



# Results of Operations for the Fiscal Year Ended August 31, 2020



October 2020



# I. Company Overview



## Overview

- Company name SERAKU Co., Ltd.
- Established December 1987
- Representative Tatsumi Miyazaki, Representative Director
- Capital 297,974,500 yen (as of August 31, 2020)
- Employees 2,606 on a consolidated basis (as of August 31, 2020)
- Location Nishishinjuku Prime Square Bldg. 7-5-25 Nishishinjuku, Shinjuku-ku, Tokyo
- Group companies P's Engineering (wholly owned subsidiary)  
SERAKU ECA (wholly owned subsidiary)
- Listed exchange Tokyo Stock Exchange, First Section (stock code 6199) Listed on November 20, 2017



## Management Policy

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

# Our Business Model

We have an education-based IT professional creation model, which is capable of fast growth, and two distinctly different categories of services. This business model gives us a continuously cumulative profit structure that can adapt with flexibility to changes in the business climate.

## IT System Construction and Operation

**Technologies for companies' IT and digital transformation requirements**

Sales and earnings centered on a continuously cumulative model that grows along with the number of engineers

### System integration (SI) domain

- Construction/operation of IT systems (long-term projects)
- Industry-specific IT support (for substantial IT needs)

### Digital transformation (DX) domain

- Cloud domain, customer success domain (DX domain for the emergence and growth of companies' needs)

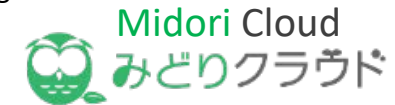
**Unified three-way growth (recruiting, training, operations) in step with changes in technology trends and the nature of companies' requirements**

## Network Services

**Use IT to solve problems at companies**

Sales and earnings backed by increasing provision of services

- Agricultural IT domain



- Digital healthcare domain

Vital Program Currently working on new services

**Focusing investments on social issues with the best prospects for growth**

Sharing of personnel and technology resources

Training engineers internally makes it possible to grow rapidly

## Education-based IT professional creation

Recruiting skill

×

Training skill

We have trained more than 3,000 engineers and have operational know-how obtained from participation in highly sophisticated projects

- Internal recruiting and training allow quickly creating large numbers of IT engineers
- Large investments when market conditions are favorable produces medium to long-term sales growth
- Limit recruiting when market conditions are unfavorable in order to place priority on earnings

## Business Segments

- Long-term, steady growth and growing size of the System Integration segment, along with substantial added value and fast growth of the Digital transformation segment
- Shifting from a technology-based organization to a structure based on industries and other market categories to maximize value provided to customers and society

### Digital Transformation (DX)

Focusing on three sectors with the most growth potential as digitalization continues to advance, aiming for social reform and fast growth

#### Cloud & Solutions Business

- Infrastructure solutions
- IoT cloud support center
- Cybersecurity

#### Customer Success Solutions Business

- Introduction and support services for Salesforce.com.
- Design of marketing activities
- AI technology

#### Midori Cloud Business



- Agricultural IoT service (Midori Cloud)
- Livestock IoT service (Farm Cloud)
- Agricultural product distribution (Midori Market)
- Food and agriculture solutions

### System Integration (SI)

Two sources of growth: Operation of existing IT systems, a business with long-term steady growth, and technology support for industries with substantial IT needs

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

- Operation of IT infrastructures
- Operation of IT systems

- Yokohama branch
- Nagoya branch
- Osaka branch
- Fukuoka branch

### Mechanical Design and Engineering



The education-based IT professional employment business is combined with the activities of each segment depending on the characteristics of the business climate.

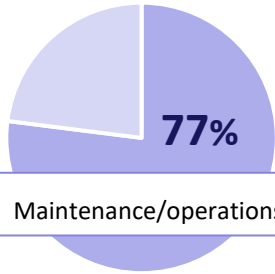


# System Integration (SI)

- Growth of the education-based IT professional creation business along with the consistent growth of long-term IT infrastructure/system operation relationships
- Experienced professionals contribute to growth through the DX shift and greater added value

## Operation of IT infrastructure/systems

### Operation/maintenance of existing IT infrastructure/systems



- Continuously cumulative sales
- A variety of work for different technology requirements

Maintenance/operations, a continuously cumulative source of sales, is 77% of sum of SI and DX sales

## Industry-specific IT solutions

### A focus on market sectors with substantial IT needs

#### Financial/social systems

- Systems for financial institutions
- Social infrastructure systems for gov't agencies

#### Information communication systems

- Systems for communications companies
- Systems for manufacturers

#### Enterprise systems

- Customized systems for prime companies

**Assign people to projects after 2 to 3 months of initial training**

## Education-based IT professional creation

- Recruiting activities that shift people to the growing IT sector (hire people with work experience but no IT experience who have the potential to learn and advance)
- A distinctive training program that covers professional qualifications as well as know-how acquired from actual projects and skills required to perform specific tasks

## Sources of growth in the Digital Transformation Domain

Alliances with prominent platformers



Creation of DX professionals

- Shift current IT experts to the DX field
- Education-based IT professional creation

Services targeting fast-growth themes

- Moving corporate ICT environments to the cloud
- Digitalization of sales/customer interactions

### Cloud & Solutions Business

#### Moving corporate ICT environments to the cloud

Cloud transition solutions



Provision of Microsoft Azure and other cloud transition solutions/technical support



