

FY2012-FY2014
Medium-Term Management Plan

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.

FY2015-FY2019
Medium-Term Management Plan

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

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.

FY2020-FY2022
Toward 2030 Medium-Term Management Plan Phase I

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 Minor 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.

FY2023-FY2025
Toward 2030 Medium-Term Management Plan Phase II

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.

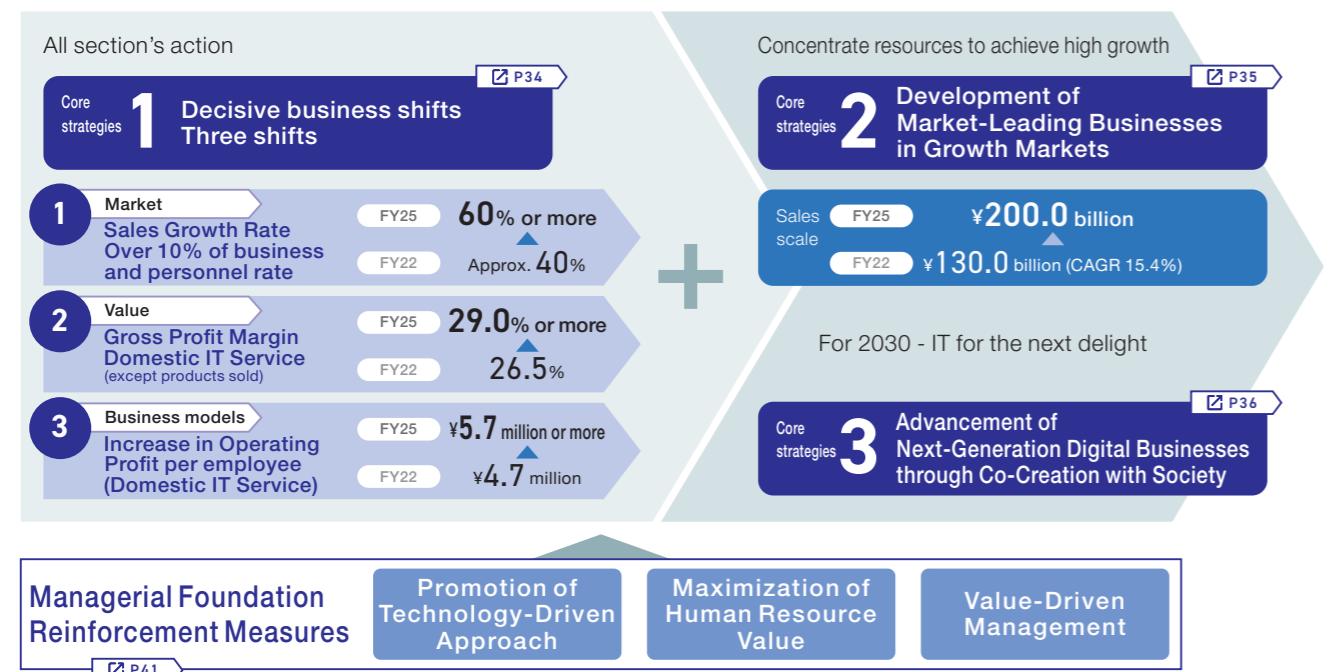
Progress of the Medium-Term Management Plan

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

Group core strategies



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



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

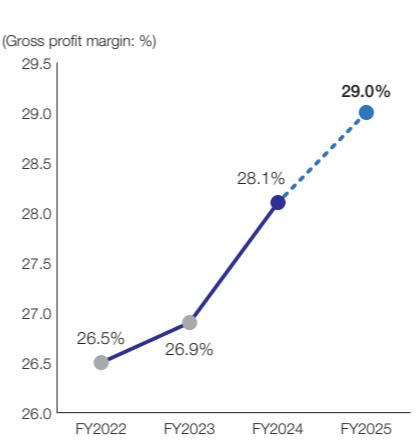
- Centralization of System Development/ System Maintenance and Operation/ Services (From individual response for each client to centralized response)
- Promotion of low-code/no-code development (Promotion of utilization of S-Cred*, etc.)

Progress of Core Strategy 1*1

Core Strategy 1-2 Shift toward high-value-added areas

YoY 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.

