

Securities code: 6567

July 13, 2023

# Results of Operations for the Fiscal Year Ended May 31, 2023



SERIO HOLDINGS CO., LTD.  
Hisashi Wakahama, President and CEO

家族を笑顔に!  
**serio**

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## Vision

**A company that creates happiness for families**

## Mission



**Support for work-family balance**



**Support for the sound growth and development of children**

# Support for women for jobs and raising children

## Creating job opportunities

Part-time staffing service provides jobs that match each woman's stage of life

Employment assistance  
(temporary staffing,  
subcontracting, job  
placements)

## Creating an environment for work

Provision of reliable child care facilities creates time for work

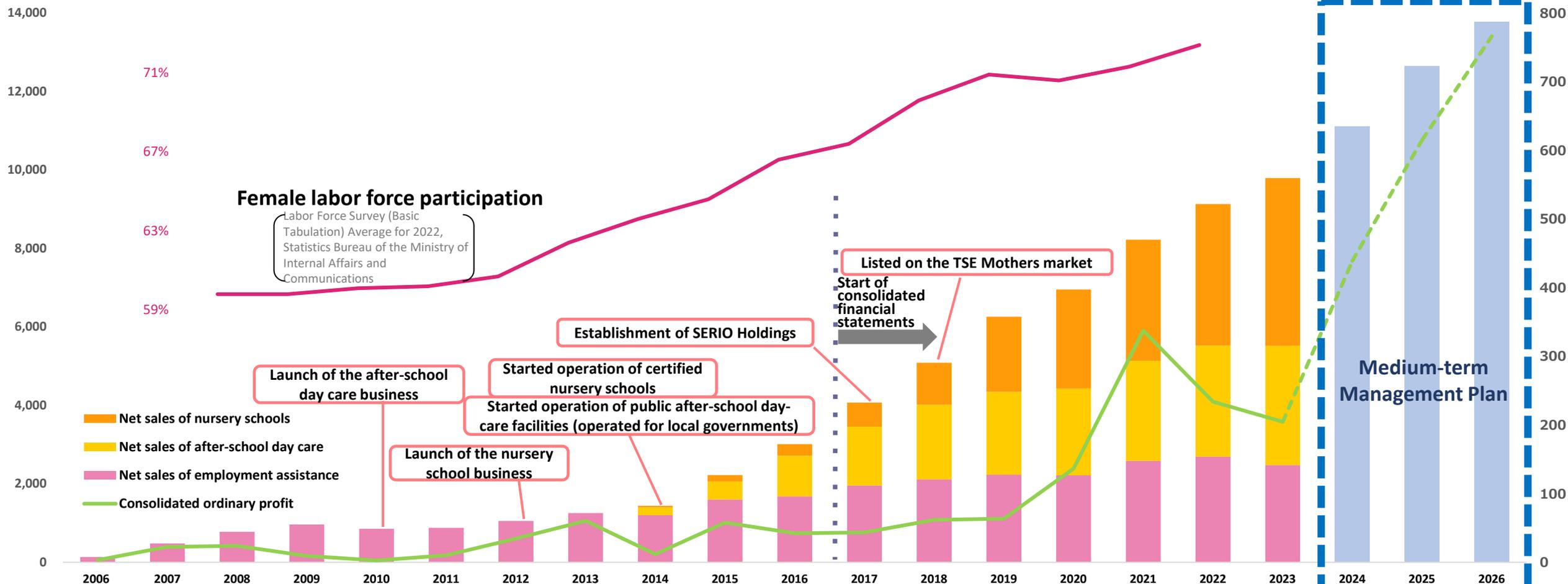
After-school day care  
(Operation of after-school day-care facilities)

Nursery schools  
(Operation of nursery schools)

Greenery business  
(Greening gardens)

Nursery school segment

(Net sales: millions of yen)



No. of our nursery schools						1	1	4	5	9	14	23	29	34	40	42	50	55	60	65
No. of our after-school day-care facilities	1	2	2	4	34	89	114	132	127	127	133	144	144	164	176	188	200			

→ FY5/2010 to FY5/2013: Total sales After FY5/2014: Sales by segment

→ Jan. 2016: Started contract with audit firm

## • Record-high sales; sales up earnings down YoY

Sales increased in the after-school day-care and nursery school businesses due to the proactive enrollment of children at both newly established facilities in April 2023 and existing establishments. Despite the after-school day-care and nursery school businesses showing growth in both revenue and earnings, the decline in sales in the employment assistance business, caused by the absence of large projects from the previous year and the impact of the Corona pandemic in the first half of the fiscal year, led to a reduction in consolidated earnings.

Net sales	¥9,792 million	<u>(+7.2% YoY)</u>
Gross profit	¥1,701 million	<u>(+4.3% YoY)</u>
Operating profit	¥204 million	<u>(-12.5% YoY)</u>
Ordinary profit	¥210 million	<u>(-22.8% YoY)</u>

(Millions of yen)

	FY5/2023 plan * Announced on January 13, 2023	FY5/2023 results	% to sales	YoY change	Progress rate vs. FY5/2023 plan	FY5/2022	
						Results	% to sales
Net sales	9,640	<b>9,792</b>	100.0%	+7.2%	101.6%	9,130	100.0%
Employment assistance	2,550	<b>2,480</b>	25.3%	-8.0%	97.3%	2,694	29.5%
After-school day care	2,910	<b>3,036</b>	31.0%	+7.5%	104.3%	2,824	30.9%
Nursery schools	4,180	<b>4,275</b>	43.7%	+18.4%	102.3%	3,610	39.5%
Cost of sales	8,022	<b>8,090</b>	82.6%	+7.9%	100.9%	7,499	82.1%
Gross profit	1,618	<b>1,701</b>	17.4%	+4.3%	105.1%	1,631	17.9%
Selling, general and administrative expenses	1,458	<b>1,496</b>	15.3%	+7.1%	102.6%	1,397	15.3%
Operating profit	160	<b>204</b>	2.1%	-12.5%	127.9%	233	2.6%
Ordinary profit	165	<b>210</b>	2.1%	-22.8%	127.4%	272	3.0%
Profit attributable to owners of parent	108	<b>136</b>	1.4%	-21.3%	126.4%	173	1.9%

(Millions of yen)

	As of May 31, 2022		As of May 31, 2023		Change
	Amount	Comp.	Amount	Comp.	
<b>Current assets</b>	2,675	57.8%	<b>2,752</b>	55.0%	+76
Cash and deposits	1,869	40.4%	<b>1,900</b>	38.0%	+30
<b>Non-current assets</b>	1,951	42.2%	<b>2,250</b>	45.0%	+298
Property, plant and equipment	1,421	30.7%	<b>1,635</b>	32.7%	+214
<b>Total assets</b>	4,627	100.0%	<b>5,002</b>	100.0%	+375
<b>Current liabilities</b>	1,388	30.0%	<b>1,453</b>	29.1%	+64
Short-term borrowings	0	-	<b>0</b>	-	-
<b>Non-current liabilities</b>	1,176	25.4%	<b>1,394</b>	27.9%	+218
Long-term borrowings	912	19.7%	<b>1,087</b>	21.7%	+174
<b>Total liabilities</b>	2,565	55.4%	<b>2,848</b>	56.9%	+282
<b>Net assets</b>	2,062	44.6%	<b>2,154</b>	43.1%	+92
<b>Total liabilities and net assets</b>	4,627	100.0%	<b>5,002</b>	100.0%	+375

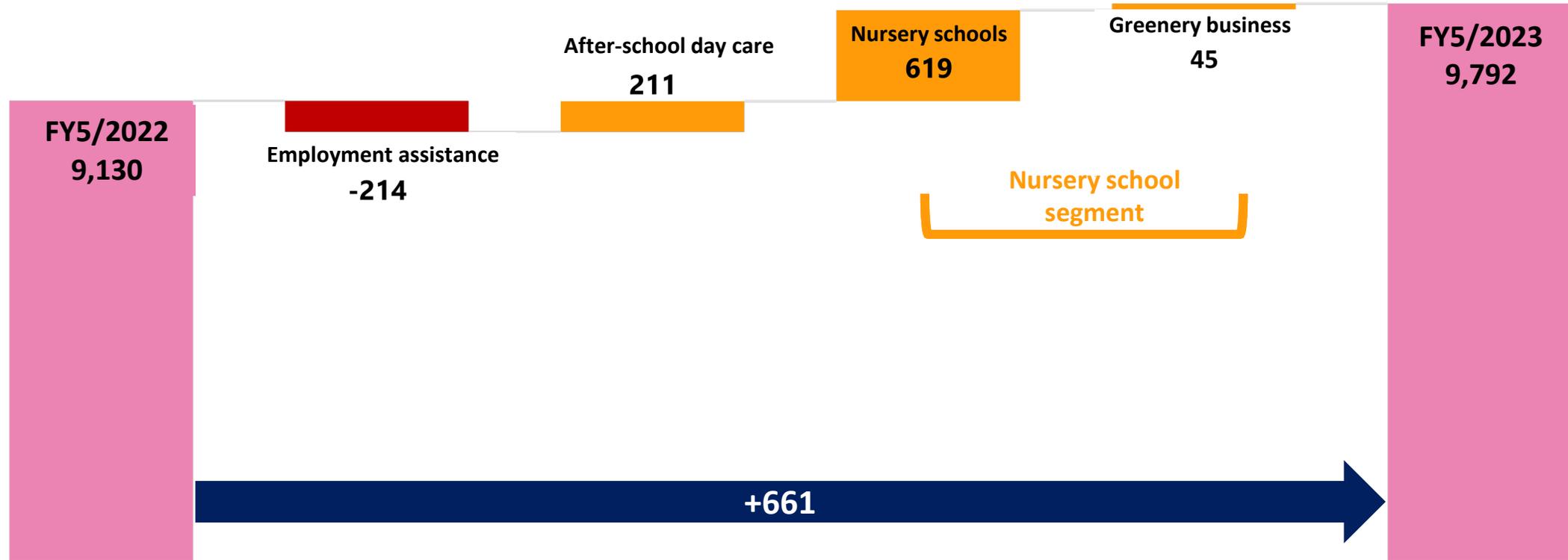
✓ **Property, plant and equipment**  
Increase in construction in progress for new nursery schools

(Millions of yen)

	FY5/2022	FY5/2023	Change	Reason for change
<b>Cash flows from operating activities</b>	169	<b>255</b>	85	
<b>Cash flows from investing activities</b>	-184	<b>-366</b>	-181	Purchase of property, plant and equipment (for opening nursery schools)
<b>Cash flows from financing activities</b>	-13	<b>142</b>	155	Increase in borrowings for opening nursery schools
<b>Cash and cash equivalents at end of period</b>	1,869	<b>1,900</b>	30	-
<b>Free cash flows</b>	-14	<b>-111</b>	-96	-

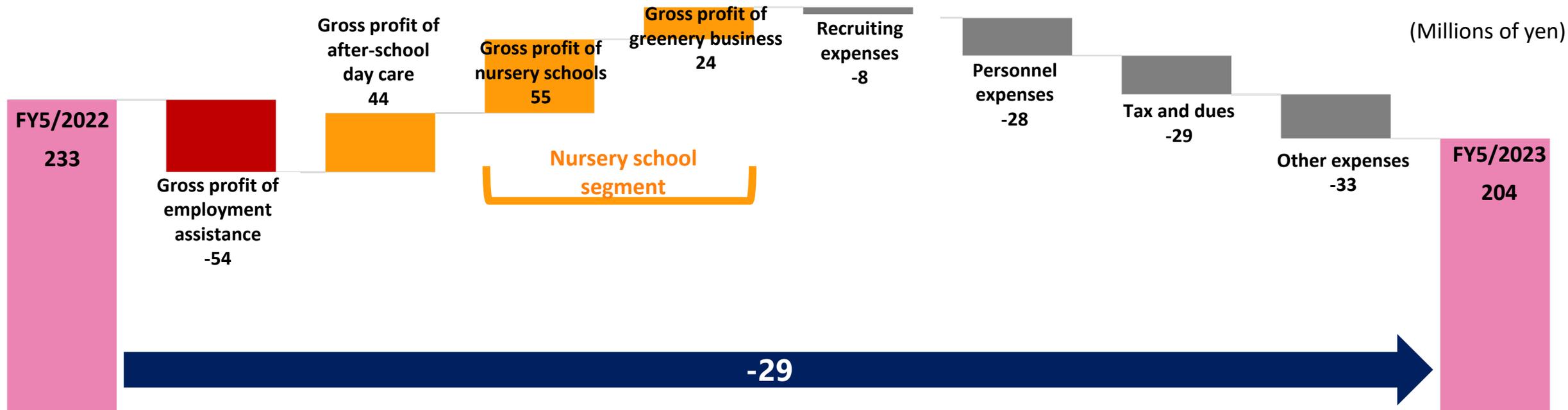
✓ The number of children per after-school day-care facility increased, and sales of the nursery school business increased due to higher number of children using these facilities.

