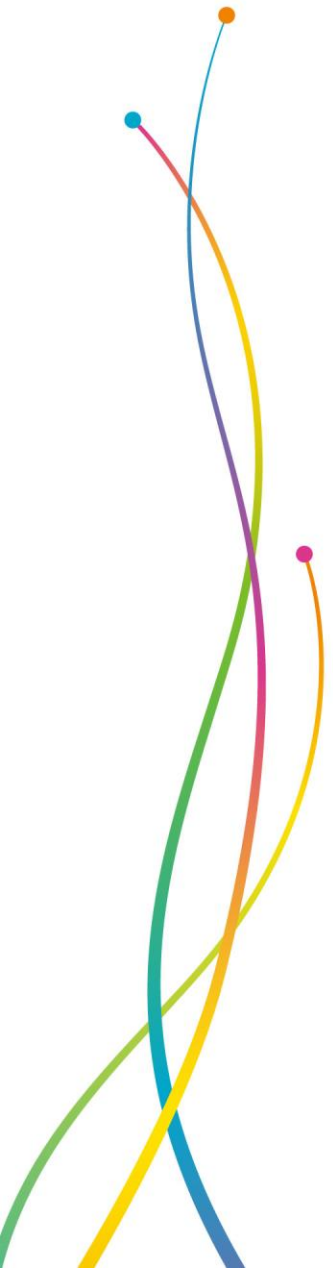


Business Results Summary for FY2022 and Overview of Medium-Term Management Plan (FY2023 - FY2025)

Takaaki Touma
Representative Director, President

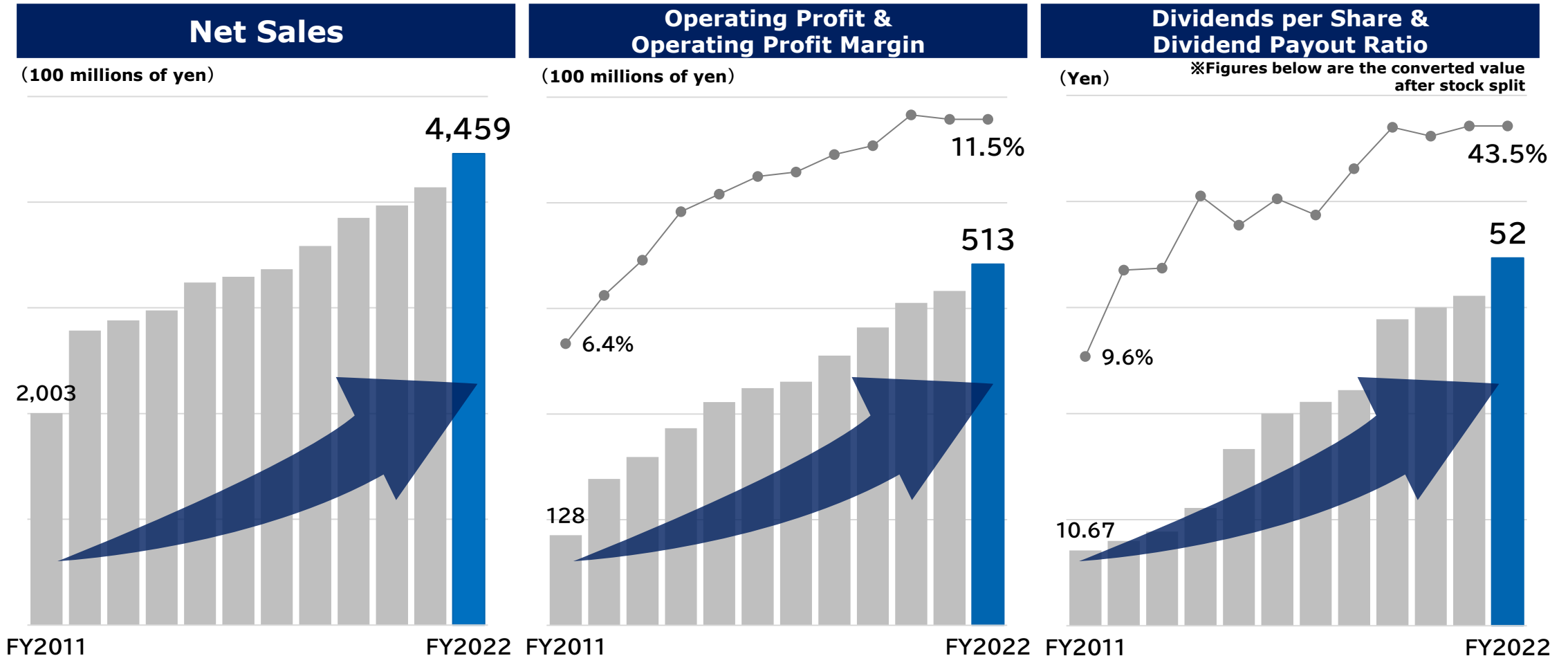
April 28, 2023



Business Results Summary for FY2022

FY2022 Financial Results Summary (1/2)

