

SCSK Corporate Social Responsibility Report 2012

Create Our Future of Dreams

SCSK SCSK Corporation

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Corporate Data

- **Corporate name** SCSK Corporation (SCSK)
- **Head office** Toyosu Front, 3-2-20, Toyosu, Koto-ku,
Tokyo 135-8110, Japan
TEL +81-3-5166-2500
- **Capital** 21,152 million yen
- **Total number of employees**
7,674 (Non-consolidated, as of March 31, 2012)
11,995 (Consolidated, as of March 31, 2012)
- **Established** October 25, 1969
- **Business Activities**
 - Systems Development
 - IT Infrastructure Design/Development
 - IT Management
 - BPO (Business Process Outsourcing)
 - IT Hardware/Software Sales
- **URL** <http://www.scsk.jp/>

Editorial Policy

SCSK Corporation was born through the merger of Sumisho Computer Systems Corporation (“the former SCS”) and CSK Corporation (“the former CSK”) in October 2011. This first CSR report from the invigorated SCSK gathers information on our CSR activities to date and outlines our CSR vision and activities for the future. Special features, including “Practicing CSR through Our Business” and “Social Contribution Activities,” communicate the CSR activities that are appropriate for SCSK.

We utilize the ISO 26000 standard in our promotion of CSR. This international guideline incorporates a wide range of social requirements, and we have brought our efforts into line with it.

More detailed information concerning the CSR activities of SCSK is available on the company website. Going forward, we will disclose information on a regular basis concerning our activities, and we welcome your requests, opinions, and reactions. They will help us become a company that is better able to contribute to society.

- **Term of reference of report**
April 2011 - March 2012
Note: some content applies outside the term of reference.
- **Scope of report**
SCSK Corporation Non-consolidated
Note: some content applies to related group company activities.
- **Published** January 2013
- **Inquiries**
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Top Message



As a member of the wider community, SCSK is creating a sustainable and affluent future.

Nobuhide Nakaido

Chairman & CEO SCSK Corporation

As SCSK Corporation embarks on its new start, we have established *create our future of dreams* as our corporate philosophy. This philosophy was adopted upon the October 2011 merger of Sumisho Computer Systems Corporation and CSK Corporation, and was established with sincere commitment after discussion and consideration on the part of employee representatives and management from both companies.

The phrase “create our future of dreams” embodies numerous hopes and aspirations. If the approximately 12,000 employees of the SCSK Group have as many different futures of dreams, I believe that is a positive thing. To realize our corporate philosophy, it will be critical for our employees themselves to formulate their futures of dreams and create new value in collaboration with our diverse stakeholders with ambition and decisiveness.

Today we face a turbulent era; the social environment is capable of changing with great speed. Not only are we facing the challenges of global warming and environmental destruction; resource depletion; preservation or loss of biodiversity; poverty; respect for human rights and labor; and low birth rates and aging populations, but the Great East Japan Earthquake exposed the digital divide between urban and rural Japan, the vulnerability of business continuity to supply chain disruption, energy problems stemming from the nuclear accident, and European financial instability. We live in an era when quick action is demanded in response to rapidly-developing social

challenges. In this environment, the role played by corporations to realize a sustainable society is increasingly critical.

Today, our core IT services business is not important only for enhancing business efficiency. It has become part of the infrastructure for resolving the increasingly complex challenges facing society. We recognize that innovative problem solving and the provision of new value through our business activities is what society expects of us.

For example, our data center services are ready to respond immediately to business continuity problems and in response to energy shortages, we are working to realize a low-carbon society through an Energy Management System currently undergoing field testing. And to meet challenges we would find it difficult to solve alone, we are collaborating with our many stakeholders. For example, many individuals from both inside and outside the company participated in the hosting of World Cafe, an effort to stimulate employment after the Great East Japan Earthquake.

Today, we are seeing the possibilities for new value creation as diverse views and values collide through the unification of corporate cultures in our business integration process. We will make use of the experience gained from this process as we continue our efforts to realize a sustainable, affluent future in collaboration with our diverse stakeholders. I look forward to your continued support.

SCSK CSR: A Story of Ongoing Evolution

Corporate Philosophy

Our Mission

Create Our Future of Dreams

We create our future of dreams by establishing value based on our customers' trust.

Our Promises

Respecting each other

We realize our potential by respecting each other.

Providing excellent service utilizing reliable technology

We delight customers through our service based on reliable technology and passion.

Sustaining growth from a global and future perspective

We, with our stakeholders, pursue sustainable growth for the world and the future.

Code of Conduct

Challenge

Aim higher with future creating passion.

Commitment

Act with integrity and responsibility for our customers and society.

Communication

Facilitate teamwork with respect and understanding.



SCSK's Corporate Philosophy and CSR

A broad range of aspirations is embodied in our corporate philosophy, with a future of dreams as the essence of a sustainable society and sustainable development. With our eyes intently on the future, we seek to help meet the issues facing society.

To realize our corporate philosophy, we established three promises.

— **Respecting each other**

— **Providing excellent service utilizing reliable technology**

— **Sustaining growth from a global and future perspective**

IT services are an intangible product created by people. Without the personal growth of our employees, our business cannot grow. We believe it is our mission to realize our corporate philosophy to *create our future of dreams* through people, and we cultivate a corporate culture that maximizes our strength by respecting others' uniqueness and diverse sense of values.

Today's society faces a wide range of environmental and social issues, and these issues cannot fail to influence enterprise business activities. At the same time, enterprises are expected to help meet these issues. As a global IT service company, SCSK offers total customer business support with services that include system development as well as IT infrastructure design/development and management through to BPO and IT hardware

and software sales. Our activities are not limited to helping meet society's issues directly. Supporting our customers and helping them solve their problems also helps meet society's issues. This is SCSK's CSR.

To realize our corporate philosophy, we established our Code of Conduct.

- **Challenge:** Aim higher with future creating passion.
- **Commitment:** Act with integrity and responsibility for our customers and society.
- **Communication:** Facilitate teamwork with respect and understanding.

The issues faced by society and our customers are SCSK's challenges. We must address these issues with determination and responsible action. We must think from the customer's perspective and build customer relationships on a foundation of trust, maintaining an awareness of society and the need to solve its problems.

SCSK promotes employee participation in corporate social responsibility activities. This provides employees with an opportunity to develop their awareness of their interdependence with society.

We will continue our future-oriented activities, to create our future of dreams in collaboration with our customers and society.

What Kind of CSR is Required in the IT Industry?

In recent years, society has come to see corporate contributions to a sustainable society as a corporate social responsibility (CSR), regardless of business type or industry. The United Nations Global Compact initiative and the release of the ISO 26000 standard seem likely to accelerate this trend. As expectations toward corporations rise, what is most expected of the IT industry is to use information technology to solve the issues facing society.

Themes attracting particular attention and expectations in recent years include enhancement of business efficiency through IT services, demand for business continuity plans (BCP), digital inclusion efforts (elimination of the digital divide), and contributions to environmental impact reduction for customers and society. To exist as information infrastructure that underpins the smooth management of society, system and network stability is essential, and CSR to ensure security and user peace of mind is also in demand.

At the same time, because of the special characteristics of our industry, such themes as reducing the total hours worked by our employees and the amount of electric power consumed as a consequence of the spread of computing have assumed particular importance in corporate CSR efforts, and SCSK is also promoting such efforts. Every CSR issue should be solved through dialog with stakeholders.

Creating our Future of Dreams by Caring about the Environment and Society and Supporting our Customers.

As a global IT service company, SCSK believes that contributing to the solution of a wide range of social issues through its core IT business is our CSR activity that is most expected by society. It is also what our customers expect, and such activities will validate their trust. Here will introduce some examples of how SCSK is contributing to solving issues faced by society and our customers.

Addressing Global Environmental and Energy Issues

Commencement of Energy Management System Field Testing

Amid such factors as efforts to address climate change and energy issues arising after the Great East Japan Earthquake, expectations have intensified for the development and propagation of natural energy. At the same time, natural energy may be subject to weather effects, meaning that power supplies that depend on natural energy may not be stable. In addition to our efforts to use IT to reduce impacts on the environment, we have developed PrimeEco®, a new Energy Management System (EMS) that allows stable use of natural energy.

