



Fiscal year ending December 2021
First three months
(January – March)
Business Results

April 28, 2021

OTSUKA CORPORATION

Point, January - March, 2021

- **Sales and each profit category reached record highs** and surpassed the strong results of the same period of the previous fiscal year.
- Secured points of contact with customers by combining online and face-to-face activities. **The number of companies to which we recorded sales is steadily increasing.**
- A decrease in copier maintenance sales was covered by **an increase in system maintenance sales. Sales of supplies increased year-on-year for two consecutive quarters.**

Summary of Business Results, January - March, 2021

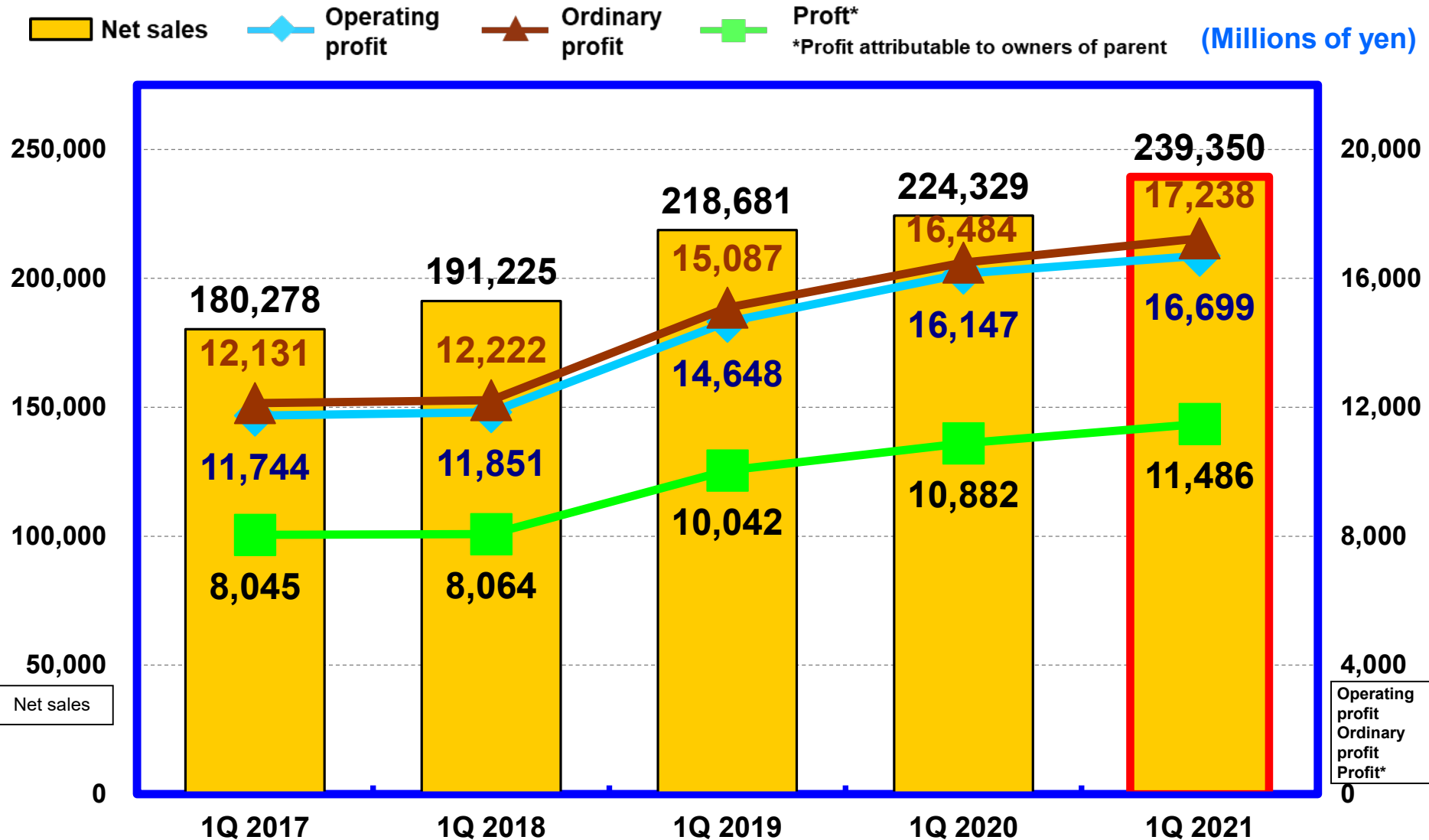
(Millions of yen)

	Consolidated		Non-Consolidated	
	Amount	Change to Last year	Amount	Change to Last year
Net sales	239,350	+6.7%	218,389	+8.1%
Operating profit	16,699	+3.4%	14,559	+3.1%
Ordinary profit	17,238	+4.6%	15,977	+2.4%
Profit*	11,486	+5.6%	11,055	+2.1%

