



Results of Operations for the First Half of the Fiscal Year Ended August 31, 2023

April 2023

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: 307,006,300 yen (as of February 28, 2023)

Employees: 3,355 on a consolidated basis (as of February 28, 2023)

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

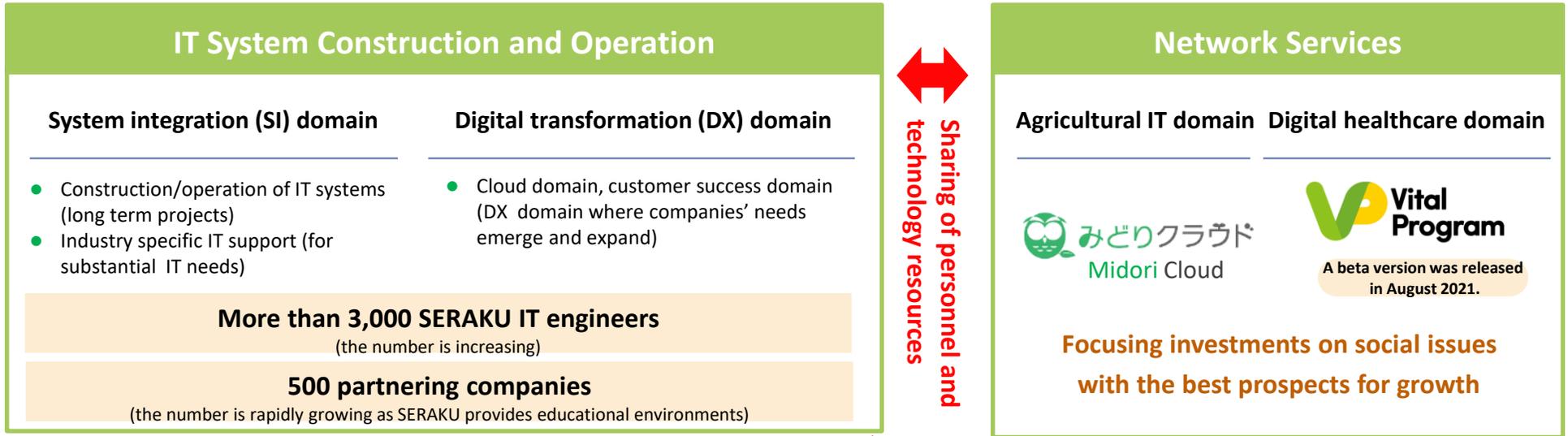
Group companies: SERAKU CCC (wholly owned subsidiary)

SERAKU Business Solutions (wholly owned subsidiary)

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

Our Business Model

Working as Digital Integrators, our more than 3,000 IT engineers and 500 partnering companies implement and operate IT systems and DX in society



Use our own education programs to create experts in new technology domains where markets are growing and there is a shortage of people

Education-based IT professional creation

- Internal recruiting and training allow quickly creating large numbers of IT engineers
- Invest aggressively in human resources when the market is strong, leading to medium to long-term sales growth
- Limit recruiting when market conditions are unfavorable in order to place priority on earnings



Track record of human resource training for 5,000 engineers and practical knowledge obtained from the latest projects.

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

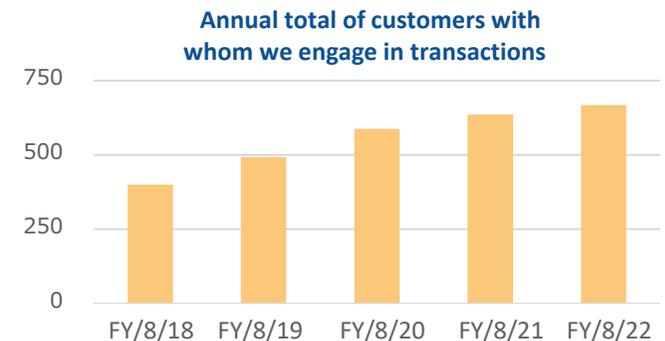
Training

- 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



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

COMPANY* business

- Supporting the introduction and operation of COMPANY
- Operate cloud systems and facilitate their widespread use

*HR software

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

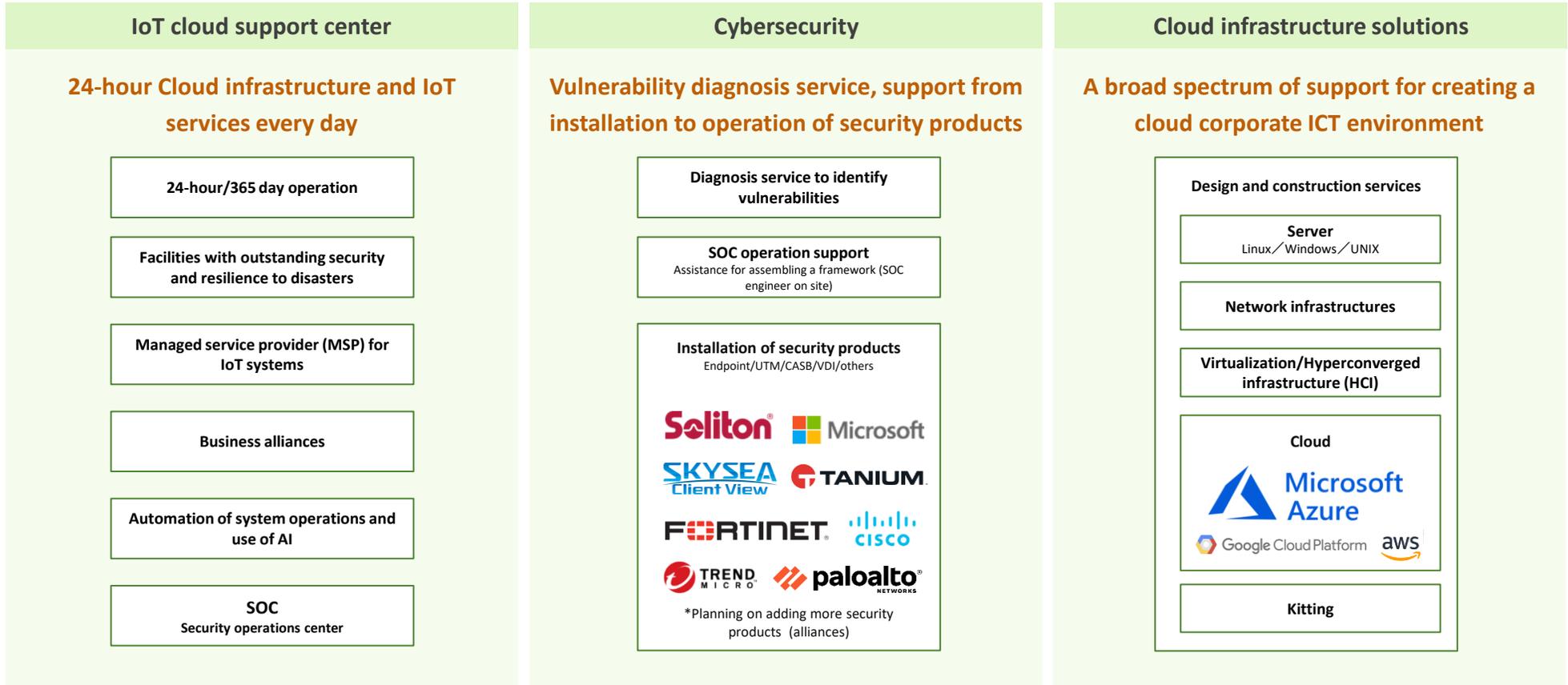
- Financial/social systems
- Information communication systems
- Enterprise systems
- Service management
- Quality assurance

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: SERAKU CCC

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: SERAKU CCC

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

DX COMPANY business

We have about 130 COMPANY engineers, making us one of the largest employers of COMPANY engineers in Japan.



