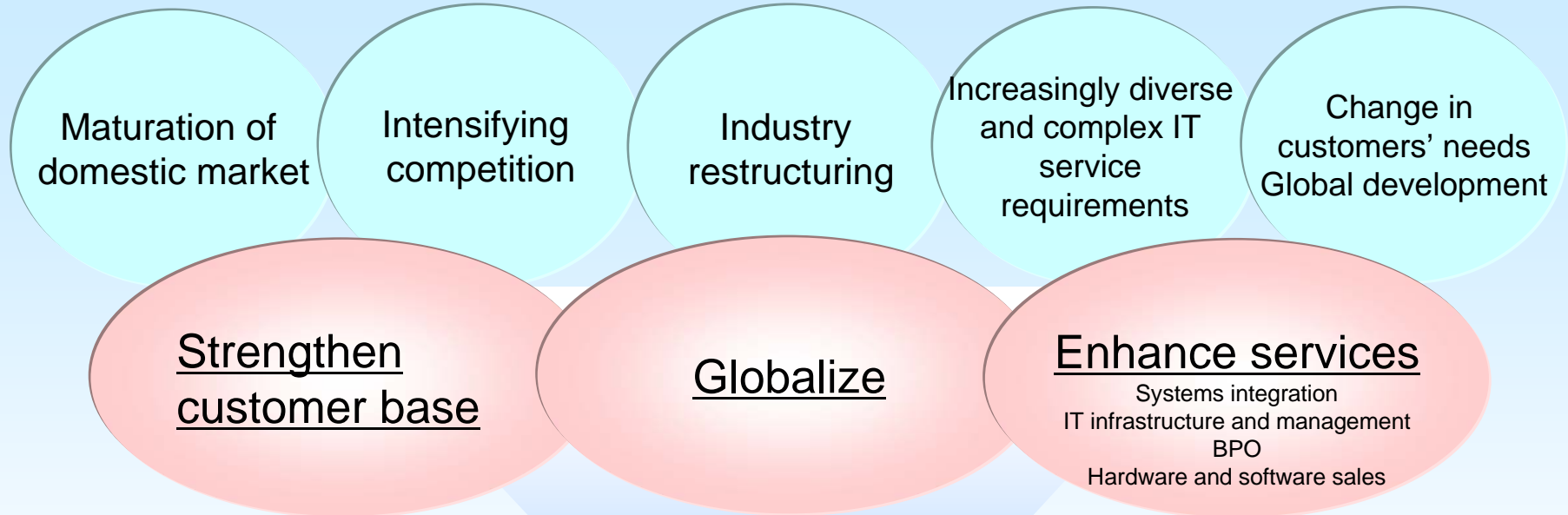# Sumisho Computer Systems Corporation and CSK CORPORATION

Business merger press conference

February 24, 2011

Strategic rationale reflecting today's environment

Maturation of domestic market

Intensifying competition

Industry restructuring

Increasingly diverse and complex IT service requirements

Change in customers' needs Global development

Strengthen customer base

Globalize

Enhance services
Systems integration
IT infrastructure and management
BPO
Hardware and software sales

Strengthen and expand management foundation through business merger

Develop industry-leading position

Strengthening and expanding business foundation

SCS

CSK

Management integration

Stronger and expanded business foundation
➢Comprehensive business line, expanded customer base, global development

