

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [IFRS]

April 28, 2023

Company Name:	SCSK Corporation	Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	9719	URL:	https://www.scsk.jp
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Scheduled date of the Annual General Meeting of Shareholders:	June 22, 2023		
Scheduled date for dividend payment:	June 2, 2023	Scheduled date of filing securities	June 22, 2023
Preparation of supplementary information material on financial results (yes/no):	Yes		
Financial results conference for institutional investors and analysts (yes/no):	Yes		

(Amounts of less than ¥1 million are truncated)

1. Consolidated Business Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(Millions of yen unless otherwise stated)

(Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
		%		%		%		%		%		%
FY2022	445,912	7.7	51,361	8.0	53,336	10.4	37,337	11.5	37,301	11.4	39,542	13.2
FY2021	414,150	4.4	47,555	3.7	48,315	3.8	33,498	-0.1	33,470	0.1	34,945	-13.8

	Basic earnings per share		Diluted earnings per share		Return on equity attributable to owners of parent		Ratio of profit before tax to total assets		Ratio of operating profit to net sales	
	Yen	%	Yen	%	%	%	%	%	%	%
FY2022	119.44		119.44		14.4		12.7		11.5	
FY2021	107.20		107.20		14.1		12.3		11.5	

(Reference) Share of profit of investments accounted for using equity method: FY2022 ¥913 million FY2021 ¥1,252 million

Notes: The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. Basic earnings per share and Diluted earnings per share have been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

(Millions of yen unless otherwise stated)

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of March 31, 2023	435,469	272,403	271,909	62.4	¥870.56
As of March 31, 2022	407,609	247,363	246,921	60.6	¥790.86

Notes: The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. Equity attributable to owners of parent per share have been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

(Millions of yen unless otherwise stated)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
FY2022	43,592	-14,950	-29,074	121,425
FY2021	59,081	-14,927	-32,342	121,251

2. Dividends

	Dividends per share (Yen)					Total dividends (Millions of yen)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
FY2021	—	70.00	—	23.34	—	14,569	43.5	6.2
FY2022	—	26.00	—	26.00	52.00	16,239	43.5	6.3
FY2023(Forecast)	—	28.00	—	28.00	56.00		46.0	

Notes: The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. The annual dividends per share of FY2021 is not presented because the amounts cannot be simply combined due to the implementation of the stock split. Without taking into account the implementation of the stock split, the annual dividend per share will be ¥140.00 (¥70.00 at the second quarter-end and ¥70.00 at the fiscal year-end).

3. Consolidated Financial Forecasts for Fiscal Year 2023 (April 1, 2023 to March 31, 2024)

(Millions of yen unless otherwise stated)

(Percentage figures are changes from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
		%		%		%		%	Yen
Full Year	470,000	5.4	54,000	5.1	54,700	2.6	38,000	1.9	121.66

※Notes

(1) Changes in significant subsidiaries during the period : None

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies as required by IFRS standards: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

(3) Number of shares issued (Common stock)

1) The number of shares issued as of the period-end (including treasury stock)

As of March 31, 2023	312,665,639 shares
As of March 31, 2022	312,545,409 shares

2) The number of shares of treasury stock as of the period-end

As of March 31, 2023	327,014 shares
As of March 31, 2022	325,537 shares

3) The average number of shares during the period

As of March 31, 2023	312,309,327 shares
As of March 31, 2022	312,221,214 shares

Notes: The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. Number of shares issued (Common stock) has been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

(Reference) Summary of Non-Consolidated Business Results

1. Non-Consolidated Business Results for Fiscal Year 2022 (April 1, 2022 to March 31, 2023)

(1) Non-Consolidated Operating Results

(Millions of yen unless otherwise stated)

(Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Net profit	
		%		%		%		%
FY2022	355,610	7.1	41,400	6.0	44,530	7.6	29,953	2.6
FY2021	332,153	4.8	39,039	13.7	41,388	13.7	29,195	-7.7

	Net profit per share	Diluted net profit per share
	Yen	Yen
FY2022	95.92	95.91
FY2021	93.53	93.51

Notes: The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. Basic earnings per share and Diluted earnings per share have been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

(2) Non-Consolidated Financial Position

(Millions of yen unless otherwise stated)

	Total assets	Net assets	Equity ratio	Net assets per share
			%	Yen
As of March 31, 2023	382,354	249,703	65.3	799.51
As of March 31, 2022	373,358	234,636	62.8	751.57

(Reference) Shareholders' equity: As of March 31, 2023 ¥249,686 million As of March 31, 2022 ¥234,615 million

Notes: The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. Net assets per share have been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

- ※ Financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.
- ※ Proper use of earnings forecasts, and other special matters
 - The financial forecasts contained in this document are based on the information currently available and certain assumptions deemed reasonable. Actual results may vary from these forecasts for various reasons. With regard to the assumptions on which financial forecasts are based and other explanatory notes in connection with the use of financial forecasts, please refer to “Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2024” on page 6.
 - The Company will hold a results briefing for institutional investors and analysts on April 28, 2023. Materials used in the briefing, a transcript of the main questions and answers, and other related information will be published on the Company’s website promptly thereafter.

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1. Qualitative Information Regarding Operating Results

(1) Analysis of Operating Results

In the fiscal year ended March 31, 2023, the global economy was impacted by the rapid yen depreciation that followed from the massive interest rate increases instituted overseas to combat inflation, the rising resource prices resulted from the war in Ukraine, and concern for financial systems stemming from the collapse of a notable U.S. bank. Meanwhile, economic activity in Japan picked up as social activity was resumed amid the COVID-19 pandemic, contributing to a gradual recovery in the domestic economy.

The Japanese economy is anticipated the return of a full-fledged recovery trend as fiscal and financial measures and growth strategies are advanced in an integrated manner while economic and social activities return to normal. However, there is a risk that downward pressure might be placed on the Japanese economy as a result of sluggish conditions overseas seen against a backdrop of global monetary tightening. In addition, caution is required with regard to supply restrictions and rises in raw material prices stemming from the potential prolongation of the war in Ukraine as well as the impacts of fluctuations in financial and capital markets.

Under this economic environment, in IT services market, there is a strong IT investment demand with the aim of expanding business and strengthening competitiveness across a wide range of industries, and customers are continuing to expand their IT investment. Despite the emergence of cautious views on companies' business conditions due to the worldwide inflation and some supply-side constraints, demand for IT investment is expected to grow sustainably, including demand for cloud computing for existing systems to respond to social digitization.

Demand for IT investment continues to increase among customers in the manufacturing industry. Outlets for this investment demand include strategic investments and the redevelopment of core systems for strengthening operating foundations. In the financial industry, demand was strong for investment for the purpose of developing money laundering and illegal transaction detection and prevention systems. As for the distribution industry, IT investment demand was up for core system development and operating foundation reinforcement applications.

In addition, consistent demand is being seen for cloud IT services along with continuous investment demand for redeveloping core systems to address the ends of software service periods. This demand is being driven by a robust appetite for improvements in operational efficiency and productivity. This situation is expected to generate ongoing demand for systems redevelopment and strategic IT investment demand prefaced on digital transformation.

