

C O R P O R A T E P R O F I L E 2 0 1 4

Otsuka Corporation

<http://www.otsuka-shokai.co.jp/>



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



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 (now the Kansai Office)
- 1968 Completion of a head office building in Suidobashi
- 1977 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
- 1991 Integration of the OP and PC departments
- 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



Corporate Outline

Company Name	OTSUKA CORPORATION http://www.otsuka-shokai.co.jp/
Capital Stock	10,374 million yen
Net Sales	Consolidated: 564,595 million yen Non-consolidated: 521,623 million yen (FY2013 actual)
Number of Employees	Consolidated: 8,108 Non-consolidated: 6,634 (As of December 31, 2013)
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, Kimio Shiokawa, Katsuhiko Yano, Hironobu Saito, Yasuhiro Wakamatsu, Hironobu Tsurumi, Minoru Sakurai, Mitsuya Hirose, Osamu Tanaka, Norihiko Moriya
Standing Auditor	Kiyoshi Nakano
Auditors	Jiro Makino, Mikio Sugiyama, Kazuhiko Nakai

Major Operational Sites and Consolidated Subsidiaries

Branch Office	Kansai Office 6-14-1 Fukushima, Fukushima-ku, Osaka-shi, Osaka 553-8558
Business Divisions	LA Division, BP Division, MRO Division, Hotel Division
Local Area Sales Groups	Chuo Sales Group 1, Chuo Sales Group 2, Kanagawa Sales Group, Josai Sales Group, Tama Sales Group, Johoku Sales Group, Northern Kanto Sales Group, Keiyo Sales Group, Osaka Northern Sales Group, Osaka Southern Sales Group
Regional Offices	Sapporo Branch, Sendai Branch, Utsunomiya Branch, Chubu Branch, Kyoto Branch, Kobe Branch, Hiroshima Branch, Kyushu Branch
Consolidated Subsidiaries	OSK Co., Ltd., Netplan Co., Ltd., Alpha System Co., Ltd., Networld Corporation, Alpha Techno Co., Ltd., Alpha Net Co., Ltd., Otsuka Auto Service Co., Ltd.

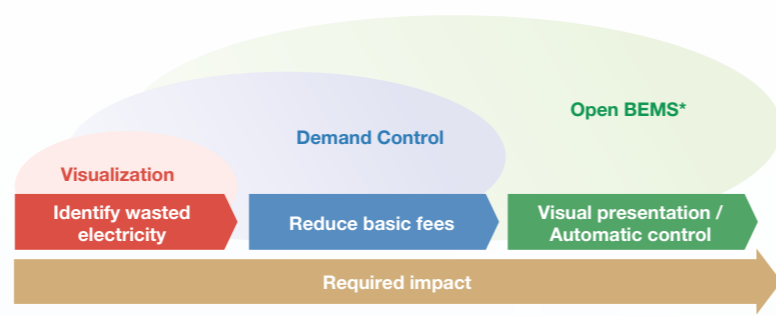
Offering solutions at the forefront of change that enable customers to boost productivity, reduce costs, contribute to society and protect the environment

Closely monitoring information technology (IT) trends makes it possible for us to consistently identify potential advantages for the business sites of our customers. We actively apply our accumulated expertise to social initiatives that revitalize communities. We also propose and implement solutions and services packaged to fully leverage cutting-edge IT in order to enhance management quality.

System Integration

Reviewing energy conservation efforts by visualizing electricity use with IT solutions

Our solutions for saving energy and reducing electricity costs do not affect the operational efficiency of customers' business sites, such as their offices, factories, warehouses and stores. From simple, socket-by-socket measures to electricity management and automated control systems, the range of options we provide is extensive.



* BEMS: Building Energy Management System

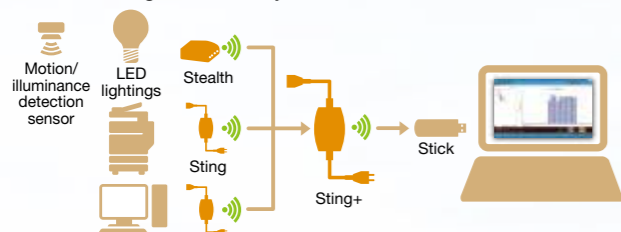
Participation in the Green University of Tokyo Project

Since 2011, we have been participating in the Green University of Tokyo Project (GUTP) at the University of Tokyo, a National University Corporation. In this industry-academia joint R&D consortium led by the private sector, our role as a system integrator has been to visualize electricity use.



