



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

October 2022



株式会社 **セラク**
SERAKU Co., Ltd.

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 August 31, 2022)

Employees: 3,373 on a consolidated basis (as of August 31, 2022)

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

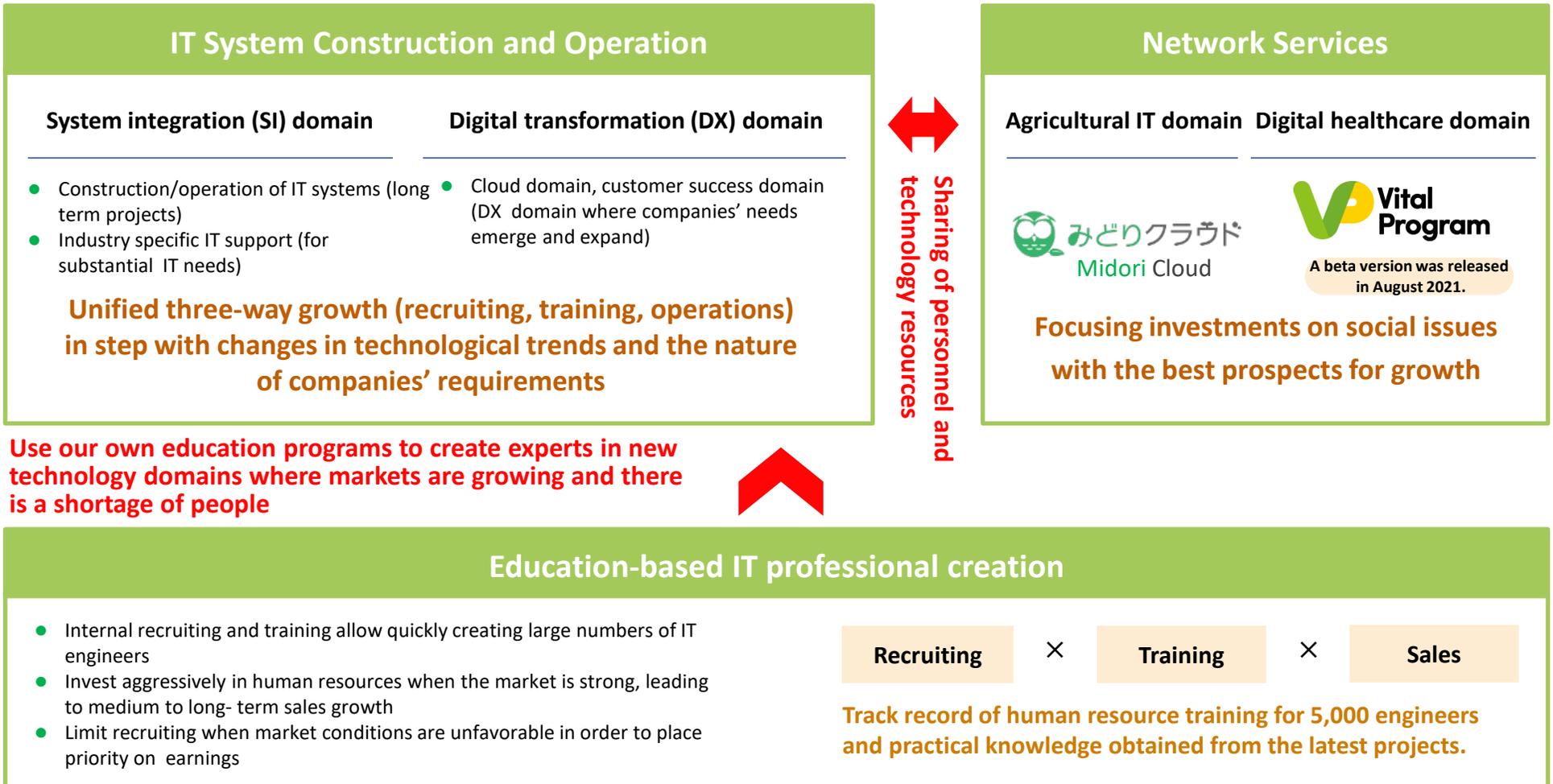
Group companies: P's Engineering (wholly owned subsidiary)

SERAKU CCC (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

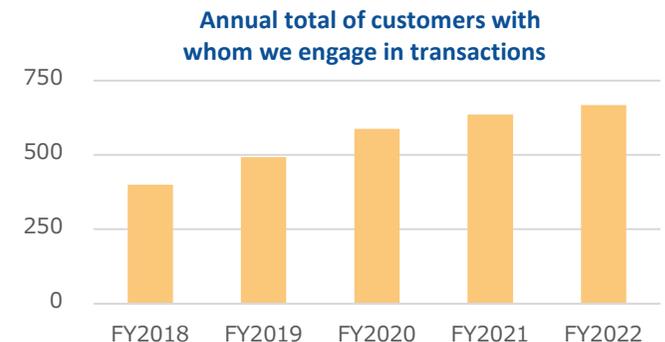
Training

- 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 Business



- 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.

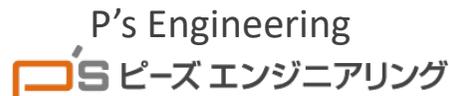
Construction, operation and maintenance of IT systems

- Operation of IT infrastructures
- Operation of IT systems

Industry-specific IT support

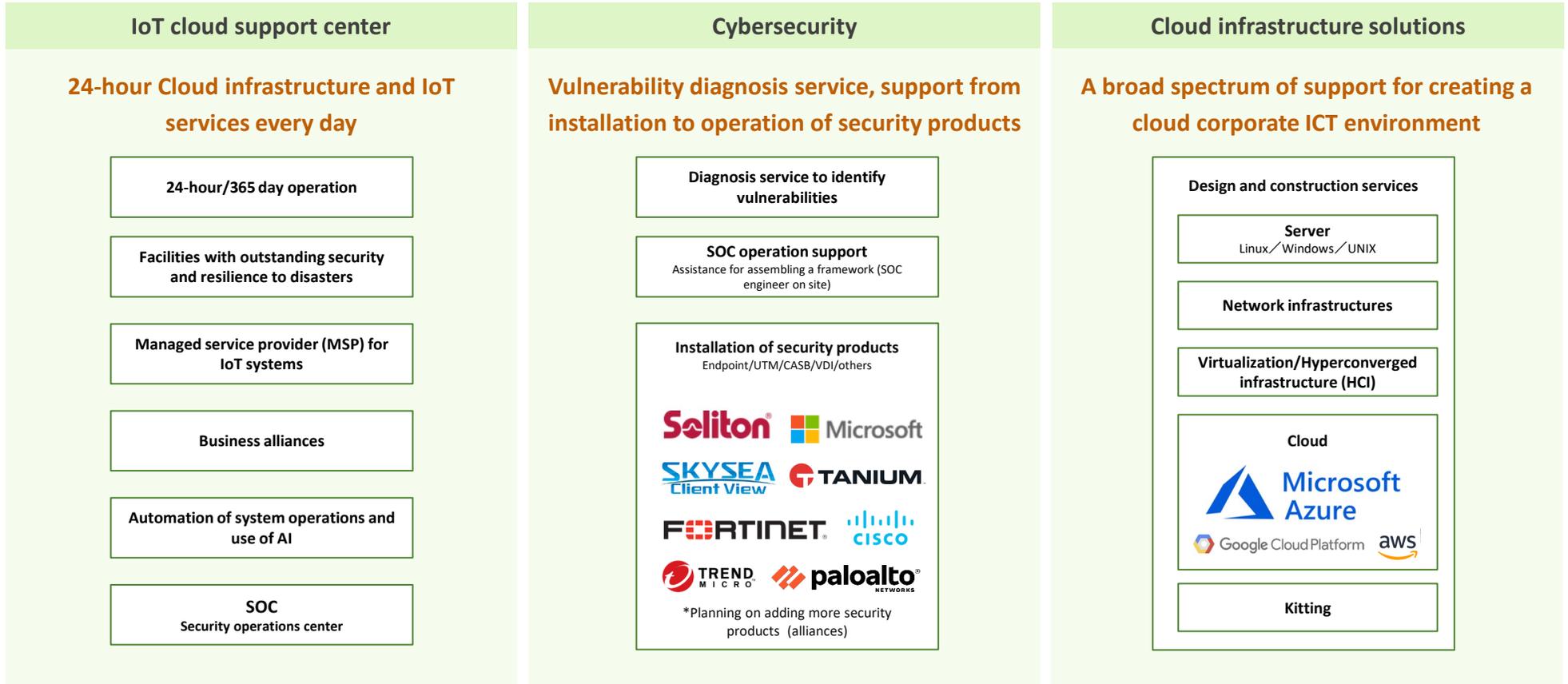
- Financial/social systems
- Information communication systems
- Enterprise systems
- Service management
- Quality assurance

Mechanical Design and Engineering



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



The IoT/Cloud Support Center work to improve the quality of services using automation and AI.