IoT cloud support center

Cybersecurity solutions

**Maintenance/operation of 24-hour/365-day secure ICT environment**

### Customer Success Solutions Business

#### Digitalization of sales/customer interactions

salesforce

Utilization of Salesforce.com

**One-stop solutions centered on Salesforce**



able.ai

salesforce

pardot

AI technology

Digital marketing

# Digital Transformation (DX): Midori Cloud Business

一次産業向け  
デジタルサービス  
**2,000台**  
突破

## IoT support for agricultural production (IoT device x Cloud service x Data science)

Digital service for primary industry companies

Agricultural environmental monitoring service

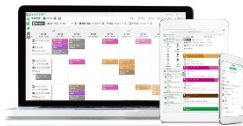


Used at **2,201** locations  
In use in all 47 Japanese prefectures

Use agricultural production data for data-driven agriculture



Midori Monitor



Use crop growing environment and work status data to improve productivity



Environmental monitoring service for raising pigs and chickens



Used at **46** locations

Boosts productivity through the visualization of buildings and equipment for pigs and chickens



Centralized oversight of several buildings raises profitability



## Digital transformation for primary industries

### Agricultural operation support

Use data to increase earnings of agricultural operations



Provision of agricultural operation support app



Cumulative users: **2,000+**

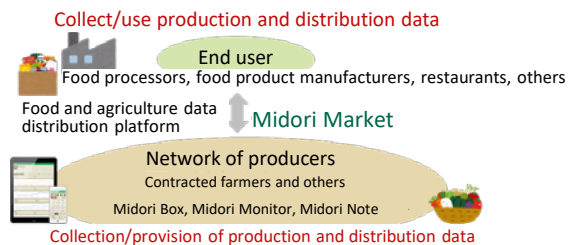
A free cloud service with weather forecasts, market and agricultural chemicals information and records of production plans and harvests. Linking Midori Cloud and agricultural operation support data helps digitalize the distribution of agricultural products.

Plan to add buyer-seller matching, sales forecasts and other functions in the future.

### Midori Market (Agricultural product distribution platform)

A platform service that combines information of agricultural products with production and environment data

Preparing to establish a distribution platform for agricultural production data that can expect marketability, while reflecting the HACCP requirement and amendments to laws involving markets. Strengthen alliances, create services.



### Food and agriculture solutions

Using Midori Cloud technologies and know-how for the digital transformation in primary industries

SERAKU is using orders, alliances and other relationships with companies, government agencies and public-service organizations associated with primary industries in order to use its technologies and know-how for digitalization of the food and agriculture sector. As the leader in the field of food and agriculture solutions, SERAKU is at the forefront of activities to bring about the digital transformation of primary industries.

**Example The Smart Agriculture Demonstration Project of Japan's Ministry of Agriculture, Forestry and Fisheries**

Asparagus production that uses smart agriculture

This project has the goals of using data for temperature and water management, which are critical for growing asparagus, and for a highly profitable production framework and using robots to automate the harvesting of asparagus.





## II. FY8/20 Results of Operations

- Sales in both the System Integration and Digital Transformation segments were generally as planned (COVID-19 did not cause downturns in existing projects)
- Earnings increased mainly due to lower investments for growth as client companies reduced new ICT investments and to new public-sector orders

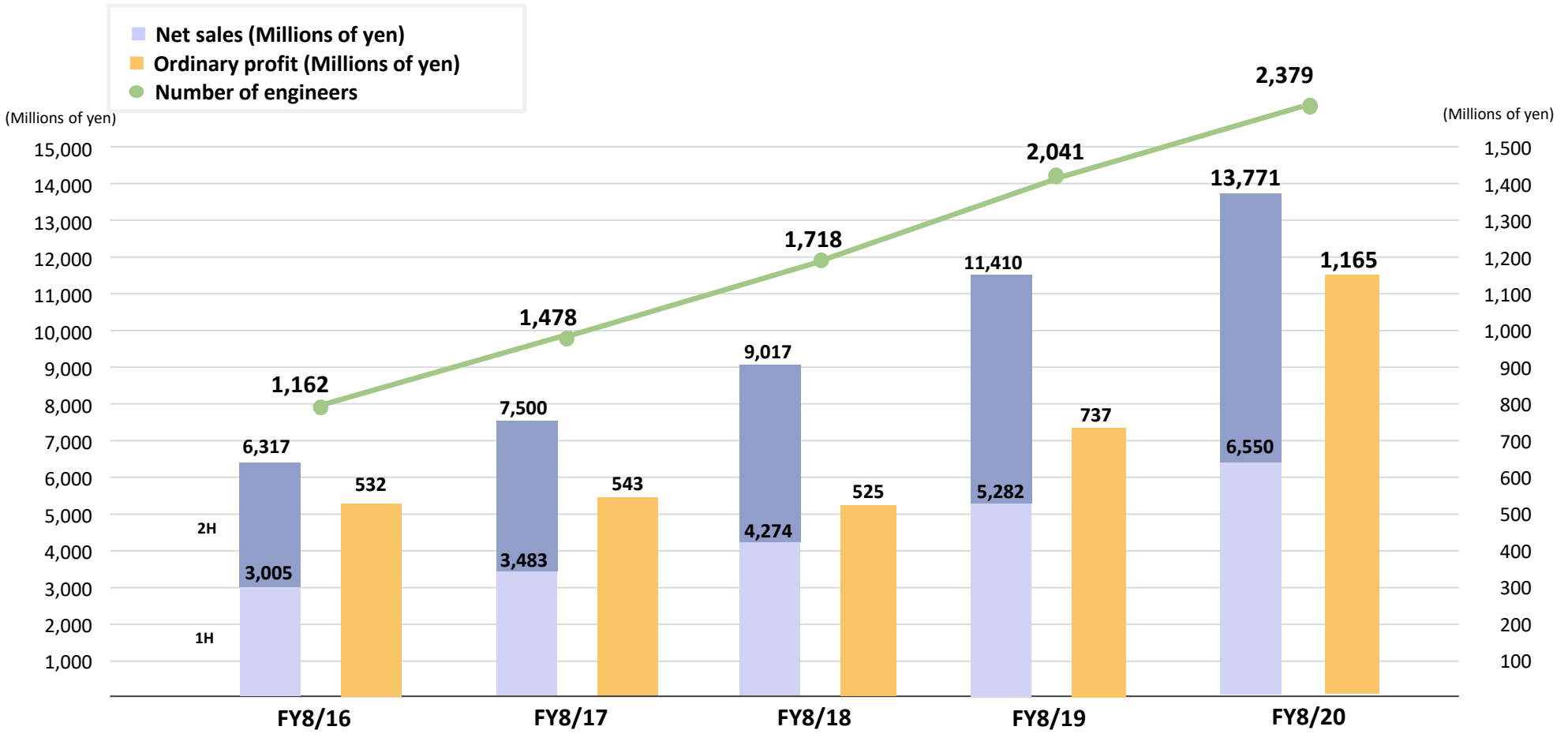
(Millions of yen)	FY8/19 (Reference)	FY8/20 Results	YoY change
Net sales	11,410	<b>13,771</b> <small>(98.4% vs. plan)</small>	<b>+20.7%</b>
Ordinary profit	737	<b>1,165</b> <small>(149.3% vs. plan)</small>	<b>+58.0%</b>
Profit	440	<b>654</b> <small>(139.1% vs. plan)</small>	<b>+48.3%</b>
Net income per share	32.03 yen	<b>47.50 yen</b>	+48.3%
Dividends	3.2 yen	<b>4.6 yen</b>	+43.8%

