

IR Meeting with President

Takaaki Touma
President and Chief Operating Officer

June 7, 2022

- 1. Impressions**
- 2. Path to the Present**
- 3. Looking ahead: Grand Design 2030**
- 4. Looking ahead: Medium-Term Management Plan 2021-2023**
- 5. Recognition of the Current Situation and Three Evolutions for Sustainable Growth**
- 6. FY2022 Priority Initiatives**
- 7. Management Approach**

- **Television advertising**
- **Strong client base**
- **Human capabilities to support business expansion**

2. Path to the Present

- 10 consecutive years of higher sales and profits
- Steady expansion of business scale based on appropriate policies in each phase after the merger



Medium-Term Management Plan (2013/3-2015/3)
Promoting true integration and pursuing merger synergies

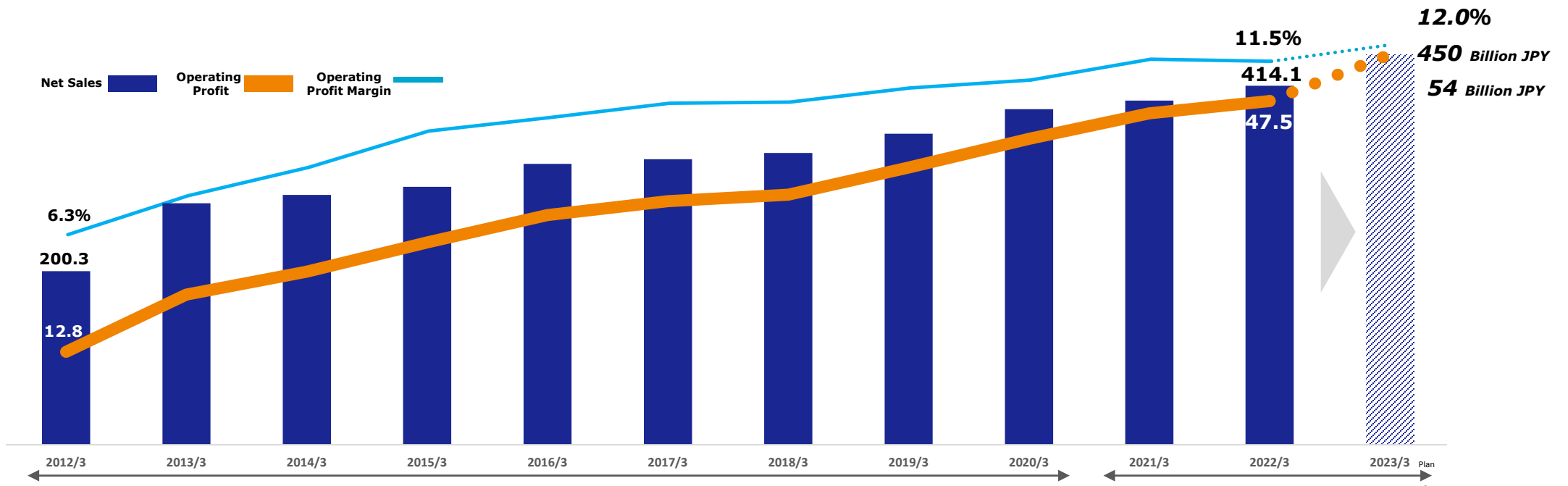
- Expand sales through cross-selling strategy
- Increase profitability through the core partner system and our proprietary development standard SE+
- Working style reform
- Global strategy

Medium-Term Management Plan (2016/3-2020/3)
Moving away from a labor-intensive business

