

## To Our Shareholders and Investors



I am pleased to announce the results for the fiscal year ended December 31, 2007.

In the fiscal year under review, the OTSUKA Group posted net sales of ¥469,481 million, which was an increase of 8.3% from the previous fiscal year. By segment, net sales in the System Integration business rose 6.2% to ¥279,753 million as a result of robust sales in the information security-related business and color copiers. In the Service and Support business, net sales increased 11.1% to ¥187,358 million on the back of a strong showing by the “tanomail” office supply mail-order service as well as the “tayoreru” IT and business support service.

Earnings reached another record high owing to the OTSUKA Group’s successful endeavors to hold down selling, general and administrative (SG&A) expenses relative to higher sales. Operating income rose 14.9% to ¥30,051 million, recurring profit increased 15.2% to ¥30,520 million, and net income jumped 20.7% to ¥18,856 million, resulting in five consecutive terms of increased sales and income.

In view of these results, management has resolved to set year-end dividends per share at ¥130.

In line with its Mission Statement, the OTSUKA Group will continue to pursue management reforms to ensure the trust of all stakeholders. In these endeavors, your continued support is greatly appreciated.

Yuji Otsuka, President & Chief Executive Officer

March 2008