

Tokyo Stock Exchange Prime Market: Securities Code 3992

Needs Well Inc.
Financial Results
for the Second Quarter of Fiscal Year 2023
(October 1, 2022 – March 31, 2023)

May 11, 2023



NeedsWell
Try & Innovation



1. 2023/9 2Q Financial report summary



2. 2023/9 Results forecast



3. Growth strategy



4. Reference



Needs Well has transitioned to consolidated accounting from the current fiscal year (FY2023/9).

"Year-on-year" ratio in this document is calculated by comparison with the figures of non-consolidated financial results for the same period of the previous year.



1.1) Financial highlights

Upward revision of forecast on March 15, 2023, with significant year-on-year increase in net sales and profit

Operating profit margin and ordinary profit margin also greatly improved

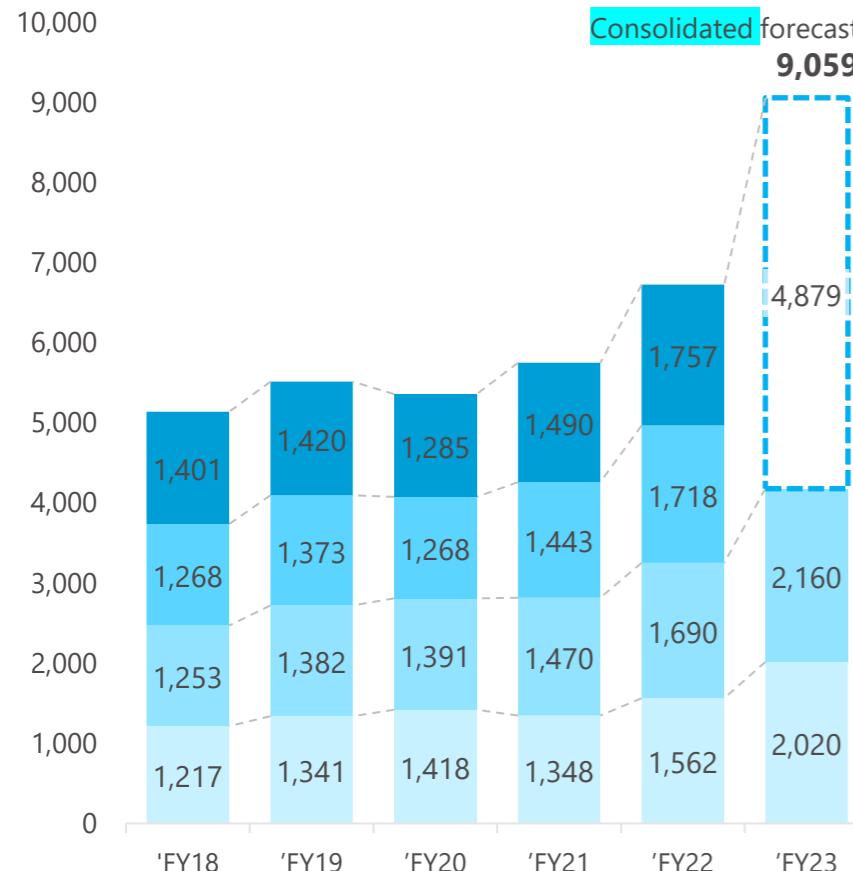
- ✓ Expanded sales channels and reinforced the customer base through active capital and business alliances and business alliances
- ✓ Steady growth in projects for DX and medical care of life insurance companies and projects for financial system migration utilizing nearshore bases
- ✓ All-in contracts increased in security-related projects for social infrastructure
- ✓ The Solutions Business gave momentum to our growth, driven by a paperless work environment, telework, the revised Preservation of Electronic Records Act, and the invoice system

Net sales	Amount Unit: million JPY	YoY(%)	Profit ratio (%)	Notes
Operating profit	4,180	128.5	—	—
Ordinary profit	593	163.7	14.2	+3.1
Profit attributable to owners of parent	606	162.0	14.5	+3.0
Net sales	405	156.4	9.7	+1.7

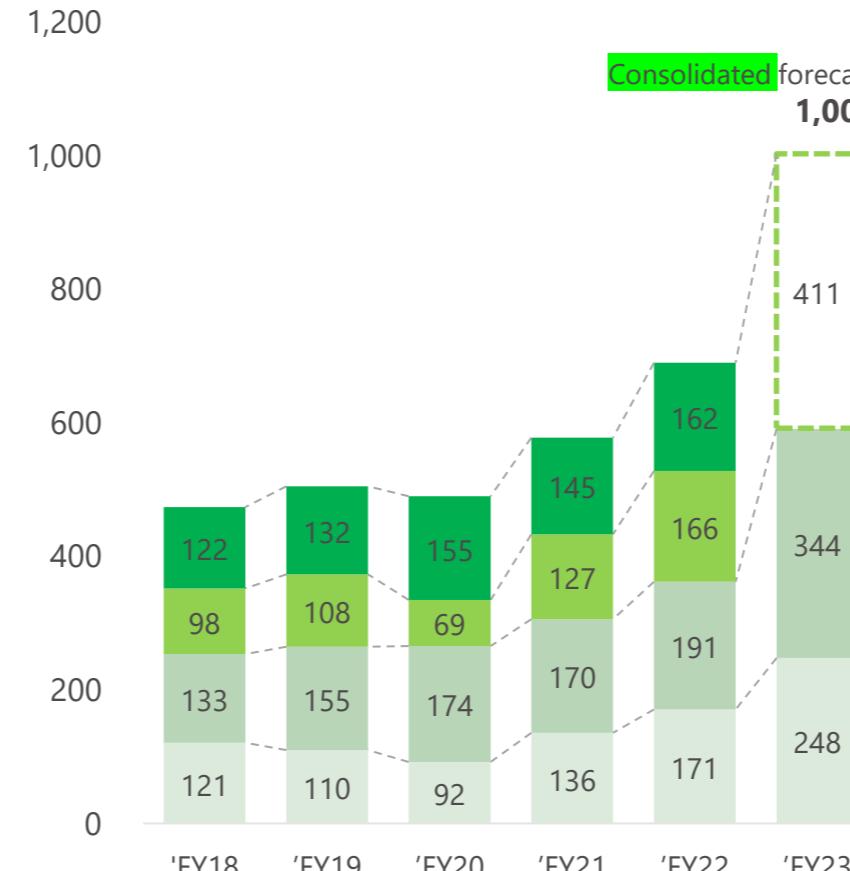
1.2) Trends/comparison by FY

Quarterly net sales, operating profit, and ordinary profit all **reached new highs** since establishment

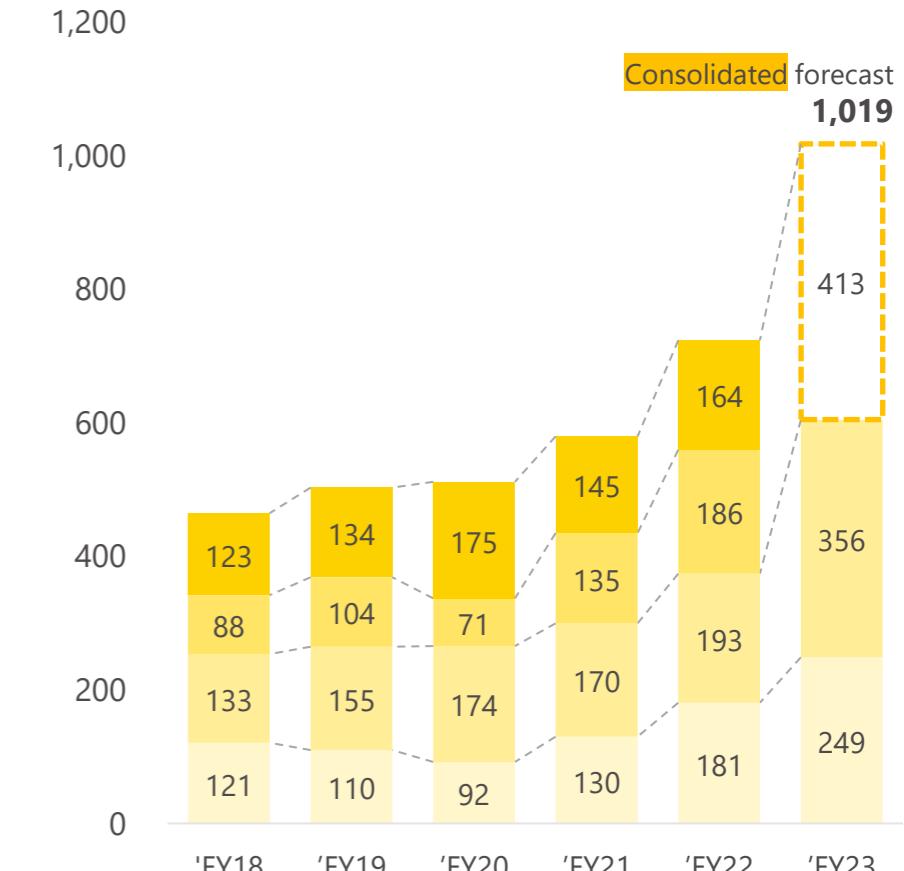
Unit: million JPY **[Net sales by quarter]**



