

Consolidated Financial Results for Fiscal Year Ended March 2021 and Financial Forecasts for Fiscal Year Ending March 2022

Yasuhiko Oka
Managing Executive Officer
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FY2020

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FY2021

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FY2020 (IFRS) Summary of Financial Results

(PL/Incoming Orders/Backlog)

(Millions of yen)

	FY2019	FY2020	Increase/Decrease	
	(Apr. 2019 - Mar. 2020)	(Apr. 2020 - Mar. 2021)	Amount	%
Net Sales	385,295	396,853	11,557	3.0%
Gross Profit	97,192	102,969	5,776	5.9%
Gross Profit Margin	25.2%	25.9%	0.7%	
SG&A Expenses*	-57,144	-57,090	53	-0.1%
Operating Profit	40,048	45,878	5,829	14.6%
Operating Profit Margin	10.4%	11.6%	1.2%	
Profit attributable to owners of parent	28,765	33,435	4,670	16.2%
Incoming Orders	391,071	412,984	21,912	5.6%
Backlog	147,141	163,271	16,130	11.0%

*Including other income and expenses

Summary of Financial Results from Jan. to Mar. 2021 (PL/Incoming Orders/Backlog)

(Millions of yen)

	FY2019	FY2020	Increase/Decrease	
	(Jan. 2020 - Mar. 2020)	(Jan. 2021 - Mar. 2021)	Amount	%
Net Sales	104,381	105,986	1,605	1.5%
Gross Profit	25,638	27,562	1,924	7.5%
Gross Profit Margin	24.6%	26.0%	1.4%	
SG&A Expenses*	-17,126	-15,682	1,444	-8.4%
Operating Profit	8,511	11,880	3,368	39.6%
Operating Profit Margin	8.2%	11.2%	3.1%	
Profit attributable to owners of parent	6,575	9,653	3,077	46.8%
Incoming Orders	125,966	132,923	6,957	5.5%
Backlog	147,141	163,271	16,130	11.0%

*Including other income and expenses

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

Systems Development

(Lower row: The three-month period from Jan. to Mar.)

(Millions of yen)

	FY2019	FY2020	YoY	YoY %
Net Sales	156,190	163,090	6,900	4.4%
	41,335	43,243	1,908	4.6%
Incoming Orders	155,017	163,906	8,889	5.7%
	42,939	44,489	1,549	3.6%
Backlog	36,366	37,181	815	2.2%

➤ Net Sales

Although some projects shrank in the securities, transportation, real estate, and power and gas industries, increased in the investment on the strengthening customer contact points in the communication industry, in core system redevelopment projects in the distribution industry, in the next-generation systems for the food industry, and in strategic business investment demand in the automobile industry

➤ Incoming Orders / Backlog

Although there was a contraction in large-scale projects in the life insurance and gas industries, investment demand in the communications, distribution, and food industries as well as demand for system upgrades for the banking industry and credit/leasing projects increased as in net sales

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

System Maintenance and Operation/ Services

(Lower row: The three-month period from Jan. to Mar.)

(Millions of yen)

	FY2019	FY2020	YoY	YoY %
Net Sales	143,410	152,518	9,107	6.4%
	37,240	39,624	2,384	6.4%
Incoming Orders	147,905	159,936	12,031	8.1%
	58,834	63,634	4,799	8.2%
Backlog	93,123	100,540	7,417	8.0%

➤ Net Sales

Although verification service decreased, the BPO business through contact centers and EC-related business remained steady against the backdrop of management services for the manufacturing and the banking industries and efforts to reform operations by strengthening non-face-to-face customer contact points and digitalization

➤ Incoming Orders / Backlog

Verification services for the manufacturing industry decreased, but data center business increased, and BPO business from contact centers and EC-related business increased against the backdrop of efforts to strengthen customer contact points in non-face-to-face and reform operations through digitalization

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

Packaged Software/ Hardware Sales

(Lower row: The three-month period from Jan. to Mar.)

