

SCSK Corporation IR Meeting

The Medium-Term Management Plan

(FY2023 - FY2025)

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

SCSK Corporation

April 28, 2023



1. Review of Previous Medium-Term Management Plan

Review of Previous Medium-Term Management Plan

Grand Design 2030

The Medium-Term Management Plan has been positioned as the first step toward accomplishing the Grand Design 2030.(FY2020-FY2022)



**Total Investment Amount:
¥100 billion**

Targets(FY2022)

Net Sales

¥500 billion

Operating Profit

-

Operating Profit Margin

10~12%

ROE

15.0% or more

Review of Previous Medium-Term Management Plan (Management Targets) **SCSK**

- Limited contribution to earnings from business innovations and DX commercialization
- On the other hand, in existing domains, SCSK achieved steady business growth as it responded to vigorous strategic investments related to clients' cloud computing and promoting digitization

	FY2019	FY2022		
	Results (J-GAAP)	Targets	Results (IFRS)	(Compared to FY2019)
Net Sales	¥387 billion	※1 ¥500 billion or more	¥445.9 billion	(CAGR 4.8%)
Operating Profit	¥42.3 billion	-	¥51.3 billion	(CAGR 6.7%)
Operating Profit Margin	10.9%	10~12%	11.5%	(+0.6pt)
ROE	15.6%	15% or more	14.4%	(-1.2pt)

■ ROIC maintenance target level (In the medium-term management plan period): 10~12% ⇒ 11.9% (Result of FY2022) ※1 Including inorganic sales growth through M&A

Review of Previous Medium-Term Management Plan (Progress of Core Strategies)

- Implemented three core strategies aimed at expanding its business on a global basis in the previous Medium-Term Management Plan
- Achieved appropriate progress along the planned line regardless of the impact of COVID-19

	Overview of Progress	Investment Amount (Plan)	Issues
Core Business Innovation	<ul style="list-style-type: none"> (Monozukuri Innovation) ○ Newly developed “Monozukuri innovation” platform, S-Cred+ △ Promoting utilization of S-Cred+ platform (Subdivision Innovation) △ Developing service managers as the core of strengthening client contacts 	¥33.6 billion (¥40B)	<ul style="list-style-type: none"> (Monozukuri Innovation) • As the application of S-Cred+ was limited to some projects, it contributed only limited to results (Subdivision Innovation) • Acceleration of consulting activities, such as recommendation and proposal, that contribute to solving client
Commercialization of DX	<ul style="list-style-type: none"> (Mobility Field) △ Strengthened relationships with clients and partners and conducted trials of new services (Financial Service Platform Field) ○ Created TAMP business and the Efukuri business in the wealth management marketplace (Healthcare Field) ○ Developed new service with Dr2GO as centered for the work style reform of medical workers and the efficiency improvement problem of regional medical treatment (CX Field) △ Released related product of “altcircle”, client contact points service 	¥15.1 billion (¥50B)	<ul style="list-style-type: none"> • Acceleration of solving social issues through our business • Early contribution to earnings during the next Medium-Term Management Plan period • Revitalize business creation and promote market expansion, including the establishment of new business areas
Investment in People	<ul style="list-style-type: none"> ○ Developing advanced engineers(AI, Agile and Cloud) ○ Increased the number of new graduates and mid-career recruits ○ Expanded nearshore base 	¥9.6 billion (¥10B)	<ul style="list-style-type: none"> • Strengthen further efforts to upgrade, diversify and expand our human resources, the driving force behind our growth

Review of Previous Medium-Term Management Plan (Major Managerial Foundation Reinforcement Measures)



Implemented the three management foundation measures that form the foundation for promoting its core strategies under previous Medium-Term Management Plan

Main implemented measures

Augmentation of Comprehensive Group Capabilities

- **Reorganization of Group to facilitate approach toward middle market companies (Establishment of SCSK Minori Solutions)**
- **Established development center as nearshore development strategy (FY2020 Akita and Ishikawa, FY2022 Oita and Nagasaki)**
- **Augmentation of contact center facilities in BPO business**
- **Verification services business**
Entry into video game QA market and establishment of R&D base in Vietnam

Promotion of Management that Fully Exercises Our Employee's Potential

- **Introduction of multi-track personnel system**
- **Implemented measures of the Diversity & Inclusion (Promotion of female line managers, Work-Life Balance Support such as child nursing or nursing care and measures for LGBTQ)**
- **Senior Expert Program (Implementation of program allowing for ongoing employment past age 65)**

Fostering of Co-Creation-Oriented Corporate Culture

- **"Mirai-Sozo" Program (Future Creation Program)**
Commercialization and supply of EneTrack renewable energy certificates transaction and tracking service
- **Beyond2030**
Program for discussion about the future of the SCSK Group between young employees and senior management

Review of Previous Medium-Term Management Plan (Investment results)

