

To Our Shareholders,

NOTICE OF CONVOCAATION OF GENERAL MEETING OF SHAREHOLDERS

It is our pleasure to announce the General Meeting of Shareholders of SCSK Corporation (hereinafter “We,” “SCSK” or the “Company”) for the fiscal year ended March 31, 2020, which will be held as set forth below.

In response to the COVID-19 pandemic, government agencies in Japan have issued requests that individuals refrain from leaving their homes whenever possible. Given this situation, we have taken the precautionary measures deemed necessary to prevent the spread of this virus when holding the General Meeting of Shareholders.

In light of the government stay-at-home requests, we ask that shareholders exercise their voting rights in writing or electronically prior to the meeting if possible and refrain from attending the meeting regardless of their health status unless absolutely necessary. These precautions have been deemed necessary to prevent the spread of COVID-19.

If you choose to exercise your voting rights in writing or electronically, please refer to pages 54 and 55 for details on these voting methods. Please take the time to examine the Reference Documents for the General Meeting of Shareholders on the following pages and exercise your voting rights no later than 5:30 p.m. on Monday June 22, 2020.

With highest regards,

Tooru Tanihara
President and Chief Operating Officer
SCSK Corporation
3-2-20 Toyosu, Koto-ku, Tokyo, Japan

- 1. Date and time** Tuesday June 23, 2020, at 10:00 a.m.
- 2. Venue** SCSK Meeting Room, 14F, Toyosu Front
3-2-20 Toyosu, Koto-ku, Tokyo, Japan
- 3. Purpose of the Meeting**
- Matters to be reported:**
- Report No. 1 Business Report, Consolidated Financial Statements, and Audit Reports by the Independent Auditor and the Audit and Supervisory Committee regarding the Consolidated Financial Statements for the fiscal year ended March 31, 2020 (April 1, 2019, to March 31, 2020)
- Report No. 2 Non-consolidated Financial Statements for the fiscal year ended March 31, 2020 (April 1, 2019, to March 31, 2020)
- Matters to be resolved:**
- Proposition No. 1 Election of seven (7) Directors (excluding Directors that are Audit and Supervisory Committee Members)
- Proposition No. 2 Election of one (1) Director that is an Audit and Supervisory Committee Member

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(Notes)

1. If you attend the Meeting in person, please submit the enclosed voting form to the receptionist.
2. Of the items that are required to be submitted with this Notice of Convocation, in accordance with laws and regulations and Article 17 of our Articles of Incorporation, the following items are posted on our website (<https://www.scsk.jp/>) and do not appear in this Notice of Convocation.
  - Information regarding decisions on systems for ensuring appropriate business reporting procedures
  - Overview of implementation of systems for ensuring appropriate business reporting procedures
  - Consolidated statements of change in net assets and notes to the consolidated financial statements
  - Non-consolidated statements of change in net assets and notes to the non-consolidated financial statements
3. The Audit and Supervisory Committee and the Independent Auditor audit information posted on the Company's website and other applicable items.
4. If any of the items included in the following reference documents for the Meeting, business report, consolidated financial statements, or non-consolidated financial statements require amendment up to and including the day before the Meeting, the amended items will be posted on our website (<https://www.scsk.jp/>).

**Precautionary Measures to Prevent the Spread of COVID-19**

We may implement precautionary measures at the site of the General Meeting of Shareholders to prevent the spread of COVID-19. We ask for your understanding and cooperation with this regard. In addition, we request that all attendees wear surgical masks or other facial coverings and that individuals in poor health refrain from attending.

Notification of any future changes pertaining to the holding of the General Meeting of Shareholders will be provided via SCSK's corporate website (<https://www.scsk.jp/>).

## Reference Documents for the General Meeting of Shareholders

### Propositions to be Voted Upon and References Relating Thereto

#### **Proposition No. 1: Election of seven (7) Directors (excluding Directors that are Audit and Supervisory Committee Members)**

At the close of this Ordinary General Meeting of Shareholders, the terms of all seven (7) current Directors (excluding Directors that are Audit and Supervisory Committee Members, “Directors” shall exclude Directors that are Audit and Supervisory Committee Members for the remainder of this proposition) shall expire. Accordingly, we hereby request that seven (7) Directors be elected.

The candidates for positions as Directors are as follows.

| Candidate No. | Name                                                                                     | Position at the Company                                                                                                                                                                                                                                                           | Attendance at Board of Directors meetings |
|---------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1             | <b>Masao Tabuchi</b><br><Reappointment>                                                  | Representative Director<br>Chairman and Chief Executive Officer<br>Chief Health Officer                                                                                                                                                                                           | 100%<br>(14/14)                           |
| 2             | <b>Tooru Tanihara</b><br><Reappointment>                                                 | Representative Director<br>President and Chief Operating Officer                                                                                                                                                                                                                  | 100%<br>(14/14)                           |
| 3             | <b>Tetsuya Fukunaga</b><br><Reappointment>                                               | Director<br>Senior Managing Executive Officer<br>General Manager (Finance & Business Investment Promotion Group)                                                                                                                                                                  | 100%<br>(14/14)                           |
| 4             | <b>Kei Kato</b><br><Reappointment>                                                       | Director<br>Senior Managing Executive Officer<br>General Manager, Global System Solutions & Innovation Business Group<br>Deputy General Manager (DX Strategic Marketing Center, DX & Innovation Business Center, DX Technology Development Center, Research & Development Center) | 100%<br>(12/12)                           |
| 5             | <b>Tatsuro Tamura</b><br><Reappointment>                                                 | Director<br>Managing Executive Officer<br>General Manager (Corporate Planning, Corporate Communications & Sustainability Group)                                                                                                                                                   | 100%<br>(12/12)                           |
| 6             | <b>Bin Haga</b><br><New appointment>                                                     | —                                                                                                                                                                                                                                                                                 | —                                         |
| 7             | <b>Kiyoto Matsuda</b><br><Reappointment><br><Outside Director><br><Independent Director> | Outside Director                                                                                                                                                                                                                                                                  | 100%<br>(14/14)                           |

| Candidate No. 1                                                                                                                                                                                                                                                                                                                                                                                                                 | Date of birth                                                                                                                                                  | Number of Company shares owned                                                            | Special interests with the Company                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Masao Tabuchi<br><Reappointment>                                                                                                                                                                                                                                                                                                                                                                                                | Jul. 14, 1957                                                                                                                                                  | 1,400 shares                                                                              | None                                                                                                                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                 | Attendance rate of Board of Directors meetings (attendance/no. of meetings held)                                                                               | No. of years in office as Director (until the end of the General Meeting of Shareholders) |                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                 | 100% (14 out of 14 meetings)                                                                                                                                   | 2 years                                                                                   |                                                                                                                                                    |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                |                                                                                           |                                                                                                                                                    |
| Apr. 1980                                                                                                                                                                                                                                                                                                                                                                                                                       | Joined Sumitomo Corporation                                                                                                                                    | Apr. 2017                                                                                 | Representative Director of Sumitomo Corporation                                                                                                    |
| Apr. 2008                                                                                                                                                                                                                                                                                                                                                                                                                       | Corporate Officer of Sumitomo Corporation                                                                                                                      |                                                                                           | Senior Managing Executive Officer, Chief Strategy Officer and Chief Information Officer                                                            |
| Apr. 2012                                                                                                                                                                                                                                                                                                                                                                                                                       | Executive Officer of Sumitomo Corporation<br>General Manager, Automotive Division, No.1                                                                        | Apr. 2018                                                                                 | Representative Director of Sumitomo Corporation<br>Assistant to President and CEO<br>Concurrent position as Advisor of SCSK                        |
| Apr. 2013                                                                                                                                                                                                                                                                                                                                                                                                                       | Executive Officer of Sumitomo Corporation<br>General Manager, Ship, Aerospace & Transportation Systems Division                                                | Jun. 2018                                                                                 | Representative Director of SCSK<br>Chairman and Chief Executive Officer                                                                            |
| Apr. 2015                                                                                                                                                                                                                                                                                                                                                                                                                       | Managing Executive Officer of Sumitomo Corporation<br>Chief Strategy Officer, Managing Executive Officer Responsible for Chubu Region                          | Apr. 2019                                                                                 | <b>Representative Director of SCSK</b> (present)<br><b>Chairman and Chief Executive Officer</b> (present)<br><b>Chief Health Officer</b> (present) |
| Jun. 2015                                                                                                                                                                                                                                                                                                                                                                                                                       | Representative Director of Sumitomo Corporation<br>Managing Executive Officer, Chief Strategy Officer, Managing Executive Officer Responsible for Chubu Region |                                                                                           |                                                                                                                                                    |
| Apr. 2016                                                                                                                                                                                                                                                                                                                                                                                                                       | Representative Director of Sumitomo Corporation<br>Managing Executive Officer,<br>Chief Strategy Officer                                                       |                                                                                           |                                                                                                                                                    |
| Reason for appointment                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                |                                                                                           |                                                                                                                                                    |
| Mr. Masao Tabuchi became Representative Director and Chairman and Chief Executive Officer of the Company in June 2018, a position in which he was responsible for drafting medium- to long-term strategies and overseeing management. We believe that the experience and knowledge accumulated throughout his career will be viable to the management of the Company, and we have thus selected him to be a Director candidate. |                                                                                                                                                                |                                                                                           |                                                                                                                                                    |

| Candidate No. 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Date of birth                                                                    | Number of Company shares owned                                                            | Special interests with the Company                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Tooru Tanihara<br><Reappointment>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Dec. 24, 1959                                                                    | 3,180 shares                                                                              | None                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Attendance rate of Board of Directors meetings (attendance/no. of meetings held) | No. of years in office as Director (until the end of the General Meeting of Shareholders) |                                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 100% (14 out of 14 meetings)                                                     | 8 years, 9 months                                                                         |                                                                                                                  |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                  |                                                                                           |                                                                                                                  |
| Apr. 1982                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Joined COMPUTER SERVICE CORPORATION                                              | Oct. 2011                                                                                 | Director of SCSK<br>Senior Managing Executive Officer                                                            |
| Jun. 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Executive Officer of CSK CORPORATION                                             | Apr. 2016                                                                                 | Representative Director & President of SCSK                                                                      |
| Oct. 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Executive Officer of CSK SYSTEMS CORPORATION                                     | Apr. 2017                                                                                 | Representative Director of SCSK<br>President                                                                     |
| Jun. 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Representative President of CSK-IT MANAGEMENT CORPORATION                        | Jun. 2018                                                                                 | <b>Representative Director of SCSK</b><br>(present)<br><b>President and Chief Operating Officer</b><br>(present) |
| Mar. 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Executive Officer of CSK HOLDINGS CORPORATION                                    |                                                                                           |                                                                                                                  |
| Oct. 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Senior Managing Executive Officer of CSK CORPORATION                             |                                                                                           |                                                                                                                  |
| Reason for appointment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                  |                                                                                           |                                                                                                                  |
| <p>Mr. Tooru Tanihara assumed the position of President in April 2016 and later became President and Chief Operating Officer, a position in which he was responsible for overseeing operations. In this capacity, he is currently playing a leading role in advancing business strategies and in formulating our Medium-Term Management Plan, which was commenced in April 2020. We have selected Mr. Tooru Tanihara as a Director candidate based on the belief that he will be able to utilize his accumulated experience and knowledge as a manager of the Company.</p> |                                                                                  |                                                                                           |                                                                                                                  |

| Candidate No. 3                                                                                                                                                                                                                                                                                                                                                                                              | Date of birth                                                                                 | Number of Company shares owned                                                            | Special interests with the Company                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tetsuya Fukunaga<br><Reappointment>                                                                                                                                                                                                                                                                                                                                                                          | Feb. 1, 1960                                                                                  | 10,160 shares                                                                             | None                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                              | Attendance rate of Board of Directors meetings (attendance/no. of meetings held)              | No. of years in office as Director (until the end of the General Meeting of Shareholders) |                                                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                              | 100% (14 out of 14 meetings)                                                                  | 15 years                                                                                  |                                                                                                                                                                                 |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                                                                                                                                |                                                                                               |                                                                                           |                                                                                                                                                                                 |
| Apr. 1983                                                                                                                                                                                                                                                                                                                                                                                                    | Joined The Long-Term Credit Bank of Japan, Ltd.                                               | Apr. 2014                                                                                 | Director of SCSK, Senior Managing Executive Officer                                                                                                                             |
| Oct. 1999                                                                                                                                                                                                                                                                                                                                                                                                    | Vice President, Corporate & Investment Banking Group, Chase Manhattan Bank                    | Apr. 2017                                                                                 | Director of SCSK, Executive Officer<br>Chief Financial Officer                                                                                                                  |
| Jun. 2000                                                                                                                                                                                                                                                                                                                                                                                                    | CFO, Lycos Japan Inc.                                                                         | Jun. 2017                                                                                 | Director of SCSK<br>Senior Managing Executive Officer                                                                                                                           |
| Dec. 2002                                                                                                                                                                                                                                                                                                                                                                                                    | Adviser to Sumisho Electronics Co., Ltd.                                                      | Apr. 2019                                                                                 | Director of SCSK<br>Senior Managing Executive Officer<br>Corporate Coordination Officer                                                                                         |
| Feb. 2003                                                                                                                                                                                                                                                                                                                                                                                                    | Director of Sumisho Electronics Co., Ltd.,<br>Managing Executive Officer                      | Apr. 2020                                                                                 | <b>Director of SCSK (present)</b><br><b>Senior Managing Executive Officer (present)</b><br><b>General Manager (Finance &amp; Business Investment Promotion Group) (present)</b> |
| Apr. 2005                                                                                                                                                                                                                                                                                                                                                                                                    | Executive Officer of SCSK<br>Concurrent position as Director of Sumisho Electronics Co., Ltd. |                                                                                           |                                                                                                                                                                                 |
| Jun. 2005                                                                                                                                                                                                                                                                                                                                                                                                    | Director of SCSK, Executive Officer                                                           |                                                                                           |                                                                                                                                                                                 |
| Apr. 2008                                                                                                                                                                                                                                                                                                                                                                                                    | Director of SCSK, Managing Executive Officer                                                  |                                                                                           |                                                                                                                                                                                 |
| Jun. 2008                                                                                                                                                                                                                                                                                                                                                                                                    | Concurrent position as <b>Outside Director of ARGO GRAPHICS Inc.</b> (present)                |                                                                                           |                                                                                                                                                                                 |
| Reason for appointment                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                               |                                                                                           |                                                                                                                                                                                 |
| Mr. Tetsuya Fukunaga has been in charge of our corporate divisions, including IR, finance, and risk management divisions, for many years and has a wealth of experience and extensive knowledge. We believe that the experience and knowledge accumulated throughout his career qualifies him to supervise the operation execution of the Company, and we have thus selected him to be a Director candidate. |                                                                                               |                                                                                           |                                                                                                                                                                                 |

