

# **Consolidated Financial Results for 2nd Quarter of Fiscal Year Ending March 2022**

**Yasuhiko Oka**  
**Managing Executive Officer**

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(PL/ Incoming Orders/ Backlog)
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# 2nd Quarter of Fiscal Year Ending March 2022 Summary of Financial Results from Apr. to Sep. 2021



(PL/Incoming Orders/Backlog)

(Millions of yen)

	FY2020 (Apr. 2020 - Sep. 2020)	FY2021 (Apr. 2021 - Sep. 2021)	Increase/Decrease	
			Amount	%
Net Sales	189,755	<b>200,025</b>	10,269	5.4%
Gross Profit	48,914	<b>51,983</b>	3,068	6.3%
Gross Profit Margin	25.8%	<b>26.0%</b>	0.2%	
SG&A Expenses*	- 27,697	<b>- 29,392</b>	- 1,695	6.1%
Operating Profit	21,217	<b>22,590</b>	1,373	6.5%
Operating Profit Margin	11.2%	<b>11.3%</b>	0.1%	
Profit attributable to owners of parent	14,869	<b>15,784</b>	915	6.2%
Incoming Orders	179,915	<b>194,918</b>	15,003	8.3%
Backlog	137,301	<b>158,165</b>	20,864	15.2%

\*Including other income and expenses

# 2nd Quarter of Fiscal Year Ending March 2022

## Summary of Financial Results from Jul. to Sep. 2021



(PL/Incoming Orders/Backlog)

(Millions of yen)

	FY2020 (Jul. 2020 - Sep. 2020)	FY2021 (Jul. 2021 - Sep. 2021)	Increase/Decrease	
			Amount	%
Net Sales	95,398	<b>100,814</b>	5,416	5.7%
Gross Profit	24,869	<b>26,554</b>	1,685	6.8%
Gross Profit Margin	26.1%	<b>26.3%</b>	0.3%	
SG&A Expenses*	- 13,931	<b>- 14,851</b>	- 919	6.6%
Operating Profit	10,937	<b>11,703</b>	765	7.0%
Operating Profit Margin	11.5%	<b>11.6%</b>	0.1%	
Profit attributable to owners of parent	7,608	<b>8,080</b>	471	6.2%
Incoming Orders	96,176	<b>107,603</b>	11,427	11.9%
Backlog	137,301	<b>158,165</b>	20,864	15.2%

\*Including other income and expenses

### Systems Development

(Lower row: The three-month period from Jul. to Sep.)

(Millions of yen)

	FY2020	FY2021	YoY	YoY %
Net Sales	78,474	<b>82,022</b>	3,547	4.5%
	39,809	<b>41,527</b>	1,717	4.3%
Incoming Orders	80,298	<b>83,404</b>	3,105	3.9%
	41,755	<b>43,605</b>	1,850	4.4%
Backlog	38,190	<b>38,563</b>	373	1.0%

- Net Sales
  - Convergence in system upgrade projects for the gas industry and EDI projects for the distribution industry
  - Steady progresses in overseas business for the banking industry, in strengthening of customer contact points for the communication industry, and in core system projects for the service and machinery industry
- Incoming Orders
  - Decreased in reaction to infrastructure building projects and projects for the rebuilding of core systems for the distribution industry
  - Increased due to strengthening of customer contact points in the communications industry, response to overseas operations and systems in the banking industry, and projects to strengthen the business foundation of the securities industry
- Backlog
  - Covering the peak-out of large-scale projects in the life and non-life insurance industry due to the same factors as incoming orders

**Comparison by Sales Segment (Sales/Incoming Orders/Backlog)****System Maintenance and Operation/Services**(Lower row: The three-month period from Jul. to Sep.)

