

Consolidated Results of Operations for 1st Quarter of Fiscal Year Ending March 2020

Yasuhiko Oka
Senior Executive Officer
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Highlights of Consolidated Business Performance

Net Sales 90,967 JPY Million YOY 13.5%

Operating Profit 7,833 JPY Million YOY 23.7%

Operating Margin 8.6 % YOY 0.7 p.p.

Backlog 134,357 JPY Million YOY 10.8%

Summary of Financial Results (PL/Incoming Orders/Backlog)

(Millions of yen)

	FY2018	FY2019	Increase/Decrease	
			Amount	Change (%)
Net Sales	80,166	90,967	10,801	13.5%
Gross Profit	19,249	21,711	2,461	12.8%
Gross Profit Margin (%)	24.0	23.9		
SG&A Expenses□	12,916	13,877	961	7.4%
Operating Profit□	6,333	7,833	1,500	23.7%
Operating Profit Margin (%)	7.9	8.6		
Ordinary Profit□	6,588	8,131	1,543	23.4%
Profit attributable to owners of parent	4,301	5,542	1,240	28.8%
Incoming Orders	84,379	87,936	3,557	4.2%
Backlog	121,259	134,357	13,098	10.8%

1st Quarter of Fiscal Year Ending March 2020

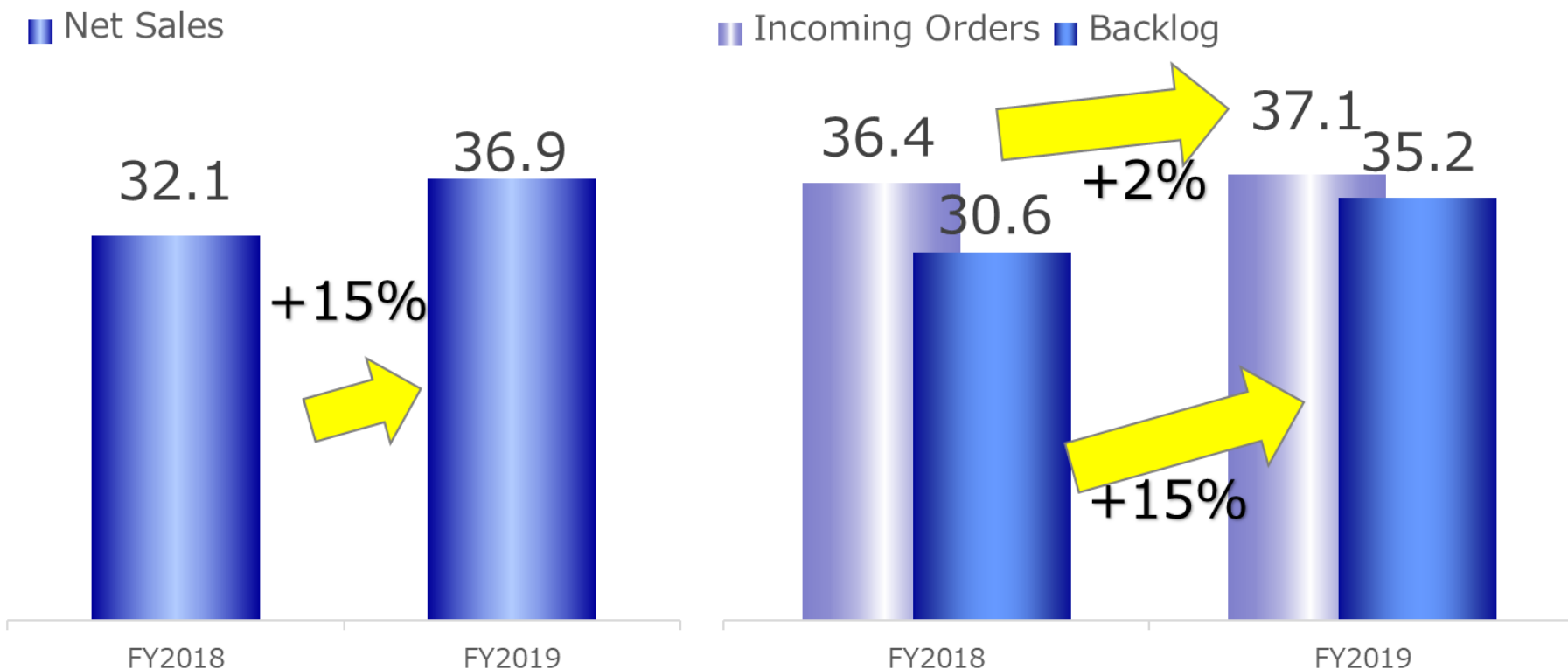
By Sales Segment (Sales/Incoming Orders/Backlog)

