



**Fiscal year ending December 2019**  
**Nine months** (January – September)  
**Business Results**

**October 31, 2019**

**OTSUKA CORPORATION**

# Summary of Business Results, January – September, 2019

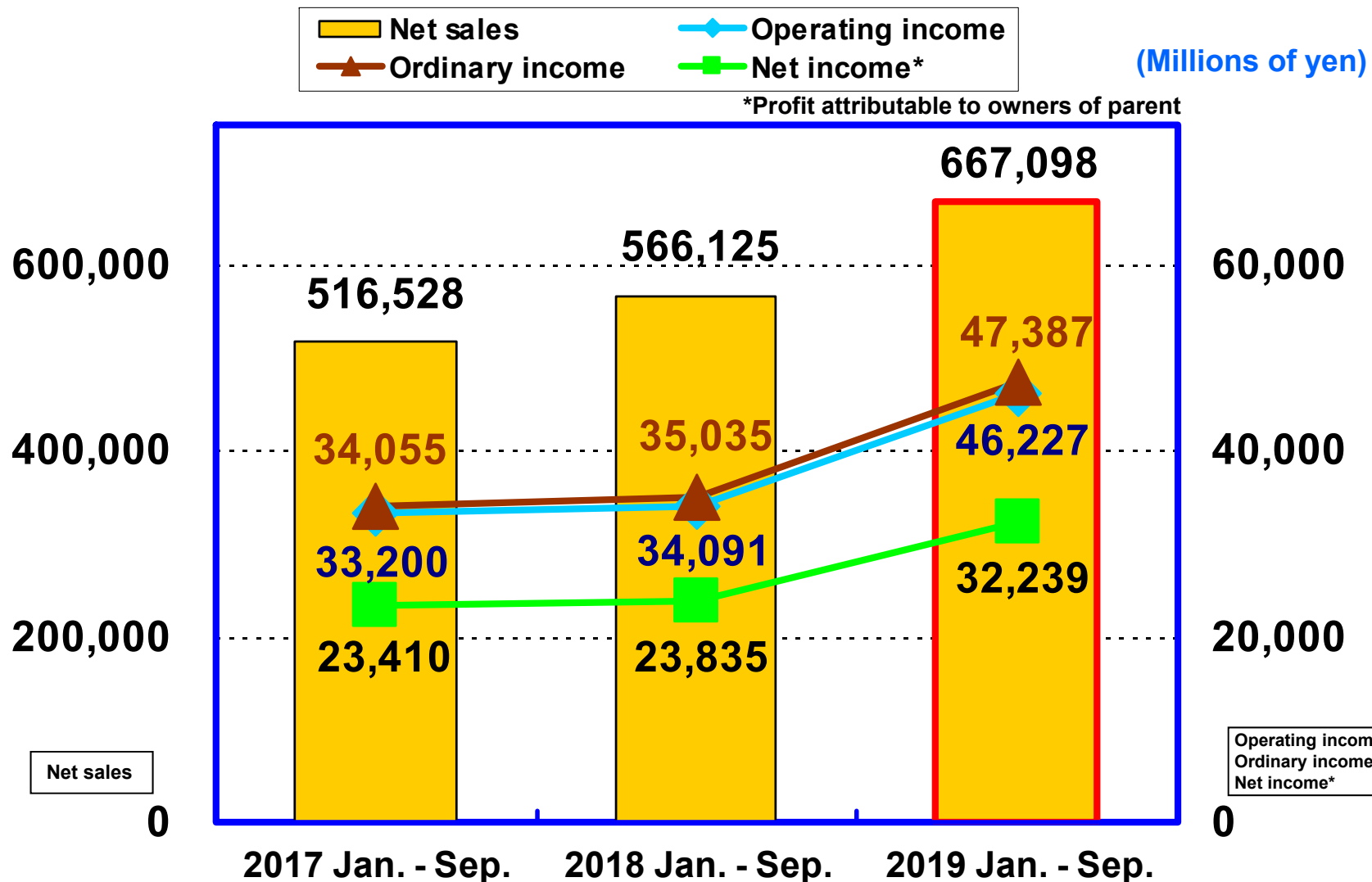
(Millions of yen)

	Consolidated		Non-Consolidated	
	Amount	Change to Last year	Amount	Change to Last year
Net sales	667,098	+17.8%	602,111	+17.9%
Operating income	46,227	+35.6%	41,276	+37.7%
Ordinary income	47,387	+35.3%	43,031	+36.6%
Net income*	32,239	+35.3%	29,856	+36.3%

