

Results of Operations for 2nd Quarter of Fiscal Year Ending March 2017

Tooru Tanihara
President

October 28, 2016

Financial Results for 2nd Quarter of Fiscal Year 2016

(Billions of Yen)

	Apr. 2015- Sep. 2015	Apr. 2016- Sep. 2016	<i>Increase/Decrease</i>	
			<i>Amount</i>	<i>%</i>
Net Sales	154.8	157.4	2.5	1.7%
Operating Income	13.9	14.7	0.7	5.7%
Net Income Attributable to Owners of Parent	11.0	13.2	2.2	20.7%

Transform Business Structure
(to a non-labor-intensive business)
Dynamic Growth Strategy
Aiming to Achieve High Profit Growth

Core Strategies

- 1). Shift to service-oriented businesses
- 2). Promote strategic businesses that capture the changing times
- 3). Enter into the second stage of global business expansion

Strengthen Management Base

- 1). Seek operational quality
- 2). Improve business strategies profitability
- 3). Enhance operational efficiency
- 4). Pleasant, fulfilling place to work / Promote health and productivity mgt.
- 5). Enhance human resource capabilities

Distributors

- Next Generation CRM Platform Services

Financial Institutions

- "O2O*" Platform Services
- Application of Artificial Intelligence

*O2O : Online to Offline

Create Our Future of Dreams

We create our future of dreams
by establishing value
based on our customers' trust.

Disclaimer

- This data is intended to provide information about the Group's performance and business strategy and is not intended to solicit the purchase or sales of shares in Group companies.
- Estimates, targets, and outlooks included in this report are forward-looking statements based on information available as of the date of publication. Results and outcomes may differ materially from the forward-looking statements and no guarantee is made that targets will be reached. All such statements are subject to change without notice.
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Consolidated Results of Operations for 2nd Quarter of Fiscal Year Ending March 2017

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SCSK Corporation
October 28, 2016

Consolidated Financial Results of Operations for 2nd Quarter of FY2016

(1) Highlights for 2nd Quarter of FY2016	•••• P2
(2) Consolidated Statements of Income	•••• P3
(3) Sales Comparison by Segment	•••• P4
(4) Incoming Orders and Backlog	•••• P5
(5) Sales Comparison by Customer Industry	•••• P6
(6) Business Performance by Reported Segment	•••• P7
(7) Operating Income Analysis	•••• P8
(8) Consolidated Balance Sheets	•••• P9
(9) Financial Forecasts for FY2016	•••• P10

(1) Highlights for 2nd Q of FY2016

Net Sales

157,412 JPY Million

YOY + 1.7%

Operating Income

14,723 JPY Million

YOY + 5.7%

Order Backlog

108,233 JPY Million

YOY + 1.1%

Operating Margin

9.4%

YOY + 0.4 p.p.

(2) Consolidated Statements of Income

(Millions of yen)

	Apr. 2015- Sep. 2015	Apr. 2016- Sep. 2016	Increase/Decrease	
			Amount	Change (%)
Net Sales	154,812	157,412	2,599	1.7%
Gross Profit	36,773	38,460	1,687	4.6%
(Gross Profit Margin)	(23.8%)	(24.4%)		
SG&A Expenses	22,846	23,737	891	3.9%
Operating Income	13,926	14,723	796	5.7%
(Operating Income Margin)	(9.0%)	(9.4%)		
Ordinary Income	14,780	15,781	1,001	6.8%
Profit attributable to owners of parent	11,004	13,286	2,282	20.7%

(3) Sales Comparison by Segment

(Millions of yen)

	Apr. 2015- Sep. 2015	Apr. 2016- Sep. 2016	Increase/Decrease	
			Amount	Change (%)
Systems Development	59,291 (38.3%)	61,957 (39.4%)	2,666	4.5%
System Maintenance and Operation/ Services	58,095 (37.5%)	61,776 (39.2%)	3,681	6.3%
Packaged Software/ Hardware Sales	35,886 (23.2%)	32,138 (20.4%)	-3,747	-10.4%
Prepaid Card	1,539 (1.0%)	1,539 (1.0%)	0	0.0%
Total	154,812 (100.0%)	157,412 (100.0%)	2,599	1.7%

(4) Incoming Orders and Backlog

(Millions of yen)

		Apr. 2015- Sep. 2015	Apr. 2016- Sep. 2016	Increase/Decrease	
				Amount	Change (%)
Systems Development	Incoming orders	62,773	63,480	706	1.1%
	Backlog	27,117	26,633	-484	-1.8%
System Maintenance and Operation/ Services	Incoming orders	52,463	54,744	2,281	4.3%
	Backlog	68,524	70,739	2,215	3.2%
Packaged Software /Hardware Sales	Incoming orders	39,057	36,499	-2,558	-6.5%
	Backlog	11,422	10,860	-561	-4.9%
Total	Incoming orders	154,293	154,724	430	0.3%
	Backlog	107,064	108,233	1,169	1.1%

