



**Fiscal year ending December 2009**  
**Six months** (January – June)  
**Business Results**

**July 31, 2009**

**OTSUKA CORPORATION**  
**Yuji Otsuka, President**

# Summary of Business Results, January - June, 2009

(Millions of yen)

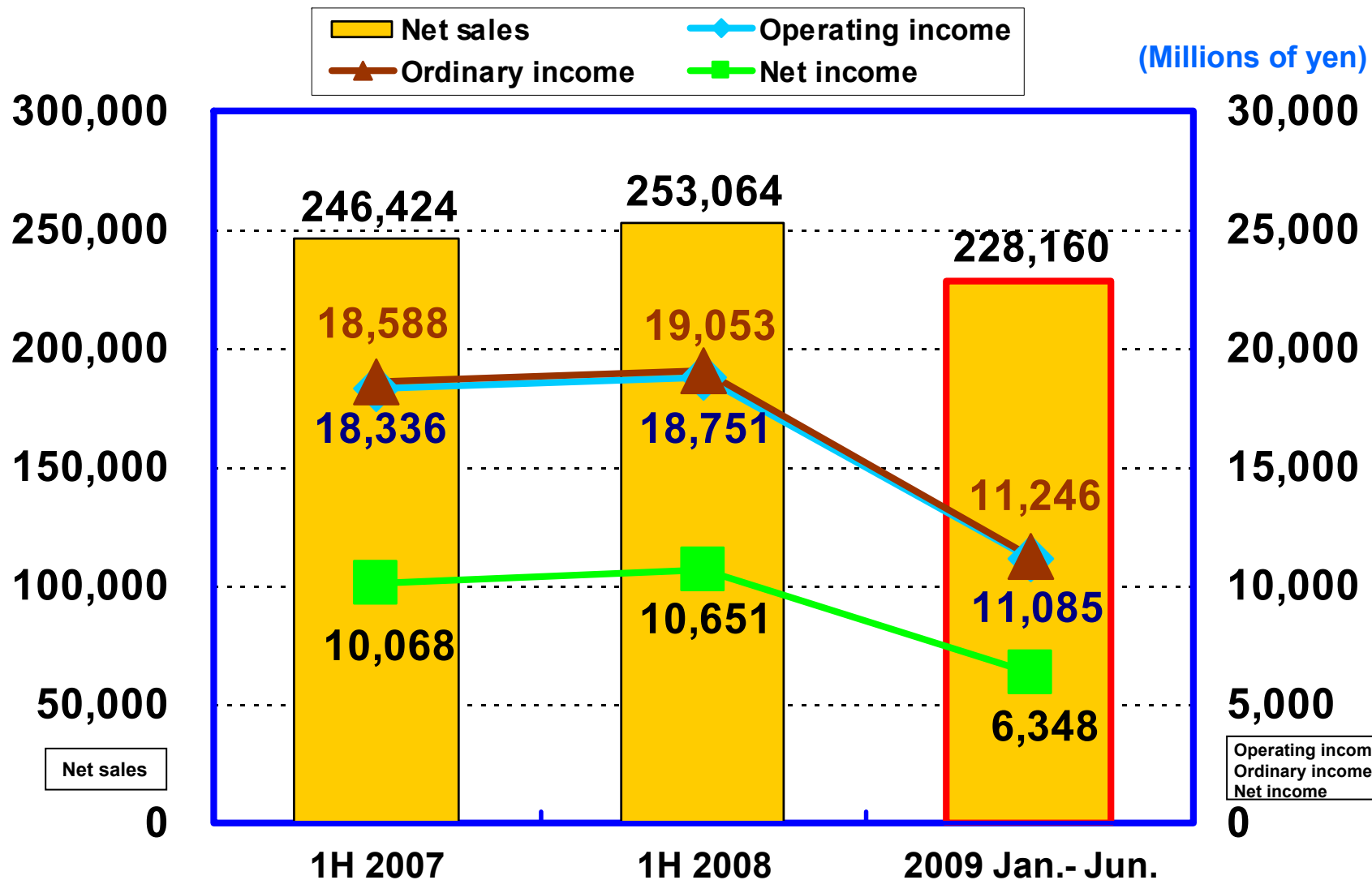
	Consolidated			Non-Consolidated		
	Amount	Ratio to Plan	Change to Last Year	Amount	Ratio to Plan	Change to Last Year
<b>Net sales</b>	<b>228,160</b>	<b>97.3%</b>	<b>-9.8%</b>	<b>214,484</b>	<b>97.6%</b>	<b>-9.6%</b>
<b>Operating income</b>	<b>11,085</b>	<b>90.1%</b>	<b>-40.9%</b>	<b>10,097</b>	<b>87.0%</b>	<b>-42.3%</b>
<b>Ordinary income</b>	<b>11,246</b>	<b>90.0%</b>	<b>-41.0%</b>	<b>10,468</b>	<b>87.2%</b>	<b>-41.6%</b>
<b>Net income</b>	<b>6,348</b>	<b>100.8%</b>	<b>-40.4%</b>	<b>6,028</b>	<b>97.2%</b>	<b>-40.6%</b>

# Consolidated subsidiaries

Segment	Company name	Business domain	Number of employees	2009 Jan.- Jun. Net sales (Millions of yen)
S I	OSK Co., LTD.	Development and sale of packaged software	215	2,200
	Net plan Co., LTD	Electronic communications construction and interior construction	100	3,819
	Alpha System Co., LTD.	Consigned software development, packaged software development and ERP consulting business	168	891
	Net World Corporation	Sales and technology support for network-related equipment	305	18,645
S & S	Alpha Techno Co., Ltd	Emergency repair of PC and peripheral equipment and data recovery service	310	2,641
	Alpha Net Co., Ltd	Comprehensive service and support for network systems	342	1,947
Others	Otsuka Auto Service Co., Ltd	Maintenance, body work and sale for automobiles, and commissioned sales of insurance	26	321
	Otsuka Business Service Co., Ltd	Creation and commissioned shipment of direct mail materials, data management and processing as well as commissioned creation of Websites	32	381

Consolidated

# Net sales and Profits



# External Environment

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**Prolonged economic downturn and harsh conditions will continue**

**Bottoming out of decline in exports, leading to a recovery of production**

**Worsening of corporate earnings, placing a constraint on equipment investment and promoting cost reductions**

**Despite expectations that business conditions have hit bottom, the future outlook remains unclear**

**Despite the need for IT utilization, IT investments are continuously being curtailed.**

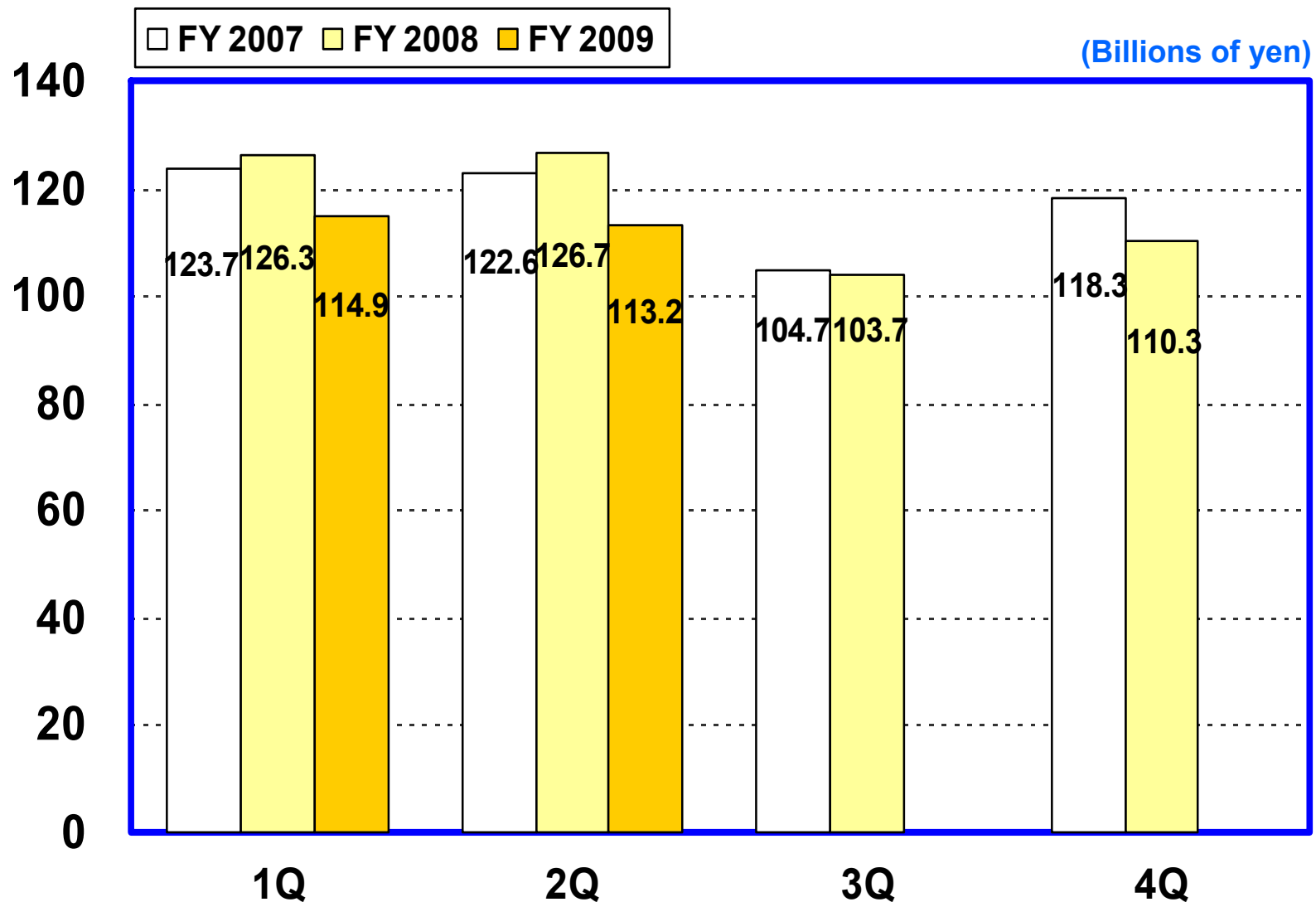
# OTSUKA Group's Activities

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- **System proposals that lead to cost reductions, improvement of productivity and strengthening of competitiveness**
- **Private fairs in Tokyo, Osaka and Nagoya**
- **Focus on “tanomail”**
- **New business activities**

