

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



***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
- 2021** Selected as a DX Certified Business Operator by the Ministry of Economy, Trade and Industry



## Corporate Outline

<b>Company Name</b>	OTSUKA CORPORATION <a href="https://www.otsuka-shokai.co.jp/">https://www.otsuka-shokai.co.jp/</a>
<b>Capital Stock</b>	10,374 million yen
<b>Net Sales</b>	Consolidated: 851,894 million yen Non-consolidated: 766,724 million yen (FY2021 actual)
<b>Number of Employees</b>	Consolidated: 9,171 Non-consolidated: 7,480 (As of December 31, 2021)
<b>Establishment</b>	July 17, 1961 (Registered as joint-stock company on December 13, 1961)
<b>Head Office Location</b>	2-18-4 Iidabashi, Chiyoda-ku, Tokyo 102-8573
<b>Business</b>	<ul style="list-style-type: none"> <li>• <b>System Integration Business:</b> Sales of computers, copiers, communication equipment and software, consigned software development and other activities</li> <li>• <b>Service &amp; Support Business:</b> Supplies, maintenance, educational support and other activities</li> </ul>

## Board of Directors and Corporate Auditors

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

## Major Operational Sites and Consolidated Subsidiaries

<b>Business Divisions</b>	LA Division, BP Division, tanomail Division, Hotel Division
<b>Local Area Sales Departments</b>	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.
<b>Regional Offices</b>	Sapporo Branch, Sendai Branch, Utsunomiya Branch, Takasaki Branch, Tsukuba Branch, Chubu Branch, Kyoto Branch, Kobe Branch, Hiroshima Branch, Kyushu Branch
<b>Consolidated Subsidiaries</b>	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 proactively engage in environmental protection to contribute to the realization of a sustainable society.

## System Integration OTSUKA CORPORATION's DX solutions support the entire office

The growing use of telework has caused a rapid shift to online meetings and other touch-free and non-face-to-face work styles. In addition, the need to meet the requirements of the Law Concerning Preservation of National Tax Records in Electronic Form has heightened the importance of both using IT to improve productivity and pursuing DX for companies.

Since before the idea of DX took shape, OTSUKA CORPORATION has been utilizing IT to provide diverse work style options for its employees as a means of boosting productivity. We also support companies in their DX promotion with solutions based on the IT-related know-how we have accumulated over the years, including hardware, software, communication lines, networks, security, AI, IoT, and RPA.

We listen carefully to requests and issues regarding 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.

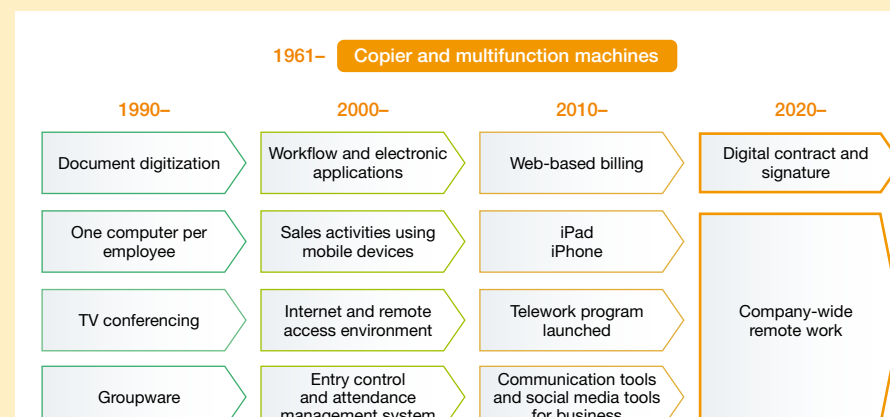


1	<b>Transforming the norms of business operations</b>	From paper to digital processes Effective use of data is an integral part of DX.
2	<b>Transforming the norms of work styles</b>	From working as usual to working anywhere Realizing flexible work styles is an integral part of DX.
3	<b>Transforming the norms of decision-making</b>	From experience and intuition to "AI x Data" Prompt, accurate decision-making is an integral part of DX.
4	<b>Transforming the norms of customer contact points</b>	From physical to Web-based interaction Building stronger and deeper ties with customers is an integral part of DX.
5	<b>Transforming the norms of IT environments</b>	Upgrading the levels of safety, security, and comfort Reinforcing the IT infrastructures of the entire company and organization is an integral part of DX.

