



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

October 15, 2024



# Agenda

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- ▶ **1. FY8/24 Results of Operations**
- 2. FY8/24 Plan and Shareholder Returns
- 3. Medium-Term Growth Vision
- 4. Appendix

# Executive Summary

- Net sales and operating profit rose 6.5% and 16.9% year on year respectively, thanks to the growth of Digital Integration.
- We will aim for 24,500 million yen in net sales (YoY +10.3%) and 2,550 million yen in operating profit (YoY +12.1%) for FY25.

	<u>Net sales</u>	<u>Operating profit/loss</u>	
<b>FY24 consolidated results</b>	<b>22,221</b> million yen (YoY +6.5%)	<b>2,273</b> million yen (YoY +16.9%)	▶ <b>Net sales and operating profit grew mainly in the DX domain.</b>
Digital Integration	<b>21,342</b> million yen (YoY +7.1%)	<b>2,320</b> million yen (YoY +21.2%)	<ul style="list-style-type: none"> <li>• The SI domain remained robust due to a hike in unit prices and our focus on the acquisition of large-scale projects.</li> <li>• The DX domain achieved a strong performance in support for the operation of Salesforce and COMPANY and facilitation of their widespread use.</li> </ul>
Midori Cloud	<b>238</b> million yen (YoY -35.9%)	<b>-109</b> million yen (YoY -%)	<ul style="list-style-type: none"> <li>• We focused on the introduction of Midori Cloud Rakuraku Shukka at JA organizations as advance investments.</li> <li>• Introduction trials are under way at multiple JA organizations.</li> </ul>
Mechanical Design and Engineering	<b>745</b> million yen (YoY +19.5%)	<b>44</b> million yen (YoY -15.9%)	<ul style="list-style-type: none"> <li>• The segment performed well both in terms of orders received and a hike in unit prices.</li> </ul>
Adjustment	<b>-104</b> million yen	<b>17</b> million yen	
<b>FY25 plan</b>	<b>24,500</b> million yen	<b>2,550</b> million yen	▶ <b>We will aim for a 10.3% growth in net sales and a 12.1% growth in operating profit.</b>

## Consolidated Financial Results for the Fiscal Year Ended August 31, 2024

- Net sales rose year on year, thanks to rising unit prices for projects and stably high engineer utilization rate.
- Curbing in-house hiring and promoting the active utilization of business partners led to a decrease in hiring and education costs and idle costs for engineers, as well as a year-on-year increase in operating profit.

(Millions of yen)	FY23 results	FY24 results	YoY change		FY24 plan	Compared to plan	
			Amount	Rate (%)		Amount	Rate (%)
Net sales	20,858	22,221	+1,362	+6.5	22,000	+221	+1.0
Cost of sales	15,680	16,521	+841	+5.4	-	-	-
Gross profit	5,178	5,700	+521	+10.1	-	-	-
SG&A expense	3,233	3,426	+192	+5.9	-	-	-
Operating profit	1,944	2,273	+328	+16.9	2,240	+33	+1.5
Ordinary profit	2,156	2,317	+161	+7.5	2,240	+77	+3.5
Profit attributable to parent	1,472	1,575	+103	+7.0	1,500	+75	+5.0

# Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (By Segment)

- The scope of operations is expanding, particularly in Digital Transformation.
- Operating profit rose year on year, while we made advance investments in Midori Cloud and NewtonX to achieve future growth.

(Millions of yen)

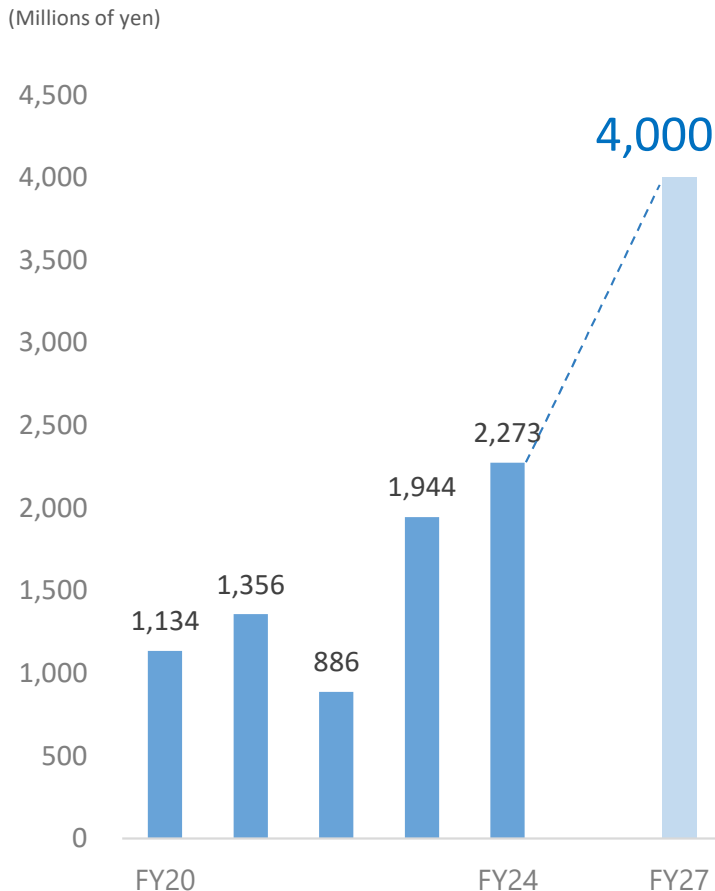
		FY23 results	FY24 results	YoY change	
				Amount	Rate (%)
Net sales	Total	20,858	22,221	+1,362	+6.5
	Digital Integration	19,920	21,342	+1,422	+7.1
	System Integration	14,400	14,785	+385	+2.7
	Digital Transformation	5,520	6,557	+1,037	+18.8
	Midori Cloud	371	238	-133	-35.9
	Mechanical Design and Engineering	623	745	+121	+19.5
	Adjustment	-56	-104	-47	—
Segment profit/loss profit margin	Total	1,944 (9.3%)	2,273 (10.2%)	+328 (+0.9%)	+16.9
	Digital Integration	1,913 (9.6%)	2,320 (10.9%)	+406 (+1.3%)	+21.2
	Midori Cloud	-31 (-%)	-109 (-%)	-77 (-%)	—
	Mechanical Design and Engineering	53 (8.6%)	44 (6.0%)	-8 (-2.6%)	-15.9
	Adjustment	9 (-%)	17 (-%)	+8 (-%)	—



# Progress on the Growth Strategy

- Starting in FY8/24, we have dedicated ourselves to increasing operating profit.
- We has made advance investments in Midori Cloud and NewtonX, and sales activities are progressing.

## Medium-Term Growth Vision (operating profit)



## Initiatives to realize the Vision

	FY24 4Q	Initiatives
IT personnel platform	Number of partner companies <b>1,023</b> companies (YoY +835 companies)	<ul style="list-style-type: none"> <li>• Focus on securing partner companies with the aim of curbing hiring and education costs through the utilization of business partners.</li> <li>• Build good relations with partner companies by offering projects with favorable conditions and providing training for engineers, among others.</li> </ul>
Shift to DX	Ratio of the DX domain to net sales <b>30.6%</b> (YoY +1.9%)	<ul style="list-style-type: none"> <li>• Focus on the expansion of the highly profitable business to operate cloud systems and facilitate their widespread use, whose market is expected to burgeon.</li> <li>• Actively engage in the development of highly skilled human resources to meet diverse customer needs and sales activities to acquire projects.</li> </ul>
Promotion of quasi-mandate/contracting projects	Ratio of quasi-mandate/contracting projects to orders received <b>46.6%</b> (YoY +3.6%)	<ul style="list-style-type: none"> <li>• Focus on the acquisition of quasi-mandate/contracting projects with high unit prices.</li> <li>• Implement proactive sales activities and foster projects managers within the Company with a view to acquiring large-scale projects.</li> </ul>

\*The number of partner companies refers to that of companies registered on SERAKU Partner Platform.

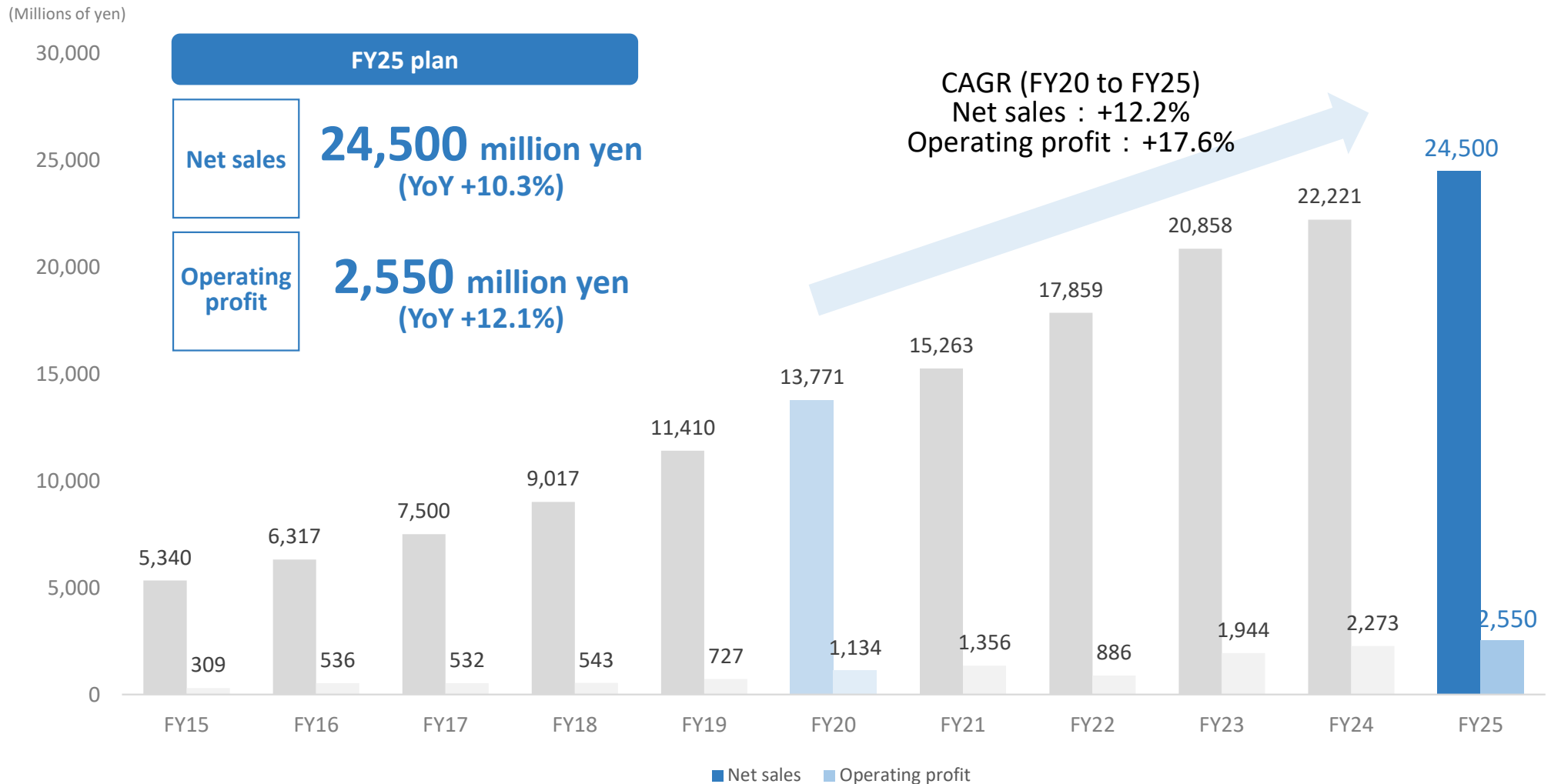
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# Consolidated Earnings Plan for FY8/25

■ We will aim for a 10.3% growth in net sales and a 12.1% growth in operating profit.