| Candidate No. 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Date of birth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of Company shares owned                                                           | Special interests with the Company |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------|
| <b>Kei Kato</b><br>< Reappointment >                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Dec. 13, 1958                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0 shares                                                                                 | Yes                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Attendance rate of Board of Directors meetings (attendance/no. of meetings held)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No. of years in office as Director (from the end of the General Meeting of Shareholders) |                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 100% (12 out of 12 meetings)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1 year                                                                                   |                                    |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |                                    |
| Apr. 1982    Joined Sumitomo Corporation<br>Apr. 2014    Assistant to General Manager for the Americas, Sumitomo Corporation<br>May. 2015    General Manager, Business Development Group in Sumitomo Corporation of Americas Group, Sumitomo Corporation of Americas<br>Apr. 2018    Assistant General Manager for the Americas Corporate Officer of Sumitomo Corporation Assistant to General Manager, ICT Business Division<br>Concurrent position as Managing Executive Officer of SCSK<br>Oct. 2018    Corporate Officer of Sumitomo Corporation <b>Assistant to General Manager, Digital Business Division</b> (present)<br>Apr. 2019    Concurrent position as Senior Managing Executive Officer of SCSK | Jun. 2019    Concurrent position as Director of SCSK<br>Concurrent position as Senior Managing Executive Officer<br>Apr. 2020    Concurrent position as <b>Director of SCSK</b> (present)<br>Concurrent position as <b>Senior Managing Executive Officer</b> (present)<br>Concurrent position as <b>General Manager, Global System Solutions &amp; Innovation Business Group</b> (present)<br>Concurrent position as <b>Deputy General Manager (DX Strategic Marketing Center, DX &amp; Innovation Business Center, DX Technology Development Center, Research &amp; Development Center)</b> (present) |                                                                                          |                                    |
| Reason for appointment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |                                    |
| Mr. Kei Kato has been in charge of our Global System Solutions & Innovation Business Group and has a wealth of specialized and wide-ranging knowledge pertaining to global businesses. We believe that the experience and knowledge accumulated throughout his career qualifies him to supervise the operation execution of the Company, and we have thus selected him to be a Director candidate.                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |                                    |
| Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |                                    |
| Mr. Kei Kato is an executive of Sumitomo Corporation. A business relationship between the Company and Sumitomo Corporation exists primarily in the areas of software development, data processing services, and hardware and software sales.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |                                    |

| Candidate No. 5                                                                                                                                                                                                                                                                                                                  | Date of birth                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Number of Company shares owned                                                           | Special interests with the Company                                                                                                                                                                                                                                                                                                                                                                                    |
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| Tatsuro Tamura<br><Reappointment>                                                                                                                                                                                                                                                                                                | Oct. 12, 1963                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0 shares                                                                                 | Yes                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                                                                                                                                                                  | Attendance rate of Board of Directors meetings (attendance/no. of meetings held)                                                                                                                                                                                                                                                                                                                                                                                        | No. of years in office as Director (from the end of the General Meeting of Shareholders) |                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                                                                                                                  | 100% (12 out of 12 meetings)                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1 year                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Resume, current position and responsibilities                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Apr. 1987<br>Jul. 2015<br>Apr. 2017<br>Apr. 2019<br>Jun. 2019                                                                                                                                                                                                                                                                    | Joined Sumitomo Corporation<br>General Manager, Investor Relations Department, Sumitomo Corporation<br>Corporate Officer of Sumitomo Corporation<br>General Manager, Investor Relations Department<br>Corporate Officer of Sumitomo Corporation<br>Assistant to General Manager, Digital Business Division<br>Concurrent position as Managing Executive Officer of SCSK<br>Concurrent position as Director of SCSK<br>Concurrent position as Managing Executive Officer | Apr. 2020                                                                                | <b>Executive Officer of Sumitomo Corporation</b> (present)<br><b>Assistant to General Manager, Media &amp; Digital Business Unit</b> (present)<br>Concurrent position as <b>Director of SCSK</b> (present)<br>Concurrent position as <b>Managing Executive Officer</b> (present)<br>Concurrent position as <b>General Manager (Corporate Planning, Corporate Communications &amp; Sustainability Group)</b> (present) |
| Reason for appointment                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Mr. Tatsuro Tamura has a wealth of specialized and wide-ranging knowledge pertaining to finance, accounting, and IR. We believe that the experience and knowledge accumulated throughout his career qualifies him to supervise the operation execution of the Company, and we have thus selected him to be a Director candidate. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Other                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Mr. Tatsuro Tamura is an executive of Sumitomo Corporation. A business relationship between the Company and Sumitomo Corporation exists primarily in the areas of software development, data processing services, and hardware and software sales.                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                       |



| Candidate No. 6                                                                                                                                                                                                                                                                                                                                                 | Date of birth                                                                                                    | Number of Company shares owned                                                           | Special interests with the Company                                                                                                                                                                                  |
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| <b>Bin Haga</b><br><New appointment>                                                                                                                                                                                                                                                                                                                            | Feb. 28, 1964                                                                                                    | 0 shares                                                                                 | Yes                                                                                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                 | Attendance rate of Board of Directors meetings (attendance/no. of meetings held)                                 | No. of years in office as Director (from the end of the General Meeting of Shareholders) |                                                                                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                                                                 | —                                                                                                                | —                                                                                        |                                                                                                                                                                                                                     |
| <b>Resume, current position and responsibilities</b>                                                                                                                                                                                                                                                                                                            |                                                                                                                  |                                                                                          |                                                                                                                                                                                                                     |
| Apr. 1986                                                                                                                                                                                                                                                                                                                                                       | Joined Sumitomo Corporation                                                                                      | Apr. 2018                                                                                | Executive Officer of Sumitomo Corporation<br>General Manager, Corporate Planning & Coordination Department                                                                                                          |
| Apr. 2015                                                                                                                                                                                                                                                                                                                                                       | Corporate Officer of Sumitomo Corporation<br>Chief Operating Officer, Sumitomo Corporation Europe Limited        | Apr. 2020                                                                                | <b>Managing Executive Officer of Sumitomo Corporation</b> (present)<br><b>Assistant General Manager, Media &amp; Digital Business Unit</b> (present)<br><b>General Manager, Digital Business Division</b> (present) |
| Apr. 2016                                                                                                                                                                                                                                                                                                                                                       | Corporate Officer of Sumitomo Corporation<br>Chairman and Managing Director, Sumitomo Corporation Europe Limited |                                                                                          |                                                                                                                                                                                                                     |
| Apr. 2017                                                                                                                                                                                                                                                                                                                                                       | Executive Officer of Sumitomo Corporation<br>Chairman and Managing Director, Sumitomo Corporation Europe Limited |                                                                                          |                                                                                                                                                                                                                     |
| <b>Reason for appointment</b>                                                                                                                                                                                                                                                                                                                                   |                                                                                                                  |                                                                                          |                                                                                                                                                                                                                     |
| Mr. Bin Haga has a breadth of experience as a corporate manager and a wealth of wide-ranging and specialized knowledge regarding global operations. We believe that the experience and knowledge accumulated throughout his career qualifies him to supervise the operation execution of the Company, and we have thus selected him to be a Director candidate. |                                                                                                                  |                                                                                          |                                                                                                                                                                                                                     |
| <b>Other</b>                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                  |                                                                                          |                                                                                                                                                                                                                     |
| 1. Mr. Bin Haga is an executive of Sumitomo Corporation. A business relationship between the Company and Sumitomo Corporation exists primarily in the areas of software development, data processing services, and hardware and software sales.                                                                                                                 |                                                                                                                  |                                                                                          |                                                                                                                                                                                                                     |
| 2. If this proposed resolution is approved, SCSK plans to enter into a liability limitation agreement with Mr. Bin Haga to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.                                                                                                               |                                                                                                                  |                                                                                          |                                                                                                                                                                                                                     |

| Candidate No. 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Date of birth                                                                                                                                                                                                                                                                                                                       | Number of Company shares owned                                                           | Special interests with the Company |
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| <p style="text-align: center;"><b>Kiyoto Matsuda</b><br/>           &lt;Reappointment&gt;<br/>           &lt;Outside Director&gt;<br/>           &lt;Independent Director&gt;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Sep. 6, 1952                                                                                                                                                                                                                                                                                                                        | 0 shares                                                                                 | None                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Attendance rate of Board of Directors meetings (attendance/no. of meetings held)                                                                                                                                                                                                                                                    | No. of years in office as Director (from the end of the General Meeting of Shareholders) |                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 100% (14 out of 14 meetings)                                                                                                                                                                                                                                                                                                        | 3 years                                                                                  |                                    |
| <b>Resume, current position and responsibilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                     |                                                                                          |                                    |
| Apr. 1975    Joined The Industrial Bank of Japan, Ltd.<br>Apr. 2002    Executive Officer of Mizuho Corporate Bank, Ltd.<br>Apr. 2004    Managing Executive Officer of Mizuho Corporate Bank, Ltd. (resigned in March 2007)<br>Apr. 2007    Deputy President of Mizuho Securities Co., Ltd. (resigned in March 2008)<br>Apr. 2008    Partner of Unison Capital, Inc. (resigned in March 2018)<br>Mar. 2010 <b>Outside Director of SANYO SHOKAI LTD.</b> (present)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Dec. 2012 <b>Chairman of the Board of TOPAZ CAPITAL, INC.</b> (present)<br>Jun. 2017 <b>Outside Director of SCSK</b> (present)<br>Mar. 2018 <b>Outside Director of Hotto Link Inc.</b> (present)<br>Jun. 2019 <b>Outside Director of SURUGA bank Ltd.</b> (present)<br>May 2020    Outside Director of SANYO SHOKAI LTD. (retiring) |                                                                                          |                                    |
| <b>Reason for appointment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                     |                                                                                          |                                    |
| <p>Mr. Kiyoto Matsuda has a breadth of experience and a wealth of knowledge regarding corporate management. We believe that the experience and knowledge accumulated through his work qualifies him to help maintain and enhance the functions that supervise the execution of the Company's operations, and we have thus selected him to be an Outside Director candidate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                     |                                                                                          |                                    |
| <b>Other matters concerning candidate Outside Director</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                     |                                                                                          |                                    |
| <ol style="list-style-type: none"> <li>SCSK has designated Mr. Kiyoto Matsuda as an independent director that is unlikely to have any conflict of interest with respect to general shareholders and notified the Tokyo Stock Exchange, as it is obliged to do by the Exchange.</li> <li>SCSK has entered into a liability limitation agreement with Mr. Kiyoto Matsuda to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If this proposed resolution is approved, this agreement will be renewed.</li> <li>Mr. Kiyoto Matsuda was an executive of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.), a major lender to the Company, up until March 2007. More than five years have passed since he resigned from Mizuho Bank and he has not been involved in the management of this company after resigning. The Company has thus judged that this history does not impact the independence of Mr. Kiyoto Matsuda in the present. In addition, Mr. Kiyoto Matsuda was previously an executive of Mizuho Securities Co., Ltd. However, more than five years have passed since he resigned from Mizuho Securities and he has not been involved in the management of this company after resigning. Moreover, the amount of transactions between Mizuho Securities and the Company equate to less than 1% of the consolidated operating revenues of Mizuho Securities and the consolidated net sales of the Company. Accordingly, we have judged that Mr. Kiyoto Matsuda is sufficiently independent from the Company. Furthermore, Mr. Kiyoto Matsuda previously held a position as an executive at Unison Capital, Inc., and is currently an executive at TOPAZ CAPITAL, INC., but the Company does not have any business relationship with either of these companies.</li> </ol> |                                                                                                                                                                                                                                                                                                                                     |                                                                                          |                                    |

## Proposition No. 2: Election of one (1) Director that is an Audit and Supervisory Committee Member

At the close of this Ordinary General Meeting of Shareholders, the terms of one (1) of the four (4) Directors that also serve as Audit and Supervisory Committee Members, Ms. Kazuko Shiraishi, shall expire. Accordingly, we hereby request that one (1) Director that also serves as an Audit and Supervisory Committee Member be elected.

Advance consent has been received from the Audit and Supervisory Committee with regard to this proposition.

The candidate for the position as Director that is an Audit and Supervisory Committee Member is as follows.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Date of birth                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of Company shares owned                                                                | Special interests with the Company                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Kazuko Shiraishi</b><br><Reappointment><br><Outside Director><br><Independent Director>                                                                                                                                                                                                                                                                                                                                                                                                                                             | Aug. 18, 1951                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 300 shares                                                                                    | None                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Attendance rate of Board of Directors meetings (attendance/no. of meetings held)                                                                                                                                                                                                                                                                                                                                                                                                           | Attendance rate of Audit and Supervisory Committee meetings (attendance/no. of meetings held) | No. of years in office as Outside Director (from the end of the General Meeting of Shareholders) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 93%<br>(13 out of 14 meetings)                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 100%<br>(16 out of 16 meetings)                                                               | 2 years                                                                                          |
| <b>Resume, current position and responsibilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                                  |
| Apr. 1974 Entered the Ministry of Foreign Affairs<br>Aug. 1997 First Secretary, Embassy of Japan in Poland<br>Jan. 2001 Consul General, Consulate-General of Japan in Atlanta<br>Jun. 2003 General Manager, International Economic Treaty Office, International Economic Treaty Agreement Division, Treaty Bureau<br>Sep. 2004 Policy Coordinator, Policy Coordination Division, Foreign Policy Bureau<br>Oct. 2005 General Manager, WTO Dispute Settlement Division, International Trade Division, Economic Affairs Bureau            | Apr. 2007 Councilor, Embassy of Japan in Poland<br>Jan. 2012 Ambassador Extraordinary and Plenipotentiary to Lithuania<br>Jun. 2015 Ambassador for Women, Human Rights and Humanitarian Affairs and Ambassador in Charge of Arctic Affairs<br>Jun. 2016 Ambassador in Charge of Arctic Affairs, Ministry of Foreign Affairs<br>Jun. 2018 <b>Outside Director (Audit and Supervisory Committee Member) of SCSK (present)</b><br>Mar. 2019 <b>External Director of MODEC, Inc. (present)</b> |                                                                                               |                                                                                                  |
| <b>Reason for appointment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                                  |
| Ms. Kazuko Shiraishi possesses a wealth of experience and extensive knowledge into international affairs. We believe that the experience and knowledge accumulated through her work qualifies her to audit the execution of duties by Directors from an objective standpoint, and we have thus selected her to be a candidate for the position of Outside Director that also serves as an Audit and Supervisory Committee Member.                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                                  |
| <b>Other matters concerning candidate Outside Director</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                                  |
| 1. SCSK has designated Ms. Kazuko Shiraishi as an independent director that is unlikely to have any conflict of interest with respect to general shareholders and notified the Tokyo Stock Exchange, as it is obliged to do by the Exchange.<br>2. SCSK has entered into a liability limitation agreement with Ms. Kazuko Shiraishi to limit the amount of her liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If this proposed resolution is approved, this agreement will be renewed. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                                  |

### **Input from the Audit and Supervisory Committee on Nomination and Remuneration of Directors that are Not Audit and Supervisory Committee Members**

Based on reports from relevant officers regarding Director nomination proposals and policies, the Audit and Supervisory Committee discussed matters concerning the nomination of Directors that are not Audit and Supervisory Committee Members. Through such discussions, the Audit and Supervisory Committee reached the conclusion that the Director candidates named in this proposal were sufficiently qualified based on factors including the composition of the Board of Directors and the specialized knowledge, experience, and past performance of candidates.

In addition, discussions regarding the remuneration of Directors that are not Audit and Supervisory Committee Members were held based on reports from relevant officers on remuneration systems and amounts. These discussions led the Audit and Supervisory Committee to conclude that the amounts of remuneration paid to Directors that are not Audit and Supervisory Committee Members were appropriate because these amounts were based on Directors' roles and duties, at a level that considered the Company's performance, and calculated through impartial methods.

