



**Serverworks**

FY02/23 Financial Summary



# Making the World More Productive with the Cloud



You can use computers to your advantage,  
no matter where you are and without the necessity of ownership.

We are committed to further spreading this idea of the “cloud.”

Through cloud computing, we aim to create a society that helps more  
companies enhance their competitive edge and makes everyone who  
works there feel that

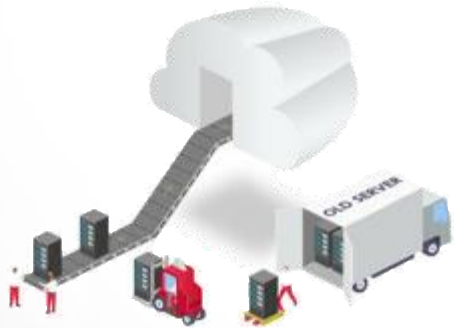
“This is a better place to work.”

We would like to share this vision with you.

Serverworks strongly supports AWS utilization in any business through three main solutions

1

Cloud Integration



AWS implementation and migration support

2

AWS Billing Services (Resale)



Value-added service not included in the direct contract (AWS, Google Cloud)

3

System Operation and Monitoring (MSP/SRE)



AWS utilization and operation support

# Company Overview

Serverworks Group

2021: Established G-gen to develop Google Cloud business

2022: Acquired TOPGATE, which has strength in application development

## Serverworks Group Established Comprehensive Support Structure for AWS and Google Cloud



### Application Layer



Application Development

UI / UX

Consulting



### Infrastructure Layer

Cloud Integration

Billing Services  
Cloud Automator

System Operation and  
Monitoring

Amazon Web Services, inc.



Cloud Integration

Billing Services

System Operation and  
Monitoring

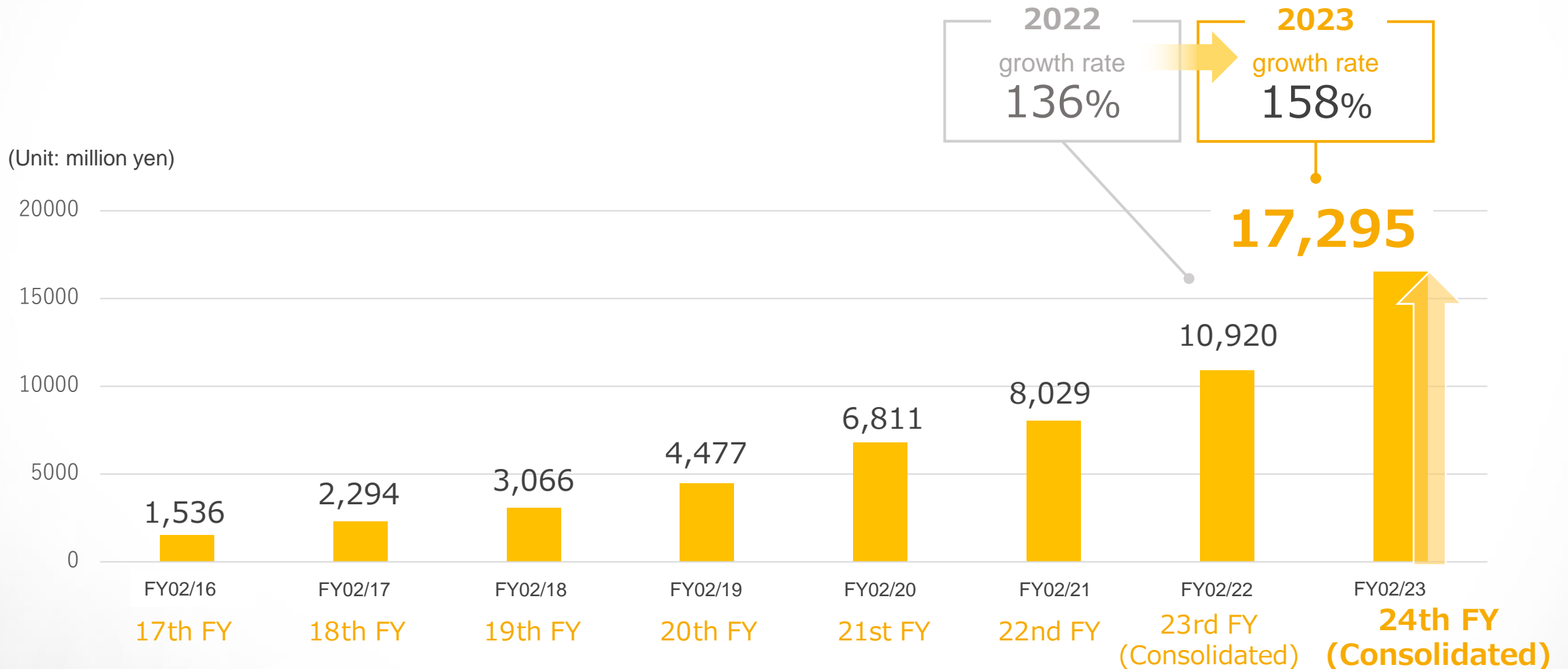
Google LLC



# Company Overview

## Net Sales over the Past Eight Years

Steadily increasing net sales and maintaining high growth rate, with the expanding cloud market and organizational expansion.



# Company Overview

## About Serverworks

Founded	February 21, 2000
Capital	3,235,215,765 yen (as of February 28, 2023)
Number of Employees	231 (as of February 28, 2023)
Business Domain	Cloud integrator specializing in AWS
Management	<p>Ryo Oishi      CEO</p> <p>Takashi Hashiba      Senior Vice President</p> <p>Hiroyuki Oshio      Senior Vice President</p> <p>Mikiya Inoue      Outside Director who is Audit and Supervisory Committee Member (Full-time)</p> <p>Yuko Tanaka      Outside Director who is Audit and Supervisory Committee Member</p> <p>Ichiro Terashima      Outside Director who is Audit and Supervisory Committee Member</p> <p>Hikari Fujimoto      Outside Director who is Audit and Supervisory Committee Member</p>
Certification	<ul style="list-style-type: none"> <li>• AWS Premier Tier Service Partner</li> <li>• AWS Migration Competency</li> <li>• AWS Digital Workplace Competency</li> <li>• AWS Managed Service Provider Program</li> <li>• AWS Well-Architected Partner Program</li> <li>• ISO / IEC 27001 (JIS Q 27001)</li> </ul>
Major Shareholders	<p>Board members</p> <p>TerraSky Co., Ltd.</p> <p>NTT Communications Corporation</p> <p>NTT DATA Corporation</p>

**Main Locations**

Tokyo (head office),  
Osaka, Sendai, Fukuoka

**Head office**

ISO/IEC 27001 SYSTEM CERTIFICATION SGS ISMS-AC ISMS ISR021

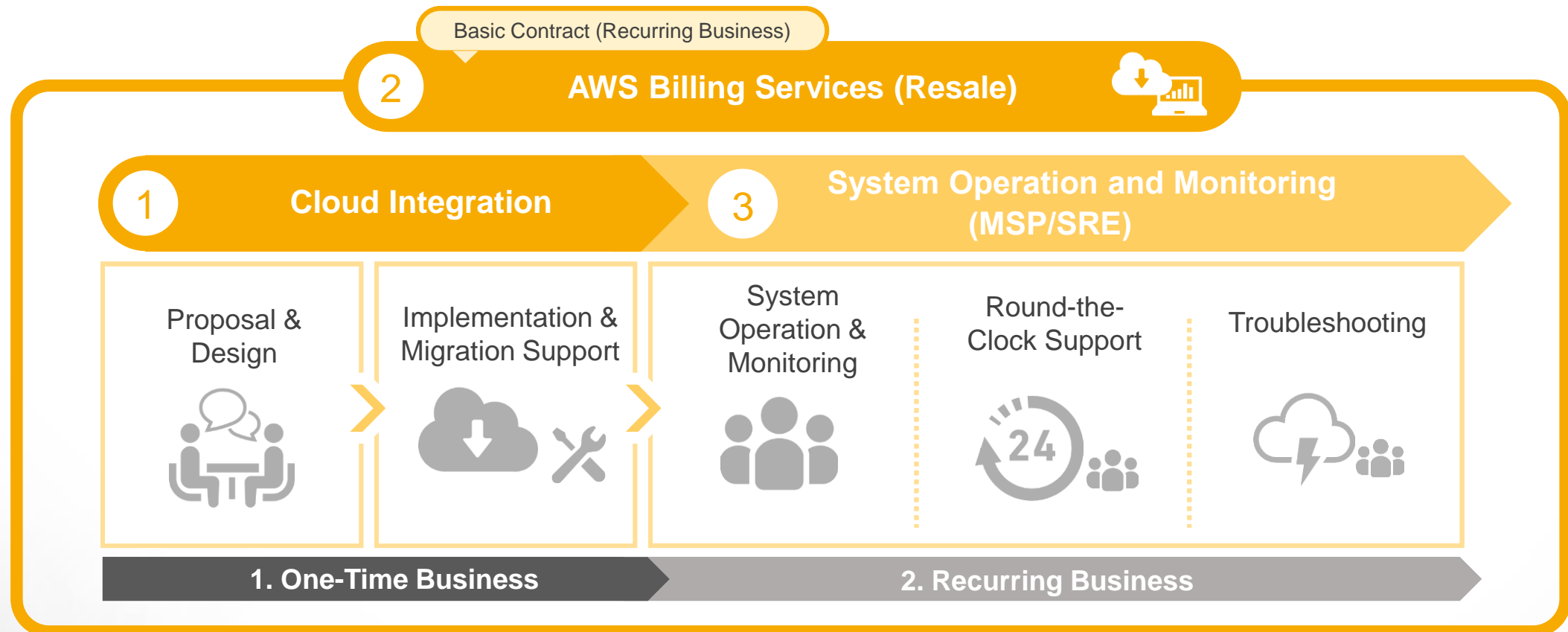
JPX PRIME

aws PARTNER Premier Tier Services





Serverworks has been an AWS specialist since the dawn of cloud computing in Japan. We provide a full range of services, from AWS implementation to utilization and operation.



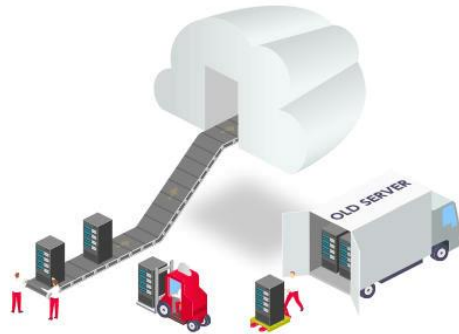
# 1 Cloud Integration

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We provide AWS planning, design, construction, and implementation support promptly in accordance with customer requirements and environments.

### Features of Serverworks' AWS Implementation and Migration Services



- ▶ Extensive project experience with more than 10,000 projects

Serverworks began providing cloud implementation support in 2008 and has been continuously certified as an AWS Premier Tier Service Partner, the highest tier of the AWS Partner Network (APN), since 2014.

- ▶ Be proactive and make suggestions even if they are unprecedented.

We value the attitude of being close to our customers, so we try to make positive proposals even for unprecedented consultations.

### Case Studies



**Customer support**  
Create an environment



**Migrate on-premise environments** to servers



Establish environments for **financial institutions and payment systems**



**Provide in-house production support** for AWS utilization

Note: We provide up-front estimates tailored to each request.

### Basic Implementation Flow

- ▶ System capable of providing support from design to operation

We assess the customer's current situation and their goals for AWS migration. Then, we quickly develop an overall plan and implement the project.



## 2 AWS Billing Services (Resale)

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## Providing a billing service that enables more convenient and secure use of AWS

In addition to technical support, we also provide operational automation tools, property insurance, and other services.