Smart Plug solution to visualize electricity use

Smart Plugs are inserted between a power source and lighting or electronic equipment to facilitate real-time measurement, inspection and graphic presentation of electricity consumption, allowing for the control and visual understanding of electricity use.



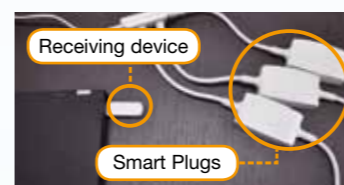
LED lighting to save electricity

LED lighting is bright, consumes less electricity, and contributes to energy conservation and reduced costs. OTSUKA CORPORATION achieved a 40% savings on electricity for its billboard in Shinjuku, one of Japan's largest LED billboards, compared to fluorescent lighting.



University of Tokyo BEMS verification experiments now in operational phase

Our Smart Plugs have been adopted in the University of Tokyo's I-REF building, where effective electricity conservation resulting from the visualization of electricity use has been made possible due to IEEE 1888 protocols of the international communications standard.



Visual presentation of our electricity usage

Since introducing BEMS at our head office building in 2007, we have been implementing energy saving measures floor by floor for electricity, lighting and air conditioning and presenting the data visually. We also disclose the results via our corporate website.



Social Contribution

Efforts for the environment (Our 50th anniversary projects)



We have undertaken a number of projects to commemorate our 50th anniversary in July 2011. As our primary contribution to environmental protection, we planted trees and installed LED streetlights in parks in regions across Japan.

"TANO-kun Forest" overseas reforestation activities

In the Brazilian state of Amapá, we planted 170,000 Tasmanian blue gum trees over 150 hectares in the Macapá savanna. These trees are used as raw material for paper.



Soon after the planting (Dec. 28, 2011)



After one year (Dec. 27, 2012)



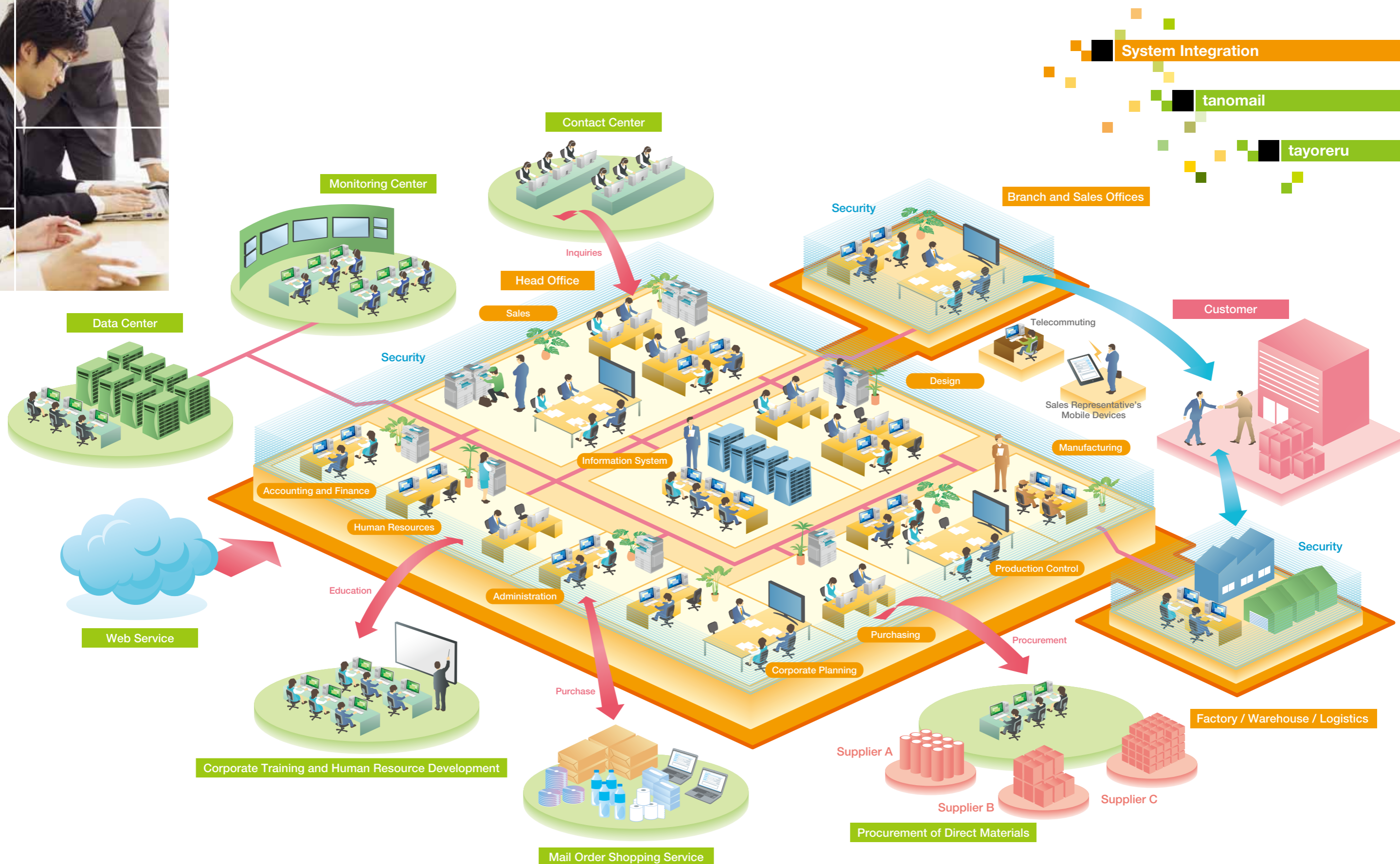
After two years (Dec. 29, 2013)

