

To Our Shareholders,

## **NOTICE OF CONVOCAION OF GENERAL MEETING OF SHAREHOLDERS**

It is our pleasure to extend to you a cordial invitation to attend our General Meeting of Shareholders of SCSK Corporation (hereinafter “We,” “SCSK” or the “Company”) for the financial period ended March 31, 2018, which will be held as set forth below.

**If you are unable to attend the meeting in person, you can exercise your voting rights in writing or electronically (please refer to pages 48 and 49 for more details). Please take the time to examine the Reference Documents for the General Meeting of Shareholders on the following pages and exercise your voting rights no later than 5:30 p.m. on Monday June 25, 2018.**

With highest regards,

Tooru Tanihara  
President  
SCSK Corporation  
3-2-20 Toyosu, Koto-ku, Tokyo, Japan

**1. Date and time** Tuesday June 26, 2018, 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, 2018 (April 1, 2017, to March 31, 2018)

Report No. 2 Non-consolidated Financial Statements for the fiscal year ended March 31, 2018 (April 1, 2017, to March 31, 2018)

**Matters to be resolved:**

Proposition No. 1 Election of eight (8) Directors (excluding Directors that are Audit and Supervisory Committee Members)

Proposition No. 2 Election of one (1) Director that is Audit and Supervisory Committee Member

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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 items that are required to be submitted with this Notice of Convocation, in accordance with laws and regulations and Article 17 of our Articles of Incorporation, the following items are posted on our website (<http://www.scsk.jp>) and do not appear in this Notice of Convocation.
  - Information regarding decisions on systems for ensuring appropriate business reporting procedures
  - Overview of implementation of systems for ensuring appropriate business reporting procedures
  - 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. The Audit and Supervisory Committee and the Independent Auditor audit information posted on the Company's website and other applicable items.
4. If any of the items included in the following reference documents for the Meeting, business report, consolidated financial statements, or non-consolidated financial statements require amendment up to and including the day before the Meeting, the amended items will be posted on our website (<http://www.scsk.jp>).

## Reference Documents for the General Meeting of Shareholders

### Propositions to be Voted Upon and References Relating Thereto

#### **Proposition No. 1: Election of eight (8) Directors (excluding Directors that are Audit and Supervisory Committee Members)**

At the close of this Ordinary General Meeting of Shareholders, the terms of all nine (9) 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. Accordingly, we hereby request that eight (8) Directors be elected. The number of Directors is to be decreased by one (1) in order to further separate supervisory and execution functions and allow for more flexible decision making.

The candidates for the positions of Director are as follows.

| Candidate No. 1                                                                                                                                                                                                                                                              | Date of birth                                                                                                | Number of Company shares owned                                                            | Special interests with the Company                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Masao Tabuchi<br><New appointment>                                                                                                                                                                                                                                           | Jul. 14, 1957                                                                                                | 0 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) |                                                                                         |
|                                                                                                                                                                                                                                                                              | —                                                                                                            | —                                                                                         |                                                                                         |
| Resume, current position and responsibilities                                                                                                                                                                                                                                |                                                                                                              |                                                                                           |                                                                                         |
| Apr. 1980                                                                                                                                                                                                                                                                    | Joined Sumitomo Corporation                                                                                  | Apr. 2016                                                                                 | Representative Director of Sumitomo Corporation                                         |
| Apr. 2008                                                                                                                                                                                                                                                                    | Corporate Officer of Sumitomo Corporation                                                                    |                                                                                           | Managing Executive Officer, Chief Strategy Officer                                      |
| Apr. 2012                                                                                                                                                                                                                                                                    | Executive Officer of Sumitomo Corporation General Manager, Automotive Division, No.1                         | Apr. 2017                                                                                 | Representative Director of Sumitomo Corporation                                         |
| Apr. 2013                                                                                                                                                                                                                                                                    | Executive Officer of Sumitomo Corporation General Manager, Ship, Aerospace & Transportation Systems Division |                                                                                           | Senior Managing Executive Officer, Chief Strategy Officer and Chief Information Officer |
| Apr. 2015                                                                                                                                                                                                                                                                    | Managing Executive Officer of Sumitomo Corporation                                                           | Apr. 2018                                                                                 | <b>Representative Director of Sumitomo Corporation (present)</b>                        |
|                                                                                                                                                                                                                                                                              | Chief Strategy Officer, Managing Executive Officer Responsible for Chubu Region                              |                                                                                           | <b>Assistant to President and CEO (present)</b>                                         |
| Jun. 2015                                                                                                                                                                                                                                                                    | Representative Director of Sumitomo Corporation                                                              |                                                                                           | <b>Concurrent position as Advisor of SCSK (present)</b>                                 |
|                                                                                                                                                                                                                                                                              | Managing Executive Officer, Chief Strategy Officer, Managing Executive Officer Responsible for Chubu Region  | Jun. 2018                                                                                 | Representative Director of Sumitomo Corporation                                         |
|                                                                                                                                                                                                                                                                              |                                                                                                              |                                                                                           | Assistant to President and CEO (retiring)                                               |
| Reason for appointment                                                                                                                                                                                                                                                       |                                                                                                              |                                                                                           |                                                                                         |
| Mr. Masao Tabuchi has a wealth of experience and extensive knowledge as a manager. We believe that the experience and knowledge accumulated throughout his career will be viable 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                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Tooru Tanihara<br><Reappointment>                                                                                                                                                                                                                                                                                                                                                                                              | Dec. 24, 1959                                                                    | 2,680 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)                                                     | 6 years, 9 months                                                                         |                                                                        |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                  |                                                                                           |                                                                        |
| Apr. 1982                                                                                                                                                                                                                                                                                                                                                                                                                      | Joined COMPUTER SERVICE CORPORATION                                              | Oct. 2010                                                                                 | Senior Managing Executive Officer of CSK CORPORATION                   |
| Jun. 2003                                                                                                                                                                                                                                                                                                                                                                                                                      | Executive Officer of CSK CORPORATION                                             | Oct. 2011                                                                                 | Director of SCSK, Senior Managing Executive Officer                    |
| Oct. 2005                                                                                                                                                                                                                                                                                                                                                                                                                      | Executive Officer of CSK SYSTEMS CORPORATION                                     | Apr. 2016                                                                                 | Representative Director & President of SCSK                            |
| Jun. 2007                                                                                                                                                                                                                                                                                                                                                                                                                      | Representative President of CSK-IT MANAGEMENT CORPORATION                        | Apr. 2017                                                                                 | <b>Representative Director of SCSK</b> (present)<br>President(present) |
| Mar. 2009                                                                                                                                                                                                                                                                                                                                                                                                                      | Executive Officer of CSK HOLDINGS CORPORATION                                    |                                                                                           |                                                                        |
| Reason for appointment                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                  |                                                                                           |                                                                        |
| Mr. Tooru Tanihara assumed the position of President in FY2016. In this capacity, he is currently playing a leading role in advancing business strategies based on our Medium-Term Management Plan, which sets forth targets for FY2019. We have selected Mr. Tooru Tanihara as a Director candidate based on the belief that he will be able to utilize his accumulated experience and knowledge as a manager of the Company. |                                                                                  |                                                                                           |                                                                        |

| Candidate No. 3                                                                                                                                                                                                                                                                                  | Date of birth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of Company shares owned                                                            | Special interests with the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Daisuke Mikogami<br><Reappointment>                                                                                                                                                                                                                                                              | Jul. 7, 1959                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 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) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                  | 100% (11 out of 11 meetings)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1 year                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Apr. 1983<br>Apr. 2004<br>Aug. 2005<br>Apr. 2011<br>Mar. 2013<br>Apr. 2013<br>Oct. 2013<br>Apr. 2014                                                                                                                                                                                             | Joined Sumitomo Corporation<br>Concurrent position as General Manager, Network Management Business Division of Sumisho Electronics Co., Ltd.<br>Concurrent position as General Manager, SSE Company Network Management Division of SCSK<br>Corporate Officer of Sumitomo Corporation<br>Concurrent position as Director, Vice President of Jupiter Telecommunications Co., Ltd.<br>Corporate Officer of Sumitomo Corporation Assistant to General Manager, Media Division<br>Concurrent position as Director, Executive Vice President of Jupiter Telecommunications Co., Ltd.<br>Executive Officer of Sumitomo Corporation Assistant to General Manager, Media, Network, Lifestyle Related Goods & Services Business Unit | Apr. 2017<br>May 2017<br>Jun. 2017<br>Apr. 2018                                           | Managing Executive Officer of Sumitomo Corporation<br>Assistant General Manager, Media, Network, Lifestyle Related Goods & Services Business Unit<br>Managing Executive Officer of Sumitomo Corporation<br>Assistant to General Manager, Media, Network, Lifestyle Related Goods & Services Business Unit<br>Concurrent position as Advisor of SCSK<br>Concurrent position as Representative Director of SCSK<br>Concurrent position as Executive Vice President<br><b>Managing Executive Officer of Sumitomo Corporation (present)</b><br><b>Assistant General Manager, Media &amp; ICT Business Unit (present)</b><br><b>Concurrent position as Representative Director of SCSK(present) Concurrent position as Executive Vice President of SCSK (present)</b><br><b>General Manager, Corporate Planning and AI Strategies (present)</b><br>Concurrent position as <b>Officer in Charge, Information Systems (present)</b> |
| Reason for appointment                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Mr. Daisuke Mikogami has extensive specialized knowledge of the IT service industry. We believe that the experience and knowledge accumulated throughout his career will be viable to the management of the Company, and we have thus selected him to be a Director candidate.                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Other                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Mr. Daisuke Mikogami is an executive of Sumitomo Corporation. SCSK has concluded an office leasing agreement with Sumitomo Corporation. Moreover, a business relationship between the Company and Sumitomo Corporation exists in the areas of data processing services and software development. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Candidate No. 4                                                                                                                                                                                                                                                                                                                                                                  | Date of birth                                                                                 | Number of Company shares owned                                                            | Special interests with the Company                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tetsuya Fukunaga<br><Reappointment>                                                                                                                                                                                                                                                                                                                                              | Feb. 1, 1960                                                                                  | 9,960 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)                                                                  | 13 years                                                                                  |                                                                                                                                                                                                                                              |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                                                                                                    |                                                                                               |                                                                                           |                                                                                                                                                                                                                                              |
| Apr. 1983                                                                                                                                                                                                                                                                                                                                                                        | Joined The Long-Term Credit Bank of Japan, Ltd.                                               | Apr. 2008                                                                                 | Director of SCSK, Managing Executive Officer                                                                                                                                                                                                 |
| Oct. 1999                                                                                                                                                                                                                                                                                                                                                                        | Vice President, Corporate & Investment Banking Group, Chase Manhattan Bank                    | Jun. 2008                                                                                 | <b>Concurrent position Outside Director of ARGO GRAPHICS Inc.</b> (present)                                                                                                                                                                  |
| Jun. 2000                                                                                                                                                                                                                                                                                                                                                                        | CFO, Lycos Japan Inc.                                                                         | Apr. 2014                                                                                 | Director of SCSK, Senior Managing Executive Officer                                                                                                                                                                                          |
| Dec. 2002                                                                                                                                                                                                                                                                                                                                                                        | Adviser to Sumisho Electronics Co., Ltd.                                                      | Apr. 2017                                                                                 | Director of SCSK, Executive Officer<br>Chief Financial Officer                                                                                                                                                                               |
| Feb. 2003                                                                                                                                                                                                                                                                                                                                                                        | Director of Sumisho Electronics Co., Ltd., Managing Executive Officer                         | Jun. 2017                                                                                 | <b>Director of SCSK</b> (present)<br><b>Senior Managing Executive Officer</b> (present)<br><b>General Manager (IR, Finance &amp; Risk Management)</b> (present)<br><b>General Manager, IR, Finance &amp; Risk Management Group</b> (present) |
| Apr. 2005                                                                                                                                                                                                                                                                                                                                                                        | Executive Officer of SCSK<br>Concurrent position as Director of Sumisho Electronics Co., Ltd. |                                                                                           |                                                                                                                                                                                                                                              |
| Jun. 2005                                                                                                                                                                                                                                                                                                                                                                        | Director of SCSK, Executive Officer                                                           |                                                                                           |                                                                                                                                                                                                                                              |
| Reason for appointment                                                                                                                                                                                                                                                                                                                                                           |                                                                                               |                                                                                           |                                                                                                                                                                                                                                              |
| Mr. Tetsuya Fukunaga has been in charge of our corporate divisions, including IR, finance and risk management, for many years, and has a wealth of experience and extensive knowledge. We believe that the experience and knowledge accumulated throughout his career will be viable to the management of the Company, and we have thus selected him to be a Director candidate. |                                                                                               |                                                                                           |                                                                                                                                                                                                                                              |

