

C O R P O R A T E P R O F I L E 2 0 2 1



Otsuka Corporation



Mission Statement

Mission

OTSUKA CORPORATION serves a wide range of companies, providing comprehensive support for their business activities by presenting, within a concrete framework, new business opportunities and management improvement strategies brought about by innovations in information and telecommunication technology. By so doing, we continue to facilitate the growth of our client companies and contribute to the development of our country and the creation of a spiritually enriching society.

Goals

- To become a corporate group that is recognized and trusted as a valuable corporate citizen.
- To encourage employee growth and self-realization through the attainment of personal goals and professional achievement.
- To demonstrate harmonious coexistence and growth with nature and society.
- To create business models that consistently keep pace with the changing times.

Principles

- Always thinking from the customer's perspective and acting through harmonious team work.
- Maintaining the spirit of challenge inherited from our predecessors, exercising our own critical judgment, and acting on our own initiative.
- Fully complying with all prevailing laws and regulations, and maintaining high ethical standards.

Otsuka Corporation

Energize Your Office with IT

Since its foundation in 1961, OTSUKA CORPORATION has guided companies in their computerization efforts while improving productivity and reducing costs through information technologies. We provide one-stop solutions and one-stop support by combining a diverse array of IT equipment to meet the office requirements of our customers.

The Mission Statement of the OTSUKA CORPORATION Group represents an internal and external declaration of the social role, responsibility and raison d'être that constitute our mission, the goals we aspire to achieve and the principles we adhere to in our daily activities. In accordance with the Mission Statement, we propose optimal integrated systems and comprehensive solutions to energize your office with IT, while always adopting the customer's perspective in response to the trust placed in us. We also seek to be a progressive enterprise that is integral to the creation of a spiritually affluent society by actively embracing harmony with society and nature as a top management priority.

Maintaining close customer relationships and living up to their expectations are the keys for growing with our customers and the context for one of our major corporate goals: constantly transforming the OTSUKA CORPORATION Group in order to earn public recognition and respect as an enterprise based on the principle "The Customer First." This has been our corporate stance from the very beginning and expresses the same spirit of challenge as a proud corporate tradition.

Throughout these commitments and initiatives, we are grateful for the strength, vision and encouragement of our customers.

Yuji Otsuka

President & Chief Executive Officer

History

- 1961** Start of business in Akihabara and registration as a joint-stock company
- 1965** Opening of the Osaka Branch
- 1968** Completion of a head office building in Suidobashi
- 1978** Start of the COF (Copier, Office computer and Facsimile) strategy / Launch of the first Business System Fair (now the Practical Solutions Fair)
- 1979** Sales launch of SMILE, a proprietary packaged business software
- 1981** Commencement of the PC business (start of the new COF strategy)
- 1982** Commencement of the education business
- 1984** Establishment of OTSUKA System Engineering (now OSK Co., Ltd.) / Commencement of the CAD business
- 1985** Commencement of the hotel business
- 1987** Commencement of the network business
- 1989** Completion of the Ichikawa Distribution Center (now the Ichikawa Building)
- 1990** Commencement of the Total α Service (now the “tayoreru” maintenance service) membership-based support service / Establishment of Networld Corporation
- 1996** Establishment of Alpha Techno Co., Ltd.
- 1997** Opening of the Tokyo CTO Center
- 1998** Opening of the Alpha Plaza training facility / Commencement of the security business (now OSM)
- 1999** Commencement of “tanomail” / Commencement of “α-mail” / Commencement of ODS
- 2000** Listing on the First Section of the Tokyo Stock Exchange / Opening of the Data Center / Attainment of ISO 14001 certification
- 2001** Appointment of a new president / Reinforcement of the BtoB supplier support business
- 2002** Establishment of the Social Contribution Committee / Establishment of the Mission Statement / JIIT Overall IT Award
- 2003** Completion of a new head office building in Iidabashi and relocation of the Head Office / “tayoreru” Contact Center first in Japan to acquire HDI Support Center Certification from the U.S. Help Desk Institute
- 2004** Commencement of “Personal tanomail”
- 2005** Attainment of Privacy Mark certification from JIPDEC / Commencement of the private brand TANOSEE
- 2006** Establishment of the ODT Center / Establishment of Otsuka Information System Corporation in Shanghai, China / Concentration of service and support businesses under the twin brands “tanomail” and “tayoreru”
- 2007** Centralized management of the SMILE series brand by OSK
- 2008** Business and capital alliance with Lion Office Products Corporation / Commencement of LED lighting operations
- 2011** Acquisition of the Tokyo metropolitan government’s Top-Level Office certification by the head office building / Completion of the Yokohama building
- 2012** Japan Investor Relations Association’s IR Special Award
- 2013** Donation of LED lighting and Smart Plugs to the University of Tokyo for its I-REF Building
- 2014** Commendation from the IPv6 Promotion Council
- 2015** Merger of OSK Co., Ltd. and Alpha System Co., Ltd.
- 2020** Establishment of the DX Promotion Committee to reinforce the internal structure



