

News Release



SCSK Corporation

January, 26th, 2017

Strengthening Supervisory Function of the Board of Directors and Enhancing Management Efficiency by Board Structure Change

Tokyo, January 2017 - SCSK, a global IT service company, announced that as a part of its ongoing efforts to improve corporate governance, it will adopt a new board structure. The new structure also stipulates the chair of the board should be an outside director as of April 1st, 2017. This change was adopted by the SCSK's board meeting held on January 26th, 2017.

Initiatives Aiming at Strengthening Supervisory Function of the Board of Directors and Enhancing Management Efficiency (effective as of April 1st, 2017)

SCSK has taken continuous steps to strengthen its corporate governance as well as supervisory function of the board of directors in order to enhance soundness, effectiveness and transparency of the management. In this endeavor, the Company established nominating and remuneration advisory committee in December 2015, and shifted to a company with Audit and Supervisory Committee in June 2016. Following those initiatives, the Company has decided to take measures below, with a view to establish a further robust framework of corporate governance whereby separation of supervising function of the management and business execution is materialized.

1. Strengthening Supervisory Function of the Board of Directors

1). Elimination of Board of Directors with Specific Titles

Under the new structure, the board consists exclusively of "Directors", and there exists no directors with specific titles such as "Chairman", "Vice Chairman". This change derived from the idea that every director should fulfill his/her mission of supervising business execution, aiming at clarifying their supervisory obligation, whereby the Company can further improve supervisory function of the board of directors which leads to ensuring soundness of the management.

2). Chair of the Board be Selected from Outside Directors

By nominating chair of the board from outside directors who is independent from business execution, the Company tries to further ensure separation of management supervisory function and business execution. Further, in the light of the fact that its parent company is a listed company, and that the Company has several listed companies under its umbrella as subsidiaries, having an independent director as the chair of the board will enhance objectivity and transparency in decision making process by realizing proper monitoring of risks arising from conflict of interests and reflecting interest of stakeholders including minority shareholders.

2. Enhancing Management Efficiency

1). Elimination of Executive Officers with Specific Titles

The new structure sets forth the elimination of executive officers with specific titles including "Executive Vice President", "Senior Managing Executive Officer" and "Managing Executive Officer", whereby all executive officers are uniformly titled as "Executive Officers". This move is intended to enhance management efficiency further, as it will make assignment of executives more flexible, while the Company will be able to value talent and performance, without putting importance on seniority.

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