



**Serverworks**

Q1 FY02/2025 Financial Summary

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# 1. Q1 FY02/2025 Summary



# (Repost) Consolidated Financial Results Forecast\*1

We will proactively develop our businesses and execute our business strategies while focusing in particular on our strategic collaboration agreement. Through these efforts, we will target **significant net sales growth** in FY02/25. At the same time, we plan to continue managing foreign exchange risks and boldly investing in medium- to long-term growth (human resources, joint ventures); therefore anticipate **declines across all profit categories**.

(Unit: million yen)	FY02/24		FY02/25		Rate of YoY change
	Results	% of net sales	Forecast	% of net sales	
Net sales*2	27,510	100.0%	33,392	100.0%	121.4%
Gross profit	3,535	12.9%	4,034	12.1%	114.1%
Operating profit	897	3.3%	668	2.0%	74.5%
Ordinary profit	1,032	3.8%	492	1.5%	47.7%
Profit attributable to owners of parent	638	2.3%	254	0.8%	39.8%


\*1. Please refer to the full-year consolidated earnings forecast disclosed on April 12, 2024 through our Consolidated Financial Results for the Year Ended February 29, 2024.



\*2. Since our business is in a single segment (cloud business), we do not disclose segment earnings forecasts. For the forecast figures of Resale sales, we have adopted an average exchange rate of approximately 134 yen to the dollar.

Substantially exceeded the previous year's figures in all three major group companies.

### Serverworks Group overview

Net sales	8,636 million yen	146.7% YoY
Operating profit	443 million yen	268.7% YoY

 <b>Serverworks</b> (Non-consolidated) Serverworks Co., Ltd.	Net Sales	7,094 million yen	(141.7% YoY)
	Operating Profit	423 million yen	(201.6% YoY)

			
Net Sales	723 million yen (248.9% YoY)	Net Sales	832 million yen (138.8% YoY)
Operating Profit	33 million yen (+58 million yen*)	Operating Profit	10 million yen (415.6% YoY)

\* The amount is shown because the previous period's figure was negative.

	<b>FUJIFILM Cloud</b>  PERSOL & Serverworks (Equity-method affiliate)
Equity in losses of affiliated companies (non-operating expense) of 10 million yen was recorded	

# Financial Highlights (Actual)

Comparison with the previous fiscal year

Serverworks Group

(Unit: million yen)	Q1 FY02/2024		Q1 FY02/2025			% of the Previous Year
	Results (Consolidated)	Composition (%)	Results (Non-consolidated)	Results (Consolidated)	Composition (%)	
Net sales	5,887	100.0%	7,094	8,636	100.0%	<b>146.7%</b>
Gross profit	771	13.1%	892	1,120	13.0%	<b>145.3%</b>
Operating profit	165	2.8%	423	443	5.1%	<b>268.7%</b>
Ordinary profit	206	3.5%	400	405	4.7%	<b>196.6%</b>
Profit	95	1.6%	290	294	3.4%	<b>307.6%</b>
Profit attributable to owners of parent	107	1.8%	—	277	3.2%	<b>257.5%</b>

# Financial Highlights (Actual)

Progress versus forecast of consolidated financial results

Serverworks Group

At end-Q1, cumulative operating profit was equal to 66% of our consolidated full-year forecast, while ordinary profit was equivalent to 82%. Accordingly, we intend to accelerate investment that contributes to future growth, including spending on human resources and strategic collaboration with AWS.

(Unit: million yen)	FY02/2025		Q1 FY02/2025		
	Forecasts	Composition (%)	Results	Composition (%)	Progress rate
Net sales	33,392	100.0%	8,636	100.0%	25.9%
Gross profit	4,034	12.1%	1,120	13.0%	27.8%
Operating profit	668	2.0%	443	5.1%	66.3%
Ordinary profit	492	1.5%	405	4.7%	82.4%
Profit attributable to owners of parent	254	0.8%	277	3.2%	109.2%

# (Repost/Reference) Exchange Rates

The assumed exchange rate we have adopted for resale operations in the FY02/25 guidance is approximately 134 yen to the dollar, a difference of approximately 10 yen (exactly 9.82 yen) compared to the actual rate in FY02/24.

**Our sensitivity to exchange rate fluctuations** (assuming a one-yen deviation) is **approximately 184 million yen per year in net sales and about 21 million yen per year in operating profit** (applies only to Serverworks).

	Calculated at the average actual exchange rate for the previous fiscal year (FY02/2024)	Result if the yen depreciates by a rate of JPY1/USD compared to the assumed FY02/25 average exchange rate	Average exchange rate assumed in FY02/25 guidance	Result if the yen appreciates by a rate of JPY1/USD compared to the assumed FY02/25 average exchange rate
(Unit: million yen)	JPY143.82	JPY135.00	JPY134.00	JPY133.00
Net sales	35,202	33,576	33,392	33,208
Operating profit	872	689	668	647



## 2. Q1 FY02/2025 Key Topics

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

# Key Topics 1

## Merger of consolidated subsidiaries, G-gen and TOPGATE

Change the company name to "G-gen" and aim to be the number one Google Cloud business in Japan



Merger



Three synergies

- 1 Efficient organizational management through resource sharing
- 2 Google Cloud Knowledge Sharing
- 3 Gain broad coverage from apps to infrastructure

Company Name	G-gen Co., Ltd.
Head Office Location	Shinjuku-ku, Tokyo
Capital	50 million yen
Investment Ratio	Serverworks 50% Bespın Global Japan 50%
Merger Date	July 1, 2024
Representative	Representative Director Takashi Hashiba
Business Domain	Development and operation of systems and applications utilizing cloud computing, seminars, training, and consulting

We have announced “Not A Chat,” a groundbreaking service that enables businesses to leverage the power of AI with a mere click of the mouse.

We have launched a service that utilizes **generative AI** to automatically generate email responses with just a **single click**.

\*currently available only in Japanese



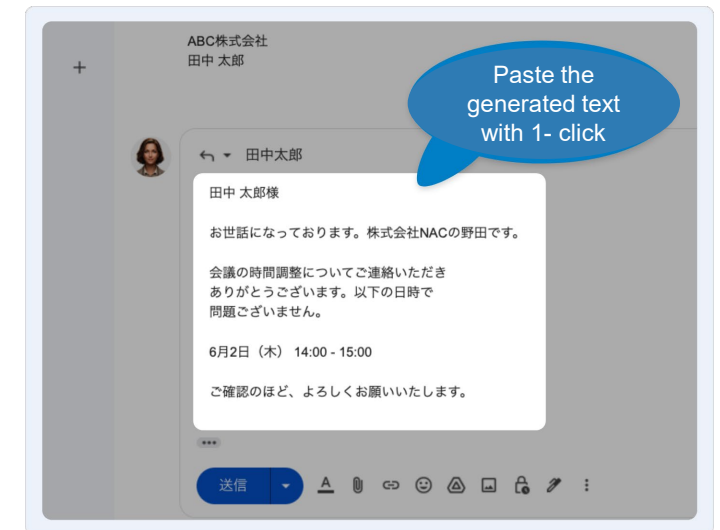
Recommends ideal text based on the content of email exchanges



Available as a Google Chrome extension and can be used in conjunction with Gmail

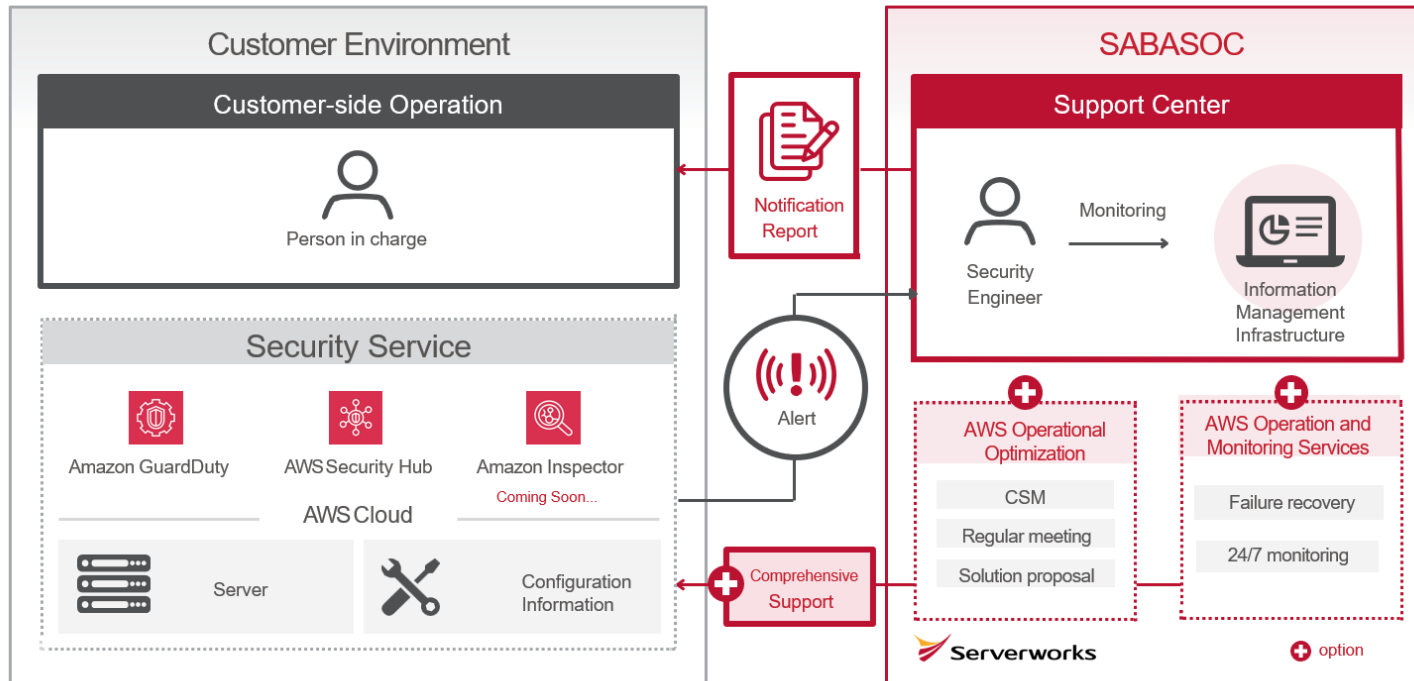


For enhanced security, email content is not stored on the server



We have launched “SABASOC,” a managed security service characterized by its safety, affordability, and speed.

Provides a secure environment with 24/7 monitoring and security detection to meet growing demand for enhanced cloud security while delivering highly accurate reporting using generated AI



## 1 Safety

Draws on our accumulated knowledge and expertise to facilitate the automation of security operations; fosters confidence and peace of mind through AI-based reporting

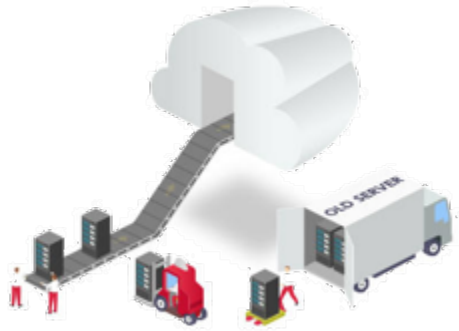
## 2 Affordability

Security measures can be customized and adopted according to the specific needs of each customer

## 3 Speed

Incorporates AWS standard solutions and our own “Cloud Automator,” allowing for quick and efficient implementation

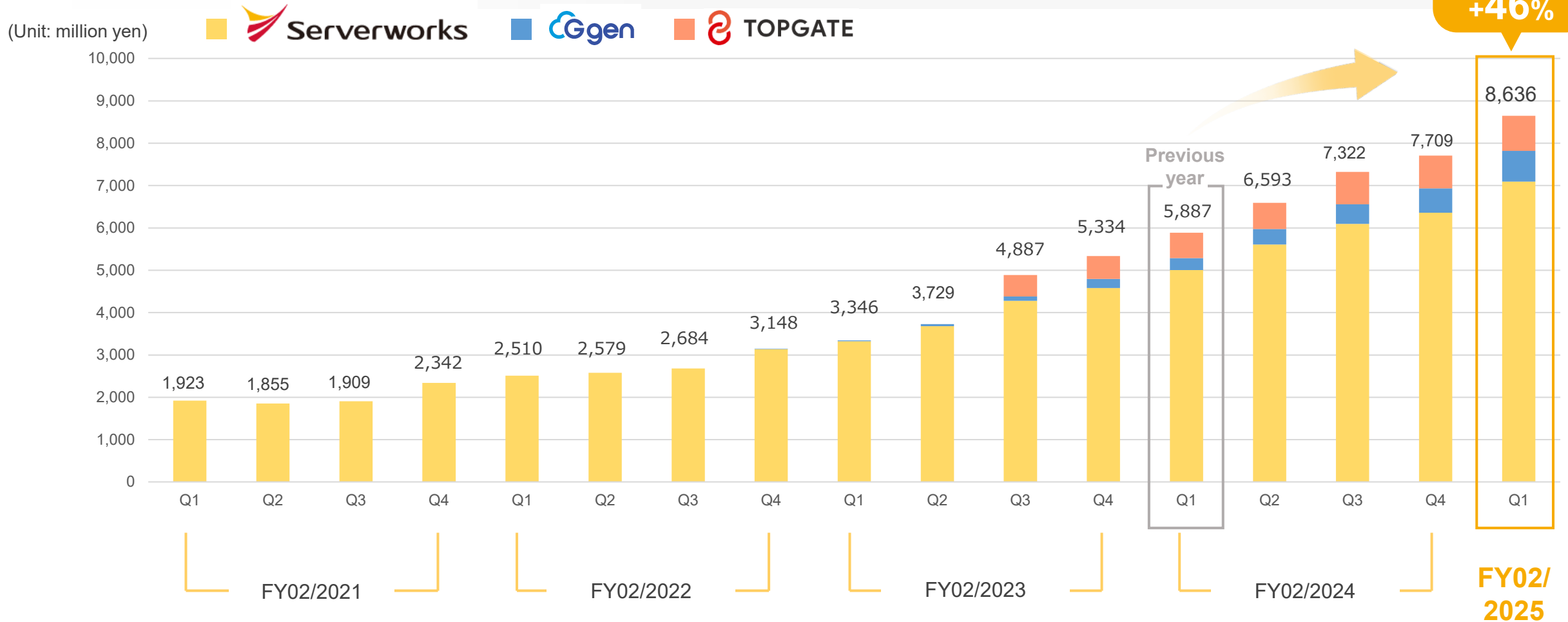
### 3. Q1 FY02/2025 Financial Summary



# Net Sales – Consolidated -

Net Sales reached a new high for the 14th consecutive quarter and grew at a very high rate of +46% YoY.

