To whom it may concern:

May 22, 2026

Company name: ExaWizards Inc.
Name of representative: Makoto Haruta,
Representative Director and President, CEO
(TSE Code No.4259)
Inquiries: Tomoaki Maekawa,
Executive Officer, Corporate Management
Division Manager, CFO

Notice Regarding the Establishment of a Joint Venture with the MS&AD Group

ExaWizards Inc. (hereinafter, "the Company") hereby announces that, at the Board of Directors meeting held on May 22, 2026, it resolved to establish a joint venture (hereinafter, the "Joint Venture") with MS&AD Insurance Group Holdings, Inc. (hereinafter, the "MS&AD Group"), around June 2026, as described below.

1. Reason of the establishment

Since its founding, the Company and its consolidated subsidiaries have developed and provided AI and generative AI solutions and products that can be used in daily operations by office workers at Japanese companies requiring high security standards. As a leading company in the domestic AI market, the Company has been engaged in promoting the utilization and adoption of AI. As of the end of March 2026, the Company has contributed to operational efficiency and productivity improvement through transactions with approximately 2,500 companies. Among these, the Company has been involved in numerous AI use cases in financial operations since its early days.

On the other hand, our joint venture partner, the MS&AD Group, as a leading company driving the domestic non-life insurance industry, has set a goal of becoming "the insurance and financial services group most frequently chosen by customers." To this end, it aims to leverage its globally expanding business foundation to provide optimal peace of mind, the best possible customer experience, and cutting-edge solutions, thereby contributing to the development of a vibrant society and a sound future for the planet.

In recent years, the environment surrounding the insurance industry has undergone significant change, and as customer needs have become more diverse and social issues more complex, the importance of business transformation through the use of AI and generative AI (AX: AI Transformation) has been rising rapidly. Within the MS&AD Group as well, under its new management plan, the promotion of AX across the entire Group has been positioned as a key management theme, and initiatives aimed at the full-scale utilization of AI technologies are being accelerated.

However, in the insurance and other financial industries, there are certain constraints on the promotion of AI utilization within existing system environments and rule frameworks, due to stringent security requirements and compliance restrictions. To resolve these issues and realize agile and effective AI utilization, both parties shared the view that a dedicated organization is needed to continuously create and advance AI utilization and development projects under newly established environments and processes.

Based on this shared understanding, the two parties have decided to establish the Joint Venture, combining the Company's long-cultivated expertise in AI utilization in financial operations and cutting-edge AI and generative AI technologies with the MS&AD Group's deep operational knowledge of the insurance business and abundant data assets, in order to achieve the following objectives.

(1) Co-Creation of AI Solutions in the Non-Life Insurance Domain

By combining the MS&AD Group's deep operational knowledge of the insurance business and abundant data with the Company's cutting-edge AI and generative AI technologies, the Joint Venture will drive the planning, development, and implementation of AI solutions specialized for the non-life insurance domain. Through these efforts, the Joint Venture will enhance business processes and customer experiences in the insurance business, contributing to the transformation of the non-life insurance industry as a whole.

(2) Development of an AI Development Environment and Internal Governance Toward Future In-house Capabilities

The MS&AD Group positions the internalization of AI development and operations functions as one of the key priorities in advancing AX. The Joint Venture will establish an AI development and operations environment as well as an internal governance structure that addresses the security requirements and compliance demands specific to the insurance business, and will build the foundation for the MS&AD Group to independently undertake the planning, development, and operation of AI in the future.

(3) Support for the Development of AI Professional Talent

Through the joint advancement of AI projects within the Joint Venture, opportunities will be continuously created for MS&AD Group employees to collaborate with the Company's specialized talent and develop into AI professionals well-versed in insurance operations. In addition, by continuously collecting cutting-edge technological trends and knowledge in the rapidly evolving AI field and feeding them back into the group through training programs and implementation in actual projects, the Joint Venture will contribute to enhancing the expertise of talent and securing competitive advantage.

