

Company Profile

ABeam Consulting Ltd.
Founded: April 1, 1981
Number of Employees: 4,961 (As of April 1, 2018, 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: ¥74.8 billion (Fiscal year ended March 31, 2018)
Overseas Locations: 26 offices in 12 countries and regions
(As of June 1, 2018, including subsidiaries)

 Web

ABeam Consulting's CSR website
<https://www.abeam.com/jp/en/about/csr>

Please visit our website for more details about our CSR activities.

Other publications

■ For more details about us

ABeam Consulting Company Profile
<https://www.abeam.com/jp/en/about/company>

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
<https://www.abeam.com/jp/en/topics/publications/kouhoushi2017>

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.

ABeam Consulting Ltd.

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Message from the President

Leveraging our core operations to build a smart society



Our CSR Policy articulates our mission and vision.* It guides our diverse CSR activities in five fields. We focus on CSR activities that make the most of the key features of the consulting business, our main business.

*Please refer to page 3 for information on our vision.

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

The advancement of digital technology has triggered a digital transformation in society overall that is not just restricted to the corporate sector. In the CSR field, various companies are disclosing ESG^{*1} and pursuing initiatives aimed at achieving the SDGs.^{*2} At ABeam Consulting, we are also adapting to changes in the world by adjusting our rolling plans every year, while setting our long-term direction. By providing consulting services using cutting-edge digital technology, we support our clients with their corporate reforms and contribute to the creation of a smart society. We also continue to help resolve social issues such as poverty and educational disparities and are pursuing efforts that will help to achieve the SDGs. We plan to expand these efforts in line with the five visions laid out in our CSR Policy.

Out of all of the CSR activities that we have pursued, our initiatives related to work style reform have been the most dynamic. One of these is our RPA operational reform services.^{*3} We have earned high praise from more than 100 clients for this service, which improves clients' operations, raises productivity, and also enhances competitiveness.

As part of our internal work style reform, we have pursued multifaceted programs, beginning with the adoption of a Free Location System. Our goal is to provide ongoing

health management so that employees can perform at a high level for the long term as "Business Athletes." Going forward, we will provide health management to our clients as a solution that can help improve both social and economic value, based on our wide-ranging track record with this program internally.

We are also involved in social contribution activities on an ongoing basis in partnerships with NGOs and NPOs. We have supported the Kamonohashi Project since 2016 with support based on pro-bono activities, and these efforts have led to solid results.

Employees power our CSR activities, and raising each individual employee's awareness of CSR directly raises the level of our contribution. To this end, we conduct workshops for new employees and e-learning and awareness surveys for the entire company as we work to create an environment in which employees take the initiative on CSR activities.

We envision the smart society of the future, in which companies share information freely without being boxed in by data. We hope to create Connected Enterprises with the participation of many companies in ecosystems centered on the ABeam Cloud solution.

We will continue to pursue CSR activities that make the most of our strengths as a "Real Partner" for our customers, local communities and the environment.

^{*1} ESG is an acronym for Environmental, Social and Governance, used as an indicator to assess corporate value and growth. It is primarily referred to as an indicator in corporate evaluation.

^{*2} Please refer to page 3 for details.

^{*3} Please refer to page 5 for details.

Toshinori Iwasawa
President and CEO

CSR at ABeam Consulting

In 2009, we set up a CSR Division (currently, the CSR Unit).

We have been following our unique approach to CSR ever since. In 2013, we established the CSR Policy, which positions CSR as an integral part of management. We proactively pursue CSR activities with the goals of contributing to our clients' global growth and helping to build stronger local communities, a healthy global environment and a sustainable society.

By proactively working to resolve issues related to the SDGs, our activities take on a more global perspective.

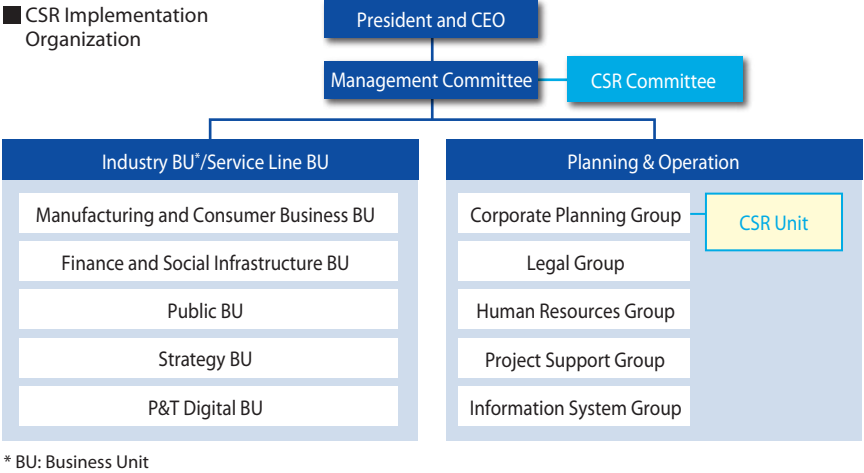
We are working to build a sustainable society by addressing the issues society faces step by step via our business activities. These issues include natural disasters resulting from climate change, inequality due to income disparities, human rights problems in supply chains, and work style reform.

We also hold regular seminars on sustainability for employees and share about our CSR activities both inside and outside the company. Our goal in this is to ensure that our activities not only raise awareness, but also lead to more opportunities to translate awareness to action.

CSR Implementation 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.