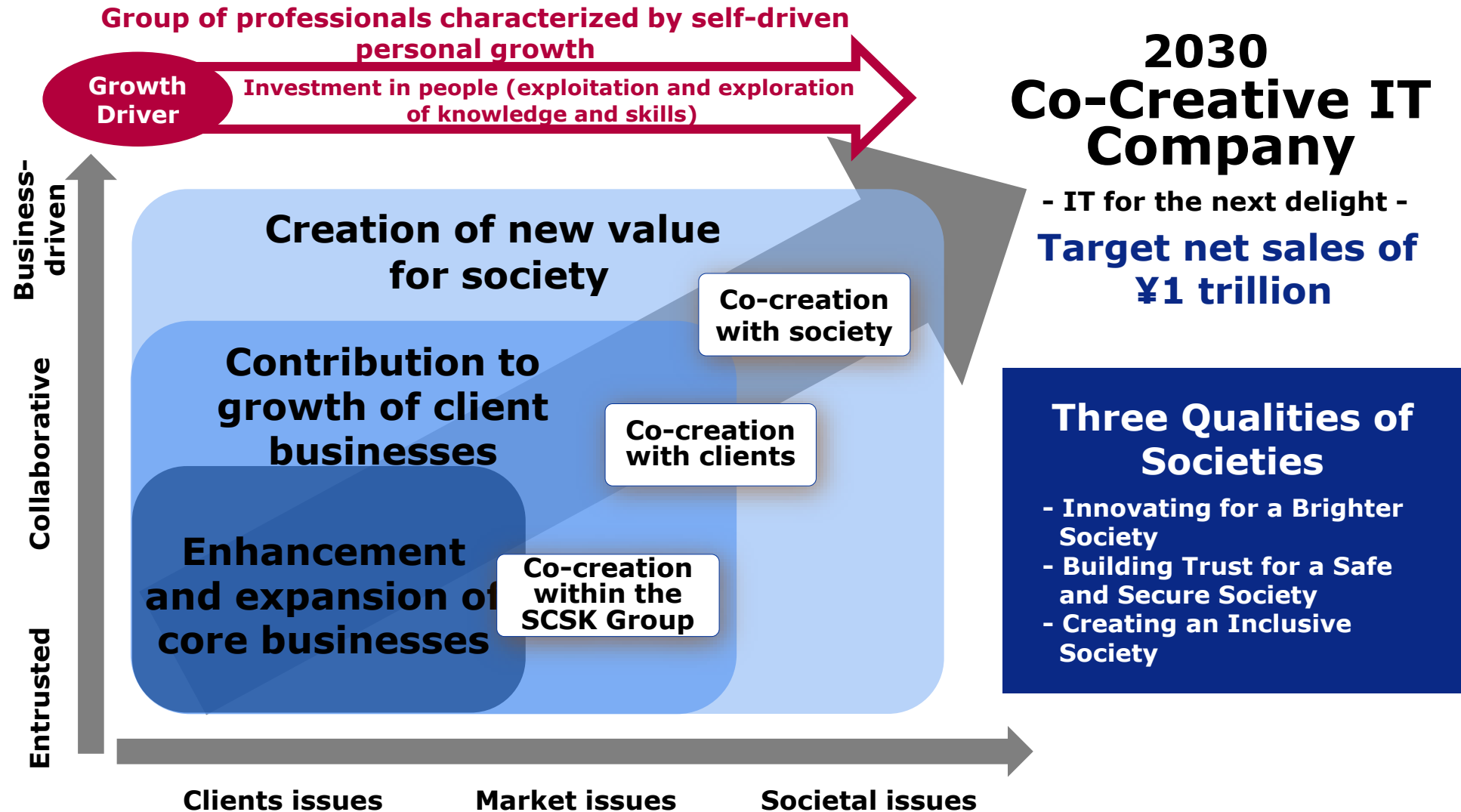
- Shift to service-oriented business
- Automotive software development
- Enter into the second stage of global business expansion