| Candidate No. 5                                                                                                                                                                                                                                                                                         | Date of birth                                                                                                | Number of Company shares owned                                                           | Special interests with the Company                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Koji Tamefusa<br><Reappointment>                                                                                                                                                                                                                                                                        | Dec. 25, 1958                                                                                                | 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) |                                                                                                                                   |
|                                                                                                                                                                                                                                                                                                         | 100% (11 out of 11 meetings)                                                                                 | 1 year                                                                                   |                                                                                                                                   |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                           |                                                                                                              |                                                                                          |                                                                                                                                   |
| Apr. 1983                                                                                                                                                                                                                                                                                               | Joined Sumitomo Corporation                                                                                  | May 2017                                                                                 | <b>Executive Officer of Sumitomo Corporation</b>                                                                                  |
| Apr. 2012                                                                                                                                                                                                                                                                                               | Corporate Officer of Sumitomo Corporation                                                                    |                                                                                          | <b>Assistant to General Manager of Sumitomo Corporation, Media, Network, Lifestyle Related Goods &amp; Services Business Unit</b> |
| Apr. 2013                                                                                                                                                                                                                                                                                               | Corporate Officer of Sumitomo Corporation<br>Assistant General Manager for Europe, Middle East, Africa & CIS |                                                                                          | Concurrent position as Advisor of SCSK                                                                                            |
|                                                                                                                                                                                                                                                                                                         | General Manager, European Corporate Management Unit, Sumitomo Corporation Europe Group                       | Jun. 2017                                                                                | Concurrent position as Director of SCSK                                                                                           |
| Apr. 2016                                                                                                                                                                                                                                                                                               | Corporate Officer of Sumitomo Corporation<br>General Manager, Risk Management Department No. 5               |                                                                                          | Concurrent position as Senior Managing Executive Officer of SCSK                                                                  |
| Apr. 2017                                                                                                                                                                                                                                                                                               | Executive Officer of Sumitomo Corporation<br>Assistant to CFO                                                | Apr. 2018                                                                                | <b>Executive Officer of Sumitomo Corporation (present)</b>                                                                        |
|                                                                                                                                                                                                                                                                                                         |                                                                                                              |                                                                                          | <b>Assistant General Manager, Media &amp; ICT Business Unit (present)</b>                                                         |
|                                                                                                                                                                                                                                                                                                         |                                                                                                              |                                                                                          | <b>Concurrent position as Director of SCSK(present) Senior Managing Executive Officer (present)</b>                               |
|                                                                                                                                                                                                                                                                                                         |                                                                                                              |                                                                                          | <b>Concurrent position as General Manager, Legal, General Affairs, Corporate Communications &amp; CSR (present)</b>               |
|                                                                                                                                                                                                                                                                                                         |                                                                                                              |                                                                                          | <b>Concurrent position as Officer in Charge, Human Resources (present)</b>                                                        |
|                                                                                                                                                                                                                                                                                                         |                                                                                                              |                                                                                          | <b>Concurrent position as Chief Health Officer (present)</b>                                                                      |
| Reason for appointment                                                                                                                                                                                                                                                                                  |                                                                                                              |                                                                                          |                                                                                                                                   |
| Mr. Koji Tamefusa has a breadth of specialized knowledge related to finance, accounting, and risk management. We believe that the experience and knowledge accumulated throughout his career will be viable to the management of the Company, and we have thus selected him to be a Director candidate. |                                                                                                              |                                                                                          |                                                                                                                                   |
| Other                                                                                                                                                                                                                                                                                                   |                                                                                                              |                                                                                          |                                                                                                                                   |
| Mr. Koji Tamefusa is an executive of Sumitomo Corporation. SCSK has concluded an office leasing agreement with Sumitomo Corporation. Moreover, a business relationship between the Company and Sumitomo Corporation exists in the areas of data processing services and software development.           |                                                                                                              |                                                                                          |                                                                                                                                   |

| Candidate No. 6                                                                                                                                                                                                                                                                                    | Date of birth                                                                                                                                                         | Number of Company shares owned                                                           | Special interests with the Company                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Toshikazu Nambu<br><New appointment>                                                                                                                                                                                                                                                               | Jan. 21, 1959                                                                                                                                                         | 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) |                                                                                                                                               |
|                                                                                                                                                                                                                                                                                                    | —                                                                                                                                                                     | —                                                                                        |                                                                                                                                               |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                      |                                                                                                                                                                       |                                                                                          |                                                                                                                                               |
| Apr. 1982                                                                                                                                                                                                                                                                                          | Joined Sumitomo Corporation                                                                                                                                           | Apr. 2015                                                                                | Managing Executive Officer of Sumitomo Corporation                                                                                            |
| Apr. 2009                                                                                                                                                                                                                                                                                          | Corporate Officer of Sumitomo Corporation                                                                                                                             |                                                                                          | General Manager for the Americas                                                                                                              |
| Apr. 2012                                                                                                                                                                                                                                                                                          | Executive Officer of Sumitomo Corporation<br>General Manager, Tubular Products Division                                                                               |                                                                                          | President and CEO of Sumitomo Corporation of Americas Group                                                                                   |
| Apr. 2014                                                                                                                                                                                                                                                                                          | Executive Officer of Sumitomo Corporation<br>Assistant General Manager for the Americas<br>Executive Vice President and CFO of Sumitomo Corporation of Americas Group |                                                                                          | Director and President of Sumitomo Corporation of Americas                                                                                    |
|                                                                                                                                                                                                                                                                                                    | Executive Vice President and CFO of Sumitomo Corporation of Americas                                                                                                  | Apr. 2017                                                                                | Senior Managing Executive Officer of Sumitomo Corporation<br>General Manager, Media, ICT, Lifestyle Related Goods & Services Business Unit    |
|                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                       | Apr. 2018                                                                                | <b>Senior Managing Executive Officer of Sumitomo Corporation</b> (present)<br><b>General Manager, Media &amp; ICT Business Unit</b> (present) |
| Reason for appointment                                                                                                                                                                                                                                                                             |                                                                                                                                                                       |                                                                                          |                                                                                                                                               |
| Mr. Toshikazu Nambu has extensive specialized knowledge of the IT service industry. We consider that his accumulated experience and knowledge through his work qualifies him to supervise the execution of operations of the Company, and we have thus selected him to be a Director candidate.    |                                                                                                                                                                       |                                                                                          |                                                                                                                                               |
| Other                                                                                                                                                                                                                                                                                              |                                                                                                                                                                       |                                                                                          |                                                                                                                                               |
| 1. Mr. Toshikazu Nambu is an executive of Sumitomo Corporation. SCSK has concluded an office leasing agreement with Sumitomo Corporation. Moreover, a business relationship between the Company and Sumitomo Corporation exists in the areas of data processing services and software development. |                                                                                                                                                                       |                                                                                          |                                                                                                                                               |
| 2. If this proposed resolution is approved, SCSK plans to enter into a liability limitation agreement with Mr. Toshikazu Nambu to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.                                           |                                                                                                                                                                       |                                                                                          |                                                                                                                                               |



| Candidate No. 7                                                                                                                                                                                                                                                                                     | Date of birth                                                                                      | Number of Company shares owned                                                           | Special interests with the Company                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Akira Tsuyuguchi<br><Reappointment>                                                                                                                                                                                                                                                                 | Jun. 22, 1956                                                                                      | 2,400 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) |                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                     | 82% (9 out of 11 meetings)                                                                         | 1 year                                                                                   |                                                                                                                                    |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                       |                                                                                                    |                                                                                          |                                                                                                                                    |
| Apr. 1979                                                                                                                                                                                                                                                                                           | Joined Sumitomo Corporation                                                                        | Apr. 2015                                                                                | Executive Officer of Sumitomo Corporation                                                                                          |
| Feb. 2003                                                                                                                                                                                                                                                                                           | Concurrent position as Managing Executive Officer of Sumisho Electronics Co., Ltd.                 |                                                                                          | Assistant to General Manager, Transportation & Construction Systems Business Unit                                                  |
| Jun. 2004                                                                                                                                                                                                                                                                                           | Concurrent position as Director of Sumisho Electronics Co., Ltd.                                   |                                                                                          | Concurrent position as Senior Managing Executive Officer of Sumitomo Mitsui Auto Service Company, Ltd.                             |
| Aug. 2005                                                                                                                                                                                                                                                                                           | Concurrent position as Executive Officer of SCSK                                                   |                                                                                          | Concurrent position as Director of SMA Support Co., Ltd.                                                                           |
| Apr. 2006                                                                                                                                                                                                                                                                                           | Corporate Officer of Sumitomo Corporation                                                          | Jun. 2015                                                                                | Concurrent position as Representative Director and Senior Managing Executive Officer of Sumitomo Mitsui Auto Service Company, Ltd. |
| Jun. 2007                                                                                                                                                                                                                                                                                           | Concurrent position as Director of SCSK                                                            | Apr. 2016                                                                                | Managing Executive Officer of Sumitomo Corporation                                                                                 |
| Apr. 2009                                                                                                                                                                                                                                                                                           | Representative Director of SCSK, Executive Vice President                                          |                                                                                          | Assistant to General Manager, Transportation & Construction Systems Business Unit                                                  |
| Jun. 2012                                                                                                                                                                                                                                                                                           | Director of SCSK, Executive Vice President                                                         | Jun. 2016                                                                                | <b>President &amp; CEO of Sumitomo Mitsui Auto Service Company, Ltd.</b> (present)                                                 |
| Apr. 2013                                                                                                                                                                                                                                                                                           | Corporate Officer of Sumitomo Corporation General Manager, Logistics & Insurance Business Division |                                                                                          | <b>Concurrent position of President &amp; CEO of SMA Support Co., Ltd.</b> (present)                                               |
| Apr. 2014                                                                                                                                                                                                                                                                                           | Executive Officer of Sumitomo Corporation General Manager, Logistics & Insurance Business Division | Jun. 2017                                                                                | <b>Concurrent position as Director of SCSK</b> (present)                                                                           |
| Reason for appointment                                                                                                                                                                                                                                                                              |                                                                                                    |                                                                                          |                                                                                                                                    |
| Mr. Akira Tsuyuguchi has a breadth of experience and a wealth of knowledge as a manager. We believe that the experience and knowledge accumulated through his work qualifies him to supervise the execution of operations of the Company, and we have thus selected him to be a Director candidate. |                                                                                                    |                                                                                          |                                                                                                                                    |
| Other                                                                                                                                                                                                                                                                                               |                                                                                                    |                                                                                          |                                                                                                                                    |
| 1. Mr. Akira Tsuyuguchi is President & CEO of Sumitomo Mitsui Auto Service Company, Ltd. A business relationship between the Company and Sumitomo Mitsui Auto Service Company, Ltd. exists in the areas of data processing services, software development, and automotive leases.                   |                                                                                                    |                                                                                          |                                                                                                                                    |
| 2. SCSK has entered into a liability limitation agreement with Mr. Akira Tsuyuguchi 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.              |                                                                                                    |                                                                                          |                                                                                                                                    |

