

# Consolidated Results for Fiscal Year Ended March 2018

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SCSK Corporation

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## **1. Consolidated Financial Results of Operations for FY2017**

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# 1.- (1) Highlights for FY2017

## Net Sales

**336,654** JPY Million

YOY 2.2%

## Operating Profit

**34,602** JPY Million

YOY 2.6%

## Order Backlog

**117,046** JPY Million

YOY 0.6%

## Operating Margin

**10.3** %

YOY 0.1 p.p.

# 1.- (2) Consolidated Statements of Income

(Millions of yen)

	Apr. 2016- Mar. 2017	Apr. 2017- Mar. 2018	Increase/Decrease	
			Amount	Change (%)
Net Sales	329,303	<b>336,654</b>	7,351	2.2%
Gross Profit	81,754	<b>83,555</b>	1,800	2.2%
(Gross Profit Margin)	(24.8%)	<b>(24.8%)</b>		
SG&A Expenses	48,040	<b>48,953</b>	913	1.9%
Operating Profit	33,714	<b>34,602</b>	887	2.6%
(Operating Profit Margin)	(10.2%)	<b>(10.3%)</b>		
Ordinary Profit	36,121	<b>36,291</b>	170	0.5%
Profit attributable to owners of parent	28,458	<b>32,488</b>	4,030	14.2%

# 1.- (3) Sales Comparison by Segment

(Millions of yen)

	Apr. 2016- Mar. 2017	Apr. 2017- Mar. 2018	Increase/Decrease	
			Amount	Change (%)
Systems Development	127,051 (38.6%)	<b>128,387</b> (38.1%)	1,336	1.1%
System Maintenance and Operation/ Services	125,802 (38.2%)	<b>129,071</b> (38.3%)	3,269	2.6%
Packaged Software/ Hardware Sales	73,147 (22.2%)	<b>76,247</b> (22.6%)	3,100	4.2%
Prepaid Card	3,302 (1.0%)	<b>2,948</b> (0.9%)	-354	-10.7%
Total	329,303 (100.0%)	<b>336,654</b> (100.0%)	7,351	2.2%

※ Due to the transfer of all the shares of QUO CARD Co., Ltd. as of December 1, 2017, the figure of the Company for FY2017 incorporated here is for the eight months results from April to November 2017.

※ ( ) indicate composition ratio.

# 1.- (4) Incoming Orders and Backlog

(Millions of yen)

		Apr. 2016- Mar. 2017	Apr. 2017- Mar. 2018	Increase/Decrease		Jan. 2017- Mar. 2017	Jan. 2018- Mar. 2018	Increase/Decrease	
				Amount	Change (%)			Amount	Change (%)
Systems Development	Incoming orders	126,421	<b>130,203</b>	3,782	3.0%	31,847	<b>32,956</b>	1,108	3.5%
	Backlog	24,481	<b>26,297</b>	1,816	7.4%				
System Maintenance and Operation/ Services	Incoming orders	129,881	<b>128,783</b>	-1,097	-0.8%	49,165	<b>51,381</b>	2,216	4.5%
	Backlog	81,850	<b>81,563</b>	-287	-0.4%				
Packaged Software /Hardware Sales	Incoming orders	76,660	<b>75,419</b>	-1,241	-1.6%	23,800	<b>24,016</b>	215	0.9%
	Backlog	10,013	<b>9,185</b>	-828	-8.3%				
Total	Incoming orders	332,964	<b>334,406</b>	1,442	0.4%	104,814	<b>108,355</b>	3,540	3.4%
	Backlog	116,345	<b>117,046</b>	700	0.6%				

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

(Millions of yen)

