



SCSK was created through the merger of Sumisho Computer Systems Corporation and CSK Corporation in October 2011. Both companies began their businesses more than 50 years ago, and Sumisho Computer Systems Corporation, as a member of the Sumitomo Corporation Group, has achieved growth by leveraging its strength in reliability and global support capabilities. At the same time, CSK Corporation has demonstrated its energy and assertiveness to build a unique position as an independent firm that was a self-starter.

Since the merger, we have been providing the full line of IT services from IT consulting to BPO required for business based on our expanded service base, resolving client issues at over 8,000 companies. In addition, under the corporate philosophy of “Create Our Future of Dreams,” we are working to develop and expand the earnings base that will form the basis for growth, such as by improving operational quality and business efficiency. At the same time, we aim to be a company that is comfortable and rewarding to work for, and are leading the industry as a leading company in working-style reforms and health and productivity management. These initiatives have led to stable business growth and the achievement of high earnings levels in the IT services industry.

History

https://www.scsk.jp/corp_en/history.html

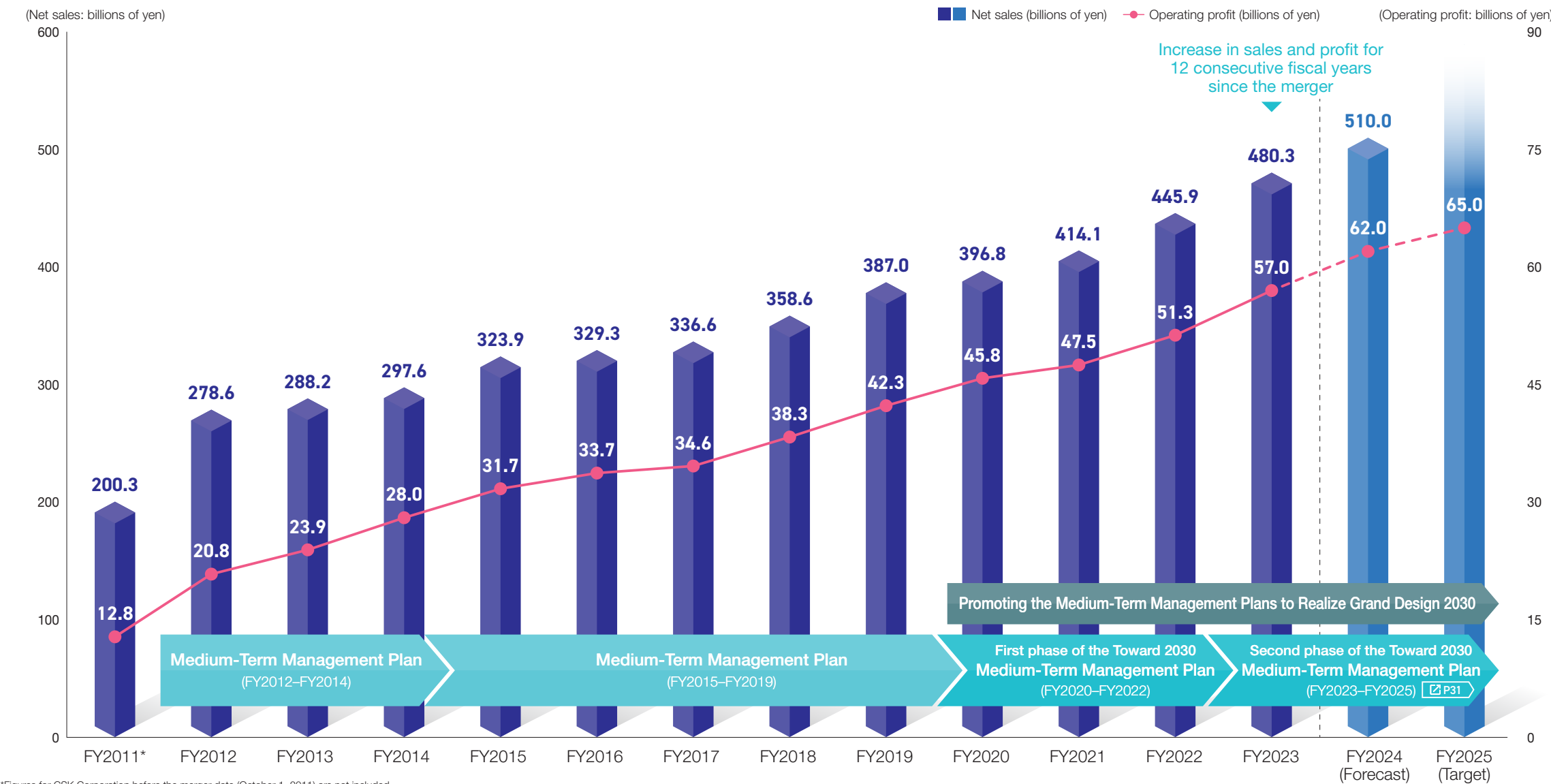
Medium-Term Management Plan

[P29](#)

Financial Highlights

[P105](#)

Trends in Net Sales and Operating Profit



Businesses of the SCSK Group

The SCSK Group continues to meet the IT needs of a wide range of clients who widely support society with seven services. We build strong relationships of trust with clients by being knowledgeable of their strategies and operations through our long years of partnerships.



By Sales Segment

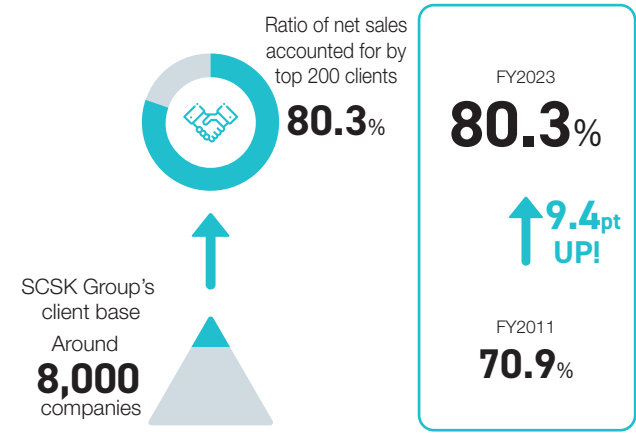


SCSK Group's Premier Client Base

During the course of providing IT solutions to numerous industries over many years through the provision of our full lineup services, the SCSK Group has established solid relationships of trust with around 8,000 client companies spanning a multitude of industries. In particular, transactions with the top 200 companies in terms of sales, mainly large companies, accounted for more than 80% of consolidated sales in the fiscal year ended March 31, 2024. Expansion of the scope and scale of business entrusted to us by leading customers in each industry is one of the factors behind our sustained growth.

