

Consolidated Financial Results for the Six Months Ended September 30, 2024

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Managing Executive Officer
October 29, 2024

FY2024 1H (from Apr. to Sept.)

- Summary of Financial Results from Apr. to Sept. (PL/Incoming Orders/Backlog)
- Summary of Financial Results from Jul. to Sept. (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

Appendix

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

(Millions of yen)

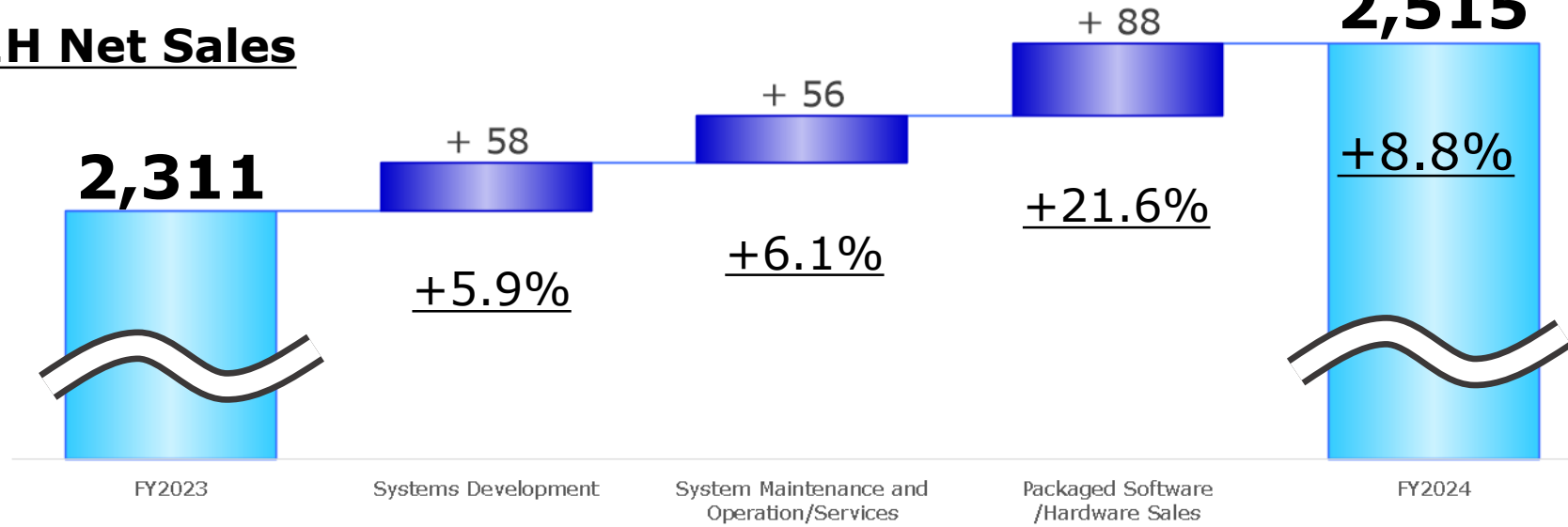
	FY2023	FY2024	YoY	
	(Apr. 2023 - Sept. 2023)	(Apr. 2024 - Sept. 2024)	Amount	%
Net Sales	231,196	251,523	20,327	8.8%
Gross Profit	61,223	65,869	4,645	7.6%
Gross Profit Margin	26.5%	26.2%	-0.3%	
SG&A Expenses	- 34,206	- 38,390	- 4,184	12.2%
Other Income and Expenses	- 91	- 520	- 429	
Operating Profit	26,926	26,958	32	0.1%
Operating Profit Margin	11.6%	10.7%	-0.9%	
Profit attributable to owners of parent	18,468	19,237	768	4.2%
Incoming Orders	223,940	247,880	23,939	10.7%
Backlog	175,915	183,936	8,021	4.6%

(Millions of yen)

