



Results of Operations for the First Half of the Fiscal Year Ended August 31, 2024

April 2024



Agenda

1

1H FY8/24 Results of Operations (P.3~P.11)

2

FY8/24 Plan and Shareholder Returns (P.12~P.16)

3

Medium-Term Growth Vision (P.17~P.23)

Appendix (P.24~)

1. 1H FY8/24 Results of Operations

1H FY8/24 Highlights

Quarterly net sales

5.4 billion yen

Net sales grew 6.5% year on year.
Progress was roughly as planned.

Engineer utilization rate

* Covers to in-house engineers excluding initial trainees

97.9%

(As of Q2 of FY2024)

We maintained a high engineer utilization rate
through proactive sales activities.

Operating profit margin

10.3%

Operating profit margin exceeded initial forecasts
thanks to a lower burden from SG&A expenses.

Total number of engineers

*In-house engineers and working partner engineers

3,258

While the number of in-house engineers declined,
the number of working partner engineers increased.

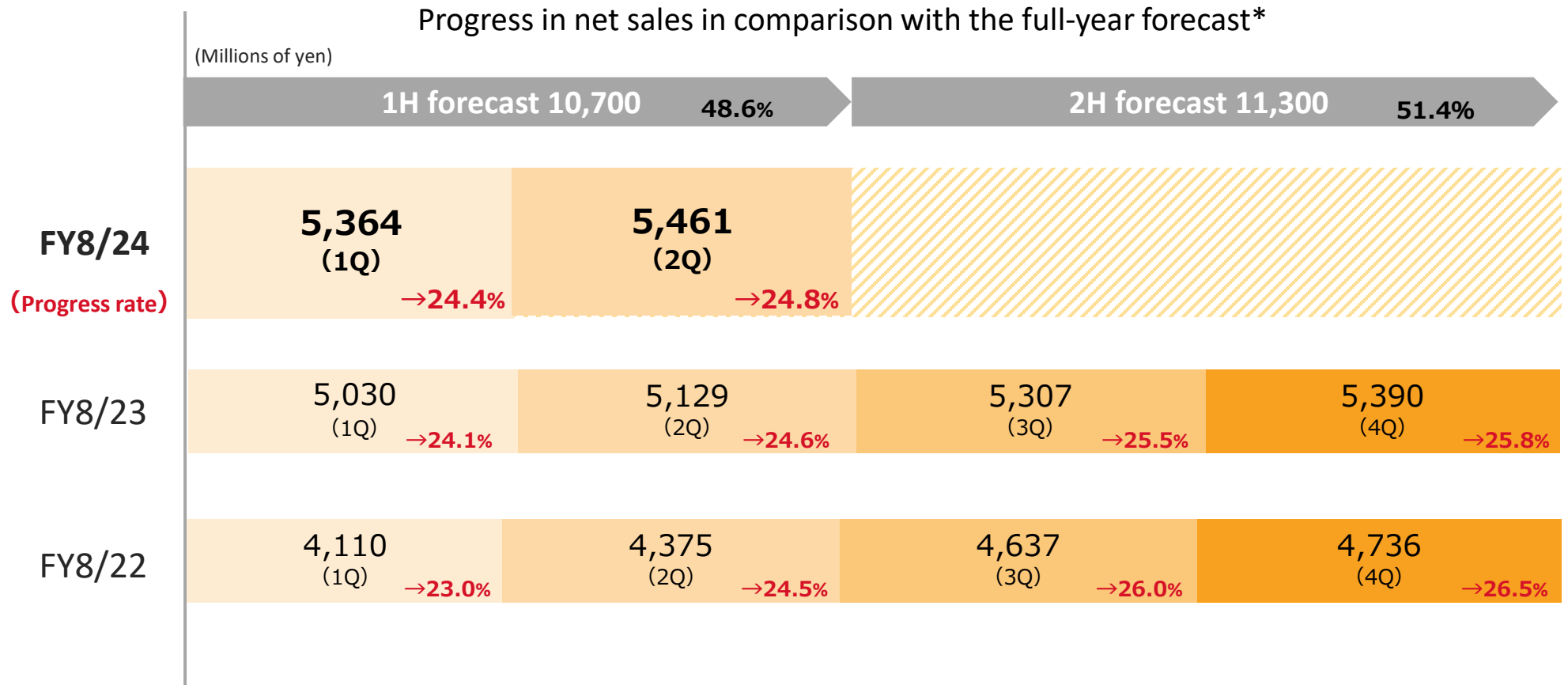
1H FY8/24 Financial Highlights (1)

- We secured results exceeding initial forecasts for net sales and each level of profit.
- Due to higher engineer utilization rates and a hike in unit prices, net sales rose year on year.
- While we curbed the hiring of in-house engineers, we promoted the utilization of business partners.

	1H FY8/23 results		1H FY8/24 results		
(Millions of yen)		(% to sales)		(% to sales)	(YoY change)
Net sales	10,160	-	10,825	-	+6.5%
Gross profit	2,647	26.1%	2,688	24.8%	+1.6%
SG&A expense	1,555	15.3%	1,569	14.5%	+0.9%
Operating profit	1,091	10.7%	1,119	10.3%	+2.6%
Ordinary profit	1,283	12.6%	1,125	10.4%	-12.3%
Profit	855	8.4%	769	7.1%	-10.0%

1H FY8/24 Financial Highlights (2)

- We focused on the IT infrastructure field, which has a high degree of continuity, and build a business model based on accumulating sales.
- The progress in the achievement of net sales was made as planned in the first half of the fiscal year ending August 31, 2024.
- We will aim to achieve the full-year results by increasing the utilization rate of engineers, including business partners.



1H FY8/24 Financial Highlights (3)

- We made organizational changes and focused on securing products spanning multiple departments.
- The scope of operations is expanding, particularly in the Digital Integration segment.

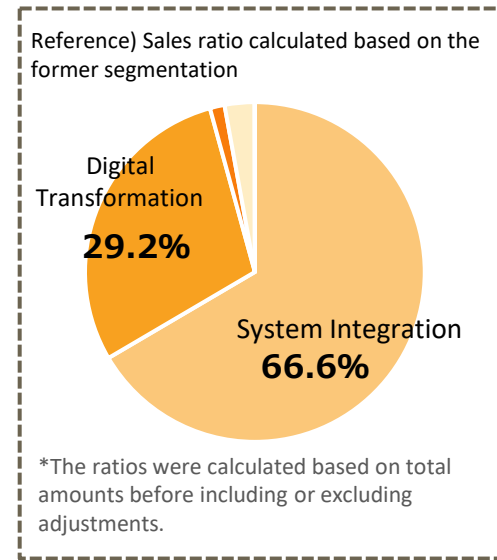
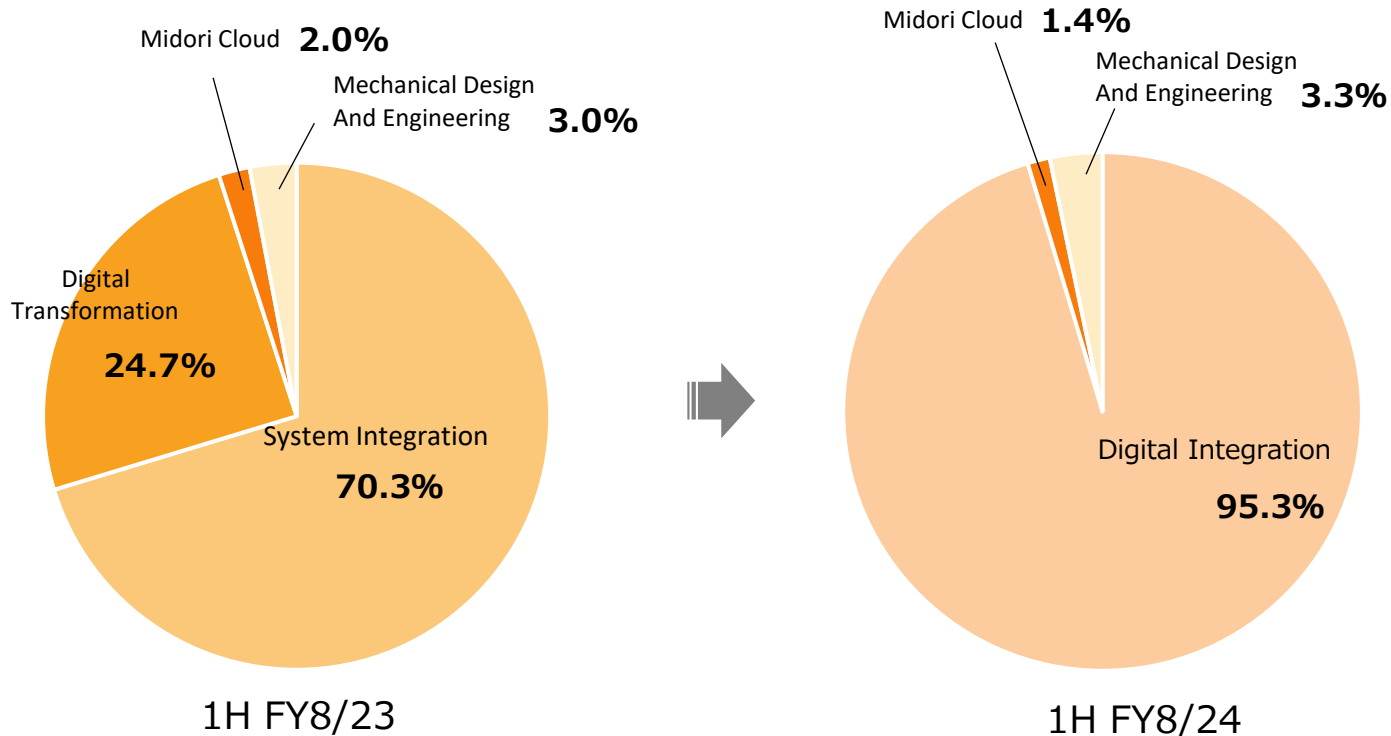
		1H FY8/23 results		1H FY8/24 results		Increase and Decrease	
		Amount of money	% to Total	Amount of money	% to Total	Amount of money	Percentage increase
Net sales	(Millions of yen)						
	Digital Integration	9,680	95.0%	10,366	95.3%	+686	+7.1%
	Midori Cloud	203	2.0%	151	1.4%	-52	-25.6%
	Mechanical Design and Engineering	305	3.0%	355	3.3%	+50	+16.5%
	Total	10,188	100.0%	10,873	100.0%	+684	+6.7%
Segment profit/loss	Digital Integration	1,066	97.8%	1,121	101.0%	+54	+5.2%
	Segment profit margin	(11.0%)		(10.8%)			
	Midori Cloud	-7	-0.7%	-28	-2.5%	-20	-
	Mechanical Design and Engineering	32	2.9%	17	1.5%	-14	-46.1%
	Segment profit margin	(10.5%)		(4.9%)			
	Total	1,091	100.0%	1,111	100.0%	+19	+1.8%
	profit margin	(10.7%)		(10.2%)			

