

Consolidated Financial Results for the 1st Quarter of Fiscal Year Ending March 2025

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FY2024 Q1

- Summary of Financial Results (PL/Incoming Orders/Backlog)
- Net Sales Analysis
- Operating Profit Analysis
- Incoming Orders/ Backlog Analysis
- Business Performance by Reportable Segment (Net Sales/Operating Profit/Operating Profit Margin)
- Business Performance by Reportable Segment (Incoming Orders/Backlog)
- Business Performance by Reportable Segment Analysis
- Topics

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- FY2024 Comparison by Sales Segment (Net Sales/Incoming Orders/Backlog)
- FY2024 Sales Comparison by Customer Industry

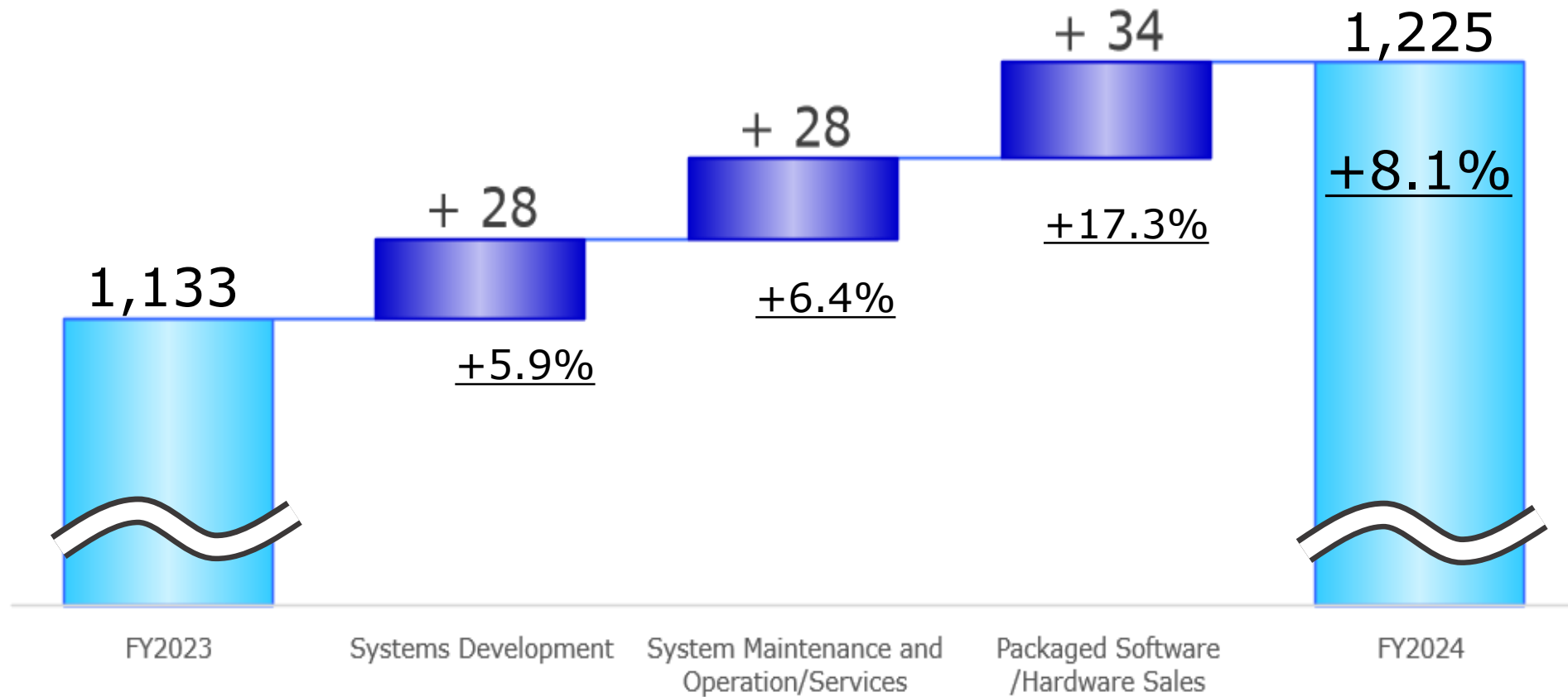
(Millions of yen)

| | FY2023 | FY2024 | YoY | |
|---|-------------------------|-------------------------|---------|-------|
| | (Apr. 2023 - Jun. 2023) | (Apr. 2024 - Jun. 2024) | Amount | % |
| Net Sales | 113,371 | 122,543 | 9,171 | 8.1% |
| Gross Profit | 29,819 | 31,336 | 1,517 | 5.1% |
| Gross Profit Margin | 26.3% | 25.6% | -0.7% | |
| SG&A Expenses* | - 16,869 | - 18,422 | - 1,553 | 9.2% |
| Operating Profit | 12,950 | 12,914 | - 36 | -0.3% |
| Operating Profit Margin | 11.4% | 10.5% | -0.9% | |
| Profit attributable to owners of parent | 9,007 | 9,222 | 215 | 2.4% |
| Incoming Orders | 102,969 | 115,735 | 12,766 | 12.4% |
| Backlog | 172,769 | 180,772 | 8,003 | 4.6% |

