

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Accounting Auditor's and Audit & Supervisory Board Members' Report contained in the original document has not been translated.

**Notice of Convocation of
the 11th Annual Shareholders' Meeting
ExaWizards Inc.**

To Our Shareholders,

We wish to express our heartfelt gratitude for your continued and exceptional support. On the occasion of the 11th Annual General Meeting of Shareholders, we are honored to offer our respectful greetings.

In the previous fiscal year, supported by the warm encouragement of our shareholders, we delivered steady performance growth in each quarter and achieved record highs in both net sales and profit. Having completed our investment phase, we have built a structure that can reliably carry out large-scale projects, and we are evolving into a company capable of driving its own growth.

The rapid advancement of generative AI and coding agents is dramatically changing the way systems are developed. Yet what the field truly seeks is not speed alone, but mechanisms that ensure quality and security and that reliably lead to tangible results. To address this need, in April of this year we established a new company, Exa Frontier Edge, Inc., and through end-to-end development support built around AI agents, we will advance the transformation of Japan's systems integration (SI) market.

As "a company that implements AI to realize corporate transformation," the ExaWizards Group is dedicated to its mission of contributing to our customers' transformation by generating synergies through the integration of "People," "AI Platforms," and "AI Products." We will continue to flexibly establish business-specialized subsidiaries, each deepening their own expertise while sharing the Group's knowledge and foundations, thereby further enhancing the value we deliver. We believe that the true strength of our Group lies not only in our technological capabilities, but also in our determination to persevere and fully implement AI through to the end at our customers' front lines.

At the same time, we ourselves are putting into practice "AI-driven management," automating every business process with AI, and by sharing the insights we gain with our customers, we intend to lead the way in improving the productivity of Japanese companies.

What we aspire to be is a company indispensable to solving the challenges facing society. While striking a balance between investment for growth and returns to shareholders, we are committed to devoting our utmost efforts toward sustainable growth and the advancement of society.

We sincerely ask for your continued and unwavering support and guidance.

Makoto Haruta
Representative Director and President, CEO

To All Shareholders

ExaWizards Inc.

Representative Director & President, CEO Makoto Haruta

4-2-8 Shibaura, Minato-ku, Tokyo 108-0023

Notice of Convocation of the 11th Annual Shareholders' Meeting

ExaWizards Inc. (hereinafter, "the Company") hereby announces that the 11th Annual Shareholders' Meeting (hereinafter, "the Meeting") will be held as indicated below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing (by mail) or online. Please exercise your voting rights by 6:00 p.m. on Tuesday, June 24, 2026 (JST) in accordance with the "Guide to the Exercising Voting Rights" described below.

In addition, the Company intends to conduct a live-streaming and accept questions in advance of the Meeting. For further details, please refer to the "Information on Live Streaming of the General Meeting of Shareholders and Advance Questions" below.

1. **Date & Time** Wednesday, June 25, 2026, at 10:00 a.m.
Opens at 9:30 a.m.
2. **Location** Belle Salle Jimbocho Room A, B, C
Sumitomo Fudosan Chiyoda First Building (South) 2F, 3-2-1 Nishi-Kanda,
Chiyoda-ku, Tokyo
3. **Objectives**
 - Matters to be Reported
 1. Business Report and Consolidated Financial Statements for the 11th Fiscal Year (from April 1, 2025 to March 31, 2026) and the Results of Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board Members
 2. To report on the financial statements for the 11th fiscal year (April 1, 2025 through March 31, 2026)
 - Matters to be Resolved
 - Proposal 1: Amendment to Directors' Compensation
 - Proposal 2: Resolution on compensation for the allocation of restricted stock to Directors (excluding those who are outside directors)

Matters to be decided at the time of convocation

- If you exercise your voting rights both in writing (by mail) and via the Internet, the vote cast via the Internet will be treated as the valid exercise of voting rights. If you exercise your voting rights more than once via the Internet, the last vote will be treated as the valid exercise of voting rights.
- If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of any of the proposals on the voting form, the Company will treat it as if you indicated your approval.

- * Regardless of whether or not a request for delivery of written notice is made, the notice of convocation will be sent to all shareholders at the Meeting as before.
 - * The following items, among the items to be provided electronically, have been posted on the Company's website (<https://exawizards.com/en/ir/stock/meeting/>) in accordance with laws and regulations and Article 13, Paragraph 2 of the Company's Articles of Incorporation, and are therefore not included in the document to be delivered.
 - “Status of Stock Acquisition Rights, etc.” and “Systems to Ensure Appropriateness of Operations and Status of Operation of the Systems” in the Business Report. (In Japanese Only)
 - “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements (In Japanese Only)
 - “Statement of Changes in Net Assets” and “Notes to Non-Consolidated Financial Statements” in the financial statements (In Japanese Only)
- These matters are part of the consolidated financial statements and financial statements audited by the Accounting Auditor in preparing the Independent Auditor's Report, and part of the business report, consolidated financial statements and financial statements audited by the Audit & Supervisory Board Members in preparing their audit report. (Both in Japanese only)
- * If any modifications are made to the electronic provision measures, a notice will be posted on the website, along with the information before and after the modifications.

Live Streaming of the General Meeting of Shareholders and Advance Questions

You will be able to watch a live webcast of the Meeting (in Japanese only) via a website designated by the Company. In addition, prior to the meeting, the Company will accept questions in advance via the Internet until 6:00 p.m. on Tuesday, June 24, 2026.

Please note that the URL of the live-streaming location and the form for questions in advance will be posted on the Company's website (<https://exawizards.com/en/ir/stock/meeting>) by the day of the Meeting. Furthermore, the live streaming is for viewing of the proceedings only, and questions and exercise of voting rights are not available. If you wish to watch the live webcast, please exercise your voting rights in writing (by mail) or via the Internet by due date.

< How to watch Live Streaming >

- (1) Go to <https://exawizards.com/en/ir/stock/meeting>.
- (2) Click on "The 11th Annual Shareholders' Meeting Live Streaming." *Live streaming is in Japanese Only.

<How to use the Internet to ask questions in advance>

- (1) Go to <https://exawizards.com/en/ir/contact/>.
- (2) Select "Questions and Inquiries about the General Meeting of Shareholders" on the bottom of "Contract type."
- (3) Fill in the information and the details of your preliminary question on "Your Message."
- (4) Please review the Privacy Policy and check the box of "I have read and agree to the Privacy Policy."
- (6) Click the "Submit" to send your question.

Information on the Exercise of Voting Rights

Attending Meeting to exercise voting rights

Please bring the enclosed voting form and submit at the reception desk. Meeting will be held at 10:00 a.m., Wednesday, June 25, 2026 (JST).

Using mail to exercise voting rights

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it so it reaches us by 6:00 p.m., Tuesday, June 24, 2026 (JST).

Using the Internet to exercise voting rights

Please use the Company's designated voting website (<https://evote.tr.mufg.jp/>) to submit votes concerning the proposals. Votes can be submitted until 6:00 p.m., Tuesday, June 24, 2026 (JST).

To Institutional Investors

Institutional investors may use the "electronic voting platform for institutional investors" operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Amendment of Compensation for Directors

The amount of basic compensation for the Company's Directors was approved at the Company's Second Annual Shareholders' Meeting held on June 29, 2017, to be within 100 million of yen per annum. In addition to this basic compensation amount for Directors, performance-linked compensation was introduced for the Company's Directors (excluding those who are outside directors; hereinafter referred to as "Eligible Directors") as a separate framework from the aforementioned basic compensation amount for Directors at the Company's Eighth Annual Shareholders' Meeting held on June 28, 2023. It was approved that the monetary compensation portion of the performance-linked compensation shall be within 1% of the net income of the previous fiscal year per annum, and the amount of compensation related to stock acquisition rights as stock options shall be within 200 million of yen per annum and within 6,000 units, which remains in effect to the present.

