Greetings, I am Tetsuya Fukunaga.

I would like to begin today's presentation with an explanation of our performance in the six-month period ended September 30, 2017, and our full-year forecasts for performance in fiscal year ending March 31, 2018. This explanation will follow the materials that have been distributed to you, and I will be elaborating on certain topics.

Contents

SCSK

Consolidated Financial Results of Operations for 2nd Quarter of FY2017

Please turn to slide 2. Here you will see highlights of our consolidated performance in the six-month period. First, I will be offering an overview of our consolidated performance. As mentioned by President Tanihara, sales grew year on year in the six-month period, while profit was down.

Net sales were up 3.8% year on year. This outcome was attributable to strong growth in sales centered on the communications industry. Specifically, sales of systems for this industry increased to an extent that exceeded our initial expectations.

Operating profit, meanwhile, 9.8% decreased year on year. Factors behind this decrease included increases in depreciation and amortization and R&D expenses associated with investments for facilitating the shift toward service-oriented businesses and the development of strategic businesses as well as other initially anticipated expenses associated with the restructuring of SCSK's business portfolio. Meanwhile, There were expenses related to investments in businesses targeting the distribution industry and investments in business process outsourcing or BPO services as well as marketing expenses that exceeded our initial projections.

We attempted to compensate for the higher expenses by increasing business earnings, but overall profitability declined in comparison to our initial estimates. Reasons for this decline included an increase in the portion of sales attributable to relatively low-margin systems sales as well as delays in the commencement of large-scale projects for customers in the financial industries. The increases in expenses I speak all represent necessary investments for advancing the shift toward service-oriented businesses and the development of strategic businesses. In this manner, our management strategies are proceeding steadily. Furthermore, these restructuring expenses are not anticipated to increase to any significant degree during the second half of the fiscal year. I will touch on this subject a little more later in this presentation.

Other factors behind the decrease in operating profit included losses on unprofitable projects. However, these detractions were more or less in line with our initial expectations.

In regard to the new systems development order from a securities industry customer that had a large impact on performance in the three-month period ended June 30, 2017, we succeeded in concluding a contract for this order at the end of September. Accordingly, in the six-month period ended September 30, 2017, we were able to record the entire amount of sales associated with the upfront development expenses incurred during three-month period. This order has thus been concluded.

Turning to the operating margin, as stated, several factors negatively affect operating profitability. As a result, the operating income was down 1.3 percentage points year on year.

Lastly, overall order backlog decreased 2.8% year on year due to lower backlog for system sales orders. I will talk about this subject in more detail a little later.

(2) Consolidated Statements of Income

SCSK

(Millions of yen)

	Apr. 2016- Sept. 2016	Apr. 2017- Sept. 2017	Increase/Decrease	
			Amount	Change (%)
Net Sales	157,412	**163,466**	*6,053*	*3.8%*
Gross Profit	38,460	**38,343**	*-117*	*-0.3%*
(Gross Profit Margin)	(24.4%)	**(23.5%)**		
SG&A Expenses	23,737	**25,070**	*1,332*	*5.6%*
Operating Profit	14,723	**13,272**	*-1,450*	*-9.8%*
(Operating Profit Margin)	(9.4%)	**(8.1%)**		
Ordinary Profit	15,781	**14,273**	*-1,508*	*-9.6%*
Profit attributable to owners of parent	13,286	**12,034**	*-1,252*	*-9.4%*

Turning now to slide 3, here is a summary of SCSK's consolidated statements of income.

I touched on some of the main items displayed on this slide when discussing the previous slide. I would thus like to focus on profit attributable to owners of parent.

Along with a sale of shares in one of our affiliated companies, which I will explain later in detail, a certain amount of tax benefit was recorded which increased profit attributable to owners of parent in the six-month period ended September 30, 2017. However, 1st quarter of last fiscal year, specifically in the three-month period ended June 30, 2016, ¥3.0 billion in tax benefit was recorded as a result of a change in accounting standards. Therefore, as a year-on-year comparison, we saw one billion of negative impact on a net basis. Together with the decrease in operating profit, profit attributable to owners of parents decreased by 9.4% from the same period of the last fiscal year.