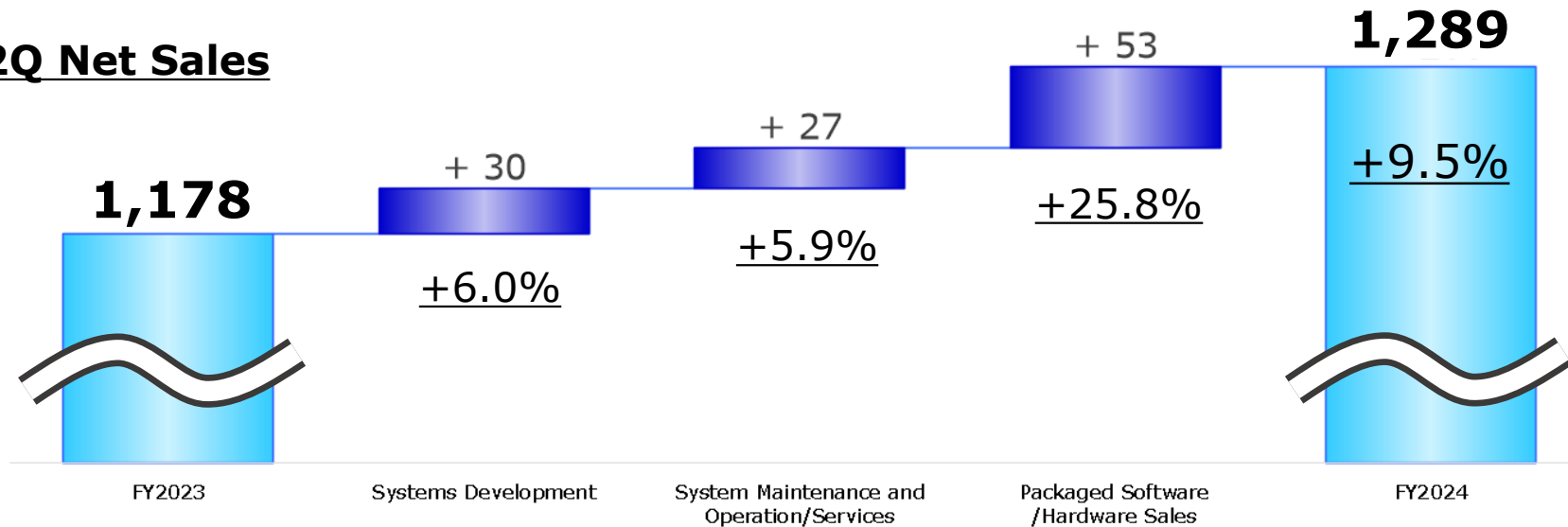
	FY2023	FY2024	YoY	
	(Jul. 2023 - Sept. 2023)	(Jul. 2024 - Sept. 2024)	Amount	%
Net Sales	117,824	128,980	11,155	9.5%
Gross Profit	31,404	34,532	3,128	10.0%
Gross Profit Margin	26.7%	26.8%	0.1%	
SG&A Expenses	- 17,266	- 19,297	- 2,030	11.8%
Other Income and Expenses	- 161	- 1,191	- 1,029	
Operating Profit	13,975	14,044	68	0.5%
Operating Profit Margin	11.9%	10.9%	-1.0%	
Profit attributable to owners of parent	9,461	10,015	553	5.9%
Incoming Orders	120,970	132,144	11,173	9.2%
Backlog	175,915	183,936	8,021	4.6%

(100 millions of yen)