*Profit attributable to owners of parent

Consolidated

Net sales and Profits

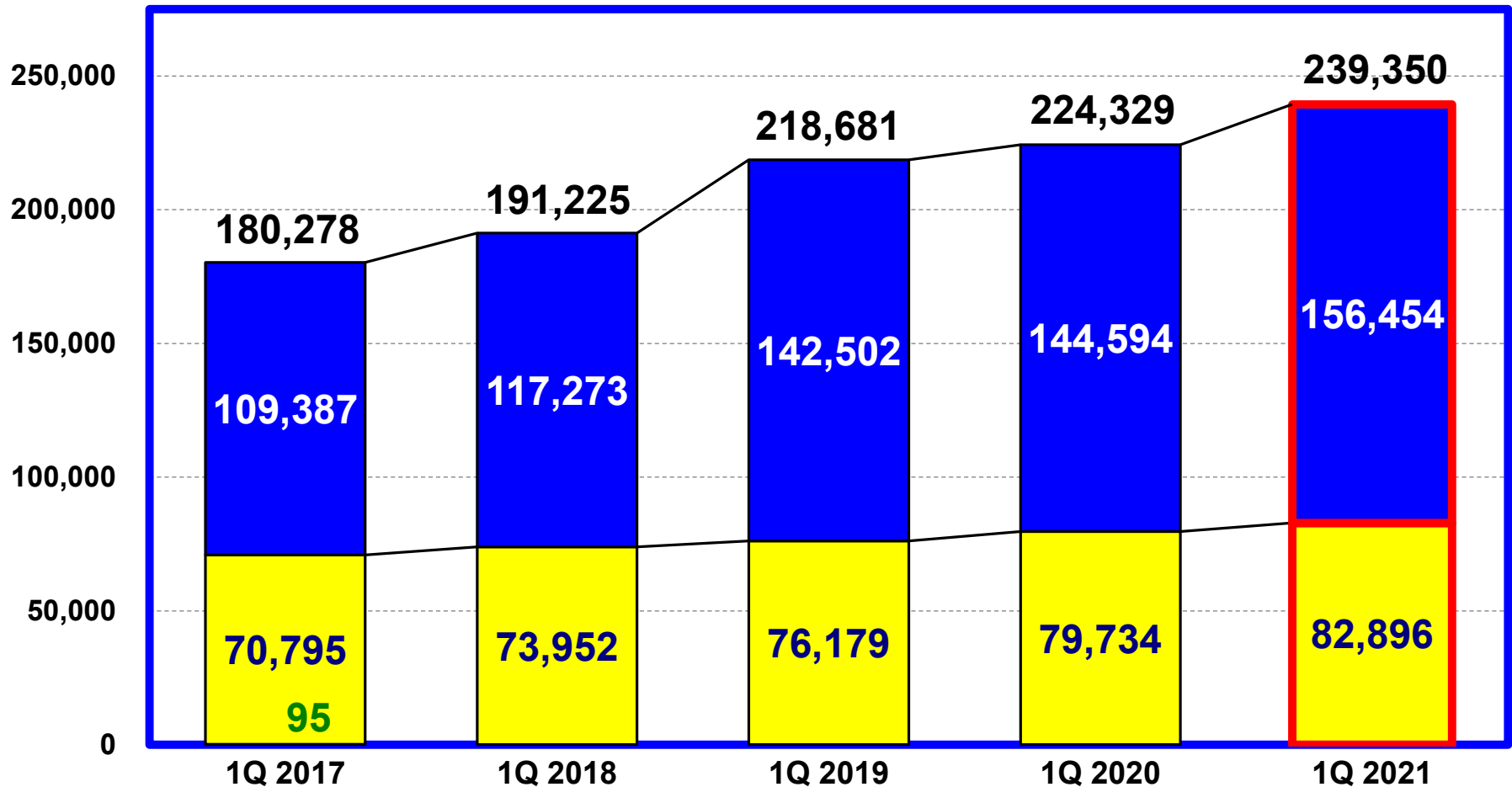


Consolidated

Net sales by segments

■ SI business ■ S&S business ■ Other business

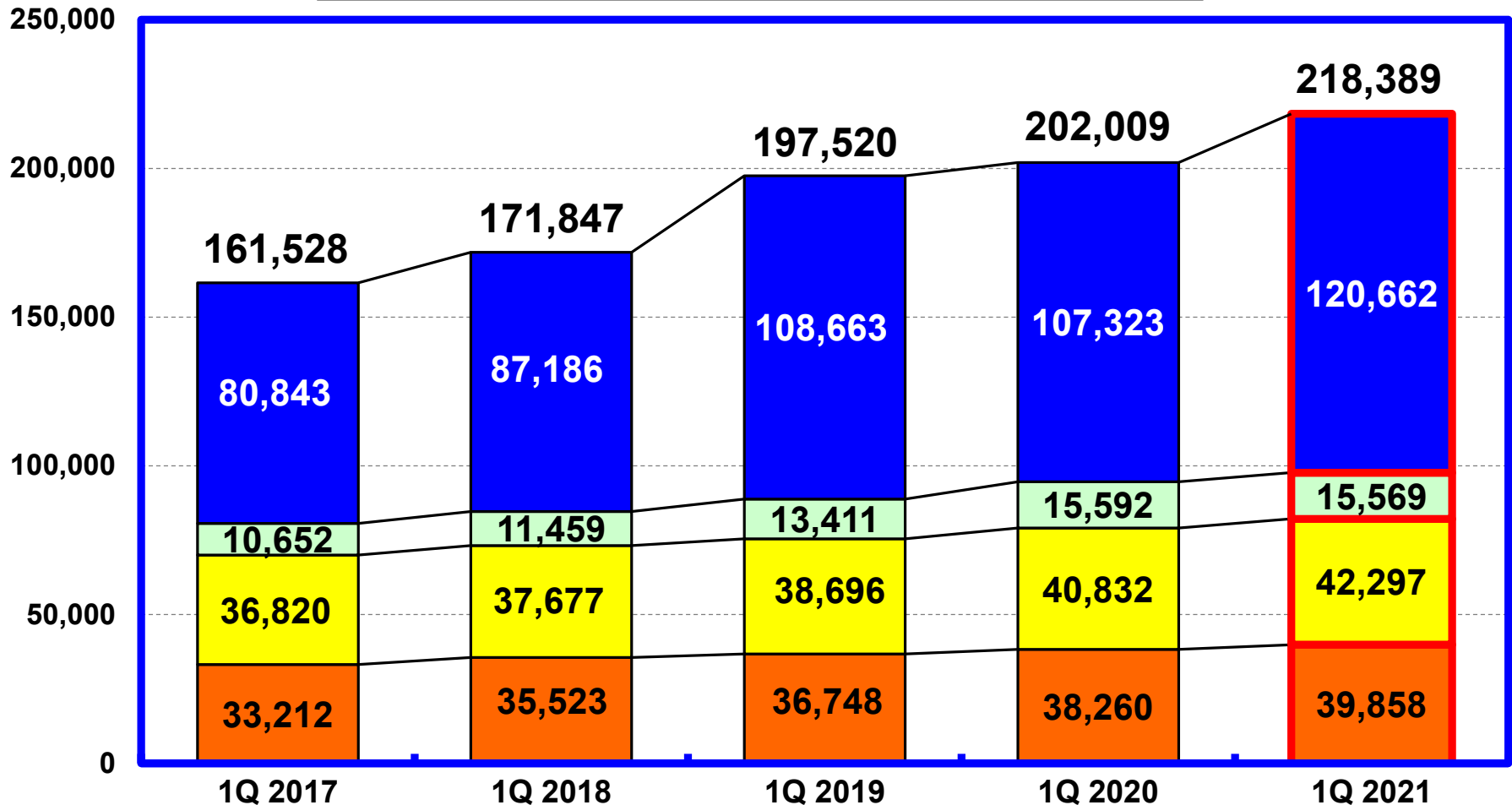
(Millions of yen)