This concludes our look at SCSK's consolidated statements of income.

(3) Sales Comparison by Sales Segment

SCSK

(Millions of yen)

	Apr. 2016- Sept. 2016	Apr. 2017- Sept. 2017	Increase/Decrease	
			Amount	Change (%)
Systems Development	61,957 (39.4%)	**62,489** **(38.2%)**	*531*	*0.9%*
System Maintenance and Operation/ Services	61,776 (39.2%)	**63,560** **(38.9%)**	*1,784*	*2.9%*
Packaged Software/ Hardware Sales	32,138 (20.4%)	**35,524** **(21.7%)**	*3,385*	*10.5%*
Prepaid Card	1,539 (1.0%)	**1,892** **(1.2%)**	*352*	*22.9%*
Total	157,412 (100.0%)	**163,466** **(100.0%)**	*6,053*	*3.8%*

Moving on, I would now like to more closely examine earning figures for the period under review through our usual presentation materials. To begin, please look at the sales comparison by segment on slide 4.

In the systems development segment, sales were up 0.9% year on year. There were delays in the commencement of large-scale projects for banks, insurance companies, and other major financial institutions. However, the impacts of these delays were counteracted by strong demand. Specifically, we saw brisk systems development demand from distribution industry customers looking to step up their digital marketing efforts as well as solid strategic IT investment demand from automobile and other manufacturers and from communications industry customers such as major telecommunications carriers. During the second half of the fiscal year, we expect to increase sales more than what we had at the first half, as several core-system development projects for efficiency improvements and labor saving are expected to commence, and several mid-to-large-scale projects for insurance companies are anticipated to be put into motion.

Sales were up 2.9% year on year in the system maintenance and operation and services segment. Similar to the systems development segment, this segment benefited from service demand among distribution industry customers looking to step up their digital marketing efforts. In addition, sales of maintenance and operation services, including those driven by demand for IT cloud services, were firm, showing a year-on-year increase of 2.9%.

System sales were once again buoyed by orders for sales of network IT equipment to communications industry customers, as was the case in the three-month period ended June 30, 2017, leading to an increase in sales of 10.5% year on year.

(4) Incoming Orders and Backlog

SCSK

(Millions of yen)

		Apr. 2016- Sept. 2016	Apr. 2017- Sept. 2017	Increase/Decrease	
				Amount	Change (%)
Systems Development	Incoming orders	63,480	**64,038**	558	0.9%
	Backlog	26,633	**26,873**	240	0.9%
System Maintenance and Operation/ Services	Incoming orders	54,744	**51,709**	-3,035	-5.5%
	Backlog	70,739	**69,999**	-739	-1.0%
Packaged Software /Hardware Sales	Incoming orders	36,499	**33,918**	-2,580	-7.1%
	Backlog	10,860	**8,371**	-2,489	-22.9%
Total	Incoming orders	154,724	**149,667**	-5,056	-3.3%
	Backlog	108,233	**105,245**	-2,988	-2.8%

Looking at slide 5. I would like to discuss order trends seen in each sales segment.

Incoming orders for systems development increased 0.9% year on year. It is true that orders in this segment suffered due to the absence of orders from customers in the financial industry that were recorded in the same period of last year as well as delays in large projects in the same industry. However, these detractors were offset by new orders for enhancing e-commerce operations and reinforcing customer relationship management systems from other industries.

Looking ahead, we anticipate a smooth increase in order amounts during the second half of the fiscal year as large-scale contracts with insurance companies and other customers will be entering into the renewal phase during this period.

In regard to maintenance and operation services, incoming orders decreased 5.5% year on year while order backlog was down 1.0%. We continued to experience an increase in orders in conjunction with our strategies for expanding service-oriented businesses. Conversely, certain major customers for our conventional BPO services reduced the scale of their contracts or delayed their contract renewal.

There were large declines in incoming orders and order backlog, respectively, for system sales. These declines were a product of the disparity in the timings of receipt of network IT equipment sales orders for communications industry customers. And the order trends seen during the first half of the fiscal year do not represent an issue in terms of full-year performance.

