



SCSK SCSK Corporation

Toyosu Front, 3-2-20, Toyosu, Koto-ku,
Tokyo 135-8110, Japan
TEL +81-3-5166-2500



The front cover of this report shows scenes of SCSK employee and family events.

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SCSK Corporate Social Responsibility Report 2014

Create Our Future of Dreams

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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** 7,385 (Non-consolidated, as of March 31, 2014)
11,689 (Consolidated, as of March 31, 2014)
- **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

For the FY2014 report, we focused on providing comprehensible descriptions of SCSK's efforts towards realization of the "Create Our Future of Dreams" corporate philosophy.

In addition to our initiatives to contribute to society and create a future of dreams through our IT-related business, we also introduce each of our three promises—respecting each other, providing excellent service utilizing reliable technology, and sustaining growth from a global and future perspective—as special features.

More detailed information can be found on the SCSK website, where we plan to continue disclosing the state of our efforts on a periodic basis.

We look forward to hearing about your expectations for SCSK and other opinions and comments.

■ Term of reference of report

April 2013-March 2014

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

September 2014

■ Referenced guidelines

- ISO26000
- Global Reporting Initiative (GRI)
Sustainability Reporting Guidelines 3.1
- United Nations Global Compact

■ Inquiries

SCSK Corporation, CSR Promotion Dept.
TEL: +81-3-5166-1719
e-mail : CSR.SP@scsk.jp
URL: <http://www.scsk.jp/corp/csr/>

Chairman's Message

We Will Create Our Future of Dreams through Our Three Promises



SCSK Corporation is a global IT services company that was born in 2011 through the merger of Sumisho Computer Systems Corporation and CSK Corporation. Upon the merger, we declared our corporate policy, "Create Our Future of Dreams," as well as our three promises for realizing the corporate policy: "Respecting each other," "Providing excellent service utilizing reliable technology," and "Sustaining growth from a global and future perspective."

Even as economic growth progresses globally, the world is now facing a variety of issues. They include climate change, the tightening of food supplies arising from population growth, and the depletion of natural resources. Here in Japan, too, there are mounds of complex and diverse issues facing society—the dwindling birth rate and aging population, securing fiscal resources for social welfare, workforce shortages, energy issues, and the digital divide. I believe that by enabling innovative solutions and realizing the creation of new value by way of business activities, IT services, which are SCSK's core business, have the potential of becoming a social infrastructure that will help solve such issues facing society.

As we endeavor through our core business to provide solutions for the issues facing society, SCSK also believes that improving the working environment—such as upgrading the support structure for child rearing and nursing care, introducing a system for full employment to the age of 65, and promoting women's participation—is also an important corporate responsibility. It is from this standpoint that SCSK aims to become an enjoyable and rewarding place to work and implements various measures to this end.

One such measure that is being promoted is the Smart Work Challenge 20. It is a companywide initiative that aims to reduce overtime work while encouraging the full use of annual paid vacation days. Through this initiative, we were able to reduce average monthly overtime hours (which was 26 hours per person in FY2012) to 22 hours in FY2013.

As for the number of paid vacation days consumed, we reached an average of 19 days per year against the target of 20 days. That we were able to achieve increases in both sales and profit during this time despite such decreases in hours worked, we believe, was an impressive outcome.

Smart Work Challenge 20 is not just about reducing overtime for the sake of cost reduction. Rather, it is a reform of the working style that enhances the quality of work. A company cannot provide superior services that touch and bring joy to customers unless its employees are both physically and emotionally healthy, feel their work is rewarding, and deliver superior performance.

Our efforts are in no way complete. We will continue to promote our endeavors based on our belief that maintaining the good health of our employees is a form of making a social contribution as a company and that realizing a state in which each employee feels fulfillment is the quintessence of corporate social responsibility.

In promoting its CSR activities, SCSK had been analyzing its business activities by referencing the ISO 26000 standard. In order to further reinforce the challenges identified through such analysis, beginning this year we are establishing targets related to the CSR promotion measures implemented by the corporate unit.

Our Future of Dreams cannot be realized without the development of a sustainable society. It is SCSK's desire to properly recognize—from a global perspective—the issues facing society, exhibit the Company's strengths to the utmost, and contribute to the development of a sustainable society. We intend to work towards the realization of a Future of Dreams for our stakeholders, and we ask for your continued support in this effort.

Nobuhide Nakaido
Chairman and CEO, SCSK Corporation



Yoshio Osawa
President and COO
SCSK Corporation

Hiroki Sato
Professor, Institute of Social Science
The University of Tokyo

What Is Required of Employees to Create Our Future of Dreams?

Date of dialogue: July 30, 2014

Affiliations and titles are as of the time of the dialogue

SCSK's first promise under its corporate philosophy, "Create Our Future of Dreams," is "Respecting each other." Why is it that the Company places so much emphasis on human resources management? To examine the significance and outcomes of SCSK's past initiatives afresh from an external perspective and lead it to future development, SCSK President and COO Yoshio Osawa held a dialogue with Professor Hiroki Sato of The University of Tokyo's Institute of Social Science. Professor Sato is an expert on human resources management.

Smart Work Challenge 20—Re-examinin Working Styles Brings about Business Reform

Y. Osawa: Since the merger in 2011, SCSK has been promoting "Smart Work Challenge 20," which aims to reform working styles. At its root is the concept of "healthy management." Having employees who are in good emotional and physical health engage in their work with a "clear head" is indispensable for enhancing the quality and productivity of our operations. Along with our initiatives for quitting smoking or preventing metabolic syndrome, we have also been carrying out a thorough, companywide re-examination of working styles, and promoting streamlining and the reduction of the number of hours worked. As a result, average monthly overtime was reduced to about 22 hours in fiscal 2013, and the rate of consumed annual paid vacation has improved to 95.2%.

Prof. Sato: It should be noted that SCSK continues to steadily increase its sales and profit while shortening the number of hours worked. I think (that) this is extremely pioneering in Japan where the low labor productivity of companies is pointed out more often than not. Working style reforms bring about significant changes to the lives of employees in areas outside of their work as well. Re-examining their lives and starting to enjoy leisure hours bring about a virtuous cycle in which fresh ideas that are obtained outside of the job have a positive impact on work.

Y. Osawa: Exactly. When I was stationed in Germany, I noticed that local-hire employees went home every day on time. Instead of working overtime, they exhibited amazing concentration

during office hours. They achieved results during the fixed office hours, and once the day's work was over, they would have dinner with their families, and then go out with friends to enjoy sports like tennis, football, or cycling, go to concerts, and so on. Furthermore, they took their twice annual vacations (two months total) in full. They were really enjoying rich lives.

In addition to enjoying eating dinner at home with their families, we are seeing an increase in the number of employees who are using the spare time created through the reduction of overtime work to engage in hobbies, enjoy playing sports, or even to obtain qualifications or brush up on foreign language skills. We use our in-house newsletter to introduce the diverse after-office-hour activities of our employees so that other employees can draw from it.

Prof. Sato: That is a wonderful idea. The reduction of overtime will be further accelerated if employees have clear incentives for doing so, such as wanting to eat dinner with their family, having things they want to learn, or hobbies they want to engage in.

Y. Osawa: The quality of an employee's work will be significantly enhanced if they manage their own time and are focused at work. At SCSK, we hold the "Innovative Idea Grand Prix"^{*1} (Ino-one GrandPrix), an internal business contest, every year so as to promote the creation of new business models that are distinctive of SCSK. Superior, innovative ideas do not arise if employees are constantly overwhelmed by work deadlines.

Prof. Sato: The Ino-one GrandPrix is a good example of how working style reform also leads to business reform. Amid the accumulation of various issues facing society, I look forward to seeing IT services that will help solve such issues.

Gaining the Understanding of Employees' Families, Business Partners, and Customers

Prof. Sato: Now that the reduction of overtime work has greatly progressed, what will be needed going forward is to change, through the employees, the awareness of the families as well. For example, picking children up from daycare centers generally tends to be considered the mother's job. We are recently starting to see companies that invite the husbands of female employees to the company at which time they ask for the husband's cooperation at home. Wouldn't such measures be effective for SCSK as well?

Y. Osawa: The promotion of work-life balance seems to be gradually spreading to the families of employees as well. The 36% increase in the number of employees who became pregnant with their second child is one indication of this. I think that this is the result of the spread of the awareness among SCSK employees and their spouses that it is possible for a woman to continue working while raising two children.

Prof. Sato: The severity of the IT industry's working environment, such as long overtime work, has been pointed out for many years. That makes such changes even more meaningful. I hope to see SCSK take the lead in bringing about trends that change the whole industry.

Y. Osawa: Under current circumstances, we still hear other companies within our industry say, "That would be impossible for us to implement" in regards to SCSK's initiatives. However, realizing an enjoyable place to work brings about a huge benefit to the company—it makes it easier for the company to hire talented individuals. What is more, information leakage and other such matters are grave risks in the IT industry. It is not possible to nurture a sense of ethics and the loyalty of employees in a bad working environment. We have about 2,100 employees who work full-time at customers' offices. We back them up by explaining the SCSK policy to our customers and gaining their understanding. Of course, the major premise is that our employees will fulfill good performance regardless of the working hours.

Prof. Sato: That may be a point that tends to be misunderstood. It is important that there is insistence on achieving results even while reducing overtime work and promoting the consumption of paid vacation time. The shortness of working hours does not mean that a job will be easy to carry out.

Y. Osawa: That's right. The "enjoyable place to work" that we are pursuing is completely unrelated to easy, undemanding management. The objective is to increase productivity and efficiency as much as possible so as to enhance operational quality while making it possible for employees to enjoy fulfilling lives.

Towards further Enhancement of Enjoyable and Rewarding Places to Work

Prof. Sato: You are already seeing high rates of consumed annual paid vacation time. I think your next step will be to aim for employees taking consecutive paid vacation days once or twice a year. When employees start to be away from their office for several days, it triggers the building of systems to deal with



Hiroki Sato

Profile

Hiroki Sato is a professor of The University of Tokyo's Institute of Social Science. He is an expert in human resources management and personnel labor management, and is a leading Japanese authority on work-life balance. He has launched a work-life balance promotion and research project as collaborative research with a private-sector firm, and he is carrying out speculative, empirical, and policy-related research on the relationship between work-life balance, corporate management, and human resources utilization.



it, such as how information will be shared during that time or how those around the vacationing employee should deal with the situation. It becomes good practice for when individuals have to take leaves of absence later on, such as to provide nursing care for elderly parents.

Y. Osawa: Yes. The issue of nursing care is a matter that SCSK has to think more seriously about going forward. Many employees who are concerned about providing nursing care for elderly parents are those who have important roles, such as management positions, within the Company. I believe that it is essential that we create a mechanism that ensures that operations will continue without interruption even if that person has to be suddenly absent from his or her workplace.

Prof. Sato: Although leaves for nursing care can arise suddenly, a long-term leave is not required. It is probably better not to think of the leave as time spent for providing the actual nursing care. Rather, it should be thought of as the time required for the individual to set things up to make it possible to keep working while utilizing various nursing care services. The company should also try to stay a step ahead, such as by disseminating information on available systems, how to respond when matter arise, and so on.

Y. Osawa: I appreciate your thoughts very much.

Another challenge that we have towards the future is how we can create rewarding work. This is a pillar of the same importance as creating enjoyable places to work. We already have various evaluation systems in place, but we need to make further consideration of what we can do to enable employees to feel that their job is interesting and work with vitality every day.

Prof. Sato: I think that it is a difficult challenge, but I think the key is how to link the growth of employees to the growth of the company. If they sense their own growth as a result of giving the utmost to the tasks before them, and, what is more, if they feel that it has contributed to the growth of the company, then they will feel a sense of accomplishment as well as fulfillment.

Y. Osawa: We have established various teams in-house towards the formulation of a new medium-term management plan that will be implemented from the next fiscal year, and they are carrying out different discussions. I am hoping that during this process when all employees are deliberating on what kind of a company we will nurture over the three years of the plan, there will be a mixture of top-down thinking and bottom-up ideas that will enable us to find a path that will synchronize the growth of the Company with the growth of employees. For this, too, I want our employees to continually keep the "Creating Our Future of Dreams" corporate philosophy in their minds so that it penetrates their hearts as SCSK's DNA. I would also like them to do their utmost so that SCSK can provide high value to society through those efforts.

^{*1} Innovative Idea Grand Prix: Also known as Ino-one GrandPrix, this is a contest that calls for the submission of innovative business ideas by employees. The Company supports the commercialization of superior ideas.

SCSK CSR and Business Overview

■SCSK's Corporate Philosophy and CSR

"Our Future of Dreams" in the corporate philosophy can only be realized in the presence of a sustainable society. That is why we seek to help meet the issues facing society with our eyes fixed intently on the future.

Today's society faces a wide range of issues that are intricately entangled. These issues inevitably 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. As such, we believe that carrying out activities to help meet society's issues directly, supporting our customers, and helping them solve their problems also helps meet society's issues and is the CSR that is distinctive of SCSK.

