Financial Results for the Third Quarter FY2025/3

ExaWizards Inc. (4259.T)

February 12, 2025

EXAWIZARDS

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2 Summary of Financial Results for the Third Quarter of FY2025/3

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01.

Executive Summary of the Third Quarter of FY2025/3

EXAWIZARDS

Executive Summary of the Third Quarter of the Fiscal Year Ending March 31, 2025

Financial Results For FY2025/3 Q3

- Net sales for Q3 of FY2025/3 was **2,540million yen (+8.8% YoY)**, **the best sales in Q3 ever.**
- Operating profit was **six million yen (+10.3% YoY), continued to be profitable from last quarter.**
- **EBITDA for Q3 was 403million yen (+416million yen YoY),** showing a smooth growth.

AI Products Business

- The demands for gen.AI and DX human resource development boosted, “exaBase DX Assessment & Learning” and “exaBase Generative AI” continued to serve as growth driver and **net sales grew gradually that the results for Q3 was 833million yen (+83.0% YoY).**
- **Overall profit of the AI Products Business segment was 199million yen (+233million yen YoY) and operating profit margin was 23.9% (+31.4pt YoY).** AI products segment has grown as a same size of profit center as AI platform segment.

AI Platform Business

- During Q3, we begun transforming the business model of the AI platform business segment. We invested in the development of products born from this segment such as **“exaBase Role Playing” and “exaBase Meeting summary,” as well as dementia-related apps.** As part of this transformation, **we also promoted reconfiguration of deal portfolio focusing on “exaBase Studio.”**
- Through this transformation**, net sales amounted to 1,323 million yen (-7.4% YoY). This result aligns with our forecast at the beginning of the fiscal year, which aimed to maintain sales at a level comparable to the previous year.**
- Although, investment cost temporary increased that **the segment profit was 313 million yen (-190million yen YoY).** We ended up with a decrease in sales and profit, but we aim to recover in Q4.

Other Service Business

- Showing the steady growth that **net sales of Q3 was 474million yen (+5.2%) and segment profit was 36million yen (+34million yen).**
- Starting with an alliance with CENTRIC Corporation, AI product for customer call-center “Dr. Tel” has been introduced to multiple leading companies of call-center business.

Business Update

- With 2025 dubbed the “Year of AI Agents,” strong domestic AI investment appetite creates a favorable market for our company.
- "exaBase Studio” and AI agents enable value proposition by combining customer data with our AI models/products, maximizing our unique added value in this prime opportunity.

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AI Products Business: Strong Market Demand Signals Significant Growth Potential
AI Platform Business : Progressing as our business strategy and expect to reap the benefits of our transformation from Q4 onwards

	Q3's Performance Factors	Future Outlook FY2025/3 Q4	Future Outlook FY2026 and Beyond
AI Products Business	**The "use" of Gen.AI is becoming the norm in the market and we expect to see more expansion** - Continuous improvement of service quality and functional expansion, including support for various LLM, specialization in specific fields, and pursuit of ease of use for each occupation. **DX human resource development also remains a strong need**	**Strong customer inquiries continue, and we expect to see continued high growth rates**	**Strong growth of AI products combined with transformation of AI platform business will maximize the value provided to customers.** - In addition to existing AI products, new services will be released in sequence. - Assist customers to create AI applications more easily on exaBase Studio. - Accelerate development of joint services through business alliances/partnerships with companies
AI Platform Business	**The foundation is being laid steadily based on the strategic policy** - Maintaining the same sales scale as last year - Building deep relationships with existing customers - The "standardization" of sales processes is progressing smoothly, with the number of projects utilizing exaBase Studio increasing to 34 (+8 QoQ) **Temporary decrease in revenue and profit due to the following reasons, this is in line with our expectations as "seed planting" for Q4 and beyond.** - Several projects were postponed - Simple PoC projects temporary reduced sales, but they are expected to change to high unit price projects link with core system and exaBase Studio. - Upfront investment on development of products*1	**exaBase Studio-related projects continue to increase** - Expansion of customers who could become larger in the next term **Begun to recover our initial investment from the acquisition of customers through exaBase Role Playing & Meeting summary** **Both sales and profit are expected to recover from Q3**	

Note *1 Include exaBase Role Playing, exaBase Meeting summary, and AI medical software for dementia diagnosis developed by wholly owned subsidiary ExaMD Inc.

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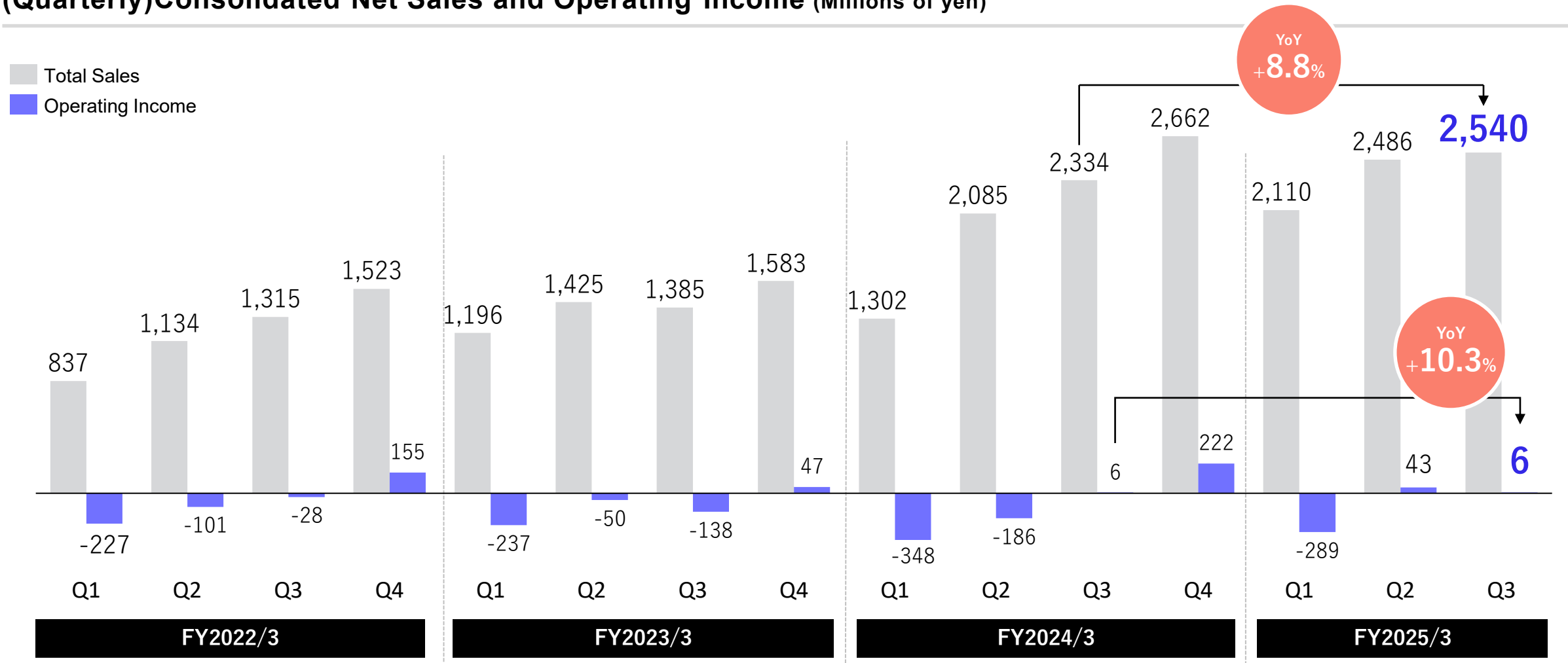
Summary of Financial Results for the Third Quarter of FY2025/3

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Quarterly Trend of Financial Results

Steady Growth on Sales 2,540million yen(+8.8% YoY), Operating Profit 6million yen(+10.3% YoY)

(Quarterly)Consolidated Net Sales and Operating Income (Millions of yen)

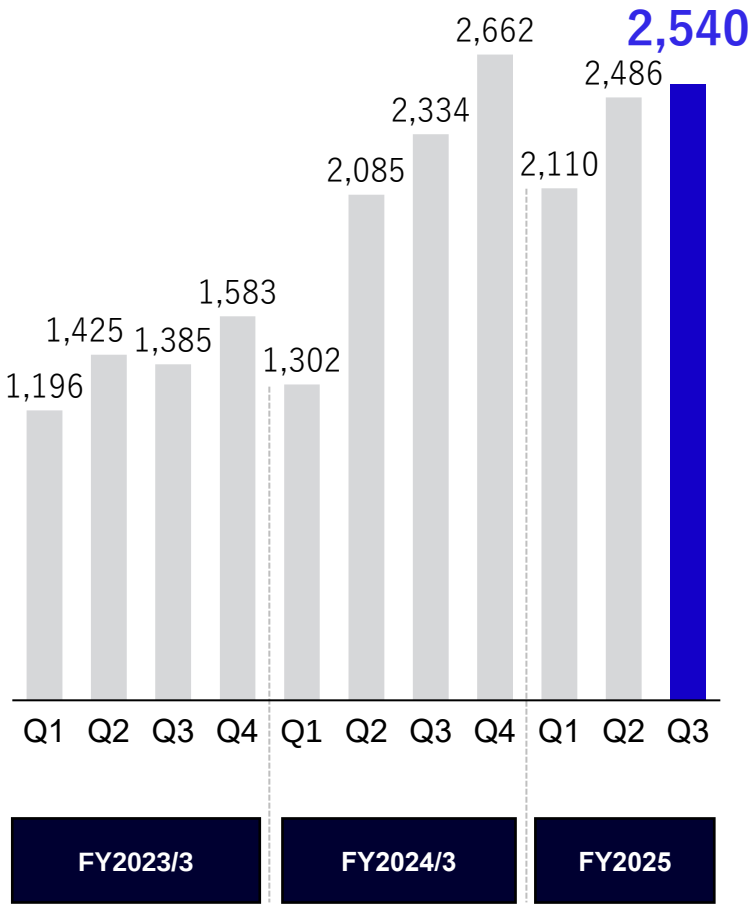


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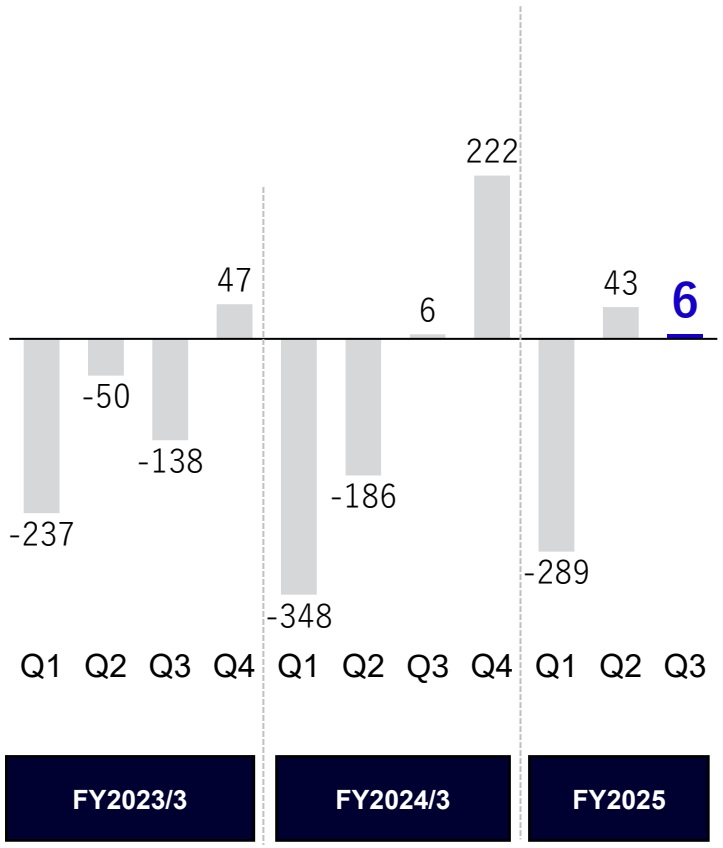
Trend of Sales, Operating Profit, and EBITDA for the Nine Months ended on December 31, 2024

EBITDA* Continuing upward trend that recorded 403million yen as total (+426M Yen YoY)

