



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

October 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 August 31, 2023)

Employees: 3,480 on a consolidated basis (as of August 31, 2023)

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

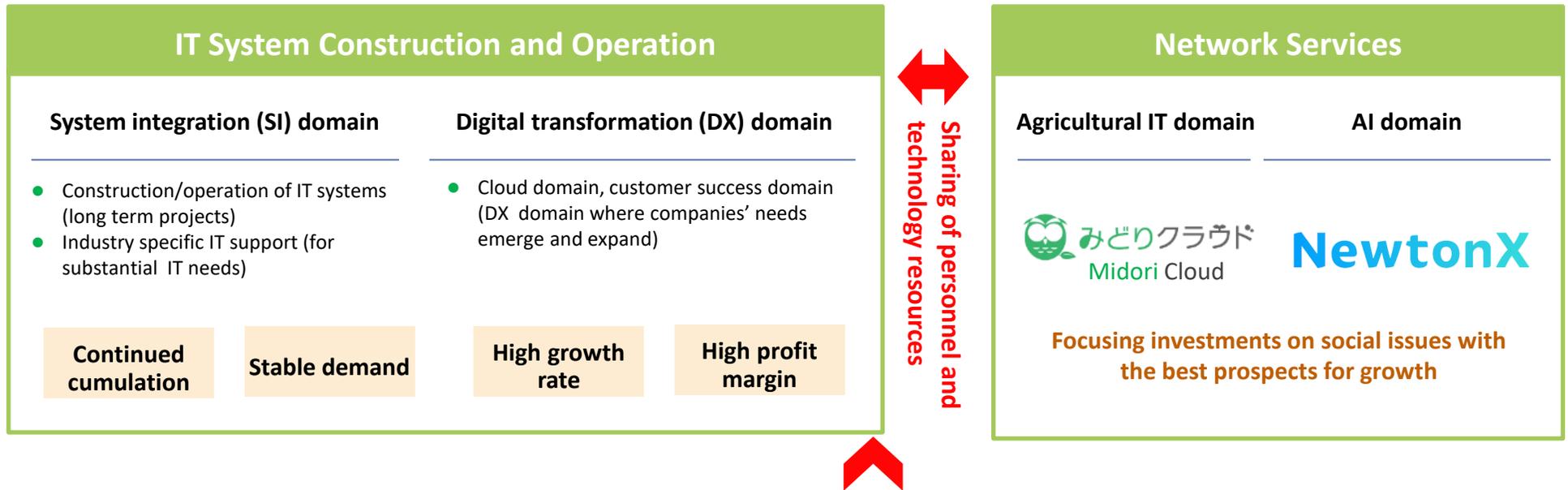
Group companies: SERAKU CCC (wholly owned subsidiary)

SERAKU Business Solutions (wholly owned subsidiary)

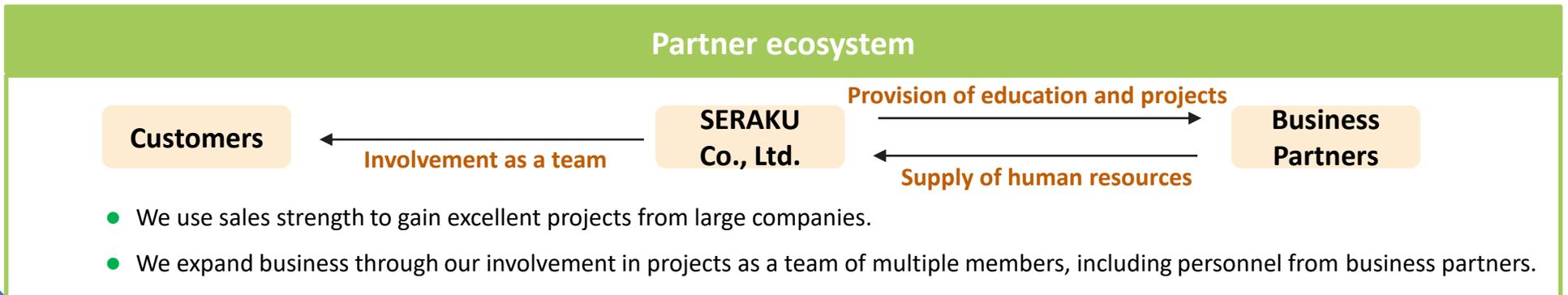
Listed exchange: Tokyo Stock Exchange, Standard Market (stock code 6199)

Our Business Model

Working as “Digital Integrator,” we 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



SERAKU's Competitive Strengths

Partner ecosystem

- We use sales strength to gain excellent projects from large companies. In collaboration with partners, we form a team of several members to take part in projects.
- We receive more than 5,000 proposals from partners.
- We provide partners with practical project training.



Growth potential in DX field

- Cloud system operation and support services by Seraku CCC
- Managed services at the IoT Cloud Support Center (24/7 operation of IT infrastructure and systems)
- We are increasing the number of cloud platforms we can deal with and apply our expertise in operation and support services.

Agricultural IT



- Agricultural and fisheries DX platform
- DX solutions for the primary industry
- Midori Cloud Rakuraku Shipment
Cutting labor for collection and shipping of vegetables and fruit by up to 85%



AI/ Automation

NewtonX

- ChatGPT utilization support service for companies
- AI utilization support with fine tuning

Business Segments and Service Domain

We have integrated the SI and DX sectors into one organization and re-defined it as the Digital Integration business segment.

Digital Integration

Create high value-added and achieve high growth in new technology areas by building on our strength, namely, operating and maintaining IT systems with stability over the long term.

Construction, operation and maintenance of IT systems

- Operation of IT infrastructures
- Operation of IT systems
- Infrastructure solutions

IT support

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

Former SI Segment

Cloud & Solutions Business

- IoT cloud support center
- Cybersecurity

Operate cloud systems and facilitate their widespread use

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



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

Former DX Segment

Midori Cloud

Support the primary industry by leveraging the power of IT.

Agriculture and Fisheries DX Platform



- Measurement, recording and control of the farm / livestock building environments
- Sales support

Agriculture and Fisheries solutions

- DX solutions
- Digital transformation service of the farming and sales business



Mechanical Design and Engineering

Expanding services based on mechanical design technologies

SERAKU Business Solutions



- Mechanical design, analysis and production technologies

Construction, operation and maintenance of IT systems

- 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.

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



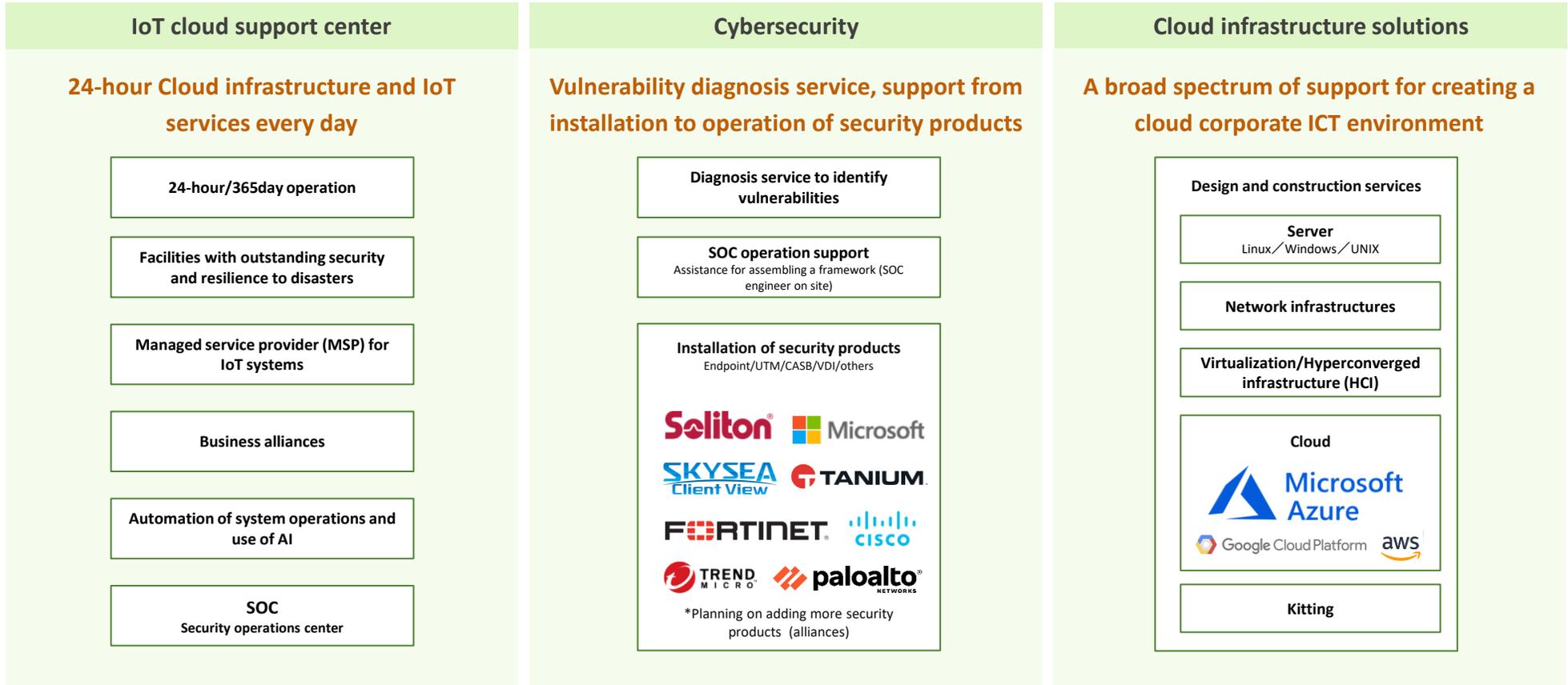
Steady growth under the education-based IT professional creation model and the provision of greater added value by shifting human resource to the DX domain

- 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.

