

ABeam Consulting Ltd.

Marunouchi Eiraku Building, 1-4-1 Marunouchi,
Chiyoda-ku, Tokyo 100-0005 Japan
Tel: +81-3-6700-8800 Fax: +81-3-6700-8801

<http://www.abeam.com/>



CSR Report 2017

ABeam Consulting CSR Report 2017

Company Profile

ABeam Consulting Ltd.
Founded: April 1, 1981
Number of Employees: 4,717 (As of April 1, 2017, consolidated)
Capital: ¥6.2 billion
President and Chief Executive Officer: Toshinori Iwasawa
Business Areas: Management Consulting / Business Process Consulting /
IT Consulting / Outsourcing
Consolidated Net Sales: ¥71.6 billion (Fiscal year ended March 31, 2017)
Overseas Locations: 19 offices in 10 countries and regions
(As of November 14, 2016, including subsidiaries)

Web

ABeam Consulting's CSR website
<http://www.abeam.com/about/csr.html>
Please visit our website for more details about our CSR activities.

Other publications

■ For more details about us
ABeam Consulting Company Profile
http://jp.abeam.com/about/pdf/ABeamConsultingCompanyProfile_en.pdf
This booklet provides information about our management philosophy and business practices. It also introduces our high-quality solutions, touching on our industry, service line and global and regional operations.

■ For more about our latest insights and services
ABeam Public Relations Report
http://www.abeam.com/about/PublicRelationsReport2016_EN.pdf
Focusing on the latest developments in business practices, this annual volume presents the management insights of our top consultants. We invite you to use them to improve your business operations.



01 Roundtable Discussion between CEO and Employees

04 CSR at ABeam Consulting

05 **Special Feature 1** Contributing to the development of social infrastructure in Asia

07 **Special Feature 2** Promoting D&I to foster diversity and raise organizational strength

09 Solid Business Foundation

11 Collaborating with Our Clients

13 Working with Local Communities

15 Responsibility for the Global Environment

17 Working with Employees

Contributing to society by leveraging core business strengths

President & CEO Toshinori Iwasawa and three employees involved with CSR initiatives from various perspectives got together to discuss the approach to CSR activities modeled on ABeam Consulting's strengths and the outlook for these activities.

Using our capacity for innovation to resolve social issues

Q. I hope that this dialogue will serve as a good opportunity for all of you to consider ABeam's approach to social responsibility. Recently, it seems that President Iwasawa has had more opportunities to discuss CSR with employees. What do you think?

Iwasawa: At the company-wide kick-off meeting in fiscal 2016, I talked with all of the staff about our CSR approach based on SDGs.* Ms. Kanai, what have your impressions been as you work on SDG-related activities?

Kanai: We support the activities of the NGO WaterAid, and

recently we had the opportunity to talk to the organization's director about local conditions, when he came here from India. This showed me that ABeam's support is really leading to local change.

Iwasawa: Our company's mission is to move both businesses and the larger society in a positive direction. That's how we increase value. WaterAid activities are a perfect example of how our support helps with community innovation in India.

*Sustainable Development Goals (SDGs): The 17 goals and 169 targets in the 2030 Agenda for Sustainable Development adopted at the 2015 UN Sustainable Development Summit.

Takashi Yokouchi

Senior Manager
Public Business Unit

Joined the company in 2009. Currently working in the Public Business Unit, in charge of operations for the administration of the J. League soccer club Montedio Yamagata. Involved in regional revitalization and resolving issues facing outlying regions.

Kanta Ito

Analyst
Process & Technology Business Unit

Joined the company in 2016. Was extremely interested in CSR activities even before hired by ABeam. After entering, participated in the Sabani Sailing Race in Okinawa, as well as the Osaka Marathon to raise donations for WaterAid.

Support for local revitalization as a real partner

Q. ABeam carries out CSR activities that leverage its core business. Can you tell me about the activities of the Public Business Unit?

Yokouchi: We carry out activities in Zamami Village in Okinawa. Marine sports are really popular in Zamami, so the village attracts many visitors in the summer, but these numbers plummet in winter. The village was extremely worried that this would cause the village to depopulate. So we offered a training program that could be used as part of companies' CSR activities, such as inviting corporate clients in the winter to get involved in reef conservation activities. This created a mechanism in which we support our corporate clients, and then local communities make use of this support for their development.

Iwasawa: That example really shows that developing together with communities leads to being a "real partner," which is one of our visions.

Yokouchi: We have helped manage Montedio Yamagata since 2013, and we are also involved in managing the Yamagata Prefectural General Sports Park, which includes the team's home stadium.

Iwasawa: There are so many untapped resources in outlying regions that could really shine with a little work. We want to use our consulting skills to provide support as a real partner.

Strengthening internal structures to expand CSR activities tailored to ABeam's strengths

Q. The company has an environment that enables employees to participate freely in CSR activities, but Mr. Ito, you have really been involved in many internal events for such a new employee.

Ito: That's true. I participated in the Sabani Sailing Race, a race using small traditional Okinawan fishing boats, in Zamami Village, which just came up. I could totally feel the passion and love for traditional culture among local residents, but at the same time there is a real sense of crisis that their culture is dying. So we are trying to figure out how this can be resolved.

Iwasawa: Going to the actual location so that you can see things with your own eyes and experience them for yourself is extremely important in consulting work. We believe that people of the younger generation, like Mr. Ito, are very sensitive to social contribution, but the participation rate falls among older employees, which is an issue.

Kanai: I think that having more internal events could convince more employees to get involved in CSR activities.

Ito: Are you considering institutionalizing employee participation?

Iwasawa: The company's CSR Unit staff currently carry out CSR activities while still doing their primary jobs. I do think we have reached the stage where we should aim to strengthen the organization by appointing dedicated staff. We have to

dedicate manpower to this effort while expanding the scope of CSR activities.

Kanai: Will our CSR activities expand even more?

Iwasawa: I think it is important to use an approach that is tailored to our own strengths and work at our own scale. CSR is not a competition, so I want to pursue programs that we are particularly well suited for.

Yokouchi: Currently we support various organizations, such as the NGO Room to Read (RTR). What kind of activities are you considering for the company's future CSR programs?

Iwasawa: Our CSR activities start with support for RTR. When RTR began activities in Japan, we helped establish Room to Read Japan. Our approach to the global expansion of Japanese companies fits well with their activities, so we support their programs in Asia.

