

Business Results Summary for the Fiscal Year Ended March 2024 and Progress of Medium-Term Management Plan

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Representative Director, President

April 26, 2024

1. Business Results Summary for FY2023
and Business Forecasts for FY2024

2. Progress of Medium-Term Management Plan
(FY2023 - FY2025)

(Appendix)



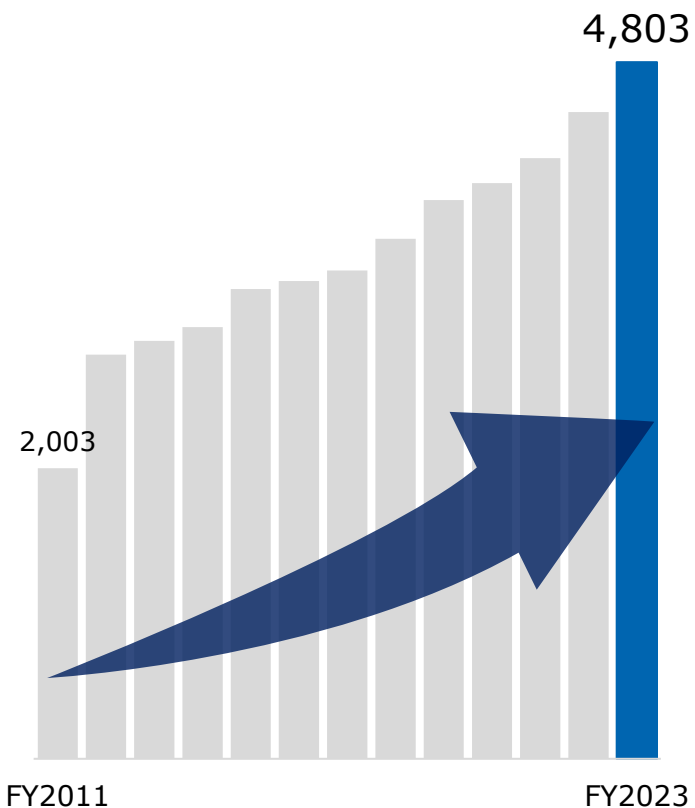
1. Business Results Summary for FY2023 and Business Forecasts for FY2024

Consolidated Business Results Summary

- The upward revision announced in October 2023 was revised upward as client companies' demand for IT investing exceeded expectations
- In light of the above-planned results, the year-end dividend for FY2023 was added to increase the dividend by 2 yen
(up 4 yen from the dividend forecast announced in April 2023)

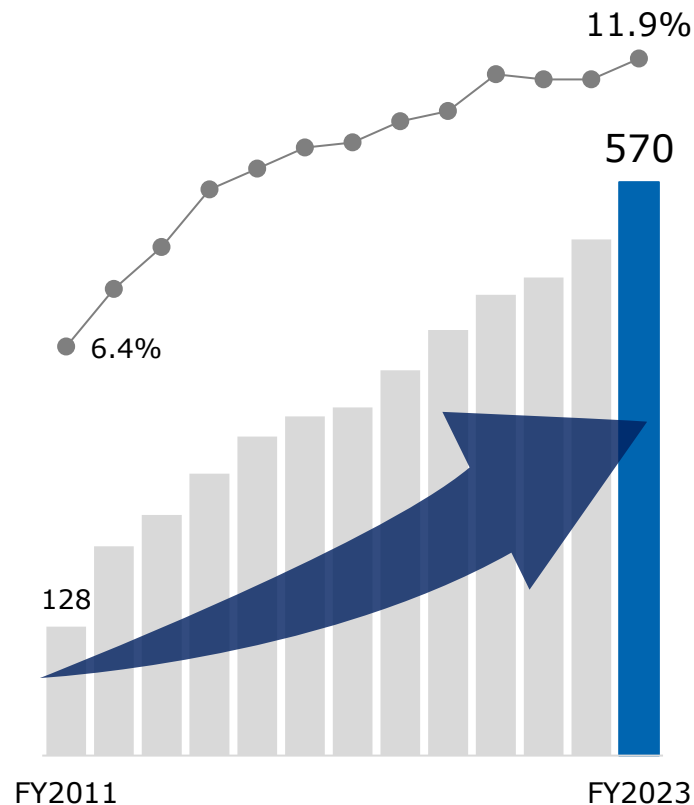
Net Sales

(100 million Yen)



Operating Profit Operating Profit Margin

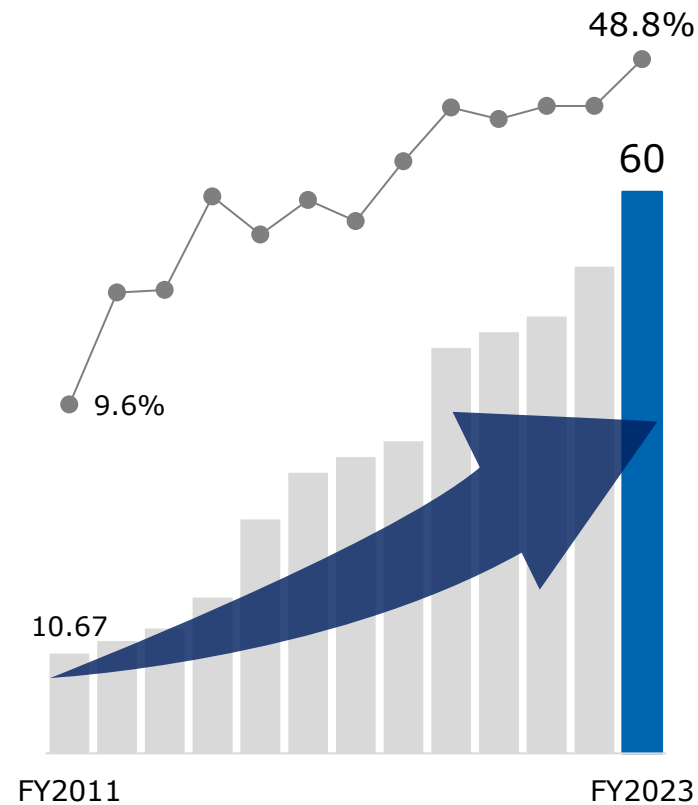
(100 million Yen)



Dividend per Share Dividend Payout Ratio

(Yen)