Stronger management infrastructure and greater efficiency
➢Improved financial position, lift productivity and quality, and boost customer satisfaction based on reliability and trust
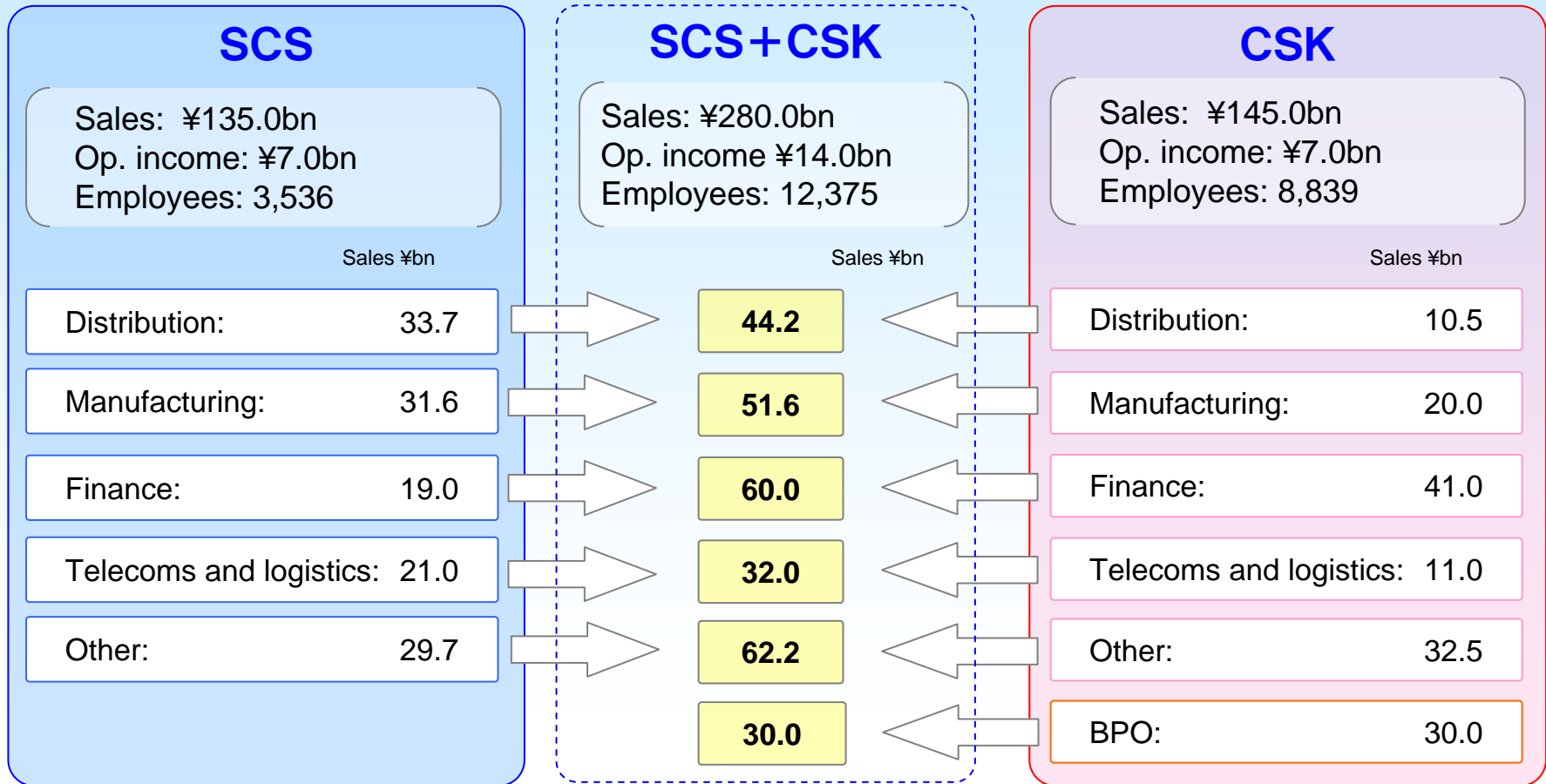
Enhanced technical and human resources
➢Greater capacity to meet sophisticated, diverse clients' needs

Become an IT industry leader anticipating the future
The industry's first global IT services company, offering a full business line-up from systems integration, IT infrastructure and management, and BPO to hardware and software sales

Complementary customer base

Image of integration

SCS

Sales: ¥135.0bn
Op. income: ¥7.0bn
Employees: 3,536

Sales ¥bn

Distribution:	33.7
Manufacturing:	31.6
Finance:	19.0
Telecoms and logistics:	21.0
Other:	29.7