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

1H FY8/24 Financial Highlights (4)

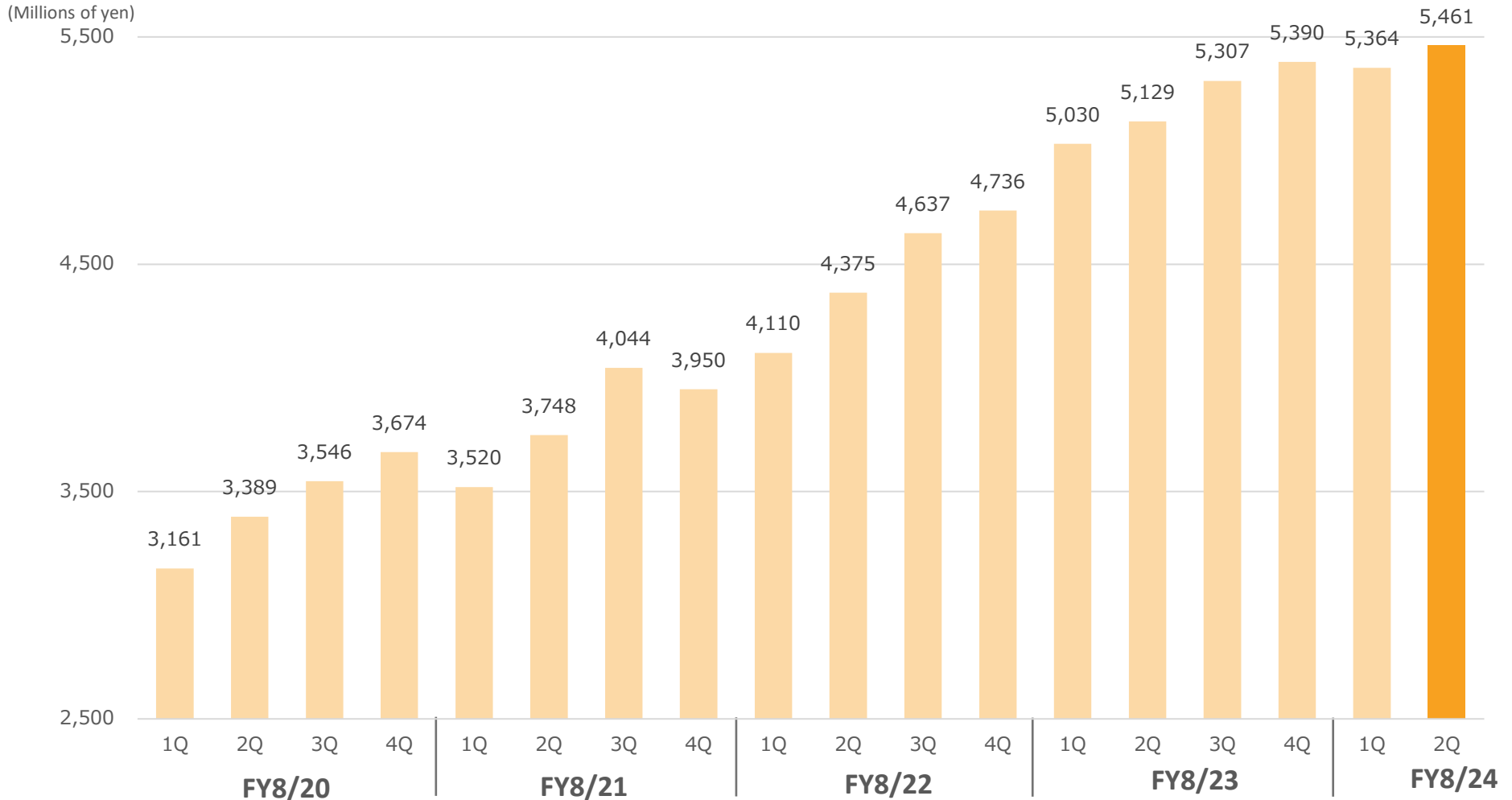
- The Former DX Segment accounted for 29.2% of sales, reflecting an ongoing shift of engineers to DX.
- The size of business in the Mechanical Design and Engineering domain expanded due to an increase in the number of engineers.
- In the Midori Cloud business, we focused on sales activities for Midori Cloud Rakuraku Shipment.

Sales by Business Segment



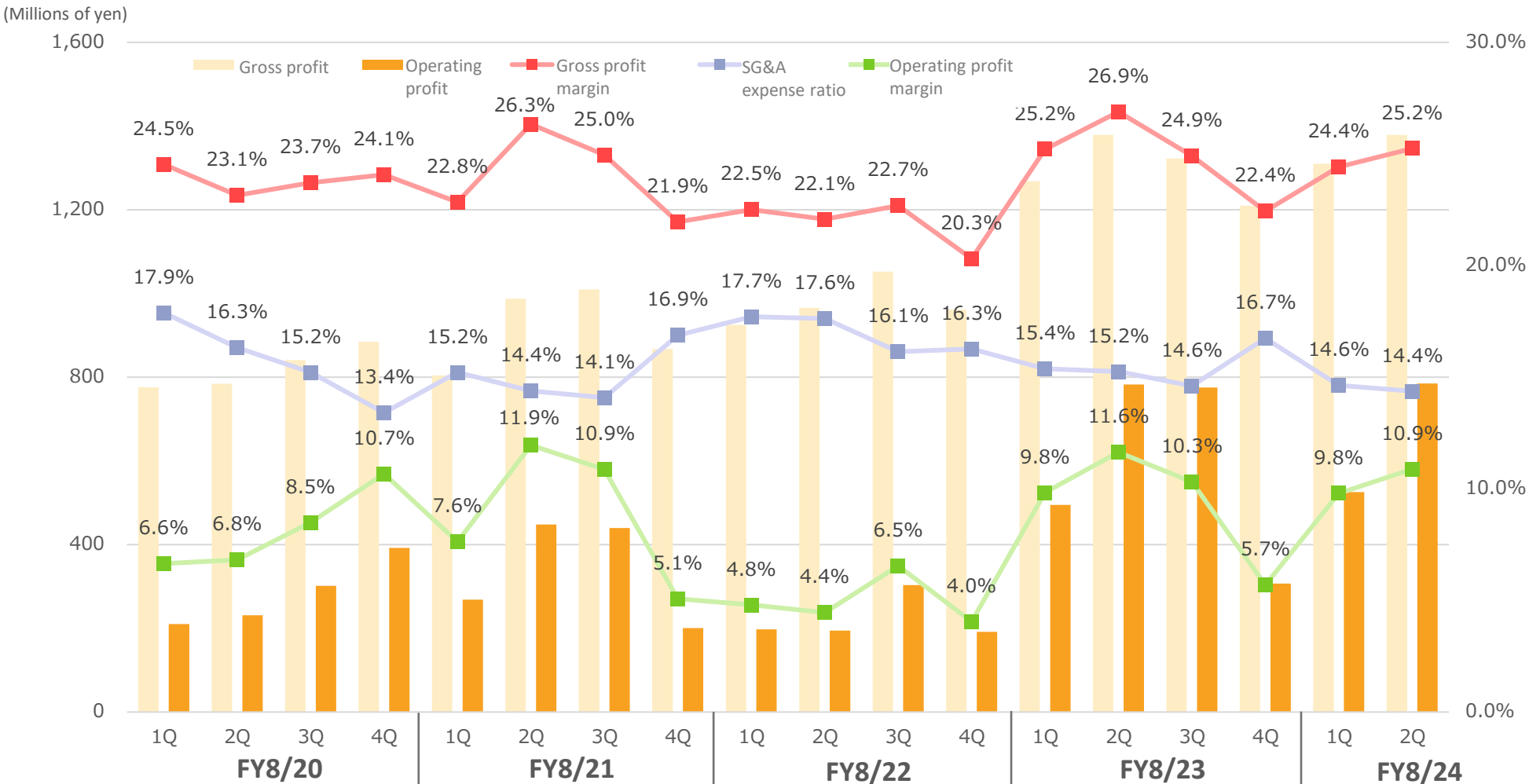
Quarterly Sales Growth

- Full-year consolidated net sales for the fiscal year ending August 31, 2024 are expected to increase 5.5% year on year to 22 billion yen.
- Additional progress was made in the utilization of business partners in the second quarter under review, resulting in a quarter-on-quarter increase in net sales.