Yokouchi: I would like to see our activities become more global, extending to Africa and not just Asia. What do you think?

Iwasawa: I think it is important to confirm the effect of our support on the ground and hear from the people we are helping. In this sense, Asia is the most geographically close, and is also an important area in terms of our business. If we grow going forward, we could explore more global CSR activities, too.

Supporting individual endeavors by promoting D&I

Q. We have talked about CSR activities that match the company's strengths thus far, but what kind of programs do you think you will focus on in the future?

Iwasawa: One of our CSR activities is support for overseas infrastructure. We are involved in building communications

infrastructure and subways in countries in southeast Asia as part of our business, but such projects also have significance from a CSR perspective.

Yokouchi: We are currently providing support to spread the technology of regional small- and medium-sized companies to Taiwan as a regional revitalization initiative. I wonder if we could provide CSR-related support to these communities via this kind of initiative.

Kanai: It really looks like we will be called on to play a major role in the future in helping communities by using the technology and knowledge built up in Japan.

Ito: I had the chance to visit the office in Malaysia for an internal project, and heard the opinions of local staff, which is something that we cannot do in Japan. I think this gave me a bird's eye view of corporate mechanisms from Asia's perspective.

Iwasawa: Gaining this kind of awareness while you are still young is great. Also, interacting with overseas staff relates to "promoting diversity and inclusion (D&I)," one of our priorities.

Kanai: Mr. Iwasawa, what do you think about our D&I?

Iwasawa: Life events and work styles are different for men and women, so we do need to establish more diverse work styles internally. We also need to go further in our discussions of programs to support the success of employees of all nationalities and employees with disabilities.

Kanai: The diversity of employees is going to be an increasingly important issue for the company as we expand globally.

Iwasawa: Talking with you, as people deeply involved in our CSR activities, was very valuable for me today. I hope we can all work together and pursue CSR activities that make the most of ABeam's strengths.

Conclusion of roundtable discussion

Takashi Yokouchi

This conversation motivated me to get more involved in internal and external CSR efforts, not just contributing to society through our business. Diverse CSR and other activities are important to our sustainable growth.



Aya Kanai

I want to plan events that employees of all ages can participate in easily to spread CSR activities company-wide. As Mr. Iwasawa said, I'd like to plan things such as visits by employees to the areas that we support, in order to raise motivation to participate.



Kanta Ito

Mr. Iwasawa noted the importance of going in person to the community, and this hit home with me. I think I can translate my on-site experience with CSR into something good. I would like to plan activities like the reef preservation program in Zamami Village that Mr. Yokouchi is involved with.



CSR at ABeam Consulting

Our CSR Policy, which articulates our mission and vision, was established in 2013. It guides our diverse CSR activities in five fields.

CSR Policy

Mission We bring new success to our client through our consulting service and contribute to the establishment of a sustainable society.

Vision

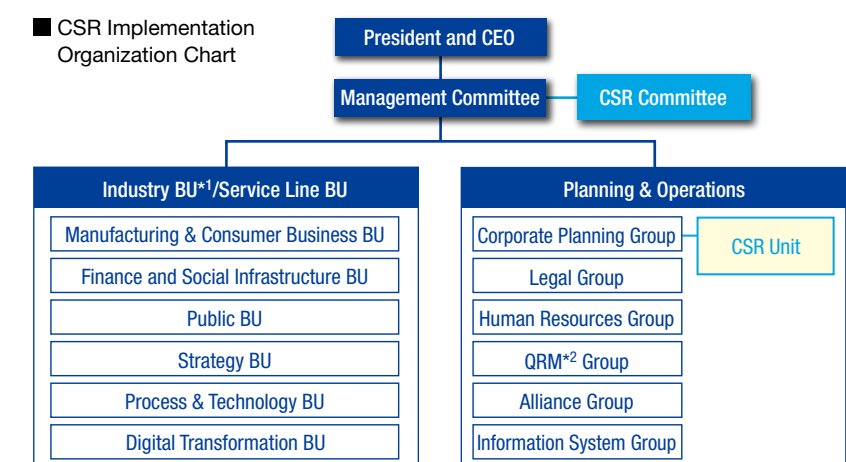
CSR activity fields

- | | | | |
|---|---|---|--|
| 1 | We prevent injustice to occur during our performance and strive for sound and fair management of the company. |  <p>Solid Business Foundation</p> | <p>Activity Report
P09</p> |
| 2 | We provide high quality service to our clients by conducting business based on outstanding consulting knowledge and skills. |  <p>Collaborating with Our Clients</p> | <p>Special Feature 1
P05
Activity Report
P11</p> |
| 3 | We, as well corporate citizens, by cooperating with various partners, work positively to establish solutions to fight against social issues such as poverty and education without being caught by any fixed conception. |  <p>Working with Local Communities</p> | <p>Activity Report
P13</p> |
| 4 | We continuously improve environmental management through business and contribute to reduce global environmental load through the service we provide and other activities we work on. |  <p>Responsibility for the Global Environment</p> | <p>Activity Report
P15</p> |
| 5 | We not only provide comfortable working environment, but also strongly support eager employees who aim for self-realization and self-propagating which could be attained through social activities. |  <p>Working with Employees</p> | <p>Special Feature 2
P07
Activity Report
P17</p> |

CSR Promotion System

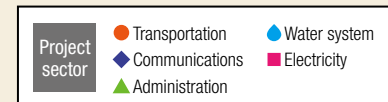
The CSR Committee and CSR Unit work together to implement CSR activities as an integral part of management.

The CSR Committee drafts policies, such as guidelines and action plans, as an advisory group for management, while the CSR Unit works with related divisions to deploy the policies established by the CSR Committee and implement action plans.



*1 BU: Business Unit *2 QRM: Quality Risk Management

Main overseas infrastructure development projects since 2006



No. of projects participated in
10 countries
20 projects

Pakistan

■ Data Collection Survey for Intelligent Transport Systems (Phase II)



Ticket gate at BRT station in Pakistan

Communications
3

Myanmar

■ Project supporting the development of information and communications infrastructure ▶ P.11



Street in Myanmar

Water system
2

Vietnam

■ Study for ITS Integration Project in northern area of Vietnam
■ Program for Ho Chi Minh City Public Transport Bus ICT System in Vietnam, etc.



