

Financial Result for the Fiscal Year Ended March 2022

ExaWizards Inc. (4259.T)

May 11, 2022

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Executive Summary of the Fiscal Year Ended March 2022

Executive Summary

Financial Result for FY2022/3

- Cumulative sales for the fiscal year were **4.81 billion yen, up 84.1% year-on-year**
- **Operating income of 0.15 billion yen in the fourth quarter (3 months) turned positive** due to sales increase; operating loss of **-0.2 billion yen** for the full year

AI Platform Segment

- Sales continued to grow at **4.18 billion yen** for the fiscal year, **up 85.2% year-on-year**
- **The number of clients for the full year was 117 (90 in the previous year), and the revenue per client was 35 million yen (25 million yen in the previous year)**, growing both in terms of quantity and quality
- **Sales from long-term clients were 2.74 billion (65.6% to sales), and the operating profit margin was 17.1%**, maintaining high profitability while investing in new use cases
- Progress was also made in accumulating knowledge for deployment to other companies, such as providing “exaBase Robotics” for Nippon Steel Corporation

AI Products Segment

- Cumulative sales for the fiscal year were **6.30 billion yen, up 77.4% year-on-year**
- In DX AI Products, exaBase DX Assessment & Learning expanded steadily, including company-wide implementation at Sapporo Holdings, and in Social AI Products, the foundation for growth was established with progress in forming and strengthening partnerships in CareWiz

Financial Forecast for FY2023/3

- Sales expected to grow to **6.5~7.0 billion yen** with high sales growth of **35.1~45.5% year on year**
- Aim for **operating income of 1~50 Million yen, the first time to turn to positive** for a full year and consolidated basis
- Maintaining high growth rate and profitability in the AI Platform Segment and aim to expand PaaS service offerings, starting with the **release of “exaBase studio”**
- In the AI Products Segment, continue to invest in selected growing product groups with the aim of making them future earnings pillars

Summary of Financial Performance

| Consolidated Financial Results | AI Platform Segment | | | AI Products Segment |
|---|--|--|--|---|
| Cumulative Sales for the fiscal year 4.81 Billion Yen (YoY +84.1%) | Cumulative Sales for the fiscal year 4.18 Billion Yen (YoY +85.2%) | Number of clients 117 (90 in the previous year) | FY22/3 Average Annual Contract Value of Top 10 Revenue Clients 221 Million Yen (YoY +90.8%) | Cumulative Sales for the fiscal year 0.63 Billion Yen (YoY +77.4%) |
| | Ratio of Revenue from Long Term Clients ⁽¹⁾ 65.6% (YoY+15.6pt) | Cumulative Gross Profit Margin for the fiscal year 66.7% | Cumulative Operating Margin for the fiscal year 17.1% | DX AI Products ⁽²⁾ Cumulative Sales for the fiscal year 0.46 Billion Yen (YoY +75.9%) |

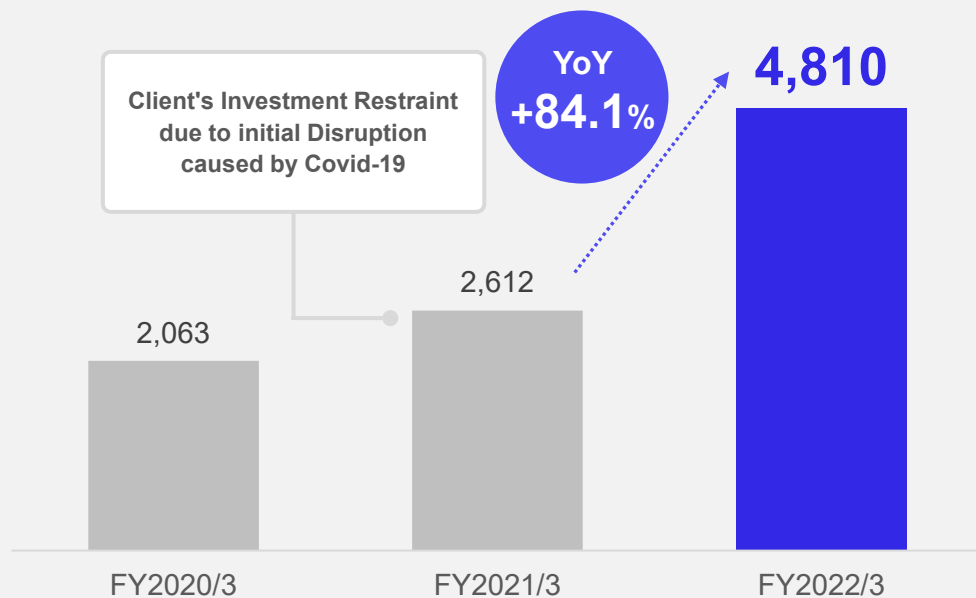
(1) Continuous revenue from the clients that ExaWizards maintains its contract for consecutive 4 quarters and more, excluding revenue from exaBase community, etc. (2) DX Products include: exaBase DX Assessment & Learning, exaBase Forecast & Analysis, exaBase 1on1, exaBase FAQ, exaBase Company Search, and exaBase Well-Being.

Summary of Financial Results for the Fiscal Year Ended March 2022

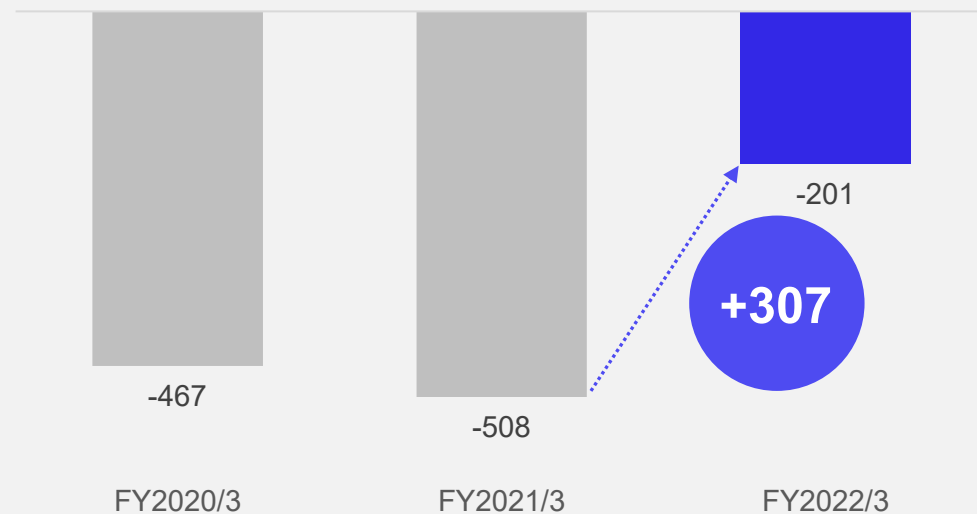
Financial Results for the Fiscal Year Ended March 2022

Cumulative Sales for the Fiscal Year were 4.81 billion yen, up 84.1% YoY. While Investing in Recruiting and Enhancement of exaBase Platform toward Sales Growth, Operating Loss was Largely Improved to -0.2 billion yen

Total Sales: Fiscal Year (millions of yen)

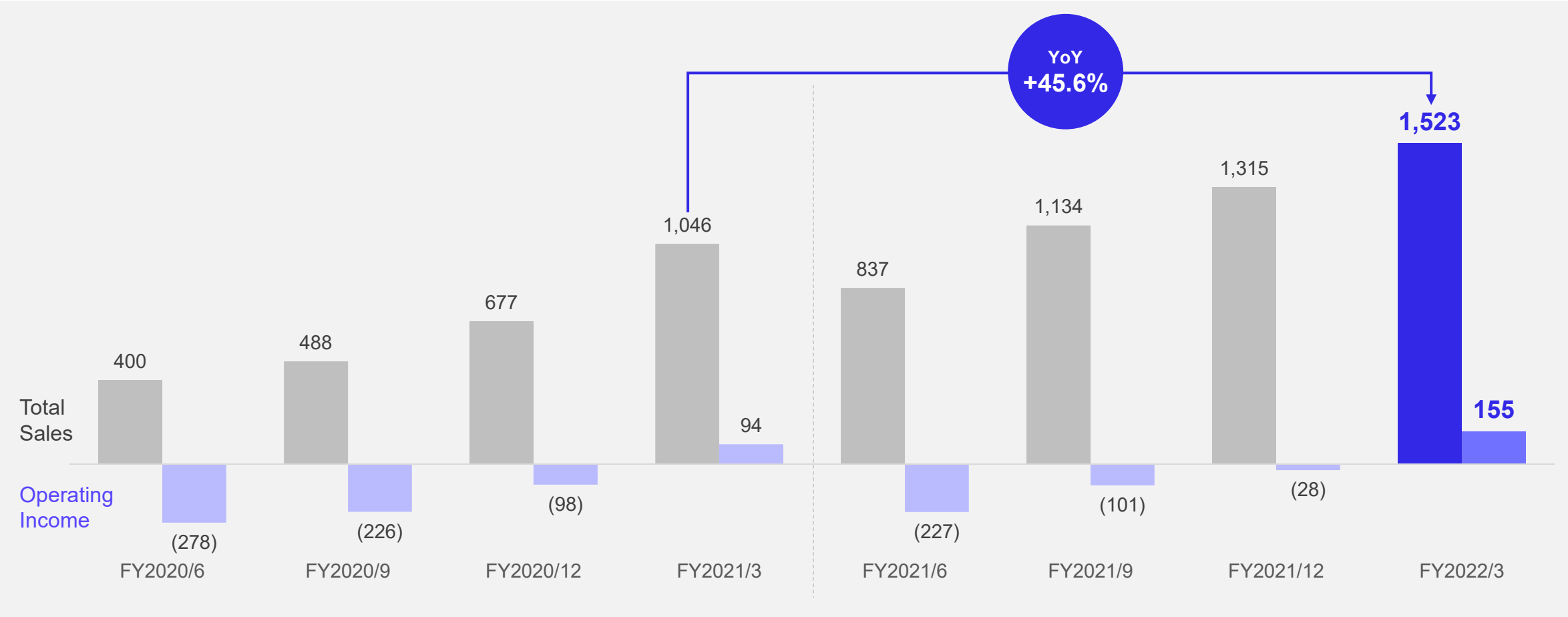


Operating income: Fiscal Year (millions of yen)



Quarterly Trend of Financial Results

Sales for the Fourth Quarter Continued to Grow at 1.52 billion yen, up 46% YoY.
Operating Income also Achieved a Record High at 0.15 billion yen



Consolidated Statements of Income for the Fiscal Year Ended March 2022

| (JPY in Million) | Year ended March 2021 | Year ended March 2022 | Year ended March 2021 | Year ended March 2022 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 4th Quarter | 4th Quarter | Full Year | Full Year |
| Net Sales | 1,046 | 1,523 | 2,612 | 4,810 |
| Growth Rate (%) | — | +45.6% | — | +84.1% |
| Cost of Sales | 384 | 510 | 951 | 1,761 |
| Gross Profit | 661 | 1,013 | 1,661 | 3,049 |
| Gross Profit Margin (%) | 63.3% | 66.5% | 63.6% | 63.4% |
| Selling, General, and Administrative Expense | 567 | 857 | 2,169 | 3,250 |
| Operating Profit (Loss) | 94 | 155 | -508 | -201 |
| Operating Profit (Loss) Margin (%) | 9.0% | 10.2% | -19.5% | -4.2% |
| Non-operating Income | 68 | 99 | 68 | 159 |
| Non-operating Expenses | 2 | 0 | 11 | 55 |
| Ordinary Profit (Loss) | 159 | 254 | -451 | -97 |
| Extra ordinary Profit | 0 | 0 | 0 | 0 |
| Extraordinary Losses | 137 | 51 | 137 | 96 |
| Profit (Loss) before Income Taxes | 22 | 203 | -589 | -194 |
| Profit (Loss) attributable to owners of Parent | 26 | 258 | -592 | -137 |

Note: In the fiscal year ended March 2022, the company record an impairment loss of 53,493 thousand yen by reducing the book value to the recoverable value for a portion of software and idle assets, the profitability of which has declined among business assets in the AI Products segment

Consolidated Balance Sheets for the Fiscal Year Ended March 2022

| (JPY in Million) | March 2021 | FY March 2022 | |
|--|--------------|-------------------------|-------------------------|
| | | 3 rd quarter | 4 th quarter |
| Current Assets | 3,081 | 6,430 | 6,634 |
| Cash and Deposits | 2,337 | 5,533 | 5,537 |
| Account Receivable – Trade and Contract Assets | 603 | 803 | 916 |
| Other | 140 | 93 | 180 |
| Non-Current Assets | 604 | 1,152 | 1,229 |
| Property, Plant and Equipment | 71 | 136 | 126 |
| Intangible Assets | 392 | 766 | 807 |
| Goodwill | 0 | 225 | 212 |
| Software | 392 | 540 | 594 |
| Investments and Other Assets | 141 | 250 | 295 |
| Total Assets | 3,686 | 7,583 | 7,864 |

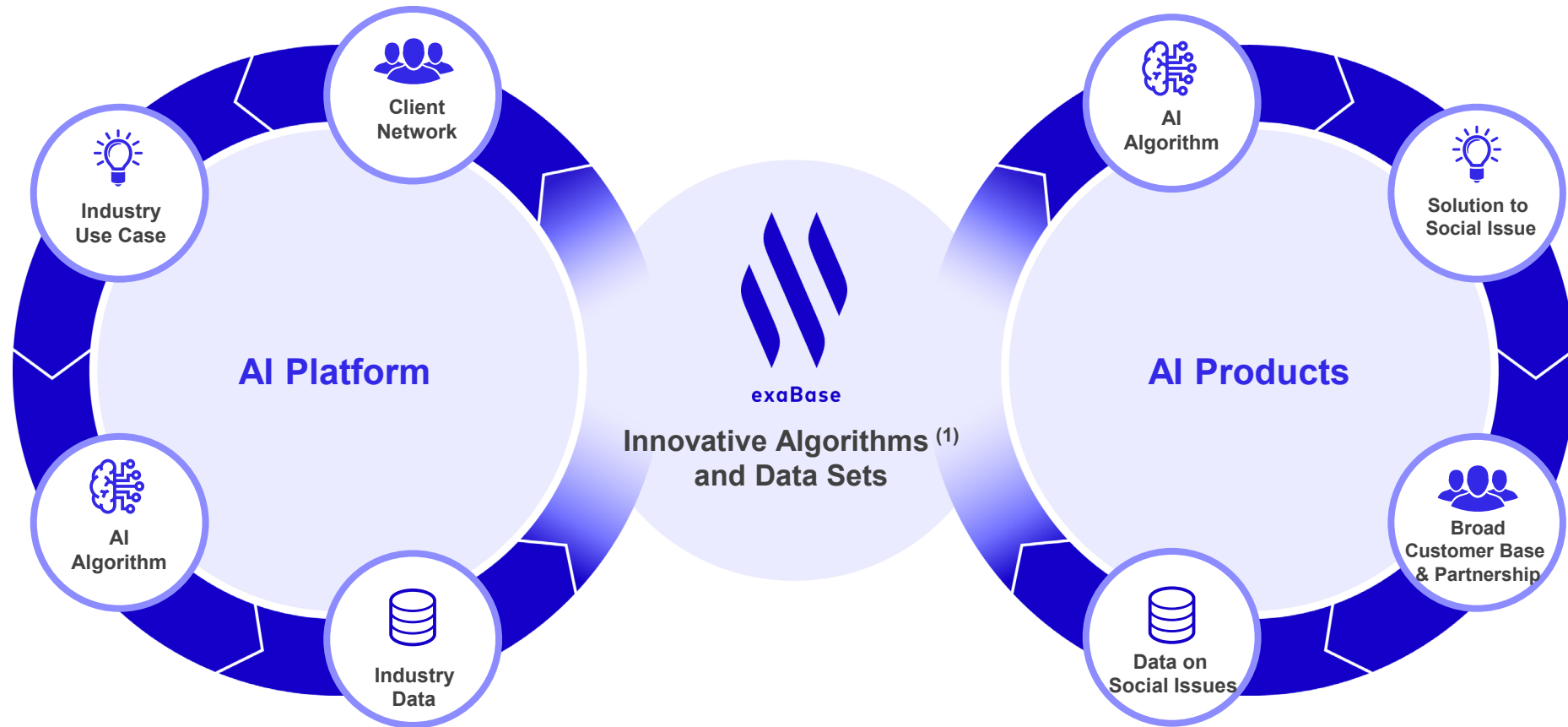
| (JPY in Million) | March 2021 | FY March 2022 | |
|-----------------------------------|--------------|-------------------------|-------------------------|
| | | 3 rd quarter | 4 th quarter |
| Current Liabilities | 998 | 780 | 823 |
| Short-term Borrowings | 500 | 0 | 0 |
| Account Payable – Other | 185 | 250 | 212 |
| Accrued Expenses | 177 | 272 | 251 |
| Other | 135 | 257 | 360 |
| Non-Current Liabilities | 304 | 410 | 408 |
| Long-term Borrowings | 300 | 316 | 310 |
| Other | 4 | 94 | 97 |
| Net Assets | 2,383 | 6,392 | 6,633 |
| Share Capital | 100 | 2,270 | 2,274 |
| Capital Surplus | 2,885 | 5,056 | 5,059 |
| Retained Earnings | -606 | -1,002 | -744 |
| Other | 4 | 67 | 44 |
| Liabilities and Net Assets | 3,686 | 7,583 | 7,864 |

Note: In the fiscal year ended March 2022, the company record an impairment loss of 53,493 thousand yen by reducing the book value to the recoverable value for a portion of software and idle assets, the profitability of which has declined among business assets in the AI Products segment

Overview and Progress of the Business Segments for the Fiscal Year Ended March 2022

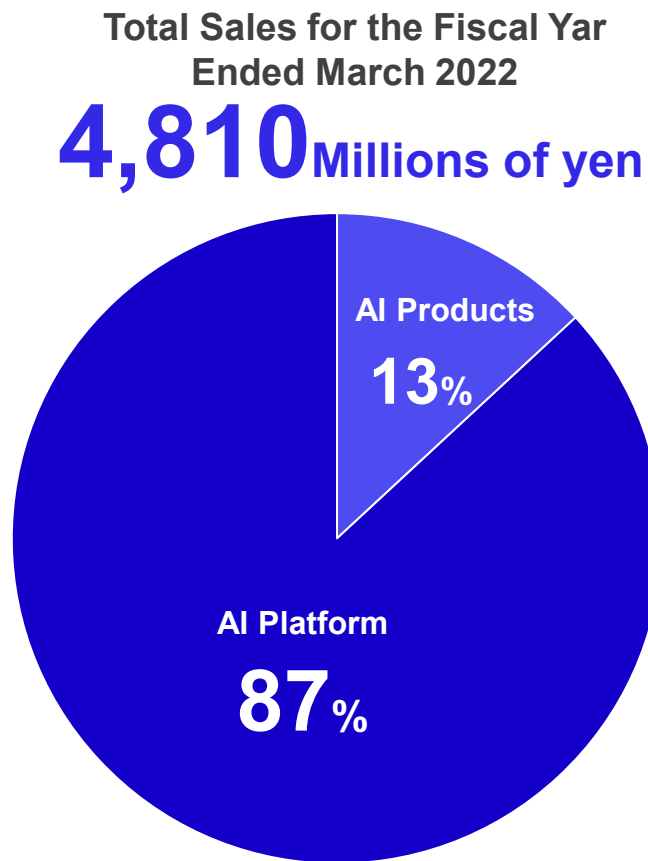
We are Solving Social Issues by Accumulating Algorithms and Data through our AI Platform and AI Products business

MISSION | Solving social issues through Artificial Intelligence for future generations



Notes: (1) Procedures and methods for solving problems on the computer.

