SCSK

SCSK Corporation
Supplementary Information (Data Book)

2017/4/1-2018/3/31

Index

Financial Review (Consolidated)

Financial Data

Caution Concerning Forward-Looking Statements

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Ⅰ Sales by Segment

(Millions of yen)

FY2017	Q1		Q2		Q3		Q4		1st half		Q3 total		2nd half		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	77,219	100.0	86,246	100.0	81,384	100.0	91,803	100.0	163,466	100.0	244,851	100.0	173,188	100.0	336,654	100.0
Systems Development	29,559	38.3	32,929	38.2	31,764	39.0	34,133	37.2	62,489	38.2	94,254	38.5	65,898	38.1	128,387	38.1
System Maintenance and Operation/ Services	31,313	40.6	32,247	37.4	32,472	39.9	33,037	36.0	63,560	38.9	96,033	39.2	65,510	37.8	129,071	38.3
Packaged Software/ Hardware Sales	15,448	20.0	20,076	23.3	16,090	19.8	24,632	26.8	35,524	21.7	51,614	21.1	40,723	23.5	76,247	22.6
Prepaid Card Business	898	1.2	993	1.2	1,056	1.3	-	-	1,892	1.2	2,948	1.2	1,056	0.6	2,948	0.9

FY2016	Q1		Q2		Q3		Q4		1st half		Q3 total		2nd half		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	75,352	100.0	82,059	100.0	81,634	100.0	90,255	100.0	157,412	100.0	239,047	100.0	171,890	100.0	329,303	100.0
Systems Development	29,735	39.5	32,222	39.3	31,314	38.4	33,778	37.4	61,957	39.4	93,272	39.0	65,093	37.9	127,051	38.6
System Maintenance and Operation/ Services	30,438	40.4	31,337	38.2	31,761	38.9	32,263	35.7	61,776	39.2	93,538	39.1	64,025	37.2	125,802	38.2
Packaged Software/ Hardware Sales	14,351	19.0	17,787	21.7	17,740	21.7	23,268	25.8	32,138	20.4	49,878	20.9	41,008	23.9	73,147	22.2
Prepaid Card Business	826	1.1	712	0.9	818	1.0	944	1.0	1,539	1.0	2,357	1.0	1,762	1.0	3,302	1.0

Increase / Decrease	Q1		Q2		Q3		Q4		1st half		Q3 total		2nd half		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	1,866	2.5	4,186	5.1	- 249	- 0.3	1,547	1.7	6,053	3.8	5,803	2.4	1,297	0.8	7,351	2.2
Systems Development	- 176	- 0.6	707	2.2	450	1.4	354	1.0	531	0.9	981	1.1	804	1.2	1,336	1.1
System Maintenance and Operation/ Services	874	2.9	909	2.9	711	2.2	773	2.4	1,784	2.9	2,495	2.7	1,484	2.3	3,269	2.6
Packaged Software/ Hardware Sales	1,096	7.6	2,288	12.9	- 1,649	- 9.3	1,364	5.9	3,385	10.5	1,736	3.5	- 285	- 0.7	3,100	4.2
Prepaid Card Business	71	8.6	280	39.4	237	29.1	- 944	-	352	22.9	590	25.0	- 706	- 40.1	- 354	- 10.7

* Due to the transfer of all the shares of QUO CARD Co., Ltd. as of December 1, 2017, the figures of the Company for FY2017 incorporated here are for the eight months results from April to November 2017.

Ⅱ Sales by Customer Industry

（Millions of yen）

	FY2016 Apr.2016-Mar.2017		FY2017 Apr.2017-Mar.2018		Increase/Decrease	
	Amount	%	Amount	%	Amount	change(%)
Manufacturers	92,093	28.0	93,614	27.8	1,520	1.7
Distributors	51,367	15.6	55,066	16.4	3,699	7.2
Financial Institutions	75,122	22.8	73,734	21.9	- 1,387	- 1.8
Banks	25,206	7.7	23,003	6.8	- 2,202	- 8.7
Securities Firms	9,345	2.8	9,951	3.0	605	6.5
Shopping Credit/ Leasing Companies	12,802	3.9	13,106	3.9	303	2.4
Insurance Companies	27,767	8.4	27,673	8.2	- 93	- 0.3
Communications/ Transportation	53,844	16.4	57,761	17.2	3,917	7.3
Utilities	3,435	1.0	4,229	1.3	794	23.1
Services	35,039	10.6	34,006	10.1	- 1,032	- 2.9
Others	18,401	5.6	18,240	5.4	- 160	- 0.9
Total	329,303	100.0	336,654	100.0	7,351	2.2

* ”Others” includes figures of Prepaid Card Business. Due to the transfer of all the shares of QUO CARD Co., Ltd. as of December 1, 2017, the figures of the Company for FY2017 incorporated here are for the eight months results from April to November 2017
* We made a partial amendment in previously disclosed data.

Ⅲ Sales by Segment & Customer Industry (System Development)

(Millions of yen)

	FY2016 Apr.2016-Mar.2017		FY2017 Apr.2017-Mar.2018		Increase/Decrease	
	Amount	%	Amount	%	Amount	change(%)
Manufacturers	30,292	23.8	32,043	25.0	1,750	5.8
Distributors	10,796	8.5	12,824	10.0	2,028	18.8
Financial Institutions	56,014	44.1	52,053	40.5	- 3,960	- 7.1
Banks	19,151	15.1	16,725	13.0	- 2,426	- 12.7
Securities Firms	6,702	5.3	6,482	5.0	- 220	- 3.3
Shopping Credit/ Leasing Companies	7,211	5.7	6,359	5.0	- 851	- 11.8
Insurance Companies	22,948	18.1	22,486	17.5	- 462	- 2.0
Communications/ Transportation	13,796	10.9	15,060	11.7	1,263	9.2
Utilities	2,507	2.0	3,081	2.4	574	22.9
Services	8,606	6.8	8,430	6.6	- 176	- 2.0
Others	5,037	4.0	4,894	3.8	- 143	- 2.8
Total	127,051	100.0	128,387	100.0	1,336	1.1

* We made a partial amendment in previously disclosed data.