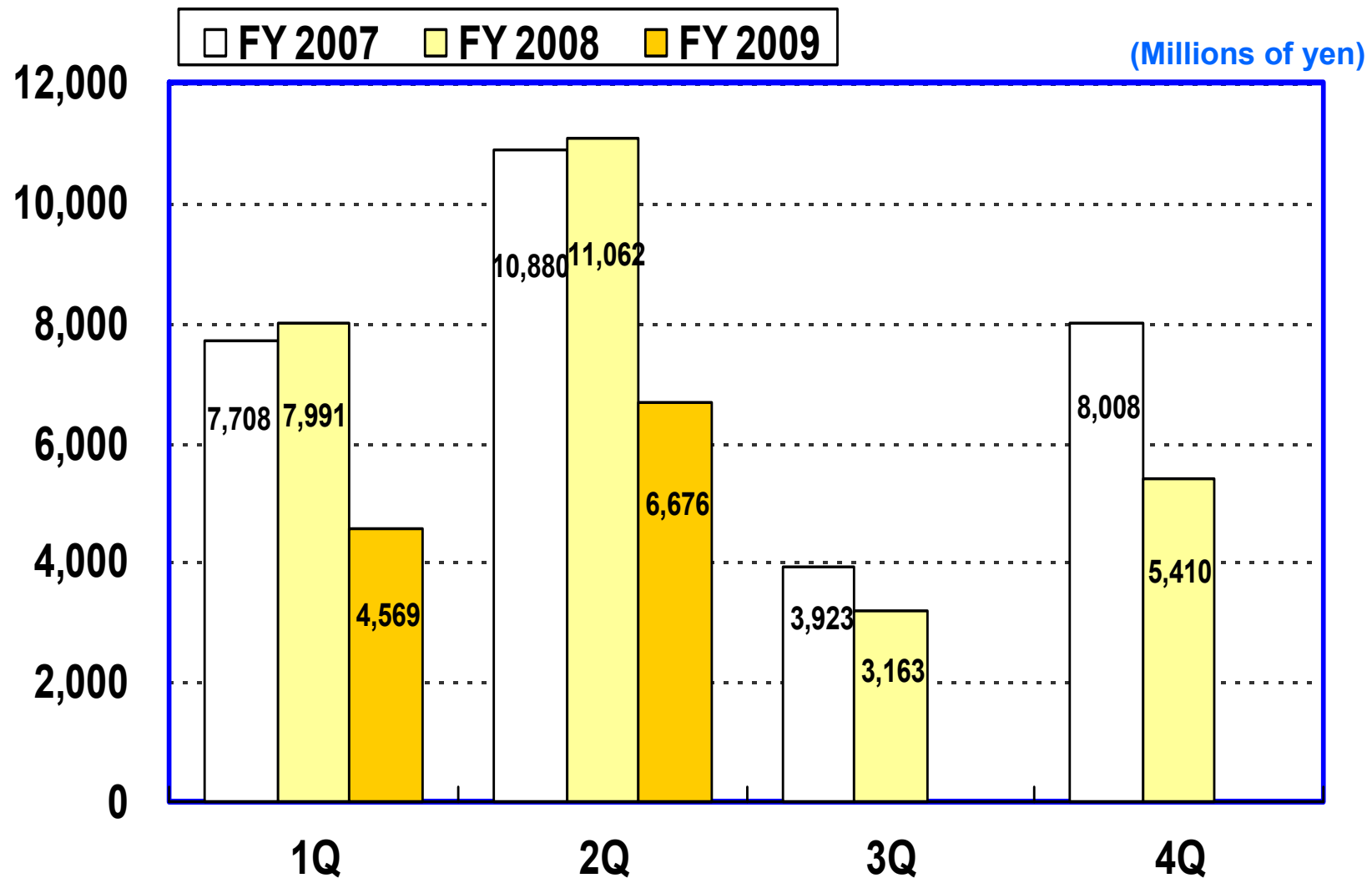
Consolidated

# Quarterly change of Net sales



Consolidated

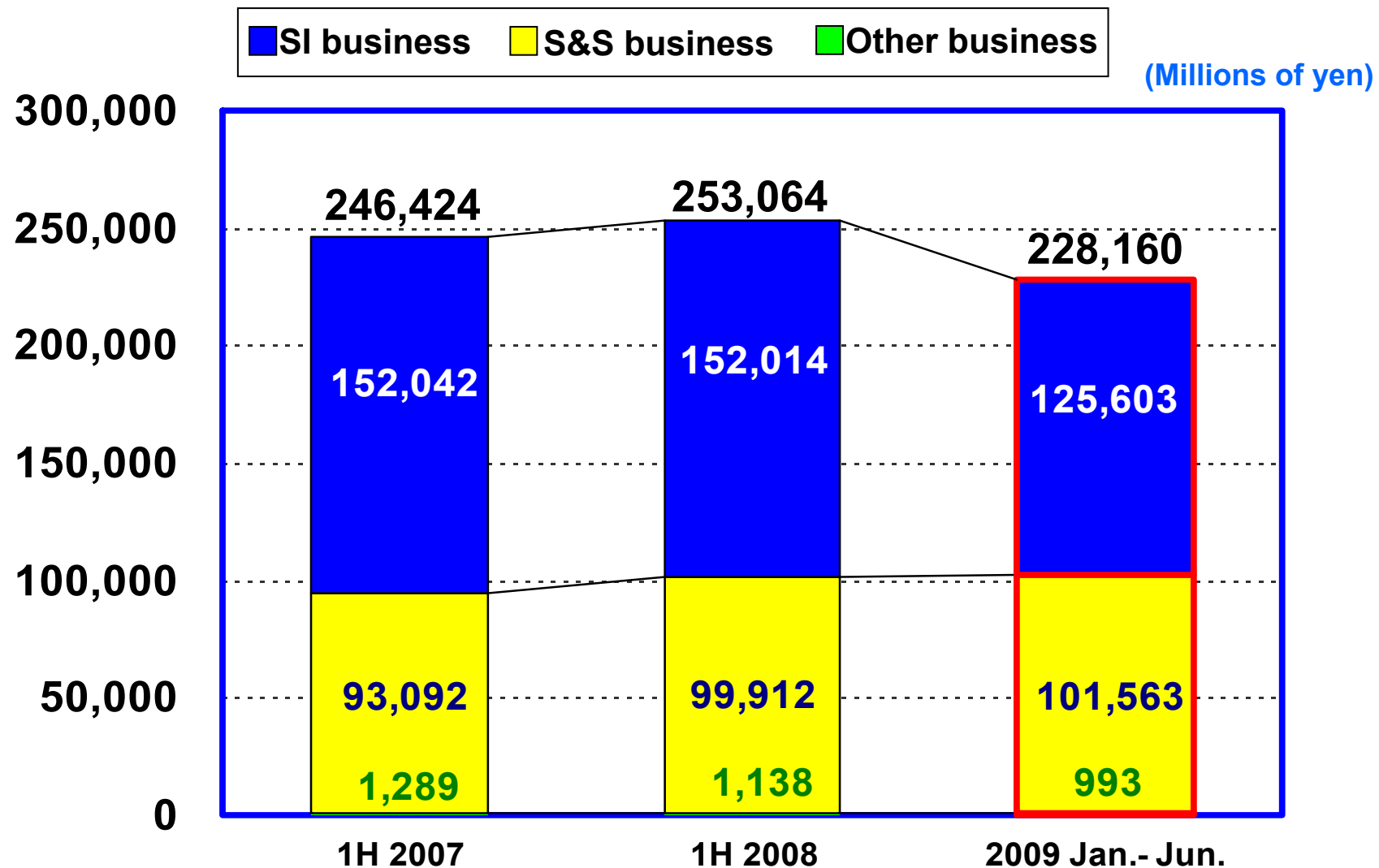
# Quarterly change of Ordinary income



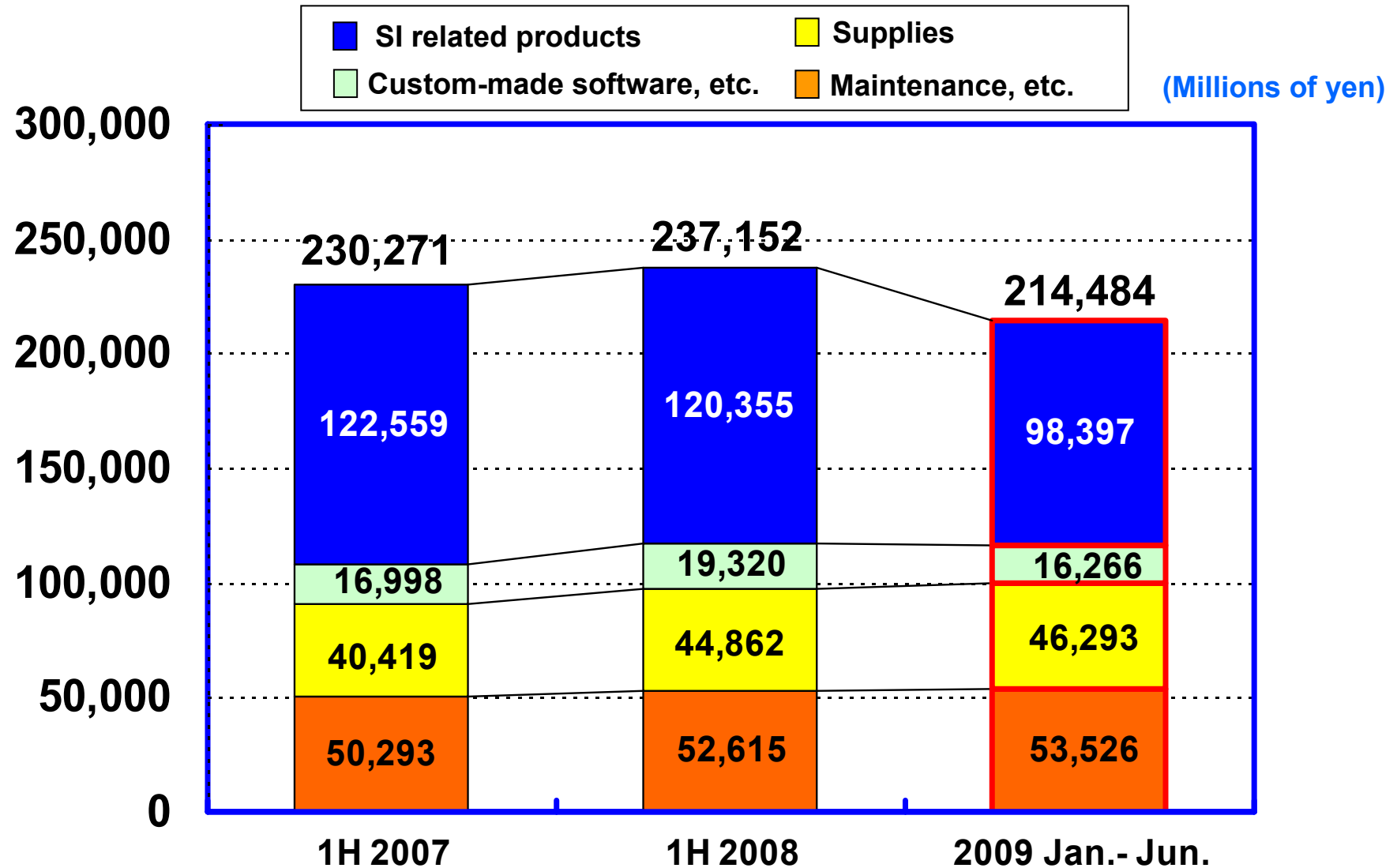