Growth rate  
**+46%**



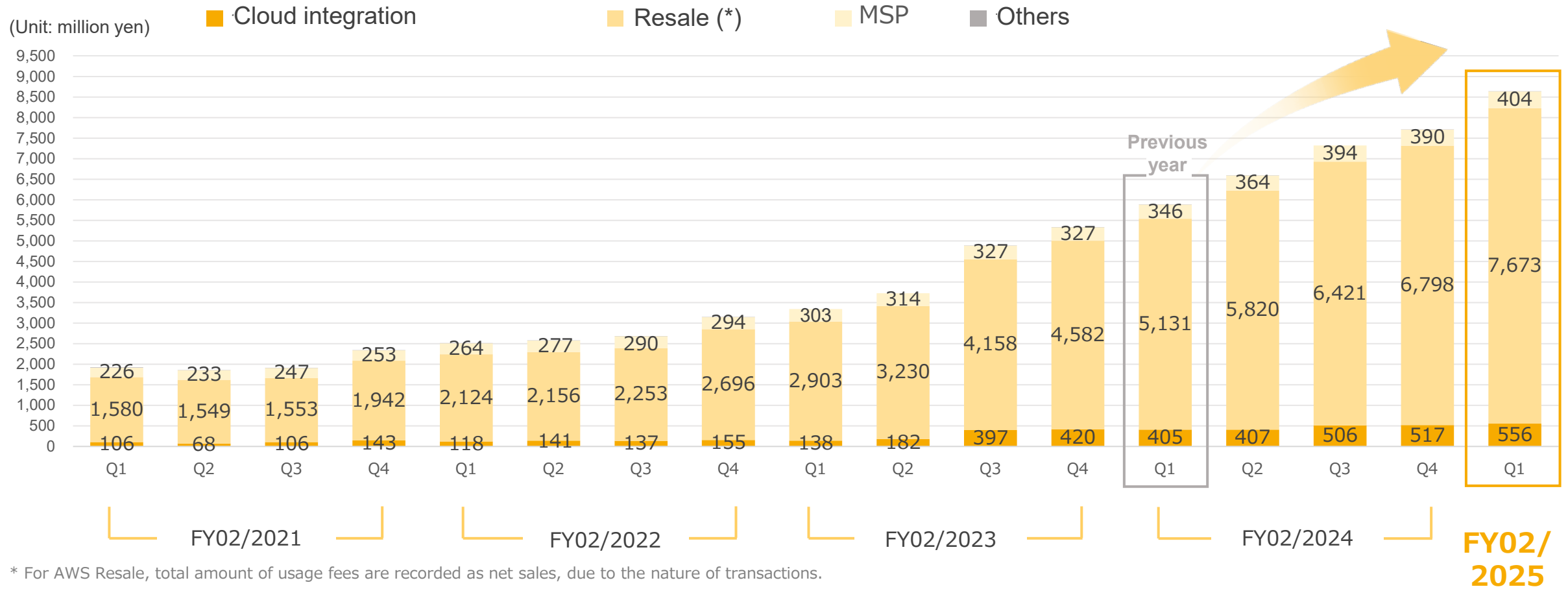
\* The figures for each company have been adjusted to reflect the consolidation of internal transactions.

# Net Sales

- by Product and Service Segment -

Serverworks Group

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



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

# By Product and Service Segment

## - Net Sales Year-on-Year Comparison -

Serverworks Group

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



(Unit: million yen)

	Q1 FY02/24 Results (Consolidated)	Composition	Q1 FY02/25 Results (Consolidated)	Composition	% of the Previous Year
Cloud Integration	405	6.9%	556	6.4%	<b>137.2%</b>
Resale	5,131	87.2%	7,673	88.9%	<b>149.5%</b>
MSP (Managed Service Provider)	346	5.9%	404	4.7%	<b>116.7%</b>
Others	3	0.1%	1	0.0%	<b>36.0%</b>
Total	5,887	100.0%	8,636	100.0%	<b>146.7%</b>



# By Product and Service Segment

- composition of each company -

Serverworks Group

All companies steadily accumulated resale sales, a stock business.



FY02/2025 Cumulative Sales by Service

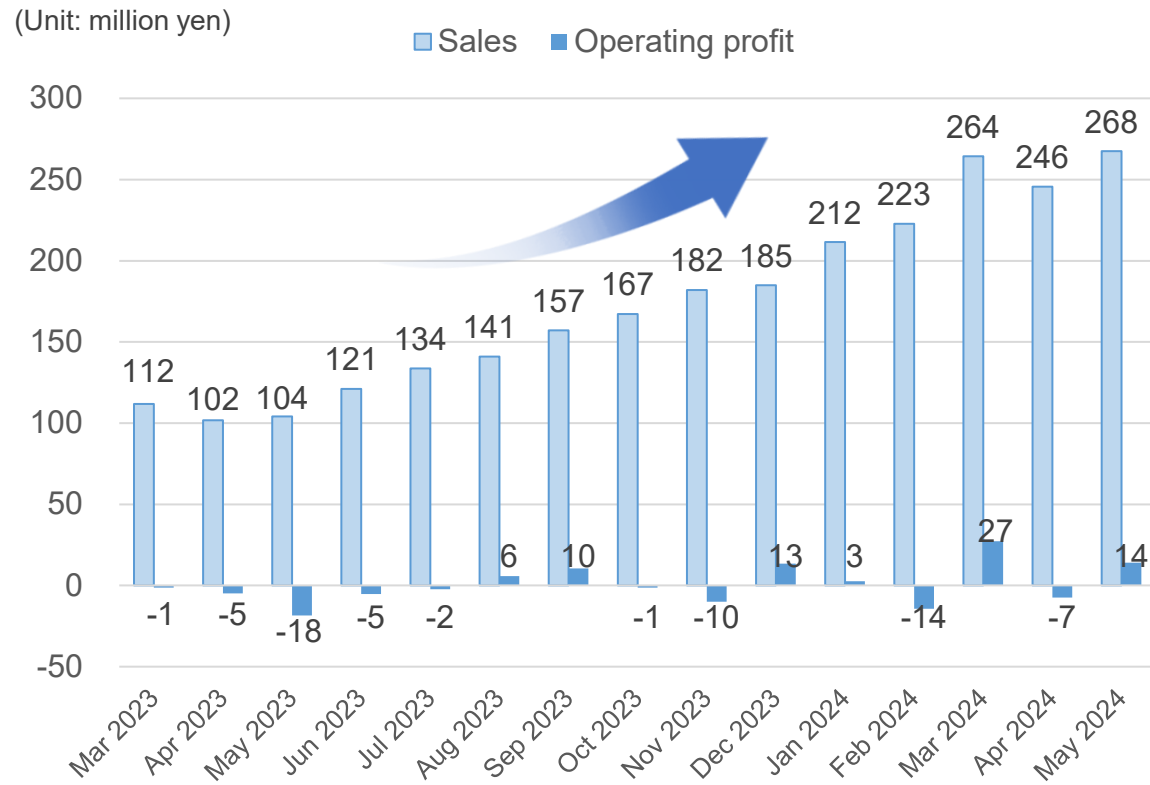
(Unit: million yen)

	Serverworks	G-gen	TOPGATE
Cloud Integration	217	71	268
Resale	6,499	638	537
MSP (Managed Service Provider)	377	1	26
Others	1	0	1
<b>Total</b>	<b>7,094</b>	<b>710</b>	<b>832</b>

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

Building on the favorable performance from FY02/24, sales continued to grow steadily, generating quarterly profit.

## G-gen Sales and Operating Profit

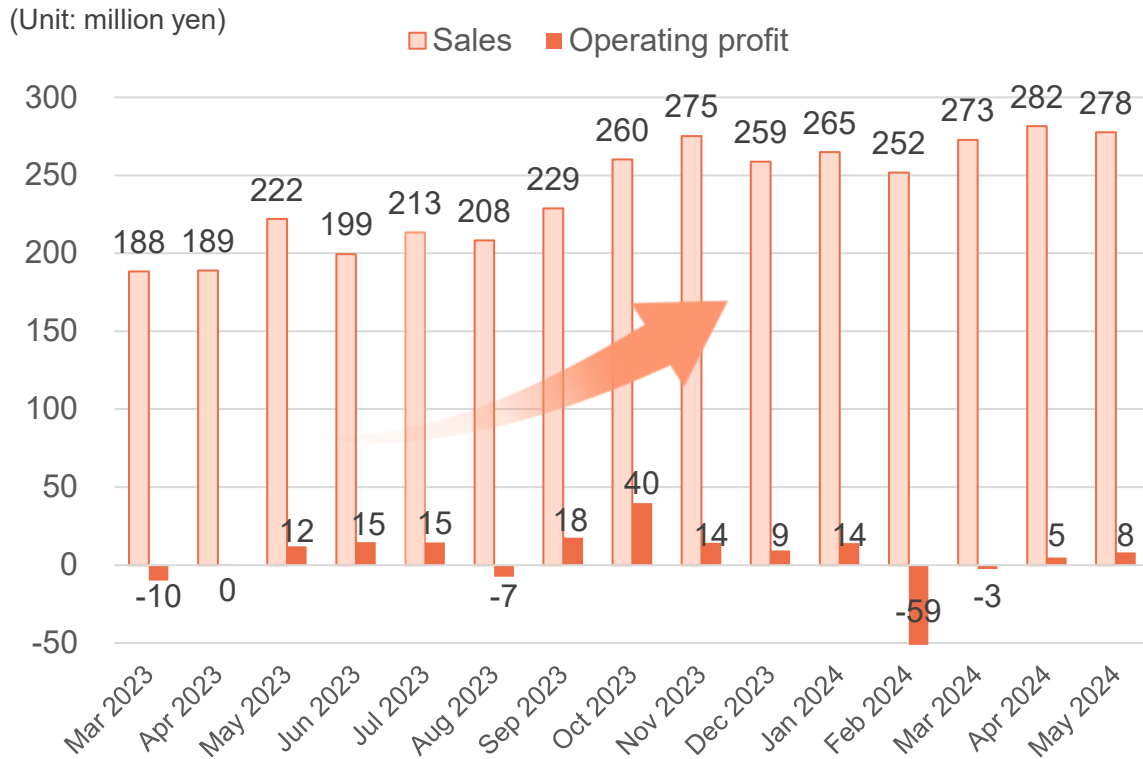


## Q1 FY02/25 Summary

- 1
**Ensuring a solid foundation for stable resale service category earnings through the acquisition of a diverse customer base**
  - A diverse array of clients extending from startups to major corporations
  - Delivery of consistent and dependable professional services
  
- 2
**Securing marketing leads through joint initiatives with Google, including blog content and the acquisition of certified professionals**
  - Creation of activities targeting the acquisition of customers and partner leads
  - Establishing a smooth and continuous process encompassing both web marketing and project acquisition

## Maintaining our acquisition of major integration projects while pushing forward with our merger and integration with G-gen

### TOPGATE Sales and Operating Profit



### Q1 FY02/25 Summary

- 1
**Generated year-on-year growth in sales and profit**
  - Achieved steady progress, acquiring more new sales-generating projects than originally anticipated
  
- 2
**Prepared for merger with G-gen**
  - Secured investment from Bespin Global Japan
  - Fast-tracked preparations for a July 1 merger and subsequent integration

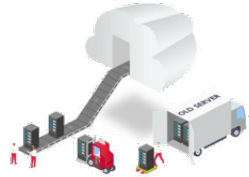
# Percentage of Recurring Business

Serverworks Group

## One-time Business

1

Cloud Integration



## Recurring Business

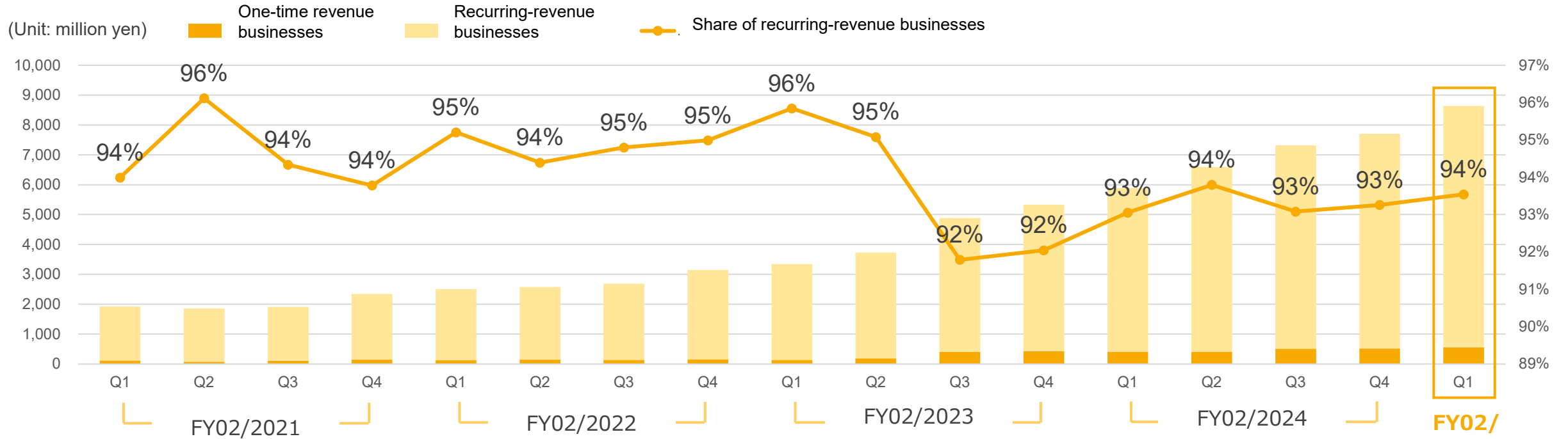
2

AWS Billing Services (Resale)



