

Information for Investors

(January 1, 2016 - June 30, 2016)



August 5, 2016
OTSUKA KAGU, LTD.

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2016 Interim Results

(January1,2016 - June30,2016)



1. 2016 Interim results



(millions of yen,%)

	2015 Interim results	2016 Interim results	Y/Y	Y/YE*
Net sales	30,151	24,093	(20.1)	(0.4)
Gross profit %sales	16,139 53.5	12,825 53.2	(20.5)	0.1
Operating income (loss) %sales	493 1.6	(1,973) (8.2)	-	-
Ordinary income (loss) %sales	611 2.0	(1,860) (7.7)	-	-
Profit (loss) %sales	359 1.2	(2,497) (10.4)	-	-

* Forecasts (YE) as of Jun.3,2016

2. Breakdown of net sales



(millions of yen,%)

	2015 Interim results	Number of stores*	2016 Interim results	Number of stores*	Y/Y	Y/YE*
Kanto	18,113	8	14,131	8	(22.0)	(2.0)
Kansai	5,949	3	4,952	3	(16.8)	1.8
Tokai	2,442	3	1,929	3	(21.0)	(0.1)
Others	2,730	2	1,997	2	(26.8)	1.2
Store sales total share	29,235 97.0	16	23,010 95.5	16	(21.3)	(0.8)
Corporate sales share	882 2.9		1,039 4.3		17.9	8.9
Others share	33 0.1		42 0.2		27.1	6.5
Total share	30,151 100.0		24,093 100.0		(20.1)	(0.4)

*Forecasts (YE) as of Jun.3,2016 *Number of stores as of June 30 * ref.p.14 for store information

3. SG&A expenses



(millions of yen,%)

	2015 Interim results	%sales	2016 Interim results	%sales	Y/Y	Y/YE*
Transportation	794	2.6	738	3.1	(7.1)	1.4
Advertising	1,680	5.6	1,353	5.6	(19.5)	(9.1)
Personnel	5,683	18.8	5,336	22.2	(6.1)	0.9
Rents	5,075	16.8	5,069	21.0	(0.1)	(0.0)
Others	2,411	8.0	2,301	9.6	(4.6)	5.6
Total	15,645	51.9	14,799	61.4	(5.4)	0.3

* Rents including Administrative expenses

*Forecasts (YE) as of Jun.3,2016

4. Non-operating income and expenses Extraordinary income and losses



(millions of yen,%)

	2015 Interim results	2016 Interim results	Y/Y
Income	119	123	3.1
Interest and dividend	44	46	5.1
Others	75	76	1.9
Expenses	2	9	314.5

– 2016 Interim results –

Extraordinary income : Gain on sales of non-current assets 29million yen
 Extraordinary loss : Impairment loss 225million yen

5. Investment and depreciation



(millions of yen)

	2015 Interim results		2016 Interim results	
Capital expenditure	34		388	
	Store facilities, etc.	27	Store facilities, etc.	357
	System renewal	1	System renewal	20
	Others	5	Others	10
Security deposits	(0)		69	
	Guarantee deposits, etc.	(0)	Guarantee deposits, etc.	69
Total	34		458	
Depreciation	79		118	

