March 22, 2023

ExaWizards Inc. (TSE 4259)

Notice of Decision Regarding the Repurchase of Own Shares (Acquisition of own shares under the Articles of Incorporation pursuant to Article 165, paragraph 2 of the Corporation Law of Japan)

The Company announces that its Board of Directors resolved at a meeting on March 22, 2023 to repurchase its own shares under Article 156 of the Corporation Law of Japan as applied pursuant to Article 165, paragraph 3 of the same law, as described below.

1. Reason for Repurchase

The repurchase is being conducted in light of current trends of the capital markets, in consideration of our current cash position, foundation for mid-to-long term profit growth, and growth investment capital. The Company's treasury stock is intended to be used for strategic M&A and capital alliances, as well as for stock options, in accordance with our flexible capital policy.

2. Details of Repurchase

(1)	Class of Shares	Common Stock
(2)	Total Number of Shares to be Repurchased	4 million (maximum) (4.8% of total shares outstanding, excluding treasury stock)
(3)	Total Amount to be Paid for Repurchase	1,200 million yen (maximum)
(4)	Period of Repurchase	From March 23, 2023 to September 29, 2023
(5)	Method of Repurchase	Purchase on the Tokyo Stock Exchange

(Reference 1) Treasury Stock as of December 31, 2022

Total Number of Shares Outstanding (excluding treasury stock)	82,725,100
Number of Treasury Stock	–

EXAWIZARDS

(Reference 2) Q&A Regarding the Share Repurchase

Q1	What is the purpose of this share repurchase?
A	■ This transaction is a strategic measure for further growth in the future, and treasury stock will be used to ensure mobility and flexibility for the M&A and capital alliances, as well as for stock options to recruit and retain employees ■ The resolution was passed in consideration of the current trends of the capital markets, the Company's business environment, the Company's policy on the use of treasury stock in the future, and the Company's financial position in light of its projected investment for mid-to-long term growth, among other factors, and determining that commencing the acquisition at this time is appropriate ■ There are no specific M&A plans that have been decided at this time

Q2	■ Does the decision to invest funds in share repurchases change the company's mid-to-long term growth prospects? Should we view this as a change in the company's growth stage or investment policy, or will it affect future growth investments or financial stability?
A	■ The Company's growth strategy remains unchanged, and we will continue to focus on mid-to-long term performance growth and promote growth investment in business and human resources in the next fiscal year and beyond ■ The Company has cash equivalents of approximately 4.9 billion yen as of December 31, 2022, and expects to maintain an equity ratio of approximately 80% after the share repurchase, and thus considers its financial strength to be strong ■ In addition to the above, the Company has an overdraft facility of up to 1.5 billion yen with a financial institution, which allows it to flexibly procure funds from external sources and to respond flexibly to disruptive business expansion

Q3	Is there any relationship between this share repurchase and the change of representative director announced at the same time?
A	■ Company today resolved a change of representative directors. Ko Ishiyama has requested the change of representative director in order to appropriately respond to changes in his family's health condition and his situation ■ On the other hand, the Company has decided to repurchase its own shares at this time after comprehensively considering the current trends in the capital market, the Company's business environment, the Company's policy on the use of treasury stock in the future, and the Company's financial position in light of its projected mid-to-long term growth investments, as well as long-term strategy discussions by the management team, and has decided that it is best to commence the repurchase at this time. Therefore, the resolution of the Board of Directors was passed on the same day ■ Therefore, although the Board of Directors' resolution was passed on the same day, there is no direct relationship between the change of representative director and this repurchase, and the Company will continue to pursue a flexible capital policy

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