

Business Results Summary for Fiscal Year Ended March 2022 and Business Strategies for Fiscal Year Ending March 2023

Takaaki Touma
President and Chief Operating Officer

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1. FY2021 Financial Results

- ①Summary
- ②Net Sales
- ③Operating Profit

2. Progress of Mid-term Business Plan

- ①Sustainability management
- ②Mid-term Business Plan
- ③Core Business Innovation(*Monozukuri* Innovation/Subdivision Innovation)
- ④Commercialization of DX
- ⑤Investment in People

3. FY2022 (Final year of Mid-term Business Plan) Business Forecasts

4. FY2022 (Final year of Mid-term Business Plan) Business Policy

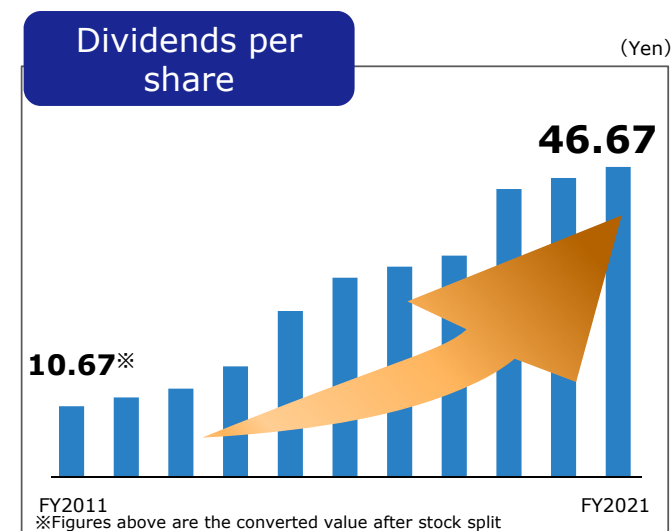
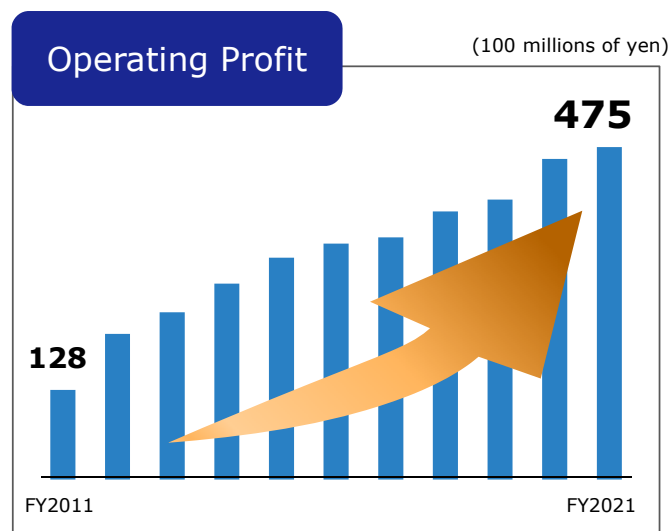
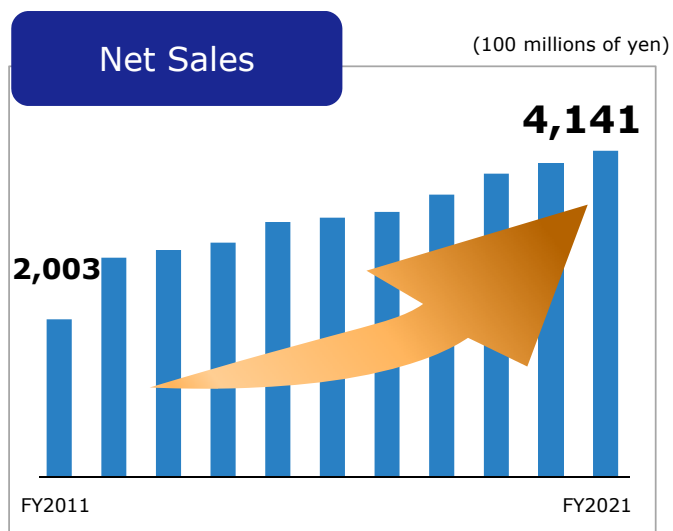
5. Management Approach