Ⅳ Sales by Segment & Customer Industry (System Maintenance and Operation/Services)

(Millions of yen)

	FY2016 Apr.2016-Mar.2017		FY2017 Apr.2017-Mar.2018		Increase/Decrease	
	Amount	%	Amount	%	Amount	change(%)
Manufacturers	43,980	35.0	42,481	32.9	- 1,499	- 3.4
Distributors	27,256	21.7	27,840	21.6	584	2.1
Financial Institutions	16,213	12.9	17,392	13.5	1,179	7.3
Banks	5,189	4.1	5,101	4.0	- 88	- 1.7
Securities Firms	2,196	1.7	2,563	2.0	366	16.7
Shopping Credit/ Leasing Companies	4,568	3.6	5,228	4.1	660	14.5
Insurance Companies	4,259	3.4	4,499	3.5	239	5.6
Communications/ Transportation	16,716	13.3	18,513	14.3	1,797	10.8
Utilities	657	0.5	664	0.5	7	1.1
Services	18,120	14.4	18,770	14.5	649	3.6
Others	2,856	2.3	3,408	2.6	551	19.3
Total	125,802	100.0	129,071	100.0	3,269	2.6

* We made a partial amendment in previously disclosed data.

V　Sales by Segment & Customer Industry (Packaged Software/Hardware Sales)

(Millions of yen)

	FY2016 Apr.2016-Mar.2017		FY2017 Apr.2017-Mar.2018		Increase/Decrease	
	Amount	%	Amount	%	Amount	change(%)
Manufacturers	17,820	24.4	19,089	25.0	1,269	7.1
Distributors	13,314	18.2	14,401	18.9	1,087	8.2
Financial　Institutions	2,894	4.0	4,288	5.6	1,393	48.1
Banks	864	1.2	1,176	1.5	311	36.1
Securities Firms	447	0.6	905	1.2	458	102.5
Shopping Credit/ Leasing Companies	1,023	1.4	1,517	2.0	494	48.3
Insurance Companies	559	0.8	688	0.9	128	23.0
Communications/ Transportation	23,331	31.9	24,187	31.7	856	3.7
Utilities	270	0.4	483	0.6	213	78.9
Services	8,311	11.4	6,806	8.9	- 1,505	- 18.1
Others	7,204	9.8	6,990	9.2	- 214	- 3.0
Total	73,147	100.0	76,247	100.0	3,100	4.2

* We made a partial amendment in previously disclosed data.

Ⅵ External Sales and Operating Profit by Reported Segment - Quarterly trends

（Millions of yen）

FY2017	Q1			Q2			Q3			Q4			1st half			Q3 total			2nd half			Total		
	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating income	External sales	Composition(%)	Operating income
Manufacturing Systems Business	9,265	12.0	318	10,237	11.9	1,233	10,270	12.6	1,340	11,011	12.0	1,822	19,503	11.9	1,551	29,773	12.2	2,892	21,281	12.3	3,163	40,784	12.1	4,714
Telecommunication Systems Business	6,403	8.3	990	6,491	7.5	1,342	6,616	8.1	1,343	7,802	8.5	1,871	12,894	7.9	2,333	19,511	8.0	3,676	14,418	8.3	3,214	27,313	8.1	5,548
Distribution Systems Business	11,098	14.4	940	11,648	13.5	1,626	11,733	14.4	1,603	12,657	13.8	2,470	22,747	13.9	2,566	34,480	14.1	4,170	24,390	14.1	4,074	47,137	14.0	6,641
Financial Systems Business	16,778	21.7	583	17,985	20.9	2,414	17,720	21.8	1,567	17,145	18.7	2,571	34,764	21.3	2,998	52,484	21.4	4,565	34,866	20.1	4,139	69,630	20.7	7,137
Business Solutions	6,053	7.8	61	6,384	7.4	340	6,478	8.0	483	6,814	7.4	773	12,437	7.6	401	18,916	7.7	885	13,293	7.7	1,256	25,731	7.6	1,658
Business Services	10,418	13.5	393	11,162	12.9	776	11,225	13.8	998	11,659	12.7	881	21,581	13.2	1,169	32,807	13.4	2,167	22,885	13.2	1,880	44,467	13.2	3,049
IT Platform Solutions	16,112	20.9	1,018	21,147	24.5	2,203	16,090	19.8	1,416	24,522	26.7	3,404	37,260	22.8	3,222	53,351	21.8	4,639	40,613	23.5	4,820	77,873	23.1	8,043
Others	1,088	1.4	82	1,188	1.4	85	1,249	1.5	104	190	0.2	106	2,276	1.4	168	3,526	1.4	272	1,439	0.8	210	3,716	1.1	378
Adjustment	—	–	- 498	—	–	- 639	—	–	- 565	—	–	- 865	—	–	- 1,138	—	–	- 1,704	—	–	- 1,430	—	–	- 2,569
Total	77,219	100.0	3,889	86,246	100.0	9,383	81,384	100.0	8,292	91,803	100.0	13,037	163,466	100.0	13,272	244,851	100.0	21,565	173,188	100.0	21,329	336,654	100.0	34,602