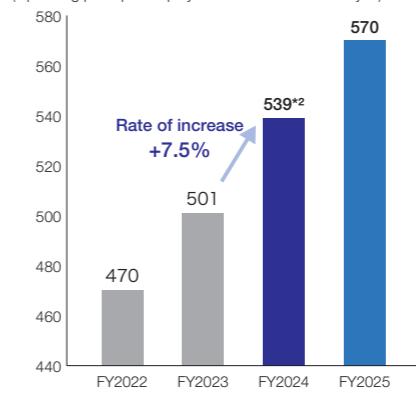


Core Strategy 1-3 Shift toward high-productivity business models

YoY 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.

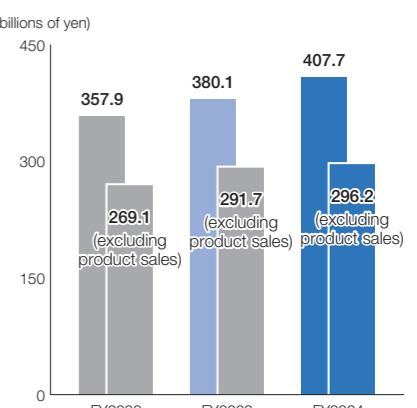
(Operating profit per employee: tens of thousands of yen)



Reference Domestic IT service sales trends

YoY 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.



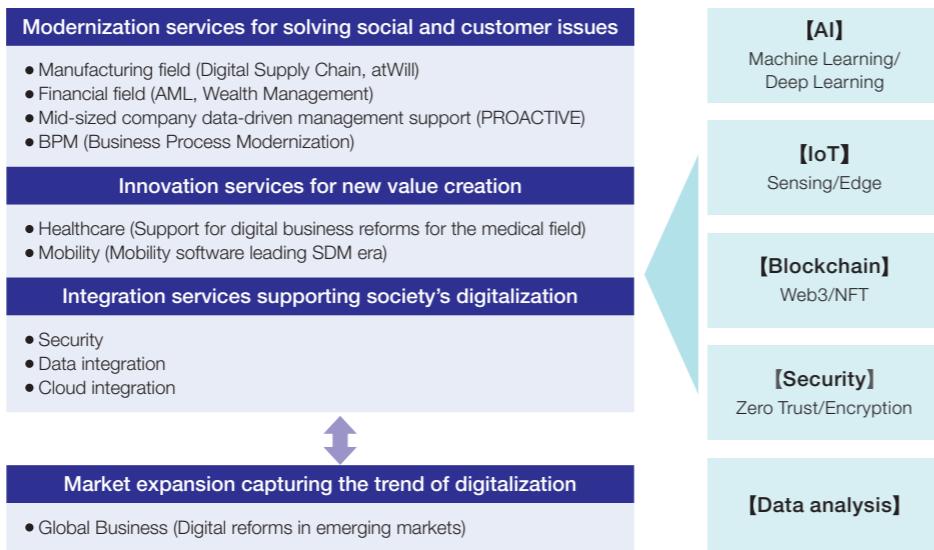
*1 We will disclose the results of Core Strategy 1-1 in the final year of the Medium-Term Management Plan, and will calculate the results of Core Strategy 1-2 based on sales excluding domestic IT services and retail sales. For information on sales scale, please refer to “(Reference) Domestic IT service 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. [\[P54/Industrial Business Group\]](#)

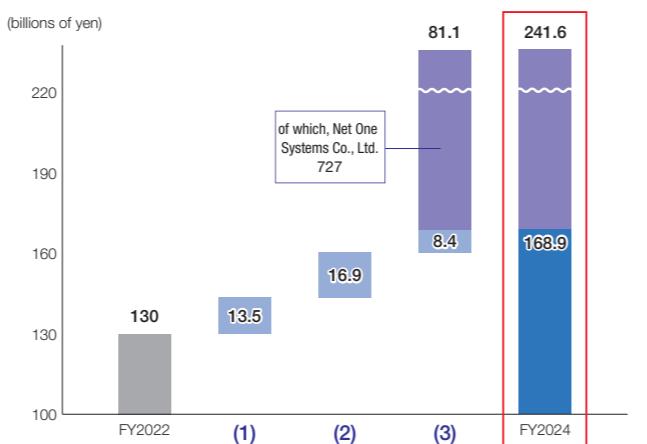
In the PROACTIVE Business, we released PROACTIVE Sales (sales management) and PROACTIVE AI in April 2025. The new PROACTIVE will leverage AI at its core, combining our own and other companies' advanced technologies—from applications to PaaS/IaaS layers—to deliver value to our customers. [\[P59/PROACTIVE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

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. [\[P60/Net One Systems Co., Ltd.\]](#)