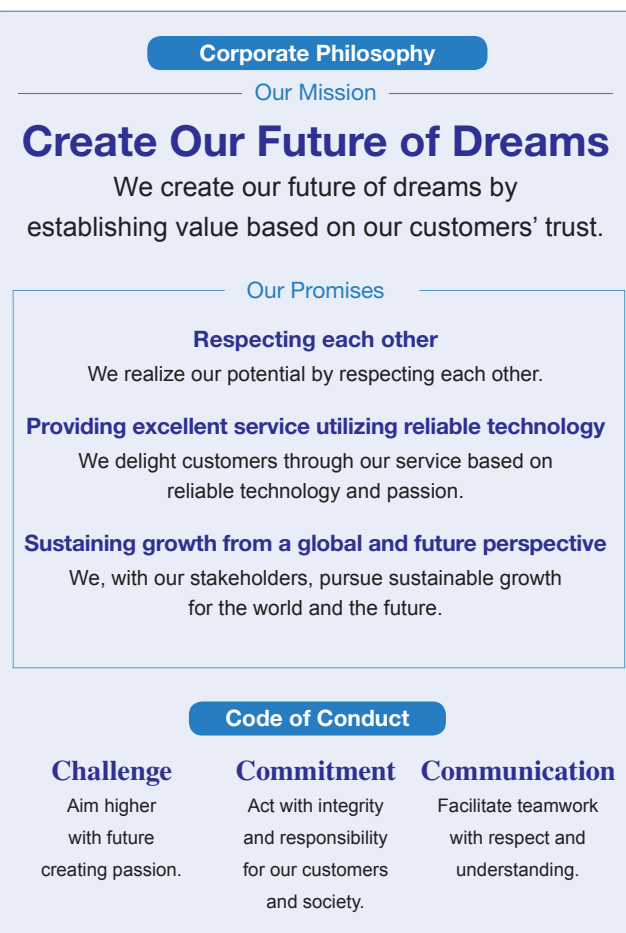
In order to solve the issues faced by society, we must address these issues with determination and responsible action. We must think from the customer's perspective, act responsibly, and take on issues with passion, while respecting and cooperating with our associates. At the same time, it is important that we relate to society while maintaining a continual awareness of the issues at hand.

SCSK promotes initiatives that are geared towards cultivating a corporate culture that maximizes our strength by encouraging each employee to respect others' uniqueness and diverse sense of values. We also promote 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.

■CSR Initiatives towards Our Ideal

SCSK promotes systematic CSR activities with the aim of becoming a company that contributes to society through its core business.

SCSK wants to solve the issues facing society through its business activities by confronting as its own challenges, the issues that its customers and society come up against. SCSK



promotes management that is in compliance with international principles—including the United Nations Global Compact^{*1} and ISO 26000^{*2}—as the foundation for enabling this. In FY2012, we carried out status analysis that referenced the ISO 26000 standard, and in FY2013, related units formulated targets while keeping the ISO 26000 core subjects in mind.



■SCSK Business Overview

Provides a full lineup of IT services required by businesses

By Industry

Industrial Systems Business

Financial Systems Business

Global Systems Business

By Function

Business Solutions

Business Services

IT Management

IT Platform Solutions

System integration

SCSK makes proposals to its customers related to the design and revision of overall business systems utilizing computers. At the same time, we plan and design various information systems as well as carry out their deployment and implementation.

IT infrastructure implementation

An IT infrastructure refers to the environment for the operation of information systems. SCSK builds the optimum IT environment that will realize maximum efficiency for its customers, combining computer hardware, software, networks and/or servers that best suit the customer's organizational structure, size, type of business, and usage situation.

IT management

SCSK assumes the operation of customers' IT systems. We aim for the stable operation of the overall system. We collect and analyze system operation data from the viewpoint of pursuing security, reliability and efficiency, and provide operation management services that include the management of IT infrastructures.

BPO (Business Process Outsourcing)

SCSK offers to carry out a portion of a customer's business processes, such as order-taking, product shipment handling, and payment settlement, as business process outsourcing services that will help customers achieve business efficiency, raise customer satisfaction as well as support the development of new business services.

IT hardware/software sales

SCSK provides consulting for the adoption of hardware and/or software that match the customer's requirements. We also offer products as well as customization, maintenance, and repair services. After-sales support is also carried out for hardware and software products sold by SCSK.

Supporting our customers' business and society through IT services

Finance

Manufacturing

Distribution

Services

Telecommunications/
Media

Construction/
Real Estate

Environment/
Energy

Education

Healthcare

Solving issues facing society through business activities

Practicing CSR through Our Business

~Underpinning Society through IT~

This is a list of representative SCSK services. The Company not only engages in business that will lead directly to solving issues facing society but also works to solve such issues indirectly by providing support to customers. The following are descriptions of SCSK's efforts toward creating an even better society for the future.

1 Finance

SCSK is involved in the development, repair and maintenance, and operation of the IT systems of banks, insurance companies, and securities firms, which serve as the social infrastructure that supports the economy. Regarding measures and countermeasures related to security, disasters, and business continuity plans, we provide solutions such as a system for the detection of unauthorized access, and the utilization of SCSK's data centers.

CARD Savior

CARD Savior: A solution that detects fraudulent use of credit cards. Offered as a joint-use service, it utilizes unique scoring and rule engines that realize highly accurate detection of the fraudulent use of credit cards.

Bank Savior

Bank Savior: A monitoring solution that supports the detection and prevention of financial crimes—such as money laundering, bank transfer scams, and counterfeiting, or theft of bank cash cards—that surround financial institutions.

2 Manufacturing

For customers in the manufacturing industry, SCSK provides various solutions that help promote rationalization and efficiency in a series of operational processes, from purchasing and manufacturing to distribution and sales. We also support overseas development of businesses through a globally standardized IT infrastructure.

ADVENTURE Cluster

ADVENTURE Cluster: A parallel structural analysis system developed by Allied Engineering Corporation, which is an SCSK Group company. The system adopts an original algorithm for the high-speed analysis of large-scale models. This software contributes to the acceleration of development turnaround, cost reduction, and quality enhancement in a wide-range of fields in the manufacturing industry.

3 Distribution

SCSK provides a wide variety of solutions to support responses to changes taking place in the distribution industry—including globalization, the spread of e-commerce, and omni-channel retailing—as well as IT support operations, from the sales floor to headquarters and distribution centers.

スマクラ

Super Market Cloud EDI service: A cloud-based integrated electronic data interchange (EDI) service recommended by four distribution industry organizations to promote the widespread use of a distribution business message standard (BMS) being developed by the whole industry.

4 Services

For customers who operate multiple retail stores or restaurants, SCSK helps the streamlining of their management by providing a system that promotes the efficiency of store development work, such as new store opening, store operation, refurbishment, and relocation.

Negozio
Store Lifecycle Management

Negozio: A store development system for companies engaged in multi-store management. It further streamlines store development operations such as real estate, store, agreement management, and construction management.



5 Telecommunications/Media

SCSK provides a highly flexible, stable IT infrastructure in response to the rapid changes seen in recent years in the fields of telecommunications and digital media, including the spread of the use of a wide variety of digital content on smartphones, and utilization of big data.

Appsncut

Appsncut®: A mobile application and content management platform that realizes the in-house operation and management of mobile applications and content for business use, and enables distribution for Android, iOS, and Windows devices all at once.

6 Construction/Real Estate

SCSK provides systems and services that promote the streamlining of operations, such as design, project management, and customer management, for the construction and real estate industries. We also offer a business management system for home renovations for which social needs have been increasing in recent years.

SUPER SOFT II

SuperSoft II: A 3D computer aided design (CAD) system, which is compliant to the latest operating systems and is used mainly for the design of wooden housing. It is an integrated CAD system with a wide range of uses, from customer presentations to execution design, estimate, and quantity survey.

7 Environment/Energy

As a countermeasure for global warming and energy issues, SCSK is promoting the development and provision of an energy management system that will contribute to the realization of smart cities (eco-friendly cities) and expedite the utilization of renewable energy.

環境とエネルギーの未来を創る
エネルギー管理システム
PrimeEco

PrimeEco: A system for the integrated management of solar and other natural energy and storage batteries using IT. It realizes the stable use of natural energy and reduction of power bills through peak shaving.

8 Education

In addition to services for the streamlining of academic affairs management and other operations at educational institutions, such as universities, SCSK provides solutions that support a variety of learning styles, including educational and learning platforms utilizing ICT and the recording and online streaming of lectures.

BeeDance

BeeDance®: A system that supports teachers who promote interactive classes, collaborative learning, and digitization of course materials through classes that utilize tablet computers. An example of actual use is introduced on page 10.

9 Healthcare

For customers in the pharmaceutical industry, SCSK provides various solutions that include support for the information provision activities of companies' medical representatives. We also provide a statistical analysis service for the vast amounts of test data from the clinical trials required for the discovery of new drugs.

MR2GO

MR2GO: A solution that streamlines the sales activities of pharmaceutical company medical representatives and realizes appealing digital presentations through the use of tablet computers. A version for Windows 8 tablets is now also available.

Services for All Industries

USIZE

USIZE: The collective name for a SCSK cloud service that adds operational services leveraging the Company's know-how to infrastructure resources that meet customer needs. By doing so, the cloud service delivers security and safety along with swiftness and flexibility. USIZE appears regularly in Nikkei Computer's "Cloud Ranking."

netXDC

netXDC: A solutions-oriented data center that possesses state-of-the-art functions and realizes reliable operation and monitoring through a rich track record and experience. In addition to a configuration that is highly scalable and reliable, netXDC continues to evolve through the strengthening of its facilities as well as the maintenance and enhancement of the quality of its operational monitoring services.

curl / caede

Curl / Caede: Technologies that provide cross-platform development and execution environments for running rich internet applications (RIA) on any platform, from desktop to mobile. They realize highly secure web systems through an advanced and complex interface and are used as platforms by leading companies, including manufacturing companies, financial institutions, and trading houses.

ProActive E2

ProActive E2: An enterprise resource planning (ERP) package that covers core corporate functions, such as accounting, sales management, asset management, production management, and personnel, payroll, and human resources management. It supports the solving of issues such as early completion of financial closings and accommodation of International Financial Reporting Standards (IFRS) through know-how obtained through a track record of implementation at 4,900 companies.

SECURE YOUR SITE

SECURE YOUR SITE: Under the principle of contributing to the development of a healthy information-oriented society through the global provision of secure IT services, SECURE YOUR SITE provides swift and accurate countermeasures towards security threats that evolve on a daily basis.
An example of actual use is introduced on page 9.

PrimeTiaas

PrimeTiaas®: This is a service that provides a cloud-based voice system infrastructure. It enables swift implementation and low costs when starting up a call center. PrimeTiaas® responds flexibly to the expansion of operations and supports communication between businesses and consumers.
An example of actual use is introduced on page 10.

Contribution to Society through Business Activities

SCSK utilizes information technology to address, with customers, issues facing society and create value that had not existed heretofore.

Protecting Society from Security Risks SECURE YOUR SITE

Creating Safe and Secure Societies through Risk Visualization

Tomoyuki Hosoya
General Manager, Global Security
Solutions Department
IT Architecture Integration Division



The Internet has become an infrastructure essential to social systems not only as a source of information but also through the functions it enables, such as online shopping, Internet banking, and credit-card transactions. While it provides even greater convenience to our lives, there are also risks contained within, such as unauthorized access and falsification for the purpose of committing crimes. Once a company becomes the victim of such crimes, it leads to the erosion of trust, and as such, concern related to network security continues to rise.

The mission of SCSK's IT management services is to protect the safety and security of society's information technology. We place ourselves in the customer's position and provide comprehensive, exhaustive solutions from the aspect of managerial risks. SCSK's services are characterized by the fact that we implement risk visualization through security monitoring and carry out consulting that is suited to the customer. Furthermore, we contribute to the development of a sound information society by offering cloud-based solutions (USIZE) and by taking on all IT management on behalf of our customers.

Stakeholder's Comment

Riotaro Okada
Leader, OWASP Japan Chapter



Applications that have control over data are expanding their scope—examples close to our daily lives include areas such as the economy, our behavior, purchasing, and distribution. This signifies an increase in the need to secure the reliability of the information technology needed by society—that is, the need for appropriate security measures and detailed technological support. This is an issue that requires qualitatively and quantitatively massive resources.

In order to meet this challenge, experts have gathered from around the world, beyond borders and organizations, for the Open Web Application Security Project (OWASP). OWASP Chapters collect security-related know-how, develop tools, and operate a forum for sharing them.

SCSK Corporation has been a proactive participant in Japanese OWASP activities from early on. In addition to the provision of support for our activities, SCSK engineers are also making active contributions in technical elements, such as by obtaining certification as OWASP evangelists for vulnerability detection tools. We look greatly forward to SCSK making an even greater contribution to solving IT issues facing Japanese society through international collaboration by utilizing the Company's experience.

Support of Green Manufacturing

Making Manufacturing Pleasant through IT

Yasushi Igami
General Manager,
Engineering Department
Chubu IT Platform Solutions Division



There are many processes required in the production of a car. When launching a new model, there is a need to have dozens of prototype cars on hand so that each process can be verified with an actual car and checked to see if it can be manufactured at the plant as-is.

Dassault Systemes' DELMIA can be used to implement such verification on a personal computer without an actual prototype car. 3D models of the car in development, plant facilities, etc., are loaded onto a computer where various study work is carried out. It makes it possible to greatly reduce the number of prototype cars.

SCSK has a significant track record in the implementation of DELMIA. Companies that have implemented DELMIA solutions have realized reductions of environmental loads and costs through the complete digitalization of study work related to assemblability and operability during the pilot stage and substantial decrease in the number of prototype cars used.

SCSK will continue to support green manufacturing.

Stakeholder's Comment

Masahiro Nagai
Manager, Engineering IT Department
Corporate Affairs Office,
Mitsubishi Motors Corporation



Under the "Drive@earth"^{*1} tagline, Mitsubishi Motors is rolling out products with environmentally-friendly plug-in hybrids and electric vehicles as one of the pillars of its business. The appearance of these models is resulting in the diversification of parts, such as motors and traction batteries, making the operation process of production lines complex.

