

Q2 FY02/26 Financial Summary

(Interim Period)



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1. Q2 FY02/26 Summary

Executive Summary

▶ Multiple special factors combined to cause a significant year-on-year decline in profits (revision of earnings forecast)

- In addition to the strong yen in Q1, **multiple special factors** such as unprofitable projects at SWX and G-gen, and the occurrence of extraordinary losses at a specific major client, **combined to result in a significant year-on-year decrease in profits.**
- Decided to fully amortize the goodwill related to G-gen in a lump sum, resulting in a special loss of 742 million yen. Furthermore, net income turned significantly negative due to factors such as the reversal of deferred tax assets associated with changes in tax effect classification.
- In conjunction with this revision to the full-year consolidated earnings forecast, a reduction in executive compensation* was decided to clarify management responsibility.
- Special factors are detailed on page 9 and following. Excluding these special factors, the results are at a level that would achieve the initial earnings forecast.

▶ Implementation of shareholder returns (initiation of dividends)

- Looking ahead, stable profit generation is anticipated. We have determined that we can achieve both business investments for further growth and the return of profits to our shareholders. Therefore, we have decided on a policy to pay dividends for the first time since our founding in the fiscal year ending February 2026.
- Under a stable and continuous dividend policy, we expect a dividend of 25.00 yen per share based on the record date for the fiscal year ending February 2026.

* Please refer to the "Notice Regarding the Recognition of Extraordinary Losses Due to Lump-Sum Amortization of Goodwill, Revision of Full-Year Consolidated Earnings Forecast, and Reduction of Executive Compensation" announced on October 15, 2025.

Financial Highlights

While sales revenue is progressing steadily (particularly G-gen, which grew +19% YoY), profit declined significantly YoY due to loss recognition from multiple special factors.

		Net sales	YoY	Operating profit	YoY
Consolidated	 Serverworks	18,736 million yen	+8.4%	90 million yen	-85.0%
	 Serverworks	15,035 million yen	+5.9%	508 million yen	-24.8%
	Consolidated subsidiary  Ggen	3,710 million yen	+19.1%	-354 million yen	-332 million yen *
Non-consolidated	* G-gen and Topgate merged in July 2024.				
	Consolidated subsidiary  Smart Operations	41 million yen	—%	-4 million yen	—%
		* Established in March 2025.			

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

Revision to FY02/26 Consolidated Earnings Forecast*1

Due to the impact of exchange rates and the recognition of losses from special factors, **the forecast is expected to fall below the previously announced figures, leading to this revision.**

Excluding special factors, business is progressing largely as expected. We will continue our investment strategy to achieve targets for the next fiscal year and beyond.

(Unit: million yen)	Previously announced forecast		Revised forecast (announced on October 15, 2025)		
	Forecast	Relative to net sales	Forecast	Relative to net sales	Change from Previous Forecast
Net sales*2	40,841	100.0%	38,393	100.0%	-6.0%
Gross profit	4,617	11.3%	3,499	9.1%	-24.2%
Operating profit	1,140	2.8%	392	1.0%	-65.6%
Ordinary profit	1,171	2.9%	488	1.3%	-58.3%
Profit attributable to owners of parent	848	2.1%	-877	-2.3%	—%

*1. We have revised the full-year consolidated earnings forecast previously announced in the "Summary of Financial Results for the Fiscal Year Ended February 2025" on April 14, 2025. For details, please refer to the "Notice Regarding the Recording of Extraordinary Losses Due to Lump-Sum Amortization of Goodwill, Revision of Full-Year Consolidated Earnings Forecast, and Reduction of Executive Compensation" announced on October 15, 2025, and "Reduction of Executive Compensation" announced on October 15, 2025.

*2. Segment forecasts are not disclosed as the Cloud Business constitutes a single segment. Furthermore, the exchange rate used for resale revenue has been revised from the previous period's average rate of approximately 152.75 yen per USD to the actual average exchange rate for the current period of 146.2 yen per dollar.

Summary of Q2 FY02/26 Results

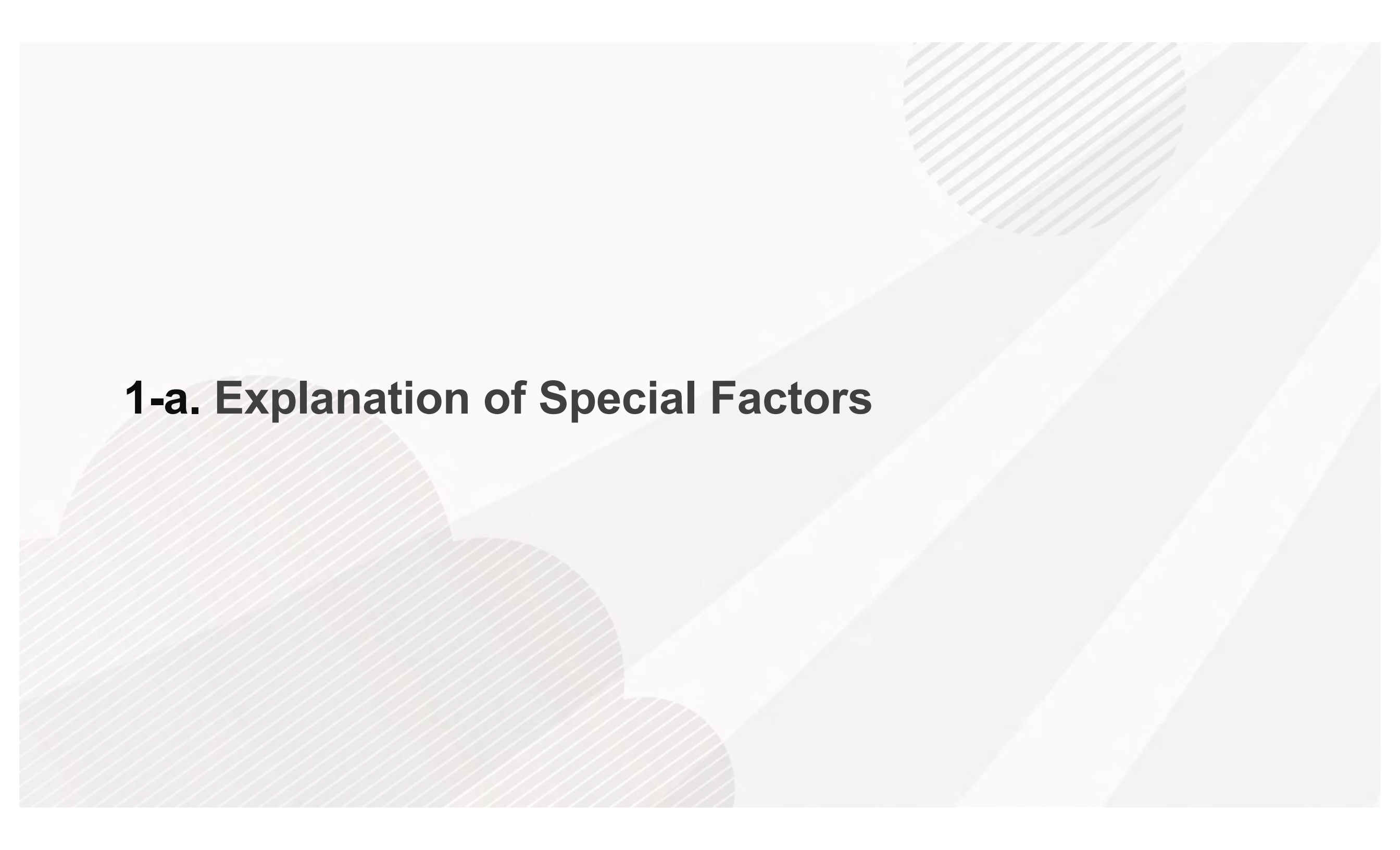
	Positive	Negative ※Excluding external factors (exchange rate impact)
	- Excluding special factors, performance is on track to meet initial earnings forecasts - Initial hiring targets were met, with additional hires also expected to be achieved - Stable profit generation is projected for the next fiscal year and beyond, and shareholder returns (commencement of dividends) will be actively implemented	(Impact on operating profit) - Impact of unprofitable projects (Impact on net income) - Extraordinary losses were recorded due to unforeseen loss events - Increase in corporate tax due to changes in tax effect classification *Primarily due to one-time factors this period
	- Similar to Serverworks, excluding special factors, performance reached a level consistent with the initial earnings forecast - Enterprise-level generative AI use cases also increased, overall sales growth rate maintained at a high level	(Impact on operating profit) - Impact of unprofitable projects (Impact on net income) - Lump-sum amortization of goodwill - Increased corporate tax due to reassessment of recoverability of deferred tax assets *Primarily one-time factors for the current period

※ Please refer to the "Notice Regarding Recognition of Extraordinary Losses Due to Lump-Sum Amortization of Goodwill, Revision of Full-Year Consolidated Earnings Forecast, and Reduction of Executive Compensation" announced on October 15, 2025.

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Financial Summary of Q2 FY02/26

	Quarterly Cumulative				Quarterly Trends for FY02/26				
	FY02/25 Q 2	FY02/26 Q 2	YoY	Revised Forecast Progress Rate	Q 1	Q 2	Q 3	Q 4	Compared to the previous quarter
Net sales	17,291	18,736	+ 8.4%	48.8%	9,219	9,516			+ 3.2%
SWX	14,194	15,035	+ 5.9%		7,400	7,635			+ 3.2%
G-gen	3,115	3,710	+ 19.1%		1,821	1,888			+ 3.7%
Gross profit	2,030	1,597	21.3%	45.7%	925	672			-27.4%
Gross profit margin	11.7%	8.5%	-3.2%		10.0%	7.1%			
Operating profit	602	90	-85.0%	23.0%	199	-109			—%
Operating profit margin	3.5%	0.5%	-3.0%		2.2%	-1.1%			
Interim profit (loss) attributable to owners of parent	355	-903	—%	—%	113	-1,017			—%
Interim profit margin attributable to owners of parent	2.1%	-4.8%	-6.9%		1.2%	-10.7%			

The background features a light gray field with several overlapping circles. Two circles in the lower-left are filled with a fine, light pink diagonal line pattern. A third circle in the upper-right is filled with a fine, light gray diagonal line pattern. Broad, soft diagonal bands of light gray and white sweep across the entire scene from the bottom-left towards the top-right.

1-a. Explanation of Special Factors

Special Factors, Future Impact and Countermeasures ①

* Impact on Operating Profit

Company	Factor	Details	Estimated Impact on Q2	Future Impact	Countermeasures (Response)
 	Impact of Exchange Rates (Yen Appreciation) ①	April 2025: Yen appreciation resulting from turmoil in financial and foreign exchange markets	Net sales: -746 million yen Gross profit: -75 million yen	<u>Depending on exchange rate movements</u> each 1-yen appreciation/depreciation reduces/increases net sales by 227 million yen/year operating profit by 22 million yen/year	Initial rate of 152.75 yen changed to actual average rate of 146.2 yen for the current period
 	Unprofitable Projects ② ③	Unprofitable projects in large-scale integration initiatives At G-gen, due to delivery schedule extensions, a portion of sales were deferred to the next fiscal year <u>Issue Resolution</u> Estimation/Risk Management Workload/Profitability Management Quality Management/Standardization	<u>SWX</u> Cost : 106 million yen Gross profit : -106 million yen <u>G-gen</u> Net sales : -88 million yen Cost : 325 million yen Gross profit : -414 million yen	<u>Moving toward convergence</u> Excluding unprofitable projects, the gross margin rate in CI is as expected	<u>Estimation and risk management:</u> Establish guidelines Systematize reporting Resource and talent management <u>Workload and Profitability Management:</u> Implement New Business System <u>Quality Management/Standardization:</u> Implement new business system Develop Guidelines <u>System implementation and institutionalization are essential to handle increased project volume</u>

Special Factors, Future Impact and Countermeasures ②

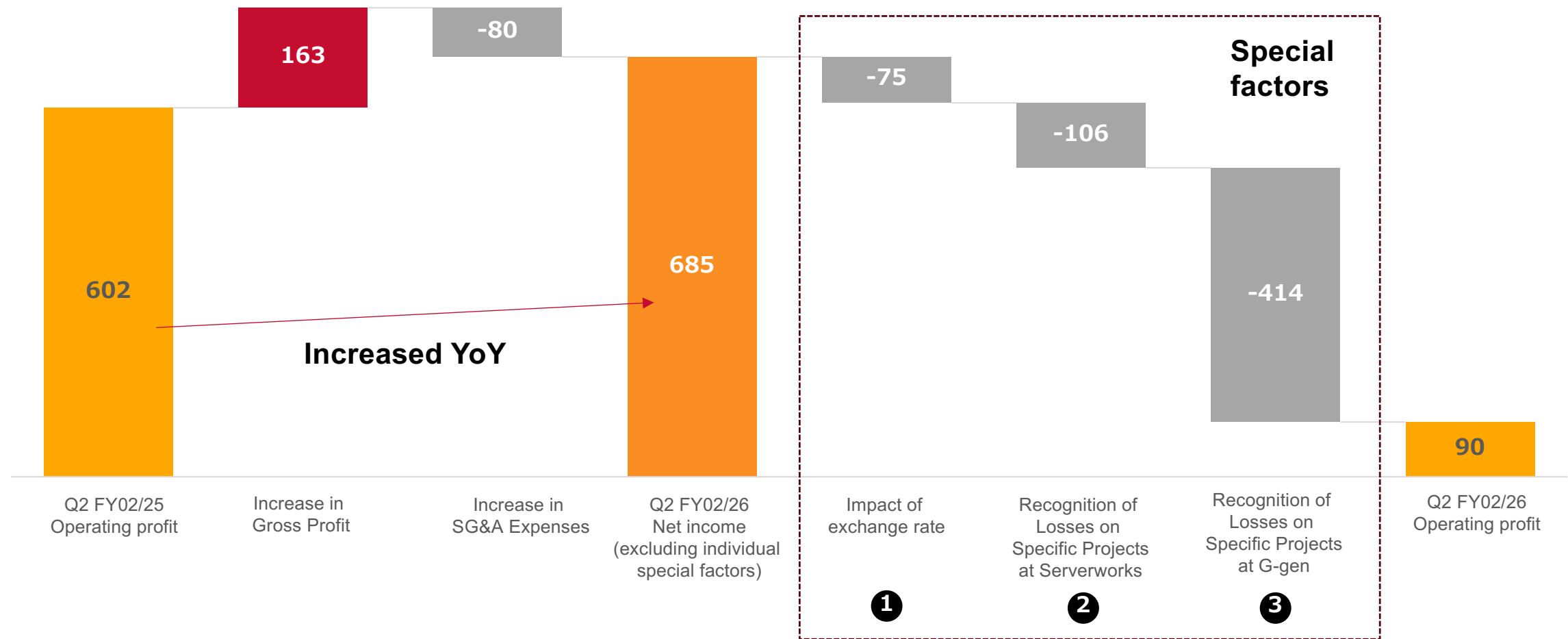
* Impact on Net Income

Company	Factor	Details	Estimated Impact on Q2	Future Impact	Countermeasures (Response)
 Serverworks	Extraordinary Loss Incident 4	An extraordinary loss occurred in a specific client's cloud environment due to the client's management error	Extraordinary Loss: 98 million yen	<u>Recognized as profit upon recovery</u> Recovered as non-operating income or extraordinary income; no further negative impact No impact on service provision or other customers	—
 Serverworks	(Non-consolidated) Impairment of G-gen shares (Consolidated) Lump-sum amortization of goodwill 5	Impairment of shares due to impact of unprofitable projects; Simultaneous full write-off of goodwill	<u>Non-consolidated Impact</u> Loss on valuation of shares in affiliated companies: 1,045 million yen <u>Consolidated impact</u> Goodwill: 742 million yen	<u>Improvement in operating profit</u> Elimination of 108 million yen in annual goodwill amortization on a consolidated operating income basis	Enhance accuracy of budget vs. actual management and thorough progress monitoring at group subsidiaries
 Serverworks	(Consolidated) Income tax adjustments, etc. 6 7	No profit due to extraordinary losses, etc., resulting in the reversal of deferred tax assets due to changes in tax effect classification, etc.	Income tax adjustments (loss): 143 million yen	<u>Taxation based on revised classification</u> Taxation based on revised tax effect classification from next fiscal year onward	—

[Operating Profit] Breakdown of Impact from Special Factors

Operating profit before considering individual special factors increased YoY.

