

April 28, 2023  
SCSK Corporation

## Notification of Establishment of SCSK Group Medium-Term Management Plan (FY2023–FY2025)

~Launching the Second Phase of the Plan to Become a Co-Creative IT Company in 2030~

SCSK Corporation (Head Office: Koto-ku, Tokyo; Representative Director, President: Takaaki Touma; hereinafter SCSK) announced the establishment of SCSK Group Medium-Term Management Plan (FY2023–FY2025).

### **1. Overview of Management Plan (Positioning of the Medium-Term Management Plan)**

The SCSK Group has put forth its corporate philosophy of "Create Our Future of Dreams." In putting our corporate philosophy into practice, we assessed the various issues facing society from a business perspective and formulated "Material Issues" as topics that we consider particularly important and prioritize in order to grow together with society. In 2020, we formulated Grand Design 2030 as our medium-to long-term vision, based on our corporate philosophy and material issues as identity of SCSK Group. By working with customers and partner companies to create businesses that contribute to solving social issues, we aim to become a "Co-Creative IT Company in 2030." The Medium-Term Management Plan is an action plan aimed at becoming a "Co-Creative IT Company in 2030." This Medium-Term Management Plan (FY2023-FY2025) is positioned as the second phase of the Grand Design 2030.



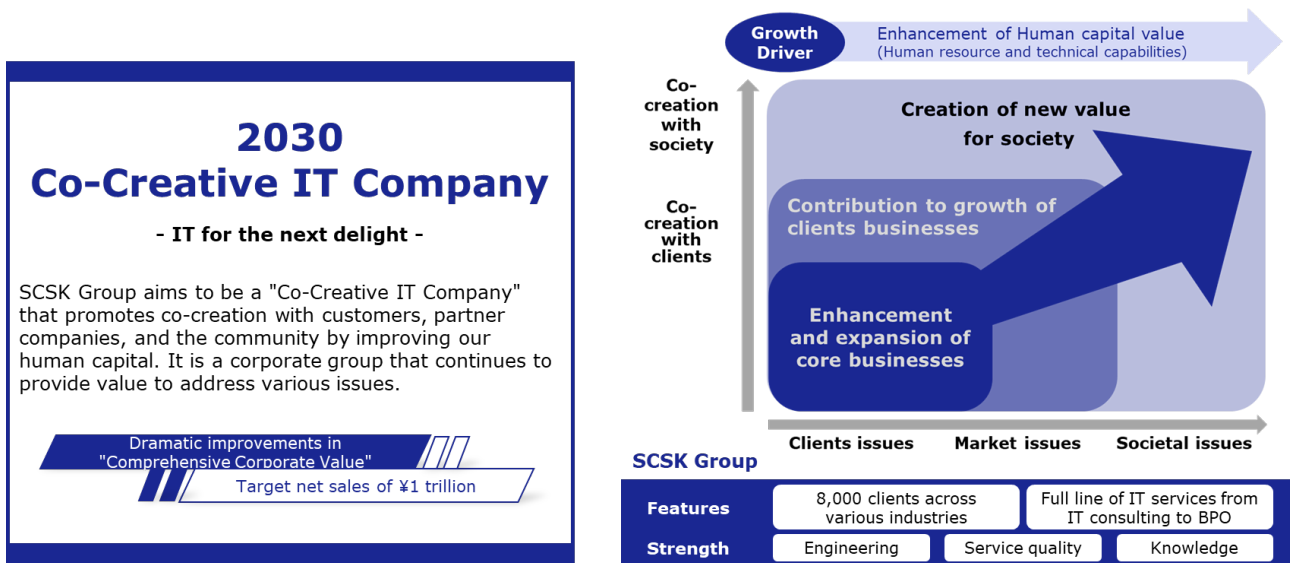
In addition, SCSK Group has long worked on "sustainability management" in light of the corporate social impact and responsibilities. This is to create businesses that contribute to solving social issues and to achieve sustainable growth together with society. We will continue to strengthen our management stance of "sustainability management as a growth strategy," which aims to acquire new business opportunities that leverage our core competencies and grow sustainably with society, by viewing changes in the business environment toward the realization of a decarbonization and circular economy as opportunities.

## 2. Grand Design 2030

SCSK Group aims to be a "Co-Creative IT Company" that promotes co-creation with customers, partner companies, and the community by enhancing our human capital. It is a corporate group that continues to provide value to address various issues. In order to become a "Co-Creative IT Company in 2030", we will realize dramatic improvements in "Comprehensive corporate value", which is corporate value that encompasses "economic value" and non-financial factors such as "social value" and "human capital value" as an essential corporate strength.