(5) Sales Comparison by Customer Industry

SCSK

(Millions of yen)

	Apr. 2016 – Sept. 2016		Apr. 2017 – Sept. 2017		Increase/ Decrease	
	Amount	Composition	Amount	Composition	Amount	Change (%)
Manufacturers	44,054	28.0%	**44,253**	**27.1%**	*198*	*0.5%*
Distributors	25,059	15.9%	**26,158**	**16.0%**	*1,099*	*4.4%*
Financial Institutions	37,335	23.7%	**36,649**	**22.4%**	*-685*	*-1.8%*
Banks	12,198	7.7%	**11,753**	**7.2%**	*-445*	*-3.7%*
Securities Firms	5,105	3.2%	**5,590**	**3.4%**	*484*	*9.5%*
Shopping Credit/ Leasing Companies	6,176	3.9%	**6,048**	**3.7%**	*-128*	*-2.1%*
Insurance Companies	13,854	8.8%	**13,258**	**8.1%**	*-596*	*-4.3%*
Communications/ Transportation	23,998	15.2%	**28,448**	**17.4%**	*4,449*	*18.5%*
Utilities	1,711	1.1%	**1,871**	**1.1%**	*160*	*9.4%*
Services/Others※	25,253	16.0%	**26,083**	**16.0%**	*830*	*3.3%*
Total	157,412	100.0%	**163,466**	**100.0%**	*6,053*	*3.8%*

※Services / Others includes Prepaid Card Business

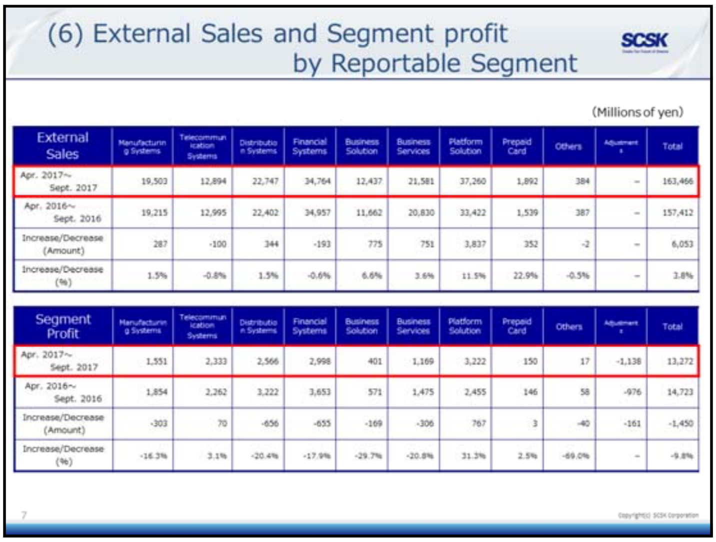
Turning to slide 6, I will now explain trends in sales by customer industry, although I can only touch on the major trends.

Sales to manufacturers were up 0.5 % year on year. We continued to see a strong demand trend for systems development, including conventional automotive software development from automobile manufacturers. However, the benefits of this trend were outweighed by a decrease in sales of product verification services from certain electrical machinery manufacturers.

Sales to distributors increased 4.4 % year on year. This increase was attributable to an ongoing rise in e-commerce- and customer relationship management system-related development projects and outsourcing for helping customers adopt an omni-channel retailing approach.

Sales to financial institutions decreased 1.8 % year on year. Factors behind this decrease included the delayed start of projects during the current fiscal year as well as the rebound from certain orders from financial institutions that were mentioned in the previous fiscal year and the conclusion of various systems development projects. Given that we are seeing the commencement of several large-scale projects with insurance companies and other customers, we expect sales to recover during the second half of the fiscal year. Also, to reiterate, in the six-month period ended September 30, 2017, we were able to record the entire amount of sales associated with an order from a securities industry customer for which upfront development expenses were incurred during the three-month period ended June 30, 2017.

Sales to the communications and transportation industries were up 18.5% year on year. This increase can be largely attributed to strong growth in sales from major communications carriers in the systems development, system maintenance and operation and services, and system sales segments.



