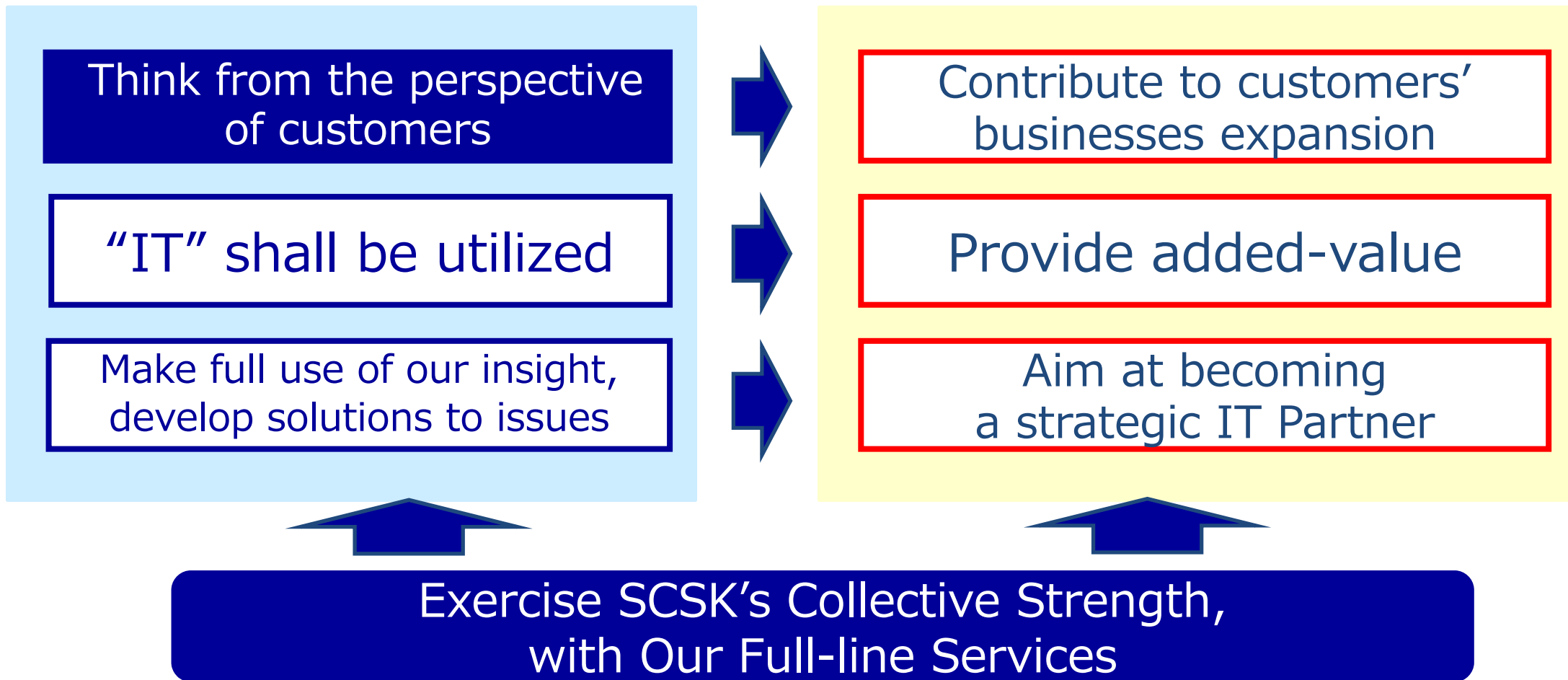


# Results of Operations for Fiscal Year Ended March 31, 2017, Business Strategies for Fiscal Year Ending March 31, 2018

Tooru Tanihara  
President

April 28, 2017

## SCSK "To-be" Model




## II . Financial Results for Fiscal Year 2016

(Billions of Yen)

	Apr. 2015- Mar. 2016	Apr. 2016- Mar. 2017	<i>Increase/ Decrease</i>
Net Sales	323.9	329.3	1.7%
Operating Profit	31.7	33.7	6.1%
Ordinary Profit	33.6	36.1	7.5%
Profit Attributable to Owners of Parent	26.9	28.4	5.6%

## ◆ Dividend Payout

	Apr.2015- Mar.2016	Apr.2016- Mar.2017 (Forecast)	Apr.2016- Mar.2017 (Actual)
Dividend per Share	JPY75	JPY85	JPY90



# III. Forecasts for FY2017

## ◆ Forecasts for FY2017

(Billions of Yen)

	Apr.2016- Mar.2017	Apr.2017- Mar.2018 (Forecast)	Increase/ Decrease
Sales	329.3	340.0	3.2%
Operating Profit	33.7	36.0	6.8%
Ordinary Profit	36.1	37.0	2.4%
Profit Attributable to Owners of Parent	28.4	24.5	-13.9%
Dividend	JPY90	JPY95	—

