



Fiscal year ending December 2023

First three months

(January – March)

Business Results

May 1, 2023

OTSUKA CORPORATION

Key Points for 1Q 2023

■ Both consolidated and non-consolidated sales and each profit category reach new record highs

■ SI business :

High sales growth of 21.4%. The supply shortage seen in the same period of the previous year improved. Seized demand at the end of the fiscal term, sales surpassed 2021 when the GIGA School Program was.

■ S&S business

Sales increased 5.8%. The impact of the application of Accounting Standard for Revenue Recognition in the previous year ran its course, business returning to a firm performance.

Summary of Business Results, January - March, 2023

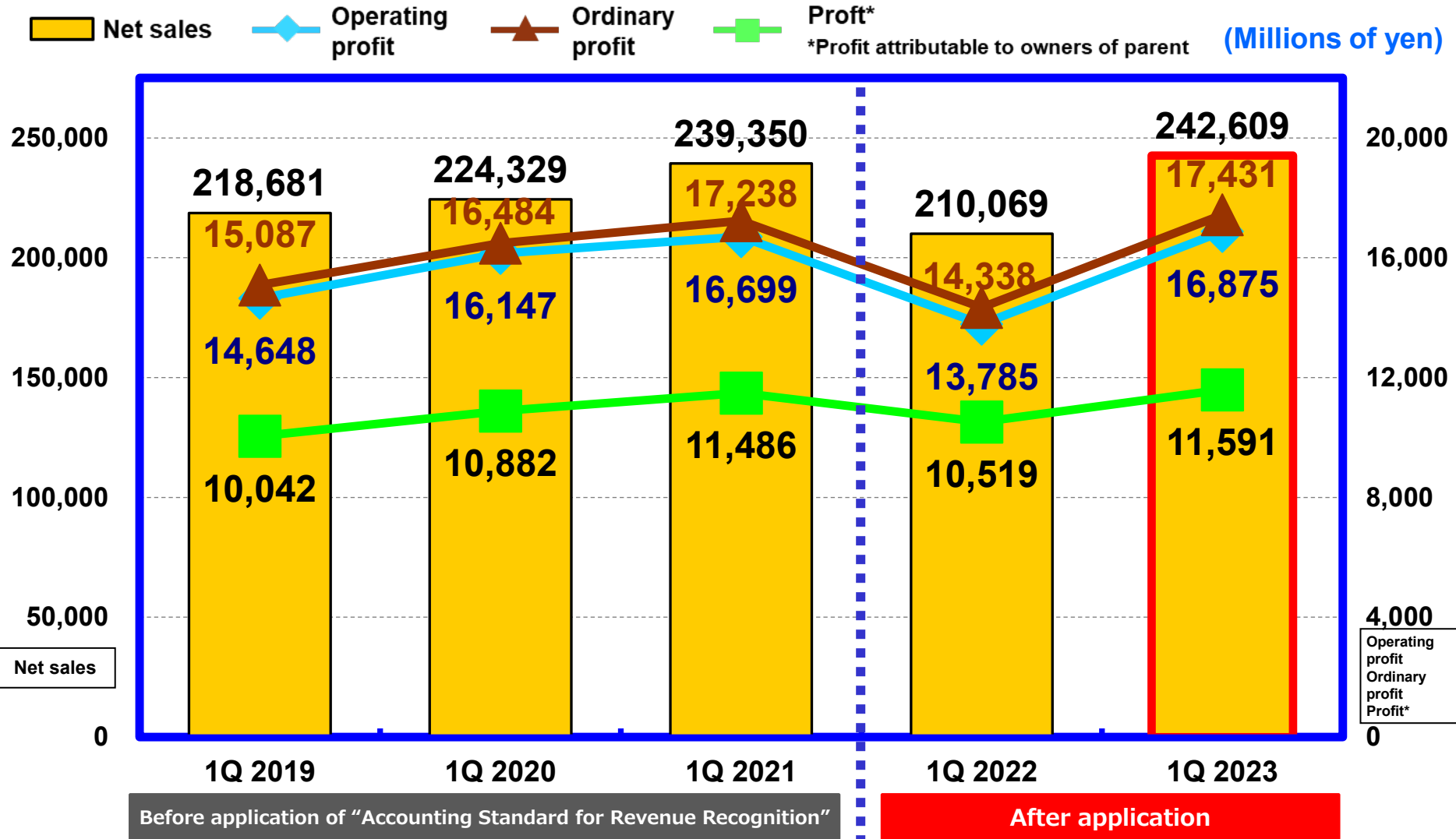
(Millions of yen)

	Consolidated		Non-Consolidated	
	Amount	Change to Last year	Amount	Change to Last year
Net sales	242,609	+15.5%	218,504	+15.2%
Operating profit	16,875	+22.4%	14,619	+19.6%
Ordinary profit	17,431	+21.6%	16,067	+16.9%
Profit*	11,591	+10.2%	11,147	+5.8%