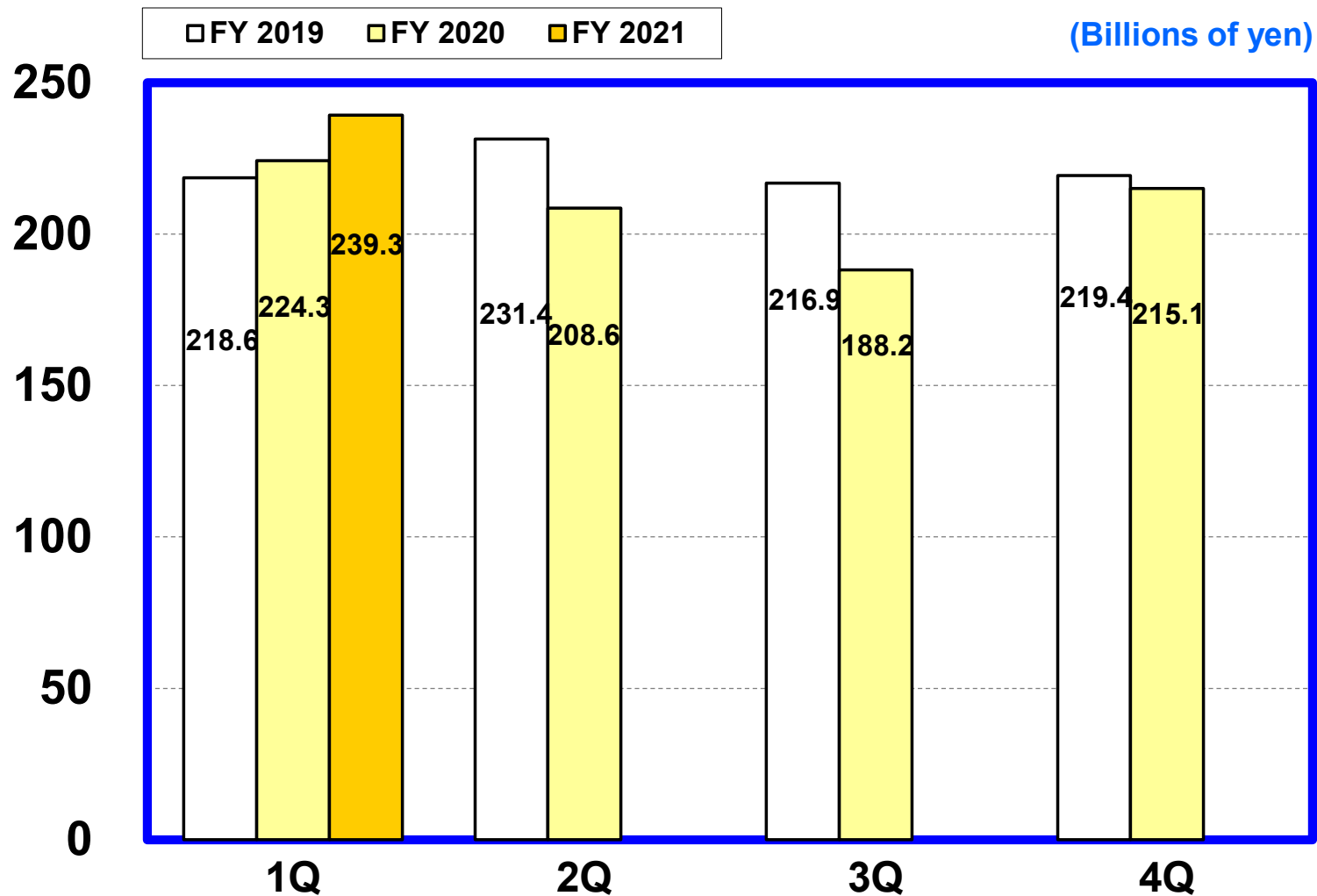
Net sales by 4 segments



(Millions of yen)