- Largest share of the ERP product market (personnel affairs and salary)
- Introduced by about 1,200 corporate groups
- Used by many companies with annual sales greater than 100 billion yen

The ERP products have gained extensive support from major companies

Targeting large-scale customers, COMPANY has large transaction needs and a large size

Supporting the introduction and operation of COMPANY, an integrated personnel affairs system

We provide extensive support services ranging from the introduction to the improvement, standardization, maintenance and operation of COMPANY

Our services have been provided to:

- | | |
|--------------------------------|-------------------------------------|
| Major pharmaceutical companies | Large-scale healthcare corporations |
| Major general contractors | Private universities in Kansai |
| Co-ops | Major staffing companies ...etc |

- The service started in 2016
- We have about 130 COMPANY engineers
- Established support track record and abundant knowledge

Our biggest advantage in the DX COMPANY business is our many engineers capable of handling COMPANY.

As one of the largest employers of COMPANY engineers in Japan, we will become a top company providing services supporting COMPANY operations

As a solution partner, we started collaborating with Works Human Intelligence Co., Ltd.



- In November 2022, we started collaborating with Works Human Intelligence Co., Ltd. (WHI) as a solution partner*
- With WHI providing the training environment, we have established an original training program for the development of professionals
- To date, we have produced more than 100 COMPANY engineers, making us one of the largest employers of this type of engineer in Japan.
- We will develop 300 COMPANY engineers over the next three years and contribute to meeting the growing demand for COMPANY

*Solution partner:

A partner company that collaborates in supporting the introduction, utilization and upgrading of systems and the design and operation for outsourcing

A dedicated division was separately established in March 2023 in pursuit of the continued expansion of the business

Leveraging one of the largest resources of COMPANY engineers in Japan, we will increase our preparedness so that we are able to receive large-scale orders, make the service available in wider regions and handle more difficult orders

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 **2,900**

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 **160** 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 **67**.

Farm management system recommended by the Japan GAP Foundation

Sales support

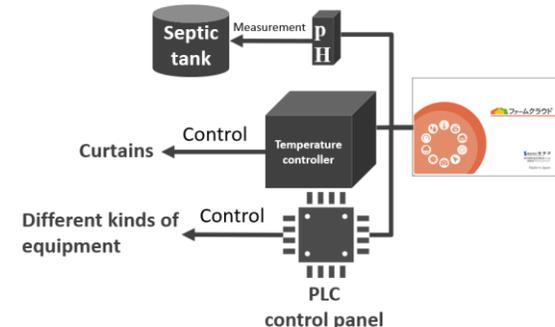
Farming support app



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 **4,200**

Livestock building environment control

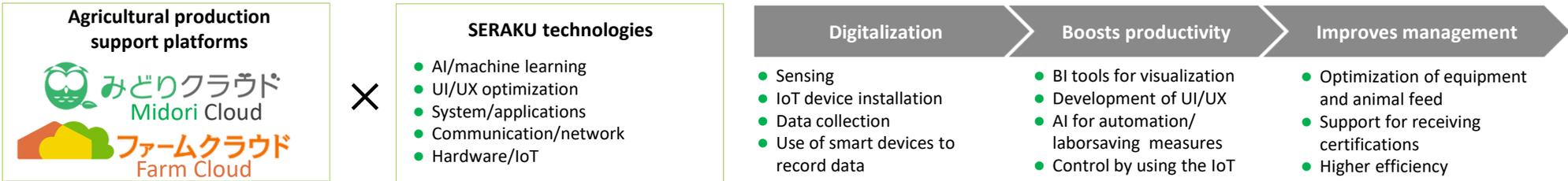


Automatically controlling the environment in connection with curtains and PLC systems used in livestock farming

Midori Cloud Business

Agriculture and Fisheries solutions

Agricultural production support platforms and SERAKU technologies will enable DX in various industries

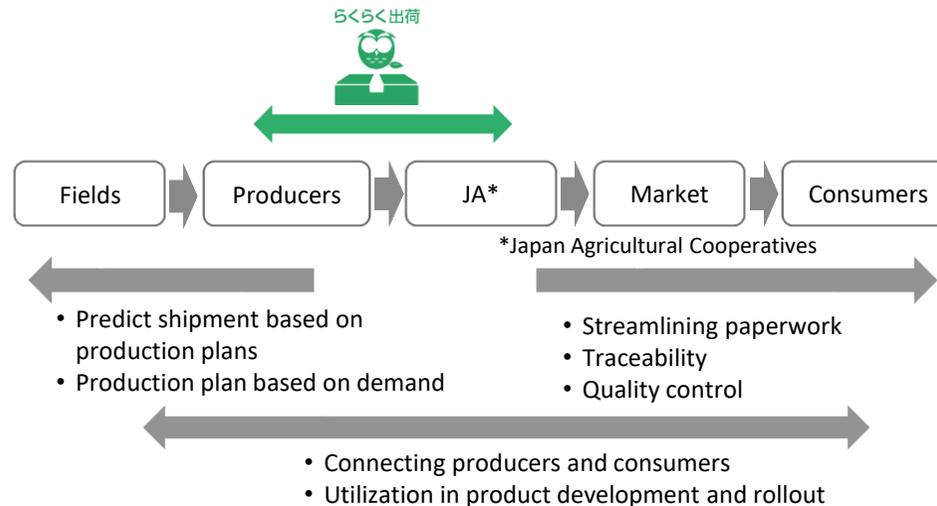
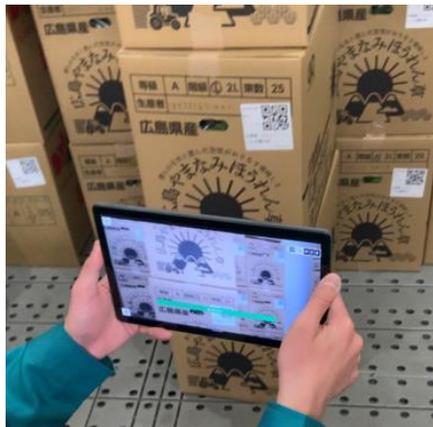


NEW!

Midori Cloud Rakuraku Shipment:

Up to 85% reduction of the working hours that farm instructors spend on the collection and shipping of goods

Previously, fruit and vegetable distribution was basically done using handwritten documents and manual counting. A digital technology system combining barcodes, cloud systems, smartphone apps and other technologies will be introduced to dramatically reduce the labor required to collect and ship goods. DX has been shown to help producers and farm instructors (JA) shorten the working hours spent collecting and shipping goods a maximum of 24% and 85%, respectively, and significantly reduce risks related to miscounting and other undesirable events. As the service allocates individual identification codes to fruits and vegetables, it increase access to smart food chains* to enhance the value of farm produce.



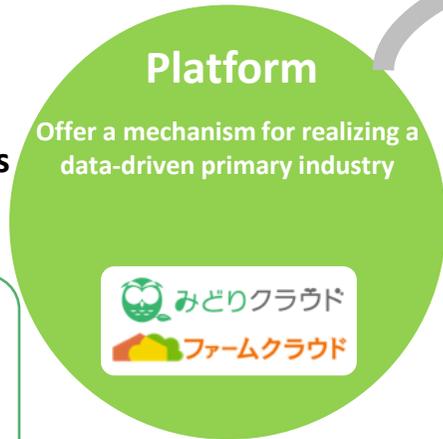
***Smart food chain:**
 Makes all processes of the food chain, from breeding to production, processing, distribution and consumption, "smart" using AI, data linking platforms and other technologies to, for example, enhance productivity, eliminate waste, reduce total costs, add high value to farm produce and foods and match needs and seeds

Midori Cloud Business

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

Producers,
Distributors,
Consumers

Sales
agencies



Use the platform

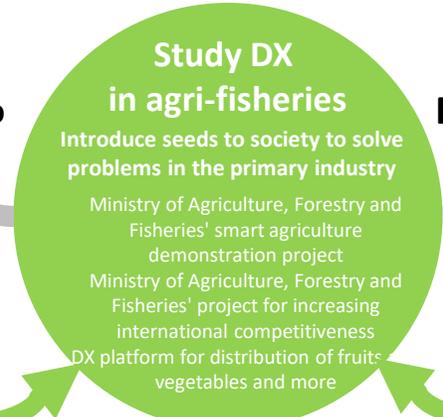


Manufacturers,
system integrators,
local governments,
Japan Agricultural
Cooperatives (JA)
and agricultural
production
corporations

