

**Consolidated Financial Results for the First Quarter
of the fiscal year ending March 31, 2014
(April 1, 2013 - June 30, 2013)
[J-GAAP]**

July 31, 2013

Company Name: SCSK Corporation
 Securities Code: 9719
 Stock Exchange Listing: Tokyo Stock Exchange, 1st Section
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 Scheduled date of filing quarterly securities reports August 13, 2013
 Scheduled date for dividend payment: —
 Preparation of supplementary information material on financial results (yes/no): Yes
 Financial results conference for institutional investors and analysts (yes/no): Yes

(Amounts of less than ¥1 million are truncated)

1. Consolidated Business Results for the First Quarter ended June 30, 2013 (April 1, 2013 through June 30, 2013)

(1) Consolidated Operating Results

(Millions of yen unless otherwise stated)

(Percentage figures are changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Three months ended June 30, 2013	64,516	2.1	3,488	1.2	3,750	(4.0)	3,102	(13.0)
Three months ended June 30, 2012	63,185	124.9	3,448	—	3,905	48.1	3,567	134.7

(Note) Comprehensive income:

First Quarter Ended June 30, 2013: 3,275 million yen ((3.2%)) First Quarter Ended June 30, 2012: 3,385 million yen (398.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2013	29.92	28.81
Three months ended June 30, 2012	34.41	33.50

(2) Consolidated Financial Position

(Millions of yen unless otherwise stated)

	Total assets	Net assets	Equity ratio	Net assets per share
			%	Yen
As of June 30, 2013	319,066	109,633	32.7	1,005.20
As of March 31, 2013	322,828	108,208	31.8	991.48

(Reference) Shareholders' equity: As of June 30, 2013 ¥104,264 million As of March 31, 2013 ¥102,799 million

2. Dividends

	Dividends per share (Yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY 2012	—	18.00	—	18.00	36.00
FY 2013	—	—	—	—	—
FY 2013 (Forecast)	—	20.00	—	20.00	40.00

(Note) Revisions during this quarter of Dividends forecasts for Fiscal Year 2013: None

3. Consolidated Financial Forecasts for Fiscal Year 2013 (April 1, 2013 to March 31, 2014)

(Millions of yen unless otherwise stated)

(Percentage figures are changes from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	Yen
Six months ending September 30, 2013	136,000	1.2	9,500	2.2	9,800	(4.6)	8,600	(6.1)	82.95
Full Year	290,000	4.1	23,500	13.0	23,500	5.7	17,500	4.6	168.78

(Note) Revisions during this quarter of consolidated earnings forecasts for Fiscal Year 2013: None

- (1) Changes in significant subsidiaries during the period : None
- (2) Adoption of specific accounting procedures in preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections
 - 1) Changes in accounting policies, changes in accounting standards and other regulations: None
 - 2) Changes in accounting policies due to other reasons: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement of prior period financial statements after error corrections: None
- (4) Number of shares issued (Common stock)
 - 1) The number of shares issued as of the period-end (including treasury stock)

As of June 30, 2013	107,986,403 shares
As of March 31, 2013	107,986,403 shares
 - 2) The number of shares of treasury stock as of the period-end

As of June 30, 2013	4,261,615 shares
As of March 31, 2013	4,303,745 shares
 - 3) The average number of shares during the period

As of June 30, 2013	103,712,305 shares
As of June 30, 2012	103,663,741 shares

*Notification regarding the auditing process

- This financial report is not within the scope of the auditing process as prescribed by the Financial Instruments and Exchange Act. Therefore, and as of the time of disclosure, the auditing process of this financial report has not been completed.

* Cautionary statement concerning appropriate use of financial forecasts and other explanatory notes

- The financial forecasts contained in this document are based on the information currently available and certain assumptions deemed reasonable. Actual results may vary from these forecasts for various reasons. With regard to the assumptions on which financial forecasts are based and other explanatory notes in connection with the use of financial forecasts, please refer to “Qualitative information of Consolidated Financial Forecast for the fiscal year ending March 31, 2014” on page 3.
- SCSK will hold a results briefing for institutional investors and analysts on July 31, 2013. Materials used in the briefing, a transcript of the main questions and answers, and other related information will be published on SCSK’s website promptly thereafter.