1H Net Sales

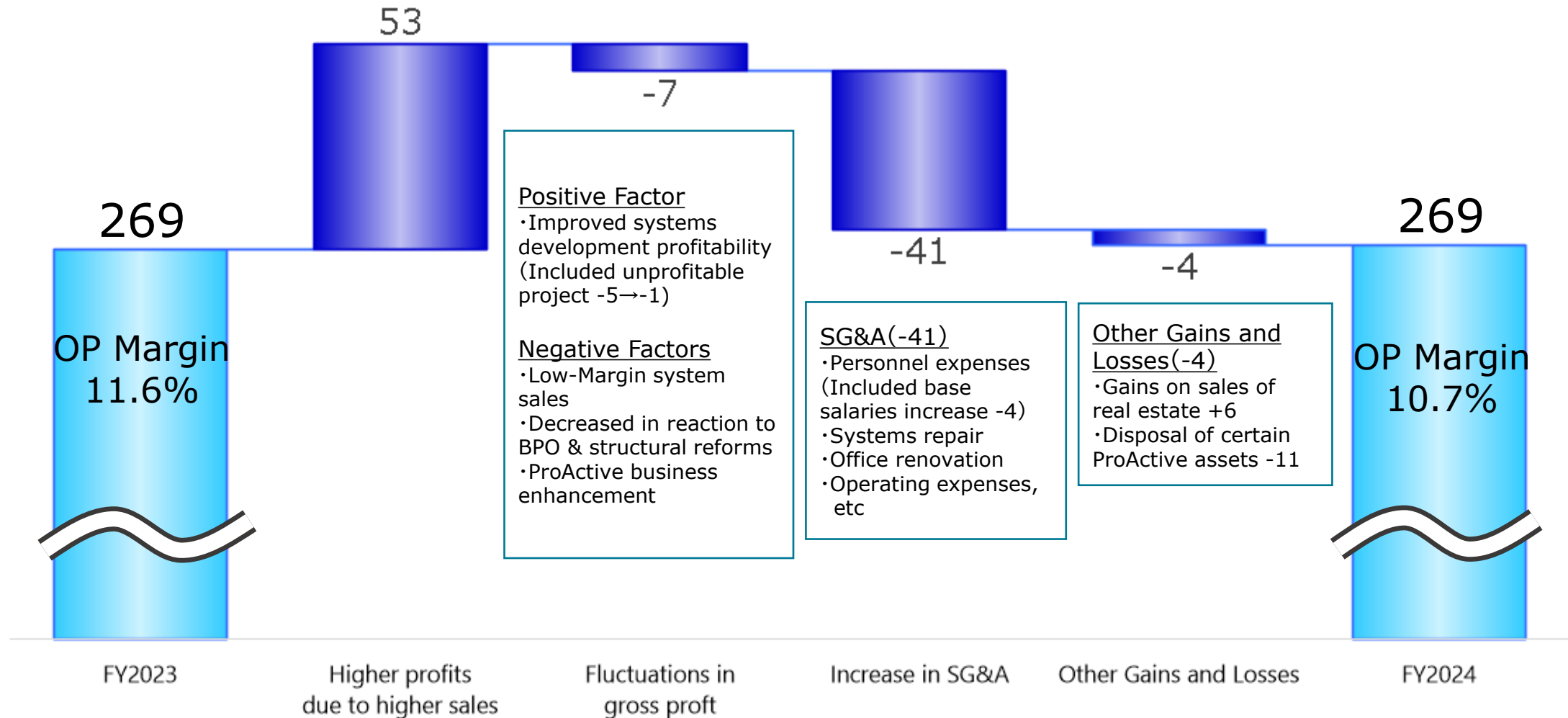


2Q Net Sales



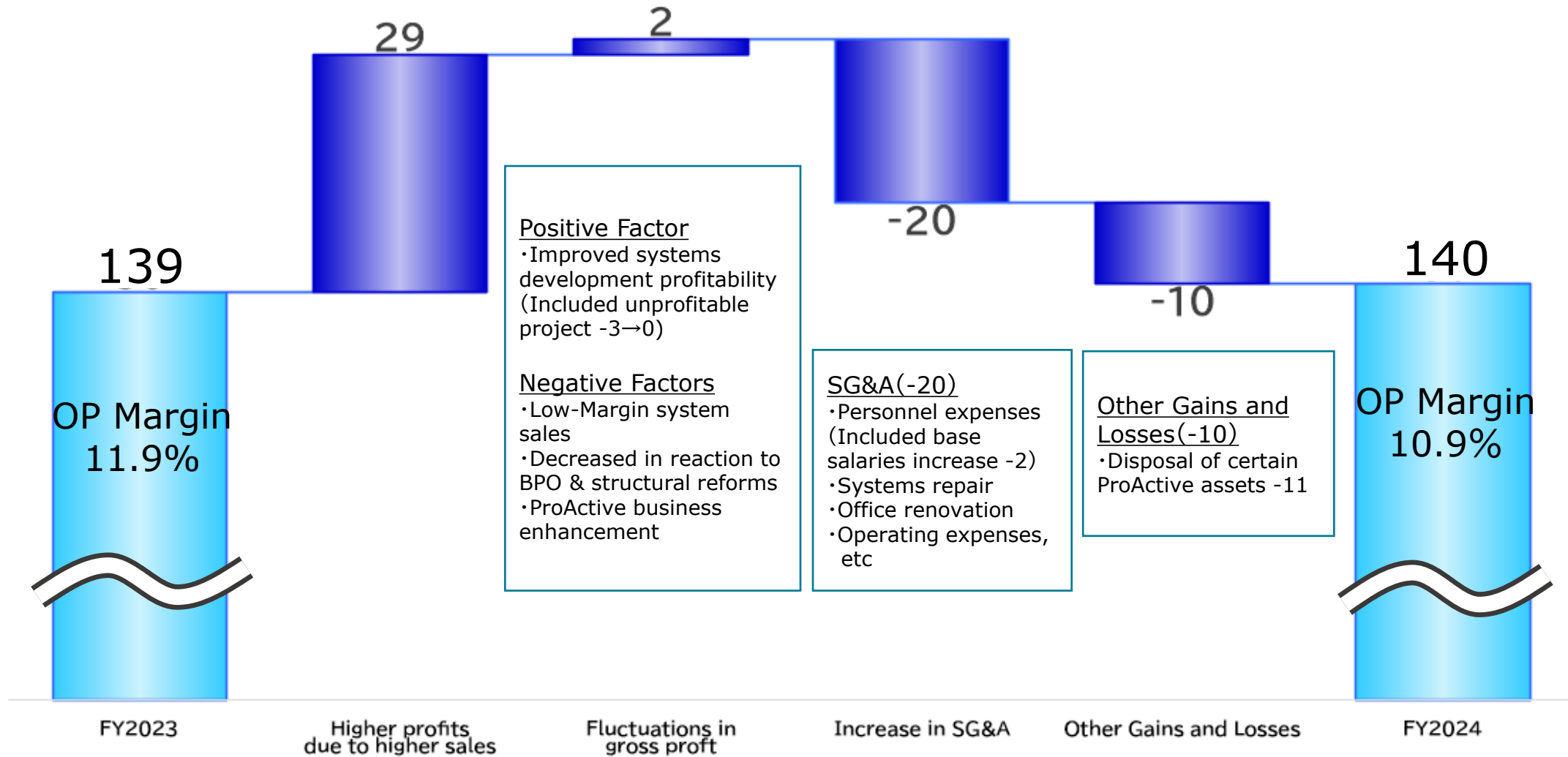
FY2024 1H Operating Profit Analysis from Apr. to Sept.

