



Fiscal year ending December 2018
Nine months (January – September)
Business Results

October 31, 2018

OTSUKA CORPORATION

Summary of Business Results, January – September, 2018

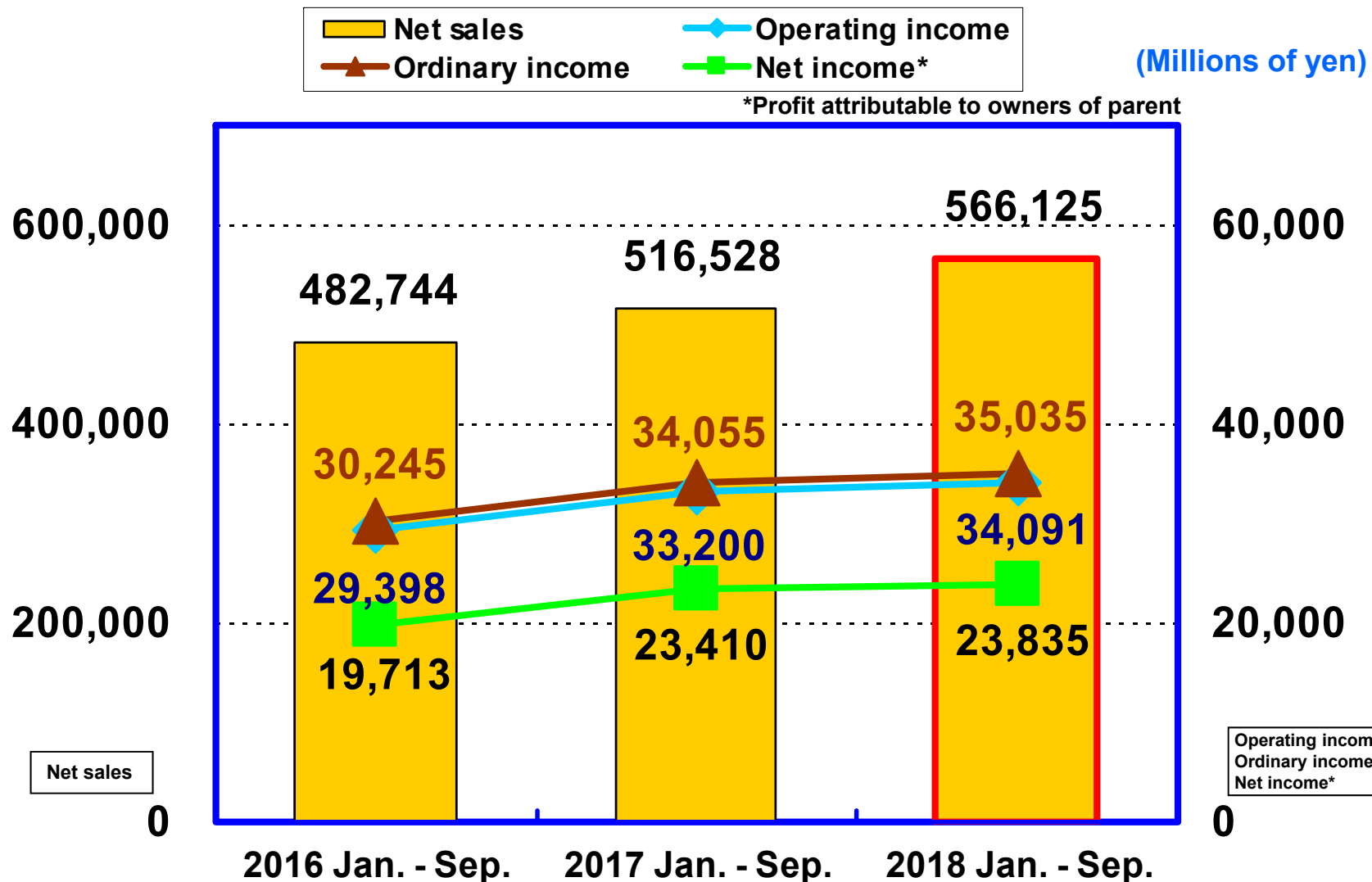
(Millions of yen)

	Consolidated		Non-Consolidated	
	Amount	Change to Last year	Amount	Change to Last year
Net sales	566,125	+9.6%	510,587	+9.1%
Operating income	34,091	+2.7%	29,984	+0.1%
Ordinary income	35,035	+2.9%	31,495	+1.0%
Net income*	23,835	+1.8%	21,904	+0.8%