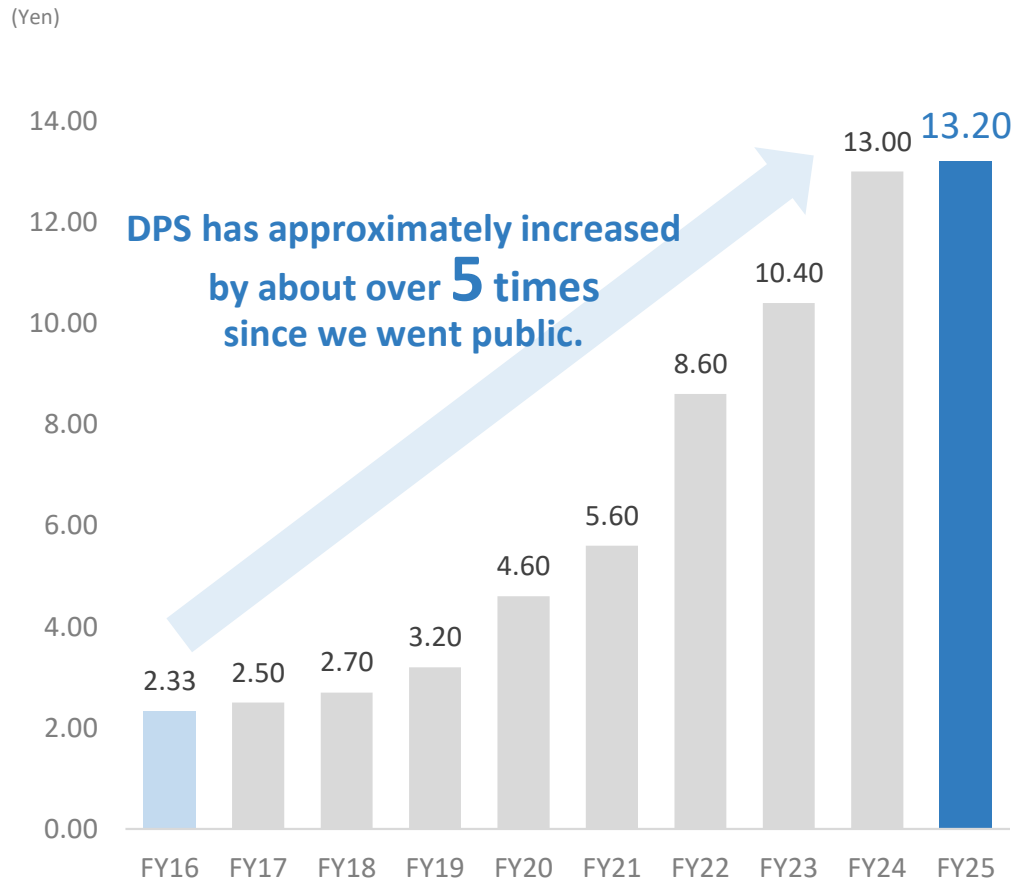




# Dividends and Dialogue with Investors

- DPS for FY25 is expected to increase due to performance-linked dividends and the retirement of treasury shares.
- We will continuously return profits to our shareholders through the acquisition of treasury shares and expand opportunities to hold dialogue with individual investors.

Changes in DPS (dividend per share)



Dialogue with investors for FY8/24

Institutional investors	<ul style="list-style-type: none"> <li>• Financial results meeting (full-year results)</li> <li>• IR meetings (quarterly results)</li> </ul>
Individual investors	<ul style="list-style-type: none"> <li>• IR seminars for individual investors (three times a year)</li> </ul> <p>We will pursue a policy to increase IR seminars to expand opportunities for dialogue with individual investors.</p>
Content of dialogue	<ul style="list-style-type: none"> <li>• Business content (competitive strengths, business models)</li> <li>• Growth strategy (medium-term management plan, M&amp;As, progress in investments)</li> <li>• Capital policy (shareholder returns)</li> </ul>

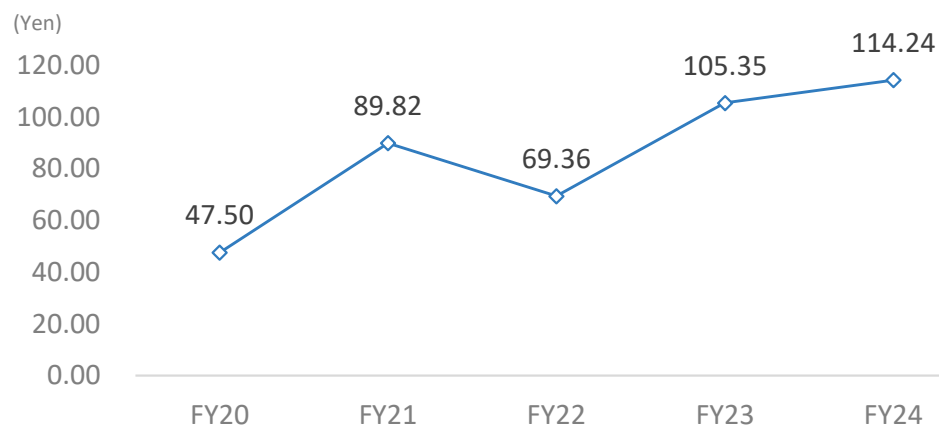
\*On March 1, 2017, SERAKU conducted a four-for-one stock split of common stock, and per-share dividend amounts are listed based on figures after adjustments to reflect the stock split.

## Acquisition and Retirement of Treasury Shares

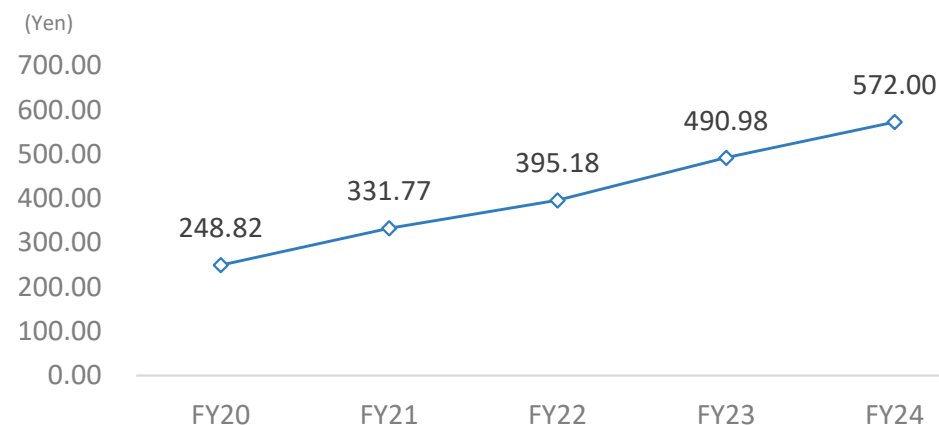
- EPS and BPS grew for FY24 due to the acquisition and retirement of treasury shares.
- We will continue to focus on shareholder returns in FY25 by carrying out the acquisition of treasury shares.

	Purpose	Period	Number of shares	Total amount	Progress
Acquisition	<ul style="list-style-type: none"> <li>Profit return to shareholders</li> <li>Implementation of a flexible capital policy</li> </ul>	From November 16, 2023 to June 26, 2024	330,100 shares	399,971,100 yen	Completed
	<ul style="list-style-type: none"> <li>Utilization in M&amp;As</li> <li>Utilization in incentive plans</li> </ul>	From August 9, 2024 to July 31, 2025	400,000 shares (Upper limit)	400,000,000 yen (Upper limit)	In progress
Retirement	-	August 20, 2024	165,000 shares	-	Completed

### Changes in EPS (earnings per share)



### Changes in BPS (Book-value per share)



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# Our Market Approaches

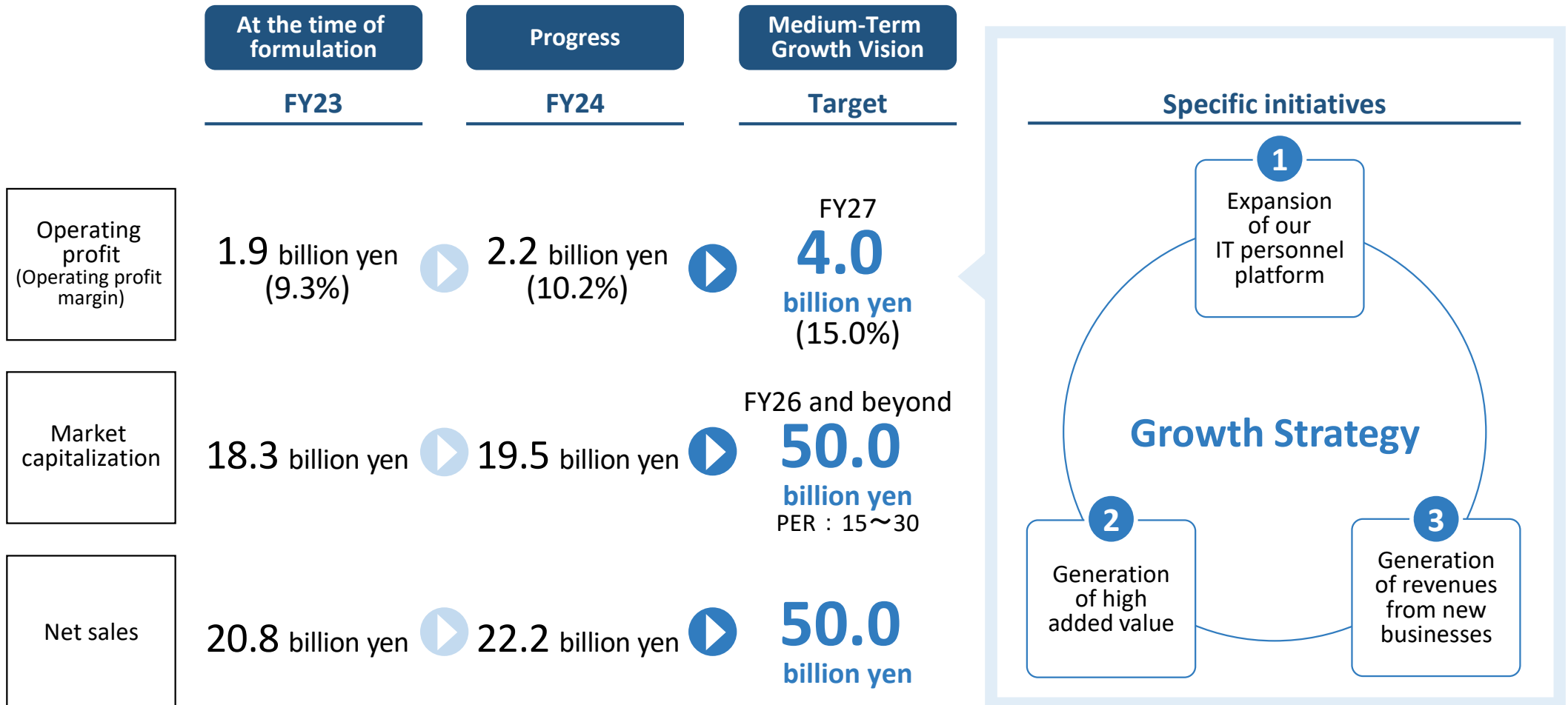
- With a focus on the utilization of information technologies, we deploy businesses that contribute to the solution of social issues.
- We have made early inroads in areas with high growth potential and established our unique position.