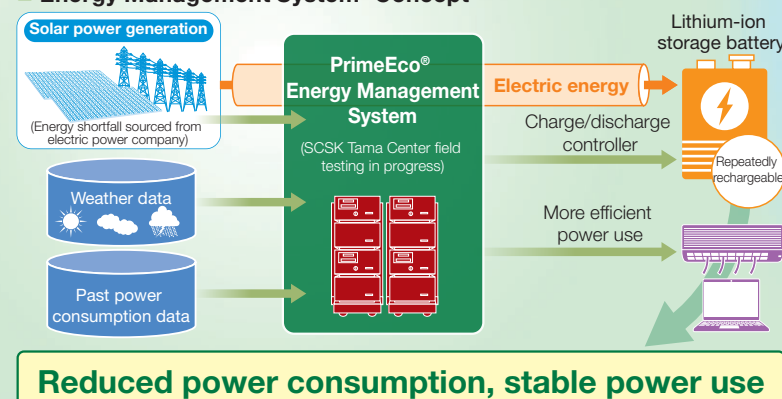
This EMS uses solar power and a repeatedly rechargeable, large-scale lithium-ion storage battery to enable stable use of natural energy. Using weather data, the system predicts solar panel power output and consumption requirements for office buildings and other locations linked to the system. Based on forecast data, the system then calculates the amount of power, if any, that will need to be sourced from the local electric power company after allowing for power available from the battery, both previously stored and as output from the solar cells. During periods of peak power usage, power from the battery is automatically prioritized, reducing the amount of energy required from the electric power company and promoting efficient energy usage.

In July 2012, field testing of PrimeEco® began at the SCSK Tama Center Office. Based on the results, we will make adjustments to enhance system efficiency. We plan to begin system deployment at public facilities, office buildings, and other locations before the end of fiscal 2012.

Furthermore, we will work to make contributions using the technology of this system as part of our activities to promote reconstruction in the Tohoku region, including the FutureCity Initiative.* Broad propagation of EMS throughout society will not only enable reduced use of electric power, but will also make possible energy independence in times of emergency. Going forward, SCSK hopes to seek out additional innovations in energy use through its core business activities.

* FutureCity Initiative (Kesen Region Eco-FutureCity)
Based on a new national growth strategy, the Kesen region was among those cities and regions chosen to become a model of advanced urban development for the future. The Kesen region is located in Iwate prefecture and consists of two cities and one town (Ofunato City, Rikuzentakata City, and Sumita Town). The project, which is already under way, aims to realize the city of the future and includes such themes as the creation of an energy self-sufficient society, urban development for a highly aged society, promotion of industry, and advances in social infrastructure.

Energy Management System* Concept

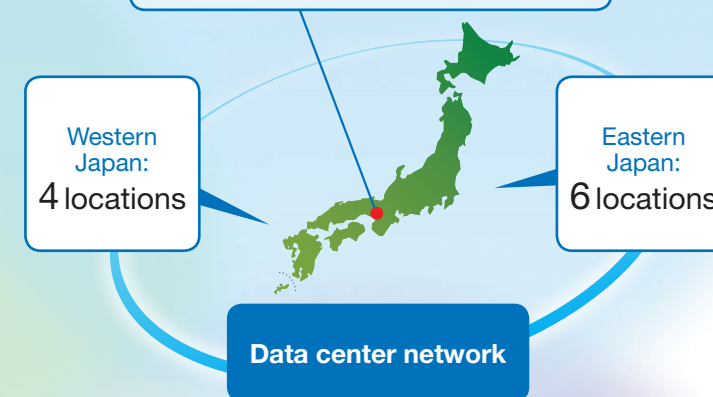


* Energy Management System under joint research and development with Social System Design Co., Ltd. (President: Hideaki Miyata, Professor Emeritus, University of Tokyo)

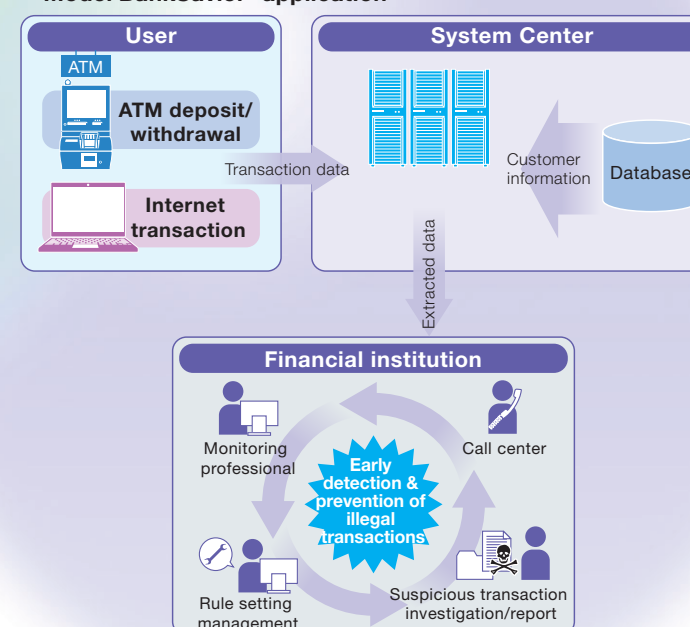
Solar panels installed at Tama Center Office



Advantages of netXDC Osaka Center 1



Model BankSavior® application



Supporting the Creation of Disaster-Resistant Corporations and Society

Strengthening and Enhancing Data Centers to Support Corporate BCPs

In recent years society has increasingly come to expect corporations to strengthen the continuity of their activities in preparation for natural disasters, including earthquakes as well as other unforeseen events, and to mitigate their influence not only on corporations but on society as well.

In response to this social context, SCSK began offering Business Continuity Plan (BCP) support data center services at netXDC Osaka Center 1 in April 2012. The site for this center was carefully chosen for its resistance to disasters. Moreover, even if the main system were to be interrupted in a disaster, continued operation of customer backup systems is ensured by the on-site presence of veteran system engineers. These engineers support customer BCPs based on seasoned judgment, and carry out not only standardized maintenance but also troubleshooting and recovery.

Furthermore, SCSK has fully-networked data centers at numerous locations in Japan, enabling us to offer robust, flexible IT system platforms tuned to increasing BCP demand. Supporting corporate business continuity in emergencies will help minimize any impact on the increasingly interconnected functions of society. By providing these services, SCSK will contribute to the creation of a disaster-resistant society.

Protecting Financial Transaction Security

Providing an integrated financial transaction monitoring system "BankSavior"

Losses from illegal transactions, including remittance scams and ATM and credit card forgery and theft, are a major problem for customers and financial institutions, and the number and scale of these losses is enormous. Moreover, since the September 11 terrorist attacks, financial institutions have been working to implement measures to prevent international financial crime, including money laundering and the funding of terrorism.

The SCSK response to this challenge is BankSavior®, an integrated financial transaction monitoring system that provides strengthened detection and prevention of illegal transactions. Using rule matching features developed over time by SCSK, BankSavior® is a transaction monitoring system reflecting Japanese commercial customs. The system monitors ATM withdrawals and deposits, web-based transaction activity, and other types of activity in real time. Programmed detection rules match this activity with customer information to detect suspicious transactions. Detection rules can be set freely, allowing flexible response to the rapidly changing illicit techniques and enhancing the precision of early detection and prevention of illegal transactions. Many new criminal techniques have emerged to match the changing times; for example, in the wake of the Great East Japan Earthquake, criminals have posed as police officers, municipal employees, and other professionals to swindle people on the pretext of collecting relief funds. By offering systems to prevent increasingly skillful illegal activity, SCSK is helping ensure the security of transactions at financial institutions, which are an important part of the infrastructure of society, and thereby supporting a secure society.

Looking toward the World and the Future, and Growing Together



Children's Art Museum & Park

SCSK views respect for humanity and the nurturing of human resources as an important social responsibility of corporate citizens. To actively fulfill those responsibilities in the area of child education, we maintain CAMP (Children's Art Museum and Park), an ongoing social contribution activity.

Through workshops, CAMP fosters child creativity in interactive settings. Through the creative activities, group work, and project presentations that the children experience in their workshops, they are able to find their own ways to express themselves and expand their circle of communication. Many of the adult facilitators who support these workshops are SCSK employee volunteers.