Corporate Outline

Company Name	OTSUKA CORPORATION https://www.otsuka-shokai.co.jp/
Capital Stock	10,374 million yen
Net Sales	Consolidated: 836,323 million yen Non-consolidated: 750,492 million yen (FY2020 actual)
Number of Employees	Consolidated: 9,119 Non-consolidated: 7,429 (As of December 31, 2020)
Establishment	July 17, 1961 (Registered as joint-stock company on December 13, 1961)
Head Office Location	2-18-4 Iidabashi, Chiyoda-ku, Tokyo 102-8573
Business	<ul style="list-style-type: none"> • System Integration Business: Sales of computers, copiers, communication equipment and software, consigned software development and other activities • Service & Support Business: Supplies, maintenance, educational support and other activities

Board of Directors and Corporate Auditors

President & Chief Executive Officer	Yuji Otsuka
Directors	Kazuyuki Katakura, Toshiyasu Takahashi, Hironobu Tsurumi, Hironobu Saito, Katsuhiro Yano, Minoru Sakurai, Jiro Makino, Tetsuo Saito, Makiko Hamabe
Standing Audit & Supervisory Board Member	Tatsumi Murata
Audit & Supervisory Board Members	Kazuhiko Nakai, Etsuo Hada, Katsumasa Minagawa

Major Operational Sites and Consolidated Subsidiaries

Business Divisions	LA Division, BP Division, tanomail Division, Hotel Division
Local Area Sales Departments	Chuo Sales Dept. 1, Chuo Sales Dept. 2, Kanagawa Sales Dept., Josai Sales Dept., Tama Sales Dept., Johoku Sales Dept., Northern Kanto Sales Dept., Keiyo Sales Dept., Osaka Northern Sales Dept., Osaka Southern Sales Dept.
Regional Offices	Sapporo Branch, Sendai Branch, Utsunomiya Branch, Takasaki Branch, Tsukuba Branch, Chubu Branch, Kyoto Branch, Kobe Branch, Hiroshima Branch, Kyushu Branch
Consolidated Subsidiaries	OSK Co., Ltd., Networld Corporation, Alpha Techno Co., Ltd., Alpha Net Co., Ltd.

DX and document solutions for customers to raise productivity and reduce costs

Closely monitoring information technology (IT) trends makes it possible for us to consistently identify potential advantages for the business sites of our customers. Our accumulated expertise has been developed into solutions that fully leverage cutting-edge IT to increase the quality of our customers' management systems and improve local communities. Moreover, we are proactively engaged in environmental protection as part of our contribution to society.