Tree planting activities and donation of LED streetlights in Japan



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 / Industry- and operation-specific software
 - ▶ CAD / Construction, manufacturing
 - ▶ Information systems / Groupware, workflow
 - ▶ Document management, data utilization
-  **Networks (communication, Internet)**
 - ▶ Data transmission / Teleconferencing, wireless LAN, VPN, mobile data transmission
 - ▶ Communication line service / Voice communication, mobile phones
-  **Security (information leakage, BCP)**
 - ▶ Antivirus, email security, procedural measures
 - ▶ Contingency planning
 - ▶ Data backup
-  **Hardware (introduction and installation)**
 - ▶ Multifunction machines, copiers, printers
 - ▶ PCs, peripherals
 - ▶ Servers, storage
 - ▶ LED lightning, BEMS
 - ▶ Smart devices

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
- ▶ Onsite support
- ▶ Data recovery

Telephone Support

- ▶ Remote support
- ▶ Contact point for repairs

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

We support customers by providing comprehensive, one-stop solutions that lead to successful businesses, from constructing IT infrastructure linking information devices, communication equipment and networks to selecting software that corresponds to their business type, scale and operations, as well as designing, developing and constructing the systems.

- 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

■ Software and Systems

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

- ERP
- CAD
- Groupware
- Workflow
- Document management
- BI

■ 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

■ 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

■ Network

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

- VPN service
- IP communication service
- Mobile solutions

■ 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, daily supplies and office machine supplies, offerings also include environmentally friendly products and TANOSEE private brand goods.



■ MA tanomail

ASP-type procurement service for large corporations

In addition to our “tanomail” service, we offer an ASP service for large corporations that facilitates corporate purchasing, including division-by-division order management and approval. Purchasing parameters can be set for the specific needs of a company.

■ 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.” This always reliable service is available for both individual and corporate customers, delivering the same high level of quality inherent in “tanomail.”



■ 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 stationery, office supplies and other miscellaneous goods, we provide for the daily living needs of customers with food products and daily necessities.

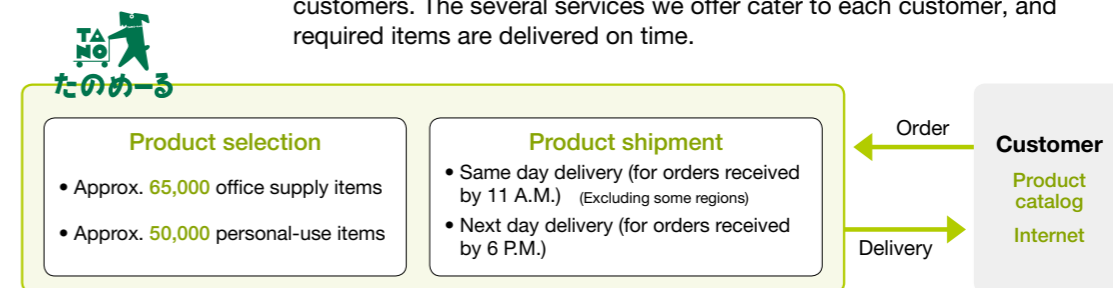
■ Logistics

Our system consists of logistics and distribution centers strategically located across the nation and connected by a transportation network. We control inventory levels to maintain optimal volume at all times and thereby minimize contingency risks.



What is “tanomail”?