*Profit attributable to owners of parent

Consolidated

Net sales and Profits

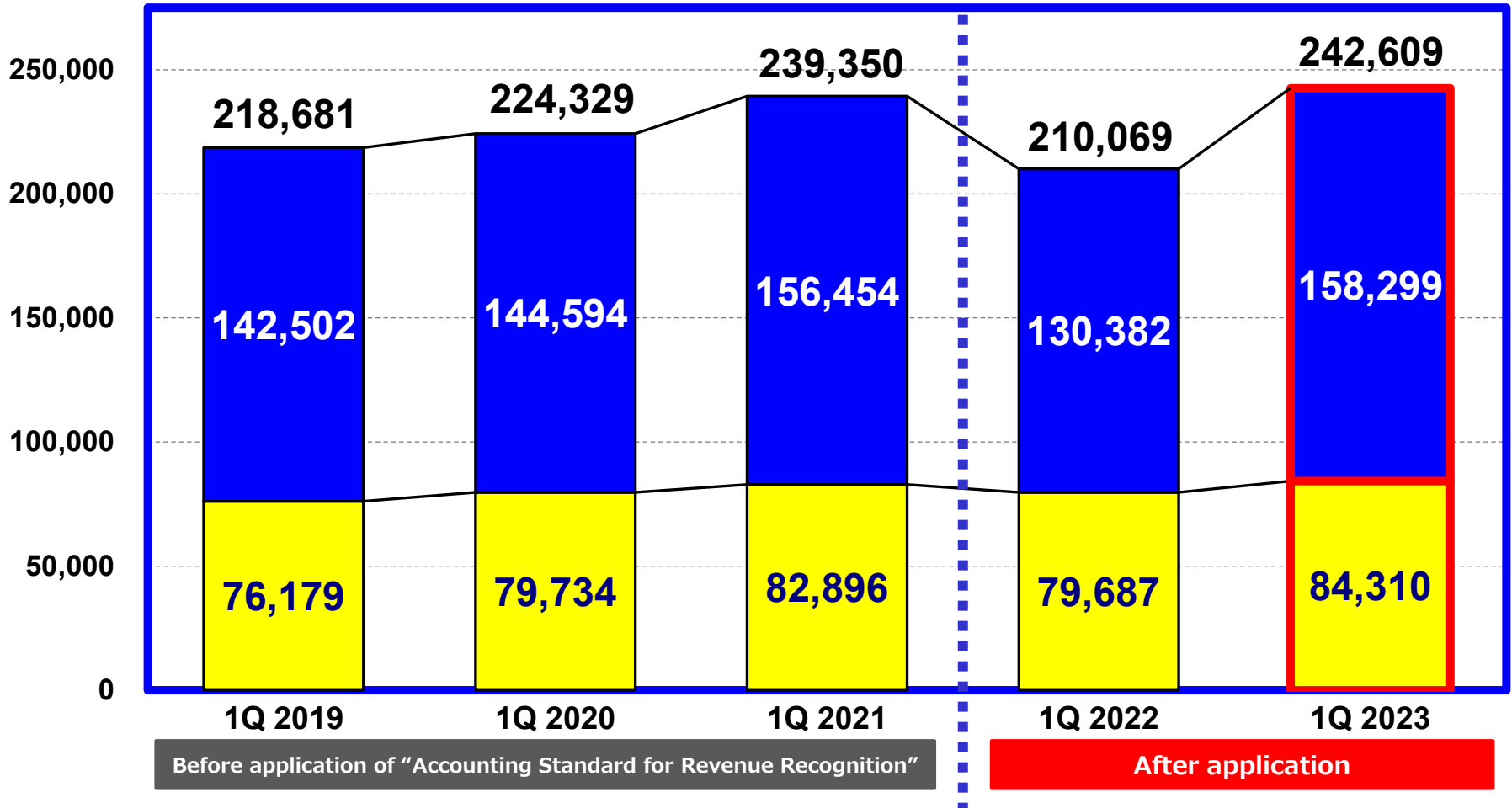


Consolidated

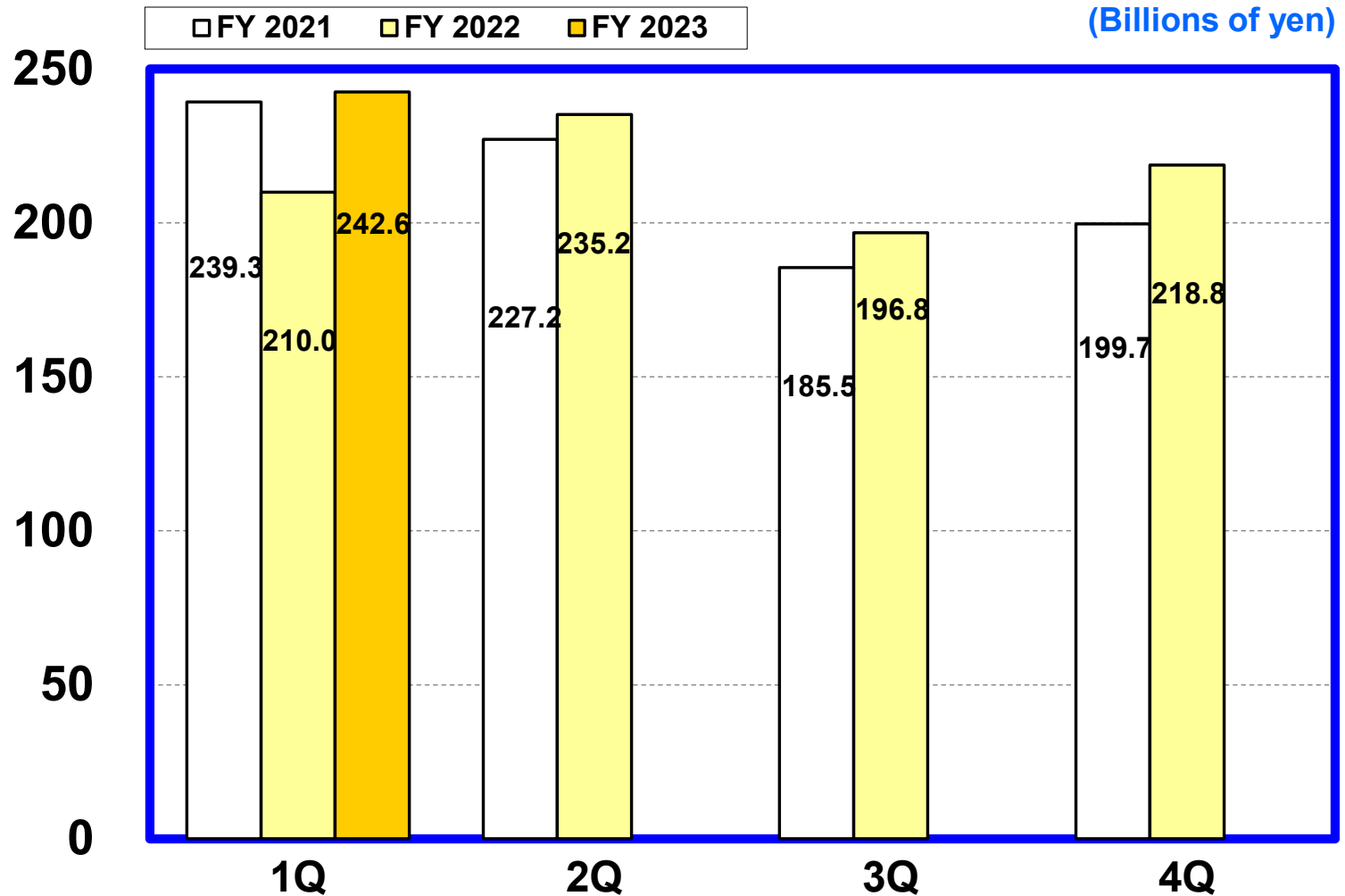
Net sales by segments

■ SI business ■ S&S business

(Millions of yen)