Quarterly Earnings Growth

- We continued to balance the hiring of engineers with the use of partners while improving profit margins.
- We secured an operating profit margin in the 10% range in the second quarter of the fiscal year ending August 31, 2024.



Topics

- Jun. 26, 2023 **The Midori Cloud Rakuraku Shukka service received the Excellence Award of the SX and GX Category in the Japan DX Grand Prix.**
The service was highly evaluated due to initiatives for addressing supply and demand issues at agricultural frontlines by leveraging expertise on smart agriculture, which resulted in receiving the Excellence Award.
- Aug. 25, 2023 **Release of NewtonX, a ChatGPT service for companies**
We released a secure generative and conversational AI service tailored for business use, featuring data leakage protection and enhanced operational productivity.
- Sep. 25, 2023 **Stepping into the cloud BPM domain in collaboration with NTT Data Intramart Corporation**
We released the Accel-Mart Quick cloud low-code development service combined with Seraku CCC's customer success function.
- Oct. 26, 2023 **We launched a data utilization support service using Salesforce Data Cloud as the core of the service**
The service will be provided along with the utilization of the Salesforce Data Cloud that facilitates the integration and commonality of different types of customer data and increase customer experience.
- Nov. 15, 2023 **We announced a treasury stock acquisition of up to 400,000 shares (the total acquisition price of 400 million yen)**
We repurchase our own shares for the purpose of implementing our capital policy, utilizing them in mergers and acquisitions, using them in incentive plans and returning profits to shareholders.
- Dec. 12, 2023 **We launched a utilization support service for companies that have introduced Salesforce's AI services**
As a pioneer in incorporating generative AI into the operation of SFA and GRM, we seek to strengthen the development of human resources with successful track records of AI operations and realize advanced data utilization.
- Jan. 19, 2024 **Acquired Expert certification under the Salesforce Navigator Program**
Achieved Expert certification in the field of Managed Services in recognition of our expertise and extensive track record in promoting the spread and utilization of Salesforce
- Mar. 19, 2024 **Released the new Knowledge Connect feature for NewtonX**
The new feature integrates a company's own data to generate responses based on internal files, broadening applications for use as an organization to boost productivity and maximize business streamlining.
- Apr. 5, 2024 **Opened the second domestic managed services center in the Kyushu area**
The center will enhance service structure for information systems operational support and offer 24-hour, 365-day corporate IT infrastructure and information system operational support services.

2. FY8/24 Plan and Shareholder Returns

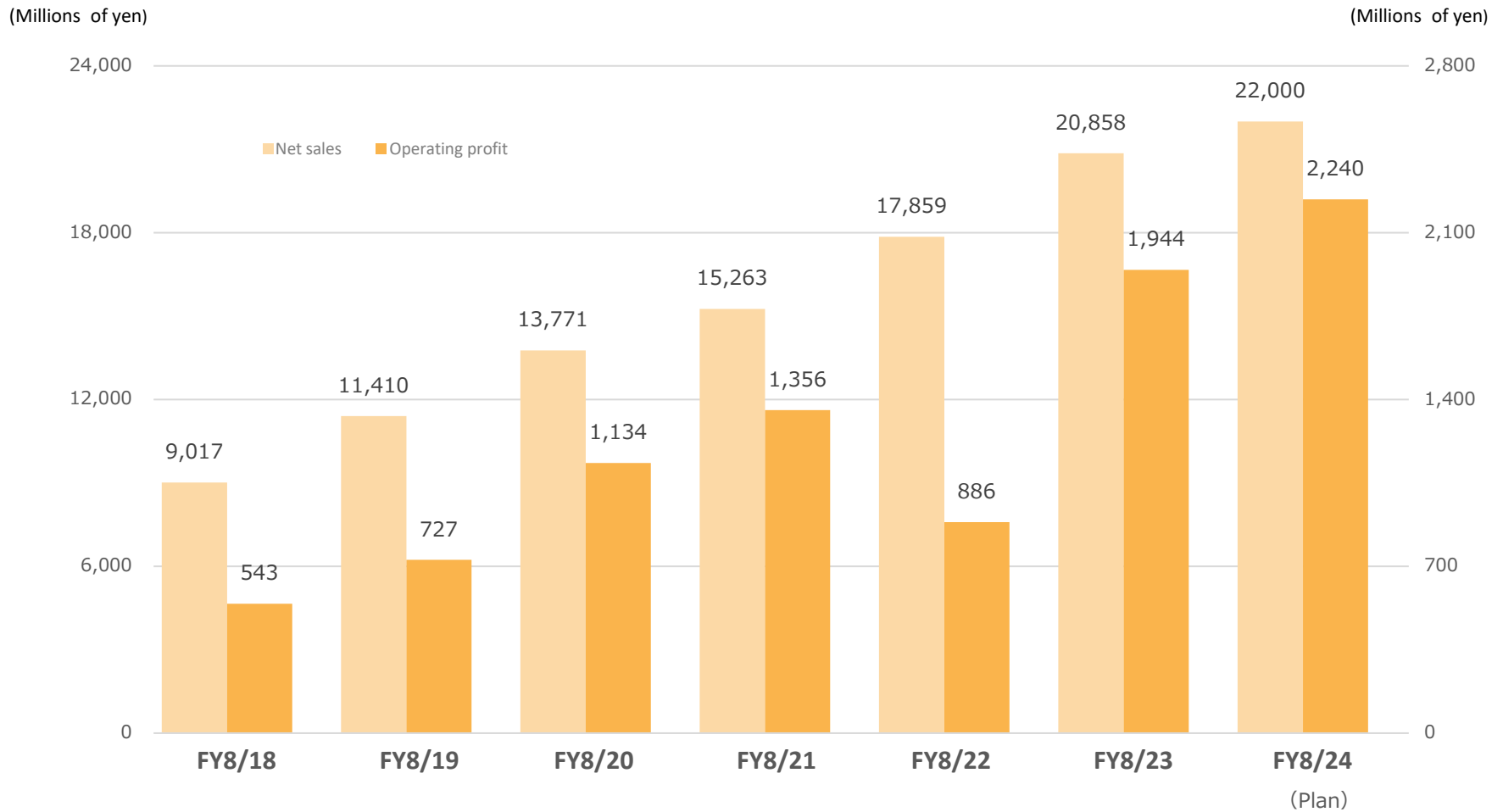
FY8/24 Plan (1)

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

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

FY8/24 Plan (2)