*Profit attributable to owners of parent

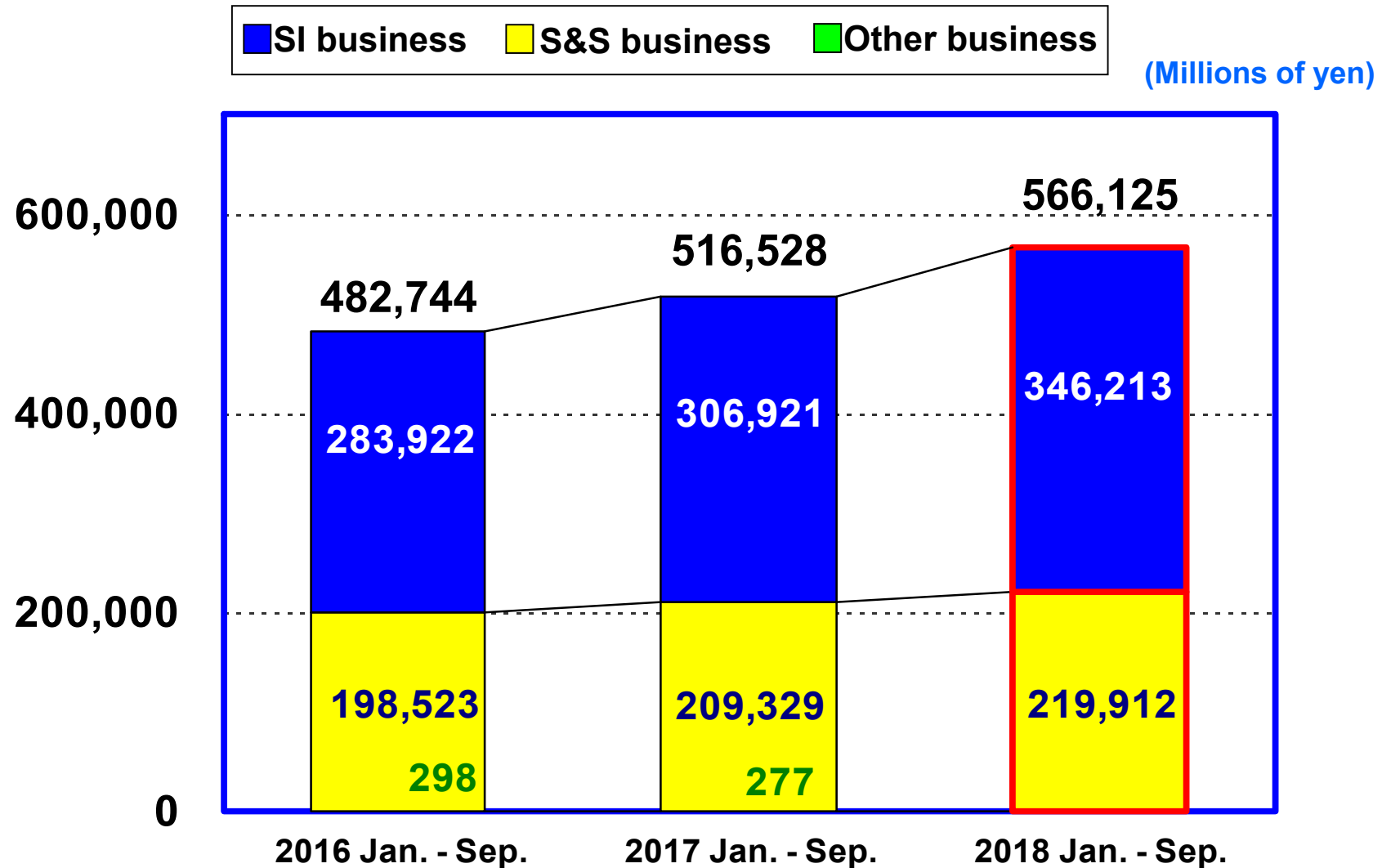
Consolidated

Net sales and Profits



Consolidated

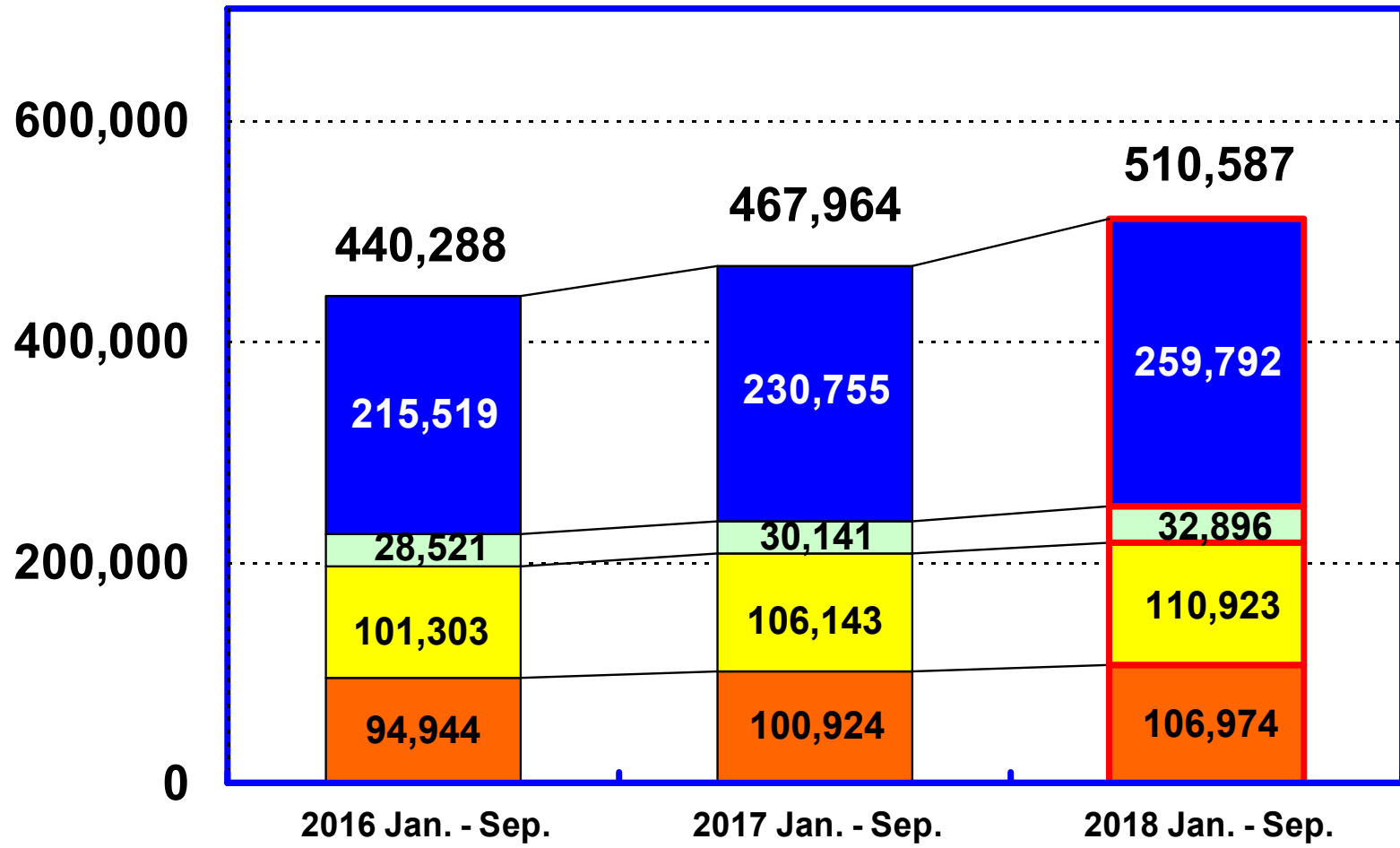
Net sales by segments



Net sales by 4 segments

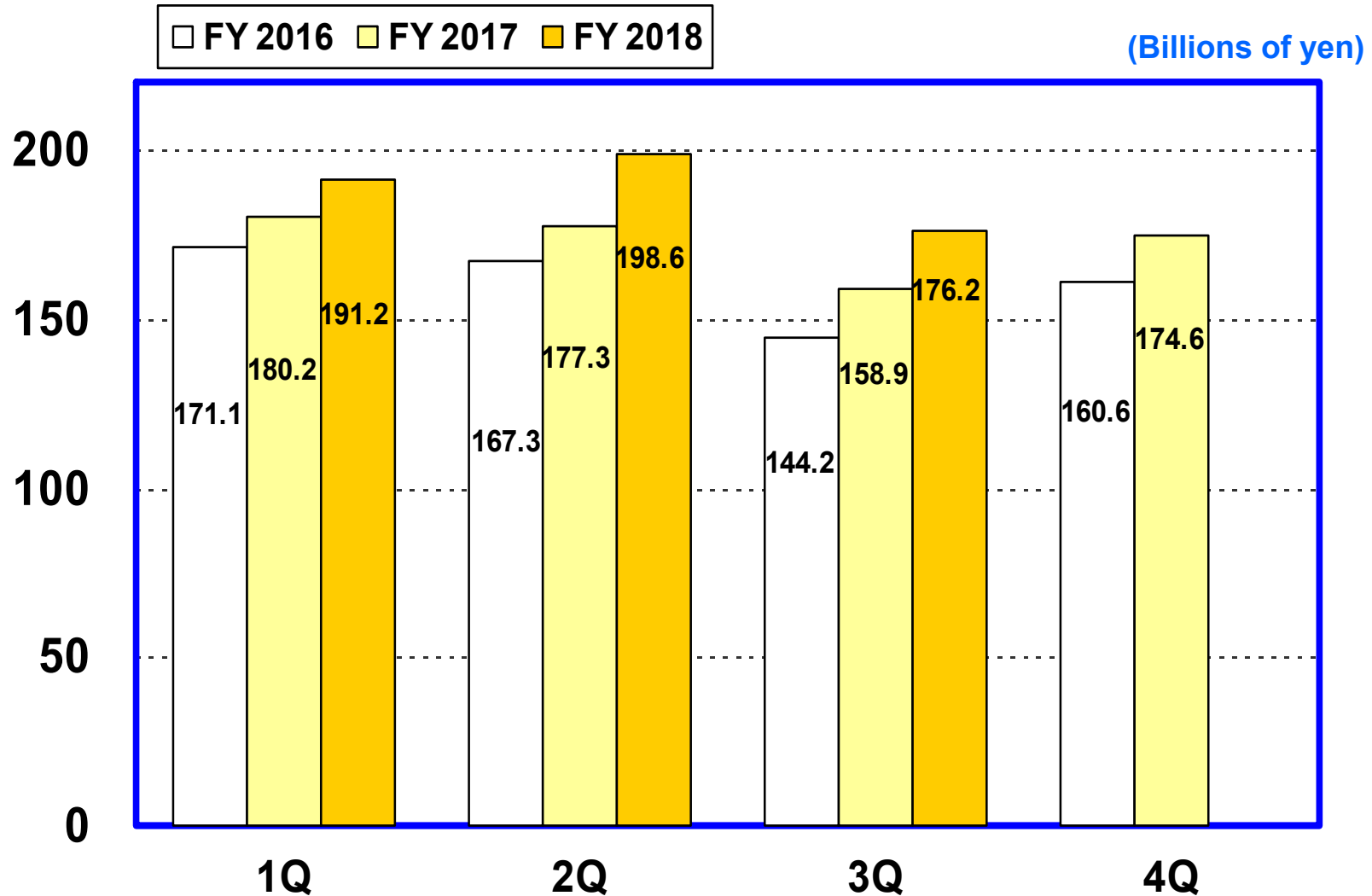


(Millions of yen)



