



# **Results of Operations for 2nd Quarter of Fiscal Year Ending March 2022**

**Toru Tanihara**  
Representative Director  
President and Chief Operating Officer

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# 2nd Quarter of FY2021 Highlights of Consolidated Business Performance



(100 Millions of yen)

	FY2020 (Apr. 2020 - Sep. 2020)	FY2021 (Apr. 2021 - Sep. 2021)	Increase/Decrease	
			Amount	%
Net Sales	1,897	<b>2,000</b>	102	5.4%
Operating Profit	212	<b>225</b>	13	6.5%
Operating Profit Margin	11.2%	<b>11.3%</b>	0.1%	
Profit attributable to owners of parent	148	<b>157</b>	9	6.2%
Incoming Orders	1,799	<b>1,949</b>	150	8.3%
Backlog	1,373	<b>1,581</b>	208	15.2%

## Financial Results Summary

- ◆ Record highs for both net sales and operating income in the first half of the fiscal year
- ◆ Improve profitability while covering the increase in expenses related to business investment
- ◆ Incoming orders and backlog also increased further

2nd Quarter of FY2021  
Consolidated Financial Forecasts for FY2021



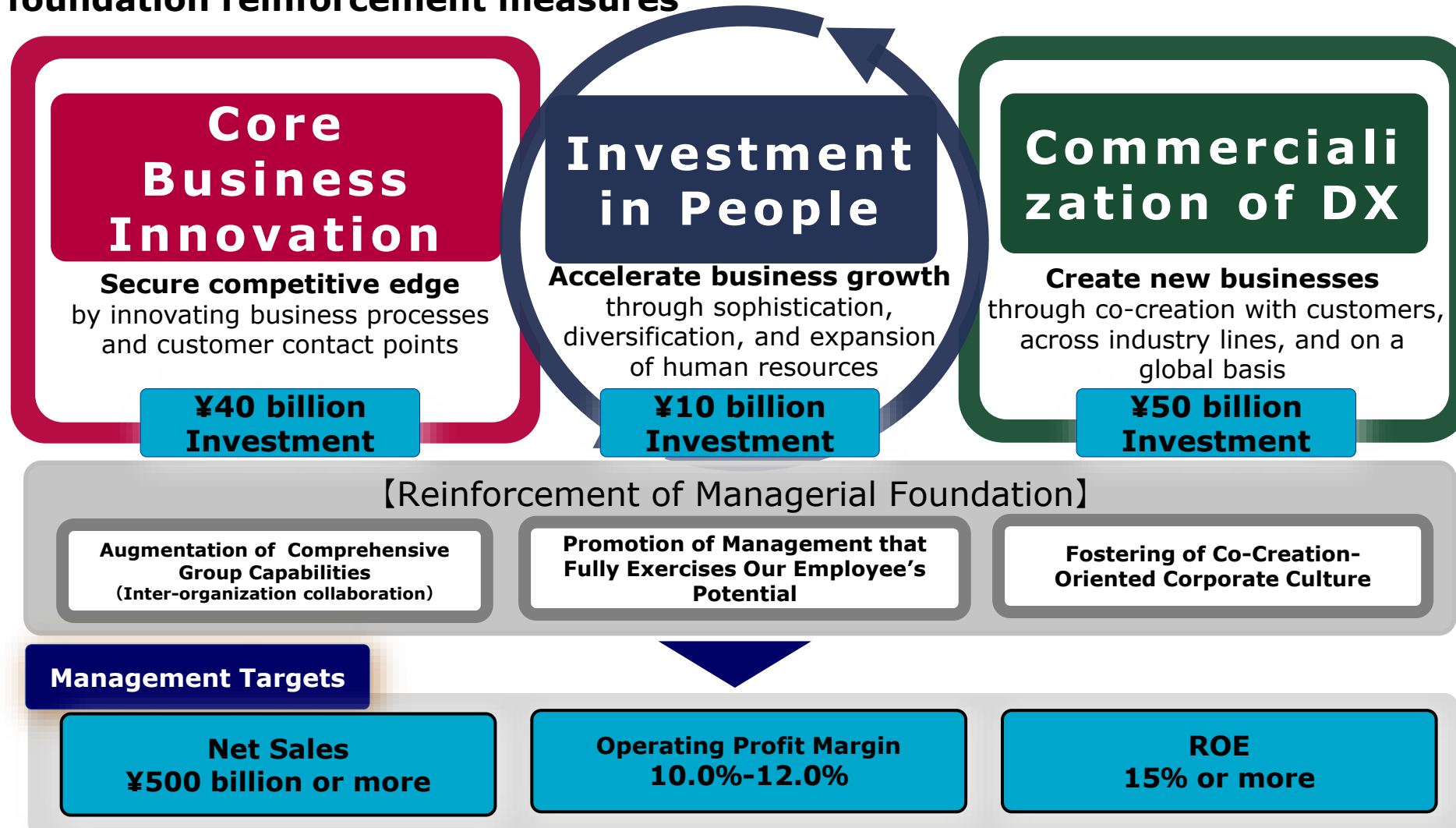
**No change from initial forecasts**

(100 Millions of yen)

	<b>FY2020</b>	<b>FY2021</b>	<b>Increase/Decrease</b>	
	<b>Results (A)</b>	<b>Forecasts (B)</b>	<b>Amount (B-A)</b>	<b>%</b>
Net Sales	3,968	4,200	231	5.8%
Operating Profit	458	480	21	4.6%
Profit attributable to owners of parent	334	340	5	1.7%

# Medium-Term Management Plan (FY2020-FY2022)

- Expand global operations by advancing three core strategies and managerial foundation reinforcement measures

