



Fiscal year ending December 2024
First three months
(January – March)
Business Results

April 30, 2024

OTSUKA CORPORATION

Key Points for 1Q 2024

■ Consolidated and non-consolidated results exceeded the strong results of the previous year. Both consolidated and non-consolidated sales and each profit category reached new record highs.

■ **SI business** : Seized demand at the end of the fiscal term, high sales growth for second consecutive year.

2023 1Q 21.4%increase → 2Q 22.6%increase → 3Q 13.0%increase → 4Q 7.2%increase

2024 1Q 10.8%increase

■ **S&S business** : Results trended firmly.

2023 1Q 5.8%increase → 2Q 10.0%increase → 3Q 8.6%increase → 4Q 10.5%increase

2024 1Q 8.2%increase

Summary of Business Results, January - March, 2024

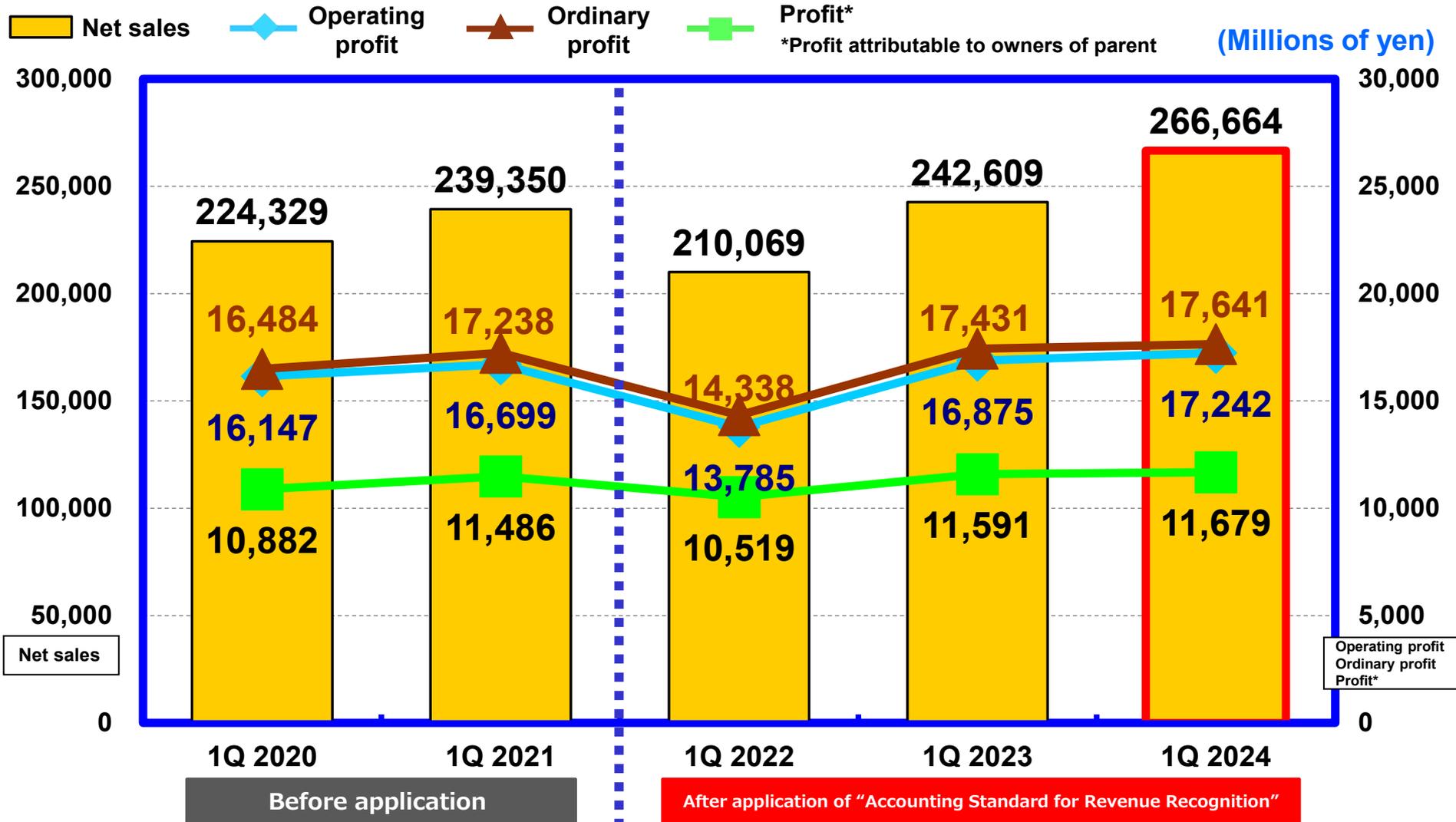
(Millions of yen)

	Consolidated		Non-Consolidated	
	Amount	Change to Last year	Amount	Change to Last year
Net sales	266,664	+9.9%	238,855	+9.3%
Operating profit	17,242	+2.2%	15,199	+4.0%
Ordinary profit	17,641	+1.2%	16,754	+4.3%
Profit*	11,679	+0.8%	11,650	+4.5%