※Converted value after stock split



FY2024 Business and Dividend Forecasts

<Business Forecasts>

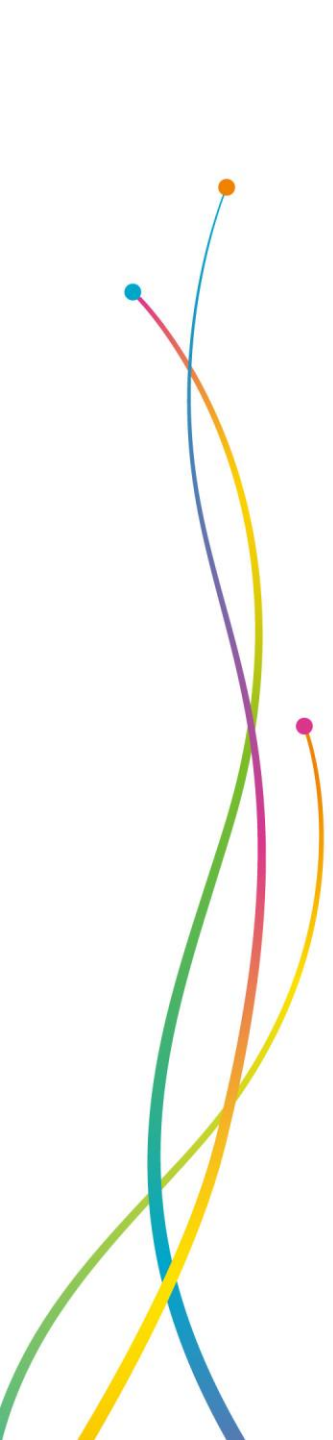
(100 millions of yen)

	FY2023(Results)	FY2024(Forecasts)	Amount	Rate of Change
Net Sales	4,803	5,100	+296	+6.2%
Operating Profit	570	620	+49	+8.8%
Operating Profit Margin	11.9%	12.2%	+0.3pt	-
Profit attributable to owners of parent	404	445	+40	+10.0%

<Dividend Forecasts>

(Yen)

	FY2023(Results)	FY2024(Forecasts)	Amount	Rate of Change
Annual Dividend per Share	60.00	68.00	+8.00	-
Dividend Payout Ratio	46.3%	47.7%	+1.4pt	-

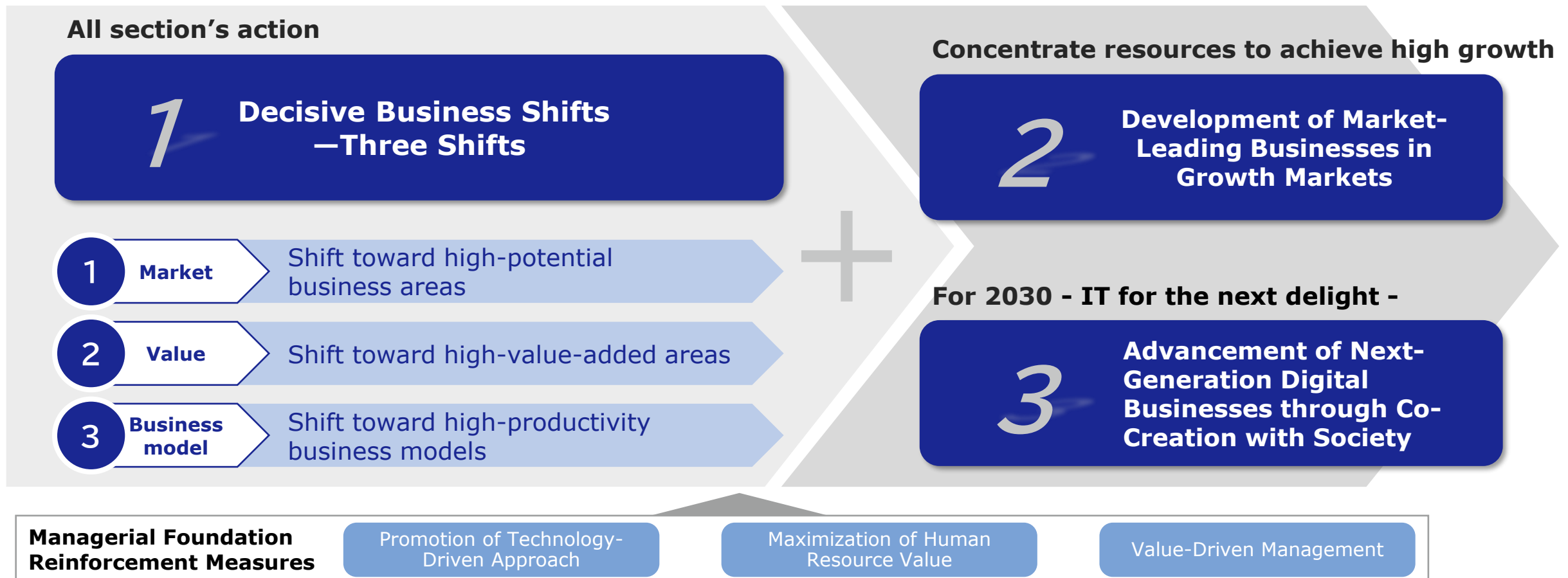


2. Progress of Medium-Term Management Plan (FY2023 - FY2025)

Medium-Term Management Plan SCSK Group's Core Strategies

■ Pursue dramatic improvements in "Comprehensive Corporate Value" through:

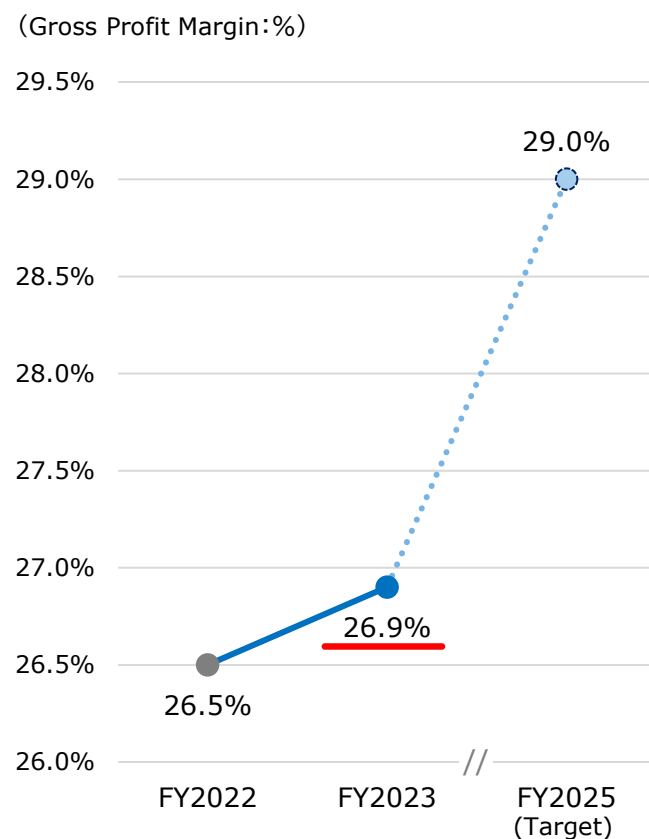
- Reorganization of business areas and redevelopment of business models to continue providing new value to clients and society
- Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of SCSK Group