(Millions of yen)

	Sales Segment	FY2018	FY2019	Increase/Decrease	
				Amount	Change (%)
Net Sales	Systems Development	32,154	36,936	4,781	14.9%
	System Maintenance and Operation/ Services	32,079	34,068	1,989	6.2%
	Packaged Software/ Hardware Sales	15,933	19,962	4,029	25.3%
	Total	80,166	90,967	10,801	13.5%
Incoming Orders	Systems Development	36,466	37,110	644	1.8%
	System Maintenance and Operation/ Services	29,591	30,041	450	1.5%
	Packaged Software/ Hardware Sales	18,322	20,784	2,462	13.4%
	Total	84,379	87,936	3,557	4.2%
Backlog	Systems Development	30,609	35,293	4,684	15.3%
	System Maintenance and Operation/ Services	79,075	83,689	4,614	5.8%
	Packaged Software/ Hardware Sales	11,574	15,374	3,799	32.8%
	Total	121,259	134,357	13,098	10.8%

Systems Development (Sales/Incoming Orders/Backlog)

(Billions of yen)



Net Sales : Benefited from strong demand for strategic investments, upgrades to ERP and CRM systems, and operational efficiency improvement and streamlining

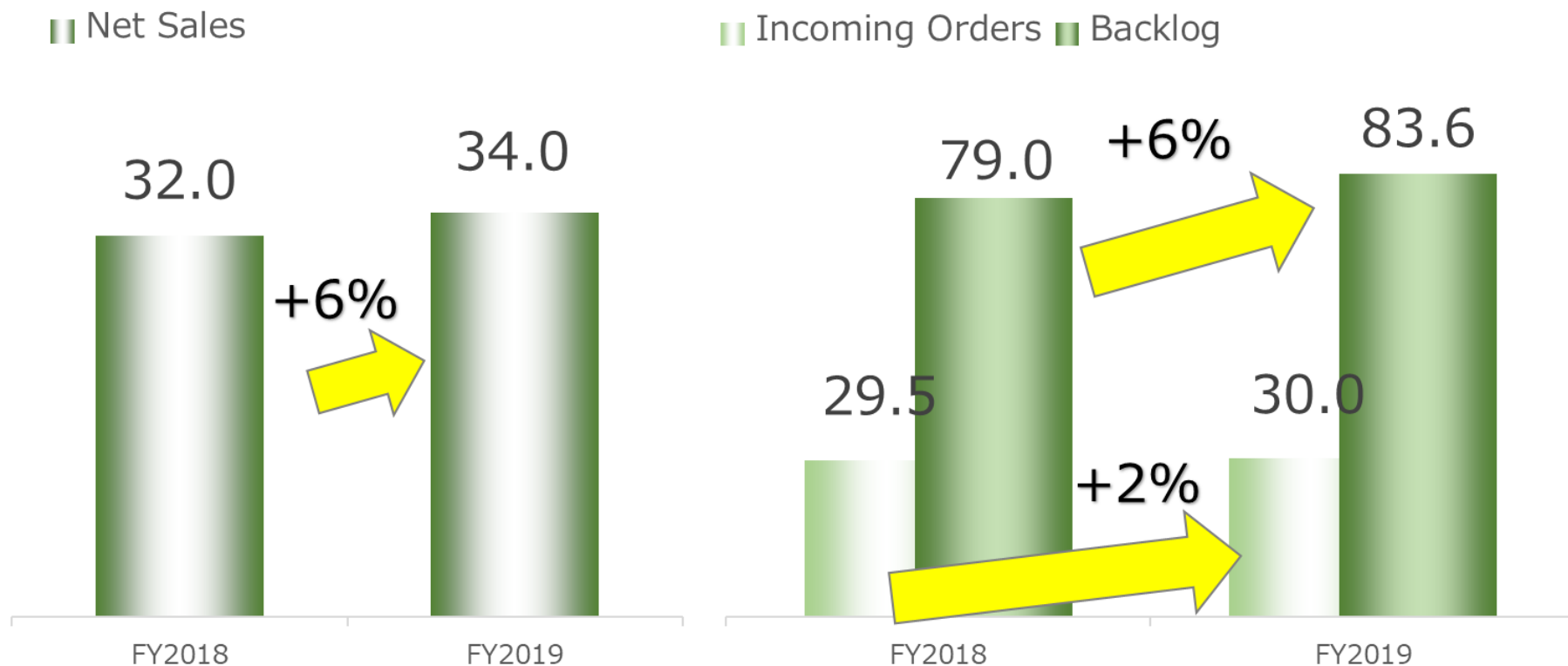
Incoming Orders : Increased despite being impacted by the rebound from large-scale orders from communications industry customers