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

SFA/CRM utilization support services

Already assisting more than 350 companies due to rapid market growth
Providing utilization support both on site and remotely



Utilization assessment program

Utilization support service

Salesforce manager support service

Data utilization support through data analysis and data visualization



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

Support for use of marketing automation tools



- Marketing Cloud Account Engagement operation
- Digital marketing support using a company's 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 promote use of the cloud services of Salesforce, Microsoft and others that it has developed.

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.



Buoyant IT investment for the use of Salesforce, which is directly connected to the expansion of results

The business will be transferred to SERAKU CCC, a wholly owned subsidiary that will be established through a company split in December 2022.

We will establish the number one brand in the cloud system operation and utilization market

Vital Program

- 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.
- We will evolve Vital Program by adding Physical Program.



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.

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



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

2,800

(Shipments in fiscal year ended Aug. 2022 were 267 units.)

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

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

Production plans and work records

Midori note



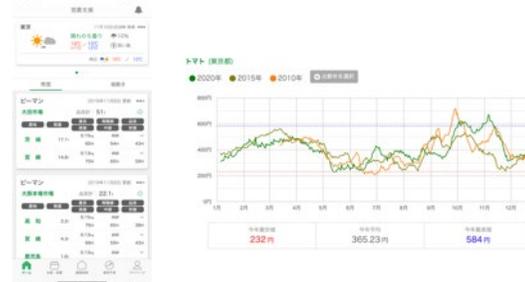
Use PCs and smartphones for production plans and records of work performed.

Total number of users is **70**.

Farm management system recommended by the Japan GAP Foundation

Sales support

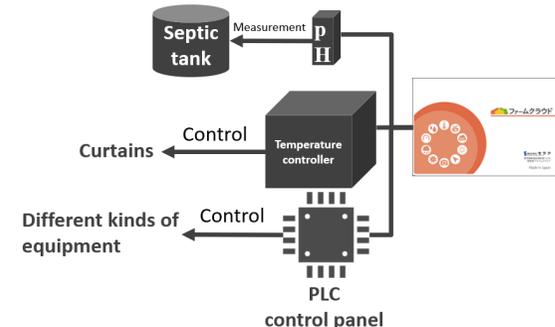
Farming support app



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

Number of registered users is **3,900**

Livestock building environment control

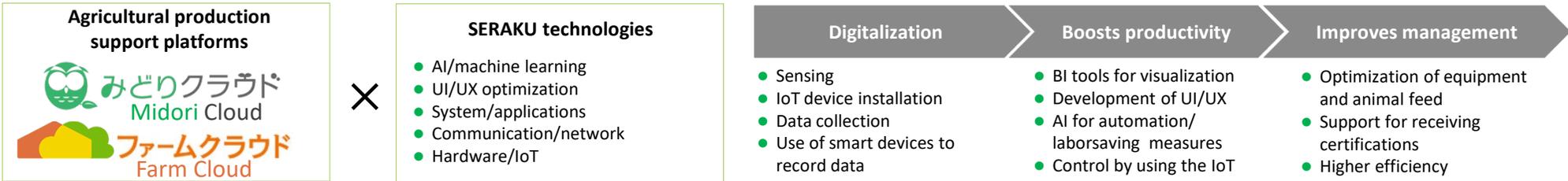


Automatically controlling the environment in connection with curtains and PLC systems used in livestock farming

Midori Cloud Business

Agriculture and Fisheries solutions

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

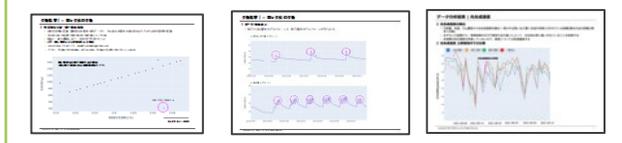


Develop an environment for remote agricultural guidance using smart agriculture technologies

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.

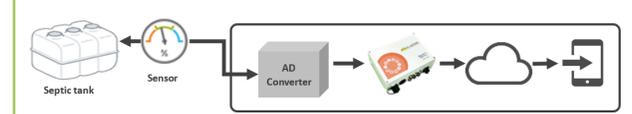


Functional extension in combination with other companies' products and systems

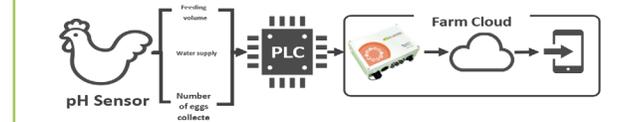
Functional extension in combination with other companies' products and systems
Livestock operators and agricultural producers

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

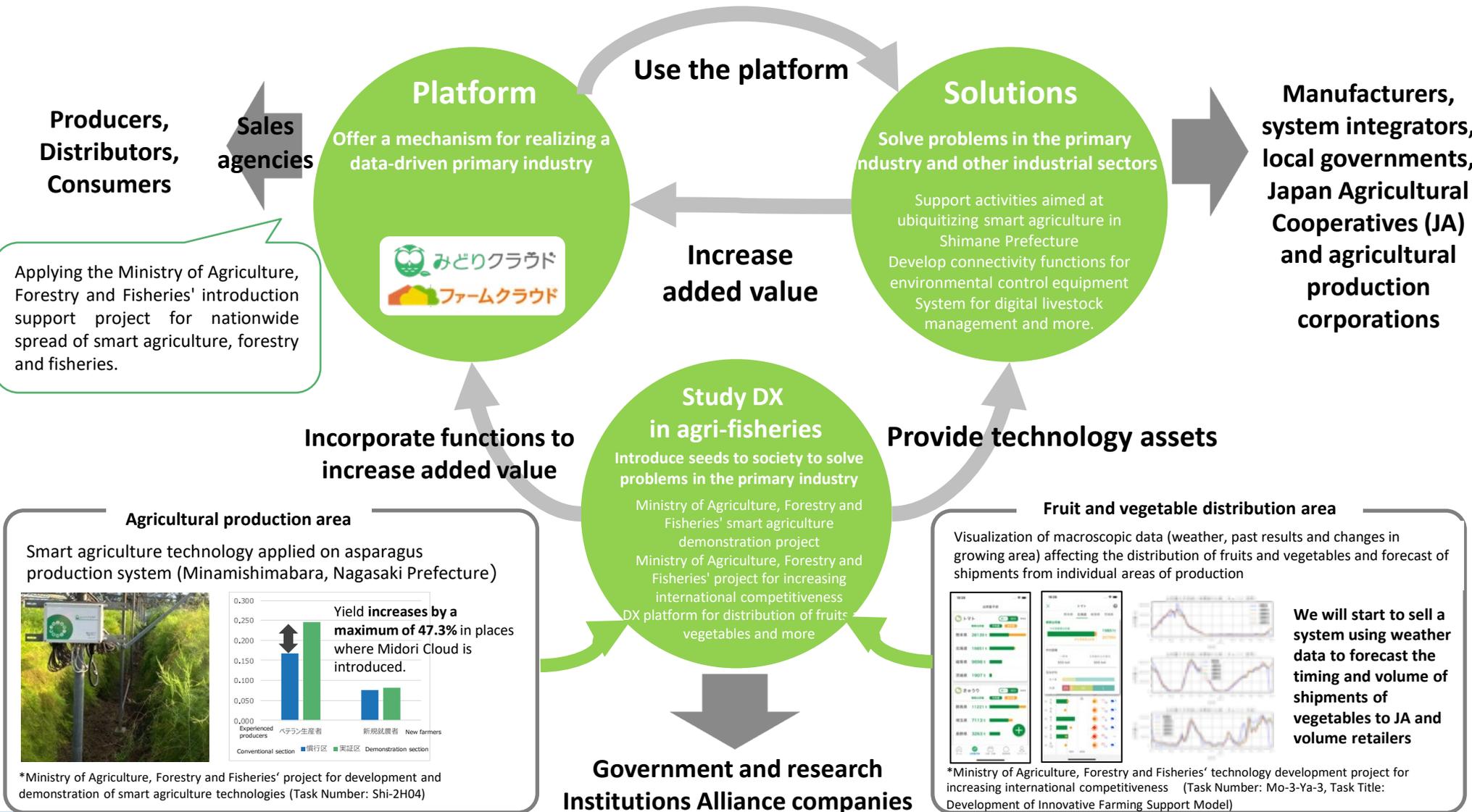
Issues Failure to effectively use data collected through smart agriculture

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



Applying the Ministry of Agriculture, Forestry and Fisheries' introduction support project for nationwide spread of smart agriculture, forestry and fisheries.