(5) Sales Comparison by Customer Industry

(Millions of yen)

	Apr. 2015-Sep. 2015		Apr. 2016 –Sep. 2016		Increase/ Decrease	
	Amount	Composition	Amount	Composition	Amount	Change (%)
Manufacturers	41,006	26.5%	44,114	28.0%	3,108	7.6%
Distributors	24,041	15.5%	24,991	15.9%	949	4.0%
Financial Institutions	34,514	22.3%	37,070	23.6%	2,556	7.4%
Banks	11,325	7.3%	12,257	7.8%	932	8.2%
Securities Firms	5,471	3.5%	5,112	3.2%	-358	-6.6%
Shopping Credit/ Leasing Companies	5,573	3.6%	5,846	3.7%	272	4.9%
Insurance Companies	12,143	7.8%	13,854	8.8%	1,710	14.1%
Communications/ Transportation	29,182	18.8%	24,067	15.3%	-5,114	-17.5%
Utilities	1,690	1.1%	1,711	1.1%	21	1.3%
Services	16,554	10.7%	17,216	10.9%	662	4.0%
Others*	7,823	5.1%	8,239	5.2%	415	5.3%
Total	154,812	100.0%	157,412	100.0%	2,599	1.7%

*Others includes Prepaid Card Business

(6) Business Performance by Reported Segment

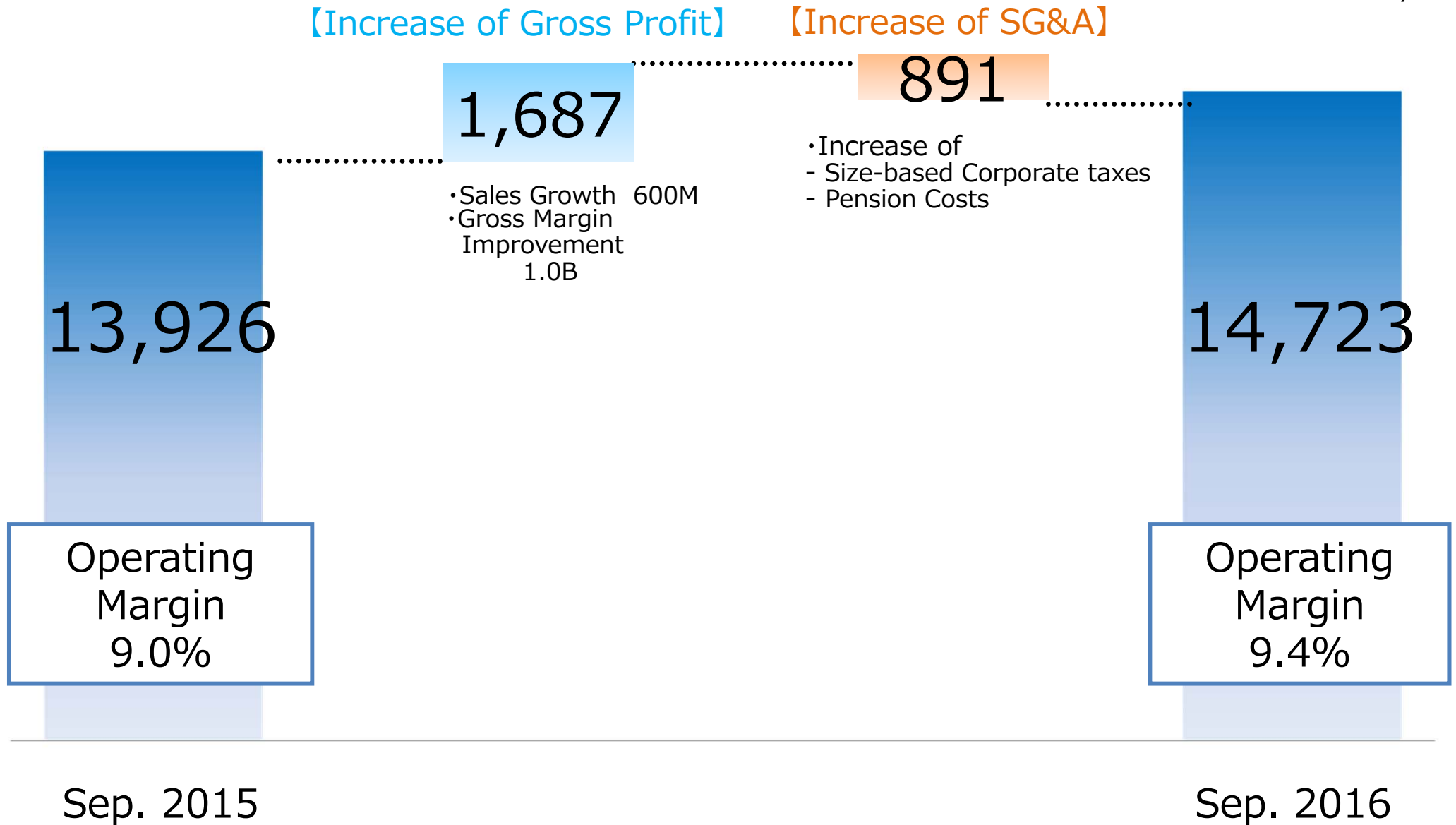
(Millions of yen)