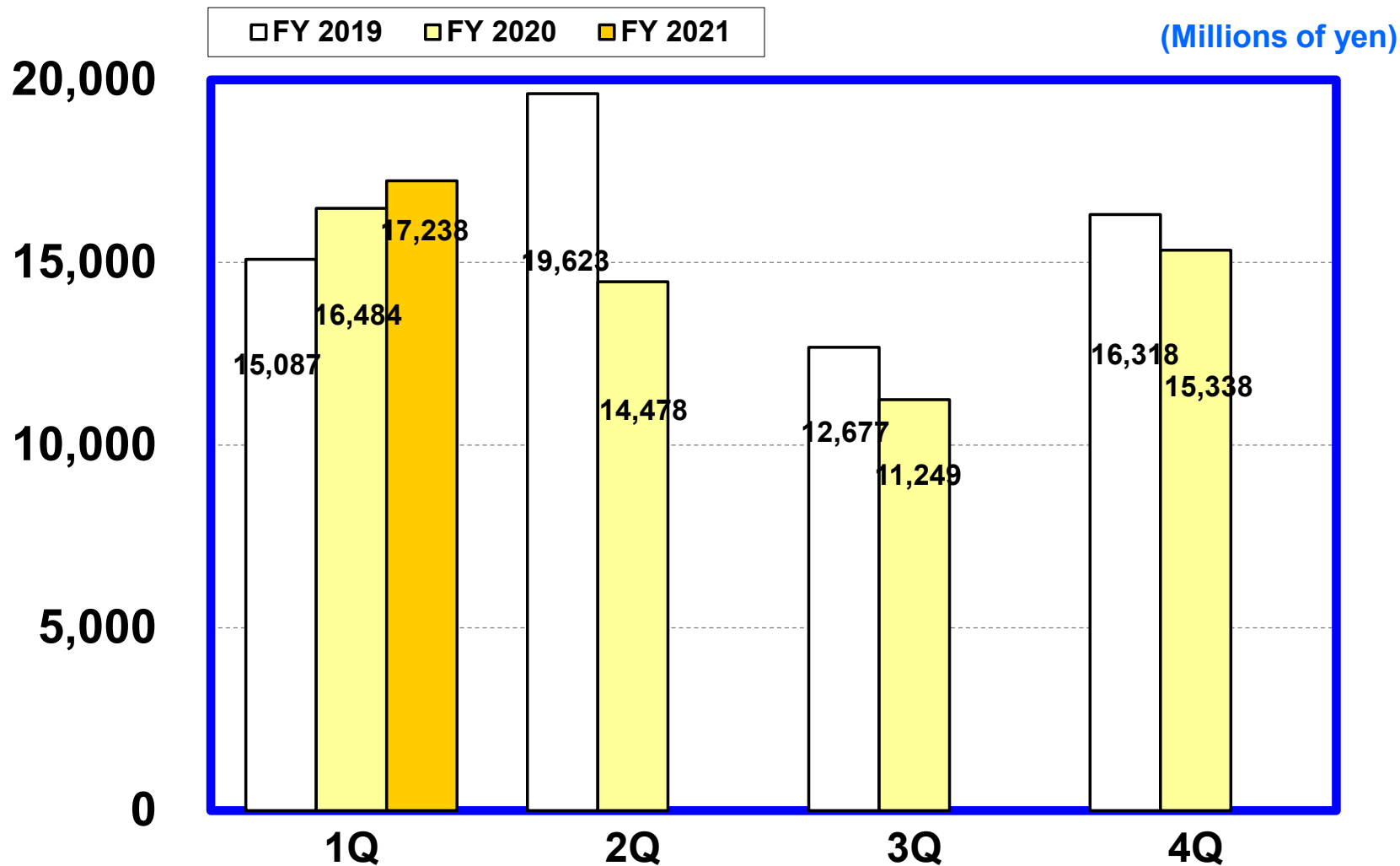


Quarterly change of Net sales



Consolidated

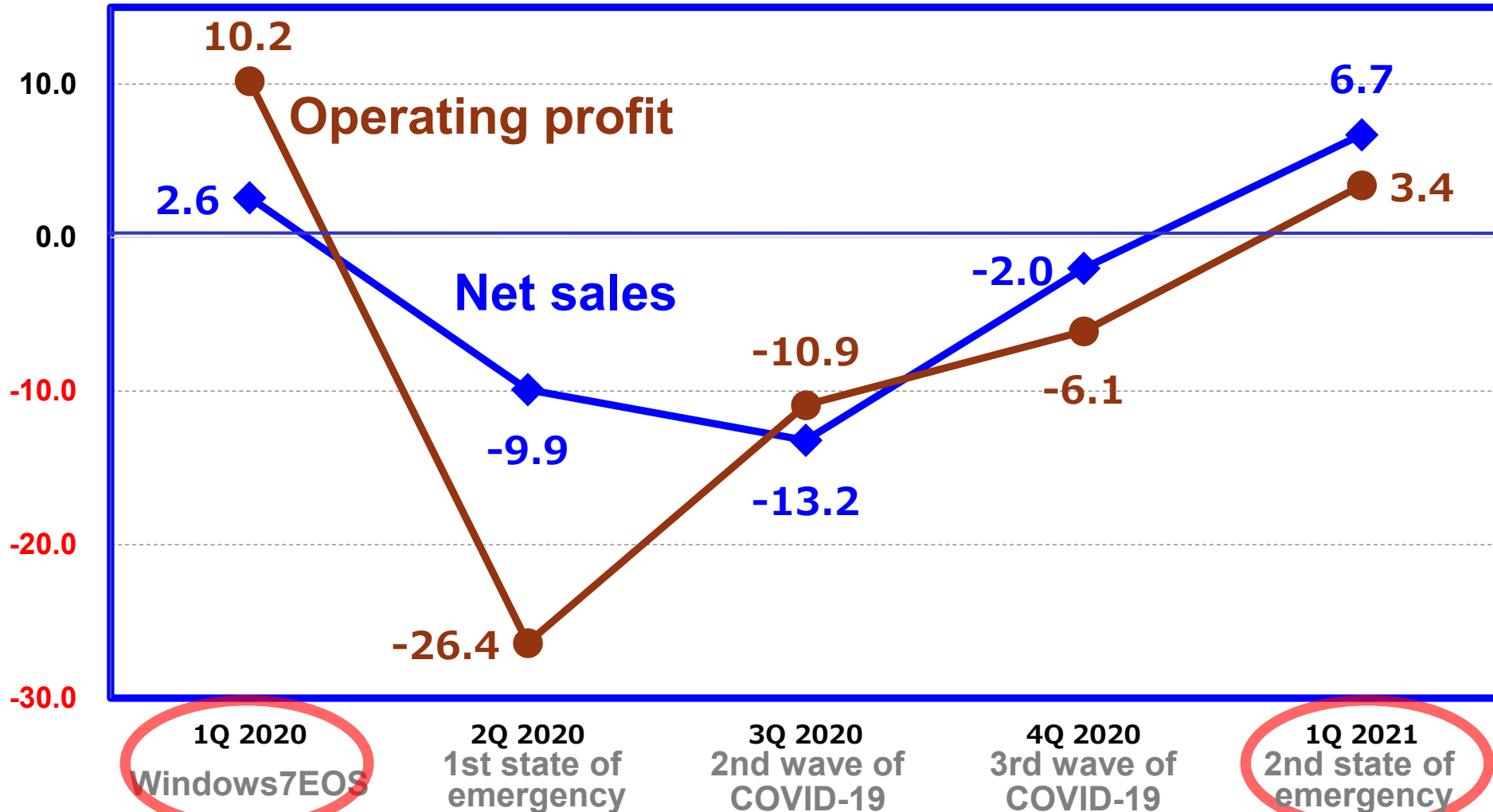