### OTSUKA CORPORATION's Own DX Initiatives

In our "otsuka strategy," launched in 1993 and taken online in 1998, we integrated the databases for our ERP and information systems to lay the platform for our current DX operations. This platform continues to serve as the backbone for ongoing improvement of our financial constitution and enhancing productivity. For example, we have digitized 477 types of internal applications to date, saving approximately 27,000 hours per month. Moreover, AI-based target extraction has increased the annual number of our meetings with potential customers by about 2.3 times.

In April 2021, OTSUKA CORPORATION was recognized as a DX Certified Business Operator under the certification system designated by Japan's Ministry of Economy, Trade and Industry. We provide the experience and expertise, acquired through our own initiatives, as DX solutions that are now essential at business sites.



## Social Contribution Environmental protection (Our 60th anniversary projects)

お客様に寄り添って  
60th  
ANNIVERSARY

### Continuation of Overseas Tree Planting 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. We have been felling 50 hectares of trees every year to sell "α Eco Paper," from which part of the proceeds is donated to social welfare organizations. We will continue this activity as our 60th anniversary project.



α Eco Paper "Tanokun No Mori" (TANO-kun Forest)  
(FSC-certified paper)

### Donations of Disaster Relief Systems Based on New Technology

As part of our 60th anniversary project, we donated shower and hand wash stands of an autonomous, decentralized water circulation system, and LP gas-based emergency generators to local governments. An AI-based system automatically controls the water processing for the shower and hand wash stands, recycling more than 98% of the water used, and can be incorporated along with LP gas-based emergency generators into BCPs.



Hand wash stand



LP gas-based emergency generator



## 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.



### Showroom Offering First-Hand Experience of a DX-Enabled Office



In the DX Office, customers develop their ideas on how to promote digital transformation. The space showcases practical examples of how DX can be applied in business operations to overcome challenges that may be manifold and diverse, so that customers gain a clear picture of how our solutions may lead to realizing their own DX.




# 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

 Manufacturing	 Publishing / Printing	 Construction
 Apparel / Jewelry	 Food products	 Retailing / Merchandising
 Raw materials	 Service	 Distribution
 Public institutions / Industry associations	 Local government / Extra-governmental organizations / Schools	 Medical, welfare and nursing care institutions





## “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 2022

### ■ 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



Online sales of IT solutions for corporate customers

We offer optimal telework services for “new normal” lifestyles such as remote work, enabling customers to order various services from our website, including web conferencing tools, online storage, and rental servers.

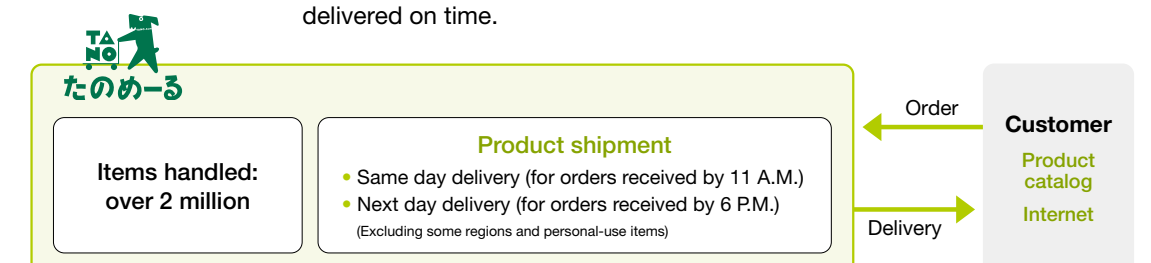
### ■ Logistics

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.

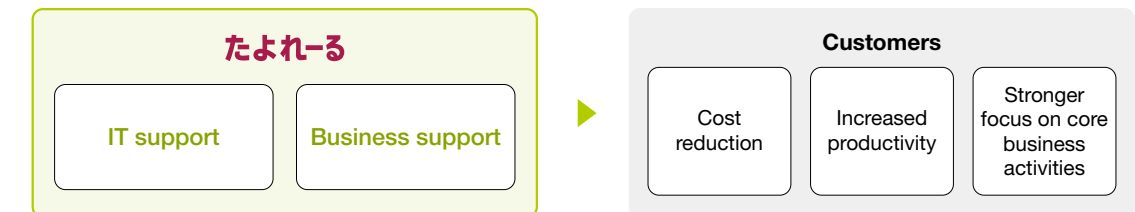




We provide one-stop support for information system operations and management as well as corporate activities in general with hardware and software maintenance, managed network services and outsourcing services.