On this occasion, the Company, against the backdrop of the increasing roles and responsibilities of Directors in response to the rapidly changing business environment and for the purpose of further enhancing awareness of contribution to medium to long term performance improvement and corporate value enhancement and promoting greater value sharing with shareholders, requests a resolution to set the upper limit of Directors' compensation as follows and to entrust the Board of Directors to determine the details of compensation (specific payment amounts to each Director, timing of payments, etc.) within the scope of this proposal.

1. Basic Compensation

Annual compensation shall not exceed 150 million yen (of which compensation for outside directors shall not exceed 40 million yen annually).

2. Performance-linked compensation

For the target Directors, an annual amount within 1% of the net income of the previous business year (including the total amount of monetary compensation claims to be paid as compensation related to restricted stock, for which the presence or absence of payment and the payment amount are determined in conjunction with performance)

Should this proposal and Proposal 2 be approved, the Company plans to revise the policy regarding the determination of the content of executive compensation, etc., as described on page 25 of the business report, at the Board of Directors meeting following the conclusion of this shareholders' meeting, in accordance with the Policy Regarding the Determination of the Content of Executive Compensation, etc. (Post-Amendment) set forth in [Reference] below, so as to be consistent with the approved content. This proposal is deemed to be in accordance with the aforementioned post-amendment policy and is considered to be appropriate in content.

The aforementioned compensation amount shall continue to exclude the employee portion of compensation for Directors who concurrently serve as employees, as has been the established practice. Furthermore, the Company's current Directors number seven (including four outside directors), and the target Directors will number three.

Proposal 2: Resolution on compensation for the allocation of restricted stock to Directors (excluding those who are outside directors)

The basic compensation amount for the Company's Directors was approved as within 100 million yen annually at the Company's 2nd Annual Shareholders' Meeting held on June 29, 2017, and in addition to this basic compensation amount for Directors as a separate framework, performance-linked compensation was introduced for the Company's Directors (excluding those who are outside directors; hereinafter "Eligible Directors") at the Company's 8th Annual Shareholders' Meeting held on June 28, 2023, with approval granted for the monetary compensation portion of performance-linked compensation to be within 1% of the net income of the previous fiscal year annually and the amount of compensation related to stock acquisition rights as stock options to be within 200 million yen annually and within 6,000 units, which continues to the present. However, if Proposal 1 "Amendment to Directors' Compensation" is approved and resolved as originally proposed, the compensation amount for the Company's Directors will be within 150 million yen annually as basic compensation (of which the portion for outside directors will be within 40 million yen annually), and for Eligible Directors' performance-linked compensation, within 1% of the net income of the previous fiscal year annually (including the total amount of monetary compensation claims paid as compensation related to restricted shares for which the presence or absence of payment and payment amount are determined in conjunction with performance) (in all cases, excluding employee salaries for Directors who concurrently serve as employees).

At this time, the Company has decided to allocate common shares subject to certain transfer restriction periods and grounds for gratuitous acquisition by the Company (hereinafter "Restricted Shares") to Eligible Directors as set forth below, as part of a review of the executive compensation system, in order for Eligible Directors to share the benefits and risks of stock price fluctuations with shareholders and to enhance their motivation to contribute to stock price appreciation and corporate value improvement beyond conventional levels.

Therefore, it is intended that the provisions regarding the amount of compensation for stock acquisition rights as the aforementioned stock options be abolished, and as a separate framework from the aforementioned amounts of compensation for Directors, the total amount of monetary compensation claims to be provided as compensation related to Restricted Shares for Eligible Directors be set at no more than 120 Million yen annually. It should be noted that monetary compensation claims to be provided as compensation related to Restricted Shares include those granted as fixed compensation (fixed compensation-type share compensation) and those for which the presence or absence of provision and the amount of provision are determined in conjunction with performance (performance-linked share compensation), and the amount of monetary compensation claims corresponding to performance-linked share compensation shall be within the range of the total framework for performance-linked compensation as defined in Proposal 1, combined with the amount of performance-linked compensation as defined in Proposal 1, but the details thereof (specific allocation to each eligible Director, timing of provision, etc.) shall be determined by the Company's Board of Directors within the scope of this proposal.

The allocation of Restricted Shares is determined through comprehensive consideration of various factors including the contribution levels of Eligible Directors, and the ratio of the upper limit of Restricted Shares to be allocated in each business year as defined in Section 2 below to the total Issued shares is approximately 0.2% (approximately 2.1% of total Issued shares if restricted shares at the upper limit are issued over a 10-year period), indicating that the dilution rate is minimal and the content is considered appropriate.

If this proposal and Proposal 1 are approved, the Company plans to revise the policy regarding the determination of the content of executive compensation as described on page 25 of the business report at the Board of Directors meeting following the conclusion of this shareholders' meeting to align with the approved content, as outlined in the [Reference] Policy Regarding the Determination of the Content of Executive Compensation (After Revision) below.

The above compensation amounts are intended to exclude the employee portion of salaries for Directors who concurrently serve as employees.

Furthermore, the Company's current Directors number seven (7), of which four (4) are outside directors, and Eligible Directors will number three (3).

Details

The specific details and upper limit on the number of restricted stock grants to be awarded to the subject Directors

1. Allotment and Payment of Restricted Shares

The Company shall grant monetary compensation claims within the above annual amount to Eligible Directors based on a Board of Directors resolution as compensation related to restricted shares. Each Eligible Director shall receive an allocation of restricted shares by contributing in full the monetary compensation claims through in-kind contribution. The subscription price for restricted shares shall be determined by the Board of Directors within a range that is not particularly favorable to the Eligible Director acquiring the restricted shares, based on the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors resolution regarding the issuance or disposition of such restricted shares (or, if no trade occurs on such date, the closing price on the most recent trading day immediately preceding such date). The monetary compensation claims shall be provided on the condition that the Eligible Director consents to the above in-kind contribution and enters into a restricted share allocation agreement containing the provisions set forth in section 3 below.

2. Total number of Restricted Shares

The total number of restricted shares to be allocated to Eligible Directors shall be 180,000 shares, which shall be the upper limit of the number of restricted shares to be allocated in each fiscal year. However, if on or after the date of resolution of the Proposal, a stock split (including a bonus share issuance) or stock consolidation of the Company's ordinary shares occurs or other adjustments to the total number of restricted shares to be allocated are required in circumstances similar thereto, the total number of restricted shares may be adjusted reasonably.

3. Contents of Restricted Stock Allocation Agreement

Upon allocation of restricted shares, based on a Board of Directors resolution, the restricted share allocation agreement to be entered into between the Company and the Eligible Director receiving the allocation of restricted shares shall include the following provisions:

(1) Content of Transfer Restrictions

An Eligible Director receiving an allocation of restricted shares shall not, during the period from the date of delivery of the restricted shares until the date on which the Eligible Director resigns or retires from the position to be predetermined by the Company's Board of Directors (hereinafter, the "Restriction Period"), transfer, pledge, or otherwise dispose of the restricted shares allocated to such Eligible Director (hereinafter, the "Allocated Shares") to any third party, including through the granting of security interests, transfer-based security interests, lifetime gifts, testamentary gifts, or any other disposition (hereinafter, "Transfer Restriction").

(2) Acquisition of Restricted Shares at No Cost

The Company shall acquire at no cost the Allocated Shares if the Eligible Director resigns or retires from the position to be predetermined by the Board of Directors before the date immediately preceding the business day of the Company's Annual General Meeting of Shareholders first convening on or after the commencement date of the Restriction Period, except where the Board of Directors determines there is just cause.

In addition, if, at the time the Restriction Period set forth in (i) above expires, any Allocated Shares remain subject to Transfer Restriction pursuant to the provisions in (iii) below regarding the circumstances for releasing the Transfer Restriction, the Company shall acquire such Allocated Shares at no cost.

(3) Release of Transfer Restriction

The Company shall release the Transfer Restriction on all of the Allocated Shares, effective upon the expiration of the Restriction Period, provided that the Eligible Director continues to hold the position to be predetermined by the Board of Directors until the date of the Annual General Meeting of Shareholders first convening on or after the commencement date of the Restriction Period.