(6) External Sales and Segment profit by Reportable 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. 2017~ Sept. 2017	19,503	12,894	22,747	34,764	12,437	21,581	37,260	1,892	384	–	163,466
Apr. 2016~ Sept. 2016	19,215	12,995	22,402	34,957	11,662	20,830	33,422	1,539	387	–	157,412
Increase/Decrease (Amount)	287	-100	344	-193	775	751	3,837	352	-2	–	6,053
Increase/Decrease (%)	1.5%	-0.8%	1.5%	-0.6%	6.6%	3.6%	11.5%	22.9%	-0.5%	–	3.8%

Segment Profit	Manufacturing Systems	Telecommunication Systems	Distribution Systems	Financial Systems	Business Solution	Business Services	Platform Solution	Prepaid Card	Others	Adjustments	Total
Apr. 2017~ Sept. 2017	1,551	2,333	2,566	2,998	401	1,169	3,222	150	17	-1,138	13,272
Apr. 2016~ Sept. 2016	1,854	2,262	3,222	3,653	571	1,475	2,455	146	58	-976	14,723
Increase/Decrease (Amount)	-303	70	-656	-655	-169	-306	767	3	-40	-161	-1,450
Increase/Decrease (%)	-16.3%	3.1%	-20.4%	-17.9%	-29.7%	-20.8%	31.3%	2.5%	-69.0%	–	-9.8%

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We will now move on to slide 7, which shows a breakdown of the performance I have explained thus far by reportable segment.

First, sales were up in the Manufacturing Systems Business Group due to a continually solid flow of orders from automobile manufacturers, but profit was down as a result of unprofitable projects.

Sales decreased year on year in the Telecommunication Systems Business Group due to the absence of large-scale orders recorded during the second quarter of the previous fiscal year. Profit, meanwhile, was up following a favorable increase in systems development orders from major customers. The Distribution Systems Business Group achieved higher sales thanks to brisk investment for e-commerce and customer relationship management applications by customers looking to adopt an omni-channel retailing approach, but profit decreased as a result of the impacts of business reinforcement initiatives for shifting to Service Oriented businesses and certain unprofitable projects.

Performance in the Financial Systems Business Group was affected by the absence of large projects we enjoyed same period of previous year, delivered to Banks, and impact of which was anticipated from the beginning of the fiscal year. Also, delay in the commencement of large-scale projects for insurance companies. In addition, this group experienced higher expenses for starting new businesses and was also impacted by unprofitable projects, leading to a decline in profit.

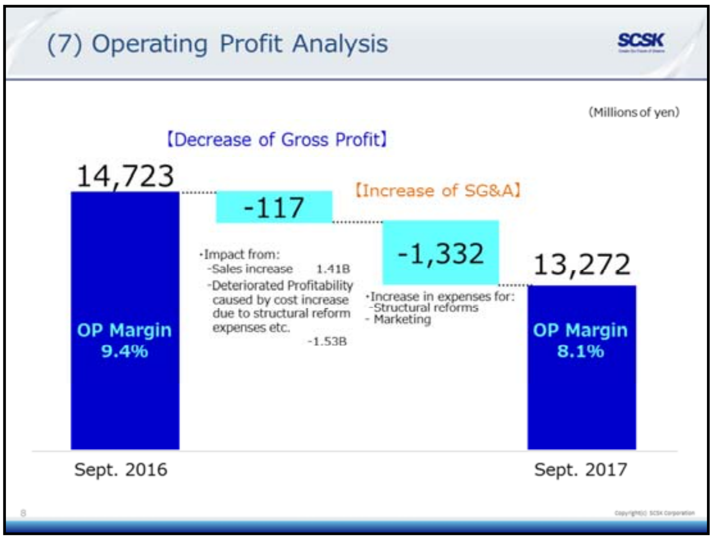
Enterprise resource planning sales have been brisk this year in the Business Solutions Group, and SCSK was able to start up new service-oriented businesses without issue. Sales in this group were up as a result. However, profit decreased due to a rise in strategic business investment expenses as a result of the automotive software systems business being included in this segment beginning in the fiscal year ending March 31, 2018.

In the Business Services Group, sales grew on the back of robust demand for the full spectrum of outsourcing services, a trend that continued from the first quarter. However, profit declined due in part to an increase 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. Another detractor was decreases in the profitability of certain projects.

