



Results of Operations for Third Quarter of the Fiscal Year Ended August 31, 2022

July 2022

I. Company Overview

Management Policy

Create and foster businesses through IT education/training services and contribute to the advancement of society.

Company name: SERAKU Co., Ltd.

Established: December 1987

Representative: Tatsumi Miyazaki, Representative Director

Capital: 306,232,300 yen (as of June 30, 2022)

Employees: 3,245 on a consolidated basis (as of May 31, 2022)

Location: Nishishinjuku Prime Square Bldg. 7-5-25 Nishishinjuku, Shinjuku-ku, Tokyo

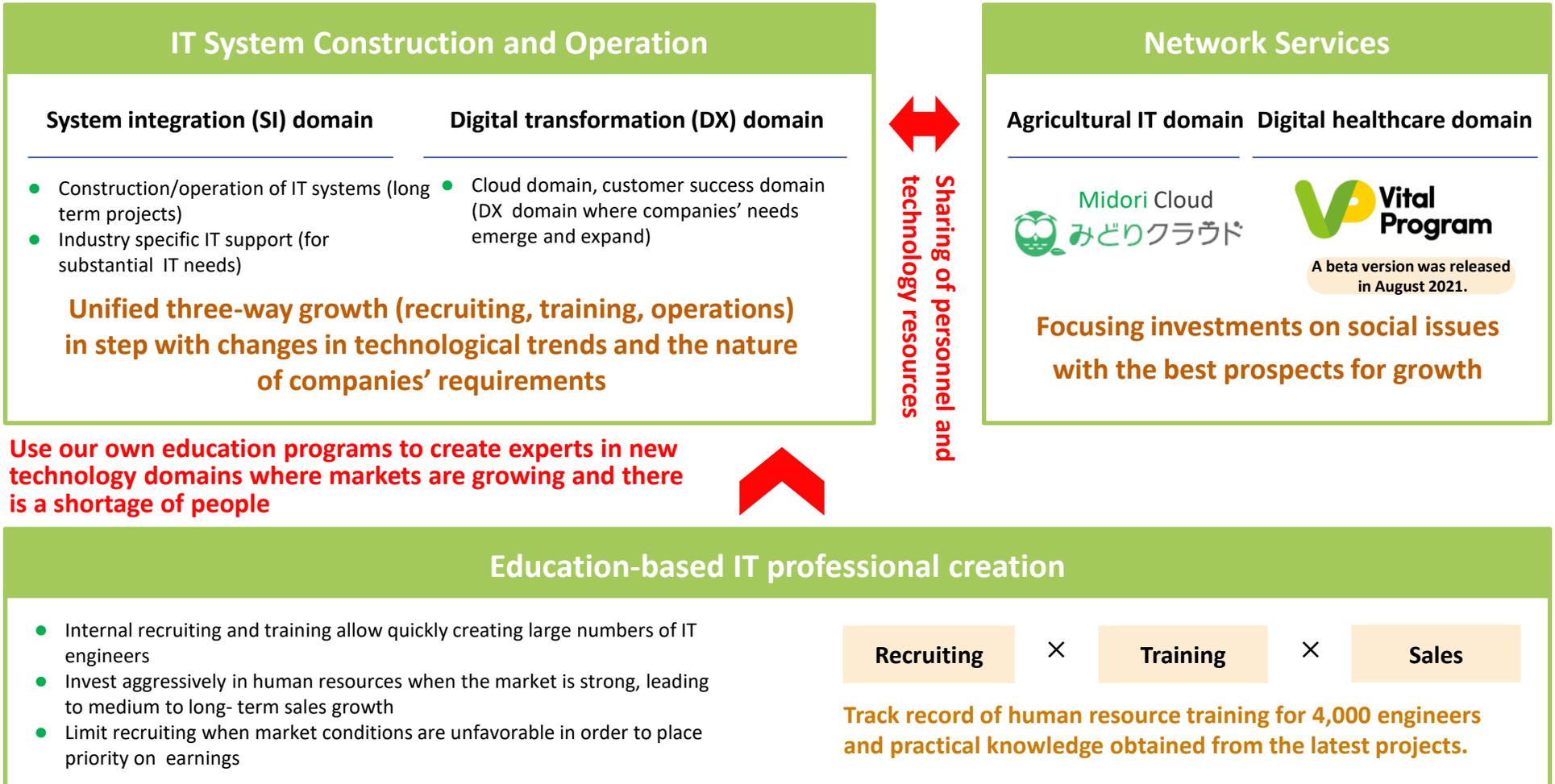
Group companies: P's Engineering (wholly owned subsidiary)

SERAKU ECA (wholly owned subsidiary)

Listed exchange: Tokyo Stock Exchange, Prime Market (stock code 6199)

Our Business Model

Based on an "education-oriented IT human resources creation model" that focuses on new technologies, we have a continuously expanding profit structure and invest in growth fields to achieve strong growth.



SERAKU's Competitive Strengths

Recruiting

- Recruiting activities that promote the shift of human resources to the IT sector, a growth industry (hiring people with work experience but no IT experience who have growth potential)
- Recruiting not only new graduates, but also human resources for full-time positions throughout the year nationwide
- Training programs and a lineup of appealing services to allow SERAKU to offer attractive career opportunities; up to 3,000 applications received each month

Training

- The initial training program structured to place newly hired people in actual projects after only two to three months
- Practical training that uses the same equipment and environments as those for actual projects
- The SERAKU Jonetsu University as a platform for sharing knowledge and upgrading skills



Sales

- More than 100 new corporate customers added each year
- A stable transaction base with major system integrators
- Corporate customers with IT operation issues, in a wide range of industries and businesses



Business Segments and Service Domain

Aim to provide high value added and achieve significant growth in the DX business area by building on our strengths in SI, a business area that will grow stably over a long term.

Digital Transformation (DX)

Facilitate social reform and fast growth with a focus on areas with strong growth potential.

Cloud & Solutions Business

- Infrastructure solutions
- IoT cloud support center
- Cybersecurity

Customer Success Solutions Business

- Introduction and support services for operation of Salesforce.com
- Design of marketing activities
- Data science

Midori Cloud (DX)

Support the primary industry by leveraging the power of IT.

Midori Cloud
Midori Cloud Business  みどりクラウド

- Agricultural IoT service (Midori Cloud)
- Livestock IoT service (Farm Cloud)
- Solutions for the agriculture and fisheries sector

System Integration (SI)

Aim to expand business through the stable operation and maintenance of IT systems over the long term and the provision of support to industries that have strong needs for IT.

Construction, operation and maintenance of IT systems

- Operation of IT infrastructures
- Operation of IT systems

Industry-specific IT support

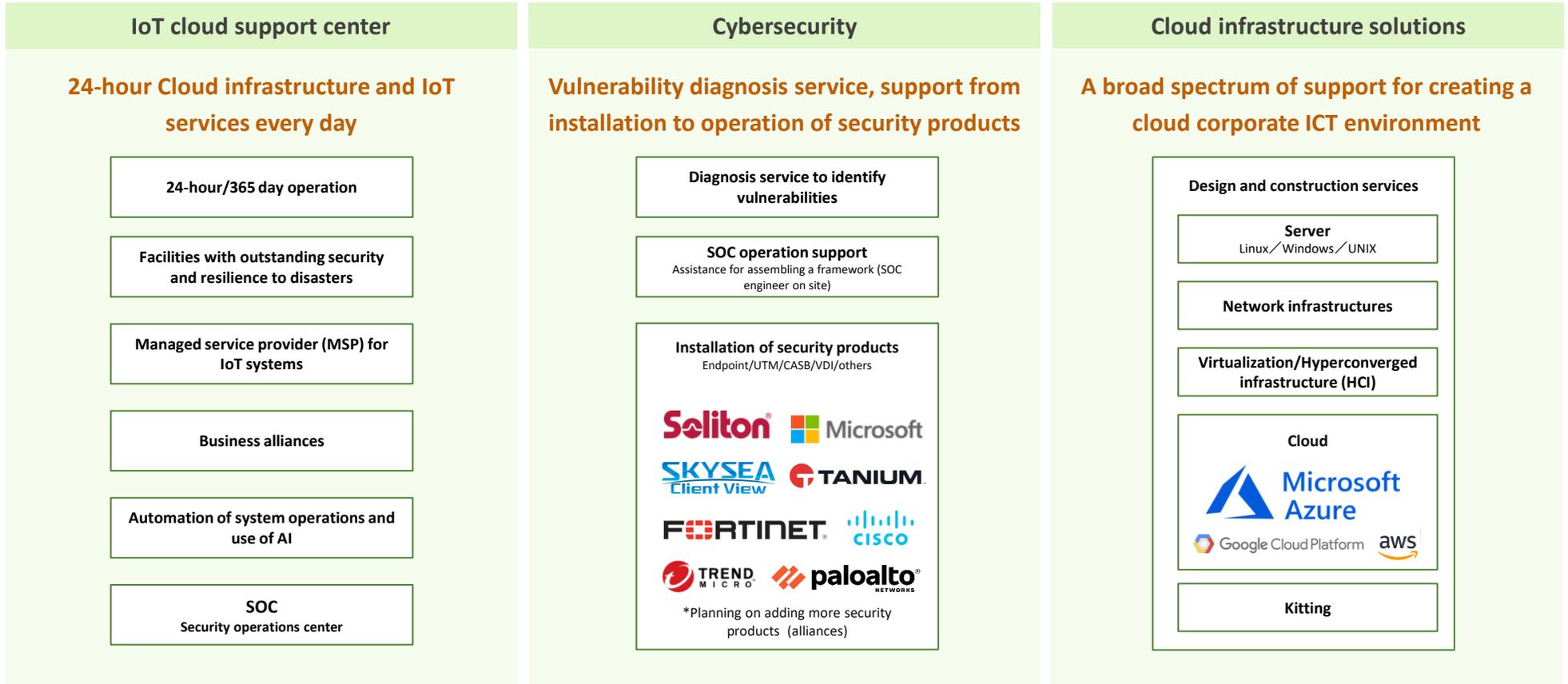
- Financial/social systems
- Information communication systems
- Enterprise systems
- Service management
- Quality assurance

Mechanical Design and Engineering

P's Engineering
 P's エンジニアリング

DX: Cloud & Solutions Business

- Total support for cloud computing in the corporate ICT environment (infrastructure, the Internet of Things) from designing and building to operation, monitoring and security.
- Shifting the focus to DX and cultivating engineers, while strengthening alliances to achieve growth in response to rapidly expanding market demand amid the COVID-19 pandemic



We started to use the Cloud & AI Engineer Development Program of Microsoft Japan in September 2020. We will aim to increase the number of engineers with Microsoft certificates to 250 in the fiscal years ending August 31, 2022.

