

April 30, 2020

**Outline of business results****Consolidated Net sales and Profits**

(Millions of yen)

	1Q 2018	1Q 2019				1Q 2020				Consolidated to non-consolidated ratio
	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year	
Net sales	191,225	218,681	100.0%	+27,455	+14.4%	224,329	100.0%	+5,647	+2.6%	1.11
Gross profit	38,998	42,917	19.6%	+3,918	+10.0%	46,143	20.6%	+3,226	+7.5%	1.09
Operating profit	11,851	14,648	6.7%	+2,797	+23.6%	16,147	7.2%	+1,498	+10.2%	1.14
Ordinary profit	12,222	15,087	6.9%	+2,864	+23.4%	16,484	7.3%	+1,397	+9.3%	1.06
Profit*	8,064	10,042	4.6%	+1,978	+24.5%	10,882	4.9%	+840	+8.4%	1.01

\*Profit attributable to owners of parent

**Non-consolidated Net sales and Profits**

(Millions of yen)

	1Q 2018	1Q 2019				1Q 2020			
	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year
Net sales	171,847	197,520	100.0%	+25,672	+14.9%	202,009	100.0%	+4,489	+2.3%
Gross profit	35,327	39,219	19.9%	+3,891	+11.0%	42,193	20.9%	+2,974	+7.6%
Operating profit	10,095	12,793	6.5%	+2,698	+26.7%	14,123	7.0%	+1,329	+10.4%
Ordinary profit	11,205	14,074	7.1%	+2,868	+25.6%	15,606	7.7%	+1,532	+10.9%
Profit	7,744	9,764	4.9%	+2,020	+26.1%	10,825	5.4%	+1,060	+10.9%

**Quarterly change of consolidated Net sales**

(Millions of yen)

	FY 2018	FY 2019				FY 2020		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year	
1Q (Jan. - Mar.)	191,225	218,681	+27,455	+14.4%	224,329	+5,647	+2.6%	
2Q (Apr. - Jun.)	198,637	231,472	+32,834	+16.5%	-	-	-	
3Q (Jul. - Sep.)	176,262	216,944	+40,682	+23.1%	-	-	-	
4Q (Oct. - Dec.)	193,745	219,437	+25,692	+13.3%	-	-	-	

**Quarterly change of consolidated Ordinary profit**

(Millions of yen)

	FY 2018	FY 2019				FY 2020		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year	
1Q (Jan. - Mar.)	12,222	15,087	+2,864	+23.4%	16,484	+1,397	+9.3%	
2Q (Apr. - Jun.)	15,645	19,623	+3,978	+25.4%	-	-	-	
3Q (Jul. - Sep.)	7,167	12,677	+5,510	+76.9%	-	-	-	
4Q (Oct. - Dec.)	14,250	16,318	+2,068	+14.5%	-	-	-	

**Consolidated Net sales by segments**

(Millions of yen)

	1Q 2018	1Q 2019				1Q 2020			
	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year
System Integration business	117,273	142,502	65.2%	+25,228	+21.5%	144,594	64.5%	+2,092	+1.5%
Service and Support business	73,952	76,179	34.8%	+2,226	+3.0%	79,734	35.5%	+3,555	+4.7%

**Non-consolidated Net sales and Gross profit by segments**

(Millions of yen)

		1Q 2018	1Q 2019				1Q 2020			
		Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year
Net sales	System Integration	98,646	122,075	61.8%	+23,428	+23.8%	122,915	60.8%	+840	+0.7%
	Service and Support	73,201	75,445	38.2%	+2,244	+3.1%	79,093	39.2%	+3,648	+4.8%
Gross profit	System Integration	17,831	21,084	53.8%	+3,253	+18.2%	23,161	54.9%	+2,077	+9.9%
	Service and Support	17,496	18,134	46.2%	+638	+3.7%	19,031	45.1%	+897	+4.9%

**Non-consolidated Net sales by 4 segments**

(Millions of yen)

		1Q 2018	1Q 2019				1Q 2020			
		Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year
System Integration business	SI related products	87,186	108,663	55.0%	+21,476	+24.6%	107,323	53.1%	-1,339	-1.2%
	Custom-made software etc.	11,459	13,411	6.8%	+1,952	+17.0%	15,592	7.7%	+2,180	+16.3%
Service and Support business	Supplies	37,677	38,696	19.6%	+1,018	+2.7%	40,832	20.2%	+2,136	+5.5%
	Maintenance, etc.	35,523	36,748	18.6%	+1,225	+3.4%	38,260	18.9%	+1,512	+4.1%

**Consolidated Cash flows**

(Millions of yen)

	1Q 2018	1Q 2019	1Q 2020
C/F from operating	10,729	11,794	15,714
C/F from investing	-2,800	-1,569	-2,234
C/F from financing	-13,376	-16,228	-20,996
Cash and cash equivalents at end of period	132,064	145,588	168,681

**Consolidated Equity and Interest-bearing debt**

(Millions of yen)

	2018 Mar. 31	2019 Mar. 31	2020 Mar. 31
Equity	207,707	224,119	246,308
Interest-bearing debt	8,865	9,014	9,244
Total assets*	396,395	430,084	452,969
Equity ratio*	52.4%	52.1%	54.4%
Interest-bearing debt ratio*	2.2%	2.1%	2.0%

\*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 strategic business**

(Millions of yen)

	1Q 2018	1Q 2019		1Q 2020			
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	40,350	41,509	+1,159	+2.9%	42,947	+1,437	+3.5%
SMILE	2,664	2,706	+42	+1.6%	2,894	+187	+6.9%
ODS	14,446	14,231	-215	-1.5%	13,670	-560	-3.9%
OSM	17,860	18,530	+670	+3.8%	20,500	+1,969	+10.6%
<As reference: Number of Sales> (Units)							
Copier	11,020	10,507	-513	-4.7%	9,486	-1,021	-9.7%
(of which color copier)	10,659	10,203	-456	-4.3%	9,259	-944	-9.3%
Server	8,681	8,254	-427	-4.9%	7,155	-1,099	-13.3%
PC	298,409	458,136	+159,727	+53.5%	374,780	-83,356	-18.2%
Client Total	311,450	469,499	+158,049	+50.7%	385,596	-83,903	-17.9%

**Future Plans****Plans of consolidated Net sales and profits**

(Millions of yen)

	1Q 2020 (Result)	1H 2020 (Plan)	FY 2020 (Plan)
Net sales	224,329	452,000	864,000
Operating profit	16,147	36,000	63,700
Ordinary profit	16,484	36,520	64,600
Profit*	10,882	24,530	43,530

\*Profit attributable to owners of parent

**Plans of consolidated Net sales by segments**

(Millions of yen)

	FY 2018 (Result)	FY 2019 (Result)		FY 2020 (Plan)	
	Amount	Amount	Change to Last year	Amount	Change to Last year
System Integration	463,293	578,698	+24.9%	543,550	-6.1%
Service and Support	296,577	307,837	+3.8%	320,450	+4.1%

At the present time, then earnings forecast is unchanged. As we closely monitor the situation for the April-June period, we will promptly announce any revisions to our earnings forecast in the future.