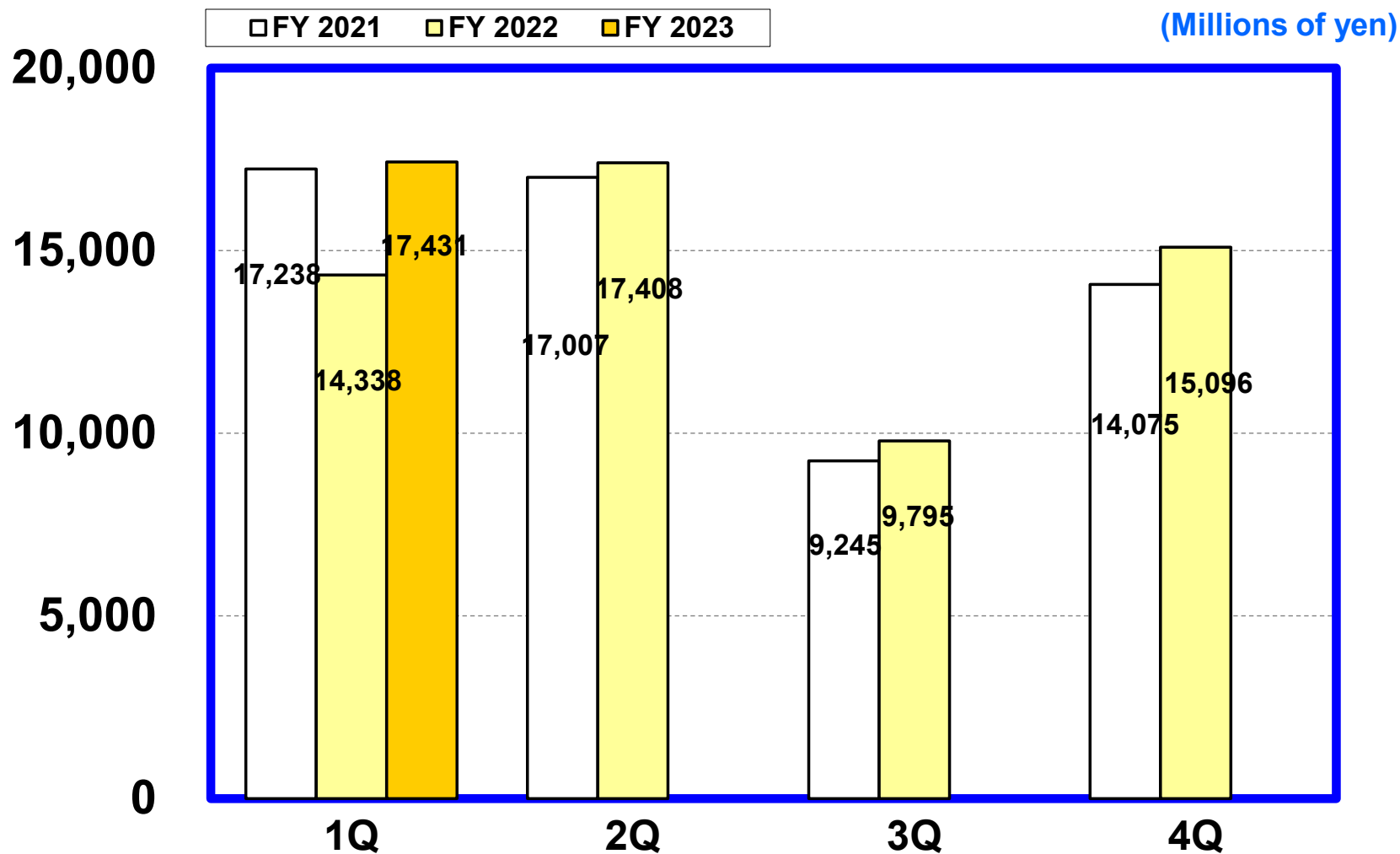
Quarterly change of Net sales



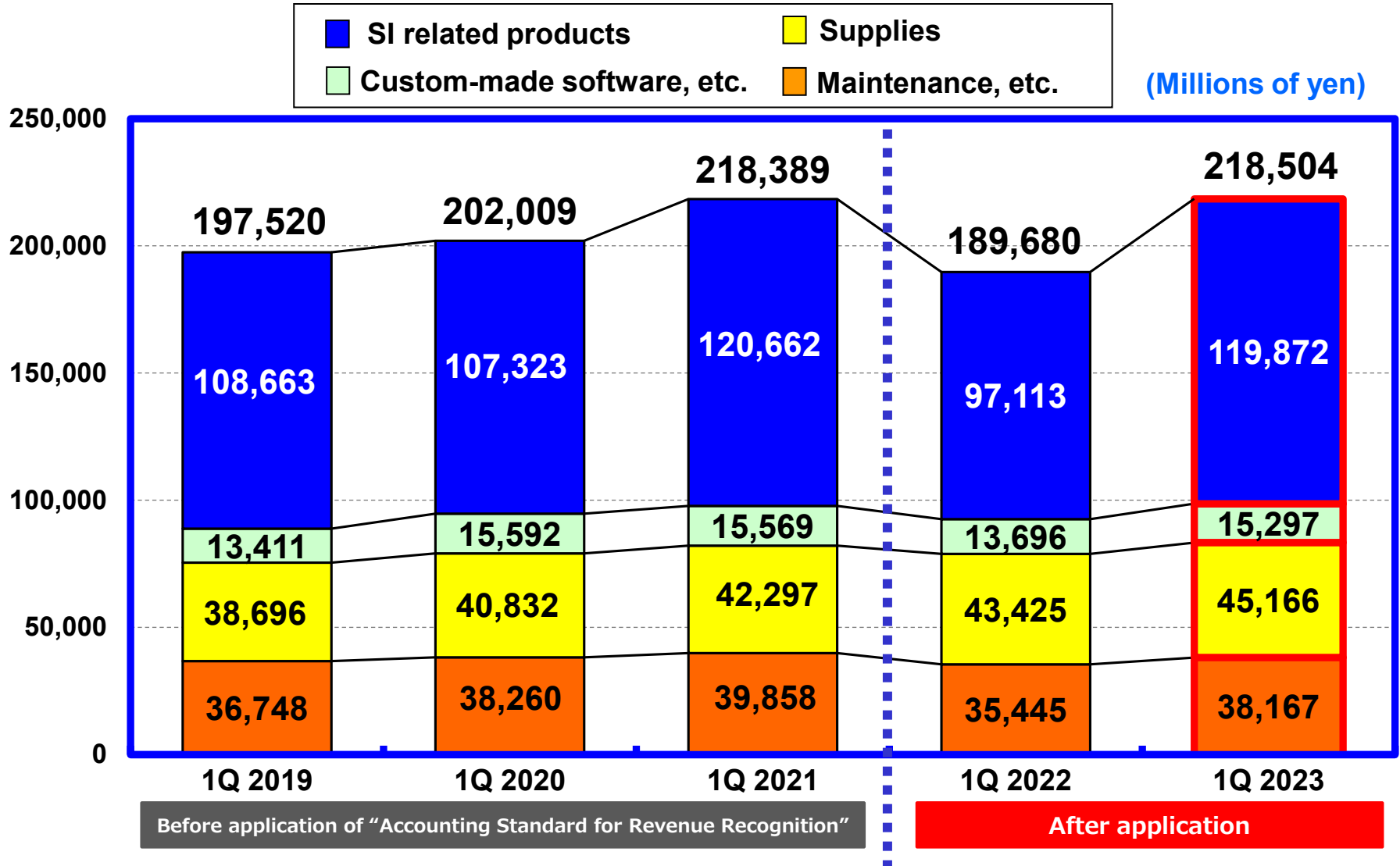
*Accounting Standard for Revenue Recognition applied from 2022

