SCSK

IR Meeting about SCSK's Sustainability
Non-Financial Initiatives in the Medium-Term Management Plan

Executive Officer,

Finance, Accounting and IR Div.   **Yasuhiko Oka**

Executive Officer, Assistant General Manager,

Human Resources & General Affairs Div.

(D&I·Well-Being Promotion)   **Eri Kawanabe**

Senior Corporate Officer, General Manager,

Sustainability Promotion & Corporate Communications Div.   **Emi Shimizu**

SCSK Corporation

March 11, 2024

Contents

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1. **Sustainability Management as a Group Growth Strategy**

   Executive Officer,

   Finance, Accounting and IR Div.

   Yasuhiko Oka

2. **"Management that Fully Exercises Our Employees' Potential"**
   -SCSK's Human Capital Management

   Executive Officer, Assistant General Manager,

   Human Resources & General Affairs Div.

   (D&I·Well-Being Promotion)

   Eri Kawanabe
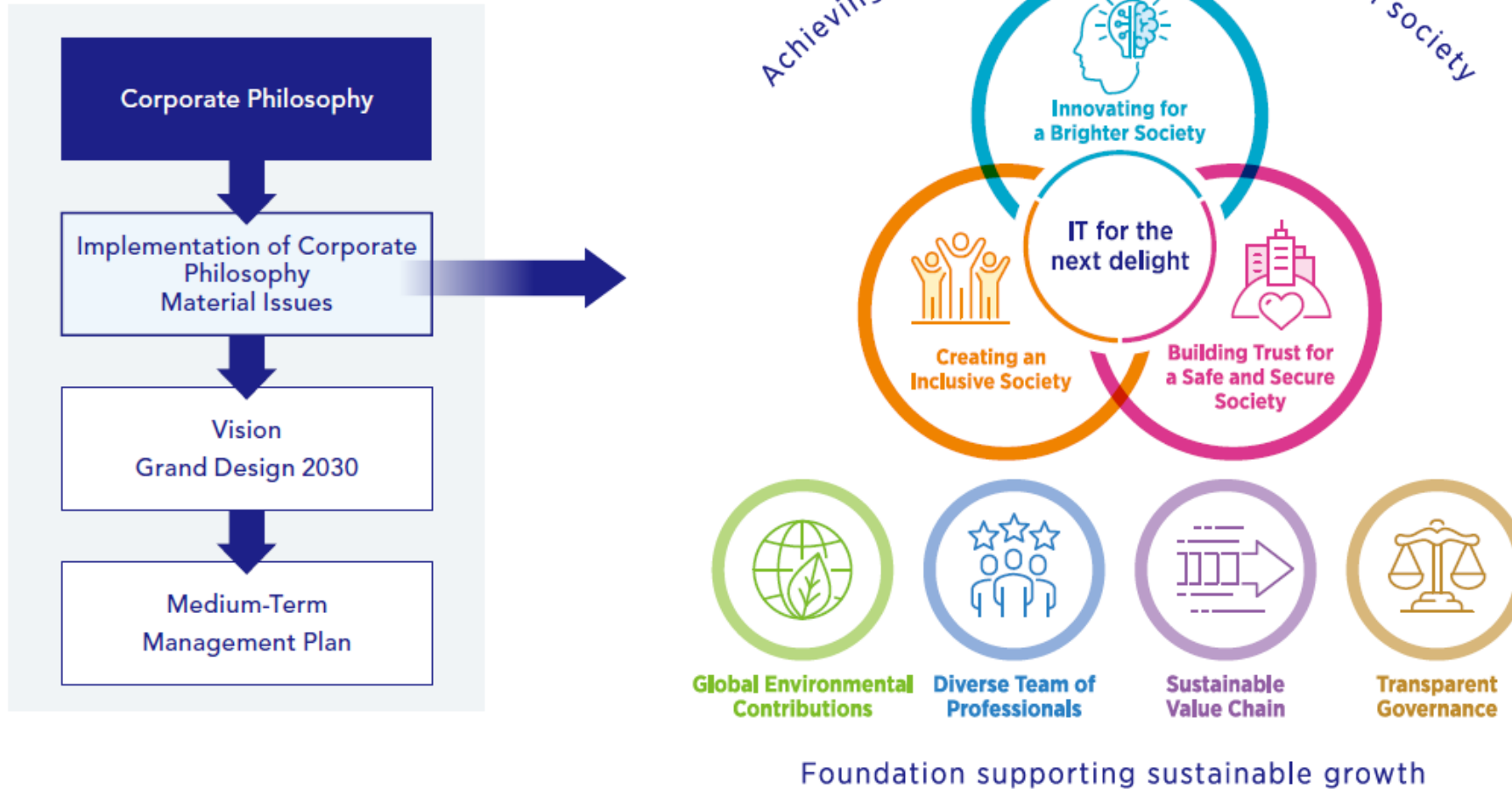
3. **Initiatives for Global Environmental Contributions**

   Senior Corporate Officer, General Manager,

   Sustainability Promotion & Corporate Communications Div.
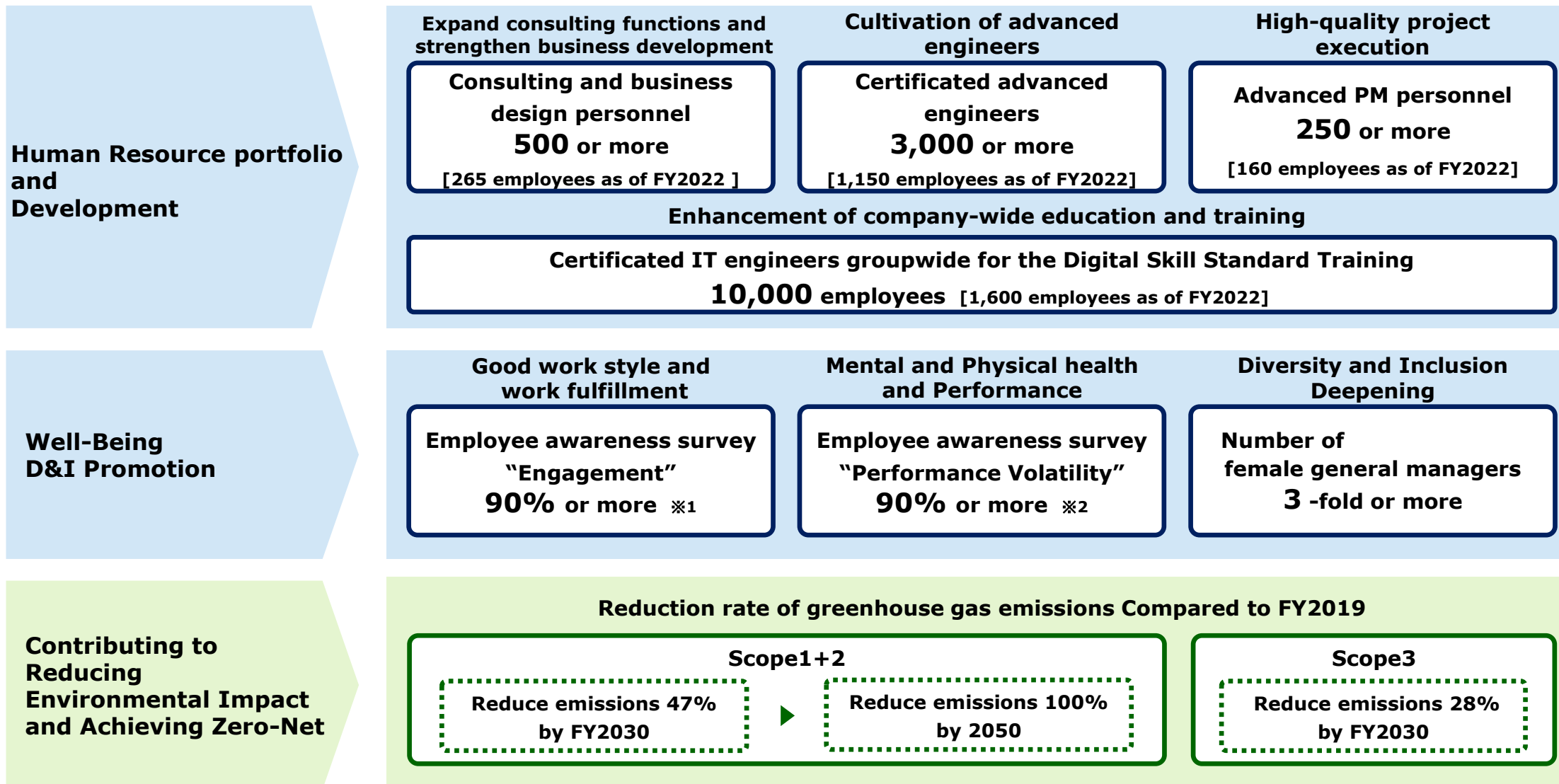
   Emi Shimizu

4. **Q&A Sessions**

Sustainability Management

as a Group Growth Strategy

Sustainability Management of SCSK Group

The Midium-Term Management Plan
Management Targets (**Non-Financial**)

Human Resource portfolio and Development

Expand consulting functions and strengthen business development	Cultivation of advanced engineers	High-quality project execution
Consulting and business design personnel **500** or more [265 employees as of FY2022]	**Certificated advanced engineers** **3,000** or more [1,150 employees as of FY2022]	**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	Mental and Physical health and Performance	Diversity and Inclusion Deepening
Employee awareness survey "Engagement" **90%** or more ※1	**Employee awareness survey "Performance Volatility"** **90%** or more ※2	**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		Scope3
Reduce emissions 47% by FY2030 ▶ **Reduce emissions 100% by 2050**		**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%.

Results of the Surveys by Nikkei Group

The 7th Nikkei Smart Work Management Survey in 2023

Company	★	Capability of Utilizing HR	Innovation Capability	Market exploration Capacity
SCSK	4.5	S+	S++	A+
NTT DATA Group	4.5	S	S+	S
NRI	4.5	S	S+	A++
TIS	4.0	S+	S	A+
CTC	4.0	S	S	A+
NS Solutions	3.5	A++	S	B++

The 5th Nikkei SDGs Management Survey in 2023

★	SDGs Strategy & Economic Value	Social Value	Environmental Value	Governance
4.5	S+	S++	A++	S
4.5	S	S+	S+	A++
4.5	S+	S	S	A++
3.5	A+	S	A+	A++
3.5	A++	A++	A++	A++
3.0	A	A++	A	A

Source: Compiled by SCSK based on survey results

Reference:
·Survey by NIKKEI Smart Work; Japanese only
·Archive of Nikkei SDGs Management Survey in 2023 'nikkei-r.co.jp'; Japanese Only

Changes of Corporate Governance System

News Release

SCSK

January 31, 2024

To whom it may concern:

Company: SCSK Corporation
Representative: Takaaki Touma
President and Representative Director
Code: 9719 (TSE Prime Section)
Contact: Corporate Communications Dept.
(Tel. +81-3-5166-1150)

Notice of Restructures to Further Strengthen of Corporate Governance and Changes of Representative Director, and Directors

SCSK Corporation announced the restructures to further strengthen of corporate governance and changes of representative director, and directors, which were resolved at the Board of Directors meeting held on January 31, 2024, as detailed below.

**1. Further strengthening of corporate governance**
· Effective from April 1, 2024, the Company established a new Chairman and Director for non-executive functions, with the Chairman and Director serving as Chairman of the Board.
· From April 1, 2024, the Governance Committee* will be separated from the system under which the chairperson of one committee is responsible for the operation of the two subcommittees of Nomination and Remuneration Advisory Committee and Conflict of Interest Advisory Committe, and each committee will be managed by a different chairperson.

