

Business Results Summary
for the 2nd Quarter of Fiscal Year Ending March 2024
and
Progress of Medium-Term Management Plan

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1. Consolidated Financial Results for the 2nd Quarter of FY2023

- Summary
- Backlog
- Revising Full-year Consolidated Financial Forecasts

2. Progress of Medium-Term Management Plan

- Medium-Term Management Plan SCSK Group's Core Strategies
- Progress of Medium-Term Management Plan
(Core Strategy I , II and Topics)



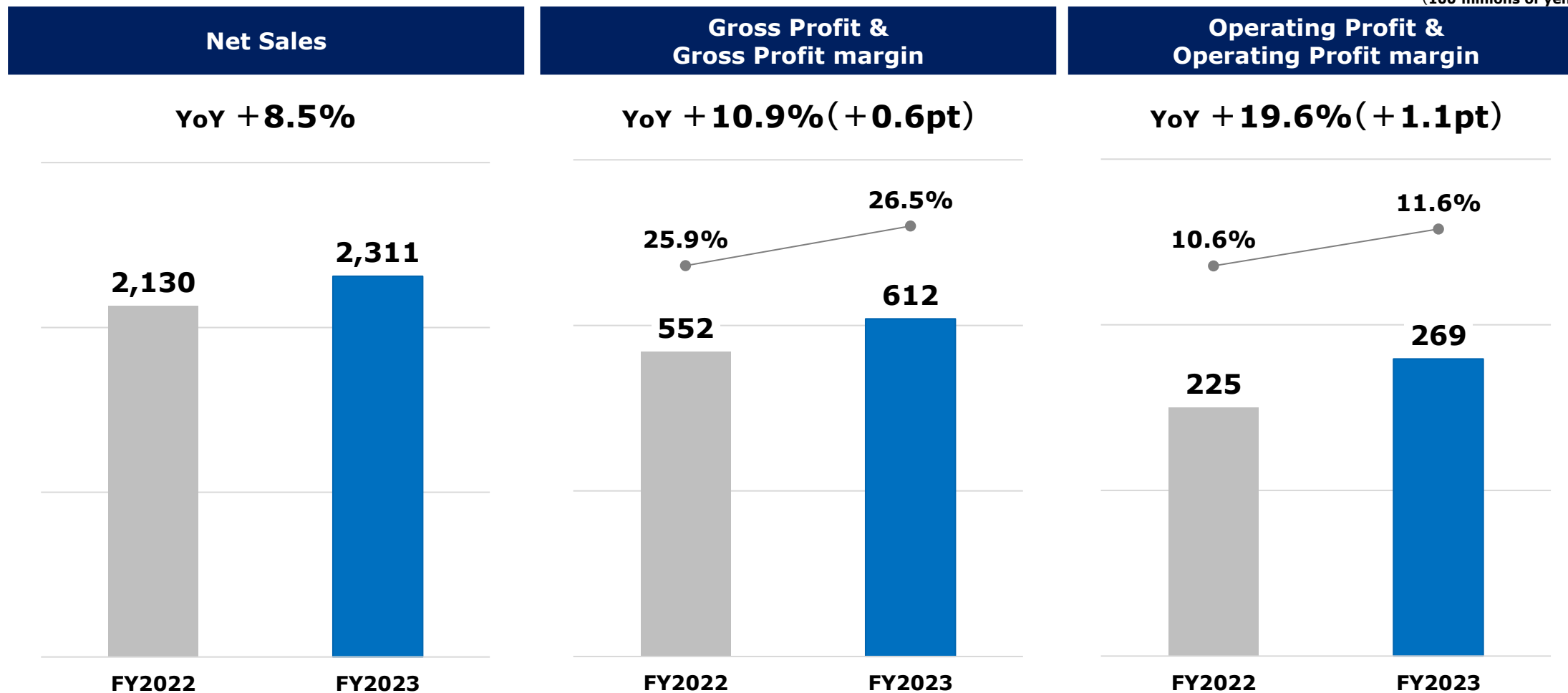
1. Consolidated Financial Results for the 2nd Quarter of FY2023

