

To Our Shareholders and Investors



I am pleased to announce the results for the fiscal year ended December 31, 2011 and to thank our shareholders and investors for their loyal support.

During the fiscal year under review, although the Japanese economy was significantly affected by the Great East Japan Earthquake, corporate IT investments gradually trended toward recovery. The OTSUKA Group focused on strengthening customer contact and offered system proposals for achieving cost reductions, improving productivity and reducing power usage. As a result of these measures, net sales rose 3.2% from the previous fiscal year to ¥478,215 million.

At the earnings level, because we improved the gross profit margin and controlled selling, general and administrative (SG&A) expenses, operating income increased 21.5% to ¥23,095 million, ordinary income rose 19.5% to ¥23,315 million and net income jumped 19.9% to ¥12,744 million.

Management has resolved to pay year-end dividends per share of ¥155. This includes an ordinary dividend of ¥145 and a special 50th anniversary commemorative dividend of ¥10 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 2012