(Millions of yen)

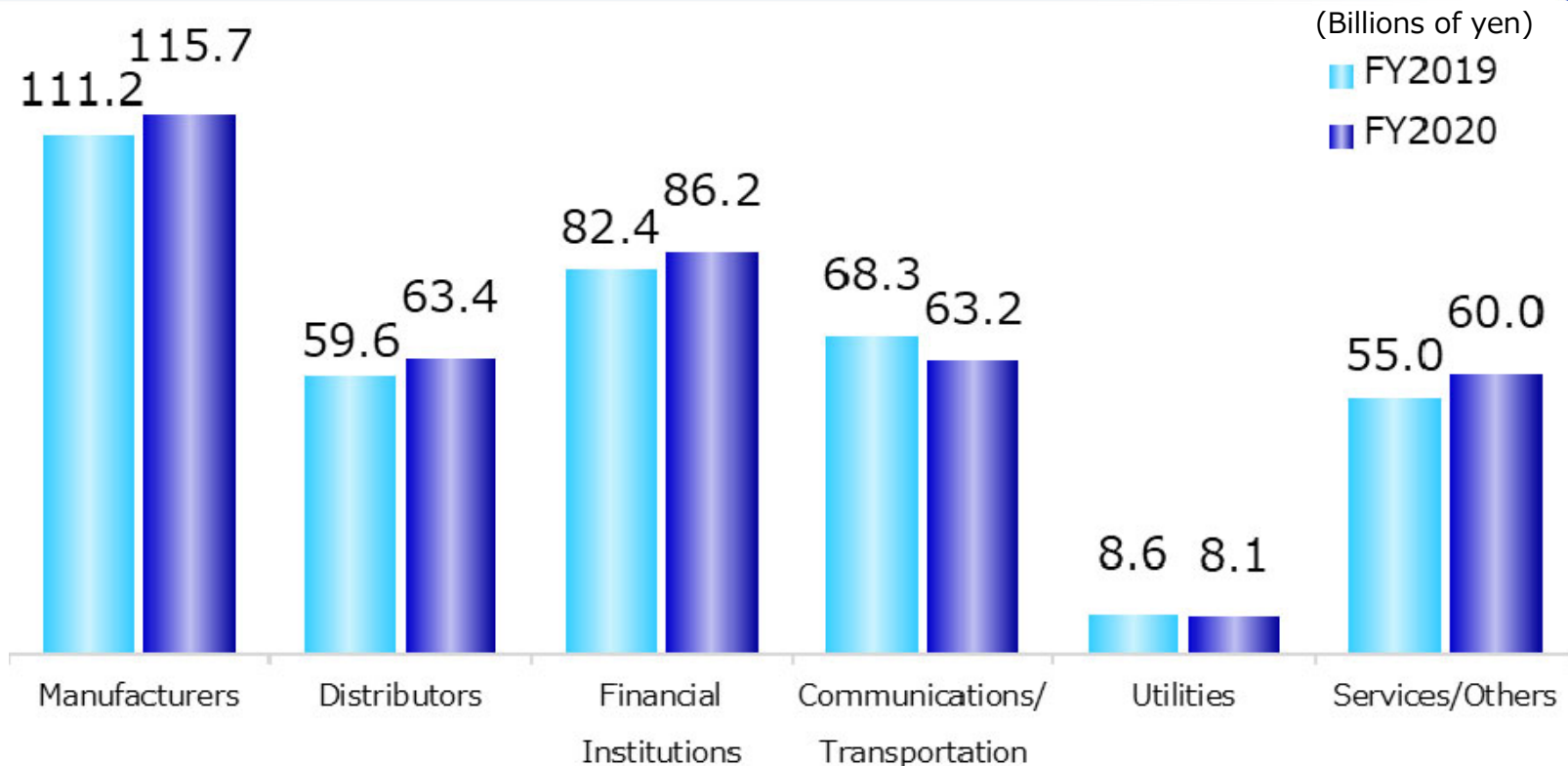
	FY2019	FY2020	YoY	YoY %
Net Sales	85,694	81,243	-4,450	-5.2%
	25,806	23,118	-2,687	-10.4%
Incoming Orders	88,149	89,141	992	1.1%
	24,192	24,800	608	2.5%
Backlog	17,651	25,549	7,897	44.7%