(Millions of yen)



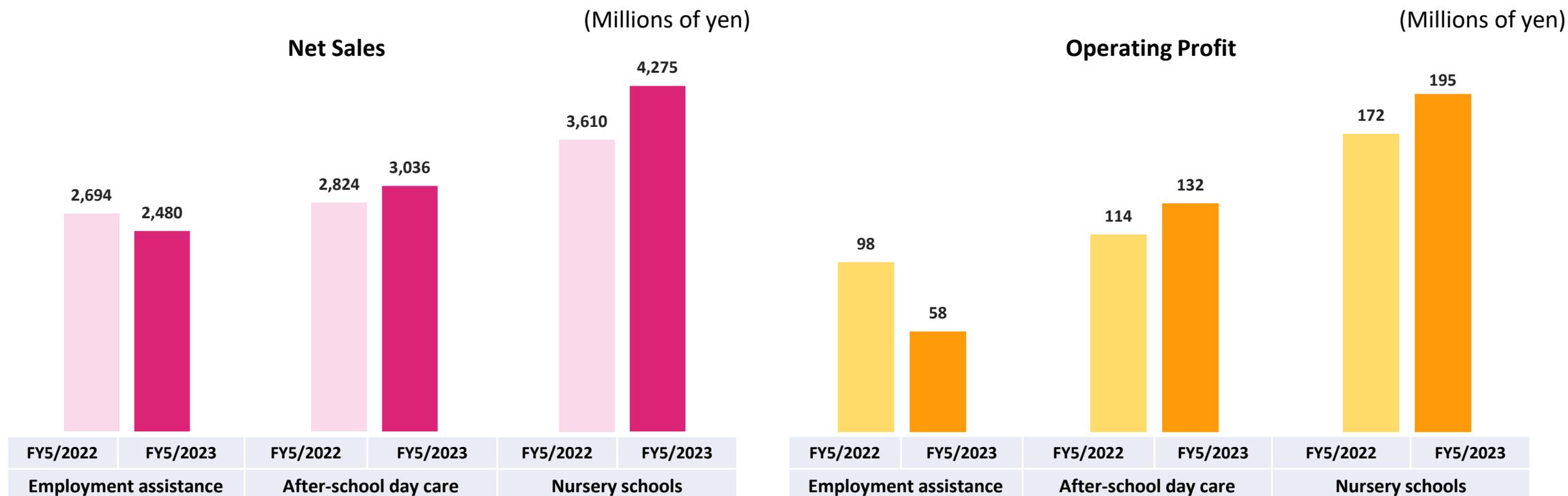
Employment assistance	The impact of large projects of ¥170 million from the previous year and pandemic of ¥40 million (infections of temp staff, customer supply chain disruptions, etc.)
After-school day care	Increase in the number of children following the opening of after-school day-care facilities in April 2023 and an increase in the number of children per existing after-school day care facility
Nursery schools	More children at new locations, extensive actions throughout the year to increase children at existing locations, enhanced staff compensation through increased subsidies

# Analysis of Year-on-Year Change in Operating Profit



Segment	YoY change	Gross profit
Employment assistance	-54	Caused by lower sales
After-school day care	+44	Profitability improved following the opening of new facilities in April 2023 and an increase in the number of children attending existing facilities.
Nursery schools	+80	Sales up as the number of children increased, and sales growth in the Greenery business

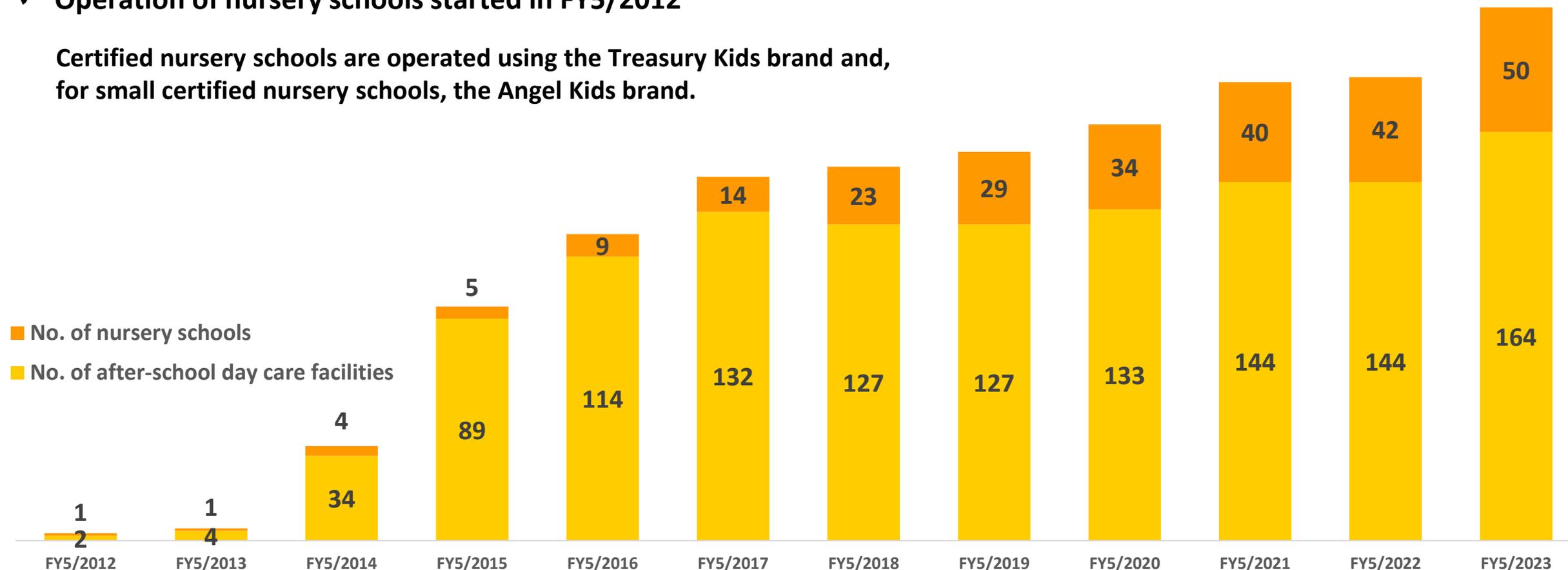
Item	YoY change	SG&A expenses
Recruiting expenses	-8	The increase in recruiting expenses was driven by the hiring of temporary staff for summer vacation day care and additional employees recruited in preparation for the opening of new facilities.
Personnel expenses	-28	Up 3.0% YoY due to more head office personnel for a dominant position in the public-sector outsourcing of after-school day care market
Other expenses	-33	<ul style="list-style-type: none"> <li>• Fees paid up ¥13 million YoY for updating the invoice system and other activities</li> <li>• Transportation expenses up ¥7 million YoY</li> </ul>



Segment	Net sales	Operating profit
Employment assistance	↓ The impact of large projects of ¥170 million from the previous year and pandemic of ¥40 million (infections of temp staff, customer supply chain disruptions, etc.)	↓ Caused by lower sales
After-school day care	↑ Increase in the number of children following the opening of after-school day-care facilities in April 2023 and an increase in the number of children per existing after-school day care facility	↑ Despite higher labor costs and recurring expenses associated with the new facilities opened in April 2023, profitability improved due to an increase in the number of children per facility, which helped to offset these expenses.
Nursery schools	↑ More children at new locations, extensive actions throughout the year to increase children at existing locations, enhanced staff compensation through increased subsidies, higher sales in the Greenery business	↑ The increase in sales was overshadowed by higher labor costs for handling an increasing number of children and higher personnel expenses for more head office workforce

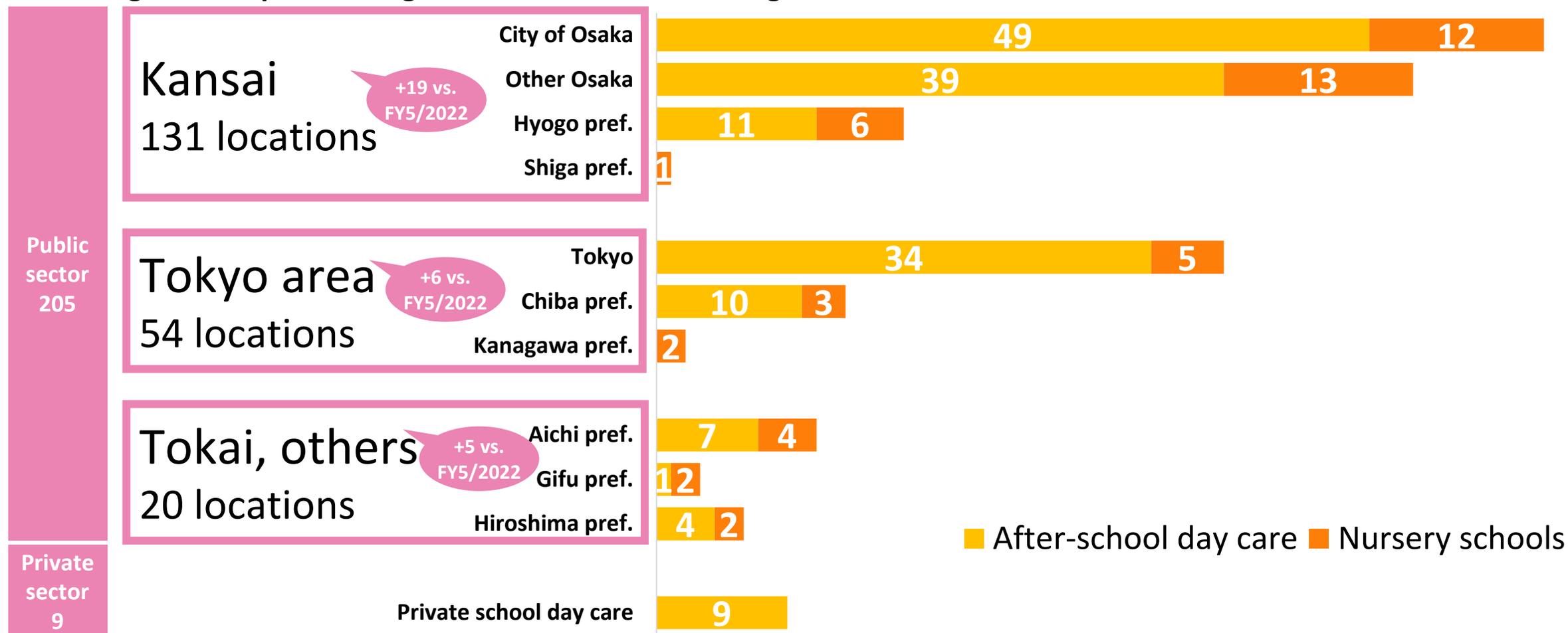
- ✓ As of the end of May 2023, 164 after-school day-care facilities and 50 nursery schools, a total of 214 locations (+28 locations YoY)
- ✓ Operation of after-school day-care facilities started in FY5/2010
- ✓ Operation of nursery schools started in FY5/2012

Certified nursery schools are operated using the Treasury Kids brand and, for small certified nursery schools, the Angel Kids brand.

