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TSE Code: 9719

June 1, 2023

(Start date of electronic provision measures: May 26, 2023)

To Our Shareholders,

## Notice of 2023 Annual General Meeting and Meeting Materials

It is our pleasure to announce the Annual General Meeting of Shareholders of SCSK Corporation (hereinafter “We,” “SCSK” or the “Company”) for the fiscal year ended March 31, 2023, which will be held as set forth below.

In convening the General Meeting of Shareholders, measures for electronic provision have been taken for information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters subject to electronic provision measures), which is posted on the Company’s website as “Notice of 2023 Annual General Meeting and Meeting Materials.” Please refer to it on the website below.

The Company’s website

[https://www.scsk.jp/ir\\_en/information/gms.html](https://www.scsk.jp/ir_en/information/gms.html)

In addition to the Company’s website above, matters subject to electronic provision measures will also be posted on the Tokyo Stock Exchange (TSE) website. Please access the TSE website (Listed Company Search) below, search by the issue name (company name) or the securities code, then select “Basic information,” and “Documents for public inspection/PR information” to view.

TSE’s website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

**It is possible to exercise your voting rights in writing or electronically, without physically attending the meeting. Should you choose to exercise your voting rights in this manner, please refer to pages 5 and 6 for details on these voting methods. Please take the time to examine the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 21, 2023.**

With highest regards,

Takaaki Touma  
Representative Director, President  
SCSK Corporation  
3-2-20 Toyosu, Koto-ku, Tokyo, Japan

- 1. Date and time** Thursday, June 22, 2023, at 10:00 a.m.
- 2. Venue** SCSK Meeting Room, 14F, Toyosu Front  
3-2-20 Toyosu, Koto-ku, Tokyo, Japan
- 3. Purpose of the Meeting**
- Matters to be reported:**
- Report No. 1 Business Report, Consolidated Financial Statements, and Audit Reports by the Independent Auditor and the Audit and Supervisory Committee regarding the Consolidated Financial Statements for the fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023)
- Report No. 2 Non-consolidated Financial Statements for the fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023)
- Matters to be resolved:**
- Proposition No. 1 Partial Amendment of Articles of Incorporation
- Proposition No. 2 Appointment of Six (6) Directors (excluding Directors that are Audit and Supervisory Committee Members)
- Proposition No. 3 Appointment of Three (3) Directors that are Audit and Supervisory Committee Members

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Notes:

1. If you attend the Meeting in person, please submit the enclosed voting form to the receptionist.
2. Of the matters subject to electronic provision measures, in accordance with laws and regulations and Article 17-2 of our Articles of Incorporation, the following matters are not included in the documents delivered to shareholders who requested delivery of such documents. Accordingly, the documents delivered to shareholders who have requested such delivery are part of the documents subject to the audit conducted by the Audit and Supervisory Committee and the Accounting Auditor in preparing their audit reports.
  - Important matters regarding new stock acquisition rights, etc. of the Company in the business report
  - Information regarding decisions on systems for ensuring appropriate business procedures in the business report
  - Overview of implementation of systems for ensuring appropriate business procedures in the business report
  - Consolidated statements of change in net assets and notes to the consolidated financial statements
  - Non-consolidated statements of change in net assets and notes to the non-consolidated financial statements
3. If any of the matters subject to electronic provision measures require amendment, we will post an announcement to that effect, as well as the matters before and after amendment, on our website and TSE's website.

## **Live Stream of Annual General Meeting of Shareholders**

The General Meeting of Shareholders will be made available for viewing via live streaming. The live stream will be in a one-way viewing format. Accordingly, please exercise your voting rights via the internet or other methods prior to the meeting and submit any questions if you have in advance.

### **Date**

The live stream will be commenced at 9:30 a.m. on Thursday, June 22, 2023, 30 minutes prior to the scheduled start of the General Meeting of Shareholders at 10:00 a.m., and will end with the conclusion of the meeting.

### **How to Participate**

1. Access the following live stream viewing website (available in Japanese only) via computer or smartphone  
<https://9719.ksoukai.jp>

2. Login by inputting your ID and password

ID: Shareholder number (nine-digit number shown on voting form)

Password: Postal code (seven-digit postal code of registered address)

### **Note to Shareholders Physically Attending General Meeting of Shareholders**

Video of the proceedings of the General Meeting of Shareholders will be recorded from a position nearby the Company representatives in order to help prevent shareholders from being shown in videos against their will. Please be aware that you may be shown on the stream under unavoidable circumstances.

### **Note to Shareholders Watching Live Stream**

1. We ask that only shareholders registered in the shareholder registry on March 31, 2023, view the live stream of the General Meeting of Shareholders.
2. Shareholders viewing the live stream of the General Meeting of Shareholders will not be deemed to be in attendance of the meeting as stipulated in the Companies Act of Japan. Accordingly, such shareholders will be unable to exercise voting rights, propose motions, or ask questions on the day of the meeting. When exercising voting rights, please take the time to examine the Guide to Exercise of Voting Rights on pages 5 and 6 and exercise your voting rights in writing or electronically (via the internet etc.) no later than 5:30 p.m. on Wednesday, June 21, 2023.
3. We ask that shareholders refrain from sharing ID and password of the live stream viewing website with others and from recording or distributing videos or audio of live stream of the General Meeting of Shareholders.
4. It is possible that disruptions or halts to videos or audio of the General Meeting of Shareholders may occur as a result of system failures, connection issues, or other factors.
5. The Company assumes no responsibility for damages to shareholders as a result of system failures, connection issues, or other factors.
6. All reasonable precautions will be taken with regard to the live stream of the General Meeting of Shareholders. However, it is possible that shareholders may be unable to view the live stream or that the live stream may be halted due to system failures, connection issues, or other factors.
7. Should the live stream of the General Meeting of Shareholders be halted, notification will be provided on the live stream viewing website.
8. All equipment, internet connection, communications, and other costs incurred in the viewing of the live stream of the General Meeting of Shareholders are to be paid by the shareholder.
9. The live stream of the General Meeting of Shareholders will be conducted in Japanese only.

### **Contact for Inquiries Regarding Live Stream Viewing**

Any questions regarding the viewing of the live stream of the General Meeting of Shareholders should be directed toward V-cube, Inc. (Tel: 03-6833-6262) over the period from 9:00 a.m. on Thursday, June 22, 2023, until the conclusion of the meeting.

### **Advance Submission of Questions for General Meeting of Shareholders**

It is possible to submit questions to be answered at the General Meeting of Shareholders in advance of the meeting. However, we ask that questions be limited to those that coincide with the purpose of the meeting. We plan to offer responses to those questions deemed to be of high interest to shareholders on the day of the General Meeting of Shareholders, but we do not promise to provide responses to all questions. Questions for which responses are not provided will be referenced for future engagement activities. No responses will be offered to questions on an individual basis.

Questions should be submitted over the period beginning at 10:00 a.m. on Thursday, June 1, 2023 and ending on 5:30 p.m. on Thursday, June 15, 2023.

### **Process for Submitting Questions**

1. Login to the live stream viewing website (available in Japanese only) by following the instructions on Live Stream of Annual General Meeting of Shareholders
2. Click on the “事前質問を行う” button
3. Input the necessary information and click the “申し込む” button

## **Guide to Exercise of Voting Rights**

Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by any of the following methods.

### If you will attend the meeting:

- Attend the meeting

Date and time of the meeting: June 22, Thursday, 2023, 10:00 a.m.

Please bring the enclosed voting form with you and present it at the reception desk.

### If you are unable to attend the meeting:

- Exercise of voting rights in writing

Deadline for voting: The voting form must be received by no later than 5:30 p.m. on Wednesday, June 21, 2023.

Please indicate your vote for or against each proposition on the enclosed voting form and return the form to the Company's Administrator of Shareholder Registry by the deadline.

When neither approval nor disapproval of a proposition is indicated on your voting form, it shall be deemed as a vote for approval.

- Exercise through "smart voting"

Deadline for voting: Your vote must be exercised by no later than 5:30 p.m. on Wednesday, June 21, 2023.

Please scan the "voting rights exercise website login QR code for smartphones" at the lower right of the enclosed voting form with a smartphone or tablet.

For details, please refer to the next page.

- Exercise of voting rights via the internet

Deadline for voting: Your vote must be exercised by no later than 5:30 p.m. on Wednesday, June 21, 2023.

Please access <https://www.web54.net>, the website for exercise of voting rights via a personal computer, smartphone, cell phone, etc. and enter the code and password for exercise of voting rights printed on the enclosed voting form.

Follow the instructions on the screen and register your vote for or against each proposition.

For details, please refer to the next page.

### Handling of your votes when you exercise your voting rights in duplicate:

1. If you exercise your voting rights both in writing and via the internet, etc. (including "smart voting"), the voting via the internet, etc. (including "smart voting") shall be deemed valid.
2. If you exercise your voting rights multiple times via the internet, etc. (including "smart voting"), the last vote shall be deemed valid.

If you have any question concerning the exercise of voting rights, please contact:

Administrator of Shareholder Registry: Stock Transfer Agency Business Planning Dept.,  
Sumitomo Mitsui Trust Bank, Limited,

For exercise of voting rights  
0120-652-031 (toll-free)  
(9:00-21:00)

For other inquiries  
0120-782-031 (toll-free)  
(9:00-17:00 on weekdays)

### For institutional investors:

The electronic voting platform operated by ICJ, Inc. is available to institutional investors who have applied for the use of the platform in advance.

Exercise through “Smart Voting”:

1. Please read the “QR code<sup>®</sup> to login the website for the exercise of voting rights for smartphone” at the lower right of the enclosed voting form with a smartphone or tablet terminal.
2. Open the website for the exercise of voting rights.  
Click the displayed URL to open the website for the exercise of voting rights.  
There are two methods for the exercise of voting rights.
- 3.1 Indicate your vote for all of the Company’s propositions.  
If no problem appears on the confirmation screen, you can complete your votes by clicking “Exercise your voting rights as shown here.”
- 3.2 Indicate your vote individually for or against each proposition.  
Please follow the instructions on the screen to indicate your vote for or against each proposition.
4. If no problem appears on the confirmation screen, you can complete your votes by clicking “Exercise your voting rights as shown here.”

If you wish to change you vote after exercising your voting rights, you will be required to read the QR code<sup>®</sup> again and re-enter the “code for the exercise for voting rights” and the “password” printed on the enclosed voting form.  
(You may also directly access <https://www.web54.net>, the website for the exercise of voting rights, from a personal computer.)

Exercise of voting rights via the Internet:

1. Please access <https://www.web54.net>, the website for the exercise of voting rights
2. Login the website.  
Enter the “code for the exercise of voting rights” printed on the enclosed voting form.
3. Enter your password.  
Enter the “password” printed on the enclosed voting form.

Please follow the instructions on the screen to vote for or against each proposition.

- \* Shareholders are requested to bear the fees for connection and telecommunication costs for accessing the website for the exercise of voting rights.
- \* You may not be able to use the website for the exercise of voting rights, depending on the environment for using the Internet, the service subscribed to and the device used.

# Reference Documents for the General Meeting of Shareholders

## Propositions to be Voted Upon and References Relating Thereto

### Proposition No. 1: Partial Amendment of Articles of Incorporation

#### 1. Reason for Proposition

The Company has long engaged in transaction filtering and transaction monitoring for fund transfer transactions. Following the enforcement of the Act to Partially Amend the Payment Services Act and Other Related Acts to Establish a Stable and Efficient Payment Services System (Act No.61 of June 10, 2022), some of the current Company’s businesses correspond to transaction filtering and transaction monitoring for fund transfer transactions. The Company proposes the addition of a new business purpose to Article 3 (Purpose) of the Articles of Incorporation along with a change to the number of paragraphs in this article to reflect this addition.

#### 2. Details of Amendment

If this proposition is approved, the Company’s Articles of Incorporation shall be amended as follows. (Amended text is underlined)

Current Text	Proposed Text
Articles 1–2 (Omitted) Article 3: Purpose The purpose of the Company is to engage in the following businesses activities: 1.–27. (Omitted) (New) <u>28.</u> Planning, surveys, research, training and consulting concerning the preceding items; and <u>29.</u> All other work incidental to the preceding items. Articles 4–37 and Supplementary Provisions (Omitted)	Articles 1–2 (Unchanged) Article 3: Purpose The purpose of the Company is to engage in the following businesses activities: 1.–27. (Unchanged) <u>28.</u> Transaction filtering and transaction monitoring for fund transfer transactions; <u>29.</u> Planning, surveys, research, training and consulting concerning the preceding items; and <u>30.</u> All other work incidental to the preceding items. Articles 4–37 and Supplementary Provisions (Unchanged)

**Proposition No. 2: Appointment of Six (6) Directors (Excluding Directors that are Audit and Supervisory Committee Members)**

At the close of this General Meeting of Shareholders, the terms of all six (6) current Directors (excluding Directors that are Audit and Supervisory Committee Members, “Directors” shall exclude Directors that are Audit and Supervisory Committee Members for the remainder of this proposition) shall expire. We hereby request that six (6) Directors be appointed.

The candidates for positions as Directors are as follows.

Candidate No.	Name	Position at the Company	Attendance at Board of Directors meetings
1	Hideki Yamano < Reappointment >	Representative Director Chairman Chief Health Officer	100% (11/11)
2	Takaaki Touma < Reappointment >	Representative Director President	100% (11/11)
3	Tetsuya Fukunaga < Reappointment >	Director Executive Vice President General Manager, Business Investment Promotion	100% (13/13)
4	Tsutomu Ozaki < New appointment >	Senior Managing Executive Officer Chief Information Security Officer General Manager, Legal & Risk Management	—
5	Masaki Nakajima < New appointment >	—	—
6	Tetsuya Kubo < Reappointment > < Outside Director > < Independent Director >	Outside Director	100% (13/13)

Note: The Company has entered into an indemnification contract with Mr. Hideki Yamano, Mr. Takaaki Touma, Mr. Tetsuya Fukunaga, and Mr. Tetsuya Kubo, under which the Company indemnifies the costs defined in item (i) and damages defined in item (ii) of Article 430-2, Paragraph 1 of the Companies Act, within the limits stipulated by the Act. If each candidate is appointed as Director, such contract is to be continued. Additionally, if Mr. Tsutomu Ozaki and Mr. Masaki Nakajima are appointed as Directors, the Company will enter into the same contract with each candidate. Please refer to “4-6 Matters Regarding Indemnification Contract” of the Company’s business report for more information on these contracts.

Note: Director and officer liability insurance contracts have been concluded with insurance firms offering coverage for damages or payments for which the applicable officers may become liable as a result of performing their duties. If appointed, all of the abovementioned Director candidates shall be applicable under these contracts. These contracts are scheduled to be renewed under the same terms. Please refer to “4-7 Matters Regarding Director and Officer Liability Insurance Contracts” of the Company’s business report for more information on these contracts.



Candidate No. 1	Date of birth	Number of Company shares owned	Special interests with the Company
Hideki Yamano <Reappointment>	Feb. 23, 1960	10,405 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as Director (until the end of the General Meeting of Shareholders)	
	100% (11 out of 11 meetings)	1 year	
Career summary, positions, responsibilities, and significant concurrent positions			
Apr. 1983 Apr. 2014 Apr. 2016 Apr. 2018 Jun. 2018	Joined Sumitomo Corporation Corporate Officer of Sumitomo Corporation General Manager, Environment & Infrastructure Project Business Division Executive Officer of Sumitomo Corporation General Manager, Corporate Planning & Coordination Department Managing Executive Officer of Sumitomo Corporation Chief Strategy Officer and Chief Information Officer Representative Director of Sumitomo Corporation Managing Executive Officer, Chief Strategy Officer and Chief Information Officer	Apr. 2020 Apr. 2022 Jun. 2022 Apr. 2023	Representative Director of Sumitomo Corporation Senior Managing Executive Officer, Chief Strategy Officer and Chief Information Officer Director of Sumitomo Corporation Senior Managing Executive Officer Assistant to General Manager, Media & Digital Business Unit Concurrent position as Adviser of SCSK Representative Director of SCSK Chairman and Chief Executive Officer Chief Health Officer <b>Representative Director of SCSK (present)</b> <b>Chairman (present)</b> <b>Chief Health Officer (present)</b>
Reason for appointment			
Mr. Hideki Yamano possesses robust management experience in Japan and overseas and wide-ranging knowledge of environmental/society/human rights. He was appointed to Chairman of the Company in June 2022 and established medium- and long-term strategy and bears responsibility for all areas of management. We believe that the experience and knowledge accumulated throughout his career make him suited to the management of the Company, and we have thus selected him to be a Director candidate.			