➤ Net Sales

Increased sales of ERP and other licenses, the network products, the security products and the network products for the communication industry, however, decreased due to a reactionary decline in sales of hardware products for the automobile industry and delays in the development of next-generation models for network equipment for the communications industry

➤ Incoming Orders / Backlog

Increased due to demand for network security products and orders for network products for the communications industry, despite a decrease in demand for hardware product sales

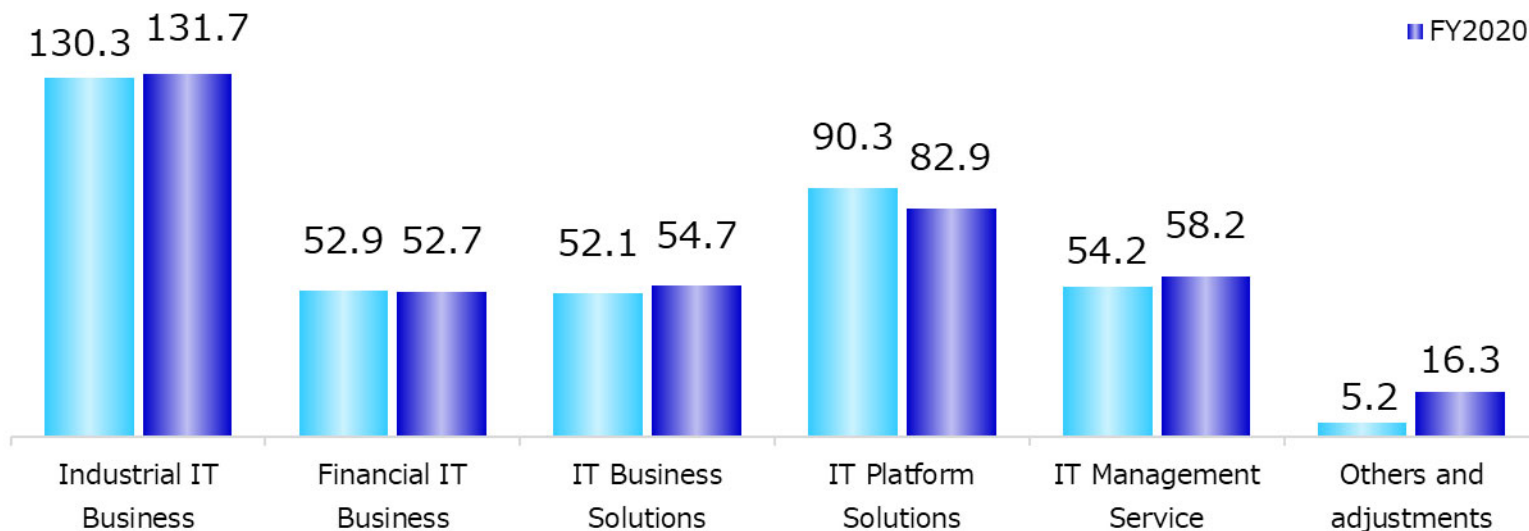


- In the manufacturing industry, next-generation systems for the food industry, demand for system upgrades for electrical machinery manufacturers, and IT investment demand for precision equipment manufactures increased.
- In the distribution industry, sales of network products, security products and core system redevelopment projects increased.
- In the financial industry, increased system maintenance and operation/ services such as management service, and increased system development for the banking industry.
- In the communications and transport industry, there's investment demand for the strengthening customer contact points, but sales of network products decreased.
- In the service and other industry, increased sales in data center businesses and e-commerce-related business, and sales of hardware for academic research institutions also increased.