Going forward, we will work to further build relationships as a strategic IT partner that supports clients' business transformations through co-creation, by utilizing the relationships of trust built up with our clients over many years.

Percentage of Consolidated Net Sales Accounted for by Top 200 Clients



Strengthening of Service Delivery Systems

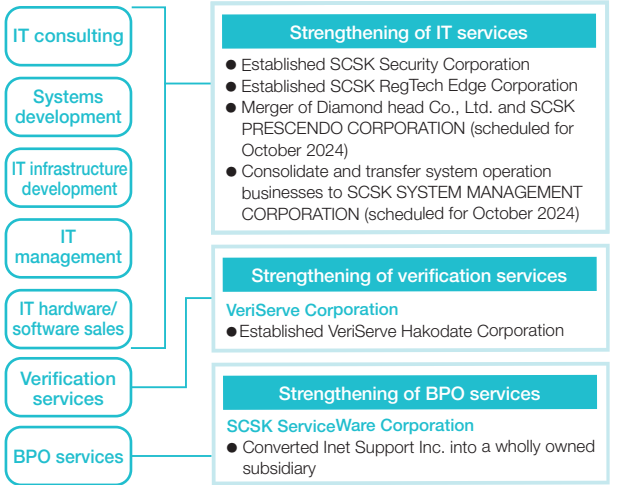
The SCSK Group is strengthening its structure to provide a full lineup of services by establishing subsidiaries, conducting M&As, and reorganizing the companies within the Group in order to expand technical capabilities, sales capabilities, and services in each business domain.

In FY2023, the first year of the Medium-Term Management Plan that began in April 2023, we established SCSK Security Corporation as a dedicated business company specializing in cybersecurity measures, and SCSK RegTech Edge Corporation as a group of specialists in anti-money laundering (AML), which supports financial institutions' financial crime prevention measures, as part of our efforts to strengthen our IT services. In addition, we are establishing subsidiaries and conducting M&As in order to strengthen verification services and BPO.

In October 2024, with the aim of strengthening CX services, we plan to merge our equity-method affiliates Diamond head Co., Ltd. and SCSK PRESCENDO CORPORATION. In addition, through a company split (simplified absorption-type company split), we will have SCSK SYSTEM MANAGEMENT CORPORATION, a wholly-owned company, take over our system operation businesses. Through the consolidation and

transfer of the system operation businesses to SCSK SYSTEM MANAGEMENT CORPORATION, we plan to strengthen our competitiveness by sharpening our focus.

Going forward, we will continue to create new value by further strengthening our service delivery structure.



Introduction of New Companies

SCSK Security Corporation

In recent years, corporate security risks have increased due to the complexity of IT technologies and the evolution and increase of cyber-attacks. To address these issues, SCSK Security Corporation provides high-quality service and support that utilizes advanced security technologies and specialized knowledge.

<https://scsksecurity.co.jp/> (in Japanese)



SCSK RegTech Edge Corporation

SCSK RegTech Edge Corporation is a specialized company that supports measures against financial crime with a foreign exchange transaction analysis business license. Since 2004, the company has been providing AML solutions centered on the BankSavior series, contributing to the establishment of a more effective AML system.

<https://scsk-re.co.jp/> (in Japanese)



The SCSK Group will promote sustainability management as a growth strategy.

We aim to become a “Co-Creative IT Company in 2030” by solving social issues and generating new value through our business by addressing our material issues with our corporate philosophy as the origin of our business.

2 Business Activities

IT Consulting
Systems Development
Verification services
IT infrastructure development

☑ P13

IT management
IT hardware/software sales
BPO Services

Providing the full line of IT services from IT consulting to BPO required for business

Toward 2030 Medium-Term Management Plan Phase II (FY2023–FY2025)

☑ P31



Material issues with the aim of solving social issues and achieving sustainable growth

☑ P19

Co-creation-oriented corporate culture

Co-creation with clients Co-creation with society

Promote co-creation with stakeholders who share our future of dreams

☑ P59

Contributing to the realization of a sustainable society

3 Creation of Value

Social value

- Innovating for a brighter society
- Building trust for a safe and secure society
- Creating an inclusive society

Economic value

- Increasing profits
- Enhancing capital efficiency
- Maximizing shareholder value

☑ (Reference) Output: P33 Management Target Progress Summary (Financial and Non-Financial)

Continuously resolve social issues and create new value through our business

SCSK Vision

2030 Co-Creative IT Company
IT for the next delight ☑ P25



Material issues as the foundation supporting sustainable growth

☑ P19

Corporate Philosophy

Our Mission

Create Our Future of Dreams

We create our future of dreams by establishing value based on our customers' trust.

☑ P1

1 Management Resources (Input) ☑ P17

Financial capital

Sound financial base supporting sustainable growth

Intellectual Capital

Technological capabilities to solve social and client issues

Natural Capital

Business activities that contribute to the global environment

Social and Relationship Capital

Premier client base and sound value chain

Human Capital

Professional human resources with various skills and experience
Well-Being Management that continues to provide new value to society

Dynamic business development through the utilization of the five types of capital that support business activities

Upgrade and expand management resources

(Outcome)

External Environment for SCSK Group

Paradigm shift of technology

Social issues and trends

Source of value creation: Management resources of SCSK

SCSK has grown by identifying changes and needs in society and contributing to solving social issues. Over the years, we have built up a variety of capital that is the source of our strengths today. We will pursue further value creation by strategically utilizing and expanding these capital.