Financial Results for the Q2 of FY2023 (Summary)

Increased 8.5% of net sales, driven by solid demand for IT investment by clients and the core strategy 2 of the Medium-Term Management plan

Operating profit also rose 19.5% after absorbing expenses such as the increase in base salaries implemented in July 2023

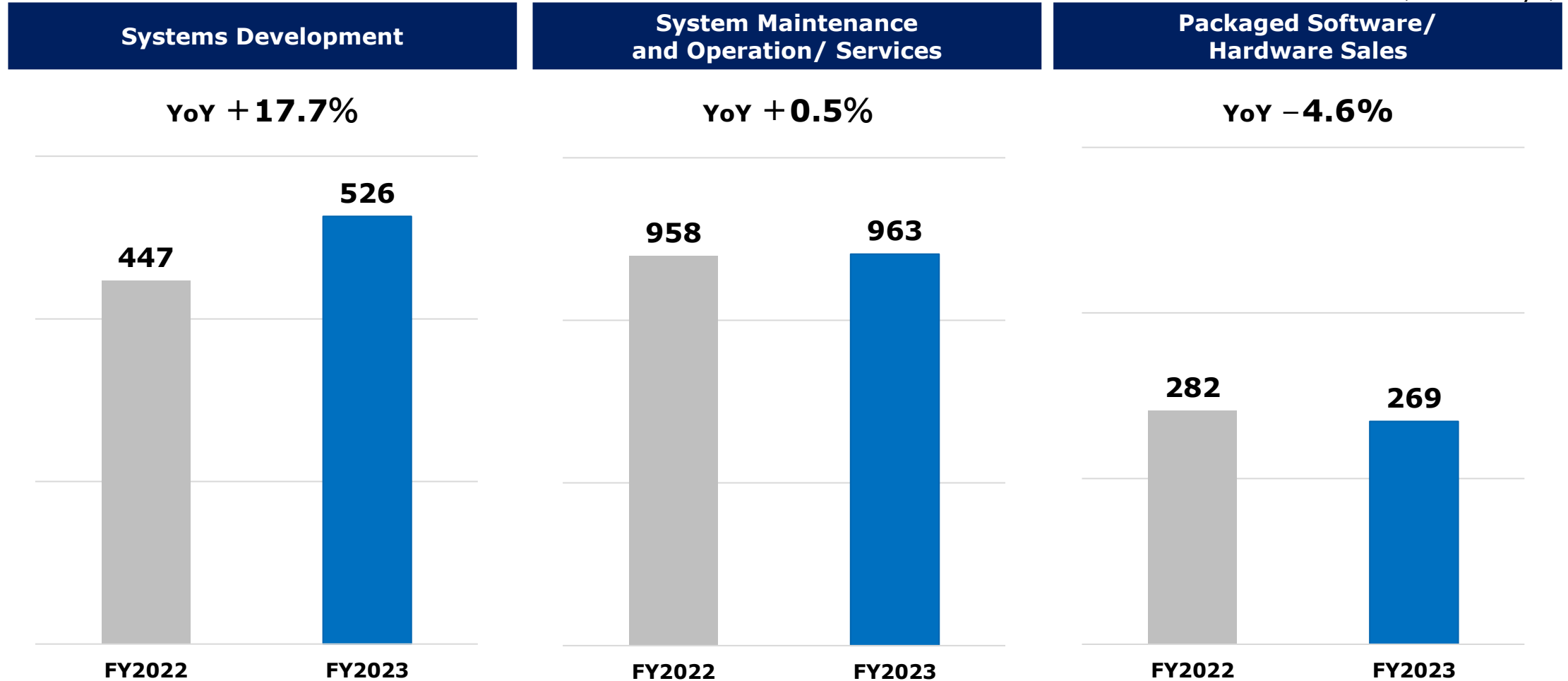
(100 millions of yen)



