

Consolidated Financial Results for Fiscal Year Ended March 2020 and Financial Forecasts for Fiscal Year Ending March 2021

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- FY2019

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- FY2020

- Consolidated Financial Forecasts(IFRS)/Dividend Forecasts

Highlights of Consolidated Business Performance

Net Sales 387,003 JPY Million YOY 7.9%

Operating Profit 42,326 JPY Million YOY 10.3%

Operating Profit Margin 10.9 % YOY 0.2 p.p.

Backlog 146,905 JPY Million YOY 6.9%

(Millions of yen)

	FY2018 (Apr. 2018 - Mar. 2019)	FY2019 (Apr. 2019 - Mar. 2020)	Increase/Decrease	
			Amount	Change (%)
Net Sales	358,654	387,003	28,348	7.9%
Gross Profit	88,742	97,954	9,212	10.4%
Gross Profit Margin	24.7%	25.3%		
SG&A Expenses	50,363	55,628	5,264	10.5%
Operating Profit	38,378	42,326	3,948	10.3%
Operating Profit Margin	10.7%	10.9%		
Ordinary Profit	38,650	43,014	4,364	11.3%
Profit attributable to owners of parent	27,892	31,201	3,309	11.9%
Incoming Orders	378,997	392,662	13,664	3.6%
Backlog	137,388	146,905	9,517	6.9%

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

(Millions of yen)

	Sales Segment	FY2018	FY2019	Increase/Decrease	
				Amount	Change (%)
Net Sales	Systems Development	140,092	155,835	15,742	11.2%
	System Maintenance and Operation/ Services	134,132	143,429	9,297	6.9%
	Packaged Software/ Hardware Sales	84,430	87,738	3,308	3.9%
	Total	358,654	387,003	28,348	7.9%
Incoming Orders	Systems Development	148,913	155,017	6,103	4.1%
	System Maintenance and Operation/ Services	140,286	147,905	7,618	5.4%
	Packaged Software/ Hardware Sales	89,796	89,739	-57	-0.1%
	Total	378,997	392,662	13,664	3.6%
Backlog	Systems Development	35,118	37,001	1,882	5.4%
	System Maintenance and Operation/ Services	87,717	93,182	5,465	6.2%
	Packaged Software/ Hardware Sales	14,552	16,722	2,169	14.9%
	Total	137,388	146,905	9,517	6.9%

Systems Development (Sales/Incoming Orders/Backlog)



Net Sales : Demand for IT investment to strengthen strategic businesses and secure competitive advantages, system restructuring projects such as ERP, and investment to expand customer services remained firm.

Incoming Orders : Increased due to ERP and other deal demands despite being impacted by the rebound from large-scale orders from communications, distributors, financial institutions customers

Backlog : Increased due to strong orders

System Maintenance and Operation/Services (Sales/Incoming Orders/Backlog)