- Achieved the 11th consecutive year of increased sales, profits, and dividends since the merger by meeting the strong demand of investment for IT
- Operating profit fell short of forecast due to loss-making projects in the Q4

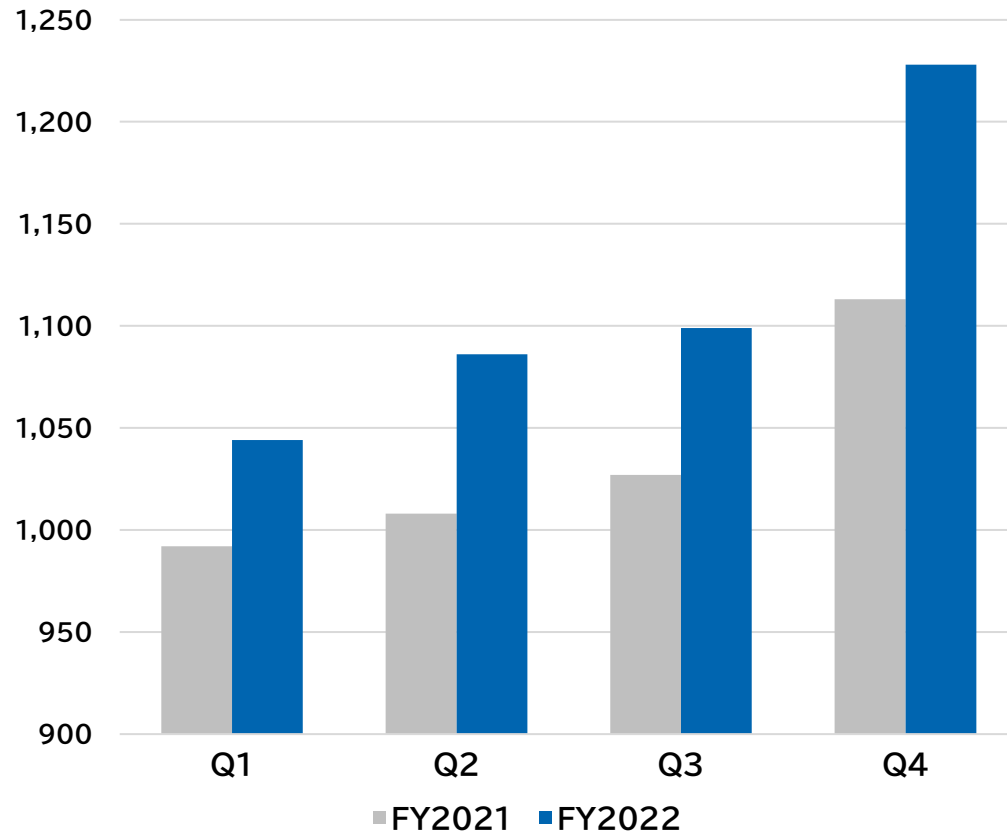


FY2022 Financial Results Summary (2/2)

- Started with a decrease in operating profit in Q1 due to the impact of the time required to launch several large-scale system development projects
- Achieved an operating profit margin of over 13% in Q4 while SCSK anticipated full-fledged system development projects in the latter half of the fiscal year