By utilizing DELMIA, for which SCSK Corporation provides implementation assistance, it has become possible to make advance studies of operation processes that are becoming more and more complex, thereby reducing the costs required in preparing for production.

DELMIA also greatly contributes to labor-saving in regards to the in-plant distribution of diversifying parts through the use of automated guided vehicles. We expect from SCSK Corporation the proposal of systems of even higher quality that leverage the Company's wide-ranging knowledge of the factory floor and information technology.

*1 Refers to a renewed focus on the connection between driving and environmental issues, and a reference to the unique variety of landscapes our planet offers us to discover.



Proposal of a New Style of Education

BeeDance® 

Smart Operability for Active Classes

Yukiko Taniai
Manager, Systems Section II
Solutions Business Department
Nishinoh Industrial Systems Business
Division II



Independent learning by each individual towards achievement of autonomy, collaboration, and creativity is said to be required under the Japanese government's Basic Plan for Promoting Education. An example of the realization of this concept is the "Promotion of Collaborative and Interactive Learning through Utilization of Information and Communications Technology."

BeeDance® is a system that supports learning utilizing tablet computers. It easily realizes interactive classes, collaborative learning, and digitization of course materials in a classroom environment in which a tablet computer has been distributed to each student.

Reducing the workload on the teacher that accompanies reform of the style of education has been an issue related to the introduction of ICT to the classroom. BeeDance®'s smart product design and simple operation have made it possible for even those who are not good at using personal computers and other devices to promote collaborative learning.

We hope to continue creating new value with customers and cultivate a future of dreams in school education.

Stakeholder's Comment

Masaki Makabe
Supervisor, School Education Section,
Education Department
Okayama Prefecture Niimi City Board
of Education



BeeDance® is an application that enables you to create and use classroom exercise problems with ease, and the collaborative learning that it realizes brings smiles to students' faces. Interactive and collaborative learning has been carried out in the past, but the use of this system makes it possible to conduct even more effective and efficient classes.

Teachers can see in real time, all of the students entering their answers, which allows them to carry out detailed instruction to even more students. Furthermore, it does away with the need for students to come write on the blackboard, so class time can be used more effectively. Students can look at the answers written by other students, too. Seeing the opinions of others will help deepen mutual understanding.

I have made requests for improvements and additions, and have been treated with care. I think that BeeDance® is an application that is being made together with users through their feedback. With cost-effectiveness also taken into consideration, I would like to undertake even more fulfilled collaborative learning.

Provision of Highly Reliable and Flexible Services

Support for Establishing Call Centers

Masashi Kojima
General Manager,
Customer Services Department
AMO Business Division



As the services provided by businesses diversify and society becomes even more complex, there is a growing need for the establishment of call centers that support consumers, such as by providing unbiased information or dealing with complaints.

SCSK offers the PrimeTiaas® service, a cloud-based voice infrastructure that makes it possible to establish call centers swiftly and at low cost. It is a scalable cloud service that can flexibly be expanded in response to business expansion. Furthermore, it can be integrated with the SCSK Group's call center infrastructure simply by realigning the tenant partition of the service infrastructure—that means that a portion of the operations can be outsourced to the SCSK Group.

High quality call center operations will be supported from the aspect of the voice infrastructure, such as by setting up multiple remote locations for receiving calls that will contribute to enhanced business continuity during emergencies.

Stakeholder's Comment

Yasutaka Nakai
Assistant Manager,
Information Systems Division
Aderans Co., Ltd.



We adopted PrimeTiaas® in May 2014 when we renewed our old system with the objective of reducing and simplifying maintenance and operations, and ensuring stable operation and business continuity by moving to a shared service.

We use PrimeTiaas® to carry out sales desk operations through the Telephone Operation Center (call center) as well as respond to customer inquiries at the Customer Services Center. The stable systems services and operational services being provided are contributing to the enhancement of the quality and efficiency of our operations.

By receiving calls at Aderans' two call centers in East and West Japan as well as utilizing two PrimeTiaas® data centers in East and West Japan, we have been able to achieve a significant enhancement of call center business continuity during emergency situations. The call centers are important contact points that link our company with our customers. We look forward to receiving continued high-quality services.

Toward an Enjoyable and Rewarding Place to Work

～Smart Work Challenge 20 for Happy Employees and a Happy Company～

■What is Smart Work Challenge 20?

Many people who work for a company spend a large portion of their day working, so we want each employee to be in good health, be able to work as efficiently as they can, engage in their work with a sense that it is rewarding, and lead a happy life as a member of society.

One of SCSK's promises under its corporate philosophy is "Respecting each other." With this in mind, the Company launched the Smart Work Challenge 20 initiative in April 2013. The name signifies the aim of the initiative, which is to work in a smart, efficient manner toward achievement of the initiative's numerical target of "20."

The outcome of our human resource measures, such as the Smart Work Challenge 20, will lead to a virtuous cycle. Enhancement of operational efficiency and productivity will lead to the employee's personal growth, which will bring about highly productive and creative work, and as a result contribute to customers and society.

The initiative's companywide numerical target of "20" refers to taking "20" paid vacation days per year (i.e. 100% consumption of the vacation days granted in a fiscal year) as well as keeping the average monthly overtime to less than "20" hours.

The reduced overtime pay is used in full to fund an incentive system that shares the money with employees according to the level of target achievement. Under this system, incentive payments are made according to an organization's (unit's) achievement level of targets. Incentive payment criteria were established in three stages (Gold, Silver, and Bronze) according to an organization's rate of consumed paid vacations and amount of overtime hours worked.

The incentive system is being continued in FY2014 with some additions that included the absence of any employee who has worked long overtime hours as a condition for stage achievement (Gold stage), and an incentive for the achievement of companywide targets.



Preparing an Environment toward Achievement of an Enjoyable and Rewarding Place to Work (Concept)



Incentive Payment Criteria (FY2013)

Gold	A 20% YOY reduction of overtime work, and 100% consumption of paid vacation days
Silver	A 20% YOY reduction of overtime work, and 90% consumption of paid vacation days
Bronze	A 10% YOY reduction of overtime work, and 90% consumption of paid vacation days

“Smart Work” Realized through Every Initiative

We support a working style that offers greater flexibility through the use of tablet terminals.

Comment from a Department that Promotes the Use of Tablet Terminals

Takashi Mizuno
General Manager, Corporate Systems Division

In March 2014, we handed out a Microsoft Surface tablet terminal to 2,400 employees. This was carried out to support various working styles, such as employees who work full-time outside of SCSK, employees who work from home, employees planning to return to work from childcare or nursing leaves, and employees carrying out mobile work outside the office. We will consider expanding the number of tablets distributed while confirming their effectiveness.



Comment from an Employee Utilizing a Tablet Computer

Emina Abe
Development Sect. II, Banking Systems Department I
Financial Systems Business Division I

Before distribution of the Microsoft Surface tablets, there was no connectivity to the in-house system from suboffice, so I had to go to another suboffice to check internal information and e-mails. With the distribution of Microsoft Surface, I can now engage in e-Learning or carry out various internal procedures from home. Other benefits include the ability to confirm the Company and my unit's strategies with undivided attention or check out disseminated information that is of interest to me, such as that on products. The tablets make it possible for me to take immediate action when there are things that I want to know, hear, or undertake, and I find that extremely useful. It is also important in that it increases opportunities for me to communicate with my superior or those in other units by way of e-mail, and so on.



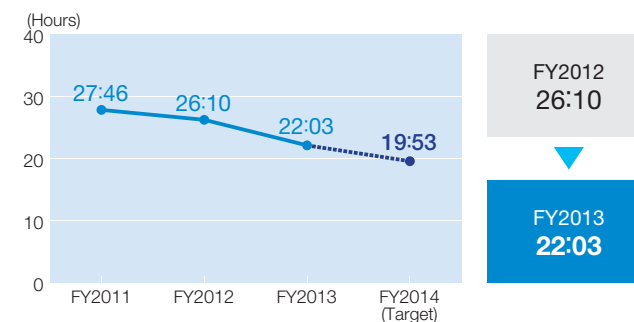
■Employees Work as One toward Achievement of Targets

We asked employees for various ideas as well as case examples on specific measures that can be implemented toward the achievement of the Smart Work Challenge 20 targets. The ideas were shared with the whole company, with promising measures rolled out internally. Examples include cutting down materials preparation to one-third the current amount and placing different colored cards on people's desks according to the amount of planned overtime work.

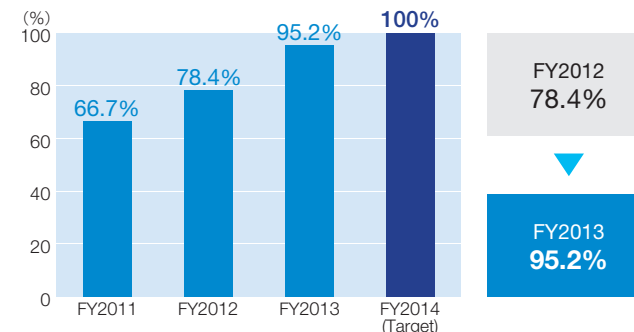
Because one of the typical SCSK working styles is that there are many employees who work full-time at customers' offices, we sent letters to our clients asking for their understanding in regards to the systematically granted paid vacation days of SCSK employees. We are also undertaking further improvement of the working environment, such as the shortening of prescribed working hours by 10 minutes beginning in April 2014.

■Results of FY2013 Initiatives

Average Monthly Overtime Hours (Companywide Average^{*)})



Rate of Consumed Annual Paid Vacation Time (Companywide Average^{*)})



^{*}1 Average for all employees including those under the discretionary work system and supervisors

Measures toward Improvement of Working Styles

Fiscal year	Content
2012	<ul style="list-style-type: none"> Companywide application of the flextime system Introduction of the discretionary work system Movement to reduce overtime work by half Promotion of taking paid vacation time Introduction of a new leave system
2013	<ul style="list-style-type: none"> Commencement of Smart Work Challenge 20 Upgrading and expansion of the teleworking system Distribution of tablet terminals
2014	<ul style="list-style-type: none"> Continued implementation of Smart Work Challenge 20 Shortening of prescribed working hours Upgrading of the leave system

Comment from the Human Resources Unit

■What Smart Work Challenge 20 Brings About

Eri Kawanabe
Executive Officer
Deputy General Manager,
Human Resources Group



The IT industry is generally thought (to be (an industry)) where a heavy workload is the norm, late-night overtime and holiday work are routine occurrences, and it is difficult to take time off. In the past, even SCSK employees fit those stereotypes.

It was the various measures we implemented from 2012, including the Smart Work Challenge 20 initiative, which significantly changed this kind of climate and way of thinking at SCSK. In the related activities that we have been carrying out over the past two years, we have been creating new working styles at the Company. Today, we are finally seeing them spread within SCSK.

I believe that the next stage that we will be aiming for is to enrich our human qualities and boost our work capabilities by utilizing the extra free time that has been created through the Smart Work Challenge 20 initiative. Enhancing our skills through self-improvement, communing with our colleagues, or spending valuable time with our families and carrying out childcare, nursing care, and so on—it is by having individuals who engage in such activities that we can create a highly flexible and strong organization, which will then lead to our huge growth as a company.

Hosting Childcare and Nursing Care Seminars

SCSK holds seminars to support employees who have constraints due to childcare or nursing care. The objective is to help them achieve balance between their work and private lives so that they can continue working with vitality. Experts provide information, while employees are also able to share information with other employees in similar situations. The aim is to resolve their worries and doubts, and create workplace environments that enable them to continue working.

These seminars are intended not only for employees who are carrying out childcare and nursing care but also their superiors. As such, they promote the understanding and cooperation of those around such employees. In FY2013, we hosted three childcare support seminars and three nursing care support seminars.

Seen by Society as an Enjoyable Place to Work

In the Award for Companies Providing Career Support in 2013, SCSK was selected as one of the Recipients of the "Health, Labour and Welfare Minister's award (see page 23). In the FY2013 Diversity Management Selection 100 hosted by the Ministry of Economy, Trade and Industry, SCSK was chosen as one of the companies that are achieving results in areas such as the creation of innovation and enhancement of productivity by making full use of diverse human resources. Furthermore, SCSK came in second place in the general ranking of Nikkei Inc.'s survey of companies that make full use of their employees.

The Smart Work Challenge 20 initiative was also introduced in various media as an advanced example of ways to promote work-life balance.





Tatsuhiko Sekiguchi
Assistant Manager
Common Code Section

Minoru Haranaka
General Manager,
Administrative Systems
Management Dept. I
SC Systems Business Div.

Tsuneo Sasaki
Former President
Toray Corporate Business
Research, Inc.

Aya Matsumoto
Common Code Section

Yoshito Hirose
Manager, Common Code
Section
Administrative Systems
Management Dept. I

Ayako Nagao
Common Code Section

Employee Roundtable Discussion

Becoming the Most Enjoyable and Rewarding Place to Work in Japan

~ Discussion between Tsuneo Sasaki and SCSK Employees ~

Date of the roundtable: July 31, 2014

SCSK has been implementing Smart Work Challenge 20, which is a companywide initiative that aims to create an enjoyable place to work (see pages 11 and 12). Representatives from the Administrative Systems Management Dept. I, SC Systems Business Div., which achieved significant results in the reduction of overtime work and improvement of the rate of consumed paid vacations in FY2013, got together for a roundtable discussion. They invited Mr. Tsuneo Sasaki, former President of Toray Corporate Business Research, Inc., who is deeply knowledgeable about smart working styles, to join them in the discussion. They looked back on the progression of “smart work” at SCSK as well as acknowledged existing challenges and exchanged opinions from a broad perspective to further deepen related activities.