		Plan (3 Years)	Results (FY2020-FY2022)	Main Purpose
Core Business Innovation	Augmenting Managed Service Platform	¥30.0 billion	¥23.1 billion	<ul style="list-style-type: none"> Maintenance and augmentation of data centers Expansion of BPO service base, contact center, and verification center floor space Acquisition of MONOKAKU platform hardware and software
	MONOKAKU platform functions expansion			
	Service-oriented business software	¥10.0 billion	¥10.6 billion	<ul style="list-style-type: none"> Acquisition of hardware and software related to service offerings SCSK in-house development software
Commercializ- ation of DX	R&D investments for commercialization of DX	¥50.0 billion	¥15.1 billion	<ul style="list-style-type: none"> R&D, PoC testing, etc. for commercializing offerings in priority fields Business investment for co-creation in priority fields (MicroAd, Inc., Diamond headco., Ltd, SkyDrive Inc., Japan Asset Management Platform Group Co., Ltd., COTOBA DESIGN, Inc., etc.) Presidio SCSK Digital Fund
	Priority fields (M&As, joint venture establishment, etc.)			
	Venture companies worldwide to drive cutting-edge R&D			
Investment in People	Enhancement of human resource recruitment and development efforts, improvement of compensation levels	¥10.0 billion	¥9.6 billion	<ul style="list-style-type: none"> Increases to compensation through introduction of new personnel systems Enhancement of human resource development (training programs)
Total investments		¥100.0 billion	¥58.4 billion	

Review of Previous Medium-Term Management Plan (External Recognition)

- Ninth consecutive year selected as a Health and Productivity Stock Selection jointly organized by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.(2015–2023)
- Recognized as Certified Health & Productivity management Outstanding Organization(Large Enterprise Category) "White 500" for seventh consecutive year by Nippon Kenko kaigi(certifying entity).(2017-2023)
- Certified with 5 stars in the Sixth Nikkei Smart Work Management Survey (2022)
- Eighth consecutive year selected as "Nadeshiko Brand" designation jointly organized by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. (2015–2023)
- For the fifth consecutive year, received the Gold rating, the highest rating, in the PRIDE Index* for LGBT-related initiatives.(2018-2022)



* An index used by work with Pride, a volunteer organization with the mission of achieving comfortable workplaces for the LGBT community in Japan beyond the frameworks of companies and organizations.

Review of Previous Medium-Term Management Plan (Activities of Sustainability Management)

● General

- The SCSK Group established the Sustainability Committee in order to promote sustainability management(the committee is composed of Working Group 1 and Working Group 2.)
- Recognition by ESG rating agency
 - Sixth consecutive year selected in the FTSE4Good Index Series
 - Sixth consecutive year selected in the FTSE Blossom Japan Index
 - Certified in the FTSE Blossom Japan Sector Relative Index
 - Selected in the MSCI Japan ESG Select Leaders Index for the sixth consecutive year
 - Selected in the MSCI Japan Empowering Women Index(WIN) for the fourth consecutive year and the fifth time
 - S&P/JPX Carbon Efficient Index



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



● Global Environmental Contributions

- Acquired ISO 14001 certification, which is an environmental management system standard.
- Certified by SBT initiative(June 17th , 2021 news release)
- Joined the TCFD and ramp up enhancing information disclosure(April 28th , 2021 news release)
- CDP
 - Score went up to A-(2022) From C(2020)
 - Selected as a Supplier Engagement Leader 2022, the Highest Rating in the CDP Supplier Engagement Rating.



● Respect for Human Rights

- Established SCSK Group Human Rights Policy
- Released the statement in accordance with the Modern Slavery Act that came into force in the UK. (February 2023)
- Implemented Human rights due diligence



2. Overview of Management Plan & Grand Design

Corporate Philosophy

Our Mission

Create Our Future of Dreams

We create our future of dreams by establishing value based on our customers' trust.

Our Promises

Respecting each other

We realize our potential by respecting each other.

Providing excellent service utilizing reliable technology

We delight customers through our service based on reliable technology and passion.

Sustaining growth from a global and future perspective

We, with our stakeholders, pursue sustainable growth for the world and the future.

Code of Conduct

Challenge

Aim higher with future creating passion.

Commitment

Act with integrity and responsibility for our customers and society.

Communication

Facilitate teamwork with respect and understanding.