SCS+CSK

Sales: ¥280.0bn
Op. income ¥14.0bn
Employees: 12,375

Sales ¥bn

44.2
51.6
60.0
32.0
62.2
30.0

CSK

Sales: ¥145.0bn
Op. income: ¥7.0bn
Employees: 8,839

Sales ¥bn

Distribution:	10.5
Manufacturing:	20.0
Finance:	41.0
Telecoms and logistics:	11.0
Other:	32.5
BPO:	30.0

Notes: Financial data are from the latest disclosed estimates of SCS and CSK (for the fiscal year ending on March 2011) .

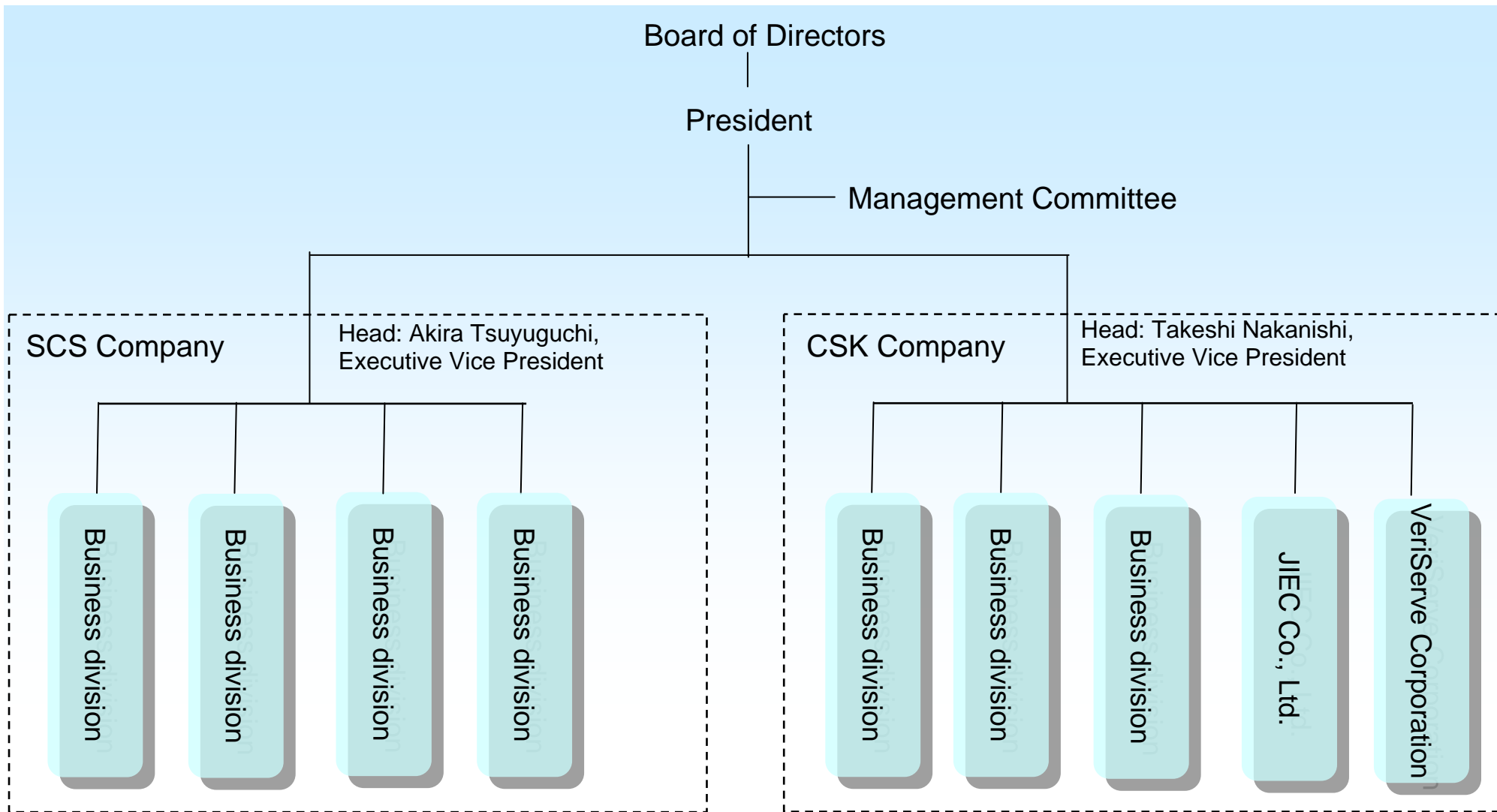Data for sales by sectors are estimated from figures from April to December 2010.