In the fiscal year ended March 31, 2023, net sales increased 7.7%, to ¥445,912 million, as a result of higher sales in all three segments, which are Systems Development, System Maintenance and Operation / Services, and Packaged Software / Hardware Sales segments. This sales growth was driven by higher systems development demand and increased sales of maintenance and operation services and network security equipment seen amid ongoing rises in IT investment demand.

Operating profit rose 8.0% year on year, to ¥51,361 million. This outcome was a result of detractors from profit being counterbalanced by the benefits of increased sales and higher profit margins centered on systems development. Such detractors included higher expenses associated with business investments, the initially anticipated depreciation of data center and amortization of the in-house-developed ERP package ProActive C4, and expenses related to television commercial broadcasting aimed at enhancing corporate brand value. Other detractors included unprofitable projects.

Profit attributable to owners of the parent, meanwhile, increased 11.4%, to ¥37,301 million, as a result of valuation gains on investment securities.

In the pursuit of further growth, the SCSK Group will be promoting sustainability management as a growth strategy. Positioning its corporate philosophy and materiality items as the Group's purpose, the SCSK Group will pursue its vision of becoming a Co-Creative IT Company in 2030 with the goal of achieving sustainable development together with society. To this end, we have defined the policies of "Reorganization of business areas and redevelopment of business models to continue providing new value to customers and society" and "Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of the Company" in the medium-term management plan. Dramatic improvements to comprehensive corporate value will be pursued based on these policies.

Performance by segment was as follows. Net sales represents the amount of sales to outside customers.

(Millions of yen)

	Previous fiscal year		Fiscal year under review		Comparison with previous fiscal year	
	(April 1, 2021- March 31, 2022)		(April 1, 2022- March 31, 2023)			
	Net sales	Segment Profit	Net sales	Segment Profit	Net sales	Segment Profit
Industrial IT Business	132,203	16,637	149,398	19,522	17,194	2,884
Financial IT Business	56,526	7,107	59,385	6,794	2,858	-312
IT Business Solutions	63,327	5,972	68,724	7,314	5,397	1,342
IT Platform Solutions	83,969	12,003	88,456	12,833	4,486	829
IT Management Service	55,473	6,469	56,709	6,308	1,236	-161
Others	22,826	1,599	23,223	1,618	396	18
Adjusted total	-177	-2,235	14	-3,029	192	-794
Total	414,150	47,555	445,912	51,361	31,761	3,806

(Industrial IT Business)

Net sales increased 13.0% year on year, to ¥149,398 million, and segment profit grew 17.3%, to ¥19,522 million. Factors behind this outcome included increased sales of verification services and higher core systems redevelopment service sales to the distribution industry along with growth in investment demand pertaining to automobiles, electric machinery, and other strategic manufacturing areas.

(Financial IT Business)

Net sales were up 5.1% year on year, to ¥59,385 million, following rises in fraud detection system development projects for the credit and leasing industries, DevOps projects, and large-scale license sales to the life and non-life insurance industries. Segment profit was down 4.4%, to ¥6,794 million, as a result of multiple unprofitable projects associated with the banking industry.

(IT Business Solutions)

Net sales were up 8.5% year on year, to ¥ 68,724 million, and segment profit rose 22.5%, to ¥ 7,314 million, due to the firm performance of business process outsourcing (BPO) operations and core systems development projects centered on the manufacturing industry.

(IT Platform Solutions)

Net sales were up 5.3% year on year, to ¥88,456 million, and segment profit grew 6.9%, to ¥12,833 million, primarily due to the higher equipment sales to the specific customers in the communications industry and increased sales of network security products to wholesale distributors.

(IT Management Service)

Net sales were up 2.2% year on year, to ¥56,709 million, as a result of growth in the data center business. Segment profit, meanwhile, was down 2.5%, to ¥6,308 million, due to higher electricity bills as well as to increases in depreciation and operating expenses associated with newly constructed data centers.

(Others)

Net sales were up 1.7% year on year, to ¥ 23,223 million, and segment profit rose 1.2%, to ¥ 1,618 million.

Sales in the Company's service-based sales segments, namely Systems Development, System Maintenance and Operation / Services, and Packaged Software / Hardware Sales, were as follows.

(Millions of yen unless otherwise stated)

	Previous fiscal year		Fiscal year under review		Comparison with previous fiscal year	
	(April 1, 2021- March 31, 2022)		(April 1, 2022- March 31, 2023)			
	Amount	Share (%)	Amount	Share (%)	Amount	Change (%)
Systems Development	167,967	40.6	180,433	40.5	12,465	7.4
System Maintenance and Operation / Services	162,407	39.2	175,638	39.4	13,230	8.1
Packaged Software / Hardware Sales	83,776	20.2	89,841	20.1	6,064	7.2
Total	414,150	100.0	445,912	100.0	31,761	7.7

In Systems Development, net sales increased 7.4% year on year, to ¥180,433 million. This increase was seen as a result of the IT investment for developing core systems and strengthening operating foundations seen amid consistently strong IT investment demand from manufacturing and distribution industry customers.

In System Maintenance and Operation / Services, net sales increased 8.1% year on year, to ¥175,638 million. Sales were up because of the steady performance in BPO operations stemming from higher contact center demand. Another beneficial factor was increases in the sales of data center business and verification services.

In Packaged Software / Hardware Sales, net sales increased 7.2% year on year, to ¥89,841 million, due to the higher sales of network security products.

(2) Summary of Financial Position

(Assets)

Assets as of March 31, 2023, were ¥435,469 million, an increase of 6.8% or ¥27,860 million compared to March 31, 2022, as increases in trade and other receivables and right-of-use assets.

(Liabilities)

Liabilities as of March 31, 2023, were ¥163,066 million, an increase of 1.8% or ¥2,821 million compared to March 31, 2022, as increases in provisions outweighed a decrease in repayment of bonds and borrowings.

(Equity)

Total equity as of March 31, 2023, was ¥272,403 million, an increase of 10.1% or ¥25,039 million compared to March 31, 2022.

(3) Overview of Cash Flows

Cash and cash equivalents (“cash”) as of March 31, 2023, decreased ¥173 million compared to March 31, 2022, to ¥121,425 million. The changes in each type of cash flow and the main factors for such changes are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was ¥43,592 million (decreased ¥15,488 million in comparison to the previous fiscal year).

The main cash inflow factors were profit before tax of ¥53,336 million, depreciation and amortization of ¥20,629 million, and an increase in trade and other receivables of ¥3,010 million. The main cash outflow factors were an increase in trade and other receivables ¥8,477 million, an increase in contract assets of ¥4,286 million, and payment for income taxes of ¥18,450 million.

(Cash flow from investing activities)

Net cash used in investing activities was ¥14,950 million (decreased ¥22 million in comparison to the previous fiscal year).

The main cash outflow factors were payment for purchase of property, plant and equipment of ¥9,681 million, and purchase of intangible assets of ¥4,630 million.