Consolidated

Quarterly change of Ordinary profit

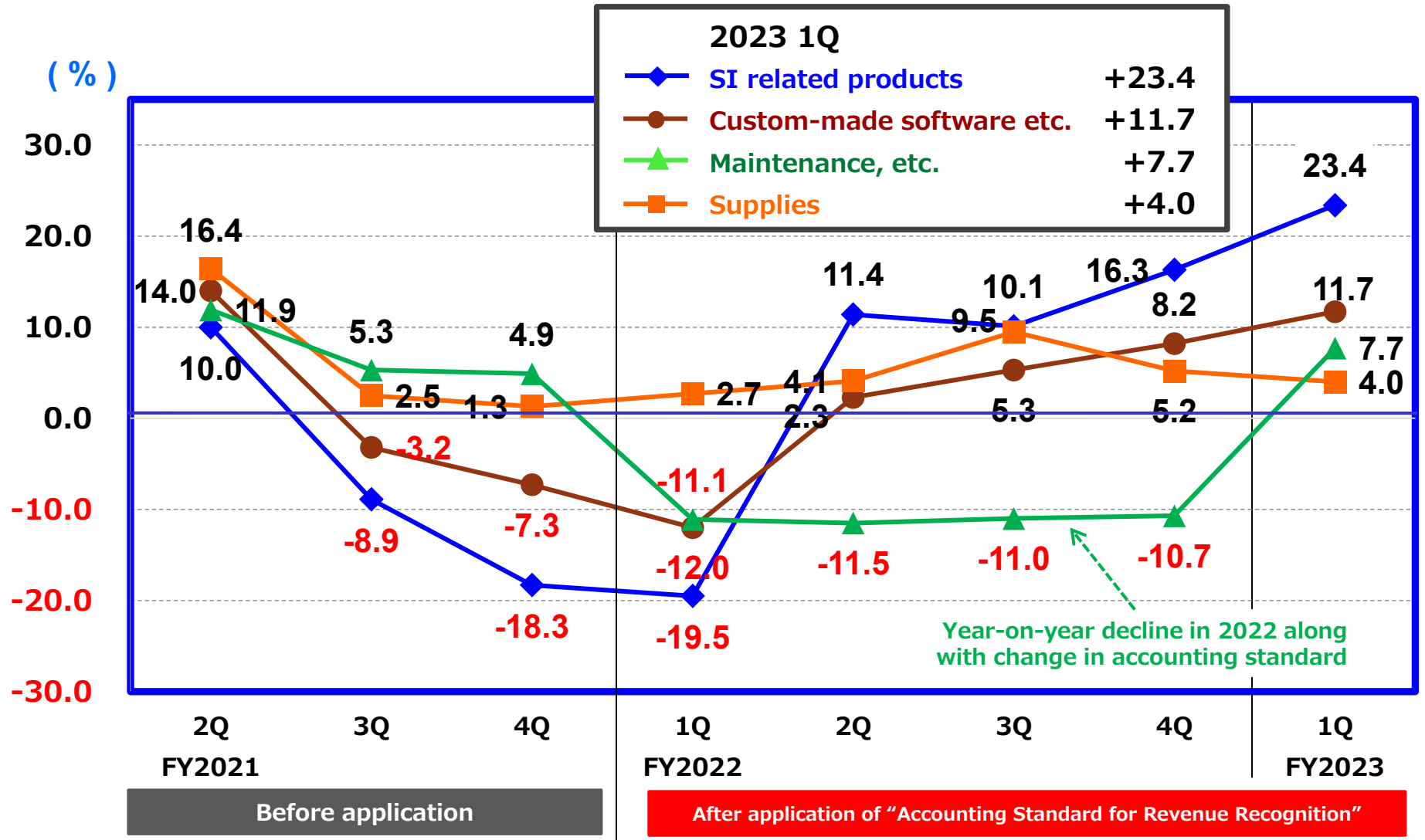


Net sales by 4 segments

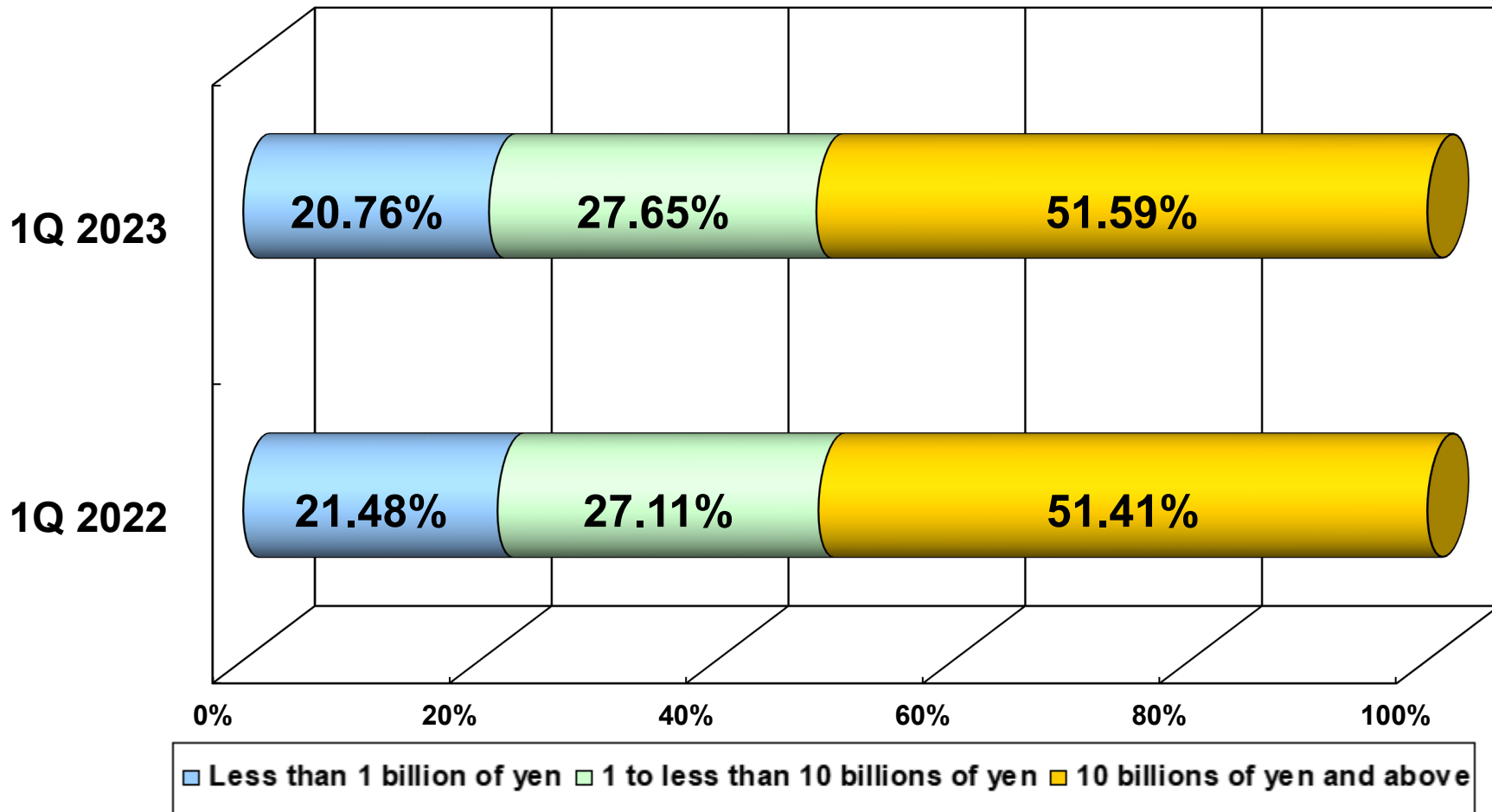


Non-Consolidated

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



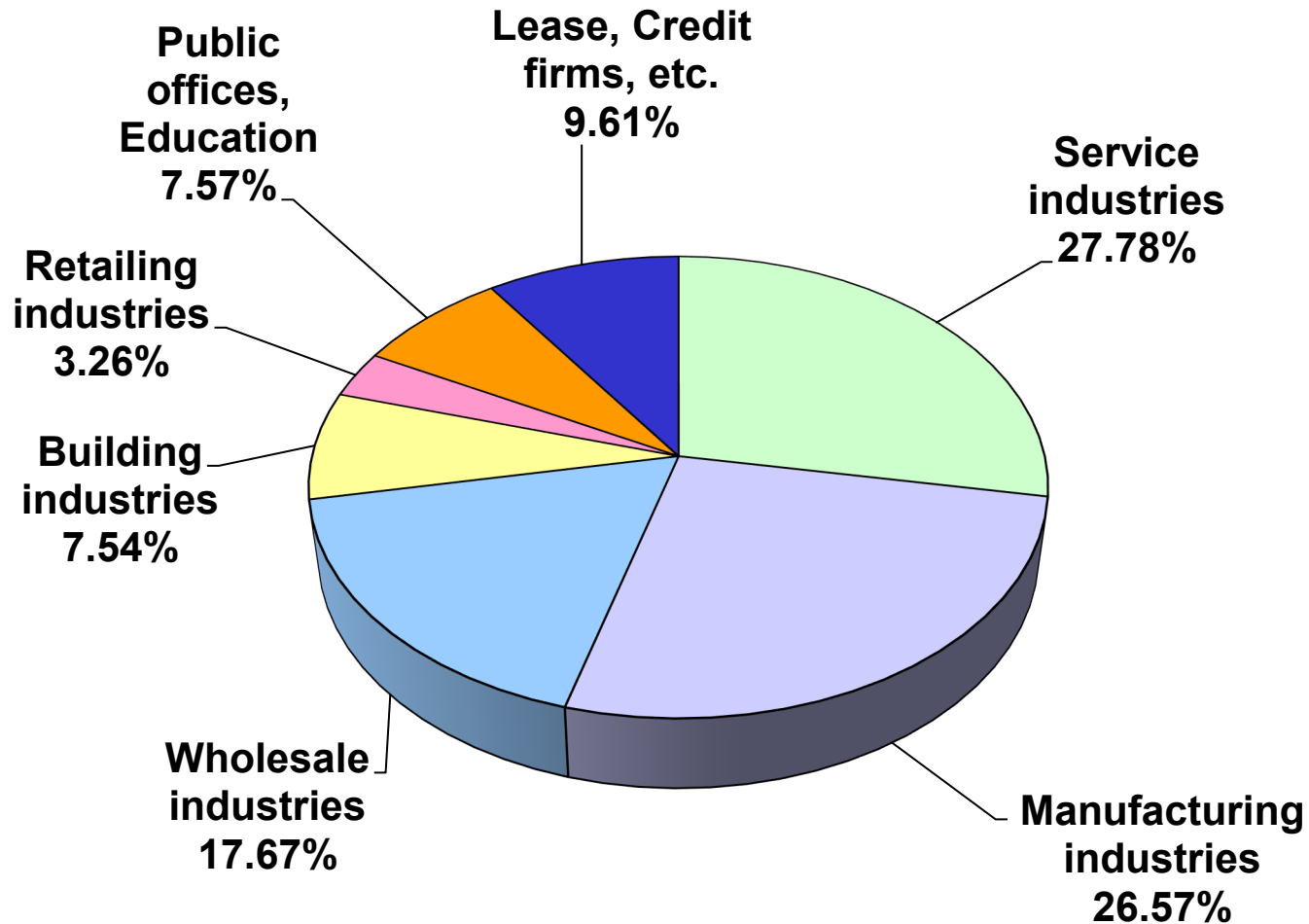
Net sales structure on customers' total annual business scale



*Accounting Standard for Revenue Recognition applied from 2022 and the composition ratio for two comparable fiscal terms is shown.

Sales breakdown by customers' type of industry

1Q 2023

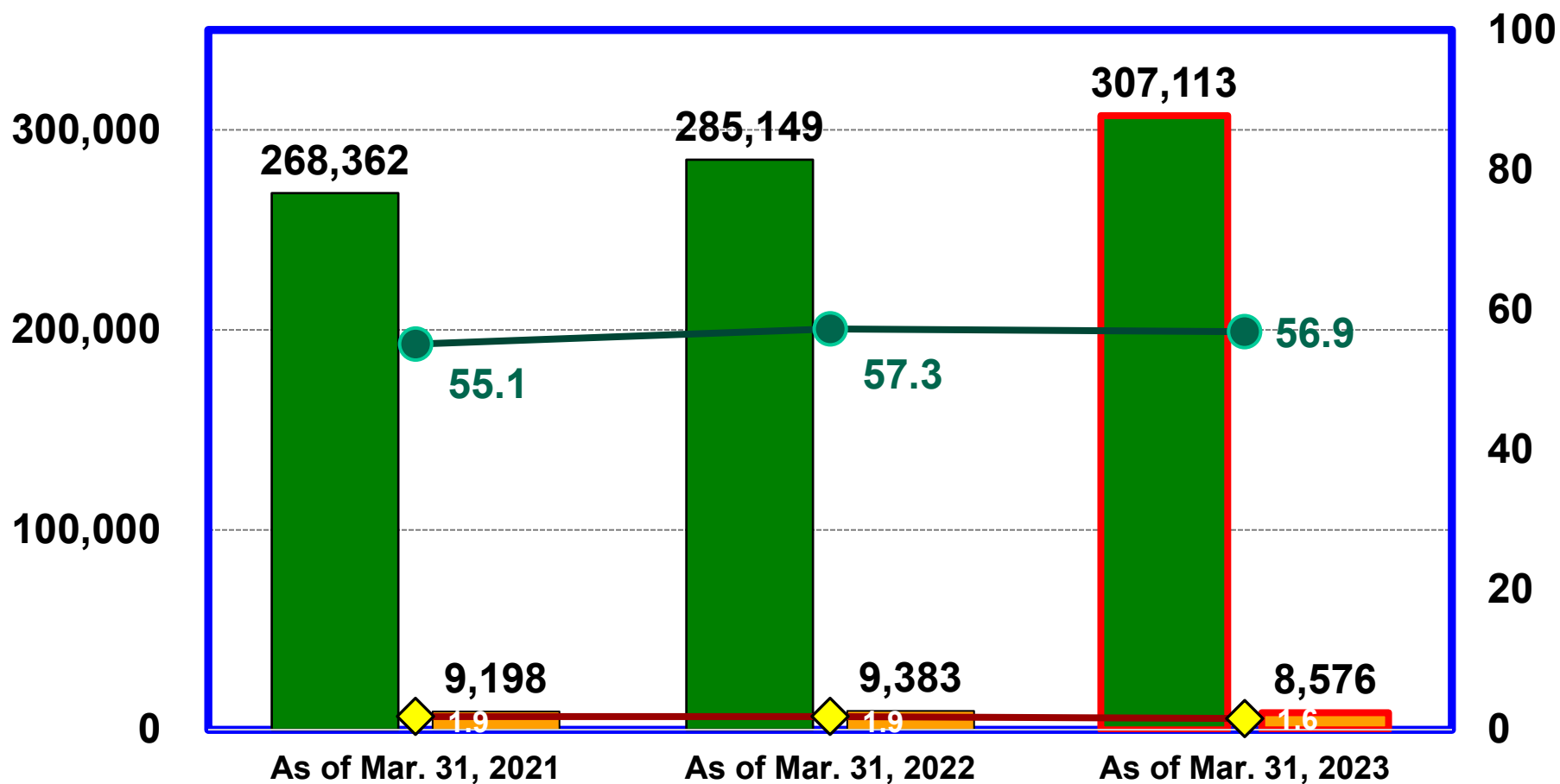
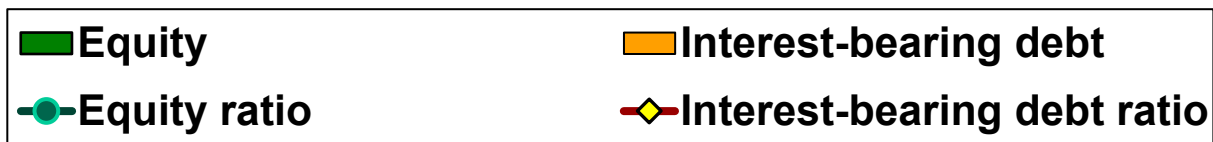