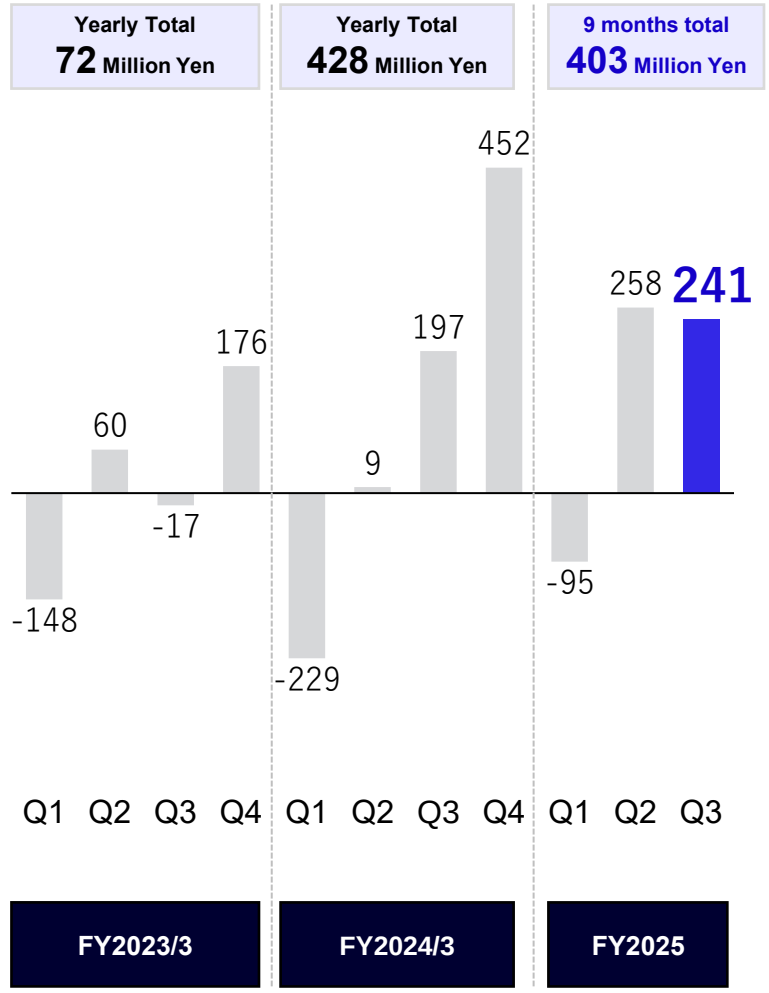
Sales (Millions of Yen)



Operating Profit (Millions of Yen)



EBITDA (Millions of Yen)



Note *EBITDA = Ordinary profit + Interest expenses + Depreciation + Amortization of goodwill + Amortization of customer-related assets

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Consolidated Financial Statements of FY2025/3 Q3

(millions of yen)	FY2025/3 Q3 (October 1 to December 31,2024) Results	FY2024/3Q Q3	YoY Growth Rate/ Difference	FY2025/3 the Nine Months (April 1 to December 31, 2025) Results	FY2024/3 9 months	YoY Growth Rate/ Difference
Net Sales	**2,540**	2,334	**+8.8%**	**7,137**	5,722	**+24.7%**
Cost of Sales	**1,108**	993	**+11.5%**	**3,177**	2,615	**+21.5%**
Gross Profit	**1,432**	1,340	**+6.8%**	**3,959**	3,106	**+27.4%**
Gross Profit Margin(%)	**56.4%**	57.4%	**-1.0pt**	**55.5%**	54.3%	**+1.2pt**
SG&A	**1,425**	1,334	**+6.8%**	**4,198**	3,635	**+15.5%**
Operating Profit (Loss)	**6**	6		**-238**	-528	**-**
Operating Profit (Loss) Margin (%)	**0.3%**	0.3%	**+0.0pt**	**-3.3%**	-9.2%	**+5.9pt**
Non-operating Income	**1**	0	**+177.9%**	**8**	3	**+146.8%**
Non-operating Expenses	**6**	18	**-63.7%**	**21**	29	**-25.0%**
Ordinary Profit (Loss)	**1**	-12		**-252**	-554	**-**
Extraordinary Profit	**70**	-	**+100.0%**	**71**	0	**+8,025.0%**
Extraordinary Losses	**62**	9	**+548.7%**	**207**	255	**-18.9%**
Profit (Loss) before Income Taxes	**9**	-21	**-**	**-388**	-808	**-**
Total income taxes	**92**	5	**-**	**99**	4	**-**
Profit (Loss)	**-82**	-27	**-**	**-487**	-813	**-**
Profit (Loss) attributable to owners of Parent	**-90**	-20	**-**	**-508**	-788	**-**

Highlights for FY2025/3 Q3

1. Growth of the AI Products Business which increased 8.8% YoY had driven the overall net sales.
2. Even though expenses of the AI Platform Business had big impact on overall cost, operating profit stayed positive, recorded 6 million yen.
3. We recorded an extraordinary income from the transfer of VisionWiz, a wholly-owned subsidiary that had been providing AI photo services to the childcare and education industry, to CoDMON. Additionally, we recognized an impairment loss on software assets.

Note *The securities in question are not held for investment purposes, but rather for the purpose of creating business opportunities and expanding collaborative relationships.

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Overview and Progress of the Business Segments

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Summary of Business Results by Segment for FY2025/3 Q3

The AI Product Business primarily drove the company's overall growth, showing an +83.0% YoY

(Unit: Millions of Yen)	AI Products Business FY2025/3 Q3 Results	AI Products Business FY2025/3 Q3 FY2024/3 Q3	AI Products Business FY2025/3 Q3 Gross Rate	AI Platform Business FY2025/3 Q3 Results	AI Platform Business FY2025/3 Q3 FY2024/3 Q3	AI Platform Business FY2025/3 Q3 Gross Rate	Other Service Business FY2025/3 Q3 Results	Other Service Business FY2025/3 Q3 FY2024/3 Q3	Other Service Business FY2025/3 Q3 Gross Rate
Net Sales	**833**	455	**+83.0%**	**1,323**	1,428	**-7.4%**	**474**	**450**	**+5.2%**
Cost of Sales	**212**	172		**629**	581		**274**	**232**	
Gross Profit	**621**	282	**+119.7%**	**694**	846	**-17.9%**	**200**	**218**	**-8.4%**
Gross Profit Margin	***74.6%***	*62.1%*	**+12.5pt**	***52.5%***	*59.3%*	**-6.8pt**	***42.2%***	***48.5.%***	**-6.3pt**
Selling, General and Administrative Expenses	**422**	316		**381**	342		**164**	**216**	
Operating Profit(loss)	**199**	-34		**313**	504		**36**	**2**	
Operating Profit(loss) Margin	***23.9%***	*-7.5％*	**+31.4pt**	***23.7%***	*35.3%*	**-11.6pt**	***7.7%***	***0.5%***	**+7.2pt**

- exaBase DX Assessment & Learning and exaBase Generative AI progress well that both continued positive grow; sales were +83.0% YoY, operating profit 199M yen.
- Gross profit margin recorded over 70%, and operating profit margin exceeded as level as the AI Platform Business.

- To keep net sales as a same level as the previous fiscal year, the result of Q3 was negative but it was on-track of what we've expected.
- Cost on investment to products from the AI Platform Business and increase in use of outside resources caused a decrease in profit.
- Although, sales and profit will recover on Q4.

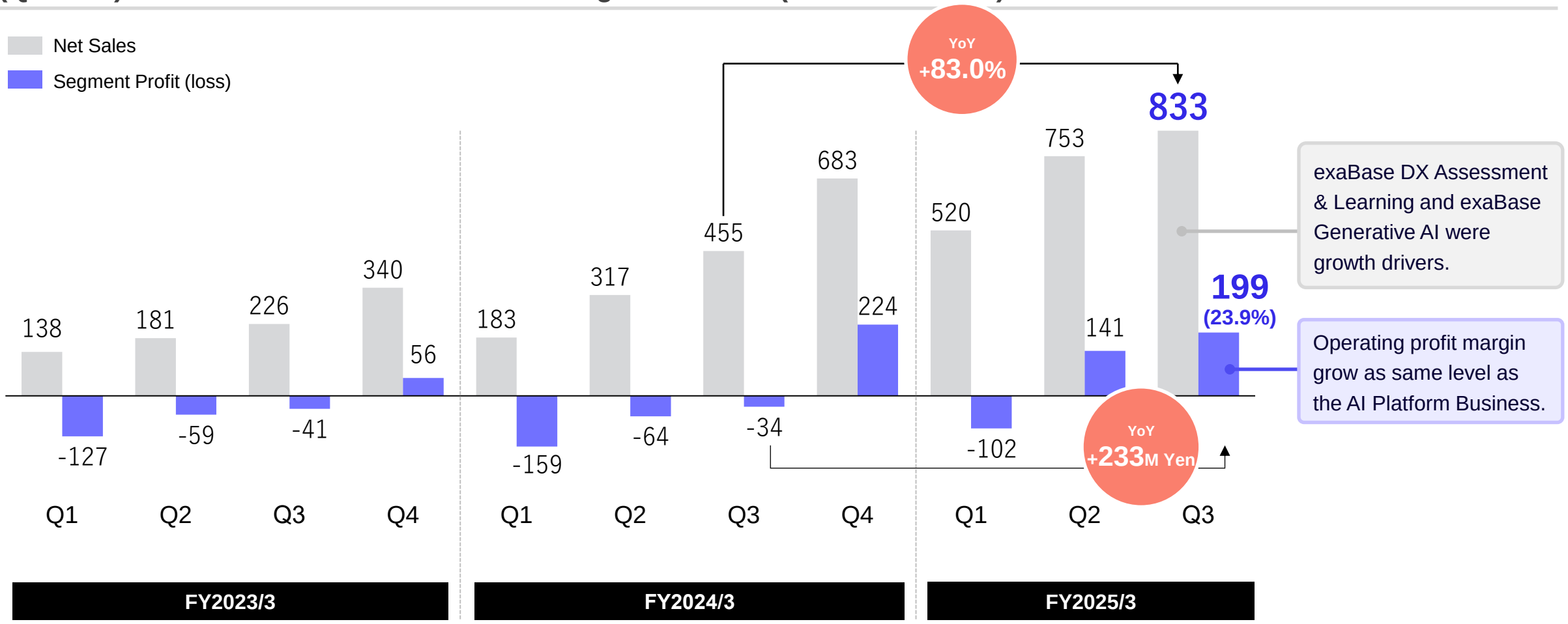
- Landing at a level exceeding that of the same period of the previous year.
- "Dr. Tel" has begun to be adopted by well known call center agencies and is showing steady growth.
- Pivoting from agency-based model to reduce client environment dependency.

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AI Products Business: Quarterly Trend of Financial Results

Sales reached 833million yen(+83.0% YoY), the highest sales ever and grown by double speed from the previous year. Segment profit was 199million yen(+233million yen), it grow into a business segment that can generate stable profits

(Quarter) AI Products Business Sales & Segment Profit (Millions of Yen)

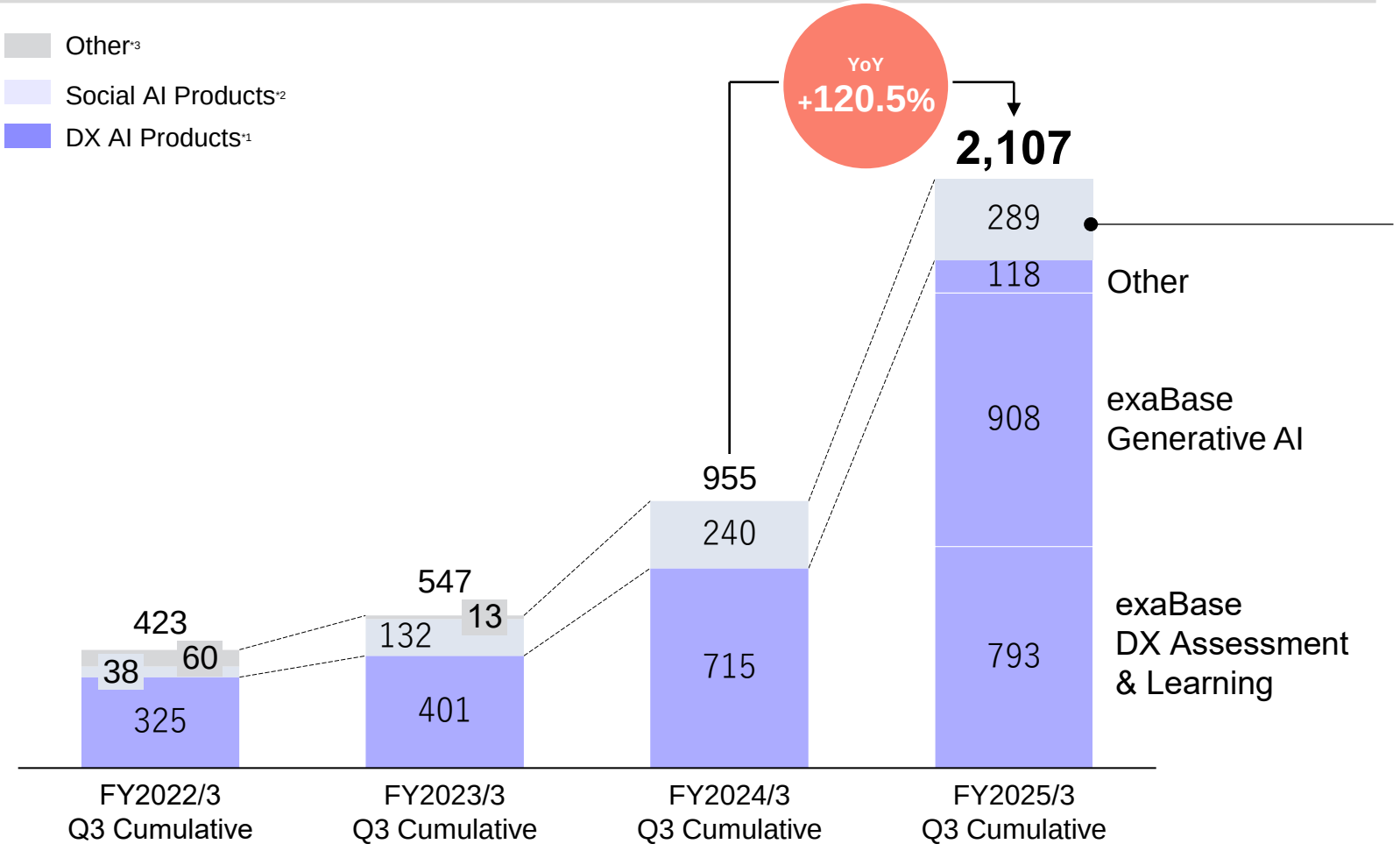


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AI Products Business: Sales results by products