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	Related SDGs	Description of initiatives	Page
1 We prevent injustice to occur during our performance and strive for sound and fair management of the company.	Solid Business Foundation	16	16 We have created a compliance management system as the foundation for solid corporate management and have set up a system enabling internal reporting as we work for an equitable society.	Activity report P09
2 We provide high quality service to our clients by conducting business based on outstanding consulting knowledge and skills.	Collaborating with Our Clients	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	4 10 We provide equal opportunities and contribute to the creation of an equitable society by encouraging participation in adaptive sports. 4 We provide learning opportunities to students through leadership education utilizing our consulting skills. 8 We realize true work style reform by encouraging the use of RPA and contribute to a society with better work environments. 9 We propose the use of ICT by international cooperation organizations and support the development of projects to achieve SDGs. 10 We recommend measures to prevent fraudulent financial transactions and contribute to the development of a safe financial society. 13 We efficiently analyze satellite images and help to strengthen adaptability to natural disasters.	Special Feature 1 P05 Activity report P11
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.	Working with the Community	1 4 5 6 8	1 4 We support the fight against child sex trafficking and sexual exploitation in developing countries, and help to mitigate poverty and provide educational opportunities. 4 We continue to support the construction of schools and libraries in developing countries and monitor them locally, and contribute to a larger education environment. 5 We continue to support female education and job opportunities in developing countries to ensure gender equality. 6 We continue to support improvements to the water and sanitation environment in developing countries and provide local monitoring. 8 We participate in local revitalization projects and help to revitalize local societies and economies.	Special Feature 2 P07 Activity report P13
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.	Responsibility for the Global Environment	7 13 14 15	7 We contribute to the spread of renewable energy by buying green energy in internal events. 13 We help to reduce CO2 emissions by practicing energy management in offices. 14 We carry out beach clean-ups on an ongoing basis to help preserve marine resources. 15 We regularly remove alien plants on Mt. Fuji to protect ecosystems.	Activity report P15
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.	Working with Employees	5 8 10	5 8 We promote activities in line with the themes of "Smart Work," "Diversity & Inclusion" and "Well-Being" to create workplace environments in which employees can work in good health and vitality.	Activity report P17

About the SDGs

The Sustainable Development Goals consist of the 17 goals and 169 targets in the 2030 Agenda for Sustainable Development adopted at the 2015 UN Sustainable Development Summit.



Leveraging RPA to Contribute to True Work Style Reform

Social context

Japan aims to increase labor productivity with work style reform

Labor productivity per worker in Japan is ranked 21st among OECD member countries (20th when looking at productivity per hour worked), which is extremely low even among developed countries. In addition, it is expected that the number of workers in Japan will decrease. The government aims to raise labor productivity in order to maintain economic growth, which calls for work style reform on a national scale.

Ministry of Economy, Trade and Industry's labor productivity goal				
	2015	2030		
GDP	532 trillion yen	846 trillion yen	1.6x	
Number of workers	63.34 million people	55.99 million people	0.9x	
Labor productivity (GDP per worker)	8.4 million yen	15.11 million yen	1.8x	

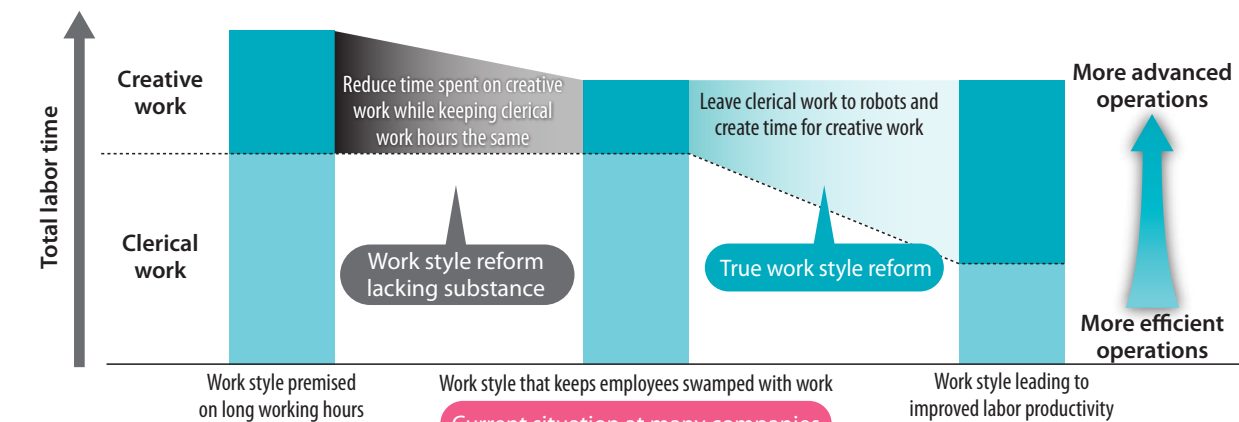
*Prepared based on Vision for a New Industry Structure, Ministry of Economy, Trade and Industry

True work style reform devised by ABeam

Shift from simple clerical tasks to creative work is essential

Raising labor productivity at Japanese companies and increasing the economy's international competitiveness means that Japan must avoid work style reform that lacks real substance and is simply intended to reduce working hours. We believe that "true work style reform" is the kind that reduces simple work and increases the time available to spend on creative endeavors. To achieve this, we developed our RPA operational reform service, which uses digital labor instead of people to perform clerical tasks quickly and accurately.

Image of true work style reform



Example of RPA use

Clerical work is processed rapidly and accurately using digital labor instead of humans

- Clerical work such as sales processing and accounting
- Back-office work such as product records and inventory alignment
- Web reviews such as trends and products at competitors
- Compilation of information extending across multiple internal systems and preparation of analytical materials

Amid growing calls for higher labor productivity to maintain economic growth, ABeam Consulting supports Japanese companies' "true work style reform" by providing RPA operational reform services. By allocating simple tasks such as clerical work to robots, we are setting people free to focus on more creative work. We are bringing the kind of dramatic operational reforms made possible by using both human and digital labor to even more customers.

About Robotic Process Automation (RPA)

RPA is an innovative technology that raises the labor productivity of white collar workers, and it is also a means of bringing about operational reforms. Robots take over the kind of clerical work that humans use computers to perform. RPA was originally used primarily in the US and Europe, but has been introduced more frequently in Japan since 2015.

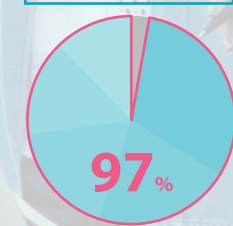
Effect of RPA operational reform services

Many customers carry out true work style reform

ABeam has offered RPA operation reform services since fiscal 2015 and has introduced RPA to many companies. This has helped customers reduce their working hours and standardize work procedures, while also putting them on the path to true work style reform, such as transforming employee awareness and shifting to creative work.

*Prepared based on the survey "Understanding Conditions at Companies Introducing RPA" carried out in January-December 2017 by the Robotic Process Automation Association, RPA Technologies and ABeam.

Effect of reducing working hours by introducing RPA



97% of companies reduced working hours by over 50%

RPA adoption case study Mitsubishi Heavy Industries

"We want to raise productivity in white collar jobs company-wide and globalize our management."