The workshops include original programs developed for that purpose, as well as programs created in collaboration with artists, researchers, corporations and organizations in Japan and overseas. In addition, we are actively engaged in investigation and research activities, such as workshop development and evaluation, facilitator training methods, and respect for and utilization of workshop-related intellectual property, aiming at the realization of a society where children can conveniently experience quality workshops.

Spreading CAMP Activities

CAMP workshops are being held all over Japan.



Better Future for Children -message from CAMP

The earth is shrinking yet many countries, languages, customs and peoples of all colors, complexions, religions and philosophies inhabit it. Today we are able to travel physically and virtually to anywhere and at any time to see all parts of our planet, giving children, as well, the opportunity to meet and gain joy in communicating with one another. Technology has made this even instantaneous.

If language remains a barrier for the moment, but probably not too much longer, drawings can do it. Cartoons are fine. So are music, photos, clay animation, robots or showing off your creative inventions. Expression has many forms.

CAMP is the beginning of widening communications in all its forms among children everywhere from the most sophisticated capitals to the most remote villages. Join in with your ideas, thoughts and creations. Communications is the first step to learning and understanding.

CAMP Workshops Held (April 2001 - March 2012)

	CAMP		Everywhere CAMP*	
	Workshops	Participants	Workshops	Participants
Total	571	10,628	206	2,747

* Everywhere CAMP is a workshop dissemination project featuring packaged CAMP workshops for use free of charge by museums, schools, and organizations across Japan.

Workshops in Disaster-affected Areas



As part of its efforts to support reconstruction in areas affected by the Great East Japan Earthquake, SCSK held a CAMP Crickets Workshop in Minamisanriku Town, Miyagi Prefecture, with participation from employee volunteers in October 2011 and February 2012.

From Participants to Facilitators, From Guardians to Facilitators

Today, individuals who participated in the first CAMP workshops are university students and members of adult society. Some of these former participants and their guardians are now facilitators themselves.



EARTH ONE

A social contribution activities club consisting of volunteer employees. Based on member proposals, the club holds events, engages in volunteer work, and makes donations to NPOs and other organizations.

Earth One Cafe

The 1st Earth One Cafe event was held on April 16, 2012, to provide a setting for employees to share views on ways to deal with various social issues. The event included a roundtable discussion featuring employees with experience participating as Japan Overseas Cooperation Volunteers (JOCV), an organization operated by the Japan International Cooperation Agency (JICA).



From a Roundtable Planning Participant



Masato Sato
participated in JOCV activities in the Republic of the Marshall Islands, 2010-2012.

After returning to Japan, JOCV participants are also making broad contributions to society. To convey our experiences to a wider employee audience, we planned and carried out a roundtable discussion. We felt that becoming acquainted with diverse cultures and points of view contributed to strengthening our resilience toward the different problems that can arise during work, as well as our capacity to solve problems. We were grateful for the support Japan received from many people overseas after the Great East Japan Earthquake, but we felt it was important to avoid the tendency to focus on Japan alone. We also conveyed to the audience that being an overseas volunteer is not difficult. We spoke about our experiences being helped by other volunteers and about the natural beauty of the places we visited.

Note: Employees involved in JOCV volunteer work are eligible for volunteer leave of absence.

Yell Run in Toyosu

On November 9, 2011, we collaborated with the Special Olympics Nippon Foundation (SON)* to hold the "First Yell Run in Toyosu: Charity Run with SON Director Yuko Arimori." A total of 133 runners, including SCSK employees, and 62 volunteers participated in the event. All proceeds from the event were donated to the Special Olympics Nippon National Winter Games, held in February 2012 in Fukushima.

(Support: Nihon Unisys, Ltd., Uni-Heart/Nihon Unisys Group company social contribution club, adidas Japan K.K., Coca-Cola (Japan) Company, Ltd.)
*Special Olympics Nippon Foundation



Dream Supporter: Riyo Mori



Participants



Volunteer Activity Participation

2011	8/7	Next-day cleanup for the Naniwa Yodogawa Fireworks Festival
	10/23	SON Tokyo 9th Charity Walk & Run Festival
	10/30	Osaka Marathon 2011
	11/13	"Sea Forest" Tree-planting Event
	11/19	Shoreline cleanup, 6th Kinmaru no hi Shikano Island
	11/26	Clean Fukuoka Campaign 2011
	12/3	8th Great Minoh Mountain Cleaning Effort
2012	1/23-27	Project Yui (28 sessions)
	2/18	Event for persons in relief shelters in collaboration with Korabora corporate members
	2/25	Hamariyuu Gardens Tree Tending (Chuo Ward Corporate Social Contribution Liaison Conference)

Organizations receiving funding

- Project Yui Consortium General Incorporated Association
- Momo-Kaki Orphans Fund (Scholarship Fund for Orphans of the Great East Japan Earthquake)
- Special Olympics Nippon Tokyo Approved Specified NPO Corporation
- Special Olympics Nippon Aichi Public Service Corporation
- Special Olympics Nippon Osaka NPO Corporation
- Special Olympics Nippon Fukuoka
- Wagokoro Special NPO Corporation

PC Rooms for Developing Country Children!

For children in the developing world, the acquisition of PC skills will be a tremendous help in securing a stable future job. However, few schools in rural farming areas are equipped with PCs. To provide children in developing countries with the opportunity to receive IT education, Earth One plans the construction of PC rooms and provides three years of funding. Through Plan Japan, a non-profit, non-governmental organization, we are carrying out a PC Room Construction Project with completion scheduled for Fall 2012. (Support: Plan Japan)

Note 1: Earth One funds its activities with membership fees.

Note 2: Contributions made by Earth One to outside organizations are matched by donations of the same amount by the Company.

SCSK CSR Activities

In promoting its CSR activities, SCSK carries out current status assessments with status analysis that references the ISO 26000* standard. This analysis enables us to identify and respond to requirements needing attention and to make better use of our strengths.

This publication outlines the status of our activities with respect to ISO 26000 core subjects.

* ISO 26000 was developed by ISO, the world's largest international standardization organization, to achieve sustainable development through a consensus process among diverse stakeholders. The standard includes comprehensive guidelines relating to social responsibility for all types of organizations.

Status Analysis Process



To assess the compliance of SCSK's current activities with the principles of social responsibility and core subjects set forth in the ISO 26000 standard, we carried out a review involving the relevant departments of the Company in collaboration with external specialists, and we will consider the future direction of our activities based on the issues and strengths identified through this process.

ISO 26000 Core Subjects and SCSK CSR Activities

ISO 26000 Core Subject	Issue	SCSK Main Activities
Organizational governance	<ul style="list-style-type: none"> Organizational governance 	<ul style="list-style-type: none"> Corporate governance Internal controls Risk management Disclosure to stakeholders
Human rights	<ul style="list-style-type: none"> Due diligence Avoidance of complicity Discrimination and vulnerable groups Civil and political rights Fundamental principles and rights at work Human rights risk situations Resolving grievances Economic, social and cultural rights 	<ul style="list-style-type: none"> UN Global Compact support Respect for human rights and prohibition of discrimination
Labor practices	<ul style="list-style-type: none"> Employment and employment relationships Conditions of work and social protection Social dialogue Human development and training in the workplace Health and safety at work 	<ul style="list-style-type: none"> Human resource development Diversity promotion Support for persons with disabilities Work-life balance Worker health and safety promotion
The environment	<ul style="list-style-type: none"> Prevention of pollution Sustainable resource use Climate change mitigation and adaptation Protection of the environment, biodiversity, and restoration of natural habitats 	<ul style="list-style-type: none"> Environmental management promotion ISO 14001 certification Environmental targets and index promotion Environmental business expansion Data center environmental footprint reduction
Fair operating practices	<ul style="list-style-type: none"> Anti-corruption Fair competition Promoting social responsibility in the value chain Respect for property rights Responsible political involvement 	<ul style="list-style-type: none"> Compliance promotion Strengthening fair trading practices Strengthening information security
Consumer issues	<ul style="list-style-type: none"> Fair marketing, factual and unbiased information and fair contractual practices Protecting consumers' health and safety Sustainable consumption Consumer service, support, and complaint and dispute resolution Consumer data protection and privacy Access to essential services Education and awareness 	<ul style="list-style-type: none"> Product and service quality management and enhancement Improvements to raise customer satisfaction Strict personal information management
Community involvement and development	<ul style="list-style-type: none"> Community involvement Employment creation and skills development Technology development and access Wealth and income creation Social investment Education and culture Health 	<ul style="list-style-type: none"> Social contribution activity promotion Next-generation human resource development Cooperation with local communities and international society Global environmental protection



Organizational Governance

SCSK is working to ensure transparent management, strengthen appropriate governance and monitoring structures, and maintain and enhance sound management through sustainable risk management.