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



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

DX domain

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

- Increase the number of supported platforms

Expansion in the information system operating segment

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

SI domain

Expand the size of the partner ecosystem

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

Improvement of operating profit margin

- Implement structural reforms aimed at customers and projects

AI/Automation Segment

Creative productivity improvements to IT operation through AI/automation

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

Midori Cloud

Become the primary industry DX leader

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

Human resources

Development of leader candidates

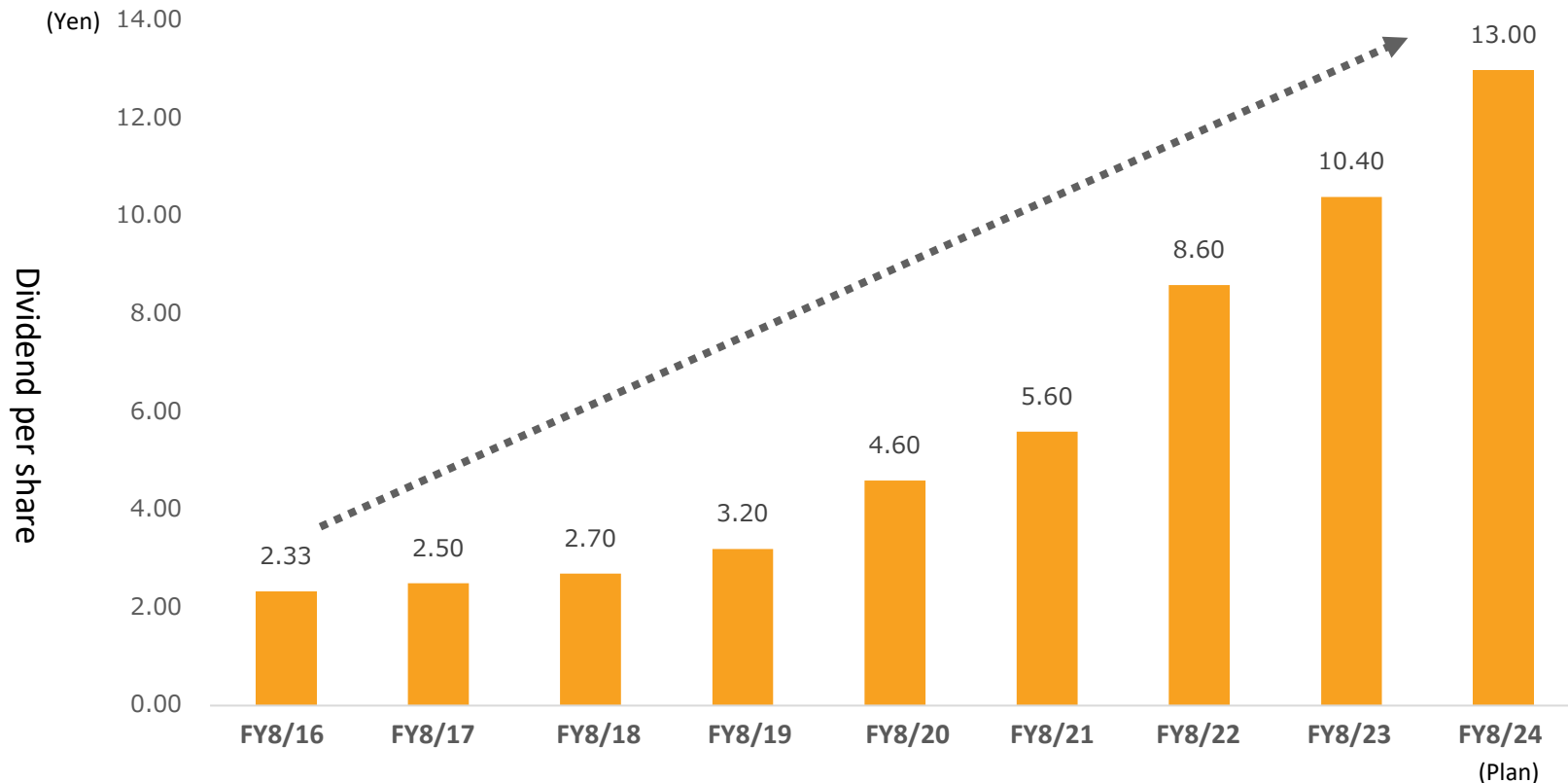
- Increase from the current 200 people to 600 people
- Redesign "three-year stories" for engineers

Corporate Philosophy

Promotion of health and productivity management

Shareholder Return and Improving Relationships With Stakeholders

- For the fiscal year ending August 31, 2024, we plan to issue dividends of 13.00 yen per share (a payout ratio of 12.1%), a 2.60 yen year-on-year increase
- Dividend amounts per shares have increased by over five times since SERAKU was publicly listed (fiscal year ended August 31, 2016)
- We plan a treasury stock acquisition of up to 400,000 shares (the total acquisition price of 400 million yen) by the end of October 2024.
- In the future we will increase opportunities for dialog with individual investors



* On March 1, 2017 SERAKU conducted a four-for-one stock split of common stock, and per-share dividend amounts are listed based on figures after adjustments to reflect the stock split.

3. Medium-Term Growth Vision

**Transformation
Toward a Second Growth Era
as the Monetization of
In-house Services Begins**

Medium-Term Growth Vision

We will position a market capitalization of 50.0 billion yen as one of the indicators as we strive to grow in scale and improve earnings.

- We will accelerate our expanded scale through an IT personnel platform model.
- Invest in the Midori Cloud business, AI area and DX services to increase additional value and profit margins

	FY8/24-
Vision	<ul style="list-style-type: none"> (1) Market capitalization 50.0 billion yen (2) Net sales: 50.0 billion yen (3) Operating profit margin: 15% * (1) to (3) will be achieved at different times
Growth Strategy	<ul style="list-style-type: none"> • Growth in the number of people through an IT personnel platform • Generating additional value from the shift to DX and contracting • Generating revenue from new businesses • M&A
Strengths	<ul style="list-style-type: none"> • IT personnel platform (procurement, education, project/personnel matching) • DX service • AI/Automation • Agricultural IT

Growth Strategy: Distribution DX for Primary Industry

Rakuraku Shipment

Initial Introduction Cost + (number of distribution labels × label unit price)

Midori Cloud Rakuraku Shipment

Streamline fruit and vegetable collection and shipping operations with the use of QR codes, smartphones and tablet devices



出荷作業 ③QRコードを読み取り出荷登録

Streamlining shipping tasks

**As much as
85% or higher**

Billing based on
distribution volume

**Per-label conversion:
up to 40 yen**

* Unit prices vary depending on the contract with the customer and the distribution volume

Growth scenario

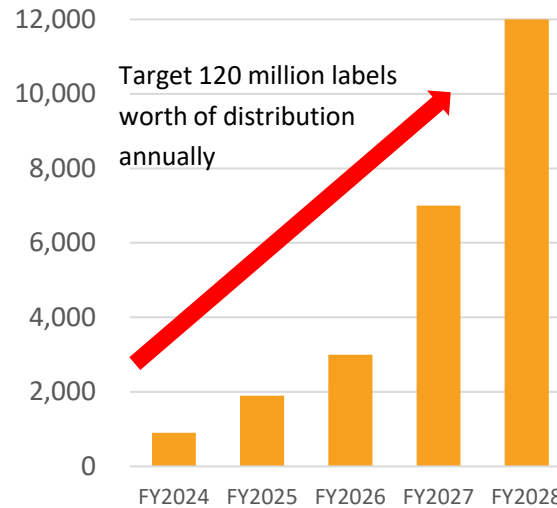
Next 3 to 5 years

**Focus on introduction by
nationwide JA organizations
(roughly 500 organizations)**

Medium- and long-term target

**Becoming the No. 1 platform
operator of distribution DX
for primary industry**

(10 thousand labels / year)



Target 120 million labels
worth of distribution
annually

**(1) Expansion to processes after
collection and shipping**

→ The food-related distribution market is worth **35 trillion yen***

**(2) Distribution of fisheries
products and other produce**

→ Domestic fisheries production is worth **1.3 trillion yen***

**(3) Agricultural produce distribution
and export overseas**

(4) Distribution data marketing

* From Agriculture, Forestry and Fisheries Compact Notes, published in 2023 by the Ministry of Agriculture, Forestry and Fisheries

Building upon the successful results with JA Hiroshima, we will proceed with preparations for introduction at multiple JA organizations and focus on expanding the number of distribution labels. In the medium- and long-term, we will aim to expand into related fields as the No.1 platform operator providing distribution DX for primary industry.

Growth Strategy: Utilization of Generative AI

NewtonX

Newton X

ChatGPT utilization service for companies

- Low-cost in-company utilization under security management schemes
- Support for AI utilization based on customer successes

- Official launch as a paid service
- Release of Knowledge Connect linking in-house data with AI

Targets

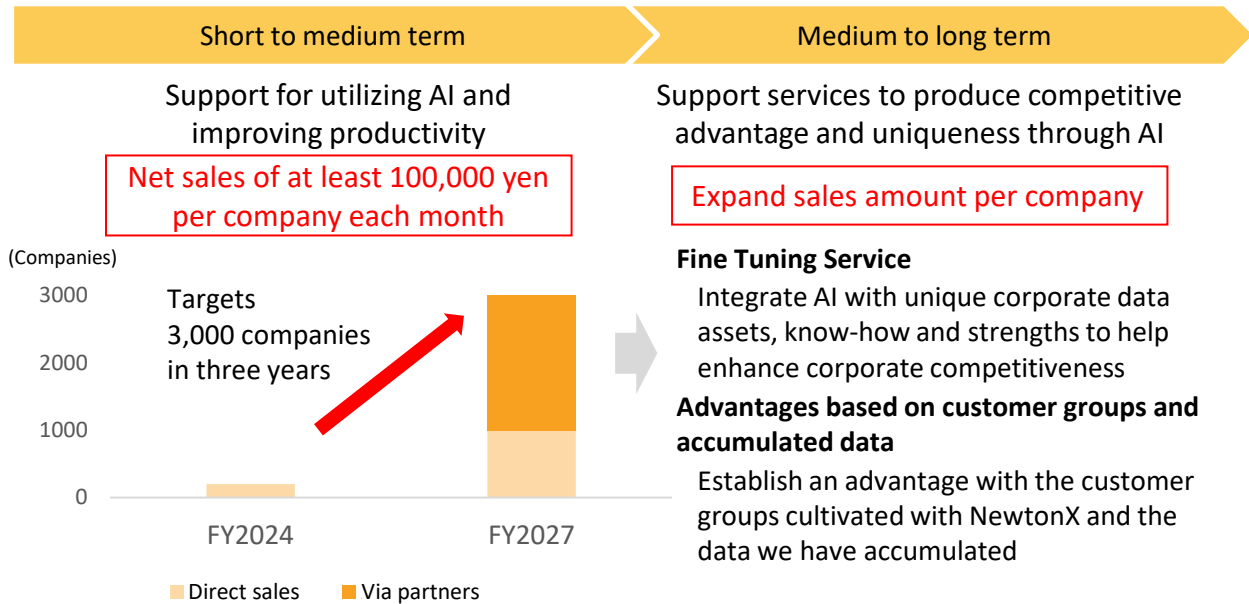
100,000 companies mainly comprising SMEs that have a need to differentiate from the competition using AI but face difficulties introducing AI on their own