Sales scale trends (two years)

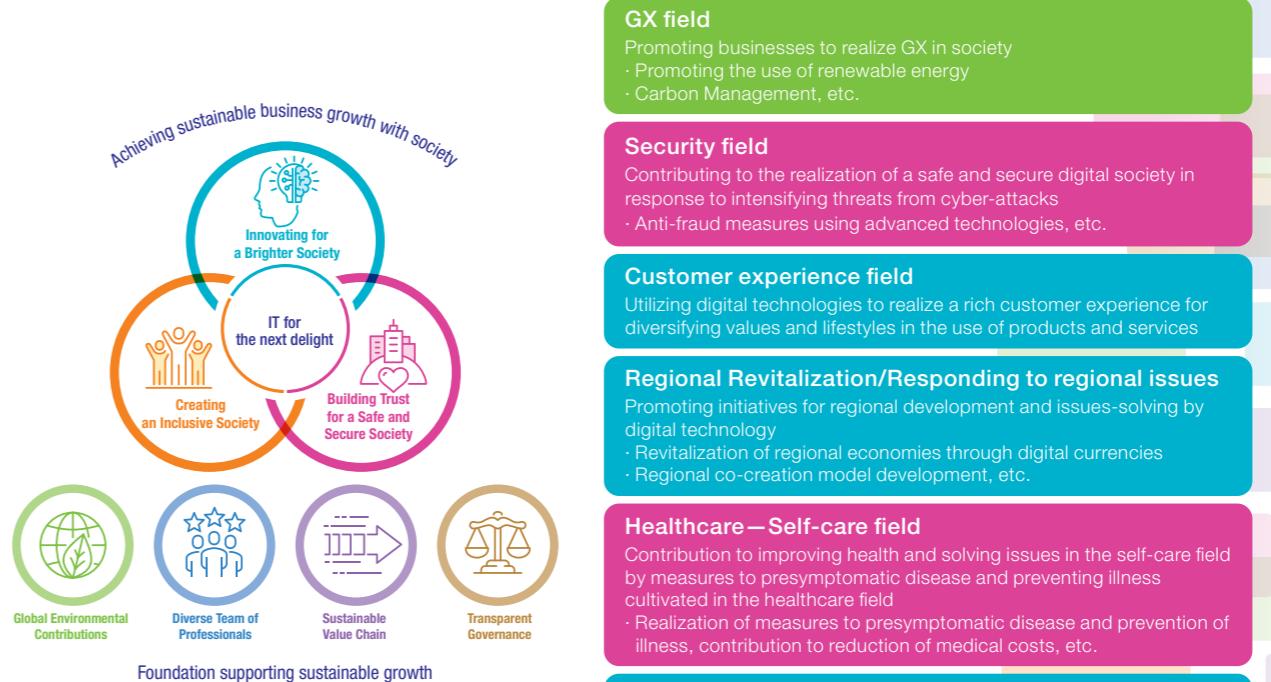
CAGR +36.3% (Excluding Net One Systems: +14.0%)



(1) Modernization services for solving social and customer issues
(2) Innovation services for new value creation
(3) Integration services supporting society's digitalization

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

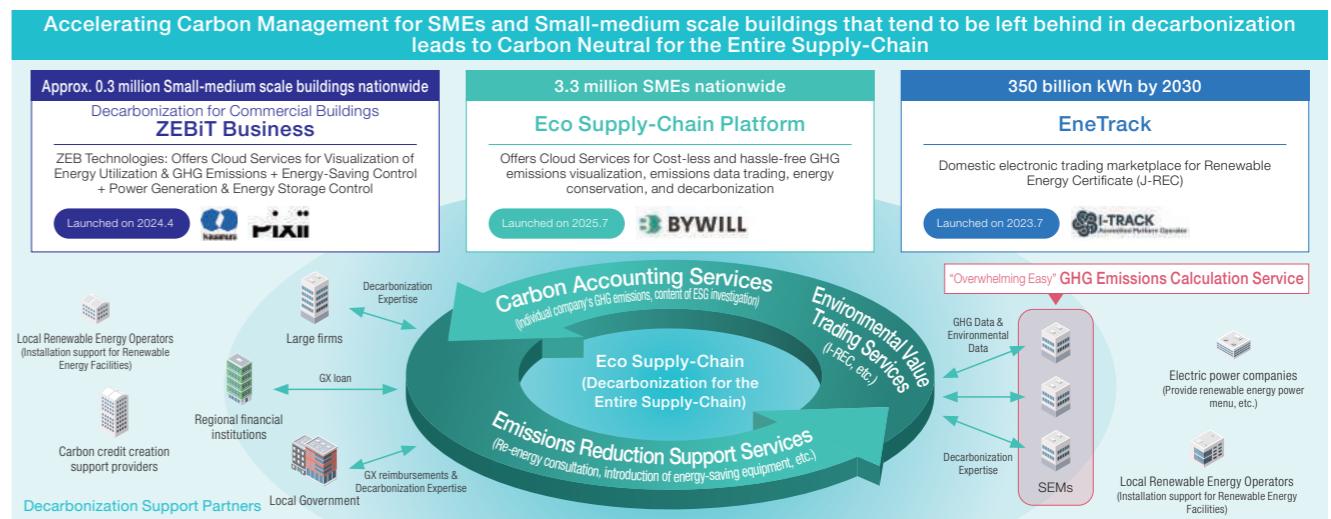
In Core Strategy 3, by leveraging our core business insight, we will lead the creation of completely new, next-generation digital business and of new value for society. New business possibilities will constantly be explored in areas based on the SCSK Group's material issues.