Quarterly change of Ordinary profit



Consolidated

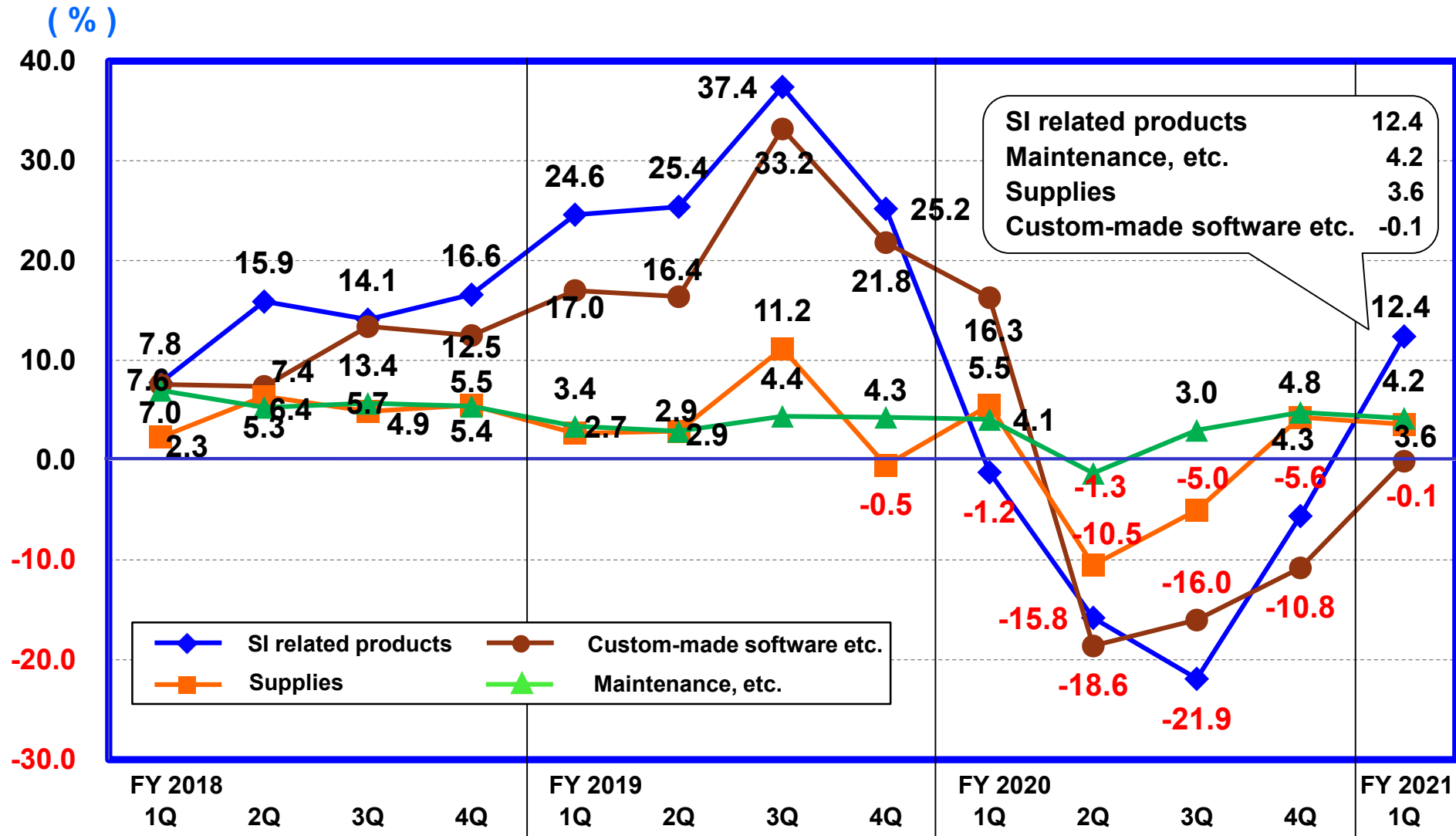
Trends in % change in sales and operating profit

(%)

