

C O R P O R A T E P R O F I L E 2 0 2 3



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 gained expertise by pioneering in the introduction of IT equipment and cutting-edge technologies such as AI that companies need to raise productivity and reduce costs. We are leveraging this experience to deliver optimal, one-stop solutions, together with one-stop support, to solve the problems our customers face.

The OTSUKA CORPORATION Group will energize your office with IT by putting our Mission Statement into practice while always adopting the customer's perspective in response to the trust placed in us. We are committed to contributing to the sustainable growth of society as an IT platformer that connects its partners and customers .

We also embrace harmony with nature and society as a vital management concern and remain a progressive enterprise integral to the creation of a spiritually affluent society.

Our major goal is to earn public recognition and respect for the OTSUKA CORPORATION Group by maintaining the spirit of challenge inherited from our predecessors and the commitment to customer satisfaction that has been our consistent focus since our founding. As we respond to future changes in society, we will always stand at the side of our customers, striving to live up to their trust and achieve growth together with them.

Throughout these commitments and initiatives, we are grateful for our customers' strengths, visions, and encouragement.

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 / IIIT 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 Co., Ltd.
- 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 / Establishment of the Sustainability Committee
- 2022** Transferred listing to the Prime Market of the Tokyo Stock Exchange



Corporate Outline

Company Name	OTSUKA CORPORATION https://www.otsuka-shokai.co.jp/
Capital Stock	10,374 million yen
Net Sales	Consolidated: 861,022 million yen Non-consolidated: 767,649 million yen (FY2022 actual)
Number of Employees	Consolidated: 9,208 Non-consolidated: 7,524 (As of December 31, 2022)
Establishment	July 17, 1961 (Registered as a 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, Hironobu Tsurumi, Hironobu Saito, 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

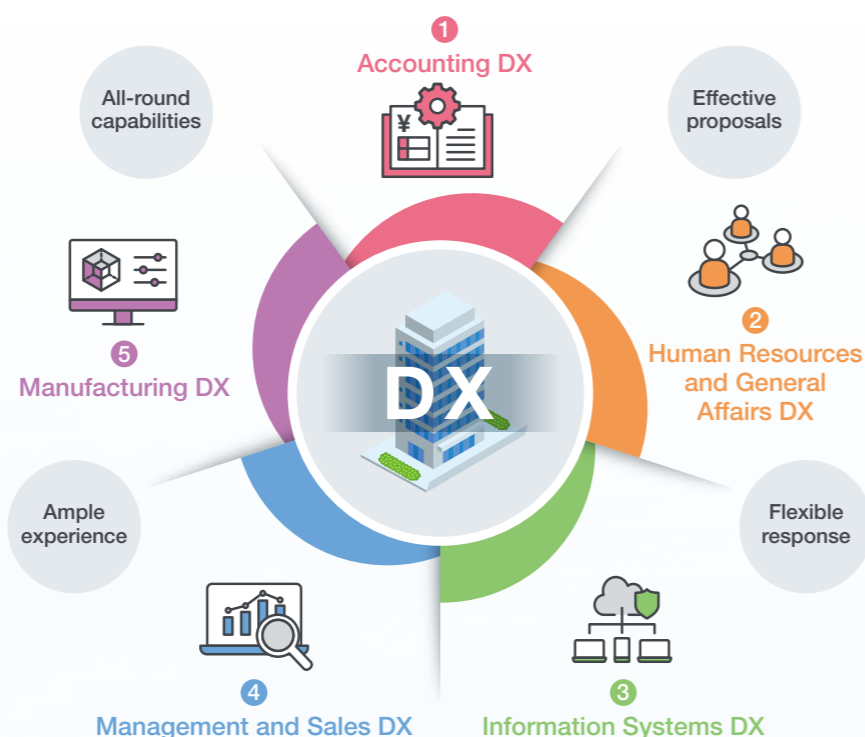
Closely monitoring IT trends makes it possible for us to consistently identify the potential advantages of using IT equipment and services at the business sites of our customers. By developing our accumulated expertise into solutions and services that fully leverage cutting-edge IT, we present customers with a variety of proposals for solving their problems.