1. FY2021 Financial Results ①Summary



Summary of Financial Results

- Achieved increased sales, profits, and dividends for the tenth consecutive year
- Steadily promoting basic strategies in accordance with the Medium-Term Management Plan
- Increase inquiries for large-scale projects from the second half of FY2021



1. FY2021 Financial Results ②Net Sales

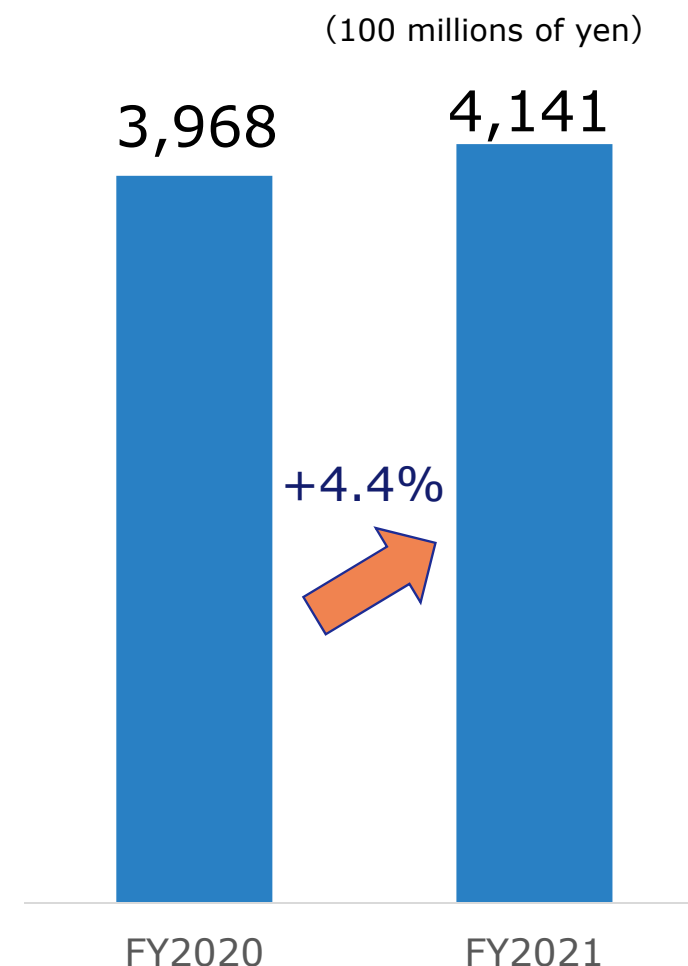


Business Environment

- Demand for digitization remained firm even in the COVID-19 pandemic
- The depreciation of the yen due to the revision of monetary easing policies in the US and the accompanying rise in prices has occurred since 4Q of FY2021.
- Market fluctuations associated with Russia's invasion of Ukraine
- **Supply constraints due to semiconductor shortages and supply chain disruptions**
⇒ **Negative impact on initial forecast**