Corporate Governance

Basic Policy

The SCSK Group's basic policy on corporate governance is to raise management efficiency and maintain healthy operations from the perspective of shareholders and other stakeholders, and to maintain management transparency in the process, bearing in mind our corporate social responsibility (CSR) as a company. We will position CSR as one of our most important management issues, and aim to build and implement an optimal management structure for the Company.

Structure and Principal Review Boards

The Company's governance structure places the General Meeting of Shareholders at the top, and is composed of the Board of Directors, the Board of Auditors, and the Independent Auditor.

The Board of Directors is composed of 17 members, including three outside directors. In principle, the Board of Directors meets monthly to decide important management issues and supervise operational execution. To maintain and enhance the supervisory function of the Board of Directors, SCSK continues to appoint outside directors who have no conflict of interest with general shareholders.

The Company's directors serve one-year terms, to clarify their management responsibilities in each business year. We have also implemented a system in which full-time directors serve concurrently as executive officers, to maintain and strengthen swift management decision making based on actual business circumstances and effective oversight of operational execution.

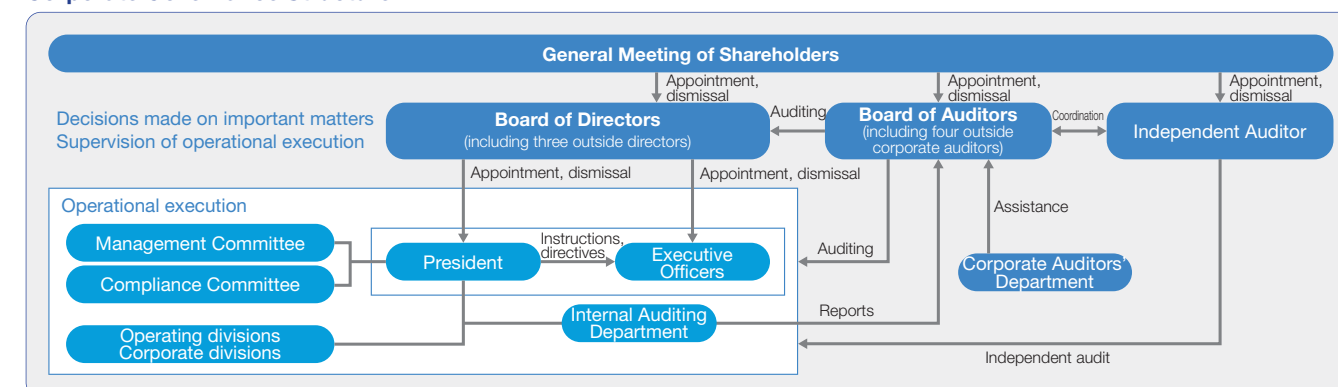
The Board of Auditors has five members, including four outside corporate auditors, who receive reports, deliberate, and make decisions regarding important audit-related matters.

In accordance with auditing and other policies as stipulated by the Board of Auditors, corporate auditors attend meetings of the Board of Directors, the Management Committee, and other important meetings, and request business reports from directors and executive officers. A Management Committee, made up of directors, executive officers, and corporate auditors, has been established to oversee operational execution. The Committee functions as an advisory body to the president with regard to important management matters.

Auditing and Supervisory Structure

SCSK has an auditor system for auditing and supervision that centers on supervision of operational execution by the Board of Directors as well as auditing by the Board of Auditors.

Corporate Governance Structure



Corporate auditors also receive reports from the Internal Auditing Department, review documentation relating to important decisions, and visit subsidiaries, affiliates, and other important business locations to inspect the status of operations and assets.

Furthermore, corporate auditors meet regularly with the independent auditor to exchange information and understand the independent auditor's activities. The corporate auditors also attend audit evaluation meetings held by the independent auditor, conduct on-site inspections of inventory assets, and work to enhance the efficiency and quality of their activities.

A Corporate Auditors' Department has been established as an independent organization of the Board of Directors, to assist corporate auditors in their operations, ensure that the activities of the corporate auditors are not hindered, and that the function of the corporate auditors is fully utilized.

Internal Controls

The Board of Directors has formulated a Basic Policy on Internal Controls to ensure that operational execution and other operations comply with applicable laws and regulations. By monitoring to confirm that internal controls are functioning effectively, and continuously reviewing this policy in line with a changing management environment, SCSK is building a structure that meets needs as they arise.

Risk Management

SCSK has established a Risk Management Policy to manage the risk incurred through its business activities. Through ongoing risk management, the Company undertakes to maintain and enhance its credibility as a corporation, and when risk is realized, to minimize losses and maintain stable business results.

The Policy divides risk into four categories: 1) strategic risk, including market, business opportunity, and investment risk; 2) operational risk, including litigation, environmental, and labor affairs risk; 3) financial risk, including inventory and foreign exchange risk; and 4) hazard risk, including natural disaster, information system, and accident/malfunction risk. Each type of risk is considered in terms of its potential impact on business activities, and the appropriate department is assigned to manage the risk. Guidelines have also been established with respect to acceptable levels for each type of risk, as well as measures to avoid, mitigate, and contain risk. These guidelines will be reviewed by the Board of Directors as required by changes in our business environment.



Human Rights/Labor Practices

SCSK is engaged in corporate activities that include respect for human rights, which are fundamental rights of all human beings; promotion of human resources development and diversity; and introduction of work-life balance measures. We promote the creation of workplaces where employees can work with enthusiasm and make the most of their capabilities.

Respect for Human Rights

Basic Policy

Code of Respect for Human Rights

1. As stipulated in the work rules, it is a workplace requirement that directors and employees shall respect each other's individuality, cooperating harmoniously to make the company a cheerful place.
2. Discrimination due to factors with no connection to work performance, including ethnicity, nationality, gender, religious affiliation, beliefs, age, place of origin, and physical or psychological disabilities, is prohibited.
3. Discriminatory speech, harassment, slander and libel, threatening or violent statements, and other speech unbecoming of a director or employee that evokes fear in others or offends them, are prohibited.
4. Actions detrimental to the workplace environment, including using one's position or advantage in the workplace to make repeated statements that exceed the appropriate scope of one's professional responsibilities and infringe on the individuality and dignity of other persons, are prohibited (power harassment prohibition).

Note: Excerpted from SCSK Compliance Manual

Every employee must adhere strictly to the SCSK Compliance Manual, which contains policies for respect of human rights, not only through adherence to applicable laws and regulations but also through respect for fundamental human rights and avoidance of discriminatory treatment, as well as conduct that ignores the individuality of persons, such as sexual and power harassment. These policies were established based on the Constitution of Japan, the Universal Declaration of Human Rights, The International Bill of Human Rights, Labor Standards Act, and the Equal Employment Opportunity Law.

Support for UN Global Compact

SCSK has adhered to the UN Global Compact since 2007. We support the Compact's Ten Principles relating to human rights, labor, the environment, and prevention of corruption. In addition to respect for human rights, we are committed to carrying out corporate activities to guarantee fundamental labor rights.

UN Global Compact

The UN Global Compact involves voluntary participation in a global effort to act as a good citizen and achieve sustainable growth by fulfilling corporate responsibility and by exercising creative leadership.



Human Resources Policy

Human Resources Policy (Basic Human Resources System Policy)

Basic Ideals

By encouraging the enhancement of individual capabilities and applying the most appropriate management approaches, SCSK will maximize the utilization of its employees' strengths.

Three Human Resources Pillars

- We will respect diverse individual characteristics and senses of value while stressing teamwork.
- We will work to develop employee capabilities and create a workplace environment where employees can maximize their performance.
- We will build a relationship between company and employees in which both can grow through equal and fair evaluations and treatment.