Unit: million JPY **[Operating profit by quarter]**



Unit: million JPY **[Ordinary profit by quarter]**

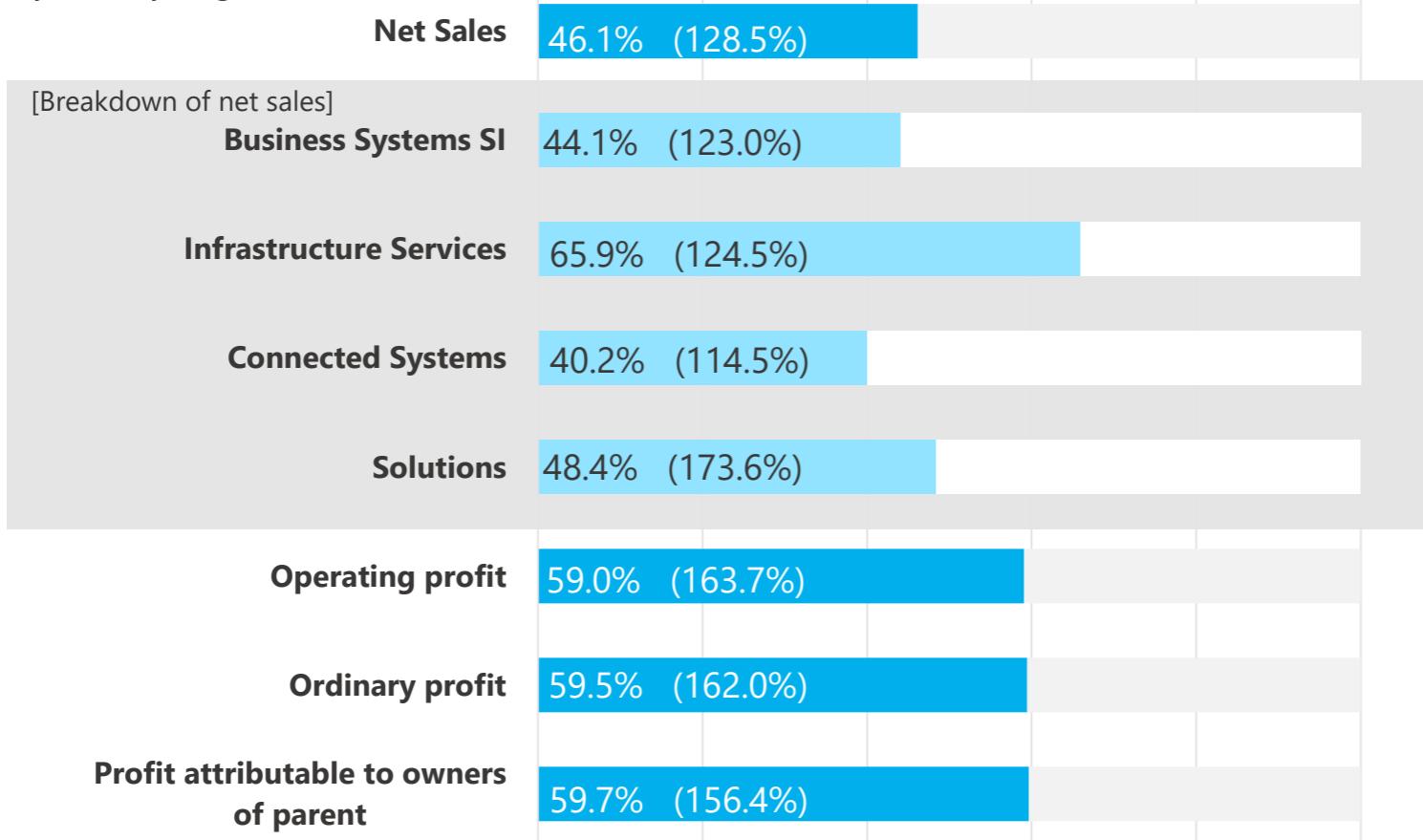


1.3) Performance progression rate, growth Rate

Secured high growth rate year-on-year of 114% to 173% (YoY) in all services

Profit progressing rapidly at a ratio of approximately 60%

[Performance progression rate
(year-on-year growth rate)]



Business Systems SI

Progression rate 44.1% Growth rate 23.0%

Steady growth has been seen due to growth in projects for DX and medical care of life insurance companies and projects for financial system migration, as well as the addition of sales from a newly consolidated subsidiary.

Infrastructure Services

Progression rate 65.9% Growth rate 24.5%

All-in contracts increased in security-related projects for social infrastructure.

Connected Systems

Progression rate 40.2% Growth rate 14.5%

We have continued stable development for projects for medical care.

Solutions

Progression rate 48.4% Growth rate 73.6%

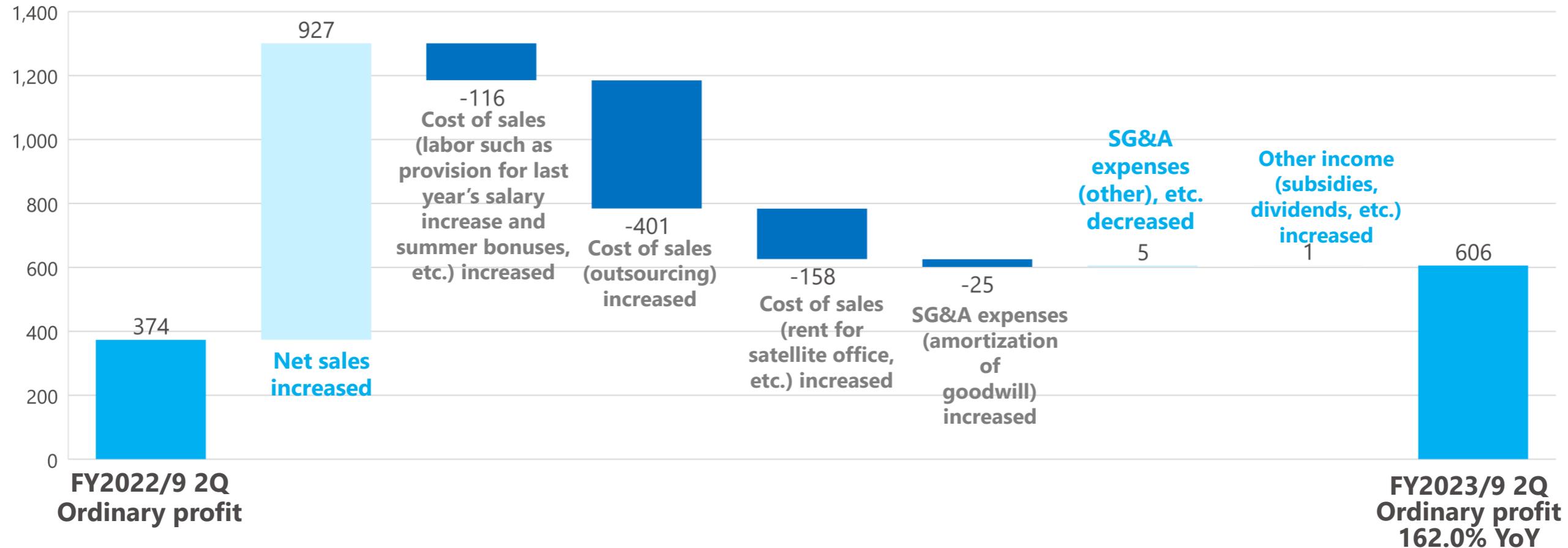
Invoice PA, a unique solution for expense management, and RPA remained strong. We aim to further expand the business in the next fiscal year by introducing new solutions.

1.4) Ordinary profit analysis

Operating profit **increased 63.7% year-on-year** and ordinary profit **increased 62.0% year-on-year**, showing significant growth

- ✓ **Gross profit** increased by 251 million JPY (+32.9% year-on-year) due to increased orders and acquisition of high-value-added projects.
- ✓ Provided a high salary increase and bonuses

Unit: million JPY



1.5) Profit & loss statement

**Net sales growth rate, ordinary profit margin achieved targets.
EPS (forecasting) is also expected to be achieved.**

Unit: million JPY	FY2022/9 2Q Financial Results		FY2023/9 2Q Financial Results					KPI achievement
	Result	Net Sales	Result	Net Sales	Year-on-year			
Net sales	3,253	-	4,180	-	128.5%	46.1%	9,059	
Business Systems SI	2,467	75.8%	3,034	72.6%	123.0%	44.1%	6,881	
Infrastructure Services	338	10.4%	421	10.1%	124.5%	65.9%	639	Net sales growth rate 20% or more 28.5%
Connected Systems	88	2.7%	100	2.4%	114.5%	40.2%	251	
Solutions	359	11.0%	623	14.9%	173.6%	48.4%	1,288	Gross profit margin 25% or more 24.3%
Gross profit	764	23.5%	1,016	24.3%	132.9%	-	-	
amortization of goodwill	-	-	25	0.6%	-	-	-	SG&A expenses rate 10% or less 10.1%
others	402	12.4%	397	9.5%	98.6%	-	-	
SG&A expenses	402	12.4%	423	10.1%	105.1%	-	-	Ordinary profit margin 10% or more 14.5%
Operating profit	362	11.1%	593	14.2%	163.7%	59.0%	1,004	
Non-operating profit	12	0.4%	14	0.3%	111.4%	-	-	
Non-operating expenses	0	0.0%	1	0.0%	146.8%	-	-	EPS 2023.6.1 After taking into account stock split ¥30 or more ¥34.44 forecasting
Ordinary profit	374	11.5%	606	14.5%	162.0%	59.5%	1,019	
Net profit	259	8.0%	405	9.7%	156.4%	59.7%	679	PER 2023.3.31 30 times or more 16.6 times

1.6) Balance sheet

Maintained a stable financial position despite investing approx. 500 million JPY in M&A, etc. (equity ratio : 73.9%)

*Selection of significant entries only		FY2022/9	FY2023/9 2Q		*Selection of significant entries only		FY2022/9	FY2023/9 2Q	
Unit: million JPY		Result	Result	Year-on-year	Unit: million JPY		Result	Result	Year-on-year
Assets	Cash and deposits	2,609	2,274	-334	Liabilities	Accounts payable - trade	213	309	95
	Accounts receivable - trade and contract assets	1,163	1,609	446		loans	-	19	19
	Prepaid expenses	72	49	-22		Accounts payable - others	150	162	12
	Others	0	8	9		Accrued corporate tax, etc.	180	225	44
	Total current assets	3,844	3,942	98		Accrued consumption taxes	90	118	28
	Buildings, net	29	28	0		Deposits received	44	44	0
	Software	81	65	-15		Provision for bonuses	343	356	12
	Software in progress	3	13	9		Others	15	17	2
	goodwill	-	377	377		Total current liabilities	1,038	1,254	216
	Investment securities	236	245	8		loans	-	41	41
	Shares of subsidiaries and associates	107	54	-53		other	-	14	14
	Deferred tax assets	136	142	6		Total non-current liabilities	0	56	56
	Leasehold and guarantee deposits	83	84	1		Total liabilities	1,038	1,311	272
	Insurance funds	76	76	0	Equity	Share capital	908	908	0
	Other	9	20	10		Legal capital surplus	764	765	0
	Total non-current assets	764	1,108	344		Retained earnings brought forward	2,072	2,221	148
	Total assets	4,608	5,051	442		Treasury shares	-200	-194	5
						Valuation difference on available-for-sale securities	24	30	6
						Non-controlling interests	0	7	7
					Total net assets		3,570	3,739	169
					Total liabilities and net assets		4,608	5,051	442



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2.1) Transition to consolidated accounting



Transition to **consolidated accounting** from October 2022 with Needs Well's inclusion of subsidiaries and an equity-method affiliate



Needs Well Inc.

Business Systems SI, Infrastructure Services, Connected Systems, Solutions

[Consolidated subsidiaries]



Zeroichi Production Co., Ltd.

Contract development for construction sector,
MVNO-related business



BO STUDIO Inc.

Web design, consulting, digital marketing



KOMSOFT Inc.

