

SCSK Corporation
Business Results Summary for the 1st Half of Fiscal Year Ending March 2026
and Progress of the Medium-Term Management Plan

Date: October 29, 2025

Speaker: Takaaki Touma, Representative director, and President

■ **Consolidated Financial Results for the H1 of FY2025 (Summary) (slide 3)**

Performance was strong in the six-month period ended September 30, 2025 when including the one-time gain incurred following the reversal of a previously recorded provision for loss following the settlement of the lawsuit associated with Net One Systems Co., Ltd.

Nevertheless, we have chosen not to revise the forecasts for full-year performance announced in June 2025.

Any decisions regarding possible revisions to forecasts will be made after carefully examining the trends seen in the third quarter of the fiscal year ending March 31, 2026.

Changes in sales and profit figures were as shown on this slide. Improvements to profitability were seen centered on PROACTIVE and business process modernization operations, where we undertook structural reforms in the fiscal year ended March 31, 2025.

The operating margin, one of the key performance indicators emphasized most by the Medium-Term Management Plan, rose 1.3 percentage points, to 12.0%, on a non-consolidated basis. In this manner, we made steady progress toward the plan's target of 12.5%.

■ **Consolidated Financial Results for the H1 of FY2025 (Backlog) (slide 4)**

This slide details trends in order backlog in the six-month period ended September 30, 2025.

Overall order backlog was up 2.8% year on year, when excluding the effects of the consolidation of Net One Systems. A breakdown of this backlog by sales segment can be found on this slide. As shown, each segment experienced an increase in backlog of around 3% year on year.

The System Maintenance and Operation / Services segment witnessed a year-on-year increase of 2.6% in order backlog, when excluding the effects of the consolidation of Net One Systems. This increase was centered on management services. However, this segment did also feel the impacts of the external factors, such as the, albeit limited, effects of the mutual tariffs implemented by the United States and Japan. These impacts manifested in forms including a decline in orders for verification services among certain manufacturing industry customers, and these impacts are expected continue to be felt in the second half of the fiscal year ending March 31, 2026.

■ **Medium-Term Management Plan SCSK Group's Core Strategies (slide 6)**

This slide provides an overview of the core strategies of the Medium-Term Management Plan that has also been shown at prior briefings.

■ **Progress of Core Strategy II (slide 7)**

With this slide, we will look at our progress with regard to core strategy 2 of the Medium-Term Management Plan.

The graph on the upper righthand side of the slide shows trends in net sales in the focus areas for

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core strategy 2 in the six-month period ended September 30, 2025.

Strong increases in sales were seen in all three of the focus areas, leading to an overall increase of 14.0% in sales of businesses associated with core strategy 2.

A particularly large increase was seen in regard to integration services, the third of these focus areas, due to our ability to capitalize on the firm demand for security products.

In the first area, modernization services, and more specifically those for financial sector, we started up our COBOL PARK and MF+ businesses, which are already displaying potential for future earnings contributions.

COBOL PARK is a joint venture with leading Vietnamese IT company FPT CONSULTING JAPAN CO., LTD. Meanwhile, our MF+ business is being developed through collaboration with IBM Japan Ltd. to allow customers using IBM mainframes to access their mainframes through SCSK data centers via a shared hosting scheme.

It is our understanding that SCSK is the only vendor in Japan able to provide modernization services that combine application and infrastructure operation and maintenance services while accommodating customer policies.

We have set the target of achieving sales growth of ¥70.0 billion in businesses associated with core strategy 2 during the period of the Medium-Term Management Plan. As indicated in the bottom righthand corner of this slide, aggregate growth in the sales of these businesses over the past two and a half years has amounted to ¥50.3 billion. We will continue to devote concerted effort to accomplishing this target as we advance forward.

■ Core Strategy II PROACTIVE (slide 8)

The first of the topics related to core strategy 2 that I would like to discuss is our PROACTIVE operations.