3

Operation and Monitoring Services (MSP)

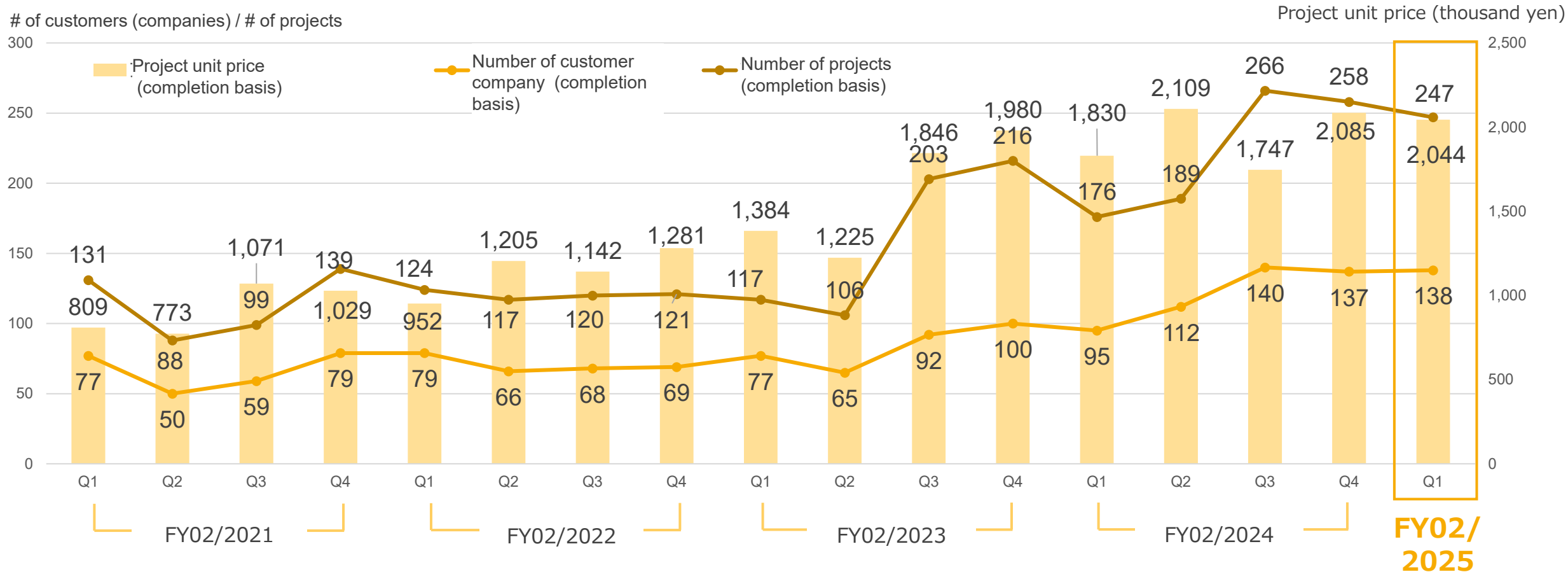
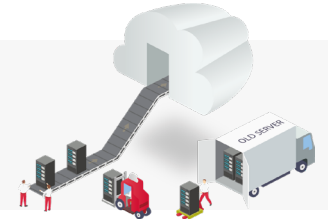


One-time sales from Cloud Integration, where sales are recorded at the time of customer acceptance are recorded under One-time revenue businesses. Recurring sales from AWS monthly usage fees, monthly charges for proprietary services such as Cloud Automator, licensing fees for continued use of third-party 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

# Cloud Integration

## - Changes in Each Indicator -

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

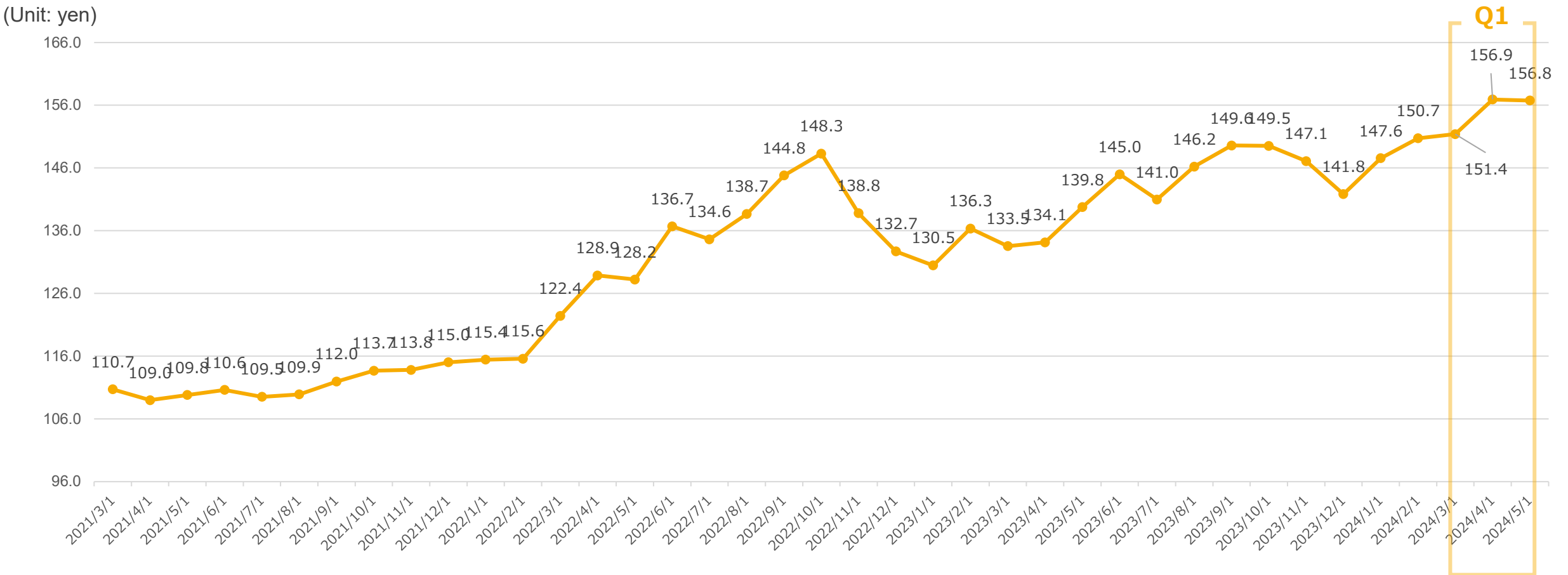


\*In accordance with the application of the new revenue recognition standard, we have changed the method of recognizing revenue based on the degree of completion of performance obligations from FY02/23, but this indicator is calculated based on the completion basis (old standard).

# Resale - Exchange Rates Trends -

**Yen depreciation accelerated and proceeded in Q1 and 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.

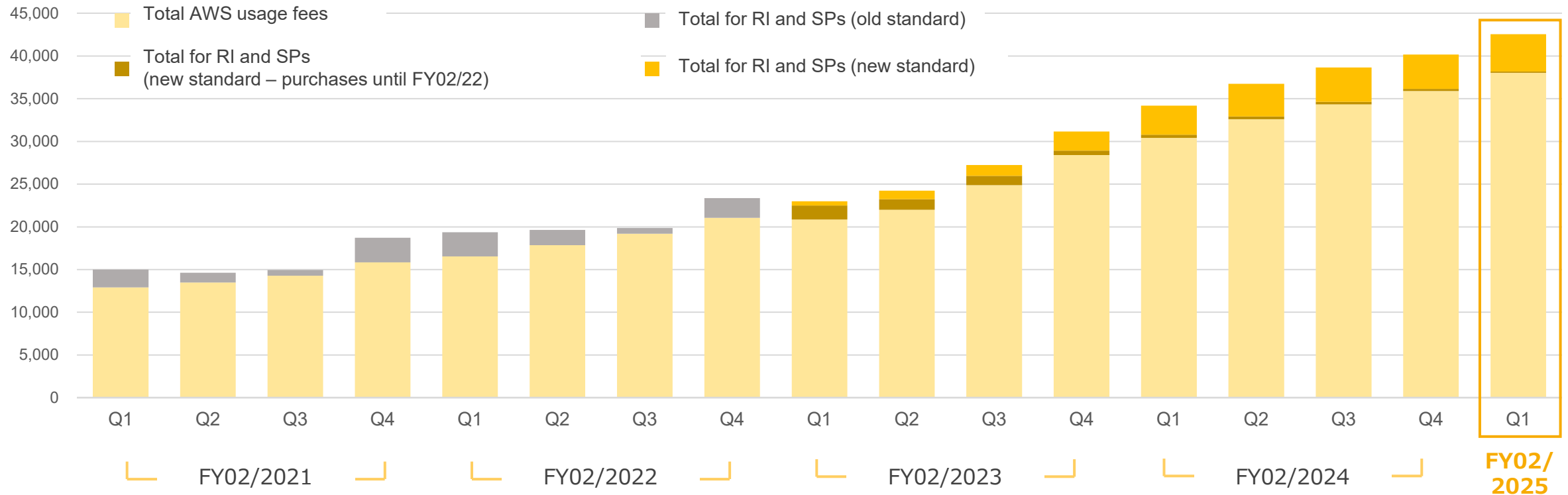


Due to progress with AWS adoption and customer usage, steady organic growth maintained.



Reserved Instances (RI)\* and Saving Plans (SP)\* had certain purchases as in previous years.  
A new revenue recognition standard has been applied since FY02/23, which requires revenue to be recognized over a "discounted period."

(Unit: K.USD)



\*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.

# Resale

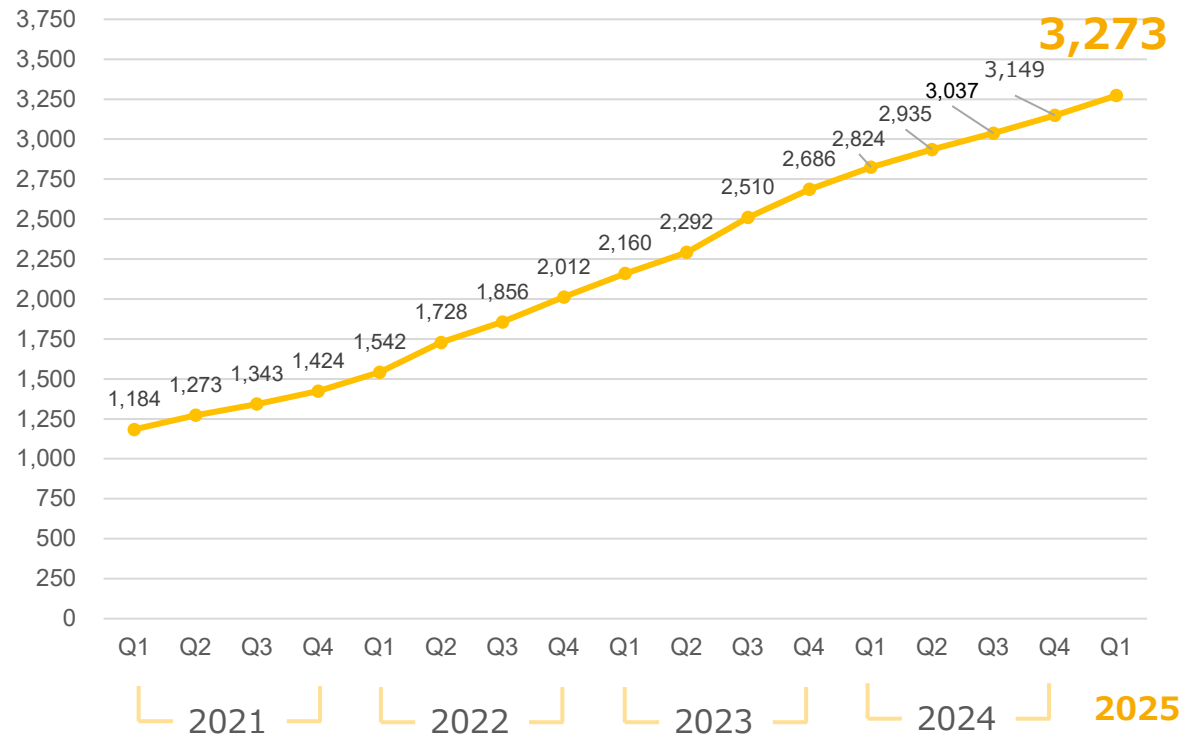
## - Number of AWS Accounts and ARPU -

Steady increase in number of account and high ARPU maintained through promotion of AWS usage



Number of AWS accounts

(Unit: # of account)