Toward Working Style Reform by Improving Communication and Working as a Team

M. Haranaka: At our division, we promoted four measures for the reduction of overtime work under the Smart Work Challenge 20. They were: awareness-raising, streamlining meetings, utilizing shift work, and visualization. In regards to awareness-raising, we placed particular focus on having GMs, managers, and other superiors take the lead in changing the attitude that held that overtime work was the norm. In cases where overtime could not be avoided, we concentrated while working, and other than that we made sure not to stay late at the office. We emphasized this kind of working style, where we worked hard during hours. Meanwhile, to streamline our meetings, we shared the topics for debate in advance and ensured that each participant prepared their thoughts and opinions before they

came to the meetings.

Y. Hirose: We’ve seen very good progress in shortening the length of meetings. We also decreased the number of meetings that are held. For example, the meetings that were held three times a week according to the theme were consolidated into one meeting. Once we tried it, we saw that the consolidation caused virtually no problems. As a matter of fact, it worked the other way around. The content of the discussions became more in-depth as a result.

M. Haranaka: I think that adopting shift work was also a very effective measure. In the past, we used to do overtime to carry out the operation and maintenance of systems that could only be done at night. We changed our way of thinking, and when such work is necessary, we have people come into work at a later hour. Furthermore, we made the state of the progress of everyone’s individual work as well as use of paid vacations visible by putting them together in a timetable. This made it possible for us to check how others were doing to see if there were any problems, and ensure that everyone would be able to use up their annual 20 days of paid vacation time.

Mr. Sasaki: It is quite remarkable for an IT company to have reduced overtime work to 22 hours a month. This is not something that can be realized if you leave everything up to each department or if it is only top management that fervently advocates the idea. Developing a clear policy as a company, like the one we see in the case of the Smart Work Challenge 20, and presenting them for those on site to develop further was, I think, a really on-target way of doing things.

T. Sekiguchi: When I first heard that the Company was aiming for the 100% consumption of paid vacations, I wondered if we could really do it. However, once the initiative started, we found that better communication naturally resulted. A person would

say, “I’m thinking of taking this day and this day off this month,” and we would coordinate things around it without any major problems arising. However, because we can’t allow business to come to a halt when we take days off, it became important to share the content of our work with other members so that they can handle it in your place.

F. Matsumoto: Communication between us has certainly increased and become better. To ensure that operations will progress smoothly within a limited amount of time, we communicate and discuss even the smallest thing with others. During breaks, we now also talk a lot about things outside of our work.

Mr. Sasaki: Good communication and relationships of trust become the drivers of efficient work. It is extremely important that each of us knows what others are doing—what they are involved with at the moment, what kind of problems they may be facing, and how they feel about their work. There is nothing more inefficient than workplaces that lack good communication and have no relationship of trust built. Such cases may often result in things that are not required being done due to a lack of understanding or through misunderstandings.

Creating Workplaces that Realize Both Operational Quality and Enjoyment

F. Matsumoto: I utilized short-time work days for childcare purposes, and I greatly appreciate the companywide movement

toward the shortening of hours worked. Because there are people who may go home earlier than I do due to shift work and because it is an environment in which everyone takes their paid vacation time in full, I feel less hesitation toward those around me. I don’t feel bad about leaving early or feel that I am causing problems to others by taking time off.

A. Nagao: The Smart Work Challenge 20 began the year I

was on pre-birth and post-birth maternity leave and childcare leave. I learned about the various systems that were put in place one after another through the materials that arrived from the Company. My husband works as a sole proprietor so he was extremely busy. He could barely participate in childcare. At one point, I was wavering between continuing to work or leaving the company and focusing on taking care of the family. However, I changed my thinking and decided to stay because I saw how SCSK was changing significantly, and I thought that under such circumstances, I would surely be able to continue working while raising my child.

Mr. Sasaki: By preparing an environment that makes it easier for employees to balance their work and their families, a company can avoid losing talented individuals. On the other hand, workplaces where people take leaves because they have mental health breakdowns pose a major risk for the company. In that sense, creating as good a working environment as possible is an important managerial challenge.

F. Matsumoto: Once-weekly teleworking was commenced from January 2014. By allocating the two-hour roundtrip commute time avoided to work hours, it also became possible for me to carry out full-time work. I was the first person in my division to telework. However, close communication by telephone and e-mail makes it possible to work from home as if I were at the office. With this said, the operations that can be handled through telework are still limited. I think that preparing an environment conducive to teleworking should make it even easier to utilize.

M. Haranaka: One of the characteristics of our division is that we are allowed a greater amount of discretion in regards to our working hours and working style so long as we are able to

provide high-quality services to our customers. Of course, to do so, it is essential that we accumulate a great track record by maintaining the high level of our services regardless of internal circumstances so that our customers think that everything will be all right if they leave matters up to SCSK.

A. Nagao: Although the Smart Work Challenge 20 is a companywide initiative, I feel that there is a difference, depending on the division, in how well concepts like those related to work-life balance have spread. I believe that I am in a very fortunate environment. However, there still is probably a difference depending on the division in how systems, such as teleworking, are proactively recognized.

Mr. Sasaki: That is one of the challenges—how to do away with those kinds of differences in awareness within the Company. I often hear comments like, “We work with customers so it is difficult to make adjustments,” at other companies. But, you know, that is an incorrect assumption. What is important is that you are one step ahead of customer requests and are ready for them when they arise. If you can obtain information in advance in regards to what kind of request customers will make and the timing, and if you take measures that will respond to those requests, then you should be able to promote taking paid vacation time and reducing overtime work at any kind of workplace.

The Resulting Spare Time Will Promote the Further Growth of Employees and the Company

Y. Hirose: I think that SCSK’s corporate philosophy, “Creating Our Future of Dreams,” is an extremely good one. In order to aim towards a future of dreams, there is a need for people to cultivate themselves. I’m in my 50s now, but I place importance on maintaining a desire for self-improvement and continuing my studies along with being mindful of my health. I also think that as a manager, one of my challenges is documenting the work being carried out and sharing the know-how so that work does not become overly dependent on individual skills. Going forward, it is going to become increasingly important to create a system that enables people to cover the work being carried out by others in their absence.

T. Sekiguchi: Now that there is a bit more spare time created in our lives through the streamlining of operations, I believe that what will now become important is how we spend the free time that has been created. On the days that I get home early, I use my time studying for the information processing engineer exam; I am aiming to be certified. As for my paid vacation time, I spend it on things like traveling overseas. I want to value this kind of thing even more than before because there is much that I gain in terms of new ideas by placing myself in a different environment.

A. Nagao: My foremost wish is to value time with my family even more so that I can make my life a rich one. I think the people at my workplace are seeing great success in regards to achieving work-life balance. I hope to promote reforms like those at SCSK toward my husband’s job. For him, working long hours is pretty much accepted as the norm.

Mr. Sasaki: I would like to see everyone having high aspirations and loving their lives. Opportunities to take another look at one’s working style are gradually increasing in society. I am sure that it will speed up as good examples like those at SCSK are shared more widely. I hope that you will not only reinforce your internal efforts but also spread the word about those efforts more proactively toward society.



Tsuneo Sasaki

Profile

Graduated from The University of Tokyo’s Faculty of Economics in 1969. After joining Toray, he was involved in various business reforms, such as the restructuring of failed companies, while caring for his sickly eldest son and wife. His performance was recognized, and he became the first among his peers to become a member of the Board of Directors. He later became President of Toray Corporate Business Research, Inc. He has written many books and gives lectures on topics such as the way business should be managed, work-life balance, diversity, and leadership.

Underpinning the Stability of Society through Reliable Technology

■Offering the Highest Standards in Japan—the netXDC Chiba Center 2

The business environment is rapidly changing. Cloud computing enables businesses to respond flexibly to such changes as well as accelerate the speed of corporate management, while the safety and security of cloud computing are supported by data centers.

To support customers' business environments, SCSK is constructing the netXDC Chiba Center 2 adjacent to the first Chiba Center located in Chiba's Shimousa plateau. The No.2 Center, which will commence services at the start of 2015, will have facilities of the highest standards in Japan.

The netXDC Chiba Center 2 is being constructed with the highest-level specs in Japan and a focus on three concepts—business continuity, scalability, and environmental friendliness. State-of-the-art seismic isolation technology has been incorporated into the building itself, reducing the transmission of earthquake motion by up to 80%. It boasts an excellent power environment, including power facilities with dual path power reception using an extra-high voltage loop system and a turbine generator capable of 72-hours of continuous operation without refueling.

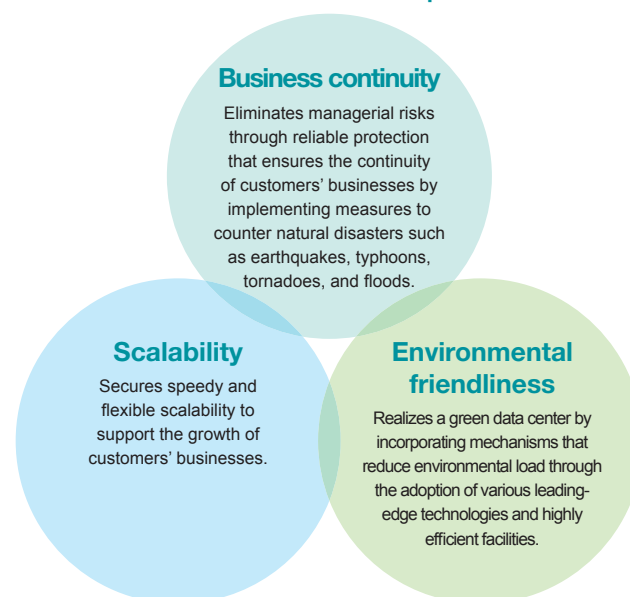
Furthermore, measures toward the achievement of green IT have been taken. They include clear separation of cool air and waste heat, and adoption of air side economizers that make direct use of cool outside air, and the utilization of rainwater, groundwater, etc. for air conditioning purposes. The proactive use of natural energy resources and installation of state-of-the-art, high-efficiency facilities are expected to realize power usage effectiveness (PUE) of 1.3 at netXDC Chiba Center 2. An environment management system that conforms to ISO 14001 and ISO 50001 will be put in place to promote lowering of the environmental load.

What is more, security will be ensured through 24-hour manned surveillance that utilizes cameras and sensors, identity verification that combines a smart card with biometric authentication, and the implementation of a seven step security check that is coupled to existing centers.



Artist's rendering of the completed netXDC Chiba Center 2

The netXDC Chiba Center 2 Concept

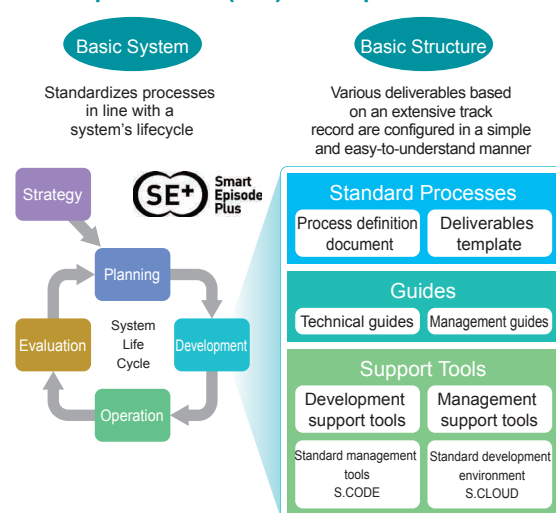


■SCSK's Evolving Development Standard: SmartEpisode Plus (SE⁺)

With the rapid progression of technological innovation and the transformation of society, SCSK's efforts related to the enhancement of quality have evolved from a simple mechanism for quality assurance and control to a mechanism for the provision of high-value added products and services. We will continue working toward the enhancement of quality and accumulate the knowledge and know-how gained through the provision of products and services while looking at the whole lifecycle of a system.

SCSK established SmartEpisode Plus (SE⁺) as an original development standard that defines processes and process flows with an emphasis on quality. The application of SE⁺ to the development processes that differ from customer to customer enables a shared understanding of the definition of the tasks and deliverables in each process, making the swift execution of work possible. Furthermore, the standardization of development and management processes secures stable quality that is not dependent on specific individuals. SE⁺ was developed using capability maturity model integration (CMMI). By keeping the plan-do-check-act (PDCA) cycle going, it continues to evolve into a standard that is even better.

SmartEpisode Plus (SE⁺) Development Standard



Supporting Reconstruction of the Tohoku Region through Reliable Technology

■The Iwate Fukkou Collaboration Center Begins Operation of New System

In May 2014, the Iwate Fukkou Collaboration Center (IFC), a specified non-profit organization, began operation of a system developed by SCSK that supports the activities of intermediary NPOs. This followed the completion of a four-month evaluation period for the system.

Part of SCSK's activities supporting reconstruction of the Tohoku region, the system was developed by customizing Microsoft Dynamics CRM Online. It is a system that enables consolidated management of reconstruction support projects and relationships with support organizations, carries out classification and tabulation of projects according to the progress situation or scale of the support being provided. It is part of SCSK's reconstruction support activities that leverage the knowledge possessed by SCSK as an IT services company. The operation of this system makes it possible for IFC to obtain a grasp of reconstruction support projects with efficiency and accuracy, thereby improving the efficiency and speed of collaboration with stakeholders in different regions and industry sectors.