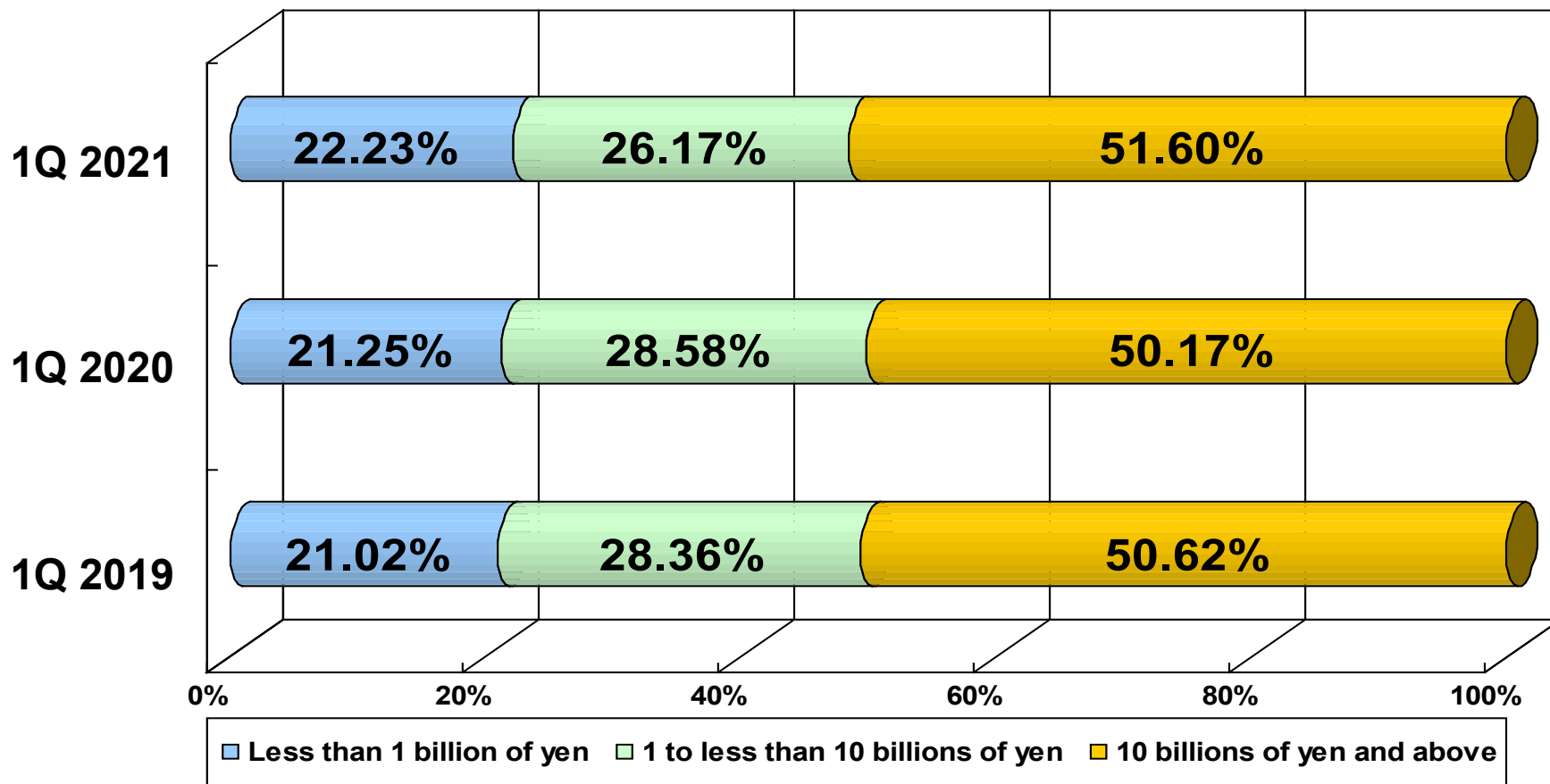


Non-Consolidated

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

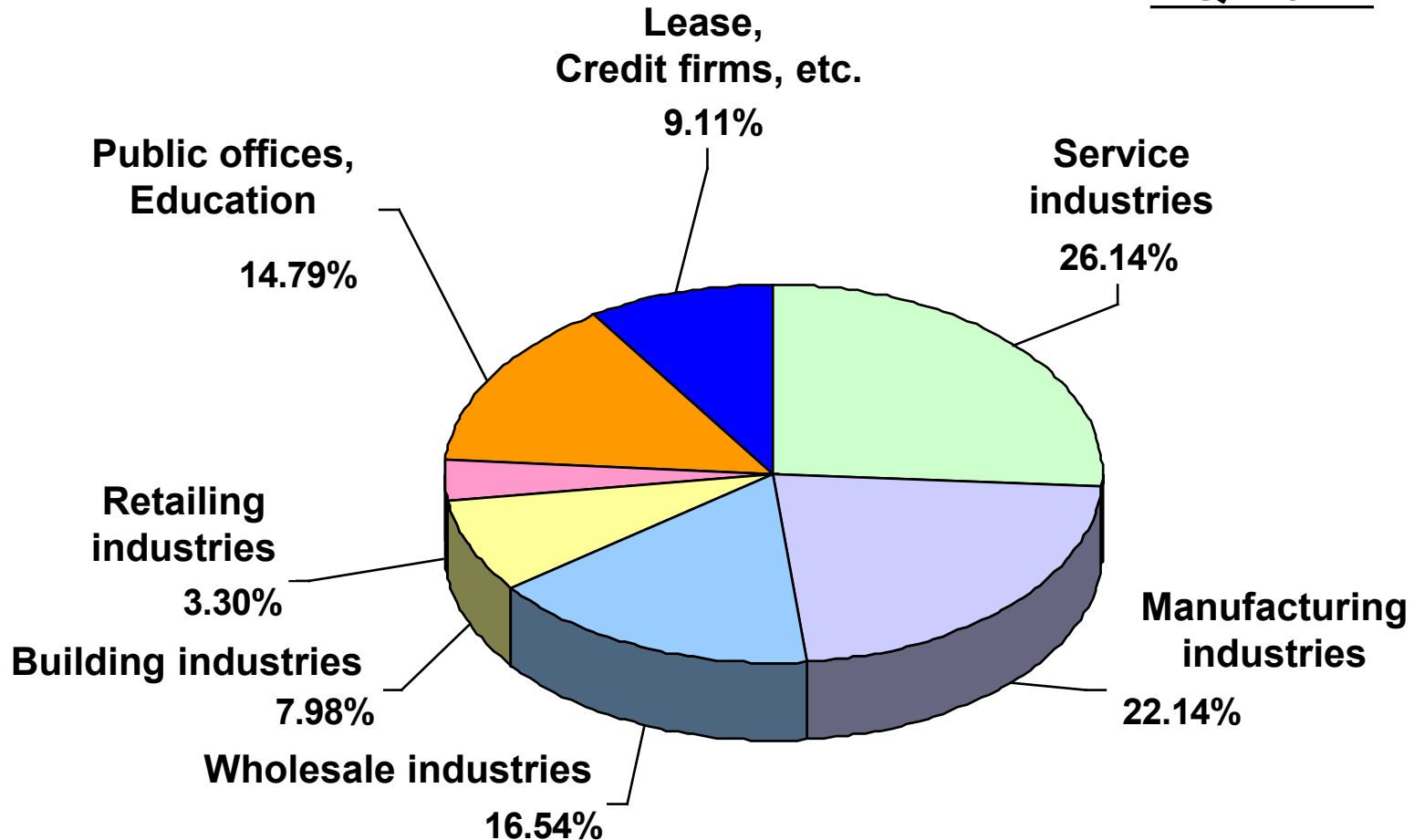


Net sales structure on customers' total annual business scale



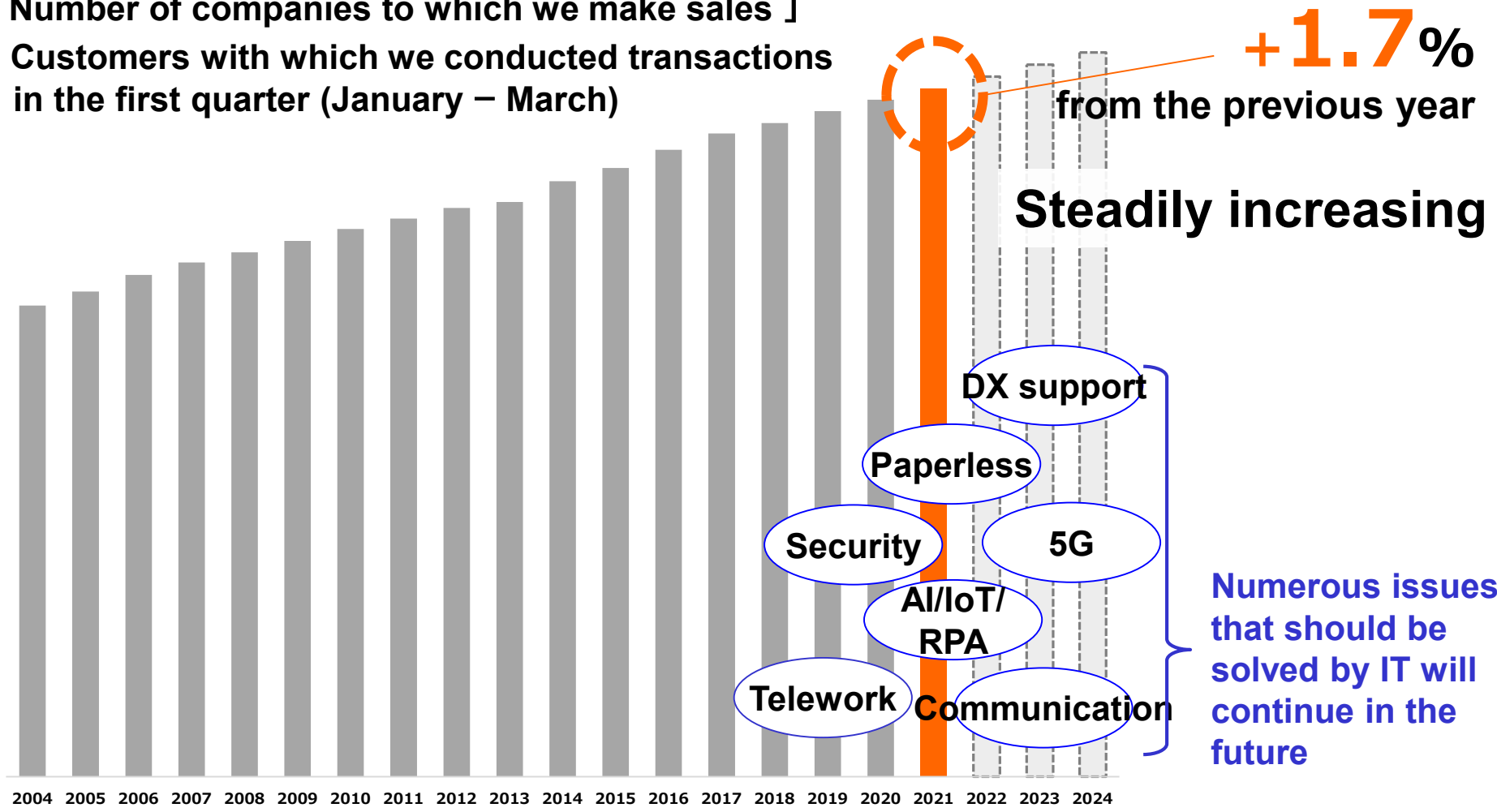