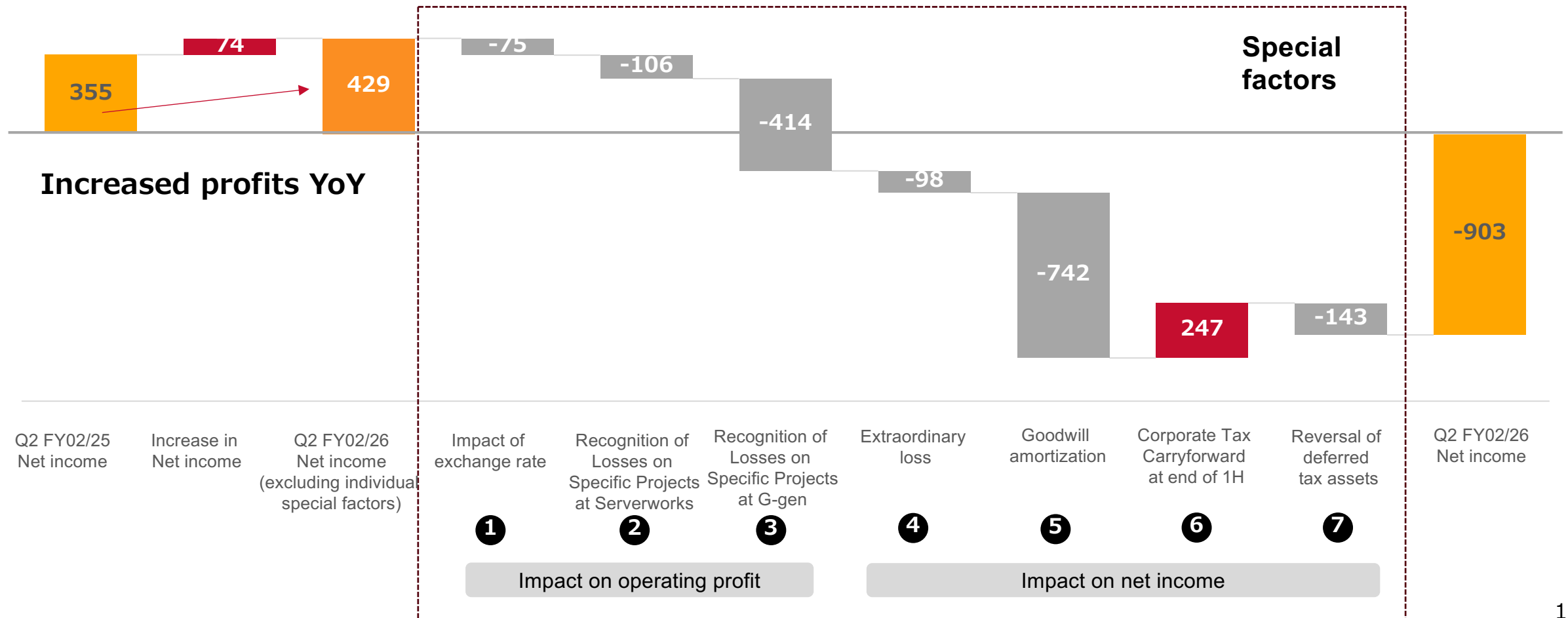
These special factors were primarily one-time items, and excluding them, **performance is progressing at a level where achieving the initial earnings forecast is possible.**



[Net Income] Breakdown of Impact from Special Factors

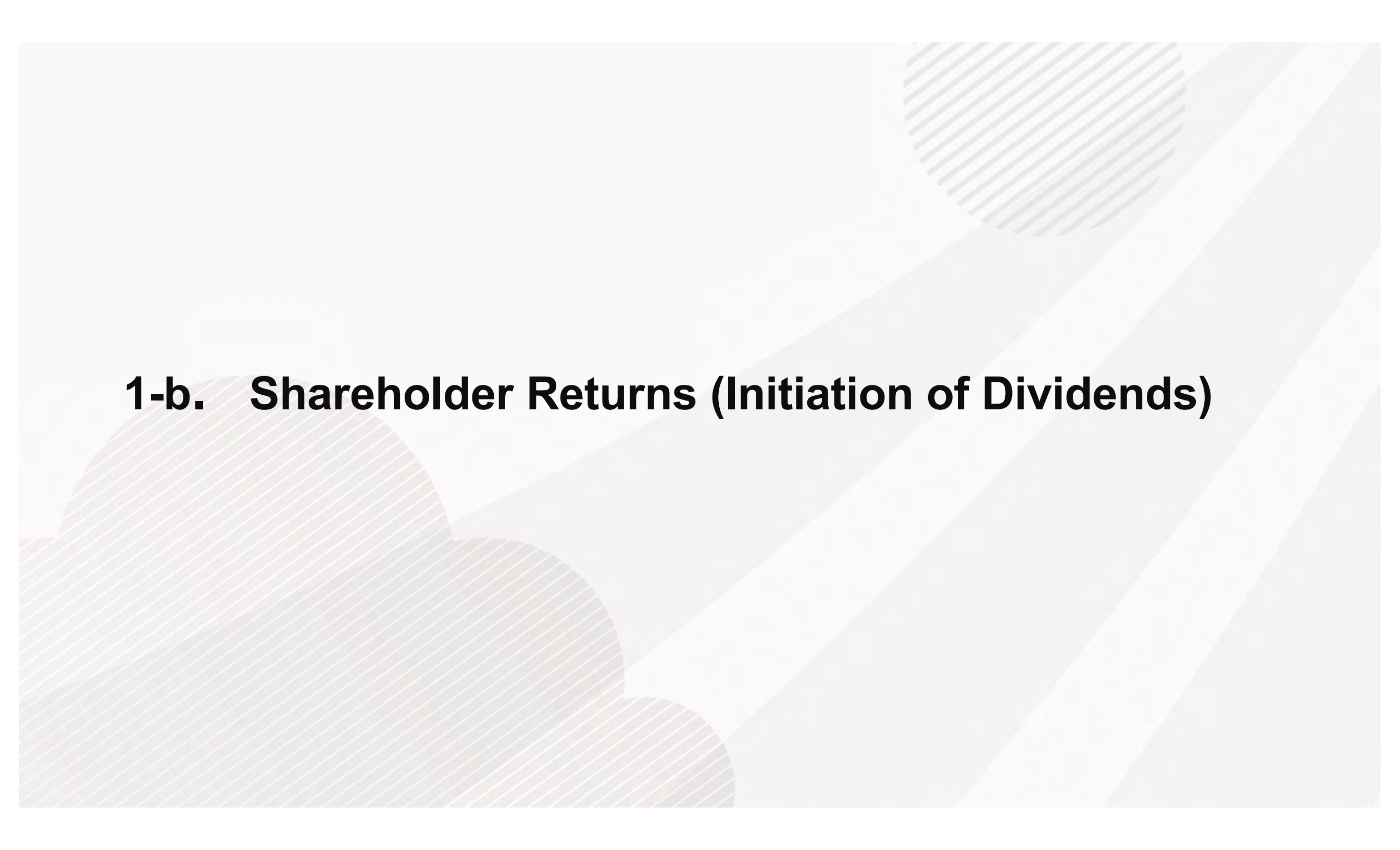
Net Income before considering individual special factors increased YoY.

These special factors were primarily one-time items, and excluding them, performance is progressing at a level where achieving the initial earnings forecast is possible.



Impact on Mid-Term Management Policy

- ▶ **No change to mid-term management policy targets for operating profit/ordinary profit**
 - While sales affected by foreign exchange rates may be revised, **the special factors that had a negative impact this period are primarily one-time in nature and will have little impact on profits in future periods**
 - Due to the lump-sum amortization of goodwill, **the equivalent of 108 million yen in goodwill amortization will no longer be required on a consolidated operating profit basis**
- ▶ **Investments this period will continue to generate profits in future periods**
 - Rather than holding back on investments this fiscal year, we will **continue investing to generate approximately 1,400 million yen in operating profit/ordinary profit next fiscal year**
 - Serverworks recruitment is progressing smoothly, and we will **continue strengthening recruitment to reinforce our organizational structure**
- ▶ **With SCA as the core of our growth strategy, we will advance generative AI, security, and overseas expansion**
 - **The policy of steadily accumulating resale contracts** remains unchanged, looking ahead to the next SCA contract
 - **Advance investments and challenges in the three strategic areas:** generative AI, security, and overseas expansion
 - Aim for **non-linear growth through M&A**

The background features a light gray field with several overlapping circles. Two of these circles are filled with a pattern of thin, parallel diagonal lines. Additionally, there are broad, light gray diagonal stripes that sweep across the entire image from the bottom-left towards the top-right.

1-b. Shareholder Returns (Initiation of Dividends)

Change in Dividend Policy and Revision of Dividend Forecast (Commencement of Dividend Payments)

Looking ahead to the next fiscal year and beyond, we anticipate stable profit generation. We have determined that **we can achieve both business investments for further growth and shareholder returns**. Therefore, we have decided on a policy to pay dividends in FY02/26 for the first time since our founding.

▶ Reasons for the change in dividend policy and planned commencement of dividend payments

- The company has reached a stage where it can secure a sound financial foundation beyond the next fiscal year **through the promotion of its growth strategy and stable cash flow underpinned by a stock sales ratio exceeding 90%**. It has determined that it can now **balance business investments for further growth with shareholder returns**.

▶ Changes to dividend policy *key points

- Policy to **provide stable and continuous profit returns** based on comprehensive consideration of each fiscal year's operating results
- **A consolidated dividend payout ratio of 20% to 30%, with a target minimum dividend on equity (DOE) of 1.0%**
- Aim for **a total return ratio of 25% to 50%** when including "share buybacks"

▶ Per share dividend forecast

- Projected **dividend per share of 25.00 yen** as of the record date for FY02/26

2. Q2 FY02/26 Key Topics

* Includes recent topics that occurred after the Q2 closing date.

Key Topic 1

Achieved AWS MSSP Competency

The advanced expertise of our "SABASOC" security operations support service for AWS environments has been recognized

► Addressing Current Cybersecurity Challenges

Security measures for AWS environments against increasingly sophisticated cyberattacks and stricter compliance requirements represent a critical business risk for customers

► SABASOC meets AWS global standards

Leveraging years of experience and expertise in AWS implementation and operational support, we provide the "SABASOC" security operations service delivered by a team of experts to resolve customer security challenges. This service has been certified as a high-quality offering that provides security functions compliant with this competency.



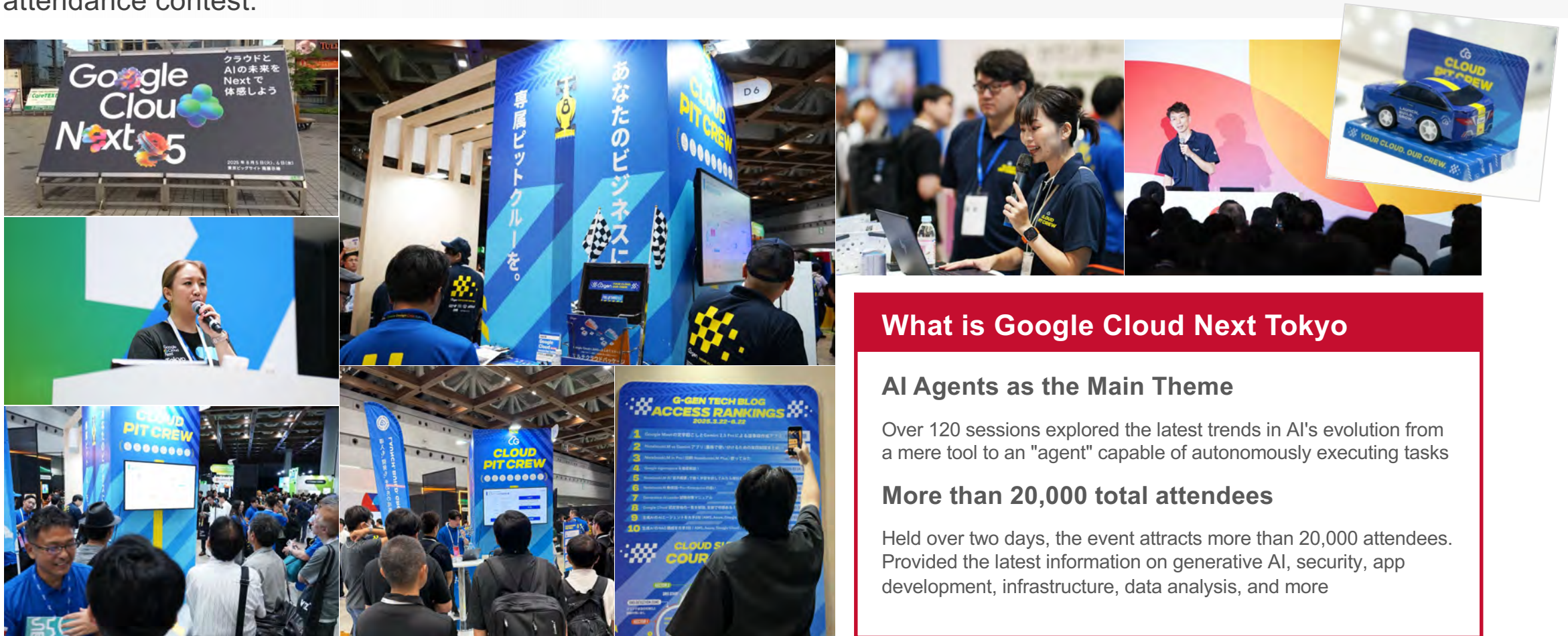
What is the AWS MSSP Competency?

AWS recognizes partners that manage security operations in customers' AWS environments for their technical expertise and specialization.

This competency validates a service partner's ability to deliver comprehensive security outcomes using AWS services and leading security tools. Partners achieving this competency demonstrate compliance with AWS's rigorous technical requirements and operational standards.

In August 2025, we exhibited at **Google Cloud Next Tokyo 2025**, Japan's largest Google Cloud event. G-gen, as a Diamond Sponsor, generated 1.6 times more leads than the previous event and placed second in the

G-gen, as a Diamond Sponsor, generated 1.6 times more leads than the previous event and placed second in the attendance contest.