### Advanced Plan delivers our unique value added on AWS.



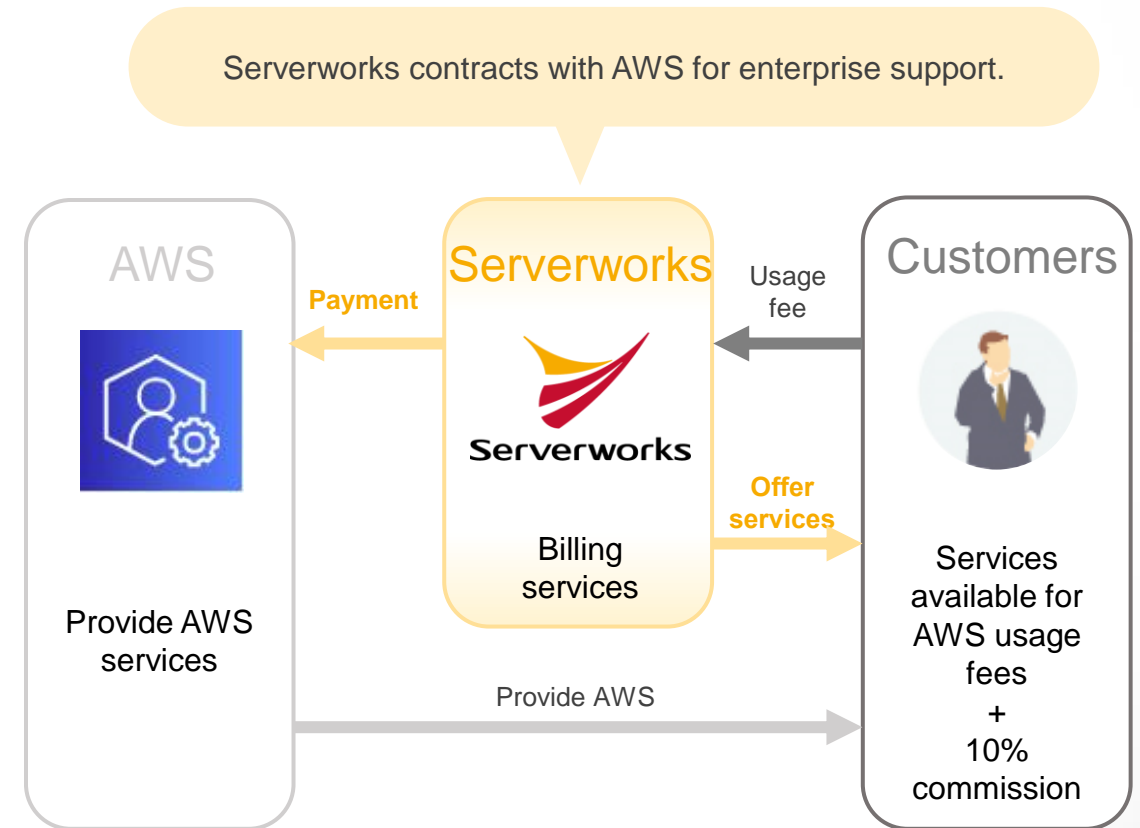
#### ► About “AWS Advanced”

With only a billing agent fee of 10% of the AWS usage fee, this plan allows you to take advantage of the AWS operation automation tool, Cloud Automator. We also provide indemnity insurance in case of emergency, personalized support by our engineers, and various operation services, in addition to basic support.

### AWS Advanced Plan

Technical Support	Cloud Automator
Invoicing in Japanese Yen	Migration and Operations Services*
Customer Portal	damage insurance

\*Paid option



Available with  
advanced service  
agreement

### Customer successes of Cloud Automator, operational optimization service



Cloud Automator automates  
AWS operations

#### DIP Corporation

Achieved **30%** AWS cost reduction target for half a year **in three months**, and **50% monthly** in six months

Feedback  
PICK UP

Cloud Automator is also utilized to improve AWS operational efficiency, which leads to continuous and total efficiency and cost reduction.

#### Kintetsu Real Estate Co., Ltd.

**Intuitive and easy-to-use** No need for knowledge of AWS or programming

Feedback  
PICK UP

We have found it to be a very easy-to-use and convenient tool, with backups and other functions available in addition to instant launch and stop.

3

## System Operation and Monitoring (MSP/SRE)

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### Round-the-clock operation and monitoring of systems built on AWS

Long-term support on how to operate and utilize AWS to evolve your business

#### Cloud Automator (AWS operation automation software) allows more time to work



##### ► About “Cloud Automator”

Serverworks applied its rich project experience and expertise to developing Cloud Automator software to automate AWS operations. Even first-time users can automate operations easily.

#### What you can do with Cloud Automator

Optimize costs of development environments



Protect data properly



Use as befits your size



Check security requirements



We provide operational and monitoring support

For example:

Sudden troubles  
Late at night, an unexpected server error

Long-term consultation  
Consultation on future AWS operations and further utilization

MSP support center assists in troubleshooting

SRE team offers User-friendly suggestions and solutions



AWS Technical Support



AWS Operation Optimization Service



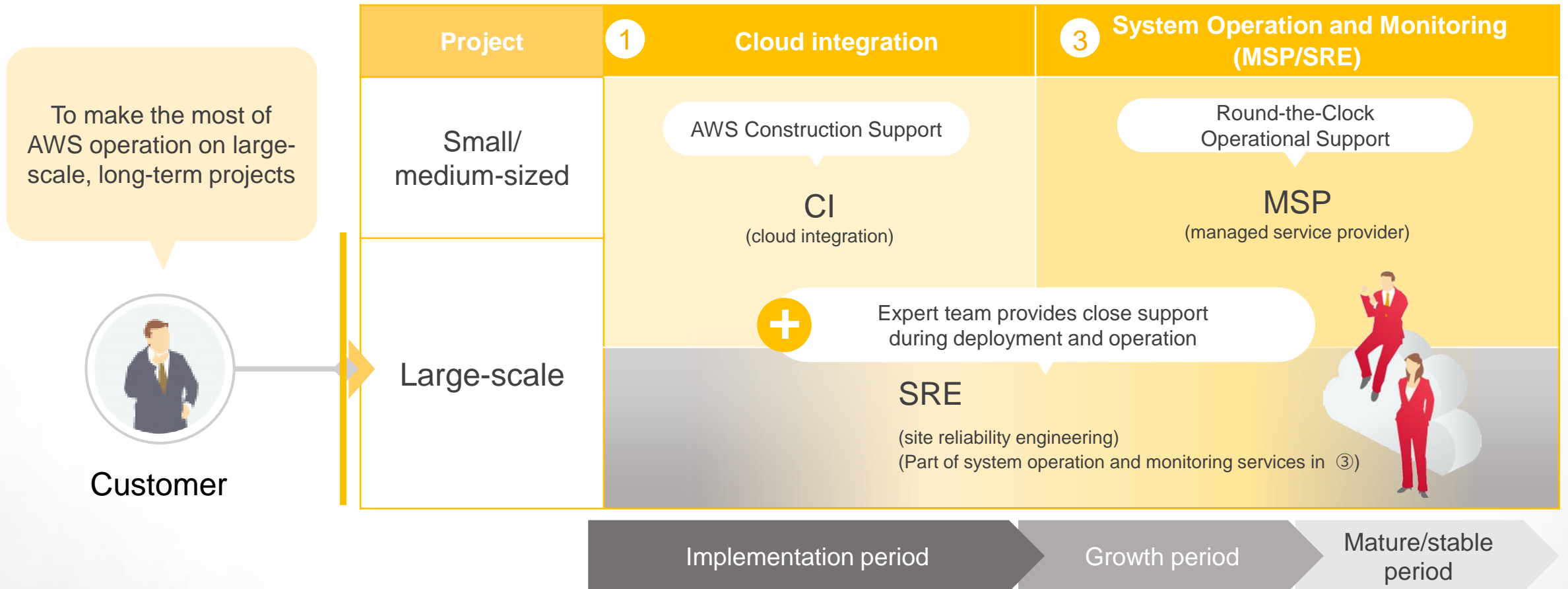
Round-the-Clock AWS Operation Services



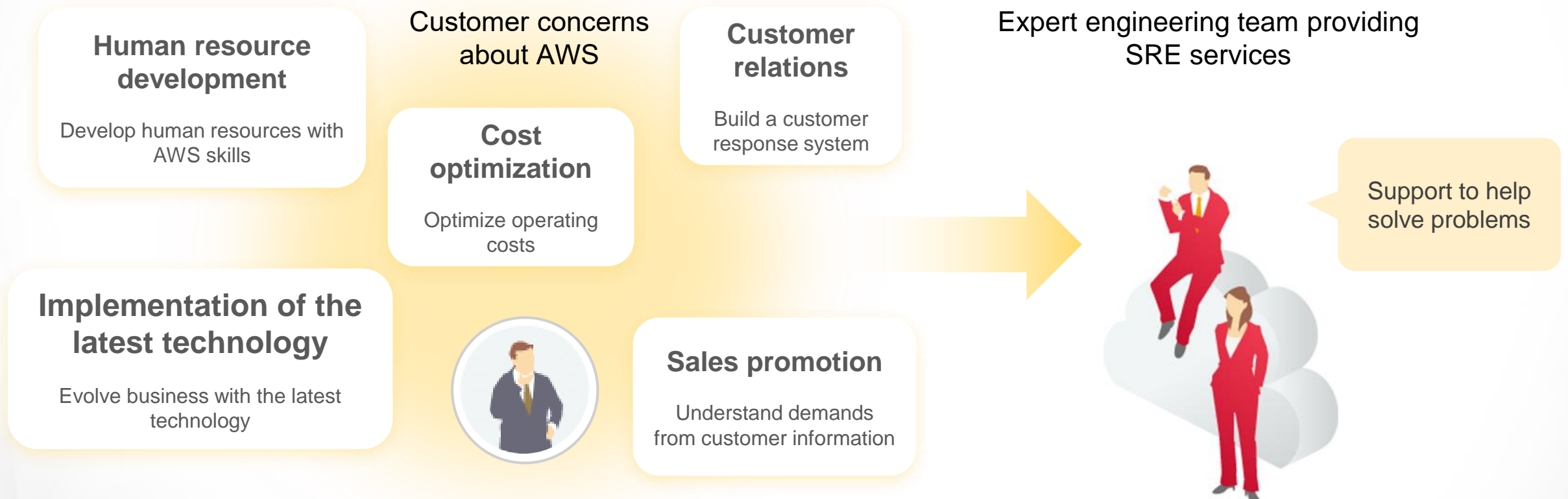
SRE Support for AWS utilization



We establish SRE systems to provide effective support suited to the size of the project.



**SRE is a service in which expert engineers support long-term utilization and operation in large, often costly, projects.**



### 3. FY02/23 Financial Highlights

Companywide



## FY02/23 Topics

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\*Includes the latest topics that occurred after the closing date of the relevant period

### TOPICS – 01

Serverworks announces a strategic collaboration agreement (SCA) with AWS to expand cloud services offerings for customers

April 14, 2023



- With the SCA, we aim to generate the equivalent of 215 million US dollars (JPY29 billion) in new business opportunities within four years
- We will expand our support for customers' cloud lift and shift by focusing on three areas: implementation and establishment of a common cloud platform, promotion of digital transformation of small and medium sized enterprises (SMB), and establishment of cloud-based contact centers.

### TOPICS – 02

Notice on the Status of Compliance with the Continued Listing Criteria of Prime Market, Application for Selection to the Standard Market and Status of Compliance

April 14, 2023



- Based on the Company's most recent status of compliance with the continued listing criteria of the Prime Market, the Board of Directors resolved today to apply for selection for the Standard Market, as the opportunity to re-elect listing on the Standard Market became available with the revision of the rules of the Tokyo Stock Exchange, Inc. effective April 1, 2023.

# FY02/23 Topics

## TOPICS – 03

Digital Human Resources Development toward Manufacturing DX at Daikin Information and Communications Technology College

Case Study:  
Daikin Industries, Ltd.



- Daikin Information and Communications Technology College is Daikin Industries' in-house training program for the development of digital human resources. AWS is considered one of the most important technologies as a data utilization platform in the College, and through training by Serverworks, the College develops key professional personnel in this field.
- Serverworks also assisted in the design of a cloud-native air conditioning IoT platform concept.

## Serverworks

## TOPICS – 04

Additional AWS Installation to Strengthen Information Security, Established a System that can be Restored in a Couple of Hours in Case of Emergency

Case Study:  
World Holdings Co., Ltd.



- By adopting Serverworks' AWS Implementation and Migration Support Service, the company deployed an additional AWS service that supports threat detection, reporting, and filtering in the AWS environment that serves as the IT infrastructure for the entire group. This has drastically shortened the time required to determine the cause and consider countermeasures, and dramatically reduced the human costs involved in response and operation.

## TOPICS – 05

Migrated infrastructure system on the mainframe to AWS  
TCO including infrastructure reduced to two-thirds of the previous level

Case Study:  
Senshukai Co., Ltd.

ウーマン スマイル カンパニー



- The company was considering revamping its core system, which had been running on a mainframe for more than 20 years. The system, which had undergone a series of modifications mainly to its sales management functions, had come to be identified as having a number of problems, such as requiring a large number of man-hours to integrate with other systems.
- To solve this issue, we are building a business infrastructure with 200 servers running on the latest AWS services.

# FY02/23 Full Year Financial Highlights

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# Forecast of Consolidated Financial Results for FY02/23 (Revised on January 13, 2023) \*1

In addition to an improved order environment due to recovery from the impact of the new coronavirus infection, increase in customers' use of AWS, and the favorable impact of foreign exchange rates, business expansion through M&A, including the consolidation of TOPGATE as of June 30, 2022, was also successful.

**Revisions has been made as all profits as operating profit, ordinary profit, and profit attributable to owners of the parent are expected to exceed the previously announced forecasts as a result of the significant increase in net sales.**

(Unit: million yen)	FY 02/22		FY 02/23		
	Results	Composition (%)	Forecasts	Composition (%)	% of previous forecast
Net sales *2	10,920	100.0%	16,987	100.0%	<b>155.6%</b>
Gross profit	1,746	16.0%	2,335	13.7%	<b>133.7%</b>
Operating profit	638	5.8%	491	2.9%	<b>77.0%</b>
Ordinary profit	653	6.0%	558	3.3%	<b>85.4%</b>
Profit attributable to owners of parent	442	4.1%	433	2.5%	<b>98.0%</b>

1 On January 13, 2023, we revised the earnings forecast for FY02/23 announced on April 14, 2022 in the "Consolidated Financial Results for Year Ended February 28, 2022". For details, please refer to the "Notice of Revision of Full-Year Earnings Forecasts" released on January 13, 2023.