Market		
Social issues	Outline	TAM
IT personnel shortage	<ul style="list-style-type: none"> <li>Up to approximately 800,000 IT personnel will be in short supply in Japan by 2030.</li> <li>Number of IT personnel supplied by new graduates remains at up to 64,000 annually.</li> </ul>	<p><b>1.2</b> trillion yen</p> <small>According to a projection on the size of the IT professional recruitment &amp; training services market by Yano Research Institute Ltd.</small>
Cloud migration of IT systems	<ul style="list-style-type: none"> <li>Establishment of cloud-based corporate IT systems is under way.</li> <li>Annual market growth of 25% around the world</li> </ul>	<p><b>16</b> trillion yen</p> <small>According to a projection on the Japanese cloud market by IDC JAPAN</small>
Improvement in agricultural productivity	<ul style="list-style-type: none"> <li>Farming population has kept declining.</li> <li>With many inefficient tasks remaining, improving productivity poses a challenge.</li> </ul>	<p><b>35</b> trillion yen</p> <small>According to the food-related distribution market size in Agriculture, Forestry and Fisheries Compact Notes by the Ministry of Agriculture, Forestry and Fisheries</small>
Business utilization of generative AI	<ul style="list-style-type: none"> <li>AI-driven productivity improvements and AI-powered operations are under way.</li> <li>The market size has continued to expand by over 50% per year on average.</li> </ul>	<p><b>1.7</b> trillion yen</p> <small>According to a projection on the Japanese generative AI market by the Japan Electronics and Information Technology Industries Association</small>

SERAKU Co., Ltd.		
Solutions	Characteristics	Net sales
SI domain	<ul style="list-style-type: none"> <li>Foster IT personnel within the Company and have established a mechanism to enable them to play an active role for a long time.</li> <li>Can cover a wide range of projects from upstream to downstream projects.</li> </ul>	<p><b>14.7</b> billion yen</p>
DX domain	<ul style="list-style-type: none"> <li>Accumulated know-how thanks to our early entry into the customer success field.</li> <li>Received certification from Salesforce and WHI and collaborated with major system integrators.</li> </ul>	<p><b>6.5</b> billion yen</p>
Midori Cloud	<ul style="list-style-type: none"> <li>Make productivity improvements through environmental monitoring and automatic control.</li> <li>Save labor by utilizing QR codes in collection and shipping operations.</li> </ul>	<p><b>230</b> million yen</p>
NewtonX	<ul style="list-style-type: none"> <li>Possess know-how on customer successes we accumulated within the Company.</li> <li>Boast high security features such as the prevention of information leaks and retraining.</li> </ul>	<p>-</p>

# Medium-Term Growth Vision

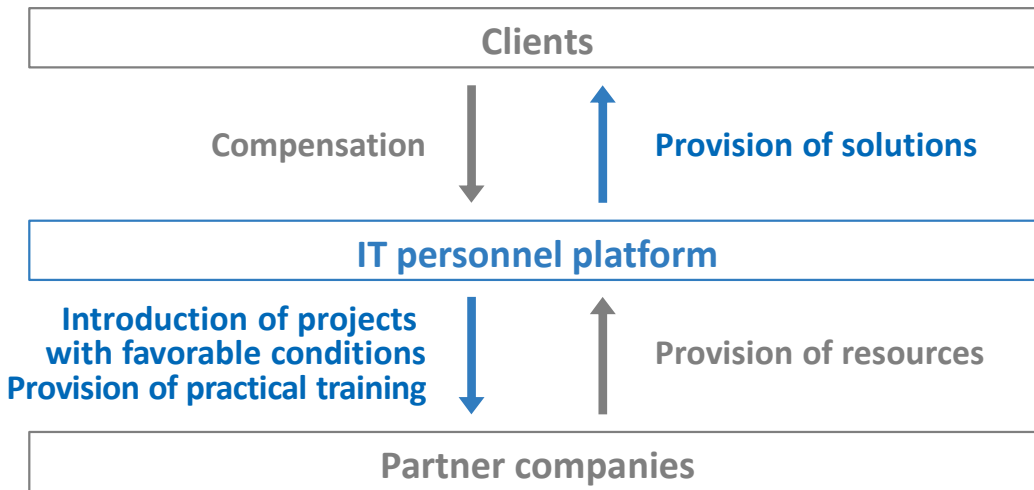
- We set targets for operating profit ,market capitalization, and net sales in FY23.
- For the time being, we have been working on increasing operating profit as a priority.



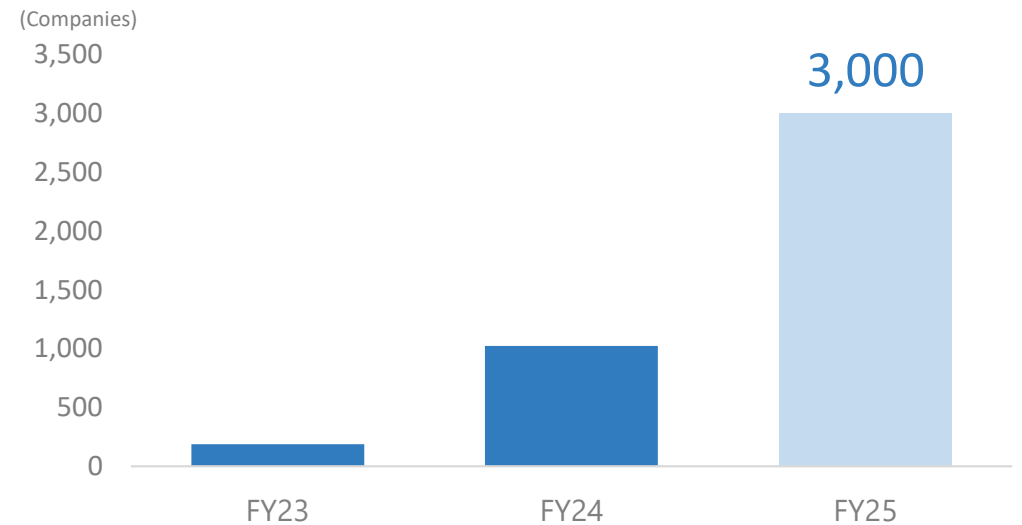
# Growth Strategy (1): Expansion of Our IT Personnel Platform

- We have set the number of partner companies as an important indicator for the time being with a view to expanding our platform.
- We will focus on the expansion of foundations for future growth by increasing the number of assignments of engineers belonging to partner companies.

## Outline



## Changes in the number of partner companies



### How the utilization of our IT personnel platform will benefit us

- Make it possible to receive orders for projects in which the resources of in-house engineers are not sufficient enough to handle by utilizing external resources.
- Contribute to the curbing of SG&A expenses as neither hiring costs nor education costs for inexperienced employees are necessary, unlike in the case of hiring in-house engineers.

\*Figures refer to the number of companies registered on SERAKU Partner Platform at the end of each quarter.

## Growth Strategy (2): Generation of High Added Value

- We will focus on the acquisition of highly profitable projects by promoting shift to DX, as well as contracting/quasi-mandate projects.
- Both measures are progressing well, and we will continue to advance the generation of high added value.

### Shift to DX

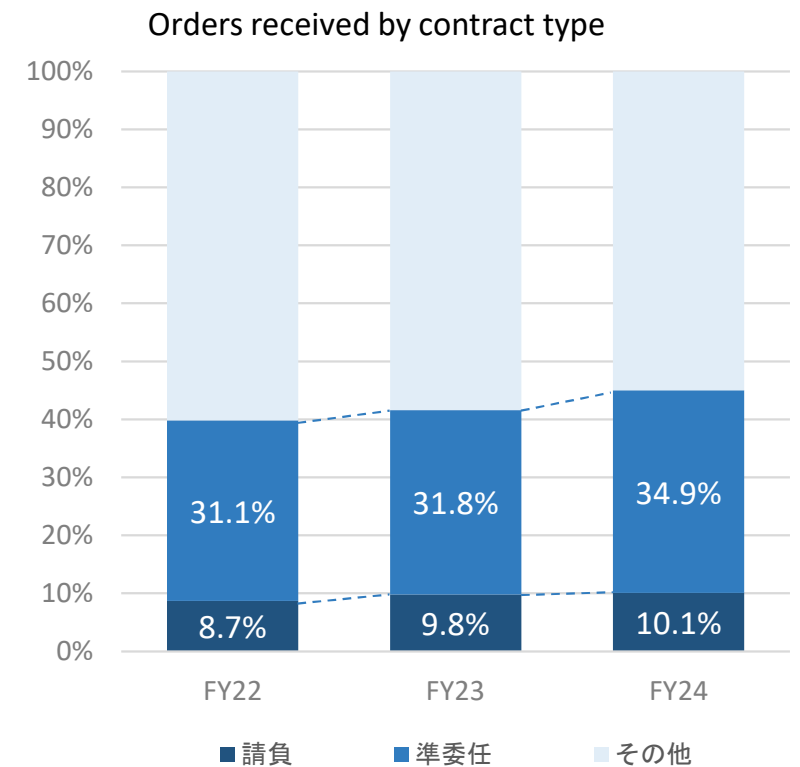
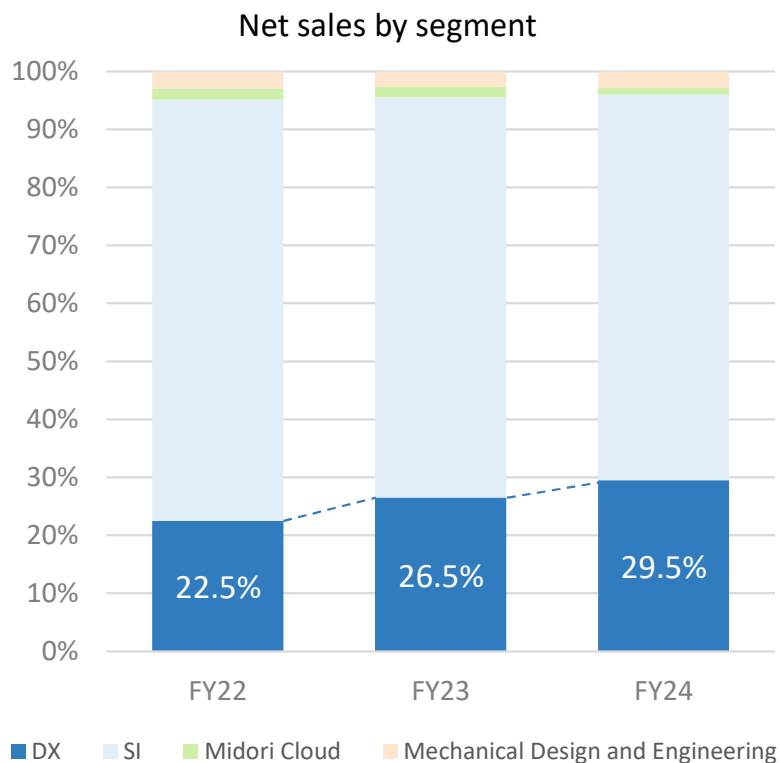
Focus on the expansion of the highly profitable business to operate cloud systems and facilitate their widespread use, whose market is expected to grow, with the aim of improving a company-wide profitability.

