(Millions of yen)

(Millions of yen)

April 25, 2019

Outline of business results

onsolidated Net sales and	Profits									(Millions of yen)
	1Q 2017		1Q 2	2018				1Q 2	2019	
	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year	Consolidated to non-consolidated ratio
Net sales	180,278	191,225	100.0%	+10,947	+6.1%	218,681	100.0%	+27,455	+14.4%	1.11
Gross profit	37,940	38,998	20.4%	+1,058	+2.8%	42,917	19.6%	+3,918	+10.0%	1.09
Operating income	11,744	11,851	6.2%	+106	+0.9%	14,648	6.7%	+2,797	+23.6%	1.15
Ordinary income	12,131	12,222	6.4%	+91	+0.8%	15,087	6.9%	+2,864	+23.4%	1.07
Net income*	8,045	8,064	4.2%	+18	+0.2%	10,042	4.6%	+1,978	+24.5%	1.03

*Profit attributable to owners of parent Non-consolidated Net sales and Profite

i-consolidated Net sales and Profits (Millions of yen)											
	1Q 2017		1Q 2	2018			1Q 2	,	, ,		
	Amount	Amount	Amount	Amount Amount	Composition	Difference to	U	Amount			-
	7 anoant	7 anoant	Ratio	Last year	Last year	Amount	Ratio	Last year	Last year		
Net sales	161,528	171,847	100.0%	+10,319	+6.4%	197,520	100.0%	+25,672	+14.9%		
Gross profit	34,431	35,327	20.6%	+895	+2.6%	39,219	19.9%	+3,891	+11.0%		
Operating income	10,205	10,095	5.9%	-110	-1.1%	12,793	6.5%	+2,698	+26.7%		
Ordinary income	11,010	11,205	6.5%	+194	+1.8%	14,074	7.1%	+2,868	+25.6%		
Net income	7,562	7,744	4.5%	+181	+2.4%	9,764	4.9%	+2,020	+26.1%		
	Net sales Gross profit Operating income Ordinary income Net income	IQ 2017AmountNet sales161,528Gross profit34,431Operating income10,205Ordinary income11,010	1Q 2017 Amount Amount Net sales 161,528 171,847 Gross profit 34,431 35,327 Operating income 10,205 10,095 Ordinary income 11,010 11,205	1Q 2017 1Q 2 Amount Amount Composition Ratio Net sales 161,528 171,847 100.0% Gross profit 34,431 35,327 20.6% Operating income 10,205 10,095 5.9% Ordinary income 11,010 11,205 6.5%	IQ 2017 IQ 2018 Amount Amount Composition Ratio Difference to Last year Net sales 161,528 171,847 100.0% +10,319 Gross profit 34,431 35,327 20.6% +895 Operating income 10,205 10,095 5.9% -110 Ordinary income 11,010 11,205 6.5% +194	IQ 2017 IQ 2018 Amount Amount Composition Ratio Difference to Last year Change to Last year Net sales 161,528 171,847 100.0% +10,319 +6.4% Gross profit 34,431 35,327 20.6% +895 +2.6% Operating income 10,205 10,095 5.9% -110 -1.1% Ordinary income 11,010 11,205 6.5% +194 +1.8%	1Q 2017 1Q 2018 Amount Composition Ratio Difference to Last year Change to Last year Amount Net sales 161,528 171,847 100.0% +10,319 +6.4% 197,520 Gross profit 34,431 35,327 20.6% +895 +2.6% 39,219 Operating income 10,205 10,095 5.9% -110 -1.1% 12,793 Ordinary income 11,010 11,205 6.5% +194 +1.8% 14,074	IQ 2017 IQ 2018 IQ 2 Amount Amount Composition Ratio Difference to Last year Change to Last year Amount Composition Ratio Difference to Last year Difference to Last year Amount Composition Ratio Difference to Last year Diffe	IQ 2017 IQ 2018 IQ 2019 Amount Amount Composition Ratio Difference to Last year Change to Last year Amount Composition Ratio Difference to Last year Change to Last year Composition Ratio Difference to Last year Net sales 161,528 171,847 100.0% +10,319 +6.4% 197,520 100.0% +25,672 Gross profit 34,431 35,327 20.6% +895 +2.6% 39,219 19.9% +3,891 Operating income 10,205 10,095 5.9% -110 -1.1% 12,793 6.5% +2,698 Ordinary income 11,010 11,205 6.5% +194 +1.8% 14,074 7.1% +2,868		

Quarterly change of consolidated Net sales

	FY 2017		FY 2018		FY 2019		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan Mar.)	180,278	191,225	+10,947	+6.1%	218,681	+27,455	+14.4%
2Q (Apr Jun.)	177,307	198,637	+21,330	+12.0%	-	-	-
3Q (Jul Sep.)	158,943	176,262	+17,318	+10.9%	-	-	-
4Q (Oct Dec.)	174.637	193.745	+19.107	+10.9%	-	-	-

Quarterly change of consolidated Ordinary income

	FY 2017	FY 2018				FY 2019	
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan Mar.)	12,131	12,222	+91	+0.8%	15,087	+2,864	+23.4%
2Q (Apr Jun.)	15,255	15,645	+389	+2.6%	-	-	-
3Q (Jul Sep.)	6,667	7,167	+499	+7.5%	-	-	-
4Q (Oct Dec.)	11,404	14,250	+2,845	+24.9%	-	-	-