Medium-Term Management Plan (2021/3-2023/3)
Business Reforms to Create New Value

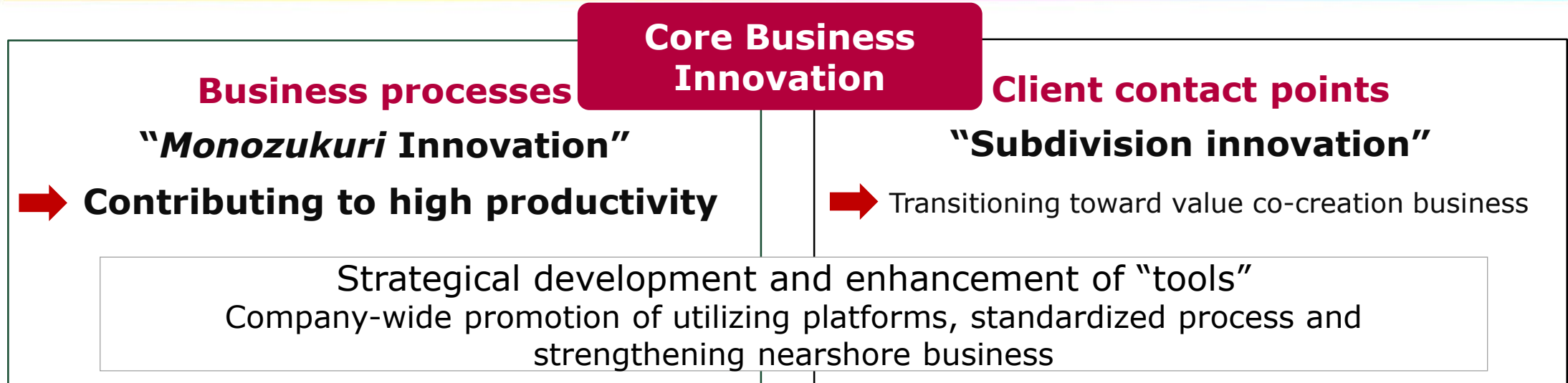
- Commercialization of DX
- Core Business Innovation
- Investment in People



3. Looking ahead: Grand Design 2030



4. Looking ahead: Medium-Term Management Plan 2021-2023



■ Toward a full-scale rollout phase of S-Cred⁺ platform

- Improve productivity, including group companies and core partners
→ **Targeting a 30% improvement**
- The number of projects in FY21 exceeded 70. First aiming for **a project application rate of 30%**.

■ Accelerate training of service managers

- Develop advanced IT engineers who understand customers' DX strategies and work in an integrated manner from planning to implementation
- Cultivation of 90 employees over the 2 years of the Medium-Term Management Plan
→ **Target of 150 employees** over the 3 years of the Medium-Term Management Plan

4. Looking ahead: Medium-Term Management Plan 2021-2023

Be the Cloud Service Integrator

Utilization of group intellectual property



- Application of packages and templates installed in platforms
- Developed as a platform for the provision of proprietary services

In-house Developed Cloud Services

Various Cloud Services

Proprietary *monozukuri* innovation platform



S-Cred エスクレドプラス

Low-Code No-Code Development Foundation

S-Cred+ Framework
Scratch development base

API Integration
Data linkage infrastructure

Increasing the added value of data centers



- Wide-ranging ecosystem with cloud operators

Multi-cloud services

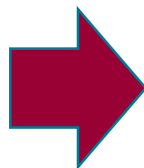
4. Looking ahead: Medium-Term Management Plan 2021-2023

Moving to the second stage by improving digital human resources capabilities through qualitative and quantitative expansion of regional bases
Aiming to be a domestic network of advanced IT personnel and a co-creation IT company in local communities

<1st Stage>

Expansion of Group Regional Bases (“Expansion of Employment”, “Promotion of Work Style Reforms” and “Women’s Active Participation” in local areas)

⇒ Acquisition and development of IT personnel
⇒ Qualitative and quantitative enhancements to our service capabilities such as DevOps service