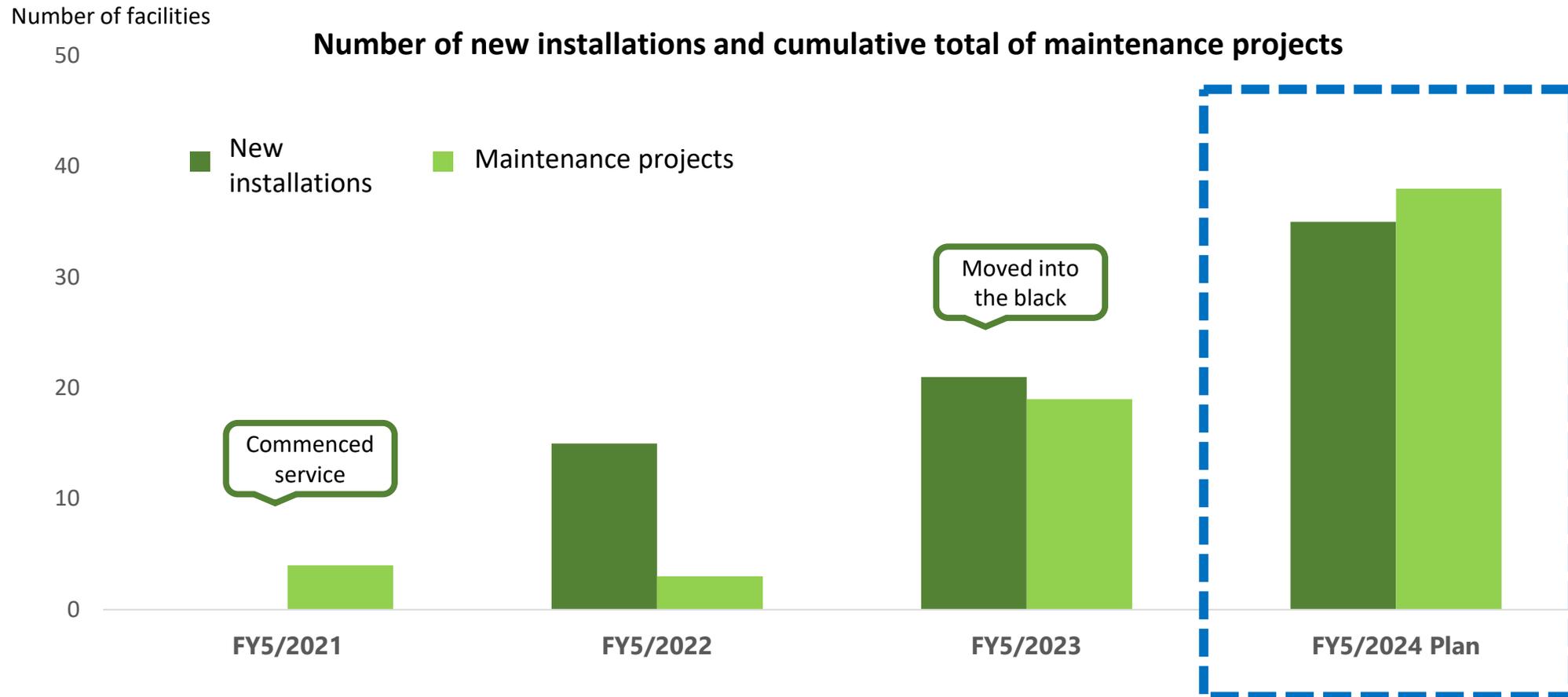


There were 214 locations at the end of May 2023, including 205 public-sector facilities

- ✓ Most new locations open in the fourth quarter (April) because of the characteristics of this business model.
- ✓ Most locations are in the Kansai and Tokyo areas. SERIO has considerable experience serving local governments, resulting in a competitive edge in this market that has high barriers to new entrants.



- ✓ The Greenery business moved into the black for the first time in FY5/2023
- ✓ AI robot lawn mower and automatic sprinkler system dramatically reduce lawn care expenses
- ✓ Expect consistent sales due to recurring revenue from maintenance services for current customers



- ✓ Forecast record-high sales and earnings
- ✓ Anticipate improvements in the profit margin as we exit unprofitable businesses and close loss-making facilities in FY5/2023.
- ✓ Plan to improve SG&A ratio by increasing efficiency through ICT and dominant-style expansion.
- ✓ Will continue investments for new businesses, people, ICT and other activities for consistent growth.

(Millions of yen)

	FY5/2024 plan	% to sales	YoY change	FY5/2023	
				Results	% to sales
Net sales	<b>11,110</b>	100.0%	+13.5%	<b>9,792</b>	100.0%
Cost of sales	<b>9,067</b>	81.6%	+12.1%	<b>8,090</b>	82.6%
Gross profit	<b>2,043</b>	18.4%	+20.1%	<b>1,701</b>	17.4%
Selling, general and administrative expenses	<b>1,604</b>	14.4%	+7.2%	<b>1,496</b>	15.3%
Operating profit	<b>439</b>	4.0%	+114.5%	<b>204</b>	2.1%
Ordinary profit	<b>407</b>	3.7%	+93.6%	<b>210</b>	2.1%
Profit attributable to owners of parent	<b>264</b>	2.4%	+93.6%	<b>136</b>	1.4%

✓ Double-digit growth in all segments and expected record-high sales

- **Employment assistance:** Plan to increase sales by stepped-up hiring of temporary staff while simultaneously acquiring new customers.
- **After-school day care/ Nursery schools:** Forecast sales contribution from schools opened in April 2023

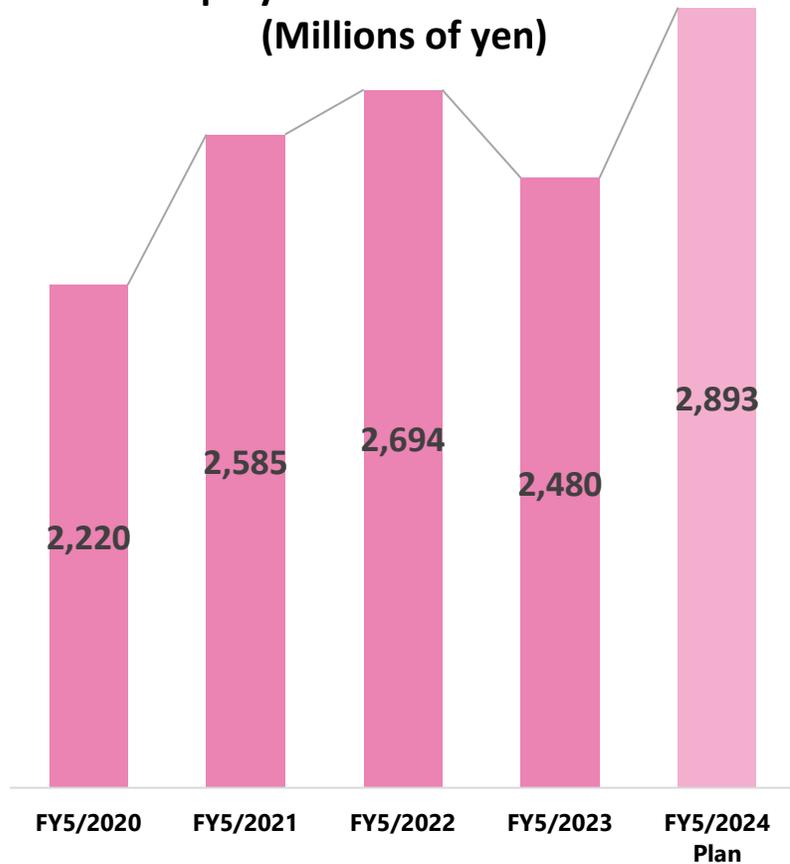
(Millions of yen)

	FY5/2024 plan	FY5/2023 results	YoY change
Employment assistance	<b>2,893</b>	2,480	+16.6%
After-school day care	<b>3,410</b>	3,036	+12.3%
Nursery schools	<b>4,806</b>	4,275	+12.4%
<b>Total</b>	<b>11,110</b>	9,792	+13.5%

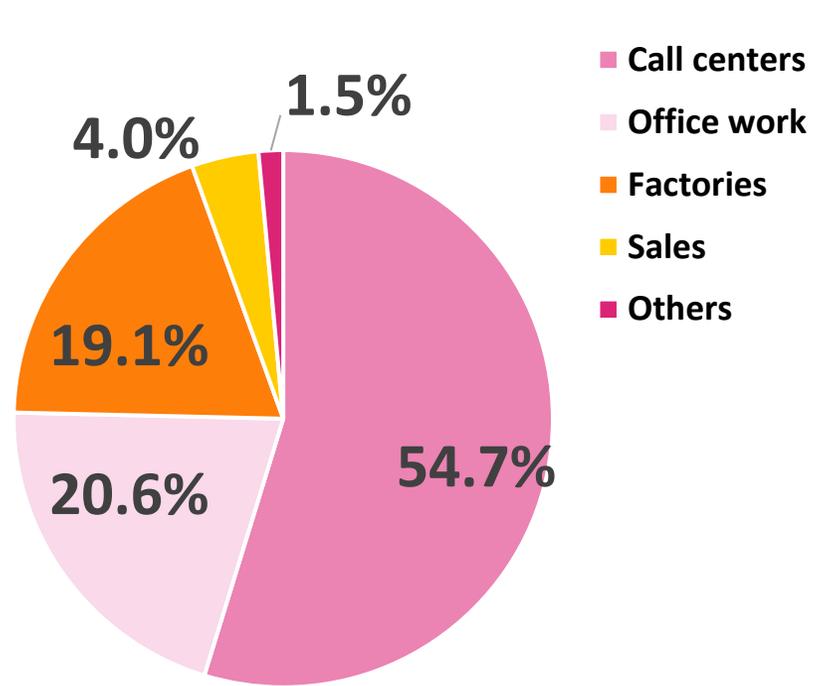
# Employment Assistance Sales Growth Plan and Sales Composition

- ✓ In pursuit of improved profitability, we made the decision to withdraw from the welfare staff and other personnel placement business in FY5/2023 (sales in FY5/2023: ¥5 million) and shifted our focus back to the temporary staffing sector.
- ✓ Current performance is favorable as we continue to acquire new customers in the service industry, where there is a strong sense of labor shortage.
- ✓ In March 2023, commenced measures to increase the number of registered temporary staff while stepping up sales activities.

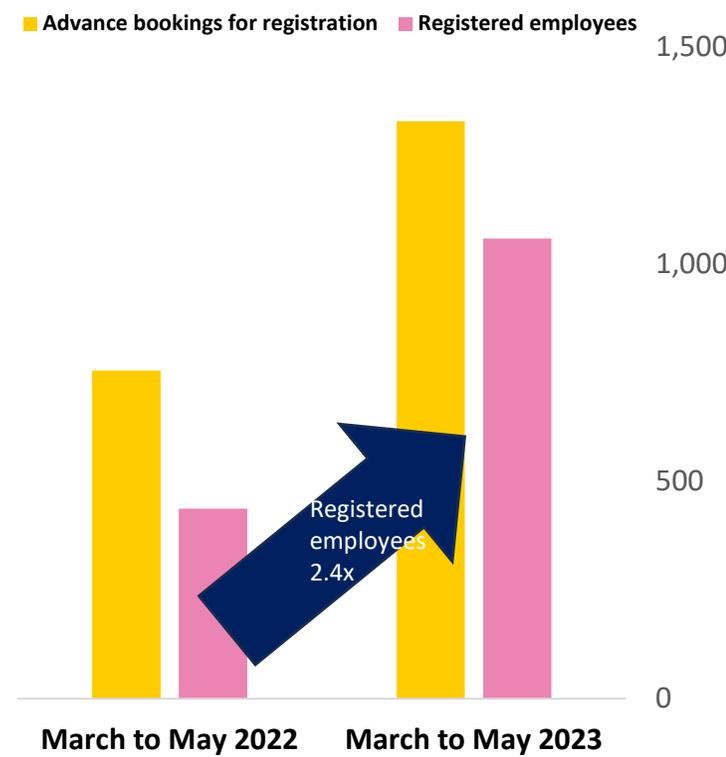
Employment Assistance Sales (Millions of yen)