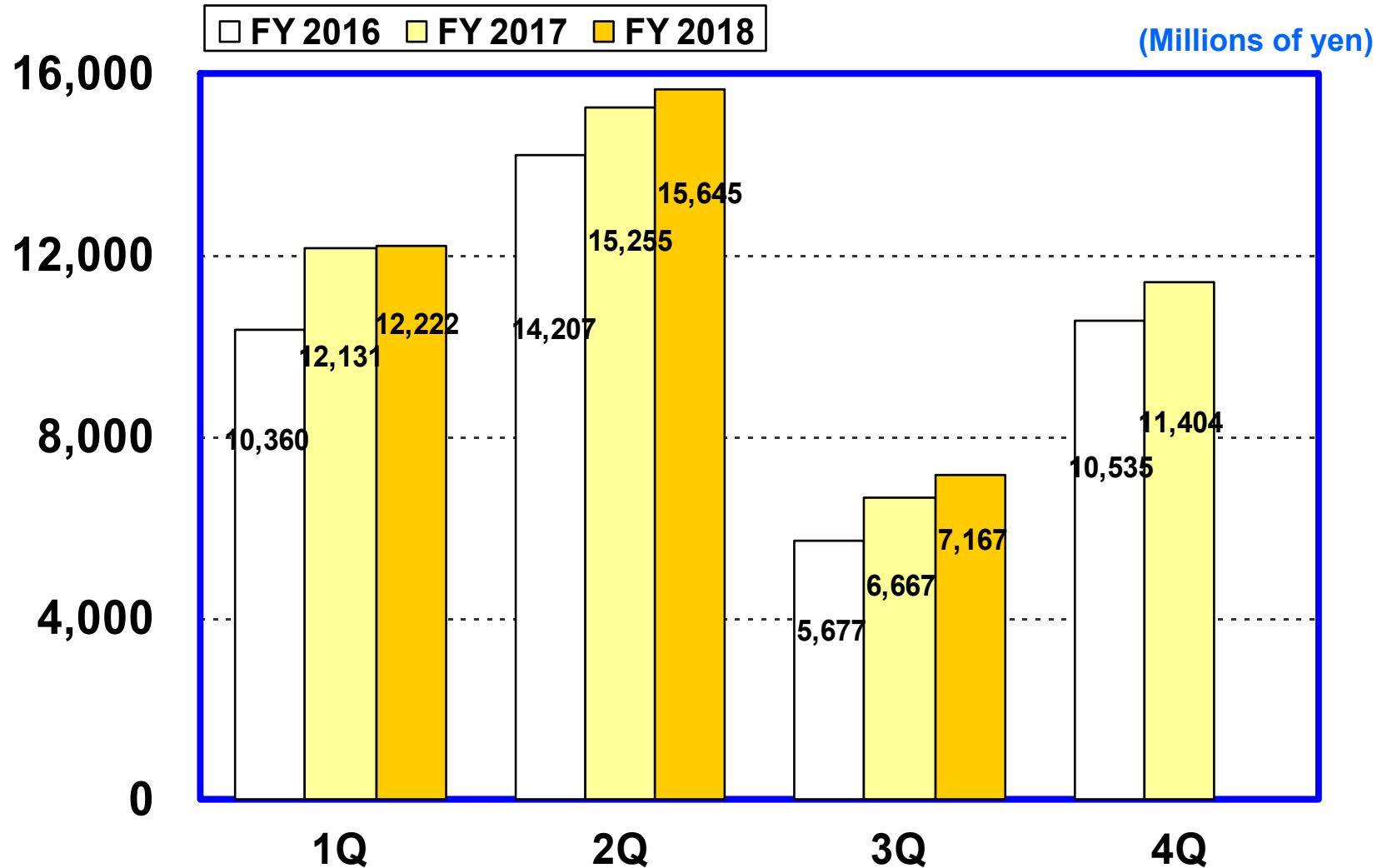
Consolidated

Quarterly change of Net sales



Consolidated

Quarterly change of Ordinary income



Summary of Business Results, July – September, 2018

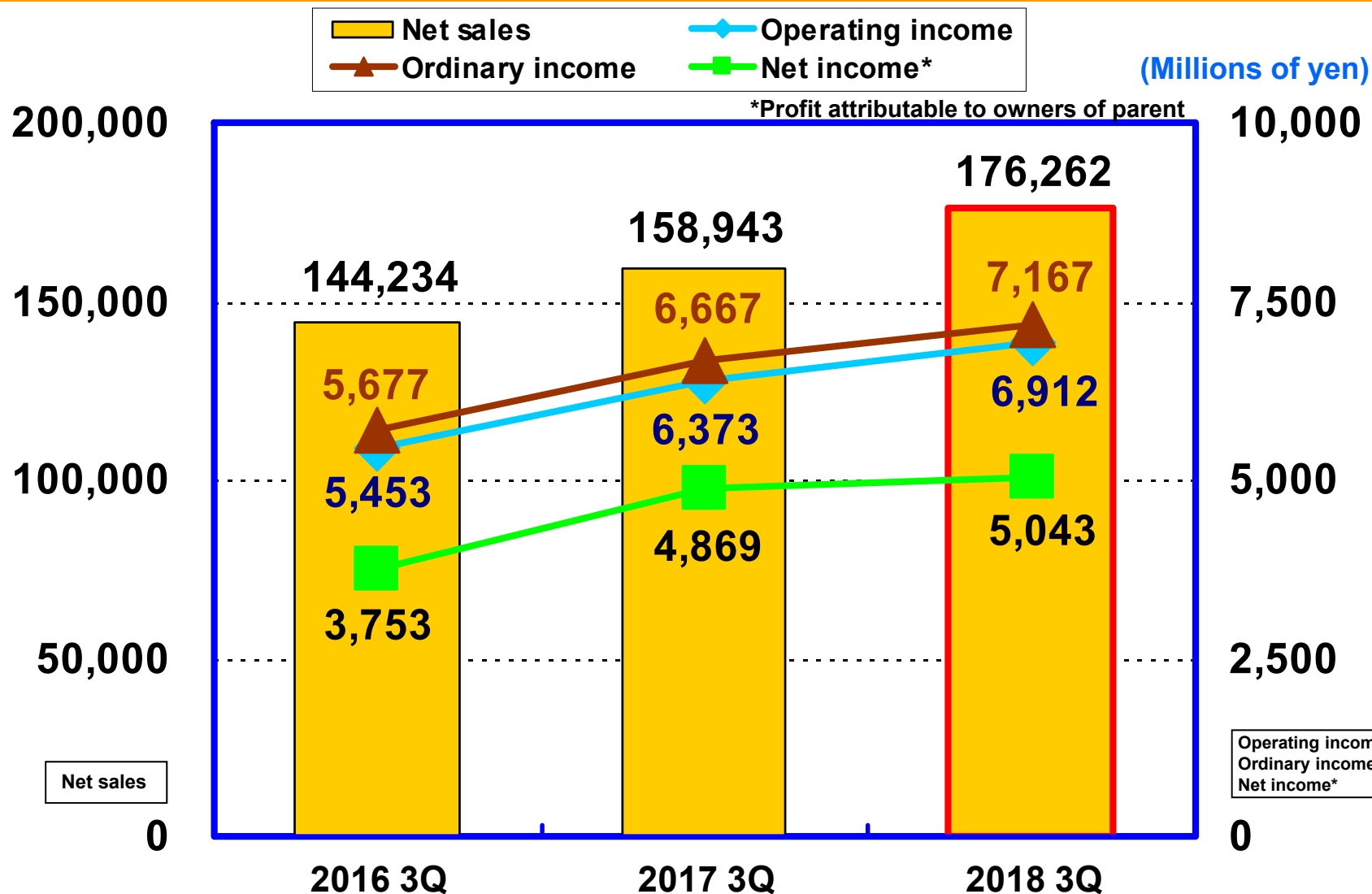
(Millions of yen)

	Consolidated		Non-Consolidated	
	Amount	Change to Last year	Amount	Change to Last year
Net sales	176,262	+10.9%	157,414	+9.9%
Operating income	6,912	+8.5%	5,929	+6.6%
Ordinary income	7,167	+7.5%	6,109	+5.1%
Net income*	5,043	+3.6%	4,360	+2.5%