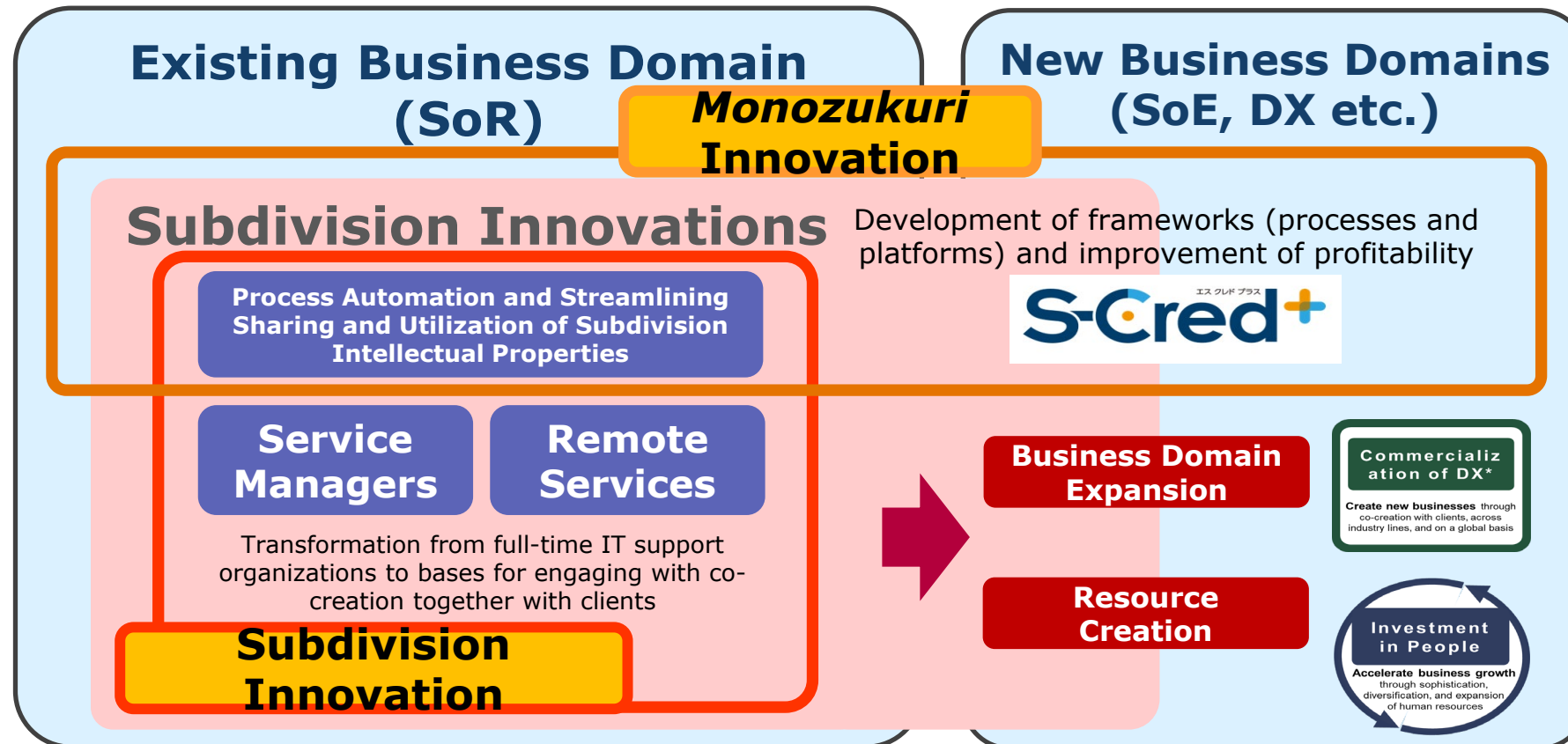


□ Capital Efficiency Index... ROIC maintenance target level:10-12% (in the Medium-Term Management Plan period)

## Core Business Innovation

- **Business processes:** “*Monozukuri* innovation” contributing to high productivity
