Note: 1. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
2. Pictures, graphs and reference matters in the Japanese original have been omitted from this translated document.

TSE Code: 9719
June 6, 2016

To Our Shareholders,

NOTICE OF CONVOCATION OF GENERAL MEETING OF SHAREHOLDERS

It is our pleasure to extend to you a cordial invitation to attend our General Meeting of Shareholders of SCSK Corporation (hereinafter "We", "SCSK" or the "Company") for the financial period ended March 31, 2016, which will be held as set forth below.

If you are unable to attend the meeting in person, you can exercise your voting rights in writing or electronically (please refer to pages 61 and 62 for more details). Please take the time to examine the References 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 27, 2016.

With highest regards,

Tooru Tanihara
President
SCSK Corporation
3-2-20 Toyosu Koto-ku, Tokyo, Japan

1. Date and time Tuesday June 28, 2016 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 Board of Corporate Auditors regarding the Consolidated Financial Statements for the fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016)
Report No. 2	Non-consolidated Financial Statements for the fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

Matters to be resolved:

Proposition No. 1	Amendment to the Articles of Incorporation
Proposition No. 2	Election of (15) Directors (excluding Directors who are Audit and Supervisory Committee members)
Proposition No. 3	Election of Four (4) Directors who are Audit and Supervisory Committee members
Proposition No. 4	Setting Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members)
Proposition No. 5	Setting Remuneration for Directors who are Audit and Supervisory Committee Members

(Notes)

1. If you attend the Meeting in person, please submit the enclosed voting form to the receptionist.
2. Of the documents that are required to be submitted with this Notice of Convocation, the notes to the consolidated financial statements and the notes to the non-consolidated financial statements, in accordance with laws and regulations and Article 17 of our Articles of Incorporation, are posted on our website (http://www.scsk.jp) and do not appear in this Notice of Convocation. Therefore, the consolidated financial statements and the non-consolidated financial statements that appear in this Notice of Convocation are a part of the consolidated financial statements and the non-consolidated financial statements that were audited by the Independent Auditor and by the Corporate Auditors and the Board of Auditors, when they produced their various audit reports.
3. 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.

Reference Documents for the General Meeting of Shareholders

Propositions to be Voted Upon and References Relating Thereto

Proposition No. 1: Amendment to the Articles of Incorporation

1. Reason for the proposition

To further enhance the Board of Directors' supervision of managers, and to facilitate robust and efficient management and sound corporate governance, we are changing the current Articles of Incorporation to make the Company a 'company with an audit and supervisory committee' (Companies Act, Article 2, Item 11.2), in which the majority of the members of said committee are Outside Directors. We are also enhancing our management base by establishing a new position of Vice Chairman as a titled Director.

We will also amend the numbering of the Articles accompanying these changes.

2. Details of the changes

The details of the changes are as follows.

The changes to the Articles of Incorporation as contained in this proposition will come into effect at the close of this Ordinary General Meeting of Shareholders.

(Changes are underlined)

Current Articles of Incorporation	Proposed changes
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1 to 3 (Omitted)	Articles 1 to 3 (No change)
Article 4 (Organizational bodies) The Company shall have the following organizational bodies in addition to the General Meeting of Shareholders and Directors (1) Board of Directors (2) Corporate Auditors (3) Board of Corporate Auditors (4) Independent Auditor	Article 4 (Organizational bodies) The Company shall have the following organizational bodies in addition to the General Meeting of Shareholders and Directors (1) Board of Directors (2) Audit and Supervisory Committee (Deleted) (3) Independent Auditors
Articles 5 to 19 (Omitted)	Articles 5 to 19 (No change)
Chapter 4 Directors, Board of Directors and Executive Officer	Chapter 4 Directors, Board of Directors and Executive Officer
Article 20 (Appointment of Directors) 1. Directors shall be appointed at General Meetings of Shareholders. 2. (Omitted) 3. (Omitted)	Article 20 (Appointment of Directors) 1. Directors shall be categorized as "Directors who are Audit and Supervisory Committee members," or "other Directors," and shall be appointed at Ordinary General Meetings of Shareholders. 2. (No change) 3. (No change)
Article 21 (Term of office of Directors) 1. The term of office of Directors shall expire at the closing	Article 21 (Term of office of Directors) 1. The term of office of Directors (excluding Directors who

of the Ordinary General Meeting of Shareholders to be held for the last business year of the Company ending within one (1) year after their election.	are Audit and Supervisory Committee members) shall expire at the closing of the Ordinary General Meeting of Shareholders to be held for the last business year of the Company ending within one (1) year after their election.
2. The term of office of any Director elected in order to increase the number of Directors or to fill a vacancy shall be the balance of the term of office of the other Directors who hold office at the time of his/her election.	2. The term of office of Directors who are Audit and Supervisory Committee members shall expire at the closing of the Ordinary General Meeting of Shareholders to be held for the last business year of the Company ending within two (2) years after their election.
(New)	3. The term of office of any Director who is an Audit and Supervisory Committee member elected in order to fill a vacancy created by the retirement of an Audit and Supervisory Committee member prior to the expiry of their term of office shall be the balance of the term of office of the retired Audit and Supervisory Committee member.
Article 22 (Representative Directors and Directors with titles) 1. The Board of Directors shall resolve to appoint a Representative Director.	Article 22 (Representative Directors and Directors with titles) 1. The Board of Directors shall resolve to appoint a Representative Director from among the Directors (excluding Directors who are Audit and Supervisory Committee members).
2. The Board of Directors may resolve to appoint a Chairman and a President (one person for each position), and several Vice Presidents, Senior Directors and Executive Directors.	2. The Board of Directors may resolve to appoint a Chairman and a President (one person for each position), and several Vice Chairmen, Vice Presidents, Senior Directors and Executive Directors.
Article 23 (Omitted)	Article 23 (No change)
Article 24 (Notice of convocation of a meeting of the Board of Directors) 1. A notice of the convocation of a meeting of the Board of Directors shall be issued to each Director and each Corporate Auditor no less than three (3) days prior to the meeting. However, in emergencies, this period may be reduced. 2. With the agreement of all Directors and Corporate Auditors, a meeting of the Board of Directors may be held without the process of convocation.	Article 24 (Notice of convocation of a meeting of the Board of Directors) 1. A notice of the convocation of a meeting of the Board of Directors shall be issued to each Director no less than three (3) days prior to the meeting. However, in emergencies, this period may be reduced. 2. With the agreement of all Directors, a meeting of the Board of Directors may be held without the process of convocation.
Article 25 (Resolutions of the Board of Directors) 1. (Omitted) 2. The Company shall deem that the Board of Directors has resolved to approve a proposal, when a Director submits a proposal for a matter that is to be resolved by a resolution of the Board of Directors, and the Directors who are entitled to participate in voting with respect to such a matter manifest their intention to agree with such a proposal in writing or via electronic record. However, this shall not apply if there are objections from a Corporate Auditor.	Article 25 (Resolutions of the Board of Directors) 1. (No change) 2. The Company shall deem that the Board of Directors has resolved to approve a proposal, when a Director submits a proposal for a matter that is to be resolved by a resolution of the Board of Directors, and the Directors who are entitled to participate in voting with respect to such a matter manifest their intention to agree with such a proposal in writing or via electronic record.
(New)	Article 26 (Delegation of decisions on the execution of important business) The Company may delegate all or some of the decisions on the execution of important business to [individual] Directors in accordance with Article 399, Paragraph 13.6 of the Companies Act (with the exception of those matters listed in Article 399, Paragraph 13.5) following resolution by the Board of Directors.
Article 26 (Omitted)	Article 27 (No change)
Article 27 (Remuneration of Directors) The following matters with respect to the financial benefits received from the Company such as remunerations, bonuses and other consideration for the execution of duties ("Remunerations") of Directors shall be fixed by resolution in a General Meeting of Shareholders.	Article 28 (Remuneration of Directors) The financial benefits received from the Company such as remunerations, bonuses and other consideration for the execution of duties shall be categorized as those for Directors who are Audit and Supervisory Committee members and those for other Directors, and shall be fixed by resolution in a General Meeting of Shareholders.

Articles 28 to 29 (Omitted)	Articles 29 to 30 (No change)
Chapter 5. Corporate Auditors and the Board of Corporate Auditors	Chapter 5. Audit and Supervisory Committee
(New)	Article 31 (Notice of convocation of a meeting of the Audit and Supervisory Committee) 1. A notice of the convocation of a meeting of the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee member no less than three (3) days prior to the meeting. However, in emergencies, this period may be reduced. 2. With the agreement of all Audit and Supervisory Committee members, a meeting of the Audit and Supervisory Committee may be held without the process of convocation.
(New)	Article 32 (Resolutions of the Audit and Supervisory Committee) Resolutions of the Audit and Supervisory Committee shall be made by a majority at meetings where the majority of members who are entitled to vote are present.
(New)	Article 33 (Regulations of the Audit and Supervisory Committee) Matters concerning the Audit and Supervisory Committee shall be in accordance with laws and regulations, the Articles of Incorporation, and regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.
Article 30 (Appointment of Corporate Auditors) 1. Corporate Auditors shall be appointed at General Meetings of Shareholders. 2. Appointments of Corporate Auditors shall be made by a majority of votes of the Shareholders entitled to exercise their votes present at a meeting where Shareholders who hold at least a third of the voting rights are present.	(Deleted)
Article 31 (Term of office of Corporate Auditors) 1. The term of office of Corporate Auditors shall expire at the closing of the Ordinary General Meeting of Shareholders to be held for the last business year of the Company ending within four (4) years after their election. 2. The term of office of any Corporate Auditor elected in order to fill a vacancy created by the retirement of a Corporate Auditor prior to the expiry of their term of office shall be the balance of the term of office of the retired Corporate Auditor.	(Deleted)
Article 32 (Full-time Corporate Auditors and Standing Corporate Auditors) 1. The Board of Corporate Auditors shall resolve to appoint Full-time Corporate Auditors. 2. Corporate Auditors may appoint Standing Auditors from amongst themselves.	(Deleted)
Article 33 (Notice of convocation of a meeting of the Board of Corporate Directors) 1. A notice of the convocation of a meeting of the Board of Corporate Auditors shall be issued to each Corporate Auditor no less than three (3) days prior to the meeting. However, in emergencies, this period may be reduced. 2. With the agreement of all Corporate Auditors, a meeting of the Board of Corporate Auditors may be held without the process of convocation.	(Deleted)
Article 34 (Resolutions of the Board of Corporate Auditors) Resolutions of the Board of Corporate Auditors shall be made by a majority of the Corporate Auditors unless	(Deleted)

otherwise provided for by laws and regulations.	
Article 35 (Regulations of the Board of Corporate Auditors) Matters concerning the Board of Corporate Auditors shall be in accordance with laws and regulations, the Articles of Incorporation, and regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors.	(Deleted)
Article 36 (Remuneration of Corporate Auditors) Remuneration of Corporate Auditors shall be fixed by resolution in a General Meeting of Shareholders.	(Deleted)
Article 37 (Exemption of Corporate Auditors from liability) 1. The Company may exempt Corporate Auditors from liability to the extent of the provisions of laws and regulations, by resolution of the Board of Directors. 2. The Company may conclude agreements with Corporate Auditors to limit the liability of Corporate Auditors to the extent of the provisions of laws and regulations.	(Deleted)
Articles 38 to 41 (Omitted)	Articles 34 to 37 (No change)
(New)	Supplementary provision (Interim measures concerning the exemption of Corporate Auditors from liability) The Company may, at the resolution of the Board of Directors, exempt Corporate Auditors (including persons who were Corporate Auditors) in connection with acts carried out prior to the closing of the Ordinary General Meeting of Shareholders for the financial year to March 31, 2016, provided in Article 423, Paragraph 1 of the Companies Act, to the extent of the provisions of laws and regulations.

Proposal No. 2 Election of 15 Directors (excluding Directors who are Audit and Supervisory Committee members)

The Company will become a Company with an Audit and Supervisory Committee on the condition of the approval and passage of Proposition No. 1: Amendment to the Articles of Incorporation. At the close of this Ordinary General Meeting of Shareholders, the terms of all (18) current Directors shall expire. Accordingly, we hereby request that 15 Directors (excluding Directors who are Audit and Supervisory Committee members) be elected.

Furthermore, the resolution of this Proposal shall come into effect on the conditions of the approval and passage of Proposition No. 1: Amendment to the Articles of Incorporation as originally proposed, and the Proposition's changes to the Articles of Incorporation coming into effect. The candidates for the positions of Director (excluding Directors who are Audit and Supervisory Committee members) are as follows.

<table>
<tr><td>Candidate No. 1</td><td>Date of birth</td><td>Number of Company shares owned</td><td>Special interests with the Company</td></tr>
<tr><td rowspan="3">Yoshio Osawa
<Reappointment></td><td>Jan. 22, 1952</td><td>4,600 shares</td><td>None</td></tr>
<tr><td>Attendance rate of Board of Directors meetings (attendance/no. of meetings held)</td><td colspan="2">No. of years in office as Director (from the end of the General Meeting of Shareholders)</td></tr>
<tr><td>100% (11 out of 11 meetings)</td><td colspan="2">3 years</td></tr>
<tr><td colspan="4">Resume, current position and responsibilities</td></tr>
<tr><td colspan="4">Apr. 1975 Joined Sumitomo Corporation
Jun. 2002 Concurrent position as Director of Sumisho Electronics Co., Ltd.
Apr. 2003 Corporate Officer of Sumitomo Corporation
Jun. 2003 Concurrent position as Director of Sumisho Computer Systems Corporation
Apr. 2005 Corporate Officer of Sumitomo Corporation
Apr. 2008 Managing Executive Officer of Sumitomo Corporation
General Manager, Media, Network & Lifestyle Retail Business Unit
Jun. 2008 Representative Director of Sumitomo Corporation, Managing Executive Officer
Apr. 2011 Representative Director of Sumitomo Corporation, Senior Managing Executive Officer
Apr. 2013 Representative Director of Sumitomo Corporation, Assistant to Chief Operating Officer
Concurrent position as SCSK Advisor
Jun. 2013 President & COO of SCSK
Apr. 2015 President of SCSK
Apr. 2016 Chairman of SCSK (present)</td></tr>
<tr><td colspan="4">Reason for appointment</td></tr>
<tr><td colspan="4">Mr. Yoshio Osawa has been our Representative President for 3 years since FY2013. He has a wealth of experience and achievements in the management of SCSK. We consider that his accumulated experience and knowledge through his work and as a manager at our Company qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.</td></tr>
</table>

Candidate No. 2	Date of birth	Number of Company shares owned	Special interests with the Company
Michihiko Kanegae <New appointment>	Feb. 10, 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)	
	—	—	

Resume, current position and responsibilities

Apr. 1974 Joined Sumitomo Corporation Apr. 2005 Corporate Officer of Sumitomo Corporation Apr. 2009 Executive Officer of Sumitomo Corporation Apr. 2011 Managing Executive Officer of Sumitomo Corporation General Manager, Global Power Infrastructure Business Division Apr. 2012 Managing Executive Officer of Sumitomo Corporation General Manager, Infrastructure Business Unit	Jun. 2012 Representative Director of Sumitomo Corporation, Managing Executive Officer General Manager, Infrastructure Business Unit Apr. 2013 Representative Director of Sumitomo Corporation, Senior Managing Executive Officer General Manager, Environment & Infrastructure Business Unit Apr. 2015 Representative Director of Sumitomo Corporation, Executive Vice President, General Manager, Environment & Infrastructure Business Unit Apr. 2016 **Representative Director of Sumitomo Corporation, Assistant to Chief Operating Officer** (present) Jun. 2016 Representative Director of Sumitomo Corporation, Assistant to Chief Operating Officer (retiring)

Reason for appointment

Mr. Michihiko Kanegae has a wealth of experience and extensive knowledge as a manager. We consider that his accumulated experience and knowledge qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Candidate No. 3	Date of Birth	Number of Company shares owned	Special interests with the Company
Tooru Tanihara <Reappointment>	Dec. 24, 1959	2,280 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% (11 out of 11 meetings)	4 years 9 months	

Resume, current position and responsibilities

Apr. 1982 Joined COMPUTER SERVICE CORPORATION. Jun. 2003 Executive Officer of CSK CORPORATION Oct. 2005 Executive Officer of CSK SYSTEMS CORPORATION Jun. 2007 Representative President of CSK-IT MANAGEMENT CORPORATION Mar. 2009 Executive Officer of CSK HOLDINGS CORPORATION Jun. 2010 Senior Managing Executive Officer of CSK CORPORATION	Oct. 2011 Director of SCSK, Senior Managing Executive Officer Apr. 2016 **Representative Director & President of SCSK** (present)

Reason for appointment

Mr. Tooru Tanihara has led our data center business and cloud business in our IT management operations for many years. In addition, from FY2015 he has also been in charge of our development of systems for manufacturers, including automotive embedded software for the automotive industry, and is leading the advancement of strategic businesses, which is one of the basic policies in our current Medium-term Management Plan. We consider that Mr. Tanihara will be able to utilize his accumulated experience and knowledge as a manager at our Company, and we have selected him to be a Director candidate.