    * Established as an advisory committee to ensure fairness and transparency and that appropriate consideration is given to the shared interest by the company and its shareholders when decisions are made by the Board of Directors, etc

URL: https://www.scsk.jp/ir en/news/2024/pdf/20240131e.pdf

News Released on January 31st, 2024

➢ After the close of the Ordinary General Meeting of Shareholders scheduled to be held in June 2024, the company plans to change its structure to one in which the majority of independent outside directors are appointed.

Percentage of Board of Directors members who are Independent Outside Director

55%

60%	
55%	
50%	
45%	
40%	
35%	
30%	

33% 36% 36% 42% 50% 50%

2018 2019 2020 2021 2022 2023 2024*
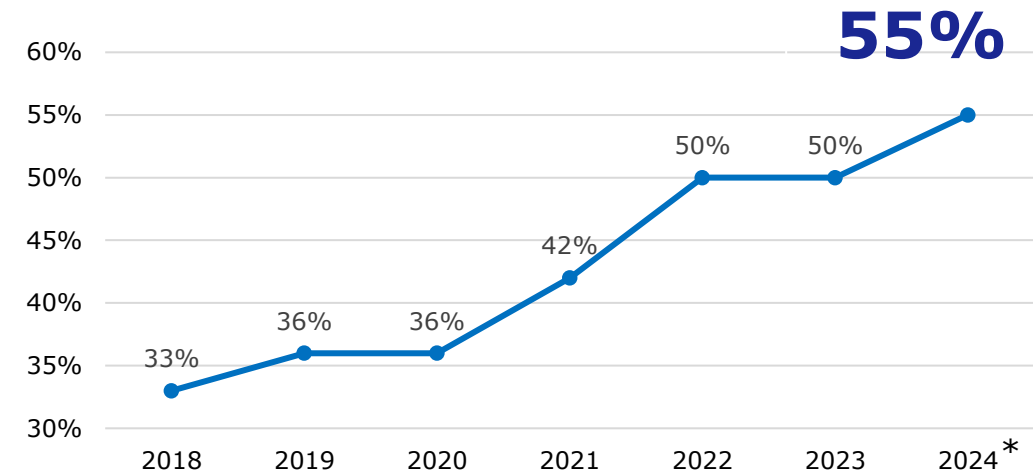
*Board of Directors after the closing of the ordinary general meeting of shareholders in June 2024

➢ Effective April 1, 2024, from the perspective of separating management oversight and business execution, the Company newly established a Chairman of the Board of Directors for non-business execution, and the Chairman of the Board serves as the Chairman of the Board of Directors.
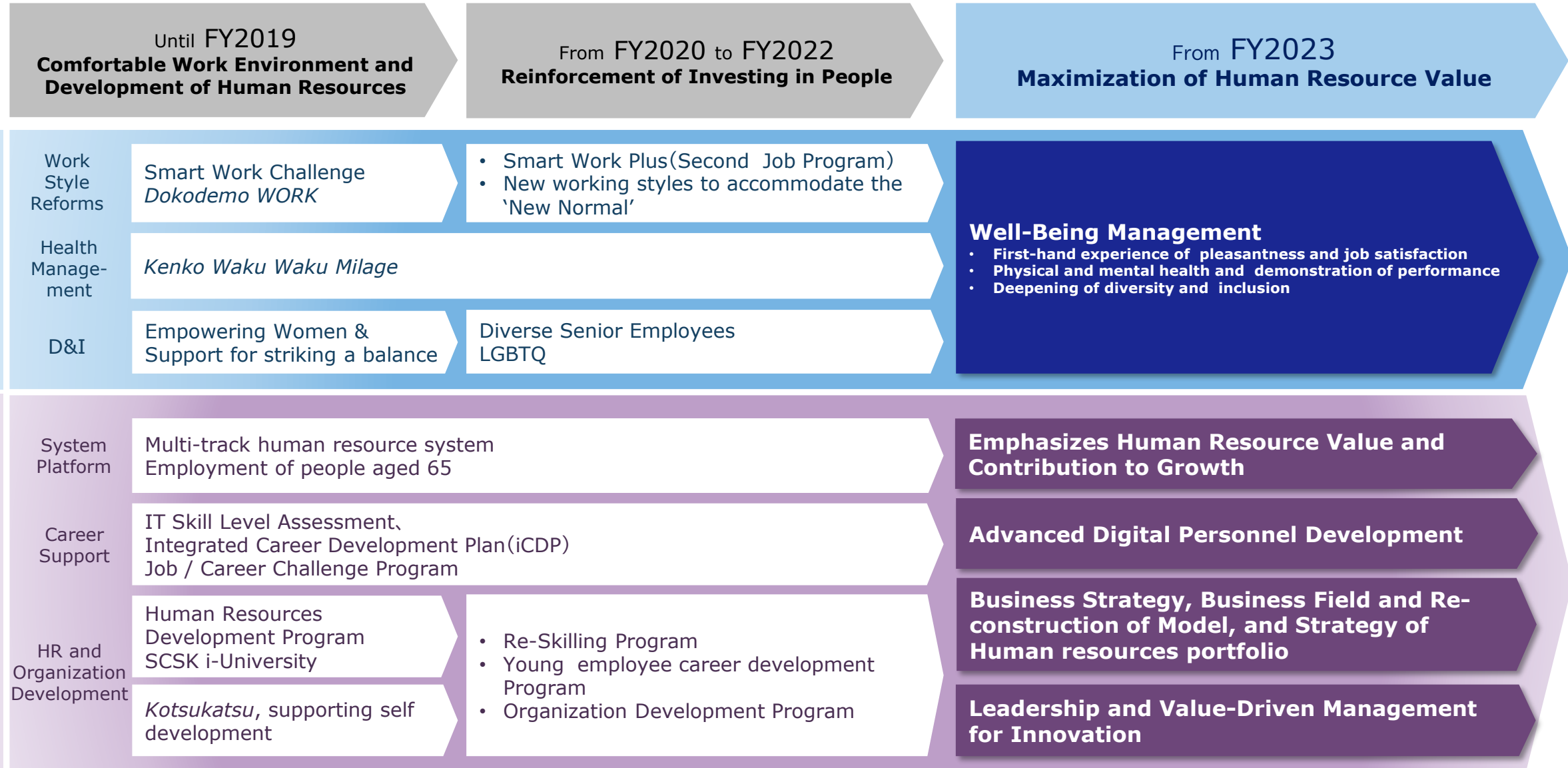
"Management that Fully Exercises Our Employees' Potential"

-SCSK's Human Capital Management

Agenda

- Until now, SCSK has been promoting various personnel measures, including "Work Style Innovation" and "Health-conscious Management."

- In the Medium-Term Management Plan from FY2023, we further commenced new initiatives to maximize the value of our human resources.

- Today, I would like to talk about SCSK's Human Capital Management in the following areas.

■ SCSK's Human Capital Management
■ Human Capital Management Measures: Infrastructures
      Working Style Reforms, Health Management and D&I'
■ Human Capital Management Measures: Foundation Reinforcement
      'Status of the basic cycle of maximizing human resources value'

SCSK's Human Capital Management

Changes of SCSK's Human Capital Measures

SCSK

	Until FY2019 **Comfortable Work Environment and Development of Human Resources**	From FY2020 to FY2022 **Reinforcement of Investing in People**	From FY2023 **Maximization of Human Resource Value**

Infrastructures

Work Style Reforms	Smart Work Challenge *Dokodemo WORK*	• Smart Work Plus(Second Job Program) • New working styles to accommodate the 'New Normal'	**Well-Being Management** • **First-hand experience of pleasantness and job satisfaction** • **Physical and mental health and demonstration of performance** • **Deepening of diversity and inclusion**
Health Management	*Kenko Waku Waku Milage*		
D&I	Empowering Women & Support for striking a balance	Diverse Senior Employees LGBTQ	

Foundation Reinforcement

System Platform	Multi-track human resource system Employment of people aged 65		**Emphasizes Human Resource Value and Contribution to Growth**
Career Support	IT Skill Level Assessment、 Integrated Career Development Plan(iCDP) Job / Career Challenge Program		**Advanced Digital Personnel Development**
HR and Organization Development	Human Resources Development Program SCSK i-University	• Re-Skilling Program • Young employee career development Program • Organization Development Program	**Business Strategy, Business Field and Re-construction of Model, and Strategy of Human resources portfolio**
	Kotsukatsu, supporting self development		**Leadership and Value-Driven Management for Innovation**

Human Capital Management Measures: Infrastructures
'Working Style Reforms & Health Management'

【Purpose】Work Style Reforms to Enhance Work Quality and Motivation

Smart Work Challenge from 2013

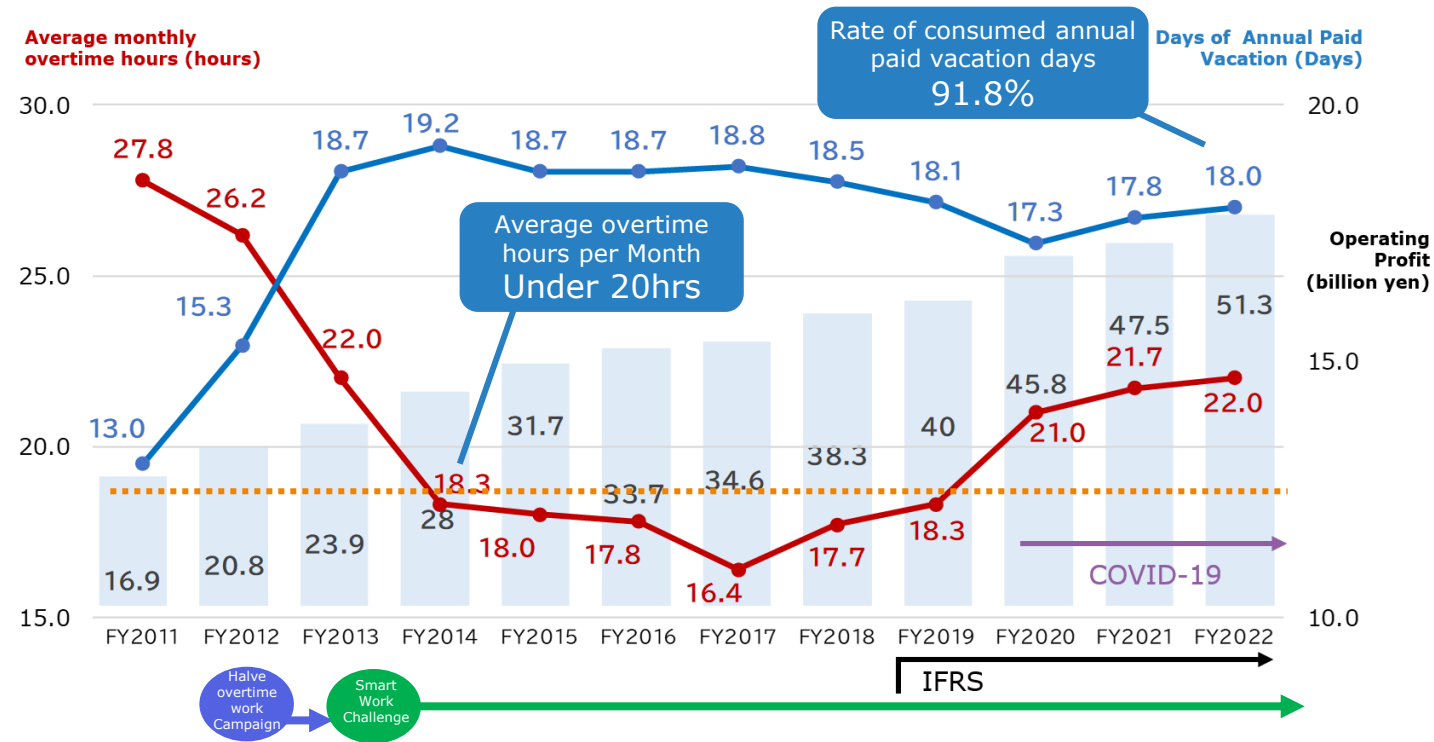◆Trends in Overtime Hours, Days of Paid Hours and Operating Income