*Including other income and expenses

FY2024 Q1 Net Sales Analysis

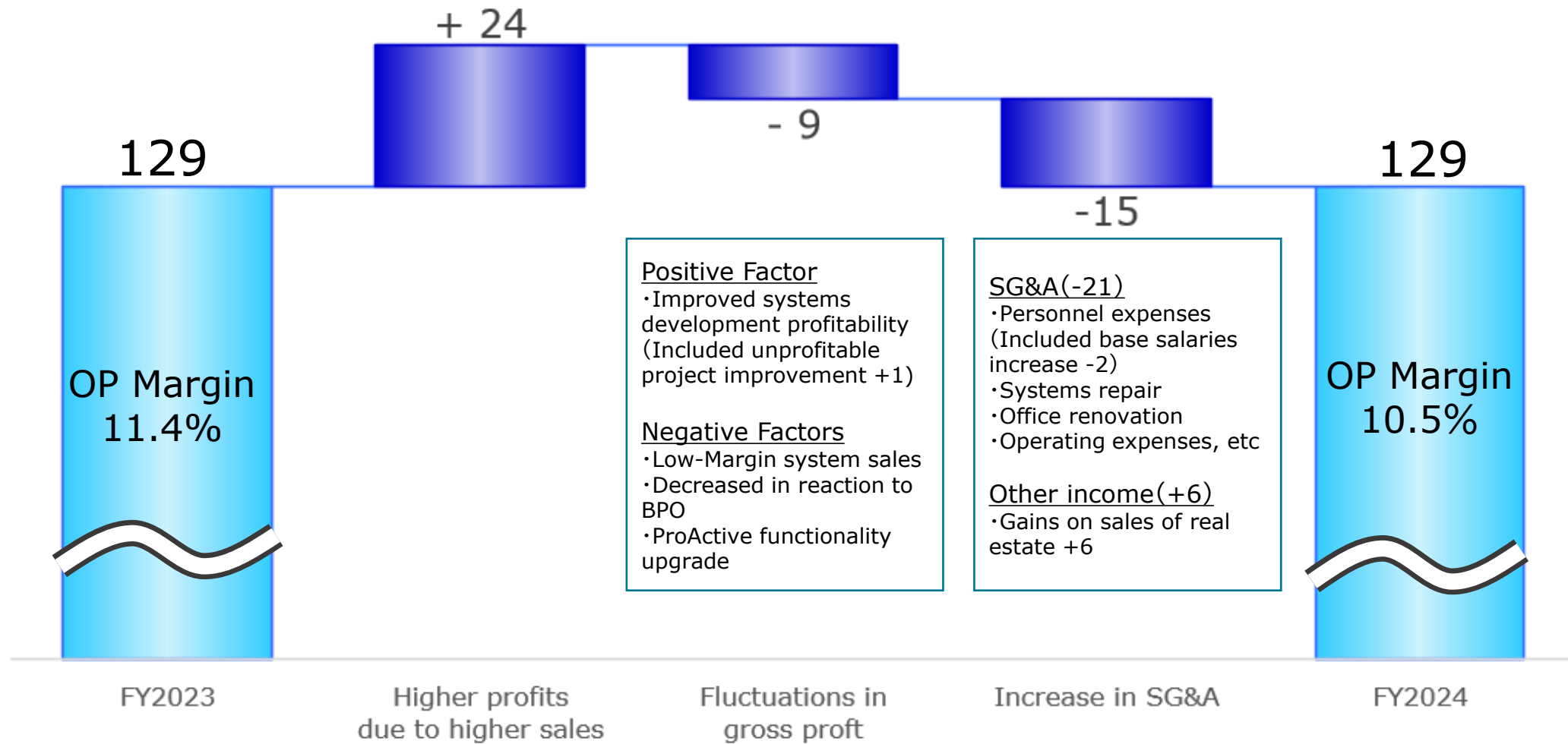
(100 millions of yen)



FY2024 Q1 Operating Profit Analysis

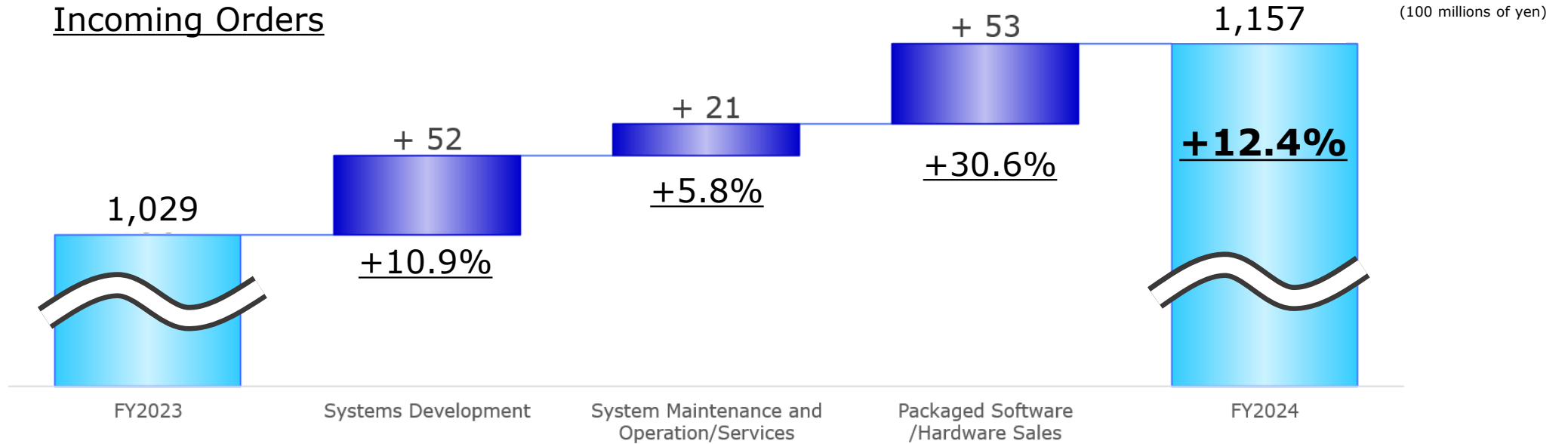


(100 millions of yen)