(Cash flow from financing activities)

Net cash used in financing activities was ¥29,074 million (increased ¥3,268 million in comparison to the previous fiscal year).

The main cash inflow factor was proceeds from long-term debt of ¥12,250 million. The main cash outflow factors were repayments of loans and redemption of bonds of ¥17,000 million, repayments of lease liabilities of ¥8,998 million, dividend payments of ¥7,286 million (¥23.34 per share) for the year-end dividend of the fiscal year ended March 31, 2022, and dividend payments of ¥8,119 million (¥26.00 per share) for the interim dividend of the fiscal year ended March 31, 2023.

With respect to cash flows in the fiscal year ending March 31, 2024, the Company forecasts an increase in operating cash flow based on the expansion of business earnings through the implementation of strategies delineated in the Company’s medium-term management plan. As for cash outflows, the Company plans to conduct ongoing investments for the expansion of strategic businesses and capital investment for the enhancement of the Company’s earnings base while also directing funds to debt repayment, bond redemption, and dividend payments.

(4) Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2024

In the fiscal year ending March 31, 2024, the global economy will remain opaque. Factors behind this opaqueness include concern for overseas economic downturns arising from the ongoing global monetary tightening trend, rises in raw material prices stemming from the prolongation of the war in Ukraine, supply restrictions, and the impacts of fluctuations in financial and capital markets. Nevertheless, a continuous upward trend is expected to be seen in IT investment demand centered on digital transformation and other digitalization areas, even as investments become more selective and focused on specific areas.

The fiscal year ending March 31, 2024, will be the first year of SCSK's new medium-term management plan. In this year, SCSK will continue to conduct business investments targeting future growth while also seeking to accelerate growth through an ongoing and redoubled effort to cater to customers' IT investment demand by strengthening operating foundations and enhancing the digitalization support it provides to customers. Meanwhile, SCSK will take steps to heighten employee compensation amid rising commodity prices and increased competition to secure IT human resources.

Against this backdrop, the Company forecasts net sales of ¥470,000 million, an increase of 5.4% year on year, operating profit of ¥54,000 million, an increase of 5.1%, and profit attributable to owners of parent of ¥38,000 million, an increase of 1.9%, for the fiscal year ending March 31, 2024.

	Forecasts
Net sales	¥470,000 million
Operating profit	¥54,000 million
Profit before tax	¥54,700 million
Profit attributable to owners of parent	¥38,000 million

The above forecasts are based on economic trends and the market environment as of the day these statements were issued. For various reasons, actual results may differ from the forecasts, and the forecasts may be subject to revision.

(5) Basic Policy for Distribution of Earnings and Dividends for the Fiscal Year Ended March 31, 2023, and the Fiscal Year Ending March 31, 2024

In determining dividends, the Company aims to increase returns to shareholders in conjunction with improved consolidated financial results. As part of this process, the Company gives comprehensive consideration to its financial position, earnings trends, dividend payout ratio, and reserves for future business investment.

The Company pays dividends twice a year from its surplus: an interim dividend and a year-end dividend. Decisions regarding interim and year-end dividends are made by the Board of Directors.

The Company regards the acquisition of treasury shares as one means of returning profits to shareholders, and it will consider any such acquisitions while taking into account share price trends, the aforementioned matters considered when determining dividends, and the shareholder returns to be made via dividend payments.

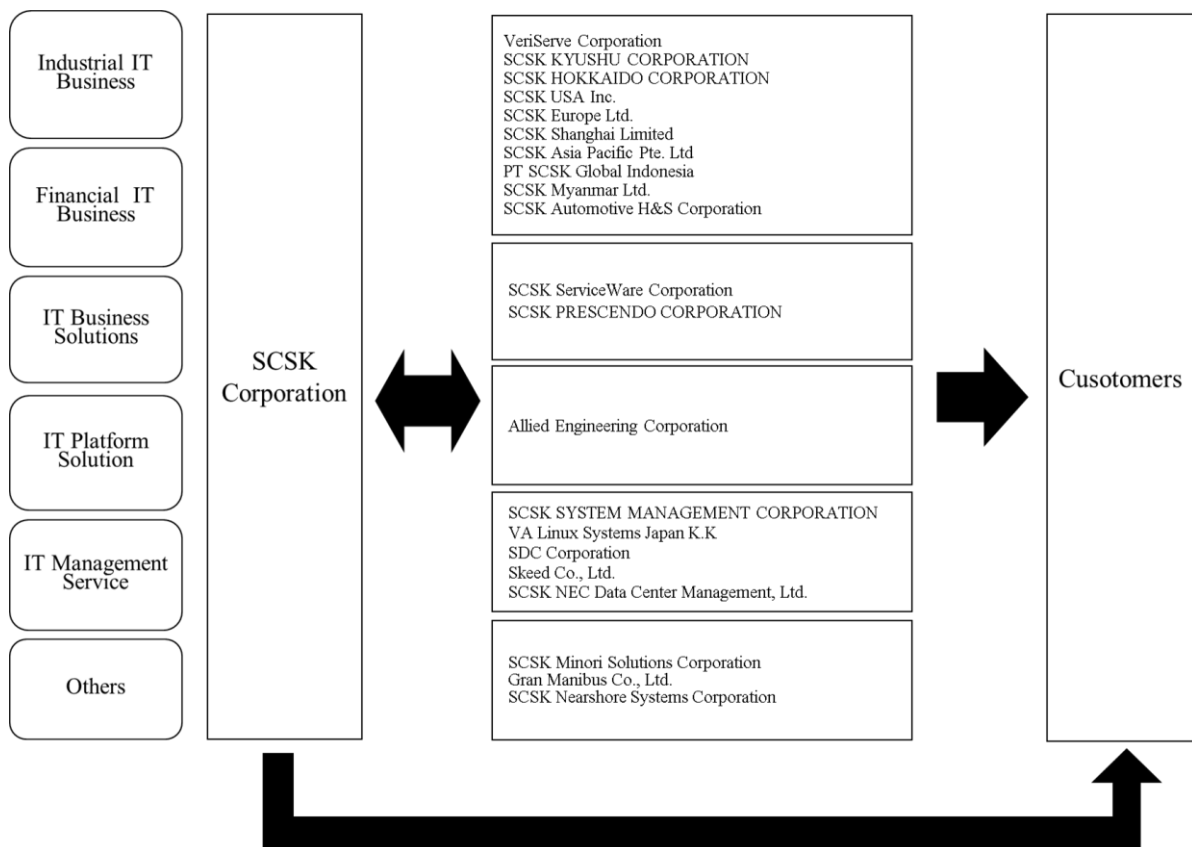
For the fiscal year ended March 31, 2023, the Company will issue year-end dividend of ¥26.00 per share. Combined with the interim dividend of ¥26.00 per share, this year total annual dividend of ¥52.00 per share.

For the fiscal year ending March 31, 2024, we intend to issue an annual dividend of ¥56.00 per share (interim dividend of ¥28.00 and year-end dividend of ¥28.00) based on the Company's financial base and anticipated increases in earnings capacity. This amount will represent effectively for the 12th consecutive year of higher dividends.