| Candidate No. 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Date of birth                                                                      | Number of Company shares owned                                                           | Special interests with the Company                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| <p style="text-align: center;"><b>Kiyoto Matsuda</b><br/>           &lt;Reappointment&gt;<br/>           &lt;Outside Director&gt;<br/>           &lt;Independent officer&gt;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Sep. 6, 1952                                                                       | 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% (11 out of 11 meetings)                                                       | 1 year                                                                                   |                                                               |
| <b>Resume, current position and responsibilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                    |                                                                                          |                                                               |
| Apr. 1975                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Joined The Industrial Bank of Japan, Ltd.                                          | Mar. 2010                                                                                | <b>Outside Director of SANYO SHOKAI LTD.</b> (present)        |
| Apr. 2002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Executive Officer of Mizuho Corporate Bank, Ltd.                                   | Dec. 2012                                                                                | <b>Chairman of the Board of TOPAZ CAPITAL, INC.</b> (present) |
| Apr. 2004                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Managing Executive Officer of Mizuho Corporate Bank, Ltd. (resigned in March 2007) | Jun. 2017                                                                                | <b>Outside Director of SCSK</b> (present)                     |
| Apr. 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Deputy President of Mizuho Securities Co., Ltd. (resigned in March 2008)           | Mar. 2018                                                                                | <b>Outside Director of Hotto Link Inc.</b> (present)          |
| Apr. 2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Partner of Unison Capital, Inc. (resigned in March 2018)                           |                                                                                          |                                                               |
| <b>Reason for appointment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                    |                                                                                          |                                                               |
| Mr. Kiyoto Matsuda has a breadth of experience and a wealth of knowledge regarding corporate management. We believe that the experience and knowledge accumulated through his work qualifies him to help maintain and enhance the functions that supervise the execution of the Company's operations, and we have thus selected him to be an Outside Director candidate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                    |                                                                                          |                                                               |
| <b>Other matters concerning candidate Outside Directors</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                    |                                                                                          |                                                               |
| <p>1. SCSK has designated Mr. Kiyoto Matsuda as an independent director that is unlikely to have any conflict of interest with respect to general shareholders and notified the Tokyo Stock Exchange, as it is obliged to do by the Exchange.</p> <p>2. SCSK has entered into a liability limitation agreement with Mr. Kiyoto Matsuda 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.</p> <p>3. Mr. Kiyoto Matsuda was an executive of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.), a major lender to the Company, up until March 2007. More than five years have passed since he resigned from Mizuho Bank and he has not been involved in the management of this company after resigning. The Company has thus judged that this history does not impact the independence of Mr. Kiyoto Matsuda in the present. In addition, Mr. Kiyoto Matsuda was previously an executive of Mizuho Securities Co., Ltd. However, more than five years have passed since he resigned from Mizuho Securities and he has not been involved in the management of this company after resigning. Moreover, the amount of transactions between Mizuho Securities and the Company equate to less than 1% of the consolidated operating revenues of Mizuho Securities and the consolidated net sales of the Company. Accordingly, we have judged that Mr. Kiyoto Matsuda is sufficiently independent from the Company. Furthermore, Mr. Kiyoto Matsuda previously held a position as an executive at Unison Capital, Inc., and is currently an executive at TOPAZ CAPITAL, INC., but the Company does not have any business relationship with either of these companies.</p> |                                                                                    |                                                                                          |                                                               |

## Proposition No. 2: Election of one (1) Director that is an Audit and Supervisory Committee Member

At the close of this Ordinary General Meeting of Shareholders, the terms of all four (4) current Directors that also serve as Audit and Supervisory Committee Members shall expire. Accordingly, we hereby request that one (1) Director that also serves as an Audit and Supervisory Committee Member be elected.

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

The candidate for the position of Director that is an Audit and Supervisory Committee Member is as follows.

|                                                                                                                                                                                                                                                                                                                                                                                                                                   | Date of birth                                                                                                          | Number of Company shares owned                                                                   | Special interests with the Company                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Kazuko Shiraishi<br><New appointment><br><Outside Director><br><Independent officer>                                                                                                                                                                                                                                                                                                                                              | Aug. 18, 1951                                                                                                          | 0 shares                                                                                         | None                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                   | 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) |                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                   | —                                                                                                                      | —                                                                                                |                                                                                                         |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                        |                                                                                                  |                                                                                                         |
| Apr. 1974                                                                                                                                                                                                                                                                                                                                                                                                                         | Entered the Ministry of Foreign Affairs                                                                                | Oct. 2005                                                                                        | General Manager, WTO Dispute Settlement Division, International Trade Division, Economic Affairs Bureau |
| Aug. 1997                                                                                                                                                                                                                                                                                                                                                                                                                         | First Secretary, Embassy of Japan in Poland                                                                            | Apr. 2007                                                                                        | Councilor, Embassy of Japan in Poland                                                                   |
| Jan. 2001                                                                                                                                                                                                                                                                                                                                                                                                                         | Consul General, Consulate-General of Japan in Atlanta                                                                  | Jan. 2012                                                                                        | Ambassador Extraordinary and Plenipotentiary to Lithuania                                               |
| Jun. 2003                                                                                                                                                                                                                                                                                                                                                                                                                         | General Manager, International Economic Treaty Office, International Economic Treaty Agreement Division, Treaty Bureau | Jun. 2015                                                                                        | Ambassador for Women, Human Rights and Humanitarian Affairs and Ambassador in Charge of Arctic Affairs  |
| Sep. 2004                                                                                                                                                                                                                                                                                                                                                                                                                         | Policy Coordinator, Policy Coordination Division, Foreign Policy Bureau                                                | Jun. 2016                                                                                        | Ambassador in Charge of Arctic Affairs, Ministry of Foreign Affairs                                     |
| Reason for appointment                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                        |                                                                                                  |                                                                                                         |
| Ms. Kazuko Shiraishi possesses a wealth of experience and extensive knowledge into international affairs. We believe that the experience and knowledge accumulated through her work qualifies her to audit the execution of duties by Directors from an objective standpoint, and we have thus selected her to be a candidate for the position of Outside Director that also serves as an Audit and Supervisory Committee Member. |                                                                                                                        |                                                                                                  |                                                                                                         |
| Other matters concerning candidate Outside Directors                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                        |                                                                                                  |                                                                                                         |
| 1. If this proposed resolution is approved, SCSK plans to designate Ms. Kazuko Shiraishi as an independent director that is unlikely to have any conflict of interest with respect to general shareholders and notify the Tokyo Stock Exchange, as we are obliged to do by the Exchange.                                                                                                                                          |                                                                                                                        |                                                                                                  |                                                                                                         |
| 2. If this proposed resolution is approved, SCSK plans to enter into a liability limitation agreement with Ms. Kazuko Shiraishi to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.                                                                                                                                                                         |                                                                                                                        |                                                                                                  |                                                                                                         |

## 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.

## **Business report for FY2017 (April 1, 2017 to March 31, 2018)**

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

#### 1-1 Progress of Operations and Operating Results

In the fiscal year ended March 31, 2018, the Company judged that the overall recovery trend in the domestic economy was continuing amid solid domestic and overseas demand. The corporate sector saw improved corporate earnings and business sentiment supported by the continuation of the upward trend in exports and the gradual increase in production levels. In the consumer sector, we witnessed higher consumer spending buoyed by an improved job market along with other indicators that pointed to economic recovery.

Our outlook for the economy is that, in the midst of ongoing improvements in corporate earnings, the job market, and wages, the gradual recovery trend will continue. However, a sense of uncertainty is plaguing the political and economic climate around the world, which is becoming increasingly characterized by protectionism. Prominent concerns include geopolitical risks in the Middle East and East Asia, the state of government affairs under the current administration in the United States, and issues regarding the United Kingdom's decision to leave the European Union. Accordingly, scrutiny is imperative in judging economic trends for the purpose of making management decisions going forward.

In this environment, the IT services market saw the emergence of IT investment demand among customers in relation to business model reforms and digital transformation. This market also benefited from robust system upgrade investment demand from customers, which included demand for IT investment aimed at improving productivity, boosting efficiency, and reducing labor requirements as part of working style reforms and efforts to address labor shortages. In this manner, there was a general upward trend in overall IT investment demand.

In the manufacturing industry, the deal flow, which had remained stable previously, began to gain strength during the second half of the fiscal year under review. This trend was being driven in part by the need for compatibility with the Internet of Things (IoT), which is entering into a full-fledged proliferation period, and for responding to the trend toward self-driving cars, other highly functional vehicles, and electric automotive systems. This solid deal flow was also supported by demand for verification services for pre-market products, which are growing ever more sophisticated, and for business process outsourcing (BPO) services related to products and services.

In distribution, service, and other industries, strategic IT investment and IT services demand for business enhancement purposes is on the rise, particularly among customers engaging in consumer businesses. This demand was largely associated with investment related to e-commerce, customer relationship management (CRM), and big data analysis for the purposes of enhancing digital marketing initiatives and facilitating omni-channel retailing.

In the financial industry, despite the rebound from previously strong investment demand following the conclusion of large-scale projects in relation to the IT investment trends of certain customers, systems development and other IT investment demand for boosting competitiveness is proving to be firm overall, primarily among customers in the banking and insurance sectors. Specific investment targets include the development of systems for the application of FinTech, artificial intelligence (AI), or other new IT

technologies and the realization of more sophisticated overseas operations and Internet services.

In addition, demand for various cloud-based IT services has been on the rise in IaaS, PaaS, and other IT infrastructure sectors against a backdrop of a strong appetite among customer companies for investment to heighten operational efficiency and a lack of IT employees at these companies. A similar increase was seen in demand for IT services in the operational application field, although here it was limited to certain sectors.

Looking at the Company's operating results for the fiscal year under review, consolidated net sales increased 2.2% year on year, to ¥336,654 million, following strong performance in systems development businesses serving the manufacturing industry, the distribution industry, and the communications industry as well as in maintenance and operation and services businesses catering to the financial industry.

Operating profit was up 2.6% year on year, to ¥34,602 million, following a recovery in profitability during the second half of the fiscal year as well as the income growth accompanying an increase in full-year sales. These factors counteracted the decline in operating profit in the six-month period ended September 30, 2017, which was a result of a lack of effective action in systems development businesses targeting the financial industry as well as reduced profitability stemming from higher business investment-related expenses associated with the promotion of service-oriented businesses and new strategic businesses.

Ordinary profit was up 0.5% year on year, to ¥36,291 million, due to the higher operating profit. Profit attributable to owners of parent increased 14.2%, to ¥32,488 million, as a result of the extraordinary income recorded following the gain on the transference of shares in QUO CARD Co., Ltd., in the nine-month period ended December 31, 2017.

### Consolidated business results for the period to March 31, 2018

(Millions of yen)

| Business Results by segment        | FY2016<br>(49th Period) |                | FY2017<br>(50th Period) |                | Year-on-year change |                |
|------------------------------------|-------------------------|----------------|-------------------------|----------------|---------------------|----------------|
|                                    | Sales                   | Segment Profit | Sales                   | Segment Profit | Sales               | Segment Profit |
| Manufacturing Systems Business     | 40,194                  | 4,269          | 40,784                  | 4,714          | 589                 | 445            |
| Telecommunication Systems Business | 26,758                  | 5,308          | 27,313                  | 5,548          | 555                 | 239            |
| Distribution Systems Business      | 45,792                  | 6,603          | 47,137                  | 6,641          | 1,345               | 37             |
| Financial Systems Business         | 70,543                  | 7,369          | 69,630                  | 7,137          | -912                | -231           |
| Business Solutions                 | 23,754                  | 1,440          | 25,731                  | 1,658          | 1,976               | 217            |
| Business Services                  | 42,811                  | 3,302          | 44,467                  | 3,049          | 1,655               | -253           |
| IT Platform Solutions              | 75,379                  | 7,159          | 77,873                  | 8,043          | 2,493               | 884            |
| Others                             | 4,068                   | 538            | 3,716                   | 378            | -351                | -159           |
| Adjustments                        | —                       | -2,278         | —                       | -2,569         | —                   | -291           |
| <b>Total</b>                       | <b>329,303</b>          | <b>33,714</b>  | <b>336,654</b>          | <b>34,602</b>  | <b>7,351</b>        | <b>887</b>     |

(Notes) 1. A partial revision of the Company's segments was instituted in FY2017. Accordingly, the sales and segment income figures for FY2016 displayed above have been restated to reflect the revised segments.

2. Sales by segment indicate sales to outside customers.

3. Adjustments to segment income represent general corporate expenses that have not been allocated to the reported segments.

## Overview of business results by segment

### ○ Manufacturing Systems Business

Sales ¥40,784 million Net sales increased 1.5%, to ¥40,784 million, and segment profit rose  
Percentage of total: 10.4%, to ¥4,714 million, due to the solid trend in systems development  
12.1% orders from the automotive industry and the machinery manufacturing  
industry.

### ○ Telecommunication Systems Business

Sales ¥27,313 million Net sales grew 2.1%, to ¥27,313 million, and segment profit increased  
Percentage of total: 4.5%, to ¥5,548 million, thanks to the robust amount of system development  
8.1% and maintenance and operation and service orders from major  
communications carriers.

### ○ Distribution Systems Business

Sales ¥47,137 million Net sales increased 2.9%, to ¥47,137 million, and segment profit rose 0.6%,  
Percentage of total: to ¥6,641 million, supported by a large appetite for IT investment in the  
14.0% digital marketing field among customers.

### ○ Financial Systems Business

Sales ¥69,630 million Net sales were down 1.3%, to ¥69,630 million, due to the heavy impacts of  
Percentage of total: the absence of previously recorded large-scale orders from the banking  
20.7% industry, a factor that was accounted for in initial forecasts. Segment profit,  
similarly, decreased 3.1%, to ¥7,137 million, as a result of the lower sales  
and the impacts of unprofitable projects. At the moment, certain large-scale  
projects for the insurance industry are starting up, and the Company projects  
more favorable business trends going forward.

