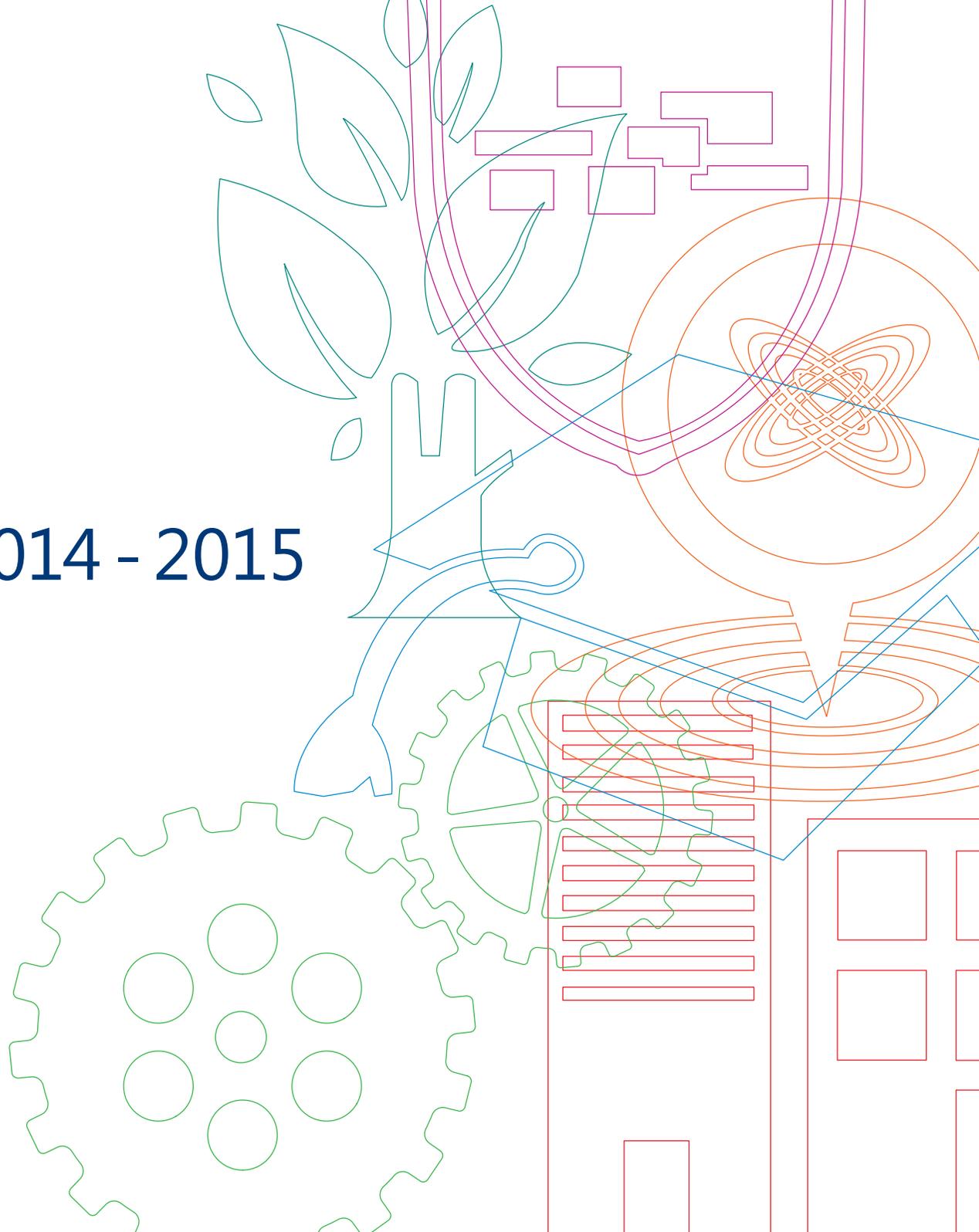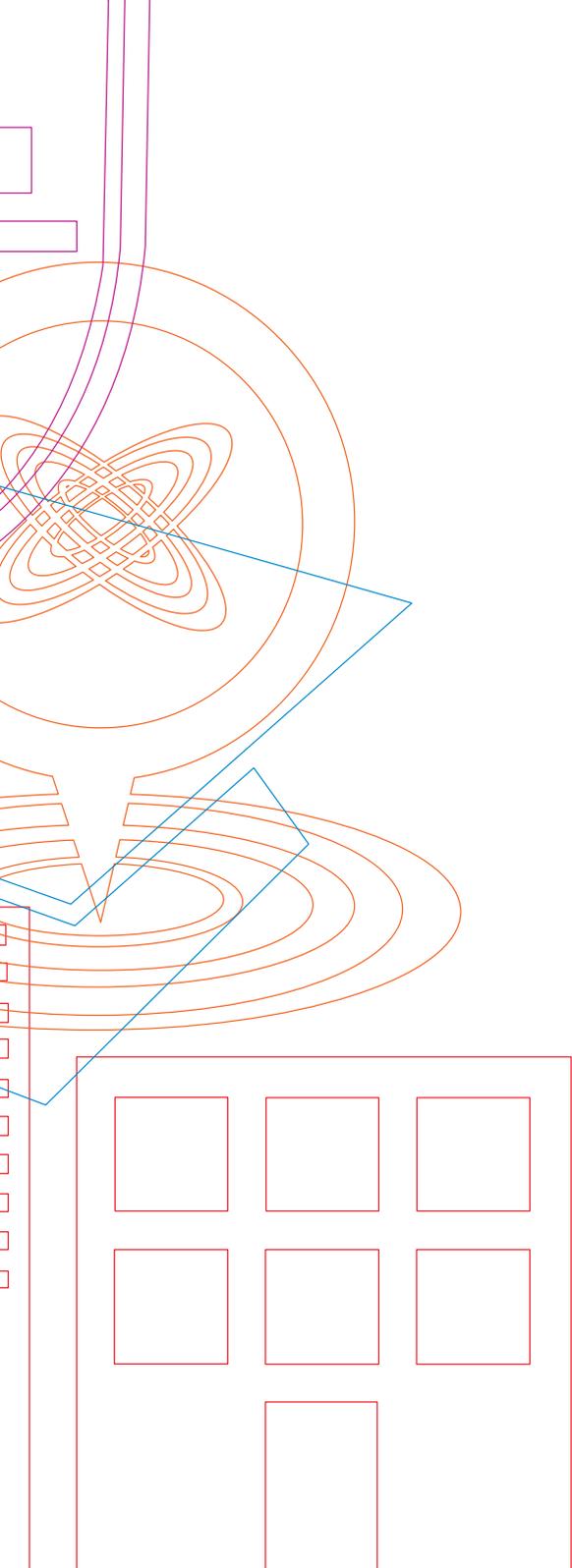Microsoft

Citizenship Report 2014 - 2015

Creating a real impact for a better tomorrow, with the power of ICT and the mind of citizenship

The future is ahead of us and Japan is moving toward it with strong footsteps.
With Tokyo being selected to host the Olympics in 2020, the Japanese society sees the lights breaking through the clouds, starting to illuminate the future.
Japan is still facing a number of pressing challenges, such as the trend toward becoming a highly aged society, a shrinking working age population, declining job opportunities, and contracting regional economies.

In addressing these social issues, information and communications technology or ICT, has an indispensable role to play, as specifically noted in the Japanese government's "Declaration to be the World's Most Advanced IT Nation".
As a leading company of ICT, Microsoft Japan is contributing to finding solutions to these challenges and driving new societal movements especially in the areas of "cloud" and "mobile" technologies.
Microsoft's new mission is to "empower all individuals and organizations on the planet to achieve more."
By connecting ICT with people, ICT with Japan, and ICT with the future, we are determined to serve various communities.

We believe this is the natural role of Microsoft Japan—a company that has taken root in Japan and has been growing together with Japanese society.

Citizenship Report 2014-2015
Contents

Citizenship Report 2014-2015 editorial policy

Microsoft Japan's Citizenship Report 2014–2015 provides highlights of our corporate citizenship activities aimed at contributing to solving issues that are important to Japanese society. Among the various initiatives undertaken collaboratively and cooperatively with local governments, educational institutions, nonprofit organizations, industry associations, and other partners, the report covers those that we would most like to share with our stakeholders.

Note on the report content

Unless otherwise stated, information included in the report such as affiliations and job titles is as of March 31, 2015.

New Directions

Becoming a "productivity and platform" company

In February 2014, Satya Nadella was appointed as the third CEO of Microsoft Corporation. During his first year as CEO, he redefined the core and future directions of Microsoft as "the productivity and platform company for the mobile-first and cloud-first world" and accordingly promoted radical change on a number of fronts, including technology strategy, business processes and methods, and corporate culture. In October 2014, Nadella made his first visit to Japan as CEO to meet with customers and partners and emphasize the company's new directions. Microsoft Japan, meanwhile, announced that current president & CEO Yasuyuki Higuchi will become chairman and current vice president Takuya Hirano will replace Higuchi to become the new president & CEO on July 1, 2015. With the new leadership team in place, Microsoft Japan will continue to move forward with change in line with Microsoft's global company-wide transformation initiative. In 2016, Microsoft Japan will celebrate its 30th year since its start of business in Japan. The company will continue to be committed to serving as a trustworthy company firmly rooted in Japanese society.

Leadership
Dialogue

What actions are local governments and businesses expected to take to enhance the vibrancy of local communities?
—Toward progress in the "regional vitalization" initiative

Yasuyuki Higuchi
President & CEO, Microsoft Japan Co., Ltd.

Tokihiro Nakamura
Governor of Ehime Prefecture.

Yasuyuki Higuchi will assume the role of Executive Chairman of Microsoft Japan Co., Ltd. on July 1, 2015. With the new leadership team in place, Microsoft Japan has been committed to working to fulfill its public responsibilities, serving the needs of people in communities, by partnering with central and local governments, nonprofit and other organizations in Japan and other social contribution activities.

From January 2014 to March 2015, Microsoft Japan and Ehime Prefecture worked together under the Local Revitalization Program, a program that forms part of our social contribution activities. Under the Local Revitalization Program directed at increasing community vibrancy through the use of ICT, a range of activities were implemented to create a cloud-based website, develop promising ICT professionals, and support people with disabilities, among others. During a meeting with Yasuyuki Higuchi, Ehime Governor Tokihiro Nakamura candidly shared his thoughts on the collaborative project, major challenges local communities are facing, and the keys to solving these issues.