Yoshio Nakayama
Senior Vice President, Senior General Manager, Global Finance & Accounting Department
Mitsubishi Heavy Industries, Ltd.



ABeam devised a basic plan for introducing RPA that focused on routine financial and accounting work. We have made good progress in developing and introducing robots at present, and we aim to automate over 70% of routine work and cut man-hours spent on these tasks in half. The strengths of RPA operational reform services lie in the way they enhance impact in a short period and their effect in changing awareness so that routine operations can be allocated to robots, allowing people to shift to higher added-value work. RPA is just one method, and our basic goal is to reform operational processes and our work style. Building on RPA, we hope to amass specific examples of AI applications so that we can use these initiatives to raise white collar productivity company-wide and globalize our management.

Future outlook

"We help customers build a digital labor platform and raise labor productivity."

In addition to RPA, we hope to use cutting-edge technologies such as AI and IoT to build a digital labor platform. Our role here is to explain this specialized cutting-edge technology succinctly to customers and lay out the ways in which it can be used in business. We hope to use RPA and other advanced technology to help customers reform their operations and thus raise Japan's labor productivity.



Shinichi Komiya
Senior Manager
Strategy Business Unit

ABeam's initiatives to introduce work style reform internally are introduced on page 17.

Supporting a Non-Profit Tackling the Problem of Child Sex Trafficking and Sexual Exploitation

Our support activities

Multi-faceted support focused on pro-bono contributions

ABeam supports Kamonohashi's activities with pro-bono contributions that make the most of its consulting skills as well as financial donations that help fund its activities (1.5 million yen every year). We also travel to see Kamonohashi's work on the ground and confirm and examine their results. The primary pro-bono activities we have carried out thus far are described below.

Fiscal 2016 Reform of human resource management

We helped reform Kamonohashi's human resource management by applying business process reengineering to its PR and fund-raising operations, recognizing this would lead to relatively rapid success. These efforts improved the efficiency of their operations.

FY2017 to present Problem-solving workshop

Kamonohashi faced problems of management and operational issues that could not be resolved due to resource problems and an inability to devote enough time and energy to training interns. We decided to hold a workshop program in which interns were given training on problem-solving skills and facilitation as a means of solving management and operation issues so that Kamonohashi could solve its problems itself. In this way, two problems were resolved together.

FY2016 to present Planning and holding seminars

We invited Sayaka Murata, co-founder of the Kamonohashi Project, to give a lecture to employees with the aim of raising recognition for Kamonohashi and attracting subscribing members.

FY2016 to present Support for the sale of fair trade products

We sold fair trade goods made in studios in Cambodia at internal events to bring in revenue for Kamonohashi.

FY2016 to present Donation of cafeteria points

We held a promotional campaign with digital signage and company-wide emails notifying employees to increase employee donations through the cafeteria plan.*

*Cafeteria plan: This employee benefit system allows employees to use the points they have accumulated to choose from a menu of benefits selected by the company.

Close-up

Improving the skills and motivation of interns with six months of workshops

Normally, Kamonohashi has about 10 interns, and management was difficult because their skills and motivations were all different. We proposed a workshop program to resolve this issue. We held a total of six training sessions and reporting sessions from July to October 2017 to develop logical thinking and facilitation skills. These workshops were very effective, as they helped to boost interns' skills and motivation. Interns' presentations at the final reporting session were considered as possible Kamonohashi activity plans. The interns and Kamonohashi employees were very pleased, and we decided to continue this initiative in fiscal 2018 as well.



Final reporting session held at ABeam's offices (presentation)

Voice of a workshop participant



Hitomi Kurita
Former intern
Kamonohashi Project

The training on logic trees really made an impression on me at the workshop. This training gave me the ability to think deeply about issues. I am now more aware of the importance of organizing the key points—the best way to convey them to the other person and the most important thing to convey—when I am trying to get my thoughts across.



The Kamonohashi Project is a non-profit organization (NPO) that works to end child sex trafficking and sexual exploitation, primarily in southern Asia. In our support of Kamonohashi's activities, we have provided aid in many ways since fiscal 2016 through pro-bono activities utilizing our consulting skills.



What is the Kamonohashi Project NPO?
This NPO's mission is to end child sex trafficking and sexual exploitation, which has become a serious problem in southern Asia. Established in 2002, Kamonohashi's work in India is supported by contributions, donations and volunteers.

Effect of support activities

Creating value for both Kamonohashi and ABeam

Our support, which is focused on pro-bono work, has not only created value for Kamonohashi, the intended beneficiary, but also for ABeam employees.

Value for Kamonohashi

Securing man-hours

Acquiring new knowledge

Resolving and improving operational issues

Voice of a Kamonohashi staff member

"Changes in the interns' awareness made operations run more smoothly."

Naoki Kusanagi
Manager, PR and Fund-Raising
Kamonohashi Project



ABeam shares our perspective and provides truly extensive support. For example, ABeam began its activities by identifying our organization's issues. The problem-solving workshop was recommended by ABeam as a way that we could resolve potential issues. Not only did the interns improve their basic skills, such as their theoretical thinking skills, but this workshop also changed their awareness. After the workshop, they were more proactively involved in their work, and as a result, our operations were streamlined. Going forward, we hope that ABeam will continue to support our organization by utilizing their strength in consulting skills.

Value for ABeam

Returns for main operations in the form of new skills

Improved motivation

Employee growth

Voice of a staff member

"I grew as a consultant by using what I learned in these pro-bono activities."

Maaya Ito
Consultant, P&T Digital Business Unit,
and Social Contribution Team, CSR Unit



I was one of the core members involved with planning and running internal seminars and devising measures to promote cafeteria point donations. I also guided and advised the interns as a mentor in the problem-solving workshop. I was able to work together with people both within and outside the company that I normally did not interact with in my work, which really taught me a lot and motivated me. In particular, our pro-bono workshop overlapped in many ways with our main operations, and for young employees like me, it was a great opportunity to improve basic skills as a consultant. I hope that I can continue to support Kamonohashi's initiatives in the future and use what I learn in this way in my regular work so that I can grow and develop as a consultant.

Future outlook

"We help Kamonohashi achieve its mission by mobilizing our expertise as a global firm."

Child trafficking is one of the most difficult problems facing the world right now. Mobilizing our expertise as a global firm to help resolve this issue is very meaningful for ABeam. I hope that we can further expand our support and continue to serve as a "Real Partner" until Kamonohashi achieves its mission.



