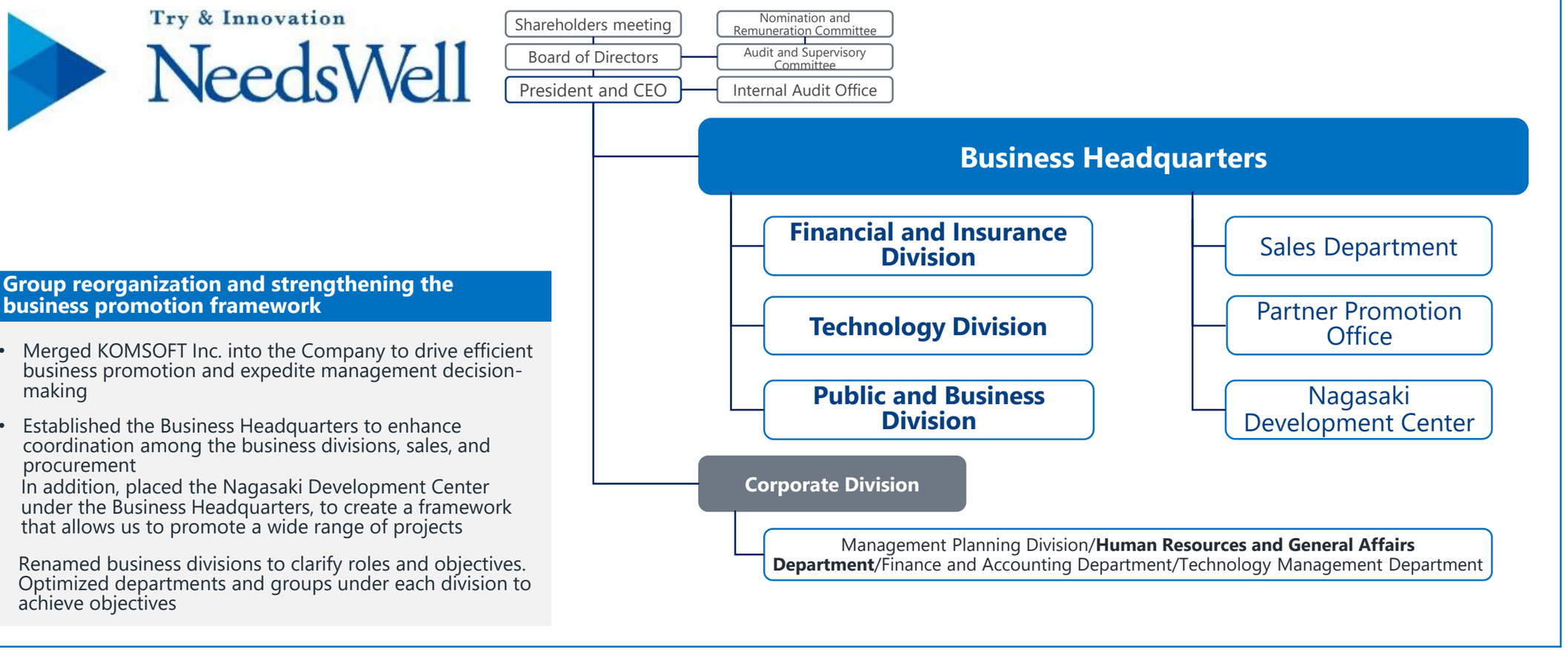


* The Company paid a commemorative dividend in commemoration of the Company's 35th anniversary for the fiscal year 2021/9.
* Needs Well conducted stock splits on April 1, 2018, January 1, 2019, June 1, 2023 and June 1 2024 at a ratio of 2 shares per share. Past annual dividends per share have been retrospectively adjusted based on these stock splits.

Shareholder Benefit Program

Eligible shareholders recorded as holding at least 1,000 shares continuously for one year or longer as of March 31 receive a JPY 15,000 QUO Card.

2.3 Group reorganization



Group reorganization and strengthening the business promotion framework

- Merged KOMSOFT Inc. into the Company to drive efficient business promotion and expedite management decision-making
- Established the Business Headquarters to enhance coordination among the business divisions, sales, and procurement
  In addition, placed the Nagasaki Development Center under the Business Headquarters, to create a framework that allows us to promote a wide range of projects
- Renamed business divisions to clarify roles and objectives. Optimized departments and groups under each division to achieve objectives

BO STUDIO

零壱製作株式会社
Zeroichi Production Co.,Ltd.