Sales Composition in FY5/2023



Year-on-year change in the number of registered employees

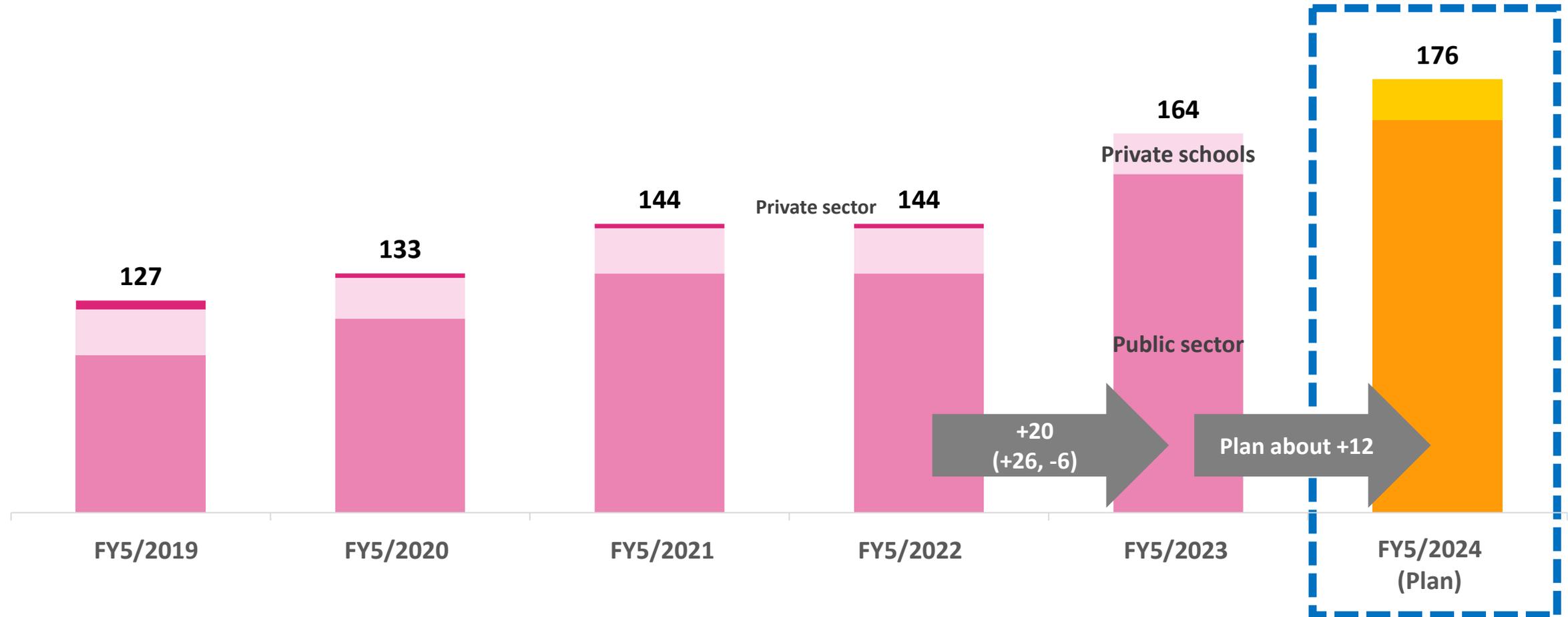


✓ Plan to add about 12 after-school day-care locations during FY5/2024

✓ There were 164 locations at the end of May 2023

Increase: 26 new locations (all public sectors)

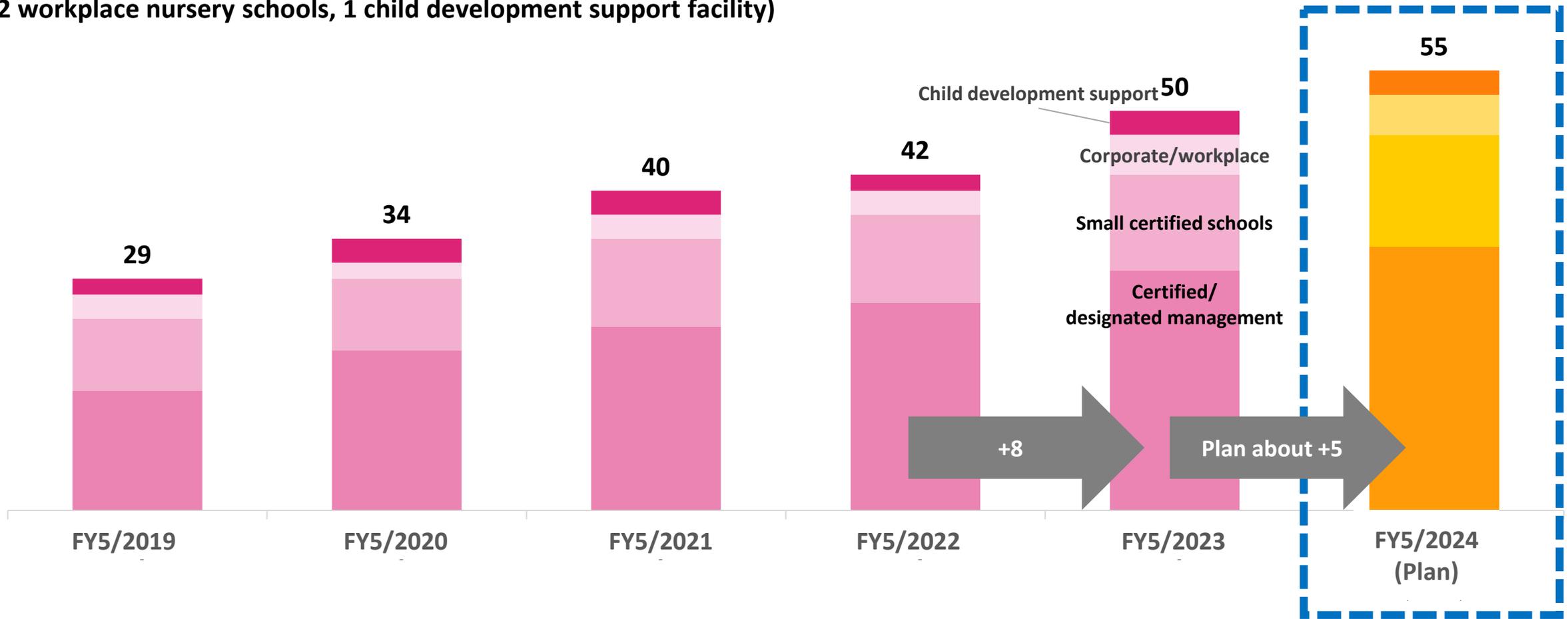
Decrease: 4 public-sector locations, 1 private school facility, 1 private sector location (mainly due to contract completion)



✓ Plan to add about 5 nursery schools during FY5/2024

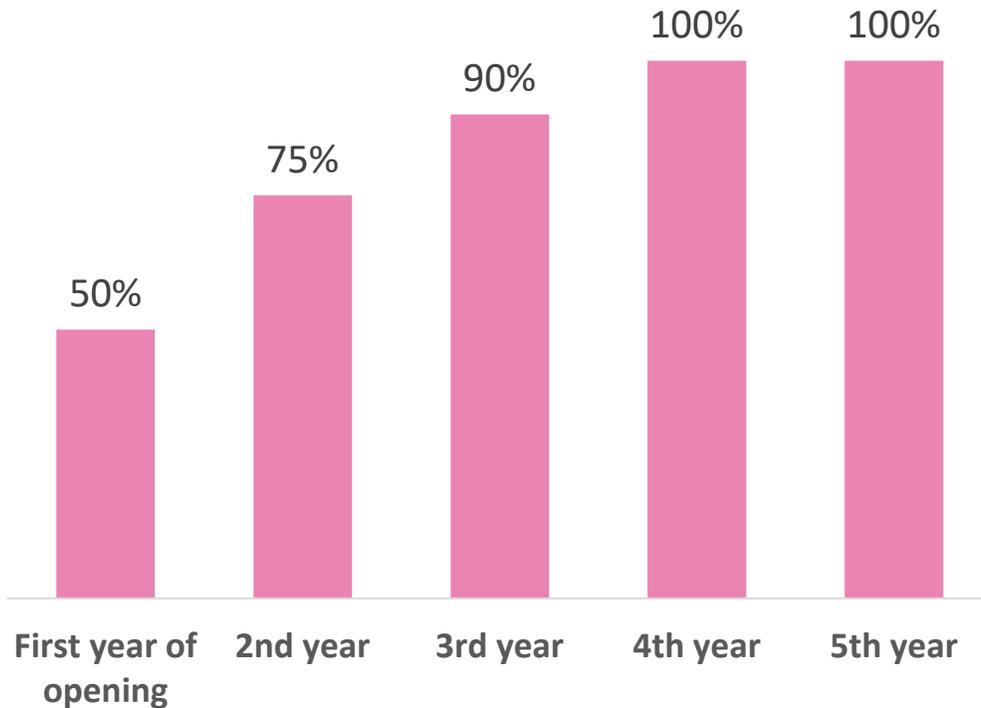
✓ There were 50 nursery schools at the end of May 2023

Increase: 8 new schools (3 certified, 1 designated management, 1 small certified school, 2 workplace nursery schools, 1 child development support facility)

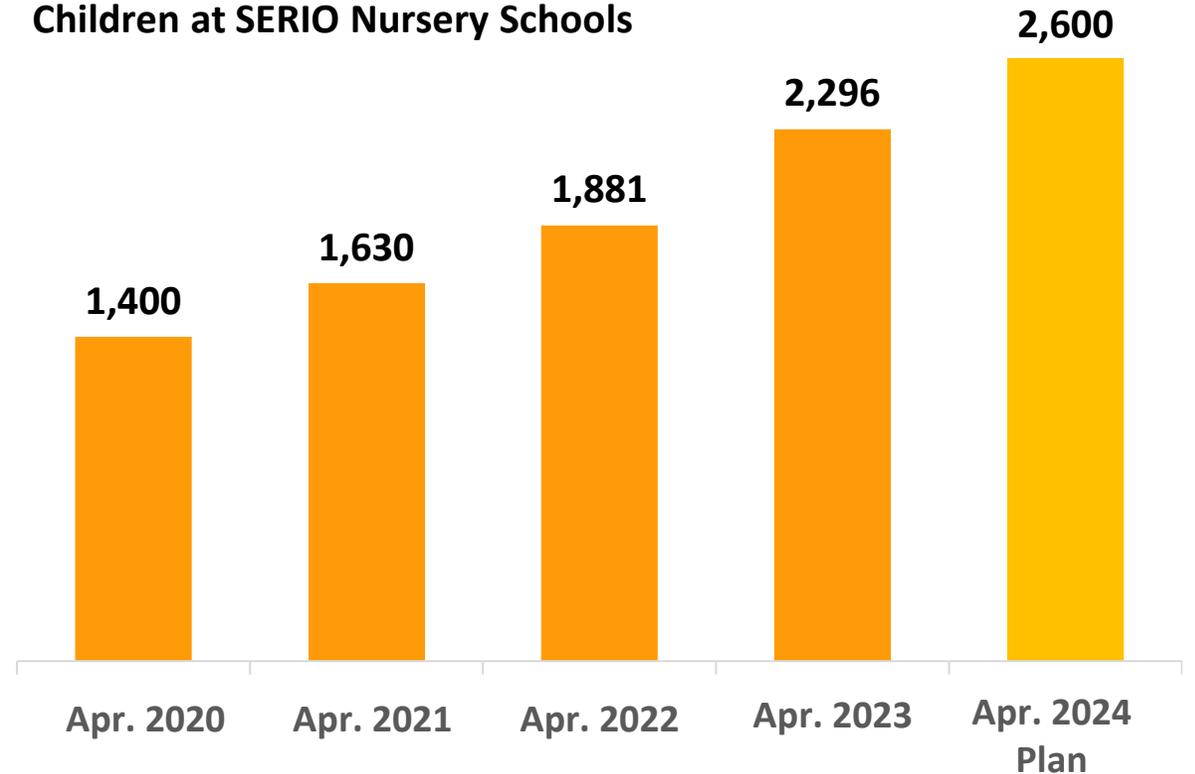


- ✓ Steady progress in admissions to our new nursery schools and existing nursery schools.
- ✓ Prepare for an increase in the number of children during the fiscal year; continuing to monitor the monthly number of children as the KPI
- ✓ Normally, mainly ages 0 to 2 at new nursery schools = Capacity use rises steadily every year
- ✓ Sales are proportional to the number of children