(100 millions of yen)



FY2024 1H Operating Profit Analysis from Jul. to Sept.

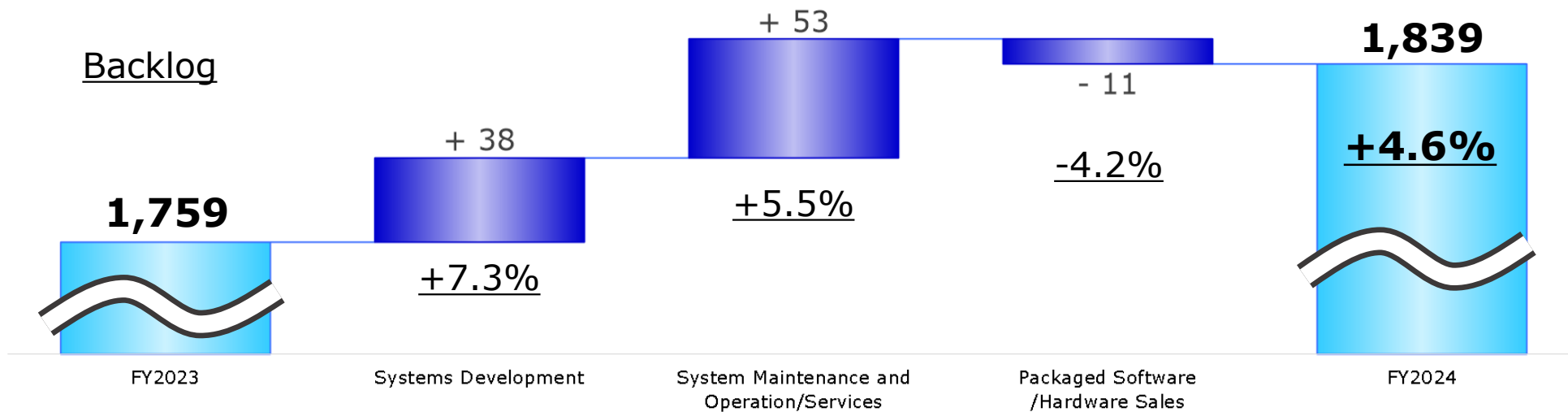
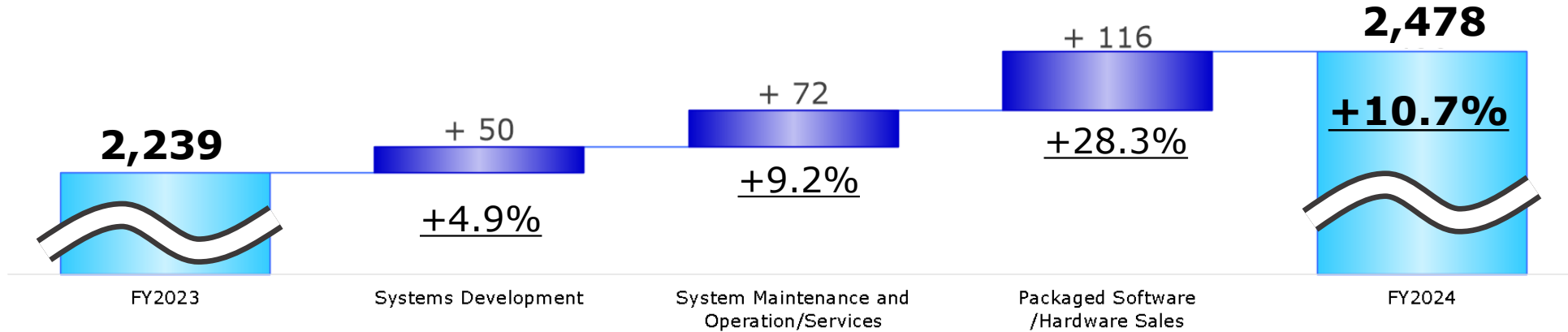
(100 millions of yen)