Financial Results for the Q2 of FY2023 (Backlog)

Company-wide increase of 4.2% year on year, and system development increase of 17.7% mainly in core system re-construction projects
Decrease in system sales was in line with expectations due to a reaction to the previous fiscal year's accelerated orders for specific customers in the communications industry

(100 millions of yen)



Consolidated Financial Forecasts for FY2023

Upward revision of full-year consolidated financial forecasts based on strong 1H results and current order trends

(100 millions of yen)

	FY2023 Initial forecasts (A)	FY2023 Revised forecasts (B)	YoY Amount(B-A)	%
Net Sales	4,700	4,750	50	+1.1%
Operating Profit	540	565	25	+4.6%
Profit attributable to owners of parent	380	395	15	+3.9%



2. Progress of Medium-Term Management Plan

Medium-Term Management Plan SCSK Group's Core Strategies

■ Pursue dramatic improvements in “Comprehensive Corporate Value” through:

- Reorganization of business areas and redevelopment of business models to continue providing new value to clients and society
- Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of SCSK Group

All section's action

**1 Decisive Business Shifts
—Three Shifts**

- 1 Market** Shift toward high-potential business areas
- 2 Value** Shift toward high-value-added areas
- 3 Business model** Shift toward high-productivity business models



Concentrate resources to achieve high growth

2 Development of Market-Leading Businesses in Growth Markets

For 2030 - IT for the next delight -

3 Advancement of Next-Generation Digital Businesses through Co-Creation with Society

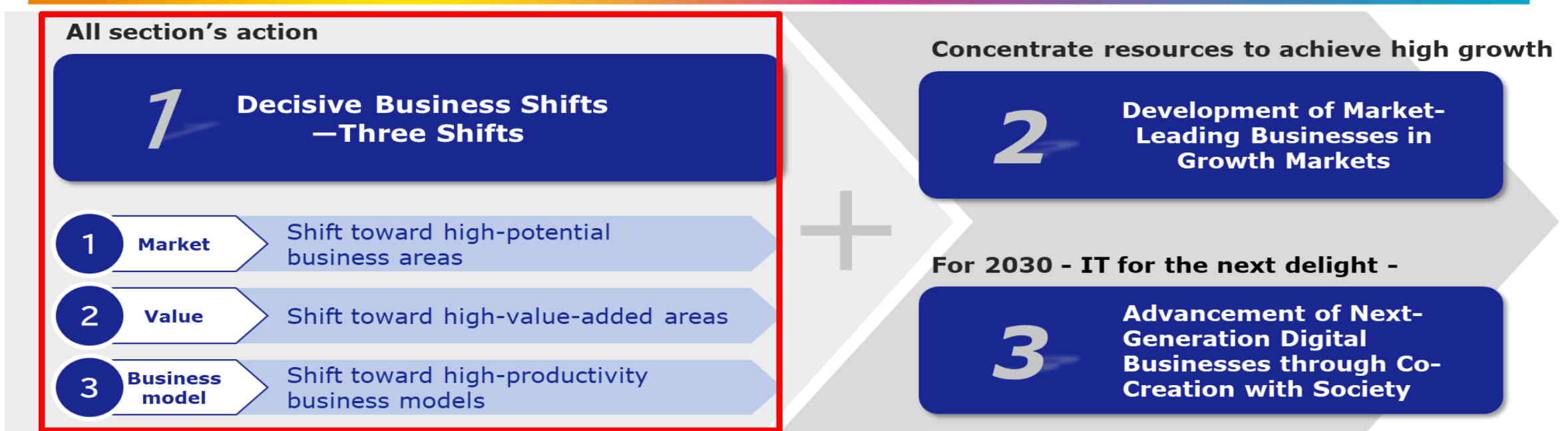
Managerial Foundation Reinforcement Measures