Financial Capital

Sound financial base supporting sustainable growth

- Equity attributable to owners of parent ratio (%) **64.1%**
- ROE **14.1%**
- Credit rating **A+**
(Long-term credit rating by Japan Credit Rating Agency, Ltd. (JCR))
- Total amount of growth investments
¥**100.0** billion / **3** years (Medium-Term Management Plan)

Intellectual Capital

Technological capabilities to solve social and client issues

- Service menu that contributes to resolving issues
Approx. **500** (Total number of products and services)
- SCSK's proprietary development platform **S-Cred⁺**
- SCSK development standard **SE⁺**
- Amount invested in R&D/business development
¥**20.0** billion - ¥**30.0** billion / **3** years
(Medium-Term Management Plan growth investments)

Natural Capital

Business activities that contribute to the global environment

- Ratio of renewable energy **47.3%**
- Information disclosure based on TCFD recommendations
- Energy efficient data centers

Social and Relationship Capital

Premier client base and sound value chain

- Client base: Approx. **8,000** companies
- Partner companies in urban areas
Approx. **650** companies
(approx. **12,000** employees)
- Collaboration with Core partners
- Robust business network in Japan and overseas

Human Capital

Professional human resources with various skills and experience Well-Being Management that continues to provide new value to society

- Number of employees on a consolidated basis **16,296**
- Major professional human resources
Number of employees certified under the IT Skill Level Assessment **6,355**
Consulting and business design personnel **319**
Advanced project manager (PM) personnel **183**
Number of employees who have completed training to develop advanced technologies **1,745**

- Average annual hours of training per employee **64** hours
- Engagement
89.3% of respondents agreed that SCSK is a "pleasant place to work."
78.0% of respondents agreed that SCSK is a "rewarding place to work."
- Amount invested in people
¥**10.0** billion - ¥**20.0** billion / **3** years
(Medium-Term Management Plan growth investments)

*FY2023 results

Sustainability Management as a Growth Strategy of the Group

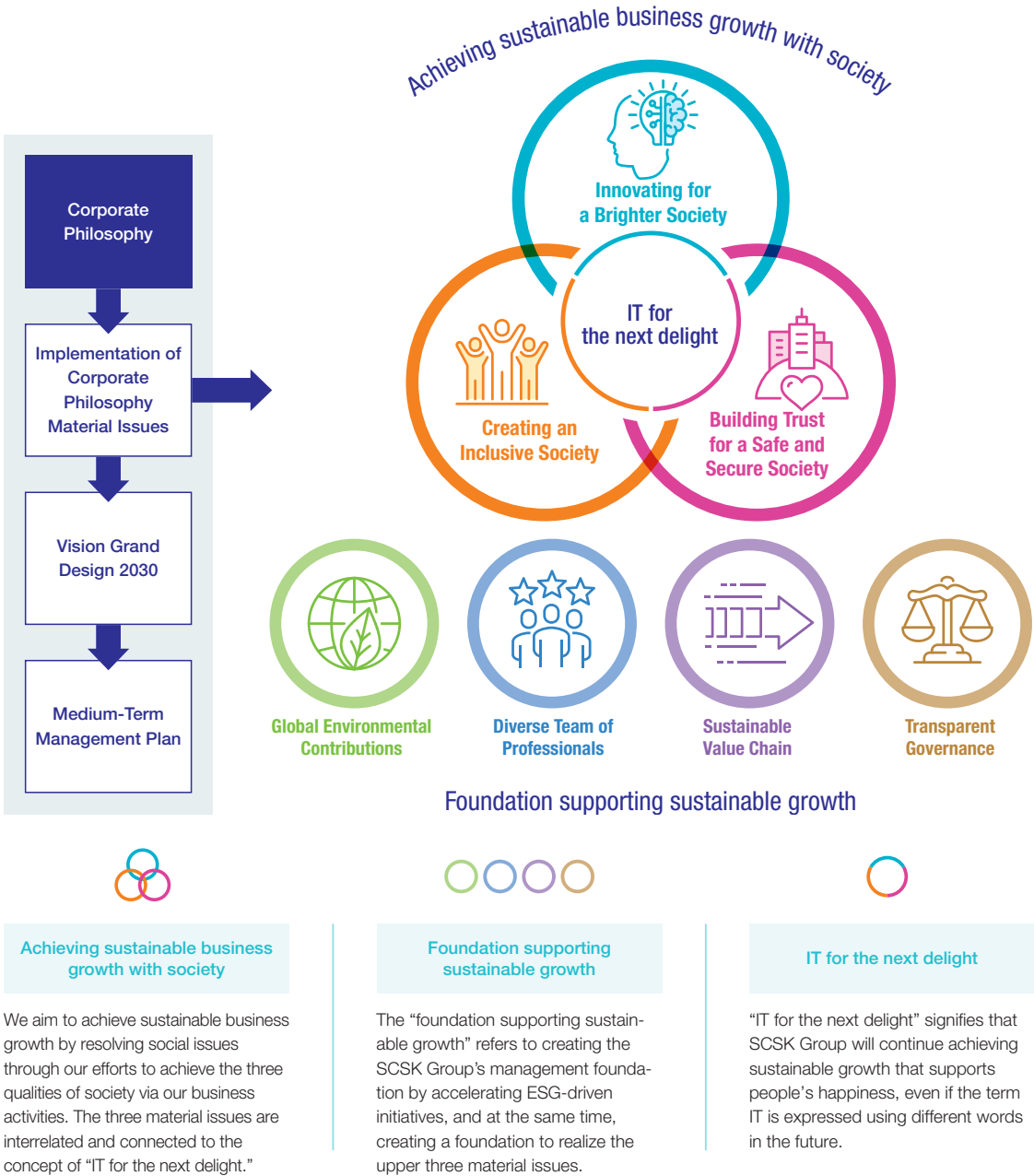
Under the corporate philosophy “Create Our Future of Dreams,” the SCSK Group is promoting sustainability management as part of its growth strategy.

We will continuously assess the impact of our business activities on the environment and society and promote improvements. In addition, we will consider changes in the business environment toward the realization of a decarbonized and recycling-oriented society as an opportunity and capture new business opportunities that leverage our core competencies. By so doing, we aim to create economic value and social value which are needed by society and will grow sustainably along with society.