### ○ Business Solutions

Sales ¥25,731 million Net sales increased 8.3%, to ¥25,731 million, and segment profit was up  
Percentage of total: 15.1%, to ¥1,658 million, following impressive performance in enterprise  
7.6% resources planning (ERP)-related projects and the smooth commencement  
of service-oriented businesses based on SCSK intellectual properties.

### ○ Business Services

Sales ¥44,467 million Net sales increased 3.9%, to ¥44,467 million, thanks to brisk demand for  
Percentage of total: BPO services. Meanwhile, segment profit declined 7.7%, to ¥3,049 million,  
13.2% due to increases in marketing expenses and in business investment expenses  
associated with the opening of a service center aimed at reinforcing business  
operations through the development of new e-commerce services and the  
provision of BPO services.

○ IT Platform Solutions

Sales ¥77,873 million Net sales were up 3.3%, to ¥77,873 million, and segment profit increased  
 Percentage of total: 12.3%, to ¥8,043 million, due to higher sales of IT products to customers in  
 23.1% the manufacturing industry and the communications industry.

○ Others

Sales ¥3,716 million Net sales, including sales of the prepaid card business, decreased 8.7%, to  
 Percentage of total: ¥3,716 million, following the transference of all shares of stock in QUO  
 1.1% CARD Co., Ltd., which operated the prepaid card business, in the nine-  
 month period ended December 31, 2017. Segment profit was down 29.7%,  
 to ¥378 million, for the same reason. As a result of the transference of QUO  
 CARD's stock, the prepaid card business was excluded from the scope of  
 consolidation and included in the "Other" category to reflect the reduced  
 materiality of the prepaid card business.

Net sales in the sales segments of Systems Development, System Maintenance and Operation/Services, Packaged Software/Hardware Sales, and Prepaid Card are described below.

| Sales by service type                     | FY2016 (49th Period)     |                         | FY2017 (50th Period)     |                         | Year-on-year change      |            |
|-------------------------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|------------|
|                                           | Amount (millions of yen) | Percentage of total (%) | Amount (millions of yen) | Percentage of total (%) | Amount (millions of yen) | Change (%) |
| Systems Development                       | 127,051                  | 38.6                    | 128,387                  | 38.1                    | 1,336                    | 1.1        |
| System Maintenance and Operation/Services | 125,802                  | 38.2                    | 129,071                  | 38.3                    | 3,269                    | 2.6        |
| Packaged Software/Hardware Sales          | 73,147                   | 22.2                    | 76,247                   | 22.6                    | 3,100                    | 4.2        |
| Prepaid Card                              | 3,302                    | 1.0                     | 2,948                    | 0.9                     | -354                     | -10.7      |
| Total                                     | 329,303                  | 100.0                   | 336,654                  | 100.0                   | 7,351                    | 2.2        |

In Systems Development, despite the absence of previously recorded large-scale orders development orders from financial industry customers, net sales rose 1.1%, to ¥128,387 million, due to solid performance in projects for customers in the manufacturing industry, the distribution industry, and the communications industry.

In System Maintenance and Operation/Services, as a result of strong performance in BPO services, particularly in the distribution and financial industries, combined with robust demand for various cloud services related to IT infrastructure, net sales increased 2.6%, to ¥129,071 million.

In Packaged Software/Hardware Sales, net sales increased 4.2%, to ¥76,247 million, due to solid orders for hardware and software sales from the manufacturing industry and for network IT equipment sales from the communication industry.

In Prepaid Card, net sales were down 10.7%, to ¥2,948 million, following the transference of all shares of stock in QUO CARD on December 1, 2017.



## 1-2 Procurement of Funds

### (1) Fund Procurements

In FY2017, we refinanced a total of ¥10,000 million in bank borrowings and, on July 21, 2017, issued ¥10,000 million worth of straight bonds.

### (2) Capital Investment

Capital investment by the SCSK Group totaled ¥15,588 million in FY2017.

### (3) Acquisition and Disposal of Stocks and Other Equity Holdings, Share Warrants, etc., in Other Companies

Effective December 1, 2017, the Company transferred all shares of stock in consolidated subsidiary QUO CARD Co., Ltd., to T-Gaia Corporation. As a result, QUO CARD was excluded from the scope of consolidation.

## 1-3 Assets, Profits and Losses

### (1) SCSK Group assets, profits and losses

| Category                                               |               | FY2014<br>(47th Period) | FY2015<br>(48th Period) | FY2016<br>(49th Period) | FY2017<br>(50th Period) |
|--------------------------------------------------------|---------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Sales                                                  | (million yen) | 297,633                 | 323,945                 | 329,303                 | 336,654                 |
| Ordinary income                                        | (million yen) | 30,667                  | 33,610                  | 36,121                  | 36,291                  |
| Net income attributable to parent company shareholders | (million yen) | 15,638                  | 26,956                  | 28,458                  | 32,488                  |
| Net income per share                                   | (yen)         | 150.71                  | 259.72                  | 274.16                  | 312.95                  |
| Total assets                                           | (million yen) | 334,290                 | 352,676                 | 389,537                 | 303,914                 |
| Net assets                                             | (million yen) | 138,536                 | 151,546                 | 173,674                 | 196,600                 |
| Net assets per share                                   | (yen)         | 1,276.37                | 1,401.00                | 1,607.74                | 1,822.54                |

(Note) The value of net income per share is calculated from the average number of shares during the period under review. The value of net assets per share is calculated from the number of shares issued as of March 31, 2018 (excluding treasury stock).

### (2) SCSK assets, profits and losses

| Category             |               | FY2014<br>(47th Period) | FY2015<br>(48th Period) | FY2016<br>(49th Period) | FY2017<br>(50th Period) |
|----------------------|---------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Sales                | (million yen) | 235,929                 | 256,115                 | 258,348                 | 263,069                 |
| Ordinary income      | (million yen) | 23,711                  | 25,423                  | 31,036                  | 29,043                  |
| Net income           | (million yen) | 12,420                  | 22,737                  | 24,866                  | 31,960                  |
| Net income per share | (yen)         | 119.43                  | 218.60                  | 239.04                  | 307.21                  |
| Total assets         | (million yen) | 280,202                 | 294,152                 | 323,648                 | 293,694                 |
| Net assets           | (million yen) | 120,371                 | 135,913                 | 153,080                 | 175,118                 |
| Net assets per share | (yen)         | 1,156.30                | 1,305.71                | 1,470.76                | 1,682.63                |

(Note) The value of net income per share is calculated from the average number of shares during the period under review. The value of net assets per share is calculated from the number of shares issued as of March 31, 2018 (excluding treasury stock).

#### 1-4 Issues to be Addressed

The domestic IT market is anticipated to display a sustained trend toward modest growth. At the same time, there will be a rising need to shift from traditional business models, as represented by labor-intensive, contract-type businesses, to service-oriented business models. Such structural changes are occurring as a result of factors including a diversification of customer needs and a paradigm shift from ownership to usage of systems. In addition, the transition to IoT, FinTech, AI, omni-channel retailing, and other digital technologies is stimulating a shift in the nature of customer investment, from traditional investment aimed at operational efficiency to investment aimed at competitiveness augmentations and business reforms utilizing cutting edge-technologies.

The Company views these market changes as an opportunity for the proactive pursuit of growth. Seeking to function as strategic IT partners to its customers, SCSK will strive to achieve business growth and improve corporate value together with its customers. We announced our Medium-Term Management Plan in April 2015 to guide these efforts. Under this plan, we are advancing the following three core strategies.

(Core strategies)

##### 1. Shift to a service-oriented business

We are committed to creating original, high-value-added services that only SCSK can provide and expanding businesses through stable, long-term relationships with customers. In this manner, we will enhance the Company's market competitiveness.

As part of these efforts, we will expand our existing services by utilizing the technologies and intellectual properties SCSK has accumulated to date. These include various SaaS applications, currently being deployed at retailers, pharmacy chains, and other customers within the distribution industry; "USiZE" brand pay-per-use IT infrastructure provision services; and assorted BPO services, most notably contact centers. In addition, we will grow service-oriented businesses, such as those offering SaaS-type services that combine ProActive (our proprietary ERP (comprehensive backbone operations systems) package) solutions and USiZE infrastructure.

At the same time, we will endeavor to supply next-generation contact center services that make it possible to provide smooth customer support in response to inquiries via telephone, email, social media, and various other channels as such inquiries are becoming more common due to the proliferation of smartphones and the Internet. We will also combine voice recognition systems and AI technologies to improve value while continuing to build upon our relationships with partner companies possessing strengths in AI and other specialized fields. In this manner, SCSK will strive to develop new services utilizing cutting-edge technologies.

Through these initiatives, we aim to expand our future growth potential as we seek to transition to a high-growth, high-profitability business structure under the Medium-Term Management Plan, an objective we will work toward by continuing efforts to establish new businesses that address customer needs and to reinforce our ability to propose new solutions.

## 2. Promote strategic business that captures the changing times

Effectively using the Company's human resources, technical capabilities, track record, and accumulated know-how, we will focus on growth industries and fields in which we can demonstrate our strengths while prioritizing the allocation of management resources to these areas in order to achieve the strategic expansion of our business while being mindful of the future potential and growth potential of each area.

In the automotive software business, which serves the automotive industry, for example, the development of software for one model requires large amounts of work and technically advanced processes. There has also been a rapid drive to achieve compliance with global standards.

Within this environment, in a move to be the No. 1 vendor and provider of global standard-compatible operating systems and middleware for automotive software development, known as basic software (BSW), we will significantly expand related staff sizes and conduct business investments for research and development and business promotion.

Since November 2014, we have been taking part in a strategic business alliance through which our automotive software systems business and six IT companies dealing with automotive embedded software each apply their particular expertise to support the electronic control unit (ECU)\* software development efforts of Japanese automakers and their suppliers, an initiative that is promoting our business related to AUTOSAR (AUTomotive Open System ARchitecture), a global standard automotive software. As one success of this effort, in October 2015 we began providing QINeS BSW, a domestically produced BSW for automotive applications that features our proprietary, real time, AUTOSAR-compliant operating system, and related services. As a result, we have now come to receive BSW-related orders from several parts manufacturers.

## 3. Second stage of global expansion

The Company defines the "greater Japanese market" as the market encompassing the IT service demand accompanying the overseas expansion of customers; in other words, all demand for IT services arising from the overseas expansion of Japanese companies that principally conduct business activities in Japan.

The Company has effectively used the experience and know-how it has developed through the provision of IT support for the global expansion of many customers, including the Sumitomo Corporation Group, to implement a global strategy of providing high-quality support based on Japanese standards to the greater Japanese market in order to increase the ratio of sales from its global business. Going forward, we will continue to examine the possibility of collaborating with local companies, actually engaging in such partnerships when appropriate, in order to offer flexible support for the global expansion of efforts automotive software systems companies and major financial institutions.

As we implement these basic strategies, we will also work to further reinforce our operating base by enhancing operational quality through the promotion of Companywide development standards and the strengthening of our project management capabilities while raising operational efficiency through the efficient utilization of offices and reforms to operational processes. We also seek to win further trust from our customers and shareholders by continuing to develop internal, Groupwide management structures in such areas as internal control, risk management, compliance, and security management.

With the aim of becoming a company with a pleasant and rewarding workplace, SCSK is moving ahead with efforts to enhance its workplace environment centered around working style reforms and health and productivity management. These efforts are being advanced in part through unique SCSK initiatives that have been in place for some time now, including the *Smart Work Challenge* program (a working style reform program that focuses on reducing overtime and encouraging employees to take their paid vacation days) and the *Kenko Waku Waku Mileage Program* (a program through which employees are encouraged to work toward health improvement with special incentive bonuses for those who attain their goals). In addition, we are deploying other initiatives unique to SCSK, such as the *Dokodemo WORK* (Work Anywhere Project) initiative (a program aimed at creating new working styles centered on the principle of remote work that allows employees to work at home or other locations).

We are also committed to ensuring that we provide a workplace environment enabling all employees to work while exercising their skills and their individuality, regardless of age, gender, disability, or nationality. As part of these efforts, we are continually establishing and expanding systems for supporting employees seeking to balance their work with childcare or nursing care as well as for helping employees develop individual career plans.

These efforts and their results have received a wide range of external recognition. For example, SCSK received an award in the human resources utilization category of the NIKKEI Smart Work Awards 2018 organized by Nikkei Inc. and was presented with the grand prize (Chairman's Award) in the Japan Telework Association's 18th Telework Promotion Awards. Furthermore, the Company has continued to be included in the Health & Productivity Stock and the Nadeshiko Brand selections, which are jointly sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, for four consecutive years.