Business Performance by Reportable Segment

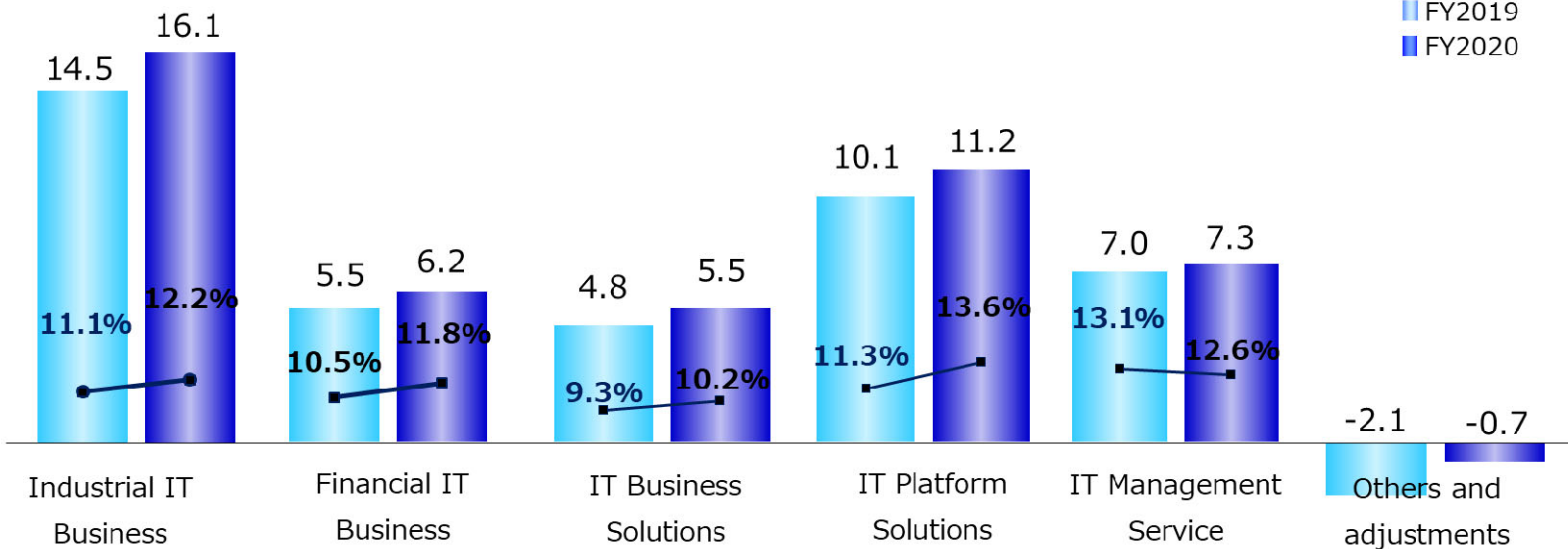
Net Sales

(Billions of yen) ■ FY2019 ■ FY2020



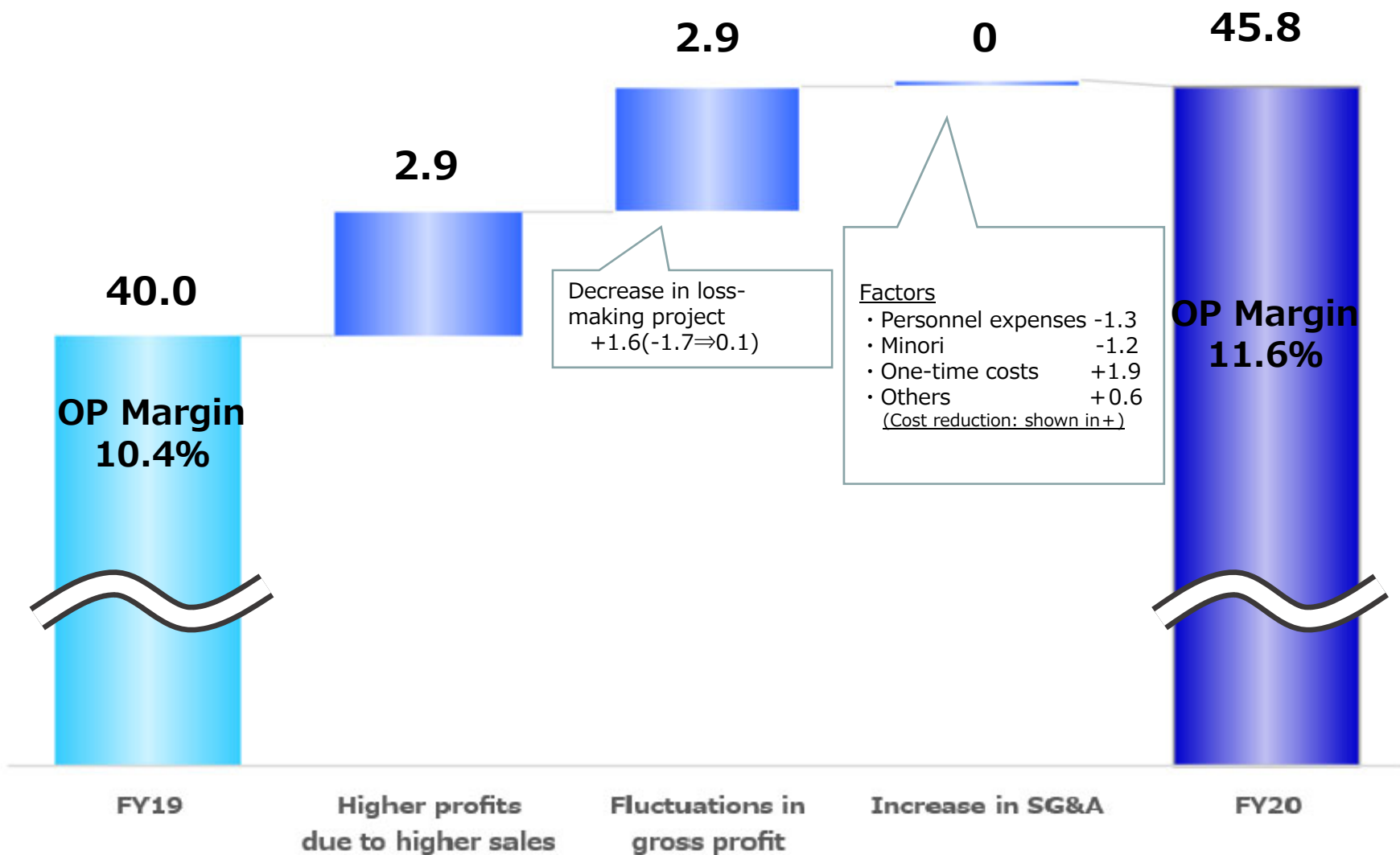
Operating Profit and Operating Profit Margin

■ FY2019 ■ FY2020



FY2020 (IFRS) Operating Profit Analysis

(Billions of yen)



(Millions of yen)

	FY2020	FY2021	Increase/Decrease	
	Results (A)	Forecasts (B)	Amount (B-A)	%
Net Sales	396,853	420,000	23,147	5.8%
Operating Profit	45,878	48,000	2,122	4.6%
Operating Profit Margin	11.6%	11.4%	-0.1%	
Profit attributable to owners of parent	33,435	34,000	565	1.7%
Dividends per share (Yen)	135	140	5	

Attention on the use of this document

- We have made amendment of previous year's data in page 7 (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 8 (Business Performance by Reportable Segment) to enable a fair comparison with this year's data under realigned reportable segments.

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