Increase
added value

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

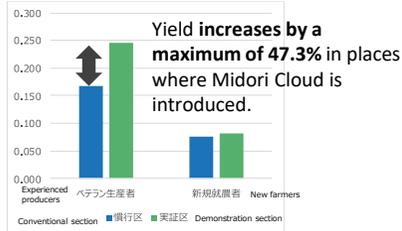
Incorporate functions to
increase added value



Provide technology assets

Agricultural production area

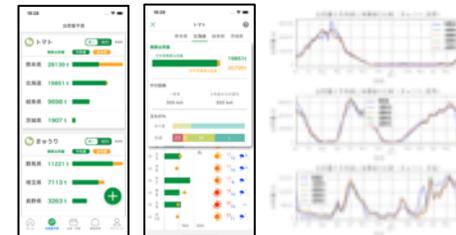
Smart agriculture technology applied on asparagus production system (Minamishimabara, Nagasaki Prefecture)



*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)

Government and research
Institutions Alliance companies

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 helps inexperienced engineers grow into competitive at an early stage.

Mechanical Design and Engineering (SERAKU Business Solutions)

- The segment has been growing steadily thanks to group synergies in recruitment, training and sales since it was included in the SERAKU Group in April 2018.
- It seeks to expand its business domain and areas in which it can develop businesses by leveraging its mechanical design and engineering skills.

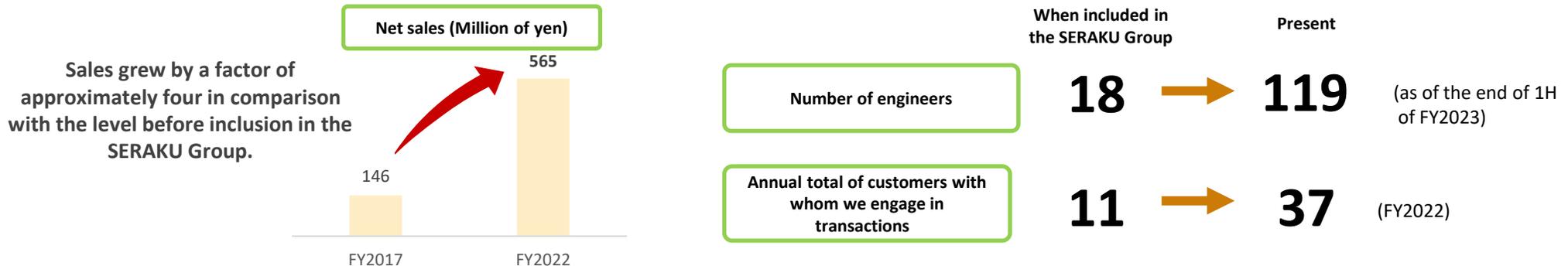
Mechanical Design and Engineering

- Provide the manufacturing and construction industries with a range of services such as the design, analysis and creation of various types of data.
- Expand the scope of engineers' activities into other areas related to field engineering, equipment maintenance, quality assurance, communication facility construction and telecommunications, as well as mechanical design and engineering.

Achievement of continuous growth

- Improve engineers' skills and expand the scope of services that can be offered, through the implementation of training on CAD and basic IT-related skills.
- Expand areas in which it can develop businesses into the Tohoku, Chubu, Kinki and Kyushu areas, in addition to the Tokyo area.
- Enhance engineers' skills and added value by continuously providing them with training.

The business size has been increasing since the segment was included in the Group, aided by the SERAKU Group's strengths in recruiting, training and sales.



P's Engineering was renamed SERAKU Business Solutions in October 2022 due to a change in its trade name.

The company seeks to further expand its businesses by fully leveraging the SERAKU Group's resources.

Vital Program

- Released a beta version of a corporate healthcare cloud service in August 2021 to address mental health issues.
- Going forward, efforts will be focused on providing support for physical health performance.



A system in which AI measures and quantifies primarily mental health performance was completed.

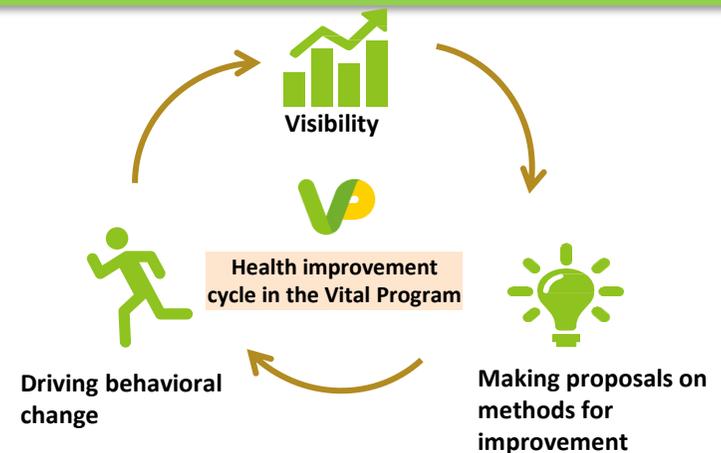
A beta version of Vital Program was released in August 2021. With the upgrade of the AI analysis system in 2022, trial installations and user testing conducted primarily at IT companies were completed.

Upgrades are expected to be made to offer services that help users improve their health in a real environment such as walking.

Seek to make proposals on how to improve health in a real environment by leveraging DX technologies.

Develop a scheme in which users are able to manage their health voluntarily and are inspired to change their behavioral patterns from a range of perspectives, including physical factors.

- The Group will implement health improvement initiatives including health and productivity management for its employees.
- Services will be developed through the analysis of health data, such as the number of steps walked by employees of the SERAKU Group, and data obtained as a result of the Group's implementation of initiatives such as health improvement programs, using statistical methods.
- Efforts will be made to improve practical health management content with a view toward offering services in which proposals are made on how to improve health in a real environment, as well as the development of system functions in the digital healthcare domain.



Health of employees is made visible and support is provided with respect to their behavioral changes from both physical and mental perspectives



Ⅱ . 1H FY8/23 Results of Operations

1H FY8/23 Highlights

Quarterly net sales

5.1 billion yen

Engineers hired in the previous fiscal year contributed to net sales
Record quarterly net sales were posted

1H net sales in comparison with forecast

102%

Achieving a high engineer utilization rate enabled us to exceed our net sales forecast in the first half (9.9 billion yen)

Operating profit margin

10%

Increased assignments of engineers kept our operating profit margin above 10%

Number of engineers

3,029

Recruitment activities have been resumed to achieve the target of having 3,171 engineers by the end of the fiscal year

1H FY8/23 Financial Highlights (1)

- We achieved +19.7% growth in sales year-on-year thanks to the contributions that the engineers hired in the previous fiscal year made to our sales
- Each profit significantly increased beyond what was planned due to the improvement of engineer utilization rate, the reduction of SGA expenses and other factors
- Recruitment activities have been resumed to achieve the targeted annual net increase in the number of engineers

(Millions of yen)	1H FY8/22 (Results)	1H FY8/23 (Plan)	1H FY8/23 (Results)	Year on year	Versus plan
Net sales	8,485	9,900	10,160	+19.7%	+2.6%
Gross profit	1,890	-	2,647	+40.0%	-
Operating profit	391	600	1,091	+178.5%	+81.9%
Ordinary profit	694	770	1,283	+84.7%	+66.6%
Profit	457	500	855	+86.7%	+71.0%