\*Profit attributable to owners of parent

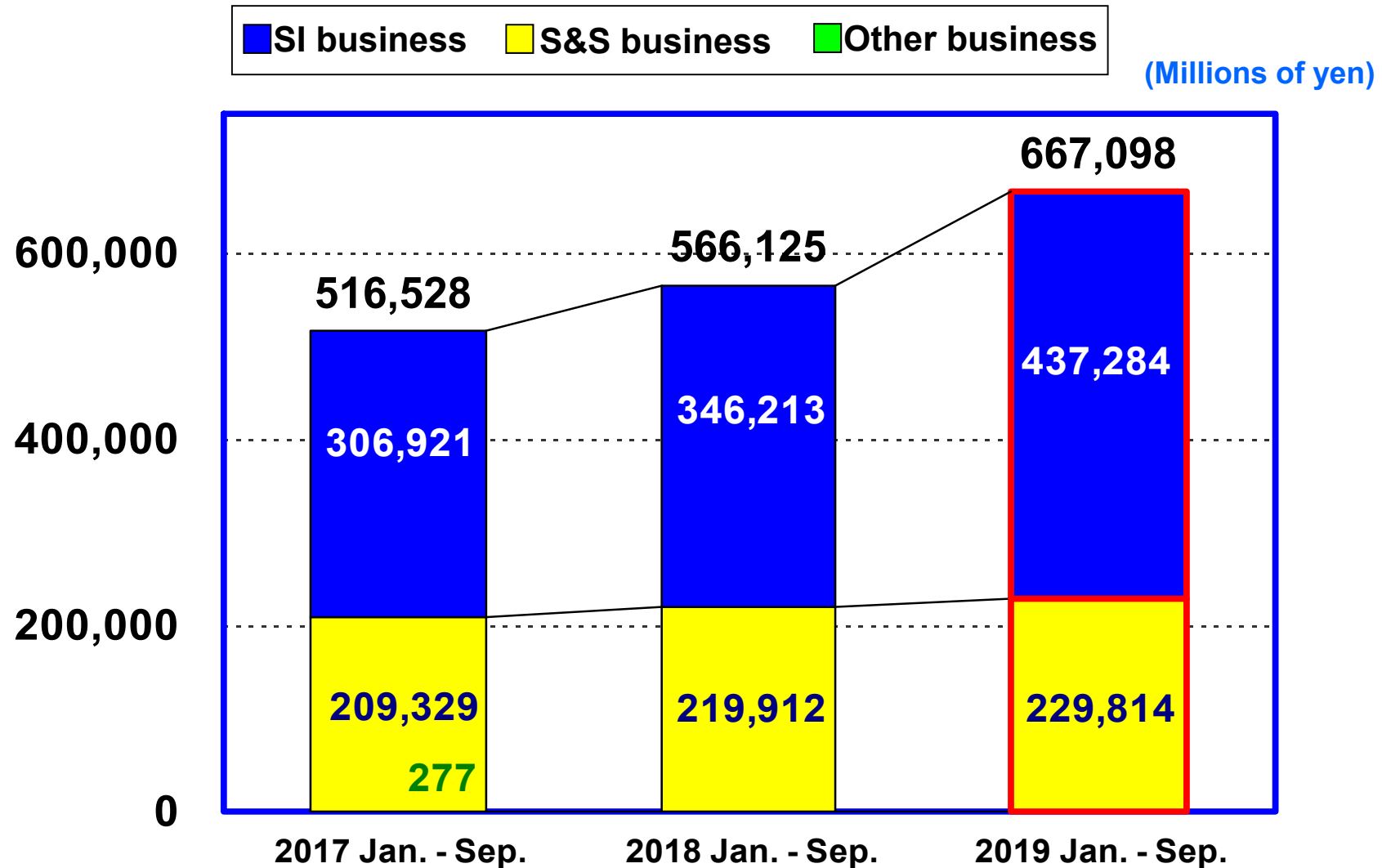
Consolidated

# Net sales and Profits

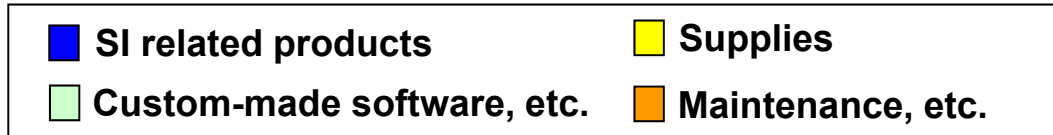


Consolidated

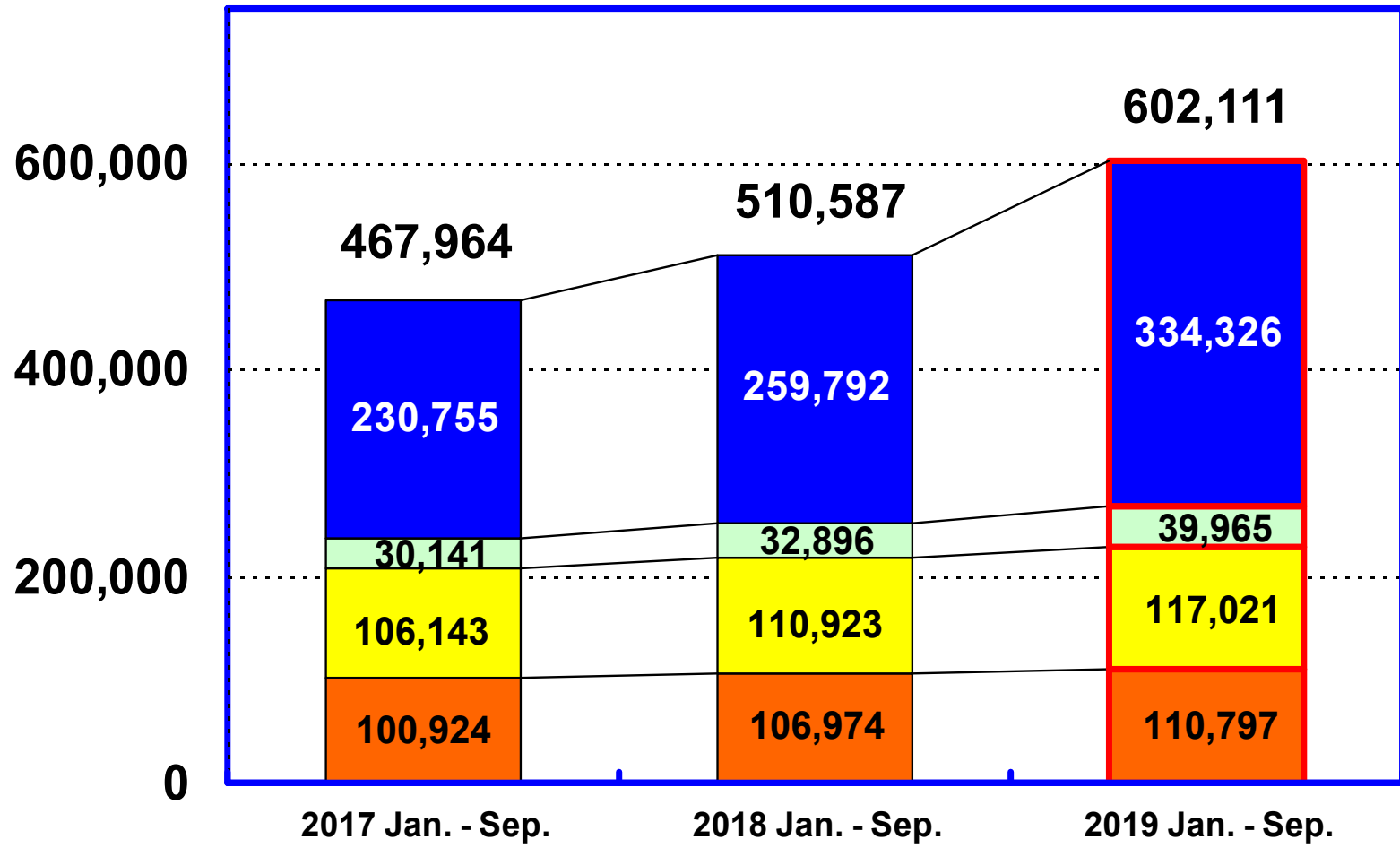
# Net sales by segments



# Net sales by 4 segments

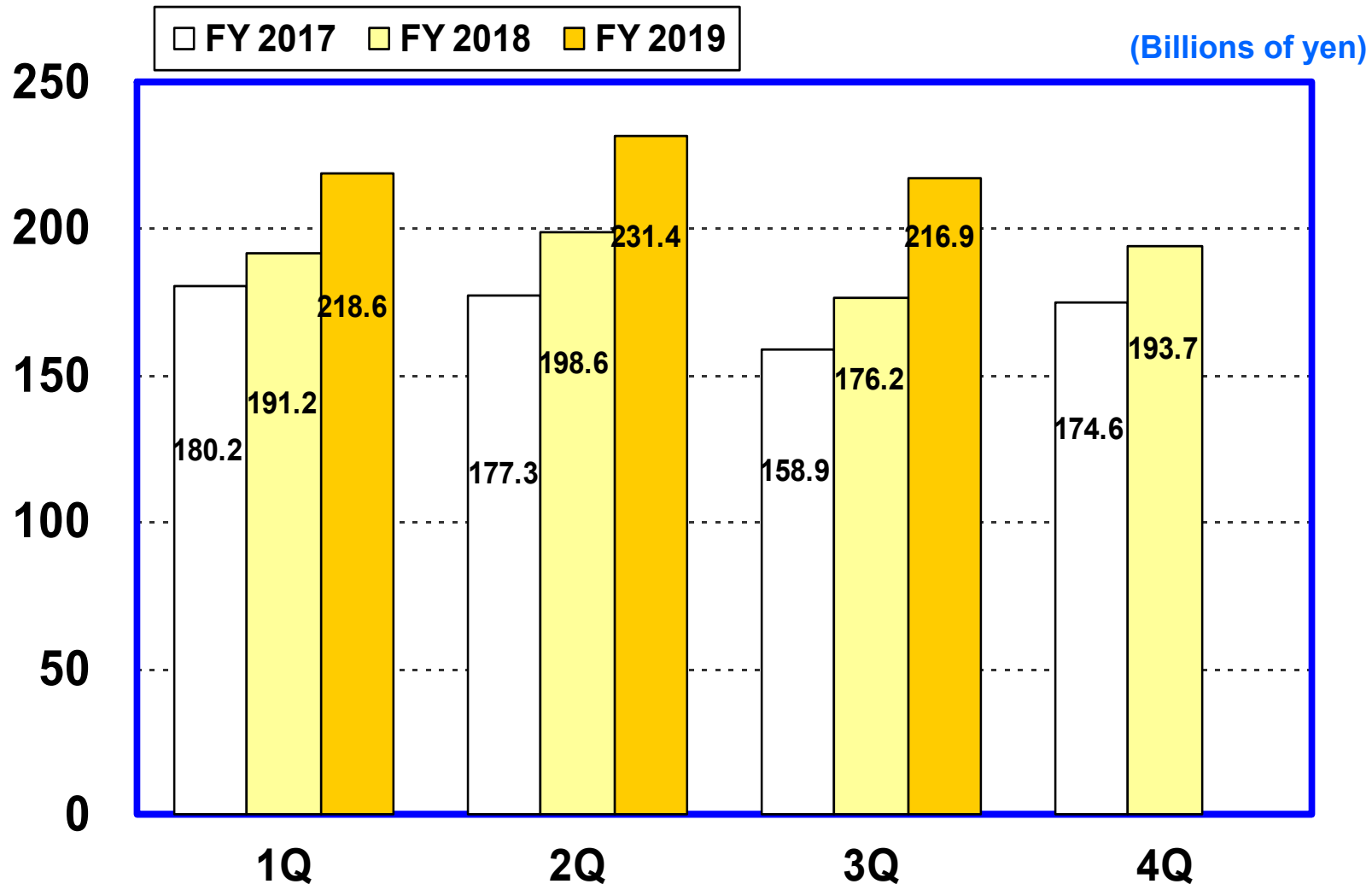


(Millions of yen)