A massive overhaul of PROACTIVE was conducted in the fiscal year ended March 31, 2025, enabling us to launch a new PROACTIVE service in the fiscal year ending March 31, 2026.

We continue to introduce new PROACTIVE solutions. The Company has also begun offering new non-financial data linkage services, such as the Uwell health and productivity management support service and the CO×CO Karte CO2 emissions management service.

By injecting evolving AI technologies, such as those for which we are currently submitting patent applications, into our PROACTIVE offerings, we hope to have a substantial positive impact on the management of companies adopting PROACTIVE.

In addition to augmenting PROACTIVE with AI functions, we have also been expanding our sales network through contracts with new sales agents while enhancing our data ecosystem via coordination with partners. These efforts have result in favorable trends in inquiries from customers.

■ Core Strategy II PROACTIVE (slide 9)

With this slide, I would like to explain our future development road map for PROACTIVE.

SCSK aims to evolve PROACTIVE into an AI-native corporate management platform by expanding its AI functions and promoting co-creation with external partners.

Our initiatives are quite diverse, including bolstering generative AI and AI agent functions, expanding industry-specific templates, enhancing non-financial functions, and ramping up co-creation with other companies.

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We have also installed our own unique safety layers and are coordinating with Japanese securities exchanges and other highly reliable data providers to supply a powerful tool for supporting swift management decision-making and process streamlining in a safe and secure AI environment. Furthermore, we plan to make an AI dashboard function available to all existing SaaS PROACTIVE users in January 2026 to help them better understand the benefits of PROACTIVE.

Up until now, our primary target for PROACTIVE was mid-scale companies. However, by enhancing the functionality of this service, we will look to expand our PROACTIVE operations by targeting large-scale companies and maybe even companies active on the global market going forward. Specific aspects of enhancing our PROACTIVE frameworks and functions to accomplish this goal will include making our offerings compatible with the business customs, accounting standards, languages, currencies, and time zones of various countries. At the same time, we will practice robust coordination with Sumitomo Corporation while also building global support frameworks together with SCSK's overseas bases.

Through these initiatives, we aim to evolve PROACTIVE into a growth driver supporting the entire SCSK Group.

■ Core Strategy Ⅱ Mobility: Shaping the SDV Future as a Software Company (slide 10)

Next, I would like to talk about SCSK's mobility business.

As mentioned in a recently issued news release, SCSK will be sponsor and exhibit at Japan Mobility Show 2025 as its sole main partner. This event is slated to begin on October 30, 2025. At this event, we will display a completed software-defined vehicle that is an amalgamation of the technologies we have developed over the years.

In the mobility industry, SCSK stands apart from other companies in that it is a dedicated software company capable of reconstructing the experience value of vehicles through software and data.

Utilizing this unique position, we succeeded in developing a completed software-defined vehicle over a short period of time through a model of horizontal specialization of functions that did not involve standing production facilities.

By applying this model, we were able to construct co-creation ecosystems with global partners and gain expertise on promoting Scrum Framework and Sprint Development with partners.

Going forward, SCSK will seek to become an "orchestrator" that utilizes its digital technologies as it engages in co-creation as a partner with original equipment manufacturers, Tier 1 manufacturers, and IT companies.

We hope you will take the time to check out Japan Mobility Show.

At SCSK's booth, you will find, among other exhibits, a concept model for a completed vehicle that has been evolved through the use of software and our Intelligent Cockpit system for proposing in-vehicle environments that match the preferences of each driver via AI voice agent and personalization functions.

The concept model features data integration functions that allow for the free addition and updating of applications as well as the linkage of driving data. We will also be exhibiting a driver monitor that utilizes proprietary SCSK AI as one of the vehicles data integration portions.

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The driver monitor includes a system that tracks driver motions to identify dangerous conditions.

■ Core Strategy II Mobility : SDM Business Roadmap (slide 11)

This slide displays a road map for our software defined mobility business.