FY2016	Q1			Q2			Q3			Q4			1st half			Q3 total			2nd half			Total		
	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating Profit	External sales	Composition(%)	Operating income	External sales	Composition(%)	Operating income	External sales	Composition(%)	Operating income
Manufacturing Systems Business	9,530	12.6	835	9,685	11.8	1,019	9,926	12.2	1,096	11,053	12.2	1,317	19,215	12.2	1,854	29,141	12.2	2,951	20,979	12.2	2,414	40,194	12.2	4,269
Telecommunication Systems Business	6,306	8.4	1,018	6,688	8.2	1,244	6,759	8.3	1,481	7,002	7.8	1,564	12,995	8.3	2,262	19,755	8.3	3,744	13,762	8.0	3,045	26,758	8.1	5,308
Distribution Systems Business	10,894	14.5	1,328	11,507	14.0	1,894	11,405	14.0	1,665	11,983	13.3	1,715	22,402	14.2	3,222	33,808	14.1	4,888	23,389	13.6	3,381	45,792	13.9	6,603
Financial Systems Business	16,976	22.5	1,925	17,980	21.9	1,727	17,165	21.0	1,648	18,420	20.4	2,067	34,957	22.2	3,653	52,122	21.8	5,301	35,586	20.7	3,716	70,543	21.4	7,369
Business Solutions	5,795	7.7	214	5,867	7.2	356	5,844	7.2	374	6,247	6.9	495	11,662	7.4	571	17,507	7.3	945	12,091	7.0	869	23,754	7.2	1,440
Business Services	10,145	13.5	567	10,685	13.0	907	10,895	13.3	984	11,085	12.3	842	20,830	13.2	1,475	31,726	13.3	2,460	21,981	12.8	1,827	42,811	13.0	3,302
IT Platform Solutions	14,685	19.5	624	18,737	22.8	1,830	18,628	22.8	1,848	23,329	25.8	2,855	33,422	21.2	2,455	52,050	21.8	4,303	41,957	24.4	4,704	75,379	22.9	7,159
Others	1,019	1.4	102	907	1.1	102	1,009	1.2	109	1,132	1.3	224	1,926	1.2	204	2,936	1.2	313	2,142	1.2	333	4,068	1.2	538
Adjustment	—	–	- 491	—	–	- 485	—	–	- 564	—	–	- 736	—	–	- 976	—	–	- 1,541	—	–	- 1,301	—	–	- 2,278
Total	75,352	100.0	6,124	82,059	100.0	8,598	81,634	100.0	8,645	90,255	100.0	10,346	157,412	100.0	14,723	239,047	100.0	23,368	171,890	100.0	18,991	329,303	100.0	33,714

Increase/Decrease	Q1				Q2				Q3				Q4			
	External Sales		Operating Profit		External Sales		Operating Profit		External Sales		Operating Profit		External Sales		Operating Profit	
	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)
Manufacturing Systems Business	- 265	- 2.8	- 517	- 61.9	552	5.7	213	21.0	343	3.5	244	22.3	- 42	- 0.4	504	38.3
Telecommunication Systems Business	96	1.5	- 27	- 2.7	- 197	- 3.0	97	7.9	- 143	- 2.1	- 138	- 9.3	800	11.4	307	19.6
Distribution Systems Business	203	1.9	- 388	- 29.2	140	1.2	- 268	- 14.1	327	2.9	- 61	- 3.7	673	5.6	755	44.0
Financial Systems Business	- 198	- 1.2	- 1,342	- 69.7	5	0.0	687	39.8	555	3.2	- 81	- 4.9	- 1,274	- 6.9	504	24.4
Business Solutions	258	4.5	- 153	- 71.4	516	8.8	- 16	- 4.7	633	10.8	109	29.1	567	9.1	278	56.2
Business Services	273	2.7	- 174	- 30.7	477	4.5	- 131	- 14.5	330	3.0	13	1.4	574	5.2	39	4.7
IT Platform Solutions	1,427	9.7	394	63.2	2,410	12.9	373	20.4	- 2,537	- 13.6	- 432	- 23.4	1,192	5.1	548	19.2
Others	69	6.8	- 19	- 19.5	280	31.0	- 16	- 16.2	240	23.8	- 5	- 4.7	- 942	- 83.2	- 118	- 52.6
Adjustment	—	–	- 7	–	—	–	- 154	–	—	–	- 1	–	—	–	- 128	–
Total	1,866	2.5	- 2,235	- 36.5	4,186	5.1	784	9.1	- 249	- 0.3	- 353	- 4.1	1,547	1.7	2,691	26.0

Increase/Decrease	1st half				Q3 total				2nd half				Total			
	External Sales		Operating Profit		External Sales		Operating Profit		External Sales		Operating Profit		External Sales		Operating Profit	
	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)	Amount	Rate(%)
Manufacturing Systems Business	287	1.5	- 303	- 16.3	631	2.2	- 58	- 2.0	301	1.4	748	31.0	589	1.5	445	10.4
Telecommunication Systems Business	- 100	- 0.8	70	3.1	- 244	- 1.2	- 67	- 1.8	656	4.8	169	5.6	555	2.1	239	4.5
Distribution Systems Business	344	1.5	- 656	- 20.4	672	2.0	- 717	- 14.7	1,001	4.3	693	20.5	1,345	2.9	37	0.6
Financial Systems Business	- 193	- 0.6	- 655	- 17.9	362	0.7	- 736	- 13.9	- 719	- 2.0	423	11.4	- 912	- 1.3	- 231	- 3.1
Business Solutions	775	6.6	- 169	- 29.7	1,408	8.0	- 60	- 6.4	1,201	9.9	387	44.5	1,976	8.3	217	15.1
Business Services	751	3.6	- 306	- 20.8	1,081	3.4	- 292	- 11.9	904	4.1	52	2.9	1,655	3.9	- 253	- 7.7
IT Platform Solutions	3,837	11.5	767	31.3	1,300	2.5	335	7.8	- 1,344	- 3.2	116	2.5	2,493	3.3	884	12.3
Others	350	18.2	- 36	- 17.9	590	20.1	- 41	- 13.3	- 702	- 32.8	- 123	- 37.0	- 351	- 8.7	- 159	- 29.7
Adjustment	—	–	- 161	–	—	–	- 162	–	—	–	- 129	–	—	–	- 291	–
Total	6,053	3.8	- 1,450	- 9.8	5,803	2.4	- 1,803	- 7.7	1,297	0.8	2,337	12.3	7,351	2.2	887	2.6

＊From the 3rd quarter of fiscal 2017, we have removed QUO CARD Co., Ltd. from the scope of consolidation because we have transferred of all the shares of the Company as of December 1, 2017.
Therefore, the figures for the Prepaid Card business are categolized into "Others", for the eight months results from April to November 2017.