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

Companies are constantly required to address ongoing regulatory revisions, such as the Qualified Invoice System and the Law Concerning Preservation of National Tax Records in Electronic Form. They must also effectively deploy AI to upgrade their business operations and raise efficiency.

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.

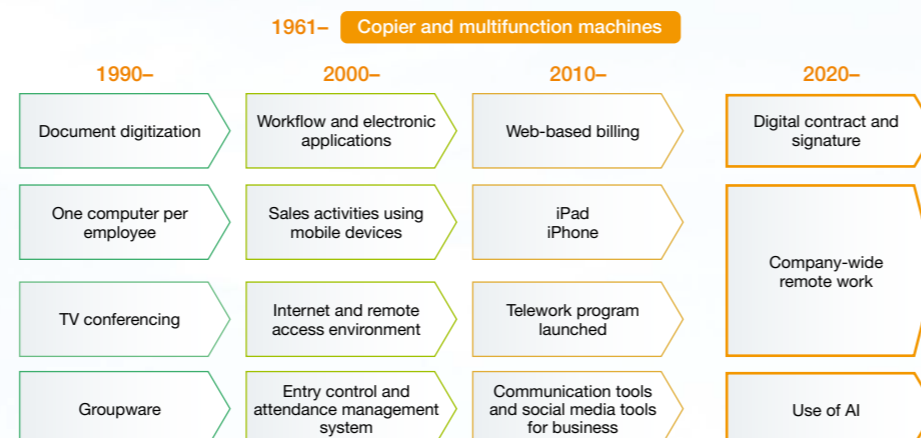
We listen carefully to requests and issues regarding office IT and work closely with customers to provide total solutions for the entire office that combine IT solutions with the related support to meet their needs in the best possible way.



1	Reviewing operational processes	Response to regulatory revisions Companies are now mandated to manage the Qualified Invoice System and abide by the revised Law Concerning Preservation of National Tax Records in Electronic Form. We advise customers to also take into account specific requirements and related operational efficiency during process digitization.	Standardize accounting procedures To address the anticipated severity of the labor shortage by 2030, achieve significant progress in automation and digitization by using the expertise of current skilled workers to establish operations that require less labor.	Utilize data for management decisions Accounting data is indispensable for management decision-making. Establish an environment that enables real-time aggregation and prediction through digitization.
2	Creating job satisfaction for employees	Raise operational efficiency Payroll calculation at small and medium-sized enterprises (SMEs) will change under the revised Labor Standards Act. Simplify the workflow by digitizing attendance management.	Diversify work styles Going forward, telework will continue to require support. Establish an environment that does not compromise work efficiency and quality.	Stimulate communication Diversification in work styles may hamper communication among workers. Consider building an environment that enables teleworkers to work as if they were in the office.
3	Supporting office infrastructure	Enhance the telecommunication network Increased dependence on teleworkers and cloud services may cause surges in Internet traffic. Reinforce the network environment to prevent any deterioration in operational efficiency.	Protect against ransomware infections The revised Act on the Protection of Personal Information mandates companies to notify of and report any information leakage. Implement security measures regardless of company size.	Recover from ransomware infections Be prepared, including anticipating recovery costs, to ensure that data can be recovered and corporate activities can be resumed after a cyber attack.
4	Enhancing corporate competitiveness	Transform to data-driven management Transform to data-driven management and make effective use of data by significantly streamlining data science processes with an advanced AI data analysis tool.	Transform the business environment using AI and BI To effectively use stored data, create an environment that includes AI and BI to visualize data.	Transform sales through scientific, evidence-based data Apply scientific, evidence-based data to transform sales through the effective use of CRM, SFA, and marketing automation.
5	Transforming processes with digital technology	Respond to regulatory revisions The revised Labor Standards Act will affect SMEs, while regulations capping overtime work will be applied to the construction industry. Enhance operational efficiency through digitization to reduce work hours.	Address the shortage of human resources and successors Create an environment that compensates for the lack of experience of specialists through the introduction of AI-based noise detection and devices that allow for data utilization in the field.	Respond to rising material and transportation costs Use the latest technology to review parts, consider in-house manufacturing, and optimize transportation methods to reduce costs and boost competitiveness.