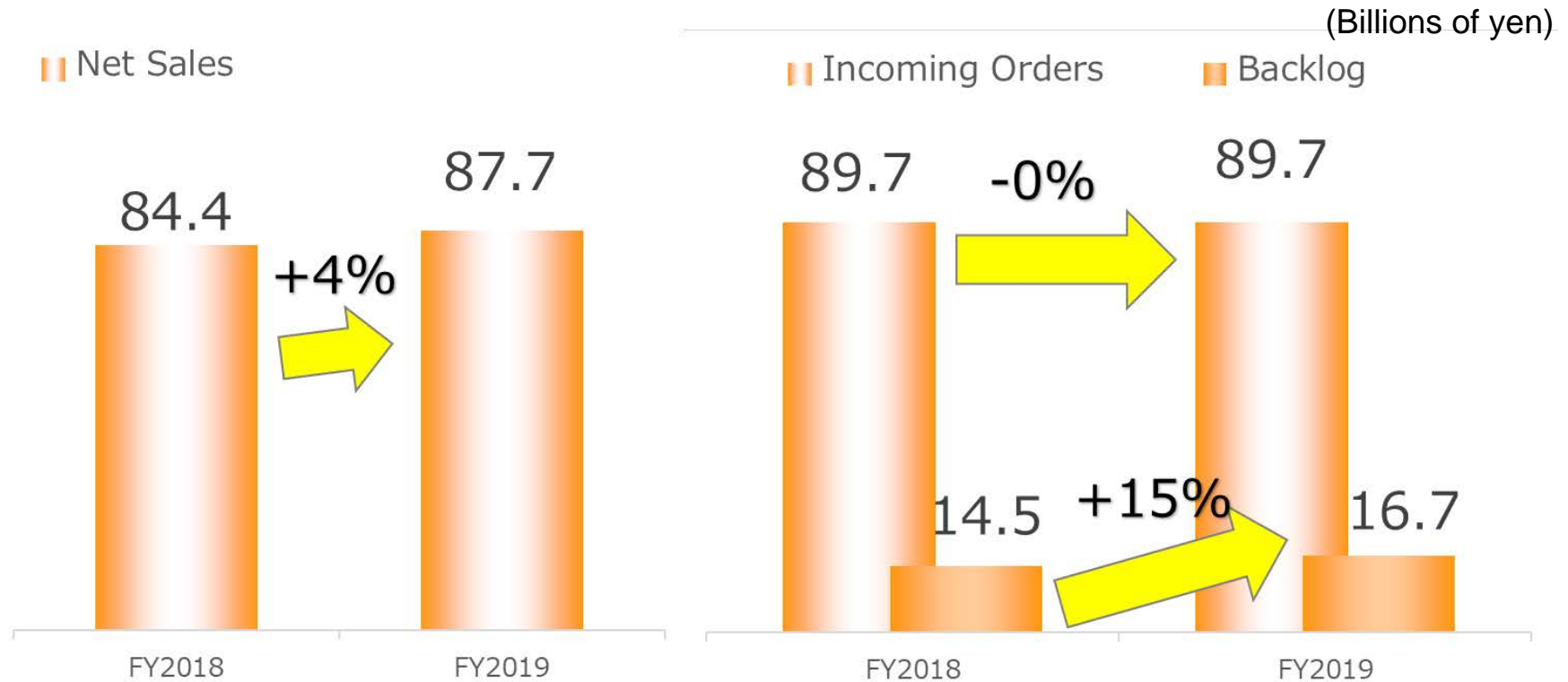
Net Sales : Expansion of systems maintenance businesses and testing/verification services for products development
Solid trend of outsourcing services and BPO businesses

Incoming Orders/ Backlog : Increase due to accumulation of verification services and data center business

Fiscal Year Ended March 2020

Packaged Software/Hardware Sales

(Sales/Incoming Orders/Backlog)



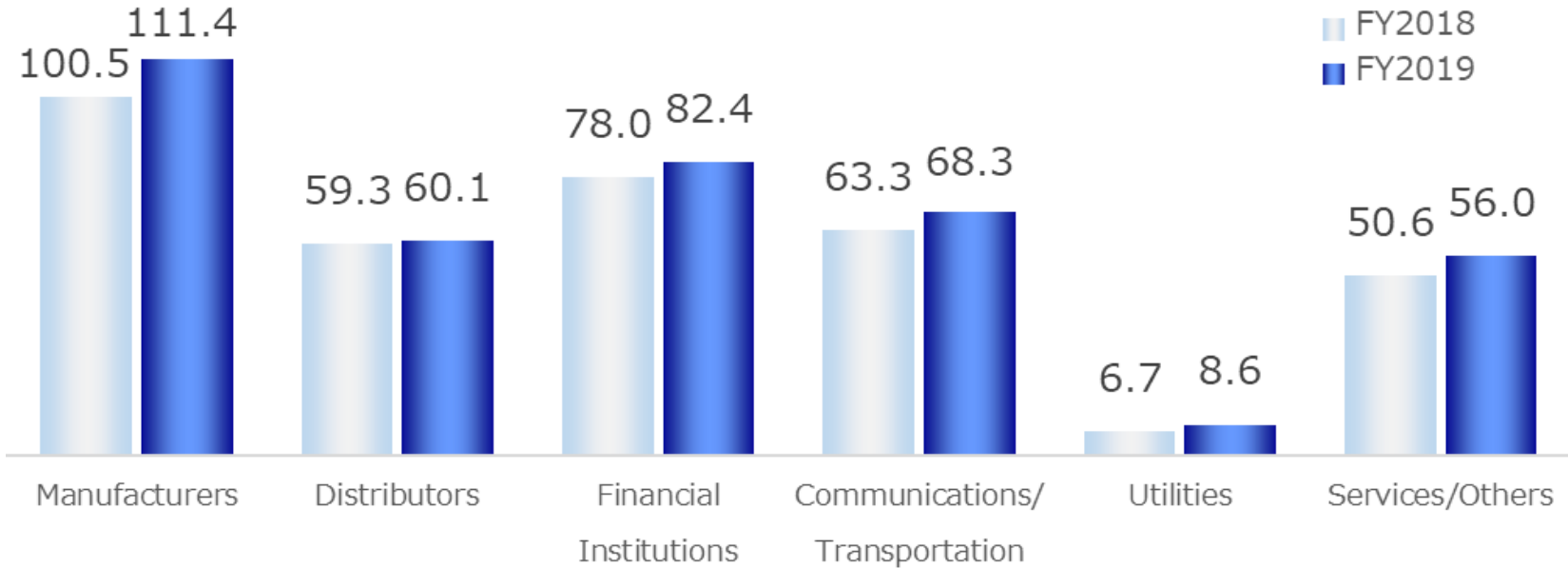
Net Sales : Increased the network equipment sales to the communications industry and hardware sales to the manufacturing industry

