



Consolidated Financial Results for 3rd Quarter of Fiscal Year Ending March 2022

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Managing Executive Officer
January 31, 2022

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Summary of Financial Results from Apr. to Dec. 2021

(PL/Incoming Orders/Backlog)

(Millions of yen)

	FY2020 (Apr. 2020 - Dec. 2020)	FY2021 (Apr. 2021 - Dec. 2021)	Increase/Decrease Amount %	
Net Sales	290,866	302,754	11,887	4.1%
Gross Profit	75,406	79,242	3,835	5.1%
Gross Profit Margin	25.9%	26.2%	0.2%	
SG&A Expenses*	- 41,408	- 44,467	- 3,058	7.4%
Operating Profit	33,997	34,774	777	2.3%
Operating Profit Margin	11.7%	11.5%	-0.2%	
Profit attributable to owners of parent	23,782	24,257	475	2.0%
Incoming Orders	280,060	298,135	18,075	6.5%
Backlog	136,335	158,653	22,318	16.4%

*Including other income and expenses

Summary of Financial Results from Oct. to Dec. 2021

(PL/Incoming Orders/Backlog)

(Millions of yen)

	FY2020 (Oct. 2020 - Dec. 2020)	FY2021 (Oct. 2021 - Dec. 2021)	Increase/Decrease Amount %	
Net Sales	101,111	102,729	1,617	1.6%
Gross Profit	26,491	27,258	767	2.9%
Gross Profit Margin	26.2%	26.5%	0.3%	
SG&A Expenses*	- 13,711	- 15,074	- 1,363	9.9%
Operating Profit	12,780	12,184	- 596	-4.7%
Operating Profit Margin	12.6%	11.9%	-0.8%	
Profit attributable to owners of parent	8,912	8,472	- 439	-4.9%
Incoming Orders	100,144	103,217	3,072	3.1%
Backlog	136,335	158,653	22,318	16.4%

*Including other income and expenses

Systems Development

(Lower row: The three-month period from Oct. to Dec.)

(Millions of yen)

	FY2020	FY2021	YoY	YoY %
Net Sales	119,847	124,422	4,574	3.8%
	41,373	42,400	1,026	2.5%
Incoming Orders	119,417	127,399	7,982	6.7%
	39,118	43,995	4,876	12.5%
Backlog	35,935	40,158	4,223	11.8%

- Net Sales
 - Convergence in system upgrade projects for the gas industry, infrastructure building projects 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/ Backlog
 - 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 communication industry, support to overseas operations and systems in the banking industry, projects to strengthen the business foundation of the securities industry, and multiple core system projects etc.

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

System Maintenance and Operation/Services

(Lower row: The three-month period from Oct. to Dec.)

(Millions of yen)

	FY2020	FY2021	YoY	YoY %
Net Sales	112,893	120,527	7,634	6.8%
	38,369	40,592	2,223	5.8%
Incoming Orders	96,302	103,508	7,206	7.5%
	31,337	33,977	2,639	8.4%
Backlog	76,531	83,521	6,989	9.1%

- Net Sales/ Incoming Orders/ Backlog
 - The BPO business, mainly the contact center business, remained steady on the back of efforts to strengthen non-face-to-face customer contact and reform of operations through digitization
 - Data center business increased due to cloud demand
 - Management services increased
 - Verification services increased

Packaged Software/Hardware Sales

(Lower row: The three-month period from Oct. to Dec.)

(Millions of yen)

	FY2020	FY2021	YoY	YoY %
Net Sales	58,125	57,803	- 321	-0.6%
	21,368	19,736	- 1,632	-7.6%
Incoming Orders	64,340	67,227	2,886	4.5%
	29,688	25,244	- 4,444	-15.0%
Backlog	23,867	34,973	11,105	46.5%