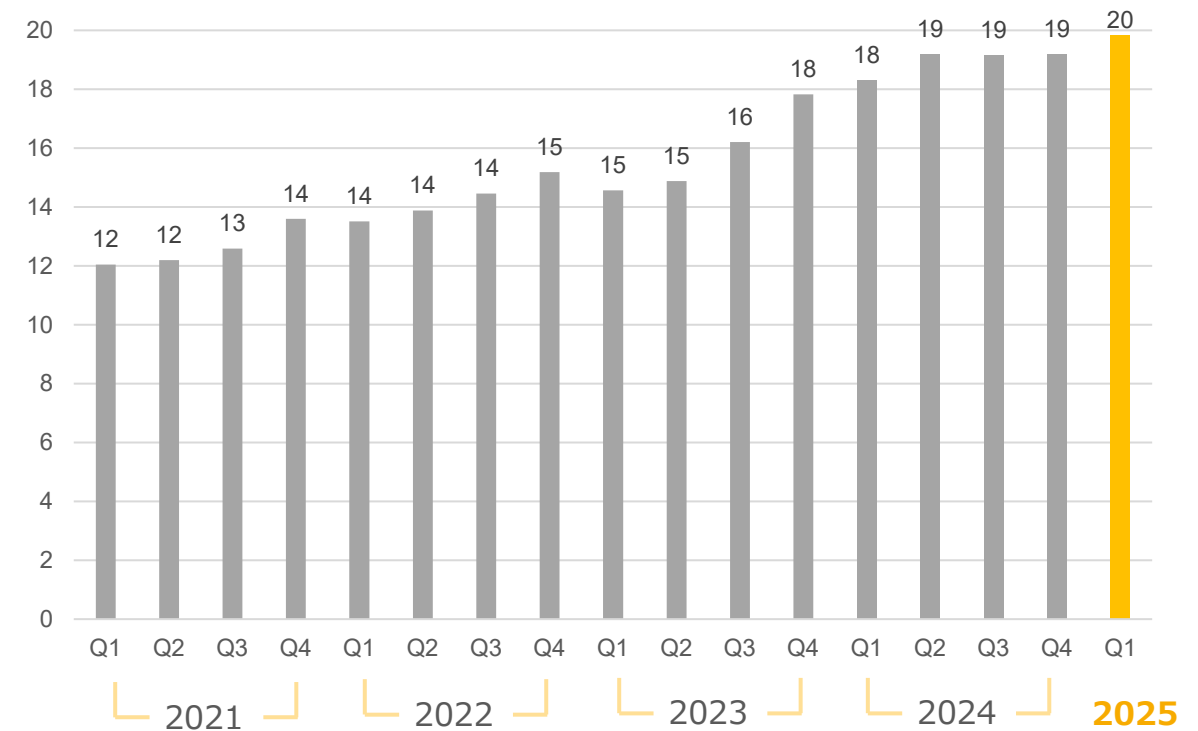


ARPU\*

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

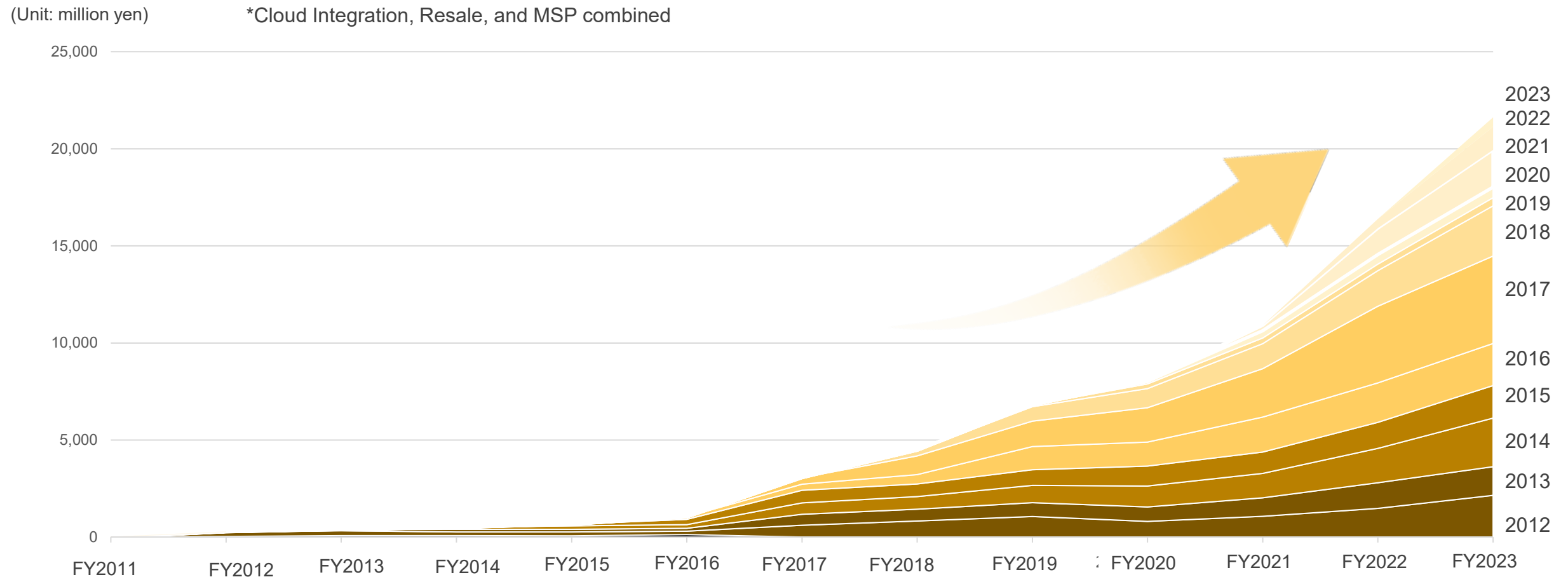
\* Excluding Reserved Instances and Savings Plans

(Unit: K USD)





## Existing clients that have signed contracts with us tend to increase their total sales over the years

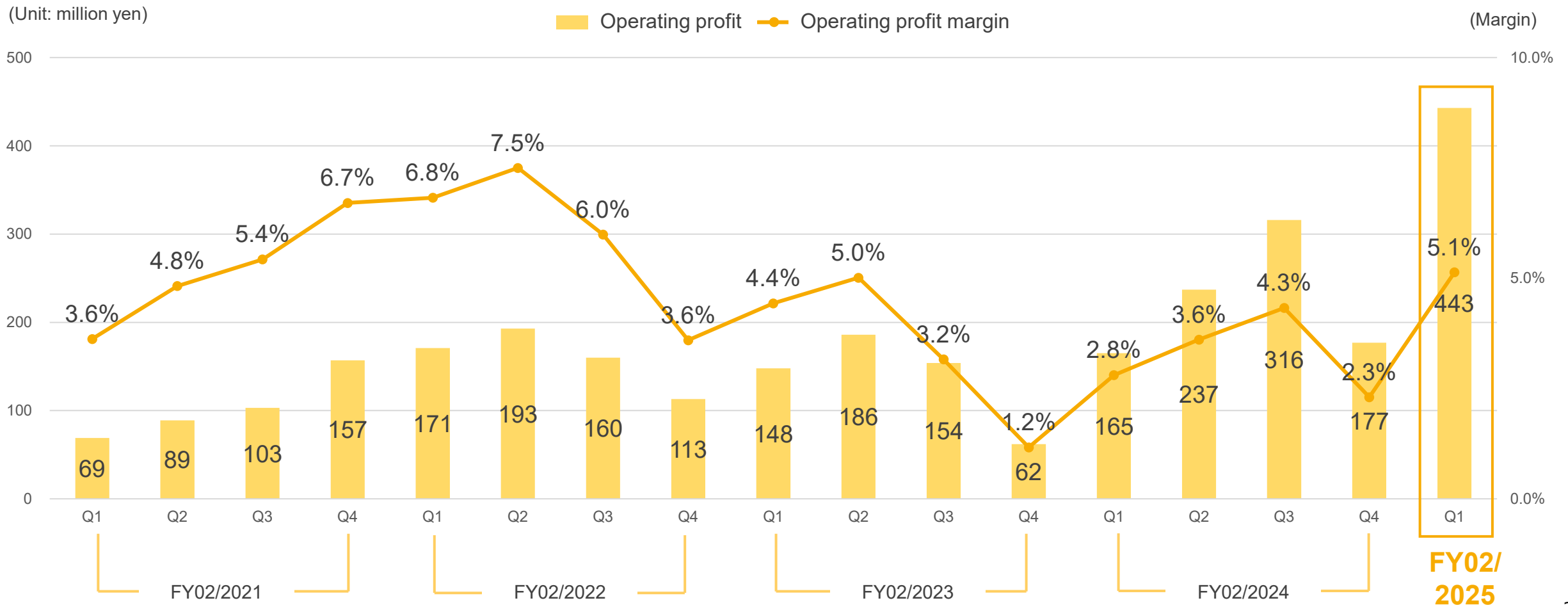


\* Revenues prior to the fiscal year ended February 29, 2017 are an approximate total of AWS resale revenues recalculated into a gross amount based on the most recent results.

# Operating Profit, Operating Profit Margin

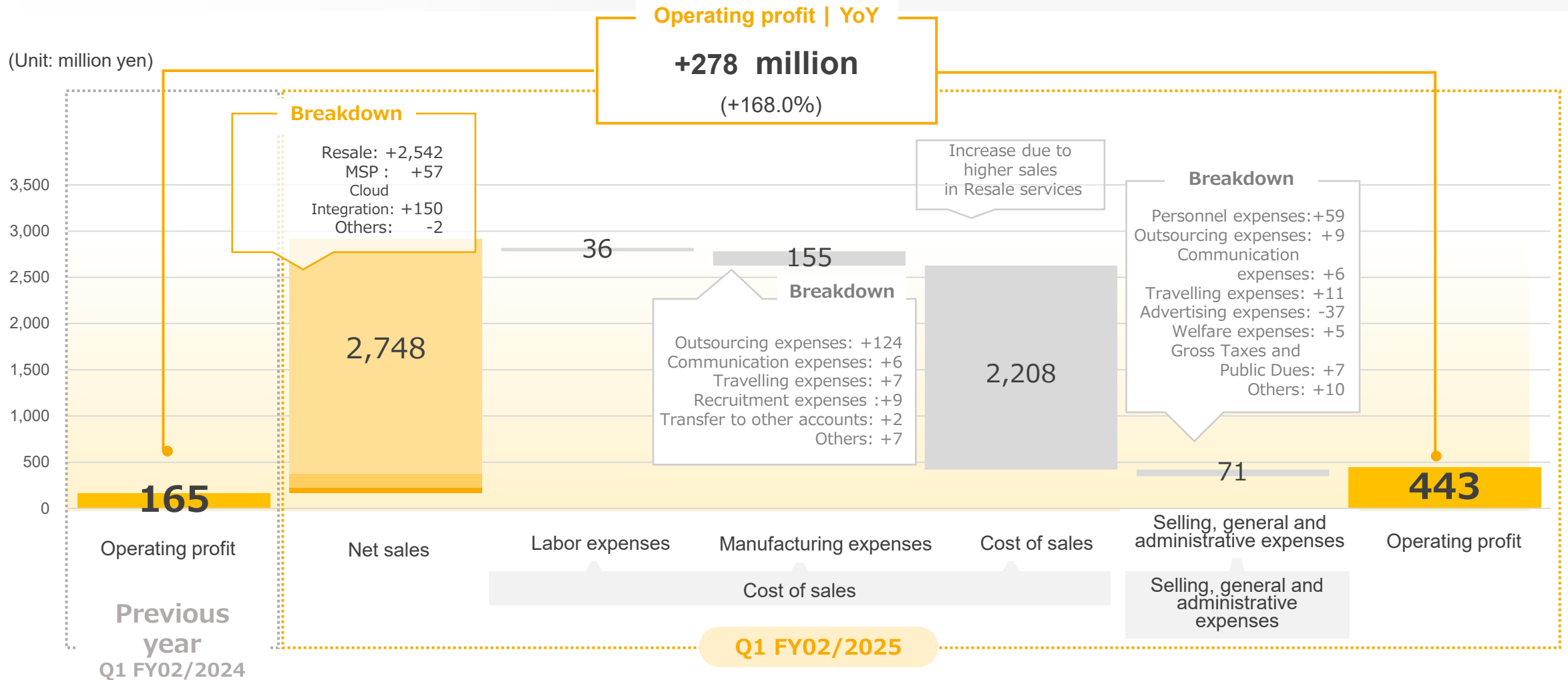
## Profits increased significantly in Q1 mainly due to higher sales

Accelerate investments that will contribute to future growth, such as investments in human resources and costs related to strategic collaboration with AWS



# Analysis of Factors Affecting Operating Profit YoY

Operating profit increased more than 2.5 times YoY while investing aggressively for growth



## Financial Condition: Balance Sheet (Summary)

Serverworks Group

**Increase in "Current assets"** due to increase in "cash and deposits" and "advance payments to suppliers", and **increase in "Current liabilities"** due to increase in "accounts payable", "contract liabilities", etc.