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

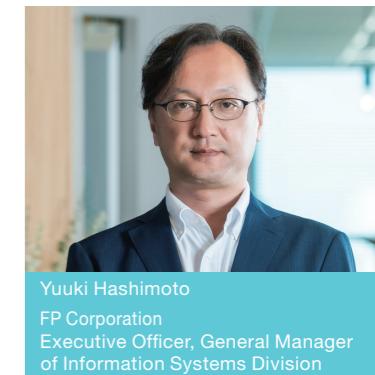
FP Corporation

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 discuss 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



The future of ERP pioneered by AI

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



*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
\(in Japanese\)](https://proactive.jp/resources/feature/detail02/)



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/
\(in Japanese\)](https://proactive.jp/resources/news/)



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

- 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



[P47 / Message from the Assistant General Manager, Technology Strategy Div.](#)

Maximization of Human Resource Value

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.

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

- 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 ended March 31, 2026, 5.2%)
- Launch consideration of new personnel system for next medium-term management plan

Well-Being Management

Well-Being Management

- 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

[P69 / Message from the Officer in Charge of Human Resources](#)

Diversity and inclusion

- 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

- Hold town hall meeting with president (sales front-end innovation, well-being management)
- Speak at the management personnel group kickoff

Town hall meeting



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

- Consulting and business design personnel

500 people or more

- Certified advanced engineers

3,000 people or more

- Advanced PM talent

250 people or more

- Certified IT engineers for the Digital Skill Standard Training

10,000 people

Well-Being/D&I promotion

- Engagement**

90% or more

- Performance volatility**

90% or more

- Number of females in general manager positions***

Three times or more

Global Environmental Contributions

- 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)

Progress of the Medium-Term Management Plan

Management Indicators (Financial and Non-Financial) Progress Summary

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



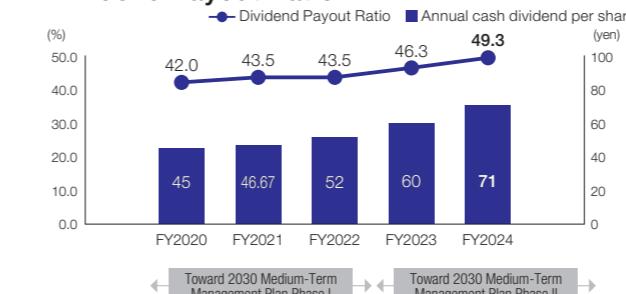
ROE



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

	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.

Human resources portfolio/Human resource development

[P75]

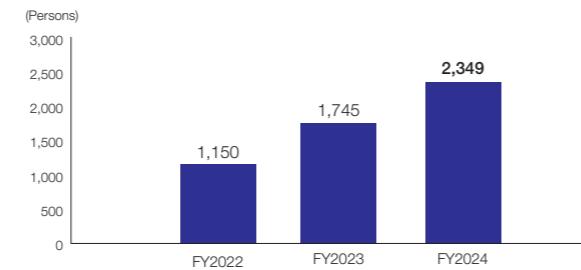
To push forward the promotion of the core strategies we set forth in the Medium-Term Management Plan, we have established non-financial targets for structural expansion in the four key fields and are focusing on cultivating human resources. As we continue our human resource development and expansion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