To realize its corporate philosophy, "create our future of dreams," SCSK has established a Human Resources Policy as a shared ideal relating to the structure and management of Human Resources measures. This policy consists of Basic Ideals and the Three Human Resources Pillars. The policy also covers the design and management of all Human Resources-related systems, compensation levels, and other policies, and aims to promote the enhancement of individual capabilities and the maximum realization of employee strengths.

Human Resource Development

Following the birth of SCSK, educational programs for employees of both predecessor companies were unified in 2012. The training curricula carried out by the former SCS and CSK have been restructured into shared skills development, specialized skills development, and globalized human resources development programs. Our intranet home page includes an explanation of the new training structure, detailed content and scheduling information on each lecture, and related information to encourage active employee participation.

In addition, training began in April 2012 for the first intake of new SCSK employees since the merger. Training programs have been scheduled throughout the year with 103 new employees taking part, including employees from Group companies. During the training camp held in May at SCSK Tama Center, participants experienced working jointly with employees of Tokyo Green Systems Corporation, a model company for the employment of persons with severe disabilities. For new employees, the experience of working alongside persons with disabilities was a good opportunity to become aware, as adult members of society, of the meaning of work and to gain a sense of the responsibilities that work entails.

New Employee Training: SCSK Tama Center Training Camp



Lecture by employee of Tokyo Green Systems Work experiences with persons with disabilities Corporation

Diversity Promotion

Establishment of Diversity Promotion Section

To harness the diverse characteristics and senses of values of our employees to our organizational strength, and create a workplace environment that will enable employees to maximize their capabilities, we established the Diversity Promotion Section in February 2012. In particular, in addition to active promotion of support for women's participation, employment of individuals with disabilities, and employment of foreign residents in Japan, we are also working to upgrade the workplace environment and implement other initiatives undertaken in conjunction with the merger of SCSK's predecessor companies.

In accordance with JISA's Diversity Strategy, which aims to achieve 30% female representation in management positions by 2020, the Diversity Promotion Section is leading efforts to appoint greater numbers of women to management positions. In addition, by enhancing our range of measures in support of work-life balance, including child care and nursing support, the section is promoting systems that enable mutual adjustment between work and private life, regardless of gender or age.



SCSK endorses JISA's Diversity Strategy, which is engaged in positive action to promote the Third Basic Plan for Gender Equality issued by the Gender Equality Bureau of the Japanese Cabinet Office.



Members of Diversity Promotion Section

Support for Activities of Persons with Disabilities

Tokyo Green Systems Corporation was established in 1992 as a third-sector enterprise through a joint capital investment by the Tokyo Metropolitan Government, Tama City and SCSK. Tokyo Green Systems is a model company for the employment of persons with severe disabilities, and aims to help employees achieve independence and make a contribution by upholding the principles of participation, independence and coexistence. As a special subsidiary of SCSK, Tokyo Green Systems also promotes employment of

SCSK Group
Employment rate for persons
with disabilities
1.83%
*As of June 1, 2012



Tokyo Green Systems employees at work

VOICE



Sanae Kaji
Manager, Diversity
Promotion Section
Human Resources Planning
Dept.

We are working to create an employee-friendly workplace environment.

At SCSK, we regard employees as important stakeholders. We are working to create a workplace environment that will enhance each employee's motivation and enable them to work with enthusiasm. We are not only upgrading our systems in support of work-life balance, but also raising internal awareness to cultivate a workplace atmosphere within which employees can apply their diverse characteristics, senses of values, and approaches to work, and accept the diversity of others.

In addition, we believe that employee work-life balance is important in realizing SCSK's corporate philosophy, "create our future of dreams." We also believe that promoting flexible work approaches and rich family and private lives will help our employees be more productive, and will foster employee/company growth synergy. Going forward, SCSK will provide full backing to employee efforts to achieve rich lives as adult members of society. In this way, we will offer new value to society.

persons with disabilities at Group companies.

Tokyo Green Systems is currently headquartered at SCSK's Tama Center Office and focuses on the provision of janitorial services, park maintenance, agricultural work, and restaurant service operations as well as staffing of in-office concession stands, collection and delivery services, and other businesses. Going forward, the company will consider ways to further expand employment of persons with disabilities, including expanding its operations and exploiting new areas.

Promotion of Work-life Balance

SCSK is introducing flexible working systems and a variety of leave and vacation systems to enable employees to pursue their private lives in ways that include childbirth, child care and nursing. Going forward, we will undertake to enhance these systems and create a workplace environment that facilitates their utilization.



Certified as a Childcare
Supporting Business
Since 2007

Systems Available and Number of Users, fiscal 2011

System	User	System	User
Childcare leave	146	Maternity leave*	41
Nursing leave	8	Spousal maternity leave	96
Short-time workday	180	Childcare support/Child nursing leave	482

*Maternity Leave...Leave is available for pregnant employees in case of morning sickness and other complications, and for related health examinations.

Efforts for the Reduction of Long Working Hours

At SCSK, the basic policy related to the management of working hours is for not only strict compliance with laws and regulations – such as the eradication of the violation of Article 36 of the Labor Standards Act – but also the curbing of overwork and the ongoing reduction of overtime work with the objective of helping to maintain and promote the health of our employees. In particular, we endeavor to create a working environment in which there is a clear distinction between work and rest, as well as strive to reduce long working hours.

Efforts include the establishment of Wednesdays as a day for self-refreshment (no overtime) and the implementation of flextime, discretionary work and other systems that allow employees to choose flexible working styles.

Average Monthly Overtime Hours, 2007-2011 (hours:minutes)

	FY2007	FY2008	FY2009	FY2010	FY2011
The former SCS	39:37	36:23	35:17	32:41	31:29
The former CSK	35:16	34:46	21:18	23:53	25:07
SCSK	36:47	35:19	26:00	27:20	27:46

To reduce the environmental footprint of its business activities and contribute to the preservation of the global environment, SCSK is building an environmental management system, establishing targets and indexes, and promoting environmental preservation activities.

Environmental Policy

We promote environmental activities in conformance with the environmental policies and systems of Sumitomo Corporation and the Sumitomo Group companies.

Sumitomo Corporation Group Environmental Policy

I. Basic Policy

As a global organization, the Sumitomo Corporation Group recognizes that environmental issues are global in scale and that they are long-range concerns affecting future generations. Through sound business activities, the Sumitomo Corporation Group will strive to achieve sustainable development aimed at symbiosis between social and economic progress and environmental preservation.

II. Basic Guidelines

In pursuing its diversified business activities both within Japan and overseas, the Sumitomo Corporation Group shall comply with the following guidelines, and, through cooperation between its Group companies, work to achieve the aims of its basic environmental policy.

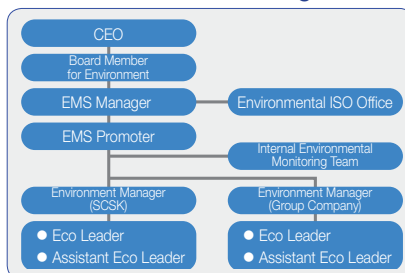
- 1. Basic stance with regard to the environment:**
To attach great importance to protecting the global environment as a good corporate citizen in keeping with our Action Plan.
- 2. Compliance with environmental legislation:**
To strictly observe legislation related to environmental matters not only in Japan but also overseas and abide by any agreements undertaken by the Group companies.
- 3. Caring for the natural environment:**
To protect the natural environment and preserve biodiversity.
- 4. Efficient use of resources and energy:**
To be mindful of the finite availability of resources and energy and strive to use them both efficiently and effectively.
- 5. Contributing to the building of a recycling-oriented society:**
To endeavor to help build a recycling-oriented society by reducing waste and reusing and recycling resources.
- 6. Promotion of businesses that contribute to environmental preservation:**
To utilize our integrated corporate strength to promote businesses and projects, which contribute to environmental preservation and reduction of the impact of society on the natural environment.
- 7. Establishment of environmental management:**
To use an environmental management system to prevent environmental pollution and set environmental objectives and targets which are regularly reviewed and continuously upgraded.
- 8. Disclosure of the Environmental Policy:**
To communicate this Environmental Policy to all people who are working for or on behalf of the Sumitomo Corporation Group, as well as disclosing it externally.