Candidate No. 4	Date of Birth	Number of Company shares owned	Special interests with the Company
Hisakazu Suzuki <Reappointment>	Oct. 26, 1954	4,600 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% (11 out of 11 meetings)	4 years	

Resume, current position and responsibilities

Apr. 1977 Joined Sumitomo Corporation Apr. 2008 Corporate Officer of Sumitomo Corporation Apr. 2011 Managing Executive Officer of Sumisho Computer Systems Corporation Apr. 2012 Senior Managing Executive Officer of SCSK	Jun. 2012 Representative Director of SCSK, Senior Managing Executive Officer Apr. 2016 **Representative Director of SCSK** (present) **Executive Vice President** (present) **Chief Legal Officer** (present) **Chief Public Relations Officer** (present)

Reason for appointment

Mr. Hisakazu Suzuki has been in charge of our corporate divisions, mainly legal, general administration and public relations, for many years, and has a wealth of experience and extensive knowledge. We consider that Mr. Suzuki will be able to utilize his accumulated experience and knowledge as a manager at our Company, and we have selected him to be a Director candidate.

Candidate No. 5	Date of Birth	Number of Company shares owned	Special interests with the Company
Hiroyuki Yamazaki <Reappointment>	Feb. 3, 1961	2,200 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% (11 out of 11 meetings)	5 years	

Resume, current position and responsibilities

Apr. 1983 Joined Sumitomo Corporation Jun. 2002 Concurrent position as Corporate Auditor of Sumisho Electronics Co., Ltd. Apr. 2009 Concurrent position as Corporate Officer of Sumisho Computer Systems Corporation Sep. 2009 Concurrent position as Outside Director of CSK HOLDINGS CORPORATION Apr. 2010 Concurrently treated as an Executive Officer of Sumisho Computer Systems Corporation Mar. 2011 Executive Officer of Sumisho Computer Systems Corporation	Apr. 2011 Managing Executive Officer of Sumisho Computer Systems Corporation Jun. 2011 Director of Sumisho Computer Systems Corporation, Managing Executive Officer Apr. 2014 Director of SCSK, Senior Managing Executive Officer Apr. 2016 **Representative Director of SCSK** (present) **Executive Vice President** (present) **Chief Strategy Officer** (present) **Chief Health Officer** (present) **General Manager (Corporate Planning, Human Resources, Business Strategy Center)** (present)

Reason for appointment

Mr. Hiroyuki Yamazaki has been in charge of our corporate divisions, including corporate planning, human resources, and business strategy, for many years, and has a wealth of experience and extensive knowledge. We consider that Mr. Yamazaki will be able to utilize his accumulated experience and knowledge as a manager at our Company, and we have selected him to be a Director candidate.

Candidate No. 6	Date of Birth	Number of Company shares owned	Special interests with the Company
Masahiko Suzuki <Reappointment>	May 25, 1954	2,472 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% (11 out of 11 meetings)	4 years 9 months	

Resume, current position and responsibilities

Apr. 1981 Joined COMPUTER SERVICE CORPORATION Jun. 2000 Director of CSK CORPORATION Jun. 2002 Managing Director of CSK CORPORATION Jun. 2003 Managing Executive Officer of CSK CORPORATION Oct. 2005 Managing Executive Officer of CSK SYSTEMS CORPORATION Apr. 2007 Director and Vice President of CSK SYSTEMS CORPORATION Apr. 2008 Representative Director and President of CSK SYSTEMS CUBU CORPORATION Sep. 2009 Executive Officer of CSK HOLDINGS CORPORATION Apr. 2010 Director of CSK SYSTEMS CORPORATION, Executive Vice President Oct. 2010 Senior Managing Executive Officer of CSK CORPORATION	Oct.2011 Director of SCSK, Senior Managing Executive Officer Apr. 2016 **Director of SCSK** (present) **Executive Vice President** (present) **Chief Technology Officer** (present) **General Manager (R&D Center)** (present) **General Manager, Business Solutions Group** (present) **General Manager of Automotive Systems Business Division, Manufacturing Systems Business Group** (present) **General Manager, Chubu Branch** (present) **General Manager of Telecommunication Systems Business Group** (present)

Reason for appointment

Mr. Masahiko Suzuki is in charge of our solutions business, among other responsibilities, and has a wealth of experience and achievements. We consider that his accumulated experience and knowledge through his work qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Candidate No. 7	Date of Birth	Number of Company shares owned	Special interests with the Company
Masanori Furunuma <Reappointment>	Jun. 8, 1955	2,256 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% (11 out of 11 meetings)	4 years 9 months	

Resume, current position and responsibilities

Apr. 1979 Joined Computer Service Corporation Jun. 1995 Director of CSK Corporation Jun. 2001 Managing Director of CSK Corporation Jun. 2002 Senior Managing Director of CSK Corporation Mar. 2003 Director of JIEC Co., Ltd. Apr. 2003 Representative President of JFITS Co., Ltd. Feb. 2005 Representative President of CSK Securities Service Co., Ltd. Aug. 2005 Director of CSK Securities Service Co. , Ltd. Oct. 2005 Senior Managing Executive Officer of CSK SYSTEMS CORPORATION	Apr. 2006 Managing Executive Officer of CSK SYSTEMS CORPORATION Apr. 2007 Adviser to JIEC Co., Ltd. Jun. 2007 Representative President of JIEC Co., Ltd. Oct. 2011 Concurrent position as Director of SCSK Apr. 2012 Director of SCSK, Senior Managing Executive Officer Jun. 2013 **Concurrent position as a Director of JIEC Co., Ltd.** (present) Apr. 2016 **Director of SCSK** (present) **Executive Vice President** (present) **Chief System Development Officer** (present) **General Manager, Financial Systems Business Group** (present)

Reason for appointment

Mr. Masanori Furunuma is in charge of our financial systems business, and has a wealth of experience and achievements. We consider that his accumulated experience and knowledge through his work qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Candidate No. 8	Date of Birth	Number of Company shares owned	Special interests with the Company
Tatsuyasu Kumazaki <Reappointment>	May 2, 1958	4,217 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% (11 out of 11 meetings)	4 years 9 months	

Resume, current position and responsibilities

Apr. 1981 Joined COMPUTER SERVICE CORPORATION Apr. 2004 Executive Officer of CSK CORPORATION Jun. 2008 Senior Managing Director of Cosmo Securities Co., Ltd. Jan. 2009 Managing Executive Officer of CSK Holdings Corporation Sep. 2009 Director of CSK HOLDINGS CORPORATION, Managing Executive Officer	Oct. 2011 Director of SCSK, Managing Executive Officer Apr. 2012 Director of SCSK, Senior Managing Executive Officer Jun. 2012 Representative Director of SCSK, Senior Managing Executive Officer Apr. 2016 **Director of SCSK** (present) **Senior Managing Executive Officer** (present) **General Manager, Business Services Group** (present)

Reason for appointment

Mr. Tatsuyasu Kumazaki has held positions of responsibility in corporate divisions, including in the area of accounting, and in our Group company businesses for many years and has a wealth of experience and extensive knowledge. We consider that his accumulated experience and knowledge through his work qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Candidate No. 9	Date of Birth	Number of Company shares owned	Special interests with the Company
Tetsuya Fukunaga <Reappointment>	Feb. 1, 1960	9,660 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% (11 out of 11 meetings)	11 years	

Resume, current position and responsibilities

Apr. 1983 Joined The Long-Term Credit Bank of Japan Oct. 1999 Vice President, Corporate & Investment Banking Group, Chase Manhattan Bank Jun. 2000 CFO, Lycos Japan Inc. Dec. 2002 Adviser to Sumisho Electronics Co., Ltd. Feb. 2003 Director of Sumisho Electronics Co., Ltd., Managing Executive Officer Apr. 2005 Executive Officer of Sumisho Computer Systems Corporation Concurrent position as Director of Sumisho Electronics Co., Ltd. Jun. 2005 Director of Sumisho Computer Systems Corporation, Executive Officer	Apr. 2008 Director of SCSK, Managing Executive Officer Jun. 2008 Concurrent position **Outside Director of ARGO GRAPHICS Inc.** (present) Apr. 2014 Director of SCSK, Senior Managing Executive Officer Apr. 2016 **Director of SCSK** (present) **Senior Managing Executive Officer** (present) **General Manager (IR, Finance & Risk Management)** (present) **General Manager, IR, Finance & Risk Management Group** (present) **General Manager (Accounting)** (present)

Reason for appointment

Mr. Tetsuya Fukunaga has been in charge of our corporate divisions, including IR, finance and risk management, for many years, and has a wealth of experience and extensive knowledge. We consider that his accumulated experience and knowledge through his work qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Candidate No. 10	Date of Birth	Number of Company shares owned	Special interests with the Company
Masatoshi Endo <Reappointment>	Nov. 26, 1957	1,409 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% (11 out of 11 meetings)	2 years	

Resume, current position and responsibilities

Oct. 1980 Joined COMPUTER SERVICE CORPORATION.
Apr. 2009 Executive Officer of CSK SYSTEMS CORPORATION
Mar. 2010 Executive Officer of CSK HOLDINGS CORPORATION
Oct. 2011 Executive Officer of SCSK
Apr. 2012 Senior Executive Officer of SCSK
Apr. 2013 Managing Executive Officer of SCSK
Apr. 2014 Senior Managing Executive Officer of SCSK
Jun. 2014 Director of SCSK, Senior Managing Executive Officer
Apr. 2016 **Director of SCSK** (present)
Senior Managing Executive Officer (present)
General Manager (SE plus Center, Development Division, Purchasing and Business Coordination) (present)
General Manager, Development Division (present)

Reason for appointment

Mr. Masatoshi Endo has been in charge of our corporate divisions, including the SE+ Center, development center, purchasing and business coordination for many years, and has a wealth of experience and extensive knowledge. We consider that his accumulated experience and knowledge through his work qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Candidate No. 11	Date of Birth	Number of Company shares owned	Special interests with the Company
Tatsujiro Naito <Reappointment>	Nov. 26, 1957	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% (11 out of 11 meetings)	9 years	

Resume, current position and responsibilities

Apr. 1981 Joined Sumitomo Corporation
Jun. 2007 Concurrent position as Outside Director of Sumisho Computer Systems Corporation
Apr. 2011 Corporate Officer of Sumitomo Corporation; General Manager, Network Division, Media, Network & Lifestyle Retail Business Unit
Jun. 2011 **Concurrent position as Outside Director of T-Gaia Corporation** (present)
Apr. 2013 Corporate Officer of Sumitomo Corporation General Manager, Network Division, Media, Network, Lifestyle Related Goods & Services Business Unit
Apr. 2016 **Director of SCSK** (present)
Senior Managing Executive Officer (present)
General Manager, Distribution Systems Business Group (present)
General Manager, Global System Business Division (present)
Chief Representative, China & Asia (present)
General Manager of IT Management Group (present)
Jun. 2016 Outside Director of T-Gaia Corporation (retiring)

Reason for appointment

Mr. Tatsujiro Naito has been a Director in our Company since FY2007 (including time as an Outside Director) and has a wealth of experience and achievements in the management of our Company. We consider that his accumulated experience and knowledge through his work and as a manager at our Company qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Candidate No. 12	Date of Birth	Number of Company shares owned	Special interests with the Company
Katsuya Imoto <New appointment>	Jun. 26, 1958	5,100 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)	
	—	—	

Resume, current position and responsibilities

Apr. 1982 Joined Sumitomo Corporation Apr. 2006 Concurrent position as Corporate Officer of Sumisho Computer Systems Corporation Apr. 2009 Executive Officer of Sumisho Computer Systems Corporation Apr. 2012 Senior Executive Officer of SCSK Apr. 2013 Managing Executive Officer of SCSK	Apr. 2016 **Senior Managing Executive Officer of SCSK** (present) **General Manager, Manufacturing Systems Business Group** (present) **General Manager, Nishinihon Branch** (present)

Reason for appointment

Mr. Katsuya Imoto has been in charge of a number of areas in our manufacturing systems business, and has a wealth of experience and achievements. We consider that his accumulated experience and knowledge through his work qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Candidate No. 13	Date of Birth	Number of Company shares owned	Special interests with the Company
Naoaki Mashimo <New appointment>	Aug. 27, 1958	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)	
	—	—	

Resume, current position and responsibilities

Apr. 1983 Joined Sumitomo Corporation Oct. 2007 General Manager, IT Solution Dept., Network Division, Media, Network & Lifestyle Retail Business Unit, Sumitomo Corporation Jun. 2011 Concurrent position as Outside Director of SCSK; Concurrent position as Outside Director of CSK Corporation Apr. 2013 Corporate Officer of Sumitomo Corporation; Deputy General Manager, Network Division, Media, Network, Lifestyle Related Goods & Services Business Unit General Manager, IT Solution Dept.	Apr. 2015 Managing Executive Officer of SCSK Apr. 2016 **Managing Executive Officer of SCSK** (present) **General Manager, IT Platform Solutions Group** (present)

Reason for appointment

Mr. Naoaki Mashimo has been an Outside Director of our Company since FY2011. Since FY2015, he has been in charge of our IT platform solutions business, and he has a wealth of experience and achievement in the management of our Company. We consider that his accumulated experience and knowledge through his work qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Candidate No. 14	Date of Birth	Number of Company shares owned	Special interests with the Company
Hiroyuki Koike <New appointment>	Sep. 4, 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)	
	—	—	

Resume, current position and responsibilities

Apr. 1987 Joined Sumitomo Corporation
May 2009 North America Corporate Coordination Group of Sumitomo Corporation North America Group Officer, Sumitomo Corporation of America
Assistant to General Manager for the Americas
Apr. 2014 General Manager, Mobile & Internet Dept., Network Division; Media, Lifestyle Related Goods & Services Business Unit, Sumitomo Corporation
Apr. 2015 General Manager, IT Solution Dept. Network Division; Media, Network, Lifestyle Related Goods & Services Business Unit, Sumitomo Corporation
General Manager, Investment Development Dept.
Concurrent position as President, SC VENTURE, INC. (present)
Concurrent position as Director, SUMITOMO CORPORATION EQUITY ASIA LIMITED (present)
Apr. 2016 **Corporate Officer of Sumitomo Corporation General Manager, Network Division , Media, Network, Lifestyle Related Goods & Services Business Unit** (present)
Jun. 2016 Outside Director of T-Gaia Corporation (assuming)

Reason for appointment

Mr. Hiroyuki Koike has an extensive specialized knowledge of the IT service industry. We consider that his accumulated experience and knowledge through his work qualifies him to supervise the execution of operations of the Company, and we have selected him to be a Director candidate.