(Millions of yen)

	FY2020	FY2021	YoY	YoY %
Net Sales	74,524	<b>79,935</b>	5,411	7.3%
	37,672	<b>40,420</b>	2,747	7.3%
Incoming Orders	64,964	<b>69,531</b>	4,566	7.0%
	34,893	<b>37,477</b>	2,584	7.4%
Backlog	83,563	<b>90,136</b>	6,573	7.9%

## ➤ Net Sales/ Incoming Orders/ Backlog

- The BPO business through contact centers and EC-related businesses remained firm on the back of efforts to strengthen non-face-to-face customer contact and reform operations through digitization
- Data center business increased
- Management services increased, particularly in the manufacturing and banking industries
- Verification services increased

## Comparison by Sales Segment (Sales/Incoming Orders/Backlog)

### Packaged Software/Hardware Sales

(Lower row: The three-month period from Jul. to Sep.)

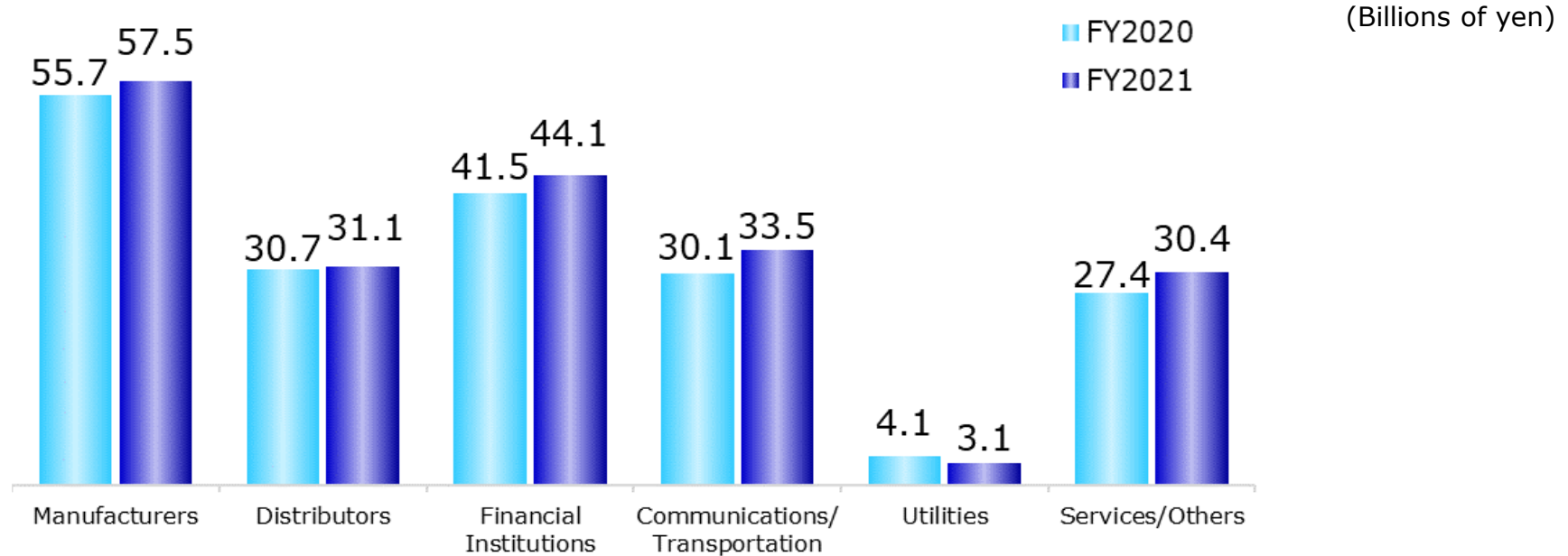
(Millions of yen)

	FY2020	FY2021	YoY	YoY %
Net Sales	36,756	<b>38,067</b>	1,310	3.6%
	17,915	<b>18,866</b>	951	5.3%
Incoming Orders	34,652	<b>41,982</b>	7,330	21.2%
	19,527	<b>26,520</b>	6,992	35.8%
Backlog	15,547	<b>29,465</b>	13,917	89.5%