Shift to service-oriented businesses

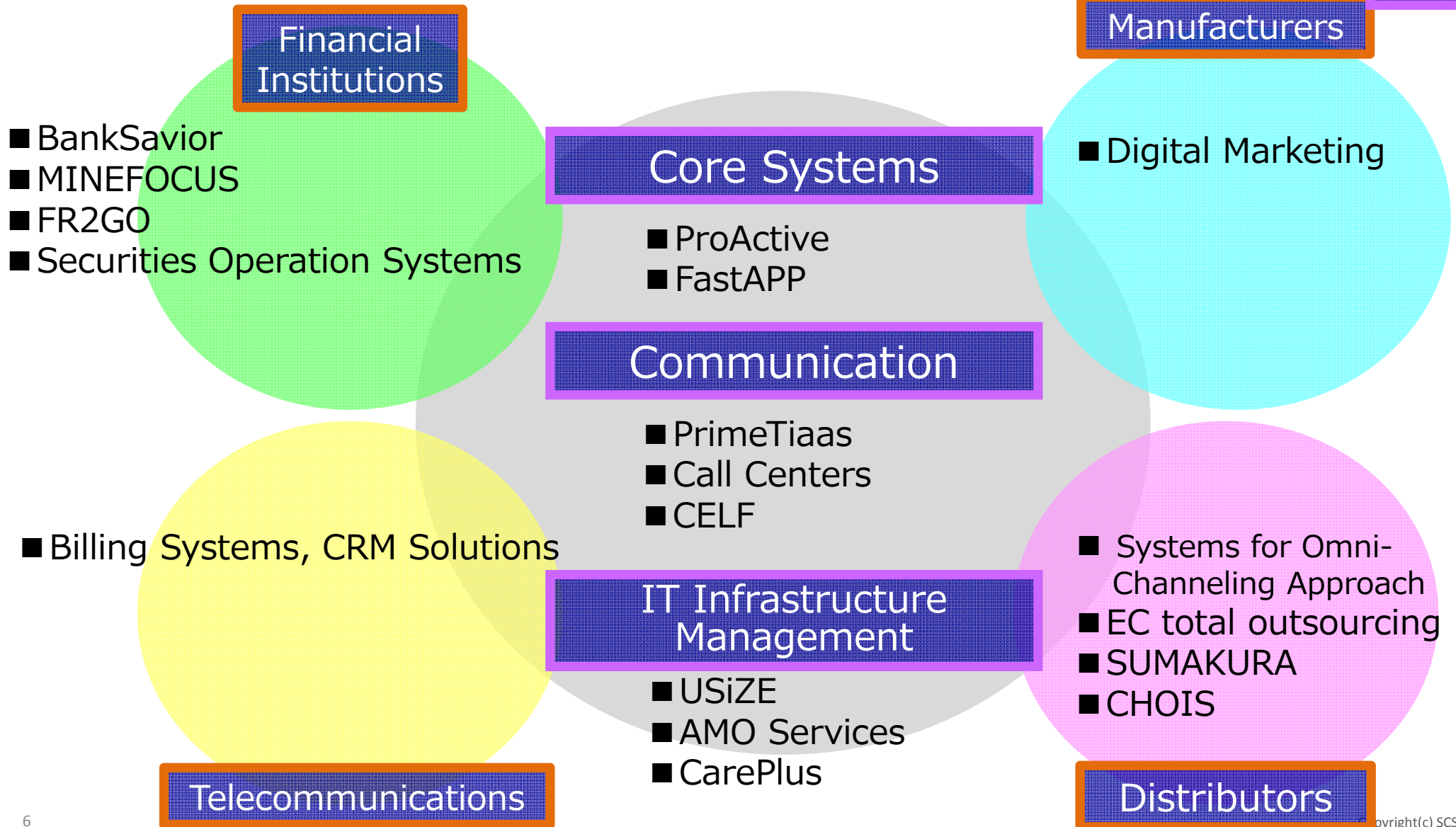
Promote strategic businesses  
that capture the changing times