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 post the COVID-19 pandemic



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

Customer Success Solution (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 400 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

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.



- In September 2023, SERAKU jointly launched the Accel-Mart Quick operation support with NTT Data Intramart Corporation.

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.

Customer Success Solution (SERAKU CCC)

We started offering the Tableau Data Cruise, a service pack for training human resources in data utilization.

The Tableau Data Cruise is a practical workshop-type service for human resource development planned and developed jointly by SERAKU CCC Co., Ltd. and Salesforce Japan Co., Ltd.(Tableau)

We released the service to address a market situation in which there is a significant shortage of persons with expertise in data utilization despite an increase in the number of companies that introduce the Tableau.



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

Companies are proactively training engineers to rise on a “trend toward the strengthening of marketing through data utilization” instead of “the utilization of standardized SFA.” In particular, the number of persons who acquire qualifications related to the Tableau and the Marketing Cloud is on the rise, contributing to growth from business perspectives.



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

Supporting the introduction and operation of COMPANY

We have about 150 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 150 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

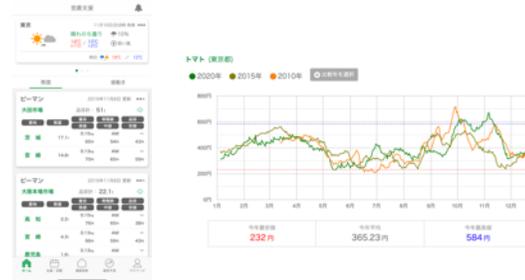


Use PCs and smartphones for production plans and records of work performed.

Total number of users is **55**.

Sales support

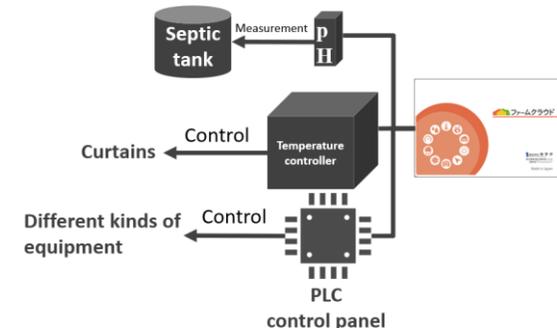
Farming support app



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 **4,500**

Livestock building environment control

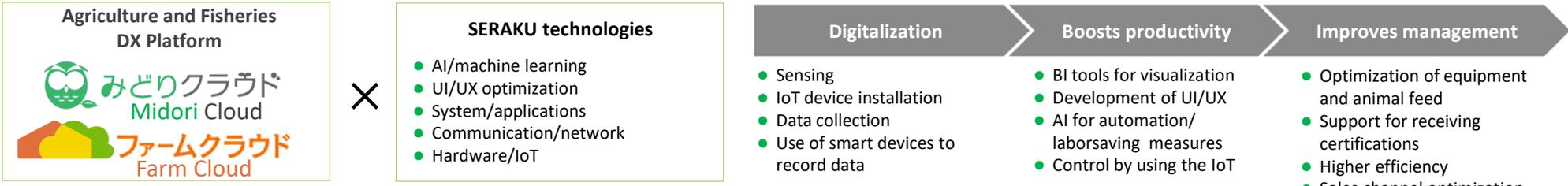


Automatically controlling the environment in connection with curtains and PLC systems used in livestock farming

Midori Cloud Business

Agriculture and Fisheries solutions

Agriculture and Fisheries DX Platform and SERAKU technologies will enable DX in various industries

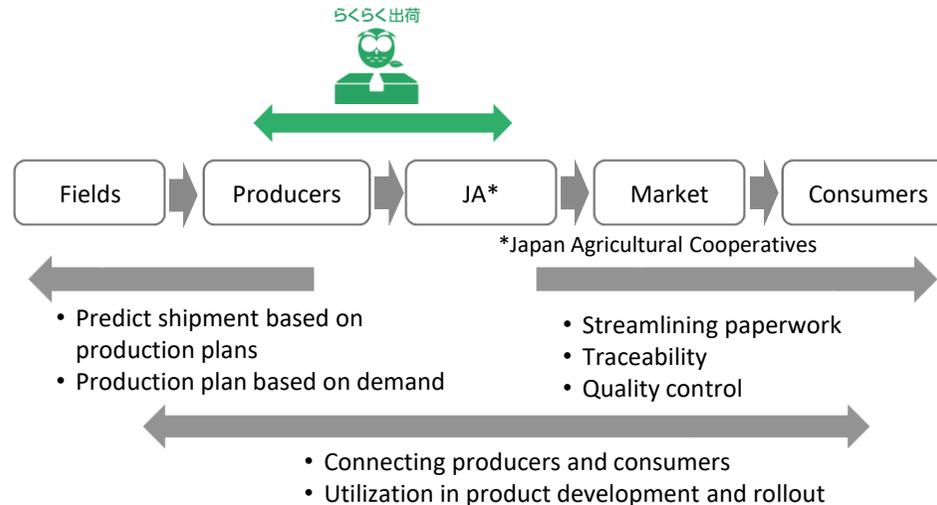


NEW!

Midori Cloud Rakuraku Shukka:

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

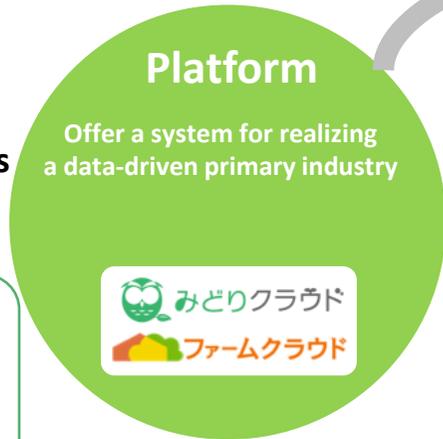
Midori Cloud Business

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

**Producers,
Distributors,
Consumers**

**Sales
agencies**

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



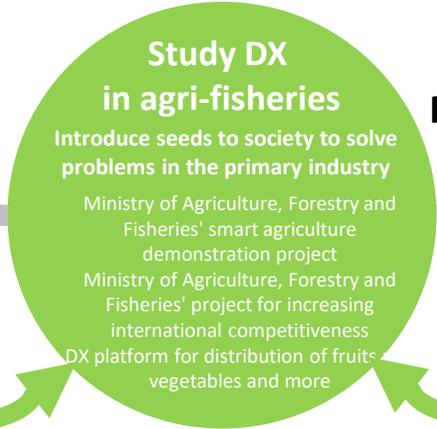
Use the platform



**Increase
added value**

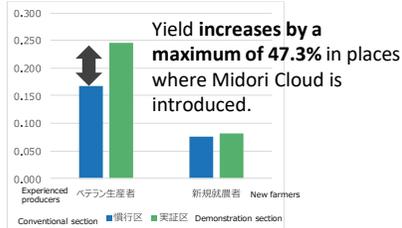
**Manufacturers,
system integrators,
local governments,
Japan Agricultural
Cooperatives (JA)
and agricultural
production
corporations**

**Incorporate functions to
increase added value**



Provide technology assets

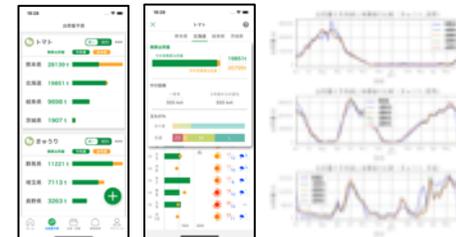
Agricultural production area
Smart agriculture technology applied on asparagus production system (Minamishimabara, Nagasaki Prefecture)



*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**

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.