*Profit attributable to owners of parent

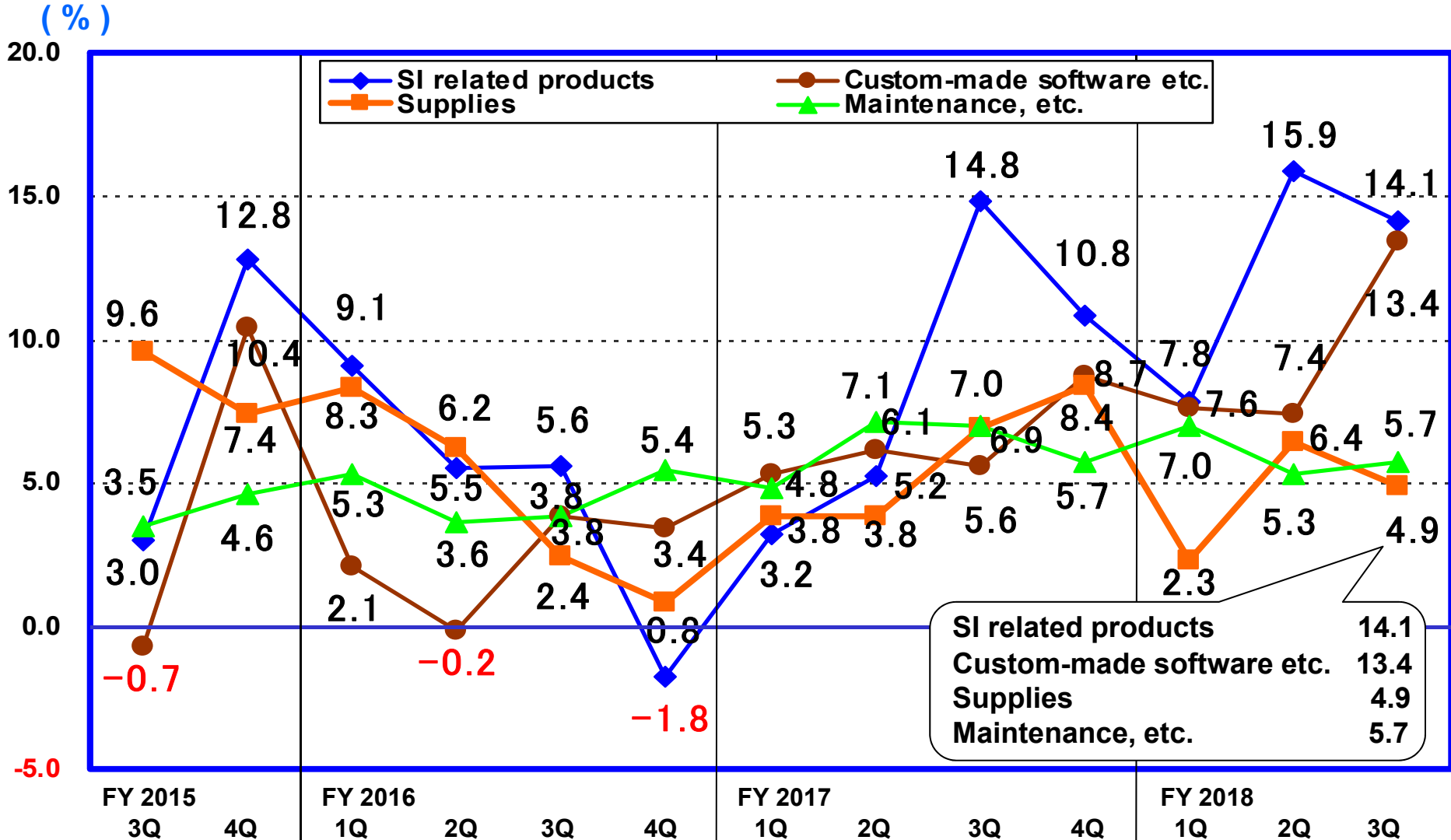
Consolidated

Net sales and Profits, July – September



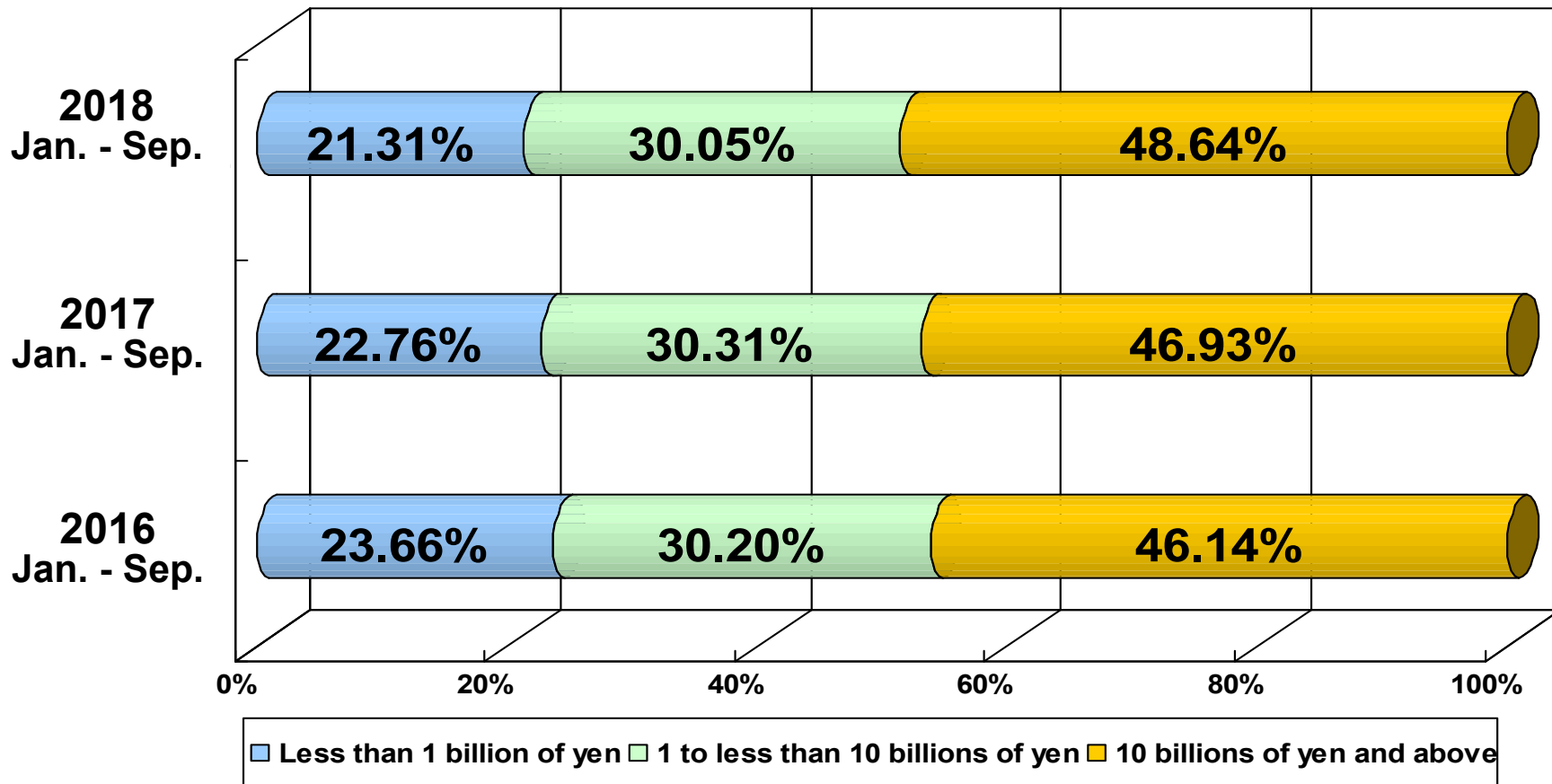
Non-Consolidated

Quarterly Net Sales by 4 segments (% change year-on-year)