Setting off a chain reaction by utilizing ICT for a local initiative to produce a "Paradise of Cyclists"

Higuchi: One thing we did under this Local Revitalizatoin Program was to launch the Ehime Marugoto Bike Roads website. Let me ask you why Ehime Prefecture decided to make cycling a focus of its local revitalization efforts?

Nakamura: It came down to a public pledge I made when I assumed the governorship five years ago. Out of three bridges connecting the islands of Shikoku and Honshu, Shimanami Kaido in Ehime is the only one that has a separate bike path. Ehime is very proud of this fantastic cyclist-friendly road. To help it become better known around the world, I thought we should do something related to cycling.

To begin, I started biking myself in order to serve as a self-appointed ambassador of cycling. I then invited prefectural government workers, mayors of cities and towns in Ehime, prefectural congress members, corporate leaders, and many more to join me. The expanding network of cyclists in Ehime was covered by local TV news, which helped spur the popularity of cycling among residents of the prefecture. Perhaps because of the bright-colored jerseys that they often wear irrespective of their age, the cyclists attracted some suspicious stares at first. But now, seeing cyclists on the road has become an everyday event in Ehime.

Higuchi: On October 26, 2014, an international bicycle race called Cycling Shimanami was held using the cycling road on the sea. Microsoft Japan's cycling club also joined the race and the event was much talked about in the office.

Nakamura: The event attracted 8,000 participants from 31 countries and regions around the world. To commemorate the event and declare Ehime something of a holy place for cyclists, we even built a monument. As the next step, we are working to make Ehime a cycling paradise. Specific projects toward the goal include developing the Ehime Marugoto Bike Roads consisting of 26 cycling paths.

Higuchi: The Bike Roads website provides information on those 26 roads as well as a social-network-linked community forum. How has the website been received so far?

Nakamura: It's got a much greater response than we expected. Topics on the website keep expanding through the SNS and other media. By adding more features such as GPS, maps, and game apps, the website will be able to attract even more visitors. As local governments like us are undeniably not so great in the areas of communications and PR, this project has reminded us how useful and meaningful it is to receive support from the business community.

Higuchi: The website is based on our public cloud service, Microsoft Azure. The cloud platform allows you to build a new website quickly and at less cost, and to adjust related resources in a flexible manner. Given this, the cloud concept seems to be a good match for the dynamic cycling-related content. In the future, public-sector organizations will join businesses in recognizing the usefulness of cloud services and use them more.

Nakamura: Local governments tend to take an analog approach, as I used to myself. From the collaboration with Microsoft Japan, however, I have come to realize that adding a digital element will likely set off a chain reaction.

Higuchi: I totally agree. The Japanese government recognizes that the growth of the national economy requires the development not only of physical space but also cyberspace. As you just mentioned, the combination of cyberspace and community revitalization programs will expand the possibilities of those initiatives.

Collaborations with diverse partners and strong leadership: keys to regional revitalization

Nakamura: Through the Local Revitalization Program, I genuinely feel that Microsoft Japan is keenly committed to giving back to society.

Higuchi: As founder Bill Gates is very socially conscious,

Microsoft is a company that continues to strive to make the world a better place. Although the Local Revitalization Program was officially launched in 2009, we were consistently working with local governments even before then. Our previous activities mainly focused on developing ICT talent and supporting NPOs, people with disabilities, senior citizens, and others. In the project with Ehime Prefecture, our involvement was extended to include the main thrust of your community revitalization project. I'm sure our employees must have found the project very stimulating and inspiring.

It seems to me that the necessity for local governments to partner up with businesses and NPOs has been increasing year by year. What do you make of it?

Nakamura: As a former employee of a trading company, I personally sense the importance of such partnerships every day. Although local governments are capable organizations, we are admittedly not so good at creating something new or expanding into new areas. As a result of efforts to raise the awareness of its staff and change organizational systems, Ehime Prefecture has been making good, steady progress in this respect. Still, such efforts have their limitations and working with businesses is essential to compensate for them. From the experience of working with Microsoft Japan, our staff have learned a lot and been greatly inspired in terms of the speed at which business is done and in many more areas.

Higuchi: While the issues that local communities are facing are becoming increasingly diverse, local governments must follow

the principle of equality. In my opinion, collaboration is necessary in order to make these two elements compatible.

Nakamura: Exactly. In taking initiatives for the welfare of people with disabilities, for example, the existing systems have their limitations. This area definitely needs partnership with businesses and NPOs. With the use of ICT, people with disabilities can engage in even more creative jobs and some may even find success as entrepreneurs or the like.

Higuchi: From my experience, I feel leadership at the local government level is another key to success in such collaboration. Just like our project with Ehime Prefecture is conducted over an agreed-upon period, support from corporations also has its limitations. Our activities therefore focus on building a foundation for the future, such as staff training and support for NPOs. These efforts cannot be pushed further without the strong leadership of the head of the local government. In this respect, Governor Nakamura, you always take the lead in every effort.

Nakamura: Thank you. I consider the job of a governor to be something like drawing a rough sketch on a blank canvas. Another important job is creating a joyful environment in order to involve as many people as possible in that metaphorical painting project of turning the rough sketch into a finished artwork.

Higuchi: Sketching out a vision and motivating people—the same is required for business management.

Nakamura: When it comes to the use of ICT, I think it is important to assess the current situation and establish goals, and create a roadmap to reach the goals.

In tackling many social challenges, local governments expect ICT to play an essential role.

Higuchi: In the Japanese government's regional vitalization program, support for youth employment, marriage, and child rearing is specified as a main focus. What is your opinion on those issues?

Nakamura: In Ehime, these issues are also high on the agenda. Regarding the issue of raising children, for example, parents today cannot access support very easily, partly because more and more families, especially in the cities, are becoming more nuclear and communication within local communities is not as active as before. Even though support services are available at city halls, city halls seem to be a place that many young people hesitate to visit. That's why we came up with the idea of doing something with the smartphones and tablets they use every day. That is, we are considering launching a parenting support app. To support young people in finding jobs, I am focusing on promoting career matchmaking with local businesses. Ehime is home to lots of small and medium-sized companies that have globally competitive technologies. Despite that excellence, those businesses are not widely known and lots of talented young people are leaving the prefecture. I would like to use ICT to solve the mismatch of employment opportunities. In addition, there must be many more areas, say medical services on small islands, where ICT can help solve certain issues.

Higuchi: Recently, I heard from a businessperson that more and more young people try to avoid face-to-face communication even in a business environment and prefer using smartphones instead. The advancement of those tools is certainly important but it is also important to build a mechanism to allow people to interact as if they were seeing each other face to face so that they can stay socially engaged. At Microsoft Japan, various initiatives are underway to, for instance, provide assistance to both younger and older job seekers and propose various work style options for people with disabilities and women with young children. Promoting telework is one of those initiatives. Moving forward, I think ICT should be used as part of a holistic approach. For example, we should seek greater efficiency for individual employees by promoting telework, while working to improve group productivity by creating a cyberspace that enables quasi-face-to-face communication.

Nakamura: I see. Speaking of future trends, how do you think ICT will be developed?

Higuchi: What comes to my mind first is the diversification of devices connected to each other via mobiles. This is what is called the Internet of Things (IoT). In addition to information equipment, sensors and various other kinds of devices will be connected over the Internet. Information fed into those devices will be stored in clouds. I anticipate that with the addition of intelligence, clouds will be able to provide a variety of unprecedented services. To strengthen such cloud service platforms, we have established data centers in Japan. As Satya Nadella, the new CEO from February 2014, has declared with the "mobile-first and cloud-first" policy, Microsoft is also actively working to strengthen cybersecurity.

Creating actual demand is the key to the vitalization of regional economies The Governor himself is taking the lead in sales promotion.

Higuchi: The key to revitalizing local communities is energized regional economy. In Ehime Prefecture, Governor Nakamura, you are taking the lead in this area.

Nakamura: The energizing of a regional economy depends on whether or not local businesses and industries can regain their dynamism and create real demand. What local governments can do to help make this happen includes supporting local businesses in attracting business leads or, in other words, engaging in sales promotion, which many local businesses are not good at. With this in mind, Ehime Prefecture has been working to promote local industries in and outside Japan for the

last three years. Under the slogan, "Create real demand," I have been taking the lead in these activities and have asked all prefectural government employees to act as sales representatives of "Ehime Prefecture Inc." A sales promotion division was also established within the prefectural government office to put appropriate support in place. For instance, we have created a set of databases to introduce local industries and specialties in the three categories of technologies, food, and products. In FY2014, aggregate order fulfillments are expected to exceed five billion yen.

Higuchi: That's an impressive number. I heard your target is 10 billion yen.

Nakamura: To achieve that goal, ICT will certainly have to be employed. Ehime is home to many agricultural and fishery products that are highly competitive in national markets, such as citrus and farmed fish. While the sales and distribution processes for those products use ICT well, production and management processes are still operated in an analog fashion. To address this situation, we have started a project to build "agricultural clouds" that can be used to collect and share the wisdom and experience of farmers. As the first step, we are focusing on the citrus production sector. Currently, various experiments involving weather data and other resources are ongoing.

Higuchi: It is very interesting. That project is an example of the IoT, which I mentioned before, in a broader sense. In

manufacturing and other sectors, efforts are also being made using sensors and other devices to collect and share via the cloud intangible expertise. The expertise otherwise exists only in the brains of experts, such as the arts and skills of accomplished craftsmen. I believe the integration of Open Data and Big Data into clouds will likely constitute a different yet positive approach that allows community revitalization initiatives to progress further.

Expectations for Microsoft Japan to help local governments realize their full potential and increase their vibrancy

Higuchi: In addition to the two key future trends I mentioned before, mobiles and clouds, there is another area that I am paying close attention to: the area of voice recognition and national language processing. The combination of this technological area with real-time analysis of Big Data and other technologies will make computer-based simultaneous interpretation a reality.

Nakamura: That's wonderful. Do you think it will be achieved by 2020, when Tokyo hosts the Olympic and Paralympic Games?

Higuchi: I think it is very likely.