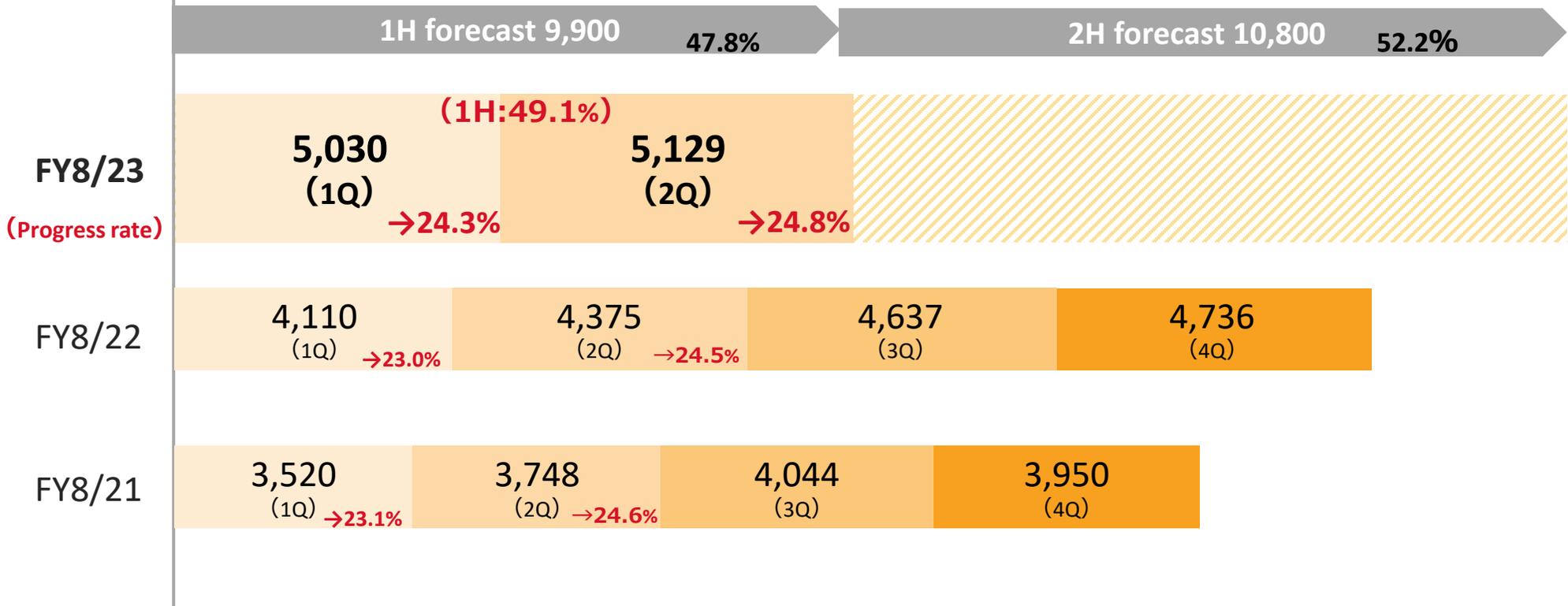
1H FY8/23 Financial Highlights (2)

- An increase in the number of active engineers enabled quarterly net sales in the first half to exceed 5 billion yen
- There was a rising trend in net sales, mainly in the second half, and net sales were also greater than planned in the first half
- We aimed to achieve full-year plans including an increase in the number of active engineers and the utilization of business partners

Progress in net sales in comparison with the full-year forecast*

(Millions of yen)

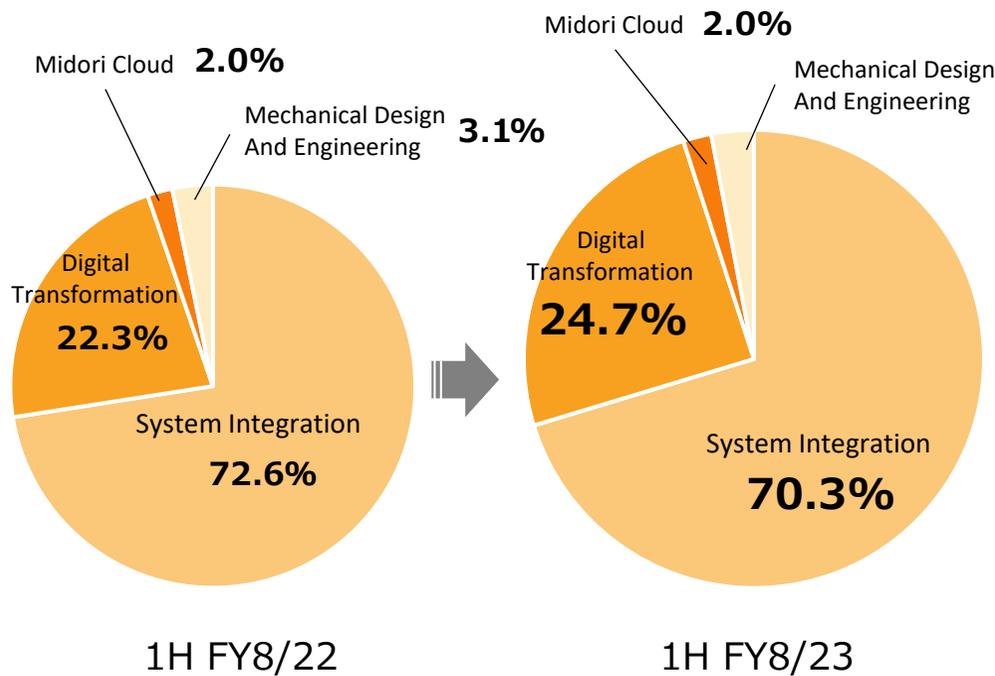
*Content of the announcement on October 14th, 2022



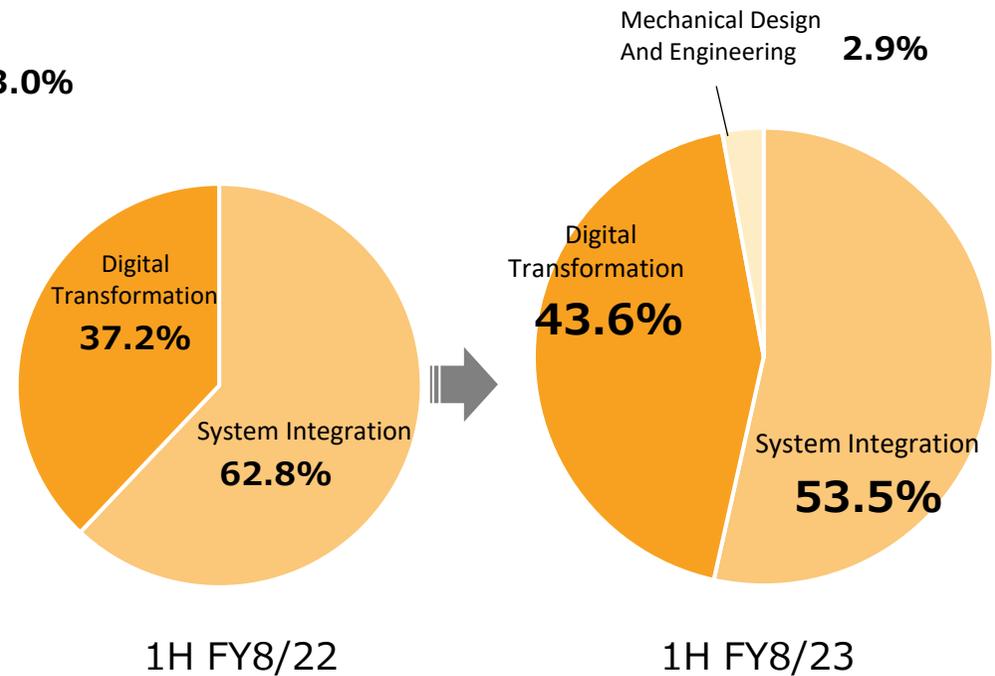
1H FY8/23 Financial Highlights (3)

- The SI segment focused on increasing the number of active engineers and gaining new customers
- Receiving orders with high unit prices and achieving a high engineer utilization rate enhanced the profitability of the DX segment
- Reorganization was implemented to utilize technical resources in a cross-sectoral manner beyond the borders of business domains