Enter into the second stage of  
global business expansion

# IV. Business Strategies for FY2017

## ◆ Progress: Shift to Service - Oriented Businesses

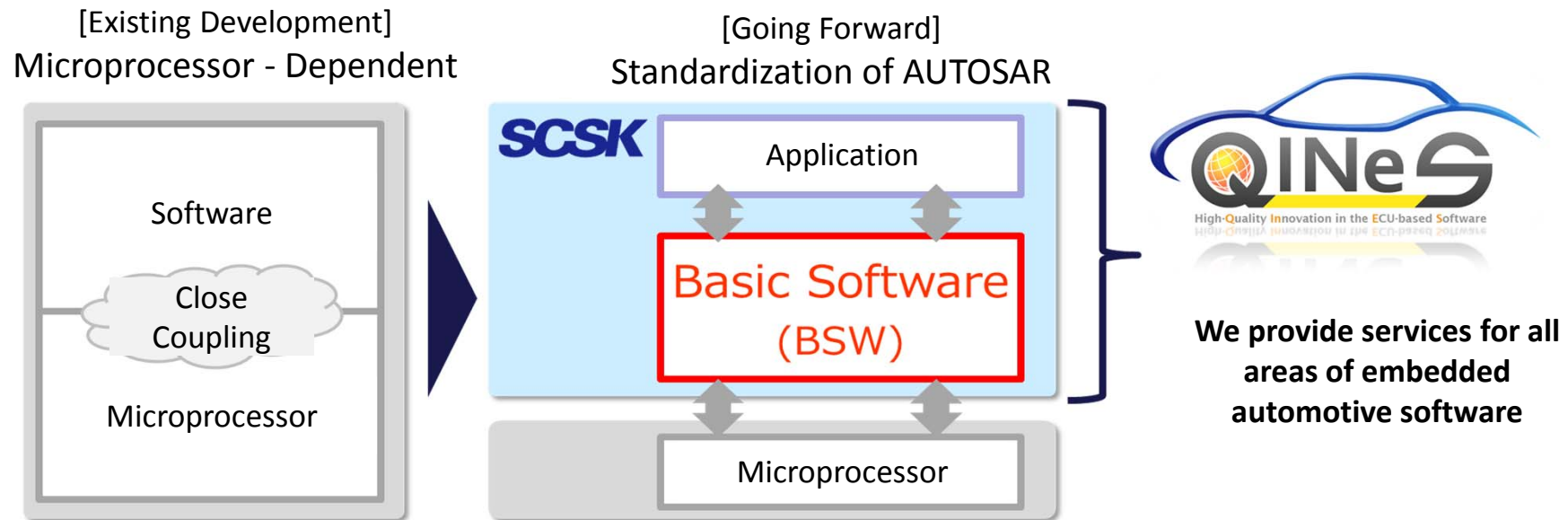
Industry Focus  
Platform Services



# IV. Business Strategies for FY2017

## ◆ Automotive Software Business

We provide architecture facilitating complication and enlargement of automobile software development, realizing assured quality and high productivity