Backlog : Acquisition of orders from customers in communications, power and gas, and various other industries

System Maintenance and Operation/Services

(Sales/Incoming Orders/Backlog)

(Billions of yen)



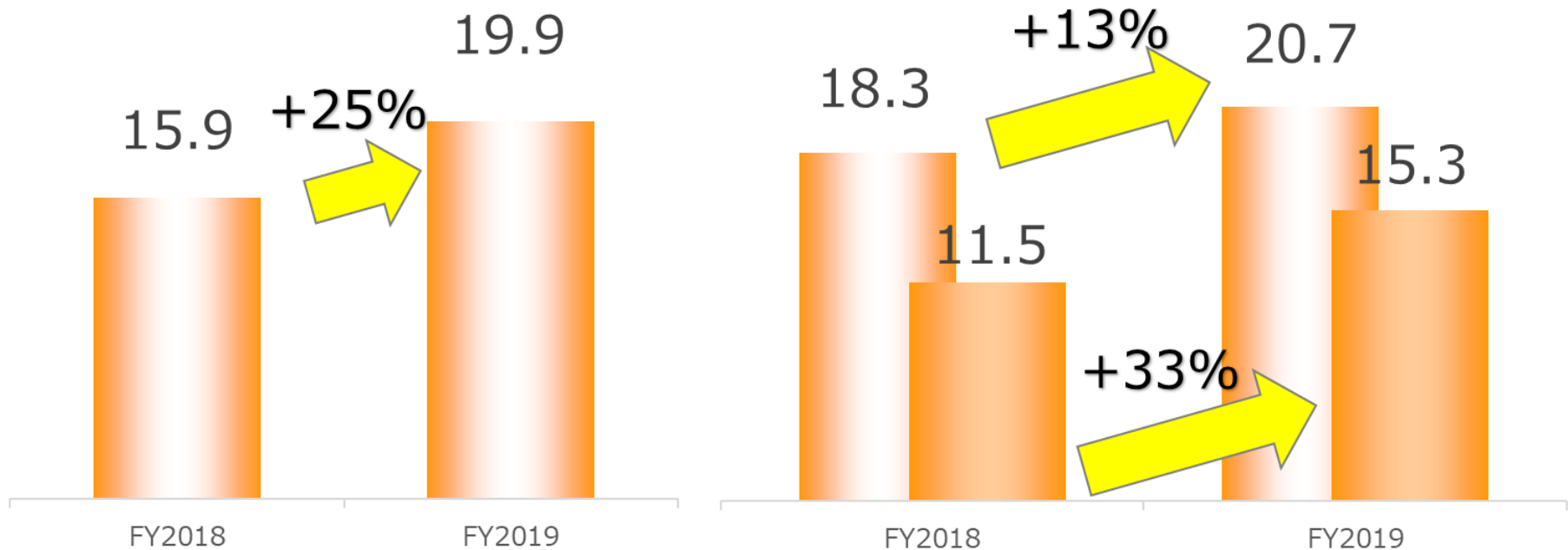
Net Sales : Growth was seen in systems maintenance businesses in reflection of the favorable systems development trends, robust performance of verification services for pre-market products, cloud-based core systems, and BPO services related to products and services
Incoming Orders / Backlog : Accumulation of orders for BPO projects and in data center-related businesses