■Background to System Implementation

The Iwate Fukkou Collaboration Center (IFC) is a non-profit organization with offices in Kamaishi and Kitakami, Iwate Prefecture. It provides a variety of support and collaboration, which includes carrying out surveys and providing consultation service, to about 700 organizations carrying out reconstruction support activities focused around Iwate Prefecture. The development of new communities and creation of new industries toward reconstruction are starting to begin in the regions that were afflicted by the earthquake disaster. With the diversification of needs, the strengthening of its organizational framework had been an issue as the IFC faced needs such as collaboration with stakeholders that went beyond regions and industry sectors.

■Characteristic of the System Supporting Activities of Intermediary NPOs

The system supporting activities of intermediary NPOs allows all Iwate Fukkou Collaboration Center (IFC) employees to share information—such as information regarding registered members or the status of activities—via a network regardless of where they

are at the moment. It made it possible to swiftly handle required data when needed. Furthermore, analysis of the accumulated data provides an understanding of the participants and trends related to reconstruction support activities, and it thereby helps the planning and formulation of support activities.

SCSK will cooperate with the IFC and utilize the newly developed system supporting activities of intermediary NPOs, carry out surveys and research on best practices, and continue supporting regions affected by the earthquake disaster.

Functions of the System Supporting Activities of Intermediary NPOs

Support Activities	Member Management	Settings
Information on organizations Information on persons in charge Consultations Content of support Visitation schedules and records Dashboard Information on activities Information on local governments	Realized by importing the Japan NPO Center's "NPO Template" Members Individuals Organizations History of event participation Activities Membership dues billing Donations	Includes management functions Help Standard Dynamics CRM help Shared Functions Graphs Search Memos and attachments Output as Excel file

Microsoft Japan Co., Ltd.'s Comment



Lena Ryuji
External and Community Affairs Manager
Legal and Corporate Affairs
Microsoft Japan Co., Ltd.



We had worked with SCSK Corporation in CSR activities related to children's information and communications technology (ICT) literacy even before the Great East Japan Earthquake struck, but the opportunities to work together increased further after the earthquake. It included the provision of ICT for utilization by reconstruction supporters at temporary housing complexes.

The Iwate Fukkou Collaboration Center (IFC) adopted our cloud computing services (Microsoft Dynamics CRM Online) with the objective of managing the broad range of reconstruction projects—such as the reconstruction of regional communities or to help people afflicted by the earthquake put their lives back together—as well as to enable visualization of support activities. I was very happy that SCSK and Microsoft brought their strengths to the table and were able to provide support for the adoption of cloud computing services, which are ordinarily used as corporate business systems, by the IFC. The NPOs in the Tohoku region, which was affected by the disaster, brought SCSK and Microsoft together in the project to help reconstruction supporters at temporary housing complexes, and again in this recent project. We hope that our relationship with SCSK Corporation will become even closer through such collaborative efforts between NPOs and businesses, and that there will be even greater opportunities for us to carry out CSR activities with SCSK.

SCSK Employee's Comment (individual involved in this project)

Kimiyasu Saito
Deputy General Manager,
Distribution Systems Department III
Distribution Systems Business Division



The SCSK Group has been providing support for the adoption or customization of Microsoft Japan Co., Ltd.'s Dynamic CRM ever since the product was launched. In this recent project, we were able to utilize the knowledge we have acquired through such experience to develop the system supporting activities of intermediary NPOs. Through the development, we were able to solve various challenges that were being faced by the Iwate Fukkou Collaboration Center (IFC) that arose because the management of support accomplishments and project statuses became dependent on individuals.

I am very proud that I have been able to contribute in a small way to the reconstruction of the Tohoku region through SCSK's core business of IT services. I hope to continue working with NPOs and our partners toward the reconstruction of the Tohoku region through IT services.

SCSK's Social Contribution Activities



Children's Art Museum & Park

SCSK views respect for humanity and the nurturing of human resources as an important responsibility of corporate citizens. To actively fulfill those responsibilities in the area of child education, the SCSK Group maintains 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 numerous programs created jointly in collaboration with artists, researchers, corporations, and organizations in Japan and overseas. In addition, we are actively engaged in 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.

Employee Participation

Number of participants Over a 13-year period: 658

CAMP activities are also held at SCSK Group business sites throughout Japan. Employee volunteers serving as facilitators run the CAMP workshops. Participating in workshops as a facilitator offers numerous opportunities to learn and feel a sense of accomplishment, and these experiences facilitate employee growth and motivation.

Collaboration

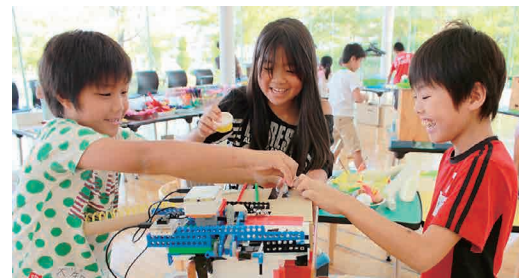
Case 1 Development of the Next Generation for the Reconstruction of the Tohoku Region

With the aim of contributing to reconstruction after the Great East Japan Earthquake through development of the next generation, SCSK is actively engaged in activities such as going on site to hold CAMP workshops as well as collaborating with those in the Tohoku region. During FY2013, the CAMPACO workshop package was utilized by Fukushima Bank to hold five workshops at various locations within Fukushima Prefecture and another five workshops were held in Miyagi Prefecture by Tohoku Fukushi University's Akito Mori Seminar.

Case 2 Invention Workshop Held at an Aquarium

One of the collaborative efforts with development of the next generation as the theme was the CAMP Invention Workshop that was co-hosted with the ORIX Corporation at Kyoto Aquarium (operated by ORIX Aquarium Corporation). In this workshop, inventions are inspired from the amazing elements of living things but this was the first time for the workshop to be actually held while participants were observing live creatures. The inventions that were devised after learning various characteristics of live creatures from aquarium keepers were even more fun and ingenious than usual.

Spreading CAMP Activities
CAMP workshops are being held all over Japan.



Stakeholder's Comment



Yuhei Yamauchi,
Associate Professor
Graduate School of Interdisciplinary
Information Studies
The University of Tokyo

Teaching computer programming to children is gathering attention around the world. It is now part of the educational curriculum in England and Finland, and it is under review in Japan as well. In the background is the fact that information and communications technology (ICT) is indispensable for innovation. For example, a certain level of programming skills will be required when trying to create a new web-based service, so it is only natural that governments around the world are beginning to focus on programming at a national level.

With that said, it takes 12 years before a 10 year old child graduates from university and starts up a business. It is not easy to foresee what circumstances will be like 10 years from now in today's swiftly changing world. It is likely that the areas in which innovations will arise will change. Furthermore, with the rapid simplification and democratization of technology, there is a chance that software will cover those matters that currently need to be individually programmed.

However, collaborative problem solving, which is emphasized in the CAMP Cricket Workshops, is something that will not be outdated in 10 years' time. Children will use programming as a tool but they will also experience success in the form of utilization in problem solving during collaborative work with others. One could say that the activities implemented by CAMP present a model when considering the inclusion of programming in children's curriculums.

CAMP Workshops Held

(April 2001 – March 2014)

	CAMP		Everywhere CAMP ¹	
	Workshops	Participants	Workshops	Participants
Total	664	12,796	229	2,982

¹ Everywhere CAMP is a workshop dissemination project. The CAMPACO packaged CAMP workshop is provided to museums, schools, and organizations across Japan.

CAMP Studio Opened in Harumi, Tokyo



In March 2014, a full 13 years after the commencement of related activities, the base for the development of CAMP workshops was moved from Kansai Science City ("Keihanna") in Kyoto to the Harumi Office in Tokyo with the opening of the CAMP Studio.

Winner in the Japan Mécénat Awards 2013

In November 2013, the SCSK Group's CAMP social contribution activity was highly recognized by the Association for Corporate Support of the Arts as an activity the contributed toward an affluent society, and it received the Japan Mécénat Awards 2013 Treasure Box of Learning Award.



EARTH ONE

Earth One is 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.

PC Room Donated to Dontey Lower Secondary School in Cambodia

With the membership fees that had been saved up over three years and a matching gift from the Company, members of Earth One used the 4.64 million yen in total to donate a schoolhouse, personal computers, peripheral equipment, and solar panels to Dontey Lower Secondary School in Cambodia's Kampong Cham Province. The donation was made through Public Interest Incorporated Foundation Plan Japan. The objective of this activity is to provide opportunities for children in developing countries to receive IT education and promote stable employment or advancement to higher education. Construction and installation of the equipment were completed in December 2013. The first computer classes being held in this region commenced after completion of teacher training and the January 2014 inauguration ceremony.



Completed schoolhouse



Class in session

PC Room Project Member's Comment

Hiroyuki Kokubu
Business Coordination Department
Global Systems Business Division

I learned through this project that there are few opportunities for Cambodians to acquire IT skills, especially in rural farming regions. I hope that this construction of a PC room will bring about a new possibility for the children of Dontey Lower Secondary School—that is, to leverage the IT skills they have acquired to find jobs working for companies.



Events Held in Japan

29th Nagoya City Handi Marathon (October 2013)

<Organizer> City of Nagoya and Committee of Gatherings of Disabled persons and Citizens

Following our participation in 2012, six SCSK employees participated this year as steering committee volunteers. This marathon is held to provide an opportunity for the severely disabled—who ordinarily do not have many opportunities to engage in sports activities—to deepen mutual understanding and friendship with volunteers.



Osaka Great Santa Run 2013 (December 2013)

<Organizer> Osaka AkarukuLove

A total of 15 employees and family members took part in this charity event in which all participants wear a Santa Claus suit and run (or walk) to raise money to send Christmas presents for children fighting against intractable diseases using a portion of the participation fee.



10th Great Minoh Mountain Cleaning Effort (December 2013)

<Organizer> Minoh Mountain Patrol Team

Since 2008, we have been participating every year in this annual activity to clean waste that has been illegally dumped at Mt. Minoh, which is visible from the Nishi Nihon Senri office. The mountain is famous for its beautiful autumn foliage and waterfall. Participants have been increasing each year, and 15 employees took part in 2013.



Clean Fukuoka Campaign 2013 (December 2013)

<Organizer> Fukuoka Overseas Students Association (FOSA), NPO Groundwork Fukuoka, and SCSK Corporation

SCSK supports the spirit of the Clean Fukuoka Campaign, which was originated by international students. With contributing to the local community and carrying out exchange as the aim, SCSK has been co-hosting this activity since 2009. In 2013, cleanup activities were held in Ukiha City, Fukuoka Prefecture with a total of six SCSK Group employees and former employees participating.



Third Yell Run at the National Stadium

The "Third Yell Run at the National Stadium Supported by Visa and the Deutsche Bank Group" was held in September 2013.

It was hosted by the Special Olympics Nippon Foundation (SON) and co-hosted by the Yell Run Steering Committee.

This was the third time for this event to be held, and it was once again a big success with a total of 853 runners—which was more than twice the number of participants in the second Yell Run—taking part. Ninety-six volunteers helped operate the event, which raised a total of 4,449,629 yen in the form of participation fees and donations made on the day of the event. The expenses for holding this charity event was deducted from this amount and the remaining proceeds went toward funding Special Olympics activities, such as the dispatch of the Japanese delegation to the 2013 Special Olympics Asia Pacific Games held in Australia in November.



<Yell Run Steering Committee> Earth One SCSK social contribution activities club; Willcom, Inc.; the SoftBank Group; Kentucky Fried Chicken Japan Ltd.; and Yahoo Japan Corporation
<Supported by> adidas Japan K.K.; Coca-Cola (Japan) Company, Ltd.; Triathlon Boys & Girls; I.D.E.A. International Co., Ltd.; Chloé; Grosse Japan K.K.; and Onizaki Corporation.
<Cooperation by> SPORTS ONE Co., Ltd.; Support Planning Ltd.; Rissi Corporation; Photo Kishimoto Corporation; Bluefield Ltd.; and Enjoykai

Names of organizations are those current at the time of the event.

ISO 26000 and SCSK CSR

SCSK promotes management that is based on the core subjects of ISO 26000 so as to create a foundation for solving issues facing society through its business activities. In FY2012, SCSK carried out status analysis referencing the ISO 26000 standard and identified the related issues and strengths. In FY2013, each unit established its CSR target for FY2014. Going forward, we will reinforce management following the plan-do-check-act (PDCA) cycle.