Other

1. Mr. Hiroyuki Koike is an executive officer of Sumitomo Corporation. SCSK has concluded an office leasing agreement with Sumitomo Corporation; moreover, a business relationship between our Company and Sumitomo Corporation exists in the areas of data processing services and software development.
2. If this proposed resolution is approved, SCSK plans to enter into a liability limitation agreement with Mr. Hiroyuki Koike to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Candidate No. 15	Date of Birth	Number of Company shares owned	Special interests with the Company
Iwao Fuchigami <Reappointment> <Outside Director> <Independent officer>	Mar. 4, 1946	0 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as Outside Director (from the end of the General Meeting of Shareholders)	
	100% (11 out of 11 meetings)	4 years 9 months	

Feb. 1971 Joined NEC Corporation	Jun. 2004 Director of NEC Corporation, Managing Executive Officer
Apr. 2000 General Manager, NEC Solutions No. 3 Systems Operation Unit, NEC Corporation	Apr. 2006 Director of NEC Corporation, Senior Managing Executive Officer
Jun. 2001 Executive Officer of NEC Corporation General Manager, No. 3 Solutions Sales Operation Unit	Jun. 2006 President and Chief Executive of NEC Nexsolutions Ltd.
Apr. 2004 Managing Executive Officer of NEC Corporation	Jun. 2010 Outside Director of CSK HOLDINGS CORPORATION
	Oct. 2011 **Outside Director of SCSK** (present)

Reason for appointment

Mr. Iwao Fuchigami has an extensive specialized knowledge of the IT service industry. We consider that his accumulated experience and knowledge through his work qualifies him to maintain and enhance the functions that supervise the execution of the Company's operations, and we have selected him to be an Outside Director candidate.

Other matters concerning candidate Outside Directors

1. SCSK has designated Mr. Iwao Fuchigami as an independent officer who is unlikely to have any conflict of interest with respect to our general shareholders. We have therefore notified the Tokyo Stock Exchange that he is an independent officer, as we are obliged to do so by the Exchange.
2. SCSK has entered into a liability limitation agreement with Mr. Iwao Fuchigami to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. Upon approval of this proposed resolution, SCSK plans to continue such agreements with him.

Proposal No. 3 Election of four (4) Directors who are Audit and Supervisory Committee members

The Company will become a Company with an Audit and Supervisory Committee on the condition of the approval and passage of Proposition No. 1: Amendment to the Articles of Incorporation. We request that four (4) Directors who will be Audit and Supervisory Committee members be elected.

Furthermore, the resolution of this Proposal shall come into effect on the conditions of the approval and passage of Proposition No. 1: Amendment to the Articles of Incorporation as originally proposed, and the Proposition's changes to the Articles of Incorporation coming into effect.

This Proposal has obtained approval in advance from the Board of Corporate Auditors. The candidates for the positions of directors who will be Audit and Supervisory Committee members are as follows.

<table>
<tr><td>Candidate No. 1</td><td>Date of Birth</td><td>Number of Company shares owned</td><td>Special interests with the Company</td></tr>
<tr><td rowspan="3">Yoshiharu Takano
<New appointment>
<Outside Director></td><td>Mar. 7, 1953</td><td>1,400 shares</td><td>None</td></tr>
<tr><td>Attendance rate of Board of Directors meetings (attendance/no. of meetings held)</td><td colspan="2">No. of years in office as an Outside Auditor (from the end of the General Meeting of Shareholders)</td></tr>
<tr><td>100% (11 out of 11 meetings)</td><td colspan="2">3 years</td></tr>
<tr><td colspan="4"></td></tr>
<tr><td colspan="4">Apr. 1975 Joined Sumitomo Corporation
Dec. 1999 General Manager, Electrical Examination Department, Management and Investment Business Group, Sumitomo Corporation
Apr. 2004 General Manager, t, Electrical Division, Electrical Business Unit, Sumitomo Corporation
Apr. 2005 General Manager, Risk Assessment, Financial Resources Group, Sumitomo Corporation
Apr. 2008 Corporate Officer of Sumitomo Corporation General Manager of Internal Auditing Dept.
Apr. 2010 Corporate Officer of Sumitomo Corporation; General Manager, Chubu Block
Apr. 2013 Advisor of SCSK
Jun. 2013 Standing Corporate Auditor of SCSK (outside) (present)</td></tr>
<tr><td colspan="4">Reason for appointment</td></tr>
<tr><td colspan="4">Mr. Yoshihara Takano has been a Corporate Auditor at our Company since FY2013. We consider that his accumulated experience and knowledge through his work qualifies him to audit the Company's Directors' execution of duties from an objective standpoint, and we have selected him to be an Outside Director candidate who will be an Audit and Supervisory Committee member.</td></tr>
<tr><td colspan="4">Other matters concerning candidate Outside Directors</td></tr>
<tr><td colspan="4">1. For the past 5 years, Mr. Yoshiharu Takano has been an executive officer of Sumitomo Corporation, which is our parent company with whom we have a special relationship.
2. If this proposed resolution is approved, SCSK plans to enter into a liability limitation agreement with Mr. Yoshiharu Takano to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</td></tr>
</table>

Candidate No. 2	Date of Birth	Number of Company shares owned	Special interests with the Company
Shigeki Yasunami <New appointment> <Outside Director> <Independent officer>	May 27, 1950	200 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as an Outside Auditor (from the end of the General Meeting of Shareholders)	
	100% (11 out of 11 meetings)	4 years 9 months	

Oct. 1975 Joined Arthur Young & Co. May 1981 Joined the Sanwa Tokyo Marunouchi Audit Corporation May 1989 Employee of Sanwa Tohmatsu Aoki Audit Corporation Jul. 1996 Representative partner of Tohmatsu Audit Corporation	Nov. 2006 **Representative of the Yasunami Certified Public Accounting Office** (present) Jun. 2011 Concurrent position as Outside Auditor of CSK CORPORATION Oct. 2011 **Concurrent Position Outside Auditor of SCSK** (present)

Reason for appointment

Mr. Shigeki Yasunami has specialized knowledge and experience that he has developed as a certified public accountant, and has been a Corporate Auditor at our Company since FY2011. We consider that his accumulated experience and knowledge through his work qualifies him to audit the Company's Directors' execution of duties from an objective standpoint, and we have selected him to be an Outside Director candidate who will be an Audit and Supervisory Committee member.

Other matters concerning candidate Outside Directors

1. SCSK has designated Mr. Shigeki Yasunami as an independent officer who is unlikely to have any conflict of interest with respect to our general shareholders. We have therefore notified the Tokyo Stock Exchange that he is an independent officer, as we are obliged to do so by the Exchange.
2. If this proposed resolution is approved, SCSK plans to enter into a liability limitation agreement with Mr. Shigeki Yasunami to limit the amount of his liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Candidate No. 3	Date of Birth	Number of Company shares owned	Special interests with the Company
Yuko Yasuda <New appointment> <Outside Director> <Independent officer>	Sep. 16, 1961	0 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as Outside Director (from the end of the General Meeting of Shareholders)	
	100% (9 out of 9 meetings)	1 year	

Apr. 1985 Joined IBM Japan, Ltd. Sep. 1991 Joined Booz Allen Hamilton Inc. Apr. 2013 Joined Russell Reynolds Associates Japan Inc. Jun. 1995 **Management Director, Russell Reynolds Associates Japan, Inc.** (present) Apr. 2001 Associate Representative in Japan for Russell Reynolds Associates Japan, Inc. Apr. 2003 **Representative in Japan for Russell Reynolds Associates Japan, Inc**. (present) Concurrent position as Executive Committee Member, Russell Reynolds Associates, Inc.	Sep. 2006 **Concurrent position as Representative Director of Starboard Corporation**(present) Jun. 2007 Concurrent position as Director of Josuikai Association Apr. 2010 **Concurrent position as Executive Secretary of the Japan Association of Corporate Executives** (present) Apr. 2012 Concurrent position as committee member of the Hitotsubashi University Management Consultative Committee Apr. 2013 **Concurrent position as Executive Committee Member, Russell Reynolds Associates, Inc.** (present) Jun. 2015 **Concurrent position as Outside Director of SCSK** (present)

Reason for appointment

Ms. Yuko Yasuda has a wealth of experience and extensive knowledge as a manager. We consider that her accumulated experience and knowledge through her work qualifies her to audit the Company's Directors' execution of duties from an objective standpoint, and we have selected her to be an Outside Director candidate who will be an Audit and Supervisory Committee member.

Other matters concerning candidate Outside Directors

1. SCSK has designated Ms. Yuko Yasuda as an independent officer who is unlikely to have any conflict of interest with respect to our general shareholders. We have therefore notified the Tokyo Stock Exchange that she is an independent officer, as we are obliged to do so by the Exchange.
2. SCSK has entered into a liability limitation agreement with Ms. Yuko Yasuda to limit the amount of her liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. Upon approval of this proposed resolution, SCSK plans to continue such agreements with her.

Candidate No. 4	Date of Birth	Number of Company shares owned	Special interests with the Company
Shigenobu Aikyo <New appointment> <Outside Director> <Independent officer>	Oct. 1, 1949	0 shares	None
	Attendance rate of Board of Directors meetings (attendance/no. of meetings held)	No. of years in office as Outside Director (from the end of the General Meeting of Shareholders)	
	—	—	

Resume, current position and responsibilities

Apr. 1972 Joined Sumitomo Bank	Apr. 2007 Concurrent position as Director and Executive Vice President, Sumitomo Mitsui Banking Corporation
Jun. 1999 Executive Officer of Sumitomo Bank	Apr. 2010 Representative Chairman, Nikko Cordial Securities Inc.
Apr. 2001 Executive Officer of Sumitomo Mitsui Banking Corporation	Apr. 2011 Representative Chairman, SMBC Nikko Securities Inc.
Jun. 2003 Managing Executive Officer of Sumitomo Mitsui Banking Corporation General Manager, Head Office First Sales Division	Apr. 2015 Advisor to SMBC Nikko Securities Inc. Jun. 2015 **Outside Director of HASHIMOTO SOGYO CO., LTD.** (present)
Jun. 2005 Concurrent positions as Executive Director and Managing Executive Officer, Sumitomo Mitsui Banking Corporation	Mar. 2016 **Outside Director of MODEC, Inc.** (present)
Apr. 2006 Concurrent position as Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation	

Reason for appointment

Mr. Shigenobu Aikyo has a wealth of experience and wide range of knowledge as a manager. We consider that the experience and knowledge that he has accumulated through his work qualifies him to supervise the Company's Directors' execution of duties from an objective standpoint, and we have selected him to be an Outside Director candidate who will be an Audit and Supervisory Committee member.

Other matters concerning candidate Outside Directors

1. If this proposition is approved, we expect to designate Mr. Shigenobu Aikyo to be an independent officer who is unlikely to have any conflict of interest with respect to our general shareholders, and notify the Tokyo Stock Exchange that he is an independent officer, as we are obliged to do so by the Exchange.
2. If this proposed resolution is approved, SCSK plans to enter into a liability limitation agreement with Mr. Shigenobu Aikyo to limit the amount of her liabilities to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Proposal No. 4 Setting the amounts of remuneration paid to Directors (excluding Directors who are Audit and Supervisory Committee members)

The Company will become a Company with an Audit and Supervisory Committee on the condition of the approval and passage of Proposition No. 1: Amendment to the Articles of Incorporation. In accordance with the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, we will abolish the current Director remuneration framework (excluding that for Directors who are Audit and Supervisory Committee members; hereafter the same throughout this Proposal) and will adopt a new approach that will also take into consideration various factors including the prevailing economic conditions. It is proposed that remuneration for Directors (excluding Outside Directors) be no more than 960 million yen per business year and no more than 40 million yen per business year for Outside Directors. The specific amount of remuneration to be paid to each Director and the timing of the payments, etc., will be decided by resolution of the Board of Directors. In addition, we do not want to include employee salaries in a Director's remuneration for those Directors who hold concurrent positions as employees.

We currently have 18 Directors (of which 2 are Outside Directors); however, if Proposition No. 1 (Amendment to the Articles of Incorporation) and Proposition No. 2 (Election of 15 Directors (excluding Directors who are Audit and Supervisory Committee members)) come into effect, the number of Directors will become 15 (of which one will be an Outside Director).

Furthermore, the resolution of Proposal No. 4 shall come into effect on the conditions of the approval and passage of Proposition No. 1 (Amendment to the Articles of Incorporation) as originally proposed, and its changes to the Articles of Incorporation coming into effect.

Proposal No. 5 Setting the amounts of remuneration paid to Directors who are Audit and Supervisory Committee members

The Company will become a Company with an Audit and Supervisory Committee on the condition of the approval and passage of Proposition No. 1 (Amendment to the Articles of Incorporation). In accordance with the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, we want to adopt a new approach that will also take into consideration various factors including the prevailing economic conditions. It is proposed that remuneration for Directors who are Audit and Supervisory Committee members be no more than 150 million yen per business year, and that the specific amount of remuneration to be paid to each Director who is an Audit and Supervisory Committee member, and the timing of the payments, etc., will be decided by resolution of the Board of Directors.

If Proposition No. 1 Amendment to the Articles of Incorporation and Proposition No. 3 Election of four (4) Directors who are Audit and Supervisory Committee members) come into effect, we envisage that there will be four (4) Directors who are Audit and Supervisory Committee members.

