May 30, 2023

ExaWizards Inc. (TSE 4259)

Notice of Business Alliance with NS Solutions Corporation

The Company hereby announces that at an extraordinary management meeting held today, it was resolved to enter into a basic agreement on business alliance with NS Solutions Corporation (Head Office: Minato-ku, Tokyo; Representative Director and President: Kazuhiko Tamaoki; hereinafter referred to as "NSSOL").

Through this business alliance, the two companies will establish a comprehensive partnership to promote DX for clients of both companies and to strengthen sales and offerings for the launch of exaBase Studio. In the mid-to-long term, the two companies will further expand their collaboration and partnership to expand the business of both companies and solve the social issue of improving the productivity of Japanese companies as a whole.

1. Background of Business Alliance

On May 11, 2022, ExaWizards announced exaBase Studio, a development environment that enables customers to build and operate AI/digital transformation (DX) software internally. It is promoting a development environment for launch this year that supports the efficient design and development of AI software and that freely integrates with external models and internally developed models in addition to the company's AI models managed on exaBase that store practical use cases and know-how for implementation in a wide range of industries.

Meanwhile, NSSOL has set "solving social issues through IT" as one of its key sustainability issues, and under its vision of being the "First DX Partner," NSSOL aims to build deep relationships with its customer, support their IT systems, talk about the future vision of their business, challenge and accompany them to realize it, and deeply contribute to customer's DX progress.

Specifically, NSSOL has received the Top Reseller Partner Award WorldWide (April 2023) in recognition for being the No. 1 distributor globally from DataRobot (USA), a provider of a machine learning platform that can use AI for data analysis and numerical forecasting, as a partner that leads to success in the utilization, retention, and expansion of AI by many Japanese companies, and the Innovative Partner of the Year (APAC) 2022 (January 2023) as the company that contributed most to the growth of the partner ecosystem, from Talend (USA), a provider of a data analysis platform.

In the context of the above,the two companies discussed the expansion of their business areas through sales and provision of exaBase Studio and consulting for customers' DX promotion, as well as efforts to strengthen their execution capabilities, with the aim of expanding the future and business of both companies.

2．Outline of Business Alliance

Through this business alliance, NSSOL and ExaWizards will make mutual use of each other's customer base, sales strategy, domain knowledge related to customer operations, technical capabilities and business development capabilities in the digital and AI fields, and human resource development know-how, and will mainly undertake the following initiatives:

1. Complementing the services provided by both companies through sales collaboration centered on exaBase Studio
2. NSSOL acting as a dealer for sales of ExaWizards products (e.g., exaBase DX Assessment & Learning)
3. Providing DX promotion consulting and business development services to NSSOL customers through ExaWizard's AI platform business

The two companies will enter into a comprehensive partnership centered on exaBase Studio to promote DX and improve the productivity of customers of both companies, and both companies will further expand their collaboration and partnership in the medium to long term to expand their businesses and solve the social issue of improving the productivity of all Japanese companies.

3．Outline of counterparties (as of March 31, 2023)

(1)	Name	NS Solutions Corporation	
(2)	Address of Head Office	1-17-1 Toranomon, Minato-ku, Tokyo, Japan	
(3)	Title and name of representative	Representative Director and President Kazuhiko Tamaoki	
(4)	Description of Business	Management and systems consultation	
(5)	Capital	Planning, design, development, construction, operation, maintenance and management of information systems	
(6)	Date of Establishment	Development, manufacture, sale and lease of software and hardware related to information systems	
(7)	Major Shareholders and Shareholding Ratio (As of March 31, 2023)	Nippon Steel Corporation	63.42%
		The Master Trust Bank of Japan, Ltd.	6.23%
		JPMorgan Chase Bank 385632	4.03%
		The Custody Bank of Japan, Ltd.	3.32%
		NS Solutions Employee Stock Ownership Plan	2.24%
		State Street Bank and Trust Company 505001	1.55%
		UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	0.89%
		MSIP CLIENT SECURITIES	0.73%
(8)	Relationship between the listed company and the company concerned	Capital Relations	Not applicable.
		Human relations	Not applicable.
		Business Relationship	Company has business transactions with the company.
		Status as a related party	The company is not a related party of the Company.
(9)	Consolidated operating results and consolidated financial position of the company for the past three years		

Fiscal Year End	Year ending March 31, 2021	Year ending March 31, 2022	Year ending March 31, 2023
Net Assets	186,128 Million yen	203,429 million yen	207,800 million yen
Total Assets	272,223 million yen	296,790 million yen	319,908 million yen
Net Assets per Share	1,965.32 yen	2,149.59 yen	2,191.60 yen
Sales	251,992 million yen	270,332 million yen	291,688 million yen
Operating income	24,549 million yen	29,815 million yen	31,738 million yen
Ordinary income	25,101 million yen	30,811 million yen	32,101 million yen
Net income attributable to owners of the parent	16,982 million yen	19,977 million yen	22,000 million yen

*For the fiscal year ended March 31, 2023, consolidated financial position under IFRS is shown because the Company has adopted International Financial Reporting Standards (IFRS) in place of Japanese GAAP from the first quarter of the fiscal year ending March 31, 2023. Ordinary income for the same year represents income before income taxes.

4. Schedule of this Business Alliance

(1) Date of resolution of extraordinary management meeting	May 30, 2023
(2) Date of conclusion of business alliance agreement	May 30, 2023
(3) Date of commencement of business alliance	June 1, 2023

5. Future Outlook

The impact of this business alliance on the Company's business performance for the current fiscal year is currently under scrutiny, but the Company believes that it will contribute to the enhancement of the Company's corporate value in the mid-to-long term. If the need for timely disclosure arises in the future, we will promptly disclose the information.

(Reference) Consolidated earnings forecast for the current fiscal year (announced on May 11, 2023) and consolidated results for the previous fiscal year

(Millions of Yen)

	Consolidated Sales	Consolidated Operating Income
Consolidated Earnings Forecast for the Current Fiscal Year (Year ending March 31, 2024)	7,000	△370
Consolidated Results for the Previous Fiscal Year (Year ending March 31, 2023)	5,591	△378

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