➤ Net Sales

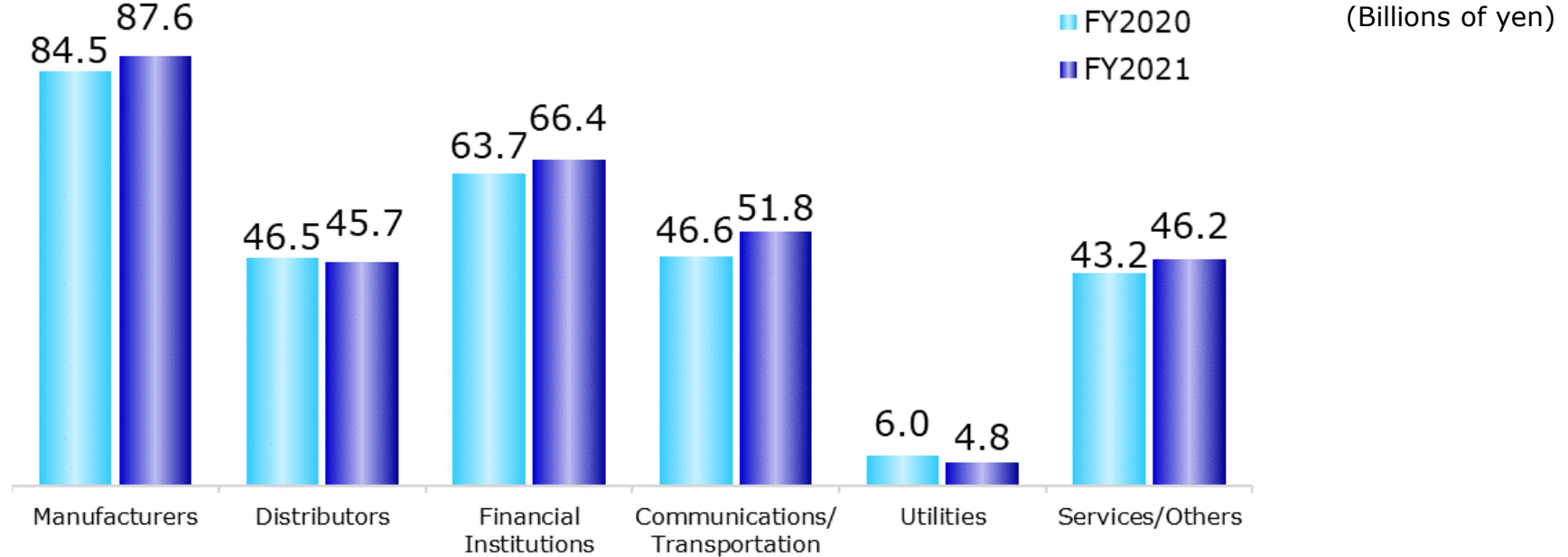
- Increase in sales of multiple network equipment to the communications industry
- Decline in reaction to large-scale HPC sales to multiple academic research institutions
- Decline in reaction to special COVID-19 demand, such as GIGA school concept and remote work demand

➤ Incoming Orders/ Backlog

- Decline in reaction to bulk orders for network equipment for the communications industry in the third quarter
- Order for large H/W products such as server, storage and CAE

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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.
- In the distribution industry, sales declined due to the convergence of demand for network products following the COVID-19 pandemic and the impact of semiconductors in some products.
- In the finance industry, expansion of large-scale development projects and management services 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 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.