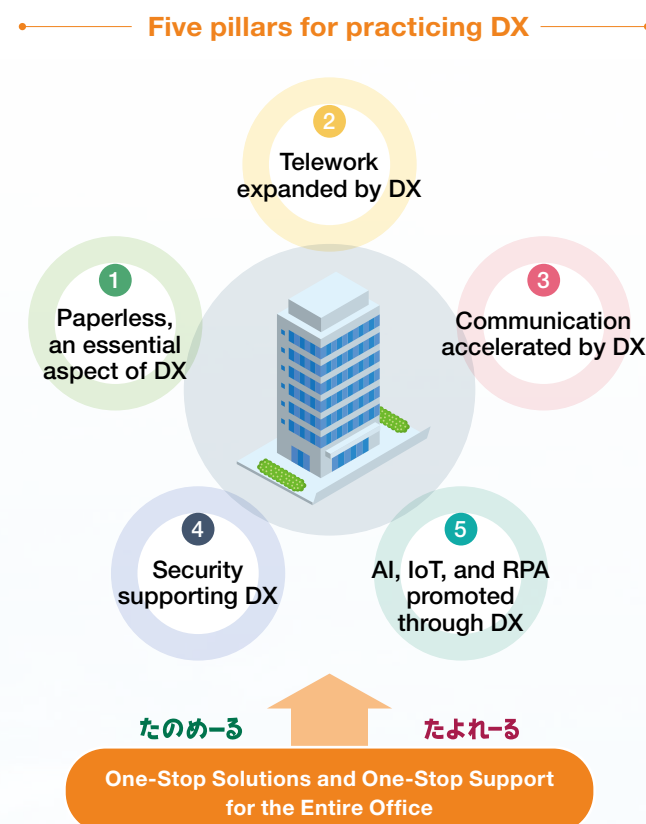
System Integration

Starting with **digitization** to raise the efficiency of the entire office

COVID-19 prevention measures have become a normal part of daily life, significantly accelerating the shift to new work styles on a touch-free and non-face-to-face basis through web conferencing and telework. At the same time, companies are placing higher priority on improving productivity by applying IT and promoting the digital transformation of their businesses (DX), including digitizing contracts and meeting the requirements of the Law Concerning Preservation of National Tax Records in Electronic Form.

OTSUKA CORPORATION helps companies effectively deploy IT through proposals that integrate hardware, software, communication lines, network, and security solutions. We also support corporate DX efforts by drawing on the latest advances in AI, IoT, and RPA.

We listen carefully to requests and issues related to office IT and work closely with customers to provide total solutions for the entire office that combine IT solutions with the related support to meet their needs in the best possible way.



1	Paperless, an essential aspect of DX	Digitization of personal seals and contracts Realize efficient operations by solving problems associated with storing and managing paper-based materials and documents.	Transition to paperless operations Facilitate searches by digitizing business forms while also complying with the Law Concerning Preservation of National Tax Records in Electronic Form.	Data security management Prevent information leakage with security settings that manage permissions for browsing, printing, and editing data.
2	Telework expanded by DX	Enabling remote work Provide access to corporate systems outside the office as necessary.	Data sharing Enable file sharing inside and outside the office without additional administrative burden by using cloud storage.	Visualizing operations Realize flexible work styles by monitoring employee service records through PC-based log management.
3	Communication accelerated by DX	Improving networks Improve communication speeds by reviewing network access mitigating congestion.	Updating phone system Set up virtual extensions that enable employees to make and respond to business calls with smartphones at home or out in the field.	Using web conferencing Use web conferencing in addition to teleconferencing to significantly reduce travel time and costs for holding meetings in diverse formats.
4	Security supporting DX	Preventing cyberattacks Protect corporate networks based on the in depth defense involving gateways and backup measures.	Information assets Implement measures to protect information assets from leakage to promote DX.	Telework environments Provide the same access as an office environment based on client certificates, network access control, and other means.
5	AI, IoT, and RPA promoted through DX	AI and IoT for raising operational efficiency Raise operational efficiency with the latest IT solutions, including AI chatbots and AI translation.	Automating work through RPA Automate manual work by applying cognitive technologies such as machine learning and artificial intelligence.	Shift to cloud PCs and servers Efficiently implement management and monitoring of PCs and servers without commuting to the office.

Social Contribution

Environmental protection (Our 60th anniversary projects)



As we approach our 60th anniversary, we engage in social contribution and environmental protection activities under the theme "Working in step with customers for 60 years," such as ongoing tree planting projects overseas and supporting activities for protecting the environment using the Heartful Fund.

"TANO-kun Forest" Overseas Reforestation Activities

We began planting Tasmanian blue gum trees used as raw material for paper across 500 hectares of land in Macapa, Amapa State, Brazil, in 2011. Each year, we fell 50 hectares of trees to sell the product under the "α Eco Paper" brand.



December 2011: Immediately after planting



January 2016



September 2017: Began felling trees



Began sales of "α Eco Paper" in October 2018

Heartful Fund Supporting Environmental Protection

The Heartful Fund is a gift program in which the company matches the voluntary donations of Group employees of 100 yen each month. We use the fund to support environmental organizations in Japan selected through open application.



By adopting the customer's perspective, we can propose and deliver optimal solutions for diverse office needs.

An office is like a living organism in that it faces new challenges every day. OTSUKA CORPORATION serves a wide diversity of corporate customers engaged in a variety of business areas, from major enterprises to small and medium-sized firms. We provide customized solutions for the divisions of different types of companies and are driven by the desire to quickly share the wealth of experience we have gained from a long and proven track record. With the view that no problem is too small, we are capable of helping nearby divisions or remote offices in countless ways.