*SCSK Corporation

Consulting and business design personnel*



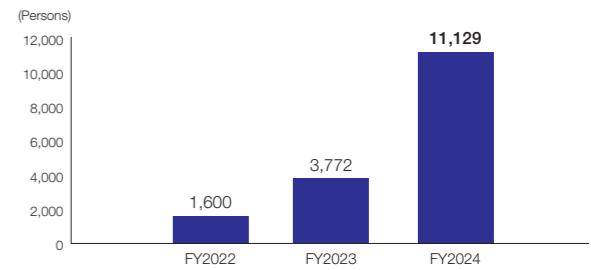
Certificated advanced engineers



Advanced PM talent



Certificated IT engineers for the Digital Skill Standard Training



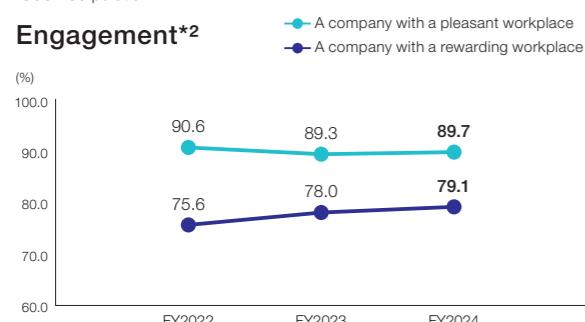
Well-Being/D&I promotion

[P79]

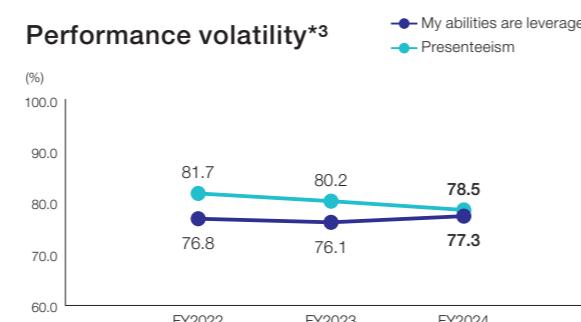
In addition to balancing work comfort and job satisfaction, we also aim to achieve a high standard of mental and physical health and performance. To this end, we are continuously implementing initiatives while regularly monitoring employee engagement and performance volatility.

*SCSK Corporation

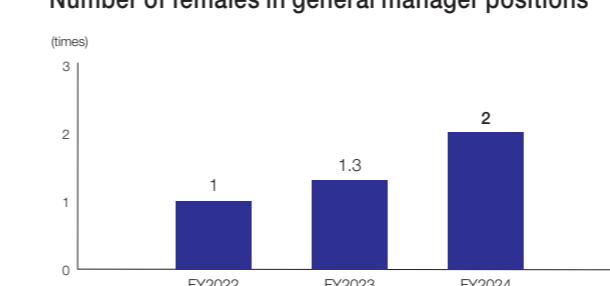
Engagement*



Performance volatility*



Number of females in general manager positions*



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.

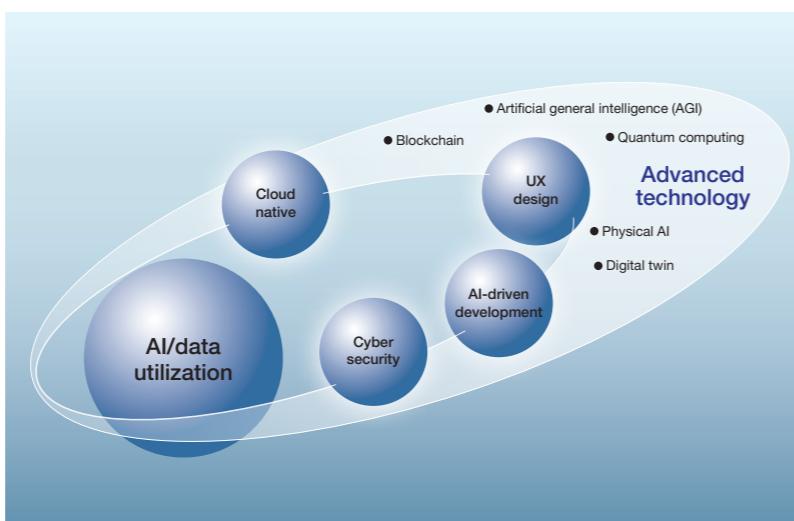
Moreover, the presence of generative AI technologies such as ChatGPT, which in just over a year had a remarkable impact, continues to increase, as are expectations for artificial general intelligence (AGI). Through the initiatives of Technology Vision 2030, SCSK will continue achieving high added value 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. [\[P47\]](#)