Nakamura: When such convenient technology becomes available and to hand, everyone will be able to act in a hospitable manner and give directions with ease to international tourists who spontaneously approach them on the street.

Higuchi: I agree. It will serve as a solution to some of the challenges of a globalized and multilingual world. Traditionally, Japanese people are not good at communicating in other languages but the technology will allow us to enjoy communication without a language barrier.

Nakamura: Ehime will host the National Sports Festival in 2017, three years before the Tokyo Olympics. How to make the most of the expected further growth of international tourism to Japan is an important agenda for local governments. But for most regional governments, except in big cities, it is not at all an easy task. The key to overcoming the difficulties, I believe, is to select a limited number of tourist attractions, such as Shimanami Kaido for Ehime, and actively promote them. With this belief, the Ehime Free Wi-Fi project is underway with close collaboration among industrial, governmental, and academic partners. The utilization of ICT will be of greater importance to local government. We look forward to continued collaboration with Microsoft Japan.

Higuchi: The Shimanami Kaido project with Ehime Prefecture gave us a new experience. Although we have worked with many local governments on various projects, it was our first time to collaborate in a key project of a local government's community revitalization efforts. As a true corporate citizen of Japan, Microsoft Japan will continue to promote its social contribution activities. Thank you for sharing your tremendous insights today.

The interview was held in February 2015.

A combination of locally specific content and the use of ICT will create a new driver of community revitalization

Local Revitalization

Providing ICT-based support tailored to meet local needs

Developing leaders able to resolve local challenges—Local Revitalization Program

Local Revitalization Program with Ehime Prefecture

Since 2009, Microsoft Japan has been working with 12 local governments across Japan under the Local Revitalization Program for Community Revitalization, which has been organized to support local leaders tasked with overcoming the community's challenges. In 2014, Microsoft Japan partnered with Ehime Prefecture to launch the Ehime Marugoto Bike Roads website in April. Specifically, the company provided its latest cloud technologies, Microsoft Azure and Microsoft Dynamics CRM, to help the government build and host the website, on which cyclists and local residents post and share information and photographs linked to its social media pages, in addition to offering a community forum function. Since its launch, the website has been attracting more than 4,000 visitors each month.

Ehime Marugoto Bike Roads
https://ehime-cycling.jp/ (in Japanese)

Capacity building for sustainable local revitalization

To make local revitalization efforts sustainable, capacity building of the community is important. In an effort to achieve this goal, Microsoft Japan is working with Ehime Prefecture on three collaborative programs to help people with disabilities find employment, instruct NPOs on the effective use of ICT, and train engineers from small companies.

Program for supporting people with disabilities to find new job opportunities

The operation of the Bike Roads website is outsourced by Ehime Prefecture to a local nonprofit organization that provides job opportunities to people with disabilities. In connection with this, Microsoft Japan held ICT skill training seminars for people with disabilities and their supporters in August (three days, six participants) and October (two days, six participants) 2014, and in January (one day, two participants) and February (five days, two participants) 2015. Armed with their new skills, the participants will play a major role when the NPO holds its own seminars to train people in IT. By helping disabled people acquire advanced cloud computing skills, the program has contributed to creating new businesses and job opportunities.

NPO empowerment program to increase their recognition

To increase the effectiveness of nonprofit activities, Microsoft Japan offered a range of training courses on the effective use of ICT from June to December 2014, including a practical presentation course where participants learned how to communicate their activities and local information effectively. In February 2015, the NPO and Microsoft Japan jointly organized a presentation contest to give trainees the chance to demonstrate what they had learned. A total of 59 participants made presentations on how to solve community challenges with the use of cloud services such as Microsoft Azure and Microsoft Dynamics CRM.

Advanced training program for IT engineers

In partnership with Ehime University, Microsoft Japan offered an advanced IT professional training program in September 2014 and March 2015 for students and engineers from small companies. A total of 230 participants acquired essential knowledge and skills for software development, ranging from C# programming to the implementation of Windows Store apps.

Using ICT to create employment opportunities for people with disabilities

We offer ICT-related employment assistance for people with disabilities. As the operator of the Ehime Marugoto Bike Roads website, Microsoft Japan supported us in learning about Microsoft Azure and Microsoft Dynamics CRM, on top of other essential knowledge and skills to fulfill this assignment. The support has provided people with disabilities who have difficulty commuting with the chance to work from home for companies based in Tokyo. We hope that helping people with disabilities familiarize themselves with the latest technologies and gain advanced IT skills will expand their job opportunities.

Toshihiro Kawasaki
Executive Director
Nonprofit Organization
Busystem

Offering more practical ICT professional training together with a corporate partner

Ehime University seeks to offer practical training to develop ICT experts who not only have knowledge but are also able to apply it in order to solve different issues. Students taking the course are trained to identify and understand local challenges, and to develop and implement solutions. Developing ICT engineers with practical capabilities locally will help expand the pool of local skilled workers and promote the widespread use of information technology as well as energize local industries. The partnership with Microsoft Japan has allowed us to provide practical training in areas such as system development, which is difficult for the university to offer on its own. By fostering engineers who "can do" rather than just "know," we would like to develop professionals and entrepreneurs who are based in Ehime and are highly competitive in the global arena.

**Professor
Shinya Kobayashi**
Department of Electrical and
Electronic Engineering and
Computer Science
Graduate School of Science and
Engineering
National University Corporation
Ehime University

Creating next-generation cities with a people-first approach—Microsoft CityNext

Cities have always served as economic and cultural centers and have supported peoples' livelihoods by generating businesses, innovation, and jobs. Meanwhile, cities have to deal with constantly emerging new needs and challenges, such as aging infrastructure, a graying society with fewer children, tightening fiscal conditions, the diversification of healthcare and social service needs, preparing for and responding to natural disasters, improving education, energizing local industries, and ensuring community safety and security. To help deal with these, Microsoft has been conducting Microsoft CityNext activities, which put a city's people first and work with governments, businesses, and citizens to shape the future of the city and achieve innovation. By using mobile devices and apps, information is provided in real time so that necessary actions can be taken in a timely manner. Using Big Data analysis will make speedy decision-making possible. Social networking will accelerate information sharing and cloud services will help make city services highly efficient and productive. Together with many partners, Microsoft Japan will continue working to create next-generation cities that can maximize the possibilities for future innovation.

To contribute to the Japanese government's initiatives under its Declaration to be the World's Most Advanced IT Nation, Microsoft Japan strives to offer solutions to societal challenges in 10 categories, which consist of eight globally common categories under CityNext and an additional two categories of agriculture, forestry, and fisheries as well as smart work.

Public safety and security

Buildings, infrastructure, and planning

Government administration

Smart work

Transportation

Energy and water

Health and social services

Agriculture, forestry, and fisheries

Education

Tourism, recreation, and culture

■ Electronic Maternal and Child Health Handbook Standardization Committee

Promoting the digitization and standardization of the Maternal and Child Health Handbook

In January 2014, the Electronic Maternal and Child Health Handbook ("MCH Handbook") Standardization Committee was established to promote the standardization and widespread use of a digital format MCH Handbook, which is issued by each local government. The committee consists of the Japan Association of Obstetricians and Gynecologists, 21 medical professionals and more than 20 other member associations and businesses (as of January 2015). As a core member of the committee since its launch, Microsoft Japan provides ICT resources for empirical experiments, develops solutions with partners, offers technical support, and conducts other activities. Despite the growing availability of digital versions of the MCH Handbook, which mostly take the form of a mobile app, the majority of the existing ones do not assume they will be used in partnership with medical or other external organizations. To create linkages between information managed by different organizations in different locations, the committee is working to standardize which data should be recorded in the electronic handbooks and in which digital format. It is also working on possible future applications of the e-handbooks, such as developing health information infrastructure or for use in medical and clinical research.

To date, several standardized digital data network models have already been developed, including those used in local perinatal healthcare systems, those linked with medical institutions' immunization support systems, as well as existing formats for the MCH Handbook. Going forward, the committee will strengthen its partnerships with local governments to develop region-specific models.

By contributing to the committee's activities, Microsoft Japan will help create a next-generation system for managing the records of maternal and child health such that they can be used seamlessly throughout the country.
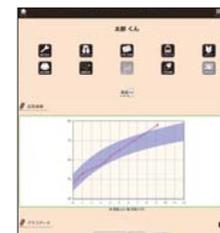
Illustrative image of an electronic Maternal and Child Health Handbook

■ Public Transportation Open Data Study Group

Supporting the development and operation of a public transportation services system using Open Data

A type of public infrastructure designed to meet various societal needs, Open Data is the practice of making public data accessible via the Internet and thereby facilitating open innovation by venture and other businesses.

The Public Transportation Open Data Study Group was established to build public infrastructure for real-time delivery of public data, such as public transportation operation information and facilities descriptions for train and bus stations and airports. The study group consists of transportation service operators, governmental and public organizations, and IT vendors. Microsoft Japan contributes to this group as its ICT member, supporting the development and operation of various public infrastructures with flexible scalability and stability.

The Microsoft Azure cloud service in particular supports the stable operation of public infrastructures with ever-changing loads. Microsoft's machine translation technology, which can work with 43 different languages, also enables the provision of the most up-to-date information to international visitors from various countries.

Microsoft Japan will continue to provide Open Data platforms and promote the development of public transportation information apps for computers, tablets, and smartphones.

Web

Public Transportation Open Data Study Group:
http://www.odpt.org/ (in Japanese)

Work Style

Proposing innovative work styles for working anytime, anywhere

Promoting telework in a local government to better serve the needs of citizens

**Toshima City, one of Tokyo's 23 municipalities, is working to rebuild its information systems by May 2015, when its city hall will be relocated to a new building.
In this article, Kunio Takahashi of the Policy Administration Department of Toshima City explains the importance of and challenges around the adoption of telework by local governments.**

Kunio Takahashi
Chief of Information Management Section, Policy Administration Department
Toshima City, Tokyo

Information system reform ahead of relocation to a new city hall

Toshima City, which has the highest population density in Japan and has experienced rapid population growth in recent years, has a number of different faces. As well as having a huge train terminal in Ikebukuro Station, it is home to Sugamo, also known as a "granny shopping paradise," and is the birthplace of the *Someiyoshino* cherry tree. In May 2015, another landmark will be added to the city: a new city hall.