2. Overview of the Group

The SCSK Group consists of SCSK, 25 consolidated subsidiaries, and 3 equity-method associates and offers business service in IT consulting, Systems development, verification service, IT infrastructure construction, IT management, IT hardware / software sales and BPO through collaboration among business segments in Industrial IT Business, Financial IT Business, IT Business Solutions, IT Platform Solution, IT Management Service, and Others. SCSK's parent company, Sumitomo Corporation, is a major client.

SCSK Group's business segments and major subsidiaries and associates are as in the chart below.



- (Notes)
1. In each segment, the Company and its Group companies engage in business directly with clients, while conducting business that complements intra-Group functions.
 2. Primarily consolidated subsidiaries are shown in the above chart.

3. Management Policies

(1) Operating Environment and Tasks to Be Addressed

The permeation of IT and digital technologies throughout society has an impact on business activities and lifestyles, and this trend has only gained speed amid the COVID-19 pandemic. Digital technologies are now employed to make use of data in all facets of our lives. Meanwhile, various companies are engaging in cross-industry collaboration to ensure their survival as companies are now expected to restructure their business models in conjunction with industry structure changes.

In the domestic IT services market, qualitative changes are being seen in corporate IT strategies and investment trends as cloud services become more common and the digitization and digital transformation trends accelerate. These changes are creating an even more intimate relationship between business and IT.

It can also be expected that competition to recruit IT personnel will intensify, with clients being involved in this competition, as the type of human resources desired for providing IT services changes from problem solving-oriented personnel to value creation-oriented personnel. In addition, clients are projected to increasingly seek in-house options for their IT service needs in response to the expanded provision of integrated and shared cross-industry services to be seen in conjunction with the acceleration of digital transformations at clients.

Achieving sustainable growth amid this rapidly changing and uncertain operating environment will require companies to address the fundamental changes to society from a longer-term perspective. Based on this perspective, companies will need to help resolve various pertinent social issues through their business activities while working to create new value. Accordingly, the SCSK Group has defined material issues to share the areas it should prioritize when addressing social issues during the course of practicing sustainability management based on its corporate philosophy of “Create Our Future of Dreams.” Together with these material issues, Grand Design, the Group’s vision for 2030, and our medium-term management plan, the first-step roadmap for achieving this vision, were announced in April 2020.

Under the three-year medium-term management plan spanning the fiscal years ended March 31, 2021 to 2023, the SCSK Group sought to grow its business by advancing the three core strategies of core business innovation, commercialization of digital transformation, and investment in people.

One facet of our efforts to promote core business innovation was *Monozukuri* innovation. Centered on the S-Cred+ platform, we sought to provide diverse IT services boasting high levels of quality, productivity, and flexibility. As for subdivision innovations, another facet of this strategy, innovation plans were prepared on an individual subdivision basis to promote a transition to subdivisions capable of co-creating value.

Under the core strategy of commercialization of digital transformation, we sought to create new businesses and new value for society in four priority fields. In the mobility field, one of these priority fields, we developed mobility transformation services for insurance, fleet, and leasing business operators. Initiatives in the priority financial service platform field included the development of platform-style businesses, such as a Japanese turnkey asset management program (TAMP) business and the Efukuri platform for financial brokers. In the healthcare field, having completed investment in and development of the Dr2GO communication platform for healthcare professionals, we are now promoting the adoption of this platform by healthcare institutions. As for the customer experience field, we are supplying our altecircle service for enhancing client contact points and have begun operation of a data platform.

The core strategy of investment in people has driven us to implement various measures with a focus on enhancing, diversifying, and expanding human resources as we seek to secure and cultivate human resources capable of contributing to business growth and transformation.

(2) Management Plan

The SCSK Group has put forth its corporate philosophy of “Create Our Future of Dreams.” In putting our corporate philosophy into practice, we assessed the various issues facing society from a business perspective and formulated “Material Issues” as topics that we consider particularly important and prioritize in order to grow together with society. In 2020, we formulated Grand Design 2030 as our medium-to long-term vision, based on our corporate philosophy and material issues as identity of SCSK Group. By working with customers and partner companies to create businesses that contribute to solving social issues, we aim to become a "Co-Creative IT Company in 2030." The Medium-Term Management Plan is an action plan aimed at becoming a "Co-Creative IT Company in 2030." This Medium-Term Management Plan (FY2023-FY2025) is positioned as the second phase of the Grand Design 2030.



In addition, SCSK Group has long worked on "sustainability management" in light of the corporate social impact and responsibilities. This is to create businesses that contribute to solving social issues and to achieve sustainable growth together with society. We will continue to strengthen our management stance of "sustainability management as a growth strategy," which aims to acquire new business opportunities that leverage our core competencies and grow sustainably with society, by viewing changes in the business environment toward the realization of a decarbonization and circular economy as opportunities.

<Grand Design 2030>

SCSK Group aims to be a "Co-Creative IT Company" that promotes co-creation with customers, partner companies, and the community by enhancing our human capital. It is a corporate group that continues to provide value to address various issues.

In order to become a "Co-Creative IT Company in 2030", we will realize dramatic improvements in "Comprehensive corporate value", which is corporate value that encompasses "economic value" and non-financial factors such as "social value" and "human capital value" as an essential corporate strength.

<Management Policies Aimed at Becoming a Co-Creative IT Company in 2030>

1. Enhancement and expansion of core businesses

- Contribute to the digitalization and transformation of client businesses as a partner by enhancing human resource and technical capabilities
- Improve earnings capacity to generate growth potential and funds to fuel investments oriented toward future sustainable growth

2. Contribution to growth of client businesses

Contribute to address market-wide issues by leveraging intellectual properties and insight in transactions and co-creation with customers

3. Creation of new value for society

Challenge to create next-generation digital businesses founded on core business insight to lead the resolution of social issues

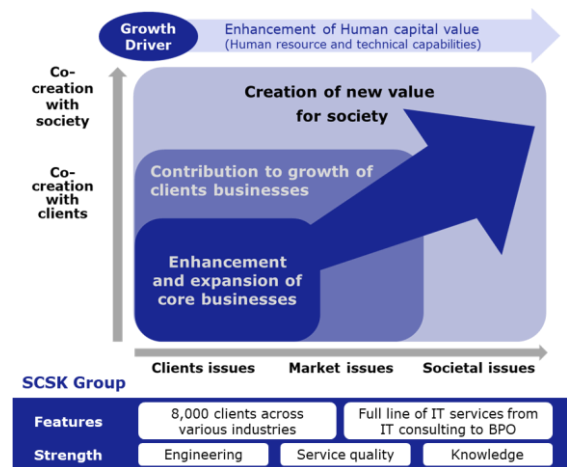
2030 Co-Creative IT Company

- IT for the next delight -

SCSK Group aims to be a "Co-Creative IT Company" that promotes co-creation with customers, partner companies, and the community by improving our human capital. It is a corporate group that continues to provide value to address various issues.

