

## Third-Party Opinion



## Third-Party Opinion on SEGA SAMMY Group CSR Report 2009

### Hiroshi Ishida Profile

Since leaving the Industrial Bank of Japan, Mr. Ishida has served as the Executive Director of the Caux Round Table-Japan and as an Associate Professor at the Graduate School of Kwansai Gakuen University. He has been actively involved in efforts to disseminate and implant CSR among Japanese and overseas companies.

I believe one of the factor in the current economic crisis is that companies focused excessively on short-term profits to the extent that they neglected their visions. Learning from such mistakes, I believe that corporate managements should bear the following three points in mind:

- Maintain solid management philosophies as corporate citizens
- Draw on those philosophies to pursue sustainable business growth
- Make decisions flexibly in response to social demands

I also believe that CSR pursuits should separate management and communication. So, I will express my views on this report from the perspectives of management and communication while subdividing communication into internal and external efforts.

### 1. CSR Activities from a Management Perspective

The Management Message clearly shows the desire to undertake CSR activities that reflect the nature of the SEGA SAMMY Group as a comprehensive entertainment provider. I laud the Group for focusing on making its

people more sensitive and socially adept and accurately understanding social needs and issues by engaging with stakeholders.

On the other hand, the Group has yet to deliver concrete results from its CSR efforts although it has nearly completed efforts to position and create CSR concepts through its Group Management Philosophy, CSR Charter, and Code of Conduct while setting up organizations and frameworks to promote CSR.

I would like the Company to establish specific goals based on the management philosophy and have each department proactively work to achieve the objectives.

### 2. CSR Communications

#### 1) Internal Communications

In his Management Message, Hajime Satomi notes that cultivating social commitment among employees is a key objective. But I frankly get the impression from the report that specific techniques and results will be hard to achieve. The report does present specifics on social contributions, notably SEGA-no-Mori and Sammy opening its showroom to welfare facilities. The Company deserves praise for ongoing efforts in those regards. But it should go

beyond business-related efforts to cultivate a stronger sense of social responsibility among employees.

#### 2) External Communications

The report clearly presents the results of engaging with specific stakeholder classes, notably customers, business partners, shareholder and investors, and communities to build trust. But it is crucial in today's climate for companies to understand and act on the demands of diverse stakeholders in society who may not have a direct relationship with its business.

It is important to understand what is critical for both society and the Company ought to be able to take specific action as a leader in the entertainment industry, thereby increasing society's understanding and trust while ultimately bolstering its industry standing.

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## Conclusion

We appreciate your taking the time to read our third CSR Report. After publishing the previous version, we conducted a survey to identify ways in which we could improve our efforts. We broadly received praise for social contributions and other specific endeavors relating to our CSR policies and actions. A contrary view was that a framework to realize our integrated policies and raising employee awareness of the issues need to be more specific. There were many valuable opinions on the overall structure of the report, as well as the text and layout. In light of the feedback, we have tried to create a simpler report, establishing an editorial policy

that aimed to enhance understanding among staffs and other readers. The editorial process aimed to make the report more readable, for the people involved in its production it was a good opportunity to reconfirm the Company's strengths and weaknesses and identifying what CSR efforts the Group can undertake. CSR is about more than social contribution activities, but in this report we aimed to present the ongoing efforts of several Group companies. By undertaking CSR efforts in keeping with their corporate culture and businesses, these companies seek to continue engaging with employees and communities and plant and build on a groupwide CSR ethos.

Our CSR activities are still in their early stages, as the Group has only operated since 2004. Still, we will keep close tabs on what society demands and aim to raise CSR awareness among employees. We will do what is possible and ensure that our efforts are ongoing in our Group CSR endeavors. I look forward to your continued understanding and encouragement for our efforts.

### Tetsushi Ikeda

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