

Tokyo Stock Exchange Prime Market: Securities Code 3992

Needs Well Inc.
Financial Results
for the Third Quarter of Fiscal Year 2024
(October 1, 2023 – June 30, 2024)

August 08, 2024



NeedsWell
Try & Innovation



1. 2024/9 3Q Financial report summary



2. Medium-Term Management Plan (2022/9-2025/9)



3. 2024/9 3Q Growth strategy



4. Reference



At the beginning of the previous fiscal year (FY2023/9), we acquired BO STUDIO and conducted Purchase Price Allocation (PPA), resulting in the finalization of amortization for customer-related assets in FY2023/9 4Q..

In accordance with the Accounting Standard for Business Combinations, amortization related to PPA has been deemed to be evenly distributed from the beginning of FY2023/9. As such, year-on-year comparisons are calculated based on the figures under ① in the table below.

Unit: million JPY	FY2023/9							
	① Values used to calculate year-on-year comparisons in this document In the case PPA is deemed to be evenly amortized from the beginning of FY2023/9. Figures in () are differences from those under ②.				② Published values In the case PPA is only amortized in 4Q.			
	1Q	2Q	3Q	Full year 4Q*	1Q	2Q	3Q	Full year 4Q*
Net sales	2,020 (0)	4,180 (0)	6,359 (0)	8,761 (0)	2,020	4,180	6,359	8,761
Operating profit	<u>239</u> (-10)	<u>573</u> (-20)	<u>774</u> (-30)	1,100 (0)	<u>248</u>	<u>593</u>	<u>804</u>	1,100
Ordinary profit	<u>239</u> (-10)	<u>586</u> (-20)	<u>802</u> (-30)	1,135 (0)	<u>249</u>	<u>606</u>	<u>831</u>	1,135
Profit attributable to owners of parent	<u>160</u> (-7)	<u>392</u> (-13)	<u>537</u> (-20)	837 (0)	<u>167</u>	<u>405</u>	<u>557</u>	837

* There is no impact on figures under "Full year (4Q)."



Our service lines changed from the first quarter of the current fiscal year (FY2024/9) as follows:

- Business Systems SI and Connected Systems were consolidated into Business Systems SI.
- "Infrastructure Services" was renamed to "IT Infrastructure," and Software Testing and IT Support, which were previously part of Business Systems SI, were consolidated into IT Infrastructure.

1.1 Financial highlights

Ordinary profit **increased 14.6%** year-on-year, and ordinary profit margin was **12.8%**, maintaining high profitability

- ✓ Life insurance, public sector, and telecommunications remained steady
- ✓ New services of migration development, software testing, and IT outsourcing performed strongly



Net Sales	7,168 million JPY	YoY	+12.7 %	
Ordinary profit	919 million JPY	YoY	+14.6 %	Ordinary profit margin 12.8 %
Profit attributable to owners of parent	662 million JPY	YoY	+23.4 %	Net profit ratio 9.2 %

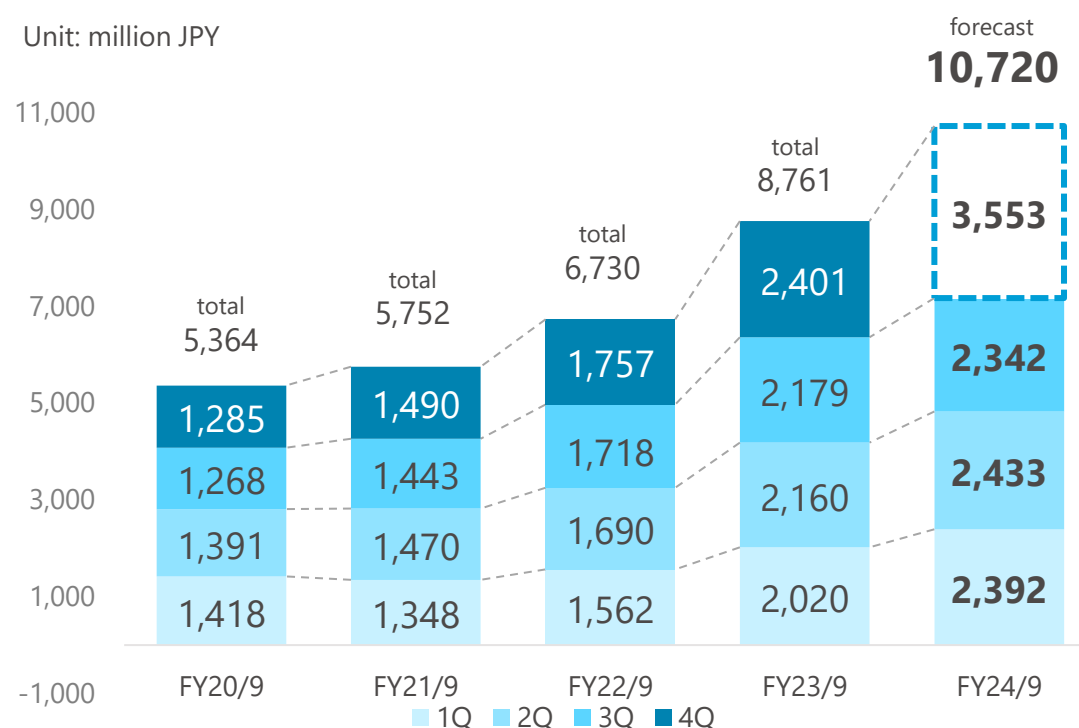
1.2 Trends/comparison by FY

Net sales by quarter **increased 12.7% year-on-year**

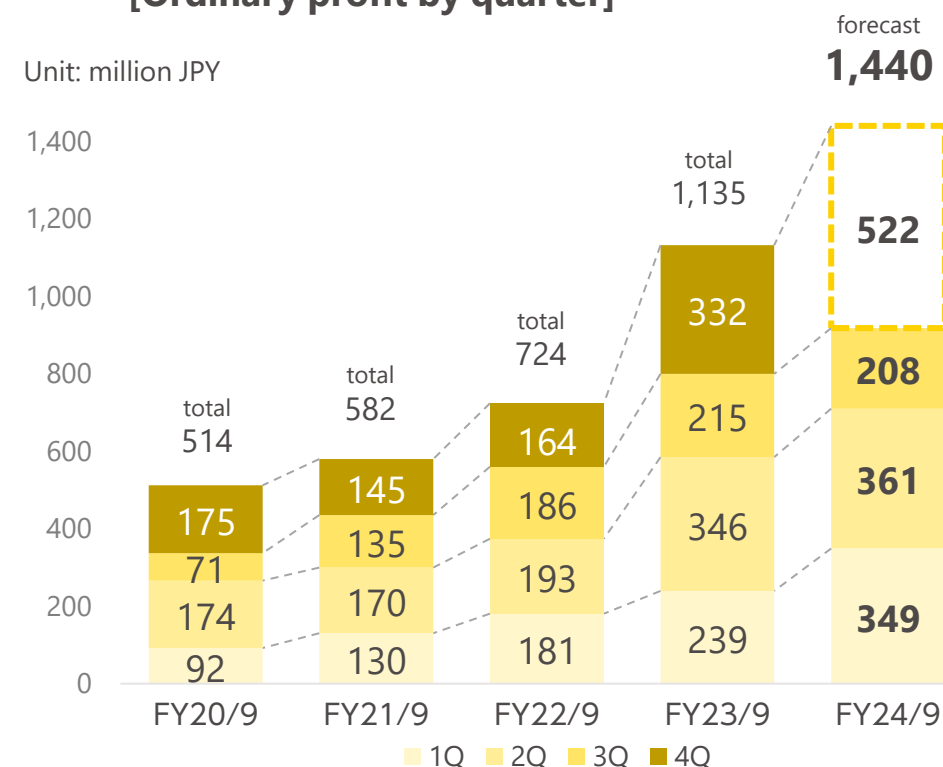
Ordinary profit by quarter **increased 14.6% year-on-year**

- ✓ Despite personnel and training expenses incurred for 56 new employees from April to May, high profitability was maintained through operational efficiency
- ✓ 7.5% strategic salary increase via raises and restricted stock compensation, and strategic investments in generative AI solutions through industry-academia collaboration

[Net sales by quarter]