### Promotion of quasi-mandate/contracting projects

Focus on the acquisition of quasi-mandate/contracting projects with high unit prices.

Outline

Composition ratio





# Growth Strategy (3): Generation of Revenues from New Businesses

- Both products offer highly profitable business models.
- As we are currently in the investment phase, we will focus on sales activities so that they will start contributing to profit early.

## Midori Cloud Rakuraku Shukka

## NewtonX

Product summary

System to save labor by promoting digitization of counting as well as making and writing documents in collection and shipment by pasting and reading labels

System for corporate clients to utilize ChatGPT safely and securely

Revenue model

Initial introduction cost +  
(number of distribution labels × unit price (up to 40 yen))

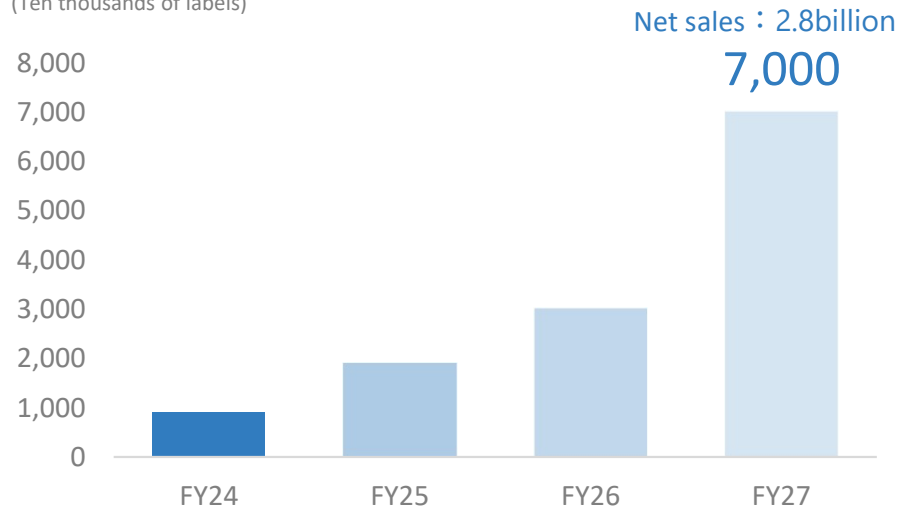
Monthly usage fees (subscription model)

Short- to medium-term growth scenario

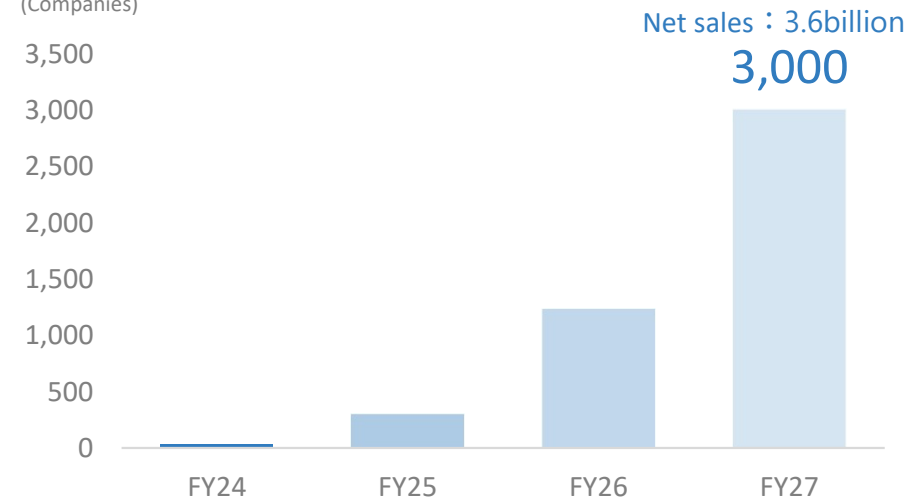
Focus on the introduction at JA organizations with a view to increase the number of distribution labels.

Target medium-sized companies that find it difficult to introduce AI on their own to increase the number of adopting companies, while differentiating ourselves with accompanying runner-type customer support.

No. of distribution labels  
(Ten thousands of labels)



No. of adopters  
(Companies)



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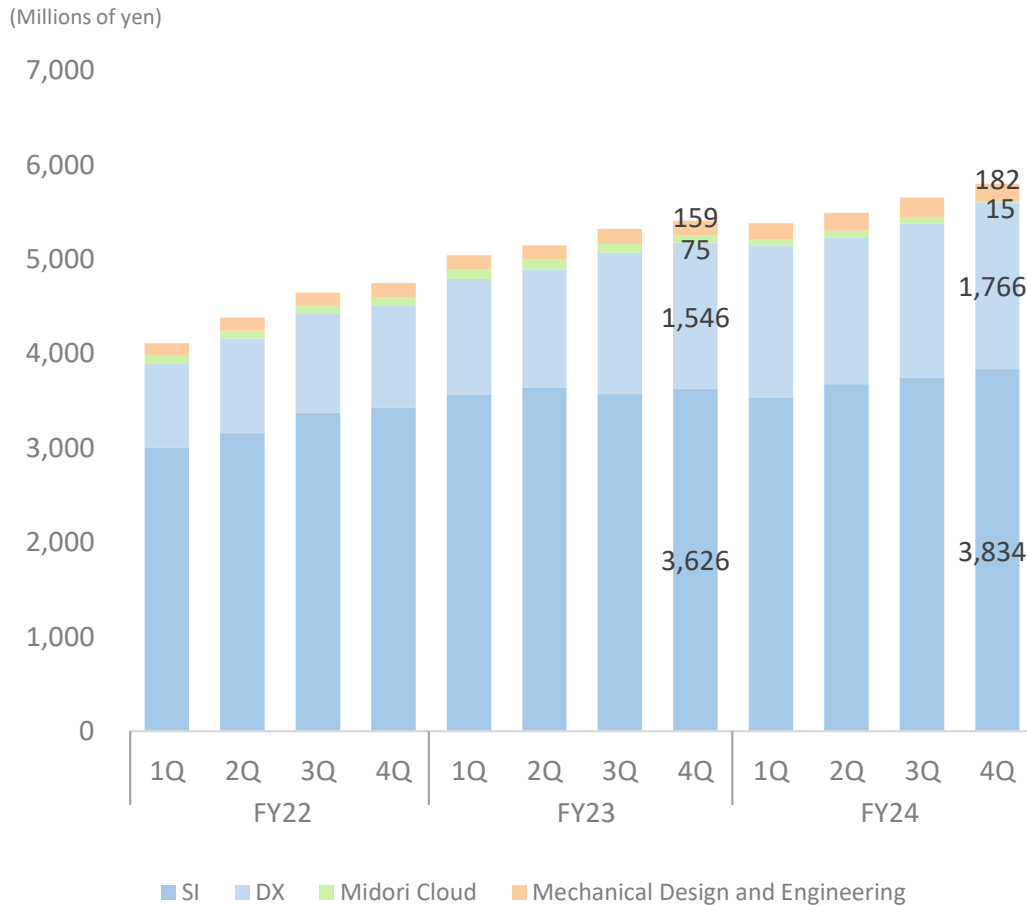
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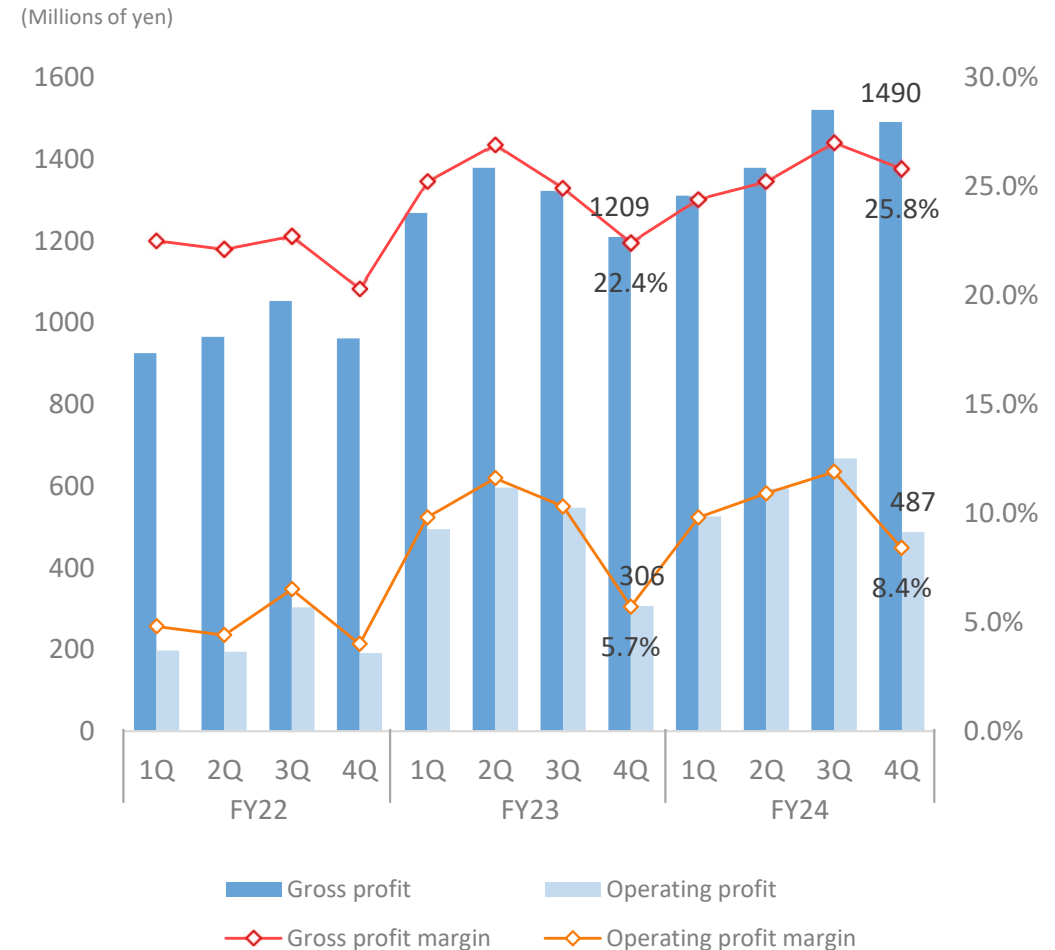
# Consolidated Quarterly Earnings Growth

- Net sales climbed steadily, thanks to the company-wide growth led by the DX domain.
- The growth of the highly profitable DX domain and curbing of SG&A expenses increased each type of margin.