【Targets】
・20 hours of overtime per month or less
・Aim for all employees to acquire 20 days '100%' annual paid holidays
—To stop high-load labor and protect employees' health

- Expansion of flexible work style and introduction of back-up leave
- Introduction of organizational incentives when targets are achieved (bonuses added)
→Head of promotion is an officer at the top of the organization
→Recognizing the importance of managing business waves
- Visualization of the status of initiatives twice a month at weekly meetings of the Board of Directors and company-wide sharing of information
→Grasping the status of achievement in a timely manner and examining promotion methods

Company-wide sharing of good examples at idea contests
Disseminating a message about the earnest of top management on a company-wide portal every week
Communicate the enthusiasm of customers and families with letters from top management
Change in monthly approval rules for attendance 'president's approval for overtime 80h, etc.'
Transitioned to a fixed overtime system by eliminating bonus additions from 2016

Average monthly overtime hours (hours)

Rate of consumed annual paid vacation days
91.8%

Days of Annual Paid Vacation (Days)

Average overtime hours per Month
Under 20hrs

Operating Profit (billion yen)

Days of Annual Paid Vacation (blue line): 13.0, 15.3, 18.7, 19.2, 18.7, 18.7, 18.8, 18.5, 18.1, 17.3, 17.8, 18.0

Average monthly overtime hours (red line): 27.8, 26.2, 22.0, 18.3, 18.0, 17.8, 16.4, 17.7, 18.3, 21.0, 21.7, 22.0

Operating Profit (bars): 16.9, 20.8, 23.9, 28, 31.7, 33.7, 34.6, 38.3, 40, 45.8, 47.5, 51.3

FY2011 FY2012 FY2013 FY2014 FY2015 FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022

COVID-19

IFRS

Halve overtime work Campaign → Smart Work Challenge

【Results】
The implementation of measures by all employees and the entire organization not only reduced overtime and paid leave, but also changed the 'awareness of working styles,' leading to improved work efficiency, improved organizational capabilities, and improved literacy for all employees

Health and Productivity Management (since 2015)

Philosophy of Health and Productivity Management: The health of each employee is the foundation of individual and family happiness and the development of the business

Kenko Waku Waku Mileage Program（sinse 2015）

Objective: Establishing healthy behavior habits and improving health examination results

- Add a new chapter on "health and productivity management" to the work rules to clarify the philosophy.
- Introduce organizational and individual incentives upon achieving goals (bonus addition).
- Monthly visualization of efforts using data & sharing across the company.
- Implement "Doki Doki Mileage" for executives (until FY2019).
- Conduct various health literacy training sessions and health surveys.
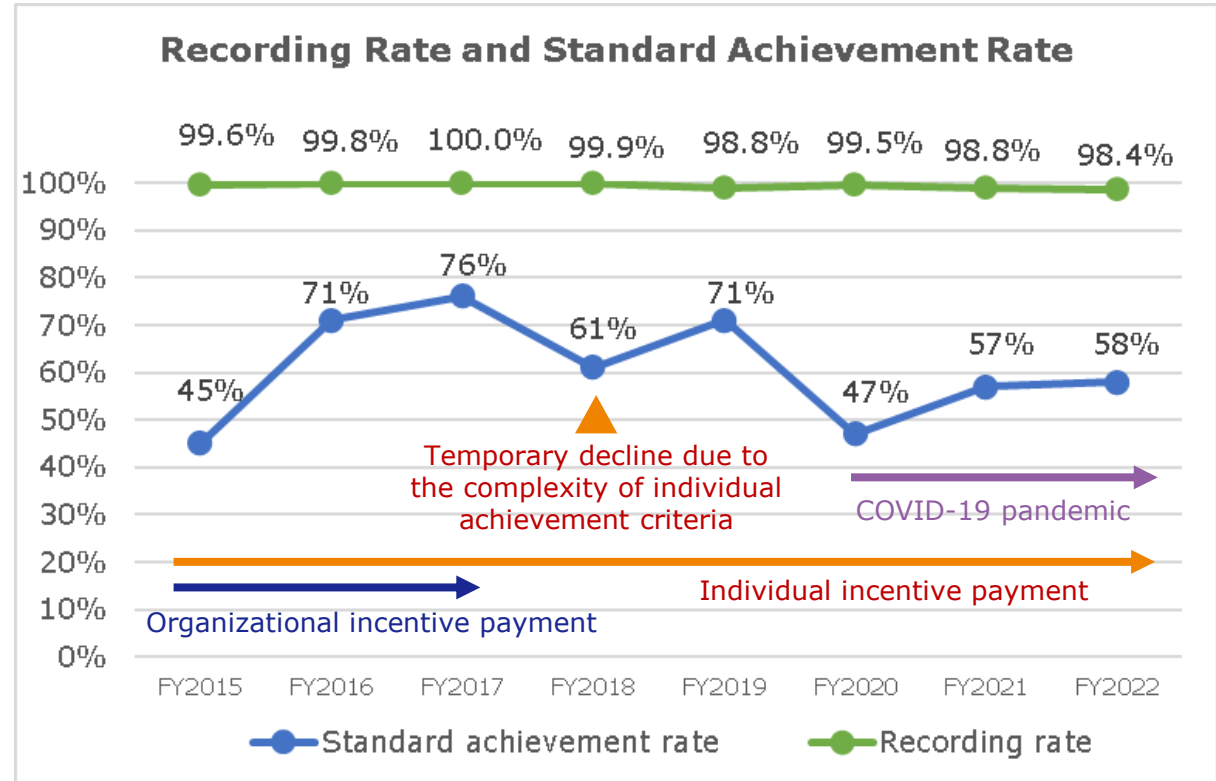
Kenko Waku Waku Mileage Program
Started in April 2015

Objective: **Establishing healthy behavior habits** and **improving health examination results**

Behavioral habits (daily and annual) | Results

A. Daily Goals
1. Walking (10,000 steps every day)
2. Sleep (Behavior + Duration)
3. Alcohol
4. Diet (5 items)
5. Monthly Events (4 times a year) – such as brushing teeth, etc.

Daily

B. Annual Goals
(No smoking habits / Participation in mindfulness training / Attendance at health seminars / Taking the health master exam / Dental check-ups / Infectious disease prevention)

Annual

C. Health Examination
Results 5 Categories, 11 Items
1. Obesity (BMI)
2. Blood Lipids (Triglycerides, LDL, HDL)
3. Glucose Metabolism (Fasting Blood Sugar, HbA1c)
4. Liver Function (γ-GTP, GOT, GPT)
5. Blood Pressure (Systolic, Diastolic)

Achievement Criteria:
Undergo regular health examinations within the deadline (by the end of November).

(If applicable)

Response to "D. Re-examination and Test Result Reporting" Compliance with "C. Specific Health Guidance" Participation in the "Metabolic Syndrome Precautionary Program"

If the achievement criteria are met, the points earned over the year from A+B+C will be paid as an individual incentive.
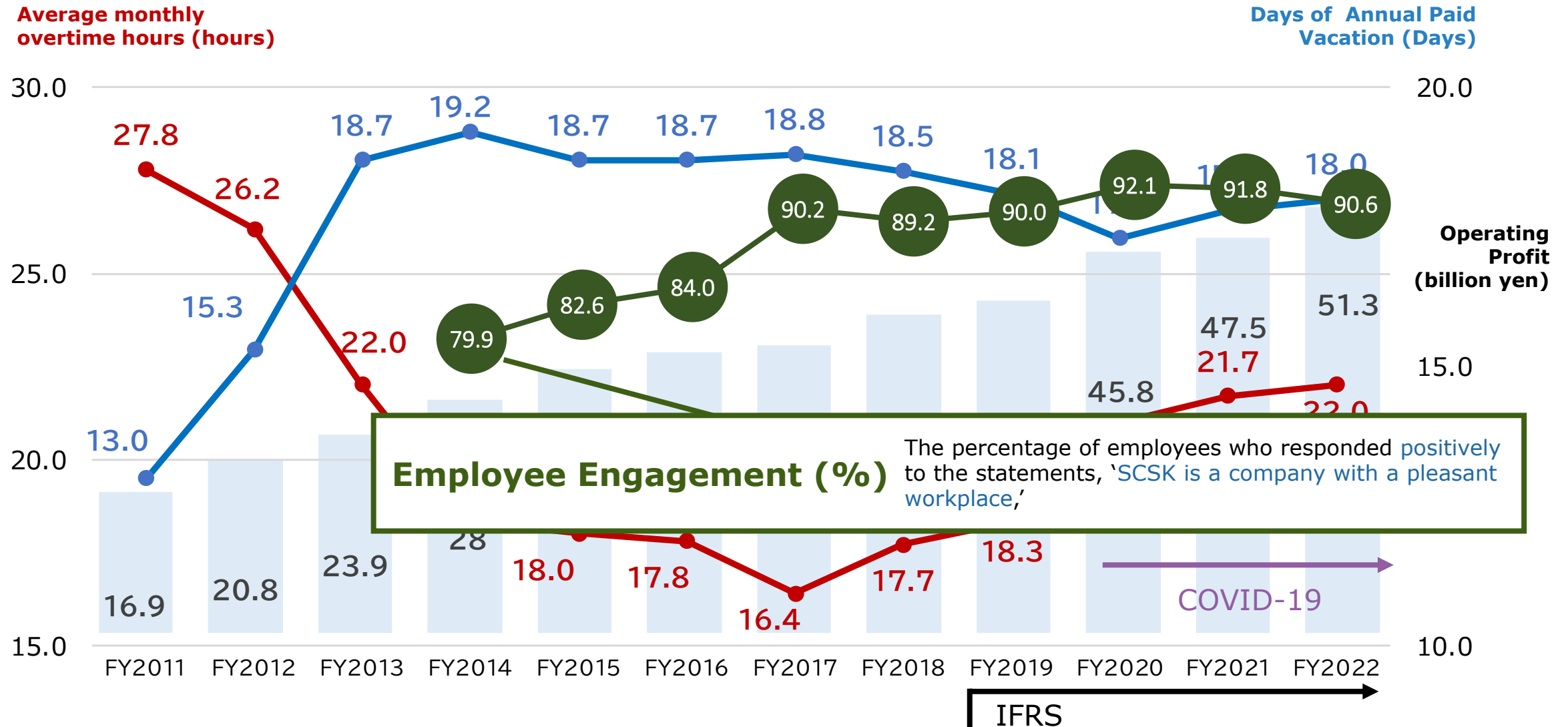(1 point = 1 yen, paid in the June bonus of the following year)

Doki Doki Mileage(until FY2019) Executives face penalties for neglecting their own health management and initiatives.

As a reward for being healthy, a "Health Bonus (Excitement Award)" is provided.