DX: Customer Success Solutions Business

Specializing in the Salesforce platform, which has a high market share in the SFA/CRM domain and strengthening the shift from engineers in the SI domain to those in the DX domain

Salesforce.com utilization support services

Already assisting more than 300 companies due to rapid market growth
Providing utilization support both on site and remotely



Utilization assessment program

Utilization support service

Salesforce manager support service

Design of marketing activities



- Salesforce Pardot/Marketing Cloud operation
- Digital marketing support using a company's customer data

Data science



- Tableau operation using data science engineers
- Data science and business intelligence support centered on customer data

Capital participation in Resona Digital Hub, a solution provider answering the diverse DX needs of small and medium enterprises



- SERAKU invested in Resona Digital Hub Co., Ltd. (RDH), established on April 1, 2022, to commence the operations of the joint venture.
- RDH will construct a platform to open the way for one-stop proposals of diverse IT solutions to the Resona Group's small and medium corporate customers to help them increase productivity and competitiveness.
- SERAKU staff will provide Salesforce.com utilization support through RDH's unique customer success plan. SERAKU will support DX solutions and internal production using the cloud services of Salesforce, Microsoft and others. It has worked to develop these solutions.

Strengthening collaboration with NTT Data and others, DX acceleration support through utilization support services



- In April 2021, SERAKU jointly launched a business reform support service with NTT Data Corporation.
- In July 2021, SERAKU strengthened Pardot utilization support service in collaboration with Netyear Group Cooperation.
- In July 2021, SERAKU extended utilization support services in collaboration with WingArc1st Inc.
- In December 2021, SERAKU increased Tableau utilization support service in collaboration with Intage Technosphere Inc.



DX: Customer Success Solutions Business

Updating the curriculum in consideration of market trends

As a market trend, increasing numbers of companies combine MA tools and BI tools and use Salesforce Platform. In proportion to that trend, needs have increased for cross-cloud human resources, who are versed in multiple products.



Engineers' skills have improved due to the assignment of full-time trainers, support for acquisition of qualifications, and knowledge sharing.



Made the greatest contribution to expanding Salesforce's resources in terms of the number of higher-level qualifications acquired and the growth rate of qualifications acquired.

Won a Partner Award, "Top Certification of the Year."



DX: Digital Healthcare Business

- Released a beta version of a corporate healthcare cloud service in August 2021.
- The beta version can be used for promoting health-oriented management, promoting employees' health, and increasing productivity in the organization.



AI measures and quantifies health performance based on a simple questionnaire that will be answered weekly, in a minute or two.



Released a beta version of Vital Program, a cloud-based digital healthcare service, in August 2021. Conducting user tests primarily at IT companies, seeking to release a commercial version in 2022

Making health condition visible



The program identifies employees' health issues that have not been visible and assigns scores to mental risks directly linked to the productivity of teams and individuals.

Risk alert



If there is any issue to address, AI will sound a risk alert as appropriate.

Proposing improvement measures



Assisted by AI, the program proposes realistic and reasonable improvement measures to teams and individuals.



Healthcare



Economics



Data science

Based on previous studies selected by WHO and other organizations, SERAKU has created an original analysis method. We have identified factors that affect physical and mental conditions, employing statistical techniques (factors analysis, cluster analysis, recuperation model, etc.) and have developed a system to measure employees' health performance.



Make health performance visible, which is possible through simple operation, and promote health-oriented management at companies.

Midori Cloud Business

Agriculture and Fisheries DX Platform(IoT device x Cloud service X Data science)



A platform for pig and chicken farming



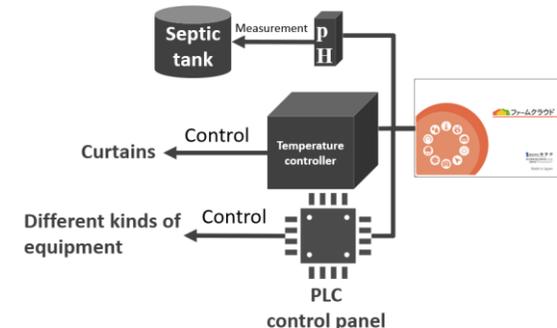
Livestock environment measurement and records



Measuring the environment in livestock buildings using IoT devices and storing measurement data on the cloud to detect abnormal environments and equipment in livestock buildings

Used at more than **140** locations

Livestock building environment control



Automatically controlling the environment in connection with curtains and PLC systems used in livestock farming

Environmental measurement and records

Midori monitor/Midori box



IoT devices measure environmental parameters at an agricultural operation, store data in the cloud and generate notices of abnormalities.

Total installed locations exceeded **2,700**

Remote automated environmental control

Midori Monitoring Environmental Control Option



Controlling windows, curtains, ventilation and other equipment automatically in combination with other companies' products and remotely via an app



Coordination opportunities environmental control

Production plans and work records

Midori note



Use PCs and smartphones for production plans and records of work performed.

Farm management system recommended by the Japan GAP Foundation

Sales support

Farming support app



Visually displaying latest market data and price trends in the past ten years or more, and offering chemicals search and weather forecasts

Midori Cloud Business

Agriculture and Fisheries solutions

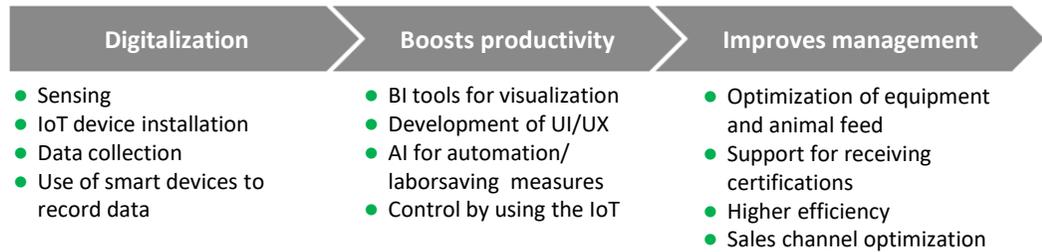
Primary industry DX by using agricultural production support platforms and SERAKU technologies

Agricultural production support platforms



SERAKU technologies

- AI/machine learning
- UI/UX optimization
- System/applications
- Communication/network
- Hardware/IoT

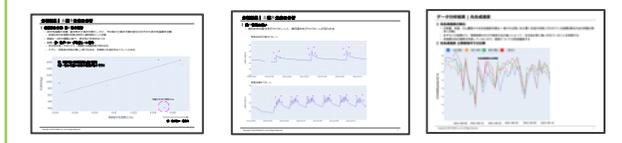


Develop an environment for remote agricultural guidance using smart agriculture technologies

The Shimane Prefectural Government's Agriculture, Forestry and Fisheries Dept.

Issues Difficulty offering on-site growing guidance to new farmers during the pandemic

New farmers in the prefecture are being introduced to Midori Cloud for the development of an environment where data-based remote growing guidance can be provided. Data analysis by data scientists and reporting its results encourage prefectural promotion staff to use data. Management indicator goals are presented to producers by offering environmental data from the Agricultural Technology Center.

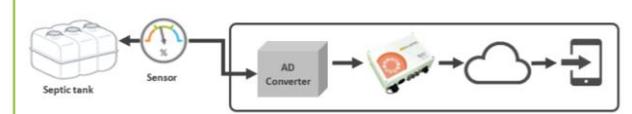


Functional extension in combination with other companies' products and systems

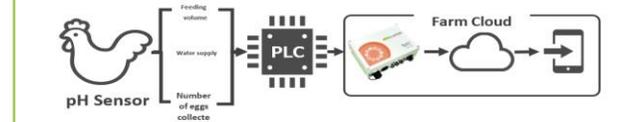
Functional extension in combination with other companies' products and systems
Livestock operators and agricultural producers

Issues Desire to remotely monitor the status of equipment operating on production sites

Sensors for a pig farm's septic tank are connected to Farm Cloud to remotely monitor its operating status.



IoT solutions are installed in poultry houses linking PLC systems for data collection to Farm Cloud.



Create a growing manual based on quantitative data

Minamishimabara City Government

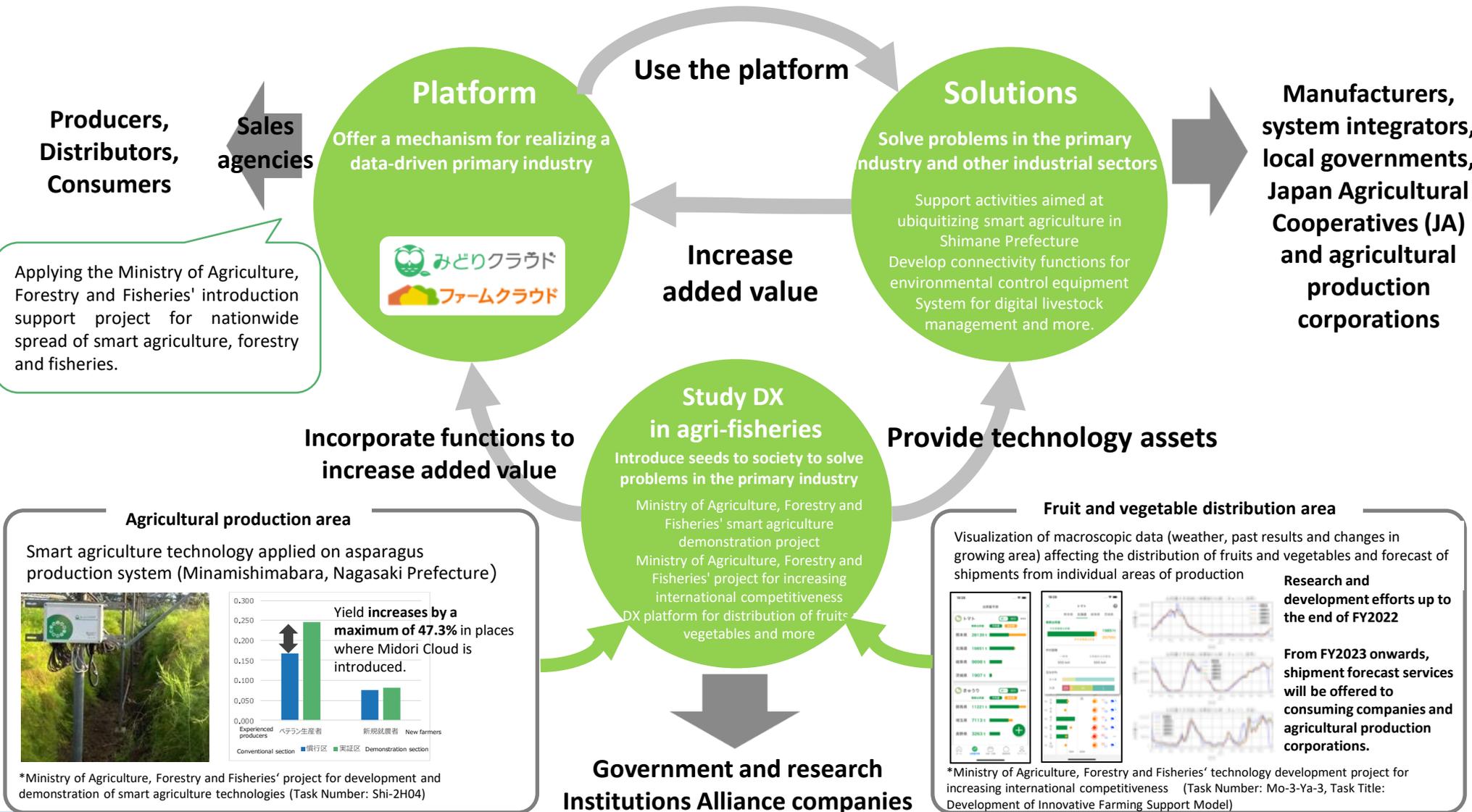
Issues Failure to effectively use data collected through smart agriculture