6. Number of employees

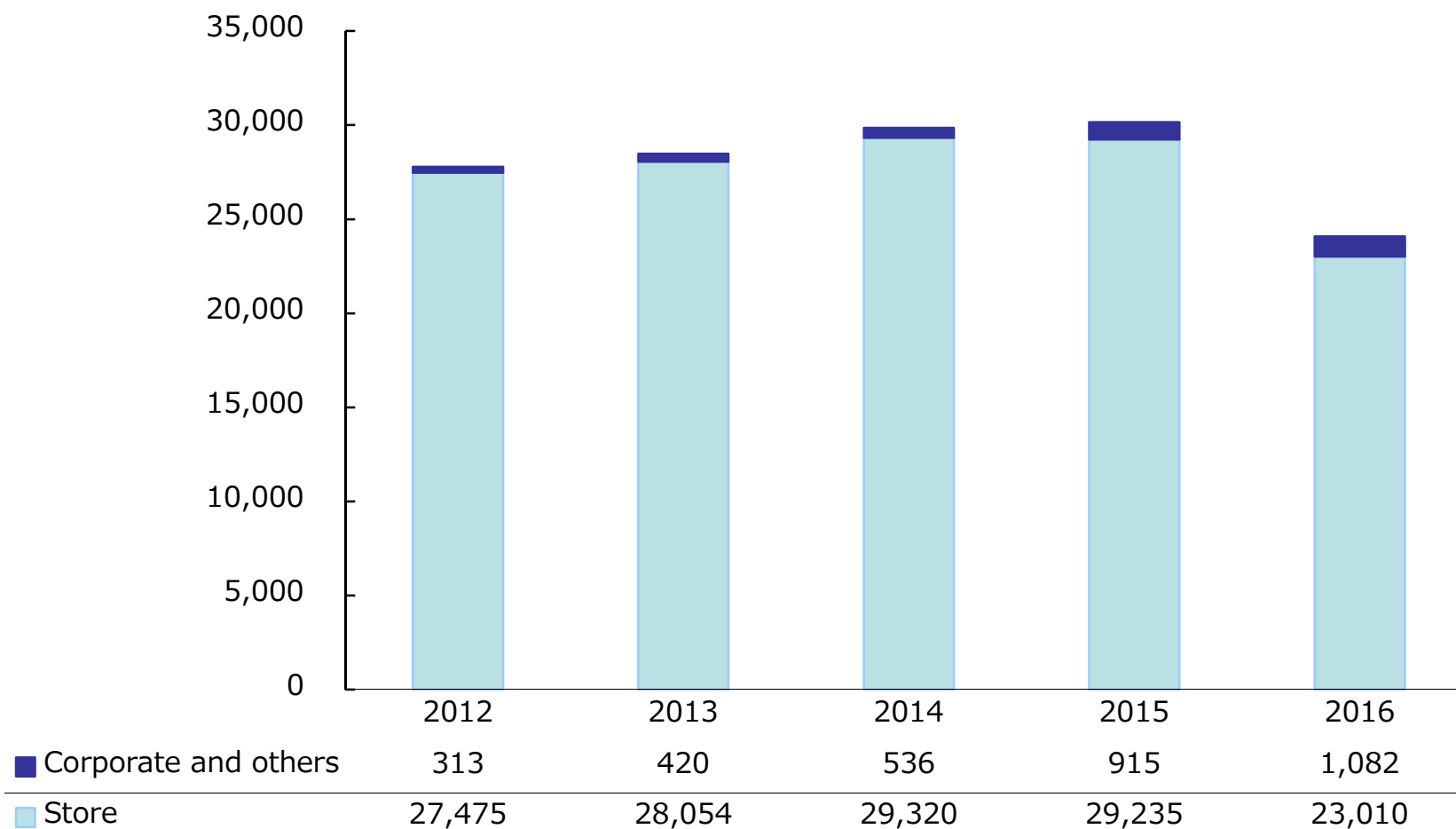
		As of June 30, 2015	As of June 30, 2016
	Store	1,258	1,203
	Total	1,783	1,744