\*Comparisons with the plan are based on the forecast announced at the beginning of FY8/20.

# A Business Model Structured for Consistent Growth

- The majority of sales and earnings are normally in the second half because the number of engineers increases later in the fiscal year
- There is steady cumulative growth in sales and earnings as the number of engineers increases

## Five-year Summary



## Summary of Results of Operations

- **Consistent performance of IT operation projects, which are about 75% of all operations; demand for DX services is increasing**
- **SERAKU held down recruiting and other investments for growth in response to client company reductions in new ICT investments**
- **Maintained a sound profit structure by placing priority on monthly profitability in all business domains**

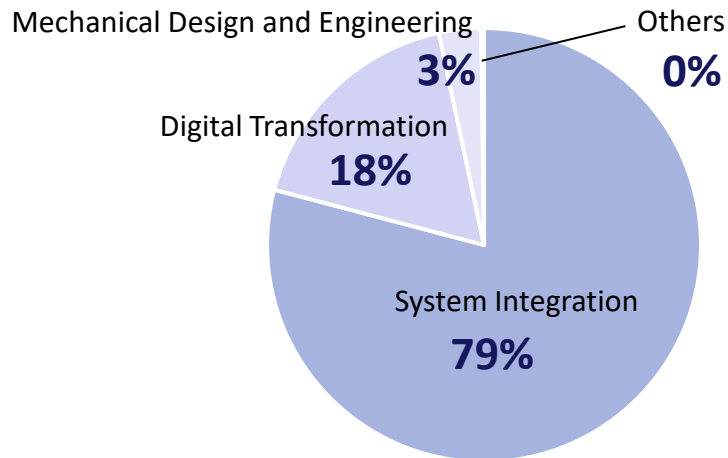
## Business Segment Summary

- Growth in public-service orders contributed to System Integration segment sales and earnings
- Longer assignments for newly graduated engineers hired in April 2020
- The DX shift advanced along with the growth of teleworking
- Steep drop in the need for the job placement business of SERAKU ECA because of a change in market conditions
- More remote training for engineers; shifted to training using actual SERAKU projects
- Food and agriculture solutions projects increased in the Midori Cloud business

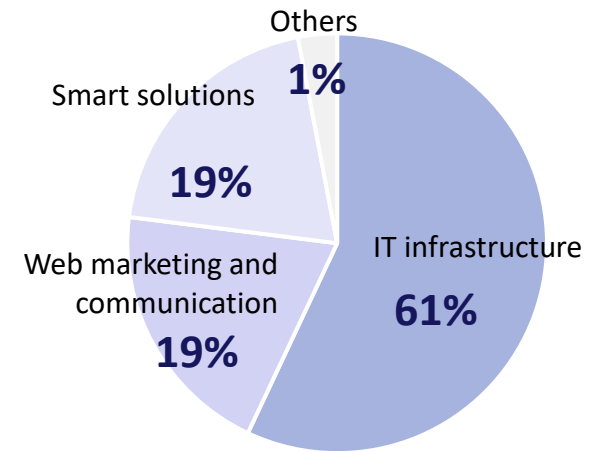
# FY8/20 Summary of Business Operations (Segments and KPI)

- The number of engineers increased by 338 in FY8/20 vs. the planned increase of 350
- The engineer utilization rate was 97.0% in FY8/20 vs. the planned ratio of 98.3%

## Sales Composition by Business Segment



## System Integration Segment Business Sector Sales



## Key Performance Indicators and Topics

### Number of engineers

**2,379**

(96.6% vs. plan)

- The number of engineers is the sum of onsite service engineers and solution service engineers.
- The utilization rate is for engineers (only individuals who have completed initial training) in the onsite service category.