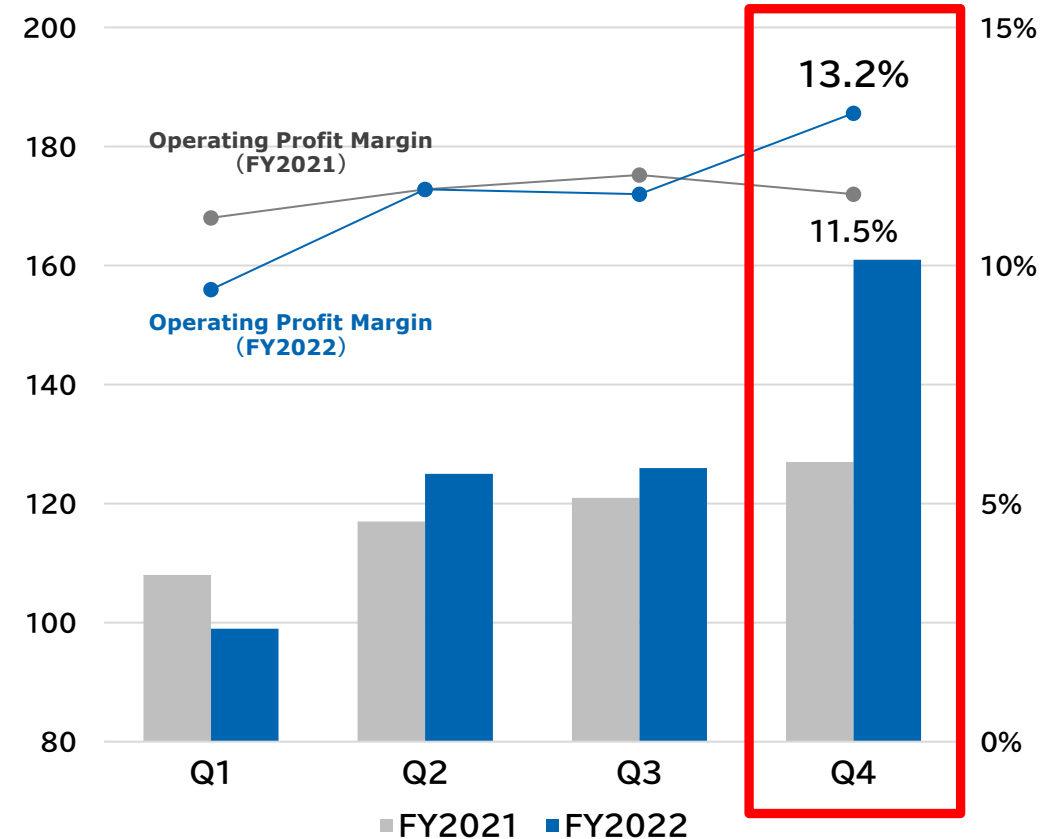
Net Sales

(100 millions of yen)



Operating Profit & Operating Profit Margin

(100 millions of yen)





Medium-Term Management Plan (FY2023 – FY2025)

< Overview >

Review of Previous Medium-Term Management Plan (Progress of Core Strategies)

- Implemented three core strategies aimed at expanding its business on a global basis in the previous Medium-Term Management Plan
- Achieved appropriate progress along the planned line regardless of the impact of COVID-19

	Overview of Progress	Investment Amount (Plan)	Issues
Core Business Innovation	<ul style="list-style-type: none"> ○ (Monozukuri Innovation) Newly developed "Monozukuri innovation" platform, S-Cred+ △ Promoting utilization of S-Cred+ platform ○ (Subdivision Innovation) △ Developing service managers as the core of strengthening client contacts 	<p>¥33.6 billion (¥40B)</p>	<ul style="list-style-type: none"> ○ (Monozukuri Innovation) • As the application of S-Cred+ was limited to some projects, it contributed only limited to results ○ (Subdivision Innovation) • Acceleration of consulting activities, such as recommendation and proposal, that contribute to solving client
Commercialization of DX	<ul style="list-style-type: none"> △ (Mobility Field) Strengthened relationships with clients and partners and conducted trials of new services ○ (Financial Service Platform Field) Created TAMP business and the Efukuri business in the wealth management marketplace ○ (Healthcare Field) Developed new service with Dr2GO as centered for the work style reform of medical workers and the efficiency improvement problem of regional medical treatment △ (CX Field) Released related product of "altcircle", client contact points service 	<p>¥15.1 billion (¥50B)</p>	<ul style="list-style-type: none"> • Acceleration of solving social issues through our business • Early contribution to earnings during the next Medium-Term Management Plan period • Revitalize business creation and promote market expansion, including the establishment of new business areas
Investment in People	<ul style="list-style-type: none"> ○ Developing advanced engineers(AI, Agile and Cloud) ○ Increased the number of new graduates and mid-career recruits ○ Expanded nearshore base 	<p>¥9.6 billion (¥10B)</p>	<ul style="list-style-type: none"> • Strengthen further efforts to upgrade, diversify and expand our human resources, the driving force behind our growth

Review of Previous Medium-Term Management Plan (Management Targets)