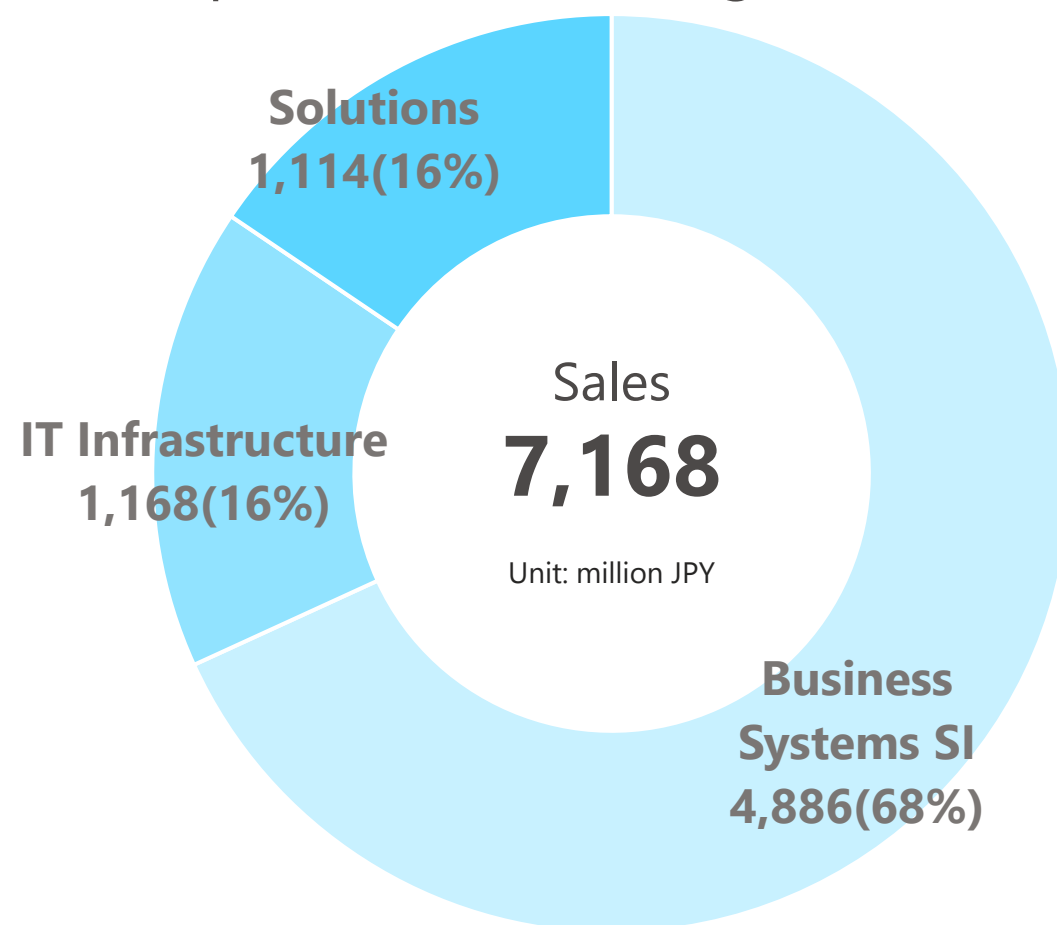
[Ordinary profit by quarter]



1.3 Net Sales Trends by Service Line

Exceeded year-on-year in all service lines

“Migration Development,” “IT Outsourcing,” and “Solutions,” all of which are the focus areas of the current period, were strong



✓ Summary of the first quarter of 2024/9

■ Business Systems SI **115.9%** year-on-year

Migration development using nearshore bases and projects for life insurance, public agencies, and telecommunications remained steady.

■ IT Infrastructure **100.7%** year-on-year

Software Testing and IT Support were added to our menu.

Third-party software testing for telecommunication carriers, IT outsourcing for pharmaceuticals and hotels, and infrastructure services for nonlife insurance, telecommunications, and electric companies remained steady.

■ Solutions **113.4%** year-on-year

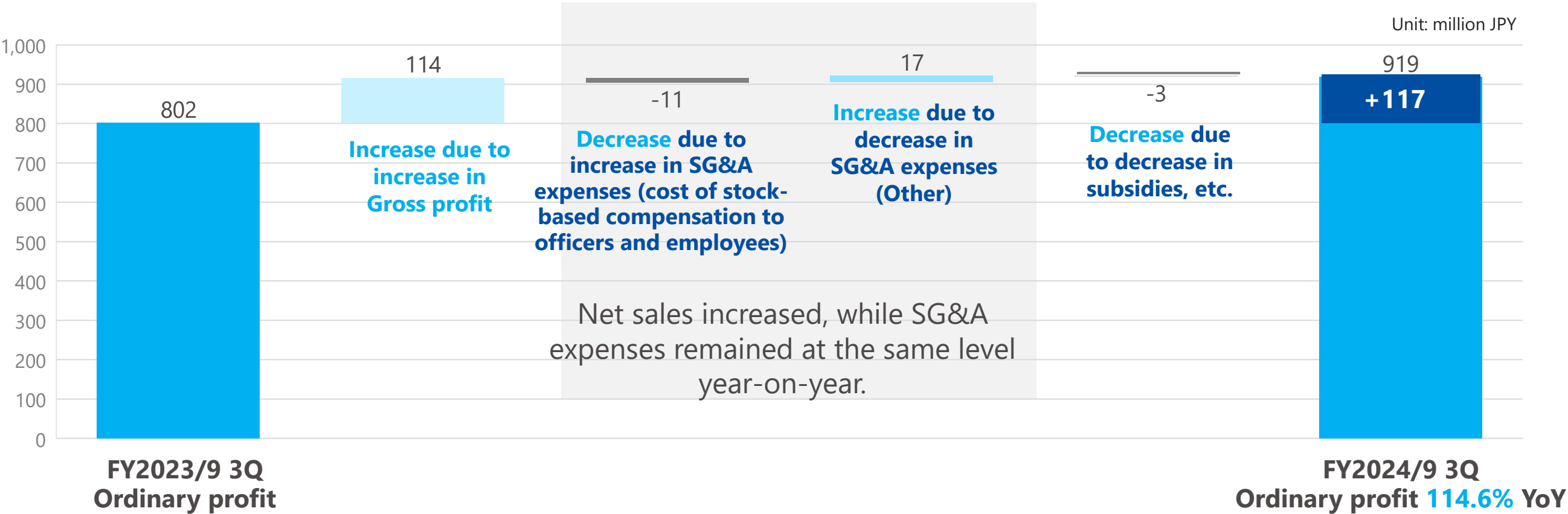
We focused on differentiation from other companies through the provision of unique solutions and services, further expanding orders.

Development of generative AI solutions with Nagasaki University is currently undergoing an effectiveness evaluation.

1.4 Ordinary profit analysis

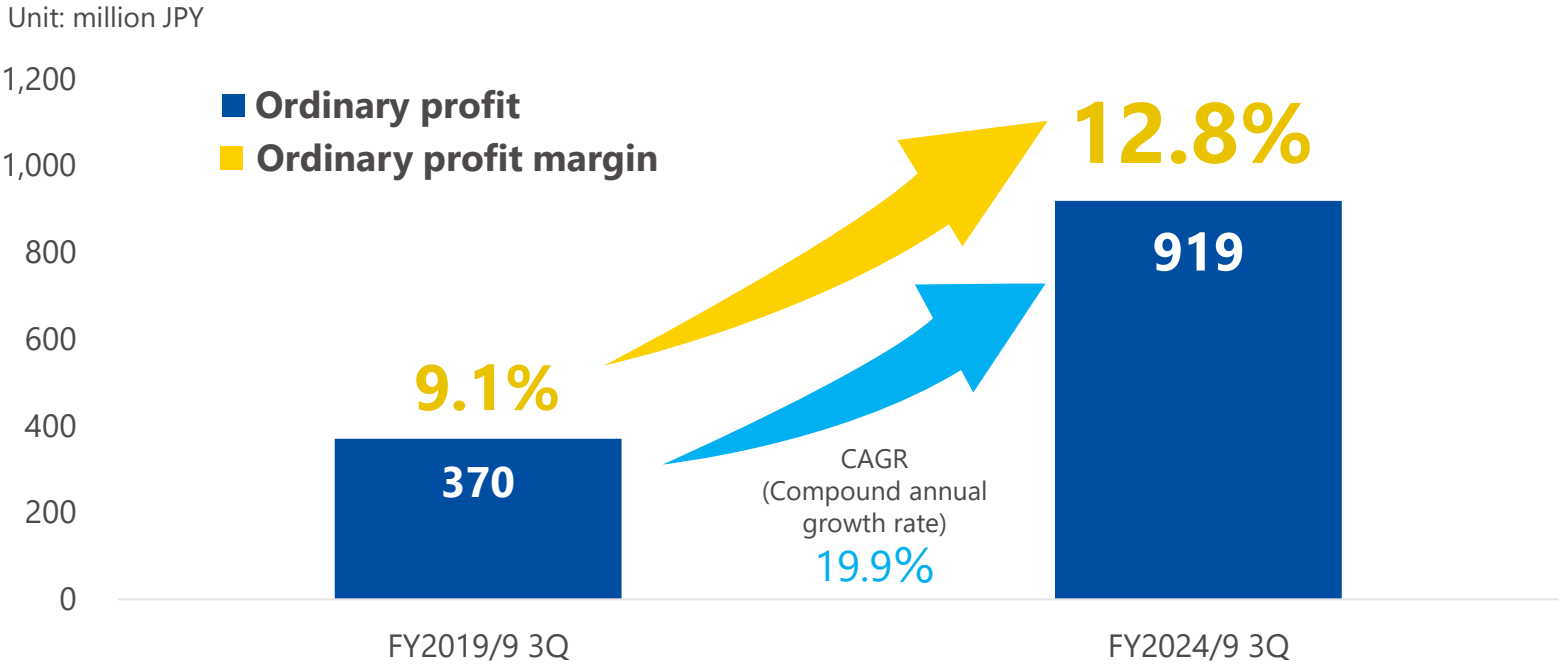
ordinary profit **increased 14.6% year-on-year**, showing significant growth

- ✓ **Gross profit** increased by 114 million JPY (+7.5% year-on-year) due to increased orders and acquisition of high-value-added projects.
- ✓ **SG&A expenses** remained at the same level (99.1% year-on-year) mainly due to business efficiency improvement and higher efficiency through online sales



1.5 Reform to high profitability structure

Succeeded in a **reform** to a **high profitability structure**, expanding net sales



Efforts	Indicator	FY2019/9 2Q	FY2024/9 2Q	Comparison
• Increasing the end user composition ratio to acquire high-value-added projects	End user composition ratio	55%	65%	○
• Improving productivity and operational efficiency utilizing measures such as low code development, upskilling through educational training, AI and RPA	SG&A expenses rate	14.5%	10.4%	○
• Transforming a policy from dispatch to contracts	Contract projects	Approx.10%	Approx. 90%	○
• Efforts for expanding stock sales	Stock sales ratio	62%	65%	○