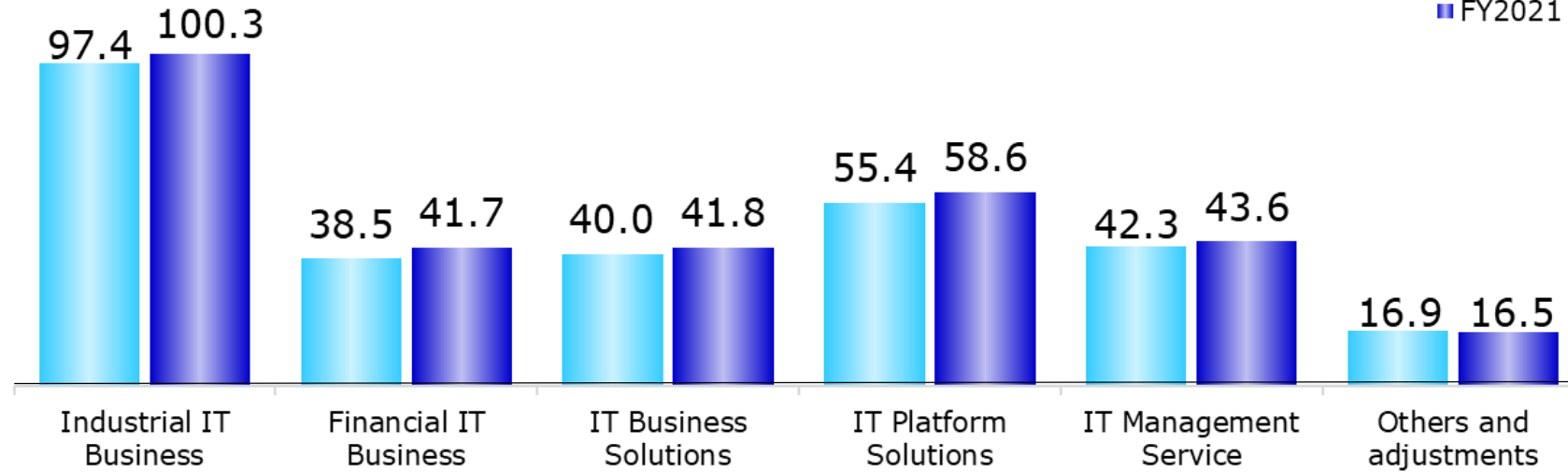
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Business Performance by Reportable Segment