### Net sales by solution



### Gross/operating profit (margin)

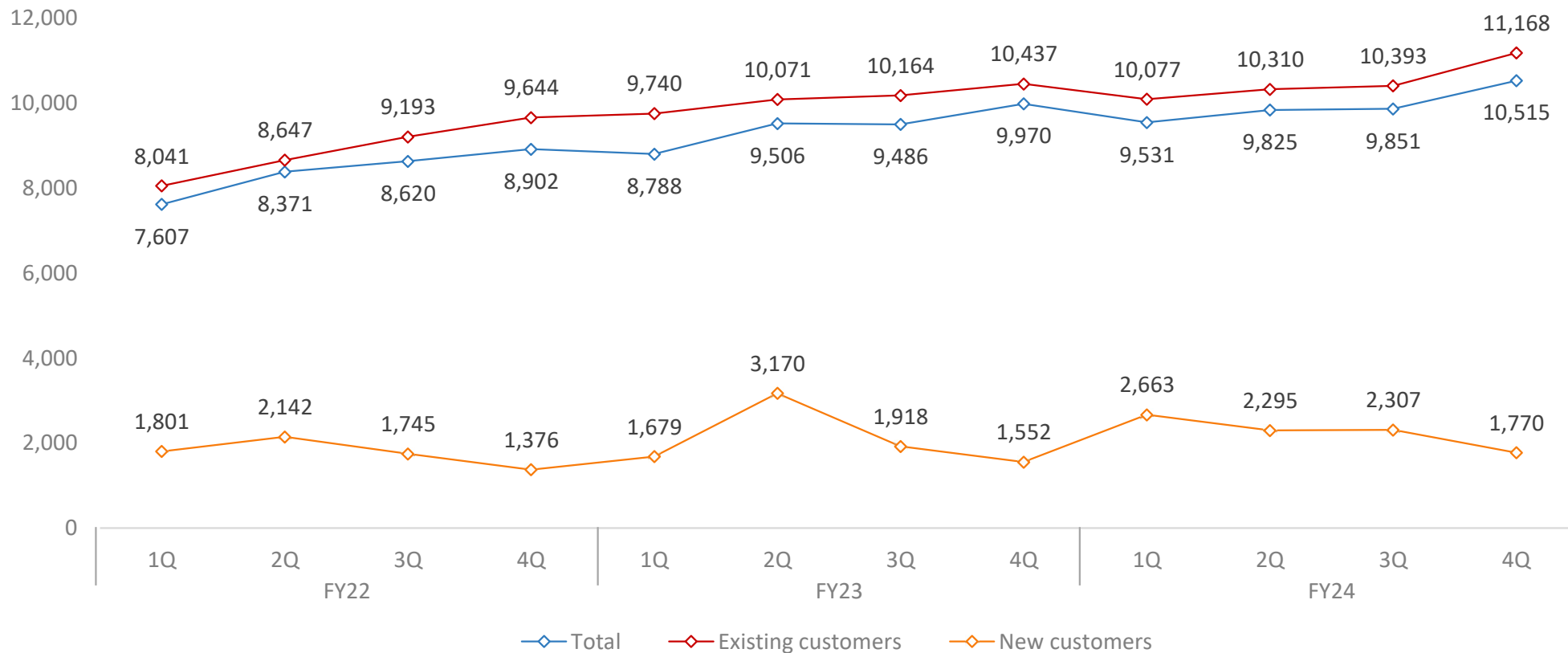


\*Digital Integration Segment consists of SI and DX

## Changes in Average Unit Prices for Customers (Orders Received)

- The average unit prices for customers (orders received) rose due to an increase in projects with high unit prices against the background of further cultivation of transactions with existing customers and increased added value of services provided.
- We are focusing on increasing order amounts from new customers to raise the overall customer unit price.

(Thousands of yen)

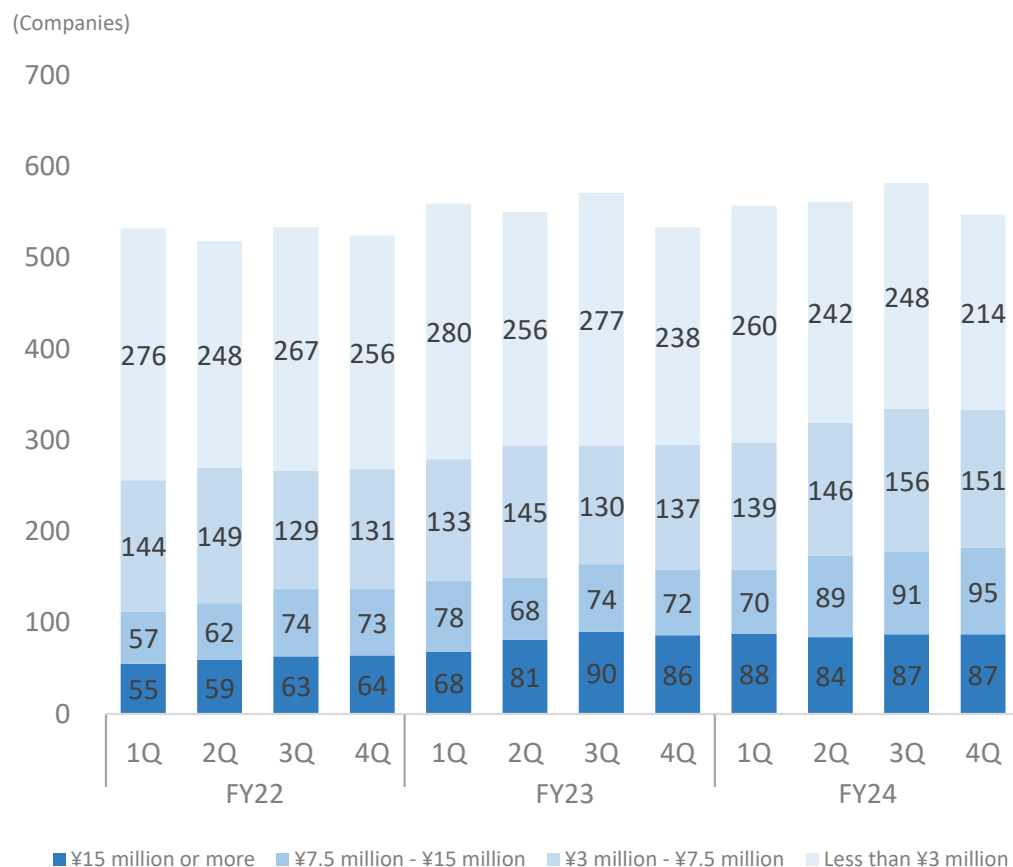


\*The average unit prices are calculated after excluding orders received for our products. \*Calculated by regarding customers that we had transactions with over the past year as existing customers.

## Changes in the Number of Customers from Which We Received Orders

- While the total number of customers decreased from the previous quarter due to the concentration of resources on profitable projects, the number of those with large order amounts increased.

Total



Changes in the number of customers from the previous quarter

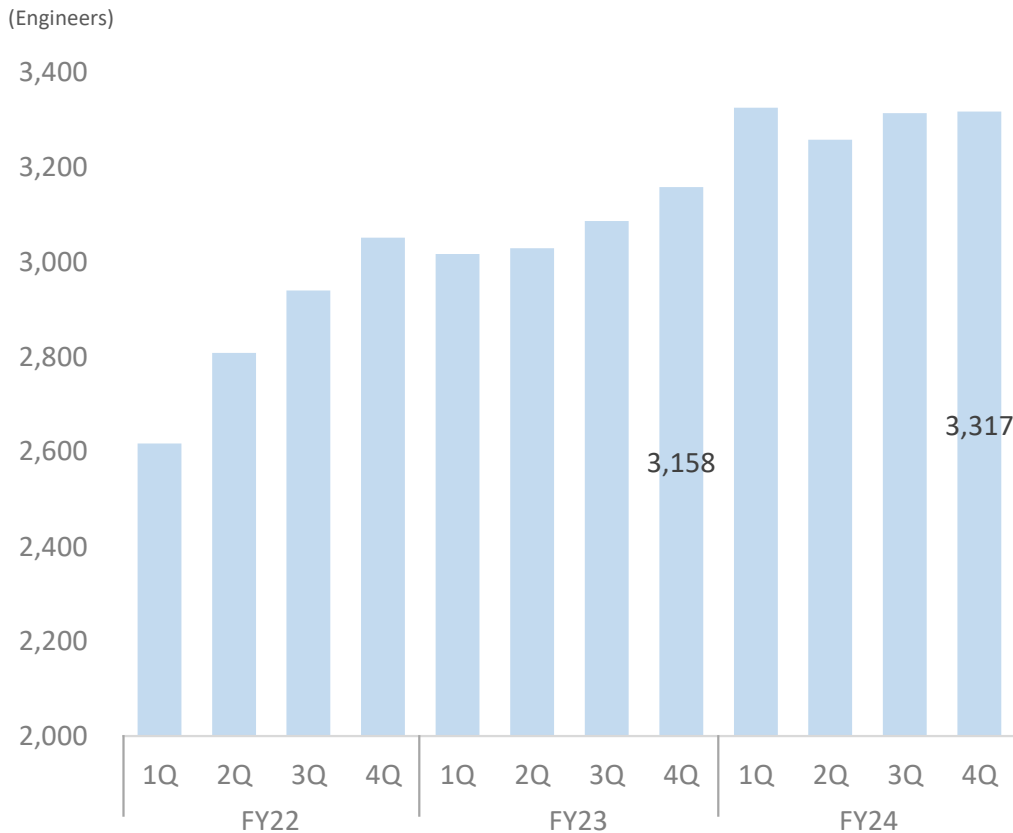
	FY24 3Q	FY24 4Q	Difference
Total	582	547	-35
3Q customers	Less than ¥3 million	178	-70
	¥3 million - ¥7.5 million	146	-10
	¥7.5 million - ¥15 million	93	+2
	¥15 million or more	87	-
4Q new customers	-	43	+43

\*The breakdown of the amount is classified by order amount.

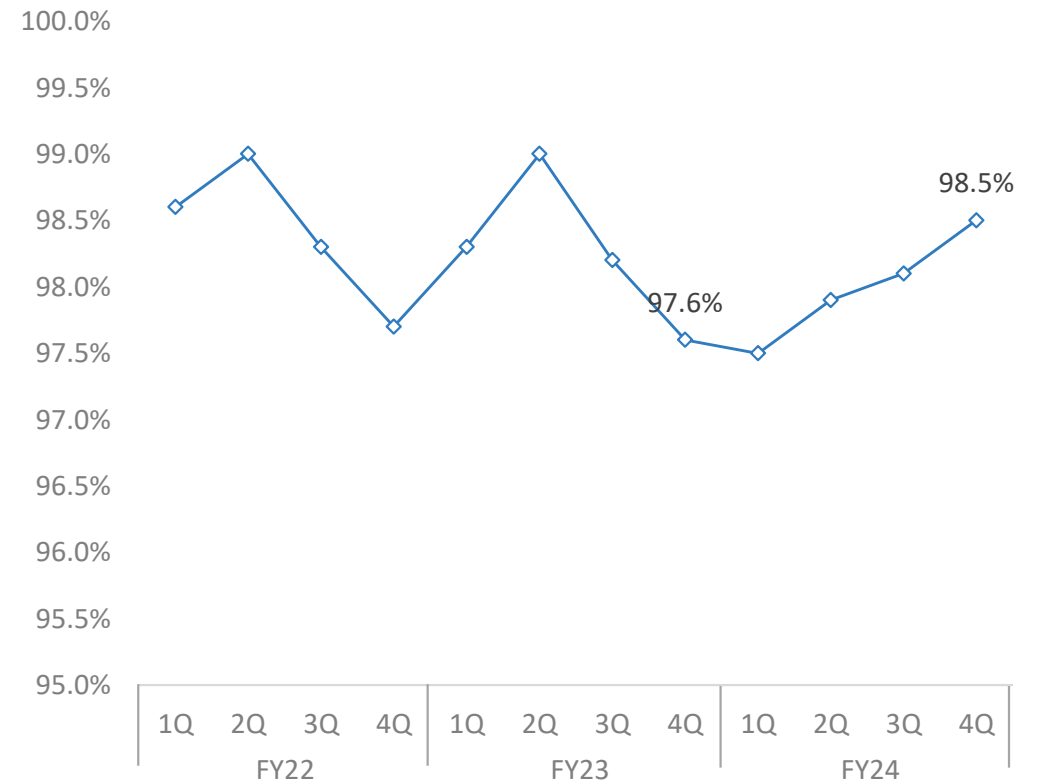
# Changes in the Number of Engineers and Engineer Utilization Rate

- The number of engineers increased year on year due to the promotion of the utilization of business partners.
- The engineer utilization rate remained stably high, in spite of slight fluctuations at the timing of switching one project to another.