Sales by Business Segment



Operating Profit by Business Segment



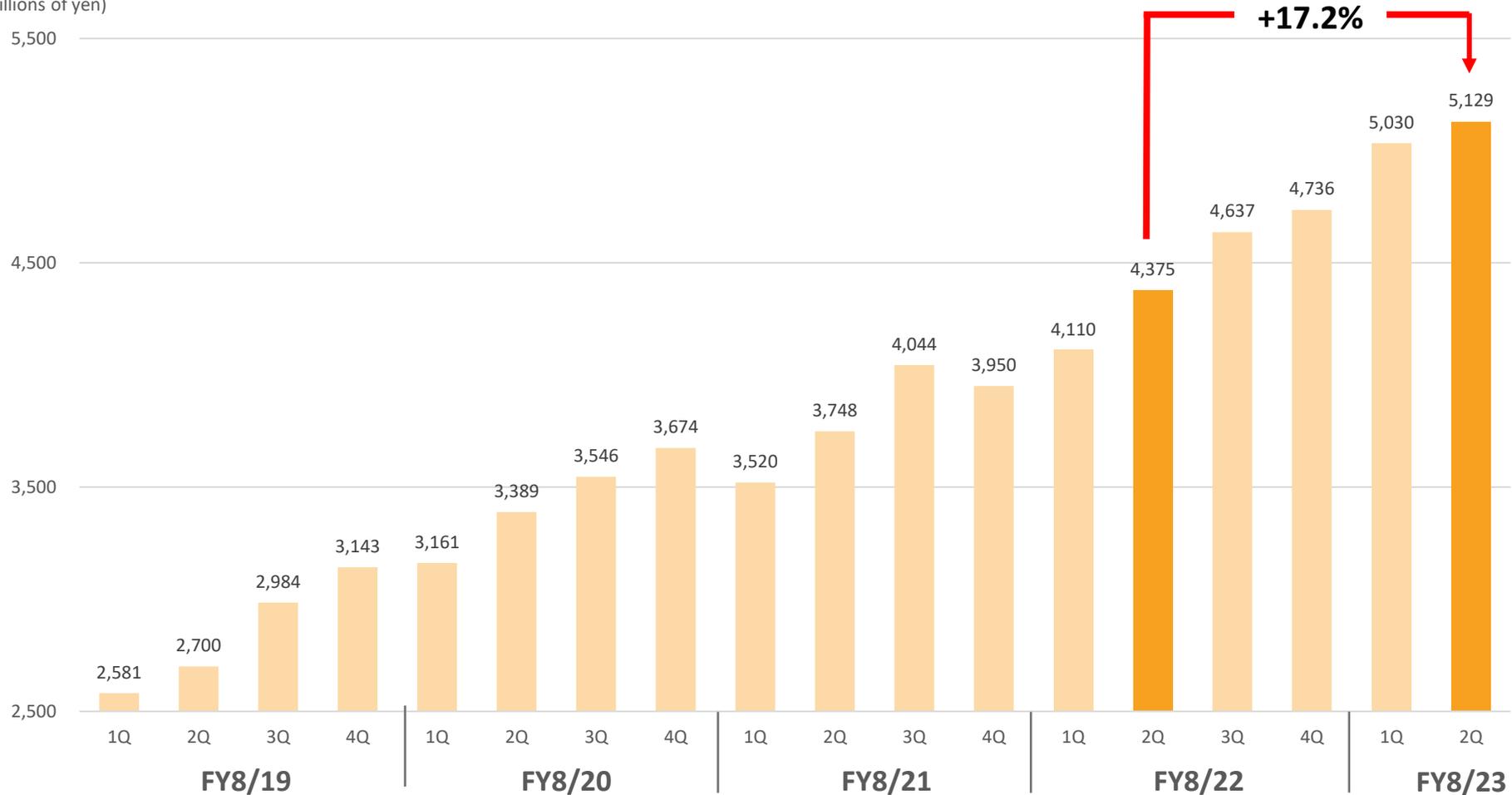
(* Excluding sales and profits of the segments that are in red)

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

Quarterly Sales Growth

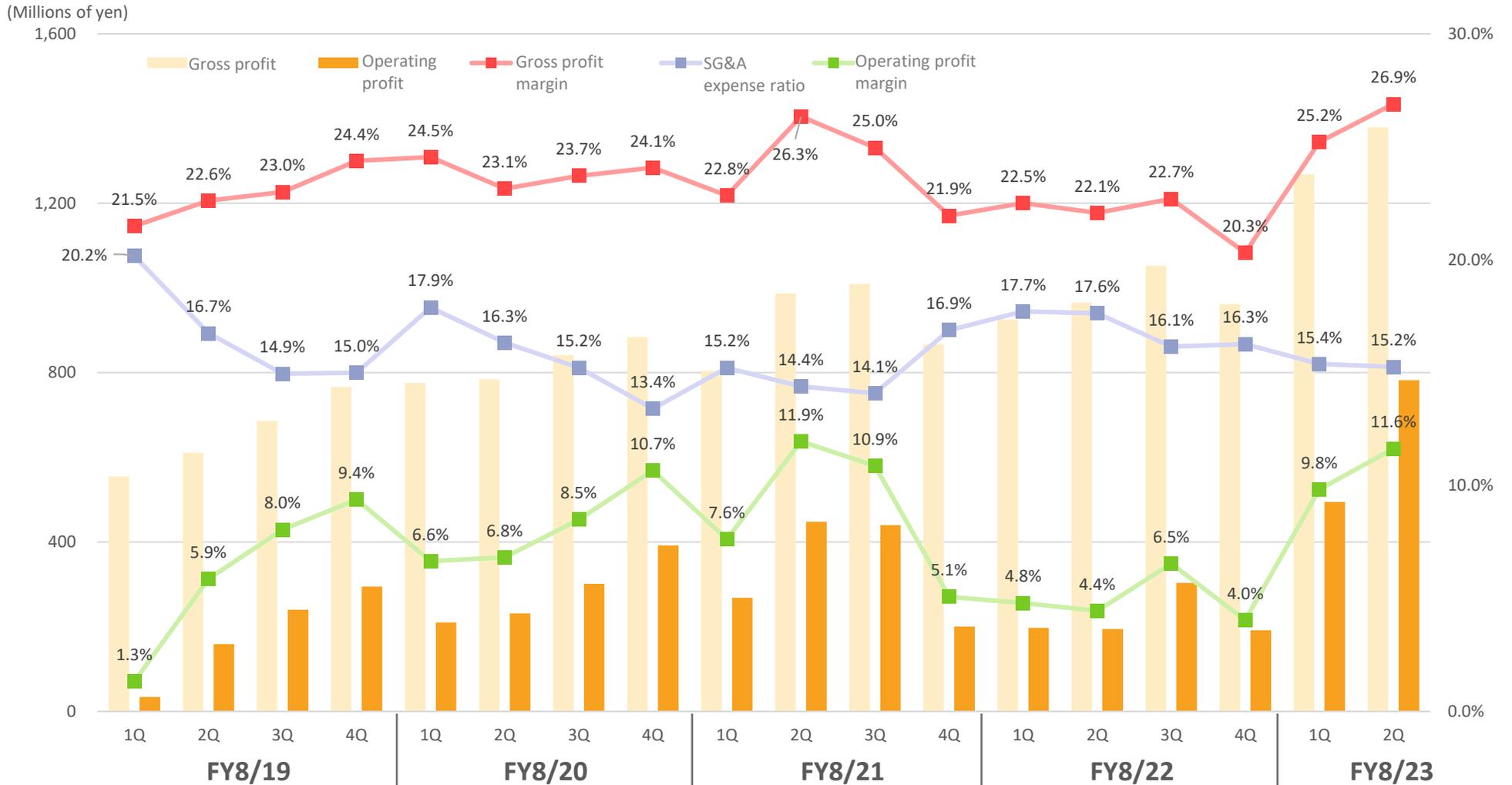
- In our revenue model, net sales grow in proportion to rises in the number of working engineers and the utilization rate
- Net sales grew steadily in the second quarter of the fiscal year ending August 2023, +17.2% year-on-year

(Millions of yen)