Incoming Orders : In the second half, network equipment related to the communications industry decreased, but remained at the same level due to an increase in hardware related to the automotive industry

Backlog : Increase in hardware related to academic research institutions

(Billions of yen)

■ FY2018
■ FY2019



<Main factors of sales increase by customer industry>

Manufacturers : Systems development and testing/ verification services for automotive manufacturers, and other BPO services

Distributors : Core system re-construction

Financial Institution : System upgrade for banks and shopping credit/ leasing companies, management service

Communications/Transportation : Demand for investment in expanding customer services for the communications industry, sales of network equipment, and system upgrades for the transportation industry

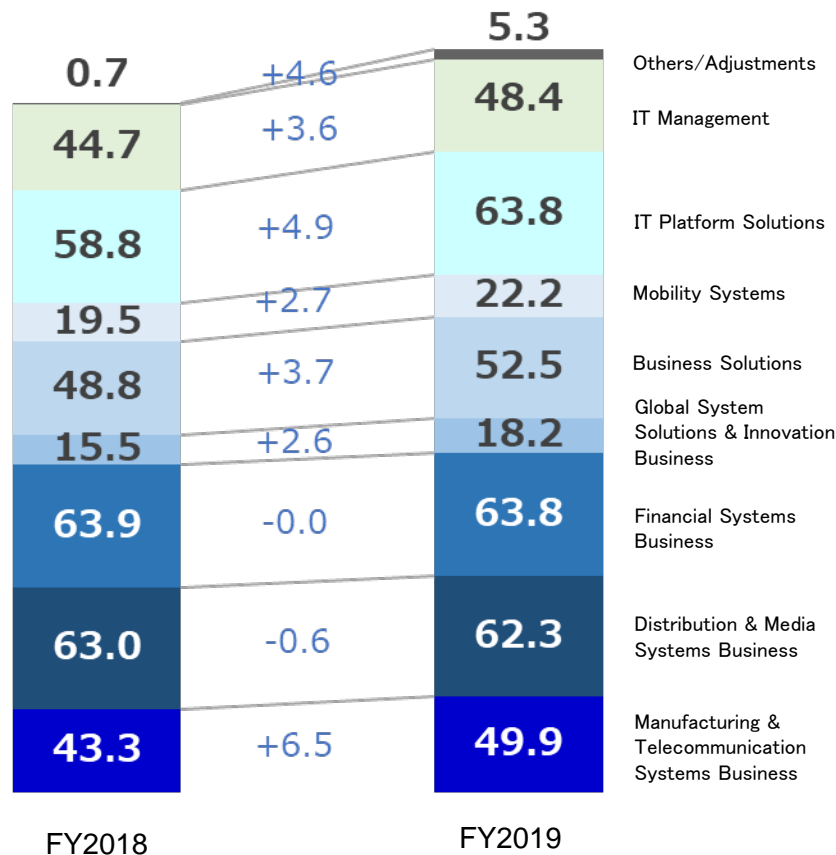
Utilities : IT investment demand for customer service expansion

