

IT for the Next Delight.

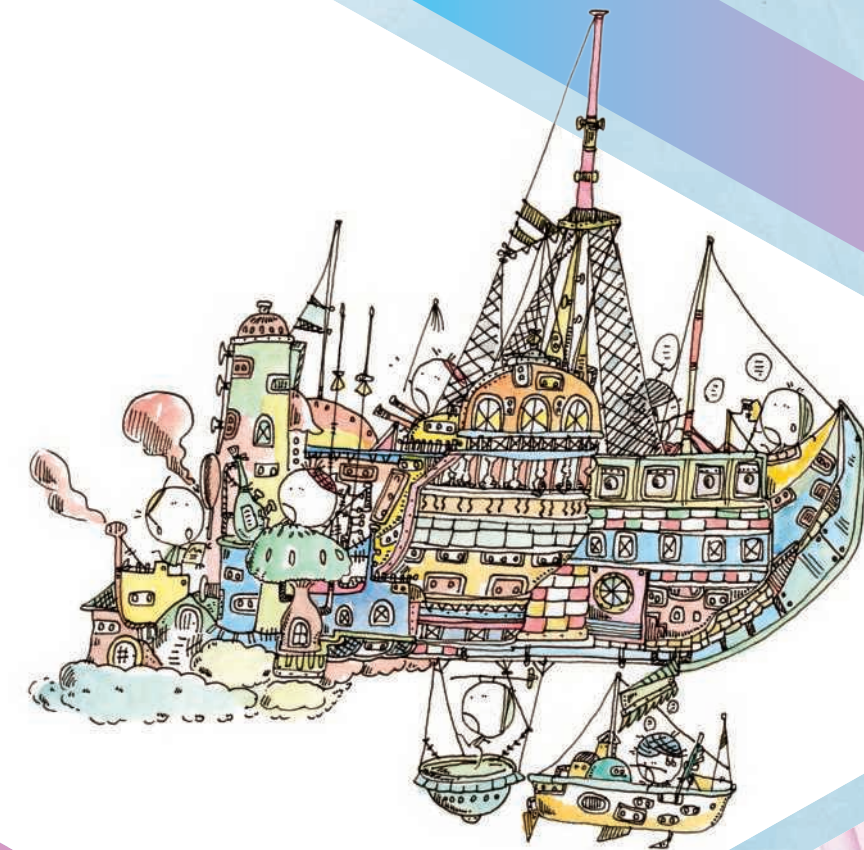
SCSK

SCSK

SCSK REPORT 2025

From April 1, 2024 to March 31, 2025

Create Our Future of Dreams



Corporate Philosophy

Our Mission

Create Our Future of Dreams

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

Our Promises

Respecting each other

We realize our potential by
respecting each other.

Providing excellent service utilizing reliable technology

We delight customers
through our service based on
reliable technology and passion.

Sustaining growth from a global and future perspective

We, with our stakeholders,
pursue sustainable growth
for the world and the future.

Code of Conduct

Challenge

Aim higher with
future creating passion.

Commitment

Act with integrity and
a sense of responsibility
for our customers and society.

Communication

Facilitate teamwork
with respect
and understanding.



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Focus points of SCSK REPORT 2025



Message from the Management

We will talk about our will to realize a corporate group that leads the resolution of social issues and develops business groups with an overwhelming presence and influence together with a new power, Net One Systems Co., Ltd., as well as future perspectives.

P5

Toward New Business Growth

Regarding the new value that Net One Systems Co., Ltd. and the SCSK Group will build, we will include a summary of integration and a discussion with the top management of IT infrastructure service business to explain our vision and thoughts for the future.

P11





SCSK's Human Capital Management

"Humans" are the SCSK Group's source of value creation. SCSK's vision for human capital management is described from the perspectives of Managing Executive Officers and employees.

P69,P72,P80

Sophistication of governance as a basis for improving corporate value

In addition to messages from the newly appointed Chairman of the Board and each chairperson of committees, we will explain governance that supports corporate value, including the effectiveness of the Board of Directors, risk management, succession plan, and information security.

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Editorial Policy

SCSK Report 2025 has been compiled as a report that contains information on performance and business strategies as well as non-financial information, such as that pertaining to sustainability activities. We hope this report will facilitate understanding with regard to SCSK Group's efforts to realize stable, ongoing improvements in corporate value from a medium- to long-term perspective while paying attention to stakeholders.

Scope of report	SCSK and the SCSK Group	Publication date	October 2025
Reporting period	FY2024 (April 2024 to March 2025) Includes some information for FY2025		
Guidelines referenced			
<hr/>			
<ul style="list-style-type: none">· U.N. Global Compact· ISO26000· The International Integrated Reporting Framework, published by the International Financial Reporting Standards (IFRS) Foundation· Global Reporting Initiative (GRI) GRI Standards· Ministry of Economy, Trade and Industry (METI)'s Guidance for Collaborative Value Creation			

Important Information Regarding Report Terminology

The names of products, services, etc. listed in this report are the trademarks or registered trademarks of SCSK or respective companies, etc. In addition, some of the references to "SCSK" and "the Company" in this report may refer to the entire "SCSK Group."

Disclaimer

This report is intended to provide information about the performance and business strategies of the SCSK Group and is not intended to solicit the purchase or sales of SCSK's stock. 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. The Company cannot be held responsible for losses resulting from information contained in this report. This report may not be reproduced or retransmitted without authorization.

Information Disclosure Media



Message from the President

It has been four years since I assumed the post of president. Digital technology innovation such as the recent rapid advancement of generative AI implementation in society and the rise of cloud-native architecture as the standard have forced a significant transformation in the very business models of our IT services industry. The traditional approach of “custom development,” in which systems are built from scratch to meet individual specifications, is being reevaluated. We feel that our customers’ interests continue to evolve from mere system-driven operational efficiency to more sophisticated, complex goals, such as enhancing the overall competitive power of their businesses. We acknowledge that we have reached a major turning point in terms of changes to the very nature of how work is accomplished.

Amidst this environment, since becoming president, I have consistently managed the company with a strong conviction to establish market-leading businesses that possess significant presence and influence. The SCSK Group has leveraged its full service lineup as a strength, offering end-to-end solutions encompassing everything from consulting and system development to maintenance and operation, verification services, and business process outsourcing (BPO). Meanwhile, we often receive feedback that “SCSK’s unique strengths are not readily apparent.” Establishing a core business that combines profitability and growth potential has been a challenge for many years. This is essential in creating a stage where every employee can take pride in their work and fully demonstrate their abilities.

Given this awareness of the issues, we have been advancing portfolio reform and focusing management resources on growth areas under our current Medium-Term Management Plan. To break through the three areas of stagnation I have stressed since assuming this position—client relationships, business models, and organizations/people—and to lead the SCSK Group into a new stage of growth, we took a significant new step forward, achieving a business integration with Net One Systems Co., Ltd. last fiscal year.

Net One Systems Co., Ltd. is the only network integration company of its kind in Japan. I feel strongly that the integration with the SCSK Group, which excels in application development, provides a sound solution to the long-standing challenge of “establishing a business with presence and influence.” With this new power, I am convinced that we are steadily moving toward becoming a corporate group that leads the resolution of social issues and develops business groups with an overwhelming presence and influence.

I would like to explain the results of the transformation we have achieved over the past year and the vision for the SCSK Group that we are shaping with these new capabilities.

1. Toward New Business Growth

We have steadily honed our singular strengths in areas of growth such as our mobility and digital supply chain businesses. And, with the addition of Net One Systems Co., Ltd. to the SCSK Group, our position as a group has changed drastically. No longer a distant goal, the ¥1 trillion net sales target set forth in Grand Design 2030 is finally within our reach.

By adding outstanding partners with distinct strengths, we believe our growth strategy has unlocked unprecedented potential. In addition to expanding our scale, we are now advancing as a group toward a new stage where we will focus more than ever on the “quality” of our business and dramatically enhance the SCSK Group’s unique “corporate value.”

Business integration with Net One Systems Co., Ltd.

We made Net One Systems Co., Ltd. a member of the SCSK Group last fiscal year. This was an inevitable strategic decision to elevate “security”—a growth area outlined in our Medium-Term Management Plan—to the next stage. In an era dominated by hyperscalers, the SCSK Group with its application expertise and Net One Systems Co., Ltd., which is renowned for its superior network integration capabilities, have joined

forces to support our customers’ “last mile.” This integration has resulted in the lone enterprise group in Japan that can deliver true full-stack services.

This integration was realized following years of dialogue with company president Takeshita. As fellow entrepreneurs of the same generation, we recall that we hit it off immediately. Through our ongoing conversations about the future of our respective companies and issues facing the industry, shared corporate cultures—such as “placing people above all else” and the spirit of “craftsmanship” embodied in our logo—resonated deeply with both of us. At the same time, we realized that we were also in alignment with regard to our understanding of the challenges facing our mutual future. For the SCSK Group to establish a true “business with presence and influence,” we must strengthen our network domain. Net One Systems Co., Ltd. required our application development capabilities in adapting to the software-defined era. While we exist in different business domains, we felt we would be complementary partners for the future. We firmly believe that sharing these values and challenges is the single greatest force that will lead this to being a successful integration.

We have fully launched the Integration Committee and are accelerating discussions toward integration. We have established a basic policy to optimize integration benefits through three key pillars: “integration of corporate cultures,” “maximization of business synergies,” and “enhancement of corporate functions.” With the specific policy for this purpose now clarified, we have set a fundamental policy to proceed with preparations on the premise of an April 2027 merger. This involves maintaining the separate legal entities as of April 2026 while advancing business maximization, looking at current operations, and boosting efficiency. This decision is intended to prevent the merger from becoming an end in and of itself, and to ensure we achieve the true purpose of the integration—maximizing corporate value.

Achieving ¥1 trillion in net sales by 2030 is simply an intermediate milestone. Along with our new capabilities, we aim to realize a corporate group that leads the resolution of social issues and develops business groups with an overwhelming presence and influence.

Takaaki Tsuma
SCSK Corporation
Representative Director
President

Message from the President

To create business synergies, we will focus in particular on the security business as the core and aim for high added value by merging the two companies’ technologies and intellectual properties. We have a clear quantitative target of ¥50 billion by FY2030 for business synergy-related sales. By providing high-value-added services, we aim for an operating profit margin of 20% in the synergy segment, surpassing the company-wide average. We will pursue management practices befitting a group with ¥1 trillion in net sales, including the creation of value in new domains like smart manufacturing and unique mobility services that seamlessly integrate in-car and out-of-car experiences with safety and security. Combining the strengths of both companies will allow us to achieve a creative integration through which 1+1 equals 3 or even 4.

Naturally, the process of unifying an organization never goes entirely smoothly. Through the 2011 merger of Sumisho Computer Systems Corporation and CSK Corporation, however, we experienced firsthand the difficulties involved in integrating two organizations with distinct cultures into a single entity—and the tremendous potential attainable through overcoming those challenges. It is our firm belief that this integration, which will open up our future, will certainly lead to success, centered on the companies’ shared values that prioritize “people.” [P15/Toward New Business Growth](#)

Transforming current Medium-Term Management Plan into tangible results

Current Status Against Medium-Term Goals

The fiscal year ending March 2026 will be crucial in completing our current Medium-Term Management Plan, while also serving as a year to formulate the subsequent plan and lay the foundation for the future. Under the present Medium-Term Management Plan, we

have pursued two policies to achieve “dramatic improvements in comprehensive corporate value”—a concept encompassing not only economic value, but human capital and social value. One is the “Reorganization of business areas and redevelopment of business models to continue providing new value to clients and society.” And the other is the “Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of SCSK Group.”

Based on this policy, we have united as a company to pursue three fundamental strategies: 1) Decisive business shifts, 2) Development of market-leading businesses in growth markets, and 3) Advancement of next-generation digital businesses through co-creation with society.” Last fiscal year was one in which these strategies steadily bore fruit. We achieved record-high net sales and operating profit, driven by robust demand from our key clients in manufacturing, finance, and other industries, and including the performance of Net One Systems Co., Ltd., which was consolidated from the fourth quarter.

Specifically, through the selection and concentration on core businesses, the shifting of resources to higher-value business areas, and the promotion of AI adoption company-wide, we significantly improved the gross profit margin to 28.1%.* Moreover, the revenue scale of growth areas such as mobility and digital supply chain services—which are evolving into the businesses with an overwhelming presence and influence we aspire to create—has shown robust growth at a CAGR of 14% over two years. We are deepening our commitment to delivering more fundamental value that directly drives our customers’ business growth. And, in creating next-generation digital businesses, we have launched the eco supply chain platform business—a carbon management platform that utilizes digital technology to advance the

implementation of a decarbonized society—within the green transformation (GX) domain. We are taking a vital step toward establishing our position as an indispensable digital infrastructure provider for tomorrow’s society.

These are the result of all employees flexibly adapting to market changes and practicing sustainability management as a growth strategy, which involves providing value to society and customers. We view this as having formed a solid foundation for the final year of the current medium-term plan and for the next stage.

[P33/Progress of the Medium-Term Management Plan](#)

*Calculated based on sales from domestic IT services excluding product sales

Building upon this sound foundation, the strategic company-wide adoption of AI will serve as the engine to further drive forward the growth of these businesses. We recognize that the wave of transformation brought by AI is irreversible regardless of industry and absolutely essential to succeed in future competition. The SCSK Group is, for instance, advancing the increased sophistication of development processes in the mobility domain. By combining AI and virtual electronic control unit (ECU) technology, it aims to dramatically enhance quality and efficiency in the upstream stages of development. While AI is expected to raise productivity, there are new threats emerging, such as data loss through identity theft. Given this, we are driving forward a strategy to deepen our new business domain of digital resilience by establishing application API security as a standard framework within the security domain we will focus on. We will advance the leveraging of these state-of-the-art technologies across all business domains to enhance the value we deliver to our customers even further.

[P45/Technology Vision 2030: Technological Strategy](#)

The core of our market-leading business: “Offering Business”

Building on these steady results, we are also pursuing transformative initiatives to further boost delivered value. Our vision is not to simply be a system vendor—we aspire to be a “co-creation partner” that works together with customers to build the future. To achieve this, we have been working to shift away from our outsourcing-based business model for quite a while now. To be honest, however, we acknowledge that we are only halfway there.

The key to overcoming this situation and shaping a “transformation of work methods” lies in the establishment an “offering business” that leverages our intellectual properties. The offering business we aim to realize is nothing less than delivering true value to our clients through the optimal combination of our upstream consulting capabilities with our intangible assets—technology, services, and industry and operational expertise.

Toward achieving concrete advances in this offering initiative, we rebranded PROACTIVE, the crystallization of our intellectual property, last fiscal year. We have rebuilt our product with a focus on AI, transforming it into something we believe we can confidently deliver to our customers. For the fiscal year ending March 2026, we will fully launch our market offerings with this new PROACTIVE as the nucleus of our offering business.

[P37/Aiming at Offering Business: PROACTIVE](#)

Formulation of next Medium-Term Management Plan

In our next Medium-Term Management Plan, we will aim to become a corporate group that leads the resolution of social issues and develops business groups with an overwhelming presence and influence. We will position the enhancement of corporate value as our primary theme and place unprecedented emphasis on profitability as the most vital metric.

And the promotion of an AI-centric business strategy lies at the core of that growth. AI is no longer merely a tool; rather, it is a fundamental force transforming our customers’ businesses as well as our own business model.

We will serve as the “AX Enabler” supporting our customers’ AI transformation amid the significant changes that will result. We regard this as the SCSK Group’s oncoming challenge in the next Medium-Term Management Plan.

We are already promoting AI-driven development company-wide to boost efficiency, and we are working to advance and streamline our development processes with the objective of achieving full adoption by 2030. Moving forward, we will position AI at the core of every business domain—from its application in upstream processes like definition of requirements to the fundamental transformation of our BPO business through AI agents—with the aim of further advancing our business model.

Moreover, as a new priority area, we will focus on strengthening digital resilience, including security. To maximize the benefits of AI, we must provide a secure, safe environment as a foundation. We regard this as a crucial responsibility of ours.

2. The Source of All Value—SCSK’s Human Capital Management

To this point, we have discussed our business strategy, but the ultimate source of all value creation in our business remains our people, without question. The SCSK Group is a company where people are everything. Our future would be impossible without the wisdom, passion, and growth of each employee.

Post-Integration Vision

The Company We Aim to Be

A corporate group that drives social issue resolution and deploys business groups with overwhelming presence and influence

- To be chosen by all Stakeholders (Society, Customers & Partners, Shareholders & Investors, Employees, etc.)
- Establishing a unique position in specific domains based on advanced technical capabilities and market insights
- Continuous and Sustainable Growth & Evolution Cycle

Pioneering the future by anticipating change, driven by the growth of each employee

Human capital and the resulting intellectual properties are the engine of new value creation

Leading the Transformation

Employee Development and Market Expansion Capability

Corporate Culture and Code of Conduct in our Ideal Company Profile

Integrity
(Honesty, Dedication, Nobility, etc.)

Opportunities for Challenge and Growth

Respect for Diversity

Advancing Co-Creation

Penetration of Well-Being

As leader, one of my goals is for every SCSK Group colleague to take pride in their work and feel truly happy to be a part of the company. This conviction became firmly established when I was first appointed senior executive officer, a position of some responsibility. I felt from the bottom of my heart that I wanted to make my colleagues standing before me happy, as well as their families.

Since then, I've noticed several common elements while considering the moments when people are fulfilled by their work. It is the sense of fulfillment that comes from customer appreciation, reliance from colleagues, contributions to society, and serving one's role. Words of gratitude we receive from our customers as we go about executing our daily duties. The sense of unity that develops among teammates when overcoming difficulty in a project. And moments when employees are certain that their work is truly helping someone. I believe that the accumulation of such moments becomes our sense of fulfillment and shapes our well-being. We believe that this sense of employee fulfillment contributes to the sustainable growth of the SCSK Group and, ultimately, to the prosperity of society overall, which we intend to realize as a "co-creative IT company."

The SCSK Well-Being Score helps visualize employees' true feelings, acting as a compass to pinpoint our current state of well-being. This indicator is not merely a survey; rather, it is a unique SCSK Group initiative to visualize the state of the company and organization and explore mechanisms for creating job satisfaction. We will continue to advance our efforts.

[P72/Well-Being Management as a Driver of Value Creation](#)

Further advancement of human capital management
We established "human capital investment" as our core strategy for the fiscal year ended March 2021, driving forward initiatives to expand educational investment and reform our personnel systems. These initiatives



received considerable external recognition last fiscal year, as evidenced by the awards "Thought Leaders of Human Capital 2024" and "Human Capital Management Excellence 2024 Gold Award." Meanwhile, the environment surrounding our company is subject to constant change. In the interest of driving future growth and enhancing our HR strategy, we will launch a new personnel system in April 2026.

The basic principle underpinning the new system is to ensure the company remains an employer of choice for the most talented personnel driving business growth, while simultaneously maximizing the market value of each employee. It achieves this by implementing a clear distinction in evaluation and compensation to ensure contributions are properly rewarded, and by fairly recognizing those who have made significant achievements.

When undertaking such system reforms, one thing I value deeply is empathy between people. My feeling is that the steady accumulation of dialogue is what enhances an organization's execution power and fosters genuine empathy—ensuring management policies gain the empathy of each employee, are accepted as their personal responsibility, and are practiced autonomously in their respective roles.

Empathy serves as motivation, boosting the desire to grow. Employees who develop are praised by customers, which becomes a source of job satisfaction, which in turn leads to further growth. The growth of our employees then serves as the growth driver for our business. And as our business grows, we receive opportunities from our customers for more sophisticated, challenging first-class work. The company will reward those employees who achieve significant results with first-class compensation. Creating a virtuous cycle to maximize human capital value and business growth—that is the essence of human capital management as practiced by the SCSK Group.

[P69/SCSK's Human Capital Management – To Next Stage Toward Grand Design 2030](#)

3. To Stakeholders

Our challenge has only just begun. But the direction we are aiming for is clear. It is about fusing technology and human capabilities to resolve the issues faced by our customers and society, and co-creating a more prosperous, sustainable future.

The SCSK Group views this era of significant transformation as an opportunity. Each employee shines individually, and their combined strength creates tremendous value. As a co-creative IT company, we will strive as a group to become an entity that surpasses the expectations of all stakeholders.

We look forward to your continued support.

Message from the Executive Vice President

We will drive Japan's digital transformation with true full-stack capabilities and co-create Create our future of dreams with our customers.

I am Takafumi Takeshita, and I have recently assumed the position of Executive Vice President as a new member of the SCSK Group. I have been involved with Net One Systems Co., Ltd. since it was founded, engaging in all aspects of the business, including technology, services, sales, and management. Having established a unique position as a network integrator, Net One Systems Co., Ltd. has believed in the expanding possibilities of networks along with the evolution of ICT and the company has dedicated itself sincerely to this field for a very long time.

During this journey, networks have evolved to become more than mere communication tools; today, they are a vital element of social infrastructure supporting our everyday lives and business activities. This management integration is a major undertaking with a mission of great importance: tackling head-on the structural challenge of Japan's overall lag in DX, which tends to fall into suboptimal solutions.

Net One Systems Co., Ltd. possesses unparalleled network expertise within Japan and SCSK provides comprehensive capabilities spanning everything from applications to IT infrastructure. The fusion of these two strengths makes possible a true full stack that provides unified solutions incorporating everything from network to application. This enables us to provide support for our clients' challenges from a holistic optimization perspective, focusing on the "whole" rather than just individual "points." We will create unique value together not merely as a system installation contractor, but as a strategic partner accompanying the business growth of our customers.

Moreover, guided by the shared belief that "the growth of people drives corporate growth," both companies will respect diversity and strive to become leading ICT industry companies that contribute to resolving social challenges.

As a member of management, I will take the lead on this path, maximizing the potential of people and networks while dedicating all of my efforts to the co-creation of Create our future of dreams.

Takafumi Takeshita

Apr.	1988	Joined Ungermann-Bass Networks K.K.
May	1989	Joined Net One Systems Co., Ltd.
Apr.	2006	Vice President of Technical Service Headquarters of Network Service And Technologies Co., Ltd. (currently, Net One Systems Co., Ltd.) (seconded)
Jun.	2009	Executive Director of Network Service And Technologies Co., Ltd.
Jul.	2011	Vice President of Net One Systems Co., Ltd.
Jun.	2018	Senior Vice President of Net One Systems Co., Ltd.
Apr.	2021	President & CEO of Net One Systems Co., Ltd. (current)
Apr.	2025	Executive Vice President of SCSK
Jun.	2025	Executive Vice President and Director of SCSK (current)

(Current position(s) of directors as of June 24, 2025)



Toward New Business Growth

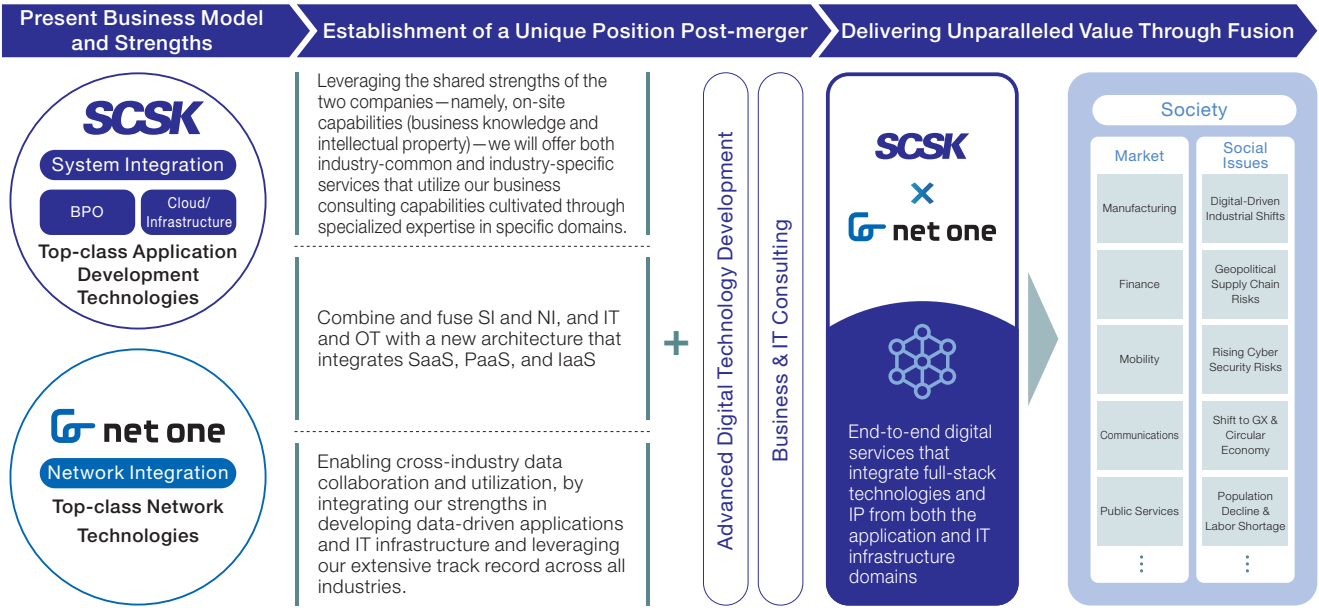
For more details on the integration, please click here.
https://www.scsk.jp/ir_en/library/analyst_meeting/index.html



Following the completion of the tender offer in December 2024, we will work toward achieving the goal of “Advancement of Corporate Functions” through the integration of both companies. We will strive to leverage the strengths of both firms with the aim of maximizing business synergies, enhancing corporate functions, and Integration of Corporate Cultures.

Through the integration, we aim to realize a corporate group that leads the resolution of social issues and develops business groups with an overwhelming presence and influence.

Vision for the Integrated Company

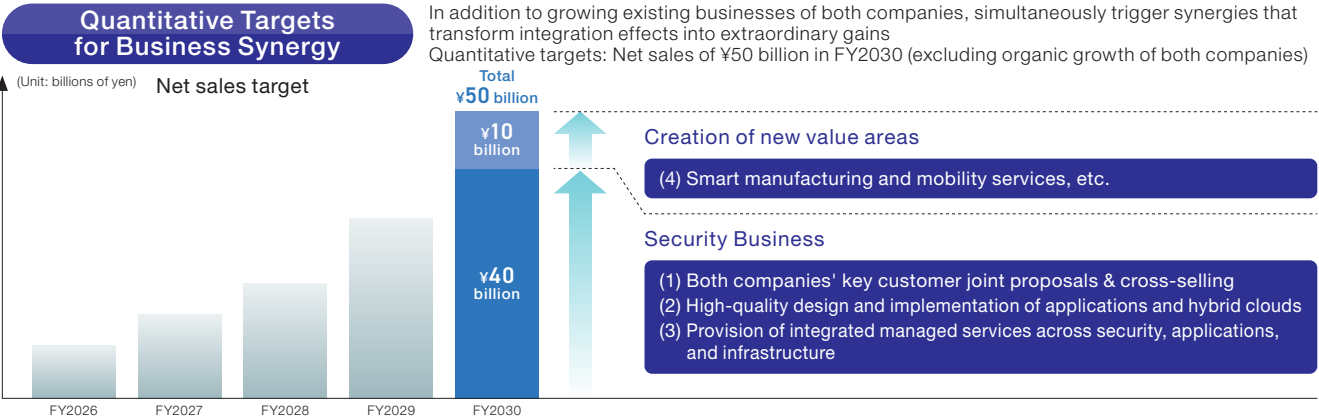


1. Maximization of Business Synergies

The integration of SCSK's top-tier application technology and Net One Systems Co., Ltd.'s high-level network technology will create powerful business synergies. The core of these synergies is the security business, which leverages both companies' strengths to deliver high-quality design and implementation and secure integrated managed service spanning applications to infrastructure. We also aim to create new value domains including smart manufacturing and mobility services.

In addition to growing the existing businesses of both companies, we established a quantitative target to generate an additional ¥50 billion in net sales by FY2030 by accelerating the powerful synergies the integration will create. This target only applies to sales generated

through synergies between the two companies. We aim for high growth rates for the security business even through the organic growth of both companies' existing domains, projecting net sales of about ¥120 billion by 2030. To this, our objective is to add ¥40 billion from business synergies, growing the business to a total of over ¥160 billion. Moreover, we target about 20% for the operating profit margin for the ¥50 billion in net sales generated by business synergies—combined with the ¥10 billion generated through the creation of new value domains—surpassing the company-wide average. We will achieve this through measures such as providing high-value-added services, as illustrated in the figure below.



2. Advancement of Corporate Functions

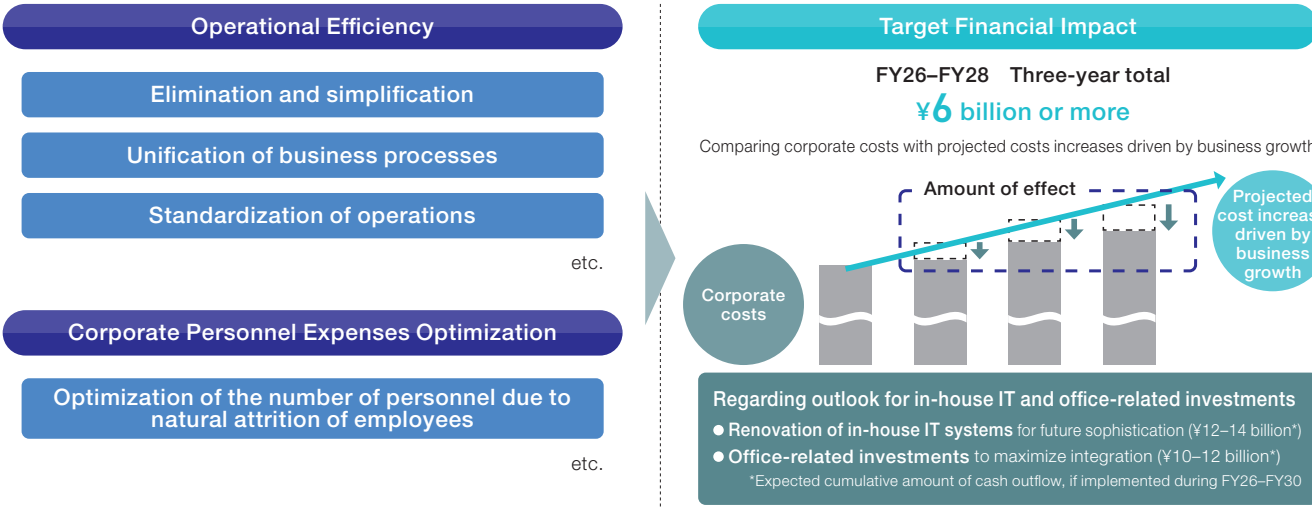
Beginning in April 2026, we will pursue operations centered on the overall optimization and comprehensive efficiency of the corporate functions of both companies. This will lead to enhanced functional expertise and speed. Our aim is to achieve an efficient corporate structure that contributes to the performance of the business.

With regard to cost synergies associated with the advancement of these corporate functions, we plan to achieve cumulative cost synergies over the three-year period starting from FY2026 in excess of ¥6 billion. We will accomplish this by optimizing staffing levels through

measures such as curbing outsourcing and natural attrition, effectively offsetting costs that we see increasing in line with business growth.

Moreover, independent of this initiative, we may need to upgrade internal IT systems to support future business advancements and make office-related investments to maximize the benefits of the integration. Going forward, we will consider the feasibility, timing, and specific amounts of these investments, while considering the current status of both companies' systems and future business strategies, to ensure they do not hinder the growth of business or the effects of cost synergies.

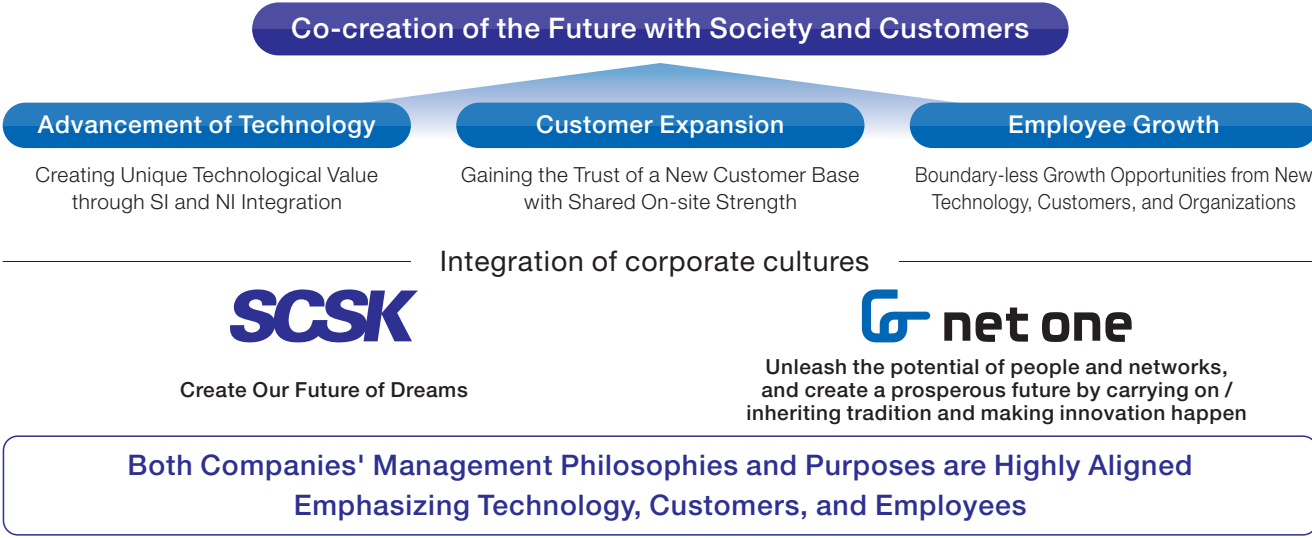
Quantitative Targets for Advancement of Corporate Functions (Cost Synergies)



3. Integration of Corporate Cultures

SCSK's corporate philosophy and Net One Systems Co., Ltd.'s purpose are highly compatible in corporate culture integration. They share the belief that we should maximize human potential, enhance technology, and contribute to the future.

Building upon this foundation, we will advance technology, expand our customer base, and help our employees grow by mutually understanding and integrating the two companies' strengths, thereby co-creating the future for society and our customers.



Oct. 2011 Created through the merger of Sumisho Computer Systems Corporation and CSK Corporation
Dec. 2024 Net One Systems Co., Ltd. joined the SCSK Group

SCSK

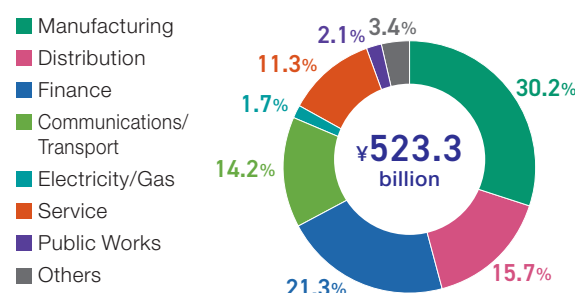
SCSK Corporation

A full lineup of all IT services required by businesses are provided through the coordination of specialists who are familiar with problem-solving in all industries, bringing together their expertise

Capital
¥21.561 billion

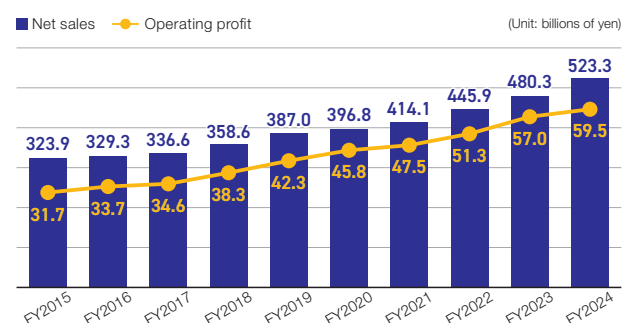
- 1969 Established
- 1989 Listed on the First Section of the Tokyo Stock Exchange
- 2011 SCSK Corporation was created through the merger of Sumisho Computer Systems Corporation and CSK Corporation

Breakdown of Net Sales by Client Industry*



*Reference figures that have been reclassified from the FY2024 results

Trends in Net Sales and Operating Profit

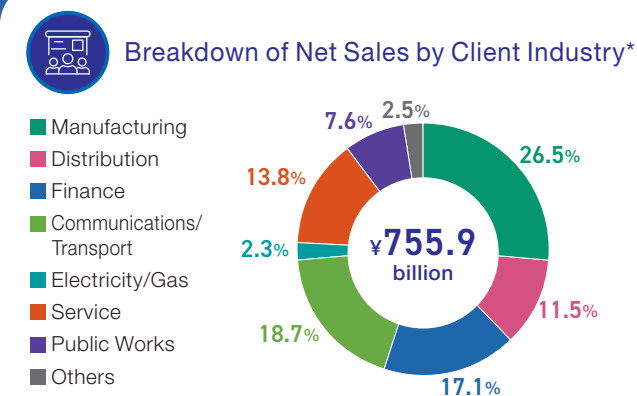


At a Glance (FY2024 results proforma)

Net sales
¥755.9 billion

Operating profit
¥80.1 billion

Operating profit margin
10.6%



*Reference figures that have been reclassified from the FY2024 results

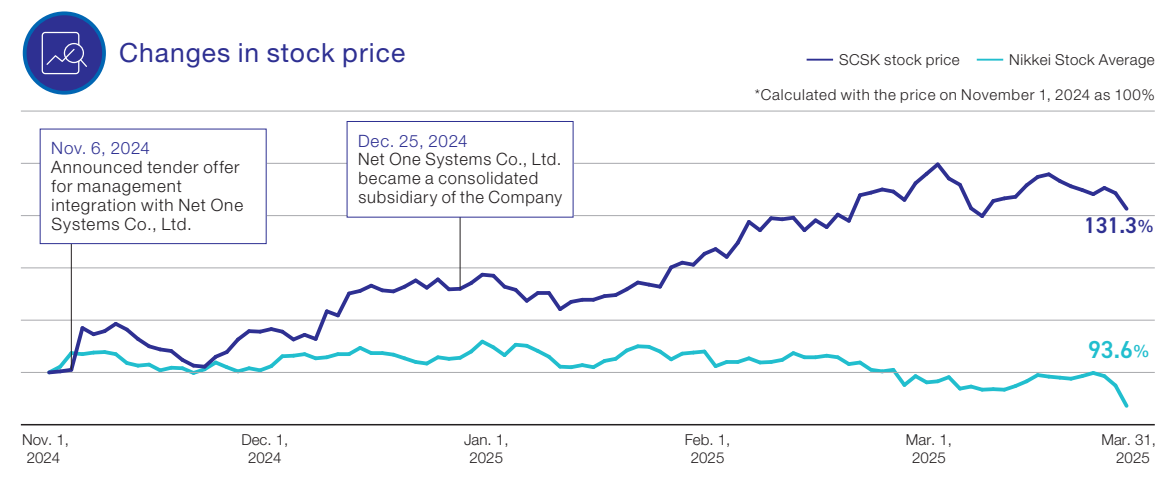
Customer base
Approx. 10,000 companies

Number of customers with net sales of ¥1 billion or more
133 companies

Market capitalization*1
Approx. ¥1.1 trillion

Number of employees on a consolidated basis*1
20,252

Net Sales of IT Infrastructure Services Business*2
Approx. ¥400 billion



*1 As of Mar. 31, 2025 *2 Estimated based on net sales of the IT Infrastructure Services Business Group and Net One Systems Co., Ltd. for FY2024

net one

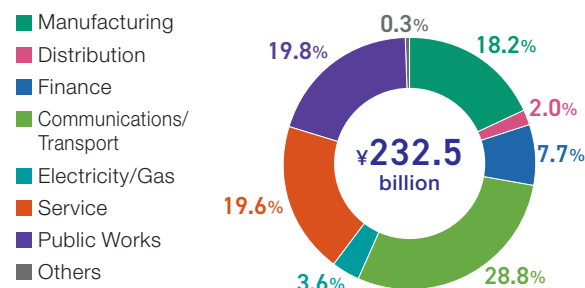
Net One Systems Co., Ltd.

Building an information infrastructure that incorporates the world's most advanced technologies and providing related services and know-how to realize strategic ICT utilization

Capital
¥12.279 billion

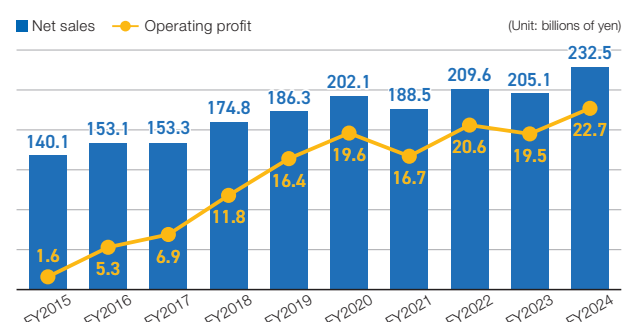
- 1988 Established to sell LAN
- 2001 Listed on the First Section of the Tokyo Stock Exchange

Breakdown of Net Sales by Client Industry*



*Reference figures that have been reclassified from the FY2024 results

Trends in Net Sales and Operating Profit



By combining our respective strengths, we will create new value with security at the core and drive our customers' modernization.



Takuya Tanaka, Vice President and Chief Operating Officer (COO) of Net One Systems Co., Ltd., and Masaki Komine, General Manager, IT Infrastructure Services Business Group at SCSK, discussed the objectives of the business integration and future strategies.

1. Combining Net One's on-site capabilities with SCSK's technical expertise in integration to create a new source of strength

Tanaka: My impression of SCSK was that it had established a solid position as a “comprehensive IT company” and had a broad business scope that continues to evolve with sincerity and dedication. The company was well known in the industry for its transformation into a “company with good working conditions” company in a remarkably short time, underpinned by its reputation as an extremely disciplined organization. I was a bit envious when I viewed the organizational strength that achieved this transformation. What surprised me once we actually began collaborating, though, was the similarity in our corporate cultures were—to a much greater extent than I had anticipated. While we may have different clients, there could be a shared underlying mentality that resonates with both companies, as fellow practitioners of IT infrastructure in Japan.

Komine: From my perspective, Net One Systems Co., Ltd. can be summed up in one phrase: “a professional group in the network business.” I recognized them as undoubtedly the leading company in Japan in this field—whether you’re talking about their technical expertise, vendor selection, or customer-focused approach. They are strong in terms of both sales and technical capabilities, and seem to have a firm grip on their customers. I viewed Net One Systems Co., Ltd. as a company engaged in an extremely compelling business that supports the IT infrastructure foundation—as irreplaceable to modern society as blood vessels are to the human body. And as Mr. Tanaka noted, once we actually started collaborating, we found we had quite a bit in common. In the IT infrastructure business for which I am responsible in particular, there are similarities in terms of approach to the business, the mindset, and the

attitude toward initiatives, and I find many aspects resonate with me. That said, since our areas of expertise differ, we are becoming excited about what we may achieve by fusing our respective strengths.

Tanaka: When describing the strengths of Net One Systems Co., Ltd., I often use the term “on-site strength.” Our entire competitive edge comprises the power of the engineers and salespeople working on the front lines, and those who support them. As we get closer to customers, various signs become apparent. The greatest strength of Net One Systems Co., Ltd. lies in its ability to rapidly identify the signs of such issues and respond immediately. A key organizational feature is that we operate our sales and pre-sales engineering teams as a single integrated unit to achieve that speed. To enhance proximity to customers, sales personnel and engineers must both become deeply involved, working together on-site to drive projects forward. Going forward, we hope to eliminate even the barriers between roles such as sales and technical positions. I even think that, ultimately, having just one customer-facing role would be enough.

Komine: A key strength of our organization is the leveraging of the diverse personalities and strengths of our workforce in assigning them to various roles. SCSK's strength also lies in prioritizing relationships with customers. I suppose you could call it “technical expertise in integration.” SCSK has proprietary intellectual properties such as PROACTIVE, SUMAKURA, and USIZE, but views each as merely one important component in the integration that enhances the value we deliver to our customers. Accurately identify market gaps, and then address and integrate them. That is precisely our technological strength. This stems from our discernment, which involves constantly observing cutting-edge products and market trends with both breadth and depth.

Tanaka: The fact that we don't need to sell our own products is a strength shared by both companies. We can immediately adopt what we deem good and find new things to replace those that no longer fit the times. That is directly related to the sense of speed I alluded to earlier.

Komine: We constantly survey the market overall from the viewpoint of what constitutes the optimal solution for our customers, which allows us to impartially assess



Takuya Tanaka

Senior Managing Executive Officer,
General Manager,
IT Infrastructure Services Business Group,
SCSK Corporation
Vice President and Chief Operating Officer (COO)
of Net One Systems Co., Ltd.

Masaki Komine

Managing Executive Officer,
General Manager,
IT Infrastructure Services Business Group,
SCSK Corporation
Representative Director and President,
SCSK Security Corporation

cutting-edge technologies and products. This is the greatest value of being multi-vendor. At SCSK, we have offered singular value by combining the best choices from numerous options and adding our know-how and experience as value-added services. We have high expectations that combining this discernment and technical expertise in integration with the on-site strengths of Net One Systems Co., Ltd. will establish a structure for the rapid delivery of high-value-added services, thereby solidifying our competitive advantage.

2. Creating new value with security at the core

Tanaka: Through this integration, we aim to position the security business at the core of our IT infrastructure services business to further enhance its overall value. Both companies regarded security as a key area in their medium-term management plans, and their direction was in alignment.

Komine: When we think of modernizing the entire IT infrastructure, security naturally lies at its core. Net One Systems Co., Ltd. excels in network security, while SCSK specializes in cybersecurity, such as using log analysis to detect threats. Combining our respective strengths will enable us to provide comprehensive services without blind spots.

Tanaka: When we interact with customers, we sense there is a solid demand for security. Many legacy systems remain in use—particularly for manufacturing customers—and these are targets for cyberattacks. Net One Systems Co., Ltd. is skilled in the area of factory networks. The overall vision for integrated business synergies centers on security while envisioning the deployment of various services. Areas such as “Smart Manufacturing,” which integrates IT and OT* for manufacturing, will be developed into company-wide initiatives through collaboration with both the IT infrastructure and application departments.

Komine: Until now, SCSK had not ventured into the factory network domain. Once you grasp the network, however, you can position yourself to deeply comprehend customers' specific requests—such as their desire to utilize factory data in a particular way—from a technical standpoint. Data is an asset for our manufacturing clients. We believe we can deliver unparalleled value by ensuring a secure environment while offering end-to-end services—from infrastructure to applications. Another key area is supporting Japanese global companies. Customers operating abroad often face issues related to local security governance. We will provide unification and support on the global level. This also represents a significant business opportunity.

Tanaka: It becomes vital to establish security policies

based on Japanese standards and figure out how to implement them locally. Sole reliance on local integrators can often lead to unexpected situations. To prevent situations where USB drives, for instance, are brought into factories or power/gas facilities and become infected, physical security measures must be taken. Even fundamental measures such as access control can ultimately make a huge difference.

Komine: By starting with security, the value of operations in particular changes significantly. Security encompasses a host of layers, incorporating everything from physical aspects like access control to firewalls and endpoint security for PCs. The burden on customers themselves to implement countermeasures across such diverse areas is significant. Our operational support structure in that area serves as a powerful weapon. Operation services, which are commonly viewed as cost reduction targets, can now be proposed as an integral part of security value. The ripple effect generated by this approach extends beyond IT infrastructure into other business domains.

Tanaka: Security is vital in all business operations, including the application development domain. While the IT infrastructure department is still building momentum, we must now establish security as both companies' primary focus and embed it as a company-wide initiative.

Komine: Through this integration, our IT infrastructure services business will surpass ¥400 billion in sales. In terms of scale, it will become one of Japan's largest operations. Leveraging this scale and our service lineup—built through collaboration with our application development team with a focus on security—we will strongly drive our customers' entire ICT infrastructure modernization.

*Operational Technology: Control and operation technology used to optimize equipment performance

3. Taking the security business global

Komine: When considering the modernization of our entire IT infrastructure, we have all the tools we need now that we have joined forces with Net One Systems Co., Ltd. We will construct our solutions and the security of both companies on the powerful foundation of the network. We can now confidently engage the market with our structure capable of providing one-stop service in place—spanning consulting, design, construction, operation, and data centers across domains such as networking, security, cloud, and AI/data infrastructure. I aspire to become a presence that surpasses our rivals, and I am confident that we will.

Tanaka: The beauty of this integration lies in the notable lack of overlap between the businesses of the two companies. There is almost no cannibalization, which

frequently occurs in corporate mergers. The two companies have different customer bases and handle different products. This is extremely rare.

Komine: For the employees who will work together, the absence of unnecessary friction is a tremendous benefit. Combining Net One Systems Co., Ltd. and my business group results in an organization of about 5,000 people. With this kind of structure, we have no real limitations. While there are constant complaints from the field about staffing being insufficient, we must further strengthen automation through AI and collaboration with external partners to transform our business model.

Tanaka: In this industry, understaffing is a common grievance. First, however, companies should take on work that suits their capabilities and reevaluate how they approach their work.

Finally, as the first step toward a successful integration, over the next year, I aim to create as many collaborative use cases as possible between our companies. Both successes and failures become our assets. We will actively share success stories both

inside and outside the companies. The emergence of even two or three examples in each department will result in deeper mutual understanding. The success we achieve there should serve as the driving force for the next significant collaboration.

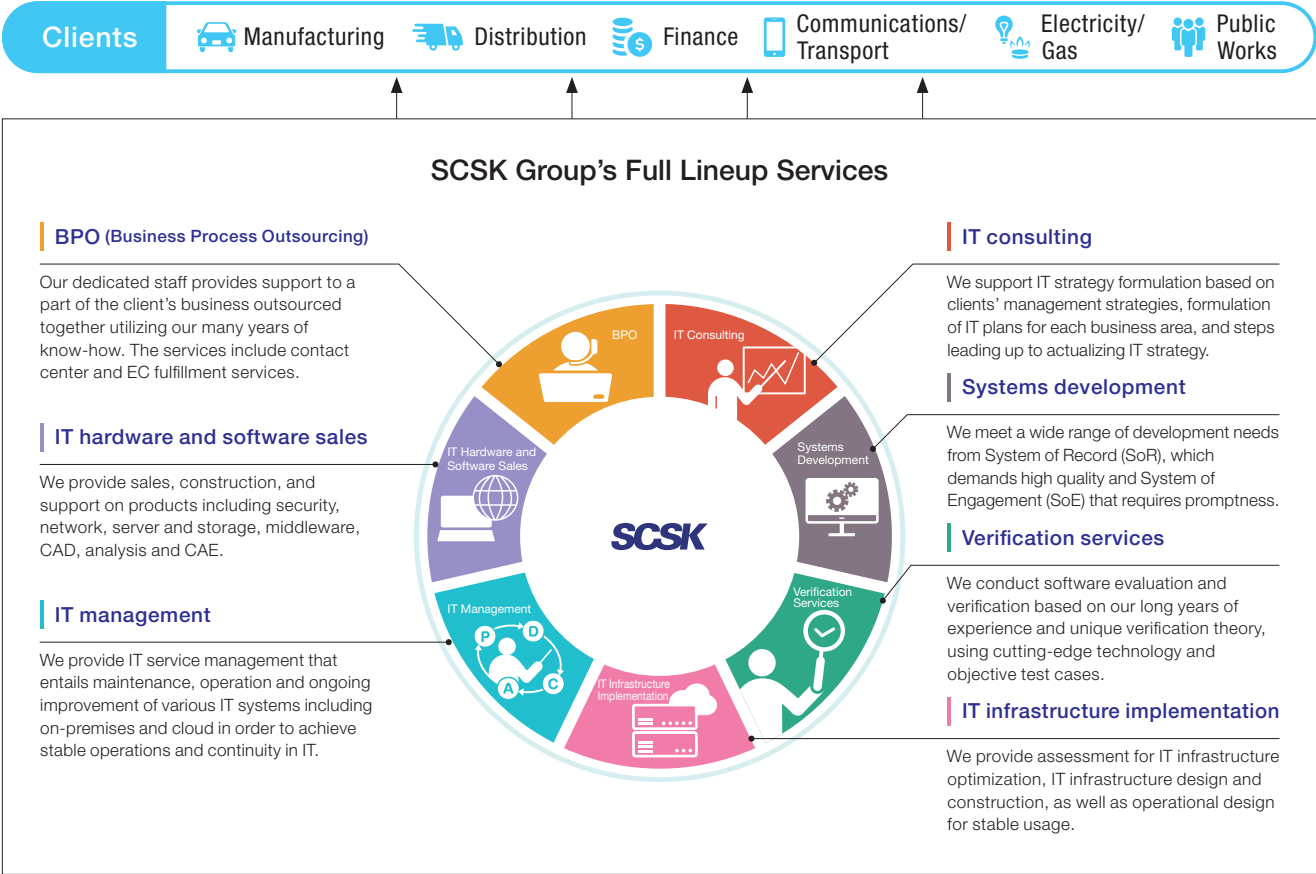
Komine: Once these case studies permeate the organization, it can advance its business operations under a set of shared values. First, we complement each other's capabilities through cross-selling. Next, we become the partner who, with regard to IT infrastructure modernization, can confidently declare, “Leave it to us.” Together, we will create a future that transcends the expectations of our customers.

Tanaka: We will grow our security business to a larger scale to serve as a powerful weapon for just this purpose. Rather than focusing on individual companies or industries, we must expand our business nationwide and even into the ASEAN region with the resolve to safeguard Japan's national security. This will result in us establishing a solid global presence. That's the future we want to create.