2. Since our business is in a single segment (cloud business), we do not disclose the segment earnings forecasts. For the forecast figures of AWS Resale as percentage of net sales, we adopt an exchange rate of 130 yen to the dollar.



# Financial Highlights

## Financial Results for FY02/23: Consolidated

Due to continued favorable impact of foreign exchange rates (yen depreciation), improved order environment, and the growth of G-gen and the consolidation of TOPGATE,

**Sales increased significantly and exceeded the results of the previous fiscal year. Each profit also exceeded the consolidated forecasts revised in January, although they were lower than the previous year's level.**

### Serverworks Consolidated

Net sales

17,295 million yen

158.4% YoY

Operating income

552 million yen

86.4% YoY

#### Serverworks

(Non-consolidated)  
Serverworks Co., Ltd.

Net sales:  
15,862 million yen (145.4% YoY)

Operating income:  
885 million yen (130.8% YoY)

#### Ggen

(Consolidated subsidiary)  
G-gen Co., Ltd.

Net sales:  
397 million yen (YoY: 329358.0%)

Operating loss:  
-187 million yen (YoY: -%)

#### TOPGATE

(Consolidated subsidiary)  
TOPGATE Inc.

Net sales:  
1,044 million yen (YoY: -%)

Operating loss:  
-90 million yen (YoY: -%)

#### Sky365

(Equity-method affiliate)  
Sky365 Inc.

We recorded 8.8 million yen in equity  
in earnings of affiliates.

# Financial Highlights

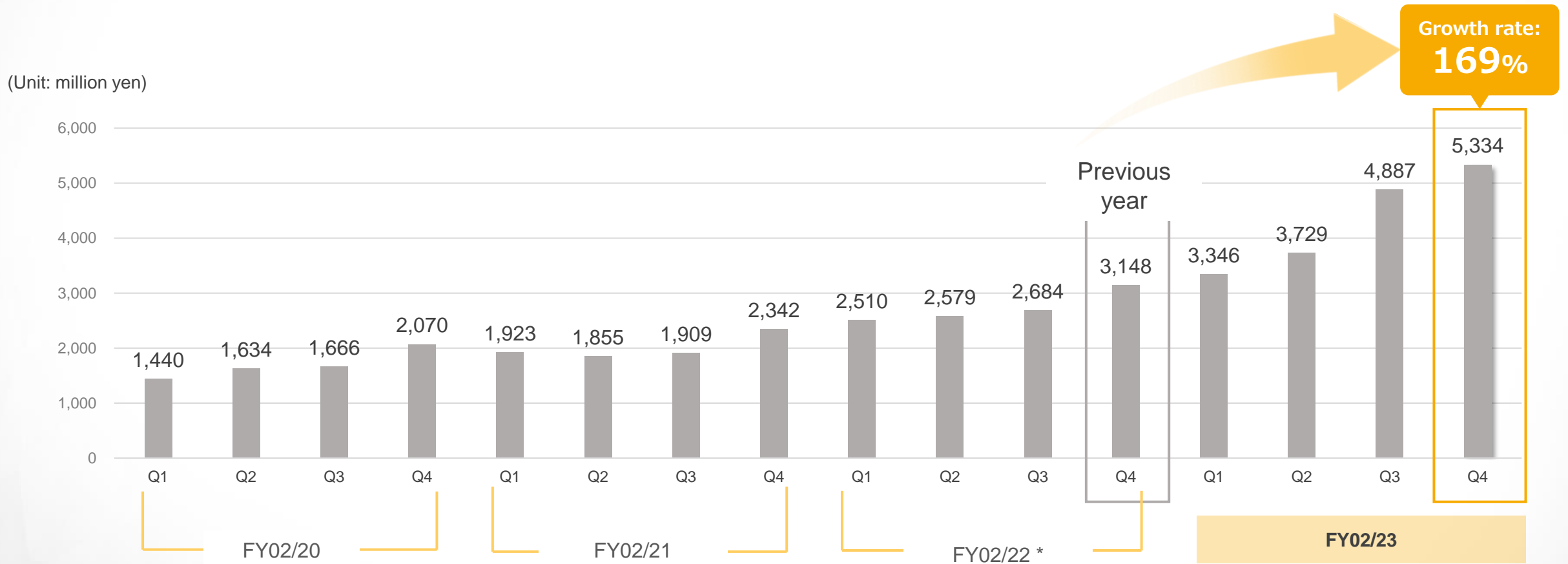
FY02/23 Results: Consolidated, YoY

(Unit: million yen)	FY02/22		FY02/23			
	Results (Consolidated)	Composition (%)	Results (Non-consolidated)	Results (Consolidated)	Composition (%)	% of the Previous Year
Net sales	10,920	100.0%	15,862	17,295	100.0%	<b>158.4%</b>
Gross profit	1,746	16.0%	2,137	2,299	13.3%	<b>131.7%</b>
Operating profit	638	5.8%	885	552	3.2%	<b>86.4%</b>
Ordinary profit	653	6.0%	951	624	3.6%	<b>95.5%</b>
Profit	421	3.9%	682	359	2.1%	<b>85.2%</b>
Profit attributable to owners of parent	442	4.1%	—	453	2.6%	<b>102.5%</b>
EBITDA	687		946	679		

# Financial Highlights

## Net Sales

In addition to the favorable impact of yen depreciation on Resale, steady growth of G-gen and the start of consolidation of Topgate contributed **very high growth rate of 169% YoY.**

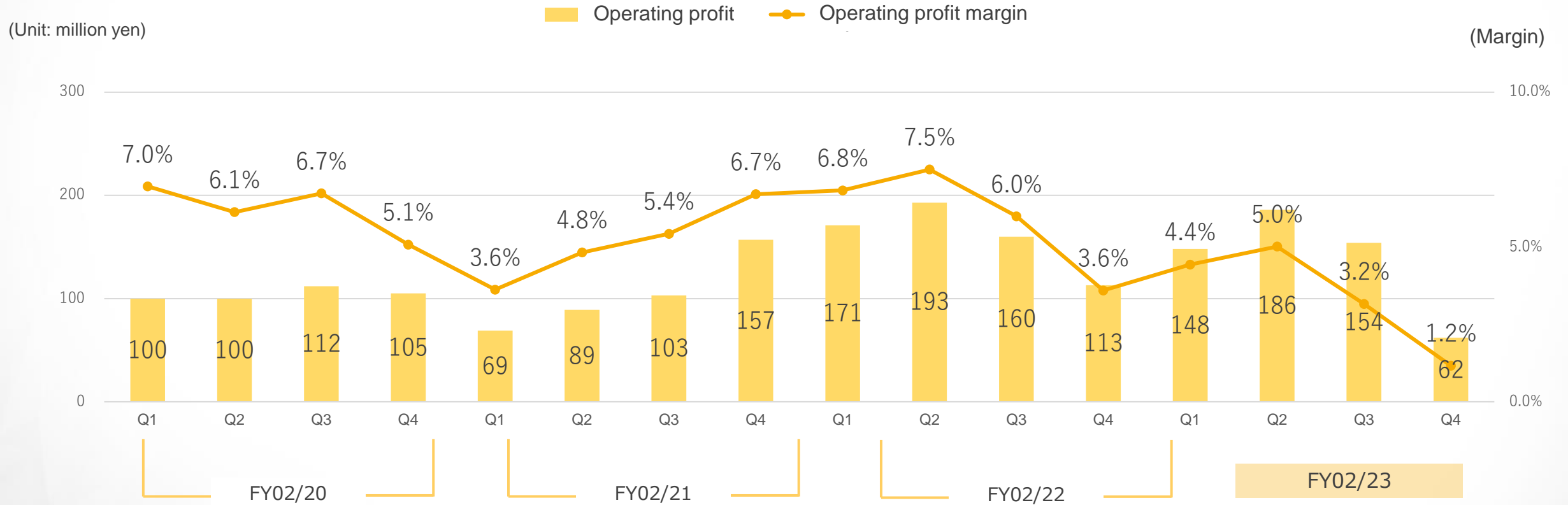


\* Sales through Q1 FY02/22 are on a non-consolidated basis.

# Financial Highlights

## Operating Profit, Operating Profit Margin

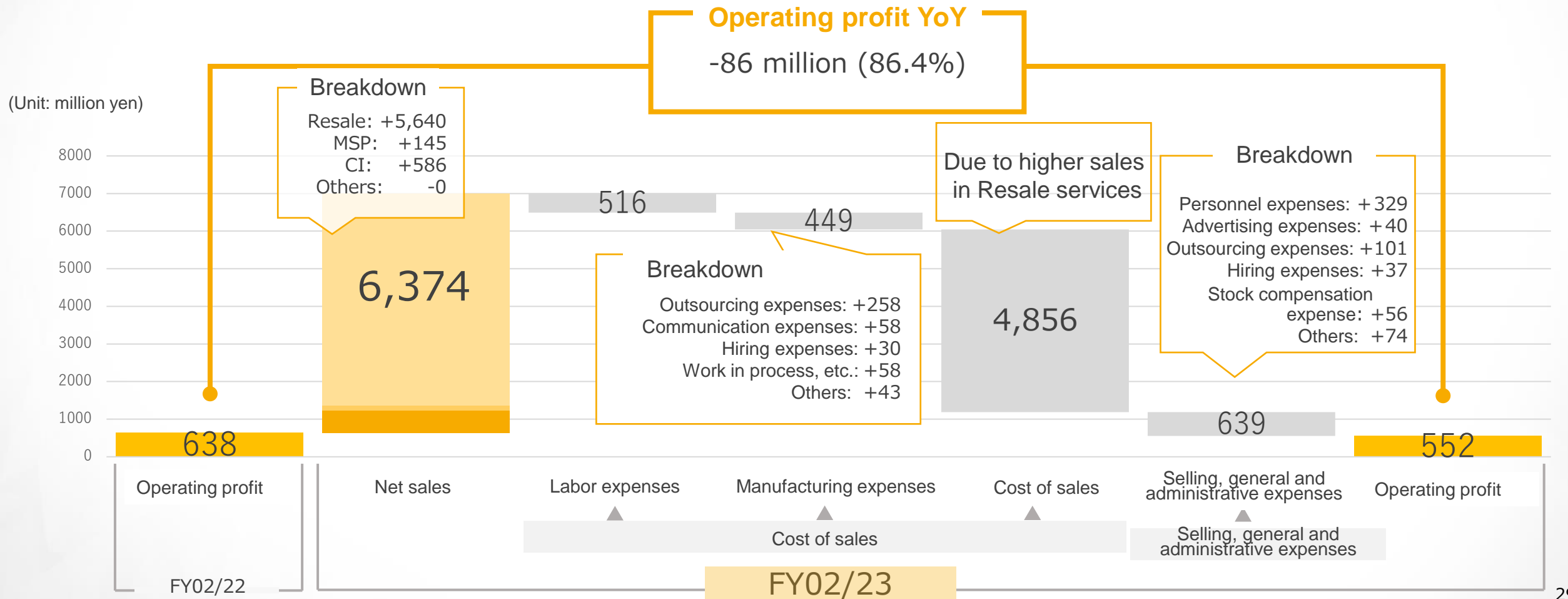
The downtrend in operating profit margin is due to the impact of **cost investments that will contribute to future growth** such as strengthening recruitment in response to the improved order environment. **We will continue our aggressive investment policy.**



# Financial Highlights

## Analysis of Factors Affecting Operating Profit YoY

**Operating income was of 86.4% YoY due to higher labor/personnel costs and outsourcing expenses, etc.,** which are cost related to continuously strengthening the structure to prepare for a strong order environment for Serverworks, G-gen, and Topgate.



# Financial Highlights

## Financial Condition: Balance Sheet (Summary)

In addition to the increase in “Current assets (advance payment)” and “current liabilities (contract liabilities)” due to the adoption of the new revenue recognition standard, “Fixed assets” increased due to the revaluation of investment securities and "goodwill" associated with the consolidation of TOPGATE.

