

August 1, 2022

Outline of business results

OTSUKA Corporation applies “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) from the beginning of the first quarter of the 2022 consolidated accounting period. Net sales in 2022 is the amount after applying the relevant accounting standard. The accounting standard is not applied to the amount in the same period of the previous year in calculating changes in the amount and the rate of change in 2022. As reference information, the “reference rate of change” that assumes the relevant accounting standard was applied in the fiscal year ended December 2021 is also listed.

Consolidated Net sales and Profits

(Millions of yen)

	2020	2021 Jan. - Jun.				2022 Jan. - Jun.						
	Jan. - Jun.	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Plan	Ratio to Plan	Difference to Last year	Change to Last year	Consolidated to non-consolidated ratio
Net sales	432,943	466,625	100.0%	+33,681	+7.8%	445,336	100.0%	435,800	102.2%	-21,288	-4.6%	1.10
Reference rate of change												-1.0%
Gross profit	88,648	94,279	20.2%	+5,630	+6.4%	94,496	21.2%	-	-	+217	+0.2%	1.08
Operating profit	30,310	33,246	7.1%	+2,935	+9.7%	30,778	6.9%	30,900	99.6%	-2,467	-7.4%	1.10
Ordinary profit	30,963	34,245	7.3%	+3,282	+10.6%	31,747	7.1%	31,400	101.1%	-2,498	-7.3%	1.07
Profit*	20,789	23,657	5.1%	+2,867	+13.8%	22,848	5.1%	21,590	105.8%	-809	-3.4%	1.04

*Profit attributable to owners of parent

Non-consolidated Net sales and Profits

(Millions of yen)

	2020	2021 Jan. - Jun.				2022 Jan. - Jun.						
	Jan. - Jun.	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Plan	Ratio to Plan	Difference to Last year	Change to Last year	
Net sales	385,699	423,770	100.0%	+38,070	+9.9%	405,122	100.0%	392,200	103.3%	-18,648	-4.4%	
Reference rate of change												-0.5%
Gross profit	81,183	86,669	20.5%	+5,485	+6.8%	87,574	21.6%	-	-	+905	+1.0%	
Operating profit	26,791	29,544	7.0%	+2,752	+10.3%	27,930	6.9%	27,350	102.1%	-1,614	-5.5%	
Ordinary profit	28,528	31,236	7.4%	+2,707	+9.5%	29,699	7.3%	28,960	102.6%	-1,536	-4.9%	
Profit	19,784	22,090	5.2%	+2,306	+11.7%	21,924	5.4%	20,650	106.2%	-166	-0.8%	

Quarterly change of consolidated Net sales

(Millions of yen)

	FY 2020	FY 2021			FY 2022			Reference rate of change
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year	
1Q (Jan. - Mar.)	224,329	239,350	+15,021	+6.7%	210,069	-29,281	-12.2%	-9.1%
2Q (Apr. - Jun.)	208,614	227,274	+18,660	+8.9%	235,267	+7,993	+3.5%	+7.6%
3Q (Jul. - Sep.)	188,274	185,521	-2,753	-1.5%	-	-	-	-
4Q (Oct. - Dec.)	215,105	199,747	-15,358	-7.1%	-	-	-	-

Quarterly change of consolidated Ordinary profit

(Millions of yen)

	FY 2020	FY 2021			FY 2022		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	16,484	17,238	+753	+4.6%	14,338	-2,899	-16.8%
2Q (Apr. - Jun.)	14,478	17,007	+2,528	+17.5%	17,408	+401	+2.4%
3Q (Jul. - Sep.)	11,249	9,245	-2,003	-17.8%	-	-	-
4Q (Oct. - Dec.)	15,338	14,075	-1,262	-8.2%	-	-	-

Consolidated Net sales by segments

(Millions of yen)

	2020	2021 Jan. - Jun.				2022 Jan. - Jun.				Reference rate of change
	Jan. - Jun.	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	281,755	302,246	64.8%	+20,490	+7.3%	287,037	64.5%	-15,208	-5.0%	-4.2%
Service and Support business	151,187	164,379	35.2%	+13,191	+8.7%	158,299	35.5%	-6,079	-3.7%	+5.4%

Non-consolidated Net sales and Gross profit by segments

(Millions of yen)