Large enterprises **In addition to direct sales, we expect to increase the number of companies adopting the system through partners.**



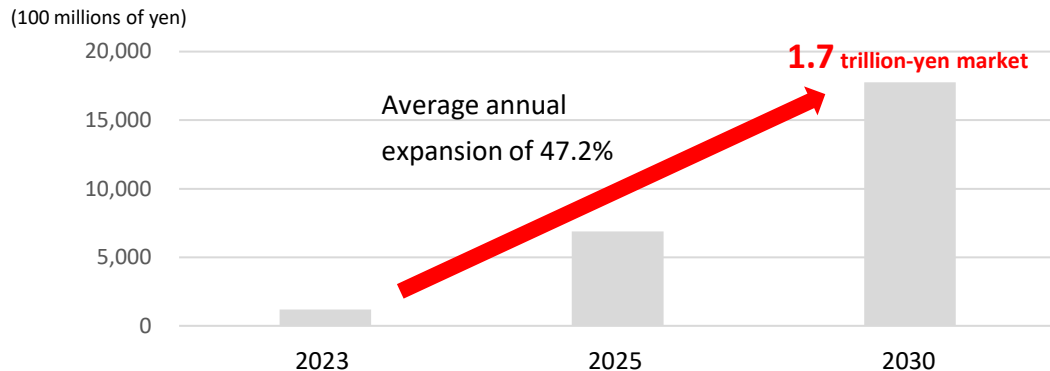
Monthly usage fees (subscription model)

Growth scenario



Forecast demand for generative AI in monetary terms (domestic)

* Japan Electronics and Information Technology Industries Association (JEITA) forecast



Growth Strategy:

Operating and Facilitating the Widespread Use of Cloud Systems



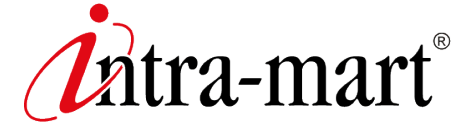
Annual net sales growth rate: **+28%**
3.2-fold revenue growth from domestic-related market forecast

* From materials released by Salesforce.com



Number one domestic market share (**18.7%**)
 Adopted by one in every three major companies

* From materials released by Works Human Intelligence



Number one domestic market share (**29.5%**)
 New market creation with cloud migration

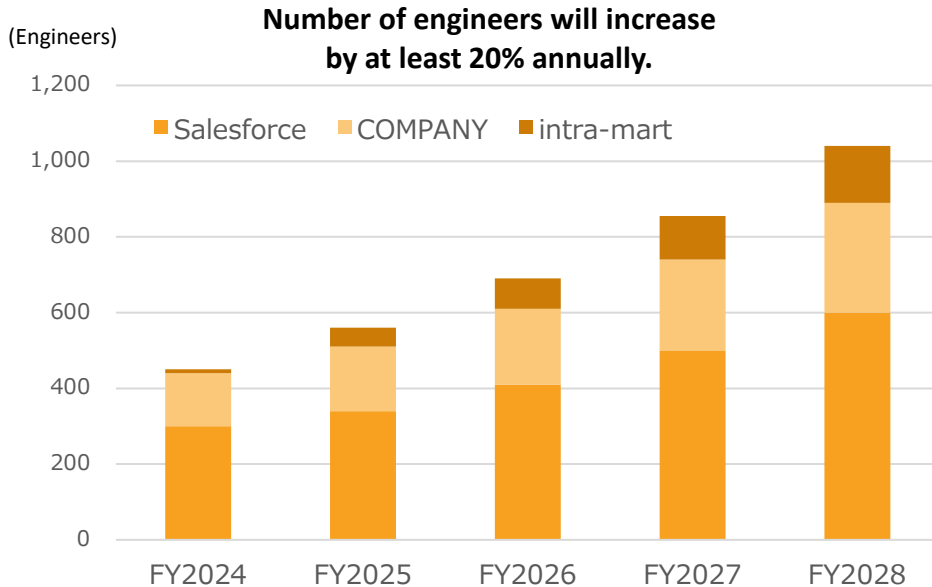
* From materials released by NTT DATA INTRAMART

No.1 in Japan for customer successes supporting the overall system utilization of corporate clients, with a focus on major companies

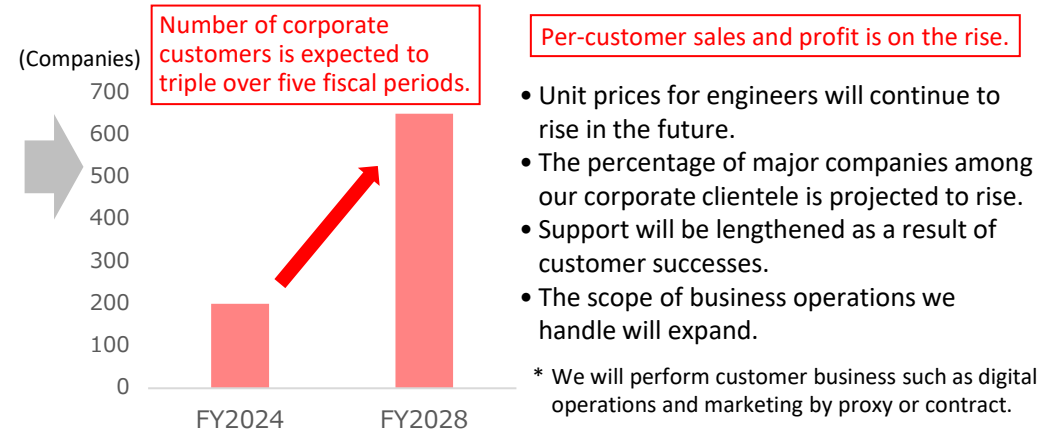
Growth scenario

Short to medium term

Medium to long term



The number of corporate clients will continue to increase in the future in step with market growth.
Increase per-customer sales and profit by establishing customer successes



* Number of corporate customers for Salesforce, COMPANY and intra-mart combined

Growth Strategy: IT Personnel Platform

Business model

Unit price for engineer utilization × number of engineers (× engineer utilization rate)

* We maintain a high engineer utilization rate because many of our operating projects are of a continuous, build-up nature.

- We are making steady progress with establishing an IT personnel platform and restructuring our customer based and projects. In the future we expect the partner utilization rate to rapidly grow.

Clients

Human resource procurement capabilities

SERAKU IT personnel platform

- **Number of engineers will increase at a higher rate, leading to sales growth.**
- **Hiring and training costs for SERAKU will decline, increases profit.**

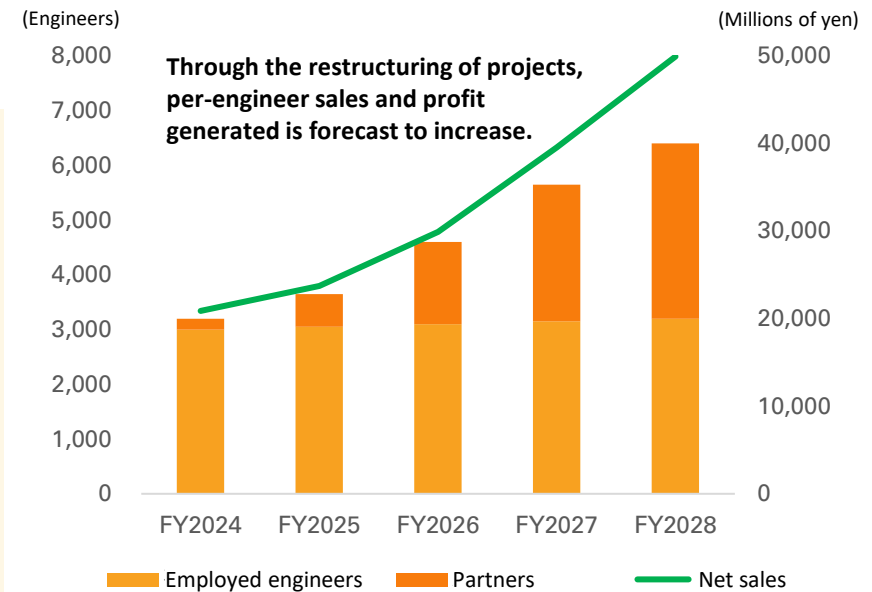
Supply of projects with favorable conditions
Provision of practical training
Support for the DX/AI shift



Provision of resources

861 partners, total partner proposals approx. 37,000

Growth Outlook



* Net sales are predicted values for the Digital Integration Segment.

The number of partner companies has increased by around 350 over the past six months, and is expected to rapidly expand to 50,000 in three years.

