Contents

1. Q2 FY02/24 Financial Summary

Revision of Forecast

Three main companies in the group, Serverworks, G-gen, and TOPGATE, have significantly outperformed initial expectations and continue to work on aggressive business development and implementation of management strategies, including the "Strategic Collaboration Agreements with AWS," to achieve sustainable growth and increase corporate value in the medium to long term.

(Unit: million yen)	Previous Forecast		Revised Forecast		Change from previous announcement
	Forecasts	**Composition (%)**	**Forecasts**	**Composition (%)**	
Net sales [2]	22,693	100.0%	25,495	100.0%	**112.3%**
Gross profit	3,203	14.1%	3,305	13.0%	**103.2%**
Operating profit	373	1.6%	536	2.1%	**143.8%**
Ordinary profit	396	1.7%	595	2.3%	**150.3%**
Profit attributable to owners of parent	272	1.2%	354	1.4%	**130.2%**

*1. On October 13, 2023, we revised the full-year earnings forecast announced on April 14, 2023 in the "Consolidated Financial Results for the Year Ended February 28, 2023". For details, please refer to the "Notice Concerning Revision of Full-Year Earnings Forecast" released on October 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 adopted an exchange rate of 142 yen to the dollar at the time of the October 13, 2023 revision.

Financial Highlights

Favorable impact of foreign exchange rates (yen depreciation) and steady growth of subsidiaries (G-gen, TOPGATE) resulted in sales growth, and consolidated net sales, operating profit and ordinary profit significantly exceeded those of the previous fiscal year.

Serverworks Consolidated

| Net sales | 12,480 million yen | 176.4% YoY |
| Operating profit | 403 million yen | 120.2% YoY |

Serverworks

(Non-consolidated)
Serverworks Co., Ltd.

Net sales:
    10,620 million yen (151.6% YoY)

Operating profit:
    457 million yen (99.1% YoY)

G-gen

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

Net sales:
    666 million yen (888.8% YoY)

Operating loss:
    -26 million yen (-% YoY)

TOPGATE

(Consolidated subsidiary)
TOPGATE Inc.

Net sales:
    1,220 million yen (-% YoY)

Operating profit:
    24 million yen (-% YoY)

Sky365

(Equity-method affiliate)
Sky365 Inc.

Equity in losses of affiliated companies of 0.4 million yen

Financial Highlights

| (Unit: million yen)	Q2 FY02/23		Q2 FY02/24 Serverworks			% of the Previous Year
	Results (Consolidated)	Composition (%)	Results (Non-consolidated)	Results (Consolidated)	Composition (%)	
Net sales	7,075	100.0%	10,620	12,480	100.0%	**176.4%**
Gross profit	998	14.1%	1,290	1,590	12.7%	**159.3%**
Operating profit	335	4.7%	457	403	3.2%	**120.2%**
Ordinary profit	331	4.7%	511	445	3.6%	**134.3%**
Profit	203	2.9%	283	217	1.7%	**106.8%**
Profit attributable to owners of parent	266	3.8%	—	230	1.8%	**86.6%**
EBITDA	366		488	492		

2. Q2 FY02/24 Key Topics

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

Establishment of Persol & Serverworks Co., Ltd. to develop and secure IT and cloud personnel as part of a specific initiative of the Strategic Collaboration Agreement (SCA) with AWS

4 Key Areas of Focus in SCA

1 Supporting the development and installation of common cloud infrastructure platforms for enterprises

2 Promoting digital transformation for small and medium-sized enterprises

3 Supporting the development of cloud contact centers

4 **Strengthening the development of digital talent**

Developing Excellent Human Resources Securing AWS Engineers
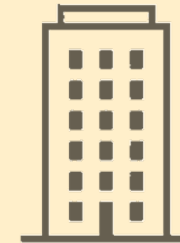
Persol & Serverworks Co., Ltd.

G-gen and TOPGATE both won Google Cloud Partner of the Year

As partners who have been at the forefront of innovation and have helped customers achieve their goals through the use of cutting-edge technology, G-gen and TOPGATE were named Google Cloud Partners of the Year for 2023.

Breakthrough Partner of the Year

Service Partner of the Year

Breakthrough Partner of the Year has emerged over the past year, expanding its partnership with Google Cloud and achieving breakthrough technology advances and impressive growth.
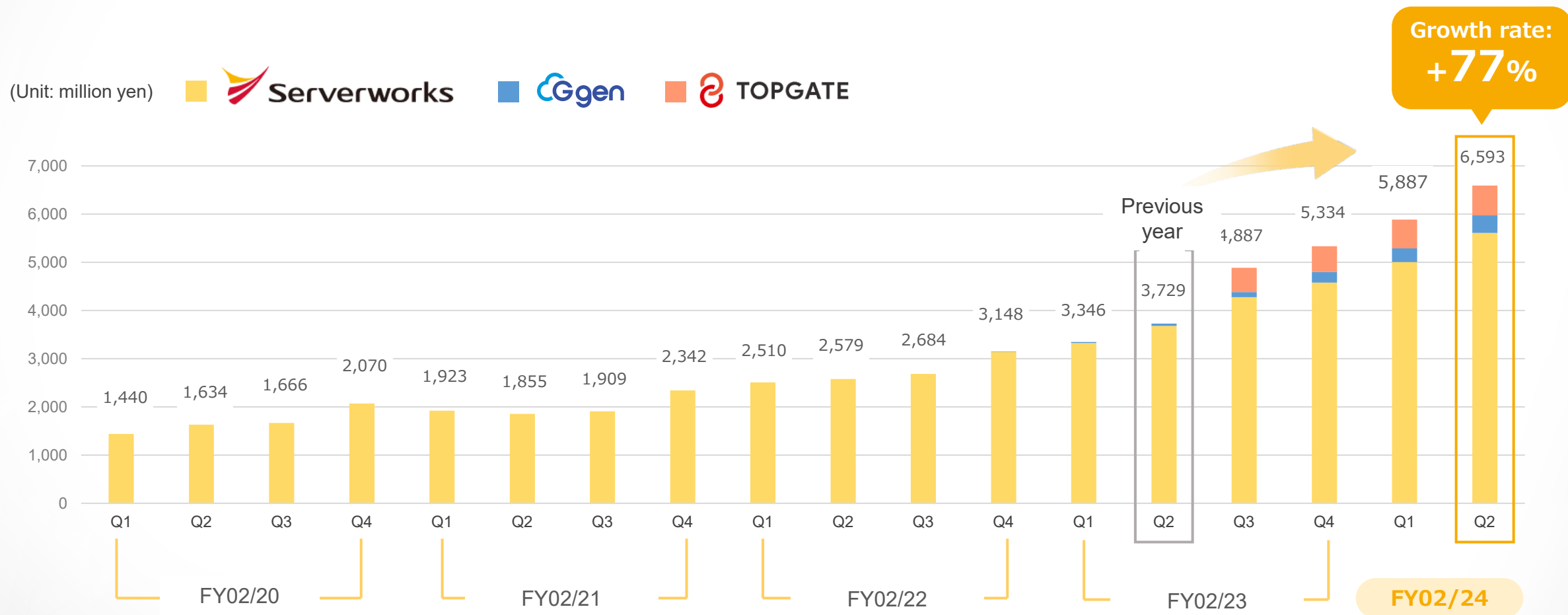
Service Partner of the Year has helped our customers succeed by delivering superior service with the right combination of Google Cloud solutions.

3. Q2 FY02/24 Financial Summary
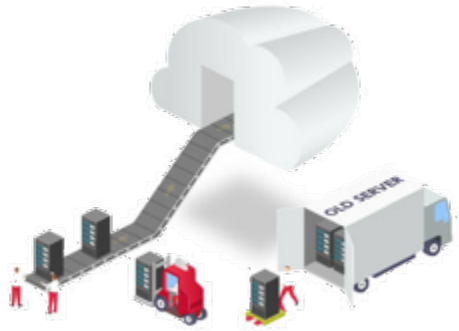
Net Sales - Consolidated -

Favorable impact of foreign exchange rates (yen depreciation) and steady growth of subsidiaries (G-gen, TOGATE)
contributed very high growth rate of +77% YoY.

(Unit: million yen) — Serverworks, G-gen, TOGATE

Growth rate: **+77%**

FY02/20				FY02/21				FY02/22				FY02/23				FY02/24	
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1,440	1,634	1,666	2,070	1,923	1,855	1,909	2,342	2,510	2,579	2,684	3,148	3,346	3,729	4,887	5,334	5,887	6,593

Previous year (Q2)

* The figures for each company have been adjusted to reflect the consolidation of internal transactions.

Net Sales - by Product and Service Segment -

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

Legend: Cloud integration ■ | Resale (*) ■ | MSP ■ | Others ■

(Unit: million yen)

	FY02/20				FY02/21				FY02/22				FY02/23				FY02/24	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
MSP	170	191	204	216	226	233	247	253	264	277	290	294	303	314	327	327	346	364
Resale	1,084	1,282	1,309	1,713	1,580	1,549	1,553	1,942	2,124	2,156	2,253	2,696	2,903	3,230	4,158	4,582	5,131	5,820
Cloud integration	171	145	136	124	106	68	106	143	118	141	137	155	138	182	397	420	405	407

Previous year (FY02/23 Q2)

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

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By Product and Service Segment – Net Sales Year-on-Year Comparison -

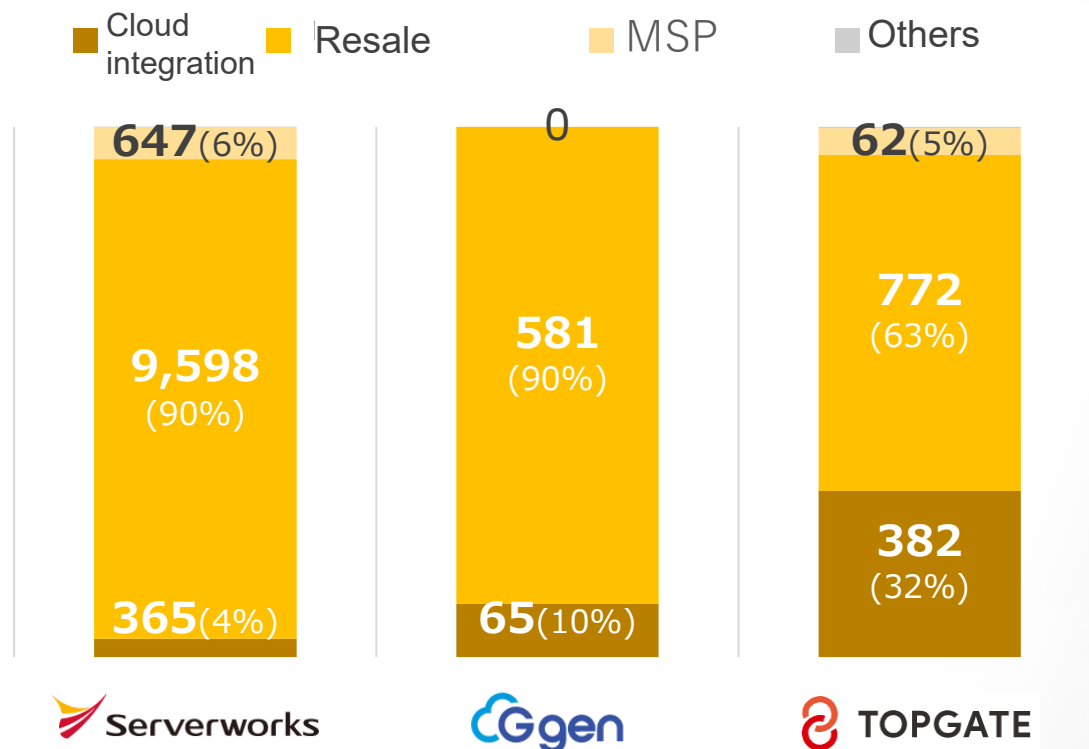## Significantly higher results than in the previous year in main product and service segments