DX AI Products grown double speed but Social AI products are also progressing well

AI Products Business Segment Sales by Products



Topics of Social AI Products

Business partnership with largest nursery ICT service vendor CoDMON

- Transfer photo AI recognition service “tInk (To-link)” to CoDMON
- Taking in both advantages, aim to enhanced the nursery ICT environment



Over 1,250 facilities use CareWiz

- CareWiz Toruto earned TAIS (Technical Aids Information System) Code, which is expected to increase recognition and utilization



News release in Japanese Only

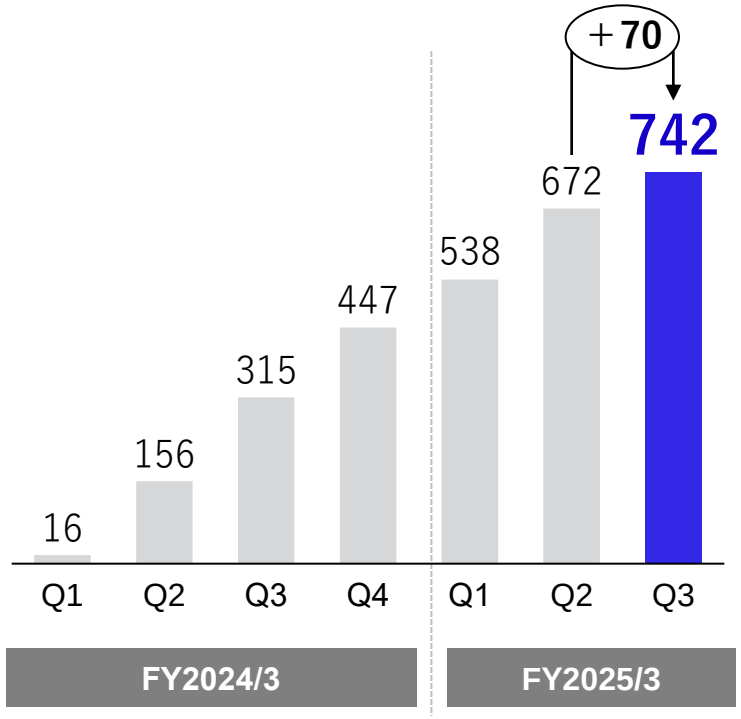
*Notes *1 DX products include exaBase DX Assessment & Learning, exaBase Generative AI, exaBase Forecast & Analysis, exaBase 1on1, exaBase FAQ, exaBase Company Search, and exaBase Well-Being*
**2 Social AI products include CareWiz Toruto, CareWiz Hanast (through FY2023/Q2) and tInk (through FY2025/3 November 30).*
**3 FY2022 and FY2023 include nursing care technique training, and others. From FY2024, internal sales between segments are included.*

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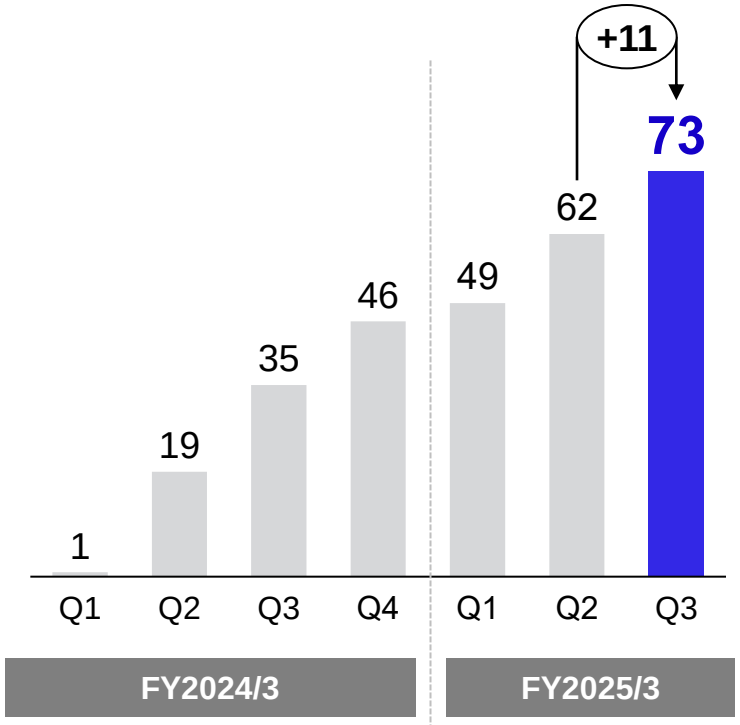
AI Products Business: Key KPIs of exaBase Generative AI

The numbers of companies/users progressing smoothly and ARR reached about 1.4 billion yen

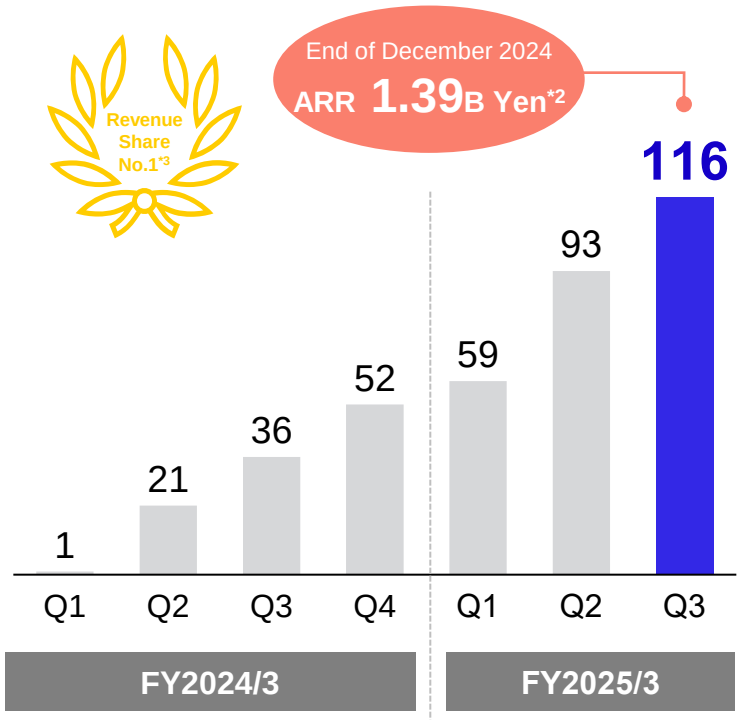
Companies



Users (Thousands)



MRR*1 (Millions of Yen)



- Active use of agencies as well as direct sales
  - One of our agency, **NS Solutions Corporation introduced to MABUCHI MOTOR CO., LTD.,** and **9,500 work hours were reduced in three month**
- 53 local governments are using it too

- Growing same pace as of Q2

- **MRR exceed over 100 million yen**
- ARR reached about 1.4 billion yen

*Notes *1 Revenues excluding projects, consulting sales, initial costs, etc., *2 Assumed annual revenues based on MRR multiplied by 12 as of December 2024*
**3 https://exawizards.com/archives/27919/ , Article of "Corporate Generative AI Solution Services Market Report 2024," published August 7, 2024, by Deloitte Tohmatsu MIC Research Institute Co. Ltd*

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AI Products Business: Achievements of exaBase Generative AI

Provide services that respond immediately to the evolution of LLM while sequentially offering services that meet diverse customer needs

exaBase Generative AI

AI Agent	Trial of self-operating AI Agent for web browsing	
RAG	Support various formats such as PPT/Word/PDF/Excel etc.	
Multimodal	TEXT	
	IMAGE	
	VOICE	
	IMAGE GENERATOR	
LLMs	GPT	o3-mini
		o1
		4o
		4o-mini
	Claude	3.5 Haiku
		3.5 Sonnet
		3 Opus
	Gemini	1.5 Flash
		1.5 Pro
	DeepSeek*1	

□ : Newly added options in Q3

Fulfill specific needs

- exaBase Generative AI for Government
- exaBase Generative AI for Academy
- exaBase Generative AI for Store
- exaBase Generative AI for HR, exaBase Generative AI for Sales

offer a variety of job-specific services

Main Clients from the Third Quarter





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News release in Japanese Only



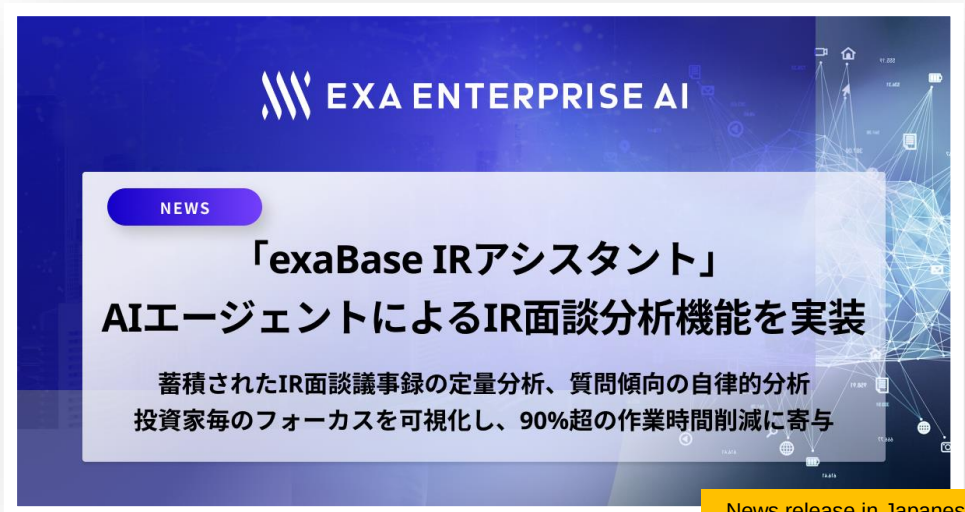
*Note *1 DeepSeek-R1 original model for verification usage is now available in the Azure US region. We are currently testing the provision of distilled models in the Japan region.*

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AI Products Business: Achievement of exaBase IR Assistant

AI agent function is added to exaBase IR Assistant, and its use is spreading, especially among leading companies

Extended functionality with AI agents



News release in Japanese Only

Features of exaBase IR Assistant

- ☑ Autonomous analysis of investors' questioning tendencies from a vast amount of minutes
- ☑ Quantitative analysis of number of investor interviews, geography, demographics, and meeting size
- ☑ Ongoing additional features implemented based on feedback

Main use-case from the third quarter

Achievements



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Spreading among industry leaders,

chosen by over 60 companies (as of December 31, 2024)

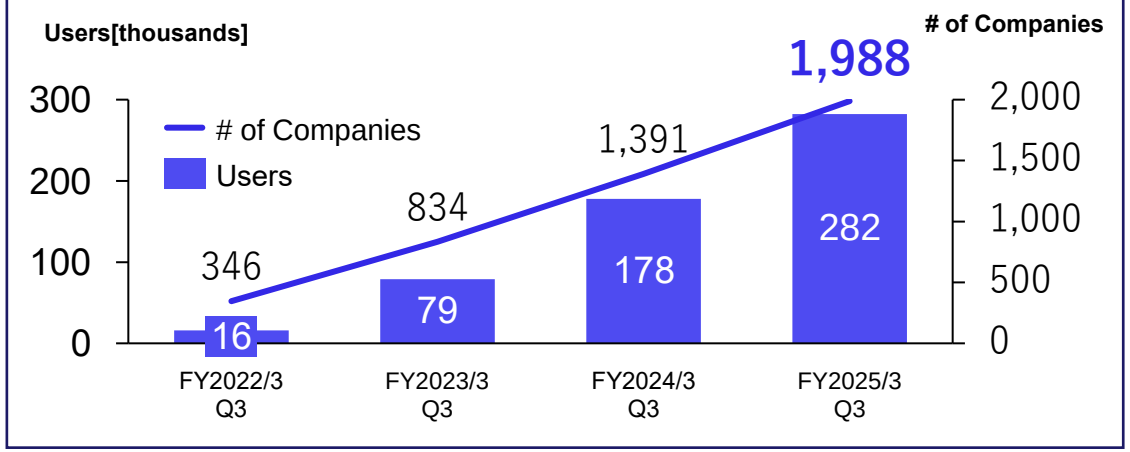
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AI Products Business: Key KPIs of exaBase DX Assessment & Learnings

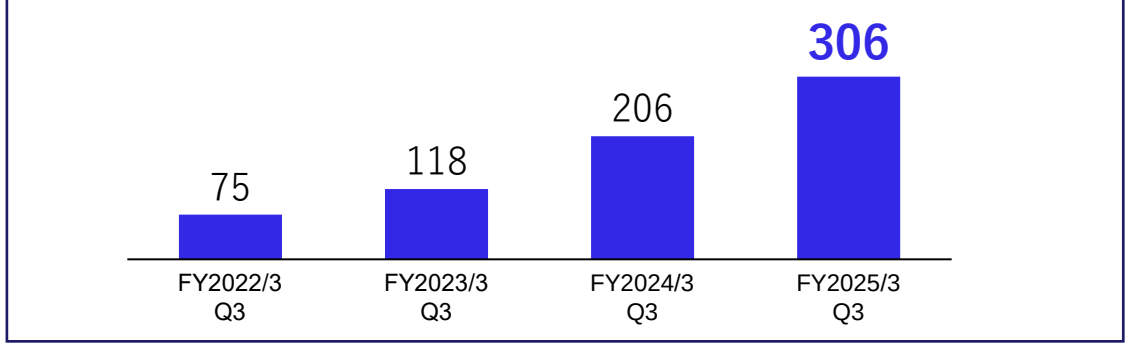
Introduced in around 2,000 companies/280 thousand users
Sales exceeded 300million yen non-consolidated basis in Q3

