



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

January 2022

I. Company Overview

Management Policy

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

Company name: SERAKU Co., Ltd.

Established: December 1987

Representative: Tatsumi Miyazaki, Representative Director

Capital: 305,221,300 yen (as of December 31, 2021)

Employees: 2,880 on a consolidated basis (as of November 30, 2021)

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

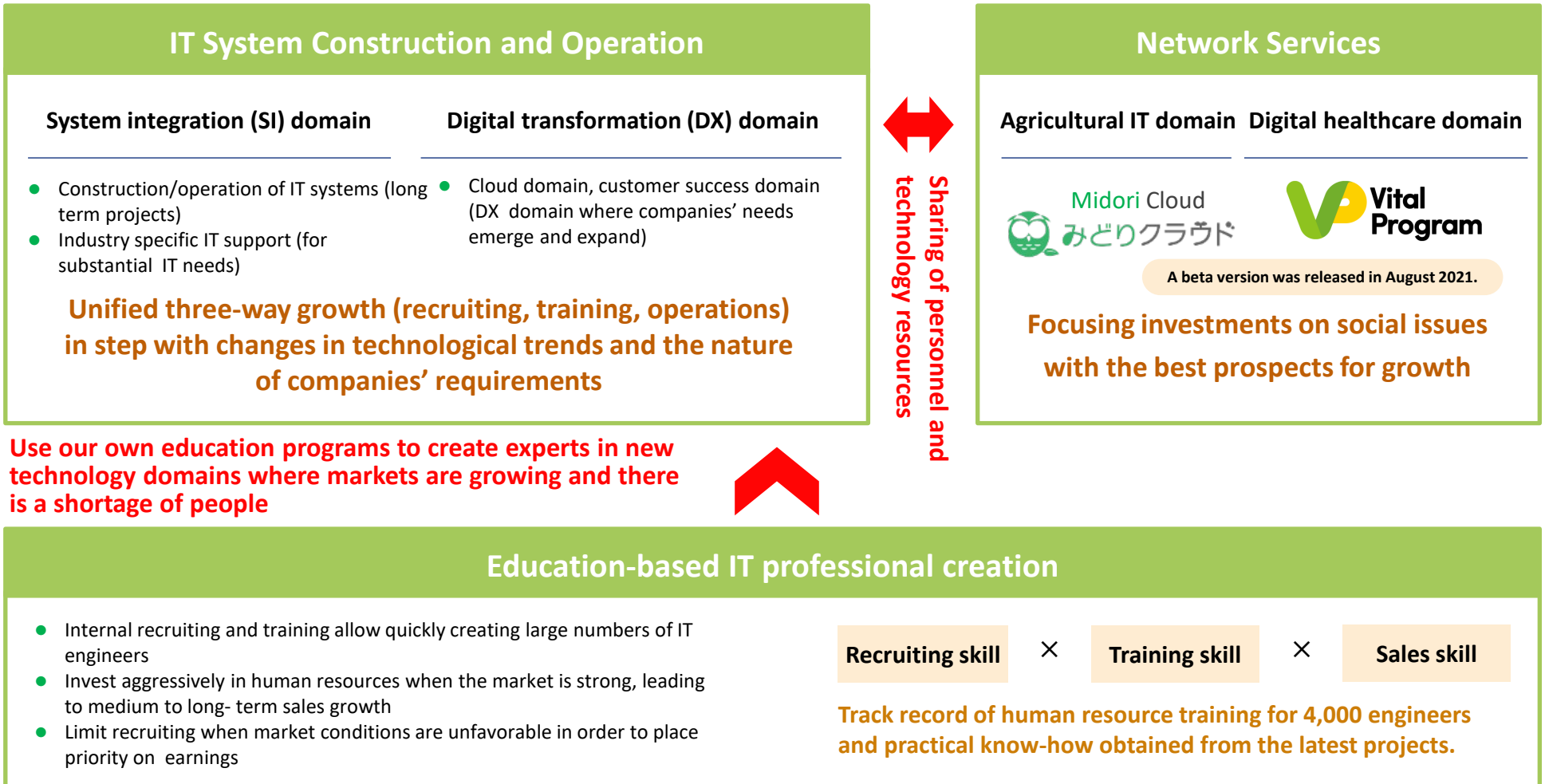
Group companies: P's Engineering (wholly owned subsidiary)

SERAKU ECA (wholly owned subsidiary)

Listed exchange: Tokyo Stock Exchange, First Section (stock code 6199) Listed on November 20, 2017

Our Business Model

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



Business Segments and Service Domain

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

Digital Transformation (DX)

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

Cloud & Solutions Business

- Infrastructure solutions
- IoT cloud support center
- Cybersecurity

Customer Success Solutions Business

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

Midori Cloud (DX)

Support the primary industry by leveraging the power of IT.

Midori Cloud
Midori Cloud Business  みどりクラウド

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

System Integration (SI)

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


Construction, operation and maintenance of IT systems

- Operation of IT infrastructures
- Operation of IT systems

Industry-specific IT support

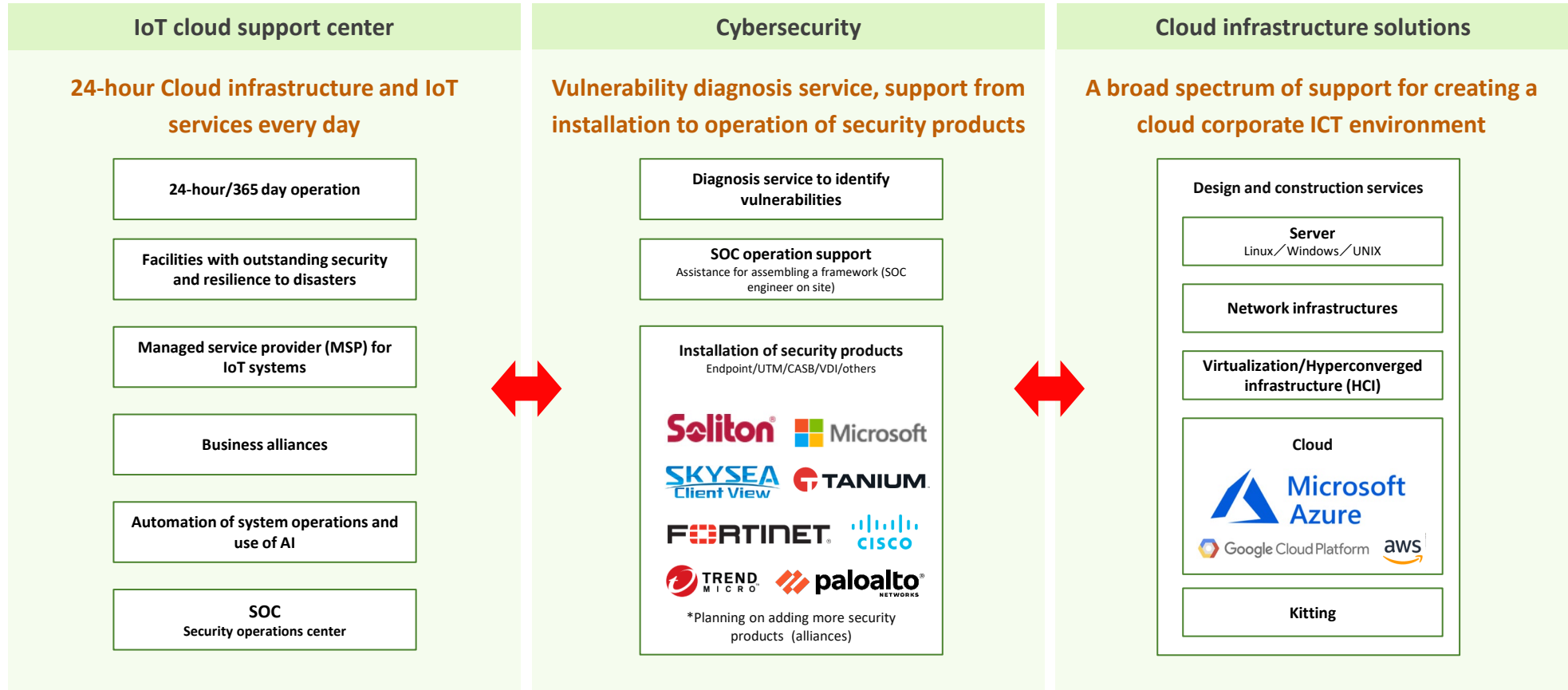
- Financial/social systems
- Information communication systems
- Enterprise systems
- Service management
- Quality assurance

Mechanical Design and Engineering

P's Engineering
 ピーズエンジニアリング

DX: Cloud & Solutions Business

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



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

DX: Customer Success Solutions Business

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

Salesforce.com utilization support services

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



Utilization assessment program

Utilization support service

Salesforce manager support service

Design of marketing activities



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

Data science



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

In cooperation with NTT data and Netyear Group Corporation, supporting customers' use of Salesforce and providing more sophisticated business services



NTT DATA



A consolidated subsidiary of NTT Data from 2019

- In April 2021, SERAKU, in cooperation with NTT Data, launched a business reform support service beginning with support for using Salesforce for companies that have introduced Salesforce.
- In July 2021, SE strengthened the Pardot, a BtoB marketing automation tool, utilization support service in cooperation with Netyear Group Corporation.
- Salesforce Platform utilization support for big businesses is making good progress.
- SERAKU is accelerating the creation of cross-cloud staff, for whom demand is strong in the market and Salesforce.com Co., Ltd.