SCSK Group's material issues

In recent years, social issues have become increasingly complex and serious due to rapid changes in the social environment arising from responses to climate change issues and emerging geopolitical risks. Companies irrespective of industry are being called on to conduct management to resolve social issues

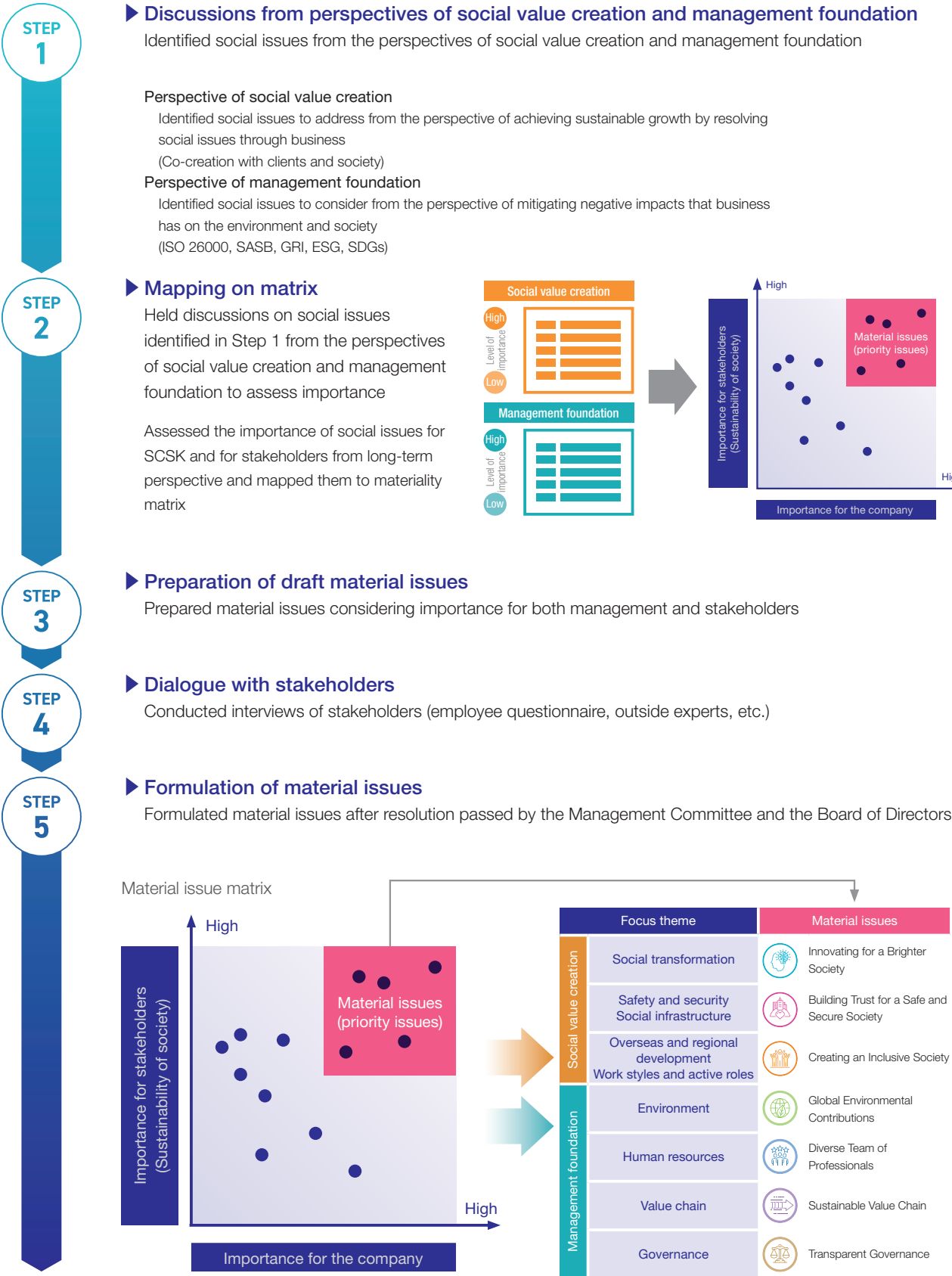
through their business and achieve sustainable growth together with society. The SCSK Group evaluated a range of issues faced by society from a business perspective, seeking to achieve its corporate philosophy of “Create Our Future of Dreams,” and specified the issues that it views as particularly important and that it should prioritize taking action on to achieve growth together with society as material issues.



Examples of initiatives for each material issue

| Material Issues | Main Initiative Examples and Results | Related SDGs |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Innovating for a Brighter Society | <ul style="list-style-type: none">General account transaction monitoring system BankSavior responds to scams quickly and flexibly P59Subscription-based cloud service CollaboView to help solve regional and corporate issues through IoT P61SCSK climate change response business initiatives PERSEFONI, ZEBIT, and EneTrack P63 | |
| Building Trust for a Safe and Secure Society | <ul style="list-style-type: none">Dr2GO provides high-quality medical services to contribute to the creation of next-generation healthcareSwiftly providing highly secure business environment using cloud-based security network services (SASE solutions) | |
| Creating an Inclusive Society | <ul style="list-style-type: none">Providing tailored lifestyle support through future asset formation (Asset Formation Lounge Efukuri, an asset formation platform for company employees)Promoting initiatives for regional development and resolution of regional issues by using digital technology (SCSK Nearshore Systems Corporation, SCSK HOKKAIDO CORPORATION, and SCSK Minori Solutions Corporation) | |
| Global Environmental Contributions | <ul style="list-style-type: none">Greenhouse gas emissions reduction targets and initiatives for reduction P65Implementing activities to reduce greenhouse gas emissions with partner companies P66Developing a decarbonized economy transition plan P68Information disclosure based on TCFD recommendations P69Initiatives toward biodiversity P67Environmental performance data P116 | |
| Diverse Team of Professionals | <ul style="list-style-type: none">“Business strategy and human resources portfolio” to improve and utilize abilities and skills P73“Treatment and remuneration systems” to appropriately evaluate abilities and skills and reward performance P76“Well-Being Management” that leads to value creation P77“Diversity and inclusion” that respect and draw on diversity P79Human resources data P113 | |
| Sustainable Value Chain | <ul style="list-style-type: none">Collaborate with partner companies to improve quality and productivity, promote introduction of health and productivity management, heighten efficiency of contract work, ensure information security and compliance, promote work engagement and nearshore and offshore activities P83Share the SCSK Group Supply Chain Sustainability Promotion Guidelines and promote initiatives related to respect for human rights and reduction of greenhouse gas emissions P84 | |
| Transparent Governance | <ul style="list-style-type: none">Corporate governance structure enabling practice of sustainability management P89Remuneration system for directors (Basic Policy on Remuneration, policy on performance-linked compensation and index) P93Systems and initiatives to ensure compliance P98Initiatives to enhance information security and response to security incidents P99Basic Policy on Risk Management and concrete risk countermeasures P101 | |

Process for Compiling Material Issues



Promotion of Sustainability Management and Our Governance System

Promotion of sustainability management

The SCSK Group established the Sustainability Committee as an advisory body to the Representative Director and President, in order to confirm and review company-wide issues and measures to be taken in relation to promotion of sustainability management, which forms part of the Group's growth strategy.

