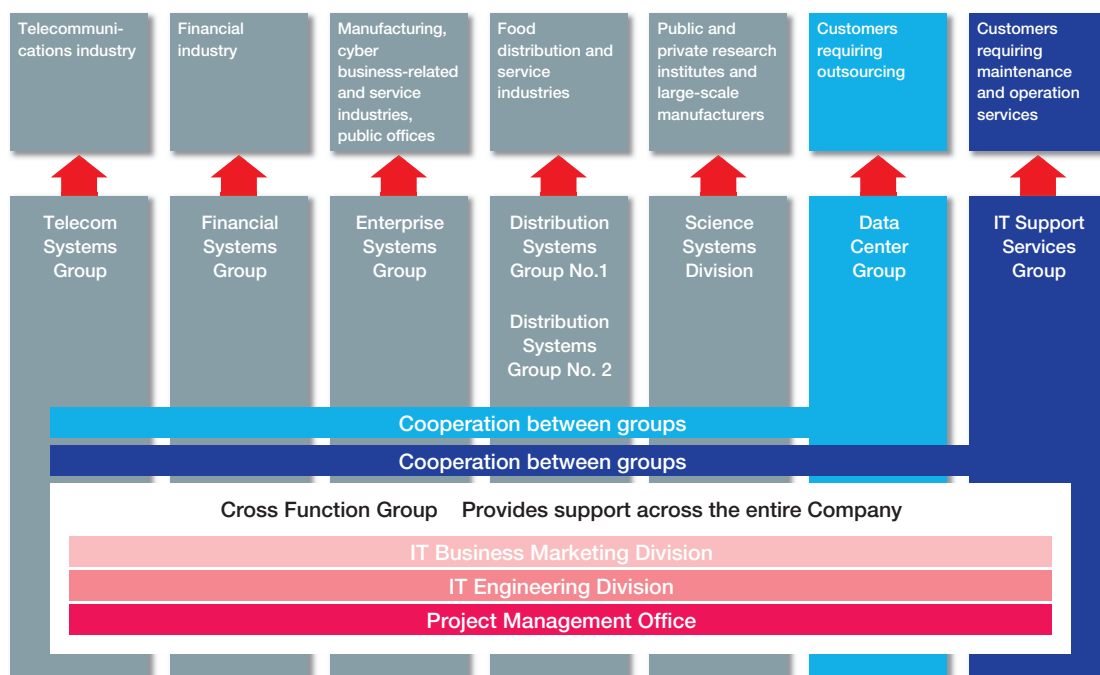


Special Feature: The Operating Infrastructure That Underpins CTC's Growth

To ensure responsiveness to a diverse range of customers in the telecommunications, manufacturing, distribution and other industries, CTC has organized its business into seven business groups and one division. Each business group works to gain a clear understanding of customer needs and, from the perspective of technology and solutions, puts cross-functional groups into action to provide support across the entire Company. At the same time, these groups provide the high-value-added solutions that only CTC can offer.

Furthermore, of the nearly 7,100 CTC Group employees, approximately 70% are system engineers, customer engineers or operation engineers.

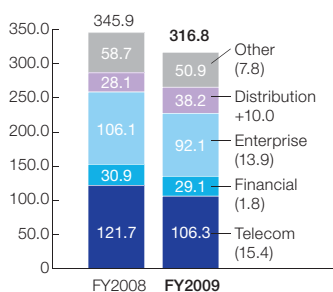
Organization Structure and Linkages



Performance by Business Group

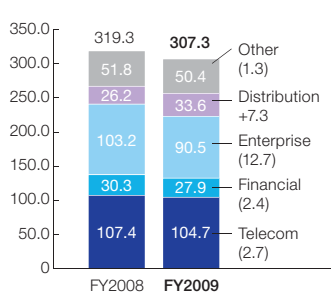
Orders received

(Billions of yen)



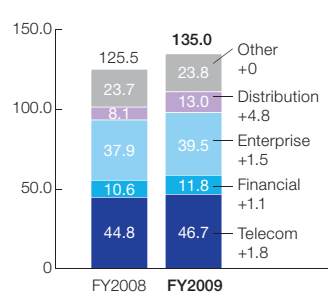
Net sales

(Billions of yen)