Furthermore, the resolution of Proposal No. 4 shall come into effect on the conditions of the approval and passage of Proposition No. 1 (Amendment to the Articles of Incorporation) as originally proposed, and its changes to the Articles of Incorporation coming into effect.

Business report for FY2015 (April 1, 2015 to March 31, 2016)

1. Matters Regarding the Current Status of the SCSK Group

1-1 Progress of Operations and Operating Results

In the period under review, the Japanese economy showed an improving trend in both corporate earnings and employment. Various policy initiatives, most notably economic stimulus measures implemented by the government as well as monetary easing policies taken by the Bank of Japan, kept the economy on a mild recovery track, although signs of weakness remain apparent.
In terms of the outlook for the economy, a recovery is expected to continue albeit at a moderate pace, on the assumption that recovery in the employment and income environments will continue. However, a number of factors require close watching, including the risk of a downturn in the overseas economic situation, particularly in emerging economies in Asia and those that rely on exports of natural resources, and volatility in forex rates, interest rates and other aspects of the financial markets.

In the IT services market, demand for strategic IT investment aimed at enhancing competitiveness or supporting advances into new business areas, has continued to rise. Demand for investment in operational systems, generally intended to improve process efficiency, also remains brisk. Overall, IT investment demand is on an uptrend.

In the financial industry in particular, IT investment demand grew substantially among banks, securities companies and insurers, centered on systems development. This reflects a continuing high level of interest in systems development to support various work processes and enhance competitiveness, and solid underlying demand for system upgrades and revisions to accommodate changes in regulations.
In the manufacturing and distribution industries, there has been a solid underlying flow of IT investment deals on an emergence of strategic IT investment, in support of global business expansion, omni-channelization, big data analysis, and other objectives.

Demand for IT services has manifested in earnest in a variety of areas as customers seek to strengthen their businesses or enhance work efficiency. Of particular note is strong demand for networking-related IT products from certain telecommunications service providers, and demand for various cloud-related IT services, including IaaS and PaaS.

In the Company’s operating results for the period under review, consolidated net sales increased 8.8% compared to the same period of the previous fiscal year to ¥323,945 million. This reflects brisk demand for systems development among a wide range of financial industry customers, a variety of maintenance services for customers in the manufacturing and distribution industries, and networking-related IT products among telecommunications service providers. Accordingly, there has been steady sales growth in all sales segments, Systems Development, System Maintenance and Operation/ Services, and Packaged Software/ Hardware Sales. Operating income increased 13.5% to ¥31,785 million, mainly due to revenue growth, combined with factors including productivity enhancements on the steady implementation of measures to improve operational quality, increased efficiency in SG&A and other expenses. Ordinary income increased 9.6% to ¥33,610 million. Net income attributable to shareholders rose 72.4% to ¥26,956 million on increased operating income together with the effect of tax deferral accounting.

Consolidated business results for the period to March 31, 2016 (Millions of yen)

Business results by segment	FY, 2014 (47th Period)		FY 2015 (48th Period)		Year-on-year change	
	Sales	Segment income	Sales	Segment income	Sales	Segment income
Manufacturing Systems Business	42,531	3,049	40,849	3,220	(1,681)	170
Telecommunications Systems Business	28,225	5,097	25,628	4,471	(2,597)	(625)
Distribution Systems Business	44,981	5,435	46,754	6,321	1,772	885
Financial Systems Business	60,829	7,183	71,259	8,386	10,429	1,202
Business Solutions	18,392	804	19,052	1,592	659	788
Business Services	33,732	2,125	39,273	2,839	5,540	713
IT Platform Solutions	64,790	5,173	77,135	6,314	12,345	1,140
Prepaid Card Business	3,378	267	3,217	225	(160)	(41)
Other	770	325	774	313	3	(12)
Adjustments	—	(1,458)	-	(1,898)	-	(440)
Total	297,633	28,003	323,945	31,785	26,311	3,782

(Notes) 1. In the period under review we reclassified the Industrial Systems Business Group and the Global Systems Business Group into three customer-facing segments handling system development: Manufacturing Systems Business Group, Telecommunications Systems Business Group and Distribution Systems Business Group. Simultaneously, we also redistributed IT architecture integration, system management, datacenter (netXDC) services, and other services formerly within the IT Management Group, among multiple segments. In light of these changes, we recast our segment-level results for the previous period and make year-on-year comparisons against those recast results.
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 Systems Business

Sales ¥40,849 million
Percentage of total: 12.6%

Net sales decreased 4.0% to ¥40,849 million, reflecting a reactionary decline from the previous fiscal year year's high level of activity surrounding large-scale projects in the manufacturing industry, but segment income increased 5.6% to ¥3,220 million due to improvements in productivity and profitability.

○ Telecommunication Systems Business

Sales ¥25,628 million
Percentage of total: 7.9%

Net sales decreased 9.2% to ¥25,628 million, reflecting a reduction in large-scale systems integration projects that supported results in the previous year, and segment income decreased 12.3% to ¥4,471 million.

○ Distribution Systems Business

Sales ¥46,754 million
Percentage of total: 14.4%

Net sales increased 3.9% to ¥46,754 million and segment income increased 16.3% to ¥6,321 million as a result of our efforts in responding to demand for omni-channelization and an increase in system development projects in the EC and CRM areas taking advantage of big data, as well as other EDI cloud services projects.

○ Financial Systems Business

Sales ¥71,259 million
Percentage of total: 22.0%

Net sales increased 17.1% to ¥71,259 million and segment income increased 16.7% to ¥8,386 million as a result of increased IT investment demands for operation system development, as well as system modification needs to reflect various changes in regulations. This was apparent across all segments in the financial industry, including banks, which showed especially solid demand, securities firms, insurance companies, credit card companies and leasing companies

○ Business Solutions

Sales ¥19,052 million
Percentage of total: 5.9%

Net sales increased 3.6% to ¥19,052 million as a result of steady performance of ERP-related projects. Segment income increased 98.0% to ¥1,592 million as a result of improvements in productivity, as well as a decrease in low-profit projects

○ Business Services

Sales ¥19,052 million
Percentage of total: 5.9%

Net sales increased 16.4% to ¥39,273 million and segment income increased 33.6% to ¥2,839 million, as a result of solid growth in various BPO services, including product support services and verification services, particularly for customers in the manufacturing and distribution industries.

○ IT Platform Solutions

Sales ¥77,135 million
Percentage of total: 23.8%

Net sales increased 19.1% to ¥77,135 million and segment income increased 22.0% to ¥6,314 million, as a result of an increase in sales of IT products to certain customers in the telecommunications industry.

○ Prepaid Card Business

Sales ¥3,217 million
Percentage of total: 1.0%

Net sales decreased 4.8% to ¥3,217 million, reflecting a reduction in large sales projects for card devices that boosted results in the previous year, and segment income decreased 15.6% to ¥225 million.

○ Others

Sales ¥774 million
Percentage of total: 0.2%

Net sales (facility maintenance and lease income, etc.) increased 0.5% to ¥774 million, while segment income decreased 3.7% to ¥313 million.

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

Sales by service type	FY 2014 (47th Period)		FY 2015 (48th Period)		Year-on-year change	
	Amount (millions of yen)	Percentage of total (%)	Amount (millions of yen)	Percentage of total (%)	Amount (millions of yen)	Change (%)
Systems Development	117,843	39.6	124,470	38.4	6,626	5.6
System Maintenance and Operation/Services	110,720	37.2	119,170	36.8	8,449	7.6
Packaged Software/Hardware Sales	65,691	22.1	77,087	23.8	11,395	17.3
Prepaid Card	3,378	1.1	3,217	1.0	(160)	(4.8)
Total	297,633	100.0	323,945	100.0	26,311	8.8

In Systems Development, despite a reduction in large-scale projects that drove performance during the previous fiscal year, net sales rose 5.6% to ¥124,470 million as a result of solid performance in projects for the financial industry.

In System Maintenance and Operation Services, as a result of strengthened demand for various cloud services related to IT infrastructure combined with strong performance in BPO services particularly in the manufacturing and distribution industries, net sales increased 7.6% to ¥119,170 million.

In Packaged Software/ Hardware Sales, strong sales of IT products for the telecommunications industry resulted in an increase in net sales of 17.3% to ¥77,087 million.

In Prepaid Card, a decline in the number of large-scale equipment replacement projects that supported performance in the previous fiscal year resulted in a decrease in net sales of 4.8% to ¥3,217 million.

1-2 Procurement of Funds

(1) Fund procurements

In FY2015 we refinanced a total of ¥10,000 million in bank borrowings and, on June 24, 2015, issued a ¥10,000 million corporate bond.

(2) Capital investment

Capital investment by the SCSK Group totaled ¥12,046 million in FY2015.

1-3 Assets, Profits and Losses

(1) SCSK Group assets, profits and losses

Category		FY2012 (45th Period)	FY2013 (46th Period)	FY2014 (47th Period)	FY2015 (48th Period)
Sales	(million yen)	278,634	288,236	297,633	323,945
Ordinary income	(million yen)	22,228	25,690	30,667	33,610
Net income attributable to parent company shareholders	(million yen)	16,730	18,387	15,638	26,956
Net income per share	(yen)	161.39	177.26	150.71	259.72
Total assets	(million yen)	322,828	317,932	334,290	352,676
Net assets	(million yen)	108,208	126,159	138,536	151,546
Net assets per share	(yen)	991.48	1,161.29	1,276.37	1,401.00

(Note) The value of net income per share is calculated from the average number of shares during the period under review. The value of net assets per share is calculated from the number of shares issued as of March 31, 2016 (excluding treasury stock).

(2) SCSK assets, profits and losses

Category		FY2012 (45th Period)	FY2013 (46th Period)	FY2014 (47th Period)	FY2015 (48th Period)
Sales	(million yen)	221,472	228,732	235,929	256,115
Ordinary income	(million yen)	17,588	19,798	23,711	25,423
Net income	(million yen)	13,696	15,416	12,420	22,737
Net income per share	(yen)	131.81	148.28	119.43	218.60
Total assets	(million yen)	277,787	266,651	280,202	294,152
Net assets	(million yen)	100,414	112,177	120,371	135,913
Net assets per share	(yen)	964.63	1,077.45	1,156.30	1,305.71

(Note) The value of net income per share is calculated from the average number of shares during the period under review. The value of net assets per share is calculated from the number of shares issued as of March 31, 2016 (excluding treasury stock).

1-4 Issues to be Addressed

The Group's management philosophy consists of its mission to "create our future of dreams," and three promises for achieving this mission; to "respect each other," "provide excellent service utilizing reliable technology," and "sustain growth from a global and future perspective" Based on this management philosophy, we will apply advanced IT services and innovative ideas to resolve the issues faced by our customers and society at large, create new value through IT, and together create a future in line with the aspirations of our customers and society. It is through this philosophy that we seek continued growth into the future.

We announced our Medium-term Management Plan in April 2015, within which we outline our medium-term management strategies. The plan, which will guide our company over the five years from April 2015 through March 2020, identifies this period as the second stage of our business expansion, through which we will establish ourselves as a top-class firm within our industry. We will build our business on a base of high profitability created following our October 2011 merger and execute a dynamic growth strategy in pursuit of a further increase in corporate value.
The plan centers on three core strategies: (1) shift to a service-oriented business; (2) promote strategic business that captures the changing times"; and (3) effect a "second stage of global business expansion." Also, towards the reinforcement of our earnings base, we will continually strive to raise operational efficiency through measures such as improving the quality of our system development projects, and promoting working style reforms. By implementing these, we will aim to achieve the plan's management targets set for the fiscal year ending March 2020.

1. Shift to a service-oriented business
As a result of factors including a diversification of customer needs and a paradigm shift from ownership to usage of systems, structural changes are beginning to occur, specifically a shift from traditional business models as represented by contract-type and labor-intensive business to service provision-based business. The Company views these structural changes as an opportunity for active growth, and will strongly promote strategic initiatives aimed at expanding service–oriented business in advance of competitors. Building on our accumulated store of intellectual property rights and IT assets, we will create high value-added services that only SCSK can provide, offering these to our customers over the long term.
In April 2015 we adopted an organizational structure that allows us to integrally supply systems development, IT infrastructure implementation services, and system operation and maintenance services to corporate customers in a variety of industries (manufacturing, telecommunications, distribution, finance).
Specifically, we will expand our existing service-oriented business to cover areas including various SaaS applications, currently being deployed at retailers, pharmacy chains, and other customers within the distribution sector, pay-per usage IT infrastructure provision services named "USiZE", and assorted BPO services most notably contact centers. For instance, we are currently offering SaaS-type services that combine ProActive (our propriety ERP package) solutions and USiZE infrastructure.
Through an expansion of such service-oriented businesses, we aim to similarly expand our future growth potential. To effect the transformation toward a high-growth, high-profitability business structure under our Medium-term Management Plan, we will continue to establish new businesses targeted at customer needs and to reinforce our ability to propose new solutions.

2. Promote strategic business that captures the changing times
By effectively using the Company's human resources, technical components, track record, and accumulated

know-how, we will focus on growth industries and fields where we can demonstrate our strengths, and carefully allocate management resources in order to achieve the strategic expansion of business while being mindful of their future potential and growth potential.
For example, in the automotive embedded systems business for the automotive industry, the software development required for one model is both high-volume and technically advanced, and there has been rapid progress in compliance with global standards.
Within this environment, in an aim to be the No. 1 vendor/ provider of AUTOSAR (AUTomotive Open System ARchitecture) compatible OSs and middleware (basic software), we will significantly expand personnel and actively conduct business investments for R&D and business promotion.
In November 2014, we entered into a strategic business alliance under which our Automotive Software Business and five IT companies dealing with automotive embedded software will each apply their particular expertise to support the ECU (*1) software development efforts of Japanese automakers and their suppliers, an initiative that we expect to promote our AUTOSAR-related business. As one manifestation of this effort, in October 2015 we began providing QINeS-BSW, domestically produced basic software (BSW) for automotive applications that features our proprietary, real time, AUTOSAR-compliant OS and related services.

3. Second stage of global expansion
The Company defines the "greater Japanese market" as business responding to IT demand accompanying the overseas expansion of customers; in other words, all demand for IT services arising from the overseas expansion of Japanese companies that principally conduct business activities in Japan.
The Company has effectively used the experience and know-how it has developed through the provision of IT support for the global expansion of many customers including the Sumitomo Corporation Group to implement a global strategy of providing high-quality support based on Japanese standards for the "greater Japanese market" in order to increase the sales ratio of global business.
This global strategy will be pursued even further within the new Medium-term Management Plan. In addition to these initiatives implemented up until now, we will enhance our capability for overseas local businesses in strategic businesses set forth in the basic strategies of the Medium-term Management Plan such as automotive software systems business and businesses aimed at large financial institutions in order to further expand our global business.
With regards to the global provision of services for major financial institutions, for example, we intend to enhance our ability to flexibly provide IT services, particularly in Asia, where such institutions are paying attention to for their business opportunities. In addition to strengthening our organizational presence in that region, we will also consider—and, if appropriate, implement or bolster—collaborative arrangements with domestic financial institutions capable of dependably meeting the needs of our customers and/or local firms with financial expertise.
While implementing these basic strategies, we will also work to further reinforce our management base by enhancing operational quality through promoting company-wide development standards and strengthening our project management capabilities, and raise operational efficiency through improving the efficient utilization of offices and operational processes. We also seek to win the further trust and confidence of our customers and shareholders by continuing to develop internal group-wide management structures in such areas as internal control, risk management, compliance, and security management.