Key Topic 3

Both Serverworks and G-gen are expanding the use of generative AI; various AI services and initiatives are underway internally

Case



East Japan Accounting Center Co.,Ltd.
Developed an internal document search application using RAG (Retrieval-Augmented Generation) combining AWS generative AI services



Case



TOKYO SYSTEM HOUSE Co., Ltd.
Rescuing COBOL Systems Plagued by Labor Shortages and Black-Boxing with AI



Development



Launch of PoC environment for document search and conversation summarization using generative AI for call centers and internal help desks

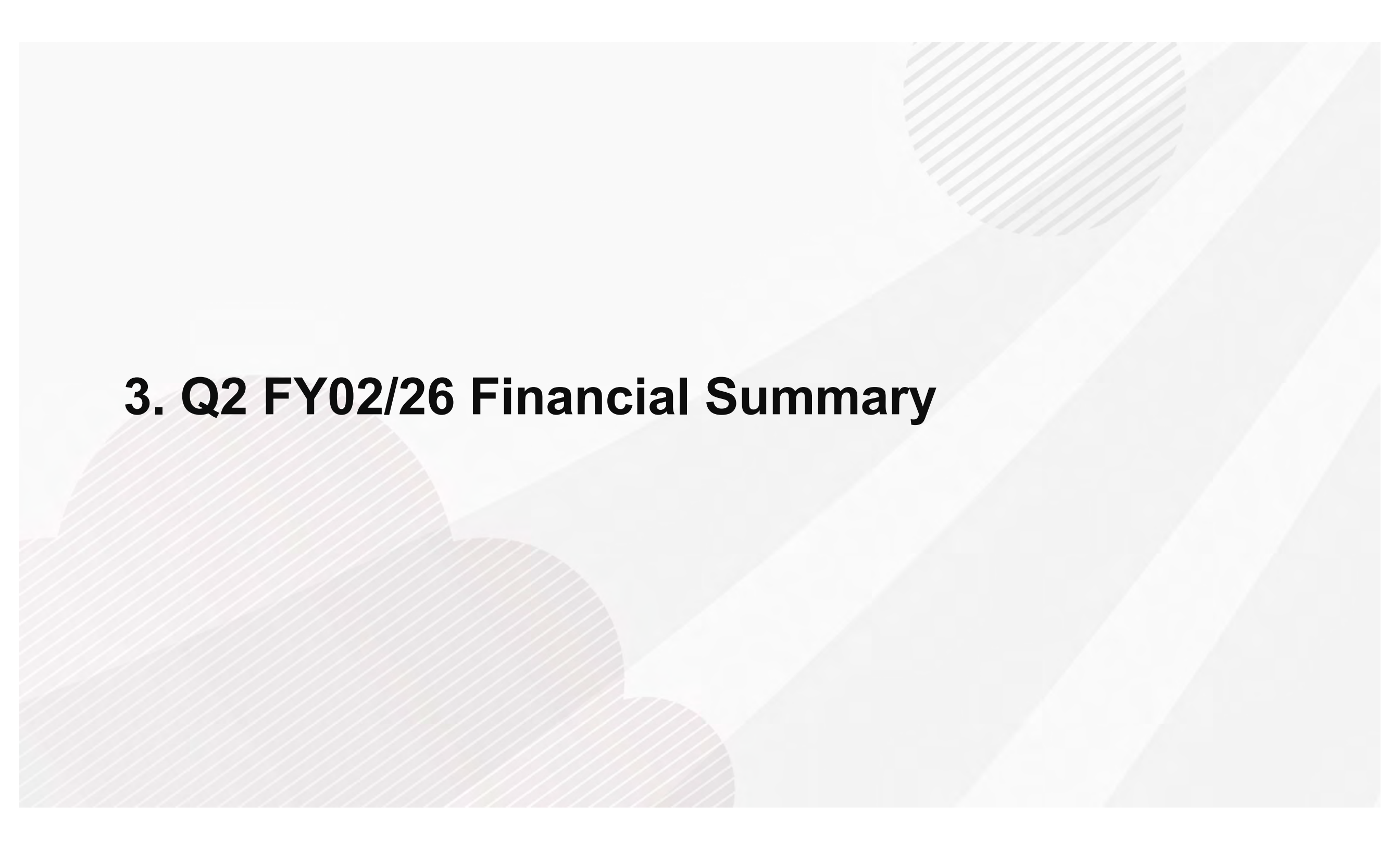


Developed "AI Trainer Bot" utilizing generative AI
Publish internal operational case studies



Launch of "AI-Driven Development Operations Training" to powerfully support In-house AI development using AWS's AI Service "Amazon Q Developer"



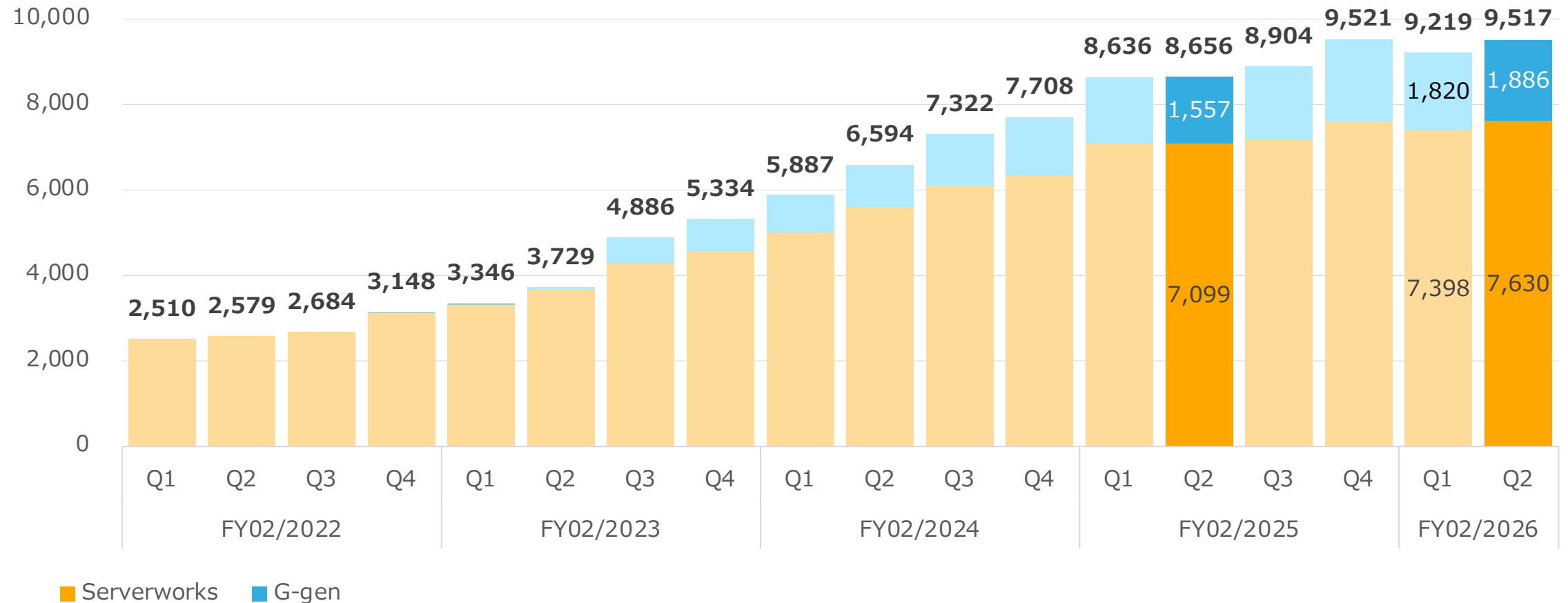


3. Q2 FY02/26 Financial Summary

Net Sales -Consolidated and by Company

Serverworks achieved record-high sales, while G-gen also recovered from the previous quarter
Group-wide sales grew 10% YoY and increased 3% QoQ

(Unit: million yen)



* The figures for each company have been adjusted to reflect the consolidation of internal transactions.
* G-gen and TOPGATE merged as of July 1, 2024.

Percentage of Recurring Business

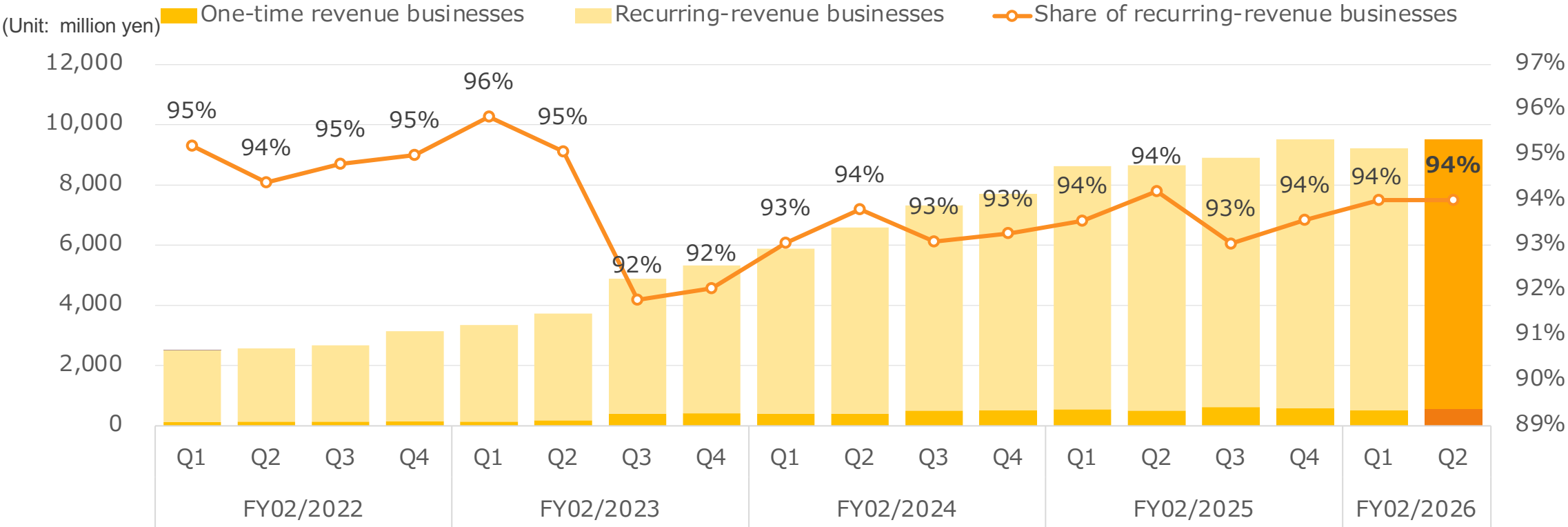
One-time Business

Recurring Business

1 Cloud Integration

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.

By Product and Service Segment - composition of each company -

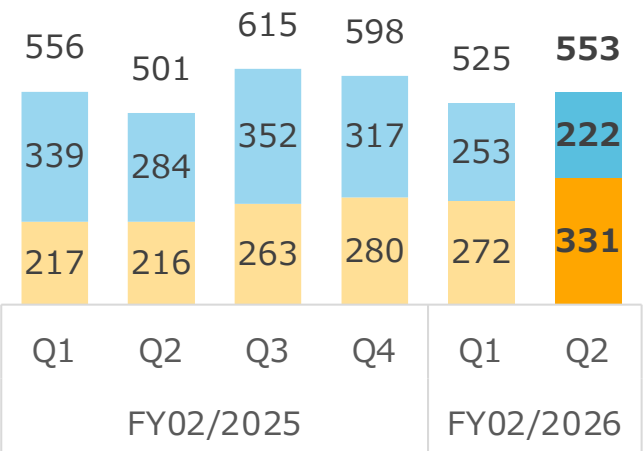
Serverworks saw revenue growth across all service categories compared to the previous quarter (CI and MSP achieved record-high sales)

G-gen's Cloud Integration segment saw a decrease in sales due to the impact of extended deadlines for unprofitable projects.

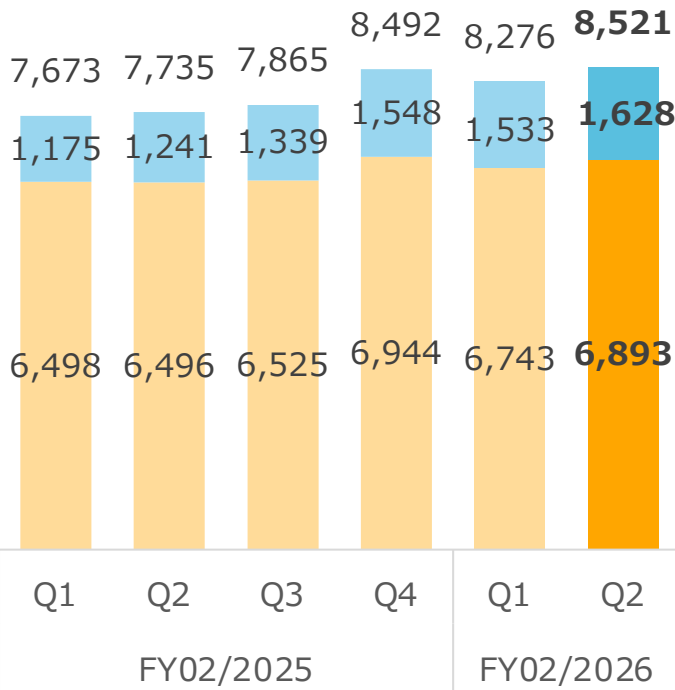


(Unit: million yen)

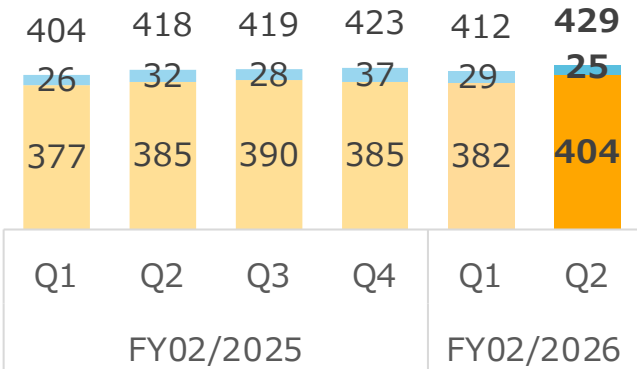
Cloud Integration



Resale



MSP



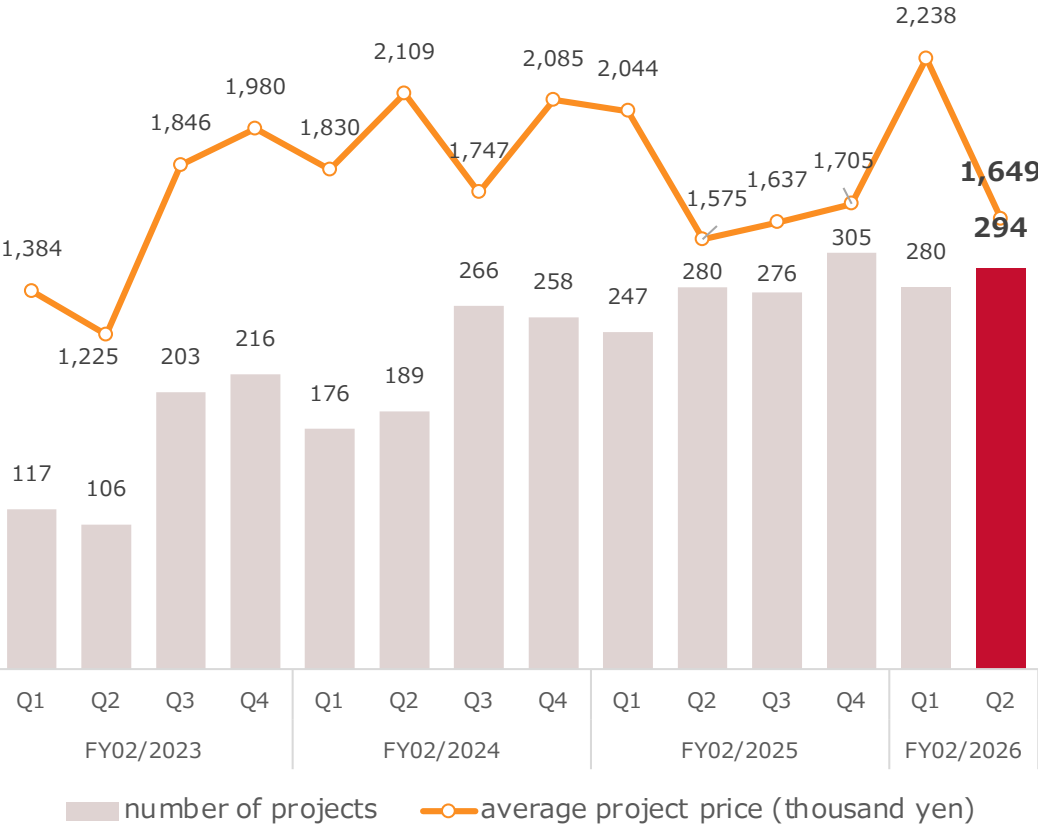
Cloud Integration

- Trends in Key Metrics -

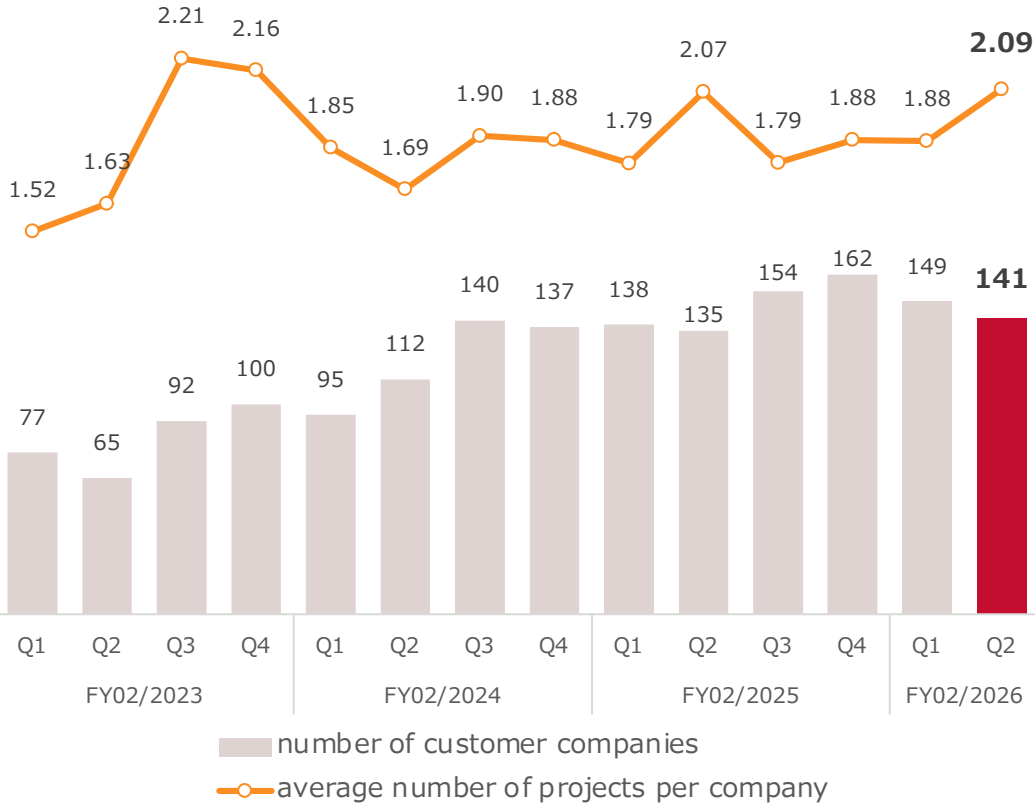
Currently maintaining steady growth by focusing on **increasing the number of projects**