Data from tens of farmers introducing smart agriculture technologies are analyzed to report to them what should be improved in growing. A growing manual using smart agriculture technologies is created by standardizing the methods of installing and using different sensors.



Midori Cloud Business

Interaction between services and research and development develops the whole Midori Cloud business



System Integration Business

- Expand services matched to wide-ranging market needs using abundant resources according to the education-type IT professional development model
- Operate a stock-type business centering on the enduring operation of IT infrastructure and systems to achieve stable growth

Operation of IT infrastructure/systems

- One-stop services including system construction, operation and maintenance
- More than 75% of business are large scale operation projects that require long term continuous operation.
- The number of customers at locations other than Tokyo (Yokohama, Nagoya, Osaka, Fukuoka) is growing.

Assigning engineers matched to customer needs to enduring IT infrastructure and system operation projects



Industry-specific IT support

- Promoting projects working as a subcontractor for large projects of major system integrators or receiving orders from prime contractors.
- Aim for growth by using collaboration and alliances with partners.
- Train IT professionals with operational knowledge.

Cultiexperts primarily in fields where there are strong needs for IT. Expand business by enlarging trading platforms with major system integrators.



Steady growth under the education-based IT professional creation model and the provision of greater added value by shifting human resource to the DX domain

- SERAKU's exclusive IT professional creation model underpins growth by using introductory lessons and then lessons using actual working environments to train inexperience people so they can be assigned to projects within two to three months
- To provide greater added value, experienced people acquire more advanced skills for DX activities, project management and other challenging positions

Focusing on expanding the business by increasing the number of recruitments and the well-developed training system for the new joiners

Ⅱ . 3Q FY8/22 Results of Operations

3Q FY8/22 Financial Highlights

Number of engineers

2,940

The full-year goal of 2,880 was accomplished in the first nine months. Recruiting activities will continue into the fourth quarter.

Quarterly net sales

Record high

4.6 billion yen

Net sales steadily climbed in proportion to the number of engineers. Record quarterly net sales were posted.

DX engineers ratio

21%

Efforts to recruit DX engineers were increased, mainly in the Customer Success Solutions Business.

Engineer utilization rate

98%

The utilization rate of existing engineers remained at approximately 98%, amid continuing efforts to continue proactive recruitment.

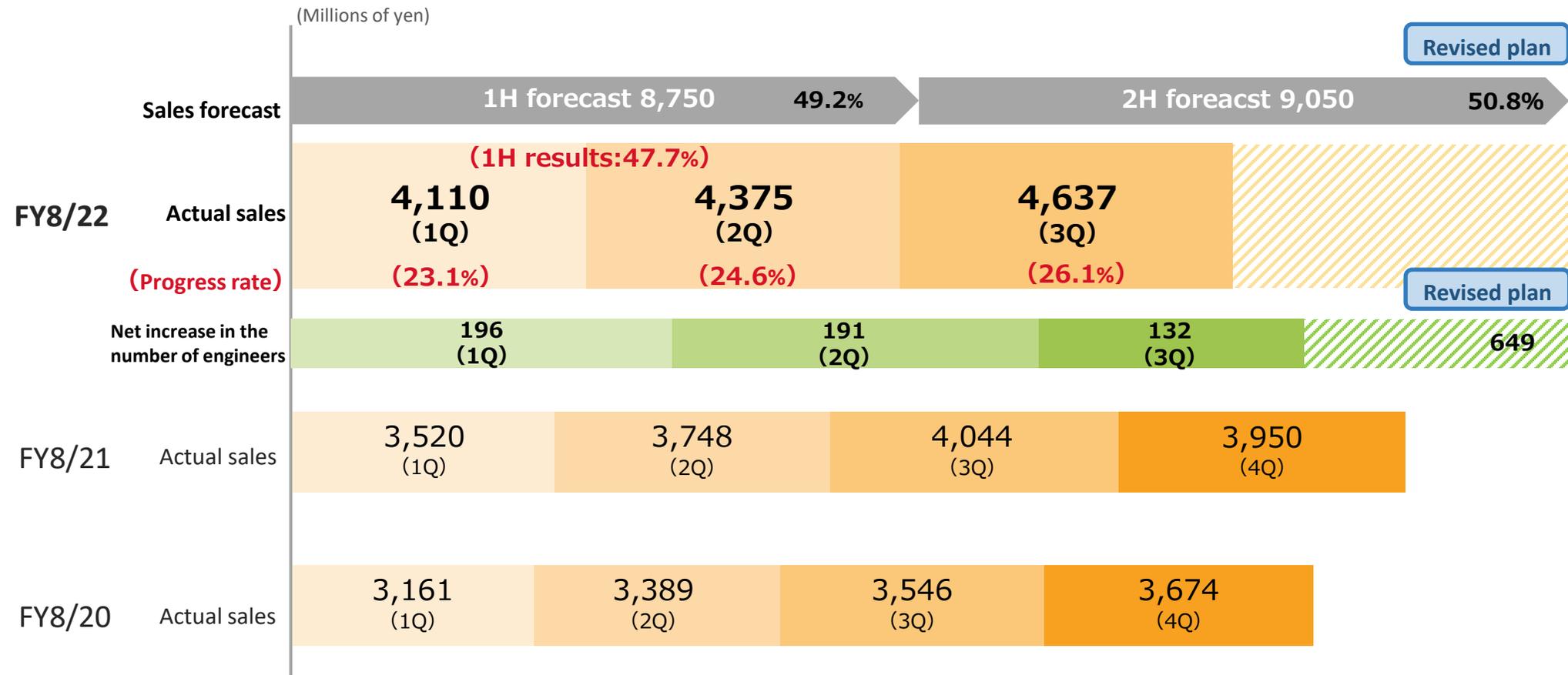
3Q FY8/22 Financial Highlights (1)

- Net sales increased 16% year on year and the business scale expanded in line with a rise in the number of engineers.
- Regarding profit, upfront investments were additionally made in recruitment and education to deal with proactive recruitment activities.
- Sales systems should be enhanced to ensure that engineers are assigned quickly.

| | Results on 3Q FY8/21 | | Results on 3Q FY8/22 | | |
|------------------|----------------------|--------------|----------------------|--------------|---------------|
| | (Millions of yen) | (% to sales) | (Millions of yen) | (% to sales) | (YoY change) |
| Net sales | 11,313 | - | 13,123 | - | +16.0% |
| Gross profit | 2,800 | 24.8% | 2,942 | 22.4% | +5.1% |
| Operating profit | 1,155 | 10.2% | 695 | 5.3% | △39.9% |
| Ordinary profit | 1,582 | 14.0% | 1,132 | 8.6% | △28.4% |
| Profit | 963 | 8.5% | 717 | 5.5% | △25.5% |

3Q FY8/22 Financial Highlights (2)

- Net sales, which are in proportion to the number of engineers operating, rise mainly in the second half every year.
- The full-year sales plan has been revised. Sales progress against the revised goal is 73.7% as of the end of 3Q of FY8/22.
- The initially expected net increase in the number of engineers will be larger in anticipation of a future contribution to sales.