Financial system & web-related system development

[Equity-method affiliate]

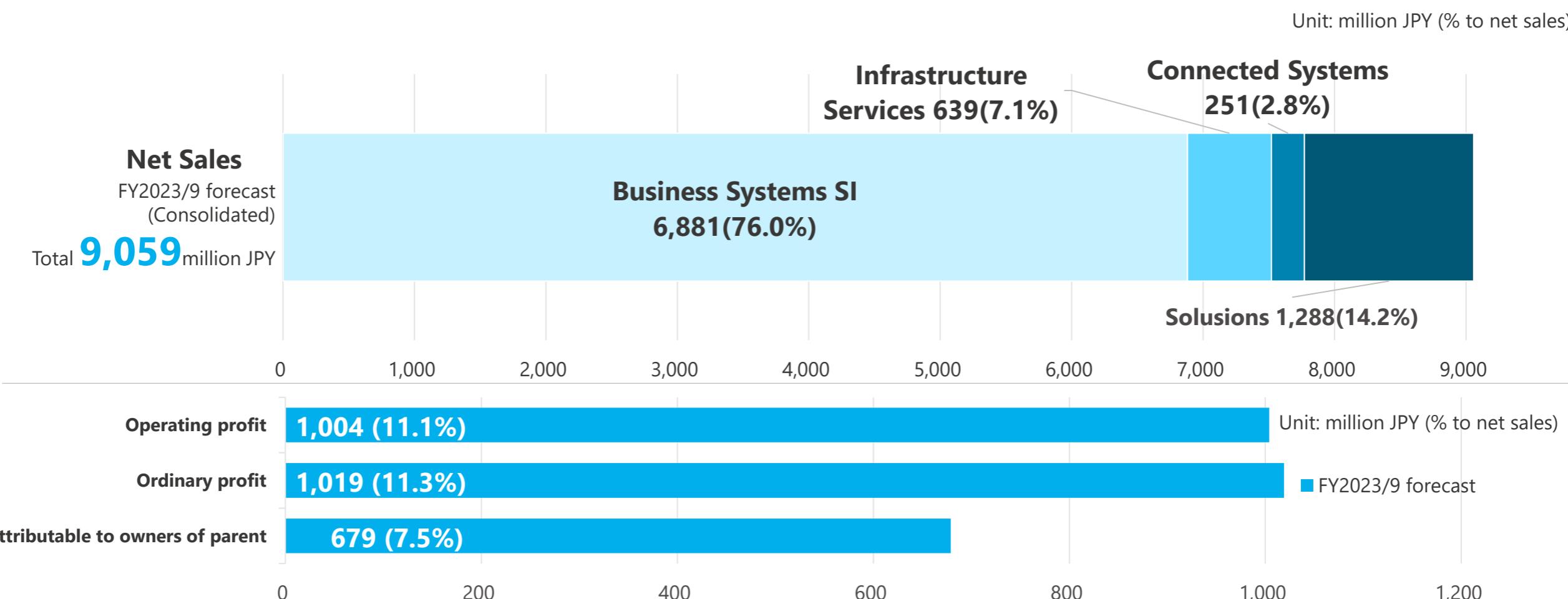


Souken-sys Inc.

Core system, app, e-commerce site & cloud-based development

2.2) Forecast (Consolidated)

Revised forecast upward in March 2023
Expect to achieve the Medium-Term Management Plan Target of 1.0 billion JPY in ordinary profit
Needs Well will continue efforts throughout FY2023/9 to **expand existing businesses** and **conclude M&A contracts at a pace that exceeds forecasts**



2.3) Medium-Term Management Plan: Present situation & measures

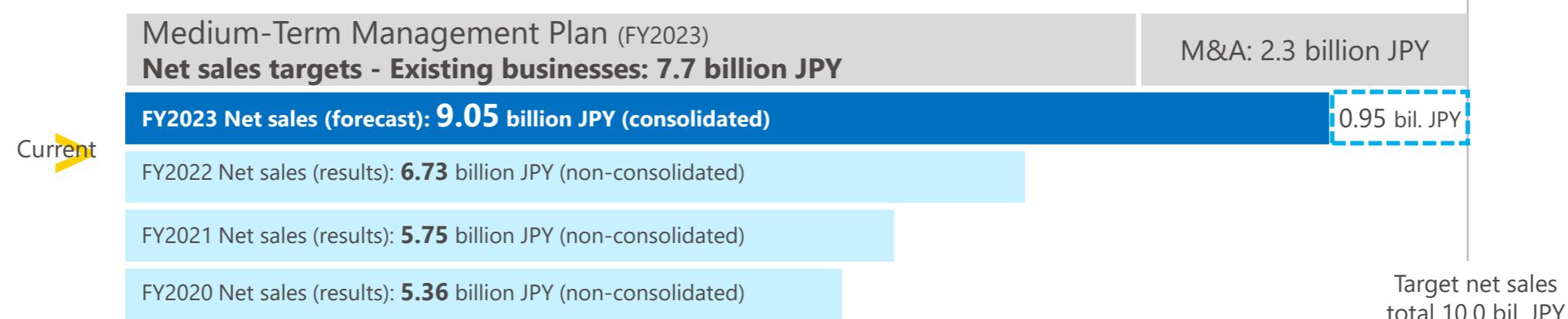
Medium-Term Management Plan Targets for FY2023/9

Net sales: 10.0 billion JPY **Ordinary profit: 1.0 billion JPY**

Present situation

While existing businesses are steadily expanding to exceed the target of 7.7 billion JPY, we are facing issues in the scale of concluding M&A contracts

With current FY2023 forecast for net sales of **9.0 billion JPY**, measures necessary to cover gap in relation to Medium-Term Management Plan target for net sales of **10.0 billion JPY**



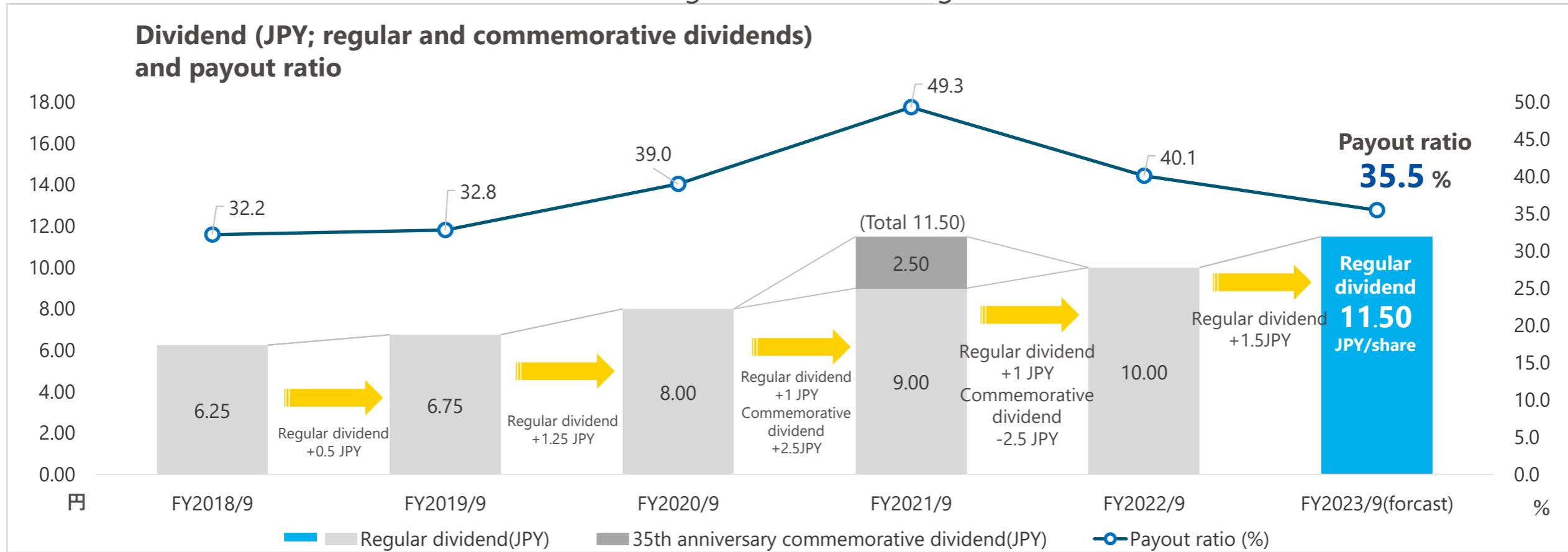
Measures & revisions

- 1) Cover delays in M&A by increased sales from capital and business alliances / business alliances
- 2) Continue to explore M&A projects that have the potential for synergies. Now working on evaluating the value of several projects
- 3) If a large amount of additional funding is required, consider bank loans instead of fund-raising through the issuance of new shares

2.4) Dividends and shareholder returns

FY23/9 forecast Dividend per share: 23.00 JPY 3 JPY increase in regular dividend
 (after taking into account stock split)

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



* Needs Well will conduct a stock split on June 1, 2023 at a ratio of 2 shares per share. Past annual dividends per share have been retrospectively adjusted based on this stock split. If this stock split is not taken into account, the dividend for FY2023/9 (forecast) will increase 23.00 JPY, an increase of 3 JPY from the previous fiscal year.

* The Company paid a commemorative dividend of 2.50 JPY in addition to a regular dividend of 9.00 JPY in commemoration of the Company's 35th anniversary for the fiscal year 2021/9.

* Needs Well conducted stock splits on April 1, 2018 at a ratio of 2 shares per share, and on January 1, 2019 at a ratio of 2 shares per share.