Backlog

(Billions of yen)



The Telecom Systems Group is engaged in business primarily with such telecommunications carriers and related companies as the NTT Group, KDDI Group and Softbank Group. The Telecom Systems Group proposes and constructs systems based on network and server technologies, accumulated over many years, which are the core of the Internet. The Group meets the demands for the development of highly complex, mission-critical systems, including large-scale networks and databases, high-volume transaction systems and load-balanced processing. Specifically, the Group's

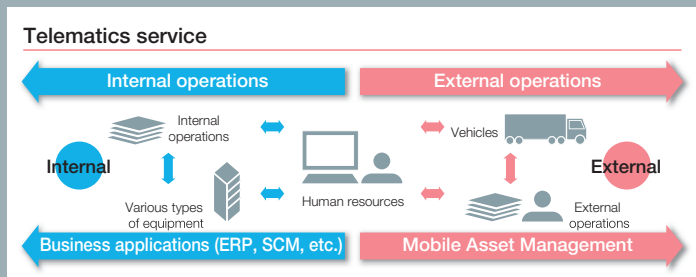
strengths lie in adopting and customizing advanced overseas technologies and offering them to customers. These technologies are used in such next-generation network-related businesses as cloud networking, NGN and WiMAX. Recently, the Group commenced a new business that supports the construction and operation of systems for mobile virtual network operators (MVNO) wishing to provide original wireless services with wireless communications equipment leased from mobile network operators. It is also involved in providing solutions that streamline distribution by utilizing GPS information.

CASE STUDY

Development of Telematics Service Business through Partnership with Telargo Inc.

The Telecom Systems Group has rolled out a telematics service that makes further use of its original wireless communications technology. Telematics is a real-time information control technology that combines such mobile platforms as automobiles with telecommunication systems. The Group commenced this new service by taking advantage of its experience in the wireless communications market and joining it with U.S.-

based Telargo Inc.'s telematics service. For example, for distribution applications, the service consists of a special terminal with wireless communications and global positioning system (GPS) functions mounted on a commercial vehicle. The vehicle's preferred routing will be provided from the service's control center based on traffic conditions, and appropriate personnel and operational details are provided based on vehicle location data and order information. In addition, this system provides drivers with instructions on energy-efficient driving and other relevant information with the aim of improving operational efficiency and reducing transportation costs. Using this service, vehicle allocation and distribution plans can be optimized based on collected data and its analysis, rather than relying on the personal judgment of vehicle dispatchers, a common practice in the past. There are over 60,000 trucking companies operating approximately nine million trucks in Japan's distribution industry alone, and, given the potential of such systems if used effectively in other industries, the telematics service is expected to exhibit high growth.



Delivery of Access Gateway System for KDDI's Wi-Fi WIN Service

CTC delivered an access gateway system and peripheral equipment featuring Wi-Fi WIN for a service initiated by KDDI in June 2009.

Wi-Fi WIN is an Internet service available via *au* mobile phones that utilizes household wireless LAN and fixed broadband lines. CTC, selected as a vendor for the construction of this infrastructure, provided a total solution that covers development, construction and maintenance support for peripheral equipment, primarily for the access gateway system based on the ST40 platform of Starent Network, Corp., a CTC business partner.