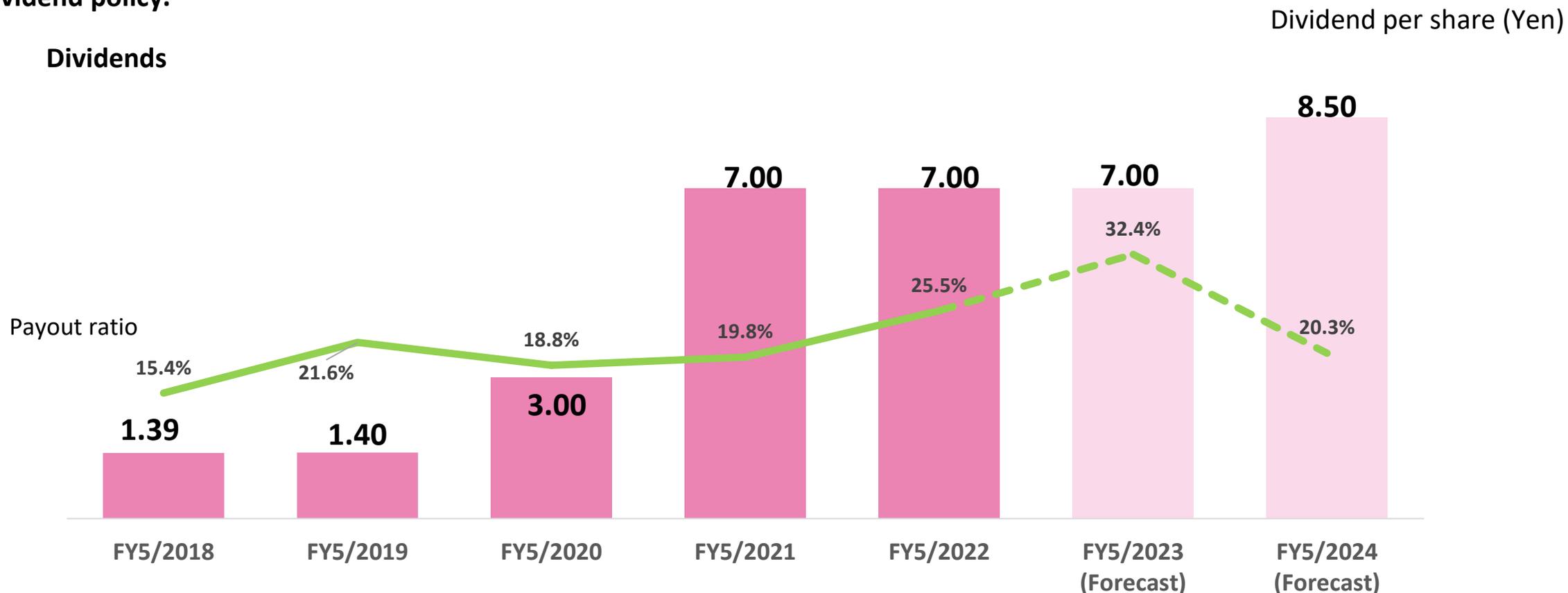
### Model for Increasing Capacity Utilization



### Children at SERIO Nursery Schools



- ✓ The basic policy is to pay consistent and stable dividends while increasing retained earnings and making investments for more growth
- ✓ The current target is a dividend payout ratio of 20%
- ✓ Our plan for the fiscal year ending in FY5/2024 is to ensure a stable return to shareholders, aligning with our fundamental dividend policy.



\* A two-for-one common stock split was conducted on October 1, 2020.  
Dividends in fiscal years prior to the stock split have been adjusted to reflect this split.

Japan is aiming for female labor force participation of 82% by 2025 (was 72.4% in 2022\*), based on sufficient nursery school and after-school day-care capacity  
**SERIO's activities are closely linked with this goal**

Japanese government policies	Category	Female labor force participation	Establish system for work-family balance	
			Nursery schools	Day care
	Current policy	80%	No children waiting for openings by end of FY2020 ✓ Goal not expected to be achieved	Add capacity for 300,000 more children by end of FY2023 Increase day care club capacity
	Child-raising with confidence (Announced in Dec. 2020)	82% in 2025	Add capacity for 140,000 more children by end of FY2024	-
	April 2023 Establishment of Child and Family Agency	Planning and overall coordination of policies from the perspective of children and those involved in child-rearing		
	June 2023 Draft of the "Children's Future Strategy Policy"	We are implementing a "comprehensive plan to bolster support for children and child-rearing," - focusing on concentrated efforts over the next three years		
	<b>Our businesses</b>	Employment assistance	Nursery schools	After-school day care

\*Labor Force Survey (Basic Tabulation) Average for 2022, Statistics Bureau of the Ministry of Internal Affairs and Communications

- ✓ New locations in April 2023 are expected to contribute to growth. Due to the accelerated schedule for establishing new facilities, the sales plan has been revised upward.
- ✓ A source of happiness for the 210,000 families associated with the SERIO Group in FY5/2026:  
Goals are sales of ¥13.7 billion and operating profit of ¥760 million
- ✓ A period of steady growth backed by strengthening the three existing businesses and adding new businesses for diversity and strengthening the head office workforce

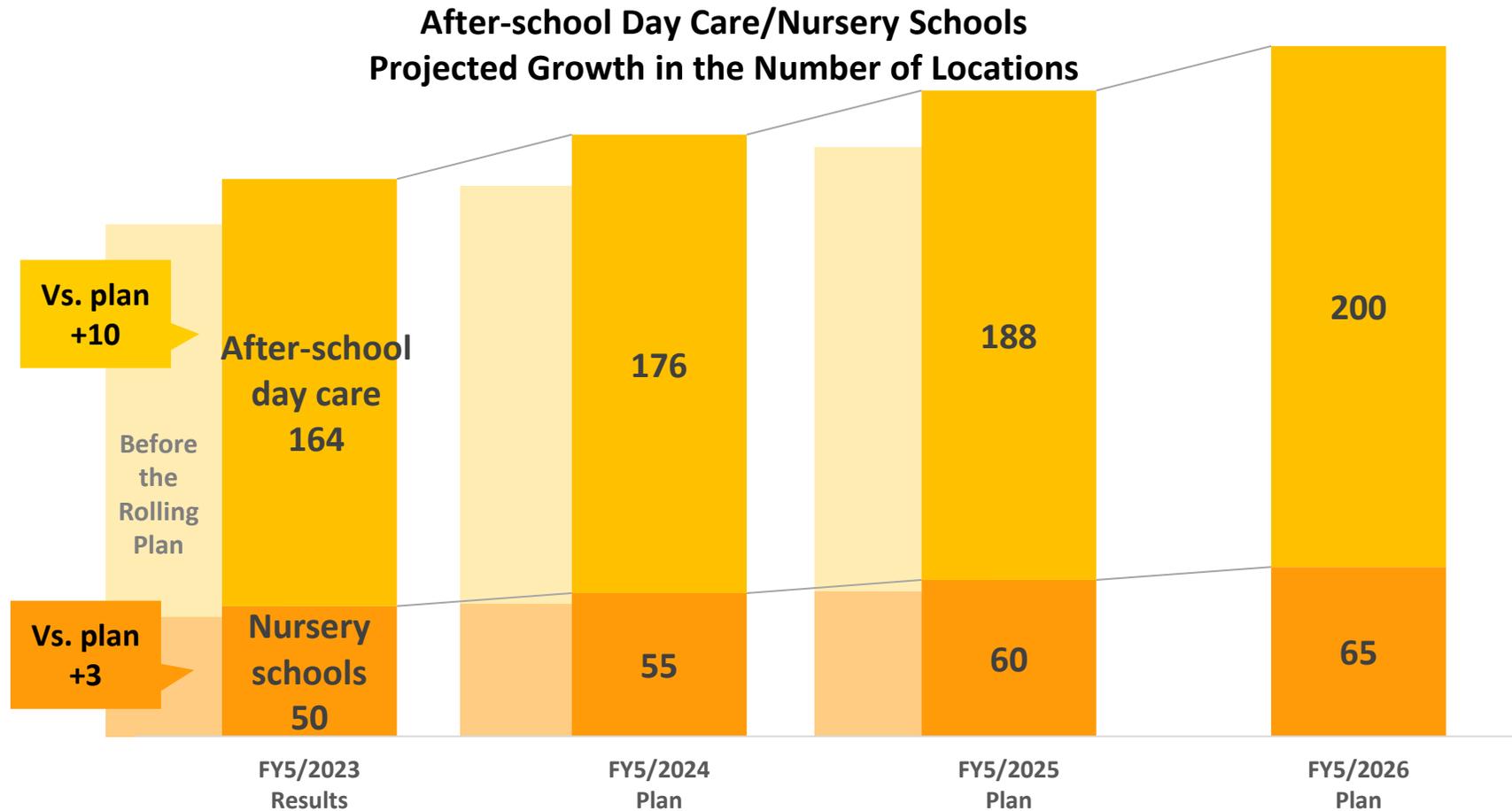
(Millions of yen)

	FY5/2023		Medium-term Business Plan	
	Revised plan	Results	FY5/2024	FY5/2025
Net sales	9,640	9,792	10,800	12,000
Operating profit	160	207	444	660
Operating margin	1.7%	2.1%	4.1%	5.5%

Rolling

	Results	Medium-term Business Plan		
	FY5/2023	FY5/2024	FY5/2025	FY5/2026
Net sales	9,792	11,110	12,600	<b>13,750</b>
Operating profit	207	439	615	<b>766</b>
Operating margin	2.1%	4.0%	4.9%	<b>5.6%</b>

- ✓ Backed by a favorable reputation, day care and nursery schools continue to add new locations.
- ✓ As the number of children on waiting lists for admission remains consistently high, the demand for after-school care is projected to persist. In response, childcare facilities will be primarily opened in areas where children are expected to be on waiting lists, including those with pending applications.



	End of May 2022	End of May 2023	End of May 2026
SERIO family	<b>110,000 people</b>	○ <b>135,000 people</b>	<b>Happiness for the 210,000 families associated with the SERIO Group</b>
Consolidated performance	Net sales: ¥9,100 million Operating profit: ¥230 million	○ Net sales: ¥9,700 million × Operating profit: ¥200 million	Net sales: ¥13,700 million (+40% vs. FY5/2023) Operating profit: ¥760 million (+274% vs. FY5/2023)
Employment assistance placements	<b>915 (80% are housewives)</b>	△ 988 ○ (85% are housewives)	<b>1,300 (80% are housewives)</b>
Number of afterschool day care locations	<b>144</b>	○ <b>164</b>	<b>200</b>
Registered children	<b>20,825</b>	○ <b>25,954</b>	<b>30,400</b>
Number of nursery schools	<b>42</b>	○ <b>50</b>	<b>65</b>
Number of children	<b>1,894</b>	○ <b>2,336</b>	<b>2,917</b>
SERIO Garden Total installation and maintenance	<b>18 locations</b>	○ <b>40 locations</b>	<b>Total installation and maintenance of greenery at 300 locations</b>

- ✓ Progress at business units regarding medium-term business plan strategies
- ✓ More actions to establish a dominant presence in the Tokai region day care and nursery school markets and addition of new public-sector contracts for the operation of facilities (locations to open in April 2023)

	Vision	Strategy outline	Activities and progress (FY5/2023)
Corporate	<b>FY5/2025 Happiness for the 170,000 families associated with the SERIO Group</b>	<ul style="list-style-type: none"> <li>• Use IT system investments to increase operational efficiency</li> <li>• A broad range of training programs and jobs</li> <li>• Create pleasant and productive workplaces</li> <li>• Programs for employees' work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>• Started group long-term disability insurance coverage</li> <li>• Started a mentoring system for new college graduates</li> <li>• Started training programs for specific jobs and management positions</li> <li>• Started mentoring system for employees returning from child care leave</li> <li>• Serio Group certified as "Hataraku Yale 2023 Welfare Promotion Corporation"</li> <li>• Consider additional measures to support the development of employee capabilities (Release announced on June 2023) ★NEW</li> </ul>
Employment assistance	<ul style="list-style-type: none"> <li>• "sacaso*" service for housewives looking for jobs</li> <li>• Aiming to be the leader for enabling housewives to work with ease</li> </ul>	<ul style="list-style-type: none"> <li>• Specialize in part-time temporary staffing for housewives</li> <li>• Create cost-cutting proposals for companies</li> </ul>	<ul style="list-style-type: none"> <li>• Started allowing temporary staffing personnel to take time off for reinvigoration</li> <li>• The sacaso temporary staffing service received a 2022 Child Care Advocate Grand Prize</li> </ul>
After-school day care	Facilities parents can use with confidence and where children want to go back every day	Dominant strategy for local governments outsourcing operations to the private sector	<ul style="list-style-type: none"> <li>• More head office personnel to support measures to establish dominant market positions</li> <li>• Quickly hire people needed for medium-term growth in the number of day care locations and</li> </ul> <div style="border: 1px solid black; padding: 5px;"> <p>[Day care locations opened in April 2023]</p> <ul style="list-style-type: none"> <li>• Stepped up activities to establish a dominant presence in the Tokai region</li> <li>• Started adding new public-sector clients</li> </ul> </div>
Nursery schools	Make every location the community's best nursery school that parents choose for their children and where nursery school teachers want to work	<ul style="list-style-type: none"> <li>• Open schools where children are waiting for openings</li> <li>• Operate nursery schools that parents choose over others</li> </ul>	<ul style="list-style-type: none"> <li>• The first outsourcing contract for a public-sector nursery school</li> <li>• A committee led by nursery school managers to examine various themes with the goals of improving the quality of services and of communications among schools</li> </ul>
SERIO Garden	<ul style="list-style-type: none"> <li>• "Green Carpet"</li> <li>– Look no further than Serio Garden</li> <li>– Established No. 1 position in the industry</li> </ul>	<ul style="list-style-type: none"> <li>• Capture new customers: 100 locations</li> <li>• Establish a periodic maintenance system</li> </ul>	<ul style="list-style-type: none"> <li>• A major order for a high school ground maintenance (Project to start and sales to be booked in the fiscal year ending May 2023)</li> <li>• Expanding in the Tokyo metropolitan area, following entry into the Tokyo market</li> <li>• Started spring construction work (working on evening out work throughout the year rather than having one annual peak)</li> </ul>

\*sacaso: Brand name of the employment assistance business

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the SERIO Holding's management at the time the materials were prepared. These materials are not promises by the SERIO Holdings regarding future performance.

