

## To Our Shareholders and Investors



I am pleased to announce the results for the fiscal year ended December 31, 2009 and to thank our shareholders and investors for their loyal support.

During the fiscal year under review, the economic slowdown continued as harsh conditions persisted. Although the OTSUKA Group made various proposals for achieving cost reductions and improving productivity, net sales declined 8.0% from the previous fiscal year to ¥429,927 million due to the trend by companies to curtail IT investments and reduce expenses.

At the earnings level, gross profit declined due to a decrease in the gross profit margin and lower net sales, and despite efforts to curb selling, general and administrative (SG&A) expenses, operating income declined 40.6% to ¥16,094 million, ordinary income decreased 40.5% to ¥16,427 million and net income was down 38.9% to ¥8,782 million.

Management has resolved to pay year-end dividends per share of ¥130 in line with our efforts to return profits to shareholders, who have given us their support.

In the coming fiscal year, despite the uncertain direction of the economy, we will further strengthen our contact with customers and strive to identify customers' IT utilization needs. In working to realize our Mission Statement, the OTSUKA Group will continue to pursue management reforms to ensure the trust of all stakeholders. Your ongoing support is greatly appreciated as we move forward with these endeavors.

Yuji Otsuka, President & Chief Executive Officer

March 2010