Ⅶ Amount of Incoming Orders and Backlog by Segment

（Millions of yen）

Systems Development		Q1	Q2	Q3	Q4	Total
FY2017	Incoming Orders	30,952	33,929	32,363	32,956	130,203
	Backlog	25,874	26,873	27,472	26,297	26,297
FY2016	Incoming Orders	31,044	32,177	31,351	31,847	126,421
	Backlog	26,420	26,375	26,412	24,481	24,481
Increase/Decrease	Incoming Orders	- 92	1,752	1,011	1,108	3,782
	Backlog	- 546	498	1,060	1,816	1,816

System Maintenance and Operation/Service		Q1	Q2	Q3	Q4	Total
FY2017	Incoming Orders	27,183	24,526	25,674	51,381	128,783
	Backlog	77,720	69,999	63,201	81,563	81,563
FY2016	Incoming Orders	28,591	26,153	25,971	49,165	129,881
	Backlog	75,923	70,739	64,948	81,850	81,850
Increase/Decrease	Incoming Orders	- 1,408	- 1,626	- 296	2,216	- 1,097
	Backlog	1,796	- 739	- 1,747	- 287	- 287

Packaged Software/Hardware Sales		Q1	Q2	Q3	Q4	Total
FY2017	Incoming Orders	16,935	16,946	17,520	24,016	75,419
	Backlog	11,501	8,371	9,801	9,185	9,185
FY2016	Incoming Orders	17,321	19,179	16,358	23,800	76,660
	Backlog	9,470	10,863	9,481	10,013	10,013
Increase/Decrease	Incoming Orders	- 386	- 2,233	1,162	215	- 1,241
	Backlog	2,030	- 2,491	320	- 828	- 828

Total		Q1	Q2	Q3	Q4	Total
FY2017	Incoming Orders	75,070	75,402	75,559	108,355	334,406
	Backlog	115,095	105,245	100,476	117,046	117,046
FY2016	Incoming Orders	76,958	77,510	73,681	104,814	332,964
	Backlog	111,814	107,977	100,842	116,345	116,345
Increase/Decrease	Incoming Orders	- 1,887	- 2,107	1,877	3,540	1,442
	Backlog	3,280	- 2,732	- 366	700	700

Ⅷ Sales to Sumitomo Corporation and Sumitomo Group Companies

（Millions of yen）

	FY2016 Apr.2016-Mar.2017		FY2017 Apr.2017-Mar.2018		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Sumitomo Corporation	14,716	4.5	15,341	4.6	625	4.2
Sumitomo Group Companies	77,197	23.4	80,191	23.8	2,994	3.9

*Sumitomo Group includes Sumitomo Corporation and its Group Companies

Ⅸ Quarterly trends

(Millions of yen)

FY2017	Q1		Q2		Q3		Q4		1st half		Q3 total		2nd half		Total	
	Apr.2017-Jun.2017		Jul.2017-Sept.2017		Oct.2017-Dec.2017		Jan.2018-Mar.2018		Apr.2017-Sept.2017		Apr.2017-Dec.2017		Oct.2017-Mar.2018		Apr.2017-Mar.2018	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	77,219	100.0	86,246	100.0	81,384	100.0	91,803	100.0	163,466	100.0	244,851	100.0	173,188	100.0	336,654	100.0
Cost of Sales	60,395	78.2	64,727	75.0	61,117	75.1	66,858	72.8	125,122	76.5	186,240	76.1	127,976	73.9	253,098	75.2
Gross Profit	16,824	21.8	21,519	25.0	20,267	24.9	24,944	27.2	38,343	23.5	58,610	23.9	45,212	26.1	83,555	24.8
SG & A Expenses	12,934	16.8	12,136	14.1	11,974	14.7	11,907	13.0	25,070	15.3	37,045	15.1	23,882	13.8	48,953	14.5
Operating Profit	3,889	5.0	9,383	10.9	8,292	10.2	13,037	14.2	13,272	8.1	21,565	8.8	21,329	12.3	34,602	10.3
Ordinary Profit	4,455	5.8	9,817	11.4	8,762	10.8	13,256	14.4	14,273	8.7	23,035	9.4	22,018	12.7	36,291	10.8
Profit Before Income Taxes	4,446	5.8	9,793	11.4	19,500	24.0	9,749	10.6	14,239	8.7	33,740	13.8	29,249	16.9	43,489	12.9
Profit Attributable to Owners of Parent	2,844	3.7	9,190	10.7	13,460	16.5	6,993	7.6	12,034	7.4	25,495	10.4	20,454	11.8	32,488	9.7

FY2016	Q1		Q2		Q3		Q4		1st half		Q3 total		2nd half		Total	
	Apr.2016-Jun.2016		Jul.2016-Sept.2016		Oct.2016-Dec.2016		Jan.2017-Mar.2017		Apr.2016-Sept.2016		Apr.2016-Dec.2016		Oct.2016-Mar.2017		Apr.2016-Mar.2017	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	75,352	100.0	82,059	100.0	81,634	100.0	90,255	100.0	157,412	100.0	239,047	100.0	171,890	100.0	329,303	100.0
Cost of Sales	57,141	75.8	61,810	75.3	61,082	74.8	67,514	74.8	118,951	75.6	180,034	75.3	128,596	74.8	247,548	75.2
Gross Profit	18,211	24.2	20,249	24.7	20,552	25.2	22,741	25.2	38,460	24.4	59,013	24.7	43,293	25.2	81,754	24.8
SG & A Expenses	12,086	16.0	11,651	14.2	11,907	14.6	12,395	13.7	23,737	15.1	35,644	14.9	24,302	14.1	48,040	14.6
Operating Profit	6,124	8.1	8,598	10.5	8,645	10.6	10,346	11.5	14,723	9.4	23,368	9.8	18,991	11.0	33,714	10.2
Ordinary Profit	6,732	8.9	9,049	11.0	9,365	11.5	10,974	12.2	15,781	10.0	25,147	10.5	20,339	11.8	36,121	11.0
Profit Before Income Taxes	6,743	8.9	8,995	11.0	9,991	12.2	10,096	11.2	15,738	10.0	25,730	10.8	20,088	11.7	35,827	10.9
Profit Attributable to Owners of Parent	7,296	9.7	5,990	7.3	6,967	8.5	8,204	9.1	13,286	8.4	20,253	8.5	15,171	8.8	28,458	8.6