1.6 Profit & loss statement

Ordinary profit margin achieved targets, and ROE remained at a high level

Unit: million JPY	FY2023/9 3Q Financial Results		FY2024/9 3Q Financial Results					KPI achievement		
	Result	Net Sales	Result	Net Sales	Year-on-year	Achievement rate	Forecast	Item	Numerical targets	Results
Net sales ※1	6,359	-	7,168	-	112.7%	66.9%	10,720	Net sales growth rate	20% or more	12.7%
Business Systems SI	4,216	66.3%	4,886	68.2%	115.9%	63.2%	7,735	Gross profit margin	25% or more	22.9%
IT Infrastructure Solutions	1,160	18.2%	1,168	16.3%	100.7%	106.7%	1,095	SG&A expenses rate	10% or less	10.4%
Gross profit	983	15.5%	1,114	15.5%	113.4%	59.0%	1,890	Ordinary profit margin	10% or more	14.7%
M&A-related amortization	1,527	24.0%	1,641	22.9%	107.5%	-	-	EPS *2	¥50 or more	Renewal for the full year only
Others	40	0.6%	40	0.6%	100.0%	-	-	PER *2	30 times or more	Renewal for the full year only
SG&A expenses	712	11.2%	705	9.8%	99.1%	-	-	ROE *2	20% or more	Renewal for the full year only
Operating profit	752	11.8%	746	10.4%	99.1%	-	-			
Non-operating profit	774	12.2%	895	12.5%	115.6%	62.2%	1,440			
Non-operating expenses	33	0.5%	27	0.4%	81.2%	-	-			
Ordinary profit	6	0.1%	3	0.0%	55.7%	-	-			
Net profit	802	12.6%	919	12.8%	114.6%	63.9%	1,440			
	537	8.4%	662	9.2%	123.4%	67.6%	980			

* 1 As the classification of the service line changed from the current fiscal year, net sales by service line for FY2023/9 2Q were reclassified to the revised classification.

* 2 EPS, PER, and ROE will be judged when the full-year results for the fiscal year ending September 2024 are finalized.

1.7 Balance sheet

Maintained a stable financial position (equity ratio : 73.3%)

*Selection of significant entries only		FY2023/9	FY2024/9 3Q	
Unit: million JPY		Result	Result	Year-on-year
Assets	Cash and deposits	2,519	1,891	-627
	Accounts receivable - trade and contract assets	1,827	1,988	160
	Prepaid expenses	33	65	31
	Others	-2	191	194
	Total current assets	4,379	4,137	-241
	Buildings, net	32	43	11
	Software	58	47	-10
	Software in progress	7	2	-4
	goodwill	370	329	-40
	Customer-related assets	389	361	-27
	Investment securities	357	414	56
	Deferred tax assets	151	134	-17
	Leasehold and guarantee deposits	100	146	45
	Insurance funds	76	76	0
	Other	24	113	89
	Total non-current assets	1,568	1,670	101
	Total assets	5,947	5,808	-139

*Selection of significant entries only		FY2023/9	FY2024/9 3Q	
Unit: million JPY		Result	Result	Year-on-year
Liabilities	Accounts payable - trade	648	345	-302
	loans	19	20	1
	Accounts payable - others	502	220	-281
	Accrued corporate tax, etc.	230	104	-125
	Accrued consumption taxes	157	126	-30
	Deposits received	76	64	-12
	Provision for bonuses	379	153	-225
	Others	32	332	300
	Total current liabilities	2,046	1,369	-677
	loans	38	32	-5
	Long-term deferred tax liabilities	134	125	-9
	other	14	14	0
	Total non-current liabilities	187	172	-14
	Total liabilities	2,234	1,541	-692
Equity	Share capital	908	908	0
	Legal capital surplus	765	794	28
	Retained earnings brought forward	2,659	3,065	405
	Treasury shares	-694	-616	77
	Valuation difference on available-for-sale securities	65	105	39
	Non-controlling interests	8	9	1
Total net assets		3,713	4,266	552
Total liabilities and net assets		5,947	5,808	-139

1.8 Initiatives for perpetuating the company

Enhancing shareholder satisfaction

- **Changed the target of payout ratio from 30% to 35%** (April 2024)
- **Increased PR frequency and enriched contents of “FAQ” on the website** (April to June 2024)
- **Purchased treasury shares** (June to September 2024)

Enhancing employee satisfaction

- **Opened the Nagata-cho Office** due to business expansion
 - └ **Integrated the Shinjuku Office and Daimon Satellite Office** (April 2024)
- **Introduced a “Student Loan Assistance Program”** (June 2024)
- **Introduced a “Social Contribution Program”** (June 2024)

New services and solutions

- **Orders for Concur Standard implementation and related solutions were strong**
 - └ **Implemented by over 50 companies** (April 2024)
- **Started offering BI Startup and Corpo Card** (June 2024)
- **Launched internal FAQ and shareholder QA services** (July 2024)



1. 2024/9 3Q Financial report summary



2. Medium-Term Management Plan (2022/9-2025/9)



3. 2024/9 3Q Growth strategy



4. Reference

2.1 Medium-Term Management Plan 2023-2025

To achieve the Medium-Term Management Plan FY2025 Targets of **13.0 billion JPY in net sales** and **1.8 billion JPY in ordinary profit**, Needs Well will continue efforts to **expand existing businesses**.

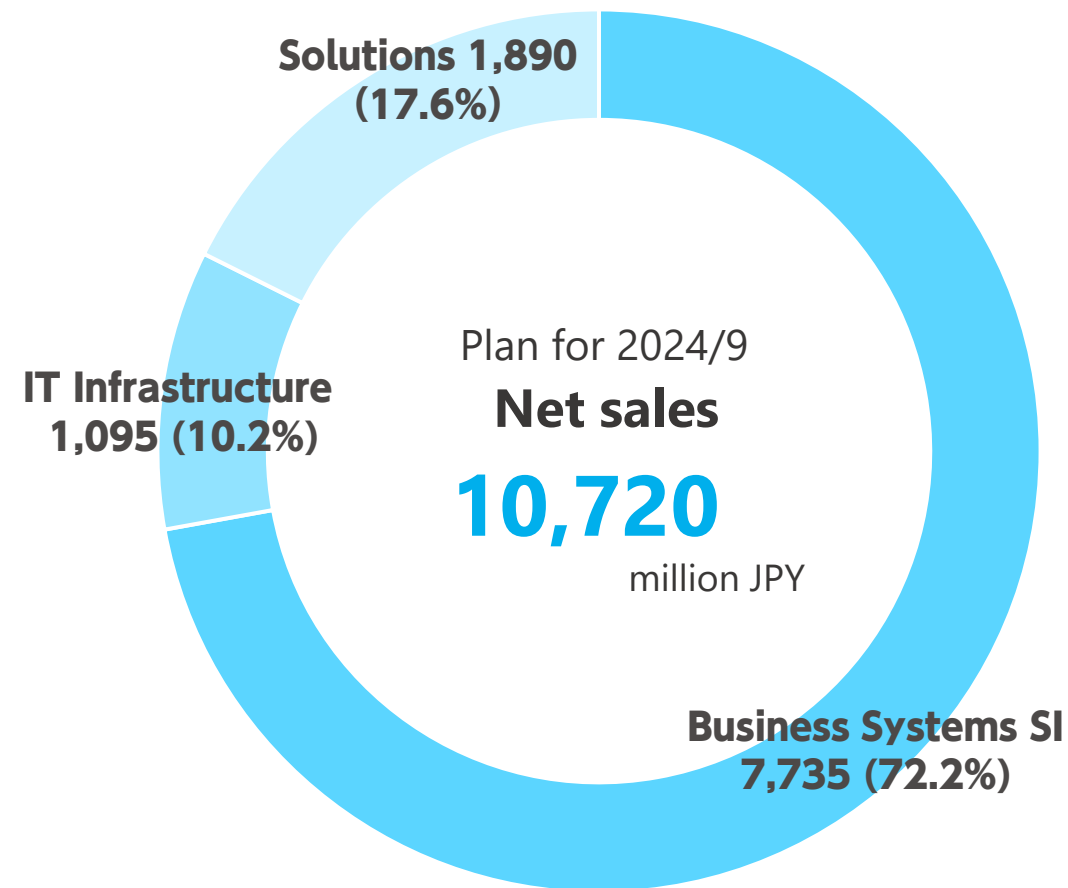
	Result		Medium-Term Management Plan		
	FY2022	FY2023	FY2024	FY2025	CAGR 2022-2025(%)
sales	67 Existing Businesses 67 M&A -	87 Existing Businesses 81 M&A* 6	110 Existing Businesses 105 M&A * 5	130 Existing Businesses 129 M&A * 1	25.3
Ordinary Income	7	11	15	18	36.7

* M&A sales in the previous year are included in existing businesses.

* As of the date of this release, the specific partner of the M&A after 2024 has not been decided, but we are conducting research.

2.2 Sales Plan by Service Line (Consolidated) for FY2024/9

Continue to focus on **Business Systems SI** as our core business, and expand high-demand, revenue-generating **IT Infrastructure** and **Solutions** further



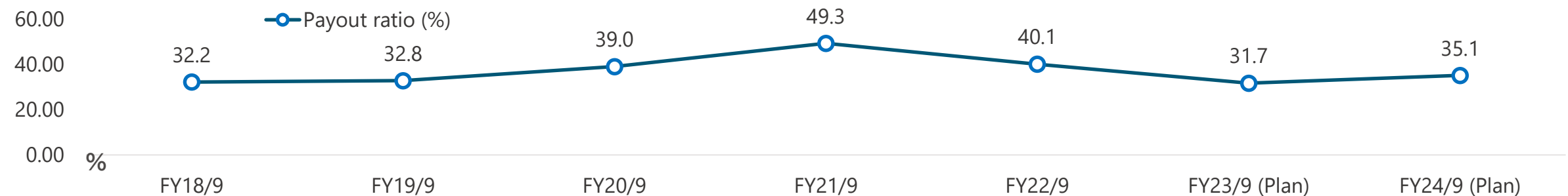
Unit: million JPY (% to net sales)

2.3 (1) Shareholder returns

FY24/9 Dividends per share: **9 JPY/share** **2.25 JPY** increase year-on-year

While emphasizing shareholder returns, we will work to increase employee salaries and bonuses in seeking economic growth and securing talent.