## **Business report for FY2019 (April 1, 2019 to March 31, 2020)**

### **1. Matters Regarding the Current Status of the SCSK Group**

#### **1-1 Progress of Operations and Operating Results**

In the fiscal year ended March 31, 2020, the Japanese economy showed a modest recovery trend against a backdrop of robust corporate earnings, a strong job market, and higher wages. However, the global COVID-19 pandemic that struck the world in 2020 has greatly restricted consumer spending, and the effects have spread to the job market. This pandemic is also impeding manufacturing and other economic activities in China and resulting in difficulties in procuring components, thereby diminishing corporate earnings and giving rise to a growing sense of concern for a potential economic recession.

The Japanese economy is projected to continue to face incredibly adverse conditions as the COVID-19 pandemic becomes increasingly widespread. Given the risks of further downturn in domestic and overseas economies associated with the pandemic, an even greater degree of scrutiny will be required when judging economic trends for the purpose of making management decisions going forward.

In this environment, the IT services market witnessed growth in strategic investment demand, such as that for the purposes of reinforcing strategic operations or securing a competitive edge, coupled with robust system investment demand for implementing productivity improvements, automation and labor-saving initiatives, working style reforms, and responses to labor shortfalls. We also saw the emergence of operational system upgrade demand aimed at transforming the legacy systems that still pervade various industries into open systems together with demand for addressing software that will be reaching the ends of their service periods. In this manner, it was judged that there was a firm trend in overall IT investment demand and that the impacts of the COVID-19 pandemic were limited in the fiscal year ended March 31, 2020.

In the manufacturing industry, conditions held firm supported by demand in several areas. Examples of such areas included demand for strategic investments for expanding operations or boosting competitiveness. Other areas were demand for business process outsourcing (BPO) services related to products and services; verification services for pre-market products, which are growing ever more sophisticated; and operational system upgrade investments, such as those for converting certain legacy systems into open systems.

In the financial industry, numerous financial institutions refrained from making capital investments in response to Japan's negative interest rate policy and other market conditions. Looking ahead, demand for IT investment for the reinforcement and expansion of overseas operations and other methods of augmenting operations is proving robust. Similarly strong is demand for investment in measures for utilizing FinTech, artificial intelligence (AI), and other new IT technologies and for realizing more sophisticated online banking and Internet services as well as for the diversification of payment methods.

In the communications and transportation industries, IT investment demand is on the rise, as seen in increased development projects for enhancing customer services in the communications industry and growth in new core systems development and core systems redevelopment projects in the transportation industry.

In addition, demand for various cloud-based IT services has been on the rise in IaaS, PaaS, and other IT infrastructure sectors against a backdrop of a strong appetite among customer companies for investment to

heighten operational efficiency and shortages of in-house IT engineers at these companies. A similar increase was seen in demand for system operation outsourcing services in the operational system field, although here it was limited to certain sectors.

In the fiscal year ended March 31, 2020, net sales, operating profit, and ordinary profit were up for the eighth consecutive year as a result of the IT investment trends arising from aforementioned favorable operating environment.

Net sales in the fiscal year ended March 31, 2020, increased 7.9% year on year, to ¥387,003 million, due to higher sales in the three distinctive service categories of SCSK—systems development, system maintenance and operation services, and system sales—as a result of IT investment demand, from customers in the manufacturing industry, which has been rising since the previous fiscal year.

Operating profit was up 10.3% year on year, to ¥42,326 million, due to the higher net sales coupled with improved profitability attributable to increased development productivity, which itself stemmed from efforts to boost general work quality and streamline operations.

Ordinary profit grew 11.3%, to ¥43,014 million, and profit attributable to owners of parent increased 11.9%, to ¥31,201 million, as a result of the increase in operating profit.

### Consolidated business results for the period to March 31, 2020

(Millions of yen)

| Business Results by segment                        | FY2018<br>(51st Period) |                | FY2019<br>(52nd Period) |                | Year-on-year change |                |
|----------------------------------------------------|-------------------------|----------------|-------------------------|----------------|---------------------|----------------|
|                                                    | Sales                   | Segment Profit | Sales                   | Segment Profit | Sales               | Segment Profit |
| Manufacturing & Telecommunication Systems Business | 43,369                  | 6,308          | 49,960                  | 6,280          | 6,591               | -28            |
| Distribution & Media Systems Business              | 63,054                  | 6,589          | 62,382                  | 7,326          | -671                | 737            |
| Financial Systems Business                         | 63,932                  | 7,349          | 63,860                  | 7,223          | -71                 | -125           |
| Global System Solutions & Innovation Business      | 15,553                  | 2,576          | 18,249                  | 2,592          | 2,696               | 15             |
| Business Solutions                                 | 48,829                  | 5,016          | 52,578                  | 5,112          | 3,749               | 96             |
| Mobility Systems                                   | 19,550                  | -265           | 22,279                  | 1,246          | 2,728               | 1,512          |
| IT Platform Solutions                              | 58,857                  | 7,163          | 63,844                  | 8,242          | 4,986               | 1,078          |
| IT Management                                      | 44,780                  | 5,845          | 48,457                  | 6,447          | 3,677               | 601            |
| Other                                              | 726                     | -86            | 5,389                   | 80             | 4,662               | 166            |
| Adjustments                                        | —                       | -2,120         | —                       | -2,226         | —                   | -106           |
| <b>Total</b>                                       | <b>358,654</b>          | <b>38,378</b>  | <b>387,003</b>          | <b>42,326</b>  | <b>28,348</b>       | <b>3,948</b>   |

(Notes) 1. A partial revision of the Company's segments was instituted in FY2019. Accordingly, the sales and segment income figures for FY2018 displayed above have been restated to reflect the revised segments.

2. Sales by segment indicate sales to outside customers.

3. Adjustments to segment income represent general corporate expenses that have not been allocated to the reported segments.

## Overview of business results by segment

### ○ Manufacturing & Telecommunication Systems Business

Sales ¥49,960 million Net sales were up 15.2% year on year, to ¥49,960 million, as a result of strong trends in systems development projects for automobile, gas, and communications industry customers as well as an increase in operational system upgrade projects for construction industry customers. Segment profit, meanwhile, was down 0.4%, to ¥6,280 million, due to the impacts of unprofitable projects.

Percentage of total: 12.9%

### ○ Distribution & Media Systems Business

Sales ¥62,382 million Net sales were down 1.1% year on year, to ¥62,382 million, due to a decline in earnings from certain comprehensive e-commerce outsourcing-related fulfillment services and a rebound from previously recorded large-scale orders from distribution industry customers. These factors counteracted the benefits of the strong performance of system sales orders from the communications industry seen in the first half of the fiscal year. Conversely, segment profit was up 11.2% year on year, to ¥7,326 million, as a result of the absence of R&D expenses recorded in association with business investments in the previous fiscal year.

Percentage of total: 16.1%

### ○ Financial Systems Business

Sales ¥63,860 million Net sales were down 0.1% year on year, to ¥63,860 million, due to the rebound from large-scale hardware sales recorded in the previous fiscal year, a factor that offset the strong system upgrade demand from the banking, credit, and leasing industries. Segment profit similarly decreased 1.7%, to ¥7,223 million, as a result of the impacts of unprofitable projects.

Percentage of total: 16.5%

### ○ Global System Solutions & Innovation Business

Sales ¥18,249 million Net sales increased 17.3% year on year, to ¥18,249 million, following a rise in orders from trading companies. Segment profit was up 0.6%, to ¥2,592 million, due to the benefits of the aforementioned increase in net sales, which outweighed the rise in costs that accompanied the expansion of operations in Southeast Asia.

Percentage of total: 4.7%

### ○ Business Solutions

Sales ¥52,578 million Net sales rose 7.7% year on year, to ¥52,578 million, as a result of strong enterprise resource planning-related system upgrade demand and brisk performance in BPO service operations. Despite an increase in R&D activities, segment profit was up 1.9%, to ¥5,112 million, because of the aforementioned rise in net sales.

Percentage of total: 13.6%

○ Mobility Systems

Sales ¥22,279 million Net sales increased 14.0% year on year, to ¥22,279 million, and segment profit was ¥1,246 million, compared with segment loss of ¥265 million in the previous fiscal year. This outcome was attributable to the strong performance of verification services for the automotive industry along with robust embedded automotive software development demand.

Percentage of total: 5.8%

○ IT Platform Solutions

Sales ¥63,844 million Net sales rose 8.5% year on year, to ¥63,844 million, and segment profit was up 15.1%, to ¥8,242 million, as a result of higher systems sales to the manufacturing industry.

Percentage of total: 16.5%

○ IT Management

Sales ¥48,457 million Net sales increased 8.2% year on year, to ¥48,457 million, and segment profit rose 10.3%, to ¥6,447 million, following brisk demand in management service and data center businesses.

Percentage of total: 12.5%

○ Other

Sales ¥5,389 million Due to the impact of newly consolidated subsidiaries, Net sales rose 642.2% year on year, to ¥5,389 million, whereas segment profit amounted to ¥80 million, compared with segment loss of ¥86 million in the previous fiscal year.

Percentage of total: 1.4%

Net sales in the sales segments of Systems Development, System Maintenance and Operation/Services, and Packaged Software/Hardware Sales are described below.

| Sales by service type                     | FY2018<br>(51st Period)     |                            | FY2019<br>(52nd Period)     |                            | Year-on-year change         |            |
|-------------------------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|------------|
|                                           | Amount<br>(millions of yen) | Percentage<br>of total (%) | Amount<br>(millions of yen) | Percentage<br>of total (%) | Amount<br>(millions of yen) | Change (%) |
| Systems Development                       | 140,092                     | 39.1                       | 155,835                     | 40.3                       | 15,742                      | 11.2       |
| System Maintenance and Operation/Services | 134,132                     | 37.4                       | 143,429                     | 37.1                       | 9,297                       | 6.9        |
| Packaged Software/Hardware Sales          | 84,430                      | 23.5                       | 87,738                      | 22.7                       | 3,308                       | 3.9        |
| Total                                     | 358,654                     | 100.0                      | 387,003                     | 100.0                      | 28,348                      | 7.9        |

In Systems Development, net sales increased 11.2% year on year, to ¥155,835 million. Factors behind this increase included demand for IT investment aimed at reinforcing strategic businesses or securing a competitive edge, redevelopment of enterprise resource planning systems, improvement of productivity, and implementation of labor-saving measures. This demand was seen amid continuously brisk IT investment demand from the manufacturing, communications, and distribution industries.

In System Maintenance and Operation/Services, net sales rose 6.9% year on year, to ¥143,429 million. This



increase can be attributed to the expansion of systems maintenance and pre-market verification service operations, which was a reflection of favorable systems development trends, as well as the firm performance of BPO service businesses related to products and services. These favorable developments outweighed the impacts of a decline in earnings from certain comprehensive e-commerce outsourcing-related fulfillment services for the distribution industry.

In Packaged Software/Hardware Sales, net sales were up 3.9% year on year, to ¥87,738 million, because of an increase in hardware sales to manufacturers as well as a first-half rise in sales of network equipment to communications industry customers.

## 1-2 Procurement of Funds

### (1) Fund Procurements

In FY2019, we refinanced a total of ¥15,000 million in bank borrowings.

### (2) Capital Investment

Capital investment by the SCSK Group totaled ¥13,604 million in FY2019.

### (3) Acquisition and Disposal of Stocks and Other Equity Holdings, Share Warrants, etc., in Other Companies

1. On April 1, 2019, non-consolidated subsidiary Skeed Co., Ltd. and non-consolidated subsidiary accounted for under the equity method Gran Manibus Co., Ltd., were included in the scope of consolidation to reflect their increased materiality.
2. PT SCSK Global Indonesia and SCSK Myanmar Ltd. were included in the scope of consolidation, on July 25 and August 13, 2019, respectively, following investments in these companies.
3. On September 20, 2019, Presidio SCSK Digital Fund, LLC., was established as an equity method affiliate through joint investment in this organization together with Sumitomo Corporation.
4. Minori Solutions Co., Ltd., was delisted from stock exchanges on January 21, 2020, and converted into a wholly owned subsidiary on January 23, 2020, following tender offers for the common shares of this company's stock that took place over the period from October 31 to December 12, 2019, and a cash-out request issued on December 20, 2019.

## 1-3 Assets, Profits and Losses

### (1) SCSK Group Assets, Profits and Losses

| Category                                |               | FY2016<br>(49th Period) | FY2017<br>(50th Period) | FY2018<br>(51st Period) | FY2019<br>(52nd Period) |
|-----------------------------------------|---------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net sales                               | (million yen) | 329,303                 | 336,654                 | 358,654                 | 387,003                 |
| Ordinary profit                         | (million yen) | 36,121                  | 36,291                  | 38,650                  | 43,014                  |
| Profit attributable to owners of parent | (million yen) | 28,458                  | 32,488                  | 27,892                  | 31,201                  |
| Net profit per share                    | (yen)         | 274.16                  | 312.95                  | 268.64                  | 300.50                  |
| Total assets                            | (million yen) | 389,537                 | 303,914                 | 314,844                 | 342,485                 |
| Net assets                              | (million yen) | 173,674                 | 196,600                 | 194,468                 | 208,072                 |
| Net assets per share                    | (yen)         | 1,607.74                | 1,822.54                | 1,862.78                | 2,000.16                |

(Note) The value of net profit per share for each fiscal year is calculated using the average number of shares from the respective fiscal year. The value of net assets per share is calculated using the number of shares issued as of the end of the respective fiscal year (excluding treasury stock).

### (2) SCSK Assets, Profits and Losses

| Category             |               | FY2016<br>(49th Period) | FY2017<br>(50th Period) | FY2018<br>(51st Period) | FY2019<br>(52nd Period) |
|----------------------|---------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net sales            | (million yen) | 258,348                 | 263,069                 | 284,145                 | 304,637                 |
| Ordinary profit      | (million yen) | 31,036                  | 29,043                  | 31,933                  | 34,859                  |
| Profit               | (million yen) | 24,866                  | 31,960                  | 24,728                  | 25,025                  |
| Net profit per share | (yen)         | 239.04                  | 307.21                  | 237.66                  | 240.50                  |
| Total assets         | (million yen) | 323,648                 | 293,694                 | 318,397                 | 346,486                 |
| Net assets           | (million yen) | 153,080                 | 175,118                 | 189,484                 | 201,581                 |
| Net assets per share | (yen)         | 1,470.76                | 1,682.63                | 1,820.67                | 1,937.00                |

(Note) The value of net profit per share for each fiscal year is calculated using the average number of shares from the respective fiscal year. The value of net assets per share is calculated using the number of shares issued as of the end of the respective fiscal year (excluding treasury stock).