Agricultural production area
Smart agriculture technology applied on asparagus production system (Minamishimabara, Nagasaki Prefecture)

Category	Yield (kg/ha)
Conventional section	~0.15
Midori Cloud section (銀行区)	~0.22
Midori Cloud section (実証区)	~0.22
Demonstration section	~0.22

Yield increases by a maximum of 47.3% in places where Midori Cloud is introduced.

***Ministry of Agriculture, Forestry and Fisheries' project for development and demonstration of smart agriculture technologies (Task Number: Shi-2H04)**

Fruit and vegetable distribution area
Visualization of macroscopic data (weather, past results and changes in growing area) affecting the distribution of fruits and vegetables and forecast of shipments from individual areas of production

We will start to sell a system using weather data to forecast the timing and volume of shipments of vegetables to JA and volume retailers

***Ministry of Agriculture, Forestry and Fisheries' technology development project for increasing international competitiveness (Task Number: Mo-3-Ya-3, Task Title: Development of Innovative Farming Support Model)**

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 inexperienced 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

Expanding well-developed training and sales systems and turning inexperienced engineers into effective staff members at an early stage

Ⅱ . FY8/22 Results of Operations

FY8/22 Highlights

Number of engineers

3,051

The net increase in the number of engineers was 630, exceeding the initial plan for the fiscal year, 459, by 171.

Quarterly net sales

Record high**4.7 billion yen**

Net sales steadily climbed in proportion to the number of engineers.
Net sales for the fourth quarter of the fiscal year ended Aug. 2022 hit a record high for a quarter.

Operating profit margin

5%

Investment exceeding the initial plan affected the profit margin.

Engineer utilization rate

(As of Q4 of FY2022)

98%

The utilization rate of existing engineers remained at a certain level amid proactive recruitment.

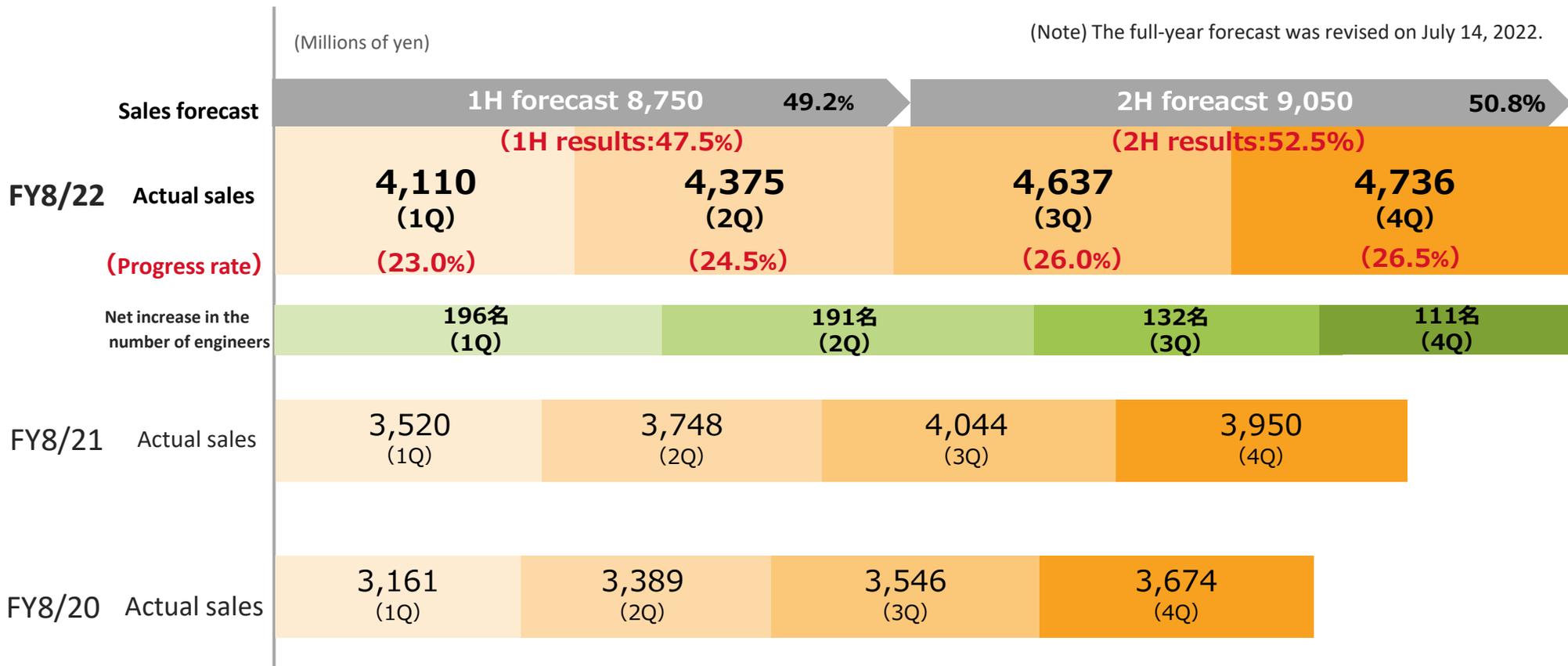
FY8/22 Financial Highlights (1)

- The number of working engineers increased and net sales grew 17.0% year on year, reflecting proactive recruitment.
- The Company hired a record number of new engineers, which resulted in upfront investment for growth.
- The Company worked to enhance sales systems as the number of engineers increased.

	Results FY8/21		Results FY8/22		
	(Millions of yen)	(% to sales)	(Millions of yen)	(% to sales)	(YoY change)
Net sales	15,263	-	17,859	-	+17.0%
Gross profit	3,667	24.0%	3,904	21.9%	+6.5%
Operating profit	1,356	8.9%	886	5.0%	-34.6%
Ordinary profit	1,836	12.0%	1,434	8.0%	-21.9%
Profit	1,240	8.1%	966	5.4%	-22.1%

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 new engineers that were hired in the first half of the fiscal year ended August 31, 2022 contributed to net sales in the second half.
- The Company changed the planned net increase in engineers during the fiscal year. A net increase of 111 in the number of engineers was recorded in the fourth quarter.