In the lead-up to the relocation to the new building, the city government has been working to rebuild its information systems. In 2009, an integrated document management system based on Microsoft SharePoint Server was launched, under which all documents are now created electronically.

As the next step, we are focusing on the promotion of telework. In 2011, we introduced Office 365 on a trial basis to support the municipality's workers who were sent to areas affected by the Great East Japan Earthquake to help with reconstruction efforts. Currently, Office 365 is being used by Information Management Section staffers

who are on maternity/parental leave. Based on the experiences of those users, we are examining how best we should use the cloud service and identifying related challenges.

The fundamental job of a municipality is to serve the needs of its citizens

As the mayor likes to remind us, the purpose of our job is to serve the needs of local residents. I believe, therefore, that creating an environment that enables city workers to go out into the field whenever appropriate is very useful in terms of making us able to offer better public services. It is also important to build an environment that will give rise to operational efficiencies, such as enabling staff to take care of work and still be reachable while they are on the go, especially given the fact that the number of Toshima city government employees has been decreasing, as is the case with many other municipalities.

With this recognition, tablets powered by Windows 8.1 will be provided to the city's managerial officials in March 2015. Using the presence status function of Microsoft Lync installed on the tablets, you can reach those managers even when they are not in the office. While it is true that the future expansion of telework workers to include non-managerial employees requires addressing some issues, such as those related to HR systems, the promotion of telework is very important in order to support staff on maternity/parental leave and an anticipated growing number of employees on family care leave.

Creating an open workplace with Microsoft Lync

Coinciding with the relocation to the new city hall in May 2015, Lync will be introduced to all Toshima City employees, including part-timers and employees on loan to other organizations. In fact, the

groundwork has already been laid: Toshima City employees use Microsoft Exchange on a daily basis and can share their schedules with each other using the schedule function in Outlook, which can be linked to the presence status function in Lync.

In the new office, ICT will be adopted in various ways to improve the efficiency of operations and the convenience of local citizens. Introducing IP phones using Lync Voice to all the telephones in the new city hall is one example. To ensure all city employees will be able to use the newly introduced technologies effectively, training and education is key. Each departmental section has an employee in charge of promoting the use of ICT who leads continuous efforts to facilitate greater ICT usage and provides necessary training within the section. Having those ICT champions at a section level is helpful in identifying and addressing related issues. After reviews, the personal computers used by city employees will be fully replaced during FY2016. With the continued use of Microsoft products, we would like to support our city employees even more through the promotion of telework and other initiatives, which in turn will enable Toshima City to offer outstanding public services to its citizens.

New Toshima City Hall to be opened in May 2015 is an IT-intensive building with IP phones using Lync Voice, a general reception system, general disaster management systems, and other features that make it possible to improve the quality of public services and the efficiency of operations.

Using ICT to promote flexible work styles—Microsoft Telework Week 2014

Microsoft Telework Week with 32 proponent organizations

In its Declaration to be the World's Most Advanced IT Nation, which was approved by the Cabinet in June 2013, the Japanese government has set the following targets to be achieved by 2020: a 300% growth in the number of companies allowing telework from the 2012 level, and a more than 10% increase in the number of telework employees who work from home at least one full day per week. Microsoft Japan adopted teleworking for employees in 2011, seeking to achieve greater productivity in line with its advocacy of ICT-enabled flexible work styles and changing work style that allow anyone to work anytime anywhere. In FY2014, the company observed Telework Week 2014 from October 27 to 31, 2014. This initiative to promote telework was joined by 32 external organizations (businesses, local governments, and nonprofit organizations).

During the week, employees of Japan Business Systems, a participant organization, were able to experience working at a Microsoft Japan office and co-working spaces, joining videoconferences via Microsoft Lync, and other telework activities.

3,000 workers experienced new work styles over 5 days

During Telework Week 2014, an enhanced project of Telework Day, which is an initiative undertaken since 2012, around 3,000 employees from 32 organizations experienced new work styles over 5 days. The participant organizations experimented with new ways of working that will redefine the meaning of "workplace," including the adoption of working from home, co-working spaces, and other places, as well as conducted an experimental project whereby employees of Microsoft Japan and employees of the participating organizations took part in a workplace exchange.

During the week, the municipal government of Kamaishi City, Iwate and Nonprofit Organization @Rias NPO Support Center, a local nonprofit organization engaging in reconstruction efforts following the 2011 earthquake and tsunami, also worked to create an environment where staff can work anytime anywhere by using Office 365 to improve their operational productivity and share information.

With Office 365 and tablets, staff of Nonprofit Organization @Rias NPO Support Center in Kamaishi are able to work from anywhere.

More than 70% of respondents realized the benefits of telework

Following Telework Week 2014, Microsoft Japan conducted a survey of participant organizations and individuals to get their feedback on the project. To improve future related activities and promote the recognition of telework, the company is sharing the survey results and experiences on the website.

The survey showed that 83% of respondents worked outside the office at least one day during that week and more than 70% of respondents were able to reduce non-productive time (e.g., preparing to go out, transportation time, etc.) by 60 minutes or more per day. What respondents expect from telework include: help in using time effectively (91%), creating a more employee-friendly environment (70%), and improving work efficiency (68%). These expected benefits were realized by more than 70% of the respondents. In addition, 83% agreed telework will be necessary in the future.
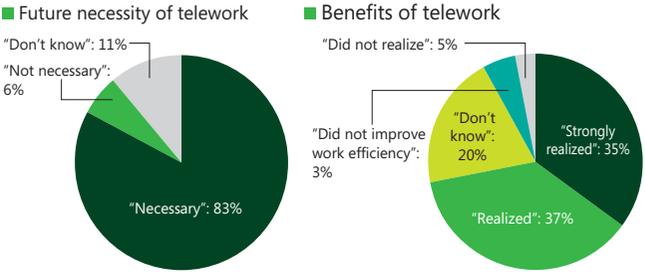
As the survey revealed high expectations for telework, Microsoft Japan will continue its efforts to further promote ICT-enabled teleworking.

Gaining firsthand experience of how telework helps improve productivity

During the Telework Week, telework was introduced not only to our engineers and sales representatives, who often work away from the office, but also to our back office staff. In addition to saving commuting time, employees were able to enhance their efficiency by being able to work away from the office, such as at clients' offices or co-working spaces. In a survey taken after the project, more than 60% of employees responded that they felt more efficient. Meanwhile, bottlenecks for promoting telework, such as certain operational processes that have not yet gone paperless, were also identified. The project proved to be a valuable experience and one that will help us promote flexible work styles in-house and support our clients' work style changes. I hope this project and its outcomes will be widely recognized and more organizations will adopt telework to achieve greater productivity.

Yoshihiko Inui
Marketing Division, Japan Business Systems, Inc.

■ Future necessity of telework

"Don't know": 11%
"Not necessary": 6%
"Necessary": 83%

■ Benefits of telework

"Did not realize": 5%
"Did not improve work efficiency": 3%
"Don't know": 20%
"Strongly realized": 35%
"Realized": 37%

Feedback survey on Telework Week 2014
Survey period: November 1 to 21, 2014
Respondents: 924 people from 21 organizations

11

Work Style

Launching Microsoft Technology Forum to provide firsthand experience with ICT

At Microsoft Japan Shinagawa office in Tokyo, IT seminars and office tours are offered to customers to showcase its own innovative work style. In the fall of 2014, this office tour program was reorganized to be offered in combination with more comprehensive, practical seminars under the Microsoft Technology Forum.

The forum is characterized by its format of small-sized seminars and get-togethers. Since September 2014, the forum has been held eight times to date, attracting a total of 150 participants. Each event starts with a mini-seminar where Microsoft employees give background presentations on the need for new work styles and other related topics. Participants experience a videoconference with

Microsoft Lync and go on an office tour to see how employees actually work in the office. Following the visit to staff offices, meeting spaces, the cafeteria, and other facilities, the event is wrapped up with a get-together where participants, who have a diverse range of backgrounds, can chat to us and each other in a casual atmosphere. Incorporating customer feedback received through such networking and other occasions, Microsoft Japan will continue to hold this forum regularly in order to further promote work style changes in Japan.

Microsoft Technology Forum

Microsoft Japan Shinagawa Office in Tokyo

Creating an environment where staff can work anytime anywhere

Kumiko Ogino
Chief Executive Officer,
Mammy Go Co., Ltd.

The staff of Mammy Go, including myself, are all working mothers. Since its establishment, the company has offered flexible work style choices, allowing employees to bring their children to the office or to work from home. I joined the Forum to learn an idea of how the latest technologies were being used and the benefits of introducing flexible work styles. I was particularly impressed with the infrastructure that enables meetings to be held anytime and inspired by the idea that telework will enable employees to work anytime anywhere. Having been convinced of the benefits of telework, I subsequently decided to adopt telework in earnest at our company by revising our office regulations. As we need to address challenges such as developing an appropriate management system, we hope Microsoft Japan will continue to share its advanced showcases in this field.

Microsoft Japan's walking the talk of work style changes

At the office of Microsoft Japan, employees carry their notebook computers and tablets around with them and decide where to work depending on the condition of the day. Some may prefer working alone in order to concentrate while others may want to get the creative juices flowing in a relaxed space bathed in natural light.

With the use of Office 365, Microsoft employees can send email, check their team members' schedules, reserve a meeting room, and perform other tasks from anywhere. Online meetings and chats also allow employees to communicate with each other wherever they are: whether in or outside the office, or in or outside Japan. With a secure cloud environment in place, and with the approval of direct manager, it is also possible to work from home if a family responsibility comes up.

The effects of such flexible work styles, such as helping achieve a better work-life balance, are about to be proven. For its efforts in this area, Microsoft Japan has received public recognition: listed in Diversity Management Selection 100, hosted by the Ministry of Economy, Trade, and Industry (METI); and cited in the "2014 White Paper on Information and Communications in Japan" as a case study of telework implementation. Microsoft Japan will continue to play an initiative role as an innovative IT leader that practices new work style, contributing to Japan's positive change into the future.
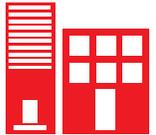
Empowering startups in Japan to be successful in the global market—Microsoft Ventures

Entrepreneurial activities in Japan are at one of the lowest levels among the world's industrialized economies. To address this situation, the government has included the "emergence of entrepreneurship" in the action items of its Declaration to be the World's Most Advanced IT Nation and started to take specific measures accordingly.