*Profit attributable to owners of parent

Consolidated

Net sales and Profits

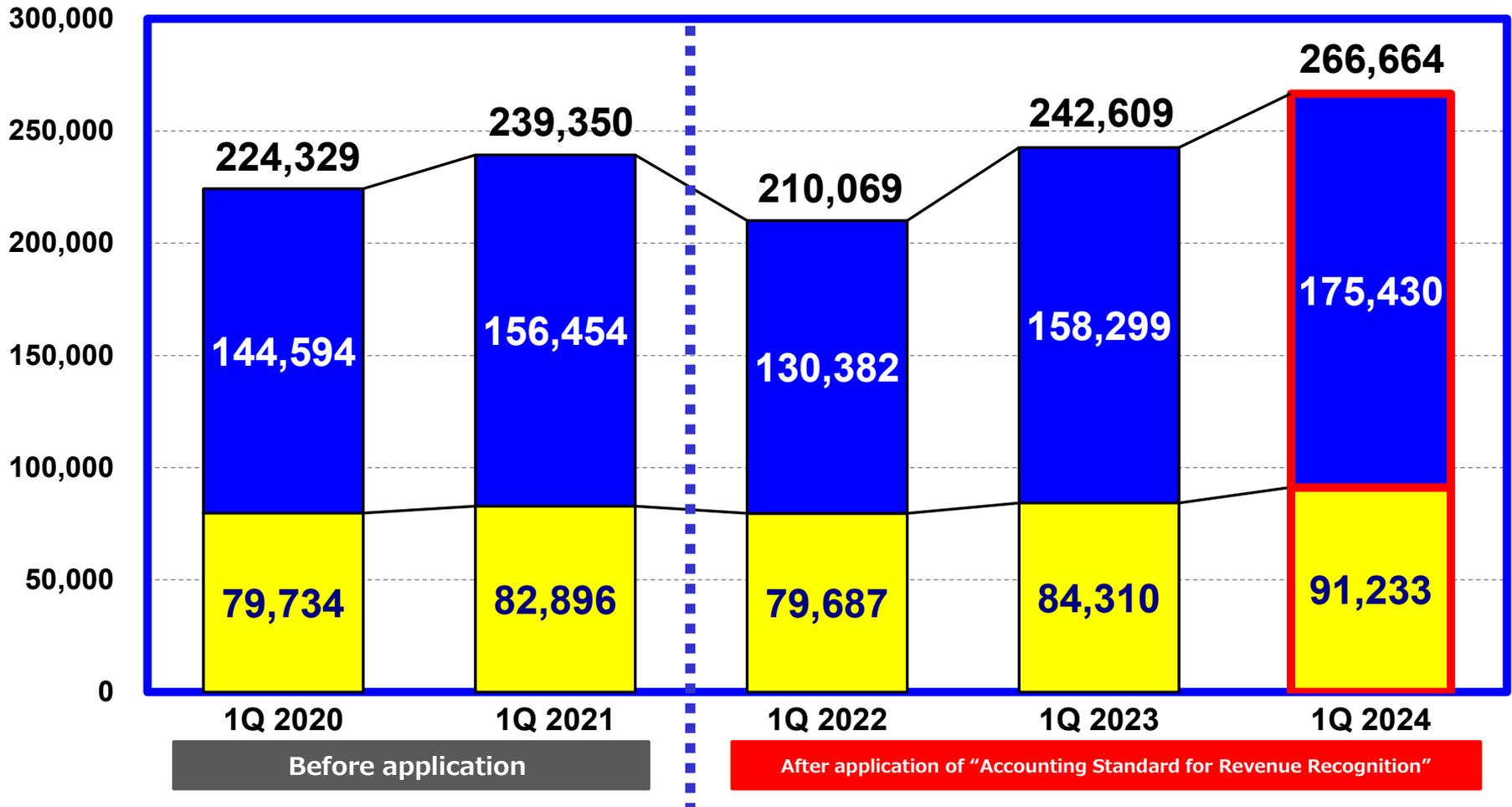


Consolidated

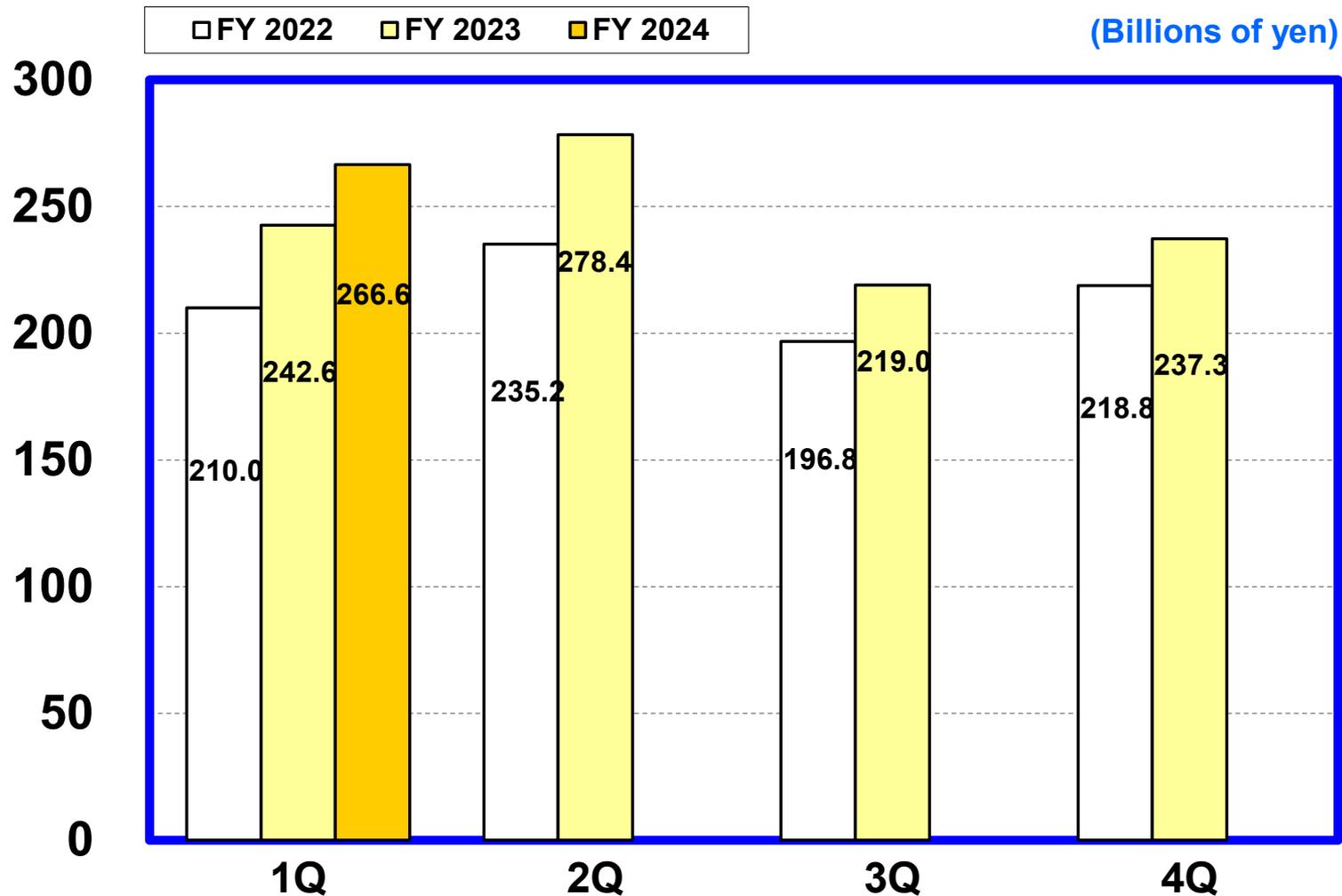
Net sales by segments

■ SI business ■ S&S business

(Millions of yen)