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2. 2023/9 Results forecast



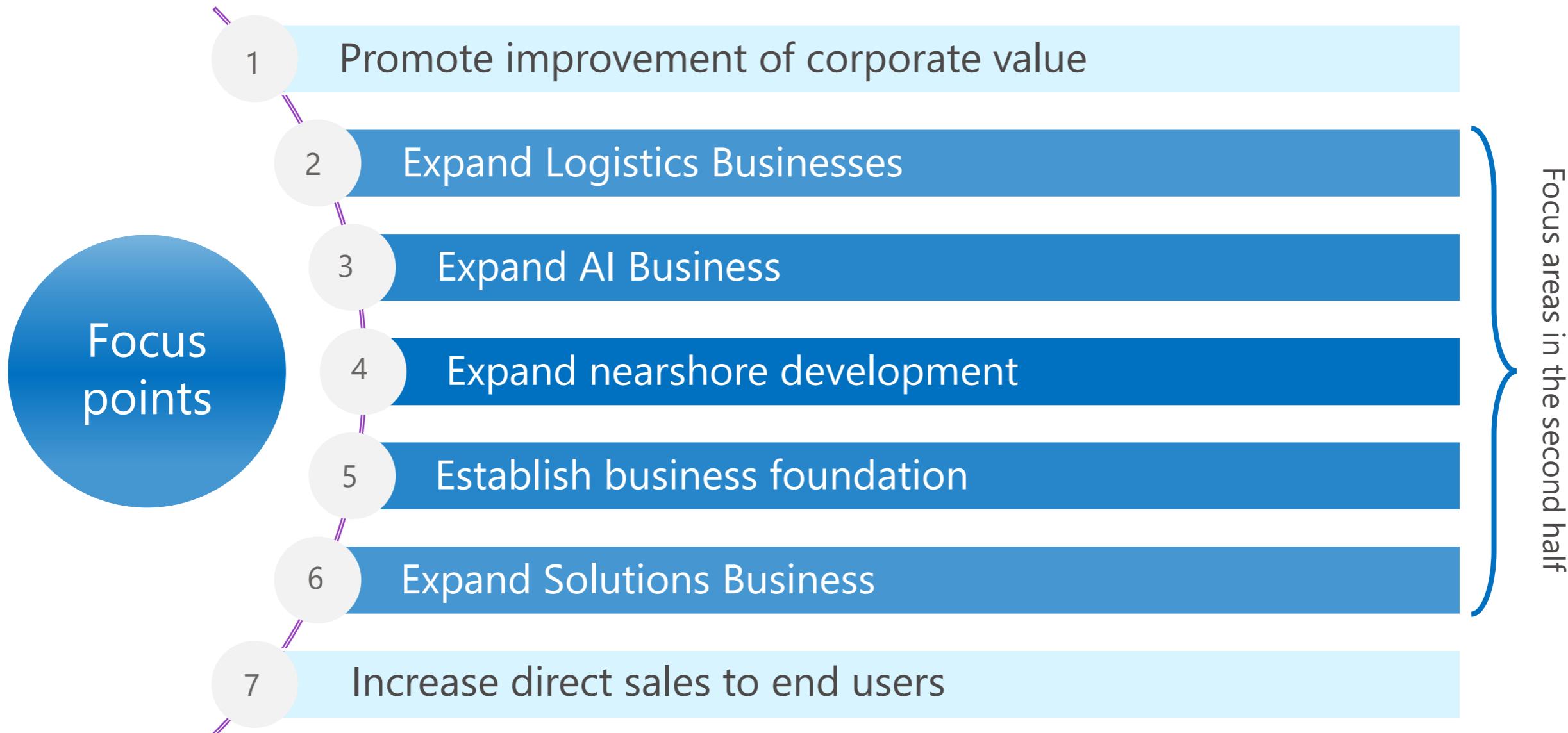
3. Growth strategy



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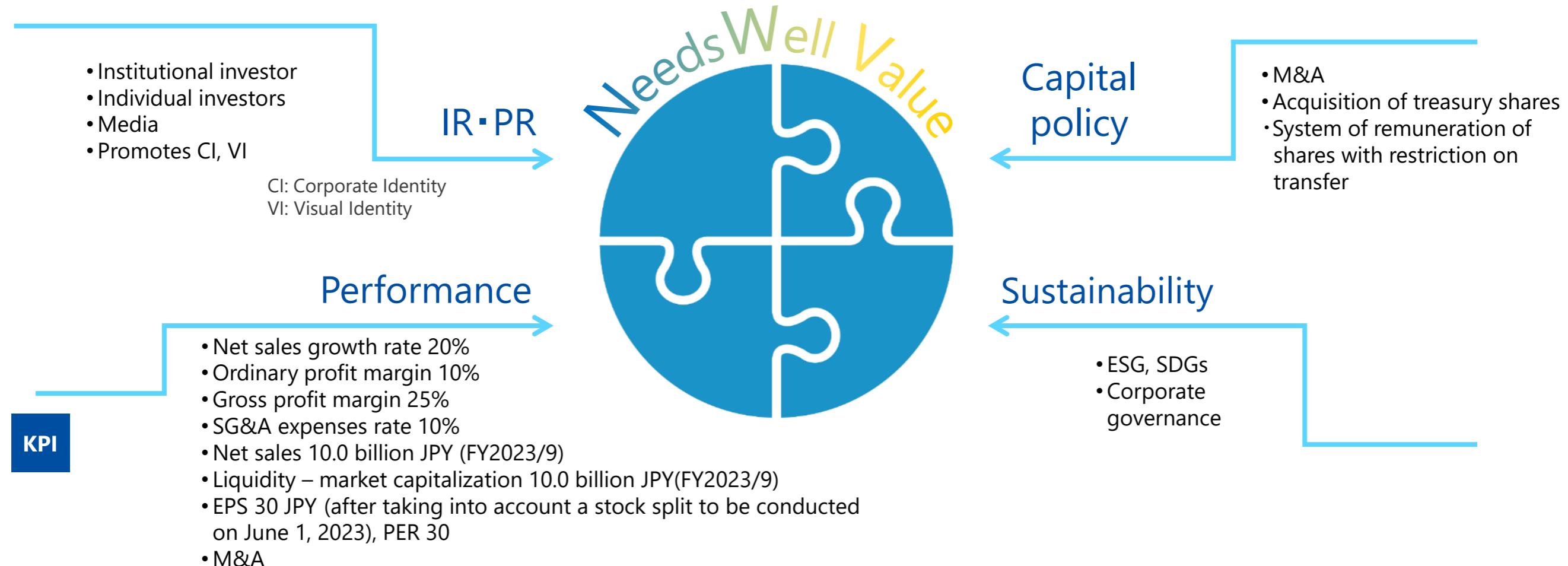


3.1) Growth strategy



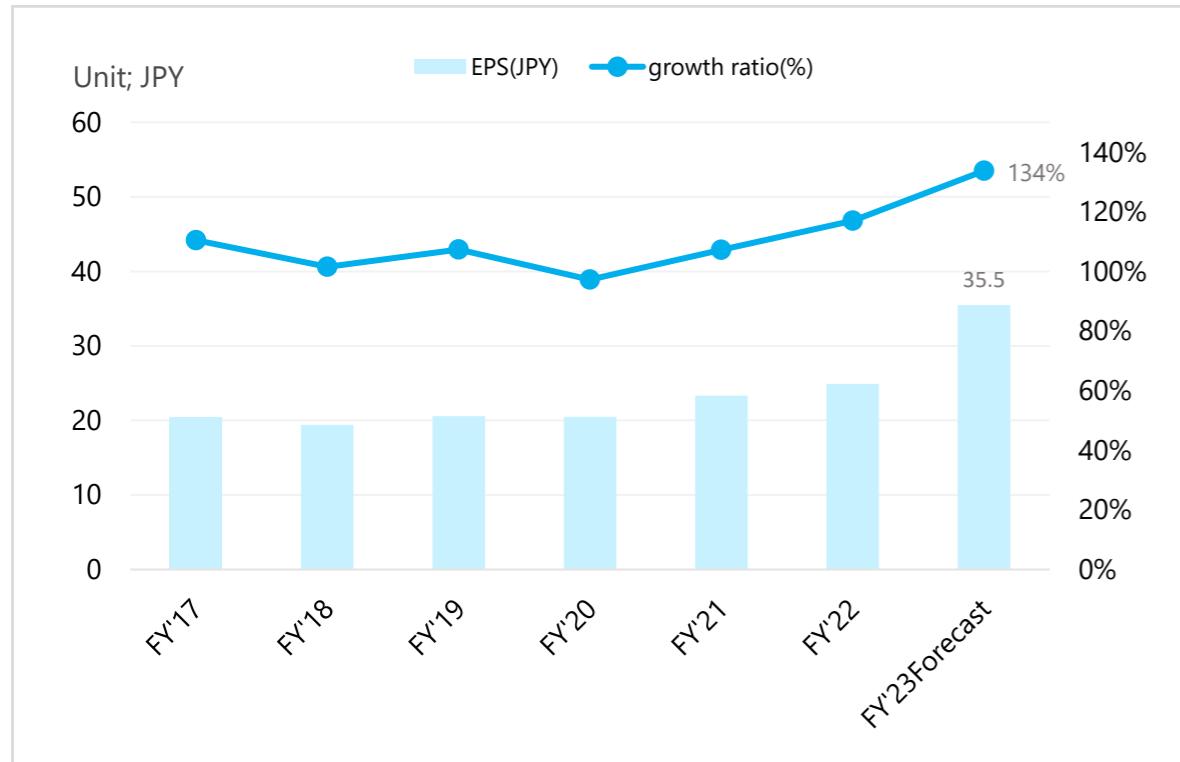
3.1) 1 Promote improvement of corporate value i

Promote our management philosophy of
“Contributing Broadly to the Economy and Society”
through improvement of the NeedsWell Value



3.1) 1 Promote improvement of corporate value ii

1 Net sales growth rate and EPS (Earnings Per Share) are on an upward trend year after year



2 Proactively pursue M&A, capital and business alliances, and the development of collaborative relationships
Expanding **sales channels, orders, products, and engineers** for further growth

Feb. 2020	Capital and business alliance	ITFOR Inc.
Mar. 2020	Core partner	Meiji Yasuda Life Insurance Company, Meiji Yasuda System Technology Limited
Dec. 2020	Collaboration	Logi Revo Co., Ltd. Office FA.com Co., Ltd.
Mar. 2021	Capital and business alliance	Souken-sys Inc.
Jul. 2021	Capital and business alliance	Canon IT Solutions Inc.
Sep. 2021	Business alliance	CONEXIO Corporation
Oct. 2021	Share acquisition	Zeroichi Production Co., Ltd.
Nov. 2021	Business alliance	Ascentech K.K.
Feb. 2022	Capital and Business alliance	Ascentech K.K.
Jul. 2022	Equity investment	Souken-sys Inc.
Jul. 2022	Business alliance	Sakura Information Systems Co.,
Sep. 2022	Business alliance	Sumitomo Mitsui Card Co., Ltd.
Oct. 2022	Equity investment	BO STUDIO Inc.
Oct. 2022	Equity investment	KOMSOFT Inc.
Oct. 2022	Business alliance	PB Systems, Inc.

3 Starting this fiscal year, place emphasis on dialogue with institutional investors in addition to dialogue with individual investors.
-Expand opportunities on a one-on-one basis

3.1) 2 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 manufacturers**
- **Store development** for ordered SmartWMS
- Develop SmartWMS **for other industries**, e.g., convenience stores, etc.



3.1) 3 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.



 Work AI	
 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	Predictive AI is used to analyze data acquired from various center data to improve the quality of the manufacturing process.
 AdProphetter anomaly detection	Predictive AI is used to predict various abnormalities and prevent breakdowns and failures before they occur.
 Chat Document	Interactive AI chatbot provides solutions FAQ, searches for documents Simple-to-use process of sending text to chatbot from browser or chat tool, allowing sought-after information to be instantly retrieved.

3.1) 4 Expand nearshore development

Nagasaki Development Center aims to maintain **100 employees** in FY2024/9 and expand orders for projects for financial system migration

Utilize nearshore bases to acquire highly competent personnel and provide solutions for labor shortages

Nearshore utilization

- Expand nearshore development system by accepting orders for out-of-office projects
- Growth in projects for financial system migration
- Promote transition from dispatch and residential styles while standardizing nearshore development
- Build secure remote development environments over short periods

Personnel acquisition

- Recruiting and training highly competent engineers who seek local employment

Recruiting from local universities
Recruiting U-turn and I-turn personnel

Expansion plan

- June 2023 Relocate and increase floor space to expand development structure

Now	30 employees	205 m ²
September 2023	70 employees	453 m ²
September 2024	100 employees	Same as above



3.1) 5 Establish business foundation 1

Establishing a business foundation for stable development into the future as a listed company

Business Systems SI

- Expand into the **financial** sector by accumulating business knowledge and training highly-skilled engineers
- New development into the **logistics** sector
- Expand as stock business by extending contracts for system maintenance and development, operation, etc.
- Promote projects in collaboration with business alliance partners
- Expand orders for **IT outsourcing**, **N help**, and **quality test**-related projects to receive stable orders
- Expand orders for **public sector projects** (government, electric power, gas, etc.)
- Strengthen competitiveness using **low-code development tools**
“**WebPerformer**”, “**WebPerformer-NX**”

►►► Service line composition

Service lines that **establish**
the **business foundation**

**Business Systems
SI**

**Infrastructure
Services**

Connected Systems

+

Service line that **accelerates**
business expansion and
increases added value

**Solutions/Products,
etc.**

Infrastructure Services

- Coordinate with **Business Systems SI** for total orders
- Expand orders for **cloud**-related projects

Connected Systems

- Strengthen **connected** technology for **IoT** and **ICT** in addition to specialization in automobiles and medical equipment

3.1) 5 Establish business foundation 2

Develop employee training to foster human resources with problem-solving skills

		Human resources development		Technical training	Compliance training
Internal training	Executive management		Training for new Directors Training for Executive Officers		Compliance training for officers
	Senior Managers	Training for managers Training for the promoted		PJ management training (basic/advanced) Training for fostering experts Specific technical training Business skills training System skills training Technical training for new graduates	Compliance training
Management	Training for the promoted	Management coaching training for leaders	Training for improving business execution skills (indirect sections)	Training for improving proposal capability (basic/advanced)	
Leaders	Training for the promoted		Training for trainers		
Staff member	Training for fostering next leaders Ownership and followership training Training for improving professionalism	Manner training Follow-up training for new graduates			
New employees					

3.1) 5 Establish business foundation 3

Enhance cooperation with core partners to pursue development and coexistence and co-prosperity