(Unit: million yen)	Q2 FY02/23 Results (Consolidated)	Composition (%)	Q2 FY02/24 Results (Consolidated)	Composition (%)	% of the Previous Year
Cloud Integration	321	4.5%	812	6.5%	**252.8%**
Resale	6,134	86.7%	10,951	87.8%	**178.5%**
MSP (Managed Service Provider)	617	8.7%	710	5.7%	**115.0%**
Others	0	0.0%	5	0.0%	**536.5%**
Total	7,075	100.0%	12,480	100.0%	**176.4%**

By Product and Service Segment – Composition of Each Company -

All companies steadily accumulated resale sales, a stock business.

(Unit: million yen)	Serverworks	G-gen	TOPGATE
Cloud Integration	365	65	382
Resale	9,598	581	772
MSP (Managed Service Provider)	647	0	62
Others	1	0	3
Total	**10,612**	**647**	**1,220**

Legend: Cloud integration · Resale · MSP · Others

Serverworks
- 647 (6%)
- 9,598 (90%)
- 365 (4%)

G-gen
- 0
- 581 (90%)
- 65 (10%)

TOPGATE
- 62 (5%)
- 772 (63%)
- 382 (32%)

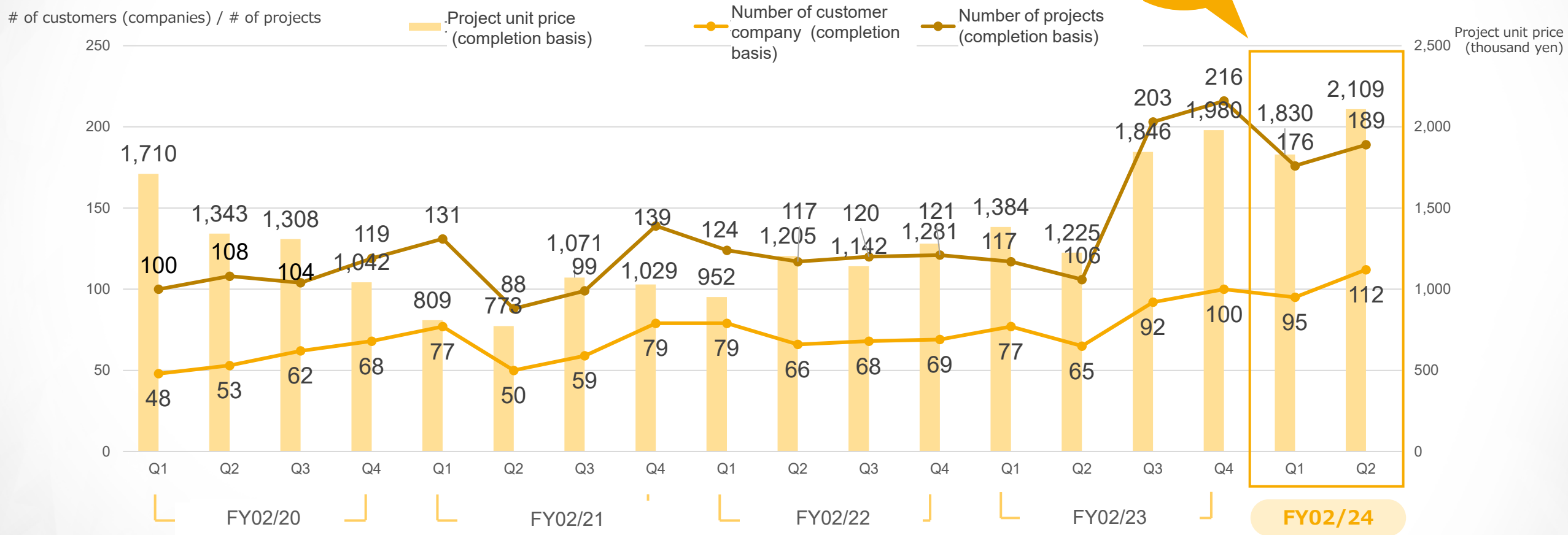Serverworks · G-gen · TOPGATE

* The figures for each company have been adjusted to reflect the consolidation of internal transactions.

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Cloud Integration - Changes in Each Indicator -

Steady growth of group companies led to steady growth in each indicator.

Steady change

# of customers (companies) / # of projects

Project unit price (completion basis) ▪ Number of customer company (completion basis) ▪ Number of projects (completion basis)

Project unit price (thousand yen)

FY02/20 — Q1, Q2, Q3, Q4
FY02/21 — Q1, Q2, Q3, Q4
FY02/22 — Q1, Q2, Q3, Q4
FY02/23 — Q1, Q2, Q3, Q4
FY02/24 — Q1, Q2

Project unit price values: 1,710 | 1,343 | 1,308 | 1,042 | 809 | 773 | 1,071 | 1,029 | 952 | 1,205 | 1,142 | 1,281 | 1,384 | 1,225 | 1,846 | 1,980 | 1,830 | 2,109

Number of projects: 100 | 108 | 104 | 119 | 131 | 88 | 99 | 139 | 124 | 117 | 120 | 121 | 117 | 106 | 203 | 216 | 176 | 189

Number of customer company: 48 | 53 | 62 | 68 | 77 | 50 | 59 | 79 | 79 | 66 | 68 | 69 | 77 | 65 | 92 | 100 | 95 | 112

*In accordance with the application of the new revenue recognition standard, we have changed the method of recognizing revenue based on the degree of completion of performance obligations from FY02/23, but this indicator is calculated based on the completion basis (old standard).
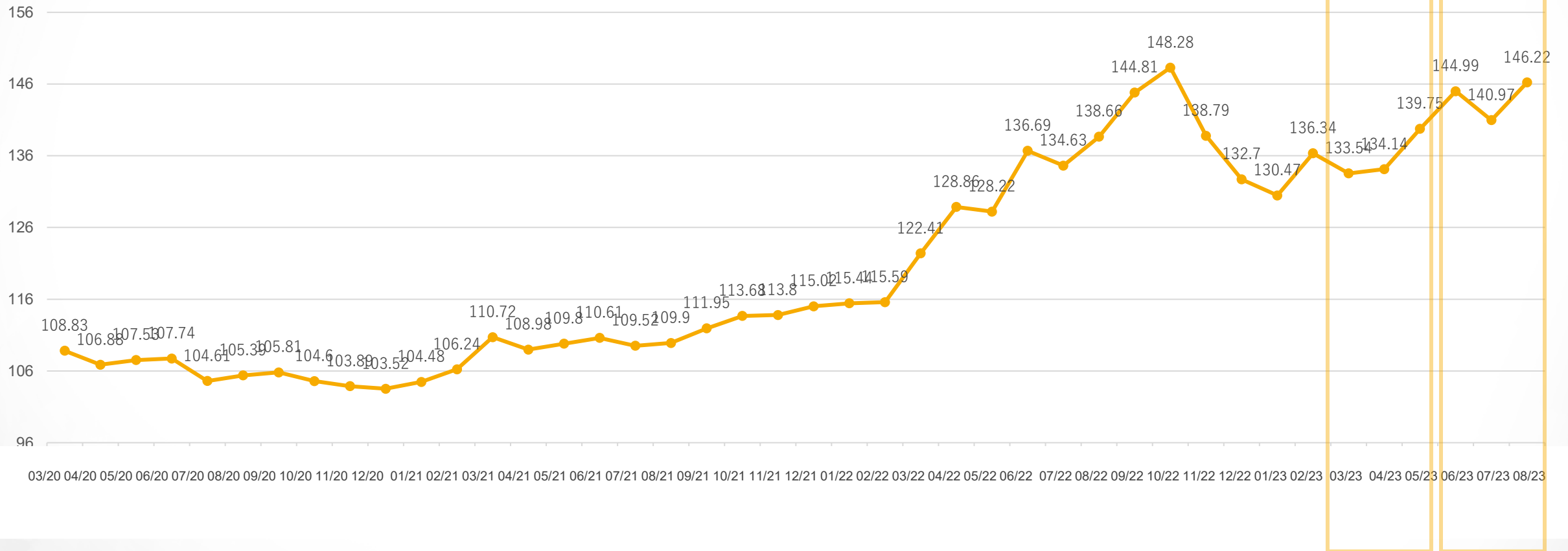
Resale - Exchange Rates Trends -

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.
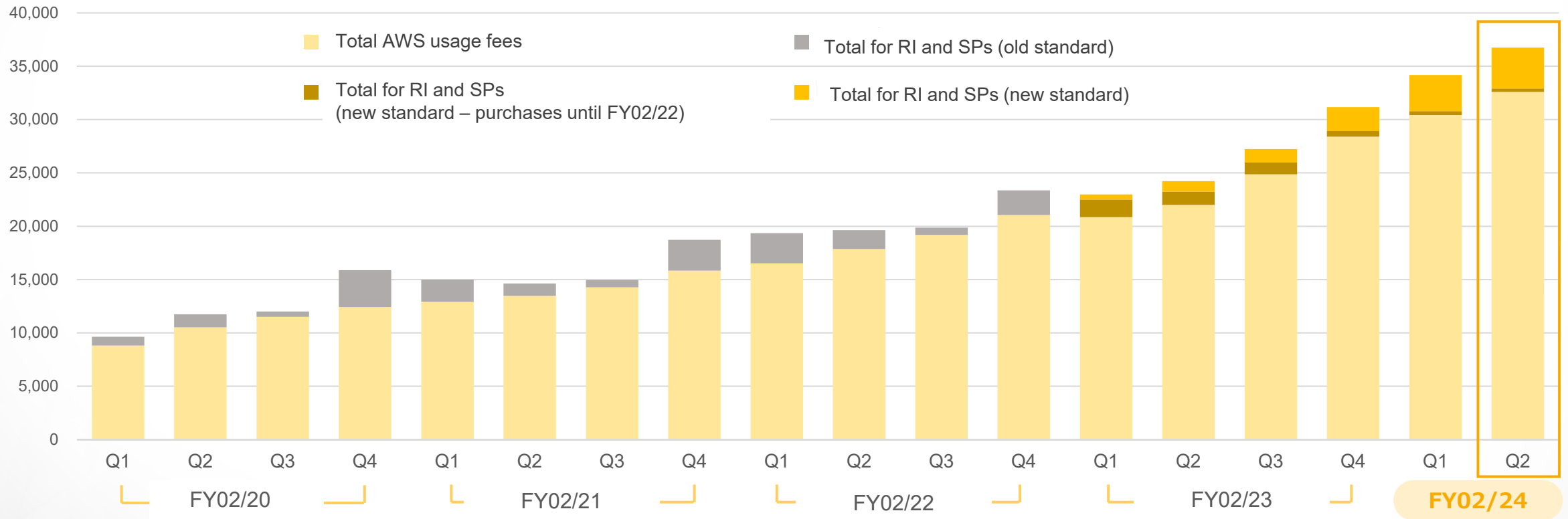