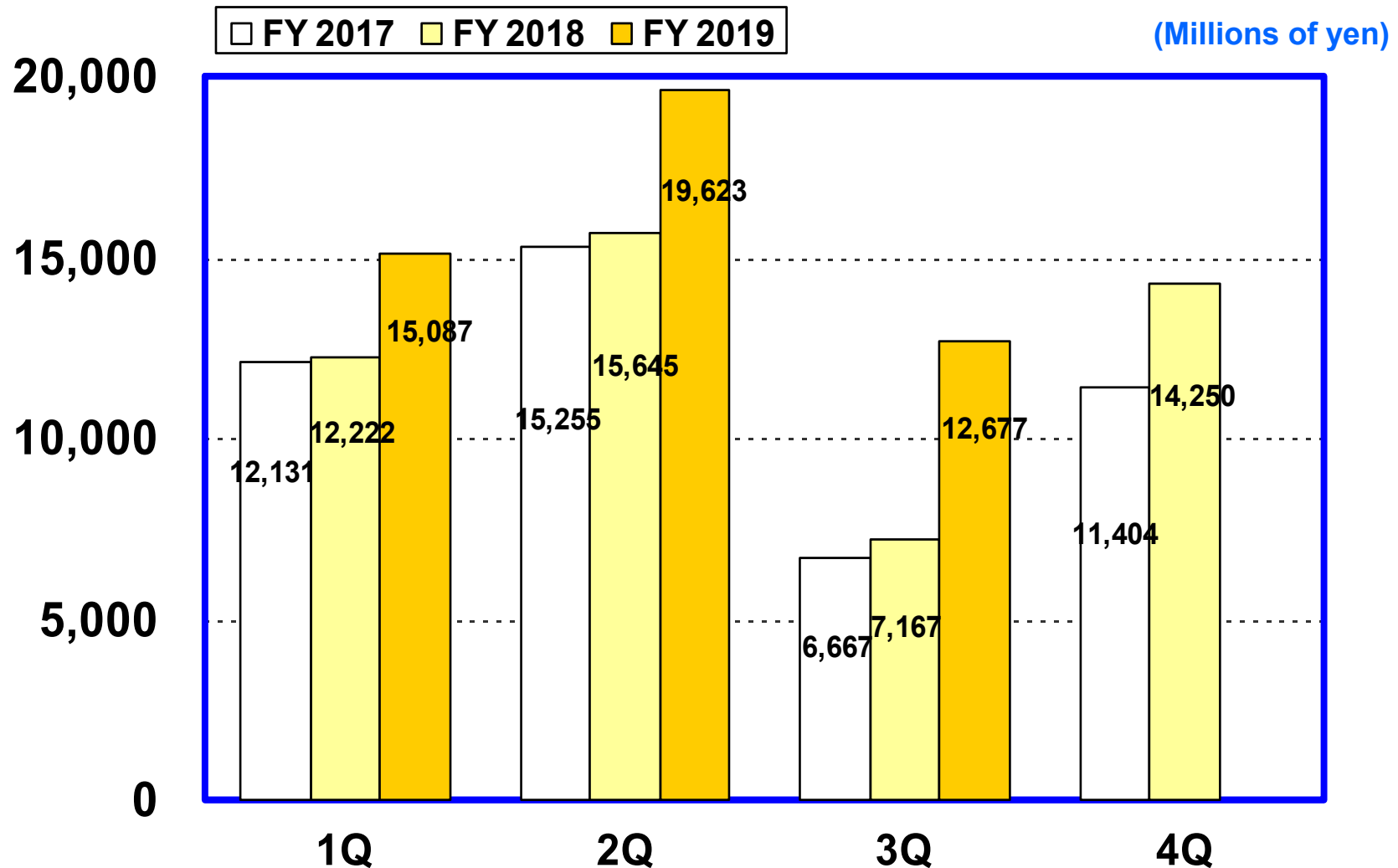
Consolidated

# Quarterly change of Net sales



Consolidated

# Quarterly change of Ordinary income



# Summary of Business Results, July – September, 2019

(Millions of yen)

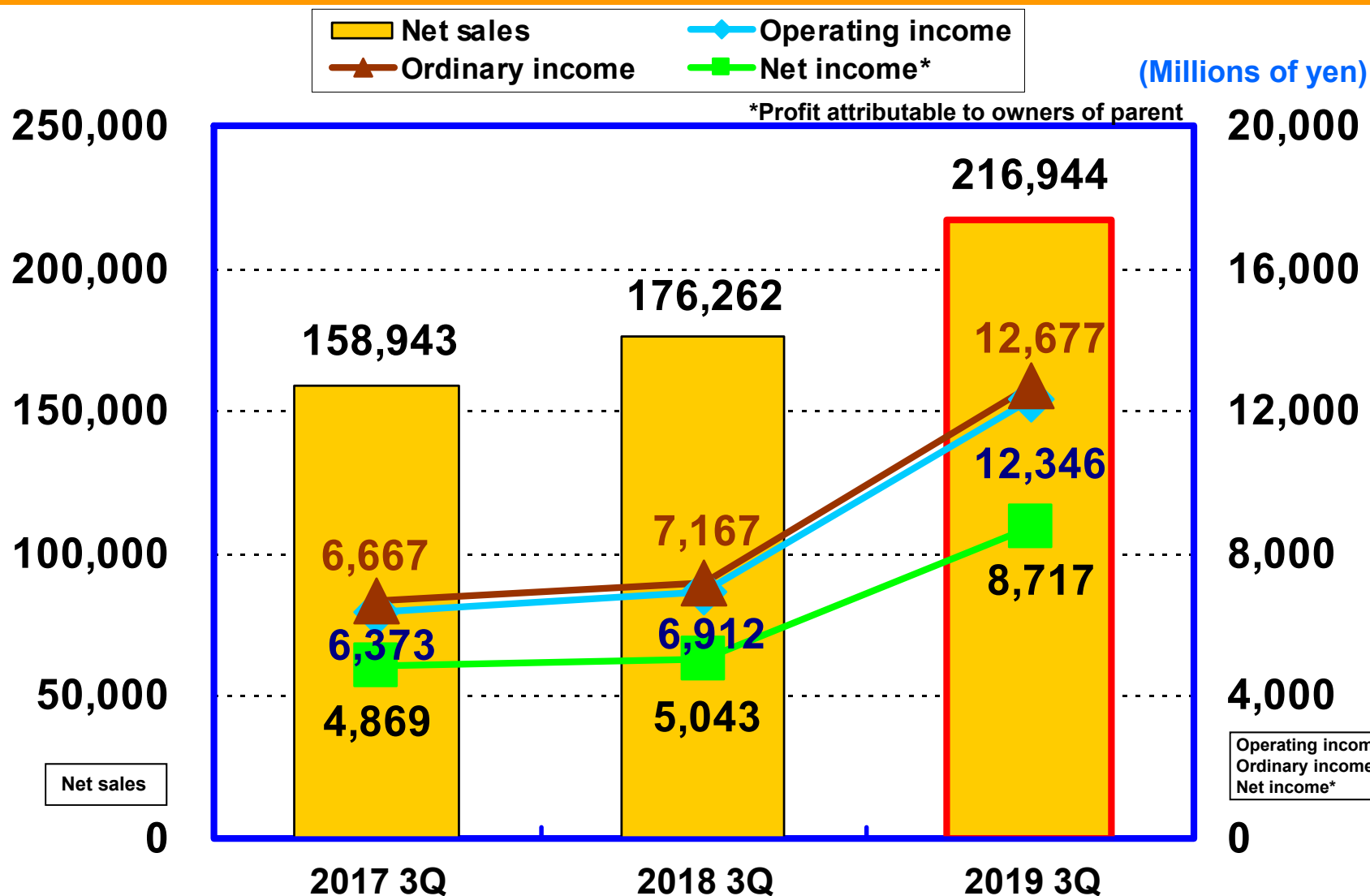
	Consolidated		Non-Consolidated	
	Amount	Change to Last year	Amount	Change to Last year
Net sales	216,944	+23.1%	194,739	+23.7%
Operating income	12,346	+78.6%	10,863	+83.2%
Ordinary income	12,677	+76.9%	11,082	+81.4%
Net income*	8,717	+72.8%	7,715	+76.9%