Microsoft, which originally started as a venture-funded business, empowers startups in various ways, harnessing the power of ICT through its global initiative, Microsoft Ventures. In Japan, Microsoft Japan started activities linked with this global initiative in February 2014.

Microsoft Ventures Accelerators, a program under that global initiative, is operated in seven locations across the world: Seattle, Bangalore, Beijing, Berlin, London, Paris, and Tel Aviv. This four-month program provides intensive support to startups, ranging from technology to mentoring. Employees of Microsoft and its local partner companies serve as instructors for the program, providing advice on business plans, marketing strategies, and other management issues. In partnership with industry leaders and corporate partners, the program has been organized to help entrepreneurs launch and expand their businesses to global markets. In September 2014, Japanese startups Capy Inc. and FOVE, Inc. were accepted into the program by Accelerators in Tel Aviv and London, respectively.

Leveraging the partnerships Microsoft Japan has developed thorough day-to-day business activities, the company is also engaged in matchmaking between entrepreneurs in Japan and large corporations. This is an activity made possible by one of its strengths: an extensive global network. Generating new businesses by using ICT will not only energize the economy but provides the potential for solving societal challenges and generating innovation, which in turn will lead to the growth of Microsoft Japan, a corporate citizen walking in step with Japanese society. With Microsoft's quintessential technologies and networks, Microsoft Japan supports Japanese entrepreneurs who aspire to spread their wings on an international scale.

Capy, a Japan-based startup, showcased its outcomes upon completing the Accelerator program

On January 22, 2015, Capy Inc., which was accepted into the Tel Aviv Accelerator program, made a presentation before about 300 investors. Founded in 2012, the Japanese startup provides cybersecurity solutions. While many IT entrepreneurs in Japan tend to focus their attention on Silicon Valley and other IT hotspots, Capy selected Tel Aviv because the Israeli city is home to a number of cybersecurity firms. With 123 mentors, Tel Aviv Accelerator has already produced a total of 48 graduates to date. Under the guidance of experts, Capy strengthened its R&D capabilities and developed new products. On the final day of the program, the Japanese startup demonstrated what they had achieved in the program.

Participants in the Tel Aviv Accelerator program

Offering access to software development tools and a cloud environment for free—BizSpark

BizSpark, one of Microsoft's entrepreneur support programs, helps develop an environment for entrepreneurs to start up a business by offering Visual Studio Ultimate with MSDN, Microsoft Azure, and other necessary software development tools, cloud environments, and technical support for free for three years.

Providing a foundation for growing future entrepreneurs—Microsoft Innovation Centers

Microsoft Innovation Centers provide various services to entrepreneurs and startups, focusing on improving various ICT skills. The centers operating in four locations in Japan, including Otemachi in Tokyo, provide a cutting-edge cloud and enterprise-ready environment for solution development and validation. As entrepreneurial incubator, the centers support 20,000 people every year through their various programs including free-of-charge training sessions and seminars. The centers will continue to serve as a place where future entrepreneurs are given an opportunity to achieve their dreams.

(Left) Microsoft Otemachi Technology Center
(Right) Lab with over 350 servers

Education
To unlock the potential of children

Utilizing ICT, Tsukuba is seeking to become Japan's best city for education

From the early days of ICT development, Tsukuba City in Ibaraki Prefecture has promoted ICT in education.
In November 2014, Microsoft Japan entered into an agreement with Tsukuba City on conducting empirical research to verify the effects of using ICT in the classroom.
An interview was held with Tsukuba City Mayor Kenichi Ichihara to learn about the city's ICT-integrated education today and in the future.

Kenichi Ichihara
Mayor of Tsukuba City,
Ibaraki Prefecture

Aspiring to become Japan's best city for education

Tsukuba City, an academic urban area with a high concentration of research institutions and universities, became a pioneer in Japan in adopting ICT in education.

ICT-integrated education in the city dates back to as early as 1977, when computers were introduced to municipal elementary schools. Ever since then, Tsukuba City has been working hard to offer local students a cutting-edge learning environment. In 2005, Tsukuba became the first city in Japan to install electronic blackboards at all public elementary and junior high schools. Students can also study with Tsukuba Online Study, which is accessible from both school and home. And children here do in fact use ICT in their everyday learning activities. For instance, they share information via videoconferencing and make presentations using electronic blackboards and tablets.

Tsukuba City aspires to become Japan's leading education city. Toward this goal, the development of people is the essential key. Developing people is exactly what education is for. And for future education, ICT is indispensable.

Partnership with Microsoft

While Tsukuba City is among the first in Japan to introduce ICT to education, there are limitations to what a single local government can do. To move beyond such limitations, partnerships with various organizations and businesses are important. In recognition of this, Tsukuba City has entered into an agreement with Microsoft Japan—a company with world-leading cutting-edge expertise, experience, and networks—to conduct an empirical research project until March 2016 to verify the effects of using ICT in the classroom. Upon entering the agreement, we held a meeting with representatives of Microsoft Japan headquarters to explain the history of ICT-integrated education in the city, learn from them about the general state of ICT-integrated education in other countries, and share thoughts and opinions on other related topics. Talking with Microsoft personnel, who are very familiar with how ICT is used in classrooms around the world, made us realize that there is still much to learn from international good practices. Aiming to promote ICT-integrated education to help develop globally competent talent in Tsukuba, I look forward to the results of the partnership with Microsoft.

Bringing educators and mayors together to promote ICT-integrated education

In November 2015, Tsukuba City will be holding a Convention to Celebrate the 40th Anniversary of Adopting ICT in Its Municipal School Education System, inviting education boards, teachers, school administrators, and other related parties from across Japan. Designed to serve as a forum for information exchange among school educators who are interested in using ICT in education, the convention will include open classes and presentations to demonstrate how ICT is used in actual classrooms. Coinciding with this convention, a summit conference for mayors is also scheduled to make those initiatives on the educational front understood by the heads of local governments.

To ensure that ICT is used effectively in education, reviews of its performance and incorporation of the resulting findings into future efforts must take place. To make this happen, collaboration between the board of education and the mayor is essential. Guided by this strong personal belief, I listen closely to school educators and work together with them to promote ICT in the classroom, even though I am not personally very good with technology. I hope the upcoming summit meeting will inspire other mayors in Japan in various ways. Tsukuba City will continue to take pioneering initiatives to use ICT in education and communicate them to other municipalities across the nation.

Promoting ICT utilization and creating opportunities to acquire 21st century skills—YouthSpark

Microsoft has been conducting educational programs over many years, seeking to unlock the potential of children by the power of ICT. Among such programs is YouthSpark, a global initiative announced in September 2012 to provide opportunities to 300 million young people for three years. By September 2014, YouthSpark had offered new opportunities for more than 227 million in over 100 countries around the world, indicating the initiative is well on track to achieve the goal. Through this YouthSpark initiative, Microsoft Japan will continue to support future leaders of Japan.

In providing its comprehensive support to help youth receive education, start a career, and start up a business, Microsoft Japan focuses on the three areas specified below.

(Note: Eligible support recipients for this initiative are young people up to the age of 39 who are in the process of completing elementary to higher education or who would like to receive education, start a career, or launch a business.)

Building a learning environment for tomorrow

Supporting youth facing challenges

Developing highly skilled talent

Supporting young people leading the next generation, through promoting ICT use and creating opportunities to learn technology skills.

1 Building a learning environment for tomorrow

■ Windows in the Classroom Consortium
Supporting the development of an environment for 21st century learners

The Windows in the Classroom Consortium was established in May 2013 to provide ICT support for the learning experience of today's children, who are growing up in the globalized society of the 21st century, and support the teachers who are engaged in educating these children. Leveraging the network built up by Microsoft, a provider of a broad range of platforms, the consortium consists of 62 corporate members from within and outside the ICT industry. In October 2014, the consortium announced the Windows in the Classroom Comprehensive Program, which is designed to help school educators share their know-how on operating and managing an ICT environment in a school setting to help reduce device maintenance fees and provide other necessary support. Through this program and other activities, the consortium will accelerate and expand the use of ICT in school education, thereby contributing to improving the international competitiveness of future generations.

■ Research in Partnership with Schools
Achieving steady progress in empirical research on education frontlines

Through the provision of its products, services, and expertise, Microsoft Japan supports ICT-integrated education for learning 21st century skills. Ritsumeikan Primary School in Kyoto City, for instance, introduced Microsoft Surface in November 2013 to provide each student with his or her own tablet. By using the camera, microphone, Windows store apps, and other features of the tablet, students actively participate in classroom programs and demonstrate their creativity, as seen in their voluntary production of a promotional video for the school. The program is also helping children acquire ICT literacy from primary education. Microsoft Japan will continue to support children's learning of the skills and knowledge they will need to pursue their future career or academic paths and unlock their potential.

Supporting teachers' ICT skills improvement and the introduction of a state-of-the-art learning environment that includes tablets and electronic textbooks

■ Microsoft Showcase Schools
Selecting 6 Japanese schools with advanced ICT integration in education

Microsoft recognizes schools that have demonstrated a strong vision for educational change and have applied their vision to promote everyday use of ICT in the classroom as Microsoft Showcase Schools. In FY2015, about 150 schools around the world will be named, including six from Japan. As there has been no Japanese presentation since the launch of this program, the inclusion in this year's selection is a tremendous testament to the steady results delivered by the efforts to promote ICT in Japanese school education. Continuing to implement their ICT-enabled programs and collaborating with each other, the selected schools are expected to share their activity results broadly to inspire other schools. The six Japanese schools selected will also be offering open classes.

Web

http://www.microsoft.com/ja-jp/education/showcase_schools/2015.aspx (in Japanese)

■ Microsoft Educator Network
Providing a forum for sharing information and learning together

Through the Microsoft Educator Network, a global community site that connects teachers around the world, Microsoft provides a forum for discussing and sharing experiences and ideas on using ICT in the classroom. In March 2014, the Microsoft in Education Global Forum, its global contest for teachers' projects for using ICT in the classroom, took place in Barcelona, Spain. The event was joined by more than 1,100 educators from 97 countries around the world, including four teachers from Japan, who made their presentations in their own booth. This global forum offers a valuable opportunity for educators to share experiences and expertise with their peers from around the globe.

