

October 23, 2023

ExaWizards Inc. (TSE 4259)

**Notice of our Business Alliance with Good Time Living Co. Ltd. and Entry into Back-Office  
Operations Consolidation Services for Nursing Homes Using Generated AI**

ExaWizards, Inc ("the Company") announces that it resolved at its business meeting that their new AI-based back-office operations centralization service that streamlines operations in the nursing care business. The service will be powered by "CareWiz," a management and operations support service specializing in nursing care services provided by the Company.

The Company has formed a business alliance with Good Time Living Co. Ltd. (Chuo-ku, Tokyo; President: Atsushi Kawai; hereinafter "Good Time Living"), a Daiwa Securities Group company, to streamline nursing care billing operations while utilizing Good Time Living's extensive knowledge in operating nursing care facilities. With AI, we can support nursing care facilities and local governments to help solve social issues such as our super-aging society and labor shortages.

**1. Business Entry Purpose**

There is a serious shortage of nursing care personnel due to the decline in the working population. Also, publication of financial statements will become mandatory in 2024, and there is concern that back-office operations in the nursing care industry will become bloated—and it is already difficult for small- and medium-sized businesses such as these to assign a dedicated person to each back-office operation. Discussions are underway to encourage small nursing care corporations to grow, and it is expected that back-office operations will become increasingly consolidated in the future.

ExaWizards is using generative AI to enter into back-office consolidation services for nursing care facilities to solve these issues. ExaWizards has entered into a business alliance with Good Time Living, who operates 32 fee-based nursing homes and condominiums for seniors nationwide. Through this business alliance, Good Time Living will be the first in the industry to utilize ICT technology to save labor in peripheral and back-office operations at nursing care facilities, allowing nursing care staff to engage in more specialized tasks and improve customer satisfaction. We will continue to improve the efficiency of nursing care billing operations while drawing on Good Time Living's wealth of knowledge on how nursing care facilities are operated.

We estimate the market for back-office operations at nursing care facilities to be approximately 300 billion yen\*. We plan to collaborate with others in this industry to develop AI services to improve the efficiency of back-office operations, such as accounting and human resource management.

\*Based on the Ministry of Health, Labour and Welfare's "Overview of the 2021 Survey of Nursing Care Service Facilities and Establishments," we estimate that there are approximately 250,000 nursing care facilities in Japan.

## 2. New Business Outline

### (1) New business description

The new generative AI service consists of a series of billing operations using uploaded receipts, service delivery charts, and other documents that demonstrate actual usage.

Conventional billing operations require accurate recording and billing of information that can vary depending on the content and duration of nursing care services. This workload can affect service provision if the system is not sufficiently prepared. Our service streamlines the billing process for caregivers with the latest generative AI technologies to eliminate complexity and create an environment in which caregivers and frontline staff can focus on their primary caregiving duties.

### (2) Date of business launch and sales segmentation

The business is scheduled to start during the fiscal year ending March 31, 2025. Sales will be recorded in the AI product business.

### (3) Details of special expenditures to start this business

There are no plans at this time to make special expenditures to start this business. It will be conducted as part of normal business operations.

## 3. Schedule for Business Entry and Business Alliance

(1) Date of the business meeting resolution	October 23, 2023
(2) Date of the business alliance agreement conclusion	October 23, 2023
(3) Date of business alliance commencement	October 23, 2023
(4) Scheduled date of business commencement	Mid-term March 2025 (to be determined)

## 4. Future Outlook

The impact of this business alliance on the Company's business performance for the current fiscal year is currently under scrutiny. The Company believes that it will enhance their corporate value in the mid-to-long term. All required future disclosures will be executed promptly.

**(Reference 1) Consolidated earnings forecast for the current fiscal year (announced on August 14, 2023) and consolidated results for the previous fiscal year.**

(Millions of Yen)

	Consolidated Sales	Consolidated Operating Income	EBITDA
Consolidated Earnings Forecast for the Current Fiscal Year (Year ending March 31, 2024)	8,500	-290	600
Consolidated Results for the Previous Fiscal Year (Year ending March 31, 2023)	5,591	-378	72

**(Reference 2) Outline of Alliance Partners**

(1)	Name	Good Time Living Co. Ltd.
(2)	Head Office	RBM Kyobashi Building 7F, 3-4-8 Hatchobori, Chuo-ku, Tokyo (Registered address: 1-9-1 Marunouchi, Chiyoda-ku, Tokyo)
(3)	Representative	Masanobu Okaguchi, Chairman and Representative Director Atsushi Kawai, President and Representative Director
(4)	Business	(1) Operates fee-based nursing homes, condominiums for seniors, etc. (2) Provides lifestyle support services required at the above facilities (3) Provides nursing care services (4) Various services incidental and related to (1) through (3)
(5)	Date Established	April 1, 2005
(6)	Major Shareholders and Shareholding Ratio	Daiwa Securities Group Inc. (100%)

\*The items listed above are voluntary disclosure items. Some information such as capital, relationships between the listed company and the relevant company, financial positions, and operating results of the relevant company have been omitted.

-End-