Since FY2013 the Company has conducted initiatives for working style reform, called the Smart Work Challenge 20 program, which focuses on reducing overtime and encouraging employees to take their paid vacation days. The aim is to ensure that we have a healthy and motivated workforce capable of engaging in productive, creative, high added-value work for customers and society. In FY2015, we introduced the *"Kenko Waku Waku Mileage*" program, under which employees are encouraged to strive toward health-related improvement goals over the year, with special incentive bonuses for those who attain their goals.

We are also active promoters of new attitudes toward work. For instance, we have introduced a discretionary work system, a flex-time system, and a telecommuting system. In support of working styles aligned with employees' life stages, we also offer adequate child-care and family-care measures, together with a full employment system up to age 65.
We also provide career support programs to promote female employees' active role in decision making processes. We have set the goal of having 100 female employees in managerial positions by FY2018, and we provide career development support in line with this goal, including a training program to address the issues to do with career development of female employees for each generation.
These efforts by the Company have received a wide range of external recognition, including: 1st place overall in the 2014 and 2015 surveys for *Best Companies that Exert Employees Potential*, sponsored by the *Nihon Keizai Shimbun*; a 2015 ; a 2015 Prime Minister Prize, *the Advanced Corporation Award for the Promotion of Women* (*2); and selection as a Health & Productivity Stock (FY2014 and FY2015) and as a Nadeshiko Brand (FY2014 and FY2015) under a contest jointly conducted by the Tokyo Stock Exchange and the Japanese Ministry of Economy, Trade and Industry.
We believe that employees, creating value in an environment where employees can be enthusiastic about their work, vitality and a sense of fulfillment, will drive a virtuous cycle, creating value for customers and society at large, supporting business and earnings growth, rewarding our stakeholders and enhancing our ability to further develop our systems and support in four areas: work-life balance, diversity, health and productivity management, and personnel development.
Through these measures, SCSK is aiming to put into practice its corporate philosophy of "working together to create our future of dreams."

*1: ECU: Electronic Control Unit, a generic term for an embedded system that controls one or more electrical systems/subsystems within a motor vehicle
*2: *The Advanced Corporation Award for the Promotion of Women* (*2) a Prime Minister Prize awarded by the Gender Equality Bureau of the Cabinet Office. This award is intended to recognize companies that have made notable contributions to providing a work environment "in which women shine," including actively promoting women to executive/managerial level positions. While several similar prizes exist in Japan, this award is presented to companies that have made particularly meritorious achievements in this area.

1-5 Major Businesses (as of March 31, 2016)

Manufacturing systems, telecommunication systems, distribution systems, financial systems, business solutions, business services, IT platform solutions, prepaid cards.

1-6 Major Branches (as of March 31, 2016)

(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; Fukuoka-shi, Fukuoka Prefecture; Hiroshima-shi, Hiroshima Prefecture
3. Data centers	Chiyoda-ku, Tokyo; Bunkyo-ku, Tokyo; Koto-ku, Tokyo; Edogawa-ku, Tokyo; Inzai-shi, Chiba Prefecture; Osaka-shi, Osaka; Toyonaka-shi, Osaka; Sanda-shi, Hyogo Prefecture

(2) Main offices of important subsidiaries, etc.

The main offices of important subsidiaries are those listed in (2) 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
11,769 people	Increase of 15 people

Segment	No. of employees
Manufacturing Systems Business	1,926 people
Telecommunication Systems Business	559 people
Distribution Systems Business	1,654 people
Financial Systems Business	2,634 people
Business Solutions	912 people
Business Services	2,348 people
IT Platform Solutions	826 people
Prepaid cards	101 people
Others	809 people
Total	11,769 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
7,261 people	Reduction of 67 people	41 years, 11 months	17 years, 0 months

1-7 Information Regarding Status of Parent Company and Important Subsidiaries (as of March 31, 2016)

(1) Status of parent company

Our parent company is Sumitomo Corporation. At the end of the period under review, Sumitomo Corporation held 52,697,000 of our Company's shares (capital contribution ratio of 48.80%). Our sales to our parent company mostly involve software development, data processing, and sales of hardware, software and other products. Our parent company supplies us with software and other products.

(2) Status of important subsidiaries

Company name	Location	Equity	Capital contribution ratio (%)	Main business
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 USA Inc.	New York State, USA	US$11,850,000	100.00	Software development and data processing
SCSK Europe Ltd.	London, UK	£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
JIEC Co., Ltd.	Shinjuku-ku, Tokyo	¥674 million	69.51	Design and building of data systems where fundamental technology is the core competence
WinTechnology Corporation	Shinjuku-ku, Tokyo	¥100 million	100.00	Consulting in Windows platforms, system design and development, and maintenance services
SCSK ServiceWare Corporation	Koto-ku, Tokyo	¥2,063 million	100.00	Contact center services and BPO services
VeriServe Corporation	Shinjuku-ku, Tokyo	¥792 million	55.59	Product verification services and security verification services, etc.
SCSK PRESCENDO CROPORATION	Koto-ku, Tokyo	¥100 million	82.63	EC Fulfillment services
Allied Engineering Corporation	Koto-ku, Tokyo	¥242 million	100.00	Consulting and Package Software sales and development
CSI SOLUTIONS Corporation	Shinjuku-ku, Tokyo	¥210 million	100.00	System integration, and the sale and maintenance of hardware, etc.
QUO CARD Co., Ltd.	Chuo-ku, Tokyo	¥1,810 million	100.00	Prepaid card business
SCSK Nearshore Systems Corporation	Koto-ku, Tokyo	¥100 million	100.00	Software development and maintenance services
VA Linux Systems Japan K.K.	Koto-ku, Tokyo	¥194 million	100.00	Software development (Open-source software consulting)
SCSK SYSTEM MANAGEMENT CORPORATION	Koto-ku, Tokyo	¥100 million	100.00	Systems operation services
SDC Corporation	Koto-ku, Tokyo	¥96 million	50.10	Network building and operation services

(Notes) 1. On October 1, 2015, subsidiaries' corporate name changes were: FUKUOKA CSK CORPORATION to SCSK KYUSHU CORPORATION; HOKKAIDO CSK CORPORATION to SCSK HOKKAIDO CORPORATION; Sumisho Computer Systems (USA), Inc., to SCSK USA Inc.; SUMISHO COMPUTER SYSTEMS (EUROPE) LTD. to SCSK Europe Ltd.; Sumisho Computer Systems (Asia Pacific) Pte. Ltd. to SCSK Asia Pacific Pte. Ltd.; CSK WinTechnology Corporation to WinTechnology Corporation; CSK ServiceWare Corporation to SCSK ServiceWare Corporation; CSK PRESCENDO CORPORATION to SCSK PRESCENDO

CORPORATION; CSK SYSTEM MANAGEMENT CORPORATION to SCSK SYSTEM MANAGEMENT CORPORATION; and Sumisho Joho Datacraft Corporation to SDC Corporation. Also, on November 23, 2015, the corporate name of Sumisho Computer Systems (Shanghai) Limited was changed to SCSK Shanghai Limited.
2. We have a total of 20 consolidated subsidiaries, including important subsidiaries listed above.

1-8 Principal Lenders and Loans Payable (as of March 31, 2016)

Name of lender	Loans payable (in millions of yen)
Sumitomo Mitsui Trust Bank, Ltd.	4,500
Sumitomo Mitsui Banking Corporation	4,500
Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,500
Mizuho Bank Co., Ltd.	2,500
Others	10,000
Total	25,000

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 on whether to pay dividends lies with the Board of Directors.

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 return 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

104,023,751 shares

(excluding 3,962,652 shares of treasury stock)

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

34,481 people

2-4 Top Ten Shareholders

Name of shareholder	Shares owned	Shareholding ratio
	shares	%
Sumitomo Corporation	52,697,159	50.66
Japan Trustee Services Bank, Ltd. (trust account)	5,716,800	5.50
SCSK Group Employee Stock Ownership Association	2,561,038	2.46
The Master Trust Bank of Japan, Ltd. (trust account)	2,527,800	2.43
J State Street Bank and Trust Company	1,355,853	1.30
JPMC Oppenheimer JASDEC Lending Account	1,208,008	1.16
Argo Graphics Inc.	1,015,500	0.98
Trust & Custody Services Bank, Ltd. (securities investment trust account)	916,100	0.88
State Street Bank and Trust Company 505103	618,850	0.59
Chase Manhattan Bank GTS Clients Account Escrow	607,832	0.58

(Note)
Our Company holds 3,962,652 shares of treasury stock, and this amount 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 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, 2016

・ 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)	28 rights	2,800 ordinary shares	100 shares	No consideration	¥1	From July 28, 2007, to July 26, 2027
July 29, 2008 (4th)	47 rights	4,700 ordinary shares	100 shares	No consideration	¥1	From July 30, 2008, to July 28, 2028
July 30, 2009 (6th)	135 rights	13,500 ordinary shares	100 shares	No consideration	¥1	From July 31, 2009, to July 29, 2029
July 30, 2010 (8th)	259 rights	25,900 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.

・ Holdings of stock acquisition rights (share-based remuneration) by Company officers (by classification)

Date of issuance	Directors (excluding Outside Directors)		Corporate Auditors		Executive officers (excluding Directors)	
	No. of holders	No. of rights	No. of holders	No. of rights	No. of holders	No. of rights
July 27, 2007 (2nd)	3 people	22 rights	0 people	0 rights	1 person	6 rights
July 29, 2008 (4th)	3 people	39 rights	0 people	0 rights	1 person	8 rights
July 30, 2009 (6th)	5 people	69 rights	0 people	0 rights	6 people	66 rights
July 30, 2010 (8th)	5 people	131 rights	1 people	16 rights	7 people	112 rights

(Note) The one corporate auditor who is listed as a holder of new stock acquisition rights was conferred those rights at the time that person was an Executive Officer of the Company.

4. Particulars Regarding the Company's Officers

4-1 Directors and Corporate Auditors

Name	Position in the Company		Significant concurrently held posts
Nobuhide Nakaido	*1	Chairman	
Yoshio Osawa	*1	President	
Hiroaki Kamata		Director	
Shigeo Kurimoto		Director	
Masahiko Suzuki		Director	
Hisakazu Suzuki	*1	Director	
Kimio Fukushima		Director	
Masanori Furunuma		Director	Director of JIEC Co., Ltd.
Tatsuyasu Kumazaki	*1	Director	
Tooru Tanihara		Director	
Takahiro Ichino		Director	Outside Director of VeriServe Corporation
Tetsuya Fukunaga		Director	Outside Director of Argo Graphics Inc.
Hiroyuki Yamazaki		Director	
Masatoshi Endo		Director	
Toshiyuki Kato		Director	
Tatsujiro Naito	*2	Director (part time)	Corporate Officer, Sumitomo Corporation; General Manager, Network Division; Media, Network, Lifestyle Related Goods & Services Business Unit, Sumitomo Corporation; Outside Director, T-Gaia Corporation
Iwao Fuchigami	*2	Director (part time)	
Yuko Yasuda	*2	Director (part time)	Country Manager for Japan, Russell Reynold Associates, Inc.; Representative Director of Starboard Corporation
Yoshiharu Takano	*3, *4	Standing Auditor	
Yasuaki Matsuda	*4	Corporate Auditor	
Hideo Ogawa	*3	Corporate Auditor (part time)	Executive Officer, Sumitomo Corporation; General Manager, Planning & Administration Division; Media, Network, Lifestyle Related Goods & Services Business Unit, Sumitomo Corporation
Shigeki Yasunami	*3	Corporate Auditor (part time)	Representative of the Yasunami Certified Public Accounting Office

(Notes)
1. *1 = Representative Director.
2. *2 = Outside Director, as required by laws and regulations
3. *3 = Outside Corporate Auditor, as required by laws and regulations
4. *4 = Standing Auditor, as required by laws and regulations
5. Director Mr. Iwao Fuchigami, Director Ms. Yuko Yasuda, and Corporate Auditor Mr. Shigeki Yasunami are independent officers who are unlikely to have any conflict of interest with respect to our general shareholders, an assurance we are obliged to secure by the Tokyo Stock Exchange.
6. Corporate Auditor Mr. Yasuaki Matsuda has many years of experience in accounting for both SCSK and Sumitomo Corporation, and has a high degree of knowledge of finance and accounting.
7. Corporate Auditor Mr. Shigeki Yasunami has the qualification of being a certified public accountant, and has a high degree of knowledge of finance and accounting.
8. Sumitomo Corporation is a parent company of SCSK.
9. T-Gaia Corporation is a transactional partner (customer) of SCSK.
10. Other than those listed above, there are no relationships between our Company and any entities at which Outside Directors hold significant posts that require disclosure.
11. Officers holding significant concurrent posts not listed above: not applicable

Changes during the current period under review

1. New appointments Appointed June 25, 2015
   Kimio Fukushima (Director)
   Toshiyuki Kato (Director)
   Yuko Yasuda (Director) (part time)
2. Retirements Retired June 25, 2015
   Satoshi Toriyama (Director)

Executive Officers of the Company

The positions and/or areas of responsibility of numerous Executive Directors have been revised, effective April 1, 2016. Shown below are posts/assignments as of March 31, 2016 (before the revision) and April 1, 2016 (current status).