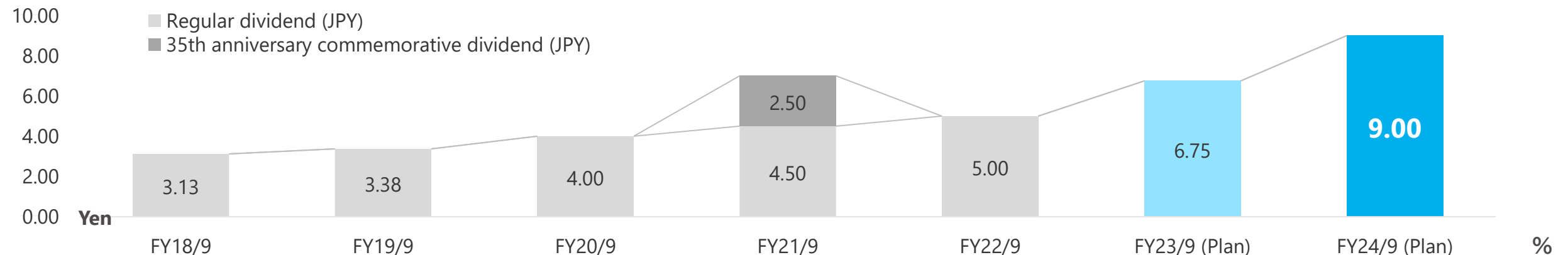
Payout ratio trend



* Total return ratio (%) = (Payments for dividends + Payments for treasury share purchase) / Profit

* Due to treasury share purchase in 2022 and 2023, the total return ratios for 2022 and 2023 were 79.6% and 90.5%, respectively.

Dividend trend



* The Company paid a commemorative dividend in commemoration of the Company's 35th anniversary for the fiscal year 2021/9.

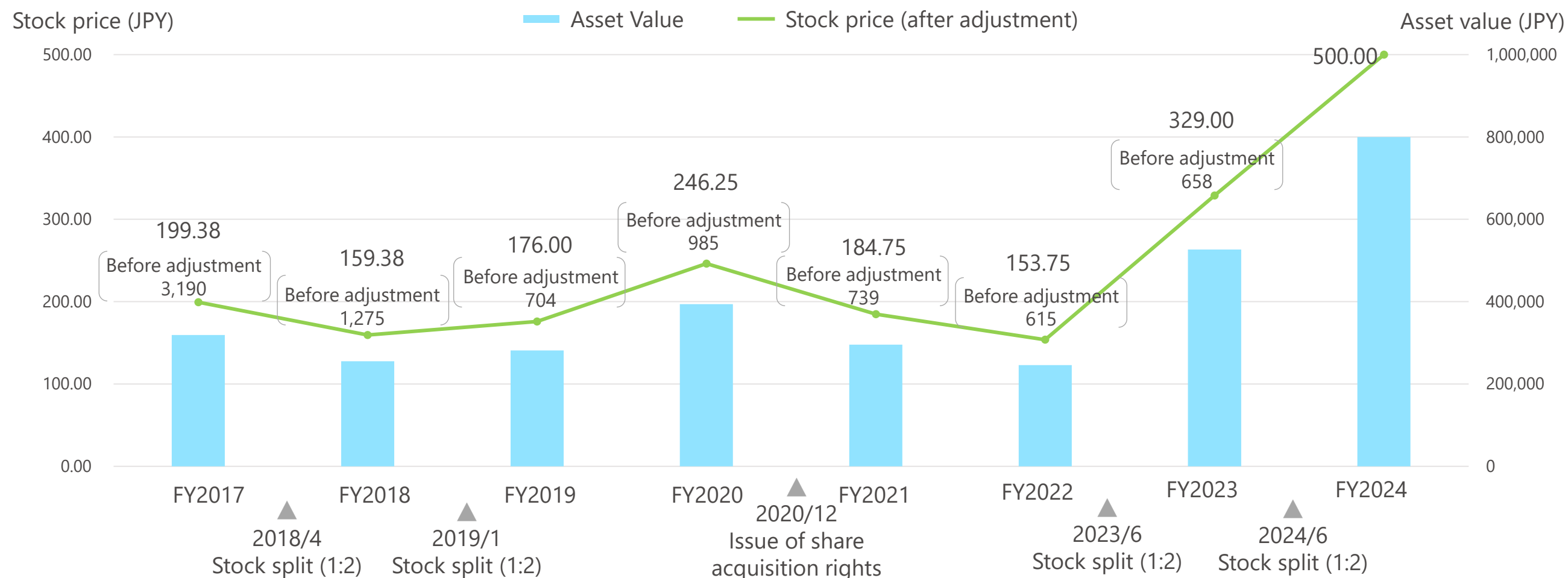
* Needs Well conducted stock splits on April 1, 2018, January 1, 2019, June 1, 2023 and June 1 2024 at a ratio of 2 shares per share. Past annual dividends per share have been retrospectively adjusted based on these stock splits.

2.3 (2) Dividends and shareholder returns

Asset value **growth** through **long-term ownership**

Image of the asset value trend if 100 shares were purchased upon our listing (in September 2017) and held continuously

If shares were purchased upon our listing ➡ Asset value will have increased by approx. 150% over about 7 years
(Stock price is assumed to be JPY500 for FY2024).





1. 2024/9 3Q Financial report summary



2. Medium-Term Management Plan (2022/9-2025/9)



3. 2024/9 3Q Growth strategy



4. Reference

3.1 Management philosophy and medium-term policy

■ Management philosophy

Contributing Broadly to the Economy and Society

■ Management policy

Constantly evolving, Needs Well continues to contribute broadly to the economy and society with the slogan "Try & Innovation."

■ Medium-term basic policy

Transition to a true system integrator

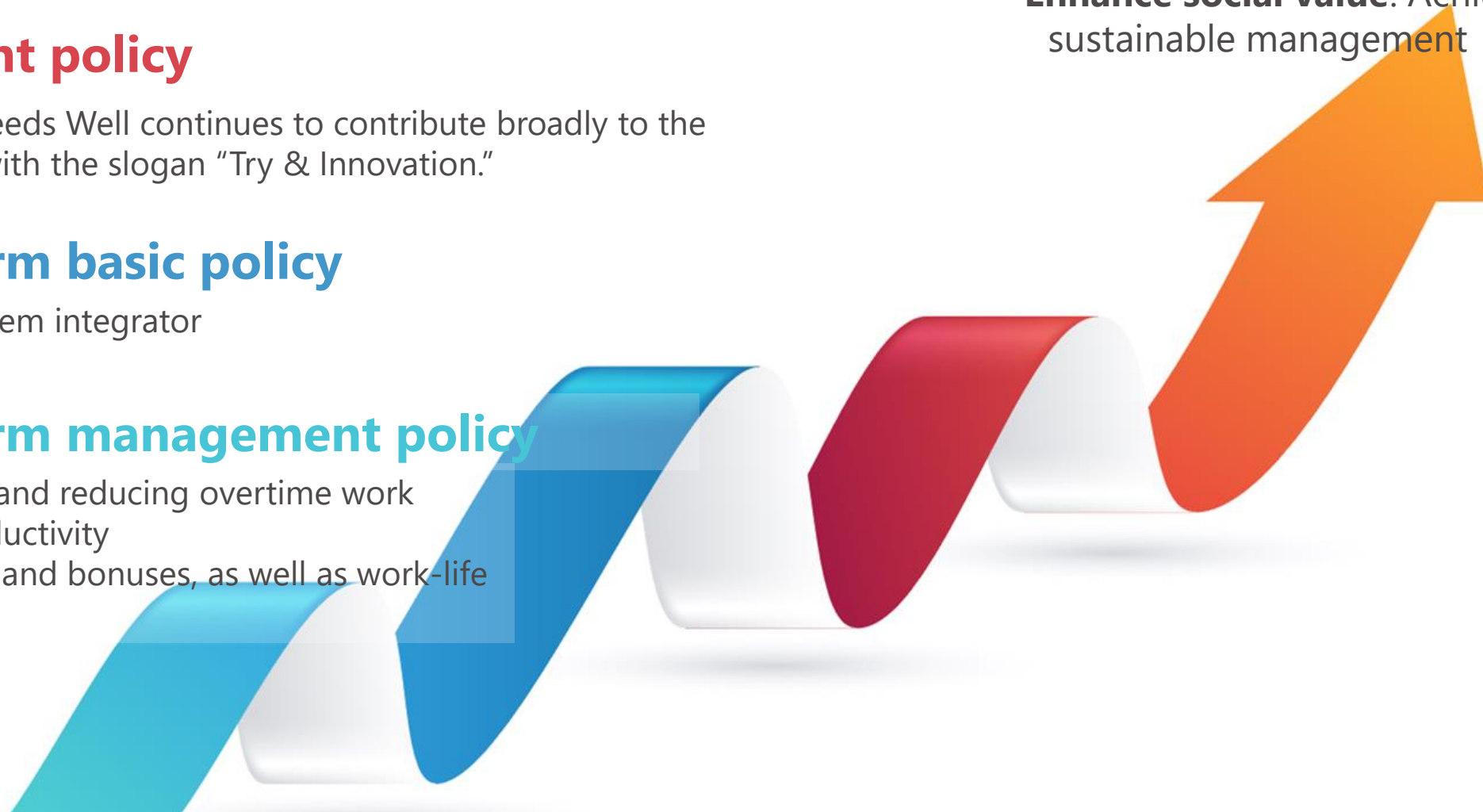
■ Medium-term management policy

Improving profitability and reducing overtime work through increased productivity
Achieving high salaries and bonuses, as well as work-life balance