		2020	2021 Jan. - Jun.				2022 Jan. - Jun.				Reference rate of change
		Jan. - Jun.	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	235,717	260,759	61.5%	+25,042	+10.6%	248,408	61.3%	-12,351	-4.7%	-3.8%
	Service and Support	149,981	163,010	38.5%	+13,028	+8.7%	156,714	38.7%	-6,296	-3.9%	+5.3%
Gross profit	System Integration	44,797	48,011	55.4%	+3,214	+7.2%	47,140	53.8%	-870	-1.8%	-
	Service and Support	36,386	38,657	44.6%	+2,270	+6.2%	40,433	46.2%	+1,775	+4.6%	-

Non-consolidated Net sales by 4 segments

(Millions of yen)

		2020	2021 Jan. - Jun.				2022 Jan. - Jun.				Reference rate of change
		Jan. - Jun.	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	208,872	232,361	54.8%	+23,489	+11.2%	221,587	54.7%	-10,773	-4.6%	-3.5%
	Custom-made software etc.	26,845	28,398	6.7%	+1,552	+5.8%	26,820	6.6%	-1,577	-5.6%	-5.6%
Service and Support business	Supplies	75,373	82,491	19.5%	+7,118	+9.4%	85,267	21.0%	+2,776	+3.4%	+4.0%
	Maintenance, etc.	74,608	80,518	19.0%	+5,910	+7.9%	71,446	17.6%	-9,072	-11.3%	+6.8%

Consolidated Cash flows

(Millions of yen)

	2020	2021	2022
	Jan. - Jun.	Jan. - Jun.	Jan. - Jun.
C/F from operating	40,362	58,938	31,583
C/F from investing	-4,319	-5,064	-4,812
C/F from financing	-20,481	-21,952	-23,102
Cash and cash equivalents at end of period	191,758	210,912	209,419

Consolidated Equity and Interest-bearing debt

(Millions of yen)

	2020	2021	2022
	Jun. 30	Jun. 30	Jun. 30
Equity	258,111	280,215	296,753
Interest-bearing debt	9,120	8,963	8,975
Total assets	462,027	499,159	518,807
Equity ratio	55.9%	56.1%	57.2%
Interest-bearing debt ratio	2.0%	1.8%	1.7%

Non-consolidated Key strategic business

(Millions of yen)

	2020	2021 Jan. - Jun.			2022 Jan. - Jun.			Reference rate of change
	Jan. - Jun.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year	
"tanomail"	79,617	88,191	+8,574	+10.8%	91,245	+3,053	+3.5%	+4.1%
SMILE	5,849	6,161	+312	+5.3%	6,527	+365	+5.9%	+5.9%
ODS	27,460	29,348	+1,888	+6.9%	30,355	+1,007	+3.4%	+8.2%
OSM	40,382	49,112	+8,729	+21.6%	46,836	-2,275	-4.6%	-3.9%
<As reference: Number of Sales>								(Units)
Copier	19,000	21,533	+2,533	+13.3%	20,853	-680	-3.2%	-
(of which color copier)	18,475	21,078	+2,603	+14.1%	20,466	-612	-2.9%	-
Server	13,531	13,083	-448	-3.3%	11,036	-2,047	-15.6%	-
PC	644,871	907,975	+263,104	+40.8%	579,984	-327,991	-36.1%	-
Client Total	668,661	1,046,028	+377,367	+56.4%	641,504	-404,524	-38.7%	-

Future Plans

Plans of consolidated Net sales and profits

(Millions of yen)

	FY 2020	FY 2021		FY 2022		Reference rate of change
	(Result)	(Result)	(Result)	(Plan)	(Plan)	
	Amount	Amount	Change to Last year	Amount	Change to Last year	
Net sales	836,323	851,894	+1.9%	828,000	-2.8%	+1.2%
Operating profit	56,309	55,827	-0.9%	53,600	-4.0%	-
Ordinary profit	57,550	57,567	+0.0%	54,500	-5.3%	-
Profit*	39,309	39,927	+1.6%	36,650	-8.2%	-

*Profit attributable to owners of parent

Plans of consolidated Net sales by segments

(Millions of yen)

	FY 2020	FY 2021		FY 2022		Reference rate of change
	(Result)	(Result)	(Result)	(Plan)	(Plan)	
	Amount	Amount	Change to Last year	Amount	Change to Last year	
System Integration	526,613	523,609	-0.6%	514,000	-1.8%	-0.9%
Service and Support	309,710	328,284	+6.0%	314,000	-4.4%	+4.8%