Expand the area of service covered by utilization support.

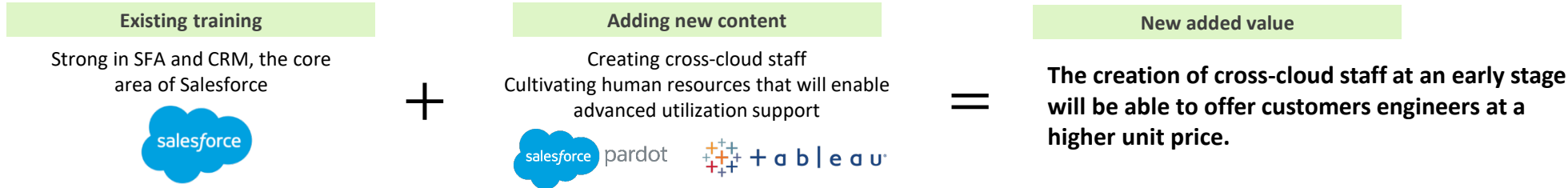
- The area of service expanded, reflecting an increase in needs for utilization support, aiming to develop engineers who can use MA and BI tools.
- In the fiscal year ending August 31, 2022, we will aim to increase the number of the highest-ranking Tableau-certified engineers among the Tableau partners in Japan.



DX: Customer Success Solutions Business

Updating the curriculum in consideration of market trends

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



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



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

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



DX: Digital Healthcare Business

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



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



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

Making health condition visible



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

Risk alert



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

Proposing improvement measures



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



Healthcare



Economics



Data science

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

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



Midori Cloud Business




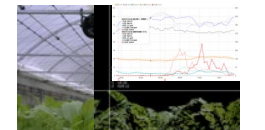
A platform to support agricultural production (IoT device x Cloud service × Data science)



A platform for agriculture

Used at more than **2,600** locations
In use in all 47 Japanese prefectures

Use agricultural production data for data-driven agriculture

<p>Environmental measurement and records</p>  <p>IoT devices measure environmental parameters at an agricultural operation, store data in the cloud and generate notices of abnormalities.</p>	<p>Production plans and work records</p>  <p>Use PCs and smartphones for production plans and records of work performed. Also facilitates GAP certification and implementation.</p>
<p>Automatic environmental control</p>  <p>Windows, temperature control, ventilation and other items are controlled automatically or remotely via an app.</p>	<p>Data comparisons and analysis</p>  <p>Data are analyzed and compared with data at other locations and AI and machine learning are used to improve production.</p>

A platform for pig and chicken farming




Used at more than **120** locations

Boosts productivity through the visualization of buildings and equipment for pigs and chickens



Agriculture and Fisheries solutions for companies and the public sector

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

<p>Agricultural production support platforms</p> 	<p>SERAKU technologies</p> <ul style="list-style-type: none"> ● AI/machine learning ● UI/UX optimization ● System/applications ● Communication/network ● Hardware/IoT 	<p>Digitalization</p> <ul style="list-style-type: none"> ● Sensing ● IoT device installation ● Data collection ● Use of smart devices to record data 	<p>Boosts productivity</p> <ul style="list-style-type: none"> ● BI tools for visualization ● Development of UI/UX ● AI for automation/laborsaving measures ● Control by using the IoT 	<p>Improves management</p> <ul style="list-style-type: none"> ● Optimization of equipment and animal feed ● Support for receiving certifications ● Higher efficiency ● Sales channel optimization
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DX: Midori Cloud Business

Examples of Agriculture and Fisheries solutions

Asparagus production using smart agriculture technology



The Smart Agriculture Demonstration Project of Japan's Ministry of Agriculture, Forestry and Fisheries (Minami Shimabara, Nagasaki)

Smart agriculture provides the visualization of temperature and water supervision for the stability of production. This also creates a production system that overcomes the harvesting and shipment bottlenecks due to a labor shortage. This project will be used as the guideline for asparagus production that uses smart agriculture technology.

Asparagus farms are a sector that is lagging behind regarding the use of data. This project is aimed at revolutionizing the asparagus growing business.

Equipment management system using Midori Note



Solutions for major forestry companies

At businesses nationwide the grow tree seedlings, centralizing oversight of production progress and the use of equipment at multiple locations has been a challenge. SERAKU developed equipment, inventory and other management functions for inclusion in Midori Note to provide this centralized supervision.

These additional functions were developed quickly because Midori Note already provided a standardized format for production management.

An IoT chicken cage system using Farm Cloud



A solution for a large poultry farming business

Cages used for poultry farming have sensors and control devices (PLC). Connecting these items to SERAKU's Farm Cloud transforms this cage system into an IoT system. With Farm Cloud, monitoring and analyzing data are easy. This allows using data to improve poultry farming operations and the collection of eggs.

This technology swiftly converted a cage system, which had been a legacy system, into an IoT system at a low cost.

System Integration Business

- Expansion of the education based IT professional creation business and stable growth through the operations of long-term IT infrastructure/systems
- Greater added value by shifting experienced professionals to the DX domain and making them project managers

Operation of IT infrastructure/systems

Assign tasks that match each engineer's skill level at long-term continuous IT infrastructure and IT system operation projects.

- Use education based IT professional creation to consistently increase the number of engineers.
- More than 75% of business are large scale operation projects that require long term continuous operation.
- The number of customers and projects is increasing because of the large volume of IT needs,
- The number of customers at locations other than Tokyo (Yokohama, Nagoya, Osaka, Fukuoka) is growing.
- Progress with workforce diversity, such as more female leaders, continuing to use people after childbirth and other major personal events, the use of teleworking to provide services, and other measures,

Industry-specific IT support

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

Financial/social systems

Information communication systems

Enterprise systems

- Train IT professionals with operational knowledge in sectors with strong IT needs.
- 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.



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 people with no experience 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 higher level jobs

We will focus on expanding the size of business through active recruiting activities.

SERAKU's Competitive Strengths in the System Integration Business

Recruiting skill

- 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 on a nationwide scale
- Training programs and a lineup of appealing services to allow SERAKU to offer attractive career opportunities; up to 3,000 applications received each month

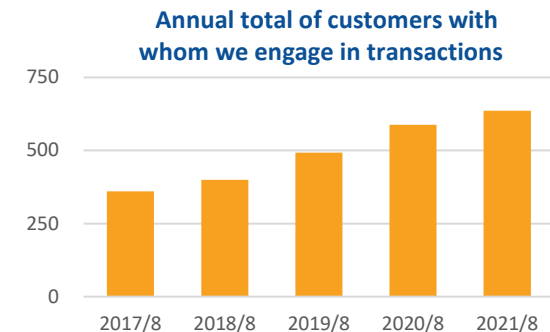
Training skill

- 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 skill

- 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



Ⅱ . 1Q FY8/22 Results of Operations

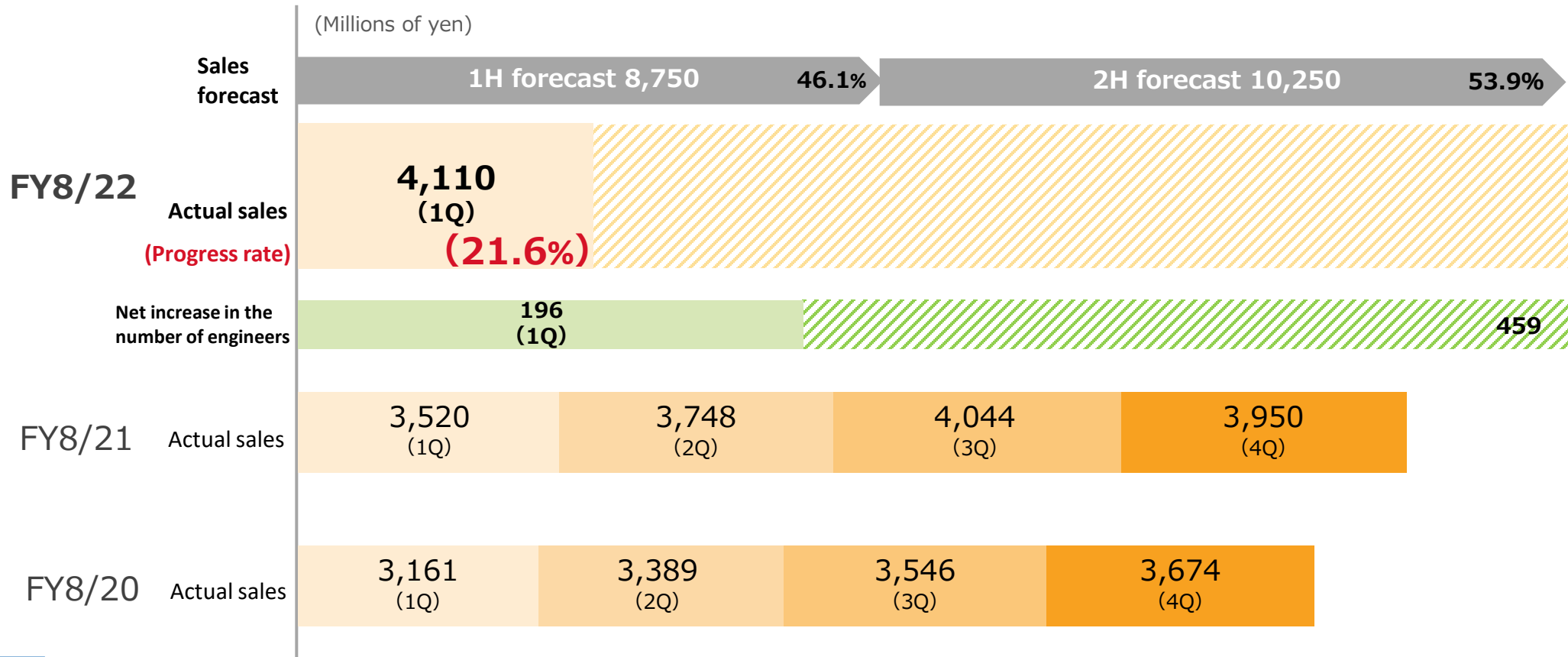
1Q FY8/22 Financial Highlights (1)

- Progress was made as planned in the achievement of net sales and operating income.
- In the first quarter of the fiscal year ending August 31, 2022, the number of advance investments in recruitment and education rose with an eye toward further growth.
- For the fiscal year ending August 31, 2022, or a period in which business is expected to grow again, we will enhance profit generation capabilities in the second half by leveraging investments made in the first half.