# Appendix

<b>Company name:</b>	<b>SERIO HOLDINGS CO., LTD.</b>
<b>Established:</b>	<b>June 1, 2016</b>
<b>Representative:</b>	<b>Hisashi Wakahama, President and CEO</b>
<b>Capital:</b>	<b>¥693 million</b>
<b>Employees:</b>	<b>920 full-time employees; 2,495 part-time workers (consolidated basis as of May 31, 2023)</b>

**Head office location:** Kita-ku, Osaka

**Major group company**

<b>Company name:</b>	<b>SERIO Co., Ltd.</b>
<b>Established:</b>	<b>June 24, 2005</b>

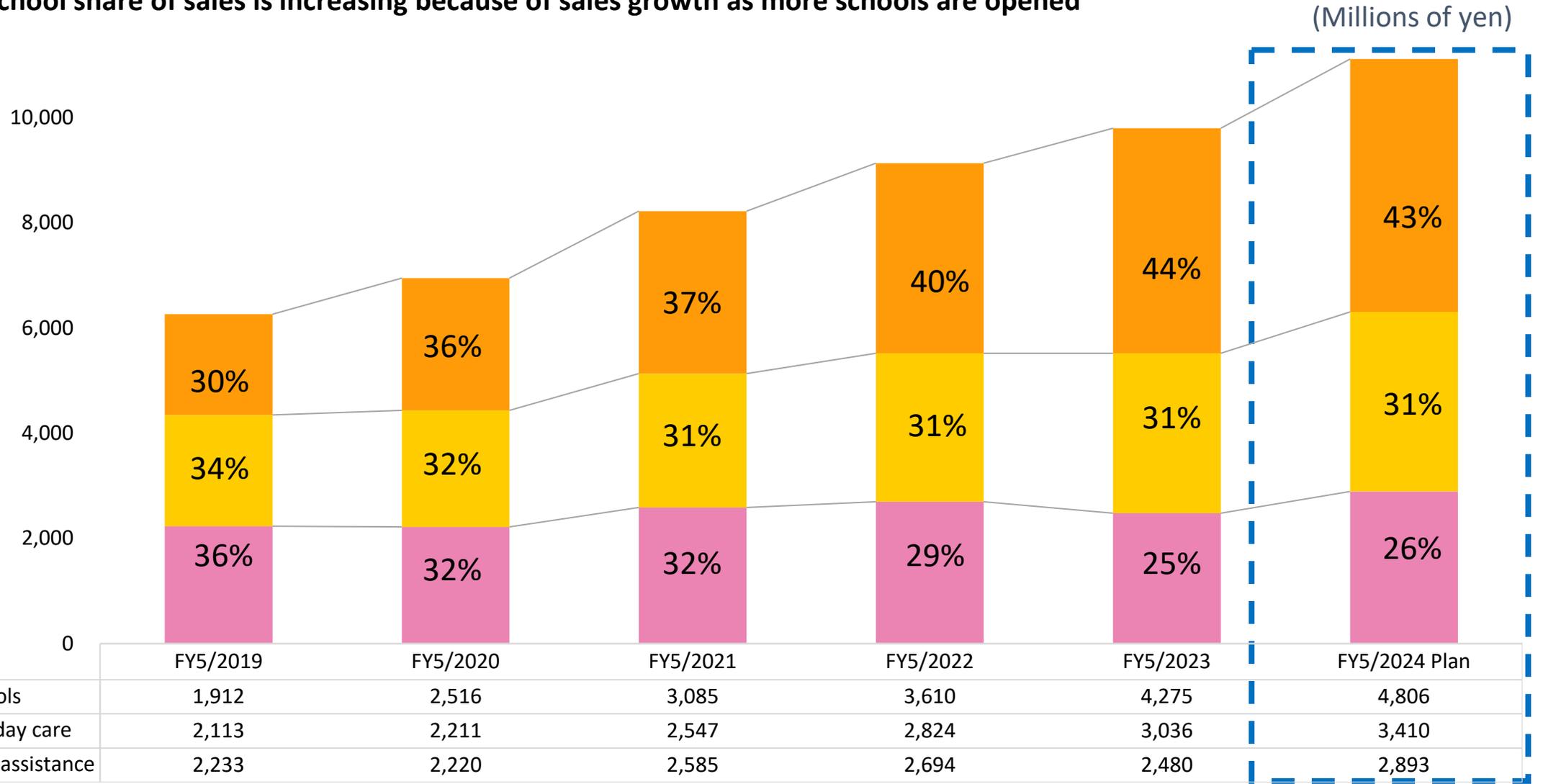
Listing: Tokyo Stock Exchange, Growth market (securities code: 6567)



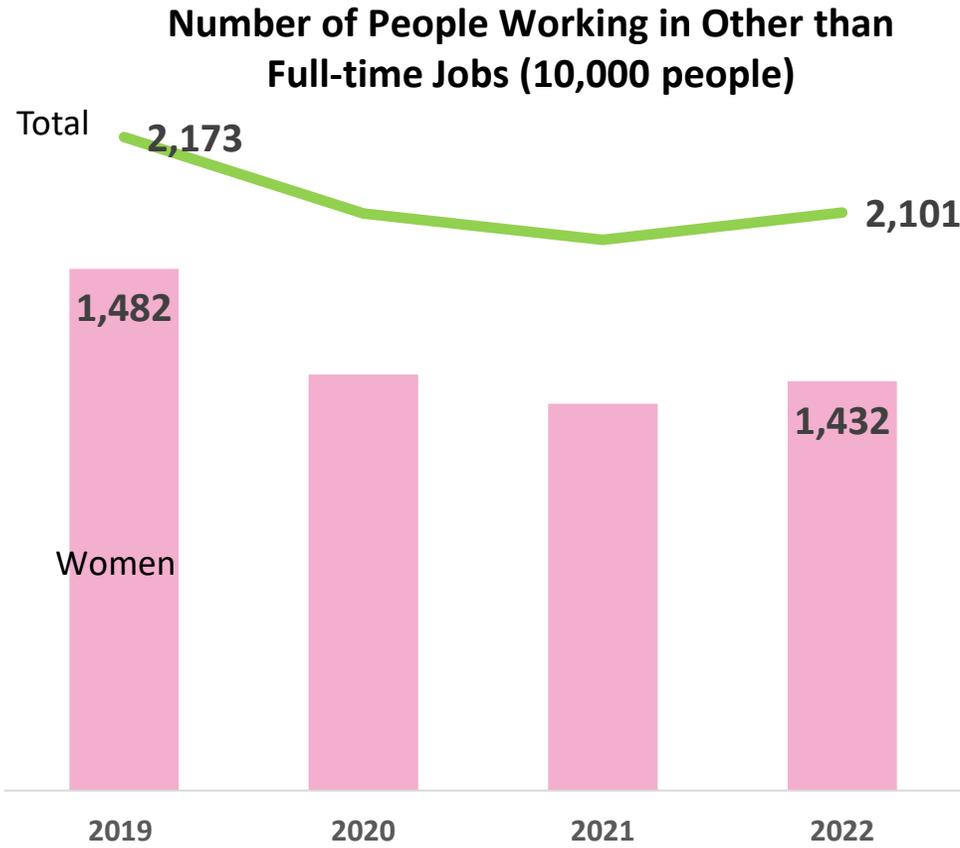
SERIO means “serious” in Portuguese

2005	June	SERIO Co., Ltd. was established in Osaka with capital of ¥10 million <b>Started employment assistance business mainly for temporary staffing positions for married women raising children</b>
2010	March	<b>Started an after-school day-care business mainly for elementary school students</b>
2012	April	<b>Started a nursery school business for pre-school children</b>
2013	December	Started operating an after-school activity program for children for the Kita-ku and Yodogawa-ku in Osaka
2014	April	The company's first certified nursery school opened in Miyakojima-ku in Osaka
2016	June	Established SERIO HOLDINGS CO., LTD. with capital of ¥10 million and made SERIO Co., Ltd. a wholly owned subsidiary
2017	October	Launched the "sacaso" brand for the employment assistance business
2018	March	Listed on the Tokyo Stock Exchange, Mothers market (currently Growth market)
2020	December	Subsidiary Cuore Co., Ltd. was renamed SERIO Garden and <b>started a greenery business</b> in January 2021
2023	April	Total of 214 facilities (164 after-school day-care facilities, 50 nursery schools)

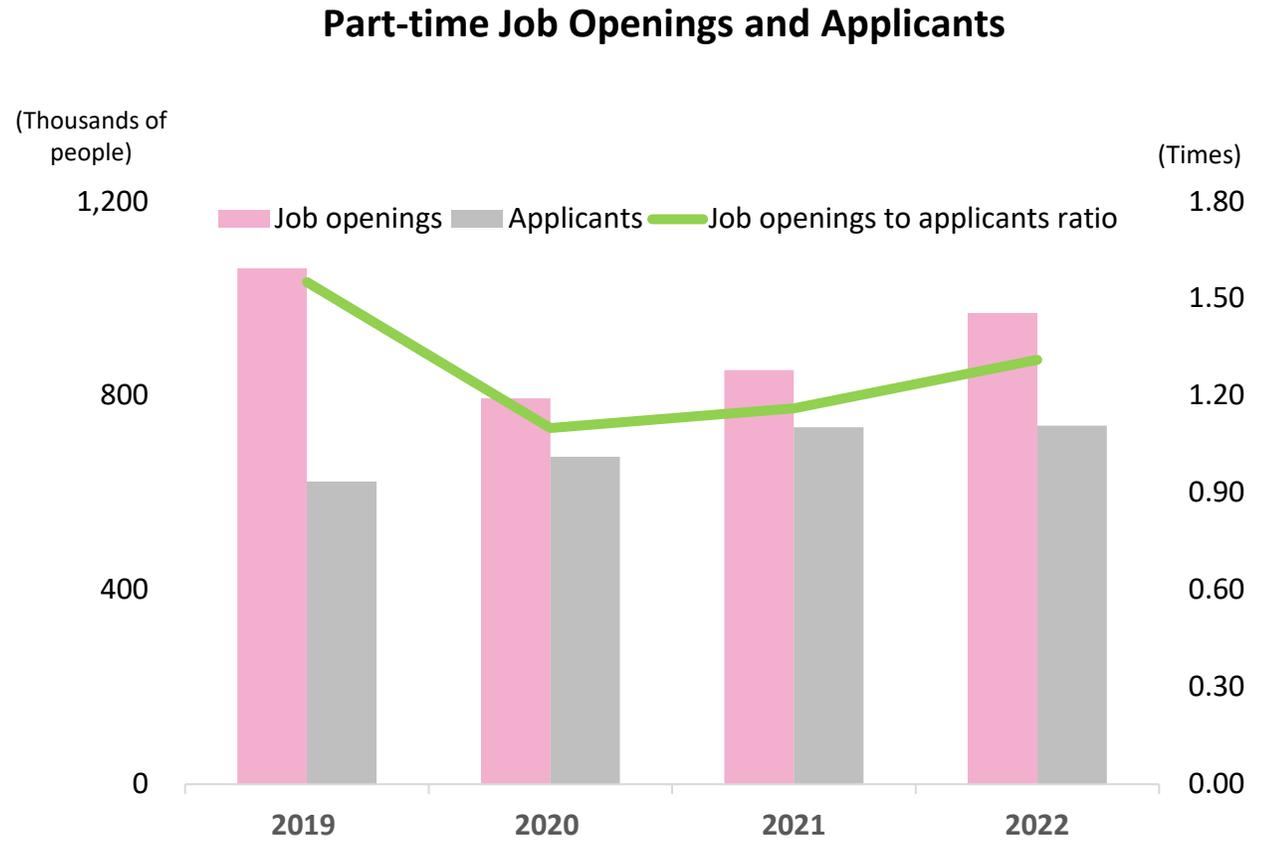
- ✓ Planning on record-high sales in all segments in FY5/2024
- ✓ Nursery school share of sales is increasing because of sales growth as more schools are opened



The number of people in Japan working in other than full-time jobs declined in 2020 because of COVID-19 but increased in 2021. The ratio of job openings to applicants for part-time positions is approaching the pre-pandemic level. Demand for jobs is very strong but recruiting people for temporary staffing is difficult.