- **Client contact points:** “*Subdivision* innovation” for transitioning toward value co-creation with clients

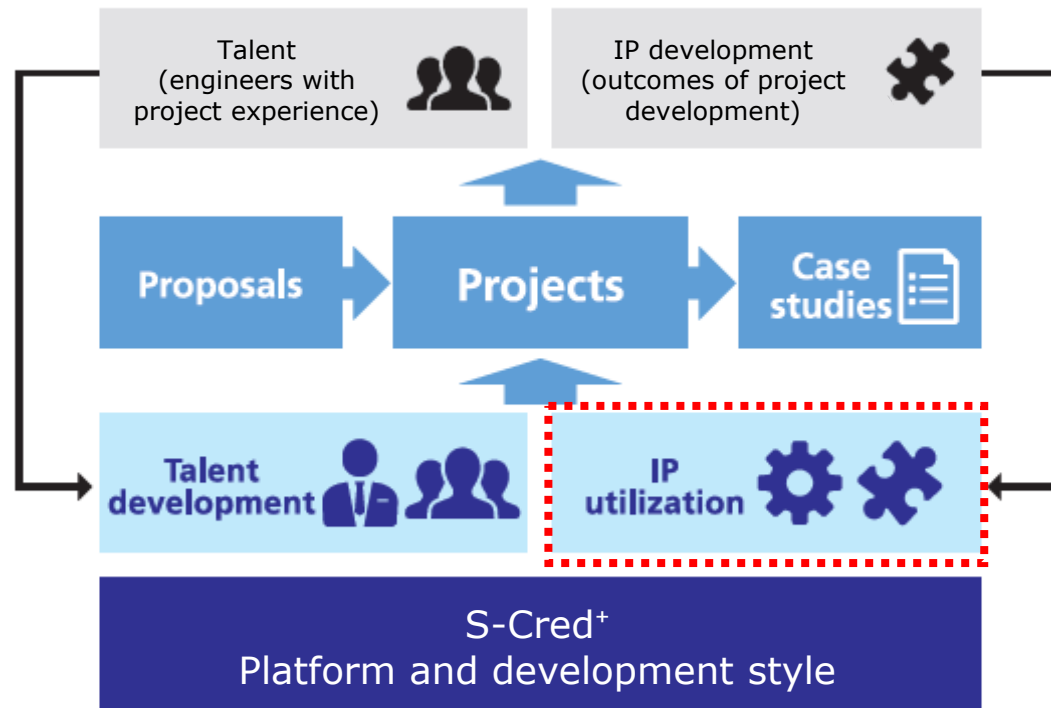
## ■ Subdivision Innovation and *Monozukuri* Innovation