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 520 types of internal applications to date, saving approximately 29,400 hours per month. Moreover, AI-based target extraction generates approximately 100,000 meetings with potential customers each year. 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.



Presenting the DX Office, OTSUKA CORPORATION's Ideal Office Format

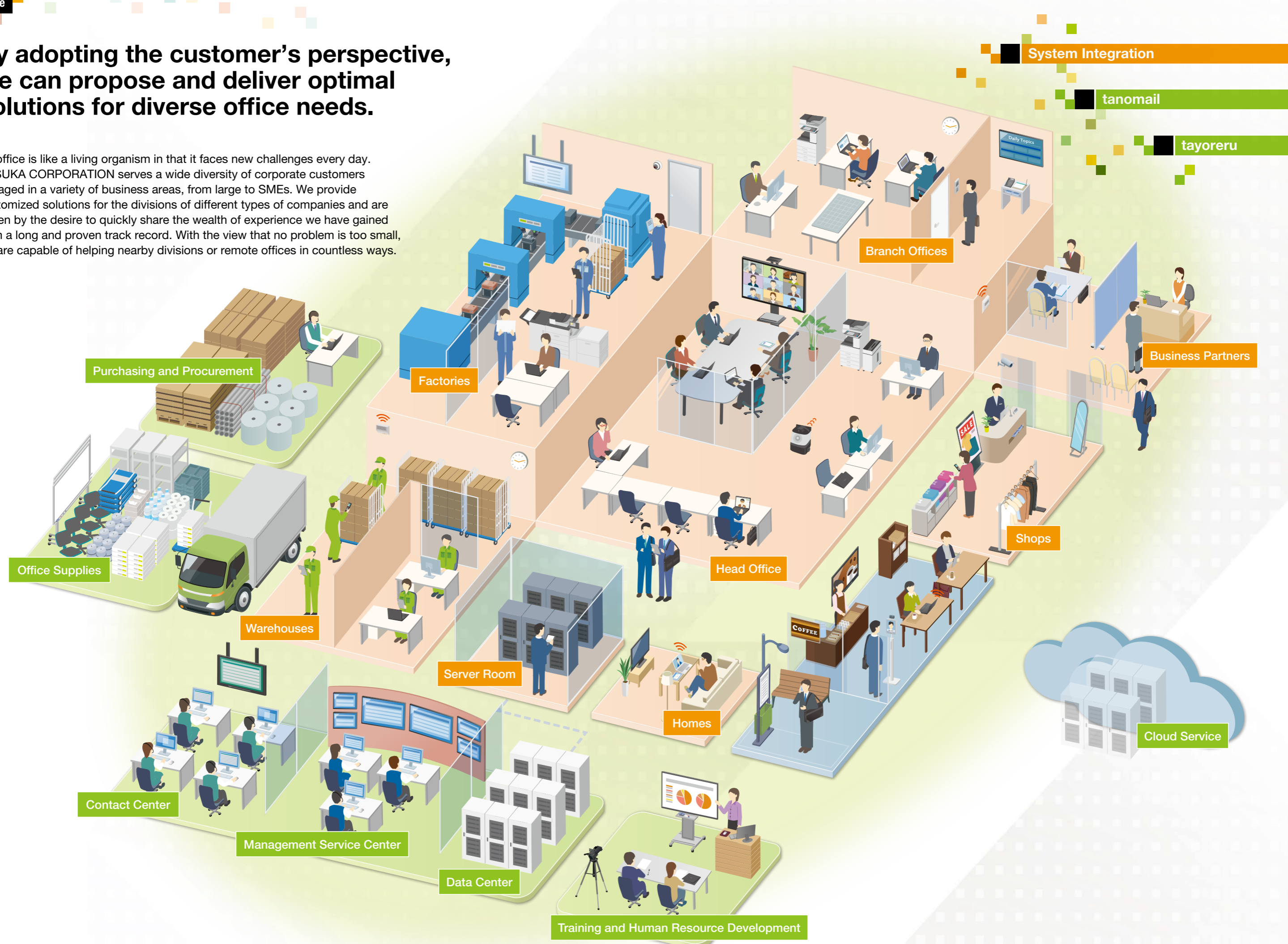


OTSUKA CORPORATION presents the DX Office as the ideal office format. We ask customers to compare their actual offices and business operations with their ideals, and we provide demonstrations of the latest solutions to help identify issues they were not aware of.



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 large to SMEs. 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.

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 AI analysis (regression, targeting, and classification tasks), chatbot, AI camera
- IoT Remote work support solutions, sensor devices, robots

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
- Floodlights
- Disinfection LED 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

Service & Support

tanomail



“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

■ Delivery 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 October 2023

■ MA tanomail

Procurement support service

This service facilitates corporate purchasing at mid-size and large companies, 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.

■ Personal tanomail

Mail order service for individual customers



Customers can use “tanomail” products not only in their office but also at home. In addition to everyday goods, stationery, and office supplies, we support the daily needs of customers with food products and other necessities.

■ tanomail Solutions and Products



Online sales of IT solutions for corporate customers

We offer a variety of cloud services that promote DX, including communication tools such as Zoom and LINE WORKS, and Dropbox for online storage, which can be purchased on our website.

■ 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 these products to both individual and corporate customers.



■ Logistics