## 1-4 Issues to be Addressed

### (1) Operating Environment and Tasks to Be Addressed

The advent of a digital society is transforming the Japanese IT market and resulting in drastic changes in trends pertaining to customers, technologies, and other matters, presenting a need for widespread structural changes across the IT services industry.

|                         |                                                                                                                                                                                                                                                                                                                    |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Domestic IT Market      | <ul style="list-style-type: none"><li>• Accelerating fundamental changes in IT investment</li><li>• Transition toward in-house IT development as businesses become more intimately linked to IT</li><li>• Intensification of competition to secure IT personnel with customers and other companies, etc.</li></ul> |
| Customer Trend          | <ul style="list-style-type: none"><li>• Expanding orders for business model transformation utilizing IT</li><li>• Expanded provision of integrated, cross-industry services, etc.</li></ul>                                                                                                                        |
| Technologies and Trends | <ul style="list-style-type: none"><li>• Emergence of solutions combining AI, IoT, 5G, sharing, API, etc. as de facto standard</li></ul>                                                                                                                                                                            |

The five-year medium-term management plan that covered the period from April 1, 2015, to March 31, 2020, guided the SCSK Group in a concerted effort that enabled it to transform its business structure and realize profitable growth. A certain degree of success was achieved in relation to all three core strategies of the plan, namely shift to service-oriented businesses, promote strategic businesses that capture the changing times, and enter into the second stage of global business expansion. With regard to the shift to service-oriented businesses, specifically, service-oriented businesses have grown to represent approximately 20% of total net sales. In addition, steady progress is being made in the strategic automotive software systems business. An example of this progress would be the adoption of SCSK products in next-generation automobile models.

Given the current operating environment, however, the SCSK Group must recognize the fact that it will hit the limit to the growth of its business if it simply continues to follow the course it has been on thus far. Conversely, the Group acknowledges that the changes arising from the digitization trend present significant potential for the creation of new value for society and customers. The Group therefore realizes that future growth will require medium- to long-term strategies that drastically transform the Group.

## (2) Medium- to Long-Term Management Strategy

The SCSK Group views sustainability management as a growth strategy.

Looking ahead, achieving ongoing growth for the SCSK Group will require a long-term perspective accounting for the values of various stakeholders and the social impacts of companies as well as management that contributes to the resolution of social issues.

Moreover, we have defined material issues for the SCSK Group for the purpose of encouraging reflection on and exercise of our corporate philosophy of “Create Our Future of Dreams” by illustrating a long-term growth vision. Based on the direction put forth by these material issues, the SCSK Group established Grand Design 2030, a vision for the Group in 2030, and the new medium-term management plan, a roadmap for the accomplishment of this vision.



### <Material Issues>

Based on the SCSK Group’s business and strengths and its role in society, the following seven material issues have been defined.

#### **Achieving Sustainable Business Growth with Society**

- Innovating for a Brighter Society
- Building Trust for a Safe and Secure Society
- Creating an Inclusive Society

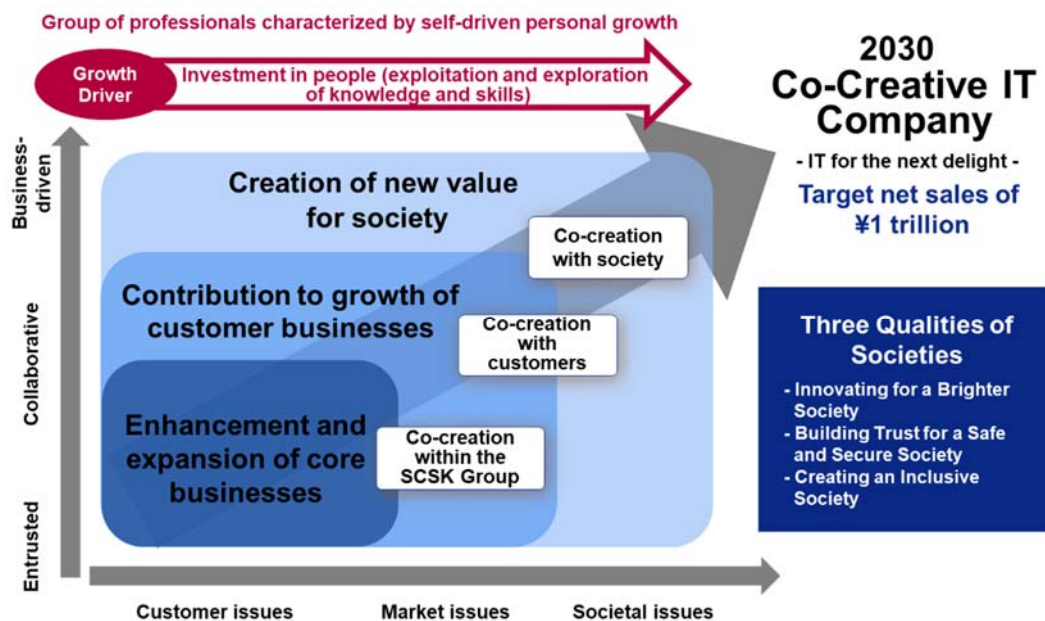
#### **Foundation Supporting Sustainable Growth**

- Global Environmental Contributions
- Diverse Team of Professionals
- Sustainable Value Chain
- Transparent Governance

### <Grand Design 2030>

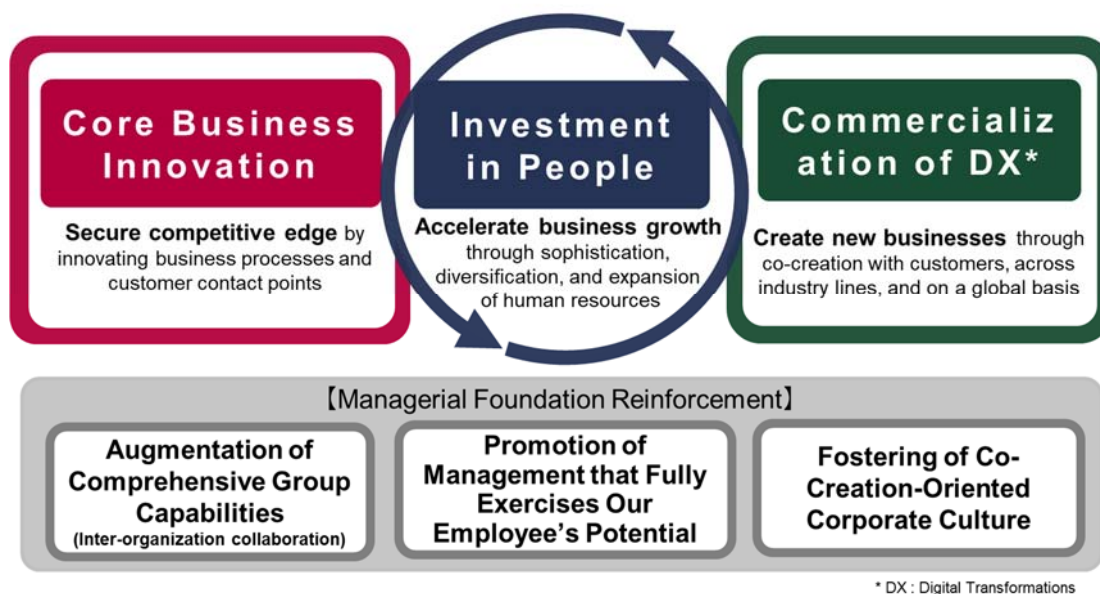
Positioning the corporate philosophy and material issues as the SCSK Group’s purpose, the Group will pursue its vision of becoming a co-creative IT company in 2030 with the goal of achieving sustainable development together with society.

This undertaking will see the Group expanding the creation of value for customers and society through its core IT services businesses and advancing self-driven social value creation initiatives as it seeks to grow together with customers and society. Through these efforts, we aim to achieve net sales of ¥1 trillion in the fiscal year ending March 31, 2031.



<Medium-Term Management Plan (FY2020–FY2022)>

As the first step toward accomplishing its vision of becoming a co-creative IT company in 2030, the SCSK Group will advance the following three core strategies and managerial foundation reinforcement measures over the three-year period beginning with the fiscal year ending March 31, 2021, and thereby expand its business on a global scale.



Core Strategies

1. Core business innovation—Secure competitive edge by innovating business processes and customer contact points in core businesses
2. Commercialization of digital transformations—Create new businesses through co-creation with customers, across industry lines, and on a global basis
3. Investment in people—Accelerate business growth through enhancement, diversification, and expansion of human resources

## Managerial Foundation Reinforcement Measures

1. Augmentation of comprehensive Group capabilities
2. Promotion of management that fully exercises our employees' potential
3. Fostering of co-creation-oriented corporate culture

## Investment

Continue proactive investment to fuel future growth (three-year total investments of approx. ¥100.0 billion)

## Management Targets

The SCSK Group will pursue the following management targets with the goal of improving corporate value through ongoing business growth and the ambitious pursuit of new pinnacles of growth.

Net sales: ¥500.0 billion or more

Operating profit margin: 10.0%–12.0%

Return on equity: 15.0% or more

Note: Return on invested capital is to be maintained at the level of 10.0%–12.0% over the period of the medium-term management plan.

## (3) Initiatives Under the Medium-Term Management Plan (FY2020–2022)

### <Core Strategies>

#### (i) Core Business Innovation

In addition to continuing to enhance and expand its core businesses, the SCSK Group will need to offer strong support to customers in resolving various issues as an IT service provider if it is to achieve ongoing growth moving forward. These issues include legacy system issues, such as the so-called “2025 Digital Cliff,” which refers to the issues that will occur when many of the engineers that developed companies' current legacy systems retire. Other issues include the inability to coordinate and utilize data through individual system optimization as well as engineer shortages. To this end, the SCSK Group will pursue innovation in its core businesses from the following two perspectives in order to enhance business processes and customer contact points and thereby secure a competitive edge that allows the Group to address customer needs.

#### 1. *Monozukuri* Innovations

The SCSK Group will advance initiatives to achieve massive increases in service productivity, quality, and flexibility and thereby heighten responsiveness to business changes, diversify services models, and optimize systems of engagement and systems of record. SCSK's newly developed S-Cred+ (Smart Co-work on Relationship, Engineering and Design Plus) *Monozukuri* innovation platform, which was released in April 2020, will be central to these initiatives.

#### 2. Subdivision Innovations\*

Subdivisions are a major characteristic and strength of the SCSK Group with its focus on frontline operations.

The Group aims to transform subdivisions from full-time support organizations to value-co-creating organizations that support customer business and IT strategies.

To this end, the Group will enhance customer contact points by positioning service managers, who will be responsible for gaining a deeper understanding of customer strategies and needs, and highly skilled engineers, who will swiftly deliver the ideal services needed to respond to business changes, on customer premises on a full-time basis.

Subdivisions will coordinate with SCSK bases to further the Group's evolution toward the next stage of co-creation with customers.

\* Subdivisions are bases positioned on customer premises on a full-time basis.

#### (ii) Commercialization of Digital Transformations

Recent progress in digital technologies has stimulated a rise in demand for IT investment aimed at improving the efficiency of conventional operations as well as in aggressive IT investment for capitalizing on the progress in digital technologies to boost competitiveness or to undertake business model transformations. Furthermore, digital technologies have triggered a rise in cross-industry, inter-company co-creation that goes beyond conventional frameworks to create new businesses and services. Viewing these market changes as opportunities for further growth, the SCSK Group will act as the driver behind its business as it seeks to develop operations that co-create new value for society while leveraging the strengths of its core business.

The Group's approach toward the commercialization of digital transformations will be focused on co-creation with customers, cross industry co-creation targeting specific industries, and global co-creation with Sumitomo Corporation.

The Group is currently examining the possibility of creating new businesses in the four priority fields of mobility, financial service platforms, healthcare, and customer experiences. The Group is engaged in a cross-divisional examination of what strengths it can utilize and with what partners we can engage in co-creation in order to generate new value in response to the social issues seen in each field with the aim of increasing its ability to create new businesses.

#### (iii) Investment in People

The SCSK Group's greatest asset and the driver behind its growth is its people. The Group will therefore be proactively investing in people, with a particular focus on enhancing, diversifying, and expanding human resources, in order to accelerate business growth.

Investments will be primarily directed toward the establishment of human resource systems that will allow all employees to exercise their skills and individuality, the promotion of diversity and inclusion for the purpose of facilitating co-creation with diverse human resources, and the expansion of worldwide human resources.

Furthermore, SCSK's human resource systems will be revised effective July 1, 2020. This change will be aimed at transitioning to skill- and role-based compensation levels and at acquiring highly talented individuals with specialized skills and will entail the establishment of advanced positions (offering salaries of ¥30 million a year).

As part of its efforts to bolster its domestic staff, the SCSK Group is actively expanding recruitment outside

of major urban centers with a particular focus on increasing its nearshore development staff to 1,000 people. A major aim of these efforts will be to invigorate rural economies by creating employment opportunities, encouraging employees to relocate to rural regions, and fostering IT staff.

<Managerial Foundation Reinforcement Measures>

The SCSK Group will advance the following three managerial foundation reinforcement measures to facilitate the advancement of the aforementioned three core strategies.

1. Augmentation of Comprehensive Group Capabilities

The SCSK Group will combine its diverse resources and insight in order to create substantial value and thereby exercise its comprehensive Group capabilities, which other companies cannot mimic.

2. Promotion of Management that Fully Exercises Our Employees' Potential

Through this measure, the SCSK Group aims to create an inclusive society as described in its material issues. At the same time, we will work to increase work motivation and engagement alongside the health and productivity management and workplace comfort improvement initiatives we have been implementing thus far.

3. Fostering of Co-Creation-Oriented Corporate Culture

The SCSK Group aspires to foster a culture of autonomously linking and merging individual strengths in order to evolve into a conglomerate that can co-create value.



### 1-5 Major Businesses (as of March 31, 2020)

The SCSK Group offers business service in IT consulting, systems development, verification service, IT infrastructure construction, IT management, IT hardware/software sales and BPO through collaboration among business segments in Manufacturing & Telecommunication Systems, Distribution & Media Systems, Financial Systems, Global System Solutions & Innovation, Business Solutions, Mobility Systems, IT Platform Solutions, IT Management, and Other.

### 1-6 Major Branches (as of March 31, 2020)

#### (1) Major SCSK Offices

|                       |                                                                                                                                                                                              |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Toyosu Head Office | Koto-ku, Tokyo                                                                                                                                                                               |
| 2. Branch offices     | Minato-ku, Tokyo; Chuo-ku, Tokyo; Tama-shi, Tokyo; Osaka-shi, Osaka; Toyonaka-shi, Osaka; Nagoya-shi, Aichi Prefecture; Hiroshima-shi, Hiroshima Prefecture; Fukuoka-shi, Fukuoka Prefecture |
| 3. Data centers       | Chiyoda-ku, Tokyo; Bunkyo-ku, Tokyo; Koto-ku, Tokyo; Edogawa-ku, Tokyo; Inzai-shi, Chiba Prefecture; Toyonaka-shi, Osaka; Sanda-shi, Hyogo Prefecture                                        |

#### (2) Main Offices of Important Subsidiaries, etc.

The main offices of important subsidiaries are those listed in (3) Status of Important Subsidiaries in Section 1-7, Information Regarding Status of Parent Company and Important Subsidiaries.

#### (3) Employees

##### 1. SCSK Group Employees

| No. of employees | Year-on-year change      |
|------------------|--------------------------|
| 13,979 people    | Increase of 1,614 people |

| Segment                                            | No. of employees |
|----------------------------------------------------|------------------|
| Manufacturing & Telecommunication Systems Business | 1,277 people     |
| Distribution & Media Systems Business              | 890 people       |
| Financial Systems Business                         | 2,252 people     |
| Global System Solutions & Innovation Business      | 601 people       |
| Business Solutions                                 | 2,626 people     |
| Mobility Systems                                   | 1,409 people     |
| IT Platform Solutions                              | 789 people       |
| IT Management                                      | 1,768 people     |
| Others                                             | 2,367 people     |
| Total                                              | 13,979 people    |

(Note) "Others" means the number of people working in management and other departments.