(Unit: Yen)

Q1 Q2

Data points:
- 03/20: 108.83
- 04/20: 106.86
- 05/20: 107.53
- 06/20: 107.74
- 07/20: 104.61
- 08/20: 105.39
- 09/20: 105.81
- 10/20: 104.6
- 11/20: 103.89
- 12/20: 103.52
- 01/21: 104.48
- 02/21: 106.24
- 03/21: 110.72
- 04/21: 108.98
- 05/21: 109.8
- 06/21: 110.61
- 07/21: 109.52
- 08/21: 109.9
- 09/21: 111.95
- 10/21: 113.68
- 11/21: 113.8
- 12/21: 115.02
- 01/22: 115.41
- 02/22: 115.59
- 03/22: 122.41
- 04/22: 128.86
- 05/22: 128.22
- 06/22: 136.69
- 07/22: 134.63
- 08/22: 138.66
- 09/22: 144.81
- 10/22: 148.28
- 11/22: 138.79
- 12/22: 132.7
- 01/23: 130.47
- 02/23: 136.34
- 03/23: 133.54
- 04/23: 134.14
- 05/23: 139.75
- 06/23: 144.99
- 07/23: 140.97
- 08/23: 146.22

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 previous years.
A new revenue recognition standard has been applied since Q1 FY02/23, which requires revenue to be recognized over a "discounted period."

(Unit: K.USD)

Legend:
- Total AWS usage fees
- Total for RI and SPs (old standard)
- Total for RI and SPs (new standard – purchases until FY02/22)
- Total for RI and SPs (new standard)

Quarters: Q1 Q2 Q3 Q4 (FY02/20) | Q1 Q2 Q3 Q4 (FY02/21) | Q1 Q2 Q3 Q4 (FY02/22) | Q1 Q2 Q3 Q4 (FY02/23) | Q1 **Q2** (FY02/24)

*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 FY02/22, but changed the method to recognize revenue over the applicable period in FY02/23.

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Resale - Number of AWS Accounts and ARPU -

Steady increase in both number of accounts and ARPU
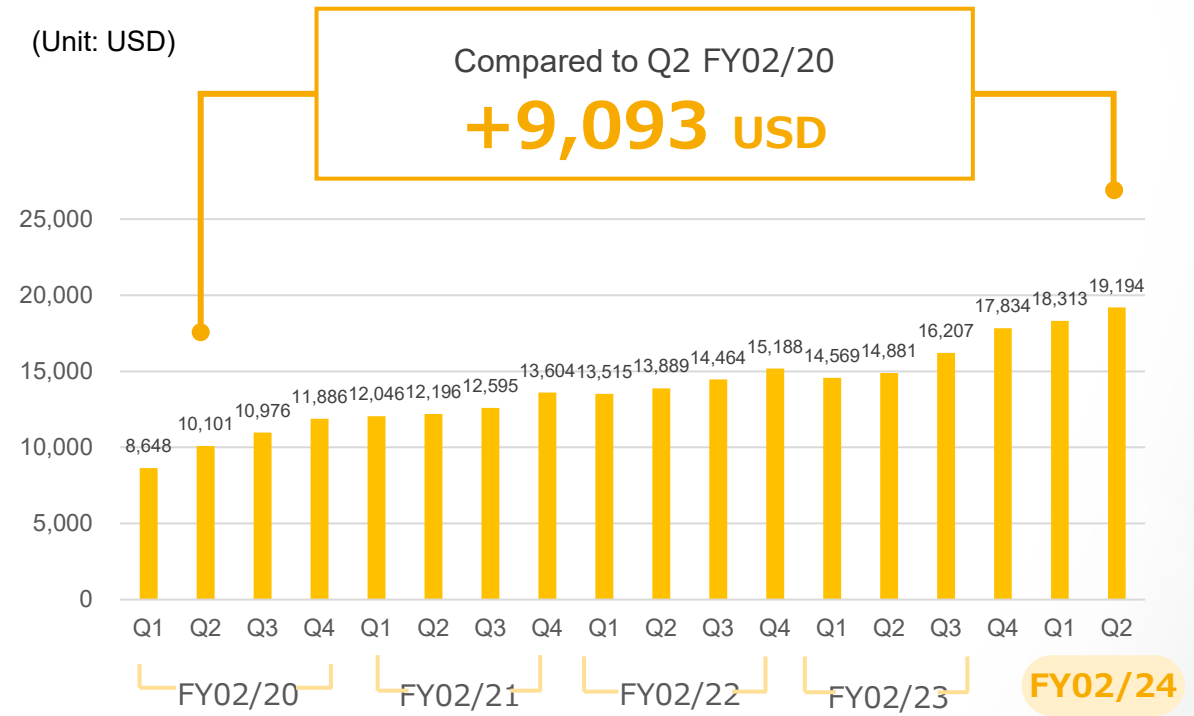
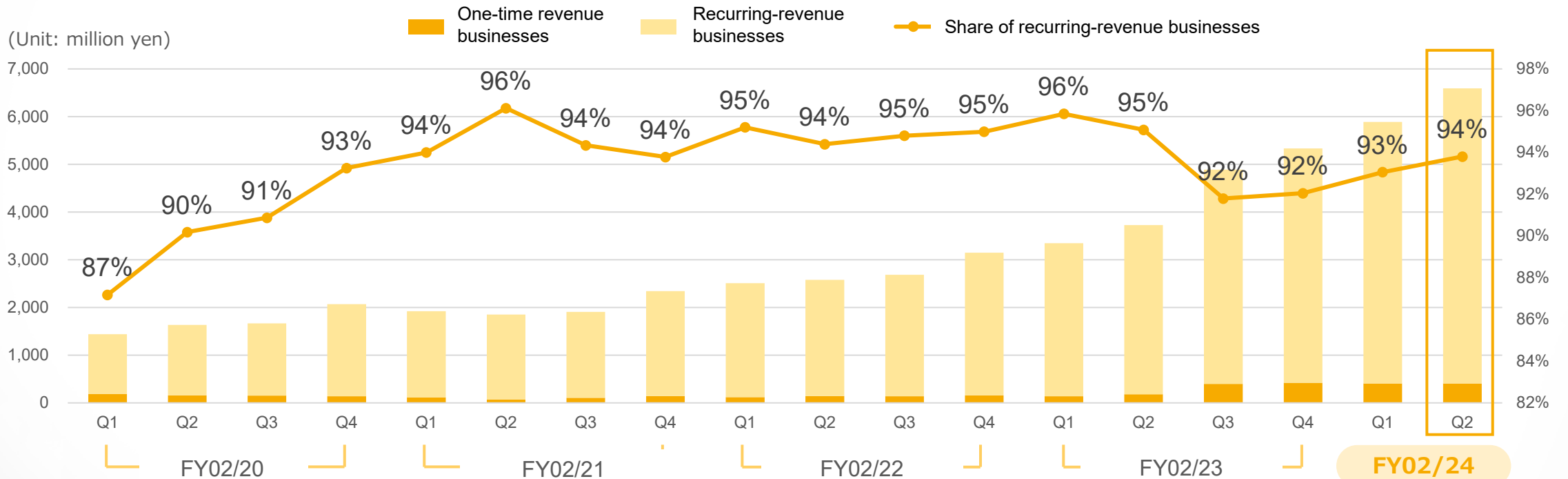| Number of AWS accounts |
|---|
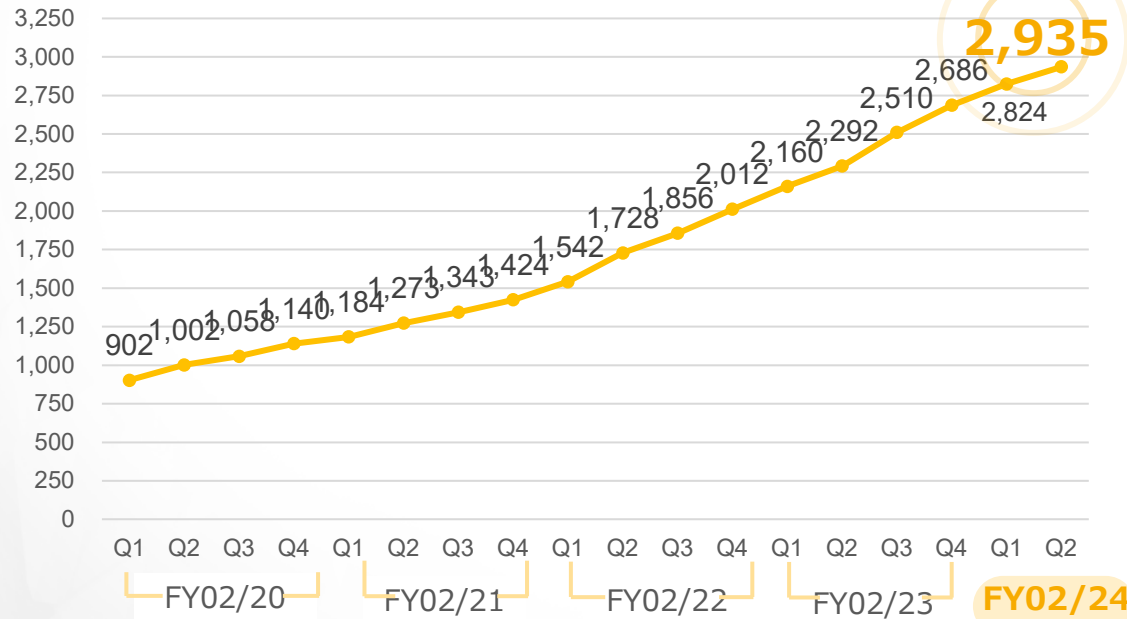
ARPU*
AWS usage fees for the quarter divided by the total number of customers for the quarter.