Public buses in Ho Chi Minh City

Transportation
1

Indonesia

■ SAPROF for EAM for PLN Genco, etc.



Hydraulic power generation facilities in Indonesia

Communications
3

Transportation
1



Vietnam

Building the foundation for greater use of public transportation

Project member **Koya Honda** Director, Financial & Social Infrastructure Business Unit

Regional issue

While Vietnam's economy is steadily growing, urban areas such as Ho Chi Minh City and Hanoi City face chronic traffic congestion, which has become a national problem. Urban transportation problems are expected to get worse in Vietnam, which makes the development of transportation infrastructure, the foundation for sustainable development, an urgent issue.

Target transportation share in Ho Chi Minh City (target usage rate for public transportation system)

2020	20–25%
2030	35–45%
From 2030	50–60%

* Excerpted from JICA's "Report on Program for Ho Chi Minh City Public Transport Bus ICT System in Vietnam" (September 2016)

Our initiative

Support for establishment of core organization for an urban railway system, the most effective means of easing traffic congestion

To ease traffic congestion in Vietnam, the national government is carrying out programs to promote the use of public transportation. As part of the project to build an urban railway in Ho Chi Minh using the Japanese government's official development assistance (ODA), ABeam carried out a study for the establishment of a local organization to operate, maintain and manage the railway. In addition, in Hanoi, ABeam participated in a project supporting the establishment of an urban railway management company carried out by the Japan International Cooperation Agency (JICA) and Tokyo Metro. ABeam provided preliminary surveys, and supported the financial management and the introduction of IT systems from 2013 to 2016. In addition, we worked multilaterally to encourage the use of public transport systems in Vietnam's cities such as supporting the greater use of public buses, and in this way contributed to traffic mitigation.



Construction of urban railway in Hanoi

Voice of a partner

This was our first overseas project, but we succeeded in establishing an urban railway management company with the support of ABeam and its thorough knowledge of railway accounting and IT system development. We hope to continue this partnership and develop an urban railway in Hanoi.



Naoshi Sakai
Manager, International Relations Department
Tokyo Metro Co., Ltd.

Special Feature 1
Collaborating with Our Clients

Contributing to the development of social infrastructure in Asia

Social infrastructure such as transportation, communications, electrical and water systems is essential to national economic development and improved standard of living. ABeam participates in many social infrastructure development projects in Asia, a world region with areas still badly in need of stronger public services. Together with Japanese companies and government organizations, ABeam helps to build and set up infrastructure throughout Asia, contributing to advances in people's lives and industry.

Overseas infrastructure development project: Voice of a project member

"I want to introduce Japan's strengths in ICT to resolve regional issues in Asia"

I have been involved in a range of overseas infrastructure projects since 2006. I am currently in charge of transportation projects in Vietnam and Indonesia. Building and setting up social infrastructure in Asian countries contributes to the revitalization of local communities and their economic development. This, in turn, helps to reduce environmental impact and contributes to a sustainable society. Supporting projects like this gives me a huge sense of responsibility, but it is also really motivating.

Initially, most of the projects focused on establishing an organization or improving operations. In recent years, however, more projects have involved providing support for infrastructure using Japan's strengths in ICT technology. We can leverage our consulting services to connect Japan's ICT with Asia's regional issues, thereby contributing to Asia's development while also helping to expand business for Japanese companies.



Koya Honda
Director, Financial & Social Infrastructure Business Unit

Water system
2



Sri Lanka

Improvements to procurement issues leading to stable supply of water

Project member **Takashi Maki** Manager, Process & Technology Business Unit

Regional issue

Water and sewage is as important to fundamental infrastructure as roads and power under Sri Lanka's national development policy. Major water and sewage facilities in Sri Lanka are administered by the National Water Supply and Drainage Board, but delays in procurement and inadequate management of information have presented stumbling blocks to the development of water supply infrastructure.

Our initiative

Providing an operating manual for measures addressing procurement issues

Together with partner companies, we participated in a JICA project supporting the development of a water and sewage system in Sri Lanka. From October 2013 to February 2014, we visualized problems in procurement operations and considered countermeasures, and then provided the National Water Supply and Drainage Board*1 with an operating manual for these measures. Using this manual led to improvements in procurement operations and raised the speed and quality of the country's water supply operations. As a result, we can expect a stable supply of water for daily living and improvements in water quality.

*1 National Water Supply and Drainage Board: The main business in Sri Lanka that develops, supplies, operates and manages water and sewerage operations.



Sri Lanka's water resources

Communications
3



India



Thailand



Philippines

Bringing life-saving ICT to Asia

Project member **Takayoshi Ito** Senior Consultant, Financial & Social Infrastructure Business Unit

Regional issue

Due to the heightened risk of disasters and environmental problems as a result of climate change, the number of natural disasters is increasing around the world. Given this, there is greater interest in measures to counter natural disasters in regions around the world, and efforts to reduce the damage from these disasters have become international issues.

Our initiative

Support for overseas expansion of communications unit for disasters

At the request of the Ministry of Internal Affairs and Communications and partner companies, ABeam supports the overseas expansion of ICT resource units*2 manufactured in Japan. Beginning in August 2016, ABeam selected companies with a probability of adopting this unit, carried out surveys looking at local needs, and provided support for strategic proposals. Due to ABeam's efforts, currently the adoption of this unit is being proposed in India, Thailand and the Philippines. Introducing the unit to these countries makes it possible to restore communications instantly at the site of a disaster, and helps save lives immediately after disasters.

*2 ICT Resource Unit: Equipment that can promptly restore local communications functions when it is installed in an area damaged in a disaster.



ICT Resource Unit

Promoting D&I to foster diversity and raise organizational strength

Each individual employee's skills must be optimized and the organization's strengths maximized in order to respond to the public's calls for greater diversity in workplaces and contribute creative solutions to customer's increasingly complex business challenges. To this end, we have designated diversity and inclusion (D&I)*1 as an important management strategy, and we work to create an environment and climate in which diverse employees can succeed at each stage.

*1 D&I: Our concept is that organizational competitiveness is enhanced by fostering employee diversity and embracing each employee's individuality in an inclusive way.



Social context

Context 1 Decrease in workers who can make a full commitment

Japan's working population continues to decline due to the falling birth rate and aging society. There are fewer workers available who can handle a wide range of conditions, types of work, and work locations. Companies are forced to use a diverse work force that cannot make a full commitment to the work.