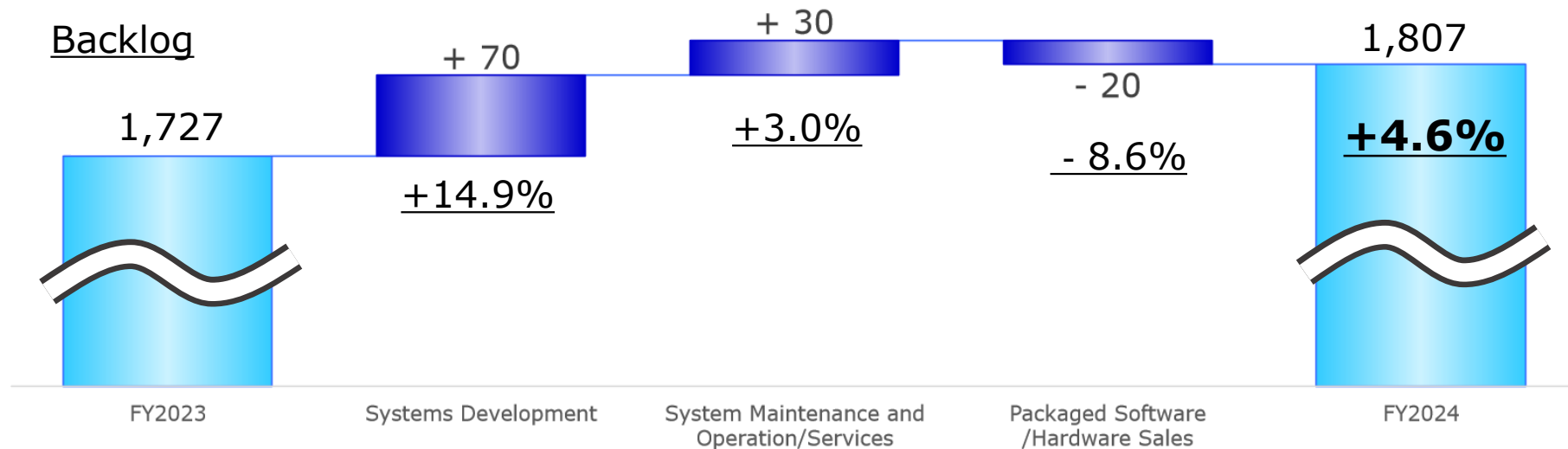


FY2024 Q1 Incoming Orders/ Backlog Analysis