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



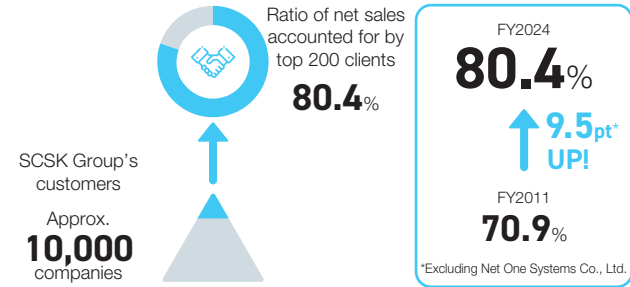
SCSK Group's Premier Client Base

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 client companies spanning a multitude of industries. In FY2024, the Group consolidated Net One Systems Co., Ltd., expanding its customer base to approximately 10,000 companies. In particular, transactions with the top 200 companies in terms of sales, mainly large companies, accounted for more than 80% of consolidated sales in FY2024. 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.

To achieve further growth, we are also rebranding our in-house ERP solution, "PROACTIVE," as an AI-centered product. For mid-sized companies, we are strengthening our market and customer engagement through SCSK Minori Solutions Corporation.

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



Organizational Reform

As part of an organizational change on April 1, 2025, the SCSK Group implemented the following organizational reforms to achieve the goals of its current Medium-Term Management Plan, which concludes in FY2025, while also establishing a framework for the next plan.

Under this reform, the Group is reorganizing its business group structure to respond to market trends toward greater integration of products and services and to accelerate the development of offer-type businesses. The Group is also consolidating its IT infrastructure business (through an organizational restructuring integrating it with Net One Systems Co., Ltd.) to strengthen and enhance its service capabilities in the IT infrastructure domain.

The details of the organizational reform are as follows.

- **Split into the Industrial Business Group and the Manufacturing Business Group**
 - ▶ The former Industrial Business Group was reorganized into two new groups: the Manufacturing Business Group, which handles digital supply chain businesses for the manufacturing industry, and the Industrial Business Group, which manages existing businesses for large-scale transaction customers.
 - ▶ The Digital Engineering Solutions Div. of the Products & Services Business Group was transferred to the Manufacturing Business Group, and the SC Systems Business Div. of the Solution Business Group was transferred to the Industrial Business Group.
 - ▶ The Industrial & Manufacturing Business Promotion Div. and the Industrial & Manufacturing Business Sales Div. were established in both business groups and jointly operated.
- **Establishment of the IT Infrastructure Services Business Group**
 - ▶ The Solution Business Group and the Products & Services Business Group were integrated into the IT Infrastructure Services Business Group.
 - ▶ The Network Security Div. of the Products & Services Business Group was divided into the Network Business Div. and the Security Business Div.
 - ▶ The Solution Business Promotion Div. and the Products & Services Business Group were integrated and renamed as the IT Infrastructure Services Business Promotion Div.
- **Establishment of organization under direct control of the Company**
 - ▶ To accelerate the development of offer-type businesses at customer contact points, the CX Business Div. was newly established under the direct control of the Company, based on the framework of the CX Business Div. of the Business Design Group.
- **Establishment of the Asia Region Promotion Office**
 - ▶ To expand our business in the Asian region, we established the Asia Region Promotion Office as an organization to manage our business in Asia.
- **Renamed as the PROACTIVE Business Solutions Div.**
 - ▶ The ProActive Business Solutions Div. was renamed as the PROACTIVE Business Solutions Div.

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 IT Management
Systems Development IT Hardware and Software Sales
Verification Services BPO
IT Infrastructure Implementation

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

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



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

Co-creation-oriented corporate culture

Co-creation with clients Co-creation with society

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

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: P43/Management Indicators (Financial and Non-Financial) Progress Summary

Continuously resolve social issues and create new value through our business

SCSK Vision

2030 Co-Creative IT Company IT for the next delight



Material issues as the foundation supporting sustainable growth

Corporate Philosophy

Our Mission

Create Our Future of Dreams

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

1 Management Resources (Input)

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

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 forms of capital.

Financial Capital

Sound financial base supporting sustainable growth

- ROE **15.2%**
- Credit rating **A+**
(Long-term credit rating by Japan Credit Rating Agency, Ltd. (JCR))
- Total amount of growth investments*1
¥100.0 billion / 3 years
(Growth investment target under the Medium-Term Management Plan)

Intellectual Capital

Technological capabilities to solve social and client issues

- A diverse range of services that contribute to solving issues*1
Approx. **500 or more** (Total number of products and services)
- SCSK's proprietary development platform **S-Cred+**
- SCSK development standard **SE+**
- Amount invested in R&D/business development*1
¥20.0 to 30.0 billion / 3 years
(Growth investment target under the Medium-Term Management Plan)

Natural Capital

Business activities that contribute to the global environment

- Ratio of renewable energy*1
55.1%
- Information disclosure based on TCFD recommendations
- Energy efficient data centers

Social and Relationship Capital

Premier client base and sound value chain

- Client base: Approx. **10,000** companies
- Partner companies in urban areas*1
Approx. **630** companies
(approx. **13,000** employees)
- Coordination with Prime Business Partner*2
- 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
20,252
- Major professional human resources*3
Number of employees certified under the IT Skill Level Assessment **6,109**
Consulting and business design personnel **523**
Advanced PM talent **219**
Number of employees who have completed training to develop advanced technologies **2,349**

- Average annual hours of training per employee*3 **69** hours
- Average monthly overtime hours*3 **22** hours
- Rate of consumed annual paid vacation days*3 **89.4%**
- Engagement*3
Percentage of respondents that agreed that SCSK is a "pleasant place to work" **89.7%**
Percentage of respondents that agreed that SCSK is a "rewarding place to work" **79.1%**

- Amount invested in people*1
¥10.0 to 20.0 billion / 3 years
(Growth investment target under the Medium-Term Management Plan)

● Message from the Officer in Charge of Human Resources

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*1 Excluding Net One Systems Co., Ltd.
*2 Name changed from Core Partner to Prime Business Partner in FY2025
*3 SCSK Corporation *FY2024 results

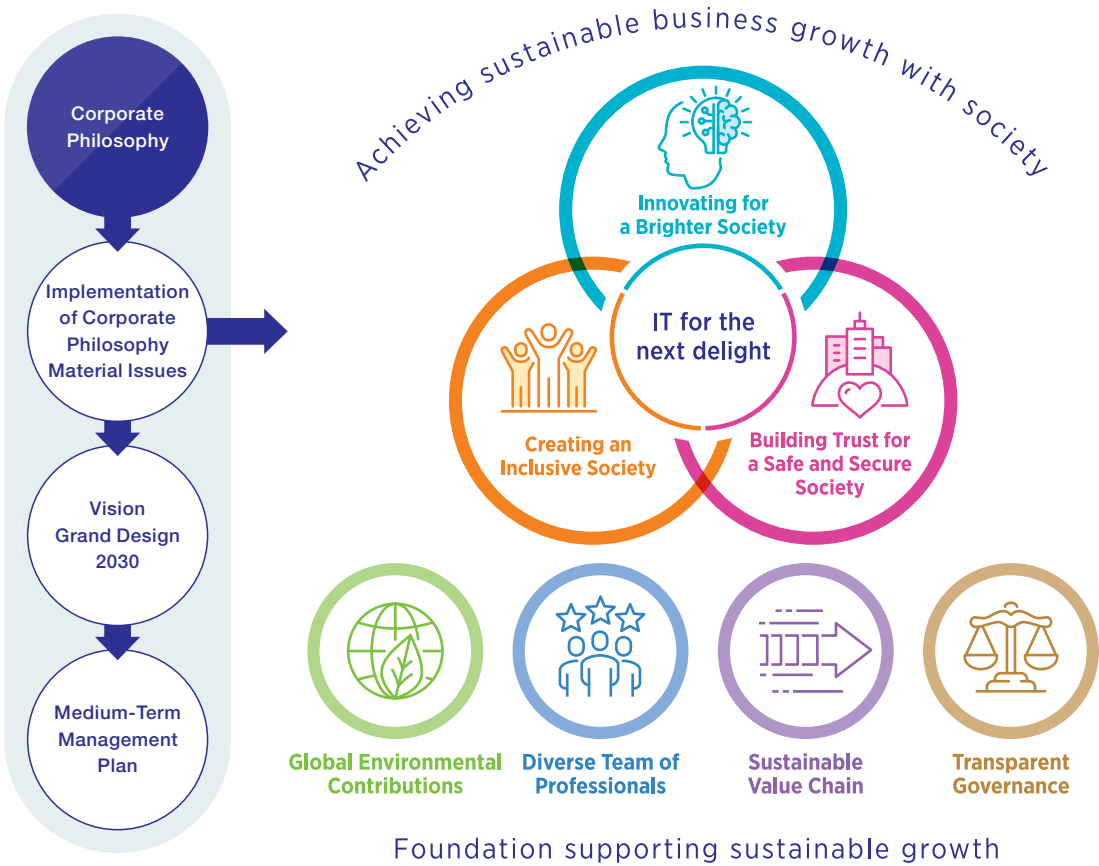
Sustainability Management as a Growth Strategy of the Group

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 will further accelerate the creation of economic value and social value which are needed by society and will grow sustainably along with society.

SCSK Group's material issues

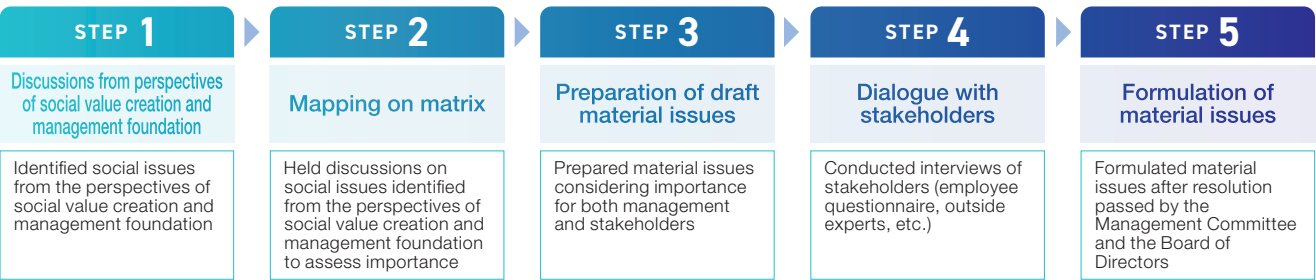
In recent years, social issues have become increasingly complex and serious due to rapid changes in the social environment arising from responses to climate change issues, emerging geopolitical risks, and rapid development of AI technology. Companies irrespective of industry are being called on to conduct 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 implement 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 Issue	Description	Main initiatives	Related SDGs
 Innovating for a Brighter Society	While engaging in co-creation with our customers and partners with a focus on the major changes digital technology is bringing to industry and society, we create greater affluence and comfort by turning technology into innovation to address social challenges and create social value.	<ul style="list-style-type: none">COxCO Karte A cloud service that calculates CO₂ emissions simply by uploading accounting data (e.g., a general ledger).	
 Building Trust for a Safe and Secure Society	Our resilient and reliable business platforms connect customers and partners across industries and support increased safety and security for all by allowing companies to improve the quality of their business activities and people to have better everyday experiences.	<ul style="list-style-type: none">BankSavior® A general account transaction monitoring system that responds to scams quickly and flexibly	
 Creating an Inclusive Society	Our business is global and contributes to growth and development in many countries and regions. We use our understanding of technology and its impacts to help build more inclusive societies that offer more opportunities to more people.	<ul style="list-style-type: none">Dr2Go A service that delivers high-quality medical care to contribute to the creation of next-generation healthcare	
 Global Environmental Contributions	We are addressing the impacts climate change is having on our business while helping create a better global environment by integrating environmental considerations into our business activities and creating and expanding environmentally sustainable business opportunities.	<ul style="list-style-type: none">Greenhouse gas emissions reduction targets and initiatives for reductionImplementing reduction of greenhouse gas emissions with partner companiesInformation disclosure based on TCFD/TNFD recommendationsEnvironmental performance data	
 Diverse Team of Professionals	We are a team of professionals with diverse expertise and experience and a shared set of values. Since we embrace diversity as a source of creativity, we strive to create workplaces and opportunities to engage our team and keep them growing professionally and as individuals.	<ul style="list-style-type: none">"Business strategy and human resources portfolio" to improve and utilize abilities and skills"Treatment and remuneration systems" to appropriately evaluate abilities and skills and reward performance"Well-Being Management" that leads to creation of value"Diversity and inclusion" that respect and draw on diversity	
 Sustainable Value Chain	We minimize any negative impacts associated with our value chain. In addition to service quality, we also work with partners to advance environmental and social goals such as sustainability, diversity, human rights and innovation to support our customers' sustainable growth.	<ul style="list-style-type: none">Collaborating with partner companies to improve quality and productivity, promoting introduction of health and productivity management, heightening efficiency of contract work, ensuring information security and compliance, promote work engagement and nearshore and offshore activitiesSharing the SCSK Group Supply Chain Sustainability Promotion Guidelines and promoting initiatives related to respect for human rights and reduction of greenhouse gas emissions	
 Transparent Governance	We conduct effective management oversight while ensuring transparency and compliance, and have established and maintain management frameworks for sound information and risk management.	<ul style="list-style-type: none">Corporate governance structure enabling practice of sustainability managementRemuneration system for Directors (Basic Policy on Remuneration, policy on performance-linked compensation and index)Systems and initiatives to ensure complianceInitiatives to enhance information security and response to security incidentsBasic Policy on Risk Management and concrete risk countermeasuresSuccession Plan	

Process for Compiling Material Issues



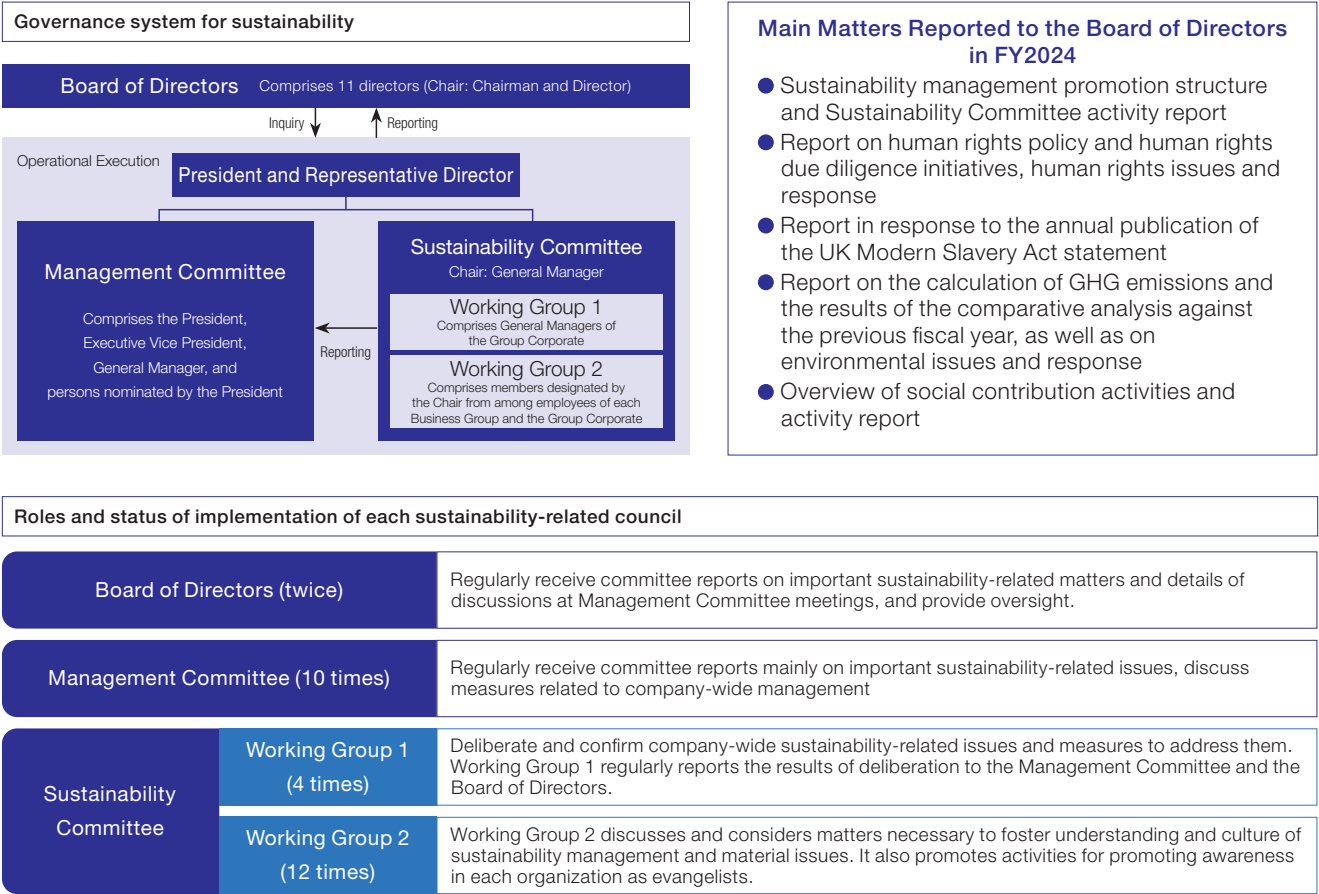
Learn about the process of formulating material issues
https://www.scsk.jp/corp_en/csr/materiarity/process.html



Promotion of Sustainability Management and Our Governance System

The SCSK Group established the Sustainability Committee as an advisory body to the President and Representative Director, 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. 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.



Message from Outside Director

Shohei Yamana Outside Director

I believe that the following three factors are crucial to the sustainable growth of a company: the clarification of the reason for existence, a management strategy that prioritizes the social value (including environmental value) it provides through its business, and the thoroughgoing efforts of front-line staff to differentiate it from the competition.

The SCSK Group is committed to creating social and environmental value through transformation into a digital offering business by promoting its corporate philosophy of “Create Our Future of Dreams.” Furthermore, through its merger with Net One Systems Co., Ltd., the SCSK Group is aiming to further differentiate itself and strengthen its competitive advantage.

The Group also believes that the driving force behind these initiatives lies in the power of its people. The Well-Being Management promoted by the SCSK Group enhances each employee’s vitality and sense of fulfillment at work, while fostering a spirit of altruism that engages those around them and amplifies empathy toward value creation.

I have high expectations for these continuous initiatives, and as Outside Director, will support proactive risk-taking.

Activities of the Sustainability Committee

Working Group 1 of the Sustainability Committee

Working Group 1 is chaired by a general manager, and its members consist of General Managers of the Group Corporate. Working Group 1 collects information on global sustainability trends to practice sustainable management. 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 FY2024 by Working Group 1

- Review the global information disclosure standards related to sustainability, as well as review aimed to increase non-financial disclosure items in securities reports
- Confirm insufficient ESG-related initiatives and response policies
- Confirm the approval status of partner companies for the “SCSK Group Supply Chain Sustainability Promotion Guidelines”
- Confirm the status of implementation of various initiatives toward human rights due diligence and respect for human rights
- Formulate the SCSK Group AI Basic Policy
- Confirm response to the publication of a statement on UK Modern Slavery Act
- Confirm initiative and progress related to the reduction of greenhouse gas emissions

Working Group 2 of the Sustainability Committee

Working Group 2 is chaired by a Business Group executive officer, and its members are selected from executives and employees of each Business Group and Group Corporate. To promote understanding of sustainability management as a growth strategy of the SCSK Group and cultivate a culture that supports it, Working Group members deepen their understanding of sustainability through study meetings and discussions, and act as evangelists themselves. They also consider the implementation and improvement of promotion measures suited to their organization so that more executives and employees can understand and practice them.

Major Items for Implementation for FY2024 by Working Group 2

- Implement Input and workshops on understanding and personalizing sustainability management and material issues
- Identify issues for the promotion of these ideas through each organization and consider the implementation and improvement of effective promotion measures
- Hold discussions between Working Group members and chairperson on initiatives and issues to promote understanding
- Report the results of activities and future promotional plans to the President and management, and hold meetings to exchange opinions

Topic Working Group 2 of the Sustainability Committee

Activities undertaken at each organization by Working Group members

The Mobility Business Group implemented measures to increase awareness, including organization meetings and relay talks. Through a series of dialogues that transcended organizational boundaries and roles, I saw with my own eyes how interest and concern for sustainability and new awareness spread among the participants. More than 80% of the participants responded that they had “deepened their understanding and empathy,” demonstrating the effectiveness of the dialogues.

Through the activities of Working Group 2, I was reminded that to work with customers and realize a safe and secure automotive society, it is essential to continuously promote the “personalization” of sustainability management throughout the Group. Going forward, I will continue to contribute, as an evangelist, to the creation of an organization in which people can be aware of and take pride in the fact that their daily work contributes to solving environmental and social issues.

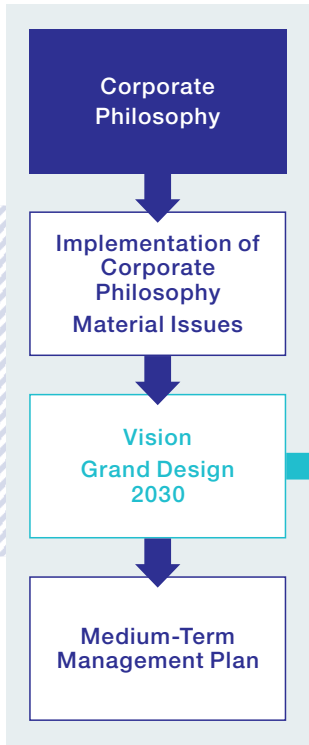
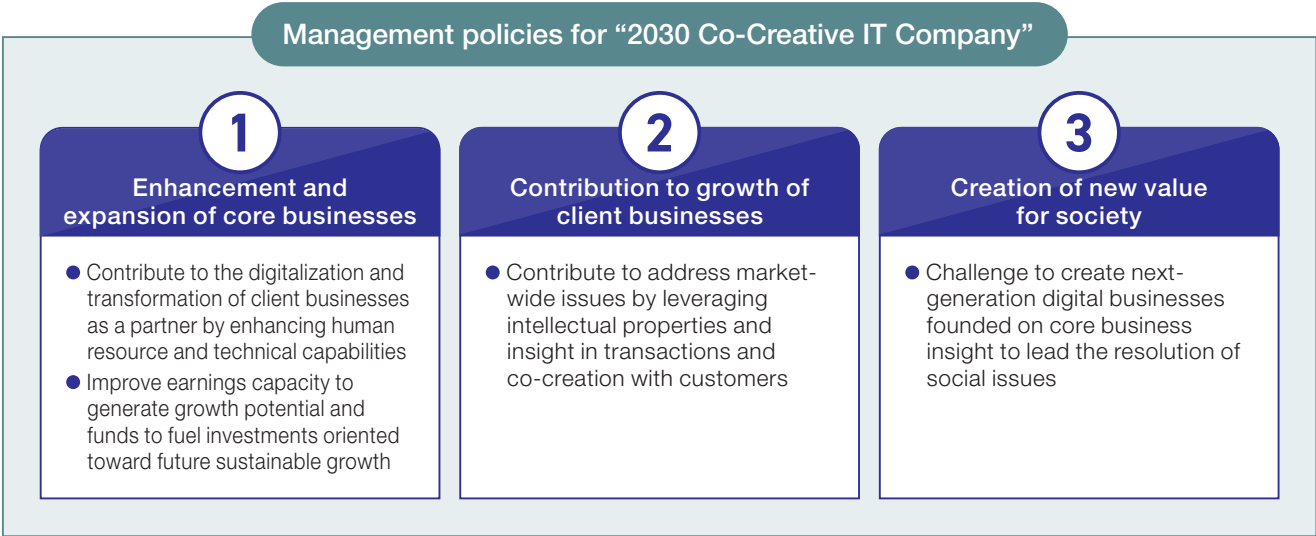
Naomi Kijima
Section III, Systems Dept. IV,
Mobility Systems Div. I,
Mobility Business Group

Approximately 1,600 members of the Financial Business Group worked together on sustainability promotion measures. These activities not only deepened our understanding of sustainability, but also provided an opportunity for us to reaffirm the significance of our work through lively discussions among the members. As a result, I feel that communication in my daily work has become smoother. For myself, this activity, which was carried out with the cooperation of the members of the committee and the general manager, was a valuable growth opportunity to enhance the project momentum. I realized that it is important for me to continue to communicate with a strong will to engage people around me, and that this attitude created a sense of empathy and broadened the circle of support. It was very rewarding to be able to contribute to the initiatives of the entire company, and I would like to continue to focus on sustainability activities while deepening cooperation.

Manami Kaneda
Section I, Sales Dept.,
Financial Systems Business Div. IV,
Financial 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 FY2020. 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.

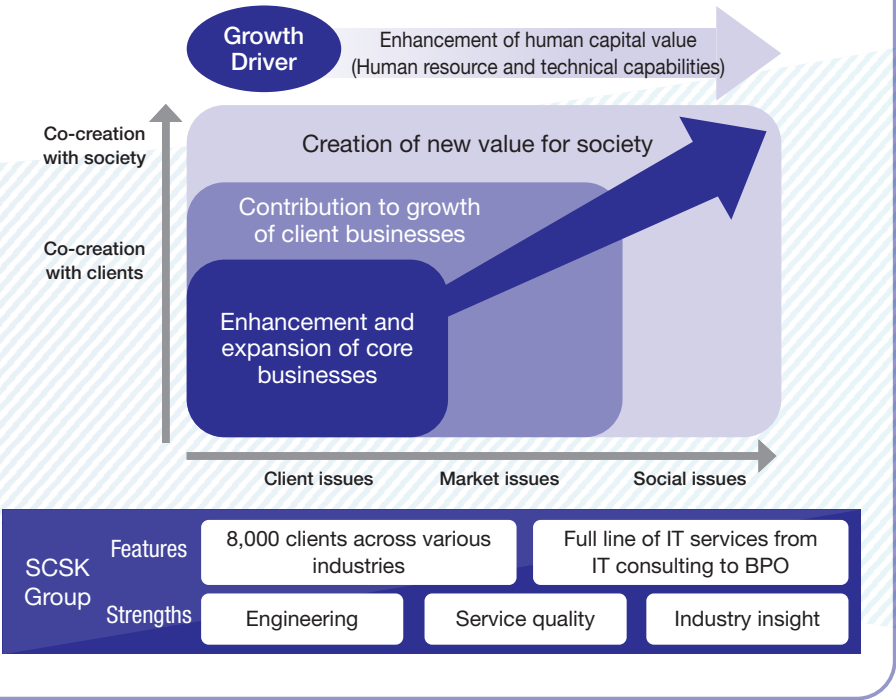
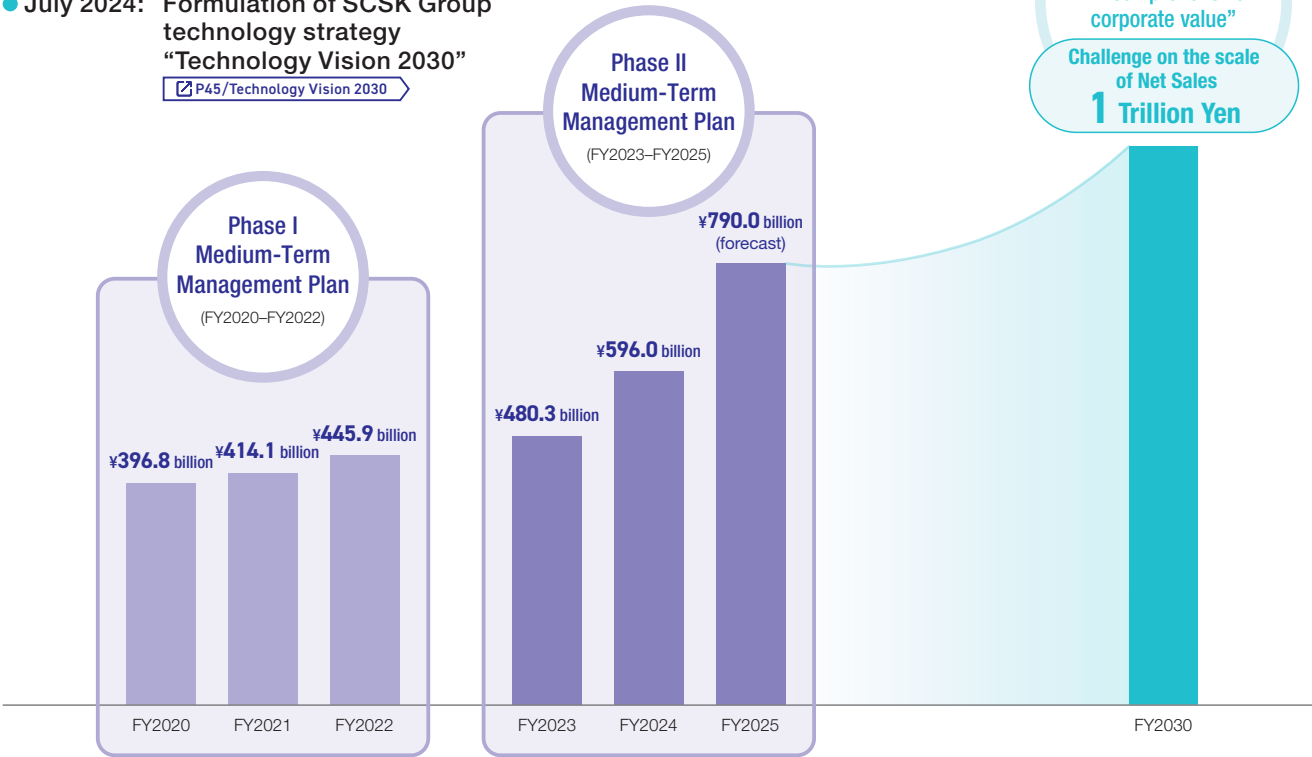
To improve the SCSK Group's essential corporate strength toward realizing our vision, we have set forth the goal, "Challenge net sales of ¥1 trillion," with the aim of dramatic improvements in comprehensive corporate value, which incorporates economic value, as well as non-financial factors such as social 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"



Value Creation through Business

Co-creation with society

Co-creation with clients



Promotion of true integration and pursuit of synergies through mergers

Review of Core Strategies

- Pursuing cross-selling**
- Capitalized on expanded client base from the merger to promote company-wide cross-selling of services where both companies excel and increased sales.
- Expanding the global solutions business**
- Utilized track record in global markets to develop support system for Japanese companies’ overseas operations, including expanded and reinforced overseas bases and business assistance, and increased relevant sales.
- Expanding the cloud solutions business**
- Newly established the netXDC Chiba Center 2 (SI2). Expanded cloud-based IT services using our network of data centers, which is among the largest in the industry.

Main Initiatives for Managerial Foundation Reinforcement

- Operational quality, efficiency and productivity**
- FY2012 Began use of Smart Episode Plus (SE*)
- FY2013 Introduced Service Check System (quality management of system operations)
- FY2014 Introduced Core Partner* Program
- *Effective FY2025, the name will be changed to Prime Business Partner.
- Pleasant, fulfilling place to work/promote health and productivity management**
- FY2013 Launched Smart Work Challenge
- FY2014 Overtime hours: 20 hours or less; rate of consumed annual paid vacation days: 95% or more
- Enhancing human resource capabilities**
- FY2012 Introduced IT Skill Level Assessment

Results and Review of Management Targets

	FY2014	
	Targets	Results (J-GAAP)
Net sales	¥300 billion	¥297.6 billion
Operating profit	¥25–30 billion	¥28 billion
Operating profit margin	8–10%	9.4%
ROE	10% or more	12.4%

- Promoted the true combination of both companies since the merger in October 2011 by developing a management foundation using various initiatives.
- Achieved business expansion driven by merger synergies as expected and fulfilled management targets.

Extrication from labor-intensive businesses

Review of Core Strategies

- Shifting to service-oriented businesses**
- Expanded service-oriented businesses that provide standardized and generalized business operations as shared-use systems utilizing our know-how, expertise and IP, and promoted the shift away from a labor-intensive business model.
 - Expanded scale of business to about 20% of total net sales.
- Promoting strategic business**
- Developed in-house BSW (basic software) as a platform for automotive software systems and brought to market our proprietary product QINeS-BSW.
 - Experienced a delay in increasing profits compared to the initial plan due to changes in the automobile market. As a result, we did not turn a profit in this core strategy during the Medium-Term Management Plan.
- Entering into the second stage of global business expansion**
- Promoted the further global business expansion of various IT services, including support for the IT needs of Japanese companies’ local subsidiaries.
 - Newly established bases in Myanmar and Indonesia to reinforce the business foundation in ASEAN.

Main Initiatives for Managerial Foundation Reinforcement

- Operational quality, efficiency and productivity**
- FY2016 Introduced SE* certification program, Introduced SE* (Navi)
- FY2018 Achieved 100% SE* in-house compliance rate
- Pleasant, fulfilling place to work/promote health and productivity management**
- FY2015 Introduced *Kenko Waku Mileage* program
- FY2017 Commenced Dokodemo WORK
- FY2018 Introduced the program for full-time employment of seniors
- FY2019 Introduced Second Job program (Smart Work Plus)
- Enhancing human resource capabilities**
- FY2015 Launched *Technoco*, a hackathon for cultivating self-led talent in IT
- FY2016 Opened SCSK i-University
- FY2017 Began *Kotsukatsu*, supporting self-development
- FY2019 Began providing stipend for learning

Results and Review of Management Targets

	FY2019	
	Targets	Results (J-GAAP)
Operating profit	¥50 billion	¥42.3 billion
Operating profit margin	10–12%	10.9%
EPS	¥320	¥300
ROE	15%	15.6%

- Made steady progress with reinforcing the management foundation and transform business structure (move away from labor-intensive business model). Achieved high profit growth, with net sales growth rate at 5.4% CAGR and operating profit growth rate at 8.6% CAGR during the Medium-Term Management Plan.
- Although the profitability of strategic businesses is delayed, the operating profit target of generating ¥40 to ¥45 billion from the shift to existing businesses and service-oriented businesses progressed according to plan.

Business Transformation for New Value Creation

Review of Core Strategies

- Core business innovation**
- Promoting monozukuri and branch office innovation in core businesses to establish competitive advantage by innovating business processes and customer contact points.
 - Newly developed S-Cred* as a “Monozukuri innovation” platform
- Commercialization of DX**
- Focused on creation of new businesses in four priority fields: Mobility, Financial Service Platform, Healthcare, and CX
- Investment in people**
- Aggressively invested in people—SCSK’s greatest asset and the driving force behind its growth—to promote human resources advancement, diversification, and expansion

Main Initiatives for Managerial Foundation Reinforcement

- Augmentation of comprehensive Group capabilities**
- FY2020 Established nearshore development centers in Akita and Ishikawa prefectures
- FY2021 Implemented reorganization of Group to facilitate approach toward middle market companies (Establishment of SCSK Minori Solutions)
- FY2022 Established nearshore development centers in Oita and Nagasaki Prefectures
- Promotion of management that fully exercises our employee’s potential**
- FY2020 Introduced of multi-track personnel system
- FY2022 Introduced Senior Expert Program (Implementation of program allowing for ongoing employment past age 65)
- Fostering of co-creation-oriented corporate culture**
- FY2020 Launched the “Mirai-Sozo” Program (Future Creation Program), a program for the creation of new business, and “Beyond 2030,” a program where young talent and senior management can exchange opinions

Results and Review of Management Targets

	FY2022	
	Targets	Results (IFRS)
Net sales	¥500 billion or more*	¥445.9 billion
Operating profit margin	10–12%	11.5%
ROE	15% or more	14.4%

- ROIC maintenance target level during the Medium-Term Management Plan period: 10–12% ⇒ 11.9%
- *Includes inorganic sales growth through M&A
- Attributable partly to the impact of the COVID-19 pandemic on business activities, business innovation and DX commercialization made limited contributions to business performance. As we responded, however, to robust strategic investment in cloud and digitalization in existing areas by customers, we achieved record net sales and operating profit.
 - Continued high profit growth with an AAGR of 4.8% for net sales and 6.7% for operating profit during the period of the Medium-Term Management Plan.

Dramatic improvements in “comprehensive corporate value”

Review of Core Strategies

- Core strategy 1 Decisive business shifts**
- Optimal business resource allocation to the Digital Supply Chain Business
 - Consolidation of system operation functions to improve business efficiency and productivity
 - High added value through collaboration with external resources
 - Promotion of AI application system development operations
- Core strategy 2 Development of market-leading businesses in growth markets**
- Digital supply chain in manufacturing domain
 - Anti-money laundering company SCSK RegTech Edge Corporation in the financial domain
 - Partnerships in the mobility domain
 - SCSK Security launches full-scale operations in the security domain
 - Security, data integration, cloud integration domains (integration with Net One Systems Co., Ltd.)
- Core Strategy 3 Advancement of next-generation digital businesses through co-creation with society**
- ZEBIT and EneTrack businesses in the GX domain
 - Merger of Diamond head Co., Ltd. and SCSK PRESCENDO CORPORATION in the CX domain

Main Initiatives for Managerial Foundation Reinforcement

- Promotion of technology-driven approach**
- Apr. 2023 Released of generative AI guidelines company-wide
- May 2023 Constructed and released of SCSK-GAI, SCSK’s proprietary generative AI
- Sep. 2023 Established of Center of Excellence (CoE) to aggregate experts and technical information (AI/data utilization, UX, cloud-native, architecture)
- Jul. 2024 Formulated Technology Vision 2030
- Mar. 2025 Launched of focus area subcommittees (Cloud-Native Subcommittee, Security Subcommittee)
- Maximization of human resource value**
- Oct. 2023 Introduced of the Supporter Plus System for developing female general managers
- Mar. 2024 Formulated the SCSK Well-Being Score and implemented of a survey
- Apr. 2024 Expanded of support systems for men’s participation in childcare
- Jun. 2024 Opened SCSK LINK SQUARE to promote workplace strategy to encourage co-creation.
- Jul. 2024 Raised the standard through revisions to remuneration (FY2023 average: 5%, FY2024 average: 6.1%)
- Value-driven management**
- FY2024 Held town hall meeting with president (sales front-end innovation, well-being management)
- FY2024 Spoke at the management personnel group kickoff

Results and Review of Management Targets

	FY2025	FY2024
	Targets	Results (IFRS)
Operating profit	¥65.0 billion	¥66.1 billion
Operating profit margin	12.5% or more	11.1%
ROE	14%	15.2%

- In addition to improving unprofitable projects and increasing profits through revenue growth, the participation of Net One Systems CO., Ltd. in the Group enabled us to reach the operating profit target.

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

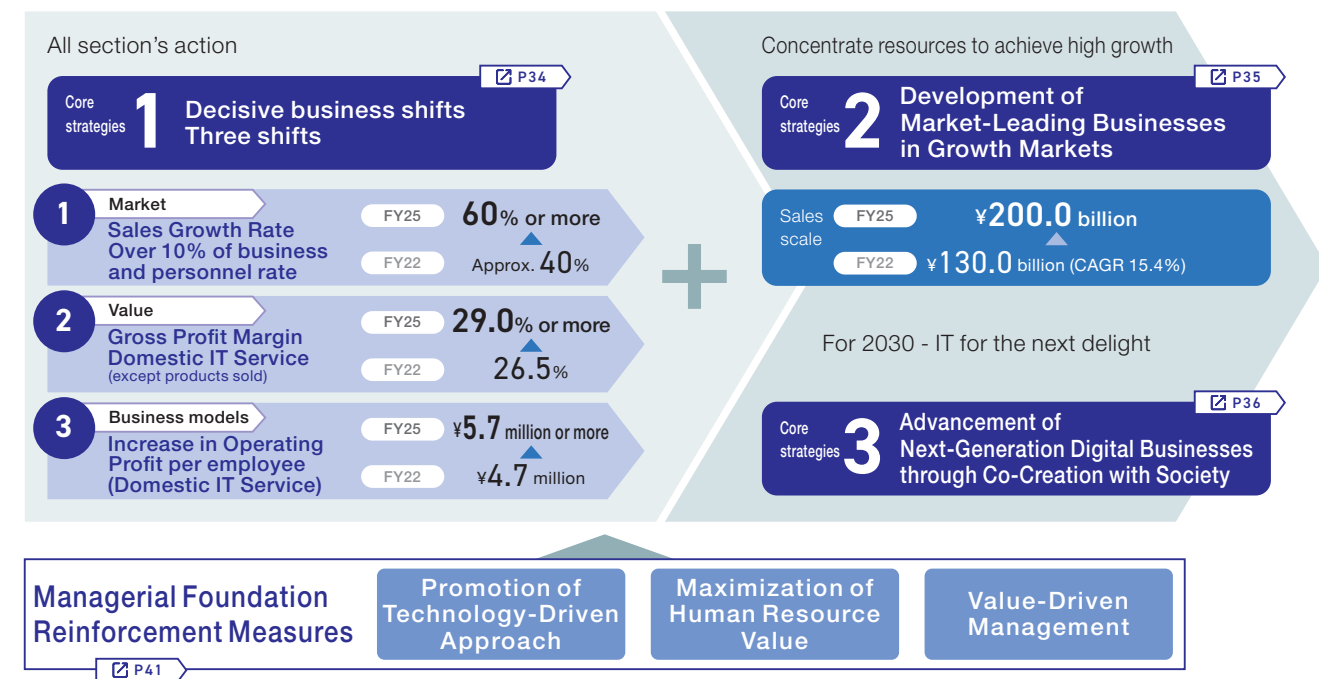
Group core strategies

Policy

Dramatic improvements in “comprehensive corporate value”

- 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

SCSK Vision and Business Medium-Term Management Plan Group Core Strategies



Details of the Medium-Term Management Plan are also available on our website.
https://www.scsk.jp/ir_en/news/2023/pdf/20230428e.pdf



What is “comprehensive corporate value”?

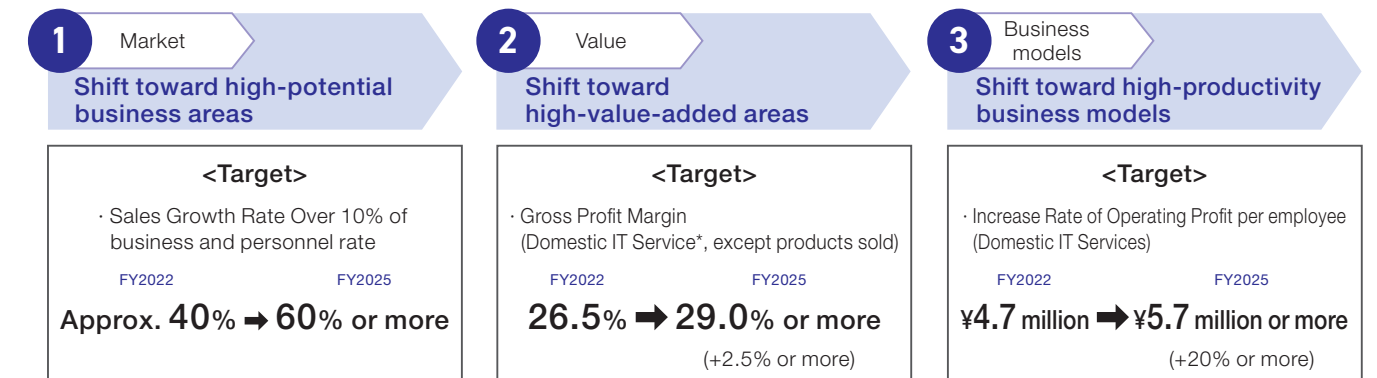
Value to be created by utilizing the SCSK Group's fundamental corporate capabilities in practicing sustainability management as a growth strategy and working to become a Co-Creative IT Company in 2030 under SCSK Group Medium-Term Management Plan (FY2023–FY2025)

Corporate value including both economic value and non-financial factors such as social value and human capital value.

- Economic Value: Value that is reflected in market capitalization (market's evaluation) as a company with significant earnings power and growth potential pursuing long-term profit growth
- Social Value: Value deemed to contribute to a sustainable society by address in environmental and social issues
- Human Capital Value: Value of skills drawn out through investments positioning human resources as a form of capital (skill development, workplace environment, etc.)

Core Strategy 1 Decisive Business Shifts Three Shifts

In Core Strategy 1, we will be reorganized and business models will be redeveloped to adapt to operating environment changes and achieve sustainable growth. Moreover, we will create investment capacity and growth capacity toward sustainable growth while improving profitability to transform our corporate structure by overcoming the three stagnations for the SCSK Group: “Client relationship,” “Business models” and “Organization/People.”



Company-wide Measures

- Decisive businesses through selection and concentration
- Expansion of businesses with growth potential
- Re-skilling to target fields

Company-wide Measures

- Company-wide use of intellectual property and commercialization of materials
- Expansion of consulting functions
- Acquiring and developing advanced technologies
- Presentation of fair value
- Cost control

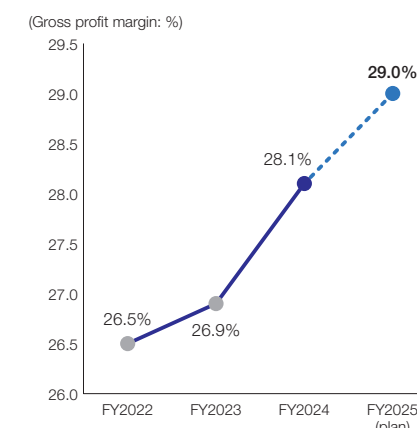
Company-wide Measures

- Centralization of System Development/ System Maintenance and Operation/ Services (From individual response for each client to centralized response)
- Promotion of low-code/no-code development (Promotion of utilization of S-Cred*, etc.)

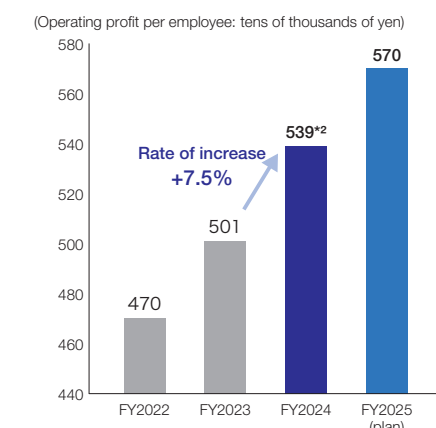
Progress of Core Strategy 1*1

Core Strategy 1-2
Shift toward high-value-added areasYoY change + **1.2pt**

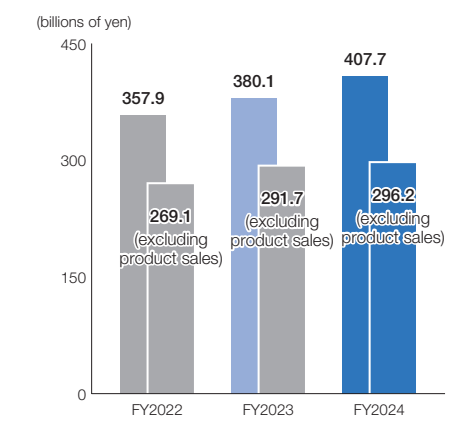
Centered on the businesses of Core Strategy 2, we are working to achieve high-profit commercialization in the upstream phase by leveraging highly skilled digital talent. We are also making progress in intellectual property creation.

Core Strategy 1-3
Shift toward high-productivity business modelsYoY change +¥**380** thousand

To consolidate maintenance and operational tasks, we have centralized development, maintenance, and operations within the Financial Business Group. We are also deploying AI-driven development company-wide to achieve processes not reliant upon human involvement, thereby enhancing productivity.

Reference
Domestic IT service sales trendsYoY change + **7.3%**

By capitalizing on robust IT investment by domestic companies, we are steadily increasing the scale of sales for domestic IT services—excluding BPO services, verification services, and global operations.



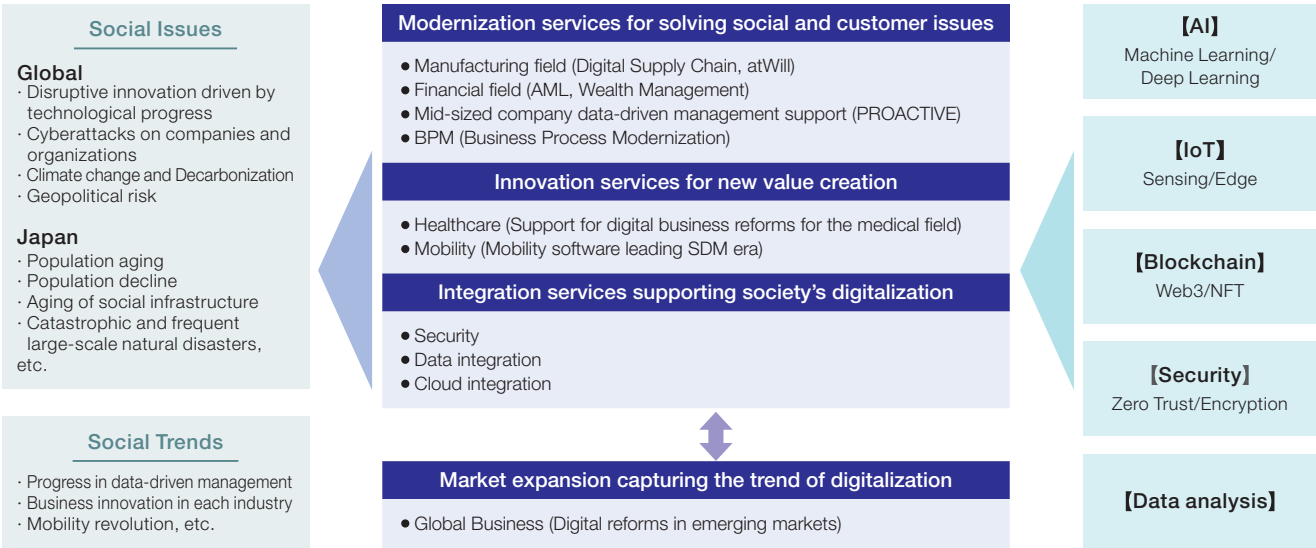
*1 We will disclose the results of Core Strategy 1-1 in the final year of the Medium-Term Management Plan, and will calculate the results of Core Strategy 1-2 based on sales excluding domestic IT services and retail sales. For information on sales scale, please refer to “(Reference) Domestic IT service sales trends.”

*2 Excludes the -¥2.2 billion impact of PROACTIVE's disposal

Progress of the Medium-Term Management Plan

Core Strategy 2 Development of Market-Leading Businesses in Growth Markets

Regarding Core Strategy 2, the SCSK Group will pursue high growth while contributing to market growth by exercising its strengths in growing markets and technology areas related to cloud and digital technologies. Moreover, we will be reallocated in a manner that is not within resources of current organization, advanced technologies will be utilized in an organization-wide manner, and the SCSK Group will constantly seek out new target businesses.



Progress of Core Strategy 2

The sales scale for Core Strategy 2 increased 36.3% (CAGR) to ¥241.6 billion. High growth was achieved that served to drive the company's results overall. This was primarily attributable to the solid performance of the digital supply chain (DSC) business, growth in the mobility business, where we capitalized on the automotive industry's strategic investment demand, and the impact of the participation of Net One Systems Co., Ltd. in the Group.

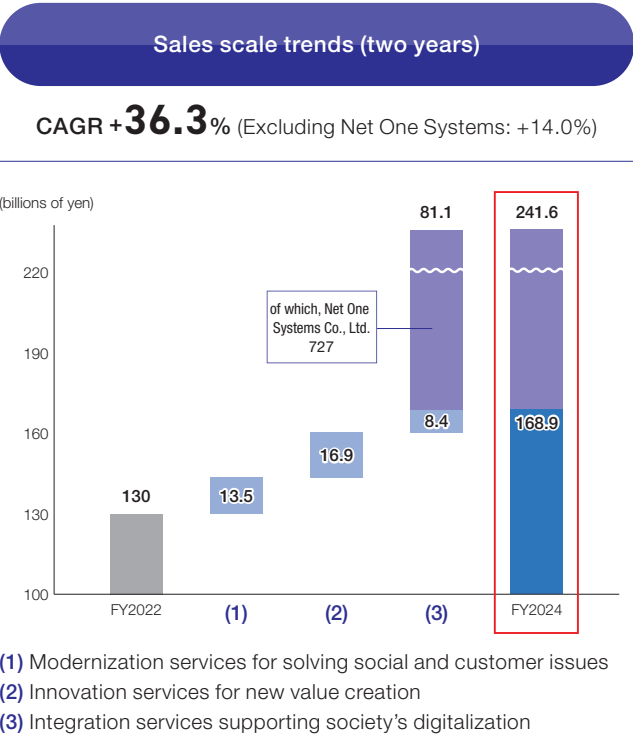
Core Strategy 2 entails the promotion of a host of initiatives to expand the scale of sales.