Promotion of Technology-Driven Approach

Maximization of Human Resource Value

Value-Driven Management

Progress of the Medium-Term Management Plan (Core Strategy I) **SCSK**



Major Progress of Company-wide Measures

- 1**
 - Determining criteria for each organization, identifying target businesses for business selection, and starting actual selection
 - Shift personnel to core strategy II on a company-wide level (manufacturing field, mobility, security, etc.)
 - Implementation of individual re-killing measures in shifting targets
- 2**
 - Shifting personnel to upstream processes in system development
 - Cultivate and acquire advanced human resources who are responsible for upstream processes
 - Progress in efforts to revise transaction prices
- 3**
 - Promote centralized response by utilizing development centers within business divisions
 - Verify application of Generative AI to development processes (use in upstream processes, PM/PMO support)

< Core Strategy II >

Development of Market-Leading Businesses in Growth Markets

1 Modernization services for solving social and customer issues

- Manufacturing field (Digital Supply Chain, atWill)
- Financial field (AML, Wealth Management)
- Mid-sized company data-driven management support (ProActive)
- BPM (Business Process Modernization)

2 Innovation services for new value creation

- Healthcare (Support for digital business reforms for the medical field)
- Mobility (Mobility software leading SDM era)

3 Integration services supporting society's digitalization

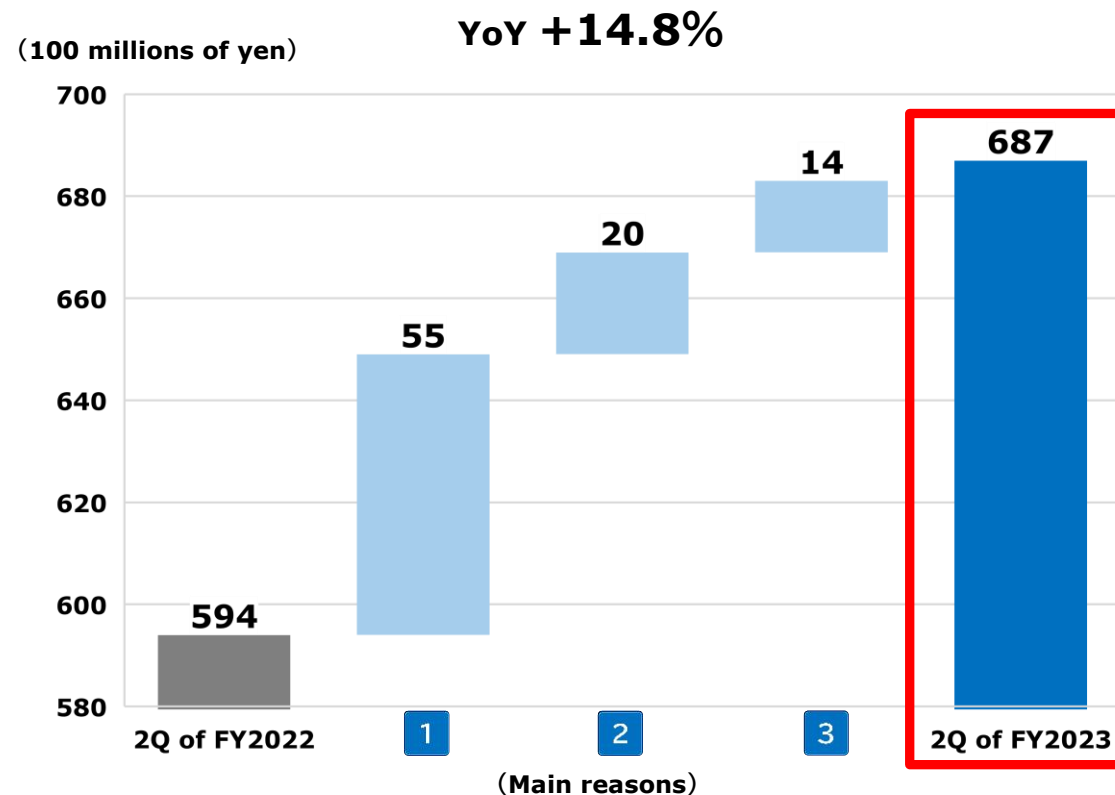
- Security
- Data integration
- Cloud integration



