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**Revision of financial forecast and recording of deferred tax assets**

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**October 31, 2011**—SCSK Corporation (“SCSK”) was established on October 1, 2011 through the merger of Sumisho Computer Systems Corporation (“SCS”) and CSK Corporation (“CSK”). SCS, the surviving company in the merger, has revised its financial forecast for the full year ending March 31, 2012, which was announced on April 28, 2011. The company is also expecting to record deferred tax assets in relation to the accounting treatment of the merger, as detailed below.

**Consolidated full-year forecast revisions** (for the period April 1, 2011 to March 31, 2012)

(Million yen)

	Sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previous forecast (A)	134,000	7,700	9,600	5,300	106.09
Revised forecast (B)	207,300	12,200	15,000	38,000	494.73
Difference (B-A)	73,300	4,500	5,400	32,700	
Change in %	54.7%	58.4%	56.3%	617.0%	
For reference:					
Previous full-year results (April 1, 2010 to March 31, 2011)	132,840	7,076	7,343	3,803	76.13

**Reasons for revisions**

The full-year financial forecast has been revised concomitant with the merger, taking into account factors such as the operating environment, business trends, strategic initiatives, and the impact of accounting treatment and other matters related to the merger.

The financial crisis in Europe and the accompanying strong yen have brought considerable uncertainty to the outlook for the domestic and global economy, and the outlook for corporate IT investment is also unclear. However, SCSK operations are proceeding favorably, and business performance, including the operations absorbed through the merger, is progressing steadily.

With due consideration of the above factors, and taking a conservative view of the business outlook, the full-year forecasts for sales and operating income have been revised to reflect the initial forecasts for both the surviving company in the merger and the extinguished company. Accordingly, the sales and operating income figures for the revised forecast are a combination of the initial full-year forecasts for SCS and the initial second-half forecasts of CSK.

At the ordinary income and net income levels, the initial forecasts have been revised to reflect improved operating efficiencies and also costs arising from strategic initiatives to reduce future operating expenses, while also incorporating the recording of deferred tax assets associated with accounting treatment for the merger.

**Deferred tax assets**

Deferred tax assets are expected to be recorded concomitant with accounting treatment of the merger. Although SCSK, through the merger, has been transferred tax-related loss carry forward held by the extinguished company CSK, these loss carry forward, after a conservative estimate of the earnings outlook, result in an estimate of approximately ¥33.0 billion in recognizable deferred tax assets, which have been incorporated in the revised forecasts as adjustments to income taxes.

Note: The above forecasts are based on information available as of the date of this press release. Actual earnings may differ from these forecasts for a variety of reasons.

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