*(Repost) The surge in project unit prices in Q1 was due to a one-off high-priced project

Number of projects and average project price



Number of customer companies and average number of projects per company



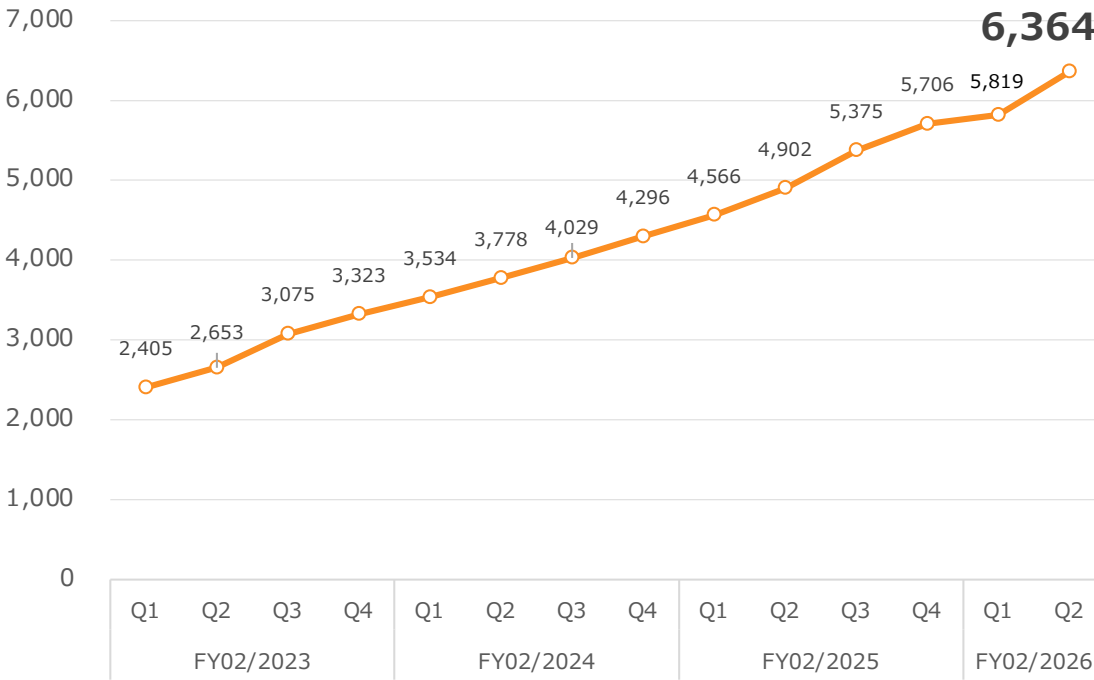
* In accordance with the application of the new revenue recognition standard, we have changed the method of recognizing revenue based on the degree of completion of performance obligations from FY02/23, but this metric is calculated based on the completion basis (old standard).

Resale - Number of AWS Accounts and ARPU -

Steady increase in the number of accounts as cloud technology and services are being utilized in various fields
With the increase in customer AWS usage fees, **high ARPU maintained while proposing appropriate cost optimization (reduction) measures.**

Number of AWS accounts * 1

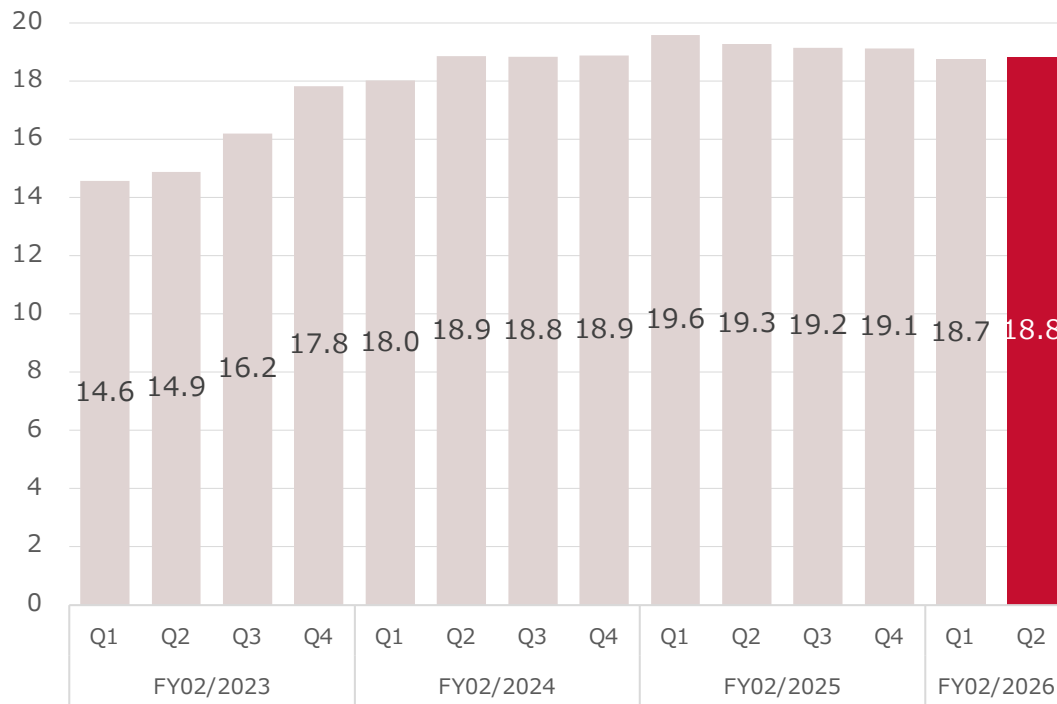
(Unit: # of account)



ARPU * 2

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

(Unit: K USD)

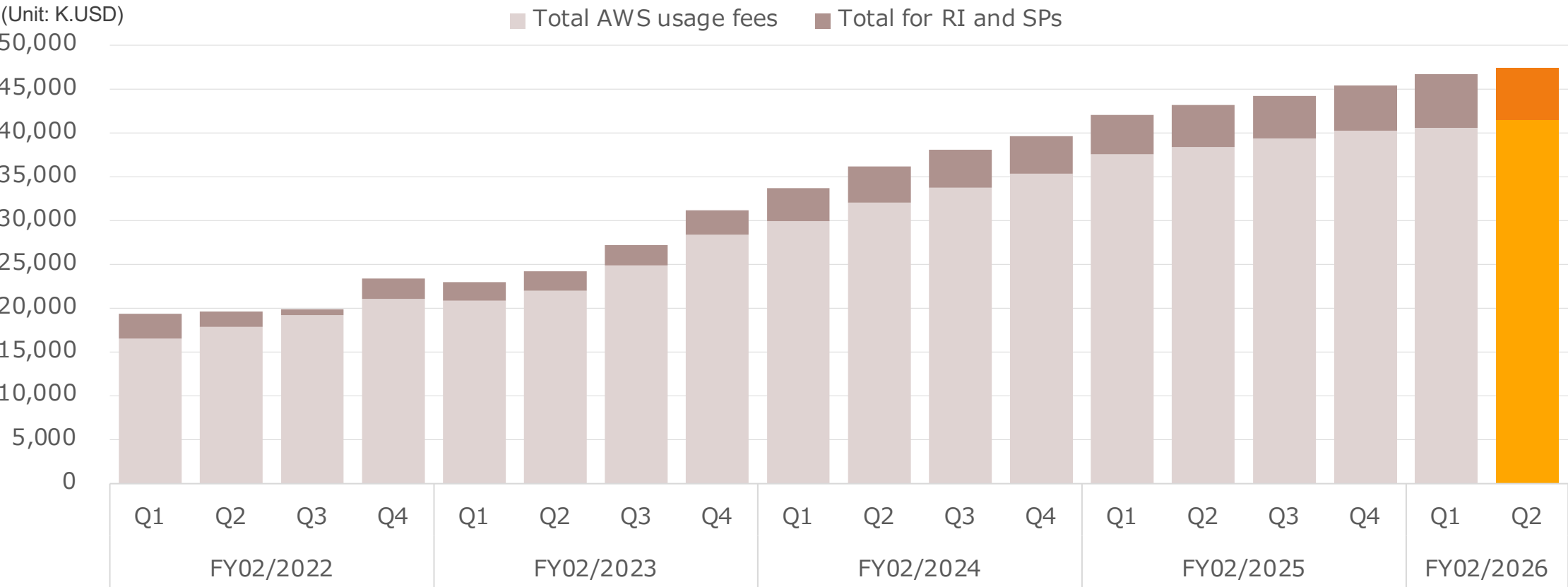


*1 The number of accounts includes all startup/discount plans as well as advanced plans.

*2 Excluding Reserved Instances and Savings Plans

AWS Usage Fee Trend (USD Basis)

As the most important metric for capturing the reality of resale growth, AWS usage fees in US dollars are steadily increasing. Despite large cancellations, the fact that **usage fees in USD, unaffected by exchange rates, are growing** indicates that business activities themselves are progressing smoothly.

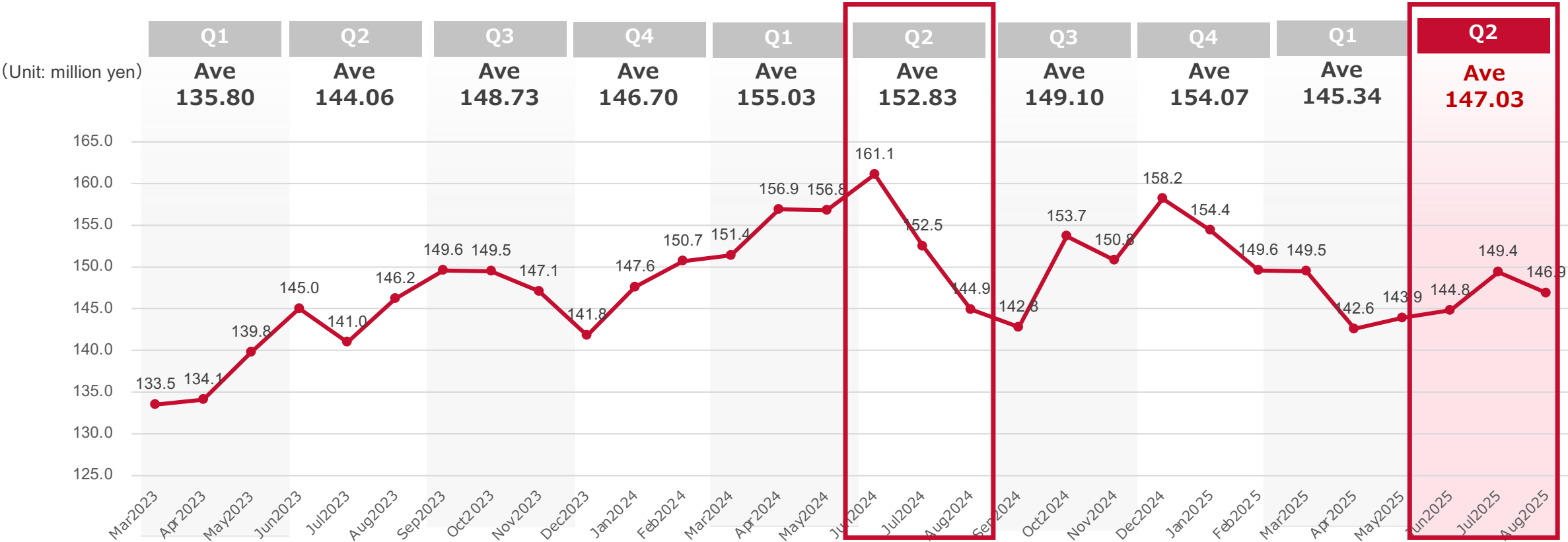


* Reserved Instances (RIs) and Savings Plans (SPs) are AWS services under which substantial discounts are offered to customers who pay a fixed reservation fee and commit to AWS usage for a certain period.
* For RIs and SPs, we had recognized revenue at the time of purchase until FY02/22, but changed the method to recognize revenue over the applicable period in FY02/23.

Exchange Rate Trends

Due to the yen's continued appreciation beyond initial projections, the average exchange rate for the current fiscal year has been revised to 146.2 yen during this earnings forecast revision.

(each 1-yen appreciation reduces annual net sales by roughly 227 million yen and annual operating profit by about 22 million yen; conversely, gains are realized when the yen depreciates).

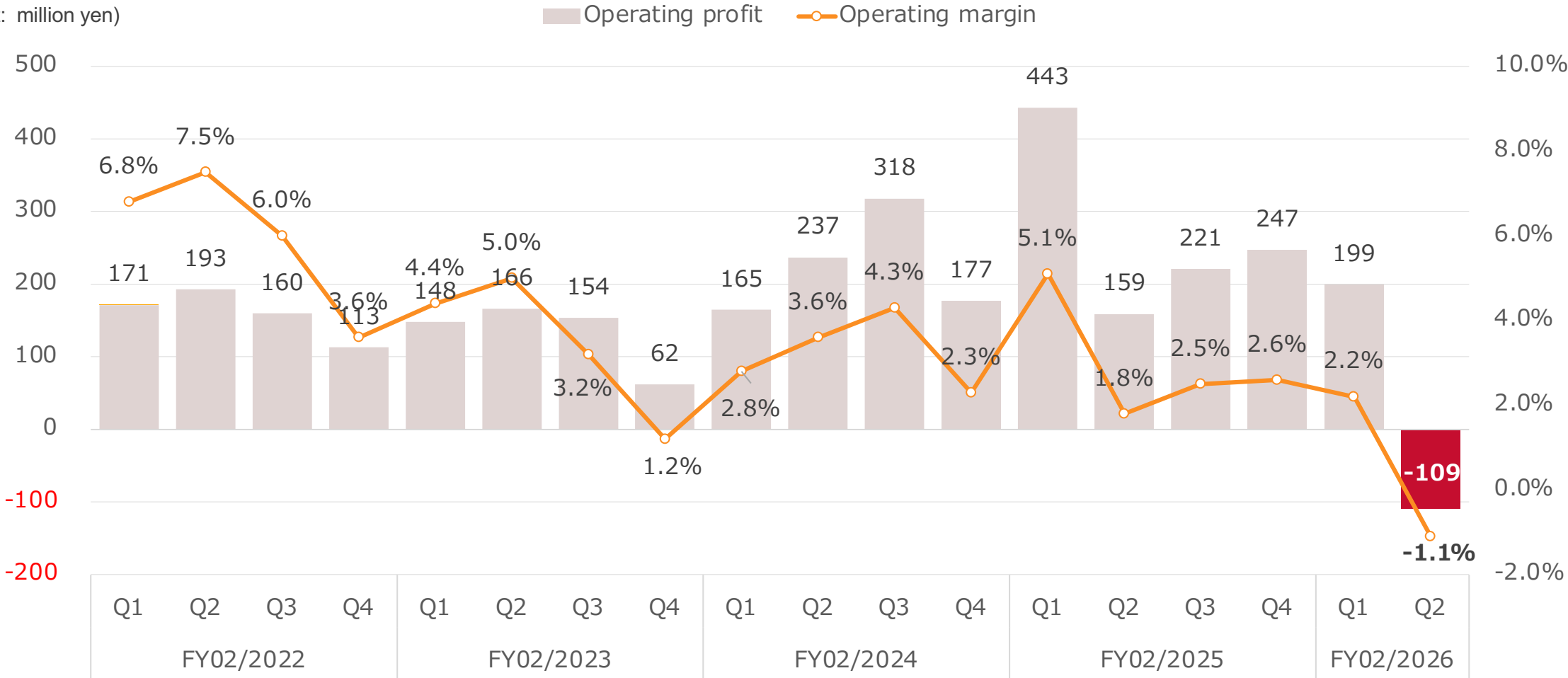


* The exchange rate used for resale sales in this guidance period has been revised from approximately 152.75 yen per dollar (the average exchange rate used in the previous period) to 146.20 yen per dollar (the actual average exchange rate for this period).