Managing Two Business Models while Implementing AI Platform and Products for Enterprise and Society Respectively



AI Platform

- ✓ Providing All-in-One AI Platform to Major Enterprises
- ✓ Project-based Recurring FTEs⁽¹⁾ & PaaS Model
- ✓ Rolls Out the Same Use Case Repeatedly within Each Industry

AI Products

- ✓ Providing Versatile AI Software and Products
- ✓ SaaS Model
- ✓ Rolls Out New Products for Various Vertical and Horizontal

Notes: (1) FTE: Our professional services based on Full Time Equivalent charges

Summary of Business Results by Segment for the Fiscal Year Ended March 2022

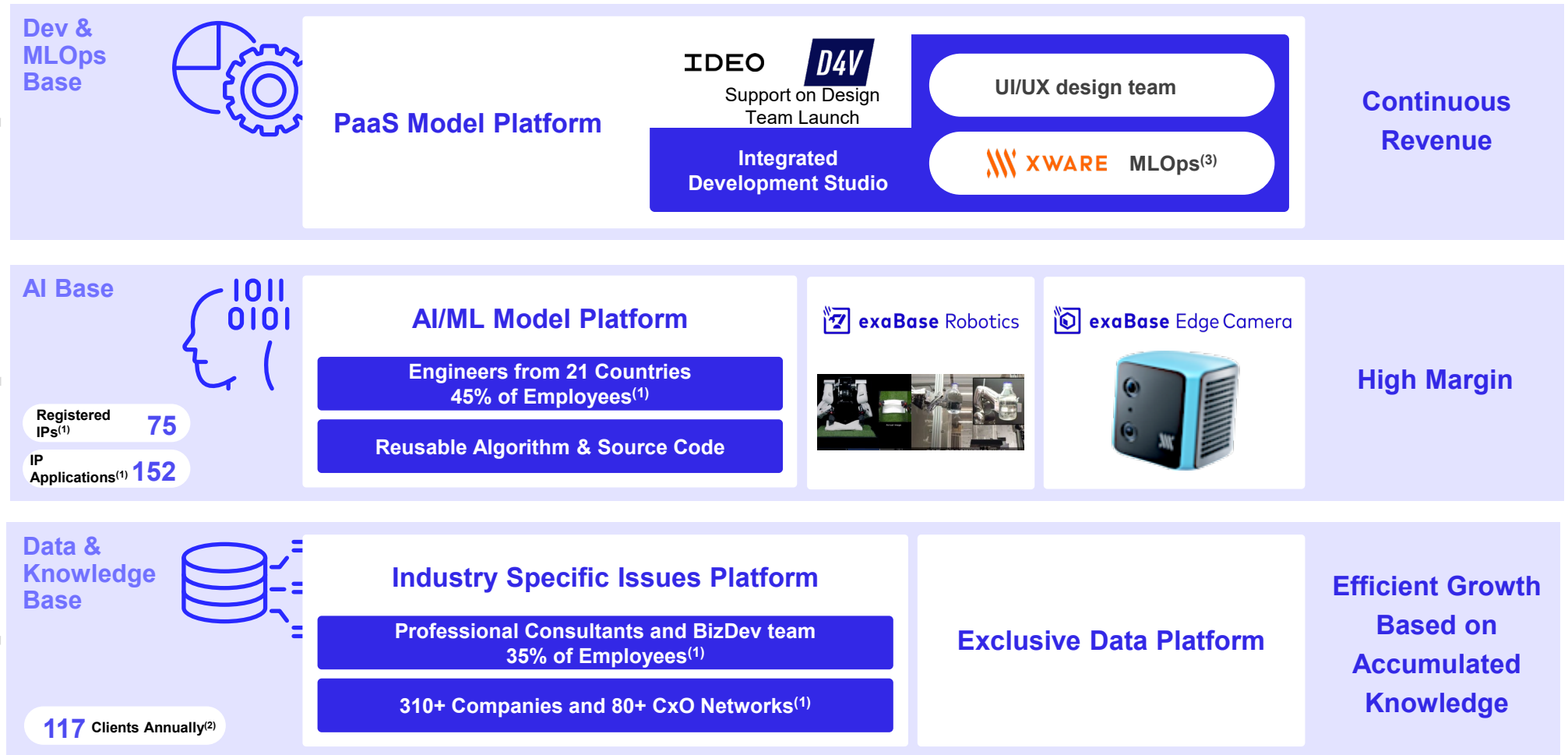
AI Platform is Already Highly Profitable, while Utilizing its Profits to Invest in AI Products

| (JPY in Million) | Year ended March 2021 4th Quarter | Year ended March 2022 4th Quarter | Year ended March 2021 Full Year | Year ended March 2022 Full Year |
|--|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
| AI Platform Segment | | | | |
| Net Sales | 907 | 1,316 | 2,257 | 4,180 |
| <i>Growth Rate (%)</i> | — | +45.1% | — | +85.2% |
| Cost of Sales | 258 | 419 | 551 | 1,390 |
| Gross Profit | 648 | 897 | 1,705 | 2,789 |
| <i>Gross Profit Margin (%)</i> | 71.5% | 68.2% | 75.6% | 66.7% |
| Selling, General, and Administrative Expense | 270 | 585 | 1,130 | 2,076 |
| Operating Profit (Loss) | 378 | 312 | 574 | 713 |
| <i>Operating Profit (Loss) Margin (%)</i> | 41.8% | 23.7% | 25.5% | 17.1% |
| AI Products Segment | | | | |
| Net Sales | 139 | 206 | 355 | 630 |
| <i>Growth Rate (%)</i> | — | 48.6% | — | +77.4% |
| Cost of Sales | 126 | 91 | 399 | 370 |
| Gross Profit | 13 | 115 | -43 | 259 |
| <i>Gross Profit Margin (%)</i> | 9.3% | 56.0% | -12.4% | 41.2% |
| Selling, General, and Administrative Expense | 297 | 272 | 1,039 | 1,174 |
| Operating Profit (Loss) | -284 | -156 | -1,083 | -914 |
| <i>Operating Profit (Loss) Margin (%)</i> | -204.3% | -75.5% | -304.8% | -145.1% |

02. Overview and Progress of the Business Segments

AI Platform

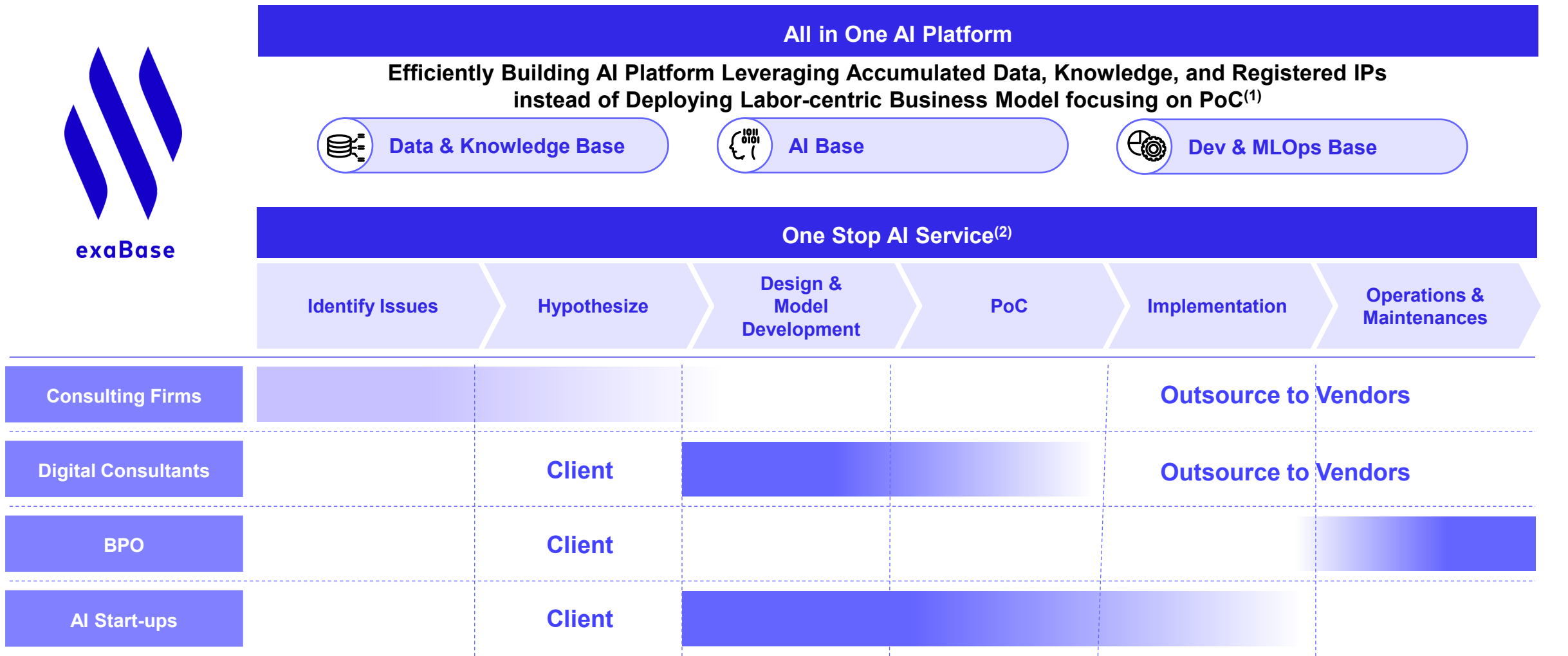
Implementing AI into Business Operation by Offering “All-in-One” Platform to Make a Business Impact and Solve Core Industrial Issues



Notes: (1) As of the end of March 2022 (2) Number for FY22/3 (3) MLOps : A cycle from model development and implementation to operation for standardization and streamlining of continuous operation of machine learning models under customers' operating environment

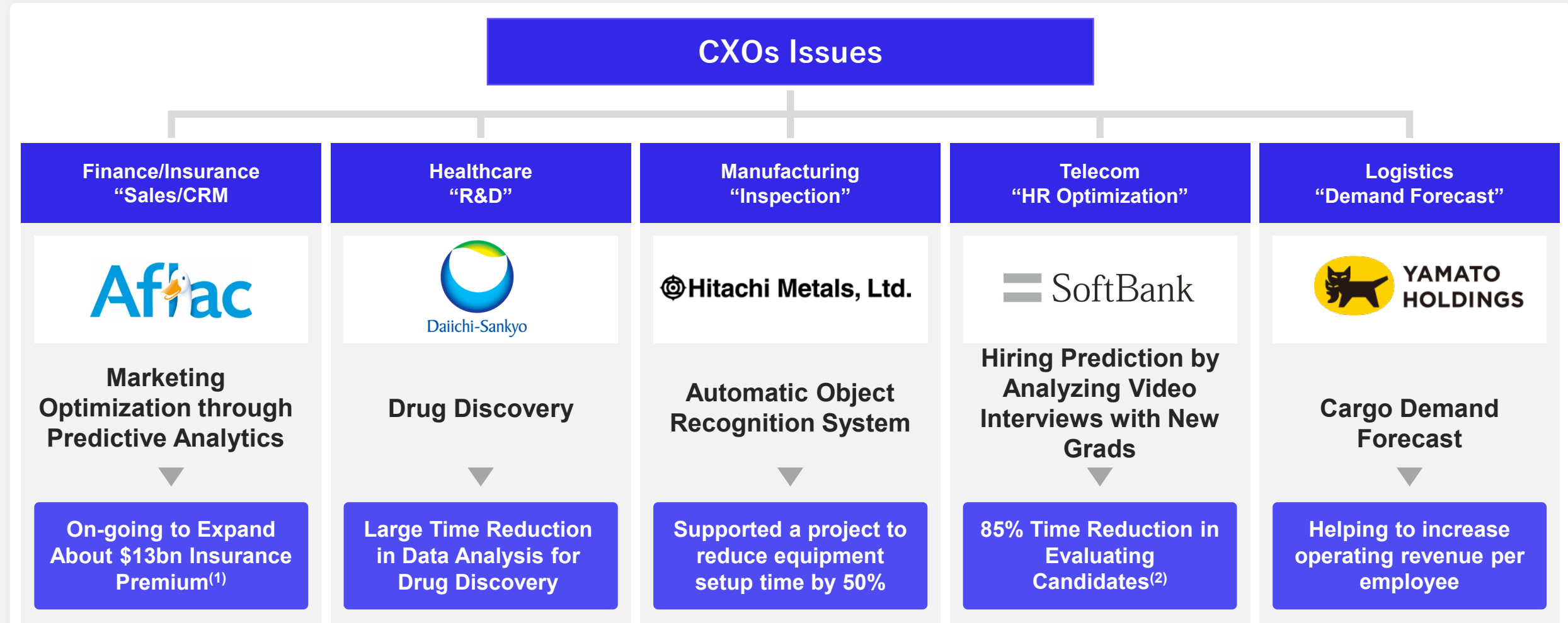
AI Platform: Highly Differentiated Positioning in Enterprise AI Market

Our proprietary AI platform, exaBase, provides all-in-one support for solving management issues through the introduction of DX and AI



Notes: (1) PoC: Abbreviation for Proof of Concept. It refers to the verification of the feasibility of a new idea or concept, and the effects that can be obtained from it. (2) The above is an illustration based on our analysis.

...Leading us to Navigate Clients on “AI-Driven Judgements with Meaningful ROI”, which is Repeatable across the Industries...

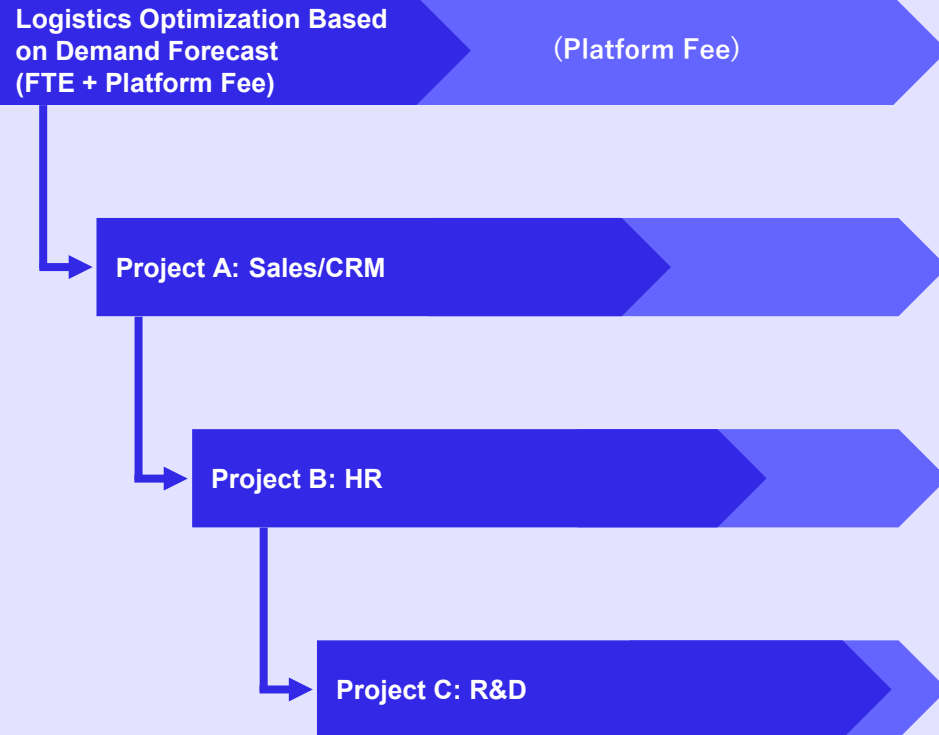


Notes: (1) Based on Aflac Integrated Report 2021, the approximate number of insurance premium out of FY2020 ordinary income, (2) Based on hearings from clients

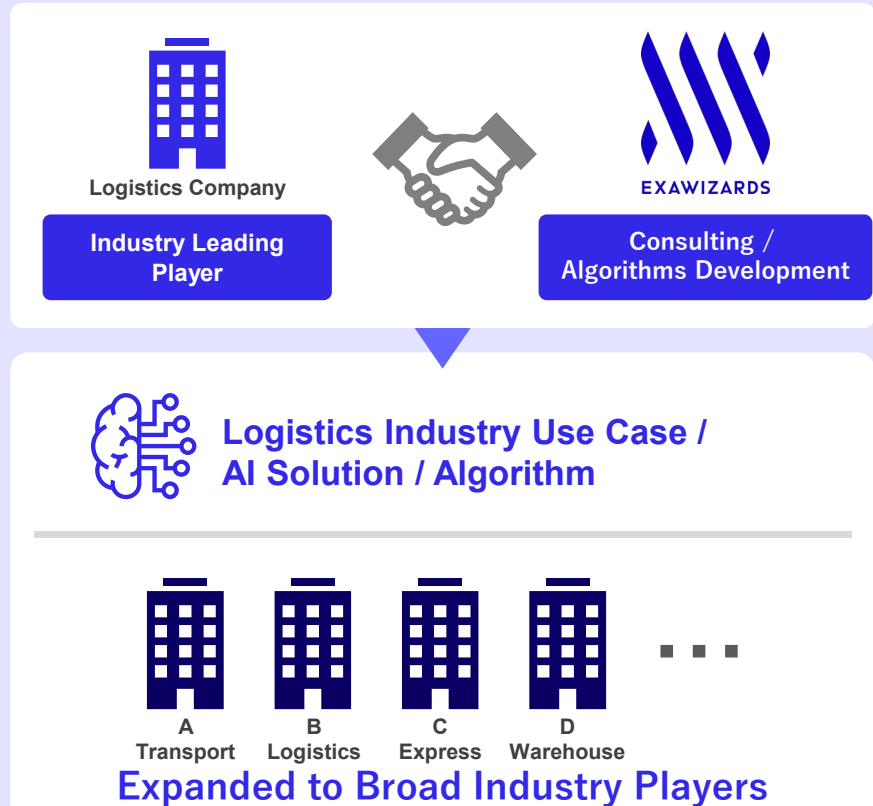
AI Platform: Sales Expansion through Expanding within Client and Industry