Progress of Core Strategy I

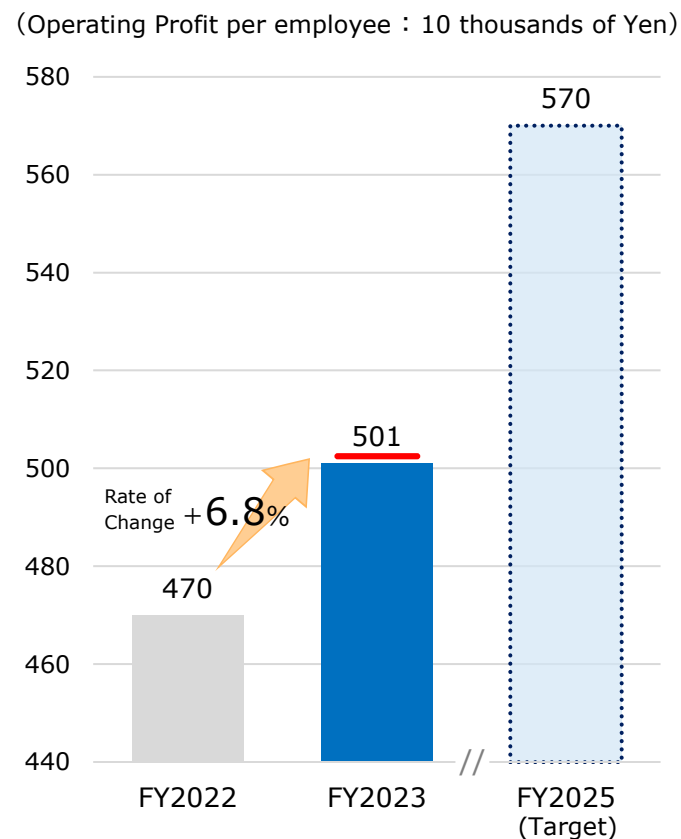
Core Strategy I - II

YoY +0.4pt



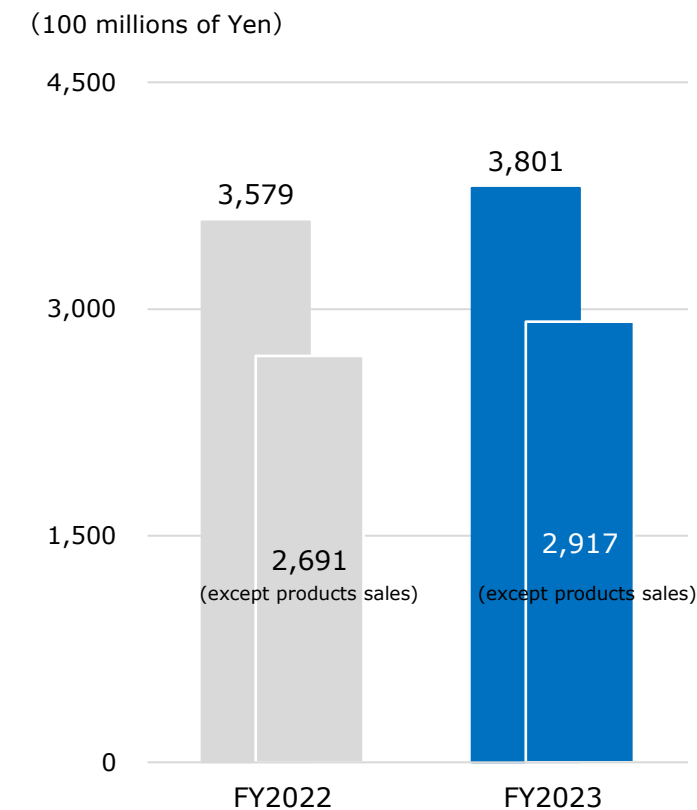
Core Strategy I - III

YoY +31



(Reference) Sales of Domestic IT Service

YoY +6.2%



Note: Results for Basic Strategy 1-1 are disclosed in the final fiscal year, while results for Basic Strategy 1-2 are calculated as sales excluding product sales from domestic IT services.

Progress of Core Strategy II

<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

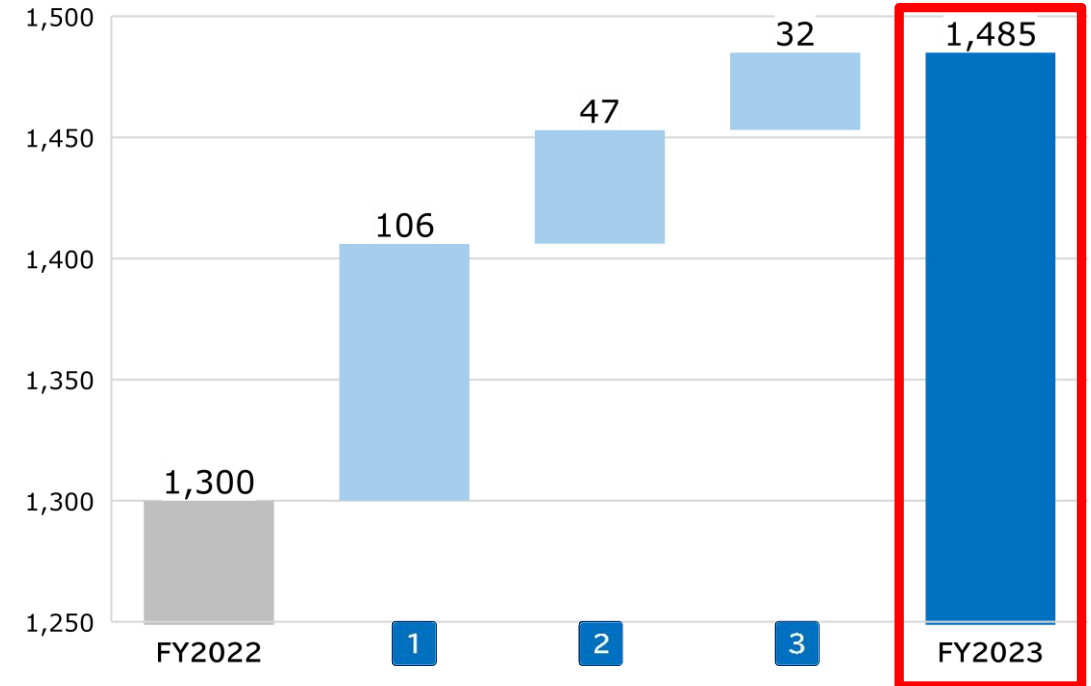


Market expansion capturing the trend of digitalization

- Global Business (Digital reforms in emerging markets)