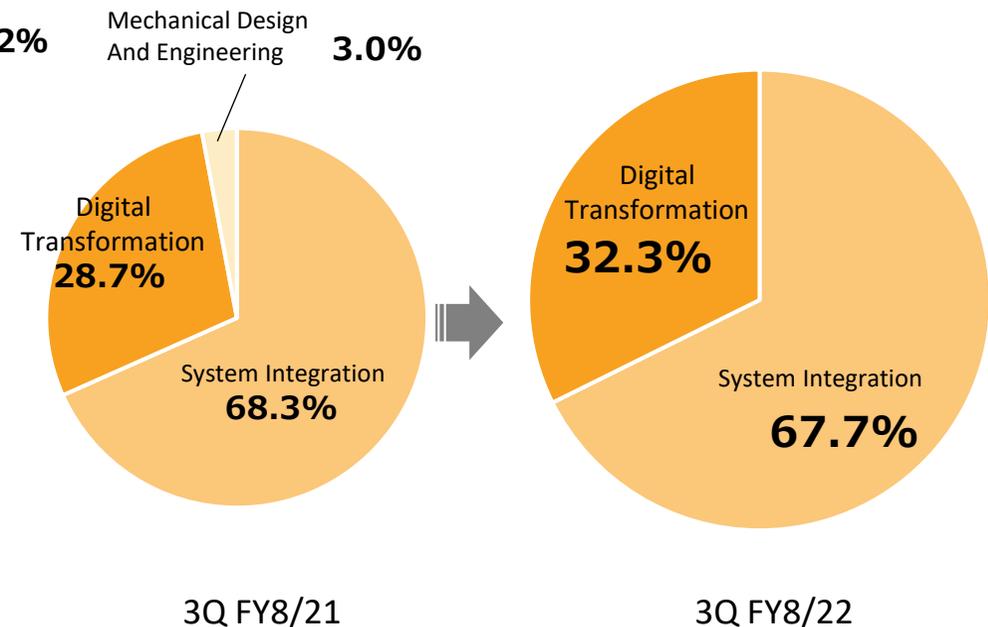
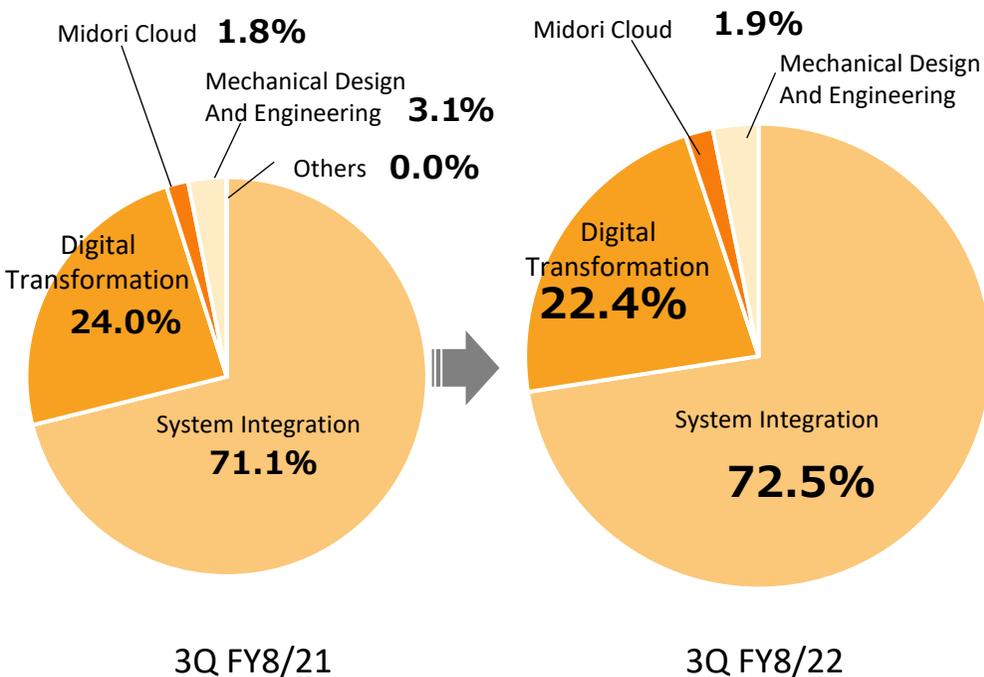


3Q FY8/22 Financial Highlights (3)

- A rise in the number of operating engineers mainly in the SI segment boosted total net sales.
- With market demand continuing to be strong in the SI segment, recruitment was conducted actively.
- In parallel with facilitating the DX shift, efforts were made to strengthen recruiting activities in the DX segment.

Sales by Business Segment

Operating Profit by Business Segment



(* Excluding sales and profits of the segments that are in red)

(* Excluding sales and profits of the segments that are in red)

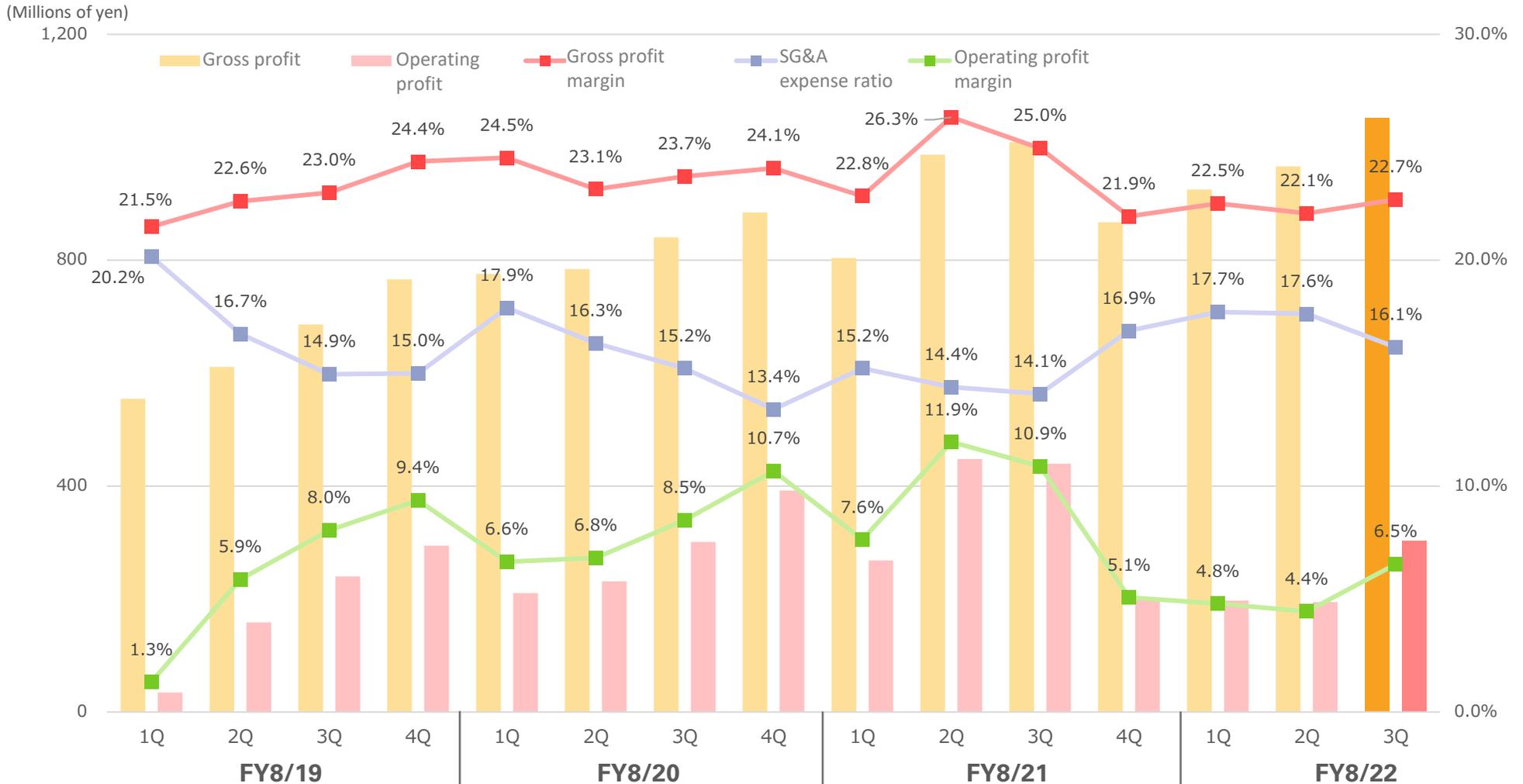
Quarterly Sales Growth

- Net sales, whose growth is in proportion to rises in the number of operating engineers and the utilization rate, continued to increase.
- Record quarterly net sales were achieved, reflecting the growth in number of operating engineers due to proactive recruitment in the first half.



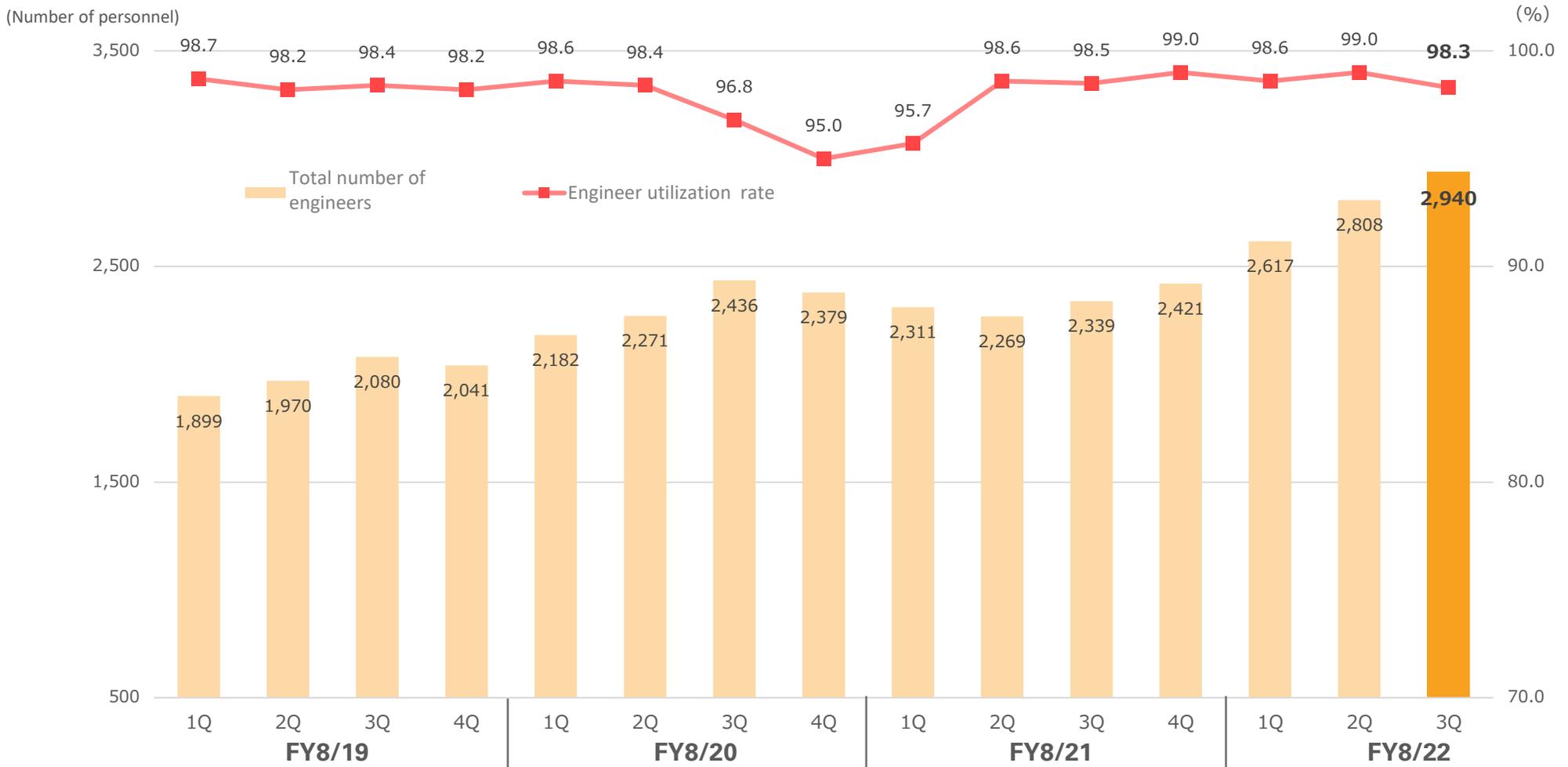
Quarterly Earnings Growth

- In 3Q of FY8/22, profitability rose at all levels thanks to participation in operations by more engineers employed in the first half.
- The gross margin remained higher than 20% despite active investment in recruitment and education.



