

October 31, 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 Jan.-Sep.	2021 Jan. - Sep.				2022 Jan. - Sep.				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	621,217	652,146	100.0%	+30,928	+5.0%	642,199	100.0%	-9,947	-1.5%	1.11
Reference rate of change									+2.4%	
Gross profit	128,820	132,931	20.4%	+4,111	+3.2%	136,149	21.2%	+3,217	+2.4%	1.09
Operating profit	41,314	42,063	6.5%	+749	+1.8%	40,090	6.2%	-1,973	-4.7%	1.13
Ordinary profit	42,212	43,491	6.7%	+1,279	+3.0%	41,542	6.5%	-1,948	-4.5%	1.10
Profit*	28,472	29,921	4.6%	+1,449	+5.1%	29,739	4.6%	-182	-0.6%	1.08

\*Profit attributable to owners of parent

### Non-consolidated Net sales and Profits

(Millions of yen)

	2020 Jan.-Sep.	2021 Jan. - Sep.				2022 Jan. - Sep.			
	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	554,519	587,885	100.0%	+33,366	+6.0%	576,531	100.0%	-11,353	-1.9%
Reference rate of change									+2.4%
Gross profit	117,942	121,487	20.7%	+3,545	+3.0%	125,439	21.8%	+3,952	+3.3%
Operating profit	36,376	36,524	6.2%	+147	+0.4%	35,475	6.2%	-1,048	-2.9%
Ordinary profit	38,371	38,576	6.6%	+205	+0.5%	37,620	6.5%	-955	-2.5%
Profit	26,619	27,169	4.6%	+549	+2.1%	27,633	4.8%	+464	+1.7%

### 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%	196,862	+11,341	+6.1%	+11.0%
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%	9,795	+549	+5.9%
4Q (Oct. - Dec.)	15,338	14,075	-1,262	-8.2%	-	-	-

### Consolidated Net sales by segments

(Millions of yen)

	2020 Jan.-Sep.	2021 Jan. - Sep.				2022 Jan. - Sep.				Reference rate of change	
	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		393,182	407,986	62.6%	+14,803	+3.8%	404,811	63.0%	-3,174	-0.8%	+0.1%
Service and Support business		228,035	244,160	37.4%	+16,125	+7.1%	237,387	37.0%	-6,772	-2.8%	+6.4%

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

(Millions of yen)

		2020 Jan.-Sep.	2021 Jan. - Sep.				2022 Jan. - Sep.				Reference rate of change
		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	328,462	345,827	58.8%	+17,365	+5.3%	341,556	59.2%	-4,271	-1.2%	-0.2%
	Service and Support	226,057	242,058	41.2%	+16,000	+7.1%	234,975	40.8%	-7,082	-2.9%	+6.4%
Gross profit	System Integration	63,406	64,138	52.8%	+732	+1.2%	64,793	51.7%	+655	+1.0%	-
	Service and Support	54,536	57,348	47.2%	+2,812	+5.2%	60,645	48.3%	+3,296	+5.7%	-

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

(Millions of yen)

		2020	2021 Jan. - Sep.				2022 Jan. - Sep.				Reference rate of change
		Jan.-Sep.	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	290,924	307,074	52.2%	+16,150	+5.6%	<b>303,830</b>	<b>52.7%</b>	<b>-3,243</b>	<b>-1.1%</b>	<b>+0.2%</b>
	Custom-made software etc.	37,538	38,753	6.6%	+1,215	+3.2%	<b>37,725</b>	<b>6.5%</b>	<b>-1,027</b>	<b>-2.7%</b>	<b>-2.7%</b>
Service and Support business	Supplies	113,124	121,173	20.6%	+8,049	+7.1%	<b>127,620</b>	<b>22.1%</b>	<b>+6,446</b>	<b>+5.3%</b>	<b>+5.9%</b>
	Maintenance, etc.	112,933	120,884	20.6%	+7,951	+7.0%	<b>107,355</b>	<b>18.6%</b>	<b>-13,529</b>	<b>-11.2%</b>	<b>+6.9%</b>

**Consolidated Cash flows**

(Millions of yen)

	2020	2021	2022
	Jan.-Sep.	Jan.-Sep.	Jan.-Sep.
C/F from operating	29,665	43,928	<b>24,969</b>
C/F from investing	-7,028	-6,242	<b>-6,966</b>
C/F from financing	-20,986	-21,953	<b>-23,105</b>
Cash and cash equivalents at end of period	177,848	194,722	<b>200,659</b>

**Consolidated Equity and Interest-bearing debt**

(Millions of yen)

	2020	2021	2022
	Sep. 30	Sep. 30	Sep. 30
Equity	266,263	287,540	<b>304,171</b>
Interest-bearing debt	8,949	8,983	<b>8,752</b>
Total assets	448,309	465,313	<b>498,328</b>
Equity ratio	59.4%	61.8%	<b>61.0%</b>
Interest-bearing debt ratio	2.0%	1.9%	<b>1.8%</b>

**Non-consolidated Key strategic business**

(Millions of yen)

	2020	2021 Jan. - Sep.				2022 Jan. - Sep.			Reference rate of change
	Jan.-Sep.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year		
"tanomail"	119,649	129,336	+9,687	+8.1%	<b>136,147</b>	<b>+6,810</b>	<b>+5.3%</b>	<b>+5.8%</b>	
SMILE	8,395	8,399	+3	+0.0%	<b>9,285</b>	<b>+886</b>	<b>+10.6%</b>	<b>+10.6%</b>	
ODS	38,870	40,588	+1,718	+4.4%	<b>41,232</b>	<b>+643</b>	<b>+1.6%</b>	<b>+6.2%</b>	
OSM	60,761	67,157	+6,396	+10.5%	<b>66,428</b>	<b>-728</b>	<b>-1.1%</b>	<b>-0.3%</b>	
<As reference: Number of Sales>									
(Units)									
Copier	26,610	27,551	+941	+3.5%	<b>27,074</b>	<b>-477</b>	<b>-1.7%</b>	-	
(of which color copier)	25,913	26,941	+1,028	+4.0%	<b>26,570</b>	<b>-371</b>	<b>-1.4%</b>	-	
Server	19,475	18,650	-825	-4.2%	<b>15,280</b>	<b>-3,370</b>	<b>-18.1%</b>	-	
PC	910,972	1,209,499	+298,527	+32.8%	<b>820,910</b>	<b>-388,589</b>	<b>-32.1%</b>	-	
Client Total	943,381	1,362,910	+419,529	+44.5%	<b>891,845</b>	<b>-471,065</b>	<b>-34.6%</b>	-	

**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%	<b>828,000</b>	<b>-2.8%</b>	<b>+1.2%</b>
Operating profit	56,309	55,827	-0.9%	<b>53,600</b>	<b>-4.0%</b>	-
Ordinary profit	57,550	57,567	+0.0%	<b>54,500</b>	<b>-5.3%</b>	-
Profit*	39,309	39,927	+1.6%	<b>36,650</b>	<b>-8.2%</b>	-

\*Profit attributable to owners of parent