*not including the number of board member, corporate officer, temporary worker

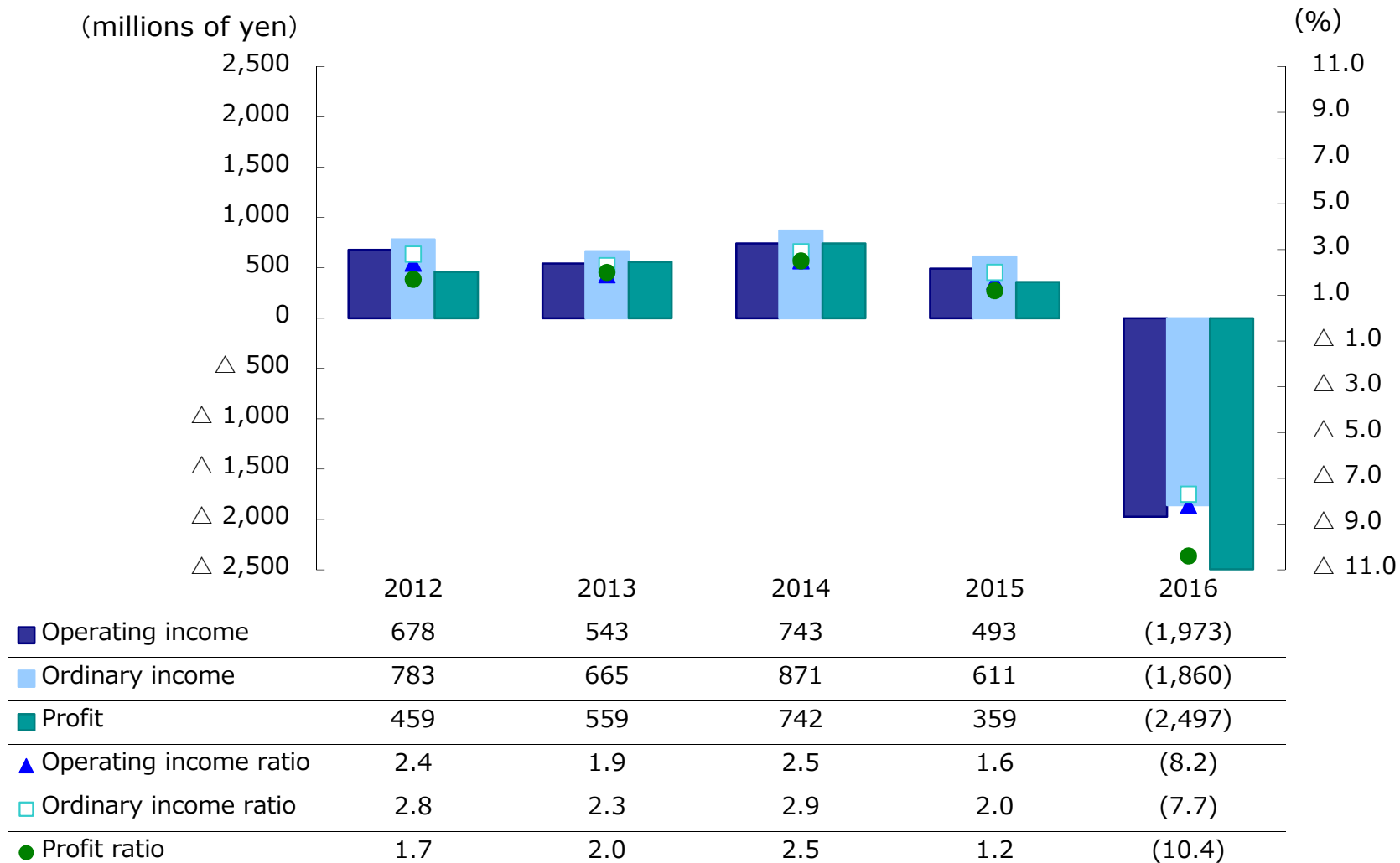
7. Interim net sales



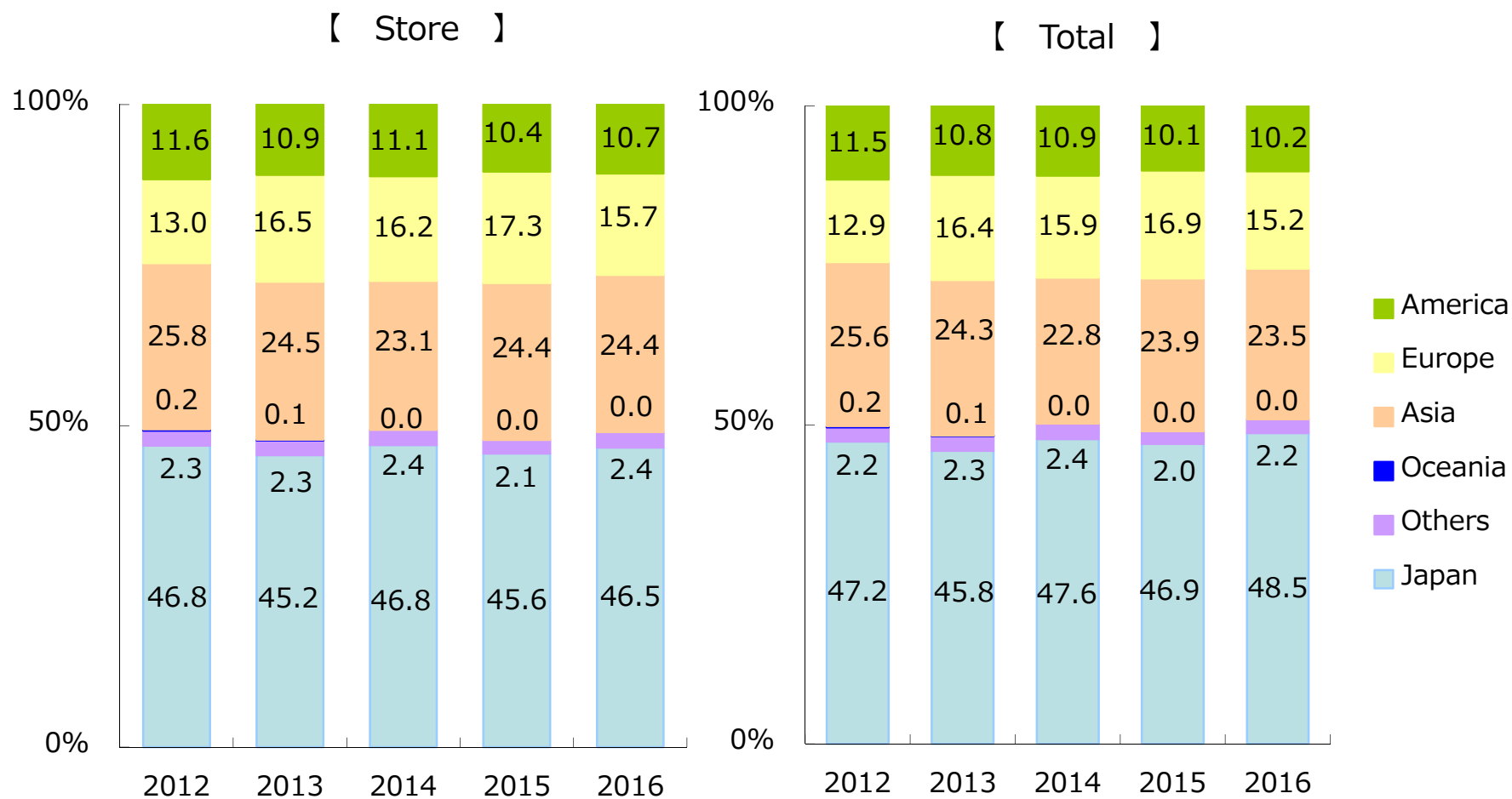
(millions of yen)