Number of Engineers and Utilization Rate

- The normal occupancy rate of 98-99% was maintained, after the second quarter of the fiscal year ended August 31, 2021.
- In 3Q of FY8/22, the utilization rate stood at 98.3% amid an increase in the number of engineers.

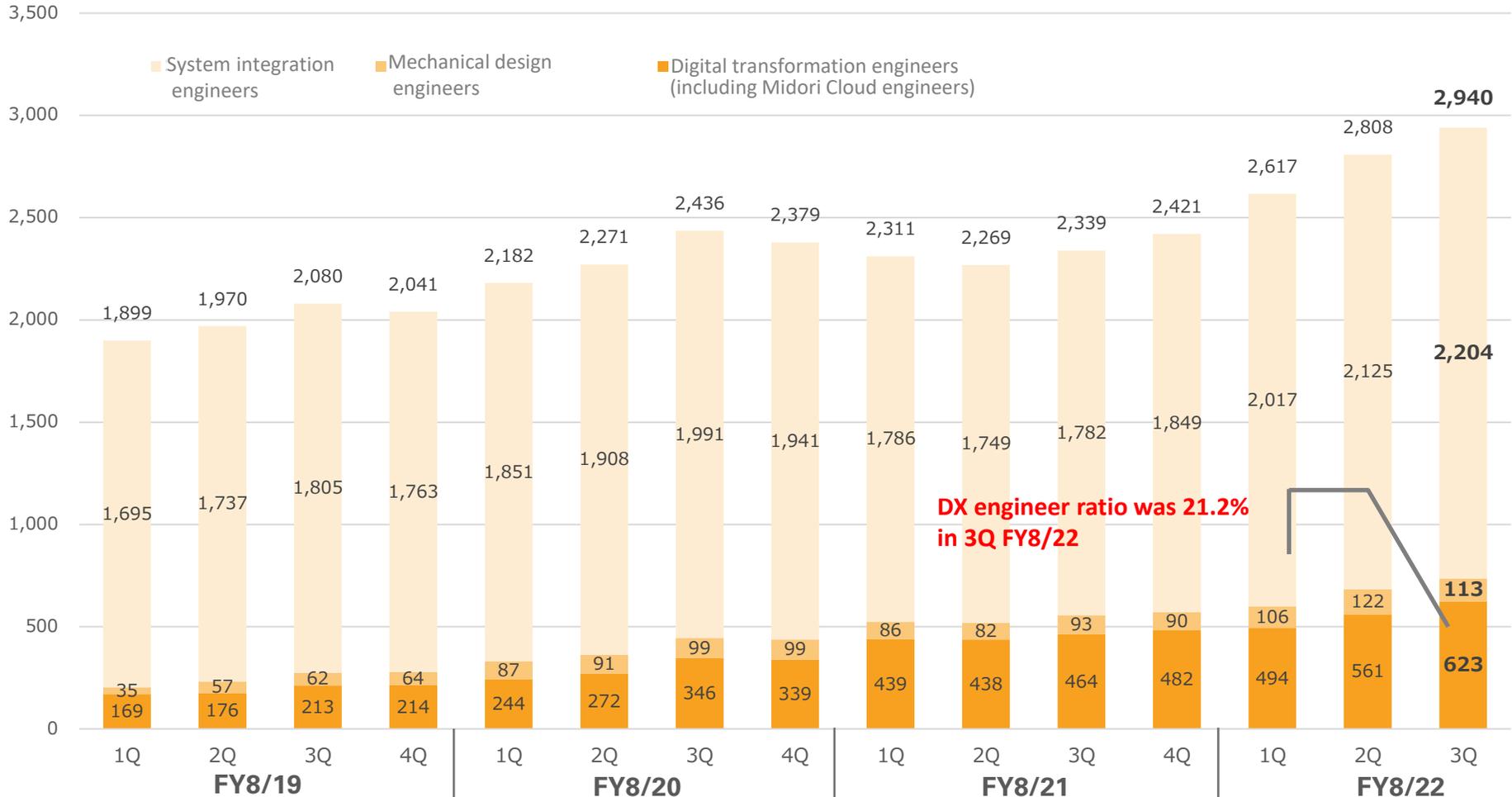


* The utilization rate is for engineers who have completed initial training.

Number of Engineers and Categories

- The number of engineers grew solidly in the SI segment, reflecting stronger efforts to recruit personnel with no experience.
- Recruitment of DX engineers was also strengthened mainly in the Customer Success Solution business and in the Midori Cloud business.

(Number of personnel)



Education for Engineers

- Practical training that uses the same equipment and environments as those for actual projects improved engineers' skills.
- We focused on encouraging engineers to acquire certifications in the DX domain.
- By putting in place engineer training environments, we aim to increase the unit rate per engineer.

Number of Microsoft Azure Certifications

SERAKU's technology and the use of Microsoft Azure proven by its track record in the introduction of Microsoft Azure were acknowledged, and SERAKU achieved Gold Cloud Platform Competency, the highest accreditation in the cloud platform field.

Examples of certifications

- AZ-900 : Microsoft Azure Fundamentals
- AZ-103 : Microsoft Azure Administrator
- AZ-104 : Microsoft Azure Administrator
- DP-100 : Designing and Implementing a Data Science Solution on Azure

and many more

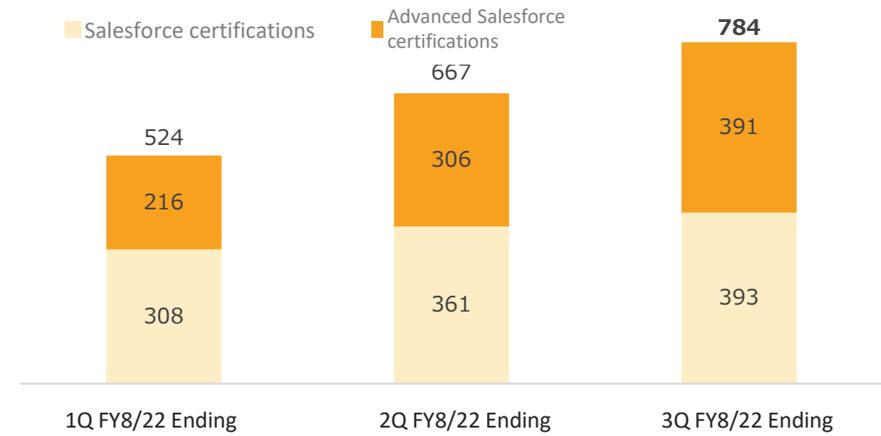
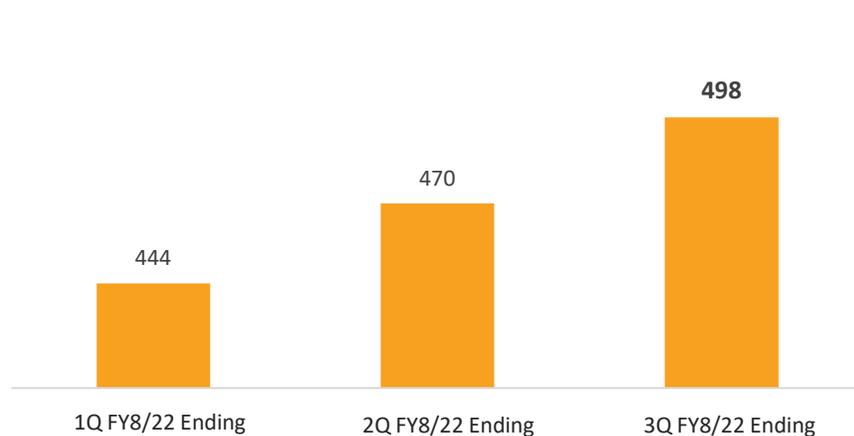
Number of Salesforce Certifications

SERAKU earned high marks for making the greatest contribution to expanding Salesforce's resources in terms of the number of higher level qualifications acquired as well as the growth rate of qualifications acquired, and won Top Certification of the Year in Salesforce Partner Summit 2021.

Examples of certifications

- Sales Cloud consultant
- Experience Cloud consultant
- Field Service Lightning consultant
- Community Cloud consultant
- Tableau CRM and Einstein Discovery consultant
- Pardot consultant