**Increase in "Fixed assets"** due to increase in stocks of subsidiaries and affiliates, and **increase in "Net assets"** due to capital increase by third-party allotment of TOPGATE

Balance Sheet	FY02/24 Results (Consolidated)	Q1 FY02/25 Results (Consolidated)	Change
Current assets	13,527	14,903	1,375
Fixed assets	4,529	4,926	397
Property, plant and equipment	53	51	- 2
Intangible assets	1,017	983	- 34
Investments and other assets	3,458	3,891	433
<b>Total assets</b>	<b>18,056</b>	<b>19,829</b>	<b>1,772</b>
Total liabilities	7,430	8,375	986
Current liabilities	7,121	8,088	968
Non-current liabilities	309	287	17
<b>Total net assets</b>	<b>10,626</b>	<b>11,453</b>	<b>786</b>
Total shareholders' equity	9,540	10,311	729
Accumulated other comprehensive income	1,078	1,118	40
Non controlling interest	6	23	16
<b>Total liabilities and net assets</b>	<b>18,056</b>	<b>19,829</b>	<b>1,772</b>

(Unit: million yen)

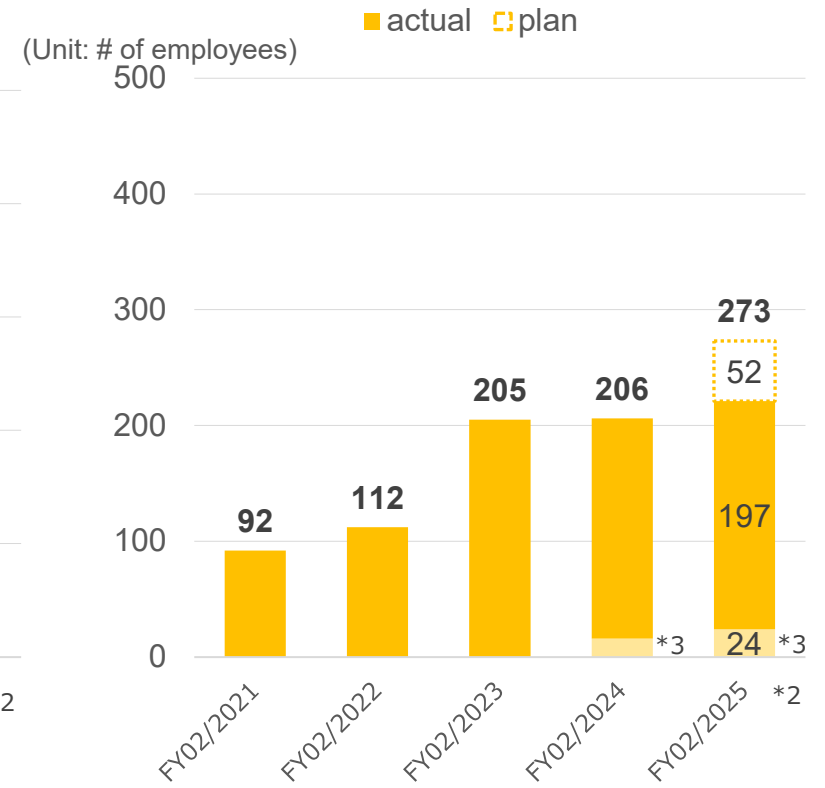
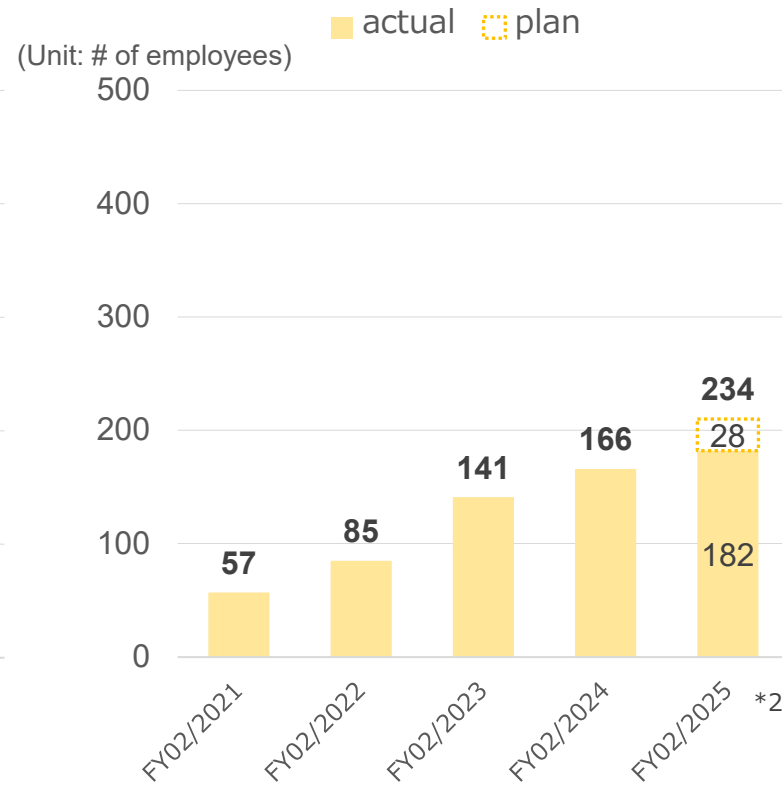
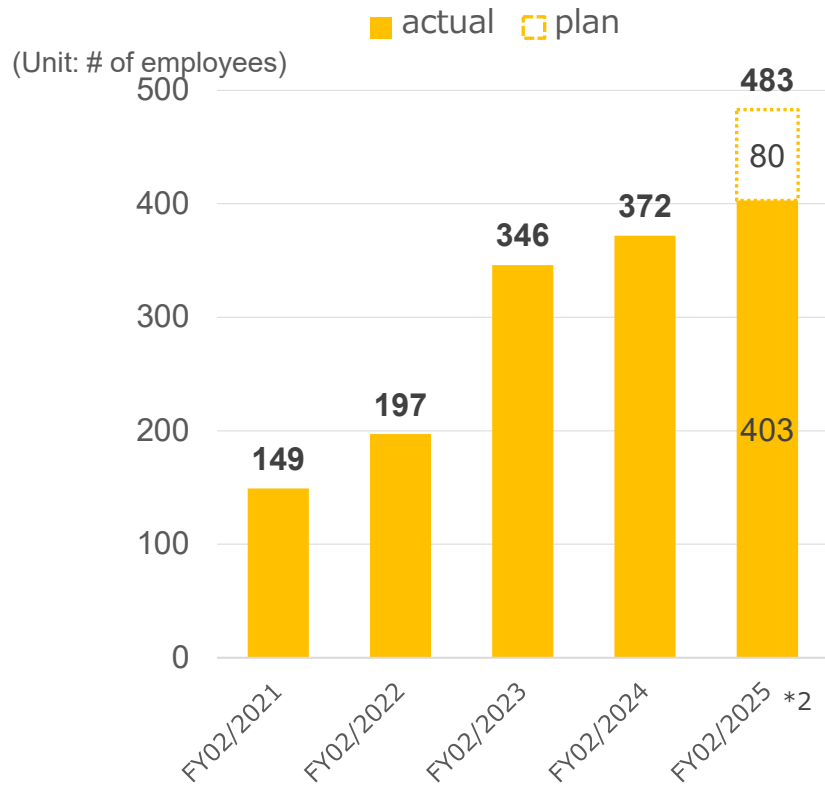
# Group Headcount Trends\*1

Continue to actively recruit highly skilled personnel, especially cloud engineers  
Steady increase in new hires

## Total

## Sales, general, and admin (excluding engineers)

## Manufacturing



\*1. The number of employees includes the number of temporary (part-time) employees and does not include directors.

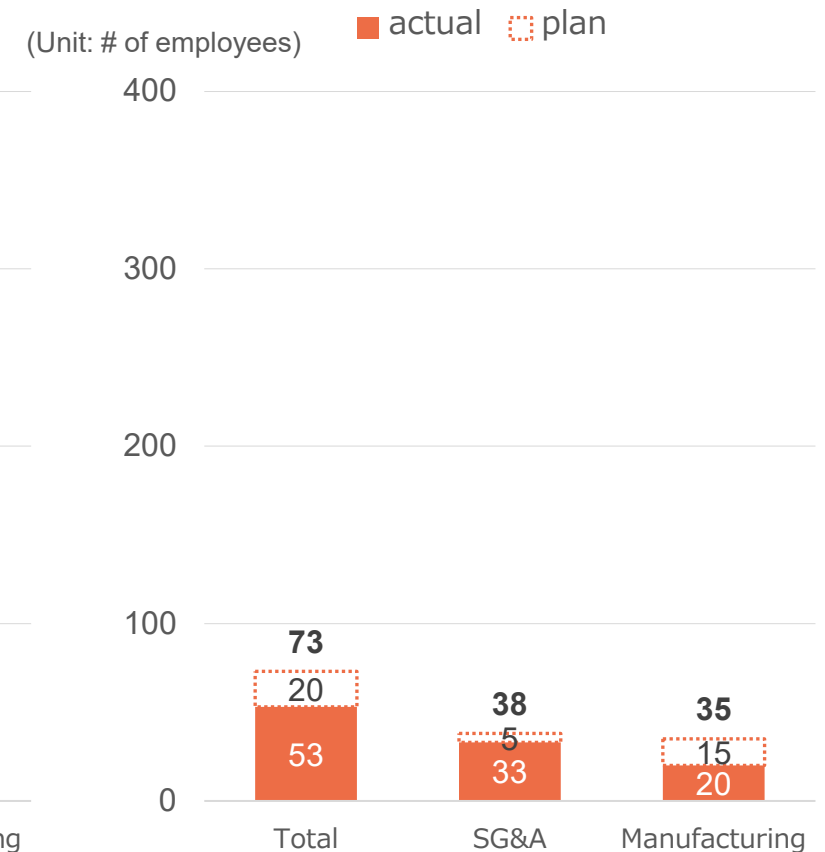
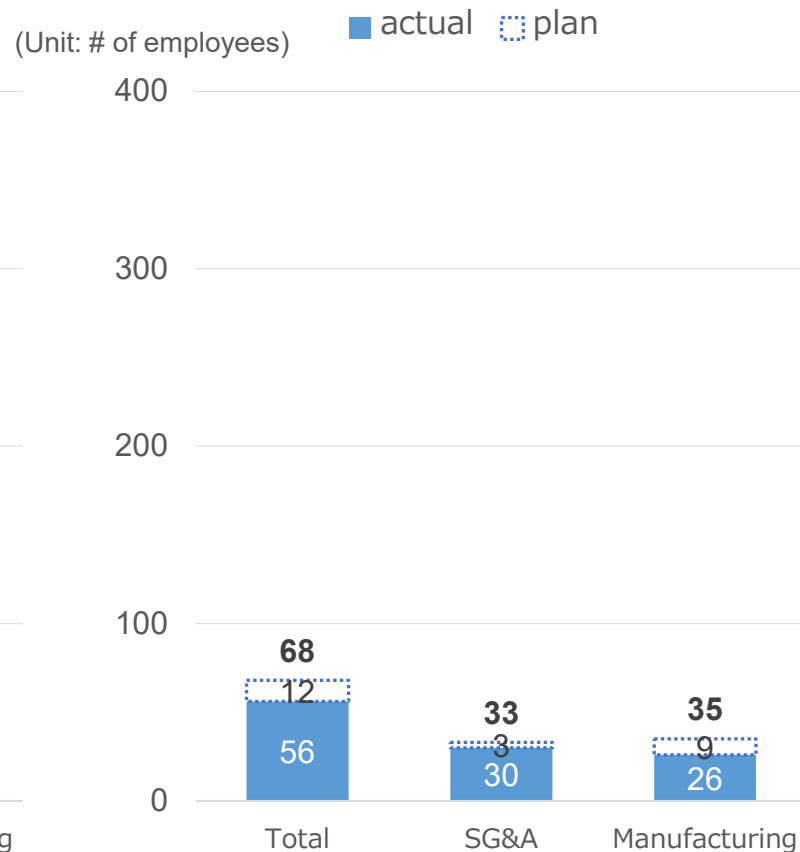
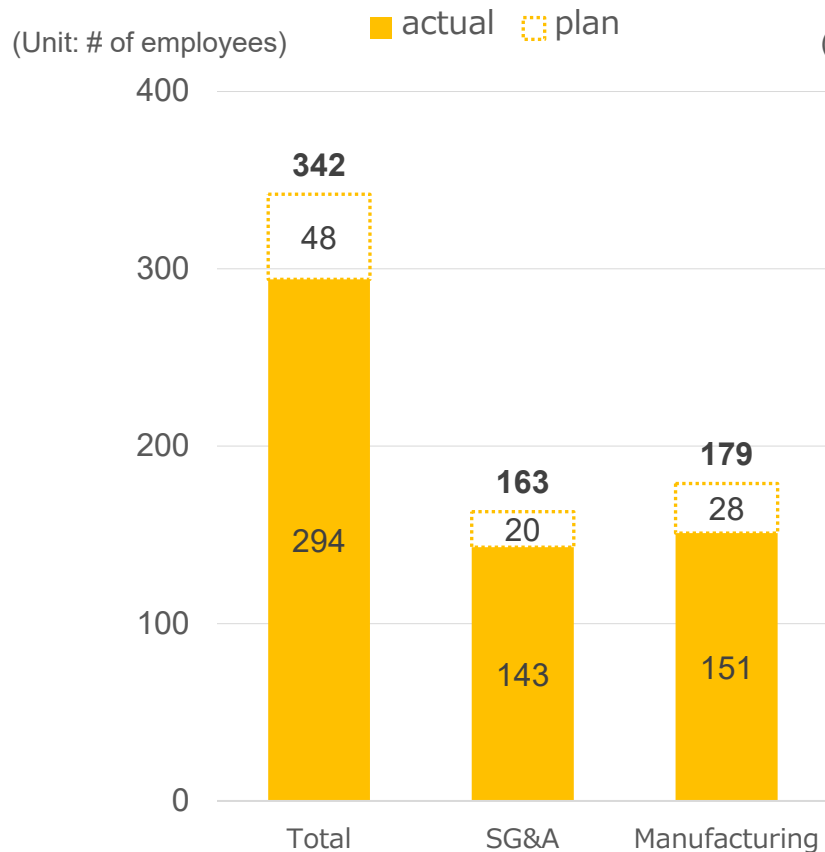
\*2 The actual number for FY02/2025 are for the period from March 2024 to May 2024.

\*3. From FY 02/2024, the in-house SEs and engineers who provide training have been changed to the SG&A department.

# Group Headcount Breakdown \*1

Serverworks Group

Continue to actively recruit highly skilled personnel, especially cloud engineers  
Steady increase in new hires



\*1. The number of employees includes the number of temporary (part-time) employees and does not include directors.