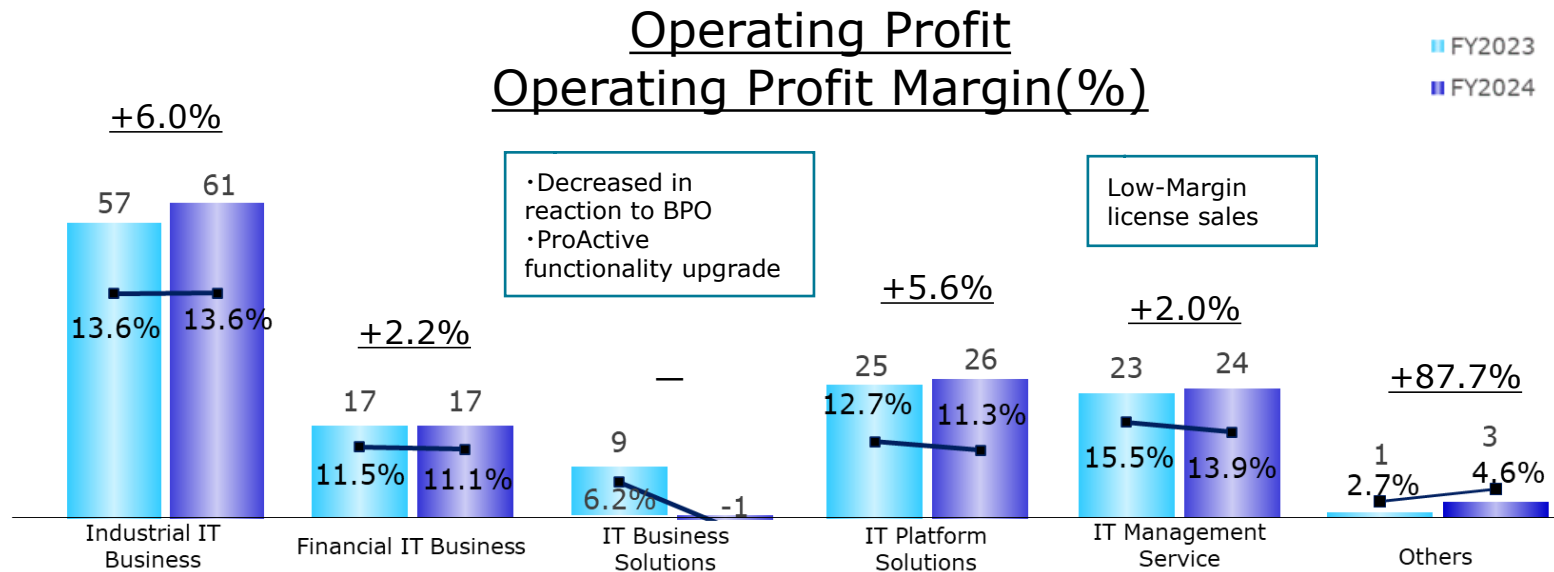
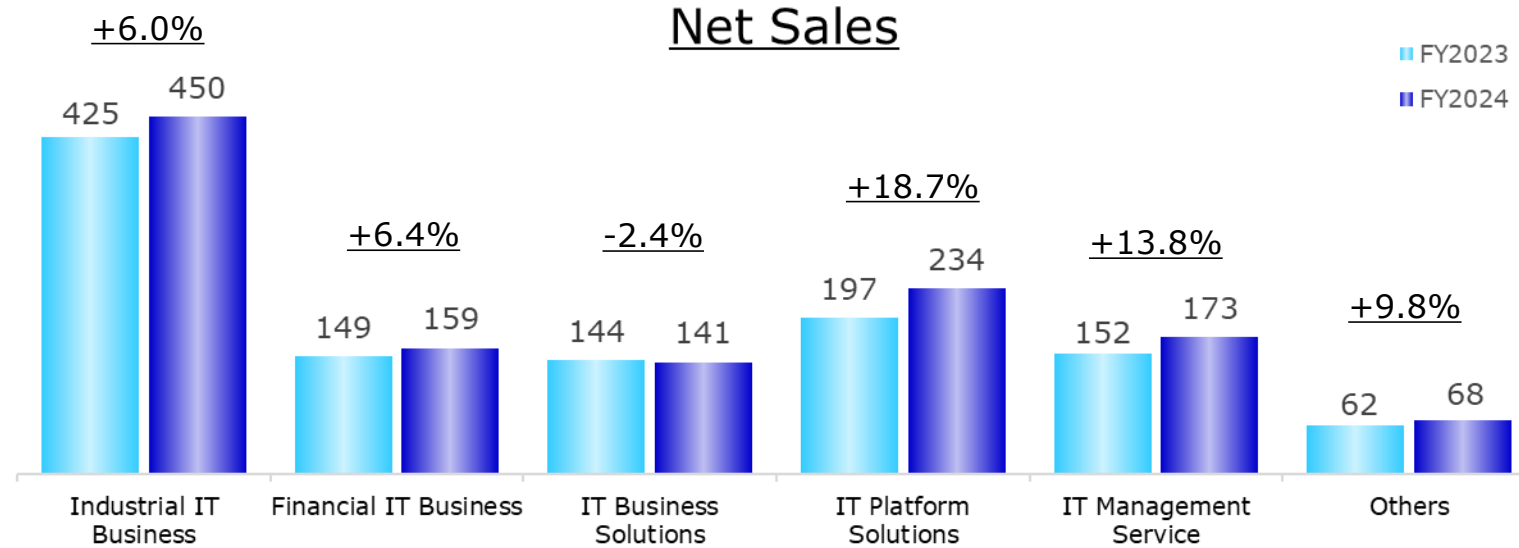
Incoming Orders