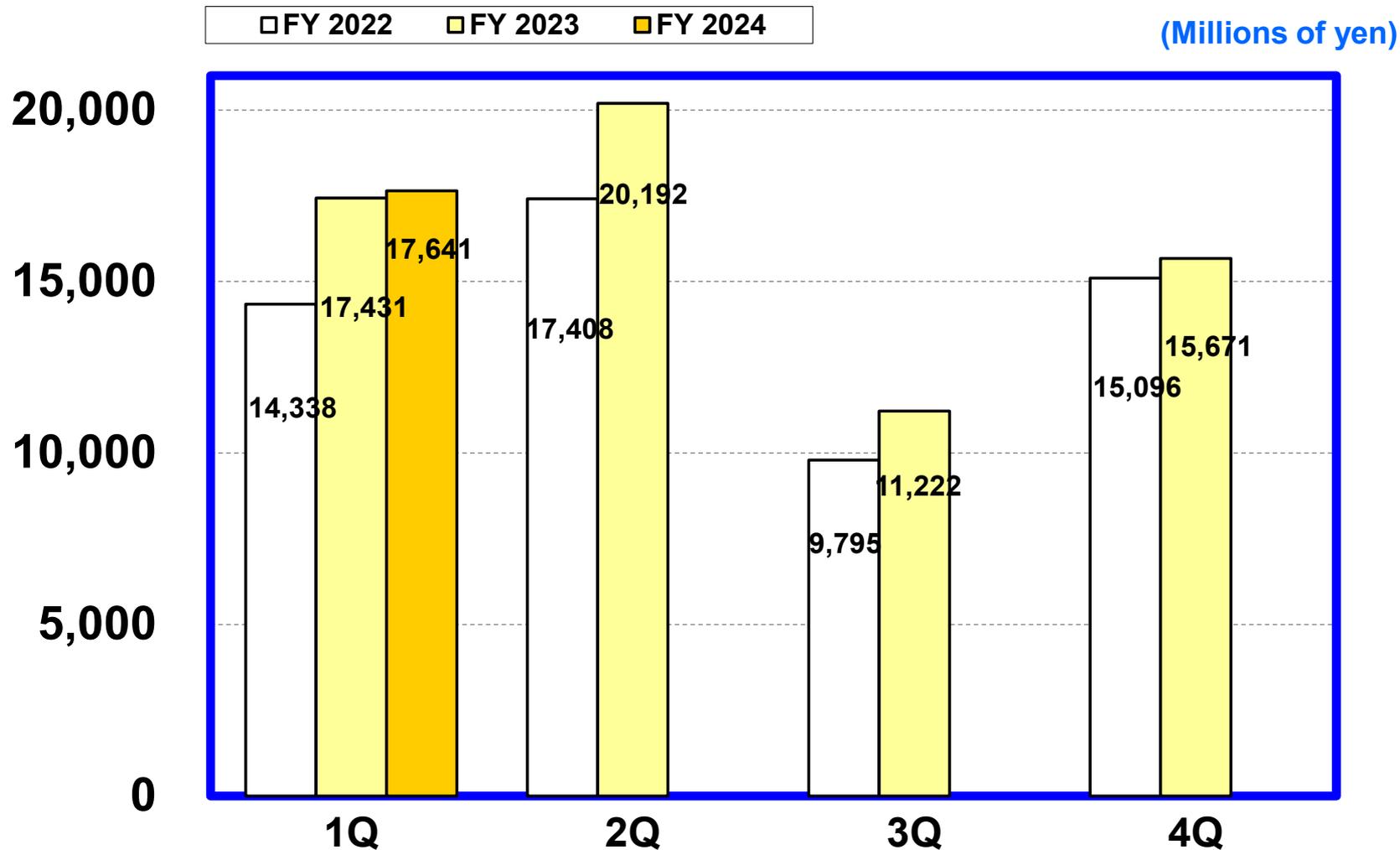


Quarterly change of Net sales



Consolidated

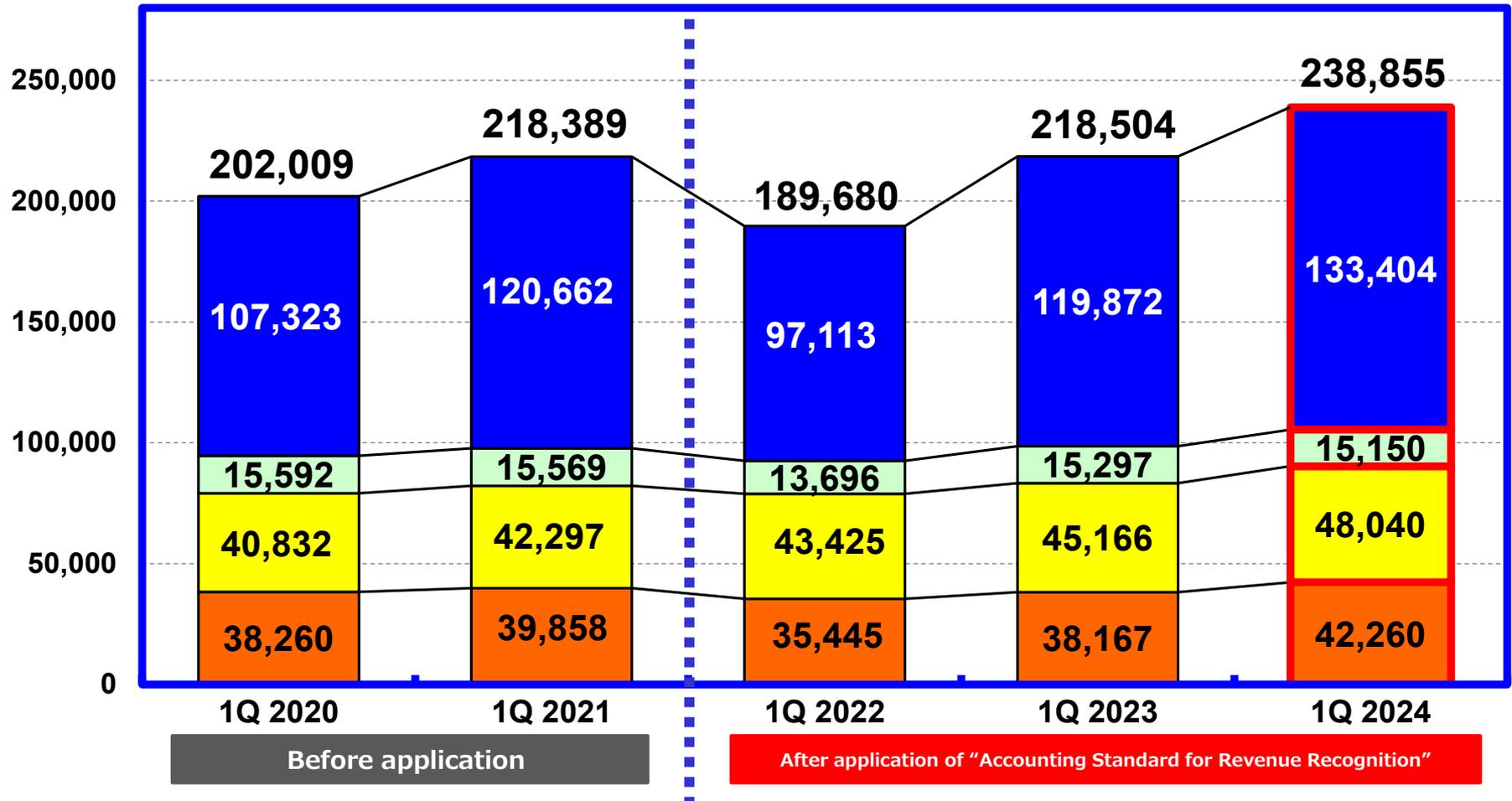
Quarterly change of Ordinary profit



Net sales by 4 segments

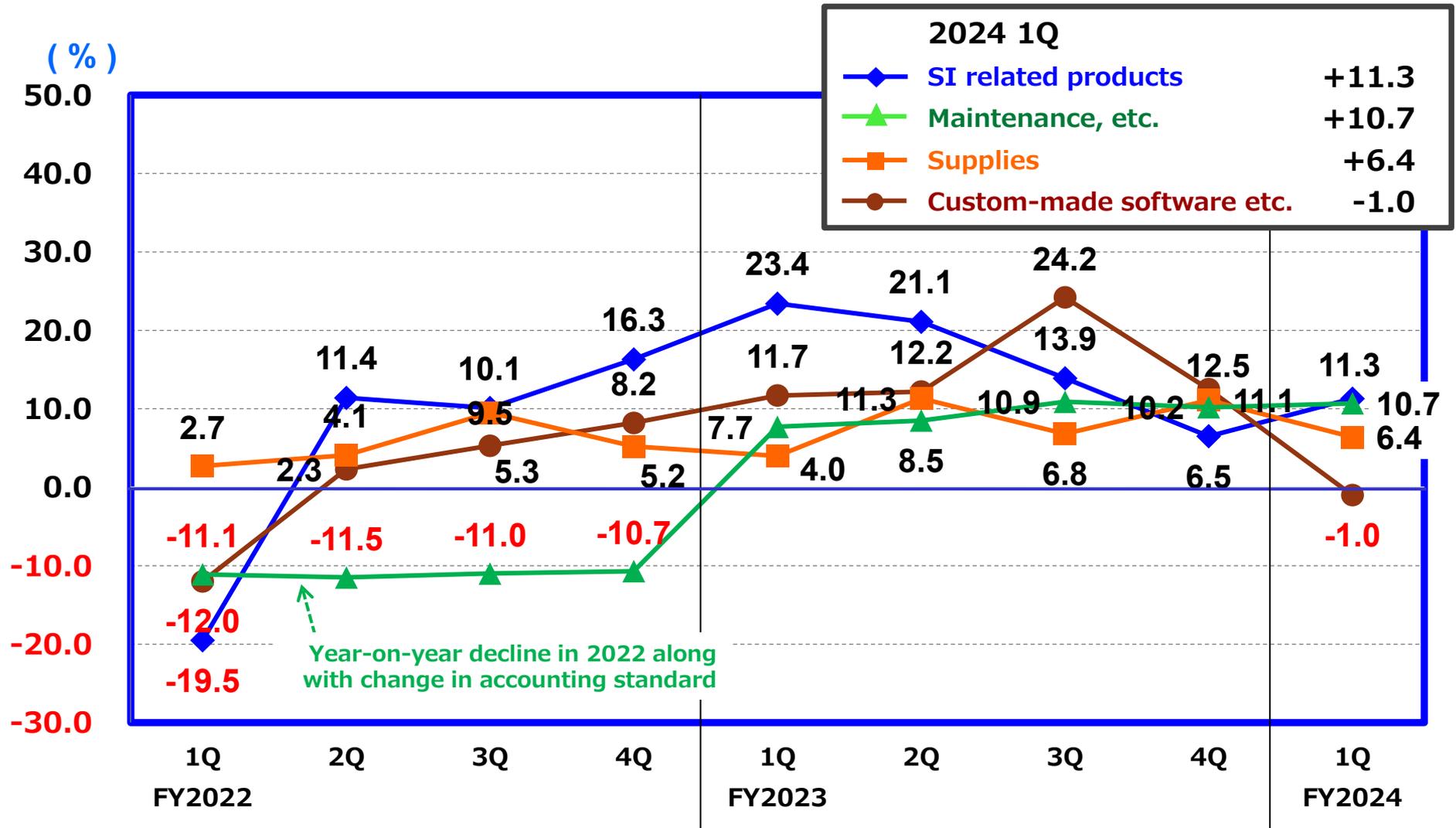


(Millions of yen)