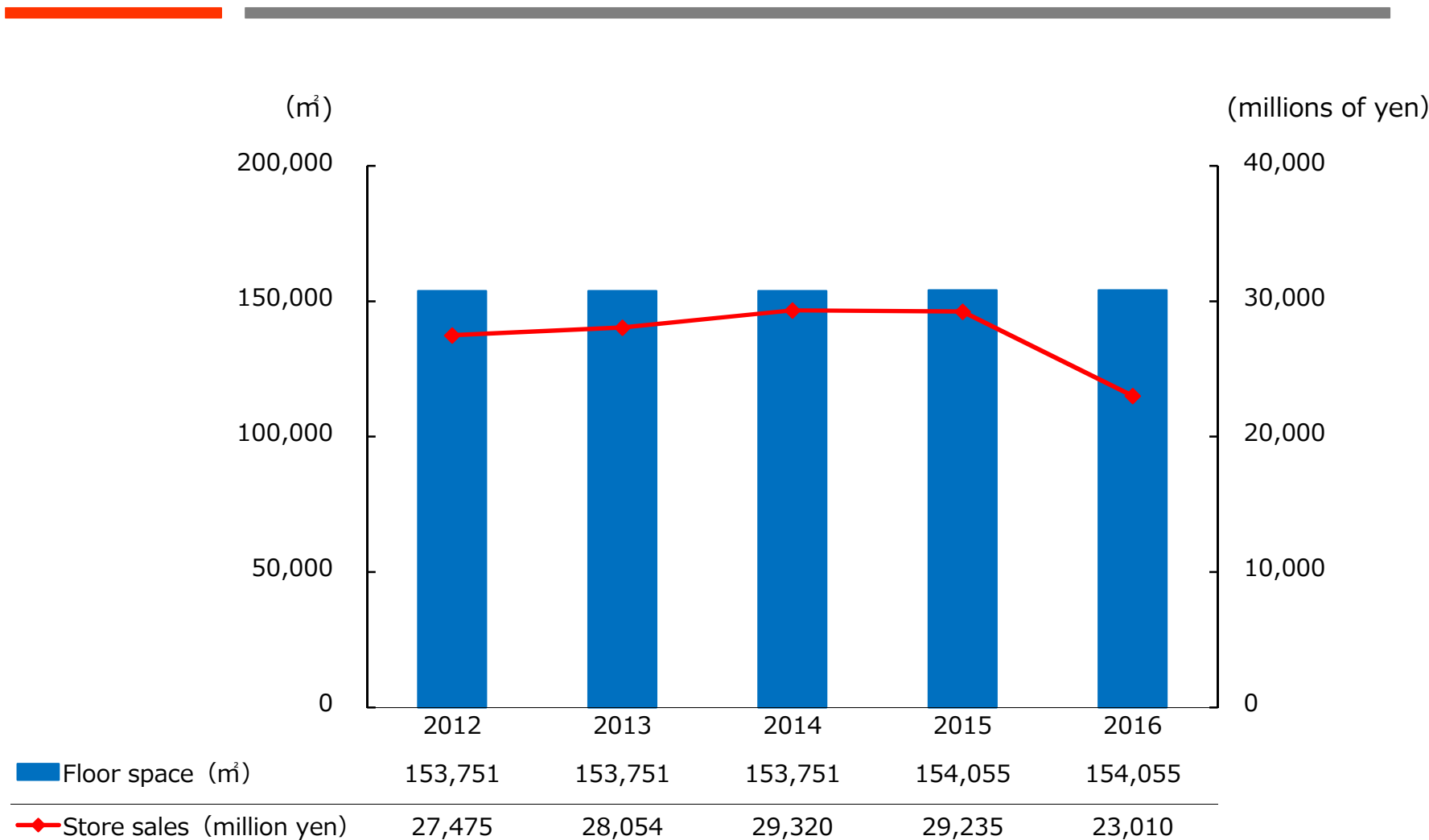
8. Interim profits



9. Interim sales of imports by country of origin



10. Interim store floor space and store net sales



* floor space is as of June,30

		Store	Floor space (m ²)	Note
Kanto	1	Ariake Head Office showroom	24,673	IDC OTSUKA Sapporo Factory opened on January,2016 under the jurisdiction of Ariake Head Office showroom. The floor space (438m ²) is not included on left.
	2	Yokohama Minatomirai showroom	19,500	
	3	Shinjuku showroom	13,602	
	4	Kasukabe showroom	10,772	
	5	Ginza main store	7,007	
	6	Tachikawa showroom	4,421	
	7	Yokohama outlet	4,189	
	8	Tokorozawa showroom	1,537	
Kansai	1	Osaka Nanko showroom	22,242	
	2	Kobe showroom	8,566	
	3	Modern Style Shop Yodoyabashi	475	
Tokai	1	Nagoya Sakae showroom	11,178	
	2	Nagoya Hoshizaki showroom	4,670	
	3	Life Style Shop Nagoya-Ekimae	304	
Others	1	Sendai showroom	11,291	
	2	Fukuoka showroom	9,628	
		Total	154,055	as of June.30, 2016 [16 stores]

2016 Forecasts



1. 2016 forecasts



(millions of yen,%)

	Second half				Full year			
	2015	2016 Forecasts*			2015	2016 Forecasts*		
	Results	Projection	Revised	Y/Y	Results	Projection	Revised	Y/Y
Net sales	27,853	29,665	24,233	(13.0)	58,004	53,851	48,327	(16.7)
Gross profit	14,691	16,190	13,179	(10.3)	30,830	29,003	26,005	(15.6)
%sales	52.7	54.6	54.4		53.2	53.9	53.8	
Operating income	(56)	393	(1,890)	-	437	(1,549)	(3,863)	-
(loss) %sales	(0.2)	1.3	(7.8)		0.8	(2.9)	(8.0)	
Ordinary income	21	439	(1,844)	-	633	(1,395)	(3,704)	-
(loss) %sales	0.1	1.5	(7.6)		1.1	(2.6)	(7.7)	
Profit (loss)	0	314	(1,861)	-	359	(1,661)	(4,358)	-