Non-Consolidated

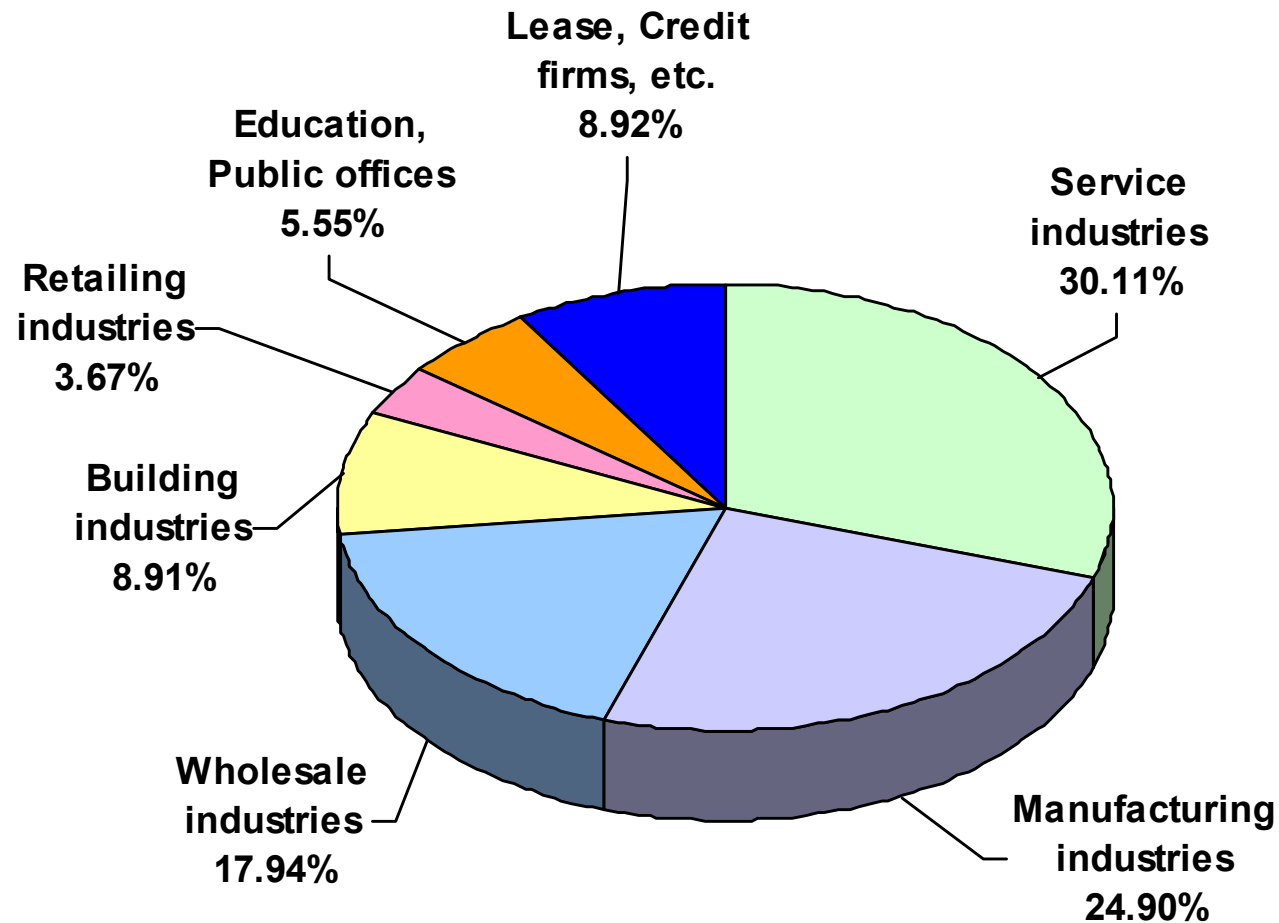
Net sales structure on customers' total annual business scale



* "Less than 1 billion yen" includes public offices.

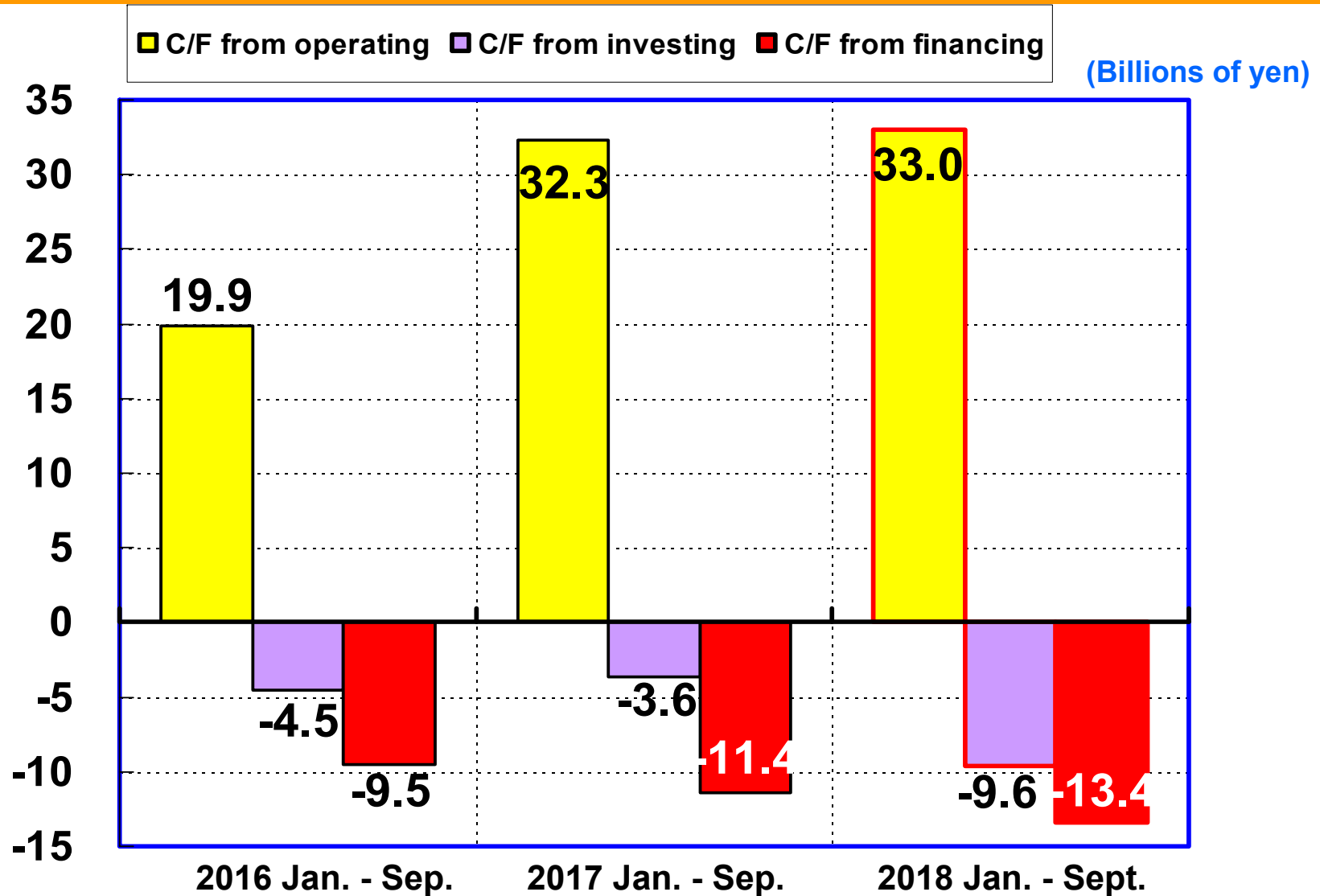
Sales breakdown by customers' type of industry