However, if the Eligible Director resigns or retires from the position to be predetermined by the Board of Directors before the date immediately preceding the date of the Annual General Meeting of Shareholders first convening on or after the commencement date of the Restriction Period for a reason the Board of Directors determines to be just cause, the number of

Allocated Shares for which the Transfer Restriction is to be released and the timing of release shall be adjusted reasonably as necessary.

(4) Treatment in Connection with Organizational Restructuring, etc.

If, during the Restriction Period, a proposal regarding a merger agreement under which the Company is a dissolving company, a stock exchange agreement under which the Company becomes a wholly owned subsidiary, a stock transfer plan, or other organizational restructuring or similar transaction is approved by the Company's Annual General Meeting of Shareholders (or, if approval by the Company's Annual General Meeting of Shareholders is not required for such organizational restructuring or similar transaction, by the Company's Board of Directors), the Company may, by Board of Directors resolution, release the Transfer Restriction on a number of Allocated Shares reasonably determined based on the period from the commencement date of the Restriction Period to the date of such approval, effective prior to the effective date of such organizational restructuring or similar transaction.

In such case, the Company shall acquire at no cost any Allocated Shares for which the Transfer Restriction has not been released immediately following the release of the Transfer Restriction as described above.

(For Reference)

The Company plans to allocate restricted shares with transfer restrictions similar to the aforementioned restricted shares to executive officers of the Company and Directors of the Company's subsidiaries who hold certain positions, following the conclusion of this shareholders' meeting.

[Reference] Policy and Other Matters Concerning the Determination of Executive Compensation Content (Post-Amendment)

Fundamental Policy

The compensation for the Company's Directors is structured to enhance motivation for contributing to medium- to long-term performance improvement and corporate value enhancement, and is established as fair treatment commensurate with each officer's duties and responsibilities, while maintaining competitive compensation levels and composition. The compensation is comprised of fixed compensation (basic compensation and fixed-type stock compensation) and performance-linked compensation. However, compensation for outside directors is comprised solely of basic compensation.

Fixed compensation

Basic compensation and fixed compensation-type stock compensation are provided as fixed compensation.

Basic compensation

This constitutes monetary compensation that is paid as a fixed monthly amount. The annual payment amount is determined based on standard amounts established according to the presence or absence of executive positions and the distinction between full-time and part-time status, taking into consideration each officer's role and responsibilities, the company's performance, the employee compensation system, and the prevailing socioeconomic conditions at the time.

The basic compensation for Directors is limited to the total compensation amount determined at the shareholders' meeting, and based on resolutions of the Board of Directors, the determination of individual payment amounts has been delegated to the Representative Director and President.

Fixed compensation-type stock compensation

This constitutes monetary compensation claims that are granted as fixed compensation among the monetary compensation claims provided as compensation related to restricted transfer shares. Based on standard amounts determined according to the presence or absence of executive positions and the distinction between full-time and part-time status, and taking into consideration each executive's role and responsibilities, the company's performance, the employee compensation system, and the prevailing socioeconomic conditions at the time, such compensation is granted at a fixed time each year based on resolutions of the Board of Directors, within the limits of the total compensation amount determined at the shareholders' meeting.

The total amount of fixed compensation-type stock compensation and performance-linked stock compensation (described below) shall be limited to the total amount of monetary compensation claims to be paid as compensation related to restricted stock that has been determined by the shareholders' meeting.

Performance-linked compensation

This compensation structure is composed of performance-linked monetary compensation and performance-linked equity compensation, which are designed to function as sound incentives for the enhancement of corporate value and business performance by strengthening alignment with corporate value and performance results, and by rewarding high compensation for the achievement of objectives.

The total amount of performance-linked monetary compensation and performance-linked stock compensation shall be limited to the total amount of performance-linked compensation determined by the shareholders' meeting.

Performance-linked monetary compensation shall be determined at a fixed time each year based on criteria established by the Board of Directors. The Board of Directors has delegated the determination of individual compensation amounts to the Representative Director and President.

Performance-linked stock compensation is determined based on performance regarding whether to grant and the amount to be granted from monetary compensation claims to be provided as compensation related to restricted stock. Based on criteria established by the Board of Directors, such compensation is granted at a certain time each year through a Resolution of the Board of Directors. The total amount of fixed stock compensation and performance-linked stock compensation is limited to the total amount of monetary compensation claims to be provided as compensation related to restricted stock as determined by the shareholders' meeting.

Business Report

(From April 1, 2025 to March 31, 2026)

I. Current status of the corporate group

(1) Business conditions in the current fiscal year

(i) Progress and results of the project

With the mission of “Solving social issues through Artificial Intelligence for future generations,” the Company and its subsidiaries (hereinafter, “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 Platform Business	Discovering industrial and social issues in various industries and realizing innovations through solving management issues of clients, mainly large corporations.

Net sales

Net sales for the current fiscal year were 11,996 million yen (+22.3% YoY). Main reason for this was an increase in the number of users of our services in the AI Products Business.

Cost of sales, gross profit

Cost of sales for the current fiscal year was 3,994 million yen (-3.6% YoY). This was due to the increase in system usage fees, which constitute cost of sales, while depreciation expenses decreased during the same period.

As a result, gross profit for the current fiscal year was 8,002 million yen (+41.2% YoY), with a gross profit margin of 66.7%

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

Selling, general and administrative expenses for the consolidated fiscal year amounted to 6,408 million yen (+13.5% YoY). This was due to the increases in personnel expenses, advertising expenses, and system usage fees, all of which are classified as selling, general and administrative expenses.

As a result, the operating profit for the current fiscal year was 1,594 million yen (compared to operating profit of 23 million yen in the previous fiscal year).

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

Non-operating income for the consolidated fiscal year was 14 million yen (+32.4% YoY), while non-operating expenses were 42 million yen (+31.2% YoY).

As a result, the ordinary profit for the current fiscal year was 1,566 million yen (ordinary profit of two million yen in the previous year).

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

Income before income taxes for the current fiscal year was 1,546 million yen (compared to a loss before income taxes of 2,505 million yen in the previous fiscal year).

Extraordinary income of two million yen was recorded. Additionally, extraordinary loss of 22 million yen was recorded. This was due to the recognition of an impairment loss of 22 million yen, whereby the book value of an asset group with deteriorated profitability was reduced to its recoverable amount for software assets held by a consolidated subsidiary belonging to the AI Solution Services Business. Through the application of tax effect accounting, additional deferred tax assets were recorded against future deductible temporary differences, resulting in a negative total of 464 million yen being recorded for income taxes. This was attributed to the assessment that the recoverability of deferred tax assets had increased due to the prospect of securing future taxable income based on future performance outlook and other factors.

Net income attributable to shareholders of the parent company for the current fiscal year was 1,533 million yen (net loss attributable to shareholders of the parent company of 2,576 million yen in the

previous fiscal year).

The Company has changed its reportable segments from the previous three categories of “AI Products Business,” “AI Platform Business,” and “Other Service Business” to two categories of “AI Products Business” and “AI Solution Services Business” from the first quarter of the current fiscal year, following a review of the Group’s business development, management resource allocation and management structure. The Segment Information for the previous consolidated fiscal year has been prepared and presented based on the revised reportable segments classification.

The performance by segment is as follows. On a related note, segment profit is based on operating profit and has been adjusted to align with the operating profit in the consolidated statement of income.

(1) AI Product Business

During the current fiscal year, in addition to expanding sales of existing products, amid the rapid expansion of the market accompanying full-scale AI investment by various companies, active efforts were undertaken in the development of Generative AI and AI agents.

The DX human resource development service for corporations and local governments, “exaBase DX Assessment & Learning,” continued to demonstrate sustained growth, with the Number of companies that have adopted reaching 2,534 as of March 2026, while the Number of users achieved approximately 420,000 individuals. “exaBase Generative AI” performed favorably, with the number of companies that have adopted reaching 1,422 as of March 2026 and the number of users reaching approximately 120,000.

