Mizkan Holdings Co., Ltd.

Global IT environment created with a hybrid cloud just six months after acquiring the global brand

Services: Enterprise Cloud and Arcstar Universal One

Mr. Shinji Mizo
Senior Corporate Officer
Mizkan Holdings Co., Ltd.
"We are targeting Asia as the next step of our global business expansion, so it has been crucial for us to find a partner capable of providing total support."

Mr. Hiroshi Masuda
Manager
Information Technology Department
Business Management Division
Mizkan Partners Co., Ltd.
"Building IT infrastructure overseas multiplies the problems. Having a partner that can participate in the total problem-solving process is an invaluable asset."

Mr. Toshio Takeshima
Manager
Information Technology Department
Business Management Division
Mizkan Partners Co., Ltd.
"We deployed NTT Com's help desk solution in UK to provide IT support for our European business units and thereby realize stronger governance. For standardization, we intend to deploy the same solution in our U.S. and Japanese offices."

Company Profile

Name: Mizkan Holdings Co., Ltd.
Revenue: Consolidated net sales: 214.1 billion yen (fiscal 2014)
Business: Established in 1804, Mizkan sells diverse products and foods that are staples of modern food culture. In keeping with its philosophy, "Offer Customers Only the Finest Products," Mizkan provides products and foods that enrich dining tables.
URL: www.mizkan.net

Challenges

- Build an applications supporting infrastracture, including SAP, for the US acquisition
- Create an entire IT environment, including core system, network and IT support desk

Solution

- Leverage hybrid cloud infrastructure, combing cloud and colocation for servers
- Outsourced network, security, and help desk to NTT Com

Benefits

- Rapid transition- Built IT infrastructure, transferred data and renewed system just 6 months after acquisition
- Flexible- New IT infrastructure is ready to quickly expand and support future global initiatives

Challenges

Build IT infrastructure to support M&A and accelerate transition from centuries-old Japanese brand to global brand

Established in 1804, Mizkan is a widely known Japan-based food manufacturer, selling many products with deep brand value, including natto fermented soybeans and flavor enhancers such as vinegar, an essential ingredient in Japanese dishes such as sushi and stews. Mizkan is the proud purveyor of Japan's No. 1 vinegar brand and the very popular natto brand.

The company has been accelerating its global expansion since its 200th anniversary in 2003. In recent years, it acquired the UK's top vinegar brands, Sarson's, Haywards and Branston. Then, in June 2014, it acquired the two market leading U.S. pasta sauce brands for $2.15 billion from Unilever—Ragu, the No.1 general pasta sauce, and Bertolli, the No.1 premium pasta sauce.

According to Mr. Mizo, "Mizkan's ex-Japan sales ratio rose from 30% to 50% in 2014 as a result of M&A. While we were pleased to attain this key growth target earlier than expected, we were unable to establish the infrastructure and processes needed to keep pace with our fast growth."

Mizkan required a foundation on which to build its infrastructure to integrate with its global businesses.

Solution
### Starting from zero, build the needed IT infrastructure within just six months

Once the last acquisition was competed in June 2014, the Information Technology Department began planning to construct the company's new IT infrastructure and integrate its new businesses. "There were limits to using legacy assets because the aquired companies were large and had different business environments," said Mr. Masuda. So we had to start from zero when we developed the new IT infrastructure for our servers, network and IT support desk."

According to the transition service agreement (TSA) signed with the newly acquired company, Mizkan could use existing IT infrastructure for only half a year, so it had to transfer all systems and data by December. "In M&As, contractual time limits must be strictly observed, so it was critical for us to find a reliable partner since our IT human resources were limited. We looked at a number of carriers and vendors, but in the end we chose NTT Com based on their superior global experience and achievements," explained Mr. Masuda.

Standardization and efficiency were crucial, since actual construction of the IT infrastructure had to be completed within one month of the start date and become operational by December. "In building the core system, including SAP, we minimized customization and add-ons because we decided that work procedures should be adapted to the new system. We chose a hybrid cloud for our servers, using both the cloud and colocation for speed and flexibility," said Mr. Masuda. Explaining why they chose Enterprise Cloud, NTT Com's private-cloud service, he said, "A private cloud assures strong security, which was vital because we had to transfer data fast and safely."

Another crucial decision was choosing the right equipment for a network environment that would connect global offices,

<Mizkan's North American brand portfolio and its IT infrastructure>
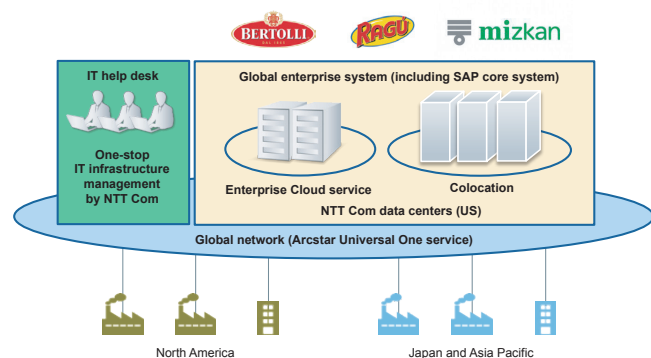
plants and distribution centers. Mr. Masuda noted, "NTT Com's data centers are directly interconnected via a wide area network (WAN), so our network could be constructed quickly." As with its WAN in Japan, Mizkan adopted NTT Com's Arcstar Universal One service to connect its data center and global units. In particular, the company was attracted to the service's low-latency connections between Japan and the United States.

Benefits
Strengthened global governance through a reliable, standardized IT infrastructure

Now that Mizkan's new brands have been seamlessly integrated into the company's global network, various systems are being operated on NTT Com's hybrid cloud infrastructure. Looking to the future, however, the company still has some technical issues to address. "We must decide the best practices for our data center and network, including how to leverage the cloud for our entire group," said Mr. Masuda. "We also want to further reinforce governance by establishing global security standards and standardizing various processes."

Considering the importance of unified governance for global IT infrastructure, Mizkan elected to deploy NTT Com's Super Help Desk to provide fully unified, multilingual IT support 24/7.

"It was too difficult to provide global IT support from Japan because of the time differences," said Mr. Takeshima. "As the first step in resolving this problem, we deployed NTT Com's help desk service to support our IT personnel in the UK. We are looking at using the service in the U.S. and Japan as well."

Another key factor for Mizkan in selecting its IT partner was problem-solving capabilities. "Many issues had to be resolved to build our IT infrastructure from scratch," said Mr. Masuda. "In NTT Com, we found a partner that could become totally involved in our problem-solving process, including balancing our needs with those of our new brands' IT divisions."

Mr. Mizo explained, "Looking ahead, we are planning to extend our global IT infrastructure in the Asia region, so for this kind of global expansion, we need a partner like NTT Com to offer us total support on a one-stop basis."

While M&A is an effective means of accelerating global expansion, there are many cases of business integration being delayed by inadequacies in existing IT assets. This is why it is so important to choose a partner with proven global capabilities to leverage the cloud and quickly establish standardized IT infrastructure and systems.

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