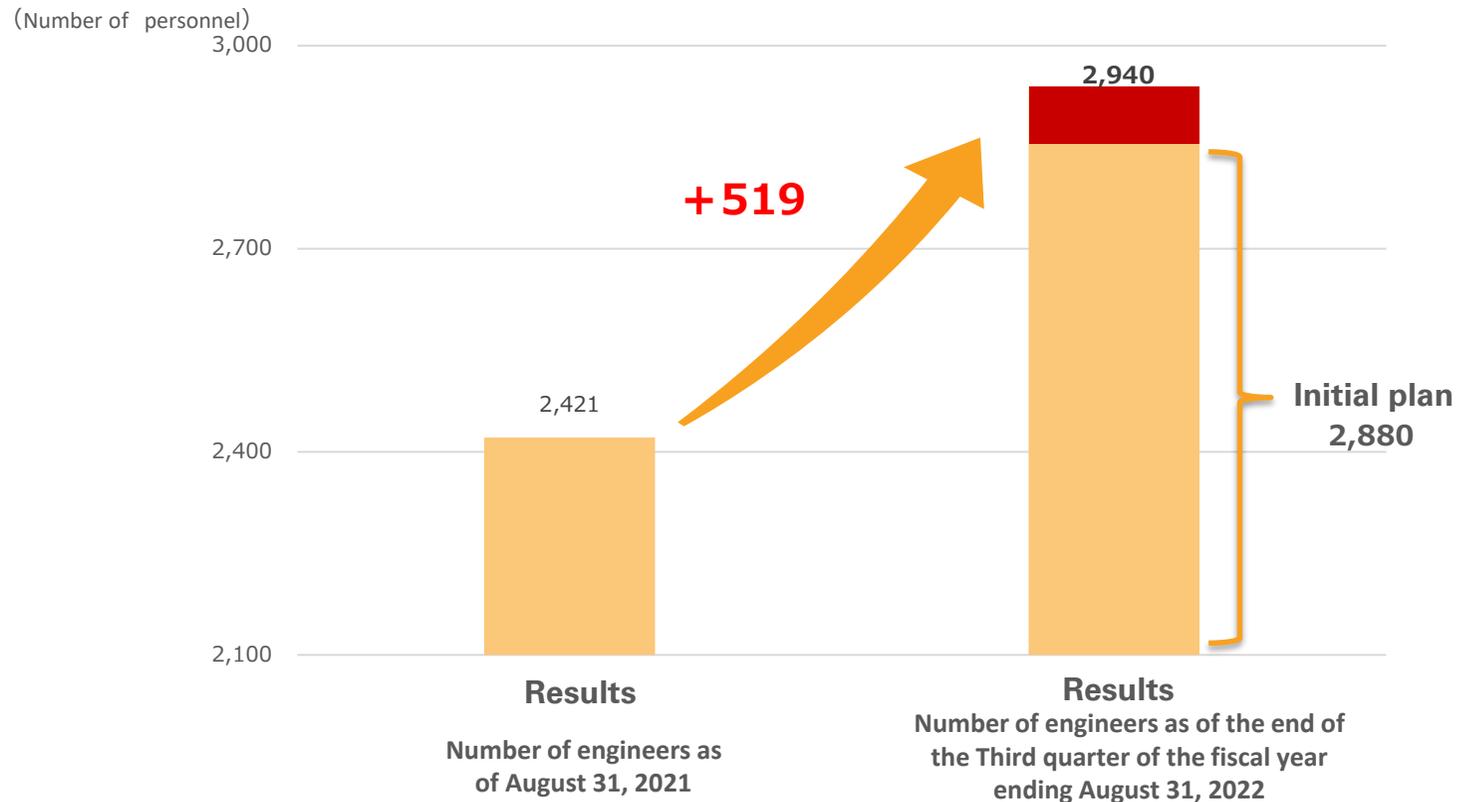
and many more



Recruitment activities

**As of the end of 3Q of FY8/22,
the initially planned net increase was accomplished.**

- Number of engineers as of the end of 3Q of FY8/22 was 2,940.
- Recruitment advanced smoothly and a net increase in the number of engineers was larger than the annual target.
- An increase in the number of engineers will contribute to future sales.

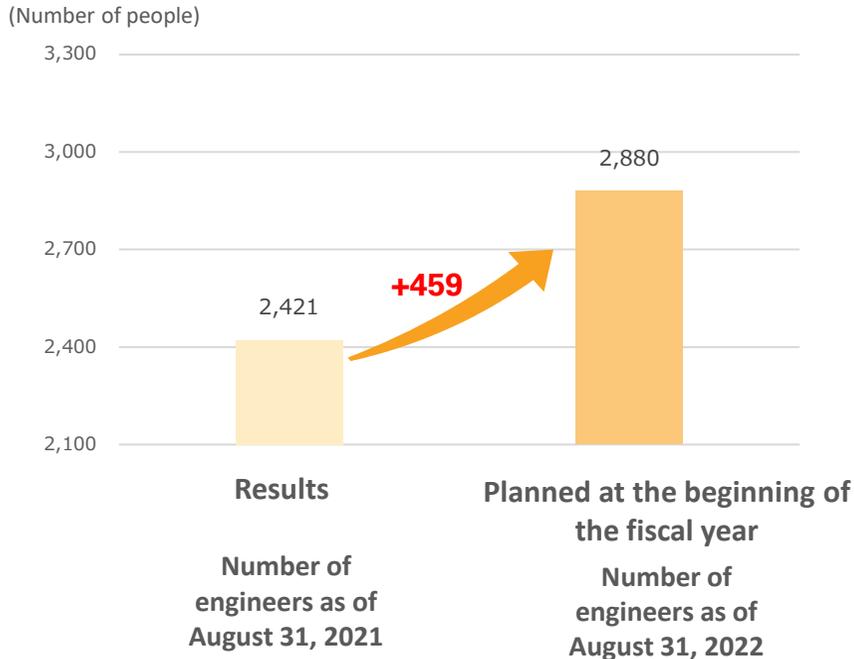


Changes in the engineer recruitment plan

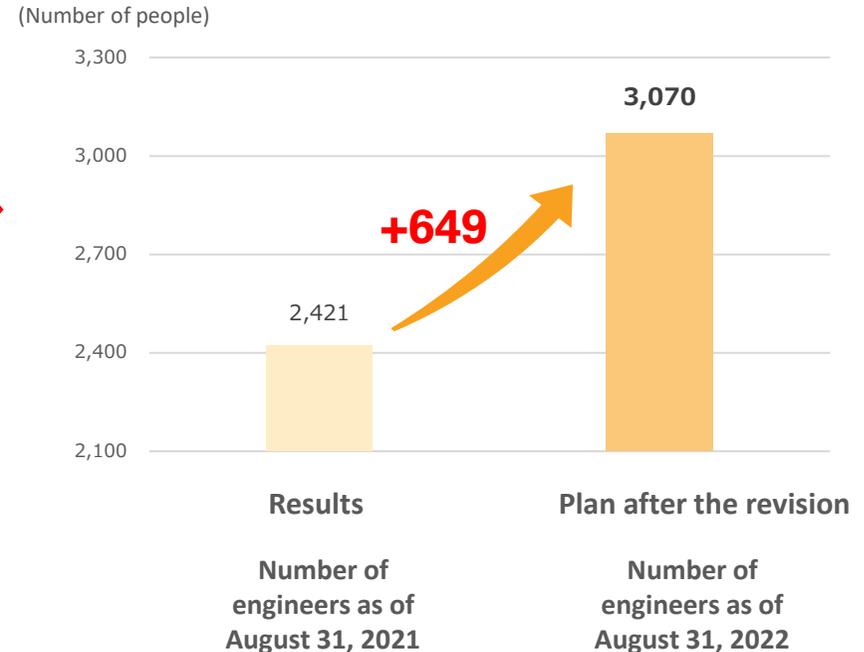
**We will continue proactive recruitment to facilitate growth in FY8/23 and beyond.
We will aim to hire 3,070 engineers by the end of FY8/22.**

- The number of engineers as of the end of the fiscal year is expected to exceed the initial plan by 190.
- This revision to a net increase in the number of engineers for FY8/22 will contribute to future sales.
- For FY8/22, investments in recruitment and education will exceed the initial plan.

Initial plan



After revising the plan



Topics

- Mar. 30, 2021 **Cooperation with NTT Data for Creating 500 Business Reform Personnel over Three Years**
 Started in April 1, 2021 a joint business reform support service starting with service utilization support for companies using Salesforce
- Apr. 30, 2021 **Midori Cloud and a Produce Distribution Support Project Using AI Selected**
 Midori Cloud and a produce distribution support project using the cloud and AI is selected as an innovative farming support model development project by the Ministry of Agriculture, Forestry and Fisheries.
- Jul. 27, 2021 **Achieve Microsoft's Gold Cloud Platform Competency**
 SERAKU's technology and use of Microsoft Azure proven by its track record of Microsoft Azure introduction were acknowledged, and SERAKU achieves the highest accreditation in the cloud platform field.
- Aug. 31, 2021 **Release a Beta Version of Vital Program, a Digital Healthcare Service**
 Release a cloud-based digital healthcare service using AI for employees' health promotion and mental healthcare, and the improvement of productivity.
- Oct. 28, 2021 **We entered into a business collaboration with Toto Kogyo Co., Ltd., which has a high market share in greenhouse products.**
 We entered into a business collaboration with Toto Kogyo Co., Ltd, a company which has engaged in the greenhouse product business for nearly 60 years, to develop IoT technologies for electric ventilation systems used in greenhouses.
- Feb 1, 2022 **Investment in the DX Support Subsidiary Set Up by Resona Holdings to Participate in the Joint Venture**
 A business offering Salesforce.com and other solutions to meet diverse DX implementation needs has been launched in collaboration with Resona Group companies and others.
- Apr 1, 2022 **Concluded Japan's first Customer Success Partner agreement with WalkMe.**
 Develop engineers who provide support for the establishment and use of WalkMe and provide enhanced services for the establishment and utilization of Salesforce in collaboration with WalkMe Ltd.
- Jun 1, 2022 **Opened the Department of Digital Mental Health jointly with a Graduate School of the University of Tokyo.**
 Contribute to the functional enhancement and quality improvement of the Vital Program and, in addition, aim to provide solutions to social issues related to mental healthcare.
- Jun 6, 2022 **Launched a secondary investment business for unlisted IT companies**
 Support the business rehabilitation and re-growth of IT companies facing challenges by leveraging the Company's strengths in recruitment, education and sales.

III. FY8/22 Initiatives and Growth Forecast

Revisions to consolidated financial results forecast of FY8/22 (1)

- Sales systems should be enhanced to address an increase in the number of engineers.
- Investments in future growth such as recruitment expenses and initial training expenses have increased significantly.
- The revision to the recruitment plan was attributable to measures taken by the Company.