Position of the post merger company

【As of March 31, 2010】

Rankings	Company name	Sales(￥bn)
1	NTT DATA CORPORATION	1,142
2	Nomura Research Institute, Ltd.	338
3	IT Holdings Corporation	313
(4)	SCS＋CSK	296
4	ITOCHU Techno-Solutions Corporation	290
5	NTT COMWARE CORPORATION	279
6	Nihon Unisys, Ltd.	271
7	Mizuho Information & Research Institute, Inc	200
8	CSK	169
9	NS Solutions Corporation	152
10	FUJISOFT INCORPORATED	141
11	SCS	127

*The rankings of IT service companies specialized in systems integration business.

Structure of the post merger company

Board of Directors

President

Management Committee

SCS Company — Head: Akira Tsuyuguchi, Executive Vice President

- Business division
- Business division
- Business division
- Business division

CSK Company — Head: Takeshi Nakanishi, Executive Vice President

- Business division
- Business division
- Business division
- JIEC Co., Ltd.
- VeriServe Corporation

Management structure of the post merger company

■Director

President & CEO   Nobuhide Nakaido

(SCS Company)
Executive Vice president   Akira Tsuyuguchi
＋5 Directors

(CSK Company)
Executive Vice president   Takeshi Nakanishi
＋5 Directors

3 Outside directors   (2 from Sumitomo Corporation , 1 Independent director)

■Auditor

4 Auditors   (2 SCS, 2 CSK)

2 Outside auditors   (1 from Sumitomo Corporation, 1 Independent auditor)

Corporate name of the post merger company

■Corporate name   SCSK Corporation

■Origin of the name ➢ Integration of SCS and CSK

➢ CS " Computer Service "=IT services is its core business

➢ Pursuit of a CS (Customer Satisfaction)

SCS Sumisho Computer Systems Corporation

CSK **CSK CORPORATION**
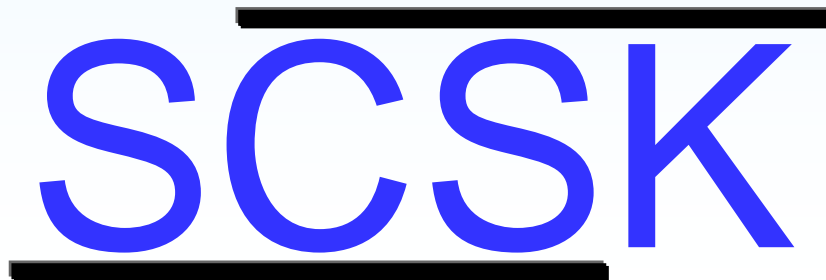
SCSK

This is not a logo image and only an integration image

Quantitative image of the post merger company

【Consolidated】

	Post merger company （SCS+CSK）	SCS	CSK
Sales (Fiscal year ending March 2011 (forecast))	¥280.0bn	¥135.0bn	¥145.0bn
Operating Income (Fiscal year ending March 2011 (forecast))	¥14.0bn	¥7.0bn	¥7.0bn
Net Assets (As of December 31, 2010)	¥99.8bn	¥92.8bn	¥7.0bn
Total Assets (As of December 31, 2010)	¥293.2bn	¥117.2bn	¥176.0bn
Number of Employees (As of December 31, 2010)	12,375	3,536	8,839