Factors for Increased Sales

- Higher sales mainly in the Financial IT segment and IT Platform segment



1. FY2021 Financial Results ③Operating Profit



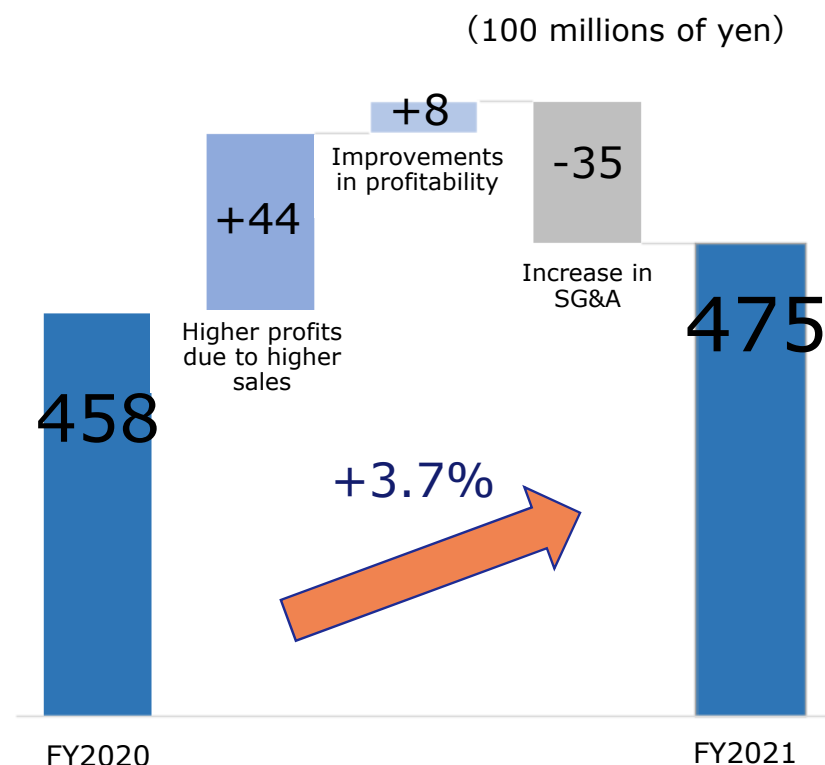
Secure profit growth after implementing business investments as planned

Increased Gross Profit

- Higher profits due to higher sales +4,400M JPY
- Improve profitability by improving productivity (absorbing increased cost of loss-making project for -600M JPY and -1,700M JPY for increased business investment (expansion of bases))

Increased SG&A

- Investment in basic strategy-related businesses such as DX commercialization
- One-time integration costs associated with the merger of subsidiaries, etc.