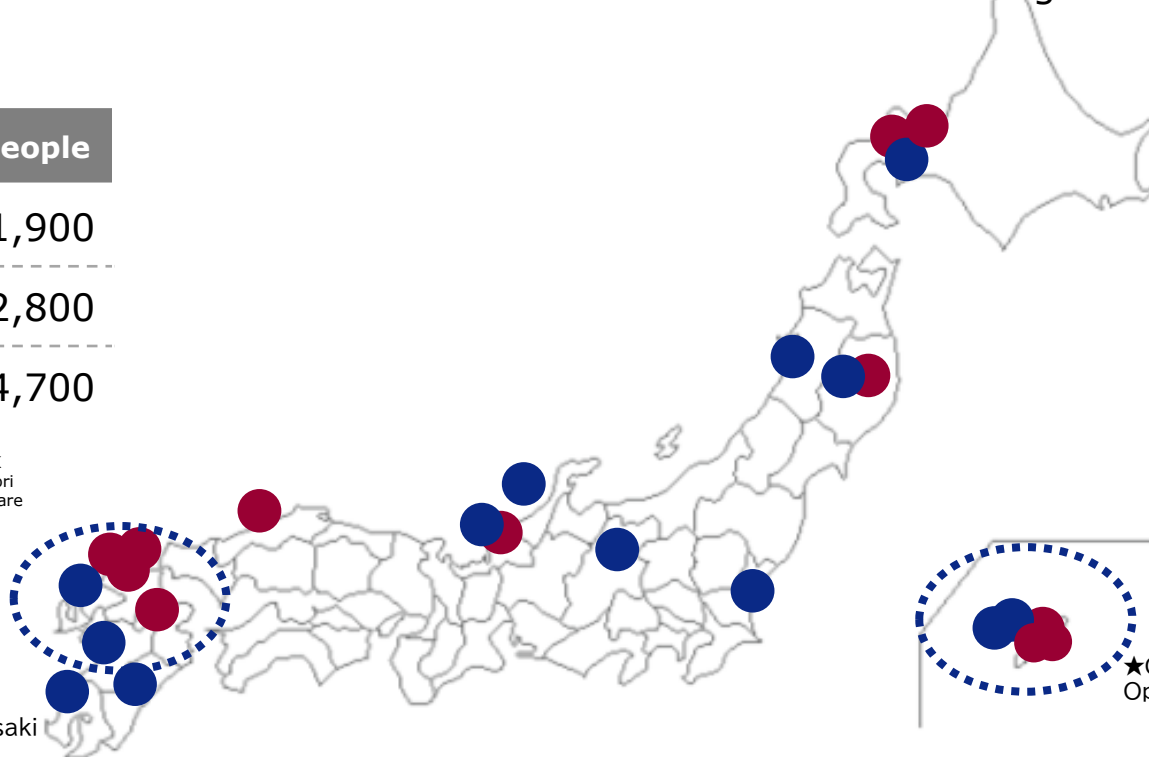
<2nd Stage>

Development of advanced IT human resources at regional bases

⇒ Cross-regional utilization of domestic IT human resources
⇒ Promotion of DX for Regional Revitalization

	#of base	#of people
● Development	13	Approx. 1,900
● Verification, BPO	12	Approx. 2,800
Total	25	Approx. 4,700

*Number of people includes Business Partners(as of End of March 2022)
*Development base includes SCSK Nearshore Systems Corporation, SCSK HOKKAIDO CORPORATION, SCSK KYUSHU CORPORATION and SCSK Minori Solutions Corporation. Verification and BPO base includes SCSK ServiceWare Corporation and VeriServe Corporation