The DSC business within modernization services goes beyond ERP to include three areas of focus: the engineering chain, customer touchpoints, and Sol. We are evolving toward a structure in which we can consolidate successful case studies and expertise from individual projects and deliver them to our customers. [P54/Industrial Business Group](#)

In the PROACTIVE Business, we released PROACTIVE Sales (sales management) and PROACTIVE AI in April 2025. The new PROACTIVE will leverage AI at its core, combining our own and other companies' advanced technologies—to from applications to PaaS/IaaS layers—to deliver value to our customers. [P59/PROACTIVE Business Solutions Div.](#)

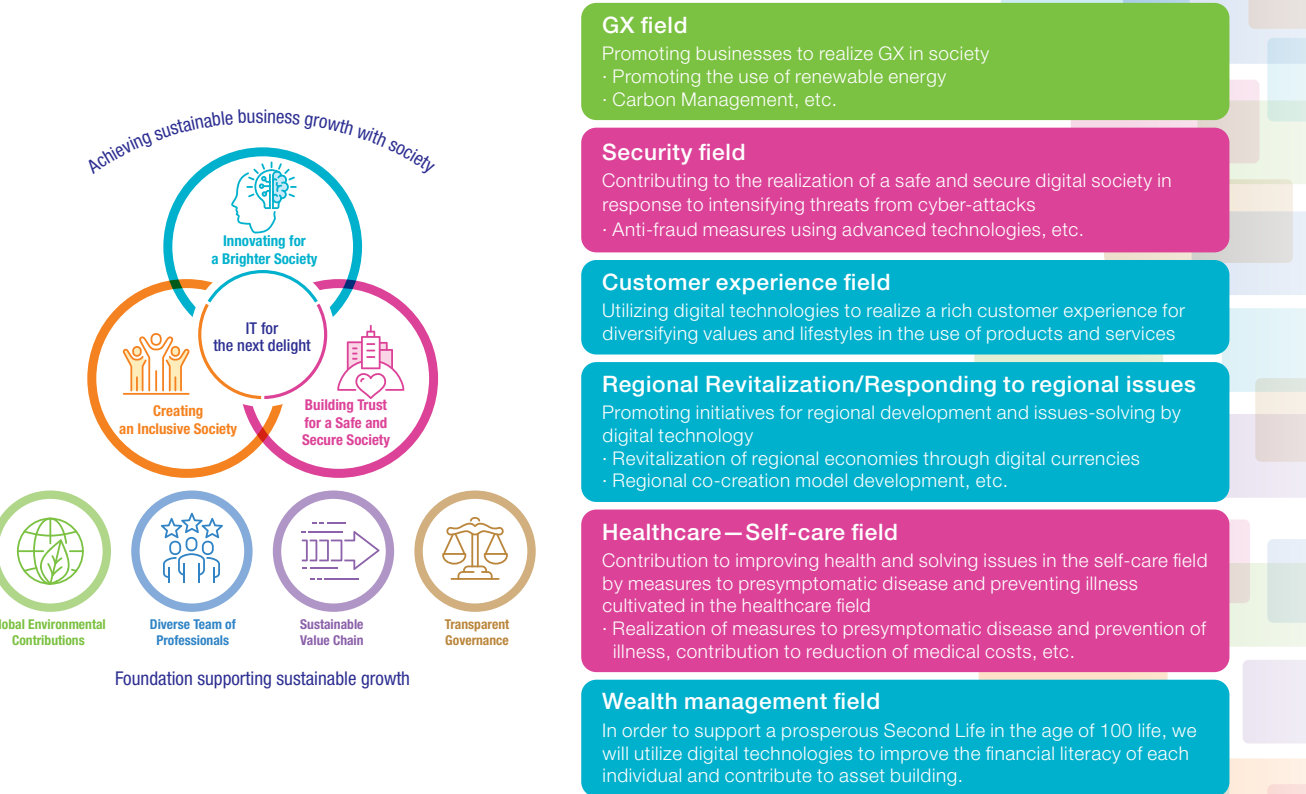
With regard to innovation services, we are advancing initiatives in the mobility business to strengthen co-creation with domestic automobile makers. Since establishing a strategic partnership with Honda Motor Co., Ltd. in particular, we have steadily expanded our upstream engineering support. Currently, as the second stage of our strategic co-creation, we are further augmenting our relationship through initiatives such as joint technology development. [P57/Mobility Business Group](#)

With the addition of Net One Systems Co., Ltd. to the Group, our integration services now leverage unique strengths such as IT infrastructure in network security. Going forward, we will strive to deliver new value unique to the SCSK Group across a host of fields. [P60/Net One Systems Co., Ltd.](#)



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

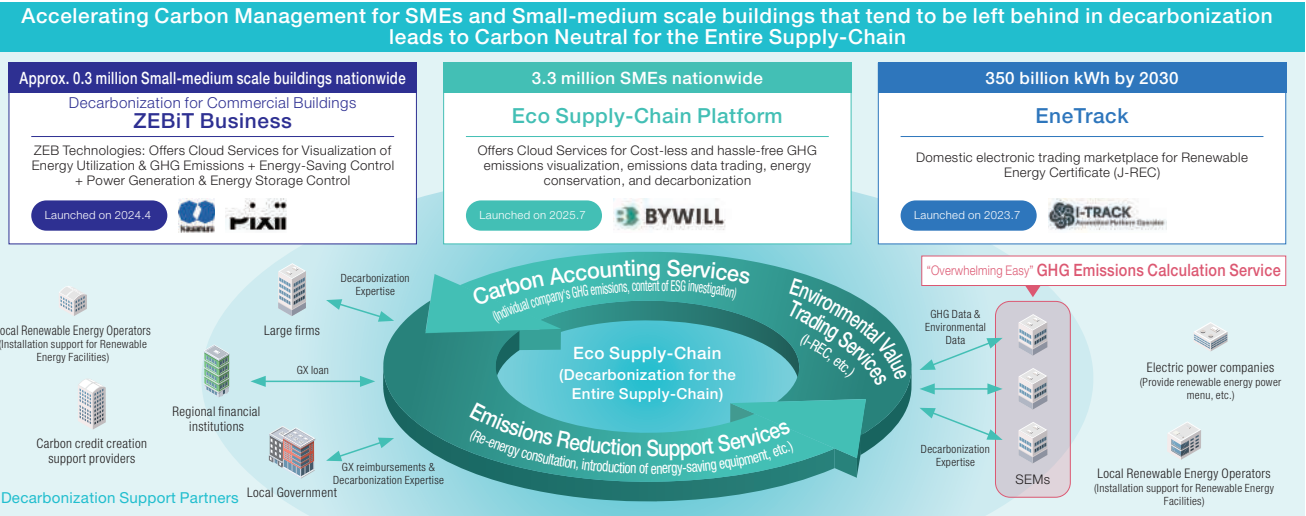
In Core Strategy 3, by leveraging our core business insight, we will lead the creation of completely new, next-generation digital business and of new value for society. New business possibilities will constantly be explored in areas based on the SCSK Group's material issues.



Progress of Core Strategy 3

Our company leverages digital technology to promote the achievement of a carbon-neutral society. We have built a track record through our operation of the International Renewable Energy Certification (I-REC) trading market and provision of the decarbonization solution ZEBIT for small and medium-sized commercial buildings.

Eco supply chain platform business, a new carbon management platform to support companies in advancing their GX initiatives, was scheduled for launch in July 2025. This platform aims to become the decarbonization ecosystem's foundational infrastructure by contributing to a reduction in environmental costs through AI algorithms and bolstering collaboration with financial institutions, municipalities, and large corporations. Furthermore, we are integrating Diamond head Co., Ltd. and SCSK PRESCENDO CORPORATION to augment our business foundation and differentiation factors in the customer experience domain.



Special
Feature Aiming at Offering Business:
PROACTIVE

PROACTIVE has brought
SCSK's intellectual properties together.
We will deliver services only SCSK can provide,
resolving management and societal issues.

Masayuki Kikuchi Senior Executive Officer,
PROACTIVE Business Solutions Div.



Taking business to the next stage with an AI-centric approach

Japanese society is now faced with the structural challenges of a decline in the working age population and difficulties in recruiting back-office personnel, making improvement of labor productivity an urgent management theme for every industry. At many Japanese companies, however, legacy core business systems (ERP or host) burdened with layers of add-ons and customization have become a hindrance, so the inherent value of business applications is not being fully realized. Meanwhile, because of advancements in digital technology—AI in particular—the transfer and digitization of operational expertise, automation of tasks, and support for decision-making, once considered challenging to achieve, are now becoming a reality.

Last fiscal year, in response to these changes to the environment, we integrated long-cultivated proprietary technologies ProActive, atWill, and Plmacs, redefining their value proposition as the new PROACTIVE series as a digital offering service.

Traditional ERP systems were focused mainly on the organization and visualization of internal corporate data. In actual business operations, however, internal data cannot be the sole basis for management decisions. It is essential to link this with the vast amount of information occurring externally in real time, including market environment, production status, and trends on raw material markets.

At its core, PROACTIVE leverages AI-native ERP to integrate and analyze large volumes of internal and external information, deriving high-quality insights that indicate the next strategic move. This frees customers of the burden of analysis, allowing them to concentrate on their main role: developing strategies based on the objective choices that the data reveal. PROACTIVE acts as a powerful advisor that elevates management decision-making to a higher perspective, evolving it to become deeper, faster, and more reliable, guiding customers' businesses to the next stage.

Applying best practices to all companies Offering model accelerates business transformation

SCSK is actively transitioning from its traditional contracted development model to an offering-based service model. We believe the core of this strategy is SCSK's proprietary intellectual properties, the deep operational insights gained from years of dialogue with our customers, and the highly specialized engineers supporting these capabilities.

The reborn PROACTIVE will become SCSK's largest business entity, aggregating the company's operational expertise and technical intellectual properties. The practical expertise we have acquired through development and operation with more than 10,000 customers is no longer mere operational knowledge—it has become a valuable intellectual property. We organize this intellectual property as concrete business and industry-specific offering services and deliver them to our customers.

This offering model is our strongest asset. While many system integrators limit themselves to accumulating knowledge specifically related to projects, we regard our products as a foundation. This allows us to rapidly apply the successful models developed in one industry to resolve issues for other customers. This makes it possible to achieve both faster implementation speeds—previously difficult—and high-quality service provision.

Moreover, we are advancing co-creative initiatives by fully leveraging the strengths of being a part of the Sumitomo Corporation Group, including providing templates for trading companies and wholesalers that capitalize on our operational expertise. We regard the best practices and intellectual properties acquired through group co-creation as a source of our enhanced competitive power. As a business transformation support partner, we will continue delivering value to as many companies as possible.

Voice of client

FP Corporation

Customer issues

- Core system obsolescence and black-boxing
- Succession of veteran knowledge and experience
- Establishing structures and personnel to handle everything from definition of requirements to in-house production

Value provided by PROACTIVE

- Scalability and in-house development capabilities through low-code platforms
- Ability to make technical and support proposals



Yuuki Hashimoto
FP Corporation
Executive Officer, General Manager
of Information Systems Division

At FP Corporation, we faced the risk of stagnation in business expansion and improvement because of the aging of the production management system we have used for many years and the limited number of support engineers. Additionally, the black-boxing of the system led to increased reliance on specific personnel for maintenance and upgrades, heightening concerns about a disconnect in knowledge. And the company faced the issue of securing IT talent, and realized that reliance on the traditional outsourcing-dependent model would not allow it to build a sufficient competitive advantage.

Amidst these circumstances, we pushed forward the development of structures and personnel capable of

handling everything from definition of requirements to operation, with the ultimate goal of transforming into a fully autonomous IT organization. The partner we selected for this is PROACTIVE, SCSK's next-generation ERP system. We determined PROACTIVE to be optimal for resolving our issues because it excels in scalability and can handle in-house production through low-code platforms, and additionally possesses strong proposal capabilities in both technical and support.

Going forward, we plan to leverage PROACTIVE to further advance data utilization and the introduction of AI, with the objective of achieving faster decision-making and heightened operational efficiency.

Initiatives with Sumitomo Corporation

With AI-native ERP PROACTIVE as its core solution, SCSK has begun rolling out templates for the trading company sector and AI agents. The reason for this is our shared appreciation for Sumitomo Corporation's "cross-industry innovation." In an uncertain era, insights gained from resolving issues in one industry serve to accelerate innovation in others. The crucial role SCSK plays as a system integrator is the swift creation of this bridge through the power of technology.

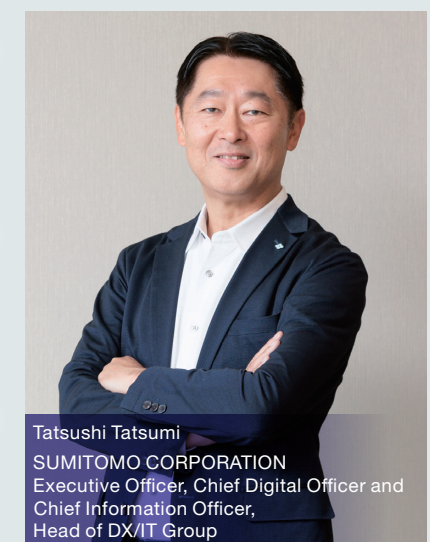
This initiative represents a practical approach unique to SCSK, combining an awareness of the real-world issues faced by Sumitomo Corporation's trading business with SCSK's technological expertise. We will take this collaboration deeper and deliver solutions that support our customers' transformation.

Sumitomo Corporation has positioned generative AI as a business infrastructure under an integrated structure combining the Chief Digital Officer (CDO) and Chief Information Officer (CIO) roles. Starting in the fiscal year ended March 2025, the company will establish an environment in which around 9,000 employees will be able to utilize generative AI, anticipating an annual reduction of over 120,000 workhours. In addition to enhancing operational efficiency and accelerating decision-making, it supports knowledge sharing and investment decisions, and drives a creative shift in business operations.

Serving as the foundation of these initiatives is the importance of ideas and collaboration that transcend industries and sectors. Sumitomo Corporation maintains connections with diverse industries through its 43 strategic business units (SBUs). It aims to create new value not only through a vertical perspective within a single industry, but by merging cross-industry insights and technologies. Rather than simply extending existing businesses, it is boosting its digital earning power by transcending business boundaries. This is the digital strategy unique to a general trading company, and the company is driving forward the introduction of generative AI as part of this strategy.

Click here for details

Sumitomo Corporation's CDO and CIO discusses the future of corporate management in an uncertain era
<https://proactive.jp/resources/feature/detail01/> (in Japanese)



Tatsushi Tatsumi
SUMITOMO CORPORATION
Executive Officer, Chief Digital Officer and
Chief Information Officer,
Head of DX/IT Group

Google Cloud
Japan G.K.
×
PROACTIVE

The future of ERP pioneered by AI

SCSK and Google's vision for co-created next-generation ERP



Tomoyuki Hirate
President,
Google Cloud Japan*

Masayuki Kikuchi
Senior Executive Officer,
PROACTIVE Business
Solutions Div., SCSK

*At time of interview Google Cloud VP and Executive Advisor, Google Cloud Japan (current)

AI, which is evolving at a frenetic pace, has now become an integral part of core business operations. How will generative AI, multimodal technology, and agentization transform business processes? Mr. Hirate of Google Cloud Japan G.K. and Mr. Kikuchi of SCSK talked about the present and future of AI, in addition to the potential for industry-specific applications.

Kikuchi: AI's evolution over the past several years has been remarkable, and the very nature of our ERP solution PROACTIVE is poised to undergo significant change. How do you view this trend, Mr. Hirate?

Hirate: The pace of evolution has indeed sped up considerably over the past year or two. Previously, the focus was on proof-of-concept experiments and partial business application. Now, it has entered a phase in which it is being incorporated into core business operations. The main character here is the AI agent, which autonomously derives thoughts, exploration, and conclusions and, in some cases, even executes tasks. The AI understands, for instance, the intent of the prompt and compares it with previously acquired knowledge to make a judgment. It then seamlessly handles everything from location to processing and output of the necessary data. AI is increasingly capable of performing this series of operations while thinking for itself. This will greatly improve operational efficiency, and the presence of AI within companies will likely grow even more significant.

Kikuchi: Reliable data is essential for AI agents to truly demonstrate their value. Yet, in many companies, past successes and precious know-how remain buried within individual experience. It's not uncommon for people to feel, "There must have previously been a similar project," only to find them planning from scratch once again. PROACTIVE has acted as the vessel for accumulating in data form the practical knowledge of such companies. We believe that linking this accumulated data and AI will make possible hyper-personalization that optimizes operations by user and industry. Should that come to pass, it will completely alter the future of ERP.

Hirate: It is precisely the data and insights cultivated over many years by PROACTIVE which are deeply rooted in our customers' businesses that hold the key. We believe that AI's true value lies not in its general-purpose capabilities—its value to a company is maximized only when it is utilized to resolve specific operational issues. We build optimized AI agents grounded in industry-specific expertise, not mere

theoretical constructs. And we can continuously improve them based on feedback gathered from real-world implementation. This is precisely SCSK's unwavering value in the AI era. I believe it will become a formidable barrier to entry for latecomers.

Kikuchi: I couldn't agree more. I believe that the unique value PROACTIVE will deliver going forward is the ability to achieve both optimization tailored to each company's specific circumstances and the implementation of best practices across industries.

Hirate: SCSK is expected to build an ecosystem—a "greater PROACTIVE economic zone," so to speak—that leverages the powerful PROACTIVE platform as its core. This ecosystem will integrate AI agents with diverse specializations such as finance,

human resources, and sales that emerge around it, delivering greater value. In addition to developing individual agents, designing optimal workflows for each customer by coordinating them effectively will also be a crucial role for system integrators.

Kikuchi: Thank you very much. Today, as AI evolution is profoundly reshaping how business is conducted, we believe that the next challenge we face is to integrate the customer engagement skills and operational expertise we have cultivated with AI's capabilities to contribute to realizing this economic ecosystem.

Click here for details
<https://proactive.jp/resources/feature/detail02/>
(in Japanese)



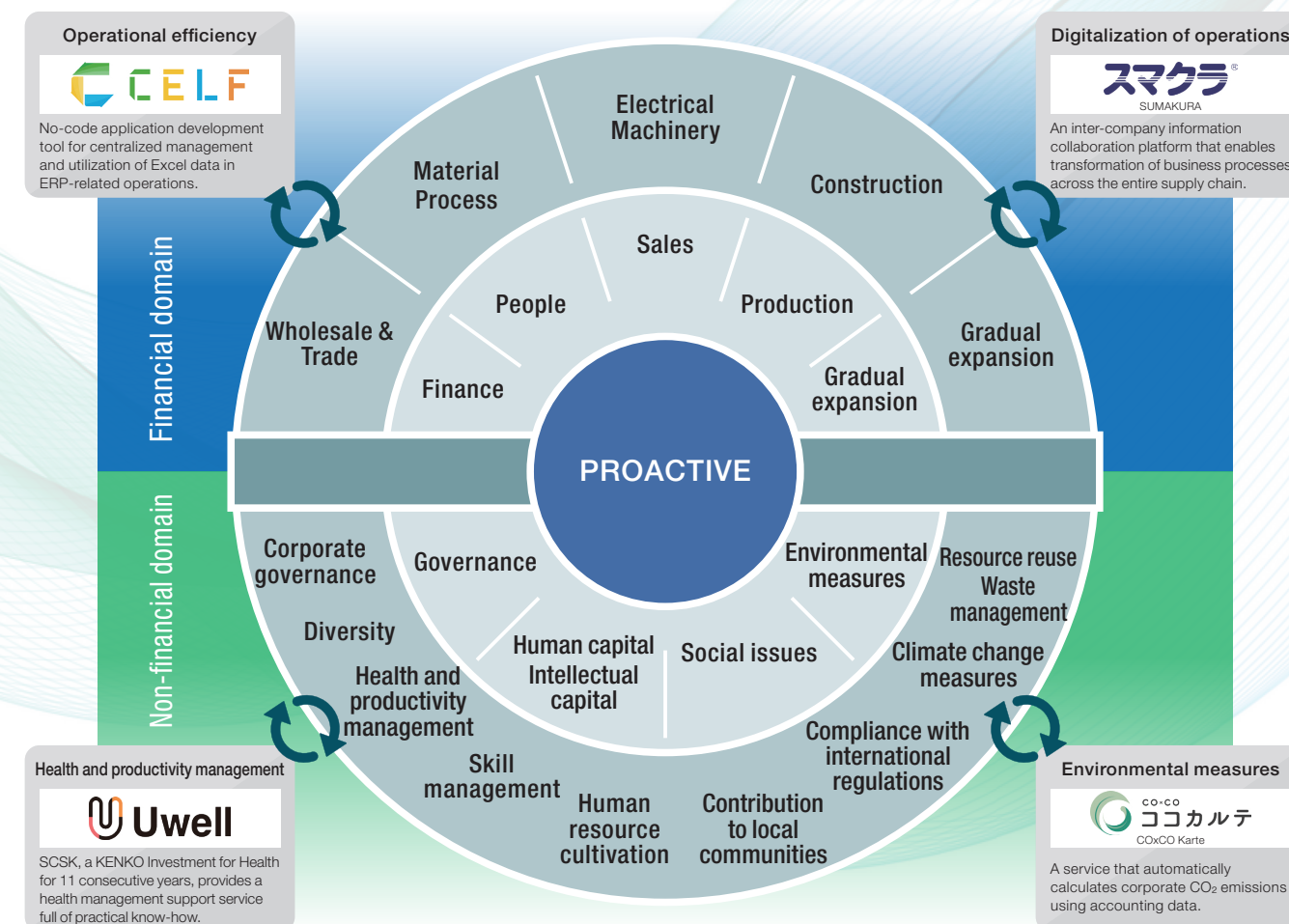
Status of initiatives related to offering services

SCSK offers a vast range of specialized offerings tailored to specific industries and business functions, in addition to solutions that address particular business issues. The company is driving forward the provision of services that leverage AI and digital technologies across a host of fields, including business transformation, operational support agents, and management decision support.

Click here for most recent
introduction case studies
<https://proactive.jp/resources/news/>
(in Japanese)



Combination with key SCSK intellectual properties



Managerial Foundation Reinforcement

In promoting our three core strategies, we will undertake three initiatives to reinforce our management foundation: “Promotion of Technology-Driven Approach,” “Maximization of Human Resource Value,” and “Value-Driven Management.”

Promotion of Technology-Driven Approach	We will create new value and develop new businesses by acquiring advanced technologies, and expand the number of highly advanced engineers for social implementation. We will also further strengthen open innovation by making business expertise, copyrighted works, and more accumulated over many years into intellectual property, enhancing intellectual property value by promoting the use of intellectual property to resolve customer issues at all customer fronts, and strengthen the promotion of open innovation, such as collaboration with venture companies through fund investments and other means.
Maximization of Human Resource Value	SCSK Group Medium-Term Management Plan (FY2023–FY2025) defines the policy of “Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of the SCSK Group.” In implementing this policy, to enable diverse human resources to play active roles, we will optimize business strategies and human resource portfolios, develop the foundation through treatment and remuneration systems, promote Well-Being Management and health management, and practice diversity and inclusion.
Value-Driven Management	The SCSK Group is promoting Value-Driven Management based on the fact that fostering mutual understanding between employees and the company (including leaders, senior management as such) can drive the creation of new value to degrees that could not be realized by a single individual or company.

Managerial Foundation Reinforcement		Main initiatives	
Technology-driven	Advanced technologies	Launch of focus area subcommittees <ul style="list-style-type: none">● Cloud Native Subcommittee “Cloud Native Project Acquisition Guidelines” internal release (March 2025)● Security Subcommittee Presented draft policy approach for security measures led by the Ministry of Economy, Trade and Industry at the Information Liaison Meeting <div>P47 /Message from the Assistant General Manager, Technology Strategy Div.</div>	
		Intellectual property value	● Implemented measures to promote patent applications and registrations as an initiative to accelerate intellectual property creation and utilization starting in March 2025
		Open innovation	● Based on each Business Group’s open innovation themes, investigate and promote introduction activities for startups abroad and in Japan.
Maximization of Human Resource Value	Business Strategy and Human Resources Portfolio	● Business strategy and human resources portfolio: Establish policies and develop training during the fiscal year ending March 31, 2026, with a view to building a framework for HRBP functions to promote alignment between business and talent	
	Treatment and remuneration systems	<ul style="list-style-type: none">● Raised the standard through revisions to remuneration (Average for fiscal year ended March 31, 2024: 5%; for fiscal year ended March 31, 2025, 6.1%; for fiscal year ending March 31, 2026, 5.2%)● Launch consideration of new personnel system for next medium-term management plan	
	Well-Being Management	<ul style="list-style-type: none">● Opened “SCSK LINK SQUARE,” a branding base (launched operations in June 2024)● We launched health management support service Uwell, and began providing Health Survey in June 2024. We collaborate with PROACTIVE to advance the visualization of non-financial data, in addition to providing advice for improvement and ongoing support.● Expand support systems for men’s participation in childcare <div>P49 /Message from the Officer in Charge of Human Resources</div>	
		Diversity and inclusion	<ul style="list-style-type: none">● Introduce of the Supporter Plus System for developing female general managers● Implement disability employment measures to meet the statutory employment rate in compliance with the Act on the Promotion of Women’s Active Engagement in Professional Life● Launce SCSK Alumni Network to connect with retired employees
Promotion of value-driven management	Value-Driven Management	Town hall meeting	
		<div></div>	

Management indicators (financial)

Financial targets

Aiming at high profit growth by reorganizing business areas and redeveloping business models for sustainable growth

Operating profit	Operating profit margin	ROE
¥65.0 billion	12.5% or more	14%

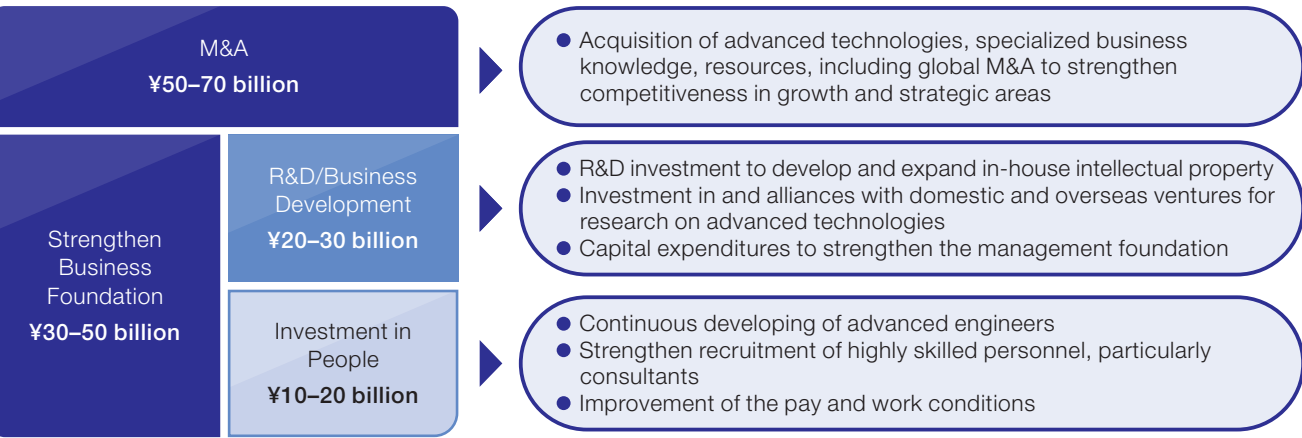
Shareholder returns

Expand shareholder returns and increase the dividend payout ratio in line with earnings growth

Dividend payout ratio
50%

Growth investments

Aggressive investment of ¥100 billion over three years to further augment the SCSK Group’s strengths



Management indicators (non-financial)

Human resources portfolio/ Human resource development	Well-Being/ D&I promotion	Global Environmental Contributions
<ul style="list-style-type: none">Consulting and business design personnel 500 people or more <ul style="list-style-type: none">Certificated advanced engineers 3,000 people or more <ul style="list-style-type: none">Advanced PM talent 250 people or more <ul style="list-style-type: none">Certificated IT engineers for the Digital Skill Standard Training 10,000 people	<ul style="list-style-type: none">Engagement*¹ 90% or more <ul style="list-style-type: none">Performance volatility*² 90% or more <ul style="list-style-type: none">Number of females in general manager positions*³ Three times or more	<ul style="list-style-type: none">Reduction rate of greenhouse gas emissions (compared with FY2019) Scope 1 and 2 (FY2030, 2050) FY2030 47% reduction FY2050 100% reduction Scope 3 (FY2030) FY2030 28% reduction

*1 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 a rewarding workplace” in the employee awareness survey.
*2 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.
*3 Calculated as a percentage compared with the fiscal year ended March 31, 2023 (results)

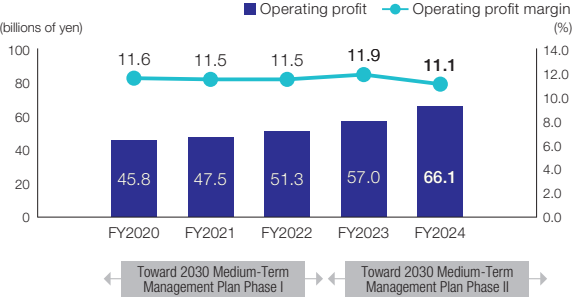
Management Indicators (Financial and Non-Financial) Progress Summary

Management indicators (financial)

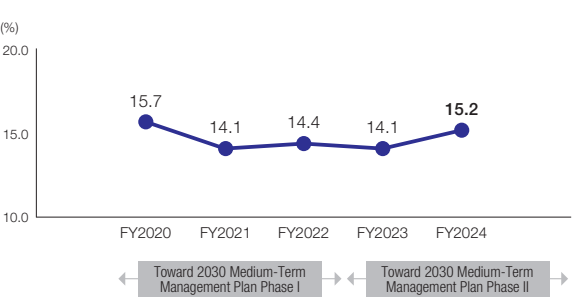
Financial targets

Operating profit increased by ¥9.1 billion year on year on the strength of higher revenue, higher profitability through improved productivity, and the impact of having welcomed Net One Systems Co., Ltd. into the SCSK Group. Additionally, the operating profit margin fell by 0.8 percentage points because of factors including the impact of related expenses. And ROE was around 15%.

Operating profit/Operating profit margin



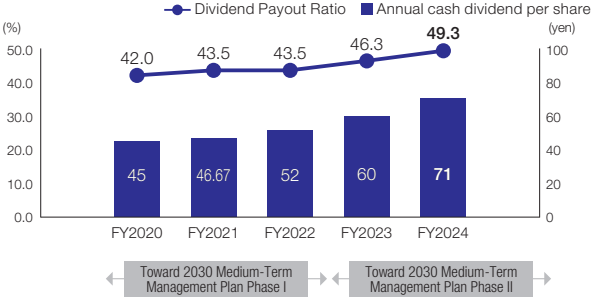
ROE



Shareholder Returns

With the dividend payout ratio at 49.3%, we are steadily progressing toward achieving a ratio of 50% in the fiscal year ending March 31, 2026.

Dividend Payout Ratio



Growth Investments

We plan to invest aggressively, committing ¥100 billion over the three years of the Medium-Term Management Plan, and executed investments of ¥26.4 billion during the FY2024.

*Excluding Net One Systems Co., Ltd.

Investment amount

	(billions of yen)		
	FY2023	FY2024	Cumulative total
M&A	6.9	2.0	8.9
R&D/ Business Development	16.2	17.3	33.5
Investment in people	5.1	7.1	12.2
Total	28.4	26.4	54.8

*Excluding Net One Systems Co., Ltd.

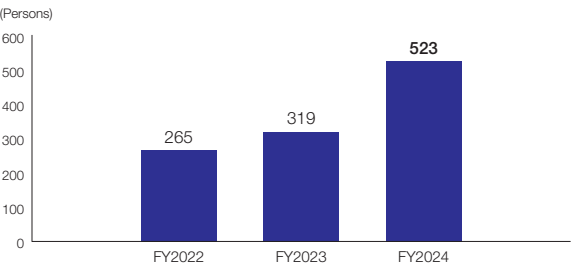
Management indicators (non-financial)

Human resources portfolio/Human resource development P75

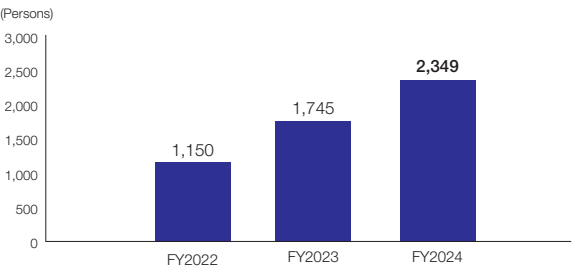
To push forward the promotion of the core strategies we set forth in the Medium-Term Management Plan, we have established non-financial targets for structural expansion in the four key fields and are focusing on cultivating human resources. As we continue our human resource development and expansion initiatives, we have a steady increase in all fields.

*SCSK Corporation

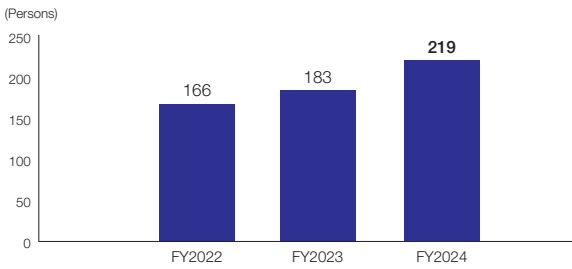
Consulting and business design personnel*1



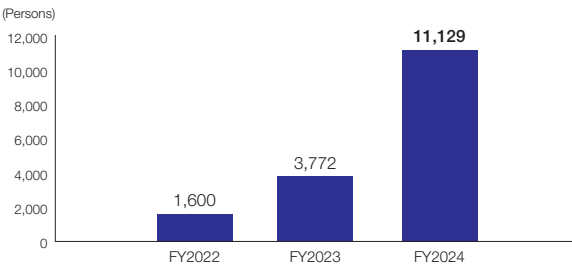
Certificated advanced engineers



Advanced PM talent



Certificated IT engineers for the Digital Skill Standard Training

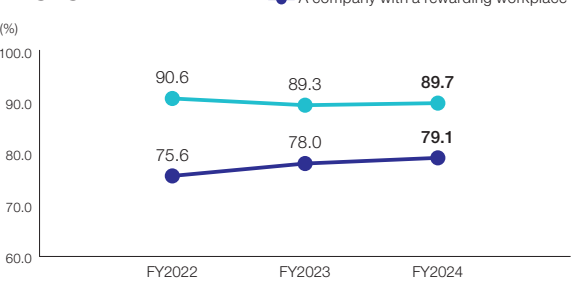


Well-Being/D&I promotion P79

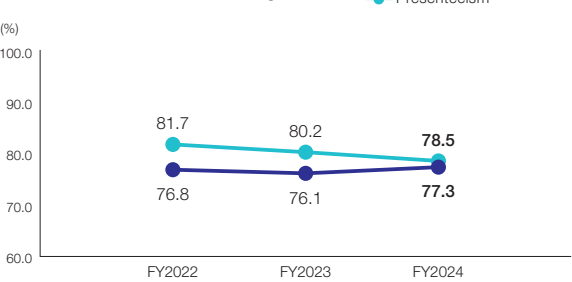
In addition to balancing work comfort and job satisfaction, we also aim to achieve a high standard of mental and physical health and performance. To this end, we are continuously implementing initiatives while regularly monitoring employee engagement and performance volatility.

*SCSK Corporation

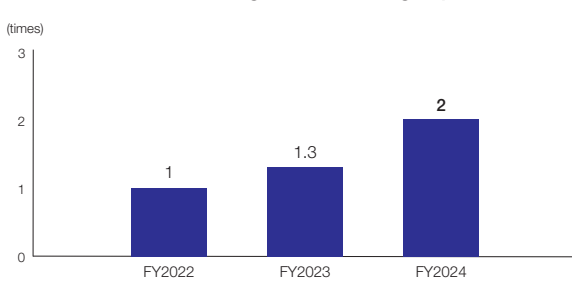
Engagement*2



Performance volatility*3



Number of females in general manager positions*4



*FY2022 as 1

Global Environmental Contributions P65

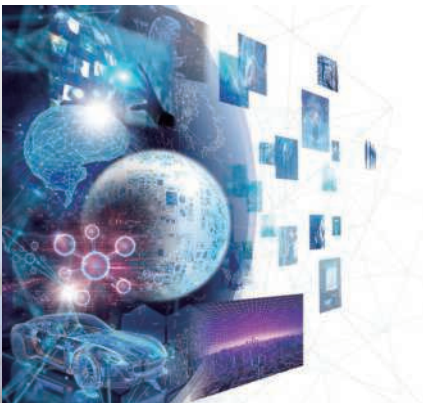
As part of our contribution to the global environment, we are implementing initiatives to mitigate GHG emissions.

Reduction rate of greenhouse gas emissions

	FY2022	FY2023
Scope 1 + 2	Approx. 23% reduction	Approx. 25% reduction
Scope 3	Approx. 9% increase	Approx. 49% increase*

*Increase due to Net One Systems Co., Ltd. having become a consolidated subsidiary as of December 25, 2024, and expansion of business.

*1 The number of "consulting and business design personnel" defined independently by each Business Group is added.
*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 a rewarding workplace" in the employee awareness survey. FY2025, the actual results (consolidated) were 87.2% and 77.5%, respectively.
*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. FY2025, the actual results (consolidated) were 75.1% and 75.4%, respectively.
*4 Calculated as a percentage compared with the FY2022 (results)



SCSK formulated the SCSK Group technology strategy Technology Vision 2030 toward achieving its goal of becoming a Co-Creative IT Company in 2030.

In recent years, the swift advancement 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.

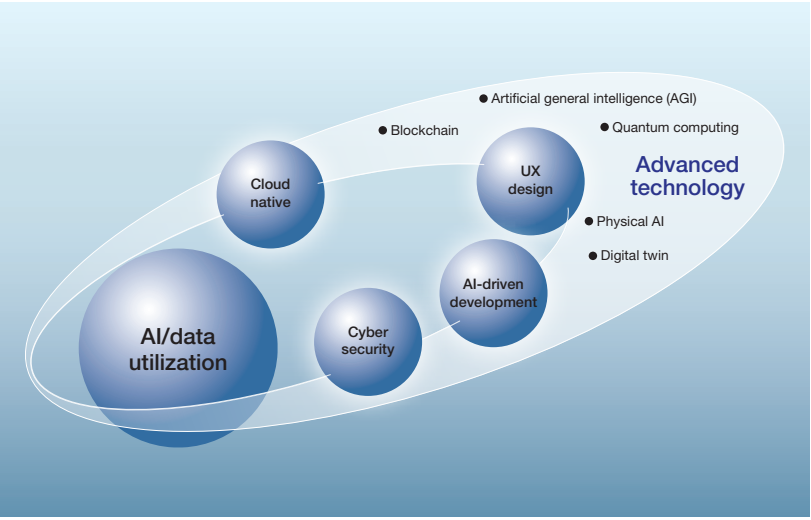
Moreover, the presence of generative AI technologies such as ChatGPT, which in just over a year had a remarkable impact, continues to increase, as are expectations for artificial general intelligence (AGI). Through the initiatives of Technology Vision 2030, SCSK will continue achieving high added value and high productivity by maximizing its use of advanced digital technology and will deal with social issues and trends.

● **AI/data utilization
(enhancement of added value)**

We proactively embrace rapidly evolving AI technology to drive our customers' utilization of accumulated data and transformation of their business. Furthermore, we will proactively apply AI technology to domains directly linked to societal issues including GX and healthcare, contributing to the realization of a sustainable society. [P47](#)

● **AI-driven development
(enhancement of productivity)**

Applying generative AI throughout the system lifecycle enhances the efficiency of development, maintenance, and operational tasks while integrating business and IT domains. This enables our customers to realize both agility and higher quality in their service provision. [P47](#)



SCSK is strategically investing in its key digital technology domains (AI/data utilization, cloud native, UX design, AI-driven development, cyber security, and advanced technologies) to achieve sustainable corporate value enhancement, building on steady growth achieved through deepening existing businesses.

In a rapidly evolving market, a vertically integrated model in which all technologies are developed and owned solely in-house can make keeping pace with change challenging, and can in fact result in losing business opportunities. Given this, SCSK has positioned technology co-creation (open innovation) and commercialization pipelines with domestic and international universities, research institutions, and innovative startups with rich expertise in each field at the core of its strategy to vigorously drive forward the commercialization of its key digital technologies.

Based on this strategy, we will augment the foundational technologies—cloud-native and cyber security—that underpin our business infrastructure. We will achieve this through both our own initiatives and collaboration with partner companies that have advanced expertise in each field. In that same vein, we are aggressively pursuing partnerships with companies that specialize in AI/data utilization and AI-driven development—technologies that accelerate the transformation of business.

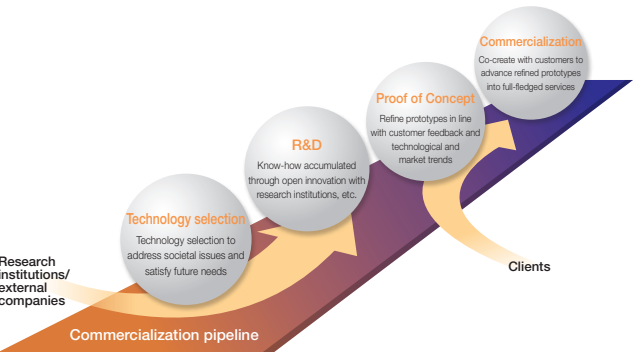
Moreover, we put a great deal of emphasis on the co-creation of technology even in state-of-the-art technologies that will shape future markets. In the technology domains of quantum computing, AI robotics/physical AI, and digital twins, for instance, we aim for social deployment through open innovation, including participation in consortiums and collaborative research through industry-academia-government partnerships.

Commercialization pipeline integrating “technological seeds” and “market needs”

SCSK is advancing its commercialization pipeline to accelerate the market entry of promising technology seeds emerging from R&D. This is a strategic function designed to intentionally integrate technological seeds with market needs, thereby raising the likelihood of innovation being created.

SCSK has a robust business foundation cultivated over years of engagement with clients in a diverse range of industries. The deep insights into customer issues and societal needs it has gained from this are the very source of the SCSK Group's competitive advantage, and can be regarded as valuable information assets.

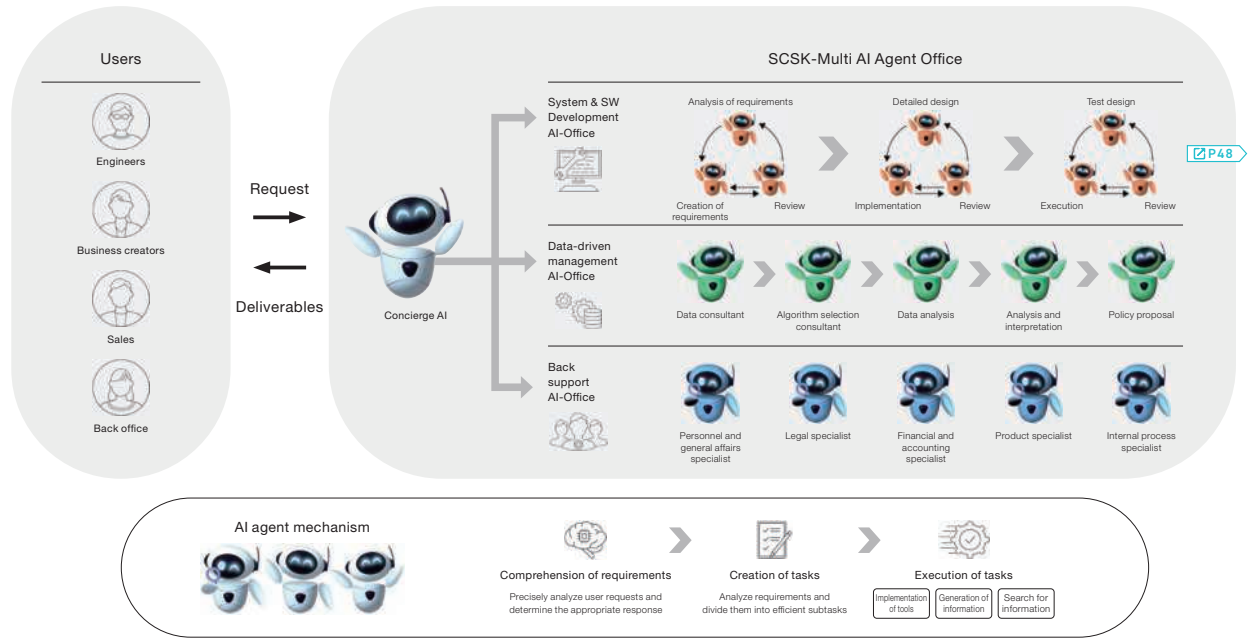
Leveraging this strength, we rapidly assess whether the market will accept technological seeds, and then transform them into solid business opportunities. This process speeds up the introduction of advanced products and services to the



market while steadily translating co-created innovations into social and economic value.

SCSK-Multi AI Agent Office concept

The SCSK Group is working on AI-driven development and a variety of domain-specific AI solutions. We are advancing the SCSK-Multi AI Agent Office concept—which integrates these technologies and know-how—to establish solutions addressing corporate issues like productivity enhancement and operational efficiency stemming from the decline in the working-age population. [P48](#)



Co-creation Example Cases 3-Shake Inc.

In November 2024, SCSK entered into a capital and business alliance with 3-Shake Inc., which has sophisticated technical capabilities in the cloud-native domain. The aim of the partnership is to leverage the combined resources of both companies—SCSK's broad customer base and rich IT service capabilities, and 3-Shake's superior technical expertise and personnel development know-how—to provide robust support for customers' DX initiatives. This will enable us to improve our services and cultivate leadership talent, while augmenting our capabilities to provide consistent support—such as driving forward the cloud-native initiatives of our customers—thereby contributing to the sustainable enhancement of corporate value.

Co-creation Example Cases Quemix Inc.

In November 2024, SCSK entered into a capital and business alliance with Quemix, a leader in developing quantum computer algorithms. The aim of this partnership is to accelerate R&D for the social deployment of quantum computers and to expand business in the materials informatics (MI) market, which is undergoing rapid growth. Going forward, to deliver innovative solutions, we will merge our customer base in the material calculation field with Quemix's advanced technologies, including its proprietary quantum chemical calculation algorithms. And we will jointly promote the cultivation of human resources in quantum technology and advance the development of quantum technology-based functionalities for SCSK's existing services and software, with the goal of achieving breakthroughs through quantum computing.



SCSK's AI-driven development

Shoji Minaguro

Assistant General Manager, Technology Strategy Div.

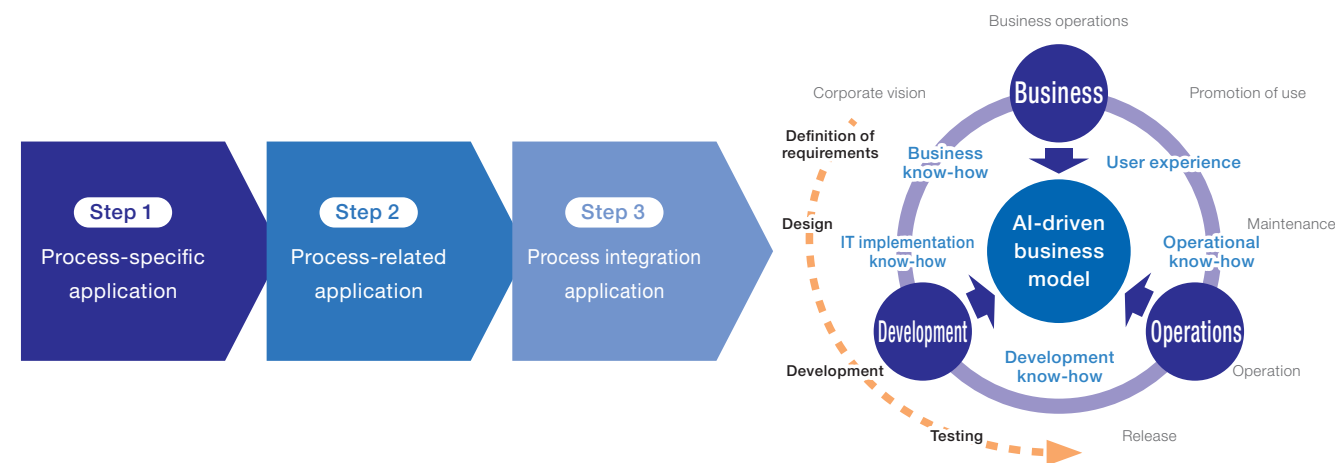
AI connects business and development, accelerating the growth of our customers. Toward a future of value co-creation.

The SCSK Group continuously evolves its practical AI-driven development environment by conducting research and technical verification on generative AI technologies that continue advancing rapidly, and by selectively adopting available technologies.

Leveraging generative AI for system implementation is expected to make customer business requirements clear and enable a system overview (prototype) presentation more quickly than conventional methods.

This results in a drastic change in the timeline from planning and conceptualization to system implementation, and we believe it will significantly contribute to our customers' ability to respond to the environmental changes their business demands.

And we view this change as fundamentally transforming our business model, which is closely linked to software lifecycle processes (SLCP) including system development and operation.



The “AI-driven development” approach the SCSK Group pursues not only streamlines development, operation, and maintenance to bridge that gap, but also consolidates and aggregates our customers' business and operational information into an AI-driven development environment. This mechanism further aligns the system with customers' strategic objectives and business operations. Business objectives flow into development teams, and insights gained on-site in turn fuel the next business strategy. We believe that this continuous feedback loop will dramatically improve decision-making quality and speed.

We have gained practical expertise through repeated technical verification across a number of projects. The insights accumulated through this loop further become a “living asset” that is not confined to individual projects; rather, it can be reused across the entire organization. This represents an effort to evolve the capability of the SCSK Group's cultivated over many years to resolve business issues from upstream processes to the next stage through AI. Going forward, we aim to realize a value co-creation model where we jointly create new value by sharing these assets with our customers and partners.

Examples of AI utilization in system development

Advancement of mobility development process

SCSK is driving forward the development of multi-AI agents and virtual ECUs (VECs)* utilizing generative AI technology to condense the design, development, and testing cycle while boosting quality in mobility development. This contributes to enhancing the competitive power of mobility companies while aiming to bolster our technological presence.

*Virtual ECU: A software environment that virtually replicates an electronic control unit (ECU)

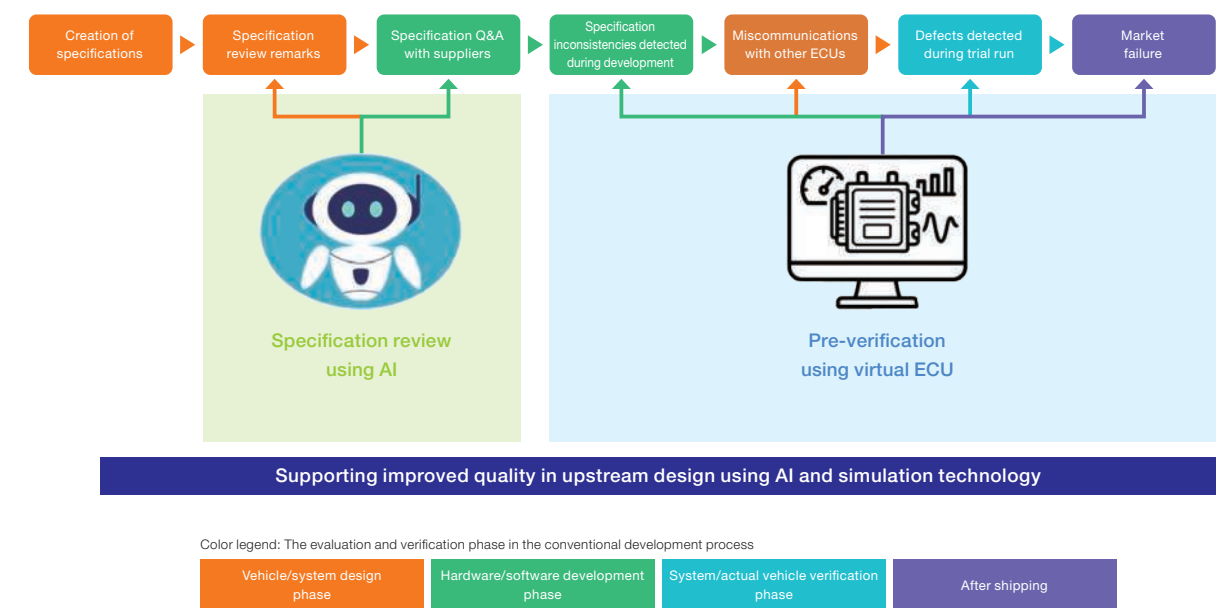
Increasing importance of building quality into upstream processes

The mobility industry is riding a wave of technological innovation known as Connected, Autonomous, Shared, and Electric (CASE), ushering in a period of profound transformation that occurs once in a century. As ECUs are required to offer increasingly sophisticated, diverse functions, specifications are likewise becoming increasingly complex. This has resulted in difficulty in detecting defects during the early stages of development, leading to more cases where problems reveal themselves during the evaluation and verification phase. Such defects discovered in later stages of production can result in designs having to be adjusted, potentially causing development delays and cost increases. Amidst these circumstances, building quality into upstream processes to preclude development rework is now more important than ever.

Advancement of development process for mobility development

Given this situation, the Mobility Business Group, which is deeply involved in our customers' businesses, and the Technology Strategy Div., which handles R&D in advanced digital technologies, are combining their expertise. They are jointly driving forward mobility development processes enhancement by integrating multi-AI agents powered by generative AI technology with VECUs, in the process revolutionizing conventional development workflows.

The AI agent checks specifically for ambiguity in the specs and prompts the author to take corrective action, while also automatically generating test cases based on the specs. Running simulations on the VECU makes it possible to detect, earlier in development, defects that previously could only be detected in later stages such as evaluation and verification using the actual ECU. This enables early feedback in the design process, reduces rework, and leads to both higher development quality and considerably higher efficiency.