Market expansion capturing the trend of digitalization

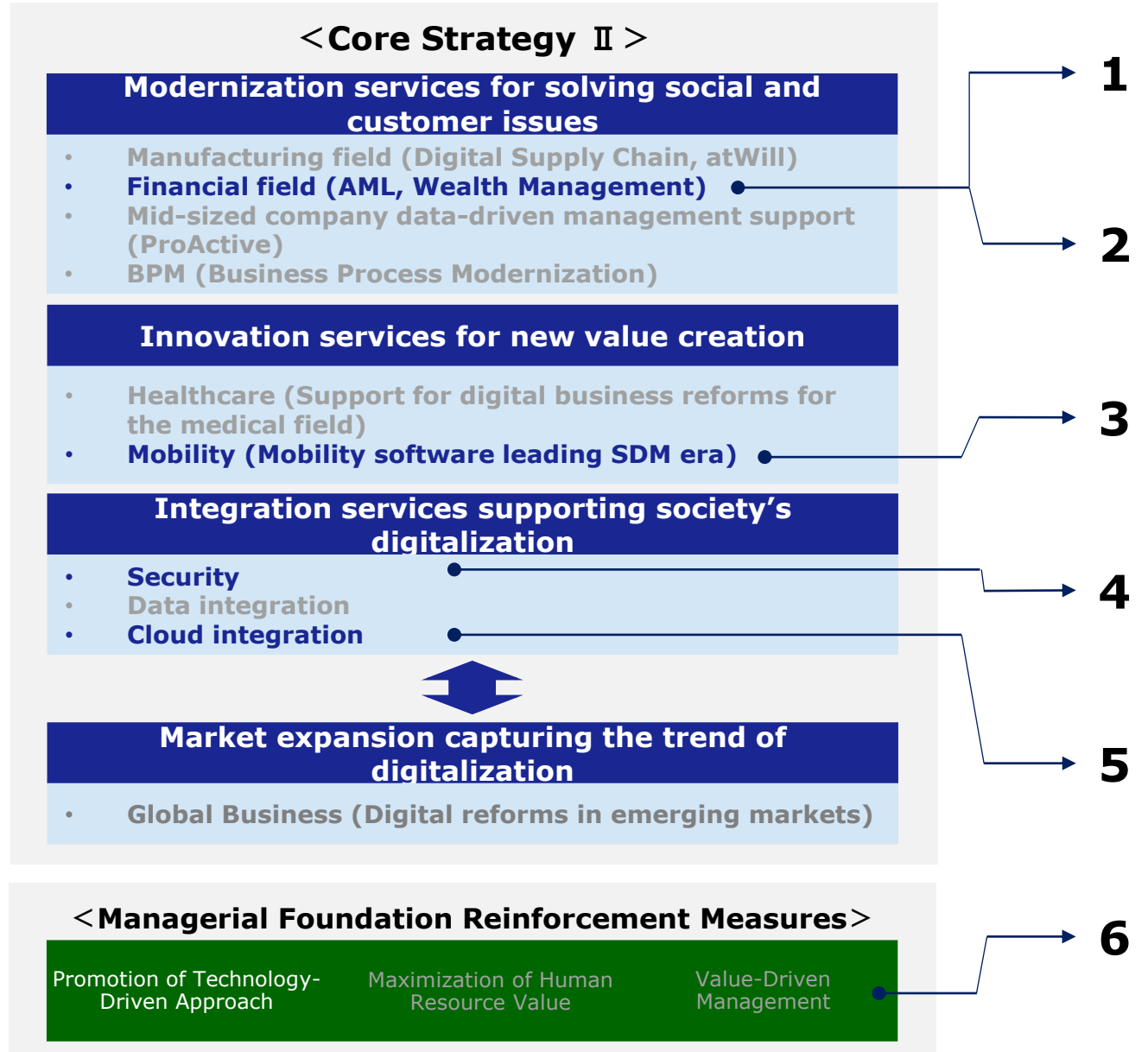
- Global Business (Digital reforms in emerging markets)