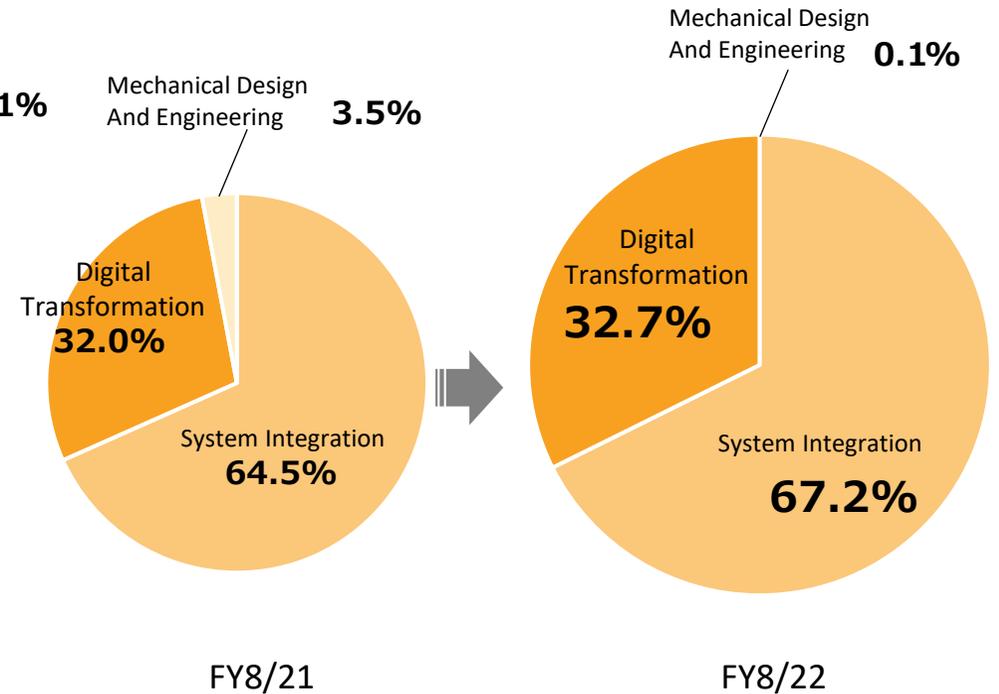
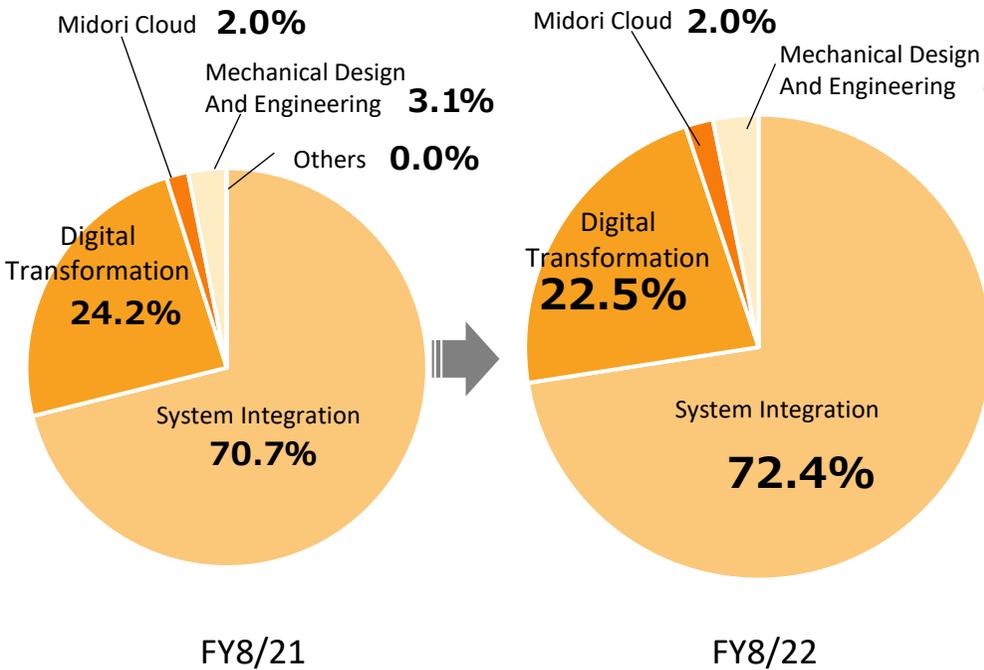


FY8/22 Financial Highlights (3)

- The percentage of sales in the SI segment increased in the fiscal year ended August 31, 2022, reflecting an increase in the number of new, inexperienced employees recruited.
- A high profitability model was maintained in the DX segment despite increases in investment in recruitment and education.
- While increasing sales in the SI segment, and as a result, total net sales, the Company will promote a shift to DX.

Sales by Business Segment

Operating Profit by Business Segment

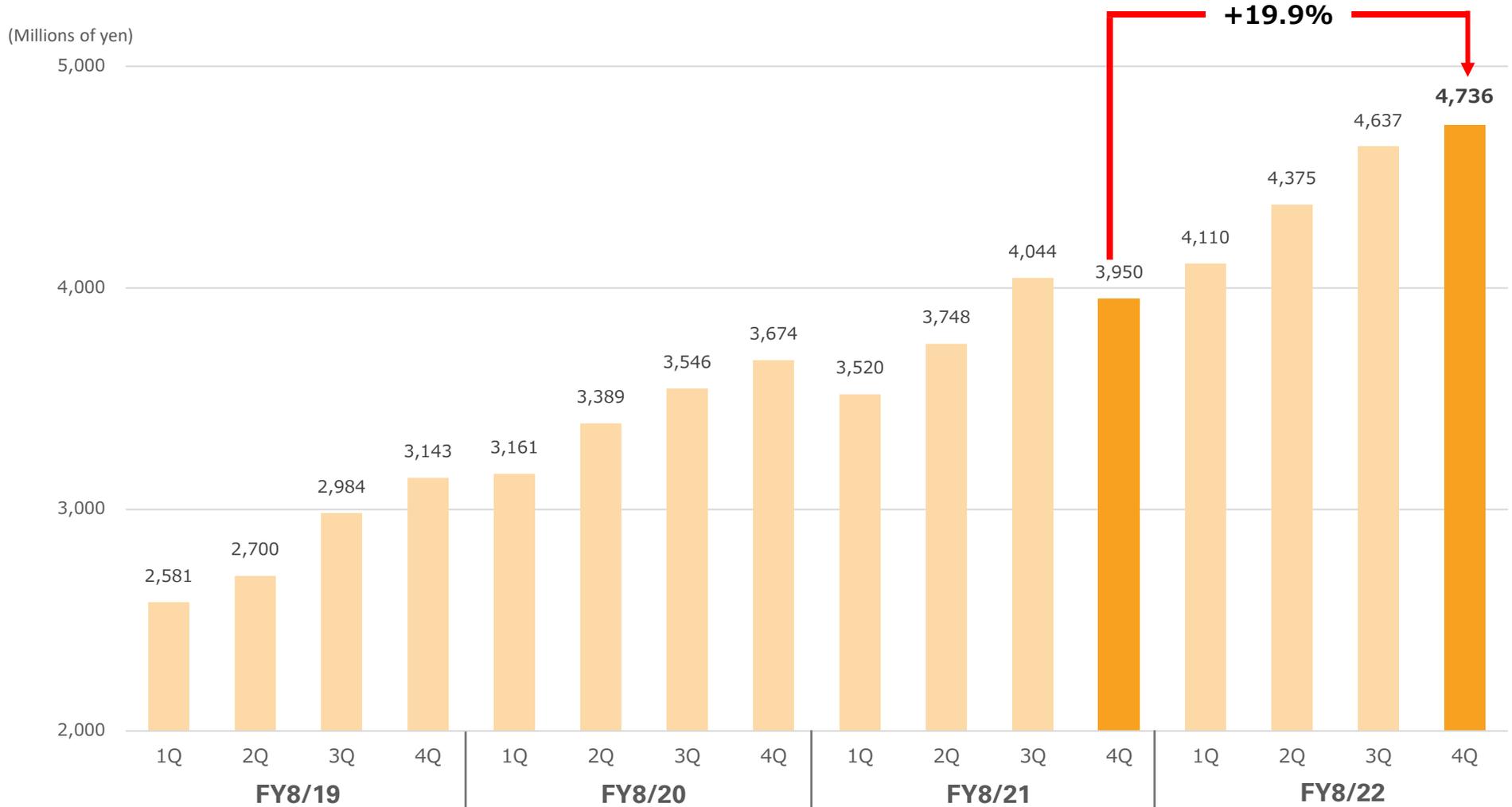


(* Excluding sales and profits of the segments that are in red)