FY2024 1H Incoming Orders/ Backlog Analysis

Incoming Orders

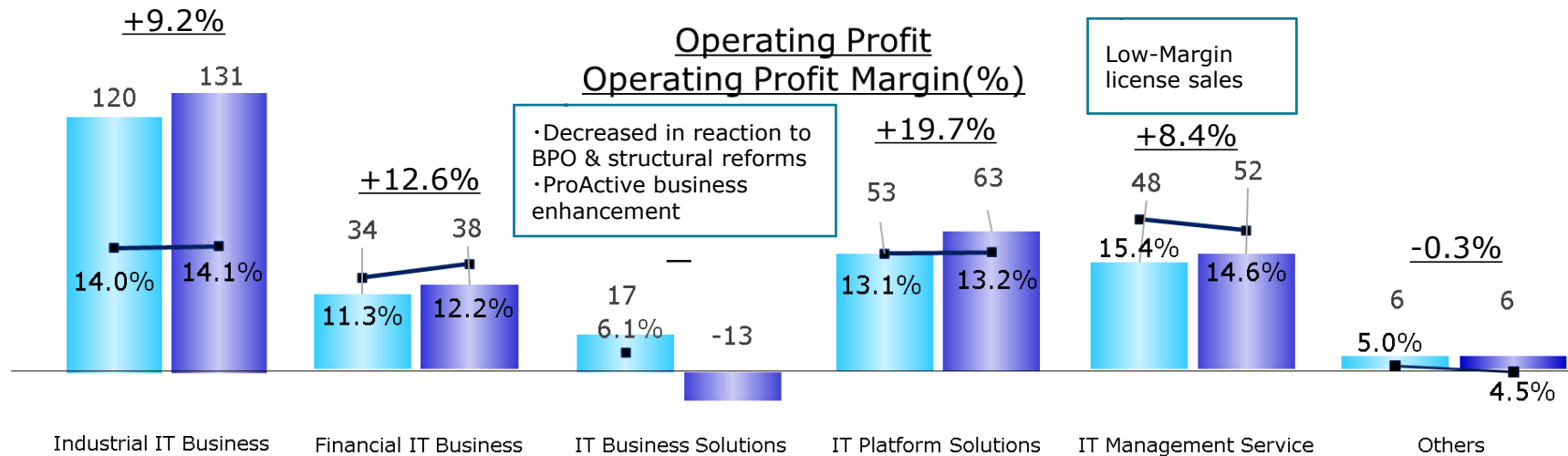
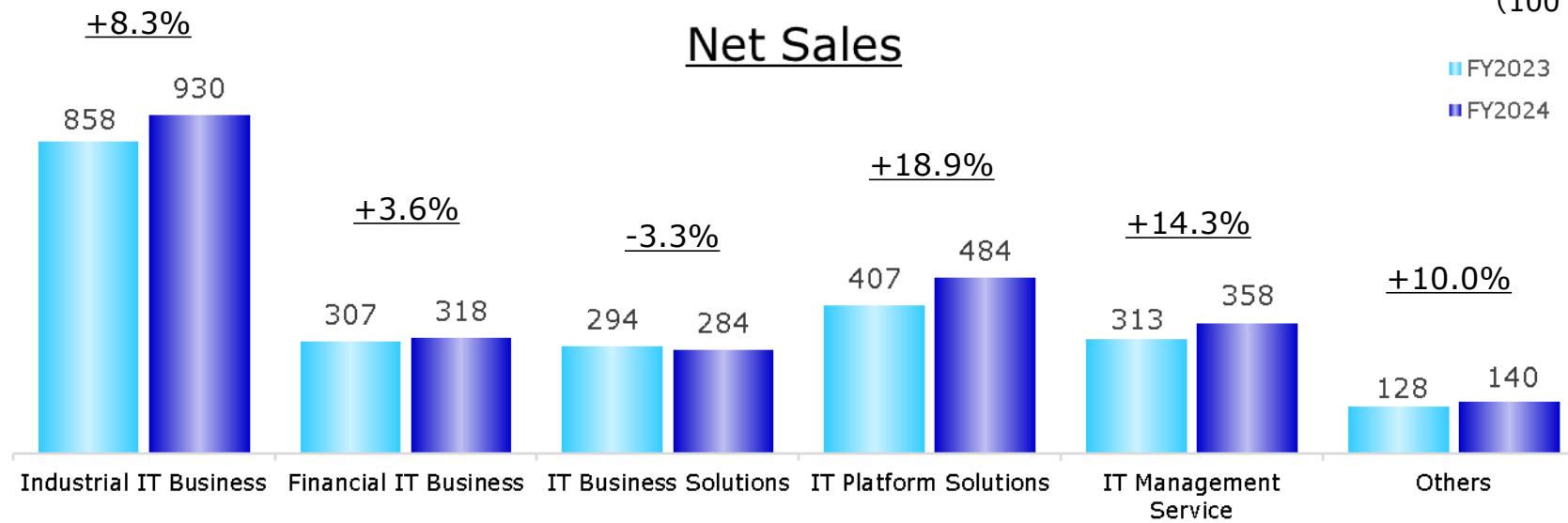
(100 millions of yen)