Others : Core system construction projects and data center service

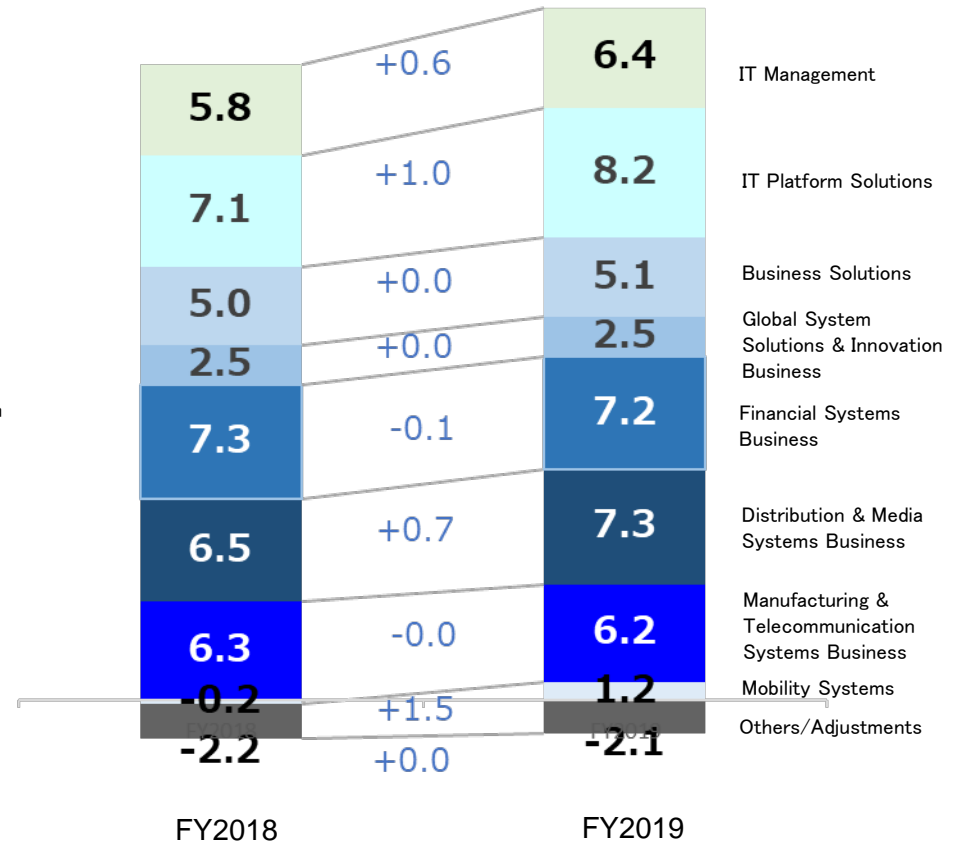
Fiscal Year Ended March 2020 Business Performance by Reportable Segment

(Billions of yen)