	Apr. 2016 – Mar. 2017		Apr. 2017 – Mar. 2018		Increase/ Decrease	
	Amount	Composition	Amount	Composition	Amount	Change (%)
Manufacturers	92,093	28.0%	<b>93,614</b>	<b>27.8%</b>	1,520	1.7%
Distributors	51,367	15.6%	<b>55,066</b>	<b>16.4%</b>	3,699	7.2%
Financial Institutions	75,122	22.8%	<b>73,734</b>	<b>21.9%</b>	-1,387	-1.8%
Banks	25,206	7.7%	<b>23,003</b>	<b>6.8%</b>	-2,202	-8.7%
Securities Firms	9,345	2.8%	<b>9,951</b>	<b>3.0%</b>	605	6.5%
Shopping Credit/ Leasing Companies	12,802	3.9%	<b>13,106</b>	<b>3.9%</b>	303	2.4%
Insurance Companies	27,767	8.4%	<b>27,673</b>	<b>8.2%</b>	-93	-0.3%
Communications/ Transportation	53,844	16.4%	<b>57,761</b>	<b>17.2%</b>	3,917	7.3%
Utilities	3,435	1.0%	<b>4,229</b>	<b>1.3%</b>	794	23.1%
Services/Others <sup>※</sup>	53,440	16.2%	<b>52,247</b>	<b>15.5%</b>	-1,192	-2.2%
Total	329,303	100.0%	<b>336,654</b>	<b>100.0%</b>	7,351	2.2%

※"Services/Others" includes sales of Prepaid Card Business. Due to the transfer of all the shares of QUO CARD Co., Ltd. as of December 1, 2017, the figures of the Company for FY2017 incorporated here are for the eight months results from April to November 2017.

# 1.- (6) Business Performance by Reportable Segment

(Millions of yen)

External Sales	Manufacturing Systems	Telecommunication Systems	Distribution Systems	Financial Systems	Business Solution	Business Services	Platform Solution	Others	Adjustments	Total
<b>Apr. 2017~ Mar. 2018</b>	<b>40,784</b>	<b>27,313</b>	<b>47,137</b>	<b>69,630</b>	<b>25,731</b>	<b>44,467</b>	<b>77,873</b>	<b>3,716</b>	-	<b>336,654</b>
Apr. 2016~ Mar. 2017	40,194	26,758	45,792	70,543	23,754	42,811	75,379	4,068	-	329,303
Increase/Decrease (Amount)	589	555	1,345	-912	1,976	1,655	2,493	-351	-	7,351
Increase/Decrease (%)	1.5%	2.1%	2.9%	-1.3%	8.3%	3.9%	3.3%	-8.7%	-	2.2%

Segment Profit	Manufacturing Systems	Telecommunication Systems	Distribution Systems	Financial Systems	Business Solution	Business Services	Platform Solution	Others	Adjustments	Total
<b>Apr. 2017~ Mar. 2018</b>	<b>4,714</b>	<b>5,548</b>	<b>6,641</b>	<b>7,137</b>	<b>1,658</b>	<b>3,049</b>	<b>8,043</b>	<b>378</b>	<b>- 2,569</b>	<b>34,602</b>
Apr. 2016~ Mar. 2017	4,269	5,308	6,603	7,369	1,440	3,302	7,159	538	- 2,278	33,714
Increase/Decrease (Amount)	445	239	37	-231	217	-253	884	-159	-291	887
Increase/Decrease (%)	10.4%	4.5%	0.6%	-3.1%	15.1%	-7.7%	12.3%	-29.7%	-	2.6%

※"Others" includes figures of Prepaid Card Business. Due to the transfer of all the shares of QUO CARD Co., Ltd. as of December 1, 2017, the figures of the Company for FY2017 incorporated here are for the eight months results from April to November 2017.