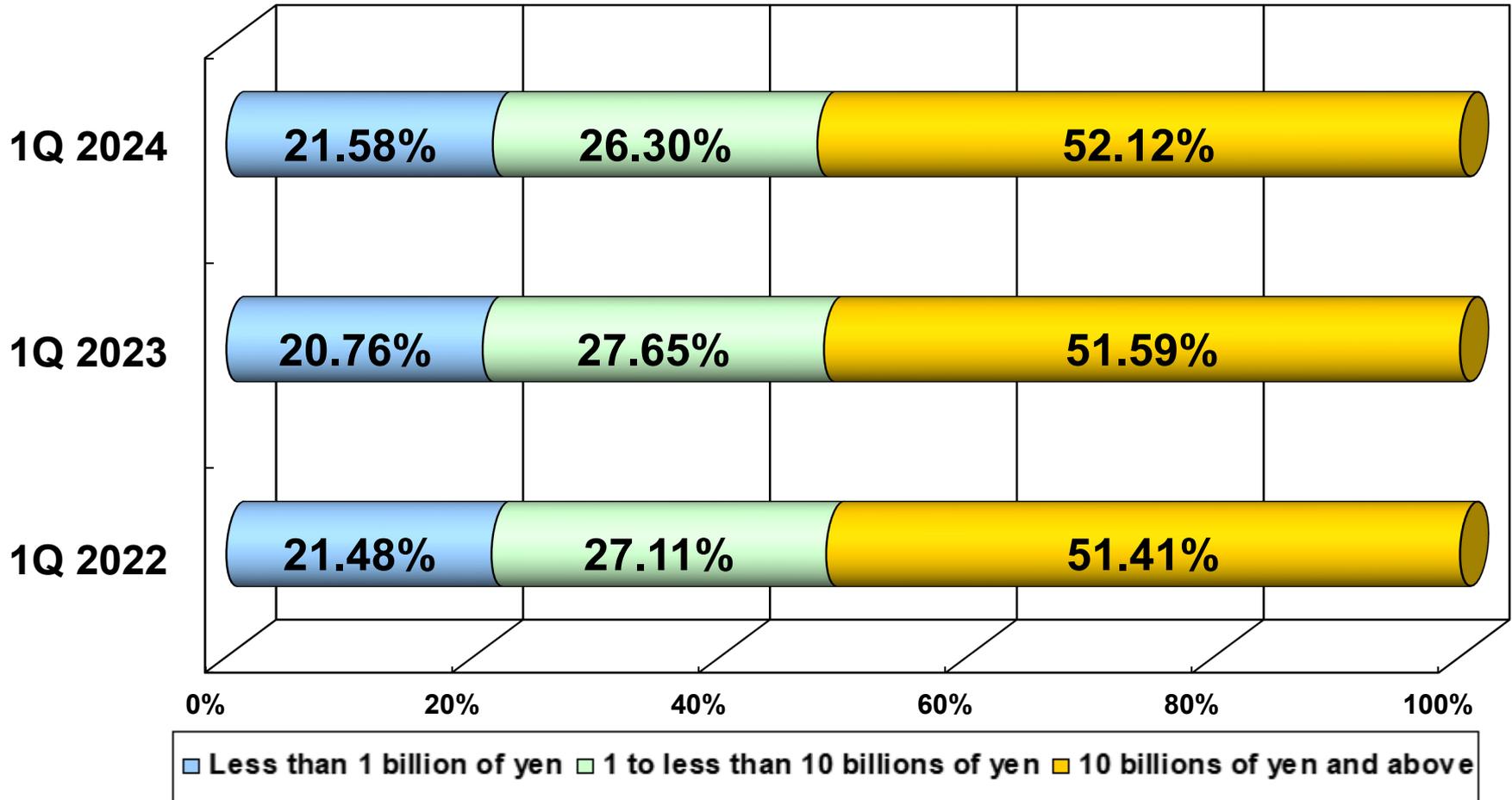


Non-Consolidated

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

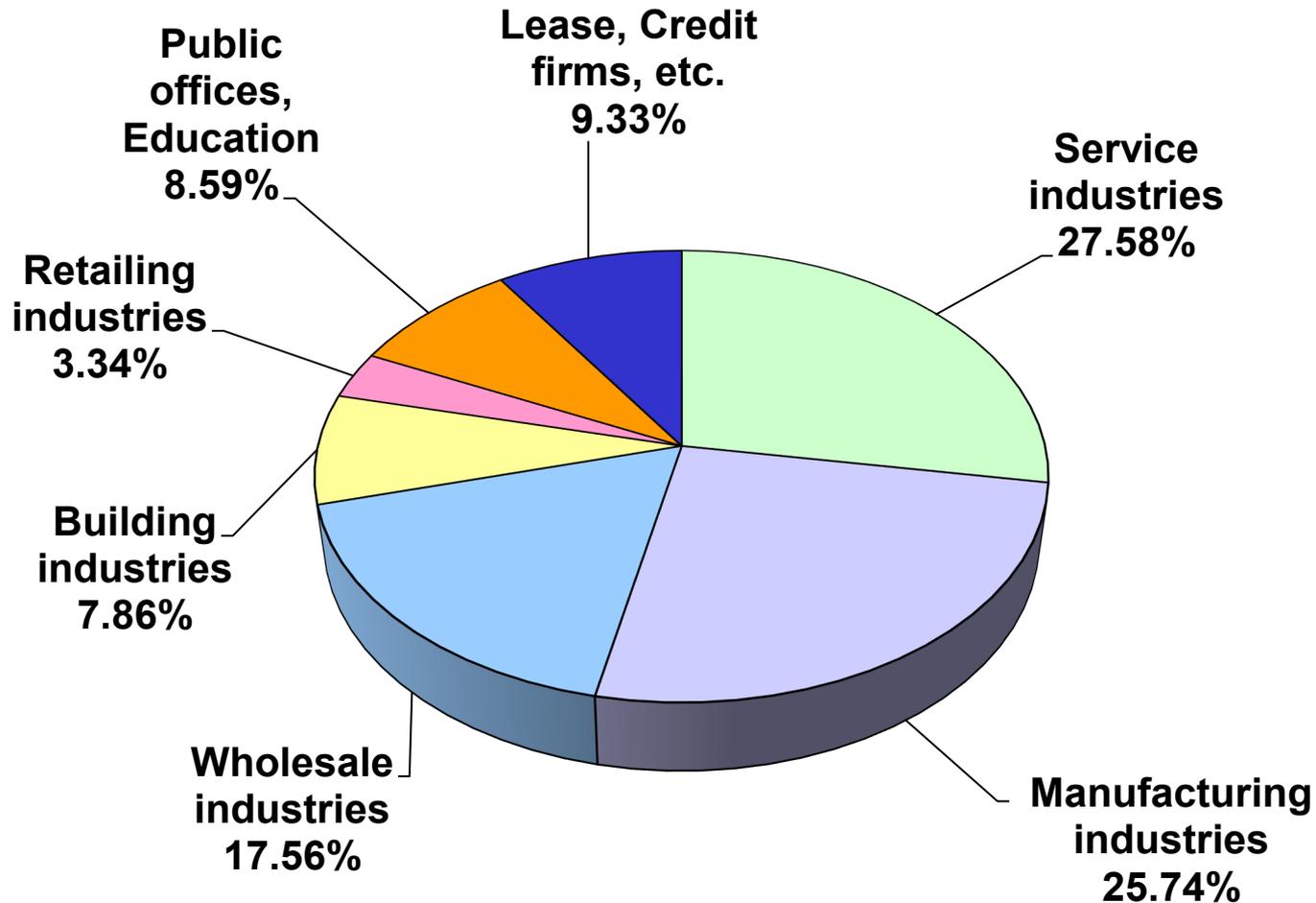


Net sales structure on customers' total annual business scale



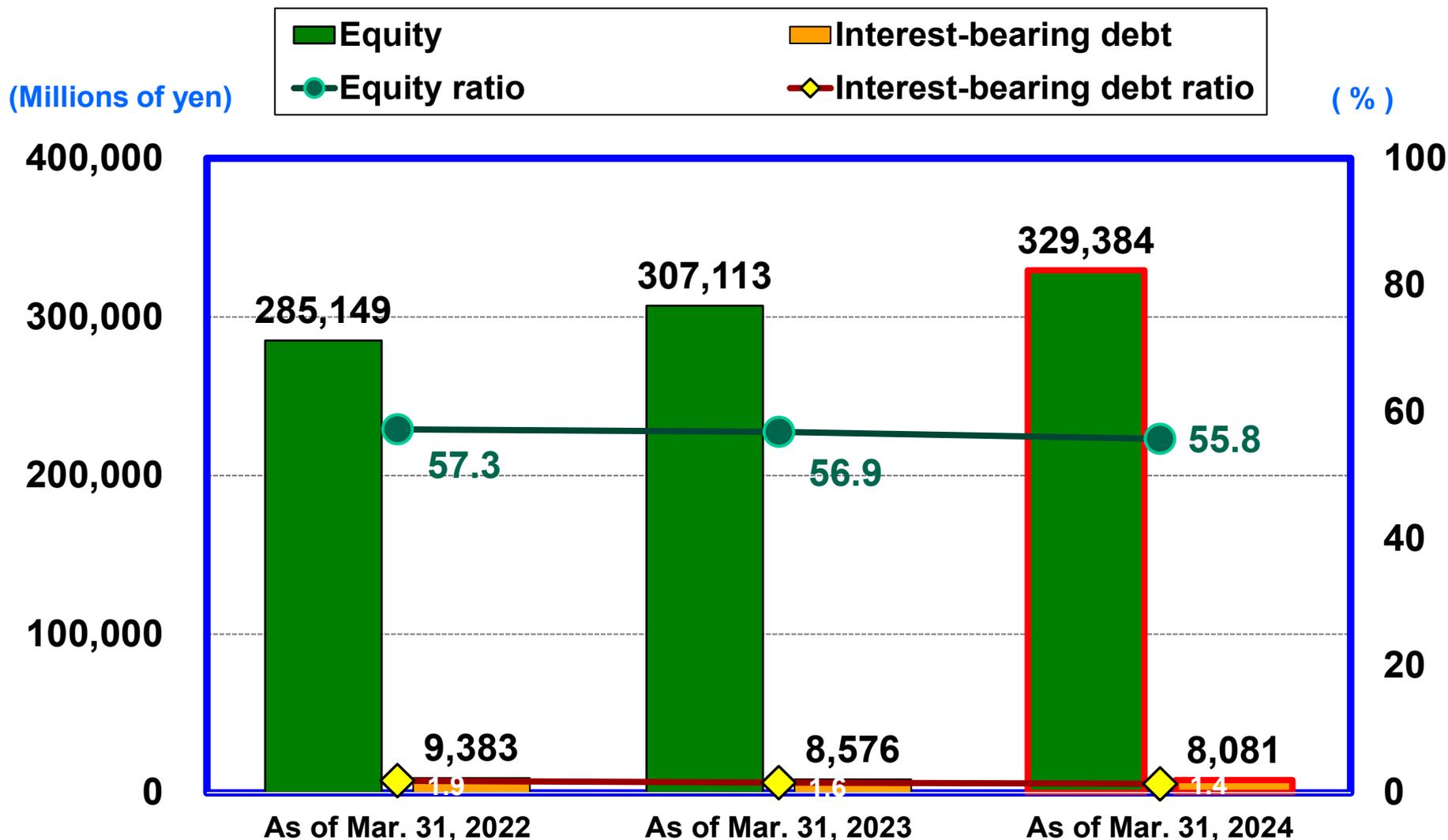
Sales breakdown by customers' type of industry

1Q 2024



Consolidated

Equity and Interest-bearing debt



Key strategic business

<Amount of Sales>

(Millions of yen)

	1Q 2022	1Q 2023		1Q 2024		
	Amount	Amount	Change to Last year	Amount	Difference to Last year	Change to Last year
“tanomail”	46,240	48,693	+5.3%	51,654	+2,960	+6.1%
SMILE	2,514	3,771	+50.0%	3,283	-487	-12.9%
ODS	13,002	15,122	+16.3%	15,362	+239	+1.6%
OSM	22,257	24,869	+11.7%	31,366	+6,496	+26.1%