	1Q FY8/21 results		1Q FY8/22 results		
	(Millions of yen)	(% to sales)	(Millions of yen)	(% to sales)	(YoY change)
Net sales	3,520	-	4,110	-	+16.8%
Gross profit	803	22.8%	925	22.5%	+15.1%
Operating profit	268	7.6%	197	4.8%	-26.5%
Ordinary profit	486	13.8%	318	7.7%	-34.5%
Profit	286	8.1%	170	4.2%	-40.4%

1Q FY8/22 Financial Highlights (2)

- Net sales, which are in proportion to the number of engineers operating, rise mainly in the second half every year.
- As of the end of the first quarter of the fiscal year ending August 31, 2022, a net increase in the number of engineers stood at 196. Reflecting a large number of engineers employed in the first half, a portion of net sales that will occur in the second half are expected to increase further.
- The rate of progress in the achievement of net sales was made as planned in the first quarter of the fiscal year ending August 31, 2022.

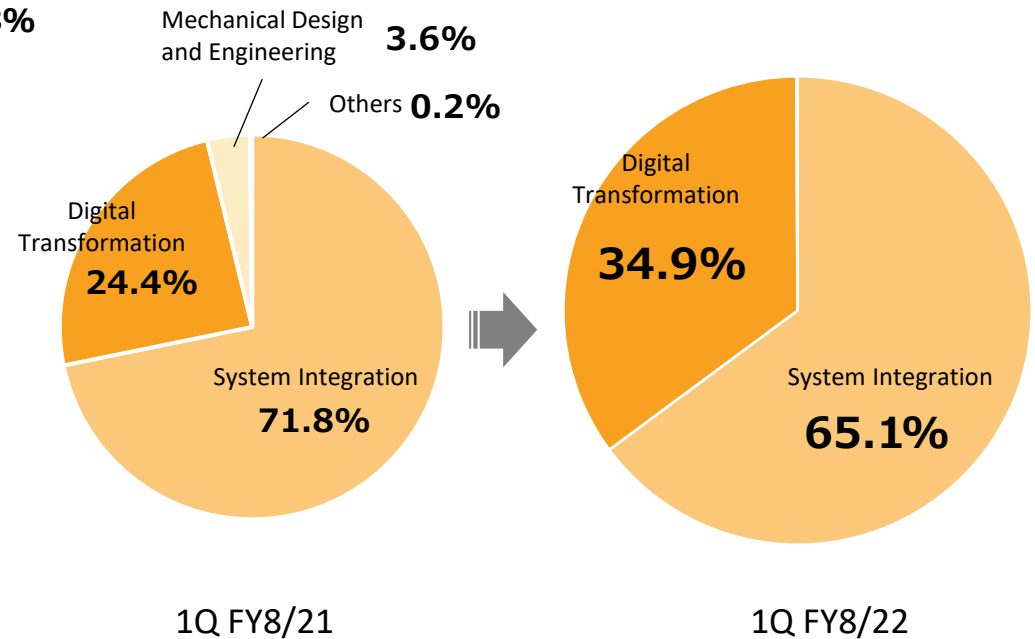
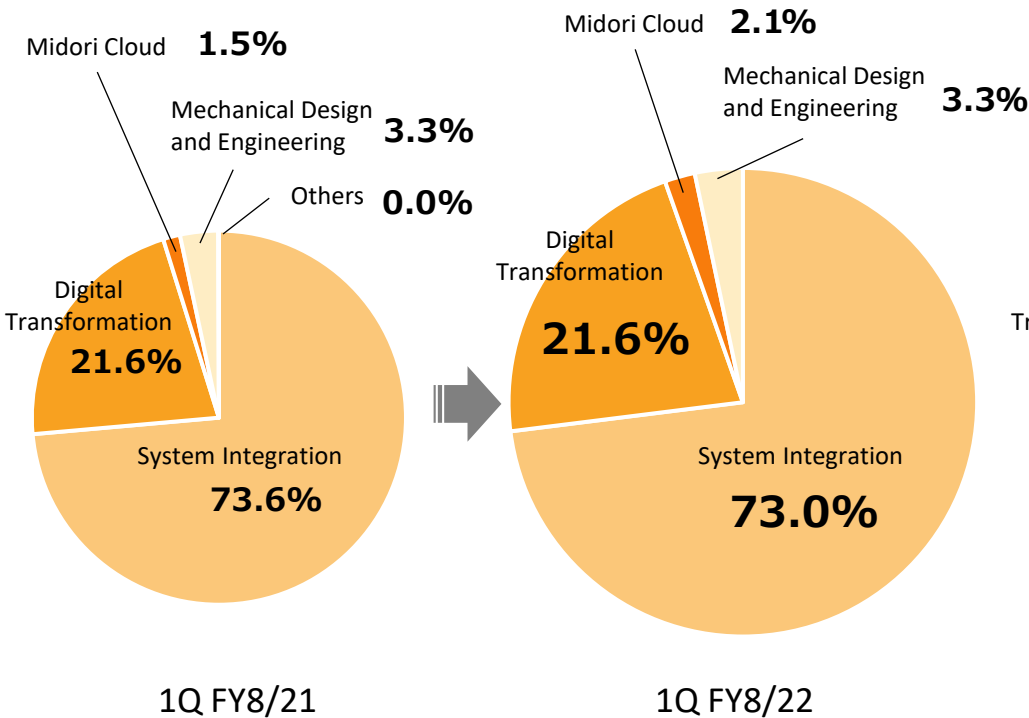


1Q FY8/22 Financial Highlights (3)

- We increased net sales overall by strengthening recruitment in the SI segment while simultaneously facilitating a shift to DX-powered management.
- Profitability remained at high levels in the DX segment.
- In the Midori Cloud segment, we will aim to achieve solid growth with a focus on the agriculture and fisheries solutions sector.

Sales by Business Segment

Operating Profit by Business Segment



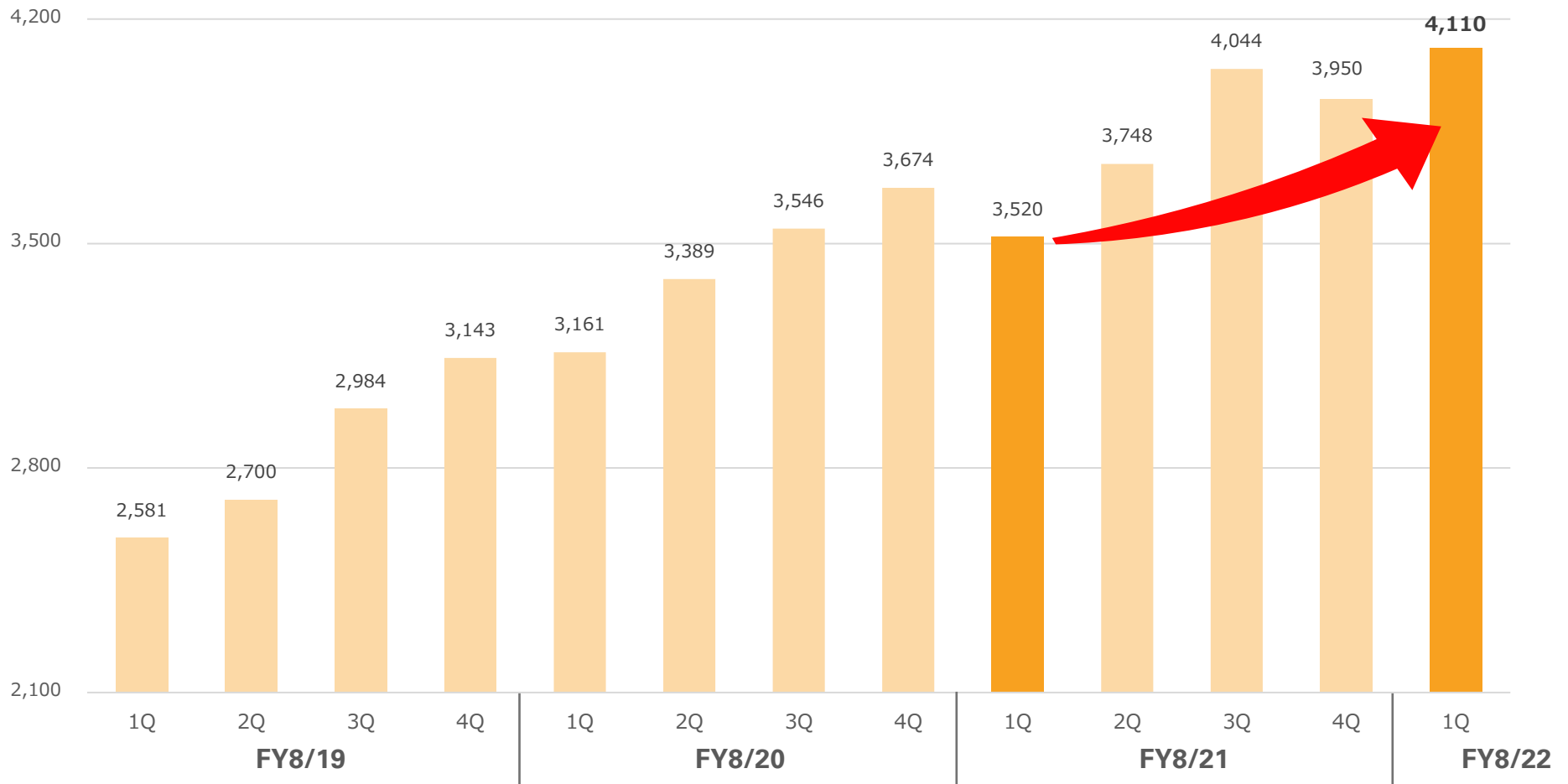
(* Excluding sales and profits of the segments that are in red)