- Net Sales
  - Decline in reaction to sales of licenses to the food industry
  - Growing demand for network products and security products
  - Increase in sales of multiple network equipment to the communications industry
- Incoming Orders/ Backlog
  - In addition to the same factors as net sales, demand for investment increased in the automobile industry

# 2nd Quarter of Fiscal Year Ending March 2022

## Sales Comparison by Customer Industry



- In the manufacturing industry, sales rose due to the establishment of core systems for the machinery industry and verification services for the automotive industry, despite a reactionary decline in sales of licenses to the food industry.
- In the distribution industry, although system development projects converged, maintenance projects increased and system sales increased due to an increase in demand for network products and security products.
- In the finance industry, expansion of large-scale development projects and management services, mainly for the banking industry, increased.
- In the communications and transportation industry, investment in IT to strengthen customer contact points and sales of network equipment increased in the communications industry.
- In the electricity and gas (utilities) industry, projects converged, mainly in system development in the gas industry.
- In the services and others industry, in addition to projects for the construction of core systems, there was an increase in data center business and BPO-related, etc.



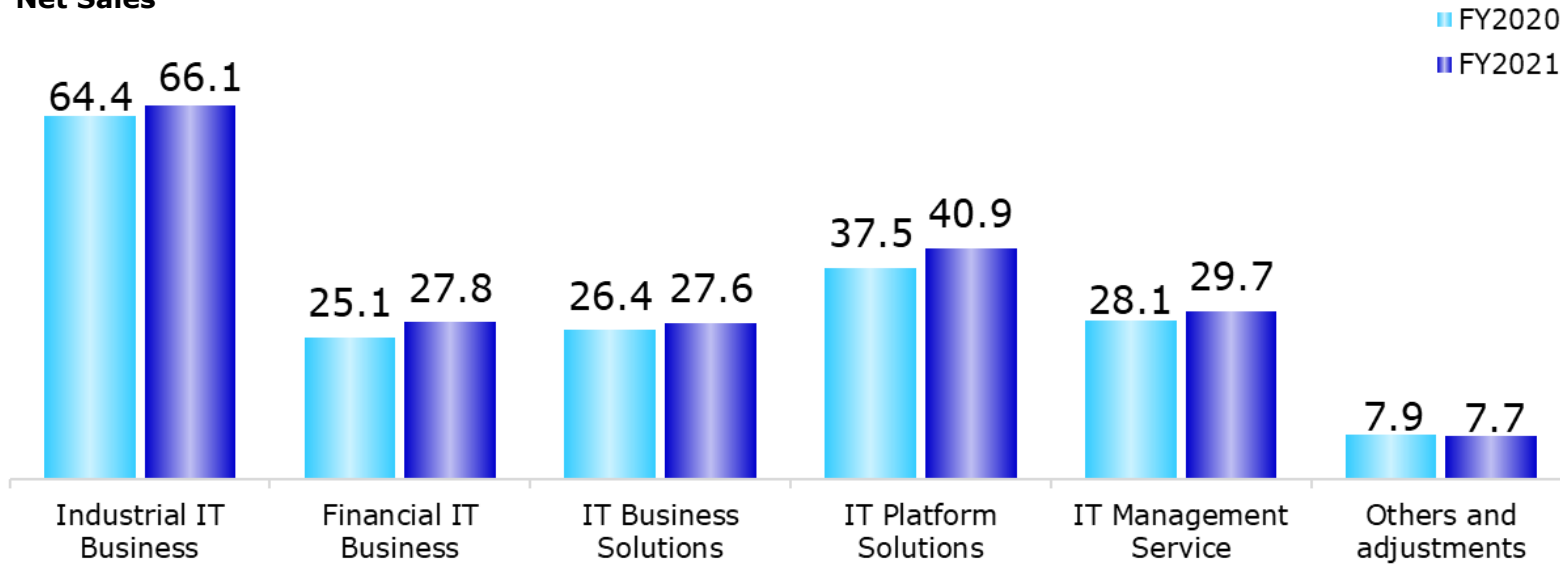
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## Business Performance by Reportable Segment