The right solution for any customer need lies in our comprehensive **System Integration** and **Service & Support** offerings.


Since our founding, we have produced one solution after another to address customer needs by harnessing the full value of current IT, free from the constraints of conventional business domains. We have consistently adopted the customer's perspective to develop these solutions, and our System Integration and Service & Support businesses represent the culmination of these efforts. Moreover, with the ongoing advances in IT and the changing demands of customers, both businesses are constantly evolving. In our hands we hold the solutions that customers seek.

System Integration


We create information systems that enable the customer to enhance productivity and reduce costs through an optimal combination of network infrastructure, servers, PCs, mobile devices, multifunction machines and software developed by different companies.

System Integration


 **Consulting (analysis of tasks, operations)**

 **Software and Systems (planning, design, development)**


- ▶ ERP and information systems applications, integrated DX package
- ▶ Document management, data utilization
- ▶ CAD / construction, manufacturing
- ▶ Cloud (ASP) / office software
- ▶ Creative / graphics software
- ▶ IT asset management

 **Telecommunication Network (communication lines and infrastructure)**

- ▶ Providers, mobile devices, line service
- ▶ Network equipment, PBX business phones, web conferencing, video conferencing

 **Security (information leakage, BCP)**

- ▶ Antivirus, email security, procedural measures ▶ Data backup
- ▶ Contingency planning

 **Hardware (introduction and installation)**

- ▶ Multifunction machines, copiers, printers ▶ LED lightning, BEMS
- ▶ PCs, peripherals ▶ Smart devices
- ▶ Servers, storage

Service & Support

We provide services that support businesses in every aspect and situation, including mail order office supply sales, support and trouble-shooting during system construction, operational management and information system analysis.

tanomail


 **Corporate Mail Order Shopping Service for Office Supplies**

 **Mail Order Shopping Service for Nursing Care Products**

 **Personal Mail Order Shopping Service**

tayoreru

 **Hardware and Software Maintenance**

- ▶ Monitoring service ▶ Data recovery
- ▶ Onsite support

 **Telephone Support**

- ▶ Remote support
- ▶ Contact point for repairs

 **Online Support**

- ▶ FAQ ▶ Repair request

 **Support for Business Operations**

- ▶ Operational support, educational support, back office support

 **Outsourcing**

- ▶ Web service ▶ ASP service

MULTI-VENDOR

MULTI-FIELD

Creating information systems by tackling business challenges at the side of our customers

Businesses need to establish systems for visualizing the current status of management and customer businesses while remaining flexible and responsive to the changing external environment. The scope of system integration is expanding to encompass collaboration between existing IT and AI functions as well as the hybrid operation of cloud services. We provide a one-stop solution that consistently supports and strengthens corporate growth and the success of customer businesses.

- Multi-vendor, multi-field response

■ Single contact point for multiple solutions

■ Comprehensive solutions from the customer's perspective



■ Consulting

After a solid review of the customer's business, we support each field with reasonable system operations that deliver material results.

- Consulting on internal controls

• BEMS (Building Energy Management System)

• Management support services

■ Security

We provide airtight protection against invisible threats and create a secure office environment in which customers can do their work safely.

- Protection against unauthorized access

• Protection against computer viruses

• Data backup

• Prevention of information leakage

• BCP (Business Continuity Plan)

• Data erasure

■ Network

We fully upgrade customer business communications by reviewing network environments, including phones, and provide optimal services to create an integrated IP environment.

- VPN service

• IP communication service

• Mobile solutions

■ Cutting-Edge Solution Service

We help companies promote DX using cutting-edge technologies including AI, IoT, and RPA.

- AI Chatbot, translation and speech analysis, OCR, image recognition and analysis, robotics

• IoT Remote work support solutions and sensor devices

■ Software and Systems

We draw on our abundant experience to develop and deliver systems and groupware for businesses and operations.

- Integrated DX package

• CAD

• Document systems and document management

• ERP

• Electronic contracts and paperless processes

■ Hardware

We respond to customer needs with a multi-vendor approach that is not dependent on products offered by any one specific maker, together with a multi-field approach that encompasses the entire spectrum of IT equipment.

- Servers

• PCs

• Multifunction machines, printers

• Network equipment

• Peripheral equipment

• Smart devices

■ LED Lighting

We offer an extensive range of effective LED lighting options for reducing electricity use in offices, warehouses, factories and shops.