Through the establishment of the Joint Venture, the parties will strongly drive AX across the MS&AD Group. The Company also expects to further strengthen its business foundation in the financial and insurance sectors, contributing to the medium- to long-term corporate value enhancement of both parties.

2. Overview of the Joint Venture

1.	Name	MS&AD AX Inc.
2.	Location	3-9 Kanda Surugadai, Chiyoda-ku, Tokyo
3.	Title and name of Representative	Representative Director & CEO, Shin Fujioka
4.	Description of Business	Contract AI development (including planning, PoC, development, and system operations) Ancillary services (technical research, testing/verification, and dissemination of information and activities for technical communities)
5.	Share Capital	999 million yen
6.	Date of Establishment	June 2026 (Schedule)
7.	Fiscal Year End	March 31
8.	Equity	999 million yen
9.	Total Assets	999 million yen
10.	Capital Contribution Ratio	MS&AD Insurance Group Holdings, Inc. 90.0% ExaWizards Inc. 10.0%

3. Overview of the Counterparty to the Joint Venture

1.	Name	MS&AD Insurance Group Holdings, Inc.
2.	Location	27-2 Shinkawa 2-chome, Chuo-ku, Tokyo
3.	Title and name of	Representative Director, President & CEO, Shinichiro Funabiki

	Representative		
4.	Description of Business	Our activities as an insurance holding company are: 1. Management and administration of non-life insurance companies, life insurance companies and companies that it may own as its subsidiaries under the Insurance Business Act, and business incidental thereto 2. In addition to the business provided for in the preceding item, business in which an insurance holding company may engage in under the Insurance Business Act.	
5.	Share Capital	101,367 million yen (As of March 31, 2025)	
6.	Date of Establishment	April 1, 2008 (Company name changed on April 1, 2010)	
7.	Major Shareholders	The Master Trust Bank of Japan, Ltd. (Trust Account) 15.53%	
8.	Relationship between the Company and said company	Capital Relationship	Not Applicable
		Personnel Relationship	Not Applicable
		Business Relationship	Since 2025, the counterparty has been advancing projects with the Company aimed at sophisticating and improving the efficiency of operations through the utilization of AI.
		Relate Party Relationship	Does not constitute a related party

9. Operating results and financial positions for the last three years (Millions of Yen)

Fiscal Year Ended	FY2024/3	FY2025/3	FY2026/3
Total Assets	4,513,562	4,052,835	4,825,140
Net Assets	26,960,207	26,241,298	28,640,815
Net assets less non-controlling interests per share (Yen)	2,817.00 Yen	2,647.01 Yen	3,286.85 Yen
Ordinary income	6,572,889	6,660,813	7,653,030
Ordinary Profit	416,440	928,989	1,120,230
Net income attributable to owners of the parent	369,266	691,657	787,339
Net income attributable to owners of the parent per share – Basic (Yen)	231.83 Yen	445.52 Yen	528.87 Yen
Dividends Per Share（Yen)	270.00 Yen	145.00 Yen	160.00 Yen

4. Schedule

1.	Resolution of the Management Meeting	May 22, 2026
2.	Execution of Agreement	May 22, 2026
3.	Starting Date of the New Company	June 2026 (Schedule)

5. Impact to Consolidated Results

The establishment of the Joint Venture is positioned as one of the key measures comprising the medium-term growth strategy “3P Strategy,” which the Company announced in the “Financial Results for the Fiscal Year Ended March 2026” published on May 12, 2026. Through the advancement of this measure, the Company will further strengthen its business foundation in the financial and insurance sectors and expand its professional services related to AI utilization.

The impact of the establishment of the Joint Venture on the Company's business performance has already been incorporated into the consolidated earnings forecast for the fiscal year ending March 2027, announced on May 12, 2026. Should any matters requiring disclosure arise in the future, the Company will promptly inform stakeholders.