Consolidated

# Net sales by segments

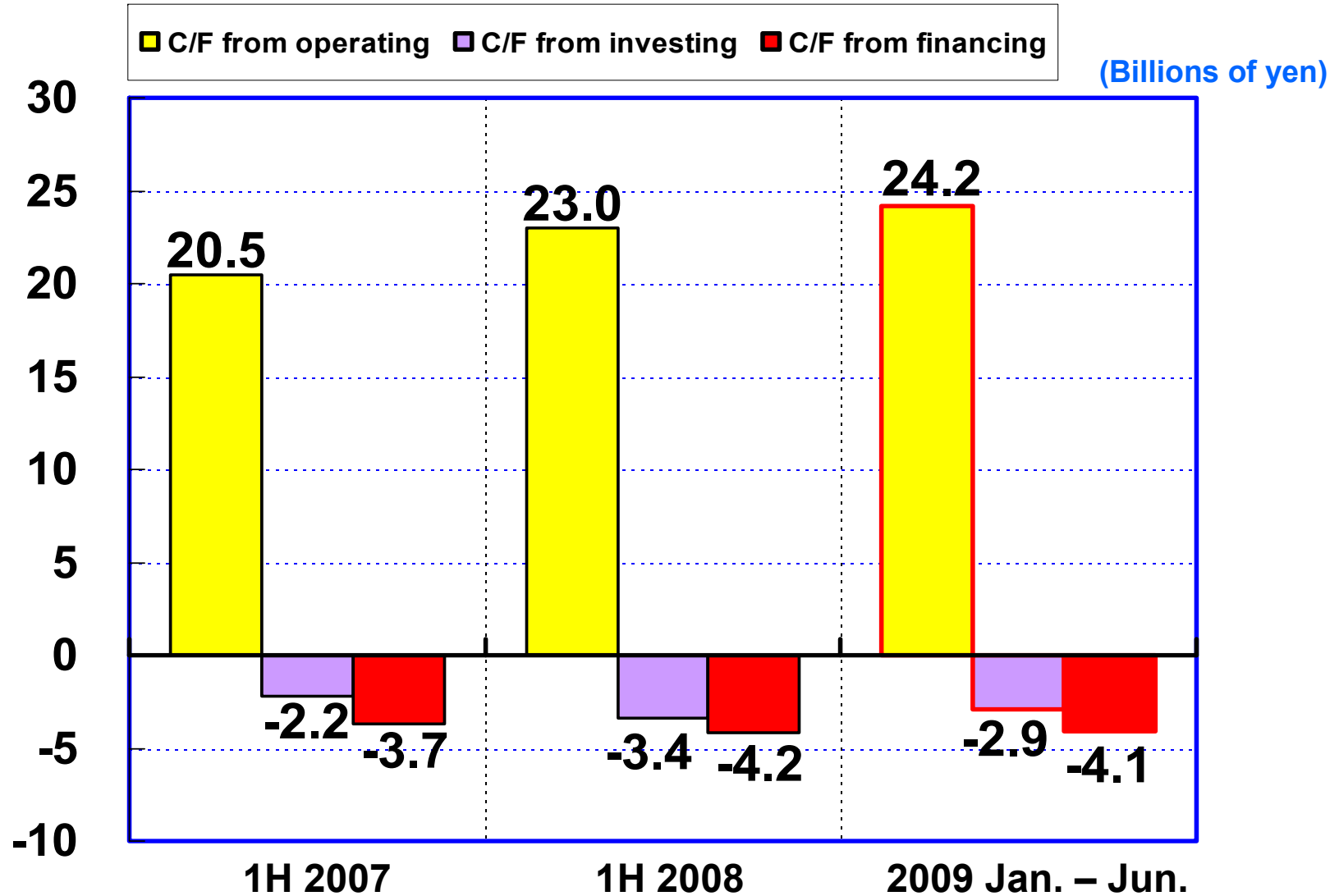


# Net sales by 4 segments



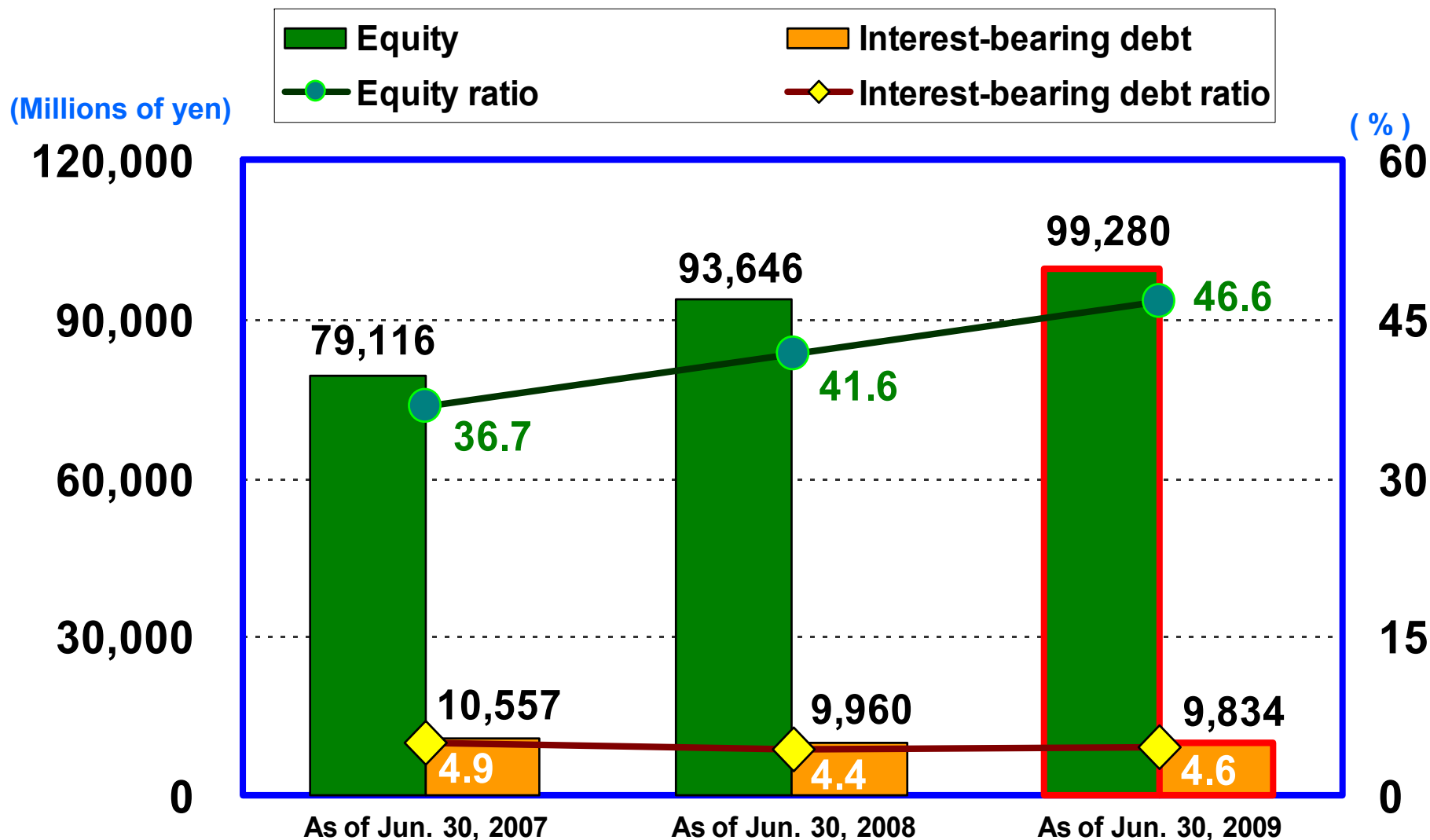
Consolidated

