

Outlook for Fiscal 2013

■ Corporate IT Investment Is Expected to Remain Stable

Looking ahead, in Japan the economy is expected to move toward recovery owing to reconstruction demand and economic stimulus measures of the new administration, a correction in the yen exchange rate, high stock prices and an anticipated recovery in exports along with a pickup in overseas economies. Nevertheless, there are still risks of downward pressures on the economy resulting from such factors as sluggishness in the world economy and delays in domestic policy responses, and the future direction of the Japanese economy remains unclear.

Under these economic conditions, it will be necessary for domestic companies to reduce costs and raise productivity through measures such as renovating systems, making replacement purchases for responding to IPv6, utilizing tablet and other mobile terminals, introducing power saving response measures and electricity-saving equipment, and utilizing data centers. Due to these factors, despite taking a cautious stance, company IT investments are expected to remain firm.

■ Strengthening Customer Contact

Given these economic conditions and outlook for company IT investment, under a strengthened community-based sales structure, the Group will reinforce customer contact by improving one-stop solutions and one-stop support, actively propose systems that help enhance the competitiveness of customers, including by reducing costs and raising productivity, and deploy the Group's overall strengths more than ever before.

At the same time, we will enhance package products that combine products and services and develop a lineup of appealing maintenance services in our "tayoreru" support service business to strengthen our accumulated business; build stable and long-term business relationships with customers; and strengthen our earnings foundation.

Policies and Measures in 2013

Slogan

Live up to customers' trust from a customer viewpoint and vitalize office with IT.

- Strengthen customer contact by placing greater emphasis on one-stop solutions and one-stop support.
- Identify IT needs and needs for saving energy.
- Deepen ties with existing customers while cultivating new customers.
- Promote comprehensive proposals and combined system proposals.
- Strengthen accumulated business.

■ Strategies by Segment

In the System Integration business, we will focus closely on company IT investment trends and IT utilization needs, while further promoting comprehensive proposals and combined system proposals that combine copiers, computers, telephones, facsimile machines and communication lines.

In the Service and Support business, the OTSUKA Group will strive to upgrade and expand our line of products and enhance our lineup of “TANOSEE” private-brand products in our “tanomail” office supply mail-order service business. In our “tayoreru” support service business, we will work to take utilize our achievement in the System Integration business to generate an increase in maintenance and other service contracts, and in conjunction with these efforts, we will increase our services that are not reliant on hardware.

■ Forecast for Fiscal 2013

In fiscal 2013, the Company forecasts a 3.9% increase in consolidated net sales to ¥536,000 million, a 8.0% increase in operating income to ¥30,500 million, a 6.6% increase in ordinary income to ¥31,000 million and a 11.1% increase in net income to ¥18,090 million.

By segment, we forecast a 3.8% increase in net sales to ¥300,960 million in the System Integration business, a 4.0% increase to ¥234,400 million in the Service and Support business and a 1.2% increase to ¥640 million in the Other Business.

Forecast for Consolidated Net Sales and Income (Millions of yen)

	Fiscal 2012	Fiscal 2013 (Forecast)	
	Amount	Amount	Change to Last Year
Net sales	515,771	536,000	+3.9%
Operating income	28,251	30,500	+8.0%
Ordinary income	29,079	31,000	+6.6%
Net income	16,277	18,090	+11.1%

Forecast for Consolidated Net Sales by Segment (Millions of yen)

	Fiscal 2012	Fiscal 2013 (Forecast)	
	Amount	Amount	Change to Last Year
System Integration business	289,840	300,960	+3.8%
Service and Support business	225,298	234,400	+4.0%
Other business	632	640	+1.2%