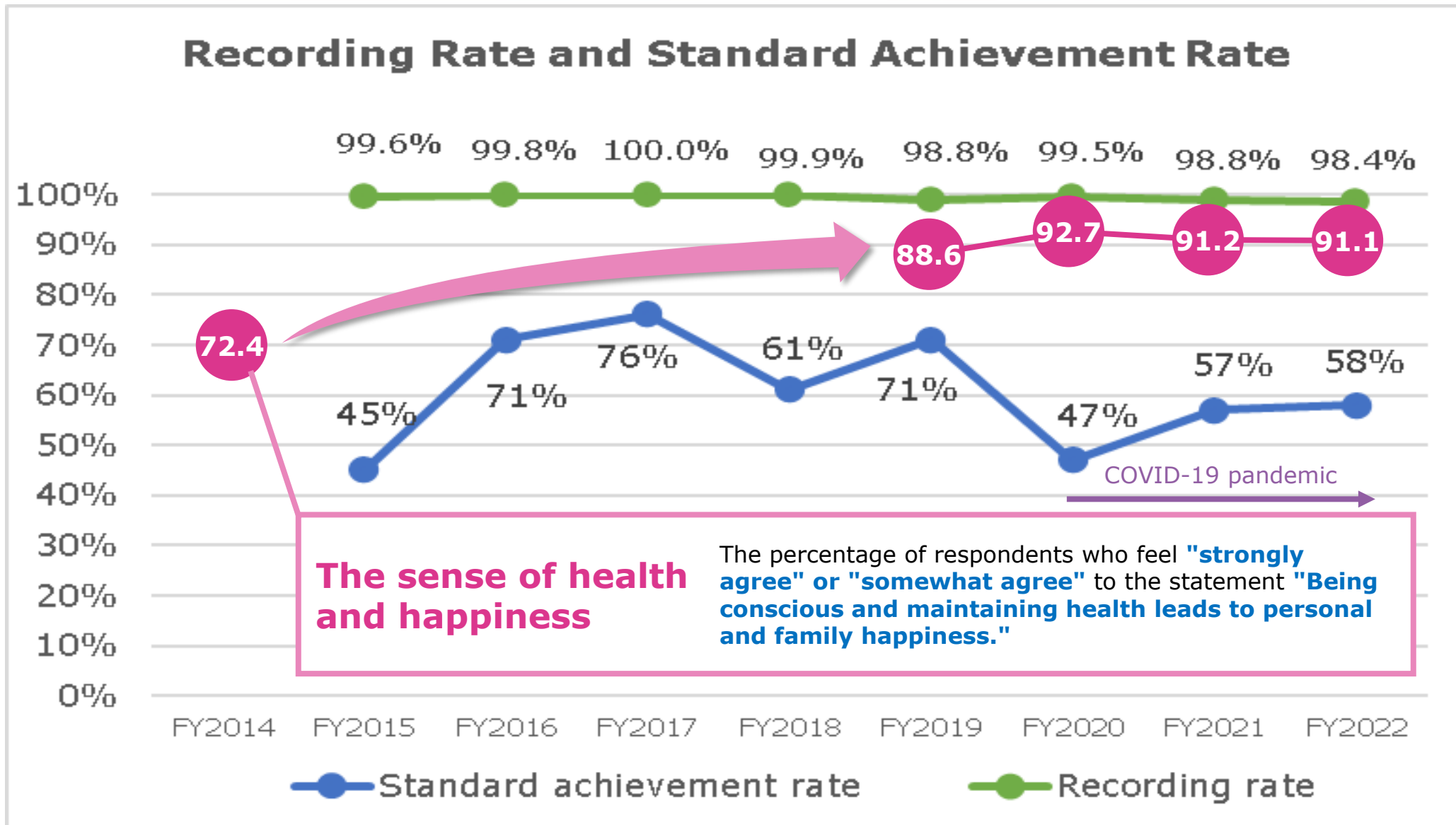### Recording Rate and Standard Achievement Rate

Recording rate: 99.6%, 99.8%, 100.0%, 99.9%, 98.8%, 99.5%, 98.8%, 98.4%

Standard achievement rate: 45%, 71%, 76%, 61%, 71%, 47%, 57%, 58%

Temporary decline due to the complexity of individual achievement criteria

COVID-19 pandemic

Individual incentive payment

Organizational incentive payment

FY2015, FY2016, FY2017, FY2018, FY2019, FY2020, FY2021, FY2022

—●— Standard achievement rate —●— Recording rate

＜2015-2019＞ 1st stage
Behavioral and attitudinal transformation through the establishment of '*Waku Waku Mileage*'

＜2020-2022＞ 2nd stage
Enhancement with "health management" and "health promotion" as two main components

Work Style Reform and Employee Engagement of pleasant workplace

SCSK

Average monthly overtime hours (hours)

Days of Annual Paid Vacation (Days)

30.0 — 20.0

27.8

26.2

18.7

19.2

18.7

18.7

18.8

18.5

18.1

18.0

15.3

22.0

90.2

89.2

90.0

92.1

91.8

90.6

82.6

84.0

25.0 — 15.0

Operating Profit (billion yen)

79.9

13.0

21.7

22.0

45.8

47.5

51.3

Employee Engagement (%)

The percentage of employees who responded positively to the statements, 'SCSK is a company with a pleasant workplace,'

28

18.0

17.8

18.3

16.4

17.7

COVID-19

16.9

20.8

23.9

15.0 — 10.0

FY2011　FY2012　FY2013　FY2014　FY2015　FY2016　FY2017　FY2018　FY2019　FY2020　FY2021　FY2022

IFRS

Recording Rate and Standard Achievement Rate

99.6% 99.8% 100.0% 99.9% 98.8% 99.5% 98.8% 98.4%

88.6 92.7 91.2 91.1

72.4

45% 71% 76% 61% 71% 47% 57% 58%

COVID-19 pandemic

The sense of health and happiness

The percentage of respondents who feel **"strongly agree" or "somewhat agree"** to the statement **"Being conscious and maintaining health leads to personal and family happiness."**

FY2014 FY2015 FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022

Standard achievement rate   Recording rate

Returns of Health Management to Society

Health & Productivity Management Alliance

Working to spread the concept of "Health & Productivity Management"
and achieve fiscal soundness of health insurance societies

Member companies

351

As of February 29,2024

Lead managing companies

Ajinomoto Co., Inc.	SCSK Corporation	OMRON Corporation
Kirin Holdings Company, Limited	Shimadzu Corporation	JMDC Inc.
Nippon Life Insurance Company	Sumitomo Mitsui Banking Corporation	Nomura Research Institute, Ltd.

Purpose

To design a model for H&PM, co-create solutions to make it work, and implement them in the industrial world

Main activities

1. To provide high-risk persons who might have to take administrative leave or resign due to serious diseases derived from lifestyle illness or mental health disorders with solutions in order to improve employees' health and organizations' productivity

2. To allow human resources departments and health insurance societies of participating companies to acquire the knowledge and know-how needed to utilize data so that they can draw up and implement measures that make the most of its value

3. To establish effective solutions by providing companies participating in the Alliance with products and services and verifying their effects

4. To create a model out of successful cases 1–3 above, standardize them, and share them broadly with companies outside the Alliance so that they can implement them, thus empowering the industrial

Human Capital Management Measures: Infrastructures
'Diversity & Inclusion'

Promotion policy of Diversity & Inclusion

Aiming to be a "Comfortable and Rewarding Company" where all personnel can maximize their abilities

Profile Diversity

Diversity in profiles

Thought Diversity

Diversity in thoughts and abilities

Opinion Diversity

Diversity in opinions and views expressed

We recognize and utilize all kinds of diversity within the organization.

Until 2019

From Building a foundation that draws out diversity capabilities

- Work Style Reform(Smart Work Challenge)
- Female Line employees Development Program
- Support for Balancing Work and Childcare & Family Care
- Promotion of Senior Participation
- LGBTQ Activities
- Promotion of employment of disabled persons

From 2020

to enhance competitive advantage by leveraging diversity

- Promotion of Female Employees 'General Managers' and Program for Training of Advanced Engineers
  →**Ensuring diversity in management**

- Advisory session for management, which invites outside experts
  →Organizational Revitalization through D&I Promotion

Targets for Employment of Female Employees

Establishment of promotion targets	Establish promotion targets for each position with the aim of making steady progress in promotion throughout the company

Positions	Targets	Current Status (as of July 2023)
Directors	30% until the end of March 2031	25.0%(3 ppl)
Senior Executive Officers Senior Corporate Officers	Over 20% until the end of March 2031	5.6%(3 ppl)
Department Managers	12% at the end of March 2026 Over 20% until the end of March 2031	5.8%(19 ppl)

Initiatives to Cultivate Diversity in the Decision-Making Field

Promote training programs by rank to systematically develop and promote

	Managerial training program		
Programs	I. Section Manager Training Program (From FY2013)	II. Supporter Program (From FY2022)	III. Supporter Plus Program (From FY2023)
Development & Promotion Targets	Promote 100 employees 'Target met but Continuing measures'	12% at the end of March 2026 'General Managers'	Over 20% at the end of March 2031 'Directors'
Training Targets	Grade 4 and 5 'Leaders'	Grade 5 and 6 'Section Managers'	Grade 6 and 7 'Department Managers'
Mentor	General Managers	General Managers	General Managers
Measures — Management contacts	—	General Managers	·President ·General Managers
Measures — Training	Basic Management	MBA Knowledge	·MBA Knowledge ·Management Leaders
Measures — Communities	Career Cafeteria	Exchanges with other companies	Exchanges with other companies

Managerial training program

Management

III — General Managers

II — Managers

I — Leaders

General Employees

Grade

7
6
5
4
3
2
1
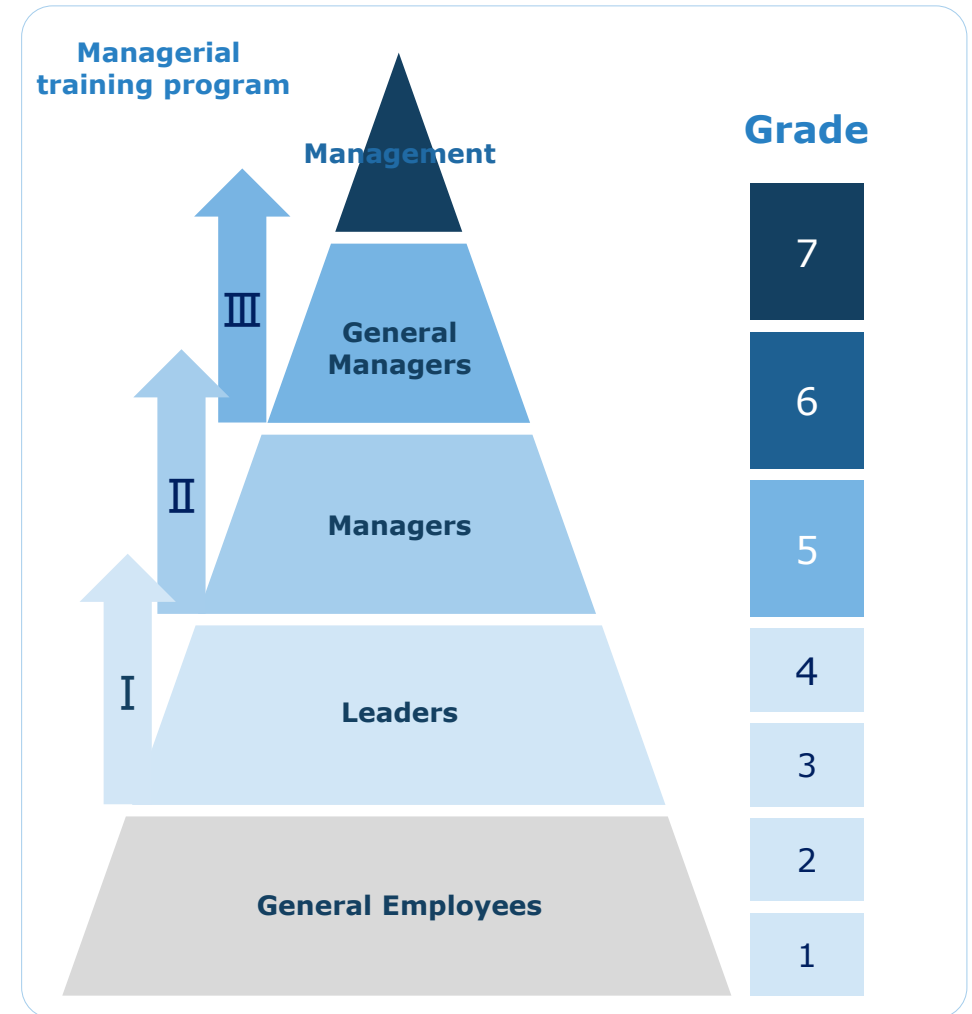
Human Capital Management Measures Foundation Reinforcement