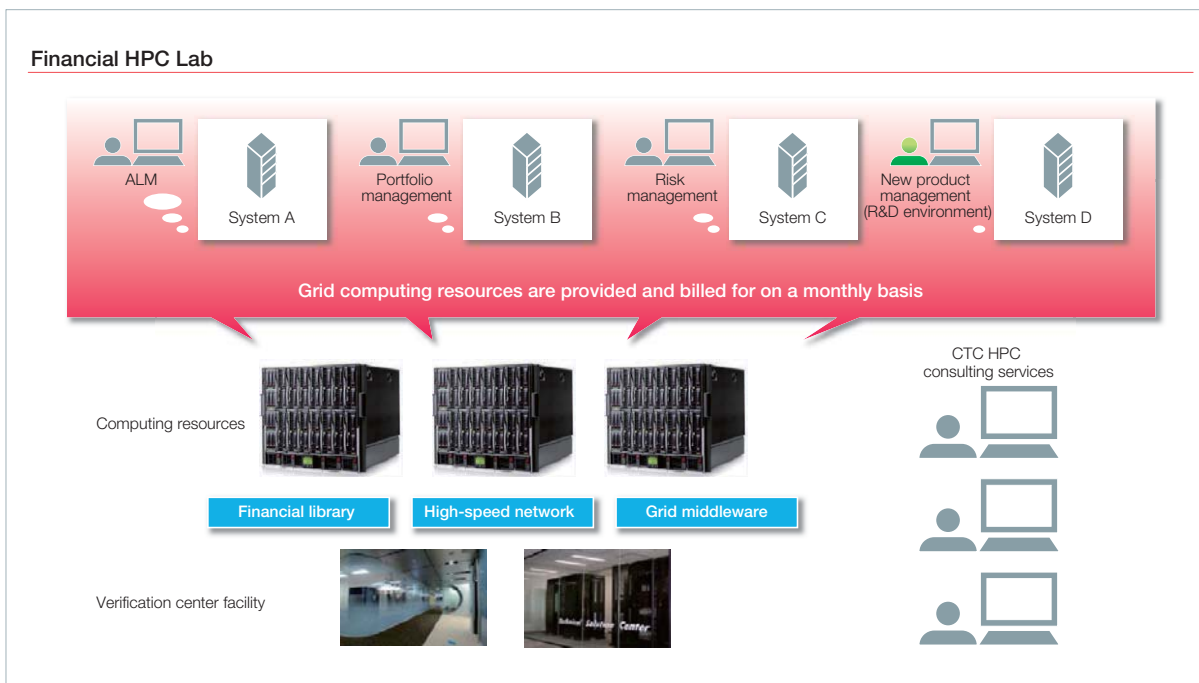
The Group has consistently demonstrated its capabilities in the construction of systems for mobile phones. It has a portfolio of experience in support of KDDI—from starting up IP-related services to systems development, construction, maintenance and operation—that has earned high ratings in the areas of integration capabilities and construction know-how in a multivendor environment. It was this expertise that ensured our selection as the vendor for this new service.

Financial Systems Group

Employees: 330 (approx.)

The Financial Systems Group proposes and develops business systems for the financial industry—which demands a high level of reliability and security—offering products and services that integrate new technical innovations into widely used core industry technologies to provide the industry's best quality technological services. Amid intensifying global competition among financial institutions, the Group strives to provide stable management operations and enhanced customer services while investing to fortify a sturdy management foundation that streamlines business operation and executes cost-reduction activities to efficiently invest in IT-related business. In response to such needs, the Group positioned three fields at the core of its technological development: application development using SOA*1 technology, which is more flexible and curbs maintenance and operation costs; the design and construction of efficient "private cloud-type" IT infrastructure that includes virtual

environment control functions that use state-of-the-art virtual technologies; and the XaaS*2 service, which is able to meet increasingly diverse needs. These fields were publicly introduced as the "Financial SOIT." With regard to applications, CTC included the "office system environment," "enterprise information environment" and "global information environment" among its key products, and these, in addition to the "risk management-related systems," "market-related systems" and "customer administration-related systems," have received favorable reviews. In such ways, the Group is meeting the varied needs of financial institutions. Furthermore, in August 2009, the Financial Systems Group established the Financial HPC*3 Lab, which provides a grid verification environment for financial institutions that is based on the integration of its established financial engineering and computing grid technologies.



*1 Service Oriented Architecture (SOA) is a design methodology used to construct large-scale systems with integrated software functionality available as a service.
 *2 X as a Service (XaaS) enables the hardware, circuits, software and other resources essential to information systems to be used as services available remotely over the Internet.
 *3 High-Performance Computing (HPC) represents the computer technologies used in systems that require high-speed processing such as in calculating the value of complex financial products.

Enterprise Systems Group

Employees: 1,000 (approx.)