Operating Profit, Operating Profit Margin

Both Serverworks and G-gen incurred **operating losses** due to the impact of unprofitable projects
Excluding unprofitable projects, the business is progressing steadily, and the company plans to continue investments to achieve targets for the next fiscal year and beyond.

(Unit: million yen)

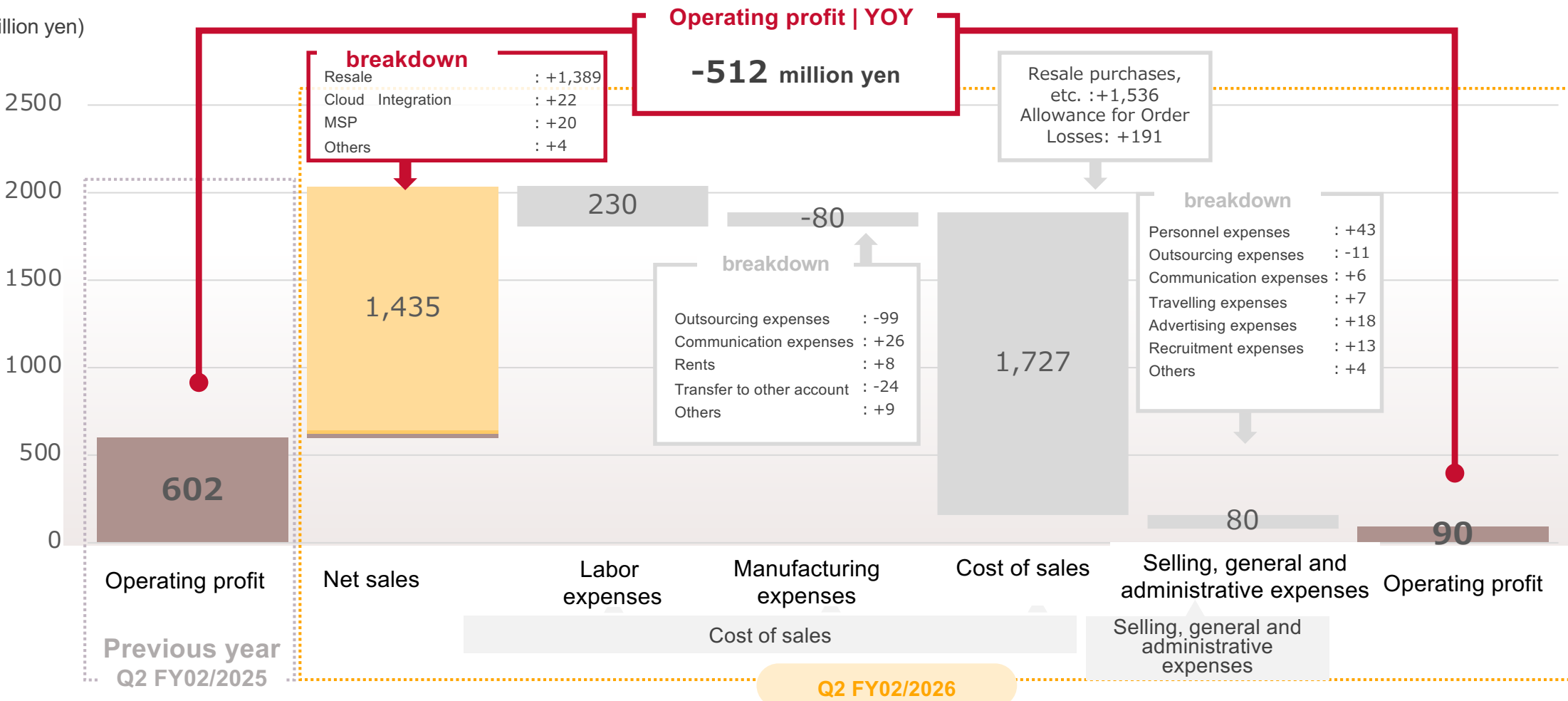


Analysis of Factors Affecting Operating Profit YoY

The impact of exchange rates (yen appreciation) in Q1 and unprofitable projects resulted in a negative impact of approximately -600 million yen as of Q2.

While actively investing in growth, operating profit decreased by 512 million yen YoY.

(Unit: million yen)

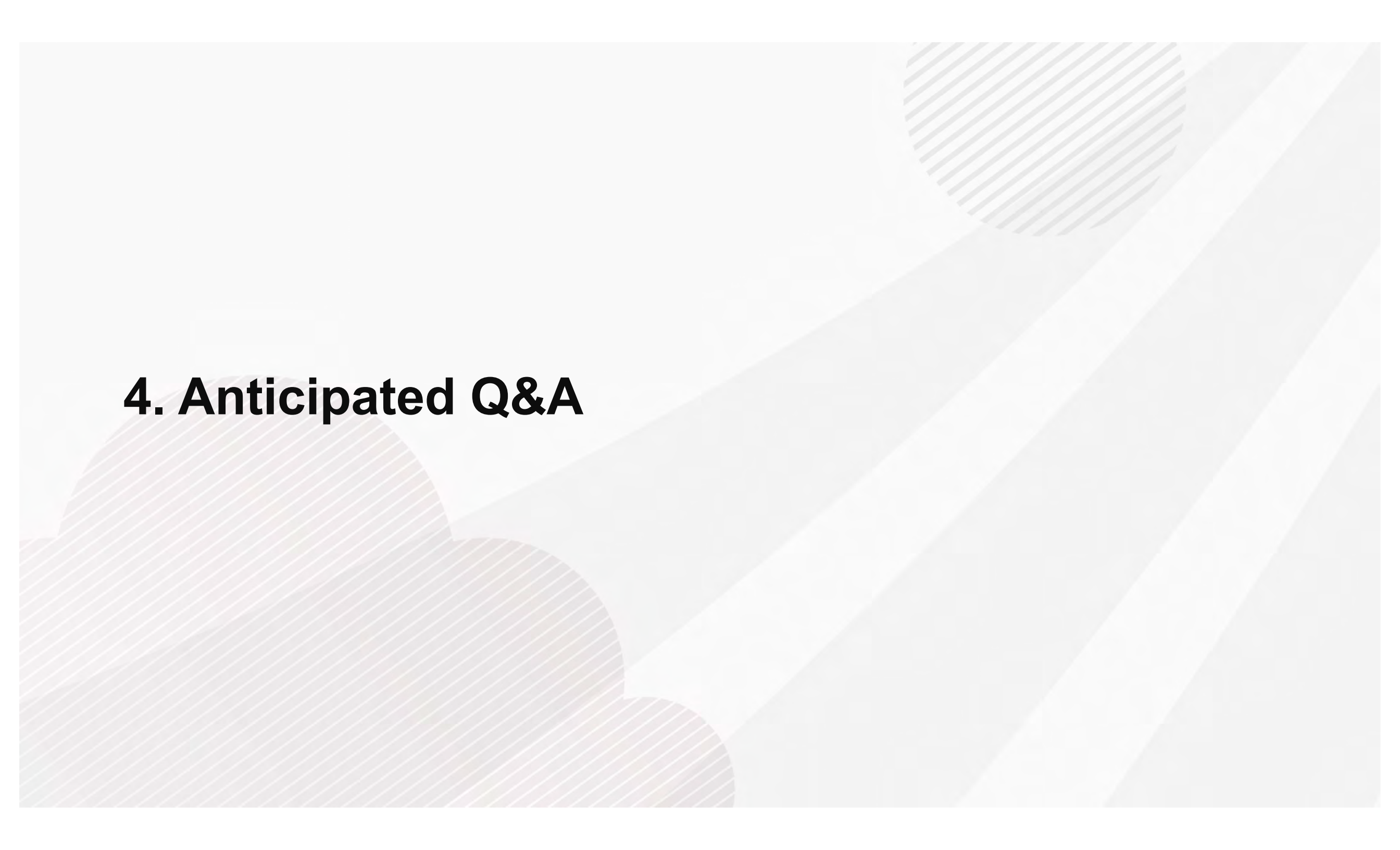


Consolidated Balance Sheet (Summary)

Decrease in “current assets” due to decreases in cash and deposits, accounts receivable, and contract assets, etc., and increase in “current liabilities” due to increases in provisions for loss on orders received, etc. Decrease in “fixed assets” due to lump-sum amortization of goodwill, etc. Decrease in “net assets” due to the acquisition of treasury stock and decrease in retained earnings, etc.

(Unit: million yen)

Balance Sheet	FY02/25 Results (Consolidated)	Q2 FY02/26 Results (Consolidated)	Change
Current assets	15,222	14,618	- 604
Fixed assets	5,271	4,666	- 604
Property, plant and equipment	111	106	- 4
Intangible assets	888	113	- 774
Investments and other assets	4,272	4,446	174
Total assets	20,493	19,285	- 1,208
Total liabilities	9,033	9,166	133
Current liabilities	8,709	8,684	- 25
Non-current liabilities	324	482	158
Total net assets	11,460	10,118	- 1,341
Total shareholders' equity	10,183	8,812	- 1,370
Accumulated other comprehensive income	1,277	1,305	28
Non controlling interest	—	—	—
Total liabilities and net assets	20,493	19,285	- 1,208

The background features a light gray field with several overlapping circles and diagonal stripes. One circle in the top right has dark gray diagonal stripes. A larger circle in the bottom left has light gray diagonal stripes. Other circles and stripes are visible in the background, creating a layered effect.

4. Anticipated Q&A

Key Questions Concerning Q2 FY02/26

* Details regarding the special factors in Q2 FY02/26 are explained from slide 9 onwards

Category	Key anticipated questions	Response
(Referring to slides 25) Cloud Integration - Trends in Key Metrics -	What are the reasons for the decline in project unit price?	The surge in project unit price during Q1 02/2026 was due to a one-off high-priced project. Therefore, while it appears to have decreased compared to Q1, when compared to the normal state of Q2 to Q4 02/2025, the unit price remains at the same level. We therefore consider this to be entirely normal.
(Referring to slides 26) Resale - Number of AWS Accounts and ARPU -	What are the reasons for the rapid increase in resale accounts?	Customers who increase their cloud usage often purchase RI/SPs to reduce their usage costs. This reduction in unit costs leads to a decrease in ARPU. This also reflects our proactive consulting efforts to help customers control usage costs as cloud adoption increases, enabling them to save on rising expenses. We hope you understand that we effectively manage usage fees for our customers, enabling us to maintain stable ARPU.
(Referring to slides 26) Resale - Number of AWS Accounts and ARPU -	What are the reasons for the rapid increase in resale accounts?	From Q4 02/2025 to Q1 02/2026, we experienced a large-scale cancellation. Although there was no actual decrease, the impact caused account growth to slow down. From Q1 to Q2 02/2026, the impact of cancellations has subsided, and account acquisition growth has rebounded against a backdrop of a favorable business environment. Specifically, new resale contracts and project orders from existing customers drove a sharp increase in accounts Q2 02/2026.

YoY Comparison for Key Items

(Unit: million yen)	Q2 FY02/25	Q2 FY02/26	YoY	Notes on YoY changes
Net sales	17,291	18,736	8.4%	- Impact of yen appreciation (average of approx. 7.7 yen appreciation from Q1 to Q2) resulted in a negative impact of approximately 881 million yen. *AWS usage fees on a USD basis continued to increase. (Disclosed) large-scale contract cancellations partially impacted sales growth rate - Delivery delays for unprofitable G-gen projects resulted in 88 million yen in sales being deferred to the next fiscal year
Gross profit	2,030	1,597	-21.3%	- Impact of yen appreciation: approx. -88 million yen - Increased costs of 325 million yen for G-gen's unprofitable projects (combined with decreased sales, resulting in a total decrease of 414 million yen) - Increased costs for unprofitable projects at SWX: 106 million yen
Gross profit margin	11.7%	8.5%	-3.2pt	
Operating profit	602	90	-85.0%	Impact of decrease in gross profit (approx. 432 million yen decrease YoY) *Segment profit similarly affected
Operating profit margin	3.5%	0.5%	-3.0pt	
Ordinary profit	577	121	-79.0%	
Ordinary profit margin	3.3%	0.6%	-2.7pt	
Interim profit (loss) attributable to owners of parent	355	-903	—	- Impairment loss on goodwill related to G-gen 742 million yen - Extraordinary loss related to a specific customer 98 million yen - Reversal of deferred tax assets: 143 million yen
Interim profit margin attributable to owners of parent	2.1%	—	—	

5. Supplementary Data

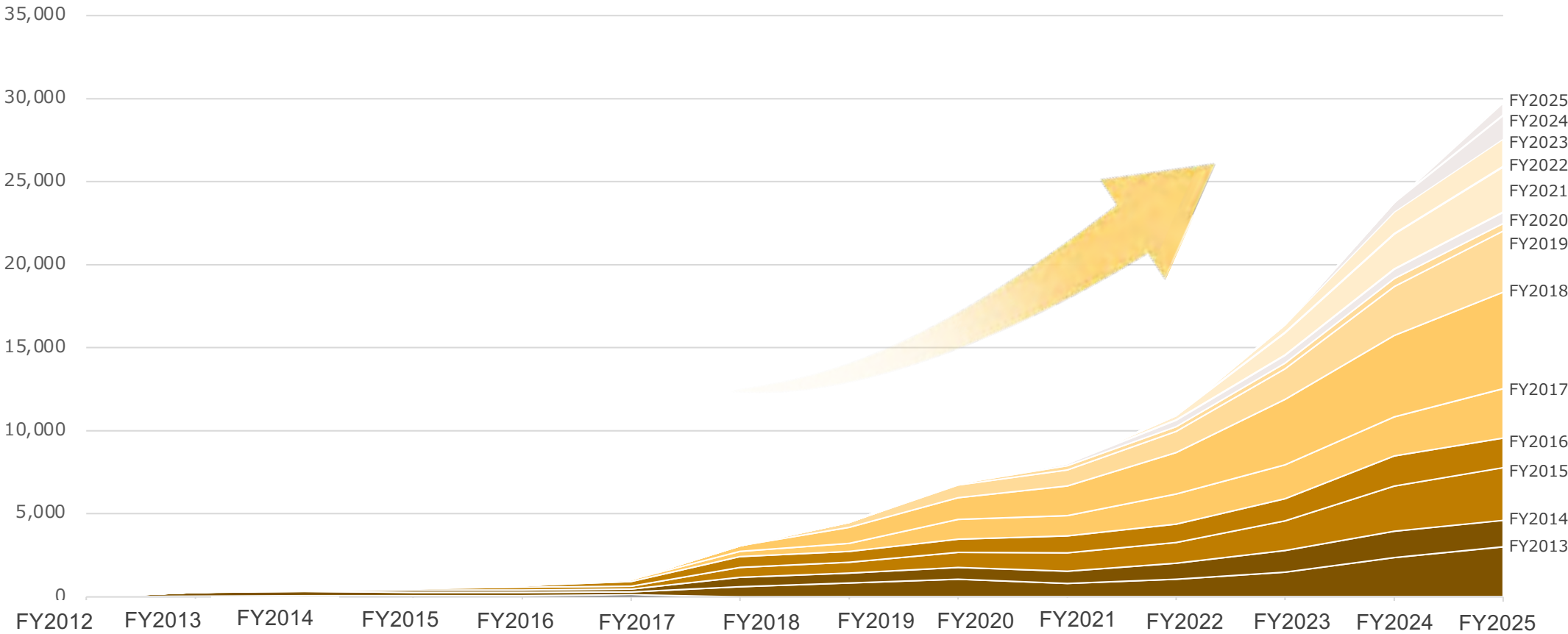
Customer Lifetime Value (LTV)

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

We will aim to maximize LTV through resale expansion, the most important area

(Unit: million yen)

*Cloud Integration, Resale, and MSP combined

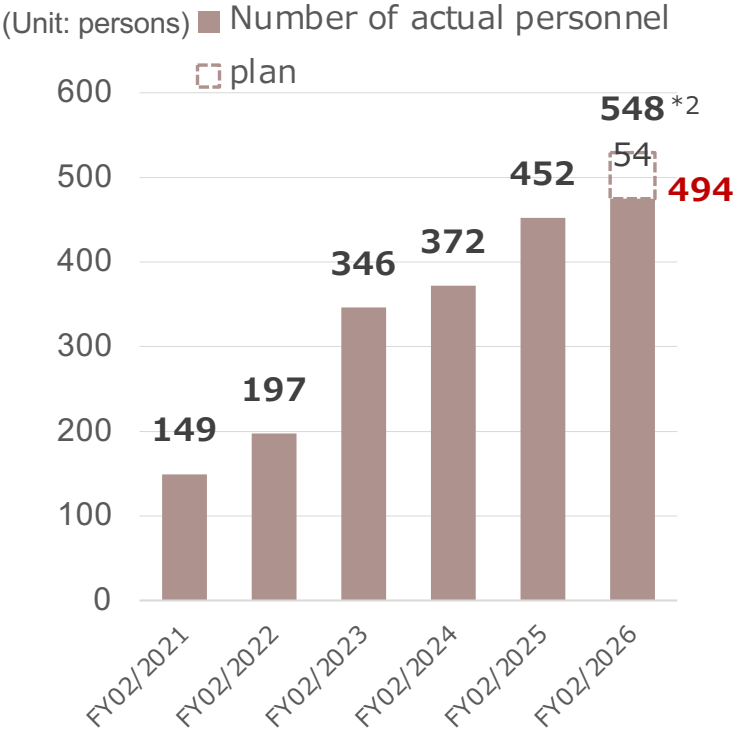


* Revenues prior to the fiscal year ended February 29, 2017 are an approximate total of AWS resale revenues recalculated into a gross amount based on the most recent results.

