

# Message from the President



**Yoichi Okuda**

President & CEO

## Aiming to form a common corporate mindset to realize the synergy effects of the merger

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In October 2006, ITOCHU TECHNO-SCIENCE (hereinafter called “former CTC”) and CRC Solutions (hereinafter called “former CRC”) merged to form ITOCHU Techno-Solutions (CTC). We executed this merger following our stance that to make further strides forward in the IT service industry, effectively integrating the expertise of former CTC in building infrastructure and acquiring new technologies as well as its broad customer base with former CRC’s application development expertise, service business base and its strengths in specific fields was the measure to take.

I think that thanks to the merger, the CTC Group is now able to be among the first to discover progressive technologies and products all over the world and to build an organization responding to the demands of society concerning all aspects of IT in the most adequate manner, through taking advantage of the CTC Group’s original “expertise in combining and connecting”.

And I further believe that the most important key to realizing the synergy effect of the merger is that all employees understand the corporate mission of the CTC Group and have a common mindset. Since October 2006, we have set up a “common-mindset taskforce” and also promoted various other efforts to make employees recognize and respect their differences and create a new corporate culture.

I hope that this CSR report helps to achieve even further convergence of our mindsets.

## Recognizing and fulfilling the social role of IT

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You will surely agree that IT is playing a key role on our way to build a sustainable society. The book “*The World Is Flat*”, written by Thomas L. Friedman and published in 2005 in the United States, presents a vivid description of the roles and the potential of IT in the world of the future.

For example, the spread of IT will allow all individuals to obtain any knowledge from all over the world, and to collaborate with other individuals all over the world. This change may

possibly eliminate the “digital divide” in the world and reduce gaps in income. It may even eliminate conflicts between regions and countries because we will know more about each other.

U.S. and European IT companies are working to develop IT infrastructure and provide IT education in developing countries. The CTC Group also intends to use its own technical expertise and human resources to contribute to the elimination of the digital divide.

I believe that business rationalization through IT can greatly contribute to the reduction of CO<sub>2</sub> emissions and to solutions for other environmental problems. It is difficult to quantitatively grasp how much the IT services provided by the CTC Group contribute, but I think that we are contributing to considerable reductions in CO<sub>2</sub> emissions by delivering high-performance solutions to our customers. And in the future, we will also roll out business in grid computing or ASP (Application Service Provider), taking a proactive approach to a new business model that not only reduces cost for our customers but also helps to resolve environmental problems from the aspect of resource and energy conservation.

The CTC Group is an “integrator of unique solutions” always ahead of others in fulfilling its role with a slightly different approach.

### **Executing the CTC Group’s CSR in the work of each single employee upon his or her individual judgment**

My intention is to make the CTC Group a “growing company”, an “energetic company” and a “good company”. And I believe that the third keyword “good company” not only means carrying out social contribution activities, but also responding to the expectations of society out of the awareness that the CTC Group is a part of it. For this, we need to make our employees become aware of CSR.

In autumn 2006, we launched a CSR Project Team and a large number of employees took part in drafting the CTC Group’s concept of CSR, and then establishing an action plan to put this concept to practice. For these discussions, I put up some principles.

Principle 1: Have a mid- to long-term vision, set short-term goals under this vision based on



management aspects and reality and then make sure to realize the goals with a sense of purpose.

Principle 2: Concretize CSR through your work. Social contribution beside the main business is also important, but I think it will have most impact if CSR is concretized through work.

Principle 3: Judge the necessity of your efforts by yourself, and then execute them. Society has a variety of demands towards companies. The social responsibility of the CTC Group cannot be fulfilled with efforts that are passive or indistinguishable from other companies.

I regard human diversity as a priority issue in the CSR of the CTC Group. Compared to other countries in the world, women’s activities are on a very low level in Japan. If we do not change our traditional employment practice and the way we make women work, they will not be able to exert their potentials. Out of this thought, we set up “Diversity Planning section” in January 2007.

Diversity, however, does not only refer to women. I want talented people from all over the world to work at the CTC Group. In the future, we will develop an environment where the language normally used in the company will be English and make other efforts to create the CTC Group where people from all over the world can work together.