2. Progress of Mid-term Business Plan

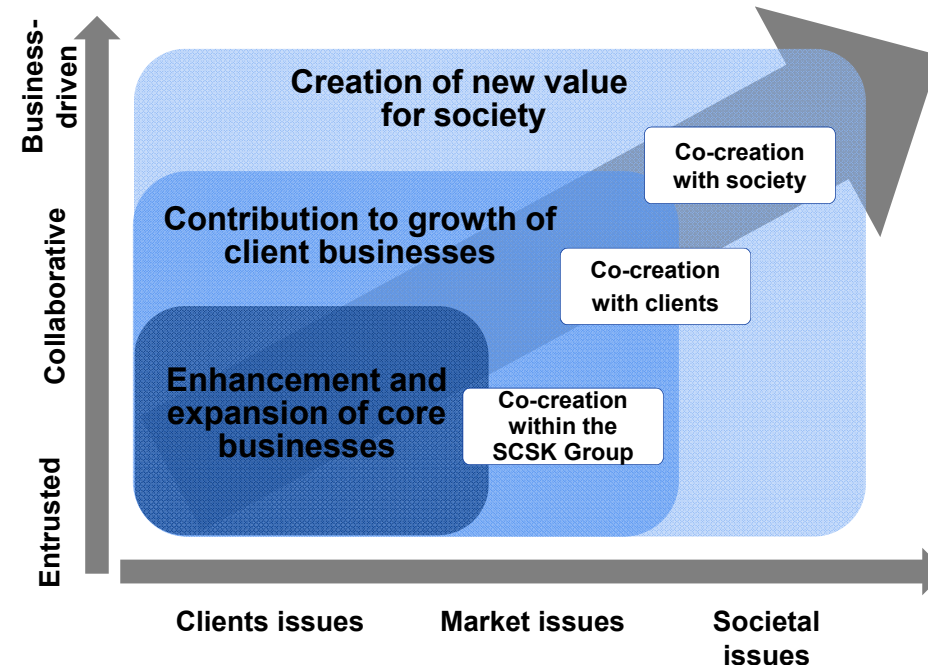
① Sustainability management



2030 Co-Creative IT Company

Achieving Sustainable Society

Target Net Sales of ¥1 Trillion



2. Progress of Mid-term Business Plan

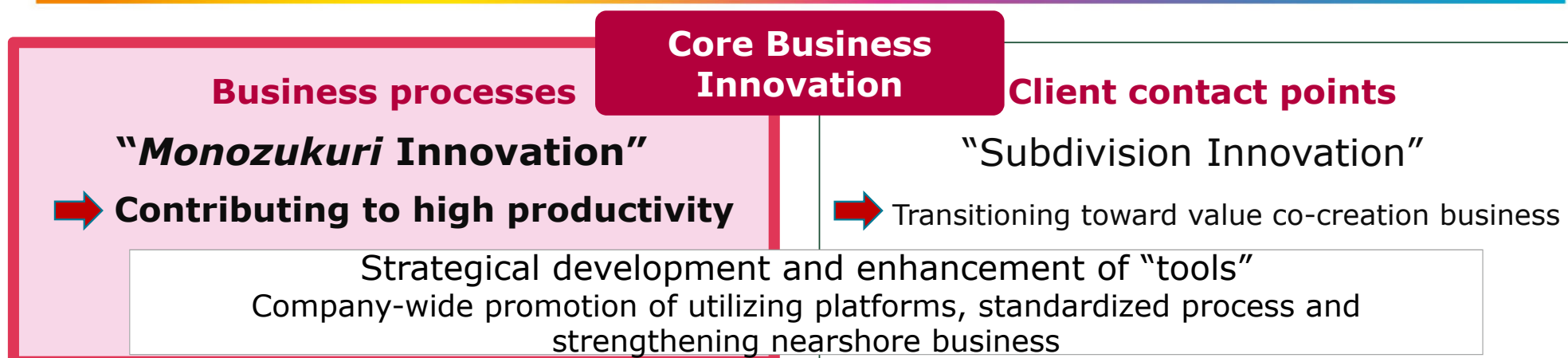
② Mid-term Business Plan

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



2. Progress of Mid-term Business Plan

③Core Business Innovation



Progress of "Monozukuri Innovation"	FY2021	FY2022
Development of S-Cred ⁺ Platform (Functional expansion)	Promotion of Low-Code No-Code development Expansion of the functions of the basic environment Expansion of cloud native projects	Continuous functional expansion
Utilization of S-Cred ⁺ Platform (Growth of number of project orders received)	More than 70 projects (approx. x1.4)	Toward a Full-Scale Rollout Phase
Increasing S-Cred ⁺ Experts (Enhancement of human resources)	2,000 cumulatively	Continue to train engineers throughout the company

2. Progress of Mid-term Business Plan

③ Core Business Innovation



Be the Cloud Service Integrator

Utilization of group intellectual property



- Application of packages and templates installed in platforms
- Developed as a platform for the provision of proprietary services