##### 2. SCSK Employees

| No. of employees | Year-on-year change    | Average age        | Average length of employment |
|------------------|------------------------|--------------------|------------------------------|
| 7,384 people     | Increase of 104 people | 43 years, 7 months | 18 years, 6 months           |

## 1-7 Information Regarding Status of Parent Company and Important Subsidiaries (as of March 31, 2020)

### (1) Status of Parent Company

Our parent company is Sumitomo Corporation. At the end of the year under review, Sumitomo Corporation held 52,697,000 of the Company's shares (capital contribution ratio of 50.58%). Sales to the parent company mostly involve software development, data processing services, and sales of hardware, software, and other products.

### (2) Matters Regarding Transactions with the Parent Company

#### 1. Provisions for Preventing Transactions that Go Against the Interests of the Company

In principle, transactions with the parent company are to utilize appropriate conditions based on the conditions of standard transactions. For software development, the Company submits price estimates based on market prices and cost ratios, and price negotiations take place with regard to every project, after which appropriate and fair decisions are made based on rational judgments.

#### 2. Judgment by Board of Directors and Reasons for Judgment that Transactions Do Not Go Against the Interests of the Company

Based on internal regulations, deliberations with regard to major transactions with the parent company are carried out as necessary at meetings of the Board of Directors, which are attended by the Company's four Outside Directors. Through these deliberations, it has been decided that such transactions do not go against the interests of the Company.

In regard to transactions with the parent company, reports on applicable transactions are periodically submitted to the Governance Committee, which is membered by a majority of Outside Directors that are designated as Independent Directors and external experts that are independent from the Company. This committee monitors these transactions to ensure that they do not go against the interests of the Company.

#### 3. Differences in Opinions between Board of Directors and Outside Directors

Not applicable

## (3) Status of Important Subsidiaries

| Company name                       | Location                   | Equity           | Capital contribution ratio (%) | Main business                                                                                                                      |
|------------------------------------|----------------------------|------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| SCSK ServiceWare Corporation       | Koto-ku, Tokyo             | ¥100 million     | 100.00                         | Contact center services and BPO services                                                                                           |
| VeriServe Corporation              | Chiyoda-ku, Tokyo          | ¥792 million     | 100.00                         | Product verification services and security verification services, etc.                                                             |
| JIEC Co., Ltd.                     | Shinjuku-ku, Tokyo         | ¥674 million     | 100.00                         | Design and building of data systems using fundamental technologies as a core competency                                            |
| Minori Solutions Co., Ltd.         | Shinjuku-ku, Tokyo         | ¥480 million     | 100.00                         | Software development, system operation, hardware sales, etc.                                                                       |
| SCSK KYUSHU CORPORATION            | Fukuoka-shi, Fukuoka Pref. | ¥200 million     | 100.00                         | Software development and data processing                                                                                           |
| SCSK HOKKAIDO CORPORATION          | Sapporo-shi, Hokkaido      | ¥100 million     | 100.00                         | Software development and data processing                                                                                           |
| SCSK PRESCENDO CORPORATION         | Koto-ku, Tokyo             | ¥100 million     | 100.00                         | EC fulfillment services                                                                                                            |
| SCSK USA Inc.                      | New York State, USA        | US\$11,850,000   | 100.00                         | Software development and data processing                                                                                           |
| SCSK Europe Ltd.                   | London, UK                 | Stg£1,400,000    | 100.00                         | Software development and data processing                                                                                           |
| SCSK Shanghai Limited              | Shanghai, China            | US\$500,000      | 100.00                         | Software development and data processing                                                                                           |
| SCSK Asia Pacific Pte. Ltd.        | Singapore                  | ¥200 million     | 100.00                         | Software development and data processing                                                                                           |
| PT SCSK Global Indonesia           | Jakarta, Indonesia         | Rp60,000 million | 100.00                         | Software development and data processing                                                                                           |
| SCSK Myanmar Ltd.                  | Yangon, Myanmar            | US\$2,600,000    | 100.00                         | Software development and data processing                                                                                           |
| Skeed Co., Ltd.                    | Meguro-ku, Tokyo           | ¥100 million     | 100.00                         | Software and solutions planning, development, sales, etc. using autonomous and dispersed network technologies as a core competency |
| CSI SOLUTIONS Corporation          | Shinjuku-ku, Tokyo         | ¥210 million     | 100.00                         | System integration, sale and maintenance of hardware, etc.                                                                         |
| Allied Engineering Corporation     | Koto-ku, Tokyo             | ¥242 million     | 100.00                         | Consulting and packaged software sales and development                                                                             |
| WinTechnology Corporation          | Shinjuku-ku, Tokyo         | ¥100 million     | 100.00                         | Consulting in Windows platforms, system design and development, and maintenance services                                           |
| SCSK SYSTEM MANAGEMENT CORPORATION | Koto-ku, Tokyo             | ¥100 million     | 100.00                         | Systems operation services                                                                                                         |

|                                    |                   |              |        |                                                        |
|------------------------------------|-------------------|--------------|--------|--------------------------------------------------------|
| VA Linux Systems Japan K.K.        | Koto-ku, Tokyo    | ¥194 million | 100.00 | Software development (Open-source software consulting) |
| SDC Corporation                    | Koto-ku, Tokyo    | ¥96 million  | 50.10  | Network building and operation services                |
| Gran Manibus Co., Ltd.             | Chiyoda-ku, Tokyo | ¥90 million  | 94.29  | Consulting and cutting-edge solutions services         |
| SCSK Nearshore Systems Corporation | Koto-ku, Tokyo    | ¥100 million | 100.00 | Software development and maintenance services          |

(Notes) 1. We have a total of 25 consolidated subsidiaries, including the important subsidiaries listed above.

2. The Company incorporated JIEC Co., Ltd. through an absorption-type merger with an effective date of April 1, 2020.

#### 1-8 Principal Lenders and Loans Payable (as of March 31, 2020)

| Name of lender                      | Loans payable (in millions of yen) |
|-------------------------------------|------------------------------------|
| Sumitomo Mitsui Trust Bank, Limited | 4,500                              |
| Sumitomo Mitsui Banking Corporation | 4,500                              |
| MUFG Bank, Ltd.                     | 3,500                              |
| Mizuho Bank, Ltd.                   | 2,500                              |
| Total                               | 15,000                             |

#### 1-9 Policy Regarding the Exercise of the Rights of the Board of Directors Pursuant to the Articles of Incorporation (in Accordance with Article 459, Paragraph 1 of the Companies Act) to Distribute Surpluses as Dividends, etc.

In determining dividends, the Company aims to increase returns to shareholders in response to stronger consolidated results. In that process, the Company gives comprehensive consideration to its financial position, earnings trends, dividend payout ratio as well as reserves for future business investment.

The Company pays dividends twice a year from its surplus: an interim dividend and a year-end dividend. The decision-making authority regarding dividends lies with the Board of Directors. The Company has chosen to issue a year-end dividend of ¥65 per share (including the 50th anniversary commemorative dividend of ¥10 per share), which will make for a full-year dividend of ¥130 per share (including the 50th anniversary commemorative dividend of ¥20 per share) when including the previously issued interim dividend of ¥65 per share (including the 50th anniversary commemorative dividend of ¥10 per share). As for the fiscal year ending March 31, 2021, the Company plans to issue a full-year dividend of ¥130 per share.

The Company regards the acquisition of treasury shares as one means of returning profits to shareholders, and will consider any such acquisitions taking into account share price trends and above issues, and shareholder returns via dividend payments.

## 2. Particulars Regarding the Shares of the Company

### 2-1 Total Number of Shares Authorized

200,000,000 shares

### 2-2 Total Number of Shares Issued

104,053,241 shares  
(excluding 128,562 shares of treasury stock)

### 2-3 Number of Shareholders on the Last Day of the Fiscal Year

27,544 people

### 2-4 Top 10 Shareholders

| Name of shareholder                                   | Shares owned | Shareholding ratio |
|-------------------------------------------------------|--------------|--------------------|
|                                                       | Shares       | %                  |
| Sumitomo Corporation                                  | 52,697,159   | 50.64              |
| Japan Trustee Services Bank, Ltd. (trust account)     | 6,059,700    | 5.82               |
| The Master Trust Bank of Japan, Ltd. (trust account)  | 3,914,700    | 3.76               |
| SCSK Group Employee Stock Ownership Association       | 2,381,222    | 2.29               |
| Japan Trustee Services Bank, Ltd. (trust account 7)   | 1,181,100    | 1.14               |
| ARGO GRAPHICS Inc.                                    | 1,015,500    | 0.98               |
| STANDARD LIFE ASSURANCE LIMITED-PENSION FUNDS         | 990,000      | 0.95               |
| CHASE NOMINEES RE JASDEC TREAT Y CLIENT A/C (GENERAL) | 947,600      | 0.91               |
| Japan Trustee Services Bank, Ltd. (trust account 5)   | 925,500      | 0.89               |
| JP MORGAN CHASE BANK 385632                           | 872,830      | 0.84               |

(Note) The amount of treasury stock is excluded from the calculation of the shareholding ratios of the top 10 shareholders listed above. The shareholding ratio is calculated by dividing the number of shares held by shareholder by the number of shares outstanding (shares outstanding = total number of issued shares - treasury stock).

### 3. Important Matters Regarding New Stock Acquisition Rights, etc., of the Company

Matters regarding stock acquisition rights by company officers, etc., as of March 31, 2020

• Overview of stock acquisition rights (share-based remuneration)

| Date of issuance    | Number of new stock acquisition rights | Type and number of shares subject to the new stock acquisition rights | Number of new shares per stock acquisition right | Issuing price    | Amount to be paid for the exercise of each new acquisition right | Exercise period                      |
|---------------------|----------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------|------------------|------------------------------------------------------------------|--------------------------------------|
| July 27, 2007 (2nd) | 6 rights                               | 600 ordinary shares                                                   | 100 shares                                       | No consideration | ¥1                                                               | From July 28, 2007, to July 26, 2027 |
| July 29, 2008 (4th) | 13 rights                              | 1,300 ordinary shares                                                 | 100 shares                                       | No consideration | ¥1                                                               | From July 30, 2008, to July 28, 2028 |
| July 30, 2009 (6th) | 35 rights                              | 3,500 ordinary shares                                                 | 100 shares                                       | No consideration | ¥1                                                               | From July 31, 2009, to July 29, 2029 |
| July 30, 2010 (8th) | 53 rights                              | 5,300 ordinary shares                                                 | 100 shares                                       | No consideration | ¥1                                                               | From July 31, 2010, to July 29, 2030 |

(Note) The amount to be paid for the exercise of each new stock acquisition right shall be the product of the exercise price per share and the number of shares conveyed by each right.

• Numbers of Company officers and holdings of stock acquisition rights (share-based remuneration) by Company officers (by classification)

| Date of issuance    | Directors (excluding Audit and Supervisory Committee Members and Outside Directors) |               | Outside Directors (excluding Audit and Supervisory Committee Members) |               | Directors (Audit and Supervisory Committee Members) |               | Executive officers (excluding Directors) |               |
|---------------------|-------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------|---------------|-----------------------------------------------------|---------------|------------------------------------------|---------------|
|                     | No. of holders                                                                      | No. of rights | No. of holders                                                        | No. of rights | No. of holders                                      | No. of rights | No. of holders                           | No. of rights |
| July 27, 2007 (2nd) | 1 person                                                                            | 6 rights      | 0 people                                                              | 0 rights      | 0 people                                            | 0 rights      | 0 person                                 | 0 rights      |
| July 29, 2008 (4th) | 1 person                                                                            | 13 rights     | 0 people                                                              | 0 rights      | 0 people                                            | 0 rights      | 0 person                                 | 0 rights      |
| July 30, 2009 (6th) | 1 people                                                                            | 13 rights     | 0 people                                                              | 0 rights      | 0 people                                            | 0 rights      | 2 people                                 | 22 rights     |
| July 30, 2010 (8th) | 1 people                                                                            | 21 rights     | 0 people                                                              | 0 rights      | 0 people                                            | 0 rights      | 2 people                                 | 32 rights     |

## 4. Particulars Regarding the Company's Officers

### 4-1 Directors and Corporate Auditors

| Name              | Position in the Company                                       | Significant concurrently held posts                                                                                                                                                            |
|-------------------|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Masao Tabuchi     | *1 Director                                                   |                                                                                                                                                                                                |
| Tooru Tanihara    | *1 Director                                                   |                                                                                                                                                                                                |
| Tetsuya Fukunaga  | Director                                                      | Outside Director of ARGO GRAPHICS Inc.                                                                                                                                                         |
| Kei Kato          | Director                                                      | Assistant to General Manager, Digital Business Division, Sumitomo Corporation                                                                                                                  |
| Tatsuro Tamura    | Director                                                      | Corporate Officer of Sumitomo Corporation; Assistant to General Manager, Digital Business Division                                                                                             |
| Kazumasa Watanabe | Director                                                      | Corporate Officer of Sumitomo Corporation; General Manager, Digital Business Division                                                                                                          |
| Kiyoto Matsuda    | *2 Director                                                   | Chairman of the Board of TOPAZ CAPITAL, INC.; Outside Director of SANYO SHOKAI LTD.; Outside Director of Hotto Link Inc.; Outside Director of SURUGA bank Ltd.                                 |
| Yasunori Anzai    | Director (Audit and Supervisory Committee Member) (full-time) | Assistant to General Manager, Planning & Coordination Dept., Media & Digital Business Unit, Sumitomo Corporation                                                                               |
| Kimitoshi Yabuki  | *2 Director (Audit and Supervisory Committee Member)          | Partner of Yabuki Law Offices                                                                                                                                                                  |
| Masaichi Nakamura | *2 Director (Audit and Supervisory Committee Member)          | Representative of Nakamura Masaichi CPA Office; External Corporate Auditor of Sumitomo Heavy Industries, Ltd.; Independent Director (Audit/Supervisory Committee Member) of Terumo Corporation |
| Kazuko Shiraishi  | *2 Director (Audit and Supervisory Committee Member)          | External Director of MODEC, Inc.                                                                                                                                                               |

- (Notes) 1. \*1 = Representative Director
2. \*2 = Outside Director, as defined by laws and regulations
3. Director Kiyoto Matsuda and Directors (Audit and Supervisory Committee Members) Mr. Kimitoshi Yabuki, Mr. Masaichi Nakamura, and Ms. Kazuko Shiraishi are Independent Directors that are unlikely to have any conflict of interest with respect to general shareholders, an assurance we are obliged to provide by the Tokyo Stock Exchange.
4. Director (Audit and Supervisory Committee Member) Mr. Masaichi Nakamura has the qualification of being a certified public accountant and possesses a high degree of knowledge related to finance and accounting.
5. Mr. Yasunori Anzai was appointed as a full-time Audit and Supervisory Committee Member to allow him to perform an array of duties. These duties include attending important meetings; reviewing reports on operational execution matters from Directors (excluding Directors that are Audit and Supervisory Committee Members), Executive Officers, and other employees; examining important resolution documents; collecting information through meetings held with the auditors of subsidiaries; and sharing information with the Audit and Supervisory Committee.
6. Other than those listed above, there are no relationships between the Company and any entities at which Outside Directors hold significant posts that require disclosure.
7. Officers holding significant concurrent posts not listed above: not applicable



