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## Declaration of unrecoverable debt, previously recorded under allowance for doubtful accounts

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**March 28, 2013**—SCSK Corporation (“SCSK”), at the time of merging with CSK Corporation in October 2011, assumed debt obligations relating to Gen Capital Co., Ltd. (formerly CSK Finance Co., Ltd.), and since then has been taking steps to recover this debt through the sale of assets of Gen Capital and other such measures. The sale of assets related to this debt has now been completed, at which point a portion of the debt has become unrecoverable.

Prior to merging, the entire amount of this debt was fully covered by an allowance for doubtful accounts at CSK Corporation. This allowance was inherited by SCSK at the time of merging. Accordingly, the declaration of unrecoverable debt in this announcement will not result in any loss and there is no revision to the full-year forecasts for SCSK.

### 1. Outline of relevant entity

Unit: yen unless stated otherwise

(1) Company name	Gen Capital Co., Ltd. (formerly CSK Finance Co., Ltd.)	
(2) Head office	5-11-1 Toranomom, Minato-ku, Tokyo	
(3) Representative	Hideharu Enomoto, President and CEO	
(4) Main business	Real estate investment	
(5) Paid-in capital	100 million	
(6) Date of establishment	April 4, 1990	
(7) Net assets	(125,395 million)	(as of March 2012)
(8) Total assets	12,189 million	(as of March 2012)
(9) Major shareholders and ownership interest	ACA Properties Investment Limited Partnership 100%	
(10) Relationship with the listed company	Capital relationship	SCSK has no significant capital relationship with the Company. SCSK's related parties and companies also have no significant relationship with the Company's related parties and companies..
	Personnel relationship	SCSK has no significant personnel relationships with the Company. SCSK's related parties and companies also have no significant relationship with the Company's related parties and companies.
	Business relationship	SCSK is a lender to the Company.
	Status of relevant parties	None applicable.

## 2. Background to unrecoverable debt

In September 2009, CSK Holdings (subsequently renamed CSK Corporation) transferred CSK Finance Co., Ltd. (current Gen Capital Co., Ltd.) to ACA Properties Investment Limited Partnership. Of the debt pertaining to real estate-related assets held by CSK Finance Co., Ltd., the portion deemed to have a high possibility of recovery continued to be held by SCSK after the merger with CSK.

The transfer disposal of all debt-related real estate was completed today, and although funds received through this process enabled recovery of some debt, the total amount received did not equal the total amount of associated debt. Accordingly, a portion of the debt became unrecoverable and was forgiven.

## 3. Type and amount of relevant debt owed (as of March 28, 2013)

Type of debt	Amount
Short-term loan	10,317 million yen

## 4. Outlook

The relevant unrecoverable debt was fully accounted for in allowance for doubtful accounts by CSK Corporation prior to the merger, and this allowance was inherited by SCSK at the time of merging. Accordingly, the declaration of unrecoverable debt in this announcement will not result in any loss. There is no revision to the full-year forecasts.

Ends

## Reference:

Forecast consolidated financial results for the current fiscal year (as announced on January 30, 2013) and results for the previous fiscal year

(Million yen)

	Operating revenue	Operating income	Ordinary income	Net income
Fiscal year ending March 31, 2013	280,000	20,000	20,300	15,000
Fiscal year ended March 31, 2012	200,326	12,879	16,659	25,669