Packaged Software/Hardware Sales (Sales/Incoming Orders/Backlog)

(Billions of yen)

Net Sales

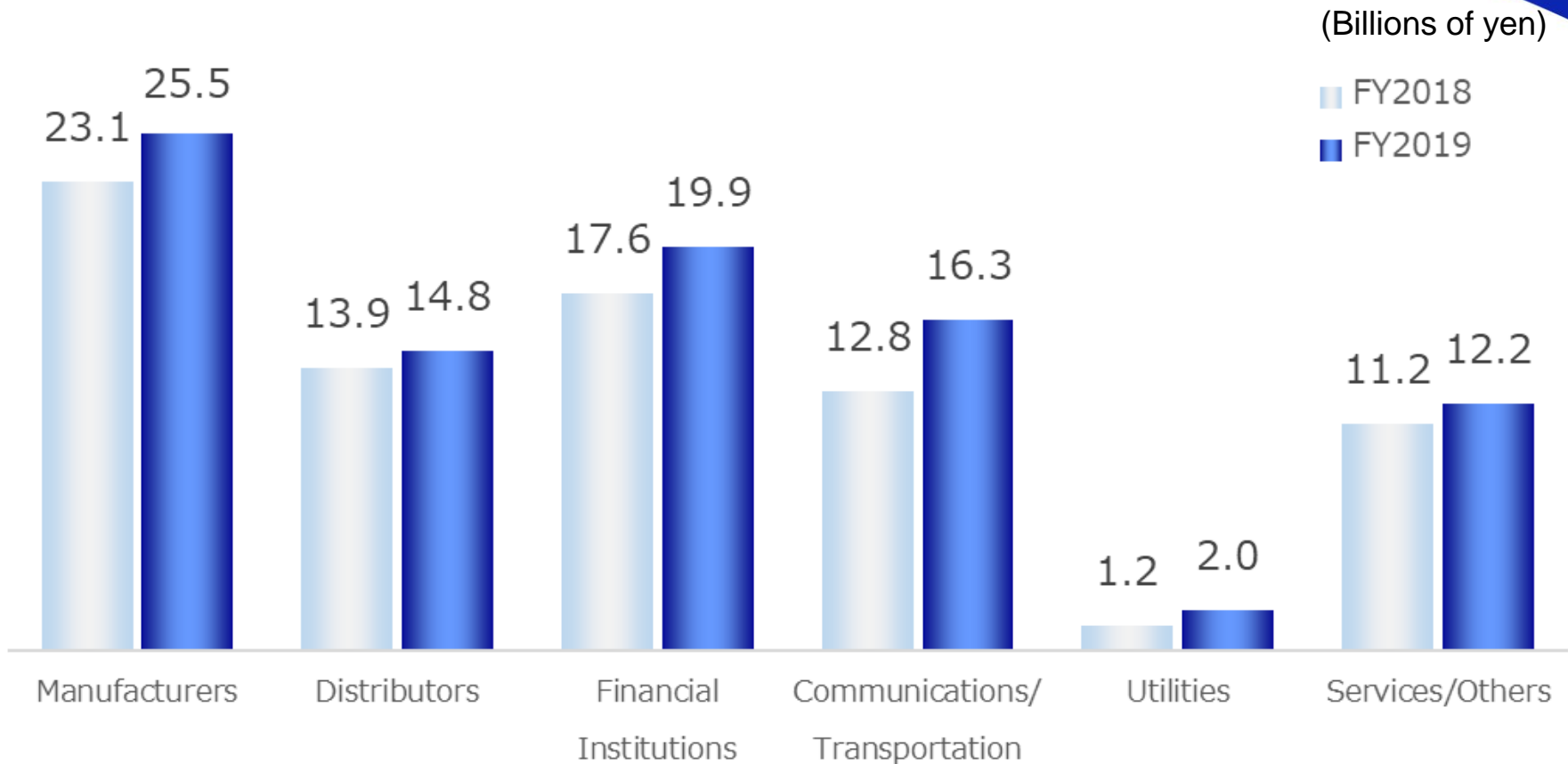
Incoming Orders Backlog



Net Sales : Increased the network equipment sales to the communications industry and hardware sales to the manufacturing industry