Appendix

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: 309,521,684 yen (as of February 29, 2024)

Employees: 3,399 on a consolidated basis (as of February 29, 2024)

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

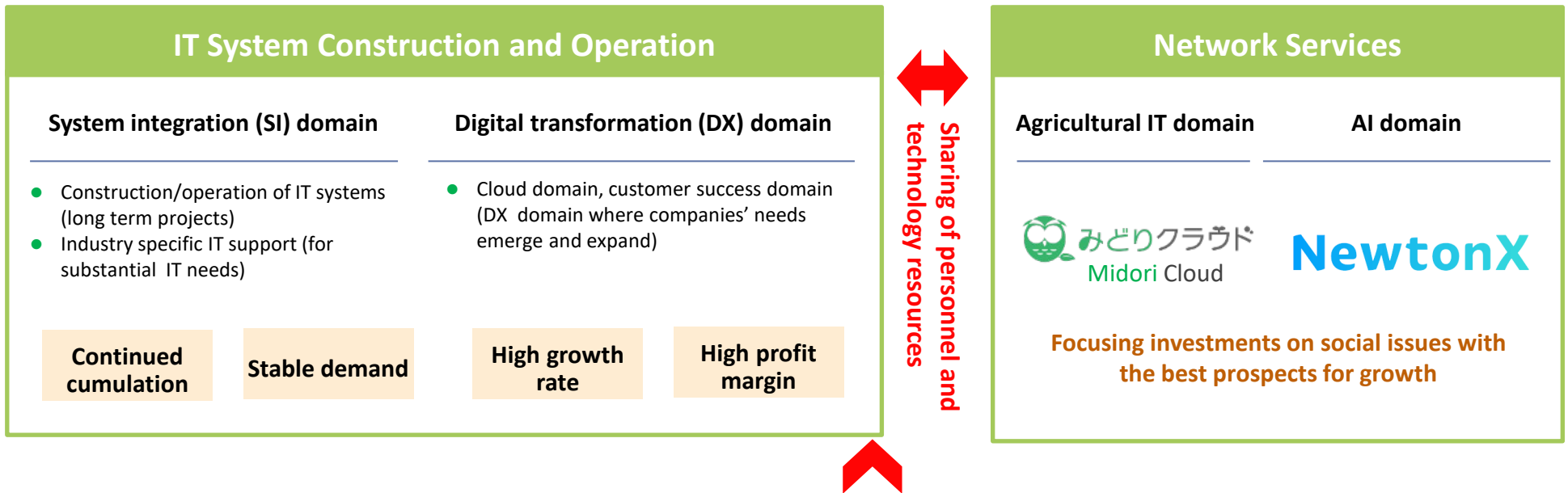
Group companies: SERAKU CCC (wholly owned subsidiary)

SERAKU Business Solutions (wholly owned subsidiary)

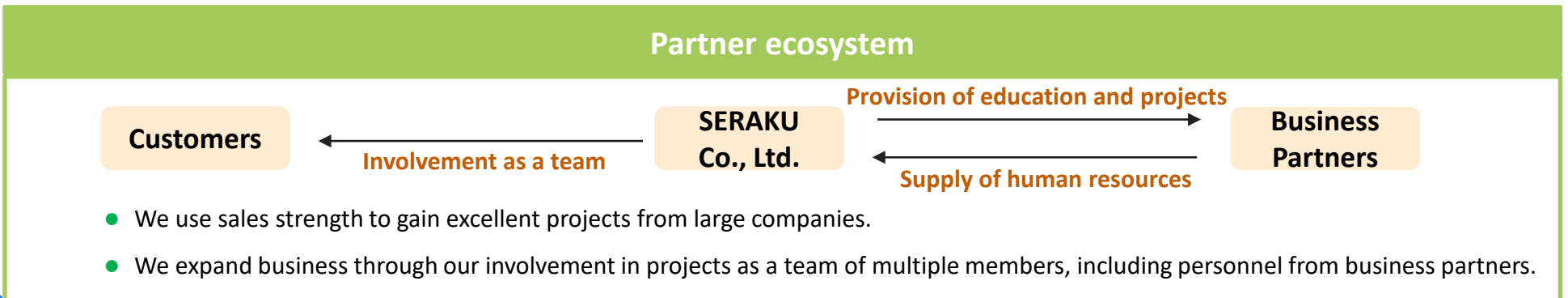
Listed exchange: Tokyo Stock Exchange, Standard Market (stock code 6199)

Our Business Model

Working as “Digital Integrator,” we implement and operate IT systems and DX in society.



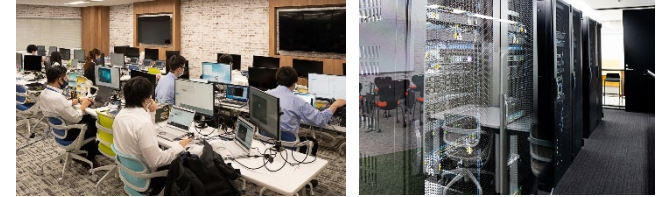
Use our own education programs to create experts in new technology domains where markets are growing and there is a shortage of people



SERAKU's Competitive Strengths

Partner ecosystem

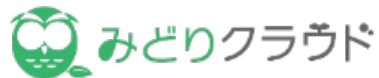
- We use sales strength to gain excellent projects from large companies. In collaboration with partners, we form a team of several members to take part in projects.
- We receive more than 5,000 proposals from partners.
- We provide partners with practical project training.



Growth potential in DX field

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

Agricultural IT



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



AI/ Automation

NewtonX

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

Business Segments and Service Domain

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

Digital Integration

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

Construction, operation and maintenance of IT systems

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

IT support

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

Former SI Segment

Cloud & Solutions Business

- IoT cloud support center
- Cybersecurity

Operate cloud systems and facilitate their widespread use

- Supporting the introduction and operation of COMPANY*
 - Operate cloud systems and facilitate their widespread use
- *HR software
-
- Introduction and support services for operation of Salesforce.com
 - Design of marketing activities
 - Data science

Former DX Segment

Midori Cloud

Support the primary industry by leveraging the power of IT.

Agriculture and Fisheries DX Platform



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

Agriculture and Fisheries solutions

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



Mechanical Design and Engineering

Expanding services based on mechanical design technologies

SERAKU Business Solutions



- Mechanical design, analysis and production technologies

Construction, operation and maintenance of IT systems

- Expand services matched to wide-ranging market needs using abundant resources according to the education-type IT professional development model
- Operate a stock-type business centering on the enduring operation of IT infrastructure and systems to achieve stable growth

Operation of IT infrastructure/systems

- One-stop services including system construction, operation and maintenance
- More than 75% of business are large scale operation projects that require long term continuous operation.
- The number of customers at locations other than Tokyo (Yokohama, Nagoya, Osaka, Fukuoka) is growing.

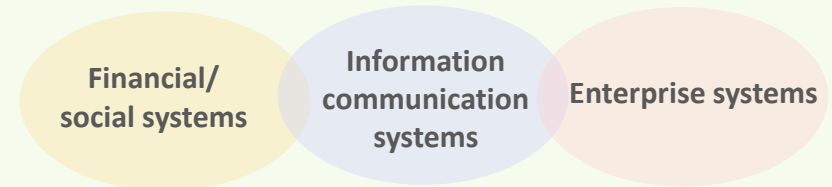
Assigning engineers matched to customer needs to enduring IT infrastructure and system operation projects



Industry-specific IT support

- Promoting projects working as a subcontractor for large projects of major system integrators or receiving orders from prime contractors.
- Aim for growth by using collaboration and alliances with partners.
- Train IT professionals with operational knowledge.

Expand business by enlarging trading platforms with major system integrators.