Changes during the fiscal year under review

1. New appointments      Appointed June 25, 2019  
                                     Kei Kato (Director)  
                                     Tatsuro Tamura (Director)  
                                     Kazumasa Watanabe (Director) (part time)
2. Retirements              Retired June 25, 2019  
                                     Daisuke Mikogami (Director) (part time)  
                                     Koji Tamefusa (Director) (part time)  
                                     Toshikazu Nambu (Director) (part time)  
                                     Akira Tsuyuguchi (Director) (part time)

Executive Officers of the Company

The positions and/or areas of responsibility of numerous Executive Directors have been revised, effective April 1, 2020. Shown below are posts/assignments as of March 31, 2020 (before the revision) and April 1, 2020 (current status).

| Current position in company<br>(as of April 1, 2020) | Name               | Areas of responsibility and significant posts concurrently held                                                                                               |                                                                                                                                                                                                                                |
|------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                    | As of March 31, 2020                                                                                                                                          | As of April 1, 2020 (current)                                                                                                                                                                                                  |
| Chairman* <sup>1</sup><br>Chief Executive Officer    | Masao Tabuchi      | Chief Health Officer                                                                                                                                          | Chief Health Officer                                                                                                                                                                                                           |
| President* <sup>1</sup><br>Chief Operating Officer   | Tooru Tanihara     |                                                                                                                                                               |                                                                                                                                                                                                                                |
| Executive Vice President                             | Masatoshi Endo     | MONOKAKU Officer; General Manager (SE Plus Center, Development Center, MONOKAKU Center); Chairman of the Board of SCSK Nearshore Systems Corporation          | MONOKAKU Officer; General Manager (SE Plus Center, Development Center, MONOKAKU Center); Chairman of the Board of SCSK Nearshore Systems Corporation                                                                           |
| Senior Managing Executive Officer                    | Tatsuyasu Kumazaki | General Manager (Accounting Group); General Manager, Accounting Group                                                                                         | General Manager (Accounting & IR Group)                                                                                                                                                                                        |
| Senior Managing Executive Officer* <sup>1</sup>      | Tetsuya Fukunaga   | Corporate Coordination Officer; General Manager (Finance & Business Investment Promotion Group); Outside Director of ARGO GRAPHICS Inc.                       | General Manager (Finance & Business Investment Promotion Group); Outside Director of ARGO GRAPHICS Inc.                                                                                                                        |
| Senior Managing Executive Officer* <sup>1</sup>      | Kei Kato           | General Manager, Global System Solutions & Innovation Business Group; Deputy General Manager (DX & Innovation Business Center, Research & Development Center) | General Manager, Global System Solutions & Innovation Business Group; Deputy General Manager (DX Strategic Marketing Center, DX & Innovation Business Center, DX Technology Development Center, Research & Development Center) |

| Current position in company<br>(as of April 1, 2020) | Name               | Areas of responsibility and significant posts concurrently held                                                                                                                    |                                                                                                                                                                                  |
|------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                    | As of March 31, 2020                                                                                                                                                               | As of April 1, 2020 (current)                                                                                                                                                    |
| Managing Executive Officer                           | Toshiaki Kudo      | General Manager, Financial Systems Business Group                                                                                                                                  | General Manager, Financial Systems Business Group                                                                                                                                |
| Managing Executive Officer                           | Tetsuya Ueda       | General Manager, IT Management Group                                                                                                                                               | General Manager, IT Management Group                                                                                                                                             |
| Managing Executive Officer                           | Hideki Tazai       | General Manager, Business Solutions Group; General Manager, Contact Center Services Business Division; Chairman of the Board of SCSK ServiceWare Corporation                       | General Manager, Business Solutions Group; Representative Director and CEO of Skeed Co., Ltd.                                                                                    |
| Managing Executive Officer                           | Atsushi Innami     | Representative Director and President of JIEC Co., Ltd.                                                                                                                            | General Manager, Distribution & Media Systems Business Group                                                                                                                     |
| Managing Executive Officer                           | Makoto Nakamura    | General Manager, Mobility Systems Group; General Manager, Business Promotion Division                                                                                              | General Manager, Mobility Systems Group                                                                                                                                          |
| Managing Executive Officer                           | Atsushi Watanabe   | General Manager, Distribution & Media Systems Business Group; General Manager, Distribution & Media Business Division III                                                          | DX Business Promotion Officer; General Manager (DX Strategic Marketing Center, DX & Innovation Business Center, DX Technology Development Center, Research & Development Center) |
| Managing Executive Officer                           | Takashi Shinjo     | General Manager, IT Platform Solutions Group                                                                                                                                       | General Manager, IT Platform Solutions Group                                                                                                                                     |
| Managing Executive Officer                           | Yasushi Shimizu    | President of SCSK ServiceWare Corporation                                                                                                                                          | President of SCSK ServiceWare Corporation                                                                                                                                        |
| Managing Executive Officer                           | Takaaki Touma      | General Manager, Manufacturing & Telecommunication Systems Business Group                                                                                                          | General Manager (Human Resources & General Affairs Group, Human Resources Development Group)                                                                                     |
| Managing Executive Officer <sup>*1</sup>             | Tatsuro Tamura     | General Manager (Corporate Planning Group)                                                                                                                                         | General Manager (Corporate Planning, Corporate Communications & Sustainability Group)                                                                                            |
| Managing Executive Officer                           | Yasuo Sugahara     | General Manager (Legal & Risk Management Group)                                                                                                                                    | General Manager (Legal & Risk Management Group)                                                                                                                                  |
| Managing Executive Officer                           | Hisanao Takei      | General Manager (Information Systems Group, Purchasing & Business Coordination Group); General Manager, Purchasing & Business Coordination Group; General Manager, MONOKAKU Center | Representative Director and Executive Vice President of Minori Solutions Co., Ltd.                                                                                               |
| Managing Executive Officer                           | Yoshiyuki Shinbori | Chief Executive Officer of VeriServe Corporation                                                                                                                                   | Chief Executive Officer of VeriServe Corporation                                                                                                                                 |
| Managing Executive Officer                           | Shigehiro Seki     | General Manager, Manufacturing Systems Business Division, Manufacturing & Telecommunication Systems Business Group                                                                 | General Manager, Manufacturing & Telecommunication Systems Business Group                                                                                                        |

| Current position in company<br>(as of April 1, 2020) | Name                | Areas of responsibility and significant posts concurrently held                                                                                                               |                                                                                                                                                                  |
|------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                     | As of March 31, 2020                                                                                                                                                          | As of April 1, 2020 (current)                                                                                                                                    |
| Senior Executive Officer                             | Yoshinori Imai      | General Manager, Financial Systems Sales Coordination Division, Sales Coordination Group                                                                                      | General Manager, Business Promotion Division, Financial Systems Business Group                                                                                   |
| Senior Executive Officer                             | Koichi Naito        | General Manager, Business Promotion Division, Manufacturing & Telecommunication Systems Business Group                                                                        | General Manager, Business Promotion Division, Manufacturing & Telecommunication Systems Business Group                                                           |
| Senior Executive Officer                             | Yoshinori Kawashima | Representative Director and President of CSI SOLUTIONS Corporation                                                                                                            | Representative Director and President of CSI SOLUTIONS Corporation                                                                                               |
| Senior Executive Officer                             | Akihiko Harima      | General Manager (Human Resources Group)                                                                                                                                       | Director (Audit and Supervisory Committee Member) of Minori Solutions Co., Ltd.                                                                                  |
| Senior Executive Officer                             | Takayuki Okuhara    | General Manager, DX & Innovation Business Center; General Manager, SC Business Development Division, Global System Solutions & Innovation Business Group                      | General Manager, DX & Innovation Business Center                                                                                                                 |
| Senior Executive Officer                             | Tadashi Miyagawa    | General Manager, Telecommunication & Public Sector Systems Business Division, Manufacturing & Telecommunication Systems Business Group                                        | General Manager, Telecommunication & Public Sector Systems Business Division, Manufacturing & Telecommunication Systems Business Group                           |
| Senior Executive Officer                             | Takaya Yamamoto     | General Manager, Financial Systems Business Division I, Financial Systems Business Group                                                                                      | General Manager, Financial Systems Business Division I, Financial Systems Business Group                                                                         |
| Senior Executive Officer                             | Koji Watanabe       | General Manager, Mobility Systems Division I, Mobility Systems Group                                                                                                          | General Manager, Mobility Systems Division I, Mobility Systems Group                                                                                             |
| Senior Executive Officer                             | Toshihiko Mitsuishi | General Manager, Financial Systems Business Division III, Financial Systems Business Group                                                                                    | General Manager, Financial Systems Business Division III, Financial Systems Business Group                                                                       |
| Senior Executive Officer                             | Yukihiko Saito      | General Manager, AMO Business Division I, Business Solutions Group                                                                                                            | General Manager, AMO Business Division I, Business Solutions Group                                                                                               |
| Senior Executive Officer                             | Yasuhiko Oka        | General Manager (General Affairs, IR, Corporate Communications & Sustainability Group); General Manager, General Affairs, IR, Corporate Communications & Sustainability Group | Deputy General Manager (Accounting & IR Group); General Manager, Accounting & IR Group                                                                           |
| Senior Executive Officer                             | Mineo Yokoyama      | General Manager, Nishinohon Industrial Systems Business Division I, Manufacturing & Telecommunication Systems Business Group; General Manager, Nishinohon Office              | General Manager, Nishinohon Industrial Systems Business Division I, Manufacturing & Telecommunication Systems Business Group; General Manager, Nishinohon Office |
| Senior Executive Officer                             | Hiroyuki Komiya     | General Manager, Strategy Solutions Sales Coordination Division, Sales Coordination Group                                                                                     | General Manager, DX Technology Development Center                                                                                                                |
| Senior Executive Officer                             | Kan Takahashi       | General Manager, Business Promotion Division, Financial Systems Business Group                                                                                                | General Manager, Financial Systems Business Division II, Financial Systems Business Group                                                                        |
| Senior Executive Officer                             | Akira Yamano        | General Manager, Research & Development Center                                                                                                                                | Managing Executive Officer of VeriServe Corporation                                                                                                              |
| Senior Executive Officer                             | Ken Takano          | General Manager, IT Architecture Integration Division, IT Management Group; Officer in charge of promotion of ITM linkage, Distribution & Media Systems Business Group        | General Manager, IT Architecture Service Division, IT Management Group; General Manager, Nishinohon IT Management Business Division                              |

| Current position in company<br>(as of April 1, 2020) | Name                 | Areas of responsibility and significant posts concurrently held                                                                                                                                |                                                                                                                                                                                                |
|------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                      | As of March 31, 2020                                                                                                                                                                           | As of April 1, 2020 (current)                                                                                                                                                                  |
| Senior Executive Officer                             | Masahiro Otani       | General Manager, ProActive Business Solutions Division, Business Solutions Group                                                                                                               | General Manager, ProActive Business Solutions Division, Business Solutions Group                                                                                                               |
| Senior Executive Officer                             | Tomishige Tamura     | General Manager, IT Management Services Division I, IT Management Group; Representative Director and President of SCSK SYSTEM MANAGEMENT CORPORATION                                           | General Manager, Development Center; Representative Director and President of SCSK Nearshore Systems Corporation                                                                               |
| Senior Executive Officer                             | Masaaki Mori         | General Manager, Distribution & Media Business Division I, Distribution & Media Systems Business Group                                                                                         | General Manager, Distribution & Media Business Division I, Distribution & Media Systems Business Group                                                                                         |
| Senior Executive Officer                             | Takaaki Ishida       | General Manager, SE Plus Center; Deputy General Manager, MONOKAKU Center                                                                                                                       | General Manager, MONOKAKU Center                                                                                                                                                               |
| Executive Officer                                    | Naoki Ike            | General Manager, Engineering Solutions Division, IT Platform Solutions Group                                                                                                                   | General Manager, Engineering Solutions Division, IT Platform Solutions Group                                                                                                                   |
| Executive Officer                                    | Eri Kawanabe         | General Manager, Business Promotion Division, Global System Solutions & Innovation Business Group                                                                                              | Deputy General Manager, Development Center (Offshore Development)                                                                                                                              |
| Executive Officer                                    | Toshiya Uchida       | Assistant General Manager, Global System Solutions & Innovation Business Group                                                                                                                 | Seconded to Sumitomo Corporation                                                                                                                                                               |
| Executive Officer                                    | Hiroyuki Miyagawa    | General Manager, Chubu & Kansai IT Platform Solutions Division, IT Platform Solutions Group; General Manager, Chubu Office                                                                     | General Manager, Chubu & Kansai IT Platform Solutions Division, IT Platform Solutions Group; General Manager, Chubu Office                                                                     |
| Executive Officer                                    | Junichi Horie        | General Manager, Financial Systems Business Division II, Financial Systems Business Group                                                                                                      | General Manager, SE Plus Center                                                                                                                                                                |
| Executive Officer                                    | Kenji Toda           | General Manager, Chubu Industrial Systems Business Division, Manufacturing & Telecommunication Systems Business Group; General Manager, Business Promotion Division, Chubu Branch              | General Manager, Manufacturing Systems Business Division, Manufacturing & Telecommunication Systems Business Group                                                                             |
| Executive Officer                                    | Hideyuki Miyashita   | Representative Director and President of SCSK Kyushu Corporation                                                                                                                               | Representative Director and President of SCSK Kyushu Corporation                                                                                                                               |
| Executive Officer                                    | Shoji Shiuchi        | General Manager, Nishinohon Industrial Systems Business Division II, Manufacturing & Telecommunication Systems Business Group; General Manager, Business Promotion Division, Nishinohon Branch | General Manager, Nishinohon Industrial Systems Business Division II, Manufacturing & Telecommunication Systems Business Group; General Manager, Business Promotion Division, Nishinohon Branch |
| Executive Officer                                    | Kenji Ichiba         | General Manager, Global Business Development Division, Global System Solutions & Innovation Business Group                                                                                     | General Manager, Business Promotion Division, Global System Solutions & Innovation Business Group                                                                                              |
| Executive Officer                                    | Shu Wei              | Regional Officer, China & Asia; Managing Director of SCSK Asia Pacific Pte. Ltd.; Chairman of SCSK Shanghai Limited                                                                            | Regional Officer, China & Asia; Managing Director of SCSK Asia Pacific Pte. Ltd.; Chairman of SCSK Shanghai Limited                                                                            |
| Executive Officer                                    | Shunichiro Fukushima | General Manager, Corporate Planning Group                                                                                                                                                      | General Manager, Corporate Planning, Corporate Communications & Sustainability Group                                                                                                           |

| Current position in company<br>(as of April 1, 2020) | Name                | Areas of responsibility and significant posts concurrently held       |                                                                                                                                   |
|------------------------------------------------------|---------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                     | As of March 31, 2020                                                  | As of April 1, 2020 (current)                                                                                                     |
| Executive Officer                                    | Tomoo Kawana        | General Manager, Legal & Risk Management Group                        | General Manager, Legal & Risk Management Group                                                                                    |
| Executive Officer                                    | Ikuo Uchiyama       | General Manager, Mobility Systems Division II, Mobility Systems Group | General Manager, Business Promotion Division, Mobility Systems Group                                                              |
| Executive Officer*2                                  | Shinji Miyanishi    | —                                                                     | Deputy General Manager, Financial Systems Business Division IV, Financial Systems Business Group                                  |
| Executive Officer*2                                  | Toshihiko Kusakabe  | —                                                                     | General Manager, Global Business Development Division, Global System Solutions & Innovation Business Group                        |
| Executive Officer*2                                  | Osamu Kubo          | —                                                                     | General Manager, Financial Systems Business Division VI, Financial Systems Business Group                                         |
| Executive Officer*2                                  | Yoshinari Kobayashi | —                                                                     | General Manager, Human Resources & General Affairs Group                                                                          |
| Executive Officer*2                                  | Yousuke Tsutaya     | —                                                                     | General Manager, AMO Business Division II, Business Solutions Group; General Manager, Contact Center Services Business Division   |
| Executive Officer*2                                  | Masaki Komine       | —                                                                     | General Manager, IT Products & Services Division, IT Platform Solutions Group                                                     |
| Executive Officer*2                                  | Tomoyuki Naruke     | —                                                                     | Managing Executive Officer of SCSK ServiceWare Corporation                                                                        |
| Executive Officer*2                                  | Masayuki Tanabe     | —                                                                     | General Manager, Mobility Systems Division II, Mobility Systems Group; General Manager, Business Promotion Division, Chubu Branch |
| Executive Officer*2                                  | Hideya Nakashima    | —                                                                     | General Manager, SC Business Development Division, Global System Solutions & Innovation Business Group                            |