Consolidated

Equity and Interest-bearing debt

(Millions of yen)

(%)



Key strategic business

<Amount of Sales>

(Millions of yen)

	1Q 2021	1Q 2022		1Q 2023		
	Amount	Amount	Change to Last year	Amount	Difference to Last year	Change to Last year
“tanomail”	45,129	46,240	+2.5%	48,693	+2,453	+5.3%
SMILE	2,457	2,514	+2.3%	3,771	+1,256	+50.0%
ODS	13,466	13,002	-3.4%	15,122	+2,119	+16.3%
OSM	24,245	22,257	-8.2%	24,869	+2,612	+11.7%

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

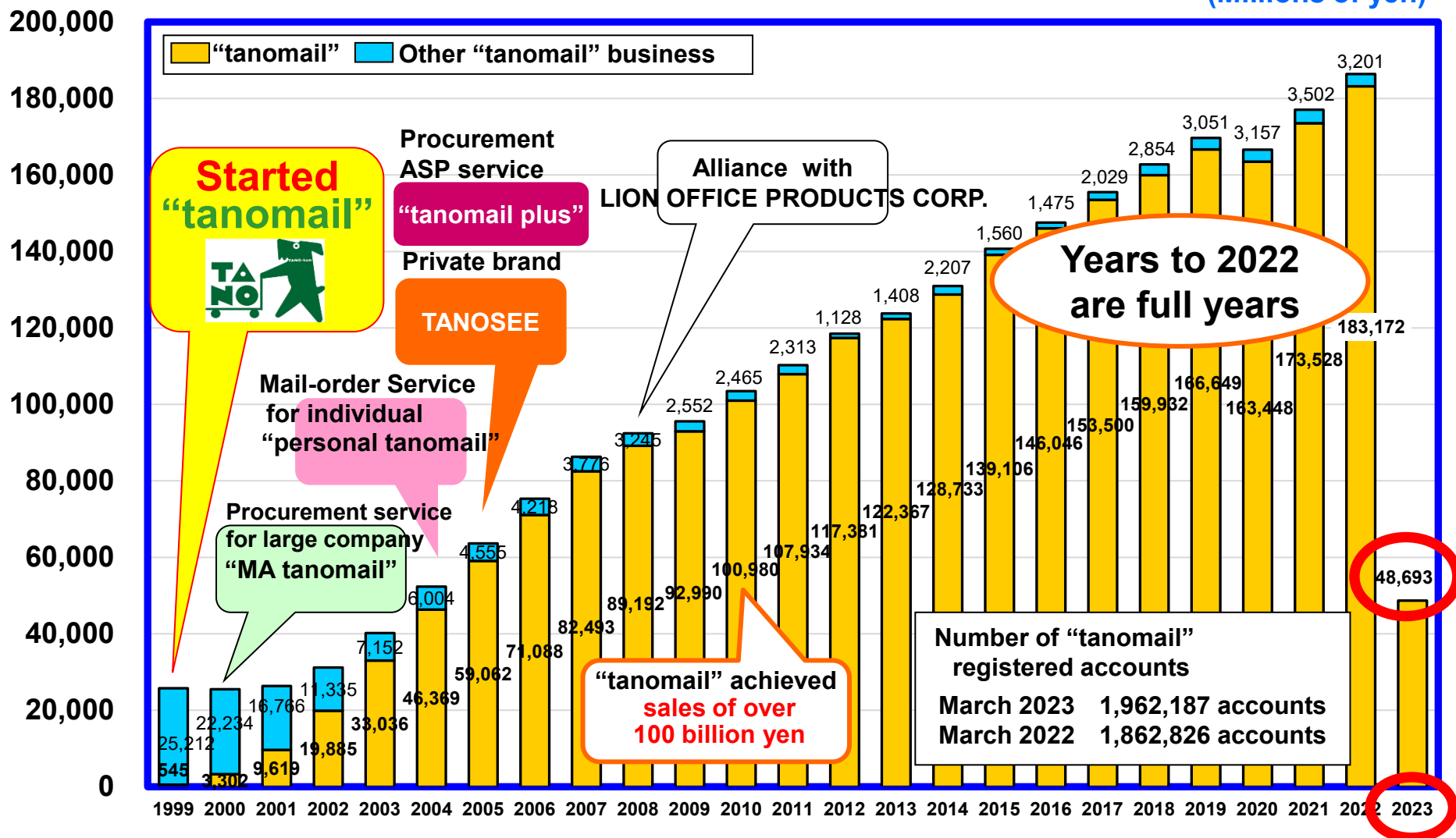
<As reference: Number of Sales>

(Units)

Copier	9,836	9,185	-6.6%	9,552	+367	+4.0%
(of which Color copier)	9,572	9,016	-5.8%	9,347	+331	+3.7%
Server	6,503	5,376	-17.3%	5,743	+367	+6.8%
PC	692,078	334,276	-51.7%	353,809	+19,533	+5.8%
Client Total	813,193	357,127	-56.1%	364,876	+7,749	+2.2%

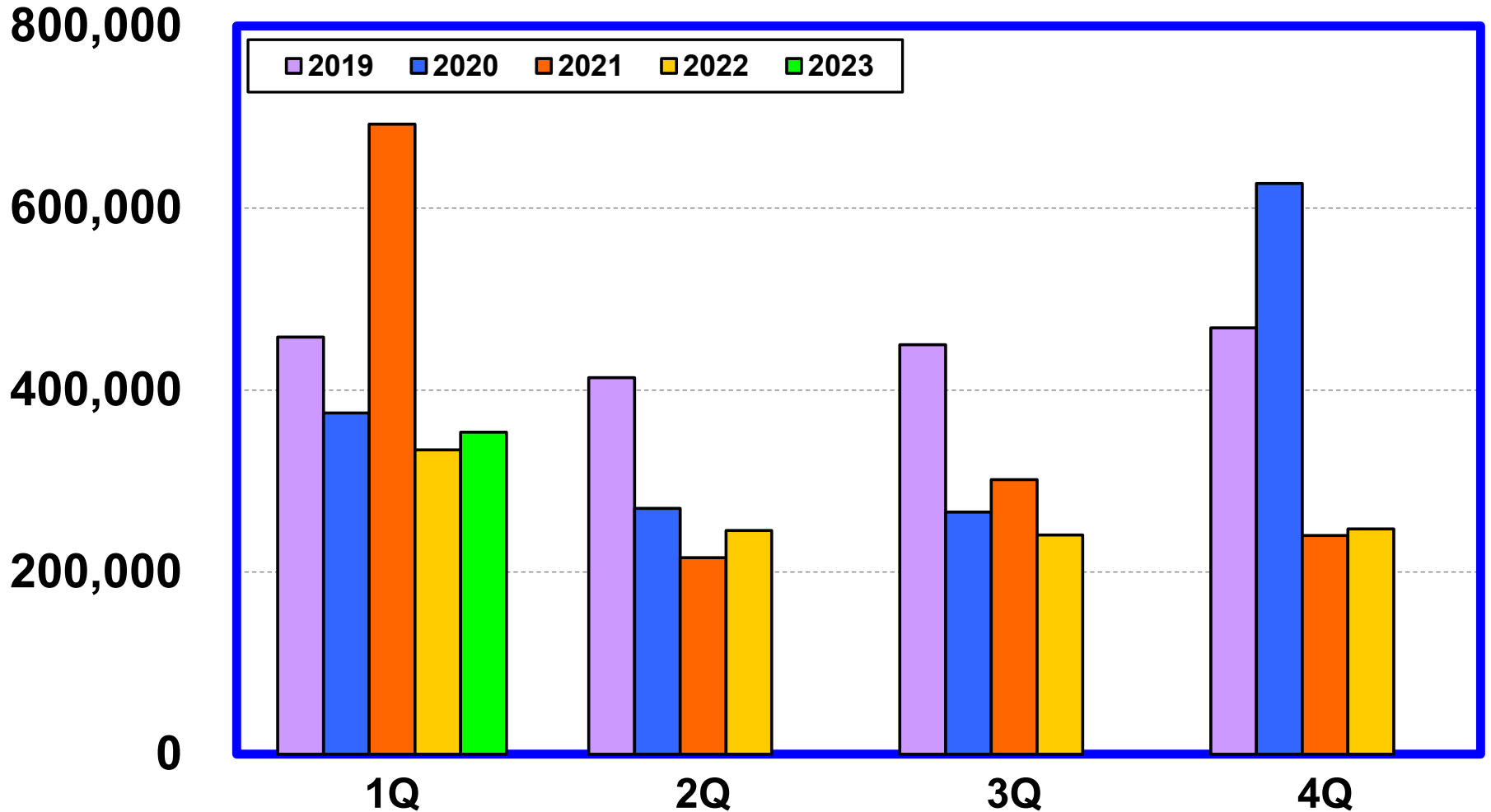
Annual sales transition of "tanomail"