Basic Cycle to Maximize Human Resource Value

In order to raise the human resource value

- Linkage between business strategies(business Portfolio) and human resource strategies(human resources portfolio)
- Implement human resource strategies to link the ability of each employee to demonstrate his or her abilities and the desire to grow
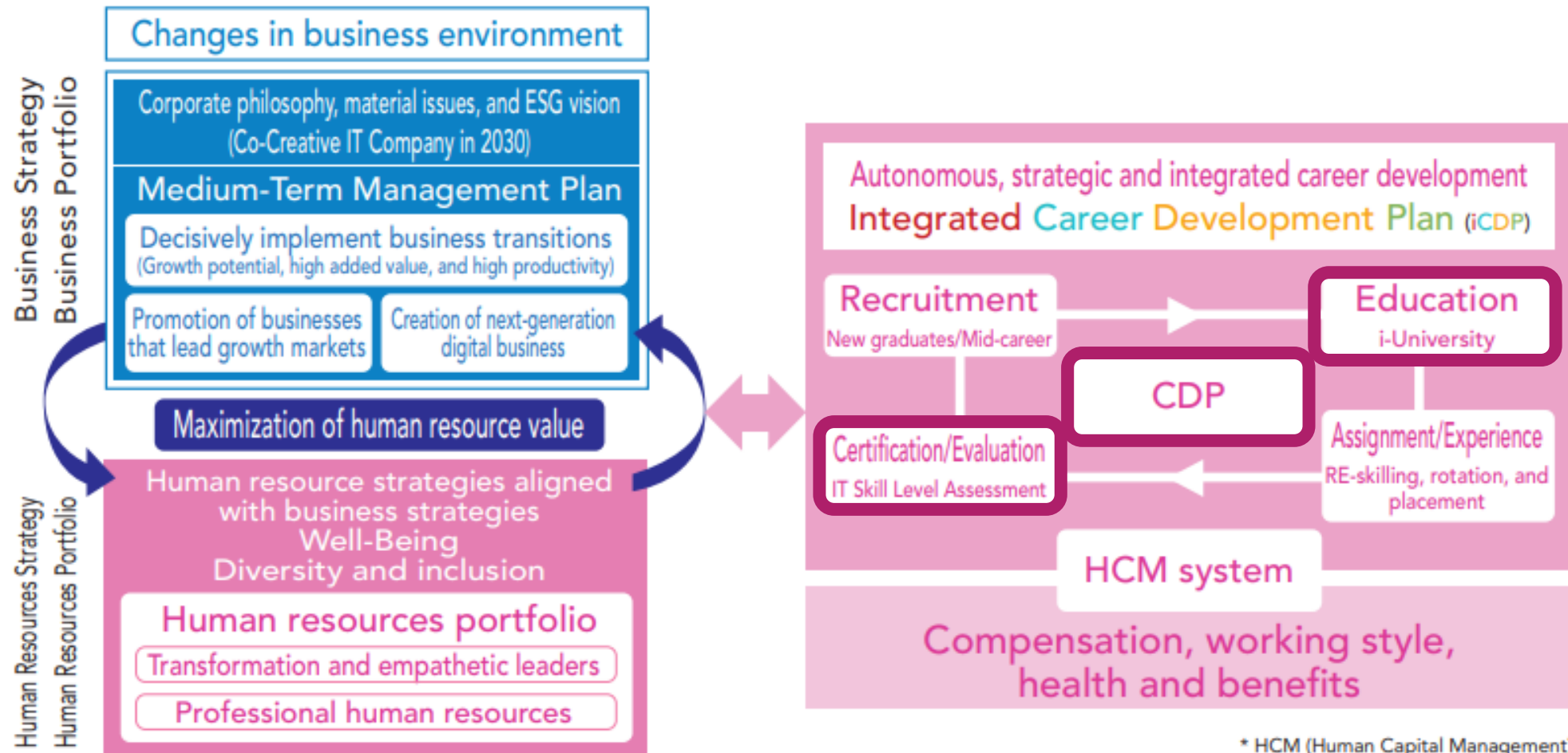
SCSK's Human Resources Portfolio
Definition and Visualization of Personnel by "IT Skill Level Assessment"

SCSK

(Since 2011, targeting all IT personnel)

IT skill level assessment committee
(Composed of 18 committee members)
Final approval of examination results, contribution to talent development through the utilization of personnel information
※Secretariat：Human Resources Development Div. Expertise Promotion Dept.

Specialized working group by each job type
(11 specialized working groups according to the following job types)
Evaluation and feedback, certification promotion, standard improvement review, and development activities, etc.
※Internal members 460 persons External members 3 persons

Current career framework（Job type）

New framework

Specialization level	Certification method	Business creator	Sales	Consultant	Service manager BA	Service manager IT	Project manager	IT architect	IT specialist	Application specialist	Embedded software development	Product specialist	Customer Service	IT service manager	BPO specialist	Management support staff

Periodically review according to business strategy and actual conditions

Lv7	Company-wide certification
Lv6	
Lv5	
Lv4	
Lv3	Department certification
Lv2	
Lv1	

Validity period 4 years

IT skill level assessment factors

Factors		Expression of ITSS	
Practical track record	→	Business contribution	Achievement indicator
Mentoring the next generation	→	Professional contribution	
Practical skills	→	Individual value	Skill proficiency
Possessed Knowledge	→		

7
6
5
4
3
2
1

Experience & track record

Practical skills & knowledge

2021:
-Marketing
-Service manager subdivision innovation

2022:
-Full-stack engineer
-Scrum master

※Set job type and level-specific criteria based on ITSS, etc., taking into account our company's business characteristics and the fairness of engineers.

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Improve Human Resources Value of IT personnel by "Re-Skilling Program"

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IT personnel
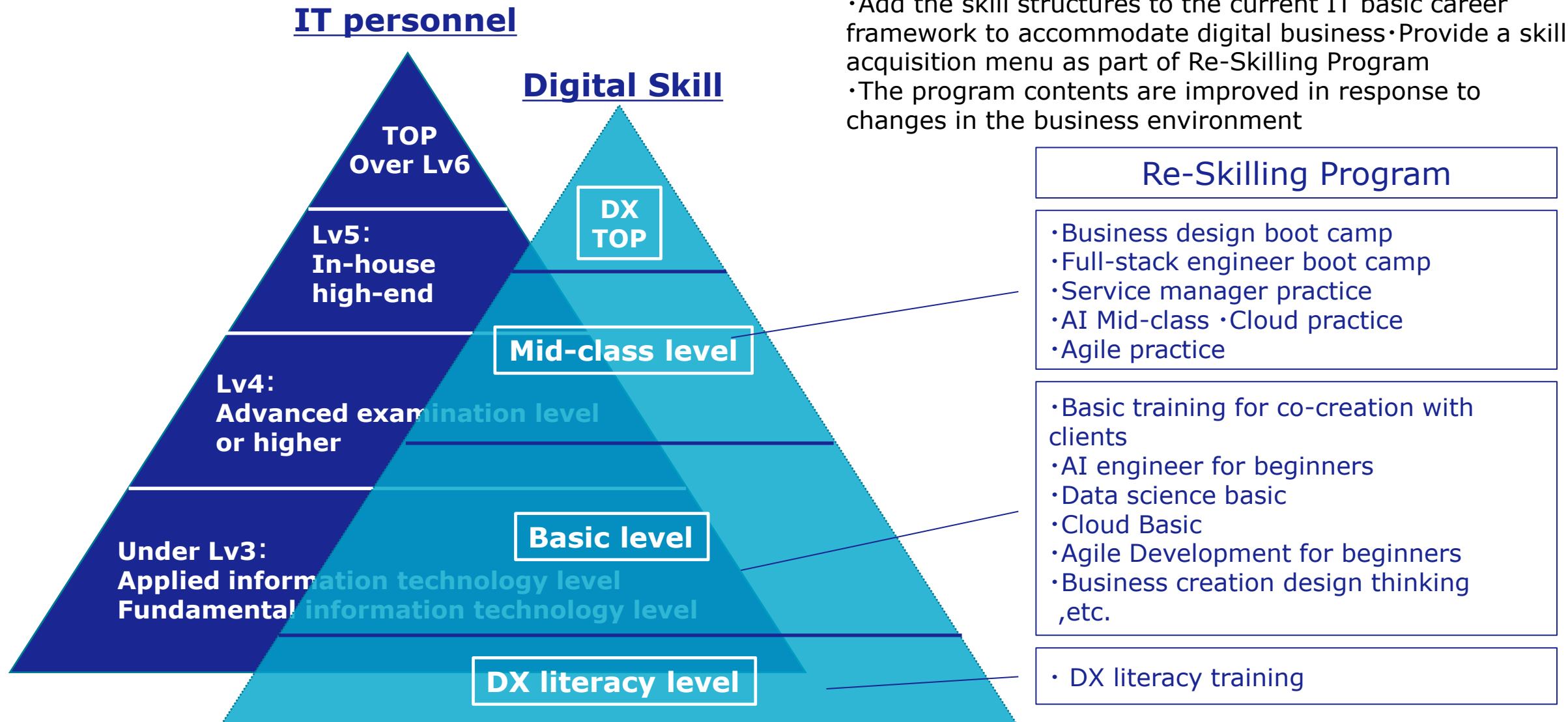
Digital Skill

・Add the skill structures to the current IT basic career framework to accommodate digital business・Provide a skill acquisition menu as part of Re-Skilling Program
・The program contents are improved in response to changes in the business environment

TOP Over Lv6

Lv5: In-house high-end

DX TOP

Lv4: Advanced examination level or higher

Mid-class level

Under Lv3: Applied information technology level Fundamental information technology level

Basic level

DX literacy level

Re-Skilling Program

・Business design boot camp
・Full-stack engineer boot camp
・Service manager practice
・AI Mid-class ・Cloud practice
・Agile practice

・Basic training for co-creation with clients
・AI engineer for beginners
・Data science basic
・Cloud Basic
・Agile Development for beginners
・Business creation design thinking ,etc.