Context 2 Demand for faster creation of new value

The growing diversity of values and faster speed of technological innovation has accelerated the speed at which companies are required to create new value. Moreover, as markets globalize, there is a greater need for a diversity that is inclusive of all nationalities and genders.

ABeam Consulting's approach to D&I

At ABeam, D&I is essential in responding to social changes and growing as a company overall. Based on the "power of diversity," a core value of our management philosophy, we have established a vision and guidelines for promoting D&I in order to enhance the strength of the individual, the team and the organization. ABeam takes initiatives from various perspectives in line with its four basic approaches for pursuing D&I.

D&I Vision

We aspire to be a company in which employees can master the challenges they set themselves with their own capabilities and commitment and achieve real results for which they are appropriately evaluated, regardless of gender and life events (marriage, child-rearing, care-taking, etc.).

D&I Policy

1. Change mindset to become an organization that can respond flexibly and with agility to all kinds of changes in the environment.
2. Provide an environment in which each individual employee with their own diverse characteristics can map out a medium- and long-term career.

D&I initiatives (four approaches)

1. Reforms to awareness and climate

Reform the awareness and work styles of all employees, recognize diverse employees, and create a climate in which employees motivate each other.



2. Support for creating and fostering careers

Provide training and lectures to develop leaders, stimulate motivation and reform awareness at the level of managers and above.

3. Provide systems and environments

Consider and introduce systems that enable diverse employees to thrive regardless of life events.



4. Strengthen hiring

Set numerical targets and reinforce branding for hiring of new graduates and hiring of those with experience.

Top commitment

"I want to create value equivalent to the value of raising a child"

Enjoying life and work as much as possible is my style. So, when my child turned one year old, I took three months of vacation for child-care to enjoy the moment with my lovely child. Spending 24 hours a day together and watching my child's growth has been a precious experience in my life.

After returning to work, I was even more dedicated to getting results on the job. I couldn't face my child if I wasn't able to do work that was equal to the value of raising the children responsible for our future. As a consultant and as a father, I will focus on work that generates even more value going forward.



Kazuki Iida
Manager, SCM Sector,
Process & Technology
Business Unit

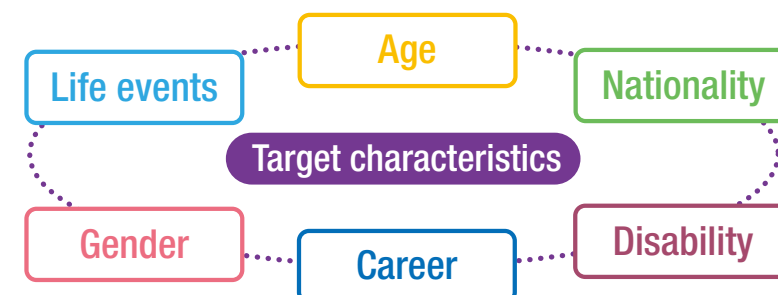
"Nationality and ethnicity have nothing to do with getting work done"

As a Chinese person, my culture and customs differ in some respects to those of Japanese people, but I have never felt that those differences impede my work and career advancement at ABeam. On the contrary, when I work together with people from different countries on overseas projects, my experience in communicating across borders on a daily basis is very rewarding.

The reach of our work is spreading globally, and the number of overseas projects is increasing every year. By conveying the experiences and expertise that I have built up, I hope to support my subordinates who are taking on the challenge of working in a global environment.



Hui Liu
Senior Manager,
ITMS Sector,
Process & Technology
Business Unit



"I use my experience as a working mother to enhance my career"

Since I was hired mid-career in 2006 as a consultant, I became a manager last year after having two children and spending time raising them. I worried about my career and work-life balance, but I was really encouraged when my counselor*2 told me that differences with other people are useful tools for a consultant.

At ABeam, the belief that time at work and time away from work are both equally important really pervades projects, so I was able to develop my career without any child-rearing disadvantage. I hope that women who are raising children right now or thinking about having children will take up this challenge. I would also like to support these women.



Midori Hodoyama
Manager, FMC Sector,
Process & Technology
Business Unit

*2 Counselors: At ABeam, department managers function as counselors for all employees at the rank of senior manager and senior expert and below, and support career development.

Roadmap to women's success

Promoting the full participation of women is particularly important in promoting D&I at ABeam, and we aim to have women as 30% of all employees and 12% of managers by 2020. We have set up an organization to manage our Diversity & Inclusion initiatives to facilitate the success of female employees, and we are carrying out activities following the road map below.

2016	2017	2018	2019	2020
Phase 1 Reform workplace climate • Create awareness among employees • Firmly entrench efforts to promote women's participation	Phase 2 Shape and develop employees' careers • Create networks • Strengthen employee career formation and development • Achieve flexible work styles	Phase 3 Spread D&I • Create awareness and strengthen employee training • Strengthen systems for facilitating flexible work styles		
• Expand and introduce systems to support efforts to balance work and personal life • Make D&I a management strategy				

Building a Foundation for the Company to Continue to Earn Society's Trust

ABeam Consulting is creating a foundation for sound and equitable corporate management by setting up a system for compliance management, strengthening information security, and educating and training employees. We are also working to augment corporate governance to improve the transparency of corporate management.



Highlight

Social issues

Information security



Our activities

We are enhancing information security by educating employees and taking steps to prevent leaks.

Information security incidents cause severe damage to companies and organizations. We are engaged in many projects involving important client information, and the majority of our consultants work on projects at client premises. This means that it is extremely important that every employee is keenly aware of the importance of information security and protecting personal information and client information. Since earning the PrivacyMark in 2010, we have educated employees on information security using an e-learning platform. We have also established information management guidelines for specific projects, and we ensure that these guidelines are observed in all operations. We take measures to prevent information leaks in facility design as well,

adopting secure print systems that use conformation of the security cards, managing comings and goings to and from our offices using security cards, and using security cameras. We will work to improve the quality of our information disclosure while continuing to manage information and ensure compliance so that we can remain worthy of public trust.