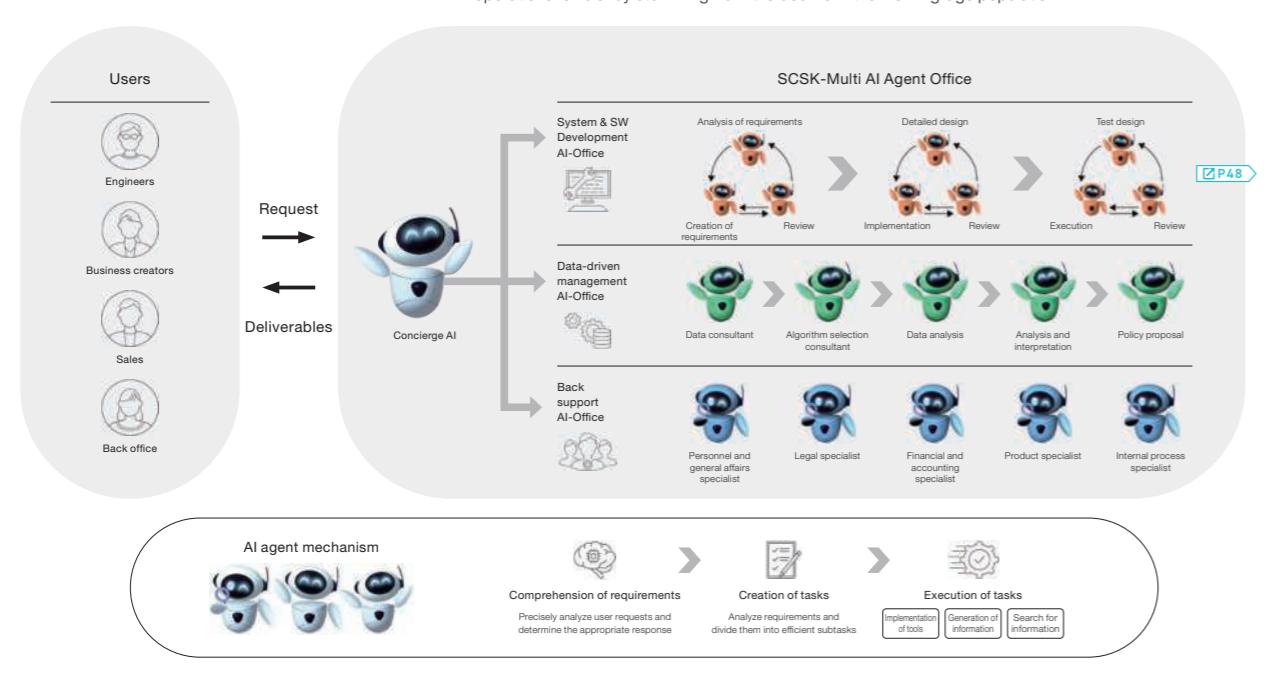
● AI-driven development (enhancement of productivity)

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-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.



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.

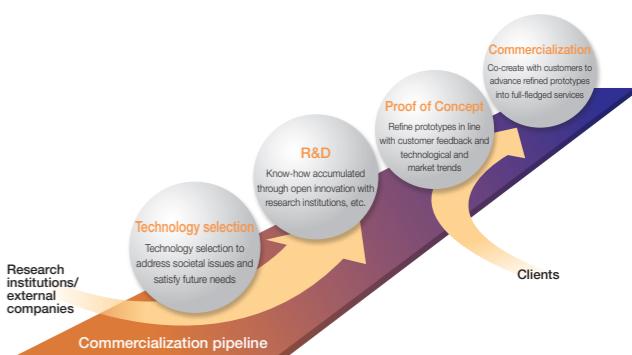
Moreover, we put a great deal of emphasis on the co-creation of technology even in state-of-the-art technologies that will shape future markets. In the technology domains of quantum computing, AI robotics/physical AI, and digital twins, for instance, we aim for social deployment through open innovation,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

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.