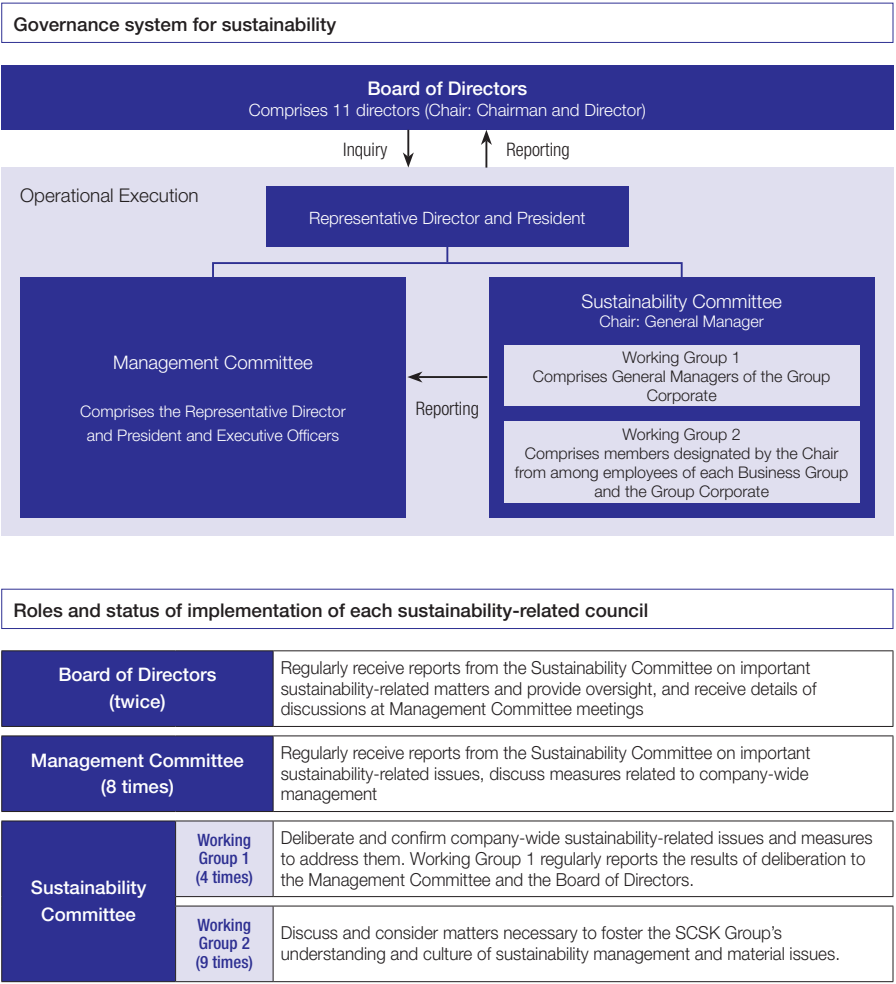
Chaired by a general manager, the Sustainability Committee is composed of Working Group 1 and Working Group 2. Working Group 1 is chaired by the Sustainability Committee chairperson, and its members are composed of general managers from Group Corporate. Working Group 1 discusses and examines issues that should be addressed from a managerial perspective in the medium- to long-term to practice sustainability management.

Working Group 2 is positioned as a group to examine initiatives aimed at promoting understanding and fostering a sustainability management-oriented culture. The Group is chaired by a Business Group executive officer, and members are selected from executives and employees of each Business Group and Group Corporate.

Governance system for sustainability

Matters deliberated by the Sustainability Committee are periodically reported to the Management Committee for further discussion from the perspective of company-wide management, after which the Sustainability Committee reports to the Board of Directors, which provides appropriate supervision.

- Main Matters Reported to the Board of Directors in FY2023**
- Sustainability management promotion structure and Sustainability Committee activity report
 - Report on human rights policy and human rights due diligence initiatives, human rights issues and response
 - Report in response to the annual publication of the UK Modern Slavery Act statement
 - Report on the calculation of GHG emissions and the results of the comparative analysis against the preceding year, as well as on environmental issues and response
 - Overview of social contribution activities and activity report



Activities of the Sustainability Committee

Working Group 1 of the Sustainability Committee

Working Group 1 collects information on global sustainability trends. It also reviews the implementation status and any deficiencies in measures related to material issues—a priority issue for the SCSK Group—and discusses issues that need to be addressed from a medium- to long-term perspective, and considers measures.

[Main Review Themes of FY2023 by Working Group 1]

- Review of the global information disclosure standards related to sustainability, as well as review aimed to increase non-financial disclosure items in securities reports
- Confirm development of supply chain sustainability promotion guidelines, request endorsement by partners and suppliers
- Confirm the status of implementation of various initiatives toward human rights due diligence and respect for human rights
- Confirm response to the publication of a statement on UK Modern Slavery Act
- Develop a decarbonized economy transition plan, identify initiatives to reduce GHG emissions
- Participate in Taskforce on Nature-related Financial Disclosures (TNFD) Forum, confirm TNFD disclosure standards

Working Group 2 of the Sustainability Committee

First, through study sessions and discussions, the selected members of Working Group 2 deepen their understanding of sustainability. Then, as an SCSK Group growth strategy, they consider various measures to enable as many employees as possible to understand and practice sustainability management. We also expect Working Group members to act as evangelists.

