

To Our Shareholders and Investors



I am pleased to announce the results for the fiscal year ended December 31, 2014 and to thank our shareholders and investors for their loyal support.

During the fiscal year under review, the Japanese economy sustained a moderate recovery as corporate IT investments remained brisk. The OTSUKA Group focused on making combined system proposals and comprehensive proposals and offered proposals for improving productivity, achieving cost reductions and realizing power savings. As a result of these measures, net sales rose 7.3% from the previous fiscal year to ¥605,766 million, marking the first time that net sales have exceeded ¥600,000 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 9.4% to ¥37,097 million, ordinary income rose 13.8% to ¥38,144 million and net income increased 15.7% to ¥23,455 million. These figures represent record highs for income.

Management has resolved to pay year-end dividends per share of ¥90 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 2015