\*Profit attributable to owners of parent



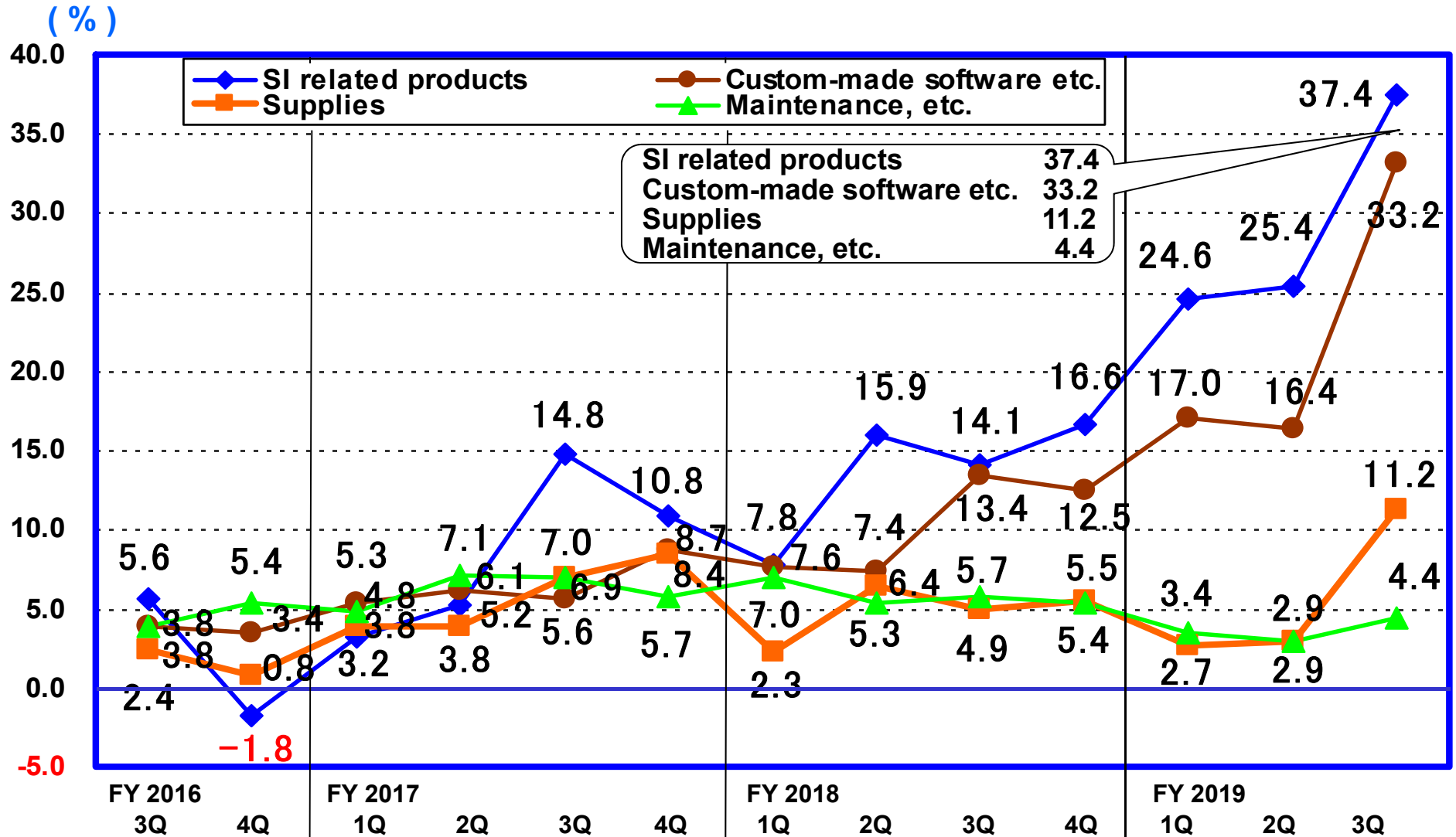
Consolidated

# Net sales and Profits, July – September



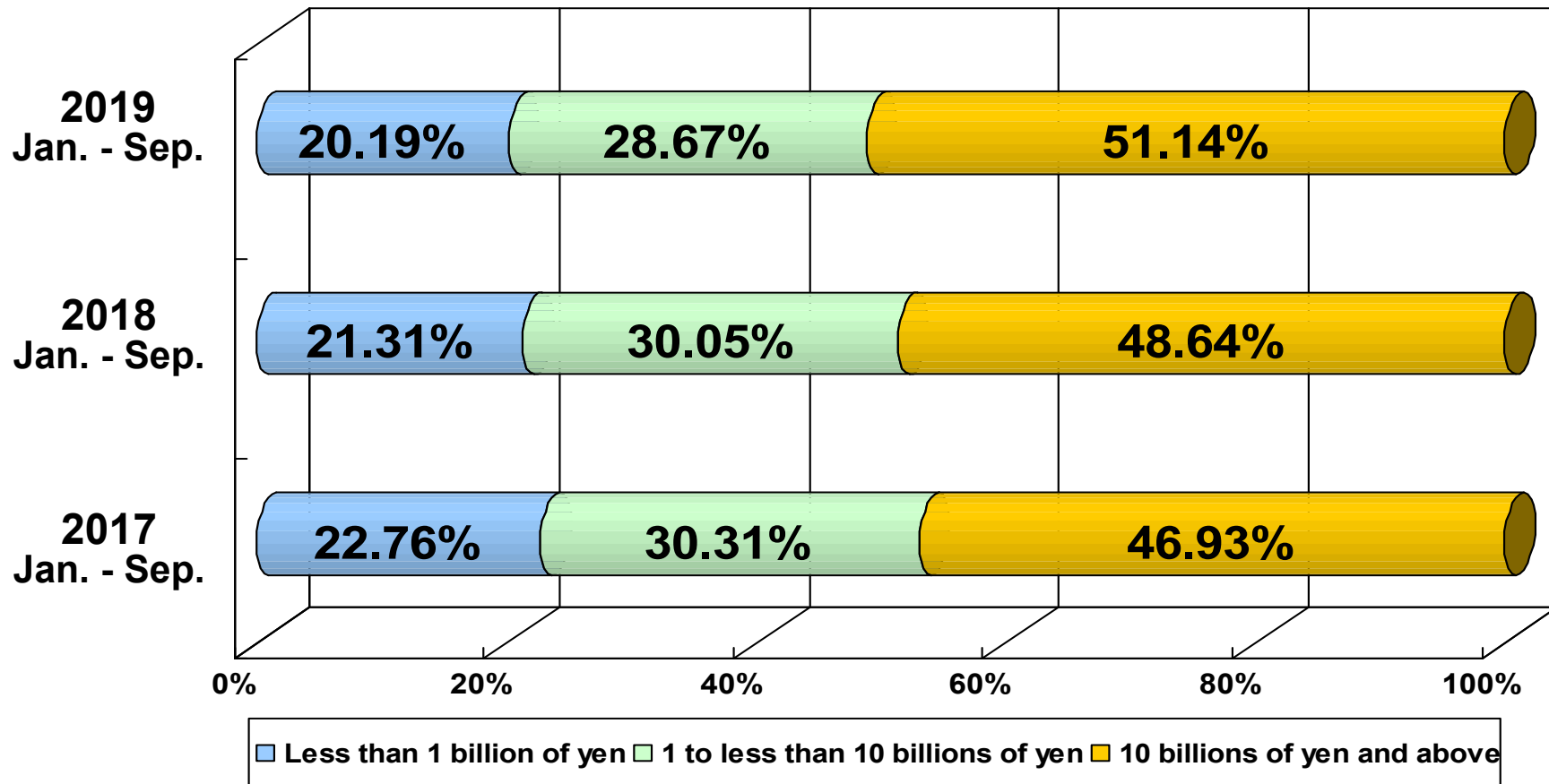
Non-Consolidated

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



Non-Consolidated

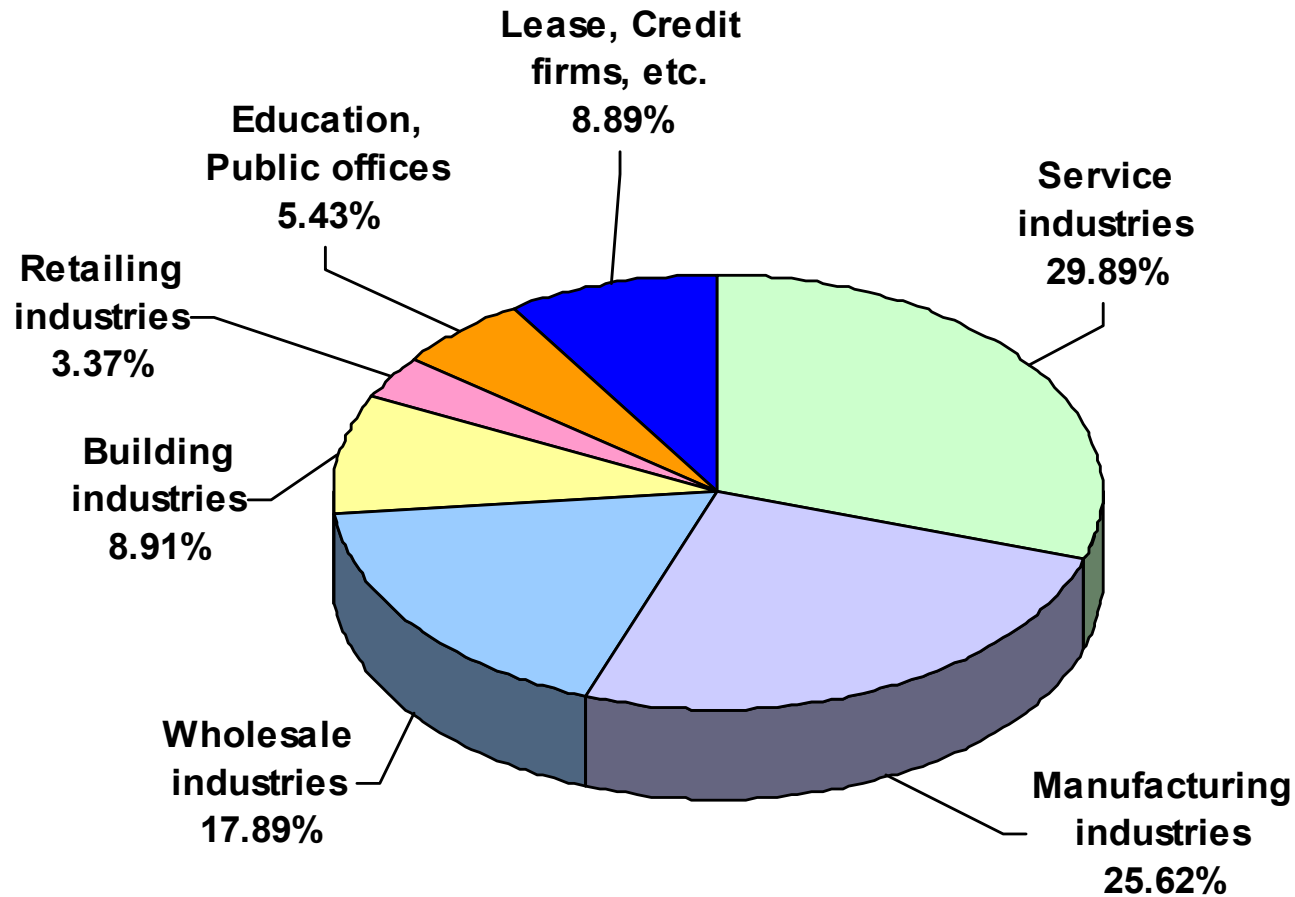
# Net sales structure on customers' total annual business scale