・ DX literacy training

Human Resources Development System SCSK i-University

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Review of implementation age and program

Strengthening 'transformation' and 'value-Driven' →Utilization of organizational development

Strengthening and updating engineering capabilities

Digital skill assessment → Visualization → Acceleration of education

Grade			Career development (Age-specific)	Leadership development (Line manager)	Leadership development (Leader)	Global skill development	Specialized skill development (Job-specific talent development)	Specialized skill development	Re-Skilling (Literacy)	Re-Skilling (Service manager)	Re-Skilling (Business designer)	Re-Skilling (Full-stack engineer)	IT skill Lv
	Officer			Officer trainig	Strengthening management development								
	Corporate Officer			Corporate Officer training									～6
Core 7	GM 7			GM training	EMP Ⅱ								
Core 6	GM 6	Traditionally 53 years old											
Core 5		Career training(Third year of employment) / Career training(32 years old) / Career training(48 years old) / Career training(58 years old)	Manager training	EMP Ⅰ	Management training / Workplace troubleshooting training	Strengthening practical skills	Job-specific advance	SCSK advance(Pro)	IT, Thinking Methods, Business, Human Skills, Language Learning	SM practice workshop		Full-stack engineering bootcamp	5
Core 4						Global responsiveness	Job-specific practice	Engineering capability enhancement			Business design bootcamp	Full-stack engineering practice	4
Core 3	—				New employee mentor training	Global business skills (meeting/ presentation/ writing) / Global mind cultivation		Professional community activities / SE-introduction education & certification	Customer Co-creation Base Course (Service Science & Vision Formulation)	Business design practice			3
Core 2							Job-specific basic / Qualification acquisition support						2
Core 1	General roles						Young employee career development						1
													-

SCSK Basic（Pro）Rising

New employee training

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CDP(Career Development Plan)/MBO(Performance management)

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Individual **Organization**

Individual growth

Improvements of corporate value

Motivation for growth

Demon-stration of abilities

| Individual current awareness Future career aspirations | Management targets |
| Career and skill information | Organizational targets |

Placement Assignment of roles and tasks

CDP

MBO

IT skill level assessment results and advice/comments

IT skill level assessment results and advice/comments

Growth through work Tasks

Performance contribution

Individual well-being Sense of fulfillment and accomplishment

Contribution to customers and society Improve Human resource value

Transfer request, placement consideration
Development direction, participation in training
Planned IT skill level assessment
(in the next three years or so)

Promotion and demotion
Compensation

Toward to Maximization of Human Resource Value
Strengthening "Linkage between Business Strategies and Human Resources Strategies"

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SCSK's Human Capital
（Current Human Resources Portfolio）

Human Capital Expansion
（Human Resources Portfolio Plan）

Maximization of Human Resource Value

Number of Employees
（FY2022）

Non-Consolidated：8,470 persons

IT Skill Level Assessment (FY2022)	Number of employees certified 5,771 persons	・Increase in Level 4 and above, Job switch visualization ・Digital Skill adaptability

Shift toward high-potential business and next-generation business

=

Assignment to work that leads to "growth" and "job satisfaction"

Acquisition of qualifications

Advanced	Fundamental, Applied
Cloud, Agile, AI/Data	
TOEIC score over 600	

Continuation, expansion, and modernization of skill development investment.

Education
i-University
※company-wide education only
（FY2020～22）

Around 25,000 persons participate the program per year in total

Re-Skilling	SM,BCR Full-stack engineer
	IT Literacy

Young employee education・Rising

Leader Development Program

・Re-Skilling
・Digital Skill Reinforcement
・Engineering Reinforcement
・Leadership Development Reinforcement, etc.

Recruitment
（FY2020～22）

Mid-career：354 persons
（20s to 30s age group comprises just under 80%）
New Graduates：819 persons

Mid-career：300 persons per year
New Graduates：350 persons per year

Non-Consolidated

In order to raise the human resource value
- Linkage between business strategies(business Portfolio) and human resource strategies(human resources portfolio)
- Implement human resource strategies to link the ability of each employee to demonstrate his or her abilities and the desire to grow

Linkage between Business Strategies (Business Portfolio) and Human Resources Strategies (Human Resources Portfolio)

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■In the MTMP, the business strategies and human resources strategies are formulated in conjunction, and linked to the human resources development plan

■Implement formulated human resources strategies by iCDP（Autonomous, strategic and integrated career development）

<Technology Strategy Meeting>

<Human Resource Development Meeting>

<**Business Strategies 'Business Portfolio'**>

<**Human Resources Strategies 'Human Resources Portfolio'**>

<**Implement Human Resources Strategies**>

MTMP
Company-wide
—Grand Design 2030
—MTMP (2023～25)
➡Core Strategy 1,2,3

**MTMP
for each business portfolio**
—Portfolio for business strategies
　(Each core strategy)

<Business Group=Business portfolio>
■ Industrial Business Group
■ Financial Business Group
■ Solution Business Group
■ Products & Services Business Group
■ Mobility Business Group
■ Global Digital Solution & Innovation Business Group

Business Plan
—Future vision
—KPI for individual business
　・Sales & Profit
　・HR & Investment,
　　Indicators, etc.

—Operational strategy
—Organizational strategy
—Technolosical strategy
—investing strategy
—Human resources strategies
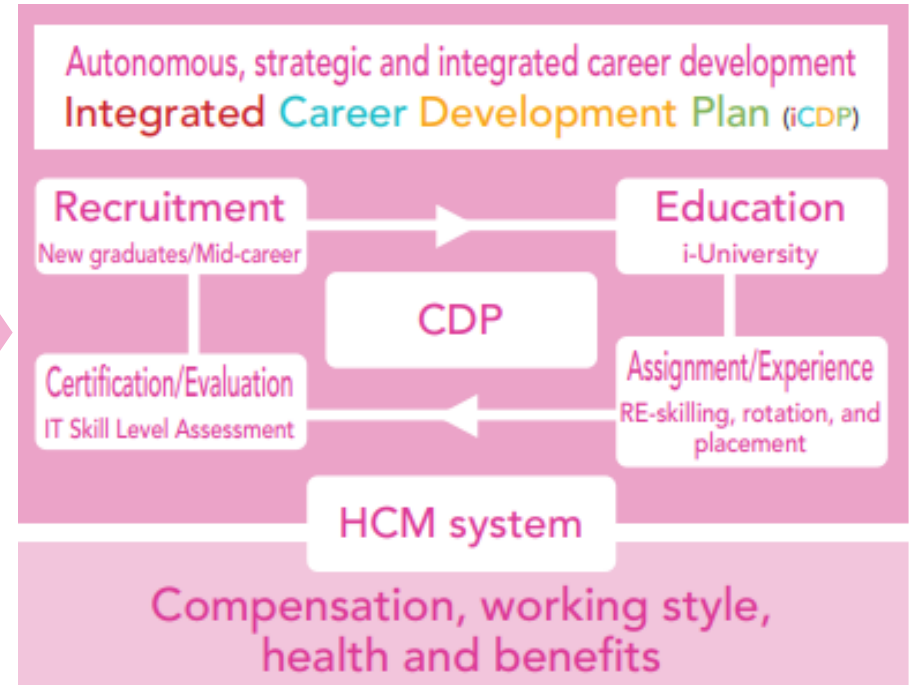　・Employee strategy
　・Business Partner Strategy

Human Resource Development Plans
Employee-specific plan(Based on CDP)
—Assignment(Business strategy)
—Specialization
　(Current situation→2023→2024→2025)

Human Resources Portfolio Plan
(3years detailed plan for each individual business strategy)
Detail and plan for each individual business strategy
—Human resources strategies
—Number of personnel by talent composition
　elements (such as professional roles, etc.)
　(Current situation→2023→2024→2025)
—Method of increase or decrease(Development
　/Transfer/New graduates/Mid-career)

Human Resources Portfolio Plan(Business Portfolio Summery)
◆ Human resources Portfolio(Details)
　<Summary headcount by talent composition elements>
　　As Is(2022)➡To Be(2025)
◆ Human resources strategies(Specific measures or initiatives)

Autonomous, strategic and integrated career development
Integrated Career Development Plan (iCDP)

Recruitment
New graduates/Mid-career

Education
i-University

CDP

Certification/Evaluation
IT Skill Level Assessment

Assignment/Experience
RE-skilling, rotation, and placement

HCM system

Compensation, working style, health and benefits

<**MTMP Formulation・
Budget vs. Actual management**>

Maximization of the Market Value of all Employees

- **Aim to achieve both business structural reform and human resources portfolio innovation simultaneously**

Employee skills development investments

Select business and projects in which employees can enhance his or her abilities

Provide opportunities and environments for grow

Select and build business fields and models where employees can demonstrate their abilities to the maximum extent

Maximization of human capital

Management Targets (Non-Financial)

SCSK

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%.

Initiatives for Global Environmental Contributions

Agenda
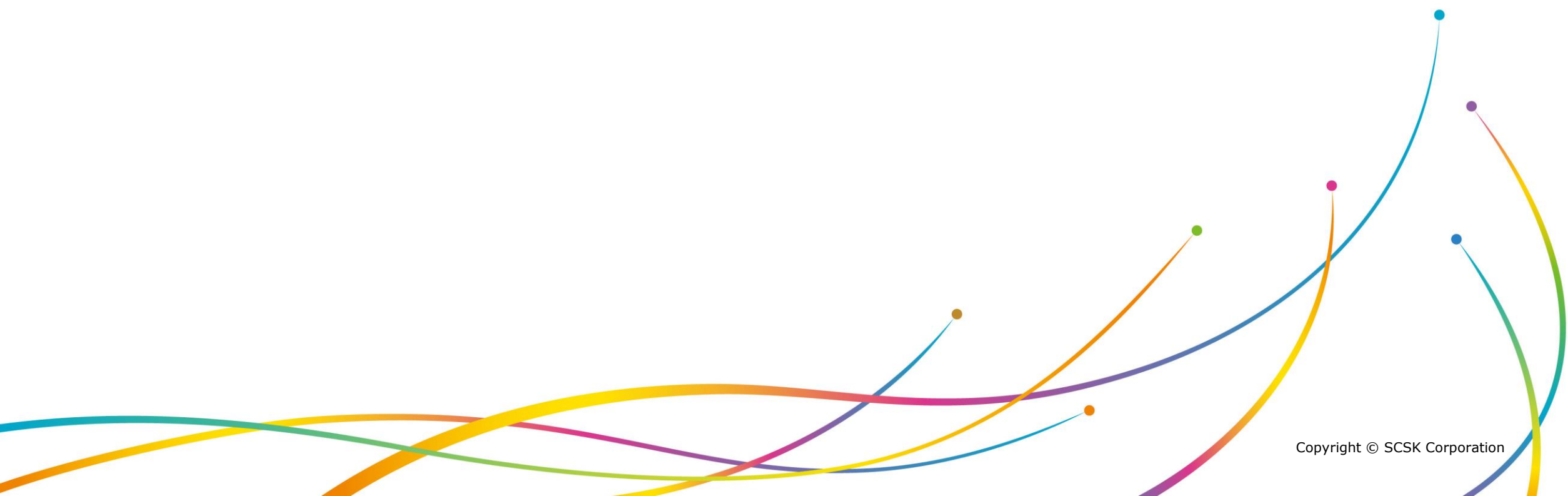
- Today, we would like to talk about SCSK's 'Contributions to global environmental conservation' in the following topics.

  ■ Initiatives for Global Environmental

  ■ Initiatives for Reducing Greenhouse Gas Emissions and Reduction

  Targets

Main Initiatives for Global Environment

Main Initiatives for Global Environment

Initiatives for Climate Change Issues

SBT certification and Initiatives to reduce GHG emission

- Information disclosure of GHG emissions: Scope1·2 from FY2012 and Scope3 from FY2019

- Acquired Third Party Verification and Assurance or Scope1, 2, and 3 emissions to ensure highly reliable disclosure from FY2019

- Established targets for reducing GHG emissions and acquired Science Based Targets 'SBT certification' in June 2021

Green Finance

- Construct an environmentally conscious data center with high energy efficiency by issuing green bonds based on green finance. Green bonds issued 5-billion-yen, on June 8, 2021

Initiatives Based on Environmental Management System Standard (ISO14001)

- Acquired ISO 14001 certification, which is an environmental management system standard from FY2001

- Promoting initiatives to improve environmental of our environmental management activities by setting targets for energy use and waste reduction.