# Cash flows



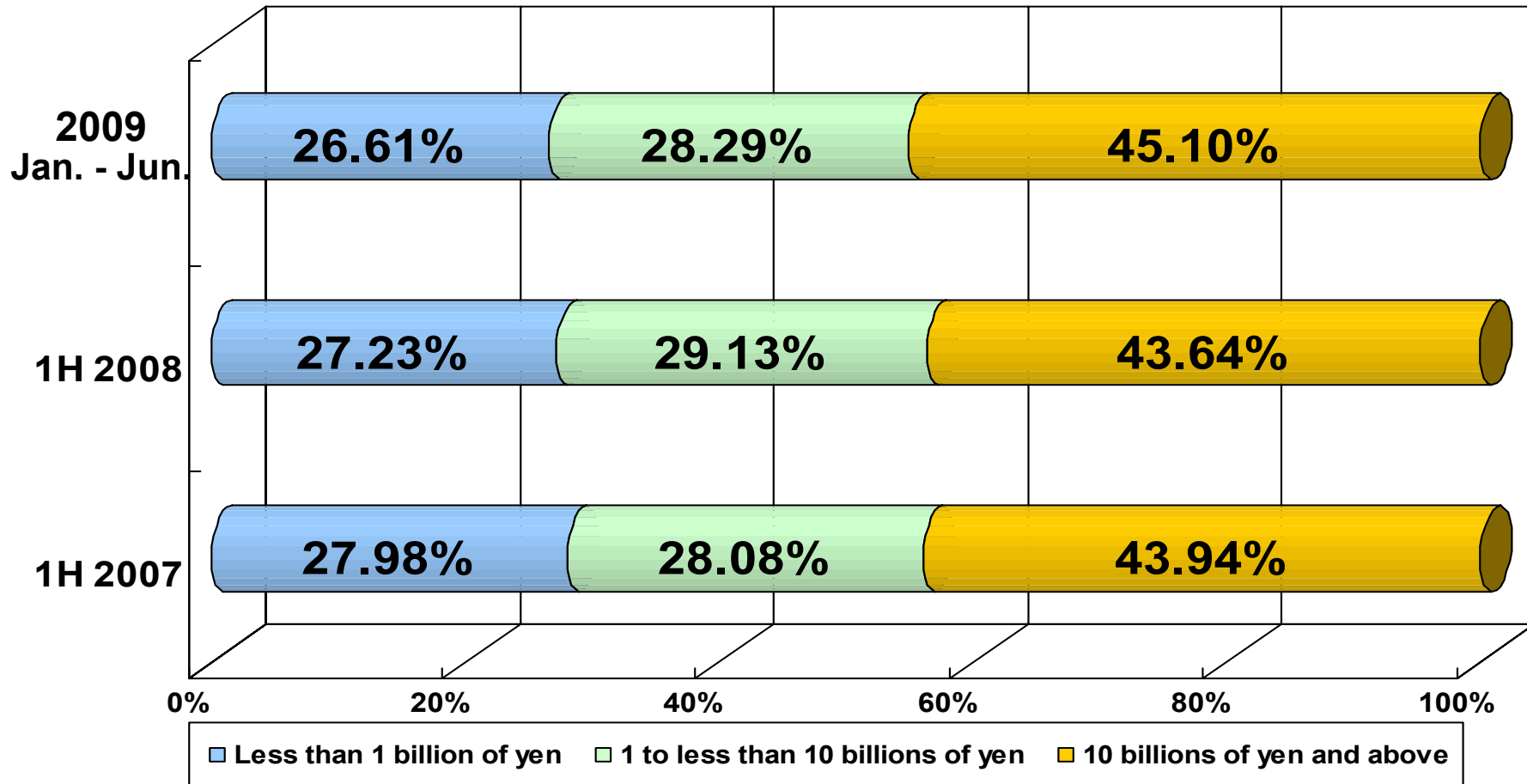
Consolidated

# Equity and Interest-bearing debt



Non-Consolidated

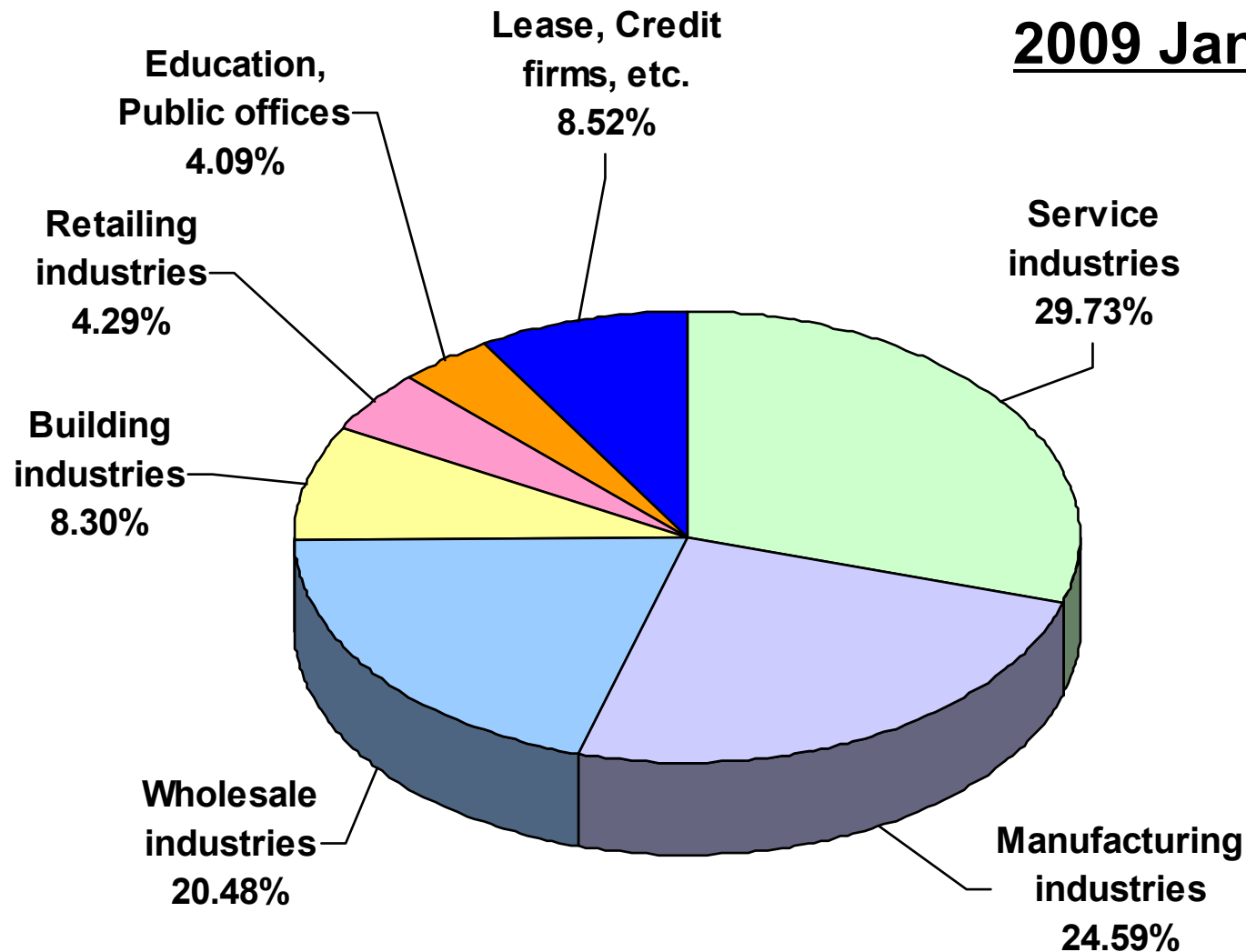
# Net sales structure on customers' total annual business scale