Dramatic improvements in
"Comprehensive Corporate Value"

Challenge on the scale of Net Sales 1 Trillion Yen



<SCSK Group Medium-Term Management Plan (FY2023–FY2025)>

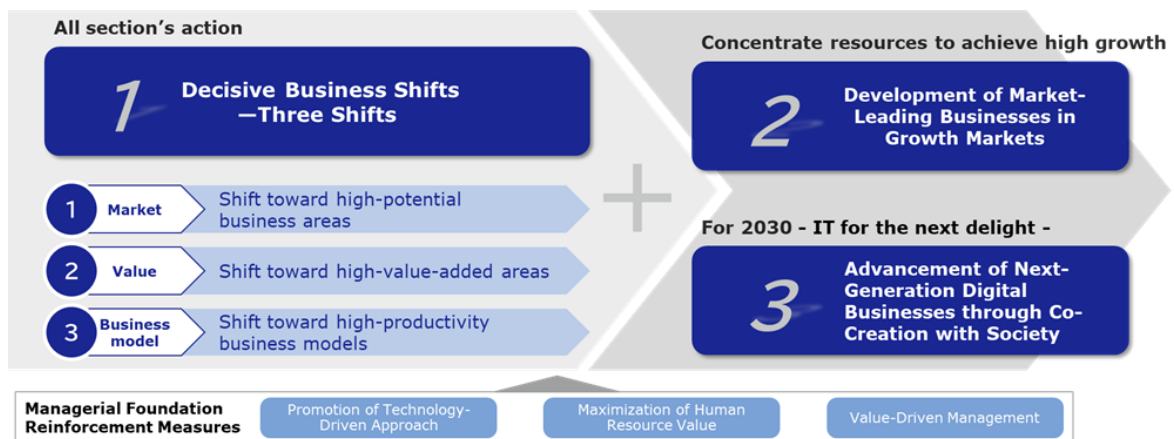
We have positioned this medium-term management plan as the second phase toward becoming a "Co-Creative IT Company in 2030" and will promote the following policies in order to contribute to profitability and performance with outcome of the basic strategic measures for the first phase (FY2020-FY2022).

Policies of SCSK Group Medium-Term Management Plan (FY2023–FY2025)

Pursue dramatic improvements in comprehensive corporate value through:

- Reorganization of business areas and redevelopment of business models to continue providing new value to customers and society
- Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of SCSK Group

Under the new Medium-Term Management Plan, the SCSK Group will advance three core strategies along with managerial foundation reinforcement measures.



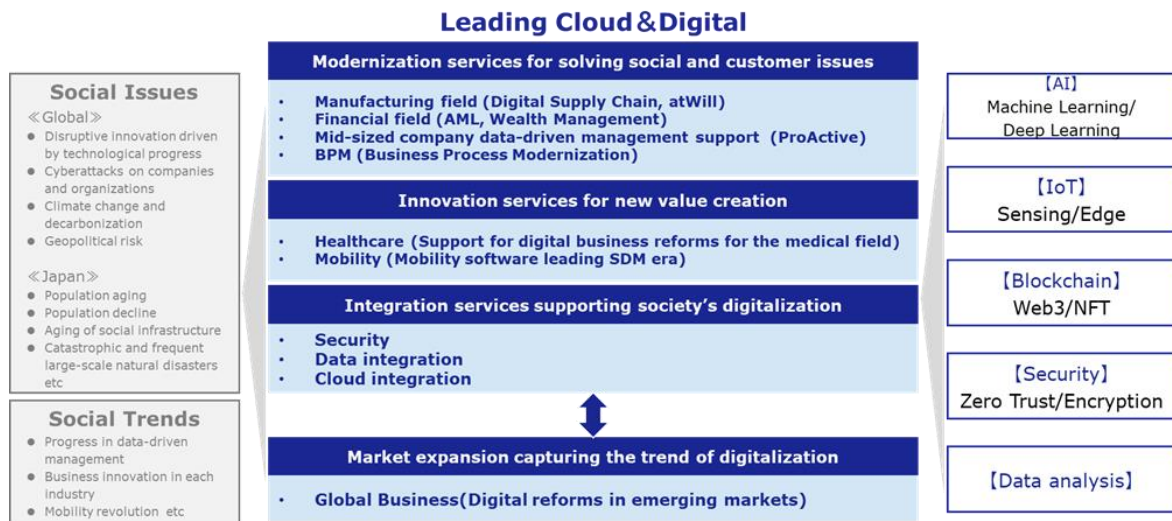
Core Strategy 1: Decisive Business Shifts –Three Shifts

- Business areas will be reorganized and business models will be redeveloped to adapt to operating environment changes and achieve sustainable growth.
- Improvements of profitability will be pursued as we seek to generate growth potential and funds to fuel investments oriented toward future sustainable growth.

- (1) Shift toward high-potential business areas
- (2) Shift toward high-value-added areas
- (3) Shift toward high-productivity business models

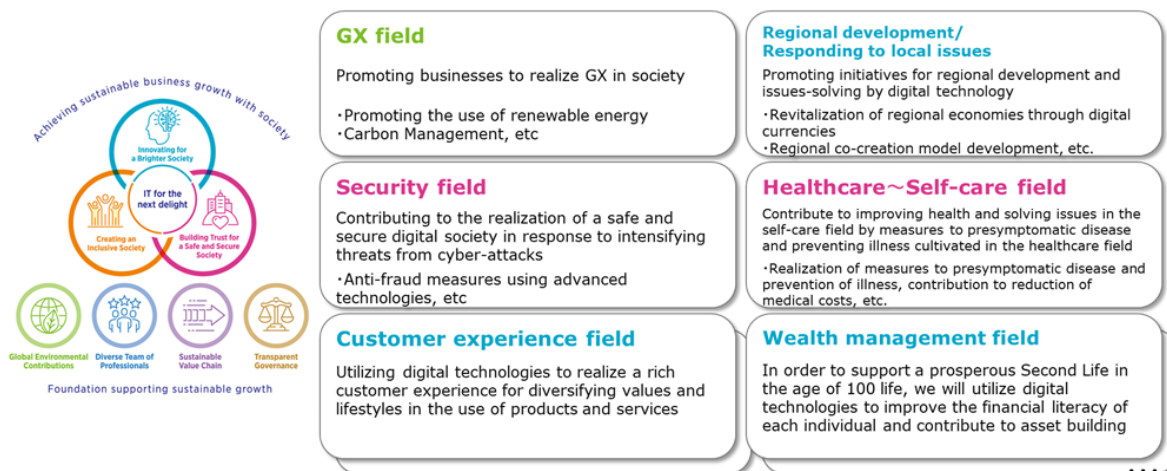
Core Strategy 2: Development of Market-Leading Businesses in Growth Markets

- The SCSK Group will pursue high growth while contributing to market growth by exercising its strengths in growing markets and technology areas related to cloud and digital technologies.
- Resources will be reallocated in a manner that is not within resources of current organization, advanced technologies will be utilized in an organization-wide manner, and the Company will constantly seek out new target businesses.



