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May 19, 2025

To whom it may concern:

|                |   |
|----------------|---|
| Company name   | Needs Well Inc.   |
| Representative | Kozo Funatsu, Chairman, President and CEO<br>(Stock code: 3992, Tokyo Stock Exchange Prime Market)                                |
| Inquiries      | Chinami Arai, Director and Executive Officer<br>(e-mail: <a href="mailto:ir-contact@needswell.com">ir-contact@needswell.com</a> ) |

## **Business Alliance with Hmcomm Inc. in the AI Solution Sector**

### **Integrating two companies' AI technologies to secure a competitive advantage**

Needs Well Inc. (Head office: Chiyoda-ku, Tokyo; Chairman, President and CEO: Kozo Funatsu; hereinafter the “Company”) hereby announces that at the board of directors meeting held today, it has resolved to a business alliance with Hmcomm Inc., (Head office: Bunkyo-ku, Tokyo; Representative Director and CEO: Koji Mitsumoto; hereinafter “Hmcomm”) with the aim of securing a competitive advantage through the integration of AI technologies of the two companies.

The two companies have today concluded a business partnership agreement.

#### **1. Reason and details of the business alliance**

Hmcomm is a “sound x AI” specialist that provides advanced services based on voice recognition and anomaly sound detection technologies.

In the voice recognition business, Hmcomm pursues the integration of language and artificial intelligence to offer solutions that enable more natural and efficient communication, especially in the call center sector. In the anomaly sound detection business, Hmcomm offers solutions to analyze sounds generated during machine operation to prevent breakdowns or malfunctions and improve equipment uptime, and thereby playing an active role in a wide range of industrial fields.

Hmcomm is also actively exploring the use of generative AI in the field of natural language processing related to sound.

Meanwhile, Needs Well, as an independent system integrator, is involved in software development for a wide range of industries, with a focus on financial system development, and has provided a variety of IT solutions that support digital transformation not only in companies but also in the public sector, adding unique functions through technologies such as AI and RPA. In recent years, the Company has taken on the challenge of changing IT culture through such initiatives as developing and designing solutions utilizing generative AI in an industry-academia collaboration with Nagasaki University.

The Company has three consolidated subsidiaries under its umbrella, and in its Medium-Term Management Plan announced in August 2024, it set financial targets of achieving net sales of 13.0 billion yen and ordinary profit of 1.7 billion yen by the fiscal year ending September 30, 2026. To achieve these targets, the Company is actively engaging in “recruitment and training,” “research and development and product development,” and “business alliances.”

Under these circumstances, the Company has decided to conclude a business alliance based on the recognition that a business alliance between the two companies will be effective in implementing its growth strategy and in promoting specific initiatives.

Hmcomm’s “sound x AI” technology and Needs Well’s “data analysis” and “data cleansing” technologies will be used to integrate the AI-related technologies of both companies to create joint solutions and expand business with recurring revenue, with the aim of building a strategic partnership with a view to a future capital and business alliance.

## 2. Overview of the business alliance partner

|  |   |        |
|--|---|--------|
| (1) Company name   | Hmcomm Inc. (Tokyo Stock Exchange Growth Market: 265A)<br><a href="https://hmcom.co.jp/">https://hmcom.co.jp/</a>   |        |
| (2) Location   | 2nd Floor, Fuji Building, 2-11-1, Shibadaimon, Minato-ku, Tokyo, Japan  |        |
| (3) Name and title of representative                                   | Koji Mitsumoto, Representative Director and CEO   |        |
| (4) Business description   | AI solutions business, AI product business  |        |
| (5) Paid-in capital  | 221 million JPY (as of December 31, 2024)   |        |
| (6) Established  | July 24, 2012   |        |
| (7) Net assets   | 1,726,971 thousand JPY  |        |
| (8) Total assets   | 1,905,120 thousand JPY  |        |
| (9) Major shareholders and shareholding ratios                         | Koji Mitsumoto  | 29.79% |
|  | Kaoru Ito   | 14.16% |
|  | DBJ Capital Investment Limited Partnership  | 5.52%  |
|  | NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB) (Permanent Representative: Kentaro Okuda, Representative Director, President of Nomura Securities Co., Ltd.) | 4.94%  |
|  | Tomomi Mitsumoto  | 3.91%  |
|  | Will Group HRTech Investment Limited Partnership  | 3.13%  |
|  | Mio Hashimoto   | 2.44%  |
|  | Masakazu Yamada   | 2.44%  |
|  | Fuyo General Lease Co., Ltd.  | 2.44%  |
|  | au Kabucom Securities Co., Ltd.   | 2.44%  |
| (10) Relationship between the listed company and the company concerned | Capital relationship  | None   |
|  | Personnel relationship  | None   |
|  | Business relationship   | None   |
|  | Related party status  | None   |

## 3. Future outlook

The Company believes that this business alliance will contribute to the medium- to long-term improvement of both companies' performance and corporate value. However, its impact on the results for the current fiscal year is expected to be minimal.

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