Education

2 Supporting youth facing challenges
Supporting young people in overcoming learning or employment-related difficulties
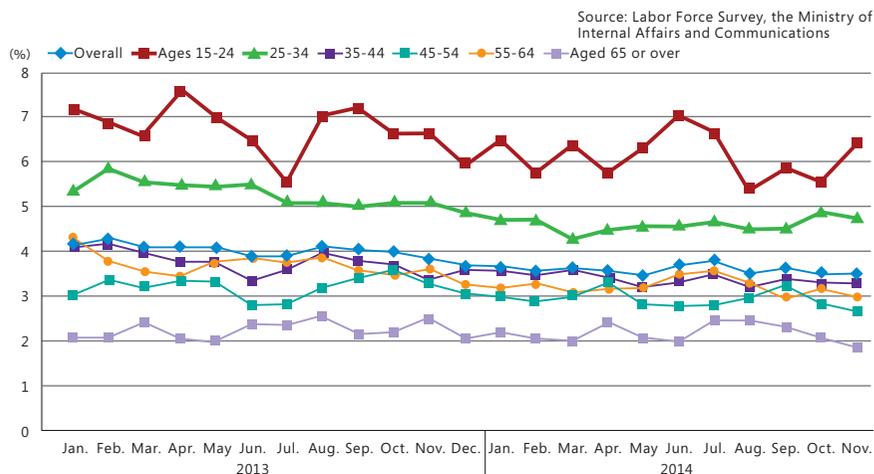
■ Wakamono UP Project
Helping a total of 23,000 young people to learn IT skills and seize employment opportunities

In Japan, the number of unemployed young people has been increasing, which is an emerging social problem. According to the latest Cabinet Office White Paper on Children and Young People (FY2014 edition), approximately 800,000 youth (aged from 15 to 39) are unemployed. Moreover, the unemployment rate of young people is higher than for other age groups, that is, overall unemployment in Japan has been hovering at around 4%, while the rate for young people aged 34 or younger has moved between 5 and 8%.

Through partnerships with NPOs dedicated to providing employment support for Japanese youth, Microsoft Japan has been helping young people facing social challenges either move to further education or to seek employment through the combined support of IT skills training and employment assistance since 2010. For example, the company helps its partner NPOs offer quality training courses by, among others, developing original textbooks for learning necessary IT skills required for work, offering training programs for NPO staff to improve their teaching skills, as well as program management support to develop an overall support eco system..

By the end of FY2014, more than 23,000 young people had taken job skills training under the Wakamono UP Project, which was launched in five locations in the Tokyo metropolitan district in 2010. Within six months after taking the training, approximately 46% of the participants had found employment or re-entered education system. Moving forward, the project will be further expanded to include programming training and internships at corporations in an expanded partnership among governments, NPOs, and businesses. Moving forward, the project will be further expanded to include programming training and internships at corporations in an expanded partnership among governments, NPOs, and businesses.

Source: Labor Force Survey, the Ministry of Internal Affairs and Communications

(%) ◆Overall ■Ages 15-24 ▲25-34 ■35-44 ■45-54 ●55-64 ■Aged 65 or over

Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. 2013
Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. 2014

Training under the Wakamono Up Project

■ Supporting Children with Learning Difficulties
Compensating for challenges by using technologies

Children with difficulties, including those who have difficulty reading, writing with a pencil, or commuting to school, may be able to compensate for their challenges by using personal computers, tablets, or other ICT tools. Since 1988, Microsoft have been working with partners to help every child expand their future possibilities with the use of ICT. The activities include the joint development of the OAK, which uses the Kinect sensor to support the physical activities of people with disabilities.

Using tablets to support people with developmental and learning disabilities

ICT can be helpful not only for people with physical disabilities but also for children with learning difficulties, such as those who tend to skip words when reading, confuse similar letters when writing, and have difficulty in concentration. Microsoft Japan, the Research Center for Advanced Science and Technology of the University of Tokyo, and other partners have been operating the DO-IT School project since 2013, which provides tablets and necessary software to teachers of courses or classes for students with special needs. After learning how to use the tablets and software, including how to make Word read textbooks and other learning materials aloud and how to help students answer questions on tests by using the character recognition function, the educators will take part in the experimental study conducted under the project planned to help students with learning difficulties compensate for their challenges with technology, have genuine learning experiences, and lead a fulfilling school life. While promoting the state-of-the-art technologies, the company will continue efforts in this area by leveraging its experience and knowledge accumulated to date.

3 **Developing highly skilled talent** Helping increase the overall international competitiveness of young people in Japan and supporting them in receiving education, starting a career, or a business

■ **Imagine Cup**

Global student technology competition with more than 1.65 million participants in aggregate

The wish of Microsoft founder Bill Gates to provide a place for students to share their innovative ideas and technologies led to the launch in 2003 of the Imagine Cup, the world's largest student technology competition. The event serves as a forum for young people of similar age to flex their IT skills in competition with one another and increase their international competitiveness. To date, more than 1.65 million students from over 190 countries have participated. In 2014, 16,892 students, or 7,491 projects, applied for entry into the competition and 34 teams advanced to the world finals in Seattle.

Japan's finals and the world finals of the Imagine Cup 2015, the 12th competition, will be held in April and July 2015, respectively.

At the Imagine Cup 2014 World Finals, 34 teams gathered in Seattle. Among the participants was a team named Kazokugurumi, from Toba National College of Maritime Technology. This winner of Japan's national qualifier demonstrated a remote communication system that uses a stuffed toy animal as its interface. The project by the Japanese team received a great response both from the judges and the audience.

■ **Microsoft Student Partners (MSP)**

Developing future leaders through the student partner program

The Microsoft Student Partners (MSP) is a worldwide student partner program. In Japan, it offers accepted students an opportunity to learn about state-of-the-art technologies under the guidance of mentors in the form of Microsoft Japan employees and to gain work experience in areas that normal internship programs would not offer, such as making presentations or conducting marketing activities. The program is designed to offer opportunities to experience business practices, learn about how to plan and implement effective operational processes, and obtain truly practical business skills sharpened through feedback. Each year, the MSP produces about 15 future technology leaders. Through such opportunity provision programs, Microsoft Japan will continue to help develop future business leaders.

■ **DreamSpark**

Offering professional developer tools to student for free

DreamSpark is a program designed to support students and educators in their learning and training for ICT skills as well as conducting research in related domains. To help students learn and study ICT skills such as programming and server construction, Microsoft Japan provides students of high schools and higher-level educational institutions with Visual Studio (reference price: 59,800 yen), Windows Server, and other Microsoft developer tools and servers that are used on IT frontlines around the world for free. Product-specific training programs are also available to provide young people with internationally competitive development skills. For educational institutions, DreamSpark also offers paid programs.

■ **Microsoft Research**

Supporting about 3,000 enthusiastic young researchers

Microsoft Research (MSR) is Microsoft's fundamental research institution operated in five locations: Redmond, New England, Cambridge, Beijing, and Bangalore. Through open collaboration with universities around the world, the five MSR arms contribute to advancing the state of the art of computer science, accelerating technological innovation and improving the educational environment. MSR also offers internship programs, having welcomed more than 3,000 interns, mainly PhD students. The program is well received among participants, as indicated by this comment from one former intern: "Research projects were conducted at a much faster pace than at my university. The environment that allowed me to easily engage in discussion with other researchers was very inspiring. Meeting and talking with lots of students and researchers from various other countries provided me with a stark reminder of my lack of knowledge in domains peripheral to my research." Microsoft Japan will continue to offer opportunities for young Japanese researchers to study state-of-the-art technologies through internship programs at MSR, thereby improving the level of fundamental research in the area of computer science and helping to develop globally competitive young people.

MSR has about 850 researchers spread across its five locations. Interns can conduct research alongside internationally recognized researchers. The photo is from MSR in Redmond.

Information Security

Building a safe and trustworthy Internet environment

Developing a safe and trustworthy online environment

As ICT is increasingly becoming an integral part of everyday life, the malicious use of ICT in the forms of cyberattacks or cybercrime is also increasing. In 2014, unauthorized fund transfers using online banking systems increased to the value of approximately 2.91 billion yen, a two-fold increase from the 2013 level. A significant number of information thefts by cyberattckers who steal confidential information and personal data are also being reported. To address the problem, the Japanese government has included cybersecurity among the key action items listed in its Declaration to be the World's Most Advanced IT Nation and a range of society-wide activities to prevent cyberattacks have been started.
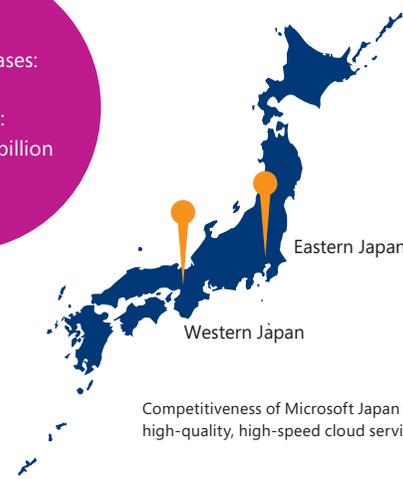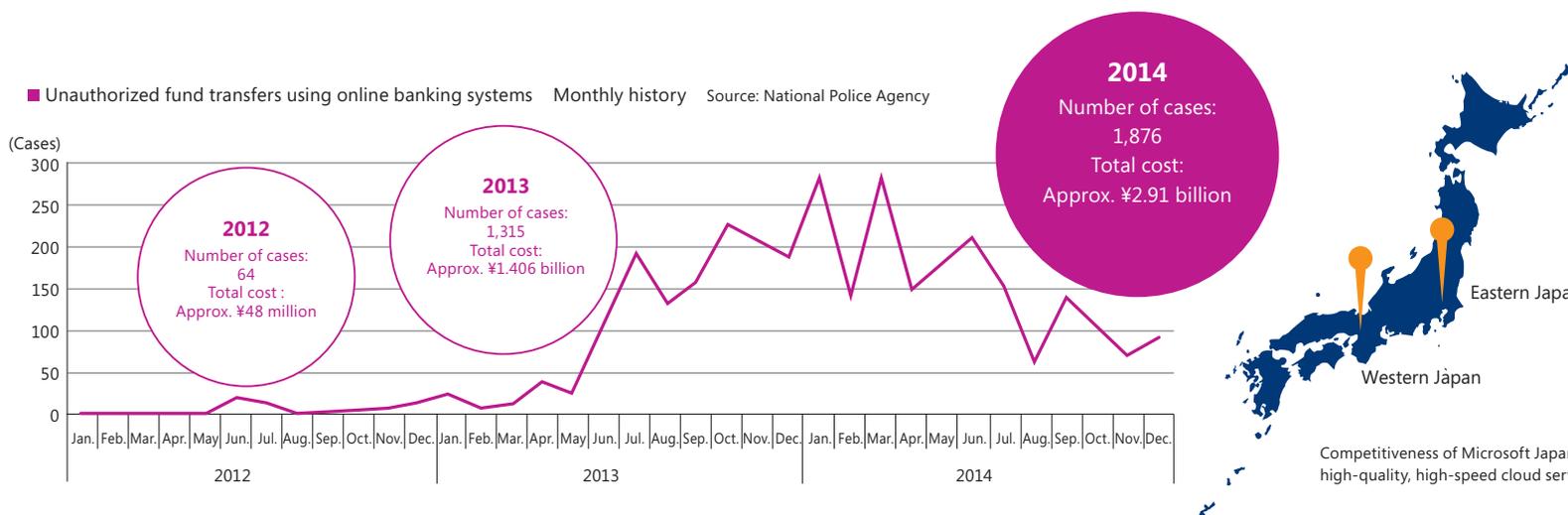
Microsoft has been at the leading edge of information security and cybersecurity. To create a "trustworthy computing" environment, where everyone can use computers safely and confidently, security always comes first in its product development. The company also went the extra mile in establishing a dedicated section that brings together a team of experts in technology, law, investigation, and other related fields who partner up with public investigation agencies to fight against cybercrime. Just as road traffic safety cannot be achieved by the efforts of automobile companies alone, a safe and trustworthy cyberspace cannot be created without the cooperation of various organizations. Microsoft Japan therefore works together with related organizations and businesses in Japan and abroad. At the same time, the company is focusing its efforts on raising public awareness on how to ensure online safety.