ISO 26000 Core Subjects and SCSK CSR Activities

ISO 26000 Core Subject	Issue	SCSK Main Activities	FY2014 CSR Target
Organizational governance	<ul style="list-style-type: none"> Organizational governance 	<ul style="list-style-type: none"> Corporate governance Internal controls Risk management Initiatives related to emergency response and business continuity plans Disclosure to stakeholders 	<ul style="list-style-type: none"> High quality corporate governance Sophistication of the business continuity plans of each operating and corporate division Spread of the corporate philosophy Establishment and promotion of CSR targets at each corporate division Promotion of dialogue with stakeholders Proactive internal and external communication of CSR activities Facilitation of the continuity of disaster preparedness
Human rights	<ul style="list-style-type: none"> Due diligence Human rights risk situations Avoidance of complicity Resolving grievances Discrimination and vulnerable groups Civil and political rights Economic, social and cultural rights Fundamental principles and rights at work 	<ul style="list-style-type: none"> UN Global Compact support Respect for human rights and prohibition of discrimination 	<ul style="list-style-type: none"> Implementation of harassment prevention training at all Group companies
Labor practices	<ul style="list-style-type: none"> Employment and employment relationships Conditions of work and social protection Social dialogue Health and safety at work Human development and training in the workplace 	<ul style="list-style-type: none"> Human resource development Promotion of the employee evaluation system Work-life balance Diversity promotion Support for persons with disabilities Worker health and safety promotion 	<ul style="list-style-type: none"> Support of women's participation Further promotion of work-life balance Promotion of teleworking and mobile working Enrichment of educational programs Global human resources development Human resources development at Group companies Implementation of measures related to the promotion of good health Strengthening of health self-checks Invigoration of workplaces through career guidance implementation Ongoing promotion of diversity
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 	<ul style="list-style-type: none"> Expansion of environmental businesses Promotion of office energy-saving activities Promotion of green purchasing
Fair operating practices	<ul style="list-style-type: none"> Anti-corruption Responsible political involvement Fair competition Promoting social responsibility in the value chain Respect for property rights 	<ul style="list-style-type: none"> Compliance promotion Strengthening information security Efforts in collaboration with partners 	<ul style="list-style-type: none"> Crystallization of themes and formulation of policies in regards to the CSR initiatives related to subcontractors
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 Provision of sound technology Improvements to raise customer satisfaction Strict personal information management 	<ul style="list-style-type: none"> Implementation of R&D that takes issues faced by customers into consideration Popularization and promotion of SE^{*1} Smooth promotion of projects Maintenance and enhancement of service levels Prevention of the occurrence of damages to customers through thoroughly enforced quality control measures
Community involvement and development	<ul style="list-style-type: none"> Community involvement Education and culture Employment creation and skills development Technology development and access Wealth and income creation Health Social investment 	<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 	<ul style="list-style-type: none"> Utilization of CAMP^{*2} Invigoration of Earth One^{*3} activities

*1 SmartEpisode Plus (SE+): An original development standard that defines processes and process flows with an emphasis on quality.

*2 CAMP: An acronym for "Children's Art Museum and Park, CAMP is a social contribution activity that fosters child creativity through workshops.

*3 Earth One: A social contribution activities club comprised of SCSK employee volunteers.

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 that befits SCSK.

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 (including independent officers) 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 four members, including three 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 chairman & CEO, and president & COO 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 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.

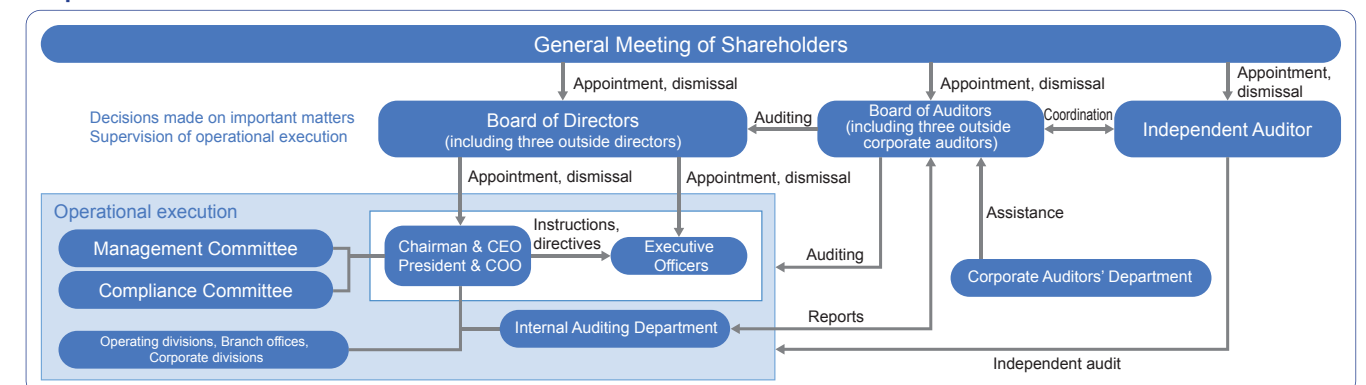
Risk Management

SCSK has established a Risk Management Policy to manage the risk incurred through its business activities. 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. 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.

Initiatives related to Emergency Response and Business Continuity Plans

To provide for the occurrence of large-scale disasters, pandemics and other unforeseen circumstances that may have a grave impact on the SCSK Group, we have in place rules of conduct and organizational frameworks in response to emergency situations. Advance measures – such as the adoption of an employee safety confirmation system, the stockpiling of food, water, and other supplies, and drills for setting up disaster headquarters – have been taken in addition to the preparation of a business continuity plan that is re-examined each year.

Corporate Governance Structure





SCSK respects human rights, which are the fundamental rights of all human beings. At the same time, to create an environment that enables employees to work with enthusiasm and make the most of their capabilities, SCSK also promotes human resources development, diverse work styles, and the introduction of work-life balance measures.

Respect for Human Rights

● Basic Policy

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.

Code of Respect for Human Rights (Excerpted from SCSK Compliance Manual)

Guiding Principle

Human rights shall be respected, and no unfair discrimination shall be permitted.

Specific Codes

- 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.
- 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.
- 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.
- 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).

Human Resources 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 its Human Resources Policy – composed of the Basic Ideals and the Three Human Resources Pillars – as a shared ideal relating to the structure and management of Human Resources measures. 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 Resources Evaluation System

● "Role and Portrait" and "Behavior Assessment Criteria" Defined

SCSK operates a qualifications rating system for each of the job types "Directorate," "Major career-path," "Career-oriented," and "Regional staff member," and their respective subdivisions. The rating system details such matters as promotions and demotions, compensations, and working hour management. Furthermore, this system defines and establishes the expected "Role and Portrait" to be fulfilled in each of the qualification rating along with "Behavior Assessment Criteria," which indicate specific behaviors that are desired during the course of the execution of duties. This system serves as the foundation for developing the individual capabilities that the company's Human Resources Policy aims for as well as for executing fair evaluations and treatment.

Specific evaluation criteria that are in line with each of the 10 evaluation items under the SCSK Code of Conduct (Challenge, Commitment and Communication) are defined as Behavior Assessment Criteria. SCSK seeks to ensure its Code of Conduct is put into practice by its employees through this human resources evaluation system.

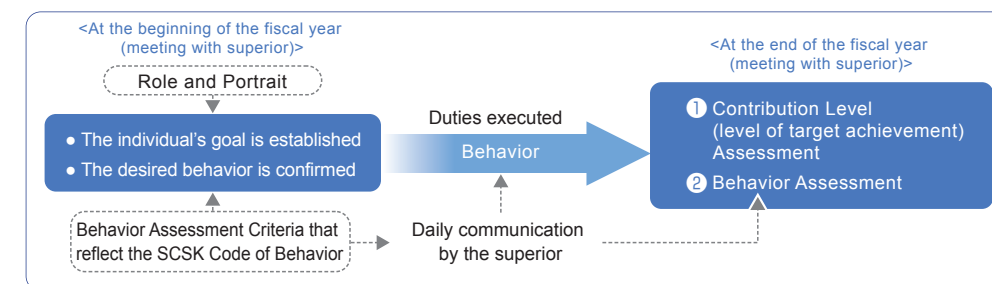
The SCSK Code of Conduct	Items for Evaluation
Challenge Aim higher with future creating passion.	Designing and planning; achievement behavior; learning and growth
Commitment Act with integrity and responsibility for our customers and society.	Relationship building and customer centricity; judgment; display of expertise; and compliance with laws and regulations
Communication Facilitate teamwork with respect and understanding.	Understanding of other people and organizations; consensus formation; and teamwork and human resources development

● The Evaluation of "Contribution" and "Behavior" Based on "Role and Portrait"

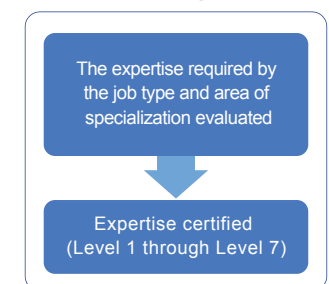
SCSK's human resources evaluation, based on "Role and Portrait," is carried out from three viewpoints. They are "contribution level", based on goal management (Contribution Level Assessment); "behavior" (Behavior Assessment); and the "expertise" required by job type and area of specialization (Expertise).

Each year's evaluation starts with a meeting with the superior at the beginning of the fiscal year. Targets are established for each individual based on the "Role and Portrait" of the individual's qualification rating. At the same time, the behavior desired of the individual in order to yield results is confirmed in the meeting. The evaluation itself is carried out at the end of the fiscal year. It is not only the result of the execution of duties (level of achievement of goals) (i.e. "①Contribution level assessment" in the diagram that follows) that is evaluated. Emphasis is also placed on the behavior for achieving high results. For this reason, the individual's behavior is assessed against the Behavior Assessment Criteria, which reflects the three viewpoints (Challenge, Commitment and Communication) of the SCSK Code of Conduct, on the basis of the individual's daily communication with the superior. A meeting regarding the result of the assessment is also carried out with the superior (i.e. "② Behavior assessment" in the diagram that follows).

Evaluation of Contribution and Behavior



Evaluation of Expertise



Human Resources Development

● Human Resources Development Policy, and Education and Training System

SCSK promotes its human resources development measures on the basis of its corporate philosophy and code of conduct. Under the belief that the growth of every employee leads to the growth of a company, we promote an enriched work-life balance and are preparing a mechanism in which each employee continues growing autonomously. We aim to become an enjoyable and rewarding place to work. We have also established a Portrait of SCSK Employees and are engaged in the development of human resources who can

embody this portrait.

In regards to training, we have developed a system that strengthens both the mind (positive human qualities) and skills (capacity for work). In management, hierarchical level, and business skills training, training is deployed in a way that allows knowledge and skills—that are required for the execution of work—to be acquired according to one's position in the hierarchy. The training is designed to boost knowledge and experience in a balanced manner. Meanwhile, specialist capability development is maintained in a way that allows individuals to systematically enhance his/her capabilities in accordance with the job type and the position in the hierarchy that has been made visible through the system for specialist certification.

Human resources development is promoted with both the utilization of such training at the corporate level and cultivation carried out at the business unit level in accordance with the business strategy.

Portrait of SCSK Employees

- Human resources who achieve the corporate philosophy
- Human resources with both outstanding minds (positive human qualities) and skills (capacity for work)
- Human resources with a mindset for growth and maturity who keep on growing proactively and continuously

SCSK Education System—Outline by Category

The Mind (Positive Human Qualities)				Skills (Capacity for Work)				Global		
Management and Hierarchical Level Training				Business Skills Training						
Officer and Directorate	Managerial Leader / Management			Compliance				Global		
	By hierarchical level By age group									
Major Career-path	Career Workshop for those over 50 years old			Officer and Directorate training				Preparation for the information Technology Engineers Examination (fundamental / applied / advanced-level)		
				GM training and Manager training						
				Leader training						
				Business skills training						
Career-oriented	Major Career-path D training (incoming)			Business knowledge				Language training in Japan		
	Career-oriented A training (incoming)			Problem solving						
	Third year employee training			Leadership and communication						
	New employee training			Practical business skills training						
								Overseas training		
								Overseas trainee system		

SCSK Education System—Track Record of Education and Training by Category

Type of Training	Total Number of Participants to Date (approximate)
Management	1,000
By hierarchical level	550
By number of career years	200
Business skills training	1,700
Global	100
Domestic (Japan)	200
TOEIC preparation	2,300
By job type	2,950
Skills development by job type	2,950
Preparation for the ITEE	1,350

■ New Employee Training

In addition to training to nurture basic skills as an information processing specialist and training to acquire job skills, SCSK also carries out a training camp at a Buddhist temple as well as a collaborative program with Tokyo Green Systems (TGS), which provides employment opportunities for disabled persons with a desire to work and helps them achieve independence (see page 23). In FY2014, a total of 132 new SCSK Group employees participated in the two training sessions.

The objective of the training camp at the Buddhist temple was to give the new employees an opportunity to get their life, mind, and body "together" through the experience of a well-regulated group life. The objective of the collaborative program with TGS was to develop participants' thinking regarding the aim and significance of working and one's job.

The two training sessions provided an opportunity for new employees to learn, both in body and mind, what a major significance there is toward society and self to work with awareness and responsibility as an adult.



Scenes of weeding work and discussions carried out as part of the TGS collaborative program



Work-life Balance Initiatives

SCSK believes that enriching a person's home life and their private activities brings about a good impact on the individual's work as well. That is why we aim to become an enjoyable and rewarding place to work by offering flexible work styles, such as flextime and discretionary work. Since April 2013, we have been implementing the Smart Work Challenge 20 initiative to reduce overtime work as well as promote the taking of annual paid vacation time. SCSK is implementing various measures in support of work-life balance (see pages 11-12 for details).

● Work-life Balance Support

SCSK is preparing a working environment in which all employees can choose diverse, flexible work styles according to their life stage and exhibit their capabilities to the fullest. At the same time, we will promote efforts that will enable harmony between work and personal life and allow employees to secure time to live a healthy and rich life in their homes and communities.

► Childcare Support

In support of employees going through childbirth and childcare life events, SCSK has prepared various work systems, which enable flexible ways of working, as well as leaves that can be taken. In addition, SCSK also implements a program to support the return to work. To facilitate a smooth return to work for employees who took maternity and childcare leaves and have been away from their jobs for a certain period, and to make it possible for them to work with exuberance despite the restrictions arising from childcare, SCSK carries out seminars for such employees and their superiors as well as pre-maternity-leave and return-to-work interviews in order to create an even more enjoyable and rewarding place to work.



Certified as a
"Childcare Supporting
Business" since 2007.

► Nursing Care Support

Various support measures, including the establishment of a flexible work system, are available to employees involved in the nursing care of family members. Short-time workdays, restrictions on late-night and overtime work, and teleworking and other support are provided to enable such employees to balance work and nursing care. There is also a system in place that enables employees to take advantage of leaves to provide nursing or nursing care for family members. Under SCSK's nursing leave system, an employee may take up to six nursing leaves for a total of 365 days per family member requiring the employee's care. A nursing leave allowance is paid to the employee for part of the time.