Current position in company	Name	Areas of responsibility and significant posts concurrently held	
(as of April 1, 2016)		As of March 31, 2016	AS April 1, 2016 (current)
President *1	Tooru Tanihara	General Manager, Manufacturing Systems Business Group; General Manager, IT Management Group	
Executive Vice President *1	Hisakazu Suzuki	General Manager (Legal, General Affairs, Corporate Communications & CSR Group; IR, Finance & Risk Management Group; Internal Auditing)	Chief Legal Officer, Chief Public Relations Officer
Executive Vice President *1	Hiroyuki Yamazaki	General Manager (Corporate Planning, Human Resources, Business Strategy, Research and Development Center)	Chief Strategy Officer, Chief Health Officer, General Manager (Corporate Planning, Human Resources, Business Strategy, Research and Development Center)
Executive Vice President *1	Masahiko Suzuki	General Manager, Business Solutions Group, in charge of Manufacturing Systems Business Group and Automotive Systems Business Division; President, Chubu Branch	Chief Technology Officer, General Manager (R&D Center); General Manager, Business Solutions Group, in charge of Manufacturing Systems Business Group and Automotive Systems Business Division; President, Chubu Branch; officer in charge of Telecommunication Systems Business Group
Executive Vice President *1	Masanori Furunuma	General Manager, Financial Systems Business Group; Director of JIEC Co., Ltd.	Chief System Development Officer; General Manager, Financial Systems Business Group
Senior Managing Executive Officer *1	Tatsuyasu Kumazaki	General Manager (Accounting; Purchasing and Business Coordination Group)	General Manager, Business Services Group
Senior Managing Executive Officer *1	Tetsuya Fukunaga	Deputy General Manager (Finance & Risk Management Group and in charge of IR); General Manager of Finance & Risk Management Group; Outside Director of Argo Graphics Inc.	General Manager (Finance & Risk Management Group and in charge of IR); General Manager of Finance & Risk Management Group; officer in charge (accounting); Outside Director of Argo Graphics Inc.
Senior Managing Executive Officer *1	Masatoshi Endo	General Manager (SE+ Plus Center; Development Division); Deputy General Manager (Purchasing and Business Coordination); General Manager, Development Division	General Manager (SE+ Plus Center; Development Division; Purchasing and Business Coordination); General Manager, Development Division

Current position in company (as of April 1, 2016)	Name	Areas of responsibility and significant posts concurrently held	
		As of March 31, 2016	AS April 1, 2016 (current)
Senior Managing Executive Officer *1, *2	Tatsujiro Naito	—	General Manager, Distribution Systems Business Group; General Manager, Global Systems Business Division; Chief Representative, China & Asia; officer in charge of IT Management Group; Outside Director, T-Gaia Corporation
Senior Managing Executive Officer	Katsuya Imoto	Deputy General Manager, Manufacturing Systems Business Group; General Manager, Nishinihon Branch; General Manager, Business Promotion Group	General Manager, Manufacturing Systems Business Group; General Manager, Nishinihon Branch
Managing Executive Officer	Kenji Mukai	Deputy General Manager, Telecommunication Systems Business Group; General Manager, Media Systems Business Division	General Manager, Telecommunication Systems Business Group
Managing Executive Officer	Akira Komori	General Manager, Human Resources Group	General Manager (Information Systems Planning and Business Process Reengineering) Deputy General Manager (Human Resources)
Managing Executive Officer	Naoaki Mashimo	Deputy General Manager, IT Platform Solutions Group; General Manager of promotion of ITM linkage; General Manager, Business Promotion Division	General Manager, IT Platform Solutions Group
Managing Executive Officer	Toshiaki Kudo	Assistant General Manager, Financial Systems Business Group; General Manager of promotion of ITM linkage	Assistant General Manager, Financial Systems Business Group; General Manager of promotion of ITM linkage
Managing Executive Officer	Tetsuya Ueda	Deputy General Manager, IT Management Group; General Manager, Nishinihon IT Management Business Div.	General Manager, IT Management Group; General Manager, IT Architecture Integration Division
Senior Executive Officer	Yoshinori Imai	Assistant General Manager, Financial Systems Business Group; General Manager, Business Promotion Division; Outside Director of JIEC Co., Ltd.	Assistant General Manager, Financial Systems Business Group; General Manager, Business Promotion Division; Outside Director of JIEC Co., Ltd.
Senior Executive Officer	Atsushi Innami	Assistant General Manager, Business Solutions Group; Representative Director and President of CSK WinTechnology Corporation	Assistant General Manager, Business Solutions Group; Representative Director and President of CSK WinTechnology Corporation
Senior Executive Officer	Hideki Tazai	General Manager, AMO Business Division Ⅱ, Business Solutions Group	General Manager, AMO Business Division Ⅱ, Business Solutions Group
Senior Executive Officer	Yoshimi Jouo	Assistant General Manager, IT Platform Solutions Group; General Manager, Kyushu IT Platform Solutions Division; Representative Director and President of SCSK Kyushu Corporation	General Manager, Kyushu IT Platform Solutions Division, IT Platform Solutions Group; General Manager, Sales Department I; General Manager, Sales Department II; President, Kyushu Branch; Representative Director and President of SCSK Kyushu Corporation
Senior Executive Officer	Noboru Itoh	General Manager, Distribution Systems Business Division Ⅰ	General Manager, Distribution Systems Business Division Ⅰ

Current position in company	Name	Areas of responsibility and significant posts concurrently held	
(as of April 1, 2016)		As of March 31, 2016	AS April 1, 2016 (current)
Senior Executive Officer	Makoto Nakamura	Assistant General Manager (technology), Financial Systems Business Group; in charge of Automotive Systems Technology, Manufacturing Systems Business Group	Assistant General Manager (technology), Financial Systems Business Group; in charge of Automotive Systems Technology, Manufacturing Systems Business Group
Senior Executive Officer	Shigehiro Seki	Assistant General Manager (technology), Financial Systems Business Group; General Manager, Banking Systems Department IV	Assistant General Manager (technology), Financial Systems Business Group; General Manager, Banking Systems Department IV
Senior Executive Officer	Hisanao Takei	Officer in charge of promotion of ITM linkage, Business Solutions Group; General Manager, Business Promotion Division; General Manager, AMO Business Division I	Officer in charge of promotion of ITM linkage, Business Solutions Group; General Manager, Business Promotion Division; General Manager, ProActive Business Solutions Division
Senior Executive Officer	Koichi Naito	Officer in charge of promotion of ITM linkage, Manufacturing Systems Business Group; General Manager, IT Management Services Division, IT Management Group	Officer in charge of promotion of ITM linkage, Manufacturing Systems Business Group; General Manager, IT Management Group, IT Management Services Division
Senior Executive Officer	Atsushi Watanabe	General Manager, Business Promotion Division, IT Management Group; General Manager, netX Data Center Business Division	General Manager, Business Promotion Division, IT Management Group; General Manager, netX Data Center Business Division
Senior Executive Officer	Takashi Shinjo	General Manager, IT Products & Services Division, IT Platform Solutions Group	Officer in charge of promotion of ITM linkage, IT Platform Solutions Group; General Manager, Business Promotion Division; General Manager, IT Products & Services Division
Senior Executive Officer	Yasushi Shimizu	General Manager, Corporate Planning Group; Outside Director of VeriServe Corporation	General Manager (accounting); Outside Director of VeriServe Corporation
Senior Executive Officer	Yoshinori Kawashima	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	Senshi Ogawa	Officer in charge of technology, Automotive Systems Business, Manufacturing Systems Business Group	Officer in charge of technology, Automotive Systems Business, Manufacturing Systems Business Group
Senior Executive Officer	Yutaka Arisawa	Assistant General Manager (Business Strategy Center)	General Manager, Business Strategy Center
Senior Executive Officer	Akihiko Harima	General Manager, Legal, General Affairs, Corporate Communications & CSR Group	General Manager (Legal, General Affairs, Corporate Communications & CSR) General Manager Legal, General Affairs, Corporate Communications & CSR Group; General Manager, Human Resources Group
Senior Executive Officer	Shoichi Kondo	Officer in charge of Automotive Systems Business, Manufacturing Systems Business Group	Officer in charge of Automotive Systems Business, Manufacturing Systems Business Group
Senior Executive Officer	Takaaki Touma	General Manager, Business Promotion Division, Manufacturing Systems Business Group	General Manager, Business Promotion Division, Manufacturing Systems Business Group; General Manager, Manufacturing Systems Business Group
Senior Executive Officer	Takayuki Okuhara	General Manager, Business Strategy Center	General Manager, Corporate Planning Group

Current position in company (as of April 1, 2016)	Name	Areas of responsibility and significant posts concurrently held	
		As of March 31, 2016	AS April 1, 2016 (current)
Senior Executive Officer	Yuji Ueno	General Manager, Engineering Solutions Division, IT Platform Solutions Group	General Manager, Engineering Solutions Division, IT Platform Solutions Group
Senior Executive Officer	Teruhisa Hagiwara	Officer charge of promotion of ITM linkage, Business Services Group; General Manager, Business Promotion Division	Officer in charge of promotion of ITM linkage, Business Services Group; General Manager, Business Promotion Division
Executive Officer	Tadashi Miyagawa	Officer in charge of promotion of ITM linkage, Telecommunication Systems Business Group; General Manager, Business Promotion Division	Officer in charge of promotion of ITM linkage, Telecommunication Systems Business Group; General Manager, Business Promotion Division
Executive Officer	Takaya Yamamoto	General Manager, Banking Systems Dept. V (Nishinihon), Financial Systems Business Group	General Manager, Banking Systems Dept. V (Nishinihon), Financial Systems Business Group
Executive Officer	Kan Takahashi	General Manager, Financial System Business Division I, Financial Systems Business Group	General Manager, Financial System Business Division I, Financial Systems Business Group
Executive Officer	Naoki Ike	General Manager, IT Engineering Division, IT Platform Solutions Group	General Manager, IT Engineering Division, IT Platform Solutions Group
Executive Officer	Yukihiko Saito	General Manager, ProActive Business Solutions Division, Business Solutions Group	General Manager, Solutions Department I, AMO Business Division
Executive Officer	Yasuhiko Oka	General Manager, Accounting Group; Outside Director of JIEC Co., Ltd.; Outside Corporate Auditor of VeriServe Corporation	General Manager, Accounting Group; Outside Director of JIEC Co., Ltd.; Outside Corporate Auditor of VeriServe Corporation
Executive Officer	Koji Watanabe	General Manager, Chubu Industrial Systems Business Division, Manufacturing Systems Business Group; General Manager, Automotive Systems Business Division	General Manager, Chubu Industrial Systems Business Division, Manufacturing Systems Business Group; General Manager, Automotive Systems Dept. III, Automotive Systems Business Division
Executive Officer	Toshihiko Mitsuishi	General Manager, Financial Systems Business Division II, Financial Systems Business Group	General Manager, Financial Systems Business Division II, Financial Systems Business Group
Executive Officer	Eri Kawabe	Deputy General Manager, Human Resources Group	Officer in charge of promotion of ITM linkage; General Manager, Business Promotion Division, Distribution Systems Business Group; Deputy General Manager, Human Resources Group
Executive Officer	Akira Yamano	General Manager, R&D Center; General Manager, OSS Strategy Planning Department	General Manager, R&D Center; General Manager, OSS Strategy Planning Department
Executive Officer	Toshiya Uchida	General Manager, Distribution Systems Department II, Distribution Systems Business Group	General Manager, Distribution Systems Department II, Distribution Systems Business Group
Executive Officer	Mineo Yokoyama	General Manager, Nishinihon Industrial Systems Business Division II, Manufacturing Systems Business Group	General Manager, Nishinihon Industrial Systems Business Division II, Manufacturing Systems Business Group; General Manager, Industrial Systems Department I, Manufacturing Systems Business Group; General Manager, Business Promotion Division, Nishinihon Branch

Current position in company (as of April 1, 2016)	Name	Areas of responsibility and significant posts concurrently held	
		As of March 31, 2016	AS April 1, 2016 (current)
Executive Officer *2	Hiroyuki Komiya	—	Deputy General Manager, AMO Business Division II, Business Solutions Group; General Manager, Solutions Department III
Executive Officer *2	Hitoshi Kohiyama	—	Deputy General Manager, Financial Systems Department II, Financial Systems Business Group
Executive Officer *2	Takashi Mizuno	—	General Manager, Corporate Systems Division, Business Solutions Group; General Manager, Information Systems Planning and Business Process Reengineering Group
Executive Officer *2	Kazuhiko Abe	—	General Manager, SC Systems Business Division, Distribution Systems Business Group

(Notes) 1. *1 = Serves jointly as Executive Officer and Director.
2. *2 = Newly seated as Executive Officer on April 1, 2016.
3. Listed below are Executive Officers who retired as of March 31, 2016.

Position at retirement	Name	Areas of responsibility at retirement
President	Yoshio Osawa	
Executive Vice President	Hiroaki Kamata	General Manager of Development (Manufacturing Systems Business, Telecommunication Systems Business, Distribution System Business, Financial Business System); General Manager (R&D Center); General Manager, Telecommunication Systems Business Group
Executive Vice President	Shigeo Kurimoto	General Manager of Functions (Business Solutions, Business Services, IT Platform Solutions, IT Management); General Manager, IT Platform Solutions Group; General Manager of Big Data Strategy Promotion
Senior Managing Executive Officer	Kimio Fukushima	Assistant to Chief Operating Officer; General Manager, Business Support Group
Senior Managing Executive Officer	Takahiro Ichino	General Manager, Business Services Group; Outside Director of SCSK
Managing Executive Officer	Toshiyuki Kato	General Manager, Distribution Systems Business Group; General Manager, Global Systems Business Division; Chief Representative, China & Asia
Senior Executive Officer	Hisanori Saeki	General Manager, Manufacturing & Services Systems Business Division, Industrial Systems Business Group

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

Category	No. of payees	Total amount of remuneration, etc.
Directors (of which Outside Directors)	19 people (3 people)	¥767 million (¥12 million)
Corporate Auditors (of which Outside Auditors)	4 people (3 people)	¥58 million (¥35 million)
Total	23 people	¥825 million

(Notes) 1. The upper limit on officer remuneration as determined upon resolution at the General Meeting of Shareholders (June 28, 2011) is, on a single business year basis, ¥960 million for Directors (internal), ¥40 million for Directors (outside), and ¥150 million for Corporate Auditors.
2. No Outside Directors or Outside Auditors 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	Main activities
Director	Tatsujiro Naito	Attended all 11 meetings of the Board of Directors held during the fiscal year ending March 31, 2016. Based on his objective standpoint and experience, he gave a broad perspective from his excellent insight, and actively participated in the meetings.
Director	Iwao Fuchigami	Attended all 10 meetings of the Board of Directors held during the fiscal year ending March 31, 2016. Based on his objective standpoint and experience, he gave a broad perspective from his excellent insight, and actively participated in the meetings.
Director	Yuko Yasuda	Attended all 9 meetings of the Board of Directors that were held during the fiscal year ending March 31, 2016 following her election as a Director (June 25, 2015). Based on his objective standpoint and experience, he gave a broad perspective from his excellent insight, and actively participated in the meetings.
Corporate Auditor	Yoshiharu Takano	Attended all 11 meetings of the Board of Directors held during the fiscal year ending March 31, 2016. Based on his objective standpoint and experience, he asked appropriate questions and gave opinions during proposals and discussions to clarify various questions that arose. In addition, he attended all 17 meetings of the Board of Corporate Auditors held during the fiscal year ending March 31, 2016. He exchanged opinions about audit findings, and entered into consultation, etc. regarding important auditing matters.
Corporate Auditor	Hideo Ogawa	Attended 10 out of the 11 meetings of the Board of Directors held during the fiscal year ending March 31, 2016. Based on his objective standpoint and experience, he asked appropriate questions and gave opinions during proposals and discussions to clarify various questions that arose. In addition, he attended 14 of the 17 meetings of the Board of Corporate Auditors held during the fiscal year ending March 31, 2016. He exchanged opinions about audit findings, and entered into consultation, etc. regarding important auditing matters.
Corporate Auditor	Shigeki Yasunami	Attended all 11 meetings of the Board of Directors held during the fiscal year ending March 31, 2015. Based on his objective standpoint and experience, he asked appropriate questions and gave opinions during proposals and discussions to clarify various questions that arose. In addition, he attended all 17 meetings of the Board of Corporate Auditors held during the fiscal year ending March 31, 2016. He exchanged opinions about audit findings, and entered into consultation, etc. regarding important auditing matters.

