

To Our Shareholders and Investors



I am pleased to announce the results for the fiscal year ended December 31, 2016 and to thank our shareholders and investors for their loyal support.

During the fiscal year, the Japanese economy achieved a moderate recovery amid cautious yet firm corporate IT investment. The OTSUKA Group worked to tap into corporate IT demand and provided solutions that lead to productivity improvements, cost reductions and power savings as well as focused on regional-based sales activities.

As a result, net sales increased 5.6% from the previous fiscal year to ¥643,417 million. At the earnings level, operating income increased 6.4% to ¥39,684 million, ordinary income increased 6.6% to ¥40,780 million and profit attributable to owners of parent increased 12.5% to ¥26,675 million. This marked the seventh consecutive year of increases in sales and profits.

Management has resolved to pay year-end dividends per share of ¥120, which includes an ordinary dividend of ¥110 in addition to a 55th 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, corporate IT investments are expected to remain stable. Within this environment, we will further strengthen our regional-based solution proposals that solve issues faced by customers.

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 2017