

February 1, 2023

**Outline of business results**

OTSUKA Corporation applies "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) from the beginning 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)

	FY2020	FY 2021				FY 2022						
	Amount	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	836,323	851,894	100.0%	+15,570	+1.9%	861,022	100.0%	828,000	104.0%	+9,128	+1.1%	1.12
Reference rate of change												+5.2%
Gross profit	173,725	176,890	20.8%	+3,165	+1.8%	184,169	21.4%	-	-	+7,278	+4.1%	1.09
Operating profit	56,309	55,827	6.6%	-481	-0.9%	54,768	6.4%	53,600	102.2%	-1,059	-1.9%	1.13
Ordinary profit	57,550	57,567	6.8%	+16	+0.0%	56,639	6.6%	54,500	103.9%	-928	-1.6%	1.12
Profit*	39,309	39,927	4.7%	+618	+1.6%	40,022	4.6%	36,650	109.2%	+94	+0.2%	1.09

\*Profit attributable to owners of parent

**Non-consolidated Net sales and Profits**

(Millions of yen)

	FY2020	FY 2021				FY 2022						
	Amount	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	750,492	766,724	100.0%	+16,231	+2.2%	767,649	100.0%	740,800	103.6%	+925	+0.1%	
Reference rate of change												+4.7%
Gross profit	159,275	161,844	21.1%	+2,569	+1.6%	169,501	22.1%	-	-	+7,656	+4.7%	
Operating profit	49,810	48,654	6.3%	-1,156	-2.3%	48,299	6.3%	46,800	103.2%	-355	-0.7%	
Ordinary profit	52,007	50,986	6.6%	-1,020	-2.0%	50,692	6.6%	48,800	103.9%	-294	-0.6%	
Profit	36,336	36,087	4.7%	-249	-0.7%	36,631	4.8%	33,750	108.5%	+544	+1.5%	

**Quarterly change of consolidated Net sales**

(Millions of yen)

	FY2020	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%	218,823	+19,075	+9.6%	+14.6%

**Quarterly change of consolidated Ordinary profit**

(Millions of yen)

	FY2020	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%	15,096	+1,020	+7.3%

**Consolidated Net sales by segments**

(Millions of yen)

	FY 2020	FY 2021				FY 2022				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	526,613	523,609	61.5%	-3,003	-0.6%	541,671	62.9%	+18,061	+3.4%	+4.5%
Service and Support business	309,710	328,284	38.5%	+18,573	+6.0%	319,350	37.1%	-8,933	-2.7%	+6.6%

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

(Millions of yen)

		FY 2020	FY 2021				FY 2022				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	443,587	441,320	57.6%	-2,266	-0.5%	451,649	58.8%	+10,328	+2.3%	+3.5%
	Service and Support	306,904	325,403	42.4%	+18,498	+6.0%	316,000	41.2%	-9,402	-2.9%	+6.5%
Gross profit	System Integration	85,694	84,758	52.4%	-935	-1.1%	88,628	52.3%	+3,869	+4.6%	-
	Service and Support	73,580	77,085	47.6%	+3,505	+4.8%	80,872	47.7%	+3,786	+4.9%	-

## Non-consolidated Net sales by 4 segments

(Millions of yen)

		FY 2020	FY 2021			FY 2022				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	SI related products	393,159	390,621	50.9%	-2,537	-0.6%	<b>401,001</b>	<b>52.2%</b>	<b>+10,379</b>	<b>+2.7%</b>	<b>+4.0%</b>
	Custom-made software etc.	50,428	50,699	6.6%	+270	+0.5%	<b>50,648</b>	<b>6.6%</b>	<b>-51</b>	<b>-0.1%</b>	<b>-0.1%</b>
Service and Support business	Supplies	154,115	162,706	21.2%	+8,590	+5.6%	<b>171,307</b>	<b>22.3%</b>	<b>+8,601</b>	<b>+5.3%</b>	<b>+5.9%</b>
	Maintenance, etc.	152,789	162,697	21.2%	+9,907	+6.5%	<b>144,692</b>	<b>18.8%</b>	<b>-18,004</b>	<b>-11.1%</b>	<b>+7.1%</b>