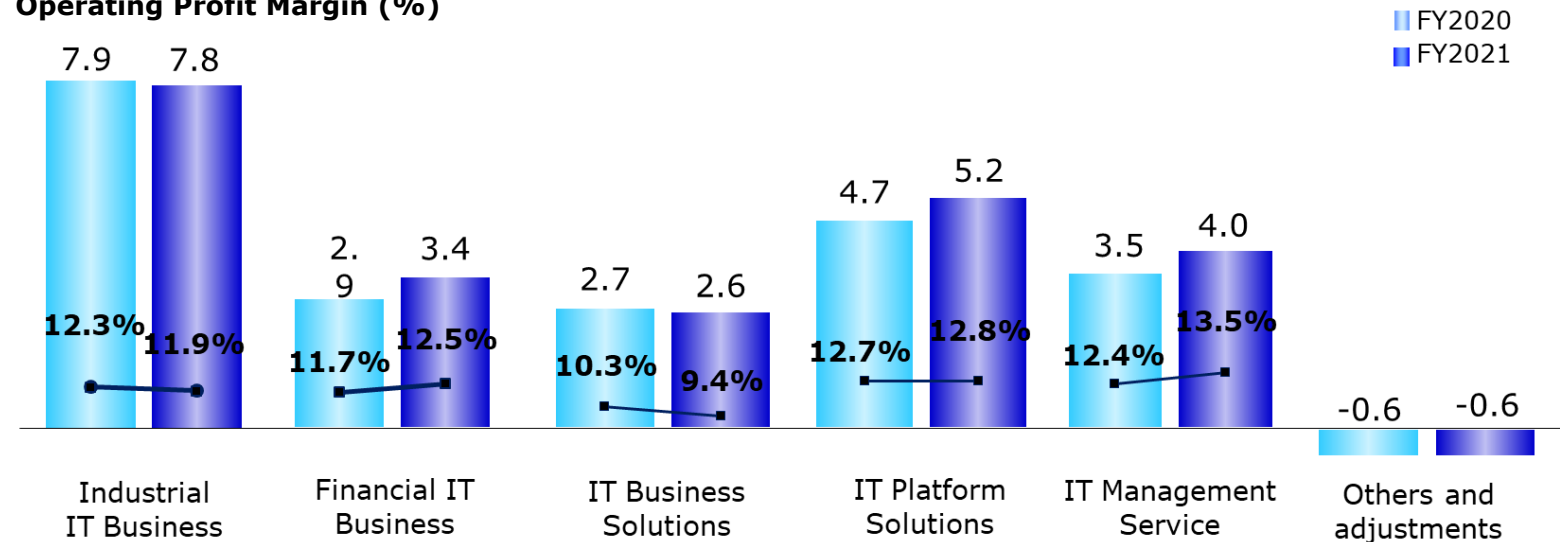


### Net Sales

(Billions of yen)