Naotaka Saitoh
Manager, Strategy
Business Unit and
CSR Unit

Building the Foundation for Sound and Equitable Business Management and Community Trust

We are building a strong business foundation so that we can manage a sound and equitable company in compliance with laws and continue to live up to society's trust. We are working to build a system for compliance management and to strengthen information security, as well as to improve the social value and transparency of our corporate management.

Highlight

Rigorous education and training for employees to prevent problems such as information leaks

Social issues

New regulations on personal information protection and information leak problems

The spread of the Internet and IT advances have dramatically changed people's lives, and brought with them unprecedented convenience. At the same time, the handling of personal information between individuals, between companies, and information exchanged between individuals and companies on networks, as well as information leaks, cyber attacks and privacy violations, have become major problems around the world. With this backdrop, Japan enacted the amended Act on the Protection of Personal Information in 2017. The European Union established a new regulation in May 2018 to strengthen the protection of personal information. These trends show that information security is increasingly being addressed at a global level.

Key major laws enacted in recent years

- Enacted in May 2017, Japan
Amended Act on the Protection of Personal Information
- Enacted in June 2017, China
China's Cybersecurity Law
- Enacted in May 2018, European Union
EU General Data Protection Regulation

Our initiative

Providing opportunities for employees in and outside Japan to learn about information security

ABeam handles clients' important information in its operations, and for that reason we provide opportunities to employees of the Group to deepen their understanding about the importance of information security, matters for compliance and precautions.

Our main activities include education on information security and compliance provided once a year on our e-learning platform to all employees in and outside Japan. We have an attendance rate of 100% in this course. Immediately after joining the company, new graduates and mid-career hires are given information security education.

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 fiscal 2017, our training addressed Japan's amended Act on the Protection of Personal Information, which went into effect in May 2017. We deepened employee understanding by discussing the key changes made in the revised law and their impact on our business.

We will continue to provide education on a global level that promotes each employee's understanding of information security and raises awareness to prepare for risks such as information leaks.

Voice of an e-learning participant

The annual e-learning class has been a good opportunity for me to reconfirm the ways in which my own behavior, if I'm careless or unthoughtful, could have a major impact on clients or the public. It has made me look differently at my own actions and the project management system.



Asuka Yamaguchi
P&T Digital
Business Unit



Employees participating in e-learning

Compliance

Establishment of the ABeam Code of Conduct

The ABeam Consulting Group now has 26 offices outside Japan, in 12 countries and regions (as of June 1, 2018, including subsidiaries), and its diverse backbone 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.

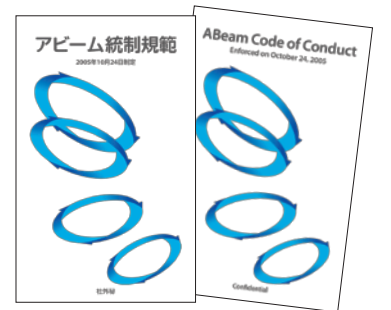
In October 2005, we established the ABeam Code of Conduct to help achieve our vision of consistently serving as a "Real Partner" to our clients as a global consulting firm with roots in Asia, while always complying with laws and regulations.

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 implement employee education 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 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.

ABeam Consulting is continuing to strive to create a foundation for sound and equitable corporate management by setting up a system for compliance management, strengthening information security, and educating and training employees. In addition, we are augmenting our corporate governance to maintain and improve the transparency of our corporate management.



Pamphlets outlining the ABeam Code of Conduct (Japanese and English versions)

Risk Response

Addressing Compliance Issues in and outside Japan to Ensure thorough Adherence to Laws

In recent years, the globalization of business and the emergence of revolutionary IT technology have dramatically changed the face of business. Meanwhile, the risk of bribery and personal information leaks at global companies is rising. When these violations occur across borders, laws can be broken not only in Japan, but in other countries as well. Legal violations can incur high financial penalties, loss of public trust, or potentially even having to suspend operations.

It is crucial that our employees, who are running a global business, have a good understanding of the current situation and comply with laws in daily operations. To this end, we have devised bribery prevention guidelines and information security rules that the entire Group must observe, and we apply them on a global basis.

We are also preparing to build a system that ensures we always have a good understanding of trends in other countries and are able to adapt to laws and regulations when needed.

Given that our business in China is expanding, in December 2017 our group companies in China offered compliance training to give employees an

overview of commercial bribery in China and its risks, and to ensure that they understand the need to prevent illegal acts.

We will continue with these initiatives so that individual employees are well-versed in compliance issues.



Compliance training at group company in China

Corporate Governance

Establishment of Board of Directors, Board of Auditors and Auditors Unit

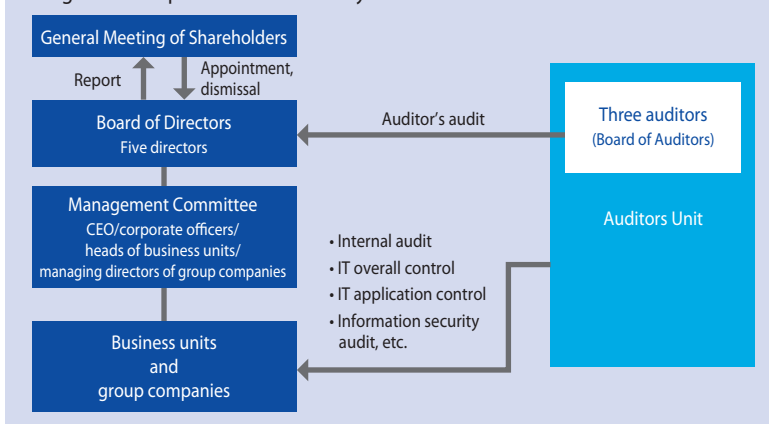
The Board of Directors, which is made up of five directors, meets once a month to make important decisions on management issues and monitor business performance.

The Management Committee, which also meets every month, considers and discusses important issues related to business execution, makes decisions, and confirms requests for approval at Board of Directors meetings.

In addition, the Board of Auditors, made up of three auditors, oversees the Board of Directors' execution of its responsibilities, confirms one another's audit results, 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.

These systems ensure strong governance at ABeam.