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

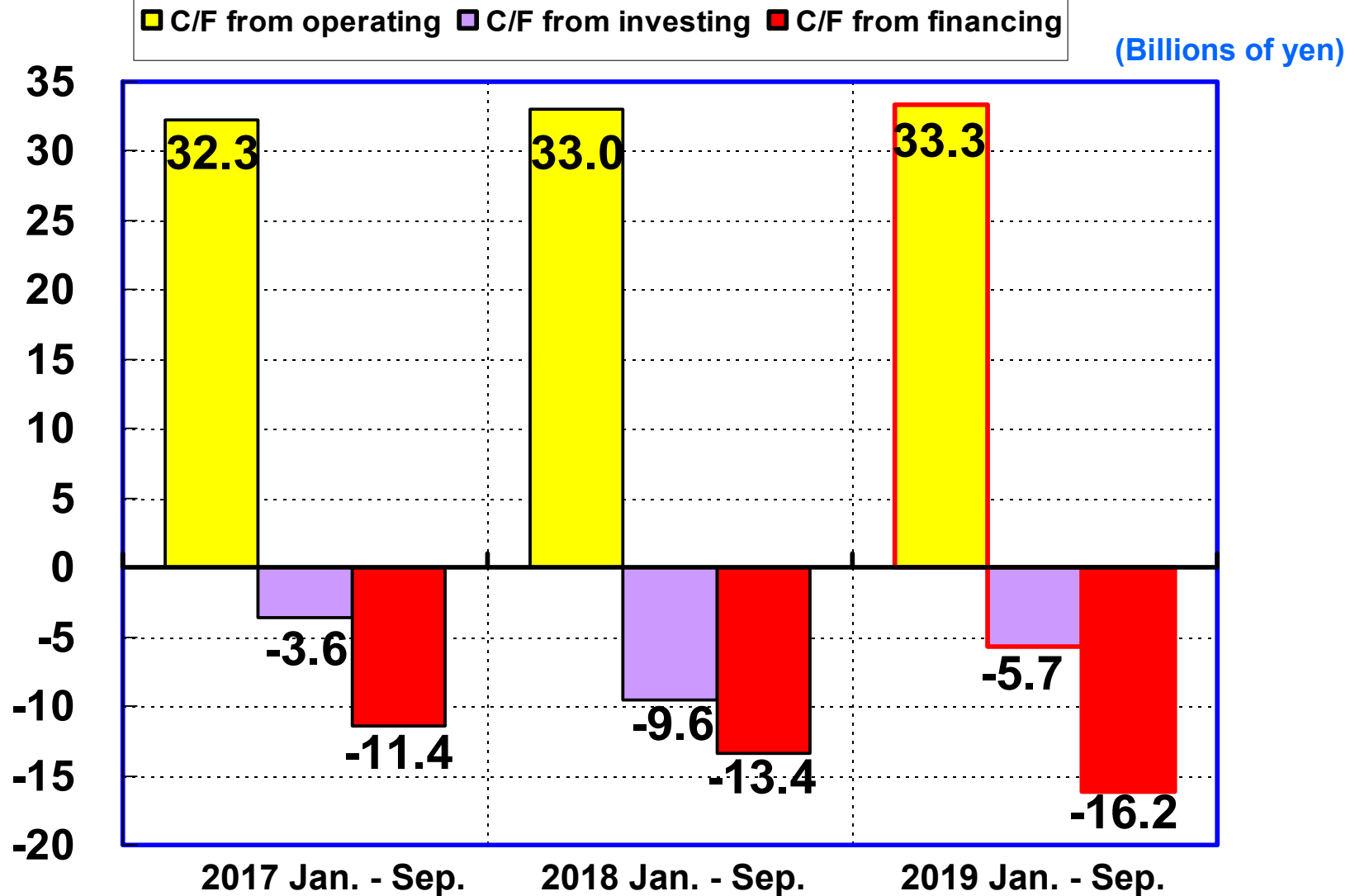
# Sales breakdown by customers' type of industry