(Millions of yen)



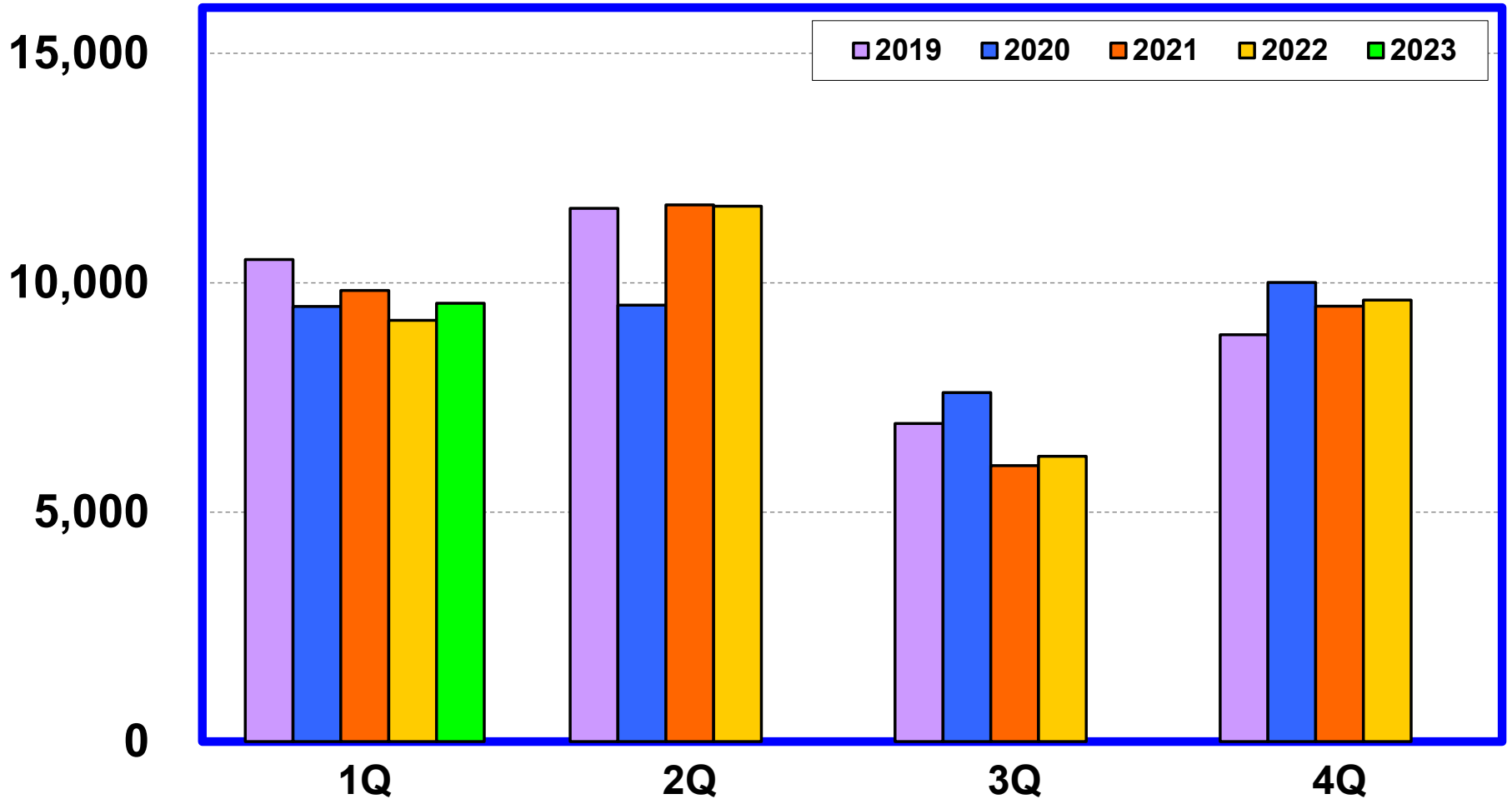
Quarterly Number of PCs Sold

(Units)



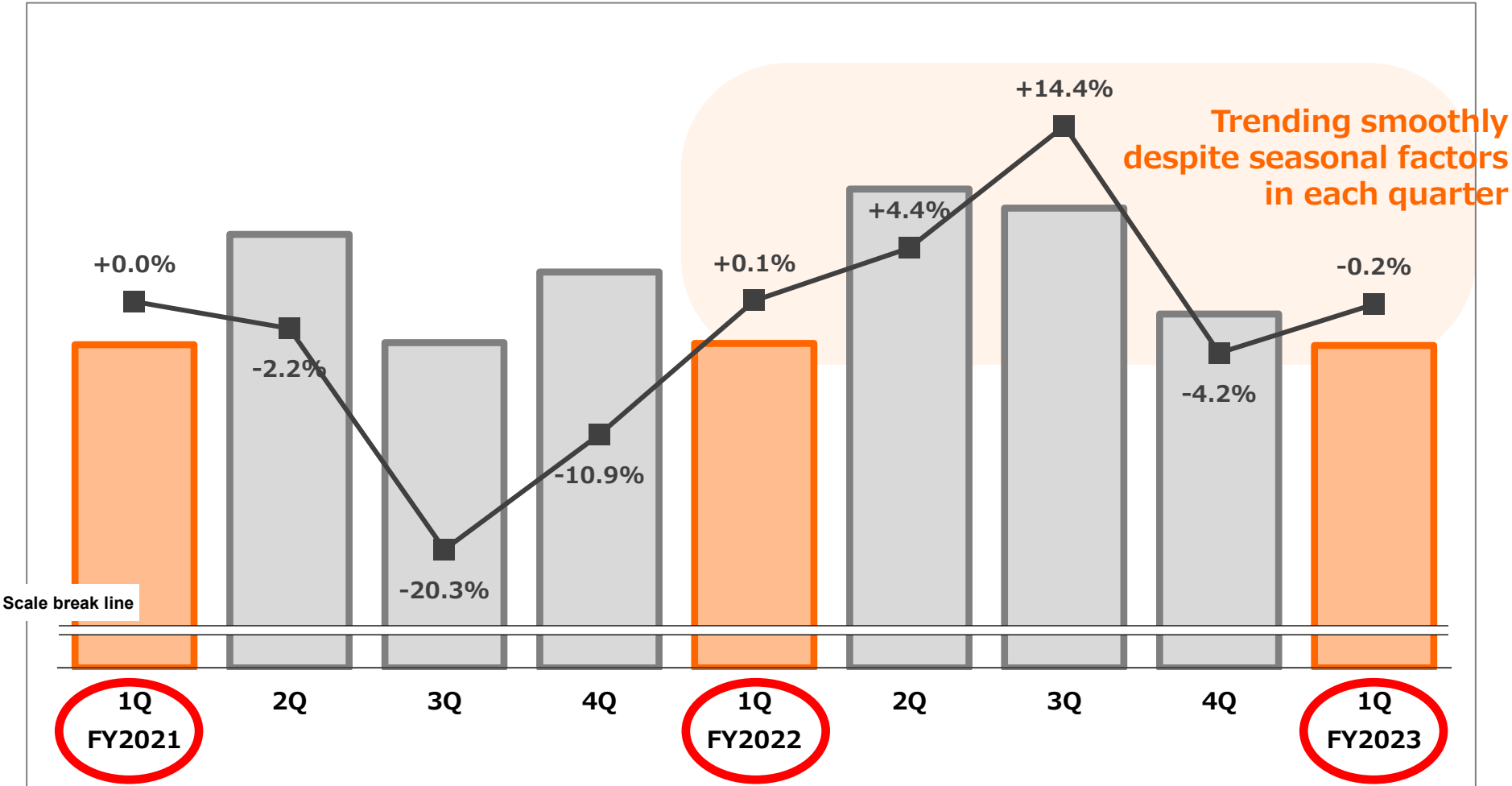
Quarterly Number of Copiers Sold

(Units)