Incoming Orders / Backlog : Brisk trend in orders for network equipment from the communications industry, the accumulation of orders for hardware from academic research institutions

Sales Comparison by Customer Industry



<Main factors of sales increase by customer industry >

Manufacturers : Projects from automobile manufacturers, BPO services related to products and services, and more

Distributors : Core system re-construction

Financial Institution : System upgrade for Banks, Insurance Companies and Shopping Credit/ Leasing Companies

Communications/Transportation : Network equipment sales to communications industry customers, core system upgrade projects for the transportation industry

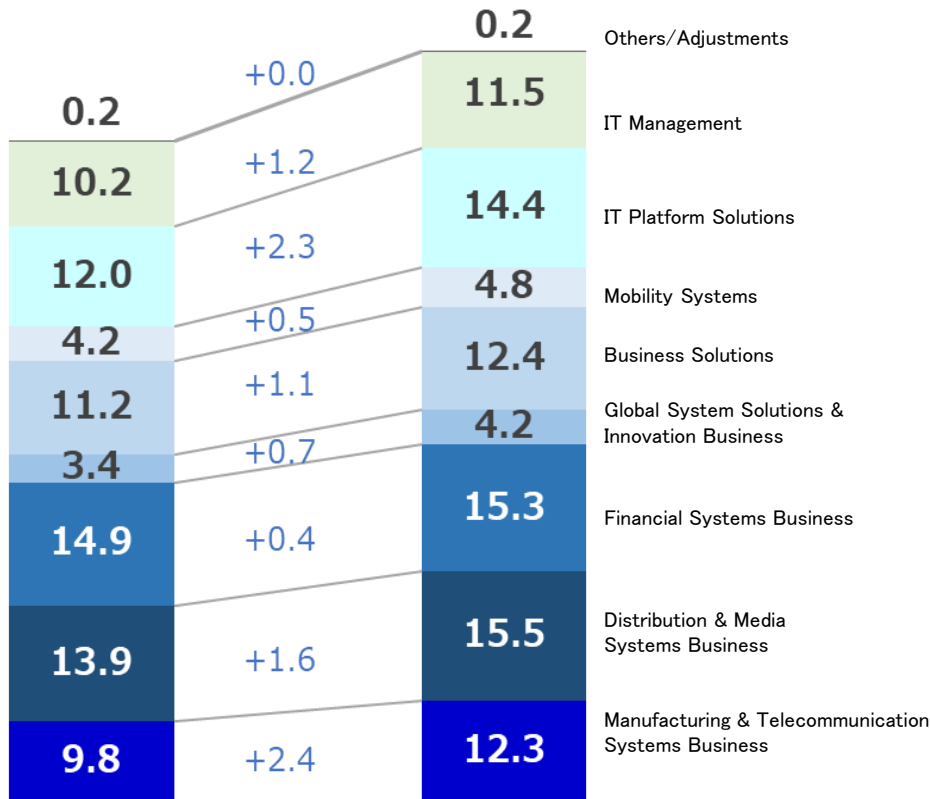
Utilities : Next-generation system, and more