Employee entrances and exits are managed with security cards



Jin Nakagawa
Business Management
Unit Leader,
Corporate Planning Group

Compliance

Establishment of the ABeam Code of Conduct

The ABeam Consulting Group now has 19 offices outside Japan, in 10 countries and regions (as of November 14, 2016, including subsidiaries), and its diverse workforce is made up of people with a wide range of ethnicities, nationalities, and religions. In addition, our clients are not only in Japan, but also include global Japanese companies expanding their businesses around the world and foreign companies with bases overseas. In this kind of business environment, as a consulting business, we believe that it is important to respect the values and diversity of all stakeholders and ensure thorough compliance management rooted in a global perspective.

In October 2005, we established the ABeam Code of Conduct to help achieve our vision of consistently serving as a real partner to our clients as a global consulting firm with roots in Asia, while always complying with laws and regulations.

Education and Awareness-Building for Employees

Information Security and Compliance Education

We use an e-learning platform to provide information security education to all employees in and outside Japan once a year. All employees have completed this course. Since we earned the PrivacyMark in April 2010, we have incorporated education on the importance of handling personal information in this course, and have worked to raise awareness about personal information management.

In addition, all new graduate and mid-career hires are given training on information security in a class immediately after they join the company. This is an opportunity to deepen understanding about the importance of information security as well as compliance matters and points requiring special attention.

We also provide compliance education via e-learning to employees both in and outside Japan in order to ensure that all employees are aware

These guidelines aim to firmly establish the sense in each individual employee that always fulfilling our corporate social responsibilities raises the group's corporate value. We also endeavor to educate employees about and reinforce compliance, based on the decisions made by the Board of Directors regarding the basic policy on establishing an internal control system.

By distributing a pamphlet with these guidelines (Japanese and English versions) to all employees of ABeam Consulting and its group companies in and outside Japan, we seek to ensure that the guidelines—the foundation of our compliance management—are understood and put into practice.

Moreover, we have sought to ensure viable compliance with ethics and laws internally by establishing Operating Rules for Internal Reporting System so that anyone involved in the company's operations can report improper, illegal and unethical acts that they identify or become aware of.

of compliance issues. This training gives them an understanding of how to ensure they act in accordance with the ABeam Code of Conduct in their daily work, for instance by incorporating cases of recent compliance problems.

We will continue to provide education that promotes each individual employee's understanding of information security and compliance and raises awareness.

Global
rate of participation
in information security
and compliance education
(fiscal 2016)

100 %

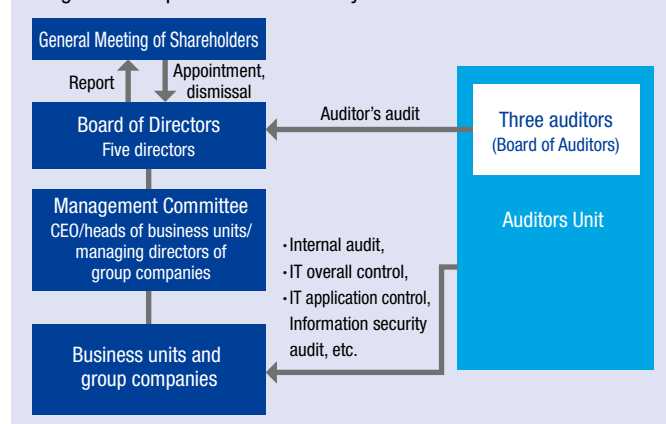
Corporate Governance

Board of Directors, Board of Auditors and Auditors Unit

The Board of Directors, which is made up of five directors, meets once a month to make important decisions on management issues and monitor business performance. The Management Committee considers and discusses important issues related to business execution.

In addition, the Board of Auditors, made up of three auditors, oversees the Board of Directors' execution of its responsibilities, and examines the appropriateness and soundness of operations carried out. In addition, the Auditors Unit, which supervises business units and group companies, confirms and examines the effectiveness of internal controls, the safety and effectiveness of the company's systems, and the status of information security administration.

Diagram of Corporate Governance System





Supporting Client Success and Creating New Value for Society

Our mission is to work together with our clients by envisioning paths to success and offering best practices. Our high value-added consulting services support client success and provide new value for society by assisting our clients in many fields, including the corporate sector, local governments and educational institutions.

Highlight



Social issues

Gaps in ICT access



Our activities

We support the spread of mobile phones and better mobile service in Myanmar.

Affected by long years of military rule, Myanmar has been late to develop information infrastructure. However, the liberalization of the communications market in 2011 with the new administration led to the entry of foreign telecommunications companies. In 2014, KDDI and Sumitomo Corporation announced that they would carry out a joint telecommunications project with Myanmar Posts and Telecommunications (MPT). ABeam Consulting participated in this joint venture as the PMO*1 for the introduction of MPT's operating management system in November 2015. Since then, the project has grown, and we are now responsible for supporting the formulation of an IT strategy and running and maintaining various systems for the mobile phone business. The mobile phone penetration rate in Myanmar was less than 10% just a

few years ago, in a population of about 52 million, but it is now virtually 100%. Users can not only place a call, but also use data on social media, etc., which is significantly changing the lives of Myanmar's citizens. We will support MPT as it plans to improve the telecommunications environment and expand telecommunications services, improving quality of life for the people of Myanmar.

*1 Project Management Office (PMO): A cross-cutting office that supports project management in an organization.



Project members



Makoto Shimizu
Principal, Process & Technology
Business Unit

Support for Community Planning

Collaborating with a University on Community Planning in Kanaoka, Sakai

Even though Kanaoka is located in the urban fringe area of Sakai, Osaka, it still has a beautiful agricultural landscape. Since 2000, farmers in the region have led community planning activities aiming to preserve the agricultural landscape.

Since 2015, ABeam Consulting has supported solutions for issues in the region in collaboration with the Laboratory of Urban Landscape Planning and Design at Osaka Prefecture University.

In fiscal 2016, primarily young members studied the following issues, utilizing their consulting skills: (1) educational programs utilizing farming for local children; (2) evaluation of high-yield agricultural crops; and (3) ways of disseminating information using social media.

These activities will continue in fiscal 2017 as well, as we take steps to realize these measures.



Farmers in the Kanaoka area and our employees

Supporting Adoption of Renewable Energy

Generating Energy from Bamboo Biomass in Yamaguchi

As local governments throughout Japan introduce renewable energy, Yamaguchi Prefecture has prioritized its project to generate power from forest biomass. We participated in a project run by the prefecture that will generate power from biomass from bamboo by helping to devise a model plan to provide a stable supply of bamboo at low cost to power generation facilities.