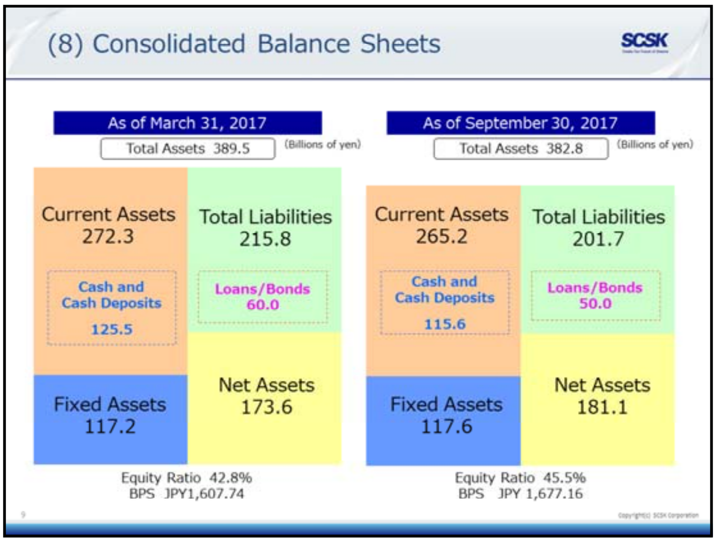
Finally, the IT Platform Solutions Group recorded higher sales and profit due to an increase in IT product sales from communications industry customers and education centers.

With this, I would like to wrap up my explanation of performance by reportable segment.

Up until now, I have focused on net sales in our discussion of performance in the six-month period ended September 30, 2017.



Looking now at slide 8, I would next like to elaborate on the factors that influenced operating profit on a year-on-year comparison basis.
As you can see, sales increase contributed the increase of operating profit by 1.4 billion yen. However, expenses, putting cost of sales and SG&A together, increased by 2.8 billion, which resulted in 1.4 billion year-on-year decrease of operating profit.
Now, let me touch upon the increases in expenses that had been anticipated in our internal estimate for the six-month period.
Total expenses of ¥1.1billion were recorded in relation to strategic business investments in the automotive software systems business, compared with ¥0.6 billion in the same period of the previous fiscal year. This increase of ¥0.5 billion was largely a result of higher depreciation and amortization amounts attributable to basic software products. Meanwhile, expenses for starting up new service-oriented businesses increased by approximately ¥0.5 billion and were primarily comprised of personnel expenses, development expenses, and depreciation and amortization.
As was explained at the beginning of the fiscal year, expenses related to structural reforms and marketing expenses were expected to increase, and they did indeed increase, rising by approximately ¥0.4 billion in the six-month period under review, higher than initially anticipated.
To reiterate what was said at the beginning of this presentation, this increase in expenses was for strategically necessary business investments and management initiatives. Losses from unprofitable projects amounted to ¥0.5billion in the six-month period ended September 30, 2017, an increase of ¥0.3 billion from ¥0.2 billion in the previous equivalent period. Although these losses did place downward pressure on profit, the losses will be contained within the scope of the ¥1.0 billion we budget for such losses as we always did in the past. Furthermore, the rebound from the high-profit orders recorded in the three-month period ended June 30, 2016, resulted in relative decline as much as a few hundred million yen, as was initially anticipated. Those expenses which I explained were components of the year on year decrease of more than 2.0 billion yen.
In addition, there were increase in expenses or detractor which had not been expected at the begging of the fiscal year, including the rise in bonus payments described in results presentation for the three-month period ended June 30, 2017, the decrease in profitability in operations targeting the distribution industry and in BPO services due to higher business investment-related expenses and marketing expenses which became apparent from three-month period ended September 30, 2017, as well as delays in the commencement of large-scale projects for customers in the financial industries. Furthermore, although sales were recorded with regard to the systems development order from a securities industry customer for which upfront expenses were incurred in the three-month period ended June 30, 2017, sales from this order was significantly less than what was projected for the six-month period. Each of those expenses/ detractor had several hundred millions of negative impact, and as a result, operating profit fell below our forecast.
Although aforementioned expenses related to structural reforms had negative impact as much as 2.8 billion on a year-on-year comparison basis for the first half, of the 2.8 billion, several hundred of million were related to expenses which could incur specifically for the first half, and just as amortization cost in the automotive software business, around 1billion were expenses that started to be recorded from second half of the previous fiscal year.