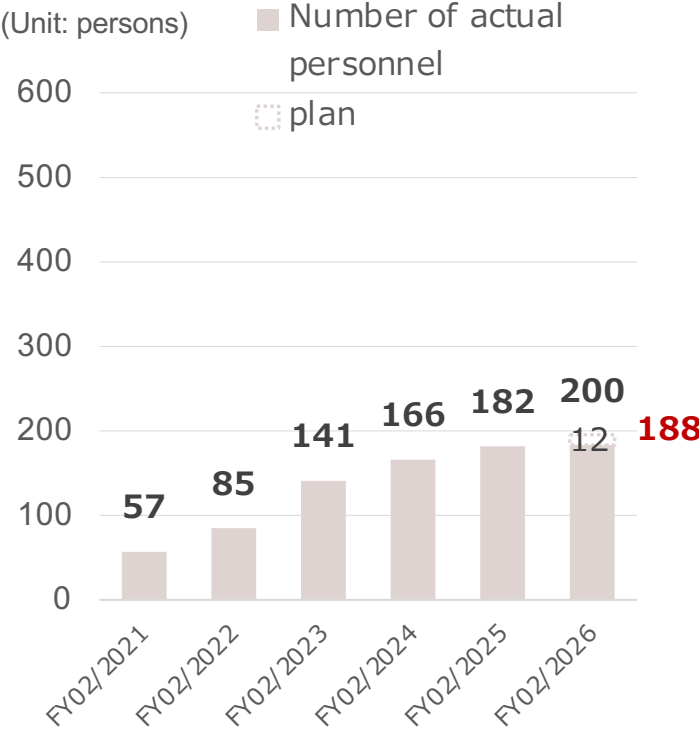
Group Headcount Trends*1

Continue to actively recruit highly skilled personnel, especially cloud engineers
We plan to maintain our proactive investment in recruitment to achieve our medium-term management objectives for the next fiscal year and beyond.

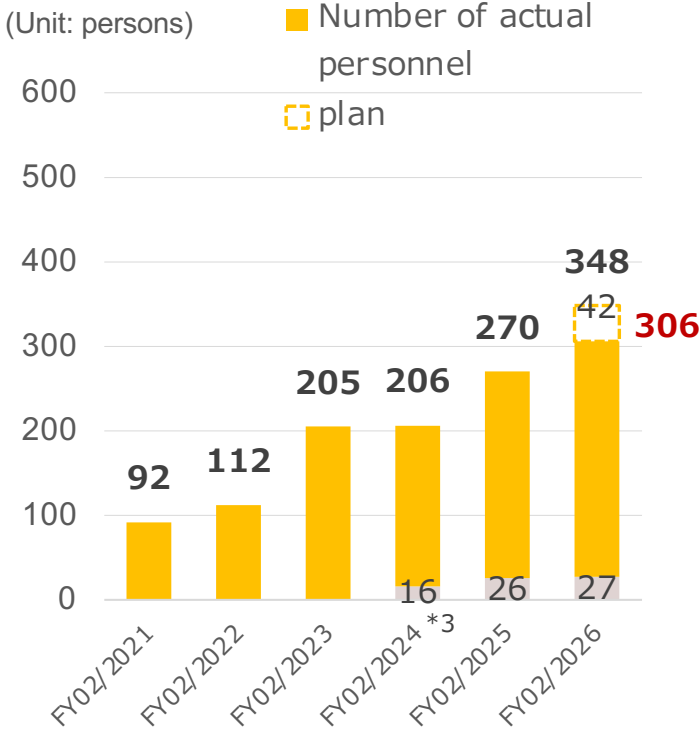
Total



Sales, general, and admin (excluding engineers)



Manufacturing



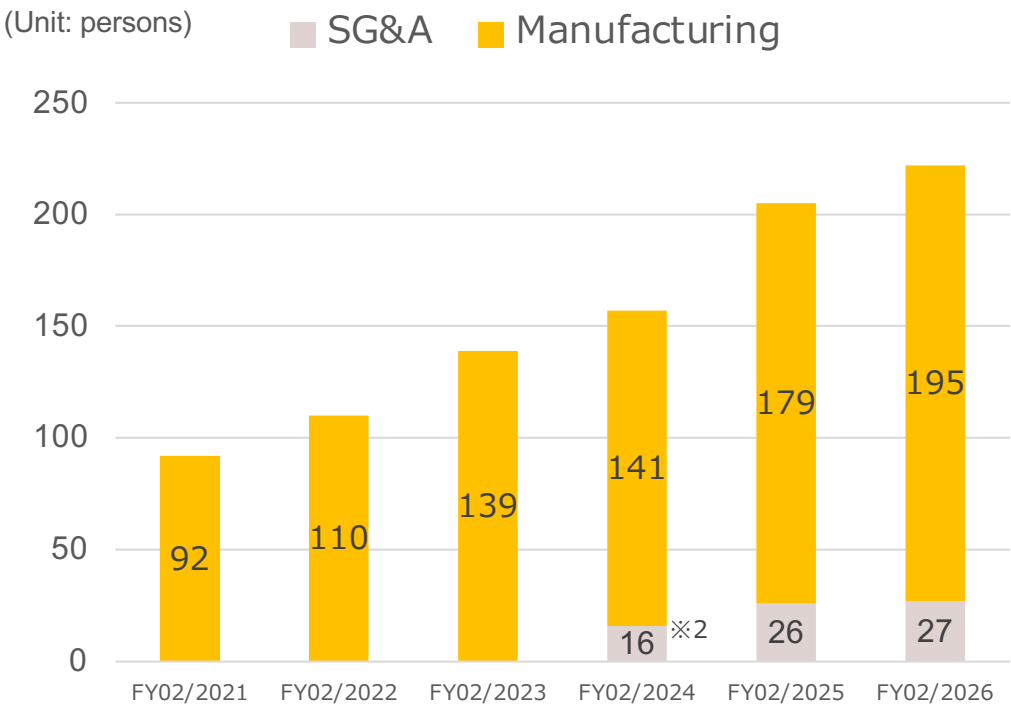
*1. The number of employees includes the number of temporary (part-time) employees and does not include directors.
*2. The initial forecast does not account for employee departures. Therefore, the figure of 452 employees at the end of the previous period plus the planned 107 hires for this period equals 559 employees. However, the number of employees in the forecast disclosed at the end of each quarter will fluctuate due to actual departures occurring.
*3 From FY 02/2024, the in-house SEs and engineers who provide training have been changed to the SG&A department.

Promoting AWS Certifications for Engineers

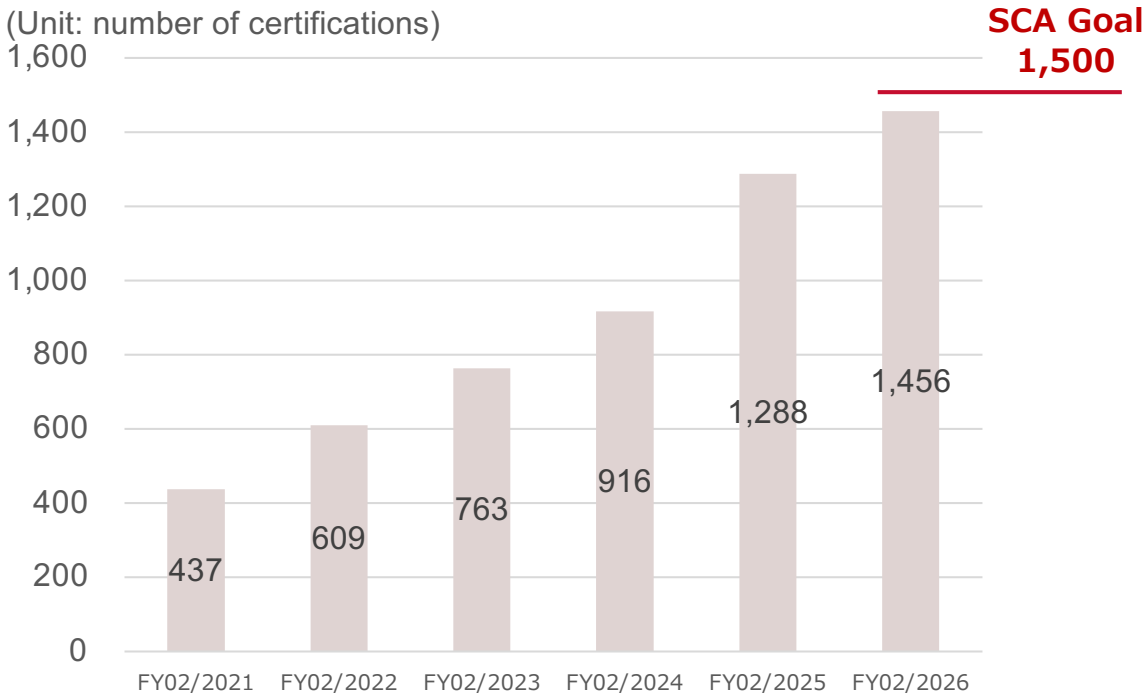
Mid-career engineers hired without prior AWS experience also obtain AWS certifications early on. The cumulative number of AWS certifications obtained has reached approximately 1,500, and we are on track to **achieve the SCA goal of 1,500 certifications over four years one year ahead of schedule.**



Number of engineers



Number of AWS certifications earned *1



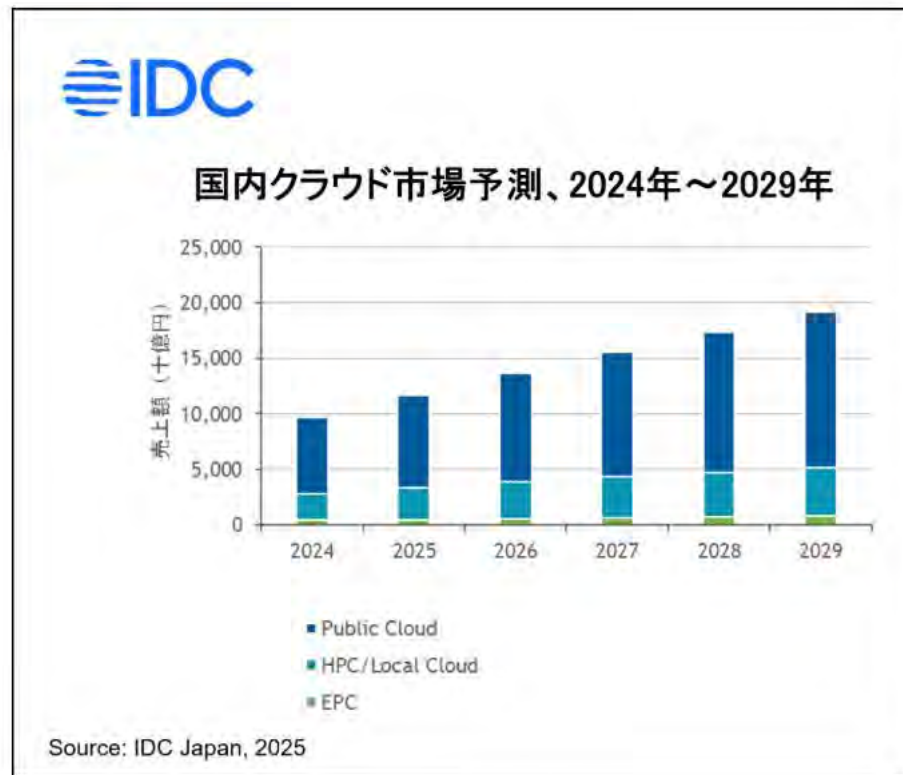
*1 Cumulative number

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

Reference Materials – Market Environment

The domestic cloud market in 2024 reached 9.7094 trillion yen, a 29.2% increase YoY.

The market size is projected to grow to 19.1965 trillion yen by 2029.



According to IDC Japan's domestic cloud market forecast, the domestic cloud market in 2024 reached 9.7084 trillion yen (based on sales revenue), a 29.2% increase year-on-year.

Subsequently, it is projected to grow at a compound annual growth rate (CAGR) of 14.6% from 2024 to 2029, reaching a market size of 19.1965 trillion yen in 2029 - approximately 2.0 times the 2024 level.

Notes:

- Domestic cloud market revenue is for user companies and service providers
- HPC/Local Cloud refers to private cloud services where the service provider owns the IT assets (resources) and provides services (as a Service) to individual companies, corporate groups, or groups of companies belonging to a community (membership-based).
- EPC (Enterprise Private Cloud) refers to private cloud services where the IT (resource) assets are owned by the IT buyer (user company) and are exclusively used within an individual company or corporate group.

*source: <https://cloud.watch.impress.co.jp/docs/news/2039910.html>

[Repost] Status of IR Activities

We are considering initiatives to increase IR meetings with institutional investors and IR initiatives targeting individual investors. We are also exploring improvements to our IR website to make information easier to navigate and access.

FY02/25

◎ Financial results briefings

Held four briefings for institutional and individual investors.

◎ Institutional investor IR meetings

Held 94 meetings in FY02/25.

◎ New institutional investor IR meetings

Held six meetings in FY02/25.

◎ Analyst meetings

Held eight meetings in FY02/25.

◎ Use of external media and platforms

Utilized channels such as Shared Research, Toyo Keizai (Japan Company Handbook), logmi Finance, QA Station, and others.

FY02/26

◎ Disclosed Medium-Term Management Policy

Held briefings on our Medium-Term Management Policy on April 14 (financial results briefing) and May 28 (General Meeting of Shareholders). Considering enhancing communication with both institutional and individual investors.

◎ Accelerating information disclosure

Held online financial results briefing two hours after earnings release, shortening the previous timeline by two to three business days. Published transcript and video one business day after the briefing, three business days earlier than before.

◎ IR organization

One full-time IR staff member and one dual-role IR staff member are assigned directly under the CFO.