Number of engineers



Engineer utilization rate



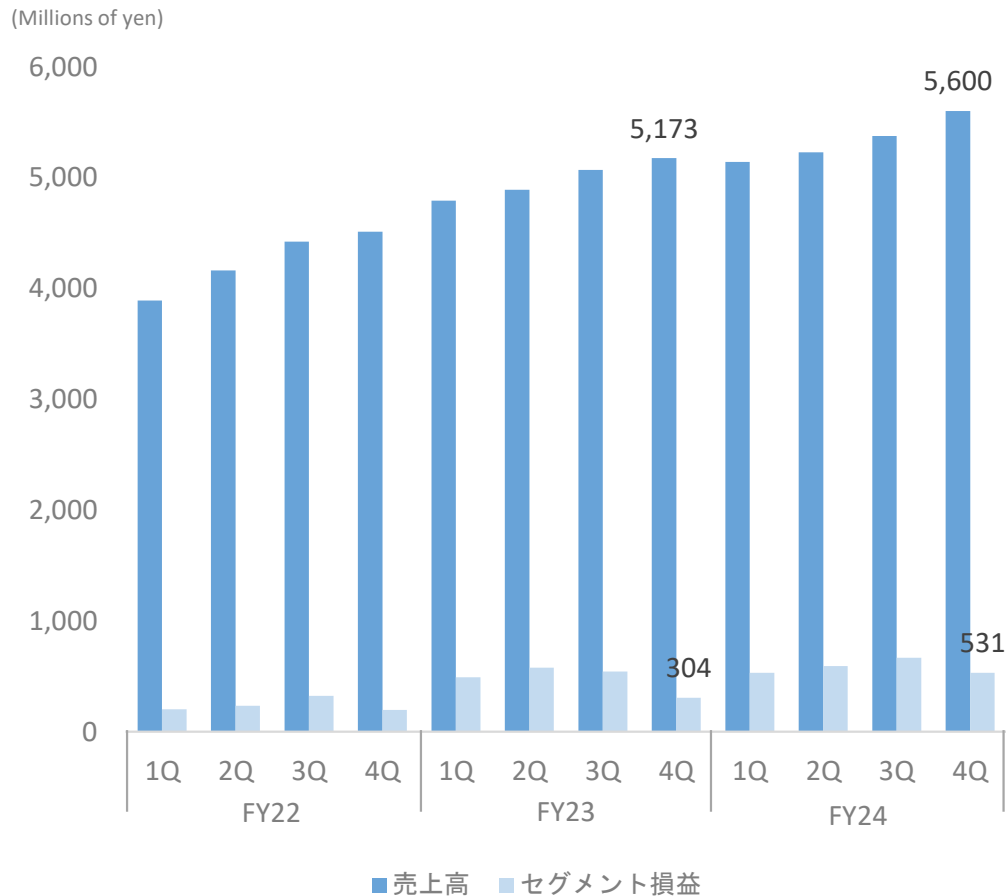
\*The number of engineers for FY24 and beyond is calculated by combining in-house engineers and working partner engineers.

\*In-house engineers excluding initial trainees are covered in the calculation of the utilization rate.

# Business Performance by Segment: Digital Integration

- Both net sales and operating profit rose thanks to the acquisition of projects with high unit prices and the growth of the highly profitable DX domain.

## Earnings growth



Full-year net sales  
**21,342** million yen  
(YoY +7.1%)

Full-year segment profit/loss  
**2,320** million yen  
(YoY +21.2%)

Segment profit margin  
**10.9%**  
(YoY +1.3%)

### Results of operations

- Net sales rose due to the acquisition of projects with high unit prices and robust performance of introducing and supporting the operation of Salesforce and COMPANY and facilitating their widespread use in the DX domain.
- Operating profit rose due to strong performance in the highly profitable DX domain and the curbing of education and hiring costs through the utilization of business partners.

### Topics

- Received the transfer of all shares in MIND CO., LTD., which has an advantage in the field of the development of intra-mart.
- Concluded a development partner agreement with NTT DATA INTRAMART Corporation.

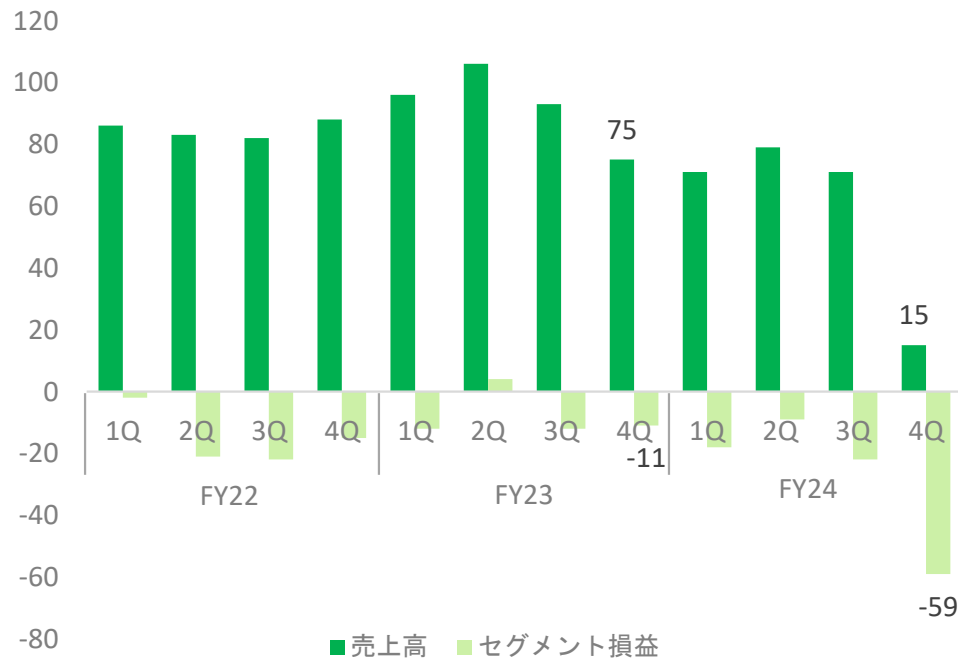


# Business Performance by Segment: Midori Cloud

- We concentrated resources on the expansion of sales of Midori Cloud Rakuraku Shukka, with the preparation to introduce the product under way at multiple JA organizations.
- Due to advance investments, net sales fell and operating loss expanded for FY8/24.

## Earnings growth

(Millions of yen)



Full-year net sales  
**238 million yen**  
(YoY -35.9%)

Full-year segment profit/loss  
**-109 million yen**  
(YoY -%)

Segment profit margin  
**-%**  
(YoY -%)

## Results of operations

- Net sales fell year on year, although we focused on the expansion of the sales of Midori Cloud Rakuraku Shukka, a digital transformation service of collection and shipment, with such efforts expected to contribute to performance in FY8/25 and beyond.
- Operating loss expanded year on year due to increasing SG&A expenses arising from focusing on the expansion of the sales of Midori Cloud Rakuraku Shukka as advance investments.

## Topics

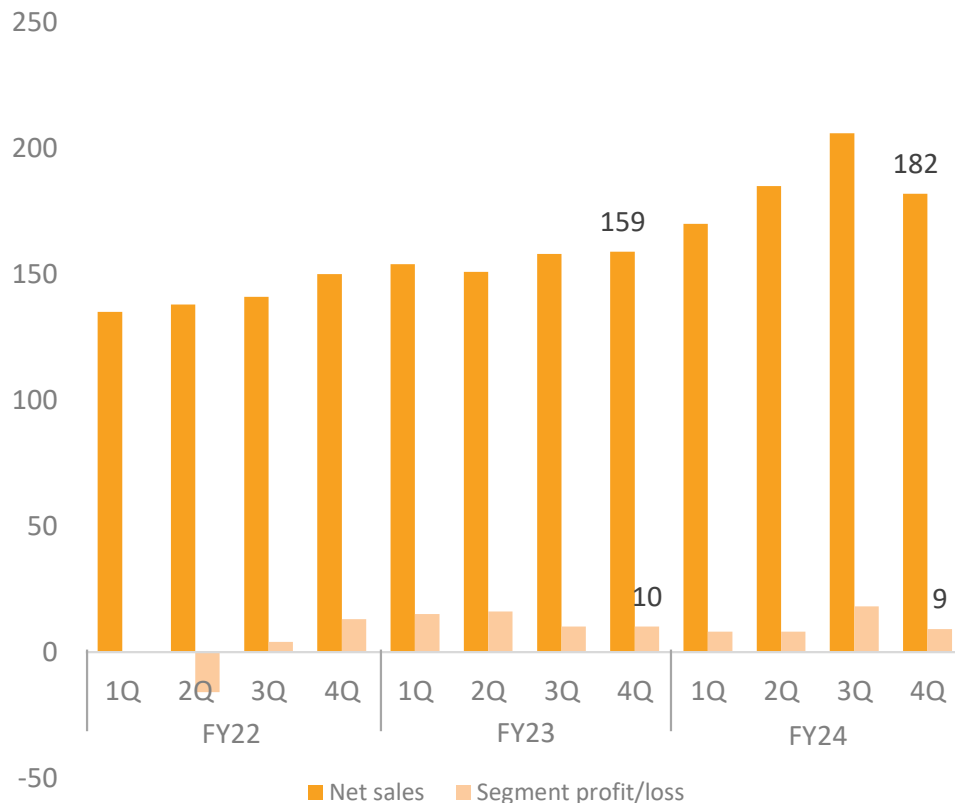
- Midori Cloud Rakuraku Shukka was selected as an excellent example to streamline fruit and vegetable distribution by the Organization for Improvement of Food-distribution System.
- Introduction trials are under way at multiple JA organizations that are willing to introduce the product due to high needs for greater efficiency.

# Business Performance by Segment: Mechanical Design and Engineering

- Net sales rose thanks to robust performance.
- Operating profit fell due to an increase in personnel and hiring costs to expand our business.

## Earnings growth

(Millions of yen)



Full-year net sales  
**745** million yen  
(YoY +19.5%)

Full-year segment profit/loss  
**44** million yen  
(YoY -15.9%)

Segment profit margin  
**6.0%**  
(YoY -2.5%)

## Results of operations

- Net sales rose year on year due to a hike in unit prices, continuation of existing projects, and steady acquisition of new projects.
- Operating profit fell year on year due to an increase in personnel and hiring costs arising from a rise in workforce to expand our business.