Increase/Decrease	Q1		Q2		Q3		Q4		1st half		Q3 total		2nd half		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	1,866	2.5	4,186	5.1	- 249	- 0.3	1,547	1.7	6,053	3.8	5,803	2.4	1,297	0.8	7,351	2.2
Cost of Sales	3,253	5.7	2,916	4.7	35	0.1	- 655	- 1.0	6,170	5.2	6,205	3.4	- 620	- 0.5	5,550	2.2
Gross Profit	- 1,387	- 7.6	1,270	6.3	- 285	- 1.4	2,203	9.7	- 117	- 0.3	- 402	- 0.7	1,918	4.4	1,800	2.2
SG & A Expenses	847	7.0	485	4.2	67	0.6	- 487	- 3.9	1,332	5.6	1,400	3.9	- 419	- 1.7	913	1.9
Operating Profit	- 2,235	- 36.5	784	9.1	- 353	- 4.1	2,691	26.0	- 1,450	- 9.8	- 1,803	- 7.7	2,337	12.3	887	2.6
Ordinary Profit	- 2,276	- 33.8	768	8.5	- 603	- 6.4	2,282	20.8	- 1,508	- 9.6	- 2,112	- 8.4	1,678	8.3	170	0.5
Profit Before Income Taxes	- 2,296	- 34.1	797	8.9	9,508	95.2	- 347	- 3.4	- 1,499	- 9.5	8,009	31.1	9,161	45.6	7,662	21.4
Profit Attributable to Owners of Parent	- 4,452	- 61.0	3,200	53.4	6,493	93.2	- 1,211	- 14.8	- 1,252	- 9.4	5,241	25.9	5,282	34.8	4,030	14.2

Ⅹ Financial Statements

(Millions of yen)

	From Apr.1.2016 to Mar.31.2017		From Apr.1.2017 to Mar.31.2018		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
		%		%		%
Ⅰ.Net sales	329,303	100.0	336,654	100.0	7,351	2.2
Ⅱ.Cost of sales	247,548	75.2	253,098	75.2	5,550	2.2
Gross profit	81,754	24.8	83,555	24.8	1,800	2.2
Ⅲ.Selling, general and administrative expenses	48,040	14.6	48,953	14.5	913	1.9
Operating profit	33,714	10.2	34,602	10.3	887	2.6
Ⅳ.Total non-operating income	2,729	0.8	2,071	0.6	-657	-24.1
Interest income	68		91		22	
Dividend income	67		66		-0	
Share of profit of entities accounted for using equity method	477		537		59	
Gain on sales of investment securities	375		56		-318	
Hoard profit of prepaid card	1,564		1,006		-557	
Other	176		313		136	
Ⅴ.Total non-operating expenses	322	0.1	382	0.1	60	18.7
Interest expenses	162		126		-36	
Loss on sales of investment securities	-		1		1	
Bond issuance cost	48		48		-	
Other	111		206		95	
Ordinary profit	36,121	11.0	36,291	10.8	170	0.5
Ⅵ.Total extraordinary income	686	0.2	10,759	3.2	10,073	-
Gain on sales of non-current assets	15		2		-12	
Gain on sales of investment securities	671		10,756		10,085	
Ⅶ.Total extraordinary losses	980	0.3	3,561	1.1	2,580	263.2
Loss on retirement of non-current assets	80		750		669	
Loss on sales of non-current assets	34		32		-2	
Non recurring depreciation on software	-		1,231		1,231	
Impairment loss	37		1,425		1,387	
Loss on sales of investment securities	-		10		10	
Loss on valuation of investment securities	7		101		93	
Loss on sales of membership	0		-		-0	
loss on valuation of membership	3		10		6	
Compensation expenses	816		-		-816	
Profit before income taxes	35,827	10.9	43,489	12.9	7,662	21.4
Income taxes - current	3,875	1.2	6,093	1.8	2,218	
Income taxes - deferred	2,679	0.8	4,099	1.2	1,419	
Total income taxes	6,554	2.0	10,192	3.0	3,638	
Profit	29,273	8.9	33,296	9.9	4,023	13.7
Profit attributable to non-controlling interests	814	0.2	807	0.2	-6	
Profit attributable to owners of parent	28,458	8.6	32,488	9.7	4,030	14.2

Cost of sales (Millions of yen)

	2017/3		2018/3		Increase/Decrease	
	Amount	%	Amount	%	Amount	YoY
Personnel expenses	77,606	38.6	77,922	38.6	315	0.4
Outsorcing expenses	94,044	46.8	91,732	45.4	-2,312	-2.5
Other expenses	29,266	14.6	32,234	16.0	2,967	10.1
Office rental and upkeep expenses	7,631	3.8	7,687	3.8	55	0.7
Depreciation	7,094	3.5	8,255	4.1	1,161	16.4
Materials expenses and others	2,157	1.1	2,331	1.2	174	8.1
Computer and related expenses	3,693	1.8	4,050	2.0	357	9.7
Communications expenses	2,447	1.2	2,432	1.2	-15	-0.6
Other	6,242	3.1	7,477	3.7	1,234	19.8
Total Production costs for the period	200,918	100.0	201,889	100.0	971	0.5
Transfer to other accounts	-6,669		-3,666		3,003	-45.0
Work in process Increase (-),decreaes (+)	-601		-583		18	
Manufacturing costs (1)	193,647		197,640		3,992	2.1
Merchandise costs (2)	53,901		55,458		1,557	2.9
Total Cost of sales(1) + (2)	247,548	(75.2)	253,098	(75.2)	5,550	2.2