Enhance corporate value

Enhance business value: Achieving performance and business targets

Enhance social value: Achieving sustainable management



3.2 Growth strategy

To achieve sustained growth, measures from various aspects are implemented

Responding to increasing demand
for system development

Business Expansion



Strengthening collaboration with business
alliance partners and core partners

Strengthening project system



Support with systems and aid

Enhancing employee satisfaction



Expanding and improving **solutions**

- Strengthening solutions (Dgent, UI/UX, SAP, Concur, logistics)
- Strengthening services (migration, IT outsourcing, software testing)
- Strengthening collaboration (FUJI YAKUHIN Co., Ltd., Canon IT Solutions Inc.)
- Strengthening sales (online sales, web seminars, press releases)
- Strengthening technological foundation (QCD management, management control)
- Investing in generative AI solutions through industry-academia collaboration with Nagasaki University

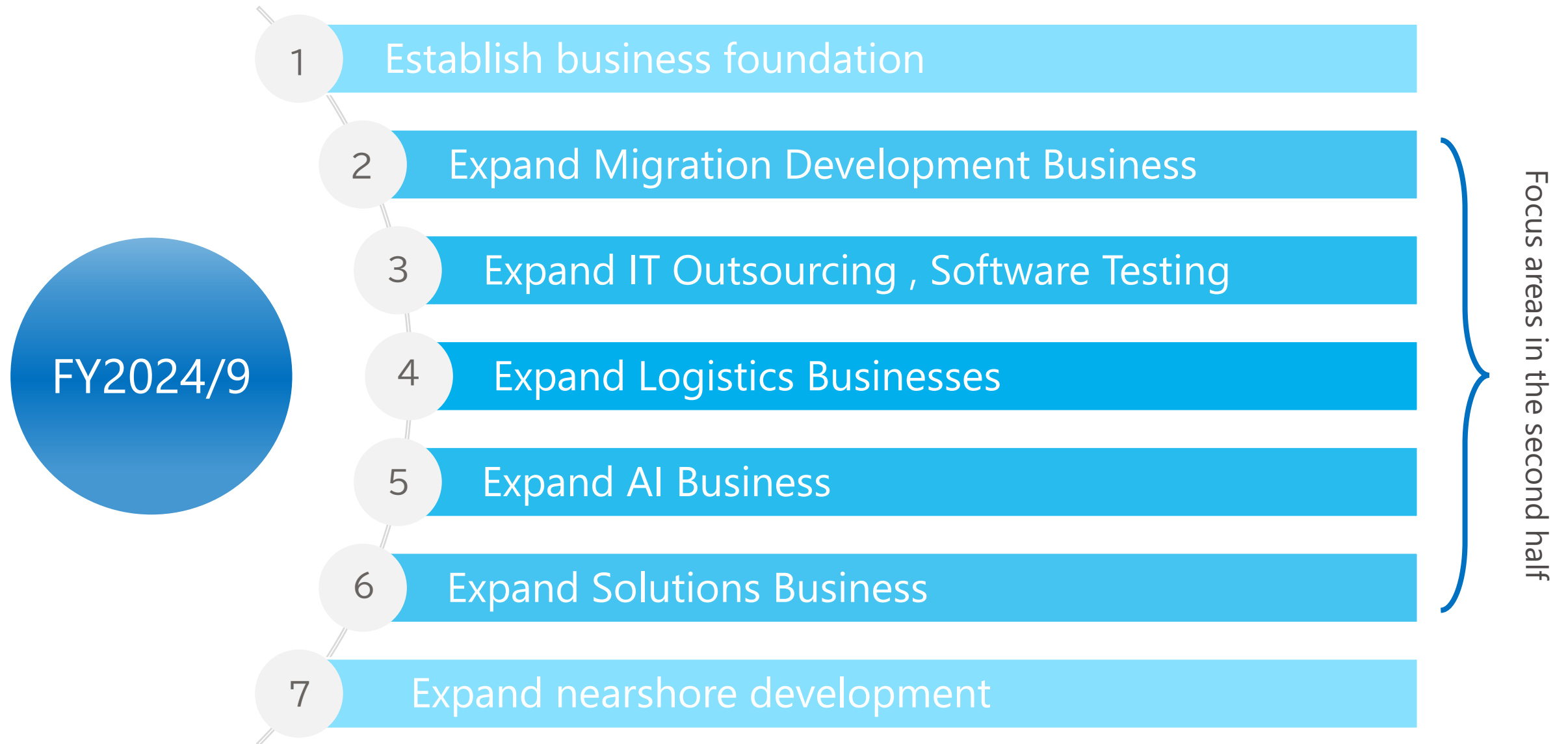
Utilizing **business alliances and partners**

- Entering into business alliance agreements
- Promoting coexistence and coprosperity by making business partners core partners
- Expanding and improving in-house training (quality management, sales training)
- Sharing education and training of Needs Well with partners

Improving **inhouse systems**

- Introducing a business improvement proposal system
- Preventing mismatches with the internal FA system and double job system
- Granting restricted shares (RS) for employees at no cost
- Planning to implement wage increases of 25% at max. with the average wage increase rate of 3.6%. Up 7.5% including RS for employees
- On-the-job training and mentor system

3.3 Focus area



3.3 Focus area [Expand Migration Development Business]

Provision of **consistent migration services**,
from migration development to quality testing

The demand for migration has been increasing more than ever due to various factors such as the withdrawal of domestic manufacturers from general-purpose computers, the migration of legacy systems to new platforms, and a shortage of skilled personnel and technicians in current systems.

Utilization of a nearshore base in Nagasaki

- Aggregate engineers specialized in migration development
→ Expand technical know-how and scope of services

Enhancement of quality testing services

- Conduct reliable, high-quality testing
- Contribute to the reduction of human costs
- Increase productivity through effective utilization of development engineers

IT Outsourcing

Support for business efficiency improvement and establishment of a long-term framework to meet the demand caused by talent shortages in corporate DX

As the demand for DX and business improvement increases year by year, more companies are facing challenges in controlling all aspects of IT internally. We offer proposals that adapt flexibly to measures against personnel shortages and contract arrangements of each company, providing **comprehensive management, operation, and support**.

Details of support

Operational design and monitoring

Leverage know-how cultivated over many years of operation to establish a stable and secure DX conversion and operational framework.



Taking on operations

Take on system operations, such as restoration, backup, and vulnerability management.



Managed services

Take on everything from migration, design, and construction to maintenance and operation, achieving high quality and on-going cost reduction through technical capabilities cultivated over the years.



Software Testing

Support customers' testing operations and reduce the burden on development engineers

Validate systems developed by client companies from a third-party perspective

Contribute to **quality improvement**, **cost reduction**, and **productivity enhancement**

Support Details

Outsourcing test services

- Test engineers with JSTQB certification conduct tests from an unbiased third-party perspective, identifying subtle issues and defects early to enhance system quality.
- Various locations, including on-site presence, nearshore bases, and satellite offices, are utilized.



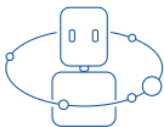
Migration test services

- Efficiently perform comparison testing between current and new systems, as well as gap tests and regression tests.
- Improve maintainability and reduce operational costs through efficiency and reuse with test automation tools.



Automated testing services

- Utilize test automation tools to achieve automation, reuse, and cost reduction in regression tests, version upgrade tests, etc.
- Combining low-code development tools not only reduces man-hours through test automation, but also shortens development times and enhances operational maintainability.



Multi-device testing services

- Detect issues that are difficult to identify in simulated environments, such as device emulators, through pattern testing with actual devices and operating systems.
- Provide access to a wide variety of devices while utilizing our smartphone rental service to reduce device costs.



3.3 Focus area [Expand Logistics Businesses]

Increased rate of online shopping has expanded needs for advanced logistics warehouses

Feature of Warehouse Management System



Manpower-saving, paperless system

- Improvement of operations at worksites with the use of handy terminals
- Elimination of paper from a series of tasks in warehouses
- Work with robots

Visualization of issues

- Productivity improvement with advanced analytical functions
- Optimization of staffing in warehouses
- Improve the loading rate of delivery vehicles




Easy-to-operate system

- Uniform operability to prevent input errors
- Search items can be freely set by each person in charge

Sales strategies of Warehouse Management System



- **Expand sales** of SmartWMS by **collaborating with logistics hardware manufactures**
- Promote **WMS**  **Picking** (AI picking carts, AI application to the 2024 issue)
- Develop SmartWMS **for other industries**, e.g., drugstores, etc.



3.3 Focus area [Expand AI Business]

Expand AI Business by expanding the Work AI lineup



* Work AI is a general term for **industry-specific AI solutions** developed to support corporate DX by utilizing know-how in integration for AI, RPA, etc.



Prophetter Series

EsProphetter estimate	AI automation of rough estimation of parts and materials
ViProphetter visual inspection	Detection of normality and abnormality of objects acquired by camera using image recognition AI (deep learning).
QcProphetter quality control	Detection of normality and abnormality of objects acquired by camera using image recognition AI (deep learning).
AdProphetter anomaly detection	Predictive AI is used to predict various abnormalities and prevent breakdowns and failures before they occur.

