

Consolidated Results of Operation for 1st Quarter of Fiscal Year Ending March 2017

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July 28, 2016

Consolidated Financial Results of Operation for 1st Quarter of FY2016

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(1) Highlights for 1st Q of FY2016

Net Sales

75,352 JPY Million

YOY + 1.8%

Operating Income

6,124 JPY Million

YOY + 12.6%

Order Backlog

111,814 JPY Million

YOY + 0.2%

Operating Margin

8.1%

YOY + 0.8 p.p.

(2) Consolidated Statements of Income

(Millions of yen)

	Apr. 2015- Jun. 2015	Apr. 2016- Jun. 2016	Increase/Decrease	
			Amount	Change (%)
Net Sales	74,026	75,352	1,326	1.8%
Gross Profit	17,280	18,211	931	5.4%
(Gross Profit Margin)	(23.3%)	(24.2%)		
SG&A Expenses	11,839	12,086	247	2.1%
Operating Income	5,440	6,124	684	12.6%
(Operating Income Margin)	(7.3%)	(8.1%)		
Ordinary Income	5,830	6,732	901	15.5%
Profit attributable to owners of parent	4,395	7,296	2,901	66.0%

(3) Sales Comparison by Segment

(Millions of yen)

	Apr. 2015- Jun. 2015	Apr. 2016 ~ Jun. 2016	Increase/Decrease	
			Amount	Change (%)
System Development	28,345 (38.3%)	29,735 (39.5%)	1,390	4.9%
System Maintenance and Operation/ Services	28,727 (38.8%)	30,438 (40.4%)	1,711	6.0%
Packaged Software/ Hardware Sales	16,141 (21.8%)	14,351 (19.0%)	- 1,790	- 11.1%
Prepaid Card	812 (1.1%)	826 (1.1%)	14	1.7%
Total	74,026 (100.0%)	75,352 (100.0%)	1,326	1.8%

(4) Incoming Orders and Backlog

(Millions of yen)

		Apr. 2015- Jun. 2015	Apr. 2016- Jun. 2016	Increase/Decrease	
				Amount	Change (%)
System Development	Incoming orders	32,264	31,044	- 1,220	- 3.8%
	Backlog	27,554	26,420	- 1,134	- 4.1%
System Maintenance and Operation/ Services	Incoming orders	25,620	28,591	2,971	11.6%
	Backlog	71,049	75,923	4,874	6.9%
Packaged Software /Hardware Sales	Incoming orders	20,857	17,321	- 3,535	- 17.0%
	Backlog	12,967	9,470	- 3,496	- 27.0%
Total	Incoming orders	78,742	76,958	- 1,783	- 2.3%
	Backlog	111,571	111,814	243	0.2%

(5) Sales Comparison by Customer Industry

(Millions of yen)

	Apr. 2015-Jun. 2015		Apr. 2016 –Jun. 2016		Increase/ Decrease	
	Amount	Composition	Amount	Composition	Amount	Change (%)
Manufacturers	19,028	25.7%	21,187	28.1%	2,158	11.3%
Distributors	11,796	15.9%	12,481	16.6%	685	5.8%
Financial Institutions	16,138	21.8%	18,018	23.9%	1,880	11.7%
Banks	5,469	7.4%	5,852	7.8%	382	7.0%
Securities Firms	2,463	3.3%	2,196	2.9%	- 266	- 10.8%
Shopping Credit/ Leasing Companies	2,389	3.2%	2,977	4.0%	588	24.6%
Insurance Companies	5,816	7.9%	6,991	9.3%	1,175	20.2%
Communications/ Transportation	13,792	18.6%	10,992	14.6%	- 2,800	- 20.3%
Utilities	723	1.0%	932	1.2%	208	28.8%
Services	7,941	10.7%	8,116	10.8%	174	2.2%
Others*	4,605	6.2%	3,624	4.8%	- 981	- 21.3%
Total	74,026	100.0%	75,352	100.0%	1,326	1.8%