2019 Jan. – Sep.



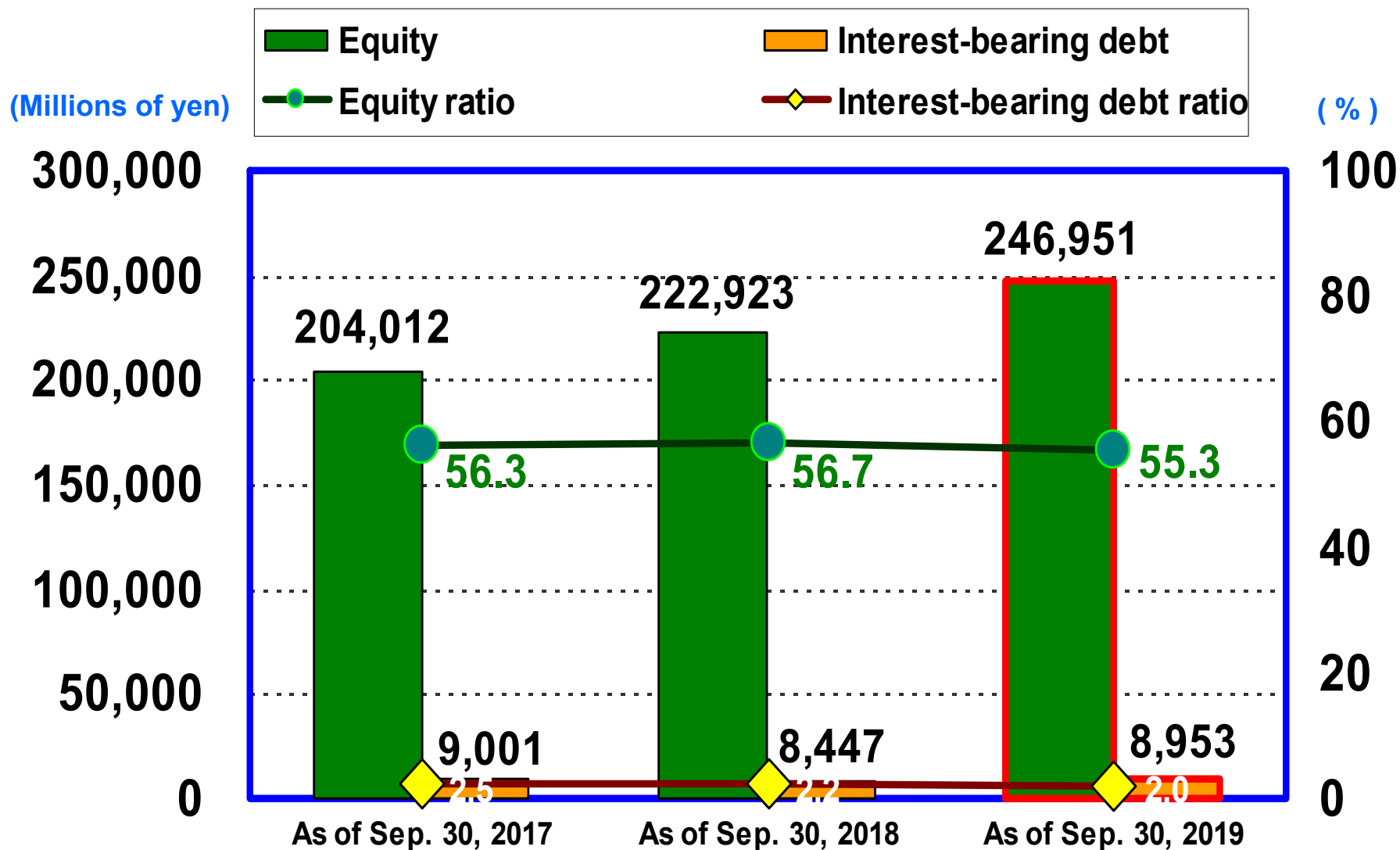
Consolidated

# Cash flows



Consolidated

# Equity and Interest-bearing debt

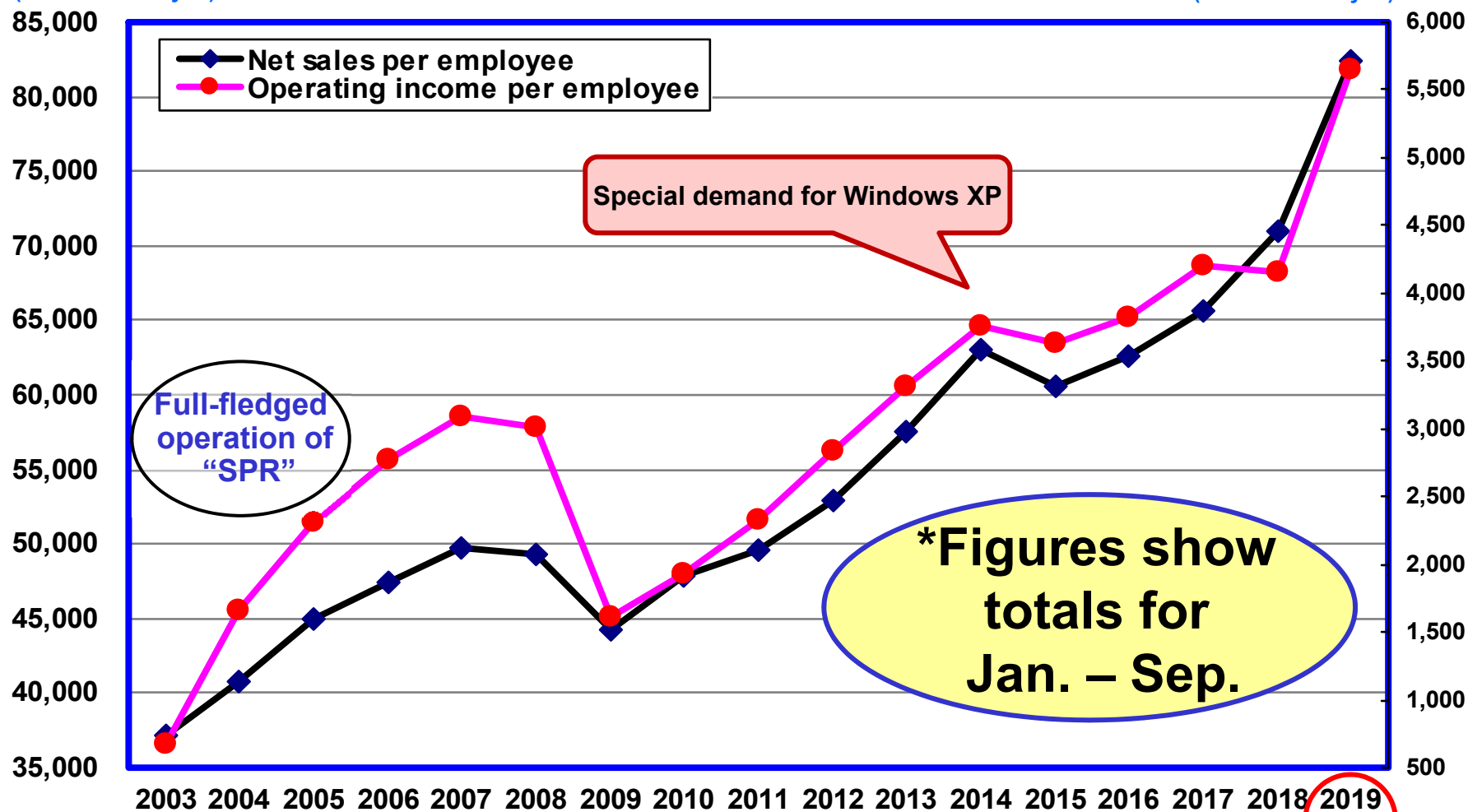


Non-Consolidated

# 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: 2003 (6,303), 2004 (6,326), 2005 (6,309), 2006 (6,377), 2007 (6,589), 2008 (6,763), 2009 (6,823), 2010 (6,802), 2011 (6,729), 2012 (6,678), 2013 (6,656), 2014 (6,789), 2015 (6,882), 2016 (7,036), 2017 (7,129), 2018 (7,200), 2019 (7,312)

# Key strategic business

<Amount of Sales>

(Millions of yen)

	2017 Jan. – Sep.	2018 Jan. – Sep.		2019 Jan. – Sep.			2019 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
<b>“tanomail”</b>	113,498	117,950	+3.9%	<b>125,044</b>	<b>+7,093</b>	<b>+6.0%</b>	<b>42,317</b>	<b>+4,665</b>	<b>+12.4%</b>
<b>SMILE</b>	7,742	8,701	+12.4%	<b>9,893</b>	<b>+1,191</b>	<b>+13.7%</b>	<b>2,751</b>	<b>+507</b>	<b>+22.6%</b>
<b>ODS</b>	41,938	41,940	+0.0%	<b>42,260</b>	<b>+319</b>	<b>+0.8%</b>	<b>10,934</b>	<b>+472</b>	<b>+4.5%</b>
<b>OSM</b>	50,230	53,512	+6.5%	<b>58,390</b>	<b>+4,877</b>	<b>+9.1%</b>	<b>19,364</b>	<b>+2,694</b>	<b>+16.2%</b>

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

<As reference: Number of Sales>

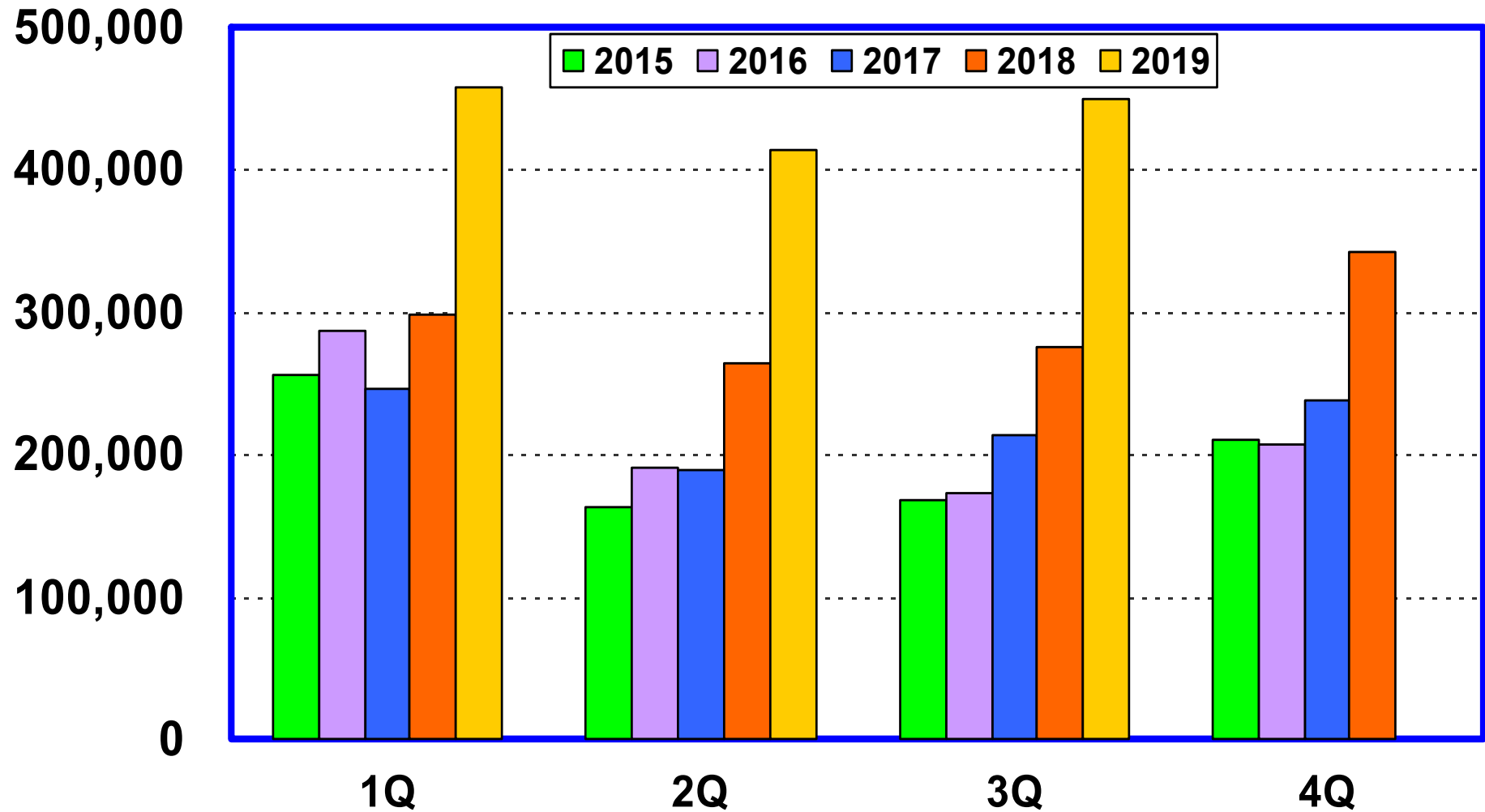
(Units)

<b>Copier</b>	32,562	30,726	-5.6%	<b>29,063</b>	<b>-1,663</b>	<b>-5.4%</b>	<b>6,935</b>	<b>-517</b>	<b>-6.9%</b>
(of which Color copier)	31,109	29,782	-4.3%	<b>28,119</b>	<b>-1,663</b>	<b>-5.6%</b>	<b>6,661</b>	<b>-568</b>	<b>-7.9%</b>
<b>Server</b>	24,333	23,999	-1.4%	<b>24,351</b>	<b>+352</b>	<b>+1.5%</b>	<b>7,617</b>	<b>+46</b>	<b>+0.6%</b>
<b>PC</b>	649,056	837,046	+29.0%	<b>1,321,613</b>	<b>+484,567</b>	<b>+57.9%</b>	<b>449,930</b>	<b>+174,483</b>	<b>+63.3%</b>
<b>Client Total</b>	677,355	874,997	+29.2%	<b>1,352,496</b>	<b>+477,499</b>	<b>+54.6%</b>	<b>457,766</b>	<b>+167,406</b>	<b>+57.7%</b>