* Excluding Reserved Instances and Savings Plans

(Unit: # of account)

Number of AWS accounts data points:
902, 1,002, 1,058, 1,140, 1,184, 1,273, 1,343, 1,424, 1,542, 1,728, 1,856, 2,012, 2,160, 2,292, 2,510, 2,686, 2,824, **2,935**

Quarters: Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2

FY02/20 | FY02/21 | FY02/22 | FY02/23 | **FY02/24**

(Unit: USD)

Compared to Q2 FY02/20
+9,093 USD

ARPU data points:
8,648, 10,101, 10,976, 11,886, 12,046, 12,196, 12,595, 13,604, 13,515, 13,889, 14,464, 15,188, 14,569, 14,881, 16,207, 17,834, 18,313, 19,194

Quarters: Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2

FY02/20 | FY02/21 | FY02/22 | FY02/23 | **FY02/24**

Percentage of Recurring Business

One-time Business

| ① | Cloud Integration |

Recurring Business

| ② | AWS Billing Services (Resale) |
| ③ | Operation and Monitoring Services (MSP) |

(Unit: million yen)

Legend:
- One-time revenue businesses
- Recurring-revenue businesses
- Share of recurring-revenue businesses

Share of recurring-revenue businesses by quarter:

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Share	87%	90%	91%	93%	94%	96%	94%	94%	95%	94%	95%	95%	96%	95%	92%	92%	93%	94%

FY02/20 | FY02/21 | FY02/22 | FY02/23 | **FY02/24**

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.

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Customer Lifetime Value (LTV)

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

(Unit: million yen)   *Cloud Integration, Resale, and MSP combined
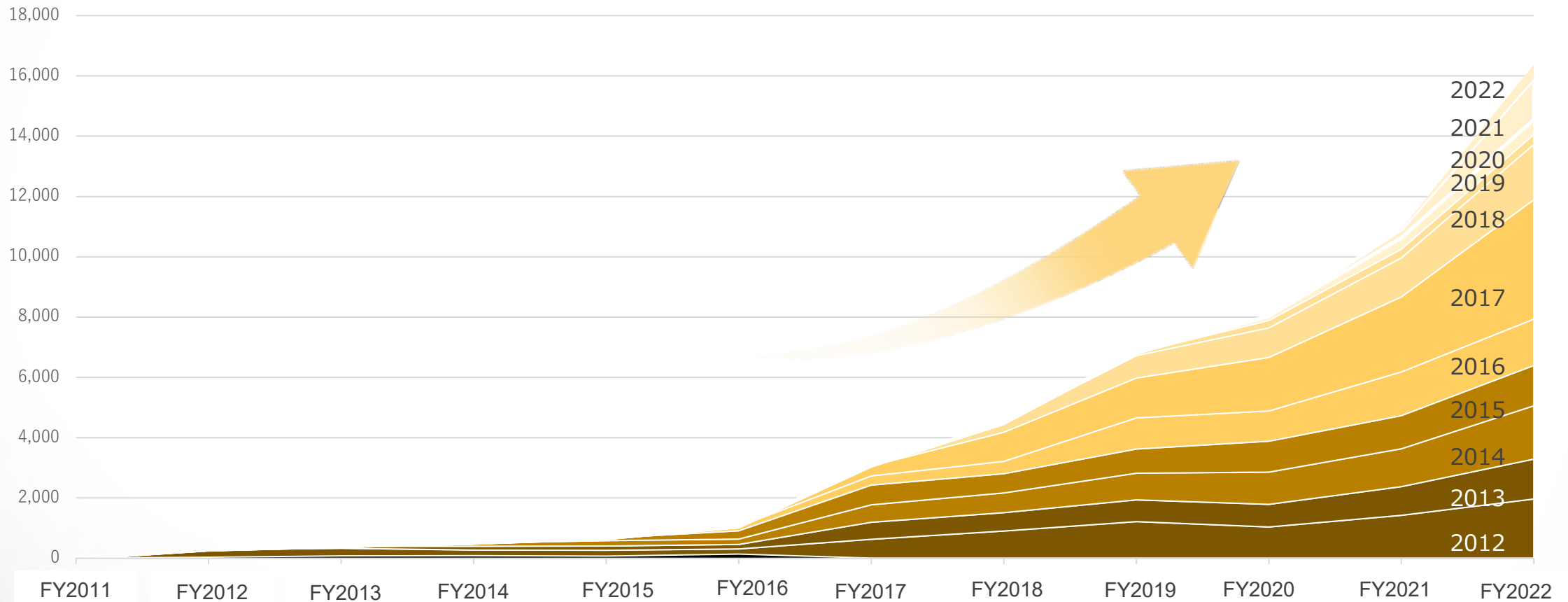
* Revenues prior to the fiscal year ended February 29, 2017 are an approximate total of AWS resale revenues recalculated into a gross amount based on the most recent results.
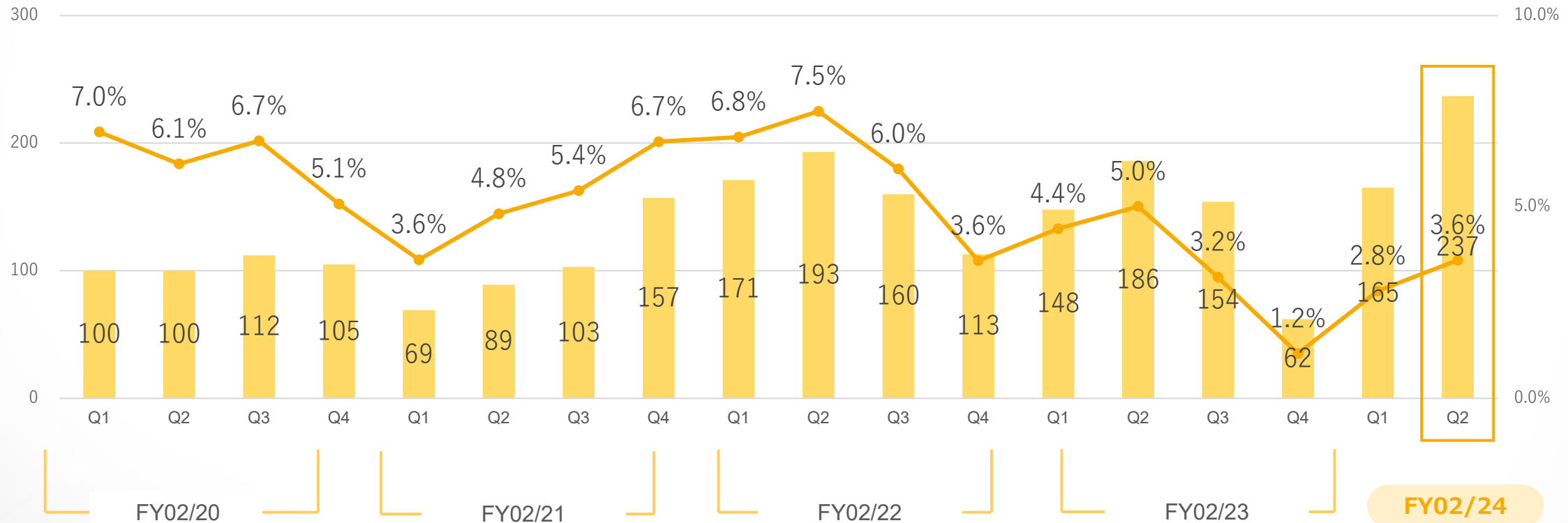
Operating Profit, Operating Profit Margin

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.

Legend: Operating profit (bars) — Operating profit margin (line)

(Unit: million yen)   (Margin)

Quarter	Operating profit	Operating profit margin
Q1 (FY02/20)	100	7.0%
Q2	100	6.1%
Q3	112	6.7%
Q4	105	5.1%
Q1 (FY02/21)	69	3.6%
Q2	89	4.8%
Q3	103	5.4%
Q4	157	6.7%
Q1 (FY02/22)	171	6.8%
Q2	193	7.5%
Q3	160	6.0%
Q4	113	3.6%
Q1 (FY02/23)	148	4.4%
Q2	186	5.0%
Q3	154	3.2%
Q4	62	1.2%
Q1 (FY02/24)	165	2.8%
Q2	237	3.6%

Analysis of Factors Affecting Operating Profit YoY

While investing in labor/personnel and outsourcing expenses, which are costs for growth, such as strengthening recruitment, etc,
Operating income increased 20% YoY

Operating profit YoY

+67million

(+20.2%)

(Unit: million yen)

Breakdown

Resale: +4,817
MSP : +92
CI : +491
Others : +4

Breakdown

Personnel expenses: +359
Amortization of goodwill: +57
Outsourcing expenses: +33
Communication expenses: +30
Traveling expenses: +16
Advertising expenses: +13
Others: +17

Increase due to higher sales in Resale services

7000

6000

5000

5,405

241

155

4,436

Breakdown

Outsourcing expenses: +121
Communication expenses: +18
Transfer to other accounts:+10
Others: +6

4000

3000

2000

1000

524

335

403

0

| Operating profit | Net sales | Labor expenses | Manufacturing expenses | Cost of sales | Selling, general and administrative expenses | Operating profit |

Cost of sales

Selling, general and administrative expenses

Previous year
Q2 FY02/23

Q2 FY02/24

Financial Condition: Balance Sheet (Summary)

In addition to **increase in "Current assets"** due to increase in "Short-term loans receivable" and "Advance payments", etc., **increase in "Current liabilities"** due to increase in "Contract liabilities", and **increase in "Fixed assets", "Fixed liabilities", and "Accumulated other comprehensive income"** due to higher valuation of investment securities, **Retained earnings also steadily accumulated.**

Balance Sheet	Q2 FY02/23 Results (Consolidated)	Q2 FY02/24 Results (Consolidated)	Change
Current assets	10,833	11,557	724
Fixed assets	3,910	4,325	415
Property, plant and equipment	58	58	0
Intangible assets	1,163	1,087	-75
Investments and other assets	2,688	3,180	491
Total assets	14,743	15,883	1,139
Total liabilities	5,060	5,668	608
Current liabilities	4,814	5,286	471
Non-current liabilities	245	382	136
Total net assets	9,683	10,214	531
Total shareholders' equity	8,931	9,165	234
Accumulated other comprehensive income	732	1,042	309
Non controlling interest	20	6	-13
Total liabilities and net assets	14,743	15,883	1,139

(Unit: million yen)

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Current Ratio

Good on-hand liquidity with a current ratio of 219.