ISO14001 Certification

SCSK has acquired ISO 14001 environmental management system standard certification. We built an environmental promotion structure and established environmental targets and indexes in accordance with our environmental policies, and on this basis, each division has created an environmental plan and is implementing and managing environmental activities in accordance with its plan. The implementation status of each plan is evaluated annually by an audit team and the results are reported to management, which then undertakes to revise the activities as required. Through continuous improvement, we are aiming to make further contributions to environmental preservation and footprint reduction.



Promotion Framework Diagram



Environmental Objectives, Goals and Indices

At the SCSK Group, we have established environmental objectives,

goals and indices upon which we base our environmental preservation activities.

Our specific objectives, goals, and indices are as follows.

Objectives, Goals and Indices

Objectives	Goals	Indices
Preservation of office environment	Reduction of electric energy consumption Efficient use of office paper Appropriate separation of waste products Promotion of green purchasing	Energy: amount consumed, cost Office paper: amount purchased Waste products: amount disposed of, cost Green purchasing: cost
Expansion of environmental business	Expansion of dealings in environmentally-friendly products & services System development for work task efficiency	Sales figures Number of client contracts Number of system developments, etc.
Compliance with environmental laws and regulations	Confirmation of and compliance with applicable laws and regulations	Confirmation of revisions to applicable articles (as a principle, twice a year)
Elevation of environmental preservation awareness	Implementation of educational activities	Environmental ISO14001 lectures, etc.

Data Center Activities

Environmental measures for data centers are an increasingly important social concern, and from an early stage, SCSK has been working to reduce the energy and CO2 footprint of its netXDC Chiba Center. In fiscal 2007, we established a Data Center Power Usage Effectiveness (PUE)* target of 1.5 or less. This value is significantly less than the PUE value of 1.8 at which energy efficiency is considered to be good, and is a challenging target. Since fiscal 2008, we made successive changes to the data center's infrastructure, lighting, and other aspects, including installation of new, low-loss power supply devices and server integration. As a result, our average PUE for fiscal 2011 was 1.54, and the monthly average for March 2012 was 1.45, a record low. By reducing electric power consumption, we are realizing a data center with an environmental impact that is the lowest in Japan.

* PUE is an index announced by The Green Grid, a US industry group that promotes reductions in electric power consumption by data centers. The index is calculated as total facility power consumption ÷ IT equipment power consumption.

VOICE



Takao Morita
Manager, Facility Management Section
netX Center Service Dept.
IT Management Div.II

Working Toward a Green Data Center

As an IT enterprise employee, I'm very aware of the issues posed by the rapid increase in electric power consumption, as a result of the rapid dissemination of IT services, advancing levels of service, and associated factors. Our data center is a shared facility for large numbers of customer servers, and this makes it possible to consume electric power more efficiently than if each customer maintained its own servers.

To cool our servers and other IT equipment at the data center as efficiently as possible, we must implement continuous improvements not only in the performance of that equipment, but also in the management of air conditioning and other equipment.

netXDC Chiba Center is continuing its steady efforts, including the introduction of highly-efficient air conditioning equipment, enhancing building insulation, and transitioning to LED lighting. Going forward, we hope to continue making improvements, and through the provision of green IT services, contribute to customers and the global environment.



Fair Operating Practices

SCSK conducts its business activities with a high sense of ethics. The Company adheres strictly to its compliance policies, works to implement fair business practices, and promotes and enhances information security through on trust-based partnerships with its customers.

Compliance Activities

Basic Policy

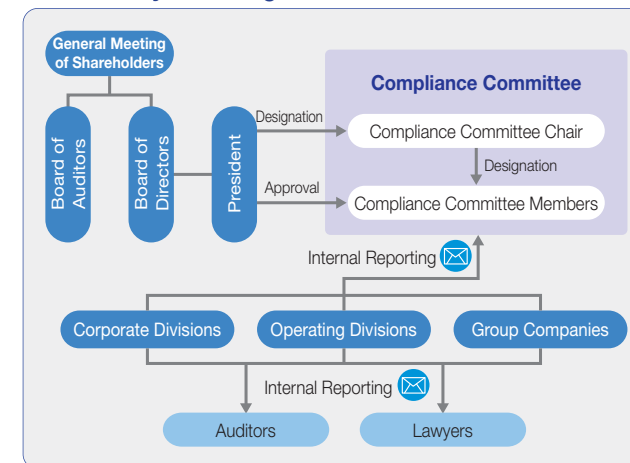
SCSK views compliance as "observing laws and regulations, and acting with a strong sense of ethics within the norms of society." Based on our Corporate Philosophy and Code of Conduct, the guiding principle for the actions of our directors and employees is for conduct that is sincere and appropriate, as members of society and of the Company. Each individual director and employee is responsible for his/her own actions based on the concept of compliance, and strives to produce results that fulfill the social responsibility of the entire company as an organization.

Structure/System

In line with our Basic Compliance Policy, we have established a Code of Compliance and SCSK Compliance Manual, and have delineated a range of matters including the organizational structure for compliance efforts, education and awareness promotion activities, a Compliance Committee, and a system for internal reporting.

SCSK has established the Compliance Committee as a structure for proper compliance implementation. The Committee's activities include determining and revising companywide compliance policies, promoting and managing the compliance structure, coordinating with related departments, confirming status of compliance with related policies, and sharing information.

Structure/System Diagram



Education and Awareness Promotion

Based on the belief that compliance is every employee's responsibility, SCSK regularly holds compliance training for employees on an ongoing basis. In addition, we have prepared the SCSK Compliance Manual, which contains detailed information relating to particularly important laws and regulations, and have made the Manual available on our company intranet, so that employees can consult it at any time and maintain their awareness of the importance of compliance.



Fair Trading

The SCSK Compliance Manual sets forth concrete standards for ensuring fair trading. Its standards include a code of business activities, requirements for compliance with the Antimonopoly Law, and rules against unfair competition. The standards support the building of trust-based commercial relationships with our suppliers through fair and free competition. The Manual also outlines corporate ethics required for fair operating practices, and its Code for Employees as a Member of Society includes rules against corruption, concerning political donations, and the importance of resisting organized crime.

Information Security

Basic Policy

To protect information assets from various threats and fulfill its social mission, SCSK works to maintain the stability of the Internet society and adheres strictly to laws and regulations relating to information security. In addition, we have established a structure for enhancing information security, and have created and are operating an Information Security Management System. We are continuously evaluating risks to information assets and making additional ongoing improvements to our Information Security Management System to ensure its effectiveness. In addition, we have implemented information security measures matched to the importance of the information assets involved, and are working to eliminate risk in advance. SCSK's Information Security Management System has received ISO27001:2005 certification.

Management Structure

To appropriately protect and manage all of the information assets it handles, SCSK has created an information security structure and is promoting the maintenance and enhancement of its information security. We also require our subcontractors to adhere strictly to the Information Security Guideline that we have established, in accordance with Article 22 of our Commercial Transactions Code.

Education and Training

To ensure that all of its employees as well as all who do business with SCSK understand and share our Information Security Management System, including the Basic Policy, we engage in extensive educational activities, such as e-Learning relating to information security. In addition, our Information Security Guideline requires subcontractors to assign an internal point person to ensure adherence to the guideline and to carry out regular education relating to information security.



Consumer Issues (Customer Service)

To ensure that the IT products and services offered by SCSK are stable and reliable, we have established a structure for control of quality and personal information.

Quality Control

Basic Policy

SCSK's quality control rules represent our commitment to ensuring that the quality of the products, work product, and services we offer our customers meets their standards. In addition to strict compliance with quality control rules and standards, we have also established standardized rules for strict adherence to laws, regulations, and as applicable, to customer requests. These policies are implemented through our quality control structure, and we are engaged in activities to enhance quality.

Pre-proposal Evaluation

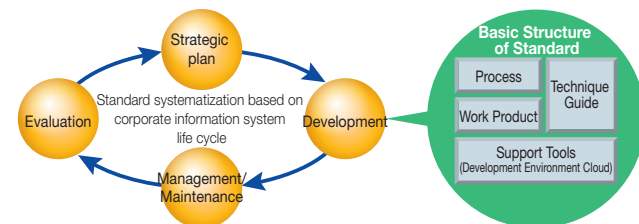
To ensure that the proposals we make to clients do not promise more than we can deliver, we carry out a pre-proposal examination to confirm that the proposal content is feasible, and that the budget is appropriate with respect to the value the system will offer, based on budgets validated by actual development results. In addition, when working with partners, we adhere strictly to the Subcontracting Law and the Labor Services Temporary Assignment Law, and maintain a structure for implementing appropriate contract practices.