Core Strategy 3: Advancement of Next-Generation Digital Businesses through Co-Creation with Society

- By leveraging on our core business insight, we will lead the creation of completely new, next-generation digital business and of new value for society.
- New business possibilities will constantly be explored in areas based on the SCSK Group's material issues.



Managerial Foundation Reinforcement Measures

“Promotion of Technology-Driven Approach”

SCSK Group will create new value and cultivate businesses by acquiring advanced technologies and expand the number of advanced engineers to implement in society. At the same time, we will further promote development of intellectual property accumulated over many years of business know-how and copyrighted works, enhance intellectual property value by promoting the use of intellectual property to resolve customer issues at all customer fronts, and strengthen the promotion of open innovation, such as collaboration with venture companies through fund investments and other means.

“Maximization of Human Resource Value”

SCSK Group Medium-Term Management Plan (FY2023–FY2025) defines the policy of “Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of the SCSK Group.” In implementing this policy, we aim to facilitate contributions from diverse employees by promoting diversity and inclusion as well as well-being and health and productivity management. We will also seek to lay the appropriate foundations through the improvement of our human resource portfolio based on business strategy and compensation and remuneration systems.

“Advocation of Value-Driven Management”

The SCSK Group is promoting Value-Driven Management based on the fact that fostering mutual understanding between employees and the Company (including leaders, senior management as such) can drive the creation of new value to degrees that could not be realized by a single individual or company.

4. Basic Policy on the Selection of Accounting Standards

Effective April 1, 2020, the Company adopted International Financial Reporting Standards (IFRS). This decision was made for the purpose of improving the international comparability of the Company’s financial information in capital markets and enhancing administrative management and governance.

5. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Millions of Yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Assets		
Current assets		
Cash and cash equivalents	121,251	121,425
Trade and other receivables	74,259	82,909
Contract assets	10,104	14,411
Inventories	9,125	9,748
Other financial assets	1,082	199
Income taxes receivable	0	42
Other current assets	14,231	15,360
Total current assets	230,055	244,099
Non-current assets		
Property, plant and equipment	71,853	75,212
Right-of-use assets	41,434	45,781
Goodwill and intangible assets	26,495	26,984
Investments accounted for using equity method	10,177	11,252
Other receivables	8,012	8,094
Other financial assets	8,280	10,692
Deferred tax assets	3,249	2,118
Other non-current assets	8,050	11,232
Total non-current assets	177,553	191,370
Total assets	407,609	435,469

(Millions of Yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Liabilities		
Current liabilities		
Trade and other payables	32,628	34,826
Contract liabilities	14,037	15,388
Liabilities for employee benefits	10,540	10,889
Bonds and borrowings	16,996	21,945
Lease liabilities	9,164	10,773
Other financial liabilities	297	63
Income taxes payable	10,917	8,079
Provisions	278	406
Other current liabilities	6,313	5,994
Total current liabilities	101,175	108,367
Non-current liabilities		
Bonds and borrowings	19,462	9,782
Lease liabilities	33,348	35,415
Other payables	169	174
Liabilities for employee benefits	1,956	1,982
Provisions	4,061	7,334
Other non-current liabilities	70	10
Total non-current liabilities	59,069	54,699
Total liabilities	160,245	163,066
Equity		
Share capital	21,152	21,285
Share premium	—	122
Retained earnings	223,300	246,812
Treasury shares	-293	-286
Other components of equity	2,761	3,976
Total equity attributable to owners of parent	246,921	271,909
Non-controlling interests	442	493
Total equity	247,363	272,403
Total liabilities and equity	407,609	435,469

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	From Apr. 1, 2021 to Mar. 31, 2022	From Apr. 1, 2022 to Mar. 31, 2023
Net sales	414,150	445,912
Cost of sales	-305,962	-328,232
Gross profit	108,187	117,679
Selling, general and administrative expenses	-60,780	-66,491
Other income	315	461
Other expenses	-167	-288
Operating profit	47,555	51,361
Finance income	94	1,651
Finance costs	-587	-589
Share of profit (loss) of investments accounted for using equity method	1,252	913
Profit before tax	48,315	53,336
Income tax expense	-14,816	-15,999
Profit	33,498	37,337
Profit attributable to		
Owners of parent	33,470	37,301
Non-controlling interests	28	35
Earnings per share		
Basic earnings per share (Yen)	107.20	119.44
Diluted earnings per share (Yen)	107.20	119.44

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	From Apr. 1, 2021 to Mar. 31, 2022	From Apr. 1, 2022 to Mar. 31, 2023
Profit	33,498	37,337
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit liability (asset)	469	1,566
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	77	211
Share of other comprehensive income of investments accounted for using equity method	12	73
Total of items that will not be reclassified to profit or loss	558	1,852
Items that may be reclassified to profit or loss		
Cash flow hedges	-13	-467
Exchange differences on translation of foreign operations	892	793
Share of other comprehensive income of investments accounted for using equity method	9	27
Total of items that may be reclassified to profit or loss	888	353
Total other comprehensive income, net of tax	1,447	2,205
Comprehensive income	34,945	39,542
Comprehensive income attributable to		
Owners of parent	34,917	39,507
Non-controlling interests	28	35

(3) Condensed Consolidated Statements of Changes in Equity

Previous fiscal year (April 1, 2021 - March 31, 2022)

(Millions of Yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at Apr. 1, 2021	21,152	—	203,893	-285	2,114	226,874	464	227,338
Profit	—	—	33,470	—	—	33,470	28	33,498
Other comprehensive income	—	—	—	—	1,447	1,447	—	1,447
Comprehensive income	—	—	33,470	—	1,447	34,917	28	34,945
Issuance of new shares	—	—	—	—	—	—	—	—
Dividends of surplus	—	—	-14,567	—	—	-14,567	-50	-14,618
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-11	—	-11	—	-11
Disposal of treasury shares	—	-2	—	4	—	2	—	2
Transfer from retained earnings to capital surplus	—	2	-2	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	507	—	-507	—	—	—
Transfer to non-financial assets	—	—	—	—	-292	-292	—	-292
Total transactions with owners	—	—	-14,062	-7	-800	-14,870	-50	-14,920
Balance at Mar. 31, 2022	21,152	—	223,300	-293	2,761	246,921	442	247,363

Fiscal year under review (April 1, 2022 - March 31, 2023)

(Millions of Yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at Apr. 1, 2022	21,152	—	223,300	-293	2,761	246,921	442	247,363
Profit	—	—	37,301	—	—	37,301	35	37,337
Other comprehensive income	—	—	—	—	2,205	2,205	—	2,205
Comprehensive income	—	—	37,301	—	2,205	39,507	35	39,542
Issuance of new shares	132	132	—	—	—	264	—	264
Dividends of surplus	—	—	-15,405	—	—	-15,405	-59	-15,465
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	75	75
Purchase of treasury shares	—	—	—	-3	—	-3	—	-3
Disposal of treasury shares	—	-9	—	10	—	0	—	0
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	1,616	—	-1,616	—	—	—
Transfer to non-financial assets	—	—	—	—	624	624	—	624
Total transactions with owners	132	122	-13,789	6	-991	-14,519	15	-14,503
Balance at Mar. 31, 2023	21,285	122	246,812	-286	3,976	271,909	493	272,403