Growth of Key KPIs

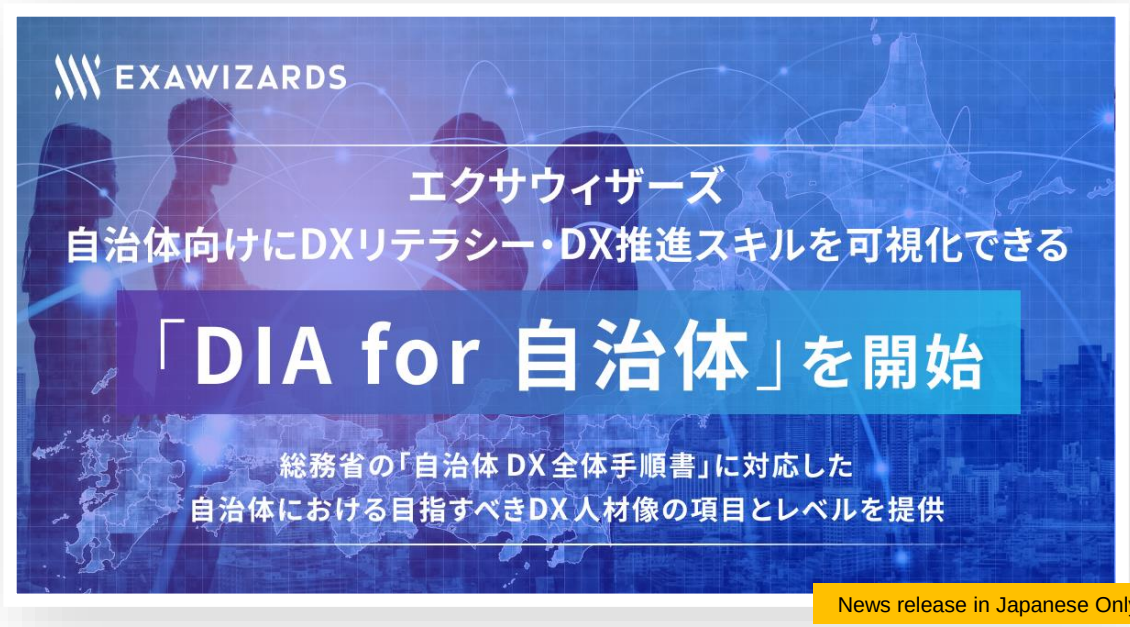
Users*1 / Number of Companies*2



Quarterly Sales (Millions of Yen)



Achievement of Q3



News release in Japanese Only

Starting with local governments that have introduced exaBase Generative AI, DIA is expanding its target customers

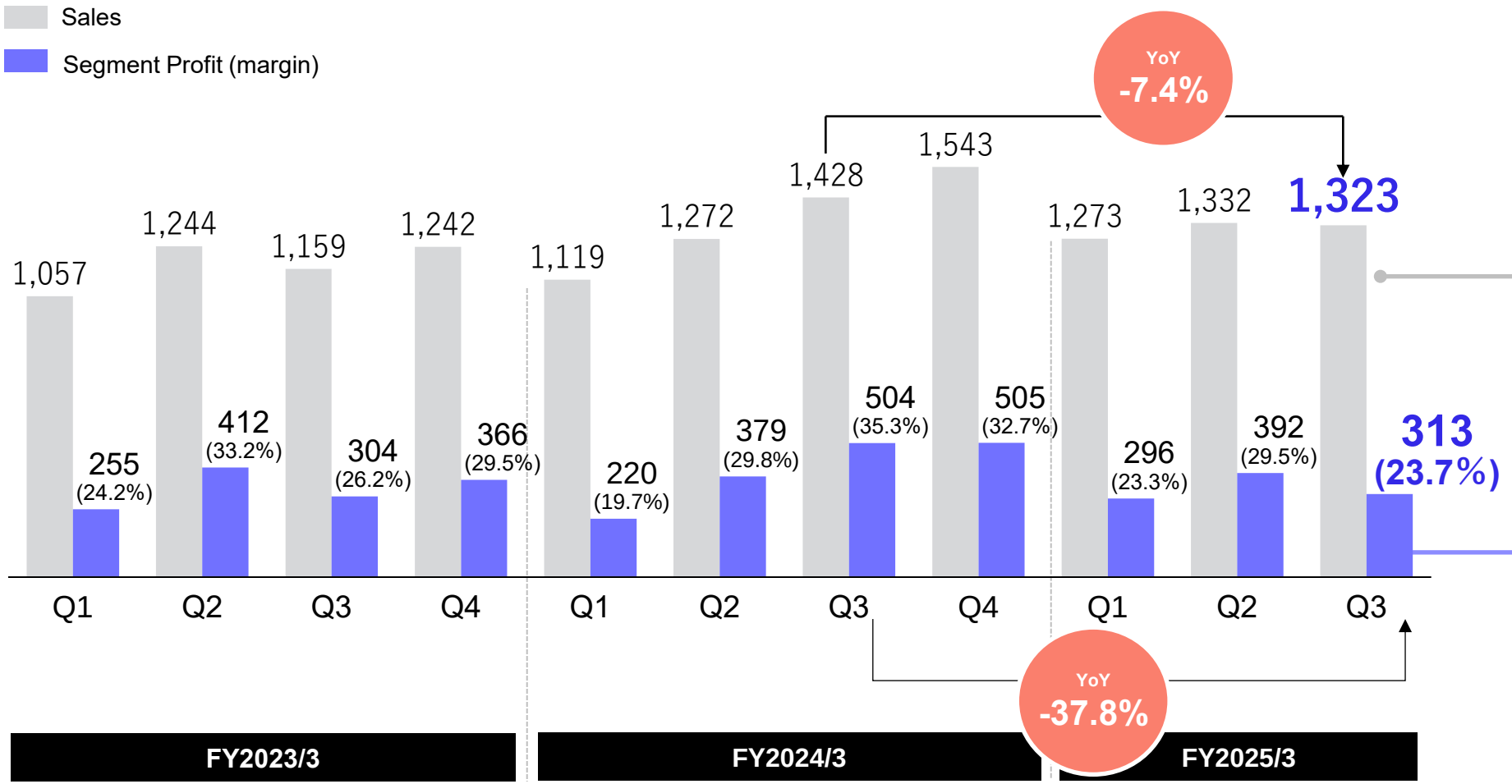
*Notes *1 Number of users: Total number of who finished assessment and training contents.*
**2 Number of companies: Cumulative number of companies, government offices, and organizations that have already introduced the system.*

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AI Platform Business: Quarterly Trend of Financial Results

As a results, sales 1,323million yen (-7.4% YoY) and segment profit 313million yen (-37.8% YoY)

(Quarter) AI Platform Business Sales & Segment Profit (Millions of Yen)



The “standardization” of sales processes is progressing smoothly, with the number of projects utilizing exaBase Studio increasing to 34 (+8 QoQ)

Although, sales decrease for following reasons;

- Several projects were postponed to Q4 from Q3
- Projects which started on Q3 were still in the stage of PoC that contracted price was small (but we can reap the benefits in the phase of linking the core system)

Cost expand for two reasons;

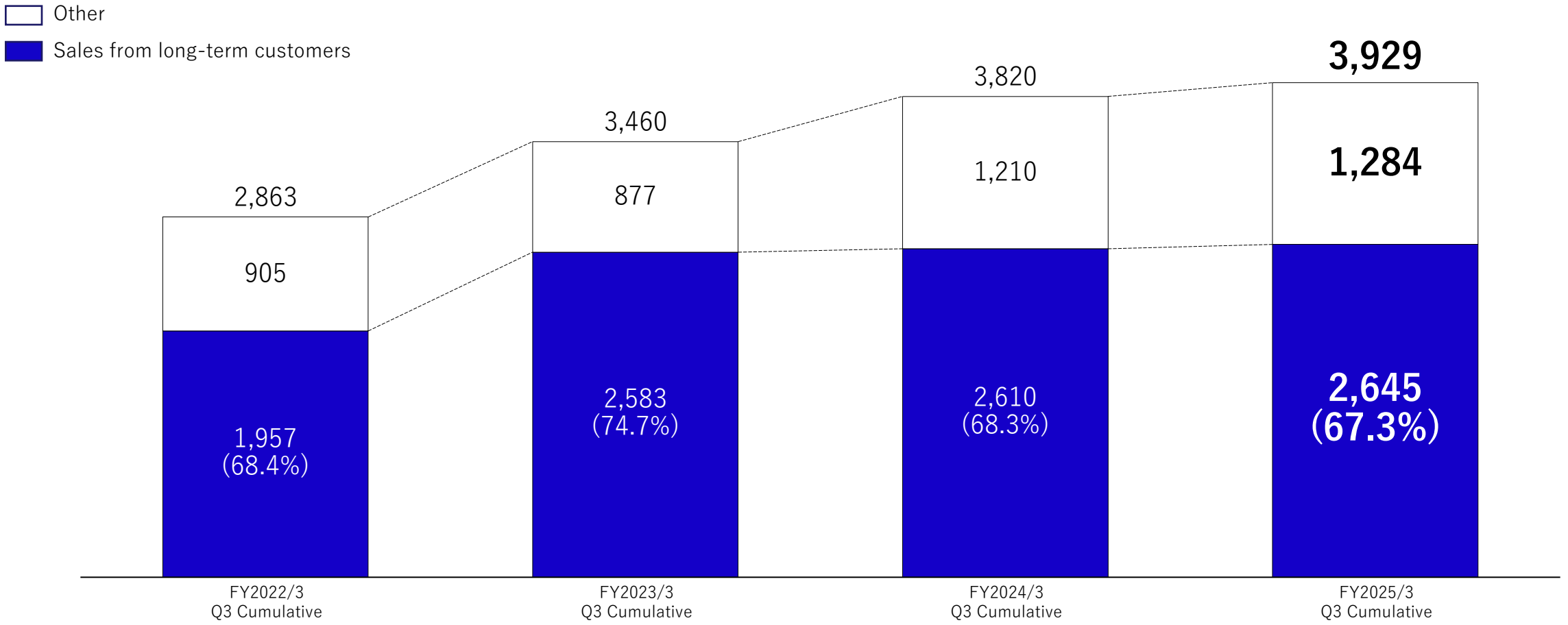
- Upfront Investment on development of AI Platform Products (ex. exaBase Role Playing, exaBase Meeting summary, SaMD)
- There was a project which needed a support from outside partners

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AI Platform Business: Sales from Long-term Customers

Sales from long-term recurring customers*1 have consistently maintained a level of over 70%

Sales trends of Q3 in AI Platform Business (Millions of yen)



*Notes *1 Continuous income from the customers that ExaWizards maintains its contract for consecutive four quarters and more.*

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Launched a product born from AI system development “exaBase Meeting summary” Enhance Value Through Combination with “exaBase Role Playing”

Product born from project with client “exaBase Meeting summary”



The AI system developed by the company was successful in generating results, so the company began offering the service as "exaBase Meeting summary.”