Taking such factors into account, the Company has decided to leave dividends unchanged from the initial plan.

| (Millions of yen) | FY8/21 results | FY8/22 plan | | | |
|-------------------|----------------|---|---|--------------|-------------------------------------|
| | | Previous forecast Disclosed on October 15, 2021 (A) | Current forecast Disclosed on July 14, 2022 (B) | (% to sales) | Changes from the forecasts (B-A) |
| Net sales | 15,263 | 19,000 | 17,800 | - | △1,200 |
| Operating profit | 1,356 | 1,550 | 860 | 4.8% | △690 |
| Ordinary profit | 1,836 | 1,900 | 1,400 | 7.9% | △500 |
| Profit | 1,240 | 1,250 | 910 | 5.1% | △340 |
| Dividends | 5.6yen | 8.6yen | 8.6yen | - | - |

Revisions to full-year consolidated financial results forecast of FY8/22 (2)

- Upfront investments due to expanding recruitment of engineers (a net increase of 190 is expected compared to the plan)
- Increased number of people who resign, reflecting a rise in the mobility of human resources as COVID-19 situation was being resolved
- Underachievement of the plan in the solution-type service (outsourced service)

Sales

(Millions of yen)

19,000



17,800



△1,200

Disclosed on October 15,
2021
Previous forecast

Disclosed on July 14,
2022
Current forecast

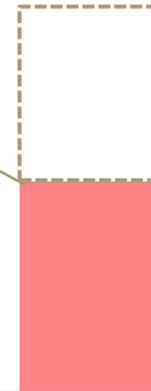
Operating profit

(Millions of yen)

1,550



860



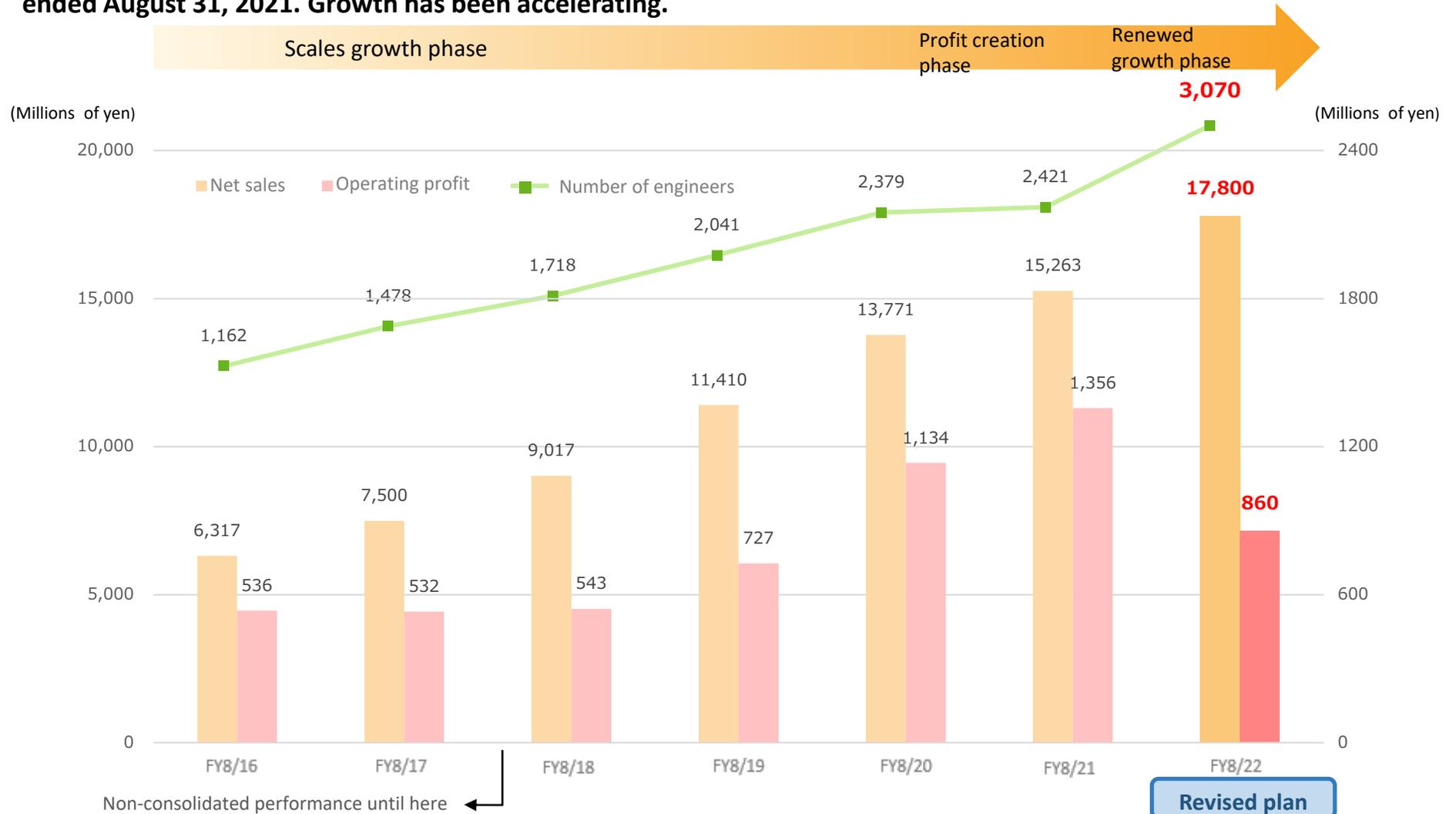
△690

Disclosed on October 15,
2021
Previous forecast

Disclosed on July 14,
2022
Current forecast

FY8/22 Plan

- The number of engineers will rise, and the sales growth rate will remain high.
- The phase changed from the profit creation phase to a renewed growth phase in the third quarter of the fiscal year ended August 31, 2021. Growth has been accelerating.



Outlook for future growth

- In light of favorable market conditions, achieve sustained growth by enhancing sales systems.
- Take the necessary measures to keep engineers from quitting their jobs.

Develop growth potential in the next fiscal year by strengthening recruitment in the fourth quarter.

- Under a situation where recruiting IT personnel is difficult, hire a larger number of such personnel than planned utilizing the Company's recruiting capability.
- Expect a record high rise in the number of engineers with a net increase of engineers of 649 (up 190 from the initial plan) in FY8/22.
- Establish a foundation for growth in net sales as soon as possible by recruiting for FY8/23 ahead of schedule.

Reduce the number of engineers who resign by facilitating their participation on a long-term basis.

- Increase engineers' value added through initiatives related to DX/digital shift.
- Improvements in a range of personnel systems and career development support programs.

Further enhance sales capabilities.

- Increase the number of sales personnel by 30% or more from the current level by 1Q of FY8/23.
- Promote sales activities with a focus on prospective customers, the number of whom is expected to be 10 times as large as that of existing clients (approximately 600 companies).

Growth Forecast in Fiscal Year Ending August 31, 2022

Our education-based IT professional creation model continues to have a competitive edge.

- Prioritize increasing the number of engineers through recruitment and education, and recruit a greater number of engineers than initially planned.
- Continue to advance the DX shift of engineers, focusing on cultivating human resources who have advanced Salesforce and Microsoft certificates, and boost our highly profitable structure.
- Focus on creating solutions in the agriculture and fishery sector, aiming to become the No. 1 company in the sector.
- Start to provide a beta version of Vital Program, a digital healthcare service, and focus on developing the service for some time to come.

IT professional creation

- In addition to hiring engineers who have experience in the IT industry, increase the number of engineers by hiring inexperienced engineers and training them.
- Expand practical project education at Tech Lab, a new training facility.

Current businesses

- Focus on becoming a prime contractor and strengthening partnerships.
- Continue an engineer's DX shift and strive to increase profit margins and expand high growth projects.
- Develop alliances to create projects in all business fields.
- Expand business responding to technological trends, for instance in the verification field.
- Expand COMPANY, an ERP package for large companies, and the operation support business.

New businesses

- Focus on expanding the scale of solutions in agriculture and fishery for companies and in the public sector.
- Focus on developing new services in the digital healthcare field.

Infrastructure

- Continue to strengthen the management system and system infrastructure.

Number of engineers at end of term

Revised plan

3,070 (net increase of 649)

Salesforce certificates acquired

Increased by 400

Number of Microsoft certificates

Increased by 250

Solutions in the agriculture and fishery sector

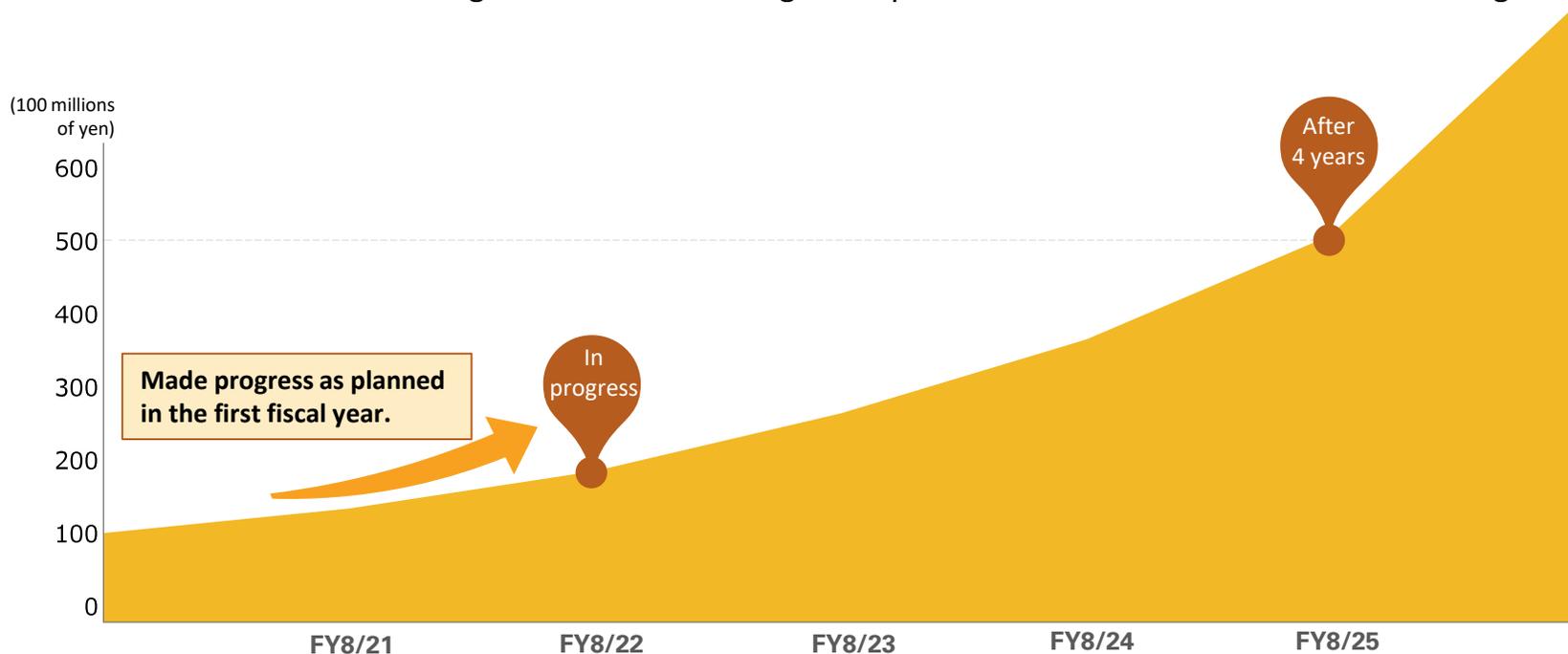
Increased by 50

Medium-term Vision

The medium-term plan has the goal of raising sales to 50 billion yen in FY8/25

Made progress as planned in the first fiscal year. Expect to make steady progress in the second year, the fiscal year ending August 31, 2022.