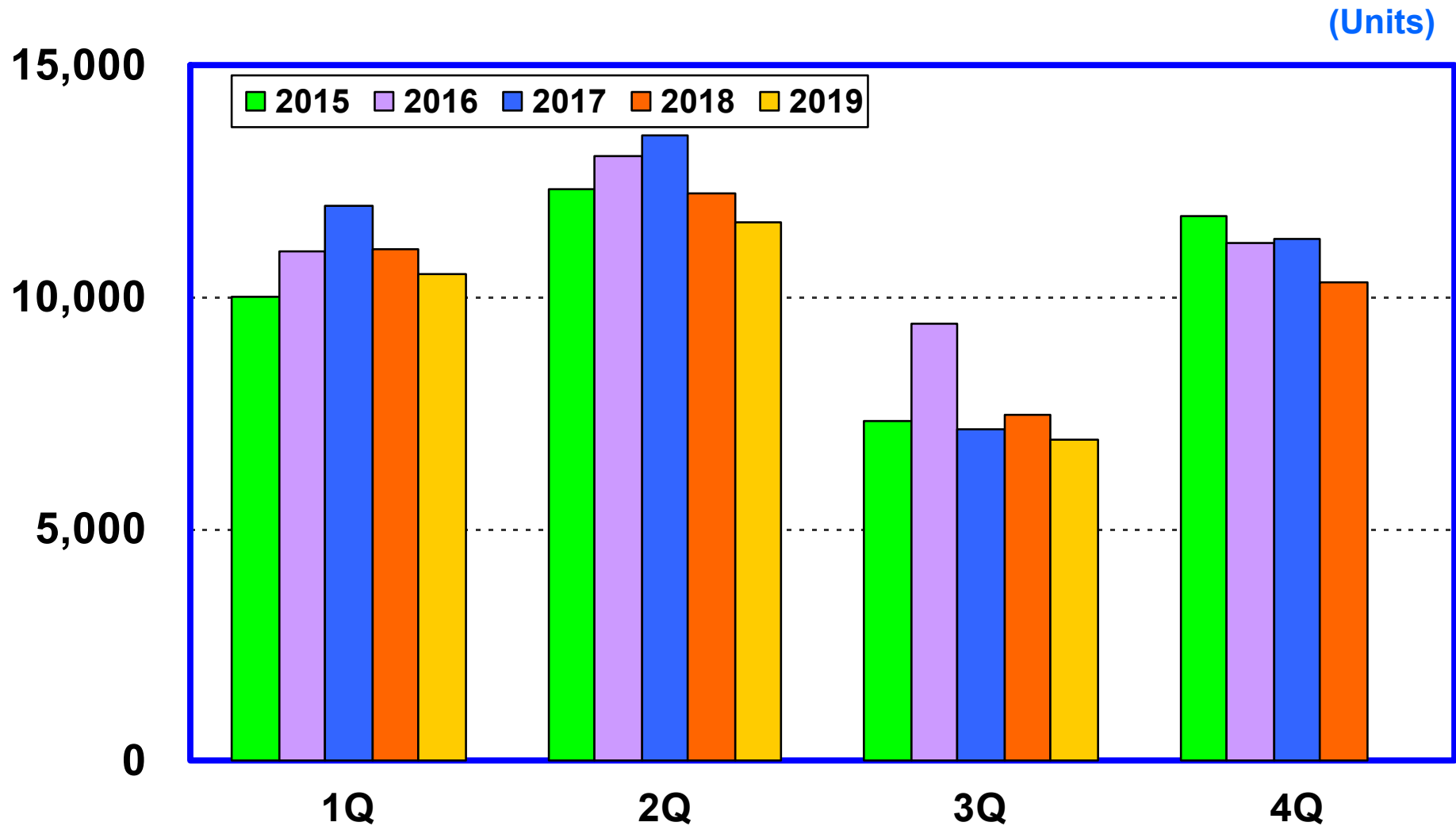


# Quarterly Number of PCs Sold

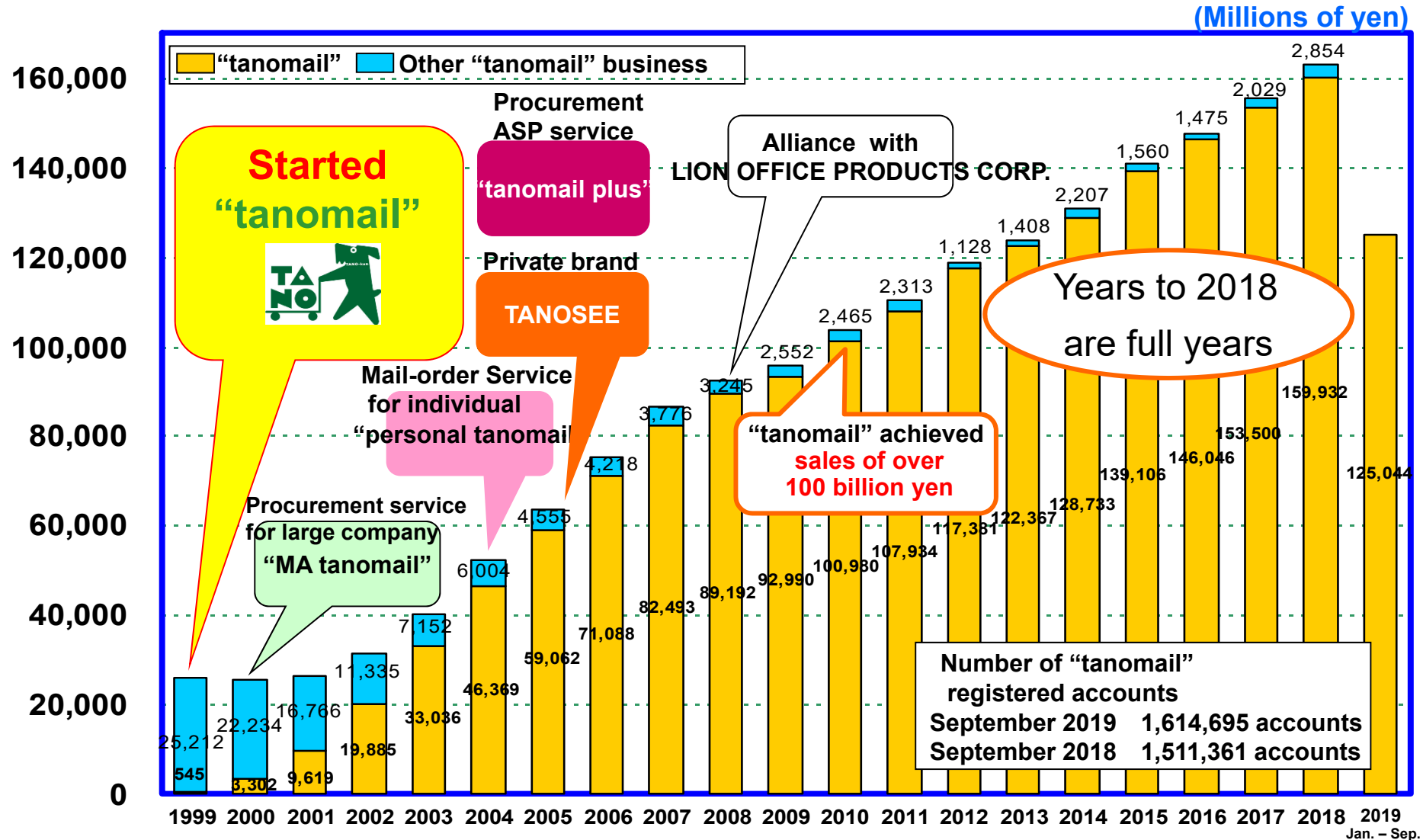
(Units)