# Company Overview



## Management Philosophy

- Strive to be a consistently-developing company
- Take on change
- Contribute to the world and its people
- Pursue happiness for employees

## Management Policy

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

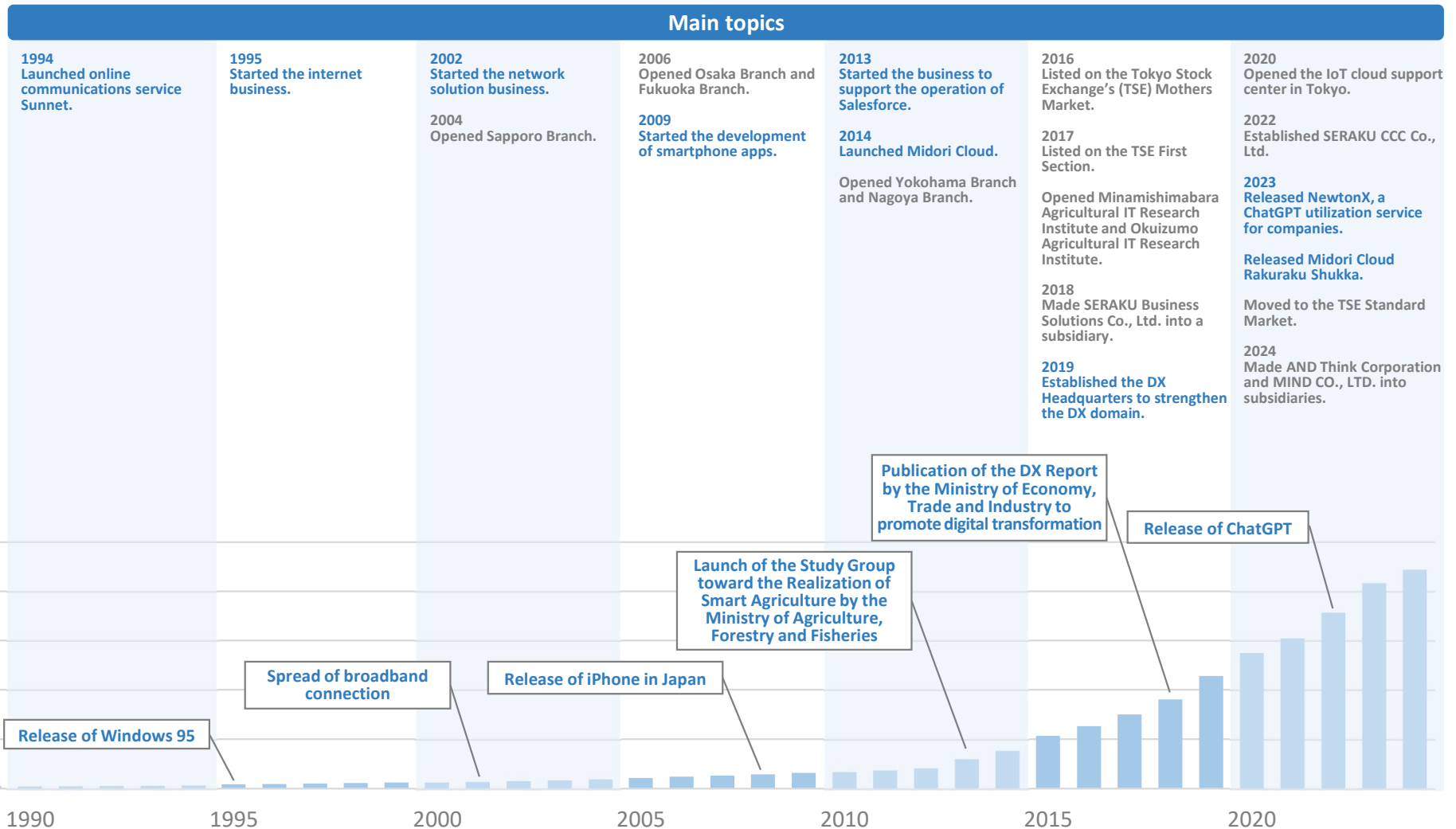
## Course of Action

Be a group that values the creation and continued realization of new products, services, and mechanisms.

Company name	SERAKU Co., Ltd.
Established	December 1987
Representative	Tatsumi Miyazaki, Representative Director
Capital	311,269 thousand yen (as of August 31, 2024)
Employees	3,387 on a consolidated basis (as of August 31, 2024)
Location	Nishishinjuku Prime Square Bldg. 7-5-25 Nishishinjuku, Shinjuku-ku, Tokyo
Group companies	SERAKU CCC Co., Ltd. (wholly owned subsidiary) SERAKU Business Solutions Co., Ltd. (wholly owned subsidiary) AND Think Corporation (wholly owned subsidiary) MIND CO., LTD. (wholly owned subsidiary)
Market	Tokyo Stock Exchange, Standard Market (stock code 6199)

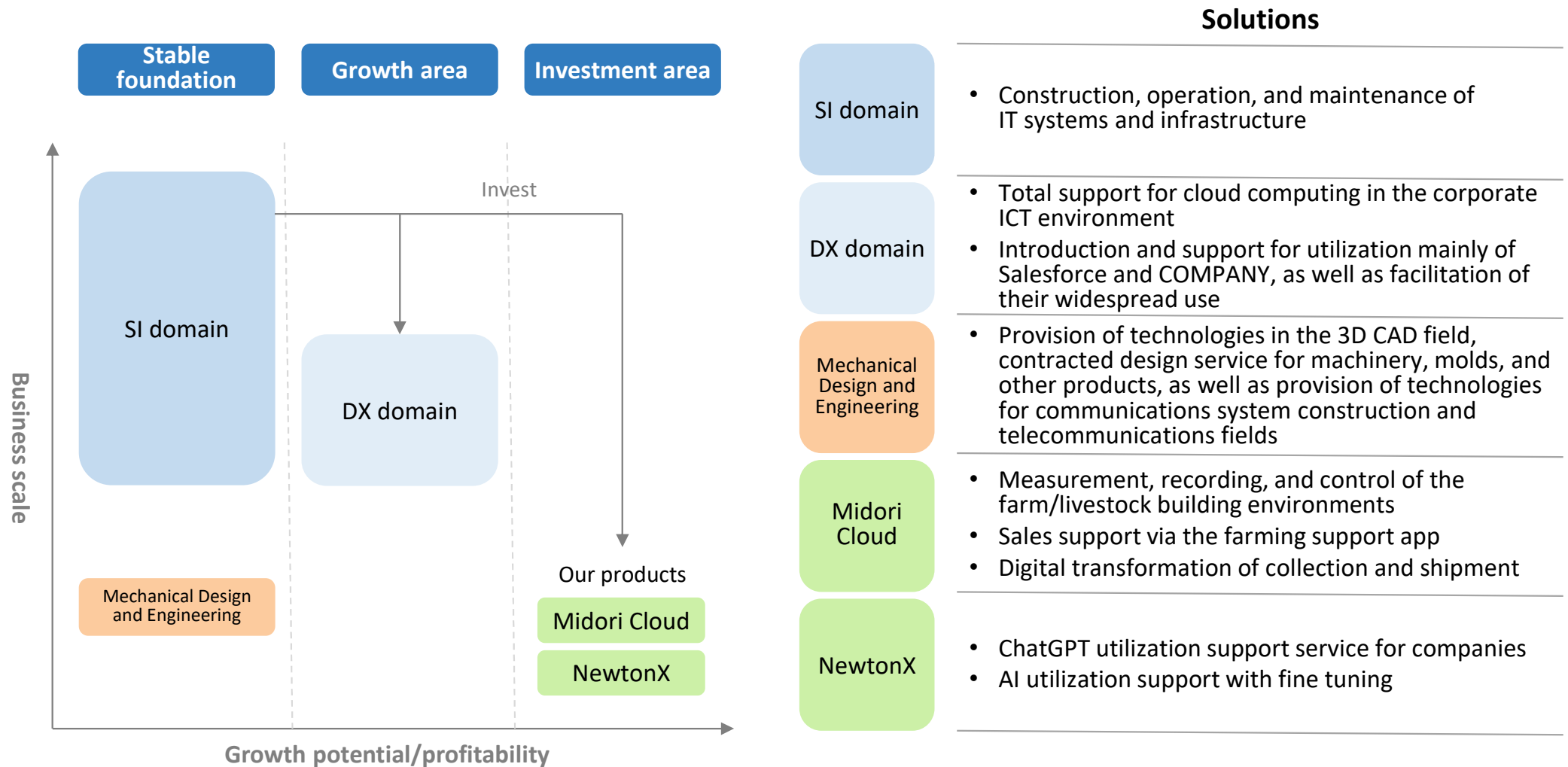
# History

- With a focus on the utilization of information technologies, we started the early development of businesses that respond to social trends and established our unique position, resulting in steady growth of the scale of our business operations.



# Our Business

- We build on the SI domain, which is expected to generate stable earnings, and make active investments in the DX domain and our products.
- We will continue investments in areas with high growth potential, aiming to expand our business over the medium to long term.



## Our Business: SI Domain

- We offer one-stop services that include IT infrastructure construction, operation, and maintenance.
- The domain is less subject to changes in the external environment and has steadily grown as the revenue base of our Company.

### Solution overview



■ Design, construction, and operation of IT infrastructure  
Based on the construction and stable operation of social and corporate IT infrastructure bases, we offer IT design support that covers the latest networks, IoT, and security.



■ Security managed services  
We offer security solutions, including firewalls and unified threat management (UTM), hacking detection and defense systems, website tampering detection, and email security.



■ Quality assurance services  
We utilize standardized test methods to offer efficient and high-quality software test services.



■ IT outsourcing  
Our highly skilled engineers provide total support in response to the resource shortage of corporate IT personnel, including network construction, IT device management, and security incident response, among others.

### Business characteristics

Continuity	IT systems require continuous operation; therefore, once we receive orders for the systems, they will contribute to our performance for a long time.
Stability	Demand remains stable, even in the event of sudden changes in the external environment, such as the global financial crisis, the Great East Japan Earthquake, and the COVID-19 pandemic.

### Competitive strengths

- Cover a wide range of projects, including operation and maintenance projects and those requiring a high degree of expertise.
- Handle projects working as a subcontractor for large projects of major system integrators or receive orders from prime contractors.
- Have created an environment to provide training for constructing and operating IT infrastructure in an environment and under conditions equivalent to actual projects.

# Our Business: DX Domain

- We offer support for the operation of mainly cloud systems with high growth potential and facilitation of their widespread use.
- In supporting for the operation of Salesforce and facilitation of its widespread use, we will differentiate ourselves with support for enhancing sales capabilities, with system utilization as the starting point.

## Our main services

## Competitive strengths

Support for operation and facilitation of widespread use

### Customer/business management systems



Salesforce Japan Co., Ltd.  
FY24 net sales growth rate: +18.8%

### Personnel/labor management systems



Number one domestic market share (18.7%)

### System to digitalize business processes



Number one domestic market share (29.5%)

Cloud & Solutions Business

- IoT cloud support center
- Cybersecurity
- Cloud infrastructure solutions

- Acquired Expert Level certification for the Managed Service field in the Salesforce Partner Navigator Program.
- Offer integrated support from CRM utilization to sales enablement field (enhancing sales capabilities), with our track record of offering support for more than a decade (over 450 companies).
- Established a collaborative structure centered on NTT Data Japan Corporation.
- Boast the capability to annually generate over 5,000 leads mainly in our events, centered on large companies.



Managed Services

NTT DATA



RESONA

- Certified as a solution partner for Works Human Intelligence Co., Ltd. (WHI) (with six companies certified as such).
- Develop highly skilled human resources under an original training program that leverages the training environment provided by WHI.
- Have one of the largest pools of engineers in Japan.



- Work together with NTT DATA INTRAMART Corporation in the context of customer successes.
- In addition to customer successes, offer integrated support from development to operation and facilitation of widespread use as a result of acquiring shares in MIND CO., LTD. in July 2024.