- Based on our IT professional creation and the diverse job opportunities that we provide to engineers, we have created an environment in which engineers can fulfill their potential, leading to the sustained growth of the company.
- Establish a business to raise both profit margins and the speed of growth by shifting engineers to the DX domain while achieving stable growth in the System Integration business, where demand is expected to remain firm.
- Utilize alliances with major cloud platform companies in order to use operational and utilization support for more growth.
- M&A in market sectors with the potential for synergy with existing businesses and the provision of SERAKU's recruiting, education and sales expertise to newly acquired companies and businesses for growth.
- Launch businesses based on IT that target social issues with growth potential in order to add more sources of growth.



Features and Superiority of the Education based IT Professional Creation Model

Our education-based IT professional creation model continues to have a competitive edge.

- Starting to create professionals to be prepared for markets that have high potential for growth
- Use horizontal expansion of recruiting, education and sales skills to expand our technology domains
- Business growth by taking service formats to a higher level to reflect the growth of markets

2021-
Solving issues in the primary industry through agricultural and fishery solutions, realizing corporate health management through digital healthcare services, we will enter into alliances with major platform companies and supporting the ongoing digital transformation in all aspects of society

2020-
Looking ahead to growth of the Microsoft platform, started training programs for the Microsoft certifications of at least 200 people every year

2018-
Looking ahead to growth of the DX market, started training programs for robotic process automation (RPA), security, data science, verification and other activities

2013-
Looking ahead to the growth of the cloud systems market, started training activities for Salesforce engineers

Currently expanding Customer Success Solutions Business

2008-
Looking ahead to the widespread use of smartphones and the IoT, started training programs for smart technology engineers

Currently expanding the Midori Cloud business and other activities in the data science domain

2002-
Anticipating growth in demand for IT utilization services at companies, started training programs for IT infrastructure and network engineers

Currently expanding the System Integration business

1997-
Anticipating growth of the web systems domain, started a system development business and training programs for system development engineers

Currently expanding the System Integration business

1995-
Started an internet business before the internet became widely used and started training programs for web engineers

Currently expanding business operations in the digital marketing domain

DX: Customer Success Solutions Business Growth Scenario

Salesforce engineers has been created successfully. We will accelerate the development of human resources, aiming to become the leader in Japan in the new and growing Salesforce use and operation services market.

- In the cloud IT systems field, we expect that the market is expanding with the keywords of "utilization," "operation" and "digital transformation." SERAKU aims to achieve greater business growth as a leader in this field.
- SERAKU will develop no-code/low-code platform engineers who will be the main source of utilization, operation and DX services
- Through strengthening alliances with NTT Data and other partners, receive more utilization and support orders from large and growing companies in Japan



DX: Cloud & Solutions Business Growth Scenario

Create a highly profitable structure consisting of continuously cumulative managed services and Microsoft platforms.

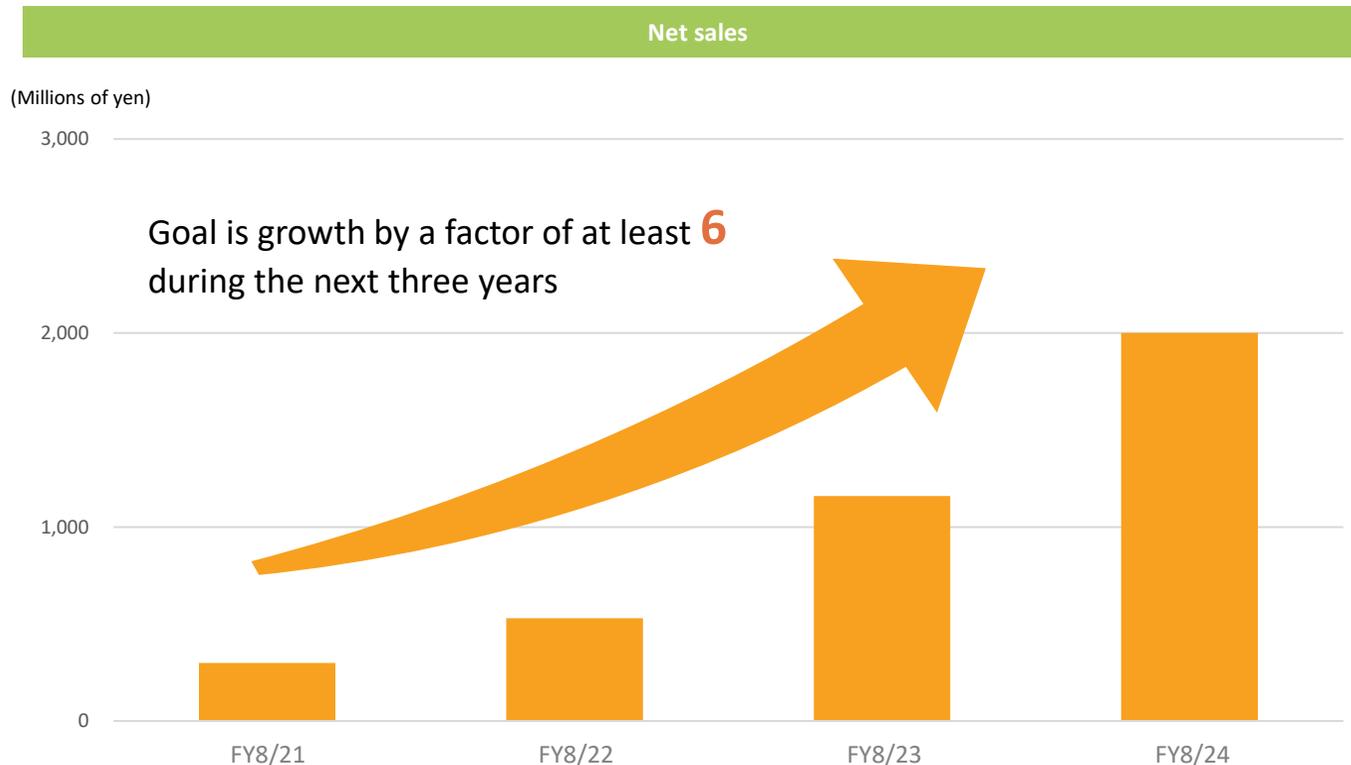
- Use the alliance with Microsoft Japan to continuously develop engineers with Microsoft certificates. Focus on creating projects in the fiscal year ending August 2022.
- Expand the workforce for managed services (a center operates companies' cloud infrastructures 24 hours a day, every day), which have high growth potential.
- Start maintenance and operation and managed services at regional sites.
- Implement a highly profitable platform resale and license resale



DX: Midori Cloud Business Growth Scenario

Become the primary industry DX leader, a sector with significant growth potential, by combining production support platforms and SERAKU's system integration expertise

- Continuously increase production support experience and agricultural IT expertise through the steady expansion of the use of production support platforms
- Receive orders for large agriculture/fisheries solutions during the phase of implementing the primary industry DX by companies and the public sector
- Become the primary industry DX leader by leveraging synergies between the platform business and agriculture/fisheries solutions business



System Integration Business Growth Scenario

Maximize the expansion of operations using our recruitment, education, and sales capabilities. Aim to expand IT operations in a continuously cumulative IT structure management and projects in industries where stable IT needs are expected.

- Plan to achieve steady increases in sales and profit, prioritizing expanding the scale of operations by increasing the number of IT engineers through recruitment and education.
- Speed up business growth using our sales skills along with an increase in the number of partner companies and the strengthening of alliances.
- For IT needs for different industries, create large projects and subcontracting projects by giving engineers practical training and developing engineers with business process knowledge.
- Responding to these technological trends, expand the new business domain, including the verification field.



SERAKU's Initiatives for ESG and SDGs

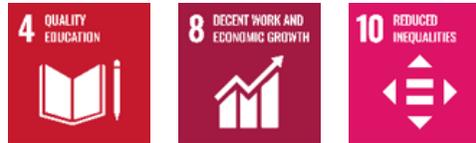
The SERAKU Group will build a long-term foundation for growth by promoting ESG activities. As a company that creates social value, the Group will strengthen initiatives to help achieve a sustainable society.

Safe operation of systems in the IT society



- Building sustainable and strong IT security
- Providing IT environments and services tailored to customers
- Helping maintain social activities using IT

Human resources development



- Cultivating human resources who have advanced expertise
- Providing ongoing education for IT engineers
- Ensuring employment for young people and utilizing a variety of human resources

Creation of new value in society



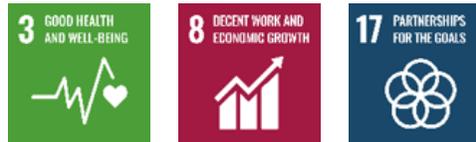
- Enhancing the value of industry using IT technology
- Achieving regional revitalization through recruitment and IT technology
- Achieving high productivity and low workload by using IT

Use of IT in agriculture field



- Advancing smart agriculture to improve productivity in agriculture
- Revitalizing the primary industry using IT
- Producing abundant food stably

Realization of a physically and mentally healthy society



- Providing digital healthcare services
- Solving social issues using IT
- Cooperating with academic institutions

Sophistication of corporate governance



- Ensuring compliance
- Strengthening corporate governance
- Improving information disclosure

Forward looking Statements

Documents and information provided at today's presentation include forward-looking statements.

These statements are based on assumptions that include current expectations, forecasts and risk factors. As a result, forward-looking statements include many uncertainties that may cause actual performance to differ from these statements.

Risk factors and uncertainties include the condition of industries and markets where SERAKU operates, changes in interest rates and foreign exchange rates, and other items involving the Japanese and global economies.

SERAKU has no obligation to update or correct these forward-looking statements even if there is subsequently new information or an event that affects these statements.

An announcement will be made promptly if there are revisions to the FY8/22 forecasts or differences between the results of operations and these forecasts that require disclosure.