1st Quarter of Fiscal Year Ending March 2020

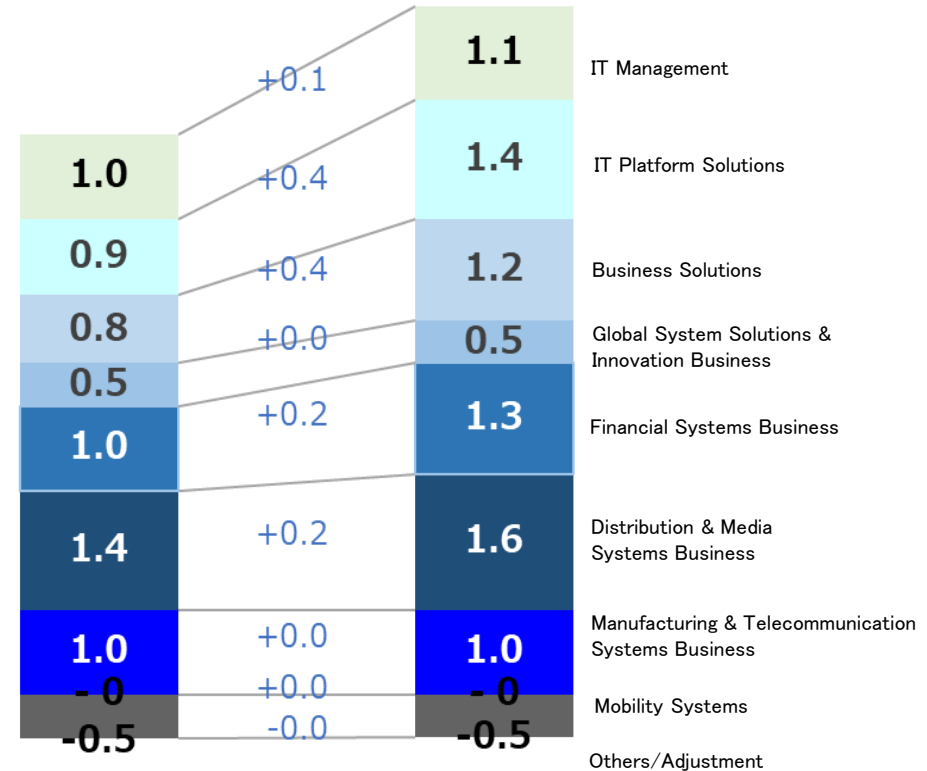
Business Performance by Reportable Segment

(Billions of yen)