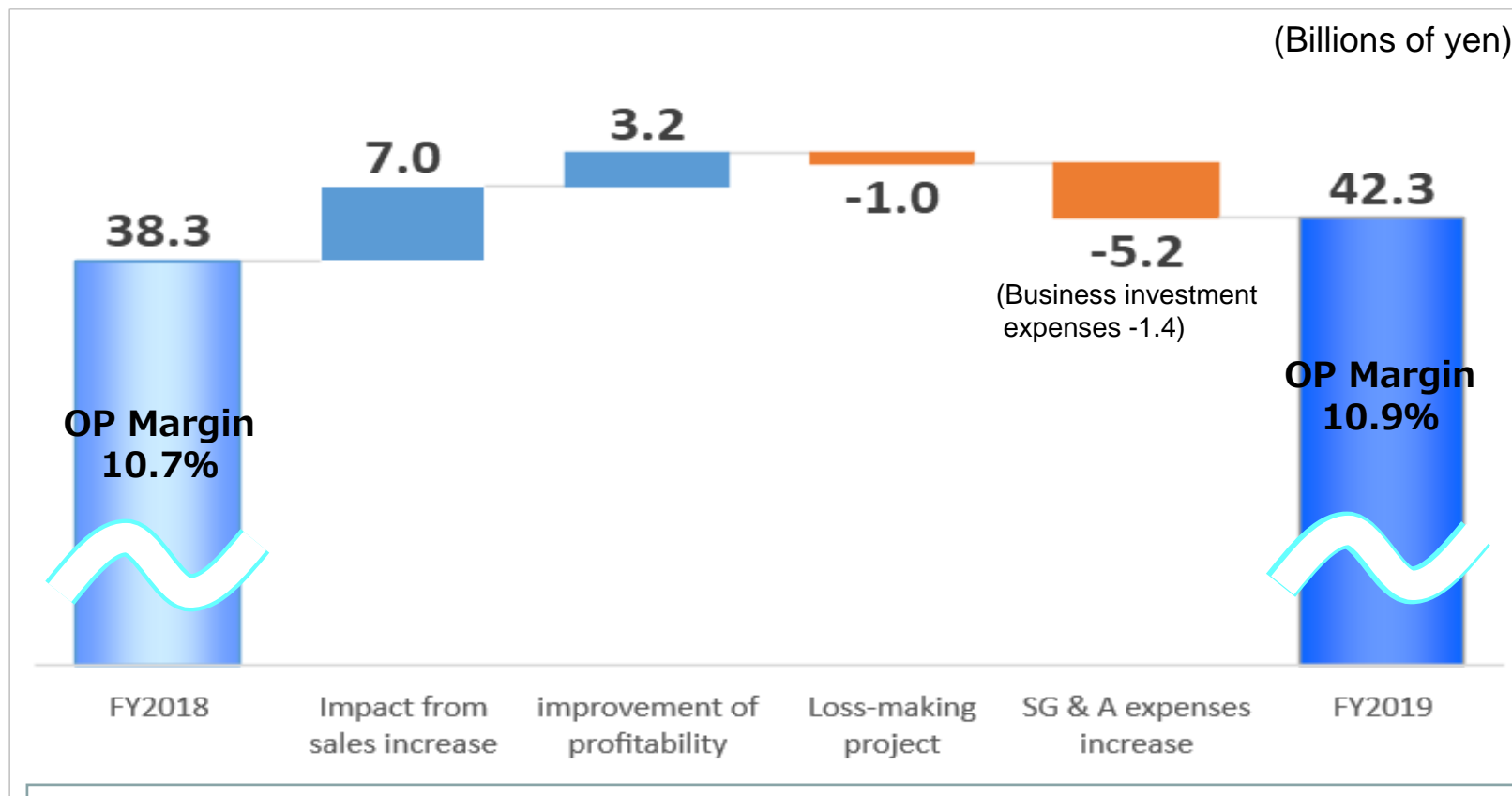
Net Sales



Operating Profit



Fiscal Year Ended March 2020 Operating Profit Analysis



<Main factors of SG & A expenses increase>

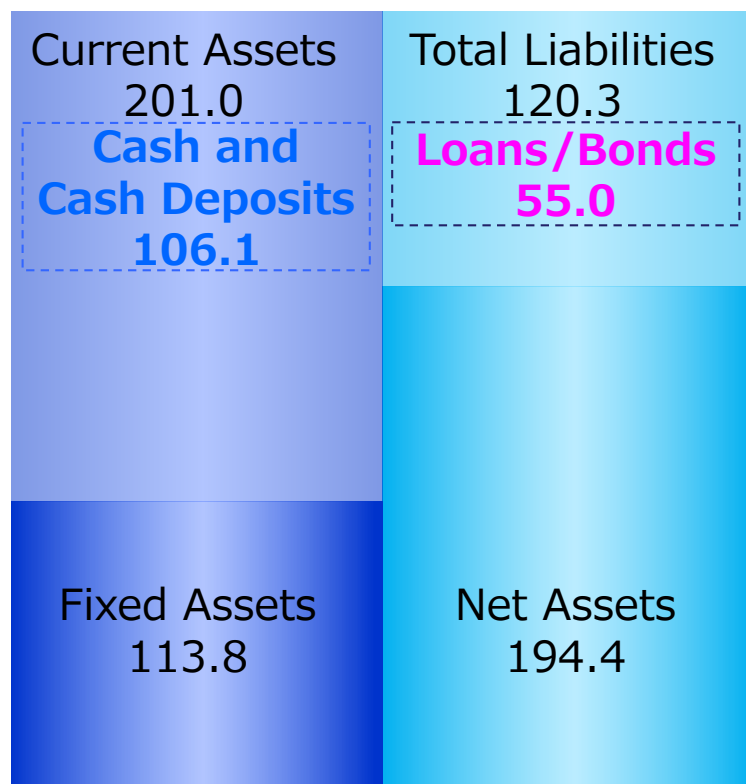
- Higher payments of performance-linked bonuses in reflection of the impressive performance in FY2018, and payment of special support lump-sum grants
- Increase in SG&A expenses of newly consolidated subsidiaries and recording of goodwill
- Business investment expenses, etc.