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Quarterly Sales Growth

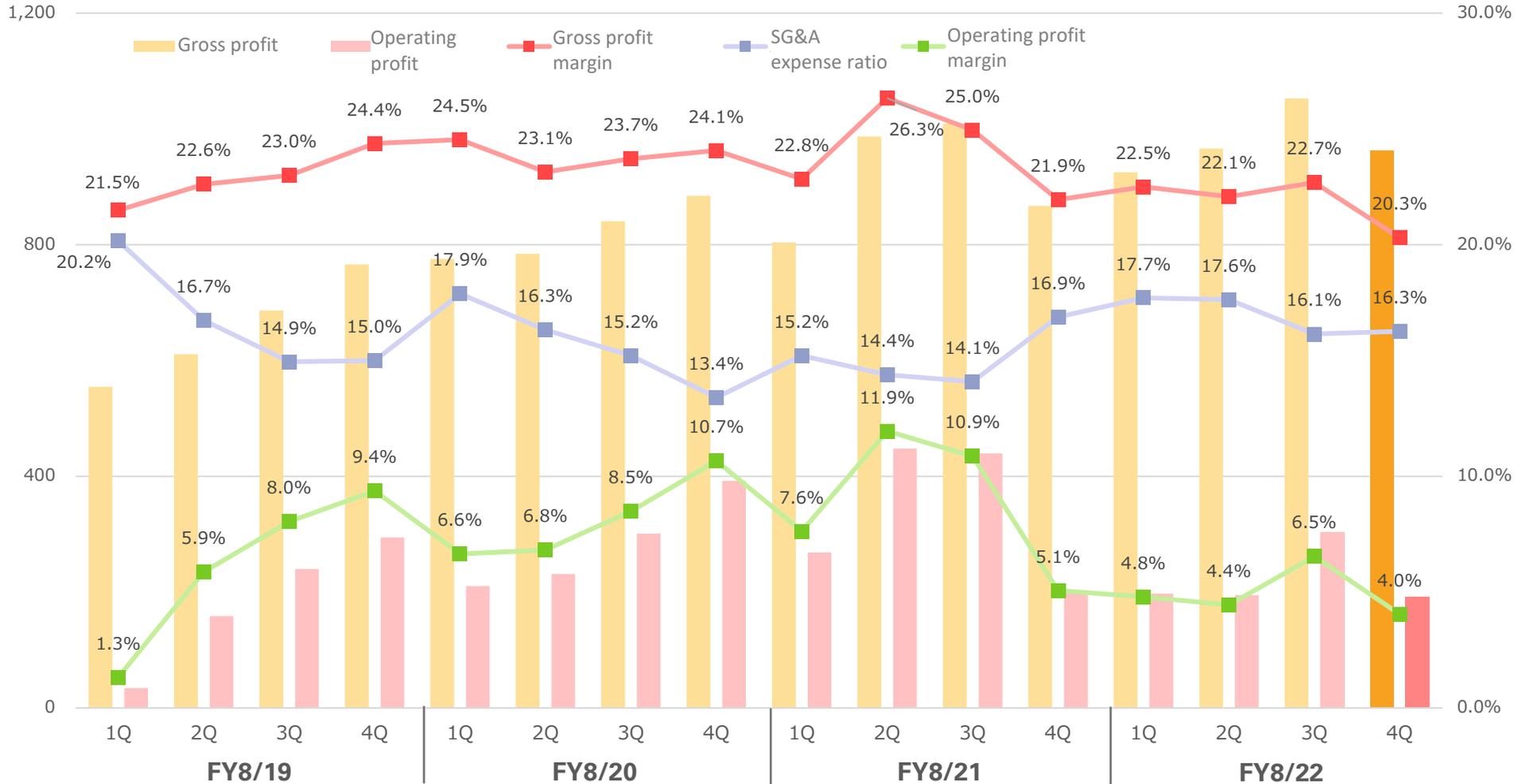
- In our revenue model, net sales grow in proportion to rises in the number of working engineers and the utilization rate.
- Record quarterly net sales were achieved, reflecting growth in the number of working engineers.



Quarterly Earnings Growth

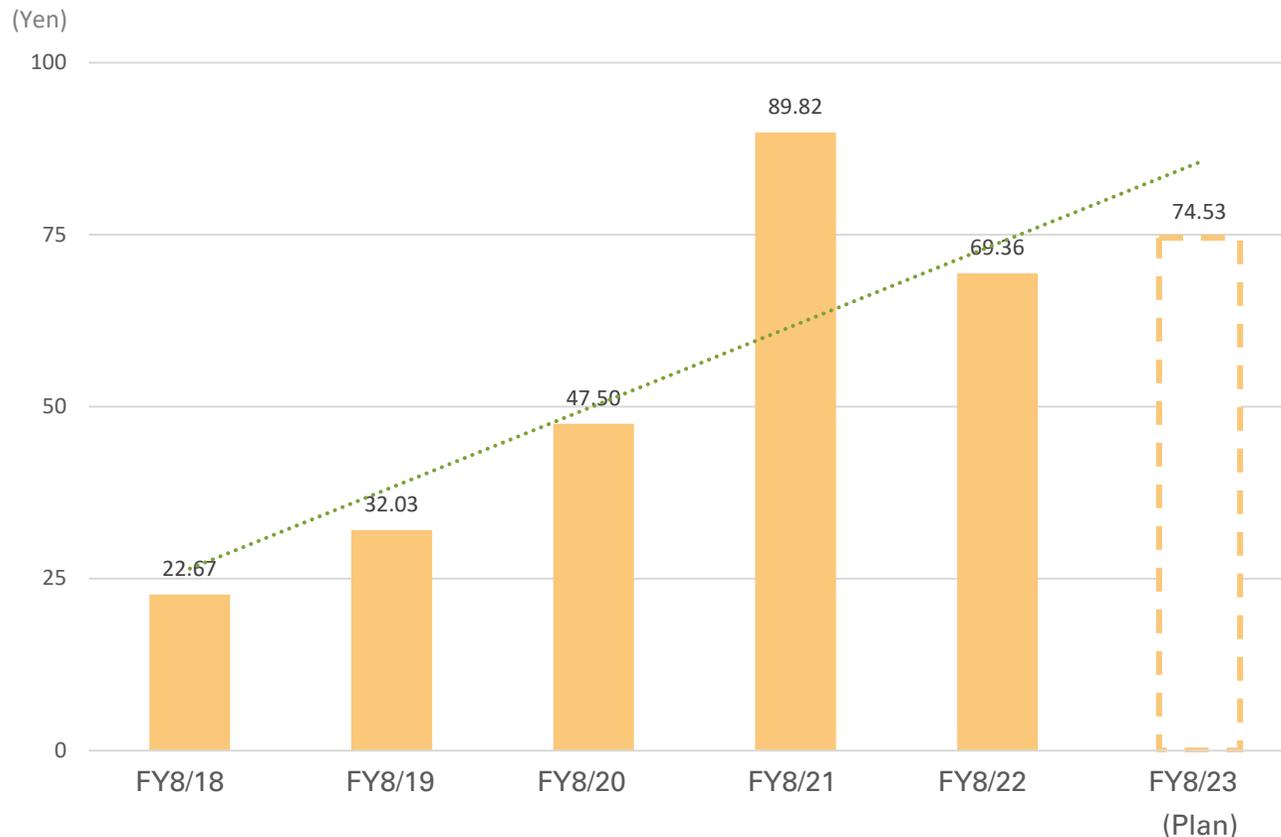
- The gross profit margin declined in the fourth quarter of the fiscal year ended August 31, 2022 due to an increase in the number of engineers receiving initial training.
- In the fiscal year ended August 31, 2022, recruitment costs increased due to stronger recruiting efforts and the SG&A expense ratio rose.

(Millions of yen)



Trends in EPS in the Past Few Years

- **EPS (earnings per share) = Profit / Average number of shares outstanding in the fiscal year**
- **EPS stood at 69.36 yen in the fiscal year ended August 31, 2022 while aggressive investments were made.**
- **Profits have been secured steadily despite continued investment in growth, and EPS has been on an upward trend.**