Strategies to strengthen and expand business foundation ①

◆ Strengthen and expand business foundation

➢<u>Develop full line-up of services</u>
⇒ Organically integrate systems integration, IT infrastructure management, BPO, hardware
    and software sales to enable comprehensive, one-stop service provision
    (meet diversifying customers' needs, create new value and services)

➢<u>Strengthen and complement customer base</u>
⇒ Aiming to secure a leading position in each business sector, utilizing highly complement
    customer bases of each company (only around 20% overlap among top customers)
    and leveraging respective know-how and technical and intellectual strengths in sectors
    where each company is competitive.

➢<u>Improve global development</u>
⇒ Grow global business by leveraging SCS's experience in overseas IT services
    to support customer as they expand outside Japan

Strategies to strengthen and expand business foundation ①

◆ Strengthen and expand business foundation （core measures)

➢ <u>Strengthen cloud business</u>
   ⇒ Enhance infrastructure foundation through integration of data center
       operations, invest in cloud backbone, and develop hybrid-type cloud
       services by adding CSK's recognized BPO services

➢ <u>Strengthen business in ERP solutions</u>
   ⇒ Unify respective ERP solutions-related resources, utilizing SCS's
       ProActive and other solutions to grow ERP business

Strategies to strengthen and expand business foundation ②

◆Strengthen management infrastructure and efficiency

Stabilize financial position, lift productivity and quality, and boost customer satisfaction based on reliability and trust

➤ <u>Increase productivity and quality in systems integration</u>
- ⇒ Optimize development costs through appropriate balance of near-shore, off-shore locations and outside vendors
- ⇒ Unify respective development and project management methods to improve productivity and quality, strengthening competitive ability to meet customers' changing and increasingly sophisticated needs

➤ <u>Optimize data center management efficiency</u>
- ⇒ Leverage economies of scale to reduce operational and management costs of data centers

➤ <u>Pursue collective procurement</u>
- ⇒ Improve procurement efficiency with collective purchasing of hardware and software

➤ <u>Efficiently allocate human resources</u>
- ⇒ Grow earnings base and reduce SG&A through efficient allocation of personnel

Strategies to strengthen and expand business foundation ③

◆ Strengthen technical and human resources

➢ <u>Strengthen proposal creativity, technical ability and service provision</u>
<u>by unifying technical and human resources</u>

  ⇒   Build deeper relationships with existing customers and develop new customers
      Engage in large-scale projects
      Create new services

➢ <u>Integrate and enhance R&D</u>

  ⇒   Strengthen R&D functions by integrating related resources
      Adopt cutting edge technology
      Develop new business lines

➢ <u>Integrate and strengthen training systems</u>

  ⇒   Strengthen personnel as top priority for the post merger company
      Integrate respective training experience and methods to enhance
      capabilities of personnel and pursue a new, unified corporate culture

Overview of merger

Surviving company	Sumisho Computer Systems Corporation (SCS)	
Details of the Allotment with respect to the Merger	SCS	CSK
	1 Common share	0.24 Common share(s)
	1 Class A Preferred share	1 Class A Preferred share
	1 Class B Preferred share	1 Class B Preferred share
	1 Common share	2,400 Class E Preferred shares
New corporate name and HQ	SCSK Corporation, Harumi, Chuo-ku, Tokyo	
Representative	Nobuhide Nakaido	
Major shareholders	Sumitomo Corporation(50.8%), ACAI(11.6%)	
Listings	Continued listing on the TSE first section	
Dates of key events	February 24, 2011	Approval of the execution of the merger agreement at board meetings of each SCS and CSK
	March 10, 2011 to April 11,2011 (planned)	Tender offer period
	Late June, 2011(planned)	GSMs of SCS and CSK
	October 1, 2011(planned)	Effective date of merger