### Management Policies Aimed at Becoming a 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 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



## 3. SCSK Group Medium-Term Management Plan (FY2023–FY2025)

We have positioned this medium-term management plan as the second phase toward becoming a "Co-Creative IT Company in 2030" and will promote the following policies in order to contribute to profitability and performance with outcome of the basic strategic measures for the first phase (FY2020-FY2022).

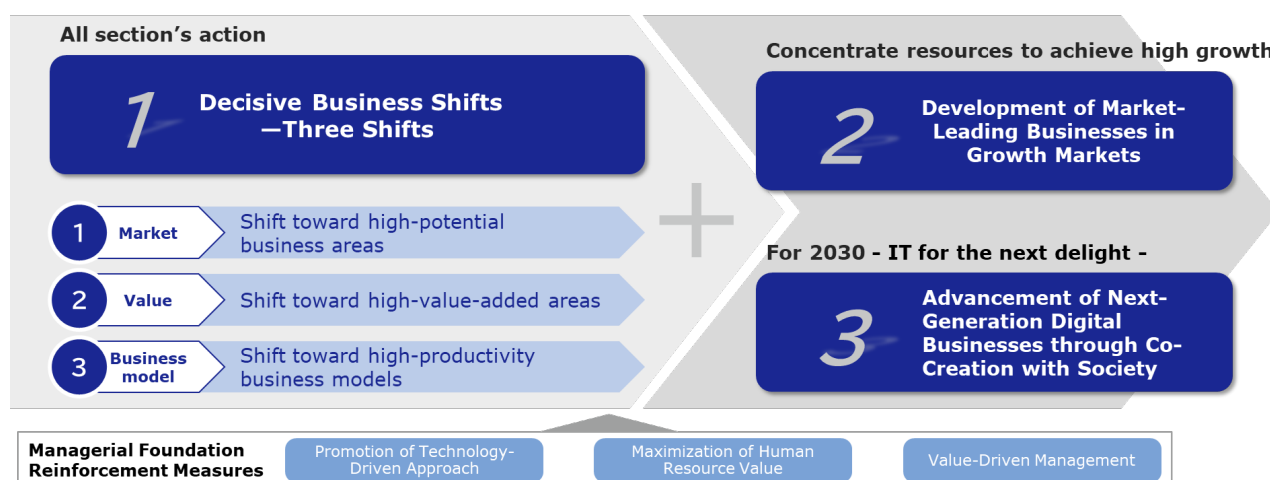
### Policies of SCSK Group Medium-Term Management Plan (FY2023–FY2025)

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

Under the new Medium-Term Management Plan, the SCSK Group will advance three core strategies along with managerial foundation reinforcement measures.



### Core Strategy 1: Decisive Business Shifts—Three Shifts

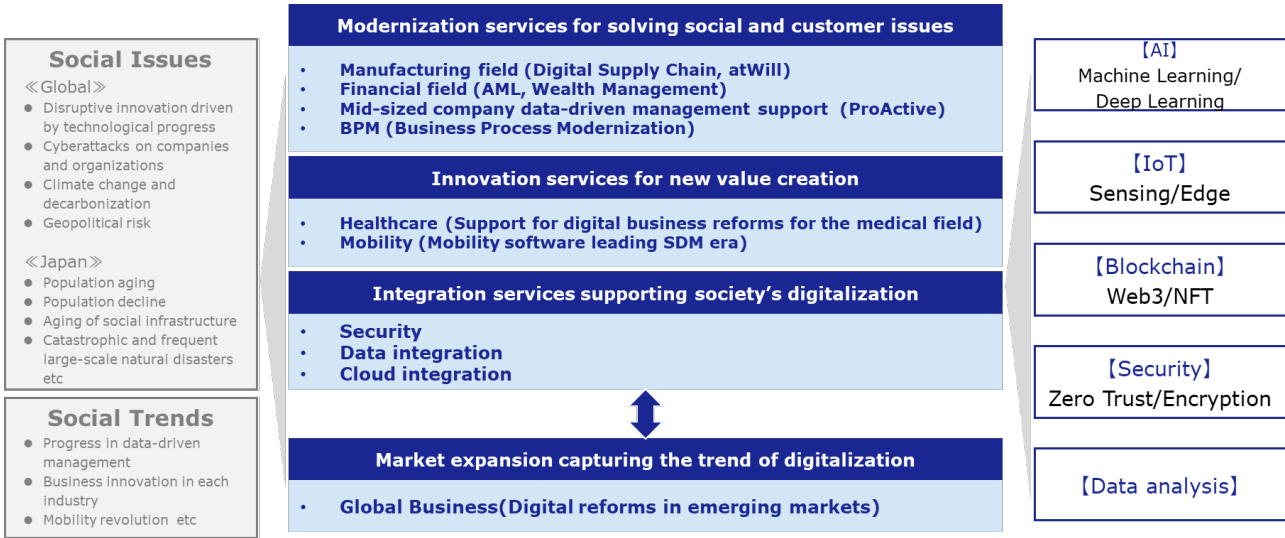
- Business areas will be reorganized and business models will be redeveloped to adapt to operating environment changes and achieve sustainable growth.
- Improvements of profitability will be pursued as we seek to generate growth potential and funds to fuel investments oriented toward future sustainable growth.