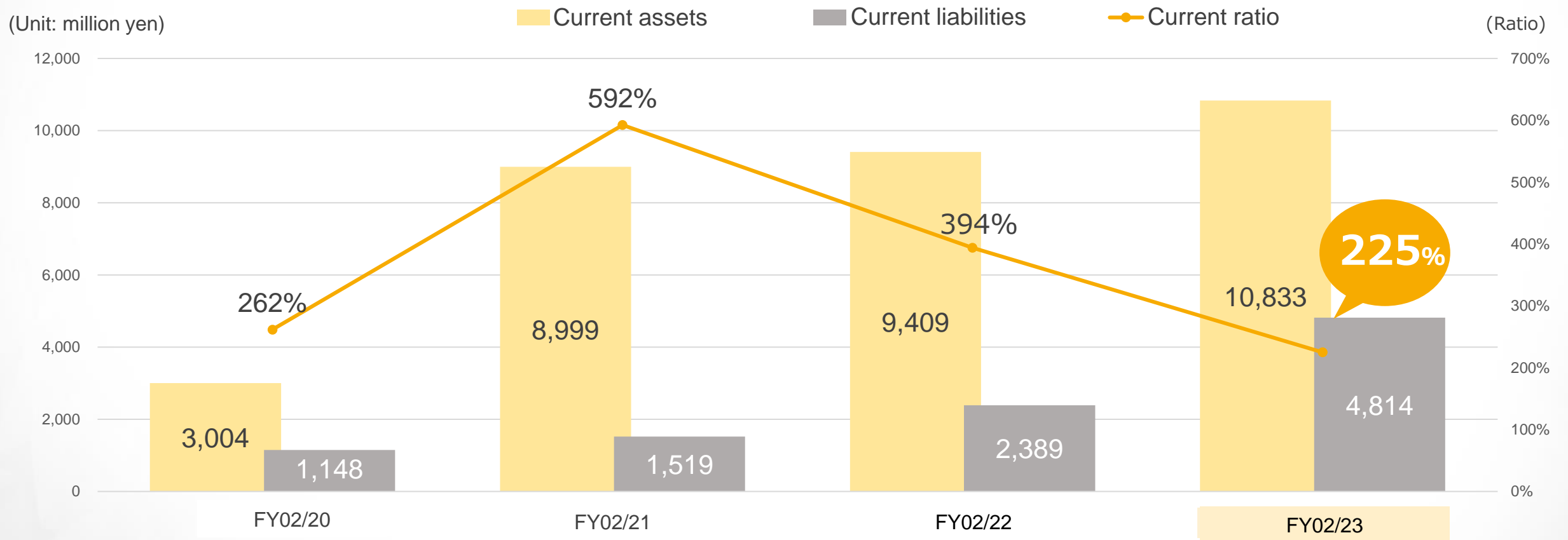
Balance Sheet	FY02/22 Results (Consolidated)	FY 02/23 Results (Consolidated)	Change
Current assets	9,409	10,833	1,413
Fixed assets	2,263	3,910	1,647
Property, plant and equipment	63	58	-5
Intangible assets	115	1,163	1,048
Investments and other assets	2,084	2,688	604
<b>Total assets</b>	<b>11,673</b>	<b>14,743</b>	<b>3,070</b>
Total liabilities	2,584	5,060	2,476
Current liabilities	2,389	4,814	2,424
Non-current liabilities	194	245	51
<b>Total net assets</b>	<b>9,088</b>	<b>9,683</b>	<b>594</b>
Total shareholders' equity	8,490	8,931	441
Accumulated other comprehensive income	544	732	187
Non controlling interest	53	20	-33
<b>Total liabilities and net assets</b>	<b>11,673</b>	<b>14,743</b>	<b>3,070</b>

(unit: million yen)

# Financial Highlights

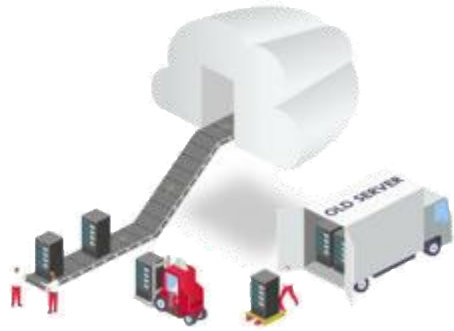
## Current Ratio

Good on-hand liquidity with a current ratio of 225.



# 4. FY02/23 Full Year Financial Highlights

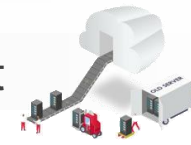
## By Service





# Financial Highlights

## Net Sales by Product/Service Segment

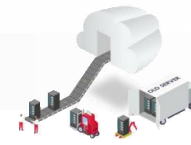


Performance rose year on year in all major product and service segments.

(Unit: million yen)	FY02/2022 Results (Consolidated)	Composition (%)	FY02/23 Results (Consolidated)	Composition (%)	% of the Previous Year
Cloud Integration	552	5.1%	1,139	6.6%	<b>206.1%</b>
Resale	9,231	84.5%	14,875	86.0%	<b>161.1%</b>
MSP/SRE (Managed Service Provider)	1,127	10.3%	1,272	7.4%	<b>112.9%</b>
Others	9	0.1%	9	0.1%	<b>91.8%</b>
Total	10,920	100.0%	17,295	100.0%	<b>158.4%</b>

# Financial Highlights

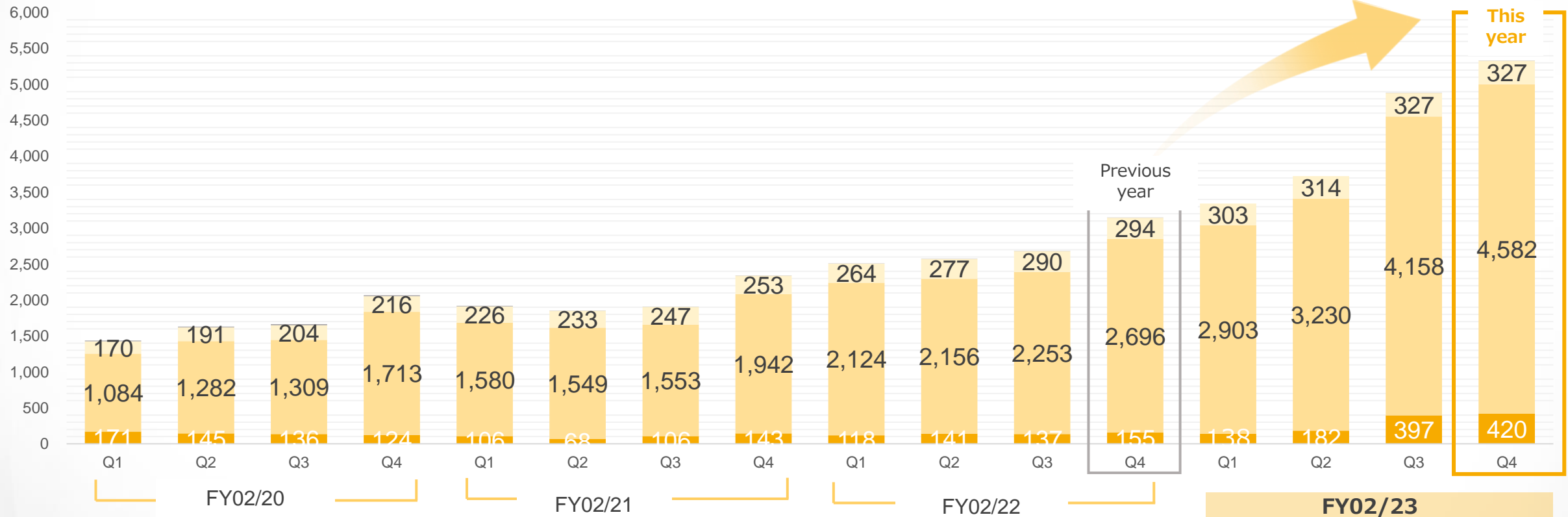
## Net Sales by Product/Service Segment



All services continue to grow steadily, rising significantly year on year.

(Unit: million yen)

■ Cloud integration
 ■ Resale (\*)
 ■ MSP
 ■ Others

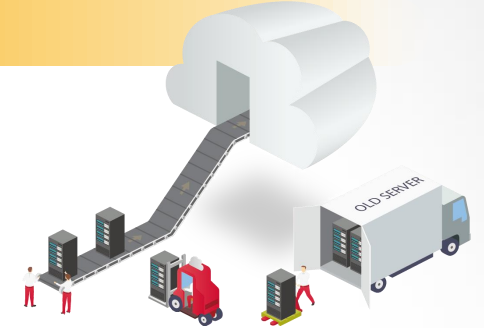


\* For AWS Resale, total amount of usage fees are recorded as net sales, due to the nature of transactions.

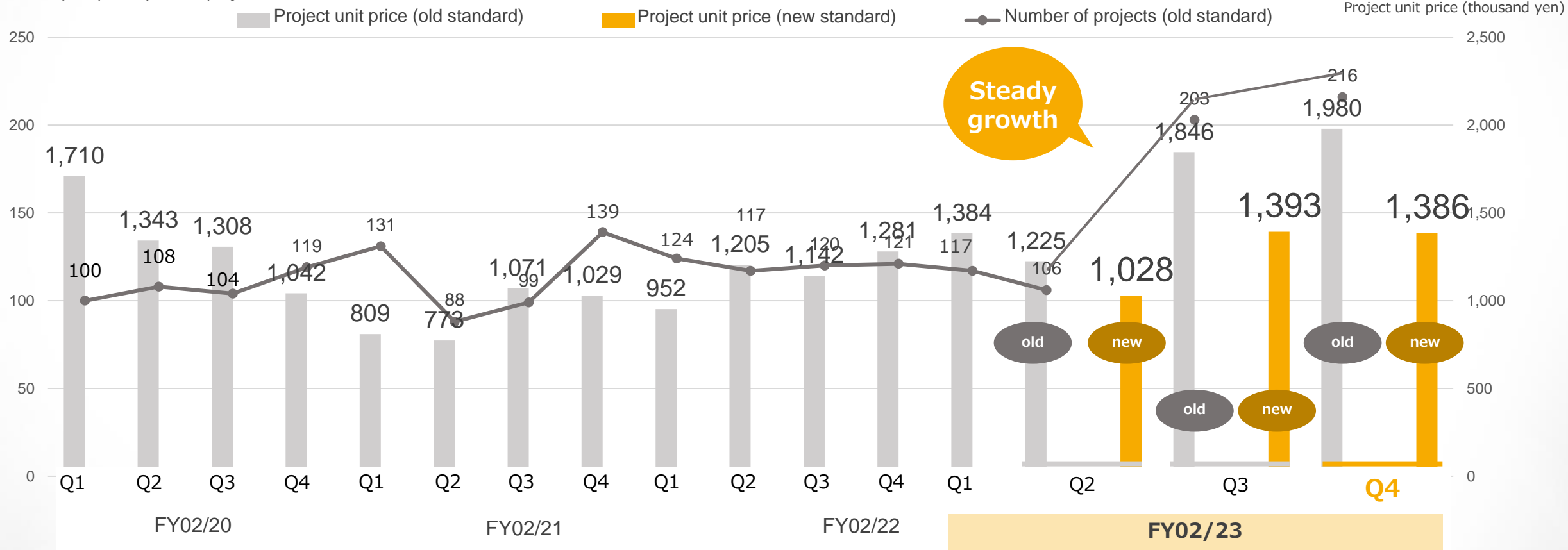
# Financial Highlights ① Cloud Integration | Changes in Each Indicator

We applied the new revenue recognition standard from FY02/23.

**Each indicator remained steady, partly due to the impact of large project acquisitions** against the backdrop of continued strong demand.



# of customers (companies) / # of projects

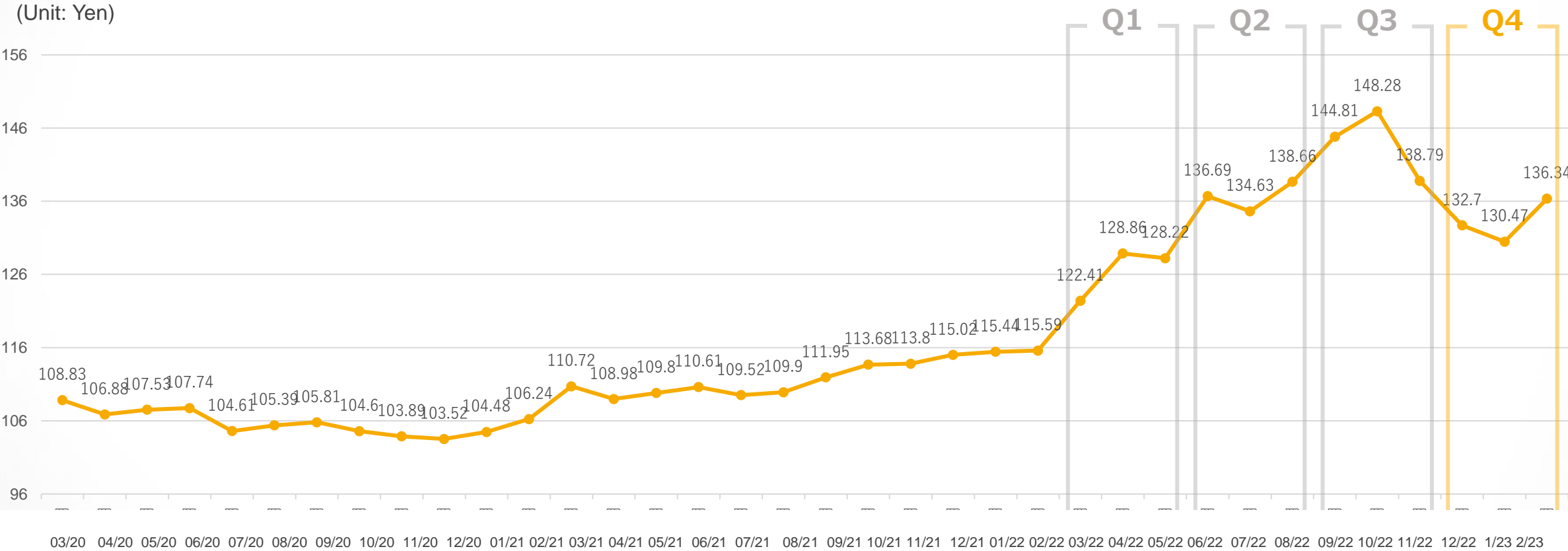


Note: In accordance with the application of the new revenue recognition standard, from FY02/23 we have changed the method of recognizing revenue based on the degree of completion of performance obligations.

