

To Our Shareholders and Investors



I am pleased to announce the results for the fiscal year ended December 31, 2013 and to thank our shareholders and investors for their loyal support.

During the fiscal year under review, the Japanese economy achieved a moderate recovery as corporate IT investments remained firm. 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 9.5% from the previous fiscal year to ¥564,595 million.

At the earnings level, due to an increase in gross profit and the curbing of selling, general and administrative (SG&A) expenses, operating income increased 20.0% to ¥33,901 million, ordinary income rose 15.2% to ¥33,505 million and net income jumped 24.5% to ¥20,271 million. These figures represent record highs for income.

Management has resolved to pay year-end dividends per share of ¥235 in line with our efforts to return profits to shareholders, who have given us their support.

In the coming fiscal year, corporate IT investments are expected to remain stable. Within this environment, we will further strengthen our contact with customers and strive to identify customers' IT utilization needs and their power saving 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 2014