# Core Strategies: Commercialization of DX

## < Monozukuri innovation >

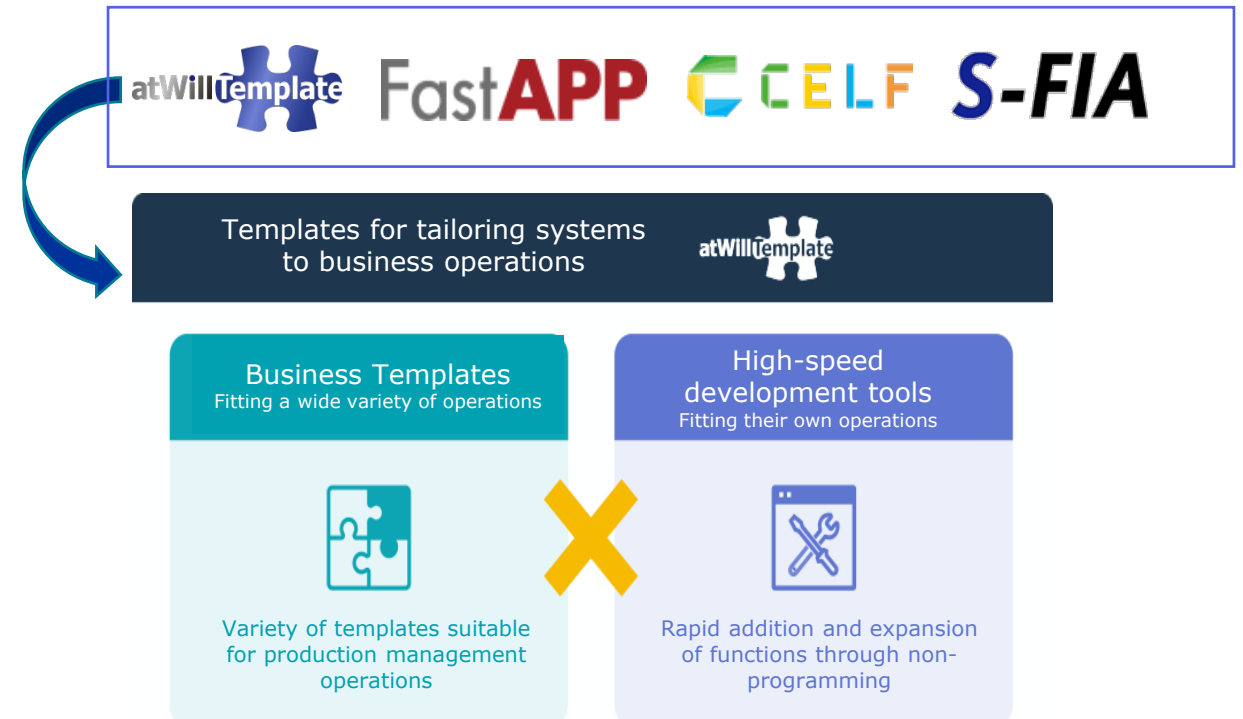
### Overview of Monozukuri Innovation



- S-Cred+ Utilization  
(Order received: FY2020 54 projects →  
End of Sep. 2021 **38 projects**)

