

July 29, 2024

To whom it may concern:

Company: SCSK Corporation  
Representative: Takaaki Touma  
President and Representative Director  
Code: 9719 (TSE Prime Section)  
Contact: Takayuki Yoshida  
General Manager, Corporate Planning Dept.  
(Tel. +81-3-5166-2500)

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## **Notice of Regarding Company Split (Simple Absorption-Type Company Split)**

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SCSK Corporation resolved at a meeting of the Board of Directors held today to perform a company split (simple absorption-type company split) with a tentative effective date of October 1, 2024, to separate its system operation business, which will be succeeded by wholly owned subsidiary SCSK SYSTEM MANAGEMENT CORPORATION.

This company split will take the form of a simple absorption-type company split in which the split businesses will be succeeded by a wholly owned subsidiary. Accordingly, certain disclosure items and details have been omitted.

### **1. Purpose of Company Split**

There has recently been a rise in demand for reduction in the number of IT system operation processes as well as for improvements in efficiency to reduce costs. To address this demand, attention is being turned toward operation process optimization and toward new system operation management approaches using AI and other cutting-edge technologies. Meanwhile, the promotion of workstyle reforms spurred the widespread adoption of remote working, which fundamentally transformed IT system operation and created a need for stronger security to accommodate more diverse access methods.

SCSK SYSTEM MANAGEMENT CORPORATION was established in 2004 as a dedicated system operation company, and this company has continued to provide system operation and other services up until today. In the past, SCSK has sought to consolidate its system operation business into SCSK SYSTEM MANAGEMENT CORPORATION by transferring operations to this company on a single-project basis, but some portions of this business continue to be conducted by SCSK Corporation regardless.

Given these circumstances, it was decided to fully consolidate the system operation business resources of the IT Management Services Div. and the Nishinohon IT Management Business Div. of the Solution Business Group (customers, contracts, employees, partners, etc.) into SCSK SYSTEM MANAGEMENT CORPORATION, a function company specializing in this area. The goal of this reorganization is to bolster competitiveness through specialization in order to allow for better responses to the changes seen in the operating environment for the system operation

business as a result of rapid technological progress.

## **2. Overview of Company Split**

### (1) Schedule of company split

Date of merger resolution by the Board of Directors	July 29, 2024
Conclusion of absorption-type company split agreement	July 29, 2024
Planned effective date of company split	October 1, 2024

Note: The company split is a simple absorption-type company split conducted in accordance with the provisions of Paragraph 2, Article 784, of the Companies Act, and therefore does not require approval from a General Meeting of Shareholders.

### (2) Form of company split

The company split is expected to take the form of a simple absorption-type company split with SCSK SYSTEM MANAGEMENT CORPORATION as the succeeding company.

### (3) Allotments related to the company split

No plans exist to issue new shares in relation to the company split, nor is any money expected to be delivered due to the company split.

### (4) Handling of share warrants and bonds with share warrants in relation to company split

There are no applicable share warrants and bonds with share warrants.

### (5) Changes in capital as a result of company split

There will be no changes in the capital of SCSK Corporation as a result of the company split.

### (6) Rights and obligations inherited by succeeding company

SCSK SYSTEM MANAGEMENT CORPORATION will inherit the asset, liability, and other rights and obligations described in the absorption-type company split agreement.

### (7) Outlook for repayment of liabilities

There are expected to be no issues with regard to the repayment of liabilities attributed to SCSK Corporation or to SCSK SYSTEM MANAGEMENT CORPORATION as a result of this company split.

### **3. Overview of Companies Subject to Company Split (as of March 31, 2024)**

	Splitting company	Succeeding company
(1) Company name	SCSK Corporation	SCSK SYSTEM MANAGEMENT CORPORATION
(2) Address	3-2-20, Toyosu, Koto-ku, Tokyo 135-8110, Japan	3-2-20, Toyosu, Koto-ku, Tokyo 135-8110, Japan
(3) Representative name, position	Takaaki Touma President and Representative Director	Masayuki Tanabe President and Representative Director
(4) Business activities	Provision of IT consulting, systems development, verification, IT infrastructure development, IT management, IT hardware and software sales, business process outsourcing, and other services	On-premise operation services and data center operation services
(5) Capital	¥21,420 million	¥100 million
(6) Date of establishment	October 25, 1969	February 2, 2004
(7) Shares issued	312,783,158 shares	2,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders (percentage ownership)	SUMITOMO CORPORATION (50.6%) The Master Trust Bank of Japan, Ltd. (Trust Account) (7.33%) Custody Bank of Japan, Ltd. (Trust Account) (4.78%) SCSK Group Employee Stock Ownership Association (2.17%)	SCSK Corporation (100%)
(10) Financial position and operating performance in most recent fiscal year	Fiscal year ended March 31, 2024 (consolidated, IFRS)	Fiscal year ended March 31, 2024 (JGAAP)
Total equity / Net assets	¥302,910 million	¥2,414 million
Total assets	¥471,400 million	¥3,441 million
Equity attributable to owners of parent per share / Net assets per share	¥967.36	¥1,207,064.33
Net sales	¥480,307 million	¥6,673 million
Operating profit / Operating income	¥57,004 million	¥1,069 million
Ordinary income	—	¥1,068 million
Profit before tax / Net income before tax	¥57,459 million	¥1,068 million
Profit / Net income	¥40,584 million	¥698 million

Basic earnings per share / Earnings per share	¥129.51	¥349,020.84
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#### **4. Overview of Business to be Split from SCSK Corporation**

(1) Business to be split from SCSK Corporation

On-premise, data center, and other system operation services

(2) Performance of business to be split from SCSK Corporation (fiscal year ended March 31, 2024)

Net sales: ¥27,853 million

(3) Assets and liabilities to be split for SCSK Corporation (as of June 30, 2024)

Assets		Liabilities	
Current assets	¥3,475 million	Current liabilities	¥1,435 million
Non-current assets	¥730 million	Non-current liabilities	¥48 million
Total	¥4,206 million	Total	¥1,484 million

Note: The above amounts are as of June 30, 2024, and include trade and other receivables and trade and other payables.

The amounts of assets and liabilities to be transferred to SCSK SYSTEM MANAGEMENT CORPORATION via the company split will not include ¥2,802 million in trade and other receivables and ¥1,094 million in trade and other payables that have already been receive or paid, respectively, and will be adjusted to reflect asset and liabilities amounts on the day before to the effective date of the split.

#### **5. Conditions Post-Company Split**

(1) SCSK Corporation

There will be no change to the company name, business activities, address, representative, capital, or fiscal year-end of the SCSK Corporation as a result of the company split.

(2) Succeeding Company

There will be no change to the company name, business activities, address, representative, capital, or fiscal year-end of the succeeding company as a result of the company split.

#### **6. Future Outlook**

As the succeeding company is a wholly owned subsidiary of SCSK Corporation, the impact of the company split on consolidated performance is expected to be minimal.