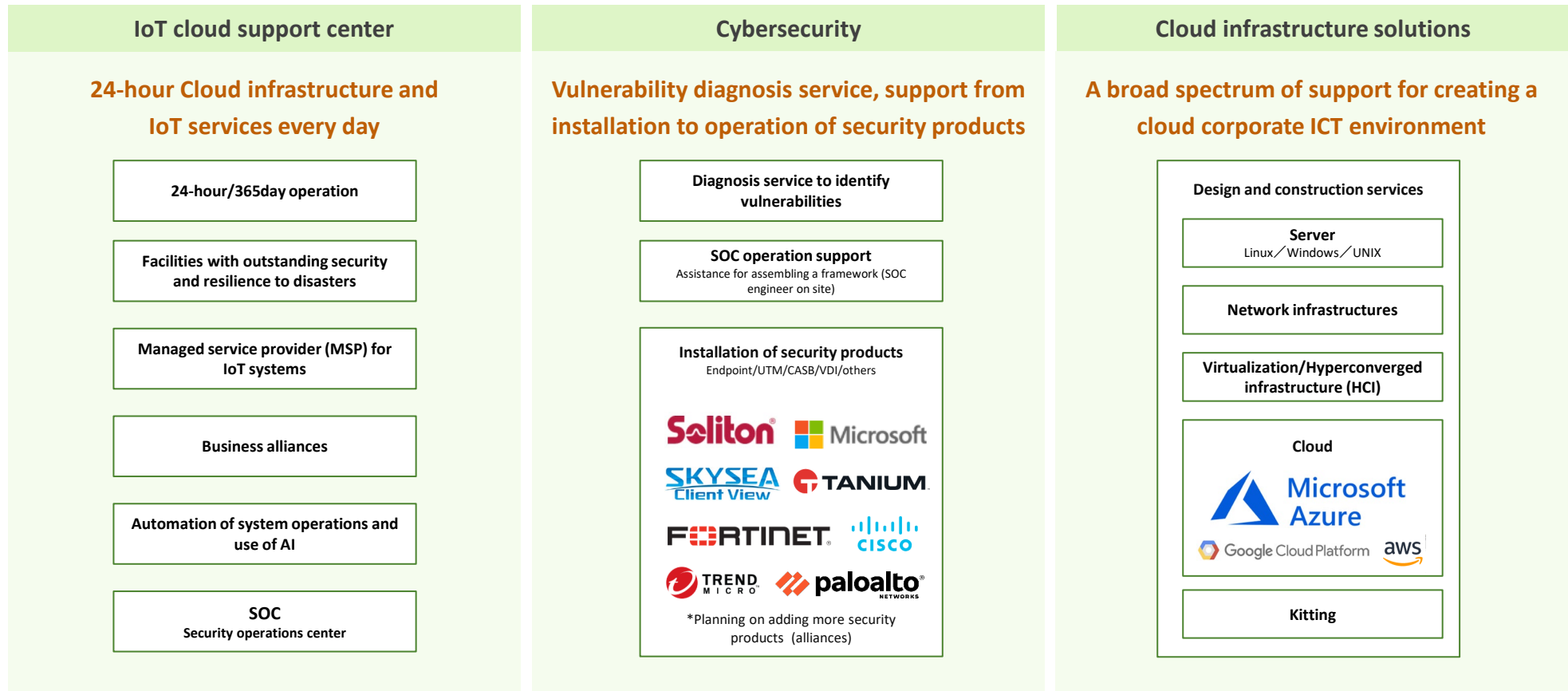
Steady growth under the education-based IT professional creation model and the provision of greater added value by shifting human resource to the DX domain

- SERAKU's exclusive IT professional creation model underpins growth by using introductory lessons and then lessons using actual working environments to train inexperienced people so they can be assigned to projects within two to three months
- To provide greater added value, experienced people acquire more advanced skills for DX activities, project management and other challenging positions

Expanding well-developed training and sales systems helps inexperienced engineers grow into competitive at an early stage.

Cloud & Solutions Business

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



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

Customer Success Solution (SERAKU CCC)

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

SFA/CRM utilization support services

Already assisting more than 400 companies due to rapid market growth
Providing utilization support both on site and remotely



Utilization assessment program

Utilization support service

Salesforce manager support service

Data utilization support through data analysis and data visualization



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

Support for use of marketing automation tools



- Marketing Cloud Account Engagement operation
- Digital marketing support using a company's customer data

Strengthening collaboration with NTT Data and others, DX acceleration support through utilization support services



- In April 2021, SERAKU jointly launched a business reform support service with NTT Data Corporation.
- In July 2021, SERAKU strengthened Pardot utilization support service in collaboration with Netyear Group Cooperation.



- In July 2021, SERAKU extended utilization support services in collaboration with WingArc1st Inc.
- In December 2021, SERAKU increased Tableau utilization support service in collaboration with Intage Technosphere Inc.



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

Capital participation in Resona Digital Hub, a solution provider answering the diverse DX needs of small and medium enterprises



- SERAKU invested in Resona Digital Hub Co., Ltd. (RDH), established on April 1, 2022, to commence the operations of the joint venture.
- RDH will construct a platform to open the way for one-stop proposals of diverse IT solutions to the Resona Group's small and medium corporate customers to help them increase productivity and competitiveness.
- SERAKU staff will provide Salesforce.com utilization support through RDH's unique customer success plan. SERAKU will promote use of the cloud services of Salesforce, Microsoft and others that it has developed.

Customer Success Solution (SERAKU CCC)

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



We acquired Expert Level for the Managed Service field



Managed Services

- We acquired Expert Level for the Managed Service field^{*1} in the Salesforce Partner Navigator Program^{*2}.
- We were recognized as a partner achieving top-level customer satisfaction in the field.
- The managed service, which is essential for the utilization of systems, is a growth area in the world and its market is expanding in Japan as well.
- We worked to develop engineers specializing in utilizing Salesforce to address significant market demand.
- Going forward, we will seek to support the use of more advanced data by developing individuals who can use generative AI.

*1 A program that comprehensively evaluates and certifies the professional capability of Salesforce partners in specific areas based on their knowledge, experience and quality

*2 The area of services that facilitate the introduction and full deployment of systems by providing support totally including utilization strategy planning and actual operation.

We will continue to lead the market in the Salesforce Managed service field in Japan.

Our ambition is to establish ourselves as the number one brand in the cloud system operation and utilization market.

Supporting the introduction and operation of COMPANY

We have about 150 COMPANY engineers, making us one of the largest employers of COMPANY engineers in Japan.



- Largest share of the ERP product market (personnel affairs and salary)
- Introduced by about 1,200 corporate groups
- Used by many companies with annual sales greater than 100 billion yen

The ERP products have gained extensive support from major companies

Targeting large-scale customers, COMPANY has large transaction needs and a large size

Supporting the introduction and operation of COMPANY, an integrated personnel affairs system

We provide extensive support services ranging from the introduction to the improvement, standardization, maintenance and operation of COMPANY

Our services have been provided to:

- | | |
|--------------------------------|-------------------------------------|
| Major pharmaceutical companies | Large-scale healthcare corporations |
| Major general company | Major general trading company |
| Major chemical company | Major staffing companies ...etc |

- The service started in 2016
- We have about 150 COMPANY engineers
- Established support track record and abundant knowledge

Our biggest advantage in the DX COMPANY business is our many engineers capable of handling COMPANY.

As one of the largest employers of COMPANY engineers in Japan, we will become a top company providing services supporting COMPANY operations

As a solution partner, we started collaborating with Works Human Intelligence Co., Ltd.



- In November 2022, we started collaborating with Works Human Intelligence Co., Ltd. (WHI) as a solution partner*
- With WHI providing the training environment, we have established an original training program for the development of professionals
- To date, we have produced more than 150 COMPANY engineers, making us one of the largest employers of this type of engineer in Japan.
- We will develop 300 COMPANY engineers over the next three years and contribute to meeting the growing demand for COMPANY

*Solution partner:

A partner company that collaborates in supporting the introduction, utilization and upgrading of systems and the design and operation for outsourcing

A dedicated division was separately established in March 2023 in pursuit of the continued expansion of the business

Leveraging one of the largest resources of COMPANY engineers in Japan, we will increase our preparedness so that we are able to receive large-scale orders, make the service available in wider regions and handle more difficult orders

Midori Cloud Business

Agriculture and Fisheries DX Platform(IoT device x Cloud service X Data science)

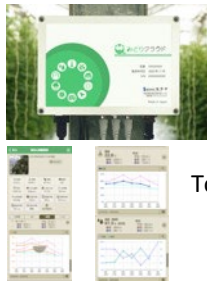


A platform for pig and chicken farming



Environmental measurement and records

Midori monitor/Midori box



IoT devices measure environmental parameters at an agricultural operation, store data in the cloud and generate notices of abnormalities.

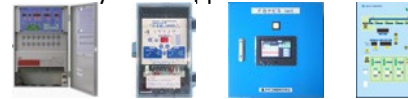
Total installed locations exceeded **3,050**

Remote automated environmental control

Midori Monitoring Environmental Control Option



Controlling windows, curtains, ventilation and other equipment automatically in combination with other companies' products and remotely via an app



Coordination opportunities environmental control

Livestock environment measurement and records

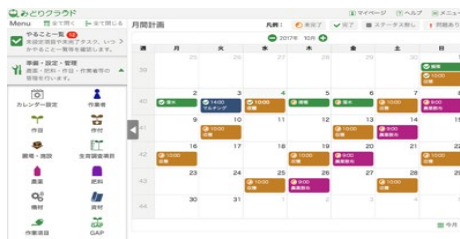


Measuring the environment in livestock buildings using IoT devices and storing measurement data on the cloud to detect abnormal environments and equipment in livestock buildings

Used at more than **170** locations

Production plans and work records

Midori note



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

Total number of users is **52**.