In response to such robust demand, personnel expenses associated with investments in the development and sales of new products and system usage fees related to product provision increased, while depreciation expenses recorded in the current fiscal year decreased due to the impairment loss of software assets and other items recorded in the previous consolidated fiscal year. As a result, Net sales were 4,916 million yen (+60.9% compared to the previous period), gross profit was 4,068 million yen (+76.9% compared to the previous period), gross profit margin was 82.8% (+7.5pt compared to the previous period), and operating profit was 1,866 million yen (+147.9% compared to the previous period).

(2) AI Solution Services Business

During the current fiscal year, demand for corporate AI and digital transformation support expanded significantly across all industries. Against this backdrop of strong demand, the Company continued working with many major companies to create innovation through AI projects. In addition, personnel expenses, outsourcing expenses, and other costs were reduced through higher sales productivity driven by stricter screening of AI development projects. Profitability also improved substantially, reflecting lower depreciation and amortization following the impairment loss recognized in the previous fiscal year. Even while prioritizing organizational transition measures such as project screening and personnel reallocation, the Company steadily captured growing AI demand. As a result, the effects of these measures became evident from the third quarter of the consolidated fiscal year onward, and sales continued on an upward trend.

As a result, Net sales reached 7,238 million yen (+2.7% YoY), gross profit totaled 4,099 million yen (+12.2% YoY), gross profit margin was recorded at 56.6% (+4.8pt YoY), and operating profit was achieved at 2,217 million yen (+58.7% YoY).

Sales by Business Segment

Business Segment	10 th Fiscal Period (Fiscal year ended March 2025) (Previous Fiscal Year)		11 th Fiscal Period (Fiscal year ended March 2026) (Current Fiscal Year)		Compared to the previous consolidated fiscal year.	
	Amount (Million yen)	Composition ratio (%)	Amount (Million yen)	Composition ratio (%)	Amount (Million yen)	Percentage change (%)
AI Product Business	3,055	30.2	4,916	40.5	1,861	60.9
AI Solution Services Business	7,045	69.8	7,238	59.5	192	2.7
Total	10,101	100.0	12,155	100.0	2,053	20.3

(ii) Status of Fund Procurement

Capital expenditures and working capital requirements for the period were financed through borrowings totaling 300 million yen from financial institutions.

Furthermore, borrowings from financial institutions were repaid in the amount of 615 million yen during the current fiscal year.

(iii) Capital Expenditures

The total amount of capital investment made by the Group during the current fiscal year was 1,065 million yen, which was mainly for product development.

(iv) Transfer of business, absorption-type demerger, or incorporation-type demerger

Not applicable.

(v) Acquisition of business of other companies

Not applicable.

(vi) Succession to rights and obligations related to the business of other corporations, etc., as a result of absorption-type merger or absorption-type split

Not applicable.

(vii) Acquisition or Disposal of Shares, Other Equity, or Stock Acquisition Rights, etc. of Other Companies

Not applicable.

(2) Assets and Profit and Loss

(i) Assets and profit/loss of the Group

Classification		8 th Fiscal Period (Fiscal year ending March 31, 2023)	9 th Fiscal Period (Fiscal year ending March 31, 2024)	10 th Fiscal Period (Fiscal year ending March 31, 2025)	11 th Fiscal Period (Current fiscal year) (Fiscal year ending March 31, 2026)
Net sales	Mil. Yen	5,591	8,384	9,811	11,996
Ordinary income (loss)	Mil. Yen	(375)	(330)	2	1,566
Net income (loss) attributable to owners of the parent	Mil. Yen	(141)	(610)	(2,576)	1,533
Net income (loss) per share	Yen	(1.72)	(7.50)	(31.26)	18.13
Total Assets	Mil. Yen	7,939	9,931	7,024	9,436
Net Assets	Mil. Yen	6,618	4,983	2,539	4,750
Net Assets per share	Yen	78.53	59.65	29.13	53.18

Notes:

1. Net income per share or net loss per share is calculated based on the average number of issued shares during the period, and net assets per share are calculated based on the total number of issued shares at the end of the period.
2. The Company's shares held by the "Share-Granting ESOP Trust Account" and recorded as treasury shares under shareholders' equity are included in the treasury shares deducted in calculating net assets per share (from the period-end number of issued shares) and net income or loss per share (from the average number of shares during the period). For the current consolidated fiscal year, these treasury shares amounted to 564,283 shares for net assets per share and 601,284 shares for net income per share.

(ii) Assets and profit/loss of the Company

Classification		8 th Fiscal Period (Fiscal year ending March 31, 2023)	9 th Fiscal Period (Fiscal year ending March 31, 2024)	10 th Fiscal Period (Fiscal year ending March 31, 2025)	11 th Fiscal Period (Current fiscal year) (Fiscal year ending March 31, 2026)
Net sales	Mil. Yen	4,321	5,128	5,089	5,462
Ordinary income (loss)	Mil. Yen	(247)	(430)	(371)	466
Net income (loss) attributable to owners of the parent	Mil. Yen	(28)	(970)	(1,482)	875
Net income (loss) per share	Yen	(0.35)	(11.92)	(17.98)	10.35
Total Assets	Mil. Yen	7,856	8,774	6,890	8,447
Net Assets	Mil. Yen	6,765	4,792	3,417	4,939
Net Assets per share	Yen	81.19	57.97	40.69	56.68

Notes:

1. Net income per share or net loss per share is calculated based on the average number of issued shares during the period, and net assets per share are calculated based on the total number of issued shares at the end of the period.
2. The Company's shares held by the "Share-Granting ESOP Trust Account" and recorded as treasury shares under shareholders' equity are included in the treasury shares deducted in calculating net assets per share (from the period-end number of issued shares) and net income or loss per share (from the average number of shares during the period). For the current consolidated fiscal year, these treasury shares amounted to 564,283 shares for net assets per share and 601,284 shares for net income per share.

(3) Significant Subsidiaries

(i) Significant Subsidiaries

Company Name	Capital (Million yen)	Voting rights held by the Company (%)	Main Businesses
Xware Corporation	10	100.0	Consulting, development, operation, etc. of advanced information systems, etc.
Exa HomeCare Inc.	91	51.0	Development and sales of AI-based services for nursing care and welfare equipment, etc.
STADIUM Co., Ltd.	100	100.0	Sales support for IT products, business process outsourcing, development and sales of call quality management and call-handling evaluation AI for call centers
Exa Enterprise AI Inc.	100	100.0	Planning, development, and sales of products, services, etc. utilizing technologies such as generative AI
ExaMD Inc.	50	100.0	Planning, development, sales, and alliance of products, services, using multimodal AI technology (including programmed medical devices) aimed at solving social issues related to health and medical themes, such as dementia

(ii) Specified wholly owned subsidiaries as of the end of the fiscal year

Company Name	Address	Total book value	Total Assets
STADIUM Co., Ltd	3-4-3 Akasaka, Minato-ku, Tokyo	2,570 million yen	8,447 million yen

(4) Issues to be addressed

Medium to long-term business strategy policy and issues to be addressed

The Group's mission is "Solving social issues through Artificial Intelligence for future generations" and it aims to solve such issues by utilizing our advanced AI technology and business application capabilities.

Regarding future outlook, the recent evolution of Large-scale language models (LLMs) has accelerated development toward the utilization of Generative AI and AI agents in business operations, and AI demand is expected to continue increasing going forward. Furthermore, companies are experiencing heightened awareness of the effectiveness of Generative AI and AI agents, with investment appetite for operational efficiency improvements and competitive advantage enhancement also improving, resulting in a continued favorable business environment for our company.

In such a business environment, the "AI Guru-Guru (Spinning Wheel) Model," which our company has continued since its founding to elevate individual customer challenges into universal challenges and create services that solve the challenges of a greater number of customers, has achieved further development. It has become possible to accelerate the creation of AI products that collaborate with AI agents, and our company is evolving into an entity that contributes to customers' true transformation as "a company that implements AI to realize corporate transformation."