### Utilization rate

(excluding the initial training period)

**97.0%**

- Hired about 200 newly graduated engineers in April 2020
- Recruiting activity has been reduced since March 2020
- Started using remote formats for some engineer training because of COVID-19





- Sep. 4, 2019 **Start of Joint Research with University of Tokyo for Forecasting and Maximizing Employee Performance**  
Signed a joint research agreement for using personnel data for measures to forecast and maximize the performance of individuals
- Dec. 5, 2019 **Midori Cloud Wins 2019 ASPIC IoT/AI/Cloud Award**  
Award recognizes the ability of Midori Cloud to use agricultural data for improving productivity and train people, upgrade production technologies and create sales channels
- Dec. 20, 2019 **Launch of Agricultural Operation Support Service for Assistance with Managing Agricultural Businesses**  
A free service that supplies produce market information, weather forecasts and agricultural chemicals information and records production plans and harvests
- Feb. 27, 2020 **IoT/Cloud Support Center Opens in Tokyo**  
With 24-hour/365-day operations, this center helps meet the growing demand for services in the cybersecurity business and IoT/cloud support center business
- Mar. 10, 2020 **Expansion of Branches in Nagoya and Osaka**  
To meet the growing need for SERAKU's services in the Nagoya and Osaka areas, the Nagoya and Osaka branches were enlarged for upgrading the environment for training activities and handling a larger volume of work.
- Apr. 1, 2020 **Midori Cloud Selected as a Smart Agriculture Demonstration Project by the Ministry of Agriculture, Forestry and Fisheries**  
A business in Nagasaki prefecture with the involvement of Midori Cloud was selected by the Ministry of Agriculture, Forestry and Fisheries as a smart agriculture demonstration project
- Apr. 1, 2020 **Nationwide Launch of the Farm Cloud Livestock IoT Service**  
The Midori Cloud agricultural IoT service is used to support the production activities of large pig and chicken farms
- May 25, 2020 **R&C Holdings Business Alliance for Smart Agriculture for Produce Distribution**  
This alliance with R&C Holdings, Japan's second-largest fruit and vegetable wholesaler, will facilitate the use of smart agriculture for the distribution of produce
- Sep. 7, 2020 **Cooperation with Microsoft Japan for Training 200 Microsoft Azure Engineers Every Year**  
Training will use the Cloud & AI Engineer Development Program of Microsoft Japan



# III. FY8/21 Plan and Initiatives

- Based on the outlook for market conditions, we forecast steady sales growth backed by more IT operations projects and growth in the DX sector
- Forecast an ordinary profit margin of more than 10% while making investments for creating more value in the future

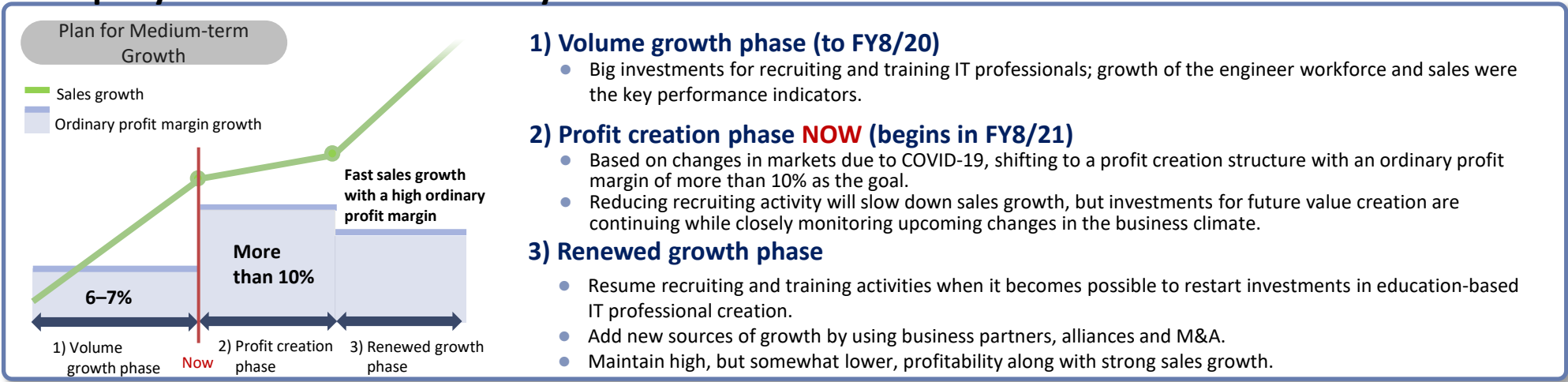
\*9.1% margin based on operating profit

(Millions of yen)	FY8/20 (Results)	FY8/21 Plan	YoY change
Net sales	13,771	<b>15,020</b>	<b>+9.1%</b>
Operating profit	1,134	<b>1,370</b>	<b>+20.8%</b>
Ordinary profit	1,165	<b>1,650</b>	<b>+41.6%</b>
Profit	654	<b>957</b>	<b>+46.3%</b>
Net income per share	47.50 yen	<b>69.51 yen</b>	+46.3%
Dividends	4.6 yen	<b>5.6 yen</b>	+21.7%

# FY8/21 Growth Forecast

Based on current market conditions, we plan to shift from growth of the scale of operations to business operations that can maintain high profitability.

Aiming to use renewed growth of education-based IT professional creation in order to become a company with sales of 50 billion yen.



### 1) Volume growth phase (to FY8/20)

- Big investments for recruiting and training IT professionals; growth of the engineer workforce and sales were the key performance indicators.

### 2) Profit creation phase NOW (begins in FY8/21)

- Based on changes in markets due to COVID-19, shifting to a profit creation structure with an ordinary profit margin of more than 10% as the goal.
- Reducing recruiting activity will slow down sales growth, but investments for future value creation are continuing while closely monitoring upcoming changes in the business climate.

### 3) Renewed growth phase

- Resume recruiting and training activities when it becomes possible to restart investments in education-based IT professional creation.
- Add new sources of growth by using business partners, alliances and M&A.
- Maintain high, but somewhat lower, profitability along with strong sales growth.

#### IT professional creation

- Recruit fewer people while shifting to recruiting experienced IT professionals; focus on increasing the value created by our current engineers.
- Resume a high level of activities for education-based IT professional creation when market conditions start to improve.
- Start an education program incorporating actual projects and use other measures for qualitative improvements in the technology education program.