Main Initiatives for Global Environment

Initiatives for Disclosure

- Answers for CDP's Climate Change Report from FY2012

    Certificated 'A-' in CDP's Climate Change Report in the second consecutive year, FY2022 and FY2023

    Selected 'Supplier Engagement Leader' in CDP's 'Supplier Engagement Evaluation' in FY2022

- Disclosed information based on TCFD in June 2022

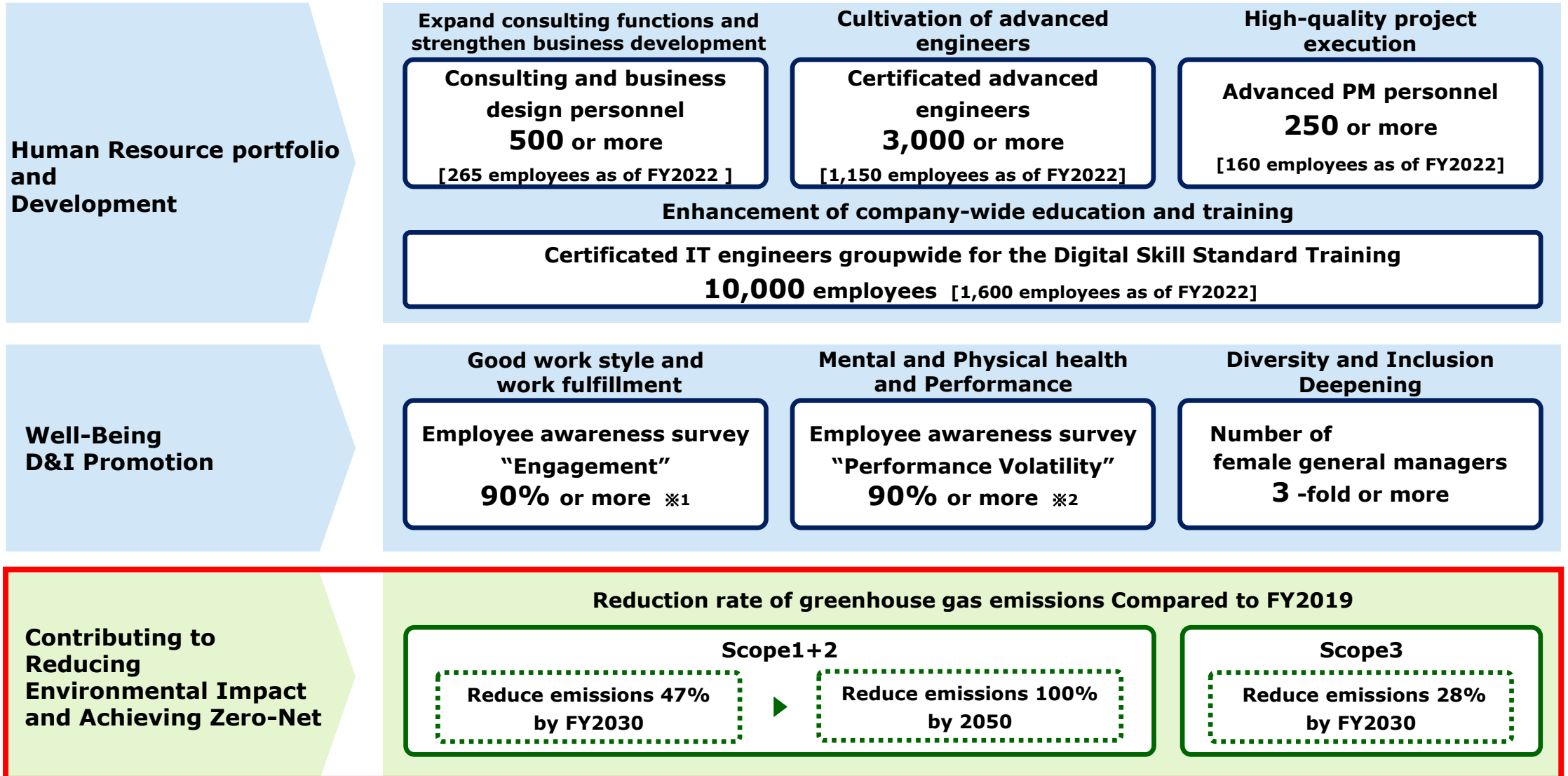- Participated TNFD forum in August 2023

External Recognition(CDP)

Environment-related efforts and recent changes in CDP assessment

Year	Score	Main Initiatives
2020	C	Since 2020, SCSK have been implementing ISO14001 which is Environmental Management Standards, calculating GHG emissions, and other initiatives on an ongoing basis. • Establishment of Materiality 'Contribution to the Global Environment'
2021	B	• Established targets for reducing GHG emissions and acquired Science Based Targets 'SBT certification' in June 2021
2022	A-	• Disclosed information based on TCFD in June 2022 • Conducted explanations of SCSK Group-wide initiatives and various measures to reduce GHG emissions for partner companies
2022	CDP SUPPLIER ENGAGEMENT LEADER 2022	**＜Others＞** Received the highest assessment in CDP's Supplier Engagement Rating called &'Supplier Engagement Leader' Note: Responses to CDP Climate-Change Questionnaire, selected as the top 8% Supplier Engagement Leader
2023	A-	• Expand products/services that contribute to decarbonization 'EneTrack,' etc.

Initiatives for
Reducing GHG Emissions and Reduction Targets

The Midium-Term Management Plan Management Targets (**Non-Financial**)

Human Resource portfolio and Development

Expand consulting functions and strengthen business development	Cultivation of advanced engineers	High-quality project execution
Consulting and business design personnel **500** or more [265 employees as of FY2022]	**Certificated advanced engineers** **3,000** or more [1,150 employees as of FY2022]	**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	Mental and Physical health and Performance	Diversity and Inclusion Deepening
Employee awareness survey "Engagement" **90%** or more ※1	**Employee awareness survey "Performance Volatility"** **90%** or more ※2	**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

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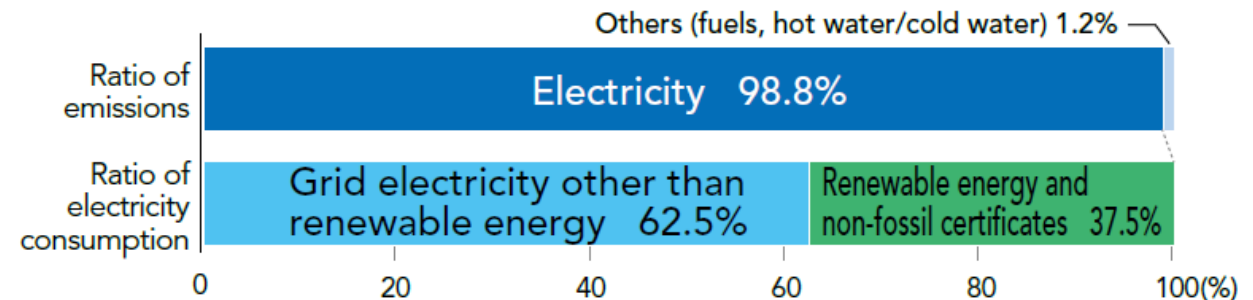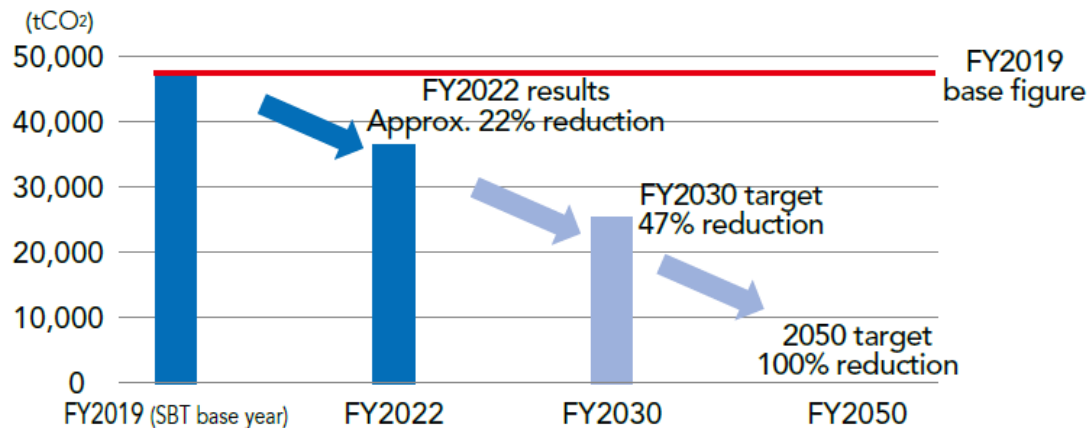
Scope1 and 2 Emissions and Main Initiatives to Reduce Scope1 and 2

- **Main Initiatives to Reduce Scope1 and 2**

  - Reduced approximately 137 t-CO2 annually with the efficient use of energy by LED lighting and optimal operation of equipment.

  - Reduced GHG emissions by approximately 27,966 tons by utilizing renewable energy and non-fossil fuel energy certificates. As a result, the ratio of renewable energy was approximately 37%.

  - Started the procurement and use of renewable energy by utilizing EneTrack from FY2023
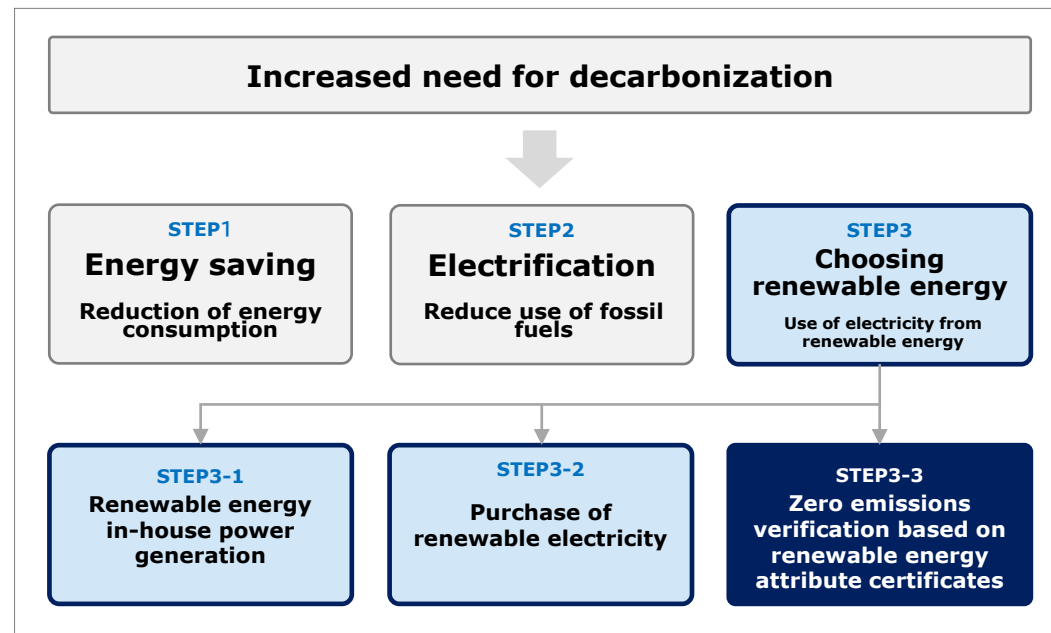
- **SCSK's Scope1 and 2 Emissions**

