
**Repurchase and retirement of preferred shares
and transfer of portion of capital reserve to other capital surplus**

May 1, 2012—SCSK Corporation (“SCSK”) resolved at a board meeting held today to repurchase and retire the Class A and Class B preferred shares issued by the former CSK Corporation (“CSK”) that SCSK succeeded to when it merged with the former CSK on October 1, 2011. This decision was made in order to seek to improve SCSK’s corporate value. It reflects the current operating environment and SCSK’s medium-term financial plans. Ahead of the said retirement, SCSK has decided to reduce its capital reserve (additional paid-in capital) and transfer the amount reduced to other capital surplus. The objective is to maintain resources for payment of dividends and ensure operational flexibility in terms of capital policy.

1. Repurchase of preferred shares

SCSK will repurchase all Class A and Class B preferred shares, based on the respective terms and conditions (payment of monetary consideration) for each of these share classes as stipulated in Appendices 1 and 2 of SCSK’s Articles of Incorporation. The details follow.

(1) Details of repurchase

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|---|---|
| 1) Classes of shares being repurchased | Class A and Class B preferred shares |
| 2) Total number of shares being repurchased | All outstanding Class A preferred shares (15,000 shares) All outstanding Class B preferred shares (15,000 shares) (0.03% of all outstanding shares (including the aforementioned preferred shares, excluding treasury stock)) |
| 3) Total repurchase price | ¥30,077,261,095 |
| 4) Date of repurchase | May 31, 2012 |
| 5) Seller | Financial institutions |

(Reference) Holdings of treasury stock as of March 31, 2012

| | |
|--|---------------------------------|
| Total number of shares outstanding (Including Class A and Class B preferred shares, excluding treasury stock) | 103,935,927 shares |
| Number of common shares | 103,905,927 shares |
| Number of Class A preferred shares | 15,000 shares |
| Number of Class B preferred shares | 15,000 shares |
| Number of treasury shares | 4,080,476 shares (common stock) |

2. Reduction of capital reserve and transfer of reduced amount to other capital surplus

SCSK plans to table a resolution at its ordinary general meeting of shareholders scheduled for June 27, 2012 to reduce its capital reserve (additional paid-in capital) and transfer the reduced amount to other capital surplus. The objective is to maintain resources for payment of dividends and ensure operational flexibility in terms of capital policy by securing other capital reserve for the purpose of covering the retirement of preferred shares outlined in 3. Below.

(1) Amount of reduction of capital reserve

The capital reserve of ¥31,299,816,744 will be reduced by ¥30,000,000,000 to ¥1,299,816,744.

(2) Method of reduction

Reduction of capital reserve and transfer of the entire amount reduced to other capital surplus based on the provisions of Article 448, paragraph 1 of the Companies Act.

(3) Schedule

| | |
|--|-------------------------|
| •Date of board meeting | May 1, 2012 |
| •Final date for creditor objections | June 22, 2012 (planned) |
| •Date of resolution at AGM | June 27, 2012 (planned) |
| •Effective date of capital reserve reduction | June 27, 2012 (planned) |

3. Retirement of preferred shares

The Class A and Class B preferred shares will be retired as outlined below, based on the provisions of Article 178 of the Companies Act. This is subject to approval of the resolution to reduce the capital reserve at the ordinary general meeting of shareholders scheduled for June 27, 2012 and the reduction of the capital reserve taking effect.

(1) Type and number of shares to be redeemed

All outstanding Class A and Class B preferred shares

(2) Effective date of retirement

June 27, 2012 (planned)

4. Impact on consolidated earnings

The impact of this matter on SCSK's consolidated earnings has been incorporated in SCSK's financial forecasts for the fiscal year ended March 31, 2013 announced today.

Ends