%sales	0.0	1.1	(7.7)		0.6	(3.1)	(9.0)	

* as of Jun.3,2016

2. Breakdown of net sales



(millions of yen,%)

	Second half				Full year			
	2015 Results	2016 Forecasts*			2015 Results	2016 Forecasts*		
		Projection	Revised	Y/Y		Projection	Revised	Y/Y
Kanto	17,137	18,309	15,053	(12.2)	35,250	32,729	29,184	(17.2)
Kansai	5,451	5,394	4,408	(19.1)	11,400	10,260	9,360	(17.9)
Tokai	2,039	2,170	1,772	(13.1)	4,481	4,100	3,701	(17.4)
Others	2,363	2,458	2,007	(15.1)	5,093	4,431	4,004	(21.4)
Store sales total	26,991	28,331	23,240	(13.9)	56,227	51,522	46,250	(17.7)
share	96.9	95.5	95.9		96.9	95.7	95.7	
Corporate sales	825	1,300	960	16.2	1,708	2,255	2,000	17.1
share	3.0	4.4	4.0		2.9	4.2	4.1	
Others	35	34	33	(6.9)	69	74	76	9.6
share	0.1	0.1	0.1		0.1	0.1	0.2	
Total	27,853	29,665	24,233	(13.0)	58,004	53,851	48,327	(16.7)
share	100.0	100.0	100.0		100.0	100.0	100.0	

* as of Jun.3,2016

3. SG&A expenses



(millions of yen,%)

	Second half				Full year			
	2015	2016 Forecasts*			2015	2016 Forecasts*		
	Results	Projection	Revised	Y/Y	Results	Projection	Revised	Y/Y
Transportation	772	839	749	(3.0)	1,567	1,568	1,488	(5.0)
% sales	2.8	2.8	3.1		2.7	2.9	3.1	
Advertising	1,114	1,366	1,433	28.6	2,795	2,854	2,786	(0.3)
% sales	4.0	4.6	5.9		4.8	5.3	5.8	
Personnel	5,473	5,598	5,303	(3.1)	11,156	10,887	10,640	(4.6)
% sales	19.7	18.9	21.9		19.2	20.2	22.0	
Rents	5,067	5,149	5,142	1.5	10,143	10,219	10,212	0.7
% sales	18.2	17.4	21.2		17.5	19.0	21.1	
Others	2,318	2,842	2,439	5.2	4,730	5,022	4,740	0.2
% sales	8.3	9.6	10.1		8.2	9.3	9.8	
Total	14,747	15,797	15,069	2.2	30,392	30,552	29,869	(1.7)
% sales	52.9	53.3	62.2		52.4	56.7	61.8	