Scope 1 and 2 Emissions

(tCO₂)

50,000	FY2019 base figure
40,000	FY2022 results Approx. 22% reduction
30,000	FY2030 target 47% reduction
20,000	
10,000	2050 target 100% reduction
0	

FY2019 (SBT base year)   FY2022   FY2030   FY2050

Others (fuels, hot water/cold water) 1.2%

Ratio of emissions: Electricity 98.8%

Ratio of electricity consumption: Grid electricity other than renewable energy 62.5% | Renewable energy and non-fossil certificates 37.5%

0   20   40   60   80   100(%)

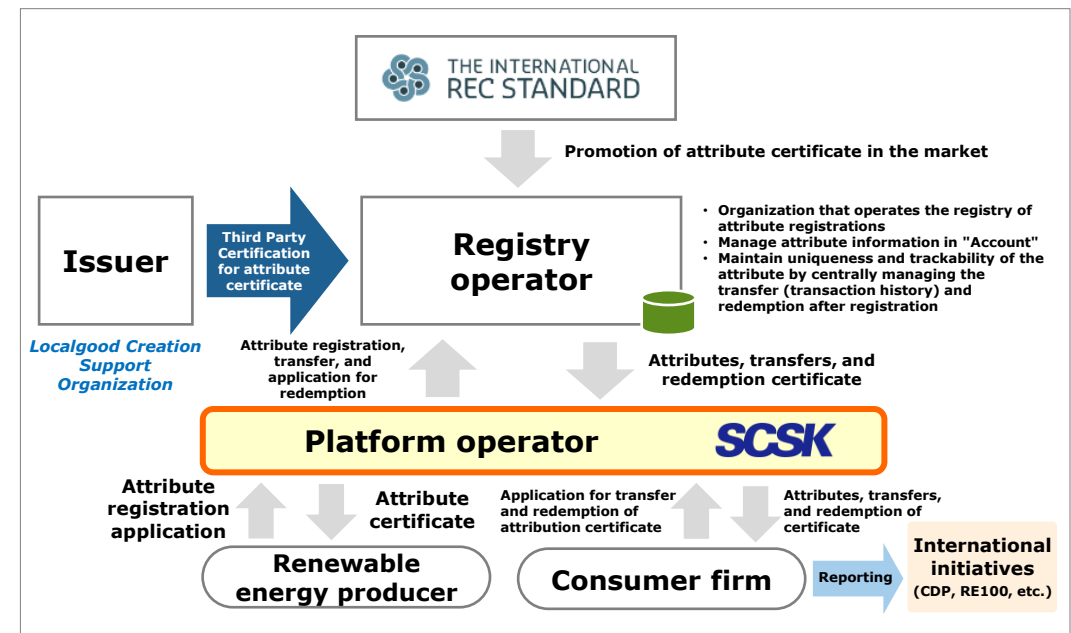# Launched operations as the first domestic I-REC platform operator **SCSK**

- Demand for attribution certification with high legitimacy (uniqueness and trackability) has increased in response to the growing need for decarbonization.

- EneTrack, a tracking system service conforming to I-REC, has launched as an attribute-certification tracking (issuance, transfer, and redemption of renewable attribute certificates) service that meets the requirements of the International Initiative.

- Completed Japan's first I-REC commerce transaction via EneTrack in January 2024

Background of EneTrack Business

Increased need for decarbonization

STEP1
Energy saving
Reduction of energy consumption

STEP2
Electrification
Reduce use of fossil fuels

STEP3
Choosing renewable energy
Use of electricity from renewable energy

STEP3-1
Renewable energy in-house power generation

STEP3-2
Purchase of renewable electricity

STEP3-3
Zero emissions verification based on renewable energy attribute certificates

Promote distribution of attribute certificates and contribute to the diffusion of renewable energy

I-REC attribute certificate system

THE INTERNATIONAL REC STANDARD

Promotion of attribute certificate in the market

Issuer

Localgood Creation Support Organization

Third Party Certification for attribute certificate

Registry operator

- Organization that operates the registry of attribute registrations
- Manage attribute information in "Account"
- Maintain uniqueness and trackability of the attribute by centrally managing the transfer (transaction history) and redemption after registration

Attribute registration, transfer, and application for redemption

Attributes, transfers, and redemption certificate

Platform operator **SCSK**

Attribute registration application

Attribute certificate

Application for transfer and redemption of attribution certificate

Attributes, transfers, and redemption of certificate

Renewable energy producer

Consumer firm

Reporting

International initiatives (CDP, RE100, etc.)

Web-system provides the functions required for attribute tracking

Note: "I-REC" is an internationally recognized renewable energy attribute certificate approved by CDP and RE100 as a certificate of power source attributes such as the place of production and type of power source of electric power used by companies.
  It is published in approximately 50 countries worldwide in regions other than North America (REC:Renewable Energy Certificate) and Europe (GO:Guarantee of Origin).
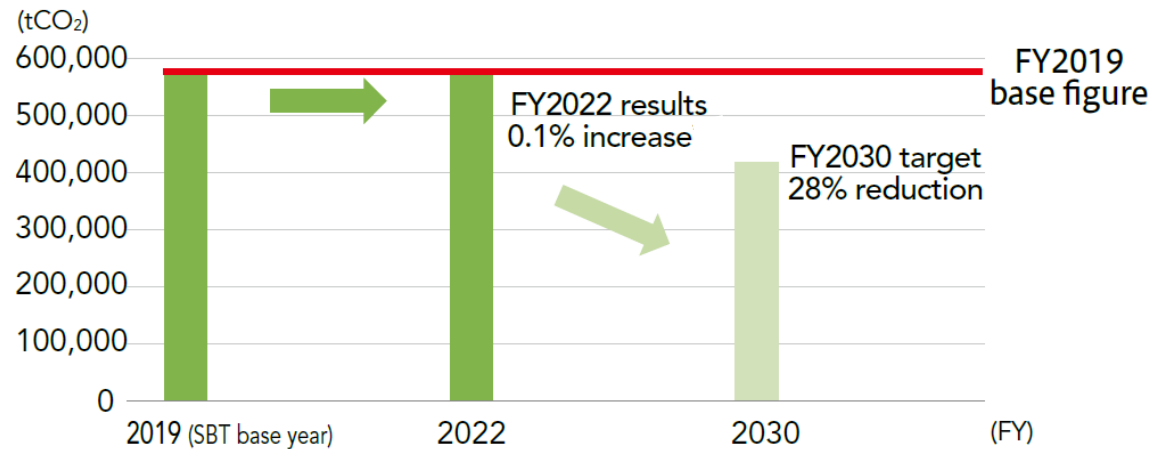
URL：EneTrack｜Japanese I-REC trading platform (scsk.jp)

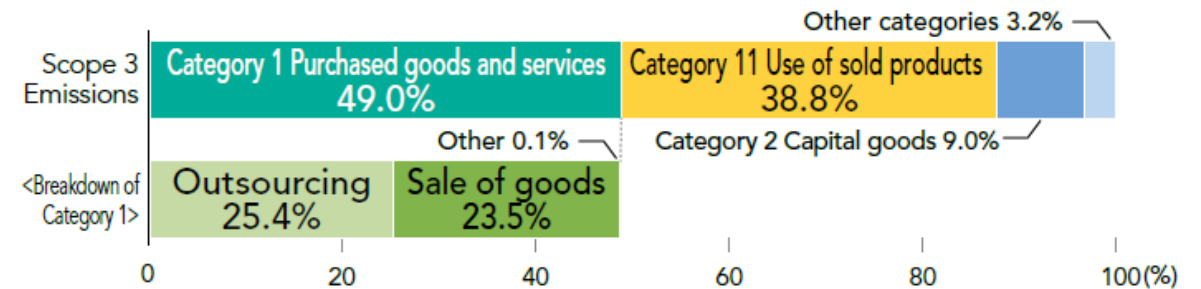- Main Initiatives to Reduce Scope3

  - As an initiative to reduce 'outsourcing, 'which accounts for about 25% of Scope3's total, we asked our Core partners to exchange opinions on future reduction measures and to provide us with data on greenhouse gas emissions. In this way, we proceeded with concrete initiatives while gaining their understanding.

- SCSK's Scope3 Emissions

Scope 3 Emissions

(tCO_2)

- 600,000
- 500,000
- 400,000
- 300,000
- 200,000
- 100,000
- 0

2019 (SBT base year)   2022   2030   (FY)

FY2019 base figure

FY2022 results 0.1% increase

FY2030 target 28% reduction

Scope 3 Emissions by Category (FY2022)

Scope 3 Emissions

| Category 1 Purchased goods and services 49.0% | Category 11 Use of sold products 38.8% | | Other categories 3.2% |

Category 2 Capital goods 9.0%

Breakdown of Category 1>

Other 0.1%

| Outsourcing 25.4% | Sale of goods 23.5% |

0   20   40   60   80   100 (%)

Note: In FY2022, emissions increased due to an increase in outsourcing fees and sale of goods owing to expansion of our business as well as an increase in capital investment associated with the opening of netXDC Chiba Center 3.

As a result of our proactive disclosure of information through various means of communication, including our website and integrated reports, we have been selected for the following indexes.

- Sompo Sustainability Index (formerly SNAM Sustainability Index) established by Sompo Asset Management Co., Ltd.

- FTSE4Good Index Series

- FTSE Blossom Japan Index*1

- FTSE Blossom Japan Sector Relative index*2

*1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SCSK Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.
*2 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SCSK Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

- MSCI ESG Leaders Indexes

- MSCI Japan ESG Select Leaders Index

- MSCI Japan Empowering Women Index (WIN)

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- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

- S & P/JPX Carbon Efficient Index

2023 Sompo Sustainability Index

FTSE4Good   FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

2023 MSCI ESG Leaders Indexes Constituent

2023 CONSTITUENT MSCIジャパン ESGセレクト・リーダーズ指数

2023 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)

S&P/JPX カーボン エフィシェント 指数

Appendix：External Recognition

- Nikkei Smart Work Management Survey 4.5 stars

- Nikkei SDGs Management Survey 4.5 stars

- Ministry of Economy, Trade and Industry (METI), Tokyo Stock Exchange
  Selected as a Health & Productivity Stock Selection for the ninth consecutive year

- Nippon Kenko Kaigi (certifying entity)
  Recognized as Certified Outstanding Health & Productivity Management Organization (Large Enterprise Category) "White 500" for the seventh consecutive year

- METI
  Selected for THE DIVERSITY MANAGEMENT 2.0 PRIME (FY2018)

- work with Pride
  For the sixth consecutive year, received the Gold rating, the highest rating, in the PRIDE Index for LGBTQ-Related initiatives

- METI, Tokyo Stock Exchange
  Selected as a Nadeshiko Brand for eight consecutive years (FY2014–FY2021)

- Toyo Keizai Inc.
  Ranked first in the ranking of "Companies dedicated to the career development of its employees" (Platinum Career Ranking) in 2023

- Received Human Capital Leaders 2022 Award, jointly organized by HR Technology Consortium, HR Research Institute (ProFuture Inc.), and MS&AD InterRisk Research & Consulting, Inc.
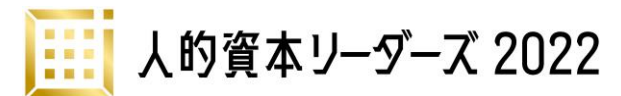
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- Estimates, targets, and outlooks included in this report are forward-looking statements based on information available as of the date of publication. Results and outcomes may differ materially from the forward-looking statements and no guarantee is made that targets will be reached. All such statements are subject to change without notice.

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