Go to Market Strategy to Expand within Client's Businesses while Expanding Our Capabilities to Broad Industry Players

Expansion within Client's Businesses



Expansion within Broad Industry Players



AI Platform: Exclusively Patented AI Libraries and Technological Advancement

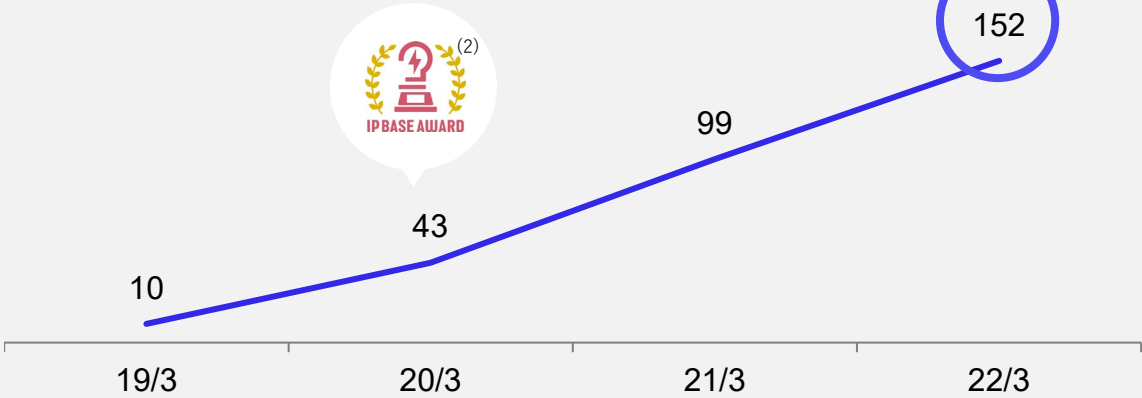
Multi-sector and Multi-modal Strategy has led to the Accumulation of Various Algorithms, Data and Patents, which will Contribute to Both Platform Enhancement and Further Product Development

117 Clients Annually⁽¹⁾, Projects across Various Industries

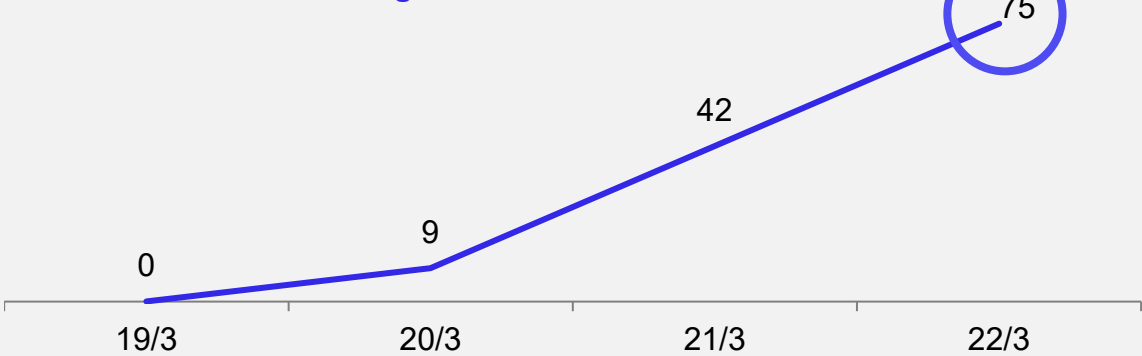
| | | Multi-modal | | | | |
|--------------|-------------------------------|---------------|------------------------------|---------------------------|--------------|----------------------|
| | | Visualization | Detection/ Classification | Projection/ Generation | Optimization | Anomaly Detection |
| Multi-sector | Finance/ Insurance | | | | | |
| | Healthcare | | | | | |
| | Manufacturing/ Industrials | | | | | |
| | Energy | | | | | |
| | Telecom/ Infrastructure | | | | | |
| | Consumer Goods | | | | | |
| | HR | | | | | |
| | Logistics | | | | | |
| | Real Estate& Construction | | | | | |

Note: (1) Number for FY22/3 (2) ExaWizards is awarded the first "IP Base Award" as the best Japanese start up that's enabling strategic acquisitions of IP by Japan Patent office in March 2020

Cumulative # of Patent Applications

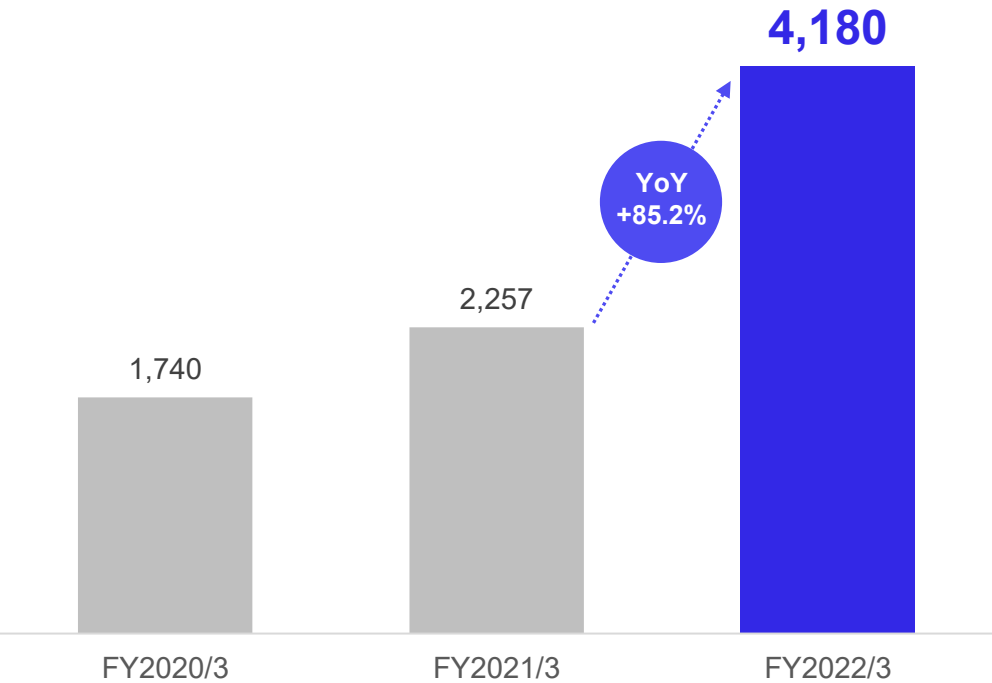


Cumulative # of Patent Registrations



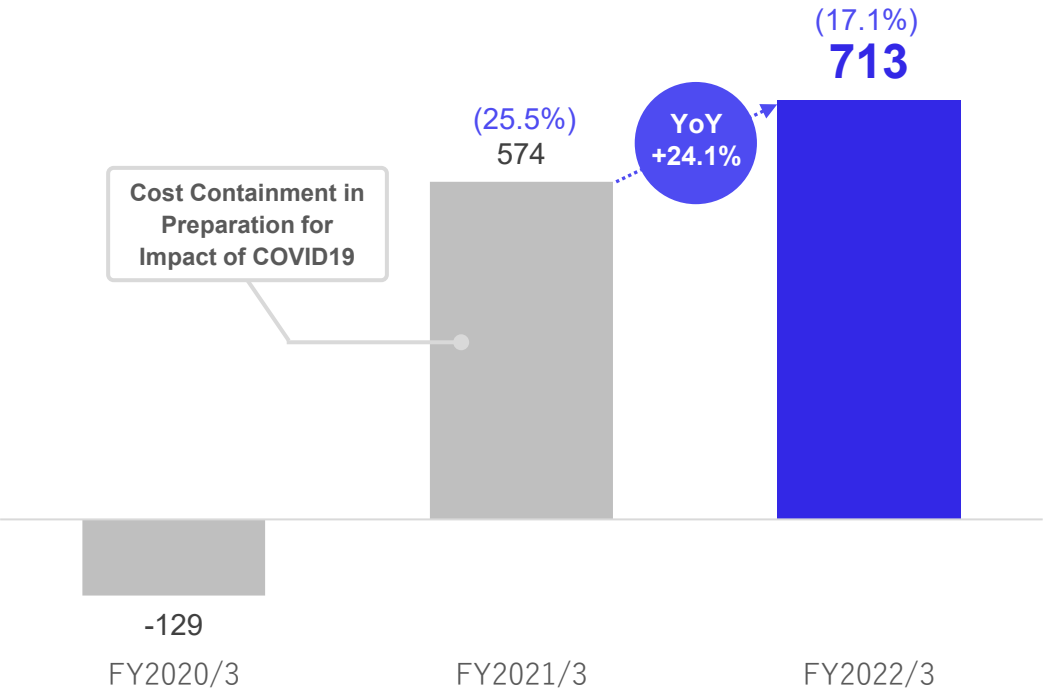
Annual Sales were 4.18 billion yen, up 85% YoY. Maintained High Operating Margin while Accelerating Development of exaBase and Recruiting Activities

Segment Sales: Fiscal Year (millions of yen)



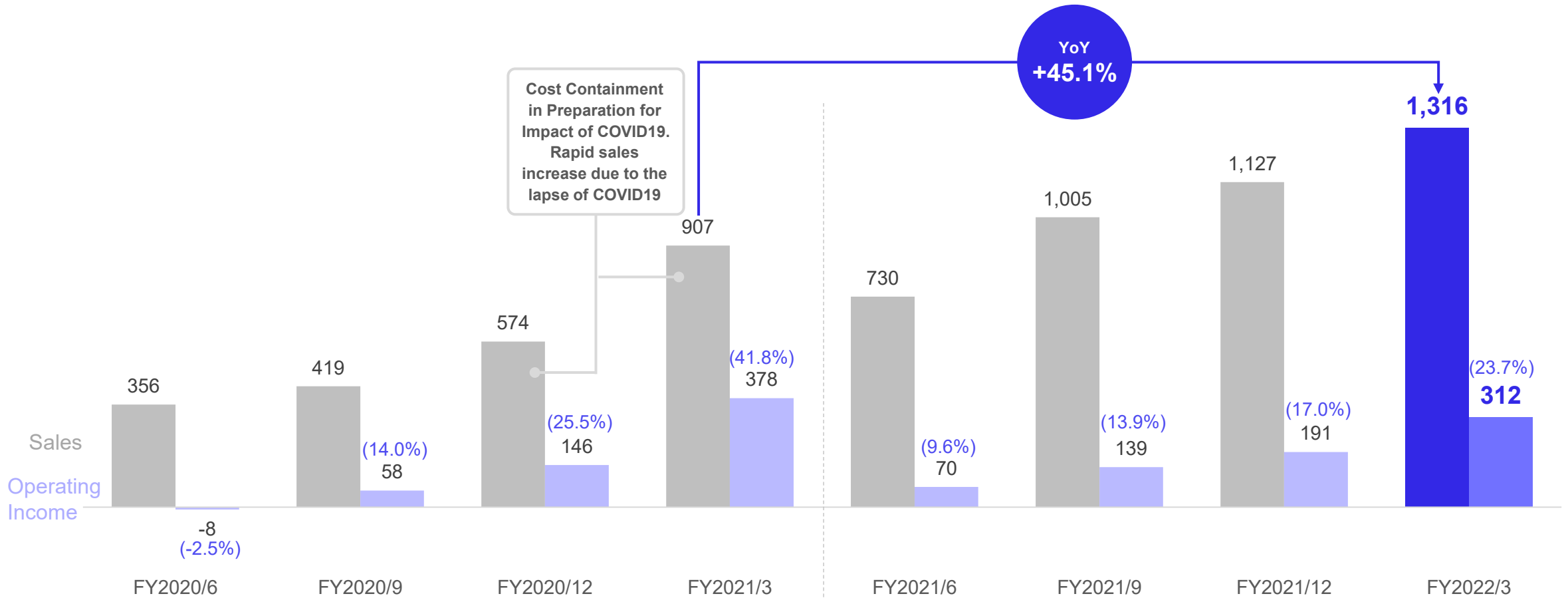
Note: The impact of consolidating Xware as a wholly owned subsidiary was 883 million yen

Segment Operating Income: Fiscal Year (millions of yen)



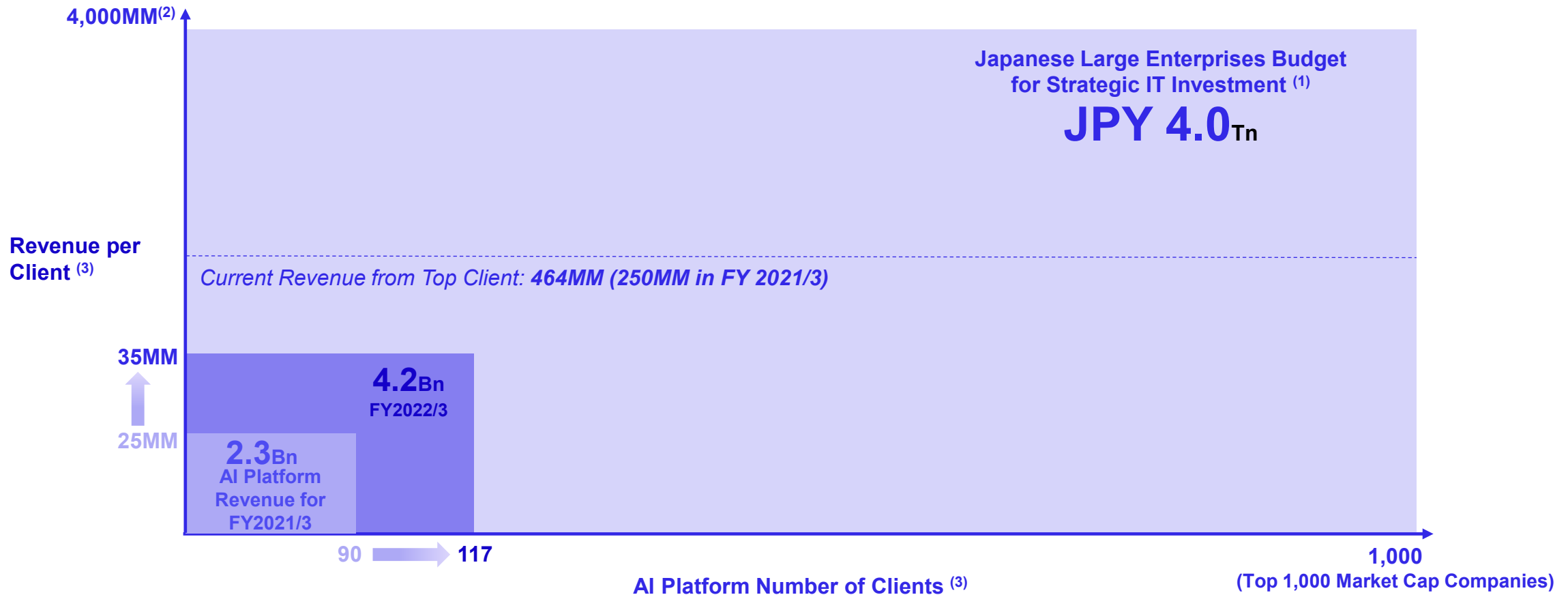
AI Platform: Quarterly trend of Financial Results

Sales for the Fourth Quarter Continued to Grow at 1.31 billion yen, up 45% YoY



AI Platform: Growth Potential and Current Business Progress

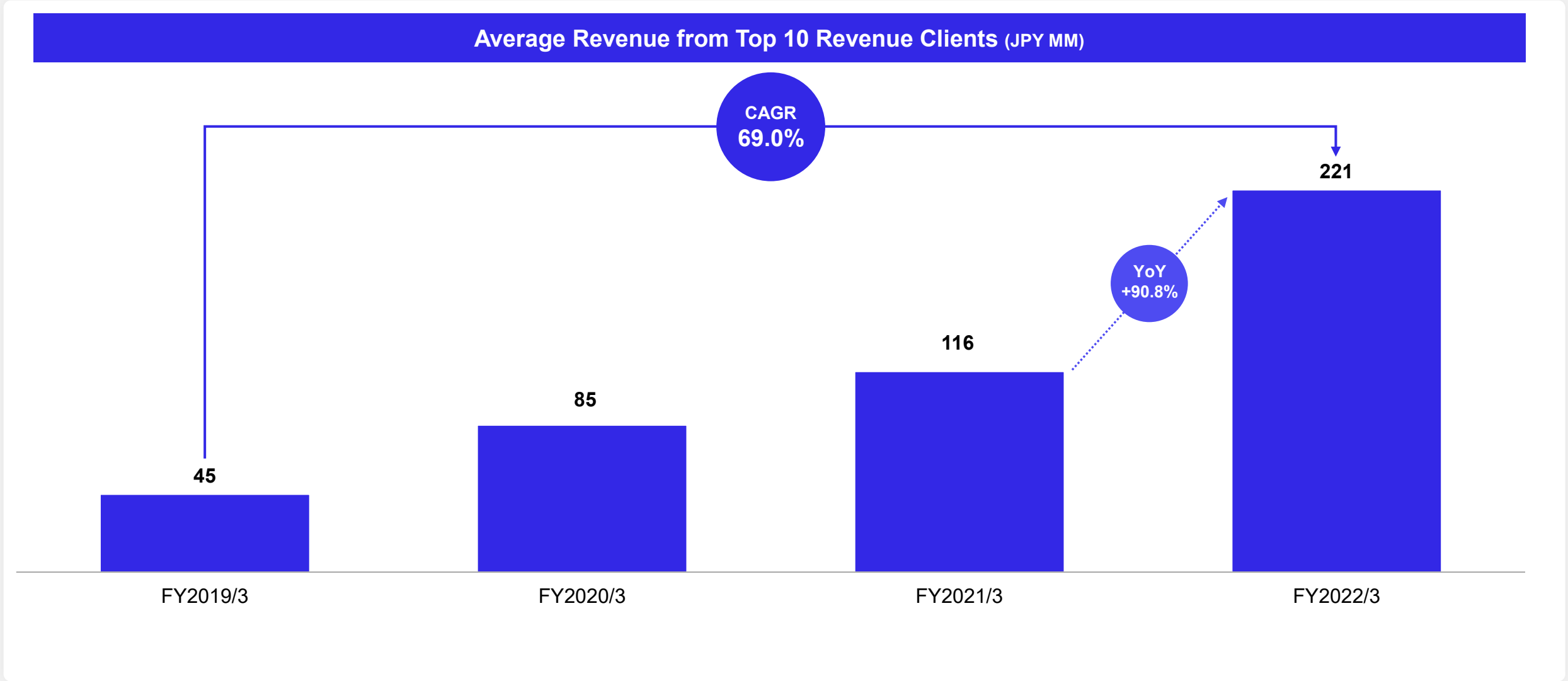
Steady Progress in Both Number of Clients and Revenue per Client toward 4 trillion-yen TAM