SG & A (Millions of yen)

Personnel expenses	27,276	8.3	27,753	8.2	477	1.7
Office rental	3,381	1.0	3,471	1.0	90	2.7
Depreciation	1,831	0.6	1,693	0.5	-137	-7.5
Outsorcing expenses	2,555	0.8	2,763	0.8	207	8.1
Taxes	2,939	0.9	3,117	0.9	177	6.0
Other	10,056	3.1	10,153	3.0	97	1.0
Total SG&A expenses	48,040	14.6	48,953	14.5	913	1.9

Consolidated Balance Sheets

(Millions of yen)

Accounts \ Accounting Period	2017/3 Amount	2017/3 %	2018/3 Amount	2018/3 %	Increase/ Decrease Amount
【Cash and deposits】					
Ⅰ. Current assets					
1. Cash and deposits	27,363		16,456		-10,906
2. Notes and accounts receivable - trade	65,764		66,665		900
3. Lease receivables and investment assets	378		396		18
4. Operational investment securities	6,056		—		-6,056
5. Merchandise and finished goods	6,779		5,137		-1,642
6. Work in process	341		900		558
7. Raw materials and supplies	50		49		-1
8. Deferred tax assets	7,602		7,556		-45
9. Deposits paid	98,171		83,340		-14,830
10. Guarantee deposits	45,359		—		-45,359
11. Other	14,486		10,779		-3,707
12. Allowance for doubtful accounts	-47		-41		6
Total current assets	272,306	69.9	191,240	62.9	-81,065
Ⅱ. Non-current assets					
1. Property, plant and equipment					
(1) Buildings and structures, net	34,863		31,543		-3,320
(2) Tools, furniture and fixtures, net	7,759		7,802		42
(3) Land	19,821		19,821		—
(4) Leased assets, net	1,580		1,714		133
(5) Construction in progress	4,518		12,581		8,062
(6) Other, net	2		1		-1
Total property, plant and equipment	68,546	17.6	73,464	24.2	4,917
2. Intangible assets					
(1) Goodwill	133		84		-49
(2) Other	11,691		9,472		-2,219
Total intangible assets	11,825	3.0	9,556	3.1	-2,269
3. Investments and other assets					
(1) Investment securities	9,564		10,625		1,061
(2) Long-term prepaid expenses	1,220		1,202		-18
(3) Net defined benefit asset	13		—		-13
(4) Lease and guarantee deposits	6,889		6,909		19
(5) Deferred tax assets	18,248		9,740		-8,507
(6) Other	1,046		1,294		248
(7) Allowance for doubtful accounts	-124		-119		4
Total investments and other assets	36,857	9.5	29,652	9.8	-7,205
Total non-current assets	117,230	30.1	112,673	37.1	-4,557
Total assets	389,537	100.0	303,914	100.0	-85,623

(Millions of yen)

Accounts \ Accounting Period	2017/3 Amount	2017/3 %	2018/3 Amount	2018/3 %	Increase/ Decrease Amount
【LIABILITIES】					
Ⅰ. Current liabilities					
1. Notes and accounts payable - trade	21,362		20,013		-1,349
2. Short-term loans payable	10,000		10,000		—
3. Current portion of bonds	15,000		—		-15,000
4. Current portion of long-term loans payable	10,000		5,000		-5,000
5. Lease obligations	988		975		-13
6. Income taxes payable	2,262		4,802		2,540
7. Provision for bonuses	6,418		5,651		-766
8. Provision for directors' bonuses	195		79		-115
9. Provision for loss on construction contracts	50		329		278
10. Deposits received of prepaid cards	91,828		—		-91,828
11. Other	25,814		23,712		-2,101
Total current liabilities	183,919	47.2	70,564	23.2	-113,354
Ⅱ. Non-current liabilities					
1. Bonds payable	20,000		30,000		10,000
2. Long-term loans payable	5,000		—		-5,000
3. Lease obligations	1,667		2,183		516
4. Provision for directors' retirement benefits	20		20		—
5. Net defined benefit liability	2,359		1,468		-890
6. Asset retirement obligations	2,278		2,391		113
7. Long-term lease and guarantee deposited	532		603		71
8. Other	84		80		-4
Total non-current liabilities	31,943	8.2	36,748	12.1	4,805
Total liabilities	215,862	55.4	107,313	35.3	-108,549
【Net assets】					
Ⅰ. Shareholders' equity					
1. Capital stock	21,152	5.4	21,152	7.0	—
2. Capital surplus	3,047	0.8	1,299	0.4	-1,747
3. Retained earnings	151,722	38.9	168,363	55.4	16,640
4. Treasury shares	-8,425	-2.2	-711	-0.2	7,714
Total shareholders' equity	167,497	43.0	190,104	62.6	22,607
Ⅱ. Accumulated other comprehensive income					
1. Valuation difference on available-for-sale securities	2,308	0.6	2,274	0.7	-34
2. Deferred gains or losses on hedges	-5	-0.0	-5	-0.0	-0
3. Foreign currency translation adjustment	-73	-0.0	-154	-0.1	-80
4. Remeasurements of defined benefit plans	-2,829	-0.7	-3,004	-1.0	-175
Total accumulated other comprehensive income	-599	-0.2	-890	-0.3	-291
Ⅲ. Share acquisition rights	70	0.0	57	0.0	-12
Ⅳ. Non-controlling interests	6,706	1.7	7,329	2.4	622
Total net assets	173,674	44.6	196,600	64.7	22,926
Total liabilities and net assets	389,537	100.0	303,914	100.0	-85,623

Statements of Cash Flows(Consolidated)

(Millions of yen)