Combination of “exaBase Role Playing” & “exaBase Meeting summary” boost the value

exaBase Role Playing

exaBase Meeting summary

Idea of Combination (Image is in Japanese Only)



Main Clients: Insurance, Banking, and Pharmaceutical industries

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World-leading AI-powered dementia diagnosis app using conversational audio was designated by the MHLW*1 as priority review (fast track) under innovative medical device program

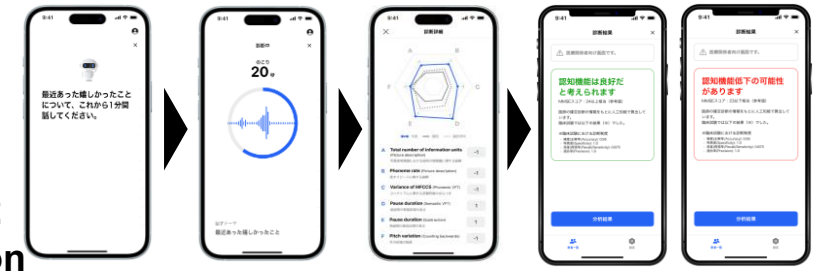
Developing Programmed Medical Device

Estimated number of patients with dementia

- Domestic **10Million***2
- Global **150Million***3

3 AIs support diagnosis of dementia from 30sec. free talk

30sec×2 Conversation



- Dementia Diagnosis Model
- Severity Estimation Model
- Speech feature analysis Model

Advantages of Priority Review Product Designation

- ☑ **Priority consultations:** PMDA*4 may give priority to other medical devices in face-to-face advice, etc.
- ☑ **Get concierge:** **Get support from concierge assigned by PMDA**
- ☑ **Pre-evaluation:** **Priority consultation with concierge**
- ☑ **Priority review:** **Priority review by PMDA**

Designation brings forward the timing of manufacturing approval (product release)

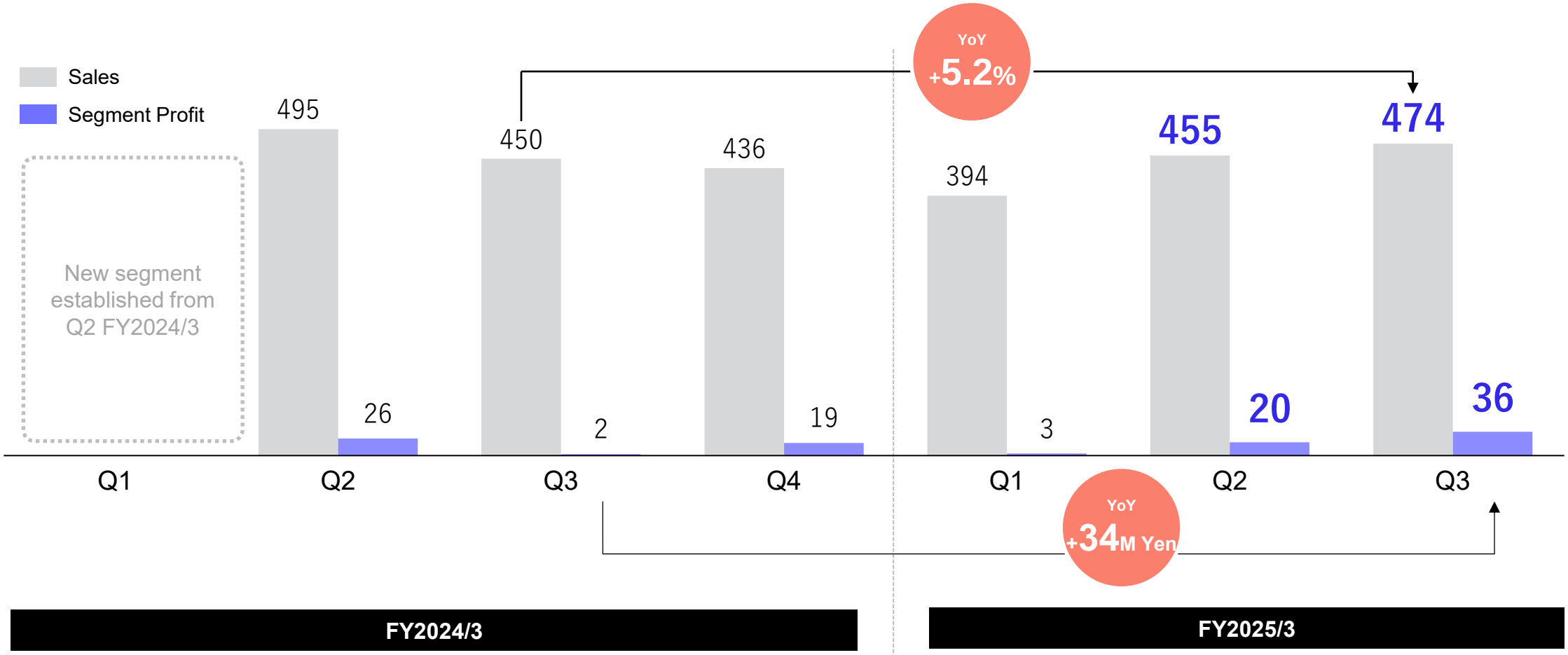
Notes: *1 MHLW: the Japanese Ministry of Health, Labor and Welfare
*2 Refer to data from "Report of Prevalence of Dementia and Mild Cognitive Impairment: A Survey and Future Estimates," Kyushu University
*3 Refer to data from "The Lancet Public Health" *4 PMDA: Pharmaceuticals and Medical Devices Agency

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Other Service Business: Quarterly Trend of Financial Results

As a results, sales 474million yen and segment profit 36million yen

(Quarter) Other Service Business Sales & Segment Income (Millions of yen)



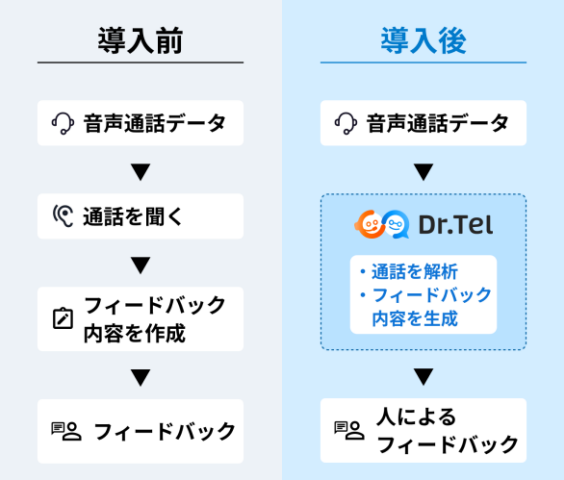
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Strong alliance with CENTRIC Corporation, AI product for customer call-center “Dr.Tel” has been introduced to multiple leading companies

Launched “Dr.Tel for Sales”

■Details of Dr.Tel for Sales

A support tool that enables sales managers to easily provide appropriate feedback by summarizing the points to be confirmed from the content of telephone sales calls using a generated AI.





Main use-case from the third quarter

Alliance with CENTRIC

By implementing the knowledge of CENTRIC's emotion analysis technology into the STADIUM's Dr.Tel, impressions and satisfaction can also be evaluated objectively.

CENTRIC



Introduce in Call-Center Industries

trans cosmos people & technology

transcosmos inc.

and more

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04.

Business Update

EXAWIZARDS

Business Model of ExaWizards

The company is working as a group to address productivity improvement, a societal challenge in high demand by all customers

Social Issues

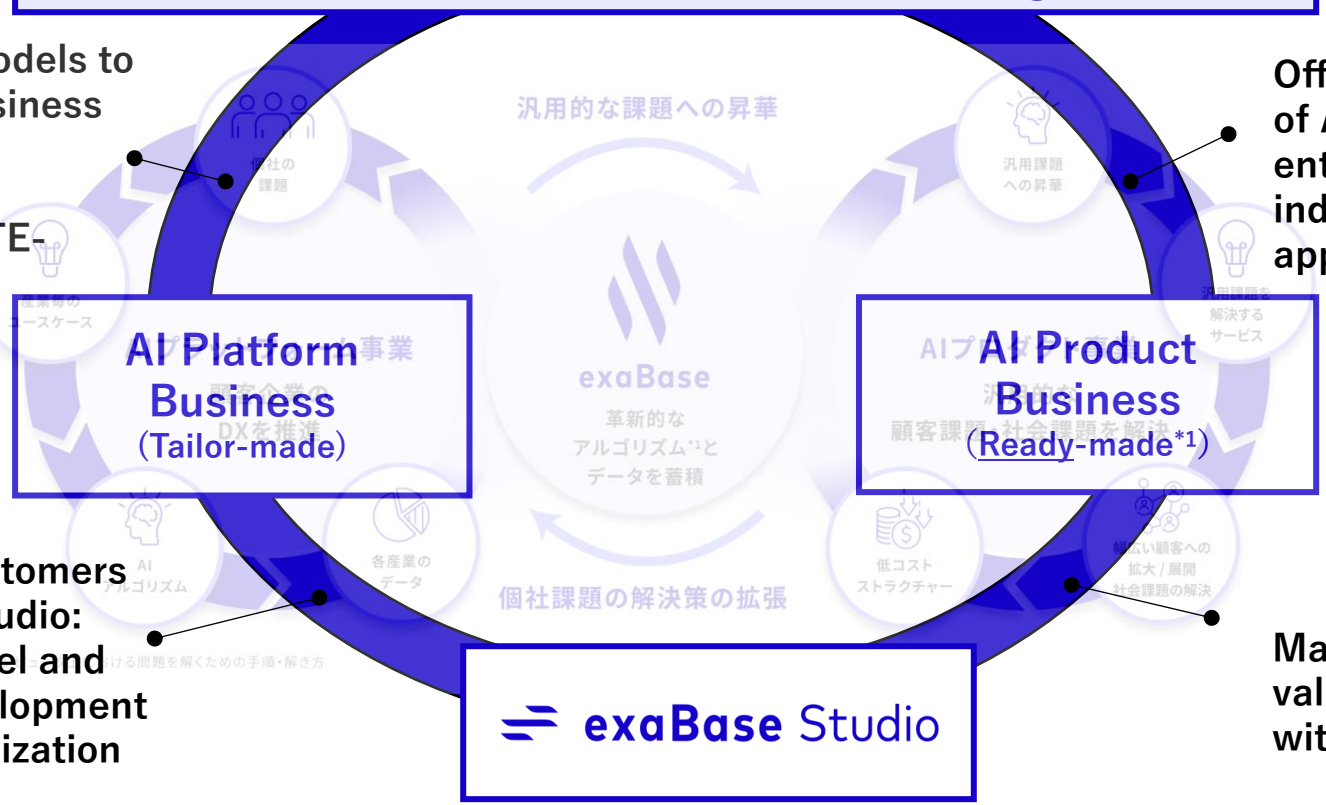
Declining workforce due to super-aging society

Our Customer Value Proposition

Improving White-collar Productivity in Client Companies
• Value Creation / Cost Reduction through AI

Our Business Model: AI Guru-Guru (Spinning Gear) Model

Developing AI models to solve diverse business challenges for productivity improvement (FTE-focused)



Offering a diverse range of AI products such as enterprise solutions and industry-specific applications

Empowering customers with exaBase Studio: Enabling AI model and application development through data utilization

Maximizing AI product value through integration with proprietary data

*Note *1 By utilizing the data accumulated within the company, it is possible to create results that are inherently meaningful, and in this sense, it can be described as "Ready-Made."*

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Business Model of ExaWizards

The “AI Guru-Guru (Spinning Gear) Model” rotates at high speed, and the product gradually grows to become a pillar of the business

As “AI Guru-Guru Model” rotates smoothly, many new products were born

Yearly
Over **200** companies
More than **300** projects

- exaBase Studio
- exaBase Role Playing
- exaBase Meeting summary

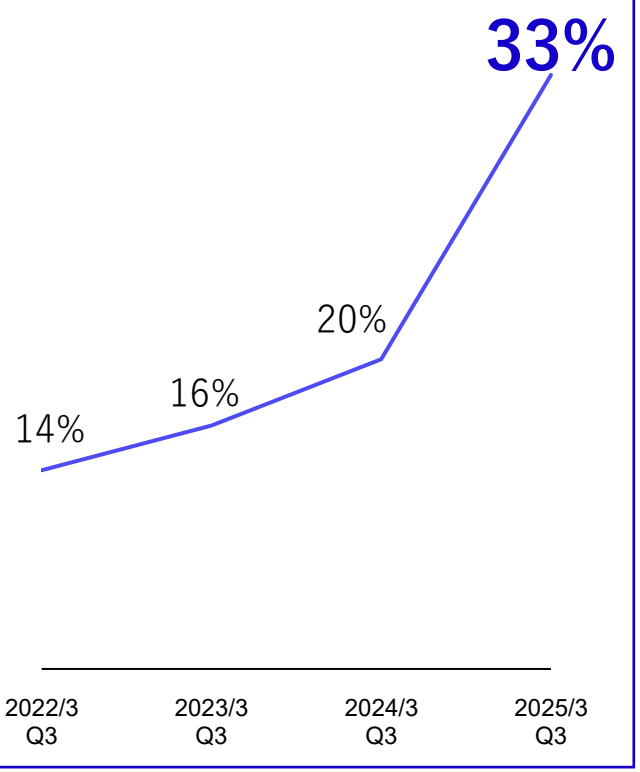
汎用的な課題への昇華

exaBase

個社課題の解決策の拡張

- exaBase DX Assessment & Learning
- exaBase Generative AI
- exaBase IR Assistant

Increase of the product sales ratio



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On the “Year of AI Agents,” investment in AI agents is in full swing

2025 dubbed the “Year of AI Agents

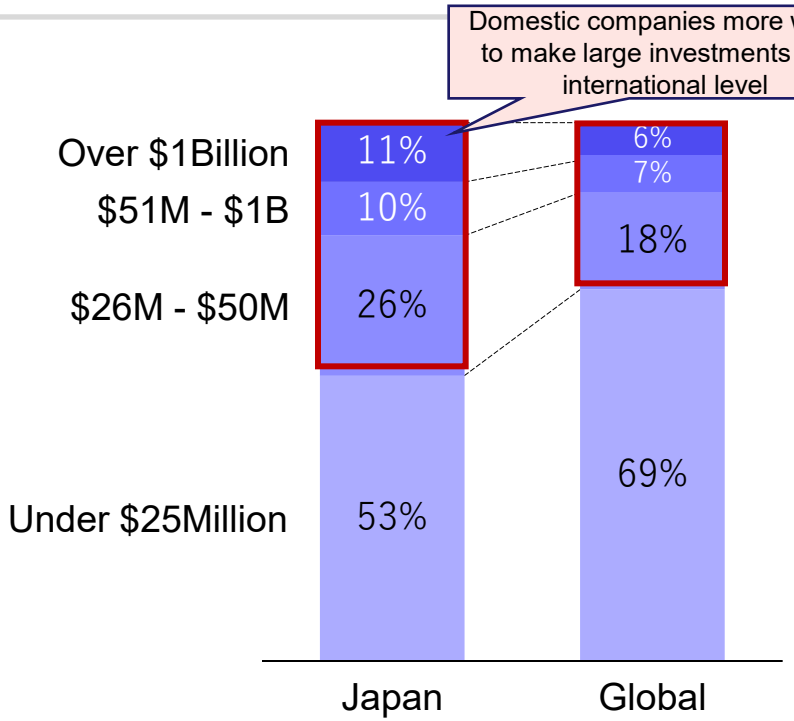
”

We believe that, in 2025, we may see the first AI agents “join the workforce” and materially change the output of companies.*1

- Sam Altman, CEO of OpenAI

Investment in the use of AI agents is expected to be activated in Japan as well*2

Expected investment in AI in 2025



% of executives considering the use of AI agents

72%

On the other hand, data integration of core systems is important to incorporate AI agents into actual business operations and generate value.