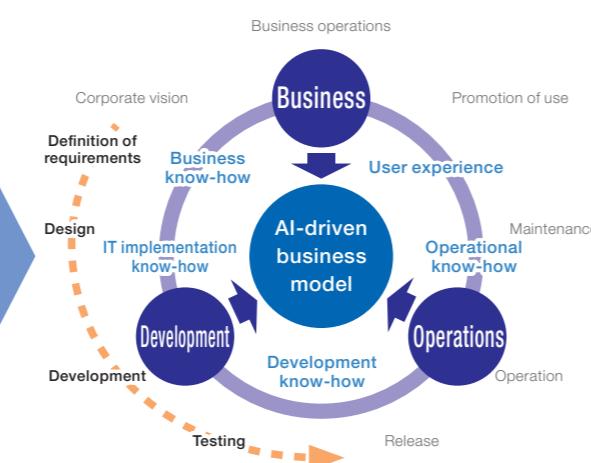
The SCSK Group continuously evolves its practical AI-driven development environment by conducting research and technical verification on generative AI technologies that continue advancing rapidly, and by selectively adopting available technologies.

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 (VECUs)* 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)

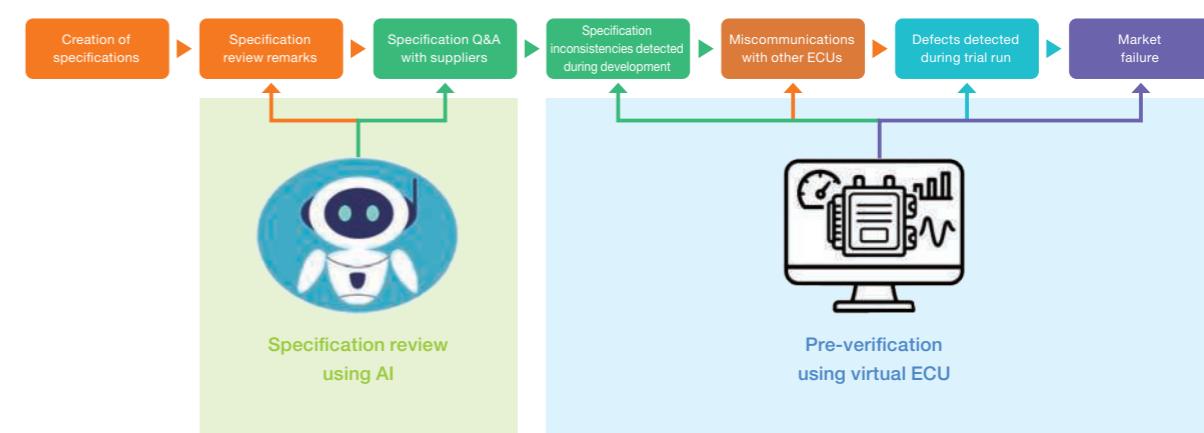
Increasing importance of building quality into upstream processes

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.



Color legend: The evaluation and verification phase in the conventional development process

Vehicle/system design phase Hardware/software development phase System/actual vehicle verification phase After shipping



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.

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

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.

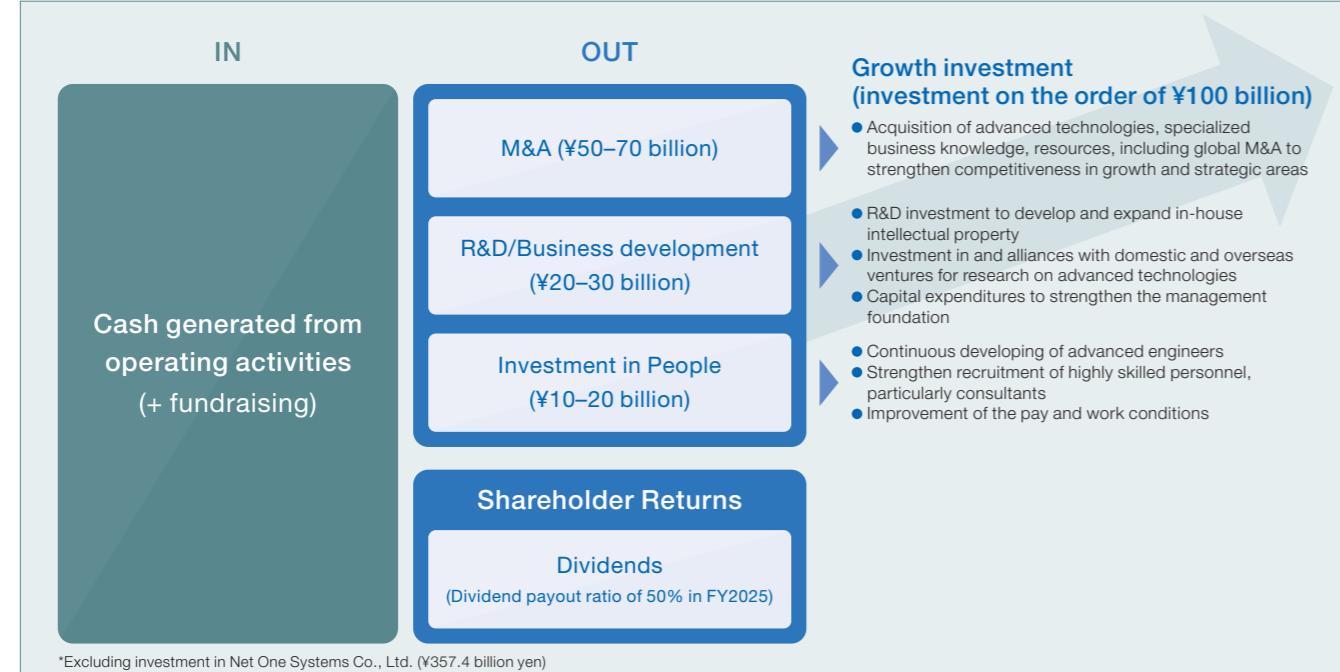
Additionally, in an endeavor independent of the M&A investments outlined in this Medium-Term Management Plan, we completed a tender offer for Net One Systems Co., Ltd. in December 2024, welcoming the company into the Group. This will generate a vast range of synergies far surpassing mere capital or business 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.