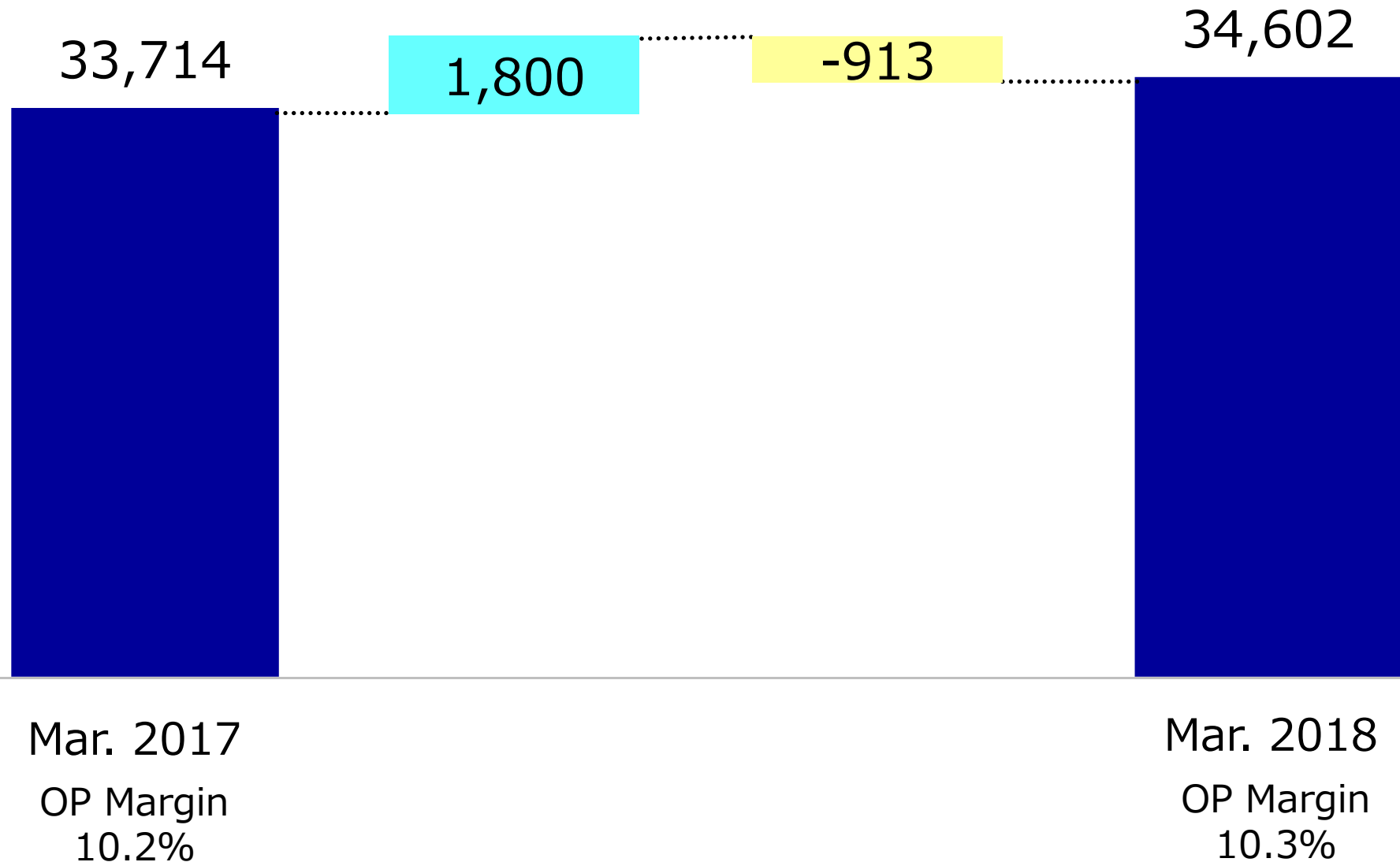


# 1.- (7) Operating Profit Analysis

(Millions of yen)