Moving forward, the Company shall establish the following four medium- to long-term strategic policies centered on "3P" and "Frontier," which support the Company's growth, with the objective of realizing a world in which enterprises will independently enhance their productivity as AI and Generative AI become routinely utilized and leveraged within their business operations.

- (i) People: Strengthening the Organization that Leads Transformation and Drives On-Site Implementation and Operations

- Provide hands-on support from technology implementation through operation, leveraging talent that strongly drives customers' AX (AI Transformation), talent that supports on-site AI implementation, and talent that handles operations.
- (ii) Platform: Evolving the Foundation Supporting AI Adoption and Business Transformation, with Enhanced Security
- Deepen "exaBase" as the foundation for AI adoption and operation, data utilization, and business transformation.
 - Link exaBase Generative AI with exaBase Studio to serve as the command center that drives and manages AI agents, while building robust security to safely leverage the latest LLMs and in-house developed AI agents.
- (iii) Product: Expanding AI Products that Solve Specific Issues and Transforming Them into Agents
- Strongly promote AI products, SaaS, and business support services that solve issues in specific industries and specific operations.
 - Strengthening development to enable AI agent functionality across the Company's various AI products, realizing a world where anyone can easily create and utilize AI agents.
- (iv) Frontier: Agile Business Development and Building Strategic Partnerships
- Expand speedily into new business areas through the agile establishment of business-specialized subsidiaries.
 - Continue to actively pursue business alliances and JVs (joint ventures) with leading companies to further accelerate business growth.

Issues to be addressed to strengthen sustainable management foundations

In addition to addressing the business strategy policies outlined above, the Company will also give priority to the following five issues in order to strengthen its sustainable management foundation.

- (i) **Further creation and expansion of new products**
- The Group's strategy is to develop and provide AI products that can be offered more broadly, based on the knowledge accumulated through the introduction of AI to client companies. The Group believes it is necessary to continuously create new AI products and provide them to a wider range of clients in the future.
- (ii) **Reinforcement of internal control system**
- The Group is at a stage of growth where it expects to further expand the scale of its business, and it recognizes that strengthening its internal control system accordingly is an important issue. To ensure fairness and transparency in management, the Group will continue to strengthen corporate governance, maintain the operation of the internal control system, and review it as necessary.
- (iii) **Reinforcement of information management system**
- In the process of providing services and operating systems, the Group may handle confidential and personal information, and it believes it is important to thoroughly and continuously strengthen its information management. Currently, it is thoroughly managing such information in accordance with its information management regulations, but in response to various information security risks that may arise in the future, the Group will continue to constantly strengthen its information management by enhancing in-house education and training programs and improving our systems.
- (iv) **Maintain and strengthen the Group's management structure**
- With the aim of achieving business growth and expanding its business domain, the Group has increased the number of affiliated companies through the establishment of operating subsidiaries, joint ventures with collaborating partners, and acquisitions aimed at

strengthening its competitiveness. In response, the Group will maintain a system to continuously ensure the implementation of group management policies that strengthen group governance and optimize the allocation of management resources, as well as to review such policies as necessary.

(v) Sustainability Initiatives

In order to solve social issues through our business, the Group believe that it is essential to continue to grow in response to the expectations of internal and external stakeholders and to create an environment conducive to such growth. To this end, the Group have examined various issues in the business environment from the perspective of our stakeholders and their importance to the Group's sustainable growth platform, and have identified issues of particular importance to both the Group and its stakeholders. The following five issues are defined as its materialities.

1. Diverse human resources
2. Business development in a wide range of industries
3. Securing and improving technological superiority
4. Secure services with strong security
5. Governance and Risk Management Structure

Through corporate activities based on these materialities, the Group is committed to promoting sustainability and enhancing sustainable corporate value.

(5) Principal Businesses of the Group

Business Segment	Business
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 Solution Services Business	Discovering industrial and social issues in various industries and realizing innovations through solving management issues of clients, mainly large corporations.

(6) Principal offices of the Group, etc.

(1) the Company

Head office	Minato-ku, Tokyo
Hamamatsu Office	Chuo-ku, Hamamatsu City, Shizuoka
Nagoya	Shouwa-ku, Nagoya City, Aichi
Osaka Office	Kita-ku, Osaka City, Osaka
Fukuoka Office	Hakata-ku, Fukuoka City, Fukuoka

(2) Subsidiaries

Xware Corporation	Head Office (Minato-ku, Tokyo), Shimane Branch Office (Matsue City, Shimane Prefecture)
Exa HomeCare Inc.	Head office (Minato-ku, Tokyo)
STADIUM Co., Ltd.	Head Office (Minato-ku, Tokyo), Osaka Branch Office (Chuo-ku, Osaka), Fukuoka Branch Office (Fukuoka City, Fukuoka)
Exa Enterprise AI, Inc.	Head office (Minato-ku, Tokyo)
ExaMD Inc.	Head office (Minato-ku, Tokyo)

(7) Employees

(i) Employees of the Group

Number of employees	Difference from the end of the previous fiscal year
624 (77)	+ 37 (+11)

Note: The number of employees is the number of full-time employees and the number of temporary employees (including part-time employees, however temporary employees are not included). The average number of employees per year is shown in ().

(ii) Employees of the Company

Number of employees	Difference from the end of the previous fiscal year	Average age	Average years of service
270 (55)	+7 (+8)	34.9 years	3.0 years

Note: The number of employees is the number of full-time employees and the number of temporary employees (including part-time employees, however temporary employees are not included). The average number of employees per year is shown in ().

(8) Principal Lenders

Borrower	Borrowing amount
Mizuho Bank, Ltd.	1,950 Million yen
The Bank of Yokohama, Ltd	285 Million yen

(9) Other important matters concerning the current status of the Group

Not applicable.

II. Company's Current Status

(1) Status of Shares

- | | |
|--|---------------------|
| (i) Total number of shares authorized to be issued | 301,232,000 Shares |
| (ii) Total number of shares issued | 87,156,500 Shares |
| (iii) Number of shareholders | 40,504 Shareholders |
| (iv) Major shareholders (the top ten shareholders) | |

Name of shareholder	Number of shares held (Thousand shares)	Shareholding Ratio (%)
betaCatalyst Inc.	8,185	9.53
Yutaka Sakane	3,776	4.40
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,254	3.79
Toshikazu Furuya	3,215	3.74
RH Corporation	3,000	3.49
KH Corporation	3,000	3.49
Custody Bank of Japan, Ltd. (trust account)	2,946	3.43
Ueda Yagi Tanshi Co., Ltd.	2,000	2.33
Makoto Haruta	1,572	1.83
D4V Fund I Investment Limited Partnership	1,500	1.74

Note: Shareholding ratio is calculated excluding treasury stock (1,210 thousand shares). ESOP trust shares (564 thousand shares) are not included in treasury stock.

- (v) [Shares issued to corporate officers as compensation for the execution of their duties during the fiscal year under review](#)
Not applicable.
- (vi) [Other important matters concerning shares](#)
The total number of outstanding shares increased by 682,600 shares due to the exercise of stock acquisition rights during the current fiscal year.