- Limited contribution to earnings from business innovations and DX commercialization
- On the other hand, in existing domains, SCSK achieved steady business growth as it responded to vigorous strategic investments related to clients' cloud computing and promoting digitization

	FY2019	FY2022		
	Results (J-GAAP)	Targets	Results (IFRS)	(Compared to FY2019)
Net Sales	¥387 billion	※1 ¥500 billion or more	¥445.9 billion	(CAGR 4.8%)
Operating Profit	¥42.3 billion	-	¥51.3 billion	(CAGR 6.7%)
Operating Profit Margin	10.9%	10~12%	11.5%	(+0.6pt)
ROE	15.6%	15% or more	14.4%	(-1.2pt)

■ ROIC maintenance target level (In the medium-term management plan period): 10~12% ⇒ 11.9% (Result of FY2022) ※1 Including inorganic sales growth through M&A

- Faced with an "uncertain era" in which changes in the business environment are accelerating and it is difficult to foresee the future
- Chronic shortage of IT human resources continues against the backdrop of vigorous digital investment appetite of domestic companies and in-house production of IT

External-Environment

【Social Trend】

- The Japanese government promotes digitalization to strengthen international competitiveness
- Segmentation and instability of the supply chain due to geopolitical risks, and soaring prices / labor costs against the backdrop of the energy situation

【Client Trend/ IT Service Industry Trend】

- Increasing **interest in in-house production** of IT to respond to changes in the marketplace
- **Shortage of IT personnel** and **intensified competition to acquire IT personnel** due to in-house production

【Advanced Technologies Trend】

- **Expand practical application areas** for AI, robotics, and IoT techniques
- Continued emergence of new technological innovations, such as quantum computing

Internal-Environment

【Issues of SCSK: Three Stagnations】

1. “Client relationship”

- Client, field of trade, service content, and client relationship

2. “Business models”

- Sales methods, business models and pricing

3. “Organization / People”

- Assignment, roles, experience culture, philosophy, etc.

■ **Need for “self-transformation” through redeveloping of business fields and business models more thorough than in the past**

Management Policies for "Co-Creative IT Company in 2030"

1. Enhancement and expansion of core businesses

- Contribute to the digitalization and transformation of client businesses as a partner by enhancing human resource and technical capabilities
- Improve earnings capacity to generate growth potential and funds to fuel investments oriented toward future sustainable growth

2. Contribution to the growth of client businesses

- Contribute to address market-wide issues by leveraging intellectual properties and insight in transactions and co-creation with customers

3. Creation of new value for society

- Challenge to create next-generation digital businesses founded on core business insight to lead the resolution of social issues

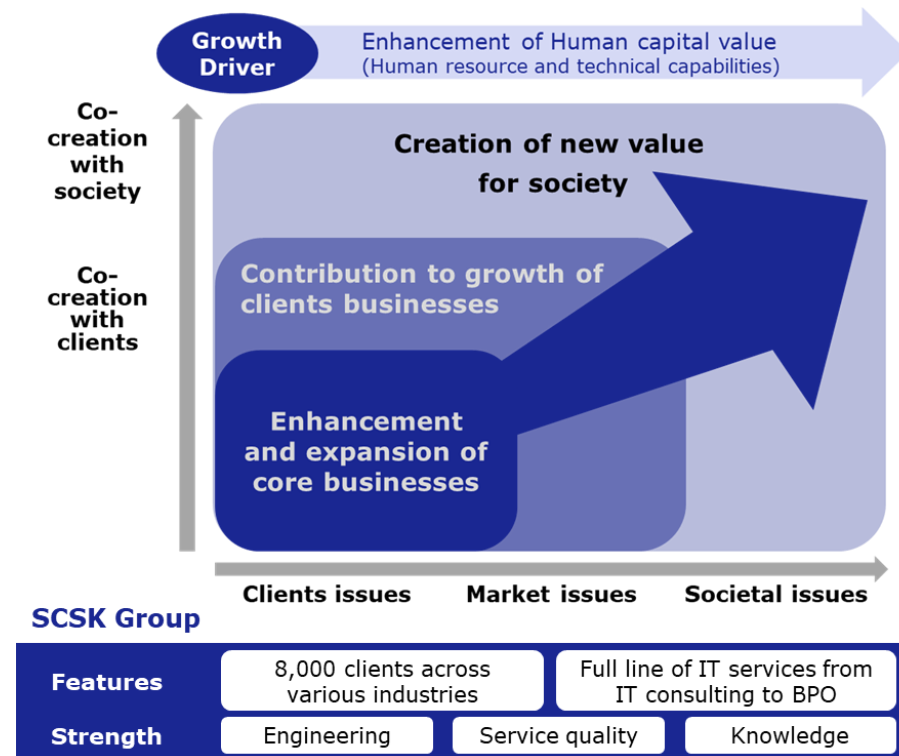
2030 Co-Creative IT Company

- IT for the next delight -

SCSK Group aims to be a "Co-Creative IT Company" that promotes co-creation with customers, partner companies, and the community by improving our human capital. It is a corporate group that continues to provide value to address various issues.