【Decrease of Gross Profit】

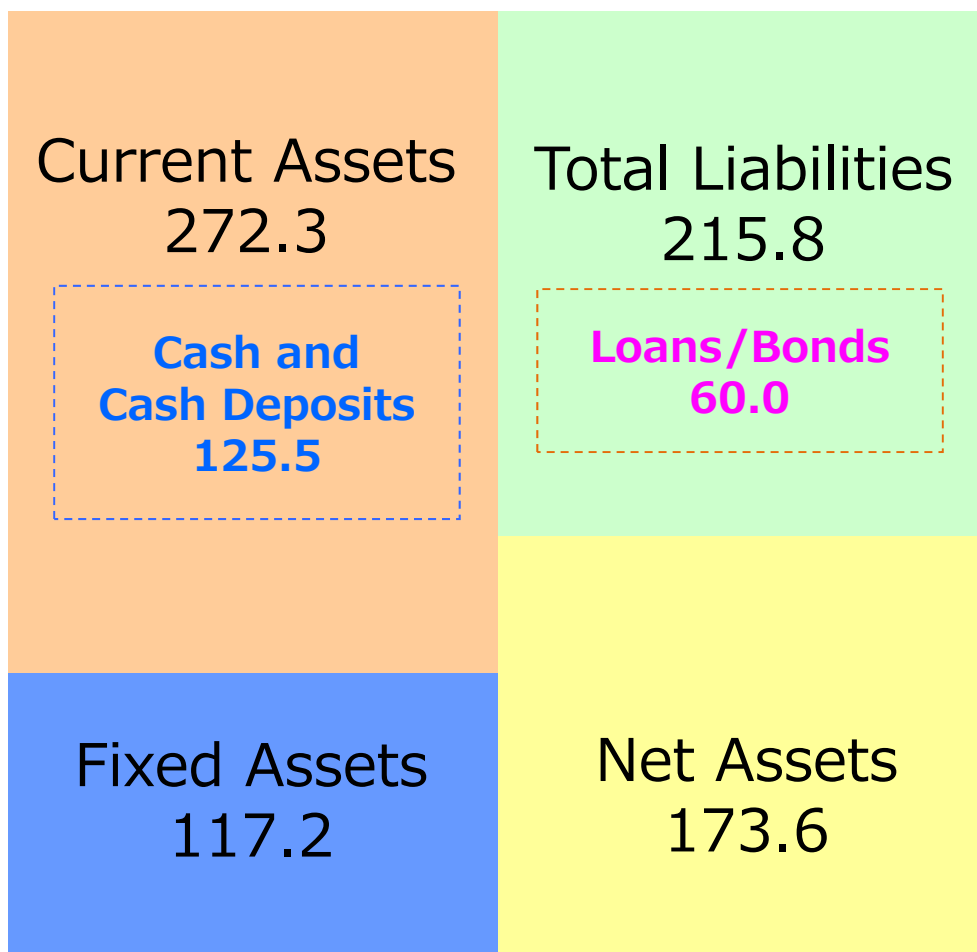
【Increase of SG&A】



# 1.- (8) Consolidated Balance Sheets

As of March 31, 2017

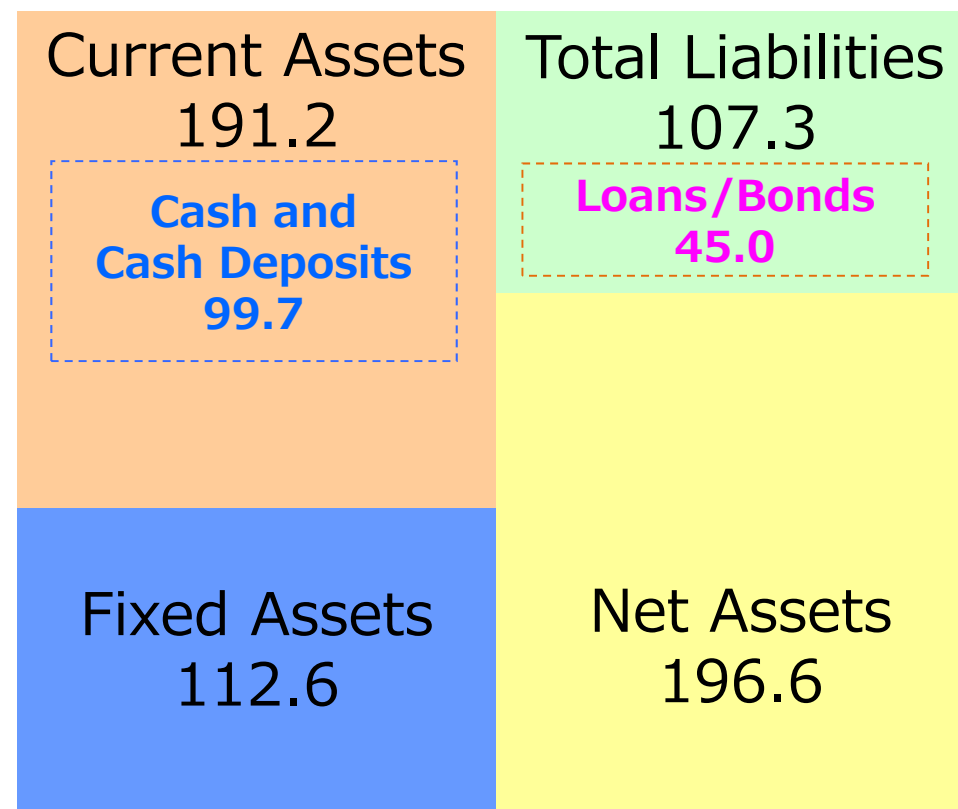
**Total Assets 389.5** (Billions of yen)



Equity Ratio 42.8%  
BPS JPY1,607.74

As of March 31, 2018

**Total Assets 303.9** (Billions of yen)



Equity Ratio 62.3%  
BPS JPY1,822.54

## 2. Financial Forecasts for FY2018

(Millions of yen)

	Apr. 2017- Mar. 2018	Apr. 2018- Mar. 2019 (Forecasts)	Increase/Decrease	
			Amount	Change (%)
Net Sales	<b>336,654</b>	<b>345,000</b>	8,345	2.5%
Gross Profit	<b>83,555</b>	<b>86,000</b>	2,444	2.9%
(Gross Profit Margin)	<b>(24.8%)</b>	<b>(24.9%)</b>		
SG&A Expenses	<b>48,953</b>	<b>49,000</b>	46	0.1%
Operating Profit	<b>34,602</b>	<b>37,000</b>	2,397	6.9%
(Operating Profit Margin)	<b>(10.3%)</b>	<b>(10.7%)</b>		
Ordinary Profit	<b>36,291</b>	<b>37,500</b>	1,208	3.3%
Profit attributable to owners of parent	<b>32,488</b>	<b>25,000</b>	-7,488	-23.1%

# 3. Dividend Forecasts for FY2018

(Millions of yen)

	Apr. 2016- Mar. 2017	Apr. 2017- Mar. 2018		Apr. 2018- Mar. 2019 (Forecasts)
		Forecasts	Actual	
<b>Annual Dividend Per Share</b>	JPY90	JPY95	JPY95	<b>JPY100</b>
<b>Total Dividend Amount</b>	9,362	9,883	9,883	<b>10,404</b>
<b>Profit Attributable to Owners of Parent</b>	28,458	24,500	32,488	<b>25,000</b>
<b>Payout Ratio</b>	33%	40%	30%	<b>42%</b>

<Reference : Estimates on normal tax rate basis>

<i>Profit Attributable to Owners of Parent</i>	23,958
<i>Payout Ratio</i>	39%

<Reference : Estimates After deducting extraordinary income related to QUO CARD Co., Ltd. >

21,884
45%

## **Attention on the use of this document**

- We have made amendment of previous year's data in page 7 (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 8 (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.
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