- Offer support 24/7, 365 days a year by engineers with expertise.
- Make improvement proposals for addressing potential risks and solving issues, along with operation and maintenance.

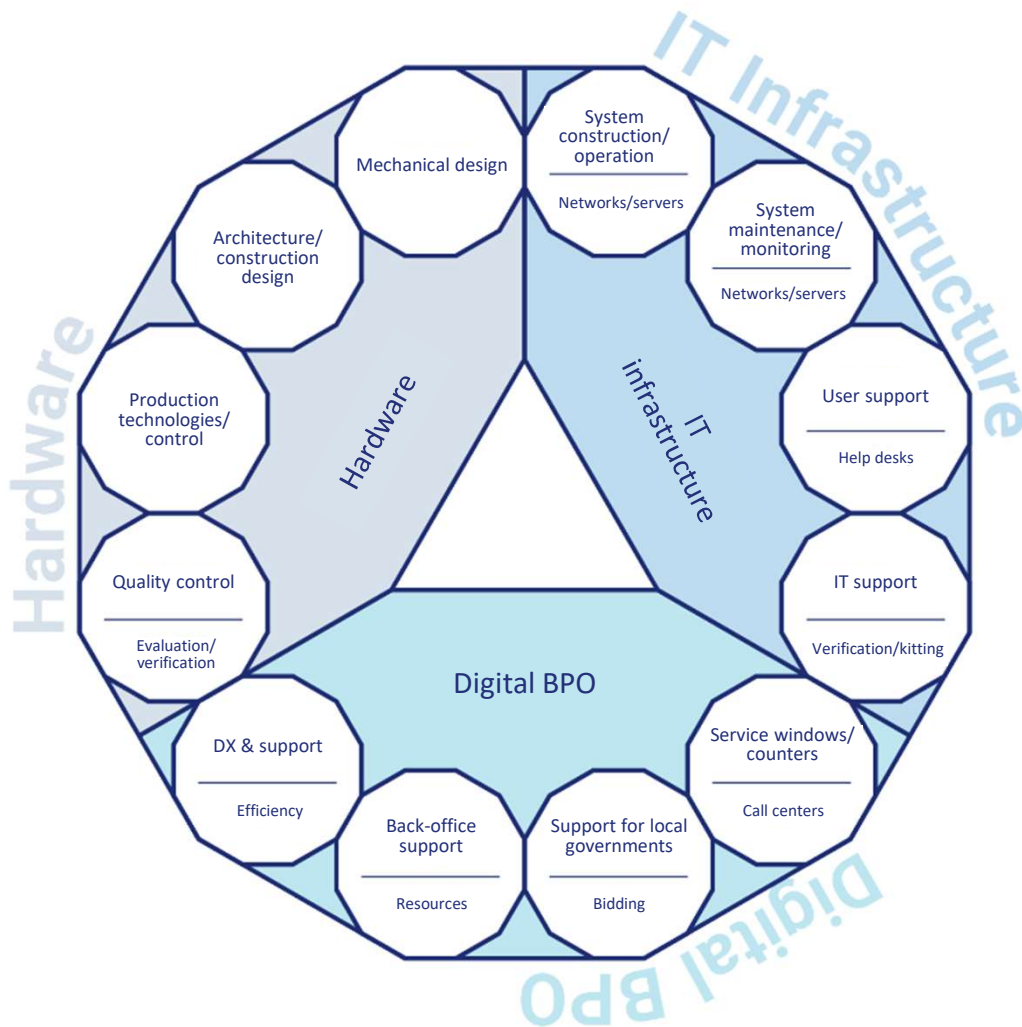
\*Salesforce Partner Navigator Program: A program that comprehensively evaluates and certifies the professional capability of Salesforce partners in specific areas based on their knowledge, experience and quality

\*Managed Service field: The area of services that facilitate the introduction and full deployment of systems by providing total support, including utilization strategy planning and actual operation



# Our Business: Mechanical Design and Engineering

- This segment covers SERAKU Business Solutions Co., Ltd., a wholly owned subsidiary.
- We will leverage our technical capabilities in the hardware domain as our strength to expand our business domains and areas in which we can develop businesses.



## Competitive strengths

- High level of expertise in the hardware domain
- Wide business domain that covers not only upstream projects but also downstream ones

## Sources of competitive strengths

### Technical capabilities

- Training program on latest digital technologies and tools
- Creation of an environment where employees can use actual IT infrastructure equipment, DX tools, and 2D/3D CAD
- Mentoring and coaching by personnel in charge of technical education
- Structure to return personal knowledge and experience to the organization

### Human capabilities

- Creation of an open and cooperative workplace
- Regular feedback and communication
- Education and training catered to individual employees
- Development of favorable relations through team building activities

# Our Business: Midori Cloud

- Product to support digital transformation of agriculture and livestock farming by utilizing IT
- We focus on Rakuraku Shukka, which enables digital transformation of collection and shipment, with the preparation to introduce the product under way at multiple JA organizations.

## Product



## Outline

- System released in 2023 to save labor by promoting digitization of counting, as well as making and writing documents in collection and shipment by pasting and reading labels (QR codes)
  - Realize lot-based traceability by giving individual identification numbers.
  - Per-label costs: up to 40 yen
- 
- Automatically measure and record the growth environment and conditions of crops with IoT devices, thereby realizing visualization of fields.
  - Realize automatic control in combination with other companies' products and remote control via an app.
  - Support the recording and management of annual cropping plans and daily agricultural work.
- 
- Measure the environment in livestock buildings using IoT devices and record data to detect abnormal environments and equipment in livestock buildings.
  - Realize automatic control in combination with other companies' products and remote control via an app.



### Competitive strengths

- Error reduction and labor saving through the utilization of QR codes
- High customizability that allows for operation catered to each site

### Example of adoption

Adopter

JA Hiroshima

Issues before adoption

Manual tasks such as making documents is a heavy burden, leaving little time to focus on cultivation guidance.

Impact of adoption\*

Operational error risk: down 70%  
Shipping burden on producers: down 24%  
Collection and shipping burden at JA: down 85%



With many JA organizations faced with similar issues, the preparation to introduce the product is under way at multiple JA organizations, building upon the successful results with JA Hiroshima.

\*The impact of adoption above is based on the results at JA Hiroshima, and it may vary depending on the workflow.

## Our Business: NewtonX

- Service released in 2023 for corporate clients to utilize ChatGPT safely and securely
- Our advantage is customer success, leveraging our know-how on supporting the facilitation of widespread use of cloud systems in the DX domain.

# NewtonX

- Service for corporate clients to utilize ChatGPT safely and securely
- Available from 100,000 yen per month.

### Competitive strengths

Customer success	Offer accompanying runner-type support and coaching by leveraging the know-how on customer success support for cloud systems.
Product	Boast high security features such as the prevention of information leaks and retraining.

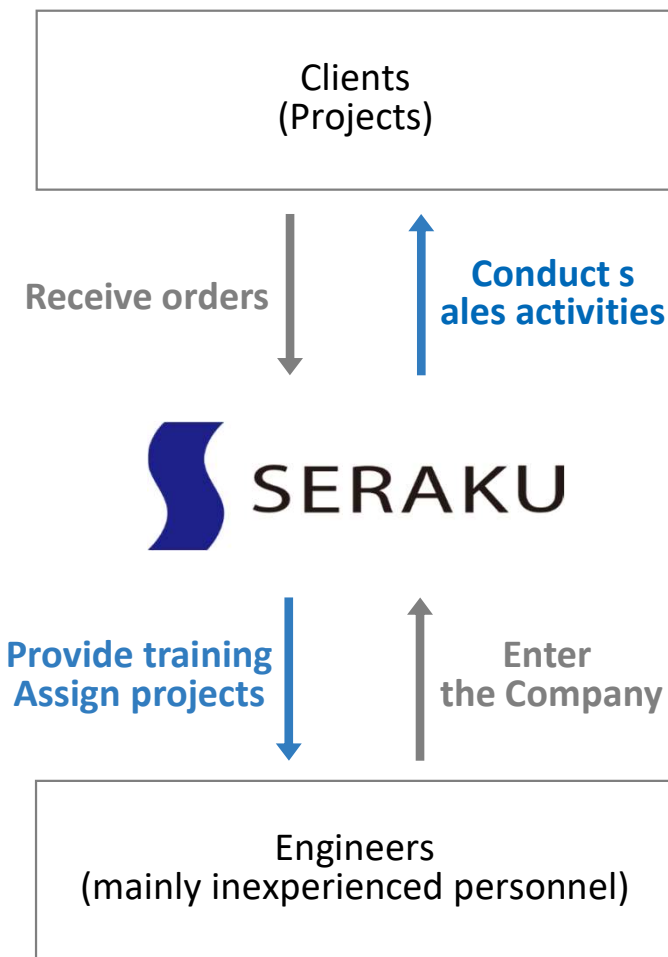
### Customer needs

### Features

Security/compliance	<ul style="list-style-type: none"> <li>■ Detection of personal information and banned words Automatically detect personal information and pre-determined banned words at the time of inputting.</li> <li>■ Establishment of authentication rules Can put in place login by single sign-in, IP address restrictions, multifactor authentication, and other features.</li> </ul>
Accuracy of responses	<ul style="list-style-type: none"> <li>■ Feature to reduce incorrect responses Reduce the output of old or incorrect information with our own adjustments.</li> <li>■ Data incorporation Uploading documents at hand onto individual chats enables the generation of responses based on the information therein.</li> </ul>
Productivity	<ul style="list-style-type: none"> <li>■ Knowledge Connect Building dedicated knowledge on NewtonX enables the generation of responses based on the information therein.</li> <li>■ Other Equipped with a chat-sharing feature and a question template feature.</li> </ul>

# IT Personnel Development Model

- We have built a structure that allows our personnel to play an active role regardless of their skills at the time of joining the Company, thanks to a rich variety of projects and a well-developed initial training program.
- We focus on the development of highly skilled human resources who can handle development projects with high unit prices through continuous training.



## Competitive strengths

Projects

- Handle a large number of operation and maintenance projects where even personnel with no experience in the IT industry can play an active role.
- Receive orders for large-scale projects or projects requiring advanced skills through developing engineers who can build good relations with clients and meet diverse customer needs.

Training capability

- Provide inexperienced personnel with one- to two-month-long training as the initial training program in order to develop technical and business skills so that they can be assigned to projects.
- As part of continuous training, offer Jonetsu University, a platform that turns insights gained from cutting-edge projects into educational programs and shares practical know-how within the Company, and training to develop project managers who can handle development projects.

Recruiting capability

- Organizational structure that allows us to hire over 100 new graduates every year
- Abundant introduction of job seekers through fostering relations with staff agencies
- High ability to attract candidates as our well-developed initial training program allows them to make a career change even without industry experience

# SERAKU's Initiatives for ESG and SDGs

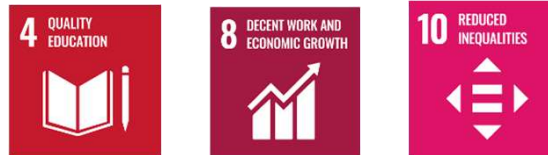
- The SERAKU Group will build a long-term foundation for growth by promoting ESG activities.
- As a company that creates social value, the Group will strengthen initiatives to help achieve a sustainable society.

## 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
- 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 FY8/25 forecasts or differences between the results of operations and these forecasts that require disclosure.