# Financial Highlights ② Resale | Exchange Rates

## Continued yen depreciation contributed to higher sales and profits.

Even if sales increase or decrease due to exchange rate fluctuations, profit margins are unaffected because the purchase amount also increases or decreases in the same manner.



Note: foreign exchange quotations of Mizuho Bank, Ltd. (TTM) at the end of each month.

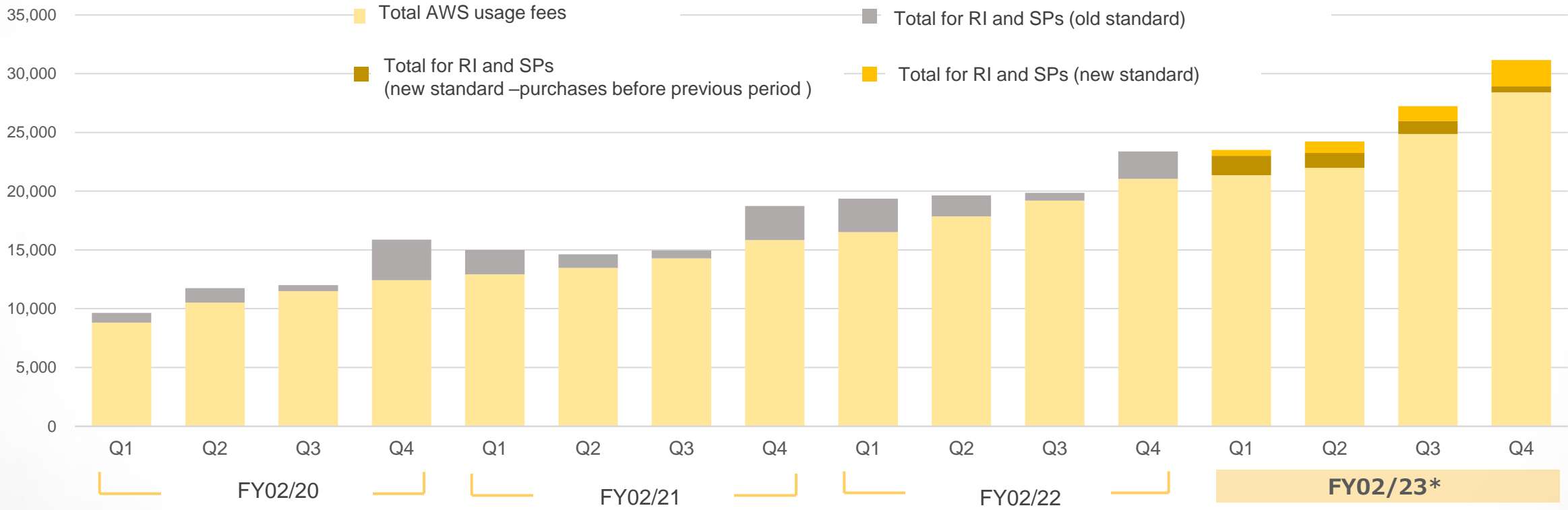
# Financial Highlights ② Resale | Reserved Instance/Saving Plans



Due to progress with AWS adoption and customer usage,  
**steady organic growth maintained.**

\*Reserved Instances (RI) and Saving Plans (SP) had certain purchases as in the previous year. Beginning with the fiscal year ending February 28, 2023, a new revenue recognition standard has been applied, which requires revenue to be recognized over a "discounted period."

(Unit: Yen)



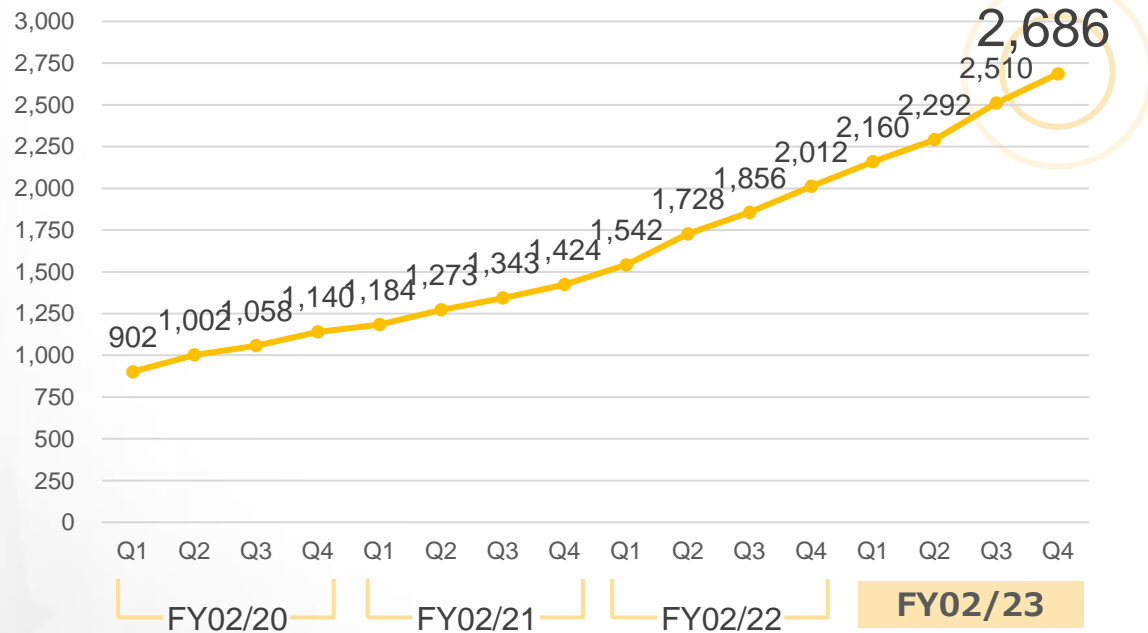
\*RI and SPs are AWS services under which substantial discounts are offered to customers who pay a fixed reservation fee and commit to AWS usage for a certain period.  
 \*For RI and SPs, we had recognized revenue at the time of purchase until FY02/2022, but changed the method to recognize revenue over the applicable period in FY02/23.



## Steady increase in both number of accounts and ARPU

**Number of AWS accounts**  
Number of accounts over the past three years

(Unit: # of account)

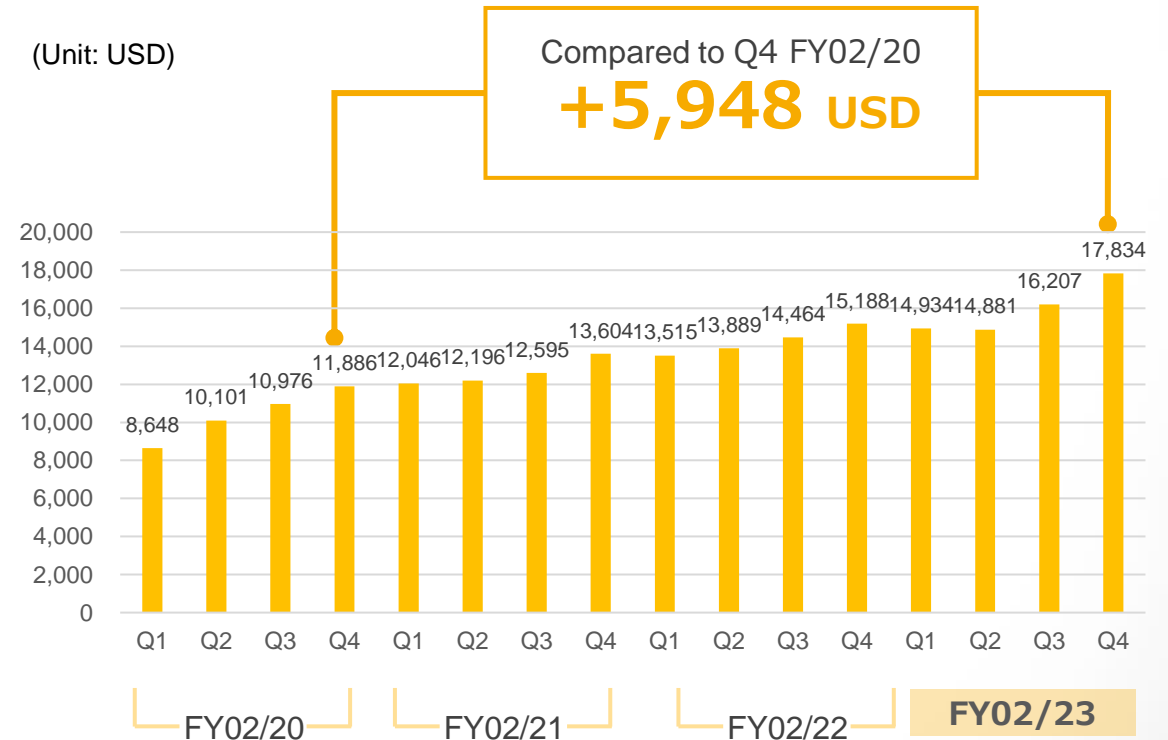


**ARPU\* (%)**

AWS usage fees for the quarter divided by the total number of customers for the quarter.

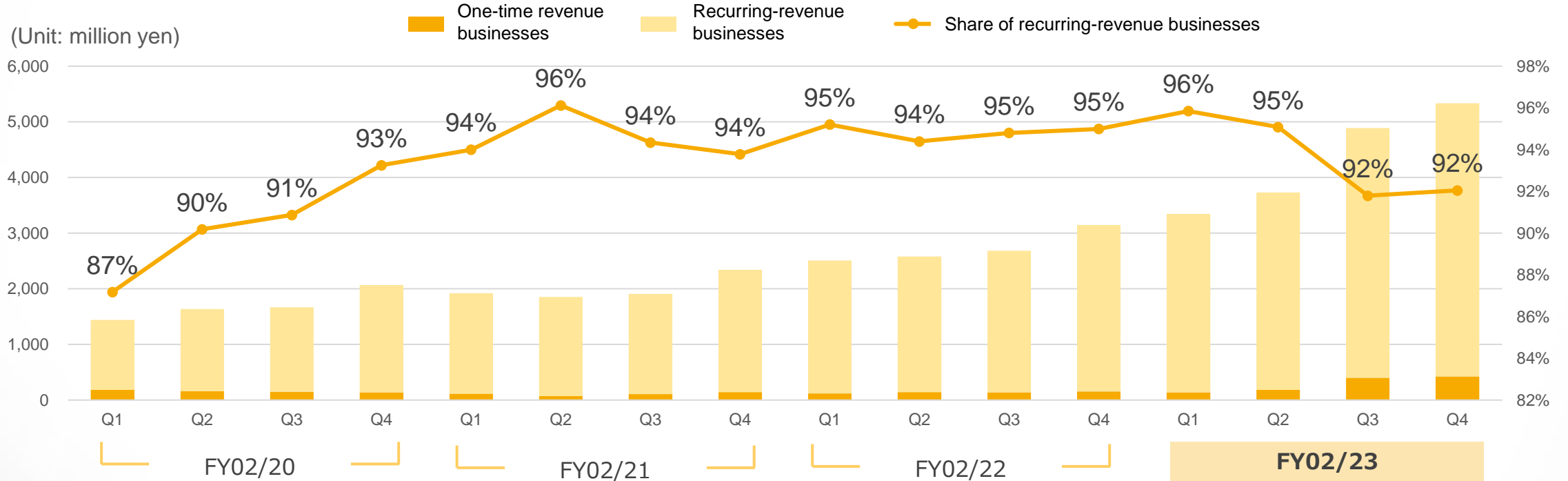
\* Excluding Reserved Instances and Savings Plans

(Unit: USD)



# Financial Highlights

## Percentage of Recurring Business



Note: One-time sales from Cloud Integration, where sales are recorded at the time of customer acceptance are recorded under One-time revenue businesses. Recurring sales from AWS monthly usage fees, monthly charges for proprietary services such as Cloud Automator, licensing fees for continued use of third-party software services, and MSP usage fees and maintenance fees for AWS server monitoring and backup services (all of which entail continued AWS usage by companies) are recorded as Recurring-revenue businesses.