Net Sales

(100 millions of Yen) YoY +14.3%



<Main Factors>

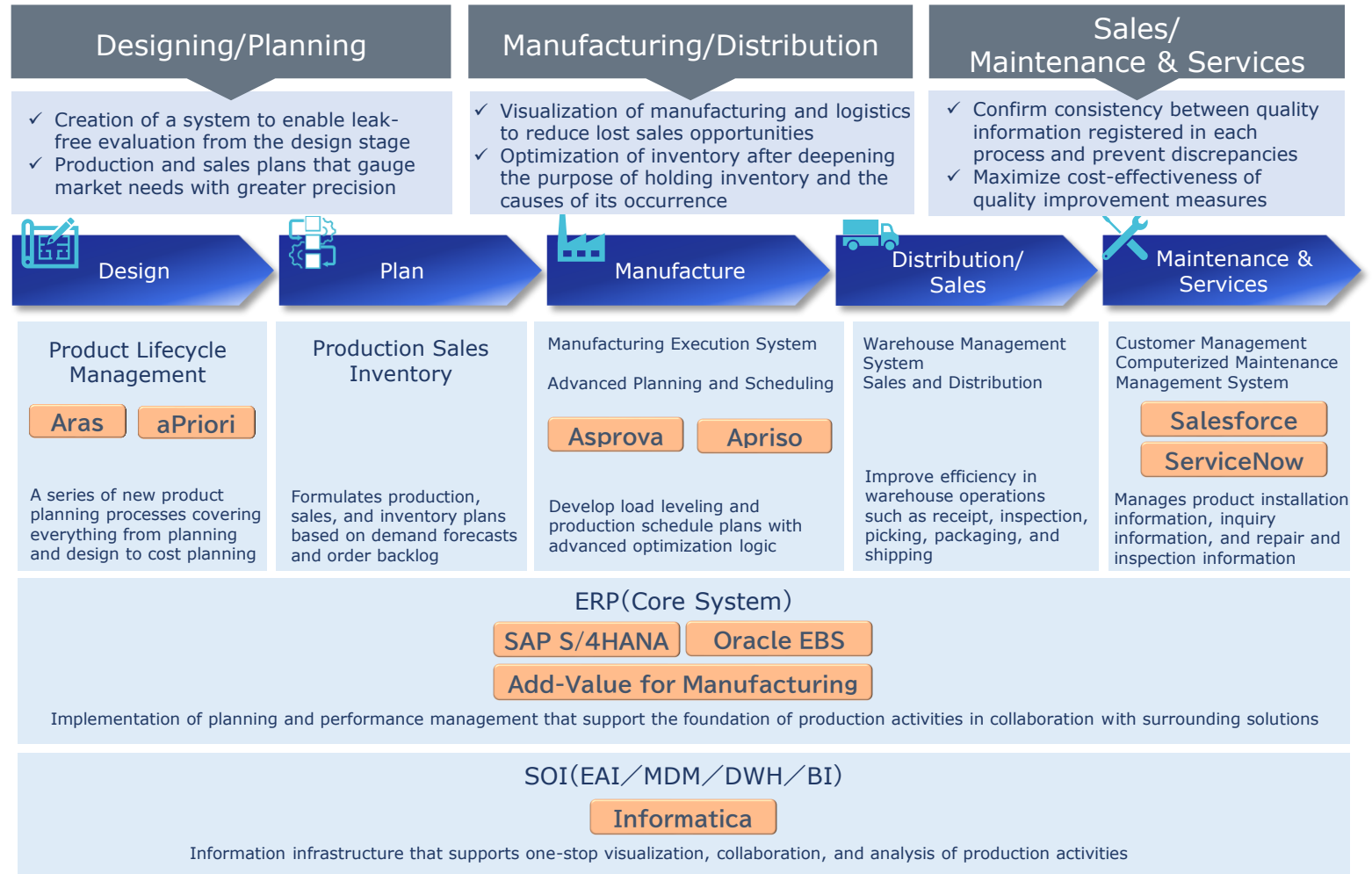
- In addition to strong performance in the digital supply chain, ProActive projects increased due to invoicing and other factors
- Growth in mobility due to capturing demand for strategic investment in the automotive industry

Core Strategy II

Progress of Digital Supply Chain Business and Initiatives for FY2024

Solution Map (the image for illustration purposes)

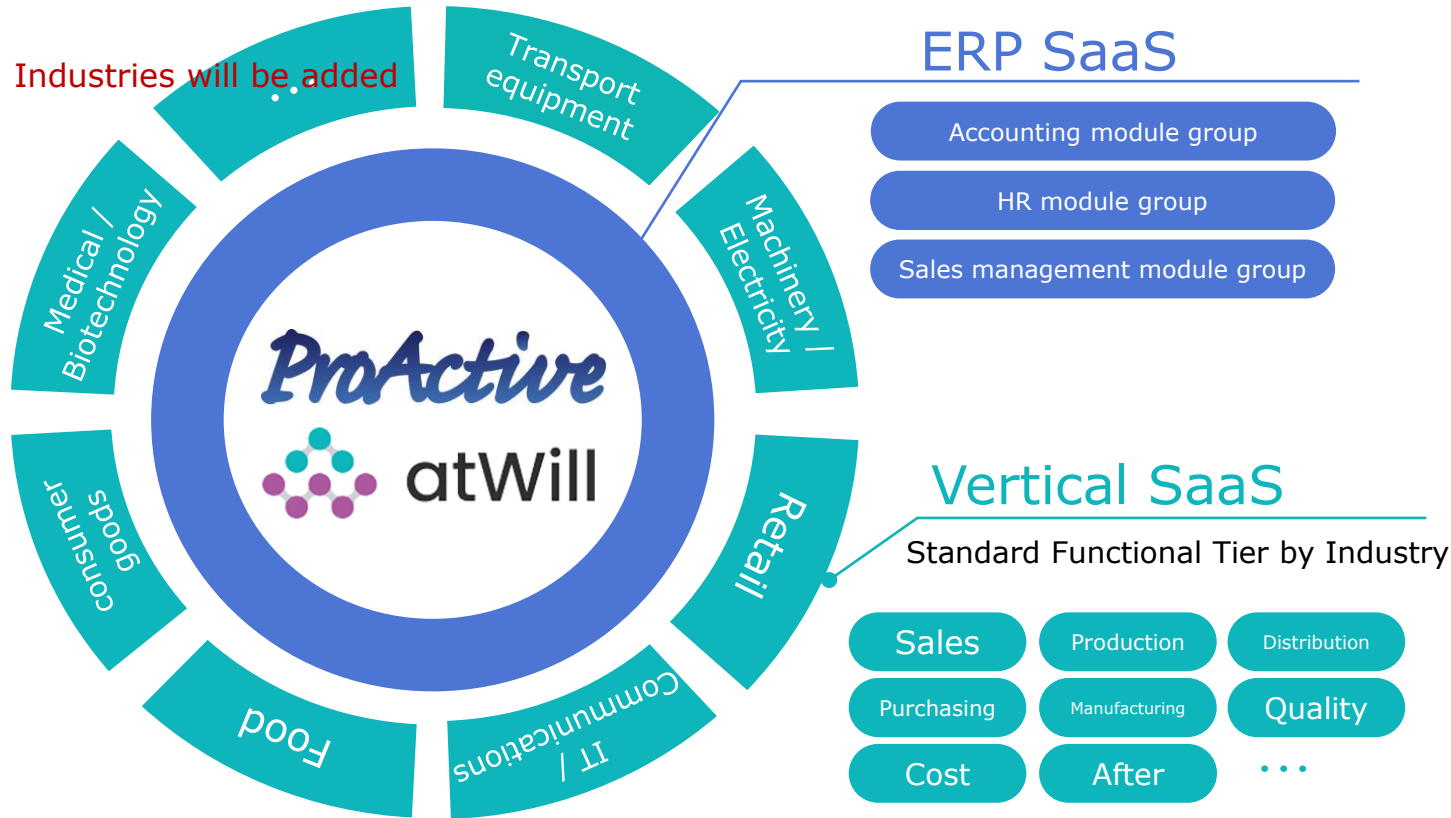
Optimize the manufacturing supply chain and realize process reforms