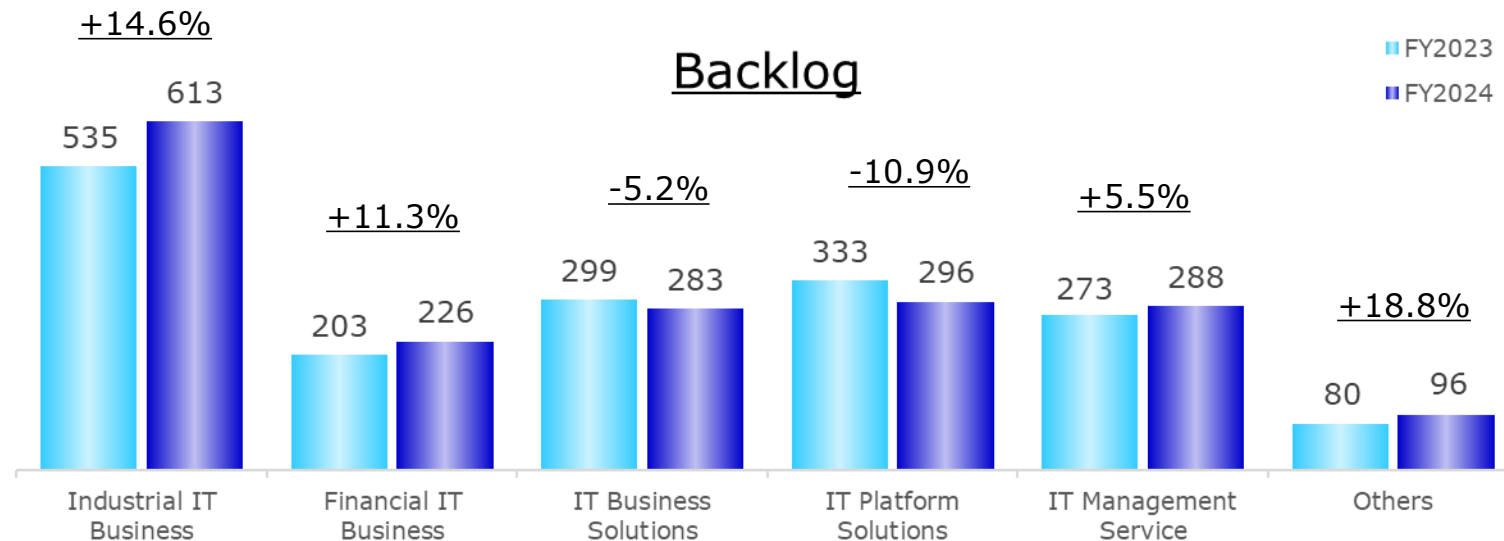
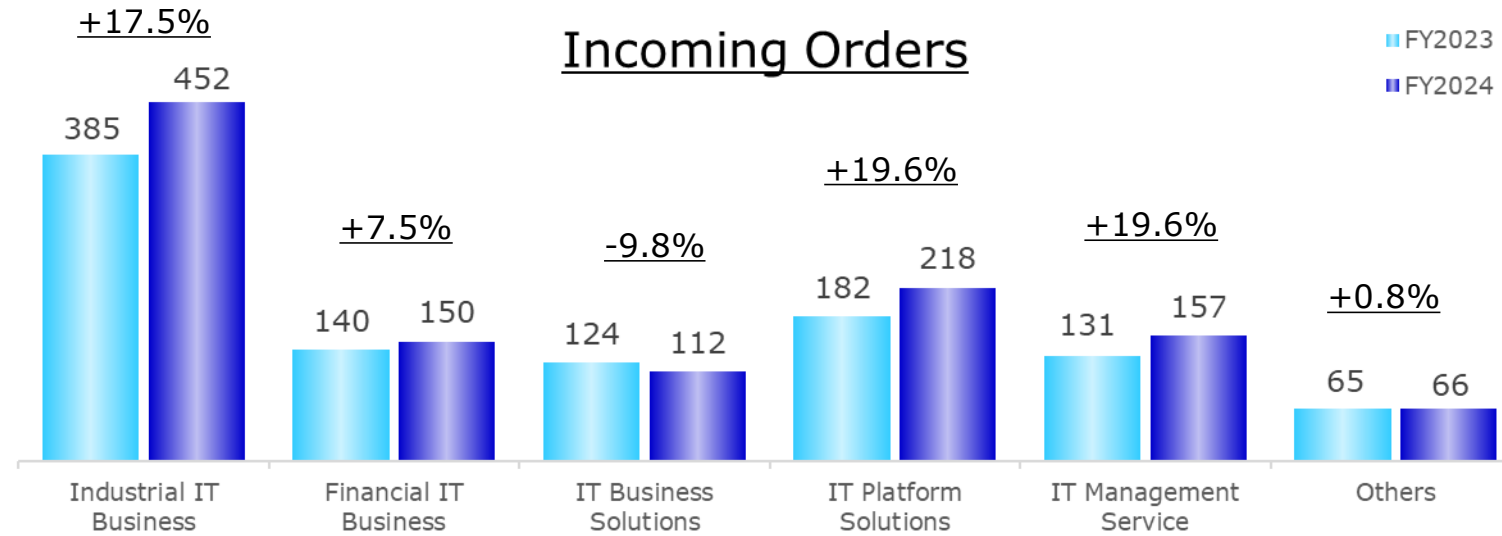
Backlog



(100 millions of yen)



(100 millions of yen)



FY2024 Q1
Business Performance by Reportable Segment Analysis



| Segment | Net Sales | Operating Profit | Incoming Orders/ Backlog |
|------------------------|--|--|--|
| Industrial IT Business | (+)Demand for strategic investment in the automotive industry (+)Expansion of verification services (−)Decreased in projects for the distribution industry | (+)Contribution of projects for the automotive industries (−)Decreased in projects for the distribution industry (+)Shrinking unprofitable projects | (+)Demand for strategic investment in the automotive industry (+)Expansion of verification services (+)Increased in SAP projects (−)Decreased in projects for the distribution industry |
| Financial IT Business | (+)Expansion of systems development projects for the banks (−)Shrinking projects for the shopping credit/leasing companies | (+)Contribution of projects for the banks (−)Shrinking projects for the shopping credit/leasing companies | (+)Expansion of systems development projects for the banks (−)Decreased projects for the insurance companies |
| IT Business Solution | (+)Increased in construction projects related EC (−)Decrease in reaction to the Japan Invoice System by ProActive (−)Shrinking public projects in BPO businesses | (+)Increased in construction projects related EC (−)Decrease in reaction to the Japan Invoice System by ProActive (−)Cost of ProActive functionality upgrade (−)Shrinking public projects in BPO businesses | (+)Increased in construction projects related ProActive and EC (−)Shrinking public projects in BPO businesses |