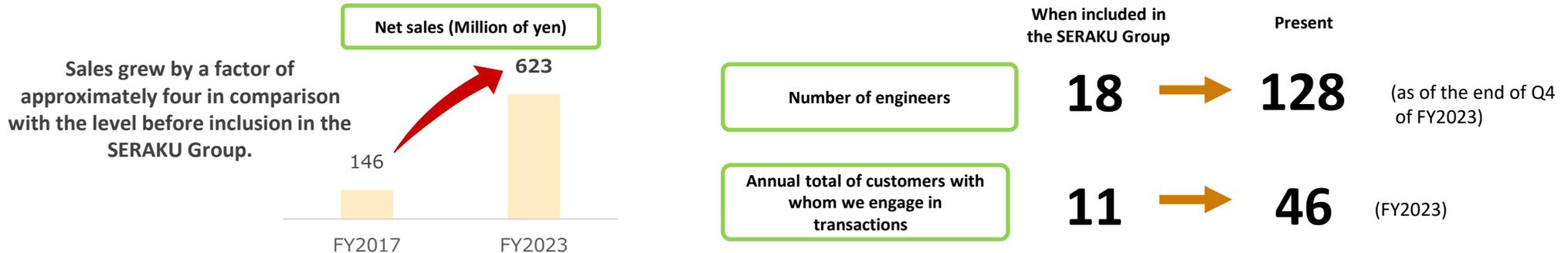
Mechanical Design and Engineering

- 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.

Ⅱ . FY8/23 Results of Operations

FY8/23 Highlights

sales

20.8 billion yen

Net sales topped 20 billion yen
They surged 16.8% year on year.

Engineer utilization rate

(As of Q4 of FY2023)

97.6%

We focused on the balance between hiring and
utilization to maintain a high utilization rate
throughout the year.

Operating profit margin

9.3%

The result is much higher than was forecast at the start of
fiscal year (6.9%) after good progress in engineer
assignment to projects.

Number of engineers

3,158

A focus on recruiting new graduate engineers
resulted in a net increase by 107.

FY8/23 Financial Highlights (1)

- Net sales grew 16.8% year on year given an increase in engineers and the winning of projects with high unit prices.
- Gross profit margin was 24.8%, reflecting a rise in engineer utilization rate and a shift to projects with high unit prices.
- With the SG&A expense ratio lowered from the previous fiscal year, operating profit leaped 119.4% year on year.

	Results FY8/22		Results FY8/23		
	(Millions of yen)	(% to sales)		(% to sales)	(YoY change)
Net sales	17,859	-	20,858	-	+16.8%
Gross profit	3,904	21.9%	5,178	24.8%	+32.6%
SG&A expense	3,017	16.9%	3,233	15.5%	+7.2%
Operating profit	886	5.0%	1,944	9.3%	+119.4%
Ordinary profit	1,434	8.0%	2,156	10.3%	+50.4%
Profit	966	5.4%	1,472	7.1%	+52.4%

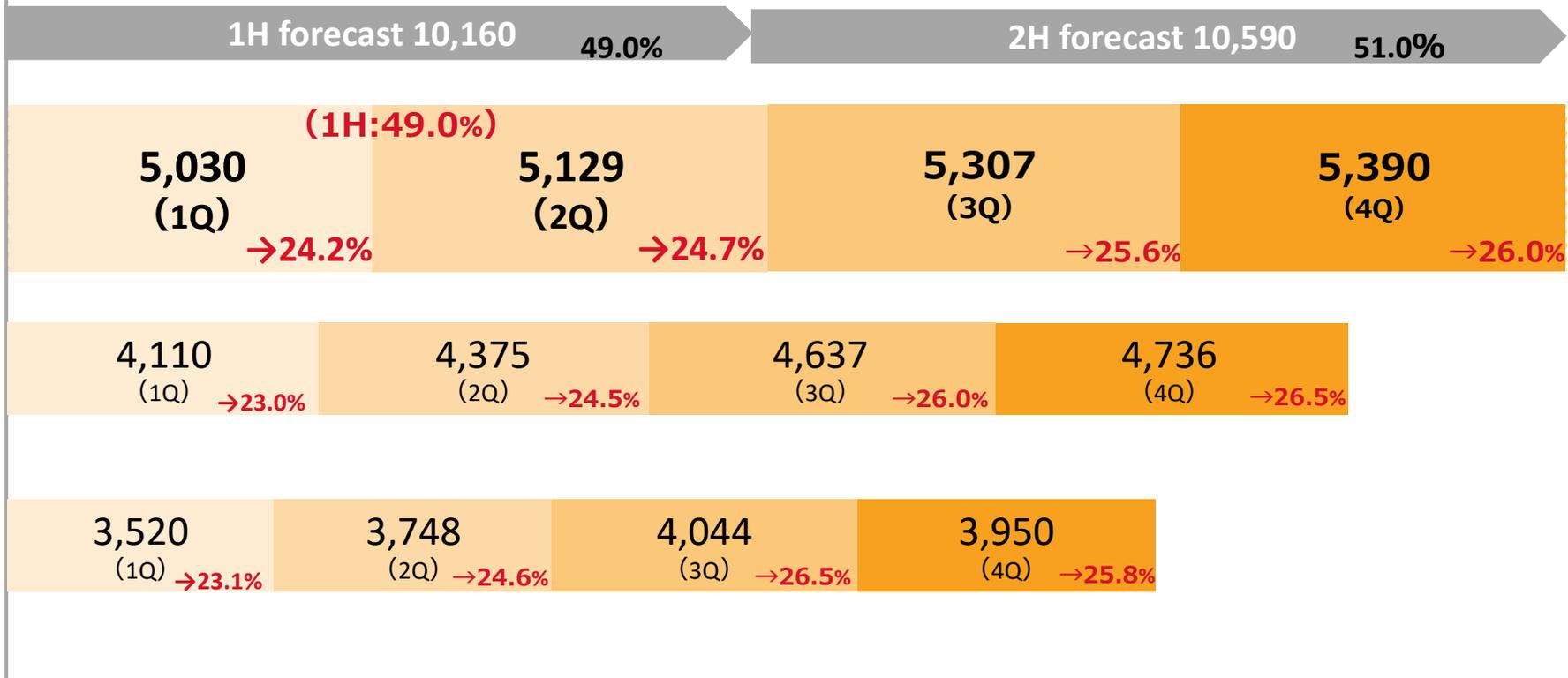
FY8/23 Financial Highlights (2)

- Many projects are long term and we maintain an accumulative business model.
- For the fiscal year ended August 31, 2023, net sales surpassed the level in the full-year forecast announced at the beginning of the fiscal year.
- Going forward, we will seek to increase the number of working engineers, including those from business partners, and shift to projects with high unit prices.

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

(Millions of yen)

*Revisions announced on July 12, 2023 are reflected.



FY8/23 Financial Highlights (3)

- Efforts were made to address the diverse needs of customers by utilizing technical resources in a cross-sectoral manner beyond the borders of former business domains.
- Growth was attained in the former SI domain and in the DX domain. We will take steps to enrich our services and increase added value.

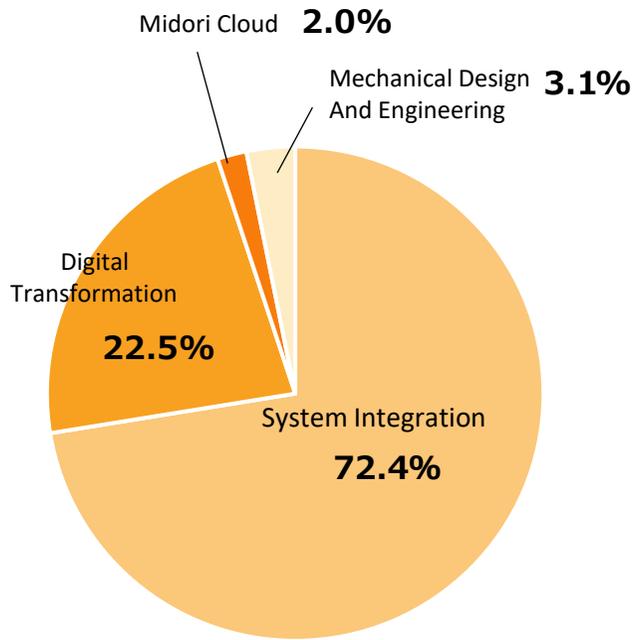
	(Millions of yen)	FY8/22		FY8/23		Increase and Decrease	
		Amount of money	% to Total	Amount of money	% to Total	Amount of money	Percentage increase
Net sales	Digital Integration	16,982	94.9%	19,920	95.2%	+2,937	+17.3%
	Midori Cloud	340	1.9%	371	1.8%	+31	+9.1%
	Mechanical Design and Engineering	565	3.2%	623	3.0%	+58	+10.3%
	Total	17,888	100.0%	20,915	100.0%	+3,027	+16.9%
Segment profit/loss	Digital Integration (Segment profit margin)	949 5.6%	107.0%	1,913 9.6%	98.9%	+964	+101.6%
	Midori Cloud	(63)	(7.1%)	(31)	(1.6%)	+31	-
	Mechanical Design and Engineering (Segment profit margin)	0 0.1%	0.1%	53 8.6%	2.8%	+52	+8223.2%
	Total (profit margin)	886 5.0%	100.0%	1,935 9.3%	100.0%	+1,048	+118.3%

*The above total amounts are those before including or excluding adjustments.