Proprietary
monozukuri innovation platform



Increasing the added value of data centers



- Wide-ranging ecosystem with cloud operators

In-house Developed Cloud Services



Various Cloud Services



エスクレド プラス
S-Cred+

Low-Code No-Code Development Foundation



S-Cred+ Framework

Scratch development base

API Integration

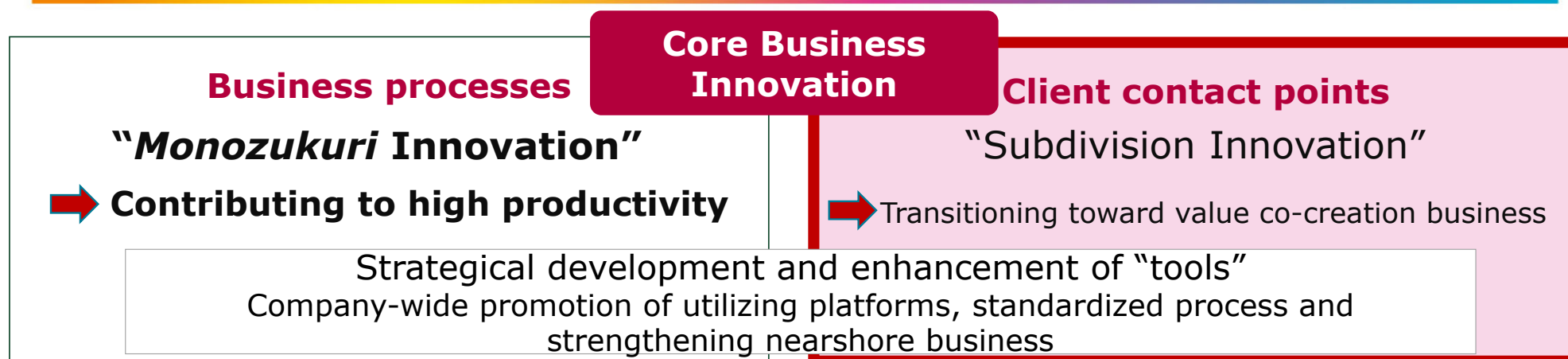
Data linkage infrastructure

Multi-cloud services



2. Progress of Mid-term Business Plan

③ Core Business Innovation



Progress of "Subdivision Innovation"	FY2021	FY2022
Reinforcing Contact Points with Clients	Analysis/Strategy review → DX bases Training service managers (90 people in 2 years)	Sophisticated SoR DX Support Generate the consulting projects
Innovating the Way We Work	Utilizing the results of "Monozukuri Innovation" (SE+, S-Cred+) Working remotely/ Utilization nearshore bases*	Utilization of company-wide intellectual property Target: 1,000

2. Progress of Mid-term Business Plan

③Core Business Innovation



Moving to the second stage by improving digital human resources capabilities through qualitative and quantitative expansion of regional bases

Aiming to be a domestic network of advanced IT personnel and a co-creation IT company in local communities

<1st Stage>

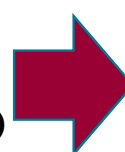
Expansion of Group Regional Bases
 ("Expansion of Employment", "Promotion of Work Style Reforms" and "Women's Active Participation" in local areas)

⇒Acquisition and development of IT personnel
 ⇒Qualitative and quantitative enhancements to our service capabilities such as DevOps service

<2nd Stage>

Development of advanced IT human resources at regional bases

⇒Cross-regional utilization of domestic IT human resources
 ⇒Promotion of DX for Regional Revitalization

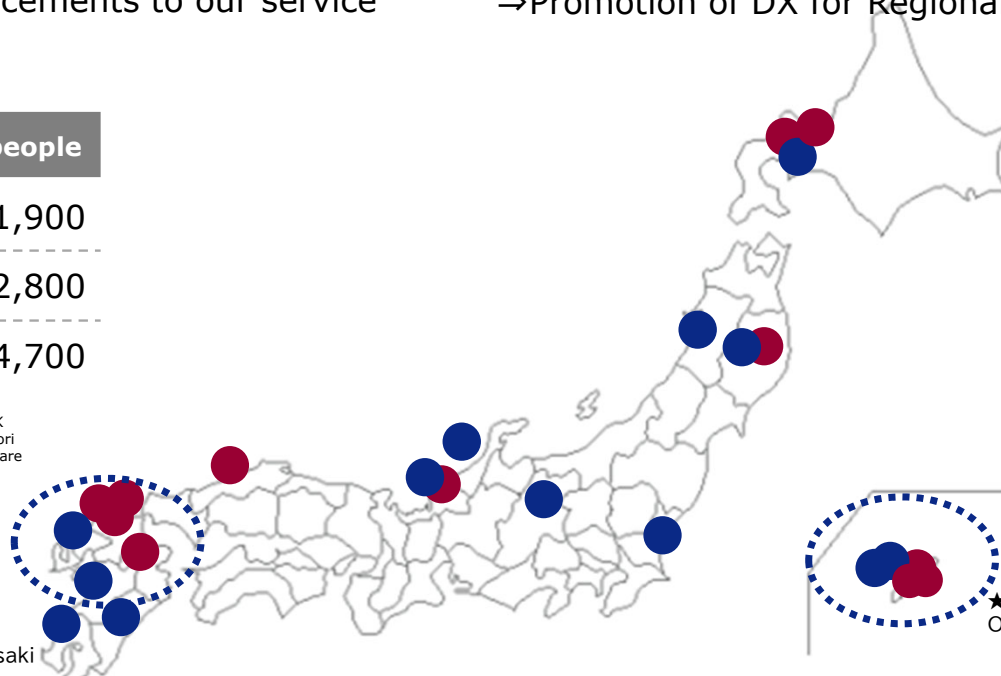


	#of base	#of people
●Development	13	Approx. 1,900
●Verification,BPO	12	Approx. 2,800
Total	25	Approx. 4,700

*Number of people includes Business Partners(as of End of March 2022)