Creating a safe and trustworthy cyberspace is important to ensure ICT will achieve healthy growth and contribute to society. To this end, Microsoft will continue to make our multifaceted efforts.

Opening Data Centers in 2 locations in eastern and western Japan

Microsoft Japan opened data centers in eastern and western Japan in February 2014 to commence offering Microsoft Azure and Office 365 services. Microsoft has a long experience of managing data centers that stretches back more than two decades. With its network of data centers in various locations, Microsoft has delivered services to more than 1.0 billion customers in 90 countries. The recent launch of data centers has allowed Microsoft Japan to offer Microsoft's distinct clouds services based on its data centers to many customers who need to store data within Japan, such as financial services providers, medical institutions, and central and local governmental organizations. In addition, the establishment of centers in the two locations of eastern and western Japan has strengthened capability for responding to natural disasters and other contingencies with in-country resources. Expanding and improving data-center-based cloud services, Microsoft Japan will continue to help Japanese businesses expand their operations overseas and contribute to the customers' business expansion and corporate value improvement.

■ Unauthorized fund transfers using online banking systems   Monthly history   Source: National Police Agency

2014
Number of cases:
1,876
Total cost:
Approx. ¥2.91 billion

2013
Number of cases:
1,315
Total cost:
Approx. ¥1.406 billion

2012
Number of cases:
64
Total cost :
Approx. ¥48 million

(Cases)
300
250
200
150
100
50
0

Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. | Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. | Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec.

2012   2013   2014

Eastern Japan

Western Japan

February 2014   Opening of Microsoft Japan Data Center
Established in two regions (eastern and western Japan) to serve customers in Japan

Facilities with the country's highest earthquake resistance
Anticipation of future occurrence of a natural disaster is incorporated into their location selections, earthquake-proof structures, and off-grid power systems

Achieving the automatic recovery network
High reliability and availability achieved by software capabilities built over many years

Offering high redundancy within Japan
Data center operations in multiple locations of eastern and western Japan

Strong commitment to Japan
Expanding service offerings and pursuing the Japan Quality

Competitiveness of Microsoft Japan Data Center: the ability to offer safe, trustworthy, highly reliable, high-quality, high-speed cloud services

Entering into an agreement with the Tokyo Metropolitan Police Department regarding cooperation for cybersecurity in June 2014

To create and maintain a safe and trustworthy cyberspace in Japan, Microsoft Japan makes the most of its global expertise and experience in collaborating with domestic and international organizations and businesses. In June 2014, the company entered into a Security Cooperation Agreement with the Metropolitan Police Department (MPD) in Tokyo. In accordance with this agreement, Microsoft Japan will provide technical advice in our capacity as a private-sector company and provide technological training for MPD officers. The cooperation focuses on the following three areas:

1) Provision of technology information: Offering product security information in a timely fashion when a new security update program is released

2) Cooperation in the event of an emergency: In the event of a major cyberattack, collaborating with the MPD in assessing the situation and providing technical advice

3) Supporting cybersecurity capacity building: Offering technical support to MPD officers through providing training on our products and invitations to Microsoft's international conferences

In addition, Microsoft Japan will provide technical support regarding ICT-enabled investigation methodologies and other related fields.

Microsoft launched the Security Cooperation Agreement program for providing technical assistance to public security organizations, and to date it has entered into the Agreement with more than 50 entities. The agreement with the MPD was signed as part of this global initiative. By applying Microsoft's global experience to cybersecurity efforts by businesses and organizations in Japan, Microsoft Japan will contribute to further strengthening Japan's cybersecurity measures.

Leveraging the global network for cybersecurity

Cyberattacks are becoming increasingly diverse and destructive. When a major international event takes place, the host country often becomes the target of surging cyberattacks. Towards 2020, governmental agencies and businesses in Japan are also likely to face the growing threat of such attacks. Preventing and mitigating this threat is an urgent task for the country.

In response, Microsoft Japan launched the Cybercrime Center Japan Satellite at the Shinagawa Office in Tokyo in February 2015.

In partnership with the Cybercrime Center in the U.S. headquarter, the Japan Satellite will monitor and analyze data on the latest cyber threats relevant to Japan, and disclose the trend of cyberattacks targeting Japan through security related organizations. In addition to offering Microsoft's tools for combating cybercrimes online to and updating the latest technology information for online service providers as well as investigative agencies, the Japan Satellite will help accelerate public-private collaborations through disclosing the source code of Microsoft products and providing other technological supports and information. To promote a better understanding of cyber threats and preventive measures, Microsoft Japan is also planning to hold hands-on workshops on targeted threats.

Primarily through the Cybercrime Center Japan Satellite, Microsoft Japan will continue to work closely with the Microsoft Digital Crimes Unit, the U.S. team that consists of experts in fighting cybercrime, while also collaborate with and support Japanese governments, cybersecurity organizations, and partner companies around the world.

Yoshitaka Sato
Superintendent
Director of Cybercrime Control Division
Community Safety Bureau
Tokyo Metropolitan Police Department
(TMPD)

| **Collaborating with businesses to fight against increasingly sophisticated cybercrime**

The modus operandi of cybercriminals has become increasingly sophisticated and malicious. In addition to strengthening crackdowns by police authorities to address this threat, drawing upon accumulated technical knowledge and comprehensive perspectives of businesses is very useful in cybercrime investigations. Among potential partners, Microsoft was selected for its leadership position in the global operating system market and its excellent technological capabilities. As part of the partnership program, which has already been started, MPD investigators attended a training program taught by Microsoft personnel to gain an even better understanding on technological matters.

The risk of becoming a victim of cybercrime is increasing. In 2014, the total damages caused by unauthorized fund transfers via online banking and the number of cybercrime-related arrests both reached all-time highs. I hope the partnership with Microsoft, which allows our investigators to access relevant information and training as well as attend international conferences, will help improve the MPD's overall capabilities to address cybercrime and make the Internet a safer and more secure place.

Contribution to Local Society

Giving back to communities as a good corporate neighbor

■ **Workplace Tours and Work Experience Programs**

Employee contributions to local communities

At Microsoft Japan, employee volunteers offer workplace tours and a work experience program. Workplace tours, a 90-minute program for elementary school to university students, are available at the Shinagawa Office. Starting with an introduction of Microsoft the company and the work styles of its employees as well as hands-on experience using products suited to the computer skills levels of participants, each tour is designed in line with questions from participant students submitted via a pre-tour questionnaire. In FY2014, a program providing an opportunity to think about future careers and dreams welcomed 784 students from 67 schools, with 103 employee volunteers serving as instructors/tour leaders. The program has received fantastic feedback. In surveys conducted after each tour, the number of participants who responded that they were "very satisfied" with the program was consistently 98% or higher.

The other program, work experience,* is a program for second-year public junior high school students in Tokyo. Participants experience a day or two at the Shinagawa Office as if they were employees. Like workplace tours, specific activities are designed based on participants' computer skills level and requests, which may include the development of presentation materials using Office, an interview with a development team, and other hands-on work experience unique to the technology industry or a foreign-affiliated company. In this program too, employee volunteers directly interact with and support participants. In FY2014, four students from four junior high schools joined the program. Microsoft Japan will continue to provide an opportunity for the children who will become the future leaders of Japan to experience the joys of working.

* This work experience program is for junior high school students only because it is offered as part of the Tokyo Metropolitan Government's work experience project for junior high school students conducted since FY2005 called "Work-Work Week Tokyo." Microsoft Japan has agreed to participate in this project and accordingly offers a program about five times a year.