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Quarterly Sales Growth

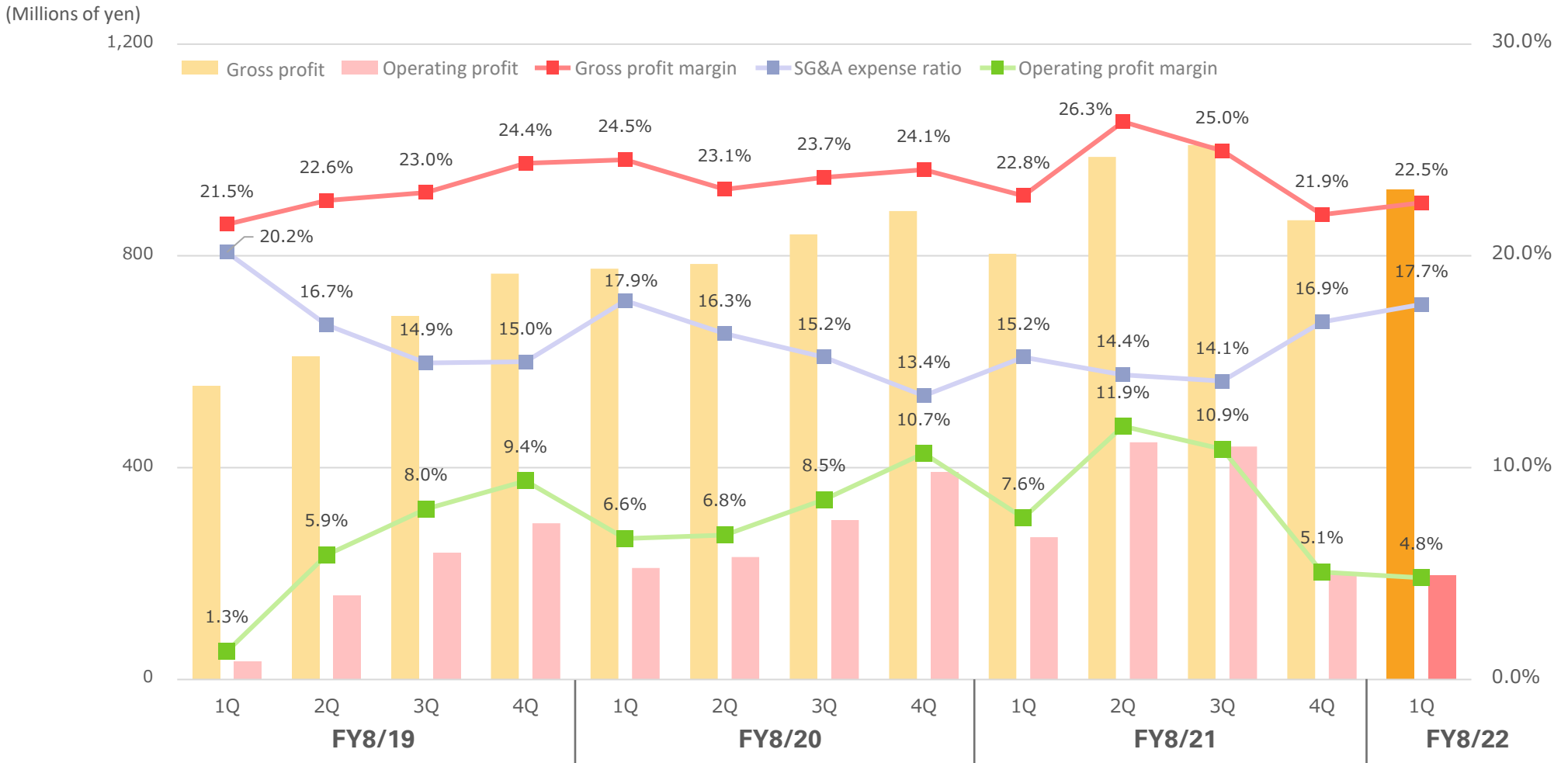
- Net sales are in proportion to the number of operating engineers and the utilization rate, continued to rise.
- Net sales for the first quarter of the fiscal year ending August 31, 2022 were greater than those in the first quarter and fourth quarter of the fiscal year ended August 31, 2021.

(Millions of yen)



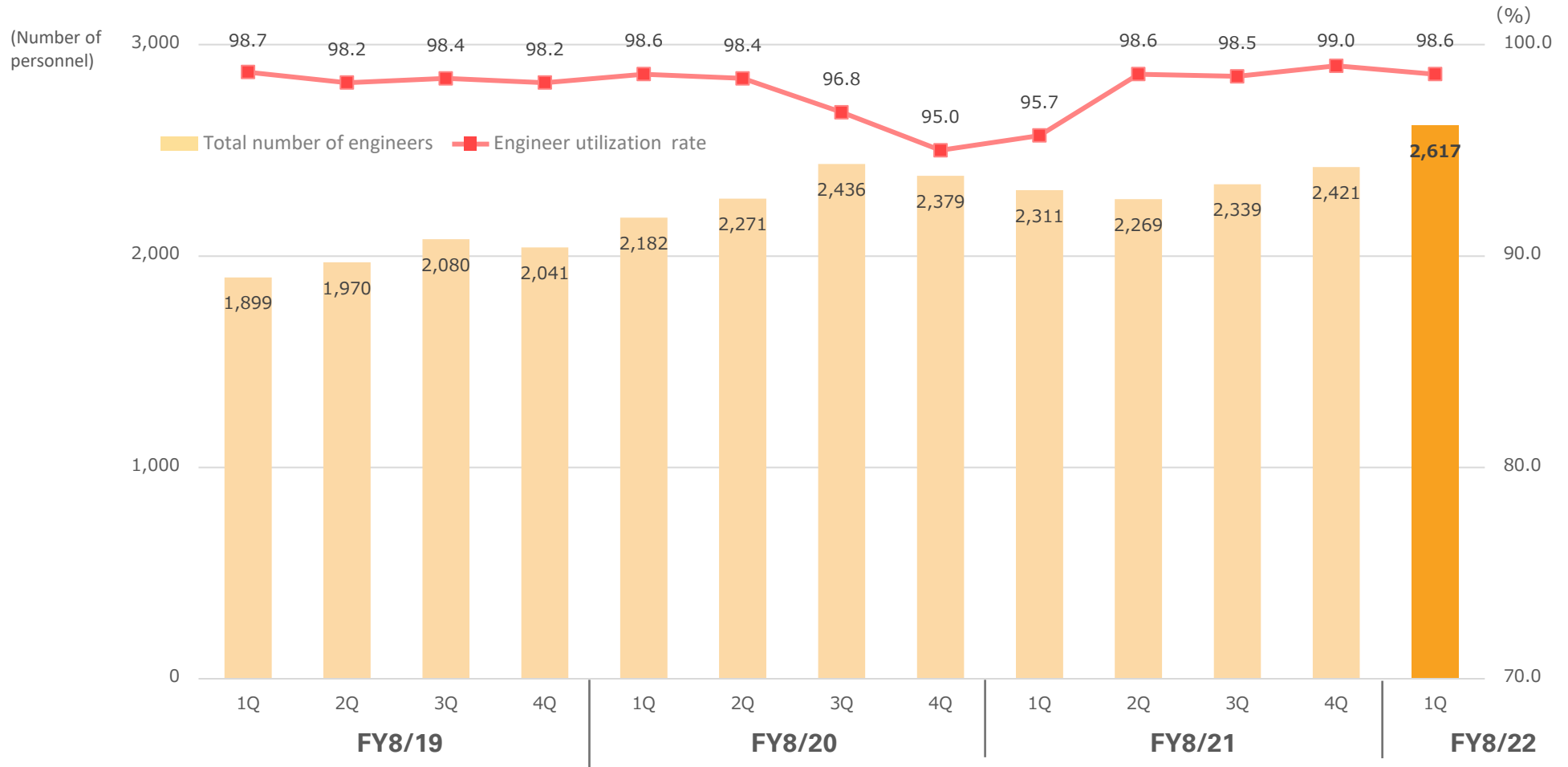
Quarterly Earnings Growth

- The gross profit margin, which changes depending on the growth investment we make, continued to be higher than 20%.
- The number of growth investments increased in the first quarter of the fiscal year ending August 31, 2022, reflecting the stronger-than-ever efforts for recruitment.