Candidate No. 2	Date of birth	Number of Company shares owned	Special interests with the Company
Takaaki Touma <Reappointment>	Feb. 17, 1965	13,905 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as Director (until the end of the General Meeting of Shareholders)	
	100% (11 out of 11 meetings)	1 year	
Career summary, positions, responsibilities, and significant concurrent positions			
Apr. 1987	Joined Sumisho COMPUTER SERVICE CORPORATION	Apr. 2021	Managing Executive Officer of SCSK
Apr. 2013	Executive Officer of SCSK	Apr. 2022	President and Chief Operating Officer of SCSK
Apr. 2016	Senior Executive Officer of SCSK	Jun. 2022	Representative Director of SCSK
Apr. 2018	Managing Executive Officer of SCSK, General Manager, Manufacturing & Telecommunication Systems Business Group	Apr. 2023	President and Chief Operating Officer
Apr. 2020	Managing Executive Officer of SCSK, General Manager, Human Resources & General Affairs Group and Human Resources Development Group		<b>Representative Director of SCSK (present)</b> <b>President (present)</b>
Reason for appointment			
Mr. Takaaki Touma possesses a breadth of management experience and wide-ranging knowledge of technology. He was appointed to President of the Company in April 2022 and established a medium- and long-term strategy, bearing responsibility for all areas of management. We believe that the experience and knowledge accumulated throughout his career make him suited to the management of the Company, and we have thus selected him to be a Director candidate.			

Candidate No. 3	Date of birth	Number of Company shares owned	Special interests with the Company
Tetsuya Fukunaga <Reappointment>	Feb. 1, 1960	36,442 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as Director (until the end of the General Meeting of Shareholders)	
	100% (13 out of 13 meetings)	18 years	
Career summary, positions, responsibilities, and significant concurrent positions			
Apr. 1983	Joined The Long-Term Credit Bank of Japan, Ltd.	Apr. 2014	Director of SCSK, Senior Managing Executive Officer
Oct. 1999	Vice President, Corporate & Investment Banking Group of Chase Manhattan Bank	Apr. 2017	Director of SCSK, Executive Officer Chief Financial Officer
Jun. 2000	CFO of Lycos Japan Inc.	Jun. 2017	Director of SCSK Senior Managing Executive Officer
Dec. 2002	Adviser to Sumisho Electronics Co., Ltd.	Apr. 2019	Director of SCSK Senior Managing Executive Officer Corporate Coordination Officer
Feb. 2003	Director of Sumisho Electronics Co., Ltd., Managing Executive Officer	Apr. 2020	Director of SCSK Senior Managing Executive Officer
Apr. 2005	Executive Officer of SCSK Concurrent position as Director of Sumisho Electronics Co., Ltd.	Apr. 2021	Director of SCSK Senior Managing Executive Officer
Jun. 2005	Director of SCSK, Executive Officer	Apr. 2022	<b>Director of SCSK</b> (present) <b>Executive Vice President</b> (present) <b>General Manager, Business Investment Promotion Division</b> (present)
Apr. 2008	Director of SCSK, Managing Executive Officer		
Jun. 2008	<b>Concurrent position as Outside Director of ARGO GRAPHICS Inc.</b> (present)		
Reason for appointment			
Mr. Tetsuya Fukunaga possesses a breadth of experience and extensive knowledge pertaining to finance, accounting, legal affairs, and risk management gained during his long history in corporate divisions. We believe that the experience and knowledge accumulated throughout his career make him suited to the management of the Company, and we have thus selected him to be a Director candidate.			

Candidate No. 4	Date of birth	Number of Company shares owned	Special interests with the Company
Tsutomu Ozaki <New appointment>	Jul. 29, 1963	0 shares	Yes
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as Director (until the end of the General Meeting of Shareholders)	
	—	—	
Career summary, positions, responsibilities, and significant concurrent positions			
Apr. 1987	Joined Sumitomo Corporation	Apr. 2020	Executive Officer of Sumitomo Corporation Assistant General Manager for Europe, Middle East, Africa & CIS
Apr. 2016	Corporate Officer of Sumitomo Corporation Assistant General Manager for Middle East		General Manager, European Corporate Management Unit, Sumitomo Corporation Europe Group
Apr. 2017	Corporate Officer of Sumitomo Corporation Assistant General Manager for Middle East Managing Director of Sumitomo Corporation Middle East FZE	Apr. 2021	Executive Officer of Sumitomo Corporation General Manager, Planning & Coordination Dept., Media & Digital Business Unit
Apr. 2018	Corporate Officer of Sumitomo Corporation Assistant General Manager for Middle East COO of Sumitomo Corporation Middle East Group Managing Director of Sumitomo Corporation Middle East FZE	Apr. 2023	<b>Managing Executive Officer of Sumitomo Corporation</b> (present) <b>Assistant to General Manager, Media &amp; Digital Business Unit</b> (present) <b>Concurrent position as Senior Managing Executive Officer of SCSK</b> (present) <b>Concurrent position as Chief Information Security Officer</b> (present) <b>Concurrent position as General Manager, Legal &amp; Risk Management</b> (present)
Apr. 2019	Corporate Officer of Sumitomo Corporation Assistant General Manager for Europe, Middle East, Africa & CIS General Manager, European Corporate Management Unit, Sumitomo Corporation Europe Group	Jun. 2023	Resigned from position as Managing Executive Officer of Sumitomo Corporation (tentative)
Reason for appointment			
Mr. Tsutomu Ozaki possesses robust experience in global businesses at Sumitomo Corporation along with wide-ranging knowledge pertaining to legal and risk Management. We believe that the experience and knowledge accumulated throughout his career make him suited to the management of the Company, and we have thus selected him to be a Director candidate.			
Other			
Mr. Tsutomu Ozaki is an executive of Sumitomo Corporation. A business relationship between the Company and Sumitomo Corporation exists primarily in the areas of software development, data processing services, and hardware and software sales.			

Candidate No. 5	Date of birth	Number of Company shares owned	Special interests with the Company
<b>Masaki Nakajima</b> <New appointment>	Nov. 13, 1962	0 shares	Yes
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as Director (from the end of the General Meeting of Shareholders)	
	—	—	
<b>Career summary, positions, responsibilities, and significant concurrent positions</b>			
Apr. 1985	Joined Sumitomo Corporation	Apr. 2021	Senior Managing Executive Officer of Sumitomo Corporation
Apr. 2013	Corporate Officer of Sumitomo Corporation General Manager, Mobility Business Division 1		General Manager for the Americas
Apr. 2016	Executive Officer of Sumitomo Corporation General Manager, Mobility Business Division 1		President and CEO of Sumitomo Corporation of Americas Group
Apr. 2018	Executive Officer of Sumitomo Corporation Assistant General Manager for the Americas		Director and President of Sumitomo Corporation of Americas
	EVP & CFO of Sumitomo Corporation of Americas Group	Apr. 2022	<b>Senior Managing Executive Officer of Sumitomo Corporation</b> (present)
	EVP & CFO of Sumitomo Corporation of Americas		<b>General Manager, Media &amp; Digital Business Unit</b> (present)
Apr. 2019	Managing Executive Officer of Sumitomo Corporation General Manager for the Americas		
	President and CEO of Sumitomo Corporation of Americas Group		
	Director and President of Sumitomo Corporation of Americas		
<b>Reason for appointment</b>			
Mr. Masaki Nakajima possesses robust experience and wide-ranging knowledge pertaining to global businesses and marketing at Sumitomo Corporation. We believe that the experience and knowledge accumulated throughout his career make him suited to supervise the operation execution of the Company, and we have thus selected him to be a Director candidate.			
<b>Other</b>			
1. Mr. Masaki Nakajima is an executive of Sumitomo Corporation. A business relationship between the Company and Sumitomo Corporation exists primarily in the areas of software development, data processing services, and hardware and software sales.			
2. If this proposed resolution is approved, SCSK intends to enter into a liability limitation agreement with Mr. Masaki Nakajima to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.			

Candidate No. 6	Date of birth	Number of Company shares owned	Special interests with the Company
<p style="text-align: center;"><b>Tetsuya Kubo</b>            &lt;Reappointment&gt;            &lt;Outside Director&gt;            &lt;Independent Director&gt;</p>	Sep. 24, 1953	0 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as Director (from the end of the General Meeting of Shareholders)	
	100% (13 out of 13 meetings)	2 years	
<b>Career summary, positions, responsibilities, and significant concurrent positions</b>			
<p>Apr. 1976    Joined The Sumitomo Bank, Ltd.            Jun. 2003    Executive Officer of Sumitomo Mitsui Banking Corporation                              General Manager, Hong Kong Branch            Jul. 2006    Managing Executive Officer of Sumitomo Mitsui Banking Corporation            Apr. 2008    Concurrent position as Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc.            Apr. 2009    Director and Senior Managing Executive Officer of Sumitomo Mitsui Banking Corporation                              Concurrent position as Senior Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc.            Apr. 2011    Director and Deputy President of Sumitomo Mitsui Banking Corporation (resigned in March 2013)                              Concurrent position as Deputy President and Executive Officer of Sumitomo Mitsui Financial Group, Inc.                              Concurrent position as Director of SMBC Nikko Securities Inc.</p>	<p>Jun. 2011    Concurrent position as Director of Sumitomo Mitsui Financial Group, Inc. (resigned in March 2013)            Apr. 2013    Representative Director, President &amp; CEO of SMBC Nikko Securities Inc.            Apr. 2016    Representative Director, Chairman of SMBC Nikko Securities Inc.            Jun. 2016    Director of Sumitomo Mitsui Financial Group, Inc. (resigned in June 2020)                              Concurrent position as Representative Director, Chairman of SMBC Nikko Securities Inc. (resigned in March 2020)            Apr. 2020    Advisor of SMBC Nikko Securities Inc.            Jan. 2021    <b>Director, Chairman of GCM Investments Japan K.K.</b> (present)            Jun. 2021    <b>Outside Director of SCSK</b> (present)</p>		
<b>Reason for appointment and expected roles</b>			
<p>Mr. Tetsuya Kubo possesses robust management experience gained over years of serving in important positions at major financial institutions as well as wide-ranging knowledge pertaining to global businesses. We believe that the experience and knowledge accumulated throughout his career qualifies him to help enhance the functions that supervise the execution of the Company's operations and to offer advice on all areas of management, and we have thus selected him to be an Outside Director candidate.</p>			
<b>Other matters concerning candidate for Outside Director</b>			
<ol style="list-style-type: none"> <li>SCSK has designated Mr. Tetsuya Kubo as an independent director that is unlikely to have any conflict of interest with respect to general shareholders and notified the Tokyo Stock Exchange with this regard as it is obligated to do so.</li> <li>SCSK has entered into a liability limitation agreement with Mr. Tetsuya Kubo to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If this proposed resolution is approved, this agreement will be renewed.</li> <li>Mr. Tetsuya Kubo was a director at SMBC Nikko Securities Inc. until March 2020. In October 2022, this company was imposed a business suspension order and a business improvement order by the Financial Services Agency due to violation of law such as engaging in illegal stabilization transactions with regard to securities transactions conducted over a period that included the time during which Mr. Tetsuya Kubo was serving as a director of this company. In February 2023, this company was also convicted of violations of the Financial Instruments and Exchange Act (illegal stabilization transactions) with regard to the securities transactions above.</li> <li>Mr. Tetsuya Kubo was an executive of Sumitomo Mitsui Banking Corporation, a major lender to the Company, up until March 2013. More than five years have passed since he resigned from Sumitomo Mitsui Banking Corporation and he has not been involved in the management of this company after resigning. Accordingly, the Company has judged that this past relationship does not have an impact on the independence of Mr. Tetsuya Kubo. In addition, Mr. Tetsuya Kubo was a director of Sumitomo Mitsui Financial Group, Inc., parent company of Sumitomo Mitsui Banking Corporation, until June 2020. However, no business relationships exist between Sumitomo Mitsui Financial Group and the Company. Furthermore, Mr. Tetsuya Kubo was an executive of SMBC Nikko Securities Inc., until March 2020, but he has not been involved in the management of this company after resigning. Moreover, the amount of transactions between SMBC Nikko Securities and the Company equate to less than 1% of the consolidated operating revenue of SMBC Nikko Securities and the consolidated net sales of the Company. Accordingly, we have judged that Mr. Tetsuya Kubo is sufficiently independent from the Company.</li> </ol>			

### Proposition No. 3: Appointment of Three (3) Directors that are Audit and Supervisory Committee Members

At the close of this General Meeting of Shareholders, the terms of three (3) Directors that are Audit and Supervisory Committee Members Mr. Yasunori Anzai, Mr. Kimitoshi Yabuki and Mr. Masaichi Nakamura of the present six (6) Directors that are Audit and Supervisory Committee Members shall expire. Accordingly, we hereby request that three (3) Directors that are Audit and Supervisory Committee Members be appointed.

Advance consent has been received from the Audit and Supervisory Committee with regard to this proposition.

The candidates for the position as Directors that are Audit and Supervisory Committee Members are as follows.

Candidate No.	Name	Position at the Company	Attendance at Board of Directors meetings	Attendance at Audit and Supervisory Committee meetings
1	<b>Hiromichi Jitsuno</b> <New appointment>	Adviser	—	—
2	<b>Hidetaka Matsuishi</b> <New appointment> <Outside Director> <Independent Director>	—	—	—
3	<b>Yumiko Waseda</b> <New appointment> <Outside Director> <Independent Director>	—	—	—

Note: If Mr. Hiromichi Jitsuno, Mr. Hidetaka Matsuishi and Ms. Yumiko Waseda are appointed as Directors, the Company will enter into an indemnification contract with each candidate, under which the Company indemnifies the costs defined in item (i) and damages defined in Item (ii) of Article 430-2, Paragraph 1 of the Companies Act, within the limits stipulated by the Act. Please refer to “4-6 Matters Regarding Indemnification Contract” of the Company’s business report for more information on these contracts.

Note: Director and officer liability insurance contracts have been concluded with insurance firms offering coverage for damages or payments for which the applicable officers may become liable as a result of performing their duties. If appointed, all of the abovementioned Director candidates shall be applicable under these contracts. These contracts are scheduled to be renewed under the same terms. Please refer to “4-7 Matters Regarding Director and Officer Liability Insurance Contracts” of the Company’s business report for more information on these contracts.

Candidate No. 1	Date of birth	Number of Company shares owned	Special interests with the Company
Hiromichi Jitsuno <New appointment>	Feb. 22, 1963	0 shares	Yes
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	Attendance rate of Audit and Supervisory Committee meetings (attendance/no. of meetings held)	No. of years in office as Outside Director (from the end of the General Meeting of Shareholders)
	—	—	—
Career summary, positions, responsibilities, and significant concurrent positions			
Apr. 1986	Joined Sumitomo Corporation	Mar. 2023	<b>Post-Retirement Senior Staff of Sumitomo Corporation</b> (present)
Apr. 2017	Corporate Officer of Sumitomo Corporation General Manager, Legal Dept.	Apr. 2023	<b>Assistant to General Manager, Digital Business Division of Sumitomo Corporation</b> (present)
Apr. 2019	Corporate Officer of Sumitomo Corporation Assistant CAO, General Affairs & Legal		<b>Concurrent position as Adviser of SCSK</b> (present)
		Jun. 2023	Resigned from position as Post-Retirement Senior Staff of Sumitomo Corporation (tentative)
Reason for appointment			
Mr. Hiromichi Jitsuno possesses robust experience and wide-ranging knowledge gained at the legal department of Sumitomo Corporation. We believe that the experience and knowledge accumulated throughout his career qualifies him to help enhance the functions that supervise the execution of the Company's operations and to offer advice on all areas of management, and we have thus selected him to be a candidate for the position of Director that is an Audit and Supervisory Committee Member.			
Other			
<p>1. Mr. Hiromichi Jitsuno is an executive of Sumitomo Corporation. A business relationship between the Company and Sumitomo Corporation exists primarily in the areas of software development, data processing services, and hardware and software sales.</p> <p>2. If this proposed resolution is approved, SCSK intends to enter into a liability limitation agreement with Mr. Hiromichi Jitsuno to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>			