The Enterprise Systems Group provides high-value-added solutions to a wide range of customers spanning nearly 2,000 organizations in fields that include manufacturing, the cyber business, distribution, transportation, services, government and academia. These solutions extend from specialized and sophisticated services, such as business strategy proposals and consulting, to infrastructure construction, system development and operation and maintenance services. In response to growing security, as well as convenience, productivity and other office environment issues, the Group offers its capabilities in the construction of

information infrastructure, particularly with regard to the introduction of thin client systems. It also provides content management solutions that leverage know-how introduced at CTC, and CRM/DWH solutions. The Group is currently rolling out digital signage solutions for marketing use and other large-scale infrastructure utilizing virtualization technology. Digital signage solutions transmit data and images on a timely basis to displays installed in transportation facilities, stores and other locations, and they even track customer movements.

CASE STUDY

Using SaaS to Provide Content Management Systems That Reduce the Operation Management Costs of Home Pages for Municipalities

The CMS Cloud Service for Municipalities provides content management systems using Software as a Service (SaaS). To improve convenience for various local residents, including senior citizens, the disabled and foreign residents, the Enterprise Systems Group offers CMS via the Internet with functionality based on the Japan Industrial Standard “Guidelines for older persons and persons with disabilities” (JIS X 834-3) that encompasses text-reading software, color management and other functions. Because municipalities are able to use CMS simply by paying a monthly usage fee—in other words, customers no longer have to own the software and related hardware—website operation costs can be kept down.

Constructing a Common IT Infrastructure throughout the Company That Integrates Servers, Storage and Operation

For Kanto Auto Works, Ltd., the Enterprise Systems Group constructed, using advanced system integration, an integrated companywide IT infrastructure that serves as a common infrastructure for all internal applications. Incorporating virtualization technology, the infrastructure integrates the entire company by consolidating 102 servers and hierarchical storage management. The Group achieved a 40% cost reduction through server and storage integration, constructed a remotely situated disaster site for storage of backup data and standardized operational work throughout the company.

Distribution Systems Groups No. 1 and No. 2 Employees: 430 and 230 (approx.)

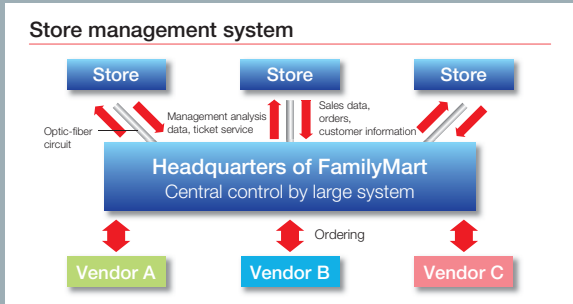
The distribution systems groups provide a total service over the IT lifecycle—from consulting to procurement, development and launch—through operation and maintenance support, to specific customers, particularly those in the food product, distribution and service industries. The Groups constructed and launched a store management system for convenience stores and mission-critical systems, such as corporate management and data analysis

systems for the wholesale industry, which includes general trading companies and food product companies. As a service partner of SAP Japan, the Groups also focused on the ERP system development business. In order to lower risk during systems migration and reduce downtime when upgrading SAP systems, the Groups provide original solutions and construct high-quality setups by leveraging its offshore development capabilities.

CASE STUDY

Successful Completion of Large-Scale, Year-Long, Around-the-Clock System Upgrade

To accommodate the growth of electronic money-based settlement services, such as Suica, Edy and NTT DoCoMo's iD, provided at FamilyMart, a convenience store chain that provides 24/7 service through approximately 7,600 shops nationwide, the Groups constructed a system that was compliant with internal controls thereby creating a more robust infrastructure. Against this backdrop, in January 2009, the Groups successfully completed a massive, almost year-long upgrade of a mission-critical system that supports FamilyMart store operations. The Groups provided support for the FamilyMart system for its entire lifecycle, from formulating the plan to constructing the system, testing, systems migration and operation and maintenance.



Data Center Group

Employees: 180 (approx.)

The Data Center Group provides outsourcing services from its five data centers in Japan: Yokohama, Kobe, Otemachi, Shibuya and Mejirozaka. Taking advantage of the diverse locations of data centers, the Group offers total services for every phase of the IT lifecycle through close collaboration with each business group and subsidiary company. The Group conducts business with customers at more than 200 companies, from large corporations to innovative venture companies, and, with nearly 20 years of experience in business operations, it enjoys a favorable reputation.