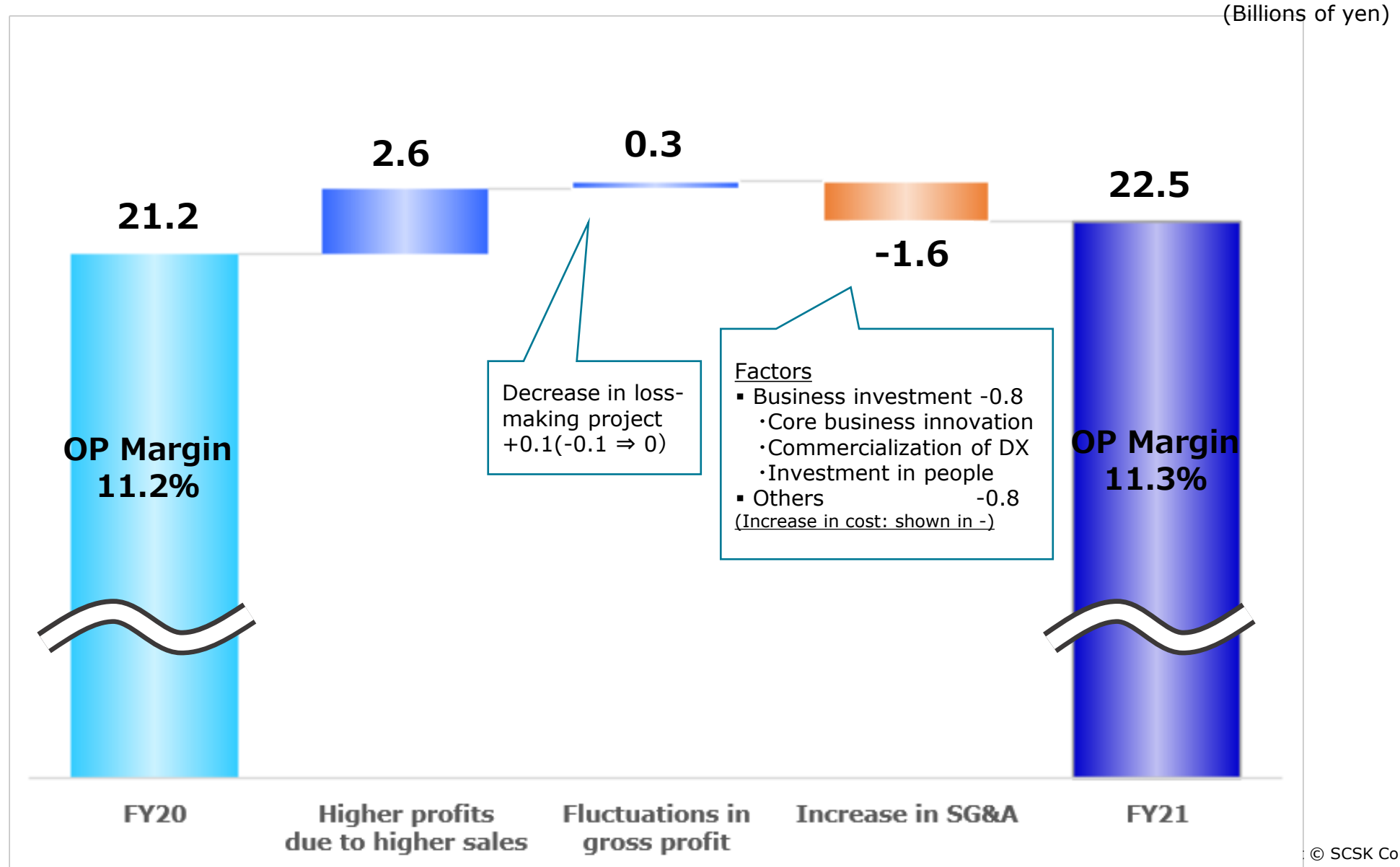


### Operating Profit Operating Profit Margin (%)



# 2nd Quarter of Fiscal Year Ending March 2022

## Operating Profit Analysis



# Consolidated Financial Forecasts/ Dividends Forecasts



## ➤ No change in full-year forecast

(Millions of yen)

Financial Forecasts	FY2020 Results (A)	FY2021 Forecasts (B)	Increase/Decrease Amount (B-A)
Net Sales	396,853	<b>420,000</b>	23,147
Operating Profit	45,878	<b>48,000</b>	2,122
Operating Profit Margin	11.6%	<b>11.4%</b>	-0.1%
Profit attributable to owners of parent	33,435	<b>34,000</b>	565

(Yen)

Dividends	FY2020	FY2021	Increase/Decrease
Interim dividends	65	<b>70</b>	5
Dividends per share			
Year-end dividends	70 *(23.34)	<b>23.34</b>	-

\*We conducted a three-for-one stock split on October 1, 2021.

The year-end dividend results for FY2020 are presented retroactively, taking into account the impact of the stock split.

### **Attention on the use of this document**

- We have made amendment of previous year's data in page 7 (Sales Comparison by Customer Industry) to reflect the revision of industry applied to some customers.

### **Disclaimer**

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