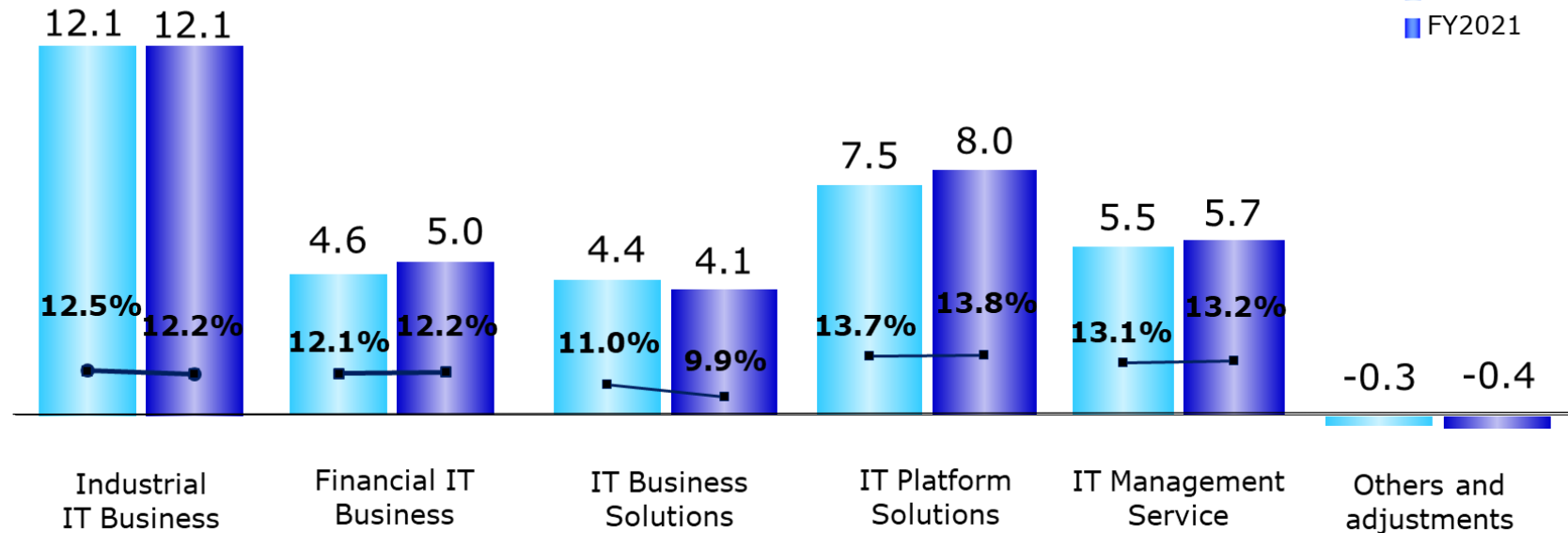
Net Sales

FY2020 (Billions of yen)
FY2021



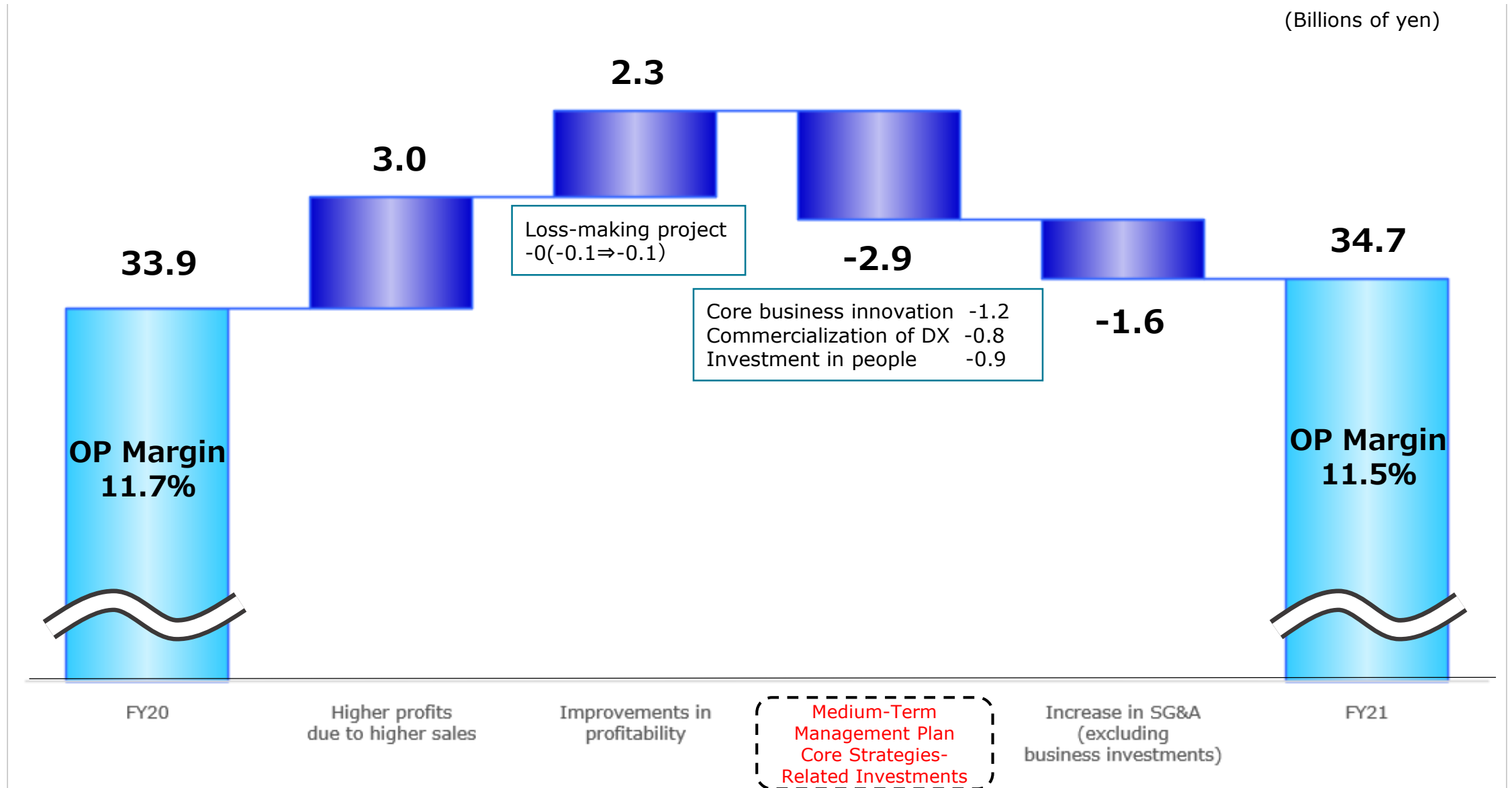
Operating Profit Operating Profit Margin (%)