Candidate No. 2	Date of birth	Number of Company shares owned	Special interests with the Company
Hidetaka Matsuishi <New appointment> <Outside Director> <Independent Director>	Feb. 22, 1957	1,000 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	Attendance rate of Audit and Supervisory Committee meetings (attendance/no. of meetings held)	No. of years in office as Outside Director (from the end of the General Meeting of Shareholders)
	—	—	—
Career summary, positions, responsibilities, and significant concurrent positions			
Apr. 1981 Jan. 2003 Apr. 2005 Jul. 2009 Jul. 2010 Apr. 2013 Jun. 2013 Apr. 2014	Joined Ricoh Company, Ltd. Representative Director and President of Nishi Tokyo Ricoh Co., Ltd. Representative Director, President and CEO of Ricoh Tohoku Co., Ltd. Representative Director and President of Ricoh IT Solutions Co., Ltd. (resigned in March 2010) Corporate Executive Vice President of Ricoh Japan Corporation Corporate Executive Vice President of RICOH LEASING COMPANY, LTD. Director of RICOH LEASING COMPANY, LTD. Corporate Executive Vice President Group Executive Officer (Corporate Senior Vice President) of Ricoh Company, Ltd. Representative Director, President and CEO of RICOH LEASING COMPANY, LTD. (resigned in June 2016)	Jun. 2016 Apr. 2018 Jun. 2018 Apr. 2021 Aug. 2022	Corporate Senior Vice President of Ricoh Company, Ltd. General Manager of Japan Marketing Group Representative Director, President and CEO of Ricoh Japan Corporation (resigned in March 2018) Corporate Executive Vice President of Ricoh Company, Ltd. CFO (Chief Financial Officer) General Manager of Business Planning Division Director of Ricoh Company, Ltd. Corporate Executive Vice President CFO (Chief Financial Officer) General Manager of Business Planning Division Director of Ricoh Company, Ltd. Executive Corporate Officer (resigned in June 2022) CFO (Chief Financial Officer) General Manager of Corporate Planning Division (resigned in March 2022) <b>Outside Director of JDC CORPORATION</b> (present)
Reason for appointment and expected roles			
Mr. Hidetaka Matsuishi possesses robust management experience and wide-ranging knowledge of marketing obtained through his long career at senior positions at a major electric instruments company. We believe that the experience and knowledge accumulated throughout his career qualifies him to help enhance the functions that supervise the execution of the Company's operations and to offer advice on all areas of management, and we have thus selected him to be a candidate for the position of Outside Director that is an Audit and Supervisory Committee Member.			
Other matters concerning candidate for Outside Director			
<ol style="list-style-type: none"> <li>1. If this proposed resolution is approved, SCSK intends to designate Mr. Hidetaka Matsuishi as an independent director that is unlikely to have any conflict of interest with respect to general shareholders and intends to notify the Tokyo Stock Exchange with this regard as it is obligated to do so.</li> <li>2. If this proposed resolution is approved, SCSK intends to enter into a liability limitation agreement with Mr. Hidetaka Matsuishi to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</li> <li>3. Mr. Hidetaka Matsuishi was an executive of Ricoh IT Solutions Co., Ltd. until March 2010 and was an executive of RICOH LEASING COMPANY, LTD. until June 2016. More than five years have passed since he resigned from these positions, and he has not been involved in the management of these companies after resigning. Moreover, the amount of transactions between these companies and the Company equate to less than 1% of the consolidated operating revenue of these companies and the consolidated net sales of the Company. Accordingly, the Company has judged that this past relationship does not have an impact on the independence of Mr. Hidetaka Matsuishi. In addition, he was an executive of Ricoh Japan Corporation until March 2018 and of Ricoh Company, Ltd. until June 2022, respectively. He has not been involved in the management of these companies after resigning. Moreover, the amount of transactions between these companies and the Company equate to less than 1% of the consolidated operating revenue of these companies and the consolidated net sales of the Company. Accordingly, we have judged that Mr. Hidetaka Matsuishi is sufficiently independent from the Company.</li> </ol>			

Candidate No. 3	Date of birth	Number of Company shares owned	Special interests with the Company
<p><b>Yumiko Waseda</b>            &lt;New appointment&gt;            &lt;Outside Director&gt;            &lt;Independent Director&gt;</p>	Jan. 29, 1960	0 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	Attendance rate of Audit and Supervisory Committee meetings (attendance/no. of meetings held)	No. of years in office as Outside Director (from the end of the General Meeting of Shareholders)
	—	—	—
Career summary, positions, responsibilities, and significant concurrent positions			
Apr. 1985	Joined Matsuda Masayuki Law & Patent Office (currently Mori Hamada & Matsumoto)	Mar. 2015	Outside Audit & Supervisory Board Member of Asahi Group Holdings, Ltd.
Apr. 2005	Executive Governor of Japan Federation of Bar Associations	Apr. 2016	President of Daini Tokyo Bar Association
Apr. 2013	Joined Tokyo Roppongi Law & Patent Office	May 2017	<b>Vice Governor of Benseiren</b> (present)
Jan. 2014	<b>Partner of Tokyo Roppongi Law &amp; Patent Office</b> (present)	Aug. 2020	<b>Managing Governor of Japan Law Foundation</b> (present)
Mar. 2014	Outside Audit & Supervisory Board Member of Kao Corporation	Jun. 2021	<b>Outside Audit &amp; Supervisory Board Member of IHI Corporation</b> (present)
		Mar. 2023	<b>Outside Audit &amp; Supervisory Board Member of CHUGAI PHARMACEUTICAL CO., LTD.</b> (present)
Reason for appointment and expected roles			
<p>Ms. Yumiko Waseda possesses specialized knowledge and experience as an attorney and wide-ranging insight for environmental, societal, and human rights issues. We believe that the experience and insight accumulated throughout her career qualifies her to help enhance the functions that supervise the execution of the Company's operations and to offer advice on all areas of management, and we have thus selected her to be a candidate for the position of Outside Director that is an Audit and Supervisory Committee Member.</p>			
Other matters concerning candidate for Outside Director			
<p>1. If this proposed resolution is approved, SCSK intends to designate Ms. Yumiko Waseda as an independent director that is unlikely to have any conflict of interest with respect to general shareholders and intends to notify the Tokyo Stock Exchange with this regard as it is obligated to do so.</p> <p>2. If this proposed resolution is approved, SCSK intends to enter into a liability limitation agreement with Ms. Yumiko Waseda to limit the amount of her liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>			

### **Input from the Audit and Supervisory Committee on Nomination and Remuneration of Directors that are Not Audit and Supervisory Committee Members**

Based on reports from relevant officers regarding Director nomination proposals and policies, the Audit and Supervisory Committee discussed matters concerning the nomination of Directors that are not Audit and Supervisory Committee Members. Through such discussions, the Audit and Supervisory Committee reached the conclusion that the Director candidates named in this proposal were sufficiently qualified based on factors including the composition of the Board of Directors and the specialized knowledge, experience, and past performance of candidates.

In addition, discussions regarding the remuneration of Directors that are not Audit and Supervisory Committee Members were held based on reports from relevant officers on remuneration systems and amounts. These discussions led the Audit and Supervisory Committee to conclude that the amounts of remuneration paid to Directors that are not Audit and Supervisory Committee Members were appropriate because these amounts were based on Directors' roles and duties, at a level that considered the Company's performance, and calculated through impartial methods.

### Reference 1: Skills Required of the Board of Directors

The Company decides the size of its Board of Directors and its membership based on consideration of the diversity and balance of the skills of members. To assist in this process, the following list has been prepared of the skills deemed necessary in order to ensure that the Board of Directors is equipped with the knowledge, experience, and capacities required to advance the SCSK Group’s growth strategies.

Skill	Display Name	Reason for Selection
Corporate management experience	Corporate management	Corporate management experience is necessary for assessing the opportunities and risks in the Company’s diverse businesses and for guiding investments to help ensure ongoing growth. SCSK is promoting sustainability management as a growth strategy, meaning that it must position the resolution of various social issues as an earnings opportunity and actively contribute to the resolution of these issues. Corporate management experience is imperative for making appropriate management resource investment and other management decisions for this purpose.
Financial and accounting expertise and experience	Finance / accounting	Financial and accounting expertise and experience are crucial for accessing business growth potential and profitability in pursuit of high capital efficiency and for practicing timely and appropriate disclosure and highly transparent corporate governance.
Technological expertise, foresight, and experience	Technology	Technological expertise, foresight, and experience are needed for making appropriate management decisions pertaining to the introduction technologies in various fields for use in resolving corporate and social issues.
Organization and human resource management expertise and experience	Organization / human resources	Organization and human resource management expertise and experience are required to ensure that the Company can offer opportunities and organizations in which professionals with diverse skills and backgrounds can share a common set of values and grow and succeed while exercising their individuality and expertise.
Expertise and experience pertaining to market and economic environments and trends	Marketing	Expertise and experience pertaining to market and economic environments and trends are necessary to identify the issues that may emerge from social or economic changes and to guide the appropriate development and provision of solutions for addressing these issues.

Skill	Display Name	Reason for Selection
Expertise and experience pertaining to environmental, social, and human rights issues	Environmental / social / human rights	Expertise and experience pertaining to environmental, social, and human rights issues are imperative to accurately assessing social issues related to global warming, human rights, regional disparities, and other factors and to identifying the areas in which SCSK can contribute to the resolution of such issues. These skills are also vital to enabling SCSK to develop sound value chains and fulfill other social responsibilities.
Legal and risk management expertise and experience	Legal / risk management	Legal and risk management expertise and experience are required to ensure strict compliance and highly effective oversight of management as well as to the development and implementation of appropriate management systems for risks and other matters.
Global business expertise and experience	Global	Global business expertise and experience are vital to the Company's efforts to capitalize on the growth opportunities presented by global digitization trends.

## Reference 2: Director Skills (Skill Matrix)

Should Propositions 2 and 3 be approved as proposed, the membership and skills of the Board of Directors will be as follows.

Name	Position within the Company	Corporate management	Finance / accounting	Technology	Organization / human resources	Marketing	Environmental / social / human rights	Legal / risk management	Global
Hideki Yamano	Representative Director Chairman	•			•	•	•		•
Takaaki Touma	Representative Director President	•		•	•	•			
Tetsuya Fukunaga	Director Executive Vice President		•					•	•
Tsutomu Ozaki	Director Senior Managing Executive Officer							•	•
Masaki Nakajima	Director					•			•
Tetsuya Kubo	Outside Director	•	•						•
Hikomichi Jitsuno	Director (Audit and Supervisory Committee Member)							•	
Kazuko Shiraishi	Outside Director (Audit and Supervisory Committee Member)						•		•
Yasuo Miki	Outside Director (Audit and Supervisory Committee Member)	•		•					
Sadayo Hirata	Outside Director (Audit and Supervisory Committee Member)			•	•				
Hidetaka Matsuishii	Outside Director (Audit and Supervisory Committee Member)	•	•		•	•			
Yumiko Waseda	Outside Director (Audit and Supervisory Committee Member)						•	•	

# Business Report for the Fiscal Year Ended March 31, 2023

## 1-1. Matters Regarding the Current Status of the SCSK Group

### (1) Operating Performance and Segment Information

In the fiscal year ended March 31, 2023, the Japanese economy was impacted by the rapid yen depreciation that followed from the massive interest rate increases instituted overseas to combat inflation, the rising resource prices resulted from the war in Ukraine, and concern for financial systems stemming from the collapse of a notable U.S. bank. Meanwhile, economic activity in Japan picked up as social activity was resumed in coexistence with COVID-19, contributing to a gradual recovery in the domestic economy.

The Japanese economy is anticipated to see the return of a full-fledged recovery trend as fiscal and financial measures and growth strategies are advanced in an integrated manner while economic and social activities return to normal. However, there is a risk that downward pressure might be placed on the Japanese economy as a result of sluggish conditions overseas seen against a backdrop of global monetary tightening. In addition, caution is required with regard to supply restrictions and rises in raw material prices stemming from the potential prolongation of the war in Ukraine as well as the impacts of fluctuations in financial and capital markets.

Under this economic environment, in IT services market, there is a strong IT investment demand with the aim of expanding business and strengthening competitiveness across a wide range of industries, and customers are continuing to expand their IT investment. Despite the emergence of cautious views on companies' business conditions due to the worldwide inflation and some supply-side constraints, demand for IT investment is expected to grow sustainably, including demand for cloud computing for existing systems to respond to social digitization.

Demand for IT investment continues to increase among customers in the manufacturing industry. Outlets for this investment demand include strategic investments and the redevelopment of core systems for strengthening operating foundations. In the financial industry, demand was strong for investment for the purpose of developing money laundering and illegal transaction detection and prevention systems. As for the distribution industry, IT investment demand was up for core system development and operating foundation reinforcement applications.

In addition, consistent demand is being seen for cloud IT services along with continuous investment demand for redeveloping core systems to address the ends of software service periods. This demand is being driven by a robust appetite for improvements in operational efficiency and productivity. This situation is expected to generate ongoing demand for systems redevelopment and strategic IT investment demand prefaced on digital transformation.

In the fiscal year ended March 31, 2023, net sales increased 7.7%, to ¥445,912 million, as a result of higher sales in all three segments, which are Systems Development, System Maintenance and Operation / Services, and Packaged Software / Hardware Sales segments. This sales growth was driven by higher systems development demand and increased sales of maintenance and operation services and network security equipment seen amid ongoing rises in IT investment demand. Operating profit rose 8.0% year on year, to ¥51,361 million. This outcome was a result of detractors from profit being counterbalanced by the

benefits of increased sales and higher profit margins centered on systems development. Such detractors included higher expenses associated with business investments, the initially anticipated depreciation of data center and amortization of the in-house-developed ERP package ProActive C4, and expenses related to television commercial broadcasting aimed at enhancing corporate brand value. Other detractors included unprofitable projects. Profit attributable to owners of the parent, meanwhile, increased 11.4% year on year, to ¥37,301 million, as a result of valuation gains on investment securities.

### Consolidated business results for the fiscal year ended March 31, 2023

(Millions of yen)

	Previous fiscal year		Fiscal year under review		Comparison with previous fiscal year	
	(April 1, 2021 – March 31, 2022)		(April 1, 2022 – March 31, 2023)			
	Net Sales	Segment Profit	Net Sales	Segment Profit	Net Sales	Segment Profit
Industrial IT Business	132,203	16,637	149,398	19,522	17,194	2,884
Financial IT Business	56,526	7,107	59,385	6,794	2,858	-312
IT Business Solutions	63,327	5,972	68,724	7,314	5,397	1,342
IT Platform Solutions	83,969	12,003	88,456	12,833	4,486	829
IT Management Service	55,473	6,469	56,709	6,308	1,236	-161
Other	22,826	1,599	23,223	1,618	396	18
Adjustments	-177	-2,235	14	-3,029	192	-794
<b>Total</b>	<b>414,150</b>	<b>47,555</b>	<b>445,912</b>	<b>51,361</b>	<b>31,761</b>	<b>3,806</b>

Notes:

1. A partial revision to the Company's segments was instituted in the fiscal year ended March 31, 2023. Accordingly, the sales and segment profit figures for the fiscal year ended March 31, 2022, displayed above have been restated to reflect the revised segments.
2. Segment sales figures represent sales to external customers.
3. Adjustments to segment profit represent general corporate expenses that have not been allocated to the reported segments.



## Overview of business results by segment

### ○Industrial IT Business

Sales ¥149,398 million  
Percentage of total:  
33.5%

Net sales increased 13.0% year on year, to ¥149,398 million, and segment profit grew 17.3%, to ¥19,522 million. Factors behind this outcome included increased sales of verification services and higher core systems redevelopment service sales to the distribution industry, along with growth in investment demand pertaining to automobiles, electric machinery, and other strategic manufacturing areas.

### ○Financial IT Business

Sales ¥59,385 million  
Percentage of total:  
13.3%

Net sales were up 5.1% year on year, to ¥59,385 million, following rises in fraud detection system development projects for the credit and leasing industries, DevOps projects, and large-scale license sales to the life and non-life insurance industries. Segment profit was down 4.4%, to ¥6,794 million, as a result of multiple unprofitable projects associated with the banking industry.

### ○IT Business Solutions

Sales ¥68,724 million  
Percentage of total:  
15.4%

Net sales were up 8.5% year on year, to ¥68,724 million, and segment profit rose 22.5%, to ¥7,314 million, due to the firm performance of business process outsourcing (BPO) operations and core systems development projects centered on the manufacturing industry.

### ○IT Platform Solutions

Sales ¥88,456 million  
Percentage of total:  
19.8%

Net sales were up 5.3% year on year, to ¥88,456 million, and segment profit grew 6.9%, to ¥12,833 million, primarily due to the higher equipment sales to the specific customers in the communications industry and increased sales of network security products to wholesale distributors.

### ○IT Management Service

Sales ¥56,709 million  
Percentage of total:  
12.7%

Net sales were up 2.2% year on year, to ¥56,709 million, as a result of growth in the data center business. Segment profit, meanwhile, was down 2.5%, to ¥6,308 million, due to higher electricity bills as well as to increases in depreciation and operating expenses associated with newly constructed data centers.

### ○Others

Sales ¥23,223 million  
Percentage of total:  
5.2%

Net sales were up 1.7% year on year, to ¥23,223 million, and segment profit rose 1.2%, to ¥1,618 million.

Sales in the Company's service-based sales segments, namely Systems Development, System Maintenance and Operation / Services, and Packaged Software / Hardware Sales, were as follows.

(Millions of yen unless otherwise stated)

	Previous fiscal year		Fiscal year under review		Comparison with previous fiscal year	
	(April 1, 2021 – March 31, 2022)		(April 1, 2022 – March 31, 2023)			
	Amount	Share (%)	Amount	Share (%)	Amount	Change (%)
Systems Development	167,967	40.6	180,433	40.5	12,465	7.4
System Maintenance and Operation/Services	162,407	39.2	175,638	39.4	13,230	8.1
Packaged Software/Hardware Sales	83,776	20.2	89,841	20.1	6,064	7.2
Total	414,150	100.0	445,912	100.0	31,761	7.7

In Systems Development, net sales increased 7.4% year on year, to ¥180,433 million. This increase was seen as a result of the IT investment for developing core systems and strengthening operating foundations seen amid consistently strong IT investment demand from manufacturing and distribution industry customers.

In System Maintenance and Operation / Services, net sales increased 8.1% year on year, to ¥175,638 million. Sales were up because of the steady performance in BPO operations stemming from higher contact center demand. Another beneficial factor was increases in the sales of data center business and verification services.