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1. Qualitative information regarding Operating Results for the quarter ended June 30, 2013

(1) Qualitative information of Consolidated Business Results

In the first-quarter period under review, the Japanese economy responded to the government and central bank's financial and fiscal policies, and since the beginning of the year the stock market was strong as the business climate moves into a recovery trend. Consumer spending and equipment investment have stabilized, and the number of companies looking at investment in a positive light is steadily increasing as corporate earnings recover, due in part to the correction of the yen's appreciation. Currently, despite a slowdown in emerging economies such as China and concerns over the United States reconsidering its policy of quantitative easing, domestic demand is showing a stabilizing trend and exports are recovering, which indicates a mild recovery trend for the Japanese economy.

In these economic conditions the business environment surrounding SCSK Group has generally improved after several years of corporate customers cutting back on or postponing IT investment. Although a portion of customers in electronics and other industries remain cautious, the correction of the strong yen and recovery in performance suggest that manufacturing industry customers will expand their IT investment. In the financial industry, demand continues to be strong for large-scale IT investment relating to business mergers and integration, particularly from banking and insurance industry customers, and in the telecommunications industry IT investment continues its upward trend due to high demand for smartphones.

Additionally, since demand has grown for cloud-type IT services to further increase work efficiency and productivity, along with higher appetite for BCP and disaster recovery measures, customer demand for data center services continuing to grow.

Turning to the Company's operating results for the first-quarter period under review, consolidated net sales increased 2.1% compared to the same period of the previous fiscal year to ¥64,516 million. This reflects firm demand for system development for financial industry customers and in maintenance and operations services for manufacturing industry customers. Operating income increased 1.2% year on year to ¥3,488 million on increased sales. Ordinary income decreased 4.0% to ¥3,750 million, reflecting the absence of a one-time gain on investments in partnership that influenced performance in the previous fiscal year. Net income decreased 13.0% to ¥3,102 million, despite a decrease in tax expenses on deferred tax assets and the influence of a one-time business portfolio restructuring expense that had been incorporated into initial forecasts, along with other factors.

(2) Qualitative information of Consolidated Financial Position

Cash and cash equivalents (“cash”) as of June 30, 2013 decreased ¥1,746 million compared to March 31, 2013 to ¥81,501 million. The increase or decrease in each cash flow type and the main factors for such changes are as follows.

Cash flow from operating activities

Net cash provided by operating activities was ¥4,061 million.

The main cash inflow factors were net income before income taxes and minority interests of ¥3,365 million, depreciation of ¥1,692 million and an ¥11,330 million increase in capital stemming from a decrease in accounts receivable. The main cash outflow factors were a decrease in accounts payable of ¥4,487 million, an increase in inventories of ¥3,047 million, and payment of income and other taxes of ¥739 million.

Cash flow from investing activities

Net cash used in investing activities was ¥1,098 million.

The main cash outflow factors were payments for the acquisition of tangible fixed assets of ¥735 million and acquisition of intangible fixed assets of ¥402 million.

Cash flow from financing activities

Net cash used in financing activities was ¥4,800 million.

The main cash outflow factors were payments for repayment of long-term debt of ¥2,500 million, and year-end dividend payments of ¥1,870 million (¥18 per share).

(3) Qualitative information of Consolidated Financial Forecast for the fiscal year ending March 31, 2014

Business performance for the first quarter of the year was generally in accordance with forecasts and there are no changes to the consolidated half-year or full-year forecasts issued on April 26, 2013.

*Characteristics of SCSK Group’s quarterly results

As many companies in Japan have fiscal years that run from April to March, adoption and inspection of computer systems tends to be concentrated in September and March, respectively the halfway point and end of the April to March fiscal year. Excluding sales covered by contract agreements, SCSK Group mainly records sales on a receipt-and-inspection basis. This means that Group business results fluctuate by season, with sales and income tending to be concentrated in the second and fourth quarters of each year.