Results of Recruitment of Engineers

**The number of engineers as of August 31, 2022 was 3,051.
The annual net increase was 630, a record high.**

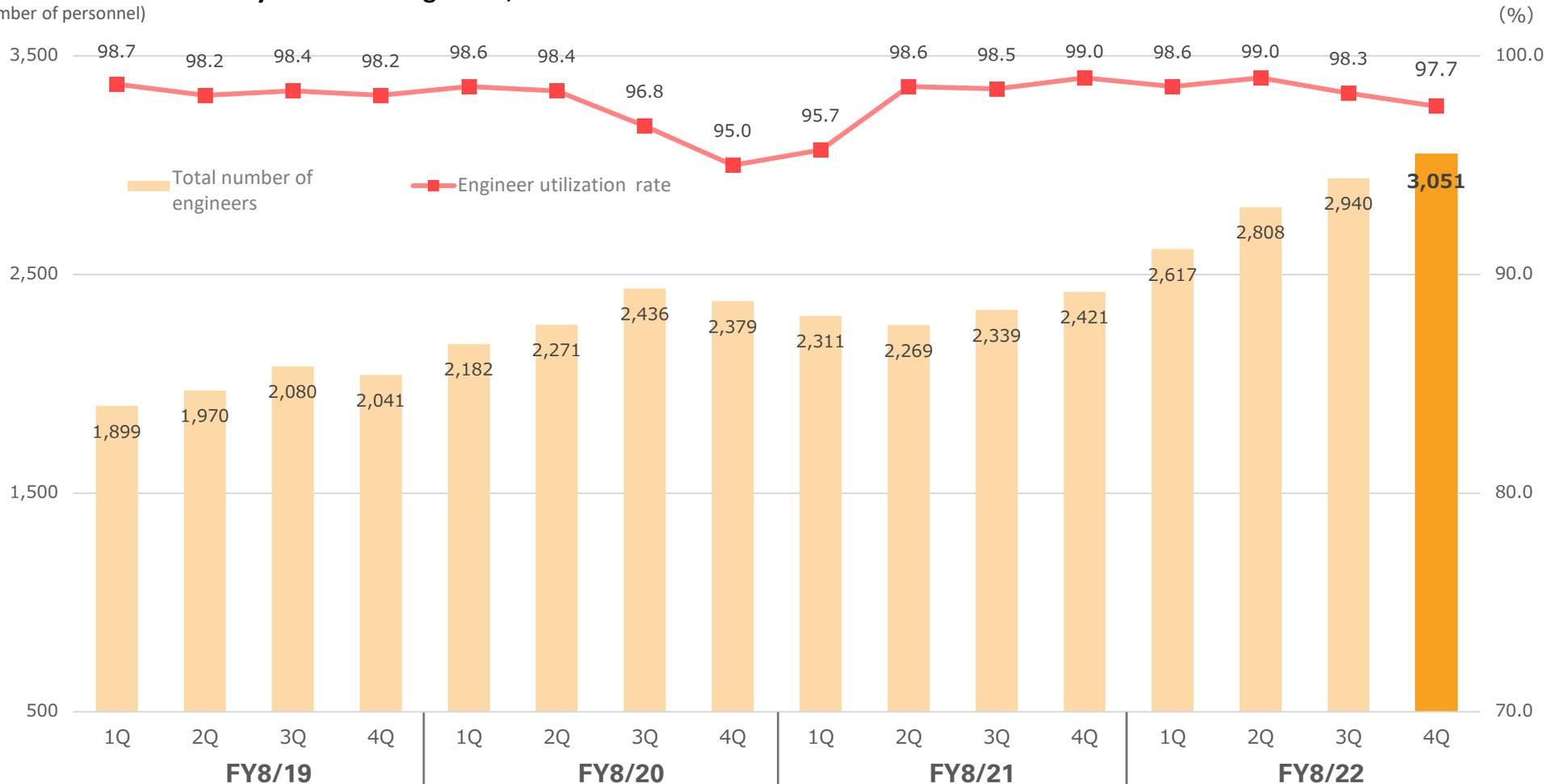
- The number of engineers increased by 171 from the plan at the beginning of the fiscal period.
- Stronger recruiting efforts were made in the fiscal year ended August 31, 2022, and the number of new engineers hired hit a record high.
- The recruitment plan changed during the fiscal year, and investments in recruitment and education exceeded the initial plan.



Number of Engineers and Utilization Rate

- The utilization rate declined temporarily due to COVID-19 but improved from the second quarter of the fiscal year ended August 31, 2021.
- Engineers were hired successfully. Meanwhile, the number of engineers receiving initial training increased in the second half of the fiscal year ended August 31, 2022.

(Number of personnel)

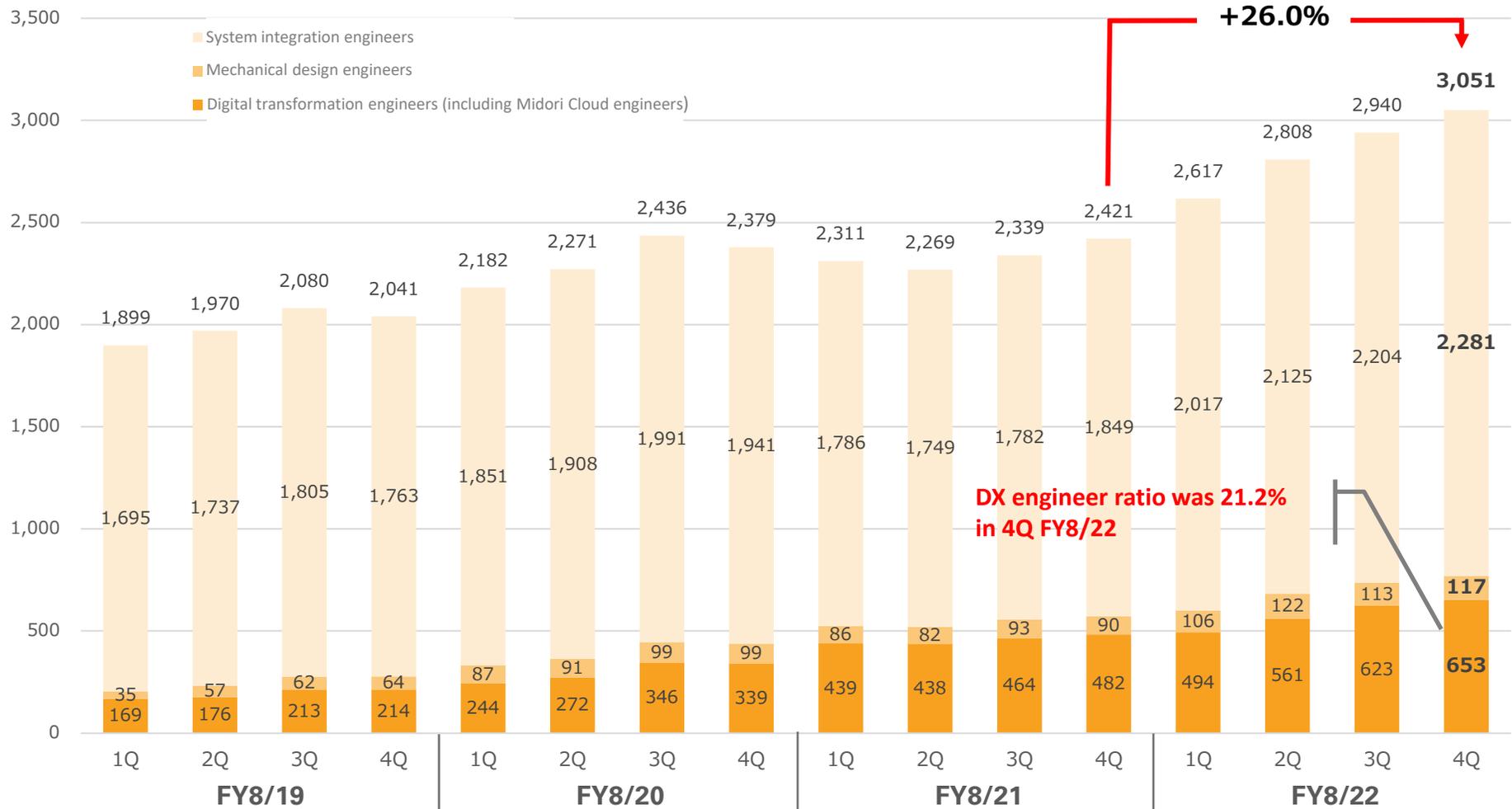


* The utilization rate is for engineers who have completed initial training.

Number of Engineers and Categories

- The increase in the number of SI engineers hit a record high in the fiscal year ended August 31, 2022, reflecting stronger efforts to recruit personnel with no experience.
- Although engineers were hired primarily in the SI segment, DX engineers continue to exceed 20%.