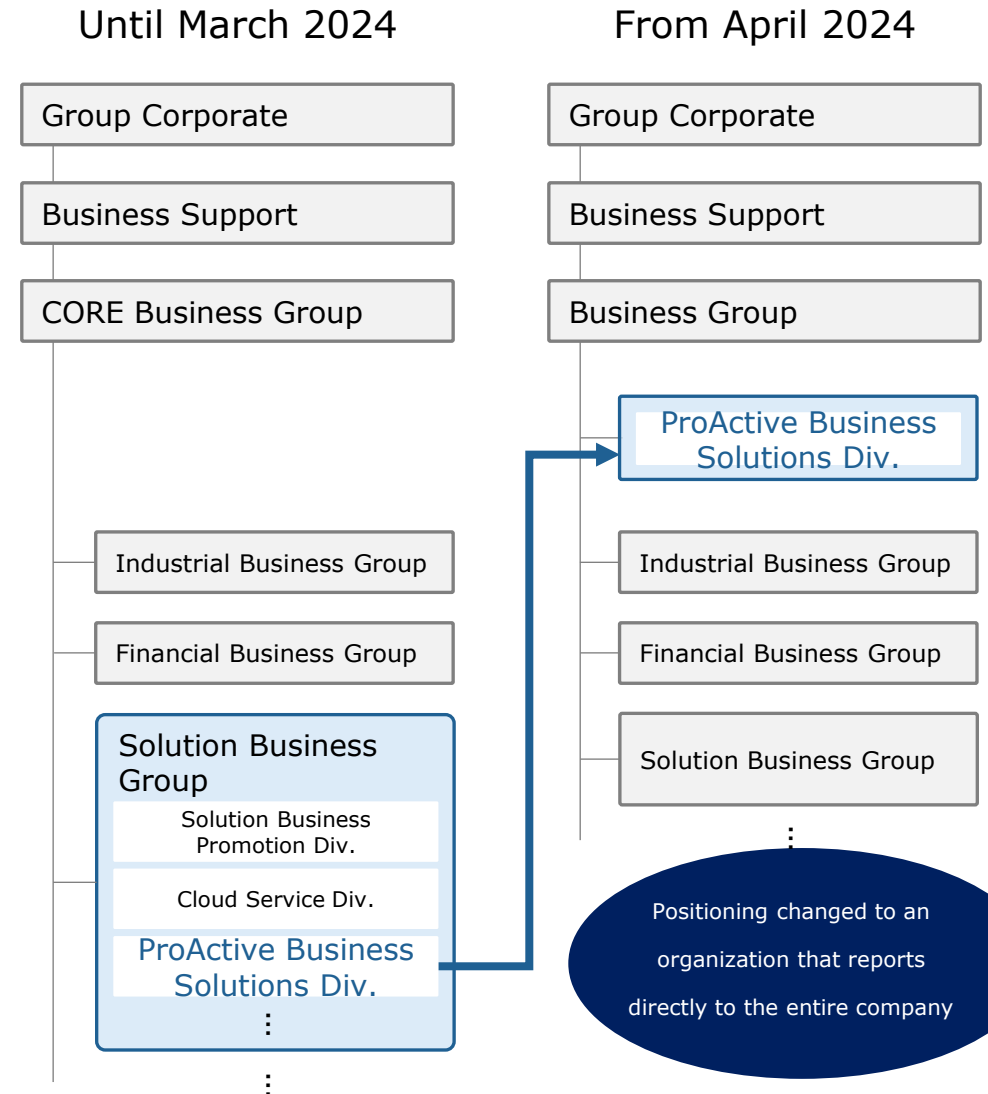
- [Feature] Strong relationships with customers in the manufacturing industry, which account for 30% of sales (FY2023 results: 31.1%)
- [Strength]
- Business knowledge cultivated through system construction for major manufacturers
 - Abundant track record of ERP introduction
 - Technological capabilities to realize system-to-system collaboration
- Achieving Global, Resilient, and Sustainable Supply Chain Transformation Together with Customers (SCSK's Digital Supply Chain Business)

Core Strategy II

Progress and Initiatives of ProActive Business for FY2024



- Integrate ProActive businesses (ERP SaaS) and atWill businesses (Vertical SaaS)
- Shift to a SaaS business model that encompasses the production-management domain
- Released a ProActiveC4 sales control module for the current fiscal year



- Mobility industry, which is entering a period of major transformation
- Vehicle creation from hardware-centric to software-centric



SoftWare Defined Mobility
(SDM)

<SCSK Vision>

Leading SDM Era with Co-Creative Mobility Servicers

Accelerate co-creation with OEM and other suppliers

【 Honda Motor Co., Ltd. 】

Basic agreement reached on a strategic partnership in the software development area