Sales breakdown by customers' type of industry

1Q 2021



Trends in the number of companies to which we make sales

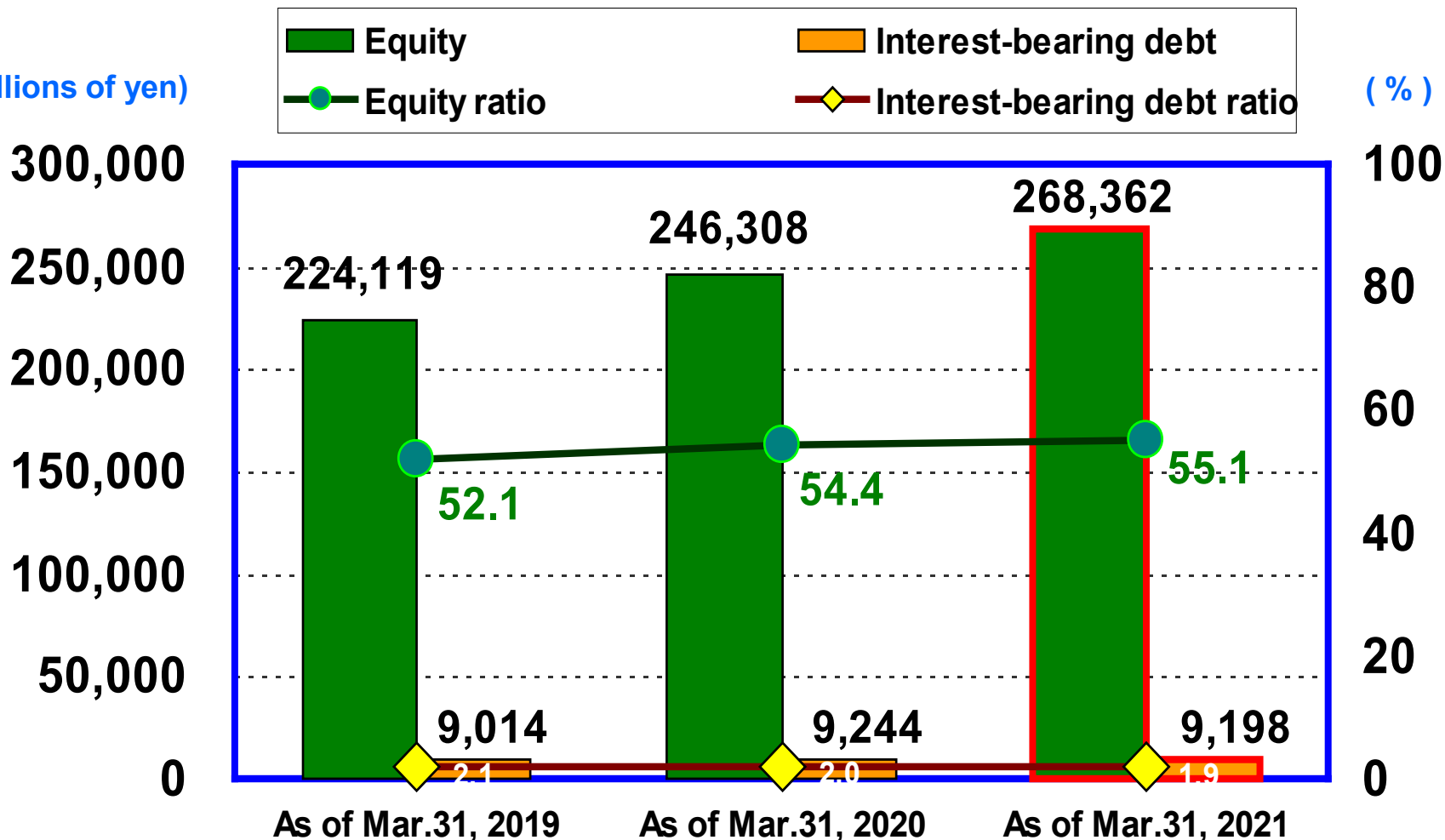
[Number of companies to which we make sales]
Customers with which we conducted transactions
in the first quarter (January – March)