Quality Control & Assurance Activities

In offering products and structuring services, we adhere strictly to laws and regulations relating to health and safety, and we design, build, and operate systems so as to ensure that the services we offer protect consumer safety. With the birth of SCSK, in April 2012 we implemented the SmartEpisodePlus development standard throughout the company, unifying our standards for all processes and for project management to ensure uniform levels of quality at all times. In addition, we are promoting usability and UX (User Experience)* throughout the company to enable us to offer system services that are easily understood and enjoyable for users, including the average consumer.

* UX (User Experience): an approach that aims to offer value beyond features and ease of use, to enable users to do what they really want in an enjoyable and comfortable way.

SmartEpisode Plus Development Standard Overview



Customer Service

Help Desk Service

SCSK is connected to the average consumer through the activities of its corporate customers. Through our Help Desk Service for corporate customers, we contribute to the dissemination of knowledge regarding our products and services.

Product Support

SCSK offers superior overseas IT products to its customers. While we are careful to verify the quality of such products, if a customer should encounter a problem with a product, we provide appropriate support for all such products consistent with the terms of the warranty, so that customers can use them with satisfaction.

Customer Satisfaction Survey

To determine whether SCSK's system design/development services and IT services are generating customer satisfaction, we carry out regular customer satisfaction surveys. When our products are evaluated highly, we disseminate these cases internally to encourage greater efforts to enhance customer satisfaction. If we receive complaints or suggestions for improvement, we take such feedback seriously, work to eliminate the cause of the problem, and deploy that response to similar products.

Personal Information Management

Management Policy

SCSK Corporation recognizes the importance of the protection of personal information and is committed to ensuring compliance with the laws regarding handling of personal information and other guidelines and norms established by administrative authorities. In addition to this, we have established the Personal Information Protection Policy and will ensure that every executive, employee, and person involved in the corporation's activities will comply with this policy.



Management System Building

SCSK has built a Personal Information Management System* in conformance with the JIS Q 15001 standard. We are implementing and promoting the system, and will make ongoing enhancements. SCSK has also received ISO27001:2005 information security management system certification, and we are also strictly managing personal information based on information security policies.

* A system for managing personal information including policies, structures, plans, implementation, and operational monitoring and review

VOICE



Yoshinori Aoyama
General Manager,
Corporate QCO Dept.

Promoting Quality Enhancement Efforts

Today, society is said to be highly informatized, and if corporate information systems are not appropriately built and operated, there is a risk that the daily lives of consumers may be inconvenienced. Together with its customers, SCSK has built and is operating many of Japan's major corporate information systems. Our diverse client base includes companies in the fields of energy and telecommunications whose services are essential

for daily life. Consequently, it can be said that through the activities of our corporate customers, SCSK's IT services support the foundations of daily life for consumers.

To ensure that SCSK products and services continue to serve customers in a stable, reliable manner, we will not only continue to enhance product quality, but will work to enhance quality control for even greater customer satisfaction.



Community Involvement and Development

SCSK is engaged in social contribution activities as a good corporate citizen and part of the wider community, with particular emphasis on activities for developing next-generation human resources, collaborating with local communities and international society, and preserving the global environment.

Collaboration with Regional Communities and International Society

At each of our operating locations, we are collaborating with regional communities to foster better relationships with residents in each region.

At the Toyosu Head Office, we are participating in Koto City's social contribution network (Korabora), exchanging information, and carrying out joint lunchtime cleanup activities.



In the Chubu Region, we are actively carrying out CAMP Workshops (see page 7). We held a workshop with support from the Nagoya City Educational Committee, and jointly sponsored workshops with the Nagoya City Science Museum and the Toyota Hands-On Museum. With AISIN SEIKI CO., LTD. and the TOYOTA Commemorative Museum of Industry and Technology, we held a special CAMP Workshop utilizing CAMPACO.*

* CAMPACO: A package for holding CAMP Workshops that includes workshop tools, a manual, and a facilitator training program, so that greater numbers of children can experience CAMP Workshops.



In the Kansai Region, we have endorsed the Osaka Prefectural Education Committee's "spiritual renewal" citizen movement. In June and July 2011, we held CAMP Workshops at our Nishinohon Kitahama Office to support children's education and healthy personal growth.



In the Kyushu Region, we have been participating in the Clean Fukuoka Campaign since 2009. Based on foreign student proposals, we are engaging in cleanup activities aimed at contributing to the region and fostering interchange among the participants. In November 2011, we carried out coastline cleanup activities in Munakata City in collaboration with Groundwork Fukuoka, a non-profit organization, Fukuoka Overseas Students Association, and Munakata City.



Earth One held a panel display and sales event in April 2012 with the theme, "Thinking about the World Through Fair Trade" (at the Toyosu Head Office), and in May 2012 held a lecture meeting and sales event (at the Senri Office). A total of 41 current and former employees participated in the lecture meeting, introducing the fair trade concept and information on conditions in producing countries. The meeting and discussions provided a good opportunity for employees to understand the meaning of fair trade.



Reconstruction Support Efforts

In March 2012, we held Kizuna Cafe, an event to promote attention through dialog to individual efforts supporting reconstruction in areas affected by the earthquake. The theme was "Building Tomorrow through Work and Employment," with 65 participants from inside and outside the company. The event included talks from experts and dialogue by World Cafe, and emphasized the importance of an updated grasp of local needs.

We plan to continue holding these events as a place for knowledge transmission and investigation, so that important lessons will not be forgotten or fade with time, and to combat complacency.

(Joint sponsorship: SCSK, SCSK social contribution activity club Earth One, Inter Company Future Centre LLP)



Education and Culture

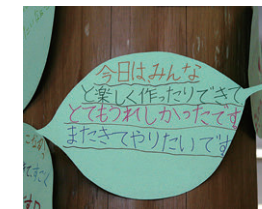
CAMP Workshop Use in Elementary School Curricula

As an activity to foster "21st-Century Skills" acquisition for children, we are carrying out workshop-style lessons, and conducting research and development relating to educational effectiveness, in collaboration with Minato Municipal Aoyama Elementary School. During fiscal 2011, we developed and implemented a curriculum for third-grade elementary school students.



Kids Design Association Children's Genki Project

Kids Design Association engages in activities to create the social environments that will promote the sound growth and development of children who will be responsible for society's future. SCSK has been leading the Children's Genki Project, activities to support reconstruction after the Great East Japan Earthquake, and as part of these efforts, we held CAMP Workshops in Minamisanriku Town in October 2011 and February 2012. We plan to hold more workshops in Minamisanriku and other affected areas in the future.



The young participants sent us off with beaming smiles and invitations to "Come again!"

The Okawa Foundation for Information and Telecommunications

As a public interest incorporated foundation, The Okawa Foundation for Information and Telecommunications provides grants in support of cutting-edge, original new research in the information and telecommunications field, recognizes individuals making contributions to the field, and engages in other international public interest activities.



Through 2011, the Foundation has given 1,294 awards and research grants.

Management Integration Training

— Where We Want to be in 10 Years —

SCSK carried out management integration training for managers from the former SCS and CSK with a goal of mutual understanding and enhanced merger synergy, as well as to become a company trusted and needed by society.

Management Integration Training Summary

Goal: Promote integration at all levels of the company through section- and department-level managers from both predecessor companies acting as integration thought leaders

Period: 6 months from October 2011 to April 2012

Participants: 189 section and department managers (composed of 30 mixed groups from both predecessor companies)

Training Content: 6 group sessions with the theme "Outlining the Future of the New SCSK"

	Motivation	Relation building	Issues consideration			
Schedule	DAY 1 October 5 (Wed) Half-day kickoff training	DAY 2 November 15 (Tues), 16 (Wed) 2-day, 1-night training	DAY 3 January 6 (Fri), 7 (Sat) 2-day, 1-night training	DAY 4 February 17 (Fri), 18 (Sat) 2-day, 1-night training	DAY 5 March 9 (Fri), 10 (Sat) 2-day, 1-night training	DAY 6 April 12 (Thurs), 13 (Fri) 2-day, 1-night training



Integration, Synergy, and Resolving Social Issues

Extensive discussion took place during the Management Integration Training to delineate the mission and vision for realizing our corporate philosophy while at the same time retaining the best aspects of the former SCS and CSK. There was lively discussion of such questions as "What do you want to realize through your job? Why are we members

of the SCSK Group? What kind of future do we want? Where will society be in 10 years? Where should it be?" The final conclusion was that SCSK should "help meet society's issues as an IT enterprise." Let's take a closer look at the principal visions that emerged from this group work.