Non-Consolidated

# Sales breakdown by customers' type of industry

2009 Jan. – Jun.

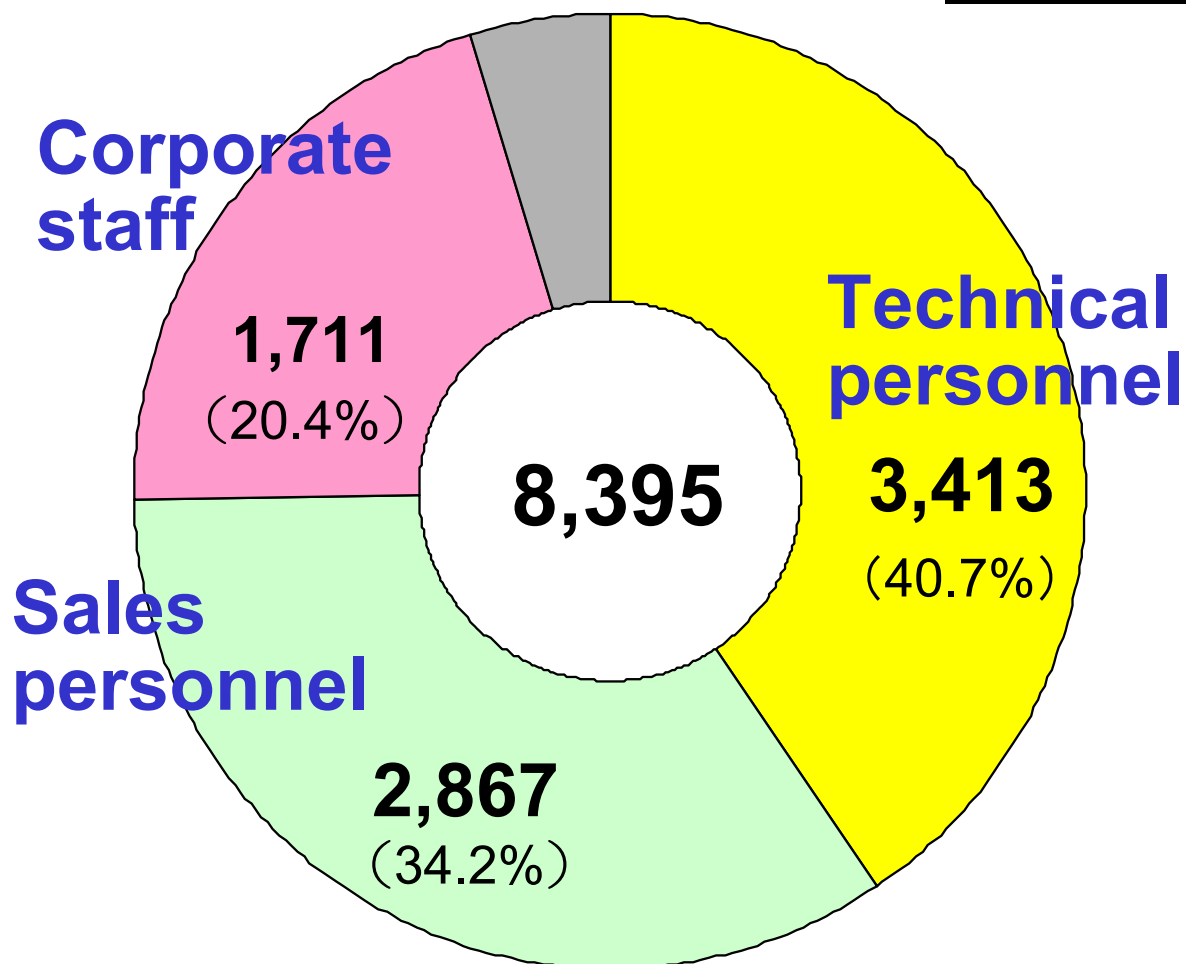


Consolidated

# Personnel organization (regular employees)

**Others 404 (4.8%)**

**As of Jun. 30, 2009**





# Key strategic business

<Amount of Sales>

(Millions of yen)

	1H 2007	1H 2008		2009 Jan. – Jun.		
	Amount	Amount	Change to Last year	Amount	Difference to Last year	Change to Last year
<b>MRO</b>	42,954	47,167	+9.8%	<b>48,071</b>	<b>+904</b>	<b>+1.9%</b>
<b>SMILE (software)</b>	4,095	3,681	-10.1%	<b>3,564</b>	<b>-116</b>	<b>-3.2%</b>
<b>ODS21</b>	20,946	21,382	+2.1%	<b>18,686</b>	<b>-2,696</b>	<b>-12.6%</b>
<b>OSM</b>	19,953	23,218	+16.4%	<b>21,734</b>	<b>-1,483</b>	<b>-6.4%</b>

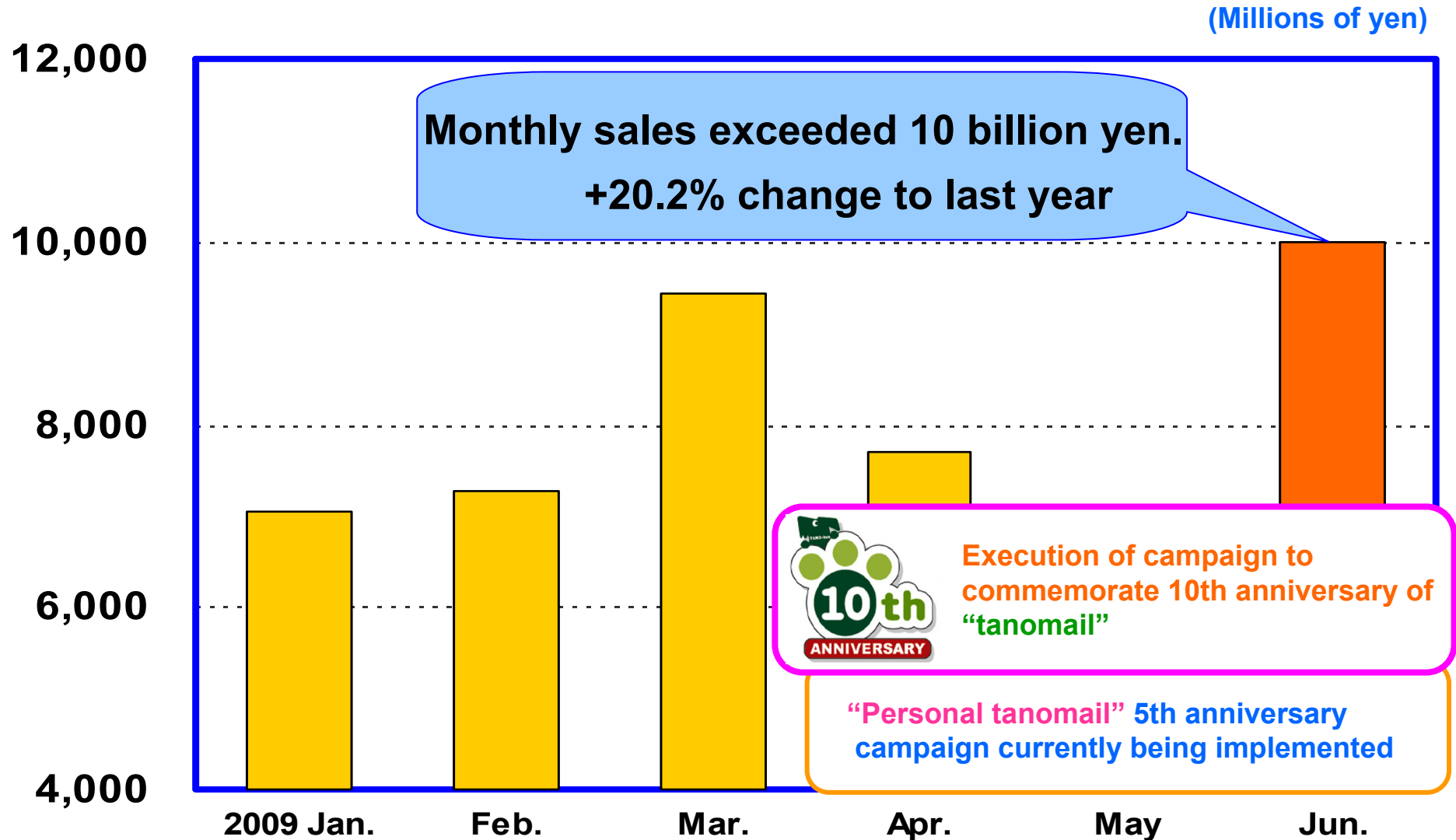
<Number of Sales>

(Units)