At SCSK, we are advancing working style reform efforts under the belief that this generates a virtuous cycle. Specifically, the value brought about by each employee that works with enthusiasm leads to the creation of new value for customers and subsequent growth and solid results for SCSK, making it possible to return the Company's profits to its stakeholders. Through these measures, SCSK is aiming to fulfill its corporate mission—"create our future of dreams"—together with its stakeholders.

\*A generic term for an embedded system that controls one or more electrical systems/subsystems within a motor vehicle

### 1-5 Major Businesses (as of March 31, 2018)

Manufacturing Systems Business, Telecommunication Systems Business, Distribution Systems Business, Financial Systems Business, Business Solutions, Business Services, IT Platform Solutions

### 1-6 Major Branches (as of March 31, 2018)

#### (1) Major SCSK offices

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

#### (2) Main offices of important subsidiaries, etc.

The main offices of important subsidiaries are those listed in (3) 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    |
|------------------|------------------------|
| 12,054 people    | Increase of 144 people |

| Segment                            | No. of employees |
|------------------------------------|------------------|
| Manufacturing Systems Business     | 1,530 people     |
| Telecommunication Systems Business | 553 people       |
| Distribution Systems Business      | 1,704 people     |
| Financial Systems Business         | 2,745 people     |
| Business Solutions                 | 1,123 people     |
| Business Services                  | 2,599 people     |
| IT Platform Solutions              | 846 people       |
| Others                             | 954 people       |
| Total                              | 12,054 people    |

(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 |
|------------------|-----------------------|--------------------|------------------------------|
| 7,273 people     | Increase of 32 people | 43 years, 0 months | 18 years, 1 months           |

## 1-7 Information Regarding Status of Parent Company and Important Subsidiaries (as of March 31, 2018)

### (1) Status of Parent Company

Our parent company is Sumitomo Corporation. At the end of the year under review, Sumitomo Corporation held 52,697,000 of the Company's shares (capital contribution ratio of 50.58%). Sales to the parent company mostly involve software development, data processing, 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. For software development, the Company submits price estimates based on market prices and cost ratios, and price negotiations take place with regard to every project, after which appropriate and fair decisions are made based on rational judgments.

#### 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, deliberations with regard to major transactions with the parent company are carried out as necessary at meetings of the Board of Directors, which are attended by the Company's seven Outside Directors. Through these deliberations, it has been decided that such transactions do not go against the interests of the Company.

In regard to transactions with the parent company, reports on applicable transactions are periodically submitted to the Governance Committee, which is membered by a majority of Outside Directors that are designated as independent directors and external experts that are independent from the Company. 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) Status of Important Subsidiaries

| Company name                       | Location                   | Equity          | Capital contribution ratio (%) | Main business                                                                            |
|------------------------------------|----------------------------|-----------------|--------------------------------|------------------------------------------------------------------------------------------|
| 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 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 Ltd.                 | 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                                                 |
| JIEC Co., Ltd.                     | Shinjuku-ku, Tokyo         | ¥674 million    | 69.52                          | Design and building of data systems where fundamental technology is the core competence  |
| WinTechnology Corporation          | Shinjuku-ku, Tokyo         | ¥100 million    | 100.00                         | Consulting in Windows platforms, system design and development, and maintenance services |
| SCSK ServiceWare Corporation       | Koto-ku, Tokyo             | ¥100 million    | 100.00                         | Contact center services and BPO services                                                 |
| VeriServe Corporation              | Shinjuku-ku, Tokyo         | ¥792 million    | 55.59                          | Product verification services and security verification services, etc.                   |
| SCSK PRESCENDO CORPORATION         | Koto-ku, Tokyo             | ¥100 million    | 82.63                          | EC Fulfillment services                                                                  |
| Allied Engineering Corporation     | Koto-ku, Tokyo             | ¥242 million    | 100.00                         | Consulting and Package Software sales and development                                    |
| CSI SOLUTIONS Corporation          | Shinjuku-ku, Tokyo         | ¥210 million    | 100.00                         | System integration, and the sale and maintenance of hardware, etc.                       |
| SCSK Nearshore Systems Corporation | Koto-ku, Tokyo             | ¥100 million    | 100.00                         | Software development and maintenance services                                            |
| VA Linux Systems Japan K.K.        | Koto-ku, Tokyo             | ¥194 million    | 100.00                         | Software development (Open-source software consulting)                                   |
| SCSK SYSTEM MANAGEMENT CORPORATION | Koto-ku, Tokyo             | ¥100 million    | 100.00                         | Systems operation services                                                               |
| SDC Corporation                    | Koto-ku, Tokyo             | ¥96 million     | 50.10                          | Network building and operation services                                                  |

(Note) We have a total of 19 consolidated subsidiaries, including important subsidiaries listed above.



#### 1-8 Principal Lenders and Loans Payable (as of March 31, 2018)

| Name of lender                      | Loans payable (in millions of yen) |
|-------------------------------------|------------------------------------|
| Sumitomo Mitsui Trust Bank, Ltd.    | 4,500                              |
| Sumitomo Mitsui Banking Corporation | 4,500                              |
| Bank of Tokyo-Mitsubishi UFJ, Ltd.  | 3,500                              |
| Mizuho Bank Co., Ltd.               | 2,500                              |
| Total                               | 15,000                             |

(Note) Effective April 1, 2018, Bank of Tokyo-Mitsubishi UFJ, Ltd., changed its name to MUFG Bank, Ltd.

#### 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 on whether to pay dividends lies with the Board of Directors.

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

200,000,000 shares

### 2-2 Total Number of Shares Issued

104,040,162 shares  
(excluding 141,641 shares of treasury stock)

(Note) Effective November 30, 2017, the Company conducted the cancellation of treasury stock, which resulted in a decrease in the total number of shares issued of 3,804,600 shares in comparison to March 31, 2017.

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

30,411 people

### 2-4 Top 10 Shareholders

| Name of shareholder                                                       | Shares owned | Shareholding ratio |
|---------------------------------------------------------------------------|--------------|--------------------|
|                                                                           | Shares       | %                  |
| Sumitomo Corporation                                                      | 52,697,159   | 50.65              |
| Japan Trustee Services Bank, Ltd. (trust account)                         | 5,485,500    | 5.27               |
| The Master Trust Bank of Japan, Ltd. (trust account)                      | 2,739,500    | 2.63               |
| SCSK Group Employee Stock Ownership Association                           | 2,506,252    | 2.41               |
| BNP PARIBAS SEC SERVICES LUXEMBOURG/JASDEC/ABERDEEN GLOBAL CLIENT ASSETS  | 1,666,964    | 1.60               |
| Argo Graphics Inc.                                                        | 1,015,500    | 0.98               |
| JPMC OPPENHEIMER JASDEC LENDING ACCOUNT                                   | 969,708      | 0.93               |
| BNYM TREATY DTT 15                                                        | 923,236      | 0.89               |
| Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) | 894,300      | 0.86               |
| Japan Trustee Services Bank, Ltd. (trust account 5)                       | 865,200      | 0.83               |

(Note) The amount of treasury stock is excluded from the calculation of the shareholding ratios of the top 10 shareholders listed above. The shareholding ratio is calculated by dividing the number of shares held by shareholder by the number of shares outstanding (shares outstanding = total number of issued shares - treasury stock).

### 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, 2018

• 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                               | 600 ordinary shares                                                   | 100 shares                                       | No consideration | ¥1                                                               | From July 28, 2007, to July 26, 2027 |
| July 29, 2008 (4th) | 13 rights                              | 1,300 ordinary shares                                                 | 100 shares                                       | No consideration | ¥1                                                               | From July 30, 2008, to July 28, 2028 |
| July 30, 2009 (6th) | 68 rights                              | 6,800 ordinary shares                                                 | 100 shares                                       | No consideration | ¥1                                                               | From July 31, 2009, to July 29, 2029 |
| July 30, 2010 (8th) | 149 rights                             | 14,900 ordinary shares                                                | 100 shares                                       | No consideration | ¥1                                                               | From July 31, 2010, to July 29, 2030 |

(Note) 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.

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

| Date of issuance    | 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 person                                 | 0 rights      |
| July 29, 2008 (4th) | 1 person                                                                            | 13 rights     | 0 people                                                              | 0 rights      | 0 people                                            | 0 rights      | 0 person                                 | 0 rights      |
| July 30, 2009 (6th) | 1 people                                                                            | 13 rights     | 0 people                                                              | 0 rights      | 0 people                                            | 0 rights      | 5 people                                 | 55 rights     |
| July 30, 2010 (8th) | 2 people                                                                            | 53 rights     | 0 people                                                              | 0 rights      | 0 people                                            | 0 rights      | 6 people                                 | 96 rights     |

## 4. Particulars Regarding the Company's Officers

### 4-1 Directors and Corporate Auditors

| Name              | Position in the Company                                           | Significant concurrently held posts                                                                                                                                                                                       |
|-------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Michihiko Kanegae | *1 Director                                                       |                                                                                                                                                                                                                           |
| Tooru Tanihara    | *1 Director                                                       |                                                                                                                                                                                                                           |
| Daisuke Mikogami  | *1 Director                                                       | Managing Executive Officer of Sumitomo Corporation; Assistant General Manager, Media & ICT Business Unit                                                                                                                  |
| Tetsuya Fukunaga  | Director                                                          | Outside Director of Argo Graphics Inc.                                                                                                                                                                                    |
| Masatoshi Endo    | Director                                                          |                                                                                                                                                                                                                           |
| Koji Tamefusa     | Director                                                          | Executive Officer of Sumitomo Corporation; Assistant General Manager, Media & ICT Business Unit                                                                                                                           |
| Hiroyuki Koike    | Director                                                          | Corporate Officer of Sumitomo Corporation; General Manager, ICT Division, Media, Network, Lifestyle Related Goods & Services Business Unit; Outside Director of T-Gaia; President of SC VENTURE, INC.                     |
| Akira Tsuyuguchi  | Director                                                          | President & CEO of Sumitomo Mitsui Auto Service Company, Ltd.; President & CEO of SMA Support Co., Ltd.                                                                                                                   |
| Kiyoto Matsuda    | *2 Director                                                       | Chairman of the Board of TOPAZ CAPITAL, INC.; Outside Director of SANYO SHOKAI LTD.; Outside Director of Hotto Link Inc.                                                                                                  |
| Yasunori Anzai    | Director (Audit and Supervisory Committee Members) (full-time)    | Assistant General Manager, Media & ICT Business Unit of Sumitomo Corporation                                                                                                                                              |
| Yoshiharu Takano  | *2 Director (Audit and Supervisory Committee Members) (full-time) |                                                                                                                                                                                                                           |
| Shigeki Yasunami  | *2 Director (Audit and Supervisory Committee Members) (part time) | Representative of the Yasunami Certified Public Accounting Office                                                                                                                                                         |
| Yuko Yasuda       | *2 Director (Audit and Supervisory Committee Members) (part time) | Managing Director, Russell Reynolds Associates Japan, Inc.; Outside Director, Showa Shell Sekiyu K.K.                                                                                                                     |
| Shigenobu Aikyo   | *2 Director (Audit and Supervisory Committee Members) (part time) | Outside Director of HASHIMOTO SOGYO HOLDINGS Ltd.; Outside Director of MODEC, Inc.; Outside Director of Sanyo Chemical Industries, Ltd.; Outside Director of DAIHEN Corporation; Outside Director of NICHICON CORPORATION |
| Kimitoshi Yabuki  | *2 Director (Audit and Supervisory Committee Members) (part time) | Partner, Yabuki Law Offices; Outside Director, SUMITOMO LIFE INSURANCE COMPANY                                                                                                                                            |
| Masaichi Nakamura | *2 Director (Audit and Supervisory Committee Members) (part time) | Representative, Nakamura Masaichi CPA Office; External Corporate Auditor, Sumitomo Heavy Industries, Ltd.                                                                                                                 |

(Notes) 1. \*1 = Representative Director

2. \*2 = Outside Director, as defined by laws and regulations

3. Director Kiyoto Matsuda and Directors (Audit and Supervisory Committee Members) Mr. Shigeki Yasunami, Ms. Yuko Yasuda, Mr. Shigenobu Aikyo, Mr. Kimitoshi Yabuki, and Mr. Masaichi Nakamura are independent officers 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.

4. Directors (Audit and Supervisory Committee Members) Mr. Shigeki Yasunami and Mr. Masaichi Nakamura have the qualification of being a certified public accountant and possess a high degree of knowledge related to finance and accounting.