Overview of Management Plan



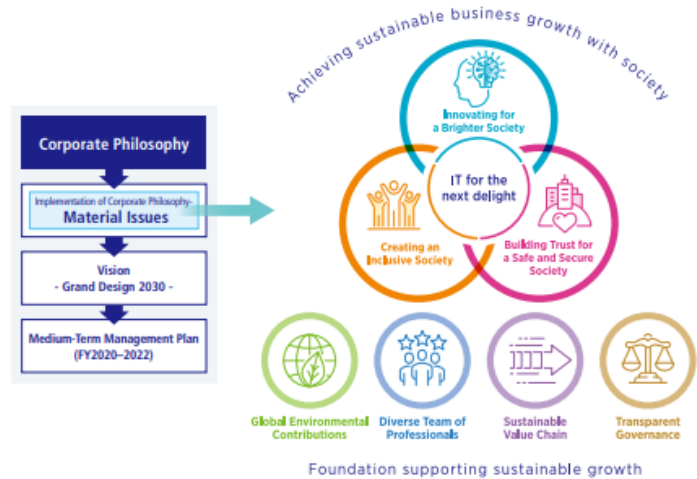
Sustainability Management Practiced as a Growth Strategy

- Ongoing practice of sustainability management with the goal of contributing to the realization of a sustainable society by helping resolve social issues based on an understanding of the social impact and responsibilities of companies
- Acceleration of sustainability management initiatives as a growth strategy aimed at continuing to grow together with society by framing the changes in the operating environment spurred by trends toward decarbonization and circular economy as opportunities and leveraging core competencies to capitalize on new business opportunities

Material Issues

Positioning of Material Issues

We evaluated a range of issues faced by society from a business perspective, seeking to achieve its corporate philosophy of “Create Our Future of Dreams”, and specified the issues that it views as particularly important and that it should prioritize taking action on to achieve growth together with society as material issues



Achieving sustainable business growth with society

We aim to achieve sustainable business growth by resolving social issues through our efforts to achieve the three qualities of society via our business activities. The three material issues are interrelated and connected to the concept of “IT for the next delight.”



Foundation supporting sustainable growth

The “foundation supporting sustainable growth” refers to creating the SCSK Group’s management foundation by accelerating ESG-driven initiatives, and at the same time, creating a foundation to realize the upper three material issues.



IT for the next delight

“IT for the next delight” signifies that SCSK Group will continue achieving sustainable growth that supports people’s happiness, even if the term IT is expressed using different words in the future.

Achieving sustainable business growth with society	Innovating for a Brighter Society	While engaging in co-creation with our customers and partners with a focus on the major changes digital technology is bringing to industry and society, we create greater affluence and comfort by turning technology into innovation to address social challenges and create social value.
	Building Trust for a Safe and Secure Society	Our resilient and reliable business platforms connect customers and partners across industries and support increased safety and security for all by allowing companies to improve the quality of their business activities and people to have a better everyday experiences.
	Creating an Inclusive Society	Our business is global and contributes to growth and development in many countries and regions. We use our understanding of technology and its impacts to help build more inclusive societies that offer more opportunities to more people.
Foundation supporting sustainable growth	Global Environmental Contributions	We are addressing the impacts climate change is having on our business while helping create a better global environment by integrating environmental considerations into our business activities and creating and expanding environmentally sustainable business opportunities.
	Diverse Team of Professionals	We are a team of professionals with diverse expertise and experience and a shared set of values. Since we embrace diversity as a source of creativity, we strive to create workplaces and opportunities to engage our team and keep them growing professionally and as individuals.
	Sustainable Value Chain	We minimize any negative impacts associated with our value chain. In addition to service quality, we also work with partners to advance environmental and social goals such as sustainability, diversity, human rights and innovation to support our customers' sustainable growth.
	Transparent Governance	We conduct effective management oversight while ensuring transparency and compliance, and have established and maintain management frameworks for sound information and risk management.

Grand Design 2030

Management Policies for "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 the 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