Diagram of Corporate Governance System



Helping to Solve Social Issues with Consulting Services

As a “Real Partner” of companies, local governments, and educational institutions, we provide high added-value consulting services in a wide variety of fields. Using cutting-edge technology such as IoT and AI, we create innovation and contribute both to success for our clients and solutions for social issues.

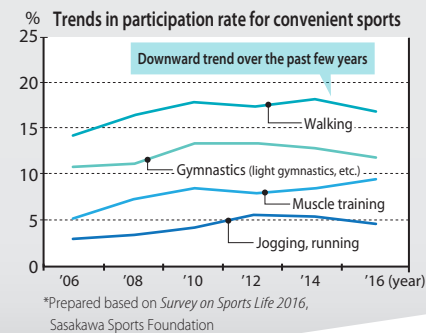
Highlight

Supporting development of the sports industry to help improve education and health

Social issues Decline in sports participation rate

Sports help to improve education and health, making this one of the key elements in realizing a sustainable society. Japan is calling for greater vitality in the sports industry, aiming to create a sports-oriented society by engaging all citizens ahead of the Olympic and Paralympic Games Tokyo 2020, but the Japanese public's sports participation rate has been falling over the past few years.

As we try to address these issues, we need to create an equitable environment in which everyone, regardless of gender or disabilities, can experience the joy of sports.



Our initiative

Support in discovering athletes to energize the sports industry

In April 2017, ABeam set up a new sports and entertainment sector. This sector aims to energize the sports industry overall by forming substantial connections between the entities that make up the sports industry—clubs and leagues, private-sector companies and universities, stadiums and arenas and government bodies—by utilizing data. One specific example of this is our support for the JAPAN RISING STAR PROJECT, which has been carried out by the Japan Sport Association since 2017. The goal of this project is to identify athletes with hidden potential who could earn medals in future Olympic and Paralympic Games. This would help resolve the current problem of a lack of athletes in some sports since athletes gravitate toward popular sports. In this project, ABeam is providing the operational design and system development needed to identify promising athletes and implementing promotional measures to increase applicants. The project is already showing solid results, with an athlete discovered in the project's first year winning the All Japan Para Power Lifting Contest. We will continue to support this project and help to create an environment that helps to revitalize the sports industry and enables everyone to enjoy healthy sports activities.



Training camp where athletes are matched to their sport

No. of people who passed the document screening in the JAPAN RISING STAR PROJECT (fiscal 2017 results)

1,085 people

(971 athletes in Olympic sports + 114 in Paralympic sports)



Natural Disasters

Pilot Testing of Disaster Analysis System Using Satellite Images and AI

In recent years, large-scale natural disasters such as earthquakes and floods have occurred frequently both in and outside Japan, and addressing disaster prevention and mitigation has become an important issue for society overall. With this understanding, we are carrying out initiatives aimed at countering natural disasters by making the most of our problem-solving expertise and networks. As part of these efforts, we are using satellite images and AI to analyze large-scale water-related disasters.

This initiative is a joint project in collaboration with the US venture capital-backed company Orbital Insight, which boasts one of the world's most advanced AI-based geospatial analytics platforms, and Tokio Marine & Nichido Fire Insurance Co., Ltd. This project's utility is currently being tested.

At present, ascertaining the extent of the damage from a large-scale flood requires tremendous amounts of labor and time. However, test demonstrations have shown that satellite images and related information on rivers and topography can be effectively compiled and automatically analyzed with AI to significantly accelerate and advance this process. We have also been able to confirm that this leads to faster support for victims of natural disasters.

Going forward, we will continue with our efforts aimed at finding practical applications for satellite images and AI in large-scale floods, while also considering their use in countering risks such as natural disasters.



Screen showing results of flood analysis using AI

International Cooperation

Proposals Made to JICA on Uses of ICT to Achieve SDGs

The Japan International Cooperation Agency (JICA) aims to play a central role in the international community on 10 of the 17 SDGs promoted by the United Nations, including health, education and climate change. Innovation will be the essential factor in accelerating these initiatives, and there are high hopes for what can be achieved with international cooperation using revolutionary approaches based on ICT.

We have carried out a survey of 20 cases in and outside Japan in which ICT had been used, taking account of costs, applicability to the regions where JICA has provided cooperation, and scalability. We identified issues and the essential factors behind successes in projects in agriculture, education, transportation and other sectors, considered approaches to project formation to achieve SDGs, and made recommendations to JICA.

For example, 74% of the population of Africa already uses mobile phones. Given this, we are examining ways of using ICT that can be adopted in developing countries, while continuing to support JICA's projects.

Voices of staff members

I hope to provide support in many ways so that we can share ICT infrastructure—one of Japan's strengths—with the world to solve international social issues.



Noriyoshi Enei
Public Business Unit

How can we make best use of cutting-edge technology to achieve the SDGs? I want to continue tackling projects that directly help society on a global scale.



Takayoshi Ito
Financial & Social
Infrastructure
Business Unit

Financial Institutions

Consulting Services Supporting More Sophisticated AML Measures

Global financial institutions take a wide range of measures to detect and report suspicious customers and transactions in line with international AML/CFT regulations*1 in order to prevent anti-social forces such as criminal organizations and terrorists from acquiring, transferring and concealing funds. At the same time, there are concerns that cyber attack methods are growing more sophisticated and that anti-social forces are organizing on an international scale. International organizations such as the Financial Action Task Force (FATF)*2 are setting increasingly stringent requirements in response.

To support these clients' efforts to ensure social safety, ABeam Consulting encourages employees to earn the Certified Anti-Money Laundering Specialist Certification, an international certification granted to experts in money laundering countermeasures. ABeam has established a system that can provide services globally with a high level of expertise at international services.

Moreover, in the AML field, we offer a wide range of services, from comprehensive issue analysis of operational processes to operational and system improvements, to operational support for users based on our expertise in this area in and outside Japan and our knowledge of related systems. In this way, we are helping clients advance their AML operations.

We will continue to offer consulting services to bring greater sophistication to clients' AML operations and systems, helping them to review and adopt countermeasures tailored to social and regulatory conditions.

No. of AML-related projects carried out by ABeam

FY2016
5 projects

FY2017
11 projects

*1 AML/CFT regulations: These regulations lay out the framework for Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT). Money laundering refers to the misuse of financial services and the concealment of the true origins of money that was obtained through illegitimate transactions and crime.