(Unit: million yen)　　Current assets　　Current liabilities　—●— Current ratio　　（Ratio）

	FY02/20	FY02/21	FY02/22	FY02/23	FY02/24*
Current assets	3,004	8,999	9,409	10,833	11,557
Current liabilities	1,148	1,519	2,389	4,814	5,286
Current ratio	262%	592%	394%	225%	219%
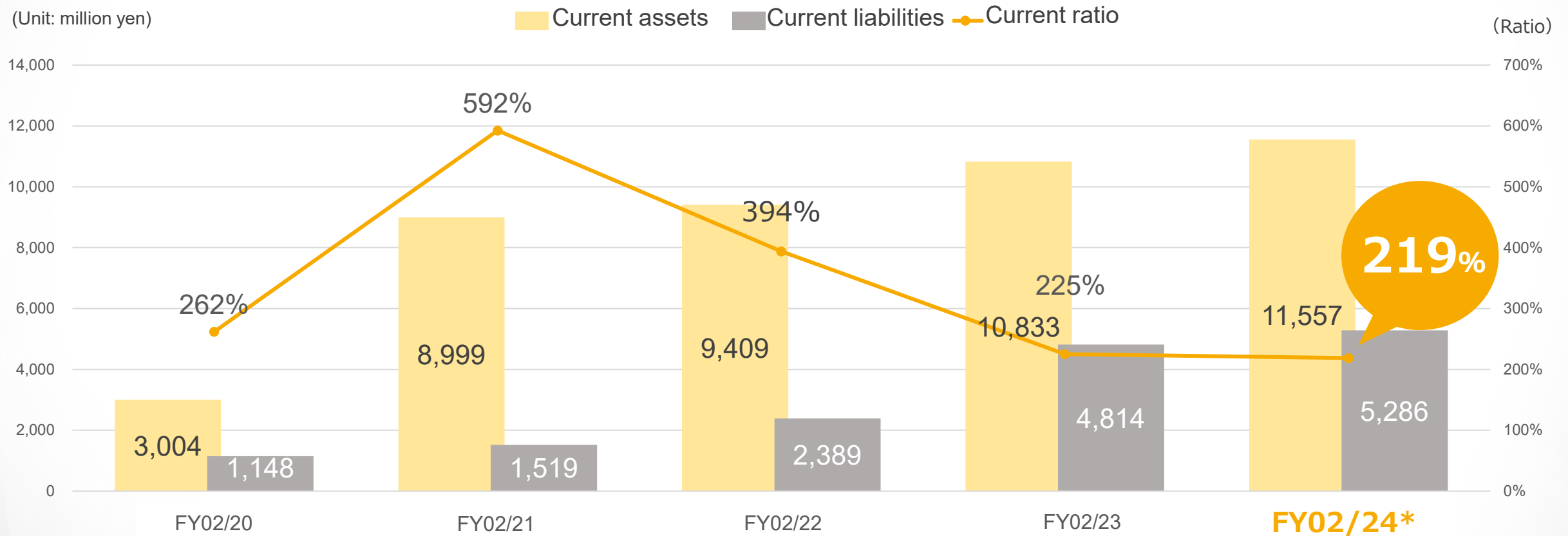
*For FY 02/24, these figures are for the period from March to August 2023.

Number of Group Employees [1]

Continue active recruitment of highly skilled human resources, especially cloud engineers, while changing changing the subsidiary's hiring plan to to return to profitability.

The number of new employees is steadily increasing, although net increase is slight due to TOPGATE retirements.

(Unit: # of employees)

Legend: Others | Sales, general, admin | Manufacturing | Backlog

	FY02/20	FY02/21	FY02/22	FY02/23 [2]	FY02/24 [3] Plan
Total	141	157	204	356	411
Backlog					52
Manufacturing	88	92	112	205	185
Sales, general, admin	45	57	85	141	165
Others	8	8	7	10	9

Track record **359**
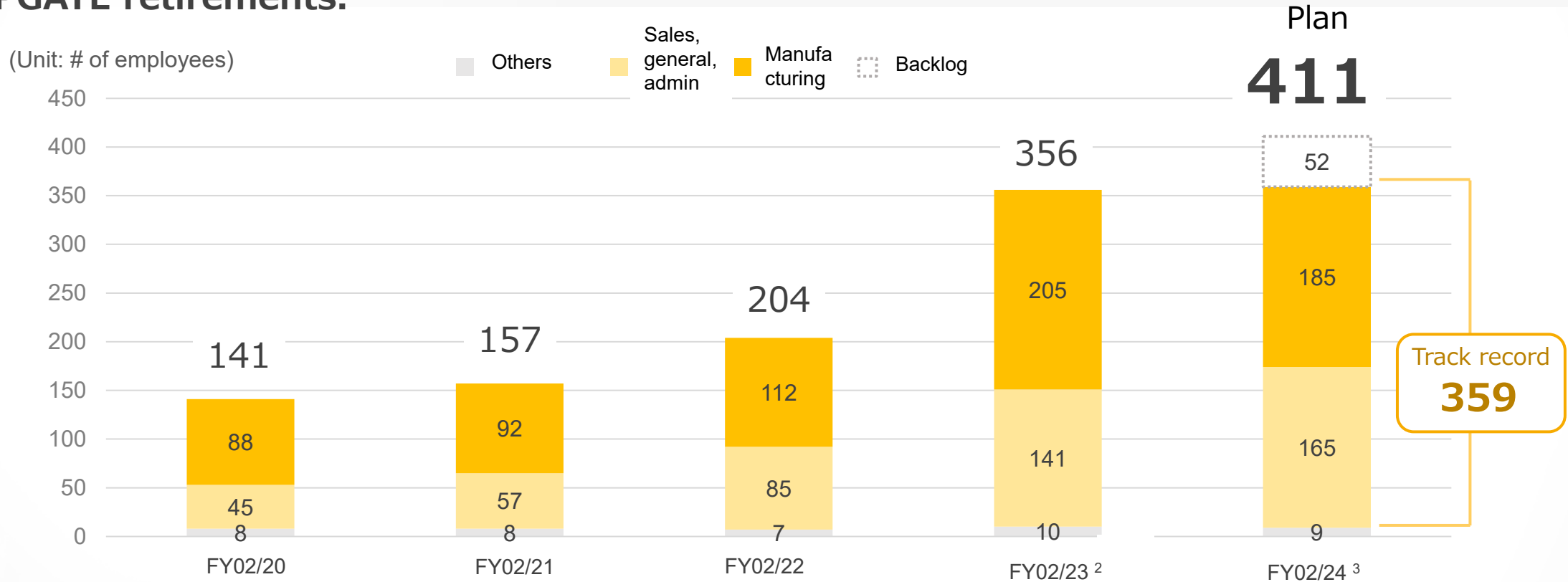
1. The number of employees includes the number of temporary (part-time) employees.
2. Both manufacturing and SG&A staff increased significantly as a result of TOPGATE becoming a consolidated subsidiary.
3. Figures for FY02/24 are for the period from March to August 2023.

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4. Supplementary Information

4-1. Serverworks

Serverworks

TOPICS – 01

Contact center operations dramatically improved with voice recognition technology by the introduction of "AmiVoice TextStream for Amazon Connect"

Case Study: Otafuku Sauce Co., Ltd.

- 80% of the more than 5,000 inquiries received annually were made via telephone, requiring a great deal of time and effort to check call notes and recorded data, and to enter supplementary information for internal sharing.
- "AmiVoice TextStream for Amazon Connect" dramatically improves efficiency and quality of contact center operations.
- Through the integration with Zendesk, customer feedback from multiple channels other than phone calls, such as e-mail and letters, is also aggregated, contributing to CX improvement. Seminars on these topics were also held.

TOPICS – 02

Attended official AWS training, gained practical knowledge, and launched a cross-group project to review the configuration of the existing environment.

Case Study: POLA ORBIS HOLDINGS INC.

- The Group Digital Solution Center was established instead of the previous system in which each group company had its own IT department, and most of the business systems were built on the AWS environment, so the company felt the need for deeper knowledge of AWS in order to standardize the IT environment and promote DX throughout the group.
- Trusting in our responsiveness and knowledge demonstrated during the PoC, they attended official AWS training offered by our certified trainers.
- Improved communication with IT vendors, reviewed existing AWS configurations, and helped reduce IT costs.

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Promoting AWS Certifications for Engineers

Serverworks

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

Over 700 AWS certifications

Number of all employees
(Serverworks)

231 ➡ **252**

End of February 2023   End of August 2023

Percentage of engineers

60.1% ➡ **52.0%**

End of February 2023   End of August 2023

+77 in half a year

Number of AWS certifications earned [1]

683 [2] ➡ **760**

End of February 2023   End of August 2023

[1] The cumulative number
[2] The number of Bigdata certification is subtracted due to discontinuation.

aws 500 **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 Feb 2022	End of Aug 2023	Comparison	Qualification Level Description
Fundamental	97	123	**126%**	**Six months of fundamental** AWS cloud and industry knowledge
Associate	283	307	**108%**	**One year** of experience solving problems and implementing solutions using the AWS cloud
Professional	123	151	**122%**	**Two** years of experience designing, operating, and troubleshooting solutions using the AWS Cloud
Expertise	170	179	**105%**	Technical AWS Cloud experience in the Specialty domain as specified in the exam guide

4-2. Group Companies

Latest News

TOPICS – 01

G-gen received the order for "template development support of Government Cloud (FY2023)" from Japan's Digital Agency

July 19, 2023

- Provided development support of IaC (Infrastructure as Code) templates for information systems using Google Cloud services in the government cloud template business.
- Contributed to enhancing the government cloud usage environment of various ministries and agencies.
- Serverworks also received an order for template development support of Government Cloud (FY2023) for the purpose of supporting the use of AWS services.

TOPICS – 02

Realized significant cost reductions and operational efficiencies by aggregating distributed data and visualizing data with "Looker"

Case Study: **viviON, inc.**

- Google's Looker was implemented to solve the lack of cross-service data analysis and the high email costs caused by the huge number of services being developed one after another and the huge number of users (over 10 million).
- By switching from the BI tool they had been using and migrating their email distribution tool as well, they achieved three results: cost reduction, shortened processing time, and improved UI (user experience).