Strengthen partnerships and increase core ratio up to 60% in the 37th fiscal year
Raise core ratio up to 70% in the future

Plan for FY2023/9

Employees **54%**



Partner ratio **46%**
(+10pts year-on-year)



*Partner ratio : The number of partners / (the number of partners + the number of employees)
Core ratio : The number of core partner personnel / the number of all partner personnel

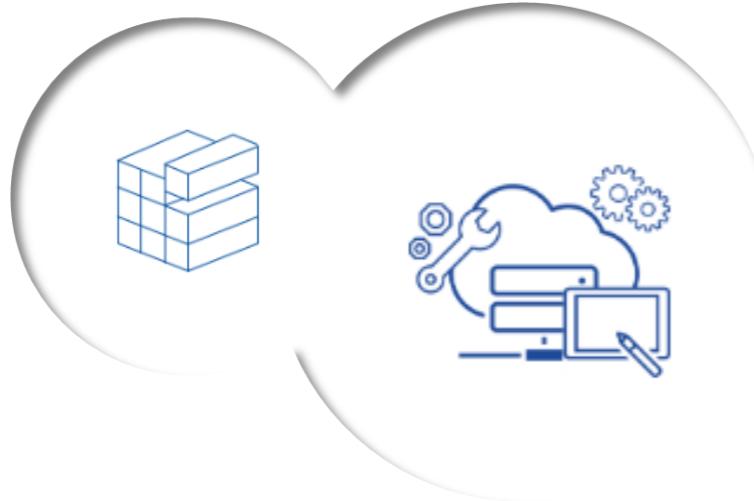
Core ratio
60%
(+13pts year-on-year)

3.1) 6 Expand Solutions Business 1



Purposes

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



Guidelines

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

3.1) 6 Expand Solutions Business 2

Expanding the Solutions Business to accelerate business expansion and increase added value

Net sales composition ratio target **15.0%** in FY2023/9 (FY2022/9 results: 12.7%)

Expansion strategy



Invoice PA Invoice PA+  CoNeCt
 imPaC N-Navi N-Bridge Series

N-help

SharePoint utilization Service

Frailty Prevention

RPAビジネス

- Consulting for improvement of internal system operation & construction of data linkage system
 - Newly added “**profit/loss forecast**” and “**expense management**,” etc. to enhance support for DX
- Cooperative solutions with SAP Concur products
 - Scheduled to provide versions compliant with the Invoice System and the Revised Preservation of Electronic Records Act, and budget implementation system for local governments, respectively
- Started **license sales** of Concur Standard for small and medium-sized enterprises
- **IT help-desk service**
- **Effective use of cloud storage and data backup functions**
- **QOL for senior citizens in cooperation with local governments**
- Started offering **PowerAutomate** in addition to **WinActor**

3.1) 7 Increase direct sales to end users

Stabilize orders and improve profitability,
maintain and expand end user direct sales ratio to

Maintain and expand existing users over 60%

- Secure repeat customers
- Train highly skilled engineers and expand the scope of expertise sectors
- Cultivate new sectors of expertise

Cultivate new users

- Horizontal expansion by introducing Needs Well's development results and business know-how to new companies that are similar to existing users

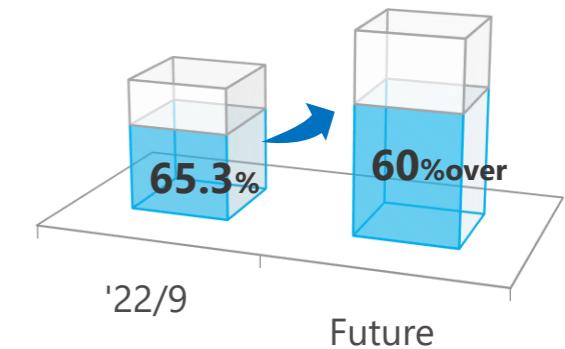
Develop new users by expanding solutions business

- Focus on Solution Business with a high ratio of sales to end users

Promote online sales activities

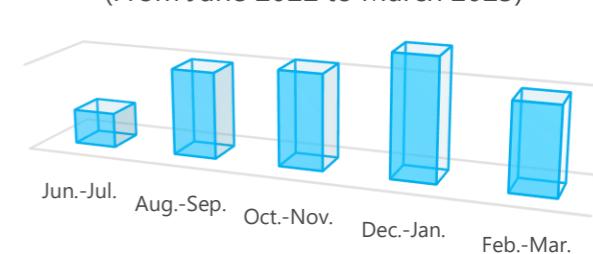
- Reached out to new target groups through successful implementation of measures such as seminars, exhibitions, website, and press releases.
- Inquiries from end users through online tools increased.

End user composition ratio



Inquiries through online tools

(From June 2022 to March 2023)





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4.1) Company profile

As of September,2021

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	6,730 million JPY			
Number of Employees	570		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"> - Shinjuku Office : 5F, South Tower, 13-15 Tomihisa-cho, Shinjuku-ku, Tokyo, 162-0067 Japan - Nagasaki Office: 5F, Meijiyasudaseimei Nagasakikozanmachi building, 2-21 Kozen-machi, Nagasaki-shi, Nagasaki, 850-0032 Japan 						
Qualification	Worker dispatch business	ISO27001 (ISMS) Certified	, Privacy mark	ISO9001 (QMS) Certified			
Board of Directors As of November 30,2022	President and CEO Executive Director Executive Director Director Director	Kozo Funatsu Nobumasa Goto Hajime Matsuoka Shinji Wakano Koji Tabata	Director Director Director Audit & Supervisory Board Member Audit & Supervisory Board Member	Hiroki Yanagawa (E) (I) Hideaki Sakaue (E) (I) Mamoru Yasuoka (E) (I) Kazuhiko Kato Kotaro Niwa (E) (I) Shigeru Sato (E) (I)			
	E : External officer I : Independent officer						
グループ体制	■ Consolidated subsidiaries ■ Equity-method affiliate	Zeroichi Production Co., Ltd. (Head Office: Nasushiobara-shi, Tochigi President and CEO: Hiroyuki Waki) BO STUDIO Inc. (Head Office: Shibuya-ku, Tokyo President and CEO: Keiho Akiyama) KOMSOFT Inc. (Head Office: Toshima-ku, Tokyo President and CEO: Nobumasa Goto) Souken-sys Inc. (Head Office: Shinjuku-ku, Tokyo President and CEO: Tamotsu Shimizu)					

4.2) Management philosophy

Management philosophy

Contributing Broadly to the Economy and Society

Business slogan

Try & Innovation

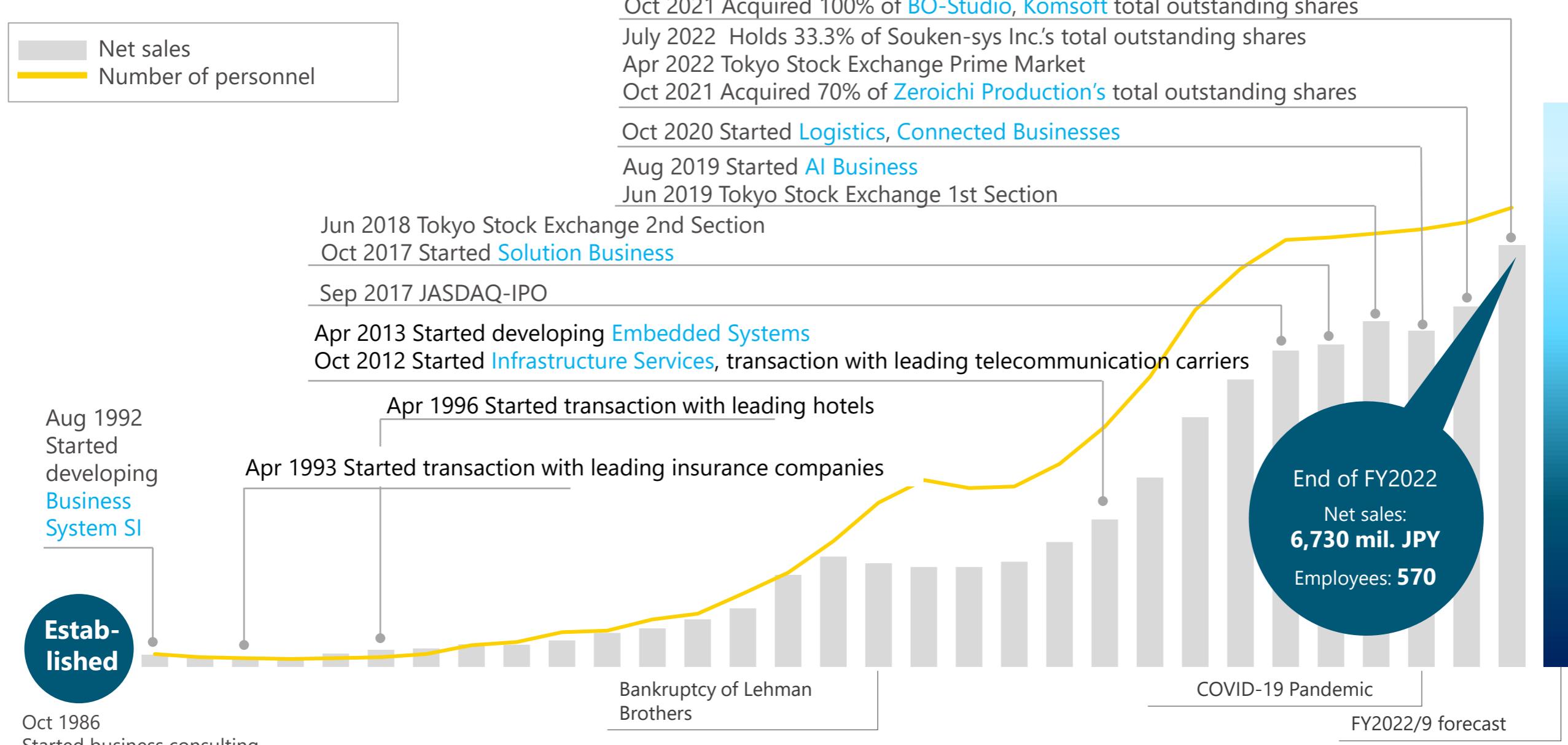
Constantly evolving,
Needs Well continues to contribute broadly to the economy and society with challenges
and innovations.