*Development base includes SCSK Nearshore Systems Corporation, SCSK HOKKAIDO CORPORATION, SCSK KYUSHU CORPORATION and SCSK Minori Solutions Corporation. Verification and BPO base includes SCSK ServiceWare Corporation and VeriServe Corporation

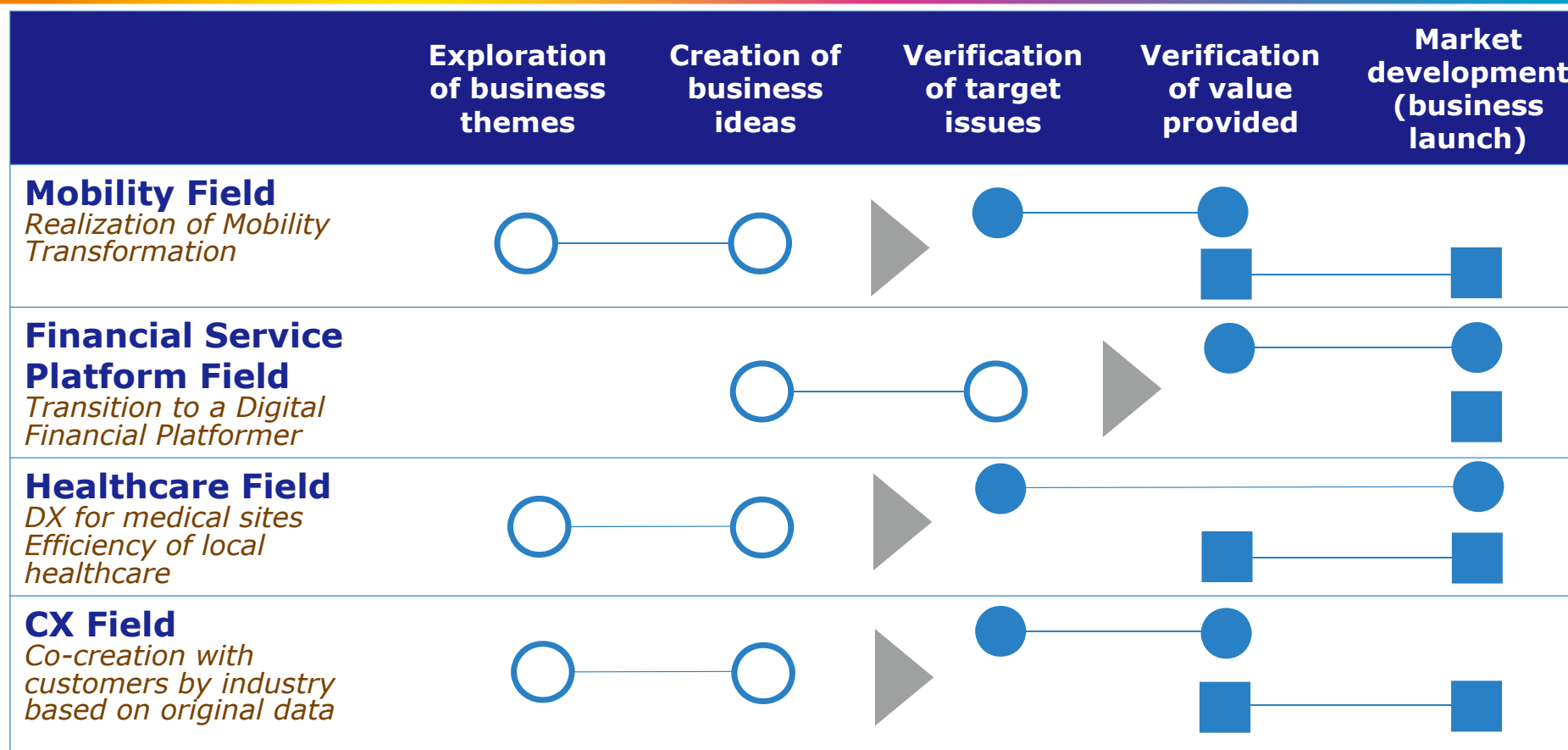
★Kyusyu area
 Nearshore base to be opened in Oita and Nagasaki in FY2022