- Incandescent and halogen lamp type

• Fluorescent light type

• Mercury lamp type

• Explosion proof lighting

• Floodlights

• Exterior wall lighting and street lighting

Optimal solutions for every line of business

<div> <div>⚙️</div> <div>Manufacturing</div> </div>	<div> <div>🖨️</div> <div>Publishing / Printing</div> </div>	<div> <div>🏗️</div> <div>Construction</div> </div>
<div> <div>👕</div> <div>Apparel / Jewelry</div> </div>	<div> <div>🍽️</div> <div>Food products</div> </div>	<div> <div>🏪</div> <div>Retailing / Merchandising</div> </div>
<div> <div>🏭</div> <div>Raw materials</div> </div>	<div> <div>👥</div> <div>Service</div> </div>	<div> <div>🚚</div> <div>Distribution</div> </div>
<div> <div>🏢</div> <div>Public institutions / Industry associations</div> </div>	<div> <div>🏛️</div> <div>Local government / Extra-governmental organizations / Schools</div> </div>	<div> <div>🏥</div> <div>Medical, welfare and nursing care institutions</div> </div>



“tanomail” reliably meets all of your office needs and offers very quick delivery.

A broad range of products from office supplies and everyday items to nursing care products are available through the “tanomail” mail order service. We provide quick solutions to meet the needs of every customer, both corporate and individual.

■ Reduced customer procurement costs

■ Fast transport network expedites the “tanomail” service



■ tanomail

Mail order service for office supplies



This mail order service for corporate customers delivers office goods and services. In addition to stationery, PCs, tools, daily items and office equipment supplies, it offers environmentally friendly products and TANOSEE private brand goods.



As of April 2021

■ Personal tanomail

Mail order service for individual customers



Through this service, customers can use the many products offered by “tanomail” at home or at work. In addition to household goods, stationery and office supplies, we support the everyday needs of customers with food products and daily necessities.

■ Care tanomail

Mail order service for nursing care products



“Care tanomail” provides nursing care products under the concept of “offering backup for everyone involved in nursing.” We offer a reliable lineup of products to both individual and corporate customers while maintaining the same high quality we have been providing with “tanomail.”



■ MA tanomail

Procurement support service

This service uses the “tanomail” service to facilitate corporate purchasing, including division-by-division order management and approval functions. Purchasing parameters can be set according to the purchasing rule of the company. Also, we provide support from the initial stage of constructing the service environment.

■ tanomail Solutions and Products

IT solution sales service for corporate customers

Our optimal telework services for the new normal include web conferencing tools, communication equipment, and online storage, which customers can order from the website.

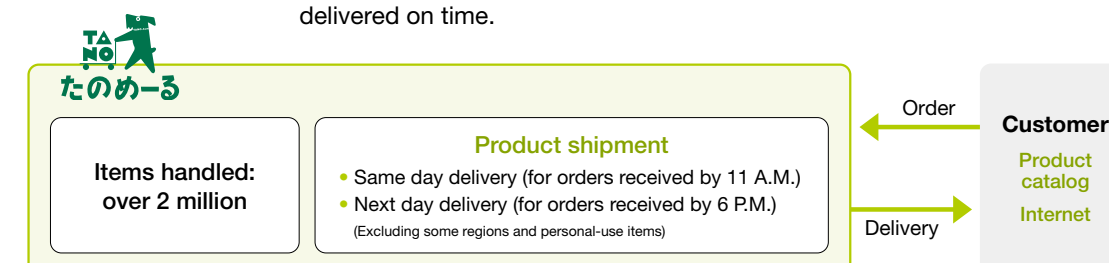
■ Logistics

Our logistics and distribution centers have been strategically located in the eastern and western regions of the country. We have carefully designed our transportation network to respond quickly and maintain an optimal level of inventory to ensure customer needs are met.



What is “tanomail”?

“tanomail” is a service through which we deliver office supplies, PCs and peripheral products in a timely manner to corporate customers as well as stationery, daily supplies and other necessities to individual customers. The several services we offer cater to each customer, and required items are delivered on time.



We provide one-stop support for information system operations and management as well as corporate activities in general with hardware and software maintenance, managed network services and outsourcing services.

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- A collage of seven images illustrating various IT and business scenarios: a female call center agent, a male agent at a computer, a man in a suit using a smartphone, a man working on server hardware, a large server room with multiple workstations, and a woman presenting to a group in a meeting room.