【 Renesas Electronics Corporation 】

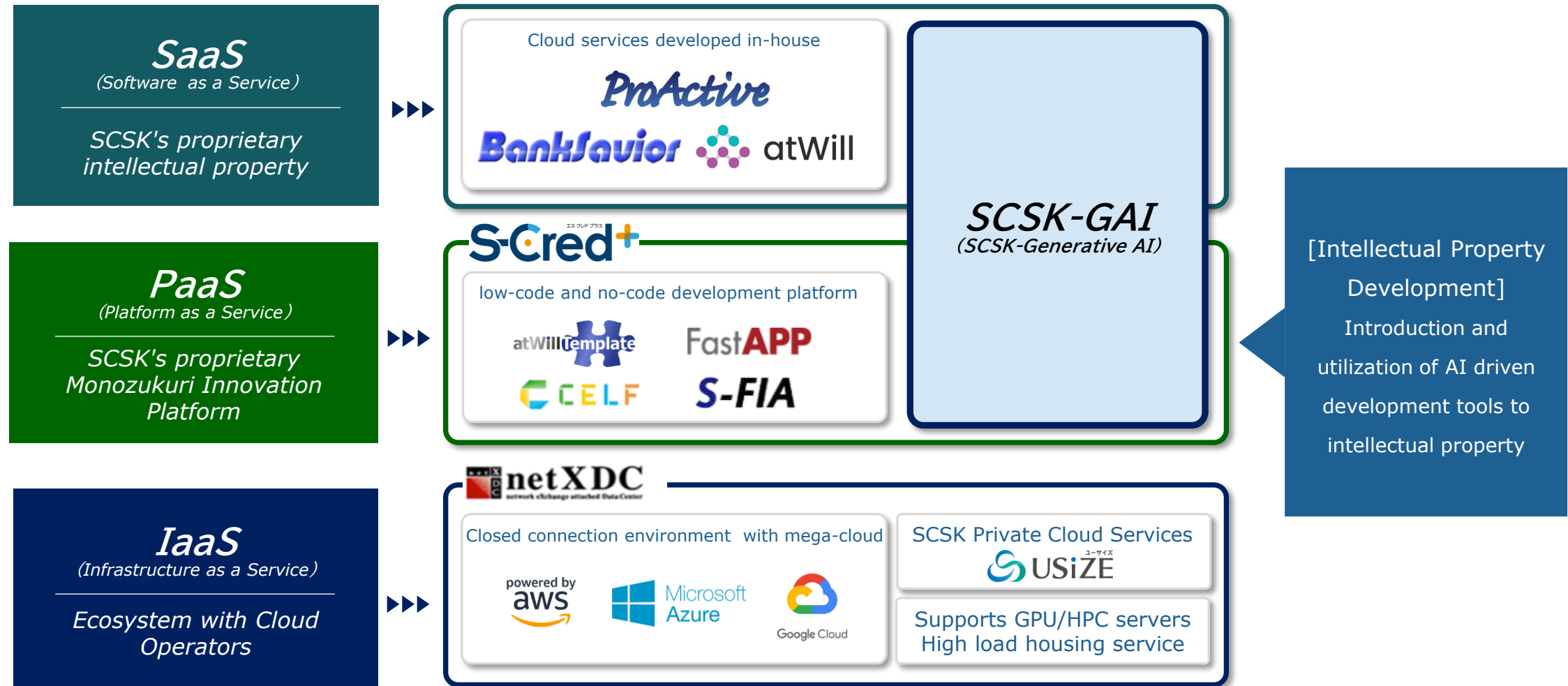
Concluded a collaborative agreement with for automotive software platform products

【 Toyota Connected Corporation 】

Collaboration in the field of connected services for vehicles

Managerial Foundation Reinforcement Measures (Promotion of Technology-Driven Approach)

Accelerate the use of AI in system-development, and support innovation from a technological perspective by promoting the basic strategies of the Medium-Term Management Plan



Managerial Foundation Reinforcement Measures Maximization of Human Resource Value

Beyond Healthy Management to become

"Well-Being Management"

From pleasantness to job satisfaction

Based on SCSK's past initiatives, we will define Well-Being management as the next stages and promote initiatives

- Improve long working hours through efficient ways of working
- Shift from uniform to flexible working styles

Smart Work Challenge

1stSTAGE
Working
style
reforms
From 2012

Employee
awareness
survey

Toward a company that is
healthy both in mind and body

*Kenko Waku Waku
Mileage Program*

2ndSTAGE
Health
Management
From 2015

Health
questionnaire
surveys

3rdSTAGE

Well-Being
Management
From 2021

A company that contributes
to society through value
creation and can experience
job satisfaction

SCSK
Well-Being Score

Go through the improvement cycle
by defining values and indices
as promotion measures

Opened SCSK LINK SQUARE, a branding base in SCSK, in Tokyo-Midtown Yaesu — Creating New Value to Become a Co-Creation IT Company



▶▶ WELCOME AREA



▶▶ EXPERIENCE AREA



▶▶ COLLABORATION AREA



The concept of SCSK LINK SQUARE is "a comfortable co-creation space."

We hope that this place will provide a wonderful and comfortable "co-creation experience" and create "co-creation" with our customers and other visitors.

The logo expresses the image of "connecting" and "gathering," and the fact that we are connected through this place.

Connecting: SCSK LINK SQUARE will be the base for various connections, and this will lead to the expansion of the circle of co-creation.

Gathering: Meet and mingle with various people to create new things

Business and Dividend trends during Medium-term Management Plan

<Business Trends>

(100 millions of yen)

	FY2022(Results)	FY2023(Results)	FY2024(Forecasts)	FY2025(Targets)
Net Sales	4,459	4,803	5,100	-
Operating Profit	513	570	620	650
Operating Profit Margin	11.5%	11.9%	12.2%	12.5% or higher
Profit attributable to owners of parent	373	404	445	-

<Dividend Trends>

	FY2022(Results)	FY2023(Results)	FY2024(Forecasts)	FY2025(Targets)
Annual Dividend per Share	52.00 yen	60.00 yen	68.00 yen	-
Dividend Payout Ratio	43.5%	46.3%	47.7%	50.0%



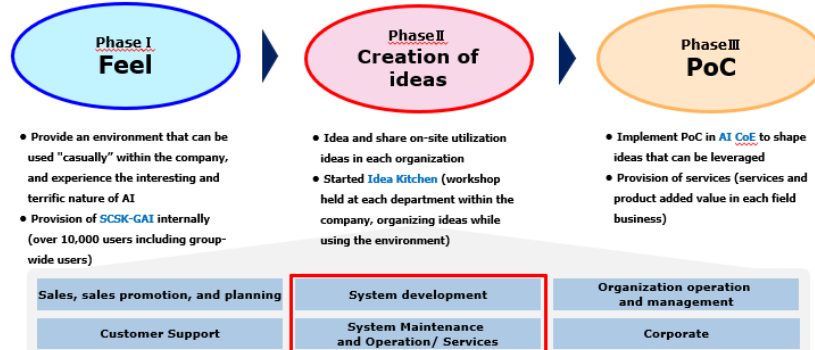
(Appendix)

Utilization of Generative AI for Systems Development Operation

Progress of the Medium-Term Management Plan (Topics)

SCSK

- 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)

SCSK

- 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

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Verification of application in the requirement definition process

- Implemented application verification in the development of in-house systems
 - Confirmed that draft-level requirements definition could be prepared by examining the items listed
 - By reading the requirements, we expect to reduce the number of investigative man-hours by checking the specifications through the generation AI, and to have a secondary effect on confirming technical terms, etc.