## 4-1. Q & A

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## Key Questions concerning Q1 FY02/25

Category	Question	Response
Performance	With profits performing exceptionally well against your full-year forecast, will you raise your projections?	Currently, we have no plans for adjustments. We do not anticipate any major losses at this stage but due to the unpredictable nature of exchange rate fluctuations and our continued commitment to investing actively in talent acquisition, which is a major priority for our corporate group, we have left our earnings forecast unchanged for the time being. Moving forward, we will promptly disclose any material information as it arises.
Performance	What factors have contributed to the significant improvement in your operating profit margin?	Serverworks and its key consolidated subsidiaries, G-gen and TOPGATE, have all generated sales in excess of their forecasts. These two subsidiaries have been particularly profitable, contributing to consolidated profit growth. Anticipated costs that have not yet been incurred also played a role in boosting profits, but performance has been substantially better than projected. Accordingly, we aim to step up our investment in human resources and our strategic partnership with AWS to drive future growth.
Subsidiaries	To what extent will the merger between G-gen and TOPGATE contribute to performance?	We expect the merger between G-gen, with its strong resale capabilities, and TOPGATE, known for its cloud integration expertise, will generate significant business synergy. This merger will also help optimize management costs, thereby improving our profit structure. Nevertheless, we will continue to proactively invest in human resources and other key priorities.
Operations	To what extent will the recently announced “Not A Chat” contribute to performance?	Since it was released only recently, its impact during FY02/25 is expected to be minimal. However, this highly unique, AI-powered service was originally conceived through an internal business idea contest, and we intend to actively develop other new services while diversifying our operations moving forward.
Critical KPIs	What are the details and current status of your recruitment plan?	As detailed in this financial summary, our consolidated recruitment plan for FY02/25 is on track, with Q1 results showing steady progress. However, we cannot afford to be complacent, as the recruitment landscape is becoming more challenging each year. In response, we are stepping up investment in recruitment and actively developing initiatives aimed at creating environments in which new hires can feel comfortable and satisfied.

## 4-2. Serverworks (Non-consolidated)

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

## TOPICS – 01

Launch of “**Generative AI on AWS,**” which supports the application of generative AI in compliance with **security and governance** requirements

2024.03.27



- Leverages AWS services to maximize the potential of generative AI, ensuring personalized business optimization and operational efficiency for customers
- Designed for users who are unsure of how to utilize generative AI, want to improve operational efficiency, and seek to ensure security
- Provides a setup capable of guaranteeing the security, governance, and data protection demanded by enterprises, allowing for the safe application of generative AI environments
- Facilitates personalized operational enhancement and efficiency optimization for customers

## TOPICS – 02

Centralizing AWS accounts for commercial services, while integrating **operational policies** and **security settings** and reducing **operational costs**

Example of implementation:  
dip Corporation

# dip

- “Baitoru,” a part-time job posting site, and “KOBOT,” a SaaS service for automating routine HR-related procedures, operated under different AWS accounts.
- To reduce costs and enhance governance and security, Serverworks’ AWS Operational Optimization Service was deployed to facilitate centralized operation and management of these accounts
- Management of all accounts centralized, establishing an ideal AWS environment and optimizing operational management costs

# Solid Track Record

Serverworks



Our track record spans 20,800 projects for more than 1,310 companies,  
mainly large companies (as of May 31, 2024)

common infrastructure



call center



operational support



individual system



training



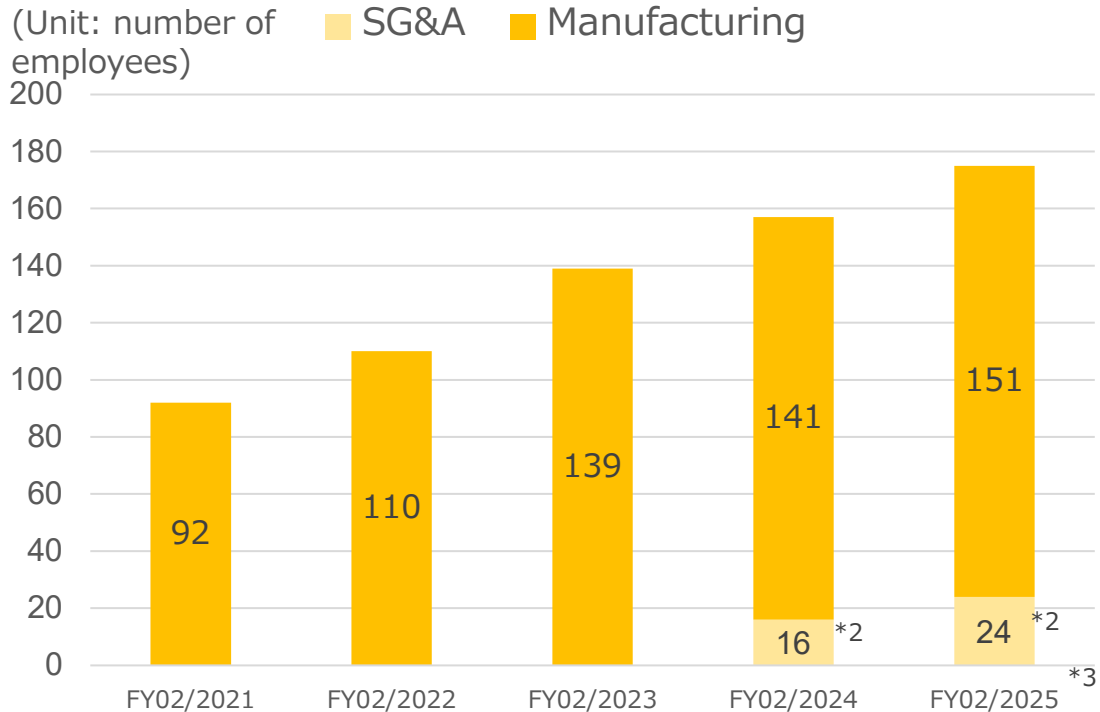
# Promoting AWS Certifications for Engineers



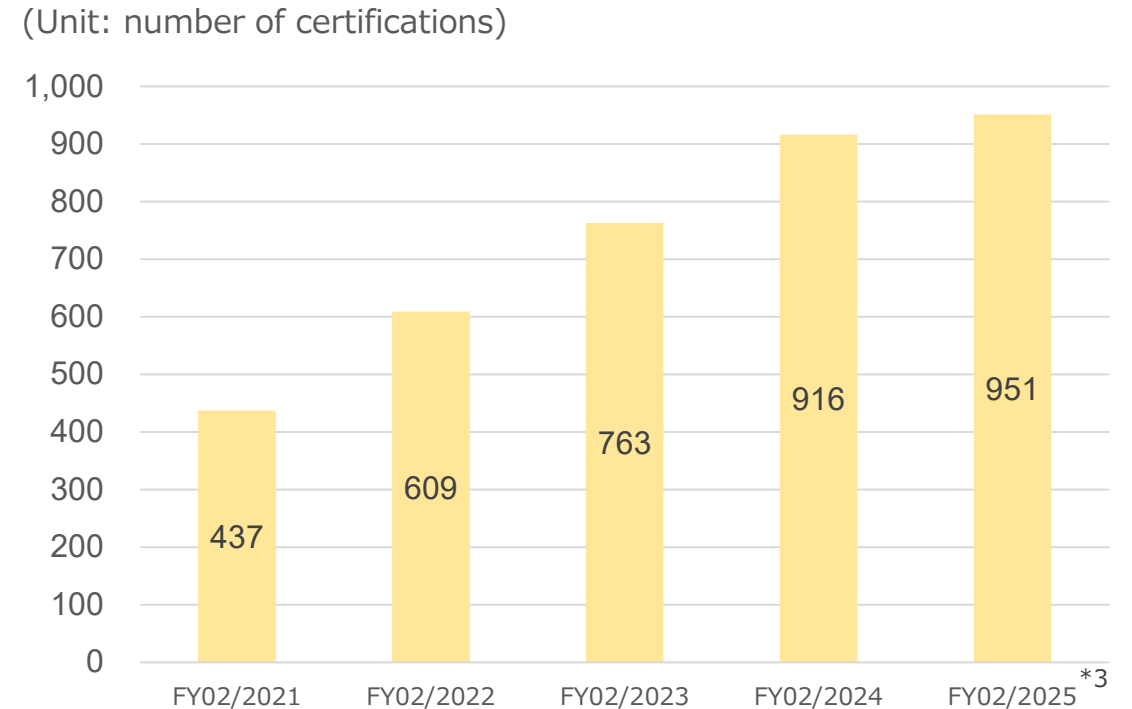
Mid-career engineers with no AWS experience also obtain AWS certification early.

## Over 900 AWS certifications

Number of engineers



Number of AWS certifications earned \*1



\*1 Cumulative number

\*2 From FY 02/24, the in-house SEs and engineers who provide training have been changed to the SG&A department

\*3 The actual number for FY02/2025 are for the period from March 2024 to May 2024

## 4-3. Group Companies

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

## TOPICS – 01

Ensuring security control in a multi-cloud environment and facilitating smooth migration to Google Cloud

Example of implementation:  
dip Corporation

The logo for dip Corporation, featuring the lowercase letters 'dip' in a bold, black, sans-serif font.

- dip Corporation provides services that address the staffing challenges of SMEs. To further enhance its growing services, the company was exploring in-house development opportunities. These efforts began with the establishment of a cloud infrastructure.
- In accordance with its multi-cloud strategy, one of its many services was migrated to Google Cloud.
- Operations take place in a multi-cloud environment comprising both Google Cloud and AWS. Their seamless integration was achieved while leveraging the functions and strengths of both platforms.
- Additional support provided through G-gen, focusing on enhancement of security measures
- Future database integration planned to reduce management costs and potentially incorporate AI

## TOPICS – 02

Facilitating smooth migration to Google Cloud's Vertex AI platform reduces costs by 80% and drives groupwide AI use

Example of implementation:  
Kirin Business System Company

よろこびがつなぐ世界へ  
 **KIRIN**

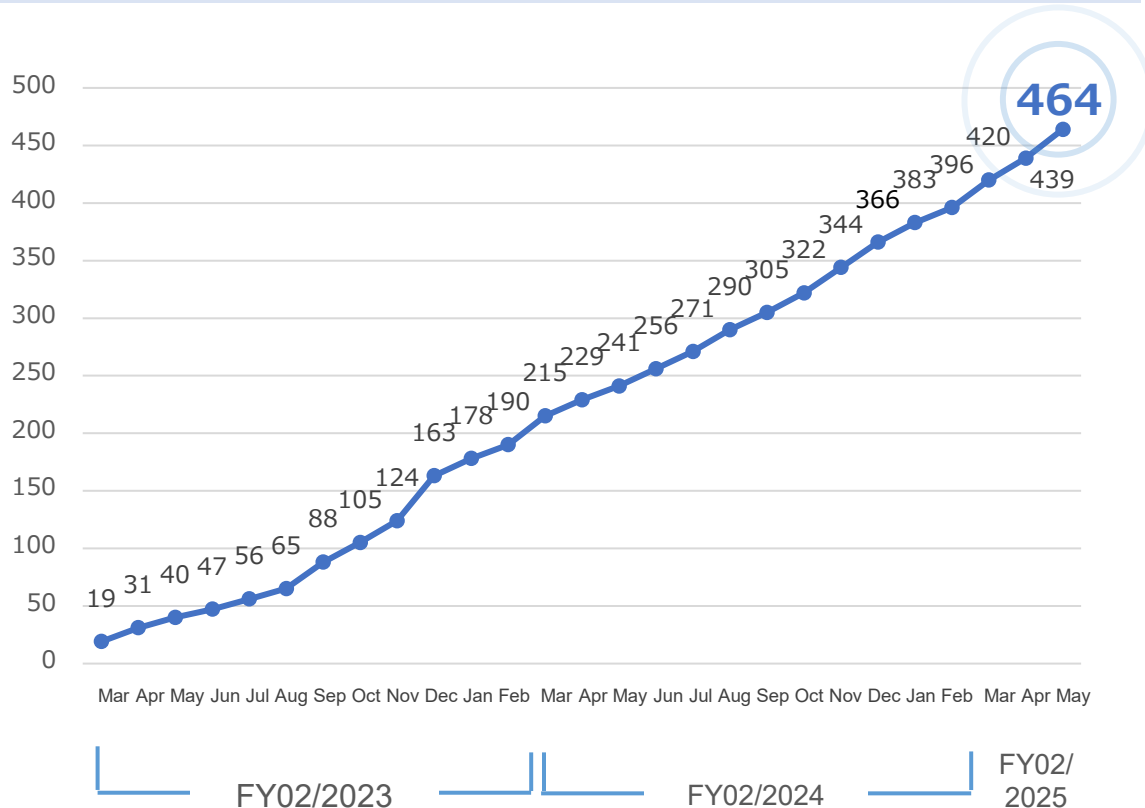
The Kirin logo, featuring a red stylized kirin (a mythical creature) to the left of the word 'KIRIN' in a bold, red, sans-serif font.

- Kirin Business System Company, which handles all IT-related operations for the Kirin Holdings group, a large beverage manufacturer, introduced an AI product in 2018 to leverage AI predictive technology across the entire group's operations.
- The AI product formerly in use had strict functional restrictions and was also a burden in terms of cost; accordingly, the decision was made to migrate to Google Cloud's Vertex AI platform.
- Referred by Google Cloud Japan as a vendor specializing in system construction, G-gen provided support for the migration process.
- Migration and environment construction were completed in three months, with over 10 workshops and explanatory sessions to align solutions with the client's business needs, leading to requests for continued support.