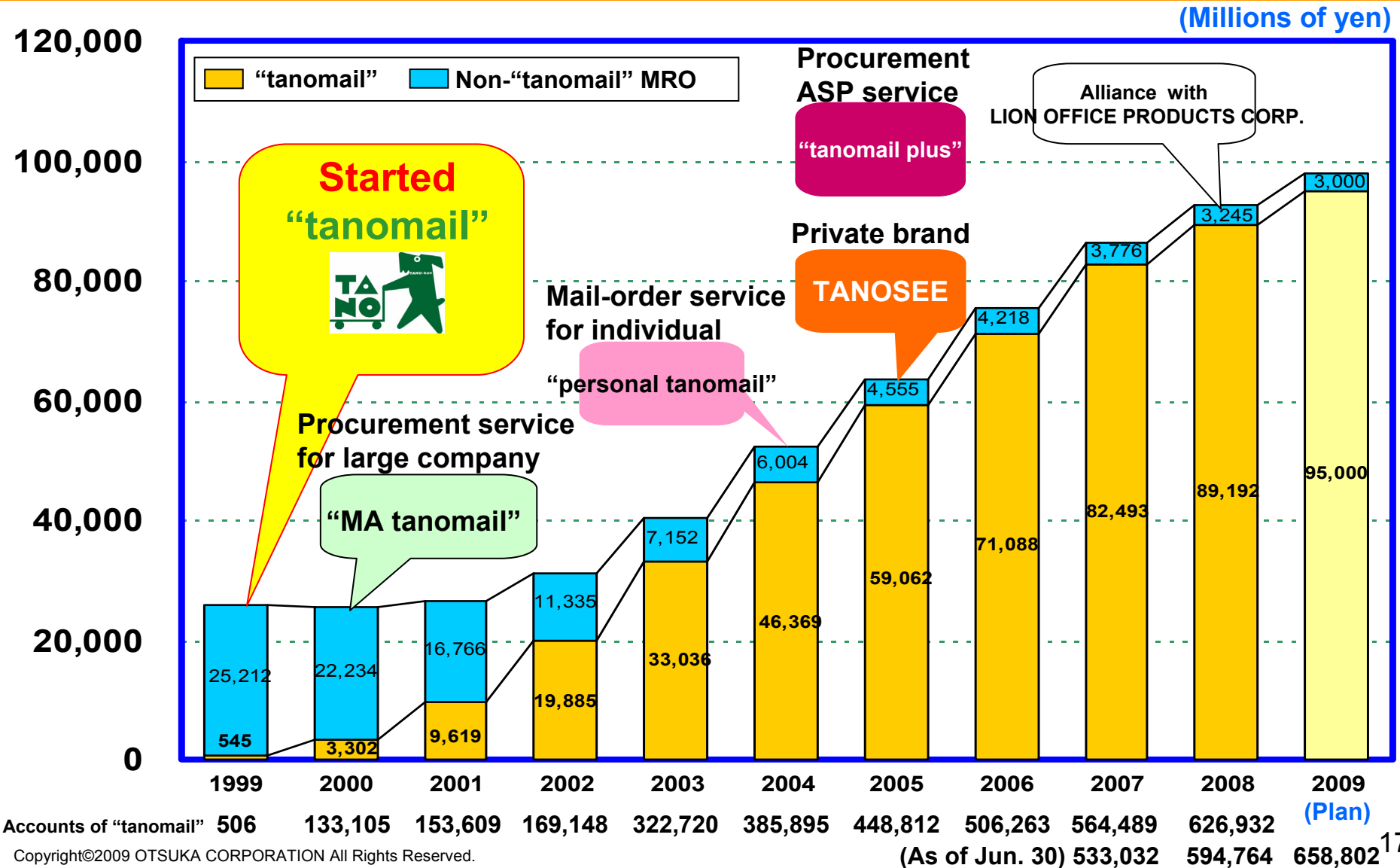
<b>Copier</b>	17,430	17,345	-0.5%	<b>14,254</b>	<b>-3,091</b>	<b>-17.8%</b>
(of which Color copier)	11,393	12,058	+5.8%	<b>10,660</b>	<b>-1,398</b>	<b>-11.6%</b>
<b>Server</b>	18,593	16,876	-9.2%	<b>16,269</b>	<b>-607</b>	<b>-3.6%</b>
<b>PC</b>	256,598	268,168	+4.5%	<b>267,040</b>	<b>-1,128</b>	<b>-0.4%</b>



# Monthly sales transition of MRO business



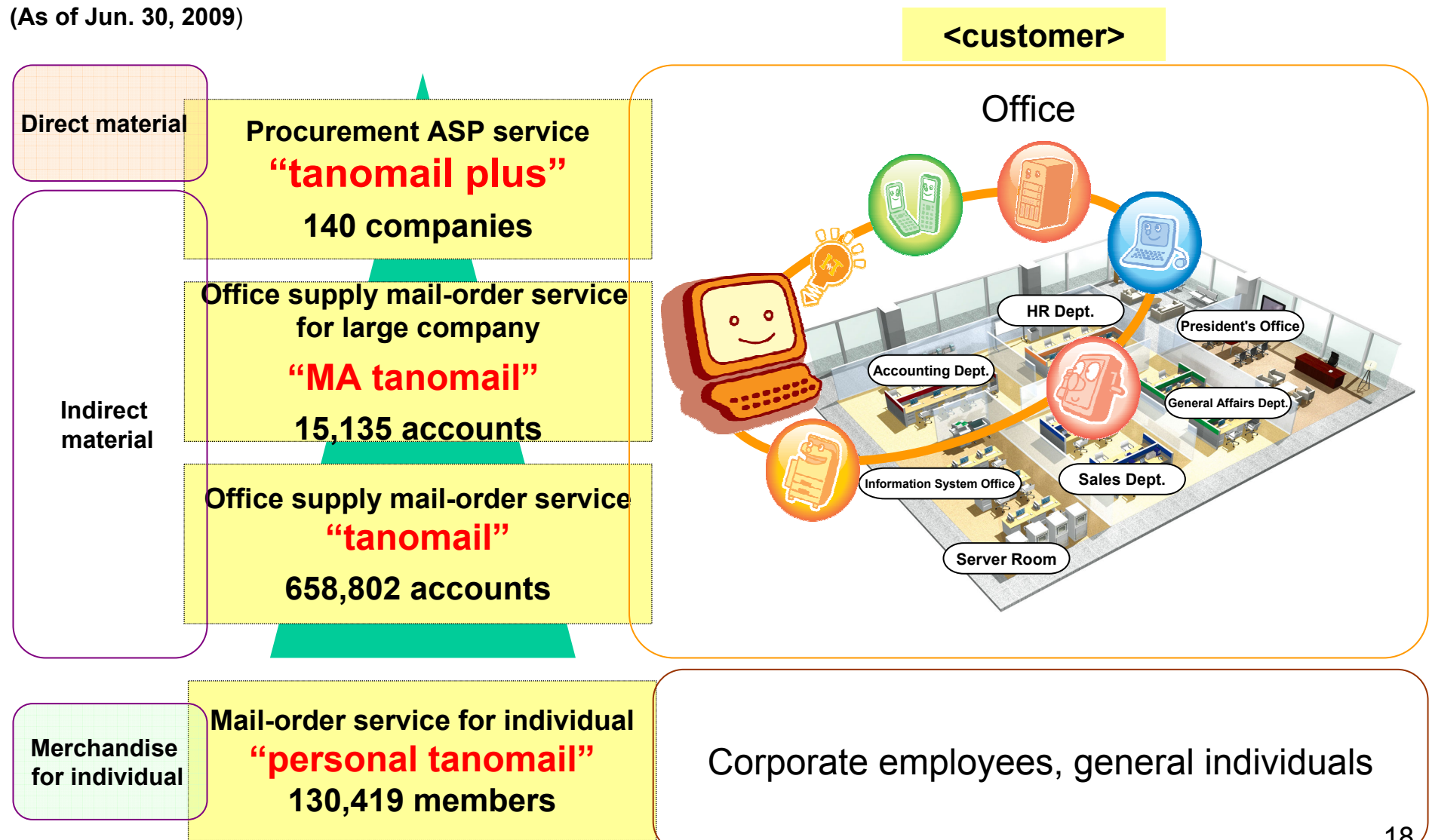
# Annual sales transition of MRO business



# Total support by OTSUKA CORPORATION

OTSUKA CORPORATION supports customers' procurement duties across the board

(As of Jun. 30, 2009)