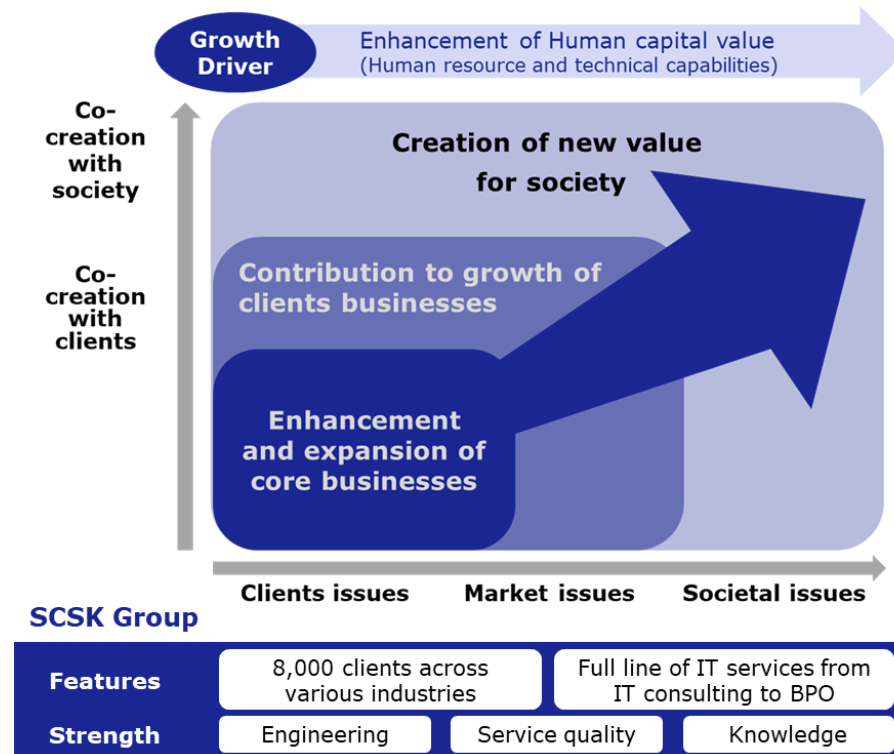
- IT for the next delight -

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



Operating Environment for SCSK Group

- Faced with an "uncertain era" in which changes in the business environment are accelerating and it is difficult to foresee the future
- Chronic shortage of IT human resources continues against the backdrop of vigorous digital investment appetite of domestic companies and in-house production of IT

External-Environment

【Social Trend】

- The Japanese government promotes digitalization to strengthen international competitiveness
- Segmentation and instability of the supply chain due to geopolitical risks, and soaring prices / labor costs against the backdrop of the energy situation

【Client Trend/ IT Service Industry Trend】

- Increasing **interest in in-house production** of IT to respond to changes in the marketplace
- **Shortage of IT professional** and **intensified competition to acquire IT professional** due to in-house production

【Advanced Technologies Trend】

- Expand practical application areas for AI, robotics, and IoT techniques
- Continued emergence of new technological innovations, such as quantum computing

Internal-Environment

【Issues of SCSK: Three Stagnations】

1. “Client relationship”

- Client, business field, service, and client relationship

2. “Business models”

- Sales methods, business models and pricing

3. “Organizations / People”

- Assignment, roles, work experience, culture, philosophy, etc.

■ **Need for “self-transformation” through redeveloping of business fields and business models more thorough than in the past**

Positioning of Medium-Term Management Plan(FY2023-FY2025)

Toward 2030

Second Phase

2023 - 2025

First Phase

2020 - 2022

Co-Creative IT Company – IT for the next delight –

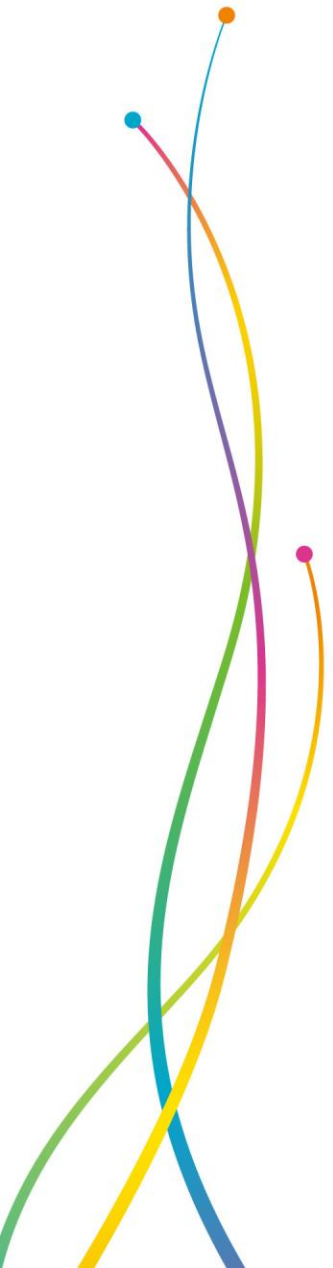
■ Pursue dramatic improvements in “Comprehensive Corporate Value” through:

- 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
 - Lead to improve earnings and business performance with measures in the core strategies of first phase
 - Implement measures without exception company-wide, reflecting the fact that business innovation was only partially implemented

■ Work on measures for both the core strategies of “Core Business Innovation” and “Commercialization of DX” for “Grand Design 2030” as the first phase

- **Core Business Innovation** : Expand business by innovating existing business
Promote a shift from client-support-oriented to new-value-creating-oriented with setting forth “*Monozukuri* Innovation” and “Subdivision Innovation”
- **Commercialization of DX** : Challenge to create businesses that provide new value to society
Taking on the challenge of creating new value and businesses for society by formulating business plans and co-creating with clients and partners to resolve social issues





3. Medium-Term Management Plan (FY2023 - FY2025)

Medium-Term Management Plan SCSK Group's Core Strategies

■ Pursue dramatic improvements in “Comprehensive Corporate Value” through:

- Reorganization of business areas and redevelopment of business models to continue providing new value to clients 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

All section's action

1 Decisive Business Shifts —Three Shifts

1

Market

Shift toward high-potential business areas

2

Value

Shift toward high-value-added areas

3

Business model

Shift toward high-productivity business models

+

Concentrate resources to achieve high growth

2

Development of Market-Leading Businesses in Growth Markets

For 2030 - IT for the next delight -

3

Advancement of Next-Generation Digital Businesses through Co-Creation with Society