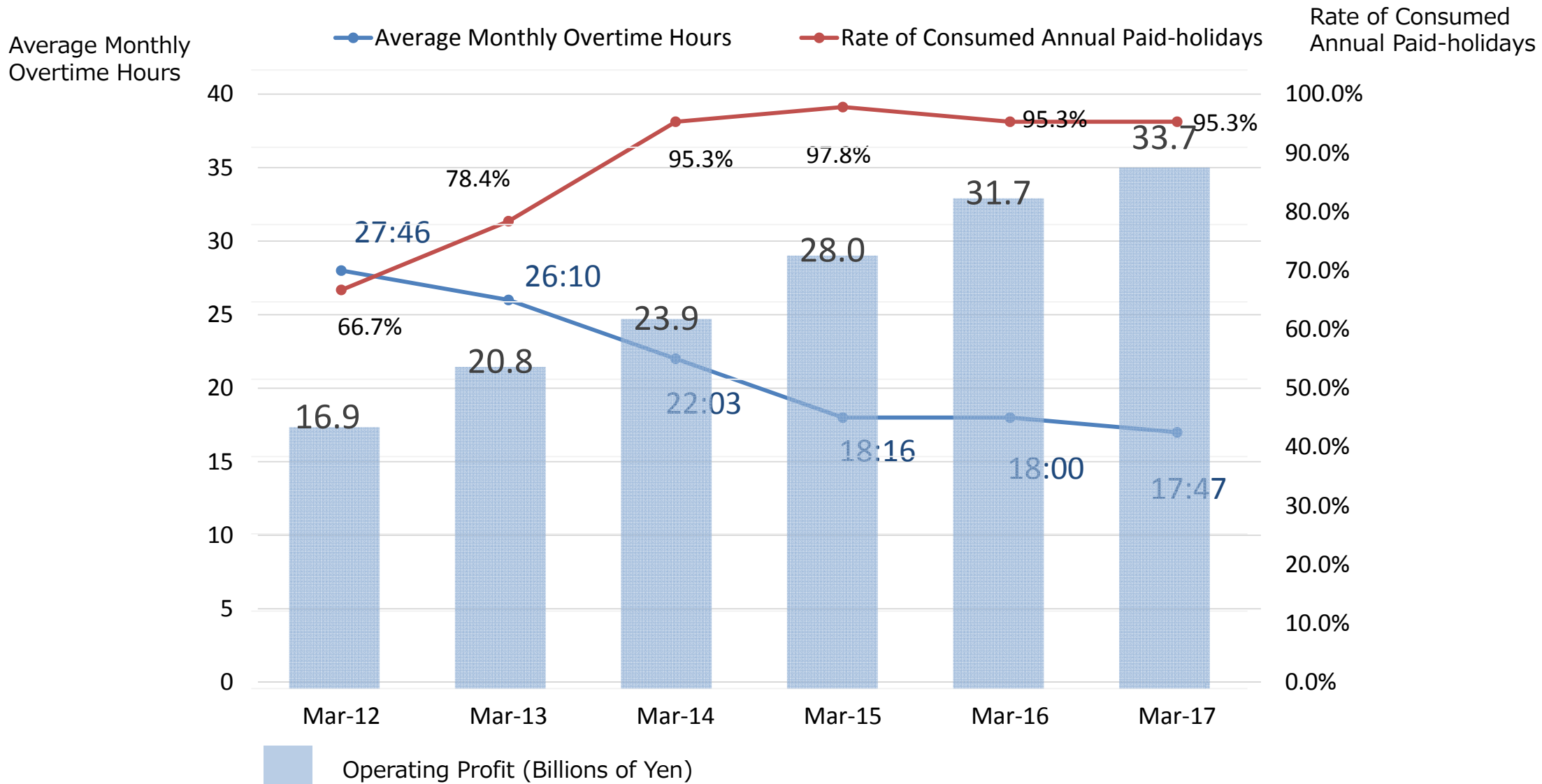


**Aiming at Contributing to Japanese Auto Industry  
For Them to Win Global Competition**



# V. Working Style Reforms

## ◆ Trend of Operating Profit, Average Monthly Overtime Hours and Rate of Consumed Annual Paid Holidays



## ◆ External Recognition

■ Presented with Minister award/ Best award of big corporation as a company with high productivity, providing a comfortable working environment hosted by Minister of Health, Labor and Welfare

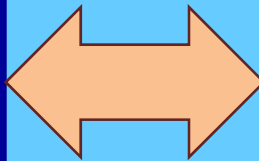


■ Third Consecutive Year selected as “Brand of Companies Enhancing Corporate Value through Health & Productivity” jointly organized by the Tokyo Stock Exchange and METI(FY2014, FY2015 and FY2016)



■ Third Consecutive Year selected as “Nadeshiko Brand” designation jointly hosted by the Tokyo Stock Exchange and METI(FY2014, FY2015 and FY2016)

Improve  
Corporate Governance



Reform of  
Board of Directors

- Decreasing the Number of the Board
- Further Separation of Administration and Monitoring of Business Operation
- Further Enhancement of Monitoring Function

# 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.
- SCSK cannot be held responsible for losses resulting from information contained in this report. This report should not be reproduced or retransmitted without authorization.

# Consolidated Results of Operations for Fiscal Year Ended March 2017

Tetsuya Fukunaga  
CFO

SCSK Corporation

April 28, 2017

## **1. Consolidated Financial Results of Operations for FY2016**

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

<b>2. Financial Forecasts for FY2017</b>	.... P11
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<b>3. Dividend Forecasts for FY2017</b>	.... P12
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# 1.- (1) Highlights for FY2016

## Net Sales

**329,303** JPY Million

YOY + 1.7%

## Operating Profit

**33,714** JPY Million

YOY + 6.1%

## Order Backlog

**117,151** JPY Million

YOY + 7.1%

## Operating Margin

**10.2%**

YOY + 0.4 p.p.