(2) Company Officers

(i) Directors and Audit & Supervisory Board Members (as of March 31, 2026)

Position and responsibilities	Name	Significant concurrent positions
Representative Director and President, CEO	Makoto HARUTA	Representative Director, betaCatalyst Inc. Outside Director, TBS Holdings, Inc.
Managing Director (Executive Officer, Business Management Officer)	Takuma OUE	Representative Director, Exa Enterprise AI, Inc.
Board of Director (Technical Director)	Yutaka SAKANE	-
Outside Director	Naoko MUNAKATA	Specially Appointed Professor of the University of Tokyo Graduate School of Public Policy Outside Director and Audit and Supervisory Committee Member, Murata Manufacturing Co., Ltd.
Outside Director	Manabu SATO	Senior Advisor, PwC Advisory LLC
Outside Director	Hiroaki SUGITA	Professor, Waseda Business School (Graduate School of Business and Finance) Outside Director, Unicharm Corporation Outside Director, Calbee, Inc. Senior Advisor, Boston Consulting Group
Outside Director	Masayuki WATANABE	Director, FOODCODE, LTD.
Full-time Outside Audit & Supervisory Board Member	Shigeru TSUTU	-
Outside Audit & Supervisory Board Member	Masaru IIDA	Representative Attorney, IIDA BUSINESS LAW OFFICE Supervisory Officer, Ichigo Hotel REIT Investment Corporation
Outside Audit & Supervisory Board Member	Yuko ATSUMI	Representative Partner, Kollect Partners Law Office Outside Director, Synspective Inc. Outside Director, TKC Corporation

Notes:

- Ms. Munakata, Mr. Sato, Mr. Sugita and Mr. Watanabe are outside directors.
- Mr. Tsuru, Mr. Iida and Ms. Atsumi are outside audit & supervisory board members.
- Ms. Munakata possesses extensive experience in administrative fields including economics, trade, and intellectual property, as well as broad expertise as a public policy specialist.
- Mr. Sato possesses extensive experience as a certified public accountant and abundant experience in financial institutions, and has been equipped with broad expertise regarding finance and accounting matters.
- Mr. Sugita possesses extensive experience and broad knowledge as a business executive and management consultant.
- Mr. Watanabe possesses extensive experience in founding and managing multiple IT companies both domestically and internationally, and maintains broad expertise in product and service growth experience, business development, and global expansion.
- Mr. Tsuru possesses extensive experience in financial institutions and as an executive in various companies, along with high-level insight, and maintains considerable expertise in internal controls, finance and accounting.
- Mr. Iida possesses extensive experience as an attorney and abundant experience at financial institutions, and holds high-level expertise in corporate legal affairs as well as finance and accounting.
- Ms. Atsumi possesses extensive experience in financial institutions and abundant practical experience as an attorney, along with experience in management and both audit and supervisory aspects of diverse enterprises and high-level insight.
- The Company has designated all outside directors and outside audit & supervisory board members as independent officers in accordance with the provisions of the Tokyo Stock Exchange and has filed notifications with the said exchange.
- Mr. Sato retired from his position as Partner at PwC Advisory LLC effective June 30, 2025, and was appointed as Senior Advisor of the same company effective July 1, 2025.
- Mr. Watanabe resigned from his position as outside director of Timee, Inc. effective January 28, 2026.
- The registered name of Ms. Munakata in the family register is Doi.
- The registered name of Ms. Atsumi in the family register is Kikuchi.

(ii) Outline of the contents of the liability limitation agreement

The Company has entered into liability limitation agreements with outside directors and outside audit & supervisory board members pursuant to Article 427, Paragraph 1 of the Companies Act. The liability limitation is limited to cases in which the director or auditor performed his/her duties in good faith and without gross negligence, and the maximum amount of liability for damages under the liability limitation agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(iii) Outline of the contents of the indemnity agreement, etc.

Not applicable.

(iv) Summary of contents of directors' and officers' liability insurance policy, etc.

a. Scope of Insured

The Company has concluded a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insured persons are directors, audit & supervisory board members, executive officers, key employees, outside dispatched officers and retired officers of the Company and its domestic subsidiaries.

b. Summary of Insurance Contracts

This insurance policy shall indemnify the insured against claims for damages and dispute expenses incurred by the insured as a result of acts (including omissions) committed by the insured in the course of his or her duties as a director or officer of the company described in (a) above. The Company bears all premiums for this insurance policy.

However, measures are taken to ensure that the appropriateness of the execution of duties by the insured officers and others is not compromised by excluding compensation for damages and dispute expenses incurred in the event of bribery or other criminal acts or intentional illegal acts from coverage.

(v) Compensation, etc. of Directors and Audit & Supervisory Board Members

a. Policy for Determination of Details of Compensation for Directors and Audit & Supervisory Board Members

A summary of such Executive Compensation Policy is as follows.

Basic Policy

The compensation of the Company's Directors consists of base compensation and performance-linked compensation. The compensation level and structure shall be fair, commensurate with each Director's duties and responsibilities, and competitive, based on the principle of motivating each Director to contribute to improving the Company's performance and corporate value over the medium to long term. However, outside directors are not subject to performance-linked compensation.

The compensation of the Company's audit & supervisory board members shall be fairly commensurate with each member's duties and responsibilities, and shall be based on a competitive compensation level and structure, and shall consist solely of base compensation.

Basic Compensation

Monetary compensation is paid as a fixed monthly amount. The amount is determined on an annual basis based on a standard amount determined according to whether the officer holds a position or not and whether the officer is full-time or part-time, taking into consideration the role and responsibility of each officer, the company's performance, the employee salary structure, and the social and economic conditions at the time of payment.

Basic compensation for directors is limited to the total amount of compensation determined by the General Meeting of Shareholders, and the Representative Director and President is delegated to determine the amount of individual payment based on a resolution of the Board of Directors.

Basic compensation for audit & supervisory board members is limited to the total amount of compensation decided at the general meeting of shareholders and is determined through discussions among the audit & supervisory board members.

Performance-Linked Compensation

It consists of performance-linked cash compensation and performance-linked stock compensation designed to function as a sound incentive to improve corporate value and performance by strengthening the alignment with corporate value and performance and rewarding the achievement of objectives with high compensation.

Performance-linked monetary compensation is limited to the total amount of compensation determined by the General Meeting of Shareholders, and the amount to be paid is determined at a certain time each year based on the standard amount determined according to the existence of the position and the criteria established by the Board of Directors. The Board of Directors delegates the determination of individual payment amounts to the President and Representative Director.

Performance-linked stock compensation is limited to the total amount of compensation and the maximum number of shares to be granted as determined by the General Meeting of Shareholders, and is granted at the time of appointment (including the time of reappointment) in accordance with a resolution of the Board of Directors.

b. Total amount of compensation for the current fiscal year

Classification	Total amount of compensation (Million yen)	Total amount of compensation by type			Subjects. Number of directors
		Basic compensation (Million yen)	Performance-Linked Compensation		
			Monetary reward (Million yen)	Stock-based compensation (Million yen)	
Board of Directors (excluding outside directors)	60	56	-	3	3
Outside Director	33	33	-	-	6
Audit & Supervisory Board Members (Of which, outside audit & supervisory board members)	17 (17)	17 (17)	-	-	4 (4)
Total Amount (Of which, outside directors)	111 (50)	107 (50)	-	3	13 (10)

Notes:

- The amount of basic compensation for Directors was resolved at the 2nd Annual Shareholders' Meeting held on June 29, 2017 to be no more than 100 million yen per year (not including employee salaries for Directors who concurrently serve as employees). The number of directors as of the close of said General Meeting of Shareholders was five.
- The amount of monetary compensation among performance-linked compensation for directors (excluding outside directors) was resolved at the 8th Annual Shareholders' Meeting held on June 28, 2023 to be an annual amount not exceeding 1% of net income for the previous fiscal year. The reason why the amount of net income is used as an indicator for calculating the amount of compensation is that the amount of net income is positioned as the most important performance indicator. The number of directors (excluding outside directors) as of the conclusion of the said General Meeting of Shareholders is three.
- Stock compensation among the performance-linked compensation for directors (excluding outside directors) was resolved at the 8th Annual Shareholders' Meeting held on June 28, 2023, with the following details. The number of directors (excluding outside directors) at the conclusion of said General Meeting of Shareholders was three.
 - Property to be paid**
Stock acquisition rights for shares of common stock of the Company
 - Total amount of compensation and maximum grant amount**
Up to 200 million yen per year and up to 6,000 stock acquisition rights
 - Principal terms of exercise**
Stock acquisition rights may be exercised only when the closing price of the Company's common stock in ordinary transactions on the Tokyo Stock Exchange exceeds the target price (1,200 yen) at least once during the period from the allotment date of stock acquisition rights to the expiration date of the exercise period.
 - Reason for selecting the performance indicator**
The Company has chosen the stock price of its common shares as the exercise condition for stock options because it is deemed to function as a sound incentive for directors (excluding outside directors) to enhance the Company's medium to long-term corporate value and performance, in line with the Company's aim to expand its performance and increase corporate value over the medium to long term.
 - Performance against the indicator**
During the current fiscal year, the closing price of the Company's common shares in regular trading on the Tokyo Stock Exchange did not exceed the target stock price (1,200 yen).
- The amount of basic compensation for audit & supervisory board members was resolved at the 2nd Annual Shareholders' Meeting held on June 29, 2017 to be no more than 20 million yen per year. The number of audit & supervisory board members as of the conclusion of the said General Meeting of Shareholders was three.
- The amount of remuneration, etc. for Outside Directors includes the remuneration, etc. paid during their terms of office to two Outside Directors who retired at the conclusion of the 10th Annual General Meeting of Shareholders held on June 25, 2025.
- The amount of remuneration, etc. for Audit & Supervisory Board Members includes the remuneration, etc. paid during the term of office to one Audit & Supervisory Board Member (including one Outside Audit & Supervisory Board Member) who retired at the conclusion of the 10th Annual General Meeting of Shareholders held on June 25, 2025.
- There was no compensation received by outside directors and outside audit & supervisory board members from subsidiaries of the Company during the fiscal year under review.
- The Board of Directors has delegated the determination of the amount of base compensation for each Director to Mr. Makoto Haruta, Representative Director and President, CEO, in accordance with the policy described in (a) above. The reason for the

delegation is that the Representative Director and President oversees the execution of the Company's overall operations, and the Board of Directors has determined that the Representative Director and President is the most appropriate person to determine the amount of individual compensation for each Director, taking into consideration the role and responsibilities of each Director and the Company's business performance.

9. The amount of performance-linked stock compensation is stated as the expense recorded for the current fiscal year.

c. Reasons why the Board of Directors has determined that the compensation, etc. of individual directors for the current fiscal year is in line with the policy described in (a) above.

The Representative Director and President, who oversees the execution of the Company's overall business operations, determines base compensation, and the Board of Directors determines performance-linked stock compensation, in accordance with the intent of the "Executive Compensation Policy," respectively, after considering the roles and responsibilities of Directors and the Company's performance from various perspectives, and by using established procedures and methods to determine the amount of compensation for each individual Director. The Board of Directors believes that such decisions are in line with the decision-making policy of the Board of Directors.

(vi) Matters concerning Outside Directors and Outside Audit & Supervisory Board Members

a. Significant concurrent positions and relationships with other entities

- Ms. Munakata, Director, is a specially appointed professor at the University of Tokyo Graduate School of Public Policy, an outside director (audit and supervisory committee member) of Murata Manufacturing Co., Ltd., and an outside audit & supervisory board member of Sumitomo Forestry Co., Ltd. There is no special relationship between the University of Tokyo Graduate School of Public Policy and the Company. Although Murata Manufacturing Co., Ltd. and Sumitomo Forestry Co., Ltd. have business relationships with the Company in relation to the provision of products in the AI Products Business, their Net sales account for less than 1% of the Company's consolidated net sales for the current fiscal year.
- Mr. Sato, Director, is a Senior Advisor at PwC Advisory LLC. While a consulting transaction relationship exists between PwC Advisory LLC and the Company in the AI Products Business, the order amount represents less than 1% of the Company's consolidated operating expenses for the current period.
- Mr. Sugita, Director, is appointed as a professor at Waseda Business School (Graduate School of Business and Finance), an outside director of Unicharm Corporation, an outside director of Calbee, Inc., and a senior advisor at Boston Consulting Group GK. No special relationships exist between these concurrent positions and the Company.
- Mr. Watanabe, Director, is appointed as a director of FOODCODE, LTD. and as an outside director of Timee, Inc. (retired on January 28, 2026). No special relationships exist between these concurrent positions and the Company.
- Mr. Iida, Audit & Supervisory Board Member, is a Representative Attorney of IIDA BUSINESS LAW OFFIC and Supervisory Officer of Ichigo Hotel REIT Investment Corporation. There is no special relationship between the entities where he holds concurrent positions and the Company.
- Ms. Atsumi, Audit & Supervisory Board Member, is a Representative Partner of Kollect Partners Law Office, an outside director of Synspec Inc., and an outside director of TKC Corporation. There is no special relationship between the entities where she holds concurrent positions and the Company.

b. Major activities during the current fiscal year

Position	Name	Board of Directors Attendance	Board of Audit & Supervisory Board Members Attendance	Main Activities, etc.
Director	Naoko MUNAKATA	100% 14 / 14	-	She contributes to improving the effectiveness of the Company's Board of Directors through necessary supervision, monitoring, and advice on decision-making by the Board and management. Drawing from her extensive experience in administrative fields related to economics, trade, and intellectual property, as well as her broad insights as a public policy expert, she provides opinions in Board meetings primarily on the Company's management, medium to long-term growth strategies, intellectual property strategies, risk management, and strengthening of internal control systems.
Director	Manabu SATO	100% 14 / 14	100% 3 / 3	He contributes to ensuring the soundness and appropriateness of the Company's corporate management through supervision, monitoring, and auditing of the Company's decision-making and business execution. This contribution is based on his extensive experience in accounting and finance at major financial institutions and his broad insights as a qualified Certified Public Accountant. He provides opinions in Board of Directors and Board of Audit & Supervisory Board Members meetings, primarily from the perspectives of improving and strengthening internal control systems and financial accounting.
Director	Hiroaki SUGITA	82% 9 / 11	-	He contributes to the Company's growth and the enhancement of its corporate value through supervision, oversight, and advice regarding the decision-making and business execution of the Board of Directors and management—for example, by expressing opinions at meetings of the Board of Directors from an objective and long-term perspective, primarily from a position independent of the Company, based on his extensive experience and broad insight as a corporate manager and management consultant.
Director	Masayuki WATANABE	100% 11 / 11	-	He contributes to the Company's growth and the enhancement of its corporate value through supervision, oversight, and auditing regarding the decision-making and business execution of the Board of Directors and management—for example, by directly expressing opinions to the Board of Directors and to the executives in charge of each business division, primarily with respect to the Company's management and its medium- to long-term growth strategy, based on his corporate and

				managerial experience at multiple IT companies in Japan and overseas, as well as his broad insight into product and service growth, business development, and global expansion.
Audit & Supervisory Board Member	Shigeru TSURU	100% 14 / 14	100% 13 / 13	Based on his extensive experience in major financial institutions and his experience and high-level insights as an executive in various companies, he contributes to ensuring the soundness and appropriateness of the Company's corporate management. This is achieved through supervision, monitoring, and auditing of the Company's decision-making and business execution. He provides opinions in Board of Directors and Board of Audit & Supervisory Board Members meetings, primarily from the perspective of improving and strengthening internal control systems and compliance.
Audit & Supervisory Board Member	Masaru IIDA	100% 14 / 14	100% 13 / 13	He contributes to ensuring the soundness and appropriateness of the Company's corporate management through supervision, monitoring, and auditing of the Company's decision-making and business execution. This contribution is based on his extensive experience in accounting and finance at major financial institutions, his experience as an outside auditor for multiple companies, and his broad insights as an attorney. He provides opinions in Board of Directors and Board of Audit & Supervisory Board Members meetings, primarily from the perspectives of improving and strengthening internal control systems, legality, and compliance.
Audit & Supervisory Board Member	Yuko ATSUMI	91% 10 / 11	90% 9 / 10	She contributes to ensuring the soundness and appropriateness of the Company's corporate management through supervision, oversight, and auditing of the Company's decision-making and business execution—for example, by expressing opinions at meetings of the Board of Directors and the Audit & Supervisory Board, primarily from the perspectives of improving and strengthening the internal control system and of financial accounting, based on her extensive practical experience at a major financial institution and her experience and high level of insight in both the management and the audit and oversight of various companies as an attorney.