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

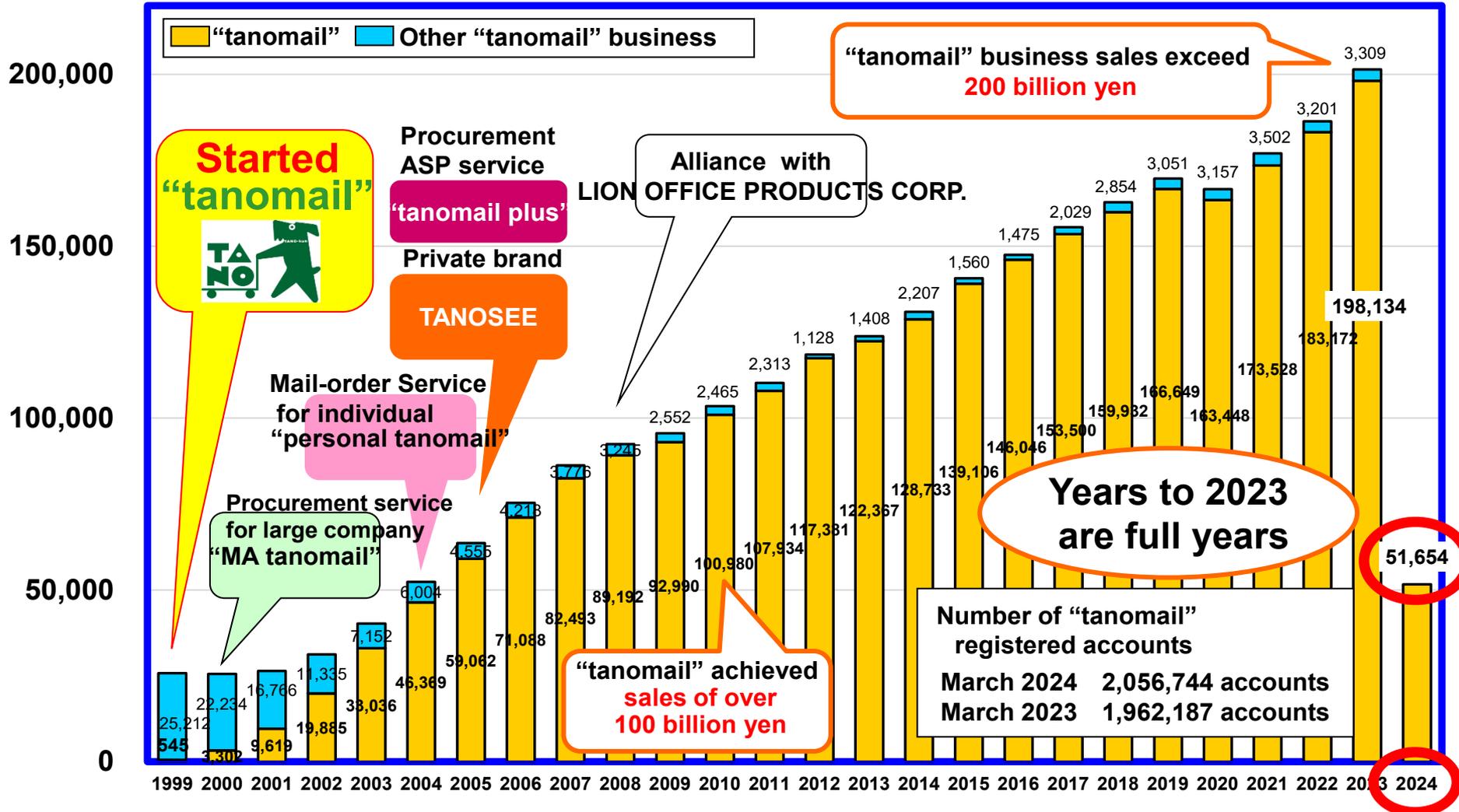
<As reference: Number of Sales>

(Units)

Copier	9,185	9,552	+4.0%	9,745	+193	+2.0%
(of which Color copier)	9,016	9,347	+3.7%	9,553	+206	+2.2%
Server	5,376	5,743	+6.8%	4,804	-939	-16.4%
PC	334,276	353,809	+5.8%	361,130	+7,321	+2.1%
Client Total	357,127	364,876	+2.2%	379,265	+14,389	+3.9%

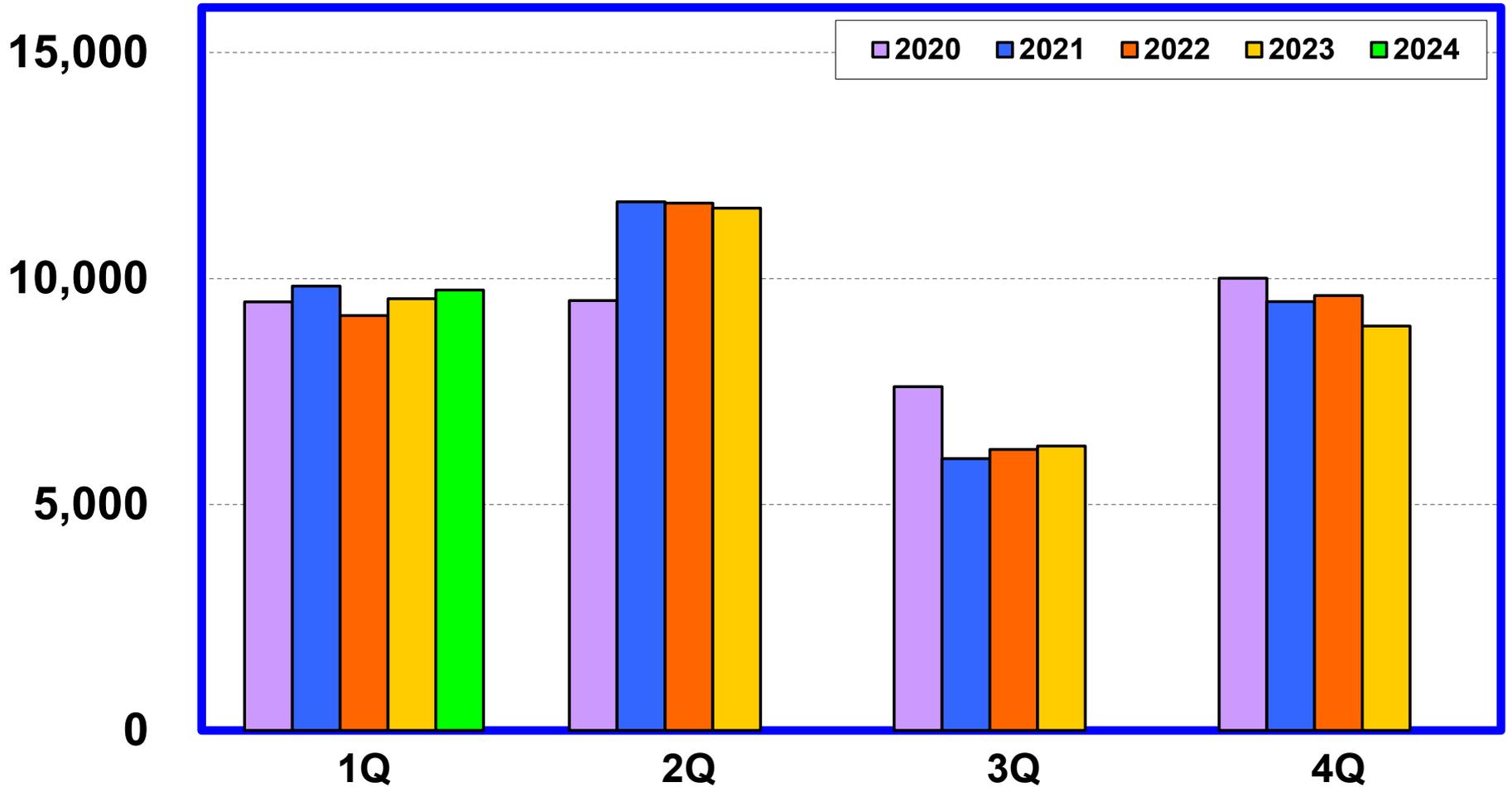
Annual sales transition of "tanomail"

(Millions of yen)