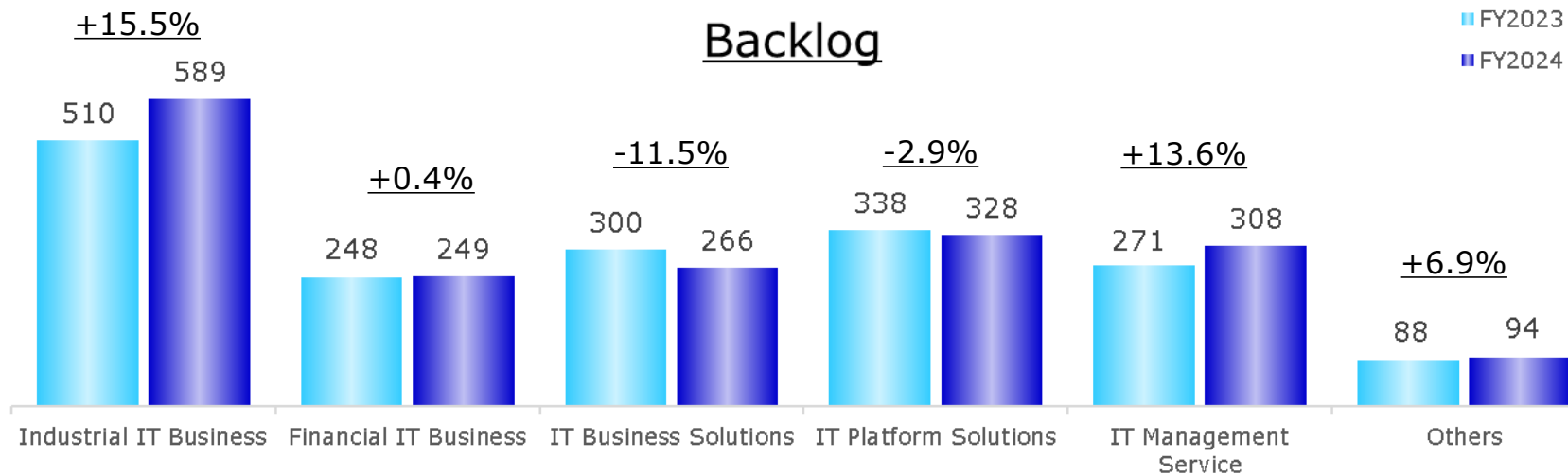
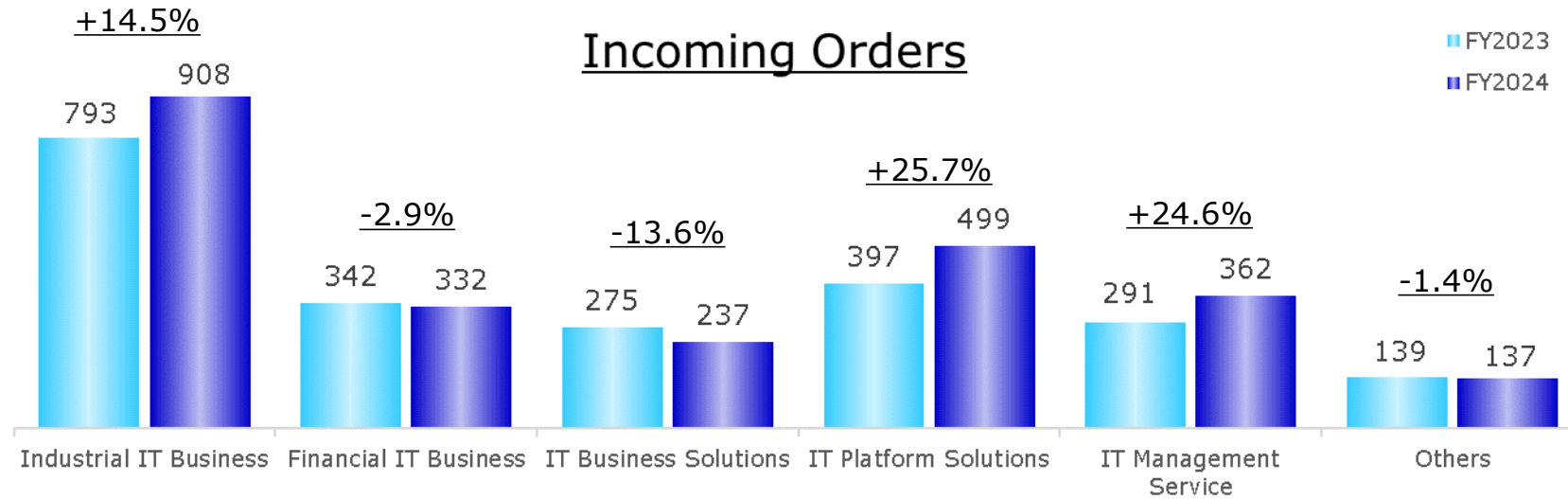
FY2024 1H Business Performance by Reportable Segment