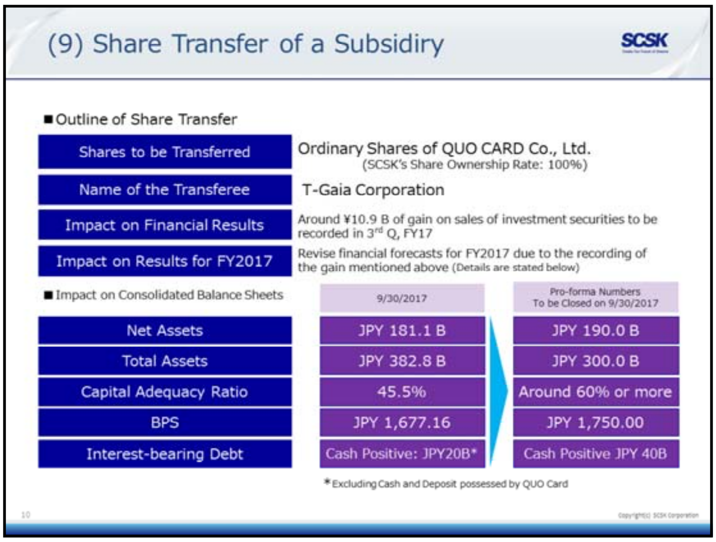
Moving on from the consolidated statements of income, we will now discuss our consolidated balance sheet. Please turn to slide 9.

During the six-month period, the Company redeemed ¥10.0 billion worth of straight bonds that had reached maturity and repaid ¥10.0 billion worth of bank loans from local bank syndicates.

In addition, a new batch of ¥10.0 billion worth of straight bonds was issued in July 2017 with a maturity period of five years.

These moves led to a ¥10.0 billion reduction in interest-bearing debt. As a result, cash, deposits, and deposits paid decreased, while the equity ratio rose from March 31, 2017 by around 3% to reach 45.5%.

SCSK is committed to reinforcing its financial position with a foundation formed by solid operating cash flows.



Next, let me touch upon one of our news releases announced today titled "Announcement of Transfer of Shares in an Affiliated Company.". I'd like to explain this transfer including outline of the scheme, its impact on our balance sheets, statements of income for this fiscal year, as this has huge impact on our financial condition. Please turn to page 10. As Mr. Tanihara explained earlier, SCSK's Board meeting decided today that SCSK sell all of shares of Quo Card, one of our affiliated companies, to T-gaia corporation. Impact on our PL from this share transfer amounts to ¥ 10.9 billion, which comes as extraordinary gain. We already concluded share transfer agreement,

But we expect the closing date at 6th of December 2017, and extraordinary gain will be recorded in the third quarter ending December 31, 2017.

We expect the share transfer value will amount to around ¥ 22.5 billion, generating significant amount of cash available. However, in the meantime, as Mr. Tanihara explained, those fund will be spent on future investments when opportunity arises in advancing core strategies. For example, in order to accelerate shift to Service Oriented Businesses, we plan to expand our Data Center facility as our IT infrastructure. Also, as I always said, we would consider the possibility of M&A with this cash if any promising deal arises.

Next, let me touch upon its impact on our balance sheets. As a nature of prepaid card business, they have to keep deposit paid by customers until customers actually spend. That means we have sizable assets and liabilities at the same time, and currently that amounted to ¥100 billion.

Because of this transfer, however, their total assets, as well as liabilities and net assets will be eliminated from balance sheets of SCSK. Assuming SCSK sell all the shares of Quo Card at the end of September 2017, their assets are no longer included in SCSK's balance sheets, including around ¥ 92 billion of deposits received of prepaid card, cash and cash equivalents associated with the deposits, as well as financial securities as an obligation to deposit, including operational investment securities and guarantee deposit.

