

## **Subsidiary Company to Take Over Business by Absorption-Type Demerger**

ExaWizards ("the Company") hereby announces that our Board of Directors has resolved to establish ExaMD Corporation (the "newly-established company") as our wholly-owned subsidiary to take over the rights and obligations of our multi-modal AI healthcare products and services business, as described below.

### **1. Purpose of Establishment**

The Company plans to grant the rights and obligations of the Company's business as they relate to multi-modal AI healthcare products and services by means of an absorption-type company split, effective April 1, 2024 (scheduled) (the "Company Split").

After the Company Split takes effect, the newly-established company will develop healthcare products with its proprietary multi-modal AI technology. The Company will also develop businesses in other sectors in which it excels, and will promote business development to solve healthcare-related social issues in an aging society with a declining birthrate.

We have nurtured diverse business assets and seeds in the healthcare field (dementia, frailty, locomotive syndrome, etc.) by developing proprietary multi-modal AI technologies, strategically acquiring intellectual property, joint research, clinical research with academia to develop programmed medical devices (SaMD), and joint planning and development with major pharmaceutical companies.

Medium- and long-term trends in the healthcare field include increasing social security costs, diversifying health and medical needs, and widening regional disparities in medical services. The social implementation of AI digital technologies and services will solve these social issues across industry boundaries. We will create unique product and service groups for cross-industry social implementation while strengthening quality control, data management, and compliance with related laws and regulations. We aim to address and solve social issues through our healthcare businesses.

### **2. Outline of the new company (planned)**

(1) Name	ExaMD Inc.
(2) Address	4-2-8 Shibaura, Minato-ku, Tokyo (*)

(3) Representative	Koji Hazama Representative Director
(4) Business	Planning, development, sales, and alliance of products and services using multi-modal AI technology to solve social issues related to healthcare
(5) Capital	50 million yen
(6) Date of Establishment	February 1, 2024 (scheduled)
(7) Number of shares outstanding	100 shares
(8) Fiscal Year End	March 31
(9) Major Shareholders and Shareholding Ratio	ExaWizards Inc. 100%.

\*The Company will relocate from 1-9-2 Higashi-Shinbashi, Minato-ku, Tokyo to 4-2-8 Shibaura, Minato-ku, Tokyo, effective March 18, 2024 to the relocation site.

### 3. Outlook

The newly established company will be a consolidated subsidiary of the Company. Details on this absorption-type demerger agreement will be announced as they become available. The impact of this company split on our consolidated business performance is expected to be negligible. We will promptly announce any revisions to the earnings forecast or any other important matters as required.

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