*2 FATF: This is an inter-governmental body that provides international collaborative guidance and encourages cooperation in promoting measures to combat money laundering and terrorist financing.

Educational Organizations

Holding Endowed Seminars to Raise the Next Generation of Leaders

The demand for business leaders who can lead projects to success on the global stage is rising. There is also higher demand to develop a global leadership in the university setting, as well.

Since fiscal 2015, ABeam has held endowed seminars at three national universities and two private universities. ABeam also participates in the education curriculum BLP*3 offered by Rikkyo University as a co-sponsor. In fiscal 2017, we provided a total of 21 lectures on the subject of the Internet-of-Things (IoT). Our consultants served as instructors and supporters, helping students to devise plans utilizing IoT to resolve companies' management issues. Students that prepared particularly impressive plans were invited to our offices, where they gave presentations to company executives.

Our subsidiary, ABeam Systems, has teamed up with Nagoya University since fiscal 2016 to give similar endowed seminars. We expanded our educational support in that region in fiscal 2018 with seminars at the Nagoya Institute of Technology.

Students who have participated in these endowed seminars have given them high praise for “touching on global management issues and achieving major results.”

We will continue to share our knowledge and expertise with the public, starting with educational support to develop the next generation of business leaders.



Student presentations

*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.

Reaching Out Locally and Globally to Help Resolve Social Issues

We work hard to give back to local communities by supporting NGOs and NPOs, community revitalization programs and the popularization of fair trade products. We plan to continue using our consulting skills to resolve community issues, thus helping to build a brighter future for Japan and other countries in Asia.

Highlight

Supporting education for children in developing countries



Social issues Unequal access to education

Developing countries in particular face many problems in the education sector, such as literacy rates, lack of access to education in an appropriate environment, and gender-based inequalities in the education provided. The failure to provide an appropriate education from early childhood leads to poverty and inequality because children do not learn accurate knowledge and are unable to find work as adults. Resolving this problem requires that children in developing countries—and girls in particular—be given educational opportunities. Achieving this requires efforts to raise awareness among many people and take an ongoing approach.

No. of people who lack educational opportunities and cannot read or write

774 million people

Of which

2/3
are female

90%
are people in developing countries

Source: Room to Read Japan's website

Our initiative Supporting Room to Read activities

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 for girls.

Since 2013, the ABeam team members who volunteer independently for this activity have visited the beneficiary countries once a year to observe how donations are being utilized.

As a pro-bono activity, we compile records of our activities and examples of our support, and provide this to RTR to help them recruit other sponsors. In addition, we also provide volunteers to help at RTR's donation solicitation events, hold seminars to educate and raise awareness of RTR's activities, provide reports on our visits to beneficiary countries, and offer various other opportunities to help out to people in and outside of ABeam. Going forward, we will involve our overseas offices as well to provide more global support.



Class at beneficiary school

No. of people who have benefitted from RTR educational programs due to ABeam's donations (fiscal 2017 results)

456 people
(426 in literacy programs and 30 in education for girls)

WaterAid

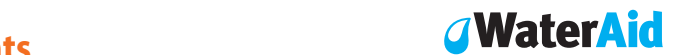
Improving Water and Sanitary Environments

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 annual corporate donations, ABeam employees have participated in the Osaka Marathon as WaterAid charity runners to raise money internally. Our donations have been used for water and sanitation projects in East Timor, Nepal, Ethiopia, India, and Cambodia, leading to improvements in the living environments of many people. We visit the projects on the ground to confirm and observe the results of this support. In fiscal 2017, ABeam employees visited India, one of the countries supported by this project, and confirmed how the donations are used while also observing the local water and sanitation environment and project conditions. We also hold internal seminars to which we invite WaterAid staff as well as briefing sessions on our visits that are open to both internal and external audiences. The goal of these efforts is to educate about water and sanitation issues and promote understanding of these activities.

As one of the company's pro-bono activities utilizing consulting skills, employees participate in a Speaker Club^{*1} and help improve operations.

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



^{*1} Speaker 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.



Visit to beneficiary school in India

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

FY2016

66 people

FY2017

1,150 people

Regional Revitalization

Community Support and Employee Education

We pursue activities aimed at revitalizing communities in regions throughout Japan.

In Yamagata prefecture, we are taking measures to raise interest in the pro soccer program, Montedio Yamagata, which we sponsor. We are striving to bring joy to local residents by distributing educational puzzles to children, handing out local delicacies free of charge, and holding firework demonstrations after the games.

We held internal events with a "rural community" theme to educate employees. About 600 employees formed into groups from the same region and discussed and presented the positive aspects of their regions. This event gave people the chance to rediscover the appeal of each region and also spurred interaction between employees from the same region, which created opportunities to consider community revitalization programs in their hometowns. We will take a wide range of internal and external measures, including pro-bono activities and collaborations with other activities, to continue our support of community revitalization.



Distribution of educational puzzles at Montedio Yamagata games

Voices of staff members

I joined the regional revitalization team because of my interest in local economies. Internal events attracted more interest than we had expected, which made it seem really worthwhile. Going forward, I want to expand our community revitalization activities.



Miwa Komiyama
Social Contribution Team,
CSR Unit

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.

To help with the reconstruction of the affected areas, ABeam 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.

Fairtrade

Introducing Fairtrade Certified Coffee

ABeam supports the Fairtrade^{*2} initiative, which aims to play a major role in resolving poverty, human rights and environmental problems all over the world. In January 2018, we began buying Fairtrade Certified coffee and serving it to visitors. Promoting Fairtrade products helps to stabilize the revenue of the producers, and also improves and expands the business with better crop quality and productivity. In addition, it contributes to social infrastructure such as local medicine and education and measures to combat climate change.

Promoting Fairtrade products supports producers and also encourages employees to be more aware of community contributions.

^{*2} Fairtrade: An approach to trade that supports the sustainable revenue of producers by ensuring that crops and products continue to be traded at fair prices.

Fairtrade Certified coffee introduced by ABeam



Sports and Culture Support

Protecting and Sustaining Sabani While Creating New Sabani Culture

The SABANI Sailing Race^{*3} 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. As the race has increased in size every year, it has also attracted attention from the media. This has helped to spur tourism and revitalize the local community.

Moreover, employees who were in the first or second year with the company formed Team Kariyushi and have participated in the race every year since 2014. Accompanying this event, the race participants and local residents also work together to clean Furuzamami beach, where the race starts, to conserve the natural environment.