AI Solutions

Chat Document	Interactive AI chatbot provides solutions FAQ, searches for documents
DX Suite	AI-OCR

Development of generative AI solutions through industry-academia collaboration

FSGen	Build AI for automatically generating financial statements
QualiBot	AI for automatically diagnosing qualifications and feasibility of proposals for projects through bidding

3.3 Focus area [Expand Solutions Business] 1

Clarify the purposes and guidelines of solutions business and aim to expand business

Purpose

- Enhance corporate value
- Improve capability to receive orders
- Improve profitability / "Transition from increasing unit price to increasing value"



Policy

- Create solutions together with customers, instead of research and development
- Focus on services and improve quality of services
- Offer high added value to customers
- Utilize services internally before offering to customers
- Ongoing support by offering subscriptions

3.3 Focus area [Expand Solutions Business] 2

Added new solutions to improve the lineup

Corporate credit card use solution

Launched on June 1

Corpo Card

- Promote further use of corporate credit cards by companies and contribute to higher efficiency in a series of expense settlement operations
- Use three functions to eliminate a burden of expense settlement as much as possible in using corporate credit cards

Expense analysis solution

Launched on June 17

BI **スタートアップ**

- Feature “versatility,” “immediate effectiveness,” and “scalability”
- Maximize the utilization of Business Intelligence (BI) integrated with the expense management system
- Achieve both enhanced governance of the entire expense management process and increased operational efficiency

Q&A efficiency solution

Launched on July 1

株主QA

- Achieve efficient management of Q&A sessions for shareholders meetings, quarterly financial results briefings, etc., through the use of an AI chatbot
- Pre-train the AI chatbot with a list of anticipated questions and answers to enable extraction and presentation of responses through simple keyword input

Internal business efficiency solution

Launched on July 1

社内FAQ

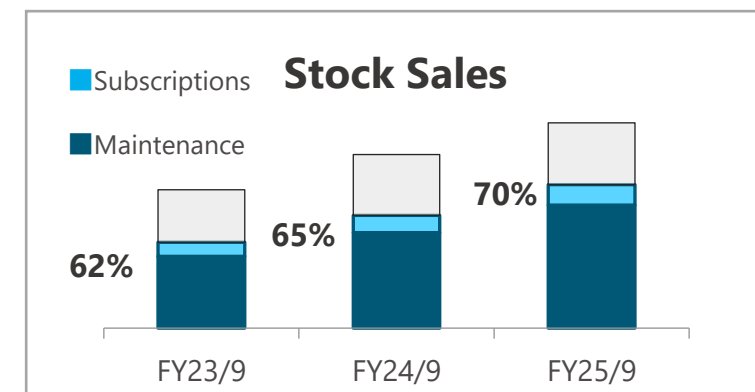
- Promote employee self-resolution by providing answers through simple inquiry input in browsers or chat tools
- The AI chatbot automatically responds by learning anticipated questions and answers in advance.

3.4 Revenue expansion and targets

Expand stock sales: increasing to 70% by 2025

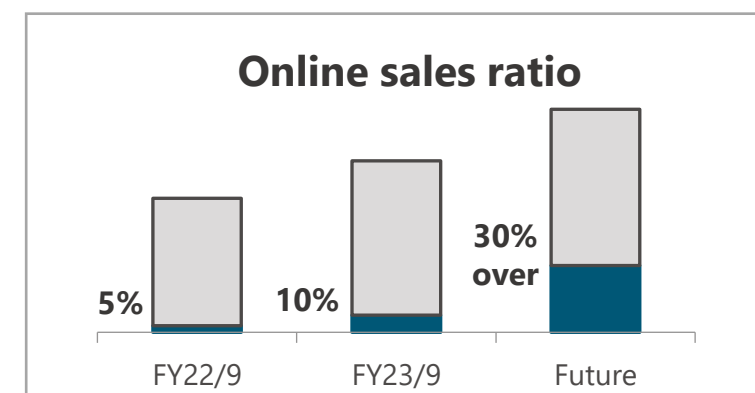
- Ensure stable revenue through the expansion of stock sales, leveraging our development know-how.
- Maintain and expand ongoing transactions with customers we have cultivated over time.

Stock sales: System maintenance and operation for at least two years, subscription-based solutions, etc.



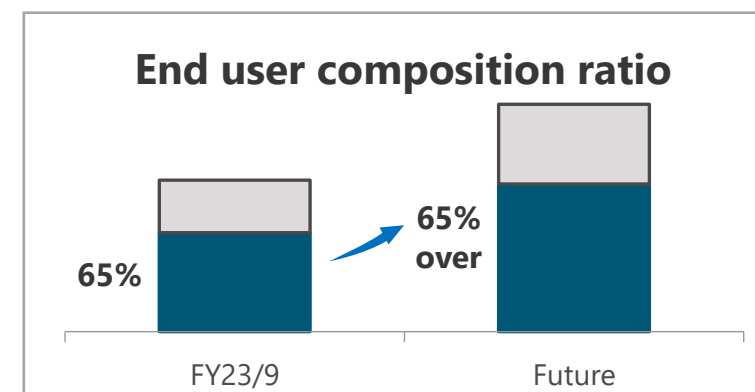
Promote online sales activities: aiming for at least 30% of net sales

- Reached out to new target groups through successful implementation of measures such as seminars, exhibitions, website, and press releases. Inquiries from end users through online tools increased.



Increase direct sales to end users: maintaining and expanding over 65% of net sales

- Focus on continuing to work with existing customers, expanding the scale of projects in relevant sectors, and cultivating new sectors of expertise.
- Cultivate new users by targeting companies in the same or similar industries as existing users.
- Focus on the Solutions Business, which accounts for a high percentage of sales to end users.





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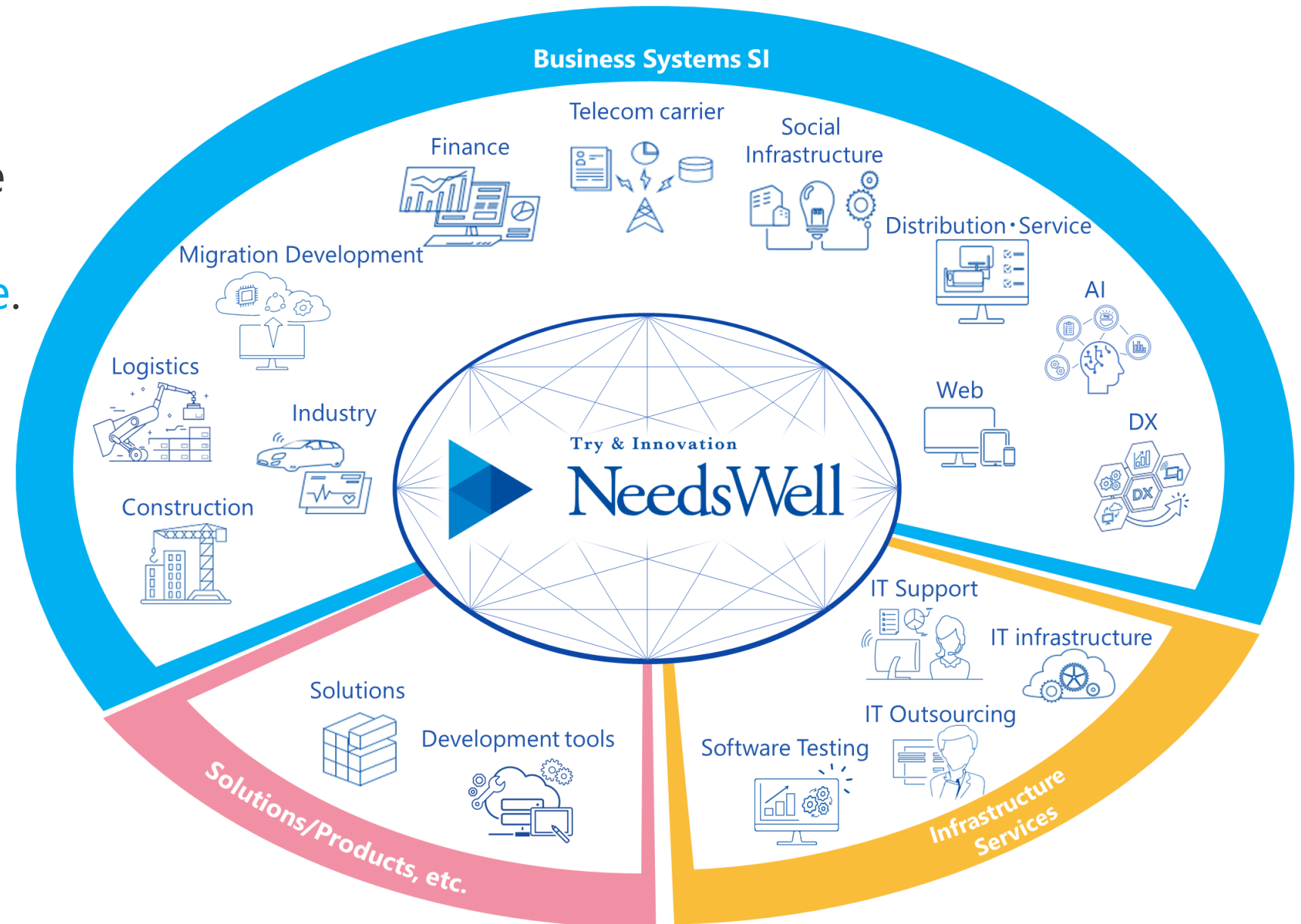
4.1 Company profile

