

Technologies

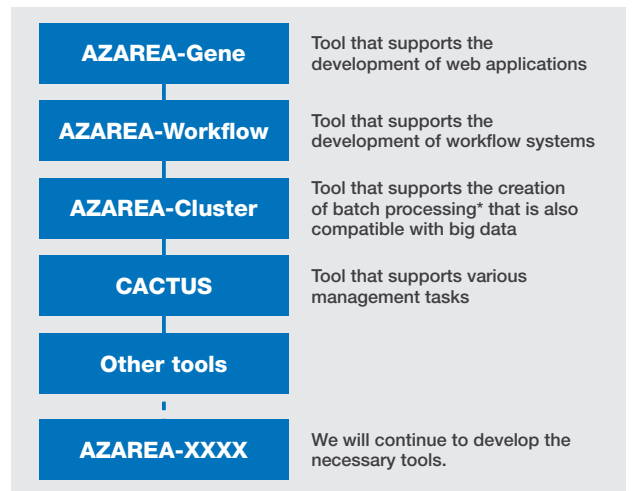
At the CAC Group, we take initiatives to improve our technological capabilities and quality in order to differentiate ourselves and become a competitive, knowledge-intensive company.

AZAREA, a group of tools that support systems development and integration and systems operation and management

Currently, IT service companies are required to ensure speedy response, high quality, and price competitiveness. They must also be capable of using the latest technologies. To address these needs, we developed AZAREA, a group of tools that support systems development and integration and systems operation and management.

Improved productivity is the initial benefit people experience when they use AZAREA for the first time. Some of the development tools are already in use at our group companies, and there have been cases where productivity was improved by 30%.

In this way, we consolidate and accumulate knowledge and knowhow on systems development and integration and systems operation and management in AZAREA, in our efforts to improve the quality of our services and pass down this knowledge and knowhow to future generations. These initiatives are called the "All in AZAREA," one of the basic strategies under our medium-term strategy.



Batch processing: A method with which data collected in a specific period or a specific amount of data is subject to certain processing in a batch

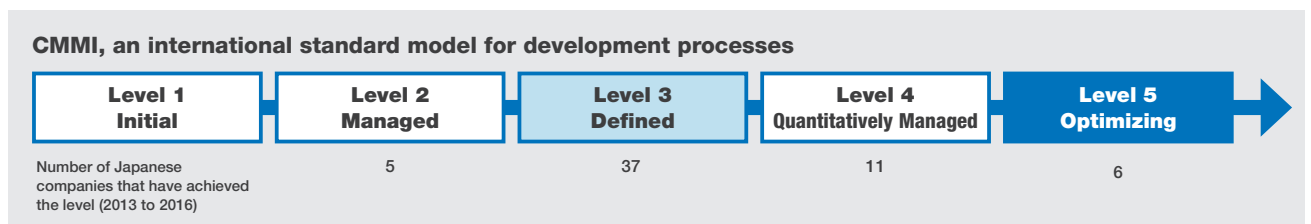
Conformity to international standards for systems development and integration and systems operation and management

Along with "All in AZAREA," we take initiatives to comply with international standards, such as the Capability Maturity Model Integration (CMMI)*. CMMI is an international standard for development processes. IT vendors who have yet to achieve a certain level in CMMI cannot even compete in the global market for a chance to be selected as vendors. At CAC Corporation, the department in charge of providing services to the financial sector achieved Level 3 ahead of other departments about 12 years ago. Currently, all the departments of the company have achieved Level 3. The benefits of attaining this level include the potential for being selected for global projects and earning the trust of customers in regards

to development processes and quality. Moving forward, we aim to set our sights higher and attain Level 5.

In regards to systems operation and management services, we have obtained certification under an international standard for information security (ISMS) "JIS Q 27001:2014 (ISO/IEC 27001:2013)."

We believe that the application of these international standards to "All in AZAREA" will enable us to comply with the global standard and achieve a competitive edge. At the same time, these standards will also help us to realize both a high level of quality and high level of productivity.