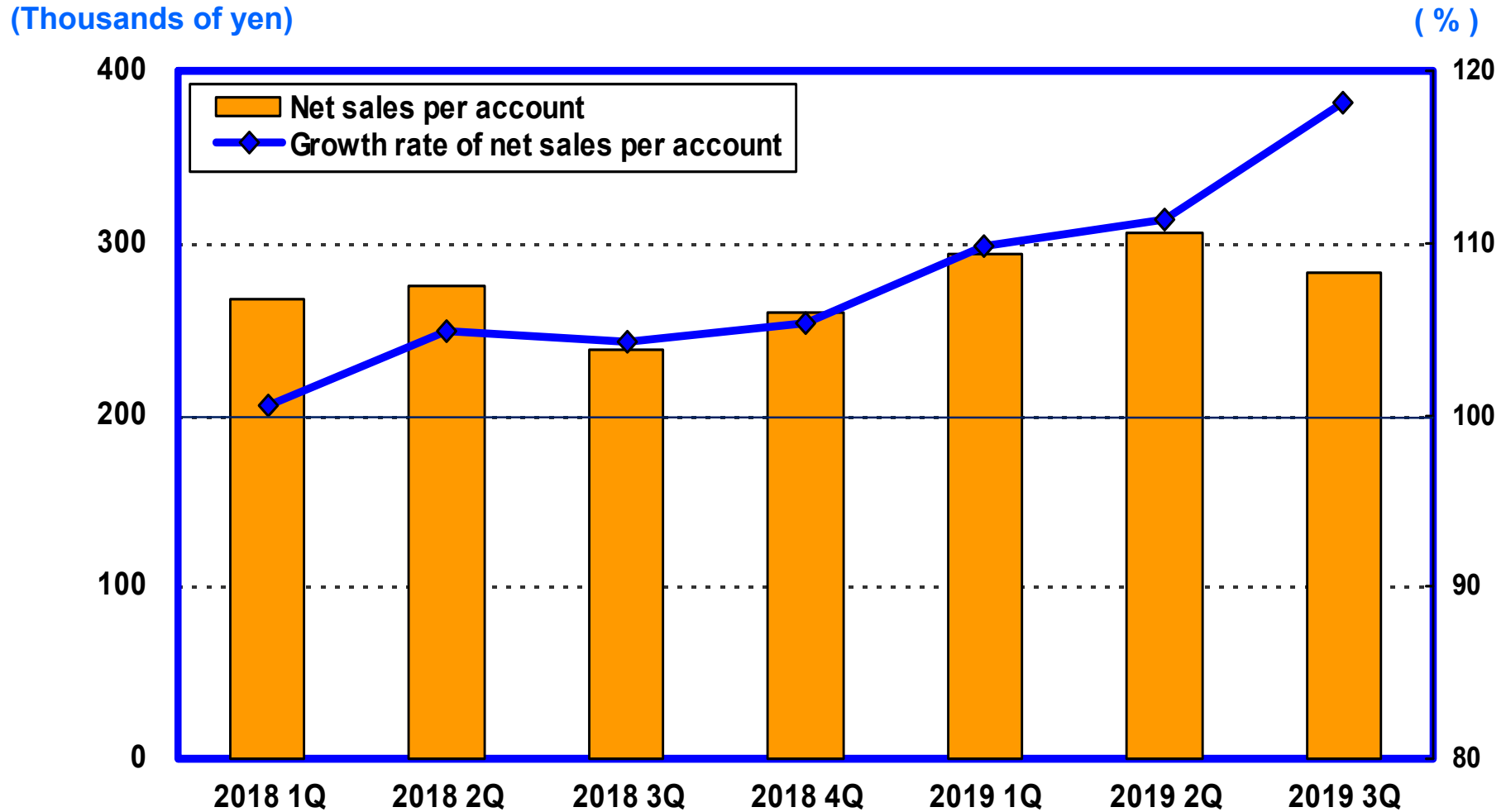
# Quarterly Number of Copiers Sold



# Annual sales transition of "tanomail"

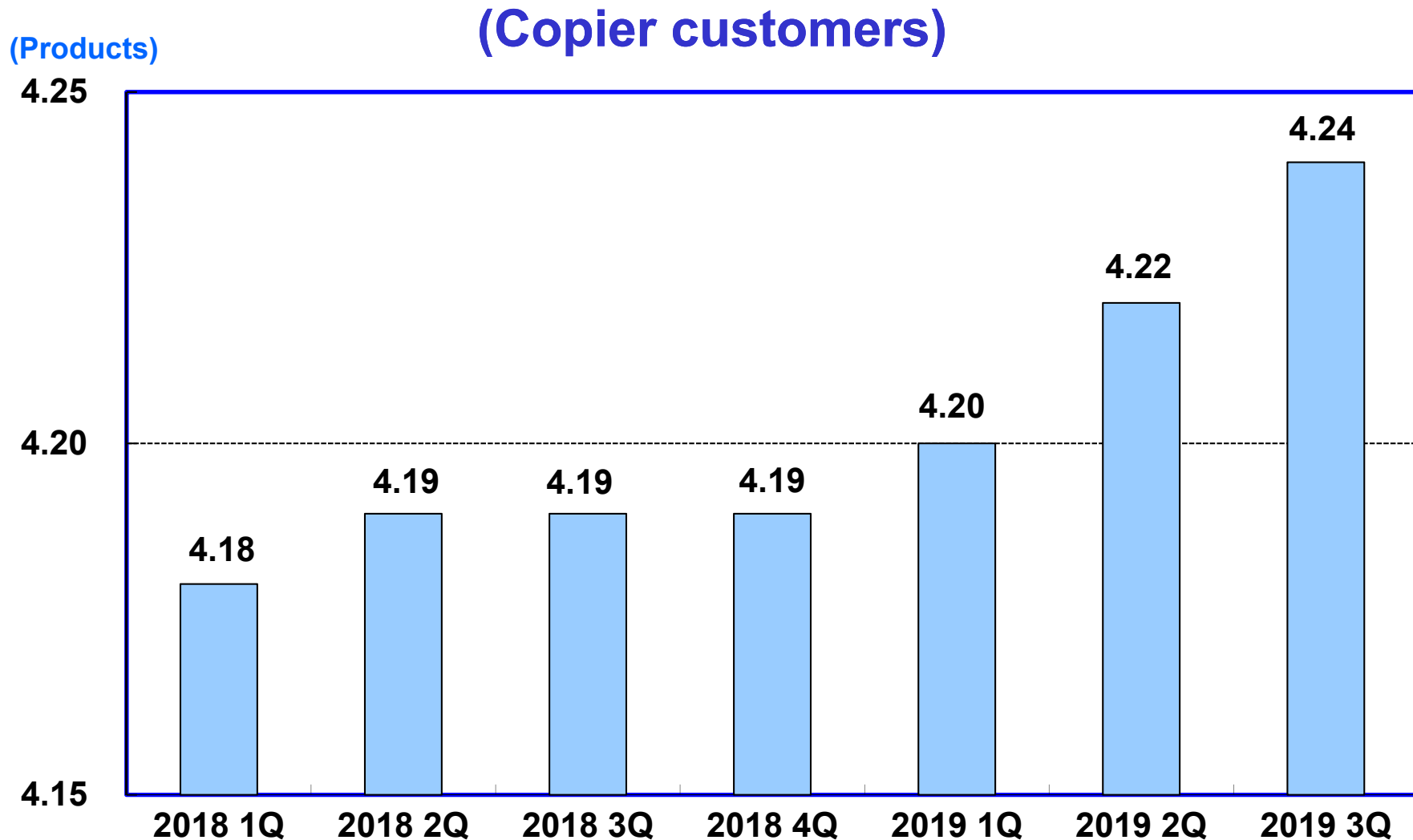


# Trends in net sales per account



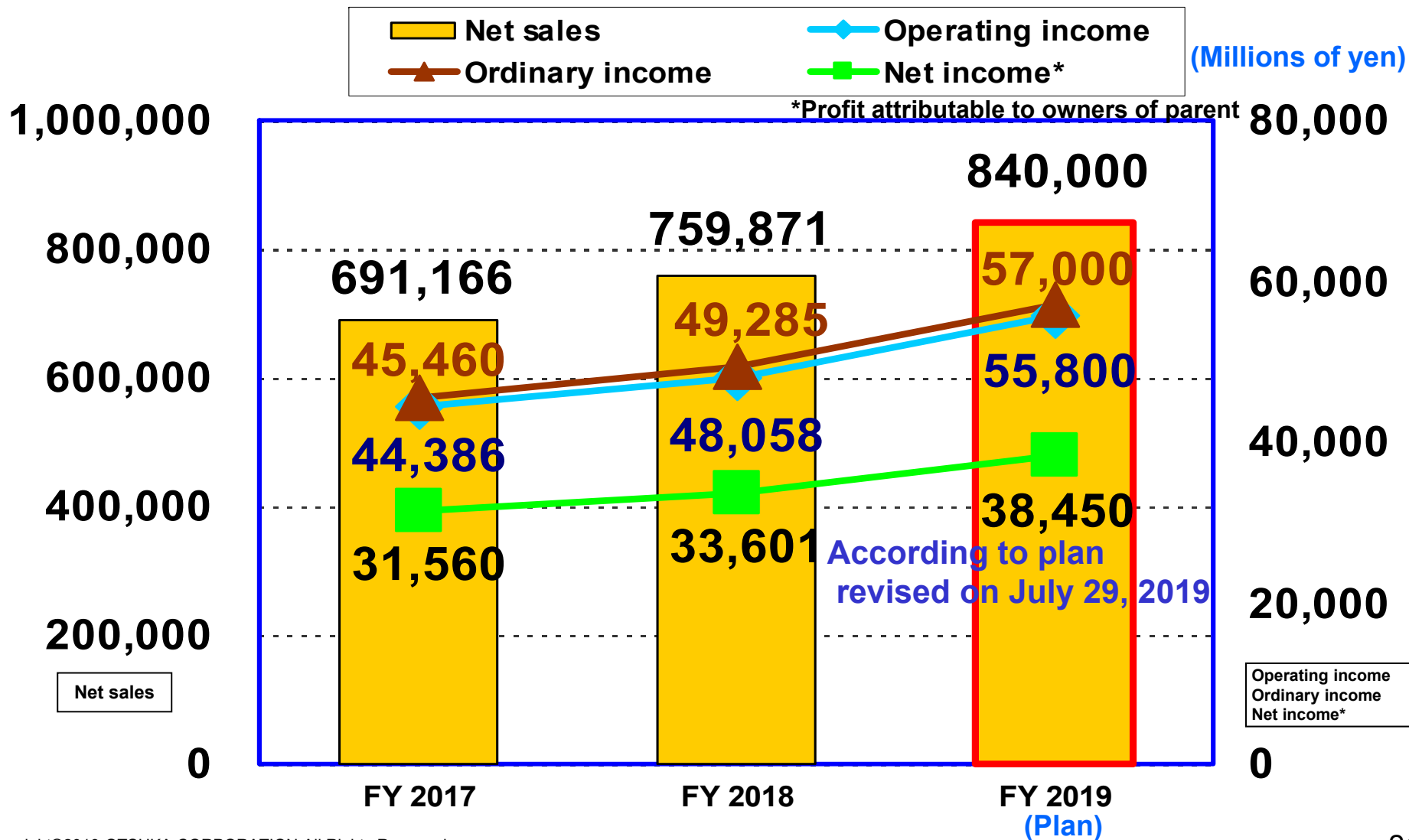
Non-Consolidated

# Trends in the number of products per one company



Consolidated

# Plans of Net sales and profit





# Cautionary statement

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1. This material is intended to provide information about the business performance of the 3rd quarter of fiscal year 2019 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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