Dramatic improvements in
"Comprehensive Corporate Value"

Challenge on the scale of Net Sales 1 Trillion Yen



Toward 2030

Second Phase

2023 - 2025

First Phase

2020 - 2022

Co-Creative IT Company – IT for the next delight –

■ Pursue dramatic improvements in “Comprehensive Corporate Value” through:

- Reorganization of business areas and redevelopment of business models to continue providing new value to customers and society
- Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of SCSK Group

- Lead to improve earnings and business performance with measures in the core strategies of first phase
- Implement measures without exception company-wide, reflecting the fact that business innovation was only partially implemented

■ Work on measures for both the core strategies of “Core Business Innovation” and “Commercialization of DX” for “Grand Design 2030” as the first phase

- **Core Business Innovation** : Expand business by innovating existing business
Promote a shift from client-support-oriented to new-value-creating-oriented with setting forth “*Monozukuri* Innovation” and “Subdivision Innovation”

- **Commercialization of DX** : Challenge to create businesses that provide new value to society
Taking on the challenge of creating new value and businesses for society by formulating business plans and co-creating with clients and partners to resolve social issues



Medium-Term Management Plan SCSK Group's Core Strategies

■ Pursue dramatic improvements in “Comprehensive Corporate Value” through:

- Reorganization of business areas and redevelopment of business models to continue providing new value to clients and society
- Maximization of the market value of all employees based on the recognition that the growth of employees drives the growth of SCSK Group

All section's action

**1 Decisive Business Shifts
—Three Shifts**

- 1 Market** Shift toward high-potential business areas
- 2 Value** Shift toward high-value-added areas
- 3 Business model** Shift toward high-productivity business models



Concentrate resources to achieve high growth

2 Development of Market-Leading Businesses in Growth Markets

For 2030 - IT for the next delight -

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

Managerial Foundation Reinforcement Measures

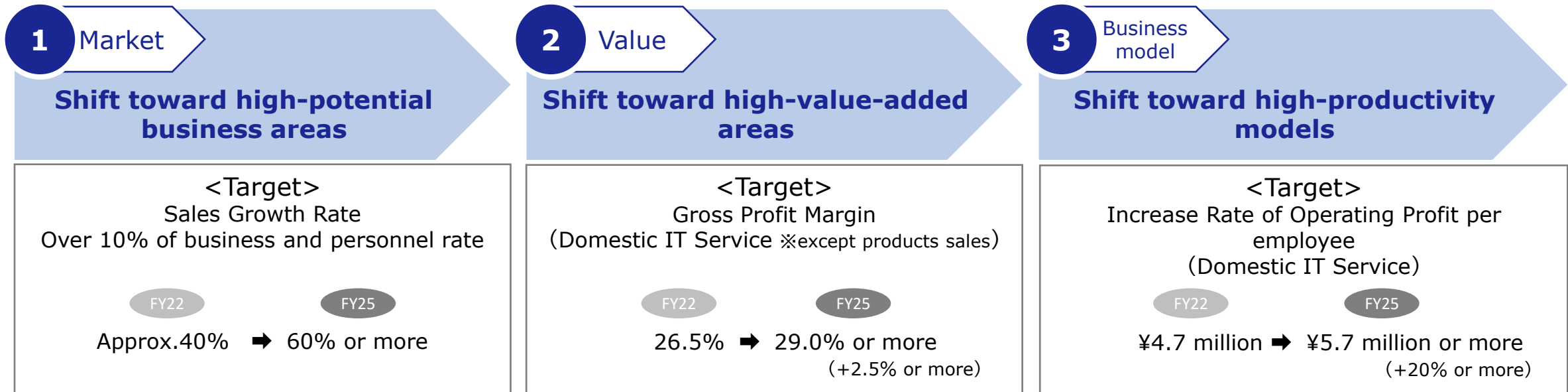
Promotion of Technology-Driven Approach

Maximization of Human Resource Value

Value-Driven Management

Core Strategy 1 : Decisive Business Shifts –Three Shifts

- Business areas will be reorganized and business models will be redeveloped to adapt to operating environment changes and achieve sustainable growth
- Factors behind stagnant earnings growth: Breaking through the Three Stagnations, “Client relationship”, “Business models” and “Organization/ People” and reforming the corporate structure
- Improvements of profitability will be pursued as we seek to generate growth potential and funds to fuel investments oriented toward future sustainable growth