Notes: (1) Total addressable market based on revenue per client and number of clients instead of using data or reports from third-party research company (2) *Average latest FY revenue of Japanese top 1,000 market capitalization companies as the end of September 2021 (Approx. JPY660Bn) x **Japanese companies' IT budget % of revenue (2.2%) by JUAS x *** Strategic IT investment % of total IT revenue in Japan (30.0%) based on the previous page (3) numbers are for FY21/3 (3) The number of clients and revenue per client are calculated excluding customers with annual transaction value of less than 1 million yen from FY2022/3 due to Xware becoming a subsidiary in May 2021

Source: *Company Disclosures, ** Japan Users Association of Information Systems (JUAS) "Corporate IT Trends Survey Report to Latest Trends in IT Investment and Utilization by User Companies 2020" (March 2021)

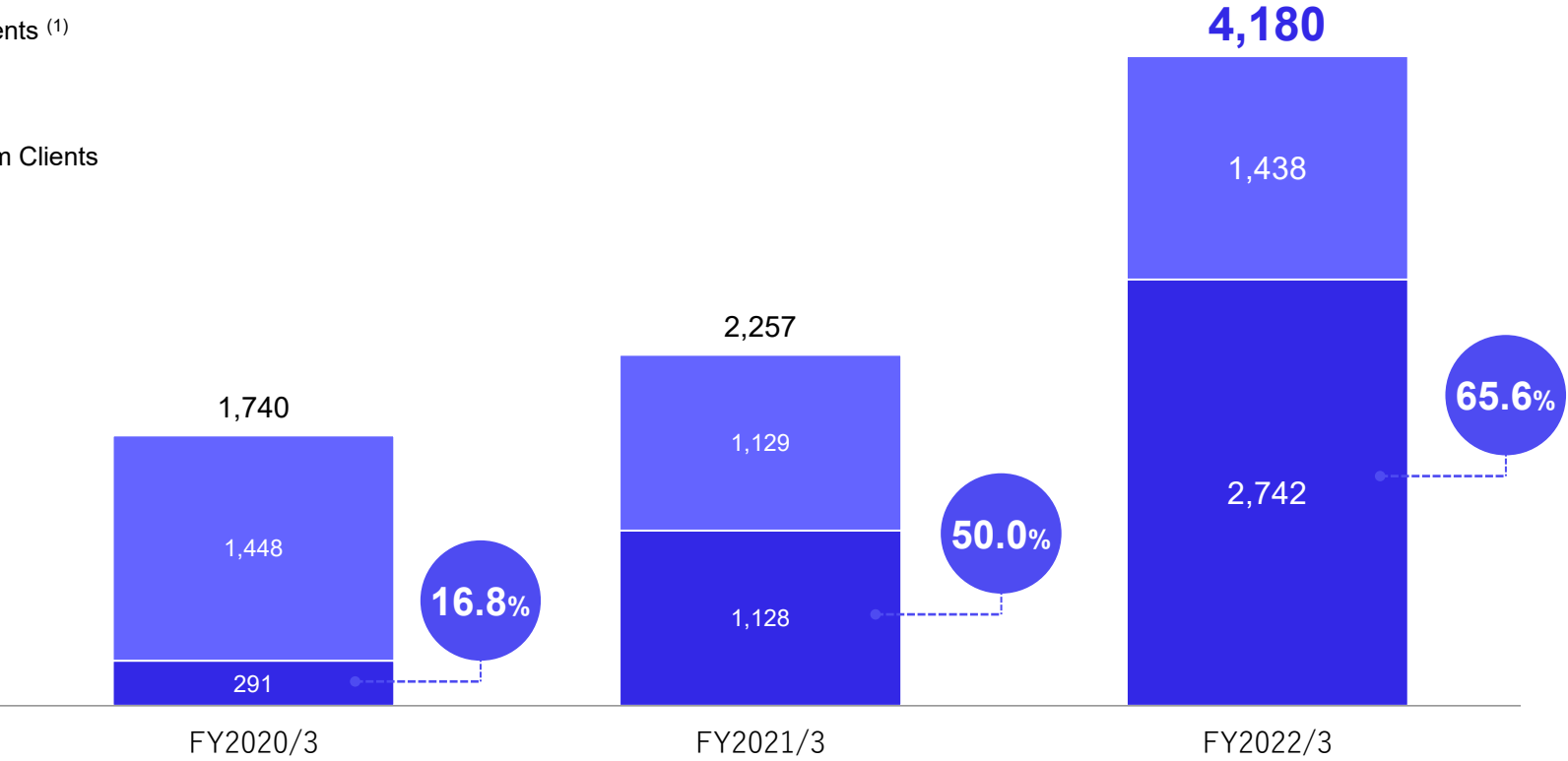
Average Revenue from Top 10 Clients has Rapidly Grown to 221 million yen, up 90.8% YoY



Sales from Long-term Clients has Increased Significantly to 2.7 billion yen, while Steadily Progressed with New Clients Acquisition

Sales Trends in the AI Platform Business (millions of yen)

- Sales from Long-term Clients ⁽¹⁾
- Others
- % of Sales from Long-term Clients



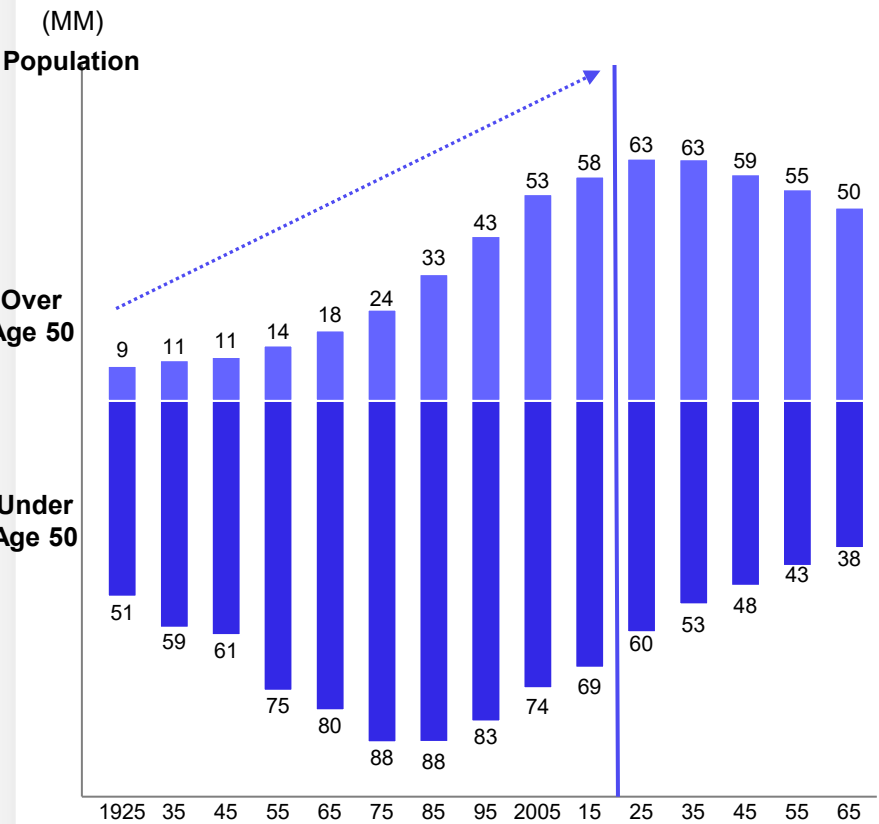
Notes: (1) Continuous revenue from the clients that ExaWizards maintains its contract for consecutive 4 quarters and more, excluding revenue from exaBase community, etc.

02. Overview and Progress of the Business Segments

AI Products

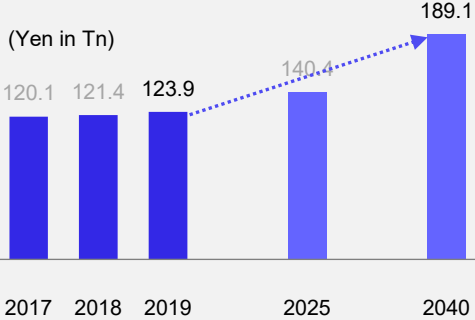
Providing “AI Products” as Japan Faces Demographic Turning Point

Demographic Turning Point*



Bring Dozens
of Social
Issues

Expanding Social Security Cost**



To Support
Care
Operation



“Social” AI Products

Nursing Products



トルト

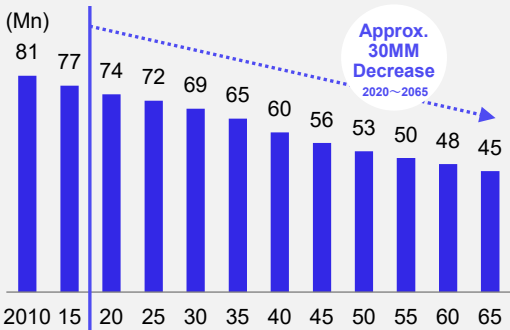


ハナスト

Education Product



Decreasing Labor Force***



To Support
Enterprise
DX



“DX” AI Products



exaBase
DX Assessment & Learning



exaBase
Forecast & Analysis



exaBase
Well-being



exaBase
FAQ



exaBase
1on1



exaBase
Company Search

Sources: * Made by ExaWizards based on Ministry of Internal Affairs and Communications “Time Series Population Estimates of Japan 1920 – 2000”(January 2013), “Time Series 2000 - 2015” (June 2017), and National Institute of Population and Social Security Research “Population Projections for Japan” (April 2017) ** Made by ExaWizards. Actual numbers are based on “The Financial Statistics of Social Security in Japan FY2018” (August 31, 2021), forecasts are based on Cabinet Office, Cabinet Secretariat, Ministry of Finance, Ministry of Health, Labour and Welfare “Future Outlook for Social Security in anticipation of 2040” (plan-based/economic baseline case) (May 2018) *** Made by ExaWizards. The number for 2010 is based on Ministry of Internal Affairs and Communications “2010 Census” (November 2012), numbers after 2015 are based on National Institute of Population and Social Security Research “Population Projections for Japan” (April 2017)

Gaining Traction by Launching Multiple AI Products

DX AI Products



About 400 Companies
Adopted Our AI DX Products
Creating Social Value

- ✓ Improving the Efficiency of Society as a Whole, including Governments, SMBs and Enterprises



Lack of Labors with IT Knowledge
to Lead DX in Japan*

430,000 people

Expected Economic Loss
in 2025 and Beyond in Japan*

JPY 12Tn Annually

Social AI Products



...Makes Care Staffs' Work Easier

- ✓ Record your care just by talking
- ✓ Expected to Reduce 40 minutes work hour per day⁽¹⁾

Key Metrics

- JPY **26,000/mo** per Nursing Care House⁽³⁾



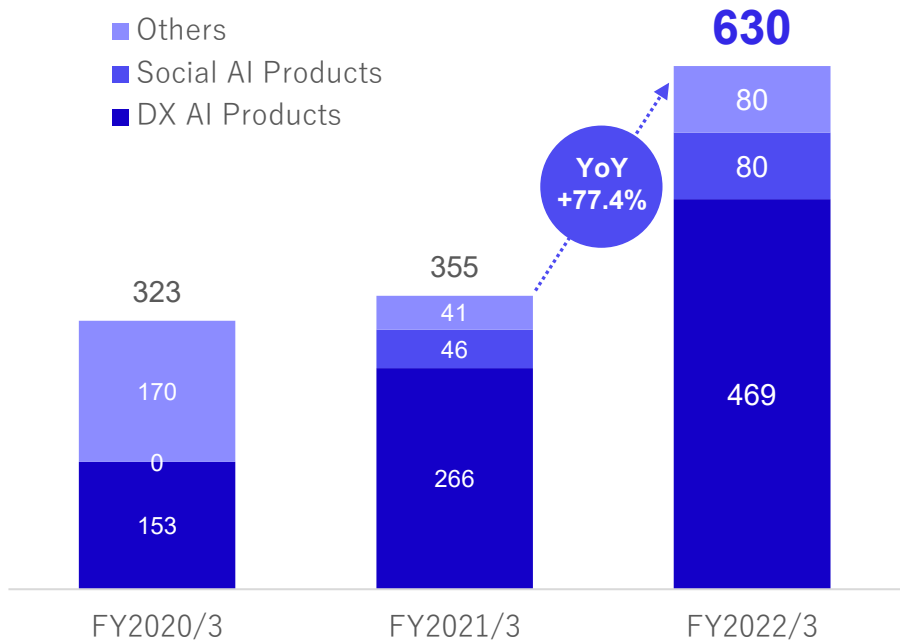
- Potential Expansion into Approx. **27,000⁽⁴⁾** in the Future



Notes: (1) Assumed based on a user evaluation in a user survey conducted by ExaWizards (2) As of March 2021. The number of facilities that Care Connect Japan has (3) Calculated by ExaWizards based on the assumed number of residents per nursing care house (4) Assumed by ExaWizards. Number of nursing facilities in 2019 based on Ministry of Health, Labour and Welfare's research**
Source: * Ministry of Economy, Trade and Industry in Japan: Implications from "Overcoming the '2025 Cliff' and Full-Scale Development of DX" (September 2019) ** Ministry of Health, Labour and Welfare "Overview of the research on nursing facilities" (October 2019)

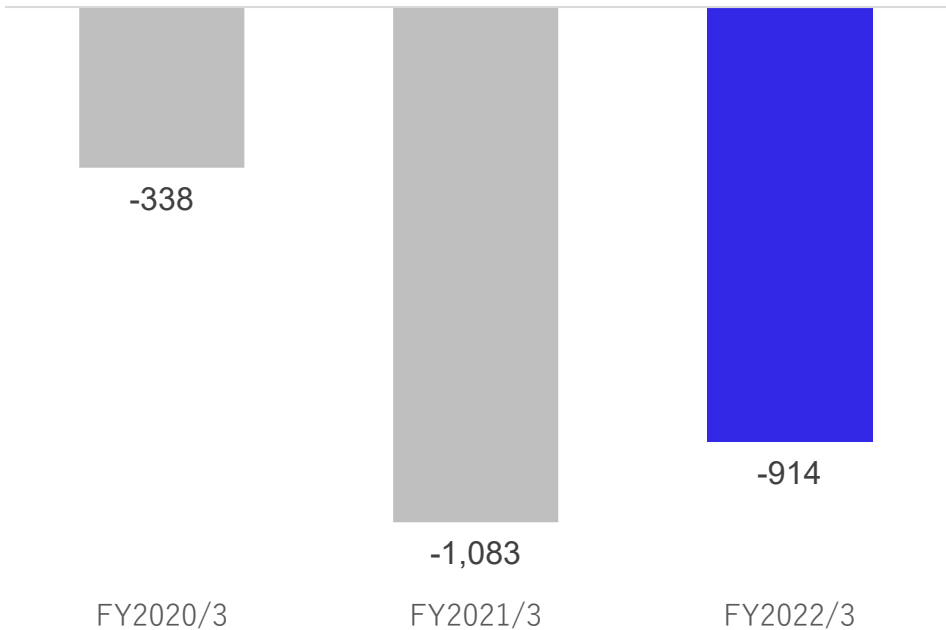
In Addition to Continued Growth of DX AI Products⁽¹⁾, Social AI Products are Also Starting to Grow Strong

Segment Sales: Fiscal Year (millions of yen)



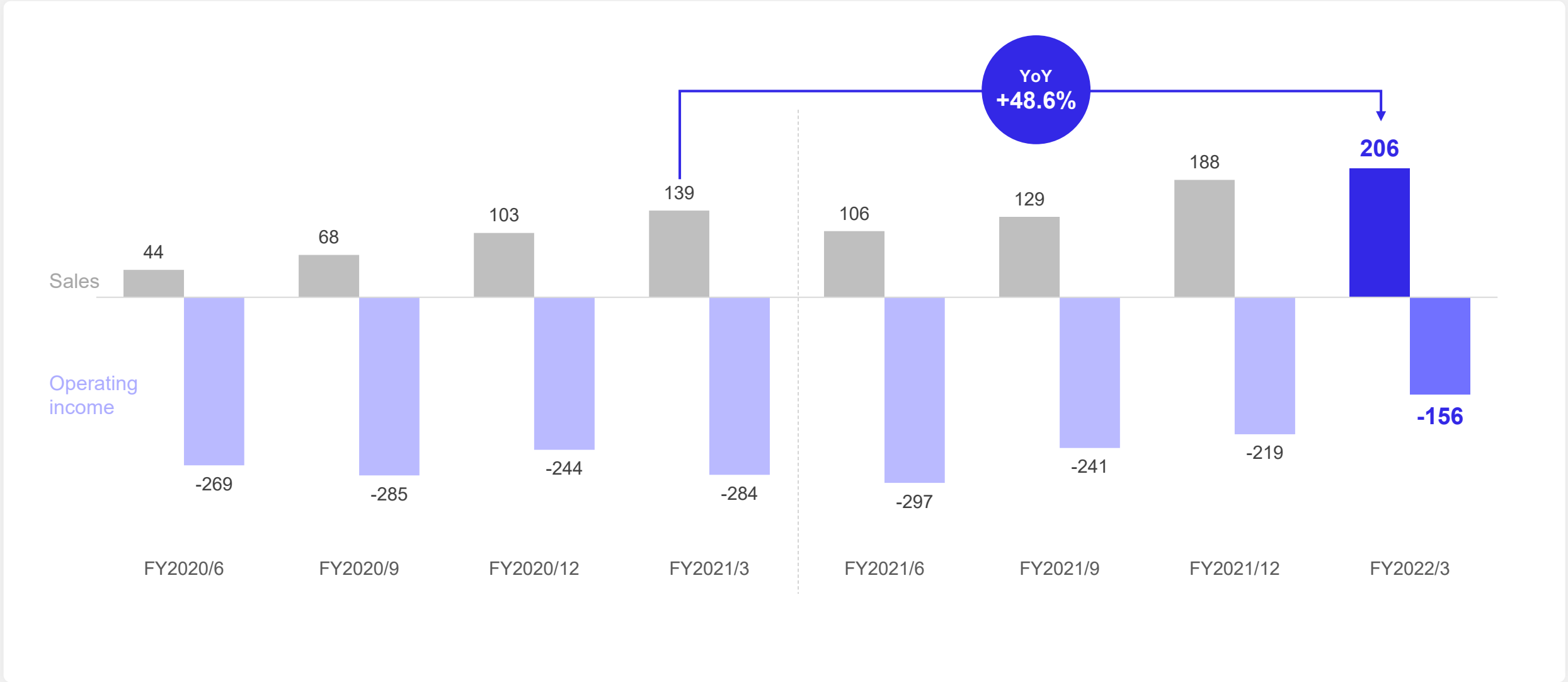
(1) DX Products include: exaBase DX Assessment & Learning, exaBase Forecast & Analysis, exaBase 1on1, exaBase FAQ, exaBase Company Search, and exaBase Well-Being.