Number of Engineers and Utilization Rate

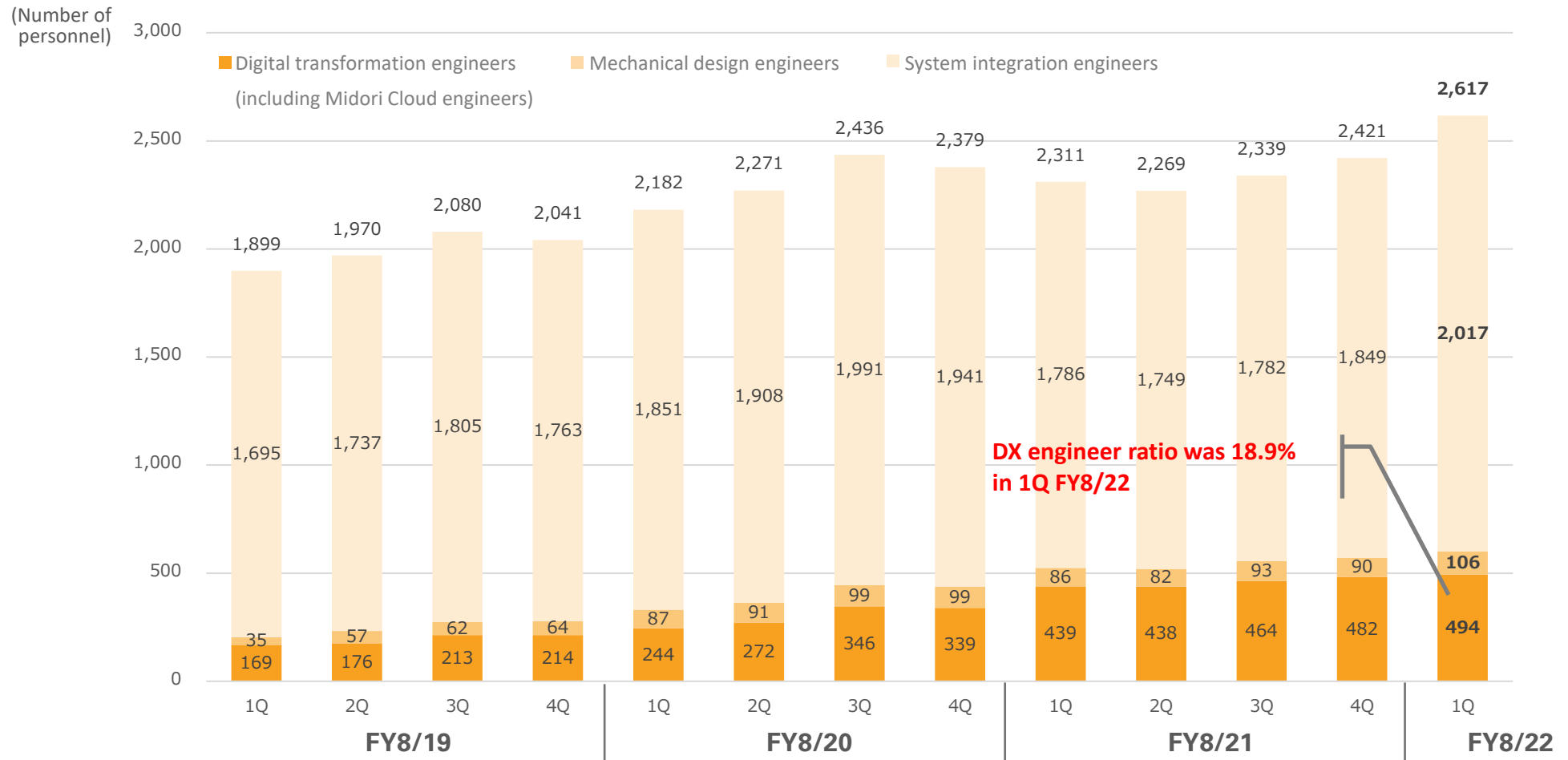
- The utilization rate recovered to a 98% to 99% level, a utilization rate during normal times, after the second quarter of the fiscal year ended August 31, 2021.
- We will maintain the utilization at high levels in the fiscal year ending August 31, 2022 even while strengthening recruitment.



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

Number of Engineers and Categories

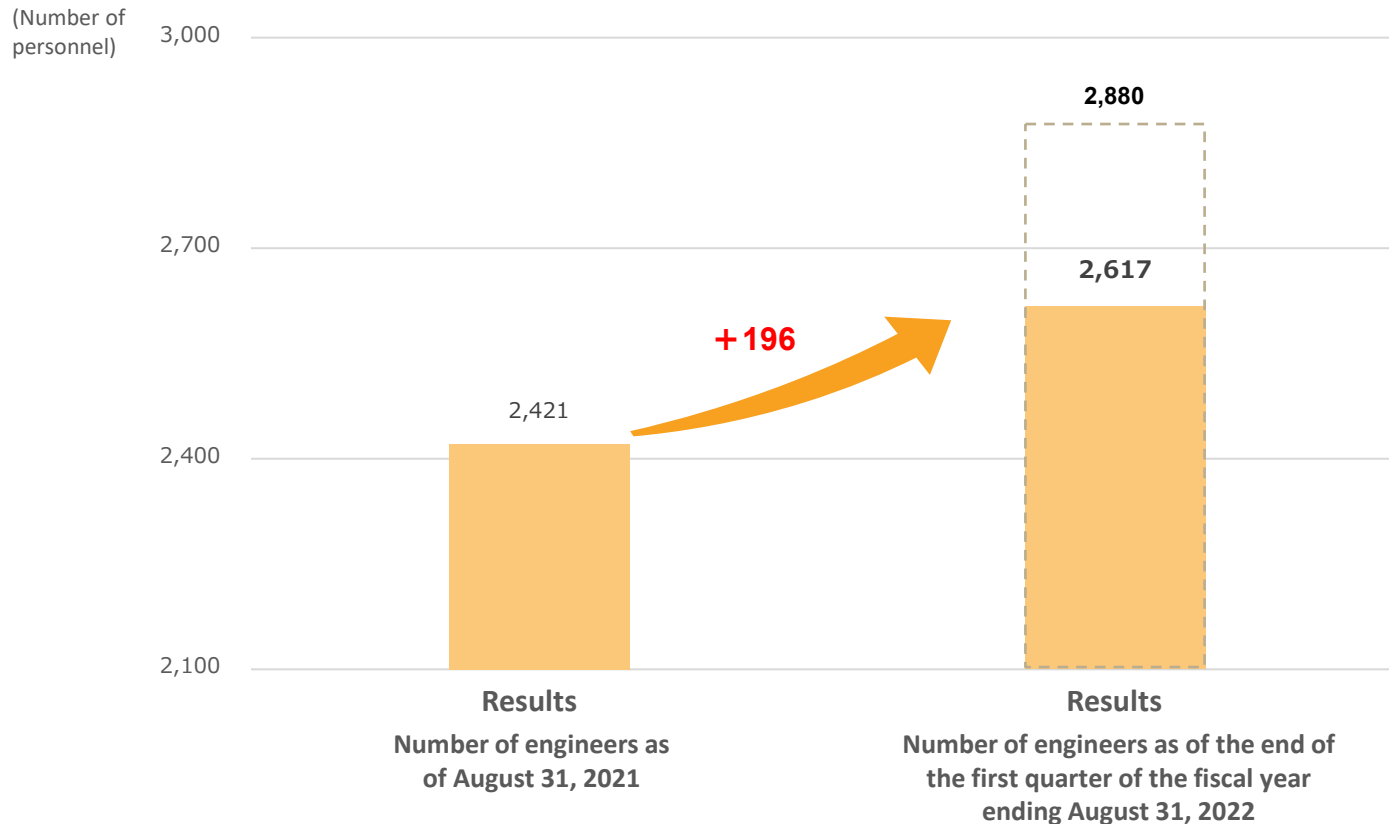
- Due to the resumption of active recruitment activities, the number of engineers increased sharply in the first quarter of the fiscal year ending August 31, 2022.
- The number of engineers grew solidly in the SI segment, reflecting stronger efforts to recruit personnel with no experience.



Recruitment activities

Progress toward an annual increase in the number of engineers was 42.7% as of the end of the first quarter of the fiscal year ending August 31, 2022.

- The number of engineers at the end of the fiscal year ending August 31, 2022 is projected to be 2,880 (a net increase of 459).
- In the first half, recruitment was made with a focus on individuals with no experience (individuals who have already graduated). In the second quarter, new graduates will mainly be recruited.
- We expect that the increase in the number of engineers will significantly contribute to sales growth rates in the future.