Trends in sales scale



- With ERP at the core, "the Digital Supply Chain Business", which provides integrated IT services required for manufacturing operations, leads overall growth
- Growth in "AML Business (Anti-Money Laundering)" thanks to contributions from large-scale projects for the shopping credit/ leasing Companies

Progress of Medium-Term Management Plan (Topics)



- 1

AML specialist "SCSK RegTech Edge" succeeds our AML business

(Press released on October 27, 2023)
- 2

Launched collaboration between Money Pro, a broad-minded Co., Ltd.'s FP consulting service, and Asset-Building Lounge Efukuri

(Press released on September 26, 2023)
- 3

Concluded a collaborative agreement with Renesas Electronics for automotive software platform products

(Press released on July 28, 2023)
- 4

Established SCSK Security, a company specializing in cybersecurity, and commenced operations

(Press released on September 29, 2023)
- 5

Launched AWS closed connection service at SCSK's netXDC data center

(Announced on July 13, 2023)
- 6

Established "AI CoE" and "SCSK AI Integration Lab." as strategic specialists for AI

(Press released on September 15, 2023)

- **“SCSK RegTech Edge Corporation”, a specialized AML affiliate, will be succeeded and aim to provide more advanced services -**

Business Overview

- **Our transaction filtering and monitoring for fund transfer transactions^{*1} and related business, which will be succeeded^{*2} by wholly owned subsidiary SCSK RegTech Edge Corporation.**

***1 An FX transaction analysis business is a transaction filtering or monitoring business with respect to an FX transaction on consignment from multiple financial institutions, etc. In addition, transaction filtering shall analyze whether the customer, etc. falls under the category of persons subject to economic sanctions and notify the depository institutions, etc. of the results. Transaction monitoring shall analyze whether there are any doubtful points in the transaction and notify the depository institutions, etc. of the results.**

(Source: Ministry of Finance, "Analysis of Exchange Transactions")

***2 Simple absorption-type company split. The effective date of the Company Split is January 1, 2024. (As scheduled).**

Future development

- **Based on the knowledge and experience gained over many years in financial crime countermeasures, responding to the increasingly sophisticated methods of criminal organizations, accumulating further knowledge and providing advanced services in specialized organizations**

- **Established and launched operations of a specialized security-focused business company, "SCSK Security Corporation" -**

Business Overview

- **As a security expert, support customers in resolving cyber security issues through both the Product Business*¹ and the Service Business*²**