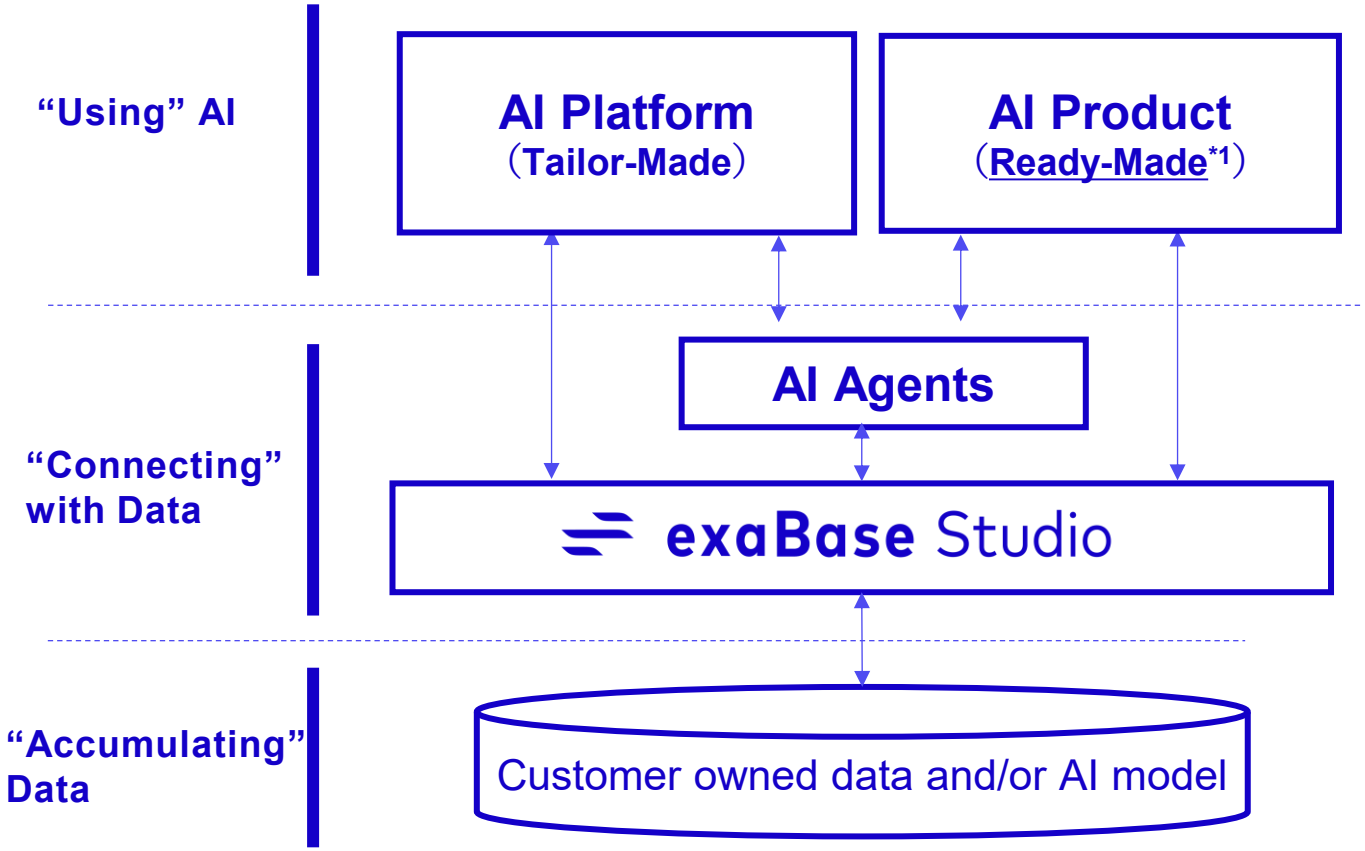
*Notes *1 Refer to the blog of Sam Altman, https://blog.samaltman.com/reflections*
**2 BCG AI RADAR “From Potential to Profit: Closing the AI Impact Gap,” January 2025*

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Competitive Advantages of ExaWizards

Maximize the effectiveness of AI models and AI products by connecting your company's accumulated data with exaBase Studio and AI agents

The world ExaWizards aim to create



Business Direction

1. **Maximize the impact of AI on your business by combining with exaBase Studio and AI Agents**

2. **Assist customer-driven application development by integrating with core systems via exaBase Studio and AI Agents**

*Note *1 By utilizing the data accumulated within the company, it is possible to create results that are inherently meaningful, and in this sense, it can be described as "Ready-Made."*

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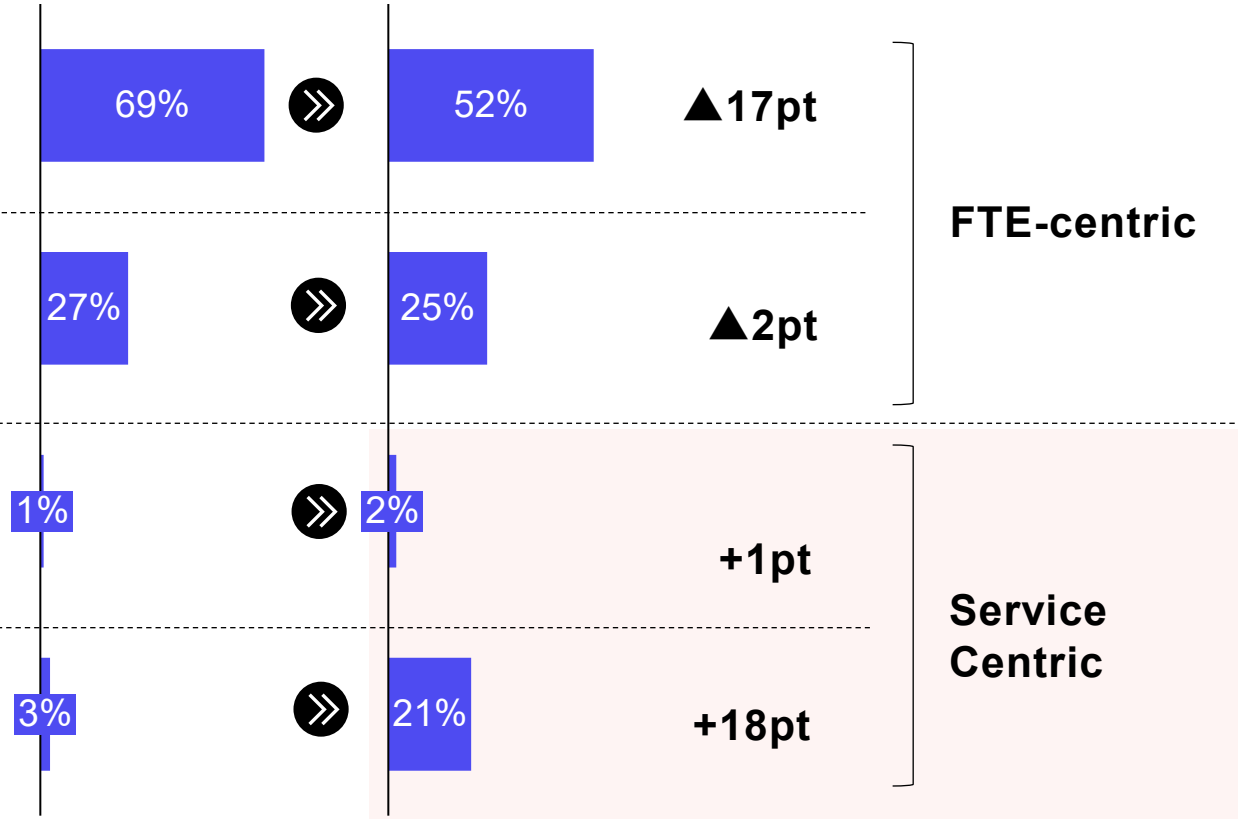
1 Use AI：AI Platform (Tailor-Made) Business Model

Gradually transforming from the previous FTE*1-centric AI model development to a service-centric earning scheme

Offering of AI Platform Business

	Description
DX/AI Consulting/ AI Model Development	• Build DX Strategy • PoC
System Developments	• Connect the developed AI model to the core system
AI Apps Development/Operation	• Development of AI services in collaboration with customers • Operation and support
exaBase Studio Projects	• Customer-driven AI application development and operation

Sales ratio of individual offerings*2



Note *1 FTE: Full-Time Equivalent
*2 Cumulative total through Q3 for both FY23 and FY24

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1 Use AI: AI Products (Ready-Made) Business Model

Full lineup of value-added products while also utilizing customer data via exaBase Studio

For Enterprise/SMB

Health Care (Medical/Care)

exaBase Generative AI

exaBase Generative AI

By Domain

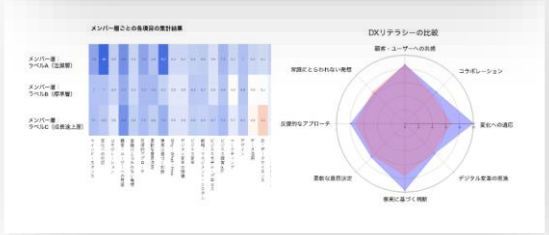
By Task

- exaBase Generative AI for HR
- exaBase IR Assistant
- exaBase 採用アシスタント
- exaBase Generative AI for Store
- exaBase Generative AI for Academy
- exaBase Generative AI for Government
- exaBase Generative AI for Sales

Combined with RAGOps for higher response accuracy and added value

exaBase DX Assessment & Learning





Provide visualized analysis based on combination of test results and HR data

AI Platform/Group Company

- exaBase Role Playing
- Dementia Diagnosis AI Medical Software
  Designated as SaMD fast track of the MHLW
- exaBase Meeting summary
- Dr.Tel

By linking with exaBase Studio it realize to link with internal systems and databases.

CareWiz

- トルト (Toruto)
- タクスト (Takusuto)
- オシゴト (Oshigoto)
- BCP
- CareWiz タヨルト (Tayoruto)

Continue to improve the value of services by combining information from nursing care facilities

exaBase Studio

Customer owned data

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2 Connect AI：exaBase Studio X exaBase Generative AI

By linking exaBase Studio and exaBase Generative AI, it is possible for customer to easily build AI applications on their own

Use-case: exaBase Studio X exaBase Generative AI



Starting off with Saitama prefecture, creating more use cases for Gen.AI within the Agency using exaBase Studio

Customers' Voices

> We chose to implement this solution because of its capability to develop flexible AI applications. While Gen.AI isn't yet considered an essential tool for our staff, we believed that integrating it into our existing workflow systems would lead to better adoption and higher impact. Using exaBase Studio, we've developed a meeting minutes summarization app and rolled it out across our entire organization. Currently, we're evaluating which other business processes could benefit from AI application development. It's an ongoing process, and we're excited about the potential.

> We developed our meeting minutes summarization app in about three months, incorporating various improvement suggestions along the way. This process was notably faster and more flexible than building from scratch.

> Combining "exaBase Studio" with our approach gives us the advantages of both SaaS and custom development - a key benefit for our needs.

Reference: https://exawizards.com/exabase/gpt/case/28787/

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exaBase Generative AI is also evolving with the introduction of a browser-operated autonomous AI agent for verification

Use Case: exaBase Generative AI X Autonomous Agent



Until now, RPA has been prone to stoppage when business processes or system specifications are changed, but the browser-operated autonomous AI agent solves this problem

Realization of business automation that is resistant to change, and RPA can also be built automatically.

Image of browser-operated autonomous AI agent



Complete tasks by controlling the browser based on prompts input to exaBase Generative AI.