Yasuhiko Oka
Managing Executive Officer
General Manager, Accounting, Finance and IR

Review of performance for the fiscal year ended March 31, 2025 and progress in the second year of the Medium-Term Management Plan

Medium-Term Management Plan (FY2023–FY2025) is positioned as the second phase of the plan toward the realization of Grand Design 2030. We are restructuring our business fields and business models, while also actively working on areas that provide group-generated new value. We are also shifting to a more highly profitable, productive business model.

By promoting three core strategies in this Medium-Term Management Plan, we are working to transform our business portfolio. Below, of the three core strategies, we will explain the progress of Core Strategies 1 and 2, as well as the financial targets.

First, under Core Strategy 1: “Decisive Business Shifts,” we will enhance profitability by restructuring our

Results for FY2024 (compared with FY2022)

(Unit: billions of yen)	FY2022	FY2023	FY2024	Change (FY2024–FY2022)	Rate of change (FY2024/FY2022)
Net sales	445.9	480.3	596.0	150.1	33.7%
Gross profit	117.6	127.9	159.4	41.7	35.5%
Gross profit margin	26.4%	26.6%	26.8%	0.4%	—
SG&A expenses*	(66.3)	(70.9)	(93.3)	(27.0)	40.8%
Operating profit	51.3	57.0	66.1	14.7	28.7%
Operating profit margin	11.5	11.9%	11.1%	(0.4%)	—
Profit attributable to owners of parent	37.3	40.4	45.0	7.7	20.7%

*Including other income and expenses

business segments and models, thereby creating capacity for investment and potential for sustainable growth. Specifically, as part of our “shift toward high-potential business areas,” we are promoting workforce redeployment and reskilling into fields such as manufacturing, mobility, and security. Moreover, under the “shift toward high-value-added areas” initiative, efforts to transition to upstream system development processes, cultivate highly skilled personnel, and optimize unit pricing resulted in the gross profit margin*1 for the fiscal year ended March 31, 2025 rising by 1.6 percentage points from 26.5% in the final year of the previous Medium-Term Management Plan (the fiscal year ended March 31, 2023) to 28.1%.

Furthermore, in our “shift toward high productivity models,” we have transitioned from a compensation structure based on project workload to a service- and value-based model achieved through the standardization of processes and the consolidation of resources. Through initiatives such as centralizing development, maintenance, and operations, we have improved the productivity of our existing businesses As a result, operating profit per employee for the fiscal year ended March 31, 2025 was up ¥690,000 from ¥4.7 million in the final year of the previous Medium-Term Management Plan (the fiscal year ended March 31, 2023), reaching ¥5.39 million.

Next, under Core Strategy 2, “Development of Market-Leading Businesses in Growth Markets,” we will utilize and apply the Group’s cloud and digital technologies to the maximum extent possible. By leveraging cloud and digital capabilities, we will contribute to market growth in high-growth-potential markets and technology areas while achieving high growth for the Group.

Specifically, with regard to fields where high growth is anticipated, we have secured large-scale core system development projects from multiple major manufacturing clients in the digital supply chain business. We are evolving our capabilities to provide customers with a centralized system of know-how and case studies, focusing on the engineering chain, customer touchpoint, and Sol domains.

In our mobility business, we are upgrading our training system—including specialized education and reskilling—to augment our resources. We are intensifying efforts to recruit and develop highly specialized engineers who can handle ultra-upstream processes.

Regarding growth investments toward dramatic improvements in “comprehensive corporate value”

While advancing the restructuring of our business fields and business models to continuously provide new value to our customers and society, we aim to constantly maximize the market value of each employee as we recognize employee growth as the driving force behind the company’s growth. Under this Medium-Term Management Plan, we intend to invest

In the security, data integration, and cloud integration domains, we have welcomed Net One Systems Co., Ltd. as a new consolidated subsidiary to advance and strengthen our business operations, and we will move forward together. This allows us to provide integrated digital services encompassing everything from networks, security, and cloud infrastructure to applications such as data utilization. Additionally, we will focus our investments on resources beyond existing ones, systematically leverage cutting-edge technologies, and constantly create new business opportunities. As a result of these initiatives, the sales scale of the target businesses absorbed the underperformance of the PROACTIVE and BPM businesses, achieving a CAGR of 14% (excluding the additional amount from Net One Systems Co., Ltd.) over the two years from the final year of the previous Medium-Term Management Plan (the fiscal year ended March 31, 2023).

Finally, I would like to explain the Medium-Term Management Plan’s financial targets. As financial targets for the Medium-Term Management Plan, from the perspectives of profitability and capital efficiency, we aim for operating profit of ¥65 billion, an operating profit margin of 12.5% or higher, and ROE of 14%. For the fiscal year ended March 31, 2025, the second year of the Medium-Term Management Plan, we achieved record performance. This was driven by the results of initiatives under Core Strategies 1 and 2, as well as by the contribution from Net One Systems Co., Ltd., which SCSK made a consolidated subsidiary in the fourth quarter. Net sales were up 24.1% year-on-year to ¥596 billion, the gross profit margin was 26.8%, and operating profit rose 16.0% to ¥66.1 billion.

Meanwhile, influenced by factors including the recognition of expenses to maximize future synergies, such as PPAs*2 and integration-related costs, the operating profit margin stood at 11.1%. In addition to driving forward our existing core strategies, we will strive to enhance synergies with Net One Systems Co., Ltd., which has recently joined the Group, to further improve profitability.

*1 Performance of Core Strategy 1-2 was calculated based on sales from domestic IT services excluding product sales.
*2 PPA (purchase price allocation): The process of allocating the acquisition cost to the acquired company’s assets and liabilities at fair value and identifying intangible assets subject to amortization during that process.

[P34-35/Core strategy 1-2](#)

a total of ¥100 billion over the next three years in three key areas of growth: M&A, R&D and business development, and human capital. Now I’d like to outline the progress made in the second year.

First, regarding M&A investment, we plan to invest ¥50-70 billion over three years. To date, we have invested a total of ¥8.9 billion (¥6.9 billion in the fiscal year ended

Message from the Officer in Charge of Finance

March 31, 2024 and ¥2 billion in the fiscal year ended March 31, 2025). In concrete terms, we implemented a business reorganization to strengthen our business foundation and differentiation factors in the customer experience domain. This involved merging Diamond head Co., Ltd. and SCSK PRESCENDO CORPORATION—previously equity-method affiliates—and making Diamond head Co., Ltd. a consolidated subsidiary. For adapting to an evolving IT market and realizing sustainable growth, we believe M&A is a key management strategy. Given this, we will continue to focus on strengthening our competitive power in growth markets and technological fields—not only in Japan but with an eye toward the ASEAN region and other markets abroad.

Additionally, in an endeavor independent of the M&A investments outlined in this Medium-Term Management Plan, we completed a tender offer for Net One Systems Co., Ltd. in December 2024, welcoming the company into the Group. This will generate a vast range of synergies far surpassing mere capital or business alliances, allowing us to deliver integrated digital services encompassing everything from network security and cloud infrastructure to applications for data utilization. We will spearhead solutions to social issues and develop businesses with overwhelming presence and influence.

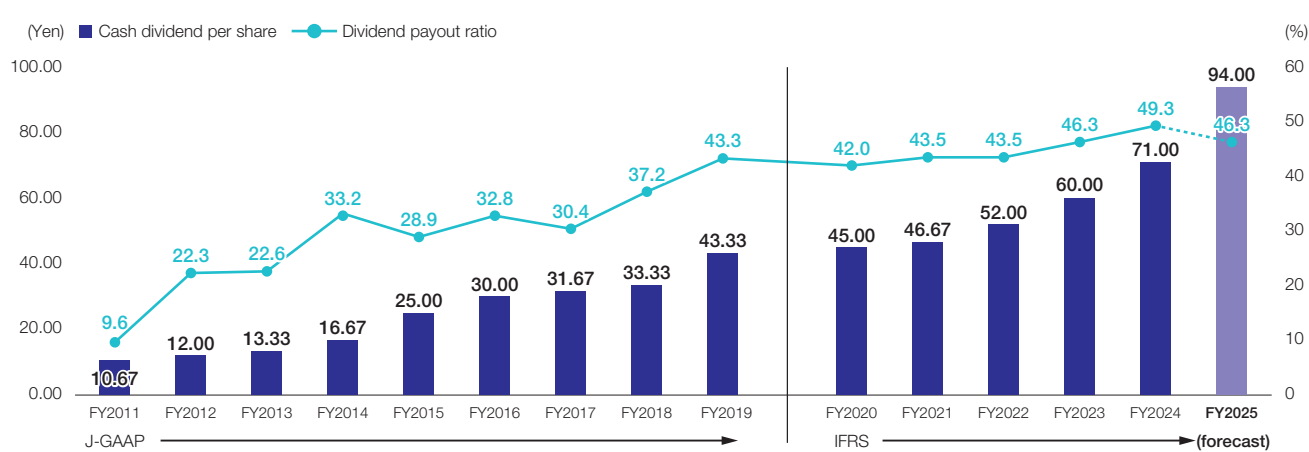
Next, with regard to R&D and business development, we plan to invest ¥20–30 billion yen over a three-year period. Highlighted by proactive R&D investment, we have invested a total of ¥33.5 billion to date (¥16.2 billion for the fiscal year ended March 31, 2024, ¥17.3 billion for the fiscal year ended March 31, 2025). The aim of this initiative is to leverage the Group’s strengths to contribute to market growth and pursue high group-wide

growth, in addition to R&D investments for developing and expanding our proprietary intellectual properties. One specific example would be our investment in strengthening security to establish a competitive advantage in the data center business, and our investment in advancing AI technologies in proprietary solutions such as PROACTIVE and BankSavior. This allows us to merge our proprietary intellectual property with state-of-the-art technology to deliver value to our customers. Furthermore, we aim to drastically enhance the added value of our services through partnerships with companies such as venture firms that possess advanced technologies that will accelerate the Group’s growth.

Finally, concerning human capital investment, we plan to invest ¥10–20 billion. To date, we have invested ¥12.2 billion (¥5.1 billion in the fiscal year ended March 31, 2024 and ¥7.1 billion in the fiscal year ended March 31, 2025). We are committed to developing non-financial metrics-driven talent including consulting and business design personnel, cutting-edge digital engineers, and advanced project management personnel. We have also augmented our recruitment of personnel with advanced skills and expertise amid intensifying competition for IT talent. During the two years from the fiscal year ended March 31, 2024 to the fiscal year ended March 31, 2025, over 2,000 professionals have joined the Group through mid-career hiring. In response to the rising market value of IT talent, we implemented an increase in compensation levels for the fiscal year ended March 31, 2025. We will continue investing in our greatest asset—our people.

We will steadily invest in the aforementioned three areas and support the advancement of our fundamental strategy, with the goal of achieving a dramatic improvement in our comprehensive corporate value.

Cash Dividend per Share/Dividend Payout Ratio*



*Dividend per share and dividend payout ratio taking into account the stock split executed on October 1, 2021.

Regarding financial policies

Concerning the funds needed to push forward our business strategy, our basic policy is to utilize our own funds from internal reserves as well as cash flow from operating activities to meet the capital requirements for strengthening and expanding our business. Furthermore, regarding large-scale funding needs arising from activities such as M&A, we will flexibly address these through a broad range of means as necessary, such as borrowing from financial institutions and issuing corporate bonds. In December 2024, in connection with the execution of a loan to fund the tender offer for Net One Systems Co., Ltd., interest-bearing debt including lease obligations as of the end of March 2025 amounted to ¥315.4 billion, a significant year-on-year increase. As a result, the current

debt/equity ratio including lease obligations temporarily increased to 1.08x. Based on the outlook for earnings and cash flow, however, the credit rating agencies have maintained SCSK’s credit rating at A+ (Stable) *.

Going forward, we will pursue steady improvement in our financial balance by simultaneously advancing our Medium-Term Management Plan to further boost performance and augmenting our cash flow generation capacity through the consolidation of Net One Systems Co., Ltd. We will systematically repay and redeem interest-bearing debt. In the medium term, we aim to keep the debt/equity ratio (including lease obligations) at 1.0x or below.

*Long-term credit rating by Japan Credit Rating Agency, Ltd. (JCR)

To our shareholders and other investors

The Company recognizes that its ROE has been above the cost of equity. To sustainably increase corporate value, we believe we must continuously strive to improve capital efficiency and will maintain our pursuit of management with an awareness of ROE.

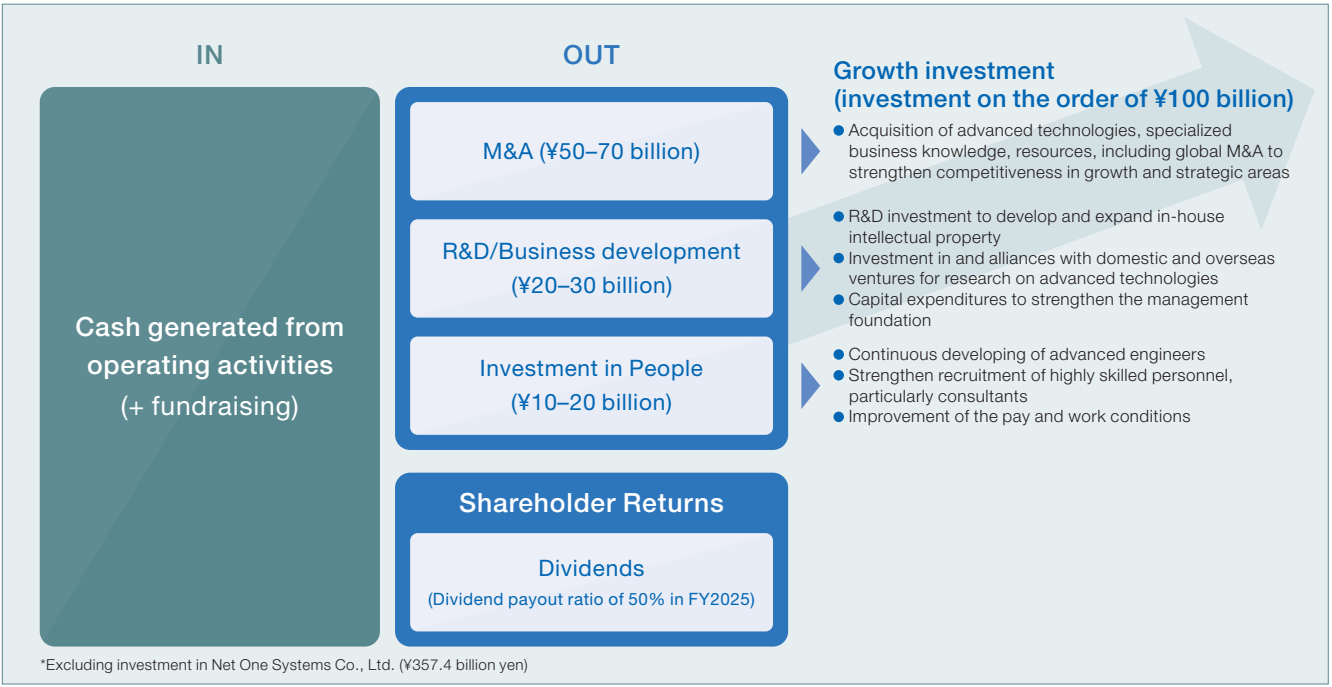
With regard to how we return our profits to shareholders, we aim to provide dividends in line with improvements in consolidated business results, while comprehensively taking into account financial position, earnings trends, dividend payout ratio, and the need to maintain sufficient internal reserves for future business investments. During the Medium-Term Management Plan period, we will strive to further bolster revenue sharing.

The year-end dividend for the fiscal year ended March 31, 2025 is ¥37 per share, which, together with the interim dividend of ¥34 per share, brings the annual dividend to ¥71 per share. For the fiscal year ending March 31, 2026, we plan to increase the annual regular dividend by ¥23 per share to ¥94 (interim dividend of ¥47, year-end dividend of ¥47), marking the 14th consecutive year of dividend growth.

We will continue to consider share repurchases, taking into account factors such as stock price trends. At this time, however, we intend to bolster shareholder returns, with a focus on dividends.

The Company prioritizes constructive dialogue with shareholders and investors. We organize and conduct explanatory briefings as appropriate to deepen understanding of the Group’s business operations. Moreover, we have continued our dialogue with everyone through overseas IR activities and conferences in Japan. As we move forward, we will strive to provide more comprehensive information disclosure and engage in increased dialogue to make certain that all stakeholders gain a clearer understanding of our business strategy and are aware of the progress of our growth initiatives. We will strive to achieve the continuous enhancement of corporate value through transparent information disclosure and proactive communication. We look forward to your continued support for the Company.

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Manufacturing Business Group

Main services IT consulting Systems development IT management IT hardware and software sales

As IT professionals specializing in the manufacturing industry, we leverage our advanced IT technologies to work with clients to build resilient global supply chains.



Shoji Shiuchi
Managing Executive Officer, General Manager, Manufacturing Business Group

Business Overview The “digital supply chain business” provides high value-added IT services covering all processes, from strategies and planning for supply chains to data driven areas, and drives digital transformation in the manufacturing industry.

Strengths

- An organizational structure and a lineup of solutions that can consistently take charge of the supply chains, engineering chains, and data driven areas of the manufacturing industry
- Deep knowledge and intellectual property cultivated through digital transformation with various manufacturing industry clients
- Professional human resources providing consulting and IT services specialized in the manufacturing industry
- Ability to support supply chains of globally operating manufacturers

Business Environment

Opportunities

- Robust IT demand in the manufacturing industry
- Digitization needs of companies
- Diversification of social issues surrounding the supply chains

Risks

- Increased disaster risk and economic uncertainty
- Fluctuations in IT investment resulting from international policy and economic trends
- Obsolescence of existing technologies and services due to rapid technological evolution
- Full-scale entry of hyperscalers into IT for the manufacturing industry

Key strategies and progress toward realizing the Medium-Term Management Plan

Launch of an integrated organization that supports IT innovation across the entire supply chain by integrating manufacturing industry-specific business with the global de facto solutions business

Transforming relationships with customers

- Deep commitment to the digital transformation of the manufacturing industry, and establishment of sustainable collaborative and co-creation relationships through engagement in the transformation of global supply chains from the strategy formulation stage
- Building high-level relationships with diverse clients across the manufacturing industry and accompanying them on their journey toward corporate digital transformation

Global development

- Supporting global roll-out in coordination with the Company's overseas bases and partner companies
- Building a global maintenance platform that integrates the Company's overseas and domestic bases
- Business development with overseas bases as the starting point

Strengthening consulting area

- Strengthening accompanying-type consulting functions to engage with clients from a management and strategy perspective, supporting them in realizing their ideal business models

Promotion of branding and intellectual property

- Release and further development of “SuccessChain,”* a comprehensive brand in the SCM, ECM, and Sol areas

Initiatives toward advanced technologies

- Improving quality and productivity by digitalizing the development process mainly through the use of generative AI
- Contributing to the enhancement of clients' business value through the application of AI and digital technology to manufacturing sites as well as to planning and simulation areas

Industrial Business Group

Main services IT consulting Systems development IT management

We aim to contribute to solving social issues through IT innovation and co-creation of industry-leading customers through AI, digital technologies, and advanced IT services.



Tadashi Miyagawa
Managing Executive Officer, General Manager, Industrial Business Group

Business Overview As a main partner for industry-leading customers in social infrastructure, real estate, and trading, we provide a comprehensive range of consulting and IT services, jointly driving their IT innovation.

Strengths

- As a main partner of companies that represent the industries, we have long-standing track records and strong relationships of trust.
- Ability to provide large-scale systems in all stages from consulting to development and operation
- Abilities to respond to AI and digital technologies and to realize digital transformation through consulting
- Global ability and advanced intellectual property developed through transactions with the Sumitomo Corporation Group

Business Environment

Opportunities

- Growing AI and digital needs of large enterprises in the industry
- Robust IT investment by large enterprises in the industry
- Diversification of investment for social issues (ESG)

Risks

- Intensifying competition to recruit highly skilled talent
- Increased disaster risk and economic uncertainty
- Decline in demand for investment in AI and digitalization

Key strategies and progress toward realizing the Medium-Term Management Plan

Leveraging the relationships and trust built over many years as the main IT partner to industry-leading companies, we are strengthening our AI and digital capabilities, including strategy, planning, data utilization, as well as consulting capabilities. Pursuing the maximization, enhancement, and evolution of the value we provide to further contribute to our customers

Further enhancement of relationships with industry-leading customers

- Accelerating business development of major customers based on long-standing relationships of trust and achievements
- Providing high value by leveraging the ability to consistently promote everything from consulting to operations and the PM ability developed through large-scale projects
- Promoting the creation of new value by leveraging our global capabilities and intellectual property in coordination with the Sumitomo Corporation Group

Shift to priority areas centered on AI and digital technologies

- Strengthening responsiveness to customers in priority areas as a primary partner in the AI and digital technology areas
- Expanding service lineup and strengthening responsiveness through coordination with AI tech and IT consulting companies
- Improving productivity and quality of development, maintenance, and operation by promoting the use of digital technologies

Strengthening response ability by integrating functions and intellectual property

- Deepening strengths by integrating functions and intellectual property cultivated through transactions with large enterprises
- Improving sustainability, productivity and quality through standardization and sharing of maintenance and operation functions

Strengthening management foundation to support business growth

- Strengthening the talent base through optimization of the human resources portfolio and development and recruitment strategies for highly skilled talent
- Fostering an autonomous and proactive organizational culture by continuing interactive meetings toward the promotion of business objectives and policies

*Total services that support the enhancement of supply chain management and operational efficiency in the manufacturing industry. Providing integrated offering services from consulting to IT

Financial Business Group

Main services IT consulting Systems development IT infrastructure implementation IT management IT hardware and software sales

The Financial Business Group aims to be a “digital finance provider” that brings new value to changing financial markets and society through the sophistication of the SI business and the creation of service-oriented businesses.

Takaya Yamamoto
Senior Managing Executive Officer, General Manager, Financial Business Group



Business Overview The Group provides systems development and operation services as well as services utilizing intellectual property for the financial industry. To respond to changing needs and deliver greater market value to attain sustainable growth, the Group is working to create new businesses and enhance their sophistication.



Strengths

- Knowledge and operational experience built up through systems development, maintenance, and operation services for a wide range of financial institutions
- Team able to support clients from development to operation and maintenance of various systems to address the globalization of financial institutions
- Intellectual property and services that are essential for solving social issues such as asset formation and countermeasures against financial crimes and increasing the competitiveness of clients.



Business Environment

Opportunities

- Structural changes in financial markets due to changes in market conditions
- Removal of the negative interest rate policy and shift to a nation as a leading asset management center
- Security issues accompanying the increase in financial crimes and cyber attacks
- Response to diversifying laws and regulations, and technological innovation

Risks

- Insourcing of systems development, maintenance, and operation at financial institutions
- Shortage of human resources in the IT market and intensifying competition to acquire human resources

Key strategies and progress toward realizing the Medium-Term Management Plan

Transformation of the SI business

- Shifting away from the conventional person-month business model and reallocating resources to growth potential business areas and high value-added businesses
- Promoting the use of development centers, shifting to a high-productivity model, and accelerating value creation through the development of the human resources and knowhow that we have accumulated
- Making efforts to improve profitability by increasing client value, continuously reviewing appropriate selling prices, examining areas for further selection and concentration, and strengthening monitoring of high-risk projects to prevent quality issues

Expansion of service business area

- Expanding the market share and go beyond the boundaries of business categories in intellectual property where our strengths lie; for example, AML, SWIFT, and credit
- Establishing SCSK RegTech Edge Corporation as the first company to receive a foreign exchange transaction analysis business license Promoting activities to lead the existing market by utilizing technology in the area of financial crime countermeasures
- Forming a capital and business alliance with MILIZE Co., Ltd., a company with strengths in AI and financial technology, to strengthen collaboration in the development and provision of wealth management services. Leveraging our expertise to pioneer potential markets in advance so as to lead markets for the realization of a nation as a leading asset management center

Co-creative digital business with society

- Established COBOL PARK Corporation, a joint venture, with the FPT Japan Group
- Building an ecosystem at an early stage while considering various strategies such as human resources, technology, sales, and marketing, as well as the use of capital to strongly promote these strategies. Linking with our mainframe modernization “MF+” and aiming to serve as a public asset for society, supporting customers in overcoming the “2025 cliff”

IT Infrastructure Services Business Group

Main services IT consulting Systems development IT infrastructure implementation IT management IT hardware and software sales

Modernizing clients’ increasingly diverse and complex IT infrastructure environments through reliable, cutting-edge IT infrastructure services

Masaki Komine
Managing Executive Officer, General Manager, IT Infrastructure Services Business Group



Business Overview The Group combines IT infrastructure equipped with reliable, cutting-edge technologies, such as cloud, datacenters, networks, and security, with consulting and fully managed services, to help clients transform their businesses through modernization centered on cloud-native technologies.



Strengths

- Developing advanced businesses such as advanced security services that capture changes in the market and technology, support for the shift to cloud-native computing, and AI platforms
- Providing secure infrastructure, such as data centers and cloud computing, that support clients’ business continuity, together with fully managed services
- Deep and strong relationships with clients, manufacturers, service vendors, and resellers
- Value-driven IT consultants, service managers, and highly skilled engineers



Business Environment

Opportunities

- Requirement enhance IT infrastructure for AI utilization and DX promotion
- Escalating security risks due to increasingly sophisticated cyberattacks
- Increasing importance of sovereign clouds due to geopolitical risks
- New business opportunities resulting from the merger with Net One Systems Co., Ltd.

Risks

- Obsolescence of products and services due to emerging technologies
- Changes in the business environment resulting from vendor acquisition and strategy changes
- Decrease in IT investment due to an increasingly uncertain external environment
- Shortage of top-tier IT talent amid intensifying competition for recruitment

Key strategies and progress toward realizing the Medium-Term Management Plan

Establishing a competitive advantage in growth markets

- Promoting hybrid cloud offerings by leveraging “SCNX,” a multi-cloud connection service, and “USiZE,” a sovereign cloud service
- Expanding the security business via zero-trust solutions, application and data security, and SOC modernization through SCSK Security Corporation, a specialized business company
- Strengthening support for overseas business expansion of Japanese companies, while leveraging a local partner network in ASEAN countries to promote the global sales of intellectual property and services

Creating businesses and services that provide new value

- Expanding the cloud-native and offer-type “NebulaShift” series, which provides an application platform with high agility and flexibility
- Launch of the mainframe modernization “MF+” business (in corporation with COBOL PARK Corporation)
- Promoting the creation of new value in areas such as security, AI/data utilization, and smart manufacturing, centered on the integration of NI and SI, as a business synergy with Net One Systems Co., Ltd.

Maximization of human resource value

- Maximizing the market value of all employees by enhancing skills and implementing reskilling initiatives to accelerate individual business strategies
- Enhancing organizational vitality and diversity through proactive career recruitment and rotation measures to strengthen organizational capabilities



Mobility Business Group Main services IT consulting Systems development IT hardware and software sales

The Mobility Business Group supports future mobility society as a co-creation-oriented mobility service provider by linking mobility, social infrastructure, and industry and inter-company data.

Koji Watanabe
Senior Managing Executive Officer, General Manager, Mobility Business Group, Business Design Group

Business Overview The Group provides products and services for a next-generation mobility society that is both human- and Earth-friendly. This includes automotive safety and security functions, development support for vehicle electrification and intelligence, software products, and mobility services that deliver future mobility value across industry boundaries such as logistics and finance.



Strengths

- Knowledge of automotive software control backed by extensive experience in advanced functions (autonomous driving, electrification, intelligence)
- Automotive software system development structure following certified functional safety processes
- Ability to develop mobility services and introduce them into society by leveraging knowledge of automotive manufacturing and advanced IT technologies
- A framework for retaining engineers who are familiar with both the IT and mobility areas, and for continuously recruiting and developing human resources



Business Environment

Opportunities

- Accelerating spread of Software Defined Mobility (SDM) where software is the root of value
- Changes in the industrial structure resulting from the development of horizontal specialization of manufacturing
- Progress in standardization and cross-industry collaboration for vehicle data utilization

Risks

- Shortage of engineers due to intensifying competition for recruitment of mobility engineers
- Diversification of technologies required for mobility and increased difficulty of keeping up with globally competitive advanced technologies
- Increased security risk and privacy violation risk

Key strategies and progress toward realizing the Medium-Term Management Plan

SDM supplier area

Based on the achievements of QINeS-BSW, we provide services for development and sales of software products and advanced support services to support mobility development in the SDM era.

- On to the second stage of strategic co-creation to create new value through the strategic partnership with Honda Motor Co., Ltd.
- Co-creating products and services with automobile manufacturers and suppliers, and training mobility engineers
- Ongoing co-creation with global players to support technological evolution toward the era of software-defined mobility (SDM)
- Accumulating SDM-related technologies (such as autonomous driving, electrification, and intelligence) to promote their application and standardization in automobiles and other forms of mobility
- Participated in JMS (Japan Mobility Show 2025) in October 2025

Mobility service provider area

We provide next-generation mobility services and platforms utilizing data of movement of humans and goods, based on knowledge in automotive manufacturing and advanced IT technologies

- Globally developing mobility services that will lead to the creation of future cities, including the launch of fleet management services in Southeast Asia in collaboration with TOYOTA Connected Corporation
- Deploying a digitalization service for transportation companies, and expanding it to solve issues in the logistics industry
- Launching initiatives in data integration area to connect industry and inter-company data, digitally linking social infrastructure and mobility

Business Design Group Main services Systems development IT management

The Business Design Group contributes to addressing social challenges, continues to create new value that society needs, and aims for “sustainable development.”

Business Overview The Group strengthens coordination with customers and strategic partners and builds a new portfolio of businesses that contribute to solving social issues, focusing on creating next-generation digital businesses through co-creation with society. The Group also enhances the existing IT solution business.



Strengths

- Business development capabilities leveraging latest digital technologies (e.g., AI, IoT, and Web3), client base, and industry knowledge
- Ability to adapt business operations to significant changes in society and business environment
- Know-how in solving business issues in the healthcare area (work style reforms for healthcare professionals, efficiency improvement of local medical services, etc.)
- Know-how related to energy business that leads to the realization of a decarbonized society in the GX area



Business Environment

Opportunities

- Rapid advances in digital technology and growing demand for solutions to social issues in the VUCA era
- Expansion of the Company's roles, leveraging its industry insight and digital technology in the healthcare and GX areas

Risks

- Rapid changes in the business environment and business model
- Responding to changes in people's behaviors and values as well as to new lifestyles
- Shortage of advanced talent capable of business transformation utilizing digital technology

Key strategies and progress toward realizing the Medium-Term Management Plan

Accelerating the development of hospitals that offer solutions for social issues and establishing the earnings base

- Deploying Dr2GO, the Company's proprietary medical communication platform, in hospitals to contribute to working style reforms for medical employees and the efficiency of community medicine
- Deploying a new communication model that links physicians and pharmaceutical manufacturers by providing valuable information through co-creation with pharmaceutical manufacturers
- Deployment initiated at a number of hospitals in Japan, including university hospitals, 16 core hospitals, and 36 regional hospitals (as of June 2025)
- Launched joint research, primarily with Osaka International Cancer Institute, Osaka Metropolitan University Hospital, and other organizations, to establish a regional medical alliance DX for cancer treatment
- Received the Excellence Award at the Hospital DX Awards 2025 in recognition of accomplishments at large-scale general hospitals

Realizing a carbon-free society Deploying carbon/energy management business

- Contributing to the realization of a carbon-free society by improving the environmental functions of small to medium-sized business buildings through the introduction of “ZEBiT,” an energy-saving and carbon-free support service
- Started business alliance talks with Kawamura Electric Inc. and Pixii AS to launch a cloud-based integrated management system for distributed energy (ZEBiT (DRM))
- Began providing CO×CO Karte (calculation of CO₂ emissions based on accounting data) as the first step in the “Environmental SPF” business
- Providing the I-REC trading platform service “EneTrack” for the Japanese market
- EneTrack becomes the first in Japan to issue I-REC in the self-consignment area
- Capital and business alliance with BYWILL Inc. to accelerate “Environment SPF” and “EneTrack”

Solving regional issues and creating new value through co-creation with local communities

- Solving regional issues through co-creation with local governments and local companies through the use of digital technology
- Promoting regional development and creating new value by building and expanding relevant communities through Web3 technology

PROACTIVE Business Solutions Div. Main services IT consulting Systems development IT infrastructure implementation BPO IT hardware and software sales

As a digital offering group, the Group robustly promotes corporate management innovation and growth by integrating the SCSK Group’s technological intellectual properties with its business and industry insights.



Masayuki Kikuchi
Senior Executive Officer, General Manager, PROACTIVE Business Solutions Div.

Business Overview With “PROACTIVE,” an AI native ERP system, at its core, the Group combines business-specific offerings for accounting, human resources, sales, and production with industry-specific offerings that address industry-specific issues, and vigorously supports the evolution of corporate management.



Strengths

- Solutions and offering services specialized in wholesaling and trading companies that integrate the practical knowledge of the Sumitomo Corporation Group
- Best practices for the manufacturing, construction, and service industries, implemented in over 7,300 companies
- Technological intellectual property centered on our ERP system “PROACTIVE,” which incorporates industry-specific and business-specific AI
- Co-creative innovation combining leading-edge technologies and intellectual properties through coordination with partners in Japan and overseas

CX Business Div. Main services IT consulting Systems development IT management BPO IT hardware and software sales

We promote, together with our clients, a sustainable society by implementing CX that underpins ethical consumption practices attentive to people, society, and the environment.



Satoshi Kitao
Senior Corporate Officer, General Manager, CX Business Div.

Business Overview For clients’ business area related to customer contact points, we deliver value of business growth through improving customer experience as well as value of optimizing operations through offering services that utilize intellectual properties accumulated over many years, AI, and other advanced technologies.



Strengths

- Accompanying services centered on digital marketing that closely follow clients’ sales growth
- Long-standing industries insights and sufficient case studies of CRM/SFA implementations including Salesforce and Microsoft Dynamics CRM
- SaaS platforms for EC/OMO operations, offering a full range of supporting services

Net One Systems Co., Ltd. Main services IT consulting IT infrastructure implementation IT management IT hardware and software sales

Establishing networks as the foundation of digitalization, we continuously enhance our world-class “network technology” to support the advancement of IT infrastructure.



Takafumi Takeshita
President & CEO

Business Overview Leveraging world-class network technology, we provide IT infrastructure optimized for the multi-cloud era, along with robust security, supporting the entire lifecycle through proposals for overall optimizations that address actual issues during maintenance and operations.



Strengths

- “World-class network technology,” which has been the core of our value creation since the Company’s founding
- “Discerning ability” to derive optimal solutions from a neutral standpoint based on market conditions, leading-edge technologies, and actual clients’ issues
- “Integration ability” to combine multiple products and services based on accumulated technical knowledge



Business Environment

Opportunities	Risks
<ul style="list-style-type: none">● Expansion of new network destinations through acceleration of digitalization● Expansion of demand for cybersecurity measures and stable operation● Leveraging “advanced network technology”	<ul style="list-style-type: none">● Rapid changes in the economic environment and IT demand● Delayed response to technological innovation● Lack of human resources to support sustainable growth

Key strategies and progress toward realizing the Medium-Term Management Plan

With the acceleration of digitalization and the emergence of new technologies such as generative AI, the range of targets connected to networks is expanding, and demands for cyber security measures are increasing. As a result, new market opportunities are expanding for the Company, whose core competence in advanced network technology enables it to showcase its competitive advantage.

Execution of growth strategy

- In the Medium-Term Management Plan (FY2022 to FY2024), the Company identified three focus areas aimed at addressing social challenges and achieved net sales above the planned targets.
 - Smart manufacturing (Manufacturing DX)
 - Digital transformation of social infrastructure to achieve Society 5.0 (Social DX)
 - Digital government (Administrative DX)
- In FY2024, we achieved record-high incoming orders, net sales, and operating profit by further enhancing our customer-facing efforts.
- Beginning in FY2025, the SCSK Group creates new synergies by developing and implementing strategies aligned with customers’ market segments—including the private sector, communications carriers, public institutions, and partner companies—and by strengthening the virtuous cycle of value provided to customers across employees, divisions, and business units.

Strengthening the management foundations

- The management team and employees continue to work together to cultivate a corporate culture that ensures past misconducts are never repeated.
- By introducing the new DX system and fundamentally reforming sales processes, we have achieved a virtuous cycle of “expanding customer service hours,” “improving quality,” and “optimizing working hours.”
- Visualization of skill data of technical, sales, and corporate divisions, and allocation of appropriate personnel to fields where business growth is expected

SCSK ServiceWare Corporation

As a “Business Service Platformer,” we will continue to promote Business Process Modernization and provide new value to society.

Shunichiro Fukushima
President



Business Overview Building on the operational excellence developed over the years, we offer BPO services that optimize processes from a business standpoint through the use of advanced work methodologies and IT. Our offerings include customer contact point operations (contact centers), corporate IT support, and back-office functions such as order processing and accounting.

Strengths

- Our proprietary management standard system, “SWC Management Framework,” and knowledge accumulated from diverse industries and operations
- Ability to introduce and use practical cutting-edge IT technology, and to design operations that connect management and workplace (a quintessential strength of SCSK Group)
- Ability to visualize and analyze business processes developed through outsourcing proposals, and ability to transform and execute business processes to realize improvement proposals
- Ability to develop human resources through various educational programs in an environment where people are valued and adept at co-creating with clients

Business Environment

Opportunities

- Need for fundamental business transformation in line with the current trends in evolving digital technologies such as AI and automation
- Need for business design in response to changes in business structure, such as the diversification of customer contact points and collaboration across industry boundaries
- Need for outsourcing in business operations as companies review employee allocation in response to the labor shortage in Japan

Risks

- Customers: the scope of IT/AI in business processes is expanding, reducing the value of traditional BPO as well as their demand
- Competitors: a wide range of industries, including IT companies are entering the BPO market
- Our company: a reduction in the value of quality regarding human resource management (administration and on-site management, etc.)

Key strategies and progress toward realizing the Medium-Term Management Plan

Promoting business process modernization to transform business processes

Transforming business models to meet market needs

- Expansion of the business process consulting service B-RAP*
 - Robust demand for B-RAP that defines objective issues between the “As-Is” and the “To-Be” and leads to realistic solutions for DX and business process innovation
- Visualization of back-office processes for orders pertaining to the manufacturing industry
 - Selecting business systems that link core systems and multiple business processes, and promoting automation by utilizing RPA

Realizing high added value and growth potential

- Expansion of financial service intermediary services
 - Expansion of the customer base for housing-loan processing support offered to banks engaged in housing-loan application intake and the screening operations.
 - Launched outsourcing brokerage services including securities trading for securities firms
- Quality control standardization and continuous enhancement of added value
 - Acquired ISO9001 certification across the Company, excluding planning and auditing.
 - Continuous improvement based on the SCSK ServiceWare quality management system

Strengthening business process development ability and IT utilization ability

- Human resource development for business process design, tasked with business process consulting
 - Target: 50 employees | Achieved: 30 employees
- Acquisition of IT passports by all employees: Acquisition rate of 75%
- Identifying 250 personnel responsible for promoting in-house DX and offering educational programs such as e-learning, certification courses, and hands-on practice reports

*B-RAP=Business Process Research, Analysis and Planning

VeriServe Corporation

VeriServe Corporation will be a partner for its clients in supporting their development with its ability to redefine software quality, thus accelerating innovation and realizing a safe and secure society.

Yoshiyuki Shinbori
Chief Executive Officer



Business Overview Since its establishment in 2001 as a company specializing in software testing, we have provided software quality improvement services in all industrial fields. We utilize the know-how on quality improvement accumulated to date to support customers in speeding up development and reducing costs.

Strengths

- Comprehensive development support, including participation from upstream development processes, IT consulting, cybersecurity, project management (e.g., PMO)
- A track record of transactions in all industries, including mobility, embedded devices, industrial systems, enterprise, Web services, and entertainment
- A wealth of experience and accumulated know-how in the mobility field (autonomous driving and advanced driver assistance systems, IVI systems, process improvement, etc.)
- Ability to develop in-house tools that can be incorporated into customers' development environments, such as ConTrack and SBOM. JP

Business Environment

Opportunities

- Needs for modernization and digital transformation of legacy systems
- Need for leading-edge technologies associated with rapid technological innovations such as AI
- Progress toward a new mobility society
- Increase in demand for cybersecurity

Risks

- Shortage of IT engineers due to the declining domestic population
- Disruptive innovation due to technological progress

Key strategies and progress toward realizing the Medium-Term Management Plan

Expansion of business in strategic areas

- Mobility field
 - Deploying in-vehicle system verification, development process optimization, project management support, and environment setup and operations in the autonomous driving and connected vehicle areas, mainly via transactions with leading domestic manufacturers, resulting in steady expansion of sales and profits
- Security field
 - Offering consulting services, automated test environment deployment, and PSIRT support focused on cybersecurity measures for the manufacturing industry, including automotive, medical, and industrial machinery fields. Expanding mainly in the IoT area
 - Deployment of “SBOM. JP,” a software supply chain management tool that was launched in response to European security legislation (CRA)
- Entertainment field
 - Steady sales growth through technology acquisition via entry into Web3.0, gaming, and XR/VR fields
 - Expansion of customer contact points via exploring technology deployment in non-gaming fields and having development functions

Business transformation from engineer provision to service provision

- Established the Business Development Dept. to accelerate service deployment through tools and personnel, and deployed SI services leveraging tools such as test automation, AI, ConTrack, and SBOM.JP, integrating them into customers' development environments
- Continuous human capital development for AI to improve AI literacy and promote knowledge sharing
- Began utilizing VERISERVE VIETNAM to streamline and enhance customer projects, develop tools to reduce internal administrative workloads, and promote the insourcing of product development

Through the above initiatives, we aim to become an “Enabler & Accelerator to support customers in providing products and services that continue to fit end users.”

Realizing a sustainable society with IT
Optimally combining latest
IT technologies and services to provide
continuous and flexible support for clients

Kenji Toda
Representative Director and President



Business Overview Drawing on the specialized expertise developed over the years of experience and achievements in application development, IT infrastructure construction, and operation services, we offer end-to-end support to help clients optimize and digitalize their businesses for sustained growth.



Strengths

- An account service that creates business innovation by leveraging business knowledge as a co-creation partner for our clients
- Technology solutions that support clients' system infrastructures, including Hybrid Cloud and Microsoft technologies
- Business solutions that accelerate clients' businesses, including ERP and collaboration solutions
- Robust customer base supported by transactions with over 1,000 corporate clients



Business Environment

Opportunities

- Proactive digitalization investment by mid-sized companies
- Demand for container technology-based modernization
- Rapid progress in business utilization of generative AI
- Market development leveraging the comprehensive capabilities of the SCSK Group

Risks

- Shift to in-house production by clients utilizing low-code and no-code technologies
- Review by clients of IT investments due to the global situation and economic fluctuations
- Chronic shortage of IT engineers with advanced and specialized skills

Key strategies and progress toward realizing the Medium-Term Management Plan

Account business

- Business expansion through the development of account plans for major customers
- Enhancing profitability by shifting to high value-added projects
- Strengthening relationships with partners with high collaboration effects and improving quality

Technology business

- Launch of initiatives for data utilization platforms and resource shift
- Enhancing project responsiveness by promoting coordination with hardware and software vendors
- Expansion of service menus in response to expanding IT outsourcing demands

Solution business

- Expansion of the ERP solution menu by launching SAP Cloud ERP initiatives
- Strengthening joint business plans with software vendors
- Strengthening product capabilities by incorporating AI functions into in-house products

Business foundation

- Visualization of resources and promotion of talent utilization through the Talent White Paper and talent management
- Launch of co-creation partner initiatives and expansion of partner utilization
- Development of cloud native engineers utilizing knowledge of application development and basic technology
- Enhancing market appeal by strengthening digital marketing
- Enhancing operational quality through enhancement of internal control measures

Topics Global Business

SCSK has established a close global network with business groups and Group companies in Japan and overseas to strongly support the global expansion of Japanese enterprises, focusing on the "Greater Japanese Market," which extends beyond Japan's domestic boundaries.

In April 2024, we established the Global Business Strategy Div. as an organization directly under the Company for companywide promotion of the "Global Strategy" set forth in the Medium-Term Management Plan, accelerating global business in coordination with all business groups, including finance and manufacturing.

Currently, we operate nine bases across seven countries. Centered on these locations, we provide IT

services of Japanese quality—built on the sense of security and trust that characterize Japanese business practice—and tailored to the needs of each region. These services are backed by nearly 40 years of experience, beginning with support for the overseas expansion of general trading companies. With a full lineup of IT services ranging from consulting to systems development, IT infrastructure implementation, and operation and maintenance, we strongly promote the enhancement and digitalization of clients' business processes. We also actively introduce cutting-edge global technologies to Japanese companies, contributing to their technological innovation.

	Americas	Europe	China	Singapore	Indonesia	Myanmar
Company name	SCSK USA Inc.	SCSK Europe Ltd.	SCSK Shanghai Limited	SCSK Asia Pacific Pte. Ltd.	PT SCSK Global Indonesia	SCSK Myanmar Ltd.
Established	Oct. 1987	May 1990	Feb. 2007	Nov. 2007	June 2019	June 2019
Bases	New York, Dallas, Silicon Valley	London, Dusseldorf	Shanghai	Singapore	Jakarta	Yangon
Number of employees (as of Feb. 2025)	95	121	66	90	26	3
Business description	Computer system design, consulting, systems development and maintenance, IT infrastructure implementation and operation, network services, and other computer services in general					
Others	Providing a wide range of IT solutions to Japanese companies in the Americas, including Central and South America, with bases in New York, Silicon Valley, and Dallas. Strengthened DX consulting in recent years to support our clients' business expansion, and also supported their innovation through advanced technology investment and R&D functions.	Providing various Japanese quality IT services primarily to Japanese businesses located in Europe and Middle East Africa, with bases in London and Dusseldorf. Strengthened DX consulting in recent years to support our clients' business expansion in the European region.	Providing multilingual IT services (Chinese, Japanese, and English) to Japanese manufacturers and financial institutions across East Asia, including Shanghai. Utilizing business knowledge and know-how accumulated over the years to execute high-quality projects. Leveraging Chinese AI technologies to support clients' business growth.	Providing a full lineup of IT services, leveraging our strengths in understanding regional requirements and achievements in large-scale projects as a strategic IT partner for Japanese companies in manufacturing and finance in South, East and West Asia, including Singapore, and Australia.	Providing high-quality IT solutions as a strategic IT partner to businesses with the base in Jakarta. In addition, it also provides a wide range of support on overall IT that goes along with clients' digitalization.	Providing high-quality IT solutions as a strategic IT partner to businesses based in Myanmar, with the base in Yangon. Creating new values for clients and contributing to local communities through the commercialization of DX.

Started business in Germany to expand business in Europe

SCSK Corporation and SCSK Europe Ltd. established a branch in Dusseldorf, Germany, and commenced operations in September 2024, aiming to expand business in manufacturing and mobility—our key focus areas in Europe.

The main reasons for selecting Germany were its position as the largest economy in Europe and the largest number of Japanese companies operating there, its partnership with the Sumitomo Corporation Group, and its excellent transportation and logistics infrastructure.

By establishing its business platforms in Europe, SCSK Europe Ltd. aims to enhance service quality within the EU while promoting business development in new areas through co-creation with partners, accelerating the expansion of its global IT services across Europe.

The German branch leverages the Company's know-how cultivated in the UK to steadily build a track record with client companies in areas such as the Japanese

manufacturing industry (including the automotive industry) and financial industry. By doing so, we aim to build and establish a new brand image, evolving from "SCSK in the UK" to "SCSK in EMEA (Europe, the Middle East, and Africa)."





Greenhouse Gas Emissions Reduction Targets and Initiatives for Reduction of the SCSK Group

In addition to actively engaging in environmentally friendly business activities, the SCSK Group views the changes in the business environment for the realization of a decarbonized and Circular society as business opportunities. We will contribute to the development of a sustainable society through co-creation with clients and partner companies across a wide range of industries.

To achieve a decarbonized and recycling-oriented society, we have set medium- to long-term GHG emissions reduction targets that have been certified by the SBTi,^{*1} and have developed a transition plan to a decarbonized economy. Based on these reduction targets and the transition plan, we are promoting specific initiatives.

For more information on “Transition Plan to a Decarbonized Economy,” please visit:
https://www.scsk.jp/corp_en/csr/environment/efforts.html

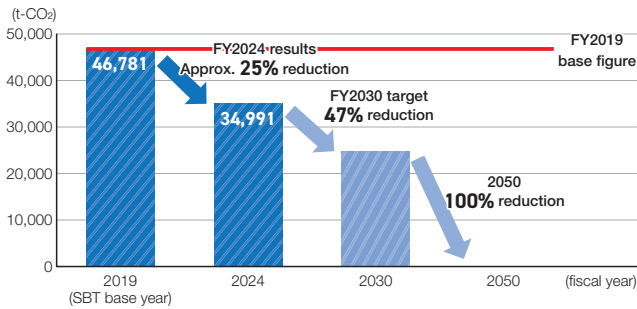


SCSK Group’s GHG reduction targets

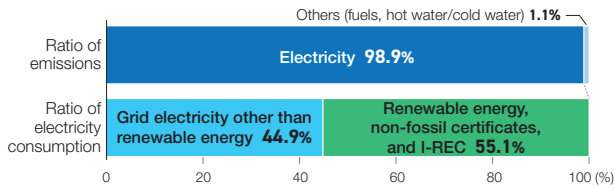
Scope1+2	<ul style="list-style-type: none">● Reduce emissions 47% by FY2030 compared to FY2019 (1.5°C target)● Reduce emissions 100% by 2050
Scope3	<ul style="list-style-type: none">● Reduce emissions 28% by FY2030 compared to FY2019

Emissions reduction results and reduction initiatives

Progress Toward Scope 1 + 2 Emissions Reduction Targets



Scope 1 + 2 Emissions Status (FY2024)



Scope 1 + 2 Emissions Overview

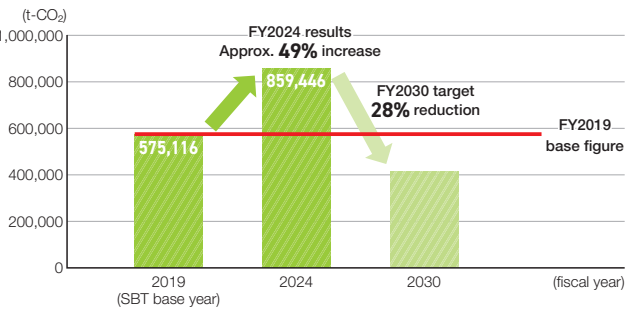
SCSK Group reduced Scope 1 + 2 emissions by approximately 25% compared to FY2019 (SBT base year) through the use of renewable energy, the utilization of non-fossil fuel energy certificates and I-REC.^{*2}

Main initiatives to reduce Scope 1 + 2 emissions

SCSK Group are taking measures to reduce greenhouse gas emissions from the use of electric power, which accounts for the majority of Scope 1 and 2.

In FY2024, we reduced the annual emissions by approximately 606 t-CO₂ at our data centers through efforts to minimize power consumption, including optimal operation of equipment and LED lighting. Through the use of renewable energy, the purchase of non-fossil fuel energy certificates, and the utilization of non-fossil fuel energy certificates and I-REC, we reduced greenhouse gas emissions by approximately 42,013 t-CO₂ per year, and the renewable energy ratio of electricity increased by 7.8% from the previous fiscal year to 55.1%.

Progress Toward Scope 3 Emissions Reduction Targets



Scope 3 Emissions Status (FY2024)



Scope 3 Emissions Overview

Greenhouse gas emissions increased by approximately 49% from FY2019 (SBT base year) due to the acquisition of Net One Systems Co., Ltd. as a consolidated subsidiary in December 2024 and business expansion.

Main initiatives to reduce Scope 3 emissions

For outsources operations greenhouse gas emissions, we continued in FY2024 to transition to a calculation method that enables us to accurately identify greenhouse gas emissions from our outsourcing partners. Through this initiative, we will promote the formulation and implementation of more effective reduction measures based on the actual status of greenhouse gas emissions of our outsourcing partners. For Core partners,^{*3} which are the core outsourcing partner companies of the SCSK Group, we explain and exchange views on the Group’s initiatives to reduce greenhouse gas emissions. We also ask them to calculate greenhouse gas emissions and set reduction targets while gaining their understanding.

Environmental Management

Environmental Management System (EMS)

SCSK has acquired ISO 14001 certification, which is an environmental management system standard, and established a system in which approval of the officer in charge of the environment is to be obtained through management review. Each organizational unit uses its own environmental management system to promote measures to reduce environmental impact.

Environmental Targets

SCSK has been promoting initiatives to mitigate environmental impacts by establishing office environment targets on office and site operations in 2015. Owing to changes in work conditions due to remote working and online meetings becoming the norm and the promotion of less use of paper, we achieved reductions greatly exceeding our targets for the amount of copier paper purchased and general waste emissions. We will continue to work to reduce environmental impacts through our EMS activities.