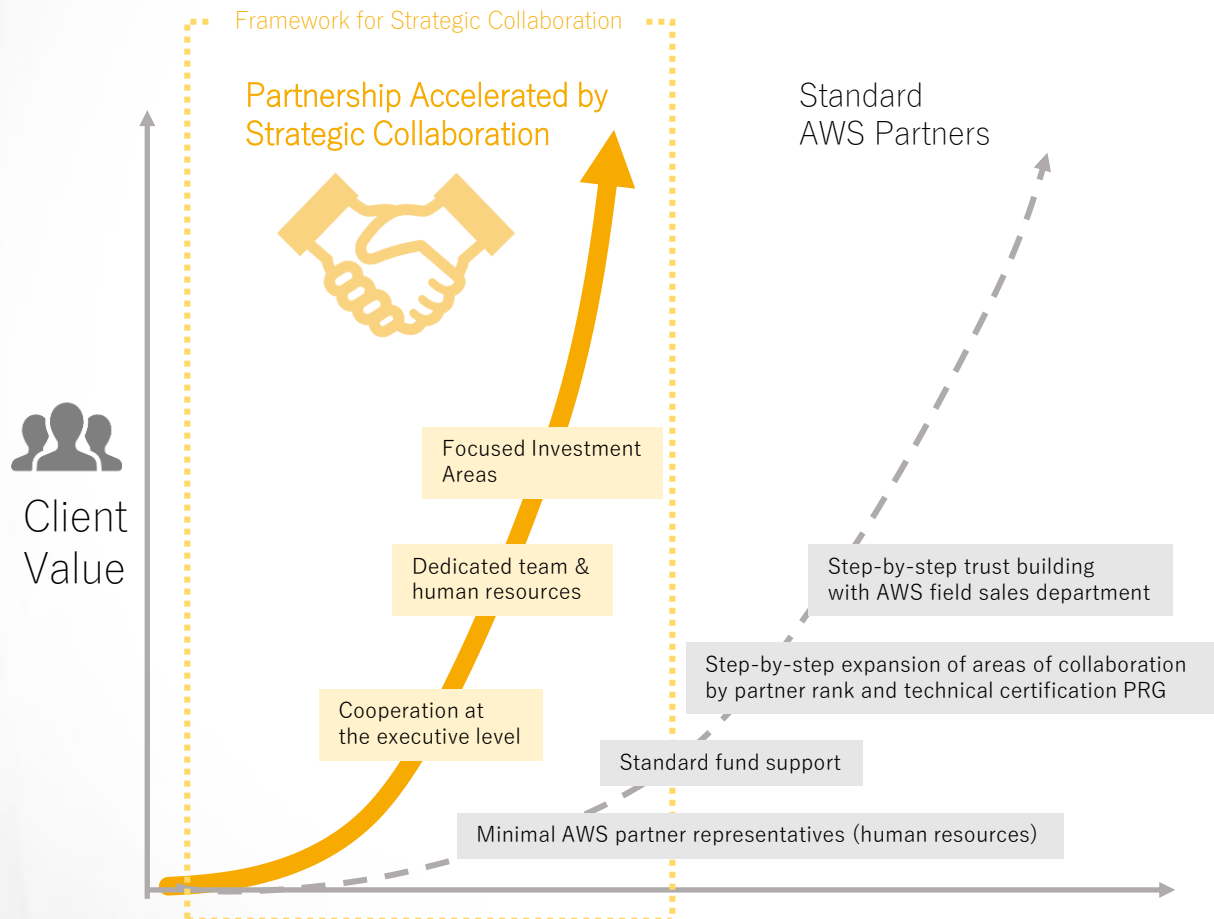




# Guidance for the Year About SCA (Strategic Cooperation Agreement)

Amazon Web Services enters into “Strategic Collaboration Agreements” with strategic partners to accelerate growth.

It is designed through which AWS invests in strategic partners to **accelerate the growth curve**.



## Background

Although the shift to cloud computing is progressing in Japan, the chronic shortage of human resources is preventing the establishment of a structure.

**Lack of effective use of the cloud is delaying the promotion of digital transformation(DX).**

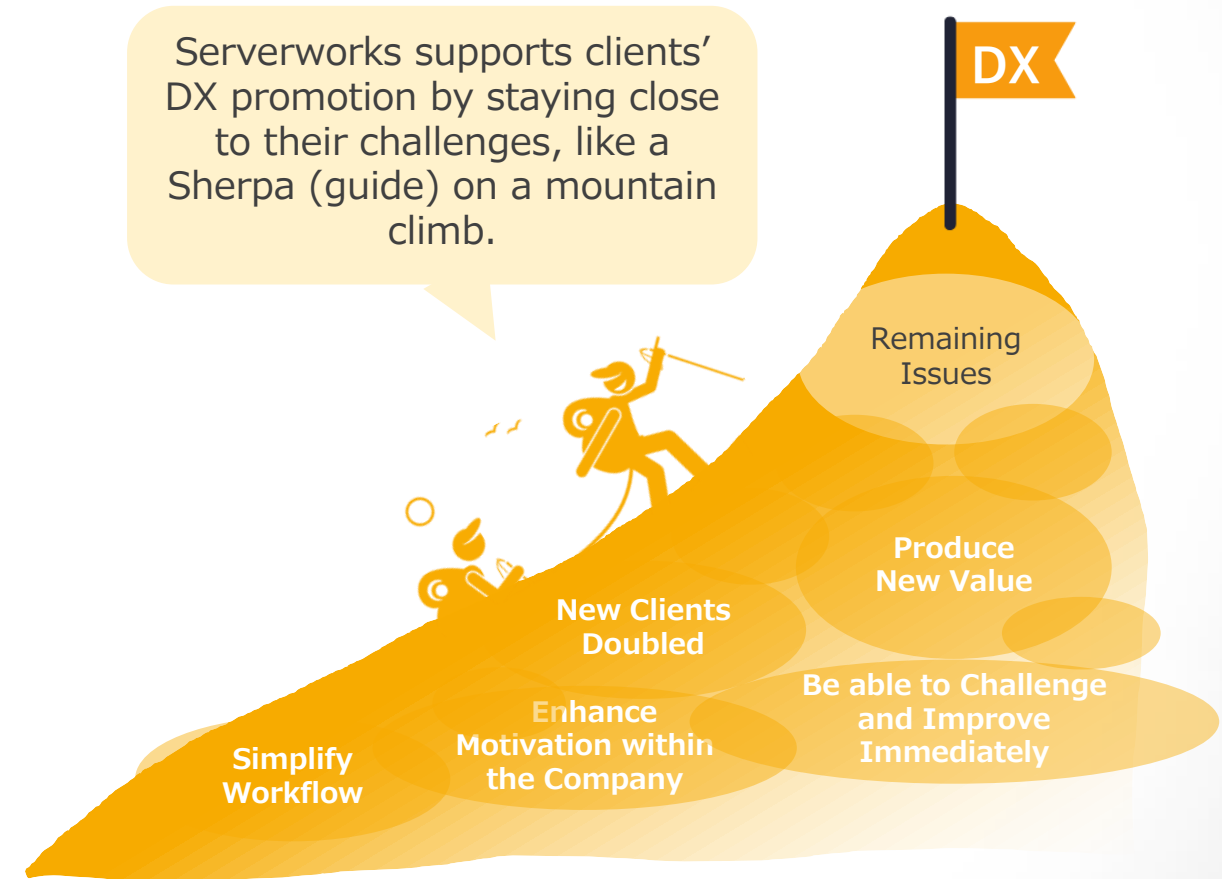
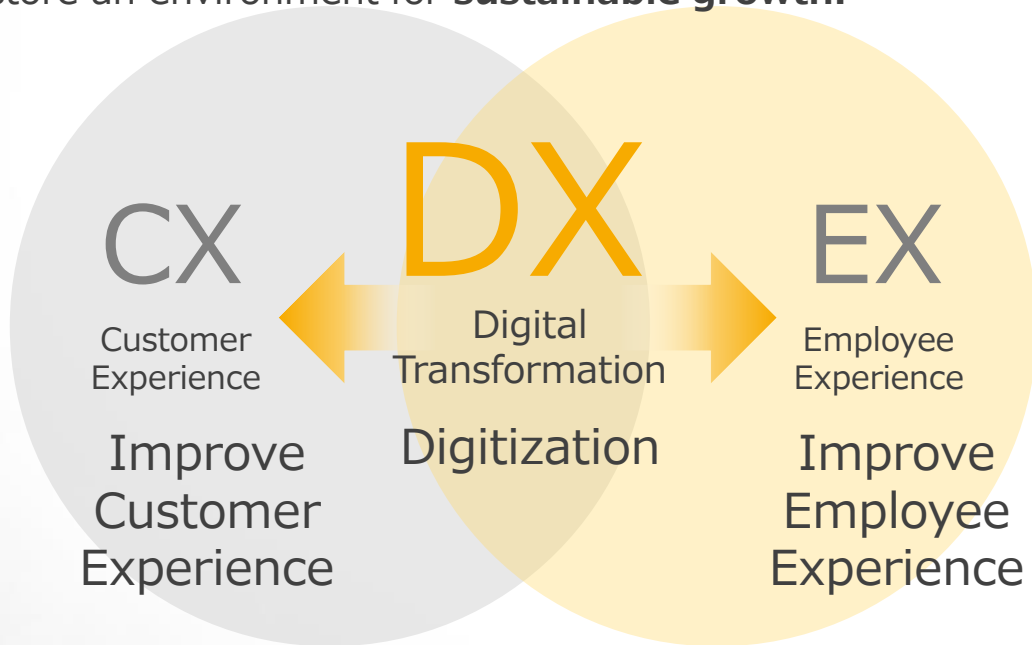
Serverworks has entered into a strategic collaboration with AWS to help all domestic companies effectively utilize the cloud and create new business opportunities.

Aims to generate the equivalent of  
**215 million US dollars\***  
in new business opportunities within four years  
(\*JPY 29 billion: based on JPY135/\$ exchange rate)

Serverworks solves customer issues with **AWS**, and **support DX promotion more strongly through "Strategic Collaboration Agreement"**

### What you can do with DX Promotion

In addition to dramatically improving **the customer experience** by digitizing customer contact points **in the chronic shortage of human resources**, "DX" is also required to **improve the employee experience** and restore an environment for **sustainable growth**.



Focusing on four areas, we provide services that help customers improve productivity and expand their businesses

### Contribute to the promotion of DX throughout Japan

<b>Four Focus Areas</b>	<b>1</b> Development of Common Cloud Infrastructure for Enterprise Companies	<b>2</b> AWS Cloud Utilization and DX Promotion for Small and Medium sized Enterprises (SMB)	<b>3</b> Cloud Contact Center Construction Support	<b>4</b> Further Strengthening of Digital Human Resource Development
<b>Customer Issues</b>	<ul style="list-style-type: none"> <li>Intensifying competition with other companies</li> <li>Development of a common cloud infrastructure across the entire company</li> </ul>	<ul style="list-style-type: none"> <li>Delay in DX promotion</li> <li>Followed by industry leaders</li> <li>Improve labor productivity</li> <li>Insufficient budget and specialized human resources</li> </ul>	<ul style="list-style-type: none"> <li>Automated call function to compensate for lack of human resources</li> <li>Improve operational efficiency through contact center systems linked to CRM and AI-related services</li> </ul>	<ul style="list-style-type: none"> <li>Continuing shortage of human resources</li> <li>Lack of resources to train new personnel</li> </ul>
<b>Serverworks Initiatives</b>	Scheduled to begin providing comprehensive support services for the development and construction of common AWS infrastructure by the summer of 2023	While leveraging our past expertise, supports sustainable management of small and medium sized enterprises that can be realized only through cloud computing by providing a means to optimize the operation of cloud systems according to the size and content of the business.	Responding to customer needs in a wide range of industries by leveraging our track record of supporting the introduction of cloud contact centers for nearly 70 companies, the largest number in Japan to date.	Current number of AWS certifications held is approximately 760 (end of March 2023/cumulative number) and aims to increase the number by 1,500 over the next four years.  As an Authorized Training Partner, trusted by AWS, we will provide acquired knowledge to customers through our dedicated trainers.

# Guidance for the Year

Application for selection to the Standard Market \*1

There will be no change in our policy of aggressive business development and execution of management strategies to achieve sustainable growth and enhance corporate value over the **mid-to-long term**, including the "Strategic Collaboration with AWS\*2 " disclosed today, after the transition to the standard market. Continuously strive to enhance corporate value and fulfill our social responsibility as a company that is highly reliable to shareholders and investors.

**Listing Criteria for the Standard Market (Continued Listing) and our status of compliance (as of the record date of February 28, 2023) are shown below.**

**Serverworks is in compliance with all the listing standards for the "Standard Market."**

		Number of Shareholders	Number of Tradable Shares	Tradable Share Market Cap	Tradable Share Ratio	Trading Value (Unit)	Shareholder Equity
Our Compliance Status	As of February 28, 2023	3,778 shareholders	28,944 units	JPY 7.1 bn	37.33%	Monthly avg. 11,760 Unit	JPY 9.7 bn
Continued Listing Criteria for the "Standard Market"		At least 400 shareholders	At least 2,000 units	At least JPY 1 bn	At least 25%	At least monthly avg. 10 Unit	positive

\*The Company's compliance status is calculated based on the distribution of the Company's share certificates, etc. as understood by the Tokyo Stock Exchange as of the record date.