Number of New Corporate Customers

■ Number of New Corporate Customers
 —■— % change year-on-year

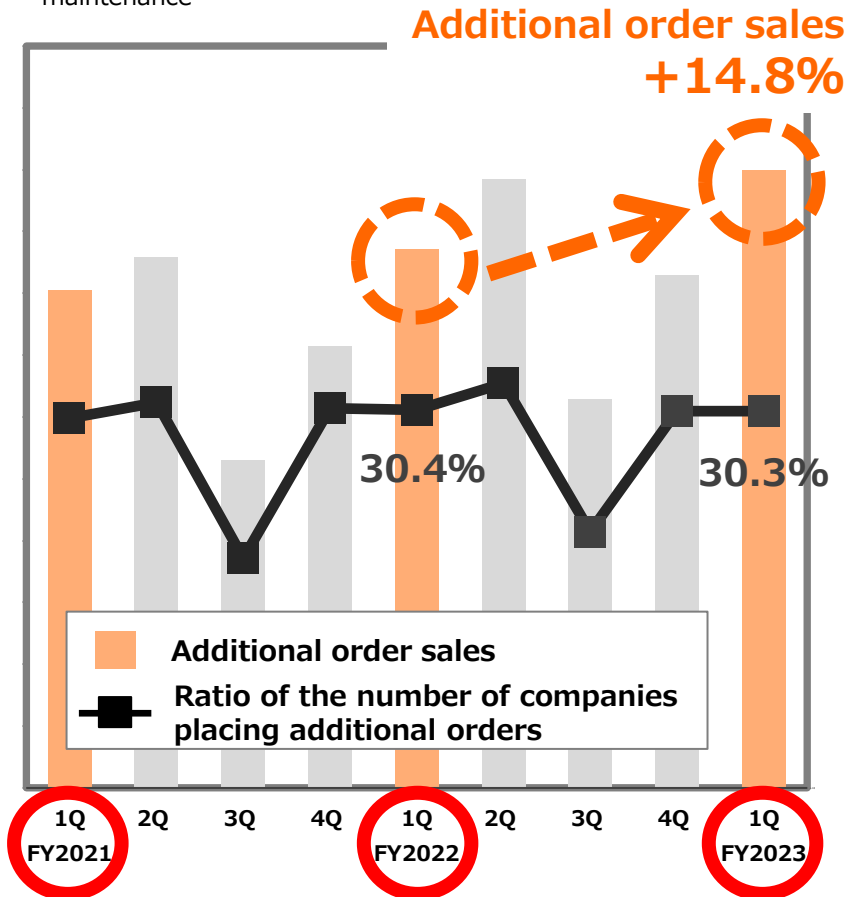


Status of Orders

[State of Additional Orders]

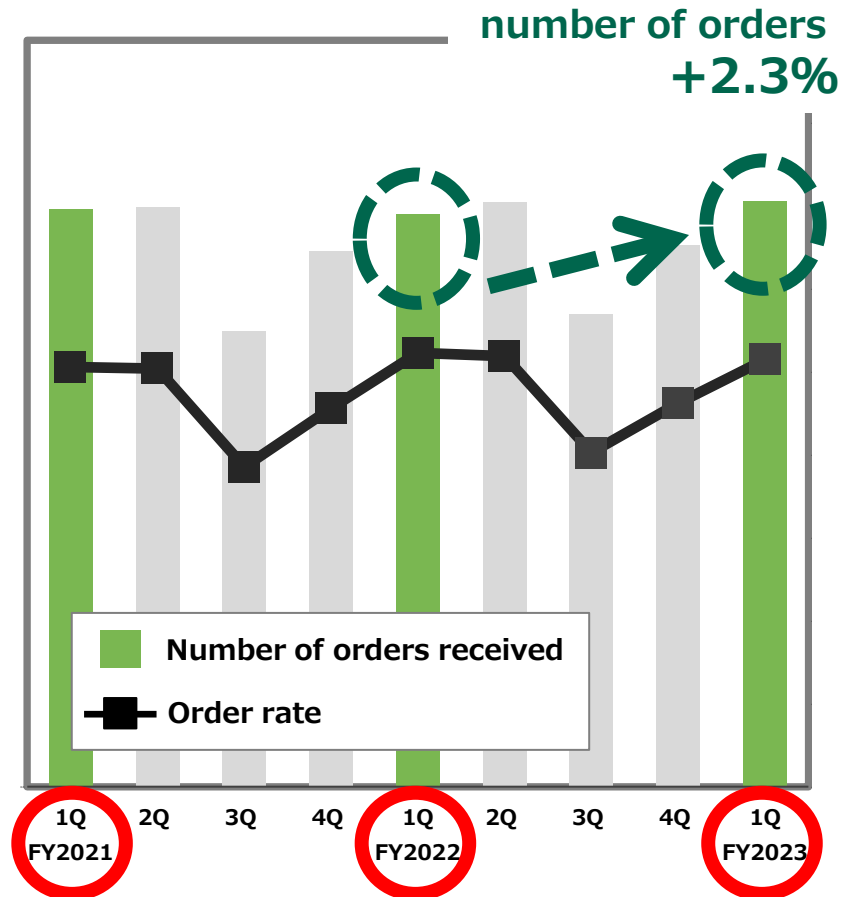
Value of orders received and number of corporate customers in the current quarter as a percentage of customers who conducted transactions with Otsuka in the previous quarter

* Calculated excluding ongoing transactions such as supply and maintenance



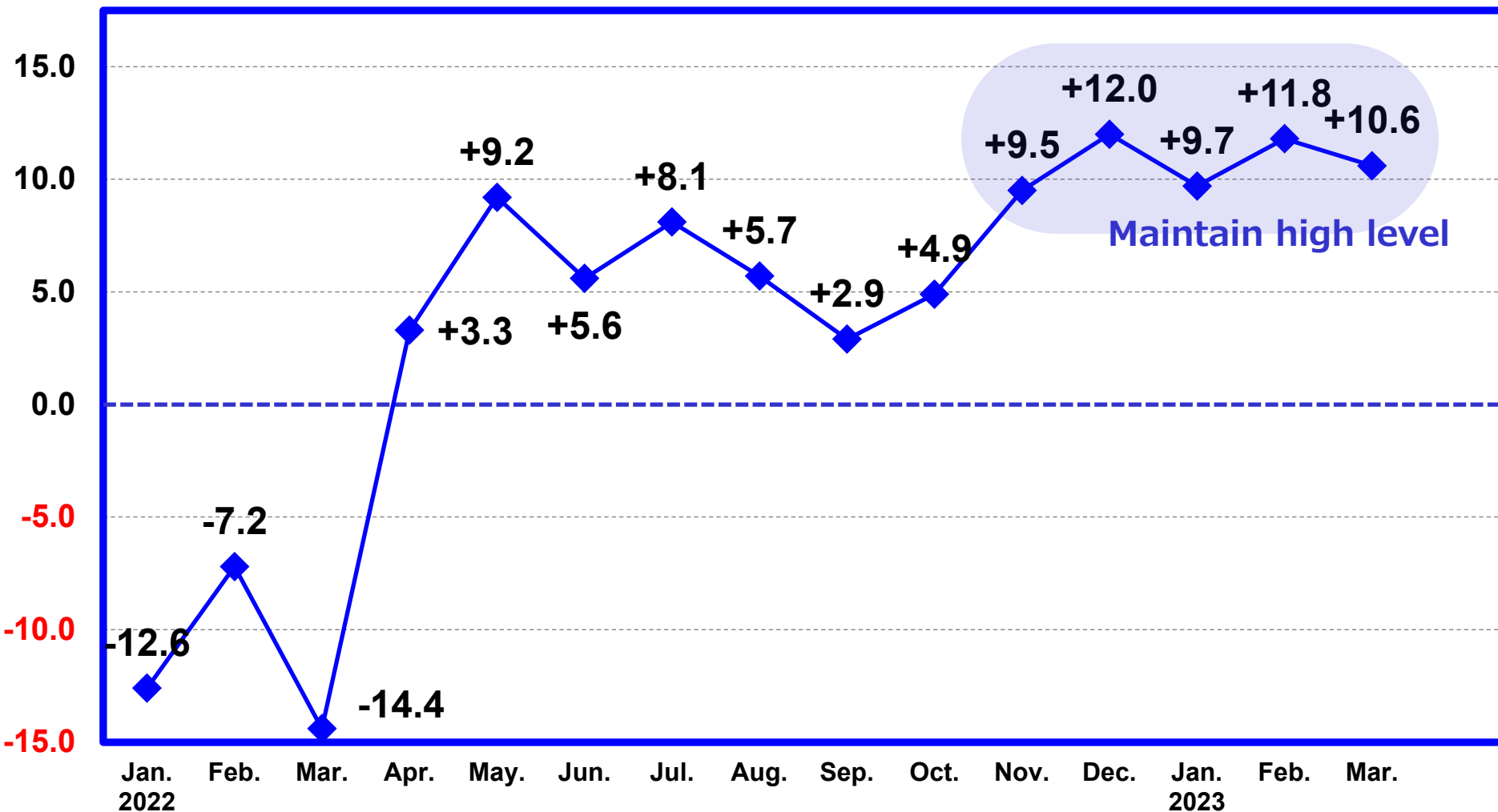
[Overall number of orders and order rate]