**Managerial Foundation
Reinforcement Measures**

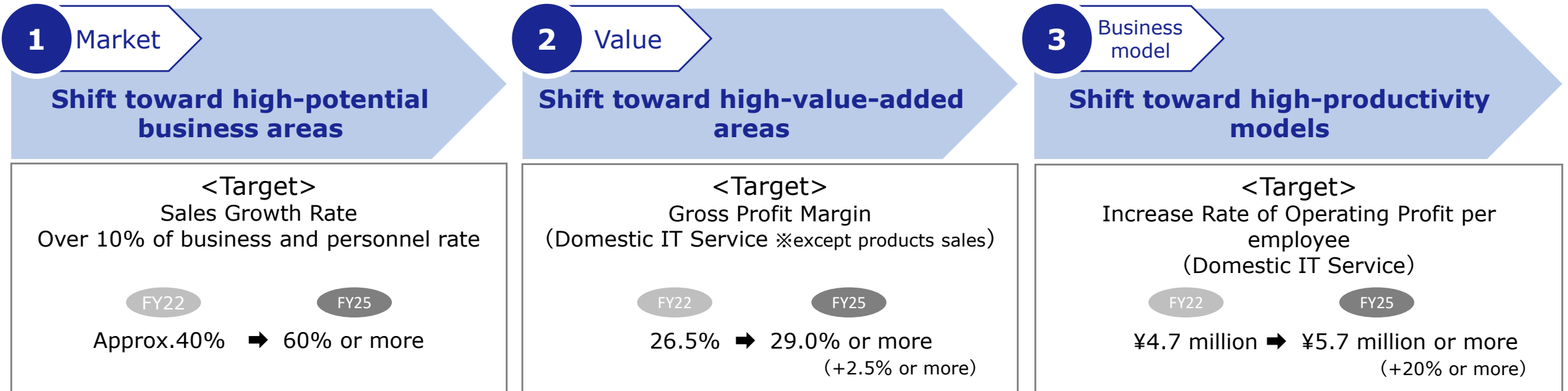
Promotion of Technology-Driven Approach

Maximization of Human Resource Value

Value-Driven Management

Core Strategy 1 : Decisive Business Shifts –Three Shifts

- Business areas will be re-organized and business models will be redeveloped to adapt to operating environment changes and achieve sustainable growth
- Factors behind stagnant earnings growth: Breaking through the Three Stagnations, “Client relationship”, “Business models” and “Organization/ People” and reforming the corporate structure
- Improvements of profitability will be pursued as we seek to generate growth potential and funds to fuel investments oriented toward future sustainable growth



Companywide Measures

- Decisive businesses through selection and concentration
- Expansion of businesses with growth potential
- Re-skilling to target fields

Companywide Measures

- Company-wide use of intellectual property and commercialization of materials
- Expansion of consulting functions
- Acquiring and developing advanced technologies
- Presentation of fair value
- Cost control

Companywide Measures

- Centralization of System Development/ System Maintenance and Operation/ Services (From individual response for each client to centralized response)
- Promotion of low-code/ no-code development (Promotion of utilization of S-Cred +, etc.)

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 SCSK Group will constantly seek out new target businesses

Leading Cloud & Digital

Modernization services for solving social and customer issues

- Manufacturing field (Digital Supply Chain, atWill)
- Financial field (AML, Wealth Management)
- Mid-sized company data-driven management support (ProActive)
- BPM (Business Process Modernization)

Innovation services for new value creation

- Healthcare (Support for digital business reforms for the medical field)
- Mobility (Mobility software leading SDM era)

Integration services supporting society's digitalization

- Security
- Data integration
- Cloud integration



Market expansion capturing the trend of digitalization

- Global Business (Digital reforms in emerging markets)

Social Issues

«Global»

- Disruptive innovation driven by technological progress
- Cyberattacks on companies and organizations
- Climate change and decarbonization
- Geopolitical risk

«Japan»

- Population aging
- Population decline
- Aging of social infrastructure
- Catastrophic and frequent large-scale natural disasters etc.

Social Trends

- Progress in data-driven management
- Business innovation in each industry
- Mobility revolution etc.

Net Sales

FY25 **¥200 billion**
 ↑
 FY22 **¥130 billion**
 (CAGR 15.4%)

【AI】

Machine Learning/
Deep Learning

【IoT】

Sensing/Edge

【Blockchain】

Web3/NFT

【Security】

Zero Trust/Encryption

【Data analysis】

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

Modernization services for solving social and customer issues

Manufacturing field

- **Digital Supply Chain**
Support for supply chain innovation utilizing digital technologies for manufacturers capitalizing on SCSK's robust track record in delivering SAP and other ERP services and related engineers as well as business expertise fostered by developing systems for major manufacturers.
- **atWill (Vertical SaaS)**
Provision of multi-platform and tenant SaaS services for specific manufacturing business models based on intellectual properties founded on robust delivery track record for SCSK's proprietary atWill solution to contribute to growth and competitiveness of middle market manufacturers and manufacturing SMEs.