Major Items for Implementation for FY2023 by Working Group 2

- Input and workshops on understanding and personalizing sustainability management and material issues
- Identify issues, discuss and consider effective measures to penetrate their own organizations
- Hold discussions between Working Group members and chairperson/ president on issues and initiatives to promote understanding

Message from Outside Director



Hidetaka Matsuishi,
Independent Outside Director
(Audit & Supervisory Committee Member)

Society today is faced with myriad social issues, including climate change, resource and food depletion, and natural disasters. We have come to experience firsthand—particularly recently—that the destruction of nature caused by mass production, consumption, and disposal has resulted in drastic changes in climate. Rapid climate change is leading to the depletion of resources and food as well as natural disasters, and it is imperative that initiatives to address environmental issues for the sake of tomorrow are undertaken swiftly.

As our aim is to become a Co-Creative IT Company, we believe that we should face these social issues and grow by utilizing IT technology to resolve the issues and create new value. In addition to serving as a weapon for solving issues related to efficiency, labor saving, and productivity improvement, IT leads to new schemes and innovation. We believe that, in addition to our traditional system-building capabilities, we should take maximum advantage of recent digital technologies such as generative AI to contribute to society and expand our business, which we will support through our Board of Directors. The Board of Directors and the Audit and Supervisory Committee regularly discuss and exchange opinions on sustainability.

We aim to be a leader in activities related to the environment, human rights, and social contribution, and through co-creation with customers and society, we will provide support that will lead to the creation of value that only SCSK is capable of.

Topic Initiatives to further understanding and foster a culture of sustainability management and material issues as an SCSK Group growth strategy

Working Group 2 of the Sustainability comprises members selected from each Business Group. The Working Group examines measures to promote understanding of sustainability management and material issues and to foster a culture of sustainability, and serves as an evangelist, promoting activities to spread the concept across the organization. In addition to acquiring the fundamental knowledge of sustainability-related changes in the external environment that are necessary for penetration, as well as the SCSK Group's initiatives concerning sustainability, the Working Group also held a workshop where opinions were exchanged on the resolution of social issues through projects they are involved in, and investigated and presented sustainability initiatives undertaken by customers.



Comments from Working Group members through the activities of Working Group 2

- To deepen my understanding of and personalize sustainability management and material issues, I learned that, in addition to inputting knowledge, I must consider the relationship between the organization's business and social issues. It is vital to deepen our understanding of the value created by our organization's business.
- I felt that it is important to heighten the level of understanding of sustainability in general among all employees, as well as to increase the number of people proposing new businesses and implementing changes in existing endeavors.

Activities undertaken at each organization by Working Group members

Based on the lessons learned through the activities of Working Group 2, members are driving the study and implementation of measures to promote sustainability management and material issues tailored to each organization. Dissemination through their own organizations also helps to facilitate intra-organizational communication while deepening mutual understanding.

Through internal discussions, the Business Design Group has concluded that the essence of sustainability management is society, companies, and individuals continuing to grow in a sustainable manner.

As part of efforts to promote the understanding of sustainability management, a workshop was held to clarify My Materiality (purpose for living and meaning of existence) and to identify the overlap between My Materiality and the social significance of the company's business operations. The workshops not only improved the sense of responsibility with regard to work, but also deepened employees' mutual understanding by exposing them to a diverse range of values.

We promote sustainability management initiatives, with a sense of responsibility and job satisfaction as it relates to our work. Going forward, we would like to continue our efforts in this activity.

Yuta Shimaya
CX Business Div. Section 2,
Planning Promotion Dept.
Business Design Group



The Products & Services Business Group implemented measures including intra-group surveys and sustainability meetings at the department and section levels. As the Group has offices in several locations, we selected evangelists for each head office to support the implementation of measures tailored to the actual conditions of each office and held meetings regularly to enable evangelists to closely share information. As a result of the measures taken, the proportion of respondents who "feel material issues are related to their work" rose from 46% before the measures to 84%, and the "personalization" of material issues was successfully promoted.