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	From Apr. 1, 2021 to Mar. 31, 2022	From Apr. 1, 2022 to Mar. 31, 2023
Cash flows from operating activities		
Profit before tax	48,315	53,336
Depreciation and amortization	19,881	20,629
Impairment losses (or reversals)	147	44
Finance income	-94	-1,651
Finance costs	587	589
Share of loss (profit) of investments accounted for using equity method	-1,252	-913
Decrease (increase) in trade and other receivables	-4,220	-8,477
Decrease (increase) in contract assets	3,136	-4,286
Decrease (increase) in inventories	-1,414	-622
Increase (decrease) in trade and other payables	2,832	3,010
Increase (decrease) in contract liabilities	-554	1,136
Increase (decrease) in employee benefits	-996	-8
Increase (decrease) in provisions	202	145
Other	-691	-889
Subtotal	65,877	62,042
Interest and dividends received	384	559
Interest paid	-506	-558
Income taxes refund (paid)	-6,674	-18,450
Net cash provided by (used in) operating activities	59,081	43,592
Cash flows from investing activities		
Purchase of property, plant and equipment	-10,157	-9,681
Proceeds from sale of property, plant and equipment	8	0
Purchase of intangible assets	-3,927	-4,630
Proceeds from sale of intangible assets	73	44
Investments in equity-accounted investees	-296	-203
Purchase of other financial assets	-683	-1,264
Proceeds from sales and redemptions of other financial assets	268	1,352
Other	-213	-568
Net cash provided by (used in) investing activities	-14,927	-14,950
Cash flows from financing activities		
Repayments of loans and redemption of bonds	-25,100	-17,000
Proceeds from long-term debt	11,500	12,250
Proceeds from issuance of bonds	4,972	—
Repayments of lease liabilities	-9,086	-8,998
Capital contribution from non-controlling interests	—	75
Dividends paid	-14,567	-15,406
Dividends paid to non-controlling interests	-50	-59
Other	-9	65
Net cash provided by (used in) financing activities	-32,342	-29,074
Effect of exchange rate changes on cash and cash equivalents	672	605
Net increase (decrease) in cash and cash equivalents	12,483	173
Cash and cash equivalents at beginning of period	108,768	121,251
Cash and cash equivalents at end of period	121,251	121,425

(5) Notes to Condensed Consolidated Financial Statements

(Notes to Going Concern Assumptions)

No applicable items.

(Significant Items for the Preparation of Consolidated Financial Statements)

1. Scope of Consolidation

- (1) 25 consolidated subsidiaries
- (2) Major consolidated subsidiaries
 - SCSK ServiceWare Corporation
 - VeriServe Corporation
 - SCSK Minori Solutions Corporation
 - SCSK KYUSHU CORPORATION
 - SCSK HOKKAIDO CORPORATION
 - SCSK PRESCENDO CORPORATION
 - SCSK USA inc.
 - SCSK Europe Ltd.
 - SCSK Shanghai Limited.
 - SCSK Asia Pacific Pte. Ltd.
 - PT SCSK GLOBAL INDONESIA
 - SCSK Myanmar Ltd.
 - Skeed Co., Ltd.
 - SCSK SYSTEM MANAGEMENT CORPORATION
 - VA Linux Systems Japan K.K
 - SDC Corporation
 - SCSK NEC Data Center Management, Ltd.
 - Allied Engineering Corporation
 - SCSK Automotive H&S Corporation
 - Gran Manibus Co., Ltd.
 - SCSK Nearshore Systems Corporation

SCSK NEC Data Center Management, Ltd., has been in the scope of consolidation since April 1, 2022, following its establishment.

SCSK Automotive H&S Corporation has been in the scope of consolidation since November 1, 2022, following its establishment.

2. Investments accounted for using equity method

- (1) The number of associates accounted for using the equity method: 3
- (2) Major associates
 - ARGO GRAPHICS Inc.
 - Diamond Head Co., Ltd.,

(Segment Information)

1. Summary of reportable segments

The Group's operating segments are the components of the Group for which discrete financial information is available and which are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance. The Company formulates comprehensive domestic and overseas strategies pertaining to the products and services it offers according to the characteristics of client industries and IT service business areas, and develops businesses in accordance with these strategies.

Based on these business activities, the Company has defined the following six reportable segments: Industrial IT Business, Financial IT Business, IT Business Solutions, IT Platform Solutions, IT Management Service, and Others.

The Company determines its reportable segments by aggregating multiple operating segments into a single operating segment in cases in which the applicable operating segments share similarities with regard to each of the following economic characteristics: (a) the nature of the products and services, (b) the nature of the production processes, (c) the type or class of customer for their products and services, (d) the methods used to distribute their products or provide their services; and if applicable, (e) the nature of the regulatory environment. The business activities of the Company's reportable segments are as follows:

(1) Industrial IT Business

This segment provides various IT solutions through systems development and maintenance and operation services for core systems, manufacturing management systems, information management systems, supply chain management (SCM) systems, customer relationship management (CRM) systems and other systems. This segment's services leverage the experience and knowhow that we have cultivated over many years. The clients of this segment are primarily companies in the manufacturing, communications, energy, distribution, service, and media industries.

Moreover, this reportable segment supplies the automotive industry with a wide range of solutions for automobile electronic control units on a global basis. These solutions include the development of embedded software through a model-based development approach, proprietary SCSK middleware (QINeS-BSW), software assessments, and process improvement measures.

(2) Financial IT Business

This segment engages in systems development, maintenance, and operation services for financial institutions. As professionals that understand financial operations and possess a strong track record of creating sophisticated financial systems, members of this segment's staff support secure and efficient management and help clients implement their financial business strategies. The segment provides these services primarily to financial institutions, such as banks and trust banks as well as insurance, securities, lease, and credit companies.

(3) IT Business Solutions

This segment provides a wide range of IT solutions. These solutions include e-commerce (EC) services, contact center services as well as application management outsourcing (AMO) services that cover the entire system lifecycle, from development and installation to maintenance and operation services, for enterprise resources planning (ERP) and CRM products, such as the segment's internally developed ProActive ERP package, SAP, and Oracle offerings as well as Salesforce. In addition, this segment offers the type of business process outsourcing (BPO) services that only an IT company can provide. These services merge support performed by human hands with IT.

(4) IT Platform Solutions

This segment draws on solid technical capabilities and knowhow to leverage computer-aided design (CAD), computer aided engineering (CAE), and other advanced technologies in the fields of IT infrastructure

and manufacturing. In this way, the IT Platform Solutions provides services and products that accurately address the needs of clients and offers flexible support for a wide range of client businesses.

(5) IT Management Service

This segment develops solutions-oriented netXDC data centers, which boast robust facilities and high-level security, to provide clients with proposal-based outsourcing services that address their management issues pertaining to operating cost reductions, infrastructure integration and optimization, governance enhancement, and business risk mitigation. The segment also supplies cloud infrastructure and offers its on-site SE support management services 24 hours a day, 365 days a year.