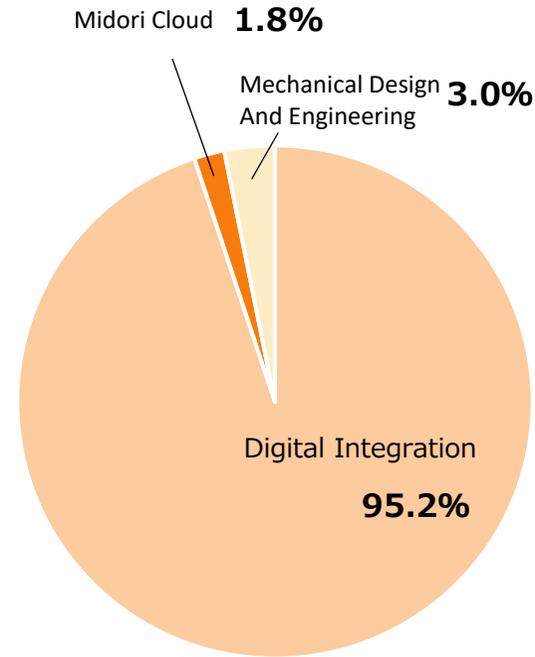
3Q FY8/23 Financial Highlights (4)

- Stable growth in the construction, operation and maintenance businesses of IT systems underpinned growth in new business.
- Regarding the sales ratio of the DX segment calculating based on the former segmentation is 26.4%.
- Profit margins remained high in the former DX segment. Personnel shift to the DX domain continued.

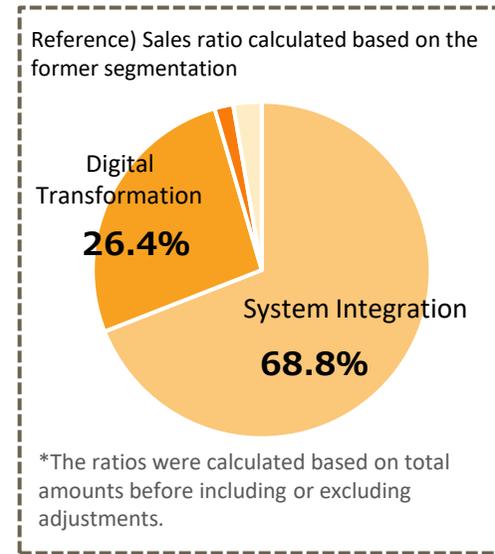
Sales by Business Segment



FY8/22

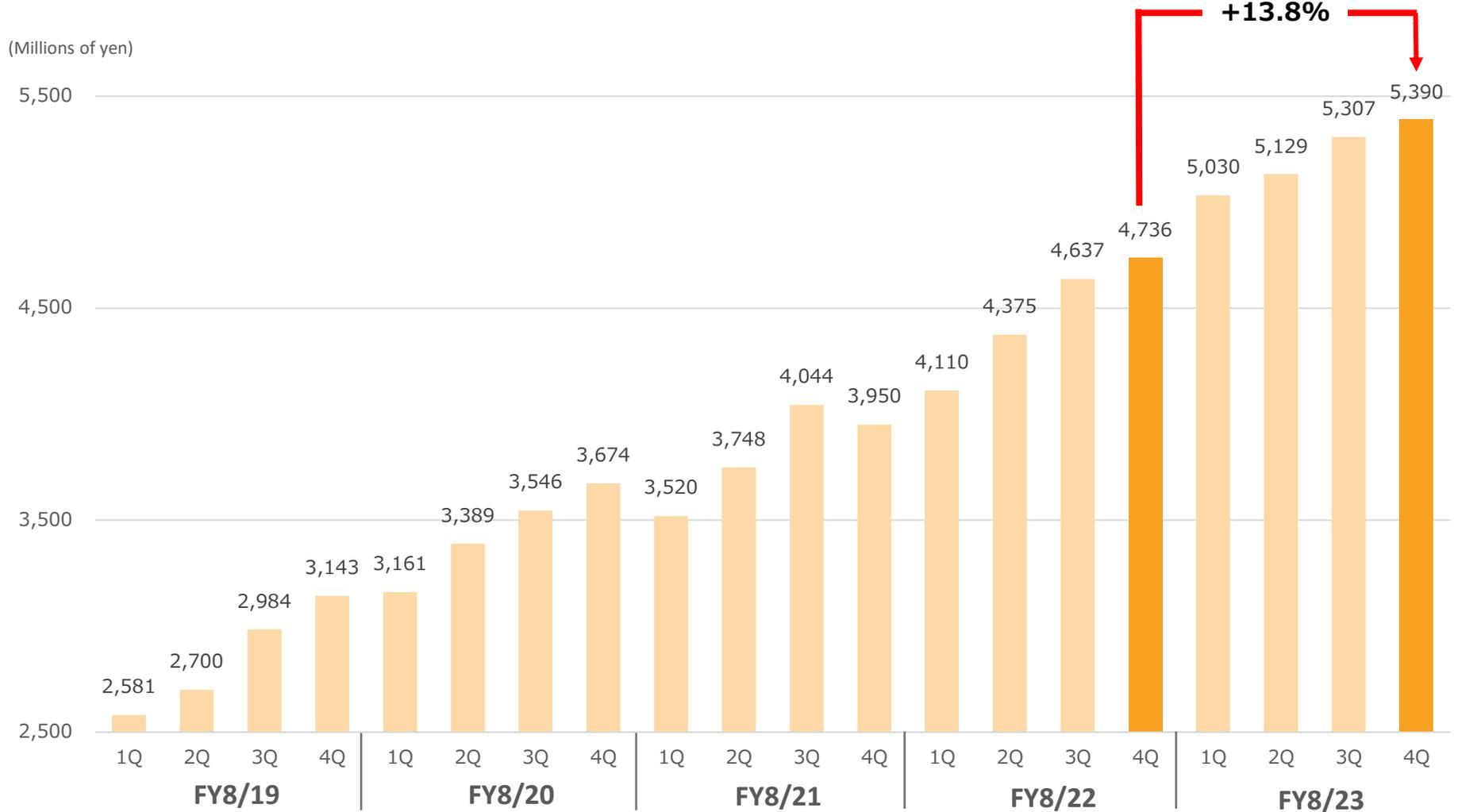


FY8/23



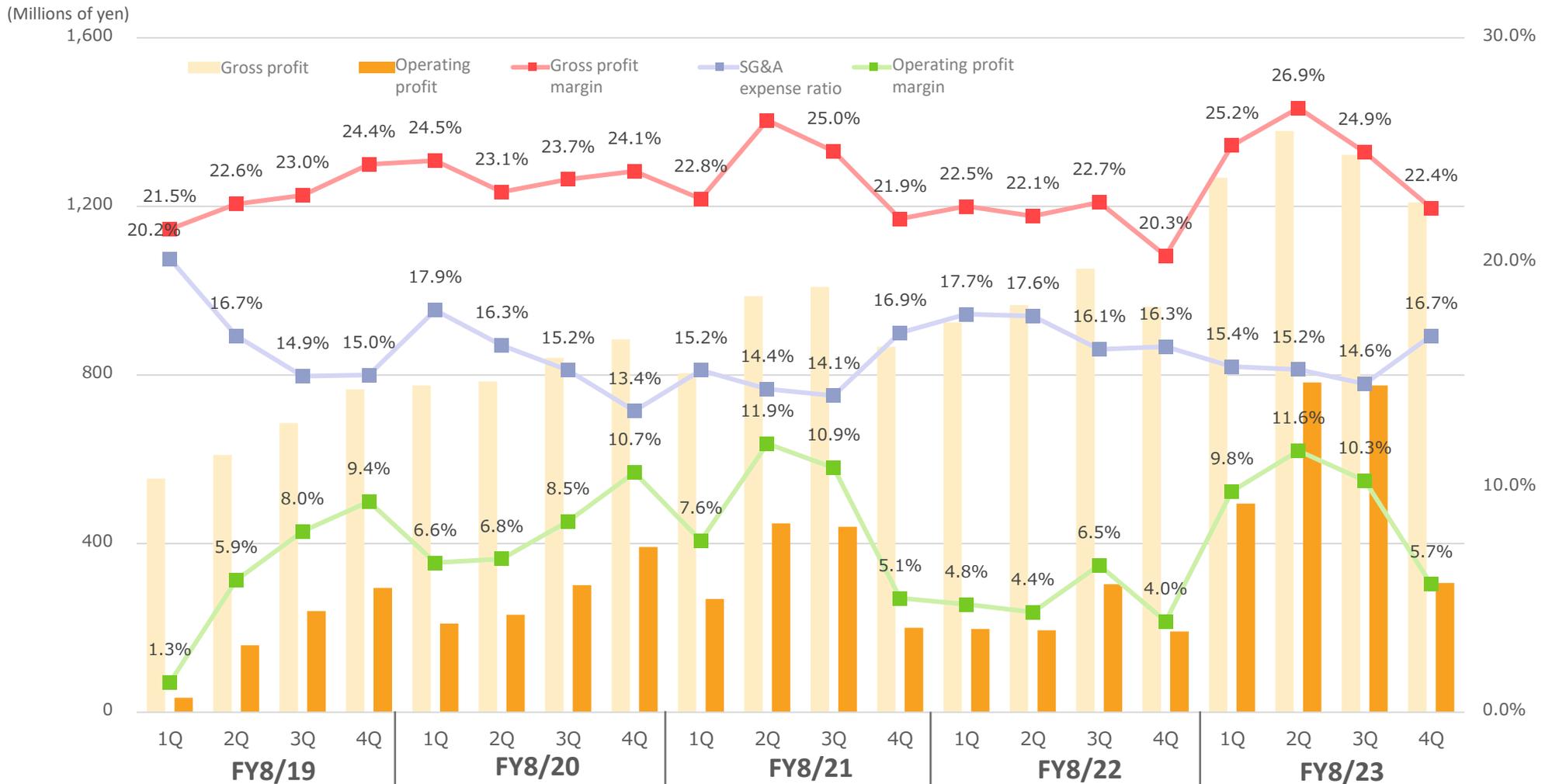
Quarterly Sales Growth

- In the fourth quarter of the fiscal year ended August 31, 2023, net sales increased 13.8% from the same period of the previous fiscal year, hitting a record high.
- Net sales stayed on the upward trend.