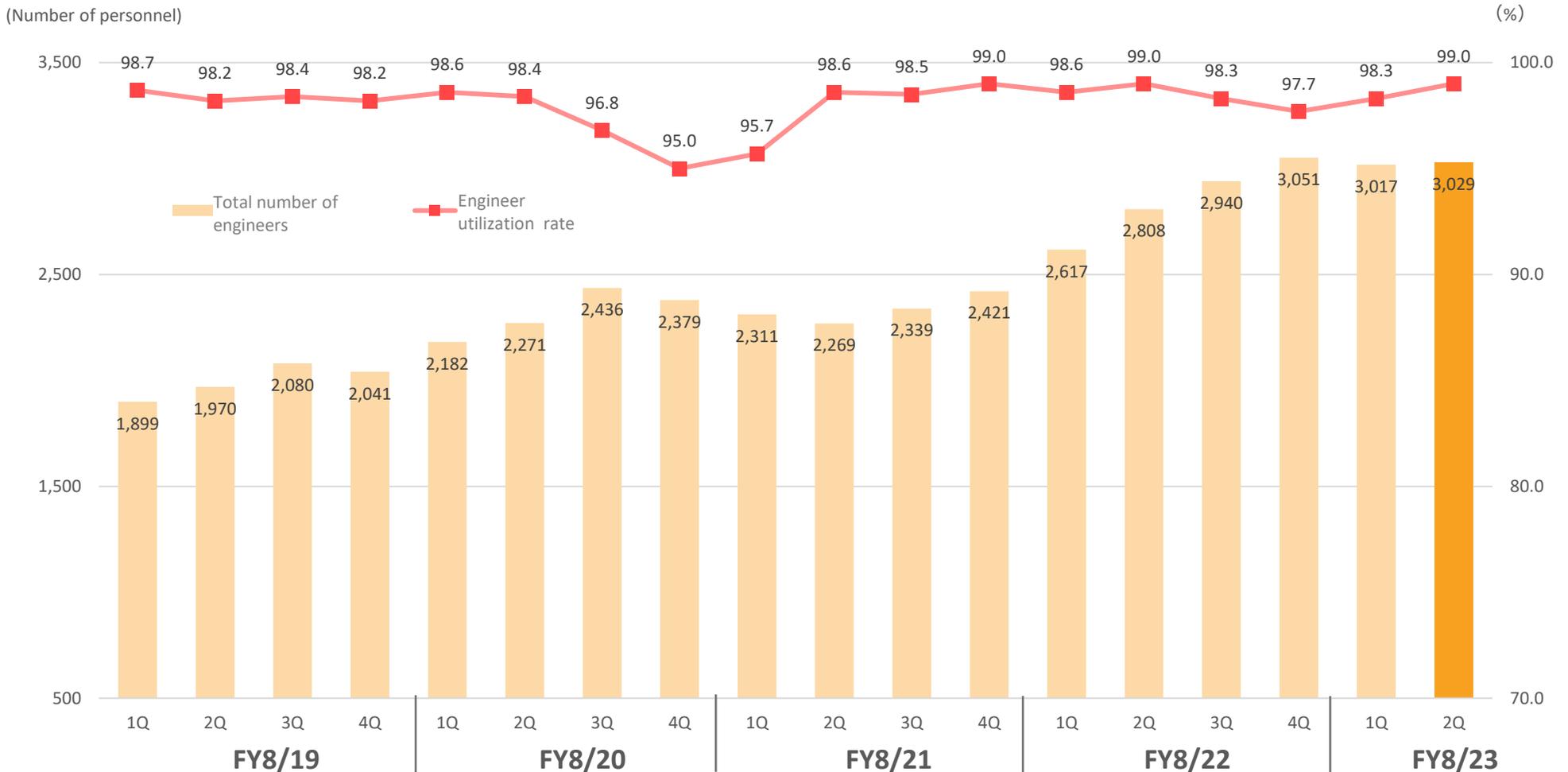
Quarterly Earnings Growth

- Our growth investment fluctuated depending on the increase and decrease of the number of engineers hired
- The gross profit ratio in the first half remained above 25% because of the good progress in the assignment of engineers



Number of Engineers and Utilization Rate

- Aim to keep the utilization rate of engineers who have completed initial training between 98 and 99%
- The engineer utilization rate in the second quarter of the fiscal year ending August 2023 was 99.0%

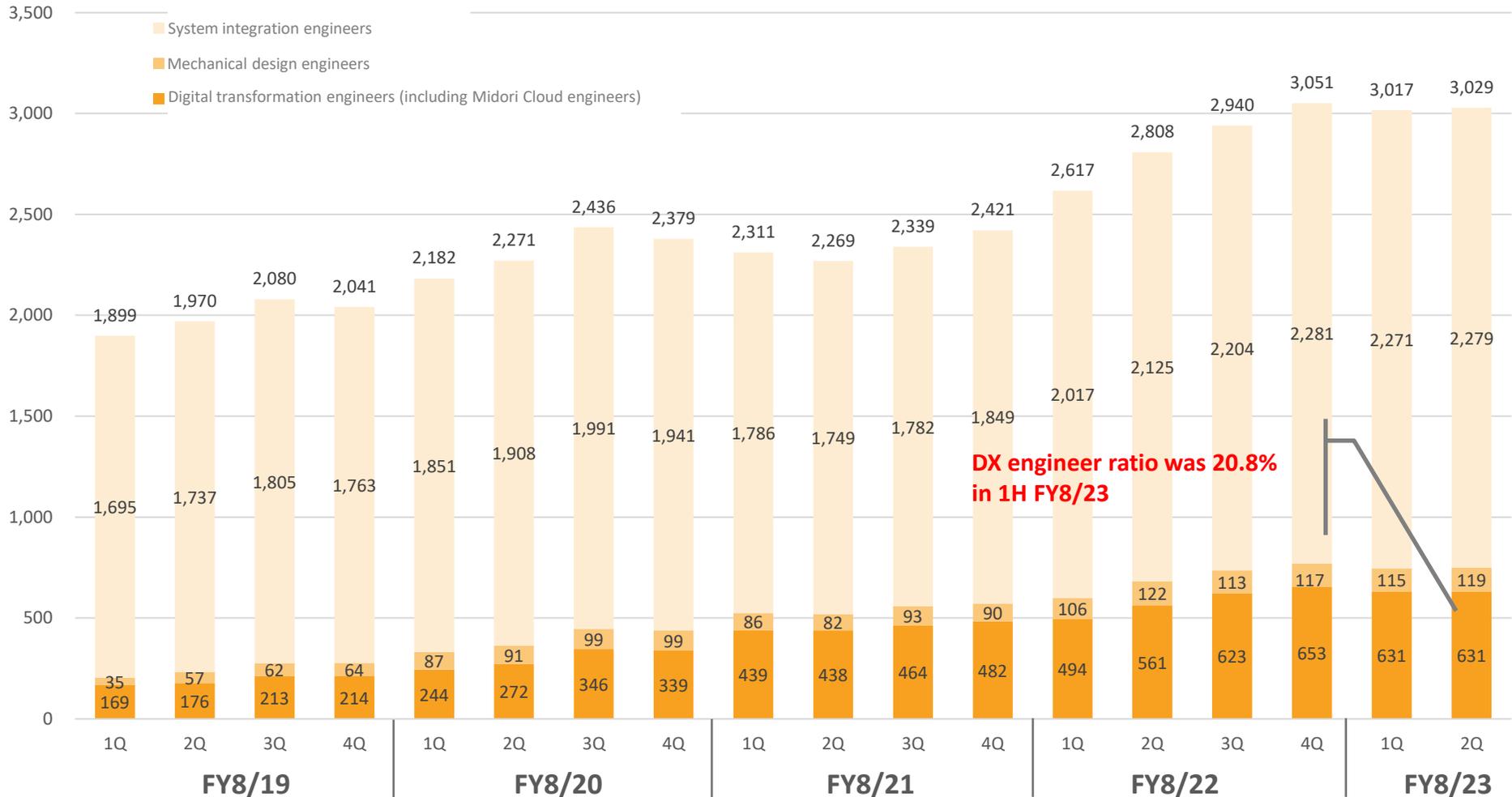


* The utilization rate is for engineers who have completed initial training.