5. Mr. Yasunori Anzai and Mr. Yoshiharu Takano were appointed as full-time Audit and Supervisory Committee Members to allow them 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), Executive Officers, and other employees: examining important resolution documents; collecting information through meetings held with the auditors of subsidiaries; and sharing information with the Audit and Supervisory Committee.

6. Other than those listed above, there are no relationships between the Company and any entities at which Outside Directors hold significant posts that require disclosure.
7. Officers holding significant concurrent posts not listed above: not applicable

#### Changes during the current period under review

1. New appointments      Appointed June 23, 2017  
     Daisuke Mikogami (Director)  
     Koji Tamefusa (Director)  
     Akira Tsuyuguchi (Director) (part time)  
     Kiyoto Matsuda (Director) (part time)  
     Yasunori Anzai (Director (Audit and Supervisory Committee Member))  
     Kimitoshi Yabuki (Director (Audit and Supervisory Committee Member))  
     (part time)  
     Masaichi Nakamura (Director (Audit and Supervisory Committee Member))  
     (part time)
2. Retirements              Retired June 23, 2017  
     Yoshio Osawa (Director)  
     Hisakazu Suzuki (Director)  
     Hiroyuki Yamazaki (Director)  
     Masahiko Suzuki (Director)  
     Masanori Furunuma (Director)  
     Tatsuyasu Kumazaki (Director)  
     Tatsujiro Naito (Director)  
     Katsuya Imoto (Director)  
     Naoaki Mashimo (Director)  
     Iwao Fuchigami (Director) (part time)

#### Executive Officers of the Company

The positions and/or areas of responsibility of numerous Executive Directors have been revised, effective April 1, 2018. Shown below are posts/assignments as of March 31, 2018 (before the revision) and April 1, 2018 (current status).

| Current position in company<br>(as of April 1, 2018) | Name              | Areas of responsibility and significant posts concurrently held                                                                                  |                                                                                              |
|------------------------------------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
|                                                      |                   | As of March 31, 2018                                                                                                                             | As of April 1, 2018 (current)                                                                |
| Chairman*1,*2                                        | Michihiko Kanegae |                                                                                                                                                  |                                                                                              |
| President*1                                          | Tooru Tanihara    |                                                                                                                                                  |                                                                                              |
| Executive Vice President                             | Masahiko Suzuki   | General Manager, Business Solutions Group; General Manager (R&D Center); General Manager, Chubu Branch; officer in charge of IT Management Group | General Manager, Business Solutions Group; General Manager (R&D Center)                      |
| Executive Vice President                             | Masanori Furunuma | Officer in charge of financial systems; General Manager, Financial Systems Business Group I; Director of JIEC Co., Ltd.                          | General Manager, Sales Coordination Group; Director of JIEC Co., Ltd.                        |
| Executive Vice President*1                           | Daisuke Mikogami  | General Manager (Corporate Planning, AI Strategies); officer in charge (Information Systems & Business Process Reengineering)                    | General Manager (Corporate Planning, AI Strategies); officer in charge (Information Systems) |

| Current position in company<br>(as of April 1, 2018) | Name               | Areas of responsibility and significant posts concurrently held                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                    | As of March 31, 2018                                                                                                                                                                                                                                                        | As of April 1, 2018 (current)                                                                                                                                                                                                                                                                                                                                                                                          |
| Senior Managing Executive Officer                    | Shozo Hirose       | General Manager, Financial Systems Business Group II                                                                                                                                                                                                                        | General Manager, Financial Systems Business Group                                                                                                                                                                                                                                                                                                                                                                      |
| Senior Managing Executive Officer                    | Tatsuyasu Kumazaki | General Manager, Business Services Group; Director of VeriServe Corporation                                                                                                                                                                                                 | General Manager (accounting); General Manager of Accounting Group; Director of VeriServe Corporation                                                                                                                                                                                                                                                                                                                   |
| Senior Managing Executive Officer*1                  | Tetsuya Fukunaga   | General Manager (Finance & Risk Management Group and in charge of IR); General Manager of Finance & Risk Management Group; Outside Director of Argo Graphics Inc.                                                                                                           | General Manager (Finance & Risk Management Group and in charge of IR); General Manager of Finance & Risk Management Group; Outside Director of Argo Graphics Inc.                                                                                                                                                                                                                                                      |
| Executive Officer*1                                  | Masatoshi Endo     | General Manager (SE+ Center, Development Division, Purchasing and Business Coordination); Assistant General Manager, Manufacturing Systems Business Group (in charge of PMO); Distribution Systems Business Group (in charge of PMO); General Manager, Development Division | Officer in charge (SE+ Center, Development Division, Purchasing and Business Coordination); Assistant General Manager, Manufacturing Systems Business Group (in charge of PMO); Assistant General Manager, Distribution / Media Systems Business Group (in charge of PMO); Assistant General Manager, Financial Systems Business Group (in charge of PMO); Chairman of the Board of SCSK Nearshore Systems Corporation |
| Senior Managing Executive Officer*1                  | Koji Tamefusa      | General Manager (Legal, General Affairs, Corporate Communications & CSR); officer in Charge, Internal Auditing, Human Resources, Accounting; Chief Health Officer                                                                                                           | General Manager (Legal, General Affairs, Corporate Communications & CSR); officer in Charge, Human Resources; Chief Health Officer                                                                                                                                                                                                                                                                                     |
| Managing Executive Officer                           | Toshiaki Kudo      | General Manager, Financial Systems Business Division V, Financial Systems Business Group II                                                                                                                                                                                 | Deputy General Manager, Financial Systems Business Group; General Manager, Financial Systems Business Division V,                                                                                                                                                                                                                                                                                                      |
| Managing Executive Officer                           | Tetsuya Ueda       | General Manager, IT Management Group; officer in charge of Automotive Systems Technology, Business Solutions Group                                                                                                                                                          | General Manager, IT Management Group; General Manager, Automotive Systems Business Division, Business Solutions Group                                                                                                                                                                                                                                                                                                  |
| Managing Executive Officer*3                         | Hideki Tazai       | -                                                                                                                                                                                                                                                                           | President of SCSK ServiceWare Corporation                                                                                                                                                                                                                                                                                                                                                                              |
| Managing Executive Officer                           | Makoto Nakamura    | Assistant General Manager (human resources), Financial Systems Business Group I; Assistant General Manager (human resources), Financial Systems Business Group II; in charge of Automotive Systems Technology, Business Solutions Group                                     | Deputy General Manager, Financial Systems Business Group; General Manager, Financial Systems Business Division I; in charge of Automotive Systems Technology, Business Solutions Group                                                                                                                                                                                                                                 |
| Managing Executive Officer                           | Atsushi Watanabe   | Deputy General Manager, IT Management Group; netX Data Center Business Division                                                                                                                                                                                             | General Manager, Distribution / Media Systems Business Group                                                                                                                                                                                                                                                                                                                                                           |
| Managing Executive Officer*3                         | Kei Kato           |                                                                                                                                                                                                                                                                             | General Manager, Global Trading / Global Systems Business Group; General Manager, Global Business Development Group                                                                                                                                                                                                                                                                                                    |
| Managing Executive Officer                           | Takashi Shinjo     | Assistant General Manager, IT Platform Solutions Group; officer in charge of promotion of ITM linkage; General Manager, IT Products & Services Division; General Manager, Business Promotion Division                                                                       | General Manager, IT Platform Solutions Group                                                                                                                                                                                                                                                                                                                                                                           |

| Current position in company<br>(as of April 1, 2018) | Name                | Areas of responsibility and significant posts concurrently held                                                                                                                                                      |                                                                                                                                                                                                                          |
|------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                     | As of March 31, 2018                                                                                                                                                                                                 | As of April 1, 2018 (current)                                                                                                                                                                                            |
| Managing Executive Officer                           | Yasushi Shimizu     | General Manager (accounting), General Manager of Accounting Group, Director of JIEC Co., Ltd. (Audit and Supervisory Committee Members) (part time) Director of VeriServe Corporation Committee Members) (part time) | Director and Executive Vice President of SCSK ServiceWare Corporation; Director of JIEC Co., Ltd. (Audit and Supervisory Committee Members) (part time) Director of VeriServe Corporation Committee Members) (part time) |
| Managing Executive Officer                           | Takaaki Touma       | Assistant General Manager, Manufacturing Systems Business Group; General Manager, Manufacturing Systems Business Division                                                                                            | General Manager, Manufacturing / Telecommunications Systems Group                                                                                                                                                        |
| Senior Executive Officer                             | Yoshinori Imai      | General Manager, Business Promotion Division, Financial Systems Business Group I; Director of JIEC Co., Ltd.                                                                                                         | General Manager, Financial Industry Sales Division, Sales Coordination Group; Director of JIEC                                                                                                                           |
| Senior Executive Officer                             | Yoshimi Jouo        | General Manager, Kyushu IT Platform Solutions Division, IT Platform Solutions Group; General Manager, Kyushu Branch                                                                                                  | General Manager, Kyushu IT Platform Solutions Division, IT Platform Solutions Group; General Manager, Kyushu Branch                                                                                                      |
| Senior Executive Officer                             | Noboru Itoh         | General Manager, Distribution Systems Business Division I                                                                                                                                                            | General Manager, Distribution Systems Business Division I, Distribution / Media Systems Business Group                                                                                                                   |
| Senior Executive Officer                             | Shigehiro Seki      | General Manager, Financial Systems Business Division VI, Financial Systems Business Group II                                                                                                                         | General Manager, Manufacturing Systems Division, Manufacturing / Telecommunications Systems Group                                                                                                                        |
| Senior Executive Officer                             | Hisanao Takei       | Officer in charge of promotion of ITM linkage, Business Solutions Group; General Manager, Business Promotion Division                                                                                                | General Manager (SE+ Center, Development Division, Purchasing and Business Coordination, IT Systems); General Manager, Development Division                                                                              |
| Senior Executive Officer                             | Koichi Naito        | General Manager, Business Promotion Division, IT Management Group; officer in charge of promotion of ITM linkage, Manufacturing Systems Business Group                                                               | General Manager, Business Promotion Division, IT Management Group                                                                                                                                                        |
| Senior Executive Officer                             | Yoshinori Kawashima | Assistant General Manager (Securities), Financial Systems Business Group II                                                                                                                                          | Representative Director and President of CSI SOLUTIONS Corporation                                                                                                                                                       |
| Senior Executive Officer                             | Akihiko Harima      | General Manager (Human Resources); General Manager, Human Resources Group                                                                                                                                            | General Manager (Human Resources); General Manager, Human Resources Group                                                                                                                                                |
| Senior Executive Officer                             | Shoichi Kondo       | Officer in charge of Automotive Systems Business, Business Solutions Group                                                                                                                                           | Officer in charge of Automotive Systems Business, Business Solutions Group                                                                                                                                               |
| Senior Executive Officer                             | Takayuki Okuhara    | General Manager, Corporate Planning Group; Director of VeriServe Corporation                                                                                                                                         | General Manager, Business Development Group, Sales Coordination Group; General Manager, SC Business Development Group, Global Trading / Global Systems Business Group; Director of VeriServe Corporation                 |
| Senior Executive Officer                             | Yuji Ueno           | General Manager, IT Engineering Division, IT Platform Solutions Group                                                                                                                                                | General Manager, IT Engineering Division, IT Platform Solutions Group                                                                                                                                                    |