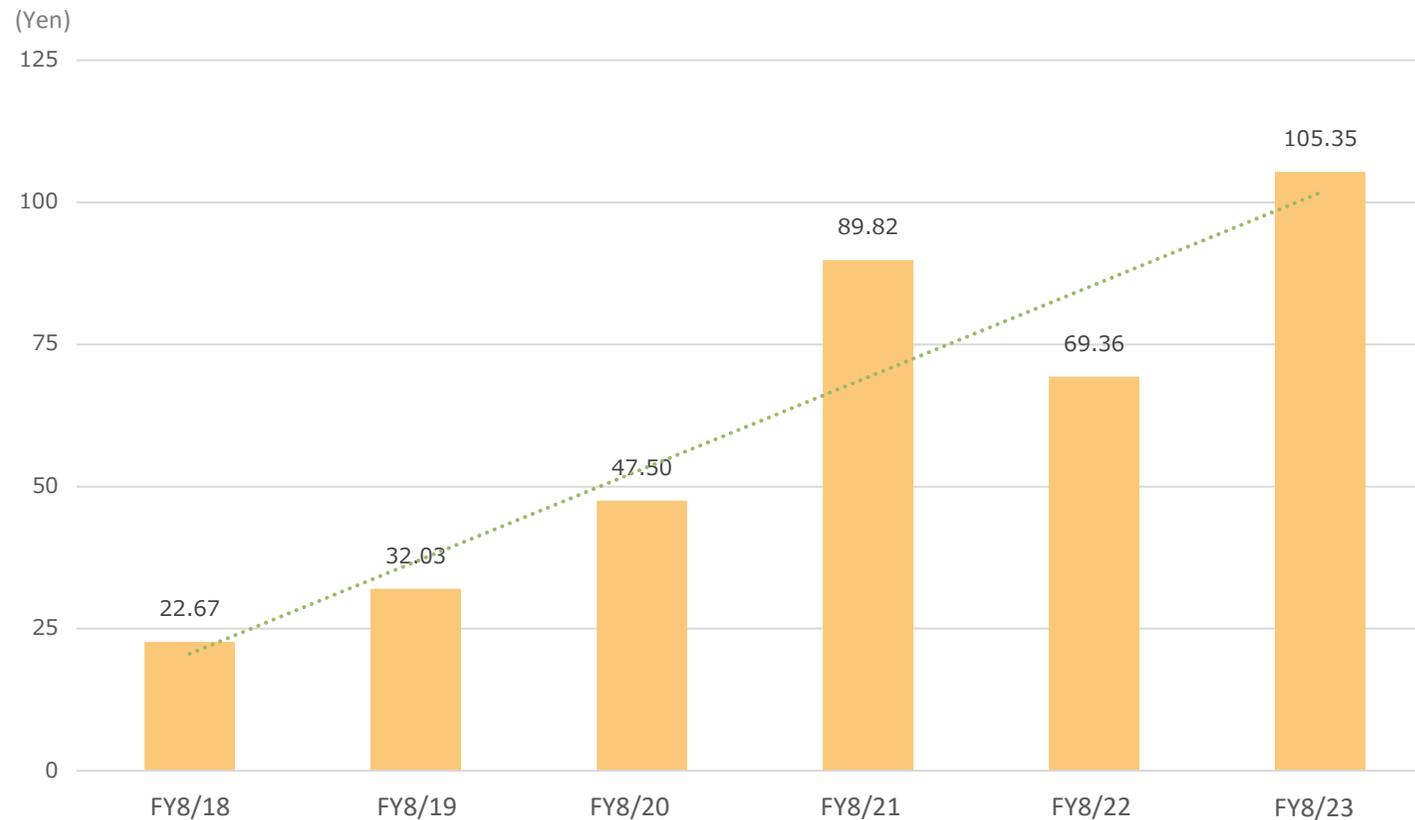
Quarterly Earnings Growth

- Increase/decrease in investment in growth relating to engineer recruitment had a significant impact on the gross profit margin.
- In 4Q FY8/23, increasing investments in recruitment and education led to declines in profit margin at each level.



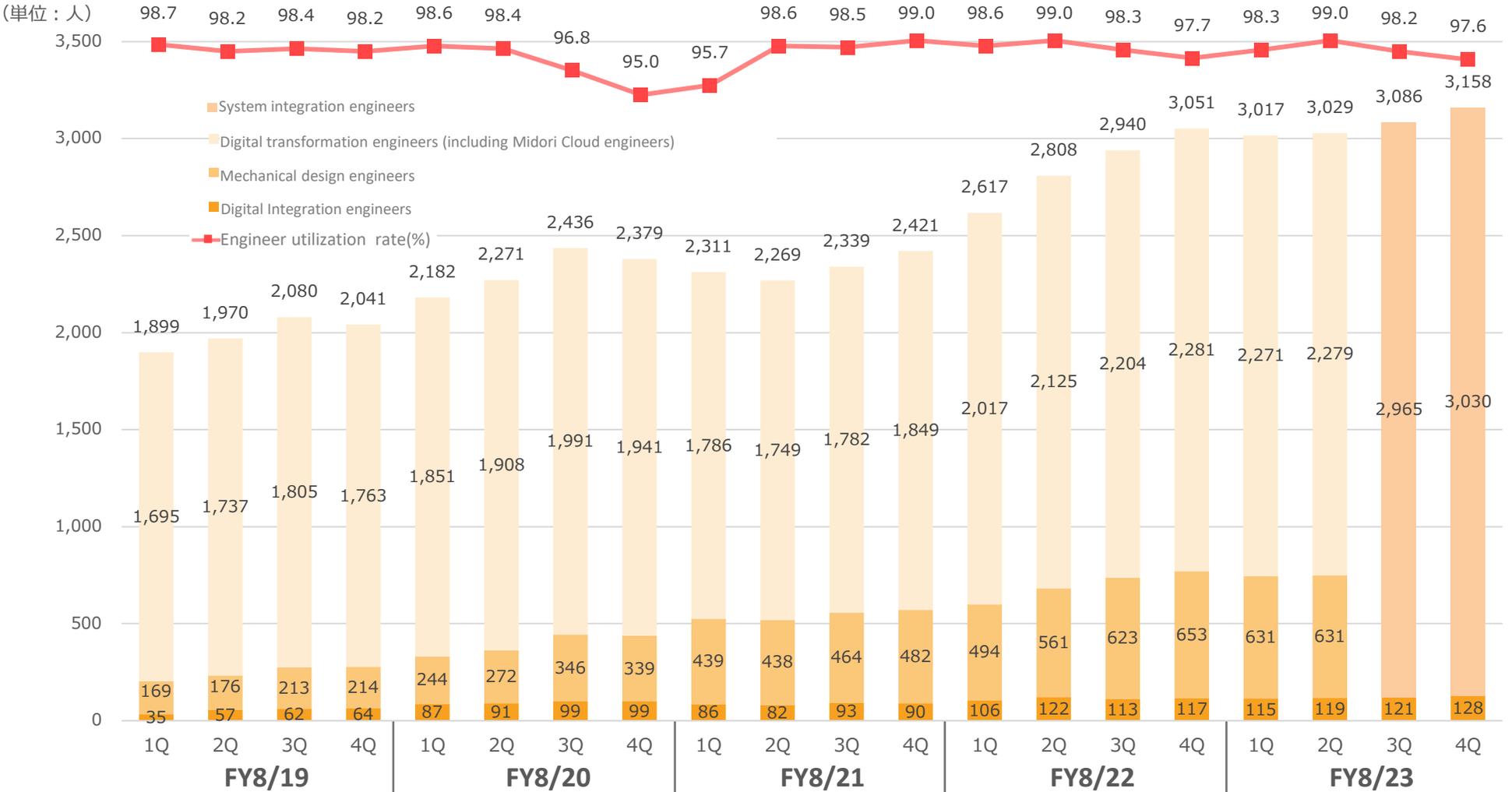
Trends in EPS in the Past Few Years

- **EPS (earnings per share) = Profit / Average number of shares outstanding in the fiscal year**
- **EPS stood at 105.35 yen in the fiscal year ended August 31, 2023 while aggressive investments were made.**
- **As an indicator of corporate profitability, ESP is on the increase.**



Number of Engineers and Utilization Rate

- For the fiscal year ended August 31, 2023, we recruited engineers while maintaining a balance with working engineers.
- The engineer utilization rate in the 4Q of the fiscal year ending August 2023 remained at a high level of 97.6%.