Our logistics and distribution centers are strategically located in the eastern and western regions of the country. Having this fast-responding network enables us to deliver what our customers want, when they want it.



What is “tanomail”?



Items handled:
over 2 million

Product shipment

- Same day delivery (for orders received by 11 A.M.)
- Next day delivery (for orders received by 6 P.M.)
(Excluding some regions and personal-use items)

Order

Customer

Delivery

Product catalog
Internet

たよれーる

- Entire support menu covered by our in-house system
- Reliable IT operations and management
- Labor savings based on a review of business operations



たよれーる

Business support

Stronger focus on core business activities

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

A photograph showing a perspective view down a long aisle in a data center. On the left side of the aisle, there is a long row of white server racks. Each rack has a grey door with a black handle. The floor is light-colored, and the ceiling has recessed lighting fixtures. The aisle leads towards a bright light at the far end.




IS 662180 / ISO 27001 CLOUD 738468 / ISO 27001

Sustainability

Sustainability

We tirelessly work to realize a sustainable society and increase corporate value.

We aim to realize a sustainable society and continuously increase corporate value by earnestly working to resolve environmental and social issues and by building an optimal governance system in practicing the mission, goals, and principles set forth in our Mission Statement.

■ Setting ambitious goals for sustainability initiatives

■ Forming stronger relationships with local communities by regularly engaging in social contribution activities



Commemorative Projects for the 60th Anniversary

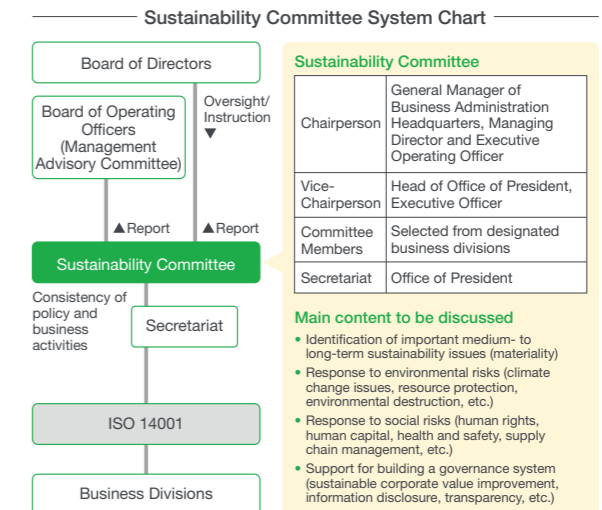
Our 60th anniversary commemorations included planting eucalyptus trees on 500 hectares of land in Macapá in Amapá State, Brazil, an afforestation activity that began on our 50th anniversary. We also donated the latest disaster response equipment, including autonomous decentralized water circulation systems and shower facilities, hand washing stations, and LP gas-based emergency generators, to local governments throughout Japan.