◎ Strengthening information disclosure

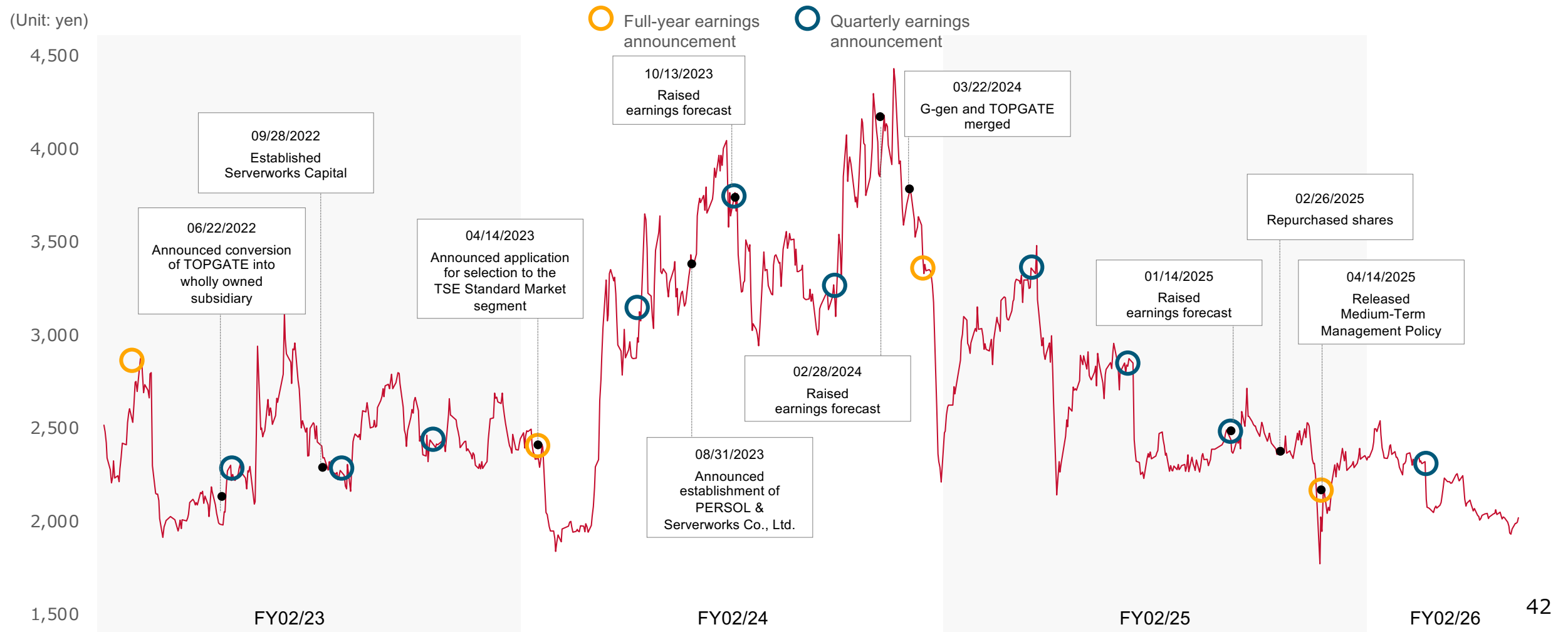
Considering improvements to our IR website to make information easier to navigate and access.

[Repost] Key Topics Discussed in IR Meetings

Category	Question	Response
Forecast	Reasons for changes to exchange rate assumptions used in earnings forecast	Previously, we used the median of exchange rate forecasts from analysts at financial institutions and disclosed foreign exchange sensitivity as supplementary information. We have since adopted the average exchange rate for the previous fiscal year to enable a YoY comparison that excludes the impact of exchange rate fluctuations.
Forecast	Details on contract cancellation	The impact on this fiscal year's earnings gradually emerged from Q1 , and we expect a full-year negative impact of about 1.5 billion yen on net sales. This case is highly irregular— not due to a termination of AWS usage by the customer or any issue with our company, but because the customer switched from our contract to a direct agreement with AWS.
Subsidiaries	Status of provision for losses on orders received	Although loss provisions were recorded in Q2 and Q3 of FY02/25, some reversals occurred in Q4, and we believe this reflects an improvement in the situation. However, the project runs through December 2025, and the outlook remains uncertain and must be monitored carefully.
Recruitment	Progress in recruitment activities	Recruitment at Serverworks is ahead of plan. G-gen fell behind schedule, partly due to the merger in July 2024, but it is working to recover lost ground in the current fiscal year.
Strategic collaboration agreement	Assessment at mid-point (two years) of the contract term	The targets for the first and second years were originally set with a relatively conservative outlook, and actual results came in at nearly twice the expected level. This has allowed us to build a buffer heading into the third year and beyond, and our assessment of the progress is very positive. That said, the targets going forward are somewhat more aggressive, so we will continue to push forward without letting our guard down.

[Update] Status of Stock Price

In previous years, our guidance was overly conservative due to our reliance on exchange rate forecasts from financial institutions. Starting with this fiscal year's guidance, we have instead adopted average exchange rates from the previous fiscal year. This approach helps limit discrepancies in YoY comparisons and contributes to reducing stock price volatility.



6 . Company Overview

VISION

Make the world more productive with the Cloud

You can use computers to your advantage, no matter where you are and without the necessity of ownership.

We are committed to further spreading this idea of the “cloud.”

Through cloud computing, we aim to create a society that helps more companies enhance their competitive edge and makes everyone who works there feel that “this is a better place to work.”

We would like to share this vision with you.



Serverworks Group

Serverworks Group establishes comprehensive support structure for cloud business



Key Solutions



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

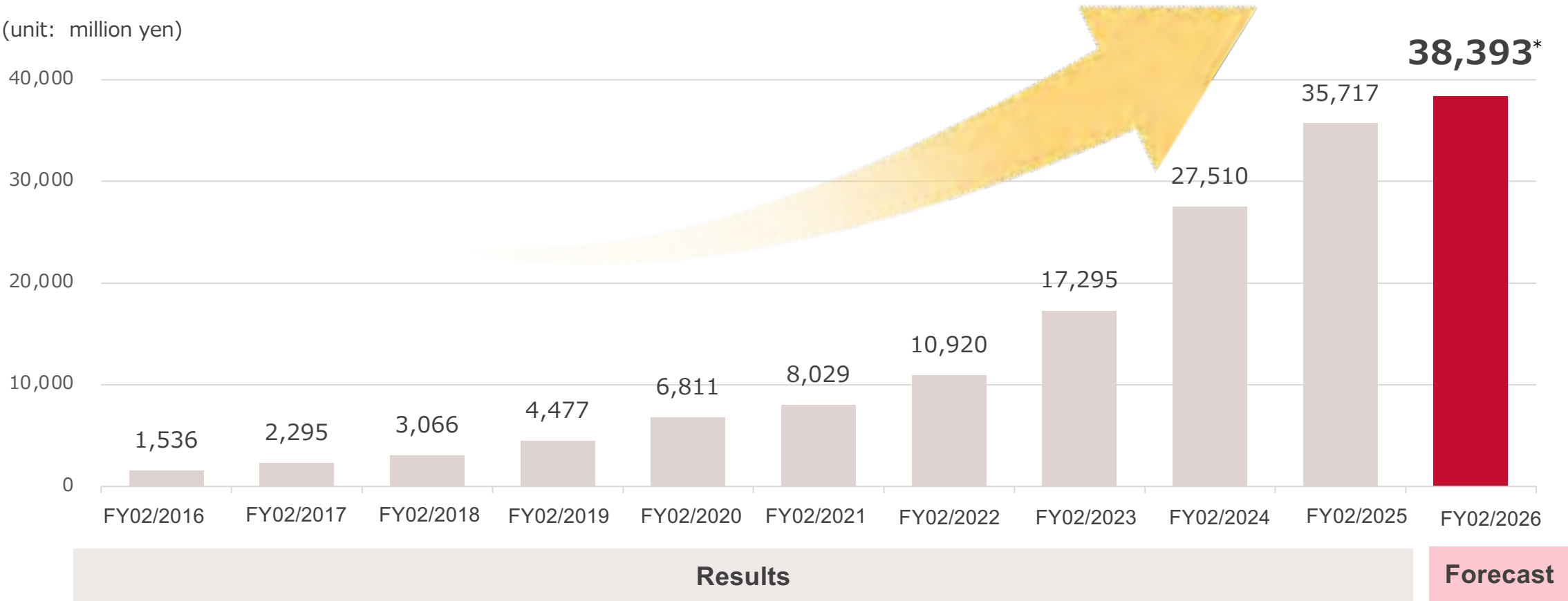
**Operation and
Monitoring Services
(MSP)**



Cloud utilization and operation support

Net Sales over the past 10 years

Steadily increasing net sales 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



*We have revised the full-year consolidated earnings forecast previously announced in the “Financial Results for the Fiscal Year Ended February 28, 2025” on April 15, 2025. For details, please refer to the “Notice Regarding the Recognition of Extraordinary Losses Due to Lump-Sum Amortization of Goodwill, Revision of Full-Year Consolidated Earnings Forecast, and Reduction of Executive Compensation” announced on October 15, 2025.

Management Team

Directors



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)



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 networks for the distribution industry, optical submarine cables, data centers, and ISPs. He also took part in related M&A projects. He has lived in London and Bangkok. He joined our company as outside auditor in May 2018. He became an outside director in May 2021.



Yuko Tanaka

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



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.

About Serverworks

Founded	February 21, 2000
Capital	3,286,738,008 yen (as of August 31, 2025)
Number of Employees	Non-consolidated: 350 (as of August 31, 2025) Consolidated : 494 (as of August 31, 2025)
Business Domain	Cloud integrator specializing in AWS
Management	Ryo Oishi CEO Takashi Hashiba Senior Vice President Mikiya Inoue Outside Director who is Audit and Supervisory Committee Member (Full-time) Yuko Tanaka Outside Director who is Audit and Supervisory Committee Member Hikari Fujimoto Outside Director who is Audit and Supervisory Committee Member
Certification	• AWS Premier Tier Service Partner • AWS Migration Competency • AWS Digital Workplace Competency • AWS Managed Service Provider Program • AWS Well-Architected Partner Program • ISO / IEC 27001 (JIS Q 27001)
Major Shareholders	Board members TerraSky Co., Ltd., NTT DATA Corporation NTT DOCOMO BUSINESS, Inc. (former NTT Communications Corporation)



Main Locations
Tokyo, Osaka, Sendai, Niigata, Fukuoka



Head office

The background features a light gray field with several overlapping geometric elements. In the top right, there is a circular segment filled with thin, parallel gray lines. In the bottom left, there are two overlapping circular segments, also filled with thin, parallel gray lines. Diagonal bands of a slightly darker gray shade run across the background from the bottom left towards the top right.

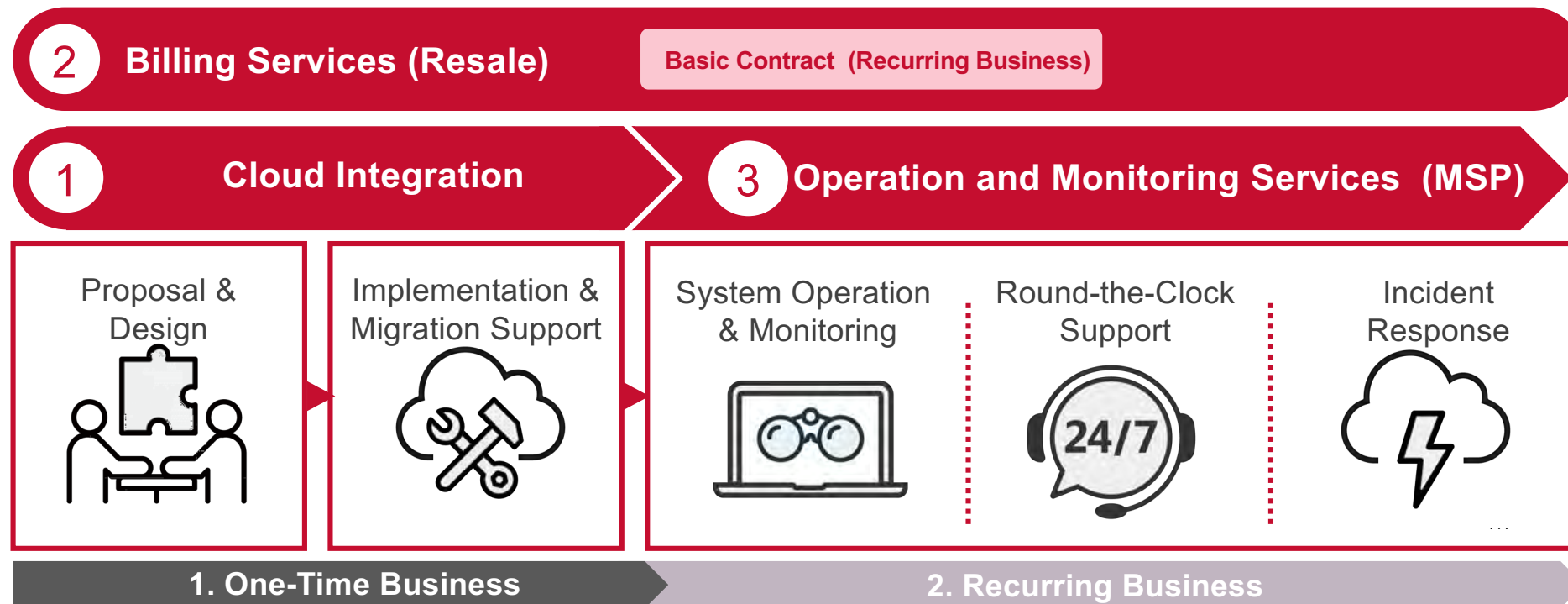
7. Business Overview

Business Model

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

Business Overview

1 Cloud Integration

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

*We provide estimates in advance based on individual requests.



Customer support
Building environments



Migrate on-premise environments to servers



Building environments for financial institutions and payment systemsA

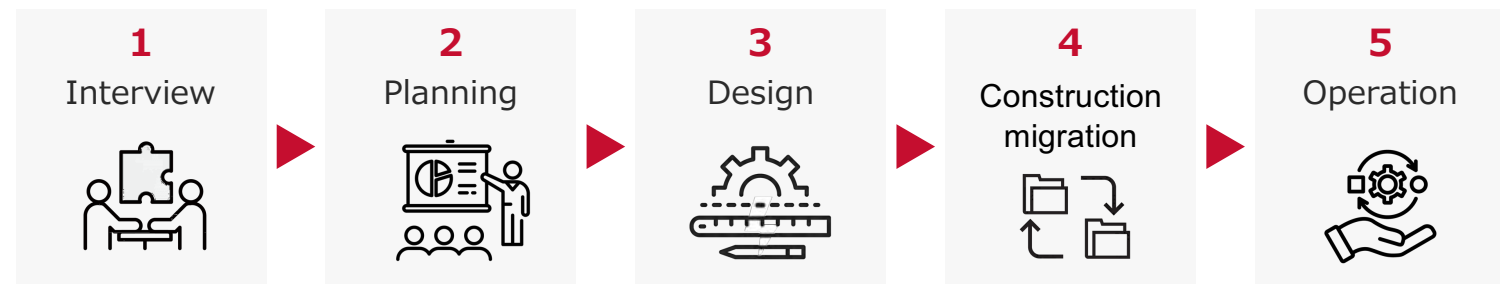


Provide in-house production support for AWS utilization

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

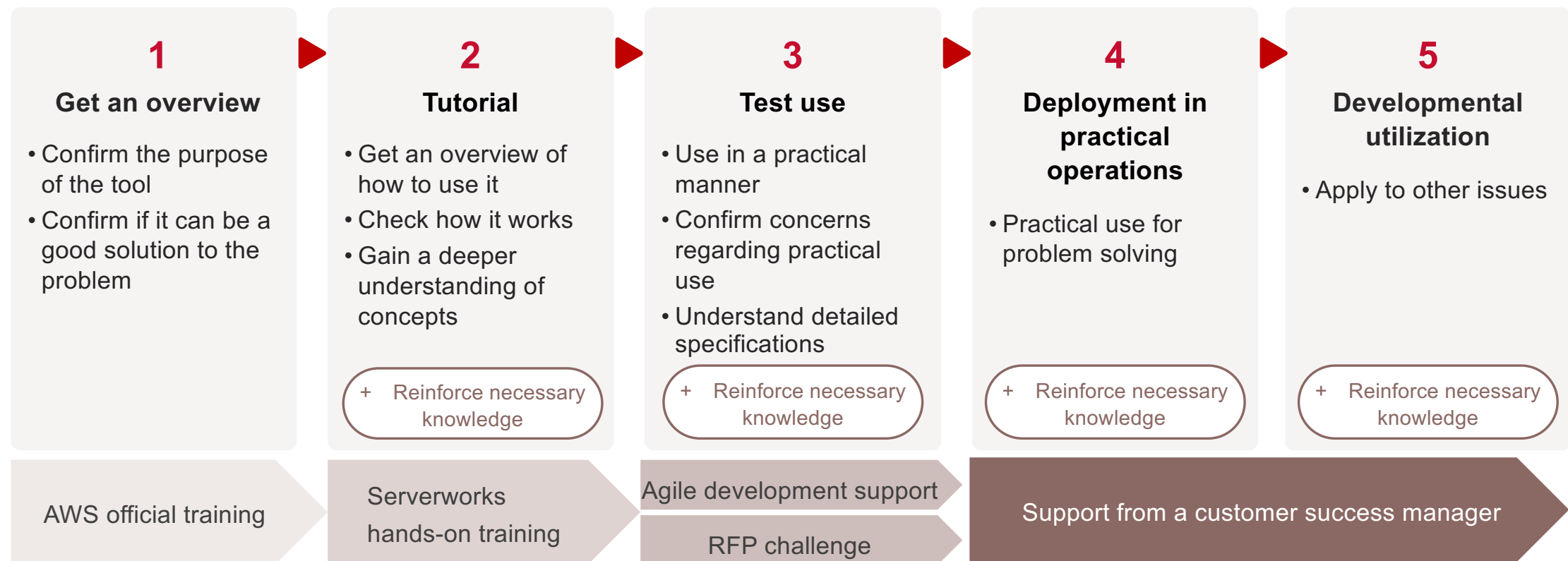


Business Overview

1 Cloud Integration – Generative AI Utilization, In-house Development Support

Providing AWS training and in-house development support

Accelerate in-house development by incorporating generative AI into training programs



Business Overview

1 Cloud Integration – Cloud Sherpa

We support AWS adoption through a collaborative, hands-on approach.