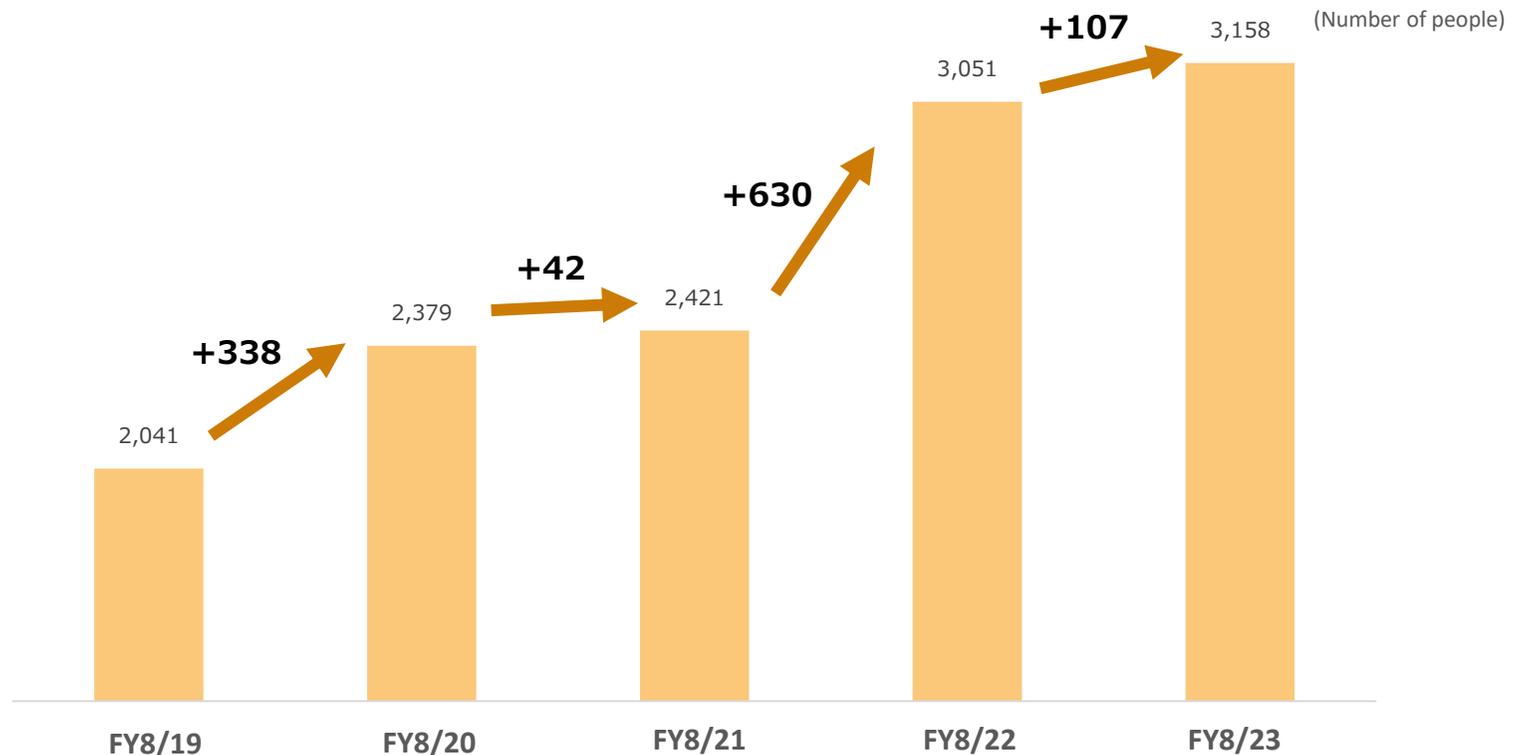


※稼働率は初期研修を修了した人員に対する稼働率とする

Trends in Net Increase in Engineers

**We have expanded business results in proportion to the number of our engineers.
In the future, we will aim to increase the number of working engineers including those from business partners, to shift to high value-added domains and to win projects with high unit prices.**

- For the fiscal year ended August 31, 2023, we had a net increase of 107 engineers compared with a target annual net increase of 120.
- While maintaining our advantage in independent recruitment, we will step up the cultivation and education of business partners.
- Going forward, we will seek to increase the number of engineers, including those from business partners.



- 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.
- 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.
- Apr. 27, 2023 **Realized AI-assisted forecasts on the shipments of produce and started to provide information on expected shipments in the main production areas.**
Created an AI-assisted system in which the shipments of produce are forecast based on a range of data such as volumes previously distributed in the market, as well as climate information.
- May. 29, 2023 **The Midori Cloud received the Development Encouragement Award in the 2023 Annual Convention of the Japanese Society of Agricultural Informatics.**
The Development and popularization of the Midori Cloud, a service that supports data-based agriculture, built a strong reputation, which resulted in receiving the Development Encouragement Award.
- Jun. 26, 2023 **The Midori Cloud Rakuraku Shukka service received the Excellence Award of the SX and GX Category in the Japan DX Grand Prix.**
The service was highly evaluated due to initiatives for addressing supply and demand issues at agricultural frontlines by leveraging expertise on smart agriculture, which resulted in receiving the Excellence Award.
- Aug. 25, 2023 **Release of NewtonX, a ChatGPT service for companies**
We released a secure generative and conversational AI service tailored for business use, featuring data leakage protection and enhanced operational productivity.
- Sep. 25, 2023 **Stepping into the cloud BPM domain in collaboration with NTT Data Intramart Corporation**
We released the Accel-Mart Quick cloud low-code development service combined with Seraku CCC's customer success function.

III. FY8/24 Initiatives and Growth Forecast

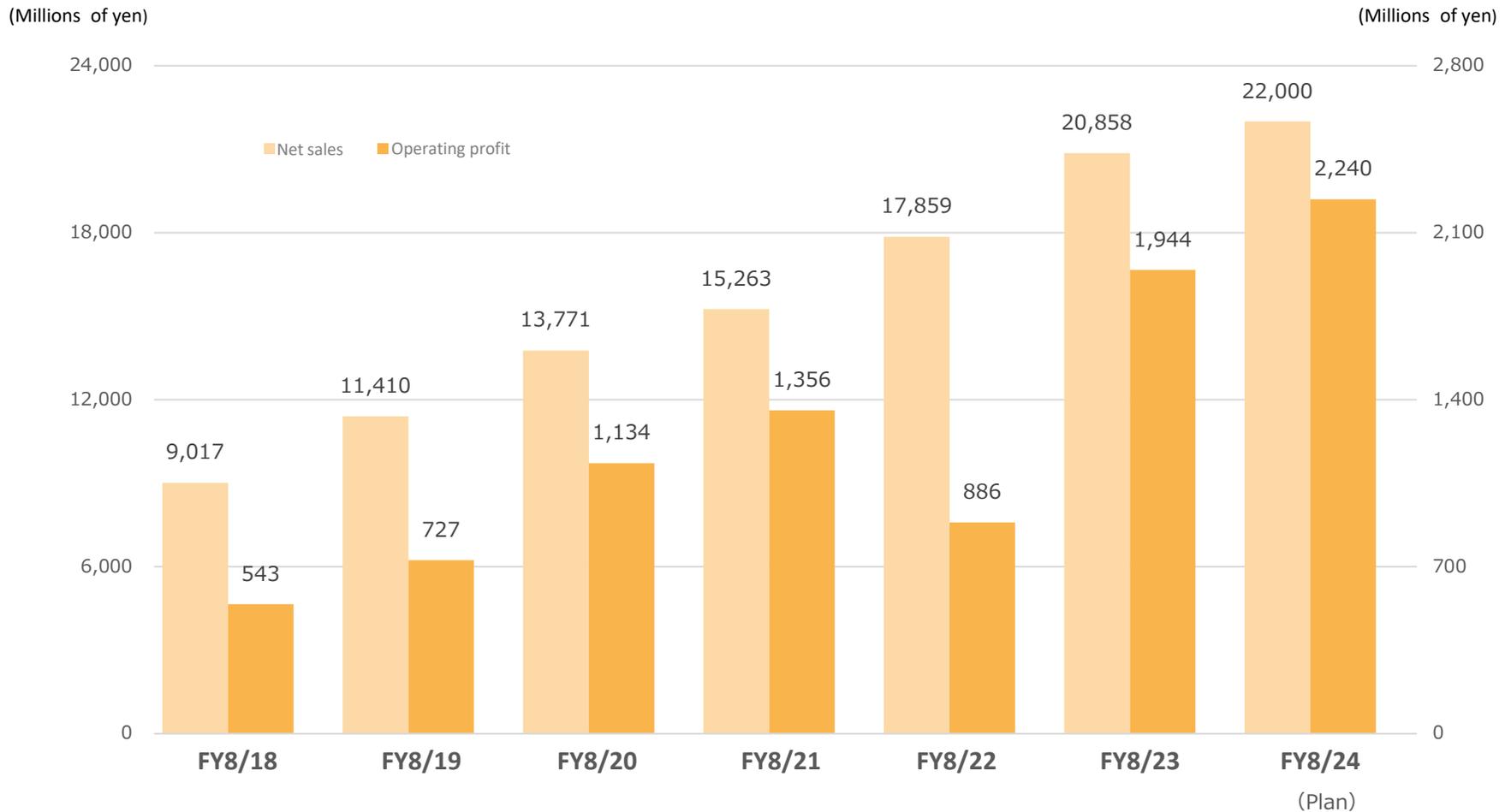
FY8/24 Plan (1)

- Net sales are expected to rise 5.5% year on year. We will establish a partner ecosystem and reform the customer portfolio.
- We will increase the utilization of partners and win more projects from prime contractors in order to boost the operating profit margin.
- We will step up shareholder returns, planning to increase dividends to 13.00 yen per share.