Achievement of Office Environment Targets (base year 2015)

Scope (total volume)	FY2024 targets	FY2024 results
Amount of copier paper purchased	36% or higher reduction	87.3% reduction ^{*4}
General waste emissions	9% or higher reduction	39.6% reduction

Initiatives for recycling and reducing waste electronics
https://www.scsk.jp/corp_en/csr/environment/efforts.html



^{*1} SBT (Science Based Targets) initiative: An initiative calling for companies to establish reduction targets consistent with scientific knowledge in order to stop the increase in average worldwide temperature.
^{*2} I-REC (International Renewable Energy Certificate): An international “energy attribute certificate” recognized as a reliable certification scheme by major global reporting frameworks such as the GHG Protocol and CDP.
^{*3} Effective FY2025, the name has been changed to Prime Business Partner.
^{*4} Business locations with ISO certification only

Information disclosure based on TCFD/TNFD

The SCSK Group recognizes that responding to climate change and natural capital is an important management issue and attaches great importance to strategy and flexibility in dealing with uncertain situation changes. Based on this belief, the Group supports the principles of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD). Based on these frameworks, the Company identifies and organizes climate change- and natural capital-related risks and opportunities across all business areas, and discloses its beliefs and initiatives in accordance with four requirements.

For more information of “TCFD” please visit:
https://www.scsk.jp/corp_en/csr/environment/efforts.html



Governance

As regards the response to climate change and natural capital, Sustainability Committee, an advisory committee chaired by President and Representative Director, considers and confirms corporation-wide issues and measures.
The content of consideration is passed over from the Sustainability Committee to Management Committee to be further discussed in the context of corporation-wide management; after that, the Sustainability Committee regularly reports to the Board of Directors for appropriate supervision.

[P27 / Governance system for sustainability](#)

Strategy

TCFD

In TCFD scenario analysis, the worldviews for a 1.5°C scenario and a 4°C scenario were defined based on the external scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). We have identified risks and opportunities linked to climate change by referencing various government reports and disclosure standards such as SASB and IFRS S2. We also examined the risks and opportunities under each scenario in terms of policy directions and potential countermeasures. In future, we will continue consideration of measures to avoid or mitigate risks and to seize opportunities; we will also aim at enhancing resilience of business activities through implementation of designed measures.

Scenario	Type	Major impact items	Category	Financial impact (billions of yen)		Examples of countermeasures
				2030	2050	
1.5°C	Risk	Increased operating costs due to the introduction and expansion of carbon pricing*1	Expenses	-0.5	—	Optimizing equipment operations to conserve energy and purchasing renewable energy to stabilize power procurement costs (e.g., PPA)
		Increased power procurement costs due to rising electricity prices resulting from the widespread use of renewable energy	Expenses	-0.7	-10.2	
	Opportunity	Increased sales due to expanded sales of products and services that contribute to decarbonization*2	Sales	+1.2	+9.9	Investing in the development of new projects that contribute to decarbonization and expanding businesses related to decarbonization
4°C	Opportunity	Increased sales due to an increase in demand for data centers resilient to heavy rains and floods*3	Sales	+1.1	+5.4	Maintaining and enhancing data centers' resilience to natural disasters to develop and expand data center services

TNFD

We have identified the general relationships of dependence and impact on natural capital at each stage of the SCSK Group's value chain. Next, we utilized qualitative information—such as the business lines of the SCSK Group and the geographical characteristics of its bases—together with quantitative data, including greenhouse gas emissions at each bases, to identify and assess specific ways in which dependence and impact on natural capital can be observed. The identified risks and opportunities were evaluated and prioritized based on their significance to both stakeholders and the SCSK Group, and corresponding measures were formulated.
The identified risks and opportunities as well as indicators and targets will be regularly reviewed, and corresponding measures will be considered.

Category		Identified risks and opportunities	Timing of occurrence	Impact on business	Response, specific examples, etc.
Physical risk	Acute	Restriction of water intake due to water shortage and depletion of well water	Medium-Term Long-Term	· Operational losses at data centers due to suspension of water-dependent cooling and air conditioning systems · Potential increase in data center operating costs if use of municipal water becomes necessary due to factors such as well water depletion	· Change in cooling system for IT equipment (adoption of air-cooled free cooling chillers, etc.) · Efficient use of water resources
	Market	Delay in product development that contribute to solving nature-related issues		· Reduced revenue opportunities resulting from the advancement of competitors' product development	· Promotion of businesses that contribute to solving nature-related issues
Transition risk	Liability	Amid rising awareness of the need to protect ecosystems, lawsuits are filed against the deterioration of the surrounding environment resulting from operations.	Short-Term Medium-Term	· Occurrence of compensation for damages	· Continued management in accordance with applicable laws and regulations
	Products/ Services	Clients who seek products and services with low environmental impact use our products and services with consideration for the environment.		· Sales growth driven by expansion of sales scale · Increase in earnings opportunities due to improved corporate reputation	· Development of nature-positive solutions as new products and services
Opportunity	Ecosystem protection and restoration	Implementation of social contribution activities for nature and biodiversity	Short-Term Medium-Term	· Increase in earnings opportunities due to improved corporate reputation	· Promotion of social contribution activities that support nature-positive outcomes

Risk management

SCSK has established the Risk Management Regulations, so that we can appropriately manage risks that could have a material impact on the Group's business. The Department supervising risk management collaborates with the Divisions responsible for individual risks to analyze risks based on external reports and advice from outside experts.
The Divisions responsible for individual risks submit reports on the analyzed risks to the Sustainability Committee, which examines and identifies risks. The identified risk items are reported by the Divisions responsible for individual risks to the Department supervising risk management, and are appropriately managed in accordance with the Risk Management Regulations.

[P105 / Risk management system](#)

Metrics and targets

The SCSK Group has set greenhouse gas emissions reduction targets and is working on initiatives to reduce such emissions. The Group also monitors water usage, waste generation, and other indicators quantitatively to reduce the environmental impact of its operations.

[P65 / SCSK Group's GHG reduction targets](#)

Disclosure of environmental performance data/Third party verification and assurance

The SCSK Group have obtained third-party verification and assurance from KPMG AZSA Sustainability Co., Ltd. for its greenhouse gas emissions, and published the results in the FY2024 Securities Report.
For more information on the “Third-Party Assurance Report,” please visit:
https://www.scsk.jp/corp_en/csr/pdf/assurance_statement_2024_e.pdf
The Group will continue striving to disclose highly reliable information in the future.



[P120 / Environmental performance data](#)

*1 The financial impact evaluation was based on the assumption that greenhouse gas emissions reduction targets will be met.
*2 An increase in sales resulting from the optimization of sales prices in response to increased power procurement costs was excluded from the estimates.
*3 Resilient: Toughness and resiliency to quickly recover in the event of problems caused by natural disasters, etc.



Maximize the value of human resources to pave the way to the future of corporate value toward becoming a “Co-Creative IT Company in 2030”

The SCSK Group, guided by its corporate philosophy, “Create Our Future of Dreams,” has actively pursued human capital management, regarding people as capital and maximizing their value. The current Medium-Term Management Plan (FY2023–FY2025) (“Current Plan”) aims for a dramatic improvement in “comprehensive corporate value,” encompassing not only economic value but also non-financial elements such as social and human capital value. This message outlines SCSK’s approach to human resources strategy, covering our past initiatives and achievements in human capital management, the positioning of human capital within our Current Plan, and our outlook for becoming a co-creative IT company as envisioned in Grand Design 2030.

— Please explain SCSK’s fundamental approach to human capital management and the initiatives the Company has implemented.

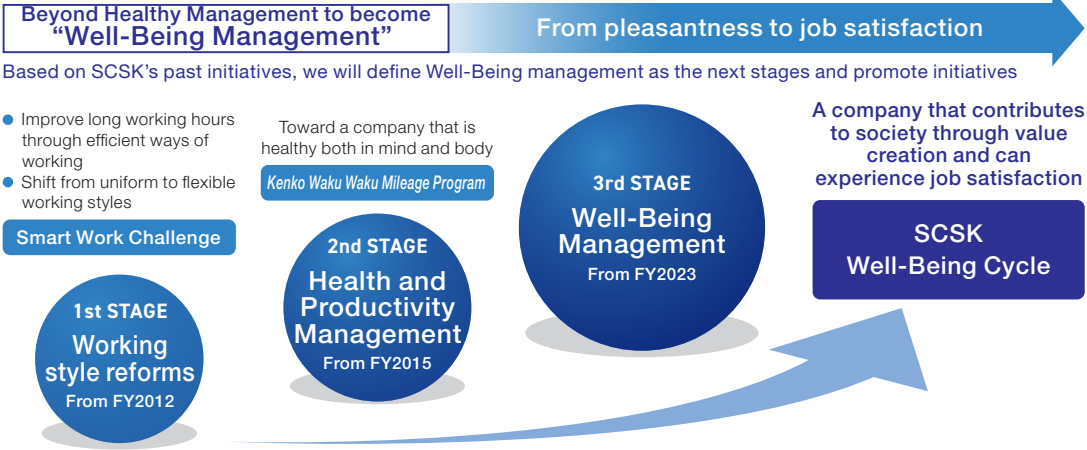
The SCSK Group, guided by its corporate philosophy, “Create Our Future of Dreams,” has declared “Respecting each other” as the first of its commitments toward bringing this vision to fruition. Our greatest asset and the driving force behind our growth is our people. Human capital management, which regards human resources as capital and maximizes their value, is the essence of the Group’s business operations.

Underpinned by this philosophy, we have established our “Principles for Health and Productivity Management,” which emphasize that each employee’s health is the foundation for their personal happiness, the well-being of themselves and their families, and the growth of our business. We are committed to fostering a positive work environment in which employees can work in safety and with peace of mind. Based on this,

our company has actively pursued workstyle reform and health management, using both institutional and cultural changes to advance improvements to the workplace environment. We have constructed a foundation on which employees can maximize their capabilities.

These initiatives have earned the Company high praise from society as a leader in workstyle reform and health and productivity management, including having been selected as a KENKO Investment for Health for 11 consecutive years. We are currently accelerating initiatives based on the foundation of Health and Productivity Management—focused on maintaining and improving health—to evolve into Well-being Management. The aim of this approach is to maximize employee capabilities while enhancing engagement through a sense of fulfillment and job satisfaction.

[P72/Well-Being Management as a driver of value creation](#)



— The current Medium-Term Management Plan sets the goal of enhancing “Capital.” Within this framework, where do we position human capital value?

Under the current Plan, our policy is to dramatically improve our “comprehensive corporate value,” which is corporate value that encompasses economic, social, and human capital value. Among these, enhancing human capital value is positioned as a pillar for augmenting our management foundation, with “Maximization of Human Resource Value” as our fundamental policy. We recognize that corporate growth is driven by the growth of our employees, and as such we are committed to maximizing the market value of every employee.

Specifically, to align our business and human resources strategies, we are formulating a medium-term human resources portfolio plan based on business strategy and executing human resource development and reskilling in line with that plan. Through our Integrated Career Development Plan (iCDP)—operated as an autonomous, strategic, and integrated career development platform—we are advancing initiatives that emphasize the interconnectedness of the talent management cycle, including recruitment, training, placement, and evaluation, and our systems and policies.

Furthermore, to make our strategy more effective, we have established management indicators for key objectives. These include pushing forward human resources initiatives and personnel development to achieve business strategies, promoting Well-Being Management to boost job satisfaction, and driving diversity & inclusion efforts. We monitor progress company-wide and connect it to organizational unit-level activities.

[P73/Diverse Team of Professionals](#)

We proactively share the progress of these initiatives with a diverse range of stakeholders in-house and externally, striving to heighten transparency and boost

our presence. In FY2024, we garnered Thought Leaders of Human Capital 2024 and Human Capital Management Excellence 2024 Gold Award. We earned this recognition for our approach to human resources strategy, which involves accurately ascertaining industry-specific personnel risks and adopting a company-wide perspective that crosses departmental boundaries. It further acknowledges our establishment and implementation of the proprietary SCSK Well-Being Score, which clearly connects human resources and business strategies.

Our business leverages our core competency in digital technology and is characterized by the fact that value is generated by people themselves. It feels natural to us that maximizing the capabilities of our people—our greatest asset—and optimizing their performance drives our value creation. Having these initiatives recognized externally, however, from a human capital management perspective, has provided us with considerable encouragement as we move forward to the next stage.

— Through human capital management, what future do you envision for becoming a co-creative IT company as outlined in Grand Design 2030?

Our company has reached the midpoint in realizing the vision set forth in Grand Design 2030. Amidst accelerating change in the social and economic environments, the business environment and labor market are also undergoing a rapid transformation. It is essential for sustainable corporate growth to develop and put into practice sophisticated human resource strategies that are in close alignment with business strategy.

Given these circumstances, we are speeding up efforts to evolve our human capital management to the next stage, planning a fundamental overhaul of our personnel system in advance of the April 2026 launch of our next Medium-Term Management Plan. With this new personnel system at its core, we will take another look at our overall human resources strategy.

Based on a new approach to human resources strategies, we reorganized iCDP, which had been used

Message from the Officer in Charge of Human Resources

as a platform for career development, into the SCSK Human Capital Management Cycle. At the nucleus of this cycle is the promotion of human resources strategies that contribute to heightened corporate value. To construct a dynamic human resources portfolio, we will proceed with systematic talent acquisition aligned with management and business strategies, form target pools for required personnel, and use strategic development and placement to maximize value of human resources.

Under the new personnel system, we will support employees in proactively taking on more challenging roles, and decide on remuneration in accordance with those roles. We will establish a system in which individuals clarify their own challenges and identify necessary skills while fulfilling their roles, and then the Company reflects these in training and placement. Therefore, it is more important than ever for employees themselves to take ownership of their careers and proactively develop their skills. We are proceeding with the design of systems that encourage employees' autonomous growth, and we expect each employee to actively leverage these systems to achieve their own career goals.

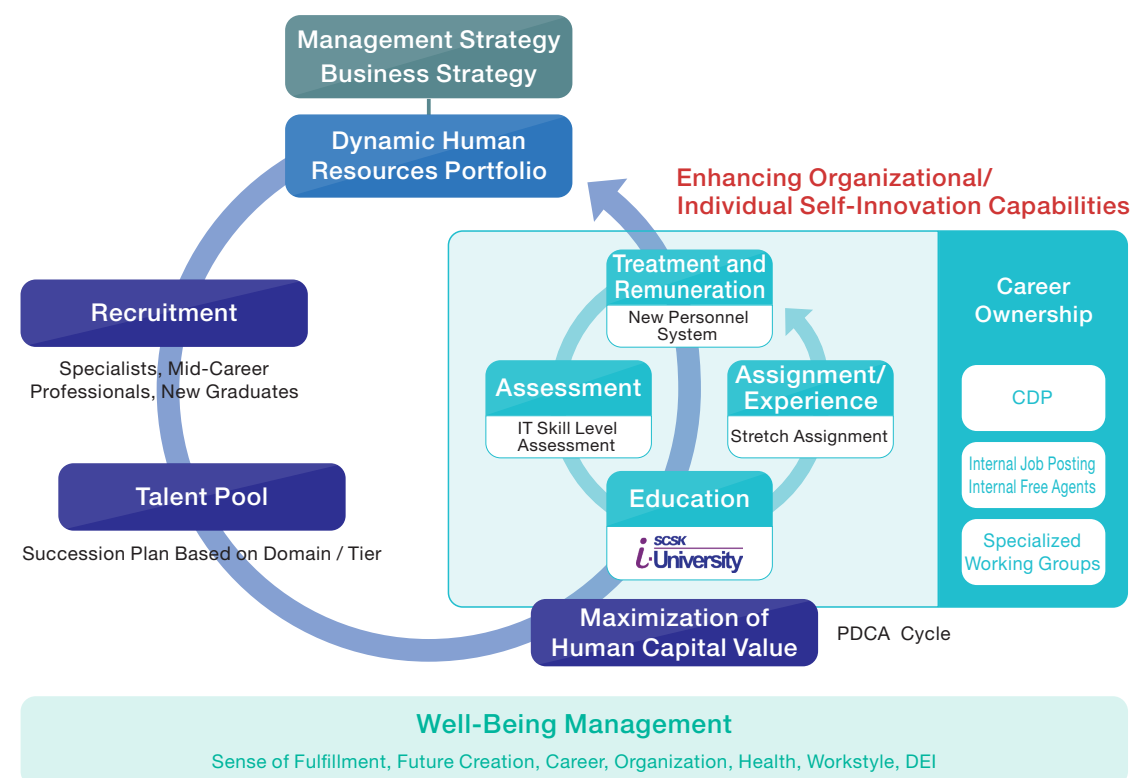
In an era of frenetic change, constant value creation requires a steadfast commitment to pursuing the intrinsic value of one's business while remaining mindful of short-term changes in the environment, and persistently improving, evolving, and transforming the

business model. Put another way, we believe that nurturing organizations and individuals with strong "self-innovation capabilities" is directly connected to our company's sustainable growth and the realization of our corporate philosophy: "Create Our Future of Dreams."

We will move forward with fostering an environment in which employees can grow autonomously, encompassing not only institutional changes but organizational culture and management style transformations. Our aim is to establish a human capital management cycle that embodies SCSK's singular approach, which allows employees to thrive and take on challenges within an organization that provides psychological safety, with our initiatives underpinned by Well-Being Management.

As each employee gains a sense of accomplishment through business activities and contributions to society, their sense of fulfillment at work rises, creating a virtuous cycle that enhances engagement and well-being. We foster co-creation with customers and society through our business activities by harnessing each employee's autonomous growth as the driving force behind value creation and advancing human capital management that maximizes the value of human capital. We are committed to ensuring that we become a co-creative IT company as envisioned in Grand Design 2030 by fostering a virtuous cycle of social and economic value generated from this foundation.

SCSK Human Capital Management Cycle



Well-Being Management as a driver of value creation

Eri Kawanabe

Senior Executive Officer, Assistant General Manager, Human Resources (DEIB & Well-Being Promotion)

Seven values of Well-Being Management at SCSK

The SCSK Group is promoting Well-Being Management with the aim of becoming a company that contributes to society through value creation, and one where people can feel a sense of job satisfaction. Based on the seven values of Well-Being at SCSK defined as our guiding principle, we are promoting specific measures to ensure that the policies are disseminated to our employees and to foster a corporate culture that reflects them.

Going forward, we will shift our focus from comfort to job satisfaction and work to construct a new corporate culture overflowing with fulfillment and future creation. We will continue dedicating our efforts to the fostering of an environment in which every employee values their health, realizes a workstyle that best suits them, and proactively engages in new challenges for the future.



Well-Being Cycle and results of initiatives

As a practical process for Well-Being Management, we are promoting the Well-Being Cycle. In this cycle, we have defined 27 indicators based on the seven values of Well-Being at SCSK, and visualized employees' perceived levels of well-being in the form of the SCSK Well-Being Score. We are constructing a system in which employees, organizations, and companies cooperate in improving well-being, based on data that provides insight into the state of the company or organization—not assessments based on numerical values—and by comparing this data with the actual situation. Furthermore, through industry-academia collaborative research, we are also endeavoring to clarify the mechanisms that generate a positive environment and job satisfaction.

[P80/Roundtable Discussion on Well-Being](#)

SCSK began conducting surveys on a non-consolidated basis in FY2023, and on a consolidated basis for the SCSK Group starting in FY2024. At SCSK, which took the initiative in implementation, many of the indicators that comprise the Well-Being values have improved, evidence that these efforts are steadily generating results. Furthermore, we share each company's well-being activities at meetings attended by SCSK Group HR managers and have launched a Well-Being portal site featuring messages from Group company management and a guide to improvement measures to promote well-being group-wide.



Through the practice of Well-Being Management, we envision a future in which individuals and the organization grow in tandem. Moving forward, we will continue to foster a virtuous cycle in which each employee understands and practices Well-Being values and metrics. This will lead to further enhanced employee engagement, cultivation of proactive motivation to make contributions, and become the driving force behind the value creation of the SCSK Group.

Create Our Future of Dreams

Driving force behind value creation

Willingness to contribute proactively to becoming a co-creative IT company on the part of each employee

Improving engagement

An environment where employees, the organization, and the company grow together
A company where all employees feel comfort and job satisfaction

Practicing Well-Being Management

Each and every employee understands the seven values and indicators of Well-Being and practices them



Human Capital Management

Basic approach

The SCSK Group positions “sustainability management” as a growth strategy. By leveraging our core competencies, we aim to contribute to solving various social issues together with our customers and society, create new value that society needs, and achieve sustainable growth in partnership with society. The SCSK Group has set forth “Our Promises” to realize its Corporate Philosophy, “Create Our Future of Dreams.” The first of these promises is “Respecting each other,” which declares our commitment to respecting the personality and value of each and every employee and to leveraging the abilities of each other to the maximum extent.

Under the Medium-Term Management Plan, our policy is to dramatically improve our Comprehensive Corporate Value, which is corporate value that encompasses economic value, social value, human capital value, and other non-financial elements. With regard to the enhancement of human capital value, the SCSK Group has adopted the basic policy of

maximizing the value of each and every employee. We invest in the development of employee capabilities, including specialization level, skills, experience, and other attributes and consistently select projects and assignments that help employees enhance their abilities, while providing opportunities and environments for growth. We also strive to continuously select and build business areas and models where employees can fully demonstrate their capabilities. Moreover, we are promoting “Well-Being Management” with the aim of becoming a company where employees feel a true sense of purpose and fulfillment in their work. In addition to a pleasant working environment cultivated mainly through working style reforms and health and productivity management, we seek to enhance job satisfaction and engagement through contributions to the creation of social value and economic value.

Human resources strategy

To realize the Grand Design 2030 vision of becoming a “Co-Creative IT Company,” we are promoting our human resources strategy by setting four priority measures based on the basic policy of maximizing human resource value. In implementing this strategy, we have established company-wide meeting bodies in which management, business divisions, and corporate divisions work together to discuss the execution of the human resources strategy, its internal dissemination, and the monitoring of progress against management indicators.

Furthermore, to retain and acquire professional talent and ensure competitiveness, we are making human capital investments of between ¥10 billion and ¥20 billion. Through these investments, we support the recruitment and success of outstanding talent by raising compensation levels and enhancing development environments.

Human Resources Strategy Committee

Chaired by the general manager in charge of human resources, the Committee comprises group leaders from each business division, who are responsible for business execution; general managers from each corporate division, who are responsible for strengthening the management foundation; and the Talent Strategy Div. The Committee discusses initiatives related to future human resources strategies and the renewal of personnel systems, including enhancing the linkage between business and human resources strategies, thereby strengthening strategic execution.

DEIB Promotion Committee

Chaired by the general manager in charge of human resources and co-chaired by the assistant general manager in charge of human resources (DEIB & Well-Being Promotion), the DEIB Promotion Committee comprises general managers representing each business division, and leaders of dedicated organizations overseeing DEIB & Well-Being Promotion. The Committee discusses initiatives to promote the appointment of women in order to ensure diversity in decision-making, as well as specific measures for the implementation of Well-Being Management. It also promotes the development of workplace environments and a corporate culture that enable diverse talent to fully demonstrate their capabilities.

Medium-Term Management Plan (FY2023–FY2025)

Policy of Human Resources Strategy

Priority Measures

Management Indicators (non-financial)

Maximization of Human Resource Value

Personnel System and Human Resources Development in Line with Business Strategy

P75-78

Well-Being Management to Improve “Job Satisfaction” of Employees

P79-84

We aim to maximize human resource value through business strategy and human resources strategy, as well as demonstration of abilities by each and every one of our employees and linkage with their motivation to grow.

- Priority Measure 1 “Business strategy and human resources portfolio” to improve and utilize abilities and skills
- Priority Measure 2 “Treatment and remuneration systems” to appropriately evaluate abilities and skills and reward performance

While each and every employee is in good physical and mental condition and maintains a high level of engagement with the organization, we aim to improve “job satisfaction” of employees by their realizing autonomous growth and creating new value through our business.

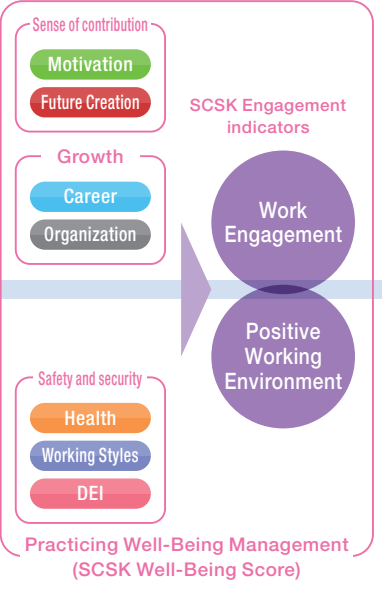
- Priority Measure 3 “Well-Being Management” that leads to creation of value
- Priority Measure 4 “Diversity and Inclusion” that respect and draw on diversity

Indicators and Targets

Improvement of consulting functions and strengthening business development	Development of cutting-edge digital engineers	Execution of high-quality projects
Talent for consulting and business design 500 persons or more	Number of employees who have completed training to develop advanced technologies 3,000 persons or more	Advanced PM talent 250 persons or more
Strengthening company-wide education and development Persons who completed digital skill standard education for the all-Group IT engineers: 10,000 people		

Indicators and Targets

First-hand experience of pleasantness and job satisfaction	Physical and mental health and demonstration of performance	Deepening of diversity and inclusion
Employee awareness survey: Engagement 90% or higher	Employee awareness surveys: Degree of performance demonstration 90% or higher	Number of females in general manager positions Three times or more



Dramatic improvements in “comprehensive corporate value” (economic value, social value, and human capital value)

Grand Design 2030

Co-Creative IT Company

“Business Strategy and Human Resources Portfolio” to Improve and Utilize Abilities and Skills

Dynamic linkage between business strategy and human resources strategy

SCSK has formulated a medium-term human resources portfolio plan that is dynamically linked to the Company's business strategies, based on organizational units responsible for managing each of its businesses. Based on this plan, talent development and reskilling initiatives that combine on-the-job training (OJT) and off-the-job training (Off-JT) are implemented to cultivate employees with skills and advanced specialization aligned with business strategies. In addition, we aim to maximize the value of our human resources by simultaneously promoting business structural reforms, optimal placement of personnel, and the development of workplace environments that enable a diverse range of employees to fully demonstrate their capabilities and motivation.

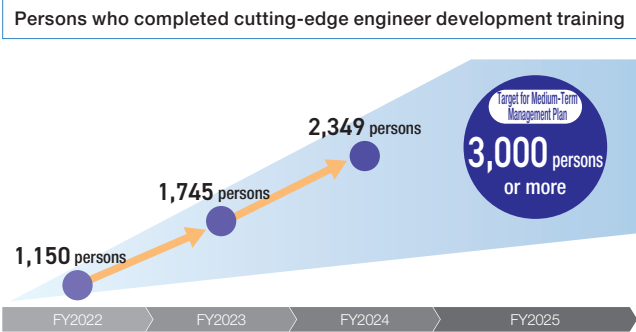
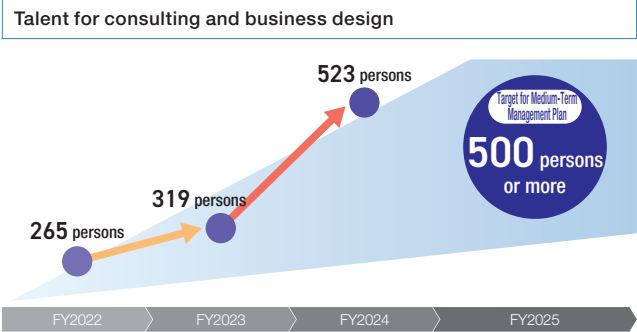
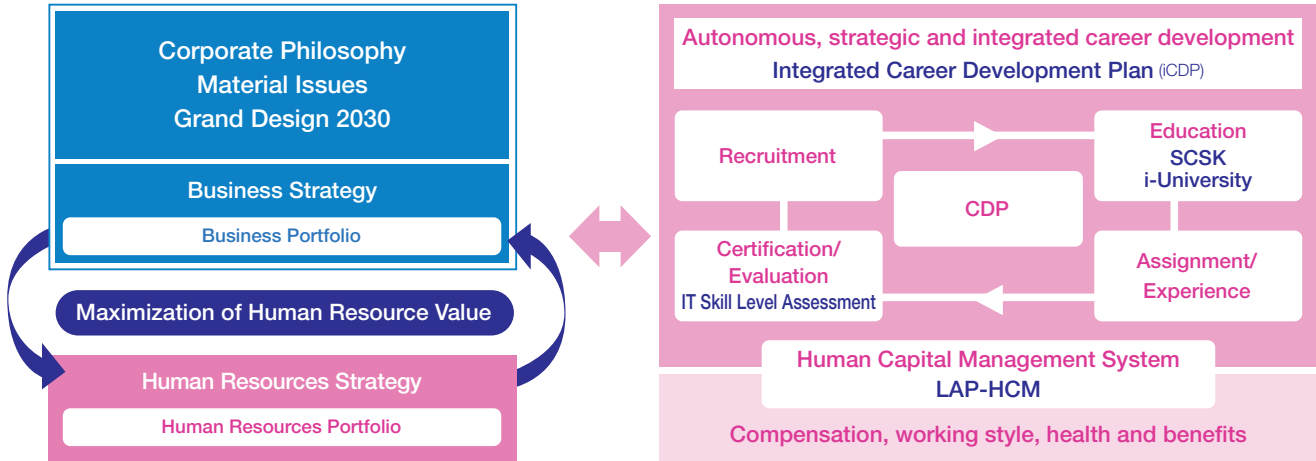
As a result of our efforts to date, we have recognized the gap between the human resources portfolio, which shows the skills and personnel composition necessary to achieve our business plans, and our current status. The process for planning and executing of developing human resources, securing stable human resources, and the optimal allocation of personnel to eliminate that gap is gaining ground. Currently, we are promoting a more strategic use of the human resources portfolio by identifying high-level digital talent to lead business strategies and highly skilled professionals who are key to business expansion, and by strengthening recruitment activities. While flexibly responding to changes in the market environment, we will further accelerate these efforts and advance initiatives aimed at maximizing the value of human resources and enhancing the corporate value of the SCSK Group.

Career development platform to realize maximization of human resource value

In order to maximize the value of human resources through business growth and the growth of each and every employee, we emphasize the integrated alignment of business strategy, human resources strategy, and the demonstration of individual capabilities and motivation to grow. To this end, we have established the Integrated Career Development Plan (iCDP) as an autonomous, strategic, and integrated career development platform, and operate it as a basic cycle to maximize human resource value with a focus on links to human resources systems and measures.

In addition, in order to support the effective operation of “iCDP,” we have introduced LAP-HCM,* a human capital management system. By enabling the visualization and analysis of human resources information, we are able to utilize this data to formulate company-wide human resources strategies, support each organization in developing its own management and training plans, and encourage each employee to enhance their skills and develop their career autonomously. These initiatives also contribute to fostering a learning culture, and serve as a foundation for enhancing corporate value through the growth of employees.

*LAP=Learning, Action, and Pleasure
*HCM=Human Capital Management



P110/Financial and Non-Financial Highlights (Employees who have completed training to develop advanced technologies (cumulative total))

Securing talent for the future

SCSK has formulated human resources portfolio plans that are aligned with our business strategies, and is promoting stable and strategic talent acquisition through a dual approach of hiring new graduates and mid-career professionals.

In new graduate recruitment, we have introduced a “dedicated recruiter system”, in which young employees who are active in the field devote a fixed period of time exclusively to recruitment activities. This initiative aims to discover and develop future core talent, while creating authentic points of contact with students and providing opportunities to deepen their understanding of our corporate culture and career paths. Reasons cited for joining the Company include not only its future potential and business areas, but also the personality of our employees and the flexible working styles that accommodate different life stages, indicating that our appeal is being communicated in a multifaceted way.

In mid-career recruitment, we proactively promote the diversification of recruitment channels to respond flexibly and swiftly to changes in the hiring market. In particular, strengthening referral recruitment through employee introductions has enabled us to acquire talent with a high level of understanding of the Company, contributing to improved selection pass rates and retention. In FY2024, we introduced an employee referral system linked to a smartphone app to encourage more proactive participation in referral activities. By sharing our philosophy and the appeal of the Company in their own words, employees are helping to foster a positive cycle of increased engagement and deeper integration of our corporate culture.

P110/Financial and Non-Financial Highlights (Number of new hires)

Development of advanced digital talent who lead business strategy

In its Medium-Term Management Plan, SCSK positions the development of advanced digital talent, who will drive the realization of business strategies, as a key initiative. In the Medium-Term Management Plan, in addition to developing cutting-edge engineers who leverage digital technologies, SCSK has set specific targets to strengthen the recruitment and development of consulting and business design talent who will be responsible for enhancing consulting functions and driving new business creation as well as advanced project managers capable of executing and managing high-quality projects. These efforts are part of a broader initiative to accelerate the development of advanced digital talent.

Talent for consulting and business design

Aiming to promote business that can lead the market and create next-generation digital business, we conduct practical workshop-style training programs. SCSK is expanding opportunities for employees to acquire the knowledge and skills necessary for new business development and creation. In growth areas such as SAP and mobility, we have defined unique profiles for upstream talent and are strategically strengthening their development.

Cutting-edge digital engineers

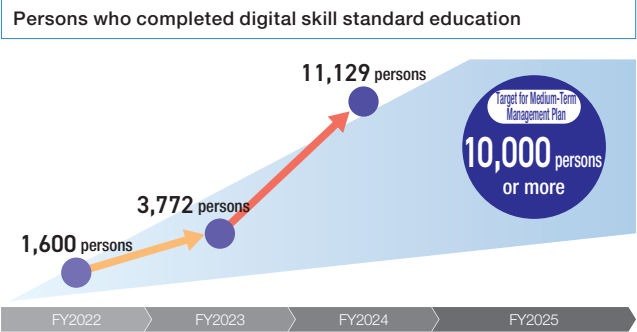
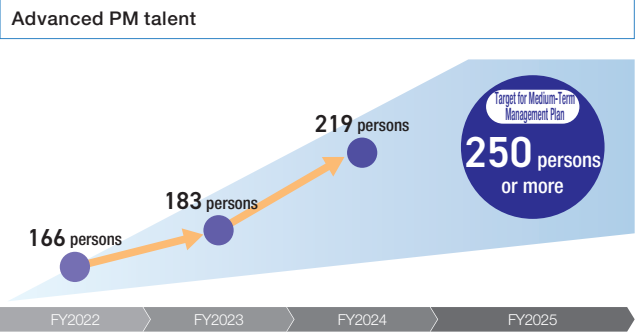
Amid the rapid evolution of digital technologies and growing demand for talent capable of supporting customers' digital transformation, SCSK places emphasis not only on technical skills but also on the ability to lead business transformation. Taking into account technology trends and field-level needs, SCSK is expanding training programs to enhance practical capabilities and execution skills, and thereby strengthening specialization in cloud and digital technologies and fostering strategic thinking.

Advanced project manager talent

In order to respond to the increasing scale and complexity of projects and ensure high-quality execution, SCSK conducts training programs that strengthen decision-making and action capabilities through case studies and the case method. In addition, through the community activities of the PM working group, SCSK promotes internal case sharing and network building, thereby enhancing project management capabilities across the organization.

Talent with digital skills

To promote the creation of new business models and services, we are implementing Digital Skill Standard Training for all employees, including those of Group companies. In addition to promoting the acquisition of DX concepts and related technologies, we are working to instill the significance and importance of learning about market trends, and are advancing the development of digital talent and the cultivation of a learning culture across the Group.



Promoting career ownership

As values toward work continue to diversify, it is becoming increasingly important for each employee to adopt an ownership mindset and take initiative in developing their own career. At SCSK, the Career Development Plan (CDP) system which enables employees to formulate their own career plans has been transformed into the Career Design Program (CDP), a framework that supports more autonomous and strategic career design. This program also serves as an opportunity for employees to explore their “internal career,” a personal axis that guides their growth even in rapidly changing environments.

As part of the Young Employee Career Development Program, SCSK provides a four-year training curriculum aimed at accelerating the early development of younger employees. In addition, career advisory sessions conducted by internal career advisors who are well-versed in career development and business operations support employees in deepening their self-awareness and understanding of their work environment and the business context, and in exploring their career vision.

In addition, the Job Challenge (Internal Job Posting) Program offers employees opportunities to apply for positions across the SCSK Group, while the Career Challenge (internal free agent (FA)) Program allows individuals to directly promote their experience, skills, and motivation to their desired departments. Through these programs, SCSK has established a framework that enables employees to proactively pursue new roles and environments in addition to organizational job assignments, thereby strongly supporting autonomous career development.

Programs and initiatives for promoting career ownership and fostering a learning culture



Hirokazu Fukuda General Manager, Financial Solutions Sales Dept., Financial Solutions Business Div.

Contributing to regional revitalization through digital innovation

As the General Manager of the Financial Solutions Sales Dept., I am responsible for sales and planning of a wide range of financial solutions, including key focus areas in the financial sector outlined in our Medium-Term Management Plan such as anti-money laundering and wealth management services. In addition to my primary role at SCSK, I have leveraged the Smart Work Plus program, which supports side jobs and concurrent employment, to launch a company in my hometown of Shiga Prefecture dedicated to regional revitalization, where I serve as its representative. Through this venture, I collaborate with the prefectural and municipal governments, universities, and local businesses to address regional challenges by promoting tourism and initiatives to foster ongoing engagement with non-resident stakeholders. These activities have enabled me to build a practical network with local stakeholders across public, private, and academic sectors. Currently, I am applying the insights and connections gained through my side business to my main role, driving the development of a new regional platform that brings together regional financial institutions, municipalities, universities, and businesses in the local community. By applying insights from my side business to my main role, I have helped create a virtuous cycle that delivers value to both society and our business.

Fostering a learning culture

Maximizing human resource value requires employees to flexibly adapt to changing environments and engage in continuous learning. Through the company-wide learning platform “SCSK i-University,” SCSK offers over 200 training courses across six categories: career development, leadership development, business skills development, global business skills development, specialized skills development, and cross-border learning. In the specialized skills development category, job-specific training is provided based on an IT Skill Level Assessment framework, with high-level certified employees participating as training advisors to promote knowledge sharing and strengthen specialization. In addition, many training programs have shifted from organization-assigned participation to employee-initiated enrollment, actively supporting autonomous learning and growth.

Based on the belief that “steady self-improvement is the key to overcoming challenges and achieving success,” SCSK provides the “Kotsukatsu” platform (referring to consistent, small efforts that lead to success) to visualize and encourage employees’ continuous learning efforts. Through initiatives such as learning allowances, certification achievement incentives, and the Smart Work Plus program (which supports side jobs and concurrent employment), the Company promotes diverse learning, not only in job-related areas but also across a wide range of skills and knowledge domains, thereby fostering a strong learning culture.

SCSK i-University learning framework

Grade / Specialization Level	Career development	Leadership development	Business skills development	Global business skills development	Specialized skills development				Cross-border learning
					Core skills	Strategic skills	Development skills	Operations skills	
6 or higher									
5									
4									
3									
2									
1									
	New employee training								

IT Skill Level Assessment to visualize specialization and accelerate growth

Utilizing the SCSK Career Framework, we have introduced an IT Skill Level Assessment that evaluates and certifies employees’ expertise in seven levels. By visualizing the specialization of our technical and sales staff, we operate this system to promote each employee’s career advancement and support sustainable growth. Through the process of IT Skill Level Assessment screening, we identify gaps between the current and targeted levels, and based on the results, employees and their supervisors formulate and implement specific training plans, in order to develop an environment that enables effective improvements in the IT skill level of employees.

We have created specialized working groups composed of experts in each job type. In addition to discussing assessment screenings, the working groups actively promote initiatives that support the enhancement of employees’ specialization, such as creating communities for each job type and sharing case studies. In this way, we facilitate the internal sharing of

knowledge and experience in specialized fields, leading to enhanced skills across the workplace.

In addition, we are utilizing the “Digital Skill Standards” released by the Ministry of Economy, Trade and Industry (METI) and the Information-technology Promotion Agency (IPA) in December 2022 to promote the visualization of digital talent. We will move forward with efforts to strengthen specialization in line with the needs of our rapidly changing times by developing and securing human resources for business innovation, engineers with multiple skills, and human resources for security, AI, and data science.

We are also working to enhance the IT Skill Level Assessment system by introducing AI technology in certain level certification reviews. This aims to enable more timely visualization of specialization and reduce the burden of the certification process. The system is being revised to reduce the workload involved in certification tasks and to enable more timely skill evaluation.

“Senmonsei Matsuri” (IT Skills Fair) to promote improvement of specialized abilities and autonomous career development

The specialized working groups engage in diverse activities aimed at enhancing professional competencies. In addition to conducting certification reviews, building communities, and sharing case studies, they also support training initiatives by planning programs, serving as instructors, and providing advisory support. Twice a year, in spring and autumn, we host an all-employee event called the “Specialization Festival.” Through explanation of the IT Skill Level Assessment and job categories, career consultations, talk sessions, and lectures by external experts, the event deepens understanding of the system and provides opportunities for interaction with high-level talent. These efforts help foster employees’ motivation to enhance their specialization, promote autonomous career development, and boost overall engagement.

“Treatment and remuneration systems” to appropriately evaluate abilities and skills and reward performance

Personnel system that serves as a foundation for maximization of human resource value

We have developed a system to appropriately evaluate and reward the value of human resources in order to secure and retain excellent human resources in the highly competitive IT human resources market, as well as to foster a corporate culture in which each and every employee can set high goals and take on challenges with enthusiasm, and enable employees to continue to grow by making the most of their abilities.

Our human resources system is built on a dual ladder framework aligned with employees’ career paths. The Company has established two distinct career ladder: the “GM Positions” for management and executive personnel who drive business growth, and the “Specialists” for professional talent whose specialization and achievements are dynamically evaluated. Each ladder is designed to provide development opportunities and compensation aligned with the expected roles. We are working to create an environment in which diverse talent can engage in skill development and grow autonomously.

Furthermore, to secure and develop top talent with high market value who contribute to business growth, we provide a certification allowance to individuals who have attained

higher levels in the IT Skill Level Assessment. In addition, we have introduced the “ADV Positions,” which offers compensation packages exceeding ¥30 million annually, as part of our strategic talent expansion efforts.

To further enhance talent acquisition and employee engagement, we have implemented significant compensation increases over the past two years. In July 2024, we raised the Company-wide average compensation level by 6.1%, with an average increase of up to approximately 10% depending on job grade. In July 2025, we increased monthly salaries by an average of ¥15,000 across the Company, resulting in an overall average compensation increase of 5.2% when combined with salary raises linked to promotions and performance evaluations. Additionally, we raised the starting monthly salary for new graduates by ¥10,000.

Looking ahead, we will continue to evolve our human resources system to adapt to the rapidly changing business environment by designing flexible compensation structures aligned with business strategies and market value, and by encouraging employees to take on higher-level roles.

“Well-Being Management” That Leads to Creation of Value

Transition to Well-Being Management From “pleasantness” to “job satisfaction”

Based on the idea that “in addition to physical and mental health, a sense of fulfillment in work, job satisfaction, and a feeling of contributing to society lead to a sense of well-being and happiness for each and every employee,” SCSK promotes Well-Being Management. This approach is grounded in the results of working style reforms and health and productivity management initiatives that SCSK has pursued company-wide from an early stage. We believe that in order for employees to take on challenges with confidence and experience personal growth and job satisfaction, a secure and supportive work environment is essential. Building on the foundation of a comfortable and flexible workplace, SCSK is now advancing to the next stage, creating a sense of purpose at work, and we are expanding our initiatives under the banner of Well-Being Management.

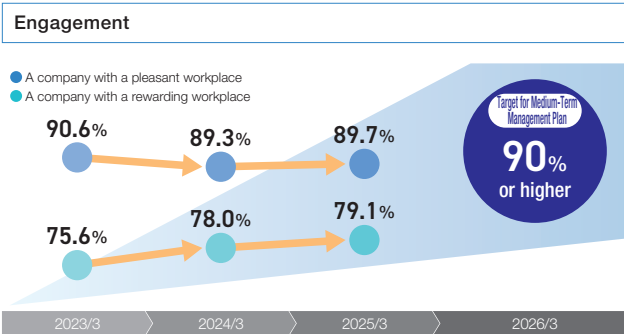
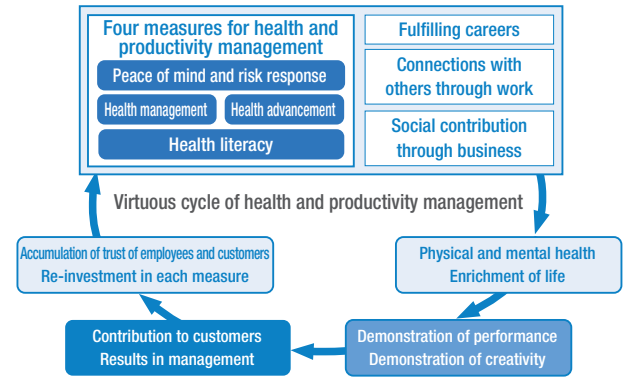
Working style reforms

The Smart Work Challenge, which was launched in FY2013, is a company-wide measure to promote a highly productive work style, targeting an average monthly overtime of 20 hours or less and a rate of consumed annual paid vacation days of 100%. In FY2024, we introduced a new “Interval Leave”^{*} system aimed at preventing chronic long overtime working hours by promoting workload leveling. Through this initiative, we are working to enhance the quality and sense of fulfillment of each employee’s work while fostering a workplace environment where they can continue working with peace of mind.

^{*}Employees whose average monthly overtime exceeds 60 hours over the past six months are granted five days of special paid leave, which must be taken consecutively.

Health and productivity management

We have articulated the principle of Health and Productivity Management, which states that employee health is the foundation of business growth, and have incorporated it into our work regulations along with the responsibilities of both the company and its employees. To ensure that every employee can perform at their best, we promote health and productivity management through four key pillars: health management, health advancement, health literacy, and peace of mind and risk response.



The “*Kenko Waku Waku* Mileage program,” launched in FY2015, is a core initiative of our health and productivity management, aimed at fostering healthy behavioral habits and enhancing health literacy. Points are awarded for employees’ healthy behavior and health checkup results, and incentives are provided based on the total annual points earned. Since its launch, almost all employees have participated in the program. The program improves employees’ health awareness and encourages behavioral changes in their daily lives, thereby contributing to the maintenance and promotion of good health.

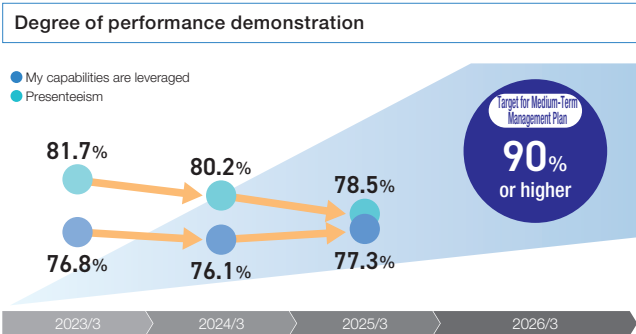
Improvement of physical and mental health and demonstration of performance

As physical and mental health and performance are closely linked to life events such as childcare, nursing care, and medical treatment, we are also actively working to develop support systems and initiatives that help employees balance work and personal responsibilities, as well as to provide information. These efforts include providing video content explaining how to make use of internal programs.

In addition, through weekly pulse surveys, we offer employees opportunities to objectively reflect on their own condition. We have also established a system that facilitates early consultation with supervisors, HR staff, the health consultation office, and counseling services when needed, thereby supporting employees’ mental and physical well-being and fostering a work environment where they can feel secure.

Creating job satisfaction through “Motivation” and “Future Creation”

Building on our foundation of a positive work environment, we aim to foster job satisfaction through the practice of Well-Being Management by connecting our existing core values and two key values: “motivation,” which empowers each employee to fully demonstrate their abilities within our business, and “future creation,” which reflects our corporate philosophy of “Create Our Future of Dreams.”



Roundtable Discussion on Well-Being

Virtuous Circle of Well-Being Created through Employees’ Empathy and Action



Launch of Well-Being Supporter Program

Analysis and improvement of the SCSK Well-Being Score has made clear that values related to job satisfaction — such as “sense of fulfillment” and “creating the future” — and their importance vary markedly from one employee to the next. In addition to business and organizational circumstances, outcomes are influenced by individual factors associated with life stages, which makes it necessary to establish mechanisms that can reflect employees’ diverse voices.

Amidst these circumstances, SCSK launched its Well-Being Supporter Program in FY2025, based on a volunteer-based system that respects autonomy. Fifty-three employees from a diverse range of roles and age groups across various business groups take part in regular meetings, at which they engage in active discussions concerning well-being-related issues and initiatives. Going forward, we intend to collaborate with the DEIB Promotion Committee to propose company-wide initiatives to the president that drive value creation. As an employee-led initiative, we anticipate further expansion.

Well-Being Supporter roundtable

Three Well-Being Supporters gathered at the head office and held a roundtable discussion with the secretariat, DEIB & Well-Being Promotion Dept. Participants shared candid opinions on their motivations for the activities, insights gained on-site, and prospects. It became a place that conveyed the expanding scope and potential of initiatives oriented toward enhancing well-being.

Well-Being Supporter thoughts

Muramatsu: Thank you all very much for being here today. We would like to hear from all of you who support SCSK's Well-Being Management on the front lines about your background and motivations for taking part in these activities, as well as any activities taking place within your organization. First off, please share with us your motivation for taking part in the initiative.

Kayaoka: I belong to the business promotion division of the Mobility Business Group. Our group has numerous bases and branch offices, in Utsunomiya, Hiroshima, and elsewhere. When speaking with those posted at branch offices, to me, the difference in workplace environment compared with those located at the main bases is palpable. While well-being-related initiatives had already been underway within our business group, I volunteered because I felt a sense of mission that I had to help bridge the gap between company-wide well-being promotion and workplace realities. We conducted on-site interviews last year, and I want to be a person who can incorporate those voices into company-wide initiatives and apply them in the field.



Kurita: I'm a member of the Financial Business Group. Though I am only in my second year as a working professional, this initiative appealed to me because it allows for bottom-up proposals. I truly feel SCSK is a very pleasant place to work. Since job satisfaction varies from one person to the next, however, I want to raise company-wide awareness of well-being to enable more people to find fulfillment in their work.

Ezoe: I joined the company five years ago, and am working in the Industrial Business Group. After graduating from university and joining the company, I completed a four-year young employee career development period and transferred departments this past April. I am currently posted to a branch office. During the training, the comprehensive program allowed me to feel a sense of growth. Going forward, though, I will have to take charge of my own career.

I felt disconnected from the company working at a branch office, so I decided to take part in the initiative to actively engage with the work and the company's initiatives.

Muramatsu: Though there are differences in our positions and motivations, I'm gratified to see that everyone shares the desire to improve the company.

Funato: As the secretariat for the Well-Being Supporter Program, our previous communications primarily targeted management-level audiences such as the Management Committee and explanatory briefings for department heads. This activity, however, provided valuable opportunities to talk directly with frontline employees and hear their frank opinions, which was highly beneficial.



Well-Being Cycle from the front lines

Muramatsu: Next, please tell us about the status of each of your organizations. At SCSK, improvement activities are taking place in each organization to implement the Well-Being Cycle. What about your workplace?

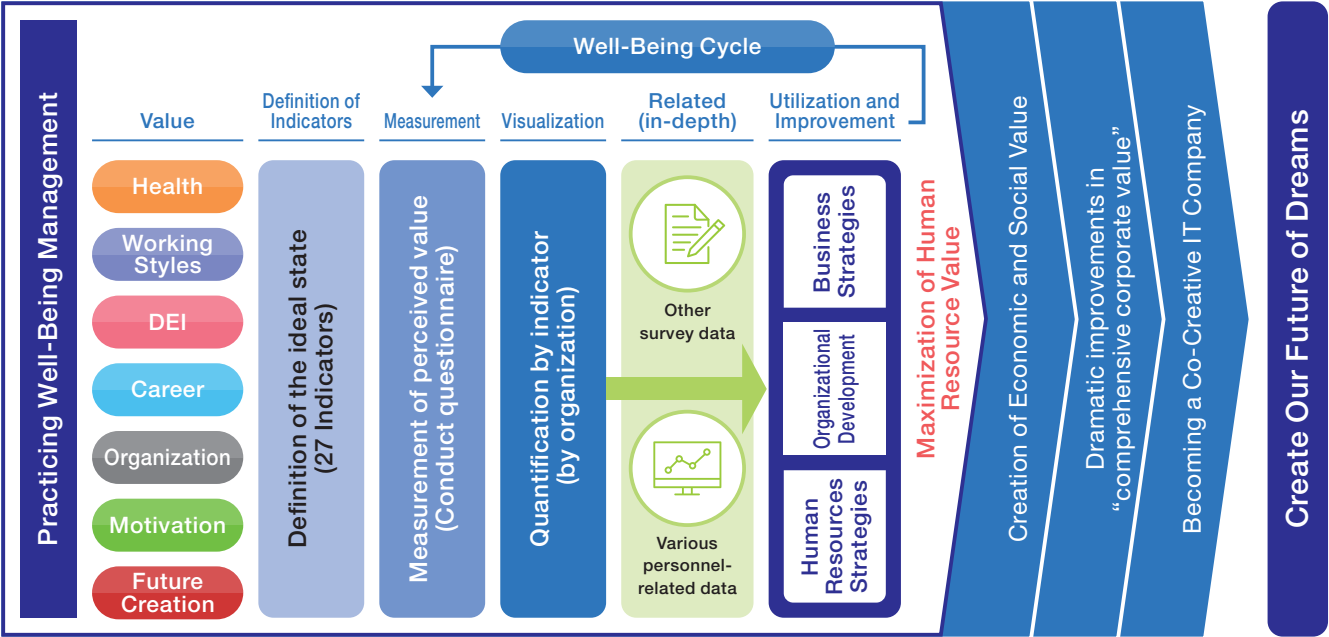
Kurita: In terms of the seven values, I believe our department deeply understands the importance of "learning" through out ones career. I am aiming to acquire certifications as an IT Strategist and Small and Medium Enterprise Management Consultant, and I feel our department is supporting me.