■ Sustainability Committee

The Sustainability Committee was set up in November 2021 to promote management from the perspective of sustainability. To guide the Company in contributing to the achievement of the SDGs and responding to ESG issues, the committee formulates Company-wide sustainability policies and goals, builds and maintains a promotion structure, and appropriately monitors sustainability activities using an ISO 14001 management system.

Recent initiatives: In April 2022, the committee established the Sustainability Basic Policy, OTSUKA CORPORATION Group Human Rights Policy, and Sustainable Procurement Policies, and it is promoting internal initiatives. In August, the committee formulated the Sustainable Procurement Guidelines and requested cooperation from our suppliers. It has also initiated a status survey of major suppliers.



■ Environmental Protection

Disclosures Recommended by the TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) at the request of the G20 to examine climate-related information disclosure by companies and responses by financial institutions. The TCFD recommends that companies and other organizations disclose information on their governance, strategy, risk management, and metrics and targets related to climate-related risks and opportunities. In March 2023, OTSUKA CORPORATION disclosed information based on TCFD recommendations.

Realizing a Carbon-Free Society

Science-based targets are set by companies in line with the Paris Agreement requirements for reducing greenhouse gas emissions over the next 5 to 10 years. OTSUKA CORPORATION has set its science-based targets for limiting the rise in global temperature to 1.5°C above pre-industrial levels, and they were certified by the Science Based Targets initiative (SBTi) in June 2023.

“Oyama Senmaida” Terraced Rice Fields Conservation Activities

Since 2005, employees and their families have taken part in farming activities for conserving the Oyama Senmaida in Kamogawa City, Chiba Prefecture. In March 2023, we received a special letter of gratitude from the Ministry of Agriculture, Forestry and Fisheries under Tsunagu Tanada Heritage in the category of Connecting with the Future in recognition of our efforts over the years.



Reforestation Project in the Amazon

Since July 2022, we have been working with Conservation International Japan to introduce an agroforestry system on 10 hectares of degraded land in the Brazilian Amazon and reforest it by cultivating a variety of trees. The project aims to ensure food security and the livelihoods of the local people who depend on the Amazon forest.

■ Social Activities

Barrier-Free Promotion Activities for the Heart

Since 2020, OTSUKA CORPORATION has been working with the Guide Dog & Service Dog & Hearing Dog Association of Japan and appointed a service dog as a “Barrier-Free Ambassador for the Heart.” In recognition of our innovative approach, we were certified as a Good Role Model Company in Barrier-Free for the Heart for 2021 by the Tokyo Metropolitan Government. In January 2023, our first service canine ambassador, Kei-kun, passed the baton to Luke-kun.



Kurumin Certification

OTSUKA CORPORATION promotes initiatives for assisting employees in balancing work and life. We received the Kurumin certification from the Ministry of Health, Labour and Welfare in June 2023 as a company that supports employees raising children.

Cooperation Agreement on Disaster Management

In August 2023, we concluded disaster management agreements with five cities and towns in Ehime Prefecture, seven cities and towns in Kochi Prefecture, and three cities on Awaji Island, Hyogo Prefecture, to ensure prompt and efficient implementation of emergency measures in the event of a disaster. Under this agreement, we will provide materials and equipment such as daily necessities in the event of the Nankai Trough Earthquake or other large-scale disaster.

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.