Note: (+):Factors for increase (−):Factors for decrease

FY2024 Q1
Business Performance by Reportable Segment Analysis

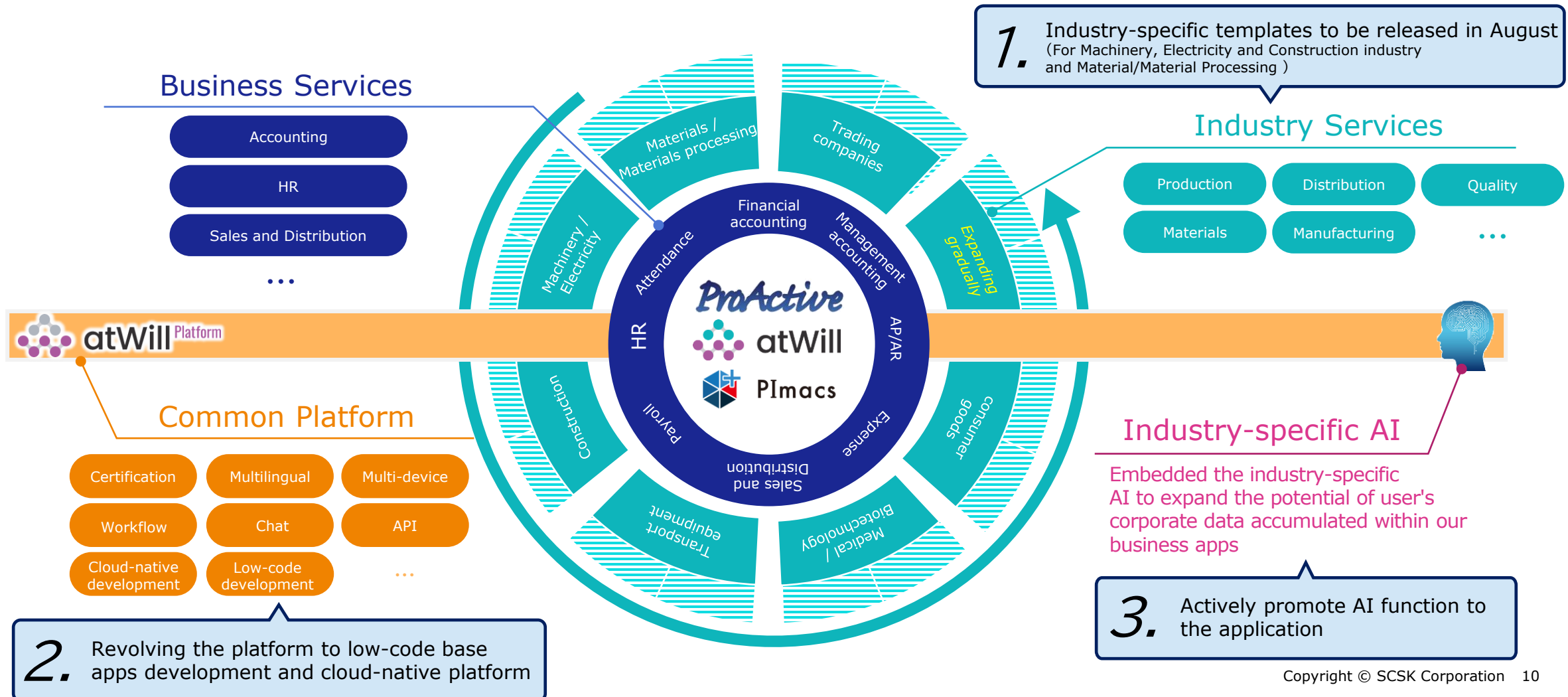


| Segment | Net Sales | Operating Profit | Incoming Orders/ Backlog |
|-----------------------|--|-------------------------------------|--|
| IT Platform Solution | (+)Increased in sales of equipment for specific customers in the communications industry (+)Accumulation of hardware sales to the financial institutions and academic research institutions | | (+)Increased in orders of security products (+)Increased in orders of equipment for specific customers in the communications industry |
| IT Management Service | (+)Increased in management services (+)Increased in license sales | (+)Increased in management services | (+)Increased demand for management services |
| Others | (+)Increased systems development projects at SCSK Minori Solutions Corp. (−)Decreased system maintenance and services projects at SCSK Minori Solutions Corp. | (+)Improved the sales mix | (+)Increased systems development projects for SCSK Minori Solutions Corp. |

Note: (+):Factors for increase (−):Factors for decrease

Topics I : The evolution of “New” ProActive Business (Beyond ERP)