#### Current businesses

- Shift to an industry-based organizational structure, become a prime vendor and strengthen business partners in order to aim for sales of more than 50 billion yen.
- Faster pace of the DX shift by using cooperation with Microsoft, Salesforce.com and other partners.

#### New businesses

- Agricultural IT: Expand food and agriculture solutions support services for companies; use Midori Market to provide services.
- Start creating new services and reinforcing alliances in the digital healthcare domain, where prospects for growth are excellent after the COVID-19 crisis ends.

#### Infrastructure

- Plan to start operating a training center in December 2020 for large-scale training programs with actual materials used for actual projects and for the expansion of remote training programs.
- Continue strengthening the framework for business activities and building an IT system infrastructure to support more growth in the scale of operations.

#### Key Performance Indicators

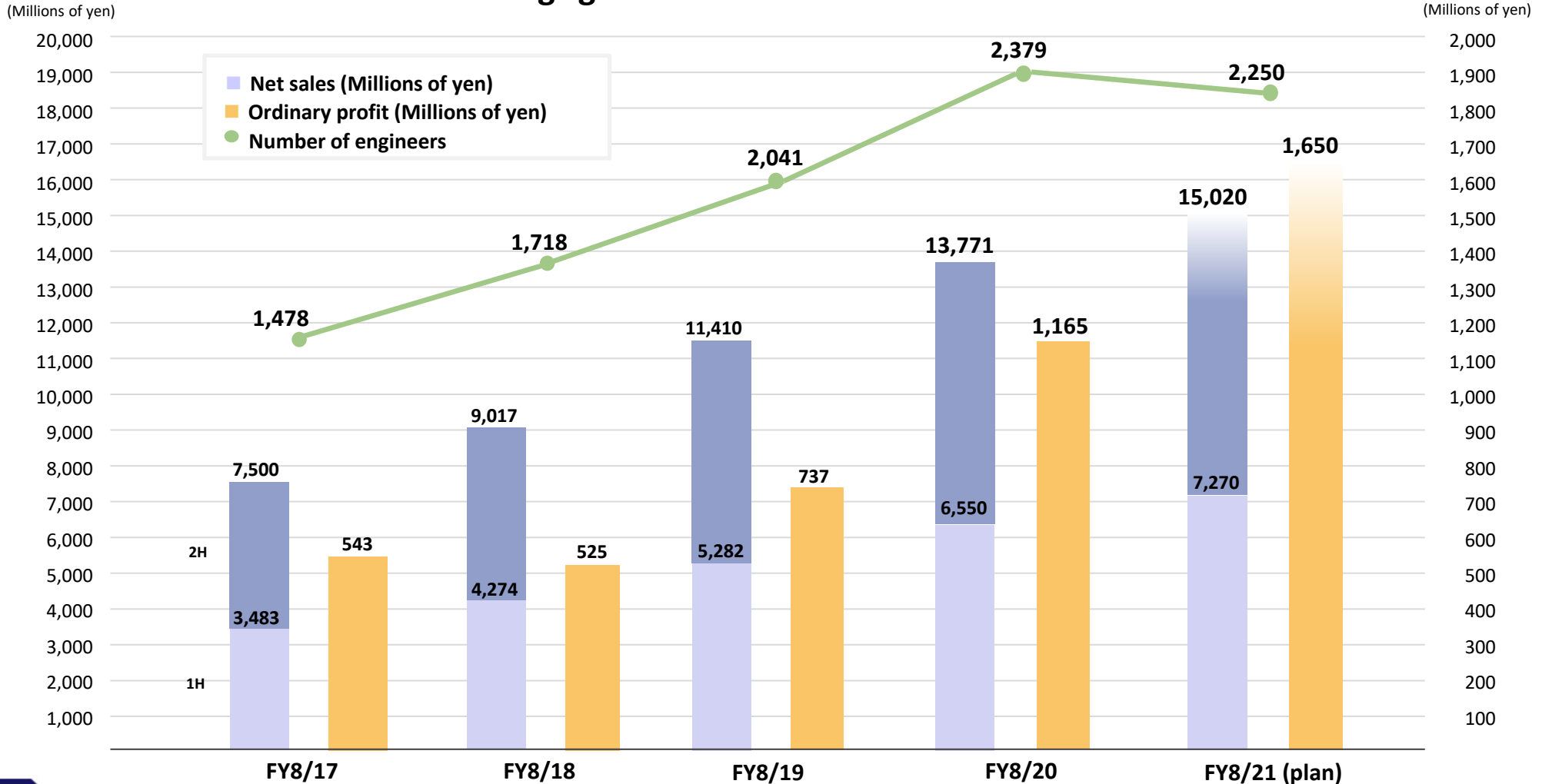
Number of engineers	Engineer utilization rate
2,250	97.9%

(Down 129 YoY)



## Five-year Summary

- Priorities are more added value for current engineers and the DX shift in order to contribute to sales and earnings growth