# 1.- (2) Consolidated Statements of Income

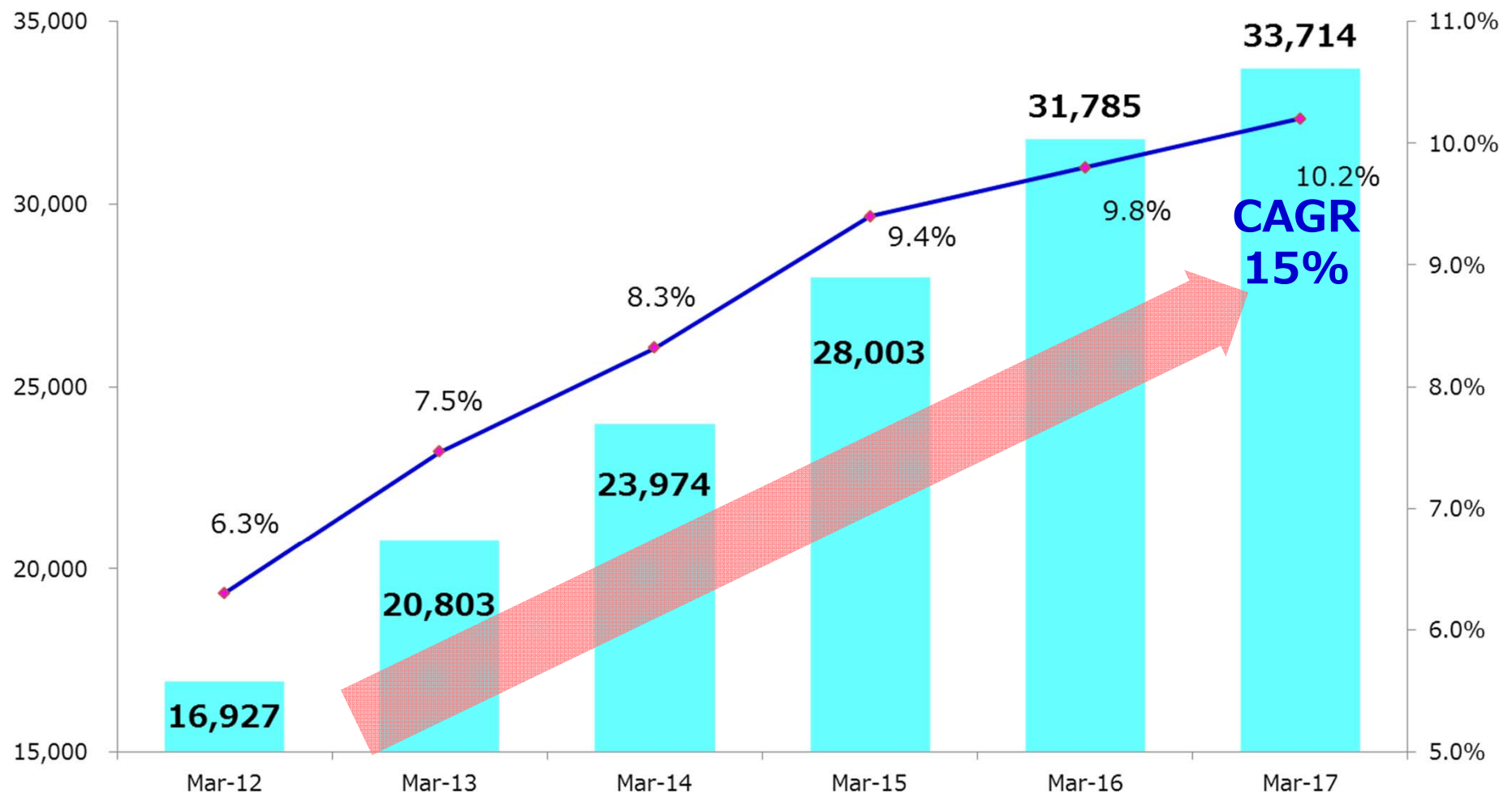
(Millions of yen)

	Apr. 2015- Mar. 2016	Apr. 2016- Mar. 2017	Increase/Decrease	
			Amount	Change (%)
Net Sales	323,945	<b>329,303</b>	5,358	1.7%
Gross Profit	78,021	<b>81,754</b>	3,733	4.8%
(Gross Margin)	(24.1%)	<b>(24.8%)</b>		
SG&A Expenses	46,235	<b>48,040</b>	1,804	3.9%
Operating Profit	31,785	<b>33,714</b>	1,928	6.1%
(Operating Margin)	(9.8%)	<b>(10.2%)</b>		
Ordinary Profit	33,610	<b>36,121</b>	2,511	7.5%
Profit attributable to owners of parent	26,956	<b>28,458</b>	1,502	5.6%

# 1.- (3) Operating Profit Trend(FY11-FY16)

## Operating Profit / Operating Margin

(Millions of yen)



# 1.- (4) Sales Comparison by Segment

(Millions of yen)

	Apr. 2015- Mar. 2016	Apr. 2016- Mar. 2017	Increase/Decrease	
			Amount	Change (%)
Systems Development	124,470 (38.4%)	<b>127,051</b> (38.6%)	2,581	2.1%
System Maintenance and Operation/ Services	119,170 (36.8%)	<b>125,802</b> (38.2%)	6,631	5.6%
Packaged Software/ Hardware Sales	77,087 (23.8%)	<b>73,147</b> (22.2%)	-3,939	-5.1%
Prepaid Card	3,217 (1.0%)	<b>3,302</b> (1.0%)	85	2.6%
Total	323,945 (100.0%)	<b>329,303</b> (100.0%)	5,358	1.7%

# 1.- (5) Incoming Orders and Backlog

(Millions of yen)

		Apr. 2015- Mar. 2016	Apr. 2016- Mar. 2017	Increase/Decrease	
				Amount	Change (%)
Systems Development	Incoming orders	125,946	<b>127,264</b>	1,318	1.0%
	Backlog	25,111	<b>25,324</b>	212	0.8%
Systems Maintenance and Operation/ Services	Incoming orders	122,784	<b>129,881</b>	7,097	5.8%
	Backlog	77,771	<b>81,850</b>	4,079	5.2%
Packaged Software /Hardware Sales	Incoming orders	75,335	<b>76,624</b>	1,288	1.7%
	Backlog	6,500	<b>9,977</b>	3,476	53.5%
Total	Incoming orders	324,066	<b>333,770</b>	9,703	3.0%
	Backlog	109,382	<b>117,151</b>	7,769	7.1%