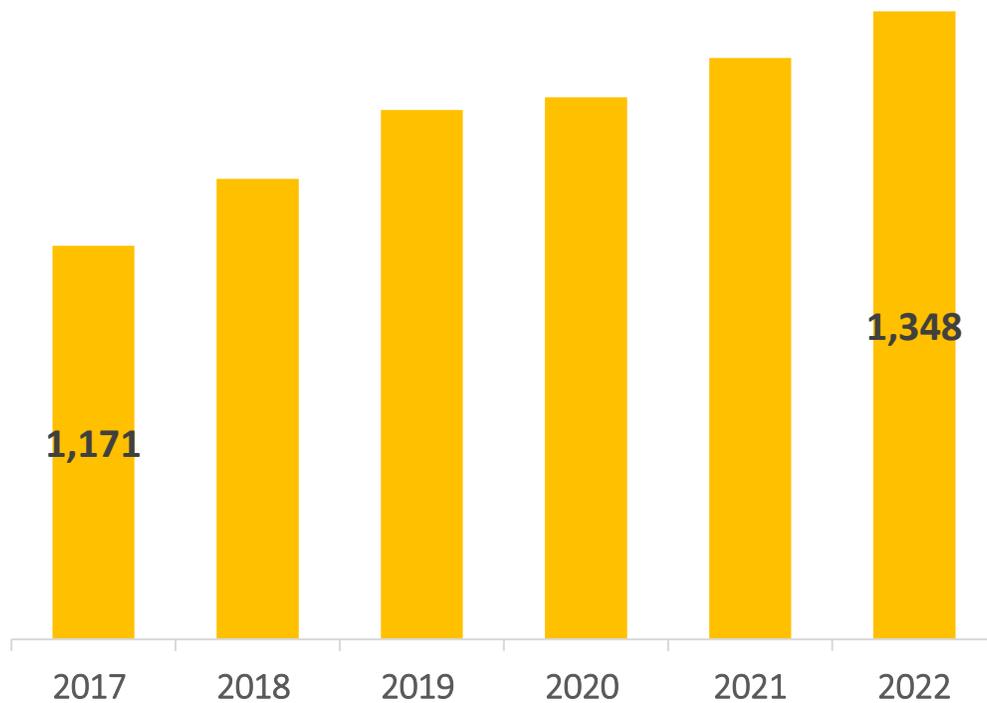
2022 Labor Force Survey, Ministry of Health, Labour and Welfare



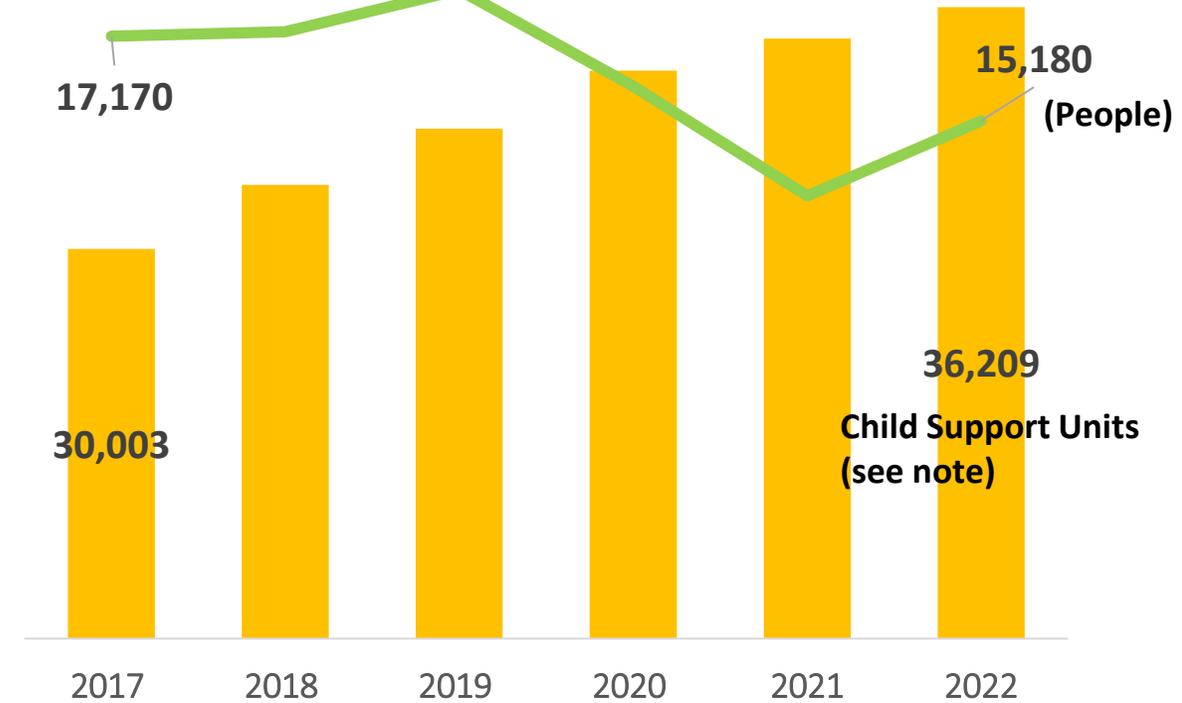
Employment Referrals for General Workers, Actual Data (Part-time), Ministry of Health, Labour and Welfare (2022)

Children registered at day care facilities reached a record high in 2022 and the number of child support units (see note) is increasing too. Day care use briefly declined in 2020 and 2021 because of the pandemic but the number of children waiting for an opening is increasing again. Growth potential is significant because capacity is not keeping up with demand.

### Registered Children (1,000 people)



### Child Support Units (see note) and Children Waiting for an Opening

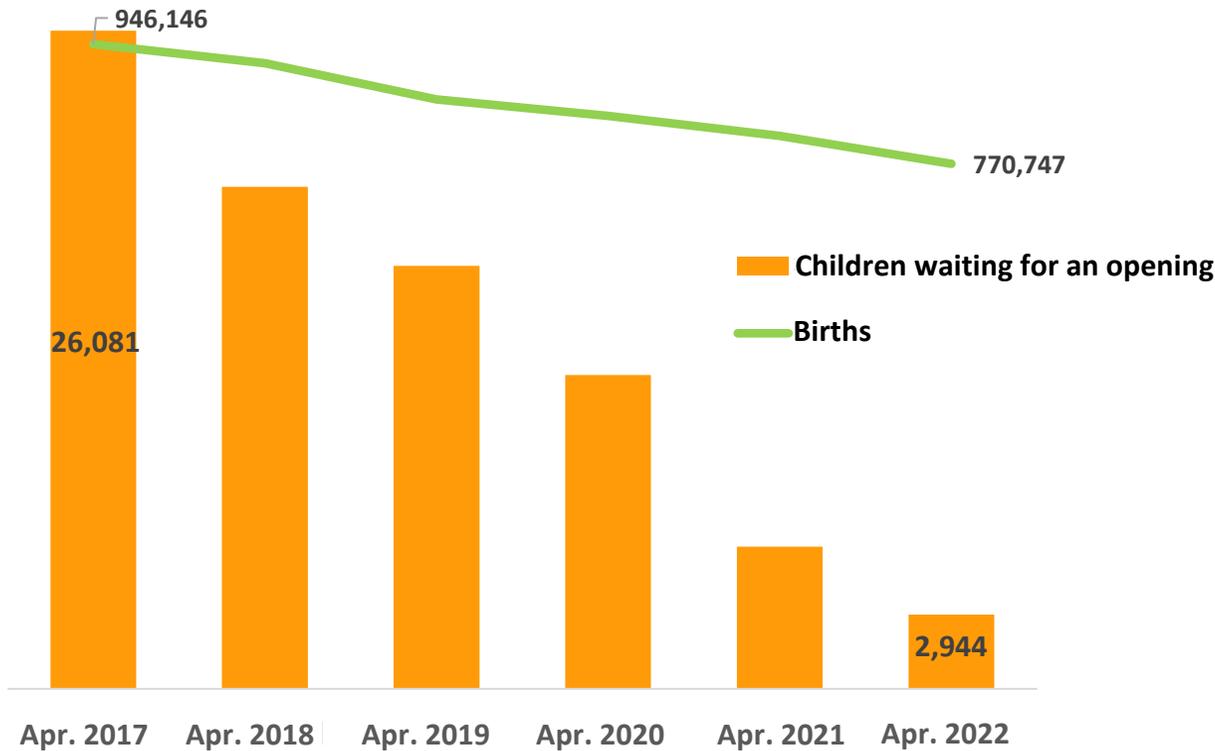


2022 Status of Project for the Sound Growth of the Child Day Care Business (After-school Clubs for Children) (As of May 1, 2022), Ministry of Health, Labor and Welfare

Note: Child support unit is a statistic that has been used since 2015 as a standard for the size of groups of children at after-school day care locations in accordance with Standards for Facilities for After-School Day Care and Operations. Club activities at these facilities are based on these units (classes).

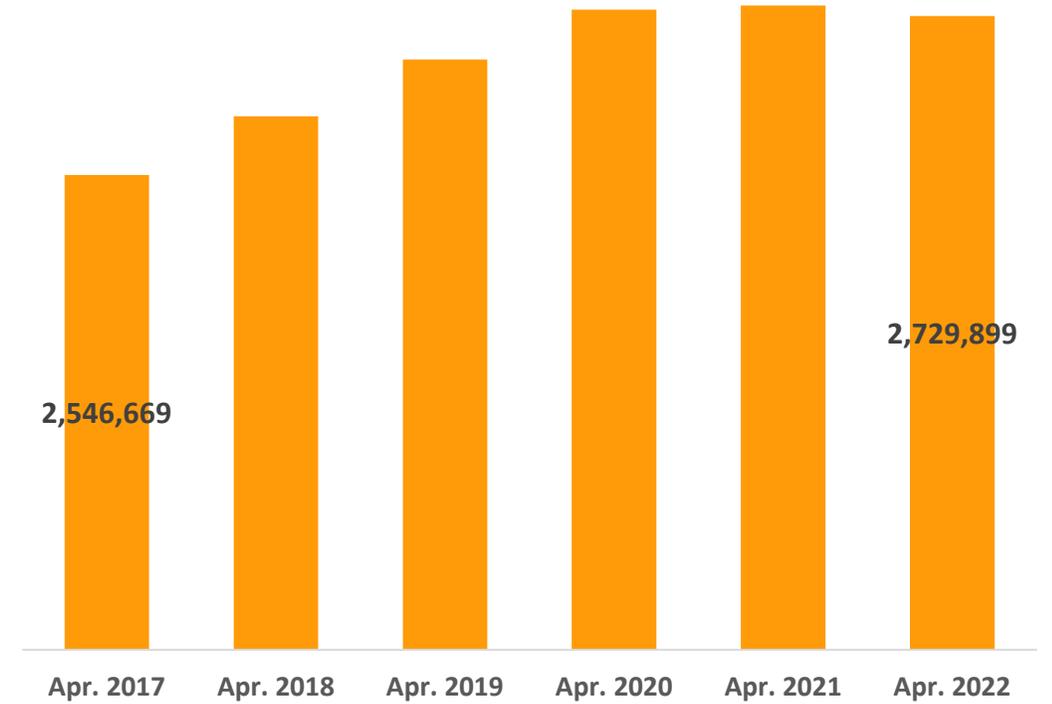
The pace of the decline in the number of children increased. As the number of children waiting for an opening is decreasing, the number of children using a nursery school decreased YoY for the first time in April 2022. SERIO is opening nursery schools in areas where demand is strong due to an increasing labor force participation rate of women.