- (Notes) 1. \*1 = Serves jointly as Executive Officer and Director  
2. \*2 = Newly seated as Executive Officer on April 1, 2020  
3. Listed below are Executive Officers who retired as of March 31, 2020.

| Position at retirement   | Name              | Areas of responsibility at retirement                                                                                                                            |
|--------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Executive Vice President | Masanori Furunuma | General Manager, Sales Coordination Group                                                                                                                        |
| Executive Vice President | Shozo Hirose      | DX & Innovation Business Officer; General Manager (DX & Innovation Business Center, Research & Development Center)                                               |
| Executive Officer        | Kazuhiko Abe      | General Manager, SC Systems Business Division, Global System Solutions & Innovation Business Group; Deputy General Manager, Global Business Development Division |

#### 4-2 Total Remuneration, etc., Paid to Company Officers in the Fiscal Year

| Category                                                                                        | No. of payees           | Total amount of remuneration, etc. |
|-------------------------------------------------------------------------------------------------|-------------------------|------------------------------------|
| Directors<br>(excluding Audit and Supervisory Committee Members)<br>(of whom Outside Directors) | 11 people<br>(1 person) | ¥258 million<br>(¥12 million)      |
| Directors<br>(Audit and Supervisory Committee Members)<br>(of which Outside Directors)          | 4 people<br>(3 people)  | ¥53 million<br>(¥36 million)       |
| Total                                                                                           | 15 people               | ¥311 million                       |

- (Notes) 1. The upper limit on officer remuneration as determined upon resolution at the General Meeting of Shareholders (June 28, 2016) is, on a single business year basis, ¥960 million for Directors (excluding Audit and Supervisory Committee Members and Outside Directors), ¥40 million for Outside Directors (excluding Audit and Supervisory Committee Members), and ¥150 million for Directors (Audit and Supervisory Committee Members).
2. No Outside Directors received officer remuneration, etc., from the parent company, etc., or from a subsidiary, etc., of the parent company, etc.

#### 4-3 Matters Regarding Significant Posts in Other Corporations Concurrently Held by Executive Officers and Outside Directors or Outside Corporate Auditors, etc.

Significant concurrently held posts are shown within Section 4-1, Directors and Corporate Auditors.

#### 4-4 Main Activities of Each Outside Director or Outside Corporate Auditor

| Category                                             | Name              | Attendance at Board of Directors meetings | Attendance at Audit and Supervisory Committee meetings |
|------------------------------------------------------|-------------------|-------------------------------------------|--------------------------------------------------------|
| Director                                             | Kiyoto Matsuda    | 14/14                                     | —                                                      |
| Director<br>(Audit and Supervisory Committee Member) | Kimitoshi Yabuki  | 12/14                                     | 14/16                                                  |
| Director<br>(Audit and Supervisory Committee Member) | Masaichi Nakamura | 12/14                                     | 16/16                                                  |
| Director<br>(Audit and Supervisory Committee Member) | Kazuko Shiraishi  | 13/14                                     | 16/16                                                  |

Directors voice opinions regarding all areas of management at meetings of the Board of Directors from their unique perspectives and based on the extensive experience and insight gained through management and other positions. In addition, Kimitoshi Yabuki, Masaichi Nakamura, and Kazuko Shiraishi voice opinions on all areas of auditing processes from the perspectives of operational compliance and appropriateness and based on their extensive experience and insight at meetings of the Audit and Supervisory Committee. Furthermore, the individuals mentioned above engage in exchanges of opinion with the Independent Auditor and offer suggestions as necessary.

#### 4-5 Matters Regarding Liability Limitation Agreements

The Company, based on Article 427, Paragraph 1 of the Companies Act, and Article 29, Paragraph 2 of the Articles of Incorporation, has entered into liability limitation agreements with each Director (excluding Executive Directors, etc.) to limit the amount of their liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.

## 5. Matters Regarding the Independent Auditor

### 5-1 Name

KPMG AZSA LLC

### 5-2 Remuneration, etc., paid to the Independent Auditor

|                                                                                                                                                                   |              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1. Audit remuneration and other fees paid to the Independent Auditor by the Company concerning the period under review                                            | ¥159 million |
| 2. Total amount of cash and other financial benefits payable by the Company and its consolidated subsidiaries to the Independent Auditor (inclusive of (1) above) | ¥268 million |

- (Notes) 1. The audit agreement between the Company and the Independent Auditor does not differentiate audit remuneration fees based on the Companies Act from audit remuneration fees based on the Financial Instruments and Exchange Law. The amount on Line (1) above thus includes the audit remuneration and other fees based on the Financial Instruments and Exchange Law.
2. The Company has paid the Independent Auditor for services outside those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (specifically, for services relating to the provision of guidance and advice regarding the transition to International Financial Reporting Standards).
3. Through the holding of the necessary hearings and the provision of the necessary reports and documents by the Independent Auditor or by the directorship, accounting, internal control, or other internal company units, the Audit and Supervisory Committee has checked the work performance of the Internal Auditor in the previous period, the contents of the audit plan for the current period, the general suitability of the audit fee estimate, and other such matters; and, having done so, the Audit and Supervisory Committee provides its consent to Independent Auditor fees, etc., in accordance with Article 399, Paragraph 1 and Paragraph 3 of the Companies Act.
4. The financial statements of subsidiary Minori Solutions Co., Ltd., have been audited by an independent auditor that is separate from the Independent Auditor of the Company.

### 5-3 Policy for Determination of Dismissal or Non-reappointment

In the event the Independent Auditor is found to be applicable under any of the situations stipulated in the clauses of Article 340, Section 1 of the Companies Act and the situation is judged to be irremediable, the Audit and Supervisory Committee's policy is to dismiss such Independent Auditor after receiving the consent of all Audit and Supervisory Committee Members.

In addition, in the event there is a significant adverse effect on the execution of the Independent Auditor's duties, due to sanctions or penalties from authoritative bodies imposed as a result of violations of the Companies Act, the Certified Public Accountants Act, or other laws by the Independent Auditor, the Audit and Supervisory Committee's policy is to submit a proposal to the General Meeting of Shareholders recommending that the Independent Auditor in question be dismissed or not be reappointed.

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Values expressed in units of millions of yen have been rounded off to the nearest unit.

Consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Assets		Liabilities	
Current assets	214,752	Current liabilities	93,889
Cash and deposits	32,072	Notes and accounts payable - trade	25,054
Notes and accounts receivable - trade	78,828	Short-term borrowings	15,400
Lease receivables and investments in leases	340	Current portion of bonds payable	10,000
Securities	299	Lease obligations	836
Merchandise and finished goods	9,150	Income taxes payable	5,091
Work in process	671	Provision for bonuses	6,972
Raw materials and supplies	133	Provision for bonuses for directors (and other officers)	65
Deposits paid	79,703	Provision for loss on construction contracts	507
Other	13,600	Other	29,960
Allowance for doubtful accounts	-48		
Non-current assets	127,732	Non-current liabilities	40,523
Property, plant and equipment	74,801	Bonds payable	30,000
Buildings and structures, net	44,587	Lease obligations	1,581
Tools, furniture and fixtures, net	9,878	Provision for retirement benefits for directors (and other officers)	11
Land	14,204	Retirement benefit liability	5,532
Leased assets, net	1,384	Asset retirement obligations	3,115
Construction in progress	4,745	Long-term leasehold and guarantee deposits received	156
Other, net	1	Other	127
		Total liabilities	134,413
Intangible assets	21,384	Net assets	
Goodwill	13,889	Shareholders' equity	212,335
Other	7,494	Share capital	21,152
		Retained earnings	191,881
Investments and other assets	31,546	Treasury shares	-698
Investment securities	11,854	Accumulated other comprehensive income	-4,655
Long-term prepaid expenses	1,599	Valuation difference on available-for-sale securities	1,066
Leasehold and guarantee deposits	7,178	Deferred gains or losses on hedges	23
Deferred tax assets	10,044	Foreign currency translation adjustment	-197
Other	918	Remeasurements of defined benefit plans	-5,547
Allowance for doubtful accounts	-50	Share acquisition rights	30
		Non-controlling interests	361
		Total net assets	208,072
Total assets	342,485	Total liabilities and net assets	342,485

Consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Subject	Amount
Net sales	387,003
Cost of sales	289,048
Gross profit	97,954
Selling, general and administrative expenses	55,628
Operating profit	42,326
Non-operating income	1,280
Interest income	65
Dividend income	79
Share of profit of entities accounted for using equity method	923
Other	212
Non-operating expenses	592
Interest expenses	123
Loss on sales of investment securities	8
Subsidiary stock acquisition-related cost	342
Other	117
Ordinary profit	43,014
Extraordinary income	2,028
Gain on sales of non-current assets	10
Gain on sales of investment securities	331
Gain on step acquisitions	1,556
Gain on reversal of share acquisition rights	5
Received settlement fee	123
Extraordinary losses	1,080
Loss on retirement of non-current assets	53
Loss on sales of non-current assets	6
Impairment loss	508
Loss on valuation of investment securities	4
Loss on sales of membership	0
Compensation expenses	505
Loss on liquidation of subsidiaries	2
Profit before income taxes	43,961
Income taxes - current	7,723
Income taxes - deferred	4,943
Profit	31,294
Profit attributable to non-controlling interests	93
Profit attributable to owners of parent	31,201

Values expressed in units of millions of yen have been rounded off to the nearest unit.

Non-consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Assets		Liabilities	
Current assets	179,062	Current liabilities	110,031
Cash and deposits	16,324	Accounts payable - trade	19,580
Notes	680	Short-term borrowings	15,000
Accounts receivable - trade	61,848	Current portion of bonds payable	10,000
Lease investment assets	340	Lease obligations	788
Merchandise and finished goods	6,359	Accounts payable	5,038
Work in process	448	Expenses payable	1,104
Raw materials and supplies	128	Income taxes payable	4,199
Advance payments - trade	742	Consumption taxes payable	4,425
Prepaid expenses	10,153	Advances received	12,083
Deposits paid	78,011	Deposits received	33,832
Short-term loans receivable from subsidiaries and associates	300	Provision for bonuses	3,414
Other	3,731	Provision for bonuses for directors (and other officers)	58
Allowance for doubtful accounts	-6	Provision for loss on construction contracts	505
Non-current assets	167,424	Non-current liabilities	34,873
Property, plant and equipment	72,093	Bonds payable	30,000
Buildings	42,629	Lease obligations	1,554
Structures	305	Provision for retirement benefits for directors (and other officers)	7
Vehicles	0	Provision for retirement benefits	498
Tools, furniture and fixtures, net	8,920	Asset retirement obligations	1,925
Land	14,169	Long-term leasehold and guarantee deposits received	844
Leased assets, net	1,313	Other	43
Construction in progress	4,755		
Intangible assets	6,202		
Goodwill	22	Total liabilities	144,904
Software	6,052		
Leased assets	9	Net assets	
Telephone subscription rights	117	Shareholders' equity	200,529
Right of using facilities	0	Share capital	21,152
Trademark rights	0	Capital surplus	1,299
		Legal capital surplus	1,299
Investments and other assets	89,128	Retained earnings	178,357
Investment securities	3,914	Legal retained earnings	3,988
Shares of subsidiaries and associates	67,578	Other retained earnings	174,369
Investments in other securities of subsidiaries and associates	20	General reserve	23,310
Long-term loans receivable from employees	21	Retained earnings brought forward	151,059
Long-term prepaid expenses	1,566	Treasury shares	-281
Leasehold and guarantee deposits	5,790	Valuation and translation adjustments	1,021
Deferred tax assets	6,098	Valuation difference on available-for-sale securities	998
Membership rights	192	Deferred gains or losses on hedges	23
Lease investment assets	647	Share acquisition rights	30

Prepaid pension cost	3,331		
Other	12		
Allowance for doubtful accounts	-46	Total net assets	201,581
Total assets	346,486	Total liabilities and net assets	346,486

Non-consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Subject	Amount
Net sales	304,637
Cost of sales	227,803
Gross profit	76,834
Selling, general and administrative expenses	43,467
Operating profit	33,366
Non-operating income	1,670
Interest income	18
Dividend income	1,297
Other	354
Non-operating expenses	178
Interest expenses	46
Interest on bonds	75
Other	56
Ordinary profit	34,859
Extraordinary income	424
Gain on sales of non-current assets	0
Gain on sales of investment securities	294
Gain on reversal of share acquisition rights	5
Received settlement fee	123
Extraordinary losses	758
Loss on retirement of non-current assets	37
Loss on sales of non-current assets	6
Impairment loss	202
Loss on valuation of investment securities	4
Loss on sales of membership	0
Compensation expenses	505
Loss on liquidation of subsidiaries	2
Profit before income taxes	34,525
Income taxes - current	4,203
Income taxes - deferred	5,297
Profit	25,025

Values expressed in units of millions of yen have been rounded off to the nearest unit.

Independent Auditor's Report

May 12, 2020

The Board of Directors
SCSK Corporation

KPMG AZSA LLC
Tokyo Office, Japan

Atsuji Maeno (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Isao Kamizuka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shinya Mikami (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and notes to the consolidated financial statements of SCSK Corporation for the fiscal year from April 1, 2019, to March 31, 2020, in accordance with Article 444, Section 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with corporate accounting standards generally accepted to be fair and appropriate in Japan, present fairly, in all material aspects, the financial position and the results of operations of SCSK Corporation and its consolidated subsidiaries for the period for which the consolidated financial statements were prepared.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted to be fair and appropriate in Japan. Our responsibility under auditing standards is described in "Responsibility of Independent Auditor in Audits of Consolidated Financial Statements." Our audit firm is independent from SCSK Corporation and its subsidiaries as required by the professional ethics standards of Japan, and we fulfill other ethical obligations as an Independent Auditor. We believe that the audit evidence we have obtained is appropriate and sufficient to form the basis for our audit opinion.

Responsibility of Management and Audit and Supervisory Committee Regarding Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with corporate accounting standards generally accepted to be fair and appropriate in Japan, and for the preparation and adoption of such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Management is also responsible for evaluating whether it is appropriate to prepare consolidated financial statements based on the assumption of a going concern and for disclosing information on items requiring disclosure in relation to going concerns based on the corporate accounting standards generally accepted to be fair and appropriate in Japan.