In Packaged Software / Hardware Sales, net sales increased 7.2% year on year, to ¥89,841 million, due to the higher sales of network security products.

## 1-2 Procurement of Funds

### (1) Fund Procurements

In the fiscal year ended March 31, 2023, a total of ¥7,000 million in bank borrowings were refinanced.

### (2) Capital Investment

Capital investment by the SCSK Group totaled ¥25,708 million in the fiscal year ended March 31, 2023.

## 1-3 Assets, Profits and Losses

### (1) SCSK Group Assets, Profits and Losses

#### IFRS

Category		Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	(million yen)	385,295	396,853	414,150	445,912
Operating profit	(million yen)	40,048	45,878	47,555	51,361
Profit before tax	(million yen)	40,578	46,557	48,315	53,336
Profit attributable to owners of parent	(million yen)	28,765	33,435	33,470	37,301
Basic earnings per share	(yen)	92.13	107.09	107.20	119.44
Total assets	(million yen)	362,241	380,399	407,609	435,469
Total equity attributable to owners of parent	(million yen)	200,047	226,874	246,921	271,909
Equity attributable to owners of parent per share	(yen)	640.85	726.77	790.86	870.56

#### Notes:

- Effective April 1, 2020, the Company adopted International Financial Reporting Standards (IFRS). Figures for the fiscal year ended March 31, 2020, have been restated to reflect this change.
- Effective October 1, 2021, a three-for-one stock split of the Company's common shares of stock was conducted. Per share information has been calculated assuming the aforementioned stock split was conducted with an effective date of April 1, 2019.

#### J-GAAP

Category		Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	(million yen)	387,003	396,381
Ordinary profit	(million yen)	43,014	43,741
Profit attributable to owners of parent	(million yen)	31,201	30,812
Net profit per share	(yen)	100.17	98.92
Total assets	(million yen)	342,485	346,444
Net assets	(million yen)	208,072	232,359
Net assets per share	(yen)	666.72	744.38

#### Notes:

- The value of net profit per share for each fiscal year is calculated using the average number of shares from the respective fiscal year. The value of net assets per share is calculated using the number of shares issued as of the end of the respective fiscal year (excluding treasury stock).
- Effective October 1, 2021, a three-for-one stock split of the Company's common shares of stock was conducted. Per share information has been calculated assuming the aforementioned stock split was conducted with an effective date of April 1, 2019.

(2) SCSK Assets, Profits and Losses

Category	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales (million yen)	304,637	316,888	332,153	355,610
Ordinary profit (million yen)	34,859	36,396	41,388	44,530
Profit (million yen)	25,025	31,641	29,195	29,953
Net profit per share (yen)	80.17	101.36	93.53	95.92
Total assets (million yen)	346,486	351,734	373,358	382,354
Net assets (million yen)	201,581	220,336	234,636	249,703
Net assets per share (yen)	645.67	705.75	751.57	799.51

Notes:

1. The value of net profit per share for each fiscal year is calculated using the average number of shares from the respective fiscal year. The value of net assets per share is calculated using the number of shares issued as of the end of the respective fiscal year (excluding treasury stock).
2. Effective October 1, 2021, a three-for-one stock split of the Company's common shares of stock was conducted. Per share information has been calculated assuming the aforementioned stock split was conducted with an effective date of April 1, 2019.

## 1-4 Issues to be Addressed

### (1) Operating Environment and Tasks to Be Addressed

The permeation of IT and digital technologies throughout society has an impact on business activities and lifestyles, and this trend has only gained speed amid the COVID-19 pandemic. Digital technologies are now employed to make use of data in all facets of our lives. Meanwhile, various companies are engaging in cross industry collaboration to ensure their survival as companies are now expected to restructure their business models in conjunction with industry structure changes.

In the domestic IT services market, qualitative changes are being seen in corporate IT strategies and investment trends as cloud services become more common and the digitization and digital transformation trends accelerate. These changes are creating an even more intimate relationship between business and IT.

It can also be expected that competition to recruit IT personnel will intensify, with clients being involved in this competition, as the type of human resources desired for providing IT services changes from problem solving-oriented personnel to value creation-oriented personnel. In addition, clients are projected to increasingly seek in-house options for their IT service needs in response to the expanded provision of integrated and shared cross-industry services to be seen in conjunction with the acceleration of digital transformations at clients.

Achieving sustainable growth amid this rapidly changing and uncertain operating environment will require companies to address the fundamental changes to society from a longer-term perspective. Based on this perspective, companies will need to help resolve various pertinent social issues through their business activities while working to create new value. Accordingly, the SCSK Group has defined material issues to share the areas it should prioritize when addressing social issues during the course of practicing sustainability management based on its corporate philosophy of “Create Our Future of Dreams.” Together with these material issues, Grand Design, the Group’s vision for 2030, and our medium-term management plan, the first-step roadmap for achieving this vision, were announced in April 2020.

Under the three-year medium-term management plan spanning the fiscal years ended March 31, 2021 to 2023, the SCSK Group sought to grow its business by advancing the three core strategies of core business innovation, commercialization of digital transformation, and investment in people.

One facet of our efforts to promote core business innovation was Monozukuri innovation. Centered on the S-Cred+ platform, we sought to provide diverse IT services boasting high levels of quality, productivity, and flexibility. As for subdivision innovations, another facet of this strategy, innovation plans were prepared on an individual subdivision basis to promote a transition to subdivisions capable of co-creating value.

Under the core strategy of commercialization of digital transformation, we sought to create new businesses and new value for society in four priority fields. In the mobility field, one of these priority fields, we developed mobility transformation services for insurance, fleet, and leasing business operators. Initiatives in the priority financial service platform field included the development of platform-style businesses, such as a Japanese turnkey asset management program (TAMP) business and the Efukuri platform for financial brokers. In the healthcare field, having completed investment in and development of the Dr2GO communication platform for healthcare professionals, we are now promoting the adoption of

this platform by healthcare institutions. As for the customer experience field, we are supplying our altcircle service for enhancing client contact points and have begun operation of a data platform.

The core strategy of investment in people has driven us to implement various measures with a focus on enhancing, diversifying, and expanding human resources as we seek to secure and cultivate human resources capable of contributing to business growth and transformation.

## (2) 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 also formulated Grand Design 2030 as our medium-to-long-term vision, based on our corporate philosophy and material issues as the identity of the SCSK Group. By working with customers and partners 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, the 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.

<Grand Design 2030>

The SCSK Group aims to be a "Co-Creative IT Company in 2030" that promotes co-creation with customers, partners, 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

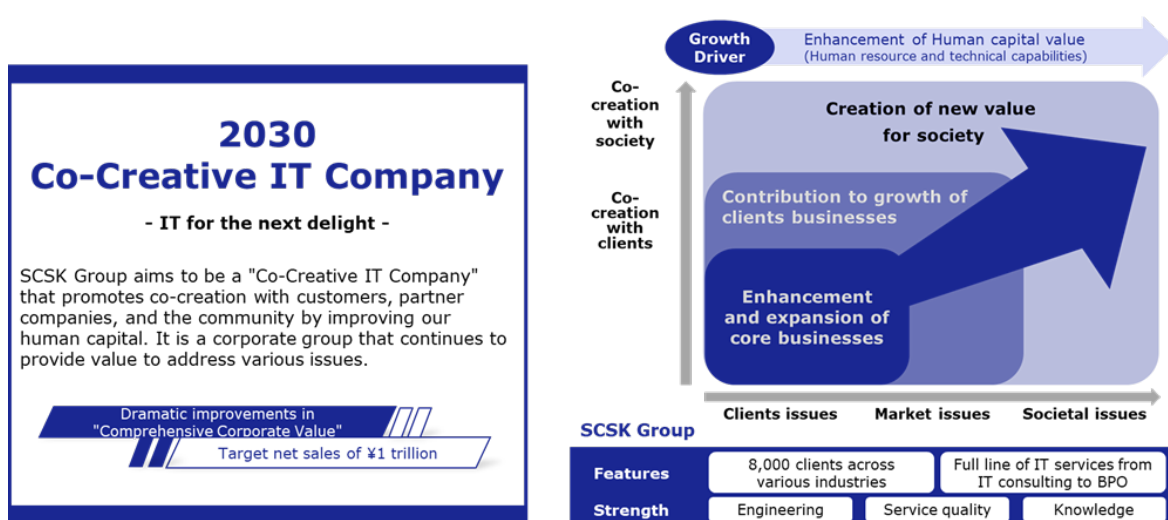
- Contribute to the digitalization and transformation of client businesses as a partner by enhancing human resource and technical capabilities
- Improve earnings capacity to generate growth potential and funds to fuel investments oriented toward future sustainable growth

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



<SCSK Group Medium-Term Management Plan (FY2023–FY2025)>

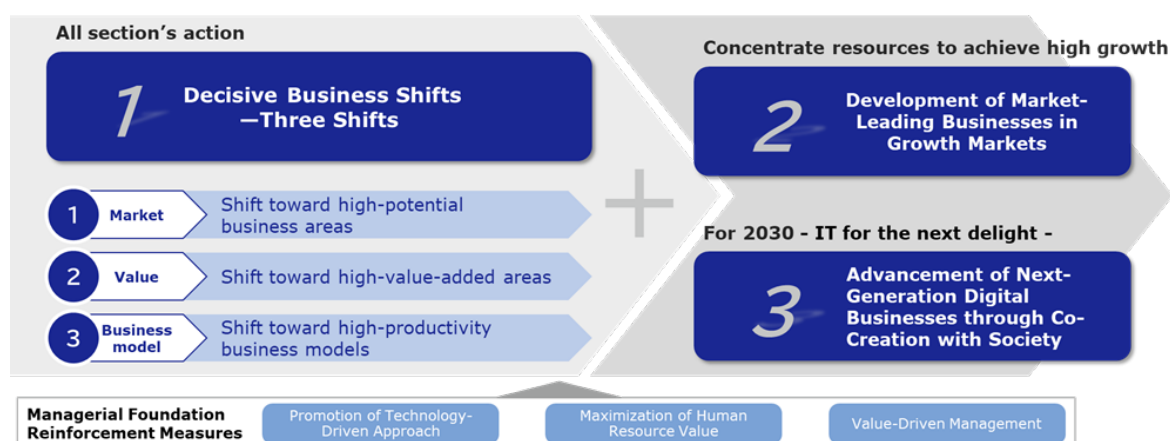
We have positioned this medium-term management plan as the second phase toward becoming a "Co-Creative IT Company in 2030" and will promote the following policies in order to contribute to profitability and performance with outcome of the basic strategic measures for the first phase (FY2020-FY2022).

## 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 the 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

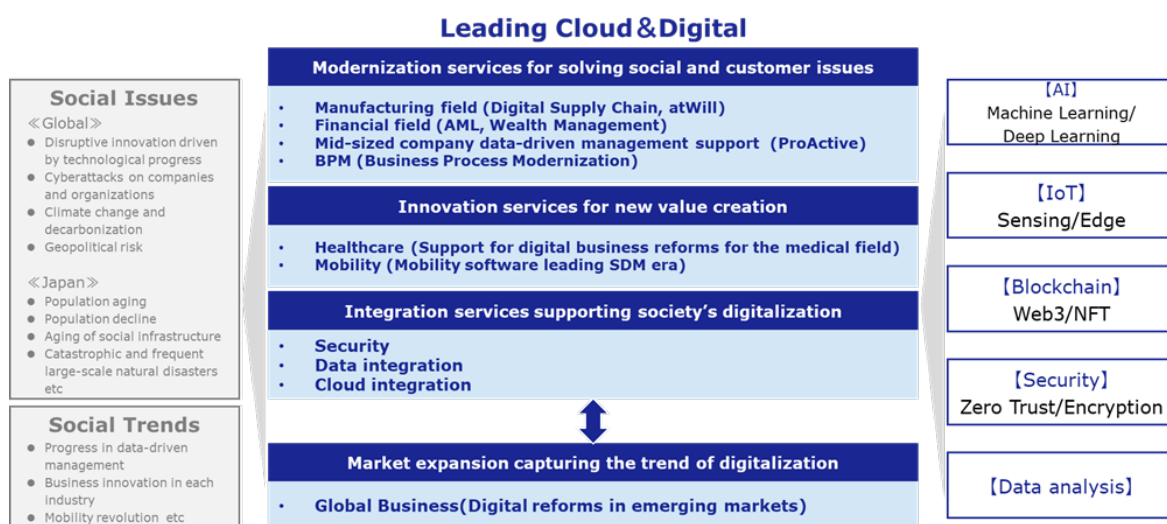
- Business areas will be reorganized and business models will be redeveloped to adapt to operating environment changes and achieve sustainable growth.
- Improvements of profitability will be pursued as we seek to generate growth potential and funds to fuel investments oriented toward future sustainable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

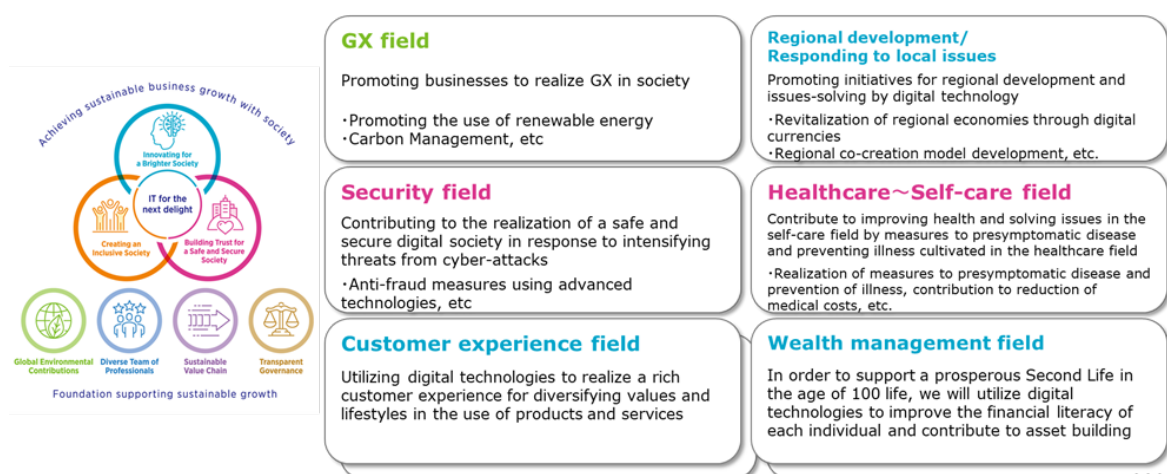
- The SCSK Group will pursue high growth while contributing to market growth by exercising its strengths in growing markets and technology areas related to cloud and digital technologies.
- Resources will be reallocated in a manner that is not within resources of current organization, advanced technologies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





### 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”

The 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”

The 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.

#### “Advocacy of 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 in Target Areas

The Company will maintain a proactive stance toward investment in target areas, aiming to conduct a total of ¥100.0 billion worth of sustainable growth investments over the three-year period.

#### Management Targets

##### • Financial Targets

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2026
Operating profit	¥51.3 billion	¥65.0 billion
Operating profit margin	11.5%	Above 12.5%
ROE	14.4%	14.0%

##### • Returns to shareholders

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2026
Dividend payout ratio	43.5%	50.0%

### 1-5 Major Businesses (as of March 31, 2023)

The SCSK Group offers services in the areas of IT consulting, systems development, verification service, IT infrastructure construction, IT management, IT hardware and software sales, and business process outsourcing through collaboration among the Industrial IT Business, Financial IT Business, IT Business Solutions, IT Platform Solutions, IT Management Service, and Other segments.

### 1-6 Major Branches (as of March 31, 2023)

#### (1) Major SCSK Offices

1. Toyosu Head Office	Koto-ku, Tokyo
2. Branch offices	Minato-ku, Tokyo; Tama-shi, Tokyo; Osaka-shi, Osaka; Toyonaka-shi, Osaka; Nagoya-shi, Aichi Prefecture; Hiroshima-shi, Hiroshima Prefecture; Fukuoka-shi, Fukuoka Prefecture, Urasoe-shi, Okinawa Prefecture
3. Data centers	Chiyoda-ku, Tokyo; Bunkyo-ku, Tokyo; Koto-ku, Tokyo; Edogawa-ku, Tokyo; Inzai-shi, Chiba Prefecture; Toyonaka-shi, Osaka; Sanda-shi, Hyogo Prefecture

#### (2) Main Offices of Important Subsidiaries, etc.

The main offices of important subsidiaries are those listed in (4) Status of Important Subsidiaries in Section 1-7, Information Regarding Status of Parent Company and Important Subsidiaries.

#### (3) Employees

##### 1. SCSK Group Employees

No. of employees	Year-on-year change
15,328	Increase of 390

Segment	No. of employees
Industrial IT Business	5,067
Financial IT Business	1,659
IT Business Solutions	3,196
IT Platform Solutions	794
IT Management Service	1,854
Others	2,758
Total	15,328

Note: "Others" means the number of people working in management and other departments.