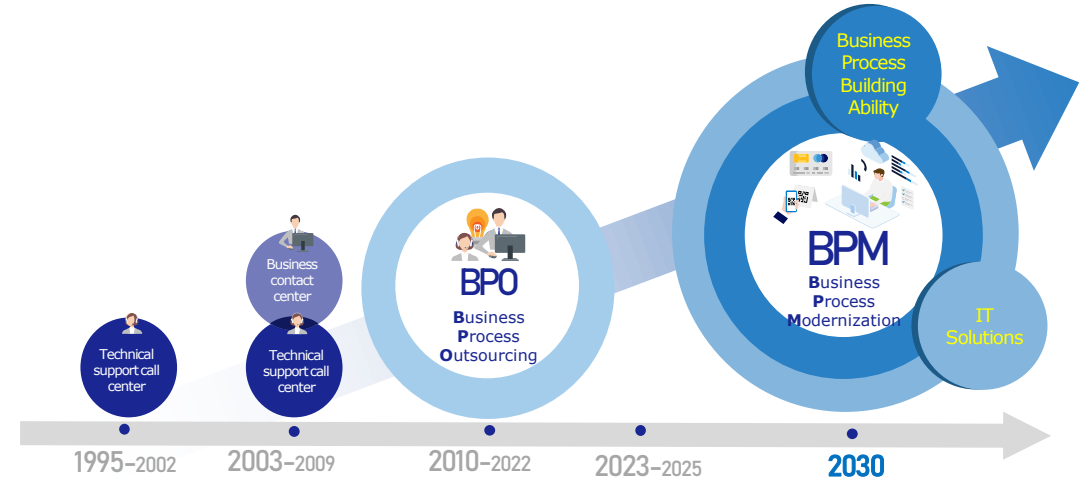
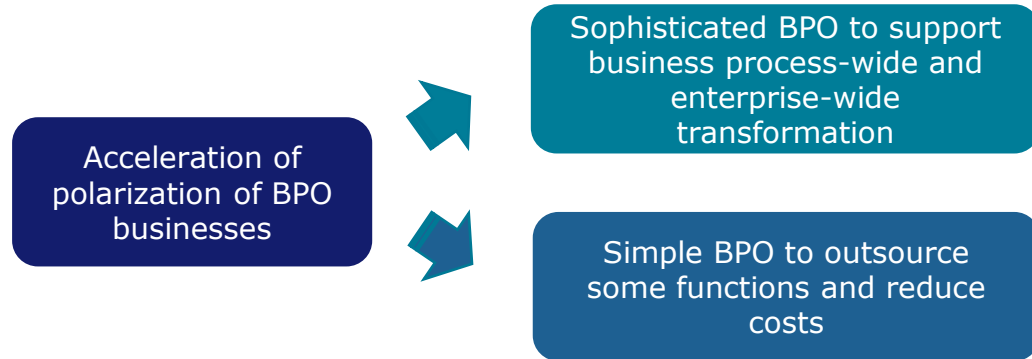
- Evolving to the business application to support SCSK business offerings
- Transforming into the cornerstone of our best practices for business, industry, and technology services



Topics II : Business Process Modernization(BPM)_Current and Future Status

Situation Surrounding BPO Business

- Rapidly shrinking demand caused by the Covid-19
- Acceleration of polarization of BPO businesses



Goals of BPM

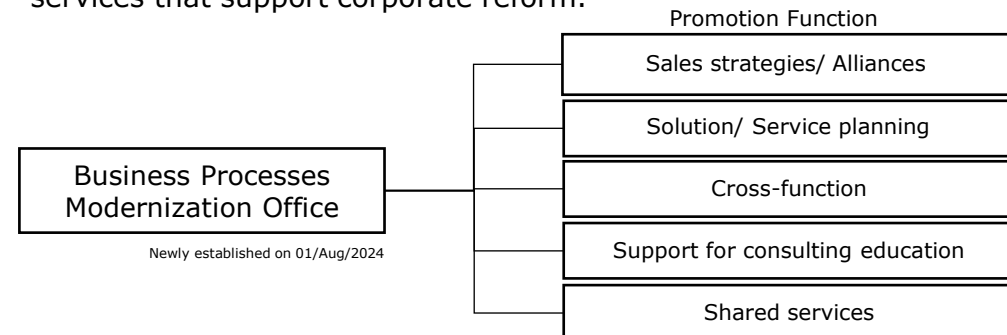
To create new value by leveraging IT to meet market needs and transforming business processes

Value of Our Services

- ✓ Fully understand customers' businesses, customs, issues, and surrounding environments, and use IT to design and operate optimal business processes utilizing data/knowledge.
- ✓ Creation of best practices based on knowledge accumulated from actual operations, familiarity with both client operations and IT, and provision of them as a shared foundation

Group-wide Organizational Structure

In order to strengthen the promotion of BPM businesses that embody the strengths of SCSK Group., we will organize a system that is integrated with SCSK ServiceWare Corporation. We will strengthen sales activities that will enable us to offer even more detailed service proposals, cultivate consulting personnel in the business process area, and develop a framework for services that support corporate reform.



Appendix

(Millions of Yen)

Systems Development

| | FY2023 (Apr. 2023 - Jun. 2023) | FY2024 (Apr. 2024 - Jun. 2024) | YoY | |
|-----------------|-----------------------------------|-----------------------------------|--------|-------|
| | | | Amount | % |
| Net Sales | 47,915 | 50,728 | 2,813 | 5.9% |
| Incoming Orders | 48,729 | 54,016 | 5,287 | 10.9% |
| Backlog | 47,316 | 54,374 | 7,058 | 14.9% |

➤ Net Sales

- Increased in systems development projects for the manufacturing industry, including the automotive industry
- Increased in systems development projects for the banks
- Decreased in reaction to projects for the distribution industry

➤ Incoming Orders/Backlog

- Expansion of investment in manufacturing industries, mainly in the automotive industry
- Increased in systems development projects for the banks

(Millions of Yen)

System Maintenance and Operation/Services

| | FY2023 | FY2024 | YoY | |
|-----------------|-------------------------|-------------------------|--------|------|
| | (Apr. 2023 - Jun. 2023) | (Apr. 2024 - Jun. 2024) | Amount | % |
| Net Sales | 45,427 | 48,321 | 2,894 | 6.4% |
| Incoming Orders | 36,825 | 38,978 | 2,153 | 5.8% |
| Backlog | 101,335 | 104,347 | 3,012 | 3.0% |