	FY8/23 results		FY8/24 plan		
	(Millions of yen)	(% to sales)		(% to sales)	(YoY change)
Net sales	20,858	-	22,000	-	+5.5%
Operating profit	1,944	9.3%	2,240	10.2%	+15.2%
Ordinary profit	2,156	10.3%	2,240	10.2%	+3.9%
Profit	1,472	7.1%	1,500	6.8%	+1.9%
Dividends	10.40yen	-	13.00yen	-	-

FY8/24 Plan (2)

- We will focus on structural changes with a view to the medium- and long-term maximization of net sales and operating profit growth.



Medium-Term Growth Vision

Step up our growth strategy and shift to the long-term maximization of net sales and operating profit growth

- Apply our strengths in recruitment, education and sales not only to employed engineers but also to the establishment of a partner ecosystem to secure capacity for growth from a long-term perspective
- Invest in the Midori Cloud business, Seraku CCC and DX services to increase additional value and profit margins

	-FY8/23	→	FY8/24-
Vision	Net sales: 50.0 billion yen		(1) Net sales: 50.0 billion yen (2) Operating profit margin: 15%
Growth Strategy	<ul style="list-style-type: none"> · Increase employed engineers to expand the scale of operations · Focus on net sales growth 		<ul style="list-style-type: none"> · Establish a partner ecosystem to expand the scale of operations · High added value · Build a profit structure that does not depend on the number of engineers
Strengths	<ul style="list-style-type: none"> · Recruiting capability · Training capability · Sales capability 		<ul style="list-style-type: none"> · Partner ecosystem (Procurement, education and matching) · DX service · AI/Automation · Agricultural IT · Recruiting capability · Training capability · Sales capability

* We had a goal of reaching 50 billion yen in net sales by the fiscal year ending August 31, 2027. We will prioritize maximization of the figure of operating profit and the margin and establishment of our strengths and change the period for achieving the target.

We will move to the TSE Standard Market on October 20, 2023.

- Focus on creating an environment in which our shares can be continuously owned and traded without worries
- Concentrate management resources on business growth in an effort to expand results over the medium and long terms.
- Continue dialogues with shareholders and investors to improve our total market value

**Achieve medium- and long-term growth in corporate value
with a focus on shareholder value and on the continued
expansion of business results**

Growth Forecast in Fiscal Year Ending August 31, 2024 (Summary)

DX domain

Become the Japanese leader in operating and utilization support the widespread use of cloud systems

- Increase the number of supported platforms

Expansion in the information system operating segment

- Expand due to increased demand for IoT cloud support centers and managed services

SI domain

Expand the size of the partner ecosystem

- Expand the total number of working engineers (including business partners)
- Enhance hiring, sales and training capabilities

Improvement of operating profit margin

- Implement structural reforms aimed at customers and projects

AI/Automation Segment

Creative productivity improvements to IT operation through AI/automation

- NewtonX ChatGPT operating service for enterprise
- Focus on R&D and customer development in the AI/Automation segment

Midori Cloud

Become the primary industry DX leader

- Focus on expanding sales of the Rakuraku Shukka collection and shipment support service

Human resources

Development of leader candidates

- Increase from the current 200 people to 600 people
- Redesign "three-year stories" for engineers

Corporate Philosophy

Promotion of health and productivity management

Growth Strategy (1) Become the Leader in operating and utilization support the Widespread Use of Cloud Systems

Market trends

- IT investments at companies is shifting from standalone system development and building to the use of cloud systems and expanded achievements
- The market is shifting to an era of business growth driven by combining and operating multiple cloud systems and utilizing data

Our initiatives

- At SERAKU, human resources who combine knowledge of cloud systems with the ability to develop and implement proposals support the success of clients



Expertise in operation and utilization support of widespread use established through customer successes with Salesforce is being rolled out to other platforms



Number one domestic share in office cloud (46.7%) Research by Keyman's Net



Developed and marketed by an NTT Data affiliate
Used by over 9,500 companies in Japan



Installations are expanding with an average annual growth rate of over 30%
Regards Japan as a key market



Major personnel and payroll system in Japan
Established a joint venture structure with the developer WHI

We will extend our service areas to high-growth platforms and expand in size through collaboration with platform operators

- In September 2023, SERAKU jointly launched the Accel-Mart Quick service installation and establishment support service in collaboration with NTT Data IntraMart Corporation

Growth Strategy (2) Expansion in the Information System Operating Segment

Market trends

- From IT infrastructure and device management to business systems and in-house support, the tasks performed by the information systems departments of companies are becoming increasingly complex
- As the shift to cloud computing proceeds, there has been a shift away from the use of maintaining services from first-party provides, and an expanded utilization of third-party operation such as SERAKU provides

Our initiatives

- SERAKU not only provides routine maintenance and operation; we offer one-stop solutions for non-routine problem solving, trouble handling, automation and more

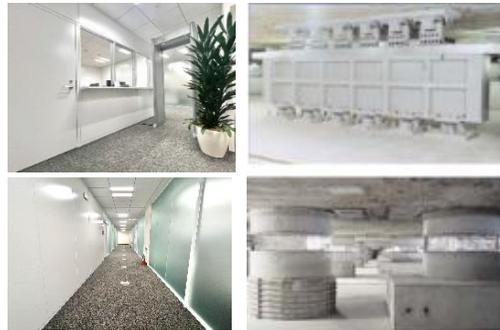
IoT, Cloud Support Center / Expanded Managed Services

- Providing IT infrastructure and information system operation with a round-the-clock and year-round structure
- Maintaining a decided facility fully equipped with security in the Tokyo metropolitan area
- Plans to open a second site to expand and enhance services
- Engineers with problem solving capabilities are stationed in our continually staffed center
- Promoting operational automation and AI utilization in the IT infrastructure segment
- Currently contracted to handle operation for around 100 companies

We expand to increase projects for long-term and continuous operation at a pace of around 10 clients a year, with a focus on major companies



The image has been modified for security reasons



IoT and Cloud Support Center operated in a dedicated facility complete with earthquake resistance and backup power supply

Examples of companies contracting SERAKU for operation

Major online shopping website operator: server operation

Operation and maintenance of data center for a local government

Multi-site network equipment installation and operation for a university

E-commerce site (cloud server) operation

Approx. 100 companies

Growth Strategy (3) AI and Automation

Market trends

- With the emergence of ChatGPT, the utilization of AI in corporate activities is proceeding a rapid pace
- The future holds the promise of being able to reuse corporate information assets through fine tuning (in-house data specialization, field-specific AI utilization)

Our initiatives

- SERAKU possesses technical capabilities related to AI and automation technologies, and developed these capabilities into services at an early stage

NewtonX

Release of the NewtonX ChatGPT utilization service for enterprise in August 2023

- In-company utilization under security management schemes
- Cost reductions (cheaper than individual use)
- Support for utilization based on customer successes

* Similar needs as the corporate use of smartphones are expected



Support for field- and company-specific AI utilization through fine tuning

- Field-specific services
- Content generation using in-company data

Development of AI-proficient human resources in SERAKU businesses

Utilization of AI and automation assets

Roll-out of AI and automation to various fields including program development, support desk services, IT operation and monitoring, and digital marketing

Developing added value and promoting higher profit margins in SERAKU's businesses

In addition to our future vision to fully commercialize AI utilization support for companies, we will also pursue the utilization of AI and automation in our own businesses to develop high levels of productivity



Seminars conducted to coincide with the release of the NewtonX service

Seminar attendees: **235** companies, securing trial applications from **30** companies

Growth Strategy (4) Agricultural IT Segment

Market trends

- There continue to be high social expectations for agricultural DX, and DX implementation from a long-term perspective is anticipated
- While there are many companies competing in and entering the market, they are forced to withdraw or downsize in the long-term due to a lack of ongoing investment capacity

Our initiatives

- SERAKU has a track record in platforms and solutions, and is working to expand new services for the huge fruit and vegetable distribution market