As of April 1,2024

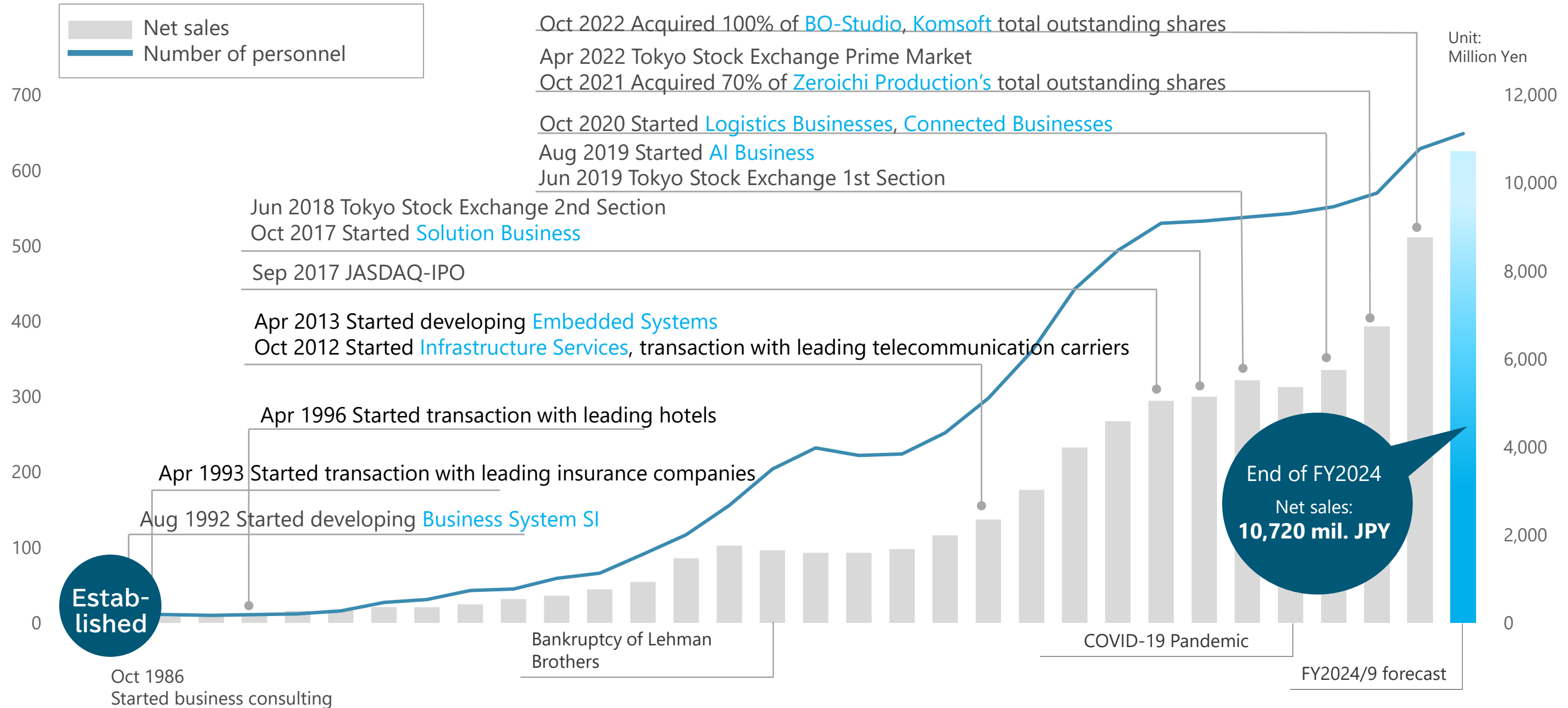
Company Name	Needs Well Inc.	Representative	President and CEO Kozo Funatsu
Established	October 1, 1986	Stock Listing	Tokyo Stock Exchange, Prime Market (3992)
Paid-in Capital	908 million JPY	Net sales As of September 30,2024	8,761 million JPY
Number of Employees	649 (Consolidated)	Fiscal year end	September
Head Office	13F, New Otani Garden Court, 4-1 Kioi-cho, Chiyoda-ku, Tokyo, 102-0094 Japan TEL: +81-3-6265-6763 FAX: +81-3-6265-6764 URL: https://www.needswell.com		
Office	<ul style="list-style-type: none"> - Nagata-cho Office : 2F, Sumitomo Fudosan Nagatacho Building, 2-17-3 Nagata-cho, Chiyoda-ku, Tokyo, 100-0014 Japan - Nagasaki Office: 5F, Meijiyasudaseimei Nagasakikozenmachi building, 2-21 Kozen-machi, Nagasaki-shi, Nagasaki, 850-0032 Japan 		
Group structure	<p>■ Consolidated subsidiaries</p> <p>Zeroichi Production Co., Ltd. (Head Office: Nasushiobara-shi) BO STUDIO Inc. (Head Office: Shibuya-ku, Tokyo) KOMSOF Inc. (Head Office: Toshima-ku, Tokyo)</p>		

4.2 Business fields

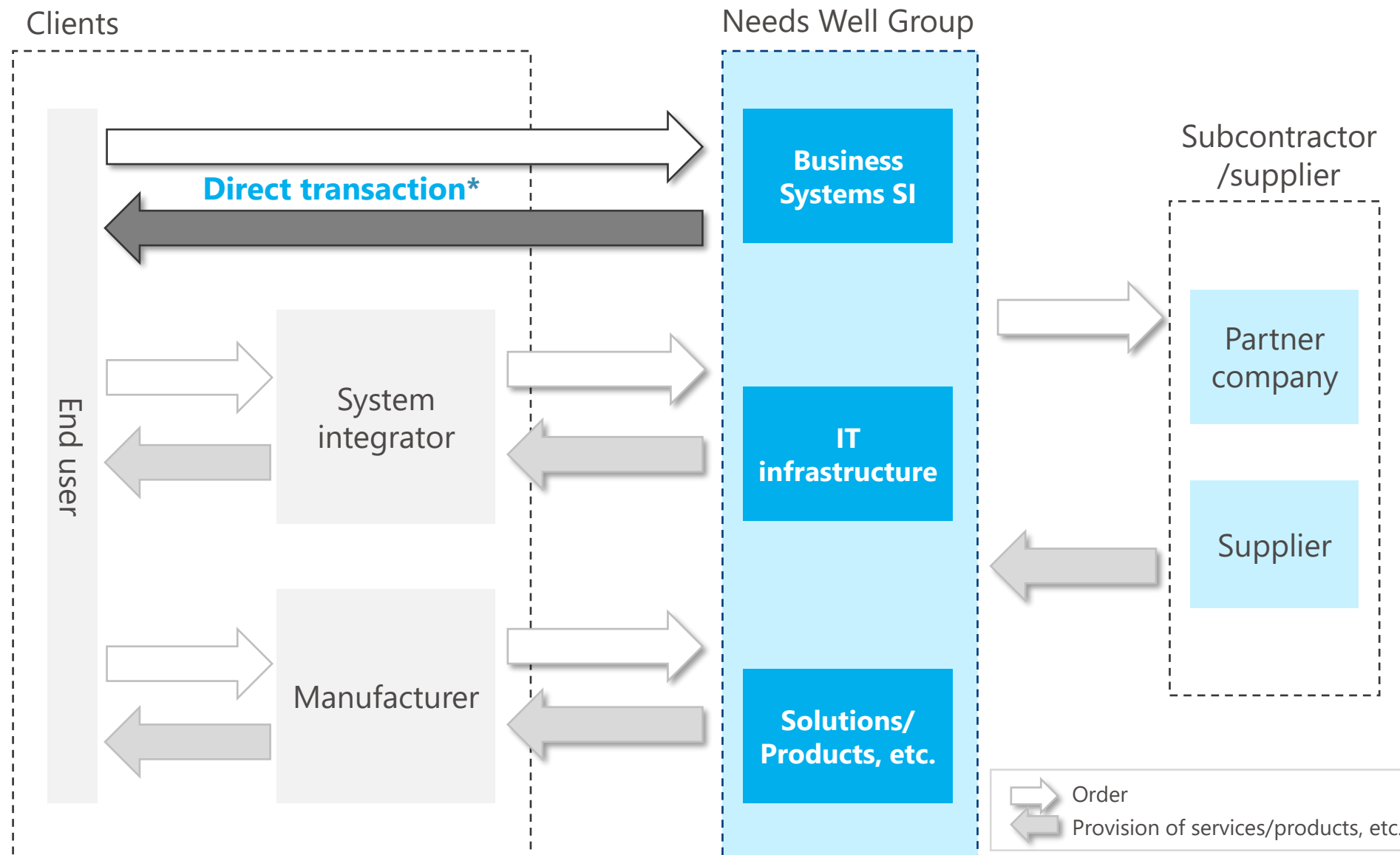
Needs Well provides total IT services through three services focused on **Business Systems SI** for finance.



4.3 Growth track



4.4 Business system diagram



* High level of **direct transactions with end users** (approx. **65%** of all sales)

4.5 Our three strengths

Our three strengths

Capacity for financial system development

Financial sector accounts for 50% of net sales in main service line, Business Systems SI. Particularly advanced in **life insurance and accident insurance sectors**.

Strong performance record in developing systems for banks, credit cards, and securities.

Proficiency in direct sales to end users

High level of direct transactions with end users such as life insurance companies, leading hotels, telecommunications carriers, etc., composing **over 65%** of sales.