Leverage sales, technologies, human resources, and customer base in a unified manner by reorganizing the Group and centralizing functions at the Business Headquarters

Enhance business promotion capabilities to accelerate structural transformation into a solution provider and sustainable enhancement of corporate value

1. 2026/9 Financial report summary

2. 2027/9 Results forecast

3. Reference

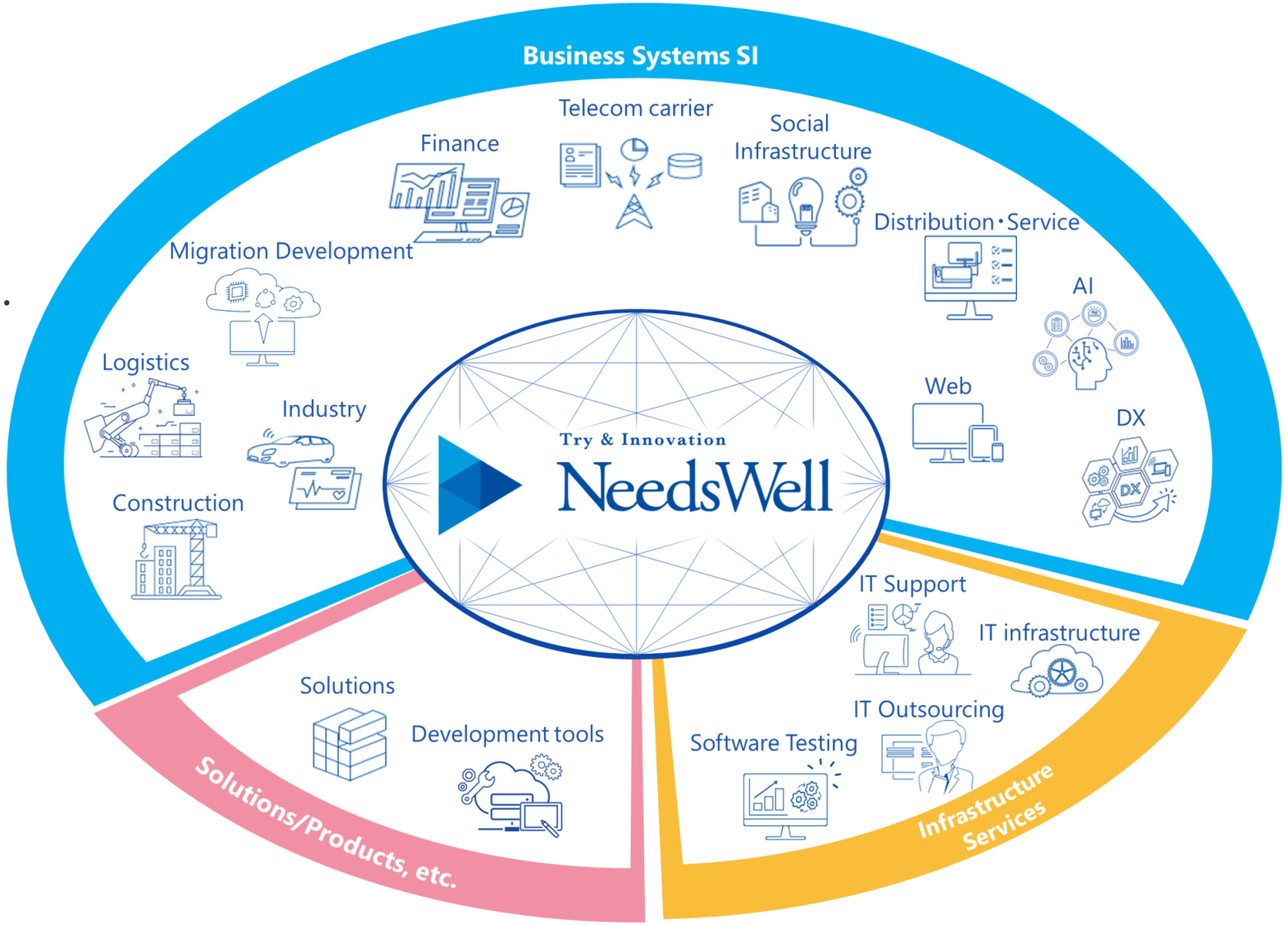
4.1 Company profile

As of September 30,2026

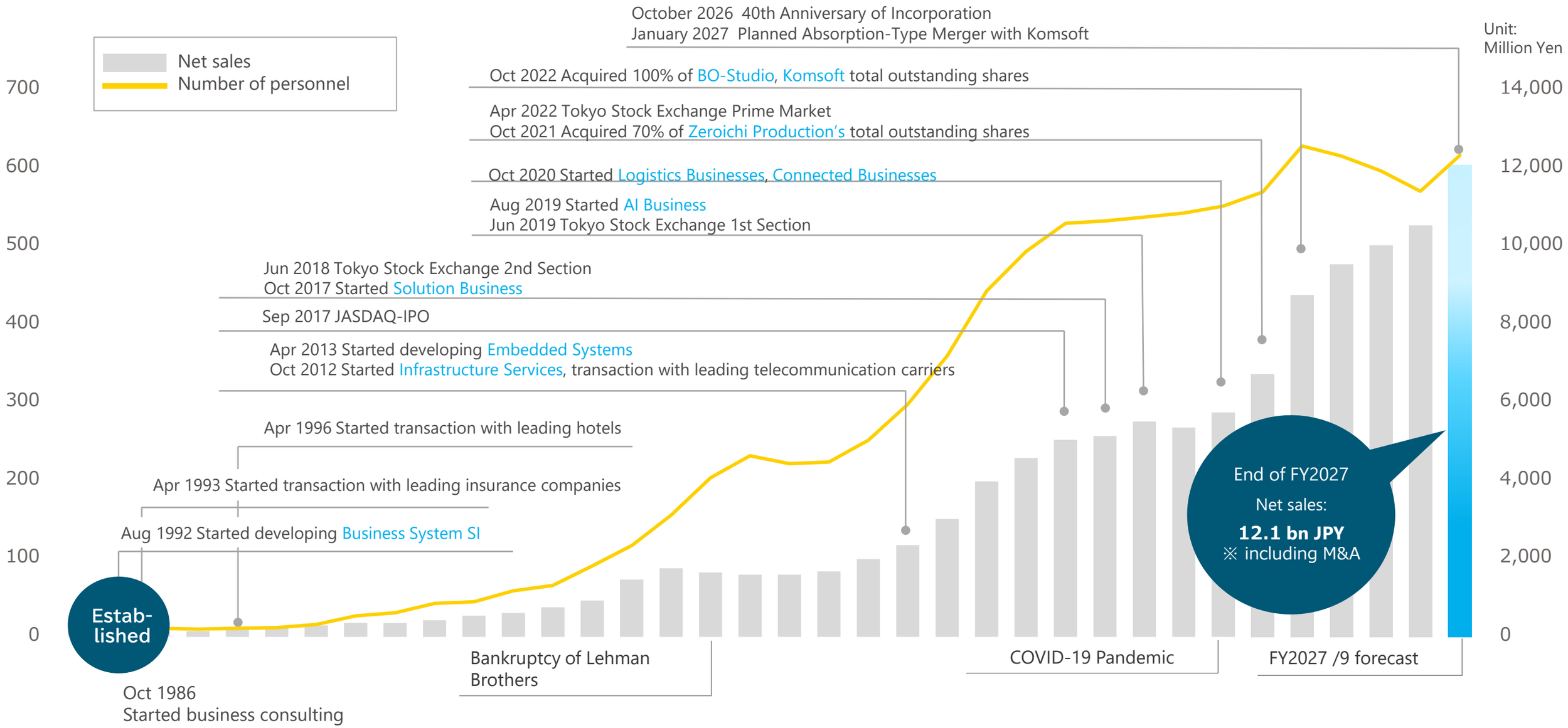
Company Name	Needs Well Inc.	**Representative**	President and CEO **Hajime Matsuoka**
Established	October 1, 1986	**Stock Listing**	Tokyo Stock Exchange, Prime Market (3992)
Paid-in Capital	908 million JPY	**Net sales**	10,551 million JPY(Consolidated)
Number of Employees	571 (Consolidated)	**Fiscal year end**	September
Head Office	13F, New Otani Garden Court, 4-1 Kioi-cho, Chiyoda-ku, Tokyo, 102-0094 Japan 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 - 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) **BO STUDIO** Inc. (Head Office: Shibuya-ku, Tokyo) **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.