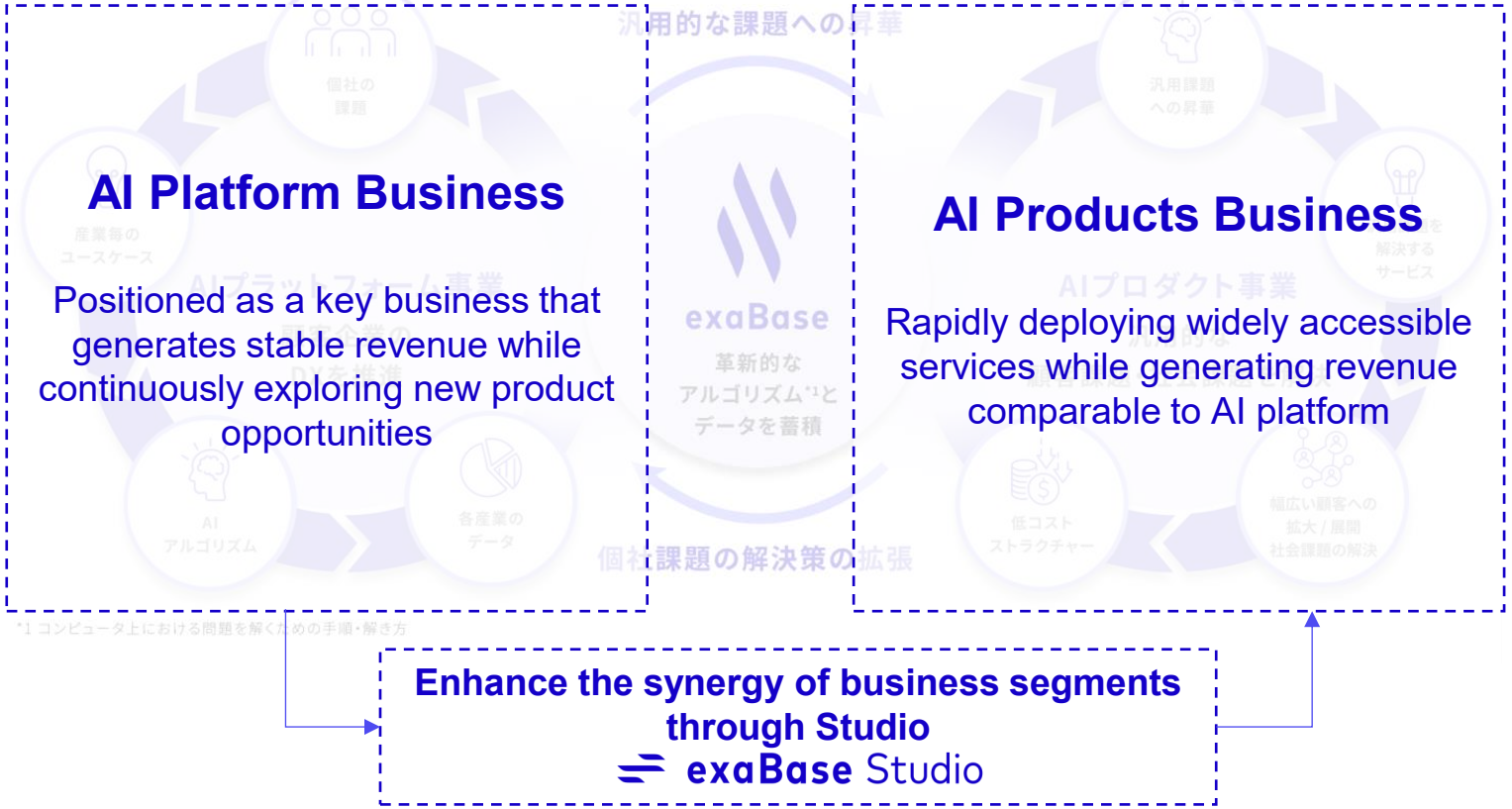
Integrating exaBase generative AI into daily operations: call memo and internal scheduling are planned to implement

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Mid-term Strategy of our Business Model

Stabilizing current revenue through AI Platforms while transforming into a product-centric business for the future

Transformation of ExaWizards' Business Model



Future Strategy

Optimizing business portfolio in the mid to long Term by balancing AI Platform and AI Products Businesses

Shot term

- Ensuring management stability by continuously optimizing resources and delivering value to existing AI Platform Customers
- Simultaneously strengthening our foundation for rapid expansion in generative AI Products Business by leveraging exaBase Studio

Mid-long term

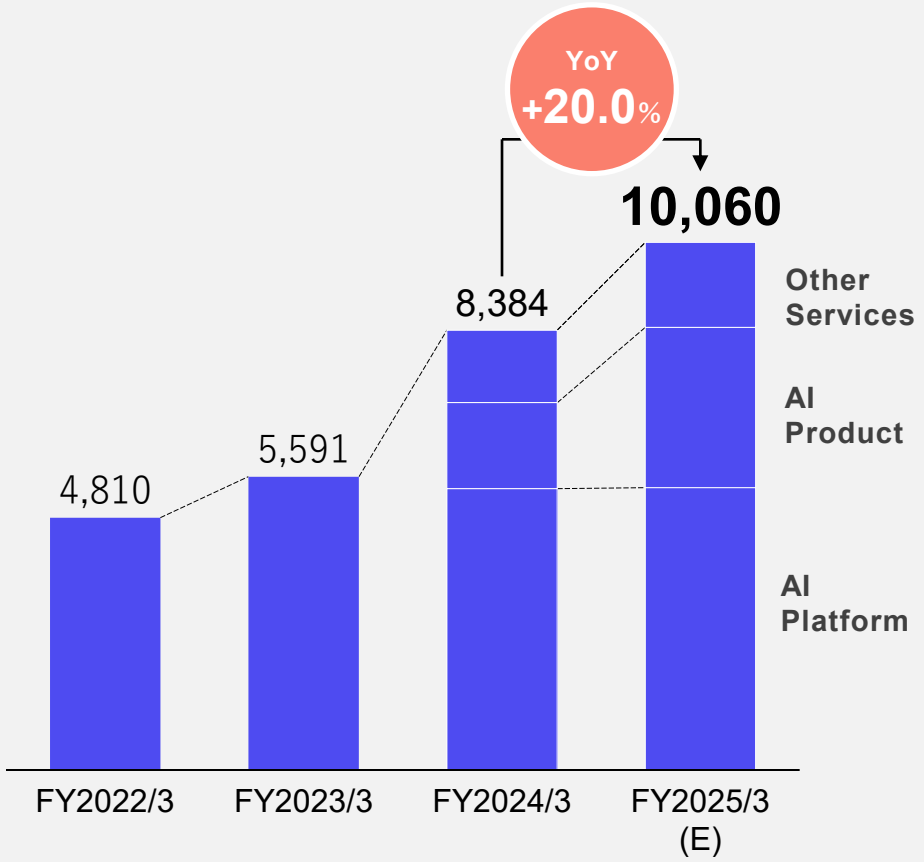
- Increasing the proportion of highly profitable and scalable generative AI Products Business, growing it into a core pillar of our business

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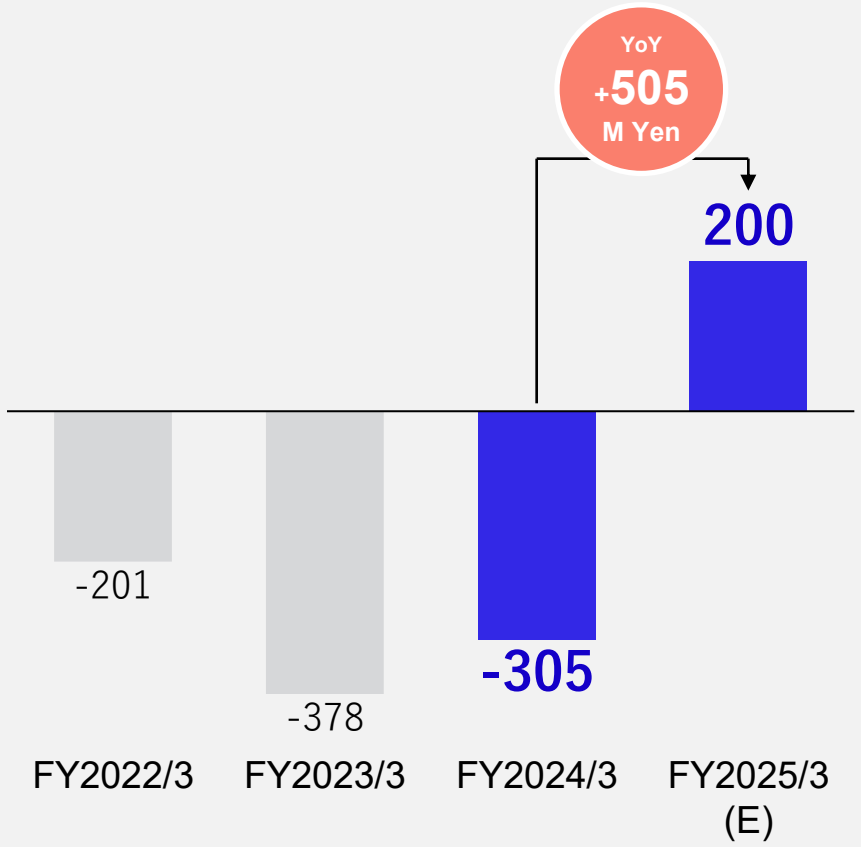
Earnings Forecast for the Fiscal Year Ending March 31, 2025 (Remain as same)

Assumes sales of 10.060million yen (+20.0% YoY) and operating profit of 200million yen (+505million yen YoY)

Total Sales: Fiscal Year (millions of yen)



Operating income: Fiscal Year (millions of yen)



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05.

Appendix

EXAWIZARDS

Company Overview



Company Name	ExaWizards Inc.
Address	5F, Sumitomo Fudosan Mita First Building, 4-2-8 Shibaura, Minato-ku, Tokyo 108-0023
Other Offices	Hamamatsu, Osaka, Fukuoka
Founded	February 2016
Capital	2.4 billion yen (December 31, 2024)
Number of Employees	593 (Consolidated basis, full-time employee, As of December 31, 2024)
Business	Development of AI-enabled services for industrial innovation and social problems solutions
Board Members	Representative Director & President : Makoto Haruta Managing Director : Takuma Oue Director : Yutaka Sakane Outside Director : Yasushi Shingai Outside Director : Toshihiko Hiura Outside Director : Naoko Munakata Full-time Outside Company Auditor : Shigeru Tsuru Outside Company Auditor : Masaru Iida Outside Company Auditor : Manabu Sato

Leadership Team

Board of Directors



Makoto Haruta

Representative Director & President

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

Curt
Outside director of
- TBS Holdings
- Panasonic Corporation



Takuma Oue

Managing Director, Executive Officer
Business Management
Representative Director of Exa Enterprise AI

Ex
- Boston Consulting Group

Curt
- Visiting Associate Professor, University of Hyogo
- Advisor, Generative AI Utilization Study Project Team of Hyogo prefecture



Yutaka Sakane

Director
Technology Management

Ex
- Assistant, Shizuoka University
- Digital Sensation



Yasushi Shingai

Outside Director

Ex
- Executive VP of JT

Curt
Outside Director of
- The Dai-ichi Life Holdings
- NTT West



Toshihiko Hiura

Outside Director

Ex
- Chairman, Bain & Company

Curt
- Visiting Professor, St. Marianna University



Naoko Munakata

Outside Director

Ex
- Commissioner, Japan Patent Office
- MITI (Currently known as METI)

Curt
- Professor at the Graduate School of Public Policy, The University of Tokyo
- Board Member Audit and Supervisory Committee Member, Murata Manufacturing

Chief AI Innovator

Ko Ishiyama

Chief AI Innovator

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

Executive Officers

Koji Hazama

Representative Director and President Of ExaMD

Ex *A.T. Kearney*

Tomoya Maekawa

Ex *Boston Consulting Group*

Satoshi Ishino

Representative Director & President of Exa Homecare
Representative Director of Studium Co., Ltd.

Ex *P&G*
McKinsey & Company

Tomoaki Maekawa

Ex *SONY*
Boston Consulting Group

Yoritaka Handa

Ex *Benesse Corporation*
Recruit HD

Kazutoshi Takimoto

President & Representative Director of Xware

Masashi Fukuda

Ex *SAP Japan*

Koji Ono

Ex *TOME Research Laboratories*

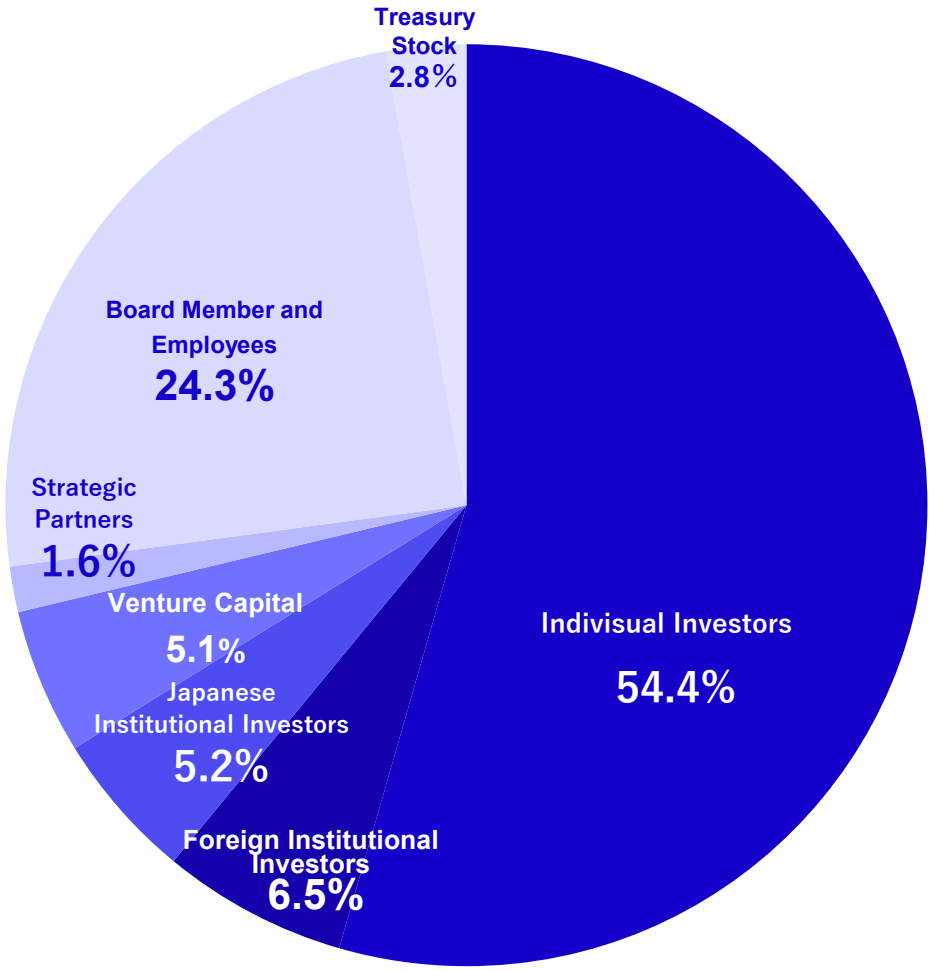
Coty SAXMAN

Ex *LINE*

Saori Oji

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

Shareholder Composition (As of September 30, 2024)