Companywide Measures

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

Companywide Measures

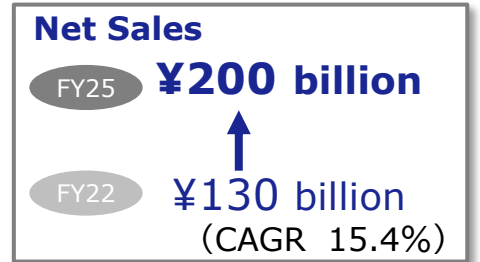
- Expansion of consulting functions
- Acquiring and developing advanced technologies
- Company-wide use of intellectual property and commercialization of materials
- Presentation of fair value
- Cost control

Companywide 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.)

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

- 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
- Resources 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 SCSK Group will constantly seek out new target businesses



Leading Cloud & Digital

Modernization services for solving social and customer issues

- Manufacturing field (Digital Supply Chain, atWill)
- Financial field (AML, Wealth Management)
- Mid-sized company data-driven management support (ProActive)
- BPM (Business Process Modernization)

Innovation services for new value creation

- Healthcare (Support for digital business reforms for the medical field)
- Mobility (Mobility software leading SDM era)

Integration services supporting society's digitalization

- Security
- Data integration
- Cloud integration



Market expansion capturing the trend of digitalization

- Global Business (Digital reforms in emerging markets)

Social Issues

«Global»

- Disruptive innovation driven by technological progress
- Cyberattacks on companies and organizations
- Climate change and decarbonization
- Geopolitical risk

«Japan»

- Population aging
- Population decline
- Aging of social infrastructure
- Catastrophic and frequent large-scale natural disasters etc.

Social Trends

- Progress in data-driven management
- Business innovation in each industry
- Mobility revolution etc.

【AI】

Machine Learning/
Deep Learning

【IoT】

Sensing/Edge

【Blockchain】

Web3/NFT

【Security】

Zero Trust/Encryption

【Data analysis】

Core Strategy 3:

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

- By leveraging on 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

GX field

Promoting businesses to realize GX in society

- Promoting the use of renewable energy
- Carbon Management, etc

Regional development/ Responding to local issues

Promoting initiatives for regional development and issues-solving by digital technology

- Revitalization of regional economies through digital currencies
- Regional co-creation model development, etc.

Security field

Contributing to the realization of a safe and secure digital society in response to intensifying threats from cyber-attacks

- Anti-fraud measures using advanced technologies, etc

Healthcare~Self-care field

Contribute to improving health and solving issues in the self-care field by measures to presymptomatic disease and preventing illness cultivated in the healthcare field

- Realization of measures to presymptomatic disease and prevention of illness, contribution to reduction of medical costs, etc.