4.3) Medium-Term Basic Policy



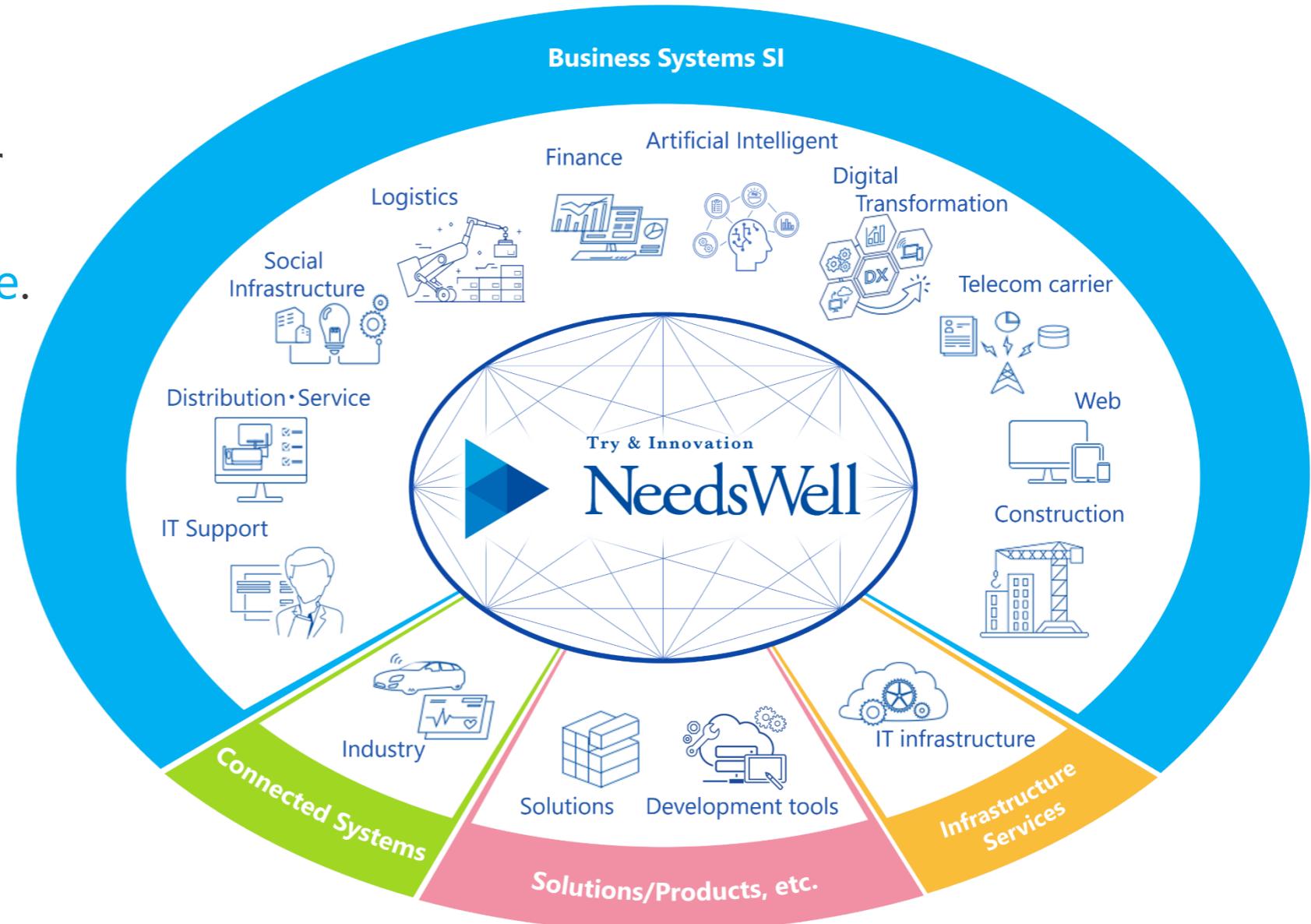
Breaking away from the dispatch business,
becoming a **true system integrator**

4.4) Growth track

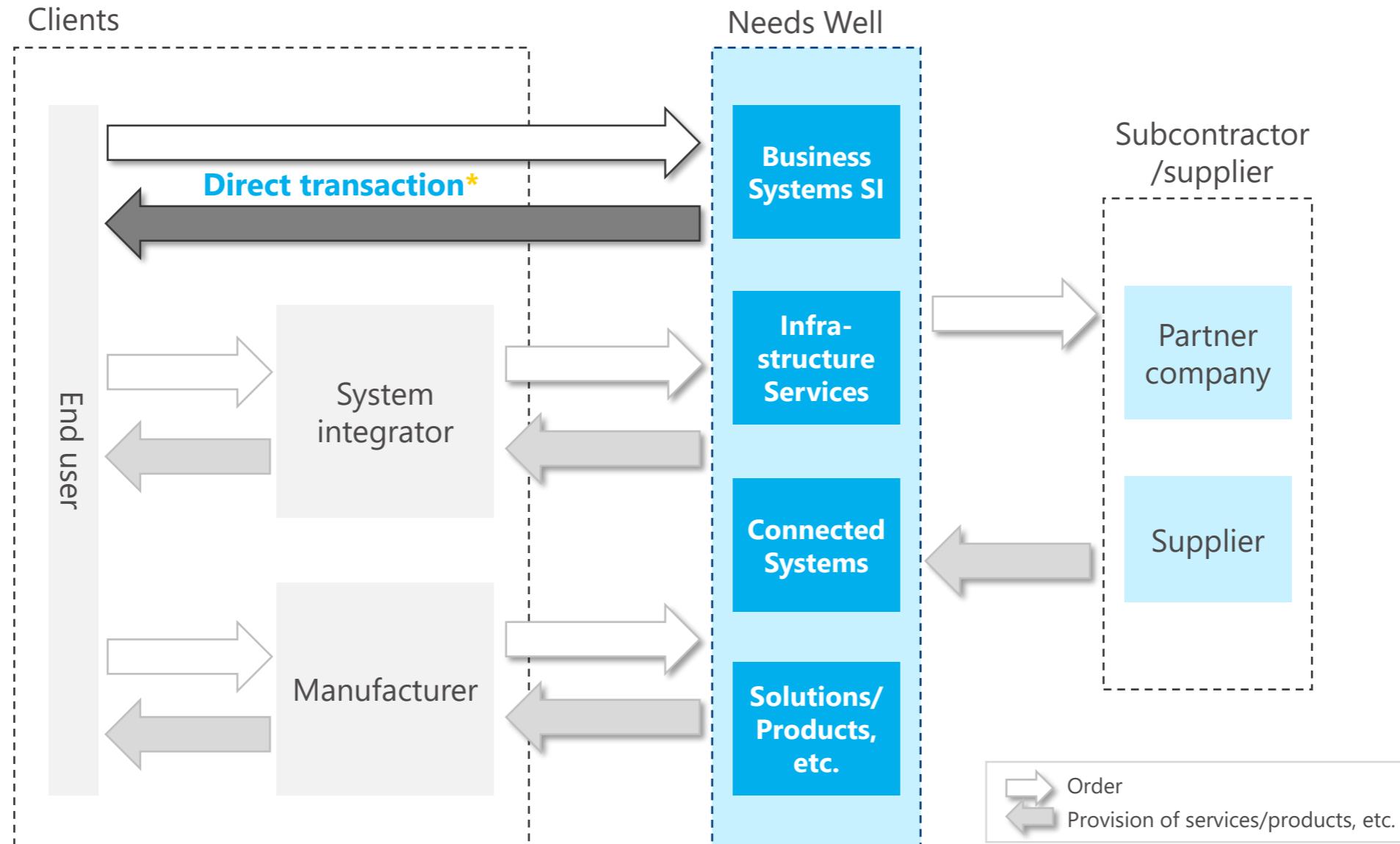


4.5) Business fields

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



4.6) Business system diagram



* High level of **direct transactions with end users (approx. 65.3% of all sales)**

4.7) 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](#).

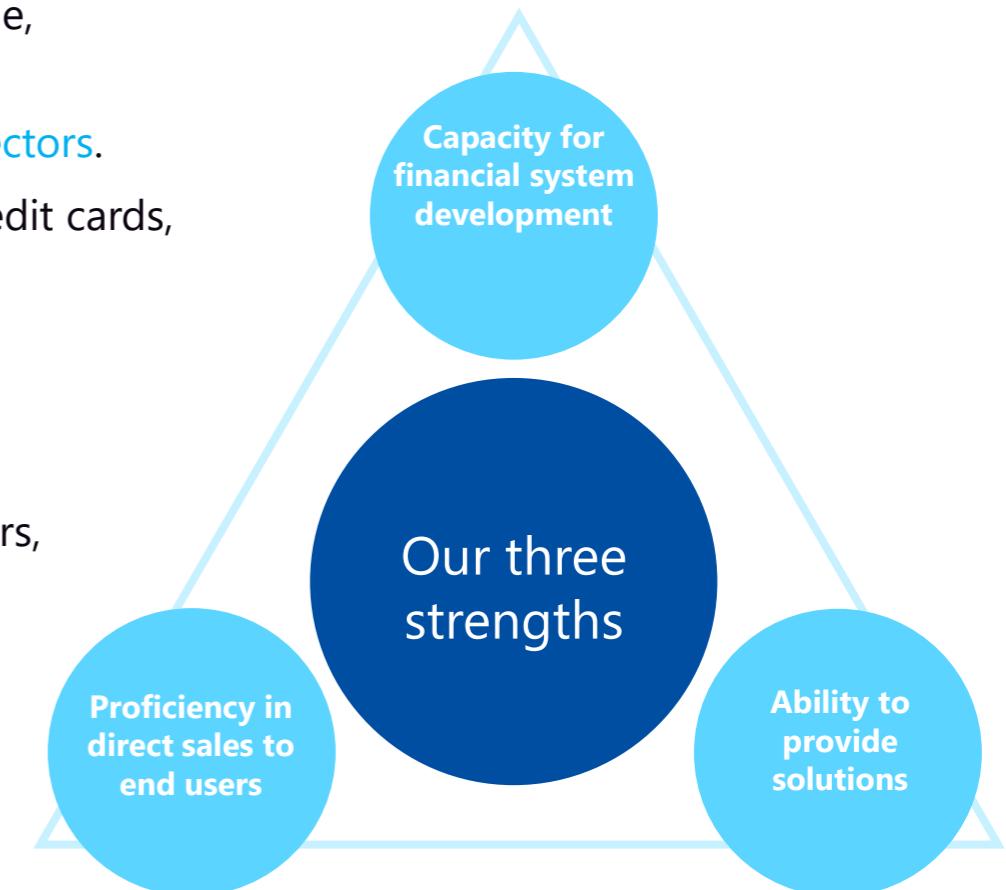
Strong performance record in developing systems for banks, credit cards, and securities.

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 50%](#) of sales.

Ability to provide solutions / AI

Provides solution services optimized for each customer's business objectives through [5G, AI, RPA, remote work, etc.](#)



4.8) 2 Promotion policies: Sales growth

Market scale (our forecast)

Logistics IoT software solutions market (WMS, etc.)
 2023 103.0 bil. JPY

2020 80.0 bil. JPY

Smart cities market

2023 1,200.0 bil. JPY

2020 680.0 bil. JPY

AI's major markets*

2023 64.0 bil. JPY

2020 32.0 bil. JPY

Logistics Business

Logistics industry is facing a serious labor shortage as the selection of diversifying needs continues to increase. There is urgent demand for immediate investment in streamlining, improving quality, and reducing environmental burden through the use of AI, IoT, etc.

Unit: billion JPY

+1.2

Connected Business

Proceed to engage in connected technologies to enrich lives, such as smart cities which utilize IoT and AI to make the entire neighborhood more efficient and convenient, etc.

+0.3

Solutions Business

Demand for investment is high due to structural reform for DX. Introduce unique and differentiated products with integration functions that utilize AI and RPA.

+0.9

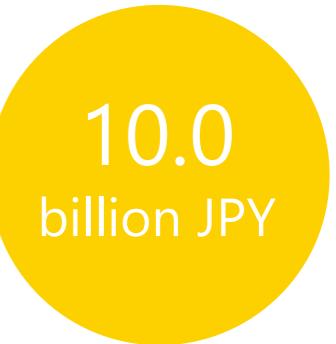
M&A

Expand the scale of existing technologies and strengthen/introduce new technologies. Focus on logistics, connected functionality, AI, IoT, web, etc.