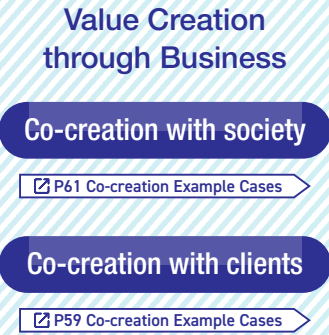
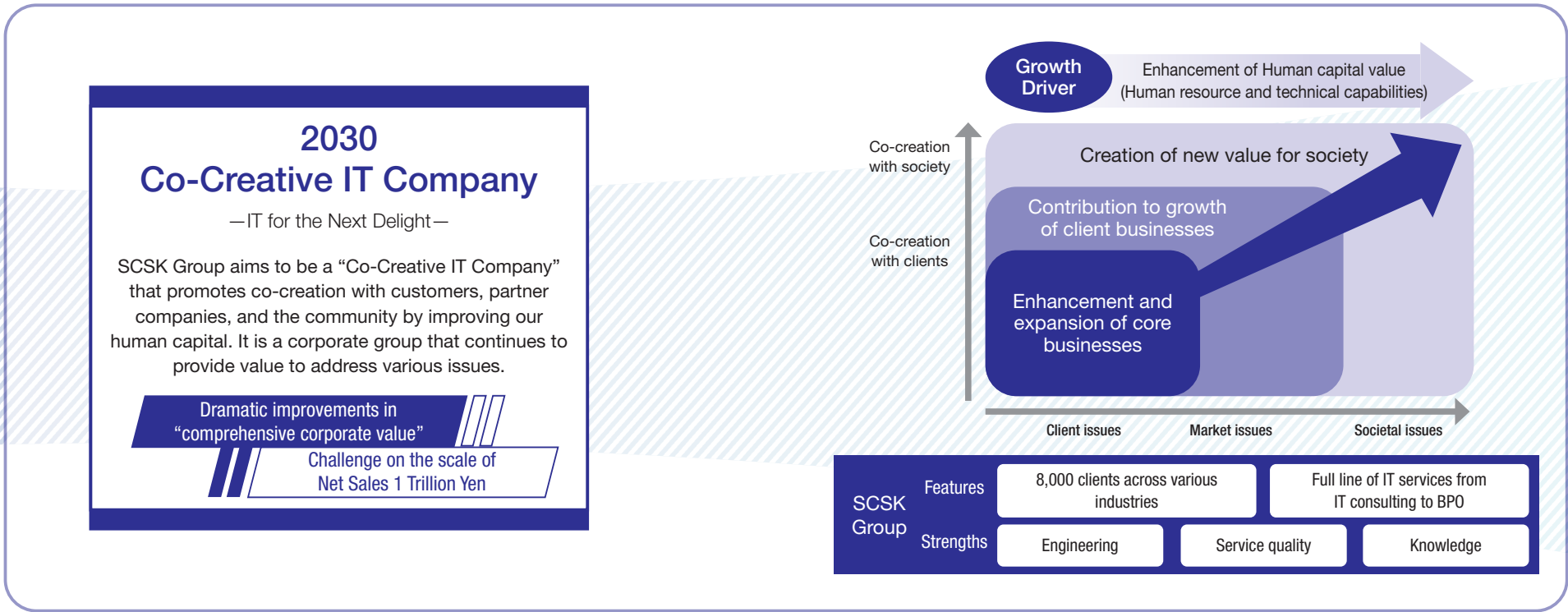
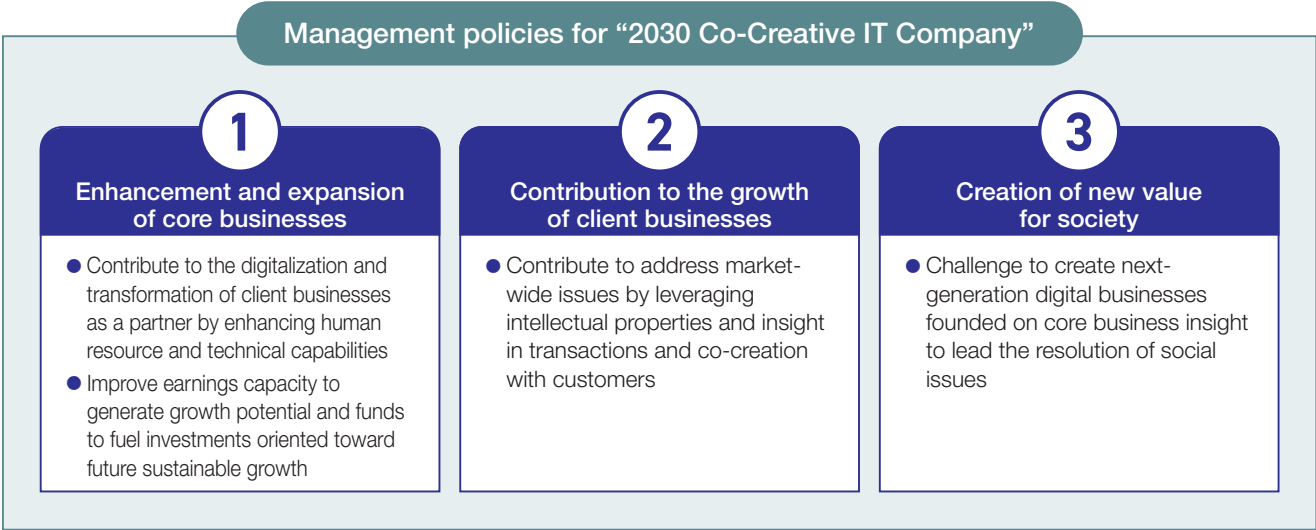
This fiscal year, as we have added new members, we will continue conducting and enjoying activities that contribute to our business.

Hanano Sawada
Business Planning Section, Business
Promotion Dept.
Network Security Div.
Products & Services Business Group



In putting its corporate philosophy into practice, the SCSK Group evaluated a range of issues faced by society from a business perspective, and specified the issues that it views as particularly important and that it should prioritize taking action on to achieve growth together with society as material issues in 2020. At the same time, we have formulated Grand Design 2030 as our medium- to long-term vision, based on our corporate philosophy and material issues as the SCSK Group's reason for existence. Under Grand Design 2030, we aim to become a Co-Creative IT Company in 2030 by taking initiative in businesses that contribute to the resolution of social issues together with our clients and partners.

To improve the SCSK Group's essential corporate strength toward realizing our vision, we have set forth the goal, "Challenge net sales of ¥1 trillion," with the aim of dramatic improvements in comprehensive corporate value, which incorporates economic value, as well as non-financial factors such as social and human capital value, and becoming a first-class company that leads in solving social issues based on the creation of value that is not bound by tradition or past standards. As a concrete step toward realization, we are working on a Medium-Term Management Plan.



Timeline for 2030

2030 Co-Creative IT Company —IT for the next delight—

- April 2020: Formulation of Grand Design 2030
- July 2024: Formulation of SCSK Group technology strategy "Technology Vision 2030"

P27 Technology Vision 2030

Toward 2030
Dramatic improvements in "comprehensive corporate value"
Challenge on the scale of Net Sales 1 Trillion Yen





SCSK formulated the SCSK Group technology strategy “Technology Vision 2030” and released it in July 2024 with the aim of accelerating initiatives toward achieving its goal of becoming a Co-Creative IT Company.

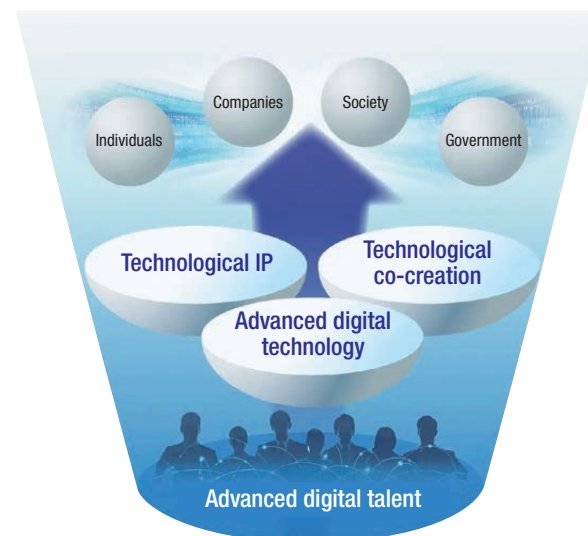
In recent years, the swift evolution and expansion of digital technologies has transformed the environment surrounding companies and society, making it essential to utilize digital technologies in corporate activities and social life. Through the initiatives of this Technology Vision 2030, SCSK will continue achieving high added value and high productivity by maximizing its use of advanced digital technology and will deal with social issues and trends.