We also hold nursing care seminars for all persons in line management positions. In these and other ways, SCSK fosters a workplace environment that makes it easier for employees to balance nursing care and work.

Systems Available and Number of Users, FY2013

System	User	System	User
Childcare leave	189	Maternity time	76
Nursing leave	3	Parental leave	184
Short-time workday	179	Childcare support/ Child nursing leave ^{*1}	915

^{*1} Combined number of users of each system

Diversity Promotion

With a focus on the activities of the Diversity Promotion Section, SCSK promotes diversity, turns the diverse characteristics and sense of values of our employees into our organizational strength, and enables employees to maximize their capabilities so as to create innovative services and enhance corporate value. We are actively promoting support for women's participation, employment of individuals with disabilities, employment of foreign residents in Japan, full-employment to the age of 65, and other measures. SCSK is creating a workplace environment that allows diverse ways of working with the aim of becoming a vibrant organization where diverse human resources develop their capabilities together, regardless of age, gender, and nationality.

● Support of Women's Participation

SCSK is creating an enjoyable work environment for women with the aim of creating a workplace where they can maximize their abilities and participate actively. Through measures that reduce overtime work and promote efficient work during regular office hours, we are reinforcing a workplace environment where many employees, regardless of gender, can exhibit their strengths during a limited amount of time. Because there are many women at SCSK who balance childcare with their jobs, we have also actively established frameworks in support of maintaining that balance. Furthermore, with the aim of encouraging even further participation by women, we established a goal of increasing the number of women in line management positions to 100 by 2018. SCSK is actively carrying out efforts to support women's career development.

No. of Women in Officer or Line Management Positions (Actual and Goal)

April 2014: **43 women** ▶ 2018 (Goal): **100 women**

● Support for Activities of Persons with Disabilities

Tokyo Green Systems Corporation (TGS) was established in 1992 as a third sector enterprise through a joint capital investment by the Tokyo Metropolitan Government, Tama City, and SCSK. TGS is a model company for the employment of persons with severe disabilities. It 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, TGS also promotes the SCSK Group's employment of persons with disabilities. It is 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. We have also established Relaxation (massage) Rooms at our major offices where TGS employees with visual impairments serve as "health keepers" (in-house massage therapists).

SCSK Group Employment rate for persons with disabilities^{*2}
2.08% ^{*As of June 1, 2014}

^{*2} Employment rate of the 10 core Group companies in Japan certified as affiliates

■ SCSK Selected as Winner of the Minister's Award in the Award for Companies Providing Career Support in 2013—for Companies Committed to Human Resources Development

SCSK was selected as one of the winners of the Minister's Award in the Ministry of Health, Labour and Welfare's award system recognizing those companies that serve as a model in its proactive support of employee career development. The aim of the awards is to make such initiatives widely known and prevalent. SCSK was highly recognized for aiming to become an enjoyable and rewarding company to work for, preparing a mechanism that enables each employee to continue growing autonomously, and promoting the achievement of work-life balance by employees.



Preparation of a Workplace Environment for the Promotion of Good Health

SCSK believes that a healthy mind and healthy body are fundamental for an employee to exhibit their individual capabilities to the full, and it is under this thinking that we work toward creating a workplace where employees can work in good health and with exuberance, while feeling that their work is worthwhile.

● Establishment of the Life Support Promotion Department

In October 2013, SCSK unified the organizations that promoted good health, provided career and other counseling, and responded to mental health needs, and established the Life Support Promotion Department. A wide-ranging variety of measures are being developed by the department under the mission of the appropriate operation of health management and promotion of good health.



Members of the Life Support Promotion Department
(Industrial physician, health nurse, nurse, clinical psychologist, career advisor, health keeper, and other staff members)

► Introduction of the Health Support System

To promote the good health of employees, the Life Support Promotion Department has introduced the "Health Support System," which allows employees to view the results of their periodic health checkup online. The objective is to have employees confirm the state of their own health and utilize the system for self-care and health management. The results of the health checkups of past years can also be viewed. An online patient interview can be used for reports on the state of reservations and consultations as well as reports on re-examination consultations. Information related to health is also provided through the system.

As a measure to confirm the health of employees and promote wellbeing, a questionnaire survey related to health was carried out between May and June 2014. By registering data obtained through the questionnaire into the health support system, we are also carrying out quantitative trend analysis, thereby utilizing the system to provide health-related guidance, inclusive of lifestyle habits, and to consider measures to improve such habits.

► Health Checkups

The periodic health checkup plays an important role not only in the early diagnosis and treatment of diseases but also in understanding the state of one's own health so that problem areas can be improved. For this reason, all employees are obligated to receive the checkup.

To thoroughly ensure that the checkup is being taken, superiors manage the situation by confirming if their subordinates have taken the checkup, thereby making health management an issue for the whole company and not just for individuals.

► Anti-smoking Measures

Smoking is one of the risk factors for a range of illnesses and is considered one of the causes of lifestyle-related diseases. For this reason, SCSK provides support to smokers for a variety of treatments for quitting smoking.

In FY2013, if an employee received treatment at a medical facility for quitting smoking, the Company covered the expenses for the treatment in full. If the employee was successful in his/her smoking quit, privileges in the form of welfare benefit services were provided as an incentive for quitting smoking. Furthermore, 10,000 yen was donated on behalf of the successful quitter to the Red Cup campaign operated by the U.N. Food Programme.

As a result of these efforts, 254 people quit smoking successfully. When combined with past programs, more than 500 people have quit smoking at SCSK.

^{*3} Red Cup (Fill the Cup) campaign: A U.N. World Food Programme (WFP) project that supports school feeding. A donation of 10,000 yen makes it possible to provide nourishing meals for one full year to two children.

Persons who successfully quit smoking under the smoking cessation program
Cumulative total: 514
(As of April 30, 2014)

► Enhanced Mental Health Care

With the awareness that in addition to physical health, good mental health is extremely important for creating a lively workplace, SCSK is involved in the promotion of good mental health among its employees in a broad sense of the word—it includes not just dealing with mental health disorders but also the implementation of measures to help vitalize communication in the workplace. Industrial physicians and other medical staff collaborate with the Human Resources Group and work toward the early discovery and response toward problems that employees may be experiencing. The mental health services provided through an external employee assistance program (EAP) are also utilized to support the return to work of those on leave as well as prevent recurrence.

■ SCSK Counseling Room Opened

To help enrich employee health management as well as promote the maintenance of good health, SCSK has been responding to needs by setting up the Health Consultation Room, clinics, and Relaxation Rooms. In April 2014, we added to these measures by creating a Counseling Room where employees can go and feel free to consult on various concerns or problems.

The Counseling Room consists of three consultation booths, with consideration given to soundproofing. Five dedicated, qualified staff members, such as career advisors and clinical psychologists, respond to the consultations. They offer support to employees who consult on various issues, including concerns related to life plans, one's work, the nurturing or utilization of subordinates, mental health, and careers.

The Counseling Room, which is in a relaxed environment that differs from the workplace, is operated as one of the pillars for the promotion of good health at SCSK.



Private and cheery consultation booth



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 objectives, goals, and indices, and promoting environmental preservation activities.

Environmental Policy

SCSK promotes 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:

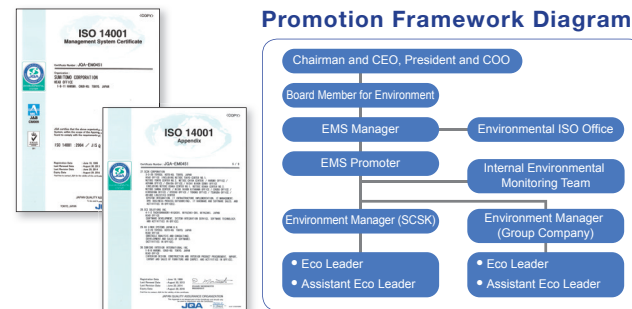
To utilize our integrated corporate strength to promote businesses and projects, which contribute to environmental preservation and reduction of the impact of society on the natural environment.

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.



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	Indices
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. Data center PUEs
Preservation of office environment	Reduction of electric power consumption Efficient use of office paper Reduction and thorough sorting of waste products	Energy: amount consumed Office paper: amount purchased Waste products: amount generated
Compliance with environmental laws and regulations	Confirmation of and compliance with applicable laws and regulations	Confirmation of revisions to applicable articles (as a principle, once a year)
Elevation of environmental preservation awareness	Implementation of educational activities	Environmental ISO14001 lectures, etc.

Data Center Activities

SCSK reduces CO₂ emissions at its data centers – for which there are mounting social demands – through such measures as the installation of high-efficiency equipment and the promotion of energy-saving operations. Each data center is managed using power usage effectiveness (PUE = total facility power consumption ÷ IT equipment power consumption), which is an index announced by The Green Grid, a U.S. industry group that promotes reduction in electric power consumption by data centers.

FY2013 PUEs (Annual Average) at Major SCSK Data Centers

Center	PUE
Tokyo Center 1	1.63
Tokyo Center 2	1.78
Chiba Center	1.47
Sanda Center	1.80

The “Thinking about the Environment” SCSK Social Session Held

SCSK Social Sessions is an internal event that is held with the objective of providing employees with opportunities to be exposed to issues facing society and think about SCSK’s role in society.

The first session was held under the theme of “Thinking about the Environment.” Thoughts related to possible businesses that will contribute to addressing environmental issues as well as things that can be done through daily business activities were developed through discussions with external experts. In the workshop, discussions were held on environmental businesses that SCSK should engage in, such as the development of systems that will expand transactions in green products and services or add to operational efficiency.



Group discussions

External Expert’s Comment

The Sessions were attended by employees possessing high social awareness from a wide-range of departments, such as the development unit and data center, and very active debates took place. I believe that this project will become a breeding ground for businesses that will help solve issues facing society.



Tomohiko Yamaguchi
CSR Consultant
Cre-en Inc.

Environmental Impact Data

Amounts of Energy Consumed		2011	2012	2013
Power consumption (MWh)	Total	59,661	89,809	91,749
	Offices in Japan (including warehouse)	—	18,057	16,946
	Data center	—	71,752	74,803
Gas consumption (thousand cubic meters)		25	17	16
Water consumption (cubic meters)		—	—	—
Energy other than the above (other than electricity and gas)				
Thermal energy consumption (GJ)		2,346	1,729	1,966
Fuel oil, etc., consumption (KL, etc.)		12	35	28

CO ₂ Emissions	2011	2012	2013
CO ₂ emissions from fuel combustion (t-CO ₂)	21,966	41,676	41,473

Environment-related Accidents, Problems, Lawsuits	2011	2012	2013
Environment-related violations and accidents (no. of cases)	0	0	0

Scope of the tally: SCSK Corporation
(Total of 24 offices, 8 data centers, and 1 warehouse in Japan)
Period: April through March the following year
(Note: includes figures of the former CSK after October 2011)

Amounts of Waste (General Waste / Industrial Waste)	2011	2012	2013
General waste (t)	239	309	331
General waste recycling rate (%)	81	77	78
Industrial waste (t)	69	95	161
Industrial waste recycling rate (%)	100	100	100
Total waste (t)	307	404	492

Volume of Office Paper Purchased	2011	2012	2013
Volume of office paper purchased (1,000 sheets*1)	23,766	37,771	33,363

Green Purchasing Ratio	2011	2012	2013
Green purchasing ratio (%)	51	57	57

*1 Converted to A4-size paper

Environmental Accounting

Environmental Preservation Costs		2011	2012	2013
(1) Business area costs	Costs to prevent pollution	0	1,745	0
	Costs for global environment preservation	260,040	207,400	52,476
	Costs for resource circulation	10,482	10,945	20,086
	Subtotal	270,522	220,090	72,562
(2) Upstream and downstream costs	Cost difference arising from green purchasing	0	0	0
	Additional costs to reduce the environmental footprint of containers, packaging, etc.	0	0	0
	Costs for the collection of finished goods, products, etc., recycling, recycling of containers and packaging, and proper disposal	0	0	0
	Subtotal	0	0	0
(3) Management activity costs	Costs for the maintenance and operation of an environmental management system	71,499	76,148	67,153
	Costs of the disclosure of environmental information and environmental advertising	0	11,697	12,174
	Costs for environmental education, etc., toward employees	15,963	15,588	19,513
	Costs for environmental improvement measures	0	0	0
	Costs for environmental impact monitoring	0	0	0
	Subtotal	87,462	103,433	98,840
(4) R&D costs	Costs for research and development of products, etc., conducive to environmental preservation	0	0	0
	R&D costs for curbing the environmental impact of products, etc., during the manufacturing phase	0	0	0
	Subtotal	0	0	0
(5) Social activity costs	Costs for measures to improve the environment in areas other than business locations and their vicinity	0	0	0
	Costs for donations and the provision of support to organizations, etc., carrying out environmental preservation activities	600	350	1,072
	Costs for social contribution efforts toward community residents	130	230	370
	Subtotal	730	580	1,442
(6) Environmental remediation costs	Costs for the restoration of nature	0	0	0
	Costs for the payment of damages, etc., related to environmental preservation	0	0	0
	Provision of reserve and insurance premiums for response to environmental damage	0	0	0
	Subtotal	0	0	0
Total		358,714	324,103	172,844

(in thousands of yen)



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 partners.