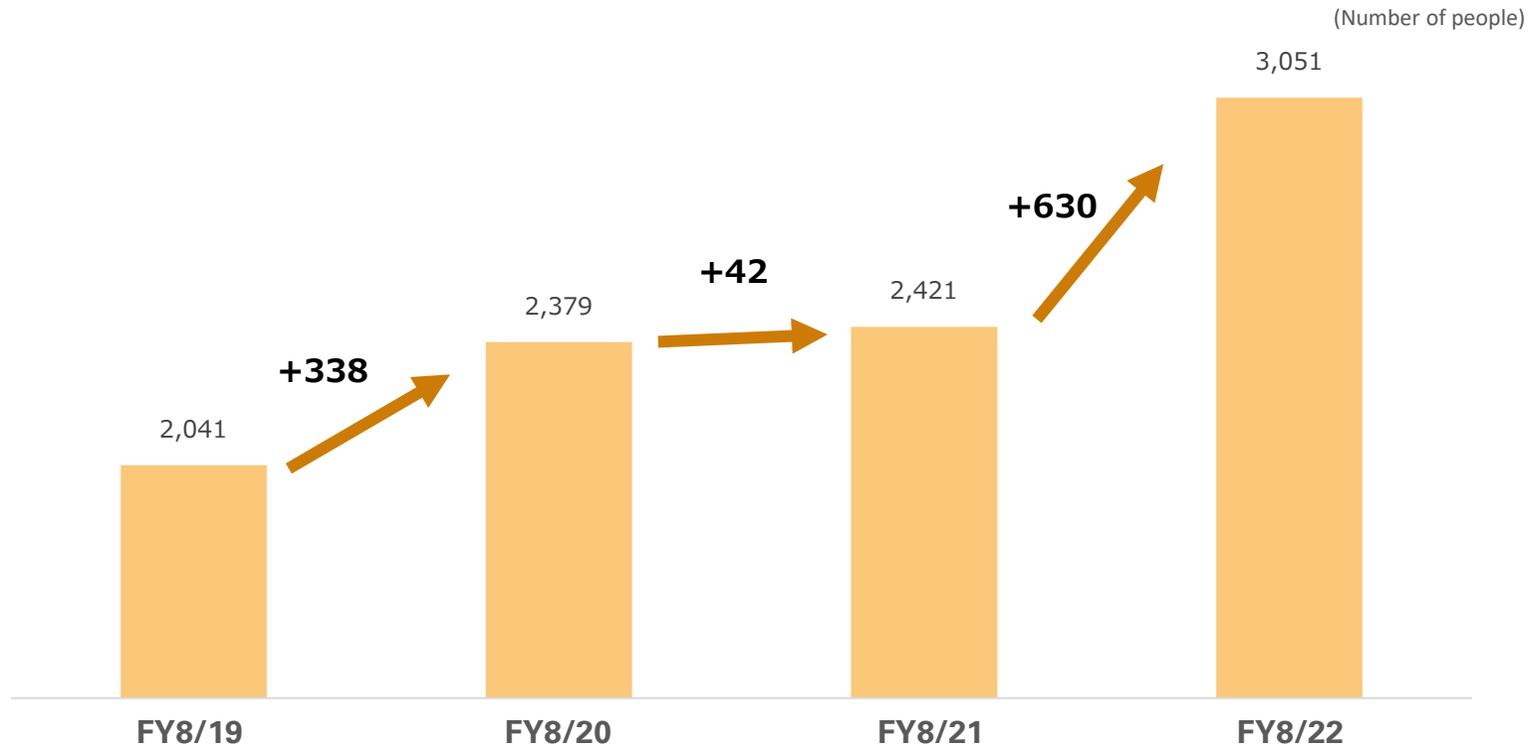
(Number of personnel)



Trends in Net Increase in Engineers

The number of new engineers was curbed amid the COVID-19 pandemic but has started to grow again.

- The annual net increase was around 300 before the COVID-19 pandemic.
- In the fiscal year ended August 31, 2021, growth investment was curbed temporarily due to changes in market conditions.
- Engineers hired in the fiscal year ended August 31, 2022 will contribute to net sales.



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.**

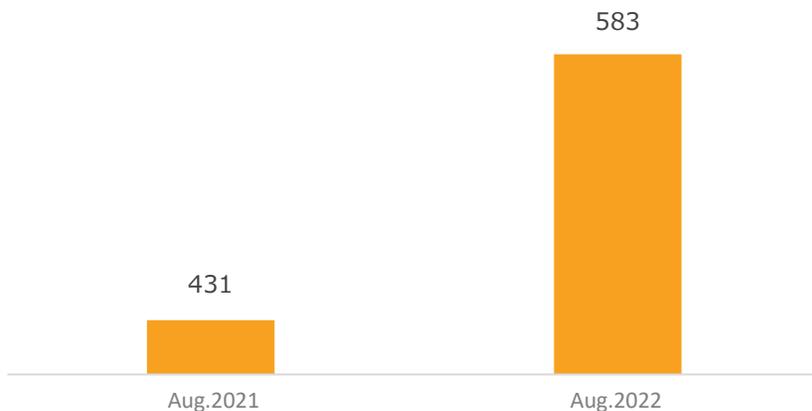
Number of Microsoft Azure Certifications

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.

資格例

- AZ-900 : Microsoft Azure Fundamentals
- AZ-103 : Microsoft Azure Administrator
- AZ-104 : Microsoft Azure Administrator
- DP-100 : Designing and Implementing a DataScience 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.

資格例

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

and many more



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
- 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 metal 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. Aim to be number one in Japan in the new, high-growth market and will accelerate growth in the DX area of the SERAKU Group.
- Aug 26,2022 **SERAKU CCC will succeed the cloud system operation and utilization business through a company split.**
Aim to be number one in Japan in the new, high-growth market and will accelerate growth in the DX area of the SERAKU Group.

III. FY8/23 Initiatives and Growth Forecast

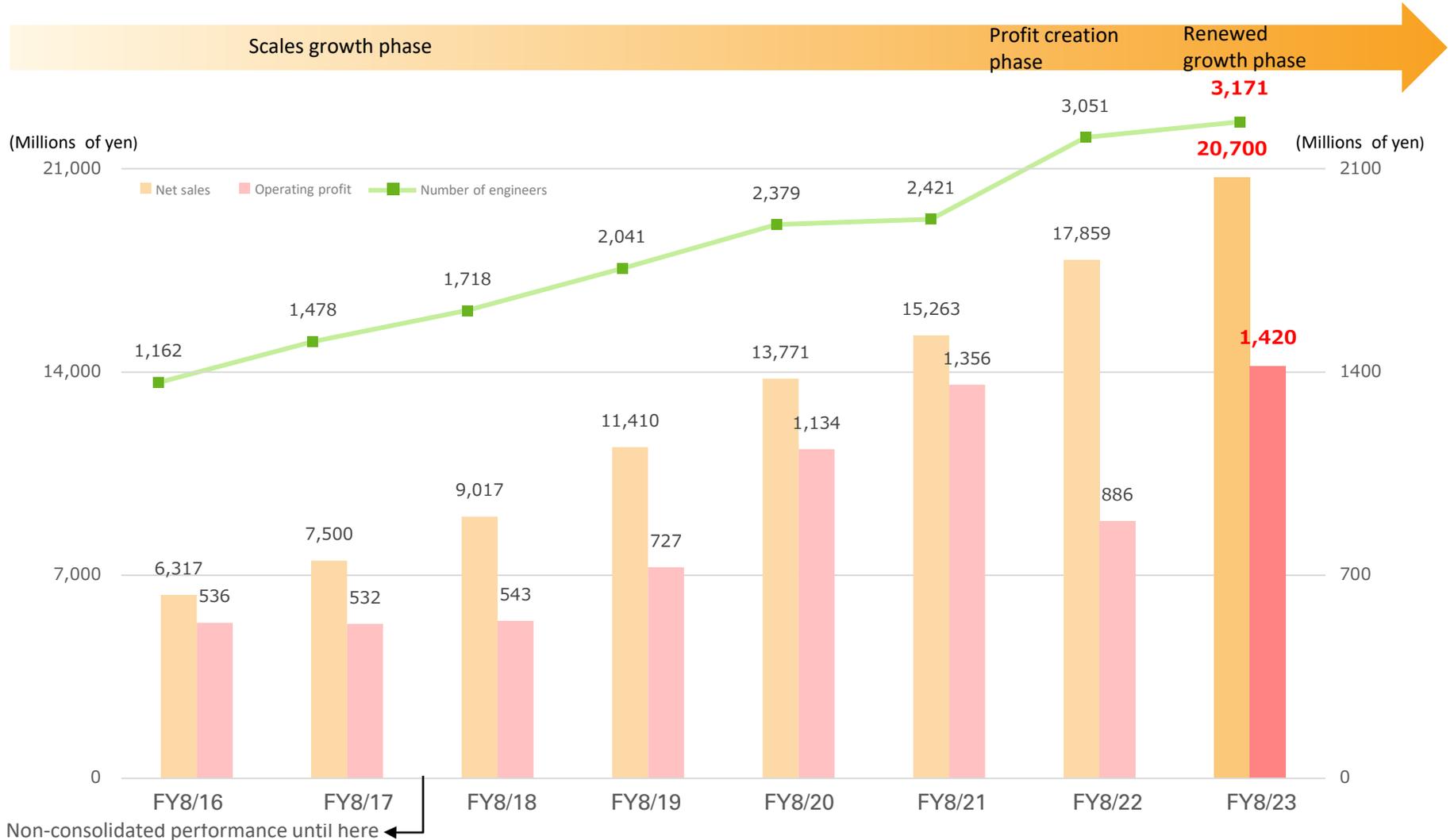
FY8/23 Plan (1)

- The number of working engineers will rise. Sales will grow 15.9% year on year.
- We will make investments to strengthen businesses in the medium to long term. Meanwhile, the operating profit margin will exceed the year-earlier level.
- While we continue to hire new engineers, we will strive to strengthen partnerships and expand primary subcontracts.