* Rents including Administrative expenses * as of Jun.3,2016

4. Non-operating income and expenses Extraordinary income and losses



(millions of yen,%)

	2015 Results	2016 Forecasts		Y/Y
		Second half	Full year	
Income	197	48	171	(13.1)
Interest and dividend	77	32	79	2.1
Others	120	15	92	(22.9)
Expenses	2	3	12	458.3

– **2016 Second half forecasts** –

Extraordinary income : None

Extraordinary loss : None

5. Investment and depreciation



(millions of yen)

	Second half				Full year	
	2015 Results		2016 Forecasts		2015 Results	2016 Forecasts
Capital expenditure	62		448		97	836
	Store facilities, etc.	28	Store facilities, etc.	275	/	/
	System renewal	8	System renewal	128		
	Others	25	Others	44		
Security deposit	13		0		13	69
	Guarantee deposits	13		0	/	/
Total	75		448			
Depreciation	83		118		162	235

6. Store



	2015 Result	2016 Forecasts		
Open	None	January 1, 2016	IDC OTSUKA Sapporo Factory	438m ²
		*under the jurisdiction of Ariake Head Office showroom		
		September 15, 2016	IDC OTSUKA Minami-Funabashi	4,599m ²
		Around Autumn, 2016	Osaka Outlet&Reuse (name undecided) (scale undecided)	
Closure	None	None		

7. Number of employees

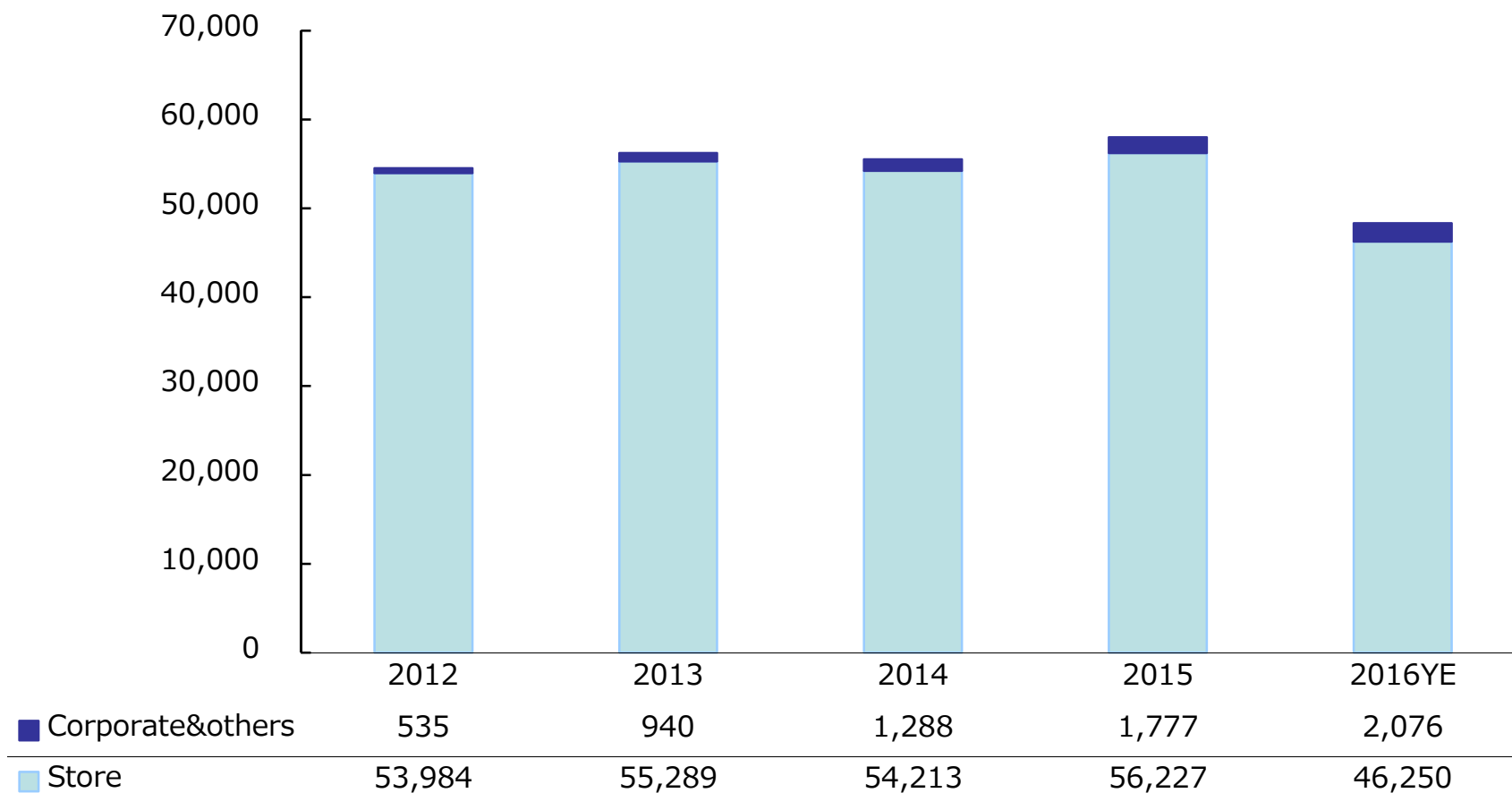
	2015 Results	2016 Forecasts
As of Dec.31	1,744	1,698
New graduate recruitment	86	77
Mid-career recruitment	29	To be determined according to the number of retired employees