##### 2. SCSK Employees

No. of employees	Year-on-year change	Average age	Average length of employment
8,470	Increase of 8	43 years, 8 months	18 years, 5 months

## 1-7 Information Regarding Status of Parent Company and Important Subsidiaries (as of March 31, 2023)

### (1) Status of Parent Company

Our parent company is Sumitomo Corporation. At the end of the fiscal year under review, Sumitomo Corporation held 158,091,000 of the Company's shares (capital contribution ratio of 50.56%).

Transactions with the parent company mostly involve software development, data processing services, and sales of hardware, software, and other products.

### (2) Matters Regarding Transactions with the Parent Company

#### 1. Provisions for Preventing Transactions that Go Against the Interests of the Company

In principle, transactions with the parent company are to utilize appropriate conditions based on the conditions of standard transactions with arm's length parties. For IT solutions provision, the Company submits price estimates based on market prices and cost ratios, and price negotiations take place with regard to every project.

#### 2. Judgment by Board of Directors and Reasons for Judgment that Transactions Do Not Go Against the Interests of the Company

Based on internal regulations, decisions regarding major transactions with the parent company are to be made at meetings of the Board of Directors, which are attended by the Company's six (6) Outside Directors. Prior to decisions, the Board of Directors is to consult with and receive reports regarding the transaction in question from Conflict of Interest Advisory Subcommittee of the Governance Committee which is membered by Outside Directors that are designated as Independent Directors and external experts that are independent from the Company. Through this process, it has been decided that such transactions do not go against the interests of the Company.

In addition, the Company makes reports on applicable transactions periodically to Conflict of Interest Advisory Subcommittee of the Governance Committee. This committee monitors these transactions to ensure that they do not go against the interests of the Company.

#### 3. Differences in Opinions between Board of Directors and Outside Directors

Not applicable

### (3) Contracts Concluded with Parent Company with Regard to Important Financial and Business Policies

The Company has concluded contracts with the parent company with regard to important financial and business policies that provide for the following.

Parent company Sumitomo Corporation respects the autonomous management of group companies while contributing to important decision-making by the boards of directors of group companies based on the relationships of trust established through active dialogue as a stakeholder. Moreover, the parent company acts in accordance with a group management policy of pursuing the creation of new value through strong coordination with group companies. To address the risks of conflicts of interests between the parent company and general shareholders of the Company, the Company implements effective corporate governance systems that utilize Outside Directors who are independent from both the parent company and the management of the Company to ensure the independence of decision-making.

Meanwhile, the independence of decision-making is a top priority. At the same time, the Company recognizes the need to manage risks through the construction and operation of internal controls for the entire group by the parent company and to improve corporate value. Accordingly, the parent company is consulted with and reported to prior to decisions regarding execution of important operations, compliance issues, or other projects with the potential to seriously affect the Company's corporate value.

## (4) Status of Important Subsidiaries

Company name	Location	Equity	Capital contribution ratio (%)	Main business
SCSK ServiceWare Corporation	Koto-ku, Tokyo	¥100 million	100.00	Contact center services and BPO services
VeriServe Corporation	Chiyoda-ku, Tokyo	¥792 million	100.00	Product verification services and security verification services, etc.
SCSK Minori Solutions Corporation	Koto-ku, Tokyo	¥480 million	100.00	Software development, system operation, hardware sales, etc.
SCSK KYUSHU CORPORATION	Fukuoka-shi, Fukuoka Pref.	¥200 million	100.00	Software development and data processing
SCSK HOKKAIDO CORPORATION	Sapporo-shi, Hokkaido	¥100 million	100.00	Software development and data processing
SCSK PRESCENDO CORPORATION	Koto-ku, Tokyo	¥100 million	100.00	EC fulfillment services
SCSK USA Inc.	New York State, USA	US\$11,850,000	100.00	Software development and data processing
SCSK Europe Ltd.	London, UK	Stg£1,400,000	100.00	Software development and data processing
SCSK Shanghai Limited	Shanghai, China	US\$500,000	100.00	Software development and data processing
SCSK Asia Pacific Pte. Ltd.	Singapore	¥200 million	100.00	Software development and data processing
PT SCSK Global Indonesia	Jakarta, Indonesia	Rp60,000 million	100.00	Software development and data processing
SCSK Myanmar Ltd.	Yangon, Myanmar	US\$3,600,000	100.00	Software development and data processing
Skeed Co., Ltd.	Meguro-ku, Tokyo	¥100 million	100.00	Software and solutions planning, development, sales, etc. using autonomous and dispersed network technologies as a core competency
Allied Engineering Corporation	Koto-ku, Tokyo	¥242 million	100.00	Consulting and packaged software development and sales
SCSK SYSTEM MANAGEMENT CORPORATION	Koto-ku, Tokyo	¥100 million	100.00	Systems operation services
VA Linux Systems Japan K.K.	Koto-ku, Tokyo	¥194 million	100.00	Software development (Open-source software consulting)
SDC Corporation	Koto-ku, Tokyo	¥96 million	50.10	Network building and operation services
SCSK NEC Data Center Management, Ltd.	Koto-ku, Tokyo	¥100 million	62.50	Data center services and network services
SCSK Automotive H&S Corporation	Koto-ku, Tokyo	¥100 million	100.00	Mobility related software
Gran Manibus Co., Ltd.	Chiyoda-ku, Tokyo	¥90 million	94.29	Consulting and cutting-edge solutions services
SCSK Nearshore Systems Corporation	Koto-ku, Tokyo	¥100 million	100.00	Software development and maintenance services

Notes:

1. We have a total of 25 consolidated subsidiaries, including the important subsidiaries listed above.
2. Effective April 1, 2022, SCSK NEC Data Center Management, Ltd. was established as a consolidated subsidiary.
3. Effective November 1, 2022, SCSK Automotive H&S Corporation was established as a consolidated subsidiary.

## 1-8 Principal Lenders and Loans Payable (as of March 31, 2023)

Name of lender	Loans payable (in millions of yen)
NEC Corporation*	5,250
Sumitomo Mitsui Trust Bank, Limited	4,500
Sumitomo Mitsui Banking Corporation	4,500
Mizuho Bank, Ltd.	2,500
Total	16,750

Note: Both companies provided financing proportionate to their respective stakeholdings (62.5 to 37.5) to SCSK NEC Data Center Management, Ltd., a joint venture established on April 1, 2022 by the Company with NEC Corporation. Because SCSK NEC Data Center Management, Ltd. is a consolidated subsidiary of the Company, this financing, including amounts borrowed by SCSK NEC Data Center Management, Ltd. from NEC Corporation, is stated as loans payable, consolidated basis.

## 1-9 Policy Regarding the Exercise of the Rights of the Board of Directors Pursuant to the Articles of Incorporation (in Accordance with Article 459, Paragraph 1 of the Companies Act) to Distribute Surpluses as Dividends, etc.

In determining dividends, the Company aims to increase returns to shareholders in response to stronger consolidated results. In that process, the Company gives comprehensive consideration to its financial position, earnings trends, dividend payout ratio as well as reserves for future business investment.

The Company pays dividends twice a year from its surplus: an interim dividend and a year-end dividend. The decision-making authority regarding dividends lies with the Board of Directors. For the fiscal year ended March 31, 2023, the Company will issue year-end dividend of ¥26.00 per share. Combined with the previously issued interim dividend of ¥26.00 per share, this year-end dividend will make for a total dividend of ¥52.00 per share. For the fiscal year ending March 31, 2024, we intend to issue an annual dividend of ¥56.00 per share.

The Company regards the acquisition of treasury shares as one means of returning profits to shareholders, and will consider any such acquisitions taking into account share price trends and above issues, and shareholder returns via dividend payments.

## 2. Particulars Regarding the Shares of the Company

### 2-1 Total Number of Shares Authorized

600,000,000 shares

### 2-2 Total Number of Shares Issued

312,665,639 shares  
(including 365,414 shares of treasury stock)

### 2-3 Number of Shareholders on the Last Day of the Fiscal Year

27,845 people

### 2-4 Top 10 Shareholders

Name of shareholder	Shares owned	Shareholding ratio
	Shares	%
Sumitomo Corporation	158,091,477	50.62
The Master Trust Bank of Japan, Ltd. (trust account)	27,412,700	8.78
Custody Bank of Japan, Ltd. (trust account)	19,878,700	6.37
SCSK Group Employee Stock Ownership Association	7,015,925	2.25
SSBTC CLIENT OMNIBUS ACCOUNT	3,568,005	1.14
STATE STREET BANK WEST CLIENT – TREATY 505234	3,134,876	1.00
ARGO GRAPHICS Inc.	3,046,500	0.98
STATE STREET BANK AND TRUST COMPANY 505001	3,016,696	0.97
JAPAN POST INSURANCE Co., Ltd.	2,146,200	0.69
Nippon Life Insurance Company	1,768,500	0.57

Note: The shareholding ratio is calculated by dividing the number of shares held by the number of shares outstanding which is derived by deducting treasury stock (365,414 shares) from the total number of issued shares.

### 2-5 Status of Shares Allocated to the Company's Officers as a Consideration for the Execution of the Duties in the Fiscal Year

Classification	Shares	Number of Subject to be Allocated
	Shares	Number
Directors (excluding Outside Directors, part-time Directors, and Directors that are Audit and Supervisory Committee Members)	30,534	4

Note: For the details of stock-based compensation, please refer to “4-2 Directors Remuneration” of the Company's business report.



### 3. Important Matters regarding New Stock Acquisition Rights, etc. of the Company

Matters regarding stock acquisition rights by company officers, etc., as of March 31, 2023

#### • Overview of stock acquisition rights (share-based remuneration)

Date of issuance	Number of new stock acquisition rights	Type and number of shares subject to the new stock acquisition rights	Number of new shares per stock acquisition right	Issuing price	Amount to be paid for the exercise of each new acquisition right	Exercise period
July 27, 2007 (2nd)	6 rights	1,800 ordinary shares	300 shares	No consideration	¥1	From July 28, 2007, to July 26, 2027
July 29, 2008 (4th)	13 rights	3,900 ordinary shares	300 shares	No consideration	¥1	From July 30, 2008, to July 28, 2028
July 30, 2009 (6th)	13 rights	3,900 ordinary shares	300 shares	No consideration	¥1	From July 31, 2009, to July 29, 2029
July 30, 2010 (8th)	21 rights	6,300 ordinary shares	300 shares	No consideration	¥1	From July 31, 2010, to July 29, 2030

Notes:

1. The amount to be paid for the exercise of each new stock acquisition right shall be the product of the exercise price per share and the number of shares conveyed by each right.
2. Effective October 1, 2021, a three-for-one stock split of the Company's common shares of stock was conducted. As a result, the numbers of shares subject to the new stock acquisition rights have been adjusted.

#### • Numbers of Company officers and holdings of stock acquisition rights (share-based remuneration) by Company officers (by classification)

Issued Date	Directors (excluding Audit and Supervisory Committee Members, and Outside Directors)		Outside Directors (excluding Audit and Supervisory Committee Members)		Directors (Audit and Supervisory Committee Members)		Executive Officers (excluding Directors)	
	No. of holders	No. of rights	No. of holders	No. of rights	No. of holders	No. of rights	No. of holders	No. of rights
July 27, 2007 (2nd)	1 person	6 rights	0 people	0 rights	0 people	0 rights	0 people	0 rights
July 29, 2008 (4th)	1 person	13 rights	0 people	0 rights	0 people	0 rights	0 people	0 rights
July 30, 2009 (6th)	1 person	13 rights	0 people	0 rights	0 people	0 rights	0 people	0 rights
July 30, 2010 (8th)	1 person	21 rights	0 people	0 rights	0 people	0 rights	0 people	0 rights

## 4. Particulars Regarding the Company's Officers

### 4-1 Directors

Name	Position in the Company	Significant concurrently held posts
Hideki Yamano	*1 Director	
Takaaki Touma	*1 Director	
Koji Tamefusa	Director	
Tetsuya Fukunaga	Director	Outside Director of ARGO GRAPHICS Inc.
Shunichi Aramaki	Director	Corporate Officer of Sumitomo Corporation; General Manager, Digital Business Division, Media & Digital Business Unit
Tetsuya Kubo	*2 Director	Director, Chairman of the Board of GCM Investments Japan K.K.
Yasunori Anzai	Director (Audit and Supervisory Committee Member) (full-time)	
Kimitoshi Yabuki	*2 Director (Audit and Supervisory Committee Member)	Partner of Yabuki Law Offices
Masaichi Nakamura	*2 Director (Audit and Supervisory Committee Member)	Representative of Nakamura Masaichi CPA Office; External Corporate Auditor of Sumitomo Heavy Industries, Ltd.; Independent Director (Audit/Supervisory Committee Member) of Terumo Corporation
Kazuko Shiraishi	*2 Director (Audit and Supervisory Committee Member)	External Director of MODEC, Inc.
Yasuo Miki	*2 Director (Audit and Supervisory Committee Member)	
Sadayo Hirata	*2 Director (Audit and Supervisory Committee Member)	

#### Notes:

- \*1 = Representative Director
- \*2 = Outside Director, as defined by laws and regulations
- Directors Mr. Tetsuya Kubo and Directors (Audit and Supervisory Committee Members) Mr. Kimitoshi Yabuki, Mr. Masaichi Nakamura, Ms. Kazuko Shiraishi, Mr. Yasuo Miki and Ms. Sadayo Hirata are Independent Directors that are unlikely to have any conflict of interest with respect to general shareholders, an assurance we are obliged to provide by the Tokyo Stock Exchange.
- Director (Audit and Supervisory Committee Member) Mr. Masaichi Nakamura has the qualification of being a certified public accountant and possesses a high degree of knowledge related to finance and accounting.
- Mr. Yasunori Anzai was appointed as a full-time Audit and Supervisory Committee Member to allow him to perform an array of duties. These duties include attending important meetings; reviewing reports on operational execution matters from Directors (excluding Directors that are Audit and Supervisory Committee Members) and employees; examining important resolution documents; collecting information through meetings held with the auditors of subsidiaries; and sharing information with the Audit and Supervisory Committee.
- Director Mr. Hideki Yamano resigned from his position as an executive of Sumitomo Corporation on June 24, 2022.
- Other than those listed above, there are no relationships between the Company and entities at which Outside Directors hold significant posts that require disclosure.
- Officers holding significant concurrent posts not listed above: not applicable

## Changes during the fiscal year under review

1. New appointment      Appointed June 23, 2022  
Hideki Yamano (Director)  
Takaaki Touma (Director)  
Shunichi Aramaki (Director) (part time)  
Yasuo Miki (Director (Audit and Supervisory Committee Member) (part time)  
Sadayo Hirata (Director (Audit and Supervisory Committee Member) (part time)
2. Retirement              Retired June 23, 2022  
Masao Tabuchi (Director)  
Toru Tanihara (Director) (part time)  
Kei Kato (Director) (part time)  
Bin Haga (Director) (part time)  
Kiyoto Matsuda (Director) (part time)

## Executive Officers and Corporate Officers of the Company

The positions and/or areas of responsibility of numerous executive officers and corporate officers have been revised effective April 1, 2023. Shown below are posts/assignments as of March 31, 2023 (before the revision) and April 1, 2023 (current status).