Ability to provide solutions / AI

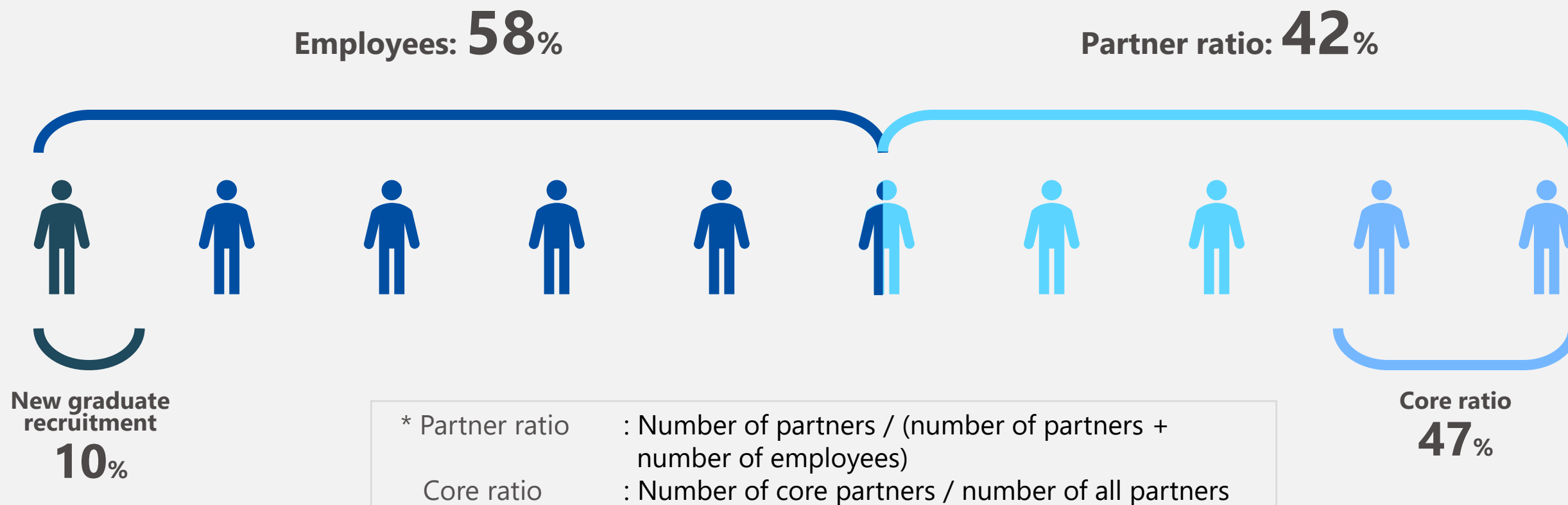
Provides solution services optimized for each customer's business objectives through **5G, AI, RPA, remote work, etc.**

4.6 Personnel

Continue recruiting new graduates with a target of **10% of the total number of employees** and focus on their development

Strengthen partnerships with the goal of increasing the **core ratio to 70% in the future**

As of the end of June 2024



4.7 Business efficiency improvement solutions

Promotion of “work style reform” and elimination of “labor shortages” Rich lineup supporting business efficiency improvement

● Warehouse management system



● Assistance in digitization with ERP linkage



● Support for introducing accompanying style guidance



● System UI/UX Revamp



● Digitization of paper documents and generative AI utilization support



● Transition to Windows 11



● File server utilization support



● Profit and loss estimate simulation



● Improvement in procurement operations



● Operational improvement by utilizing smartphones



● Efficient internal business



● Efficient management of Q&A sessions



SAP Concur Linkage solutions

● Core system linkage



● Speedy introduction in three months at the fastest



● Automated registration of invoices with AI



● Accounting linkage for Standard



● Introduction package for Standard



● Higher efficiency of linkage with corporate credit cards



● Accompanying style guidance for Concur



● Expense analysis using BI



※ その他、情報セキュリティソリューション、AIソリューション等、さまざまなソリューションを提供しています。

4.7 (1) Initiatives directly linked to business

Aim for [sustainable management](#) through business strategies that incorporate the perspectives of SDGs, ESG, and CSR

Nearshore Development Promotion: Nagasaki Development Center to maintain 100 employees by 2024

Promote development by committing to QCD (quality, cost, and delivery) through remote development system that utilizes nearshore bases.

Aim to maintain 100 employees at the Nagasaki Development Center by 2024 and contribute to [prosperous urban development through the development of an industrial foundation, technological innovation, and creating employment opportunities](#) by utilizing highly competent local human resources.

Certified as the first registered business operator of the Nagasaki Prefecture SDGs Registration System.

Participated in the "SDGs Public-Private Partnership Platform for Regional Revitalization" established by the Cabinet Office.

Participated in the Cabinet Office's "Public-Private Partnership Platform for Regional Revitalization SDGs"



Development of new solutions to assist DX

Assist client companies in realizing and promoting DX to overcome the "2025 Digital Cliff" by building platforms using AI technology, providing systems, analyzing data, saving labor through RPA integration, etc.

Contribute to [building the industrial foundation of a digital society](#).

[Frailty prevention solution](#) is under development to extend the healthy life expectancy of senior citizens and help local governments reduce health care costs.

Embark on the development of new solutions using [generative AI](#), etc. through [industry-academia collaboration](#)



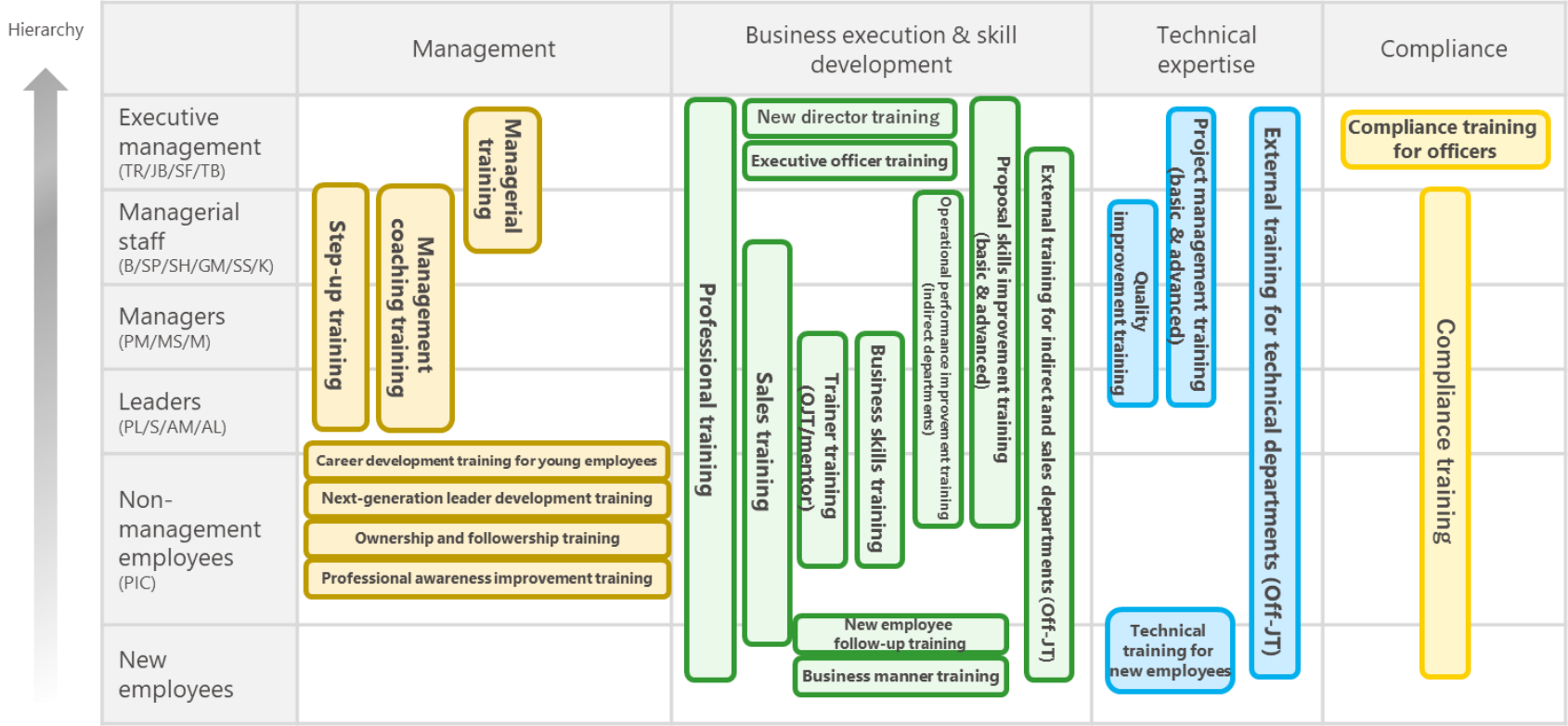
Collaboration with partner companies

Promote partnerships with contractors and suppliers and aim to establish a structure for continuing to develop together over a long period of time.

4.7 (2) Initiatives supported by systems and activities

Work style reform & personnel development

- Introduction of a [double job system](#), [internal FA system](#), [return-to-work support system](#), and [comeback system](#) to find suitable jobs and enhance motivation
- Introduction of a [student loan assistance program](#), [social contribution program](#), and [restricted stock compensation](#) for officers and employees
- Promote a healthy work-life balance by incentive dates for paid leave, Premium Friday (leaving work early on the last Friday of the month), reducing overtime work, etc.
- Expand selection of employees eligible for remote work
- System for encouraging skill improvement and motivation
- On-the-job training and mentor system to draw out skills and motivation
- Internal training programs



4.7 (2) Initiatives supported by systems and activities

Increase ratio of female employees and managers

- Increase the ratio of female employees by promoting meritocracy and gender equality
- Target female manager ratio: 30%, target female employee ratio: 30%

AI education for students

- Arrange AI programming experiences and 5 day/3 weeks internships for students
- Conduct programming classes on apps for submitting electronic applications and creating interactive AI chatbots, WinActor (RPA) to improve efficiency of school operations, taste data analysis, etc. (2020~)

Donate to assistance programs for repaying student loans

- Contribute to projects by Nagasaki Prefecture for assisting young adults in the repayment of their student loans
Develop leaders who will establish themselves and play central roles in the local community

Support for V-Varen Nagasaki of the Soccer J League

- Concluded a sponsorship agreement to support the promotion of sports culture and revitalization of the local community

Please view the following link for other initiatives and more information:

<https://www.needswell.com/ir/sdgs>





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- All statements described herein have been prepared by Needs Well based on the currently available information.
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