—In October 2008, the Group established the Mejirozaka Data Center in central Tokyo. This is Japan's first data center developed under the concept of environmental friendliness. As one of the few recommended for membership to the NPO, The Green Grid, which promotes the enhancement of energy efficiencies in data centers, the Group is implementing green IT solution activities based on its unique global perspective.

CTC Data Centers

	Total Floor Space
Yokohama Computer Center	(21,414 m ² + 21,593 m ²)
Kobe Computer Center	(18,898 m ²)
Otemachi Internet Data Center	(5,248 m ²)
Shibuya Data Center	(1,693 m ²)
Mejirozaka Data Center	(5,846 m ²)



Yokohama-West



Yokohama-East



Kobe



Otemachi



Shibuya



Mejirozaka

CASE STUDY

Start of Core Solution Services

In addition to existing outsourcing services, the Data Center Group offers *TechnoCUVIC*, an IaaS-type cloud computing service. This is a shared hosting service using virtualization technology, with highly secure CTC data centers that offer servers and storage for a monthly fee. The service can be contracted for a minimum of one week and can be flexibly reconfigured depending on the customer's purposes. Furthermore, the service enables the enhancement of operational efficiencies and reduction of overall costs when combined with the *TechnoCUVIC Pro*, a comprehensive

service covering the entire process from the establishment of a virtual server to actual operation, including OS and security patch updates.



Virtualized Share-Hosting Service *TechnoCUVIC*

Science & Engineering Systems Division

Employees: 200 (approx.)

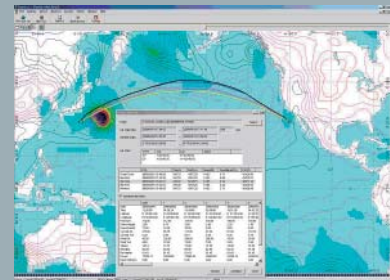
For public- and private-sector research institutions and large manufacturers, the Science & Engineering Systems Division provides advanced, specialized, high-value-added services and solutions that are based on computational science. For the construction industry, it provides such solutions as soil and rock analysis, seismic analysis and bridge structure analysis. The Division also offers consulting, systems development and operation services in the area of renewable energy, including wind and solar power, as well as joint operation and management and demand

forecasts for existing energy sources. In the manufacturing field as well, as a pioneer in CAE technology, it provides total solutions that cover everything from various types of application software to technical support and consulting services. In October 2009, CTC strengthened its efforts, becoming the first company in Japan to initiate an ASP-type service providing information (primarily to construction operators) that combines weather information, which it had already been providing for many years, and emergency earthquake alerts.

CASE STUDY

Development of Navigational Support System "Sea-Navi[®]" for Universal Shipbuilding That Brings Together Scientific Know-How

Against the backdrop of increasing corporate efforts to reduce CO₂ emissions in order to prevent global warming, Universal Shipbuilding Corporation, one of Japan's leading shipbuilding companies, developed *Sea-Navi[®]* to enable fuel cost reductions through the selection of optimal sea shipping routes. Since project commencement in 2005, the Science & Engineering Systems Division has cooperated with Universal Shipbuilding Corporation, leveraging its technologies in geosciences, architectural analysis, meteorological information analysis and system development fields. As a result of running simulations, it was realized that substantial fuel cost reduction benefits could be achieved. Universal Shipbuilding and the Division will continue to cooperate with a view toward practical use in the future.



Display screen for maritime weather data and recommended course search results

Offering Japan's First ASP-Type Business Continuity Planning (BCP) Support System for Times of Disaster

CTC will offer *EQ+*, the first ASP-type service in Japan to transmit both emergency earthquake alerts and weather information, primarily to construction operators. The transmission of emergency information concerning natural disasters combined with earthquake alerts allows for the centralized management of disaster risk at construction sites where disasters are an everyday concern. In recent years, construction operators have been asked to contribute to local communities by rushing to sites when disaster strikes to swiftly perform emergency recovery and promptly restore lifelines. Through this service, CTC supports the reduction of construction site disasters and helps construction operators fulfill their social mission.