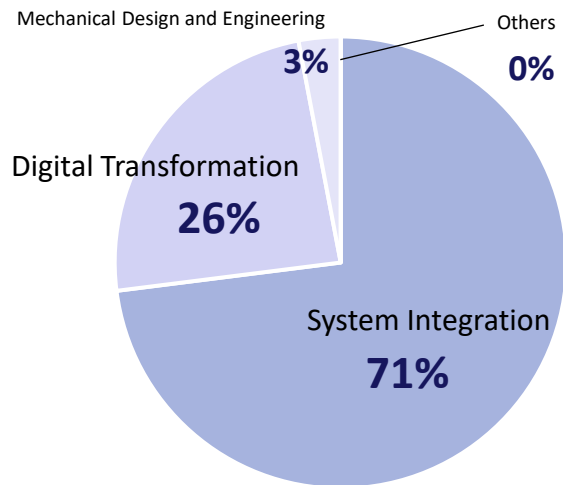


## Business Segment Sales and Earnings

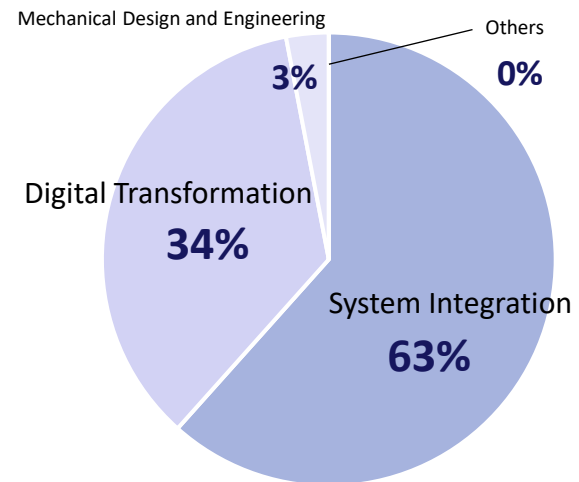
- The goal is an increase in the DX share of sales to **26%** Up 8pt YoY
- More earnings growth backed by consistent SI earnings and the creation of added value in the DX sector

Planning on DX to be 34% of earnings

Sales Composition by Business Segment



Earnings Composition Forecast by Business Segment



**The DX shift and rapid digitalization of society are expected to increase DX as a share of sales and earnings in FY8/21**

# System Integration (SI) Growth Forecast

- **Shift to an industry-based organizational structure and become a prime vendor to aim for sales of more than 50 billion yen**

Upgrade IT technologies and industry-specific business knowledge for training that creates added value; become a prime vendor (receive orders directly)

- **A stronger partner network to increase the size of IT system operation projects**

Enlarge the network of business partners to support many initiatives to increase the scale of business activities

Partner ratio

Goal is an increase to **30%** over the next three years

\* Partner ratio: People employed by partner companies as a percentage of the total workforce on assignments

- **Upgrade technological skills by increasing training using actual projects**
  - A new training center at the head office will start operations in December 2020; plan to include a training room with equipment used at actual projects.
  - Training based on actual services provided to customers will give people skills normally acquired only through on-the-job experience.
- **Help more than 2,000 engineers achieve a variety of long-term career goals and hire experienced engineers**
  - Revise the performance evaluation system, conduct a program to train people for upper-level management positions, and use other measures.
  - Increase the hiring of experienced engineers who can contribute immediately while reflecting changes in the health of the economy.
- **More growth of business sites throughout Japan**
  - Increase the size of the branches in Yokohama, Nagoya, Osaka and Fukuoka and raise total sales of regional offices to more than 30% of total sales.
- **Increase orders in the public-service sector**
  - Continue sales activities to capture more orders in the public-service sector following this sector's growth in FY8/20.






Renderings of the new training center

## Cloud & Solutions Business

**COVID-19 has rapidly increased demand for shifting ICT environments to the cloud and for the operation of ICT systems. We plan to grow fast as well by training engineers and strengthening alliances.**

### Moving corporate ICT environments to the cloud

**Cloud transition solutions**

Design and construction services	Server (Linux/Windows/UNIX)
Network infrastructures	Virtualization/Hyperconverged infrastructure (HCI)
Cloud   	Kitting


**IoT cloud support center**

24-hour/365-day operation	Outstanding security and resilience to disasters
Managed service provider (MSP) for IoT systems	Automation of system operations (RPA and AI)



**Cybersecurity**



Diagnosis to identify vulnerabilities	Security operations center
Installation of security products (Endpoint/UTM/CASB/VDI/others)	

- Activities for stronger alliances**

 **Microsoft** Used cooperation to train 200 Azure engineers

- Started a resale business**

  **Microsoft** Resells cloud and cybersecurity products of partner companies; strengthening alliances

\*Companies that are to participate in this business or that are under consideration

- Build a stronger team of engineers**

End of FY8/21

Plan to increase to **150** engineers

## Customer Success Solutions Business

### Salesforce.com utilization support services

### Design of marketing activities

### AI technology



Already served more than 100 companies and aiming for more

Plan to complete training of **170** high-end engineers by the end of FY8/21

Selected Salesforce.com support service clients



- |  |                              |                                     |
|--|------------------------------|-------------------------------------|
| ALPINE ELECTRONICS MARKETING, INC.             | LINE Corporation             | RICOH COMPANY, LTD.                 |
| Hitachi Industrial Equipment Systems Co., Ltd. | Hitachi, Ltd.                | DAIKIN AIR TECHNO, Ltd.             |
| Tokyu Housing Lease Corporation                | Zurich Insurance Company Ltd | Minophagen Pharmaceutical Co., LTD. |
| ITOCHU Techno-Solutions Corporation            | and others                   |                                     |



DX shift of creators and marketers in the web marketing domain

- Marketing operations using Pardot
- Operations for digital ads/SNS
- Digital creative service



Create teams of AI/data science engineers for the extensive and effective use of customers' business data

- Collect and analyze sales and marketing data
- Use Tableau for visualization
- Create/improve optimized solutions by using AI

Use the Salesforce platform for the digitalization of customers' business processes

**Grow as a highly innovative DX company by using the Salesforce platform, which covers the SFA/CRM domain as well as digital marketing and AI technology**

## IoT support for agricultural production (IoT device x Cloud service X Data science)



Slowly shift from prioritizing suitable profitable rather than promotion

- Strengthen the partner sales network by starting the new partner system
- Plan to revise prices now that users understand the value of Midori Cloud service
- Use the Business Continuity Subsidy campaign to increase the number of Midori Cloud users