Net Sales



Operating Profit

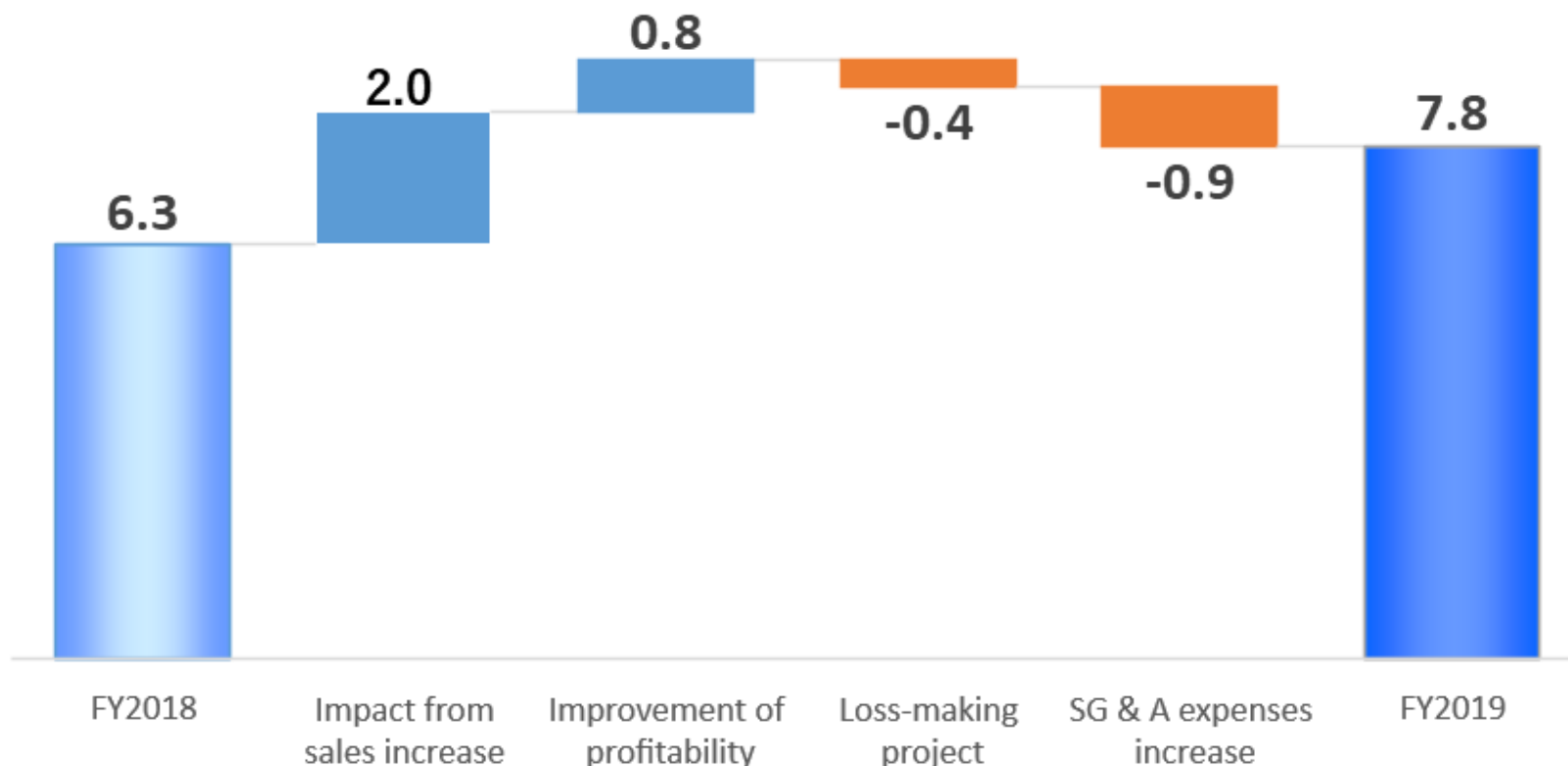


Mobility Systems : Including the investment expense of automotive systems business "QINeS-BSW"

Manufacturing & Telecommunication Systems Business : Segment profit growth rate of 3% was posted as a result of unprofitable projects

1st Quarter of Fiscal Year Ending March 2020 Operating Profit Analysis

(Billions of yen)



<Main factors of SG & A expenses increase>

- Higher payments of performance-linked bonuses in reflection of the impressive performance in last fiscal year
- Business investment expenses, R&D expenses, and an increase in expenses associated with events commemorating the 50th anniversary of SCSK's founding

1st Quarter of Fiscal Year Ending March 2020 Consolidated Financial Forecasts

※No Change from Initial Forecasts

(Millions of yen)

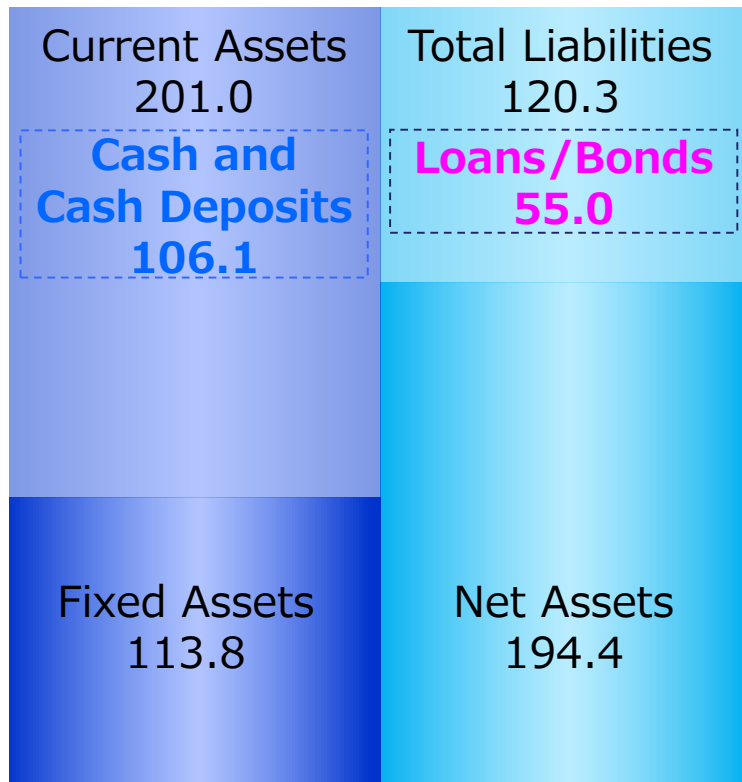
	FY2019(Forecasts)		FY2018 Full Year (Actual)
	1st Half	Full Year	
Net Sales	180,000	380,000	358,654
Operating Profit	17,500	41,000	38,378
Operating Profit Margin (%)	9.7%	10.8%	10.7%
Ordinary Profit	17,500	41,000	38,650
Profit attributable to owners of parent	12,000	28,000	27,892