	2017/3 2016/4-2017/3 Amount	2018/3 2017/4-2018/3 Amount	Increase/ Decrease Amount
Ⅰ Cash flows from operating activities			
Profit before income taxes	35,827	43,489	7,662
Depreciation	8,972	10,013	1,041
Amortization of goodwill	98	49	-48
Impairment loss	37	1,425	1,387
Increase (decrease) in allowance for doubtful accounts	-181	-10	170
Increase (decrease) in net defined benefit liability	-1,805	-931	874
Decrease (increase) in net defined benefit asset	-3	13	17
Loss on retirement of non-current assets	80	750	669
Loss (gain) on sales of non-current assets	19	29	10
Non recurring depreciation on software		1,231	1,231
Loss (gain) on valuation of investment securities	7	101	93
Loss (gain) on sales of investment securities	-1,046	-10,801	-9,754
Share of loss (profit) of entities accounted for using equity method	-477	-537	-59
Interest and dividend income	-135	-157	-21
Interest expenses paid on loans and bonds	162	126	-36
Decrease (increase) in investment securities for sale	3,964	2,091	-1,873
Decrease (increase) in notes and accounts receivable - trade	-2,441	-1,753	688
Decrease (increase) in inventories	994	513	481
Decrease (increase) in guarantee deposits	-7,927	-6,316	1,611
Increase (decrease) in notes and accounts payable - trade	1,689	-1,073	-2,762
Increase (decrease) in deposits received of prepaid cards	8,039	1,790	-6,248
Other, net	-240	663	903
Subtotal	43,646	39,682	3,964
Interest and dividend income received	285	319	34
Interest expenses paid	-160	-142	17
Compensation expenses paid	-825	―	825
Income taxes (paid) refund	-5,785	-2,763	3,021
Net cash provided by (used in) operating activities	37,161	37,096	65

(Millions of yen)

	2017/3 2016/4-2017/3 Amount	2018/3 2017/4-2018/3 Amount	Increase/ Decrease Amount
Ⅱ Cash flows from investing activities			
Proceeds from sales and redemption of securities	700	―	-700
Purchase of property, plant and equipment	-7,876	-10,042	-2,166
Proceeds from sales of property, plant and equipment	1,278	16	1,261
Purchase of intangible assets	-6,725	-3,865	2,859
Purchase of investment securities	-403	-892	-488
Proceeds from sales and redemption of investment securities	1,263	298	-964
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	―	-20,618	-20,618
Collection of short-term loans receivable	6	7	1
Proceeds from withdrawal of investments in partnership	126	85	-41
Payments for lease and guarantee deposits	-227	-281	-54
Proceeds from collection of lease and guarantee deposits	153	255	101
Other, net	277	357	79
Net cash provided by (used in) investing activities	-11,982	-35,394	-23,411
Ⅲ Cash flows from financing activities			
Increase in short term loans payable	10,000	10,000	―
Decrease in short-term loans payable	-10,000	-10,000	―
Proceeds from long-term loans payable	5,000	―	-5,000
Repayments of long-term loans payable	-5,000	-10,000	-5,000
Proceeds from issuance of bonds	10,000	10,000	―
Redemption of bonds	―	-15,000	-15,000
Repayments of lease obligations	-778	-691	86
Purchase of treasury shares	-10	-22	-11
Proceeds from sales of treasury shares	14	2	-12
Cash dividends paid	-8,582	-9,883	-1,301
Dividends paid to non-controlling interests	-166	-169	-2
Net cash provided by (used in) financing activities	476	-25,763	-26,240
Ⅳ Effect of exchange rate change on cash and cash equivalents	-165	-76	89
Ⅴ Net increase (decrease) in cash and cash equivalents	25,489	-24,137	-49,627
Ⅵ Cash and cash equivalents at beginning of period	98,445	123,935	25,489
Ⅶ Cash and cash equivalents at end of period	123,935	99,797	-24,137

Financial Data

Ⅰ Results of Operations and Forecasts (Consolidated)

(Millions of yen)

		2015/3		2016/3		2017/3		2018/3		2019/3 Forecast	
		Amount (YoY %)	%	Amount (YoY %)	%	Amount (YoY %)	%	Amount (YoY %)	%	Amount (YoY %)	%
Sales		297,633 (3.3)	100.0	323,945 (8.8)	100.0	329,303 (1.7)	100.0	336,654 (2.2)	100.0	345,000 (2.5)	100.0
	Systems Development	117,843 (0.2)	39.6	124,470 (5.6)	38.4	127,051 (2.1)	38.6	128,387 (1.1)	38.1	-	-
	System Maintenance and Operation/Services	110,720 (2.9)	37.2	119,170 (7.6)	36.8	125,802 (5.6)	38.2	129,071 (2.6)	38.3	-	-
	Packaged Software/ Hardware Sales	65,691 (9.5)	22.1	77,087 (17.3)	23.8	73,147 (- 5.1)	22.2	76,247 4.2	22.6	-	-
	Prepaid Card Business	3,378 (11.0)	1.1	3,217 (- 4.8)	1.0	3,302 (2.6)	1.0	2,948 (- 10.7)	0.9	-	-
Cost of Sales		225,163 (2.6)	75.7	245,923 (9.2)	75.9	247,548 (0.7)	75.2	253,098 (2.2)	75.2	259,000 (2.3)	75.1
Gross Profit		72,469 (5.4)	24.3	78,021 (7.7)	24.1	81,754 (4.8)	24.8	83,555 (2.2)	24.8	86,000 (2.9)	24.9
SG&A Expenses		44,466 (- 0.6)	14.9	46,235 (4.0)	14.3	48,040 (3.9)	14.6	48,953 (1.9)	14.5	49,000 (0.1)	14.2
Operating Profit		28,003 (16.8)	9.4	31,785 (13.5)	9.8	33,714 (6.1)	10.2	34,602 (2.6)	10.3	37,000 (6.9)	10.7
Ordinary Profit		30,667 (19.4)	10.3	33,610 (9.6)	10.4	36,121 (7.5)	11.0	36,291 (0.5)	10.8	37,500 (3.3)	10.9
Profit Attributable to Owners of Parent		15,638 (- 15.0)	5.3	26,956 (72.4)	8.3	28,458 (5.6)	8.6	32,488 (14.2)	9.7	25,000 (23.1)	7.2
Sales Per Employee (JPY in thousands)		25,321		27,525		27,649		27,928		-	
OrdinaryProfit Per Employee (JPY in thousands)		2,609		2,855		3,032		3,010		-	
Number of Employees		11,754		11,769		11,910		12,054		-	

＊Due to the transfer of all the shares of QUO CARD Co., Ltd. as of December 1, 2017, the figures of the Company for FY2017 incorporated here are for the eight months results from April to November 2017.