In fiscal 2016, we surveyed the volume of bamboo in the southeastern part of the prefecture, where there are plans to build a biomass power generation facility that will primarily use bamboo as fuel. Based on spatial analysis and network analysis using aerial photography, we accurately identified the distribution and area of bamboo forests and estimated the available amount with high accuracy.

This project aims to reduce CO₂ emissions by providing an alternative to fossil fuels. Moreover, by reusing bamboo and laying out guidelines for restoring forest and *satoyama* (farmland near mountains), we will contribute to the use of sustainable forest resources and the preservation of biodiversity.



Conducting a bamboo volume survey

Solution regarding Waiting Lists for Nursery Schools

Supporting Nursery Care in Shinagawa to Support the Child-Rearing Environment

The issue of children whose names are put on waiting lists for admittance to nursery schools has become a particularly severe social problem in urban areas in Japan. In Tokyo's Shinagawa ward, the population has increased due to a rush to build large-scale condominiums, and every year the number of children on the waiting lists increases. On the other hand, there is also a concern that in the medium to long term, the number of children in the ward will decline due to the low birth rate and a drop in the child-rearing population.

In response to this, ABeam Consulting estimated the number of infants and children of preschool age*2 in Shinagawa over the next 20 years. We identified the peak in the number of children and calculated the supply/demand balance for nursery schools with simulation technology to support the ward's program to systematically set up nursery schools. Furthermore, we analyzed a public-private nursery school scheme from multiple angles and proposed an approach to nursery school management that would be effective and less burdensome.

Going forward, we plan to strengthen our efforts to augment nursery schools and eliminate nursery school waiting lists in Shinagawa by utilizing diverse methods tailored to conditions in the region.

*2 Infants and children of preschool age: Children from the ages of zero to five who are eligible for admittance to nursery school.

Working with Educational Organizations

Cosponsoring Curriculum at Rikkyo University to Train Global-Minded Leaders

The demand for business leaders who can lead projects to success on the global stage is rising. There is also higher demand to foster a global-minded workforce in the university setting, as well. Since 2015, ABeam Consulting has participated in the education curriculum BLP*3 offered by Rikkyo University as a co-sponsor. In fiscal 2016, a total of 14 lectures were given on the Internet-of-Things (IoT). Our consultants served as instructors and supporters, and identified issues faced by companies and society and gave guidance in considering processes utilizing IoT.

We invited students who had devised impressive plans to the headquarters, where they presented them to company executives. The students were very pleased and felt that they had achieved great results. We will continue to share our knowledge and expertise with the public, starting with support for training the next generation of business leaders.

*3 Business Leadership Program (BLP): The core curriculum of the Department of Business, which encourages students to take an active role in the global community.

No. of students who participated in lectures (fiscal 2016)

264



Lecture given in a workshop format



Resolving Community Issues in Japan and Asia

We contribute to communities all around the world by utilizing our consulting skills in pro-bono activities and in partnerships with NGOs and NPOs.

We also contribute to creating a future in Japan and the rest of Asia by working on community issues locally and globally.



Highlight

Social issues

Poverty

Our activities

We support the NPO Kamonohashi Project with pro-bono activities and financial donations.

Sexual exploitation of children, which is related to poverty, is a serious problem in southeast Asia. The Kamonohashi Project is a Japanese NPO that works to eradicate human trafficking. We have supported this NPO since 2016 with support based on our consulting skills (pro-bono) and financial donations. In November 2016, eight employees went on a CSR Cambodia tour to learn more about the local issues, support and results for themselves. After the tour, the participants volunteered to give more of their time to the project. This tour raised interest in supporting the Kamonohashi Project within the company even more.

We will continue our support as a real partner and work together with this NPO until its mission to “create a world in which children can no longer be sold” is achieved.



CSR Cambodia Tour



Naotaka Saitoh
Manager,
Strategy Business Unit and
CSR Unit

Room to Read

Supporting Education of Children in Asia



Room to Read (RTR) is a global NGO that provides children in developing countries with educational opportunities. ABeam Consulting became RTR's first corporate partner in Japan in 2008, and has provided ongoing support since then. Through our annual corporate contributions, we have built more than 35 libraries and reading rooms in five countries in Asia and have supported various educational programs. Since 2013, we have also been visiting the beneficiaries, and this has become a valuable opportunity to confirm for ourselves the impact of the donations.

As a pro-bono activity, we compile records of our activities and examples of our support, and provide this as a model with a standardized format to RTR to help them recruit other sponsors.

We also invite recipients of this support to seminars and distribute reports on our visits with recipients internally to raise awareness of these activities and educate employees.

These efforts have been a success, and our RTR support activities have gained momentum every year.

Going forward, we will involve our overseas offices as well to provide more global support.



On a visit to a library in Cambodia built with our donations

Sports and Culture Support

Supporting the SABANI Sailing Race to Protect Traditional Culture and Revitalize Communities

The SABANI Sailing Race^{*2} has been held every year since 2000 in Zamami, Okinawa. With the aim of protecting traditional marine culture, we have cosponsored this race since 2008, and in 2014 young employees formed Team Kariyushi to participate in the race.

The race brings in over 500 participants from Japan and overseas, and the media coverage helps to revitalize tourism in Zamami. On the day before the race, participants and local residents clean Furuzamami beach to conserve the natural environment.

We will continue to support the race as a corporate sponsor and participate in the race, and contribute not only to protecting and sustaining the Sabani culture, but also creating new Sabani culture.

^{*2} Sabani: Traditional fishing boats in Okinawa. The skills needed to build and manage them are being lost due to modernization. The boats are propelled only by people with special paddles and the wind in the sail.



Furuzamami Beach just after the race starts

WaterAid

Improving Water and Sanitary Environments



The NGO WaterAid Japan works to improve access to clean water, sanitation, and hygiene. We have supported WaterAid Japan since it was preparing to launch in 2013, and have provided ongoing support since then.

In addition to providing corporate donations since fiscal 2013, employees have participated in the Osaka Marathon as WaterAid charity runners for three consecutive years since 2014. These donations have been used to support water and sanitation projects in East Timor, Nepal, Ethiopia, India and Cambodia. In addition to monetary contributions, as one of the company's pro-bono activities utilizing consulting skills, employees participate in a Speaker's Club^{*1} and help improve operations.