Ezoe: I also feel that the training program is comprehensive, and I can truly feel myself growing. Furthermore, overtime management is strictly enforced, so I find the working environment to be very comfortable. Since I started my assignment at a branch office, however, I have interacted with other employees less frequently, and I've found it more difficult to access company information. As a result, I feel there are challenges in creating organizational empathy and a sense of unity.

Muramatsu: Ms. Kayaoka, as the section manager leading the organization, could you tell us about how your team has reacted?

Kayaoka: As the promotion division, we are working to enhance the well-being of the Mobility Business Group as a whole. Since this business group also has many branch offices, however, it is challenging to create organizational



The Well-Being Cycle for Enhancing Well-Being

empathy and share information. Given this, we consolidate necessary information on the Mobility Business Group's portal site and Microsoft Teams to enable employees to check it immediately. Furthermore, we recruited volunteers to take part in the Well-Being Improvement Project and had them plan events. The members responsible for operations experienced new things and felt their own well-being improve as those around them expressed gratitude for their efforts.

Muramatsu: Proactive undertaking of these activities in and of itself leads to improved well-being. Finally, please share the company-wide initiatives discussed at the recent supporter meeting. Every group appeared enthusiastic.

Ezoe: Yes, they were. I wish we'd had more time. It was refreshing to talk in that way with people of different ages, and many ideas were generated and shared. Ultimately, we decided we wanted to devise a Well-Being platform upon which people could share experiences related to balancing career and personal life. The idea is to offer tools and content that facilitate younger workers seeking advice from more experienced employees.



Kurita: I also enjoyed being able to having a discussion with people from diverse backgrounds. The story about

the in-house massage therapists with visual impairments was refreshing. As for initiatives, we proposed a system which would allow employees to send each other points as tokens of appreciation. I believe that, when praise is given, both the giver and the recipient sense increased well-being.

Kayaoka: My group proposed a Well-Being Expo. Participation would be easier through the sharing of well-being initiatives across departments, the holding of seminars led by in-house instructors, and the conducting of roundtable discussions with the president—both in-person and online.

Funato: Your strong feelings are supported by the slides summarizing each group's discussion. Our plan is to flesh out these ideas and present them to the president and to management personnel. We will do everything we can to reflect your enthusiasm in our initiatives.

Muramatsu: I sensed during the first round of discussions that many people are looking to make connections that transcend departmental boundaries. I believe the catalyst will be the Well-Being Supporter activities themselves. Thank you very much for taking time out of your busy schedules to join our roundtable discussion today. I look forward to seeing you all at the next meeting!



“Diversity and Inclusion” That Respect and Draw on Diversity

Promotion of DEIB (Diversity, Equity, Inclusion, Belonging)

The SCSK Group is committed to promoting Diversity, Equity, Inclusion, and Belonging (DEIB) with the aim of becoming a company worth working for, a workplace where every talent can thrive and fully demonstrate their abilities in an environment that is both comfortable and fulfilling.

We respect and embrace diversity not only in terms of attributes such as gender, age, and nationality, but also in ways of thinking, abilities, and values. By transforming these differences into strengths, we strive to invigorate our organization and enhance its creativity. Furthermore, we are working to establish a workplace environment that ensures equitable treatment tailored to each employee’s circumstances, while fostering a culture where everyone feels a sense of belonging and can demonstrate their best with confidence. Through these efforts, we aim to create new value and deliver sustainable growth.

SCSK’s DEIB Promotion Policy			
Diversity	Equity	Inclusion	Belonging
Foster a corporate culture that recognizes and respects the diversity of each individual	Develop an equitable workplace environment that meets the needs of each individual	Foster a corporate culture that embraces individual diversity and enables all employees to contribute to the organization’s success.	Foster an organizational culture in which everyone works together in their own way and with a sense of job satisfaction

Ensuring management diversity

To foster diversity in decision-making, SCSK has set specific targets for female representation. By the end of FY2030, the Company aims to achieve 30% female representation on the Board of Directors and 20% at the senior executive officer and senior corporate officer levels. In addition, by the end of FY2025, the Company targets 12% female line managers in general manager positions and the development of 150 female employees with advanced expertise in the IT area, which forms the core of the Company’s business. To support these goals, the Company actively promotes the advancement of women to senior positions through its “Supporter System,” in which business unit leaders provide role-specific development opportunities to the candidates. This system includes management-level sessions, external training programs, supporter interviews, and Career Cafes.

Furthermore, SCSK is working to eliminate gender-based disparities in growth opportunities caused by differences in working hours through its working style reform initiatives. The

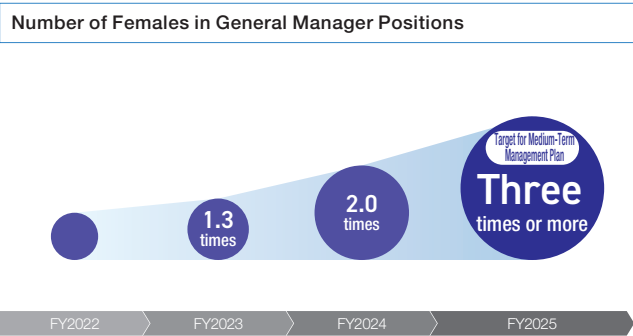
Company also aims to ensure equitable evaluation and treatment by implementing IT Skill Level Assessment framework. In addition, through measures such as Unconscious Bias Seminars, SCSK is developing a workplace environment where all employees, regardless of gender, can balance work with family and childcare responsibilities and fully demonstrate their potential.



External initiatives — supporting women’s careers

We participate in “WITTy (Women in IT in Toyosu),” which is formed by nine IT companies. WITTy is a community that was created with the aim of supporting the further advancement of female engineers working in the IT industry beyond the boundaries of the company. Since its establishment in 2013, it has regularly held exchange events to share industry-specific concerns and issues, continue to work energetically, and draw up a career that suits female workers. We will continue to cooperate and advance various initiatives to enable women to play active roles throughout the industry.

Promotion and Development Targets for Women	
Position	Target
Directors	30% by the end of FY2030
Senior Executive Officers and Senior Corporate Officers	20% by the end of FY2030
General manager level (General Manager and Deputy General Manager)	12% by the end of FY2025 20% or higher by the end of FY2030
Advanced specialist (IT Skill Level Assessment Level 5 or higher)	150 persons by the end of FY2025



Support for balancing work and life events

To enable employees from diverse backgrounds to thrive on an equal footing, SCSK has implemented a range of initiatives aimed at correcting long working hours and promoting more productive work styles, such as the “Smart Work Challenge.” The Company has also established systems that offer flexibility in both work location and hours, including remote work and flextime arrangements. In addition to developing these systems, SCSK is actively working to create a workplace environment and organizational culture that encourage their effective utilization.

To support the balance of childcare with work, we promote the creation of an environment which enables both men and women to participate in childcare and balance it with work. In FY2024, the Company introduced a new “Parental Leave” program, which allows male employees to take up to 20 days of special paid leave following the birth of a child. This initiative aims to create a workplace environment that facilitates family support and parenting for male employees, while also cultivating a culture where both men and women can successfully balance work and childcare. In addition, we have launched initiatives to support women in balancing work with gender-specific health concerns and fertility treatments.

With regard to the measures for balancing work and nursing care, we proactively provide information through nursing care seminars and individual counseling sessions, in order to enable employees to continue working even if a need for nursing care arises. These efforts are designed to reduce employee concerns and support them as they prepare for caregiving responsibilities.

Initiatives for LGBTQ

SCSK promotes the development of a workplace environment where everyone can work with peace of mind and be true to themselves, while deepening understanding of LGBTQ issues. The Company has clearly defined a policy which prohibits discrimination based on sexual orientation, and works to raise awareness through measures such as establishing internal consultation channels and providing training and seminars for all employees. In terms of internal rules, same-sex and common-law partners are recognized as “spouses” and are eligible for applicable company programs and benefits.

Starting in FY2024, we began participating in Tokyo Rainbow Pride, a non-profit organization, and launched an internal Ally* Community. Through peer-to-peer information exchange, sharing of perspectives, and regular events, the Company continues to expand its network of support.



Belonging (“B” in DEIB) and Well-Being

Starting from FY2024, SCSK has further developed its diversity and inclusion initiatives by adopting the DEIB framework. In particular, “Belonging” is expressed as “working together,” and SCSK promotes activities aimed at enhancing well-being through the collective efforts of employees, organizations (teams), and the Company as a whole. In the context of well-being, DEI is defined by three key indicators of respect for diversity, equity, and psychological safety, which are positioned as essential foundations for creating value.

Promotion of active participation by persons with disabilities

SCSK Group is working to promote the employment and active participation of persons with disabilities, with the aim of creating an inclusive work environment, fostering a corporate culture that embraces diversity, and instilling the philosophy of normalization throughout the organization. We are further strengthening our efforts to create an environment, both within the workplace and in society, where all employees, regardless of disability status, can support one another and work with vitality.

Supporting the employment and empowerment of para-athletes
As of March 2025, the SCSK Group employs 15 para-athletes and supports them in balancing their athletic pursuits with their professional responsibilities. Through these efforts, we aim to contribute to a society in which diverse human resources play active roles with vigor.



Expansion of relaxation rooms

Relaxation rooms are set up at major sites of SCSK, where visually-impaired persons who are qualified as “massage and finger-pressure therapists” under national licensure play an active role as in-house massage therapists. These relaxation rooms not only support the maintenance and improvement of employee health, but also help create employment opportunities for persons with disabilities.

Special-purpose subsidiary: Tokyo Green Systems

As a model company which employs people with severe disabilities, the Tokyo Metropolitan Government, the Tama City Government, and SCSK established through co-investment “Tokyo Green Systems Corporation (tgs)” in 1992 as a third-sector company.

With the philosophy of “participation, independence, and symbiosis,” tgs aims to achieve “independence and contribution” and promotes employment of employees with disabilities as a special-purpose subsidiary of SCSK.





CASE STUDY

Giving shape to love for local community and alma mater Japan’s First “Support-Based” Hometown Tax Donation Platform

Co-creation of support for regional education by
SCSK × Local governments × Educational institutions

Atsuko Endo
Manager, Regional Co-creation Section, Co-creative IT Promotion Dept.,
Industrial & Manufacturing Business Promotion Div.,

After having been involved in human resource development through planning and instructing technical training programs, Ms. Endo subsequently pursued new business development. She is presently responsible for driving new business initiatives within the Industrial & Manufacturing Business Promotion Div., taking the lead on the SCSK Hometown Tax Donation service from concept to launch. As a side business, she collaborates with local governments to support SMEs and promote industry-government-academia partnerships, thereby contributing to regional revitalization.

— Depicting “Future of Dreams” through new business development

I have been involved in new business development at SCSK for more than a decade. When you see people on the street looking happy, remember that underpinning that happiness are the systems and services that SCSK provides. With the dream of such a future, we began with a technology-driven plan and eventually, by employing backcasting, evolved to a perspective that predicts and envisions the future.

We have also focused our efforts on fostering an organizational culture that nurtures the creativity of employees and encourages them to tackle challenges. Within the Company, programs such as the Shin-Mirai-Sozo Program (Future Creation Program) and the SIP (SCSK Innovation Proposal) System support and promote the creation of new businesses originating from SCSK, constantly offering employees opportunities to transform their ideas into reality. These initiatives also help to foster a culture of embracing challenge without fear of failure.

We are currently responsible for creating new businesses within the Industrial & Manufacturing Business Promotion Division. We pursue a dual approach: “act to launch new businesses ourselves” and “act to support the launch of new businesses within the division.” The idea that captured the Grand Prize in the SIP program, implemented as part of the latter of the aforementioned initiatives, became the prototype for the SCSK Hometown Tax Donation platform announced in a December 2024 press release. This initiative is in alignment with the SCSK Group’s Sustainability Management. We have launched a project to explore its commercialization as a business that would contribute to resolving social issues.

— “SCSK’s Hometown Tax Donation” — What is the Support-Based Hometown Tax Donation Platform Driven by Pride in One’s Community and Alma Mater?

This is a new type of hometown tax donation platform that allows people to give back to their communities and alma maters through regional education. SCSK simultaneously fulfills two missions through this service: co-creation with communities and local governments, and promotion of new streams of funding for educational institutions. As a driving force supporting regional education and energizing educational

institutions and communities, donors can contribute to developing the talent needed to shape the society of the future. The program is designed to provide educational institutions and communities with economic and human resource benefits, and to allow donors themselves to enjoy engaging while gaining a belief in their own capability to contribute.

This purpose-driven hometown tax donation program represents the first model in Japan in which a private company participates and industry, academia, and government collaborate to support local governments and universities. Based on partnership agreements with Sapporo City and National University Corporation Hokkaido University, and with the participation of Public University Corporation Sapporo City University, we began accepting donations in December 2024. Akita City and several universities along with the Colleges of Technology have participated since the launch of the service. Going forward, we will expand these initiatives nationwide and contribute to local communities by collaborating with additional educational institutions.

Click here for SCSK Hometown Tax Donation
<https://www.scsk.jp/sp/scskfurusato/> (in Japanese)



— Vision for SCSK Hometown Tax Donation

This platform brings together people interested in supporting educational institutions and community activities. We envision a world in which connections originating from donations on the hometown tax platform eventually evolve into entities that support educational institutions and communities. We are occasionally asked, “Why is an IT company such as SCSK involved in the hometown tax program?” We believe that because we are an IT company, beginning with the activities of educational institutions, we can support the expansion of new value generated by people outside the region, local communities, and educational institutions.

Embodying the SCSK Group’s corporate philosophy of “Create Our Future of Dreams,” together with local communities, educational institutions, and the people involved, we will nurture this service as a flagship model of industry-government-academia collaboration, led by a co-creative IT company.

Initiatives toward Respect for Human Rights

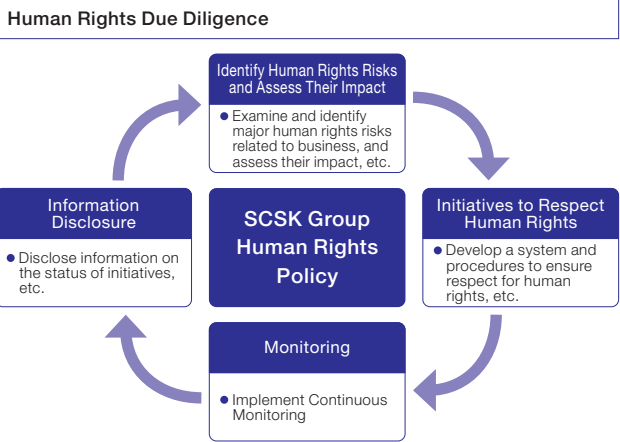
The SCSK Group aims, based on our corporate philosophy of “Create Our Future of Dreams,” to serve as a corporate group that contributes to society through our business activities, and works with our various stakeholders to create a prosperous society. To achieve that goal, the SCSK Group has made a statement of “Respecting each other” as one of our promises in our corporate philosophy in order to respect the individuality and values of each person involved in our business activities and to fully maximize their respective skills. The SCSK Group will continue to promote respect for human rights with its stakeholders, based on its corporate philosophy.

SCSK Group Human Rights Related Policy

The SCSK Group has formulated the “SCSK Group Human Rights Policy” which sets out our approach and responsibilities as a corporate group that respects the human rights of all people affected by the SCSK Group’s business activities, based on our corporate philosophy and Code of Conduct. The policy states that the Group respects human rights as expressed in the “International Bill of Human Rights” and the “ILO Declaration on Fundamental Principles and Rights at Work” adopted by the International Labour Organization and pursues business activities respecting human rights based on the UN Guiding Principles on Business and Human Rights. In addition, regarding AI utilization, understanding the impact that use of AI has on human rights, the SCSK Group formulated the “SCSK Group Basic AI Policy,” which compiles guidelines for the development, provision, and use of AI systems and services, based on the “AI Guidelines for Business (Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry).” The SCSK Group will work to respect human rights in line with both policies, and strive to fulfill its social responsibilities.

Human Rights Due Diligence

The SCSK Group has been performing human rights due diligence since FY2022, based on the “SCSK Group Human Rights Policy.” The SCSK Group carries out its human rights due diligence process in line with international guidelines such as the UN Guiding Principles on Business and Human Rights, the UN Guiding Principles Reporting Framework, and the OECD Due Diligence Guidance for Responsible Business Conduct.



Identify human rights risks and assess their impact
During FY2022, we retained external experts and identified human rights risks that should be addressed as a priority, based on sectoral, geographical, and enterprise-specific risks, in order to assess the impact and risks to human rights across the SCSK Group. The identified human rights risks totaled seven items, including those involving mental health, harassment, human rights abuses relating to suppliers/contractors, and overseas business. In FY2024, the SCSK Group conducted a human rights risk assessment in new subsidiaries of the SCSK Group. The SCSK Group focuses on prevention and mitigation measures for identified human rights risks, and will continue and strengthen existing efforts.

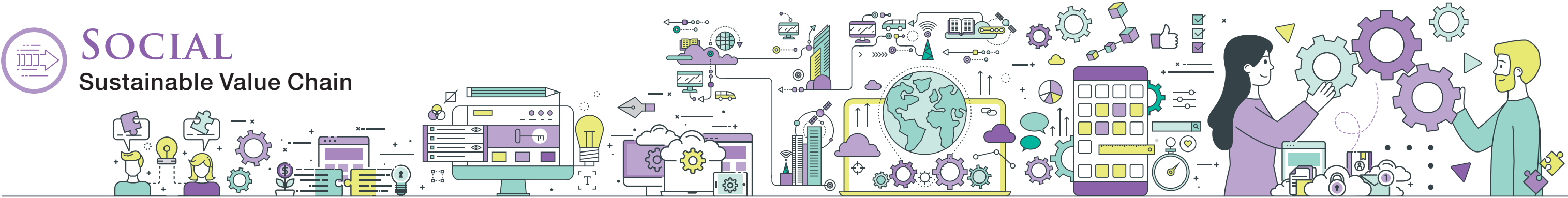
Major initiatives to respect human rights
Internal education
To raise awareness of respect for human rights, the SCSK Group provides training programs for officers and employees as well as internal seminars, on topics such as “Human Rights Policy,” “Prevention of Harassment,” “Promotion of Diversity,” and “Mental Health.”

Building a responsible supply chain
The SCSK Group reviewed the “Supply Chain Sustainability Policy,” which had been established to fulfill its social responsibilities together with its suppliers, and formulated the “SCSK Group Supply Chain Sustainability Promotion Guidelines” in FY2023. The Guidelines provide a code of conduct concerning labor, health and safety, environment, ethics, quality and safety, information security, business continuity planning, and management systems based on “Responsible Business Alliance Code of Conduct” published by the Responsible Business Alliance (RBA) and “Responsible Business Conduct Guidelines” published by Japan Electronics and Information Technology Industries Association (JEITA). In promoting sustainable management, the SCSK Group respects the Guidelines when engaging in our business activities. The SCSK Group asks our suppliers for their understanding, support, and implementation of these Guidelines, and engages in joint efforts toward respect for human rights. [P88/Initiatives to promote sustainability through the supply chain](#)

Monitoring
Establishment of Remedy Hotline
The SCSK Group established a labor consultation hotline and a whistleblowing system that enables employees of the SCSK Group and partner companies to report and consult on any harassment that occurs, or any compliance issues that are noticed, in the workplace. The privacy of the person filing the report is completely protected and guarantees are in place to ensure that persons who report a problem, as well as persons who cooperate in verifying the facts, are not subjected to unfair treatment.

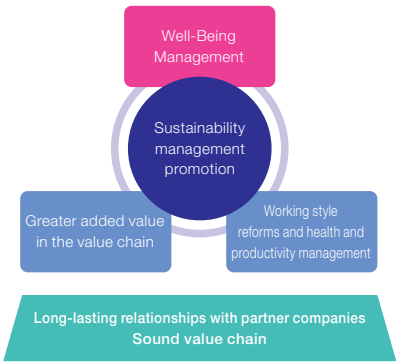
Information disclosure
SCSK discloses a summary of the operating results of the remedy hotline within and outside the company, to the extent that this does not hinder either proper execution of operations or protection of the confidentiality of interested parties, trust, honor, privacy, and other rights of interested parties. The SCSK Group will carry out business activities that consider human rights by continuing to conduct human rights due diligence regularly. For details of the SCSK Group’s Human Rights Policy and initiatives to respect human rights, please visit the website. https://www.scsk.jp/corp_en/csr/social/humanrights.html





Basic Approach Toward Partner Companies

Companies provide their customers with various products and services. The ability to deliver consistent and high-quality services to customers requires close collaboration with various partner companies in the value chain of business activities. The SCSK Group provides high-quality, safe, and reliable services by building long-lasting relationships with partner companies and establishing a sound value chain. In addition, working with our partner companies on various issues, we will continue to contribute to the growth of the IT industry and aim to implement Well-Being Management by increasing the added value within the value chain and promoting various efforts, including working style reforms, health and productivity management activities, and sustainability management.



Thoroughly implementing information security and compliance

When handling information that is the important assets of clients, the SCSK Group and its partner companies demand thorough compliance with the Information Security Guidelines set by SCSK and undertake several other activities, such as regular briefings and field audits.

To eliminate information security incidents, we also thoroughly implement information security and compliance with partner companies, work to create a safe and reliable value chain that offers high added value, and win the trust of clients and society.

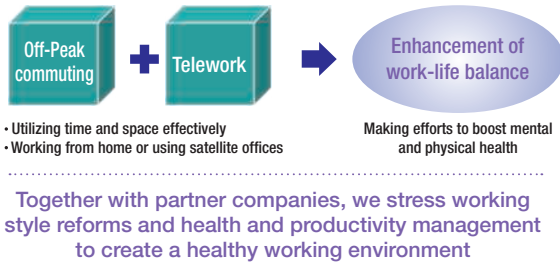
Long-Lasting Relationships with Partners That Lead the IT Industry

Improving quality and productivity

Along with partner companies, the SCSK Group has continued to work to improve quality and productivity over many years, and is moving forward with stable systems development, maintenance, and operation using the SCSK development standard (SE⁺). We are also working with partner companies to leverage our proprietary Monozukuri innovation platform (S-Cred⁺) and achieve more advanced development and operation for the future. Furthermore, by conducting project-based mutual evaluations and analyzing and using those evaluations, we and our partner companies are continuing to increase quality and productivity.

Working style reforms and health and productivity management

Stressing working style reforms and health and productivity management in order to create an IT industry that attracts talent, the SCSK Group works with its partner companies to create an environment in which organizations can achieve high quality and productivity. We are also working to correct and eliminate the traditional practices of long work hours and unpaid overtime. Furthermore, we are striving to help employees more fully realize a work-life balance by actively introducing telework as a flexible working style that makes it possible for individuals to make effective use of time and space.



Increasing efficiency of contract operations

The SCSK Group has dramatically increased not only its own but also partner companies' work efficiency by completing the massive number of contract procedures, which exceed 30,000 annually, through Web-EDI^{*1}. Making use of a seamless communication portal, we are also working to increase the quality of operations by linking important items related to regulatory and general compliance.



Promoting sustainability

Having received the understanding and consent of partner companies, the SCSK Group undertakes IT industry sustainability promotion activities with those companies.

In March 2024, we formulated the “SCSK Group Supply Chain Sustainability Promotion Guidelines,” which is a code of conduct for contributing to the sustainable development of society through sincere and fair business activities.

The SCSK Group respects the Guidelines and promotes its business activities based on the sustainability management promotion structure.



Initiative Themes

Theme	Key point	Examples of initiatives
Improving Quality and Productivity	<ul style="list-style-type: none">Development and management standardization (SE⁺, etc.)Mutual evaluation of projects	<ul style="list-style-type: none">Rollout of SCSK development standards (SE⁺) and Monozukuri innovation platform (S-Cred⁺) at partner companies for stable systems development, maintenance and operationImprovement in quality and productivity by sharing results of mutual project evaluations with partner companies
Working Style Reforms and Health and Productivity Management	<ul style="list-style-type: none">Sharing of health and productivity management measures/initiativesEnhancement of work-life balance	<ul style="list-style-type: none">Sharing indicators such as average overtime hours and the rate of consumed annual paid vacation days with partner companies, and recognizing those that have demonstrated outstanding resultsActive introduction and promotion of telework as a flexible working style
Increasing Efficiency of Contract Operations	<ul style="list-style-type: none">Increase in efficiency of contract procedures through use of Web-EDISharing of communication portal	<ul style="list-style-type: none">Elimination of the use of paper for outsourcing contract procedures through the use of SCSK's Web-EDI system (SE Link)^{*2} (99% use rate)Promotion of thorough regulatory compliance and important items through the communication of information to all partners using SE Link portal and two-way communication
Thoroughly Implementing Information Security and Compliance	<ul style="list-style-type: none">Strict observance of laws related to outsourcingEnhancement of information security	<ul style="list-style-type: none">Requirement of partner companies to comply with SCSK's Information Security Guidelines and activities such as field auditsBriefings for all partner companies to ensure and strengthen information security and compliance
Promoting Sustainability	<ul style="list-style-type: none">Sharing of the “SCSK Group Supply Chain Sustainability Promotion Guidelines”Explanation of the SCSK Group Human Rights Policy, activities to reduce greenhouse gas emissions, etc.	<ul style="list-style-type: none">Explanation of the “SCSK Group Supply Chain Sustainability Promotion Guidelines” at briefings for all partnersExplanation of not only policy on respecting human rights and human rights due diligence, but also SCSK Group greenhouse gas emission reduction targets and various measures to reduce emissions

^{*1} Web-EDI (Electronic Data Interchange): a system for increasing work efficiency by conducting business transactions between companies over the Internet
^{*2} SE Link is a registered trademark of SCSK Corporation.

Collaboration with Partners

Ensuring the stability of outsourcing transactions through collaboration and co-creation

The SCSK Group has been addressing the shortage of IT human resources that comes from the impending wave of falling birthrate and aging population by introducing advanced technology utilizing AI together with partner companies, and enhancing systems development and operation, and has thus secured a stable outsourcing transaction scale.

The Group has also secured excellent human resources through offshoring and has engaged in exchanges and sharing of development standards for conducting stable outsourcing transactions. Furthermore, it has engaged in personnel exchanges to reduce misunderstandings and problems caused by language barriers and differences in cultures, customs, and values, thus promoting respect for diversity and SDGs.

Partner companies
(Figures for partner companies in urban areas)

- Number of companies **Approx. 630**
- Employees **Approx. 13,000**

Growth rate of outsourcing costs

- Year-on-year **Approx. 8.2%**
- Average of the most recent five years **Approx. 9.0%**

Status of contractor satisfaction survey
(Targeting Prime Business Partner)

- Company-wide CS survey conducted by 800 employees
- Mutual evaluation for each project (120 cases per year)

Working style reforms and health and productivity management
(Average for Prime Business Partner)

- Rate of consumed annual paid vacation days **73% per year**
- Overtime hours **13.5 hours per month**

Work engagement with partner companies

The SCSK Group classifies its partner companies into “Urban Area Partners,” “Regional Partners,” “Offshoring,” and “Global Partners,” and builds equal and win-win relationships by sharing knowledge, insight, development skills, technical information, analytical capabilities, etc., so that each company can “maximize its characteristics and strengths.”

The Group also works together with excellent local partner companies and local public entities to promote employment in local industries and regional revitalization, thus deepening a sense of solidarity with local communities and further improving and deepening work engagement.



Partner conference

The SCSK Group designates strategic partner companies that help achieve higher quality and productivity and enable continuous and stable transactions as “Prime Business Partners.” We are working to deepen engagement and implement additional measures to improve quality and expand business.

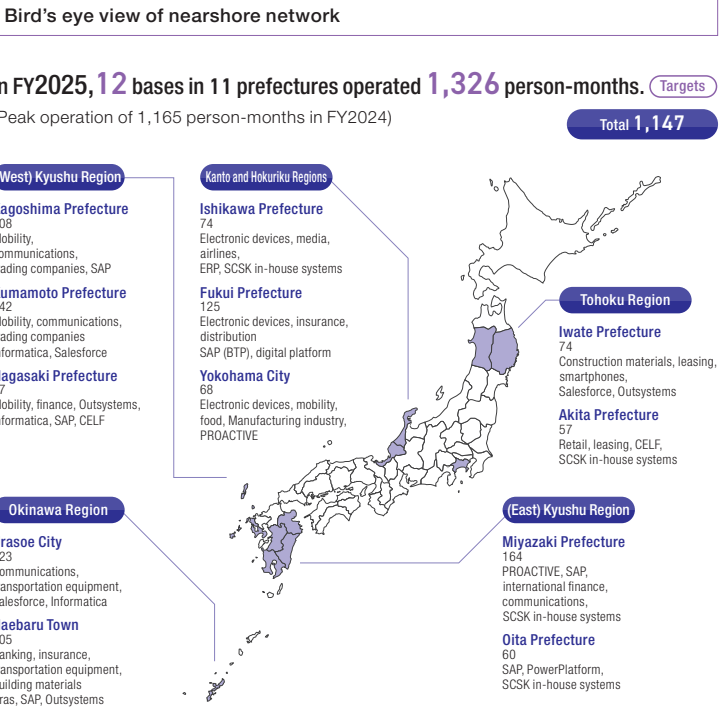
At our annual Partner Conference, we share business plans with participating companies and gain their understanding regarding the direction of business. (Held for 12 consecutive years)



Expansion of nearshore development centers and cooperation with local IT companies

The SCSK Group aims to promote work-life balance and further develop its business together with local communities by proactively participating in local issues from its 12 business bases across Japan and creating an environment that enables the growth and contribution of local communities and the realization of community-based lifestyles.

The Group also promotes the recruitment and upgrading of excellent IT human resources by proactively collaborating with local IT companies.



Securing stable resources through offshoring

SCSK promotes collaboration in the IT service business with overseas companies in Vietnam, China and other countries as offshore partners. We are working with some companies to launch offshore development centers, standardize systems development and operations, promote personnel exchanges, share intellectual property, and plan seamless resource strategies. We will overcome the shortage of IT human resources in Japan and provide stable IT services to our clients.



GOVERNANCE

Transparent Governance



Message from the Chairman of the Board **Masaki Nakajima** Chairman and Director, Chairman of the Board



As the SCSK Group, with the support of its stakeholders, has steadily expanded its business, increasing its social presence and influence, the topics needing to be discussed at our Board of Directors' meetings have grown increasingly sophisticated and diverse. As Chairman, I will focus my efforts on the following points.

1. Ensuring transparency and soundness: Through fair information disclosure, strict compliance with laws and regulations, and proactive dialogue with stakeholders including outside directors, shareholders, and investors, we will establish a transparent, sound governance system to secure their trust.
2. Fostering strategic discussions: We will cultivate an environment in which Board members engage in free-flowing, substantive, and constructive exchanges. We will achieve this by setting appropriate agendas that encompass medium- to long-term themes such as the SCSK Group's future vision, growth story, approach to human resources, and risk identification.

The fiscal year ending March, 31, 2026 marks the final year of the current Medium-Term Management Plan. Priorities for this period include further innovating our core businesses to drive future growth, creating new digital ventures, developing the next generation of leadership, and expanding our global footprint.

3. Strengthening collaboration with Outside Directors: Independent Outside Directors possess objective perspectives and extensive experience which are essential in enhancing management oversight functions. We will engage in constructive dialogue at an unprecedented level with Outside Directors to enhance management transparency and soundness. We will also cooperate with the Nomination and Remuneration Advisory Committee to appropriately consider management succession plans and Outside Director selection.

In today's rapidly changing business environment, where change is happening at an ever increasing rate, swift decision-making and execution that captures the essence from a more diverse range of perspectives has become paramount.

Under such circumstances, in 2024 we welcomed Net One Systems Co., Ltd. to the SCSK Group. Our aim is to become a company that leads the digital transformation of society. With an eye toward future business integration, as Chairman of the Board, I will dedicate myself fully to lead constructive discussions while stressing transparency, ensuring the SCSK Group can chart its course in a timely, precise manner and proceed steadily.

We extend our deepest gratitude to our shareholders and stakeholders for your continued understanding and support of SCSK Corporation's sustainable growth initiatives. I am Masaki Nakajima, and have been appointed Chairman of the Board of Directors.

I have been involved in a broad range of business activities on a global scale over the past four decades. Leveraging the diverse experience and insights cultivated throughout this journey, I am committed to contributing to the sustainable growth and enhanced corporate value of the SCSK Group.

The SCSK Group makes this pledge to everyone: guided by our corporate philosophy of "Create Our Future of Dreams," we promise to value people, use proven technology to provide the highest level of service, and continue our growth while looking toward the world and the future.

Meanwhile, uncertainty is gradually pervading the business environment surrounding the SCSK Group, driven by the accelerating pace of digitalization and changes in the global political situation accompanied by historic paradigm shifts. Amidst such circumstances, our Board of Directors must appropriately exercise its management oversight function, deepen strategic discussions while looking ahead, and serve as a compass providing guidance for the SCSK Group's sustainable growth.

Message from the Chair **Tetsuya Kubo** Independent Outside Director Chair of Nomination and Remuneration Advisory Committee



The Nomination and Remuneration Advisory Committee plays a role in advising the Board of Directors on the appointment and remuneration of directors and other key matters, thereby boosting the effectiveness of SCSK's corporate governance. Given that SCSK is a company where the parent and subsidiaries are listed, it is crucial that we ensure fair governance that also considers minority shareholders.

In the fiscal year ended March 31, 2025, deliberations focused on matters such as appointing personnel to lead this transformative period with consideration for gender and skill diversity, examining a cohesive remuneration system aligned with roles and corporate growth, and cultivating successors for management personnel. Regarding directors in particular, we have worked diligently to build a stronger structure to drive reform. This effort involved discussions on establishing a management structure that enabled us to leverage the strengths of both companies, while looking toward the business integration with Net One Systems Co., Ltd. We believe that successfully completing the business integration with Net One Systems Co., Ltd.—which represents the single largest investment project since SCSK was founded—as soon as possible is mandatory if we are to continue growing and developing.

We will continue to strive to share our vision and growth with our workforce to boost employee engagement. We will also explore further concrete measures related to the executive structure and remuneration system aligned with the Medium-Term Management Plan which is entering a new stage, as well as the process for selecting the next president, the Committee's most important mission.

Members: (Names of committee members and attendance status for the fiscal year ended March 31, 2025)	Tetsuya Kubo	Chair (Independent Outside Director)	8/8	Hidetaka Matsuishi	Member (Independent Outside Director)	8/8
	Sadayo Hirata	Member (Independent Outside Director)	8/8	Yumiko Waseda	Member (Independent Outside Director)	8/8
	Shoei Yamana	Member (Independent Outside Director)	6/6	Hideki Yamano	Member (Internal Director)	8/8
	Yasuo Miki	Member (Independent Outside Director)	8/8	Takaaki Touma	Member (Internal Director)	8/8

Message from the Chair **Yumiko Waseda** Independent Outside Director (Audit and Supervisory Committee Member) Chair of Conflict of Interest Advisory Committee



All six Independent Outside Directors are members of the Conflict of Interest Advisory Committee, accompanied by independent outside experts (attorneys). Its roles are: 1) to deliberate in advance on matters that require Board approval under Japan's Companies Act, such as transactions between SCSK and its directors that may involve a conflict of interest, and 2) to deliberate as necessary on matters on which it consults with the Board of Directors and other bodies to ensure fairness, including transactions between SCSK and related parties, and submits its findings to the Board of Directors.

This fiscal year, we have deliberated on the allotment of shares with transfer restrictions to directors and transactions with related parties.

The fairness of the business relationship with parent company Sumitomo Corporation in particular must be verified and guaranteed from the viewpoint of protecting minority shareholders. This is the single most important role of the Conflict of Interest Advisory Committee. This is based on Supplementary Principle 4-8 [3] of Japan's Corporate Governance Code. Given this, we regularly request information on the nature of transactions with the Company and profit margins, and confirm that the terms and conditions are equivalent to those of ordinary business partners with which the Company has no capital relationship.

We will continue to ensure fairness in transactions involving conflicts of interest and work to clearly disclose Conflict of Interest Advisory Committee activities to our stakeholders.

Members: (Names of committee members and attendance status for the fiscal year ended March 31, 2025)	Yumiko Waseda	Chair (Independent Outside Director)	2/2	Yasuo Miki	Member (Independent Outside Director)	2/2
	Tetsuya Kubo	Member (Independent Outside Director)	2/2	Hidetaka Matsuishi	Member (Independent Outside Director)	2/2
	Sadayo Hirata	Member (Independent Outside Director)	2/2	Junichi Tobimatsu	Member (Independent outside expert/attorney)	2/2
	Shoei Yamana	Member (Independent Outside Director)	1/1			

Appointment and Dismissal of Directors and Procedures

When appointing and dismissing Directors (excluding those who are Audit and Supervisory Committee Members), the Nomination and Remuneration Advisory Committee is consulted, and the matter is tabled at the General Meeting of Shareholders after being resolved by the Board of Directors taking into consideration the opinion of the Audit and Supervisory Committee. In addition, for candidates for Directors who are Audit and Supervisory Committee Members, the approval of the Audit and Supervisory Committee is obtained, and then they are appointed or dismissed through the same process.

As for the composition and number of Board of Directors members, decisions are made taking into consideration the skills that should be possessed by the SCSK’s Board of Directors and the balance and diversity of skills possessed by each Director.

To maintain and improve Directors’ supervision of execution of duties, Independent Outside Director about whom there are no concerns of conflict of interest with general shareholders will continue to be selected. Outside Directors who possess management judgement based on a wide range of business activities attend Board of Directors meetings and provide advice to maximize corporate value.

Selection criteria	
Directors (excluding Directors who are Audit and Supervisory Committee Members) <ul style="list-style-type: none">● Possess knowledge, experience, and track record required of SCSK Directors● Can constructively participate in deliberations at Board of Directors meetings● Possess outstanding management skills and insight into thoroughly adhering to laws, regulations, and corporate ethics● For Directors who also serve as executive officers, possess extensive knowledge in responsible fields	Directors who are Audit and Supervisory Committee Members <ul style="list-style-type: none">● Possess specialized insight and experience as Director who is an Audit and Supervisory Committee Member and can conduct audits from an objective perspective Outside Director <ul style="list-style-type: none">● In addition to the above, possess specialized and broad insights into corporate management and various fields

Reasons for Elections of Outside Directors and Summary of Their Expected Roles

Outside Director		Reasons for Elections and Summary of Their Expected Roles
Tetsuya Kubo (Chair of the Nomination and Remuneration Advisory Committee)	Independent Director	We have selected Mr. Tetsuya Kubo based on his robust experience and wide-ranging knowledge as a corporate manager at major financial institutions. He possesses robust experience and in-depth knowledge pertaining to corporate management, finance and accounting, organization and human resources, and global matters. We believe that he will help to maintain and enhance the functions that supervise the execution of the Company's operations and offer useful advice on all areas of management.
Sadayo Hirata	Independent Director	We have selected Ms. Sadayo Hirata based on her robust experience and wide-ranging knowledge as an engineer, academic researcher, and member of government agencies. She possesses robust experience and in-depth knowledge pertaining to technology, and organization and human resources, as well as environmental, social, and human rights matters. We believe that she will help to maintain and enhance the functions that supervise the execution of the Company's operations and offer useful advice on all areas of management.
Shoei Yamana	Independent Director	We have selected Mr. Shoei Yamana based on his robust experience and wide-ranging knowledge as a corporate manager at major precision equipment companies and as an outside director at listed companies. He possesses robust experience and in-depth knowledge pertaining to corporate management, marketing, and global affairs, as well as environmental, social, and human rights matters. We believe that he will help to maintain and enhance the functions that supervise the execution of the Company's operations and offer useful advice on all areas of management.
Yasuo Miki	Audit and Supervisory Committee Member Independent Director	We have selected Mr. Yasuo Miki based on his robust experience and wide-ranging knowledge as a corporate manager at IT companies and as an outside director at listed companies. He possesses robust experience and in-depth knowledge pertaining to corporate management and technology. We believe that he will help to maintain and enhance the functions that supervise the execution of the Company's operations and offer useful advice on all areas of management.
Hidetaka Matsuishi	Audit and Supervisory Committee Member Independent Director	We have selected Mr. Hidetaka Matsuishi based on his robust experience and wide-ranging knowledge as a corporate manager at a major electric instruments company and an outside director at listed companies. He possesses robust experience and in-depth knowledge pertaining to corporate management, finance and accounting, organization and human resources, and marketing. We believe that he will help to maintain and enhance the functions that supervise the execution of the Company's operations and offer useful advice on all areas of management.
Yumiko Waseda (Chair of the Conflict of Interest Advisory Committee)	Audit and Supervisory Committee Member Independent Director	We have selected Ms. Yumiko Waseda based on her robust experience and wide-ranging knowledge as an attorney, an outside auditor at listed companies, and a member of government agencies. She possesses robust experience and in-depth knowledge pertaining to environmental, social and human rights matters, as well as legal and risk management. We believe that she will help to maintain and enhance the functions that supervise the execution of the Company's operations and offer useful advice on all areas of management.

Stimulating Deliberation at the Board of Directors Meetings

We strive to ensure that discussions at the Board of Directors meetings are lively and substantive by enhancing the materials for the meetings, providing advance explanations to Outside Directors, providing information about SCSK’s businesses, and offering opportunities for the exchange of opinions and site visits. As a result of these initiatives, the evaluation of the effectiveness of the Board of Directors has recognized that open and constructive discussions are being conducted.

Additionally, the secretariat determines the annual schedule and deliberation matters of the Board of Directors after providing prior explanations at the Board meetings, continuously reviews agenda standards, and carefully selects matters requiring resolution of the Board of Directors. In this manner, sufficient time is secured for deliberations on truly material matters.

Key matters deliberated by the Board of Directors (April 2024–March 2025)

	2024										2025			Main discussion items	
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.			
Board of Directors	○	○	○	○	Not held	○	○	○	○	○	○	○			
Corporate governance	○	○	○	○					○			○	<div>● Company-wide risk management status</div> <div>● Evaluating the effectiveness of the Board of Directors</div> <div>● Report on compliance</div> <div>● Report on strategically-held shares</div> <div>● IR activities report</div>		
Sustainability				○		○			○			○	<div>● Human resource initiatives for strengthening the management foundation under the Medium-Term Management Plan (Well-Being, D & I, treatment and compensation, business strategy and human resources portfolio)</div> <div>● Sustainability management status</div> <div>● Status of initiatives related to human resources strategy</div>		
Operational execution status	○	○	○	○		○	○	○	○	○	○	○	<div>● Progress of the Medium-Term Management Plan</div> <div>● Business report by business group</div> <div>● Open innovation and investment activities</div> <div>● Status of technology strategy initiatives</div> <div>● Business report by major subsidiaries</div> <div>● Performance report</div>		

Evaluating the effectiveness of the Board of Directors

Every year, SCSK carries out self-evaluation and analysis concerning the effectiveness of the Board of Directors since FY2016 in order to improve the functions of the Board of Directors and enhance corporate value as a result.

Looking ahead, taking into account the results of this evaluation, SCSK’s Board of Directors will swiftly address the issues identified based on a thorough review and will continue to promote measures for enhancing the functions of the Board of Directors.

Evaluation method

As for the FY2024 self-evaluation and analysis, we conducted a questionnaire survey in February 2025 of all Directors who were Board of Directors Members, receiving advice from an outside organization.

Anonymity was ensured by having Directors submit completed questionnaires to the outside organization. After receiving a report on the results from the outside organization, an analysis, discussion, and evaluation were conducted at the Board of Directors meeting held in May 2025.

Evaluation/Analysis Process



Main Questionnaire Items	Summary of FY2024 Evaluation Results	Issues and Future Initiatives
<ul style="list-style-type: none">● Items related to composition of the Board of Directors● Items related to operations of the Board of Directors● Items related to discussions by the Board of Directors● Items related to Board of Directors' monitoring function● Items related to support system for Directors (including Audit and Supervisory Committee Members), etc.	<ul style="list-style-type: none">● The following items received positive evaluations, indicating that in general the Board of Directors functions effectively:<ul style="list-style-type: none">– Appropriate management of conflicts of interest– Free, open-minded, and constructive discussion and exchange of views– Overall operation, including content of advance explanations and timing of meetings– Providing continuous training and other development opportunities for Directors	<ul style="list-style-type: none">● Recognized that the following issues should continue to be addressed:<ol style="list-style-type: none">1) Discussions for formulating management plans with greater awareness of capital efficiency2) Periodic review of the business portfolio● To address the above issues, efforts are being made to improve the situation, including through the provision of opportunities for discussions outside the Board of Directors, business briefings by business groups and major subsidiaries, and discussions on the Medium-Term Management Plan.● In addition, to address these issues, the Board of Directors’ agenda is set based on the opinions expressed at the meetings, and further enhancements are being made to the content of the materials provided to the Board.

Support and Training System for Directors

Outside Director support system

Information such as materials and discussion summaries from management meetings, as well as analyst reports, is shared with Outside Directors in a timely manner. In addition, materials for Board of Directors’ agenda items are sent in advance, and opportunities are provided for prior explanations and Q&A sessions by the relevant departments to support effective deliberations at Board meetings.

For Outside Directors who are Audit and Supervisory Committee Members, support is provided through the Audit & Supervisory Committee Office, including the collection and provision of internal information and assistance with various investigations, to facilitate the smooth execution of audit-related duties.

Providing training opportunities for Directors

Both when and after taking up their position, Directors are provided with continuous opportunities—such as seminars, business briefings by each business group, and site visits—to acquire the knowledge necessary for fulfilling their roles and responsibilities in SCSK Group corporate management.

In FY2025, seminars were held on a variety of topics, including DE&I, IT industry trends, and corporate governance, based on the increasingly important roles expected of Outside Directors. In addition, specifically to deepen Outside Directors’ understanding of the businesses, business briefings were conducted by each business group and major subsidiaries. A site visit was also organized to SCSK HOKKAIDO CORPORATION, a Group subsidiary, including an observation

of smart agriculture initiatives undertaken by its business partner, Hokuren Federation of Agricultural Cooperatives.



Observation of smart agriculture initiatives (September 2024)

Remuneration for Directors

Basic policy on remuneration for Directors and procedures for deciding amount of remuneration

SCSK pays out annual remuneration to Directors including performance-linked compensation, within the maximum amount as determined at the Ordinary General Meeting of Shareholders.

Policies and procedures for determining the content of remuneration, etc. for Directors, calculation methods, and levels of remuneration for Directors are deliberated by the Nomination and Remuneration Advisory Committee, the

majority of members of which are Independent Outside Directors, and resolved by the Board of Directors.

Remuneration for Directors who are Audit and Supervisory Committee Members is determined through discussion among Directors who are Audit and Supervisory Committee Members pursuant to the provisions of Article 361, Paragraph 3 of the Companies Act.

Remuneration for Directors in FY2024

Category	Total remuneration (millions of yen)	Remuneration by type (millions of yen)			Number of people
		Fixed compensation (cash)	Short-term performance-linked compensation (cash)	Medium- to long-term performance-linked compensation (stock-based)	
Directors (excluding Directors who are Audit and Supervisory Committee Members)	313	181	58	74	9
(of whom, Independent Outside Director)	(31)	(31)	(—)	(—)	(3)
Directors who are Audit and Supervisory Committee Members	66	66	0	—	6
(of whom, Independent Outside Director)	(43)	(43)	(—)	(—)	(5)

Basic policies on remuneration for Executive Directors

Remuneration for Executive Directors is positioned as an important matter of corporate governance, and is determined in accordance with the following policies.

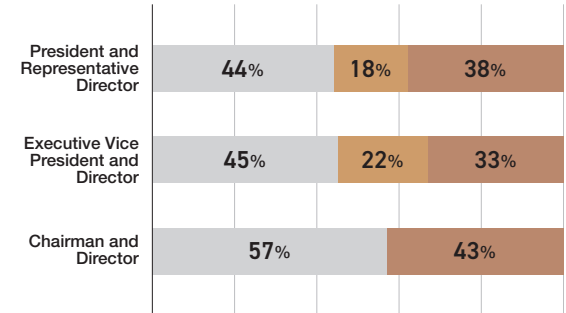
- Establish a remuneration system that is aligned to realize the corporate philosophy, “Create Our Future of Dreams” and promote sustainability management that contributes to solving social issues.
- Encourage sustainable growth in corporate value and share profits and risks with shareholders.
- Promote the achievement of medium- and long-term management plans and short-term goals set for such plans.
- Offer competitive remuneration levels to retain talented individuals who will drive sustainable growth.
- Periodically review remuneration levels and composition ratios as appropriate, taking into account the size of the company and benchmarks.
- Ensure that the process for determining remuneration is objective, transparent, and fair to maintain accountability to shareholders, employees, and all other stakeholders.

Types, summary, and composition of Director remuneration

Composition of compensation

Note: In cases where short-term performance-linked compensation is paid in the standard amount

- Fixed compensation (cash)
- (1) Short-term performance-linked compensation (cash)
- (2) Medium- to long-term performance-linked compensation (stock-based)



Policy and indicators for performance-linked compensation

(1) Short-term performance-linked compensation (cash compensation)

Short-term performance-linked compensation is calculated by adjusting the standard amount set for each Director position based on the Company and personal performances for the fiscal year and is paid after the fiscal year ends.

The ratio of the Company performance portion and the personal performance portion is 100% and 0% for the President and Representative Director, and 60% and 40% for the Executive Vice President and Director.

Ratio of the Company performance portion and the personal performance portion

Director position	Company performance portion	Personal performance portion
President and Representative Director	100%	—
Executive Vice President and Director	60%	40%

Company performance portion

The Company performance portion is calculated by multiplying the standard amount by two coefficients—one is based on the compound annual growth rates (CAGR)*1 of net sales and operating profit over the Medium-Term Management Plan period while the other is based on the rates of achievement of the net sales and operating profit targets for the fiscal year*1—with the aim of incentivizing the Directors to strive to achieve the Company’s sustainable growth and its performance plan. The Company performance coefficients are designed so that they can cause the standard amount to decrease by up to 75% or increase by up to 80%.

Standard amount × Coefficient based on the CAGRs*1 over the Medium-Term Management Plan period × Coefficient based on the achievement rate of the performance plan for the fiscal year*1

*1 When obtaining each of the CAGRs and the achievement rate of the fiscal year plan, net sales and operating profit are factored in at a ratio of 30:70

Personal performance portion

The personal performance portion is calculated by multiplying the standard amount by the coefficient that reflects the evaluation of each person’s accomplishments*2 in environmental, social, governance, and other areas, with the aim of enhancing the effectiveness of the managerial foundation reinforcement measures underlying the Medium-Term Management Plan’s core strategies. The personal performance coefficient is designed so that it can cause the standard amount to decrease by up to 100% or increase by up to 50%.

Standard amount × Coefficient based on personal evaluation*2

*2 Personal evaluation items
· Selection of and focus on high-potential business domains
· Promotion of Value-Driven Management (sharing of philosophy and vision with employees)
· Environmental, social, and governance initiatives

(2) Medium- to long-term performance-linked compensation (stock-based compensation)

Each year, SCSK grants the Directors (excluding Outside Directors, part-time Directors, and Directors who are Audit and Supervisory Committee Members) its common stock as restricted shares after the Ordinary General Meeting of Shareholders, with the aim of incentivizing them to embody the sustained improvement in corporate value depicted in Grand Design 2030 and promoting greater sharing of value with all

shareholders. The restricted transfer period is, in principle, from the day the restricted shares are granted until the day the person resigns from directorship of SCSK, in order to facilitate the sharing of value with shareholders over the medium to long term.

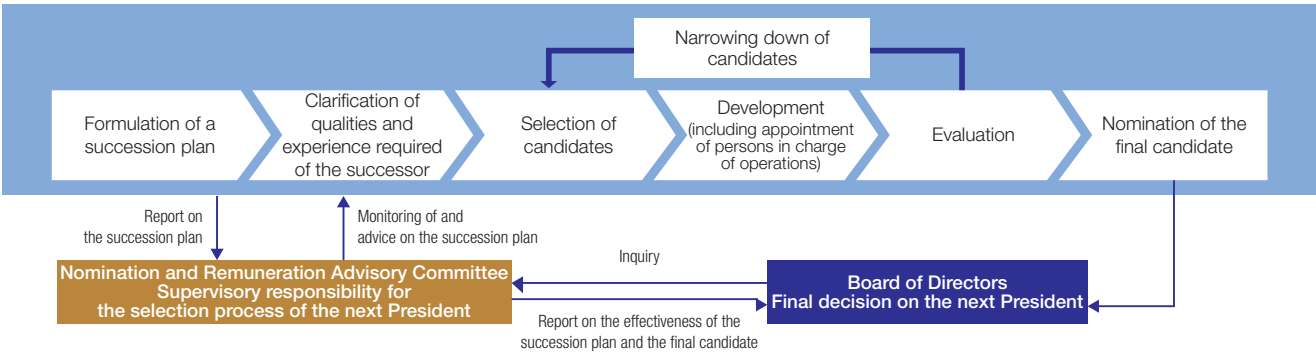
Both Senior Executive Officers and Senior Corporate Officers are also granted restricted shares.