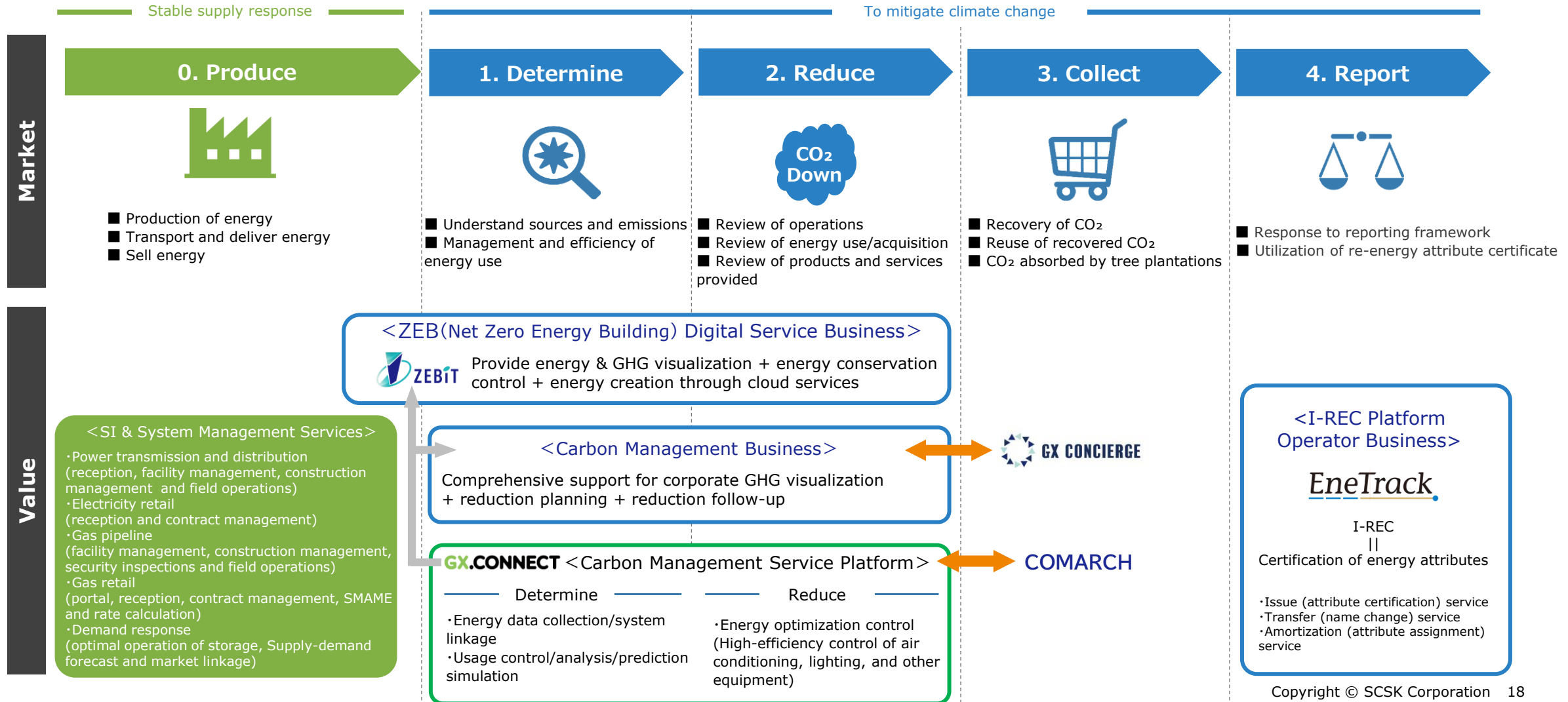
Verification of application in mounting and unit testing processes

- Verification also conducted in-house system development
 - Productivity improvement of approximately 20-30% confirmed
 - Significant productivity improvements are expected in both work time and work quality in the standalone test process

(FY2023 Q2 IR Presentation)

Core Strategy III Initiatives of GX field

Business development and provision of services to diverse markets in the energy field in anticipation of changes in the social structure



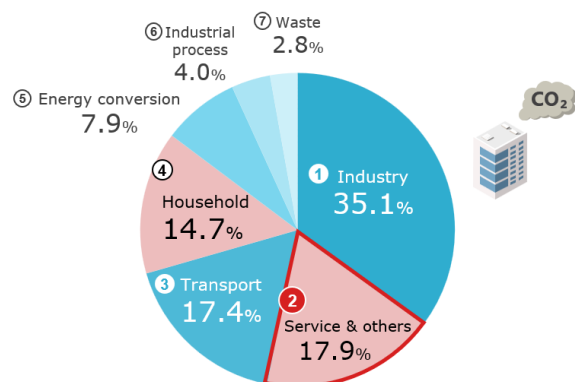
Core Strategy Ⅲ Initiatives of GX field

Challenges for Carbon Neutral Realization

Decarbon of buildings is an urgent issue

- More than 30% of CO₂ emissions from buildings (17.9% emissions from commercial buildings)