Consolidated Net sales by segments

or	solidated Net sales by segments								(Mill	ions of yen)
		1Q 2017	1Q 2018				1Q 2019			
		Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio		Change to Last year
	System Integration business	109,387	117,273	61.3%	+7,886	+7.2%	142,502	65.2%	+25,228	+21.5%
	Service and Support business	70,795	73,952	38.7%	+3,156	+4.5%	76,179	34.8%	+2,226	+3.0%
	Other business	95	-	-	-	-	•	-	-	-

Non-consolidated Net sales and Gross profit by segments

n-consolidated Net sa	-consolidated Net sales and Gross profit by segments (Millions of yen)											
	1Q 2017		1Q 2	2018		1Q 2019						
		Amount	Amount	Composition		- 5	Amount			Change to		
		, and and	/ unoune	Ratio	Last year	Last year		Ratio	Last year	Last year		
Net sales	System Integration	91,495	98,646	57.4%	+7,150	+7.8%	122,075	61.8%	+23,428	+23.8%		
Net Sales	Service and Support	70,032	73,201	42.6%	+3,168	+4.5%	75,445	38.2%	+2,244	+3.1%		
Gross profit	System Integration	17,691	17,831	50.5%	+140	+0.8%	21,084	53.8%	+3,253	+18.2%		
Gross pront	Service and Support	16,740	17,496	49.5%	+755	+4.5%	18,134	46.2%	+638	+3.7%		

Non-consolidated Net sales by 4 segments

on-consolidated Net sale	s by 4 segments					-			(Mill	ions of yen)
				1Q 2018			1Q 2019			
	_	Amount	Amount	Composition	Difference to	Change to	Amount	Composition	Difference to	Change to
		Amount	Amount	Ratio	Last year	Last year	Amount	Ratio	Last year	Last year
System Integration	SI related products	80,843	87,186	50.7%	+6,343	+7.8%	108,663	55.0%	+21,476	+24.6%
business	Custom-made software etc.	10,652	11,459	6.7%	+806	+7.6%	13,411	6.8%	+1,952	+17.0%
Service and Support	Supplies	36,820	37,677	21.9%	+857	+2.3%	38,696	19.6%	+1,018	+2.7%
business	Maintenance, etc.	33,212	35,523	20.7%	+2,311	+7.0%	36,748	18.6%	+1,225	+3.4%

Co	Consolidated Cash flows								
		1Q	1Q	1Q					
		2017	2018	2019					
	C/F from operating	14,396	10,729	11,794					
	C/F from investing	-1,343	-2,800	-1,569					
	C/F from financing	-11,436	-13,376	-16,228					
	Cash and cash equivalents at end of period	119,777	132,064	145,588					

Consolidated Equity and Interest-bearing debt

	2017	2018	2019	(
	Mar. 31	Mar. 31	Mar. 31	
Equity	187,019	207,707	224,119	*(
Interest-bearing debt	9,416	8,865	9,014	1
Total assets*	361,730	396,395	430,084	1
Equity ratio*	51.7%	52.4%	52.1%	
Interest-bearing debt ratio*	2.6%	2.2%	2.1%	

(Millions of yen)

*OTSUKA CORPORATION has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from 2019 and is applying this retroactively to 2018. Therefore, the figures for Total assets, Equity ratio and Interest-bearing debt ratio at the end of March 2018 are expressed after retroactive adjustment.

Non-consolidated Key strate		(Mil	lions of yen)				
	1Q 2017	1Q 2018				1Q 2019	
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	39,485	40,350	+864	+2.2%	41,509	+1,159	+2.9%
SMILE	2,543	2,664	+120	+4.8%	2,706	+42	+1.6%
ODS	14,519	14,446	-72	-0.5%	14,231	-215	-1.5%
OSM	17,924	17,860	-64	-0.4%	18,530	+670	+3.8%
<as number<="" reference:="" td=""><td>of Sales></td><td></td><td></td><td></td><td></td><td></td><td>(Units)</td></as>	of Sales>						(Units)
Copier	11,975	11,020	-955	-8.0%	10,507	-513	-4.7%
(of which color copier)	11,343	10,659	-684	-6.0%	10,203	-456	-4.3%
Server	7,896	8,681	+785	+9.9%	8,254	-427	-4.9%
PC	246,735	298,409	+51,674	+20.9%	458,136	+159,727	+53.5%
Client Total	254,853	311,450	+56,597	+22.2%	469,499	+158,049	+50.7%

Future Plans

Plans of consolidated Net sales and profits

(Million	s of	ven)
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		1H 2019 (Plan)	
Net sales	218,681	413,500	803,000
Operating income	14,648	28,500	50,400
Ordinary income	15,087	28,940	51,200
Net income*	10,042	19,280	34,210

*Profit attributable to owners of parent

Plans of consolidated Net sales by segments					(Millions of yen)		
		FY 2017	FY 2018		FY 2019		
		(Result)	(Result)		(Plan)		
		Amount	Amount	Change to Last year	Amount	Change to Last year	
	System Integration	408,718	463,293	+13.4%	491,150	+6.0%	
	Service and Support	282,064	296,577	+5.1%	311,850	+5.1%	
	Others	383	-	-	-	-	