*Others includes Prepaid Card Business

(6) External Sales and Operating Income by Reported Segment

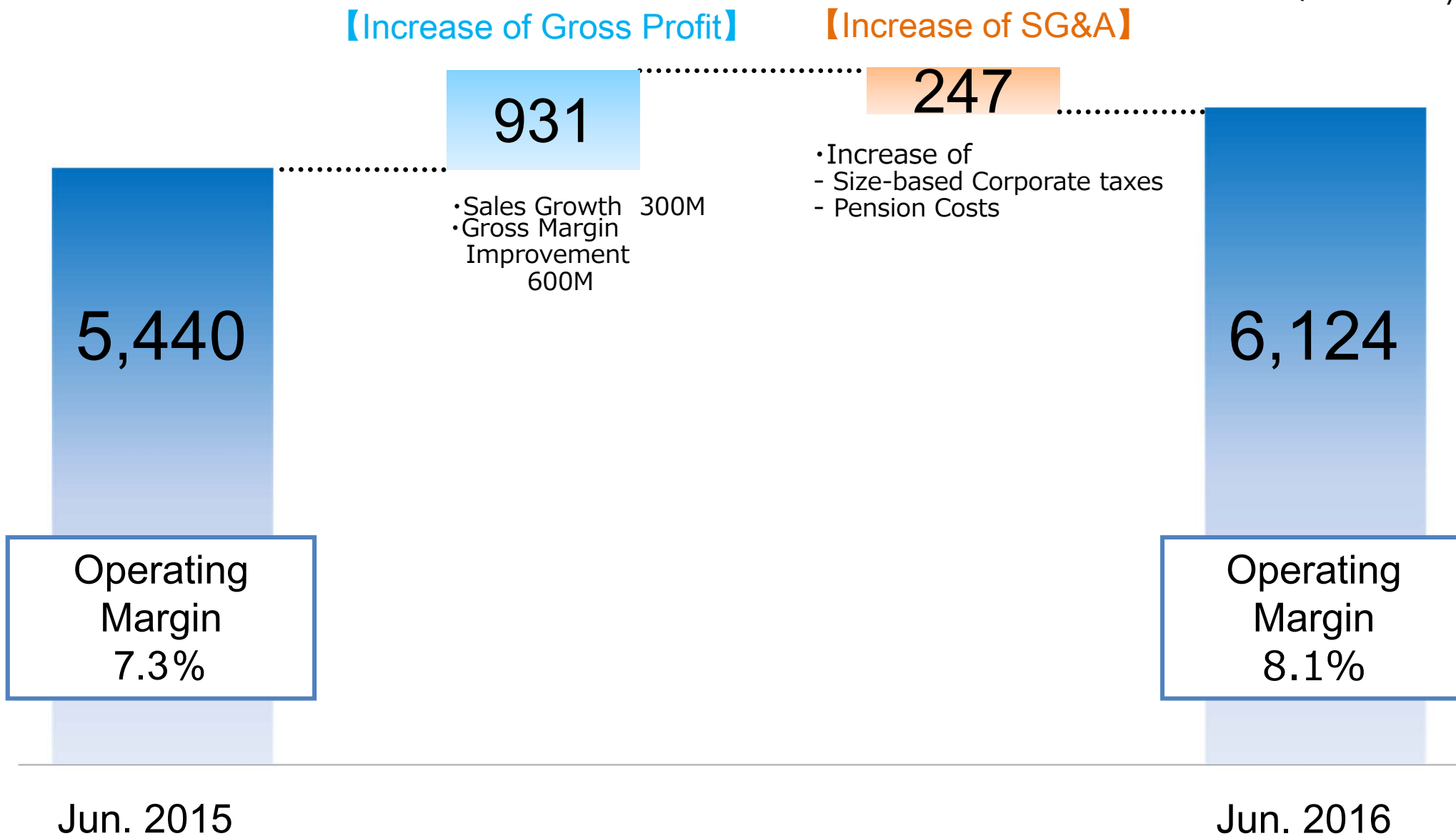
(Millions of yen)

External Sales	Manufacturing Systems	Telecommunication Systems	Distribution Systems	Financial Systems	Business Solution	Business Services	Platform Solution	Prepaid Card	Others	Adjustments	Total
Apr. 2016 ~ Jun 2016	10,106	6,266	11,453	16,959	4,718	10,145	14,685	826	192	-	75,352
Apr. 2015 ~ Jun.2015	9,371	5,828	11,751	15,513	4,789	8,610	17,155	812	194	-	74,026
Increase/Decrease (Amount)	734	438	- 297	1,445	- 71	1,534	- 2,470	14	- 2	-	1,326
Increase/Decrease (%)	7.8%	7.5%	- 2.5%	9.3%	- 1.5%	17.8%	- 14.4%	1.7%	- 1.1%	-	1.8%

Operating Income	Manufacturing Systems	Telecommunication Systems	Distribution Systems	Financial Systems	Business Solution	Business Services	Platform Solution	Prepaid Card	Others	Adjustments	Total
Apr. 2016 ~ Jun 2016	661	1,005	1,403	1,901	357	567	616	111	- 9	- 491	6,124
Apr. 2015 ~ Jun.2015	268	895	1,562	1,586	222	279	915	91	17	- 398	5,440
Increase/Decrease (Amount)	393	109	- 158	315	135	287	- 298	20	- 26	- 93	684
Increase/Decrease (%)	146.8%	12.3%	- 10.2%	19.9%	60.8%	102.8%	- 32.6%	22.1%	- 151.9%	-	12.6%

(7) Operating Income Analysis

(Millions of yen)



(8) Consolidated Balance Sheet

(Billions of yen)

As of March 31, 2016

Total Assets 352.6

Cash and Cash Deposits 99.8	Total Liabilities 201.1
Current Assets 238.1	Loans/Bonds 50.0
Fixed Assets 114.5	Net Assets 151.5

Equity Ratio 41.2%
BPS JPY1,401.00

As of June 30, 2016

Total Assets 349.6

Cash and Cash Deposits 99.6	Total Liabilities 195.2
Current Assets 234.6	Loans/Bonds 50.0
Fixed Assets 114.9	Net Assets 154.3

Equity Ratio 42.4%
BPS JPY 1,426.89

Medium-Term Management Plan

Core Strategies

Shift to a Service- Oriented Business

Promote Strategic Business that Captures the Changing Times

Second Stage of Global Business Expansion

Strengthen Management Base

1. Seek Operational Quality

2. Improve Business Profitability

3. Enhance Operational Efficiency

4. Pleasant, safe, fulfilling place to work/
Promote health & productivity mgt.

5. Enhance Human Resource Capabilities

Attention on the use of this document

- We have made amendment of previous year's data in page 6 (Sales Comparison by Customer Industry) to reflect the revision of industry applied to some customers.
- We have made amendment of previous year's data in page 7 (External Sales and Operating Income by Reported Segment) to enable a fair comparison with this year's data under realigned reported segments.

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