- (1) Shift toward high-potential business areas
- (2) Shift toward high-value-added areas
- (3) Shift toward high-productivity business models

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

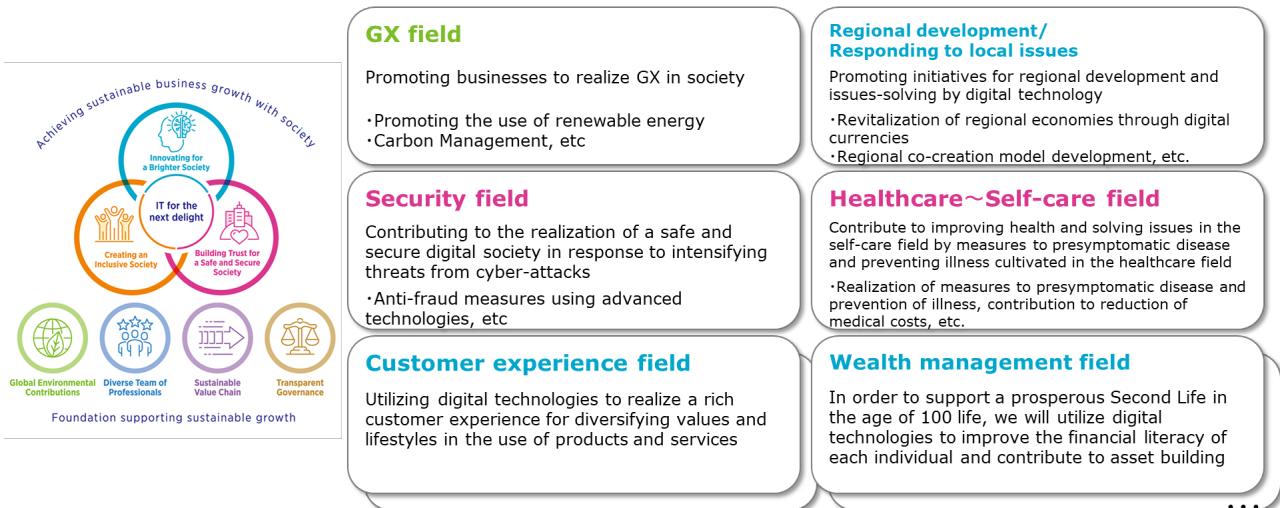
- The SCSK Group will pursue high growth while contributing to market growth by exercising its strengths in growing markets and technology areas related to cloud and digital technologies.
- Resources will be reallocated in a manner that is not within resources of current organization, advanced technologies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

## Leading Cloud & Digital



### 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.



### Managerial Foundation Reinforcement Measures

#### Promotion of Technology-Driven Approach

SCSK Group will create new value and cultivate businesses by acquiring advanced technologies and expand the number of advanced engineers to implement in society. At the same time, we will further promote development of intellectual property accumulated over many years of business know-how and copyrighted works, enhance 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, we aim to facilitate contributions from diverse employees by promoting diversity and inclusion as well as well-being and health and productivity management. We will also seek to lay the appropriate foundations through the improvement of our human resource portfolio based on business strategy and compensation and remuneration systems.

#### 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.

#### Investment Plan

Sustainable growth will be pursued through aggressive ongoing investment targeting total three-year investments in the area of ¥100.0 billion.

#### Performance Targets

|                         | FY2022        |   | FY2025        |
|-------------------------|---------------|---|---------------|
| Operating Profit        | ¥51.3 billion | → | ¥65.0 billion |
| Operating Profit Margin | 11.5%         | → | 12.5% or more |
| ROE                     | 14.4%         | → | 14%           |

#### **For the press:**

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