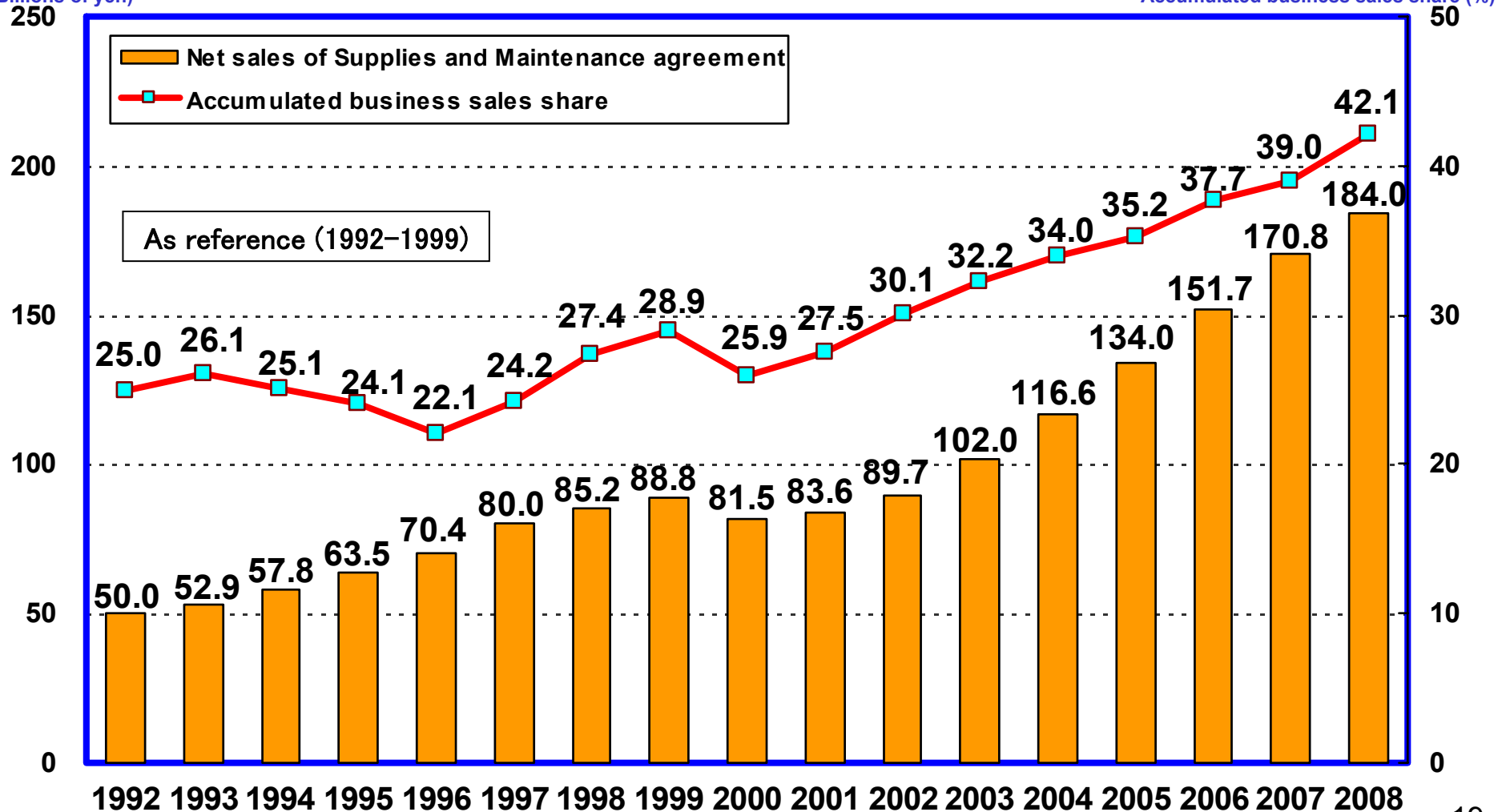
# Growth of accumulated business

## Net sales of Supplies and Maintenance agreement

Net sales of Supplies and Maintenance agreement (Billions of yen)

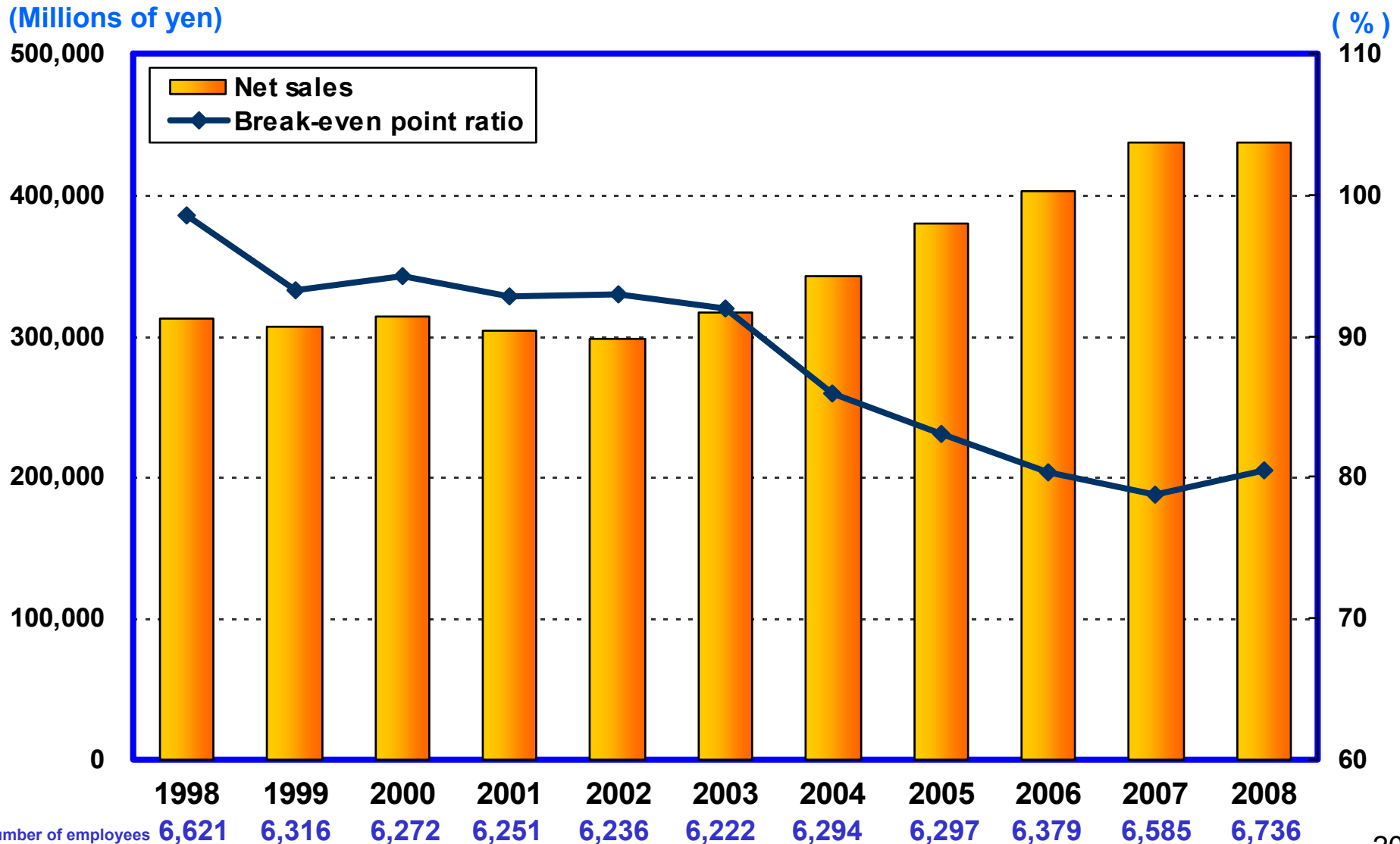
## Accumulated business sales share

Accumulated business sales share (%)



Non-Consolidated

# Change of Net sales and Break-even point ratio



Number of employees 6,621 6,316 6,272 6,251 6,236 6,222 6,294 6,297 6,379 6,585 6,736

# Future Plans

# The Basic principle and Mid term plans

## < Basic principle >

- **Grow with customers by realizing the Mission Statement**

## < Mid term plans >

- **Work-force basically remains flat**
- **Strive for expanding business by revenue increase and profit increase**

**Challenge 7% of the Operating income and Recurring profit rate**

- **Open up new demand with the help of the customer information**
- **Effective use of individuals/materials/money and per head productivity increase**

# Future Measures

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- **Renew and expand business with the existing 780,000 companies**
- **Community-based sales structure**
  - One-stop sales
  - Enhancement of one-stop support structure
- **Fortify promotion of the accumulated business**
- **New business**

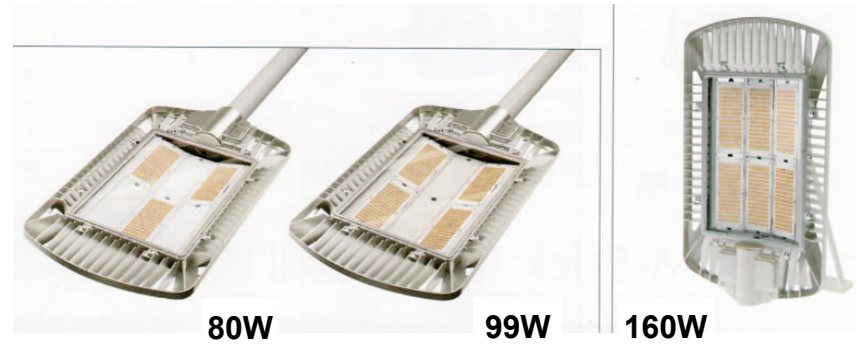


# Wide Range of LED Lighting

## General-purpose



## Street light



Applied for PSE (for the stabilizer)

PSE: Product Safety of Electrical appliance and material

## Tunnel light



Applied for PSE (for the stabilizer)

## Explosion-proof Lamp



IEC: International Electrotechnical Commission  
TIIS: Technology Institution of Industrial Safety

# Example of Introduction of LED Lighting

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# New Business

Effects of alliance with LION OFFICE PRODUCTS CORP.

