

# Forecast for Fiscal 2006

## ■ Management Improvement by Utilizing IT

Looking ahead, although there are concerns that corporate results could be impacted by appreciations of crude oil and other raw materials, the fact is that in every industry, enterprises, no matter how big or small, have to aggressively utilize IT and improve their management, and this will be supported by the growth of corporate profits.

Ever since its inception, the OTSUKA Group has always endeavored to satisfy needs of its customers by expanding its

range of products and services, becoming a one-stop provider of copiers, computers, telecommunication equipment, network lines and more, and building its own system to provide customers with total support services.

Based on its medium-term management strategy, the Company will continue to strive in line with its Mission Statement, growing with its customers by resolving their problems, and thereby further enhancing its enterprise value.

## Medium-term Goals and Action Policy

### Basic Policy

- Grow along with customers, in line with our Mission Statement

### Medium-term Plan

- Maintain the workforce at the same
- Increase revenue and profit to expand the Company's business  
**Set a ratio of operating income/recurring profit to net sales of 6% as a goal**
- Utilize customer asset data to develop new demand
- Enhance productivity by achieving improvement of people, materials and money

## ■ Specific Policies

The slogan for fiscal 2006 is:

“Respond to customers’ trust from their viewpoint”

Specific Policies

### 1. Expand business with existing customers

The Company has business dealings with some 660,000 companies, ranging in size from very large enterprises to small firms. However, most of these transactions still involve only single items. Hence, there will be a focus on expanding the items involved.

### 2. Use “tanomail” to develop new customers

There will be further emphasis on employing “tanomail” to develop new customers, using the service as a portal linked to the provision of one-stop solutions.

### 3. Promote further development and utilization of “SPR”

The number of “SPR”-based information items has grown very large, and has been a factor in the Company’s improved performance. Further development and utilization of “SPR” will be pursued to promote optimal solutions with increased efficiency.

### 4. Expansion of Sales Support Center capabilities

The Company established the Sales Support Center, where sales personnel concentrate on conducting surveys, drafting proposals, preparing estimates and other such tasks. This has made it possible to increase the time spent actually talking with customers. The efficiency of sales activities is being further improved by expanding the number of sales bases served by the center.

## ■ Forecast for Fiscal 2006

The Company forecasts that in fiscal 2006, net sales will increase 5.0%, to ¥430 billion, operating income will increase 8.6%, to ¥23.8 billion, recurring profit will increase 8.1%, to ¥24 billion, and net income will increase 12.4%, to ¥13.2 billion.

(Millions of yen)

	Fiscal 2005	Fiscal 2006 (Forecast)	
	Amount	Amount	Change to Last Year
Net sales	409,413	430,000	+5.0%
Operating income	21,911	23,800	+8.6%
Recurring profit	22,210	24,000	+8.1%
Net income	11,747	13,200	+12.4%