Notes:

1. The number of meetings of the Board of Directors by written resolutions is excluded.
2. For Directors Mr. Sugita and Mr. Watanabe, and Audit & Supervisory Board Member Ms. Atsumi, their attendance records and activity status following their appointment as Directors or Audit & Supervisory Board Members of the Company are described.
3. For Director Satoru Sato, the attendance record at Board of Directors meetings and Audit & Supervisory Board meetings during his tenure as an Audit & Supervisory Board Member of the Company, as well as his attendance record at Board of Directors meetings and activity status following his appointment as Director of the Company, are presented.

(3) Status of Accounting Auditor

(i) Name Ernst & Young ShinNihon LLC

(ii) Amount of compensation, etc.

	Amount of compensation, etc.
Amount of compensation, etc. of accounting auditor for the current fiscal year	47 million of yen
Total amount of monetary and other financial benefits payable by the Company and its subsidiaries to the accounting auditor	47 million of yen

Notes:

1. Since the audit contract between the Company and the accounting auditor does not clearly distinguish between the amounts of audit fees, etc. for audits based on the Companies Act and those for audits based on the Financial Instruments and Exchange Act, and such distinction cannot be made in practice, the total amount of such fees, etc. for the accounting auditor for the current fiscal year is shown as the sum of such amounts.
2. The Audit & Supervisory Board Members made a decision to agree on the amount of compensation, etc. of the accounting auditor after necessary verification of the appropriateness of the content of the audit plan of the accounting auditor, the performance of duties of the accounting audit, and the basis for calculation of the compensation estimate.

(iii) Policy on Dismissal or Non-reappointment of Accounting Auditor

The Board of Audit & Supervisory Board Members shall decide the content of the proposal for dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders if it determines that any of the following applies and is necessary, such as when there is a problem with the accounting auditor's performance of its duties.

1. When it is determined that any of the items in Article 340, Paragraph 1 of the Companies Act applies to the Company
2. When subjected to disciplinary action for violation of the Companies Act, the Certified Public Accountants Act, or other laws and regulations, or disciplinary action by supervisory authorities
3. When the accounting auditor's audit quality, quality control, independence, overall competence, etc. are deemed insufficient to perform the audit.

In addition, the Board of Audit & Supervisory Board Members will dismiss the Accounting Auditor with the unanimous consent of the audit & supervisory board members if the Accounting Auditor is deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act. In this case, the audit & supervisory board member selected by the Board of Audit & Supervisory Board Members will report on the dismissal of the accounting auditor and the reasons for the dismissal at the first general meeting of shareholders convened after the dismissal.

(iv) Outline of the contents of the liability limitation agreement

The Company has entered into an agreement with its accounting auditor, Ernst & Young ShinNihon LLC, to limit its liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the said agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Company has performed its duties in good faith and without gross negligence.

(v) Outline of the contents of the indemnity agreement, etc.

Not applicable.

Consolidated Balance Sheets

(As of March 31, 2026)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	6,812	Current liabilities	2,606
Cash and deposits	3,979	Current portion of long-term borrowing	360
Accounts receivable-trade and contract assets	2,355	Account payable-other	775
Other	477	Accrued expenses	451
Non-current assets	2,624	Income taxes payable	477
Property, plant and equipment	122	Contract liabilities	182
Building	59	Provision for bonuses	30
Tools, furniture and fixtures	62	Other	328
Construction in progress	0	Non-current liabilities	2,079
Intangible assets	1,895	Long-term borrowing	1,875
Goodwill	4	Retirement benefit liability	110
Customer-related assets	939	Asset retirement obligations	94
Software	951		
Other	0	Total liabilities	4,685
Investments and other assets	606	(Net Assets)	
Investments securities	40	Shareholders' equity	4,540
Deferred tax assets	169	Share capital	2,491
Other	396	Capital surplus	4,638
		Retained earnings	(1,904)
		Treasury stock	(685)
		Share acquisition rights	99
		Noncontrolling interest	110
		Total net assets	4,750
Total assets	9,436	Total liabilities and net assets	9,436

Note: Amounts are rounded down to the nearest million yen.

Consolidated Statements of Income

(From April 1, 2025 to March 31, 2026)

(Million yen)

Item	Amount	
Net sales		11,996
Cost of sales		3,994
Gross profit		8,002
Selling, general and administrative expenses		6,408
Operating profit		1,594
Non-operating income		
Interest and dividend income	8	
profit on currency exchange	2	
insurance surrender and refund	2	
Other	1	14
Non-operating expenses		
Interest expense	25	
Commission expenses	6	
Share of loss of entities accounted for using equity method	2	
Consumption tax difference	8	
Miscellaneous losses	0	42
Ordinary income		1,566
Extraordinary income		
Gain on sales of non-current assets	2	
Gain on sale of shares of subsidiaries and associates	0	2
Extraordinary losses		
Loss on retirement of non-current assets	0	
Impairment loss	22	22
Loss on valuation of investment securities		1,546
Income (loss) before income taxes	446	
Income taxes-current	(464)	(18)
Income taxes-deferred		1,564
Net loss		31
Income (loss) attributable to non-controlling interests		1,533
Income (loss) attributable to owners of parent		2,576

Note: Amounts are rounded down to the nearest million yen.

Balance Sheet

(As of March 31, 2026)

(Million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	3,302	Current liabilities	1,559
Cash and deposits	812	Current portion of long-term borrowing	360
Accounts receivable-trade and contract assets	1,538	Account payable-other	631
Prepaid expenses	392	Accrued expenses	262
Accrued revenue	383	Income taxes payable	38
Allowance for doubtful accounts	(0)	Contract liabilities	121
Other	176	Deposit (received)	56
Non-current assets	5,145	Other	90
Property, plant and equipment	93	Non-current liabilities	1,948
Building	42	Long-term borrowing	1,875
Tools, furniture and fixtures	51	Asset retirement obligations	73
Intangible assets	623	Total liabilities	3,508
software	623	(Net Assets)	
Investments and other assets	4,428	Shareholders' equity	4,839
Investments in securities	40	Share capital	2,491
Shares of subsidiaries and affiliates	3,754	Capital surplus	4,638
Investments in affiliates	9	capital reserve	3,138
Deposits and guarantee	218	Other capital surplus	1,500
Deferred tax asset	403	Retained earnings	(1,605)
Other	1	Other retained earnings	(1,605)
		Retained earnings brought forward	(1,605)
		Treasury stock	(685)
		Share acquisition rights	99
		Total net assets	4,939
Total assets	8,447	Total liabilities and net assets	8,447

Note: Amounts are rounded down to the nearest million yen.

Statement of Income

(From April 1, 2025 to March 31, 2026)

(Million yen)

Item	Amount	
Net sales		5,462
Cost of sales		1,549
Gross profit		3,912
Selling, general and administrative expenses		4,049
Operating loss		137
Non-operating income		
Interest and dividend income	3	
Profit on currency exchange	2	
Outsourcing fee	626	
Other	3	635
Non-operating expenses		
Interest expense	25	
Fees and commissions	6	31
Ordinary loss		466
Extraordinary income		
Gain on sales of fixed assets	2	
Gain on sale of shares of subsidiaries and associates	0	2
Extraordinary loss		
Loss on disposal of fixed assets	0	0
Profit before income taxes		469
Corporate, inhabitant and enterprise taxes	(30)	
Income taxes-deferred	(376)	(406)
Net profit		875

Note: Amounts are rounded down to the nearest million yen.

Note of the reports of auditors.

The “Audit Report on Consolidated Financial Statements” and “Audit Report on Non-Consolidated Financial Statements” by the Independent Auditor, and the “Audit Report by the Audit & Supervisory Board” by the Company’s Audit & Supervisory Board Members have not been translated into English. We apologize for the inconvenience, but please refer to the original Japanese version.

(END)

< Contact to Investor Relations >

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