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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

Cumulative number of projects

305

290
271
256
241
229
215
190
178
163
124
105
88
65
56
47
40
31
19
12
11
8
2
0 0

Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep

FY02/22   FY02/23   FY02/24
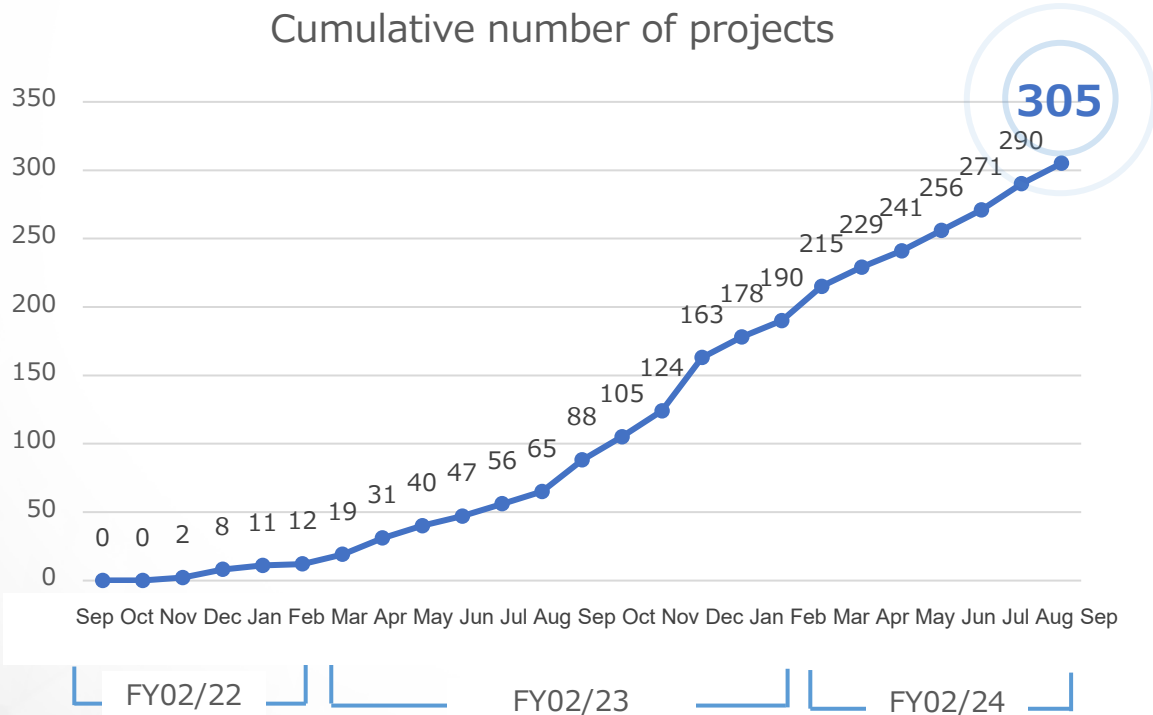
Number of Google Cloud Qualified Employees
Number of certifications held, including Professional Cloud Architect

Number of Google Cloud certifications*

10 → **216**

+206 in 19 months

End of Feb 2021

End of Aug 2023

Recruitment is steady.

クラウドで、世界を、もっと、はたらきやすく

*the cumulative number

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Latest News

TOPGATE

TOPICS – 01

Google Workspace implementation brings JPMC's Business Transformation

Case Study:
Japan Property Management Center Co.,Ltd.

- Jointly with JPMC Group, held a public seminar on the business innovation that we support through the introduction of Google Workspace
- The company believes that improving complicated information management and increasing operational efficiency is a challenge in the real estate leasing industry, and has taken the stage to share examples of its use with other real estate agents to help them improve their business operations.
- Introduce the company's history of introducing Google Workspace and case studies of how it facilitates internal communication and improves operational efficiency.

TOPICS – 02

Google Cloud certified training is used in MonotaRO's training for new employees.

Case Study:
MonotaRO Co.,Ltd.

- The challenge of uncertainty about whether the IT skills program in new employee training incorporates the skills and knowledge needed in the field and whether what is learned is actually useful.
- Adopted Google Cloud certified training offered by Topgate for practical training
- In addition to Google Cloud certified training, we also provide training related to new employee training such as SQL Basic Training, BigQuery, Looker Studio, etc.
- Based on the current issues of their training program, we developed individually customized training menus.

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Solid Track Record

TOPGATE

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

Steady increase in the number of contracted development and the number of client companies.

TOPGATE achievements for the latest 1-year

For more information, visit our website.

Development Achievements
-examples of our customers-

JPMC

モノタロウ

Client Companies*1	Development Achievements*1	Number of Google certifications *2
484 companies	**44** companies	**142**

*1 The period is from September 2022 to August 2023.
*2 The figure is as of the end of August, 2023.

4-3. Recruitment Related Information

Published in Nikkei Top Leader

Securing highly skilled employees

Work style rules in a company that has practiced telework for more than 10 years.

How can we become a company that continues to be chosen by talented young people in the era of depopulation?

Responding more flexibly to each member's different "ease of working".

Remote work rate

occasionally
come to work
(1-2 times a week)
9.0%

basically come
to work
(at least 3 times a week)
2.8%

very occasionally
come to work
(1-2 times a month)
9.0%

basically
remote work
64.8%
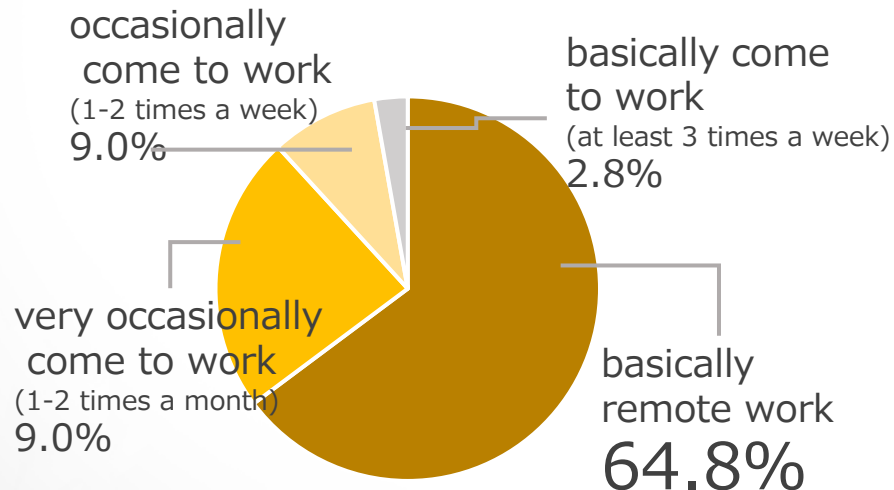
Reasons for continuing telework

Being able to steadily recruit highly skilled people living locally

Of the approximately 60 people hired last year, more than half live in provinces.

Communication, the biggest barrier to telework
How can we prevent this decline in quality?

- Create opportunities to talk in person, not just texting.
- We have established guidelines for chatting, such as "no negativity" and "no reprimanding.
- We have a place to ask questions and exchange technical information about little things.
- Updating prototypes to maintain fairness between come to work and telework groups, etc.

Maintaining Good Working Environment `Serverworks`

"Good Company though I Quit" ranking by retirees
Ranked in the top 8 out of 8,045 companies
in the "Small and Medium Venture Companies" section.

Published in OpenWork

Highly rated under conditions that tend to be more negative.

Cloud Work Style

PLACE
- Work locally
- Work at office
- Work at home
- Visit clients
- Workcation

Work style allowance

TOOL
- BYOD
- Loaned PC
- Use any device you like

BYOD allowance

TIME
- Flextime
- Discretionary labor system
- Refreshment leave
- Hourly paid leave

Standby allowance
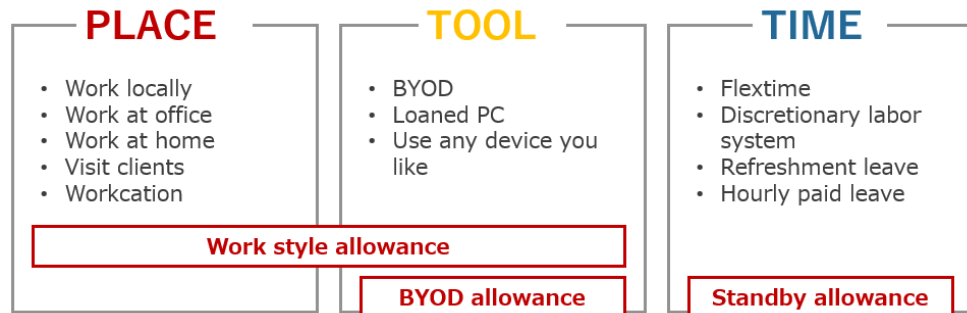
- Ranked in the top 8 in a ranking focused on evaluations by "retirees" among employee word-of-mouth reviews posted on OpenWork, an information platform for career change and job hunting.

- Serverworks has adopted a unique system called "Cloud Work Style" to make it easier for employees to work, and we assume that the company's flexible approach to accommodate the different work styles of each individual employee led to its high evaluation.

Positive impact on recruitment due to high third-party ratings

For more information about the rankings:
https://www.openwork.jp/hatarakigai/vol_112

5. Company Overview

Vision

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.

Company Overview

Serverworks strongly supports AWS utilization

in any business through three main solutions

① **Cloud Integration**

② **AWS Billing Services (Resale)**

③ **Operation and Monitoring Services (MSP)**

✕ ✕
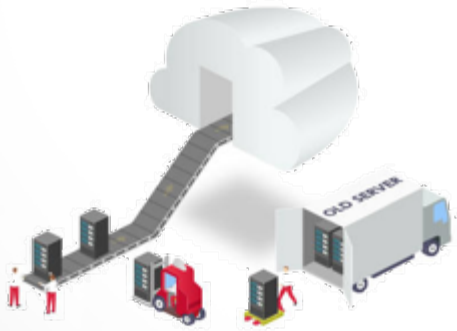
AWS implementation and migration support

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

AWS utilization and operation support

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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

Serverworks Group

Application Layer

TOPGATE

| Application Development | UI / UX | Consulting |

Google Cloud Partner

Infrastructure Layer

Serverworks

aws PARTNER Premier Tier Services

| Cloud Integration | Billing Services Cloud Automator | System Operation Monitoring Services |

G-gen

Google Cloud Partner

| Cloud Integration | Billing Services | System Operation Monitoring Services |

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.