Source: CMMI Institute "Published Appraisal Results" <https://sas.cmmiinstitute.com/pars/pars.aspx> (Referred to in July 2016)

*CMMI (Capacity Maturity Model Integration): An international standard model for development processes

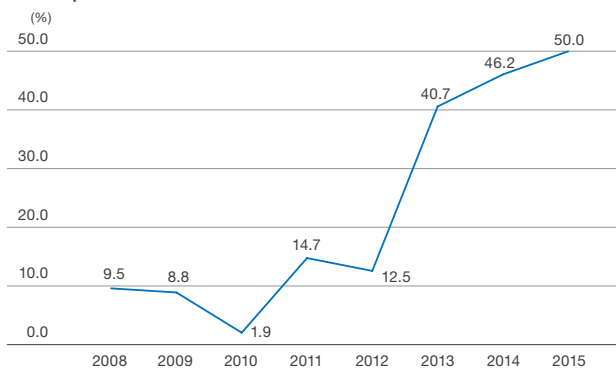
Human resources

At the CAC Group, we work on the recruitment and development of human resources on the global level to promote diversity as well as the globalization of our businesses.

Initiatives for enhancing global human resources

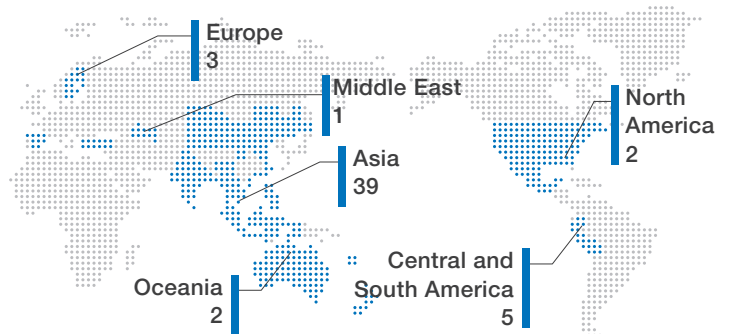
Since 2008, we have actively recruited employees of other nationalities to promote the globalization of our operations. CAC Corporation, the core operating company, has a total of 52 non-Japanese employees from 20 countries as of December 2015. The percentage of new foreign employees, many of whom are from other Asian countries, accounts for as much as 50% of all its new employees. In 2013, CAC Corporation began to recruit new employees in the autumn as well as in the spring in order to secure highly skilled individuals. At the holding company, two of the directors are from other countries. In addition, we are taking initiatives to improve the English proficiency of Japanese employees.

Percentage of new non-Japanese employees
CAC Corporation

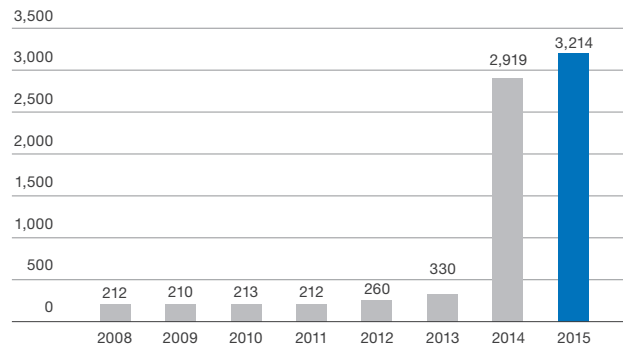


Number of foreign employees by region of origin

CAC Corporation
As of December 31, 2015



Number of employees at overseas subsidiaries



Initiatives for changing work style as a part of management strategies

In 2012, we introduced a free-address system on the floors of sales and administrative departments. We have built an environment where people can work anytime, anywhere, and with anyone. We have also introduced a teleworking system, which permits employees to work at home once or twice a week. CAC Corporation has systematized and commercialized its knowhow on work-style reforms obtained through these initiatives as an IT solution and began to offer it as the Frequent Solution in October 2013. In January 2015, CAC Corporation was given the Yushu-sho (award of excellence) and Kaicho Tokubetsu-sho (special chairman's award) at the 15th Telework Promotion Awards hosted by the Japan Telework Association in recognition of these initiatives.