## Consolidated Cash flows

(Millions of yen)

	FY 2020	FY 2021	FY 2022
C/F from operating	32,496	57,873	<b>29,196</b>
C/F from investing	-8,716	-9,160	<b>-8,355</b>
C/F from financing	-20,988	-21,957	<b>-23,307</b>
Cash and cash equivalents at end of period	178,988	205,746	<b>203,274</b>

## Consolidated Equity, Interest-bearing debt, ROE and ROA

(Millions of yen)

	FY 2020	FY 2021	FY 2022
Equity	277,348	298,743	<b>319,388</b>
Interest-bearing debt	8,895	8,851	<b>8,441</b>
Total assets	471,292	486,254	<b>523,016</b>
Equity ratio	58.8%	61.4%	<b>61.1%</b>
Interest-bearing debt ratio	1.9%	1.8%	<b>1.6%</b>
ROE	14.65%	13.86%	<b>12.95%</b>
ROA	12.19%	11.88%	<b>11.02%</b>

## Non-consolidated Key strategic business

(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
"tanomail"	163,448	173,528	+10,080	+6.2%	<b>183,172</b>	<b>+9,643</b>	<b>+5.6%</b>	<b>+6.2%</b>
SMILE	11,568	11,345	-223	-1.9%	<b>13,078</b>	<b>+1,733</b>	<b>+15.3%</b>	<b>+15.3%</b>
ODS	52,117	55,084	+2,967	+5.7%	<b>56,260</b>	<b>+1,175</b>	<b>+2.1%</b>	<b>+6.9%</b>
OSM	81,847	85,769	+3,921	+4.8%	<b>87,070</b>	<b>+1,300</b>	<b>+1.5%</b>	<b>+2.6%</b>
<As reference: Number of Sales>								(Units)
Copier	36,619	37,039	+420	+1.1%	<b>36,697</b>	<b>-342</b>	<b>-0.9%</b>	-
(of which color copier)	35,690	36,249	+559	+1.6%	<b>36,035</b>	<b>-214</b>	<b>-0.6%</b>	-
Server	25,507	24,606	-901	-3.5%	<b>21,726</b>	<b>-2,880</b>	<b>-11.7%</b>	-
PC	1,537,963	1,449,698	-88,265	-5.7%	<b>1,068,321</b>	<b>-381,377</b>	<b>-26.3%</b>	-
Client Total	1,638,051	1,624,893	-13,158	-0.8%	<b>1,150,133</b>	<b>-474,760</b>	<b>-29.2%</b>	-

## Future Plans

## Plans of consolidated Net sales and profits

(Millions of yen)

	FY 2021 (Result)	FY 2022 (Result)		FY 2023 (Plan)		
	Amount	Amount	Change to Last year	Reference rate of change	Amount	Change to Last year
Net sales	851,894	861,022	+1.1%	+5.2%	<b>901,000</b>	<b>+4.6%</b>
Operating profit	55,827	54,768	-1.9%	-	<b>58,600</b>	<b>+7.0%</b>
Ordinary profit	57,567	56,639	-1.6%	-	<b>59,600</b>	<b>+5.2%</b>
Profit*	39,927	40,022	+0.2%	-	<b>40,170</b>	<b>+0.4%</b>

\* Profit attributable to owners of parent

## Plans of consolidated Net sales by segments

(Millions of yen)

	FY 2021 (Result)	FY 2022 (Result)		FY 2023 (Plan)		
	Amount	Amount	Change to Last year	Reference rate of change	Amount	Change to Last year
System Integration	523,609	541,671	+3.4%	+4.5%	<b>563,100</b>	<b>+4.0%</b>
Service and Support	328,284	319,350	-2.7%	+6.6%	<b>337,900</b>	<b>+5.8%</b>