2.Summary information (notes)

(1)Transfer of important subsidiaries in the three months under review

No applicable items

(2)Adoption of specific accounting procedures in preparing quarterly consolidated financial statements

No applicable items

(3)Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections

No applicable items

3. Consolidated Quarterly Financial Statements
(1) Consolidated Quarterly Balance Sheets

(Unit: Millions of Yen)

	As of Mar. 31, 2013	As of Jun. 30, 2013
ASSETS		
Current assets		
Cash and deposits	19,669	19,481
Notes and accounts receivable-trade	61,661	50,361
Securities	1,298	1,228
Operational investment securities	37,326	42,656
Merchandise and finished goods	2,793	4,111
Work in process	646	2,369
Raw materials and supplies	21	31
Short-term loans receivable	106	106
Deposits paid	64,478	63,019
Other	20,718	23,583
Allowance for doubtful accounts	(101)	(28)
Total current assets	208,620	206,920
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	26,684	26,316
Land	22,118	22,135
Others, net	7,420	7,473
Total property, plant and equipment	56,223	55,925
Intangible assets		
Goodwill	343	316
Other	7,346	7,164
Total intangible assets	7,690	7,480
Investments and other assets		
Investment securities	11,428	11,303
Other	39,163	37,733
Allowance for doubtful accounts	(298)	(296)
Total investments and other assets	50,294	48,740
Total noncurrent assets	114,208	112,146
Total assets	322,828	319,066

(Unit: Millions of Yen)

	As of Mar. 31, 2013	As of Jun. 30, 2013
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	17,568	13,091
Current portion of bonds with subscription rights to shares	35,000	35,000
Current portion of long-term loans payable	9,860	7,360
Income taxes payable	777	280
Provision for bonuses	7,546	3,572
Provision for directors' bonuses	110	17
Provision for loss on construction contracts	12	452
Deposits received of prepaid cards	64,414	65,290
Other	24,585	31,169
Total current liabilities	159,876	156,233
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	20,000	20,000
Provision for retirement benefits	7,697	7,114
Provision for directors' retirement benefits	29	29
Asset retirement obligations	1,391	1,396
Other	5,625	4,660
Total noncurrent liabilities	54,743	53,200
Total liabilities	214,619	209,433
NET ASSETS		
Shareholders' equity		
Capital stock	21,152	21,152
Capital surplus	3,066	3,066
Retained earnings	86,735	87,967
Treasury stock	(8,654)	(8,565)
Total shareholders' equity	102,300	103,621
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	957	947
Deferred gains or losses on hedges	8	44
Foreign currency translation adjustment	(468)	(348)
Total accumulated other comprehensive income	498	643
Subscription rights to shares	168	152
Minority interests	5,241	5,215
Total net assets	108,208	109,633
Total liabilities and net assets	322,828	319,066

(2) Consolidated Quarterly Statements of Income and Comprehensive Income
Consolidated Quarterly Statements of Income

(Unit: Millions of Yen)

	From Apr. 1, 2012 to Jun. 30, 2012	From Apr. 1, 2013 to Jun. 30, 2013
Net sales	63,185	64,516
Cost of sales	48,513	49,869
Gross profit	14,671	14,647
Selling, general and administrative expenses	11,223	11,158
Operating income	3,448	3,488
Non-operating income		
Interest income	53	63
Dividends income	27	28
Equity in earnings of affiliates	69	63
Gain on investments in partnership	354	26
Hoard profit of prepaid card	302	267
Other	143	110
Total non-operating income	952	559
Non-operating expenses		
Interest expenses	96	97
Loss on valuation of investment securities	22	63
Foreign exchange losses	2	30
Retirement benefit expenses	65	65
Financing expenses	218	-
Other	91	40
Total non-operating expenses	495	297
Ordinary income	3,905	3,750
Extraordinary income		
Gain on sales of noncurrent assets	5	1
Gain on sales of investment securities	0	-
Gain on sales of subsidiaries and affiliates' stocks	-	0
Gain on sales of memberships	0	-
Total extraordinary income	5	2
Extraordinary loss		
Loss on retirement of noncurrent assets	3	6
Loss on sales of noncurrent assets	-	1
Business withdrawal loss	-	378
Total extraordinary loss	3	386
Income before income taxes and minority interests	3,907	3,365
Income taxes — current	148	177
Income taxes — deferred	170	57
Total income taxes	319	235
Income before minority interests	3,588	3,129
Minority interests in income	21	27
Net income	3,567	3,102