External Sales	Manufacturing Systems	Telecommunication Systems	Distribution Systems	Financial Systems	Business Solution	Business Services	Platform Solution	Prepaid Card	Others	Adjustments	Total
Apr. 2016~ Sep. 2016	20,425	12,809	23,570	34,940	9,486	20,830	33,422	1,539	387	-	157,412
Apr. 2015~ Sep. 2015	19,567	11,654	23,683	32,710	9,498	18,337	37,428	1,539	393	-	154,812
Increase/Decrease (Amount)	858	1,155	-113	2,230	-11	2,492	-4,005	0	-6	-	2,599
Increase/Decrease (%)	4.4%	9.9%	-0.5%	6.8%	-0.1%	13.6%	-10.7%	0.0%	-1.6%	-	1.7%

Operating Income	Manufacturing Systems	Telecommunication Systems	Distribution Systems	Financial Systems	Business Solution	Business Services	Platform Solution	Prepaid Card	Others	Adjustments	Total
Apr. 2016~ Sep. 2016	1,438	2,203	3,436	3,608	891	1,475	2,441	146	58	-976	14,723
Apr. 2015~ Sep. 2015	1,044	1,880	3,265	3,839	618	1,054	2,756	136	109	-777	13,926
Increase/Decrease (Amount)	393	323	170	-231	273	421	-314	10	-51	-199	796
Increase/Decrease (%)	37.7%	17.2%	5.2%	-6.0%	44.2%	39.9%	-11.4%	7.7%	-46.8%	-	5.7%

(7) Operating Income Analysis

(Millions of yen)

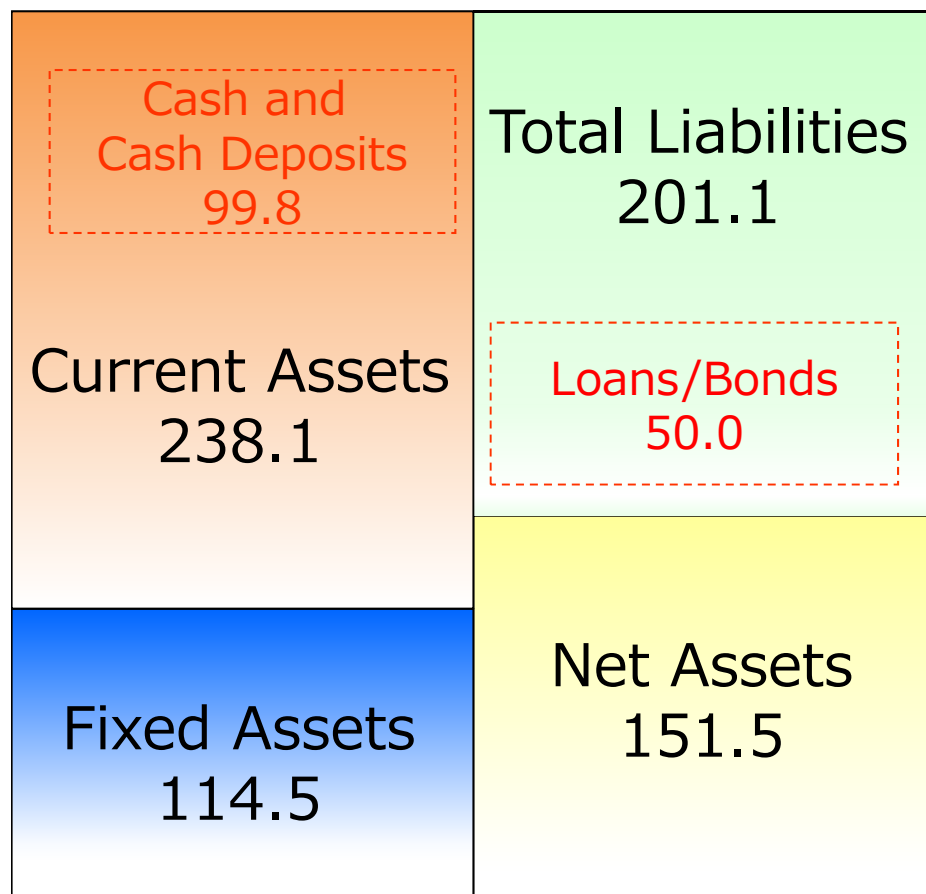


(8) Consolidated Balance Sheets

As of March 31, 2016

(Billions of yen)