1st Quarter of Fiscal Year Ending March 2020 Consolidated Balance Sheets

(Billions of yen)

As of March 31, 2019

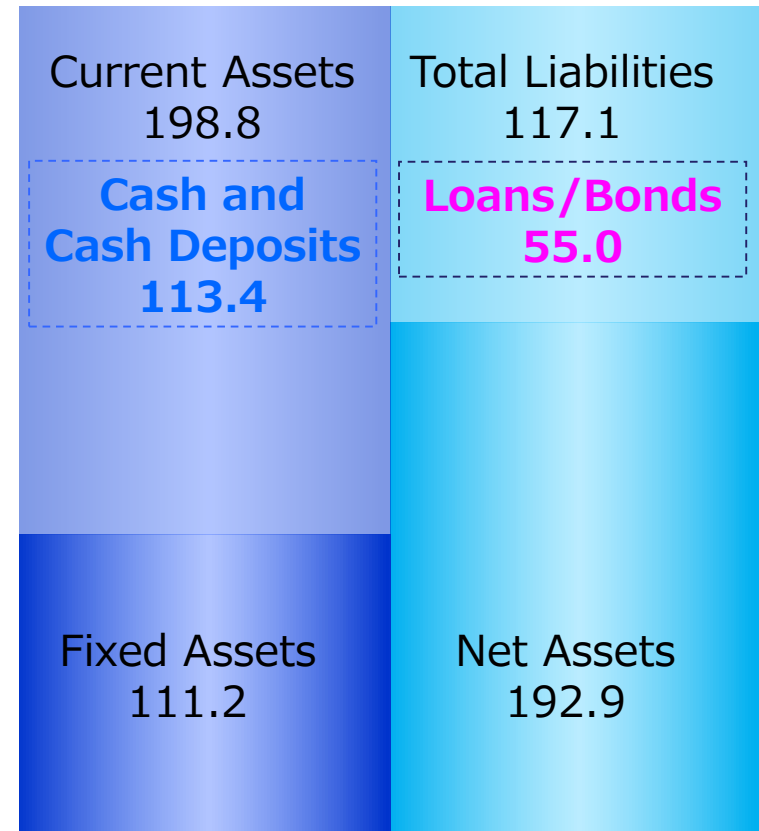
Total Assets 314.8



Equity Ratio 61.4%
BPS JPY1,862.78

As of June 30, 2019

Total Assets 310.1



Equity Ratio 62.1%
BPS JPY1,855.11

Progress of Core Strategies under the Medium-Term Management Plan

Shift to Service- Oriented Businesses

Promote Strategic Business that
Captures the Changing Times

Enter into the Second Stage of
Global Business Expansion

METI* "THE DIVERSITY MANAGEMENT 2.0 PRIME"
Selected as the Company that Exercising Company-wide and Continuous Diversity Management



Awarded the Top Prize of "Platinum Career Award" that hosted by Toyo Keizai Inc. and supported by Cabinet Secretariat/ MHLW*



Fifth consecutive year selected as "Brand of Companies Enhancing Corporate Value through Health & Productivity" and "Nadeshiko Brand" jointly hosted by TSE* and METI*



Selected as Component Brand of Index for ESG investment

- FTSE4Good Index Series
- MSCI MSCI Japan ESG Select Leaders Index
- S&P/JPX Carbon Efficient Index
- FTSE Blossom Japan Index
- MSCI Japan Empowering Women Index(WIN)

*METI : Ministry of Economy, Trade and Industry

*TSE : Tokyo Stock Exchange

+MHLW : Ministry of Health, Labour and Welfare

Attention on the use of this document

- We have made amendment of previous year's data in page 8 (Sales Comparison by Customer Industry) to reflect the revision of industry applied to some customers.
- We have made amendment of previous year's data in page 9 (Business Performance by Reportable Segment) to enable a fair comparison with this year's data under realigned reportable segments.

Disclaimer

- This data is intended to provide information about the Group's performance and business strategy and is not intended to solicit the purchase or sales of shares in Group companies.
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