Consolidated Quarterly Statements of Comprehensive Income

(Unit: Millions of Yen)

	From Apr. 1, 2012 to Jun. 30, 2012	From Apr. 1, 2013 to Jun. 30, 2013
Income before minority interests	3,588	3,129
Other comprehensive income		
Valuation difference on available-for-sale securities	(250)	(12)
Deferred gains or losses on hedges	(12)	35
Foreign currency translation adjustment	57	117
Share of other comprehensive income of associates accounted for using equity method	2	6
Total other comprehensive income	(203)	146
Comprehensive income	3,385	3,275
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,363	3,246
Comprehensive income attributable to minority interests	22	28

(3) Consolidated Quarterly Statements of Cash Flows

(Unit: Millions of Yen)

	From Apr. 1, 2012 to Jun. 30, 2012	From Apr. 1, 2013 to Jun. 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,907	3,365
Depreciation and amortization	1,583	1,692
Amortization of goodwill	27	27
Increase (decrease) in allowance for doubtful accounts	(44)	(75)
Increase (decrease) in provision for retirement benefits	253	(576)
Decrease (increase) in prepaid pension costs	(170)	641
Loss on retirement of noncurrent assets	3	6
Loss(gain) on sales of noncurrent assets	(5)	0
Loss (gain) on valuation of investment securities	22	63
Loss (gain) on sales of investment securities	(4)	-
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	(0)
Equity in (earnings) losses of affiliates	(69)	(63)
Share-based compensation expenses	1	-
Interest and dividends income	(81)	(91)
Interest expenses paid on loans and bonds	96	97
Loss (gain) on investments in partnership	(354)	(26)
Decrease (increase) in investment securities for sale	(1,189)	(5,417)
Decrease (increase) in notes and accounts receivable-trade	11,905	11,330
Decrease (increase) in inventories	(2,619)	(3,047)
Increase (decrease) in notes and accounts payable-trade	(3,153)	(4,487)
Increase (decrease) in deposits received of prepaid cards	763	876
Directors' bonus payments	(65)	(126)
Other, net	(4,523)	460
Subtotal	6,283	4,648
Interest and dividends income received	200	234
Interest expenses paid	(61)	(81)
Income taxes paid	(872)	(739)
Net cash provided by (used in) operating activities	5,551	4,061
Net cash provided by (used in) investing activities		
Purchase of securities	(1,199)	(899)
Proceeds from sales and redemption of securities	1,200	900
Purchase of property, plant and equipment	(4,148)	(735)
Proceeds from sales of property, plant and equipment	1	2
Purchase of intangible assets	(580)	(402)
Purchase of investment securities	(2)	(103)
Proceeds from sales and redemption of investment securities	91	83
Collection of short-term loans receivable	1,351	3
Proceeds from withdrawal of investments in partnership	438	149
Payments for lease and guarantee deposits	(47)	(5)
Proceeds from collection of lease and guarantee deposits	19	40
Payments for asset retirement obligations	-	(14)
Other, net	121	(115)
Net cash provided by (used in) investing activities	(2,755)	(1,098)

(Unit: Millions of Yen)