Number of Engineers and Categories

- For the fiscal year ending August 2023, the number of engineers are increasing moderately compares to the previous year
- The shift of engineers to DX will be continued to increase added value as an engineer

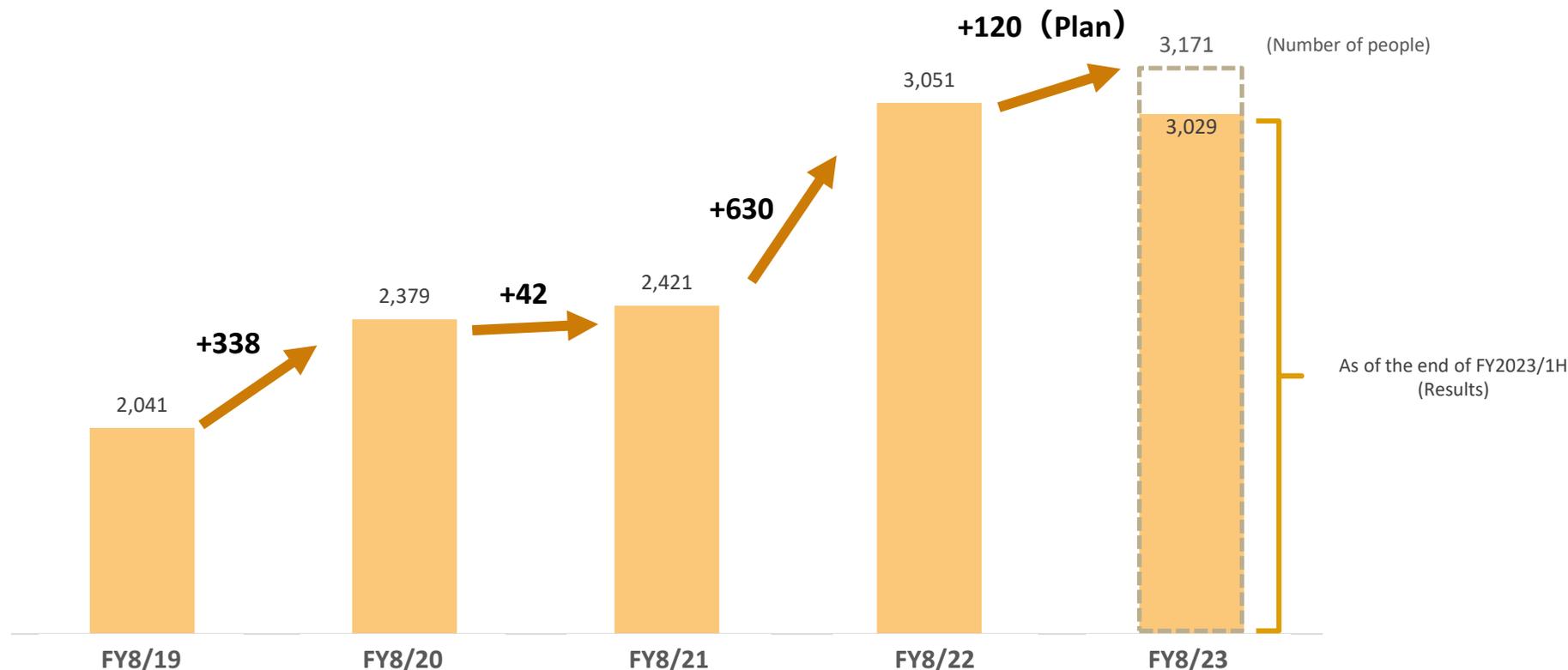
(Number of personnel)



Trends in Net Increase in Engineers

We will aim to increase the number of engineers while maintaining the balance between profitability and investment in growth.

- As we keep an eye on market changes in our recruitment of engineers, the number of engineers that we employ is increasing
- In the fiscal year ending August 31, 2023, we will conduct recruitment for growth while also seeking to maintain a certain level of profitability
- The annual plan for the net increase in the number of engineers remains unchanged at 120 engineers. We will continue recruitment- and training-related growth investments in the second half



- 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. 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.
- Nov.17,2022 **Strengthened collaboration with WHI from the perspective of solution partners.**
Operation support services were strengthened from the perspective of promoting the widespread use of COMPANY by companies that introduce the service. We will develop 300 dedicated engineers for COMPANY over the next three years.
- Jan. 19, 2023 **Launched the service for training human resources in the utilization of Tableau in collaboration with Salesforce Japan**
Started offering Tableau Data Cruise, a service pack for training human resources in data utilization, to the companies that were interested in the full-scale introduction and utilization of Tableau
- Mar. 29, 2023 **Launched Midori Cloud Rakuraku Shipment, a digital service for fruit and vegetable distribution**
Digital technologies were introduced in fruit and vegetable distribution so that the fruits and vegetables could enter smart food chains to increase the value of farm produce.

III. FY8/23 Initiatives and Growth Forecast

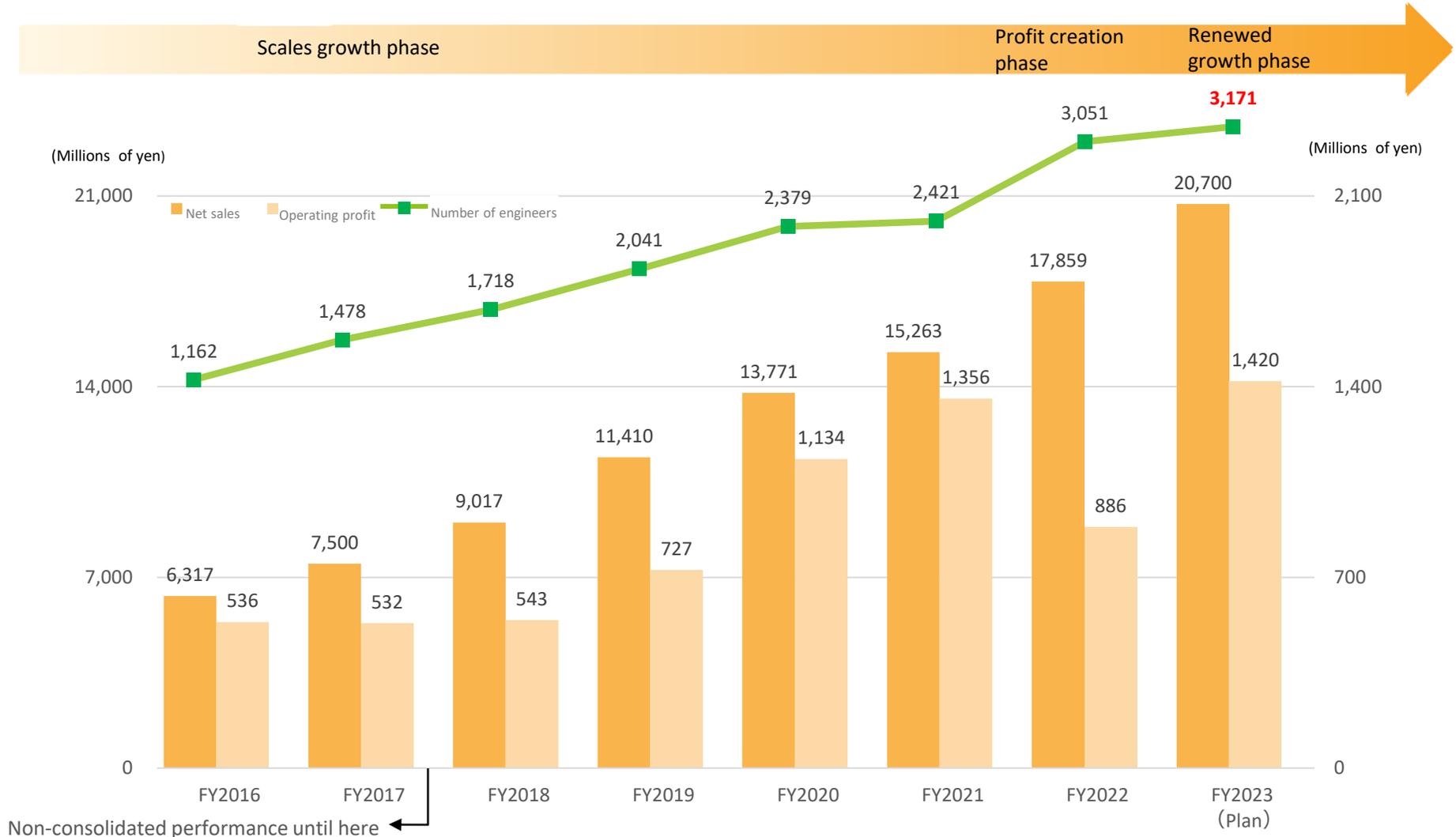
FY8/23 Plan (1)

- 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.