| Current position in company<br>(as of April 1, 2018) | Name                | Areas of responsibility and significant posts concurrently held                                                                                                                                        |                                                                                                                                                                            |
|------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                     | As of March 31, 2018                                                                                                                                                                                   | As of April 1, 2018 (current)                                                                                                                                              |
| Senior Executive Officer                             | Tadashi Miyagawa    | General Manager, Business Development Group, Telecommunication Systems Business Group; General Manager, Telecommunications & Public Sector Systems Business Division                                   | General Manager, Telecommunications & Public Sector Systems Business Division, Manufacturing / Telecommunications Systems Group                                            |
| Senior Executive Officer                             | Takaya Yamamoto     | General Manager (Nishinohon), Financial Systems Business Division II, Financial Systems Business Group I; General Manager, Financial Systems Business Division IV, Financial Systems Business Group II | General Manager, Financial Systems Business Division II, Financial Systems Business Group                                                                                  |
| Senior Executive Officer                             | Koji Watanabe       | General Manager, Automotive Systems Business Division, Business Solutions Group                                                                                                                        | General Manager, Automotive Systems Business Division, Business Solutions Group                                                                                            |
| Senior Executive Officer                             | Toshihiko Mitsuishi | General Manager, Financial Systems Business Division I, Financial Systems Business Group I                                                                                                             | General Manager, Financial Systems Business Division III, Financial Systems Business Group                                                                                 |
| Senior Executive Officer                             | Takashi Mizuno      | General Manager, Information Systems and Business Process Reengineering Group                                                                                                                          | General Manager, Information Systems Group                                                                                                                                 |
| Senior Executive Officer                             | Yukihiko Saito      | General Manager, Solutions Department II, AMO Business Division                                                                                                                                        | General Manager, AMO Business Division I, Business Solutions Group                                                                                                         |
| Senior Executive Officer                             | Yasuhiko Oka        | General Manager, Legal, General Affairs, Corporate Communications & CSR Group                                                                                                                          | General Manager, Legal, General Affairs, Corporate Communications & CSR Group                                                                                              |
| Senior Executive Officer                             | Mineo Yokoyama      | General Manager, Nishinohon Industrial Systems Business Division II, Manufacturing Systems Business Group; General Manager, Business Promotion Division, Nishinohon Branch                             | General Manager, Nishinohon Industrial Systems Business Division II, Manufacturing Systems Business Group; General Manager, Business Promotion Division, Nishinohon Branch |
| Senior Executive Officer                             | Hiroyuki Komiya     | Deputy General Manager, AMO Business Division I, Business Solutions Group                                                                                                                              | General Manager, Strategic Solutions Sales Coordination Division, Sales Coordination Group                                                                                 |
| Executive Officer                                    | Kan Takahashi       | General Manager, Financial Systems Business Division III, Financial Systems Business Group II                                                                                                          | General Manager, Business Promotion Division, Deputy General Manager, Financial Systems Business Group I, Financial Systems Business Group                                 |
| Executive Officer                                    | Naoki Ike           | General Manager, Engineering Solutions Division, IT Platform Solutions Group                                                                                                                           | General Manager, Engineering Solutions Division, IT Platform Solutions Group                                                                                               |
| Executive Officer                                    | Eri Kawanabe        | General Manager, Business Promotion Division, Distribution Systems Business Group                                                                                                                      | General Manager, Business Promotion Division, Global Trading / Global Systems Business Group                                                                               |
| Executive Officer                                    | Akira Yamano        | General Manager, R&D Center                                                                                                                                                                            | General Manager, R&D Center                                                                                                                                                |
| Executive Officer                                    | Toshiya Uchida      | General Manager, Distribution Systems Department III, Distribution Systems Business Group                                                                                                              | General Manager, Distribution Systems Department III, Distribution / Media Systems Business Group                                                                          |
| Executive Officer                                    | Kazuhiko Abe        | General Manager, SC Systems Business Division, Distribution Systems Business Group; General Manager, Global Systems Business Division                                                                  | General Manager, SC Systems Business Division, Global Trading / Global Systems Business Group                                                                              |
| Executive Officer                                    | Hiroyuki Miyagawa   | General Manager, Chubu IT Platform Solutions Business, IT Platform Solutions Group                                                                                                                     | General Manager, Chubu IT Platform Solutions Business, IT Platform Solutions Group; General Manager, Chubu Branch                                                          |



| Current position in company<br>(as of April 1, 2018) | Name               | Areas of responsibility and significant posts concurrently held                                                                                                |                                                                                                                                                                                       |
|------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                    | As of March 31, 2018                                                                                                                                           | As of April 1, 2018 (current)                                                                                                                                                         |
| Executive Officer                                    | Jiyunishi Horie    | General Manager, Business Promotion Division, Financial Systems Business Group II                                                                              | General Manager, Financial Systems Business Division VI, Deputy General Manager, Financial Systems Business Group I, Financial Systems Business Group                                 |
| Executive Officer                                    | Kenji Toda         | General Manager, Chubu Industrial Systems Business Division, Manufacturing Systems Business Group                                                              | General Manager, Chubu Industrial Systems Business Division, Manufacturing / Telecommunications Systems Group; General Manager, Business Promotion Division, Chubu Branch             |
| Executive Officer                                    | Ken Takano         | General Manager, IT Architecture Integration Division, IT Management Group; officer in charge of promotion of ITM linkage, Distribution Systems Business Group | General Manager, IT Architecture Integration Division, IT Management Group; officer in charge of promotion of ITM linkage, Distribution / Media Systems Business Group                |
| Executive Officer <sup>*3</sup>                      | Hideyuki Miyashita | —                                                                                                                                                              | Representative Director and President of SCSK Kyushu Corporation                                                                                                                      |
| Executive Officer <sup>*3</sup>                      | Masahiro Otani     | —                                                                                                                                                              | General Manager, ProActive Business Solutions Division, Business Solutions Group                                                                                                      |
| Executive Officer <sup>*3</sup>                      | Tomishige Tamura   | —                                                                                                                                                              | General Manager, IT Management Services Division, IT Management Group; officer in charge of promotion of ITM linkage, Manufacturing / Telecommunications Systems Group                |
| Executive Officer <sup>*3</sup>                      | Masaaki Mori       | —                                                                                                                                                              | General Manager, Media Systems Business Division, Distribution / Media Systems Business Group                                                                                         |
| Executive Officer <sup>*3</sup>                      | Takaaki Ishida     | —                                                                                                                                                              | General Manager, SE Plus Center                                                                                                                                                       |
| Executive Officer <sup>*3</sup>                      | Shoji Shiuchi      | —                                                                                                                                                              | General Manager, Nishinohon Industrial Systems Business Division I, Manufacturing / Telecommunications Systems Group; General Manager, Business Promotion Division, Nishinohon Branch |

- (Notes) 1. \*1 = Serves jointly as Executive Officer and Director  
2. \*2 = Executive Officers that are scheduled to retire on June 26, 2018.  
3. \*3 = Newly seated as Executive Officer on April 1, 2018  
4. Listed below are Executive Officers who retired as of March 31, 2018.

| Position at retirement     | Name             | Areas of responsibility at retirement                                                                                                                   |
|----------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Managing Executive Officer | Tatsujiro Naito  | General Manager, Distribution Systems Business Group; officer in charge of Telecommunication Systems Business Group                                     |
| Managing Executive Officer | Katsuya Imoto    | General Manager, Manufacturing Systems Business Group; General Manager, Nishinohon Branch                                                               |
| Managing Executive Officer | Naoaki Mashimo   | General Manager, IT Platform Solutions Group                                                                                                            |
| Managing Executive Officer | Kenji Mukai      | General Manager, Telecommunication Systems Business Group                                                                                               |
| Managing Executive Officer | Akira Komori     | General Manager (Information Systems Planning and Business Process Reengineering)                                                                       |
| Senior Executive Officer   | Yutaka Arisawa   | Officer in charge of promotion of ITM linkage, Business Services Group; General Manager, Business Promotion Division; Director of VeriServe Corporation |
| Executive Officer          | Hitoshi Kohiyama | Assistant General Manager, Financial Systems Business Division I, Financial Systems Business Group I                                                    |

#### 4-2 Total Remuneration, etc., Paid to Company Officers in the Fiscal Year

| Category                                                                                        | No. of payees           | Total amount of remuneration, etc. |
|-------------------------------------------------------------------------------------------------|-------------------------|------------------------------------|
| Directors<br>(excluding Audit and Supervisory Committee Members)<br>(of whom Outside Directors) | 19 people<br>(2 people) | ¥424 million<br>(¥10 million)      |
| Directors<br>(Audit and Supervisory Committee Members)<br>(of which Outside Directors)          | 7 people<br>(6 people)  | ¥87 million<br>(¥71 million)       |
| Total                                                                                           | 26 people               | ¥511 million                       |

- (Notes) 1. The upper limit on officer remuneration as determined upon resolution at the General Meeting of Shareholders (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).
2. No Outside Directors received officer remuneration, etc., from the parent company, etc., or from a subsidiary, etc., of the parent company, etc.

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

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

#### 4-4 Main Activities of Each Outside Director or Outside Corporate Auditor

| Category                                                  | Name              | Attendance at Board of Directors meetings | Attendance at Audit and Supervisory Committee meetings |
|-----------------------------------------------------------|-------------------|-------------------------------------------|--------------------------------------------------------|
| Director                                                  | Kiyoto Matsuda    | 11/11                                     | —                                                      |
| Director<br>(Audit and Supervisory Committee) (full time) | Yoshiharu Takano  | 13/13                                     | 18/18                                                  |
| Director<br>(Audit and Supervisory Committee) (part time) | Shigeki Yasunami  | 13/13                                     | 18/18                                                  |
| Director<br>(Audit and Supervisory Committee) (part time) | Yuko Yasuda       | 13/13                                     | 18/18                                                  |
| Director<br>(Audit and Supervisory Committee) (part time) | Shigenobu Aikyo   | 10/13                                     | 15/18                                                  |
| Director<br>(Audit and Supervisory Committee) (part time) | Kimitoshi Yabuki  | 11/11                                     | 13/13                                                  |
| Director<br>(Audit and Supervisory Committee) (part time) | Masaichi Nakamura | 10/11                                     | 12/13                                                  |

Directors voice opinions regarding all areas of management at meetings of the Board of Directors from their unique perspectives and based on the extensive experience and insight gained through management and other positions. In addition, Yoshiharu Takano, Shigeki Yasunami, Yuko Yasuda, Shigenobu Aikyo, Kimitoshi Yabuki, and Masaichi Nakamura voice opinions on all areas of auditing processes from the perspectives of operational compliance and appropriateness and based on their extensive experience and insight at meetings of the Audit and Supervisory Committee. Furthermore, the individuals mentioned above engage in exchanges of opinion with the Independent Auditor and offer suggestions as necessary.

#### 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.

## 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                                            | ¥165 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) | ¥242 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 has 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 preparation of comfort letters).
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 there is a significant adverse effect on the execution of the Independent Auditor's duties, due to reasons such as an Independent Auditor being suspended from practice by the authorities, and the situation is judged to be irremediable, the Audit and Supervisory Committee's policy is to submit a proposal to the General Meeting of Shareholders recommending that the Independent Auditor in question be dismissed or not be reappointed.

In addition, 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.

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

## Consolidated Balance Sheet

(As of March 31, 2018)

(Millions of yen)

Assets		Liabilities	
<b>Current assets</b>	<b>191,240</b>	<b>Current liabilities</b>	<b>70,564</b>
Cash and deposits	16,456	Notes and accounts payable- trade	20,013
Notes and accounts receivable-trade	66,665	Short-term loans payable	10,000
Lease receivables and investment assets	396	Current portion of long-term loans payable	5,000
Merchandise and finished goods	5,137	Lease obligations	975
Work in process	900	Income taxes payable	4,802
Raw materials and supplies	49	Provision for bonuses	5,651
Deferred tax assets	7,556	Provision for directors' bonuses	79
Deposits paid	83,340	Provision for loss on construction contracts	329
Other	10,779	Other	23,712
Allowance for doubtful accounts	-41		
<b>Noncurrent assets</b>	<b>112,673</b>	<b>Non-current liabilities</b>	<b>36,748</b>
<b>Property, plant and equipment</b>	<b>73,464</b>	Bonds payable	30,000
Buildings and structures, net	31,543	Lease obligations	2,183
Tools, furniture and fixtures, net	7,802	Provision for directors' retirement benefits	20
Land	19,821	Net defined benefit liability	1,468
Leased assets, net	1,714	Asset retirement obligations	2,391
Construction in progress	12,581	Long-term lease and guarantee deposited	603
Other, net	1	Other	80
		<b>Total liabilities</b>	<b>107,313</b>
<b>Intangible assets</b>	<b>9,556</b>	<b>Net assets</b>	
Goodwill	84	<b>Shareholders' equity</b>	<b>190,104</b>
Other	9,472	<b>Capital stock</b>	<b>21,152</b>
		<b>Capital surplus</b>	<b>1,299</b>
<b>Investments and other assets</b>	<b>29,652</b>	<b>Retained earnings</b>	<b>168,363</b>
Investment securities	10,625	<b>Treasury shares</b>	<b>-711</b>
Long-term prepaid expenses	1,202	<b>Accumulated other comprehensive income</b>	<b>-890</b>
Lease and guarantee deposits	6,909	Valuation difference on available-for-sale securities	2,274
Deferred tax assets	9,740	Deferred gains or losses on hedges	-5
Other	1,294	Foreign currency translation adjustment	-154
Allowance for doubtful accounts	-119	Remeasurements of defined benefit plans	-3,004
		<b>Subscription rights to shares</b>	<b>57</b>
		<b>Non-controlling interests</b>	<b>7,329</b>
		<b>Total net assets</b>	<b>196,600</b>
<b>Total assets</b>	<b>303,914</b>	<b>Total liabilities and net assets</b>	<b>303,914</b>