Relationship with society

Long business relationship with major blue-chip companies in Japan

We have enjoyed a business relationship with Astellas Pharma Inc. (former Yamanouchi Pharmaceutical Co., Ltd.), our largest customer, from shortly after the time we were founded. Since the 1970s, we have provided this customer with comprehensive outsourcing services for information systems. We have built and operated the customer's systems for head offices and sales offices, such as their production, accounting, and distribution systems, and systems for research and development. We have done business with Mizuho Bank, Ltd. since 1969, when it was the former Industrial Bank of Japan, Ltd. We were involved in the derivative system project in 1995 and other large-scale projects with this customer, including projects in other countries.

We have also built up long-term relationships with a number of other leading companies in Japan. We have maintained business relationships with large-scale customers (top ten companies in terms of sales) for an average of more than 25 years.

At the CAC Group, we have accumulated knowledge and knowhow that are important for operations, as well as technologies, through steady communication with these industry-leading customers. In the areas of banking operations and pension-related operations, CAC Corporation has established enough operating knowhow for publication in a book.

We also receive letters of appreciation and other related feedback from customers who value the services we provide through the application of our operational knowledge and experience.

Zukai de manabu SE no tameno ginkou sandai gyomu nyumon (dai-2 han) (Illustrated ABCs of the Three Major Bank Operations for SEs, Second Edition), (Kinzai Institute for Financial Affairs, Inc.), a book authored by an engineer from CAC Corporation



Support for the establishment and operations of the Institute of Strategic Solutions for Pension Management

In October 2012, the Institute of Strategic Solutions for Pension Management, an institution for research related to pension systems, was established through the collaborative efforts of industry, academia, and the government. We have been involved in a large number of development projects in the field of corporate pension systems for more than 30 years, and are deeply aware that many issues need to be solved to ensure the stability of the pension system in the future. Based on this recognition, we endorsed the establishment of the institute, whose vision is to "improve public trust in the pension system and contribute to its long-term stability." We began providing support for the institute in the preparation phase leading up to its establishment, and continue to support its operations today.

Vision of the Institute of Strategic Solutions for Pension Management

Improve the public trust in the pension system and contribute to its long-term stability

Research subjects



Interdisciplinary research and validation through the collaborative efforts of industry, academia, and the government



At the CAC Group, we wish to help solve social problems through social contribution activities, such as support for the Institute of Strategic Solutions for Pension Management and sports for the disabled.

Commencement of activities for promoting and supporting Boccia

As a member of society, we at the CAC Group engage in social contribution activities such as environmental protection and participate in activities of local communities. We also aim to build a better society through the provision of IT and healthcare services.

Specific activities include providing support for the Japan Cross Country Skiing Association for the Disabled, support for events held in local communities, helping the Red Cross Society of Japan with blood donation activities, and assisting the Ecocap Movement. We also used our 50th anniversary as an opportunity to start promoting and supporting Boccia, a

sport for persons with disabilities.

Boccia, which is a Paralympic sport, was invented in Europe for people with severe cerebral palsy and those with other equally severe disabilities that affect the functions of their limbs. Players compete to place their set of red and blue balls, six each, around a white ball called the jack ball (target ball). They throw or roll the balls or hit them with other balls to place them as close as possible to the jack ball. Players who are unable to throw the ball may use a ramp (assistive device) and take part in matches if they can tell their assistants where they wish to aim the ball.



Initiatives of the CAC Group for Boccia

At the CAC Group, we have a great appreciation for Boccia because it can be enjoyed by a wide range of people, from those without disabilities to those with severe disabilities. It is a deep sport that requires sophisticated strategy and gamesmanship. We will continue to support Boccia, aiming to make it known to a greater number of people, and help provide more opportunities for disabled people to play this sport.

- Provide support as a special partner of the Japan Boccia Association
- Send employee volunteers to various tournaments to support the operations and cheer on players
- Create an environment for watching Boccia games through measures such as developing support tools by making use of information technologies, a strength of the CAC Group



Employee volunteers supporting operations



Boccia support advertisement