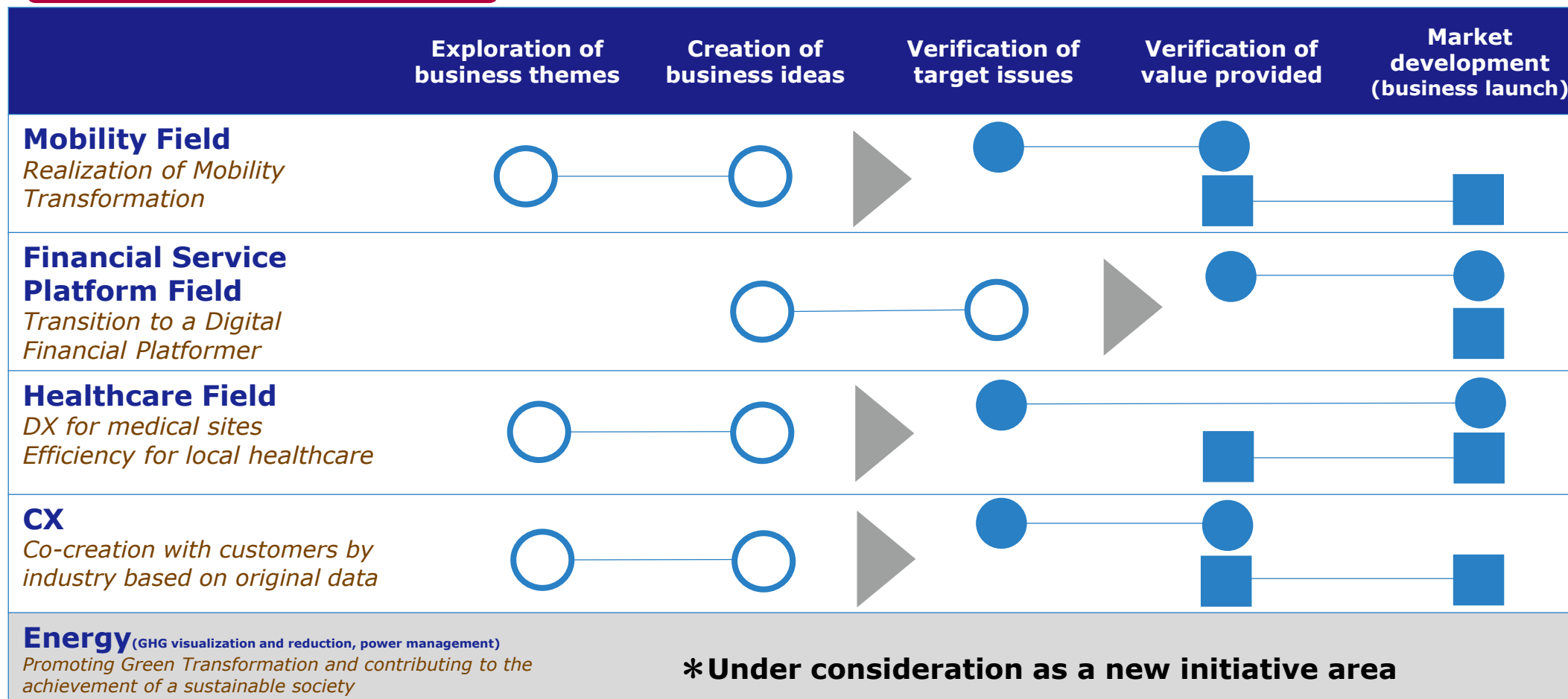


★Kyusyu area
Nearshore base to be opened in Oita and Nagasaki in FY2022

★Okinawa
Opened a base in Urasoe city in fall 2021

4. Looking ahead: Medium-Term Management Plan 2021-2023

Commercialization of DX



○ Beginning of FY21 ● Beginning of FY22 ■ End of FY22

Investment and costs: FY20 approx. ¥2 billion FY21 approx. ¥3 billion FY22(plan) approx. ¥4 billion

5. Recognition of the current situation and three evolutions for sustainable growth

Recognition of the current situation in the third year of the Medium-Term Management Plan

Accelerating changes in the business environment

- Acceleration and progress of digitization
- Changes in the role of IT vendors
- Transition to a block economy
- Changes in social structure due to COVID-19
- Increasing awareness of decarbonization

Three Evolutions for Sustainable Growth

● Evolution of customer relationships

Customers, business fields, service content, and relationships with customers

● Evolution of business model

Sales methods, business models, and pricing

● Evolution of organizations and people

Operations, roles, experiences, cultures, and thoughts



We need "Self-transformation Capabilities"

Aiming to be a "Game Changer" that determines the direction of social transformation

1. Evolution to “DX Enabler”

2. From Client-Oriented to Market-Oriented

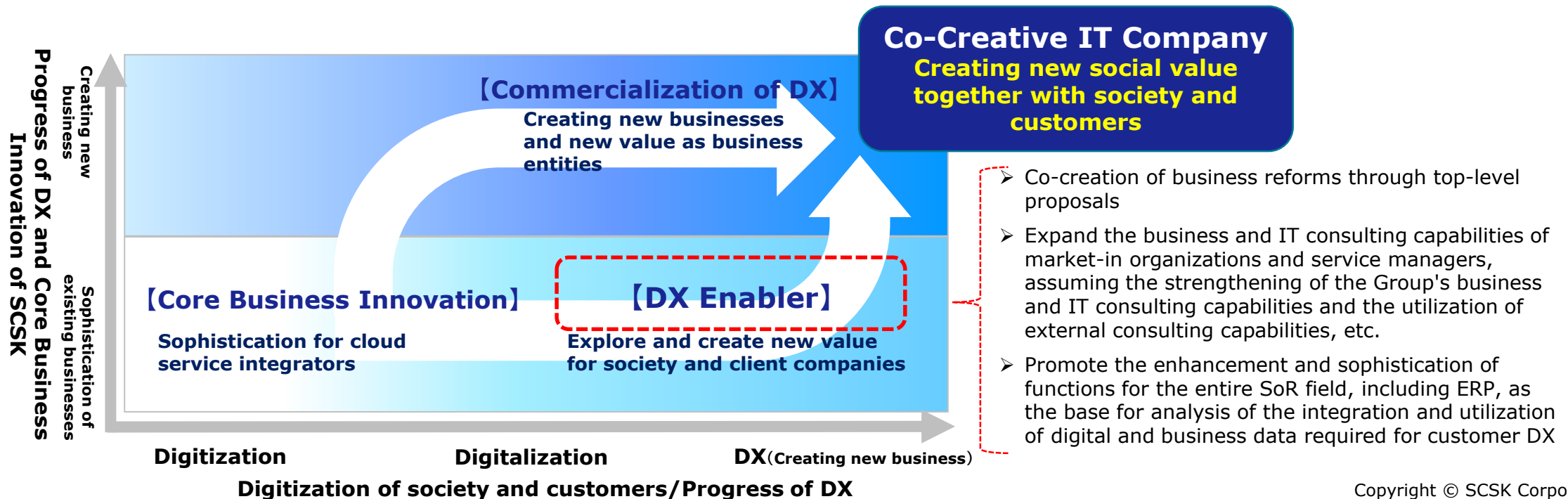
3. Strategic enhancement of specific areas