Growth measures

- 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.

Initiatives in and after 3Q FY8/23 (1) Maximization of Human Resources

Management philosophy: Pursue happiness for employees Building an organization capable of working and growing eternally through health and productivity management

- Implement organizational reforms to reorganize the company to maximize our strengths in sales and technologies and to continue to increase in size. Enhance our organizational strength in all aspects such as recruitment, education, sales and management and increase the value we offer to customers
- We have the wind at our back in terms of market conditions and sales activities. Because of this, the added value that our engineers provide has been increasing steadily
- The Vital Program and the Walking Project facilitate the environment for engineers to work long term
- The Personnel and Organization Development Office manages talent, trains engineers and enables career development in a centralized manner

Health and productivity management

- The Vital Program + Walking
- Implement effective initiatives for health promotion
- Vital Village, a future initiative

Pay

- Consider high prices and other facts when raising pay
- Increase the starting salary of new employees to secure talented human resources

Reorganization

- Reorganize the sales organization for each group of customers
- Reorganize the technical organization for each technical domain
- Gain prime orders and maximize contribution to customers

Value offered

- The added value our engineers provide is steadily increasing
- Expect an increase in added value based on market conditions and improvements in training
- New-graduate engineers hired by SERAKU in April are generally expected to start working by July

Organizational reform

- Company-wide initiatives with a view toward the continued expansion of the organization
- Increase our organizational strengths based on the code of conduct and specific methodology
- Seek the maximization of our corporate value from a long-term perspective

Human resource development

- Visualize the value of human resources through talent management
- Leader development program
- Promote DX
- Shift the business environment to face-to-face communication and place importance on human connections
- Baby-sitting assistance and other programs to support engineers in many different ways

Initiatives in and after 3Q FY8/23 (2) Technical Development for Future Generations

Efforts for growing domains with a view toward evolution of the digital society after the 2025 Digital Cliff

Operation of cloud systems and their widespread use

- The shift of corporate systems to cloud computing is progressing. The operation of these systems is more important than their introduction
- Seek to be the no. 1 company in the operation of cloud systems and their widespread use



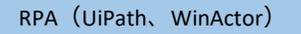
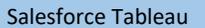

Focusing on Salesforce, we will also start other cloud services

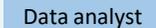


The services supporting the introduction and operation of COMPANY, a personnel and salary system from WHI, will be made into an independent business

Data utilization

- Companies' need to utilize internal and external data is growing dramatically
- The need to automate data integration, input and output across multiple systems has become evident



Digital sales

- The purchasing processes of companies and individuals will increasingly be digitalized
- We have the wind at our back as we have human resources and technologies that are capable of handling the entire process

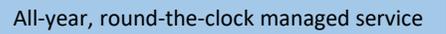
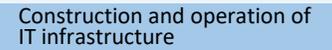


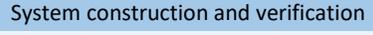


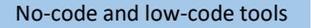


Operation and construction of information systems

- Needs related to the operation of intra-company IT infrastructure and IT systems continue to grow
- Needs for human resources providing user support, introducing no-code tools and performing other tasks are growing





We aim to Digital Integrators

- Produce human resources equipped with elemental technologies, cloud platform knowledge and business skills capable of implementing and operating technologies in society
- Assume responsibility for the implementation and operation of IT and DX technologies in society and contribute to the enhancement of productivity in the digital society

The 2025 Digital Cliff problem

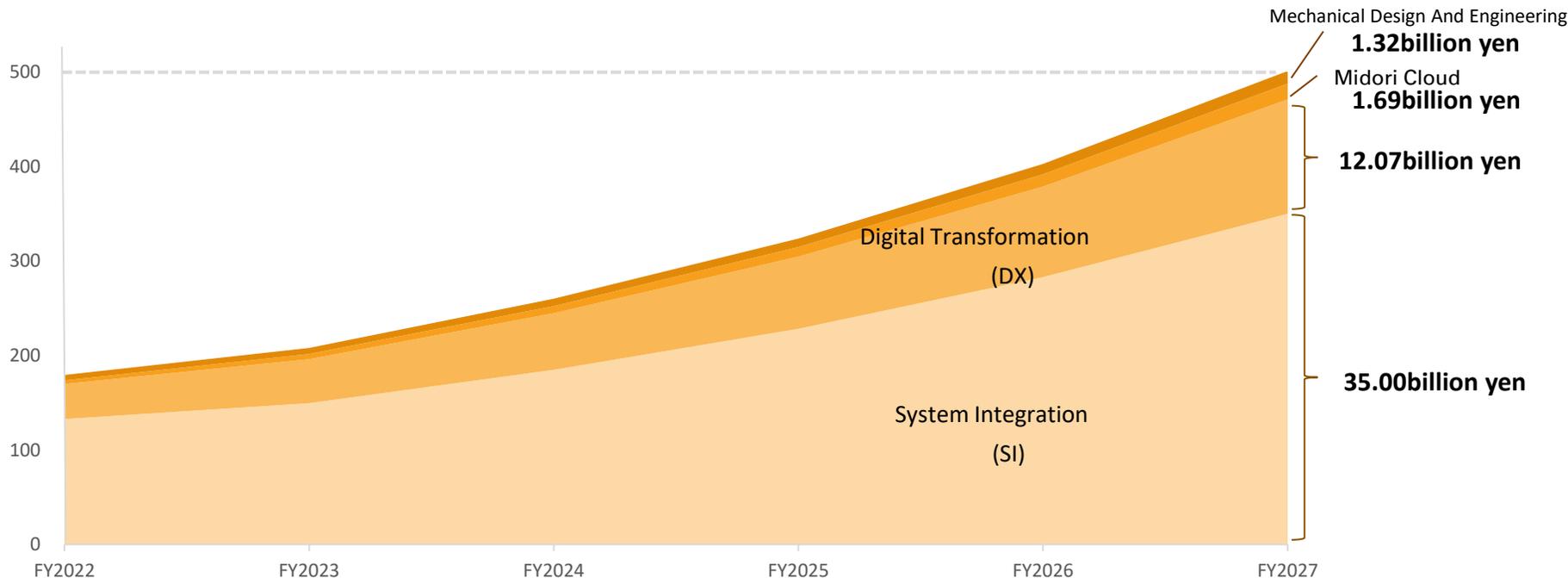
A challenge pointed out in DX Report (2019) of the Ministry of Economy, Trade and Industry. The report says that existing IT systems at companies and in society are complicated and like a black box and data are not fully utilized and that an annual economic loss of 12 trillion yen maximum will be incurred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

Medium-term Vision

Promotion of Medium-term Vision

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

- 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

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.

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

Achieving digital Transformation with a Centering on Primary Industries by using agricultural production support platform and SERAKU technologies

- 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.

SERAKU's Initiatives for ESG and SDGs

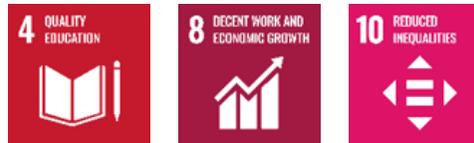
The SERAKU Group will build a long-term foundation for growth by promoting ESG activities. As a company that creates social value, the Group will strengthen initiatives to help achieve a sustainable society.

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.