Ⅱ BPS, EPS and other key financial indicators (Consolidated)

(Millions of yen)

	2015/3		2016/3		2017/3		2018/3		2019/3 (Forecast)	
	Amount	change(%)	Amount	change(%)	Amount	change(%)	Amount	change(%)	Amount	change(%)
Capital Stock	21,152	-	21,152	-	21,152	-	21,152	-	-	-
Net Assets	138,536	9.8%	151,546	9.4%	173,674	14.6%	196,600	13.2%	-	-
Total Assets	334,290	5.1%	352,676	5.5%	389,537	10.5%	303,914	-22.0%	-	-
Number of Shares Outstanding	107,986,403		107,986,403		107,986,403		104,181,803		-	
Average Number of Shares Outstanding	103,764,860		103,789,208		103,803,262		103,813,610		-	
BPS (Net Asset per share) (JPY)	1276.37		1401.00		1607.74		1822.54		-	
EPS (Earnings per share) (JPY)	150.71		259.72		274.16		312.95		240.80	
Equity Ratio (%)	39.6%		41.2%		42.8%		62.3%		-	
ROE (Return on Equity) (%)	12.4%		19.4%		18.2%		18.2%		-	
Cash Dividends Per Share (JPY)	50.00		75.00		90.00		95.00		100.00	
Interim Dividends Per Share (JPY)	25.00		35.00		42.50		47.50		50.00	
PER (Price Earning Ratio) (times)	22.3		16.9		16.1		14.7		-	
Stock Prices (yen)	3,365		4,400		4,420		4,595		-	
Payout Ratio (%)	33%		29%		33%		30%		42%	
Consolidated /Non-consolidated (times)	1.26		1.19		1.14		1.02		-	

Ⅲ Capital Expenditure, Depreciation & Amortization, R&D (Consolidated)

(Millions of yen)

	Actual				Forecasts
	（2014/4～2015/3） 2015/3	（2015/4～2016/3） 2016/3	（2016/4～2017/3） 2017/3	（2017/4～2018/3） 2018/3	（2018/4～2019/3） 2019/3
Capital Expenditure (tangible)	11,602	8,541	8,542	11,571	12,000
Capital Expenditure (software/other)	3,239	3,505	6,792	4,016	5,000

Depreciation (tangible)	4,596	5,302	5,720	5,803	6,000
Amortization (software/other)	2,268	2,700	3,251	5,441	5,000
Total	6,865	8,003	8,972	11,245	11,000

R&D Expenses	267	117	266	280	500

Ⅳ Group companies

	Number of Employees*1
SCSK Corporation	7,273

【Consolidated Subsidiaries】	Equity Ownership	Main Businesses	Number of Employees*1
SCSK KYUSHU CORPORATION	100.0%	Software development and Information Processing	105
SCSK HOKKAIDO CORPORATION	100.0%	Software development and Information Processing	128
SCSK USA Inc.	100.0%	Software development and Information Processing	77
SCSK Europe Ltd.	100.0%	Software development and Information Processing	67
SCSK Shanghai Ltd.	100.0%	Software development and Information Processing	52
SCSK Asia Pacific Pte. Ltd.	100.0%	Software development and Information Processing	44
JIEC Co., Ltd.	69.5%	Software development	825
WinTechnology Corporation	100.0%	Software development	122
SCSK ServiceWare Corporation	100.0%	BPO	1,832
VeriServe Corporation	55.6%	Verification Services	697
SCSK PRESCENDO CORPORATION	82.6%	BPO	57
Allied Engineering Corporation	100.0%	Consulting, Packaged software development and sales	47
CSI SOLUTIONS Corporation	100.0%	IT Management business	142
SCSK Nearshore Systems Corporation	100.0%	Software development and System Maintenance	251
VA Linux Systems Japan K.K.	100.0%	Research and solution for Linux-based technologies	15
SCSK SYSTEM MANAGEMENT CORPORATION	100.0%	IT Management business	301
SDC Corporation	50.1%	Network services	19
		Total Number of employees (consolidated)	12,054

【Affiliates (consolidated) under the equity method of accounting】

ARGO GRAPHICS Inc.	21.8%	PLM Solutions Business
Asian Frontier Co.,LTD	48.6%	Consulting Service, Advanced Technology Solution

【Affiliates (uncosolidated) under the equity method of accounting】

Veriserve Okinawa Test Center Corporation	100.0% *2	Internet business related to international interconnection and inspection

*1. Number of employees listed above include those who have been dispatched from SCSK

*2. Share Holding Ratio of VeriServe Corporation

Ⅴ Customers

Type of Business	Customers		
Manufacturing	・Toyota Motor Corporation	・Nippon Suisan Kaisha, Ltd.	・Panasonic Corporation
	・Fuji Xerox Co., Ltd.	・Honda Motor Co., Ltd.	
Distribution	・Sumitomo Corporation	・CO-OP NET.	
Financial Institution	・MS&AD Insurance Group Holdings, Inc.	・Sumitomo Mitsui Trust Bank, Limited	・Sompo Japan Nipponkoa Insurance Inc.
	・Nippon Life Insurance Company	・Matsui Securities Co., Ltd.	・Mizuho Financial Group, Inc.
	・Sumitomo Mitsui Financial Group,Inc.	・MUFG Bank, Ltd.	
Communication and Transportation	・KDDI CORPORATION	・Jupiter Telecommunications Co., Ltd.	
	・SoftBank Corp.	・NIPPON TELEGRAPH AND TELEPHONE CORPORATION	

*Listed in no particular order