Education for Engineers

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

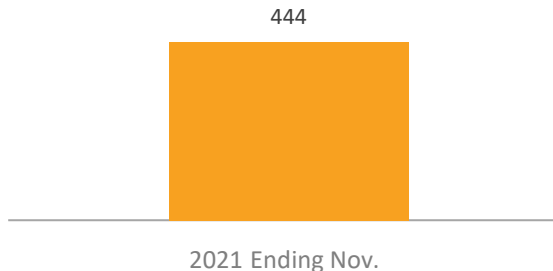
Number of Microsoft Azure Certifications

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

Examples of certifications

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

and many more



Number of Salesforce Certifications

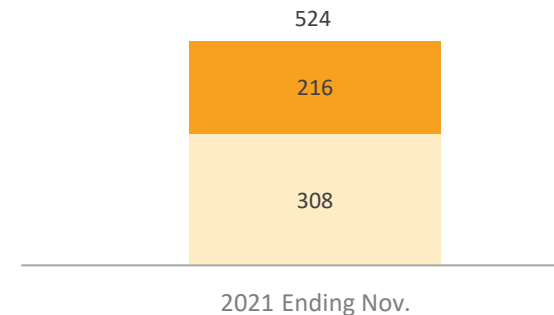
SERAKU earned high marks for making the greatest contribution to expanding Salesforce's resources in terms of the number of higher level qualifications acquired as well as the growth rate of qualifications acquired, and won Top Certification of the Year in Salesforce Partner Summit 2021.

Examples of certifications

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

and many more

■ Salesforce certifications ■ Advanced Salesforce certifications



Topics

- **Sep. 7, 2020 Cooperation with Microsoft Japan for Training 200 Microsoft Azure Engineers Every Year**
Training will use the Cloud & AI Engineer Development Program of Microsoft Japan
- **Mar. 30, 2021 Cooperation with NTT Data for Creating 500 Business Reform Personnel over Three Years**
Started in April 1, 2021 a joint business reform support service starting with service utilization support for companies using Salesforce
- **Apr. 30, 2021 Midori Cloud and a Produce Distribution Support Project Using AI Selected**
Midori Cloud and a produce distribution support project using the cloud and AI is selected as an innovative farming support model development project by the Ministry of Agriculture, Forestry and Fisheries.
- **May 10, 2021 A Partner Agreement with Tableau Software Concluded**
A formal alliance contract is concluded with Tableau Software, which provides a reading analysis platform.
- **Jun. 2, 2021 Top Certification of the Year Achieved at Salesforce Partner Summit**
Selected from among more than 500 domestic companies that participate in the partner program of Salesforce.com Co., Ltd.
- **Jul. 13, 2021 Cooperate with Netyear Group Cooperation to Strengthen Pardot Utilization Support Project**
Cultivate human resources having Salesforce Platform skill to have 100 certified Pardot engineers by April 2022.
- **Jul. 27, 2021 Achieve Microsoft's Gold Cloud Platform Competency**
SERAKU's technology and use of Microsoft Azure proven by its track record of Microsoft Azure introduction were acknowledged, and SERAKU achieves the highest accreditation in the cloud platform field.
- **Aug. 31, 2021 Release a Beta Version of Vital Program, a Digital Healthcare Service**
Release a cloud-based digital healthcare service using AI for employees' health promotion and mental healthcare, and the improvement of productivity.
- **Oct. 28, 2021 We entered into a business collaboration with Toto Kogyo Co., Ltd., which has a high market share in greenhouse products.**
We entered into a business collaboration with Toto Kogyo Co., Ltd, a company which has engaged in the greenhouse product business for nearly 60 years, to develop IoT technologies for electric ventilation systems used in greenhouses.

III. FY8/22 Initiatives and Growth Forecast

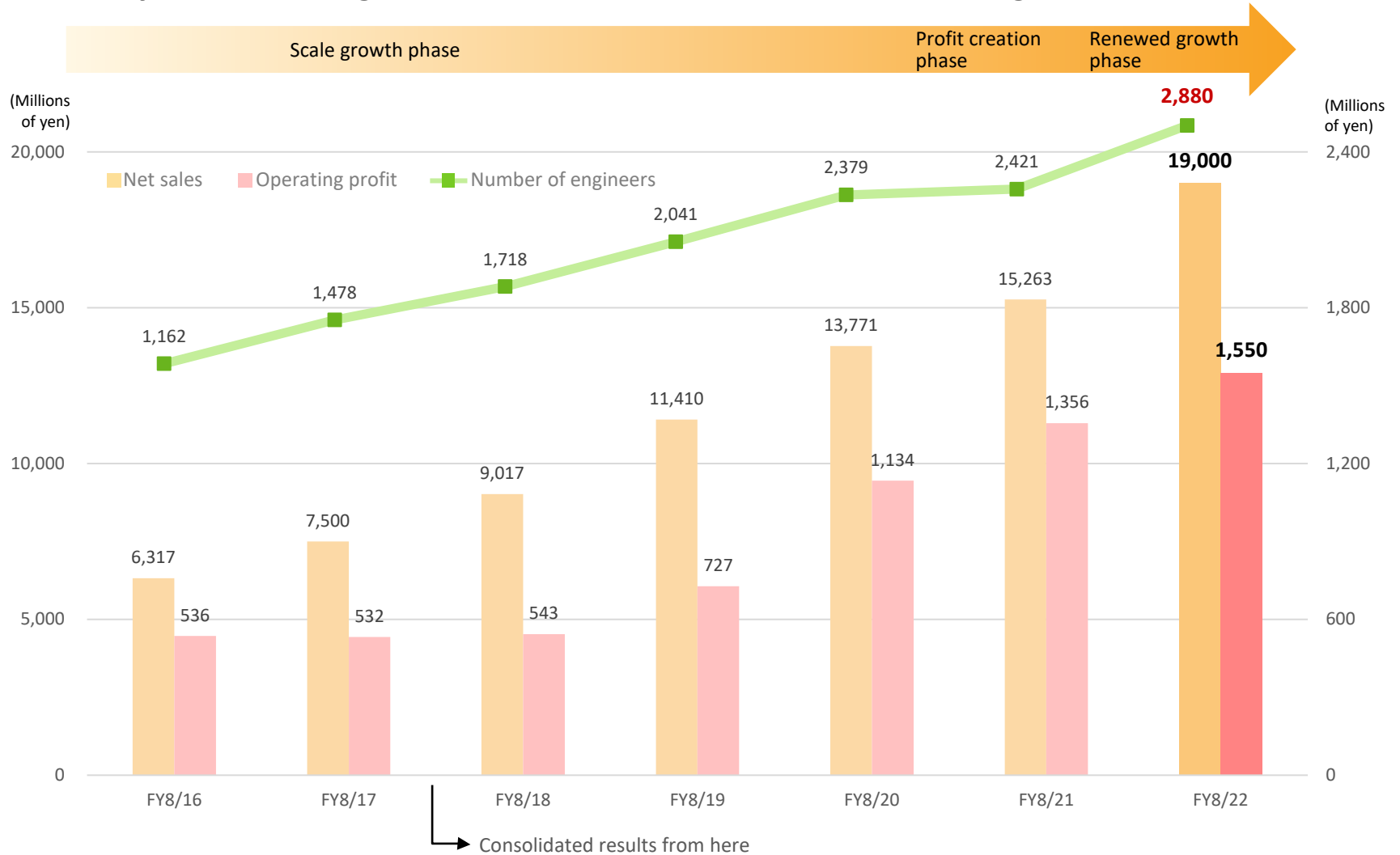
FY8/22 Plan

- We forecast a 24.5% year-on-year sales increase as the number of engineers is growing.
- We will actively invest in recruitment in a renewed growth phase. Meanwhile, the operating profit margin will remain at 8% or higher.
- We will monitor trends in the market. If the market condition deteriorates significantly, we will curb investment in recruitment to ensure profitability.

	FY8/21 results		FY8/22 plan		
	(Millions of yen)	(% to sales)	(Millions of yen)	(% to sales)	(YoY change)
Net sales	15,263	-	19,000	-	+24.5%
Operating profit	1,356	8.8%	1,550	8.2%	+14.3%
Ordinary profit	1,836	12.0%	1,900	10.0%	+3.4%
Profit	1,240	8.1%	1,250	6.6%	+0.7%
Dividends	5.6 yen	-	8.6 yen	-	-

FY8/22 Plan

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



Growth Forecast in Fiscal Year Ending August 31, 2022

In a growth phase, we will expand the scale of operations through active recruitment, education and sales and increase digital transformation engineers.

- Prioritize increasing the number of engineers through recruitment and education and expect the number of engineers to be 2,880 at the end of the fiscal year.
- Continue to advance the DX shift of engineers, focusing on cultivating human resources who have advanced Salesforce and Microsoft certificates, and boost our highly profitable structure.
- Focus on creating solutions in the agriculture and fishery sector, aiming to become the No. 1 company in the sector.
- Start to provide a beta version of Vital Program, a digital healthcare service, and focus on developing the service for some time to come.

IT professional creation

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

Number of engineers at end of term

2,880 (a net increase of 459)

Current businesses

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

Salesforce certificates acquired

Increased by 400

New businesses

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

Number of Microsoft certificates

Increased by 250

Solutions in the agriculture and fishery sector

Infrastructure

- Continue to strengthen the management system and system infrastructure.