Create Social Value, Making the World Affluent

By Team Any

"SCSK should become an enterprise in a new industrial category, offering a wide range of value—Any Service, Available Anytime, Anywhere—to enterprises, individuals, local communities, and other nations. We should build platforms that combine the services and knowhow of enterprises, NGOs, administrative entities, and others, and offer these platforms to enterprises, organizations, and anyone else needing solutions."



Make Society Affluent by Transcending Borders to Connect People with People and Enterprises with Enterprises

By Team 49ers

"As an IT platform, SCSK should make society more affluent by offering services that transcend borders, connecting people with people and enterprises with enterprises. We should equip Japanese companies entering overseas markets with a secure 'fort' that enables them to do business with peace of mind in different languages and environments and amid different commercial customs. SCSK should be known widely as an enterprise that other companies should consult first if they plan to do business overseas."



Become the No. 1 Provider of People- and Eco-friendly IT Services

By Team Sunshine Dream Vision

"As its first good deed, SCSK should spark an environmental revolution by offering IT services that are friendly to the global environment. As its second good deed, SCSK should offer people-centered IT services that are friendly to everyone, and realize a society in which IT closely meets peoples' needs." "Through these two good deeds, SCSK will help realize a gentle, warm, borderless society through IT."



Support Safe, Reliable, Serene Lifestyles

BY Team J: Dream

"SCSK should create connections between people, between regions, and even beyond, and to offer content services (education, medical treatment, support for senior citizens) that inspire and comfort people. Our vision is for SCSK to build social platforms, eliminate various inequalities between regions, and inspire Japan."



These unique perspectives on where SCSK should be in 10 year's time were announced at the May 2012 Senior Management Meeting attended by the Board of Directors.

Aspirations for SCSK —From an External Lecturer—

Minoru Noda

Professor, Graduate School of Global Business, Meiji University Graduate School

Innovation is generated by collisions between different cultures. The unification of two different companies also increases the likelihood of innovation. Post-merger enterprise integration will not be achieved immediately, but what is important is for employees to frankly share their personal doubts, dissatisfactions, worries, and hopes, and

keep the dialog going. This will create a foundation of trust and help to clarify differences, and once people can listen to each other and enjoy working together, those differences will become an advantage. When that happens, the synergy effect of the merger should be maximized.



Third-party Opinion

Junichi Mizuo, Ph.D.

Professor, Graduate School of Economy, Surugadai University
Visiting Lecturer, Graduate School, Tokyo Institute of Technology

Following a stint at Shiseido Co., Ltd., he joined the faculty of Surugadai University in 1999. He holds a Ph.D. in Management from Senshu University, and is Vice-Chair of the Japan Association for Performance Excellence, Executive Director of the Japan Society for Business Ethics Study, Senior Researcher at the Business Ethics Research Center, and a University of London 2010 Visiting Research Fellow. His publications include *Gyakkyo keiei: nanatsu no hosoku* ("The Seven Laws of Managing in Adversity") (Asahi Shimbun Publications Inc.) and *CSR de keiiryoku wo takameru* ("Enhancing Management Capabilities with CSR") (Toyo Keizai Inc.).



In October 2011, the new SCSK Corporation ("SCSK Group") was launched. I would like to offer my congratulations on the publication of SCSK's first CSR report, which is distinctive in emphasizing CSR activities that leverage the SCSK's unique characteristics. From my standpoint as someone with experience practicing CSR at an enterprise, constructing CSR theory in an academic setting, and promoting the integration of CSR theory and practice in society, I submit my third-party opinion.

Areas of Excellence

● In this IT enterprise CSR report, SCSK's unique character in making the future stable, safe, and reliable is conveyed clearly.

In most cases, when a new company is launched after a merger, the integration of the merged entities' distinct cultures becomes an important challenge. The report clearly highlights how the Group proclaims its corporate philosophy, "build our future of dreams," as the cornerstone of that effort, and how the entire SCSK Group is unified in moving forward.

Special Feature 1 makes clear SCSK's stance with respect to the resolution of current social challenges, including stable energy supplies, BCP measures in times of disaster, and prevention of losses from illegal financial transactions. This is truly CSR practiced through business, leveraging SCSK's unique characteristics, and will serve to integrate the new company's business activities.

Today, society is calling for safety and reliability in the basic requirements for life, including housing, food, and clothing. The role played by the SCSK Group is to protect this infrastructure, which can be regarded as the foundation of society, and to make active contributions to society. In this sense, SCSK's CSR activities can be said to be making the future stable, safe, and reliable, and these efforts to protect and contribute are characteristic of SCSK.

● Based on the ISO 26000 standard, SCSK is promoting information disclosure to and value sharing with its diverse stakeholders.

It is one of the important functions of a CSR report. In particular, in this first year of business integration, the SCSK Group shares its goals with internal and external stakeholders not only by means of the

mentioned special feature, "Practicing CSR through Our Business," but also through the special feature outlining such subjects as social contribution activities by employee volunteers centering on respect for human rights and human resources development for society, and furthermore, through systematic as well as clear and concise disclosure relating to its business activities and employee activities as a new company, in accordance with the seven core subjects of the ISO 26000 standard.

I hope that over the long term, SCSK will realize the goals regarding "Where We Want to Be in 10 Years," which were outlined in the management integration training, in a concrete manner; promote integration of each employee's ideas with the corporate philosophy; and engage in value sharing.

Areas for Future Improvement

● I hope SCSK can maintain ongoing management reform through PDCA for CSR activities.

Enterprise management is a constant process of innovation; an enterprise that stands still cannot be expected to progress. By carefully monitoring global trends, identifying social issues, and resolving those issues in collaboration with its employees, management can achieve sustainable growth.

One important objective of a CSR report is to foster this sort of ongoing management reform. Consequently, it will be desirable to progressively refine and clarify the positioning of CSR management in the annual management plan, and practice the PDCA management cycle, specifying the Plan, followed by Do, and finally Check and Act.

This management cycle practice will ensure the effectiveness of efforts to achieve alignment with the provisions of the ISO 26000 standard, which is emerging as a global CSR guideline; to analyze strengths and weaknesses; and to reinforce strengths and resolve weaknesses. Nevertheless, alignment with ISO 26000 cannot be realized instantly. It is also necessary to communicate clearly, both internally and externally, a plan for what can be achieved in the next fiscal year, and furthermore over the next several years (short and long term). I am very much looking forward to the further development of the SCSK Group through the management reforms that will result from CSR.

Comment on Third-Party Opinion

Hisakazu Suzuki

Representative Director, Senior Managing Executive Officer, and General Manager of Corporate Communications, Legal & General Affairs Group, SCSK Corporation

We would like to offer our sincere thanks to Professor Junichi Mizuo of Surugadai University for his valuable comments regarding the SCSK CSR Report 2012.

This CSR report, the first from SCSK, introduces our basic CSR policies as we work to address the problems faced by society. In addition, by reporting the content of our CSR activities in accordance with the core subjects of the ISO 26000 standard, making the report comprehensive, and striving for full information disclosure, we have worked to make our CSR activities clear to our customers and our many stakeholders.

Professor Mizuo touches on the need to clarify the positioning of CSR management and to practice the management cycle in order to achieve continuous management reform. The report provides an analysis of our current CSR efforts utilizing the ISO 26000 standard.

We intend to make effective use of that analysis to plan our future CSR management and our practice of the management cycle.

Professor Mizuno also commented favorably on our special feature, "Practicing CSR Through Our Business," as well as on our information disclosure and value sharing based on the ISO 26000 standard. By applying these touchstones to promote future CSR activities that make the most of SCSK's unique characteristics, we will push the CSR activities of SCSK even further, and "build our future of dreams" with the help of our customers and of society.