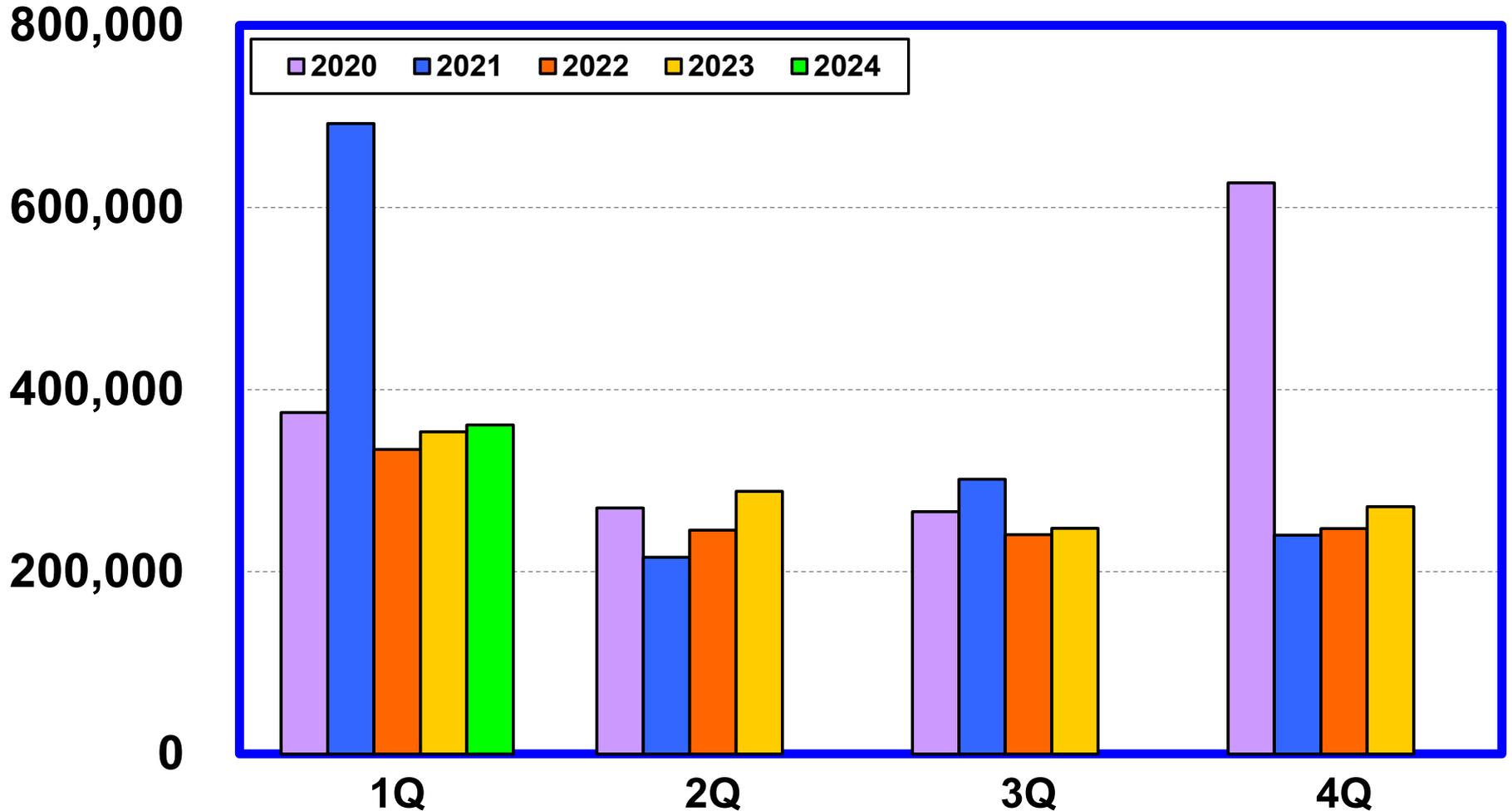
Quarterly Number of Copiers Sold

(Units)



Quarterly Number of PCs Sold

(Units)



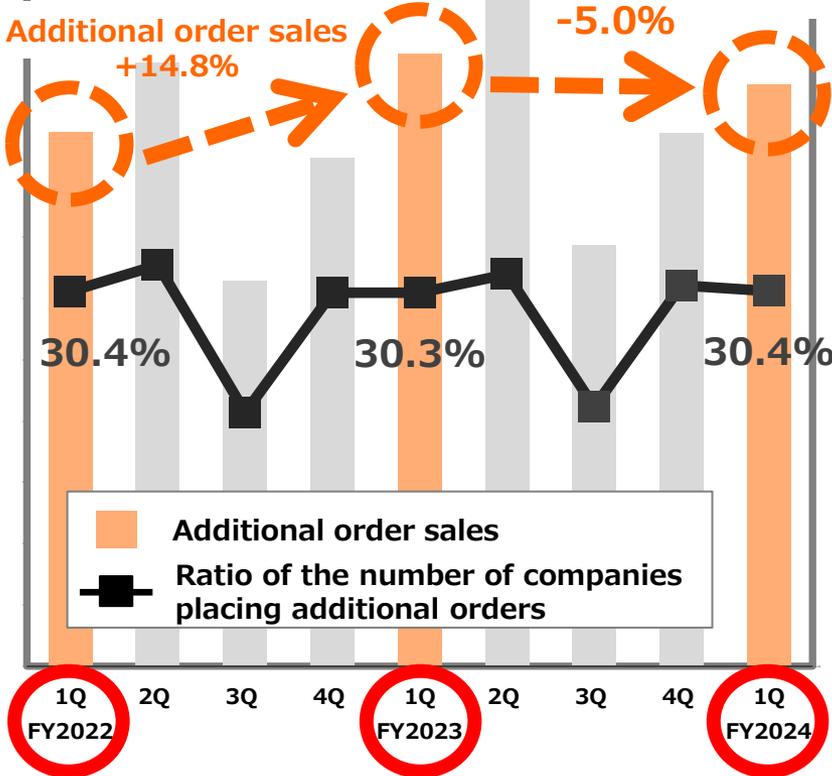
Status of Orders

[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

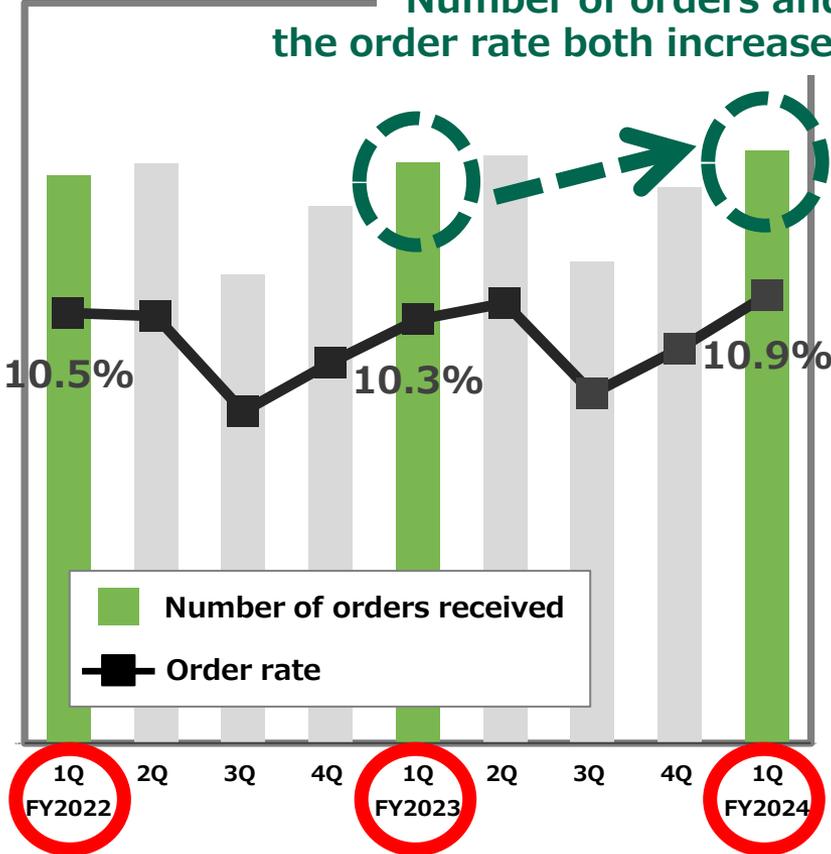
Maintained sales at same level as previous year when sales grew sharply due in part to large projects