Segment Operating Income: Fiscal Year (millions of yen)



AI Products: Quarterly trend of Financial Results

Sales for the Fourth Quarter continued to grow at 206 million yen, up 49% YoY



exaBase Assessment and Learning Continues to Expand in Large Enterprises such as Company-wide Implementation to Sapporo Holdings



exaBase

DX Assessment & Learning

- E-Learning for All 4,000 Employees
- Training for 500 DX/IT supporters and 150 DX/IT Promoters



CareWiz, Nursing Care Products, Expanded Partnerships with Peripheral Players will Lead to the Expansion of Both Use Cases and Data



AI-enabled gait analysis application which allows for collaboration among different care providers.
Accumulates Elderly people's basic data and gait analysis data

Introduction to Local Governments



Jointly Launches a Project to Demonstrate the Usefulness of Digital Technology in the Realization of New Contactless Inter-facility Collaboration

Aiming at allowing more time for nursing care by reducing time required for on-site peripheral work and improving the quality of home medical and nursing care services through timely and easy-to-understand information sharing

Use Case / Business Model Enhancement



Launched a Study to Improve Postoperative Outcomes by AI-enabled Rehabilitation

Aiming at reducing complication risk and supporting recovery of patients with gastroenterological cancer and developing an AI-enabled factor analysis application. After the study period, the program will be evaluated for the applicability to a wide range of cancers as well as for possible use in cross-sectoral settings involving medical, pharmaceutical and insurance sectors.



AI-enabled voice recording application for nursing staffs.
Accumulates life data of nursing home residents

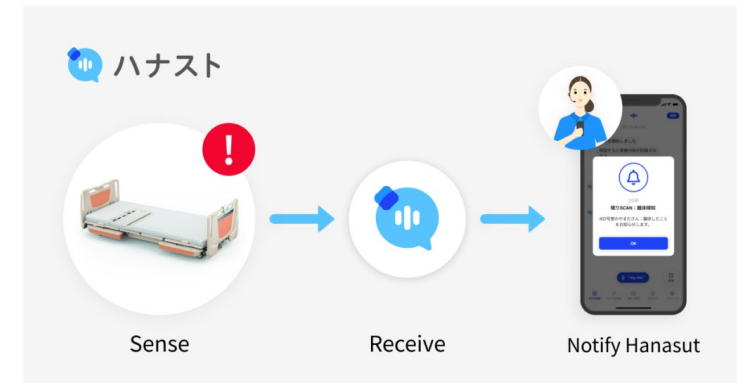
Data / Platform Enhancement



No.1 Medical/Nursing Bed Player in Japan

Added to Paramount Bed's "Monitoring Support System"

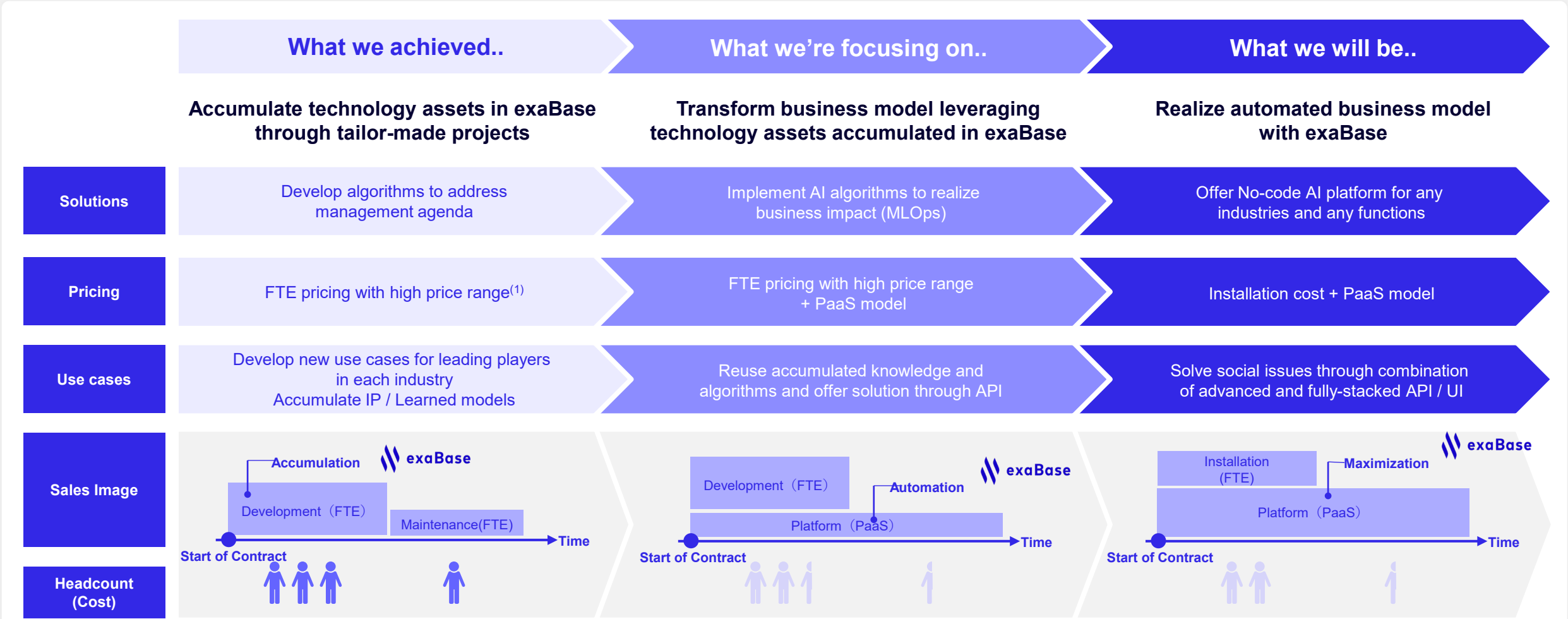
Care workers can receive various information from the body movement sensors via Hanasuto. Staff members can check it on the Hanasuto app while performing their duties. This reduces the number of times care workers need to visit a room to check the status.



03.

Growth Strategy

Taking Progressive Actions for Scalable Growth through Dramatically Improving Project Efficiency



Notes: (1) FTE: Full Time Equivalent. Calculate the price by the unit time with a full-time staff labor conversion

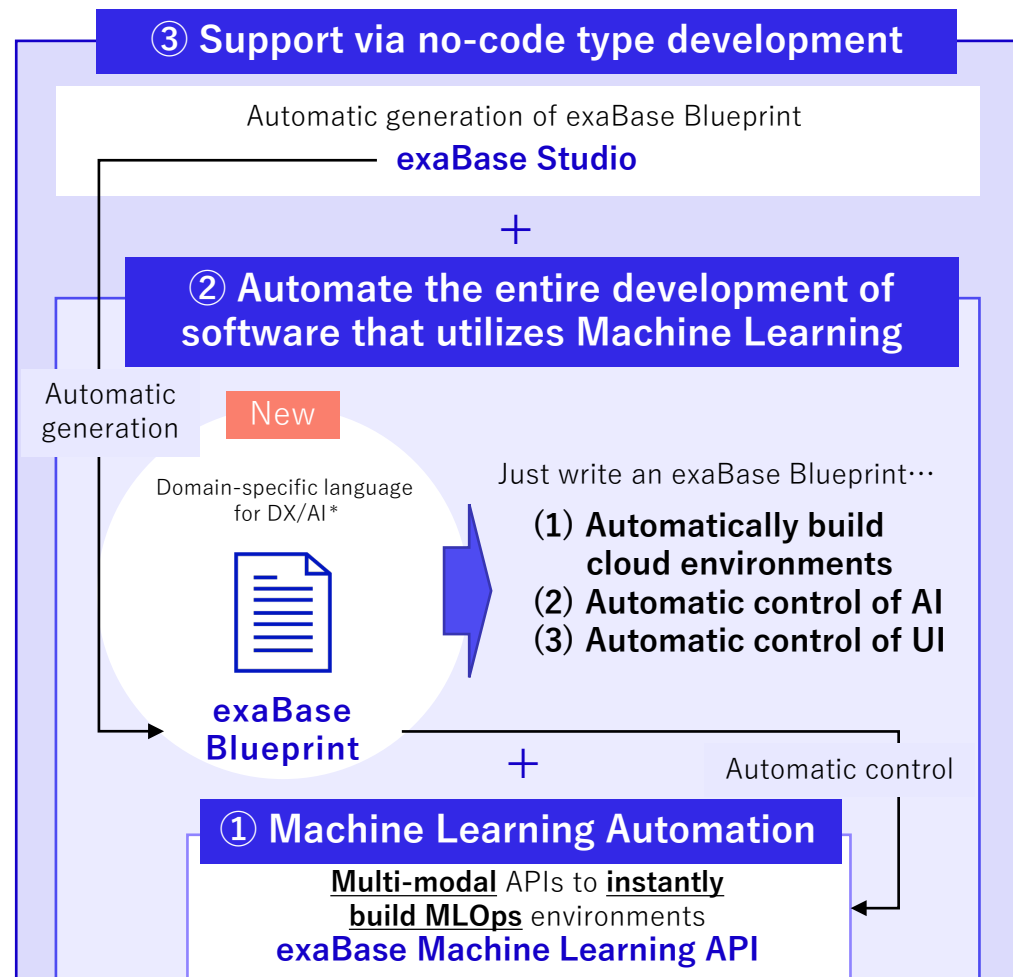
Not just machine learning automation but one-stop automation & no-code for AI/DX development

Typical AI Platforms

① Machine Learning Automation

Single-modal API to be used for a PoC

VS

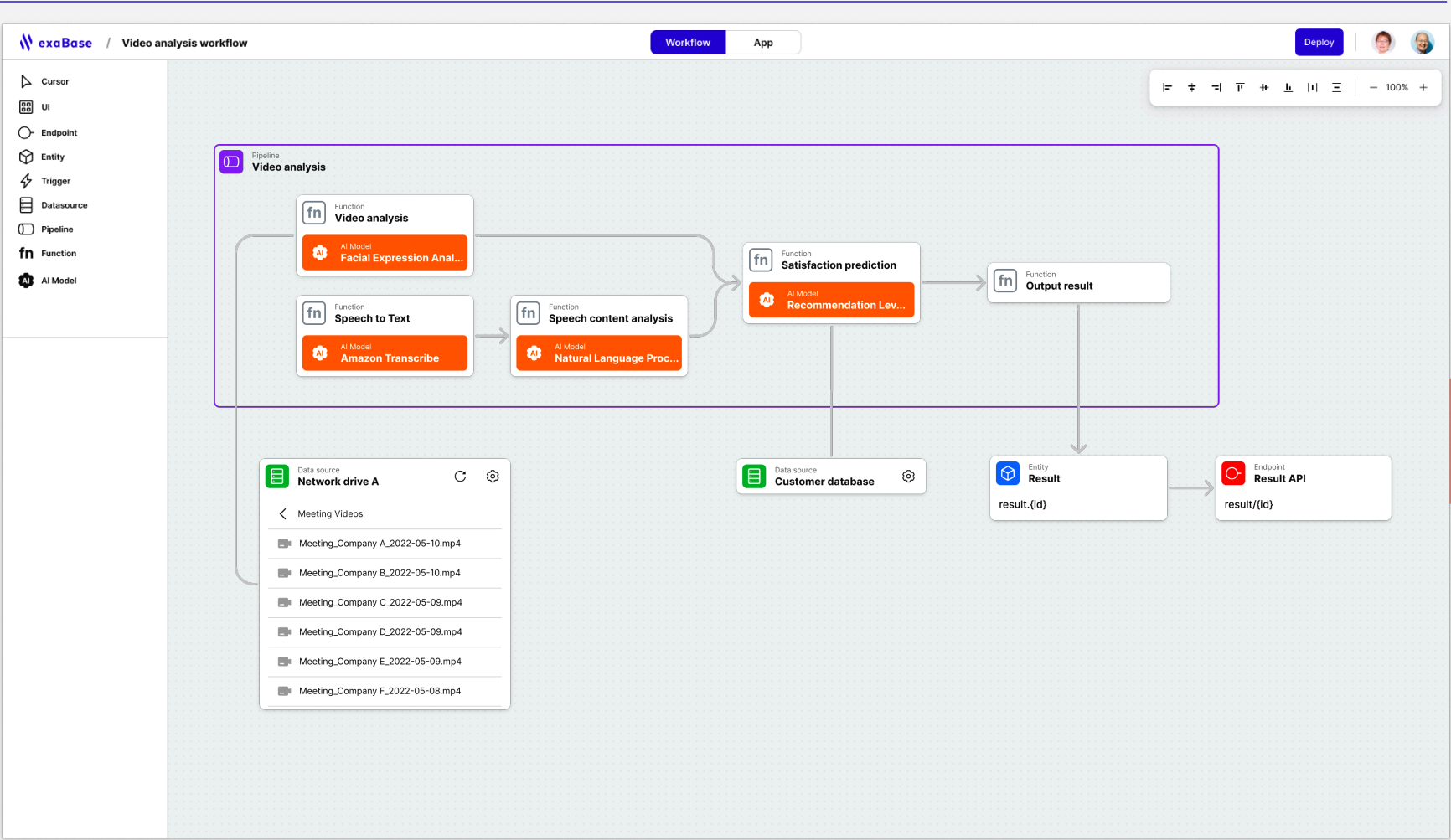


* Computer language specialized for specific task processing, such as SQL in the database field

exaBase platform's new features and what we're focusing on

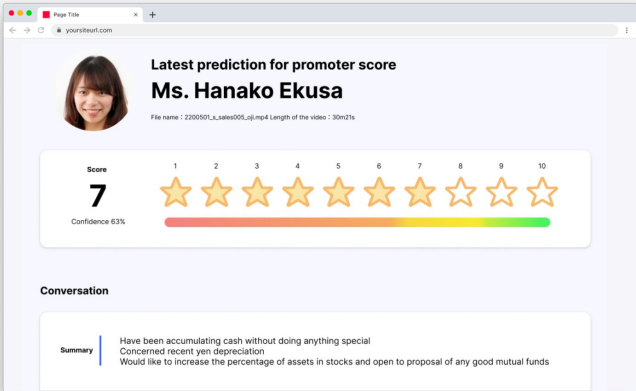
Easily develop multi-modal AI applications and put them into production with exaBase Studio

exaBase Studio Development Environment



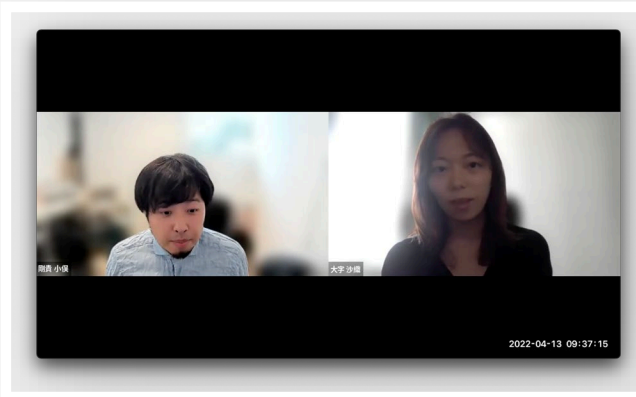
no-code type development

Applications Developed



Output image

AI-based prediction results of customer satisfaction

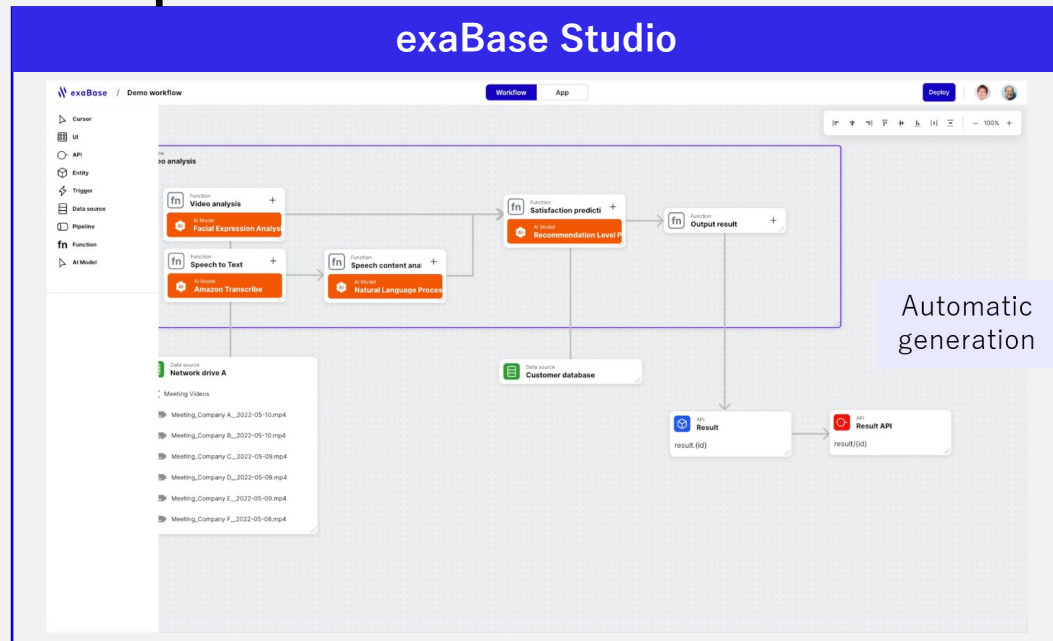


Input image

Business meeting video

exaBase platform's new features and what we're focusing on

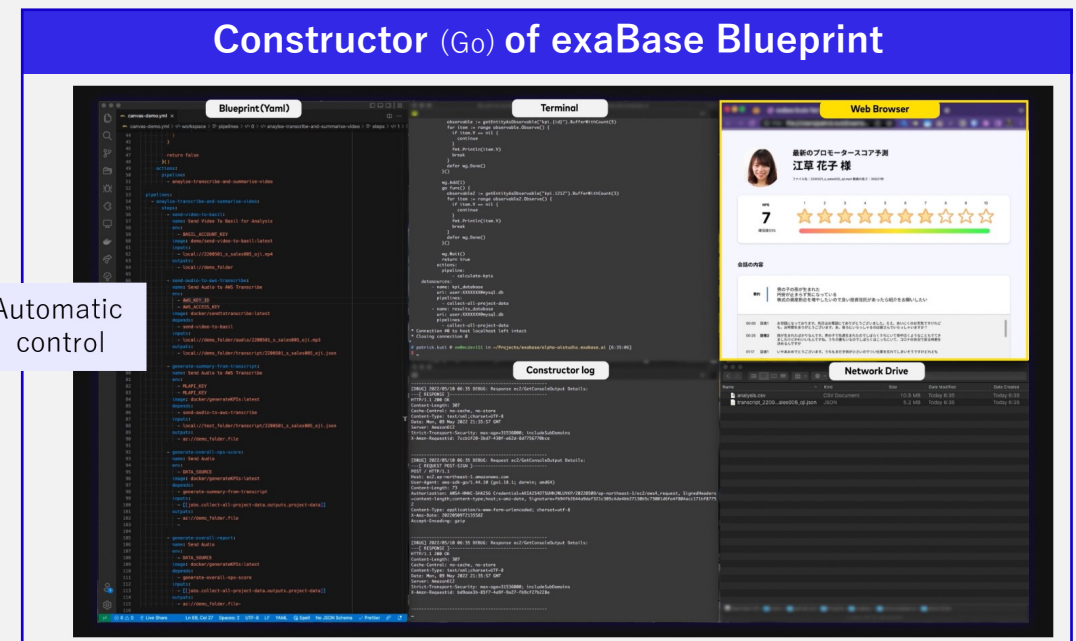
exaBase Blueprint is a new domain-specific language for DX and AI application development



Automatic generation

exaBase Blueprint (YAML)

Automatic control



Reactive Programming with exaBase Blueprint

Imagine using spreadsheet software as an example

- **Endpoint:** A place to store raw data like a spreadsheet in spreadsheet software
- **Entity:** Refers to an Endpoint's Sheet and store data in a specific cell after simple processing.
- **Trigger:** Manage branches with IF statements according to the status of Entity's cell
- **Function:** Execute specific ML APIs according to the branch of Trigger and reflect the output result to Endpoint

Unlike spreadsheets, exaBase ...