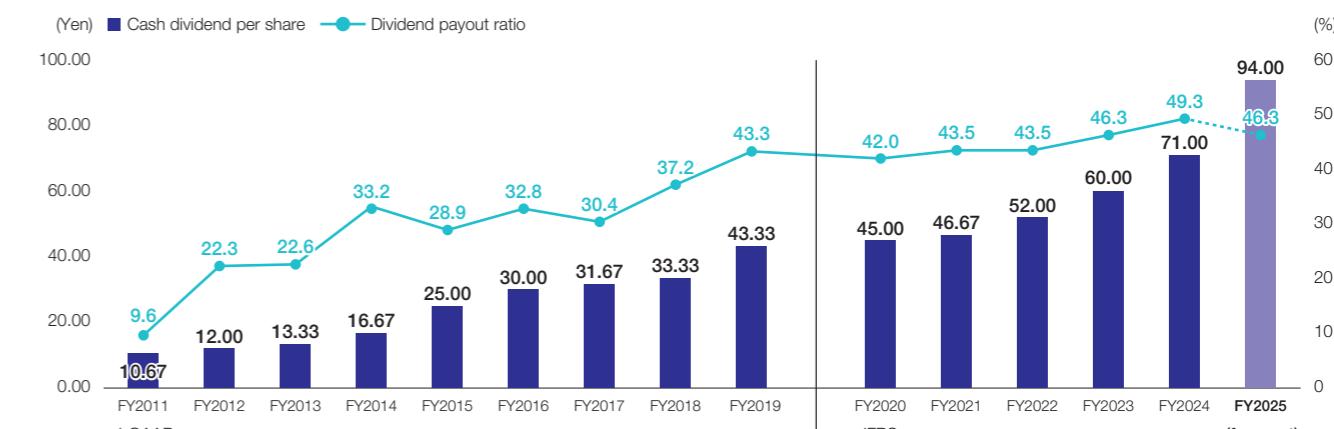
Finally, concerning human capital investment, we plan to invest ¥10–20 billion. To date, we have invested ¥12.2 billion (¥5.1 billion in the fiscal year ended March 31, 2024 and ¥7.1 billion in the fiscal year ended March 31, 2025). We are committed to developing non-financial metrics-driven talent including 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.



*Excluding investment in Net One Systems Co., Ltd. (¥357.4 billion yen)

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.

[P124 /Communication with Shareholders and Other Investors](#)

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

*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

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

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



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 | Risks |
|---|---|
| <ul style="list-style-type: none"> ● 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 | <ul style="list-style-type: none"> ● 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 | Risks |
|---|--|
| <ul style="list-style-type: none"> ● 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 | <ul style="list-style-type: none"> ● 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 CO₂ 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

- Expansion of new network destinations through acceleration of digitalization
- Expansion of demand for cybersecurity measures and stable operation
- Leveraging "advanced network technology"

Risks

- 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.”

SCSK Minori Solutions Corporation

Main services

IT consulting

Systems development

IT infrastructure implementation

IT management

IT hardware and software sales

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)."