Financial field

- **Anti-money laundering**
Supply of BankSavior, CardSavior, and other comprehensive SCSK support solutions complying with FSA and METI Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism to banks, securities companies, insurance companies, credit companies, financial service providers, and other financial institutions; plans to expand scope of services to accommodate areas such as cryptocurrency and trading.
Topics: SCSK selected as assisting company in FSA program for projects enhancing anti-money laundering measures.
- **Wealth Management**
TAMP: Expansion of service lineup centered on Advyzon to support operations based on fiduciary responsibilities for security companies, regional banks, independent financial advisors, and other financial brokers.
Efukuri: Enhancement of functions and information provision to supply robust welfare services, including those that support asset building by employees of adopting companies.

Mid-sized company data-driven management support

- **ProActive**
Support for digitalization and transformation of middle market companies supporting domestic economy by enhancing user interface/experience of cloud ERP services and bolstering sales management and other functions centered on ProActive ERP package.

BPM

- **Business Process Modernization**
Support for resolution of customer issues (ongoing acquisition of customers and business process streamlining, etc.) by redesigning business processes with IT and digital technologies based on data and knowledge accumulated in relation to client contact points and business processes.
Topics: Acquisition of Inet Support Inc.

Innovation services for new value creation

Healthcare

- **Support for digital business reforms for the medical field**

Response to healthcare professional shortage, lacking regional healthcare functions, and other social issues through deployment of SCSK's proprietary Dr2GO solution to hospitals; development of new earnings foundations through sophisticated digital promotion services for pharmaceutical and medical device companies and data services for streamlining drug development using Dr2GO.

Mobility

- **Mobility software leading SDM era**

Development and sales of software for SDM era based on QINeS-BSW track record; pursuit of position as industry-leading software-driven supplier by utilizing insight and expertise to adapt to changes in automotive industry; support for realization of a safe and secure society while catering to needs for high levels of quality in applicable fields with proprietary verification technologies.

Integration services supporting society's digitalization

Security

Contribution to resolution of increasingly complexly and complicated cybersecurity issues by utilizing systems integration consulting, platform development, and operation services and combining high-quality products built on cutting-edge technologies

Topics: Establishment of dedicated security company



Global Business

- **Digital reforms in emerging markets**

Promotion of M&A activities and other strategic initiatives while approaching local companies in ASEAN region through efforts focused on SCSK's competitive digital services and intellectual properties.

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



GX field

Promoting businesses to realize GX in society

- Promoting the use of renewable energy
- Carbon Management, etc.

Security field

Contributing to the realization of a safe and secure digital society in response to intensifying threats from cyber-attacks

- Anti-fraud measures using advanced technologies, etc.

Customer experience field

Utilizing digital technologies to realize a rich customer experience for diversifying values and lifestyles in the use of products and services

Regional Revitalization/ Responding to regional issues

Promoting initiatives for regional development and issues-solving by digital technology

- Revitalization of regional economies through digital currencies
- Regional co-creation model development, etc.

Healthcare~Self-care field

Contribute to improving health and solving issues in the self-care field by measures to presymptomatic disease and preventing illness cultivated in the healthcare field

- Realization of measures to presymptomatic disease and prevention of illness, contribution to reduction of medical costs, etc.

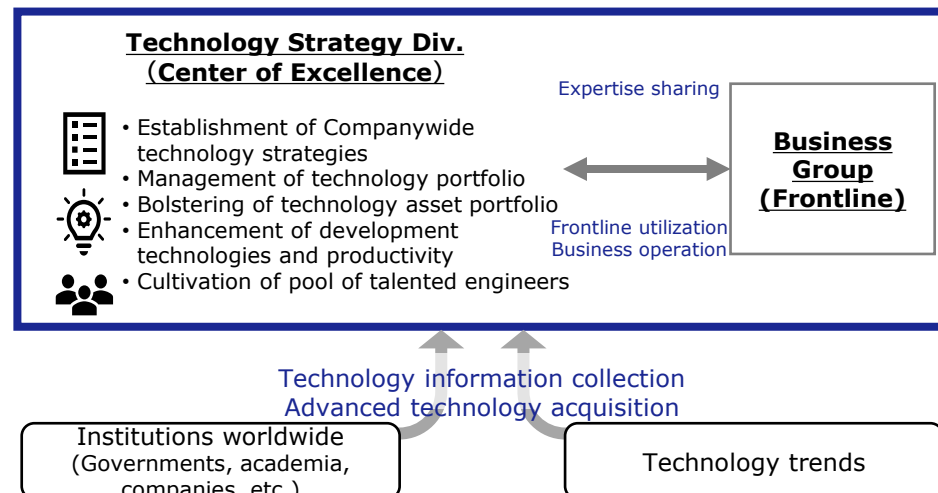
Wealth management field

In order to support a prosperous Second Life in the age of 100 life, we will utilize digital technologies to improve the financial literacy of each individual and contribute to asset building