	From Apr. 1, 2012 to Jun. 30, 2012	From Apr. 1, 2013 to Jun. 30, 2013
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	20,000	-
Repayment of long-term loans payable	(2,500)	(2,500)
Proceeds from issuance of bonds	10,000	-
Repayments of lease obligations	(436)	(443)
Purchase of treasury stock	(30,077)	(5)
Proceeds from sales of treasury stock	0	73
Cash dividends paid	(1,662)	(1,870)
Cash dividends paid to minority shareholders	(44)	(54)
Other, net	1	-
Net cash provided by (used in) financing activities	(4,720)	(4,800)
Effect of exchange rate change on cash and cash equivalents	57	90
Net increase (decrease) in cash and cash equivalents	(1,867)	(1,746)
Cash and cash equivalents at beginning of period	63,661	83,247
Cash and cash equivalents at end of period	61,793	81,501

(4) Notes regarding Consolidated Financial Results for the First Quarter ended June 30, 2013

(Notes regarding the Premise of a Going Concern)

No applicable items.

(Notes concerning significant changes in shareholders' equity)

No applicable items.

(Segment Information)

I. First quarter of fiscal year ending March 31, 2013 (April 1, 2012 to June 30, 2012)

1) Information on Sales, Income (Loss) by Reported Segment

(Unit: Millions of Yen)

	Industrial Systems Business	Financial Systems Business	Global Systems Business	Business Solutions	Business Services	IT Management	IT Platform Solutions	Prepaid Card Business
Sales								
(1) Outside customers	16,386	11,266	2,720	3,512	7,436	8,301	12,185	1,170
(2) Inter-segment sales or transfers	548	55	333	308	311	1,351	1,074	35
Total	16,935	11,321	3,053	3,820	7,748	9,652	13,260	1,205
Segment income (loss)	662	736	429	352	191	471	264	530

	Others	Total	Adjustments (Note 1)	Amounts Reported in the Consolidated Financial Statements (Note 2)
Sales				
(1) Outside customers	204	63,185	—	63,185
(2) Inter-segment sales or transfers	577	4,596	(4,596)	—
Total	782	67,781	(4,596)	63,185
Segment income (loss)	26	3,666	(217)	3,448

Notes: Adjustments are as follows:

1. The adjustment loss of ¥217 million to segment income (loss) represent general corporate expenses that have not been allocated to the reported segments.
2. Segment income (loss) has been reconciled to operating income in the consolidated income statement.

II. First quarter of fiscal year ended March 31, 2014 (April 1, 2013 to June 30, 2013)

Information on Sales, Income (Loss) by Reported Segment

(Unit: Millions of Yen)

	Industrial Systems Business	Financial Systems Business	Global Systems Business	Business Solutions	Business Services	IT Management	IT Platform Solutions	Prepaid Card Business
Sales								
(1) Outside customers	15,705	12,922	3,237	3,908	7,534	8,795	11,463	752
(2) Inter-segment sales or transfers	420	69	354	365	386	2,023	1,104	24
Total	16,126	12,992	3,592	4,274	7,920	10,819	12,567	776
Segment income (loss)	665	901	539	441	238	645	135	76

	Others	Total	Adjustments (Note 1)	Amounts Reported in the Consolidated Financial Statements (Note 2)
Sales				
(1) Outside customers	195	64,516	—	64,516
(2) Inter-segment sales or transfers	647	5,396	(5,396)	—
Total	843	69,912	(5,396)	64,516
Segment income (loss)	24	3,669	(180)	3,488

Notes: Adjustments are as follows:

1. The adjustment loss of ¥180 million to segment income (loss) represent general corporate expenses that have not been allocated to the reported segments.
2. Segment income (loss) has been reconciled to operating income in the consolidated income statement.

2) Changes in reported segments

Since the merger with CSK Corporation on October 1, 2011, SCSK has been working to accelerate and maximize the effects of the merger by unifying and integrating the management systems. With the aim of full unification of the management system from the first quarter under review, there have been changes in reporting segments due to reorganization and reclassification of business units. In accordance with these changes, the Business Solutions and Cross-Functional Business segment has been renamed the Business Solutions segment.

Segment information for the previous first-quarter period has been restated according to new reported segments for comparison purposes.