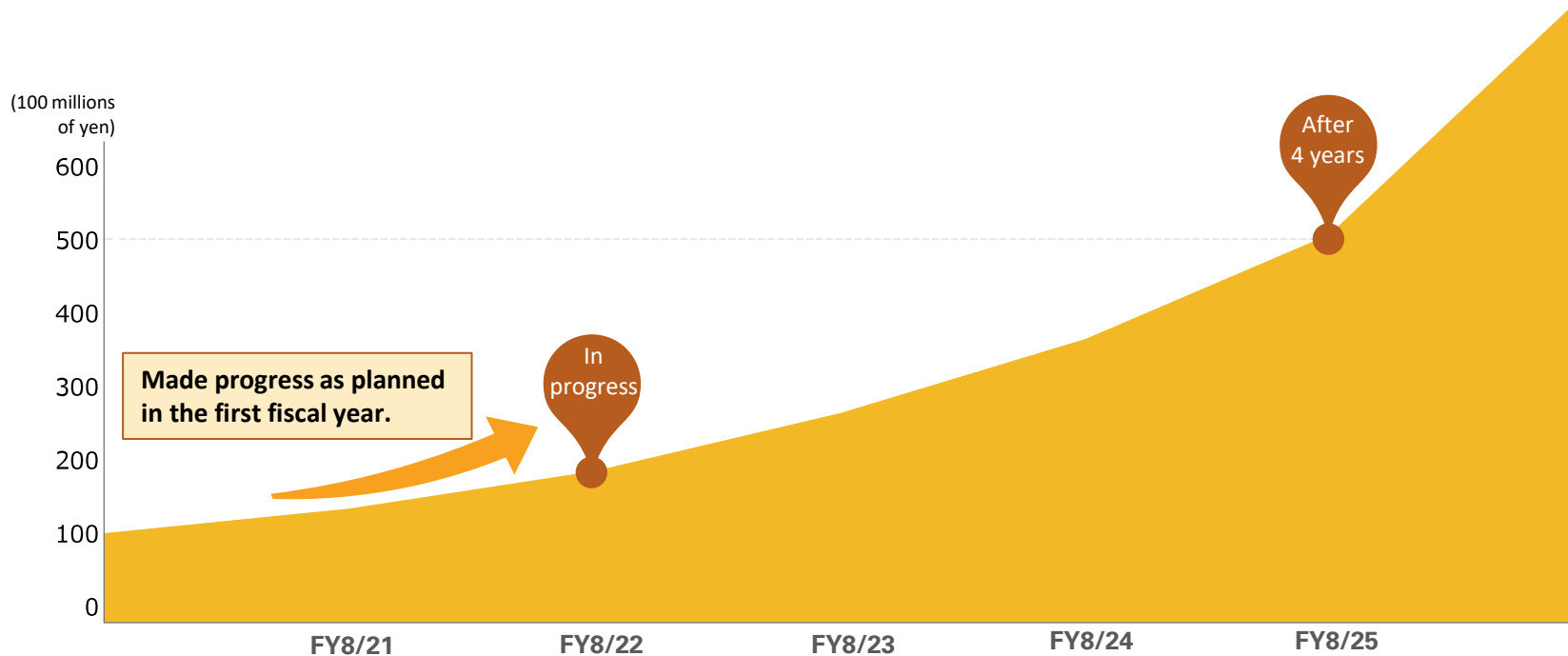
Increased by 50

Medium-term Vision

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

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

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



Features and Superiority of the Education based IT Professional Creation Model

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

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

We forecast a shift in markets that adds demand for the installation and utilization of cloud systems to existing demand for the development of IT systems and the provision of maintenance and operation services. As a result, we expect new markets and the need for next-generation engineers. We will enter into alliances with major platform companies and create IT engineers with outstanding business insight and skills in order to grow while 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

The goal is enlarging the customer success solutions business to a workforce of about 500 within three years

2008-

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

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

2002-

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

Currently expanding the System Integration business

1997-

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

Currently expanding the System Integration business

1995-

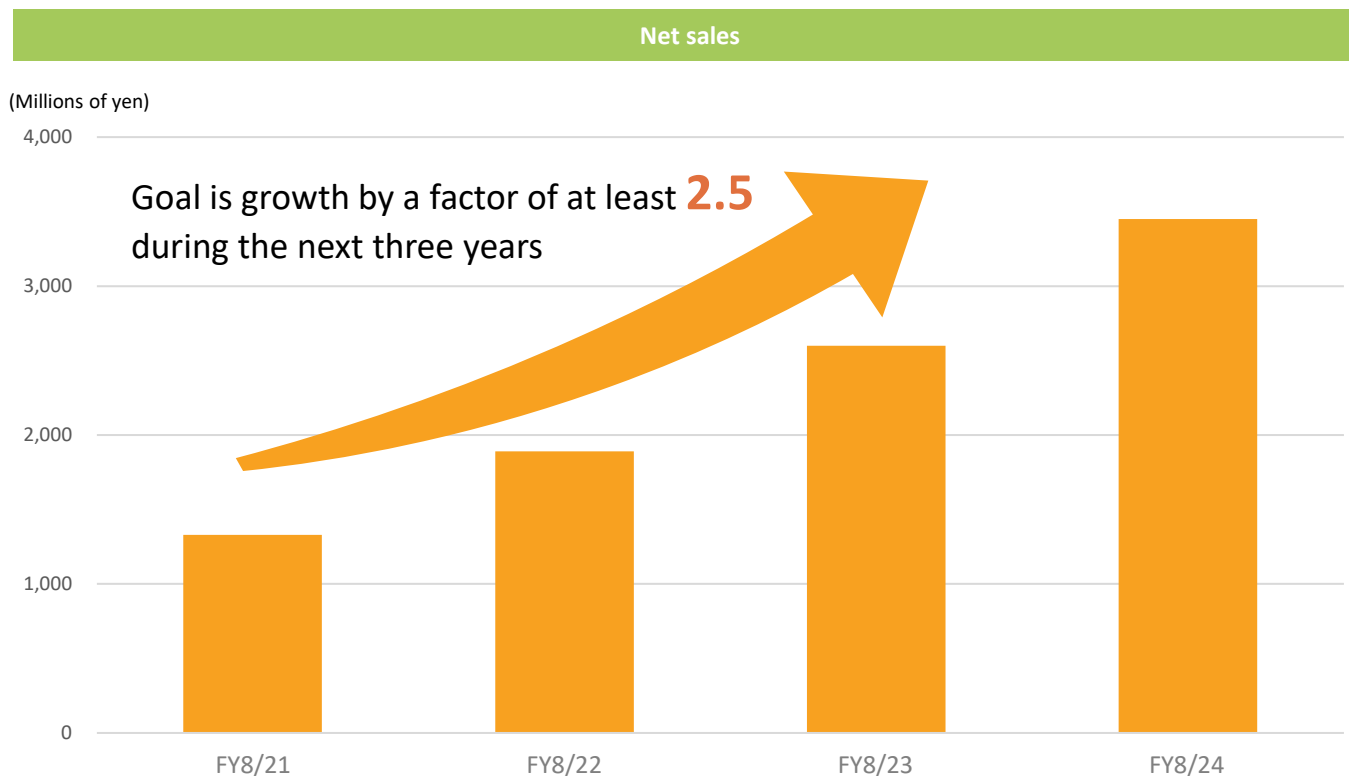
Started an internet business before the internet became widely used and started training programs for web engineers

Currently expanding business operations in the digital marketing domain

DX: Cloud & Solutions Business Growth Scenario

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

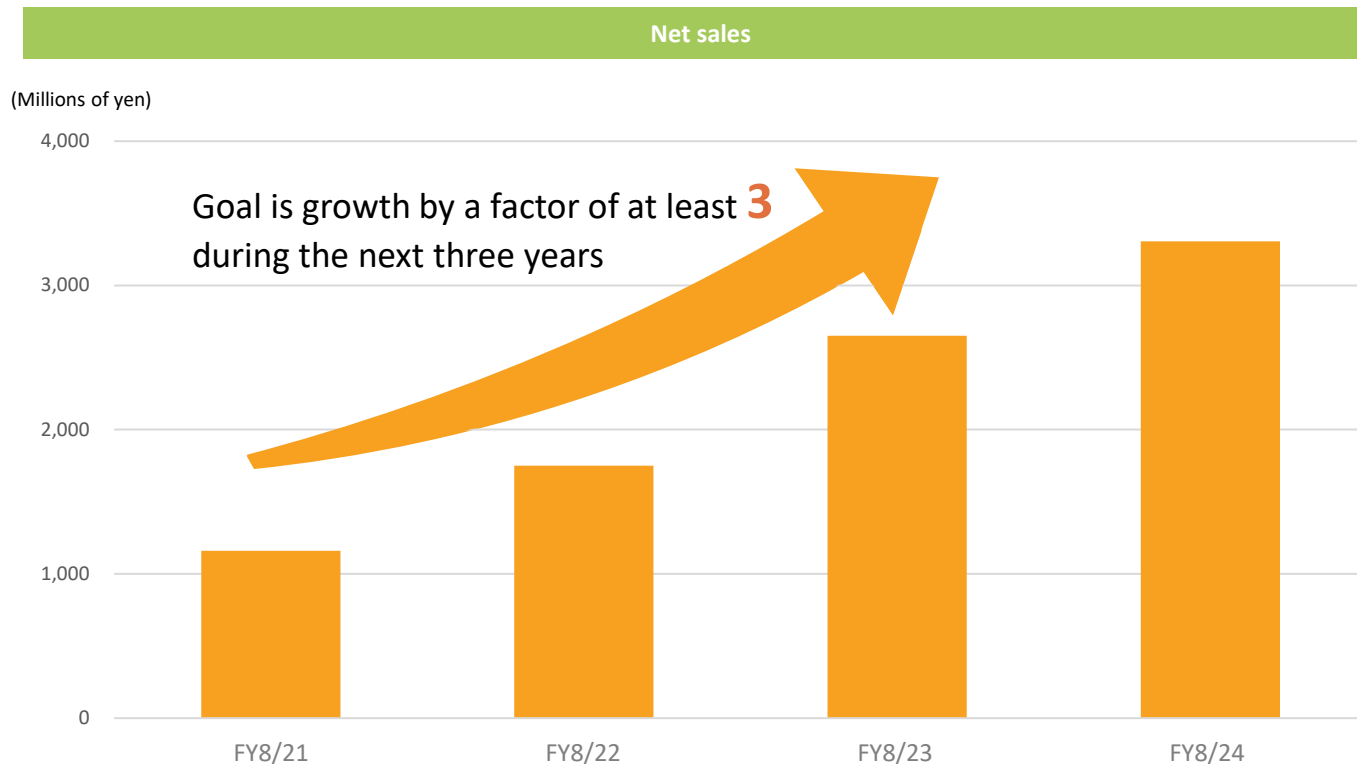
- Use the alliance with Microsoft Japan to continuously develop engineers with Microsoft certificates. Focus on creating projects in the fiscal year ending August 2022.
- Expand the workforce for managed services (a center operates companies' cloud infrastructures 24 hours a day, every day), which have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