We will continue to support and participate in the race, aiming to contribute not only to protecting and sustaining the Sabani culture, but also to create new Sabani culture.

^{*3} 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.

Employees Work Together to Protect the Environment

Our goal is to be a “Real Partner” to the environment, too. That is why we continually strive to reduce environmental impact through our business activities. Employees work together on conservation activities, such as volunteer activities and 3R activities, and help to create a sustainable environment.

Highlight

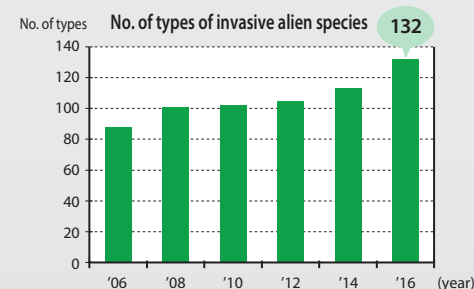
Annual volunteer conservation to protect Mt. Fuji’s nature and ecosystem



Social issues

Increase in alien species

The diverse plants that grow in mountainous areas and other land-based ecosystems benefit humans in the form of food, fuel, medicine and clothing. These ecosystems are preserved by the regional characteristics of the plants specific to this area. Invasive alien species destroy the existing ecosystem, which could result in the loss of biodiversity. Alien species are increasingly gaining a foothold in Japan every year, with 132 invasive alien species confirmed in 2016. Preserving this mountain ecosystem requires that we prevent alien species from invading and eradicate them when they are found so that we can preserve biodiversity.



*Prepared based on the graph on page 140 of the Ministry of the Environment's Annual Report on the Environment, the Sound Material-Cycle Society and Biodiversity (PDF version)

Our initiative

Clean-up and invasive plant removal at the foot of Mt. Fuji

We participate in the activities of the FUJISAN CLUB, an NPO that works to preserve Mt. Fuji's natural environment. We have held clean-ups and helped to get rid of alien plants at the foot of Mt. Fuji since fiscal 2007.

In fiscal 2017, the eleventh year since we began participating, we removed bur cucumber and giant ragweed, which are included in Japan's 100 worst invasive alien species, along the lakefront in Yamanashi Prefecture's Fuji Kawaguchiko-machi. This activity is usually part of the training for new hires, but in fiscal 2017 only employee volunteers participated. Although the number of participants was lower, their motivation was higher than usual and they worked longer hours, which actually increased the amount we removed. The questionnaire given to participants also showed that satisfaction had improved.

This activity is intended to preserve the natural environment for Mt. Fuji, a symbol of Japan, and protect biodiversity, as well as educate employees about CSR. We will continue with this activity, while also taking up activities that are easy to join and will interest more employees who have not yet participated.



Group picture of participating employees

Amount of alien plants removed in fiscal 2017

About **157 kg**

(About 59kg in fiscal 2016)

Environmental Management

Reducing Environmental Impact through Our Business Activities

We strive to reduce environmental impact by establishing and continually revising environmental management systems. Our Public Business Unit has acquired ISO14001 certification.

(1) Energy conservation

We continually reduce our energy consumption by improving operations while monitoring the amount of energy used. For example, we use our energy management diagnostic tools and adjust settings so that lights are automatically turned off at night and air conditioning/heating is run on an application basis by area during the evening and weekends.

In fiscal 2017, office use hours were up due to increased floor space at the office and projects with high operating rates. This resulted in an increase in energy consumption and energy intensity over the previous fiscal year. We are analyzing the causes in detail and will consider the necessary countermeasures.

(2) Reductions in paper use

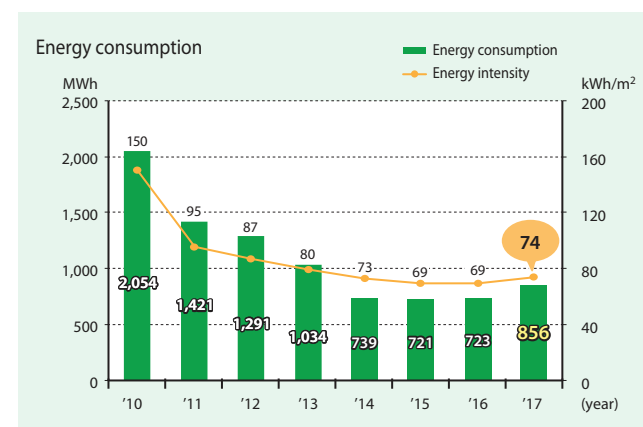
We are working to reduce paper use by preventing erroneous printing through the use of secure printers that require authorization before printing and by encouraging double-sided printing.

We have equipped all of our meetings rooms with projectors and monitors and use online conference tools for remote communication so that we can promote paperless conferences and meetings.

(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 1.329 million caps so far as a member of the “Ecocap Movement,” helping to provide vaccines for 1,660 children.



Recycling stations set up in office buildings

3R Activities

Distribution of Original Eco Bags on Family Day

As part of our environmental conservation activities, we practice the 3Rs (reduce, reuse and recycle).

One of our reuse activities is distributing eco bottles (tumblers) to new graduate hires and mid-career hires at their orientations when they join the company. This helps raise their eco-awareness and motivates them to make changes.

Moreover, on Family Day in August 2017 (an event to which employees invite their families to the office), we had original eco bags made with environment-friendly recycled cotton material made and gave them to about 740 employees and their family members. Part of the production costs for these eco bags were donated to the World Wildlife Fund so that it ultimately supports conservation activities.

We will continue to practice the 3Rs and educate employees and their families at internal events to raise environmental awareness.



Family Day



Original eco bag made by ABeam

Voice of an eco bottle user

Once I began using the eco bottle, I became more aware of the waste of resources. I think the biggest effect is not only my use of eco bottles, but also my daily action on environmental friendliness.



Kiyohiro Tsuchiya
P&T Digital Business Unit

Carbon Offsets

Use of Renewable Energy Certificates in All-Employee Meeting

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 10,000kWh in biomass power generation in fiscal 2017. Through fiscal 2017, we purchased a total of 117,000 kWh. Converted into CO₂ emissions, this amounts to an approximately 53.86t-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.