4. Strengthen profitability by reforming business portfolio

Evolution to “DX Enabler”

Significantly shifting the current IT-service business to the business of promoting Digitalization/DX support for customers

DX Enabler: Business operators that enable and support the DX efforts of customers and companies
Supporting and promoting the realization of customers' new businesses based on the dissemination of advanced digital Technology



From Client-Oriented to Market-Oriented

Expanding shared services for industries by leveraging our strengths in intellectual property cultivated for clients

Comprehensive IT services that meet industry-specific needs by combining customer challenges and our intellectual property

For the manufacturing industry



- IT services using expertise cultivated at manufacturing sites to create templates for operations ranging from production to logistics and post-sales service
- Flexible construction and customization on low-code no-code development infrastructure

For the distribution industry



- IT services that encompass solutions for sophistication of customer contact areas, such as contact centers, web commerce, and fulfillment services, to F.ACE and other e-commerce business platform services

For the financial industry



- Total solutions to support a variety of financial crime countermeasures, including money laundering, money transfer fraud, antisocial forces, and account fraud
- October 2021 Launched next-generation versions (with AI functions, provided in the cloud)

Strategic enhancement of specific areas

Positioning ERP Business and Global Business as Company-wide Strategies Cross-Divisional Sectors

ERP Business

- Respond to digital data and business infrastructure building needs required to promote customer DX
- Important technological element as **DX Enabler**
- Efforts for SAP Business Technology Platform (SAP BTP)
- Further expansion of **ProActive C4** sales channels by group companies

Global Business

- Restructuring business targeting the global market, centered on IT services (SAP etc.), which are rated as global standards
- Commercialize Digitalization and DX results in Japan, the U.S. and Europe in **Emerging Markets**
- **Capital alliances and collaboration** partners with overseas vendors

Strengthen profitability by reforming business portfolio

Aiming for an operating profit margin of over 15% in the medium term

Essential elements for achieving

- **Shifting business to DX Enabler**

- **Accelerating conversion to cloud service integrators**

Link data center services and PaaS solutions, combine them with our proprietary intellectual property-based IT services, and combine them with the services of cloud vendors

- **Achieving high profitability** by downsizing and exiting unprofitable businesses and reallocating resources

- **Review our portfolio of businesses**

SCSK Minori Solutions Corporation to cultivate the medium-sized enterprise market

- Pursue alliances, capital and business alliances, **M&A** etc.

“Value-Driven Management ↔ Well-Being Management”

**Beyond
“Health and Productivity
Management” to
“Well-Being Management”**

- Pursuing Well-Being



- Autonomous Growth of Human Resources
(Capacity development/ Exercise of ability)



- Strengthen our raison d'être and achieve sustainable corporate growth

**“Value-Driven
Management”**

- The meanings of “Value-Driven Management”
 - ▶ Understanding our corporate philosophy and business vision
 - ▶ Respect, sympathy and resonance of diverse individuals



- Realizing Co-Creation
(Creating large and new social value that individuals and companies can't achieve)

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