	FY8/22 results		FY8/23 plan		
	(Millions of yen)	(% to sales)	(Millions of yen)	(% to sales)	(YoY change)
Net sales	17,859	-	20,700	-	+15.9%
Operating profit	886	5.0%	1,420	6.9%	+60.2%
Ordinary profit	1,434	8.0%	1,600	7.7%	+11.6%
Profit	966	5.4%	1,040	5.0%	+7.6%
Dividends	8.6yen	-	8.6yen	-	-

FY8/23 Plan (2)

- We will expand sales systems to raise the utilization rate of the new engineers hired.
- While continuing to make investments for growth, we will expand sales and make a profit steadily.



Growth Forecast in Fiscal Year Ending August 31, 2023 (1)

- Expand sales systems to increase the number of working engineers and gain new customers.
- Win primary subcontracts and strengthen partnerships to create a business structure that will enable us to expand business in the long term as a system integrator.
- Continue to take measures to keep engineers from quitting their jobs for long-term career development and high added-value.
- SERAKU CCC will enter the cloud system operation and utilization market, focusing on Salesforce.

IT professional creation

- Maintain an advantage in recruiting skill. May hire more employees than planned depending on sales and market conditions.
- Cultivate project leaders in anticipation of the expansion of primary subcontracts.

Current businesses

- Change the organizational structure to win primary subcontracts.
- Strengthen partnerships and create a structure that will enable flexible assignment of engineers.
- 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 COMPANY, an ERP package for large companies, and the operation support business.
- Enter the cloud system operation and utilization market. First, focus on increasing projects in the area related to Salesforce.
- Commercialize food value chain digital transformation solutions

Number of engineers at end of term

3,171
(net increase of 120)

Management foundation

- Introduce a talent management system to visualize human resources information and support career development.
- Continue to strengthen the management system and system infrastructure

Create projects as a primary subcontractor, help develop a long-term career, and enter the cloud system operation and utilization market to achieve growth potential in the next generation.

Growth Vision for the Fiscal Year Ending August 31, 2023 (2)

- Make investments to strengthen businesses in the medium to long term and maintain the operating profit margin level in the scale growth phase.
- Can shift the focus to the expansion of recruitment or to earnings if market conditions change significantly.

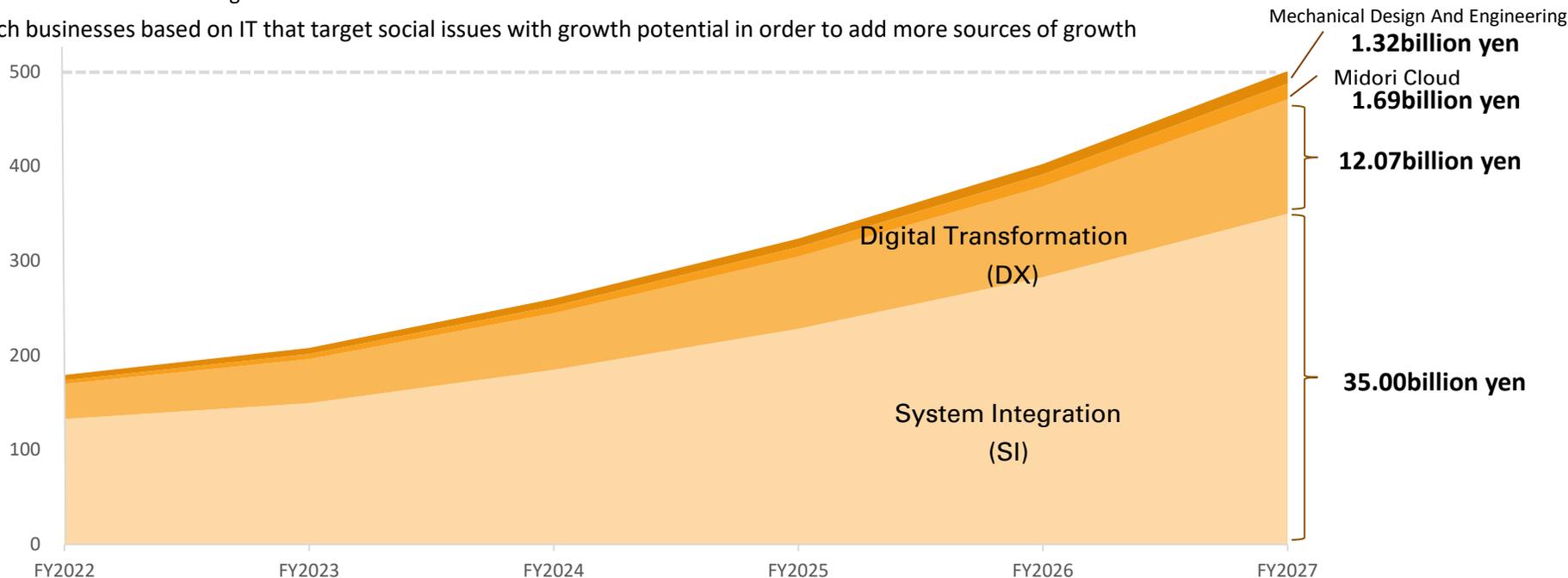
Recruitment and education of engineers (Expenses for recruitment of new graduates, recruitment of mid-career employees with no experience, recruitment of experienced people, and training for hired engineers, etc. in 2023, 2024, and 2025)	724 million yen
Recruitment of managers	47 million yen
Expansion of buildings at business sites	57 million yen
Marketing for SERAKU CCC	27 million yen
Cultivation of prospective leaders and advanced engineers	23 million yen
Strengthening infrastructure (including system infrastructure)	262 million yen
Total	1,140 million yen

Continue to make growth investments to strengthen business in the medium to long term.

The medium-term plan has the goal of raising sales to 50 billion yen in FY8/27.

We have revised the plan based on our forecasts for businesses for which we have numerical projections. We expect that we will make steady progress to achieve the goal two years after the target fiscal year we specified in the initial plan.

- 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
- Accelerate growth in a new market for cloud system operation and utilization.
- Continue to make efforts to achieve the following goals.
 - ✓ 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



Growth Scenarios by Segment

System Integration (SI)

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 the public-service sector and the financial and information and communications industries, among other industries.

- Prioritize increasing the number of engineers through recruitment and education, and recruit a greater number of engineers than initially planned.
- Expand business as a system integrator by increasing primary subcontracts, expanding partnerships, and strengthening alliances.
- Create large projects by giving engineers practical training and developing engineers with business process knowledge.

Digital Transformation (DX)

Strive to expand projects in the market for cloud infrastructure that is operated by a center and in the cloud system operation and utilization market and expand a highly profitable, high growth model created through the DX shift.

- Expand the workforce for managed services, in which a center operates companies' cloud infrastructures 24 hours a day, every day.
- SERAKU will develop no-code/low-code platform engineers who will be the main source of utilization, operation and DX services
- Horizontally expand into the market for operation and utilization of cloud systems other than Salesforce.

Midori Cloud (DX)

- Expand the business by steadily promoting agricultural production support platforms and providing digital transformation solutions in the primary industry.
- Strive to commercialize food value chain digital transformation solutions.

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

Growth Scenario for Subsidiary SERAKU CCC

Achieve growth by horizontally expanding into other cloud systems as Japan's number one company in Salesforce operation and utilization support.

- Increase the number of engineers for business areas related to Salesforce and expand the business scale, using our recruitment, sales, and education capabilities.
- Expand horizontally as the business areas related to Salesforce are expanding and expand horizontally into operation and utilization support for other cloud systems.
- Aim to be number one in the cloud system operation and utilization market, a new market with high growth potential.

Contribute to addressing the lack of IT personnel and the 2025 Digital Cliff problem by cultivating engineers who have business experience.

- Anticipate that the digital transformation in society will change the field that IT personnel work in from the construction of IT systems to the operation of IT systems and data utilization.
- Demand for human resources and businesses that can cross-functionally support the operation and use of multiple cloud systems and data utilization will increase dramatically.
- Accelerate development of no-code and low-code engineers having business experience and expand the scope of business.
- IT personnel that have both technological and business capabilities will achieve high productivity in cloud system operation and utilization.
- The development of the subsidiary will contribute to addressing lack of IT personnel and to the digital transformation in society.

The 2025 Digital Cliff problem

A challenge pointed out in DX Report (2019) of the Ministry of Economy, Trade and Industry. The report says that existing IT systems at companies and in society are complicated and like a black box and data are not fully utilized and that an annual economic loss of 12 trillion yen maximum will be incurred from 2025 if there is no adequate digital transformation to address the current situation.

Source: Ministry of Economy, Trade and Industry

https://www.meti.go.jp/shingikai/mono_info_service/digital_transformation/20180907_report.html

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 FY8/23 forecasts or differences between the results of operations and these forecasts that require disclosure.