Ability to handle multimodal data including video and complex functions including machine learning

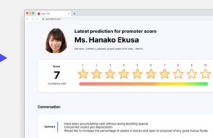
Endpoint
data storage & updating

Entity
state definition

Trigger
state bifurcation (RxGo)

Function
ML API control

update



(1) Automatically build cloud environments

Automatically build various cloud environments utilizing Amazon Web Services™, Google Cloud Platform™, Microsoft Azure™, etc. In addition, simulation, image synthesis and edge processing with robot AI, etc. are also available.

(2) Automatic control of AI

Control exaBase Machine Learning API and other 3rd party AIs
Invoke multimodal AI and run in production with MLOps

(3) Automatic control of UI

Preset design templates for automatic UI construction and control
Reusable by simply changing the referenced endpoint

One-stop internalization + automation + maximization of ROI to solve management issues through DX and AI

In-house, field-driven solution of management issues through DX

×

Automate the solution of management issues through DX + maximize ROI

Management

Management issues

Field-driven design and improvement of DX and AI applications that solve management issues

Non-engineer internal talent

Vendor Independence

Data scientist

Talent from other divisions

Agile PDCA cycle throughout the company to maximize ROI of data-driven management

DX as Code

Automated development of DX and AI applications to solve management issues

UI/UX as Code

Machine Learning as Code

Infrastructure as Code

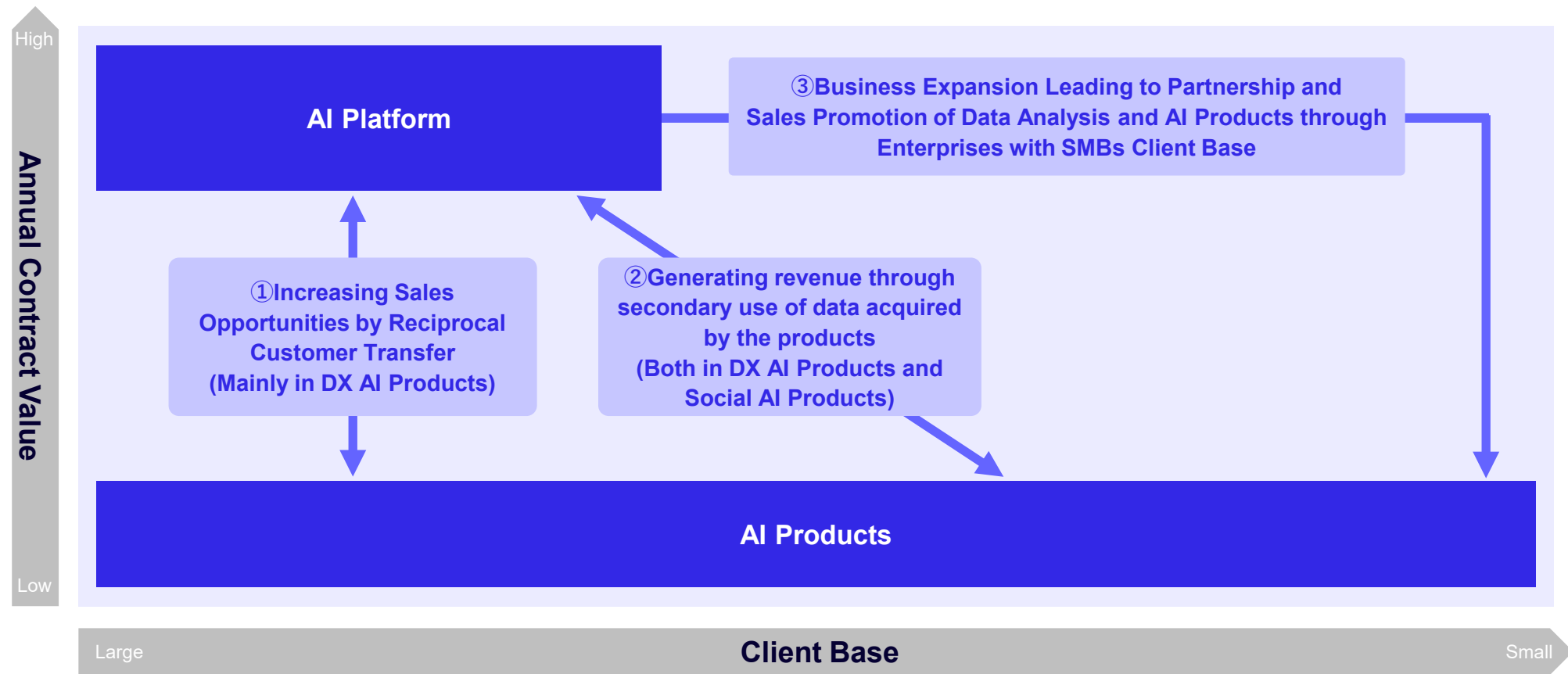
exaBase Studio

Existing systems

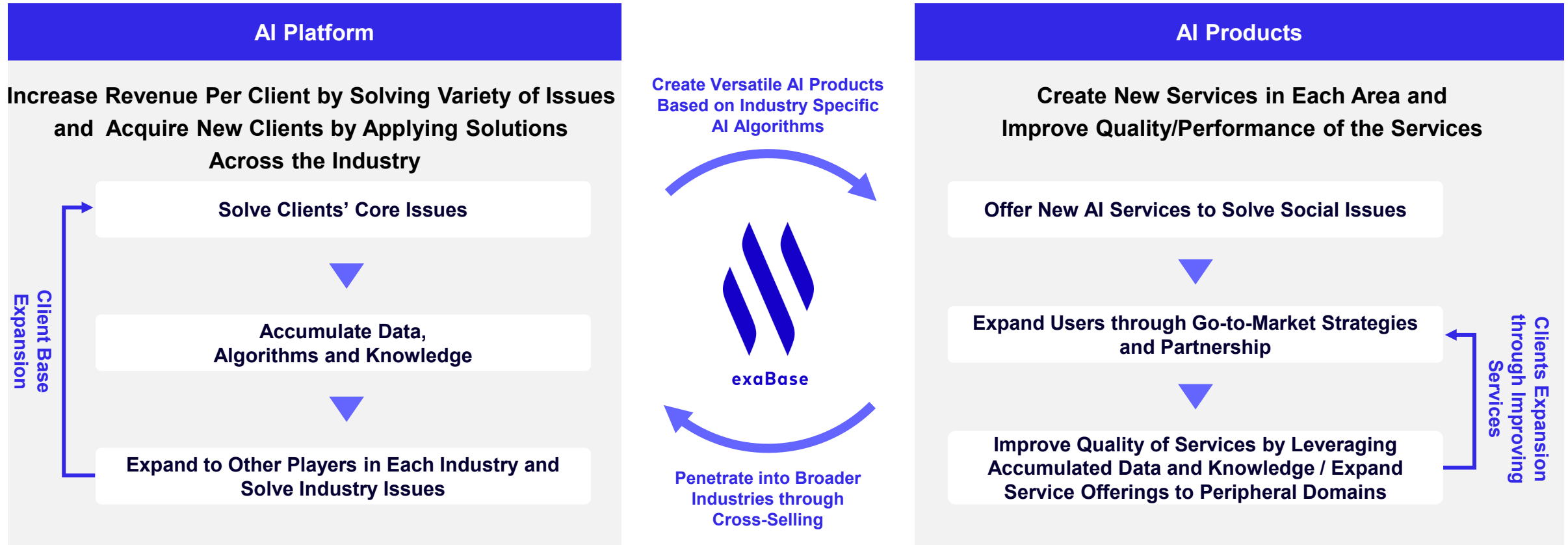
Dashboard

Visualize and maximize ROI

Segmental Synergy Enabled by Reciprocal Customer Transfer Leveraging Client Base of Both AI Platform and AI Products



Acceleration of Growth Potential through Segmental Synergies while Expanding Respective Segments' Capabilities



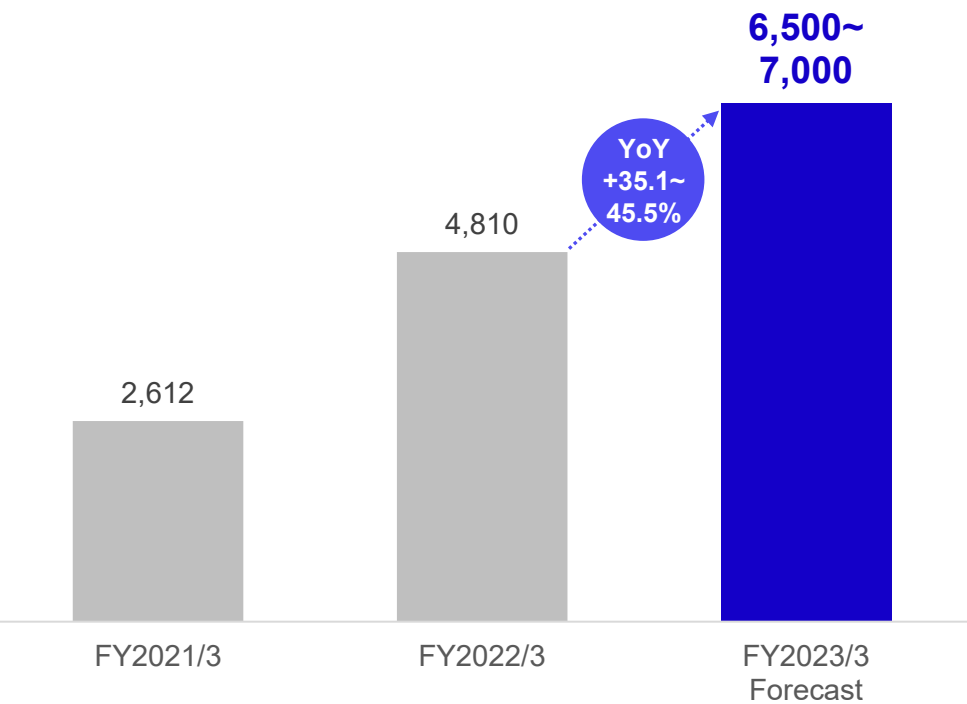
04.

Earnings Forecast for the Fiscal Year Ending March 2023

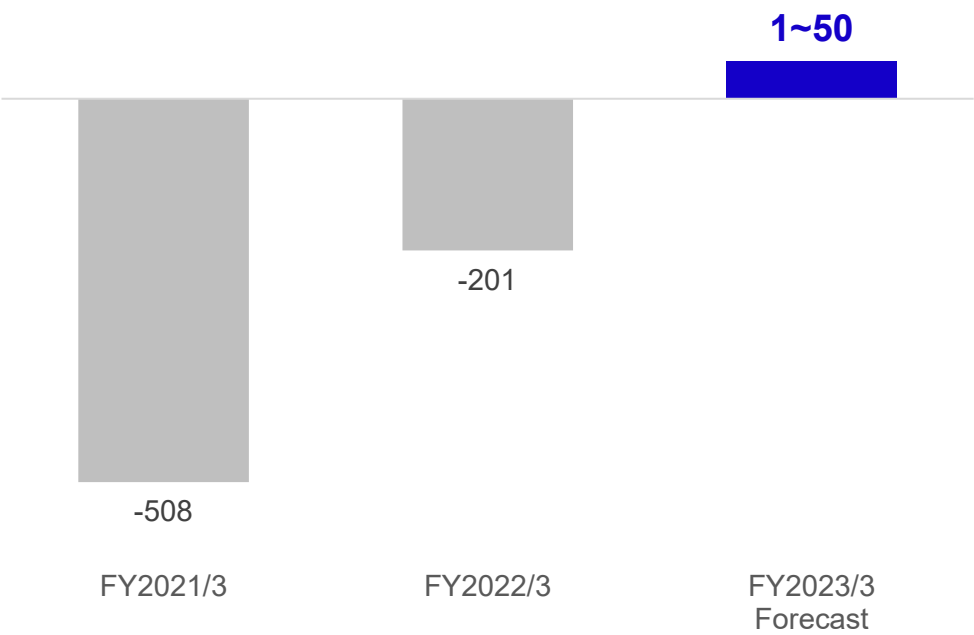
Earnings Forecast for the Fiscal Year Ending March 2023

Net Sales of 6.5~7.0 billion yen, up around 40% YoY, with Achieving an Operating Profit in Consolidated basis (Combining Both Segments)

Total Sales: Fiscal Year (millions of yen)



Operating income: Fiscal Year (millions of yen)



Earnings Forecast for the Fiscal Year Ending March 2023

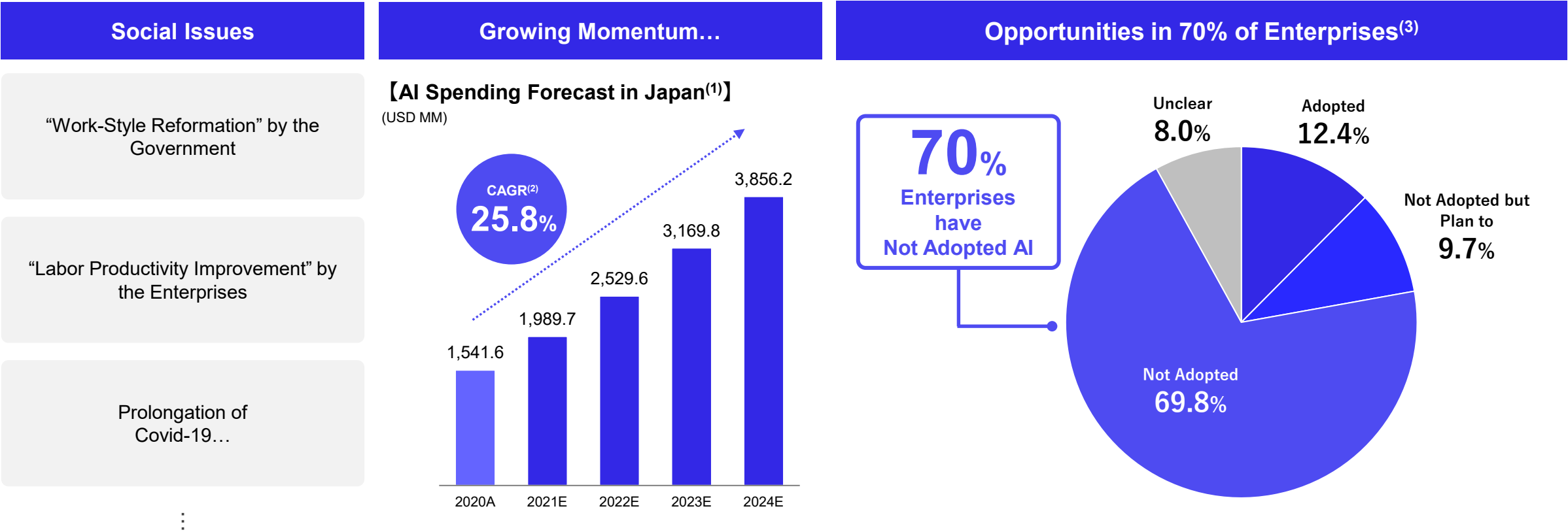
| (In millions of yen) | FY March 2021 | FY March 2022 | FY March 2023 |
|--|---------------|---------------|---------------|
| | Results | Results | Forecasts |
| Net sales | 2,612 | 4,810 | 6,500 ~ 7,000 |
| growth rate | - | +84.1% | 35.1 ~ 45.5% |
| Operating profit (loss) | -508 | -201 | 1 ~ 50 |
| Operating profit margin | - | - | 0 ~ 0.8% |
| Ordinary profit (loss) | -451 | -97 | 1 ~ 50 |
| Profit (loss) attributable to owners of parent | -592 | -137 | 1 ~ 50 |

Appendix

Appendix

AI Platform

Dozens of Social Issues Exist in Japan, but Limited Capability to Adopt AI...