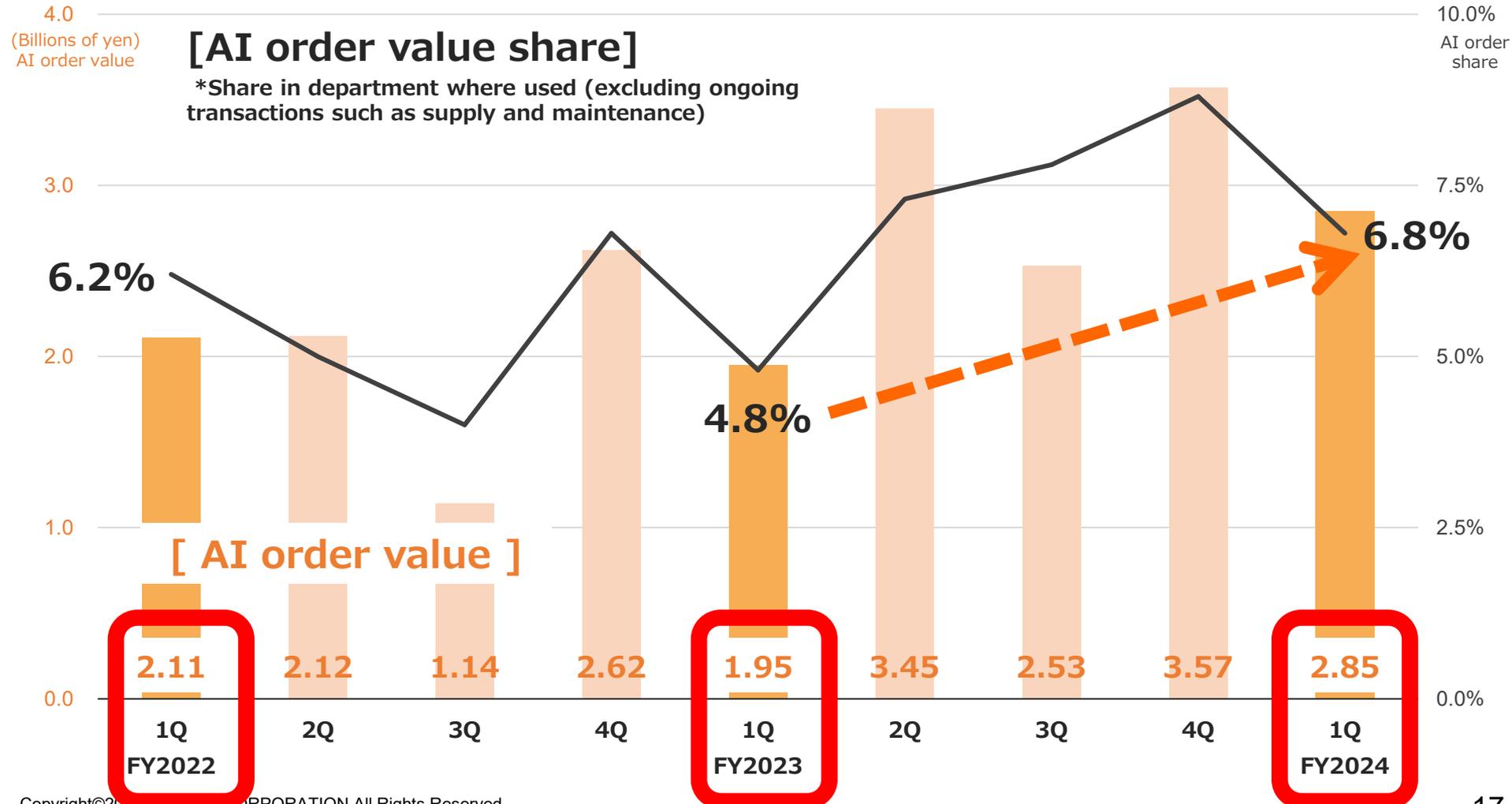
[Overall number of orders and order rate]

$$\text{Order rate} = \frac{\text{Number of orders received}}{\text{Number of negotiations}}$$

Number of orders and the order rate both increased



Support Sales Activities through AI



Main initiatives for generative AI

Promotion of in-house utilization

Know-how

Solutions for customers
(Some service names are abbreviations)

Copilot for Microsoft 365



Large-Scale Language Model (LLM)

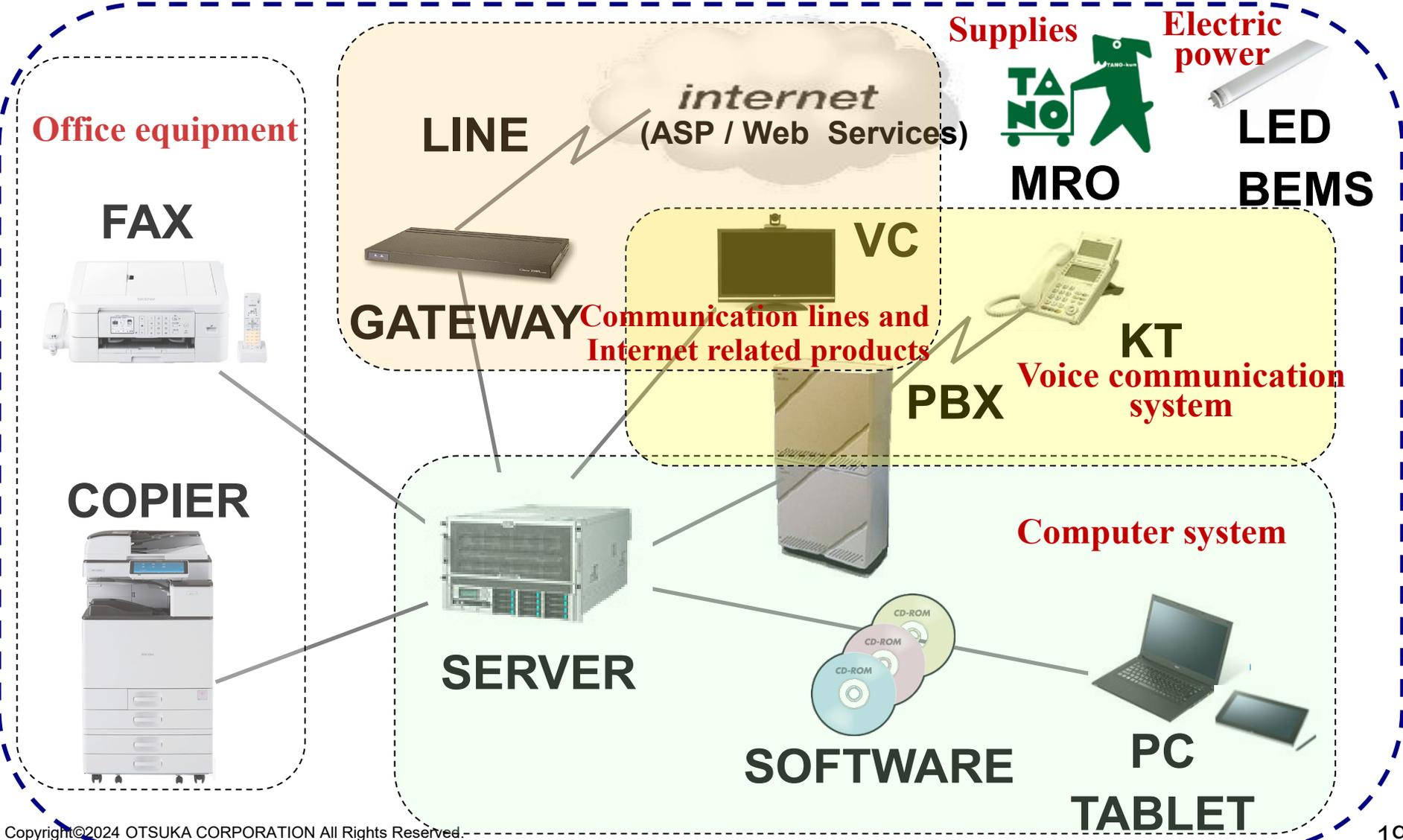


- Generative AI developed by NEC
- High-level Japanese-language ability
- Build secure environment

Deployment/application to in-house systems

November 2023	Copilot entire support service (Minimum usage of 300 users)
January 2024	Generative AI chatbot
February 2024	Copilot entire support service (Elimination of minimum number of users: easy to use even for small- and medium-sized enterprises)
March 2024	AI-related training menu

OTSUKA CORPORATION for the Entire Office



Organizational name change toward “Marugoto”

“Marugoto” is a word that means “entire” in English.

Renamed one organization in a specific department

Renamed Company-wide organization

July 2023

April 2024

**MM Headquarters =
Marugoto Marketing Headquarters**
(Formerly: Marketing Headquarters)

MST = Marugoto Solution Team
(Formerly: Major Sales Department)

Plans for FY 2024

(Millions of yen)

	Consolidated		
	1Q 2024 (Result)	1H 2024 (Plan)	FY 2024 (Plan)
Net sales	266,664	539,900	1,026,000
Operating profit	17,242	37,400	68,500
Ordinary profit	17,641	37,850	69,000
Profit* (*Profit attributable to owners of parent)	11,679	25,600	47,670

Community

Customers

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

**Shareholders
Business Partners**

Employees

Cautionary statement

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