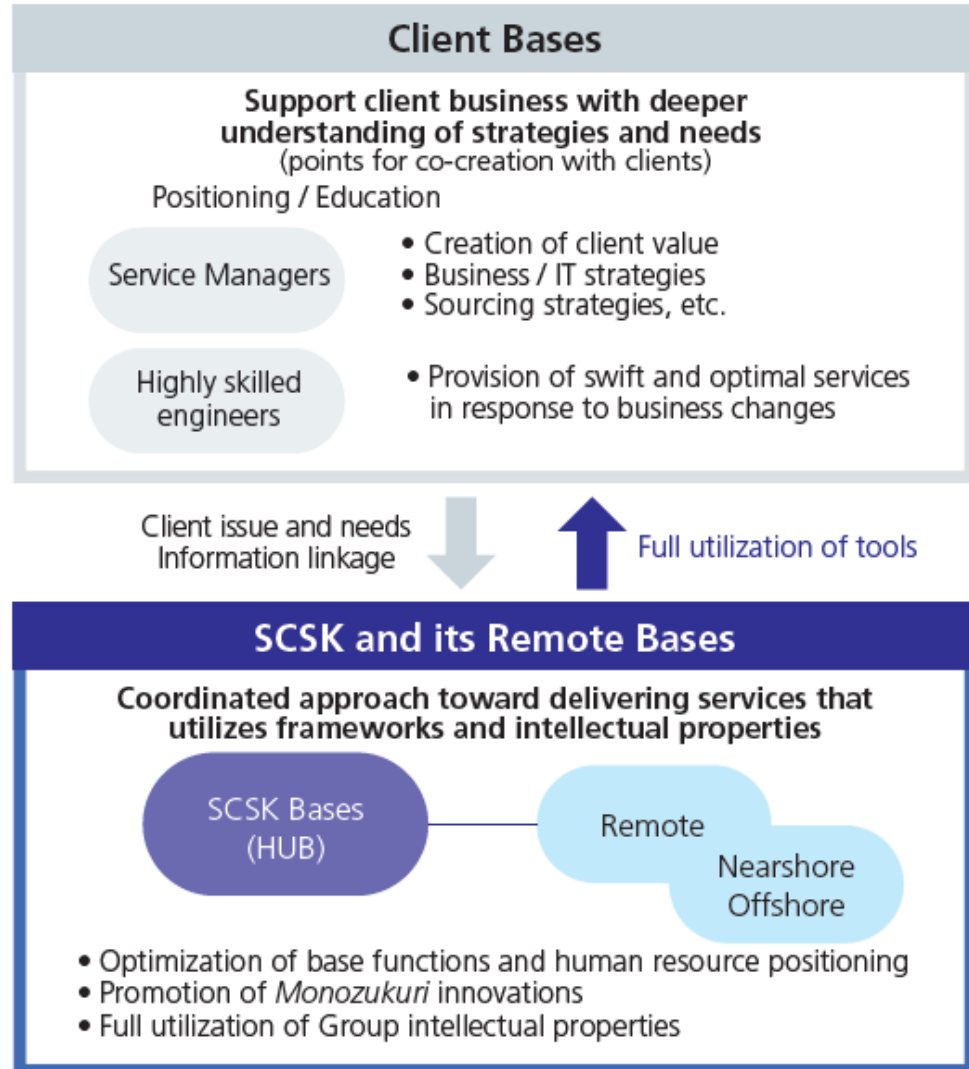
- Intellectual property utilization and deployment of successful cases

\*SCSK's proprietary low-code development tool used in S-Cred+ platform



# Core Strategies: Core Business Innovation – Subdivision innovation

## <Subdivision innovation>



- Strengthening customer contact points  
Training **Service Managers** to strengthen our service proposal capabilities  
(30 in FY20 → **Plan to be 90 in FY21** → 150 in FY22)  
(Unit: The number of people)
- “*Monozukuri* Innovation” in subdivision
  - Promotion of standardization and efficiency through application of SE<sup>+</sup> and S-Cred<sup>+</sup>
  - Utilization of Group intellectual property
  - Utilization of Remote bases, **nearshore** and offshore
  - \*Expansion of nearshore bases  
(End of March 2021: 730 → End of Sep. 2021: **820**)  
(Unit: The number of people)
- Deployment of successful cases within SCSK
  - Visualization through company-wide standard subdivision management tools
  - Sharing information between subdivisions in communities, etc.