- Net Sales
 - Decreased in reaction to BPO business
 - Strong demand for the verification service
 - Increased in management service business
- Incoming Orders/Backlog
 - Decreased in reaction to BPO business
 - Increased in the verification service
 - Increased in management service business

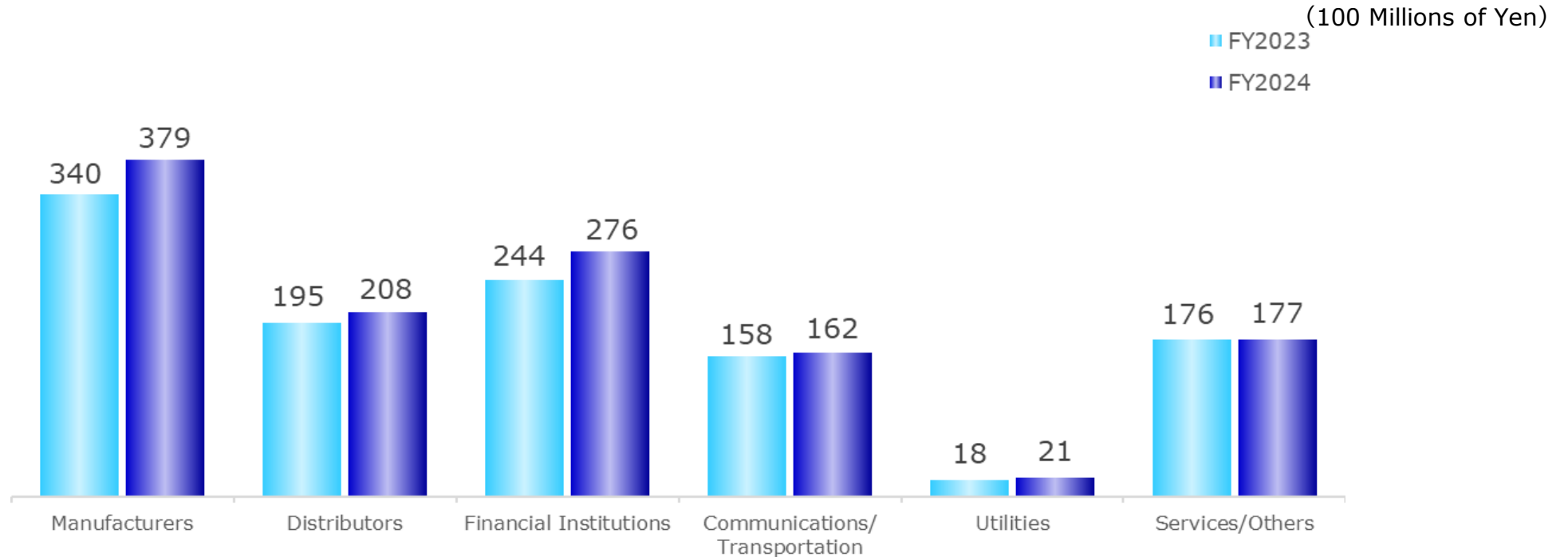
Packaged Software/Hardware Sales

(Millions of Yen)

| | FY2023 | FY2024 | YoY | |
|-----------------|-------------------------|-------------------------|---------|-------|
| | (Apr. 2023 - Jun. 2023) | (Apr. 2024 - Jun. 2024) | Amount | % |
| Net Sales | 20,028 | 23,493 | 3,464 | 17.3% |
| Incoming Orders | 17,415 | 22,740 | 5,325 | 30.6% |
| Backlog | 24,118 | 22,050 | - 2,067 | -8.6% |

- Net Sales
 - Increased in sales of equipment for specific customers in the communications industry
 - Sales of large hardware equipment for academic research institutions and sales of security products for the financial industry
- Incoming Orders
 - Increased in sales of equipment for specific customers in the communications industry
 - Sales of security products for the financial industry
- Backlog
 - Sales of equipment for specific customers in the communications industry and decreased in reaction to the sales of large hardware equipment for the automotive industry

FY2024 Q1 Sales Comparison by Customer Industry



- In the manufacturing industry, increased due to strategic investments and verification services for the automotive industry and systems development projects for other manufacturing industries
- In the distribution industry, sales increased due to maintenance and operation and system sales, despite a reactionary decline in core system construction projects
- In the financial industry, increased due to systems development projects for the banks
- In the communications and transportation industry, increased due to sales of equipment to specific customers in the communications industry
- In the electric power and gas industry, increased due to systems development projects in the electric power industries
- In the services and others industry, increased due to the sales of systems to the academic research institutions

Attention on the use of this document

- We have made amendment of FY2023 data (Sales Comparison by Customer Industry) to reflect the revision of industry applied to some customers.
- Business Performance by Reportable Segments have been reclassified to reflect the change in segment classification in FY2024 under review. Accordingly, results for the FY2023 have been reclassified to reflect this change in segment classification.
- Figures are rounded down to the nearest unit and Percentages are rounded to the nearest unit.

Disclaimer

- This data is intended to provide information about the Group's performance and business strategy and is not intended to solicit the purchase or sales of shares in Group companies.
- Estimates, targets, and outlooks included in this report are forward-looking statements based on information available as of the date of publication. Results and outcomes may differ materially from the forward-looking statements and no guarantee is made that targets will be reached. All such statements are subject to change without notice.
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