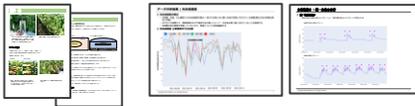
Platform

Realizing a data-driven primary industry



Solutions

Conduct extensive research and development with local governments, JA and agricultural production companies



New services



Shipping work (3) The QR code is canned to register shipping

Midori Cloud Rakuraku Shukka

Fruit and vegetable collection and shipping tasks have been streamlined with the use of cardboard box stickers with QR codes printed on them and a mobile app

- **High barriers to entry**
 - Combination of agricultural knowledge and IT service capabilities
 - Patents are pending for major parts of the business
- **Marketability**
 - 100 billion cardboard boxes with fruit and vegetables are distributed each year in Japan
 - * SERAKU estimate based on industry group data

For Rakuraku Shukka, we will focus on expanding sales to deal with actual demand, primarily from JA
We will continue to help solve long-term social issues with platforms and solutions

JA branches covered

Approx. 550 nationwide

Business negotiations are underway for more than five projects based on the results from Hiroshima Prefecture where initial introduction was completed

Streamlining shipping tasks

Up to 85%

Based on actual measures in an initial case of introduction, effects of shortening work times by up to 85% were obtained

Growth Strategy (5) Establish a Partner Ecosystem and Implement Structural Reforms Aimed at Customers and Projects

Market trends

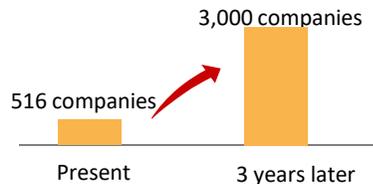
- Current demand for IT personnel has been strong, and there are plenty of potential projects

Our initiatives

- Establishing a Partner Ecosystem
- Growth the hiring, training and sales capabilities we possess in a way that reflects current market conditions

The number of partner companies is expected to rapidly expand

Number of partners
Present **516** companies



- Focus on developing and cultivating excellent partners and matching them with the right projects
- Enter markets with a combination of SERAKU leaders and partner personnel

Based on investment in hiring and education to date, we will focus on expanding the size of business in terms of the total number of engineers including partners, aiming to improve profit markets on a per-project basis

We receive 5,000 human resource proposes from partners each month

Utilize partner platforms to promote matching between proposals to customers and projects

Implement nationwide partner meetings

Held in Tokyo, Nagoya and Osaka
Many partners took part



SERAKU Partner Platform

Information on SERAKU-owned projects are distributed online to match them with partners

Growth Strategy (6) Maximizing Human Resources and Practicing Our Management Philosophy

Social trends

- The difficulty in hiring IT human resources and retaining them in the long-term continues to grow in the current environment

Our initiatives

- Continue to refine programs that are able to provide commensurate compensation and career advancement to human resources with strong potential
- Realize an environment in which employees can develop their careers in the long-term through health & productivity management and the practicing of our management philosophy aimed at realizing the happiness of employees

Obtain further room to increase compensation

- Improve sales and gross profit per employee
- Increase the current gross margin of 30% by 40% or greater three years from now
- Raise profit margins by increasing commercial distribution and modifying contracts

Visualize skills and careers for each engineer

- Management skill improvement records, future plans and project assignments for each individual
- Develop careers for each individual based on dialogue with supervisors and future plans

Switch to working styles that emphasize in-person and interpersonal relationships

- Thoroughly implement a policy emphasizing work attendance, fostering an awareness of fellowship and personal relationships between supervisors and subordinates

Leader human resource development program

- We have formulated a development program to be implemented from the fiscal year ending August 2024 that will produce 600 leader human resources in three years' time
- Select promising candidates to establish their track records and experiences in leadership roles early on

Establishing "three-year stories" for engineers

- Redesign training programs covering the period up to three years after joining the company
- Create added value at an early stage, increasing compensation and contributing to profit

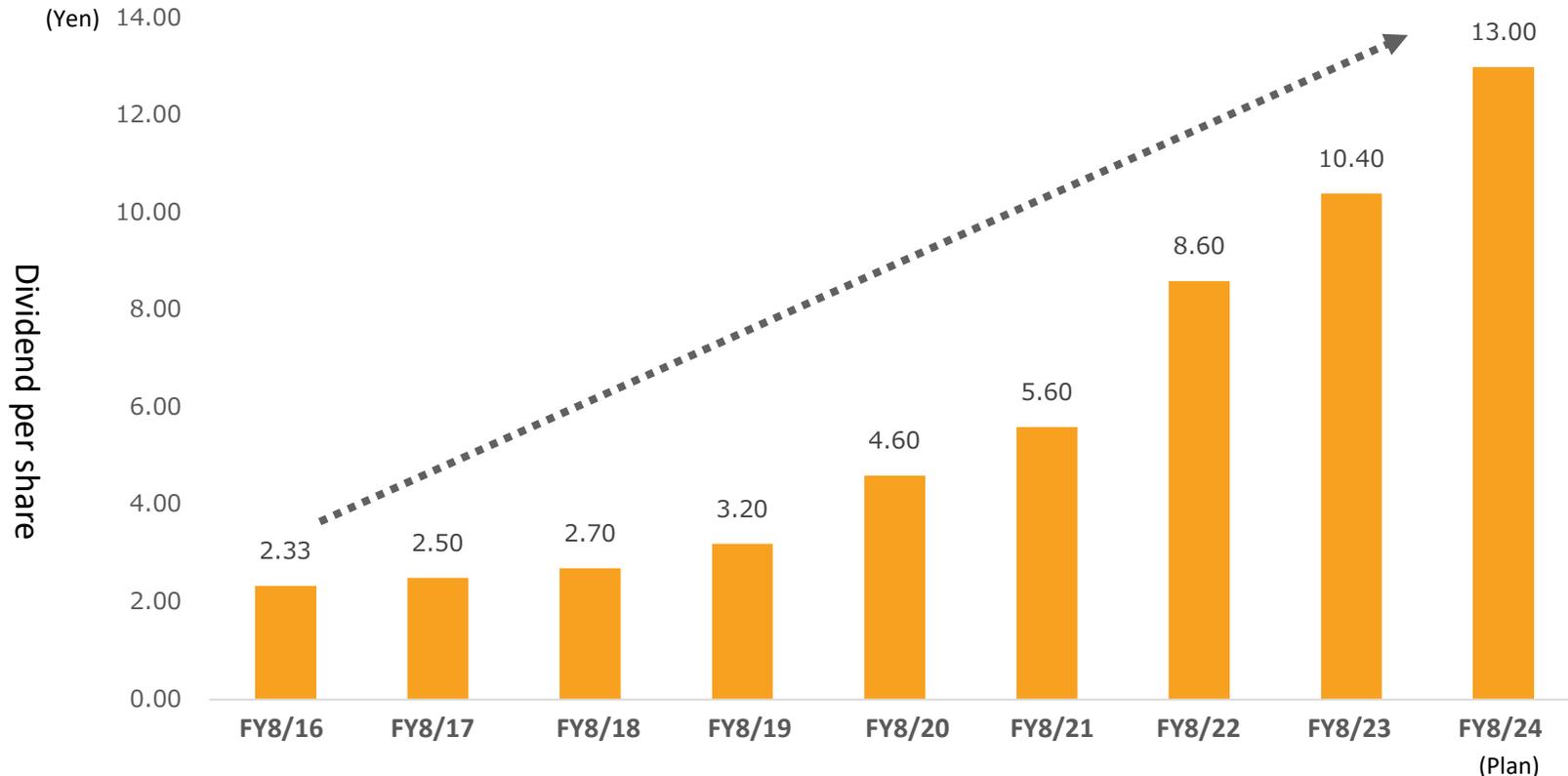
Management philosophy: Pursue happiness for employees

- Implement several in-house events on the theme of "walking"

Promote increased employee compensation and career development, forming of a community through work, and improvements to an environment that will allow employees to be healthy and flourish in the long-term, thereby achieving our management philosophy

Shareholder Return and Improving Relationships With Stakeholders

- In the fiscal year ended August 31, 2023, we posted a significant increase in profit over our initial forecast, issuing increased dividends of 10.40 yen due to performance-linked dividends
- For the fiscal year ending August 31, 2024, we plan to issue dividends of 13.00 yen per share (a payout ratio of 12.1%), a 2.60 yen year-on-year increase
- Dividend amounts per shares have increased by over five times since SERAKU was publicly listed (fiscal year ended August 31, 2016)
- In the future we will increase opportunities for dialog with individual investors



* On March 1, 2016 SERAKU conducted a four-for-one stock split of common stock, and per-share dividend amounts are listed based on figures after adjustments to reflect the stock split.

SERAKU's Initiatives for ESG and SDGs

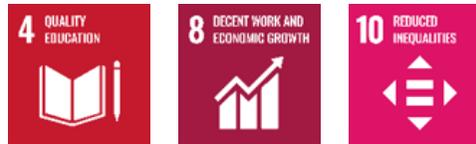
The SERAKU Group will build a long-term foundation for growth by promoting ESG activities. As a company that creates social value, the Group will strengthen initiatives to help achieve a sustainable society.

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 FY8/24 forecasts or differences between the results of operations and these forecasts that require disclosure.