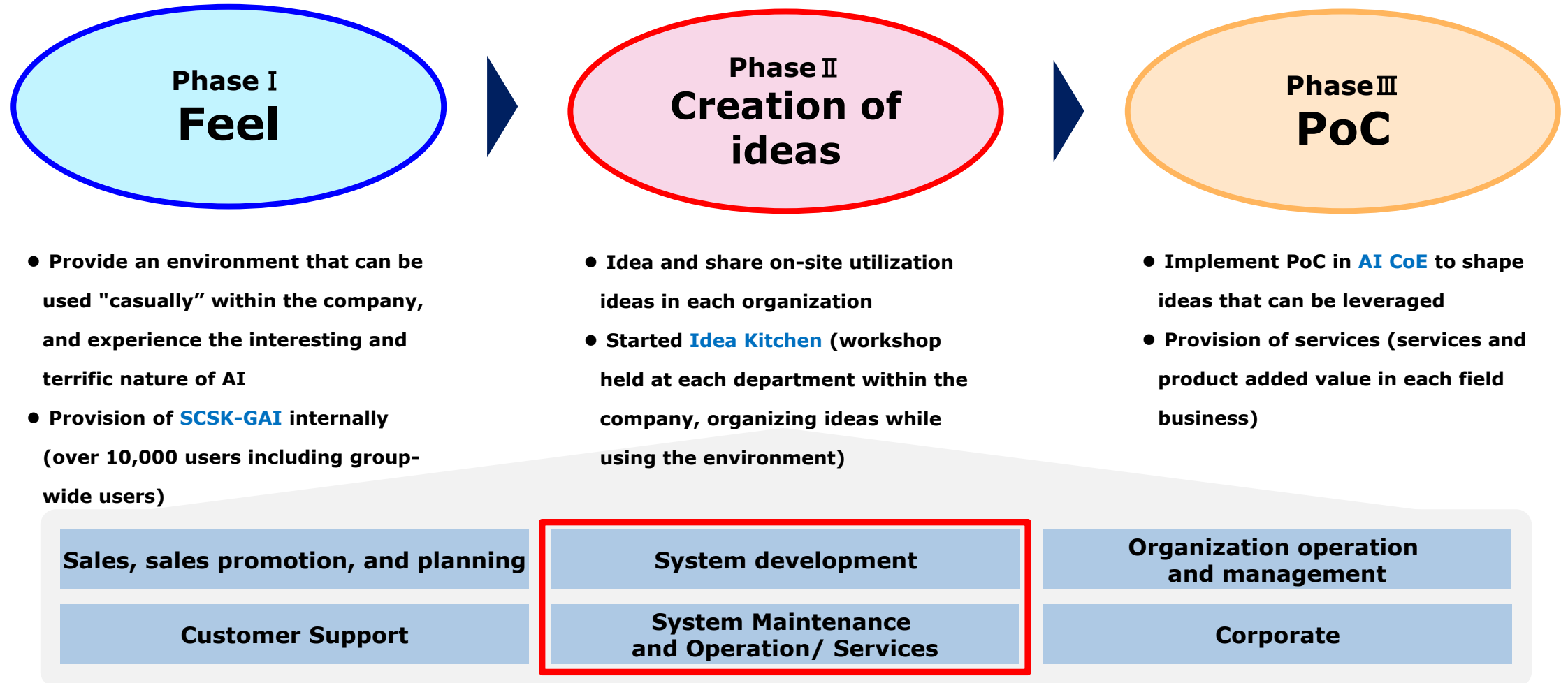
***1 Gathering information on products related to cutting-edge cyber attacks and cyber defense from around the world, evaluating related products by experienced experts, and providing support for introduction to customers**

***2 Leveraging the expertise of white hackers who have won the international convention and experience gained through a cumulative total of more than 4000 fragility diagnosis audits, we provide mainly security consulting services.**

Future development

- **Develop new products and services in response to changing conditions as a core company in SCSK's security business**
- **To expand human capital in the cybersecurity field, we are actively recruiting and hiring highly skilled professionals such as white hackers**

- Establishment of a strategic specialized Organization for AI and initiatives towards utilizing Generative AI(SCSK Generative AI:SCSK-GAI) -



Progress of the Medium-Term Management Plan (Topics)

- Aim to improve productivity and quality in qualitative aspects by utilizing generative AI to detect signs of upstream processes and PRJ delays -

Process	Application work
Requirement definition	Support for understanding existing system requirements
	Support for interviews on requirements and requirements
	Support for preparation of requirement definitions
	Requirements definition review
Design	Design support
	Design review
Implementation	Coding support
	Preparation of code specifications
	Code review
Test	Test design support
	Test design review
	Test Code/Data Generation
	Test results analysis

Process	Application work
Environment building	Infrastructure design, environmental construction and testing
Operation and construction	Infrastructure design, environmental construction and testing
Release	Education and support
Operation	Operations automation
	Operations report
Maintenance	Defect investigation and impact investigation
	Defect investigation and impact investigation
	Personnel handover support
Maintenance and development	Migration
	Transitional testing
Management	Support for PM/PMO

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