We will continue our support for water and sanitation projects and support WaterAid's activities on many fronts using the skills and knowledge gained in the company's core operations.

^{*1} Speaker's Club: A WaterAid initiative aimed at raising the general public's interest in water and sanitation environments in developing countries by holding classes at schools and events.

No. of people given safe water and sanitary environments with our donations

1,751

Supporting Reconstruction after the Great East Japan Earthquake Steadily Supporting the Independence and Growth of the Affected Areas

ABeam Consulting has been providing continuous support activities designed to facilitate revival, since the moment immediately after the earthquake.

ABeam Consulting collected about 25,670,000 yen in donations from employees immediately after the earthquake. In addition, we contributed by donating printers to volunteer centers and using our IT skills to help to build networks.

We also run volunteer tours of sites primarily for volunteer employees and new hires as an ongoing activity. In 2016, employees visited Yamamoto in Miyagi Prefecture. When employees see the destruction with their own eyes and speak directly with local residents, they reaffirm the importance of continuing to provide reconstruction support.

Going forward, we will continue with our reconstruction support activities, consider pro-bono support utilizing our consulting skills, and work with Tohoku residents to contribute to the independence and growth of the affected areas.



Employees visiting an elementary school damaged in the earthquake



Conserving the Environment for a More Sustainable World

Our ambition to be a “real partner” extends not only to our clients and the local community, but also to the global environment.

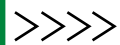
We are working to reduce the environmental impact of our business operations and using proactive approaches to preserve forest, marine and other environments, as our way of helping to build a more sustainable world.

Highlight



Social issues

Loss of biodiversity



Our activities

We hold clean-ups and removes alien plants every year at the foot of Mt. Fuji.

The loss of biodiversity is an important environmental issue facing the world, on par with climate change. With the cooperation of the environmental NPO FUJISAN CLUB, we hold clean-ups and help get rid of alien plants at the foot of Mt. Fuji. This activity has been carried out every year since 2007 as one of our internal environmental conservation events, with the aim of preserving Mt. Fuji's environment and its biodiversity and also raising employees' awareness of CSR. I have participated in this activity since fiscal 2012, and have planned and run it as a leader since fiscal 2015. With every year that this activity is carried out, the greater the variety in the ages and positions of participants. I really feel that this activity is gradually becoming entrenched in

our company. In fiscal 2016, 166 employees participated and we dug up about 60kg of alien plants.

As well as continuing these activities, I hope to plan programs that make it easier for more employees to participate.



Employees remove alien plants



Takeshi Idei
Senior Consultant,
Environmental Management Team,
CSR Unit

Environmental Management in Business Activities

Reducing the Environmental Impact of Our Offices

We strive to reduce environmental impact by establishing and continually revising environmental management systems. Our Public Business Unit has acquired ISO 14001 certification.

(1) Energy conservation

We focus on energy savings through continual operation improvements using One2Five® Energy, an energy management diagnostics tool we also offer as a service.

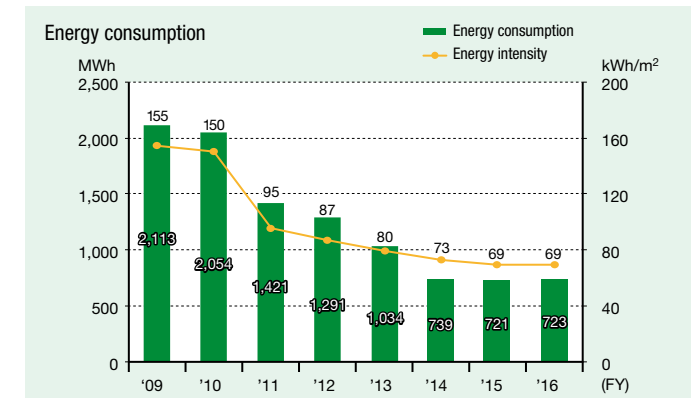
(2) Reductions in paper use

We have worked to reduce paper consumption since fiscal 2011, for example by encouraging double-sided printing. We have equipped all of our meeting rooms with projectors and monitors and recommend that conferences and meetings be paperless.

(3) Recycling

We have set up “Recycling Stations” on each floor of our office buildings for

waste sorting and waste reduction. Plastic bottle cap collection boxes have also been installed. We have collected about 1.289 million caps so far as a member of the “Ecocap Movement,” helping to provide vaccines for 1,611 children.



Carbon Offsets

Utilizing the Renewable Energy Certificate Mechanism

We offset the carbon emissions of the annual kick-off meeting attended by all employees by purchasing renewable energy certificates.*1 This helps not only to reduce environmental impact, but also to promote and encourage the use of renewable energy.

We have used renewable energy certificates every year since 2009, and bought renewable energy certificates for 18,000 kWh in biomass power generation in fiscal 2016. Through fiscal 2016, we purchased a total of 107,000 kWh. Converted into CO₂ emissions, this amounts to an approximately 49,00t-CO₂*2 reduction.

We also use the meeting as an opportunity for raising the environmental awareness of our employees, asking them to use trains, buses and other modes of public transportation to come to the venue, which is outside of our offices.

*1 Renewable energy certificates: Tradable, non-tangible energy commodities which serve as proof of environmental attributes of electricity produced from renewable energy sources such as solar power and biomass. Trading of renewable energy certificates is expected to support the popularization and spread of renewable energy.

*2 Conversion value released by the Ministry of the Environment based on the Act on the Promotion of Global Warming Countermeasures is used.

Zamami Village Reef Conservation Activities Supporting Marine Ecosystems by Planting Coral

Support for activities aimed at attracting corporate customers to Zamami Village in Okinawa provided an opportunity for coral propagation activities in the ocean here beginning in 2016. This activity is aimed at (1) preserving the coral reefs, which are extremely important for the marine ecosystem, and (2) educating participating employees on environmental conservation.

In addition to planting coral propagules, in 2016 we toured local coral propagation facilities, and participated in study sessions for children living on the island and sessions in which participants prepared 15 coral propagules. The employees who participated were really encouraged, stating that they were now more aware of the importance of environmental conservation.

We will continue with these coral conservation activities, and also support the conservation of Zamami's marine ecosystem with a more multifaceted approach.