(100 Millions of Yen)



(100 Millions of Yen)



Segment	Net Sales	Operating Profit	Incoming Orders/ Backlog
Industrial IT Business	(+) Demand for strategic investment in the automotive industry (+) Expansion of verification services (+) Increased in Digital Supply Chain projects (–) Decreased in projects for the distribution industry	(+) Contribution of projects for the automotive industries (+) Increased in Digital Supply Chain projects (–) Decreased in projects for the distribution industry (+) Shrinking unprofitable projects	(+) Demand for strategic investment in the automotive industry (+) Expansion of verification services (+) Increased in Digital Supply Chain(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 and securities firms (–) Decreased projects for the insurance companies
IT Business Solution	(–) Shrinking public projects in BPO businesses (–) Decrease in reaction to the Japan Invoice System by ProActive	(–) Shrinking public projects in BPO businesses and structural reform expenses (–) Decrease in reaction to the Japan Invoice System by ProActive and business enhancement costs (–) Disposal of certain software asset	(+) Increased in construction projects related ProActive (–) Cancellations and other issues from certain BPO business customers

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

FY2024 1H
Business Performance by Reportable Segment Analysis



Segment	Net Sales	Operating Profit	Incoming Orders/ Backlog
IT Platform Solution	(+) Accumulation of hardware sales to the academic research institutions (+) Increased in sales of equipment for specific customers in the communications industry (+) Increased in orders of security products for various industries, including financial institutions		(+) Increased in orders of security products for various industries, including financial institutions (+) Increased in orders of security products (+) Increased in orders of equipment for specific customers in the communications industry (–) Decrease in reaction to the sales of large hardware equipment
IT Management Service	(+) Increased in management services (+) Increased in license sales	(+) Increased in management services	(+) Increased in data center projects (+) Increased demand for management services
Others	(+) Increased in systems development and system maintenance and services projects at SCSK Minori Solutions Corp. (–) Decreased packaged software and hardware sales projects at SCSK Minori Solutions Corp.	(+) Improved the sales mix	(+) Increased in system maintenance and services projects at SCSK Minori Solutions Corp.

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

Appendix

Systems Development(Lower row: The three-month period from Jul. to Sept.)

(Millions of yen)

	FY2023	FY2024	YoY	
	(Apr. 2023 - Sept. 2023)	(Apr. 2024 - Sept. 2024)	Amount	%
Net Sales	98,016	103,835	5,819	5.9%
	50,101	53,107	3,006	6.0%
Incoming Orders	104,188	109,249	5,061	4.9%
	55,459	55,233	-225	-0.4%
Backlog	52,674	56,500	3,826	7.3%

- 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
 - Decreased in reaction to projects for the banks(Three-month period from Jul. to Sept.)