★Okinawa
 Opened a base in Urasoe city in fall 2021

2. Progress of Mid-term Business Plan

④ Commercialization of DX



○ Beginning of FY21 ● Beginning of FY22 ■ End of FY22

Investment expenses of approx. 3B JPY in FY21 due to investment of personnel (over 400 people including outsourcers)

2. Progress of Mid-term Business Plan

⑤ Investment in People



Investment in People

10 billion JPY in 3 years ⇒ Approx. 7 billion JPY in 2 years

Core Strategies

Core Business Innovation

Commercialization of DX

Investment in People

Company-wide roll-out of the SE⁺ & S-Cred⁺ development standards and development platforms for the entire company, and the development of human resources to serve as a base for disseminating consultation proposals

Strengthen and develop business design human resources that combine the advanced digital technology capabilities and business skills necessary to create businesses

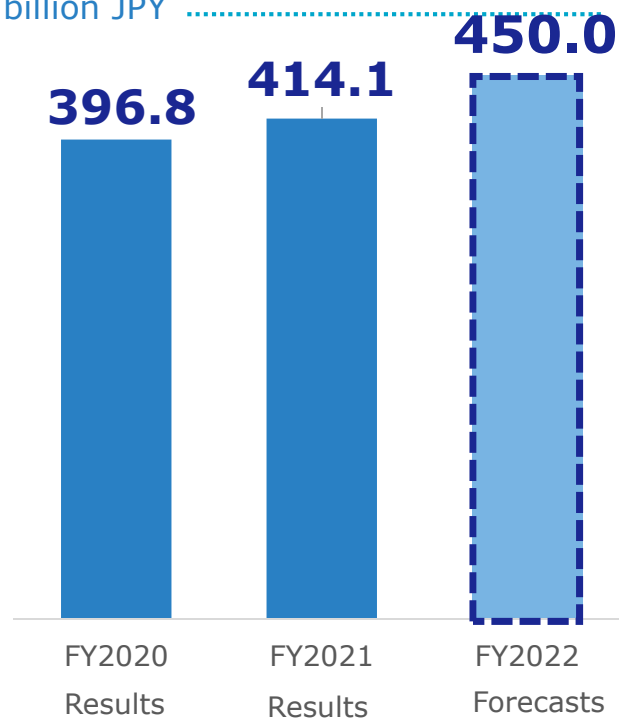
Maximize the development of executives and employees' abilities and demonstrate their abilities through autonomous and continuous self-transformation

3. FY2022 (Final year of Mid-term Business Plan) Business Forecasts **SCSK**

Net Sales

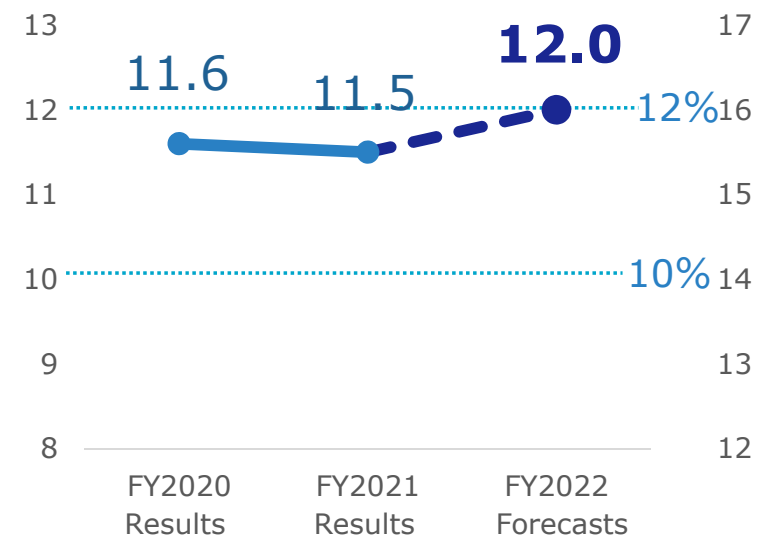
(Billion yen)