\*The monthly avg. trading value is calculated by dividing the total trading volume for the second half of 2022 (July-December) by 6 (months), which is our estimate of the monthly average.

\*1. For details, please refer to the "Notice on the Status of Compliance with the Listing Maintenance Standards for the Prime Market and the Status of Application for Selection and Compliance with the Standard Market" released on April 14, 2023.

\*2. For details, please refer to the "Notice on a Strategic Collaboration Agreement with AWS to Expand Cloud Services Offerings for Customers" disclosed on April 14, 2023.

## Guidance for the Year

Forecast of Consolidated Financial Results for FY 02/24  
(announced on April 14, 2023) \*1

**Toward sustainable growth and enhancement of the mid-to-long term corporate value, engage in aggressive business development and implementation of management strategies, including the "Strategic Cooperation Agreement with AWS."**

(Unit: million yen)	FY 02/23		FY 02/24		% of the Previous Year
	Results	Composition (%)	Forecasts	Composition (%)	
Net sales *2	17,295	100.0%	22,693	100.0%	<b>131.2%</b>
Gross profit	2,299	13.3%	3,203	14.1%	<b>139.3%</b>
Operating profit	552	3.2%	373	1.6%	<b>67.6%</b>
Ordinary profit	624	3.6%	396	1.7%	<b>63.5%</b>
Profit attributable to owners of parent	453	2.6%	272	1.2%	<b>60.1%</b>

\*1. Please refer to the full-year forecast announced on April 14, 2023 in the "Consolidated Financial Results for the Year Ended February 28, 2023".

\*2. Since our business is in a single segment (cloud business), we do not disclose the segment earnings forecasts. For the forecast figures of AWS Resale as percentage of net sales, we adopted an exchange rate of 125 yen to the dollar.



Our track record spans 16,100 projects for more than 1130 companies,  
mainly large companies.

(as of February 28, 2023)

Listed  
Companies



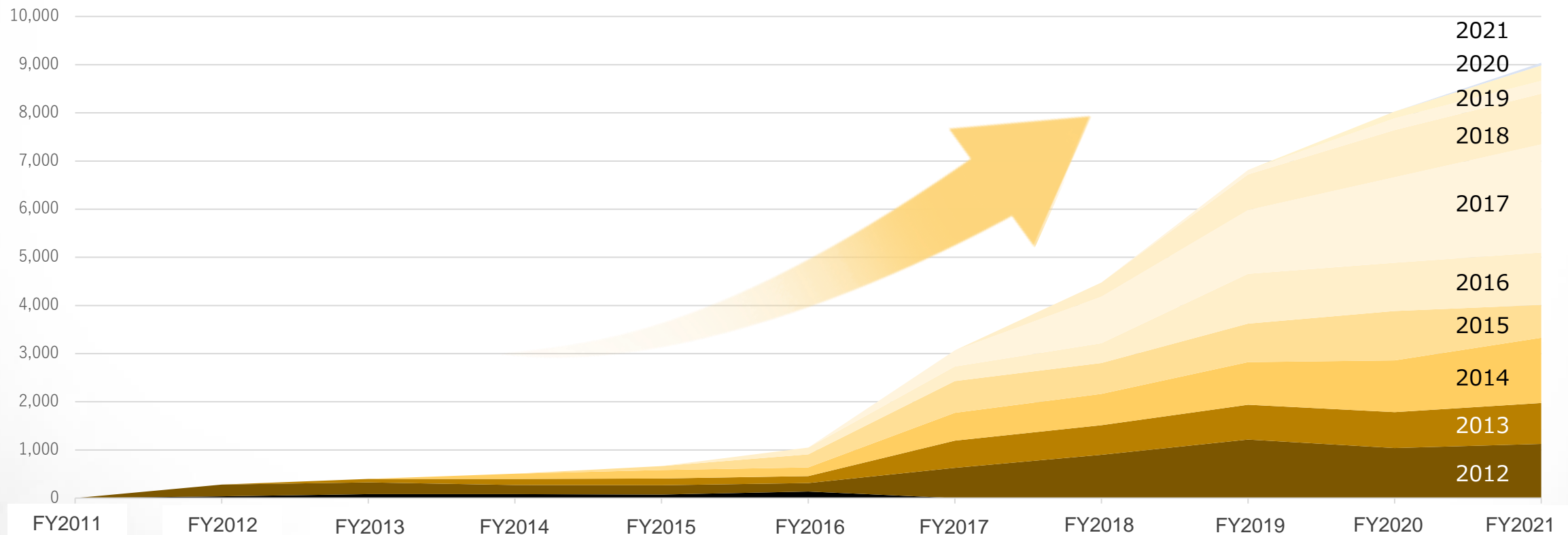
Major Companies and  
Listed Company  
Groups



Customers who have contracted with us  
increase their total purchase amount each year.

\*Cloud Integration, Resale, and MSP combined

(Unit: million yen)



\* Revenues prior to the fiscal year ended February 29, 2017 are an approximate total of AWS resale revenues recalculated into a gross amount based on the most recent results.

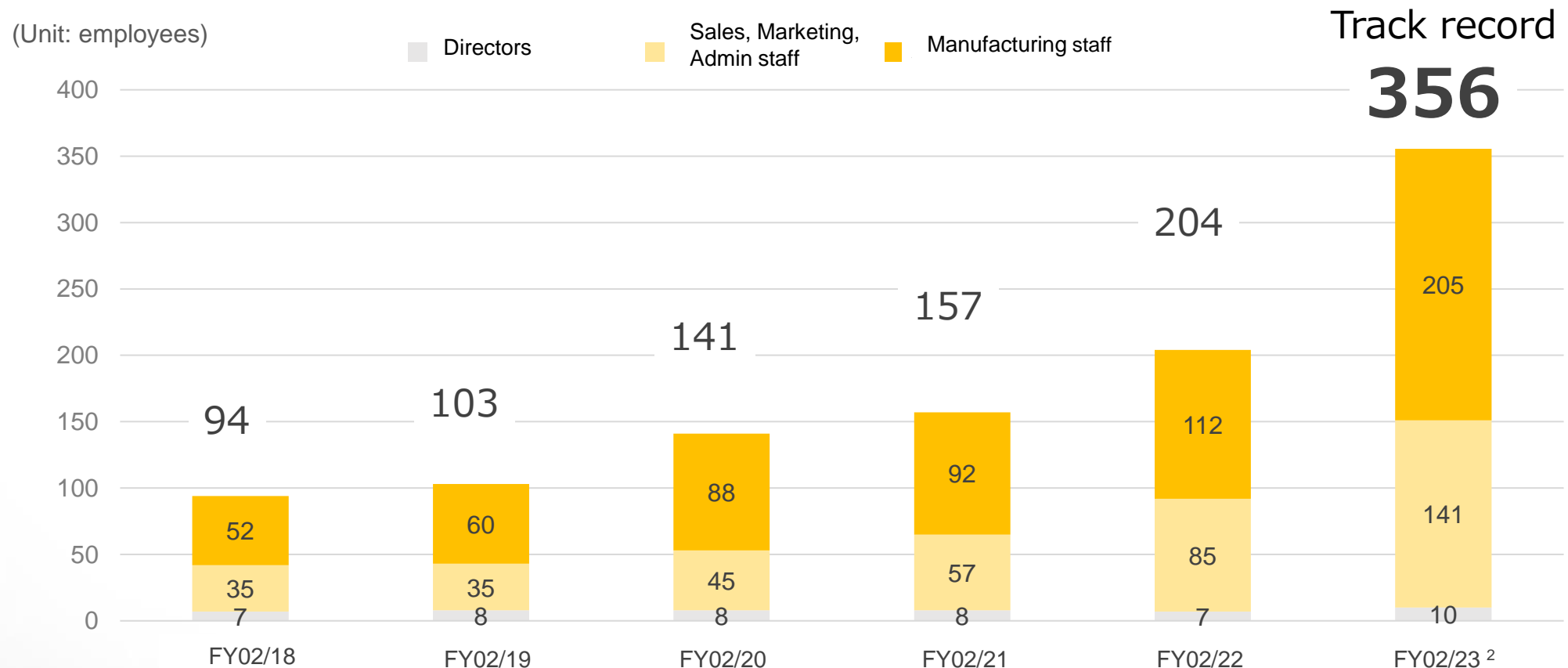


## Number of Group Employees <sup>1</sup>

Strengthening active recruitment of highly skilled human resources, especially cloud engineers.

**In addition to steady hiring at G-gen,**

**headcount has increased significantly due to the consolidation of Topgate.**



1. The number of employees includes the number of temporary (part-time) employees.

2. Eleven new graduates are counted in our sales and administration department in Q1 FY02/23.

Mid-career engineers with no AWS experience also obtain AWS certification early

## Over 700 AWS certifications

Number of all employees  
(Serverworks)

214 → 231

End of August 2022

End of February 2023

Percentage of engineers

60.9% → 60.1%

End of August 2022

End of February 2023

+91 in half a year

Number of AWS certifications  
earned \*

672 → 763

End of August 2022

End of February 2023

\*the cumulative number

aws  certified

AWS PARTNER NETWORK

## Increase in the Number of AWS Certifications in a Greater difficulty Level

Due to an increase in the number of employees obtaining AWS certifications at higher levels of difficulty, **engineers can work in more specialized fields.**

	End of Aug 2022	End of Feb 2023	Comparison	Qualification Level Description
Fundamental	96	97	<b>101%</b>	<b>Six months of fundamental</b> AWS cloud and industry knowledge
Associate	269	283	<b>105%</b>	<b>One year</b> of experience solving problems and implementing solutions using the AWS cloud
Professional	123	133	<b>108%</b>	<b>Two</b> years of experience designing, operating, and troubleshooting solutions using the AWS Cloud
Expertise	184	250	<b>136%</b>	Technical AWS Cloud experience in the Specialty domain as specified in the exam guide

G-gen X Mizuho RT  
Google Cloud information is now available

January 17, 2023.



- Under the title of "G-gen x Mizuho RT Google Cloud Information Dissemination - Engineer Collaboration Project," we will jointly disseminate information on Google Cloud technology.
- Information about Google Cloud technology will be posted primarily on the G-gen Tech Blog ( <https://blog.g-gen.co.jp/> ). The information will be published from January 2023 and will be related to technical knowledge about Google Cloud and system development on Google Cloud.

Implemented Google Cloud  
to facilitate **data sharing** and **visualization**  
for new project

Case Study:  
MM Research Institute, Ltd.



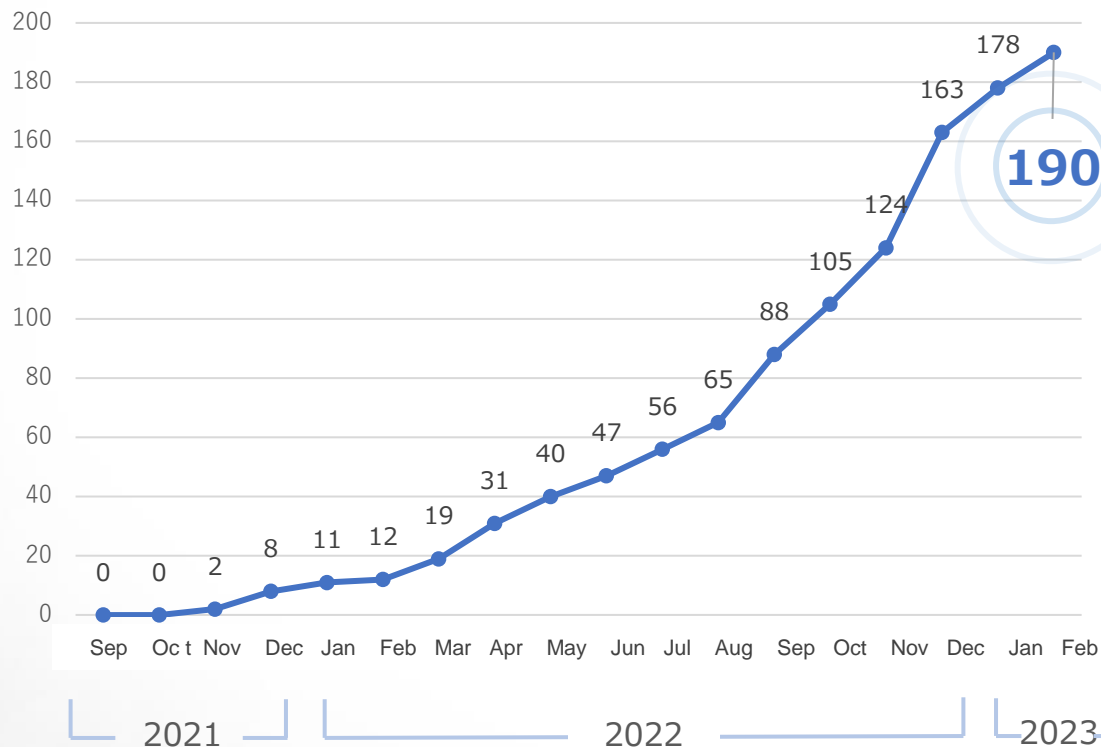
- MM Research Institute, Ltd. specializes in market research and analysis and data-based consulting. With the start of a new project, the company needed a "new architecture" to share data with clients in real time. With G-gen's support, MM Research Institute began implementing Google Cloud, and by fully operating BigQuery and data portals, the company was able to meet the client's needs and raise awareness within the team.