Technology Vision 2030: “Transforming into a Digital Offering Group”

SCSK has established Technology Vision 2030 with the aim of transforming itself into a digital offering group. Three elements are essential to achieving this transformation. In addition to “advanced digital technology,” there are “technological intellectual property,” the cornerstone of the offering, and “technological co-creation,” which will lead to the realization of the SCSK Group’s vision of becoming a Co-Creative IT Company.

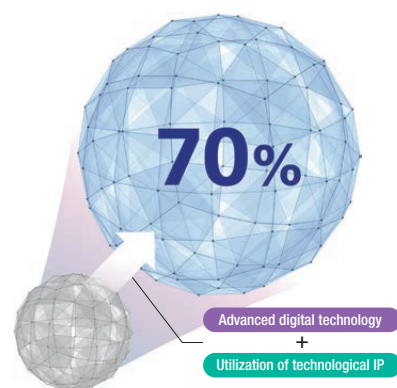
In concrete terms, to enable companies and society to experience the value of using advanced digital technologies, we will incorporate them into our products and services and deliver them to the market as solutions. We will then transform the acquired expertise and know-how into intellectual property and continue to promote a value cycle for its further utilization. We will also engage in co-creative activities with a diverse range of stakeholders in the development and deployment of new solutions that address the issues our customers and society face.

To steadily drive these initiatives forward, we will further strengthen and expand our advanced digital talent to enhance our human capital, while cultivating collaborative partners and reinforcing relationships to enhance our digital business capabilities.



Technology Vision 2030: Goals

Achieve a digital offering business ratio of 70% or more



100% application of AI-driven development



Expansion to 10,000 advanced digital talent



P39 Message from the General Manager, Technology Strategy Div.

Areas of focus for digital technology

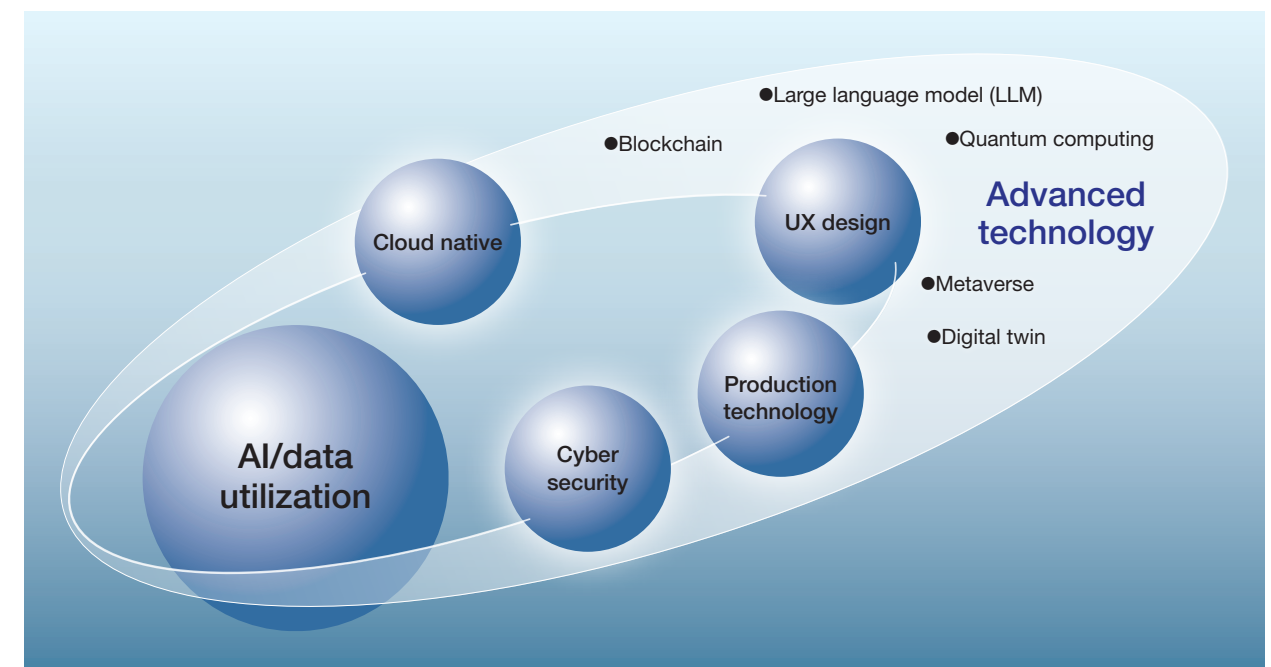
Among the six areas we have identified as key digital technologies, we will focus on maximizing the use of various “AI/data utilization” technologies—which have in recent years rapidly evolved and spread—and promote the realization of solutions that merge these with other digital technologies. We will apply “User experience (UX) design” from the strategy and planning stages of a business or service to clarify the value of its use early on, thereby promoting initiatives that lead to higher added value. The key to achieving this service is the application of “Cloud-native” technology, which enables the timely, swift, and flexible development of application services.

In the “production technology” domain, we are working to achieve AI-driven development. This will accelerate delivery through heightened productivity and aid customers in the rapid

deployment of IT services in their businesses, while also enhancing the developer experience.

Moreover, to respond to cyber-attacks—which are becoming more advanced and sophisticated and have become an issue on a global scale—we will promote the acquisition of cutting-edge technologies and solutions in the “Cyber security” domain and work to realize the safety and security of our customers and society.

The market is beginning to see the penetration of next-generation technologies such as virtual (XR) and quantum computing. While further augmenting its investment in technology, by promoting co-creation through open innovation, SCSK will introduce pioneering technologies to society and business.



Improving digital capabilities

We will further reinforce the recruitment and training of the advanced digital talent to respond to rapidly changing market needs and diversifying social issues through digital technology.

Moreover, we will further promote measures to raise the level of expertise and boost skills in the digital technology domain, while also promoting business and practical human resource cultivation by sharing the knowledge and know-how of internal experts appointed to the digital Center of Excellence (CoE).

At the same time, we will work to develop and expand cooperative and alliance partners in the digital domain. Through these efforts, we will bolster and expand the systems that enable us to be deeply involved in our clients’ business strategies from the deliberation stage and use digital technologies to create new value.