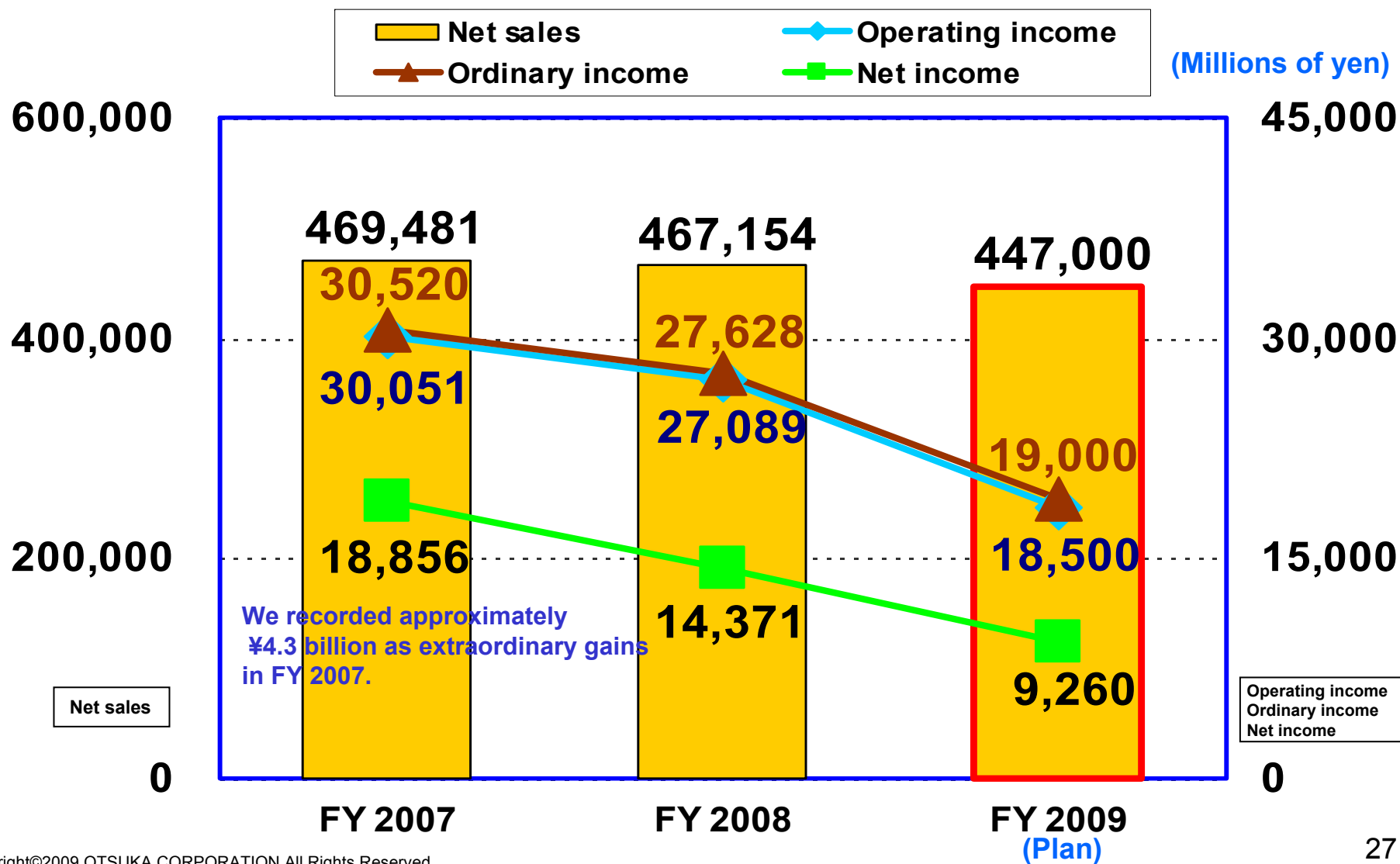
- Office design service



- NAVILION = Navi + Lion

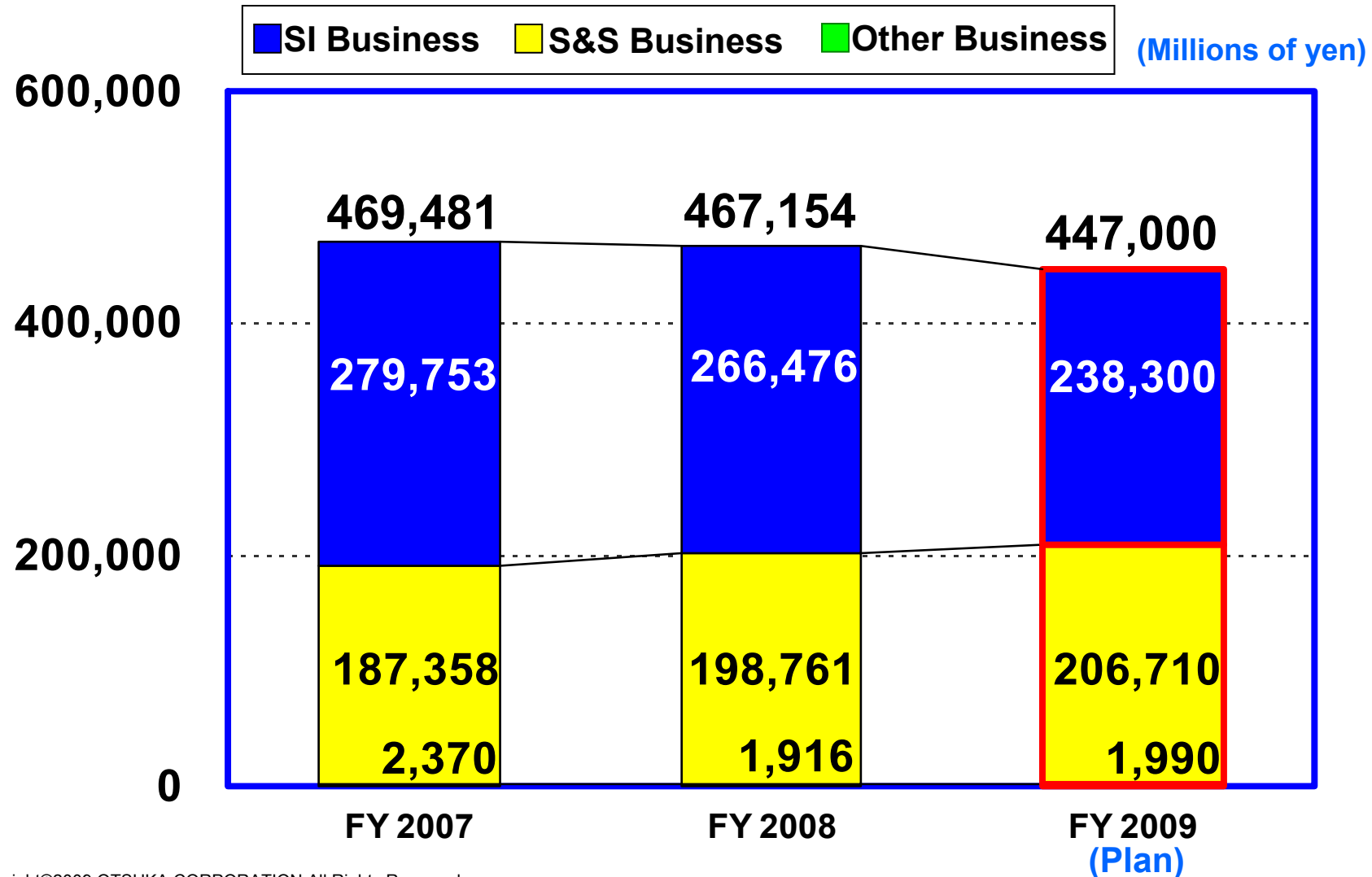
Consolidated

# Plans of Net sales and profit



Consolidated

# Plans of Net sales by segments





# Plans of Key strategic business

<Amount of Sales>

(Millions of yen)

	FY 2007	FY 2008		FY 2009 (Plan)	
	Amount	Amount	Change to Last Year	Amount	Change to Last Year
<b>MRO</b>	86,270	92,438	+7.1%	<b>98,000</b>	<b>+6.0%</b>
(of which "tanomail")	82,493	89,192	+8.1%	<b>95,000</b>	<b>+6.5%</b>
<b>SMILE (software)</b>	6,938	6,858	-1.1%	<b>6,900</b>	<b>+0.6%</b>
<b>ODS21</b>	38,320	37,650	-1.7%	<b>38,000</b>	<b>+0.9%</b>
<b>OSM</b>	39,985	43,448	+8.7%	<b>48,000</b>	<b>+10.5%</b>

<Number of Sales>

(Units)

<b>Copier</b>	30,615	29,288	-4.3%	<b>28,600</b>	<b>-2.3%</b>
(of which Color copier)	20,413	20,595	+0.9%	<b>20,600</b>	<b>+0.0%</b>
<b>Server</b>	35,741	35,014	-2.0%	<b>35,000</b>	<b>-0.0%</b>
<b>PC</b>	481,502	508,967	+5.7%	<b>509,000</b>	<b>+0.0%</b>



# Cautionary statement

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1. This material is intended to provide information about the business performance of the 2nd quarter of fiscal year 2009 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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