Current position in company (as of April 1, 2023)	Name	Areas of responsibility and significant posts concurrently held	
		As of March 31, 2023	As of April 1, 2023 (current)
Chairman* <sup>1</sup>	Hideki Yamano	Chief Health Officer	Chief Health Officer
President* <sup>1</sup>	Takaaki Touma	—	—
Executive Vice President * <sup>1</sup>	Tetsuya Fukunaga	General Manager, Business Investment Promotion	General Manager, Business Investment Promotion
Senior Managing Executive Officer	Tsutomu Ozaki	—	Chief Information Security Officer; General Manager, Legal & Risk Management
Senior Managing Executive Officer	Tetsuya Ueda	General Manager, Global Digital Solution & Innovation Business Group	General Manager, Global Digital Solution & Innovation Business Group
Senior Managing Executive Officer	Atsushi Watanabe	Representative Director and President of SCSK ServiceWare Corporation	Representative Director and President of SCSK ServiceWare Corporation
Senior Managing Executive Officer	Yasushi Shimizu	General Manager, Human Resources & General Affairs	General Manager, Human Resources & General Affairs
Managing Executive Officer	Yoshiyuki Shinbori	Chief Executive Officer of VeriServe Corporation	Chief Executive Officer of VeriServe Corporation
Managing Executive Officer	Yasuhiko Oka	General Manager, Finance, Accounting & IR	General Manager, Finance, Accounting & IR
Managing Executive Officer	Tadashi Miyagawa	General Manager, Industrial Business Group	General Manager, Industrial Business Group
Managing Executive Officer	Koji Watanabe	General Manager, Mobility Business Group	General Manager, Mobility Business Group

Current position in company (as of April 1, 2023)	Name	Areas of responsibility and significant posts concurrently held	
		As of March 31, 2023	As of April 1, 2023 (current)
Managing Executive Officer	Mineo Yokoyama	General Manager, Core Business Innovation Group; Representative Director and Chairman of the Board of SCSK Nearshore Systems Corporation	General Manager, Core Business Innovation Group; General Manager, Internal IT System; General Manager, SE Plus Management Division, Core Business Innovation Group; Representative Director and Chairman of the Board of SCSK Nearshore Systems Corporation
Managing Executive Officer	Ken Takano	General Manager, Solution Business Group	General Manager, Solution Business Group
Managing Executive Officer	Masaki Komine	General Manager, IT Platform Business Group	General Manager, Products & Services Business Group
Managing Executive Officer	Takaya Yamamoto	General Manager, Global Digital Solution & Innovation Business Promotion Division, Global Digital Solution & Innovation Business Group	General Manager, Financial Business Group
Managing Executive Officer	Kenji Toda	General Manager, Telecommunication & Public Sector Systems Business Division, Industrial Business Group	Representative Director and Executive Vice President of SCSK Minori Solutions Corporation
Managing Executive Officer	Shunichiro Fukushima	Assistant General Manager, Planning; General Manager, Planning Division	General Manager, Planning & Sustainability Promotion & Corporate Communications
Executive Officer	Yukihiko Saito	Assistant General Manager, Solution Business Group; General Manager, AMO Business Division	Deputy General Manager, Industrial Business Group; General Manager, ERP Business Division
Executive Officer	Eri Kawanabe	General Manager, Resource Strategic Management Center, Core Business Innovation Group; Managing Executive Officer of SCSK Nearshore Systems Corporation	Assistant General Manager, Human Resources & General Affairs (D&I-Well-Being Promotion)
Senior Corporate Officer	Yoshinori Kawashima	Managing Officer, Internal Auditing	Managing Officer, Internal Auditing
Senior Corporate Officer	Takayuki Okuhara	Director of Gran Manibus Co., Ltd.	General Manager, GX Business Division, Global Digital Solution & Innovation Business Group
Senior Corporate Officer	Toshihiko Mitsuishi	General Manager, Mobility Service Business Development Center, Mobility Business Group	Assistant General Manager, Mobility Business Group (MX Business)
Senior Corporate Officer	Kan Takahashi	General Manager, Financial Systems Business Division IV, Financial Business Group	General Manager, Financial Systems Business Division IV, Financial Business Group
Senior Corporate Officer	Masahiro Otani	General Manager, ProActive Business Solutions Division, Solutions Business Group	General Manager, ProActive Business Solutions Division, Solutions Business Group
Senior Corporate Officer	Masaaki Mori	General Manager, Media Business Division, Industrial Business Group	General Manager, Media Business Division, Industrial Business Group
Senior Corporate Officer	Takaaki Ishida	General Manager, MONOKAKU Center, Core Business Innovation Group	General Manager, Corporate Information Systems Division
Senior Corporate Officer	Junichi Horie	General Manager, SE Plus Center, Core Business Innovation Group	Assistant General Manager, Financial Business Group (Special Appointment)

Current position in company (as of April 1, 2023)	Name	Areas of responsibility and significant posts concurrently held	
		As of March 31, 2023	As of April 1, 2023 (current)
Senior Corporate Officer	Shoji Shiuchi	General Manager, Nishinohon Industrial Systems Business Division, Industrial Business Group; General Manager, Nishinohon Branch	General Manager, Nishinohon Industrial Systems Business Division, Industrial Business Group; Deputy General Manager, ERP Business Division; General Manager, Nishinohon Branch
Senior Corporate Officer	Kenji Ichiba	General Manager, IT Products & Services Division, IT Platform Business Group	General Manager, Network Security Division, Products & Services Business Group
Senior Corporate Officer	Shu Wei	Managing Director of SCSK Asia Pacific Pte. Ltd.; Chairman of SCSK Shanghai Limited	Managing Director of SCSK Asia Pacific Pte. Ltd.; Chairman of SCSK Shanghai Limited
Senior Corporate Officer	Ikuo Uchiyama	General Manager, Mobility Business Promotion Division, Mobility Business Group	General Manager, Resource Strategic Management Division, Core Business Innovation Group
Senior Corporate Officer	Toshihiko Kusakabe	General Manager, Global Business Development Division, Global Digital Solution & Innovation Business Group; General Manager, Global Strategic Operation Department, Global Digital Solution & Innovation Business Group	Managing Director of SCSK Europe Ltd.
Senior Corporate Officer	Yoshinari Kobayashi	General Manager, Human Resources & General Affairs Division	General Manager, Human Resources & General Affairs Division
Senior Corporate Officer	Yousuke Tsutaya	General Manager, CX Business Division, Global Digital Solution & Innovation Business Group	Director and Managing Executive Officer of SCSK ServiceWare Corporation
Senior Corporate Officer	Tomoyuki Naruke	Director and Managing Executive Officer of SCSK ServiceWare Corporation	General Manager, Cloud Service Division, Solution Business Group
Senior Corporate Officer	Masayuki Tanabe	General Manager, Mobility Systems Division II, Mobility Business Group; General Manager, Chubu Branch	General Manager, Mobility Systems Division II, Mobility Business Group; General Manager, Chubu Branch
Senior Corporate Officer	Hideya Nakashima	Assistant General Manager, Global Digital Solution & Innovation Business Group (Special Appointment), General Manager, Okinawa Branch.	Assistant General Manager, Global Digital Solution & Innovation Business Group (Special Appointment), General Manager, Okinawa Branch.
Senior Corporate Officer	Yoshihiro Jinbo	Managing Executive Officer of SCSK Minori Solutions Corporation	General Manager, Industrial Sales Division, Industrial Business Group
Senior Corporate Officer	Toshiyuki Takahashi	President & CEO of SCSK USA Inc.	President & CEO of SCSK USA Inc.
Senior Corporate Officer	Mitsuru Osawa	General Manager, Industrial Business Promotion Division, Industrial Business Group	General Manager, Planning Division
Senior Corporate Officer	Hideho Masuda	General Manager, Financial Systems Business Division I, Financial Business Group	General Manager, Financial Systems Business Division I, Financial Business Group
Senior Corporate Officer	Atsushi Sugiyama	General Manager, Human Resources Development Division	General Manager, Human Resources Development Division
Senior Corporate Officer	Kenji Inoue	General Manager, Legal & Risk Management Division	General Manager, Legal & Risk Management Division
Senior Corporate Officer	Jun Kawamura	General Manager, IT Management Services Division II, Solutions Business Group; Representative Director and President of VA Linux Systems Japan K.K.	General Manager, IT Management Services Division, Solutions Business Group

Current position in company (as of April 1, 2023)	Name	Areas of responsibility and significant posts concurrently held	
		As of March 31, 2023	As of April 1, 2023 (current)
Senior Corporate Officer	Hiroshi Ogasawara	General Manager, netX Data Center Business Division, Solutions Business Group; Representative Director and President of SCSK NEC Data Center Management, Ltd.	General Manager, netX Data Center Business Division, Solutions Business Group; Representative Director and President of SCSK NEC Data Center Management, Ltd.
Senior Corporate Officer	Satoshi Kitao	Deputy General Manager, CX Business Division, Global Digital Solution & Innovation Business Group; Representative Director and President of SCSK PRESCENDO CORPORATION	General Manager, CX Business Division, Global Digital Solution & Innovation Business Group; Representative Director and President of SCSK PRESCENDO CORPORATION
Senior Corporate Officer	Seiya Otsuka	General Manager, Chubu & Kansai IT Platform Solutions Division; General Manager, Kyushu IT Platform Business Division, IT Platform Business Group	General Manager, Chubu Kansai Products & Services Business Division; General Manager, Kyushu Products & Services Business Division, Products & Services Business Group
Senior Corporate Officer	Tadashi Takakura	Deputy General Manager, Financial Systems Business Division IV, Financial Business Group	Deputy General Manager, Financial Systems Business Division IV, Financial Business Group
Senior Corporate Officer *2	Tamio Ishibashi	—	General Manager, Financial Systems Business Division V, Financial Business Group
Senior Corporate Officer *2	Emi Shimizu	—	General Manager, Sustainability Promotion & Corporate Communications Division
Senior Corporate Officer *2	Shinji Hasumi	—	General Manager, Finance, Accounting & IR Division
Senior Corporate Officer *2	Hideki Kouguchi	—	General Manager, Digital Engineering Solutions Division, Products & Services Business Group; Representative Director, President and Chief Executive Officer of Allied Engineering Corporation
Senior Corporate Officer *2	Naoto Furuya	—	General Manager, Financial Business Promotion Division, Financial Business Group
Senior Corporate Officer *2	Akiyoshi Yamada	—	General Manager, Solution Business Promotion Division, Solution Business Group
Senior Corporate Officer *2	Tomotaka Honma	—	General Manager, Healthcare Business Division, Global Digital Solution & Innovation Business Group
Senior Corporate Officer *2	Masayoshi Hasegawa	—	Director and Senior Managing Executive Officer of SCSK ServiceWare Corporation
Senior Corporate Officer *2	Yoko Otani	—	Deputy General Manager, Healthcare Business Division, Global Digital Solution & Innovation Business Group

Notes:

1. \*1 = Serves jointly as Executive Officer and Director
2. \*2 = Newly seated as Senior Corporate Officer on April 1, 2023

3. Listed below are Executive Officers and Corporate Officers who retired as of March 31, 2023.

Position at retirement	Name	Areas of responsibility at retirement
Executive Vice President	Koji Tamefusa	Chief Information Security Officer, General Manager, Planning
Managing Executive Officer	Toshiaki Kudo	General Manager, Financial Business Group
Managing Executive Officer	Hideki Tazai	Managing Officer, Research & Development Center
Managing Executive Officer	Makoto Nakamura	Assistant General Manager, Human Resources & General Affairs (Human Resources Development)
Managing Executive Officer	Yasuo Sugahara	General Manager, Legal & Risk Management
Senior Corporate Officer	Akihiko Harima	Senior Managing Executive Officer of SCSK Minori Solutions Corporation
Senior Corporate Officer	Osamu Kubo	General Manager, Financial Systems Business Division III, Financial Business Group
Senior Corporate Officer	Seiji Sato	General Manager, Digital Innovation Division, Global Digital Solution & Innovation Business Group

## 4-2 Director Remuneration

### (1) Total Remuneration, etc., Paid to Directors

Category	Total remuneration	Total remuneration by type			No. of recipients
		Fixed remuneration (monetary compensation)	Short-term performance-linked remuneration (monetary compensation)	Medium- to long-term performance-linked remuneration (stock-based compensation)	
Directors (excluding Audit and Supervisory Committee Members) (of whom Outside Directors)	¥292 million (¥15 million)	¥179 million (¥15 million)	¥62 million (0)	¥50 million (0)	11 (2)
Directors (Audit and Supervisory Committee Members) (of which Outside Directors)	¥75 million (¥54 million)	¥75 million (¥54 million)	0 (0)	0 (0)	6 (5)
Total			¥367 million		17

Notes:

- Short-term performance-linked remuneration (monetary compensation) is categorized as performance-linked remuneration, etc., and medium- to long-term performance-linked remuneration (stock-based compensation) is categorized as non-monetary remuneration, etc. Medium- to long-term performance-linked remuneration (stock-based compensation) indicates a restricted stock compensation system which was introduced following the resolution at the Annual General Meeting of Shareholders held on June 23, 2022.
- Fixed remuneration (monetary compensation) paid to Directors (excluding Outside Directors, part-time Directors, and Directors that are Audit and Supervisory Committee Members) includes officer pensions. Upon implementation of medium- to long-term performance-linked remuneration (stock-based compensation), officer pensions were abolished in June 2022.
- The upper limit on Director remuneration as determined upon resolution at the Annual General Meeting of Shareholders held on June 28, 2016, is, on a single business year basis, ¥960 million for Directors (excluding Audit and Supervisory Committee Members and Outside Directors), ¥40 million for Outside Directors (excluding Audit and Supervisory Committee Members), and ¥150 million for Directors (Audit and Supervisory Committee Members). At the conclusion of the Annual General Meeting of Shareholders held on June 28, 2016, the number of Directors (excluding Audit and Supervisory Committee Members) was 15, including one Outside Director, and the number of Directors that are Audit and Supervisory Committee Members was four.

In addition, upon resolution at the Annual General Meeting of Shareholders held on June 23, 2022, it was determined that the upper limit for the issuance of restricted stock compensation to Directors (excluding Outside Directors, part-time Directors, and Directors that are Audit and Supervisory Committee Members) shall be set at ¥150 million a year within the above upper limits, and accordingly the number of common shares of the Company's stock issued or disposed of through this system shall not exceed 100,000 shares per year. At the conclusion of the Annual General Meeting of Shareholders held on June 23, 2022, the number of Directors (excluding Outside Directors, part-time Directors, and Directors that are Audit and Supervisory

Committee Members) was four.

4. No Outside Directors received officer remuneration, etc., from the parent company, etc., or from a subsidiary, etc., of the parent company, etc.

(2) Policies for Determining Director Remuneration Amounts

1. Method of Deciding Policies for Determining Director Remuneration Amounts

The Company’s current policies, processes, and standards for determining director remuneration amounts as well as the related amounts were decided via resolution by the Board of Directors at a meeting held on February 24, 2022. This decision was made following consultation with the Nomination and Remuneration Advisory Subcommittee of the Governance Committee, which is membered by a majority of Outside Directors that are designated as Independent Directors.

2. Overview of Policies for Determining Amounts of Remuneration Paid to Individual Directors

(i) Policies for Determining Composition and Ratios of Remuneration, etc.

Remuneration for Directors is comprised of fixed remuneration (monetary compensation), short-term performance-linked remuneration (monetary compensation), and medium- to long-term performance-linked remuneration (stock-based compensation). Only fixed remuneration (monetary compensation) is paid to Outside Directors, part-time Directors, and Directors that are Audit and Supervisory Committee Members out of consideration for their role of supervising and auditing management from an objective standpoint.

The ratios of fixed remuneration (monetary compensation), short-term performance-linked remuneration (monetary compensation), and medium- to long-term performance-linked remuneration (stock-based compensation) for each rank of executive officer for Directors that serve concurrently as executive officers are detailed in the table below.

Breakdown of Officer Remuneration Amounts for the Fiscal Year Ending March 31, 2023

Executive officer rank	Fixed remuneration (monetary compensation)	Short-term performance-linked remuneration (monetary compensation)	Medium- to long-term performance-linked remuneration (stock-based compensation)	Total
Chairman and Chief Executive Officer	50%	25%	25%	100%
President and Chief Operating Officer	50%	25%	25%	
Executive Vice President	55%	25%	20%	

(ii) Policies for Determining Fixed Remuneration (Monetary Compensation)

Fixed remuneration (monetary compensation) for Directors (excluding Outside Directors, part-time Directors, and Directors that are Audit and Supervisory Committee Members) is paid as a fixed amount per month based on remuneration amounts per officer rank determined by the Board of Directors following consultation with the Nomination and Remuneration Advisory Subcommittee of the Governance Committee.

As for Outside Directors who are Members of Conflict of Interest Advisory Subcommittee and Nomination and Remuneration Advisory Subcommittee of the Governance Committee, amounts separately determined by the Board of Directors are converted to fixed remuneration (monetary compensation) and paid.

(iii) Policies for Determining Performance-Linked Remuneration, etc.

Performance-linked remuneration, etc. are paid as short-term performance-linked remuneration (monetary compensation). Amount of short-term performance-linked remuneration (monetary compensation) is decided based on remuneration amounts per officer rank determined by the Board of Directors following consultation with Nomination and Remuneration Advisory Subcommittee of the Governance Committee, and is to be paid after the end of the fiscal year. The amount of short-term performance-linked remuneration (monetary compensation) is decided based on the executive officer remuneration system and is variable as it is calculated by adjusting the standard amount set for each director rank based on the Company’s business performance and individual evaluations for the particular year. The weight of the Company’s business performance and individual performance are 60% and 40%, respectively.



Company's business performance = Standard amount × Payout rate based on profitability

Individual evaluation = Standard amount × Payout rate proportional to individual evaluation based on executive officer remuneration system

Net sales and operating profit are used as indicators for determining short-term performance-linked remuneration (monetary compensation). These indicators were selected to place emphasis on business performance and ongoing profit growth. Please refer to "1-3 Assets, Profits and Losses" for information on net sales and operating profit in the fiscal year ended March 31, 2023, as well as other recent fiscal years.

#### Reference

Short-term performance-linked remuneration (monetary compensation) is calculated based on the standard amount set for each director rank multiplied by the following results from the fiscal year ended March 31, 2023. Placing greater value on sustainable growth of achievement and profit, the Company's business performance is calculated based on the Company's consolidated basis growth rate (Compound Annual Growth Rate (CAGR)) setting the start point as of the fiscal year ended March 31, 2022 and target achievement rate against this fiscal year plan, reflecting net sales and operating profit (net sales : operating profit = 30% : 70%) respectively. Individual performance is determined based on individual evaluations which include engagement for environmental/social/governance in order to enhance effectiveness of core strategies/managerial foundation reinforcement measures of the medium-term management plan.