2018 Jan. – Sep.



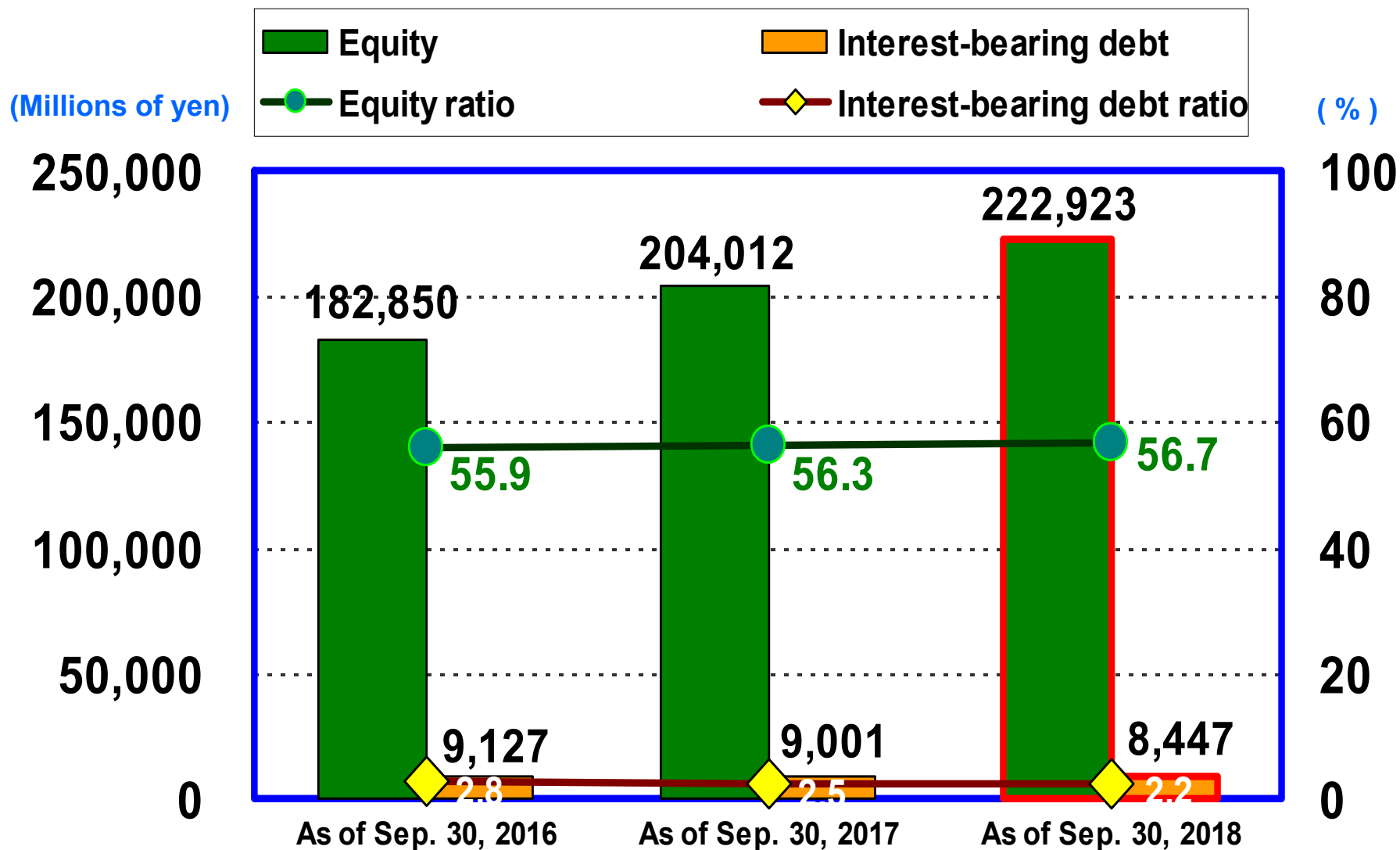
Consolidated

Cash flows



Consolidated

Equity and Interest-bearing debt

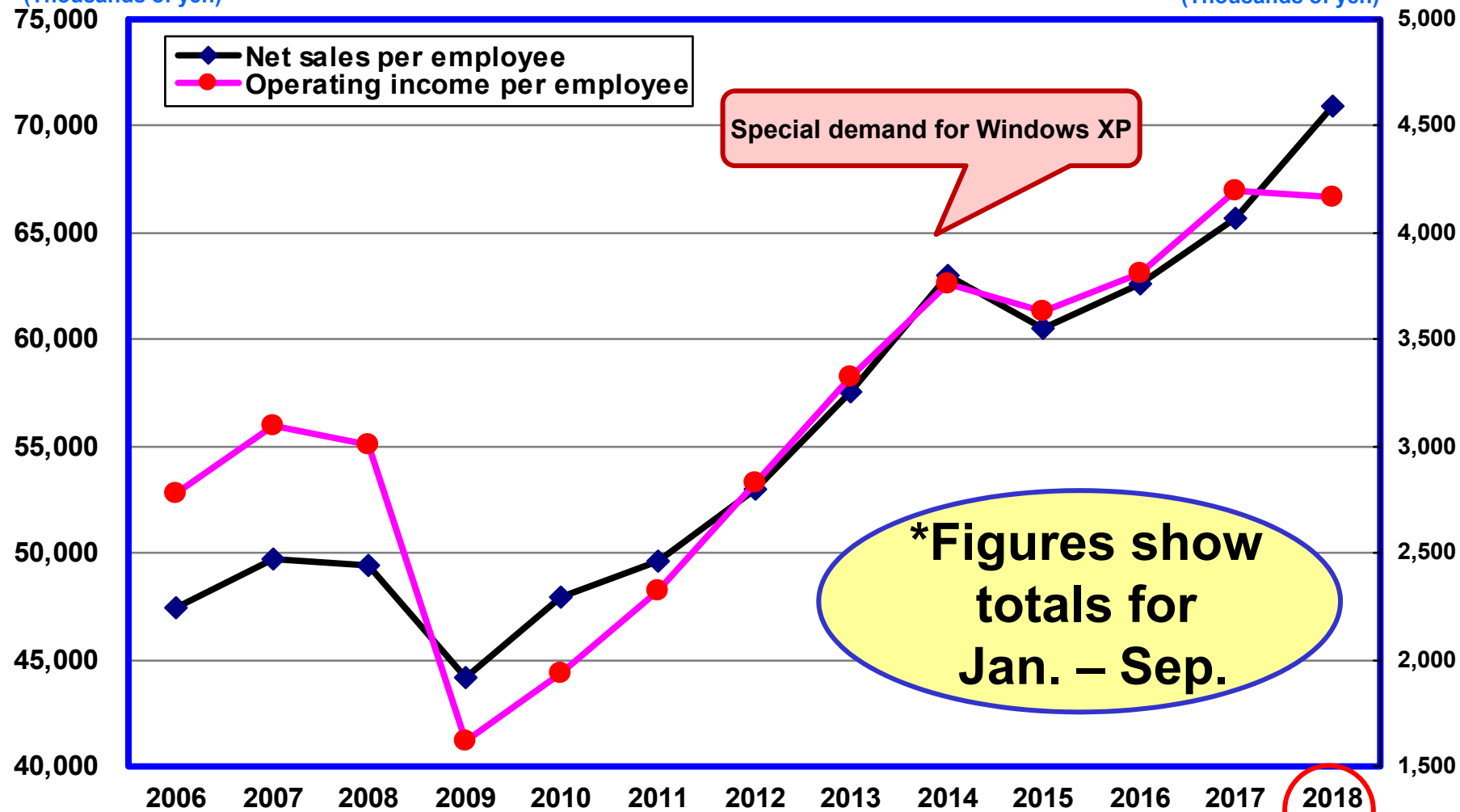


Non-Consolidated

Change of Net sales per employee and Operating income per employee

Net sales per employee
(Thousands of yen)

Operating income per employee
(Thousands of yen)



Number of employees at the end of September

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
6,377	6,589	6,763	6,823	6,802	6,729	6,678	6,656	6,789	6,882	7,036	7,129	7,200



Key strategic business

<Amount of Sales>

(Millions of yen)

	2016 Jan. – Sep.	2017 Jan. – Sep.		2018 Jan. – Sep.			2018 Jul. – Sep.		
	Amount	Amount	Change to Last year	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
“tanomail”	108,934	113,498	+4.2%	117,950	+4,452	+3.9%	37,652	+1,634	+4.5%
SMILE	7,024	7,742	+10.2%	8,701	+959	+12.4%	2,243	+451	+25.2%
ODS	38,279	41,938	+9.6%	41,940	+2	+0.0%	10,461	+606	+6.2%
OSM	51,119	50,230	-1.7%	53,512	+3,282	+6.5%	16,669	+1,187	+7.7%