# 1.- (6) Sales Comparison by Customer Industry

(Millions of yen)

	Apr. 2015-Mar. 2016		Apr. 2016 –Mar. 2017		Increase/ Decrease	
	Amount	Composition	Amount	Composition	Amount	Change (%)
Manufacturers	88,202	27.2%	<b>92,097</b>	<b>28.0%</b>	3,894	4.4%
Distributors	49,886	15.4%	<b>51,287</b>	<b>15.6%</b>	1,401	2.8%
Financial Institutions	74,324	22.9%	<b>74,525</b>	<b>22.6%</b>	200	0.3%
Banks	23,779	7.3%	<b>25,265</b>	<b>7.7%</b>	1,486	6.3%
Securities Firms	11,613	3.6%	<b>9,367</b>	<b>2.8%</b>	-2,245	-19.3%
Shopping Credit/ Leasing Companies	12,108	3.7%	<b>12,124</b>	<b>3.7%</b>	16	0.1%
Insurance Companies	26,823	8.3%	<b>27,767</b>	<b>8.4%</b>	944	3.5%
Communications/ Transportation	57,572	17.8%	<b>53,897</b>	<b>16.4%</b>	-3,674	-6.4%
Utilities	3,804	1.2%	<b>3,435</b>	<b>1.0%</b>	-369	-9.7%
Services	33,903	10.5%	<b>35,675</b>	<b>10.8%</b>	1,772	5.2%
Others*	16,250	5.0%	<b>18,383</b>	<b>5.6%</b>	2,133	13.1%
<b>Total</b>	<b>323,945</b>	<b>100.0%</b>	<b>329,303</b>	<b>100.0%</b>	<b>5,358</b>	<b>1.7%</b>

# 1.- (7) 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~ Mar. 2017	42,694	26,248	48,280	70,529	19,289	42,811	75,379	3,302	766	-	329,303
Apr. 2015~ Mar. 2016	40,481	24,545	48,577	70,887	19,052	39,273	77,135	3,217	774	-	323,945
Increase/Decrease (Amount)	2,212	1,703	-297	-358	237	3,538	-1,755	85	-8	-	5,358
Increase/Decrease (%)	5.5%	6.9%	-0.6%	-0.5%	1.2%	9.0%	-2.3%	2.6%	-1.0%	-	1.7%

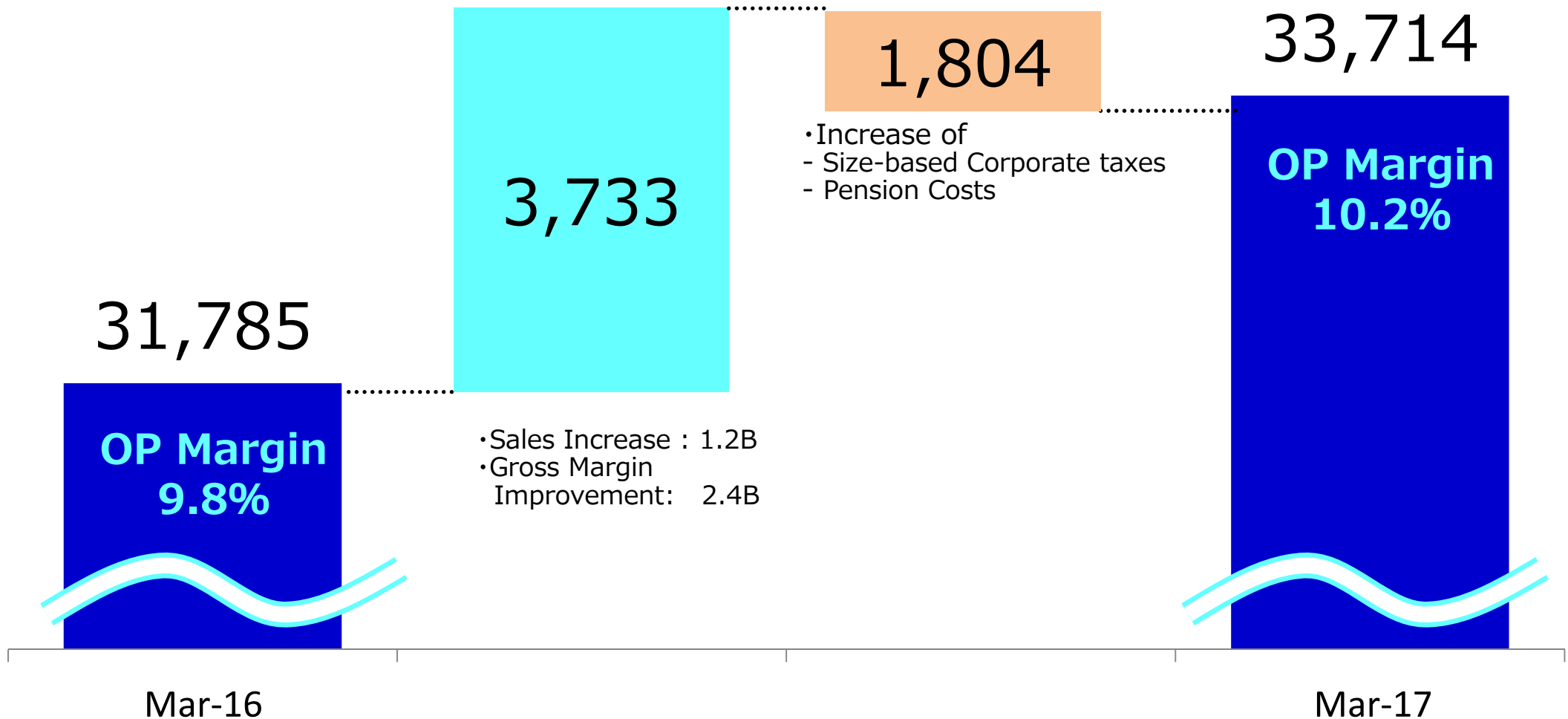
Operating Income	Manufacturing Systems	Telecommunication Systems	Distribution Systems	Financial Systems	Business Solution	Business Services	Platform Solution	Prepaid Card	Others	Adjustments	Total
Apr. 2016~ Mar. 2017	3,290	5,206	7,133	7,296	2,087	3,303	7,138	278	260	-2,278	33,714
Apr. 2015~ Mar. 2016	3,001	4,212	6,822	8,359	1,592	2,840	6,316	225	313	-1,898	31,785
Increase/Decrease (Amount)	288	993	310	-1,063	494	462	822	53	-53	-379	1,928
Increase/Decrease (%)	9.6%	23.6%	4.6%	-12.7%	31.0%	16.3%	13.0%	23.5%	-16.9%	-	6.1%