Compliance Activities

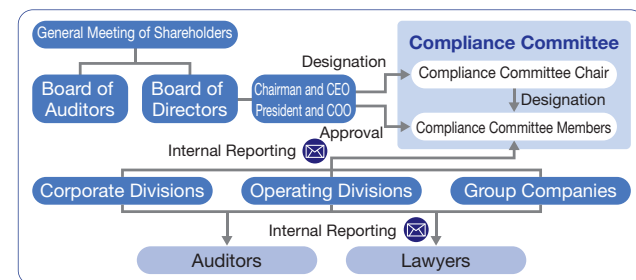
● Basic Policy

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 developed the organizational structure for compliance efforts. 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.

Compliance Promotion System



● Education and Training

Based on the belief that compliance is every employee's responsibility, SCSK holds a variety of compliance training sessions to enable employees to make correct decisions and take action that do not violate compliance under any circumstance. In addition, we also foster a mindset of compliance through the SCSK Compliance Manual, which contains detailed explanations related to particularly important major laws and regulations, and maintenance of the Company intranet.

Basic compliance courses held in FY2013 (e-Learning)
Participation rate: 100%
(Intended for all employees)

● Internal Reporting System

SCSK has established an internal reporting system for the prevention and early resolution of violations of compliance. Under this system, employees who have discovered a compliance-related problem may report it directly to the Compliance Committee or designated attorney. The privacy of the person making the report and other parties involved as well as the confidentiality of the matter reported is strictly maintained. It ensures that there will be no repercussions for the person making the report. Appropriate action is taken when the information received requires a response. It is also communicated as feedback to the person who made the original report.

Information Security

● Basic Policy

To protect information assets from various threats and fulfill its social mission, SCSK has established a structure for enhancing information security, and has created and is operating an Information Security Management System. We are continuously evaluating risks to information assets and making additional ongoing improvements 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 holding information security and personal information protection courses. 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.

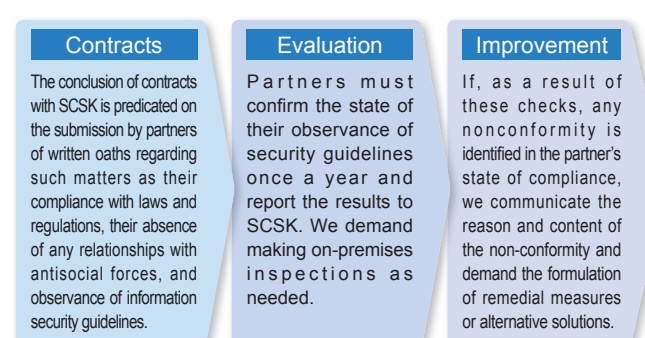
Information security and personal information protection courses held in FY2013 (e-Learning)
Participation rate: 100%
(Intended for all employees)

Efforts in Collaboration with Partners

In executing our business, SCSK has dealings, such as subcontracting and purchasing, with various partners. As a business that handles information, which is a valuable asset of our customers, we believe that the information security measures taken by our partners as well as their compliance, labor management, and so on, are important.

When tying contracts with partners, we require that they submit written corporate pledges regarding these matters and collaborate with our partners to boost the level of our CSR.

CSR Enhancement Process in Collaboration with Partners



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 Efforts

● Basic Policy

As technical innovation and social transformation progress rapidly, SCSK's quality control efforts are evolving from what was once a simple quality assurance and control structure to a mechanism for providing high added-value products and services while looking at the whole lifecycle of a system. At the same time, SCSK has also prepared original educational curricula so as to develop human resources who will support the high quality.

● Standardization and Quality Assurance

SCSK realizes high quality products and services by assembling the frontline wisdom it has cultivated and using it to build practical development standards with an emphasis on quality. We also actively embrace international standards (e.g. CMMI¹ and ISO 9001²), and appropriately address the tide of globalization.

¹ CMMI: Capability Maturity Model Integration is a guideline for systems development organizations to improve their processes.

² ISO 9001: An international standard for quality management systems.

● Supervisory Activities

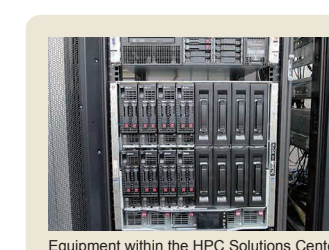
To ensure that the content of our proposals to clients are feasible and that the product or service price is appropriate, SCSK carries out pre-proposal examinations. Furthermore, we strive for early discovery of problems and risks as well as the prevention of their amplification by having the PMO³ and quality control division check the state of development and operation on an ongoing basis from a third party perspective.

³ PMO (Project Management Office): A division dedicated to controlling, managing and supporting the management of projects.

Provision of Assured Technology

Responding swiftly to the rapid changes in information and communication technology (ICT) and providing the appropriate services to customers is one of the important responsibilities of an IT company. Mobile devices, such as smartphones and tablet terminals, which are spreading significantly; advanced and pioneering technologies, such as cloud services and "big data;" and open source software (OSS), which are becoming indispensable for building systems—information technology is becoming an integral part of our customers' business activities and the lives of general consumers. The daily examination, verification, and technical development for the practical application of new technologies are essential to have customers use these technologies securely and with peace of mind.

SCSK has established a dedicated internal division to carry out such research and development as well as to verify and educate others regarding new technologies.



Equipment within the HPC Solutions Center

■ HPC Solutions Center

In the field of computational science, computer technology is achieving rapid advancement in recent years, and higher performance systems are becoming more commonplace.

SCSK and Hewlett-Packard Japan, Ltd. have set up the HPC Solutions Center where the latest models and technologies are always available and customers can implement examinations of optimal systems at any time. The Center supports the assured selection, implementation, and operation of products that are most suitable for the customer.



Tsuyoshi Tominaga
General Manager,
Enterprise Dept. I
IT Engineering Division

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 confirm whether SCSK's 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, identify the cause, and deploy preventive measures 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 System⁴ 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.

⁴ A system for managing personal information including policies, structures, plans, implementation, and operational monitoring and review.



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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.

Activity Name	Commenced	Content and Achievements
Earth One Social Contribution Activities Club	September 2008	Earth One is a social contribution activities club consisting of volunteer employees. The club holds events, engages in volunteer work, and makes donations to NPOs and other organizations. Membership dues paid by club members out of their monthly salaries and bonuses are used to fund the activities. 
Participation in Korabora (Koto ward social contribution network)	January 2011	Companies with offices in Tokyo's Koto ward, universities, and organizations gather to carry out activities that contribute to the regional community or exchange information. In FY2013, 216 persons utilized their lunchtimes to participate in the joint Toyosu area cleanup activity. 
Donation of Professional Baseball Tickets to Welfare Facilities	March 2012	This is an activity in which Orix Buffaloes baseball game tickets are donated to facilities for the disabled, orphanages, and other organizations in Kobe. Six hundred tickets were donated in FY2013. 
Participation in the Japanese Red Cross Society's Sankyu Thank You Project	January 2014	We support the Japanese Red Cross Society's activity supporting maternal and child health programs in developing countries. SCSK has positioned this activity as the "first social contribution activity" carried out by employee children. We support the activity by donating, upon the birth of a child to an SCSK employee, 1,500 yen per child on behalf of the newborn child. 
CUP FOR TWO	June 2010	A portion of the cost of every applicable health drink purchased at the Toyosu Headquarters staff café or the vending machines at offices in the Nishi-Nihon area goes to a fund for children's school lunches in developing countries in Africa. In FY2013, this activity generated donations for 2,710 children's worth of lunches. 
Ecocap Movement	November 2008	We are participating in the Ecocap Movement run by the Ecocap Movement NPO. Funds from the sale of plastic bottle caps collected at SCSK's major offices are donated toward vaccinations for children in developing countries. In FY2013, we donated funds for 730 children's worth of vaccinations. 
CAMP	April 2001	This is an activity that fosters child creativity through workshops. There were 55 CAMP workshops held in FY2013. A total of 1,230 children and 64 employee facilitators participated in the workshops. 
The Okawa Foundation for Information and Telecommunications (Okawa Foundation)	August 1986	We support the global activities of the Okawa Foundation, which provides research grants and recognizes individuals to foster international academic and cultural exchange in the field of telecommunications. In FY2013, the Okawa Foundation presented 42 awards and research grants (59.75 million yen). 
National Land Afforestation Promotion Movement	January 1996	We are a supporting member of the National Land Afforestation Promotion Organization and have been helping with afforestation efforts, mostly of forest land. 

Third-party Opinion

Junichi Mizuo, Ph.D. (Economics) Professor, Graduate School of Integral Policy, Surugadai University Vice President, Japan Society for Business Ethics Study

Following a stint at Shiseido Co., Ltd., he joined the faculty of Surugadai University in 1999. He is concurrently a lecturer at Toyo University. He is a Senior Researcher at the Business Ethics Research Center, and a University of London 2010 Visiting Scholar. His publications include Marketing rinri ga kigyo wo sukuu ("Marketing Ethics Saves the Company") to be published in autumn 2014 from Seisansei Shuppan, Hitori yasashii kaisha ("The Company Which is Kind to a Person") (Hakuto Shobo publishing company) (coauthor), CSR dekeiriyoku wo takameru ("Enhancing Management Capabilities with CSR") (Toyo Keizai Inc.).



The SCSK CSR Report 2014 is the third such report by the SCSK Corporation (hereafter the "Company"). It has continually been improved each time and has evolved as a report. I hereby submit my third-party opinion 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.

Areas of Excellence

① The concept of "healthy management" has been thoroughly implemented, and its utilization in the Smart Work Challenge 20 initiative, which reforms working styles, is fully disclosed.

The concept of healthy management is at the root of the Smart Work Challenge 20 initiative being promoted by the Company. It was originally proposed in the 1980s by Robert Rosen, an American organizational psychologist, as the concept of a "healthy company." It is a management method that places foremost priority on the health of employees when a company aims for sustainability.

The Smart Work Challenge 20 being promoted by the Company is a mechanism that encourages the growth of employees. It is not just about reducing labor hours and taking paid vacation time—it helps employees enhance the quality of their work while also enriching their work-life balance.

I evaluate it highly as the strategic human investment of an enterprise that goes beyond a simple employee benefits program, for the purpose of achieving the Company's corporate philosophy, "Create Our Future of Dreams." Readers can learn about such initiatives through the Chairman's Message at the top of this report, Dialogue with the President, and Special Feature 2.

The Company's activities, with a focus on the Smart Work Challenge 20, were selected for the Minister's Award in the Ministry of Health, Labour and Welfare's Award for Companies Providing Career Support in 2013 as a progressive initiative for a Japanese company. Furthermore, the Company has also been highly recognized by the Ministry of Economy, Trade and Industry and the Nikkei Inc. as an enjoyable place to work for.

② The Company's attitude of solving issues facing society together with customers can be seen in the form of "B2B CSR" through the Company's business activities.

There is a need for corporate social responsibility activities to lead to a win-win relationship between society (including customers) and a company in which both society and the company benefit.

This is done by integrating the activities for the resolution of issues faced by society with a company's core capabilities (the strength to support society through information technology in the case of the Company).

While supporting customers, who are the partners, the Company contributes to the development of IT infrastructures and systems development and is engaged in solving the issues facing society. In this report, examples of this are introduced in the Protecting Society from Security Risks business and the Support of Green Manufacturing activity. While providing support to customers, these are examples that are integrated with and match the Company's Create Our Future of Dreams corporate philosophy. In that sense, they can be considered B2B^{*)} CSR.

^{*)} B2B: Short for business-to-business, or commercial transactions between businesses.

Areas for Future Improvement

● There is promise of the further deepening of CSR management.

In the Company's CSR Report 2013, I expressed hope that a roadmap for the future would be formulated while clarifying future challenges, and that the Company would engage in ongoing management reform.

In this year's report, I saw that improvement had been made in regards to the aforementioned points, and the "ideal" to aim for, which can also be considered the vision for 2020, had been clearly stated. It is through the Company's "Our Ideal" that the ideals as a company and as employees have also been clarified. The principle has been shared throughout the Company. I hope that it will also be utilized going forward as the Company's compass for CSR.

Furthermore, FY2014 CSR Targets have also been established by each division with an awareness of the seven ISO 26000 core subjects. I can see the evolution of the Company's CSR activities. The items that each organization and employee should engage in have been made visible as specific courses of action.

Going forward, I hope that the Company will carry out self-analysis of the state of implementing this fiscal year's activities toward these targets, clarify issues for the next fiscal year, and lead to the ongoing review and improvement of CSR activities. It is my sincere hope that the implementation of such CSR management will create innovation for the Company and lead to its sustainable development.

Comment on Third-Party Opinion

We would like to offer our sincere appreciation to Professor Junichi Mizuo of Surugadai University for providing us with his valuable comments in regards to the SCSK CSR Report 2014.

In this report, we introduced in the Dialogue with the President, Employee Roundtable Discussion, and so on, our efforts—including specific measures—toward becoming an enjoyable and rewarding place to work, which is an area of SCSK's focus. We also included comments from our customer firms and other stakeholders on SCSK's efforts to help solve issues facing society through the Company's business activities.

We feel great encouragement in having Professor Mizuo recognize SCSK's characteristic efforts. Going forward, we will continue to promote CSR activities that match the characteristics of SCSK's businesses. At the same time, we will engage in the fostering of a corporate culture in which each employee can exhibit their strengths to the utmost, which will be the foundation of our CSR activities.

Based on Professor Mizuo's comments in the last fiscal year, we embarked on efforts toward the implementation of CSR management, such as the formulation of FY2014 CSR targets, as well as disclosed Our Ideal. From now, we will aim to evolve further through ongoing improvements, including evaluation and analysis of the state of implementation and clarification of issues, which were mentioned by the professor as points he hoped to see going forward.

We will further promote SCSK CSR activities together with our customers, together with society, and together with our employees so that we may "Create Our Future of Dreams."

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