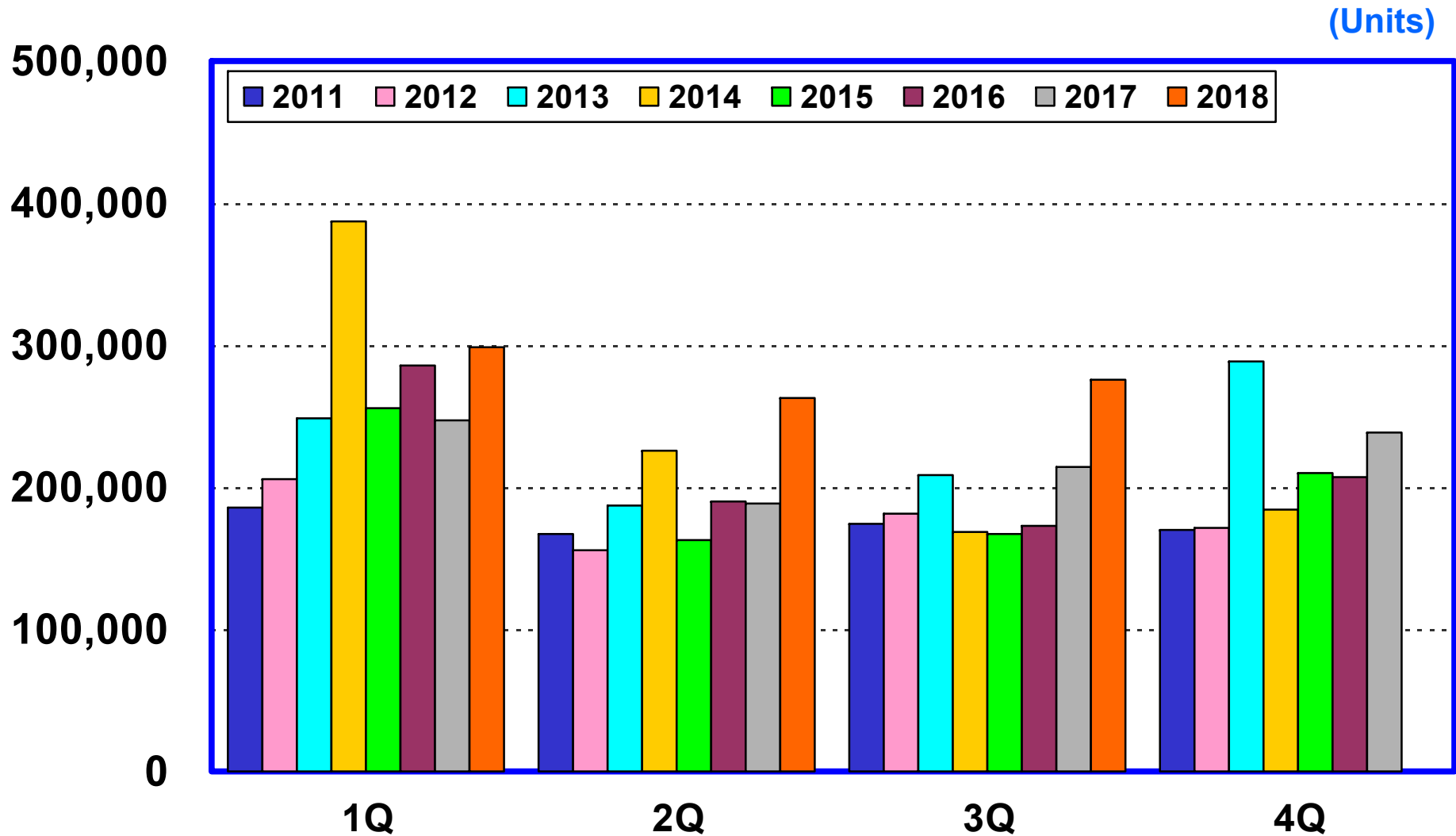
(ODS: Otsuka Document Solutions OSM: Otsuka Security Management)

<As reference: Number of Sales>

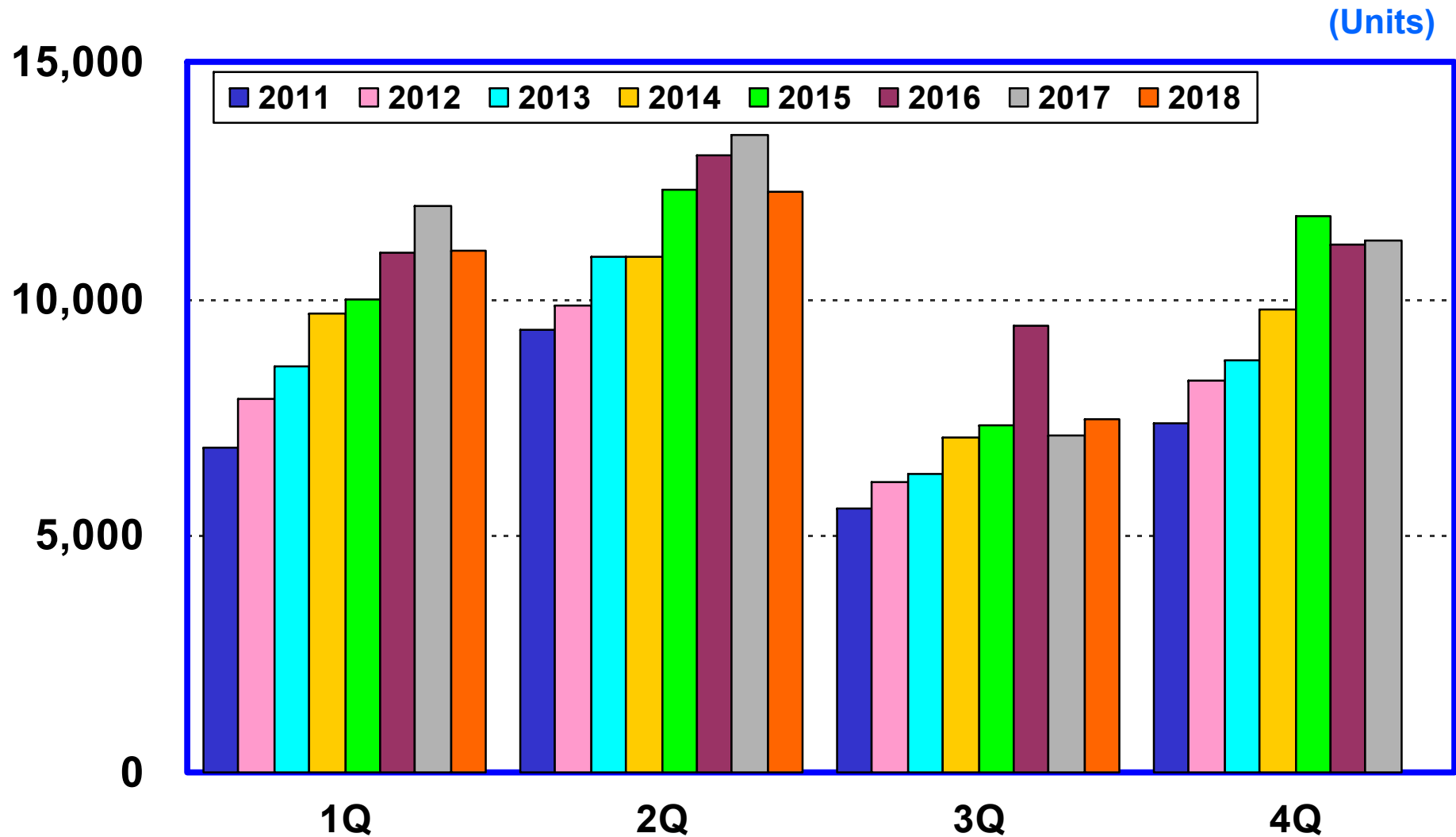
(Units)

Copier	33,428	32,562	-2.6%	30,726	-1,836	-5.6%	7,452	+330	+4.6%
(of which Color copier)	31,357	31,109	-0.8%	29,782	-1,327	-4.3%	7,229	+390	+5.7%
Server	25,481	24,333	-4.5%	23,999	-334	-1.4%	7,571	-741	-8.9%
PC	647,963	649,056	+0.2%	837,046	+187,990	+29.0%	275,447	+61,822	+28.9%
Client Total	692,445	677,355	-2.2%	874,997	+197,642	+29.2%	290,360	+66,092	+29.5%