Succession Plan

Succession plan for the President

SCSK has formulated and implemented a succession plan for the President, with the aim of continuously securing corporate managers who will contribute to medium- to long-term growth and improvement of corporate value. In the succession plan, the requirements for successor candidates and the process for selecting them are defined. The selection process emphasizes transparency and fairness, and the Nomination and Remuneration Advisory Committee, the majority of which are Independent

Outside Directors, supervises the selection of the final candidate from an objective standpoint. Specifically, the Committee examines the process of selecting successor candidates and provides advice after monitoring whether or not the succession plan, including the development and evaluation of the selected candidates, is effectively executed. The final candidate is selected by resolution of the Board of Directors upon consultation with the Nomination and Remuneration Advisory Committee.



Significance of Parent-and-Subsidiary Listing and Policy to Protect Minority Shareholders

Significance of parent-and-subsubsidiary listing

- We will work closely with our parent company, Sumitomo Corporation, to support and enhance the execution of its global business by building and operating its IT platform, and to create global businesses in areas such as digital transformation (DX) and open innovation. We will thus be able to acquire new business opportunities and business partners, to share business strategies with Sumitomo Corporation, and to leverage each other's strengths, which will in turn enhance each other's corporate value.
- There are several advantages for SCSK to be a listed company. These include the establishment of a solid financial base with the increased ability to raise funds, the enhanced credibility through the establishment and operation of a governance structure with transparency in corporate management and an internal control system, the enhanced corporate name recognition and brand power in recruiting personnel, the enhanced credibility with its clients, the enhanced reliability of its services, and the improved motivation of its officers and employees.

Policy on the Protection of Minority Shareholders

- At SCSK, Independent Outside Directors constitute the majority of the Board of Directors. In addition, to ensure fairness and transparency while appropriately considering the shared interests of the Company and its shareholders, two advisory committees have been established under the Board: the Conflict of Interest Advisory Committee, composed solely of Independent Directors and external experts, and the Nomination and Remuneration Advisory Committee, in which six of the eight members are Independent Directors.
- (1) The Conflict of Interest Advisory Committee deliberates on transactions with the parent company that are deemed significant to ensure that minority shareholders are not disadvantaged, and submits its recommendations to the Board of Directors.
- (2) The Nomination and Remuneration Advisory Committee deliberates on matters such as the criteria and process for selecting Directors, Senior Executive Officers, and Senior Corporate Officers; the appointment and dismissal of these officers; and the remuneration for Directors, Senior Executive Officers, and Senior Corporate Officers. The Committee submits its recommendations to the Board of Directors. For details of each committee, please refer to [P94](#). In addition, with respect to the exercise of voting rights by the parent company regarding the appointment and dismissal of Independent Directors of the Company, it has been confirmed that such decisions are made based on the reasons for the proposal of candidates nominated by the Company. Furthermore, on the premise that the independence of the Company's decision-making is ensured, the Company consults or reports to the parent company in advance regarding important business executions that may have a significant impact on the corporate value of the parent company group.

Policy on Strategically-Held Shares

SCSK owns the shares of business partners determined to contribute to the promotion of its core business strategies and to its sustainable growth and enhanced corporate value, weighing the balance between return on investment of those shares and the company's cost of capital. Following this policy, SCSK sells shares that it deems to have partly or completely lost their significance or reasonableness.

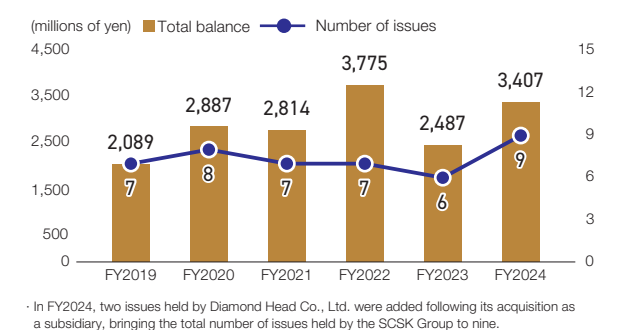
SCSK also annually examines the significance and reasonableness of holding investment shares and the desirability of continuing to hold them by comprehensively considering quantitative information such as the profit obtained from transactions with the companies that it has invested in, the amount of annual dividends received, and gains or losses on valuation of stock, as well as qualitative information such as the status of achievement of investment objectives (e.g., maintaining and strengthening relationships with the invested companies).

After the results of this review are compiled, they are reported annually to the Board of Directors along with the significance of the investment shares, the book value recorded on the balance sheet, the gains or losses on valuation, the performance and business plan of the business partners over the past three years, and the decision about whether to continue to hold the shares.

Those shares determined to lack significance and validity to continue to hold them after the review will be sold while considering the impacts on our business and markets.

In FY2024, SCSK sold one issue and acquired two new issues. As a result, the number of issues held by SCSK as of March 31, 2025 was seven issues, amounting to ¥2,780 million. In addition, due to the acquisition of Diamond Head Co., Ltd. as a subsidiary, two issues held by the company were added, bringing the total number of issues held by the SCSK Group to nine, amounting to ¥3,407 million.

Strategically-held shares and number of remaining issues held



Internal Control

We have established the "Basic Policy for Building the Internal Control System" aimed at achieving the "effectiveness and efficiency of operations," "reliability of reporting," "compliance with laws and regulations related to business activities," and "safeguarding of assets" within the SCSK Group. The "Basic Policy for Building the Internal Control System" defines the basic policies and necessary measures regarding the system to ensure that the execution of duties by the directors of SCSK complies with laws and regulations, as well as the Articles of Incorporation and the system to ensure the appropriateness of business operations of the SCSK Group. We check the current internal control system and conduct constant reviews, thus building an effective internal control system that meets the needs of the times.

SCSK acquired Net One Systems Co., Ltd. as a subsidiary in December 2024. Net One Systems has a unique internal control framework. The framework includes a Three Lines Model with an additional "1.5th line" functioning as a control tower for internal controls, and is designed to continuously improve a sound corporate culture and organizational climate. Furthermore, the Governance and Corporate Culture Advisory Committee conducts company-wide and ongoing evaluations and improvements of the effectiveness of the internal control system.

Basic Policy for Building the Internal Control System
https://www.scsk.jp/internal_control.html (in Japanese only)



Enhancing Information Disclosure

Basic policy

Information disclosure represents an important responsibility of management from the standpoint of ensuring the transparency and fairness of the company's decision-making. We strive to carry out information disclosure in an appropriate and timely manner in order to help deepen understanding among various stakeholders, including shareholders and other investors, about decision-making by the SCSK Group's management and its business activities.

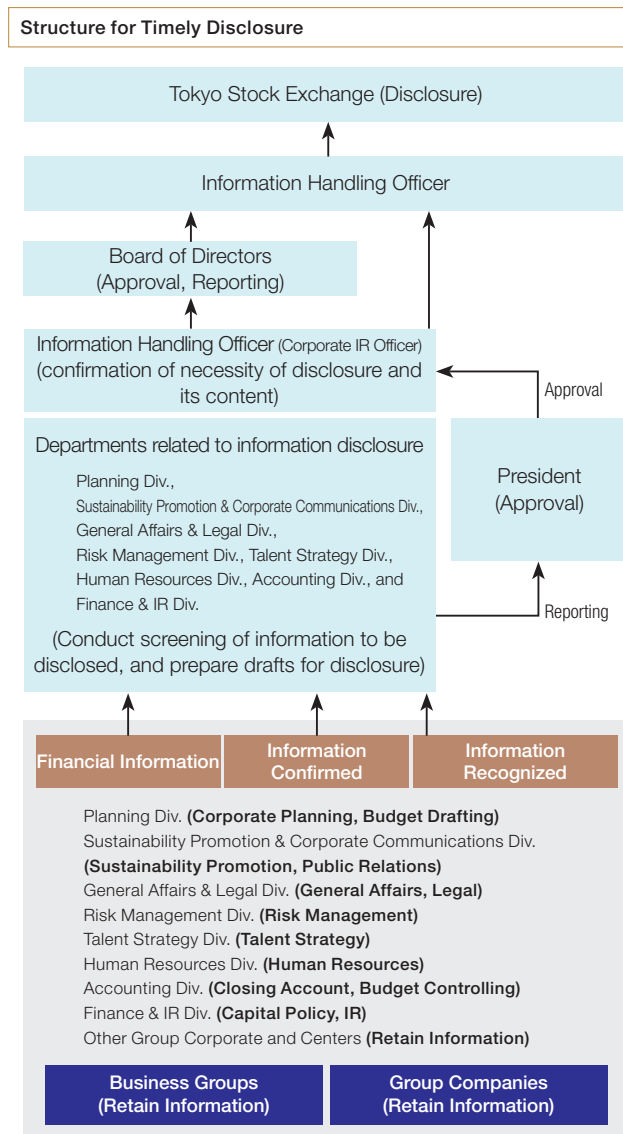
The Group's basic policy on information disclosures is to disclose information in a proactive manner. In addition to disclosures on operating results and financial information pursuant to laws and regulations, non-financial information (including ESG elements concerning governance along with social and environmental issues) deemed material by SCSK is also communicated using various means, including the corporate website and the SCSK Report.

 P124/Communication with Investors

Structure for timely disclosure

The SCSK Group recognizes that a high level of management transparency is an important component of corporate governance. Also, as a measure to ensure this transparency, it has established the following system for the disclosure of corporate information. Through this system, we work to disclose information in a timely, appropriate, and fair manner.

1. The Planning Div., Sustainability Promotion & Corporate Communications Div., General Affairs & Legal Div., Risk Management Div., Talent Strategy Div., Human Resources Div., Accounting Div., and Finance & IR Div. properly gather information that is subject to disclosure, screen what is to be disclosed, and prepare drafts for disclosure.
2. Upon receiving authorization from the President, the information handling officers—the person responsible for supervising the management and disclosure of information—confirm the content and determine whether disclosure is required.
3. The information handling officers appropriately disclose corporate information after receiving approval from the Board of Directors when necessary.



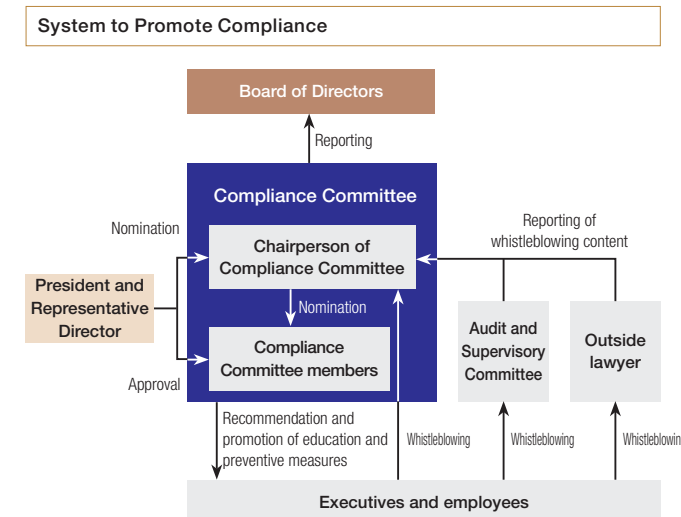
Compliance System

Basic approach

SCSK views compliance as observing laws and regulations, and acting with a high sense of ethics within the norms of society. Based on its corporate philosophy and Code of Conduct, SCSK considers acting sincerely and appropriately as members of society and corporate citizens to be the most important principle for Director and employee conduct. Each individual Director and employee is responsible for his/her own actions based on the concept of compliance, and strives to produce results that fulfill the social responsibility of the entire company as an organization.

Structure and system

Following our basic approach to compliance, we have established Compliance Rules and compiled a Compliance Manual as well as built an organizational structure for compliance. We have set up a Compliance Committee to follow through with our commitment to compliance. This committee determines and revises company-wide policies on compliance, maintains and manages the compliance system, coordinates with relevant departments, monitors implementation status, and shares information.



Whistleblower system

We have established a whistleblower system (or “speak up” system) for quickly resolving compliance violations and preventing such violations from occurring by enabling employees of the SCSK Group and partner companies to report and consult on problems.

Contact points and whistleblowing methods

The SCSK Group has the following three contact points. Whistleblowers may report a problem to any of them by email or other methods.

- (1) Chairperson of Compliance Committee
- (2) Audit and Supervisory Committee
- (3) Outside lawyer (reports may be anonymous)

Regardless of the point of contact, the privacy of whistleblowers and other related parties is strictly protected along with the confidentiality of reported matters. Guarantees are in place to ensure the whistleblowers are not subjected to unfair treatment.

Investigation of matters

All reports and consultations are handled promptly by the contact points, and an investigation is conducted based on policies established by the Chairperson of the Compliance Committee.

The results of investigations are promptly informed to the whistleblower. The results of investigations and details of corrective measures are also reported to the Board of Directors, the Audit and Supervisory Committee, the Compliance Committee, and similar entities.

Disclosure of results

In FY2024, 14 speak-up cases were received by the SCSK Group as a whole. Under the leadership and supervision of the Chairperson of the Compliance Committee, each case was investigated in cooperation with the relevant departments and, based thereon, corrective and other appropriate measures were taken.

The hotline, which has been permanently established, aside from the whistleblower system, responded to 261 consultations.

Fair transactions

The SCSK Compliance Manual clearly stipulates that the SCSK Group must ensure fair transactions as specific rules about compliance. Its standards include a Code of Business Activities, which sets forth requirements for compliance with the Anti-Monopoly Act and prohibition of unfair competition. These standards support the development of commercial relationships based on trust with our suppliers through fair and free competition. The manual also outlines corporate ethics required for fair operating practices in its Code for Employees as Members of Society, setting rules on anti-bribery, political donations, and the handling of antisocial forces.

Education and training

It is essential for each employee to be able to make correct decisions and actions in compliance with the law, regardless of whether relating to business or not. Toward that end, we provide information on compliance as well as various forms of compliance training, including group training for new employees and newly appointed managers, e-learning, and compliance meetings (group discussions on compliance). In regard to important applicable laws and regulations, we post our Compliance Manual and other information pertaining to those laws and regulations on each company's intranet portal site to foster greater awareness of compliance.

FY2024 training results

Percent of employees who took compliance e-learning course

100%

Initiatives to Upgrade Information Security

Management frameworks for information security

SCSK considers information security to be one of management's top priorities. We have established the Chief Information Security Officer as the person in charge of building the information security structure and information security management system as well as the process for continual improvement.

In addition to the above, the Information Security Management Dept. has been established as an organization to aid the Chief Information Security Officer and manage and promote information security at CSMK.

The Information Security Management Dept., which is under the Chief Information Security Officer, takes the lead in increasing mutual collaboration among information security related departments and implementing information security measures across the entire company in unison with business groups.

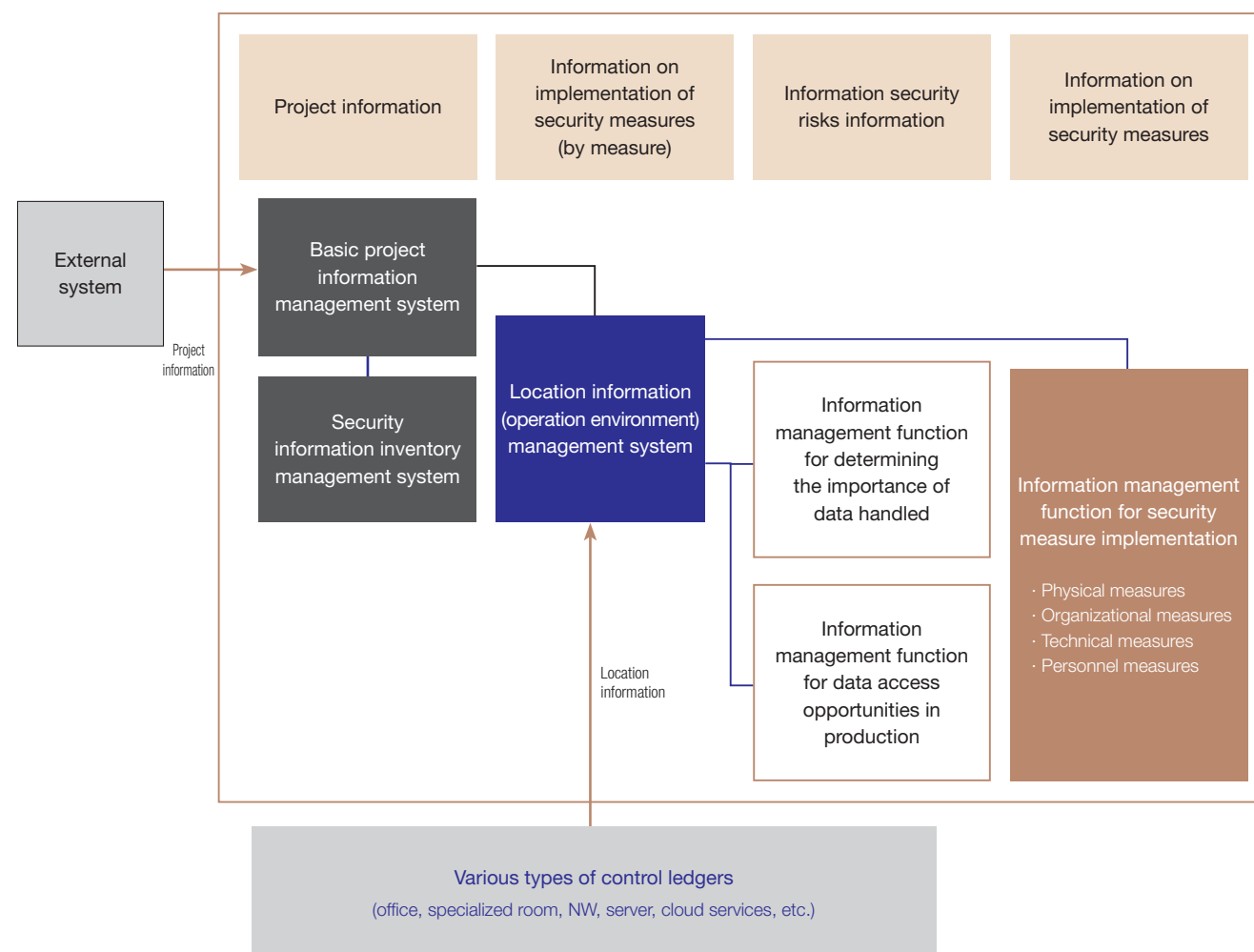
Initiatives to strengthen information security

At CSCS, we have incorporated information security standards into SmartEpisode Plus (SE⁺), our standards for executing operations such as developing and operating systems. To protect information assets that are the important assets of clients, we are also making information handled and risks visible, building a system to evaluate and improve security measures (S-SIMS⁺), and continuing to undertake surveys and improvement activities covering 220 items and targeting all projects being undertaken, regardless of monetary amount or size.

As an IT business operator entrusted with the important information assets of clients, we will continue to improve engagement awareness and professional ethics through training for all employees.

Summary of the SCSK Security Information Management System (S-SIMS)

This is a system for obtaining an integrated understanding of and making visible the information security risks and state of security measures for each project and running through the PDCA cycle for appropriate information management by collaborating with worksites and organization line levels.



Response to Cyber Security Incidents

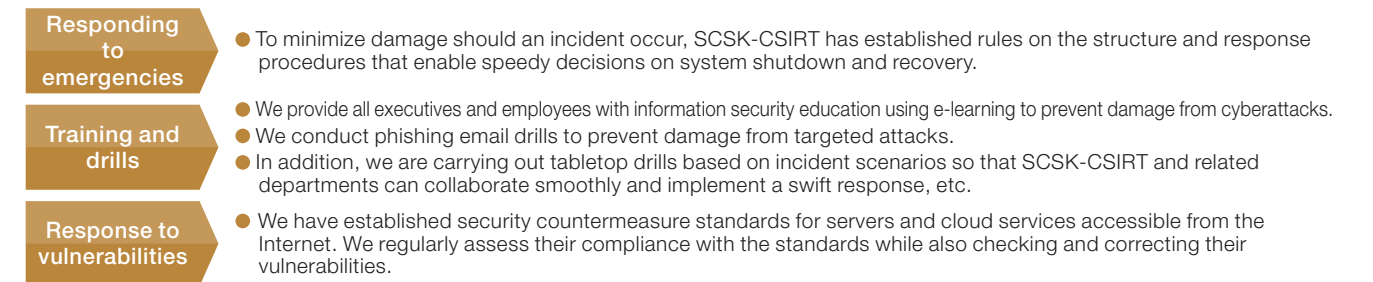
SCSK-CSIRT*2 system

We have organized SCSK-CSIRT to ensure a prompt response and minimize damage should a computer security incident occur.

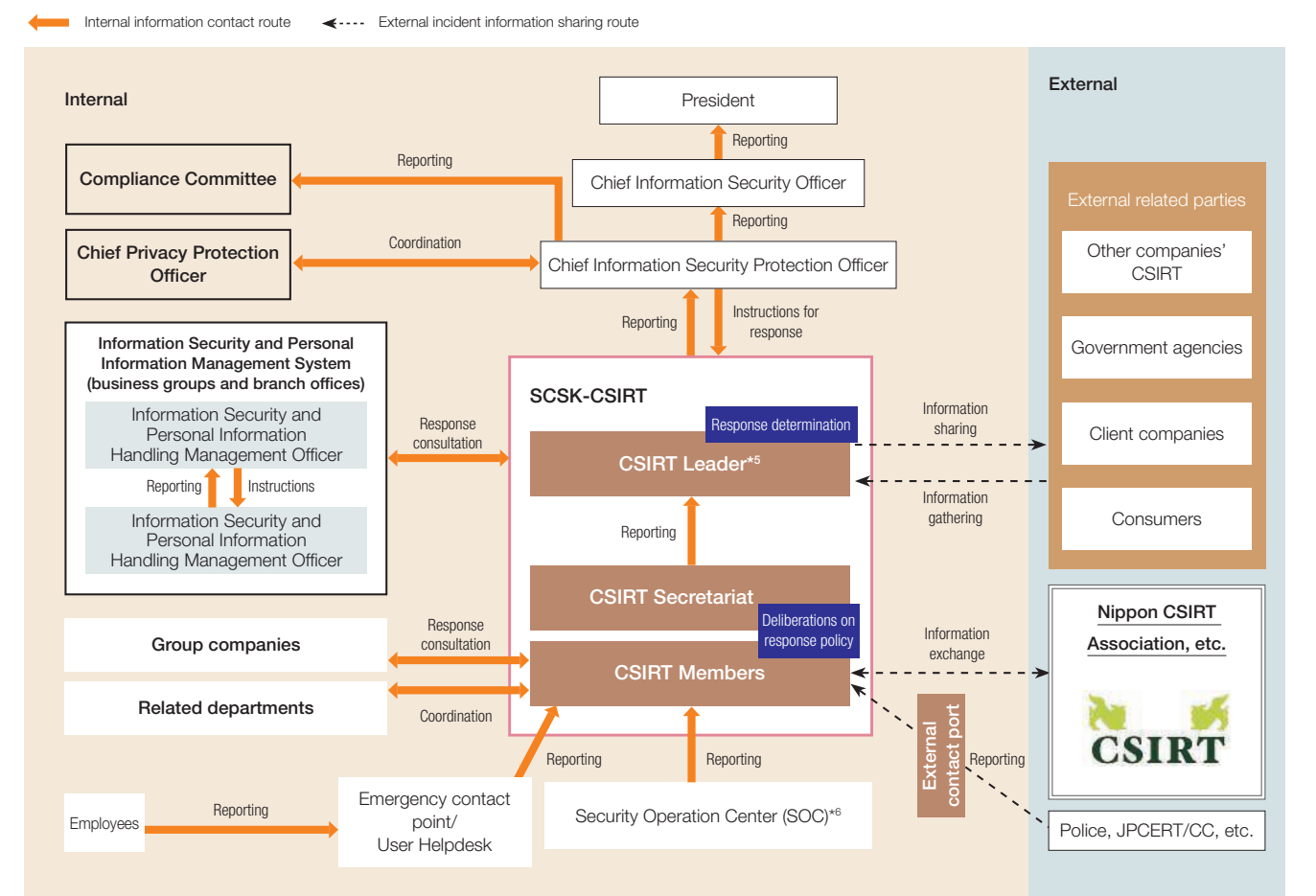
Aimed at appropriate incident response, departments in charge of internal information systems and departments responsible for cybersecurity work together to analyze

incidents and discuss response policy and methods. They also work alongside external organizations, such as JPCERT/CC^{*3} and NISC.^{*4}

By obtaining an accurate understanding of the situation through a prompt discussion with the relevant departments on compliance, legal matters, business impacts, and so forth, CSCI-CSIRT makes a speedy decision on a response based on the degree of impacts.



SCSK-CSIRT System Diagram



*1 S-SIMS: SCSK Security Information Management System

*2 SCSK-CSIRT (Computer Security Incident Response Team): A permanent organization that carries out activities in response to computer security incidents

*3 JPCERT/CC (Japan Computer Emergency Response Team Coordination Center)

*4 NISC (National center of Incident readiness and Strategy for Cybersecurity)

*5 The general manager of the department responsible for information security or center director serves as the leader. The current CSIRT Leader is the General Manager of the Corporate Information Systems Div. (as of April 2025).

*6 SCSK has built a CSIRT system to handle cybersecurity incidents, and constantly cooperates with the Security Operation Center (SOC), which is responsible for monitoring networks and devices, including SCSK in-house network.

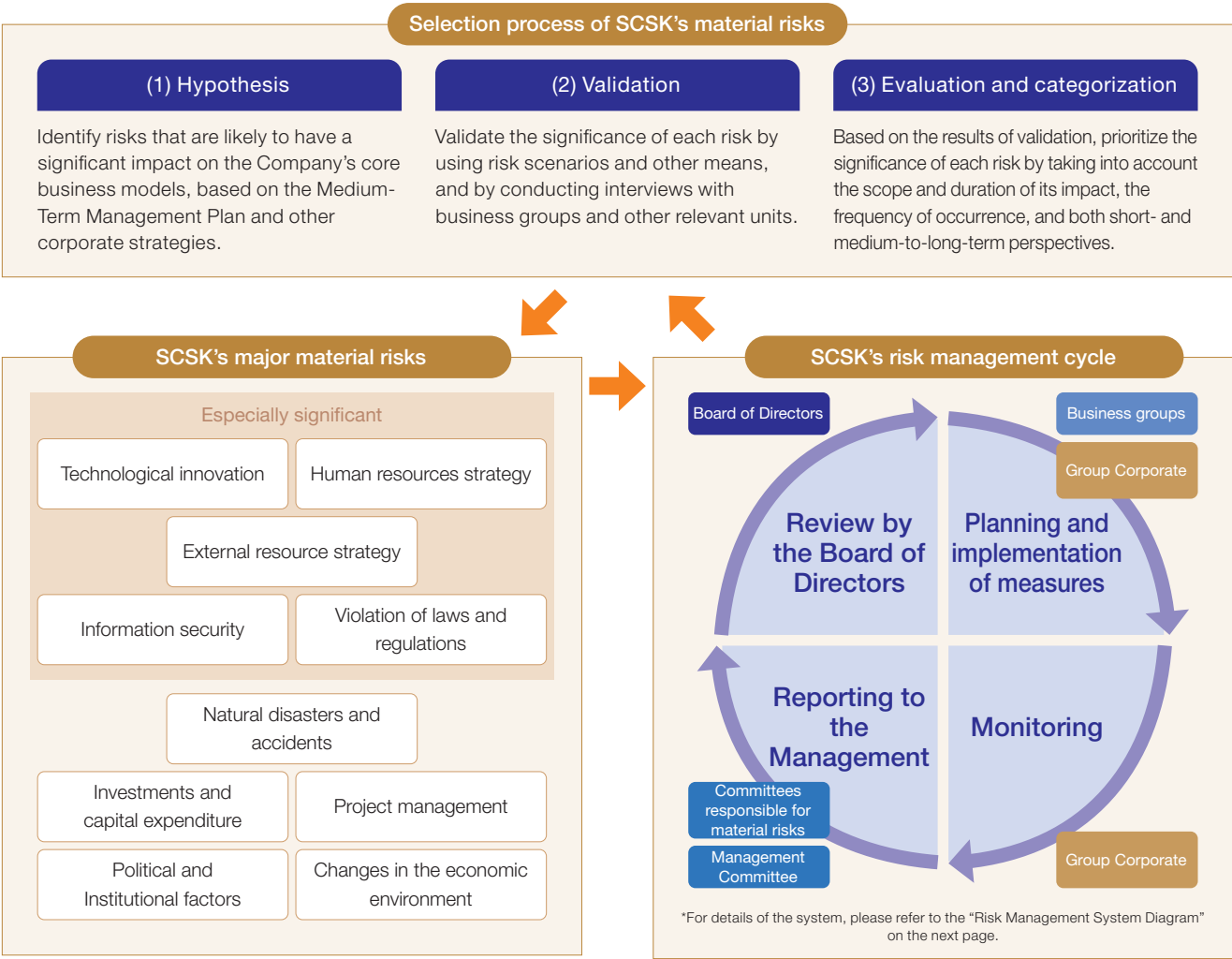
Risk Management

Basic policy

SCSK's Risk Management Regulations define risk as the possibility of incurring loss and the possibility that returns obtained from business activities fall short of expectations. To ensure the stability of the SCSK Group's business activities and enhance corporate value, we anticipate various risks to the greatest extent possible during the execution of business activities, and engage in continuous risk management centered on key material risks identified, in accordance with the processes outlined below and for the purposes described to the right.

Consistent performance and growth	Increase the consistency of performance and ensure sustainable growth by administering operations so that actual results do not vary from forecasts.
Reinforcing corporate structure	Limit losses from latent risks posed by the business model to enable business continuity even when risks emerge.
Maintaining of trust	Maintain and increase trust by fulfilling corporate social responsibilities including legal compliance.

Risk Management Process



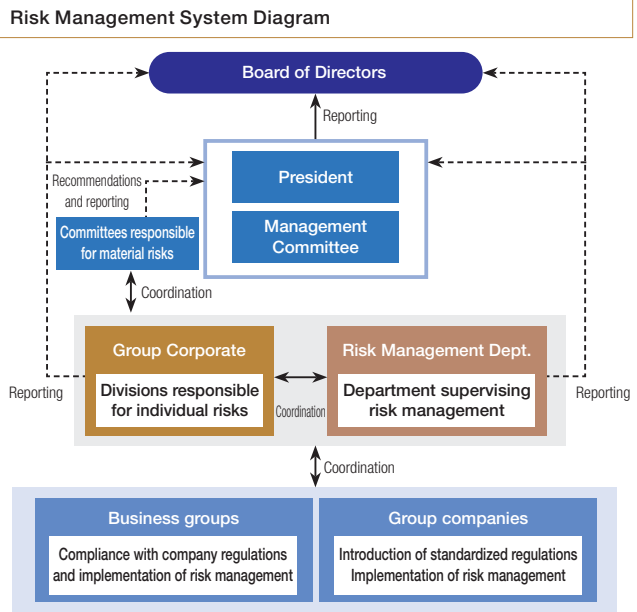
Risk management system

To appropriately manage risks that could have a serious impact on the SCSK Group's business, SCSK has established internal regulations on risk management and designated the Risk Management Dept. as the central unit responsible for overseeing Group-wide risk management. To ensure the proper functioning of risk management activities, the Risk Management Dept. centrally monitors and evaluates the status of risk management from a Group-wide perspective. In cooperation with Group Corporate and committees responsible for material risks, the department regularly reports the situation to the President and the Management Committee, thereby contributing to the enhancement of risk management quality. The overall status of these activities is also reported to the Board of Directors. By providing sufficient prior explanation, SCSK strives to enhance the supervisory function of the Board of Directors.

In addition, the SCSK Group is working to strengthen its overall management foundation and stabilize business operations by introducing standardized regulations across Group companies, while taking into account the specific circumstances of each entity. In particular, with respect to Net One Systems Co., Ltd., which became a subsidiary of the Company in December 2024, Net One Systems has formulated a "Recurrence Prevention Plan for Inappropriate Conduct" in response to past misconduct. Based on this plan, Net One Systems has established the Governance and Corporate Culture Advisory Committee and the Risk Management Committee, through which it is advancing initiatives to restore trust. These include fundamental reforms to corporate culture, development of a foundation for fostering

corporate culture, enhancement of corporate governance, promotion of the corporate philosophy and code of conduct, implementation of mechanisms to prevent organizational memory loss, and optimization of systems for gathering employee feedback.

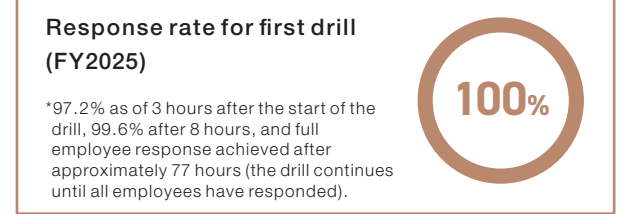
The SCSK Group is working to continuously improve its risk management practices through the above activities, in order to effectively respond to changes in the business environment.



Concrete risk countermeasures

Emergency response and business continuity plan
In preparation for unforeseen emergencies that could have a major impact on the SCSK Group, such as major disasters and pandemics, SCSK has established rules of conduct and organizational frameworks. We are implementing a number of advanced measures, centered on the Disaster Risk Management Subcommittee, which is composed of related departments at each office and with the president or office manager serving as the person in charge. These measures include stockpiling food, water, and other supplies, conducting drills with the employee safety confirmation system, conducting training on setting up disaster headquarters, establishing a system to address emergencies that take place at night or on holidays, creating a disaster response website, developing a mutual support system in the event the head office (Tokyo metropolitan area) or other locations are damaged, and information sharing and awareness-raising activities for employees via a disaster countermeasure portal. Furthermore, we are working to ensure the effectiveness of the business continuity plan by conducting annual reviews.

Safety confirmation training
SCSK introduced its employee safety confirmation system, the purpose of which is to confirm and ascertain the safety of employees and their families and damage at the various









offices when a disaster occurs and to quickly restore business, in 2011, and conducts regular drills involving all employees.






Initiatives toward household disaster prevention
At SCSK, we are working on not only natural disaster countermeasures for offices but also activities to raise awareness about countermeasures for individual employees' homes (disaster risk reduction at home) as a growing number of employees are teleworking.
As part of this, we issue a Home Disaster Prevention Manual, and provide e-learning training and seminars to all employees. We are working to create a business continuity system by continuing to implement natural disaster countermeasures at both the office and homes.

Board of Directors

Career summaries of the Directors are available on the website below.
https://www.scsk.jp/corp_en/outline.html



							
Chairman and Director		Representative Director President	Director Executive Vice President	Director	Outside Director	Outside Director	
Position/Name		Masaki Nakajima	Takaaki Touma	Takafumi Takeshita	Shinichi Kato	Tetsuya Kubo	Sadayo Hirata
Chairman of the Board					Independent Director Chair of Nomination and Remuneration Advisory Committee	Independent Director	
Number of Company shares owned		0 shares	35,526 shares	0 shares	0 shares	0 shares	600 shares
Attendance for FY2024	Board of Directors	2 out of 2 meetings	13 out of 13 meetings	—	11 out of 11 meetings	13 out of 13 meetings	13 out of 13 meetings
	Audit and Supervisory Committee	—	—	—	—	—	3 out of 3 meetings
Committee	Conflict of Interest Advisory Committee					●	●
	Nomination and Remuneration Advisory Committee	●	●			●	●
Director Skills*	Corporate Management	●	●	●	●	●	
	Finance/ Accounting					●	
	Technology		●	●	●		●
	Organization/ Human Resources	●	●	●		●	●
	Marketing	●	●		●		
	Environmental/ Social/Human rights						●
	Legal/Risk management			●			
	Global	●			●	●	

						
		Outside Director	Director (Audit and Supervisory Committee Member)	Outside Director (Audit and Supervisory Committee Member)	Outside Director (Audit and Supervisory Committee Member)	Outside Director (Audit and Supervisory Committee Member)
<div>Position/Name</div>		Shohei Yamana	Hiromichi Jitsuno	Yasuo Miki	Hidetaka Matsuishi	Yumiko Waseda
		Independent Director		Independent Director	Independent Director	Independent Director Chair of Conflict of Interest Advisory Committee
Number of Company shares owned		0 shares	0 shares	100 shares	1,000 shares	0 shares
Attendance for FY2024	Board of Directors	11 out of 11 meetings	13 out of 13 meetings	13 out of 13 meetings	13 out of 13 meetings	13 out of 13 meetings
	Audit and Supervisory Committee	—	15 out of 15 meetings	15 out of 15 meetings	15 out of 15 meetings	15 out of 15 meetings
Committee	Conflict of Interest Advisory Committee	●		●	●	●
	Nomination and Remuneration Advisory Committee	●		●	●	●
Director Skills*	Corporate Management	●		●	●	
	Finance/ Accounting				●	
	Technology			●		
	Organization/ Human Resources				●	
	Marketing	●			●	
	Environmental/ Social/Human rights	●				●
	Legal/Risk management		●			●
	Global	●				

Senior Executive Officers and Senior Corporate Officers

President and Representative Director Takaaki Touma	Managing Executive Officers Yoshiyuki Shinbori Yasuhiko Oka Tadashi Miyagawa Ken Takano Masaki Komine Kenji Toda Shunichiro Fukushima Shoji Shiuchi Takayuki Okuhara Shunichi Aramaki	Senior Corporate Officers Kan Takahashi Masahiro Otani Masaaki Mori Kenji Ichiba Shu Wei Ikuo Uchiyama Yousuke Tsutaya Tomoyuki Naruke Masayuki Tanabe Hideya Nakashima Yoshihiro Jinbo Toshiyuki Takahashi Atsushi Sugiyama Kenji Inoue Hiroshi Ogasawara Satoshi Kitao Seiya Otsuka Tamio Ishibashi Emi Shimizu Hideki Koguchi	Naoto Furuya Tomotaka Honma Masayoshi Hasegawa Yoko Otani Mitsuhiro Matsuda Takayuki Yamauchi Takashi Shimotori Katsushi Fukui Tsuyoshi Adachi Yoshinori Tasaki Tsuyoshi Tominaga Hideaki Otomo Akihiro Mitani Yasuo Itami
Executive Vice President and Director Takafumi Takeshita			
Executive Vice President Tsutomu Ozaki			
Senior Managing Executive Officers Yasushi Shimizu Koji Watanabe Takaya Yamamoto Takuya Tanaka	Senior Executive Officers Yukihiko Saito Eri Kawanabe Masayuki Kikuchi Takaaki Ishida Yoshinari Kobayashi Jun Kawamura Mitsuru Osawa Hideho Masuda		

Skills required of the Board of Directors

The Company decides the size of its Board of Directors and its membership based on consideration of the diversity and balance of the skills of members. To assist in this process, the following list has been prepared of the skills deemed necessary in order to ensure that the Board of Directors is equipped with the knowledge, experience, and capacities required to advance the SCSK Group's growth strategies.

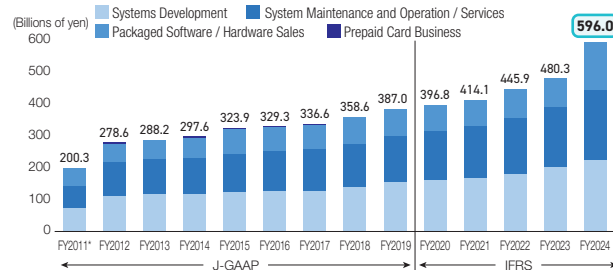
Skill	Display Name	Reason for Selection
Corporate management experience	Corporate management	Corporate management experience is necessary for assessing the opportunities and risks in the Company's diverse businesses and for guiding investments to help ensure ongoing growth. SCSK is promoting sustainability management as a growth strategy, meaning that it must position the resolution of various social issues as an earnings opportunity and actively contribute to the resolution of these issues. Corporate management experience is imperative for making appropriate management resource investment and other management decisions for this purpose.
Financial and accounting expertise and experience	Finance/Accounting	Financial and accounting expertise and experience are crucial for accessing business growth potential and profitability in pursuit of high capital efficiency and for practicing timely and appropriate disclosure and highly transparent corporate governance.
Technological expertise, foresight, and experience	Technology	Technological expertise, foresight, and experience are needed for making appropriate management decisions pertaining to the introduction of technologies in various fields for use in resolving corporate and social issues.
Organization and human resource management expertise and experience	Organization/ Human Resources	Organization and human resource management expertise and experience are required to ensure that the Company can offer opportunities and organizations in which professionals with diverse skills and backgrounds can share a common set of values and grow and succeed while exercising their individuality and expertise.
Expertise and experience pertaining to market and economic environments and trends	Marketing	Expertise and experience pertaining to market and economic environments and trends are necessary to identify the issues that may emerge from social or economic changes and to guide the appropriate development and provision of solutions for addressing these issues.
Expertise and experience pertaining to environmental, social, and human rights issues	Environmental/ Social/Human rights	Expertise and experience pertaining to environmental, social, and human rights issues are imperative to accurately assessing social issues related to global warming, human rights, regional disparities, and other factors and to identifying the areas in which SCSK can contribute to the resolution of such issues. These skills are also vital to enabling SCSK to develop sound value chains and fulfill other social responsibilities.
Legal and risk management expertise and experience	Legal/Risk management	Legal and risk management expertise and experience are required to ensure strict compliance and highly effective oversight of management as well as to the development and implementation of appropriate management systems for risks and other matters.
Global business expertise and experience	Global	Global business expertise and experience are vital to the Company's efforts to capitalize on the growth opportunities presented by global digitization trends.

* With regard to Director Skills mentioned above, of skills required of the Board of Directors, up to four skills that each Director possesses and are especially helpful have been identified. They do not represent all experience and knowledge possessed by each Director.

Financial and Non-Financial Highlights

Net sales

¥596.0 billion

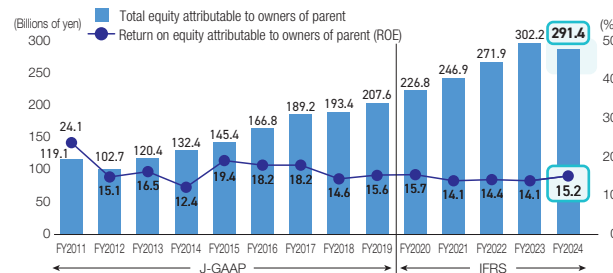


After the merger in October 2011, sales increased through cross-selling. Under the Medium-Term Management Plan (FY2015 to FY2019), the Group transformed the business structure and made progress in enhancing its management foundation, and, as a result, achieved an average annual growth rate of 5.4% for net sales and 8.6% for operating profit. Under the Medium-Term Management Plan (FY2020 to FY2022), the Group has implemented strategies such as commercialization of DX and investment in people. As a result, it achieved an average annual growth rate of 4.8% for net sales and 6.7% for operating profit. In FY2024, which is the second year of the Medium-Term Management Plan (FY2023 to FY2025), thanks to demand from a wide range of industries and a business expansion, the Group increased net sales by 24.1% to ¥596.0 billion and operating profit by 16.0% to ¥66.1 billion, achieving increases both in sales and profit for 13 consecutive fiscal years since the merger.

* Figures of CSK Corporation before the merger date (October 1, 2011) are not included.

Total Equity Attributable to Owners of Parent/
Return on Equity Attributable to Owners of Parent (ROE)

¥291.4 billion / 15.2%

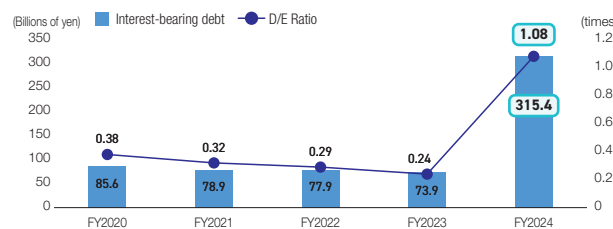


Total equity attributable to owners of parent has increased for 11 consecutive years, except for FY2012. In FY2024, however, it decreased due to impacts of tender offer bid of Net One Systems Co., Ltd. ROE has been maintained well above the industry standard of 9.8%.*

* Company calculation based on the Japan Exchange Group Inc.'s Average PER and PBR by Size and Types of Industry (March 2025).

Interest-bearing debt (including lease obligations)/
D/E Ratio (including lease obligations)

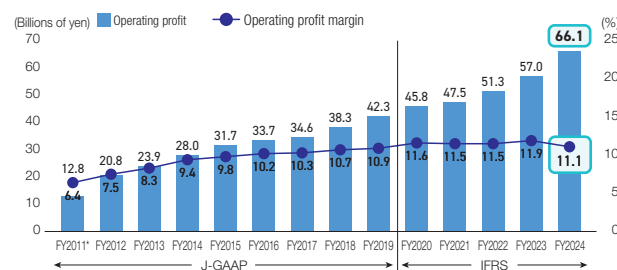
¥315.4 billion / 1.08 times



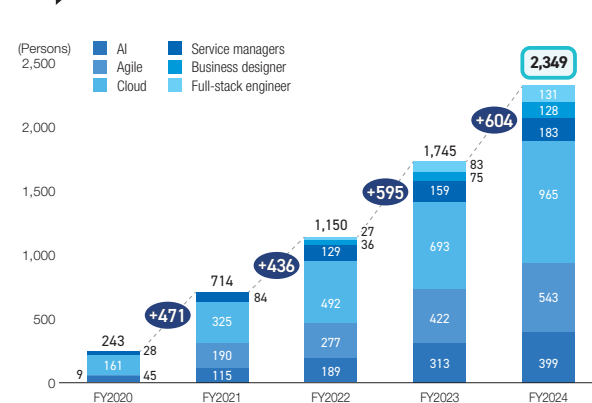
Interest-bearing debt (including lease obligations) was ¥315.4 billion and D/E ratio was 1.08 times as of March 31, 2025, due to the borrowing of funds for the tender offer to Net One Systems Co., Ltd. The Group intends to keep D/E ratio below 1.0 times over the medium term.

Operating Profit/Operating Profit Margin

¥66.1 billion / 11.1%

Number of Employees Who Have Completed Training to
Develop Advanced Technologies (Cumulative Total)*

2,349 persons

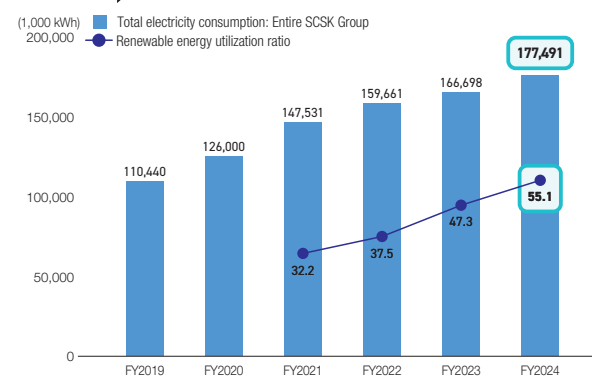


In response to the rapid evolution of digital technology, we are focusing on developing advanced digital talent who will support the digital transformation of our clients. We constantly review and enhance our training programs on advanced technologies such as AI, cloud, and agile in light of market trends, technological trends, needs of business divisions. The training programs for service managers, business designers, and full-stack engineers consist of hands-on curricula over the course of several months, and the participation of in-house experts as observers enhances the effectiveness of the training programs. We will continue to provide and improve training programs necessary for achieving our business strategies.

* SCSK Corporation

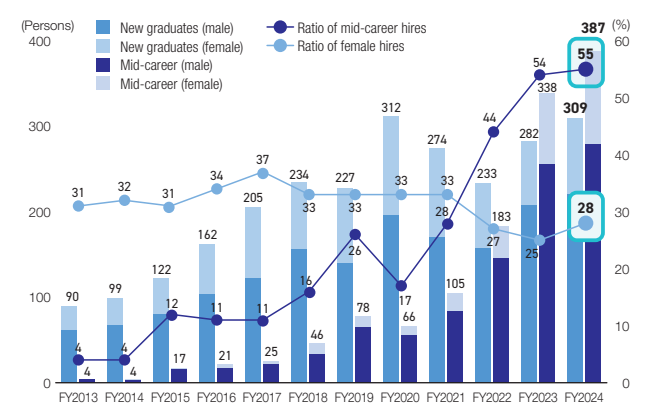
Total Electricity Consumption: Entire SCSK Group/
Renewable Energy Utilization Ratio

177,491 1,000kWh / 55.1%



Although the total amount of electricity consumption is on an increasing trend as our business expands, we have been promoting measures to reduce greenhouse gas emissions from the use of electricity. Through the use of renewable energy, non-fossil certificates, I-REC, in FY2024, we reduced greenhouse gas emissions by approximately 42,013t-CO₂ per year, and the renewable energy utilization ratio of electricity was 55.1%.

Recruitment*

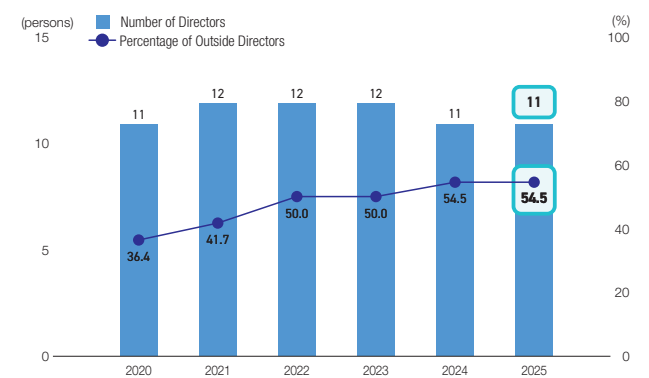
Ratio of mid-career hires
Ratio of female hires
55% 28%

In line with the expansion of our business scale, we have secured human resources mainly through the recruitment of new graduates. In recent years, we have been strengthening the mid-career recruitment with the aim of acquiring business-ready human resources. In addition to clarifying target human resources through a human resources portfolio plan, persons responsible for the business divisions are actively involved in the selection process, thereby enhancing the appeal of working for the Company. Furthermore, by promoting referral hiring with introduction from employees, the screening pass rate of applicants and the retention rate after joining the Company have improved. We are also actively engaged in the recruitment of women, with a ratio of female hires around 30%.

* SCSK Corporation

Number of Directors*/
Percentage of Outside Directors*

11 persons / 54.5%



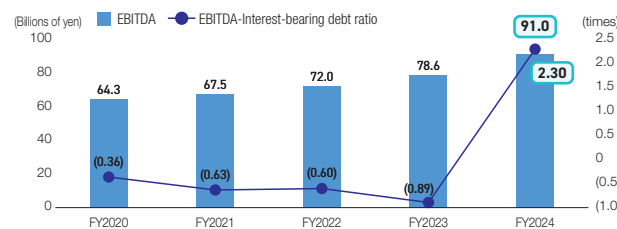
As for the composition and number of the Board of Directors members, decisions are made taking into consideration the skills that should be possessed by the SCSK's Board of Directors, their balance, and diversity. We also continue to elect Outside Directors about whom there are no concerns of conflict of interest with general shareholders to maintain and improve the function of supervising the execution of duties by Directors.

After the General Meeting of Shareholders in 2024, Outside Directors consist of a majority of the Board of Directors, which has strengthened corporate governance.

* Number and percentage after the General Meeting of Shareholders

EBITDA /
EBITDA-Interest-bearing Debt Ratio*

¥91.0 billion / 2.30 times



EBITDA as of March 31, 2025 was ¥91.0 billion. We will continue to strengthen our ability to generate cash flow by promoting the Medium-Term Management Plan.