(Note) The number of written resolutions signed by all Directors in lieu of a meeting of the Board of Directors is excluded.

4-5 Matters Regarding Liability Limitation Agreements

The Company, based on Article 427, Paragraph 1 of the Companies Act, and Article 28, Paragraph 2 and Article 37, Paragraph 2 of the Articles of Incorporation, has entered into liability limitation agreements with each Director (excluding Executive Directors, etc.) and each Corporate Auditor (excluding Standing Auditors) 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	¥177 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)	¥277 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 preparation of a US Statement of Standards on Assurance Engagements (SSAE) No. 16 Report).

3. Through hearings/reports and required documents provided by the Independent Auditor or by the directorship, accounting, internal control or other internal company units, the Board of Auditors 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 Board of Auditors provides its consent to Independent Auditor fees, etc., under Article 399 (1) of the Companies Act.

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

In the event there is a significant adverse effect on the adequate execution of the Company's Independent Auditor's duties due to reasons such as when an Independent Auditor is suspended from practice by the authorities and the situation is judged to be irremediable, the Board of Corporate Auditors' policy is to dismiss or not reappoint such Independent Auditor and to submit an agenda item to the General Meeting of Shareholders.

In addition, in the event the Company's Independent Auditor falls under any of the situations stipulated in each clause of Article 340, Section 1 of the Companies Act, the Board of Corporate Auditors' policy is to dismiss such Independent Auditor in accordance with the consent of all the Corporate Auditors.

6. Matters Pertaining to Systems for Ensuring the Appropriateness of Operations and the Current Status of Their Implementation

6-1. Resolutions to Set Up Systems, etc., Necessary to Ensure the Appropriateness of Operations

We have resolved to establish and implement the following basic policies and systems to ensure that, in the execution of their duties, our Directors comply with laws and regulations and with our Articles of Incorporation, and other systems necessary to ensure the appropriateness of our operations (these systems are hereinafter referred to as the "Internal Control System").

Furthermore, we are making efforts to establish a superior Internal Control System that conforms to occasional new requirements while confirming that the current System is functioning properly and continuously revising it.

(1) Systems for Ensuring that the Execution of Duties of Directors and Employees Complies with Laws and Regulations and the Articles of Incorporation, by SCSK and the Corporate Group comprised of SCSK and its subsidiaries

・As a Company with Corporate Auditors, we are establishing policies concerning the maintenance of our Internal Control System, and make efforts to ensure that our officers and employees comply with laws and regulations.

・We continuously appoint Outside Directors to maintain and enhance the supervising functions of the Board of Directors.

・To enhance the supervising functions of Directors and the Board of Directors, we have adopted an Executive Officer system that separates the supervising functions of the Board of Directors and the Directors from the executive functions of the Executive Officers.

・We check whether the Internal Control System is functioning effectively. As an internal auditing system to supervise these checks, we have an Internal Auditing Department that directly reports to the Chairman and to the President. We have also established a Risk Management Department to sustain improvements to the Internal Control System and to assist in its operation.

・We have stipulated internal regulations, including regulations concerning compliance with laws and regulations, etc., to make the Code of Conduct clear to our officers and employees. We have established a Compliance Committee, prepared a Compliance Manual, and have distributed copies of it to all levels within the Company to ensure thorough compliance with laws and regulations, etc.

・As part of our efforts to improve our system for compliance with laws and regulations, etc., we have introduced a system that provides thorough protection to reporters of information so that Directors and employees who wish to report information about compliance can use secure routes to directly report to the Compliance Committee Chairman, the Corporate Auditors or Legal Advisers.

(2) Systems for Retaining and Managing Information Pertaining to the Directors' Execution of their Duties

・We have stipulated document management regulations and other internal regulations covering the preservation and management of information and requests for approval, etc., concerning the execution of the

duties of the Board of Directors and regarding decisions that have been made at important meetings, including meetings of the Board of Directors. We have set up a system to ensure appropriate records administration.

(3) Rules and Other Systems Pertaining to Risk Management for Losses

・We have set up systems to recognize and assess possible risks in relation to our business. We have prepared, managed and operated regulations, guidelines, etc., to prevent risk in the relevant departments and create mechanisms that can cope with different risks.

・We have prepared for the occurrence of unforeseen circumstances that might have serious effects on our Company, and have prepared emergency regulations to ensure a system that is capable of responding swiftly and appropriately.

・We have established regulations concerning information security management and the protection of personal information. We are ensuring comprehensive management and appropriate protection of confidential information and personal information in our business activities. In addition, through our training and awareness-raising programs, we are spreading the message throughout our Company of the importance of information security and how to ensure that it is done properly.

(4) Systems for Ensuring the Efficient Execution of Directors' Duties

・We have adopted an Executive Officer system and have clarified the responsibilities and limits of authority of executives, to enable more efficient execution of Directors' duties.

・We have established a Management Committee to act as an advisory body to the Chairman and to the President concerning important management matters. We have also set up committees to act as advisory bodies to the Chairman and President concerning specific management issues.

・We have established an organization system to enable Directors and employees to perform their duties effectively, and have set up systems which use IT to make management decision-making more efficient.

(5) Systems for Ensuring the Appropriateness of Operations by SCSK and the Corporate Group Comprised of SCSK, its Subsidiaries and Parent Company

・Under close collaboration among our parent company and subsidiaries, we work to configure a structure capable of ensuring the appropriateness of the operations of our Corporate Group.

・We have established a Management Philosophy and Code of Conduct, and are promoting the sharing of this management philosophy. Based on our Subsidiary Management Rules, we have also established internal regulations to stipulate which important matters arising in the management of subsidiaries, etc., are subject to management deliberation or otherwise reported to our Company.

・Through such deliberation or reporting, we shall maintain a groupwide grasp of our managerial situation and, thus informed, shall strive to ensure the appropriateness of our operations and the suitability of our risk management.

・While respecting the autonomy of our subsidiaries and in consideration of their business activities/scale, we shall configure a system that provides a suitable level of operational support at the corporate group level and allows subsidiary Directors, et al., to efficiently execute their duties.

・We have instructed our subsidiaries to set up their own compliance committees so that they too have similar

systems in place to ensure compliance with laws and regulations, etc.

・Our Company's Compliance Committee deliberates matters pertaining to groupwide (including subsidiary) compliance. Also, in our internal control system, we operate on a groupwide level through collaboration with subsidiaries by, for example, fielding direct communications from subsidiary Directors and employees.

(6) Matters Regarding Personnel Assigned by Request of Corporate Auditors for Support of their Operations

・We have set up a Corporate Auditors' Department to assist the Corporate Auditors, and have appointed employees (the "Corporate Auditor staff") to work in this department.

(7) Matters Regarding Independence from Directors of the Personnel of Item (6)

・The Corporate Auditors' Department shall maintain independence from the Board of Directors.

・Corporate Auditors shall receive advance notice of personnel changes to and reviews of the Corporate Auditor staff. If necessary, the Corporate Auditors may request that the Chairman or the President revise those changes.

(8) Matters Regarding the Effectiveness of Instructions to the Personnel of Item (6)

・Corporate Auditor staff members shall carry out their duties based on instructions from the Corporate Auditors.

(9) Systems for Directors and Employees to Report to the Corporate Auditors

・The Board of Directors and the Directors request the Corporate Auditors to attend Management Committee meetings and other important meetings.

・Important Directors (including the Chairman and the President) and employees shall hold periodic briefings so as to maintain good, two-way communication with the Corporate Auditors.

・Of the deliberative/reportable items delineated within Work Authority and Limitations, those of importance shall be circulated to the Corporate Auditors. Also, with regards to legal matters or to matters likely to have a substantial impact throughout the Company, Directors and employees shall promptly present reports/explanations to Corporate Auditors as necessary.

・Corporate Auditors also serve as a direct contact point under our internal reporting system.

(10) Systems for Subsidiary Directors, Auditors, Employees or Others Receiving Information from those Parties to Report to the Corporate Auditor

・Of the deliberative/reportable items delineated within the Subsidiary Management Rules, a number of predetermined matters shall be reported to the Corporate Auditors.

・Under our groupwide internal reporting system, Corporate Auditors shall also serve as a direct contact point for communications/information from subsidiary officers, employees, et al.

(11) Systems for Assuring that Those Who Provide Information under Item (9) or (10) above are not Treated Disadvantageously as a Result

・The compliance rules of our Company and our Subsidiaries clearly state that a person who provides

information under Item (9) or (10) will not be treated disadvantageously as a result.

(12) Procedures for the Prepayment/Reimbursement of Expenses Incurred in the Course of a Corporate Auditor's Work Duties and Treatment of Expenses/Obligations Incurred Through the Execution of Other Applicable Work Duties

・The Company shall honor requests for the prepayment/reimbursement of expenses incurred in the course of a Corporate Auditor's work duties and for the assumption of obligations incurred therein unless it can be shown that said expenses, etc., were not incurred within the execution of that Corporate Auditor's work duties.

(13) Other Systems for Ensuring that Auditing will be Carried Out Effectively by the Corporate Auditors

・The Directors of our subsidiaries shall communicate with the Corporate Auditors of our Company and our subsidiaries and gather and exchange information with them to ensure that our Company's and subsidiaries' Corporate Auditors are carrying out their duties appropriately.
・Officers and employees shall cooperate with audit activities, per the Board of Auditors' regulations set by the Board of Auditors and the Corporate Auditors' audit standards, so that the Corporate Auditors can work effectively.
・The Internal Auditing Department shall present timely reports to the Corporate Auditors about internal audit plans and results. Department personnel shall work closely with the Corporate Auditors to ensure effective audits by the Corporate Auditors.

(14) Our Basic Approach to and Current State of Preventing Anti-social Activities

・We have established a concept of not maintaining relationships with anti-social forces or groups as our basic policy to prevent us from ever having relationships with anti-social forces or groups that would threaten civic social order and safety.
・In our Compliance Manual, stipulated as a specific rule is that we are not to maintain relationships with anti-social forces or groups.
・In close collaboration with our Legal Adviser and the police, we are creating an environment in which we can respond promptly to anti-social forces, and we are making efforts to understand trends relating to anti-social forces.
・Our standard Company agreements contain articles that exclude anti-social forces. We conduct in-house training concerning the prevention of improper demands from anti-social forces, as well as other efforts to exclude anti-social forces.

6-2. Overview of Systems to Ensure the Appropriateness of Operations

Presented below is an overview of the current situation for systems intended to ensure the appropriateness of operations.

(1) Compliance system

We have established internal compliance regulations and prepared a Compliance Manual, and our

Compliance Committee meets regularly. Also, we conduct continuous training activities for officers and employees, while top-level Company management issues notifications and other communications intended to heighten awareness of compliance matters.

Furthermore, with regards to our system for encouraging internal reporting of potential compliance issues, we have distributed cards to our officers and employees to specify where they should contact. We continue to inform people about this system and work to maintain its effectiveness.

(2) Risk management system

We have established risk management regulations and continually work to monitor and assess risks. Furthermore, with regards to specific risks, we have taken concrete measures at the level of relevant departments.

With regards to unforeseen circumstances that could have a particularly serious impact on our Company, we have prepared a series of regulations for response in emergency situations. Particularly with regards to natural disasters including earthquakes in particular, we have prepared an emergency response manual for distribution to officers and employees. We remain active in this regard by, for example, regularly holding disaster response drills and the like.

In addition, we have established regulations concerning information security and management of personal information. Through this, along with continual training, directives and notifications, we work to inculcate the importance of information security throughout our Company.

(3) Systems for Ensuring the Efficient Execution of Directors' Duties

We have adopted an Executive Officer system under which we clearly separate monitoring functions and executive functions. Here, we have established a Management Committee and other committees to act as advisory bodies to the Chairman and to the President. Furthermore, to promote the efficiency of decision-making/execution processes, we have installed a system under which various deliberations are advanced under a work flow system.

(4) Subsidiary management system

Based on Subsidiary Management Rules, we determine a primary unit in charge for each subsidiary, from there creating and operating a management system covering various subsidiary reporting and deliberative requirements *vis-a-vis* our Company. We also work to maintain and enhance a work system suitable as a group entity, one that includes: seconding of Directors/Corporate Auditors to subsidiaries; operation of managerial committees within the subsidiaries; distribution of cards outlining our Management Philosophy and Code of Conduct e to subsidiary officers and employees; facilitation of audits by our Corporate Auditors' Department and Internal Auditing Department; collaboration and information sharing among auditing departments throughout the group; support for our internal reporting system; etc.

(5) Audit system

Corporate Auditors shall attend Management Committee meetings and other important meetings

conducted per regulations/plans formulated by the Board of Auditors, and are also to hold discussions with relevant officers and employees, including top-level managers. We have set up the Corporate Auditors' Department to assist Corporate Auditors, and have appointed employees (the Corporate Auditor staff) to work in this department. Corporate Auditor staff reassignments, evaluations, and the like shall be reported to Corporate Auditors so as to assure a degree of independence from Directors. Regular meetings shall be held with the Internal Auditing Department to promote collaboration and auditing efficiency.

(Note) The above pertains to our systems and current situation as of the fiscal year under review. Under resolutions of the Board of Directors at its meeting on February 18, 2016, we have adopted certain revisions which took effect on April 1, 2016.

(Note) Values expressed in units of millions of yen have been rounded down to the nearest unit.

Consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Assets		Liabilities	
Current assets	**238,175**	**Current liabilities**	**156,255**
Cash and deposits	20,840	Notes and accounts payable	19,679
Notes and accounts receivable-trade	63,373	Short-term borrowing	10,000
Lease receivables and lease investment assets	458		
Securities	800	Current portion of long-term loans payable	5,000
Operational investment securities	10,110	Lease obligations	980
Merchandise and finished products	5,373	Income taxes payable	3,725
Work in progress	752	Provision for bonuses	6,275
Raw materials and supplies	53	Provision for directors' bonuses	258
Deferred tax assets	7,392	Provision for loss on construction contracts	984
Deposits paid	79,004	Deposits received on prepaid cards	83,788
Guarantee deposits	37,443	Other	25,562
Other	12,613		
Allowance for doubtful accounts	(41)	**Fixed liabilities**	**44,873**
		Bonds payable	25,000
Noncurrent assets	**114,500**	Long-term borrowings	10,000
Property, plant and equipment	**66,872**	Lease obligations	1,435
Buildings and structures	34,119	Liabilities related to retirement benefits	5,759
Tools, furniture and fixtures	7,632	Provision for directors' retirement benefits	24
Land	20,583	Asset retirement obligations	2,056
Lease assets	1,261	Long-term lease guarantee deposits	526
Construction in progress	3,271	Other	72
Other	4	**Total Liabilities**	**201,129**
		Net Assets	
Intangible fixed assets	**8,529**	**Shareholder' equity**	**147,649**
Goodwill	232	**Capital stock**	**21,152**
Other	8,297	**Capital surplus**	**3,054**
		Retained earnings	**131,886**
Investment and other assets	**39,098**	**Treasury stock**	**(8,444)**
Investment securities	8,075	**Accumulated other comprehensive income**	**(2,229)**
Long-term prepaid expenses	1,242	Valuation differences	1,556
Assets related to retirement benefits	10	Deferred gains or losses on hedges	(89)
Lease and guarantee deposits	6,855	Foreign currency translation adjustment	169
Deferred tax assets	21,969	Remeasurements of defined benefit plans	(3,866)
Other	1,256	**Subscription rights to shares**	**88**
Allowance for doubtful accounts	(311)	**Minority interests**	**6,038**
		Total Net Assets	**151,546**
Total Assets	**352,676**	**Total Liabilities & Net Assets**	**352,676**

Consolidated Statement of Income

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

Subject	Amount
Net sales	323,945
Cost of sales	245,923
Gross profit	**78,021**
Selling, general and administrative expenses	46,235
Operating income	**31,785**
Non-operating income	2,279
Interest income	99
Dividend income	60
Equity in earnings of affiliates	344
Gains on sales of investment securities	89
Hoard profit of prepaid cards	1,376
Other	310
Non-operating expenses	455
Interest paid	197
Corporate bond issuance expenses	48
Other	209
Ordinary income	**33,610**
Extraordinary income	160
Gain on sale of noncurrent assets	1
Gain on sales of investment securities	159
Extraordinary loss	912
Loss on retirement of noncurrent assets	87
Loss on sale of noncurrent assets	14
Impairment loss	356
Loss on valuation of membership	2
Office transfer related expenses	374
Compensation expenses	76
Pretax profit of the current term	**32,858**
Income taxes - current	4,151
Income taxes - deferred	964
Net income	**27,742**
Profit attributable to non-controlling interests	**786**
Profit attributable to owners of parent	**26,956**

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance on April 1, 2015	**21,152**	**3,054**	**111,171**	**(8,471)**	**126,907**
Changes during the consolidated period					
Dividends of surplus			(6,240)		(6,240)
Profit attributable to owners of parent			26,956		26,956
Change in treasury shares of parent arising from transactions with non controlling shareholders		7			7
Purchase of treasury stock				(22)	(22)
Disposal of treasury stock		(7)		42	34
Change in equity in affiliates accounted for by equity method-treasure stock				7	7
Changes during the consolidated period of items other than shareholders' equity (net)					
Change during the consolidated period	**-**	**(0)**	**20,715**	**26**	**20,742**
Balance on March 31, 2016	**21,152**	**3,054**	**131,886**	**(8,444)**	**147,649**

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Variation difference on available-for-sale	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Valuation difference on available-for-sale securities			
Balance on April 1, 2015	**2,520**	**(16)**	**361**	**2,684**	**5,550**	**106**	**5,971**	**138,536**
Changes during the consolidated period								
Dividend surplus								(6,240)
Profit attributable to owners of parent								26,956
Change in treasury shares of parent arising from transactions with non controlling shareholders								7
Purchase of treasury stock								(22)
Disposal of treasury stock								34
Change in equity in affiliates accounted for by equity method-treasury stock								7
Changes during the consolidated period of items other than shareholders' equity (net)	(963)	(73)	(192)	(6,650)	(7,780)	(18)	66	(7,731)
Change during the consolidated period	(963)	(73)	(192)	(6,650)	(7,780)	(18)	66	**13,010**
Balance on March 31, 2016	**1,556**	**(89)**	**169**	**3,866**	**2,229**	**88**	**6,038**	**151,546**

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

Non-consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Assets		Liabilities	
Current assets	**158,530**	**Current liabilities**	**118,343**
Cash and deposits	8,206	Accounts payable-trade	16,899
Notes	483	Short-term borrowing	10,000
Accounts receivable	50,477	Current portion of long-term loans payable	5,000
Lease investment assets	457	Lease obligations	941
Merchandise and finished products	4,440	Accounts payable	6,860
Work in progress	538	Expenses payable	1,177
Raw materials and supplies	44	Income taxes payable	2,482
Advance payments	278	Consumption taxes payable	713
Prepaid expenses	6,681	Advances received	7,328
Deferred tax assets	5,994	Deposits received	61,527
Deposits paid	78,000	Provision for bonuses	4,027
Short-term loans receivable from subsidiaries and affiliates	280	Provision for directors' bonuses	222
Other	2,669	Provision for loss on construction contracts	981
Allowance for doubtful accounts	(20)	Asset retirement obligations (short term)	45
		Other	135
Noncurrent assets	**135,621**	**Noncurrent liabilities**	**39,895**
Property, plant and equipment	**65,322**	Bonds payable	25,000
Buildings	33,015	Long-term borrowings	10,000
Structures	349	Long-term accounts payable	1
Motor vehicles and transport equipment	1	Lease obligation (noncurrent)	1,394
Tools, furniture and fixtures	6,990	Provision for retirement benefits	259
Land	20,583	Provision for directors' retirement benefits	11
Lease assets (tangible)	1,133	Asset retirement obligations	1,696
Construction in progress	3,249	Long-term lease guarantee deposits	1,532
		Total Liabilities	**158,238**
Intangible fixed assets	**7,662**	**Net Assets**	
Goodwill	153	**Shareholder' equity**	**134,521**
Software	7,264	**Capital stock**	**21,152**
Lease assets	122	**Capital surplus**	**1,299**
Telephone subscription rights	117	Capital reserve	1,299
Utility/facility use rights	3	**Retained earnings**	**120,085**
Trademark rights	1	Legal retained earnings	2,334
		Other retained earnings	117,751
Investment and other assets	**62,636**	General reserve	23,310
Investment securities	3,079	Retained earnings brought forward	94,441
Shares of subsidiaries and affiliates	31,062	**Treasury stock**	**(8,017)**
Other negotiable securities of subsidiaries and affiliates	676	**Valuation and translation adjustments**	**1,303**
Long-term loans receivable	55	**Valuation difference on available-for-sale securities**	**1,393**
Long-term loans receivable from employees	69	**Deferred gains or losses on hedges**	**(89)**
Claims provable in bankruptcy rehabilitation	213	**Subscription rights to shares**	**88**
Long-term prepaid expenses	1,232		
Lease and guarantee deposits	6,021		

Deferred tax assets (noncurrent)	18,848		
Membership rights	205		
Lease investment assets (noncurrent)	685		
Prepaid pension expenses	779		
Other (noncurrent)	11		
Allowance for doubtful accounts (noncurrent)	(305)	**Total Net Assets**	**135,913**
Total Assets	**294,152**	**Total Liabilities & Net Assets**	**294,152**

Non-consolidated Statement of Income

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

Subject	Amount
Sales	256,115
Cost of sales	195,756
Gross profit	**60,358**
Selling, general and administrative expenses	35,484
Operating income	**24,874**
Non-operating income	1,032
Interest income	185
Dividend income	452
Gains on investment partnership management	185
Other	208
Non-operating expenses	483
Interest paid on loans	234
Interest on corporate bonds	105
Other	143
Ordinary income	**25,423**
Extraordinary income	160
Gain on sale of noncurrent assets	1
Gain on sales of investment securities	159
Extraordinary loss	893
Loss on retirement of noncurrent assets	76
Loss on sale of noncurrent assets	11
Impairment loss	356
Loss on valuation of membership	2
Office transfer related expenses	368
Compensation expenses	76
Income before taxes	**24,691**
Income taxes - current	1,225
Income taxes - deferred	727
Net income	**22,737**

Statement of Changes in Shareholders' Equity

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			
		Capital stock	Capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance on April 1, 2015	**21,152**	**1,299**	**1,299**	**1,710**	**23,310**	**78,575**	**103,595**
Changes during the consolidated period							
Dividends of surplus						(6,240)	(6,240)
Net income						22,737	22,737
Purchase of treasury stock							-
Disposal of treasury stock						(7)	(7)
Legal retained earnings				624		(624)	-
Changes during the period of items other than shareholders' equity (net)							-
Total change during the period	-	-	-	624	-	15,865	16,489
Balance on March 31, 2016	**21,152**	**1,299**	**1,299**	**2,334**	**23,310**	**97,441**	**120,085**

(Millions of yen)

	Shareholders' equity		Variation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury stock	Total Shareholders' equity	Variation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance on April 1, 2015	**(8,036)**	**118,012**	**2,268**	**(16)**	**2,252**	**106**	**120,371**
Changes during the consolidated period							
Dividend surplus		(6,240)					(6,240)
Net income		22,737					22,737
Purchase of treasury stock	(22)	(22)					(22)
Disposal of treasury stock	42	35					35
Legal retained earnings		-					-
Changes during the consolidated period of items other than shareholders' equity (net)			(875)	(73)	(948)	(18)	(966)
Total change during the consolidated period	19	16,509	**(875)**	**(73)**	**(948)**	**(18)**	**15,542**
Balance on March 31, 2016	**(8,017)**	**134,521**	**1,393**	**(89)**	**1,303**	**88**	**135,913**

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

Independent Auditor's Report

May 16, 2016

The Board of Directors
SCSK Corporation

KPMG AZSA LLC

Toshiya Mori (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tomoyasu Sugizaki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hideaki Takao (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

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 for the fiscal year from April 1, 2015 to March 31, 2016 in accordance with Article 444, Section 4 of the Companies Act.

Management's Responsibility for the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as the Independent Auditor. We conducted our audit in accordance with auditing standards generally accepted to be

fair and appropriate in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected are based on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making these risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, although the objective of the consolidated financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is appropriate and sufficient to provide a basis for our audit opinion.

Opinion

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 and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared.

Relationships of Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Independent Auditor's Report

May 16, 2016

The Board of Directors
SCSK Corporation

KPMG AZSA LLC

Toshiya Mori (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tomoyasu Sugizaki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hideaki Takao (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

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 for the 48th fiscal year from April 1, 2015 to March 31, 2016 in accordance with Article 436, Section 2, Paragraph 1 of the Companies Act.

Management's Responsibility for the Non-consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and supplementary schedules 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 and supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the non-consolidated financial statements and the supplementary schedules based on our audit as the Independent Auditor. We conducted our audit in

accordance with auditing standards generally accepted to be fair and appropriate in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules are free from material misstatement.
An audit involves performing procedures to obtain evidence about the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. The procedures selected are based on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and supplementary schedules, whether due to fraud or error. In making these risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and supplementary schedules in order to design audit procedures that are appropriate for the circumstances, although the objective of the non-consolidated financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is appropriate and sufficient to provide a basis for our audit opinion.

Opinion

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

Relationships of Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Audit Report

The Board of Corporate Auditors, based on audit reports prepared by each Corporate Auditor related to the execution of duties of Directors during the 48th fiscal year from April 1, 2015 to March 31, 2016, hereby reports its audit results, after examination and discussion, as follows:

1. Audit Methods by the individual Corporate Auditors and by the Board of Corporate Auditors, and their details

We, the Board of Corporate Auditors, established auditing policies, auditing plans and role sharing for the fiscal year and received audit reports from each Corporate Auditor on the execution of his auditing activities and the result thereof. In addition, we received reports on the execution of duties from Directors and others and from the Independent Auditor, and, when necessary, requested their explanations regarding such reports.

In accordance with the auditing standards for Corporate Auditors set by the Board of Corporate Auditors, each Corporate Auditor communicated with Directors, the Internal Auditing Department and employees, and endeavored to gather information and maintain an optimal environment for auditing, according to the auditing policies, auditing plans and role sharing for the fiscal year. We also attended the meetings of the Board of Directors and other important meetings, received reports from Directors and employees, etc. of the Company on business execution, and, when necessary, requested their 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 with the directors and corporate auditors, etc., of the subsidiaries. We visited the subsidiaries and received business reports, as necessary.

In addition, on the details of the Board of Directors' resolutions regarding the development of systems necessary to ensure that the execution of duties by Directors complies with laws and regulations, the Articles of Incorporation, and other systems prescribed by Article 100, Paragraphs 1 and 3 of the Enforcement Regulations promulgated under the Companies Act as systems necessary to ensure the properness of operations of the Corporate Group that consists of SCSK and its subsidiaries, which is stated in the business report, and the systems that is established in accordance with such resolutions (the "Internal Control System"), we received regular reports from Directors and employees, etc. regarding the status of development and implementation of the Internal Control System, asked them for explanations as necessary, and stated our opinions. As for internal controls over financial reporting, we received reports form the Directors, etc., and from KPMG AZSA LLC regarding the evaluation and status of audit on such internal controls. We asked them for explanations as necessary.

Furthermore, we monitored and followed up on whether the Independent Auditor had retained its independent position and had conducted its audit in an adequate manner, and received reports from the Independent Auditor regarding the execution of its duties, and asked the Accounting Auditor for explanations as necessary. In addition, we received notice from the Independent Auditor that the "System to Ensure the Execution of Duties is Conducted in an Appropriate Manner (the matters set forth in each clause

of the Article 131 of the Enforcement Regulations Regarding Accounting promulgated under the Companies Act)" is established under the "Quality Control Standard Regarding Audit (by the Business Accounting Council, October 28, 2005)," and asked the Independent Auditor for explanations as necessary.

Based on the aforementioned methods, we 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 along with 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)Result of the audit of the business report, etc.

(a) 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.

(b) There has been neither unfair conduct nor any material violation of Japanese laws or regulations or the Articles of Incorporation in the execution of duties of the Directors.

(c) 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.

(2) Results of the audit of the non-consolidated financial statements and supplementary schedules

We consider 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

We consider the methods and results of the audit by the Independent Auditor, KPMG AZSA LLC to be due and proper.

May 17, 2016

Board of Corporate Auditors, SCSK Corporation

Yoshiharu Takano (Seal)
Standing Auditor (full-time)

Yasuaki Matsuda (Seal)
Corporate Auditor (full-time)

Hideo Ogawa (Seal)
Corporate Auditor

Shigeki Yasunami (Seal)
Corporate Auditor

(Note) Corporate Auditors Yoshiharu Takano, Hideo Ogawa and Shigeki Yasunami are Outside Corporate Auditors stipulated by Article 2, Paragraph 16 and Article 335, Paragraph 3 of the Companies Act, and by Supplementary Provisions Article 4 of the Act for Partial Revision of the Companies Act (Act No. 90 of 2014).

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 27, 2016.

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: http://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) To exercise your voting rights via the Internet, you will need to have the following systems:

a. Internet access

b. Voting via personal computer: Microsoft®Internet Explorer 6.0 or higher as your Internet browser software, and appropriate hardware to use such browser software.

c. Voting via mobile phone: A mobile phone with 128-bit SSL encryption. (To ensure the security of your data transmission, the voting website for mobile phones can be accessed only from mobile phones with 128-bit SSL encryption capability. Please note that this voting service is not available for mobile phones that do not support 128-bit SSL encryption. Please also note that while voting via mobile phones with full browser functionality is supported in principle, we cannot guarantee compatibility with all available mobile phone models.)

(Microsoft and Internet Explorer are trademarks or registered trademarks of Microsoft Corporation, registered in the United States, Japan and other countries.)

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 27,

2016, 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)