## Commercialization of DX

1

### Mobility Field

**Branch out from shared connected platforms to telematics and MaaS fields**

- Co-creation with several companies in MaaS field  
Launched subcommittees with several companies, including MOBILOTS Corporation

2

### Financial Service Platform Field

**Provide financial service platforms for specific industries through broad-ranging co-creation**

- **The Financial Brokerage Platform (Japanese version of TAMP\*)→Service launch in August 2021**

\*TAMP: Turnkey Asset Management Platform

**Pick Up!**

3

### Healthcare Field

**Promote data-linkage between individuals and healthcare-related companies for healthcare system enhancement and streamlining preventative medicine and healthcare management**

- Several hospitals are conducting demonstration tests, etc. with a view to developing services centered on Dr2GO (information-provision services for doctors)

4

### Customer Experience Field

**Help create greater levels of corporate value by aiding in the development of supply and value chains based on client input**

- altcircle (a total service for customer contact points) business being developed

## Financial brokerage platform (Japanese version of TAMP)

### Background social issue

- Necessity for asset formation for post-retirement as a result of increased average life expectancy
- Distortion of social security system due to declining birthrate and aging population

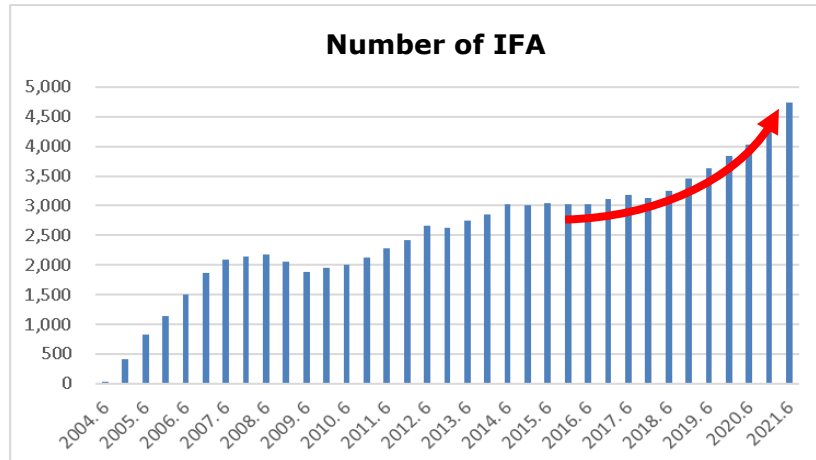
### Value provided to society by the SCSK Group

- Asset design for the era of the 100-year-life. Promotion of turning savings into assets
- Supporting IFAs\* to provide asset management services in a more sophisticated and efficient way

\*IFA(Independent Financial Advisor)