Customer experience field

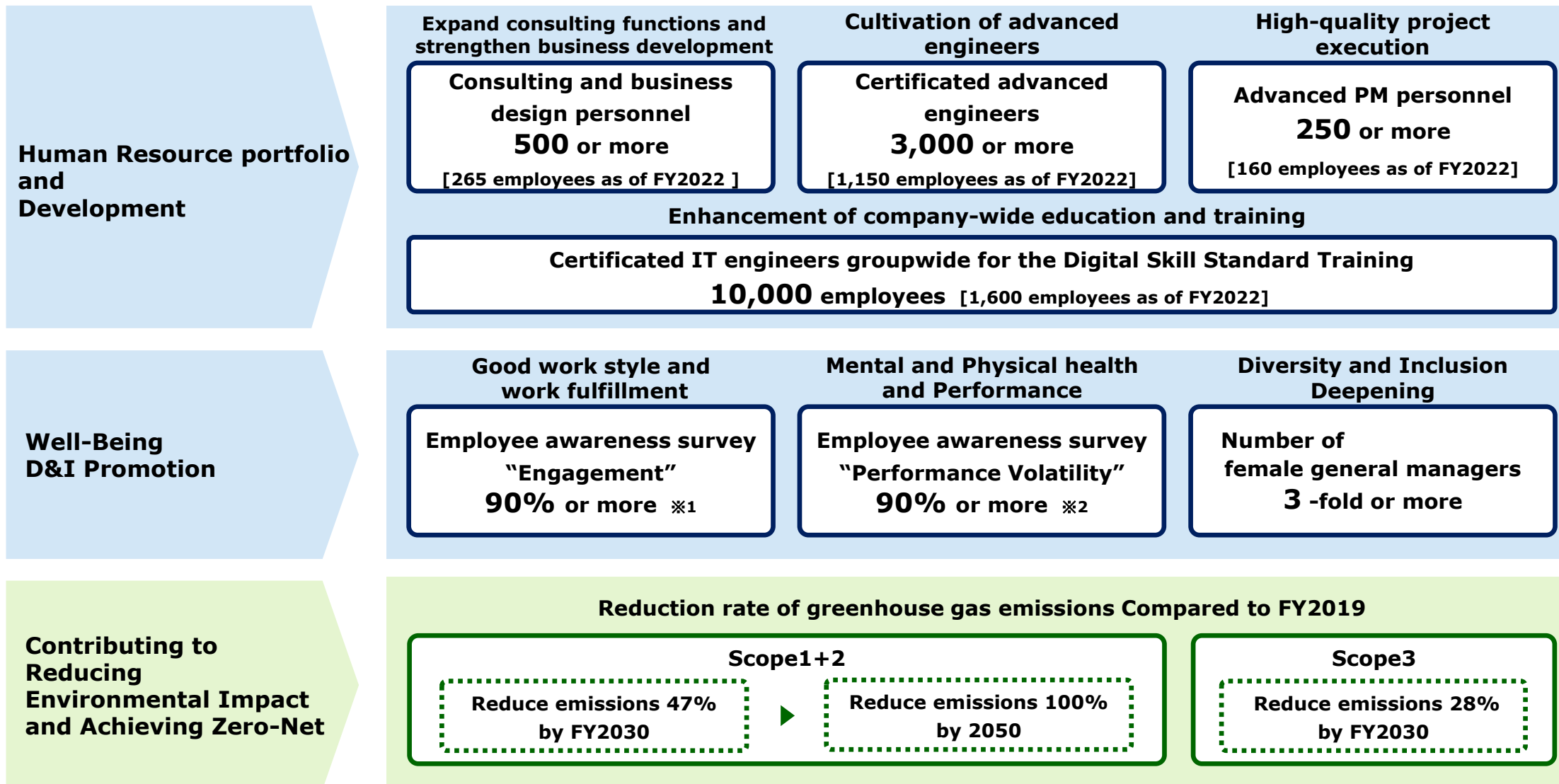
Utilizing digital technologies to realize a rich customer experience for diversifying values and lifestyles in the use of products and services

Wealth management field

In order to support a prosperous Second Life in the age of 100 life, we will utilize digital technologies to improve the financial literacy of each individual and contribute to asset building



Management Targets (Non-Finance)



※1 Percentage of employees who responded positively to the employee awareness surveys regarding both "Comfortable to work" and "Motivated".
 ※2 Percentage of employees who responded positively to the "Fully utilizing their abilities" and "Able to demonstrate 80% or more" when the performance that can be demonstrated in a healthy condition is set at 100%.

Management Targets (Finance)