500 billion JPY



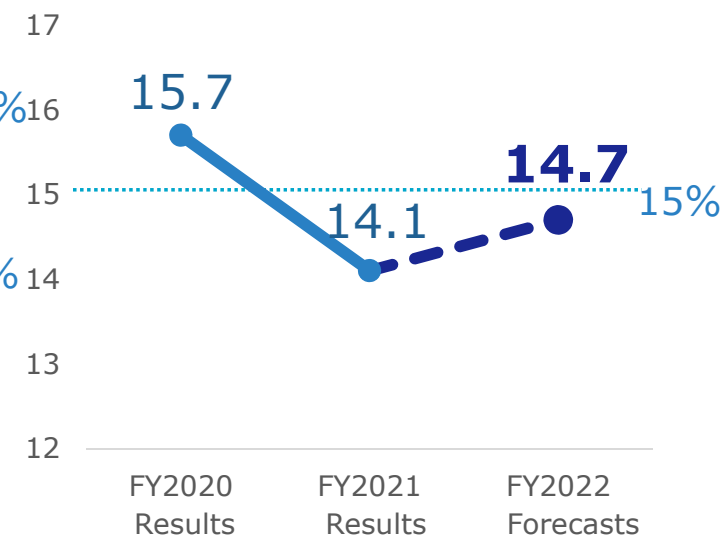
Operating Profit Margin

(%)



ROE

(%)



Operating Profit

(Billion yen)

FY2020 Results	FY2021 Results	FY2022 Forecasts
45.8	47.5	54.0

Profit attributable to owners of parent

(Billion yen)

FY2020 Results	FY2021 Results	FY2022 Forecasts
33.4	33.4	38.0

Evolution to “DX Enabler”

Significantly shifting the current IT-service business to the business of promoting Digitalization/DX support for customers

- | | |
|---|---|
| ➤ For Major Client Companies | Co-creation of business reforms through top-level proposals |
| ➤ Promoting DX proposals at all client contact points | Expand the business and IT consulting capabilities of market-in organizations and service managers, assuming the strengthening of the Group's business and IT consulting capabilities and the utilization of external consulting capabilities, etc. |
| ➤ Promoting the Establishment of a DX Foundation | Promote the enhancement and sophistication of functions for the entire SoR field, including ERP, as the base for analysis of the integration and utilization of digital and business data required for customer DX |

From Client-Oriented to **Market-Oriented**

Expanding shared services for industries by leveraging our strengths in intellectual property cultivated for clients

➤ For the manufacturing industry

Combine business applications, ranging from production control of "atWill Template" and other products to ERP, and various IT product solutions, from CAD to PLM, to create menus and develop them as cloud services

➤ For the distribution industry

By combining EC business platform services such as "F.ACE" with other distribution business IT services such as "SUMAKURA" etc, and also by comprehensively providing "altcircle" and other services in the area of sophisticated contact with clients, we will pioneer responses to customer needs in the age such as Metaverse and Digital Twins.

4. FY2022 (Final year of Mid-term Business Plan) Business Policy **SCSK**

Strategic enhancement of specific areas

- ERP business
 - Respond to digital data and business infrastructure building needs required to promote customer DX
- Global business
 - Restructuring business targeting the global market, centered on IT services (SAP etc.), which are rated as global standards
 - Commercialize Digitalization and DX results in Japan, the U.S. and Europe in Emerging Markets (Southeast Asia, etc.)

Strengthen profitability by reforming business portfolio

Aiming for an operating profit margin of over 15% in the medium term

- To achieve high profitability by downsizing and exiting unprofitable businesses and reallocating resources
- Accelerating the Development of DX Enabler, Service-Oriented Business, and Cloud Service Integrators Businesses
- Pursuing business alliances, M&A etc. to accelerate business portfolio reforms

Value-Driven Management ↔ Well-Being Management

Beyond “Health and Productivity Management” to “Well-Being Management”

- Pursuing Well-Being
- ↕
- Autonomous Growth of Human Resources (Capacity development/ Exercise of ability)
- ↕
- Strengthen our raison d'être and achieve sustainable corporate growth

“ Value-Driven Management”

The meanings of
“Value-Driven Management”

- Understanding our corporate philosophy and business vision
- Having mutual respect for diverse individuality

- Sympathy and resonance of various individuals



- Realizing Co-Creation
(Creating large and new social value that individuals and companies can't achieve)

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