“tayoreru” is a collective term for the service and support offerings that comprehensively support and utilize IT in a company’s various operations, including general affairs, human resources, accounting, and information systems.



BSI
iSMS-AC
iSMS

Social Contribution

Environmental Protection and Social Contribution Activities

Coexisting and co-prospering in harmony with nature and society, we do what we can do, one step at a time.

Through our business, we address social problems while offering improvements in the communities around our operations. Although the actions we take might seem small on their own, we will continue doing our best with the belief that consistent effort will bring us closer to coexisting and growing in harmony with nature and society.

■ Solid results from our efforts to protect the environment

■ Stronger relationships with local communities and society as a whole, formed by regularly engaging in social contribution activities



■ Environmental Protection Activities

Environmental Management System

We have obtained ISO 14001 certification for environmental protection at 25 major sites throughout Japan, and we are pursuing activities to protect the environment through our environmental management system. We are also striving to reduce our CO₂ emissions company-wide in accordance with the OTSUKA Eco-Action Plan, which sets out our mid- to long-term goals.

Environmental Consideration at Our Business Sites

LED lighting has been adopted across our business sites, from the head office, business branches, and distribution centers to our Group hotel and billboard. As of December 31, 2020, approximately 73,000 LED light bulbs have been installed, equivalent to a reduction of about 2,300 tons of CO₂ per year.

Otsuka Recycling Centers

We operate recycling centers in Tokyo and Osaka to effectively use resources under the 3R concept of Reduce, Reuse and Recycle, as well as to ensure legal compliance. We have achieved near-zero emissions as a result of sorting used equipment from our operations and trade-in devices collected from customers.

Lake Papyrus 20

Reeds naturally purify water as they grow. In collaboration with other companies we have developed Lake Papyrus 20, of which 20% is old reeds from Lake Biwa and the Yodo River. We use this paper for name cards and envelopes and encourage our customers to use it as well.

Oyama Senmaida Rice Terrace Preservation

Terraced rice paddies are increasingly being abandoned because they are hard to manage. We are helping to preserve the Oyama Senmaida rice terrace in Kamogawa, Chiba Prefecture by encouraging employees to become owners of the land and cultivate and harvest rice.

Introduction of Hybrid Vehicles (HVs) and Electric Vehicles (EVs)

Whereas until recently we had been promoting the use of light vehicles in our fleet to raise fuel efficiency, in 2014 we started conducting trials with HVs and then, in 2019, launched a full-scale replacement with these vehicles. We also conduct trials with EVs in some offices.

■ Social Contribution Activities

Donation and Support Program for Reuse of PCs

We support the authorized NPO e-Parts by donating PCs that have been used in our offices and refurbished. e-Parts then gives them to other NPOs nationwide to encourage their use of information technology.

"Gift from TANO-kun"

This program contributes to society through donations of "tanomail" office supply products to non-profit and other organizations. We donate a wide range of products to match each group's specific needs.



"Heartful Fund"

Through this program, employees voluntarily donate 100 yen each month and the company matches these contributions. The fund is used to support disaster victims and organizations conducting activities that serve the public interest.

"Happy Points" Donation Program

We give customers "Happy Points" according to the amount of their purchases through the "tanomail" mail order service. Customers can choose to donate their points to Guide Dog & Service Dog & Hearing Dog Association of Japan or another organization, and the program allows for them to easily participate in social contribution activities.

Food Bank Donations

We give food banks food items that are handled by our "tanomail" service and close to their best-before dates.

Raising Awareness for Removing Conceptual Barriers with Kei-kun, the Guide Dog

We promote the removal of conceptual barriers toward the creation of an inclusive society. In 2020, we appointed the guide dog Kei-kun as a special employee "Ambassador for Removing Conceptual Barriers," and we have been conducting awareness education by organizing demonstrations and seminars for employees.

Clean-up Activities

Our major offices nationwide regularly participate in clean-up initiatives. Employees from our head office, for example, have been cleaning up the area around the building every month in collaboration with neighboring companies and to promote the spirit of community involvement.



Blood Donations

As a corporate supporter of the Japanese Red Cross Society, we regularly organize employee blood drives, primarily at the head office.

Otsuka Corporation

<https://www.otsuka-shokai.co.jp/english/>



OTSUKA CORPORATION is fully committed to environmental improvement.
ISO 14001 certification has been acquired by 25 domestic offices.