* not including the number of board member, corporate officer, temporary worker

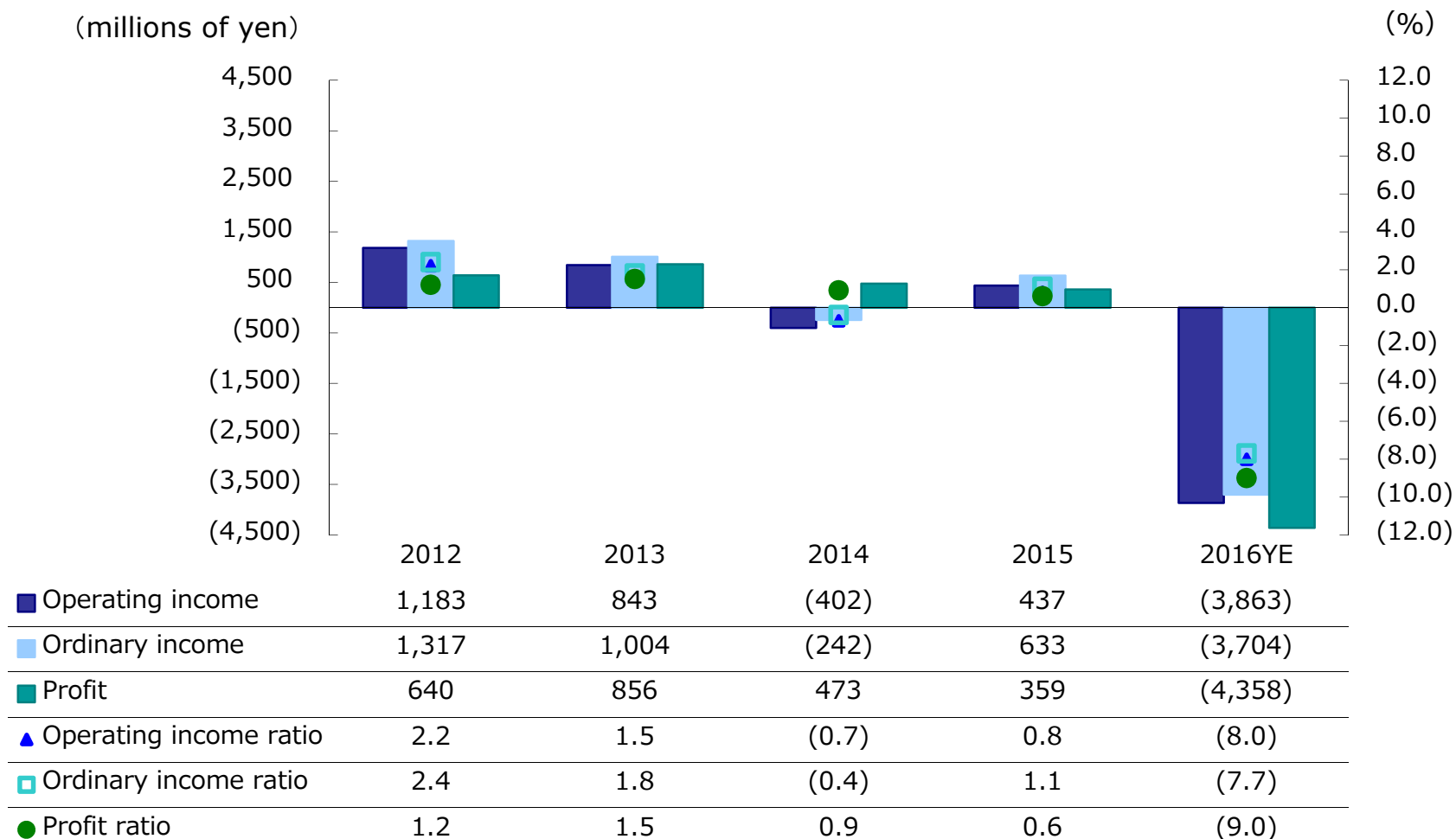
8. Full-year net sales



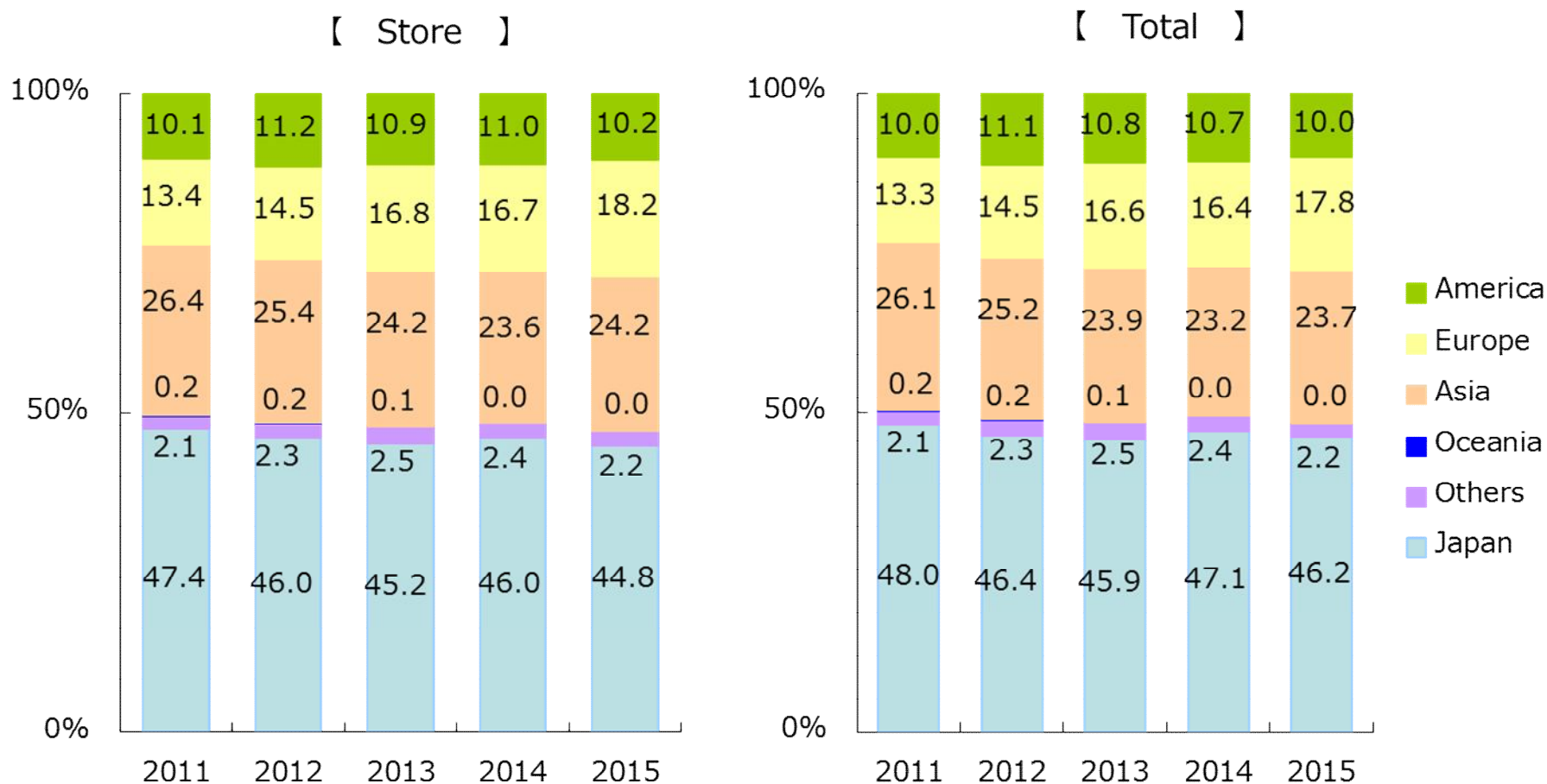
(millions of yen)



9. Full-year profits



10. Full-year sales of imports by country of origin





These data have been prepared solely for the purpose of supplying information about settlement and our business. These data are not, and should not be construed as, an offer or solicitation for purchases of our securities. These data are based on the information that is available on August 5, 2016. Actual results may differ from the indicated forecasts here due to various factors. It may change without a preliminary announcement about the indicated contents here.