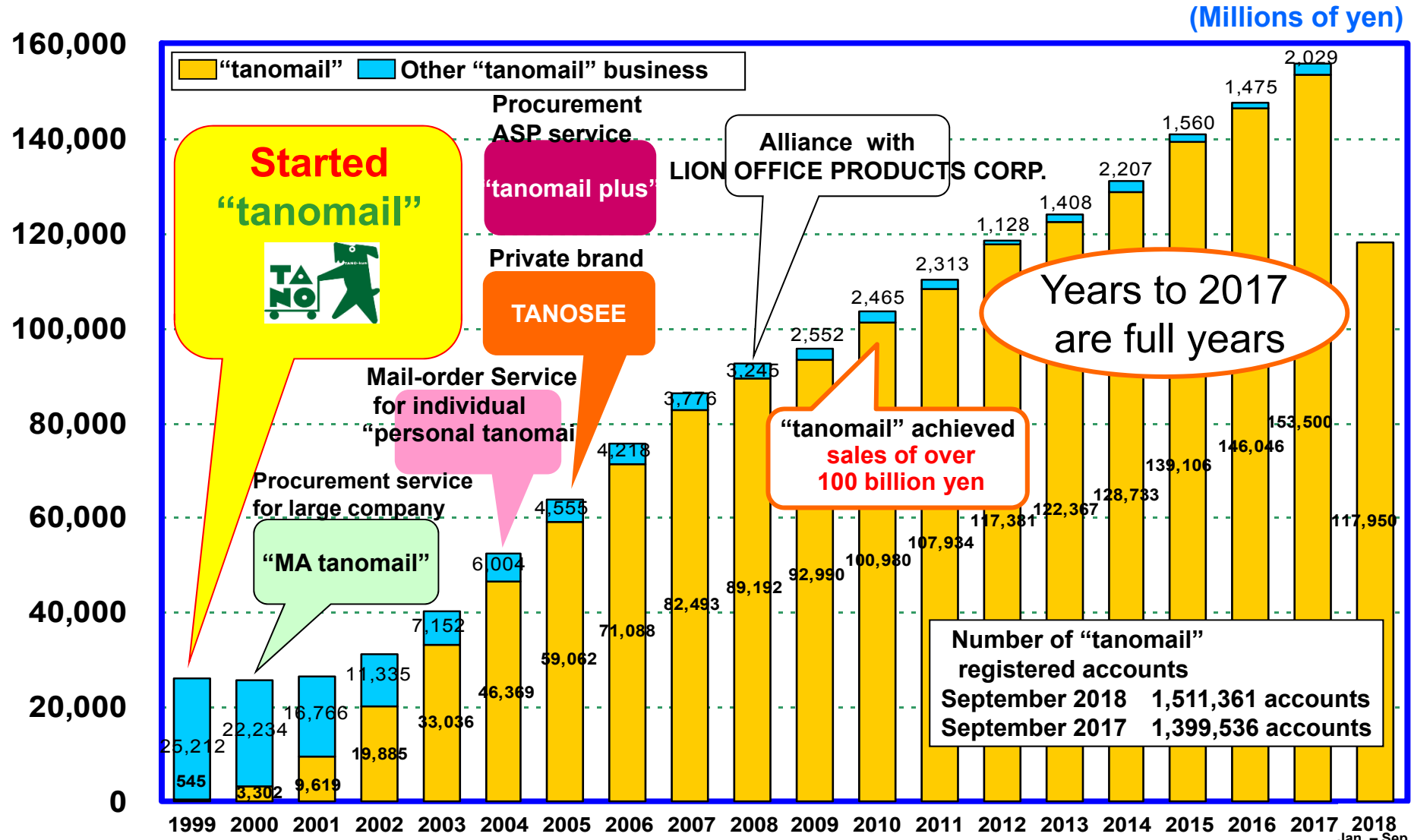
Quarterly Number of PCs Sold



Quarterly Number of Copiers Sold



Annual sales transition of "tanomail"



20th Anniversary of “tanomail”



■ 20th Anniversary Big Appreciation Fair

- Featured 852 products that included “Increased volume pack at regular prices,” “Commemorative products” and “Current issue limited time only special prices”

■ α Eco Paper “TANO-kun Forest”

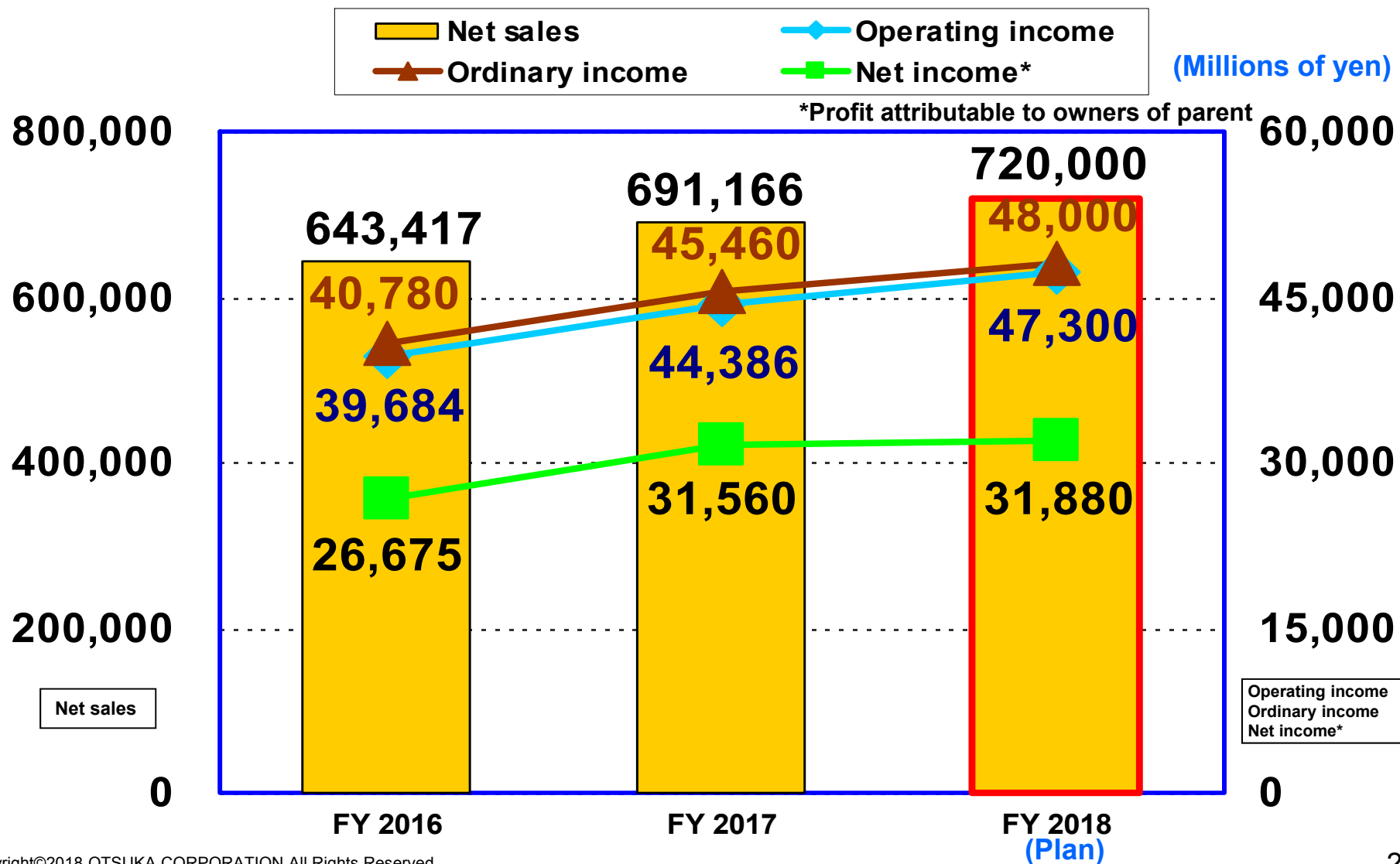
- Sales in a limited quantity from October
- Donated ¥10 per box to Japanese Red Cross Society, Japan Committee for UNICEF and Guide Dog & Service Dog & Hearing Dog Association of Japan

■ “Thank You Campaign”

Implemented “The First Time Campaign”

Consolidated

Plans of Net sales and profit





Cautionary statement

1. This material is intended to provide information about the business performance of the 3rd quarter of fiscal year 2018 and strategy of the OTSUKA CORPORATION and Group companies. It is not intended and should not be construed as an inducement to purchase or sell stocks of OTSUKA CORPORATION.
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