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November 11, 2026

To whom it may concern:

Company name	Needs Well Inc.
Representative	Hajime Matsuoka, President and CEO (Stock code: 3992, Tokyo Stock Exchange Prime Market)
Inquiries	Chinami Arai, Director and Executive Officer (Telephone: +81-3-6265-6763)

Notice Regarding Absorption-Type Merger of a Wholly Owned Subsidiary

At a meeting of its Board of Directors held on November 11, 2026, Needs Well Inc. (the "Company") resolved to conduct an absorption-type merger (the "Merger") of its wholly owned subsidiary, Komsoft Co., Ltd. ("Komsoft"), effective January 1, 2027. Details are provided below. As the Merger is a simplified absorption-type merger involving a wholly owned subsidiary, certain disclosure items and details have been omitted.

1. Purpose of the Merger

The Company has decided to absorb Komsoft, its wholly owned subsidiary, to strengthen competitiveness in the AI era and optimize Group management.

Since joining the Group in 2022, Komsoft has helped strengthen the Group's system development capabilities and expand its business domains. The two companies have continued to deepen cooperation in system development projects and customer services. Opportunities to deploy their management resources in an integrated manner have increased, steadily generating Group-wide synergies.

With the rapid advancement of AI technologies in recent years, the IT services market increasingly demands sophisticated proposal and development capabilities that help customers address management and operational challenges. To respond to these changes, the Company believes it is important to establish an organizational structure that allows more efficient and agile use of management resources, including personnel, technologies and customer relationships.

Through the Merger, the Company will integrate the engineering talent, technical expertise and customer bases of Needs Well and Komsoft, and operate their sales and development functions as one. This is intended to accelerate decision-making and enhance service delivery capabilities.

The Company will also generate resources for growth investment by improving administrative cost efficiency and optimizing organizational operations, and will expand AI-related solutions, establish and broaden the adoption of AI-driven development, and strengthen high-value-added services.

Through these initiatives, the Company aims to enhance productivity and profitability, transform itself into a solution provider focused on resolving customers' management and operational challenges, and achieve medium- to long-term business growth and corporate value enhancement.

2. Outline of the Merger

(1) Schedule

Event	Date
Board approval (Needs Well and Komsoft)	November 11, 2026
Execution of merger agreement	November 11, 2026
Planned merger date (effective date)	January 1, 2027 (scheduled)

Note: For the Company, the Merger qualifies as a simplified merger under Article 796, Paragraph 2 of the Companies Act of Japan. For Komsoft, it qualifies as a short-form merger under Article 784, Paragraph 1 of the same Act. Accordingly, neither company will seek approval of the merger agreement at a general meeting of shareholders.

(2) Method of Merger

An absorption-type merger in which Needs Well Inc. is the surviving company and Komsoft Co., Ltd. is the disappearing company.

(3) Allotment in Connection with the Merger

As the Merger involves a wholly owned subsidiary, no shares will be allotted and no other consideration will be delivered.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights

Not applicable.

3. Overview of the Companies Involved in the Merger

Item	Surviving Company: Needs Well Inc.	Disappearing Company: Komsoft Co., Ltd.
Name	Needs Well Inc.	Komsoft Co., Ltd.
Head office	New Otani Garden Court 13F, 4-1 Kioicho, Chiyoda-ku, Tokyo	Sumitomo Fudosan Nagatacho Building 2F, 2-17-3 Nagatacho, Chiyoda-ku, Tokyo
Representative	Hajime Matsuoka, President and Representative Director	Nobuo Goto, President and Representative Director
Business	Development, operation and maintenance of software; development, sales, operation and maintenance of solution products	System development, including web-related systems, client-server systems and database construction
Capital	JPY 908 million	JPY 20 million
Established	October 1986	March 1988
Shares issued	40,699,200 shares	400 shares
Fiscal year-end	September 30	September 30
Major shareholders and ownership	ODC Co., Ltd.: 35.38%; Needs Well Inc.: 6.98%; Needs Well Employee Shareholding Association: 2.93%	Needs Well Inc.: 100%

(10) Financial Position and Operating Results for the Most Recent Fiscal Year

Item	Needs Well (Consolidated)	Komsoft (Non-consolidated)
Fiscal year	Year ended September 30, 2026	Year ended September 30, 2026
Net assets	JPY 5,044 million	JPY 48 million
Total assets	JPY 6,612 million	JPY 116 million
Net assets per share	JPY 133.04	JPY 120,934.59
Net sales	JPY 10,551 million	JPY 365 million
Operating profit	JPY 1,125 million	JPY 17 million
Ordinary profit	JPY 1,145 million	JPY 17 million
Profit attributable to owners of parent / Net profit	JPY 683 million	JPY 12 million
Earnings per share	JPY 18.04	JPY 31,957.87

4. Status Following the Merger

The Merger will not result in any change to the Company’s name, address, title or name of its representative, business activities, capital, or fiscal year-end.

5. Impact on Financial Results

As the Merger is with a wholly owned subsidiary, its impact on the Company’s consolidated financial results will be immaterial.

End