“tanomail” is a service through which we deliver stationery, daily 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.





“tayoreru” provides quick solutions to customer needs as a reliable, one-stop service.

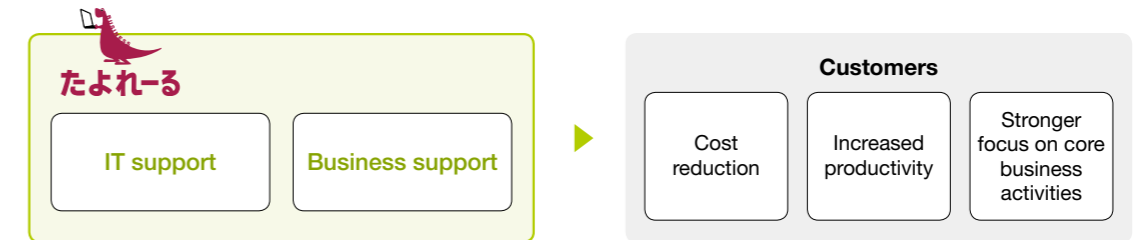
We provide one-stop support for information system operations and management as well as corporate activities in general with hardware and software maintenance, managed network services and outsourcing services.

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



What is “tayoreru”?

“tayoreru” is a collective term for the Service & Support offerings of OTSUKA CORPORATION that enhance the efficiency of systems related to administration, human resources, accounting and information management.



■ IT Support

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

- IT support service
- Internet service
- Security service

■ Business Support

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

- Business support service
- Human resource development support

■ Support System

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.

tayoreru Management Service Center

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



International certification for information security and IT service management



Data centers

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



tayoreru Contact Center

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



- Support operators approx. **500**
- Free dial numbers approx. **100**
- Support calls per month approx. **100,000**

Onsite support

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



- Support sites **280** across the country
- Staff dispatched within **60** minutes to locations within Tokyo's 23 wards and in Osaka City
- Number of engineers approx. **3,000**

Social Contribution

Social Contribution and Environmental Protection Activities

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

We solve problems through our business and improve the communities around each of our locations. While 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

Under our company-wide principles and policy, we have established mid- to long-term environmental activities in the OTSUKA Eco-Action Plan and continually endeavor to improve the environment.

Certification of our offices

Our 25 major office sites are certified under the ISO 14001 international standard for environmental management. We are also taking action at our other locations to improve these environments under guidelines equivalent to ISO 14001.

Environmental consideration at our business sites

We introduced a system for visually presenting electricity usage at our head office and reduced electricity consumption at our Yokohama building after switching to LED lighting. In addition, we set up one of Japan's largest LED billboards in Shinjuku.

Lake Papyrus 20

Raw material used in Lake Papyrus 20 paper includes reeds that purify water as they grow. We use this paper for name cards and envelopes, and we are actively encouraging customers to use the paper.

Reforestation in Japan and overseas

We planted 170,000 Tasmanian blue gum trees in Macapá, Amapá State, Brazil, and cherry blossom trees in every Japanese region in which we maintain a business site.



■ Social Contribution Activities

Community volunteer 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.



Donation and support program for reuse of PCs provided through e-Parts

We provide support to the authorized NPO e-Parts through our donations of used PCs that we have refurbished. e-Parts then gives these computers to non-profit organizations 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 organizations. We aim to donate products that match each group’s specific needs.



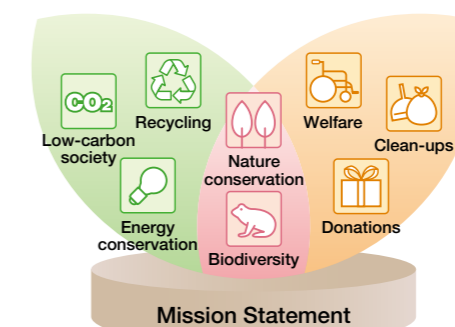
Volunteer collection activities

Our employees collect and donate used postal stamps and blemished postcards to non-profit organizations on an ongoing basis. Collection campaigns conducted every summer and winter promote this initiative across the company.

■ OTSUKA CORPORATION'S Approach to Social Contribution and Environmental Protection Activities

Environmental protection activities

In accordance with our environmental principle and policy, we maintain an environmental management system under ISO 14001 standards and consistently promote environmental protection activities.



Social contribution activities

Aiming to be a company that coexists and co-prosperes with nature and society, we actively engage in volunteer efforts driven by the initiative of individual employees, service projects organized by our local teams, and corporate activities that leverage our unique strengths.