+2.3

Existing businesses

M&A



FY2023/9

Sales growth

+4.7

billion JPY

[Breakdown]

- Existing businesses 2.4 bil. JPY
- M&A 2.3 bil. JPY



FY2020/9

* AI's major markets: Image recognition, speech recognition, speech synthesis, language analysis, search and retrieval, translation

* * Please refer to page 12 for an analysis of the present situation and measures & revisions to be implemented.

4.9) 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"

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



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](#).

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



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.

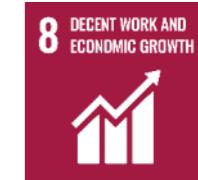
17 PARTNERSHIPS FOR THE GOALS



4.9) 2 Initiatives supported by systems and activities

Work style reform & personnel development

- Introduction of a double job system to find suitable jobs
- 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



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



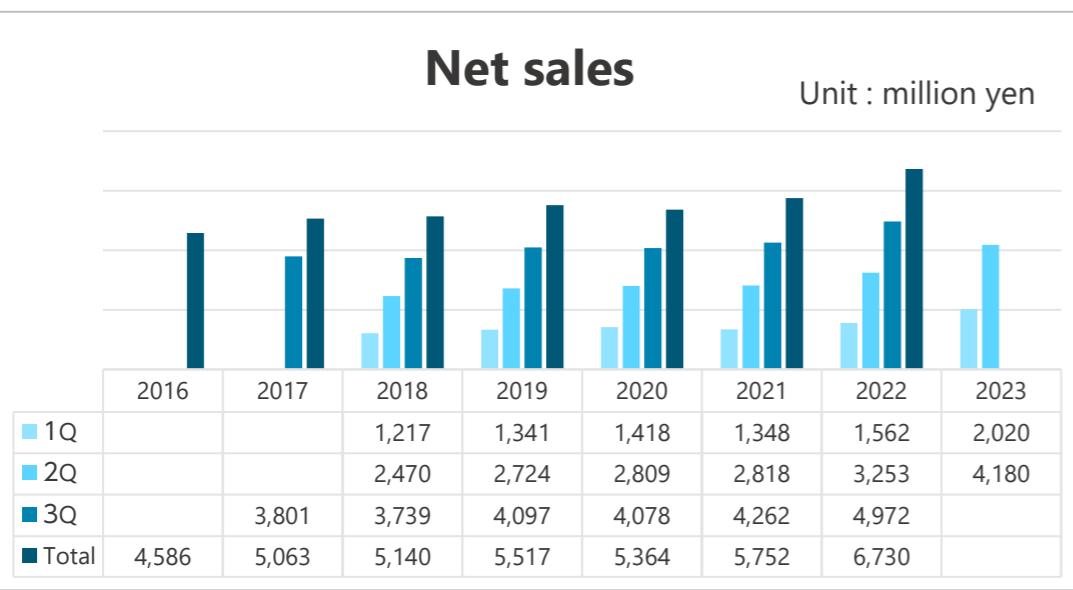
Please view the following link for other initiatives and more information:

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

4.10) Business results 1

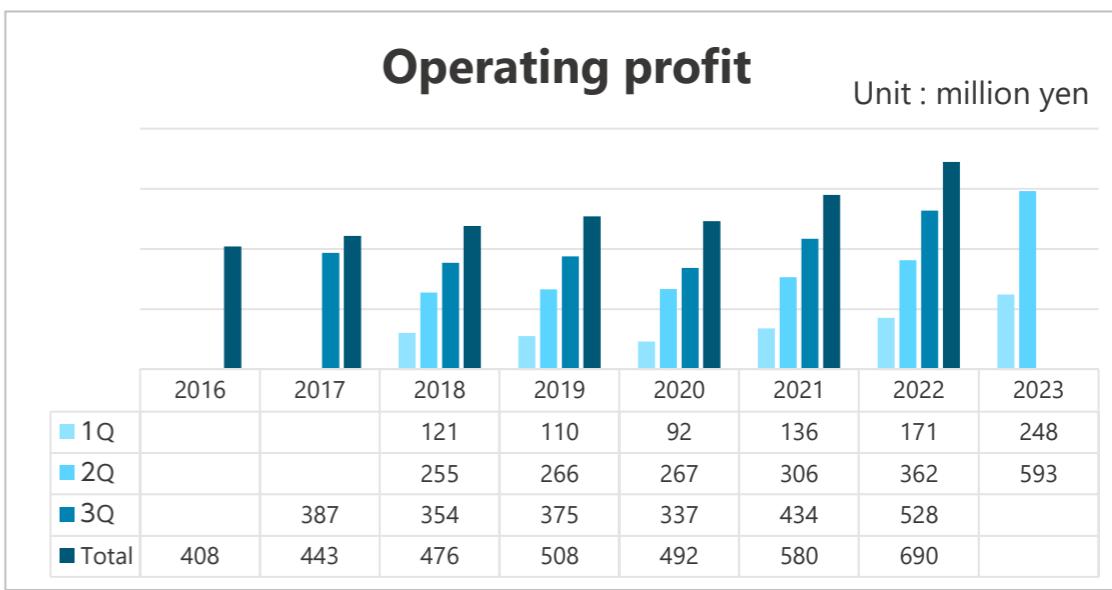
Net sales

Unit : million yen



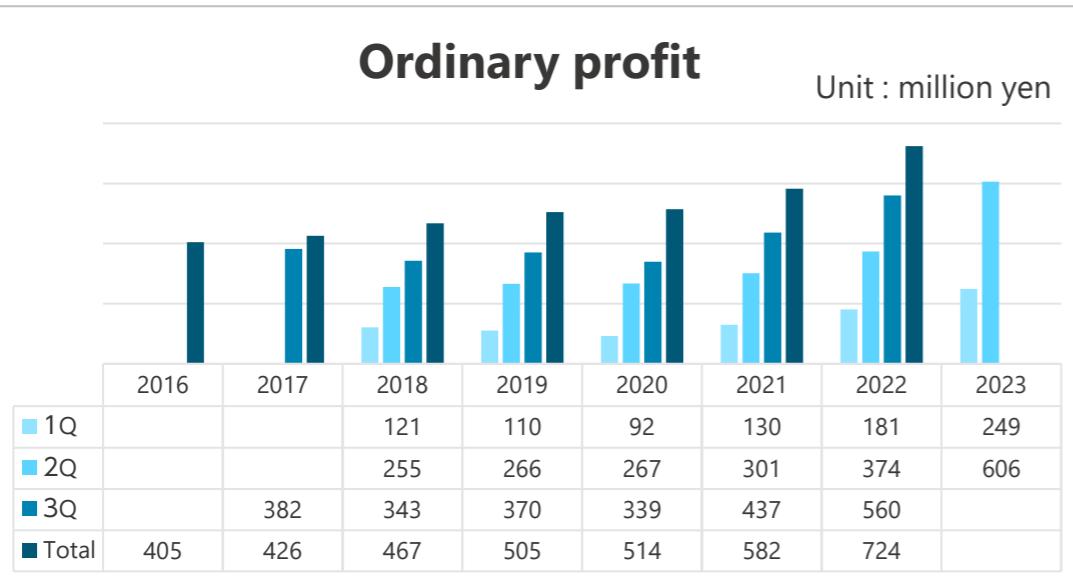
Operating profit

Unit : million yen



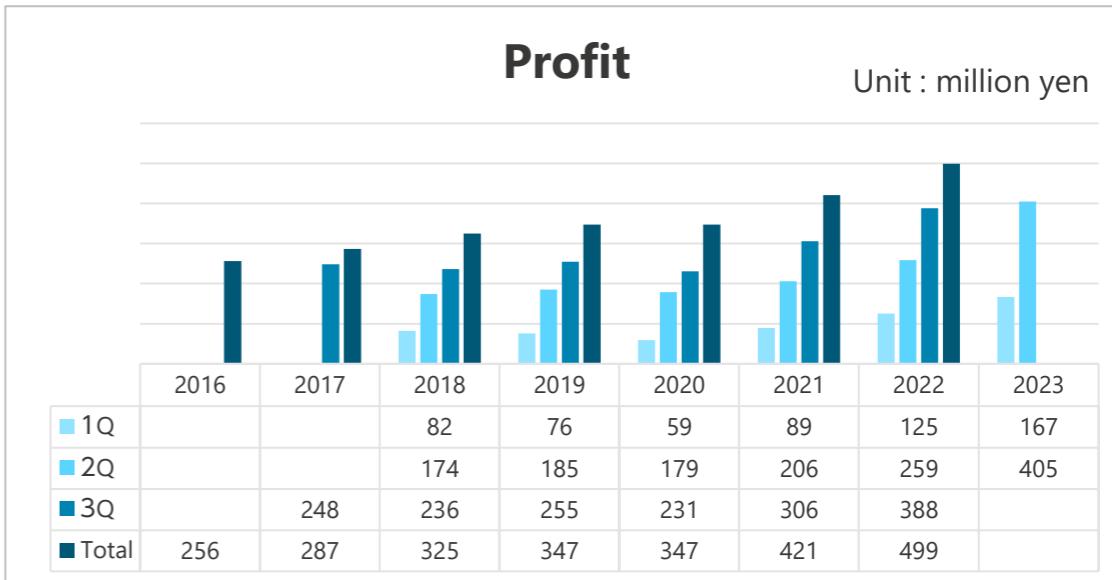
Ordinary profit

Unit : million yen

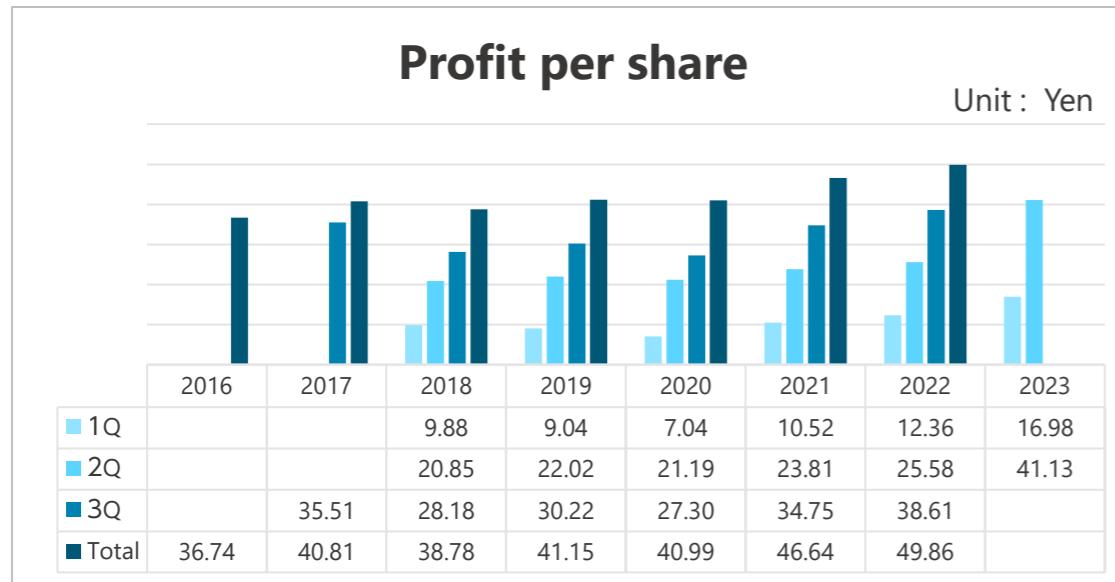


Profit

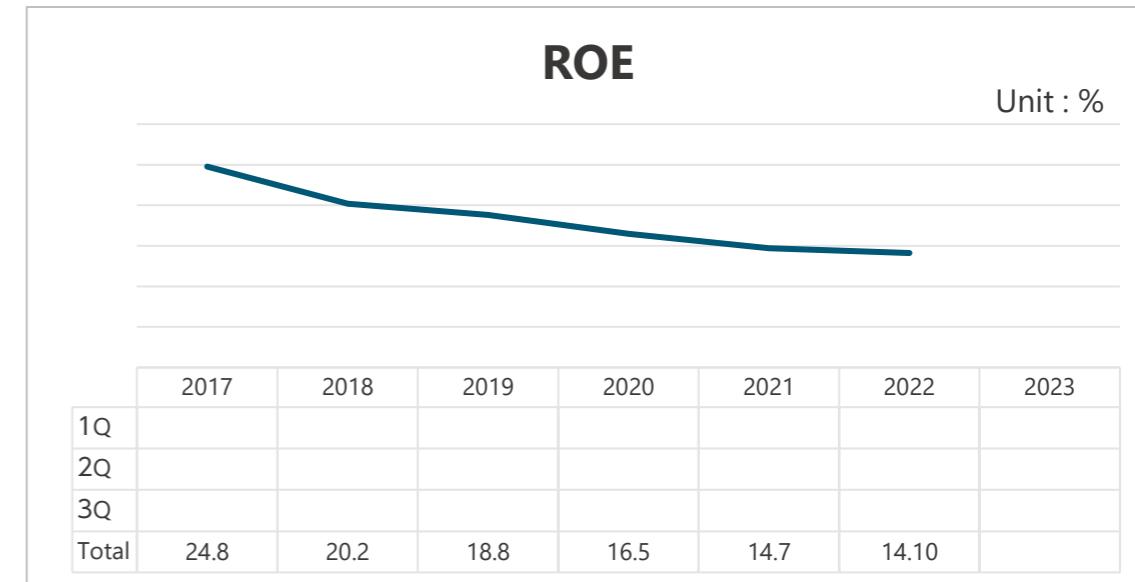
Unit : million yen



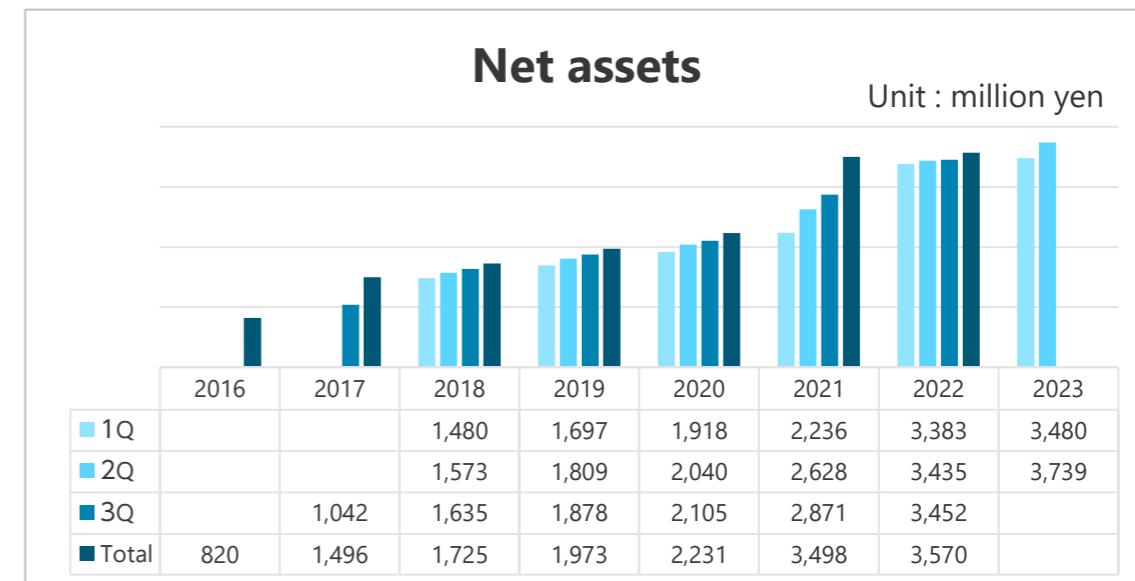
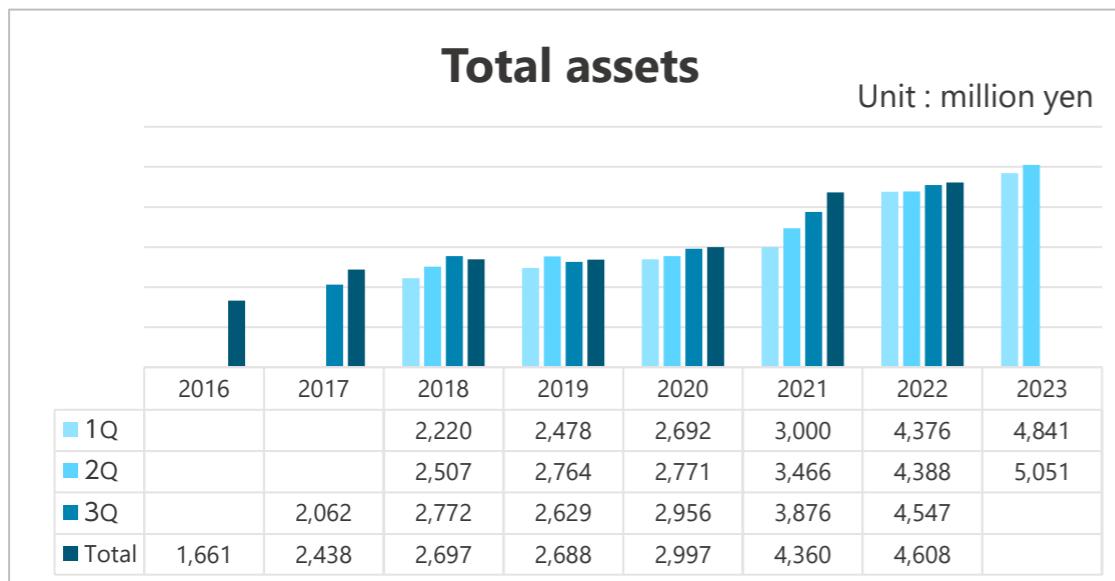
4.10) Business results 2



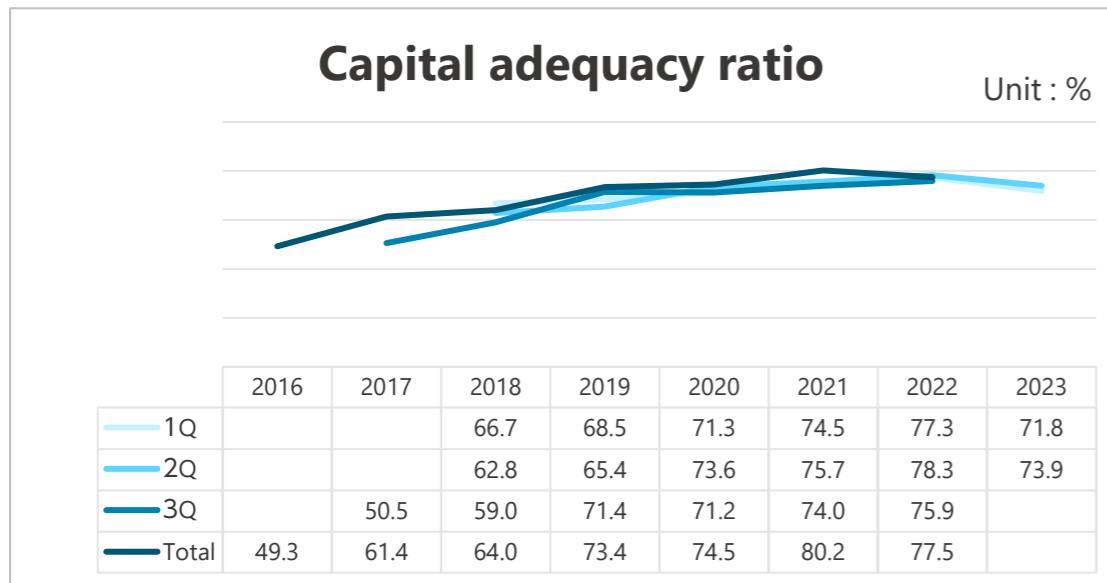
* Figures are after spirit adjusted as of May 12, 2017 ratio of 100 shares per share, as of Apr 1, 2018 ratio of 2 shares per share, as of Jan 1, 2019 ratio of 2 shares per share.



* This index is updated every year

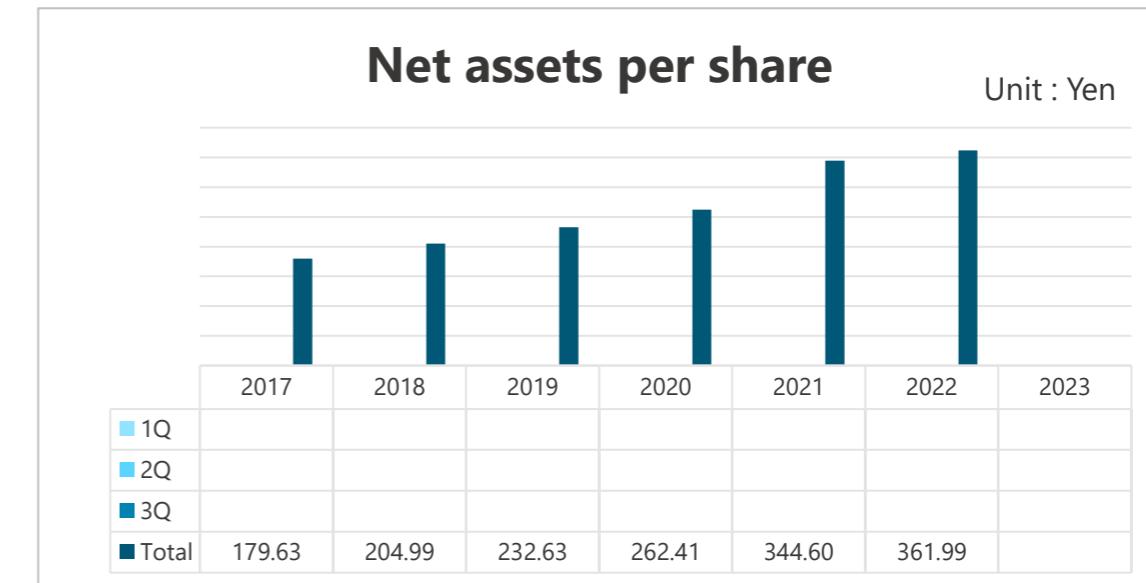


4.10) Business results 3



* 2Q is total of 1Q and 2Q

* 3Q is total of 1Q to 3Q



* Figures are after split adjusted as of May 12, 2017 ratio of 100 shares per share, as of Apr 1, 2018 ratio of 2 shares per share, as of Jan 1, 2019 ratio of 2 shares per share.

* This index is updated every year





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- All statements described herein have been prepared by Needs Well based on the currently available information.
- Actual results may differ from forecasts due to various factors in the future.

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