Use alliances with companies associated with pig and chicken farm to attract more users

- Use alliances with fertilizer companies, makers of equipment used for raising pigs and chickens, veterinary drug wholesalers and other companies associated with pig and chicken farm operations
- Increase Farm Cloud utilization by marketing this as a high unit price, high value-added service

During the next two years, the promotion and establishment phase of IoT agricultural production support, the goal is **4,000** units in use and a suitable level of profitability

## Digital transformation for primary industries

**Midori Market** (Agricultural product distribution platform)

**Food and agriculture solutions**

### Use alliances to create an agricultural distribution platform business

SERAKU's Strengths

**3,000** producer database files

**2,000** crop growing database files

SERAKU has producer data and crop growing data due to Midori Cloud and the provision of agricultural operation support services. By using this strength, we are preparing to start an agriculture distribution platform that uses data about end users and product distribution as well as alliances with companies that have platforms for the distribution of agricultural products.

### We want to be the leader in primary industry digitalization

Our plan is to generate revenue from providing to companies and public-service organizations IoT, data science, AI and other technologies acquired through our Midori Cloud business and our data utilization support expertise for companies in primary industries. Our goal is to establish a leading position in the field of primary industry digitalization support that is underpinned by outstanding R&D capabilities for new technologies and strong growth of this business.

**Plan to launch services using the Midori Market brand**





## Contributing to the Creation of a Sustainable Society

The SERAKU Group management vision

Since its inception, the SERAKU Group has been dedicated to the management vision of “contributing to the creation of a sustainable society.” Through the years, the group has used IT education programs to create businesses and play a role in the advancement of society.

The group’s management philosophy has four core elements: become a company that can grow and progress forever; take on the challenge of bringing about change; help create a better future for the world and the people of the world; and ensure the happiness of all employees. Guided by this philosophy, the SERAKU Group is taking many actions concerning the three values of ESG.



Use IT innovation to play a role in reducing the environmental impact and maintaining the stability of food production. To establish a society that recycles resources, we conserve energy and reuse and recycle materials as much as possible with regard to our services and workplace environments.



We use IT to increase the value of industries by enabling the safe operation of a broad range of systems. In addition, we give people skills to be successful in today’s highly advanced IT-dependent society and make IT knowledge accessible to a large number of people. Through these activities, we are determined to remain a company that is a vital member of society.



We give everyone equal opportunities regardless of age, gender, nationality and other characteristics in order to benefit from a diverse workforce. We have a rigorous compliance framework for highly transparent management in order to remain a company that can earn the trust of the public.

# Dedicated to the Sustainable Development Goals

The SERAKU Group operates businesses that are vital to society regarding IT infrastructures and in other ways. Our activities drive innovation involving AI, the IoT and other leading-edge fields of technology. We are committed to using our IT capabilities for SDG progress in order to achieve a sustainable society.