【Financial Targets】

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

<FY2025>

Operating Profit: **¥65** billion

Operating Profit Margin: **12.5** % or more

ROE: **14** %

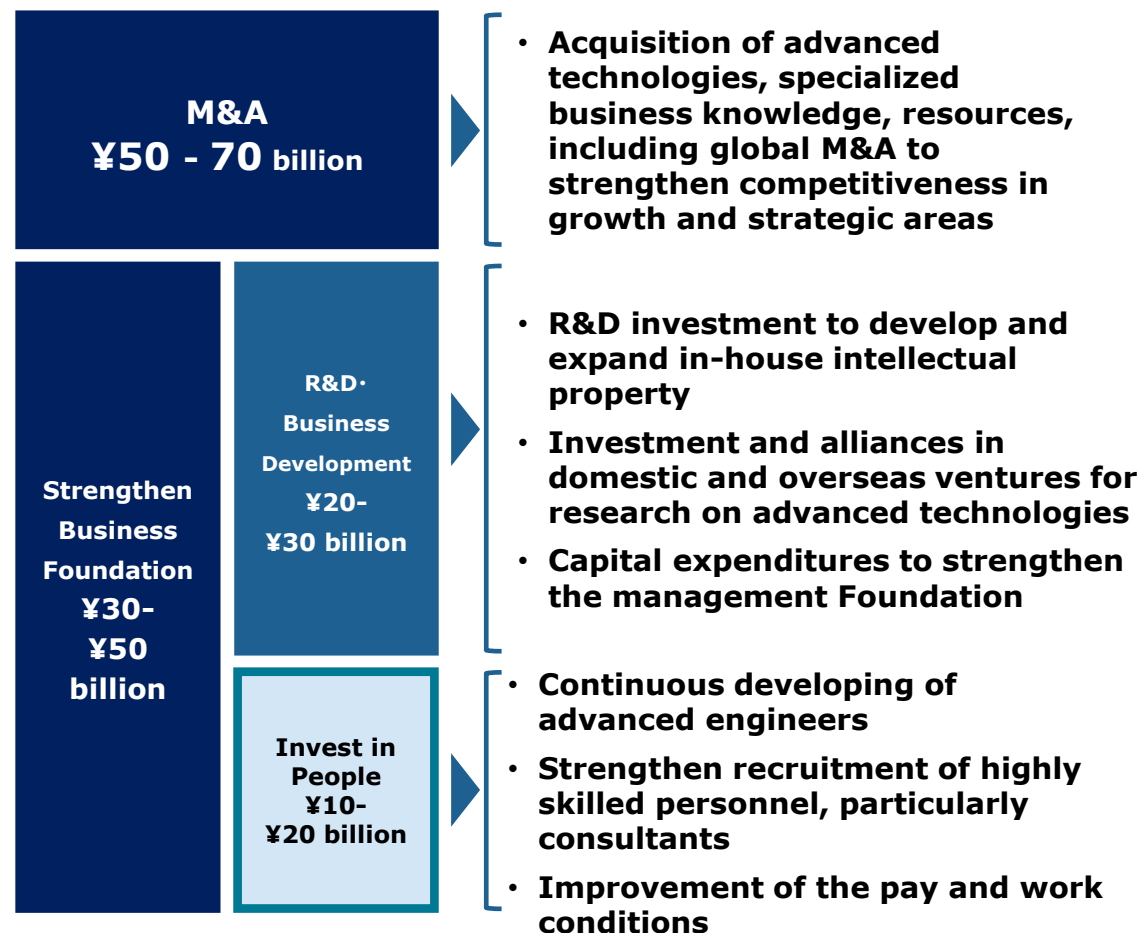
【Shareholder Returns】

Expand shareholder returns with increasing the dividend payout ratio in line with earnings growth.

Dividend Payout Ratio: **50** % (FY2025)

【Growth Investments】

Aggressive investment of ¥100 billion over three years



FY2023 Business and Dividend Forecasts

【Business Forecasts】

(100 millions of yen)

	FY2022(Results)	FY2023(Forecasts)	Rate of Change
Net Sales	4,459	4,700	+ 5.4%
Operating Profit	513	540	+ 5.1%
Operating Profit Margin	11.5%	11.5%	-
Profit attributable to owners of parent	373	380	+ 1.9%

【Dividend Forecasts】

(Yen)

	FY2022(Results)	FY2023(Forecasts)	Rate of Change
Annual Dividend per Share	52.00	56.00	+ 4.00
Dividend Payout Ratio	43.5%	46.0%	+ 2.5pt



Create Our Future of Dreams

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

SCSK GROUP

【Japan】

SCSK ServiceWare Corporation
 VeriServe Corporation
 Minori Solutions Co., Ltd.
 SCSK KYUSHU CORPORATION
 SCSK HOKKAIDO CORPORATION
 SCSK PRESCENDO CORPORATION

Skeed Co., Ltd.
 SCSK SYSTEM MANAGEMENT CORPORATION
 VA Linux Systems Japan KK
 SDC Corporation
 SCSK NEC Data Center Management, Ltd.

Allied Engineering Corporation
 SCSK Automotive H&S Corporation
 Gran Manibus Co., Ltd.
 SCSK Nearshore Systems Corporation
 Tokyo Green Systems Corporation
 Diamond Head Co.,Ltd.(*)

【Overseas】

SCSK USA Inc.
 SCSK Europe Ltd.
 SCSK Shanghai Limited
 SCSK Asia Pacific Pte. Ltd.
 PT SCSK Global Indonesia
 SCSK Myanmar Ltd.

*Affiliate (consolidated) accounted for by the equity method

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