From the start of operations in 2021

**Steady increase in the number of projects, mainly for resale**

**Steady hiring, and a rapid increase in the number of qualified engineers**

Number of projects (G-gen)  
Number of projects from the start of operations



Number of Google Cloud Qualified Employees  
Number of certifications held, including Professional Cloud Architect

### Number of Google Cloud certifications\*

10

End of Feb  
2021

124

End of Feb  
2022

From the  
previous  
year  
**+114**

Recruitment  
is  
Steady.



\*the cumulative number

## Launched Google Workspace solution for Municipalities

March 13, 2023



- Launched Google Workspace solution for Municipalities (PoC Package/Training)
- This package will build a PoC environment with the top priority on enabling local government employees to experience the convenience of Google Workspace. By creating the environment with Topgate's recommended settings, we will be able to build the environment in a short period of time (estimated 6 months).

Taking advantage of superior **managed service** offered by Google Cloud, provide a system infrastructure that meets growth strategy.

**Case Study:**  
**medicolle Co., Ltd.**



- As the base infrastructure for our growth strategy, we selected Google Cloud because it will ensure achieving even in-house production with its abundant managed functions and because we expect the accumulated data are used to analyze the trend in the future.
- With Google Cloud, we were able to realize a secure, continuous, and fast deployment environment. We believe that our strength lies in data analysis, so in the future, once we have accumulated enough data, we would like to use Google Analytics to analyze consumer and user trends as well as visualize whether the information is safe and secure.

# TOPGATE – Number of Projects and Qualified Employees

In the most recent one-year period from January 2022,

## Number of Google Cloud certified employees in the Development Department and certified trainers surged.

### TOPGATE Achievements \*1

Detailed information is provided on the website.

### Case studies of our customers

**SEIKO**  
セイコーソリューションズ株式会社

**METAWATER**



**Tryumph21**

Development  
Achievements

**33**

companies

Client  
Companies

**447**

companies

Training  
participants

**2566**

people

Number of Google Cloud Qualified Employees  
Number of certifications held, including Professional Cloud Architect

Development Department

Number of Google Cloud certifications\*2

**16**

As of March 2022

**59**

As of February 2023

**+43**  
in one year

Number of certified trainers

**0**

As of March 2022

**3**

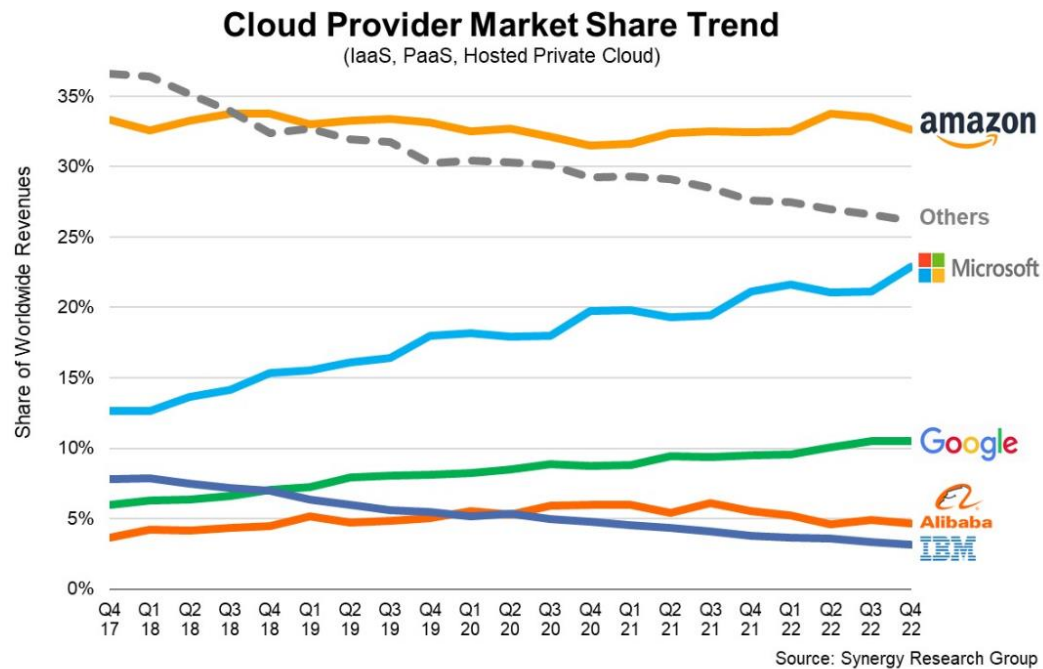
As of February 2023

\*1 The period covered is from March 2022 to February 2023.

\*2 the cumulative number

In the global cloud infrastructure services market in Q4 2022,

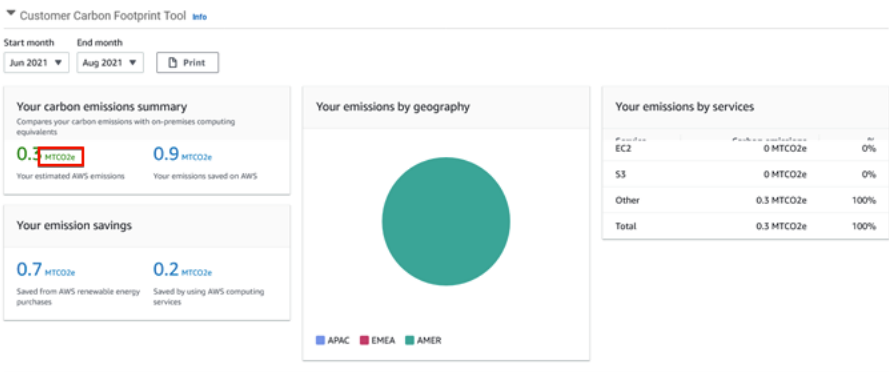
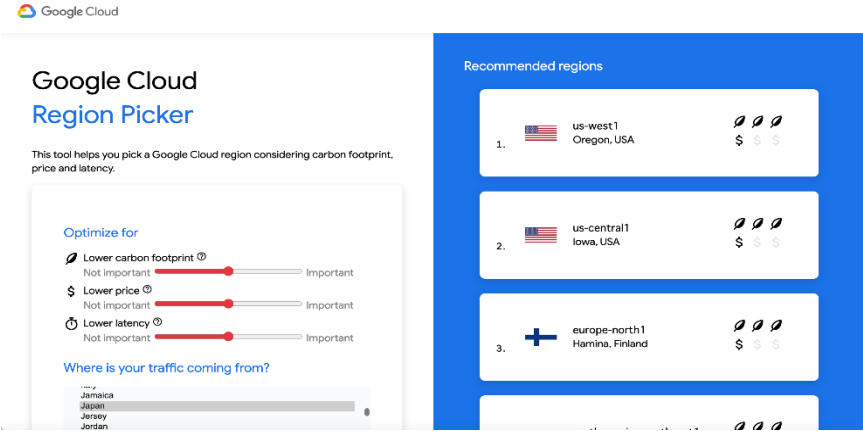
**AWS maintained over 30%, Azure and Google Cloud remained steady**



Data from Synergy Research Group shows in the global cloud infrastructure services market in Q4 2022, AWS controlled 32-34% of the total market, followed by Microsoft Azure at 23% and Google Cloud at 11%.



# Reference - Carbon Emissions Measurement Tool for Each Cloud Service

Cloud Service	AWS	Google Cloud
Tool	AWS Customer Carbon Footprint Tool	Google Cloud Region Picker
Feature	<p>To meet sustainability goals, <b>measure estimated carbon emissions from the use of AWS services.</b></p> <ol style="list-style-type: none"> <li>Using AWS reduces emissions, comparing to on-premise.</li> <li>CO2 emissions on a monthly, quarterly, and annual basis.</li> <li>Measure the projected change in annual CO2 emissions based on AWS usage within the account.</li> </ol>  <p>The screenshot shows the AWS Customer Carbon Footprint Tool interface. It includes a 'Your carbon emissions summary' section with values for estimated AWS emissions (0.3 MTCO2e) and emissions saved on AWS (0.9 MTCO2e). A 'Your emissions by geography' pie chart shows 100% for AMER. A table titled 'Your emissions by services' shows EC2 (0 MTCO2e, 0%), S3 (0 MTCO2e, 0%), and Other (0.3 MTCO2e, 100%).</p>	<p><b>Google Cloud region can be selected taking variables like price, latency, and sustainability into account.</b></p> <ol style="list-style-type: none"> <li>Identify regions with particularly low carbon impact.</li> <li>Indicate the usage rate of carbon-free energy and the carbon intensity index of the power grid.</li> </ol>  <p>The screenshot shows the Google Cloud Region Picker interface. It features optimization sliders for 'Lower carbon footprint', 'Lower price', and 'Lower latency'. A 'Recommended regions' list includes: 1. us-west1 Oregon, USA; 2. us-central1 Iowa, USA; 3. europe-north1 Hamina, Finland.</p>



### Ryo Oishi, President & CEO

Mr. Oishi graduated from Tohoku University, where he majored in economics. He joined Marubeni Corporation, which is one of the biggest general trading companies. He was involved in the establishment of a subsidiary related to communication networks, as well as the planning of internet business and sales. In February 2000, he founded Serverworks. After he started AWS business in 2009, Mr. Oishi became one of Japan's first "cloud evangelists," and he has continued to encourage Japan's use of cloud computing.

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### Takashi Hashiba, Senior VP

Mr. Hashiba graduated from the Tokyo University of Agriculture, where he majored in agriculture. He joined a wholesale food processing company, working in a sales role. After joining our company in April 2006, he became head of the sales and technical department and took part in numerous system installations. Even after the AWS business began, he continued working on numerous projects, contributing substantially to the company's expansion. He became senior VP in October 2013.

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### Hiroyuki Oshio, Senior VP

Upon graduation from Kobe University, where he majored in economics, Mr. Oshio joined Marubeni Corporation. He engaged in planning and installation of internet-enabled systems. Then, he joined a software venture company and became SVP at an overseas subsidiary, as well as general manager of marketing. Upon joining our company in October 2013, he served as the head of business development and led the back office team. Mr. Oshio became senior VP in August 2014.

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### Mikiya Inoue

Full-time

After graduating from Keio University, where he majored in engineering, Mr. Inoue joined Marubeni Corporation. He worked primarily in the information and communication industry, engaging in a wide range of projects. These included time-sharing services, international VAN services, mobile communications services, packet switching networks, communications networks for the distribution industry, optical submarine cables, data centers, and ISPs. He also took part in related M&A projects. Mr. Inoue has lived in London and Bangkok. He joined our company as outside auditor in May 2018. He became an outside director in May 2021.



### Yuko Tanaka

Ms. Tanaka joined Toyota Motor Corporation after graduating from Tokyo University, where she majored in law. She joined A.T. Kearney in 2003, taking part in a wide range of consulting projects for major companies, including company-wide strategies, business strategies, new business development, organizational restructuring, cost reduction, and due diligence. Currently, she has concurrent positions as director at CrowdWorks, Inc. and is an outside director on the Audit and Supervisory Committee at Spacemarket, Inc. Ms. Tanaka joined our company as outside director in May 2021.



### Ichiro Terajima

Upon his graduation from Tokyo University, where he majored in engineering, Mr. Terajima joined Sekisui Chemical Co., Ltd. He also studied at MIT and established an in-company AI venture, experiencing a wide variety of business roles. He became general manager of the Information Systems Dept. and served as a chief of the information systems group. He joined TERRANET as a company representative. Mr. Terajima joined our company as outside director in November 2017.



### Hikari Fujimoto

Ms. Fujimoto graduated from Keio University, where she majored in economics, before joining Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC). She engaged in accounting audit work and stock listing support services. She struck out on her own in 2011, establishing Hikari Fujimoto Certified Public Accountant Office (current Hikari Fujimoto Certified Public Accountant and Tax Accounting Office) in 2013. She provides stock listing support, support for the establishment of internal controls, M&A support, and accounting tax advisory services for venture companies. Currently, she is an auditor for several companies. She joined our company as outside director in May 2021.

# Forward-Looking Statements

The materials and information provided in this document include so-called “forward-looking statements.” These are based on current expectations, projections, and risk assumptions, and include uncertainties that could cause actual results to differ from expectations.

Risks and uncertainties include general industry and market conditions, as well as general domestic and international economic conditions, such as interest rate and currency exchange fluctuations.

The Company is not obligated to update or modify these forward-looking statements, even in the event of new information and/or future events that could affect results.



Serverworks