2024

Growth rate
+147.4%

(Unit: million yen)

25,495

FY02/2016 17th FY	1,536
FY02/2017 18th FY	2,294
FY02/18 19th FY	3,066
FY02/2019 20th FY	4,477
FY02/2020 21st FY	6,811
FY02/2021 22nd FY	8,029
FY02/2022 23rd FY	10,920
FY02/2023 24th FY	17,295
FY02/2024 25th FY	25,495

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20000
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5000
0

Results

Forecast
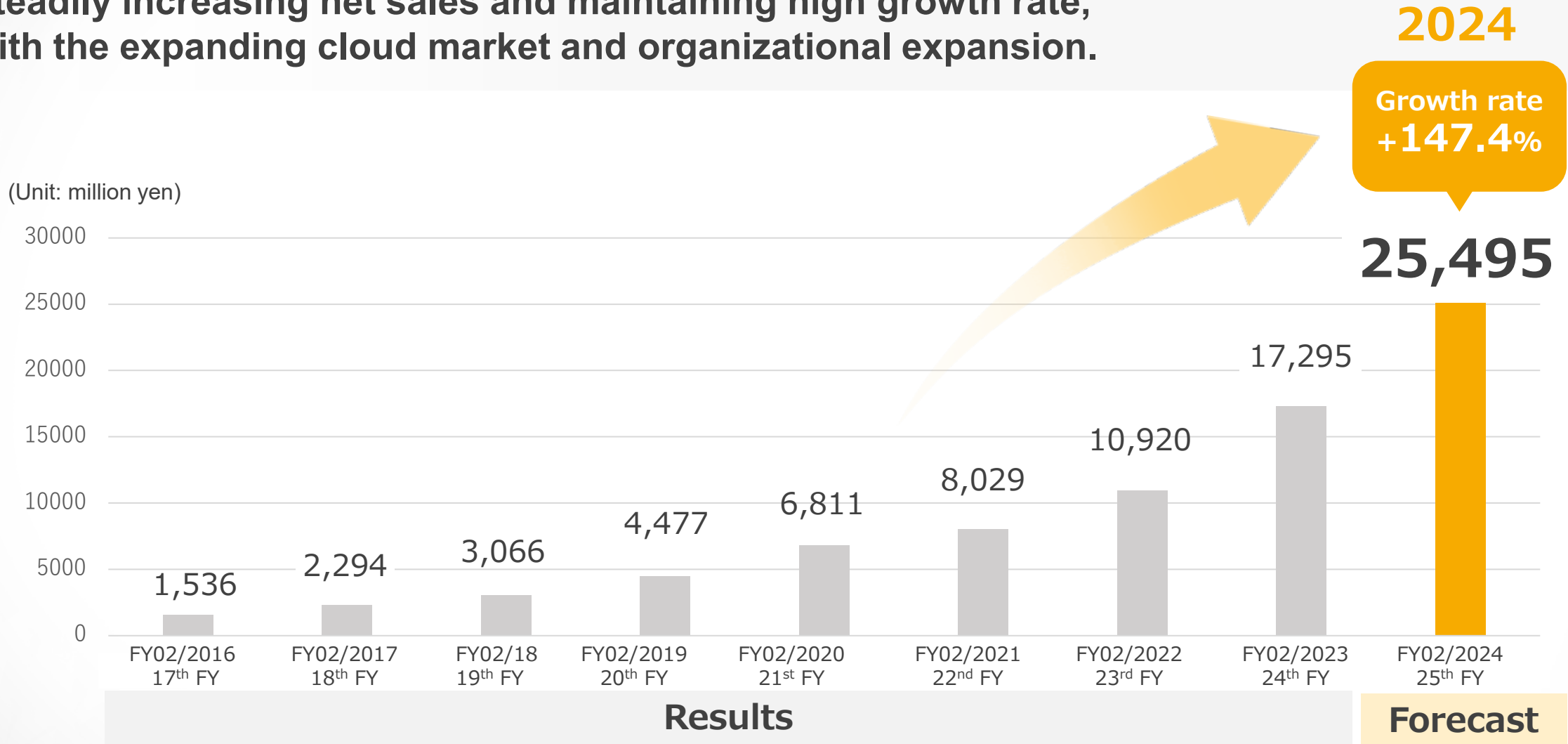
Company Overview

About Serverworks

Founded	February 21, 2000
Capital	3,250,993,939 yen (as of August 31, 2023)
Number of Employees	Non-consolidated: 252 (as of August 31, 2023) Consolidated: 350 (as of August 31, 2023)
Business Domain	Cloud integrator specializing in AWS
Management	Ryo Oishi CEO Takashi Hashiba Senior Vice President Hiroyuki Oshio Senior Vice President Mikiya Inoue Outside Director who is Audit and Supervisory Committee Member (Full-time) Yuko Tanaka Outside Director who is Audit and Supervisory Committee Member Ichiro Terashima Outside Director who is Audit and Supervisory Committee Member Hikari Fujimoto Outside Director who is Audit and Supervisory Committee Member
Certification	• AWS Premier Tier Service Partner • AWS Migration Competency • AWS Digital Workplace Competency • AWS Managed Service Provider Program • AWS Well-Architected Partner Program • ISO / IEC 27001 (JIS Q 27001)
Major Shareholders	Board members TerraSky Co., Ltd. NTT Communications Corporation NTT DATA Corporation

Main Locations

Tokyo (head office),
Osaka, Sendai, Fukuoka

Head office

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Management Team

Ryo Oishi, President & CEO

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, Oishi became one of Japan's first "cloud evangelists," and he has continued to encourage Japan's use of cloud computing.

Takashi Hashiba, Senior VP

Hashiba graduated from 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.

Hiroyuki Oshio, Senior VP

Upon graduation from Kobe University, where he majored in economics, 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. Oshio became senior VP in August 2014.

Management Team

Mikiya Inoue `Full-time`

After graduating from Keio University, where he majored in engineering, 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. He 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

Tanaka graduated from The University of Tokyo, where she majored in law. After working for Toyota Motor Corporation, A.T. Kearney, and Jupiter Shop Channel, she joined CrowdWorks, Inc. as an Executive Officer in 2014. Experienced IPO, and as General Manager, Corporate Planning Office, she was responsible for mid- to long-term strategy, budgeting, business management, financial accounting, public relations, IR, and M&A. Appointed as Director in 2019. She became independent in 2022 and currently serves as Representative Director at Yukott Inc. and as an outside director at Spacemarket, Inc. and Batonz Co., Ltd. She joined our company as outside director in May 2021.
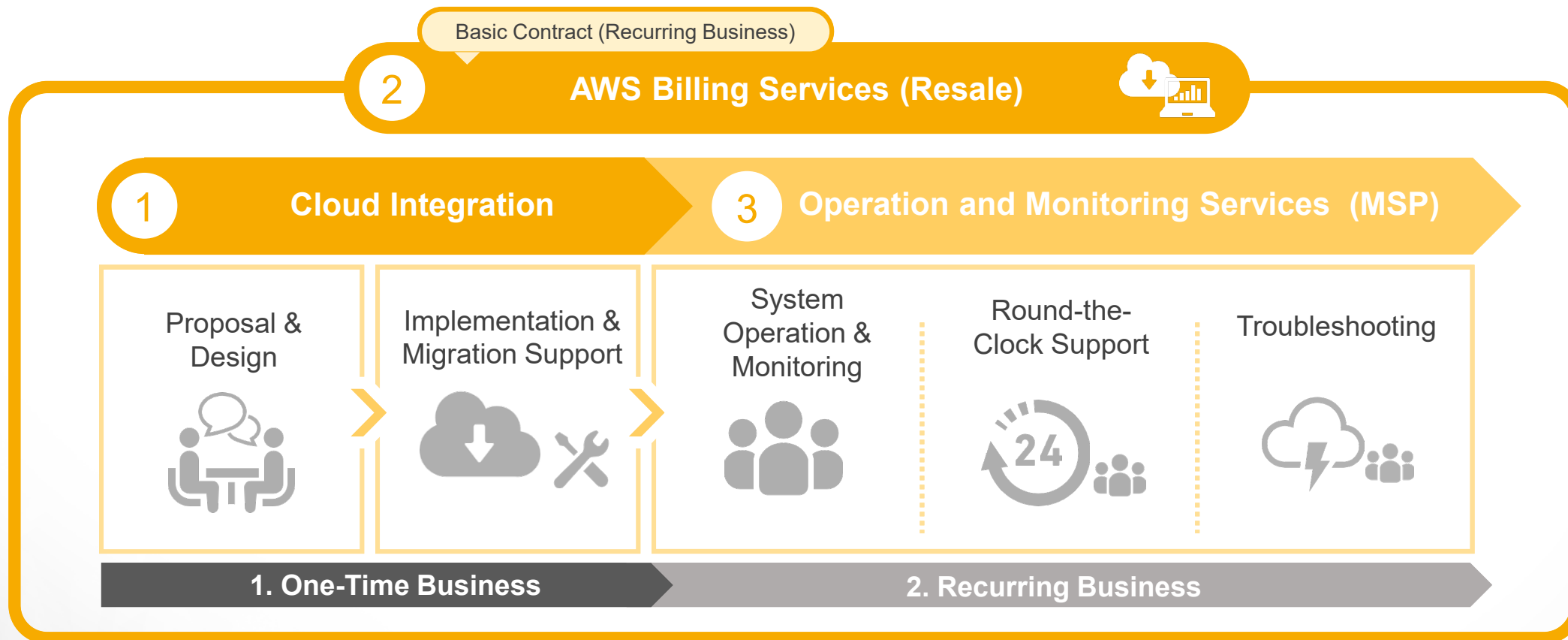
Ichiro Terajima

Upon his graduation from The University of Tokyo, where he majored in engineering, 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. Terajima joined our company as outside director in November 2017.
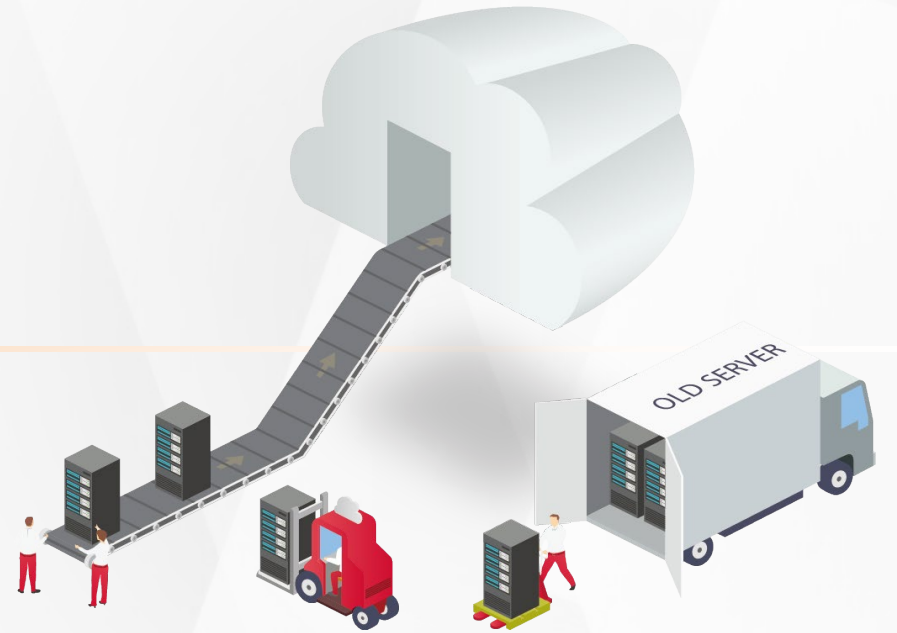
Hikari Fujimoto

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.