# 1.- (8) Operating Profit Analysis

(Millions of yen)

【Increase of Gross Profit】

【Increase of SG&A】

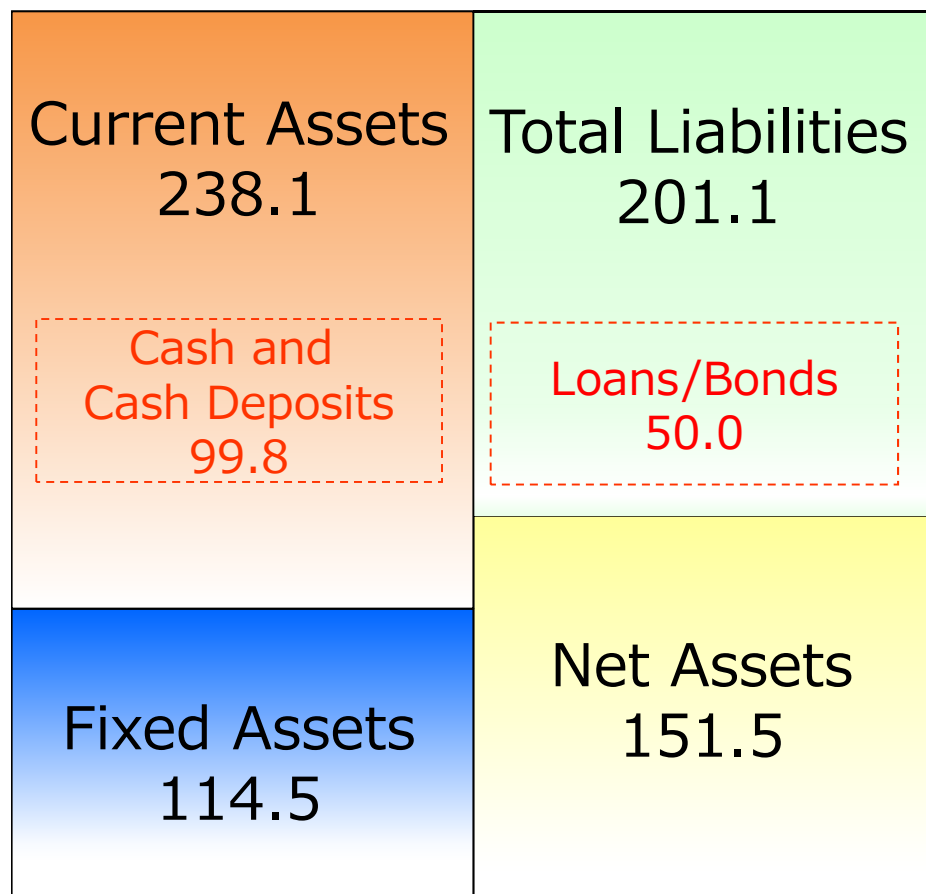


# 1.- (9) Consolidated Balance Sheets

As of March 31, 2016

(Billions of yen)