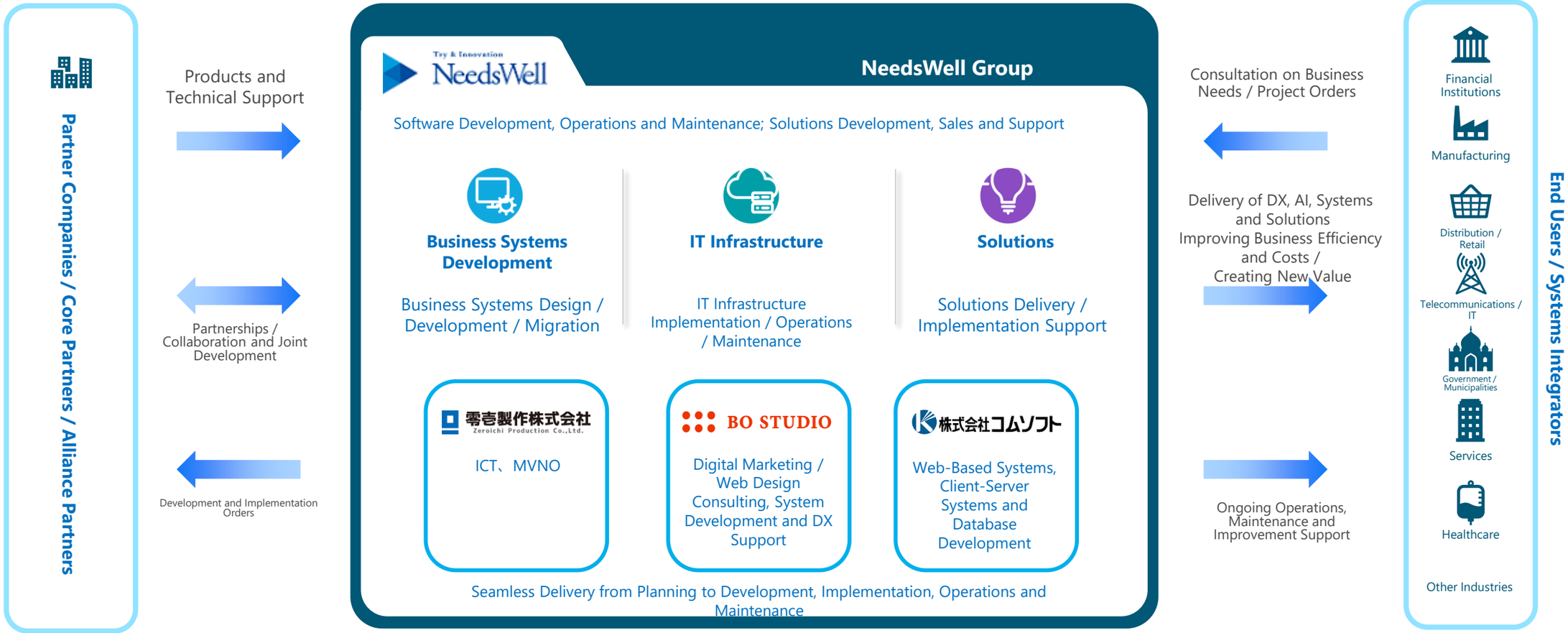


4.4 Growth track



3.4 Business Structure

End-to-End DX Support for Customers Across Industries



As of September 30, 2026

3.7 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

4.7.1 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 "SDGs Public-Private Partnership Platform for Regional Revitalization" established by the Cabinet Office.
Participated in the Cabinet Office's "Public-Private Partnership Platform for Regional Revitalization SDGs"
Obtained Four-Star Certification as a Nagasaki N-Pika Company, recognizing excellence in creating an inclusive and employee-friendly workplace.
Partnering with Nagasaki IT CAMP to support the reskilling and career transformation of local IT professionals.





Development of new solutions to assist DX

Dgent, a service that supports document digitization and the effective use of generative AI, can automate the process of digitizing large volumes of paper documents and help build generative AI applications that use digitized documents to streamline operations.
Promote the DX of education and assist companies and organizations in using AI to reduce their workload.

Develop and launch new solutions through industry-academia collaboration to use generative AI and other tools effectively.



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.



4.7.2 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 activitiesFutsal, basketball, relay races, etc.





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%





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~)



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



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



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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