6. Business Overview

Business Overview

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.**

Basic Contract (Recurring Business)

2 AWS Billing Services (Resale)

1 Cloud Integration

3 Operation and Monitoring Services (MSP)

| Proposal & Design | Implementation & Migration Support | System Operation & Monitoring | Round-the-Clock Support | Troubleshooting |

1. One-Time Business

2. Recurring Business

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1 Cloud Integration

Business Overview

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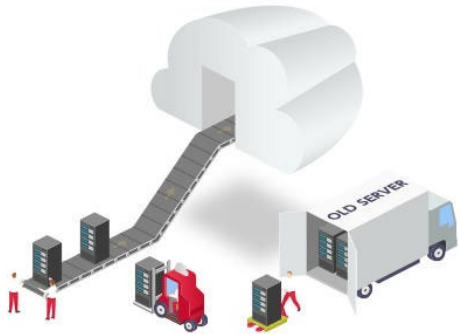
▶ **Extensive project experience with more than 10,000 projects**

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.

01 Interview ▶ 02 Planning ▶ 03 Design ▶ 04 Construction migration ▶ 05 Operation

② AWS Billing Services (Resale)

Business Overview ② AWS Billing Services (Resale)

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.
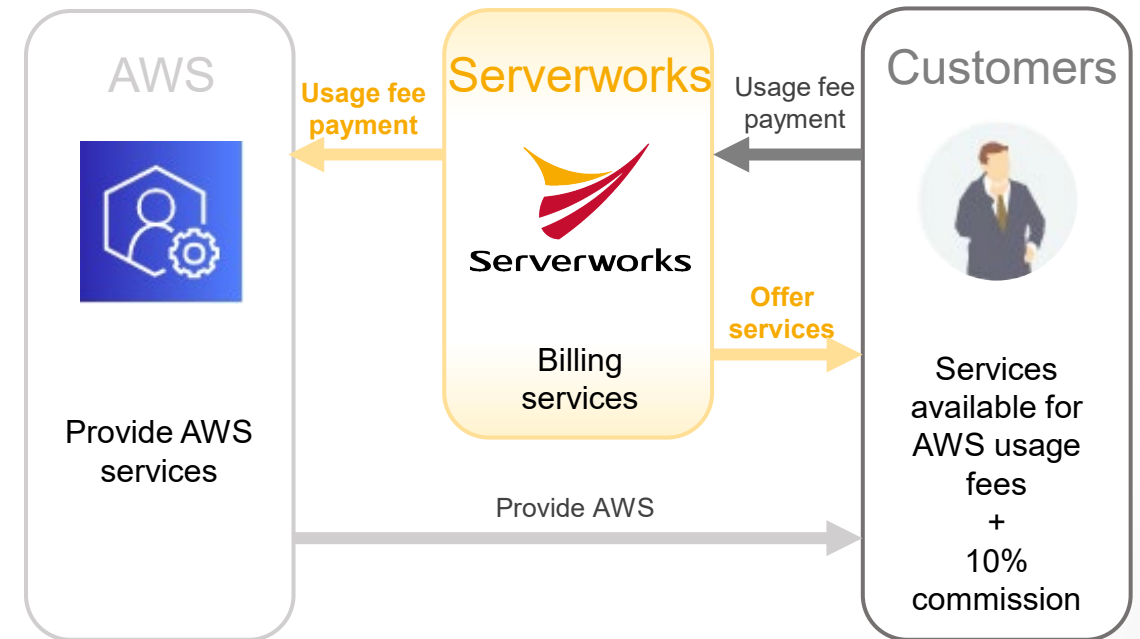
▶ **About "AWS Advanced"**

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.

Serverworks contracts with AWS for enterprise support.

AWS

Provide AWS services

Usage fee payment →

Serverworks

Billing services

← Usage fee payment

Customers

Offer services →

Services available for AWS usage fees + 10% commission

Provide AWS →

AWS Advanced Plan

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

*Paid option

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② AWS Billing Services (Resale)

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.

dip

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.

近鉄不動産

③ Operation and Monitoring Services (MSP)

Business Overview ③ Operation and Monitoring Services (MSP)

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

Reduce operational burden and maximize AWS benefits

▶ What is "AWS Operation Agency and Monitoring Service"?

This reduces the burden of using and operating AWS and maximizes the benefits of using AWS without the time and effort of accumulating operational know-how in-house.

What our AWS operation and monitoring services can do

System Operation & Monitoring

Round-the-Clock Support

Troubleshooting

AWS operation and monitoring services

For example, do you have any of these problems?

Sudden troubles	Long-term consultation
Late at night, an unexpected server error	Consultation on future AWS operations and further utilization

MSP support center **assists in troubleshooting**

The team in charge of the project **offers user-friendly suggestions and solutions**

AWS Technical Support

AWS Operation Optimization Service
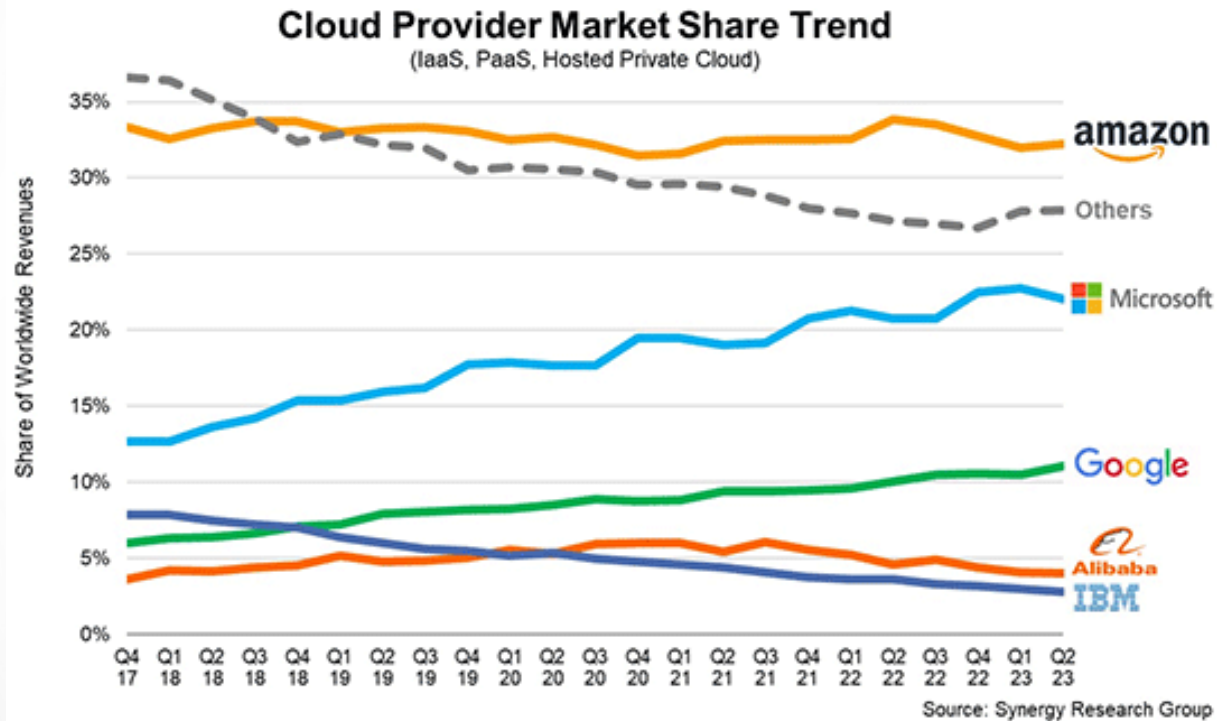
Round-the-Clock AWS Operation Services

Wide-range of Support for AWS utilization

7. Appendix

Market Environment

In the global cloud infrastructure services market in Q2 2023,

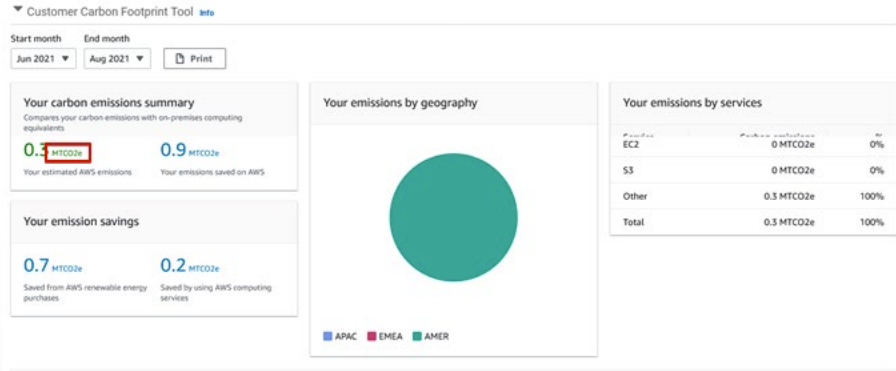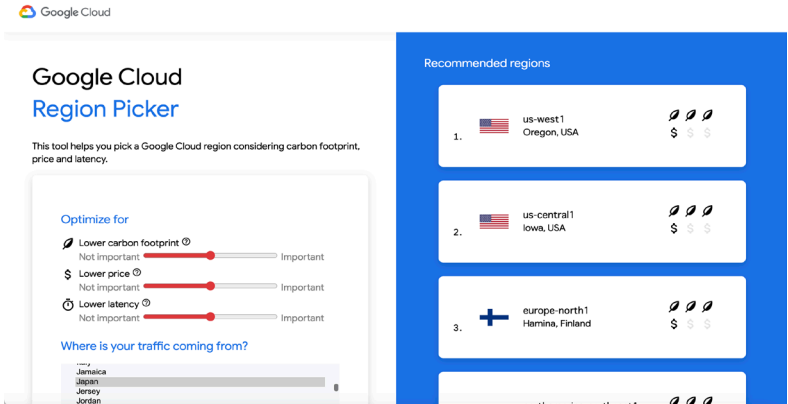## AWS maintains its top position, with Google Cloud growing at a higher rate

Cloud Provider Market Share Trend
(IaaS, PaaS, Hosted Private Cloud)

Share of Worldwide Revenues

amazon
Others
Microsoft
Google
Alibaba
IBM

Source: Synergy Research Group

Data from Synergy Research Group shows in the global cloud infrastructure services market in Q2 2023, AWS controlled 33% of the total market, followed by Microsoft Azure at 22% and Google Cloud at 11%.
In terms of growth trends, Google Cloud has continuously maintained the highest growth rate among the top three companies since Q2 2020.

Source: https://www.publickey1.jp/blog/23/awsgoogle_cloud20232synergy_researchcanalys.html

Reference -
Carbon Emissions Measurement Tool for Each Cloud Service

Cloud Service	AWS	Google Cloud
Tool	Customer Carbon Footprint Tool	Google Cloud Region Picker
Feature	As a performance against sustainability goals, **measure estimated carbon** 1. Using AWS reduces emissions, comparing to on-premise. 2. CO_2 emissions on a monthly, quarterly, and annual basis. 3. Measure the projected change in annual CO_2 emissions based on AWS usage within the account. 	**Google Cloud region can be selected taking variables like price, latency, and sustainability into account.** 1. Identify regions with particularly low carbon impact. 2. Indicate the usage rate of carbon-free energy and the carbon intensity index of the power grid.

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.