#### Fiscal Year Ending March 31, 2024

	Ratios		Indicators
	Chairman President	Executive Vice President Senior Managing Executive Officer	
Company's business performance	100%	60%	(i) Growth rate × (ii) Target achievement rate Evaluate each of them per the ratio of net sales : operating profit = 30% : 70% Short-term performance-linked remuneration (monetary compensation) could be fluctuated within -75% ~ +80%
Individual performance	0%	40%	Evaluate execution of core strategies/managerial foundation reinforcement measures of medium-term management plan and engagement in non-financial indicators (environmental/social/governance) Short-term performance-linked remuneration (monetary compensation) could be fluctuated within -100% ~ +50%

Note: The titles' names were changed to "Chairman" and "President" respectively as of April 1, 2023.

(iv) Policies for Determining Non-monetary Remuneration, etc.

Non-monetary remuneration, etc. are paid as medium- to long-term performance-linked remuneration (stock-based compensation). This system is meant to provide incentive for pursuing the ongoing improvements in corporate value described in Grand Design 2030 as well as to facilitate greater sharing of value with shareholders, and common shares of the Company's stock are allocated as restricted stock compensation every year after the Annual General Meeting of Shareholders. In principle, the transfer restriction period is set to start on the allocation date and end on the day the relevant Director resigns from their position as a Director of the Company, in order to realize sharing of value with shareholder over a medium- to long-term period. The level of this payment is decided based on the amounts per officer rank determined by the Board of Directors following consultation with the Nomination and Remuneration Advisory Subcommittee of the Governance Committee.

3. Matters Pertaining to Delegation of Authority for Determining Amounts of Remuneration, etc.

Specific amounts of remuneration paid to individual Directors (excluding Outside Directors, part-time Directors, and Directors that are Audit and Supervisory Committee Members) are determined following discussion among Representative Director, Chairman Hideki Yamano, Representative Director and President Takaaki Touma based on the authority for determining individual evaluations delegated to these individuals by the Board of Directors. During periods in which there is only one Representative Director, these decisions will be made solely by said individual.

Authority is delegated as such for the purpose of facilitating broad-perspective individual evaluations from the standpoint of the individuals responsible for overseeing operational execution.

The company's business performance is to account for 60% while individual evaluations account for 40% as a provision to limit the authority delegated to the Representative Directors. As for Chairman and President, the company's business performance is to account for 100%.

(3) Reasons for Decision by the Board of Directors that Amounts of Remuneration Paid to Individual Directors pertaining to this Fiscal Year are Compliant to Those Policies

Based on objective market research data from specialist external agencies and on results of verified comparison of remuneration levels mainly of the same-sector companies of similar scale, as well as on the business environment and the Company's management strategy, the policies, processes, and standards for determining director remuneration amounts have been consulted with Nomination and Remuneration Advisory Subcommittee of the Governance Committee, which is membered by a majority of Outside Directors that are designated as Independent Directors. Evaluation criteria and processes to determine individual evaluations delegated to the Representative Director are also reported to and resolved at a meeting of the Board of Directors. The Audit and Supervisory Committee has judged that the methods for determining remuneration are impartial and that the levels of remuneration are appropriately based on the roles and duties of the given officers with due consideration paid the Company's performance. Changes to these standards shall be conducted through a similar process.

The aforementioned process is used to determine the amounts of remuneration paid to individual Directors (excluding Directors that are Audit and Supervisory Committee Members), and the Board of Directors has judged that this process conforms to the Company's policies for determining officer remuneration.

4-3 Matters Regarding Significant Posts in Other Corporations Concurrently Held by Executive Officers and Outside Directors, etc.

Significant concurrently held posts are shown within Section 4-1, Directors.

#### 4-4 Main Activities of Each Outside Director

Category	Name	Attendance at Board of Directors meetings	Attendance at Audit and Supervisory Committee meetings	Major activities
Director	Tetsuya Kubo	13/13	—	Mr. Tetsuya Kubo helps ensure active and efficient discussions in his capacity as the Chairman of the Board. He also offers advice on all areas of the Company's management from a management perspective grounded on his wide-ranging international business insight and his wealth of experience and insight as a manager at meetings of the Board of Directors and the Governance Committee.
Director (Audit and Supervisory Committee Member)	Kimitoshi Yabuki	12/13	13/13	Mr. Kimitoshi Yabuki helps ensure active and efficient discussions in his capacity as the chairman of the Governance Committee. He also offers advice on all areas of the Company's management and auditing activities from a legal perspective grounded on his specialized knowledge and experience as an attorney at meetings of the Board of Directors, the Audit and Supervisory Committee, and the Governance Committee.
Director (Audit and Supervisory Committee Member)	Masaichi Nakamura	11/13	13/13	Mr. Masaichi Nakamura offers advice on all areas of the Company's management and auditing activities from a financial and accounting perspective grounded on his specialized knowledge and experience as a certified public accountant at meetings of the Board of Directors, the Audit and Supervisory Committee, and the Governance Committee.
Director (Audit and Supervisory Committee Member)	Kazuko Shiraishi	13/13	13/13	Ms. Kazuko Shiraishi offers advice on all areas of the Company's management and auditing activities from an international perspective grounded on her wealth of experience and insight pertaining to international trends at meetings of the Board of Directors, the Audit and Supervisory Committee, and the Governance Committee.
Director (Audit and Supervisory Committee Member)	Yasuo Miki	11/11	10/10	Mr. Yasuo Miki offers advice on all areas of the Company's management and auditing activities from his specialized all-round technology perspective grounded on his wealth of management experience through his career at the IT company and his wide-ranging experience and insight pertaining to technology at meetings of the Board of Directors, the Audit and Supervisory Committee, and the Governance Committee.
Director (Audit and Supervisory Committee Member)	Sadayo Hirata	11/11	9/10	Ms. Sadayo Hirata offers advice on all areas of the Company's management and auditing activities from organization / human resources management perspective grounded on her wealth of experience as an engineer as well as academic experience and insight pertaining to IT and technology management at meetings of the Board of Directors, the Audit and Supervisory Committee, and the Governance Committee.

Note:

The Governance Committee is a voluntarily established advisory body to the Board of Directors membered by a majority of Outside Directors that are designated as Independent Directors and external experts that are independent from the Company. This committee was established to ensure that the shared value of the Company and its shareholders is duly considered in the decisions of Directors and of the Board of Directors and that these decisions are sufficiently impartial and transparent. The Governance Committee is comprised of the Conflict of Interest Advisory Subcommittee, which primarily deliberates on transactions that could involve a conflict of interest and on transactions between SCSK and related parties, and the Nomination and Remuneration Advisory Subcommittee, which primarily deliberates on matters such as criteria and process for selecting Directors, Senior Executive officers, and Senior Corporate Officers, selection and dismissal of Directors, remuneration for Directors, Senior Executive Officers, and Senior Corporate Officer, etc. All Outside Directors are the members of the Conflict of Interest Advisory Subcommittee and the Nomination and Remuneration Advisory Subcommittee of the Governance Committee.

#### 4-5 Matters Regarding Liability Limitation Agreements

The Company, based on Article 427, Paragraph 1 of the Companies Act, and Article 29, Paragraph 2 of the Articles of Incorporation, has entered into liability limitation agreements with each Director (excluding Executive Directors, etc.) to limit the amount of their liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.

#### 4-6 Matters Regarding Indemnification Contract

The Company has entered into an indemnification contract provided for in Article 430-2, Paragraph 1 of the Companies Act with Directors Mr. Hideki Yamano, Mr. Takaaki Touma, Mr. Koji Tamefusa, Mr. Tetsuya Fukunaga, Mr. Shunichi Aramaki and Mr. Tetsuya Kubo, and with Directors that are Audit and Supervisory Committee Members Mr. Yasunori Anzai, Mr. Kimitoshi Yabuki, Mr. Masaichi Nakamura, Ms. Kazuko Shiraishi, Mr. Yasuo Miki and Ms. Sadayo Hirata, under which the Company shall indemnify the Directors for the expenses specified in Item 1 and the losses specified in Item 2 of the same Paragraph within the limits stipulated by the Act. However, if it is deemed that duties have been performed to seek unlawful gains for the Director himself or herself, or for a third party, or with the aim of causing harm to the Company, any indemnified expenses, etc. shall be returned and other conditions shall be met.

#### 4-7 Matters Regarding Director and Officer Liability Insurance Contracts

Director and officer liability insurance contracts have been concluded with insurance firms. These contracts are applicable to directors, auditors, executive officers, and corporate officers of the Company and its subsidiaries as well as officers dispatched to equity-method affiliates. Under these contracts, applicable directors are covered for any legal fees or damages that they may be required to pay in relation to lawsuits from companies, third parties, or shareholder representatives. However, these contracts do not cover damages related to acts perpetrated by applicable officers with the knowledge that they constitute crimes or legal violations. Fees for maintaining these insurance contracts shall be paid in full by the Company.

## 5. Matters Regarding the Independent Auditor

### 5-1 Name

KPMG AZSA LLC

### 5-2 Remuneration, etc., paid to the Independent Auditor

1. Audit remuneration and other fees paid to the Independent Auditor by the Company concerning the period under review	¥172 million
2. Total amount of cash and other financial benefits payable by the Company and its consolidated subsidiaries to the Independent Auditor (inclusive of (1) above)	¥230 million

Notes:

1. The audit agreement between the Company and the Independent Auditor does not differentiate audit remuneration fees based on the Companies Act from audit remuneration fees based on the Financial Instruments and Exchange Law. The amount on Line (1) above thus includes the audit remuneration and other fees based on the Financial Instruments and Exchange Law.
2. The Company and its consolidated subsidiaries have paid the Independent Auditor for services outside those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (specifically, for services relating to the provision of advice regarding the preparation of English-language financial statements and services provided on a referral basis as a part of the consolidated audit).
3. Through the holding of the necessary hearings and the provision of the necessary reports and documents by the Independent Auditor or by the directorship, accounting, internal control, or other internal company units, the Audit and Supervisory Committee has checked the work performance of the Internal Auditor in the previous period, the contents of the audit plan for the current period, the general suitability of the audit fee estimate, and other such matters; and, having done so, the Audit and Supervisory Committee provides its consent to Independent Auditor fees, etc., in accordance with Article 399, Paragraph 1 and Paragraph 3 of the Companies Act.

### 5-3 Policy for Determination of Dismissal or Non-reappointment

In the event the Independent Auditor is found to be applicable under any of the situations stipulated in the clauses of Article 340, Section 1 of the Companies Act and the situation is judged to be irremediable, the Audit and Supervisory Committee's policy is to dismiss such Independent Auditor after receiving the consent of all Audit and Supervisory Committee Members.

In addition, in the event there is a significant adverse effect on the execution of the Independent Auditor's duties, due to sanctions or penalties from authoritative bodies imposed as a result of violations of the Companies Act, the Certified Public Accountants Act, or other laws by the Independent Auditor, the Audit and Supervisory Committee's policy is to formulate a proposal recommending that the Independent Auditor in question be dismissed or not be reappointed and to have the Board of Directors submit this proposal to the General Meeting of Shareholders.

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Values expressed in units of millions of yen have been rounded off to the nearest unit.

## Consolidated Financial Statements

### Consolidated Statements of Financial Position

(As of March 31, 2023)

(Millions of yen)

Assets		Liabilities	
<b>Current assets</b>	<b>244,099</b>	<b>Current liabilities</b>	<b>108,367</b>
Cash and cash equivalents	121,425	Trade and other payables	34,826
Trade and other receivables	82,909	Contract liabilities	15,388
Contract assets	14,411	Employee benefits accruals	10,889
Inventories	9,748	Bonds and borrowings	21,945
Other financial assets	199	Lease liabilities	10,773
Income taxes receivable	42	Other financial liabilities	63
Other current assets	15,360	Income taxes payable	8,079
		Provisions	406
		Other current liabilities	5,994
<b>Non-current assets</b>	<b>191,370</b>	<b>Non-current liabilities</b>	<b>54,699</b>
Property, plant and equipment	75,212	Bonds and borrowings	9,782
Right-of-use assets	45,781	Lease liabilities	35,415
Goodwill and intangible assets	26,984	Other payables	174
Investments accounted for using equity method	11,252	Employee benefits	1,982
Other receivables	8,094	Provisions	7,334
Other financial assets	10,692	Other non-current liabilities	10
Deferred tax assets	2,118	<b>Total liabilities</b>	<b>163,066</b>
Other non-current assets	11,232	<b>Equity</b>	
		Share capital	21,285
		Share premium	122
		Retained earnings	246,812
		Treasury shares	-286
		Other components of equity	3,976
		Total equity attributable to owners of parent	271,909
		<b>Non-controlling interests</b>	<b>493</b>
		<b>Total equity</b>	<b>272,403</b>
<b>Total assets</b>	<b>435,469</b>	<b>Total liabilities and equity</b>	<b>435,469</b>

## Consolidated Statements of Income

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Subject	Amount
Net sales	445,912
Cost of sales	-328,232
<b>Gross profit</b>	<b>117,679</b>
Selling, general and administrative expenses	-66,491
Other income	461
Other expenses	-288
<b>Operating profit</b>	<b>51,361</b>
Finance income	1,651
Finance costs	-589
Share of profit (loss) of investments accounted for using equity method	913
<b>Profit before tax</b>	<b>53,336</b>
Income tax expense	-15,999
<b>Profit</b>	<b>37,337</b>
Profit attributable to	
Owners of parent	37,301
Non-controlling interests	35
Earnings per share	
Basic earnings per share (yen)	119.44
Diluted earnings per share (yen)	119.44

Values expressed in units of millions of yen have been rounded off to the nearest unit.

## Non-consolidated Financial Statements

### Non-consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Assets		Liabilities	
<b>Current assets</b>	<b>212,920</b>	<b>Current liabilities</b>	<b>119,470</b>
Cash and deposits	24,294	Accounts payable - trade	24,729
Notes	437	Short-term borrowings	7,000
Accounts receivable – trade	63,921	Current portion of bonds payable	10,000
Contract assets	13,911	Current portion of long-term loans payable	4,500
Lease investment assets	184	Lease obligations	468
Securities	10,199	Accounts payable	4,442
Merchandise and finished goods	8,448	Expenses payable	1,550
Raw materials and supplies	154	Income taxes payable	7,567
Advance payments - trade	1,135	Consumption taxes payable	2,594
Prepaid expenses	13,352	Contract liabilities	14,885
Deposits paid	73,023	Deposits received	37,458
Short-term loans receivable from subsidiaries and associates	1,000	Provision for bonuses	3,743
Other	2,854	Provision for bonuses for directors (and other officers)	61
		Provision for loss on construction contracts	405
<b>Non-current assets</b>	<b>169,434</b>	Other	63
<b>Property, plant and equipment</b>	<b>70,150</b>	<b>Non-current liabilities</b>	<b>13,181</b>
Buildings	47,221	Bonds payable	5,000
Structures	237	Lease obligations	336
Vehicles	0	Provision for retirement benefits for directors (and other officers)	7
Tools, furniture and fixtures, net	7,410	Provision for retirement benefits	749
Land	14,169	Deferred tax liabilities	548
Leased assets, net	561	Asset retirement obligations	5,660
Construction in progress	550	Long-term leasehold and guarantee deposits received	810
		Other	67
<b>Intangible assets</b>	<b>9,275</b>	<b>Total liabilities</b>	<b>132,651</b>
Software	9,152	<b>Net assets</b>	
Telephone subscription right	118	<b>Shareholders' equity</b>	<b>248,089</b>
Right of using facilities	0	<b>Share capital</b>	<b>21,285</b>
Trademark rights	3	<b>Capital surplus</b>	<b>1,432</b>
		Legal capital surplus	1,432
<b>Investments and other assets</b>	<b>90,008</b>	<b>Retained earnings</b>	<b>225,659</b>
Investment securities	7,529	Legal retained earnings	3,988
Shares of subsidiaries and associates	59,955	Other retained earnings	221,671
Long-term loans receivable from subsidiaries and associates	8,000	Open innovation promotion funds	187
Long-term loans receivable from employees	1	General reserve	23,310
Long-term prepaid expenses	1,607	Retained earnings brought forward	198,173
Leasehold and guarantee deposits	6,480	<b>Treasury shares</b>	<b>-286</b>
Membership rights	185	<b>Valuation and translation adjustments</b>	<b>1,596</b>
Lease investment assets	131	<b>Valuation difference on available-for-sale securities</b>	<b>1,647</b>
Prepaid pension cost	6,178	<b>Deferred gains or losses on hedges</b>	<b>-50</b>
Other	3	<b>Share acquisition rights</b>	<b>16</b>
Allowance for doubtful accounts	-64	<b>Total net assets</b>	<b>249,703</b>
<b>Total assets</b>	<b>382,354</b>	<b>Total liabilities and net assets</b>	<b>382,354</b>



## Non-consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Subject	Amount
Net sales	355,610
Cost of sales	262,059
<b>Gross profit</b>	<b>93,550</b>
Selling, general and administrative expenses	52,150
<b>Operating profit</b>	<b>41,400</b>
Non-operating income	3,467
Interest income	81
Interest on securities	3
Dividend income	2,932
Other	449
Non-operating expenses	337
Interest expenses	26
Interest on bonds	25
Loss on investments in partnership	38
Loss on sale of investment securities	0
Other	247
<b>Ordinary profit</b>	<b>44,530</b>
Extraordinary income	42
Gain on sales of non-current assets	0
Gain on sales of investment securities	41
Gain on sales of memberships	0
Extraordinary losses	915
Loss on retirement of non-current assets	10
Loss on sales of non-current assets	0
Impairment loss	42
Loss on sale of investment securities	0
Loss on valuation of investment securities	800
Loss on sale of membership	1
Compensation expenses	58
<b>Profit before income taxes</b>	<b>43,656</b>
Income taxes - current	12,592
Income taxes - deferred	1,110
<b>Profit</b>	<b>29,953</b>

Values expressed in units of millions of yen have been rounded off to the nearest unit.