Advanced Technologies

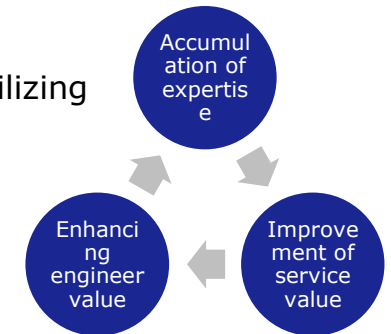
- Establishment of CoE organizations for exploring and implementing advanced technologies
- Social implementation of digital technologies and enhancement of related services (AI, IoT, XR, etc.)
- Investigation of advanced technologies with the potential to create next-generation businesses (Web3, metaverse, etc.)
- Research and development of technologies utilizing massive quantities of data (Generative AI, quantum, etc.)
- Enhancement of capacity of 10,000 SCSK Group IT engineers to implement digital technologies and exercise digital literacy of frontline client contact points

Creation of New Value and Exploration of New Businesses



Intellectual Property Value

- Accumulation and Companywide sharing of operational expertise, copyrights, and other intellectual properties
- Focus on high-value service and improvement of service quality by utilizing intellectual properties at all frontline client contact points
- Creation of virtuous cycle for enhancing engineer value



Open Innovation

- Promotion of collaboration and open innovation with venture firms through as such investment in funds worldwide
- Sourcing of advanced business models and services utilizing base in U.S. Silicon Valley

<Performance in Last Three Years>

Number of companies/services sourced: Approx. 8,000

Number of companies/services supplied with investigation/verification: Approx. 300

Number of business and capital alliances with start-ups: Approx. 20

Business Strategies and Human Resource Portfolio

- Ongoing improvement and acquisition of human capital
- Fostering of leadership that can fully leverage human capital
- Identification of business areas where we can utilize characteristics of human capital
(Enhancing and utilizing skills and abilities)

Well-Being Management

- Provision of work fulfillment and pride and improvement of engagement
- Ongoing promotion of health improvement
- Diversification of relationships and methods of communication with people
- Establishment of next-generation workstyle and office strategies
(Leading well-being to value creation)

Compensation and Benefits Systems

- Systems for reflecting human resource value
(Assess skills and abilities appropriately)
- High assessment of contributions to Company growth
(Rewarding success)

Diversity & Inclusion

- Development of workplace environment that allows employees to fully exercise talents
- Recruitment and promotion of diverse human resources
- Fostering of culture of respect for diverse values and opinions
(Respect for and utilization of diversity)

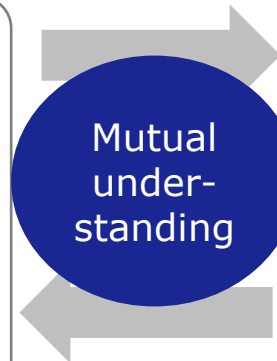
Value-Driven Management

- Fostering of mutual understanding among employees, leaders, senior management, and the Company to drive creation of new value to degrees that could not be realized by a single individual or company
- Utilization of mutual understanding, the ability to think from others' perspective, to propose and create new
- value for people and society

Mutual understanding regarding individual growth and well-being

<Goals of Leaders, Senior Management, and the Company>

A corporate entity that is needed by, and beneficial to, society as described in corporate philosophy
Fulfillment of Group role of contributing to society as an organization while supporting all employees in achieving their own personal vision of happiness



<Employee Well-Being>

Feeling of satisfaction that goes beyond compensation to include ability to feel that one is growing in various ways as a person, to find satisfaction and fulfillment in one's growth and work, and to understand one is contributing to society

Mutual understanding pertaining to corporate philosophy,
business vision, raison d'être, and future direction

<Examples of Initiatives>

- Introduction of Value-Driven Management indicators for officer evaluations (based on results of employee awareness surveys)

Management Targets (Financial)

【Financial Targets】

Aiming at high profit growth by reorganizing of business areas and redeveloping of business models for sustainable growth.