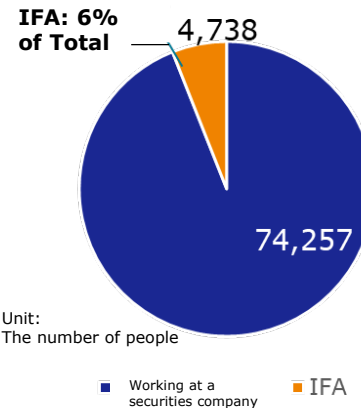
### Market environment

Number of IFA



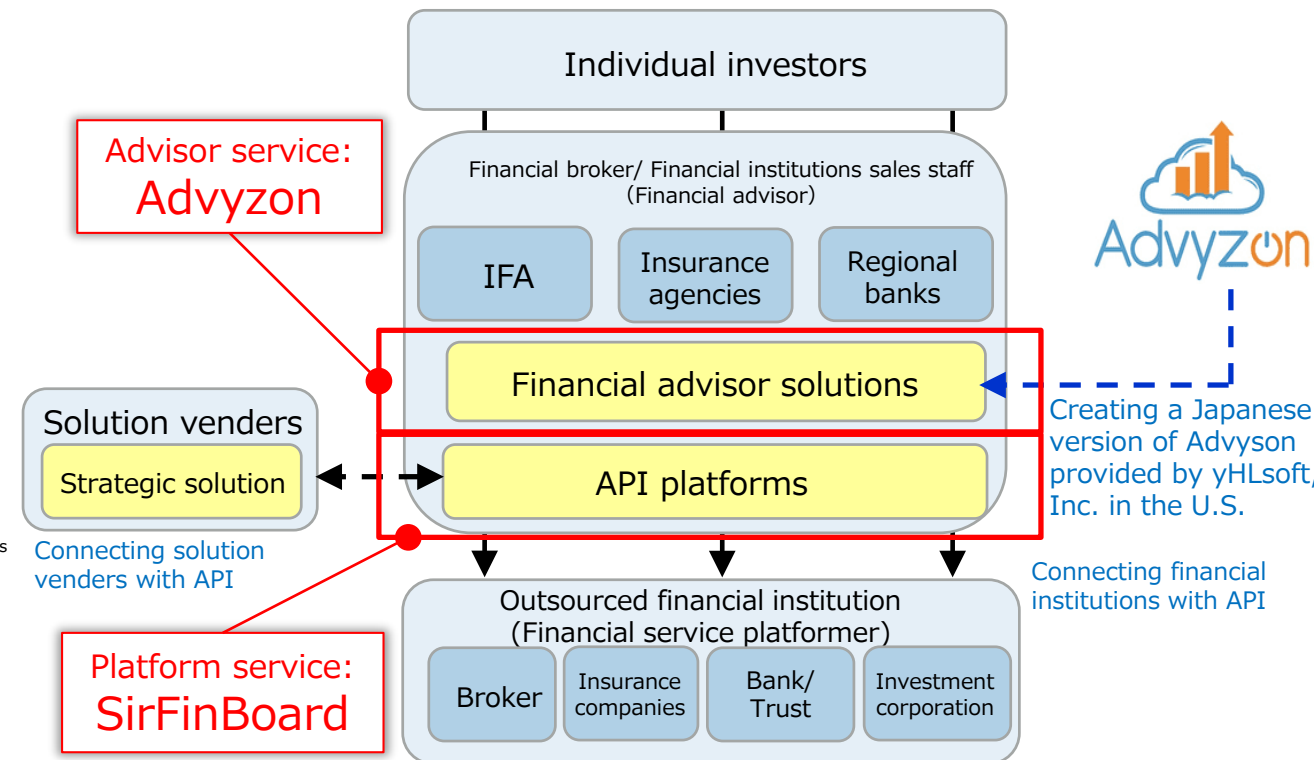
Source: Prepared by SCSK based on the Japan Securities Dealers Association's public materials

Certified Securities Broker Representatives in Japan



- The number of IFAs has been on an increasing trend in recent years. Be expected to continue expanding.
- Investments via IFA increased by 1.5 times in the past year (¥2 trillion to ¥3 trillion).
- "Act on Sales, etc. of Financial Instruments" to be enforced in November 2021

### Business support platform image



## ➤ **Established SCSK Minori Solutions Corporation** (October 1, 2021)

Target	Sales 100 Billion Yen* in 2030 ~Full-scale launch of approach to the medium-sized enterprise market~	
Basic policy	● Developing new markets	● Evolution of existing businesses
For the realization of strategies	•Promote cross-selling	Develop 12 key products to 870 suppliers of 3 companies
	•Review of basic businesses (upgrading and evolving existing businesses)	Sophistication and evolution of businesses that could not be achieved on a stand-alone basis
	•Service portfolio review	Evolution of conventional areas and development of new areas