Children Waiting for an Opening/Number of Births



Census Statistics 2022 Results (2022), Ministry of Health, Labour and Welfare

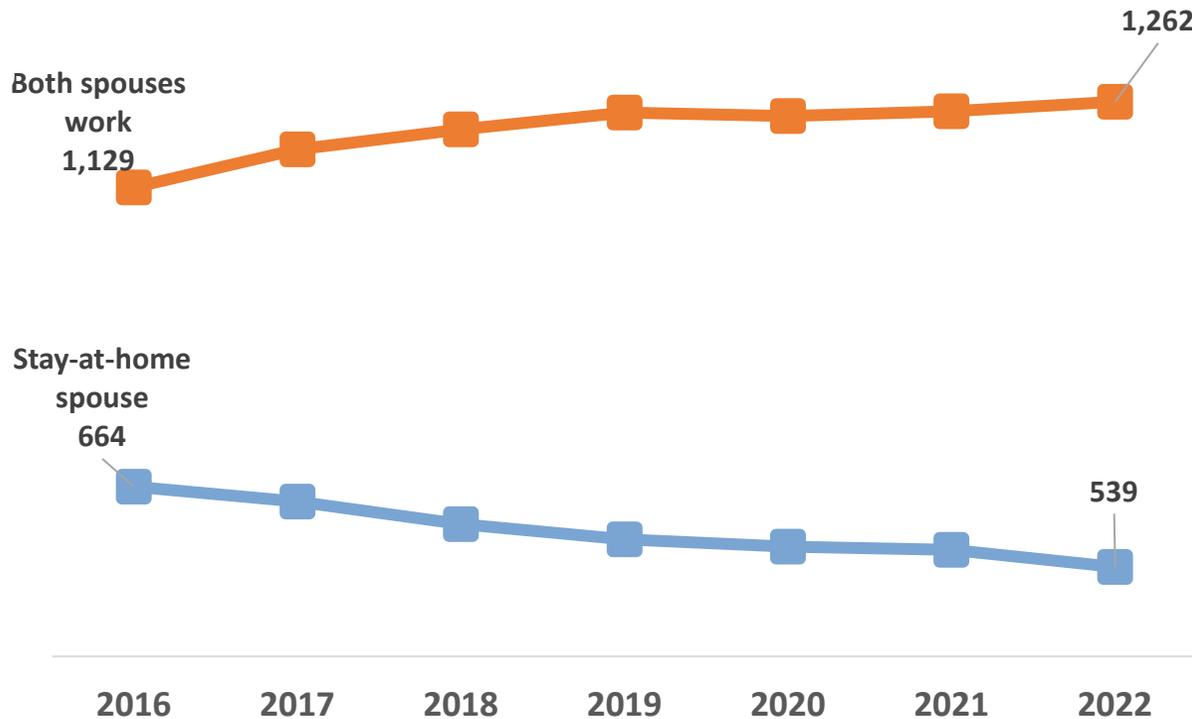
Children Using a Nursery School or Similar Facility



Status of Nursery Schools, Etc. (April 1, 2022), Ministry of Health, Labour and Welfare

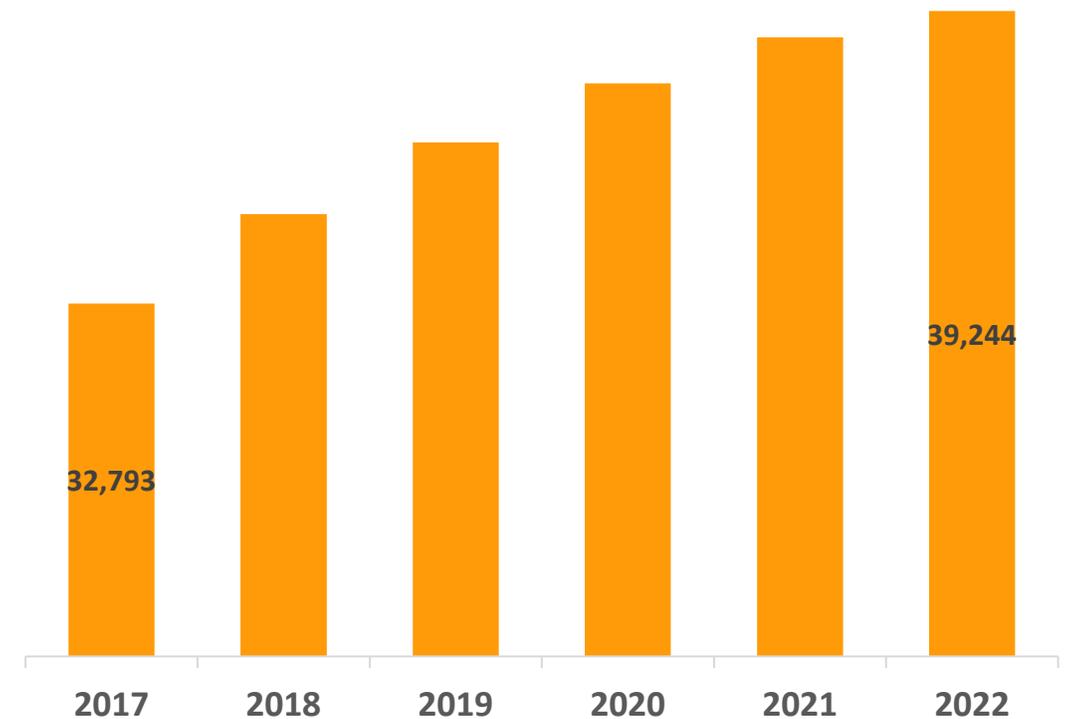
**Households where both spouses work are more than double the number of households with a stay-at-home spouse. The number of preschool child care facilities is continuing to climb as demand for this care increases.**

### Households with Both Spouses Working



Labor Force Survey (Detailed Data), Ministry of Health, Labor and Welfare

### Number of Nursery Schools and Similar Facilities



Status of Nursery Schools, Etc. (April 1, 2022), Ministry of Health, Labour and Welfare

# Dedicated to being a source of happiness for families

All ESG activities are based on the principle of coexistence with stakeholders in order to achieve a sustainable society.

Environment	Society		Governance
<ul style="list-style-type: none"> <li>● Purchased Osaka Municipal Green Bonds</li> <li>● Use of ICT for paperless operations</li> <li>● Reuse of discarded materials for various projects by children at after-school day-care facilities</li> <li>● Installation of water conservation devices at nursery schools</li> <li>● Greenery service for nursery schools, kindergartens and other locations</li> </ul>	<p><b>Work-family balance</b></p>	<p>Permanent telework program                      Permanent staggered working hours                      Time off for fertility treatment                      At least 125 days off every year                      Hourly paid time off                      Accumulation of paid leave                      Job retention after extended leave                      Designated no-overtime days                      Child care leave for men</p>	<ul style="list-style-type: none"> <li>● Three outside directors (37.5%)</li> <li>● One female director (12.5%)</li> <li>● Risk Management Committee</li> <li>● Compliance Committee</li> <li>● Internal reporting system (hotline)</li> <li>● Compliance training activities</li> <li>● Restricted stock compensation program</li> </ul>
	<p><b>Empowerment of women</b></p>	<p>Women are 70.8% of managers*1                      More welfare programs for child care</p>	
	<p><b>People with disabilities</b></p>	<p>Started operation of “tiku tiku”*2                      Established “waku waku” workshop ★ New*3</p>	
	<p><b>Health and wellness</b></p>	<p>Female medical check-ups at no cost                      No smoking program                      Started using Health promotion app ★ New</p>	

\*1 FY5/2023

\*2 Fabricates hand-made toys for use at nursery schools

\*3 Name of a support team for after-school programs and events

# Our vision for SERIO in 2030!

A company that creates happiness for families accompanied by the consistent growth of corporate value

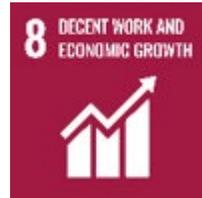
Activities linked to SDGs with the goals of sustainable business progress and business activities that take the company in new directions



- After-school day-care facilities teach children about the SDGs by using original textbooks that include the 17 goals. This program makes children think about these goals and what they can do to help achieve them.



- Support for women for jobs and child care, allowing women to continue working while starting a family and caring for children or an aging parent. There are programs that enable all employees of the SERIO Group to achieve their career goals while working in a pleasant environment.



- Established a childcare worker qualification support system to support career advancement.
- Working with Kao Customer Marketing Co., Ltd. to supply disposable diapers at a fixed and low price.
- This operation focuses on making toys for nursery schools to provide jobs for people with developmental disabilities and reduce the work load of child care workers at nursery schools.



- We measure food loss at our nursery school meals and take measures to cut such losses. The goal is to reduce waste of food per person, as well as the need to supply nutritionally balanced meals.
- We have partnered with a printing company to provide us with surplus paper for use at our after-school day care facilities to enhance our resource reuse programs.

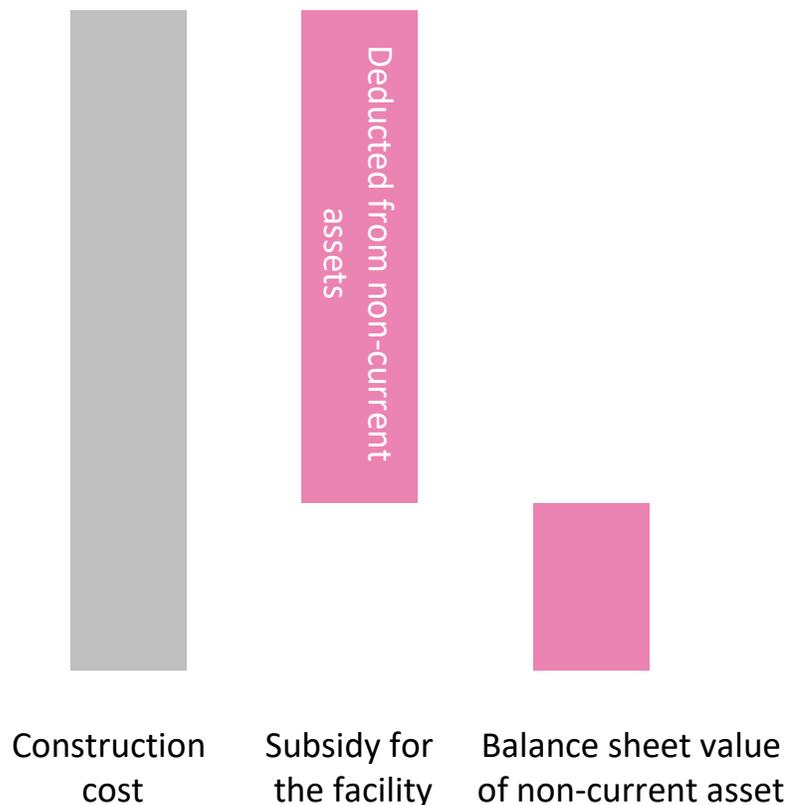


- SERIO Garden started providing grass-covered areas at nursery schools, kindergartens and other schools. More grass is good for the environment by retaining moisture to reduce the urban heat island effect.



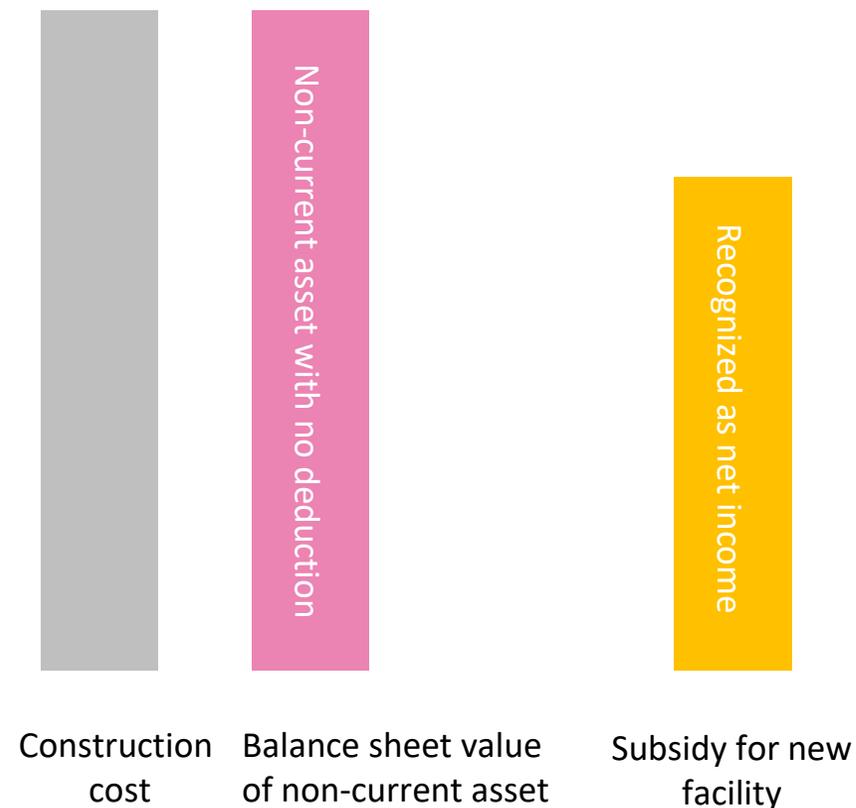
## Direct deduction method (Used by SERIO)

Subsidies associated with facilities are incorporated in the balance sheet



## When not using the direct deduction method

Subsidies associated with facilities are incorporated in the income statement





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