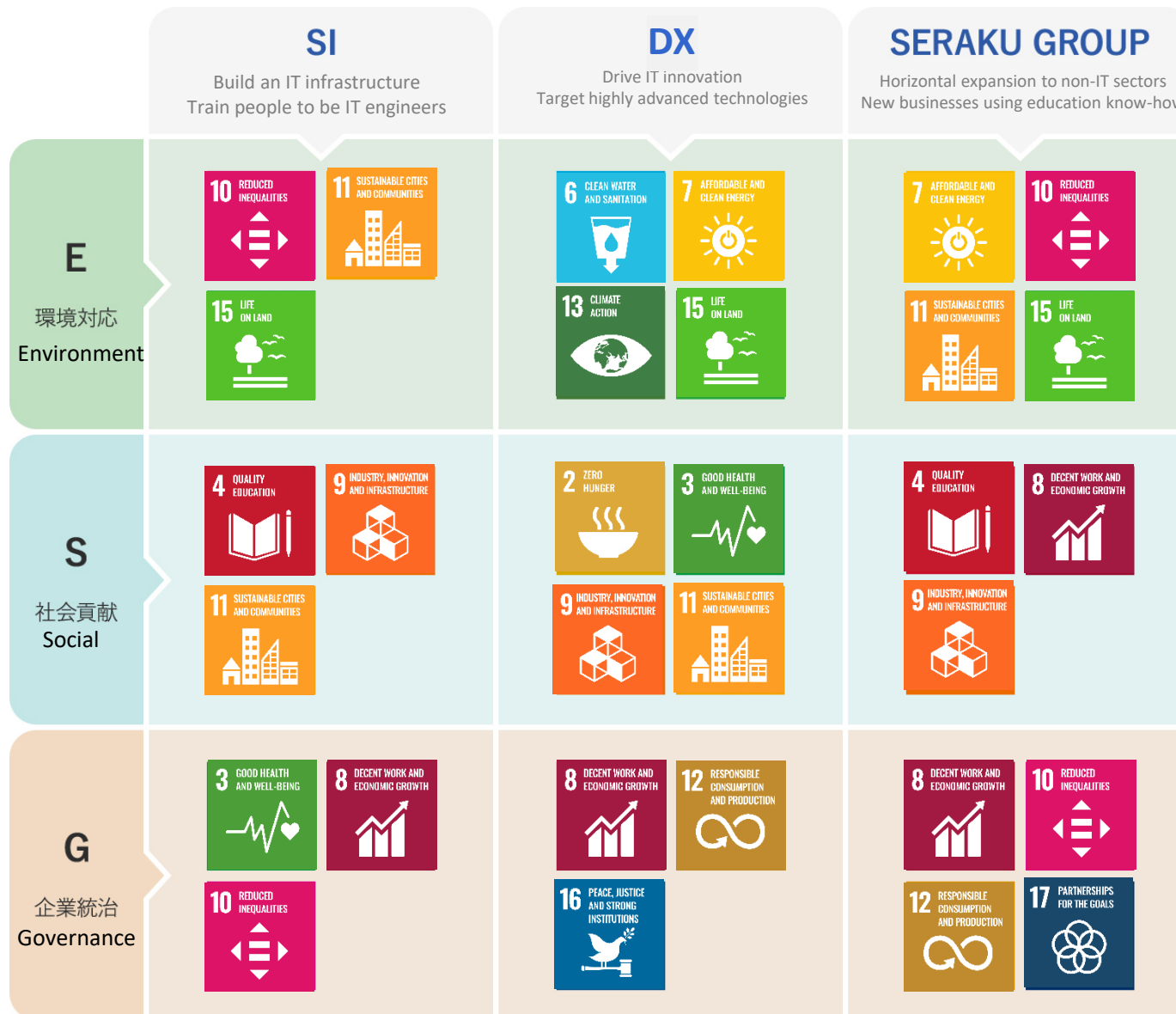


\*The Sustainable Development Goals were established at a UN summit meeting in September 2015. The 193 countries of the United Nations are committed to accomplishing these goals during the 15-year period from 2016 to 2030.

## SERAKU's ESG and SDG involvement

The SERAKU Group uses ESG activities to build a sound base for the group's long-term growth and, as a social value creation organization, to increase initiatives for achieving a sustainable society.



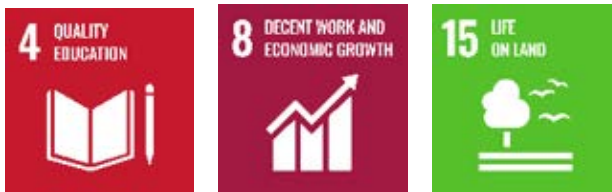


## IT Infrastructure Business



This business ensures the safe operation of IT systems by building and operating a sound IT infrastructure. These activities contribute to sustainable progress in today’s information-dependent society. Furthermore, this business develops the skills of people by hiring people with no IT experience and training them by using an innovative program. Conducting these activities creates jobs for young people and helps resolve the shortage of highly skilled IT professionals.

## Web Services Business



The main activities are providing web technologies to customers and creating new social frameworks that utilize digital technologies. Job creation for young people and technology education programs are key elements of this business, which aims to establish web systems with strong lines of communication among people, society and companies.

## Information Security Business



To protect the core IT infrastructures of clients, this business operates a 24-hour/365-day Security Operations Center that combats the threat posed by the increasing volume and sophistication of cyber threats. Providing these services contributes to the safety of society by maintaining powerful and sustainable IT security.

This business has received ISO27001 certification for information system management systems.

## Business Intelligence/RPA Business



By using business intelligence, robotic process automation, management automation and other IT tools, this business encompasses a full line of services extending from consulting for starting to use IT systems to assistance for the effective utilization of these systems. Using IT for optimization and automation makes decision-making more efficient, boosts business process productivity and produces other improvements. These advances can contribute to working style reforms throughout society.



**IoT/AI/Data Science Business**



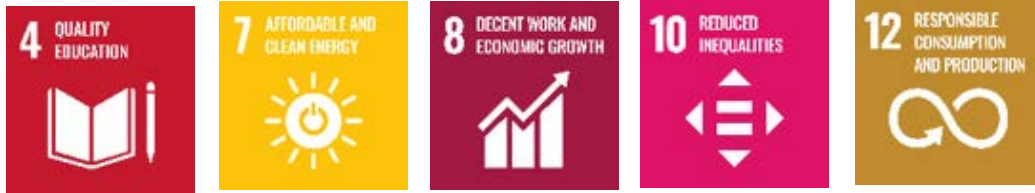
This business contributes to constant technology innovation and progress by using the collection and analysis of data for the discovery of new value. Joint research with academic institutions is one facet of operations. Utilizing data for the development of next-generation healthcare services is a new element of this business. All of these operations have the goal of creating solutions that help improve people’s lives.

**Agricultural IT Business**



This business uses the Midori Cloud agricultural IoT service to invigorate a primary industry and build a food value chain. Another activity is the Midori Market food and agriculture distribution data platform for the reliability of food supplies and reduction of food loss. These services increase industrial value, lower the environmental impact and support the development of the next generation of agricultural professionals.

**Mechanical Design Business (P's Engineering)**



P's Engineering is an education-based professional creation company in the field of mechanical design and engineering. This business creates jobs and provides an opportunity for education to people with no experience in this field. Furthermore, utilization of the SERAKU Group's knowledge and resources makes it possible to train people with a diverse range of skills encompassing IT, the IoT, AI and other advanced technologies.

**Education and Professional Creation Business (SERAKU ECA)**



SERAKU ECA operates the Minnano Jonetsu University in order to give people access to classes covering many subjects. In addition, the Technique Training education service allows people with no experience to find employment in the IT sector. These activities help solve the social issues of the education gap and the shortage of people with IT skills. Providing education to people with a diverse array of skills and goals along with helping create communities of these people allows doing jobs by using many different formats.

## Corporate Activities



The SERAKU Group has a diverse workforce where everyone has equal opportunities for advancement regardless of age, gender, nationality and other characteristics. In addition, various programs keep employees healthy, which also improves productivity. To create social value, we have a joint research program with the University of Tokyo concerning the forecasting and maximizing employee performance and we have a strong commitment to energizing rural areas of Japan. For example, we have opened offices in the city of Minamishimabara in Nagasaki prefecture and the town of Okuizumo in Shimane prefecture. In addition, we have a rigorous compliance framework for highly transparent management. By adhering to the management philosophy that has guided our activities since our inception, we are determined to play a role in achieving the SDGs for the creation of a sustainable society.



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 FY8/21 forecasts or differences between results of operations and these forecasts that require disclosure.