Fiscal Year Ended March 2020 Consolidated Balance Sheets

(Billions of yen)

As of March 31, 2019

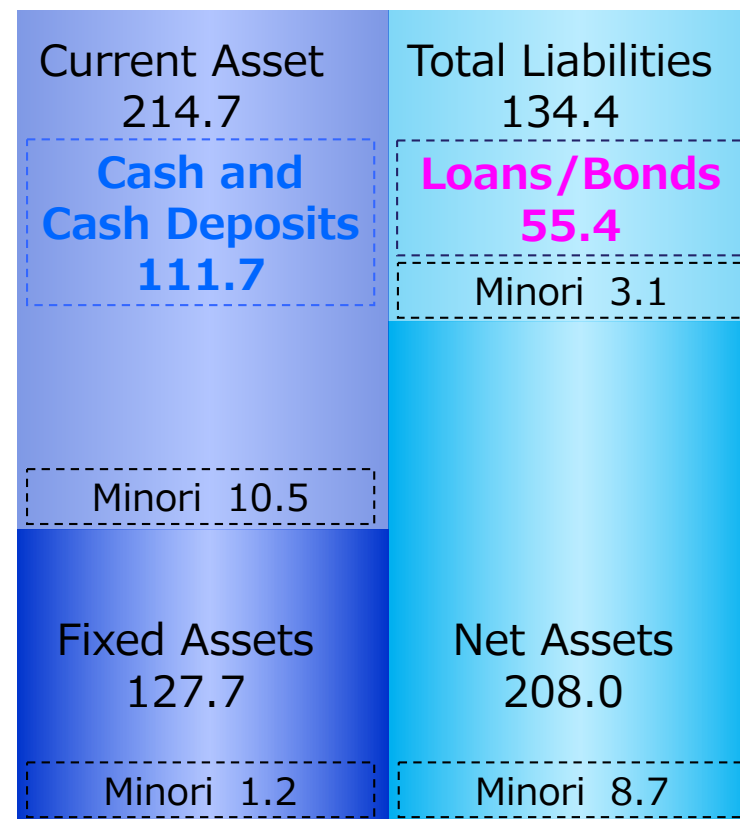
Total Assets 314.8



Equity Ratio 61.4%
BPS JPY1,862.78

As of March 31, 2020

Total Assets 342.8



Equity Ratio 60.6%
BPS JPY2,000.16

Adopted International Financial Reporting Standards (IFRS) from April 1, 2020

(Millions of yen)

	FY2019 reference [※]	FY2020 Forecasts	Increase/Decrease	
			Amount	Change (%)
Net Sales	387,000	380,000	- 7,000	-1.8%
Operating Profit	40,000	41,000	1,000	2.5%
Operating Profit Margin	10.3%	10.8%		
Profit attributable to owners of parent	28,300	29,000	700	2.5%
Annual Dividend per Share (yen)	ordinary dividend 110	130	-	-
	Commemorative dividend 20			

※Unaudited reference value considering only major differences between IFRS and J-GAAP.
This may change due to the results of accounting audits.

Attention on the use of this document

- We have made amendment of previous year's data in page 8 (Sales Comparison by Customer Industry) to reflect the revision of industry applied to some customers.
- We have made amendment of previous year's data in page 9 (Business Performance by Reportable Segment) to enable a fair comparison with this year's data under realigned reportable segments.

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