## Consolidated Statement of Income

(From April 1, 2017 to March 31, 2018)

(Millions of yen)

Subject	Amount
Net sales	336,654
Cost of sales	253,098
<b>Gross profit</b>	<b>83,555</b>
Selling, general and administrative expenses	48,953
<b>Operating profit</b>	<b>34,602</b>
Non-operating income	2,071
Interest income	91
Dividend income	66
Share of profit of entities accounted for using equity method	537
Gain on sales of investment securities	56
Hoard profit of prepaid card	1,006
Other	313
Non-operating expenses	382
Interest expenses	126
Loss on sales of investment securities	1
Bond issuance cost	48
Other	206
<b>Ordinary profit</b>	<b>36,291</b>
Extraordinary income	10,759
Gain on sales of non-current assets	2
Gain on sales of investment securities	10,756
Extraordinary losses	3,561
Loss on retirement of non-current assets	750
Loss on sales of non-current assets	32
Non recurring depreciation on software	1,231
Impairment loss	1,425
Loss on sales of investment securities	10
Loss on valuation of investment securities	101
Loss on valuation of membership	10
<b>Profit before income taxes</b>	<b>43,489</b>
Income taxes-current	6,093
Income taxes-deferred	4,099
<b>Profit</b>	<b>33,296</b>
Profit attributable to non-controlling interests	807
<b>Profit attributable to owners of parent</b>	<b>32,488</b>

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

# Non-consolidated Balance Sheet

(As of March 31, 2018)

(Millions of yen)

Assets		Liabilities	
<b>Current assets</b>	<b>167,319</b>	<b>Current liabilities</b>	<b>82,760</b>
Cash and deposits	7,504	Accounts payable-trade	16,776
Notes	482	Short-term loans payable	10,000
Accounts receivable	54,056	Current portion of long-term loans payable	5,000
Lease investment assets	395	Lease obligations	960
Merchandise and finished goods	4,379	Accounts payable	5,698
Work in process	768	Expenses payable	1,032
Raw materials and supplies	44	Income taxes payable	3,833
Advance payments-trade	412	Consumption taxes payable	2,087
Prepaid expenses	8,202	Advances received	9,131
Deferred tax assets	6,493	Deposits received	24,621
Deposits paid	82,000	Provision for bonuses	3,201
Short-term loans receivable from subsidiaries and associates	580	Provision for directors' bonuses	72
Other	2,020	Provision for loss on construction contracts	315
Allowance for doubtful accounts	-22	Asset retirement obligations	21
		Other	8
<b>Noncurrent assets</b>	<b>126,375</b>	<b>Noncurrent liabilities</b>	<b>35,815</b>
<b>Property, plant and equipment</b>	<b>72,031</b>	Bonds payable	30,000
Buildings	30,392	Lease obligation	2,151
Structures	276	Provision for directors' retirement benefits	7
Vehicles	0	Provision for retirement benefits	386
Tools, furniture and fixtures, net	7,250	Asset retirement obligations	1,840
Land	19,821	Long-term lease guarantee deposited	1,429
Leased assets, net	1,671		
Construction in progress	12,618		
<b>Intangible fixed assets</b>	<b>7,894</b>		
Goodwill	84	<b>Total liabilities</b>	<b>118,576</b>
Software	7,634		
Leased assets	56		
Telephone subscription rights	117		
Right of using facilities	1		
Trademark rights	0		
<b>Investment and other assets</b>	<b>46,449</b>		
Investment securities	4,320	<b>Shareholders' equity</b>	<b>172,885</b>
Shares of subsidiaries and associates	21,886	<b>Capital stock</b>	<b>21,152</b>
Investments in other securities of subsidiaries and associates	255	<b>Capital surplus</b>	<b>1,299</b>
Long-term loans receivable from employees	39	Legal capital surplus	1,299
Claims provable in bankruptcy, claims provable in rehabilitation and other	74	<b>Retained earnings</b>	<b>150,726</b>
Long-term prepaid expenses	1,048	Legal retained earnings	3,988
		Other retained earnings	146,738
		General reserve	23,310
		Retained earnings brought forward	123,428
		<b>Treasury shares</b>	<b>-294</b>
		<b>Valuation and translation adjustments</b>	<b>2,175</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>2,180</b>

Lease and guarantee deposits	6,012	<b>Deferred gains or losses on hedges</b>	<b>-5</b>
Deferred tax assets	8,421	<b>Subscription rights to shares</b>	<b>57</b>
Membership rights	198		
Lease investment assets	959		
Prepaid pension cost	3,338		
Other	13		
Allowance for doubtful accounts	-119	<b>Total net assets</b>	<b>175,118</b>
<b>Total assets</b>	<b>293,694</b>	<b>Total liabilities and net assets</b>	<b>293,694</b>



## Non-consolidated Statement of Income

(From April 1, 2017 to March 31, 2018)

(Millions of yen)

Subject	Amount
Sales	263,069
Cost of sales	197,292
<b>Gross profit</b>	<b>65,777</b>
Selling, general and administrative expenses	38,582
<b>Operating income</b>	<b>27,195</b>
Non-operating income	2,146
Interest income	109
Dividend income	1,633
Other	403
Non-operating expenses	298
Interest expenses	99
Interest on bonds	81
Bond issuance cost	48
Other	69
<b>Ordinary income</b>	<b>29,043</b>
Extraordinary income	13,663
Gain on sales of non-current assets	2
Gain on sales of investment securities	50
Gain on sales of shares of subsidiaries and associates	13,610
Extraordinary loss	3,549
Loss on retirement of non-current assets	727
Loss on sales of non-current assets	31
Non-recurring depreciation on software	1,250
Impairment loss	1,429
Loss on valuation of shares of subsidiaries and associates	100
Loss on valuation of membership	10
<b>Profit before income taxes</b>	<b>39,157</b>
Income taxes-current	2,978
Income taxes-deferred	4,218
<b>Profit</b>	<b>31,960</b>

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

## **Independent Auditor's Report**

May 11, 2018

The Board of Directors  
SCSK Corporation

KPMG AZSA LLC

Atsuji Maeno (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Isao Kamizuka (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shinya Mikami (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and notes to the consolidated financial statements of SCSK for the 50th fiscal year from April 1, 2017 to March 31, 2018 in accordance with Article 444, Section 4 of the Companies Act.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 consolidated financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as the Independent Auditor. We conducted our audit in accordance with auditing standards generally accepted to be fair and appropriate in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected are based on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making these risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, although the objective of the consolidated financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is appropriate and sufficient to provide a basis for our audit opinion.

**Opinion**

In our opinion, the 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 and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared.

**Relationships of Interest**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

# **Independent Auditor's Report**

May 11, 2018

The Board of Directors  
SCSK Corporation

KPMG AZSA LLC

Atsuji Maeno (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Isao Kamizuka (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shinya Mikami (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

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 for the 50th fiscal year from April 1, 2017 to March 31, 2018 in accordance with Article 436, Section 2, Paragraph 1 of the Companies Act.

## **Management's Responsibility for the Non-consolidated Financial Statements and Others**

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and supplementary schedules 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 and supplementary schedules that are free from material misstatements, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the non-consolidated financial statements and the supplementary schedules based on our audit as the Independent Auditor. We conducted our audit in accordance with auditing standards generally accepted to be fair and appropriate in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. The procedures selected are based on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and supplementary schedules, whether due to fraud or error. In making these risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and supplementary schedules in order to design audit procedures that are appropriate for the circumstances, although the objective of the non-consolidated financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is appropriate and sufficient to provide a basis for our audit opinion.

**Opinion**

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

**Relationships of Interest**

Our firm and engagement partners have no interest in the Company which should be disclosed 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 50th fiscal year from April 1, 2017, to March 31, 2018. 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, 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 balance sheet, the consolidated statement of income, the consolidated statements of changes 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.
  - (a) 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.
  - (b) 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.
  - (c) 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.

- (d) Nothing has arisen that requires comment with regard to provisions for preventing transactions with the parent company 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 14 2018

Board of Corporate Auditors, SCSK Corporation

Yasunori Anzai (Seal)  
Audit and Supervisory Committee (full-time)

Yoshiharu Takano (Seal)  
Audit and Supervisory Committee (full-time)

Shigeki Yasunami (Seal)  
Audit and Supervisory Committee (part time)

Yuko Yasuda (Seal)  
Audit and Supervisory Committee (part time)

Shigenobu Aikyo (Seal)  
Audit and Supervisory Committee (part time)

Kimitoshi Yabuki (Seal)  
Audit and Supervisory Committee (part time)

Masaichi Nakamura (Seal)  
Audit and Supervisory Committee (part time)

(Notes) Audit and Supervisory Committee Members Yoshiharu Takano, Shigeki Yasunami, Yuko Yasuda, Shigenobu Aikyo, Kimitoshi Yabuki and Masaichi Nakamura are Outside Directors as described in Article 2, Item 15 and Article 331, Item 6 of the Companies Act.

# Guidance for Shareholders on How to Exercise Voting Rights Either in Writing or by Electronic Means (the Internet, etc.)

## I. Exercising Voting Rights in Writing

Please indicate your approval or disapproval of each proposal on the enclosed voting form (*Japanese only*) and return it to reach our Registrar of Shareholders no later than 5:30 p.m. on Monday, June 25, 2018.

## II. Exercising Voting Rights Electronically

### 1. Exercising voting rights via the Internet (Japanese only)

(1) To exercise your voting rights via the Internet, you must use the following voting service website designated by the Company. Please note that you are also able to access and use this voting service website via a mobile phone.

Voting service website: <http://www.web54.net>

( Note:  
The website can be accessed from mobile phones that are equipped with a barcode reader by scanning the QR code® on the right with the mobile phone. Please see your mobile phone's user manual for further details.  
(The QR code is the registered trademark of Denso Wave Incorporated.)



- (2) To exercise your voting rights via the Internet, please indicate whether you approve or disapprove of each proposal by using the code and password for the exercise of voting rights indicated on the enclosed voting form, and by following the instructions shown on the screen.
- (3) Provider access fees, telecommunications fees and any other fee for usage of the website to exercise your voting rights shall be borne by the shareholders.
- (4) To exercise your voting rights via the Internet, you will need to have the following systems:
- Internet access
  - Voting via personal computer: Microsoft®Internet Explorer 6.0 or higher as your Internet browser software, and appropriate hardware to use such browser software.
  - Voting via mobile phone: A mobile phone with 128-bit SSL encryption. (To ensure the security of your data transmission, the voting website for mobile phones can be accessed only from mobile phones with 128-bit SSL encryption capability. Please note that this voting service is not available for mobile phones that do not support 128-bit SSL encryption. Please also note that while voting via mobile phones with full browser functionality is supported in principle, we cannot guarantee compatibility with all available mobile phone models.)

(Microsoft and Internet Explorer are trademarks or registered trademarks of Microsoft Corporation, registered in the United States, Japan and other countries.)

### 2. Electronic Voting Platform (*English available*)

For management and trust banks or other nominee shareholders (including standing proxies), the Electronic Voting Platform operated by Investor Communications Japan, Inc. (ICJ, Inc.) is available as another online voting method for the meeting, in addition to the method of voting via the Internet as described in 1. above, subject to prior application for use to ICJ, Inc.

### 3. Time limit for exercising voting rights electronically

Although it is acceptable to exercise voting rights electronically until 5:30 p.m. on Monday June 25,



2018, please exercise your voting rights as early as possible to assist us with compiling the results of the voting.

### III. Treatment of Voting Rights Exercised Repeatedly

1. If you exercise your voting rights both in writing and electronically, we will only accept the exercise of your voting rights electronically as valid.
2. If you exercise your voting rights more than once electronically, we will only accept the last exercise of your voting rights as valid.

Please call the following number if you have any questions relating to this guidance.

For information about the operation of personal computers and mobile phones in the usage of the website to exercise your voting rights:

Transfer Agent Web Support, Sumitomo Mitsui Trust Bank, Limited  
Dedicated line (Tel.) 0120-652-031 (9:00 a.m. to 9:00 p.m.)

For other inquiries

For shareholder who have an account with a securities company

Please contact your securities company.

For shareholders who do not have an account with a securities company (Shareholders who have special accounts)

Please contact the Transfer Agent Business Center, Sumitomo Mitsui Trust Bank, Limited  
(Tel.) 0120-782-031 (9:00 a.m. to 5:00 p.m. excluding weekends and Japanese public holidays)