June 30, 2025

To whom it may concern:

Company name Needs Well Inc.
Representative Kozo Funatsu, Chairman, President and CEO
(Stock code: 3992, Tokyo Stock Exchange Prime Market)

Notice Regarding Collaborative Relationship with ITFOR Inc.

~ Dissolving cross shareholdings and transitioning to a further strategic collaborative relationship ~

Needs Well Inc. (Head office: Chiyoda-ku, Tokyo; Chairman, President and CEO: Kozo Funatsu; hereinafter the "Company") hereby announces that it was resolved at a meeting of Borad of Directors held today to amicably terminate the capital and business alliance agreement concluded with ITFOR Inc. (Head office: Chiyoda-ku, Tokyo; President and Representative Director: Koji Sakata; hereinafter the "ITFOR") and to transition to a business alliance agreement.

1. Collaborative Relationship between the Company and ITFOR

ITFOR is an independent IT solutions provider that offers optimal solutions through systems and services leveraging its extensive experience and expertise, grounded in robust partnerships with a diverse range of local communities, including regional financial institutions, regional governments, and regional department stores. With its strengths in community-rooted problem-solving skills and flexibility, ITFOR supports customers' sustained growth.

The Company, on the other hand, has long been an independent system integrator and has developed a wide range of IT services centered on Business Systems SI, including Infrastructure Services, Embedded Systems development, and solution provision. With solid technical capabilities and flexibility as its advantages, the Company supports customers' operational efficiency improvement and value creation in a wide range of industries including finance, telecommunication, logistics, and services.

ITFOR and the Company concluded a capital and business alliance agreement in February 2020, and have achieved steady results in system development projects in important areas directly related to social infrastructure, including the banking and accident insurance sectors, by utilizing to the fullest extent the management resources accumulated by each company such as industry knowledge, sales networks, advanced information technology, solid development capabilities, and highly specialized human resources.

ITFOR and the Company have reached an agreement to dissolve cross shareholdings and amicably terminate the capital and business alliance in order to further enhance corporate value and increase liquidity in the stock market. Going forward, we will transition to a business alliance that enables more flexible and agile collaboration, and further strengthen initiatives for mutual sustained growth and new value co-creation, based on the relationship of trust and collaboration cultivated over the years.

2. Impact on Financial Results

Following the transition from the capital and business alliance to the business alliance, the Company expects to record a gain on sale of investment securities (extraordinary income).

The gain on sale depends on the stock price at the time of sale and thus has not been determined the amount and the timing of recording at this time.

Assuming the shares of ITFOR held by the Company were to be sold at the closing price on June 27, 2025, a gain on sale of investment securities would be approximately 85 million yen.

In the event that any matters requiring disclosure arise, the Company will promptly disclose them.

3. Overview of the Company

Name:	Needs Well Inc. https://www.needswell.com/		
Location:	13F, New Otani Garden Court, 4-1 Kioi-cho, Chiyoda-ku, Tokyo, Japan		
Representative:	Kozo Funatsu, Chairman, President and CEO	Date of establishment:	October 1986
Number of employees (consolidated)	616 (as of September 30, 2024)	Share capital	¥908 million (as of September 30, 2024)
Description of business:	Development, operation and maintenance of software; development, sales, operation and maintenance of solution products		
Inquiries:	Management Planning Division	E-mail: ir-contact@needswell.com	

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