Sales support

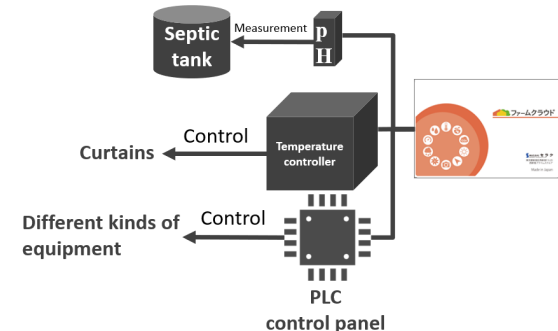
Farming support app



Visually displaying latest market data and price trends in the past ten years or more, and offering chemicals search and weather forecasts

Number of registered users is **4,600**

Livestock building environment control

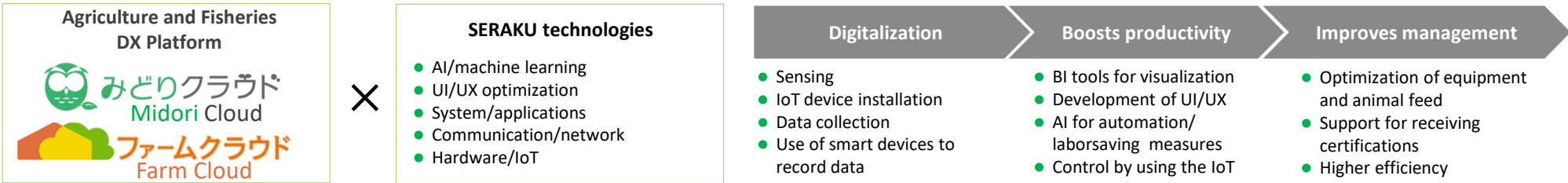


Automatically controlling the environment in connection with curtains and PLC systems used in livestock farming

Midori Cloud Business

Agriculture and Fisheries solutions

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

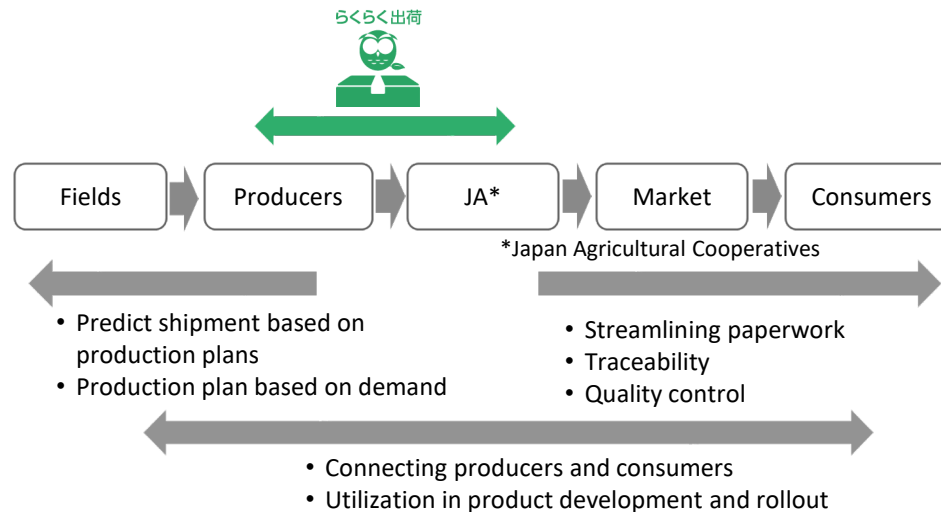


NEW!

Midori Cloud Rakuraku Shukka:

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

Previously, fruit and vegetable distribution was basically done using handwritten documents and manual counting. A digital technology system combining barcodes, cloud systems, smartphone apps and other technologies will be introduced to dramatically reduce the labor required to collect and ship goods. DX has been shown to help producers and farm instructors (JA) shorten the working hours spent collecting and shipping goods a maximum of 24% and 85%, respectively, and significantly reduce risks related to miscounting and other undesirable events. As the service allocates individual identification codes to fruits and vegetables, it increase access to smart food chains* to enhance the value of farm produce.



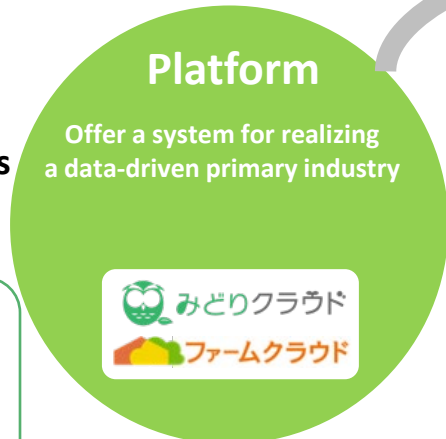
***Smart food chain:**
 Makes all processes of the food chain, from breeding to production, processing, distribution and consumption, "smart" using AI, data linking platforms and other technologies to, for example, enhance productivity, eliminate waste, reduce total costs, add high value to farm produce and foods and match needs and seeds

Midori Cloud Business

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

Producers,
Distributors,
Consumers

Sales
agencies



Use the platform



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

Increase
added value

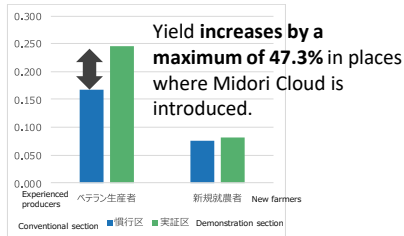
Applying the Ministry of Agriculture, Forestry and Fisheries' introduction support project for nationwide spread of smart agriculture, forestry and fisheries.

Incorporate functions to
increase added value



Provide technology assets

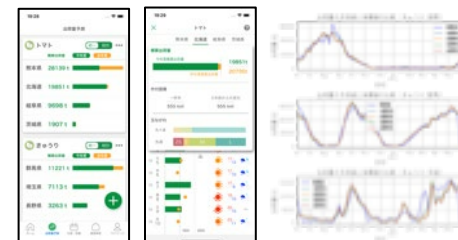
Agricultural production area
Smart agriculture technology applied on asparagus production system (Minamishimabara, Nagasaki Prefecture)



*Ministry of Agriculture, Forestry and Fisheries' project for development and demonstration of smart agriculture technologies (Task Number: Shi-2H04)

Fruit and vegetable distribution area

Visualization of macroscopic data (weather, past results and changes in growing area) affecting the distribution of fruits and vegetables and forecast of shipments from individual areas of production



We will start to sell a system using weather data to forecast the timing and volume of shipments of vegetables to JA and volume retailers

*Ministry of Agriculture, Forestry and Fisheries' technology development project for increasing international competitiveness (Task Number: Mo-3-Ya-3, Task Title: Development of Innovative Farming Support Model)

Government and research
Institutions Alliance companies

Mechanical Design and Engineering (SERAKU Business Solutions)

- The segment has been growing steadily thanks to group synergies in recruitment, training and sales since it was included in the SERAKU Group in April 2018.
- It seeks to expand its business domain and areas in which it can develop businesses by leveraging its mechanical design and engineering skills.

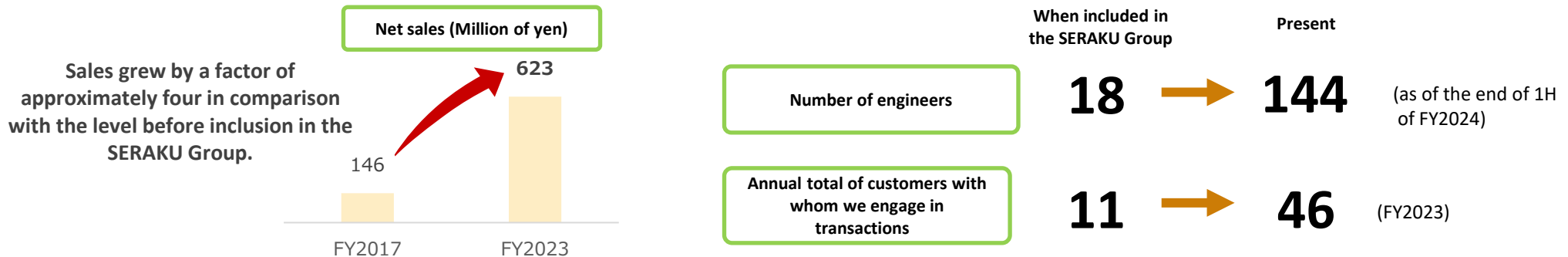
Mechanical Design and Engineering

- Provide the manufacturing and construction industries with a range of services such as the design, analysis and creation of various types of data.
- Expand the scope of engineers' activities into other areas related to field engineering, equipment maintenance, quality assurance, communication facility construction and telecommunications, as well as mechanical design and engineering.

Achievement of continuous growth

- Improve engineers' skills and expand the scope of services that can be offered, through the implementation of training on CAD and basic IT-related skills.
- Expand areas in which it can develop businesses into the Chubu and Kinki areas, in addition to the Tokyo area.
- Enhance engineers' skills and added value by continuously providing them with training.

The business size has been increasing since the segment was included in the Group, aided by the SERAKU Group's strengths in recruiting, training and sales.



We will focus on developing engineers through the enhancement of training programs and other means. The company seeks to further expand its businesses by fully leveraging the SERAKU Group's resources.

Maximizing Human Resources and Practicing Our Management Philosophy

Social trends

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

Our initiatives

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

Obtain further room to increase compensation

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

Visualize skills and careers for each engineer

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

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

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

Leader human resource development program

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

Establishing "three-year stories" for engineers

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

Management philosophy: Pursue happiness for employees

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

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

SERAKU's Initiatives for ESG and SDGs

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

Safe operation of systems in the IT society



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

Human resources development



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

Creation of new value in society



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

Use of IT in agriculture field



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

Realization of a physically and mentally healthy society



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

Sophistication of corporate governance



- Ensuring compliance
- Strengthening corporate governance
- Improving information disclosure

Forward looking Statements

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

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

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

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

An announcement will be made promptly if there are revisions to the FY8/24 forecasts or differences between the results of operations and these forecasts that require disclosure.