Total Number of Shares Authorized to be Issued by the Company	301,232,000
Total Number of Shares Issued	85,436,400
Number of Shareholders	27,516

Shareholder[1]	Number of shares held (thousand)	Shareholding ratio (%)[2] (%)
betaCatalyst Inc.	8,185	9.86
Yutaka Sakane	3,776	4.55
Toshikazu Furuya	3,455	4.16
Ko Narukama (Ishiyama)	3,020	3.64
RH Corporation	3,000	3.61
KH Corporation	3,000	3.61
KIA FUND F149 Citibank, NA Tokyo	2,416	2.91
D4V Fund I Investment Limited Partnership	2,166	2.61
iSGS Fund I Investment Limited Partnership	1,927	2.32
Custody Bank of Japan, Ltd.（trust account）	1,806	2.18

*Notes *1 For reference: The Company held 2,424 thousand shares of treasury stock as of September 30, 2024*
**2 Percentage of shares held to total number of shares issued (excluding treasury stock) ESOP trust shares (660,000 shares) are not included in treasury stock.*

Consolidated Balance Sheets of FY2025/3 Q3

(million yen)	FY2023/3	FY2024/3	FY2025/3 Q3
Current assets	**6,372**	**5,518**	**5,089**
Cash and deposits	5,231	3,489	3,020
Accounts receivable - trade and contract assets	1,032	1,851	1,653
Other	108	178	415
Non-current assets	**1,567**	**4,413**	**4,149**
Property, plant and equipment	165	320	305
Intangible assets	1,114	3,544	3,468
Goodwill	160	894	783
Customer-related assets	-	1,746	1,639
Software	954	903	1,045
Investments and other assets	287	548	374
Assets	**7,939**	**9,931**	**9,238**

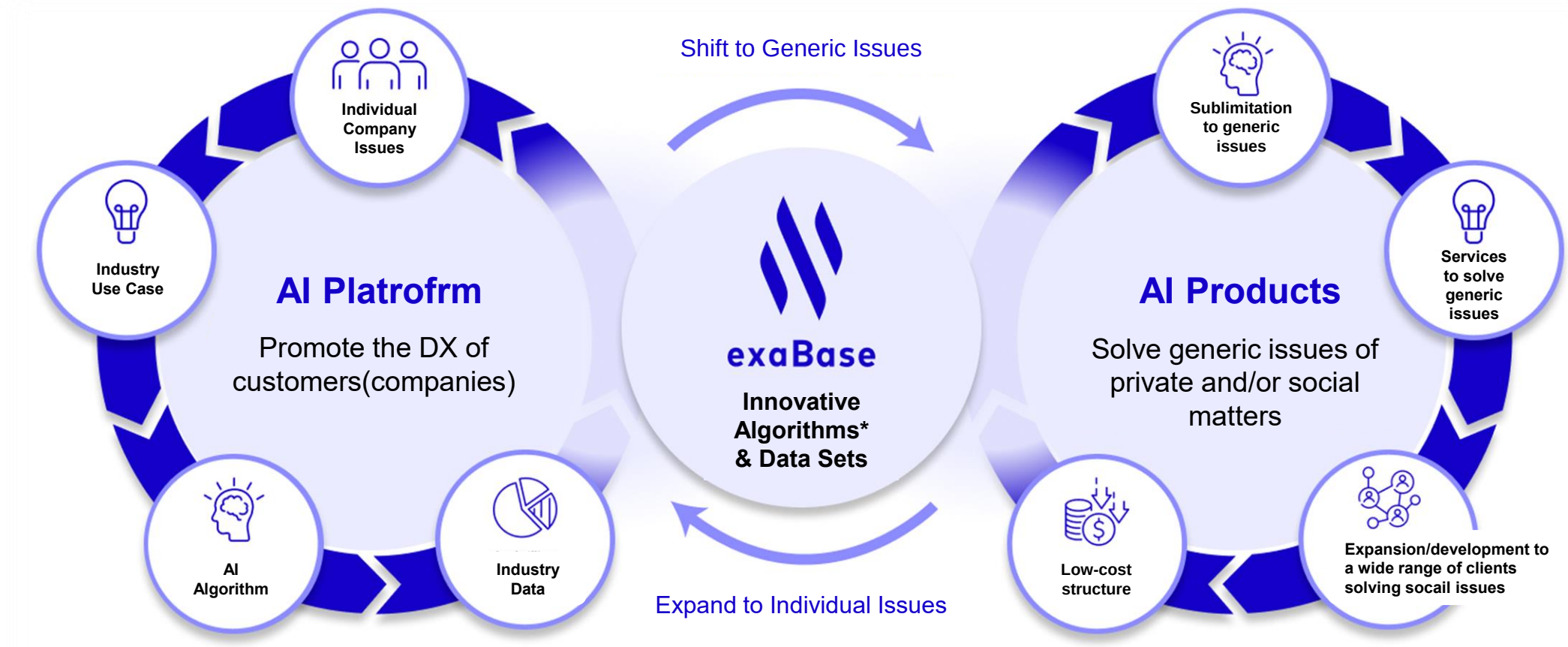
(million yen)	FY2023/3	FY2024/3	FY2025/3 Q3
Current liabilities	**914**	**1,806**	**1,748**
Current portion of long-term borrowings	10	300	300
Account payable – other	225	660	428
Accrued expenses	304	460	474
Other	374	385	545
Non-current liabilities	**406**	**3,141**	**2,901**
Long-term borrowings*	300	2,550	2,325
Other	106	591	575
Net assets	**6,618**	**4,983**	**4,588**
Share capital	2,337	2,401	2,436
Capital surplus	4,487	4,555	4,584
Retained earnings	-249	-860	-1,369
Treasury stock	-34	-1,203	-1,182
Other	78	91	117
Liabilities and Net Assets	**7,939**	**9,931**	**9,238**

*Note *It was procured at fixed interest rates, minimizing the impact of market interest rate fluctuations.*

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Business Model of ExaWizards

We have been solving social issues through “AI Guru-Guru (Spinning Gear) Model,” which accumulates algorithms and date from individual issues on one side, produce universal product on the other

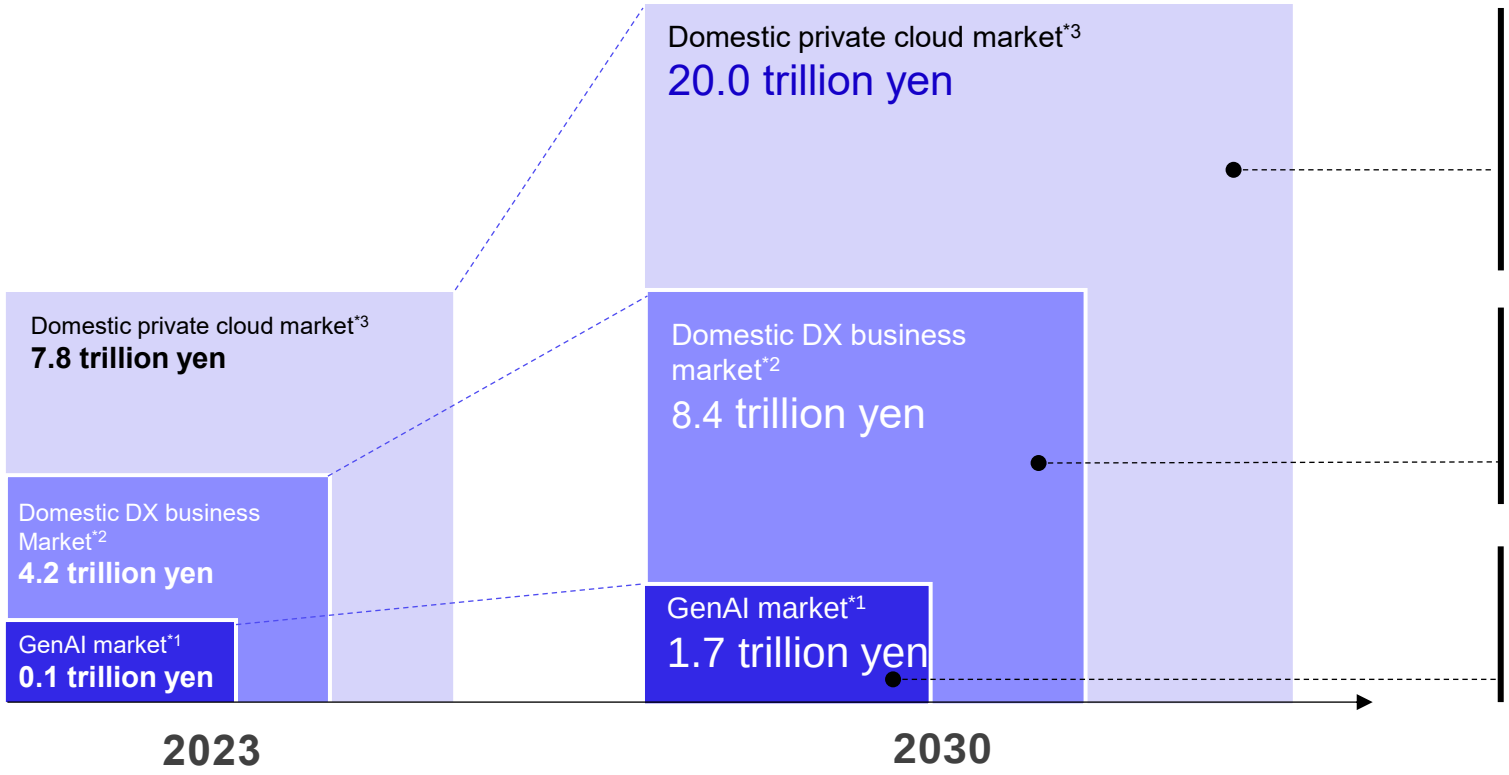


Note *Products and methods for solving problems on the computer

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Along with the growth of the domestic Generative AI market, we will expand our business reach through support for custom clouds

Markets that we are in and to compete



ExaWizards' Initiatives

- Support for private clouds as a feature of exaBase Studio.
- In collaboration with cloud vendors, we will also venture into providing cloud implementation support in the future.
- Markets to be developed with our suite of ExaWizards AI services
- Markets to be developed primarily around Generative AI products

Notes *1 JEITA (Japan Electronics and Information Technology Industries Association) https://www.jeita.or.jp/japanese/topics/2023/1221-2.pdf
*2 Fuji Chimera Research Institute, Inc. "2024 Future Outlook of the Digital Transformation Market: Market Edition/ Corporate Edition"
*3 Calculated data based on "Forecast of the Domestic Cloud Market, 2023-2028" by IDC Japan. The market size for 2030 is estimated assuming the same CAGR continues as after 2028.

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Approach for the Fiscal Year Ending March 31, 2025

While continuing to invest in the Generative AI, the basic policy is to generate profits by the whole company.

Basic Policy for the Fiscal Year Ending March 31, 2025	• Growth trend in generative AI, continued aggressive investment to expand exaBase Studio implementation • On the other hand, we will fundamentally reform our business model and cost structure so that we can generate profits while making investments.

AI Products	• exaBase Generative AI and exaBase DX Assessment & Learning, a DX human resource development service, will continue to drive growth, aiming for the same level of sales growth as in the fiscal year ending March 31, 2024 • In addition to exaBase IR Assistant, we will gradually launch a series of generative AI assistants such as exaBase Recruiting Assistant
AI Platform	• Maintain sales scale and improve operating margin by increasing per-capita operating productivity without unnecessarily increasing headcount • Increase the number of projects that mainly use exaBase Studio, especially RAGOps, by molding the sales force • Maximize added value for clients by providing comprehensive services, including the combination of exaBase Generative AI and exaBase DX Assessment & Learning
Other Service	• Aim for business growth by continuing with structural reforms in the first half while enhancing profitability from the second half

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Our Approach to Investment of Capital and Shareholder returns

Towards sustainable improvement of corporate value, our priority is to invest in business for the time being

Investment targets and approach to shareholder returns

- At this moment, the Company's priority is to increase its corporate value by focusing on further business expansion and achieving sales growth.
- For this reason, we are looking to invest our funds in hiring human resources that will contribute to business growth, strengthening existing products, developing new products, M&A and alliances with partners, etc.

Our mindset toward Growth Investments

- For an investment to achieve disruptive growth (e.g., M&A, business model development), Company is considering strategic and flexible procurement methods, including cash on hand, borrowing from lenders, bonds and equity financing, and others, based on a strong financial base.
- While exploring various possibilities, the Company will carefully examine each project by its profitability, financial stability, and the Company's management policy.

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EXAWIZARDS
AIで、ひとに力を。よりよい社会を。