With eyes to the future of smart cities, SCSK aims to, in its capacity as a software company, provide new on-demand, AI-driven mobility services.

Our advance toward this goal will entail a phased transformation of our current business model. The software products displayed at the Japan Mobility Show are one example of how our business will change.

The current stage of our business is indicated in blue on this slide. As shown, SCSK will be seeking to fulfill the role of a systems integrator as part of a larger ecosystem while developing globally applicable technologies and ecosystems to move beyond being simply a creator of technologies to become a creator of value through the combination of technologies.

The next stage for the transformation of our business is indicated in green.

In this stage, we will be expanding our vehicle development and AI digital engineering businesses while working to become part of an ecosystem for digital AI parts for software-defined vehicles.

The stage after that, indicated in purple, will involve the future expansion and evolution of our business.

As we approach 2030, we expect that the concept of software-defined vehicles will evolve to give rise to AI-defined vehicles.

SCSK will accommodate this evolution by taking full advantage of its advanced AI technologies to make greater contributions to the mobility industry.

We are currently in the process of deploying mobility services for the logistics industry as part of a logistics revolution. As a dedicated software company, SCSK is able to contribute by continuing to create new mobility services for both the mobility and IT industries via the linkage of services and data.

■ PMI in IT Infrastructure Service and Cross-Selling Progress (slide 12)

Moving on, I would like to report on the progress of our post-merger integration and cross-selling initiatives related to IT infrastructure services.

In September 2025, we arranged an investor relations meeting about the business integration with Net One Systems in which we explained our vision for the businesses to be developed together with this company. Specifically, we look to generate net sales of ¥50.0 billion in the fiscal year ending March 31, 2031 through business synergies centered on security services. We also forecast high growth rates that will produce organic sales growth at both companies in addition to the aforementioned ¥50.0 billion. In this manner, we are projecting that our security service business will grow to have a scale of sales amounting to around ¥160.0 billion.

Please turn your attention to the lefthand side of this slide. Here, you will see the schedule for the integration of our three main businesses.

The integration will begin with our distribution business in April 2026, after which we will move forward with a sequential integration our security service and managed service businesses.

The integration of our distribution business is expected to make us into a high-value-added distributor boasting strengths in network security and with sales in the area of ¥100.0 billion. By

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capitalizing on the high technological prowess of both companies and optimizing human resources while ideally leveraging economies of scale, we will seek to grow sales and boost profitability.

Next, on the righthand side of the slide, you will see details on the progress of our cross-selling initiatives.

We have been making steady progress in proposals combining multiple solutions, including security, hybrid cloud, and data and AI solutions, with a focus on networks. Such proposals are currently expected to generate sales contributions of between ¥4.0 billion and ¥5.0 billion in the fiscal year ending March 31, 2026. We have already received orders for ¥2.2 billion worth of this amount, and we have amassed a robust order pipeline, posing us to ramp up our initiatives going forward.

As shown on the slide, our specific cross-selling proposals have included comprehensive IT infrastructure outsourcing projects, smart manufacturing projects utilizing AI, projects for transforming existing systems into cloud systems, data center projects, application projects, and other projects for customers in the manufacturing, financial, and communications industries. Orders for such projects have been received from a wide variety of customers served by both Net One Systems and SCSK.

■ Appendix (slide 14 to 17)

At the end of the presentation slides, you will find an appendix that contains an overview of our efforts to utilize AI in systems development and information on how we are using AI in mobility field development efforts, an area of strength for SCSK, as an example of initiatives in specific businesses.

In addition, let me say that the next medium-term management plan, which we are currently in the process of formulating, will have the improvement of corporate value as its overarching theme and will place even more emphasis on profitability as a crucial indicator. Growth under the new plan will be driven by AI-centric business strategies. By positioning AI as a core element of all of our businesses, we will look to further evolve our business models.

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