## **Independent Auditor's Report**

May 11, 2023

The Board of Directors  
SCSK Corporation

KPMG AZSA LLC  
Tokyo Office, Japan

Isao Kamizuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shinya Mikami  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kenji Kasajima  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Audit Opinion**

We have audited the consolidated financial statements, comprising the consolidated statements of financial position, the consolidated statements of income, the consolidated statement of change in net assets, and the notes to the consolidated financial statements of SCSK Corporation for the fiscal year from April 1, 2022, to March 31, 2023, in accordance with Article 444, Section 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with accounting standards allowing for the omission of certain disclosure items required by international standards as provided for in Article 120, Paragraph 1 of the Regulation on Corporate Accounting, present fairly, in all material aspects, the financial position and the results of operations of SCSK Corporation and its consolidated subsidiaries for the period for which the consolidated financial statements were prepared.

### **Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted to be fair and appropriate in Japan. Our responsibility under auditing standards is described in “Responsibility of Independent Auditor in Audits of Consolidated Financial Statements.” Our audit firm is independent from SCSK Corporation and its subsidiaries as required by the professional ethics standards of Japan, and we fulfill other ethical obligations as an Independent Auditor. We believe that the audit evidence we have obtained is appropriate and sufficient to form the basis for our audit opinion.

### **Other Attached Materials**

This notice of convocation is supplemented by the attached business report and supplementary schedules. Management is responsible for the preparation and disclosure of these materials. The Audit and Supervisory Committee is responsible for overseeing the execution of duties by Directors pertaining to the reporting process associated with these materials.

These materials are not subject to evaluation in this the Independent Auditor's Report, and we express no opinion with regard to the content of these materials.

Our responsibility with regard to these materials is to read, in its entirety, the information contained therein

and to determine whether there are any material differences between said information and the information contained within the consolidated financial statements and the understanding we have gained through the process of auditing said consolidated financial statements. We are also expected to be attentive in identifying any other signs of material errors in the applicable information.

Should a sign of a material error be detected, this fact will be reported to the appropriate representatives within SCSK Corporation.

We have found no matters warranting reporting with regard to other materials attached to this notice of convocation.

### **Responsibility of Management and Audit and Supervisory Committee Regarding Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards allowing for the omission of certain disclosure items required by international standards as provided for in Article 120, Paragraph 1 of the Regulation on Corporate Accounting and for the preparation and adoption of such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Management is also responsible for evaluating whether it is appropriate to prepare consolidated financial statements based on the assumption of a going concern and for disclosing information on items requiring disclosure in relation to going concerns in accordance with accounting standards allowing for the omission of certain disclosure items required by international standards as provided for in Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

The Audit and Supervisory Committee is responsible for supervising the execution of duties by Directors with regard to the development and implementation of financial reporting processes.

### **Responsibility of Independent Auditor in Audits of Consolidated Financial Statements**

Our responsibility is to express an opinion on the consolidated financial statements in the Independent Auditor's Report based on our audit from our independent perspective as Independent Auditor. In this process, we must obtain reasonable assurance that, overall, the consolidated financial statements are free from material misstatements, whether due to fraud or error. Misstatements may result from fraud or from error. Misstatements will be deemed to be material should they be judged to have the potential to, independently or collectively, influence the decisions of users of the consolidated financial statements.

Through the process of performing audits based on the corporate accounting standards generally accepted to be fair and appropriate in Japan, we make judgments from our professional perspective and perform the following tasks while maintaining a sufficient degree of professional skepticism.

- We identify and evaluate risks that may result in material misstatements, whether from fraud or error; propose and implement auditing procedures that account for material misstatement risks; make decisions regarding the selection and application of auditing procedures; and acquire sufficient and appropriate audit evidence as necessary for formulating opinions.
- Although the purpose of audits of consolidated financial statements is not to express opinions on the effectiveness of internal controls, we examine internal controls regarding audits in order to propose appropriate auditing procedures based on the circumstances at the company being audited when performing risk evaluations.
- We evaluate the appropriateness of the accounting policies and application methods employed by management, the rationality of accounting estimates prepared by management, and the adequacy of related notes.
- We make judgements on whether it is appropriate for management to prepare consolidated financial statements based on the assumption of a going concern and whether material uncertainty exists regarding

events or conditions that cast significant doubt on the assumption of a going concern based on the acquired audit evidence. Should it be determined that material uncertainty exists with regard to the assumption of a going concern, we must draw attention to the notes to the consolidated financial statements in the Independent Auditor's Report. Furthermore, we must express the need to include exemption clauses regarding the consolidated financial statements should it be determined that describing the material uncertainty in the notes to the consolidated financial statements would be inappropriate. Our judgements are made based on the audit evidence available as of the date of the publication of the Independent Auditor's Report. It is possible that the status of the company being audited as a going concern could be undermined by subsequent events or conditions.

- We judge whether the consolidated financial statements and accompanying notes have been prepared in accordance with accounting standards allowing for the omission of certain disclosure items required by international standards as provided for in Article 120, Paragraph 1 of the Regulation on Corporate Accounting. We also evaluate the appropriateness of the display methods, structure, and contents of the consolidated financial statements and accompanying notes and the descriptions of the transactions and accounting events on which the consolidated financial statements are based.
- We acquire sufficient and appropriate audit evidence regarding SCSK Corporation and its consolidated subsidiaries as necessary to express our opinion on the consolidated financial statements. We are responsible for issuing instructions regarding audits of the consolidated financial statements and for overseeing and performing audits. Auditors have responsibility for their individual audit opinions.

We report to the Audit and Supervisory Committee on the planned scope and timing of audits as well as on any material auditing issues, including major internal control insufficiencies, or other matters required by audit standards identified during the audit process.

We issue reports to the Audit and Supervisory Committee to indicate that our firm is complying with the professional ethics standards of Japan regarding independence. Reports are also submitted to provide notice when we are implementing safeguards to prevent or mitigate factors that could rationally be judged to impact or impede our independence as an Independent Auditor.

### **Conflicts of Interest**

Our firm and engagement partners have no interests in SCSK Corporation or its consolidated subsidiaries that require disclosure pursuant to the provisions of the Certified Public Accountants Law of Japan.

## **Independent Auditor's Report**

May 11, 2023

The Board of Directors  
SCSK Corporation

KPMG AZSA LLC  
Tokyo Office, Japan

Isao Kamizuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shinya Mikami  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kenji Kasajima  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Audit Opinion**

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity and the related notes, and the supplementary schedules of SCSK Corporation for the 55th fiscal year from April 1, 2022, to March 31, 2023, in accordance with Article 436, Section 2, Paragraph 1 of the Companies Act.

In our opinion, the non-consolidated financial statements referred to above, which were prepared in accordance with corporate accounting standards generally accepted to be fair and appropriate in Japan, present fairly, in all material aspects, the financial position and the results of operations of SCSK Corporation for the period for which the non-consolidated financial statements were prepared.

### **Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted to be fair and appropriate in Japan. Our responsibility under auditing standards is described in "Responsibility of Independent Auditor in Audits of Non-Consolidated Financial Statements." Our audit firm is independent from SCSK Corporation as required by the professional ethics standards of Japan, and we fulfill other ethical obligations as an Independent Auditor. We believe that the audit evidence we have obtained is appropriate and sufficient to form the basis for our audit opinion.

### **Other Attached Materials**

This notice of convocation is supplemented by the attached business report and supplementary schedules. Management is responsible for the preparation and disclosure of these materials. The Audit and Supervisory Committee is responsible for overseeing the execution of duties by Directors pertaining to the reporting process associated with these materials.

These materials are not subject to evaluation in this the Independent Auditor's Report, and we express no opinion with regard to the content of these materials.

Our responsibility with regard to these materials is to read, in its entirety, the information contained therein and to determine whether there are any material differences between said information and the information contained within the non-consolidated financial statements and the understanding we have gained through the process of auditing said consolidated financial statements. We are also expected to be attentive in identifying

any other signs of material errors in the applicable information.

Should a sign of a material error be detected, this fact will be reported to the appropriate representatives within SCSK Corporation.

We have found no matters warranting reporting with regard to other materials attached to this notice of convocation.

### **Responsibility of Management and Audit and Supervisory Committee Regarding Non-Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with corporate accounting standards generally accepted to be fair and appropriate in Japan, and for the preparation and adoption of such internal controls as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Management is also responsible for evaluating whether it is appropriate to prepare non-consolidated financial statements based on the assumption of a going concern and for disclosing information on items requiring disclosure in relation to going concerns based on the corporate accounting standards generally accepted to be fair and appropriate in Japan.

The Audit and Supervisory Committee is responsible for supervising the execution of duties by Directors with regard to the development and implementation of financial reporting processes.

### **Responsibility of Independent Auditor in Audits of Non-Consolidated Financial Statements**

Our responsibility is to express an opinion on the non-consolidated financial statements in the Independent Auditor's Report based on our audit from our independent perspective as Independent Auditor. In this process, we must obtain reasonable assurance that, overall, the non-consolidated financial statements are free from material misstatements, whether due to fraud or error. Misstatements may result from fraud or from error. Misstatements will be deemed to be material should they be judged to have the potential to, independently or collectively, influence the decisions of users of the non-consolidated financial statements.

Through the process of performing audits based on the corporate accounting standards generally accepted to be fair and appropriate in Japan, we make judgments from our professional perspective and perform the following tasks while maintaining a sufficient degree of professional skepticism.

- We identify and evaluate risks that may result in material misstatements, whether from fraud or error; propose and implement auditing procedures that account for material misstatement risks; make decisions regarding the selection and application of auditing procedures; and acquire sufficient and appropriate audit evidence as necessary for formulating opinions.
- Although the purpose of audits of non-consolidated financial statements is not to express opinions on the effectiveness of internal controls, we examine internal controls regarding audits in order to propose appropriate auditing procedures based on the circumstances at the company being audited when performing risk evaluations.
- We evaluate the appropriateness of the accounting policies and application methods employed by management, the rationality of accounting estimates prepared by management, and the adequacy of related notes.
- We make judgements on whether it is appropriate for management to prepare non-consolidated financial statements based on the assumption of a going concern and whether material uncertainty exists regarding events or conditions that cast significant doubt on the assumption of a going concern based on the acquired audit evidence. Should it be determined that material uncertainty exists with regard to the assumption of a going concern, we must draw attention to the notes to the non-consolidated financial statements in the Independent Auditor's Report. Furthermore, we must express the need to include exemption clauses

regarding the non-consolidated financial statements should it be determined that describing the material uncertainty in the notes to the non-consolidated financial statements would be inappropriate. Our judgements are made based on the audit evidence available as of the date of the publication of the Independent Auditor's Report. It is possible that the status of the company being audited as a going concern could be undermined by subsequent events or conditions.

- We judge whether the non-consolidated financial statements and accompanying notes have been prepared in accordance with the corporate accounting standards generally accepted to be fair and appropriate in Japan. We also evaluate the appropriateness of the display methods, structure, and contents of the non-consolidated financial statements and accompanying notes and the descriptions of the transactions and accounting events on which the non-consolidated financial statements are based.

We report to the Audit and Supervisory Committee on the planned scope and timing of audits as well as on any material auditing issues, including major internal control insufficiencies, or other matters required by audit standards identified during the audit process.

We issue reports to the Audit and Supervisory Committee to indicate that our firm is complying with the professional ethics standards of Japan regarding independence. Reports are also submitted to provide notice when we are implementing safeguards to prevent or mitigate factors that could rationally be judged to impact or impede our independence as an Independent Auditor.

### **Conflicts of Interest**

Our firm and engagement partners have no interests in SCSK Corporation that require disclosure pursuant to the provisions of the Certified Public Accountants Law of Japan.

# Audit Report

The Audit and Supervisory Committee conducted an audit of the execution of duties of Directors during the 55th fiscal year from April 1, 2022, to March 31, 2023. Details regarding the audit methods and results are provided below.

## 1. Audit Methods and Other Details

The Audit and Supervisory Committee received periodic reports from Directors, employees, or other individuals on resolutions by the Board of Directors related to (b) and (c) of Article 399, Paragraph 13, Item 1 of the Companies Act and on the implementation and operation status of systems based on these resolutions (internal control systems). When necessary, Audit and Supervisory Committee Members requested explanations or voiced opinions regarding these matters. Audits were performed through the following methods.

In regard to internal control systems relating to financial reporting, the Audit and Supervisory Committee received reports on the status of evaluations and audits of these systems from Directors and KPMG AZSA LLC, and explanations were requested as necessary.

- ① In accordance with the auditing policies formulated by the Audit and Supervisory Committee and the division of duties of Audit and Supervisory Committee Members, the Audit and Supervisory Committee Members coordinate with the Company's internal control divisions as we attend important meetings and receive reports regarding the execution of duties from Directors, employees, and other individuals. When necessary, Audit and Supervisory Committee Members requested explanations regarding those reports. We also inspected documents related to important decisions and examined operations and assets at the Company's head office and major operational establishments. As for subsidiaries, we communicated and exchanged information with the Directors, Corporate Auditors, and other individuals at subsidiaries, receiving business reports from subsidiaries, as necessary.
- ② In regard to transactions with the parent company indicated in the business report, examinations were made in relation to (a) of Article 118, Item 5 of the Ordinance for Enforcement of the Companies Act as well as decisions and reasons for decisions related to (b) of the above article of the same law. The status of deliberations by the Board of Directors and other bodies was considered in this process.
- ③ Furthermore, the Audit and Supervisory Committee monitored and verified the activities of the Independent Auditor to ensure that it was maintaining an independent standpoint and implementing appropriate audits. In addition, the Audit and Supervisory Committee received reports from the Independent Auditor regarding the execution of its duties and asked for explanations as necessary. Furthermore, notice was received from the Independent Auditor indicating that a system to ensure the execution of duties is conducted in an appropriate manner (as described in the clauses of the Article 131 of the Rules of Corporate Accounting) has been established in accordance with the Quality Control Standard Regarding Audit (Business Accounting Council, October 28, 2005). Explanations were received as necessary.

Based on the aforementioned methods, the Audit and Supervisory Committee examined the business report and the supplementary schedules for the fiscal year in question along with the financial statements (the balance sheet, the statement of income, the statements of changes in net assets, and the notes to the non-consolidated financial statements) and the supplementary schedules, the consolidated financial statements (the consolidated statements of financial position, the consolidated statements of income, the consolidated statement of change in net assets, and the notes to the consolidated financial statements).

## 2. Results of Audit

### (1) Results of the audit of the business report, etc.

- ① The business report and the supplementary schedules thereto fairly present the condition of the Company in accordance with Japanese laws and regulations and the Articles of Incorporation of the Company.
- ② There has been neither unfair conduct nor any material violation of Japanese laws or regulations or of the Articles of Incorporation in the execution of duties of the Directors.
- ③ The content of the resolution by the Board of Directors regarding internal control systems is due and



proper. Furthermore, nothing has arisen that requires comment with respect to items for business reporting or the Directors' execution of internal control systems.

- ④ Nothing has arisen that requires comment with regard to provisions for preventing transactions with the parent company indicated in the business report from going against the interests of the Company or with regard to decisions or reasons behind decisions by the Board of Directors on whether or not such transactions go against the interests of the Company.

(2) Results of the audit of the non-consolidated financial statements and supplementary schedules  
The Audit and Supervisory Committee considers the methods and results of the audit by the Independent Auditor, KPMG AZSA LLC, to be due and proper.

(3) Results of the audit of the consolidated financial statements  
The Audit and Supervisory Committee considers the methods and results of the audit by the Independent Auditor, KPMG AZSA LLC, to be due and proper.

May 15, 2023

The Audit and Supervisory Committee, SCSK Corporation

Yasunori Anzai (Seal)  
Audit and Supervisory Committee Member

Kimitoshi Yabuki (Seal)  
Audit and Supervisory Committee Member

Masaichi Nakamura (Seal)  
Audit and Supervisory Committee Member

Kazuko Shiraishi (Seal)  
Audit and Supervisory Committee Member

Yasuo Miki (Seal)  
Audit and Supervisory Committee Member

Sadayo Hirata (Seal)  
Audit and Supervisory Committee Member

Note: Audit and Supervisory Committee Members Kimitoshi Yabuki, Masaichi Nakamura, Kazuko Shiraishi, Yasuo Miki, and Sadayo Hirata are Outside Directors as described in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