(6) Others

This segment performs remote development (nearshore development) and provides other services out of Group companies that leverage the characteristics of its regional bases and the software development, system operation and management, system equipment sales, and consulting services it provides for a wide range of industries and business models.

The Others businesses did not meet the quantitative thresholds for reportable segments both in the fiscal year ended March 31, 2022 and the fiscal year ended March 31, 2023.

2. Restatement of reportable segments, etc.

In conjunction with partial revisions to the internal organization, the method for classifying reportable segments has been revised.

In addition, SCSK NEC Data Center Management, Ltd., and SCSK Automotive H&S Corporation were established on April 1, 2022, and November 1, 2022, respectively. These companies have been included in the scope of consolidation and are contained within the IT Management Service segment and Industrial IT Business segment, respectively.

Segment information for the fiscal year ended March 31, 2022, has been restated to reflect this change in reportable segments.

3. Profits, Losses, and Other Information Pertaining to Reportable Segments

For the fiscal year ended March 31, 2022(April 1, 2021 – March 31, 2022)

(Millions of Yen)

	Reportable Segment							Adjustments (Note2)	Amount recorded in consolidated financial statements
	Industrial IT Business	Financial IT Business	IT Business Solutions	IT Platform Solutions	IT Management Service	Others	Total		
Net sales									
Sales to external customers	132,203	56,526	63,327	83,969	55,473	22,826	414,328	-177	414,150
Inter segment sales (Note1)	11,284	666	6,143	6,558	17,930	11,084	53,668	-53,668	—
Total	143,488	57,193	69,471	90,527	73,403	33,911	467,996	-53,845	414,150
Operating profit (loss)	16,637	7,107	5,972	12,003	6,469	1,599	49,790	-2,235	47,555
							Finance income		94
							Finance costs		-587
							Share of profit (loss) of investments accounted for using equity method		1,252
							Profit before tax		48,315

(Millions of Yen)

	Reportable Segment							Adjustments (Note2)	Amount recorded in consolidated financial statements
	Industrial IT Business	Financial IT Business	IT Business Solutions	IT Platform Solutions	IT Management Service	Others	Total		
Segment assets	48,349	14,930	25,035	44,243	72,197	27,589	232,346	175,262	407,609
Other items									
Depreciation and amortization	2,402	67	1,372	724	4,352	1,018	9,938	9,942	19,881
Impairment losses on nonfinancial assets	147	—	—	—	—	—	147	—	147
Investment in equity method associates	1,668	—	—	8,508	—	—	10,177	—	10,177
Capital expenditure	1,165	226	2,815	659	7,475	1,068	13,410	12,298	25,708

Notes: 1. Amounts for inter-segment transactions are decided based on price negotiations made with reference to market prices.

2. Adjustments are as follows:

- (1) The sales to external customers includes adjustment to reflect net sales to be conformity with IFRS. The reduction to operating profit is comprised of ¥3,155 million in general corporate expenses that have not been allocated to the reportable segments and ¥920 million adjustment to reflect net sales as defined by IFRS.
- (2) Adjustments to segment assets are corporate assets, etc. that are not allocated to each reportable segment.
- (3) Adjustments to depreciation and amortization are depreciation and amortization related to corporate assets.
- (4) Adjustments to capital expenditures represent capital expenditures related to corporate assets such as the building.

For the fiscal year ended March 31, 2023(April 1, 2022 – March 31, 2023)

(Millions of Yen)

	Reportable Segment							Adjustments (Note2)	Amount recorded in consolidated financial statements
	Industrial IT Business	Financial IT Business	IT Business Solutions	IT Platform Solutions	IT Management Service	Others	Total		
Net Sales									
Sales to external customers	149,398	59,385	68,724	88,456	56,709	23,223	445,897	14	445,912
Inter segment sales (Note1)	11,318	864	6,398	8,323	22,136	13,267	62,309	-62,309	—
Total	160,716	60,249	75,123	96,780	78,846	36,491	508,207	-62,294	445,912
Operating profit (loss)	19,522	6,794	7,314	12,833	6,308	1,618	54,391	-3,029	51,361
							Finance income		1,651
							Finance costs		-589
							Share of profit (loss) of investments accounted for using equity method		913
							Profit before tax		53,336

(Millions of Yen)

	Reportable Segment							Adjustments (Note2)	Amount recorded in consolidated financial statements
	Industrial IT Business	Financial IT Business	IT Business Solutions	IT Platform Solutions	IT Management Service	Others	Total		
Segment assets	60,710	18,930	27,195	42,485	76,809	27,581	253,712	181,756	435,469
Other items									
Depreciation and amortization	2,239	158	1,980	734	4,931	1,201	11,246	9,383	20,629
Impairment losses on nonfinancial assets	42	—	—	—	—	1	44	—	44
Investment in equity method associates	1,830	—	—	9,422	—	—	11,252	—	11,252
Capital expenditure	1,075	545	2,440	1,003	6,757	701	12,524	13,683	26,208

Notes: 1. Amounts for inter-segment transactions are decided based on price negotiations made with reference to market prices.

2. Adjustments are as follows:

- (1) The sales to external customers includes adjustment to reflect net sales to be conformity with IFRS. The reduction to operating profit is comprised of ¥3,925 million in general corporate expenses that have not been allocated to the reportable segments and ¥896 million adjustment to reflect net sales as defined by IFRS.
- (2) Adjustments to segment assets are corporate assets, etc. that are not allocated to each reportable segment.
- (3) Adjustments to depreciation and amortization are depreciation and amortization related to corporate assets.
- (4) Adjustments to capital expenditures represent capital expenditures related to corporate assets such as the buildings.

(Per Share Information)

Basic earnings per share attributable to owners of the company and diluted earnings per share are calculated on the following basis.

		Fiscal Year 2021 (April 1, 2021 - March 31, 2022)	Fiscal Year 2022 (April 1, 2022 - March 31, 2023)
Basis of calculating basic earnings per share			
Profit attributable to owners of parent	(Millions of yen)	33,470	37,301
Profit not attributable to owners of parent	(Millions of yen)	—	—
Profit to calculate basic earnings per share	(Millions of yen)	33,470	37,301
Average number of shares during the period	(Shares)	312,221,214	312,309,327
Basic earnings per share	(Yen)	107.20	119.44
Basis of calculating diluted earnings per share			
Profit to calculate basic earnings per share	(Millions of yen)	33,470	37,301
Adjustment	(Millions of yen)	—	—
Profit to calculate diluted earnings per share	(Millions of yen)	33,470	37,301
Average number of shares during the period	(Shares)	312,221,214	312,309,327
Increased number of shares due to subscription rights to shares	(Shares)	—	—
Average number of diluted shares outstanding during the period	(Shares)	312,221,214	312,309,327
Diluted earnings per share	(Yen)	107.20	119.44

Notes: The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. Basic earnings per share and Diluted earnings per share have been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

(Significant Subsequent Events)

No subsequent events to report.