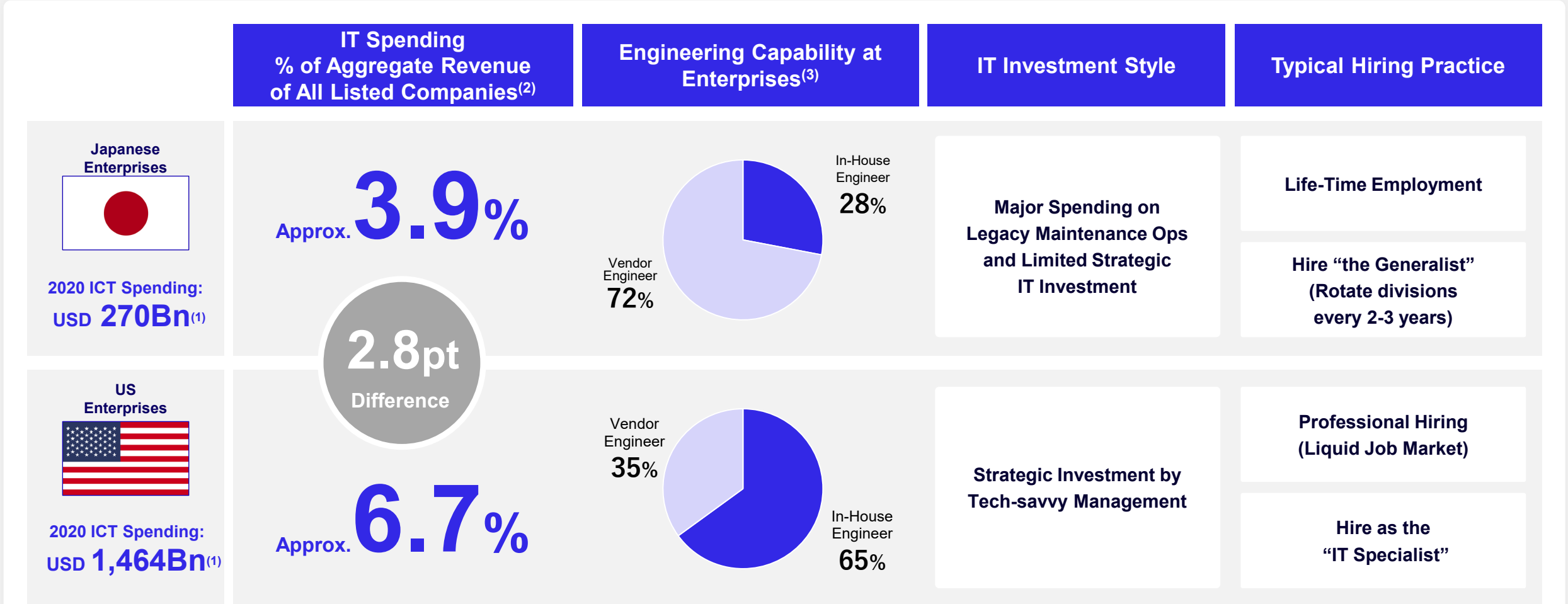


Notes: (1) AI Spending refers to the sum of AI Spending related to Software and Services defined by IDC in “Worldwide Artificial Intelligence Spending Guide” calculated by ExaWizards* (2) 2020 – 2024 CAGR (3) As o September 2020. Adoption status of systems related to IoT and AI based on Ministry of Internal Affairs and Communications “Communications Usage Trend Survey 2021”**

Source: * IDC “Worldwide Artificial Intelligence Spending Guide” (August 2021) **Ministry of Internal Affairs and Communications “Communications Usage Trend Survey 2021” (June 2021)

AI Platform: Japan-U.S. Comparison of IT Investment and Human Resources

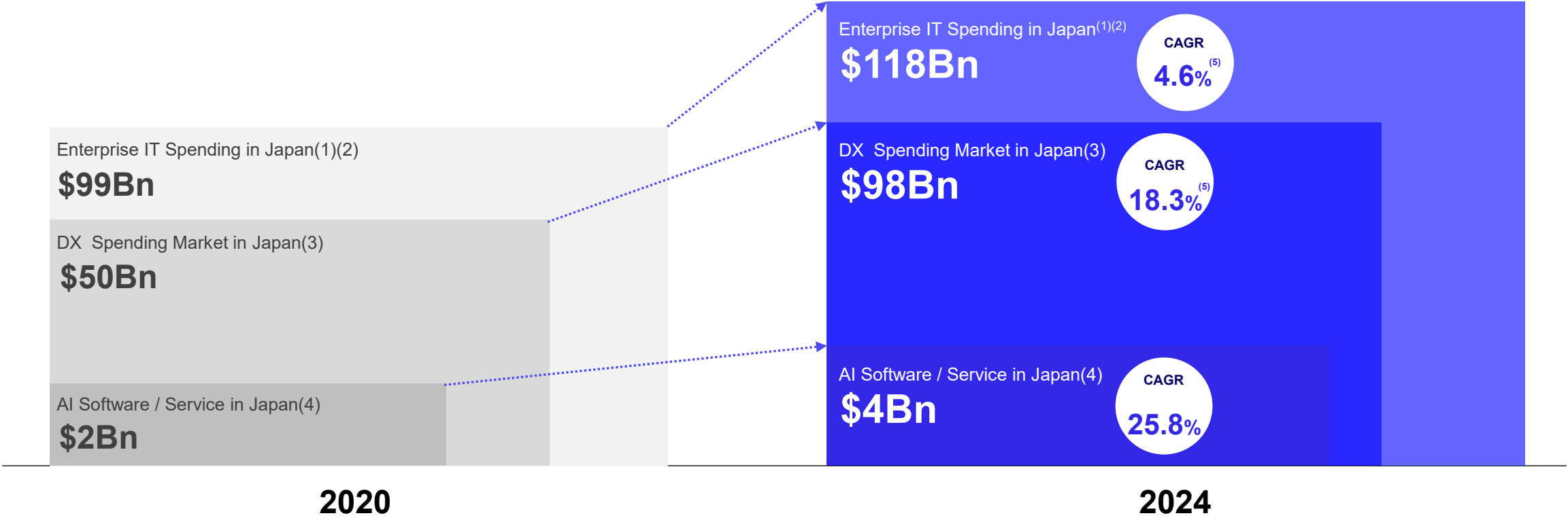
...Largely due to “Gaps” between Japan and U.S. on In-house IT Capabilities



Notes: ICT Spending refers to the sum of spending related to Hardware, Software, IT and Business Services, Telecom Services defined by IDC in “Worldwide ICT Spending Guide by Industry and Company Size” calculated by ExaWizards* (2) Assumed by ExaWizards based on aggregate revenue of all listed companies in main stock exchanges of Japan (Tokyo, Sapporo, Nagoya, and Fukuoka Stock exchange) and US (American Stock Exchange, Nasdaq and NYSE) as of October 2021 and ICT Spending defined in (1) (3) As of 2015. Prepared based on Information Processing Association “IT Human Resources White Paper 2017”
Source: * IDC “Worldwide ICT Spending Guide: Industry and Company Size” (JuneV2 2021) ** Company Disclosures *** Ministry of Internal Affairs and Communications “WHITE PAPER Information and Communications in Japan 2018” (July 2018)

We Have a Potential to Capture Large Top-down TAM in Enterprise' Strategic Investment around AI Software, DX and IT Transformation...

TAM for Enterprise AI Platform Based on Market Research

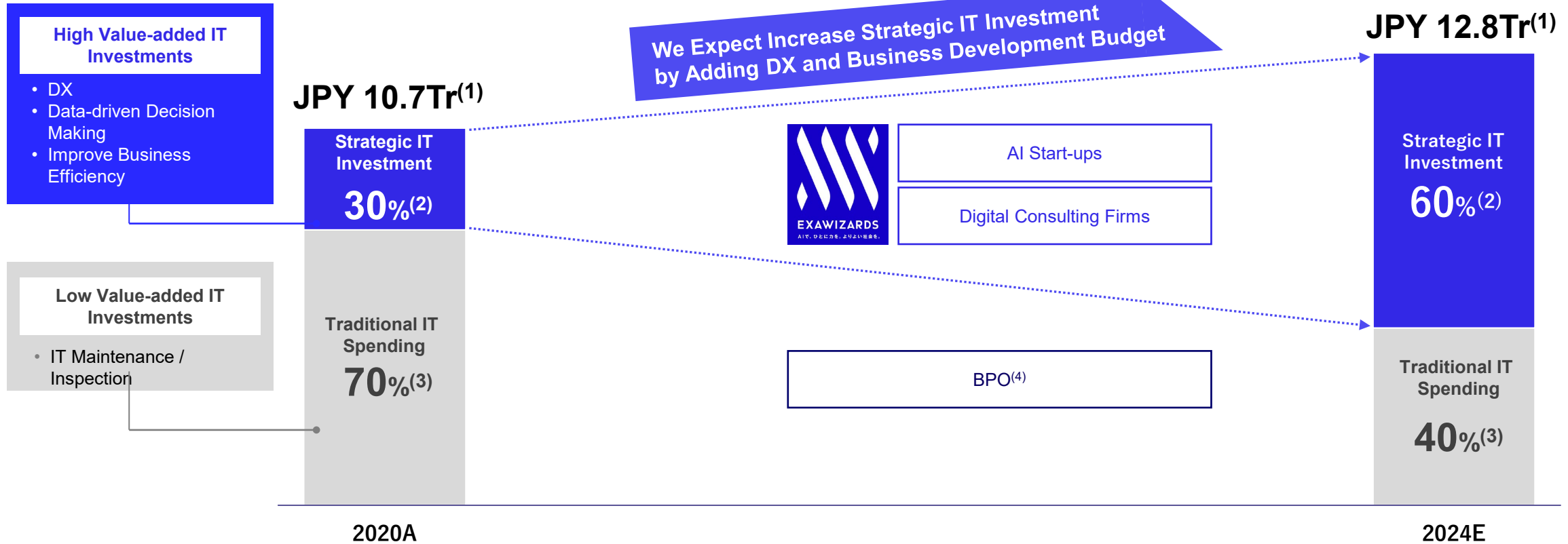


Notes: (1) Assuming 1 USD = 109 yen (2) IT Spending refers to the sum of IT Spending related to Cloud and Conventional IT defined by IDC in "Domestic Cloud Market Forecast, 2021~2025" calculated by ExaWizards (3) DX Spending refers to the sum of DX Spending related to Software and Services defined by IDC in "Worldwide Digital Transformation Spending Guide" calculated by ExaWizards (4) AI Spending refers to the sum of AI Spending related to Software and Services defined by IDC in "Worldwide Artificial Intelligence Spending Guide" calculated by ExaWizards (5) 2020 - 2024 CAGR Source: *IDC "Domestic Cloud Market Forecast, 2021~2025" (June 2021) ** IDC "Worldwide Digital Transformation Spending Guide" (October 2021) *** IDC "Worldwide Artificial Intelligence Spending Guide" (August 2021)

AI Platform: TAM from Top-down Approach

...Especially in the High Growth “Strategic IT Investment” Budget that is Expected to Expand by 2.4x

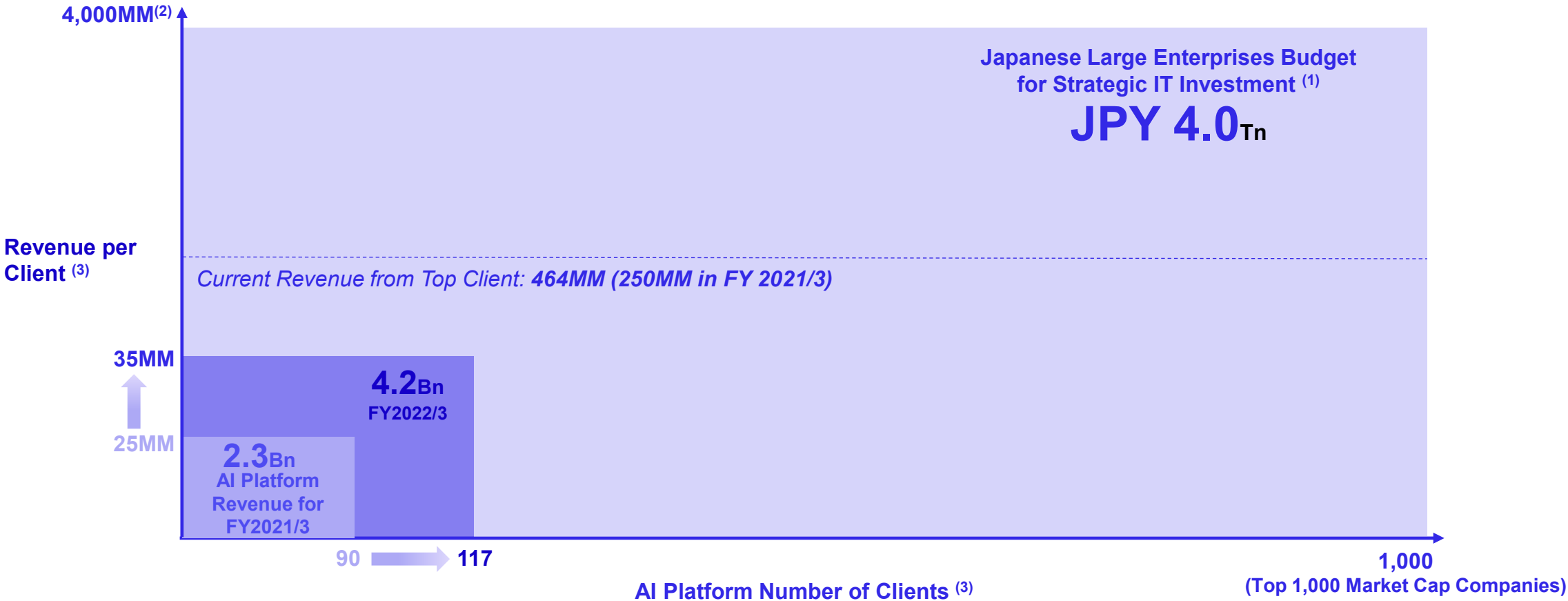
Enterprise IT Spending in Japan



Notes: (1) IT Spending refers to the sum of IT Spending related to Cloud and Conventional IT defined by IDC in "Domestic Cloud Market Forecast, 2021~2025" calculated by ExaWizards* (2) Strategic IT Investment refers to IT Spending related to Cloud defined by IDC in "Domestic Cloud Market Forecast, 2021~2025"
(3) Conventional IT Investment refers to IT Spending related to Conventional IT defined by IDC in "Domestic Cloud Market Forecast, 2021~2025"
Source: * IDC "Domestic Cloud Market Forecast 2021~2025" (June 2021)

AI Platform: TAM from Bottom-up Approach

...Our Growth Potential is Proven with Bottom-up TAM Analysis⁽¹⁾



Notes: (1) Total addressable market based on revenue per client and number of clients instead of using data or reports from third-party research company (2) *Average latest FY revenue of Japanese top 1,000 market capitalization companies as the end of September 2021 (Approx. JPY660Bn) x **Japanese companies' IT budget % of revenue (2.2%) by JUAS x *** Strategic IT investment % of total IT revenue in Japan (30.0%) based on the previous page (3) numbers are for FY21/3 (3) The number of clients and revenue per client are calculated excluding customers with annual transaction value of less than 1 million yen from FY2022/3 due to Xware becoming a subsidiary in May 2021
Source: *Company Disclosures, ** Japan Users Association of Information Systems (JUAS) "Corporate IT Trends Survey Report to Latest Trends in IT Investment and Utilization by User Companies 2020" (March 2021)

Using “exaBase robotics” in Building a Foundation for Efficient Skill Transfer of Workers in Heavy Equipment Operations at Nippon Steel Corporation

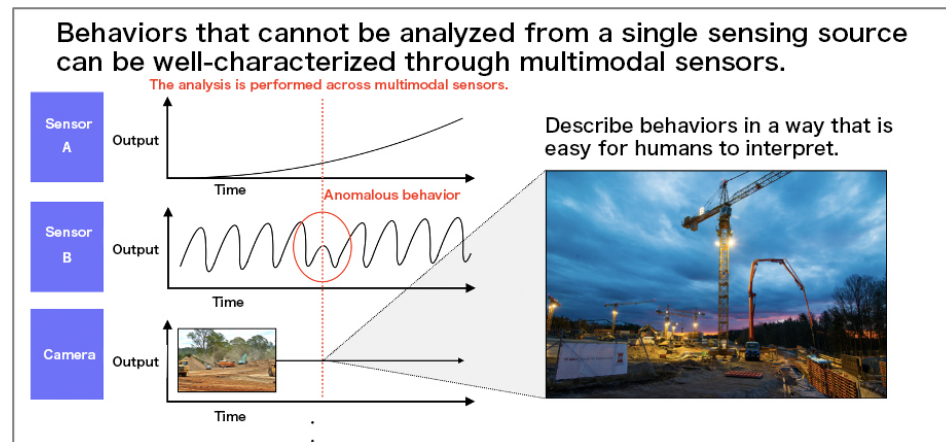
Use Case

A data analysis platform that enables visualization of work conditions in heavy equipment operations and efficient transfer of (Experienced/Role Model) Workers' skills

Outline of Initiatives

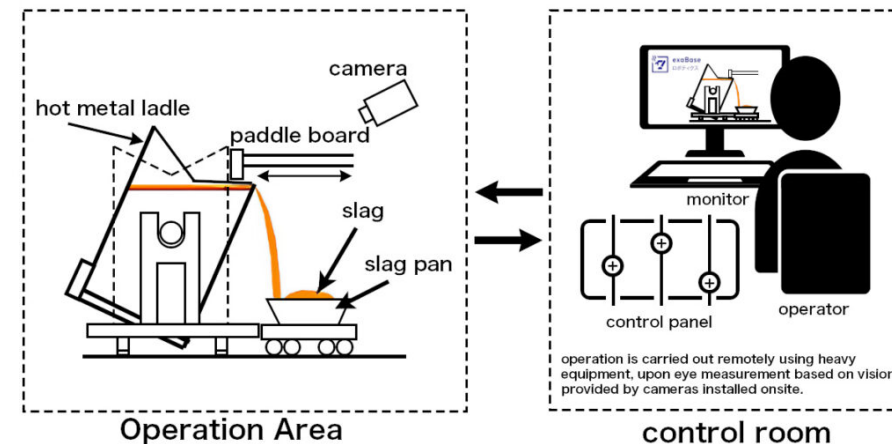
Clarify expertise in senior operators

Developed data analysis platform that enables visualization of work conditions in heavy equipment operations and efficient transfer of workers' skills. By visualizing data never digitized previously in heavy equipment operations, the analysis of operating skills clarifies key expertise shared in senior operators with more than 10 years of experience in the field



Implementation of support software for new operators

Developed software that assists new operators by aiding them through key operational actions, so that they can perform the same operations as experienced operators. Aiming for more efficient and homogeneous operation.