The Audit and Supervisory Committee is responsible for supervising the execution of duties by Directors with regard to the development and implementation of financial reporting processes.

Responsibility of Independent Auditor in Audits of Consolidated Financial Statements

Our responsibility is to express an opinion on the consolidated financial statements in the Independent Auditor's Report based on our audit from our independent perspective as Independent Auditor. In this process, we must obtain reasonable assurance that, overall, the consolidated financial statements are free from material misstatements, whether due to fraud or error. Misstatements may result from fraud or from error. Misstatements will be deemed to be material should they be judged to have the potential to, independently or collectively, influence the decisions of users of the consolidated financial statements.

Through the process of performing audits based on the corporate accounting standards generally accepted to be fair and appropriate in Japan, we make judgments from our professional perspective and perform the following tasks while maintaining a sufficient degree of professional skepticism.

- We identify and evaluate risks that may result in material misstatements, whether from fraud or error; propose and implement auditing procedures that account for material misstatement risks; make decisions regarding the selection and application of auditing procedures; and acquire sufficient and appropriate audit evidence as necessary for formulating opinions.
- Although the purpose of audits of consolidated financial statements is not to express opinions on the effectiveness of internal controls, we examine internal controls regarding audits in order to propose appropriate auditing procedures based on the circumstances at the company being audited when performing risk evaluations.
- We evaluate the appropriateness of the accounting policies and application methods employed by management, the rationality of accounting estimates prepared by management, and the adequacy of related notes.
- We make judgements on whether it is appropriate for management to prepare consolidated financial statements based on the assumption of a going concern and whether material uncertainty exists regarding events or conditions that cast significant doubt on the assumption of a going concern based on the acquired audit evidence. Should it be determined that material uncertainty exists with regard to the assumption of a going concern, we must draw attention to the notes to the consolidated financial statements in the Independent Auditor's Report. Furthermore, we must express the need to include exemption clauses regarding the consolidated financial statements should it be determined that describing the material uncertainty in the notes to the consolidated financial statements would be inappropriate. Our judgements are made based on the audit evidence available as of the date of the publication of the Independent Auditor's Report. It is possible that the status of the company being audited as a going concern could be undermined by subsequent events or conditions.
- We judge whether the consolidated financial statements and accompanying notes have been prepared in accordance with the corporate accounting standards generally accepted to be fair and appropriate in Japan. We also evaluate the appropriateness of the display methods, structure, and contents of the consolidated financial statements and accompanying notes and the descriptions of the transactions and accounting events on which the consolidated financial statements are based.
- We acquire sufficient and appropriate audit evidence regarding SCSK Corporation and its consolidated subsidiaries as necessary to express our opinion on the consolidated financial statements. We are responsible for issuing instructions regarding audits of the consolidated financial statements and for overseeing and performing audits. Auditors have responsibility for their individual audit opinions.

We report to the Audit and Supervisory Committee on the planned scope and timing of audits as well as on any material auditing issues, including major internal control insufficiencies, or other matters required by audit standards identified during the audit process.

We issue reports to the Audit and Supervisory Committee to indicate that our firm is complying with the professional ethics standards of Japan regarding independence. Reports are also submitted to provide notice when we are implementing safeguards to prevent or mitigate factors that could rationally be judged to impact or impede our independence as an Independent Auditor.

Conflicts of Interest

Our firm and engagement partners have no interests in SCSK Corporation or its consolidated subsidiaries that require disclosure pursuant to the provisions of the Certified Public Accountants Law of Japan.

Independent Auditor's Report

May 12, 2020

The Board of Directors
SCSK Corporation

KPMG AZSA LLC
Tokyo Office, Japan

Atsuji Maeno (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Isao Kamizuka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shinya Mikami (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity and the related notes, and the supplementary schedules of SCSK Corporation for the 52nd fiscal year from April 1, 2019, to March 31, 2020, in accordance with Article 436, Section 2, Paragraph 1 of the Companies Act.

In our opinion, the non-consolidated financial statements referred to above, which were prepared in accordance with corporate accounting standards generally accepted to be fair and appropriate in Japan, present fairly, in all material aspects, the financial position and the results of operations of SCSK Corporation for the period for which the non-consolidated financial statements were prepared.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted to be fair and appropriate in Japan. Our responsibility under auditing standards is described in "Responsibility of Independent Auditor in Audits of Non-Consolidated Financial Statements." Our audit firm is independent from SCSK Corporation as required by the professional ethics standards of Japan, and we fulfill other ethical obligations as an Independent Auditor. We believe that the audit evidence we have obtained is appropriate and sufficient to form the basis for our audit opinion.

Responsibility of Management and Audit and Supervisory Committee Regarding Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with corporate accounting standards generally accepted to be fair and appropriate in Japan, and for the preparation and adoption of such internal controls as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Management is also responsible for evaluating whether it is appropriate to prepare non-consolidated financial statements based on the assumption of a going concern and for disclosing information on items requiring disclosure in relation to going concerns based on the corporate accounting standards generally accepted to be fair and appropriate in Japan.

The Audit and Supervisory Committee is responsible for supervising the execution of duties by Directors with regard to the development and implementation of financial reporting processes.

Responsibility of Independent Auditor in Audits of Non-Consolidated Financial Statements

Our responsibility is to express an opinion on the non-consolidated financial statements in the Independent Auditor's Report based on our audit from our independent perspective as Independent Auditor. In this process, we must obtain reasonable assurance that, overall, the non-consolidated financial statements are free from material misstatements, whether due to fraud or error. Misstatements may result from fraud or from error. Misstatements will be deemed to be material should they be judged to have the potential to, independently or collectively, influence the decisions of users of the non-consolidated financial statements.

Through the process of performing audits based on the corporate accounting standards generally accepted to be fair and appropriate in Japan, we make judgments from our professional perspective and perform the following tasks while maintaining a sufficient degree of professional skepticism.

- We identify and evaluate risks that may result in material misstatements, whether from fraud or error; propose and implement auditing procedures that account for material misstatement risks; make decisions regarding the selection and application of auditing procedures; and acquire sufficient and appropriate audit evidence as necessary for formulating opinions.
- Although the purpose of audits of non-consolidated financial statements is not to express opinions on the effectiveness of internal controls, we examine internal controls regarding audits in order to propose appropriate auditing procedures based on the circumstances at the company being audited when performing risk evaluations.
- We evaluate the appropriateness of the accounting policies and application methods employed by management, the rationality of accounting estimates prepared by management, and the adequacy of related notes.
- We make judgements on whether it is appropriate for management to prepare non-consolidated financial statements based on the assumption of a going concern and whether material uncertainty exists regarding events or conditions that cast significant doubt on the assumption of a going concern based on the acquired audit evidence. Should it be determined that material uncertainty exists with regard to the assumption of a going concern, we must draw attention to the notes to the non-consolidated financial statements in the Independent Auditor's Report. Furthermore, we must express the need to include exemption clauses regarding the non-consolidated financial statements should it be determined that describing the material uncertainty in the notes to the non-consolidated financial statements would be inappropriate. Our judgements are made based on the audit evidence available as of the date of the publication of the Independent Auditor's Report. It is possible that the status of the company being audited as a going concern could be undermined by subsequent events or conditions.
- We judge whether the non-consolidated financial statements and accompanying notes have been prepared in accordance with the corporate accounting standards generally accepted to be fair and appropriate in Japan. We also evaluate the appropriateness of the display methods, structure, and contents of the non-consolidated financial statements and accompanying notes and the descriptions of the transactions and accounting events on which the non-consolidated financial statements are based.

We report to the Audit and Supervisory Committee on the planned scope and timing of audits as well as on any material auditing issues, including major internal control insufficiencies, or other matters required by audit standards identified during the audit process.

We issue reports to the Audit and Supervisory Committee to indicate that our firm is complying with the professional ethics standards of Japan regarding independence. Reports are also submitted to provide notice when we are implementing safeguards to prevent or mitigate factors that could rationally be judged to impact or impede our independence as an Independent Auditor.

Conflicts of Interest

Our firm and engagement partners have no interests in SCSK Corporation that require disclosure pursuant to the provisions of the Certified Public Accountants Law of Japan.

Audit Report

The Audit and Supervisory Committee conducted an audit of the execution of duties of Directors during the 52nd fiscal year from April 1, 2019, to March 31, 2020. Details regarding the audit methods and results are provided below.

1. Audit Methods and Other Details

The Audit and Supervisory Committee received periodic reports from Directors, employees, or other individuals on resolutions by the Board of Directors related to (b) and (c) of Article 399, Paragraph 13, Item 1 of the Companies Act and on the implementation and operation status of systems based on these resolutions (internal control systems). When necessary, Audit and Supervisory Committee Members requested explanations or voiced opinions regarding these matters. Audits were performed through the following methods.

In regard to internal control systems relating to financial reporting, the Audit and Supervisory Committee received reports on the status of evaluations and audits of these systems from Directors and KPMG AZSA LLC, and explanations were requested as necessary.

- ① In accordance with the auditing policies formulated by the Audit and Supervisory Committee and the division of duties of Audit and Supervisory Committee Members, the Audit and Supervisory Committee Members coordinate with the Company's internal control divisions as we attend important meetings and receive reports regarding the execution of duties from Directors, employees, and other individuals. When necessary, Audit and Supervisory Committee Members requested explanations regarding those reports. We also inspected documents related to important decisions and examined operations and assets at the Company's head office and major operational establishments. As for subsidiaries, we communicated and exchanged information with the Directors, Corporate Auditors, and other individuals at subsidiaries, receiving business reports from subsidiaries, as necessary.
- ② In regard to transactions with the parent company indicated in the business report, examinations were made in relation to (a) of Article 118, Item 5 of the Ordinance for Enforcement of the Companies Act as well as decisions and reasons for decisions related to (b) of the above article of the same law. The status of deliberations by the Board of Directors and other bodies was considered in this process.
- ③ Furthermore, the Audit and Supervisory Committee monitored and verified the activities of the Independent Auditor to ensure that it was maintaining an independent standpoint and implementing appropriate audits. In addition, the Audit and Supervisory Committee received reports from the Independent Auditor regarding the execution of its duties and asked for explanations as necessary. Furthermore, notice was received from the Independent Auditor indicating that a system to ensure the execution of duties is conducted in an appropriate manner (as described in the clauses of the Article 131 of the Rules of Corporate Accounting) has been established in accordance with the Quality Control Standard Regarding Audit (Business Accounting Council, October 28, 2005). Explanations were received as necessary.

Based on the aforementioned methods, the Audit and Supervisory Committee examined the business report and the supplementary schedules for the fiscal year in question along with the financial statements (the balance sheet, the statement of income, the statements of changes in net assets, and the notes to the non-consolidated financial statements) and the supplementary schedules, the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statements of changes in net assets, and the notes to the consolidated financial statements).

2. Results of Audit

(1) Results of the audit of the business report, etc.

- ① The business report and the supplementary schedules thereto fairly present the condition of the Company in accordance with Japanese laws and regulations and the Articles of Incorporation of the Company.
- ② There has been neither unfair conduct nor any material violation of Japanese laws or regulations or of the Articles of Incorporation in the execution of duties of the Directors.
- ③ The content of the resolution by the Board of Directors regarding internal control systems is due and proper. Furthermore, nothing has arisen that requires comment with respect to items for business reporting or the Directors' execution of internal control systems.

- ④ Nothing has arisen that requires comment with regard to provisions for preventing transactions with the parent company indicated in the business report from going against the interests of the Company or with regard to decisions or reasons behind decisions by the Board of Directors on whether or not such transactions go against the interests of the Company.

(2) Results of the audit of the non-consolidated financial statements and supplementary schedules
The Audit and Supervisory Committee considers the methods and results of the audit by the Independent Auditor, KPMG AZSA LLC, to be due and proper.

(3) Results of the audit of the consolidated financial statements
The Audit and Supervisory Committee considers the methods and results of the audit by the Independent Auditor, KPMG AZSA LLC, to be due and proper.

May 13, 2020

The Audit and Supervisory Committee, SCSK Corporation

Yasunori Anzai (Seal)
Audit and Supervisory Committee Member

Kimitoshi Yabuki (Seal)
Audit and Supervisory Committee Member

Masaichi Nakamura (Seal)
Audit and Supervisory Committee Member

Kazuko Shiraishi (Seal)
Audit and Supervisory Committee Member

(Note) Audit and Supervisory Committee Members Kimitoshi Yabuki, Masaichi Nakamura, and Kazuko Shiraishi are Outside Directors as described in Article 2, Item 15 and Article 331, Item 6 of the Companies Act.

Guidance for Shareholders on How to Exercise Voting Rights Either in Writing or by Electronic Means (the Internet, etc.)

I. Exercising Voting Rights in Writing

Please indicate your approval or disapproval of each proposal on the enclosed voting form (*Japanese only*) and return it to reach our Registrar of Shareholders no later than 5:30 p.m. on Monday, June 22, 2020.

II. Exercising Voting Rights Electronically

1. Exercising voting rights via the Internet (*Japanese only*)

- (1) To exercise your voting rights via the Internet, you must use the following voting service website designated by the Company. Please note that you are also able to access and use this voting service website via a mobile phone.

Voting service website: <https://www.web54.net>

Note:

The website can be accessed from mobile phones that are equipped with a barcode reader by scanning the QR code[®] on the right with the mobile phone. Please see your mobile phone's user manual for further details. (The QR code is the registered trademark of Denso Wave Incorporated.)



- (2) To exercise your voting rights via the Internet, please indicate whether you approve or disapprove of each proposal by using the code and password for the exercise of voting rights indicated on the enclosed voting form, and by following the instructions shown on the screen.
- (3) Provider access fees, telecommunications fees and any other fee for usage of the website to exercise your voting rights shall be borne by the shareholders.
- (4) One may be unable to use the voting service website based on their Internet connection, enrolled services, or terminal.

2. Electronic Voting Platform (*English available*)

For management and trust banks or other nominee shareholders (including standing proxies), the Electronic Voting Platform operated by Investor Communications Japan, Inc. (ICJ, Inc.) is available as another online voting method for the meeting, in addition to the method of voting via the Internet as described in 1. above, subject to prior application for use to ICJ, Inc.

3. Time limit for exercising voting rights electronically

Although it is acceptable to exercise voting rights electronically until 5:30 p.m. on Monday June 22, 2020, please exercise your voting rights as early as possible to assist us with compiling the results of the voting.

III. Treatment of Voting Rights Exercised Repeatedly

1. If you exercise your voting rights both in writing and electronically, we will only accept the exercise of your voting rights electronically as valid.
2. If you exercise your voting rights more than once electronically, we will only accept the last exercise of your voting rights as valid.

Please call the following number if you have any questions relating to this guidance.

For information about the operation of personal computers and mobile phones in the usage of the website to exercise your voting rights:

Transfer Agent Web Support, Sumitomo Mitsui Trust Bank, Limited

Dedicated line (Tel.) 0120-652-031 (9:00 a.m. to 9:00 p.m.)

For other inquiries

For shareholder who have an account with a securities company

Please contact your securities company.

For shareholders who do not have an account with a securities company (Shareholders who have special accounts)

Please contact the Transfer Agent Business Center, Sumitomo Mitsui Trust Bank, Limited

(Tel.) 0120-782-031 (9:00 a.m. to 5:00 p.m. excluding weekends and Japanese public holidays)