# Number of Projects and Service Delivery Records

Steady increase in the number of projects, mainly for resale, and steady increase in the number of customers served

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



## G-gen Major Business Records

For more information, visit our website

### Service delivery examples of customers

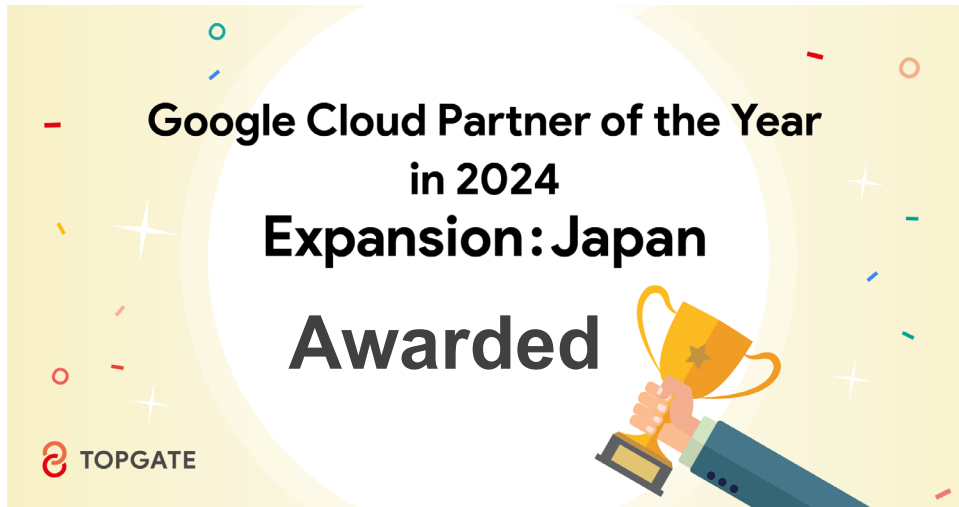
- Media Lab
- 構造計画研究所 (KOZO KEIKAKU ENGINEERING Inc.)
- よろこびがつなぐ世界へ KIRIN
- 人事・労務・経営、安全衛生の情報発信で時代をリードする 労働新聞社
- 新潟大学 (NIIGATA UNIVERSITY)
- 東洋建設
- MEITETSU
- FUTABA



## TOPICS – 01

### Received Google Cloud Partner of the Year Award in 2024 Expansion: Japan

2024.04.09



- Award announced at the Google Cloud Next '24 event, which took place in Las Vegas, USA, from April 9 to April 11, 2024
- Award is part of a program that recognizes partners who are at the forefront of digital innovation and are collaborating with Google Cloud to solve some of today's biggest challenges
- The “Expansion Partner of the Year” award honors partners who achieved remarkable results in 2023 by helping scores of customers achieve better outcomes using Google Cloud.
- Having received this award, TOPGATE (G-gen) will further improve its technical capabilities and service quality while continuing to provide valuable solutions to its customers.

Steady increase in the number of services provided

## TOPGATE Major Business Records

For more information, visit our website

Service delivery examples of customers





# Making the World a Better Place to Work through Cloud Technology



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.

# Materiality

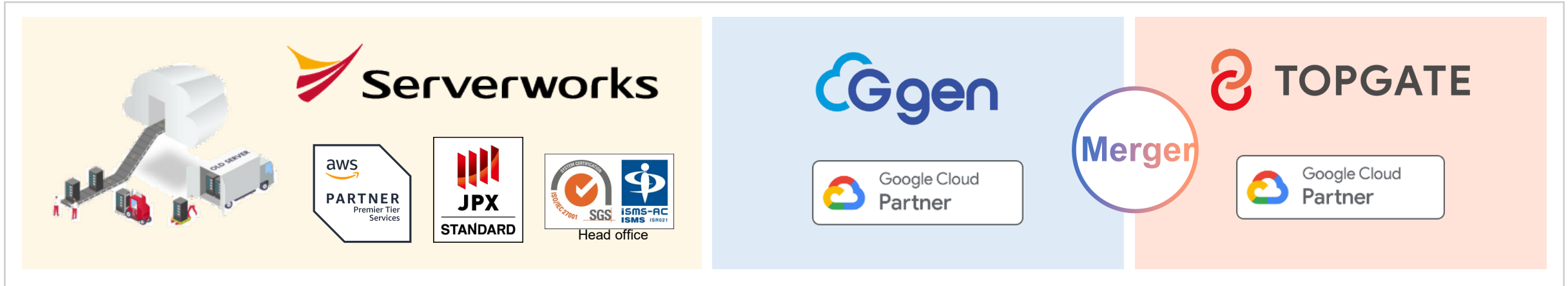
In response to social sustainability issues, we utilize guidelines associated with the SDGs (Sustainable Development Goals) and ESG (Environmental, Social, and Governance) factors to identify and address key social and management issues that not only reduce risk but also lead to earnings opportunities. We identify the most critical of these issues as “materiality” and focus on them as key areas to be addressed through our core business activities.

## Serverworks Group

### Making the World a Better Place to Work through Cloud Technology

	Foundation for growth			Strategy for further growth and social contribution	
Five major elements	Human capital base	Business foundation	Management base	Business growth strategy	Social contribution strategy
Current challenges	Labor shortage	Spreading awareness of cloud tech Quality management	Operational efficiency Pursuit of transparency	Improving productivity across society	Solving social issues while achieving business growth
Materiality (critical issues)	<p><b>Materiality - 1</b></p> <p>Creating a comfortable working environment and opportunities for growth and success</p> 	<p><b>Materiality – 2</b></p> <p>Promoting the use of cloud services as the foundation for business operations</p> 	<p><b>Materiality – 3</b></p> <p>Governance Enhancing and strengthening compliance</p> 	<p><b>Materiality – 4</b></p> <p>Promoting the widespread adoption of cloud technology across society</p> 	<p><b>Materiality – 5</b></p> <p>Preserving the global environment</p> 
Ideal state	A company where employees can grow and thrive with confidence	A company that can provide competitive services as a cloud business leader	A company trusted by stakeholders that maintains and improves the efficiency and transparency of its management	A company that helps improve productivity and working conditions across society through cloud technology	A company that can simultaneously address social issues and achieve business growth by facilitating the widespread application of cloud computing throughout society

# Serverworks Group establishes comprehensive support structure for cloud business



Sales and sales channel development

FUJIFILM Cloud

Human Resource Development and Securing

PERSOL & Serverworks

Subsidiary for investment purposes

SX Innovation Partners

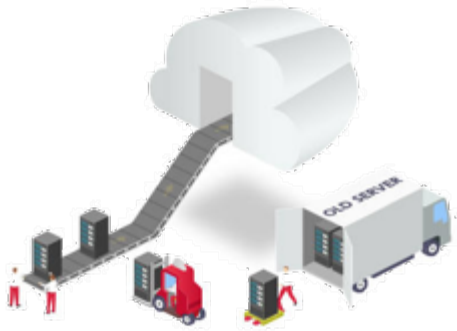
Customer Support

Sky365

## Serverworks Group strongly supports clouds utilization in any business through three main solutions

1

Cloud  
Integration



Cloud implementation and migration support  
application development

2

Billing Services  
(Resale)



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

3

Operation and Monitoring  
Services (MSP)



Cloud utilization and  
operation support

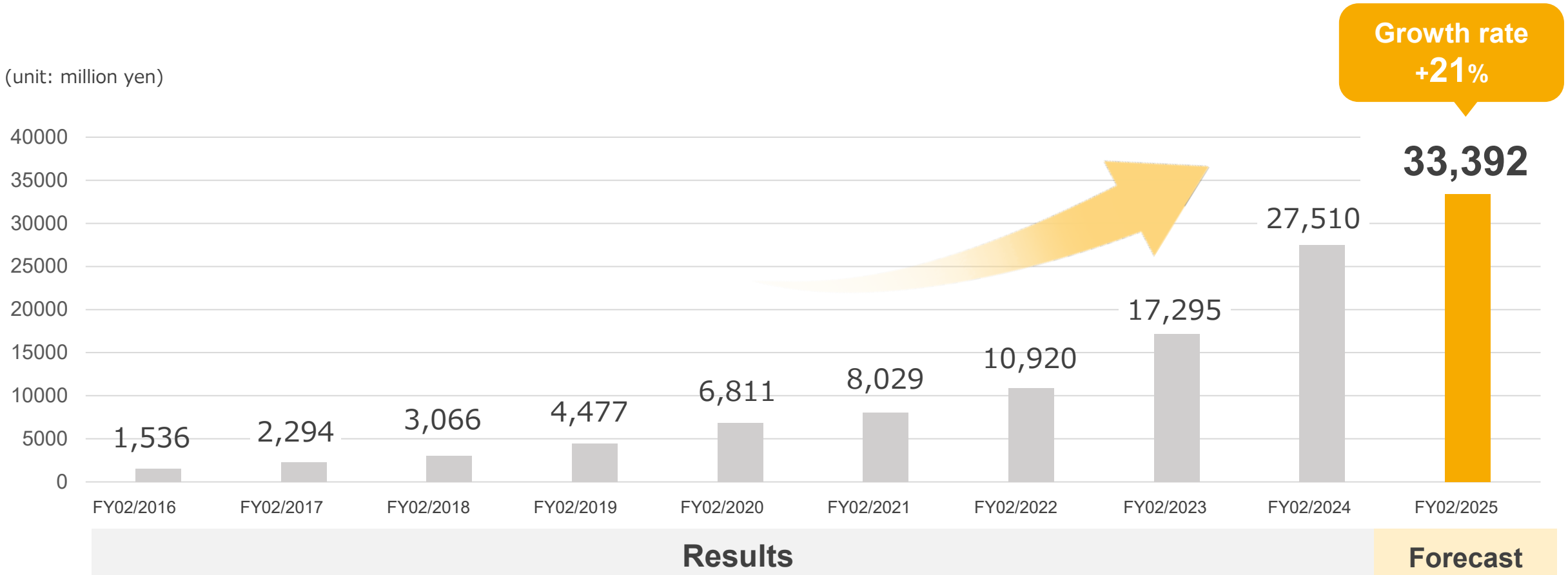
# Company Overview Net Sales over the past 9 years

Serverworks Group

With the increase in demand due to the expansion of the cloud market and the expansion and growth of the group organization through M&A and establishment of JVs,

## Steadily increasing net sales and maintaining high growth rate

(unit: million yen)





Founded	February 21, 2000
Capital	3,255,903,491 yen (as of May 31, 2024)
Number of Employees	Non-consolidated: 294 (as of May 31, 2024) Consolidated: 403 (as of May 31, 2024)
Business Domain	Cloud integrator specializing in AWS
Management	<p>Ryo Oishi            CEO</p> <p>Takashi Hashiba    Senior Vice President</p> <p>Mikiya Inoue        Outside Director who is Audit and Supervisory Committee Member (Full-time)</p> <p>Yuko Tanaka         Outside Director who is Audit and Supervisory Committee Member Hikari</p> <p>Fujimoto            Outside Director who is Audit and Supervisory Committee Member</p>
Certification	<ul style="list-style-type: none"> <li>• AWS Premier Tier Service Partner</li> <li>• AWS Migration Competency</li> <li>• AWS Digital Workplace Competency</li> <li>• AWS Managed Service Provider Program</li> <li>• AWS Well-Architected Partner Program</li> <li>• ISO / IEC 27001 (JIS Q 27001)</li> </ul>
Major Shareholders	<p>Board members</p> <p>TerraSky Co., Ltd.</p> <p>NTT Communications Corporation</p> <p>NTT DATA Corporation</p>



**Main Locations**

Tokyo (head office),  
Osaka, Sendai, Fukuoka




Head office




# Management Team

## Directors

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President & CEO

### Ryo Oishi

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.



Senior Vice President

### Takashi Hashiba

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. 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.

## Audit and Supervisory Committee Members (Outside Directors )

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Full-time

### Mikiya Inoue



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 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 Spacemart, Inc. and Batonz Co., Ltd. She joined our company as outside director in May 2021.



### Hikari Fujimoto

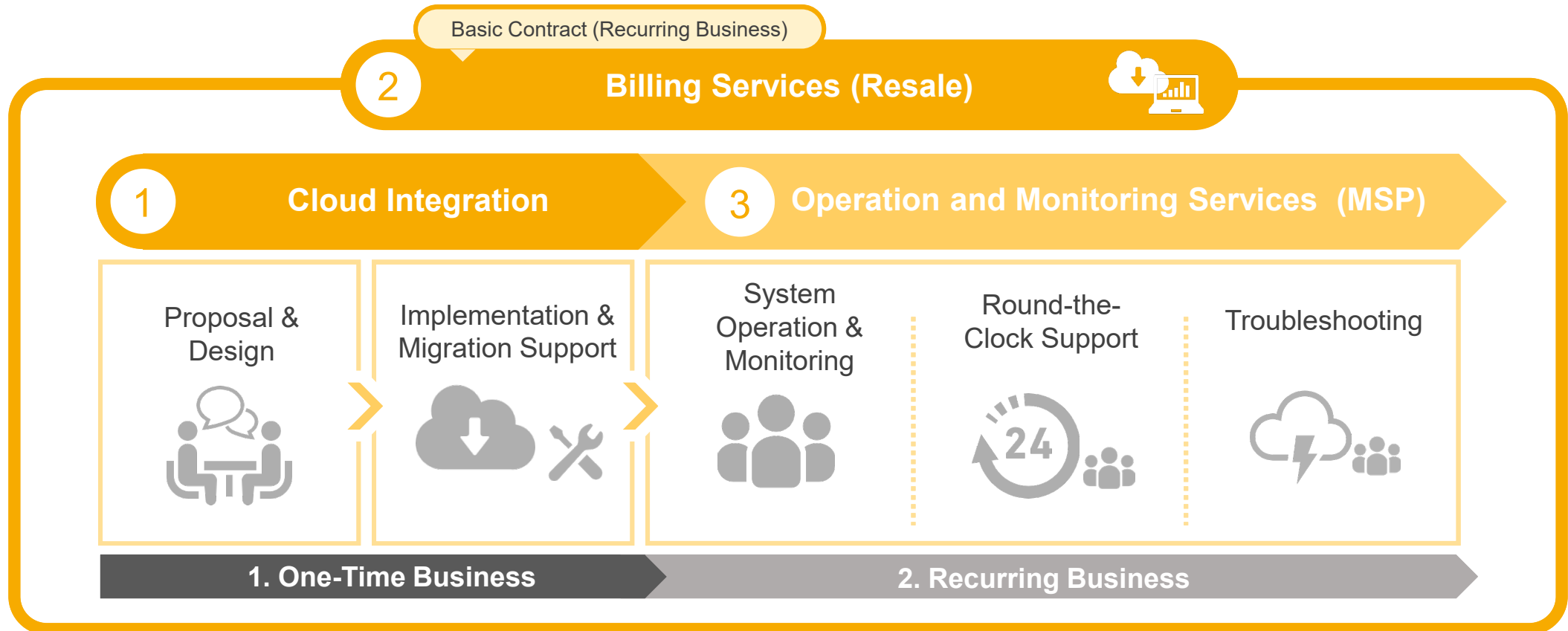
Fujimoto graduated from Keio University, where she majored in economics, before joining Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC). She engaged in accounting audit work and stock listing support services. She struck out on her own in 2011, establishing Hikari Fujimoto Certified Public Accountant 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.