System Maintenance and Operation/Services(Lower row: The three-month period from Jul. to Sept.)

(Millions of yen)

	FY2023	FY2024	YoY	
	(Apr. 2023 - Sept. 2023)	(Apr. 2024 - Sept. 2024)	Amount	%
Net Sales	92,318	97,988	5,669	6.1%
	46,891	49,666	2,774	5.9%
Incoming Orders	78,698	85,946	7,247	9.2%
	41,873	46,967	5,094	12.2%
Backlog	96,317	101,649	5,332	5.5%

- 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

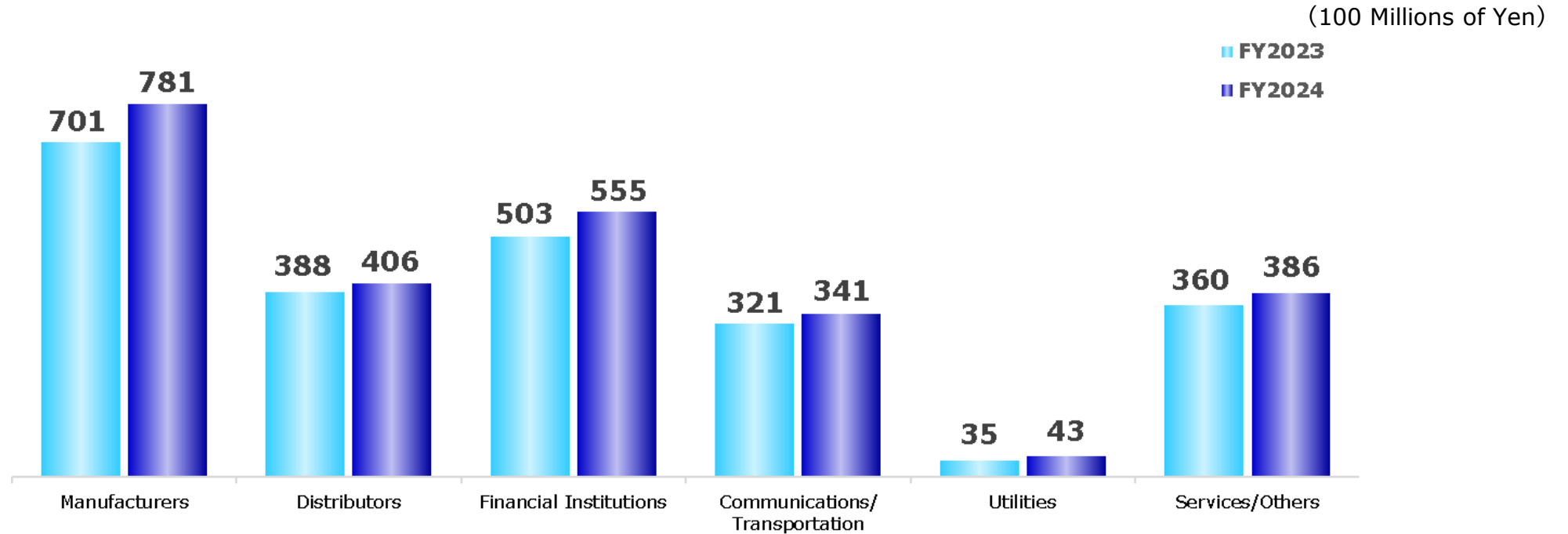
Packaged Software/Hardware Sales(Lower row: The three-month period from Jul. to Sept.)

(Millions of yen)

	FY2023	FY2024	YoY	
	(Apr. 2023 - Sept. 2023)	(Apr. 2024 - Sept. 2024)	Amount	%
Net Sales	40,861	49,699	8,838	21.6%
	20,832	26,206	5,374	25.8%
Incoming Orders	41,053	52,683	11,630	28.3%
	23,638	29,943	6,304	26.7%
Backlog	26,923	25,786	- 1,137	-4.2%

- Net Sales
 - Increased in sales of equipment for specific customers in the communications industry
 - Increased in sales of network products and security products
- Incoming Orders
 - Increased in sales of equipment for specific customers in the communications industry
 - increased in sales of equipment for the automotive industry and shopping credit/leasing companies
- Backlog
 - Decreased in reaction to the sales of large hardware equipment for the automotive industry, academic research institutions and Distribution industry

FY2024 1H 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

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