Strong Presence for Blue Chips of Various Industries in Japan

Selected Enterprise Clients and Revenue Breakdown across Major Verticals⁽¹⁾

| | | | | | | |
|-----|-------------------------------|--------------------------|-----------------|---------------|-----------|----------------|
| 25% | Finance/ Insurance | Aflac Life Insurance | SMBC Nikko | Sumitomo Life | | |
| 19% | Manufacturing/ Industrials | CITIZEN | DENSO | Nippon Steel | Panasonic | Hitachi Metals |
| 18% | Consumer Goods | JT | Yoshinoya | | | |
| 14% | Healthcare | Astellas Pharma | Daiichi Sankyo | Tsumura & Co. | | |
| 8% | Telecom/ Infrastructure | NTT | NTT Data | NTT West | Softbank | |
| 4% | Energy | Kansai Electric Power | JERA | | | |
| 3% | HR | Stadium | Persol Holdings | | | |
| 3% | Logistics | Yamato Transport | | | | |

Notes: (1) Industry breakdown based on the revenue from enterprise clients incurred in FY2022/3

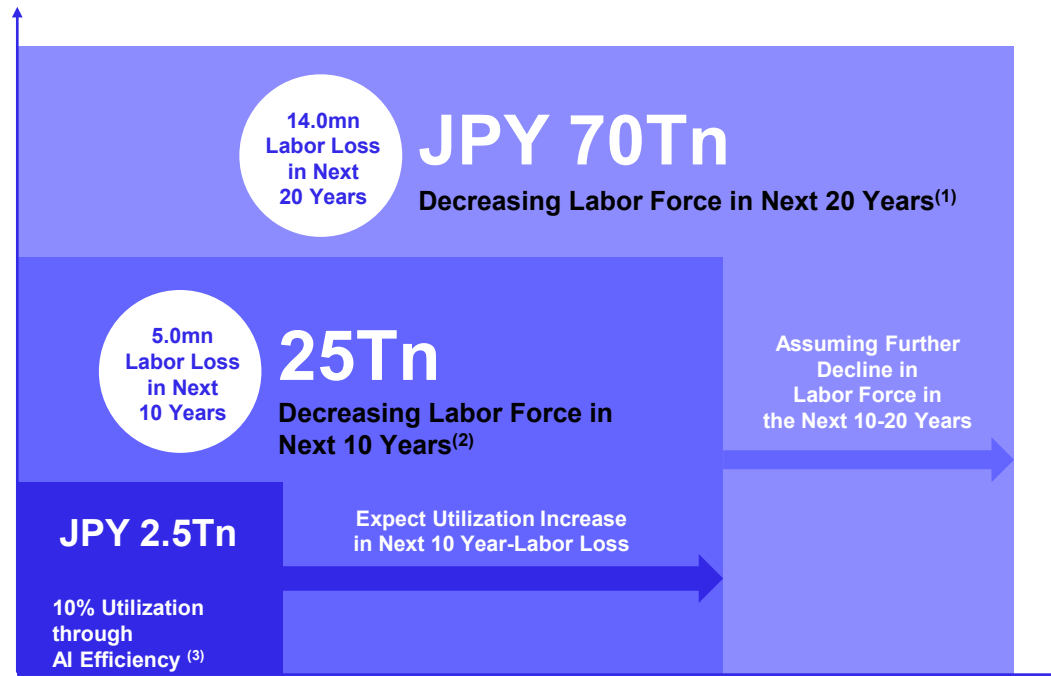
% of AI Platform Revenue

Appendix

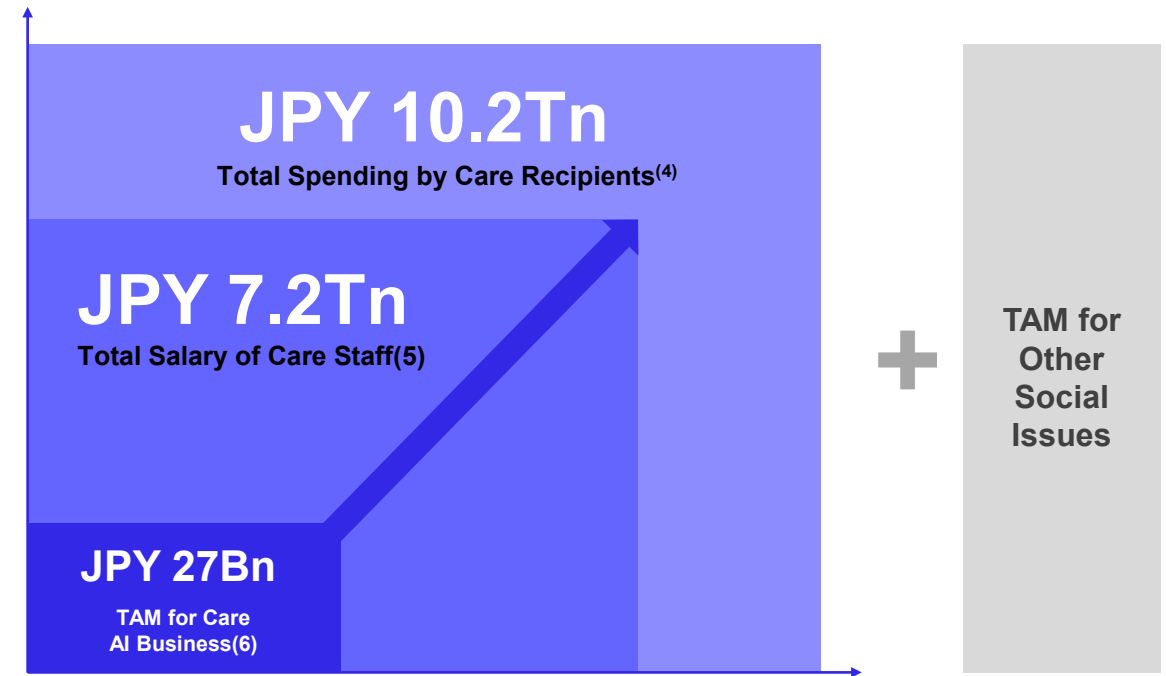
AI Products

Digitalization and Social Care AI Market is Growing with Scale

AI Products TAM: Digitalization of Decreasing Labor Force









AI Products TAM: Social Care Spending



Notes: (1) Estimated by ExaWizards by multiplying forecast of National Institute of Population from 2020 to 2040 (approx. 14.0mn labor loss) and average salary of regular employees (approx. JPY5.03mn) by National Tax Agency's Salary Survey (2019). (2) Estimated by ExaWizards by multiplying forecast of National Institute of Population from 2020 to 2030 (approx. 5.0mn labor loss) and average salary of regular employees (approx. JPY5.03mn) by National Tax Agency's Salary Survey (2019). (3) Assuming 10% of the labor utilization to occur through our Social AI Products (4) Total spending for Japanese in need of nursing care as of based on a report from Ministry of Health, Labor and Welfare "Status around nursing industry 2019" (August 2021) (5) Estimated by ExaWizards based on the number of care staffs in Japan x average annual salary of a care staff in Japan. The number of care staffs in 2019 is based on a survey conducted by Ministry of Health, Labor and Welfare "Survey on nursing service facilities" (October 2019) and the salary of a care staffs in 2020 is based on a survey conducted by Ministry of Health, Labor and Welfare "Survey on treatment of care staffs" (February 2021) (6) Estimated by ExaWizards by multiplying the number of nursing facilities and nursery schools based on "Social welfare facilities survey" (October 2020) and ExaWizards' average annualized revenue of care-related services during March, 2021

Supporting the Realization of the SDGs through Further Functional Enhancements and Penetration

| | Initial Impacts | Mid-term Impacts | Our Goals |
|---|---|--|---|
|   | <ul style="list-style-type: none"> • Diagnosis of Organizational and Individual DX Issues • DX Training Support | <ul style="list-style-type: none"> • Provide “Data-Driven” Judgment and Decision-Making to the Organizations | <ul style="list-style-type: none"> • Improve the Efficiency of Society as a Whole, including Governments, SMBs and Enterprises |
|   | <ul style="list-style-type: none"> • Personal Coaching and Counseling through AI Analysis | <ul style="list-style-type: none"> • Better Workplace, with Less Turnover and Absenteeism | <ul style="list-style-type: none"> • Improve Physical, Mental and Well-being of the Society |
|   | <ul style="list-style-type: none"> • Reduce “40 minutes per day” per staff by Automated Recording(1) | <ul style="list-style-type: none"> • Reduce the burden on Nursing staff / Lower turnover rate • Improve QoL for Caregivers | <ul style="list-style-type: none"> • Improve Satisfaction of Caregivers and their Families |

Notes: (1) Assumed based on a user evaluation in a user survey conducted by ExaWizards

Nihon M&A Center Inc. Adopts ExaWizards’ Company Information Search Engine “exaBase Company Search ” to All Sales Representatives

Use case

Sales representatives can freely access information on and make a list of the companies identified among approximately 4.5 million business entities registered in Japan. This opportunity enables them to find business partners in a more appropriate and comprehensive manner than ever before. Therefore, the time required for a successful M&A deal is expected to decrease, thereby improving productivity.

“exaBase Company Search” Service Features

Covers almost all Japanese companies that disclose their corporate information on the website

You can search for approximately 4.5 million companies that are registered as business entities in Japan and that disclose their corporate information on the website. “exaBase Company Search” covers a large number of unlisted companies, including start-ups, and thus, you can easily find the companies that used to be difficult for you to reach.

Can be connected with company data and CRM/SFA data maintained in your internal systems

If you connect the internally maintained data with “exaBase Company Search,” you can quickly check your business negotiation records with the company you find on the search engine or post your own financial analysis on the company’s page.

Company information can be identified with a keyword close to a feature of the company, and thus, there is no need to care about business category

You can develop a list of companies with any keyword, such as “mask/unwoven fabric” and “blockchain.” You can further search by giving instructions, such as “Make a list of similar companies” and “Make a list of companies in xxx area.” Therefore, you have a chance to find a company that nobody has reached before.

Search results can be filtered and sorted by item and converted into an easy-to-understand form that can be used as potential customer/M&A candidate lists

Search results can be displayed in a list format. Moreover, the companies in the list can be filtered and sorted by sales, address, or profit, and downloaded in an Excel spreadsheet.

Company Overview

| | |
|----------------------------|---|
| Company Name | ExaWizards Inc. |
| Address | 21F, Shiodome Sumitomo Bldg., Higashi Shimbashi 1-9-2, Minato-ku, Tokyo, 105-0021 |
| Other Offices | Kyoto, Hamamatsu, Nagoya, India, US |
| Founded | February 2016 |
| Capital | 2.2 billion yen (as of March 2022) |
| Number of Employees | 351 (as of March 2022) |
| Business | Development of AI-enabled services for industrial innovation and social problems solutions |
| Board Members | Representative Director & President : Ko Ishiyama Director & Chairman : Makoto Haruta Director : Takuma Oue Director : Yutaka Sakane |

Leadership with Deep Industry Knowledge and Proven Track Records

Board of Directors



Ko Ishiyama

Representative Director & President

- Ex** • Director, Recruit HD
Media Technology Lab
Director, Recruit Institute of Technology Promotion Office
- Ex** • Visiting Associate Professor, Tokyo University
- Curt** • Member of Labor Policy Council, MLHW



Makoto Haruta

Director & Chairman

- Ex** • Director & Chairman, DeNA
- Ex** • Owner, Yokohama DeNA BayStars
- Ex** • Sumitomo Bank (Currently known as Sumitomo Mitsui Banking Corporation)



Yutaka Sakane

Director

- Ex** • Assistant, Shizuoka University
- Ex** • Digital Sensation



Takuma Oue

Director, Executive Officer, Head of Business Development

- Ex** • Boston Consulting Group
- 現** • Visiting Associate Professor, University of Hyogo



Yasushi Shingai

Outside Director

- Ex** • Executive VP of JT
- Curt** • Outside Director of
Mitsubishi UFJ Financial Group
Dai-ichi Life Holdings
NTT West
Olympus (Scheduled for June 2022)



Toshihiko Hiura

Outside Director

- Ex** • Chairman, Bain & Company
- Curt** • Aruhi



Naoko Munakata

Outside Director

- Ex** • Commissioner, Japan Patent Office
- Ex** • MITI (Currently known as METI)
- Curt** • Board Member Audit and Supervisory Committee Member, Murata Manufacturing
- Curt** • Professor at the Graduate School of Public Policy, The University of Tokyo

Executive Officers

Tomoaki Maekawa

- Ex** • SONY
- Ex** • Boston Consulting Group

Daiki Hasegawa

- Ex** • TEPCO
- Ex** • Deloitte Tohmatsu Consulting

Koji Hazama

- Ex** • A.T. Kearney

Tomoya Maekawa

- Ex** • Boston Consulting Group

Naofumi Ohtani

- Ex** • IBM Japan
- Ex** • Accenture

Taishin Demura

- Ex** • Corporate Directions
- Ex** • SAP Recruit HD
- Ex** • GREE

Saori Oji

- Ex** • Nomura Research Institute
- Ex** • PwC Consulting LLC (Strategy &)

Tomohiko Kimura

- Ex** • Google
- Ex** • Midokura
- Ex** • Leomo
- Ex** • Moneytree

Kohei Okuno

- Ex** • Deloitte Tohmatsu Consulting
- Ex** • DeNA
- Ex** • Mercari
- Ex** • Seiyu

Yoritaka Handa

- Ex** • Benesse Corporation
- Ex** • Recruit HD

Kochi Kawai

- Ex** • Goldman Sachs

Kazutoshi Takimoto

President & Representative Director of Xware

Satoshi Ishino

Representative Director & President of Exa Homecare

- Ex** • P&G
- Ex** • McKinsey & Company

Nishanth Koganti

ExaWizards India LLP Designated Partner

- Ex** • University of Tokyo
- Ex** • Nara Institute of Science and Technology

Diverse Team of Top Tier Professionals Backgrounds...(1)

Consulting Professionals

Accenture
A.T. Kearney
Bain & Company
Boston Consulting Group
Deloitte Tohmatsu Consulting
Dream Incubator
KPMG Consulting
McKinsey & Company
Nomura Research Institute
PwC Consulting (Strategy &)
etc.

UI / UX Designers Product Managers

CyberAgent
BCG Digital Ventures
BeBit
Dai Nippon Printing
DMM.com
IMJ (now, part of Accenture Group)
LAWSON DIGITAL INNOVATION
LINE
Pivotal Labs
Rakuten Group
The Walt Disney Company (Japan)
etc.

Engineers

ML Engineer

Google/IBM Research Tokyo/Institute of Physical and Chemical Research/
University of Kyoto, University of Tokyo...and many other domestic and international academia and researches

Software Engineer

DeNA/LINE/Microsoft (US)
Rakuten Group/Yahoo Japan, etc.

Infrastructure Engineer

DHL Supply Chain (UK)/Grab (SGP)/
Goldman Sachs/Hewlett Packard
Japan/Mitsubishi Electric Information
Technology Institute/ Salesforce, etc.

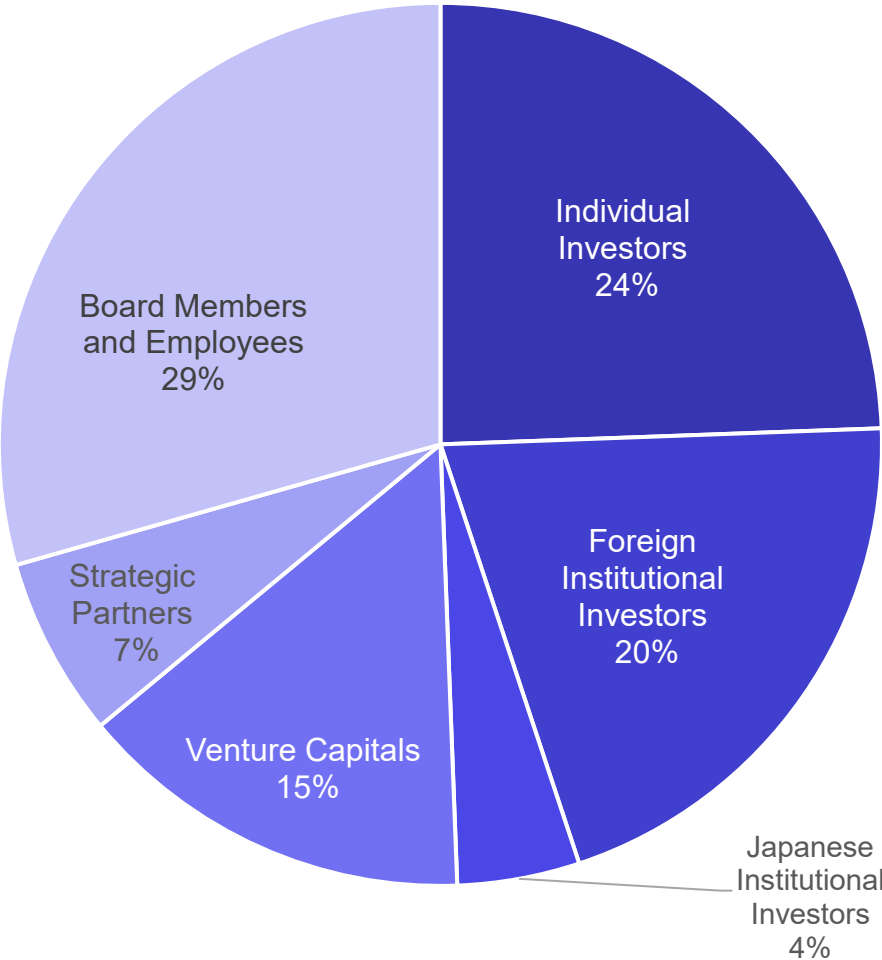
Vertical Specialists⁽²⁾

Finance/Insurance Aflac Life Insurance/
The Dai-ichi Life Insurance/Goldman Sachs/
Mitsubishi UFJ Morgan Stanley Securities/
Sumitomo Mitsui Banking Corporation
Healthcare CHUGAI PHARMACEUTICAL/
Eisai/IQVIA/Kowa/M3/Ministry of Health,
Labour and Welfare/Takeda Pharmaceutical
Manufacturing/Industrials DENSO/
Hewlett Packard Japan/KEYENCE/
Murata Manufacturing/
NGK SPARK PLUG/Panasonic/SONY
Energy erex/TEPCO
Telecom/Infrastructure
NTT Data/NTT Docomo/Softbank
Consumer Goods Calbee/L'ORÉAL/P&G
HR Ministry of Education, Culture, Sports,
Science and Technology/PERSOL CAREER/
Recruit Holdings
etc.

Note: (1) Company names on this page show backgrounds of officers and employees of ExaWizards in alphabetical order (2) Staff with expertise in specific businesses and fields who are involved in the design and development of our services and products related to their expertise

Shareholder Composition (As of March 31, 2022)

Listed on the Tokyo Stock Exchange Mothers Market (currently Growth Market) on December 23, 2021



| | |
|---|-------------|
| Total Number of Shares Authorized to be Issued by the Company | 301,232,000 |
| Total Number of Shares Issued | 79,928,400 |
| Number of Shareholders | 12,696 |

| Shareholder | Number of shares held (thousand) | Shareholding ratio (%) |
|--|----------------------------------|------------------------|
| betaCatalyst Inc. | 8,185 | 10.24 |
| Makoto Haruta | 7,412 | 9.27 |
| iSGS Fund I Investment Limited Partnership | 5,293 | 6.62 |
| Toshikazu Furuya | 3,886 | 4.86 |
| Yutaka Sakane | 3,776 | 4.72 |
| D4V Fund I Investment Limited Partnership | 3,667 | 4.58 |
| MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY – PB | 3,479 | 4.35 |
| GIC PRIVATE LIMITED – C | 3,403 | 4.25 |
| SSBTC CLIENT OMNIBUS ACCOUNT | 3,383 | 4.23 |
| Ko Narukama | 2,689 | 3.36 |

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EXAWIZARDS

AIで、ひとに力を。よりよい社会を。