



October 30, 2019
SCSK Corporation
Minori Solutions Co., Ltd.

Minori Solutions Joins SCSK Group in Quest to Become IT Services Company in Tune with the New Era

- Tender Offer with Goal of Converting Minori Solutions into a Wholly Owned Subsidiary of SCSK -

SCSK Corporation and Minori Solutions Co., Ltd., announced today that it has been decided at a meeting of the Board of Directors of SCSK Corporation held on October 30, 2019, that SCSK will acquire common stock of Minori Solutions through a tender offer with the goal of converting Minori Solutions into a wholly owned subsidiary. In addition, at a meeting of the board of directors of Minori Solutions held on the same day, this company resolved to declare its intent to take part in the tender offer and to recommend that its shareholders apply to sell their shares through the tender offer.

Both SCSK and Minori Solutions operate in the IT services industry. Structural change is crucial in this industry to respond to operating environment conditions including the diversification of companies' IT utilization needs, the shift from system ownership to usage, and the chronic lack of engineers in the domestic market. At the same time, IT investment demand is on the rise among customers. Specific targets of this demand include boosting business competitiveness in response to advancements in artificial intelligence, Internet of Things, and other digital technologies and undergoing business model transformations (digital transformations). In addition, digital technologies have triggered a rise in cross-industry, inter-company co-creation efforts for developing new businesses and services.

In response to these changes, SCSK is expanding its core businesses, which are centered on conventional IT system contract development and maintenance and operation services, through technical framework enhancements and productivity improvements. At the same time, SCSK will seek to provide new value to customers in the digital transformation field through co-creation with client companies and the development of new services and solutions.

Meanwhile, Minori Solutions is working to reinforce and augment its sales frameworks, which are build upon relationships with customers. In addition, this company is reforming the organizations and internal systems that support its existing core businesses and aggressively increasing the value of its services through exhaustive human resource reforms focused on technical staff.

SCSK and Minori Solutions have maintained a business relationship since SCSK initially started investing in Minori Solutions some 10 years ago. Accordingly, Minori Solutions has become a principal partner in SCSK's systems development operations, indispensable to the advancement of operations in this field. Through this lasting business relationship, strong bonds of trust have been formed between the management of both SCSK and Minori Solutions, the high level of compatibility of their management strategies has been observed, and the lack of redundancy between their business operations has been confirmed. These factors indicate that the foundations for strengthening the relationship between these two companies are already in place.

The decision for the tender offer was prefaced on the fact that these two companies have a strong relationship as well as on a shared recognition of management issues, namely the need to join forces to realize integrated business management in order to boost productivity and profitability in a changing operating environment and win out against competition as a leading company in the future. Specifically, it was deemed necessary to address a number of tasks in order to speed both companies along their growth tracks. These tasks include (i) securing and recruiting talented human resources with the high-level skills required to adapt to the substantial changes being seen in technologies, (2) innovating IT services in response to ever-more sophisticated customer needs and creating high-value-added services based on new concepts, and (iii) augmenting strategic responsiveness to optimally allocate human resources in line with changes in the times.

Based on the aforementioned shared recognition, the tender offer and conversion of Minori Solutions into a wholly owned subsidiary of SCSK will be used as a measure for strengthening the relationship between these two companies. In this new stronger relationship, the companies will develop businesses and advance management strategies in response to structural changes in the times and with a greater sense of scale and thereby pursue further improvements in their corporate and business value. Furthermore, this move will allow for unrestricted mutual use of both companies' customer and financial bases and business foundations while simultaneously facilitating flexible and speedy decision making with regard to Groupwide management decisions. The incorporation of Minori Solutions into the SCSK Group is thus expected to contribute to significant improvements in Groupwide corporate value.

Going forward, the companies will forge ahead with Groupwide business structure reforms based on changes in the operating environment through closer coordination while pursuing increased Groupwide competitiveness and continuous growth from a medium- to long-term perspective.

For more details on the tender offer, please refer to the news release entitled "Notice Concerning Commencement of the Tender Offer for the Shares of Minori Solutions Co.,Ltd. (Securities Code 3822)" issued SCSK and the new release entitled "Notice of Declaration of Intent Regarding Acquisition of Shares of Minori Solutions Co., Ltd., by SCSK Corporation (Japanese only)" issued by Minori Solutions on October 30, 2019.

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