Order rate = Number of orders received ÷ Number of negotiations



Rate of change in sales per account

(%)



OTSUKA CORPORATION for the Entire Office

Office equipment

FAX

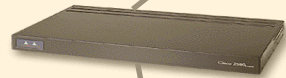


COPIER

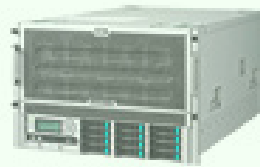


LINE

GATEWAY



SERVER



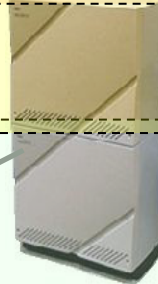
internet
(ASP / Web Services)

Communication lines and
Internet related products

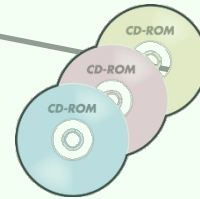
VC



PBX



SOFTWARE



Supplies



MRO

Electric power



LED

BEMS

KT

Voice communication system



Computer system

PC

TABLET



Promote “Entire Office” Using AI

AI utilization of Big Data that is unique to OTSUKA Corporation.
Currently accumulating know-how while solving customers' “problems.”

CASE 1

Toward “Entire Office” though
ALL Otsuka

Discover customers for which there
tends to be a high frequency of
responses from engineers.

Engineer in charge accompanies at
business discussions.
Receive orders for line
infrastructure projects.

CASE 2

From “tanomail” to “Entire Office”

Discover customers that order
large volumes of cardboard boxes
through “tanomail.”

Catch relocation
information.
Receive orders for the
overall IT environment of
offices after relocation.

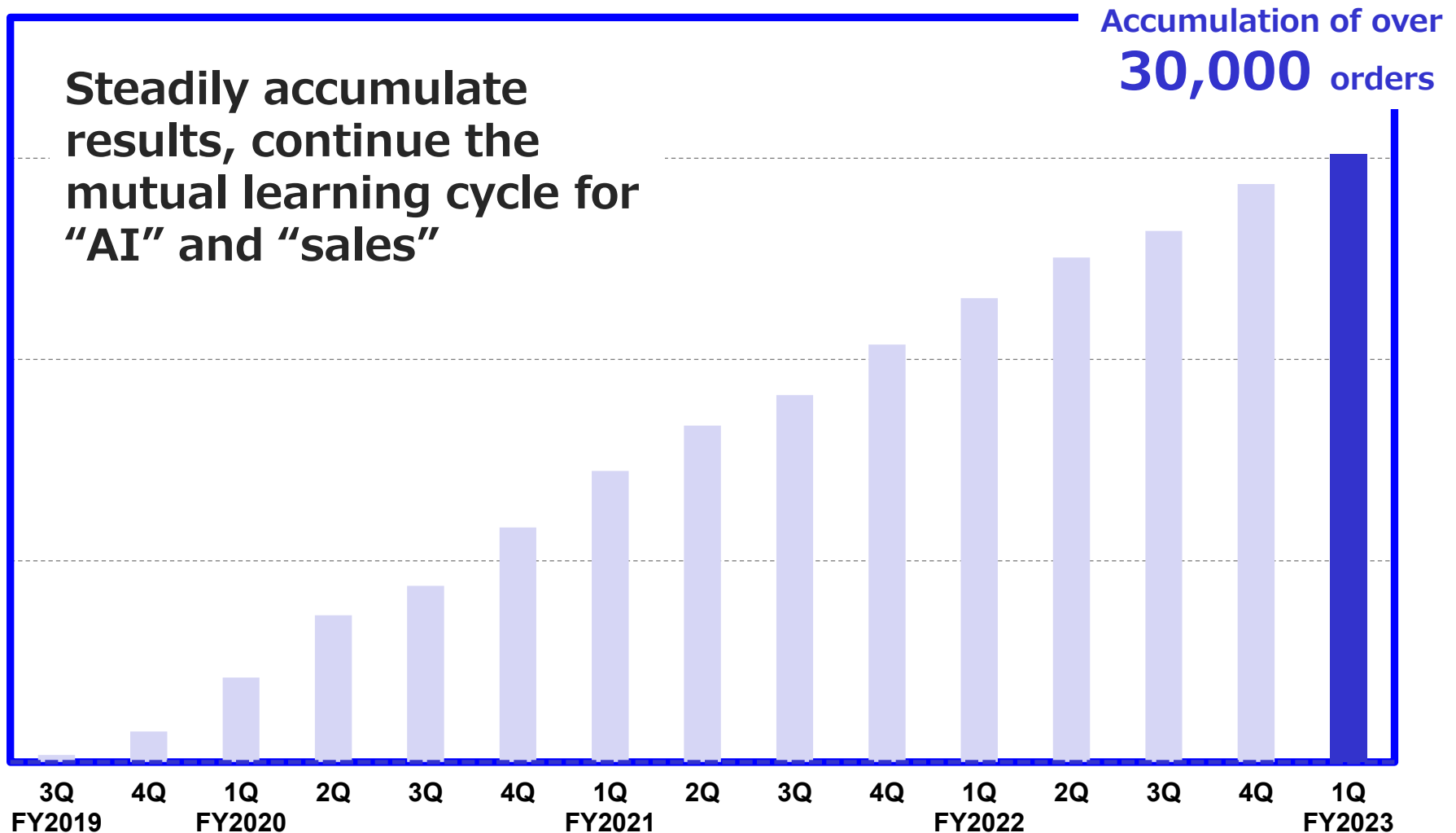


Suggestions
made by
AI



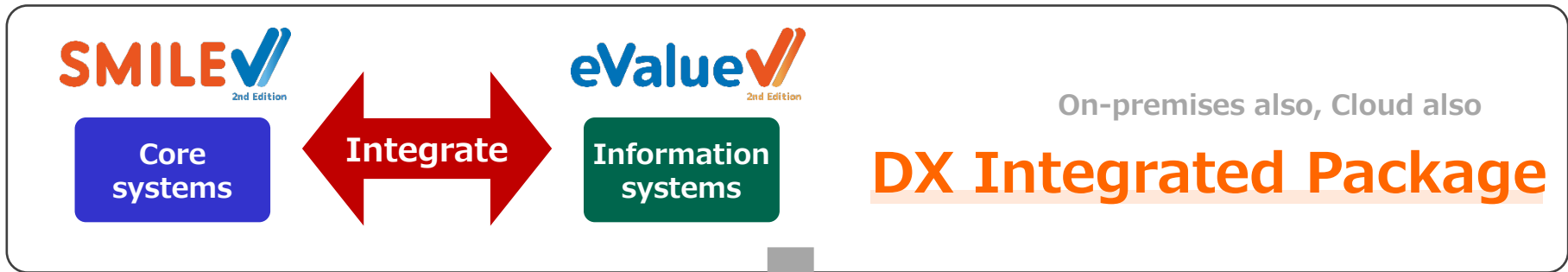
**Sales
responses**

Accumulated Number of Orders through AI Suggestions



DX Integrated Package

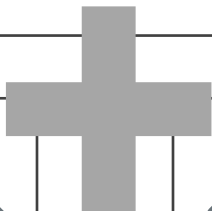
Centralize databases for core systems and information systems



February 2023~

DX integrated package with free

Enhance work efficiency and improve productivity with automated receipt reconciliation and automated journal entry functions (AI)



June 2023~(planned)

Standard installation of dot Data's AI function

As the first step, we plan to provide a demand forecasting function for each product utilizing sales management data.

Incorporate AI into daily operations, enhance efficiency and sophisticate operations

Plans for FY 2023

(Millions of yen)

	Consolidated		
	1Q 2023 (Result)	1H 2023 (Plan)	FY 2023 (Plan)
Net sales	242,609	468,600	901,000
Operating profit	16,875	33,200	58,600
Ordinary profit	17,431	33,900	59,600
Profit* (*Profit attributable to owners of parent)	11,591	22,890	40,170

Community

Customers

**We live up to our
Stakeholders' confidence**

**Shareholders
Business Partners**

Employees

Cautionary statement

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