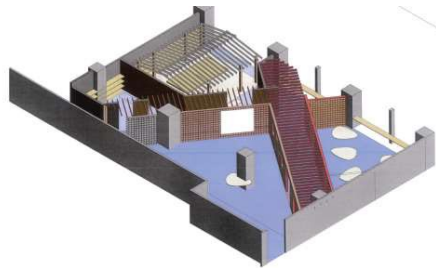
Three companies that merged: Minori Solutions Co., Ltd., CSI SOLUTIONS Corporation, WinTechnology Corporation

\*Simple sum of sales of three companies in the fiscal year ended March 2021: 26 billion yen

## ➤ **Opened SCSK Group Okinawa Center** (Oct. 26, 2021)



<b>Building overview</b>	7 stories above ground (office area: 8,300m <sup>2</sup> ) Maximum capacity of approx. 1,600 people
<b>Tenant companies</b>	SCSK ServiceWare Corporation, SCSK Nearshore Systems Corporation, SCSK Corporation
<b>“Business Design Hub OKINAWA” Introduction to our DX and regional revitalization initiatives</b>	



### **【Image of utilization】**

- Presentation of DX Initiatives to our customers and partners
- Opportunities for local governments in Okinawa Prefecture and companies in the prefecture to introduce solutions to local issues
- Use of events (workshops to solve local issues, co-creation matching, streaming university lectures, etc.)

## ➤ Cloud ERP “ProActive C4” will be launched in November

Sales target	Introducing to 500 companies in coming three years		
Features of the function	Customer	Collaboration	
	<b>UI and UX for ease of use</b> Providing "screen personalization function"	<b>BPO services, which cover everything from system installation to operation</b> In addition to conventional personnel and labor affairs, expand the accounting area	
	<b>Convenience of user access</b> Multi-device compatible "always" and "anywhere"	Connectivity	
	<b>"Smart Introduction" to achieve rapid deployment support</b> Deployment navigation, industry master templates	<b>Easy linkage with other systems</b> Realizing links with other companies' cloud services and other systems	
	<b>"Smart Maintenance" that can continue to be used with peace of mind</b> Enhancing the functions of inquiry websites and providing PUSH type information	Cross-border	
	<b>"Professional Services"</b> Proposals for improvement of business processes and provision of management indicators	<b>Design in response to globalization</b> Multi-lingual support for use of common systems overseas	

## ➤ **Business alliance with D Capital, Inc., DX PE Fund**

**“DX x PE” as a new approach to realize the Medium-Term Management Plan**

<b>Purpose</b>	“Contributing to the promotion of DX at investee companies” through the use of IT and digital technologies
	Accelerating the Commercialization of DX business by utilizing the business fields of investees Considering co-creation businesses
	Advanced DX human resource development through activities
<b>Investment target</b>	SMEs capable of increasing corporate value through medium- to long-term DX
	Major Target Industry: Healthcare, BtoC, and Manufacturing

## Notice Regarding the Selection and Application for "Prime Market" in the Tokyo Stock Exchange New Market Segments

*(News Release on September 29, 2021)*

SCSK Corporation (Head Office: Koto-ku, Tokyo; Representative Director, President and Chief Operating Officer: Toru Tanihara; hereinafter "SCSK") announces that on July 9, 2021, SCSK received a notification regarding a result of initial assessment of compliance with the continued listing criteria for the new market segments on the base date for the transition as June 30, 2021 from Tokyo Stock Exchange, Inc. ("TSE") and **confirmed that SCSK met the criteria of "Prime Market."**

SCSK hereby announces that **its board of directors has resolved at a meeting held on September 29, 2021 to select "Prime Market" as a new market segment and apply to TSE to that effect.** SCSK will proceed with the application in accordance with the schedule designated by TSE.