Total Assets 352.6

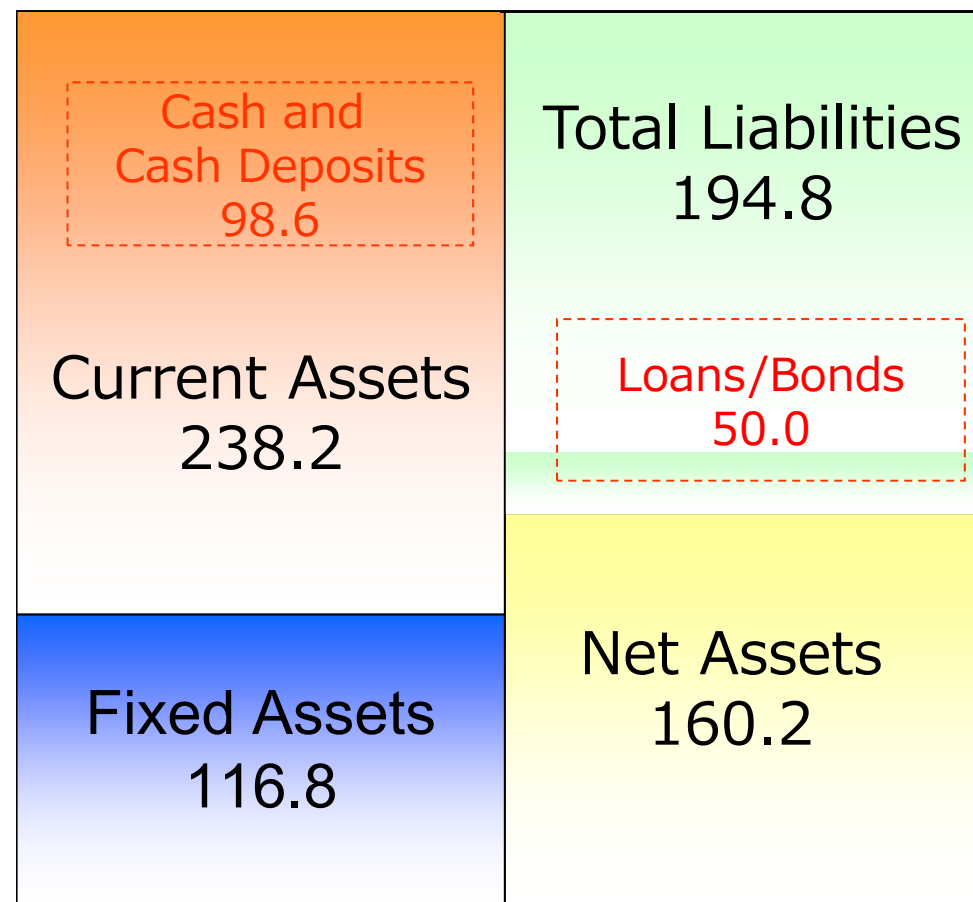


Equity Ratio 41.2%
BPS JPY1,401.00

As of September 30, 2016

(Billions of yen)

Total Assets 355.1



Equity Ratio 43.3%
BPS JPY 1,482.30

(9) Financial Forecasts for FY 2016

(Millions of yen)

	Apr. 2015- Mar. 2016	Apr. 2016- Mar. 2017 (Forecast)	<i>Increase/Decrease</i>
Net Sales	323,945	330,000	1.9%
Operating Income	31,785	33,000	3.8%
(Operating Income Margin)	(9.8%)	(10.0%)	
Ordinary Income	33,610	34,000	1.2%
Profit attributable to owners of parent	26,956	25,000	-7.3%

*Unchanged from the estimate at beginning of the year

Attention on the use of this document

- We have made amendment of previous year's data in page 6 (Sales Comparison by Customer Industry) to reflect the revision of industry applied to some customers.
- We have made amendment of previous year's data in page 7 (External Sales and Operating Income by Reported Segment) to enable a fair comparison with this year's data under realigned reported segments.

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