Total: Approx. 1.064 billion tons



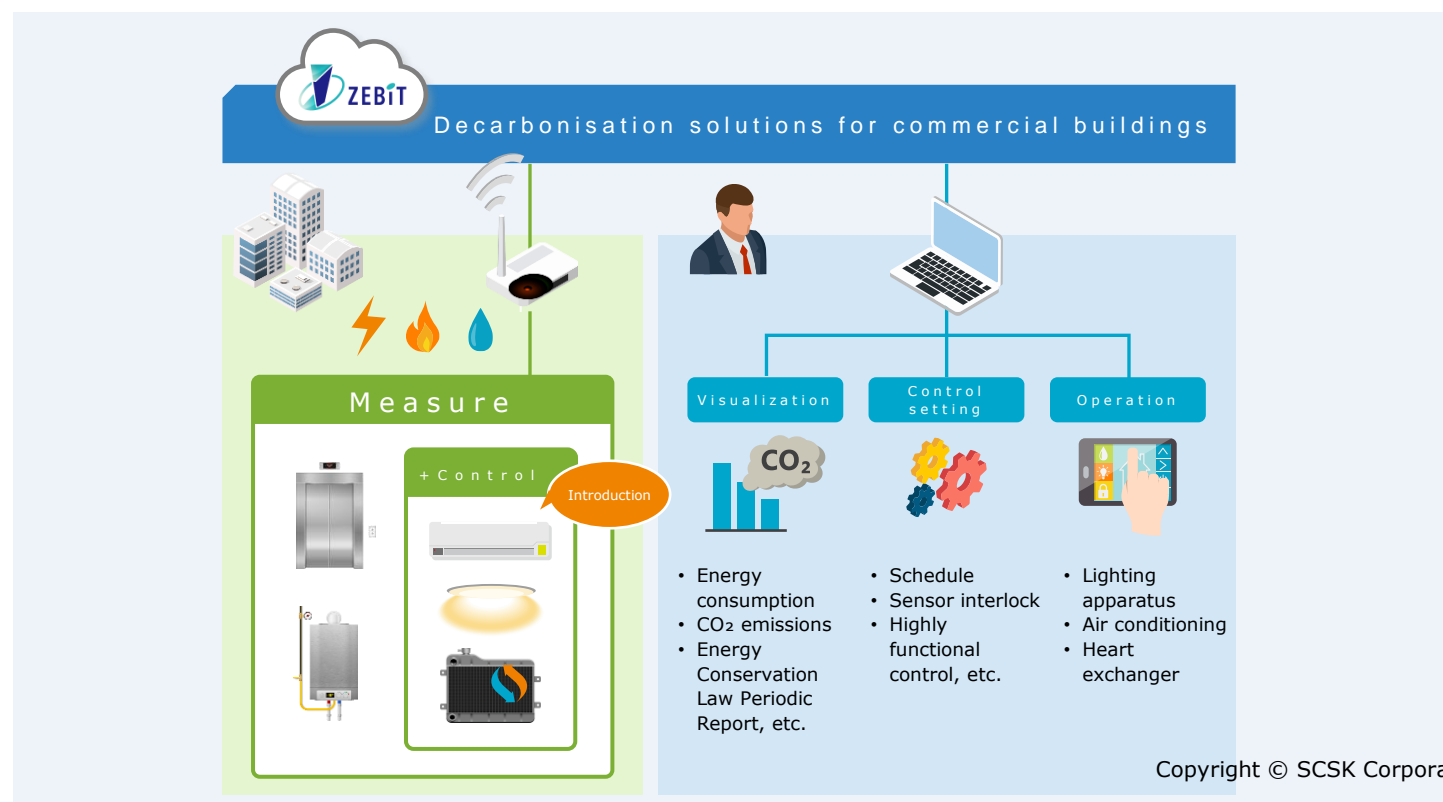
- CO₂ emissions from commercial buildings have increased by 48% over the last 30 years

Section	Increase/Decrease		Target	
	1990 → 2019		2013 → 2030	
① Industry	24%	↓	38%	↓
② Service & others	48%	↑	51%	↓
③ Transport	1%	↓	35%	↓
④ Household	24%	↑	66%	↓
⑤ Energy Conversion	10%	↓	47%	↓

Source: Greenhouse Gas Inventory (FY2021, after distribution of electricity and heat)

Launched ZEBiT, a service that supports energy conservation and decarbonization of commercial buildings

- ZEBiT is a decarbonisation solution that uses IoT techniques to streamline facility management-related operations, accelerate GX of commercial buildings, and support building ZEB(Net Zero Energy Building)
- Began providing carbon management, which calculates CO₂ emissions for the entire building by visualizing energy consumption, and energy management, which controls and monitors facilities, as cloud services in April 2024
- Aim to introduce 100 buildings by the end of fiscal 2024 and 450 buildings by the end of fiscal 2025, mainly small-and medium-sized business buildings with floor space of less than 5000sqm



Management Targets(Financial)

Core Strategy Indicators Progress Summery

(100 millions of yen)

Items	FY2022 (Results)	FY2023 (Results)	FY2025 (Targets)
Financial Targets			
Operating Profit	513	570	650
Operating Profit Margin	11.5%	11.9%	12.5% or higher
ROE	14.4%	14.1%	14%
Shareholder Returns			
Dividend Payout Ratio	43.5%	46.3%	50.0%
Core Strategy Indicators			
Core Strategy I - I *1	Around 40%	—	60% or higher
Core Strategy I - II *2	26.5%	26.9%	29.0% or higher
Core Strategy I - III *3	¥470 million	¥501 million (+6.8%)	¥570 million (+20% or higher)
Core Strategy II	1,300	1,485	2,000

Items	FY2023 (Results)	FY2025 (Targets)
Growth Investment		
M&A	69	500~700
R&D・Business Development	162	200~300
Investment in people	51	100~200
(Total)	284	1,000

*1: The results will be disclosed in the final fiscal year.

*2: Domestic IT Service (Except products sale)

*3: Domestic IT Service

Management Targets(Non-Financial) Progress Summery

Items	FY2022 (Results)	FY2023 (Results)	FY2025 (Targets)
Human resources portfolio/ human resource development			
Talent for consulting and business design	265 persons	319 persons	500 persons or more
Persons who completed cutting-edge engineer development training	1,150 persons	1,745 persons	3,000 persons or more
Advanced PM talent	166 persons	183 persons	250 persons or more
Persons who completed digital skill standard education	1,600 persons	3,772 persons	10,000 persons or more
Well-Being/D&I promotion ^{*1}			
Engagement (pleasant workplace)	90.6%	89.3%	90% or higher ^{*2}
Engagement (rewarding workplace)	75.6%	78.0%	
Performance Volatility (abilities are leveraged)	76.8%	76.1%	90% or higher ^{*3}
Performance Volatility (presenteism)	81.7%	80.2%	
Number of females in general manager positions	—	1.3 times	Three times or more ^{*4}

Items	FY2021 (Results)	FY2022 (Results)	FY2030 (Targets)	FY2050 (Targets)
Reduction of greenhouse gas emissions ^{*5}				
Scope1+2	Approx. 15% reduction	Approx. 22% reduction	47% reduction	100% reduction
Scope3	Approx. 6% reduction	0.1% increase	28% reduction	—

- *1: Regarding engagement and performance volatility, we plan to handle these measures using the newly introduced "SCSK Well-Being Score" and anticipate changing to disclosures based on the measurement results of this score in the future.
- *2: The percentage of employees who answered positively in response to both of the items "SCSK is a company with a pleasant workplace" and "SCSK is a company with rewarding workplace" in the employee awareness survey.
- *3: The percentage of employees who answered positively in response to the item "My abilities are fully leveraged" in the employee awareness survey and who answered that "80% of my performance is demonstrated on the assumption that performance made in healthy conditions is 100%" in the health questionnaire survey.
- *4: Calculate the ratio for FY2022 (Results).
- *5: The figures for FY2023 (Results) are currently being compiled. Compared to FY2019.

Attention on the use of this document

- Figures are rounded down to the nearest unit and Percentages are rounded to the nearest unit.

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