DX: Customer Success Solutions Business Growth Scenario

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

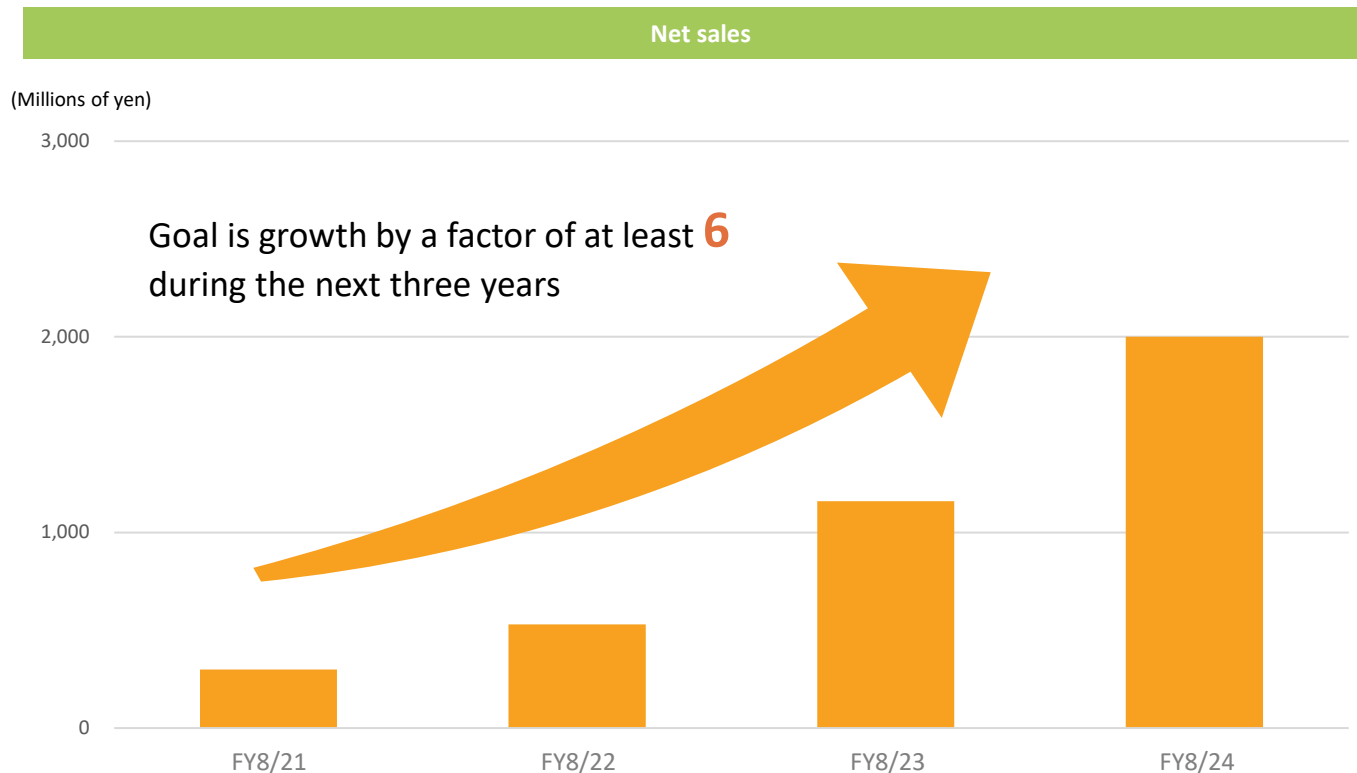
- In the cloud IT systems field, we expect that the market is expanding with the keywords of "utilization," "operation" and "digital transformation." SERAKU aims to achieve greater business growth as a leader in this field.
- SERAKU will develop no-code/low-code platform engineers who will be the main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



DX: Midori Cloud Business Growth Scenario

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

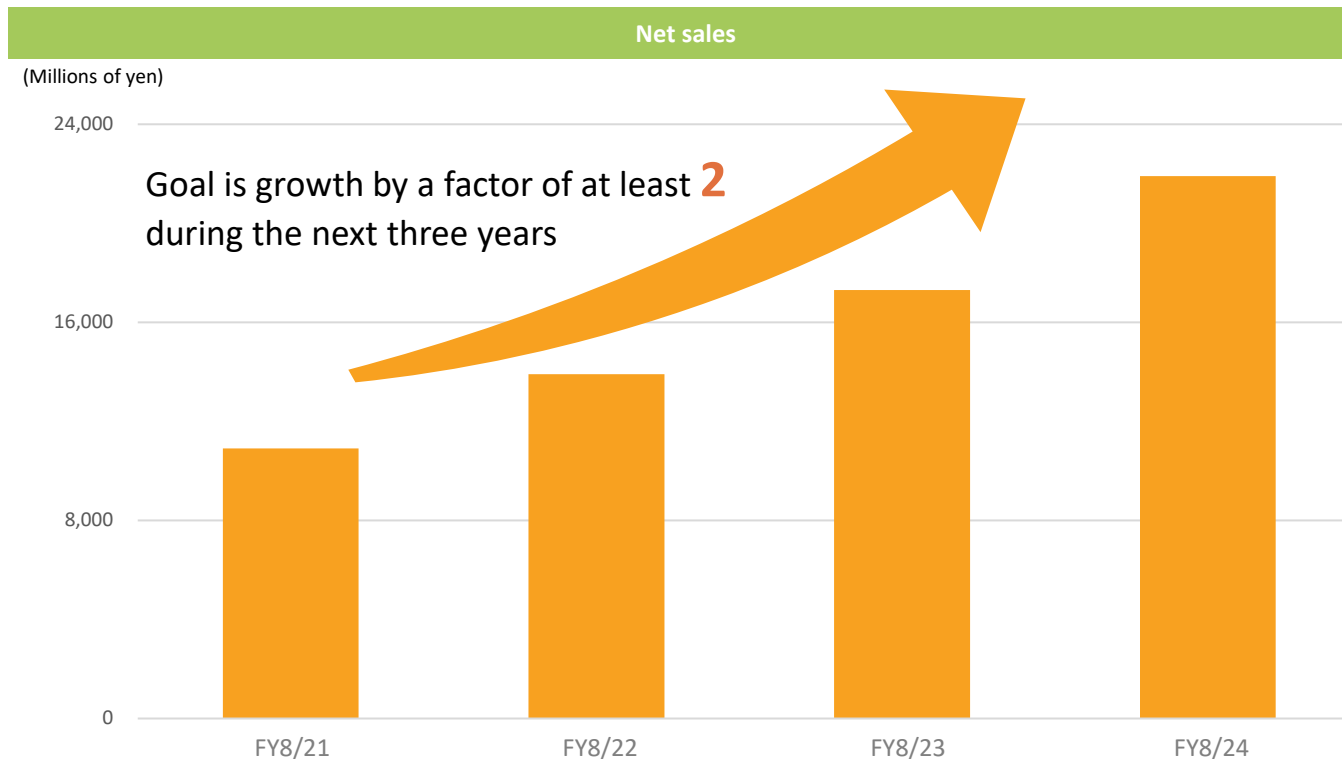
- Continuously increase production support experience and agricultural IT expertise through the steady expansion of the use of production support platforms
- Receive orders for large agriculture/fisheries solutions during the phase of implementing the primary industry DX by companies and the public sector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



System Integration Business Growth Scenario

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

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



SERAKU's Initiatives for ESG and SDGs

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

Safe operation of systems in the IT society



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

Human resources development



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

Creation of new value in society



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

Use of IT in agriculture field



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

Realization of a physically and mentally healthy society



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

Sophistication of corporate governance



- Ensuring compliance
- Strengthening corporate governance
- Improving information disclosure

Forward looking Statements

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

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

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

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

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