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.

Today, as Serverworks Group, we provide strong support for the use of the cloud in all types of businesses through three main solutions



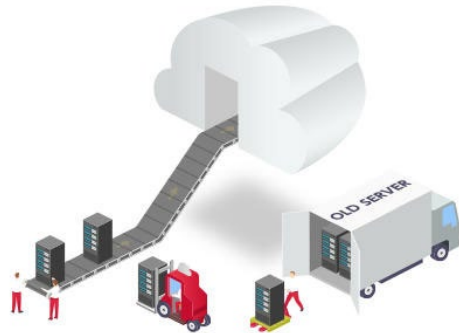
# 1 Cloud Integration

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

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



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

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

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

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

### Case Studies



**Customer support**  
Create an environment



**Migrate on-premise environments** to servers



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



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

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

### Basic Implementation Flow

- ▶ System capable of providing support from design to operation

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



## ② Billing Services (Resale)

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# Business Overview 2 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.



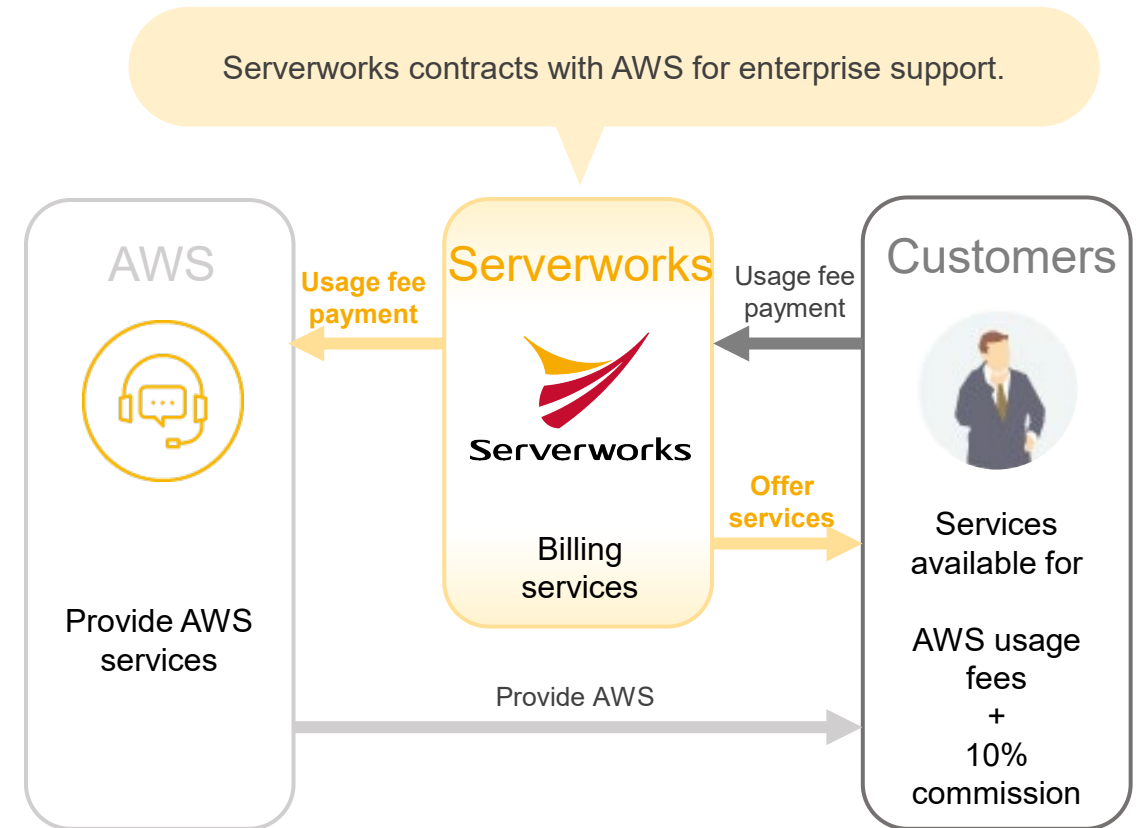
#### ► About “AWS Advanced”

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.

### AWS Advanced Plan

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

\*Paid option





Available with  
advanced service  
agreement

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



Cloud Automator automates  
AWS operations

#### DIP Corporation

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

Feedback  
PICK UP

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

The logo for DIP Corporation, featuring the lowercase letters 'dip' in a bold, black, sans-serif font.

#### 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.

The logo for Kintetsu Real Estate Co., Ltd., featuring a stylized blue circular icon followed by the Japanese text '近鉄不動産' in a bold, blue, sans-serif font.

### 3 Operation and Monitoring Services (MSP)

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

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

### 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  
Late at night, an unexpected server error

Long-term consultation  
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



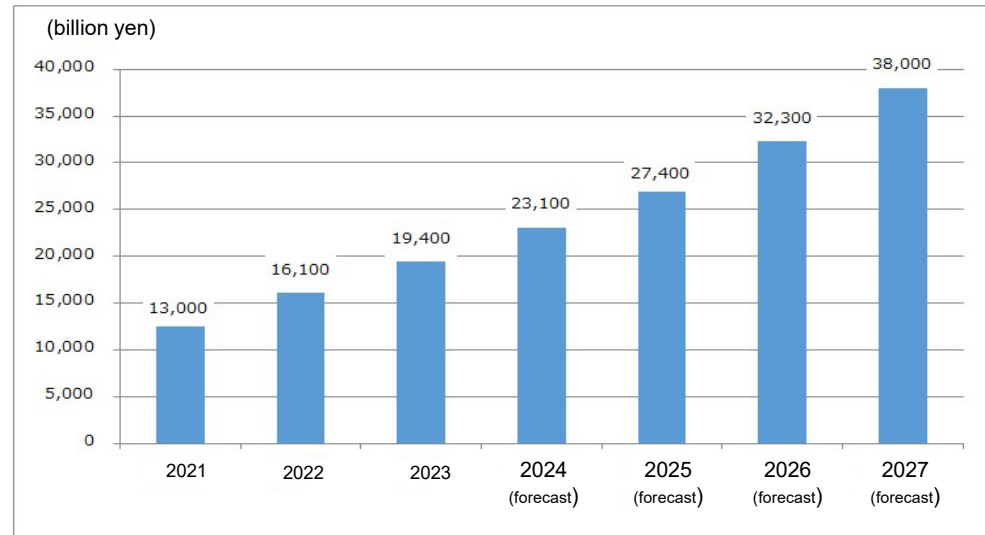
# Market Environment (Domestic IaaS/PaaS)

The domestic IaaS/PaaS market in 2023 results in **120.5% YoY growth**, mainly due to migration demand

(billion yen, %)

	2021	2022	2023	2024 (forecast)	2025 (forecast)	2026 (forecast)	2027 (forecast)
Sales: Cloud infrastructure (IaaS/PaaS)	13,000	16,100	19,400	23,100	27,400	32,300	38,000
YoY	-	123.8%	120.5%	119.1%	118.6%	117.9%	117.6%
CAGR		23.8%	22.2%	21.1%	20.5%	20.0%	19.6%

\* CAGR is the compound annual growth rate (CAGR) from 2021 to the corresponding year.



\*1 Based on business sales

\*2 Forecast figures for 2024 and beyond

\*3 Market size does not include SaaS (Software as a service)

\*4 CAGR in the table is the compound annual growth rate (CAGR) from 2021 to the corresponding year.

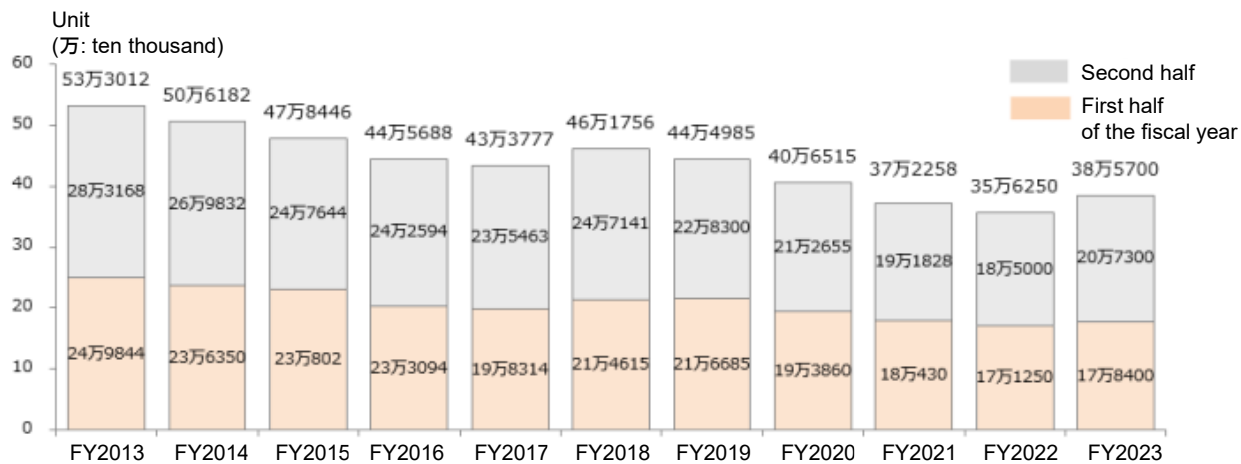
IaaS/PaaS is defined as "a cloud computing environment that uses public cloud computing and virtualization/automation technologies," and the market size is calculated based on cloud vendors' business sales.

The 2023 market (based on vendors' business sales) is estimated to be 1.94 trillion yen, 120.5% of the previous year's market, due to an increase in the number of companies using generated AI on cloud computing platforms.

# Market Environment (Domestic Server Shipments)

Domestic PC server shipments in FY2022 declined for the fourth consecutive year

**Decrease in server shipments narrowed due to sharp rise in cloud prices caused by yen depreciation**



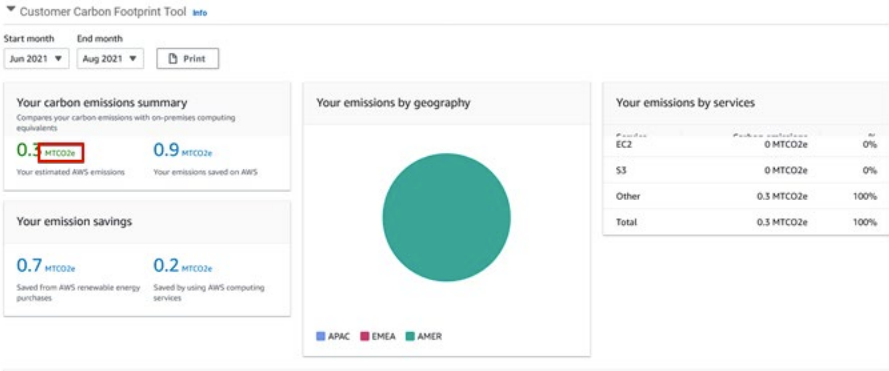
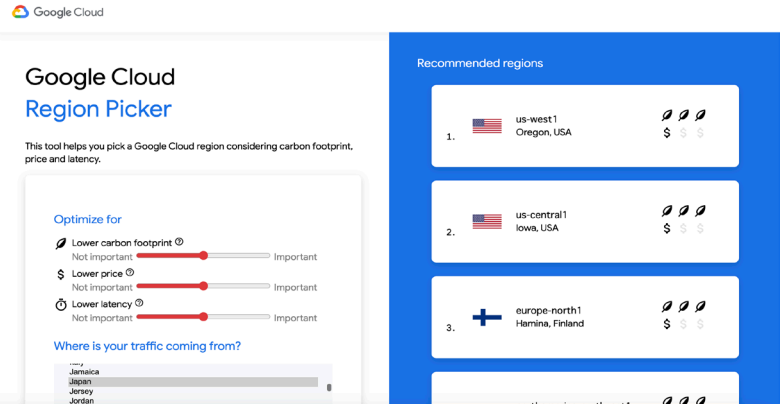
\*Figures for FY2023 are forecasts by MM Research Institute

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In FY2022, shipments fell 4.3% from the previous year to 356,250 units. Although demand for on-premise servers was affected by the shift to cloud computing, which was accelerated by the outbreak of the new coronavirus, the decline was smaller than the 8.4% decline in FY2021. In FY2023, major Slers and telecommunication carriers are expected to increase the number of dedicated generated AI platforms for their own customers in addition to in-house. Major users are also expected to increase their demand for using AI generated on their own dedicated servers rather than in the cloud from the viewpoint of information security and compliance.

# Reference - Carbon Emissions Measurement Tool for Each Cloud Service



Cloud Service	AWS	Google Cloud
Tool	Customer Carbon Footprint Tool	Google Cloud Region Picker
Feature	<p>As a performance against sustainability goals, <b>measure estimated carbon</b></p> <ol style="list-style-type: none"> <li>Using AWS reduces emissions, comparing to on-premise.</li> <li>CO2 emissions on a monthly, quarterly, and annual basis.</li> <li>Measure the projected change in annual CO2 emissions based on AWS usage within the account.</li> </ol>	<p><b>Google Cloud region can be selected taking variables like price, latency, and sustainability into account.</b></p> <ol style="list-style-type: none"> <li>Identify regions with particularly low carbon impact.</li> <li>Indicate the usage rate of carbon-free energy and the carbon intensity index of the power grid.</li> </ol>
		

# Forward-Looking Statements

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

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

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





Serverworks