■ **Active Senior Program**

Supporting the active, fulfilling lives of senior citizens with ICT

Microsoft Japan operates the Active Senior Program, a program for helping senior citizens lead active and fulfilling lives by using ICT. Specific activities under the program include: support for nonprofit computer skills courses for seniors, collaboration with Sapporo City University and other partners in the E-Kurashi project for self-health management and isolation-prevention by using tablets and clouds, and participation in empirical research in Saga Prefecture, where social workers each have a tablet that they use to manage residents' information and activity records in a safe and efficient manner.
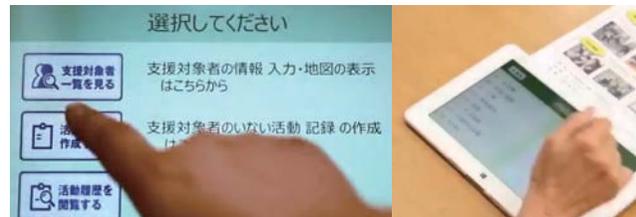
■ **Software Donation**

Providing 10,514 software licenses to nonprofits

To support nonprofit organizations, Microsoft Japan donates Windows and Office software, which are the most common applications used in the nonprofit sector, through TechSoup Japan (administered by the Japan NPO Center). From 2014 to February 2015, 10,514 licenses (worth 640 million yen at market value) were donated to 1,494 organizations. In October 2013, the company launched Office 365 for Nonprofits, a program that provides access to Office 365 for free or at a very low cost for the non-profits. Using Office 365 provides nonprofit employees with access to Office applications and email, calendar, and web conferencing tools which help them improve their work efficiency and productivity. By offering Microsoft's cloud technologies, Microsoft Japan helps nonprofits serving communities strengthen their overall support infrastructure.

■ **Employees' Support for Nonprofits**

Supporting 13 NPOs through pro bono projects

In response to its employees' growing interest in social activities and their growing wishes to become part of the solution to the challenges facing society, Microsoft Japan has launched a pro bono project. Under the project, which is coordinated by NPO Service Grant, employees use their business experience and expertise to help nonprofits fulfill their mission of solving societal challenges. Since January 2012, participating employees assemble teams for specific purposes and provide pro bono services during non-business hours.

Through corporate citizenship activities, Microsoft Japan has supported a wide range of causes, such as support for people with disabilities, active seniors, and victims of major natural disasters; support for medical fields and women's independence; and operational improvement to help NPOs operate more efficiently and effectively by using information technology. To encourage more employees to use their skills and join volunteer activities involving technology, the company also offers the Pro Bono Readiness Workshop and other short programs. By the end of 2014, 55 employees grouped into various teams by discipline had joined the pro bono project to support 13 NPOs. Having acquired a firsthand understanding of the significance of the project's activities, the employees actively hold internal opinion exchange meetings on how to provide ongoing support for nonprofits and propose their ideas for the project.

Microsoft Japan Corporate Citizenship Activities by the Numbers

Numerical highlights of Microsoft Japan's corporate citizenship activities to date

10
CityNext offers solutions in 10 key categories

90
1,000,000,000
Data center service served 1.0 billion customers in 90 countries over 20 years

7
Startup support program has been offered in 7 locations around the world

788
Shinagawa Office received 788 students for job experience and workplace tours (2014)

3,000
Microsoft Research accepted 3,000 interns

549,629
More than 540,000 customers visited the Shinagawa Office to observe new work styles

640,000,000
10,514 licenses worth 640 million yen were donated to 1,494 nonprofit organizations (2014-2/2015)

227,000,000
YouthSpark supported 227 million young people in 100-plus countries

23,000
46
46% of 23,000 participants in the Wakamono Up Project have gained desired opportunities (since 2010)

12
36
5
28
The Collaborative Program for Community Revitalization supported 12 local governments, 36 NPOs, 5 schools, and 28 others (2009-2014)

13
55
Through pro bono activities, 55 employees directly supported 13 NPOs

16,892
Imagine Cup 2014 received applications from 16,892 students for 7,491 projects

20,000
Innovation Centers annually support approx. 20,000 future entrepreneurs

32
3,000
3,000 people from 32 businesses and local governments joined Telework Week 2014

50
Technical assistance for cybersecurity offered to 50-plus public agencies

Corporate Citizenship Activities around the World

■ **CityNext—Barcelona**
Using Big Data for citizen services

Using Open Data to improve the everyday life of citizens and activities of businesses

Selected by the GSM Association (GSMA)* as the Mobile World Capital (the capital of the global mobile industry) till 2018, Barcelona expects to become one of the world's leading "smart cities." Microsoft is a close partner in this effort, helping the Barcelona City Council to implement many important initiatives designed to accelerate innovation, drive new services for citizens and visitors, and create and support new technology-based companies and entrepreneurs.

Such initiatives include the development of the Open Data BCN in partnership with Bismart, a local partner of Microsoft, aiming for better management of the public data that is collected by the city's municipal operations and recordkeeping practices. By using this system, everyone can access public data easily via the Internet. The adoption of Microsoft's cloud service and devices, which enjoy an established reputation for their scalability and security features, has allowed the city to efficiently manage data collected by municipal operations and recordkeeping practices, including on population, businesses, road maps, public facilities, the city calendar, and election results. It has also allowed citizens to analyze Big Data stored in clouds and utilize the results in their everyday life and business.

Analysis of Big Data for better municipal operations

Together with Bismart, the city also developed the bigov Better City Indicators, a dashboard that transforms 120 key city indicators previously accessible only at a corporate level into Open Data information. Such indicators, which are now open to public, include: public bicycle usage, passengers on each bus service route, the city's economic indicators, and population statistics. Through the Windows 8 app, citizens can access the dashboard to assess the city's level of development, use the assessment results as a benchmark for how attractive the city is to live or operate in, and develop new businesses.

Bismart also has abundant expertise in Big Data and is bringing that expertise to its work with the city of Barcelona. The local partner's excellence in Big Data analysis comes into play for the annual festival La Mercè, the most important event in the city's calendar. Capturing and analyzing all related data, such as the number of hits per day on the Barcelona website, which reaches its highest level around the festival, comments that participants post on social networks, pictures shared on the Internet, and positioning information generated by mobile phones, has enriched the government knowledge on everything that is happening around the city's main event of the year. The analysis is useful for decision-making on specific matters to optimize the festival experience for both visitors and citizens, including which locations' parking spaces, ATMs, restaurants, rental bike stations, and other facilities should be available as well as how many bus services should be operated along which routes.

Creating new opportunities through job creation and entrepreneur support

Barcelona's vision was not only to improve the efficiency of citizen services but also to build a more personalized relationship with citizens. To this end, the city has introduced Microsoft Dynamics CRM to record the history of interactions between citizens and government, including via social media. In addition to having new channels through which they can interact with city government, citizens have a choice of methods for accessing those channels: mobile phones, tablets, and PCs.

Meanwhile, the city also aims to support entrepreneurs via the Microsoft BizSpark program, creating startups, enabling collaboration on proofs of concept, and developing new products and common standards. Xavier Trias, the mayor of Barcelona, says, "This is a very important initiative enabling Barcelona to consolidate its position as a city of culture, knowledge, creativity, innovation, and quality of life. A city that focuses on helping businesses and entrepreneurs, opening new opportunities for future job creation."

Going forward, Microsoft will continue to help build the cities of the future in partnership with local governments.

* GSMA is an industry association consisting of mobile operators that adopt the Global System for Mobile Communications (GSM) standards and related businesses.

■ **Skype in the Classroom**
Cultural exchange activities in the classroom via Skype

Skype in the Classroom is Microsoft's free global educational community for teachers. Using the video call function of Skype, students can interact with other classes via the Internet. The online community has been joined by more than 20,000 teachers around the world and more than 2,000 ideas on how to use Skype in the Classroom are posted on the site. Once signing up from the designated website, anybody can search class ideas by subject and student age, find an international partner teacher with whom to conduct collaborative classes or projects, find a partner class for cultural exchange, or search for and invite a guest speaker to address a class.

Mystery Skype is one of the Skype in the Classroom programs. An educational game, it is played by two classrooms in different countries via Skype. The aim of the game is to guess the location of the other classroom by asking each other questions in English. The activity naturally generates international cultural exchange among students, who also engage in learning on various subjects such as geography, history, languages, mathematics, and science. Games sometimes evolve into a joint science research project or international book club.

Web

https://education.skype.com/

■ **Microsoft Digital Crimes Unit (DCU)**
Battle to eradicate cybercrime

The cybersecurity threat is becoming more and more serious these days. Cybercriminals increasingly come up with more sophisticated and complicated schemes to steal data from target companies more efficiently by focusing on data with greater financial value. The costs associated with cyberattacks can be huge — often causing more than the temporary loss of competitive advantage of enterprise victims. If customer data is stolen or leaked and that incident is publicly revealed, the negative implications on victimized companies can even be more critical.

For that reason, Microsoft has set up Digital Crimes Unit (DCU) that comprises specialists assigned to combating cybercrimes in their individual capacities in various fields, ranging from prosecutors, lawyers, investigators to forensic analysts with extensive big data analysis skills. To fight against cybercrimes day and night, the team deploys in 30 countries a total of 90 experts, including 35 based in Redmond, the location of the Cybercrime Center, in which the DCU is based. Such breadth and depth of technologies and capabilities cannot be found in any other private-sector organization.

That said, it is extremely difficult for a single organization to tackle cyber threats alone. The DCU therefore collaborates with national and international law enforcement, the Computer Emergency Response Team (CERT), and corporate customers in combating cybercrime. In July 2013, the DCU teamed up with financial institutions, security service companies, and the FBI to successfully shut down 1,462 botnets, or computer networks taken over by malicious software. These botnets used dangerous malware called Citadel to steal information such as online bank accounts and personal data from five million people in more than 90 countries, with the estimated damages totaling 500 million dollars.

In the fall 2013, Microsoft opened the Cybercrime Center in the US, followed by the launch of the Cybercrime Center Japan Satellite in February 2015 (see. p.19). The DCU is accelerating efforts to eradicate cybercrimes, such as taking legal and technical actions to eliminate globally expanding dangerous botnets. The DCU will continue its fight against hackers in order to protect business customers from cybercrime and will make the insights and experience gained from these activities available to be incorporated into the development of reliable products and services.

Other Resources

For more information about Microsoft Japan's corporate citizenship activities and the latest updates, visit the following website and Facebook page.

Microsoft Japan Citizenship Website

http://www.microsoft.com/ja-jp/citizenship/default.aspx

This site describes Microsoft Japan's unique corporate citizenship activities conducted by making the most of the power of technology and teaming up with various partners, as well as provides the latest updates and related news.

Microsoft Japan Facebook

https://www.facebook.com/microsoftjp

On its official Facebook page, Microsoft Japan communicates its latest news, including details not only of corporate citizenship activities but also internal news, upcoming events, new product introductions, and information about careers.

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