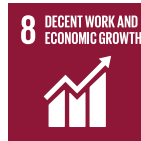
Renewable Energy Certificate Mechanism

Building Workplaces where Employees Can Work with Even Greater Freedom and Vitality

People are the company's most valuable asset. We are making work-style reforms based on the themes of "Smart Work," "Diversity & Inclusion" and "Well-Being" to help each employee to become a "Business Athlete." We strive to provide a workplace environment in which employees can be healthy and energetic and perform at the height of their own abilities.

Highlight

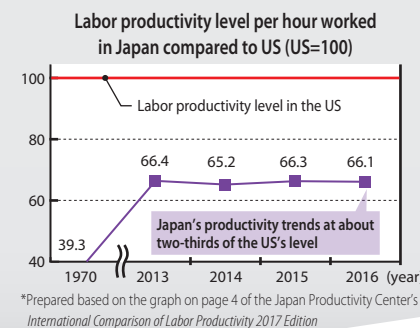
Multi-faceted initiatives to promote work-style reforms



Social issues

Low labor productivity

Based on OECD data, Japan's labor productivity (added value per hour worked) was USD 46.0 (4,694 yen/calculated on the basis of purchasing power parity) in 2016. This is about two-thirds of the US's productivity. Japan is ranked 20th among the 35 OECD member countries, and has been ranked at the bottom of the seven key developed countries since 1970, the first date for which data could be obtained. Japan's working population is expected to fall due to a declining birth rate and aging society. Meanwhile, the government is aiming for a society in which all citizens participate fully. Companies have to make a wide range of work styles available and create a workplace environment in which individual employee can develop their skills. These are the essential conditions for raising productivity.



Our initiative

Smart Work

Introduction of "Free Location System"

We want each of our employees to be able to work with even greater freedom, intellect and energy. In the belief that work-style reforms will achieve this, in fiscal 2017 we set up Smart Work Initiatives, an internal working team, and began activities in earnest. We are confident that setting up an environment and systems that enable employees to choose their own work style and supporting a flexible approach to work will lead to higher work performance. With this goal, we introduced the "Free Location System," which allows employees to work anywhere at any time, on a trial basis in fiscal 2017 and on a full scale in April 2018. By using this system, our employees can work in our offices, at clients' offices, at home, in shared offices, or with a mobile work approach, giving them a wide range of options for work.

We also introduced "Smart Work Bonus," aiming to motivate employees to raise their productivity and return the benefits of higher productivity to employees. Moreover, to consider new measures to reform work styles, we introduced tools to analyze working hours that could quantify and visualize employees' work approaches.

We will continue to work on work-style reforms.

Voice of a user of the "Free Location System"

I use a shared office between business trips and when returning from visits. Saving that time I would have had to spend traveling to the office has made my work hours more efficient, and I've been able to have a "no overtime" day once a week.



Xuebin Liu
Planning Team, Human Resource Unit
Human Resources Group



Cooperation with photography: Work Styling Yaesu

Business Athlete = Intellectual Power × Physical Strength × Willpower × Team Strength

We believe that a well-conditioned brain, body and mentality raises the productivity, efficiency, creativity and quality of the work produced by individuals and teams, and allows employees to optimize their skills.

We want each individual employee to be a "Business Athlete" with the intellectual power, physical strength, willpower, and team strength that an ABeam consultant needs.

Smart Work

Work independently as an outstanding professional with greater freedom, vitality and intelligence



Diversity & Inclusion

Respect and stimulate each other in diversity and continue to take on challenges and grow according to their own values



Well-Being

Enhance their own physical and mental condition and maintain their health as athletes in the business world

Diversity & Inclusion

Helping Employees with Work-Life Balance and Respecting Their Diversity

As one of the "Diversity & Inclusion" activities, we provide support that enables employees to balance their work and personal lives while continuing to work.

Our childcare support goes beyond what is legally required to allow employees to take childcare leave until their child turns two years old and shorter working hours until children reach sixth grade in elementary school. We also held career seminars for employees on childcare leave (twice a year, with children welcome to attend) and introduced the "Working Mother Career Support Program," which encourages women to consider their careers from pregnancy through their return to work. As a measure to address the lack of daycares, we provide support in finding daycares and have affiliations with corporate daycare businesses. In fiscal 2017, 100% of women and 9.6% of men took childcare leave and all of the male and female employees who took leave returned to work.

In July 2007, we were awarded Japan's Kurumin certification mark, and in January 2018 we received the Eruboshi certification mark (Class 3, the highest-level) in recognition of our efforts to promote the active participation of women.

Our nursing care support programs also go beyond the legal requirements. We have a system that enables employees to work shorter for a maximum of three hours a day with no period limits, and have also set up a help desk for nursing care support to help employees balance work and nursing care for the long term.

We promote the creation of a workplace in which employees respect and stimulate each other regardless of life events, gender, nationality and

disability, and can make the most of their skills and aptitudes. As part of these activities, we invite external instructors and university professors to give diversity management seminars to managers.



Diversity management seminar for managers



Eruboshi certification mark (Class 3)

Percentage of male employees taking childcare leave

FY2016 7.6% FY2017 9.6%

Well-Being

Supporting Employees Managing Their Own Health with a Health Management Declaration

We established the Health Management Declaration in September 2017 and made the ability of employees to manage their health and perform at a high level an important management strategy. We also set up Well-Being Initiatives, an internal working team. Based on the Business Athlete Support Program, with the aim of raising each employee's health literacy and performance, we hold many health seminars and events on nutrition, exercise, sleep and maintaining good habits so that employees can perform at a high level and contribute to clients as a professional. This helps employees remain in good physical and mental conditions.

We also held the Walking Campaign, in collaboration with the health insurance union, three times a year in 2017, with about 40% of employees participating each time.

As a result of these activities, in 2018 the Ministry of Economy, Trade and Industry recognized ABeam Consulting as a company that strategically encourages employees to maintain their health from a management perspective (White 500). In addition, the Japan Sports



Seminar to promote health for employees

Agency recognized us as a "Sports Yell Company." ABeam Consulting was given this certification for its initiatives supporting and encouraging sports activities to promote the health of its employees.



Voice of a participant in the walking campaign

The event wasn't just about walking. We learned stretches that strengthen the muscles in our trunk and other muscles not used much in our daily lives, and heard a lecture on how to walk properly. It was really fun throughout. I'm more aware now of how to walk with grace and the right posture.



Yumeno Fukushima
P&T Digital Business Unit