- 

“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.



Our comprehensive support of IT operations and management, including system maintenance and safekeeping of installed equipment, and the provision of Internet services.

We provide a variety of services to reduce customer workload in addition to services for human resource development.

We are always fully prepared to support our customers, responding with flexibility and care based on our people-centered approach as well as robust, highly functional facilities.

Specialized engineers respond by phone and provide remote support to solve problems related to hardware, software and communication lines.

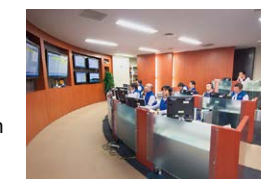


- Support calls per month approx. **150,000**
- Support staff approx. **600**
- Support sites **280** across the country
- Number of engineers approx. **3,000**

This page provides customers under contract with important information and comprehensive support regarding products and services, including requests for repairs, queries, and FAQs.



We monitor customer systems on a 24/7 basis. In the event of an emergency, the center supports customers with optimal solutions.



When a customer needs onsite support, we dispatch a specialized engineer from the support site nearest the customer.



We protect our customers' valuable systems at data centers equipped with the most advanced facilities and airtight security measures.





# 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



#### ■ Initiatives for the Environment

OTSUKA CORPORATION made its first earnest efforts to participate in environmental activities in 1999, obtained ISO 14001 certification in 2000, and has remained actively involved to the present day. Under the OTSUKA Eco-Action Plan (2021–2025), we are striving to achieve our medium-term goals, formulated to contribute to achieving the United Nation's 17 Sustainable Development Goals.

##### ■ External Activities

###### Purpose

Help reduce CO<sub>2</sub> emissions by providing environmental solutions and products

###### Goals

- Reduce CO<sub>2</sub> emissions by 150,000 tonnes by expanding sales of LED lighting
- Contribute to society by expanding sales of environmentally sound products through the “tanomail” mail order service for office supplies



###### Purpose

Protect marine and terrestrial biodiversity by supporting preservation activities

###### Goals

- Continue to donate to WWF Japan through “tanomail Happy Points”
- Participate in activities for preserving the Oyama Senmida (Kamogawa City, Chiba Prefecture), the only rice terrace in Japan cultivating rice solely with rainwater



##### ■ Internal Activities

###### Purpose

Save water on a regular basis to improve the water usage ratio and alleviate water shortages through sustainable water intake

###### Goals

- Improve the water use intensity by at least 1% year-on-year



###### Purpose

Promote environmental preservation activities at business sites that have obtained ISO 14001 certification

###### Goals

- Promote environmental activities at 25 sites



###### Purpose

Reduce CO<sub>2</sub> emissions generated by business activities and help curb global warming

###### Goals

- Improve the carbon intensity of power usage by at least 1% year-on-year
- Improve the carbon intensity of gasoline usage by at least 1% year-on-year
- Improve the carbon intensity of paper usage by at least 1% year-on-year
- Improve the carbon intensity of industrial waste by at least 1% year-on-year
- Maintain the recycling ratio of at least 97% by implementing a disposal scheme
- Maintain the volume of general waste in line with the previous year
- Increase the number of eco-cars (HVs and EVs) to at least 25% of the corporate fleet
- Promote the introduction of renewable energy



#### ■ Social Contribution Activities under COVID-19

##### Activities for Promoting a Barrier-Free Mindset

In collaboration with the Guide Dog & Service Dog & Hearing Dog Association of Japan, we appointed in January 2020 a service dog named Kei as a special employee with the title of Barrier-free Mindset Ambassador. In recognition of the unique and innovative nature of this activity, OTSUKA CORPORATION was certified by the Tokyo metropolitan government as a Best Practice Company in promoting the barrier-free mindset.

##### Food Bank Donations

We donate items sold by our “tanomail” service to food banks. With so many people and organizations in need of food, the donations have been well received.

##### Blood Donations

Although the number of blood donors has declined due to increased telework, we continue to organize blood donation drives twice a year at the head office building, taking due care to prevent infection.



# 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.