Our “Cloud Sherpa” solution provides comprehensive support for internal digital transformation (DX).

Strengths of Cloud Sherpa

► What is Cloud Sherpa?

Cloud Sherpa is a service offered by Serverworks, developed under a strategic collaboration agreement with AWS. It leverages the shared expertise of both companies.



Technical
capability

Solutions
capability

Broad
expertise

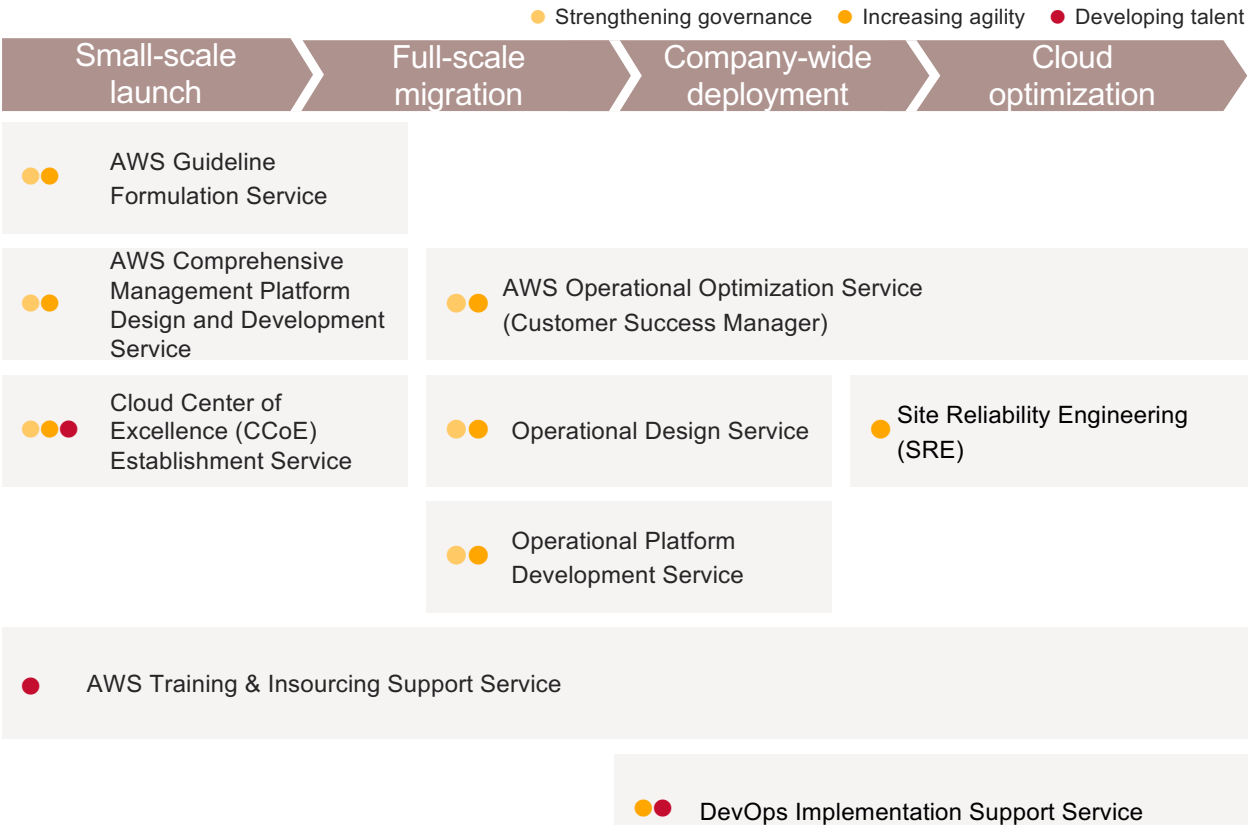
Access to
the latest
information

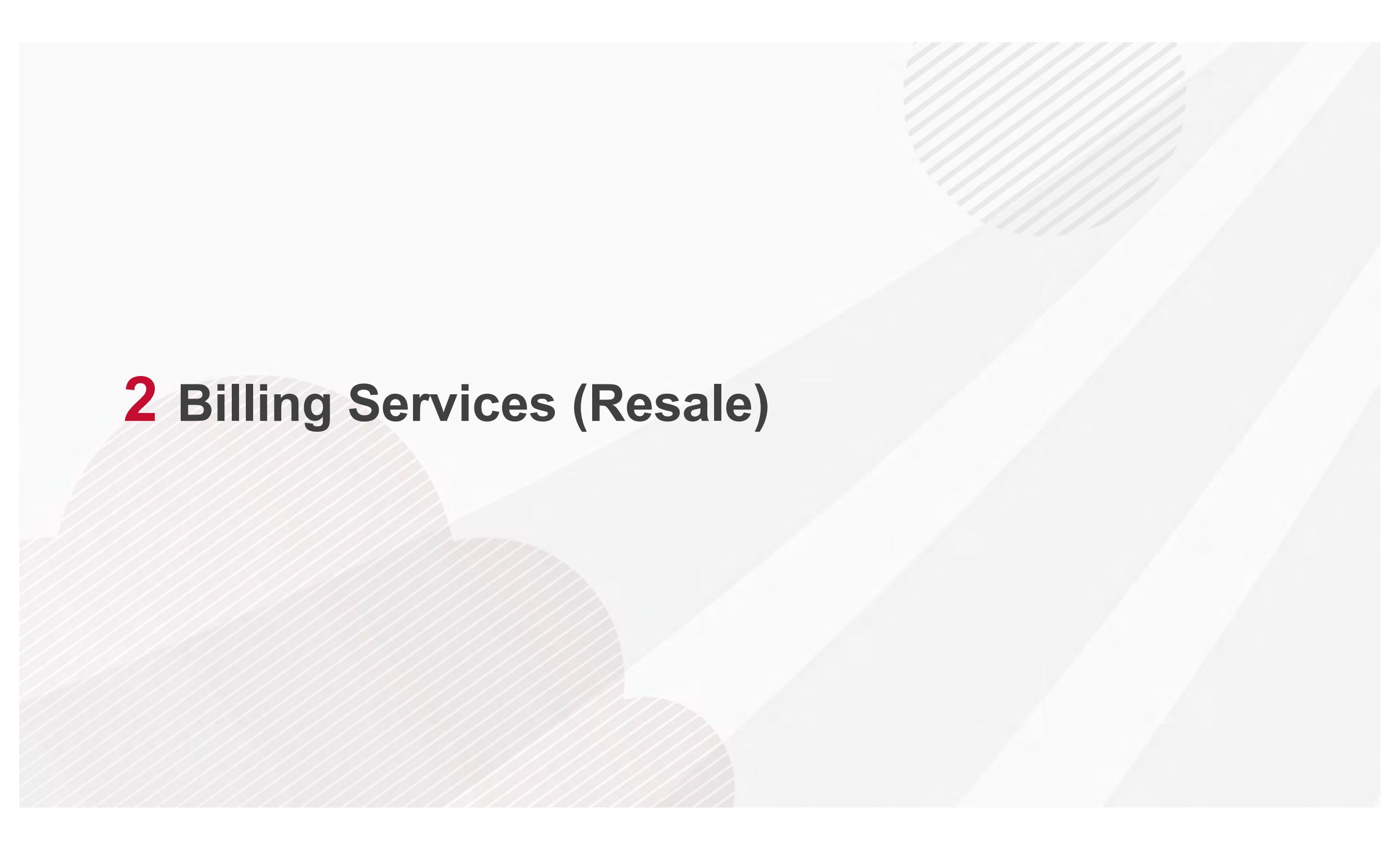
AWS expertise



Customers

Overview of Cloud Sherpa



The background features a light gray field with several overlapping circles and diagonal stripes. One circle in the top right has dark gray diagonal stripes. A larger circle in the bottom left has light gray diagonal stripes. Broad, light gray diagonal stripes sweep across the entire background from the bottom left towards the top right.

2 Billing Services (Resale)

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.

► What is 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

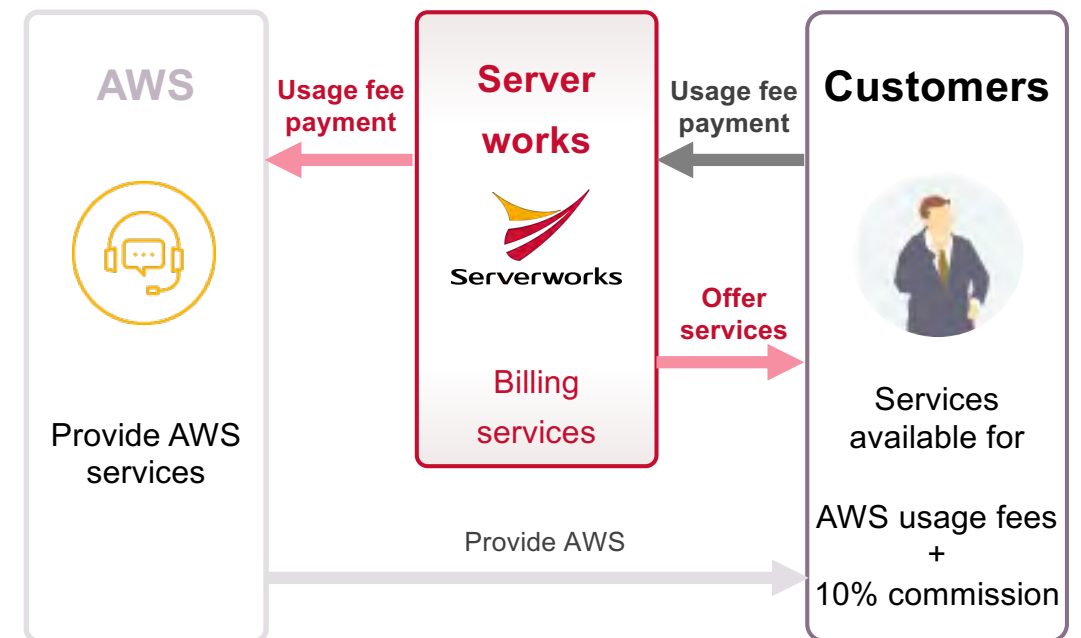
Invoicing in Japanese Yen

Migration and Operations Services
*paid option

Customer Portal

Damage Insurance

Serverworks contracts with AWS for enterprise support.



Business Overview

2 Billing Services (Resale)

Available with
advanced service
agreement

Customer successes of Cloud Automator, operational optimization service



Cloud Automator automates
AWS operations

dip

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.

 近鉄不動産

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.

3 Operation and Monitoring Services (MSP)

Business Overview

3 Operation and Monitoring Services (MSP)

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

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

Reduce operational burden and maximize AWS benefits

► What is AWS Operation Agency and Monitoring Service?

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

What our AWS operation and monitoring services can do

System
Operation &
Monitoring



Round-the-Clock
Support



Troubleshooting



AWS operation and monitoring services



For example, do you have any of these problems?

Sudden troubles

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

Business Overview

3 Operation and Monitoring Services (MSP) - SABASOC

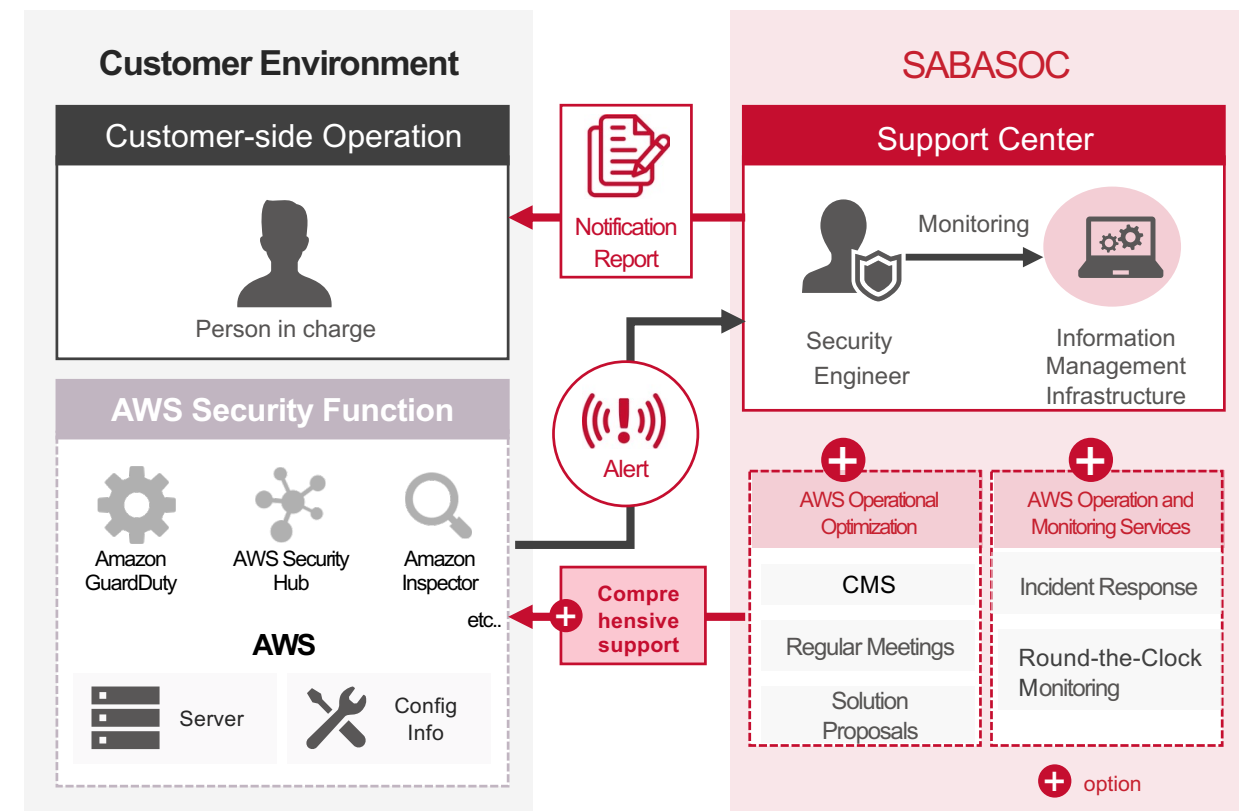
Secure, cost-effective, and fast
Managed Security Service "SABASOC"

► What is SABASOC?

It is a managed security service for AWS infrastructure provided by an AWS-specialized vendor. Leveraging AWS's latest security technologies and generative AI, it delivers automated, high-precision security responses quickly.

Security-related alerts are monitored by a support center, which immediately notifies you of critical incidents. In addition to analyzing the content of alerts issued by AWS and evaluating their risks, we also propose appropriate countermeasures.

Even users without specialized knowledge can fully utilize AWS's security features. Minimize operational burden and focus on strategic business activities.



Alerts generated in customer environment are monitored by the SABASOC support center

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.

**Make the world
more productive
with the Cloud**