<FY2025>

Operating Profit: **¥65** billion

Operating Profit Margin: **12.5** % or more

ROE: **14** %

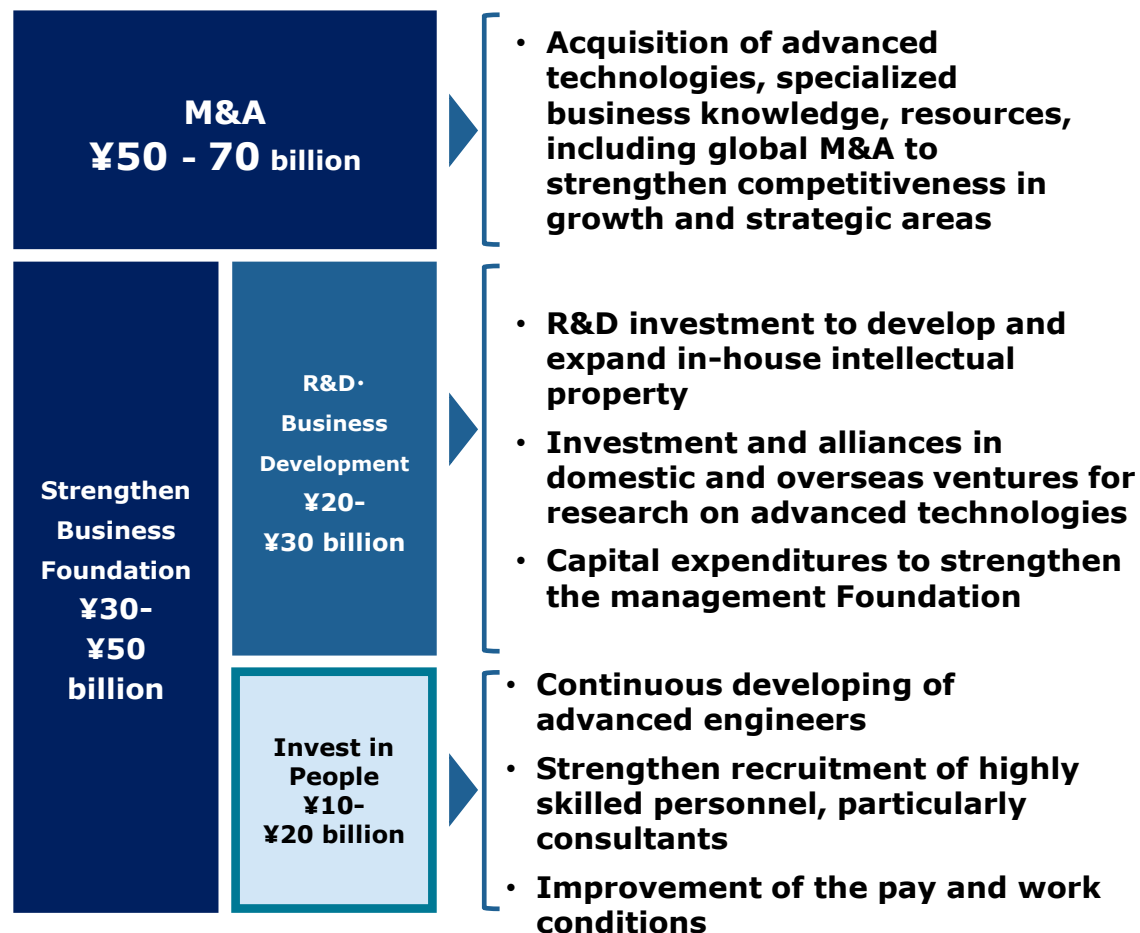
【Shareholder Returns】

Expand shareholder returns with increasing the dividend payout ratio in line with earnings growth.

Dividend Payout Ratio: **50** % (FY2025)

【Growth Investments】

Aggressive investment of ¥100 billion over three years



Management Targets (Non-Financial)

Human Resource portfolio and Development

Expand consulting functions and strengthen business development

Consulting and business design personnel

500 or more

[265 employees as of FY2022]

Cultivation of advanced engineers

Certificated advanced engineers

3,000 or more

[1,150 employees as of FY2022]

High-quality project execution

Advanced PM personnel

250 or more

[160 employees as of FY2022]

Enhancement of company-wide education and training

Certificated IT engineers groupwide for the Digital Skill Standard Training

10,000 employees [1,600 employees as of FY2022]

Well-Being D&I Promotion

Good work style and work fulfillment

Employee awareness survey

"Engagement"

90% or more ※1

Mental and Physical health and Performance

Employee awareness survey

"Performance Volatility"

90% or more ※2

Diversity and Inclusion Deepening

Number of female general managers

3 -fold or more

Contributing to Reducing Environmental Impact and Achieving Zero-Net

Reduction rate of greenhouse gas emissions Compared to FY2019

Scope1+2

Reduce emissions 47% by FY2030



Reduce emissions 100% by 2050

Scope3

Reduce emissions 28% by FY2030

※1 Percentage of employees who responded positively to the employee awareness surveys regarding both "Comfortable to work" and "Motivated".
 ※2 Percentage of employees who responded positively to the "Fully utilizing their abilities" and "Able to demonstrate 80% or more" when the performance that can be demonstrated in a healthy condition is set at 100%.

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.
- Estimates, targets, and outlooks included in this report are forward-looking statements based on information available as of the date of publication. Results and outcomes may differ materially from the forward-looking statements and no guarantee is made that targets will be reached. All such statements are subject to change without notice.
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