Planting coral propagules



Study session with local children

Mitohama Beach Clean-up Activity Raising Environmental Awareness by Preserving Beautiful Ocean

In 2006, we began a beach clean-up at Mitohama, since our Yacht Team had used facilities there. Since then, we have continued with this activity every year (with the exception of years in which it was cancelled due to rough weather) with the Kanagawa Coastal Environmental Foundation, a Public-Interest Incorporated Foundation. This activity is held with the aim of beautifying the coast, conserving the environment and encouraging recycling, and in fiscal 2016, 101 employees and their family members participated, including new graduates who had been offered employment.

We have strong ties to the ocean, in part due to our sailing team, Team ABeam. We will continue to carry out these activities to preserve the beauty of the ocean and provide a place that makes employees and their families aware of the environment.



Amount of garbage collected (fiscal 2016)

About **250** kg



Creating a Work Environment That Creates Synergies with Diverse Individuals

The strengths of employees are the base of our consulting services, and human resources are the company's key assets. We augment the human resource development system and create a workplace environment conducive to performance in order to draw out the skills of diverse individuals and maximize these skills as strengths for the team.

* ABeam Consulting was certified as one of the best workplaces in the 2017 "Great Place to Work" ranking.

Highlight



Social issues

Mental health issues

In recent years, more people have suffered mental and physical health problems due to stress in the workplace, and this has heightened the need for companies to manage their employees' health. Our Health Support Center provides various kinds of support so that individual employees can improve their self-care abilities and can perform to their full potential as individuals and in teams. Anger management training is provided as part of these efforts.

This training helps employees to gain a better self-understanding by facing up to their own feelings and to acquire the ability to regulate their own emotions. A total of six sessions has been held so far, with 104 employees participating. Participants have

Our activities

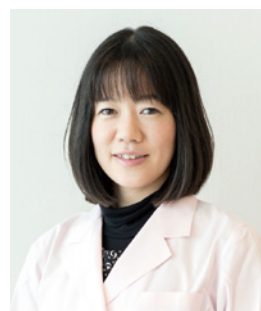
We support the health of employees with multi-pronged programs such as anger management training.

been pleased with the sessions, commenting that they learned about the nature of anger and were encouraged to practice emotional regulation.

The Health Support Center will continue to provide multi-faceted programs tailored to careers and life stages and support employees' health management.



Anger management training



Saori Naka
Health and Fitness Programmer,
Public Health Nurse,
Health Support Center

Human Resource Development

Developing Employee Skills and Global Mindset

ABeam Consulting trains employees with the view that "people" are an irreplaceable asset. With on-site consultants serving as instructors, courses on consulting skills, IT skills and industry knowledge, among other topics, are held on a daily basis.

These training sessions are not limited to internal group sessions, but are also available on an e-learning platform and at the sites where projects are carried out. They are utilized to develop employee skills.

In recent years, we have also focused on training employees to perform in a global environment, and we have added short-term study abroad programs, invitations to MBA school instructors and publicly offered training programs to the education program.

Primary internal training themes

Management	Learn project flow and management methods based on our unique methodology
Problem-solving	Learn how to identify true cause of problems and method of devising high-quality solutions
Communication	Learn communication skills that will lead to understanding, empathy and action
Specialized knowledge	Learn specialized knowledge to provide value to clients
Leadership	Learn about the role of a leader and ways to exercise leadership skills
Career development	Expand perspective, deepen self-understanding and take another look at the individual career development plan
Basic knowledge	Learn the essentials for an ABeam Consulting employee

Creating a Work Environment That Motivates Employees Promoting Mental and Physical Health and "Smart Work"

The Sanitation Committee and Health Support Office take the central role in running the Mental and Physical Health Project, which aims to prevent disease and enhance health, and the Smart Work Promotion Project, which seeks to reform work styles.

The Mental and Physical Health Project is carried out by occupational doctors and health nurses, who provide guidance in interviews and give health advice based on laws. Educational activities are also proactively held, including seminars on food, exercise and sleep as well as newsletters.

With the Smart Work Promotion Project, ABeam Consulting introduced No Overtime Day, a prohibition on email and phone calls from supervisors late at night and on holidays, and recommended a ban on the use of internal conference rooms after 6pm, beginning in November 2016. These endeavors were backed by a message from top management recommending a shift to a "smarter" approach to work by working shorter hours more efficiently. Employees thought of ways they could raise productivity in a limited timeframe. Greater interest in reviewing work styles is creating an environment that motivates employees.



Smart Work promotional poster for employees

Promoting Employment of People with Disabilities

Supporting Employees with Disabilities: Leveraging the Power of Diversity

We promote the hiring of people with disabilities to leverage the "power of diversity," which is one of our core values. We have reviewed corporate tasks, including not only work in administrative departments but also client services, and designated positions. We are also making the workplace barrier-free to create an environment conducive to employees with disabilities.

At present, ABeam Consulting employs 43 people with disabilities at its headquarters, Okinawa office and new Shinjuku Center established in 2017 (as of May 2017).

Japan's legally mandated rate for employees with disabilities is no more than an indicator for ABeam Consulting. Our real objective is to expand employment opportunities by placing the right person in the right position, create work that motivates employees, and improve the efficiency of operations by making the most of the diversity of our human resources. We will continue to promote the employment of people with disabilities who can become influential supporters in the client service field, our main business.



Working team of people with disabilities

Support for Childcare and Nursing Care Support for Ongoing Employment with Programs Tailored to Life Stages

ABeam Consulting has set up systems for long leave, day-off and shorter working hours so that employees providing childcare or nursing care can continue working while balancing the needs of home and work.

We have more aggressive childcare support than ever, and offer maternity leave for women during pregnancy, childcare leave available for both men and women (this can be taken until the April 30 after the child turns one year and six months), child-rearing leave, which can be taken by employees with children who have not yet entered elementary school, and shorter working hours until children reach third grade in elementary school. This system goes well beyond the legal requirements. In July 2007, we were awarded Japan's Kurumin mark in recognition of these efforts to support the next generation, and in November 2014, we introduced a system that allows employees to take long-term leave of absence for fertility treatments. In fiscal 2016, all of the male and female employees who took childcare leave returned to work.

We set up a help desk for nursing care support, and we provide support to alleviate the burden of employees providing nursing care.



Percentage of eligible men taking childcare leave (fiscal 2016)

7.6%

Up from 7.1% in fiscal 2015