FY2020
FY2021



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Operating Profit Analysis



Consolidated Financial Forecasts/ Dividends Forecasts



➤ No change in full-year forecasts

(Millions of yen)

	FY2020 Results (A)	FY2021 Forecasts (B)	Increase/Decrease	
			Amount (B-A)	%
Net Sales	396,853	420,000	23,147	5.8%
Operating Profit	45,878	48,000	2,122	4.6%
Operating Profit Margin	11.6%	11.4%	-0.1%	
Profit attributable to owners of parent	33,435	34,000	565	1.7%
Dividends per share (Yen)	45.00	46.67	1.67	

*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.

To further strengthen SCSK's corporate management structure to realize sustainable growth

New; Representative Director, President and Chief Operating Officer
(To be appointed after the General Meeting of Shareholders in June 2022)

Takaaki Tsuma (Current; Managing Executive Officer)



(AGE; 56 DOB; February 17, 1965)

Profile

- 1987 Joined Sumisho Computer Service Corporation (Current SCSK)
- 2013 Senior Executive Officer
General Manager, Industrial Systems Business
Business Promotion Group
- 2018 Managing Executive Officer
General Manager, Manufacturing & Telecommunication
Systems Business Group
- 2020 Managing Executive Officer
General Manager, Human Resources & General Affairs Group,
Human Resources Development Group

Strengthen the Corporate Governance

Key Points of the Changes in Board Structure

- ① Increase Independent Outside Director: Half of the directors are Independent Outside Directors
- ② Increase Female Director: Strengthen diversity in the Board
- ③ (Continue) Chairman of the Board by Independent Outside Director: Separation of execution and supervision

Current			
	Title	Name	
1	Representative Director	Masao Tabuchi	
2	Representative Director	Toru Tanihara	
3	Director	Koji Tamefusa	
4	Director	Tetsuya Fukunaga	
5	Director	Kei Kato	
6	Director	Bin Haga	
7	Director (Chairman of the Board)	Kiyoto Matsuda	✓
8	Director	Tetsuya Kubo	✓
9	Director (Audit and Supervisory Committee Member)	Yasunori Anzai	
10	Director (Audit and Supervisory Committee Member)	Kimitoshi Yabuki	✓
11	Director (Audit and Supervisory Committee Member)	Masaichi Nakamura	✓
12	Director (Audit and Supervisory Committee Member)	Kazuko Shiraishi	✓

After the General Meeting of Shareholders in June 2022			
	Title	Name	
1	Representative Director	Hideki Yamano	
2	Representative Director	Takaaki Tsuma	
3	Director	Koji Tamefusa	
4	Director	Tetsuya Fukunaga	
5	Director	Syunichi Aramaki	
6	Director (Chairman of the Board) ③	Tetsuya Kubo	✓
7	Director (Audit and Supervisory Committee Member)	Yasunori Anzai	
8	Director (Audit and Supervisory Committee Member)	Kimitoshi Yabuki	✓
9	Director (Audit and Supervisory Committee Member)	Masaichi Nakamura	✓
10	Director (Audit and Supervisory Committee Member)	Kazuko Shiraishi	✓
11	Director (Audit and Supervisory Committee Member)	Yasuo Miki	✓
12	Director (Audit and Supervisory Committee Member)	Sadayo Hirata ②	✓

NOTES
Newly appointed and new positions are written in red letters.
✓: Independent Outside Director

①

② Separation 12

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.
- Business Performance by Reportable Segments on page 8 have been reclassified to reflect the change in segment classification in the fiscal year under review. Accordingly, results for the previous fiscal year have been reclassified to reflect this change in segment classification.

Disclaimer

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