Total Assets 352.6

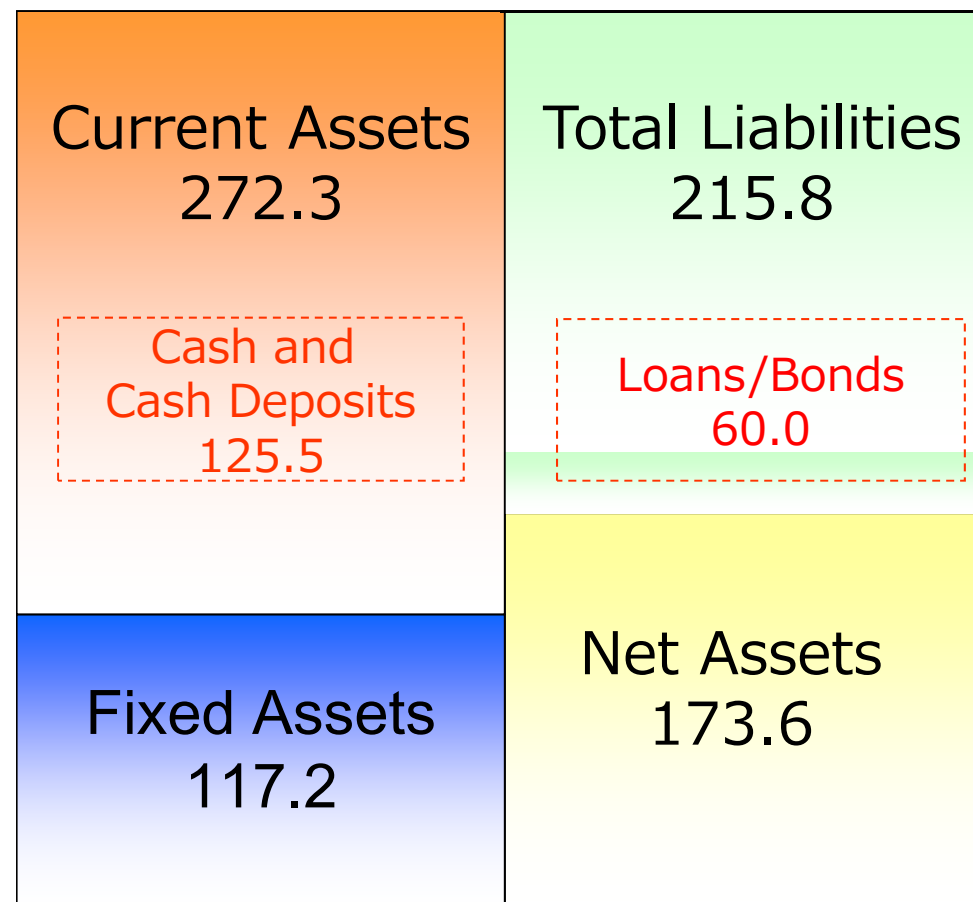


Equity Ratio 41.2%  
BPS JPY1,401.00

As of March 31, 2017

(Billions of yen)

Total Assets 389.5



Equity Ratio 42.8%  
BPS JPY 1,607.74



## 2. Financial Forecasts for FY 2017

(Millions of yen)

	Apr. 2016- Mar. 2017	Apr. 2017- Mar. 2018 (Forecasts)	Increase/ Decrease	
			Amount	Change (%)
<b>Sales</b>	329,303	<b>340,000</b>	10,696	3.2%
<b>Gross Profit</b>	81,754	<b>85,500</b>	3,745	4.6%
(Gross Margin)	(24.8%)	<b>(25.1%)</b>		
<b>SG&amp;A</b>	48,040	<b>49,500</b>	1,459	3.0%
<b>Operating Profit</b>	33,714	<b>36,000</b>	2,285	6.8%
(Operating Margin)	(10.2%)	<b>(10.6%)</b>		
<b>Ordinary Profit</b>	36,121	<b>37,000</b>	878	2.4%
<b>Profit Attributable to Owners of Parent</b>	28,458	<b>24,500</b>	-3,958	-13.9%

# 3. Dividend Forecasts for FY2017

(Millions of yen)

	Apr. 2015- Mar. 2016	Apr. 2016- Mar. 2017		Apr. 2017- Mar. 2018 (Forecasts)
		Forecasts	Actual	
<b>Annual Dividend Per Share</b>	JPY75	JPY85	JPY90	<b>JPY95</b>
<b>Total Dividend Amount</b>	7,801	8,842	9,362	<b>9,883</b>
<b>Profit Attributable to Owners of Parent</b>	26,956	25,000	28,458	<b>24,500</b>
<b>Payout Ratio</b>	29%	35%	33%	<b>40%</b>

<Reference : Estimates on normal tax rate basis>

<i>Profit Attributable to Owners of Parent</i>	<i>20,900</i>	<i>22,100</i>	<i>23,958</i>
<i>Payout Ratio</i>	<i>37%</i>	<i>40%</i>	<i>39%</i>

## 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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