As I explained earlier, considering the increase of net assets derived from extraordinary gain (Gain on sales of investment securities), we would see decrease of 83 billion in total assets, increase of 9 billion in net assets, leading to the improvement of capital adequacy ratio from 46% to 60%.

However, please do remember that all these figures are hypothetical calculation utilizing current financial information on condition that share transfer is closed at the end of September. In reality, however, we have to incorporate operating costs/profits that accrue until the closing date.

(10) Cancellation of Treasury Shares

SCSK

	Before Cancellation (Sept. 30, 2017)	After Cancellation	Number of Shares to Cancel
Number of Treasury Shares	3,950 K	146 K*	-3,804K
Number of Shares Issued	107,986 K	104,181K	-3,804 K
% of Treasury Shares against Total Number of Shares Issued	3.66%	0.14%	–

*Number will vary until the cancellation date (November, 30, 2017) due to the impact of exercise of stock options

Moving on, today I would also like to announce the cancellation of treasury shares. Please allow me to offer some details on this subject.
As of September 30, 2017, the Company held 3,650 thousand shares of treasury shares, equivalent to3.66 % of the total number of shares issued. Out of consideration for recent stock price trends and projected levels of on-hand cash, we decided to cancel all shares of treasury shares, with the exception of a portion that has been deemed necessary to hold for the foreseeable future, as part of our capital measures.

The Company has maintained holdings of treasury shares up until this point as a provision to be used for future M&A activities. However, given the current level of cash on-hand as well as the cash derived from share transfer of QUO Card, as much as ¥22.5 billion, we have judged that the Company is in possession of sufficient funds for the business investments and M&A activities that may be conducted in the foreseeable future. Furthermore, the current number of authorized shares will be enough to meet any needs to issue new shares that may arise as part of capital measures. Accordingly, it was determined that treasury shares holdings would not be necessary in the foreseeable future.
The Company deemed it necessary to continue holding roughly146,000 shares of treasury shares in relation to stock options that could be exercised and other considerations. Excluding these shares, the remaining [3.8 million / 3,800,000] shares of treasury shares currently held by the Company will be cancelled.

(11) Revised Forecasts for FY2017

SCSK

■ Previous Forecasts Released on 28th Apr. 2017 (%: Rate of Change, YOY)

Net Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent	
JPY B	%	JPY B	%	JPY B	%	JPY B	%
340.0	3.2	36.0	6.8	37.0	2.4	24.5	-13.9

■ Revised Forecasts ([ ] :Amounts Revised,%:Rate of Change, YOY)

Net Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent	
JPY B	%	JPY B	%	JPY B	%	JPY B	%
340.0 [No Change]	3.2	36.0 [No Change]	6.8	37.0 [No Change]	2.4	**33.5 [+9]**	**17.7**

As explained by President Tanihara, we anticipate a robust blend of strategic IT investment for securing a competitive edge and IT investment for efficiency improvements and labor saving to be seen among customers in the second half of fiscal year. Looking at current business trends, we believe it is possible that second-half performance may exceed our initial forecasts, although achieving such strong performance will not necessarily be easy.

During the first half of the fiscal year, progress was slow in negotiating large contracts with major financial institutions. However, these contracts are beginning to take form, and we are also witnessing the continuation of the solid deal flow from the distribution industry, among others.

In addition, we have started several new development projects for the manufacturing industry.

First-half sales from service oriented businesses, which are at the heart of one of SCSK's core strategies, showed smooth year-on-year growth of around 10%. We expect a similar increase to be seen on a full-year basis.

As stated previously, we do not anticipate any large year-on-year increase in restructuring expenses or other costs to occur during the second half of the fiscal year. This outcome will be due in part to our efforts to limit selling, general and administrative expenses.

Accordingly, there have been no noteworthy revisions to our full-year forecasts for net sales, operating profit, or ordinary profit.

As for profit attributable to owners of parents, as explained earlier, extraordinary gain (Gain on sales of investment securities) from share transfer of QUO Card, is reflected, and 9 billion is increased to 33.5 billion (YOY 17.7%).

With this, I would like to conclude my portion of today's presentation.

We greatly appreciate you taking the time to join us today.

SCSK

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.

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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