* EBITDA-interest-bearing debt ratio = Net interest-bearing debt/EBITDA

Consolidated Management Indicators

J-GAAP

IFRS

(Unit: millions of yen)

Income Statements		FY2011*1	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales		200,326	278,634	288,236	297,633	323,945	329,303	336,654	358,654	387,003	385,295	396,853	414,150	445,912	480,307	596,065
	Systems Development	73,811	112,316	117,597	117,843	124,470	127,051	128,387	140,092	155,835	156,190	163,090	167,967	180,433	202,799	223,642
	System Maintenance and Operation / Services	68,296	104,284	107,577	110,720	119,170	125,802	129,071	134,132	143,429	143,410	152,518	162,407	175,638	188,340	222,065
	Packaged Software / Hardware Sales	56,496	58,731	60,019	65,691	77,087	73,147	76,247	84,430	87,738	85,694	81,243	83,776	89,841	89,168	150,357
	Prepaid Card Business*2	1,722	3,302	3,042	3,378	3,217	3,302	2,948	—	—	—	—	—	—	—	—
Gross profit		46,370	64,466	68,724	72,469	78,021	81,754	83,555	88,742	97,954	97,192	102,969	108,187	117,679	127,971	159,476
Gross profit margin (%)		23.1	23.1	23.8	24.3	24.1	24.8	24.8	24.7	25.3	25.2	25.9	26.1	26.4	26.6	26.8
SG&A expenses*3		33,490	43,663	44,749	44,466	46,235	48,040	48,953	50,363	55,628	57,144	57,090	60,632	66,317	70,966	93,354
Operating profit		12,879	20,803	23,974	28,003	31,785	33,714	34,602	38,378	42,326	40,048	45,878	47,555	51,361	57,004	66,121
Operating profit margin (%)		6.4	7.5	8.3	9.4	9.8	10.2	10.3	10.7	10.9	10.4	11.6	11.5	11.5	11.9	11.1
Ordinary profit		16,659	22,228	25,690	30,667	33,610	36,121	36,291	38,650	43,014	—	—	—	—	—	—
Profit attributable to owners of parent		25,669	16,730	18,387	15,638	26,956	28,458	32,488	27,892	31,201	28,765	33,435	33,470	37,301	40,461	45,035

(Unit: millions of yen)

Cash Flows																
Cash flows from operating activities		22,249	25,156	35,342	29,707	34,730	37,161	37,096	33,511	48,950	55,710	50,219	59,081	43,592	67,900	68,037
Cash flows from investing activities		(8,112)	(249)	(26,045)	5,166	(9,473)	(11,982)	(35,394)	(7,163)	(27,338)	(27,484)	(20,586)	(14,927)	(14,950)	(19,898)	(275,488)
Free cash flows		14,137	24,907	9,297	34,873	25,257	25,178	1,702	26,348	21,612	28,226	29,633	44,153	28,642	48,002	(207,451)
Cash flows from financing activities		(7,965)	(5,512)	(33,739)	(8,395)	(12,338)	476	(25,763)	(19,995)	(16,309)	(22,923)	(32,488)	(32,342)	(29,074)	(25,881)	167,946
Cash and cash equivalents at end of period		63,661	83,247	59,004	85,713	98,445	123,935	99,797	106,198	111,695	111,695	108,768	121,251	121,425	144,360	105,623

(Unit: millions of yen)

Financial Position																
Total assets		300,928	322,828	317,932	334,290	352,676	389,537	303,914	314,844	342,485	362,241	380,399	407,609	435,469	471,400	885,029
Total equity		124,419	108,208	126,159	138,536	151,546	173,674	196,600	194,468	208,072	200,405	227,338	247,363	272,403	302,910	292,565
Equity attributable to owners of parent		119,189	102,799	120,488	132,458	145,420	166,897	189,214	193,412	207,681	200,047	226,874	246,921	271,909	302,254	291,420
Interest-bearing debt + preferred shares*4		84,860	84,860	57,000	55,000	50,000	60,000	45,000	55,000	55,400	83,054	85,643	78,972	77,916	73,970	315,409

(Unit: yen)

Per-Share Information*5																
BPS		286.79	330.49	387.10	425.46	467.00	535.91	607.51	620.93	666.72	640.85	726.77	790.86	870.56	967.36	932.41
EPS		111.40	53.80	59.09	50.24	86.57	91.39	104.32	89.55	100.17	92.13	107.09	107.20	119.44	129.51	144.10
Annual dividend per share		10.67	12.00	13.33	16.67	25.00	30.00	31.67	33.33	43.33	43.33	45.00	46.67	52.00	60.00	71.00

Major Indicators																
Return on equity attributable to owners of parent (ROE) (%)		24.1	15.1	16.5	12.4	19.4	18.2	18.2	14.6	15.6	14.9	15.7	14.1	14.4	14.1	15.2
Ordinary profit to assets ratio (ROA) (%)		7.9	7.1	8.0	9.4	9.8	9.7	10.5	12.5	13.1	—	—	—	—	—	—
Profit before tax to total assets ratio (ROA) (%)		—	—	—	—	—	—	—	—	—	11.7	12.5	12.3	12.7	12.7	9.7
Equity attributable to owners of parent ratio (%)		39.6	31.8	37.9	39.6	41.2	42.8	62.3	61.4	60.6	55.2	59.6	60.6	62.4	64.1	32.9
D/E ratio (times)*6		0.46	0.83	0.47	0.42	0.34	0.36	0.24	0.28	0.27	0.42	0.38	0.32	0.29	0.24	1.08
Number of employees		11,995	11,797	11,689	11,754	11,769	11,910	12,054	12,365	13,979	13,979	14,550	14,938	15,328	16,296	20,252
Capital expenditures (millions of yen)		7,954	10,219	9,441	14,842	12,046	15,335	15,588	15,163	13,604	20,759	38,972	25,708	26,208	14,757	35,890
Depreciation and amortization (millions of yen)		5,380	6,690	6,841	6,865	8,003	8,972	11,245	10,530	10,358	17,303	18,437	19,881	20,629	21,433	24,866
R&D expenses (millions of yen)		417	566	449	267	117	266	280	725	1,190	1,190	874	1,097	1,058	965	2,395
Stock prices (yen)*5		437.3	611.70	927.00	1,121.70	1,466.70	1,473.30	1,531.70	1,645.00	1,605.00	1,605.00	2,186.70	2,101.00	1,935.00	2,837.50	3,690.00
Price-book ratio (PBR) (times)		1.5	1.9	2.4	2.6	3.1	2.7	2.5	2.6	2.4	2.5	3.0	2.7	2.2	2.9	4.0
Price-earnings ratio (PER) (times)		3.9	11.4	15.7	22.3	16.9	16.1	14.7	18.4	16.0	17.4	20.4	19.6	16.2	21.9	25.6
Total shareholder return (TSR) (%)*7		107.3	152.4	232.0	283.3	372.9	381.8	403.6	439.1	439.9	439.9	591.8	582.3	554.7	787.9	1011.7

*1 Figures of CSK Corporation before the merger date (October 1, 2011) are not included.

*2 All the shares of QUO CARD Co., Ltd., which constitutes Prepaid Card Business, were transferred as of December 1, 2017.

*3 After transition to IFRS, values are presented including the other income and expenses.

*4 The figure as of March 31, 2012 includes ¥30.0 billion of preferred stock assumed by CSK Corporation in FY2011 as a result of the merger with the company. All of this preferred stock was acquired from the financial institutions holding the shares on May 31, 2012, and based on a resolution passed at the Ordinary General Meeting of Shareholders held on June 27, 2012, all of these preferred stocks were cancelled on the same day, June 27, 2012.

According to J-GAAP from FY2011 to FY2019, interest-bearing debt was debt on which interest is paid excluding lease obligations. After the application of IFRS in FY2019, lease obligations have been included in the debt.

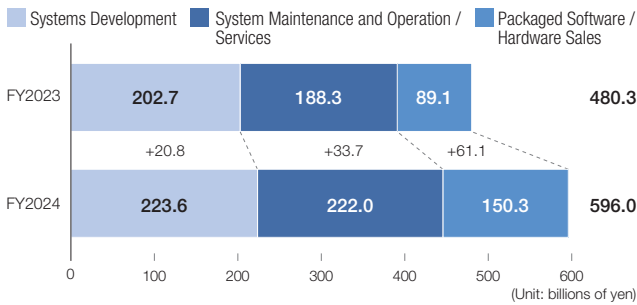
*5 SCSK carried out a one-for-three split of its common stock on October 1, 2021. Previous years' financial data is presented with values converted after the stock split.

*6 D/E ratio = Interest-bearing debt/(Total equity – Non-controlling interests) From FY2019 (when IFRS was applied)

*7 Calculated with the merger date (October 1, 2011) as 100%.

1. Net Sales Analysis

1-1. By Sales Segment



Systems Development

Services included
IT Consulting, Systems Development, IT Infrastructure Implementation

Although there was the absence of previously recorded orders from the distribution industry, development orders from the manufacturing industry, mainly in automotive industries, and orders from the banking industry increased. As a result, net sales for the full year increased by ¥20.8 billion (10.3%) year on year to ¥223.6 billion.

System Maintenance and Operation / Services

Services included
Verification Services, IT Management, BPO

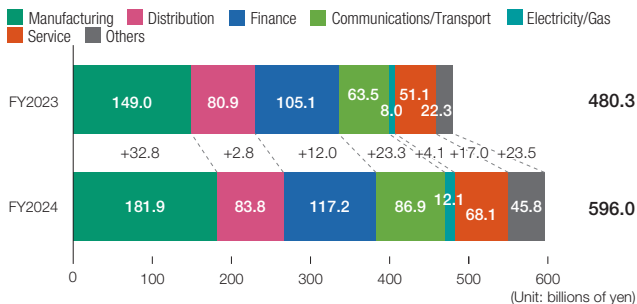
Despite the absence of previously recorded orders from the BPO business, net sales increased by ¥33.7 billion (17.9%) year on year to ¥222.0 billion, mainly due to benefits of newly consolidated companies in the e-commerce businesses and solid performance in management services and verification services.

Packaged Software / Hardware Sales

Services included
IT Hardware and Software Sales

Net sales increased ¥61.1 billion (68.6%) year on year to ¥150.3 billion, due to increases in sales of security products and hardware for academic research institutions, as well as fourth quarter sales of Net One Systems Co., Ltd.

1-2. By Client Industry



Manufacturing

Net sales increased ¥32.8 billion (22.0%) year on year to ¥181.9 billion, mainly due to increases in strategic investments and verification services for the automotive industries, and in development projects for other manufacturing industries. (including ¥17.1 billion in sales of Net One Systems Co., Ltd.)

Distribution

Net sales rose by ¥2.8 billion (3.5%) year on year to ¥83.8 billion, mainly due to increases in maintenance and operation and packaged software/hardware sales, which offset the absence of previously recorded large-scale SAP-based core system development orders. (including ¥2.0 billion in sales of Net One Systems Co., Ltd.)

Finance

Net sales increased ¥12.0 billion (11.5%) year on year to ¥117.2 billion, mainly due to increases in development projects for the banking industry and management services. (including ¥6.3 billion in sales of Net One Systems Co., Ltd.)

Communications/Transport

Net sales increased ¥23.3 billion (36.7%) year on year to ¥86.9 billion, mainly due to increases in development and equipment sales to certain customers in the communications industry. (including ¥17.7 billion in sales of Net One Systems Co., Ltd.)

Electricity/Gas

Net sales increased ¥4.1 billion (51.2%) year on year to ¥12.1 billion mainly due to an increase in systems development projects for the electricity industry. (including ¥2.9 billion in sales of Net One Systems Co., Ltd.)

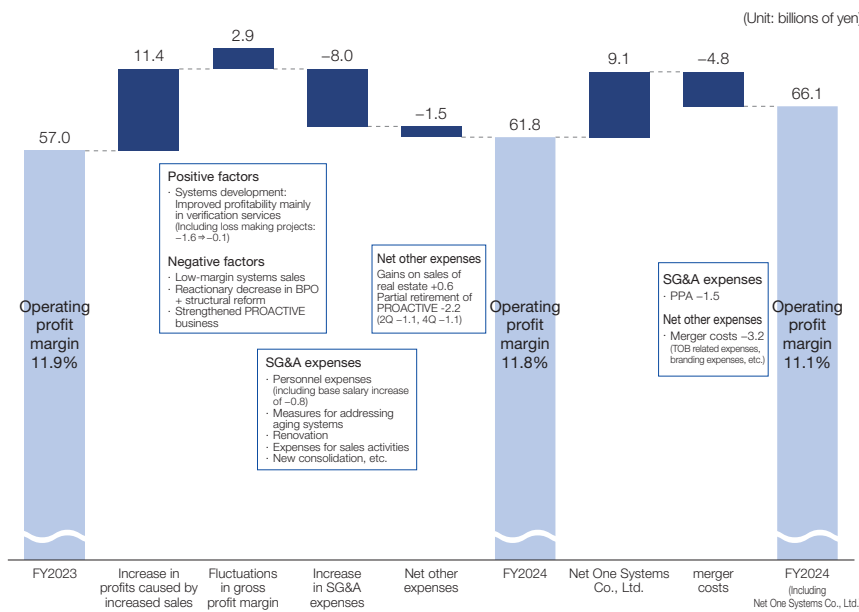
Services/Others

Net sales increased ¥40.5 billion (55.2%) year on year to ¥114.0 billion yen mainly due to an increase in packaged software/hardware sales to academic research institutions. (including ¥26.3 billion in sales of Net One Systems Co., Ltd.)

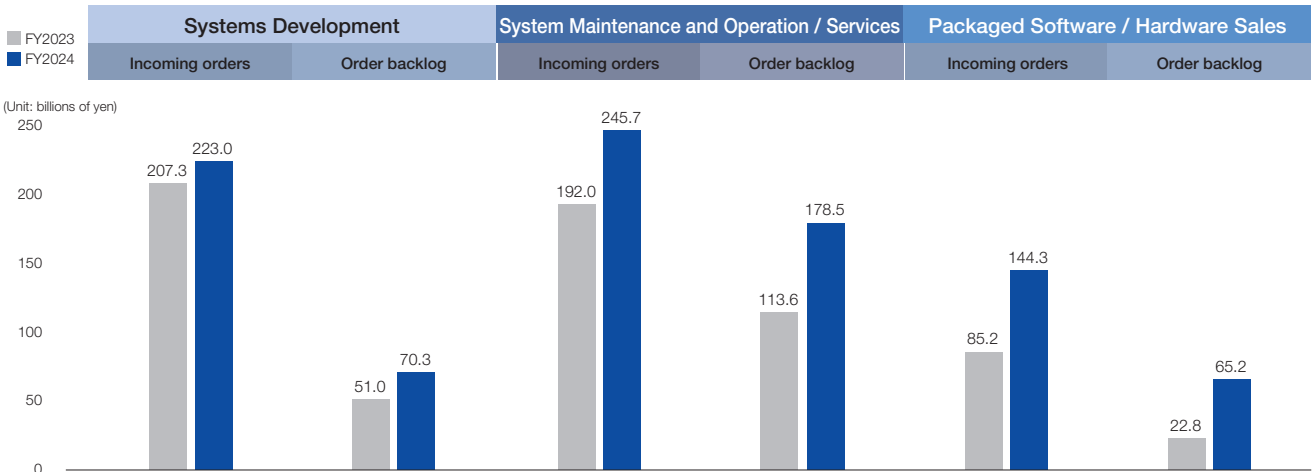
2. Operating Profit Analysis

Improved profit margins of systems development, including lower impacts from unprofitable projects, and improved profit margins of verification services resulted in an increase in gross profit.

Despite an increase in selling, general and administrative (SG&A) expenses mainly due to increases in base salaries, and losses on disposal of PROACTIVE software assets in net other expenses, operating profit was ¥61.8 billion due to an increase in profits caused by increased sales and an improvement in gross profit margin. After adding operating profit of ¥9.1 billion from Net One Systems Co., Ltd. and deducting merger costs and amortization of PPA (purchase price allocation), operating profit amounted to ¥66.1 billion.



3. Incoming Orders and Order Backlog (by Sales Segment)

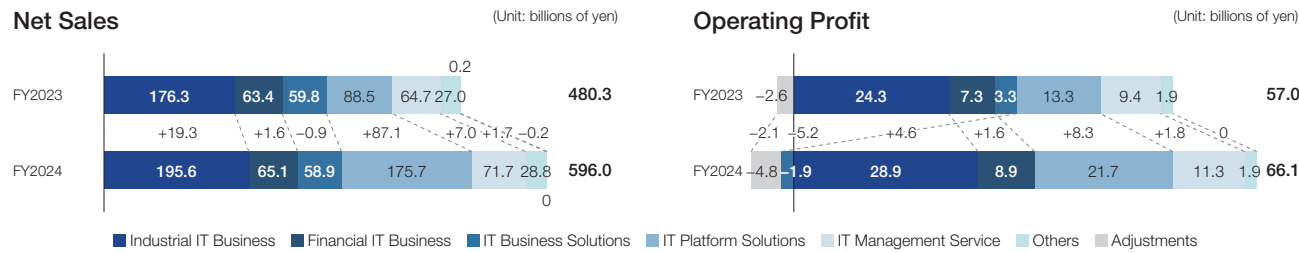


Systems Development
Incoming orders increased by ¥15.6 billion (7.6%) year on year and the order backlog increased by ¥19.2 billion (37.7%), mainly due to increases in systems development orders for the automotive industries and the communications industry, as well as SAP-related digital supply chain orders from manufacturing industry customers. Investment demand remains robust at present, and net sales are expected to increase mainly in the manufacturing industry.

System Maintenance and Operation / Services
Incoming orders increased by ¥53.6 billion (27.9%) year on year and the order backlog increased by ¥64.8 billion (57.0%) due to factors such as benefits of newly consolidated companies in the e-commerce businesses, an increase in management services, and strong performance of verification services, offsetting the absence of previously recorded orders from the BPO business. We believe that net sales will continue to be stable in the future.

Packaged Software / Hardware Sales
Incoming orders increased by ¥59.1 billion (69.3%) year on year and the order backlog increased by ¥42.4 billion (186.2%) due to increases in network equipment orders from certain communications industry customers, an increase in sales of hardware such as security products and high-performance commuting, and the addition of incoming orders and backlog in the fourth quarter of Net One Systems Co., Ltd. We expect demand trends for network and security products to remain firm.

4. Analysis by Reportable Segment



Industrial IT Business Segment

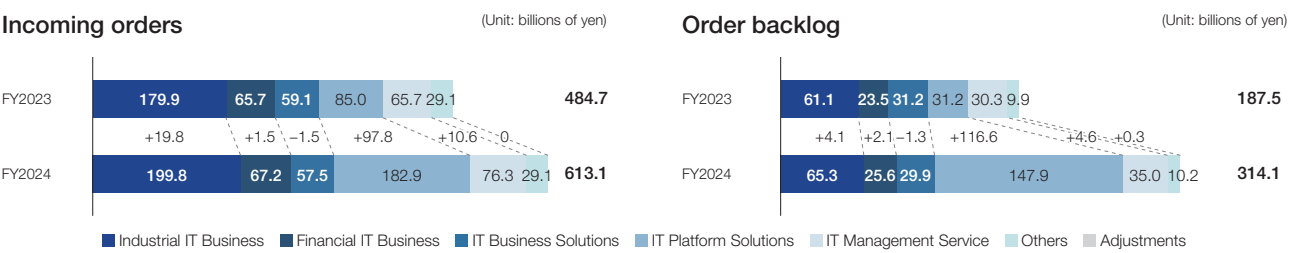
The segment provides multiple IT solutions, mainly systems development, to clients principally in the manufacturing, communications, and distribution industries.

Net Sales and Segment Profit

Net sales increased 11.0% year on year to ¥195.6 billion, and segment profit rose 19.0% to ¥28.9 billion. The growth was driven by higher investment demand for automotive systems development, expansion of verification services, and a rise in projects from manufacturing industry customers in the digital supply chain business, which offset the impact of completed projects in the distribution industry.

Incoming Orders and Order Backlog

Incoming orders increased by ¥19.8 billion (11.0%) year on year to ¥199.8 billion, due to a significant increase in systems development demand in various manufacturing industries including the automotive industries and the communications industry, solid demand for verification services, and an increase in digital supply chain construction projects backed by SAP. The order backlog also increased by ¥4.1 billion (6.8%) to ¥65.3 billion.



IT Platform Solutions Segment

The segment sells hardware and software products and provides maintenance and support for them.

Net Sales and Segment Profit

Net sales increased 98.5% year on year to ¥175.7 billion, and segment profit increased 62.4% to ¥21.7 billion, due to the addition of Net One Systems Co., Ltd. to the consolidated financial statements, and robust sales of hardware for academic research institutions and security products for the transportation and financial industries.

Incoming Orders and Order Backlog

Incoming orders increased by ¥97.8 billion (115.1%) year on year to ¥182.9 billion, due to increases in network equipment and security products orders from certain communications industry customers, large-scale hardware sales for the automotive industries, and the impact of the merger with Net One Systems Co., Ltd. The effect of the consolidation of Net One Systems Co., Ltd. is an increase of ¥74.9 billion in incoming orders and an increase of ¥116.6 billion in outstanding order backlog.

Financial IT Business Segment

The segment engages in systems development, maintenance, and operation services for financial institutions—including banks, trust banks, insurance companies, securities firms, shopping credit/leasing companies—to help clients materialize their business strategies and to support their secure and efficient business operations.

Net Sales and Segment Profit

Net sales increased 2.6% year on year to ¥65.1 billion, and segment profit increased 22.4% to ¥8.9 billion, due to the impact of continued acquisition of AML projects in the banking industry and customer core systems projects for the securities industry, which offset the impact of decreases in projects for the credit, leasing, and non-life insurance industries.

Incoming Orders and Order Backlog

Incoming orders increased by ¥1.5 billion (2.4%) year on year to ¥67.2 billion, and the order backlog increased by ¥2.1 billion (9.1%) to ¥25.6 billion, due to the acquisition of systems replacement projects for the securities industry and systems development projects for the banking industry, despite the absence of previously recorded orders in projects for credit and leasing industries.

IT Management Service Segment

The segment engages primarily in the data center business and the provision of cloud infrastructure and management services.

Net Sales and Segment Profit

Net sales increased 10.9% year on year to ¥71.7 billion, and segment profit increased 19.9% to ¥11.3 billion, due to an increase in transactions of management services, mainly with customers in the financial and manufacturing industries, and cloud-based license sales for distribution industry customers.

Incoming Orders and Order Backlog

Incoming orders increased ¥10.6 billion (16.2%) year on year to ¥76.3 billion and the order backlog increased ¥4.6 billion (15.2%) to ¥35.0 billion, due to solid increases in cloud-based projects for the distribution industry and management service projects for the financial and service industries.

IT Business Solutions Segment

The segment provides ERP and BPO services for in-house development products such as PROACTIVE and Oracle.

Net Sales and Segment Profit

Net sales decreased 1.6% year on year to ¥58.9 billion due to the termination of public service projects in the BPO business and the absence of previously recorded invoice-related sales in the PROACTIVE business. Segment profit decreased ¥1.9 billion due to the impact of retirement of software assets and trends in net sales.

Incoming Orders and Order Backlog

Incoming orders decreased by ¥1.5 billion (2.7%) to ¥57.5 billion, and the order backlog decreased by ¥1.3 billion (4.2%) to ¥29.9 billion, mainly due to cancellation of contracts by some customers and business contraction in the BPO business, despite an increase in orders in the PROACTIVE and EC-related businesses due to the effect of new consolidation.

Others Segment

The segment provides a variety of IT solutions mainly for medium-sized companies while performing remote development (nearshore development) leveraging the characteristics of its regional bases.

Net Sales and Segment Profit

Net sales increased 6.6% year on year to ¥28.8 billion and segment profit increased 1.0% to ¥1.9 billion, mainly due to systems development by SCSK Minori Solutions Corporation.

Incoming Orders and Order Backlog

Incoming orders remained unchanged at ¥29.1 billion. The order backlog increased by ¥0.3 billion to ¥10.1 billion.

Human Resources Data

Consolidated**1			FY2020	FY2021	FY2022	FY2023	FY2024				
Number of employees				14,405	14,938	15,328	16,296	20,252			
			By gender	Male	11,106	11,371	11,558	12,208	14,953		
				Female	3,299	3,567	3,770	4,088	5,299		
			By region	Japan	14,086	14,592	14,927	15,811	19,728		
				Asia	153	162	213	287	304		
				Americas	80	82	81	85	99		
				Europe	86	102	107	113	121		
			Non-Consolidated**1								
Number of employees				8,357	8,462	8,470	8,611	8,360			
			By gender	Male	6,664	6,692	6,645	6,704	6,400		
				Female	1,693	1,770	1,825	1,907	1,960		
			By age	20s	Male	798	893	947	1,088	1,173	
					Female	479	536	568	603	633	
					Total	1,277	1,429	1,515	1,691	1,806	
				30s	Male	1,090	1,000	1,000	1,034	1,017	
					Female	485	461	444	473	480	
					Total	1,575	1,461	1,444	1,507	1,497	
				40s	Male	2,104	2,077	2,012	1,910	1,707	
					Female	524	529	543	534	530	
					Total	2,628	2,606	2,555	2,444	2,237	
				50s	Male	2,221	2,175	2,076	2,003	1,820	
					Female	195	230	254	275	290	
					Total	2,416	2,405	2,330	2,278	2,110	
			60s	Male	451	546	610	669	683		
				Female	10	15	16	22	27		
				Total	461	561	626	691	710		
			Number of line managers**2				1,101	1,053	1,041	1,017	938
						By gender	Male	1,013	968	953	927
			Female	88	85		88	90	103		
			By position	Officer, Division General Manager Positions	Male	106	107	110	100	90	
					Female	1	3	3	4	4	
					Total	107	110	113	104	94	
				Department Manager Positions	Male	347	329	331	320	298	
					Female	13	11	13	19	33	
					Total	360	340	344	339	331	
				Section Manager Positions	Male	560	532	512	507	447	
Female	74	71			72	67	66				
Total	634	603			584	574	513				
Number of new recruits				Male	196	170	157	207	220		
				Female	116	104	76	75	89		
				Total	312	274	233	282	309		
Number of mid-career professionals hired**3			Male	56	84	146	256	279			
			Female	10	21	37	82	108			
			Total	66	105	183	338	387			
Number of non-Japanese employees			41	41	39	43	40				
Number of people with disabilities**4			275	270	329	332	363				
Employment Rate (%)			2.33	2.23	2.40	2.40	2.50				

			FY2020	FY2021	FY2022	FY2023	FY2024	
Average years of service	Male		20.0	20.1	20.1	19.5	18.6	
	Female		12.3	12.5	12.8	12.7	12.4	
	Total		18.4	18.5	18.5	18.0	17.2	
Average Annual Salary*5 (thousands of yen)			7,526	7,522	7,467	7,642	7,877	
Differences between male and female salaries (%)			80.2	80.6	81.2	82.7	83.8	
Turnover*6	Male		138	165	236	212	251	
	Female		28	43	54	75	73	
	Total		166	208	290	287	324	
	Turnover Rate*7 (%)	Male		2.0	2.4	3.5	3.1	3.6
		Female		1.6	2.4	2.9	3.9	3.6
		Total		1.9	2.4	3.3	3.3	3.6
Average monthly overtime hours*8 (hours/month)			20	21	22	22	22	
Annual paid vacation	Average number of days taken (days)		17.3	17.8	18.0	17.3	17.2	
	Acquisition rate (%)		88.7	90.9	91.8	89.5	89.4	
Percentage of teleworking (%)			58.0	61.8	54.5	47.4	48.1	
Number of employees using reduced work hour programs	Male		6	7	7	8	7	
	Female		268	253	244	223	242	
	Total		274	260	251	231	249	
Number of employees using childcare leave	By gender*9	Male	45	53	74	59	77	
		Female	183	162	155	65	64	
		Total	228	215	229	124	141	
	Acquisition rate*10 (%)	Male	14.6	27.7	32.7	45.7	50.0	
		Female	100.0	100.0	100.0	100.0	100.0	
		Total	37.3	50.4	53.3	63.9	64.7	
	Return rate*11 (%)	Male	100.0	100.0	100.0	100.0	94.4	
		Female	97.5	95.7	98.6	98.0	95.5	
		Total	98.3	97.3	99.2	99.1	95.0	
	Average number of days taken*12 (days)	Male	65	29	64	96	86	
		Female	482	413	420	410	425	
		Total	337	268	270	224	268	
Number of employees using extended nursing care leave	Male		2	1	1	3	2	
	Female		1	1	3	2	1	
	Total		3	2	4	5	3	
Number of employees using nursing care leave	Male		145	141	164	170	171	
	Female		26	29	38	45	45	
	Total		171	170	202	215	216	
Number of employees using maternity leave*13			47	41	43	45	44	
Number of employees using parental leave			89	86	100	86	118	
Number of employees using balance support leave*14	Male		497	475	408	480	500	
	Female		363	370	350	417	434	
	Total		860	845	758	897	934	
Number of employees using child nursing leave	Male		143	198	186	217	195	
	Female		161	208	178	192	181	
	Total		304	406	364	409	376	

*1 Data is calculated as of March 31 each fiscal year except where noted.
The number of employees on a consolidated basis at the end of FY2024 increased by 3,956 from the end FY2023. The major factor is the conversion of Net One Systems Co., Ltd., into a consolidated subsidiary during the fiscal year under review.
The number of employees on a non-consolidated basis decreased by 251. The major factor is system operation businesses taken over by SCSK SYSTEM MANAGEMENT CORPORATION through a company split (simplified absorption-type company split) during the fiscal year under review.

*2 Excluding directors, but including employees on loan.

*3 Total of mid-career professionals for full-time employees and specialized full-time employees

*4 Figures as of June 1 each fiscal year including main domestic Group companies with certification as special purpose subsidiary or affiliated company.

*5 Average annual salary of full-time employees, specialized full-time employees and senior full-time employees.

*6 Number of full-time employees, specialized full-time employees, contract employees, senior full-time employees, and senior expert employees, who resigned voluntarily.

*7 The percentage of employees who resigned voluntarily to the average number of employees during the fiscal year.

*8 Average for all employees including those under the discretionary work system and supervisors.

*9 Number of employees who started using childcare leave, etc. during the fiscal year.

*10 Of employees who or whose spouse gave birth to a child during the fiscal year, the percentage of those who started using childcare leave, etc. during the fiscal year.

*11 Of employees who returned to work or resigned after completion of childcare leave, etc. during the fiscal year, the percentage of those who returned to work.

*12 Average number of days of childcare leave, etc. taken by employees who used childcare leave, etc. and returned to work during the fiscal year.

*13 Available to pregnant women in half-day increments to allow them to take time off for various related ailments, such as morning sickness, and for prenatal checkups (up to a total of ten days per year).

*14 Paid leave that can be taken by the hour (up to a total of five days per year) to care for a family member, to accompany his/her child to receive necessary vaccinations or health exams or attend an event at his/her child's school, up until the child graduates from junior high school, or to undergo infertility treatments in a hospital.

Human Resources Data

	FY2020	FY2021	FY2022	FY2023	FY2024
Average annual hours of training per employee (hours)	60	62	58	64	69
Average training expenses per employee (10 thousand yen)	24.8	26.0	24.9	27.3	28.3
Number of trainees dispatched overseas	5	12	15	13	12
Number of employees with a Career Development Plan (CDP)	8,170	8,315	8,164	8,249	8,171
Number of transferees using the personnel recruitment program and internal free agent (FA) program*15	42	93	86	66	70
Number of employees certified under the IT Skill Level Assessment*16 (Lv1 to Lv7)	5,116	5,950	5,771	6,355	6,109
SCSK Career Frame	Strategic job types	722	714	912	906
	Development job types	3,734	3,415	3,377	3,168
	Operations job types	802	712	696	444
	Administrative job types	151	158	166	153
	Young employee career development (development, infrastructure, systems management, embedded, sales)*17	541	772	1,204	1,412
Regular health exam uptake rate (%)	100.0	100.0	100.0	100.0	100.0
Reexam rate*18 (%)	99.1	100.0	100.0	100.0	100.0
Rate of employees requiring specified health guidance*18 (%)	23.0	20.5	20.1	18.9	19.7
Stress check uptake rate (%)	93.7	92.1	91.5	92.3	91.0
Number of employees on leave*19	59	69	77	81	94
Absence rate (%)	0.2	0.2	0.2	0.2	0.3
Number of industrial accidents	5	5	2	2	5
Kenko Waku Waku Mileage Program participation rate (%)	99.5	98.8	98.4	97.7	97.8
Number of participants in health literacy training*20	4,061	2,925	3,115	3,118	3,364
Health behaviors and habits	Average number of steps	7,478	7,925	8,209	8,418
	Employees who do not eat breakfast*21 (%)	16.5	18.9	19.8	20.5
	Dental exam uptake rate*22 (%)	42.2	43.9	45.4	60.2
	Short sleeping hours*22 (%)	9.6	9.3	10.6	11.1
	Employees who smoke (%)	15.0	14.1	13.9	13.4
Indicators on physical/ mental health, job satisfaction and productivity	Subjective health*24 (%)	89.1	88.2	85.2	83.6
	Presenteeism (performance demonstration level)*25 (%)	86.2	84.2	81.7	80.2
	Absenteeism*26 (%)	75.4	70.8	69.3	63.7
Employee awareness survey*27 (%)	SCSK is a company with a pleasant workplace	92.1	91.8	90.6	89.3
	SCSK is a company with a rewarding workplace	78.6	77.7	75.6	78.0
	My abilities are fully leveraged	77.1	76.9	76.8	76.1

*15 Personnel recruitment takes place once annually and internal FA is once annually.

*16 A program that certifies IT skills according to seven levels based on SCSK Career Framework.
Strategic job types (business creator, sales, consultant, service manager BASM, service manager ITSM, marketing)
Development job types (project manager, IT architect, AP specialist, embedded software development, IT specialist, product specialist, R&D expert, full-stack engineer, scrum master, and product owner)
Operations job types (customer service, IT service management)
Administrative job types (administrative support staff-engineering)

*17 Defined as Lv1 to Lv3.

*18 Data for each fiscal year is calculated as of July 31 of the following year.

*19 Number of employees on leave due to non-occupational injury or illness.

*20 Total number of participants in training on the themes of diet, exercise, sleep, women's health, and by age group in any given fiscal year.

*21 The percentage of employees who responded, "I rarely eat breakfast (0 to 3 times a week)."

*22 Until FY2022: The percentage of employees who answered "Two or more times per year" or "One time per year" in response to the question, "Dental exams are believed to be necessary one to two times per year. How frequently do you receive dental exams?"
In and after FY2023: The percentage of employees who answered "Visited a dentist" in response to the question, "It is said to be ideal to have a dental exam once or twice a year in order to check the health condition of your teeth. Have you visited a dentist for treatment or an exam in the past year?"

*23 The percentage of employees who answered "Less than 5 hours" in response to the question, "How much sleep do you normally get?"

*24 The percentage of employees who answered "I'm healthy" or "I'm more healthy than unhealthy" in response to the question, "What is your health condition?"

*25 The percentage of employees who answered that they can demonstrate "80% or more of the abilities" they can demonstrate when they are in healthy conditions.

*26 The percentage of employees who answered "0 hours" in response to the question, "How many work hours did you take off or make adjustments due to a health issue in the previous one year?" (From FY2024, the applicable period has been changed from the previous three months to the previous one year).

*27 The percentage of employees who responded positively to the statements, "SCSK is a company with a pleasant workplace," "SCSK is a company with a rewarding workplace, and "My abilities are fully demonstrated" in the employee awareness survey.

Governance-related Data

(Number and percentage after the General Meeting of Shareholders)					
	2021	2022	2023	2024	2025
Composition of the Board of Directors	Number of Directors	12	12	12	11
	Number of Outside Directors	5	6	6	6
	Number of Independent Outside Directors included	5	6	6	6
	Percentage of Outside Directors (%)	41.7	50.0	50.0	54.5
	Number of Female Directors	1	2	3	2
	Percentage of Female Directors (%)	8.3	16.7	25.0	18.2

Environmental Performance Data

			FY2020	FY2021	FY2022	FY2023	FY2024
Electricity consumption	Total: Entire SCSK Group (1,000 kWh)		126,000	147,531	159,661	166,698	177,491
	Break-down	Offices (1,000 kWh)	23,694	25,020	25,920	25,742	29,590
		Data centers (1,000 kWh)	102,306	122,511	133,741	140,956	147,901
	Renewable Energy	Utilization volume (1,000 kWh)	—	47,500	59,843	78,792	97,798
		Utilization ratio (%)	—	32.2	37.5	47.3	55.1
Fuel	Total (quantity in GJ)		3,823	4,651	4,332	4,257	8,561
	Break-down	Kerosene (kl)	23	40	13	14	13
		Light oil (kl)	—	1	2	2	2
		Diesel (kl)	46	39	38	42	44
		Gasoline (kl)	12	26	39	34	39
		Utility gas (1,000 m³)	17	16	21	20	111
Steam, hot water, cold water (quantity in GJ)			16,265	14,004	11,814	10,000	8,288
Volume of office paper purchased (1,000 sheets)			6,417	5,156	5,403	4,483	4,446
General waste*1 *2 *3 (t)			140	149	134	149	155
Industrial waste*1 *2 *3 (t)			16	44	33	89	369
Water Withdrawal*3 (m³)			—	—	—	194,993	196,545
Water Discharge*3 *4 (m³)			—	—	—	194,993	113,726

(t-CO ₂)					
Greenhouse gas emissions		FY2020	FY2021	FY2022	FY2023
Scope 1	Direct emissions	249	307	277	279
Scope 2	Indirect emissions from energy	52,354	39,537	36,298	35,875
Scope 3	Other indirect emissions	538,328	493,934	575,556	629,558
Total		590,930	533,778	612,131	665,712

Scope 3 Breakdown by category					
Category 1	Purchased goods and services	250,615	231,542	281,953	305,656
Category 2	Capital goods	27,572	24,302	51,897	21,085
Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	9,031	10,456	11,231	6,325
Category 4	Upstream transportation and distribution*5 excluded from calculation	—	—	—	—
Category 5	Waste generated in operations	273	315	269	358
Category 6	Business travel	917	1,270	3,013	4,368
Category 7	Employee commuting	4,951	3,440	3,736	4,465
Category 8	Upstream leased assets*6 excluded from calculation	—	—	—	—
Category 9	Downstream transportation and distribution*7 excluded from calculation	—	—	—	—
Category 10	Processing of sold products*8 excluded from calculation	—	—	—	—
Category 11	Use of sold products	244,947	222,592	223,442	287,258
Category 12	End-of-life treatment of sold products	22	16	15	42
Category 13	Downstream leased assets*8 excluded from calculation	—	—	—	—
Category 14	Franchises*10 excluded from calculation	—	—	—	—
Category 15	Investments*11 excluded from calculation	—	—	—	—
Total		538,328	493,934	575,556	629,558

(t-CO ₂ /million yen)					
Greenhouse gas emissions intensity		FY2020	FY2021	FY2022	FY2023
Upstream greenhouse gas emissions intensity of Scope 1+2+3		0.87	0.75	0.87	0.79

*1 The company does not produce any hazardous waste from its business operations.

*2 SCSK Offices (Toyosu Head Office, Odaiba Office, Tama Center Office, Nishinihon Kitahama Office, Nishinihon Senri Office, Nishinihon Honmachi Office, Chubu Office, Hiroshima Office, Kyushu Office)

*3 SCSK Data Centers (netXDC Tokyo Center 1, netXDC Tokyo Center 2, netXDC Chiba Center, netXDC Chiba Center 2, netXDC Chiba Center 3, netXDC Sanda Center, netXDC Sanda Center 2)

*4 For sites where the volume of effluent is unknown, the amount of water withdrawn is considered the volume of effluent discharged.

*5 Calculated in Category 1.

*6 Emissions through the lease of relevant offices are calculated in Scopes 1 and 2.

*7 Not applicable because it is difficult to collect data required to calculate emissions.

*8 Not applicable because the Company does not manufacture or sell intermediate products.

*9 Not applicable because the Company does not engage in the property leasing business.

*10 Not applicable because the Company does not engage in the franchise business.

*11 Not applicable because the Group does not engage in the investment business.

Basic Information

Established	October 25, 1969		
Capital	¥21,561 million	Head office	Toyosu Front, 3-2-20, Toyosu, Koto-ku, Tokyo 135-8110, Japan TEL: +81-3-5166-2500 URL: https://www.scsk.jp/index_en.html
Total number of employees	20,252 (Consolidated)		

Base Information

Toyosu Head Office	Toyosu Front, 3-2-20, Toyosu, Koto-ku, Tokyo TOYOSU FORESIA, 3-2-24, Toyosu, Koto-ku, Tokyo	Chubu Office	SC Fushimi BLDG., 2-16-26, Nishiki, Naka-ku, Nagoya-shi, Aichi
SCSK LINK SQUARE	Tokyo Midtown Yaesu, Yaesu Central Tower, 2-2-1, Yaesu, Chuo-ku, Tokyo	Hiroshima Office	Hiroshima High Bldg. 21, 3-1, Kanayama-cho, Naka-ku, Hiroshima-shi, Hiroshima
Odaiba Office	Tradepia Odaiba, 2-3-1, Daiba, Minato-ku, Tokyo	Kyushu Office	CONNECT SQUARE HAKATA, 1-17-1, Hakataekihigashi, Hakata-ku, Fukuoka-shi, Fukuoka
Nishinihon Kitahama Office	Osaka Shoken Torihikijo Bldg., 1-8-16, Kitahama, Chuo-ku, Osaka-shi, Osaka	Tama Center Office	SCSK Tama Center Bldg., 2-3, Sannoushita, Tama-shi, Tokyo
Nishinihon Senri Office	Sumitomo Corporation Senri Bldg., 1-2-2, Shinsenri Nishimachi, Toyonaka-shi, Osaka	SCSK Group Okinawa Center Office	4-35-2, Gusukuma, Urasoe-shi, Okinawa
Nishinihon Honmachi Office	Metlife Honmachi Square Bldg, 2-5-7, Honmachi, Chuo-ku, Osaka-shi, Osaka		

Group Companies

■ = IT consulting ■ = Systems development ■ = Verification services ■ = IT infrastructure implementation
■ = IT management ■ = IT hardware/software sales ■ = BPO services

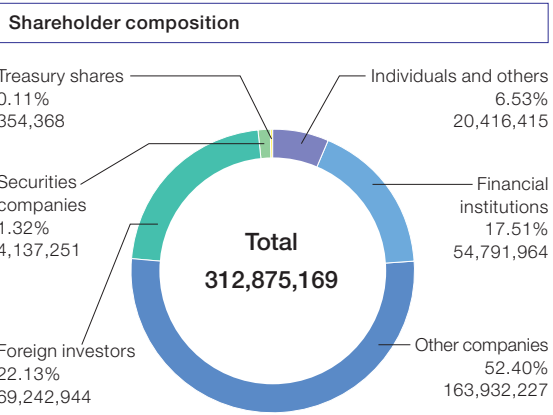
Domestic		
Net One Systems Co., Ltd.	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	SCSK Automotive H&S Corporation <div><div></div></div>
SCSK ServiceWare Corporation	<div><div></div><div></div><div></div></div>	Diamond head Co., Ltd. <div><div></div><div></div><div></div></div>
VeriServe Corporation	<div><div></div><div></div><div></div></div>	Gran Manibus Co., Ltd. <div><div></div></div>
SCSK Minori Solutions Corporation	<div><div></div><div></div><div></div><div></div><div></div></div>	SCSK Nearshore Systems Corporation <div><div></div></div>
SCSK KYUSHU CORPORATION	<div><div></div><div></div><div></div><div></div></div>	TOKYO GREEN SYSTEMS CORPORATION
SCSK HOKKAIDO CORPORATION	<div><div></div><div></div><div></div><div></div><div></div></div>	COBOL PARK Corporation <div><div></div><div></div></div>
SCSK RegTech Edge Corporation	<div><div></div><div></div><div></div><div></div><div></div></div>	
Skeed Co., Ltd.	<div><div></div><div></div><div></div></div>	Overseas
SCSK SYSTEM MANAGEMENT CORPORATION	<div><div></div></div>	SCSK USA Inc. <div><div></div><div></div><div></div><div></div><div></div></div>
VA Linux Systems Japan K.K.	<div><div></div><div></div><div></div></div>	SCSK Europe Ltd. <div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SDC Corporation	<div><div></div><div></div><div></div></div>	SCSK Shanghai Limited <div><div></div><div></div><div></div><div></div><div></div></div>
SCSK NEC Data Center Management, Ltd.	<div><div></div></div>	SCSK Asia Pacific Pte. Ltd. <div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SCSK Security Corporation	<div><div></div><div></div><div></div><div></div><div></div></div>	PT SCSK Global Indonesia <div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Allied Engineering Corporation	<div><div></div><div></div><div></div></div>	SCSK Myanmar Ltd. <div><div></div><div></div><div></div><div></div></div>

Investor Information

Stock/Shareholder Information

Class of stock	Common Stock	Stock listing	Tokyo Stock Exchange, Prime Market
Number of shares authorized	600,000,000	Stock code	9719
Number of shares issued	312,875,169 (including 354,368 treasury shares)	Stock trading unit	100
Number of shareholders	26,346	Shareholder registrar	Sumitomo Mitsui Trust Bank, Limited
		Independent certified public accountant	KPMG AZSA LLC

Distribution of Shareholders (Common Stock)



Major Shareholders

	Name of Shareholder	Number of Shares Held	Shareholding Ratio*1 (%)
1	SUMITOMO CORPORATION	158,091,477	50.59
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	27,783,600	8.89
3	Custody Bank of Japan, Ltd. (Trust Account)	17,700,500	5.66
4	SCSK Group Employee Stock Ownership Association	6,485,805	2.08
5	STATE STREET BANK AND TRUST COMPANY 505001	4,854,878	1.55
6	STATE STREET BANK WEST CLIENT-TREATY 505234	4,025,976	1.29
7	ARGO GRAPHICS Inc.	3,046,500	0.97
8	Custody Bank of Japan, Ltd. (Trust Account 4)	2,921,300	0.93
9	GOVERNMENT OF NORWAY	2,727,098	0.87
10	STATE STREET BANK AND TRUST COMPANY 510312	2,192,449	0.70

*1 Shareholding ratio is calculated exclusive of treasury stock (354,368 shares).

Total Shareholder Return (TSR)*2



*2 October 3, 2011 indexed as 100

External Recognition

Evaluation regarding ESG



Rated 4.5 stars in the Nikkei Sustainability Comprehensive Survey (Smart Work Management Edition) (November 2024)



Selected as a KENKO Investment for Health for the 11th consecutive year



Recognized as Certified Outstanding Health & Productivity Management Organization (Large Enterprise Category) "White 500" for the ninth consecutive year



Selected for THE DIVERSITY MANAGEMENT 2.0 PRIME (FY2018)



Selected as a Nadeshiko Brand 2025 (tenth time: FY2014–FY2021, FY2023–FY2024)



For the seventh consecutive year, received the Gold rating, the highest rating, in the PRIDE Index for LGBTQ-Related initiatives



Received an A-rating in CDP Climate Change Report 2024



Rated highest in CDP Supplier Engagement Assessment and selected as a "Supplier Engagement Leader"



Thought Leaders of Human Capital 2024



Human Capital Management Excellence 2024 Gold Award

Inclusion in Various Indices



An investment product for pension funds and institutional investors, which is managed by Sompo Asset Management Co. Ltd. and broadly invests in companies with high ESG ratings




An index series that reflects performance of companies which excel in the global standards for environment, society, and governance (ESG) defined by FTSE Russell




Received an A in the MSCI ESG rating, a global benchmark for ESG investment provided by MSCI ESG Research

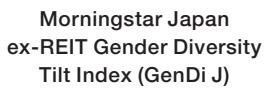
Selected for all ESG indices covering domestic stocks adopted by Government Pension Investment Fund (GPIF)




An index defined by FTSE Russell, which reflects performance of excellent Japanese companies in ESG measures*1




An index that reflects performance of excellent Japanese companies in ESG measures in each sector defined by FTSE Russell*2




An index designed for companies in which an established gender diversity policy has permeated as corporate culture, and ones which are committed to equal opportunities for employees regardless of gender, utilizing data and evaluation methods provided by Equileap*3



An index consisting of companies with higher ESG ratings selected from each industry classified according to the Global Industry Classification Standard (GICS), based on MSCI Nihonkabu IMI Index



A theme-based index consisting of companies which excel in gender diversity based on the MSCI Japan IMI Top 700 Index



A stock index focusing on the environment among "ESG investments" jointly developed by S&P Dow Jones Indices and Japan Exchange Group

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*1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SCSK Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

*2 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SCSK Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

*3 Independent, specialized data provider based in Amsterdam, the Netherlands, which provides a wide range of gender indicators

Communication with Shareholders and Other Investors

The SCSK Group actively holds constructive communication with shareholders and other investors in order to contribute to sustainable growth and the enhancement of medium- to long-term corporate value. Through transparent information disclosure and honest communication, we have them deepen the understanding of the Company, and utilize opinions received in management to enhance corporate value.

In order to promote the constructive communication with shareholders and investors, a system has been established mainly by the Corporate IR Officer and Investor Relations Dept., in which Representative Director, Outside Directors, and heads of business divisions, etc. directly talk especially with analysts, fund managers, and persons in charge of ESG. With the aim of disclosing information on the SCSK Group's business activities in an appropriate and timely manner, we have enhanced internal systems for information gathering and coordination, and thereby realized high-quality IR activities. In more than 300 individual interviews and group meetings held in FY2024, we had opportunities to communicate with a total of approx.700 analysts and investors from Japan and overseas. Putting emphasis on dialogue with overseas investors, we actively participated in investment conferences which securities firms held for overseas institutional investors, and also hold IR meetings overseas.

As an initiative to promote dialogues, we hold quarterly financial results conferences (with a total of approx.400 participants). In September 2025, we held a briefing session on the business integration with Net One Systems Co., Ltd. Moreover, we have conducted proactive IR activities, for example, continuously holding briefings for individual investors to deepen understanding about the SCSK Group's operations. Opinions received through these dialogues are reported to the Board of Directors and the management team by the Corporate IR Officer in a timely and appropriate manner, and are utilized in formulating management strategies and improving IR activities. For example, in formulating the Medium-Term Management Plan, we referred to opinions from shareholders and investors regarding growth strategies and capital policies. Going forward, we will continue to place importance on dialogues with stakeholders and reflect them in management toward an enhancement of corporate value.


Main Dialogue Themes in FY2024

- Market environment for IT services
- Performance trends
- Progress of the Medium-Term Management Plan
- Financial and non-financial strategies
- Initiatives regarding ESG
- Integration plan and synergies with Net One Systems Co., Ltd.

Holding a briefing for individual investors

Market conditions surrounding the SCSK Group, its business overview, and initiatives for sustainable growth in the future were explained to individual investors on demand.
Total number of participants: 3,700

*The materials are only available in Japanese.



Holding a briefing on the business integration with Net One Systems Co., Ltd.

In response to completion of the tender offer bid for Net One Systems Co., Ltd. in December 2024, the briefing on the business integration was held in September 2025, which included the future vision and specific quantitative targets the both companies aim at.
A total of 150 analysts and institutional investors from Japan and overseas participated in the briefing.



For the materials presented at events for analysts and institutional investors to date, please visit:
https://www.scsk.jp/ir_en/library/analyst_meeting/index.html



About the cover of SCSK REPORT 2025 —Introduction of the artist who created it—



Mr. Yuiga	
Born in 2003	
2019	The 17th KiraKira Art Contest
2020	Personal Exhibition "Yukaina Kuni," Oshima Museum of Picture Books, Imizu-shi Runner-up award, ARTPARA FUKAGAWA Chatty Art Festival The 19th KiraKira Art Contest
2021	Personal Exhibition "Tabo no Kuni," Oshima Museum of Picture Books, Imizu-shi Excellence Award, ARTPARA FUKAGAWA
2022	Personal Exhibition "Bokuno Sekai," Oshima Museum of Picture Books, Imizu-shi
2023	Miraimachi Art (participated in collaborative art with companies) NOMAMA to GAMAMA "Himi's Art Brut Exhibition"
2024	Grand Prize, Echū Art Festival 2024 (Toyama Kenminkaikan Art Museum) ART HUG COCOPELLI (THE KITANIPPON SHIMBUN Gallery) ART MEETS HEART (AUBADE HALL)
2025	"LOVE + PEACE + ART =?" Toyama Kenminkaikan Art Museum

Mr. Yuiga is an artist who creates artwork at home while also attending a Type A office*. Since he was in the art club at a special needs school, he has drawn pictures of the world where the sensitive and attractive people called Tabo-chan live. In a world like an island floating in the sky, all kinds of living things and plants live in harmony and help each other, and in the town, people play, work, laugh and get angry. The lively scenes of the world where the Tabo-chan live give strength to those who see them. All of my colleagues and family at COCOPELLI are delighted with the initiatives featured on the cover page, as the rich world created from Mr. Yuiga's perspective seems to blend gently with SCSK's philosophy of valuing people and building a hopeful, dream-filled future. I appreciate the valuable opportunity.

Representative, COCOPELLI From Mr. Masanori Yoneda



While respecting the concept of "art brut," the NPO COCOPELLI supports and promotes artistic expression by persons with intellectual disabilities.

<https://npococopelli.jimdoweb.com/>

*Continuous Employment Support Type A Office: A welfare service for persons with disabilities or intractable diseases that provides a workplace environment where they can work under an employment contract with a certain level of support.

SCSK Group's Social Contribution Activities

CAMP

Children's Art Museum & Park (CAMP) was launched in April 2001 as a social contribution activity of the SCSK Group to foster the "Ability to create in harmony with one another" of children, who will be forging the future.

CAMP places the highest priority on activities that children can enjoy on their own initiative, and provides workshops for elementary and junior high school students that incorporate the five elements of "thinking," "making," "connecting," "presenting," and "reflecting." Through the experience of co-creation activities in group work, children will learn various ways of expressing themselves, and develop the sociality and a spirit of enjoyment by accepting others and diversity, which will be required of children in the future.

In addition, by developing CAMP activities in collaboration with industry, academia, and government at SCSK Group bases throughout Japan, we not only promote activities to foster the next generation but also contribute to regional revitalization. At the workshops, employees from each base and local university students play an active role as facilitators who draw out the independence of children and provide appropriate support according to each situation. The experience as facilitators is an opportunity to learn and gain awareness.



CAMP is active throughout Japan, mainly at the SCSK Group's bases.

Number of workshops held: 1,292 Total number of participants: 25,058
(April 2001 - March 2025)



For further details about CAMP, please visit:
<https://www.camp-k.com/>
(in Japanese only)



Wellnoba

Wellnoba is a participatory social contribution initiative involving all officers and employees of the SCSK Group. It aims to enable officers and employees to "connect with local communities and contribute to society through an understanding of social issues," "interact with local communities and play an active role both inside and outside the company," and "feel a sense of self-realization and achievement through social contribution activities."

Aiming to carry out social contribution activities befitting the SCSK Group, we are promoting initiatives in three key areas.

- Activities that support "people"
- Activities that mitigate the impact of business activities on the environment and society
- Activities that utilize skills and knowledge acquired through business activities and work



Clean-up activities in the vicinity of business sites (Beach Clean)