Equity and Interest-bearing debt

(Millions of yen)

(%)



Key strategic business

<Amount of Sales>

(Millions of yen)

	1Q 2019	1Q 2020		1Q 2021		
	Amount	Amount	Change to Last year	Amount	Difference to Last year	Change to Last year
“tanomail”	41,509	42,947	+3.5%	45,129	+2,182	+5.1%
SMILE	2,706	2,894	+6.9%	2,457	-437	-15.1%
ODS	14,231	13,670	-3.9%	13,466	-203	-1.5%
OSM	18,530	20,500	+10.6%	24,245	+3,744	+18.3%

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

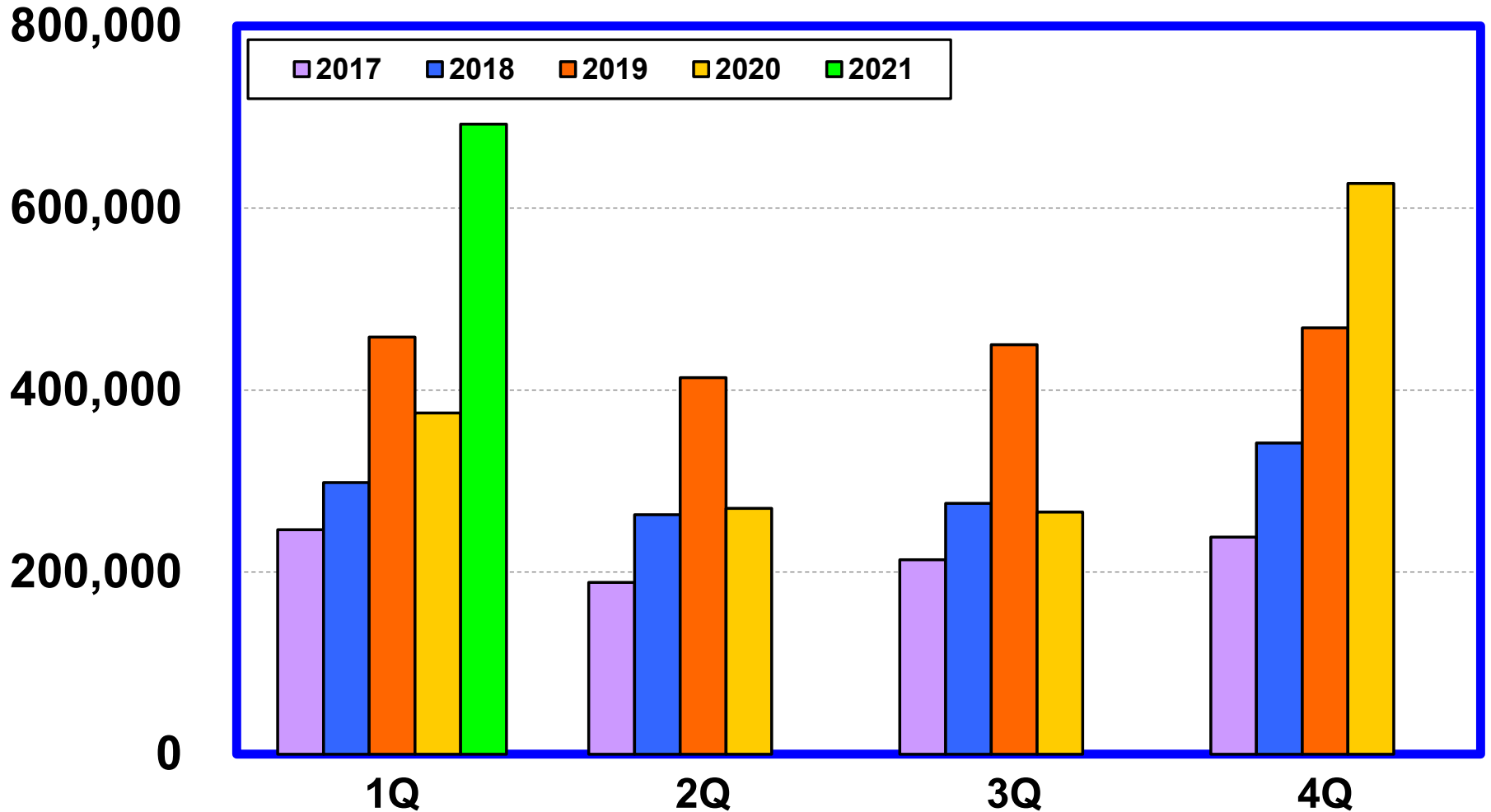
<As reference: Number of Sales>

(Units)

Copier	10,507	9,486	-9.7%	9,836	+350	+3.7%
(of which Color copier)	10,203	9,259	-9.3%	9,572	+313	+3.4%
Server	8,254	7,155	-13.3%	6,503	-652	-9.1%
PC	458,136	374,780	-18.2%	692,078	+317,298	+84.7%
Client Total	469,499	385,596	-17.9%	813,193	+427,597	+110.9%

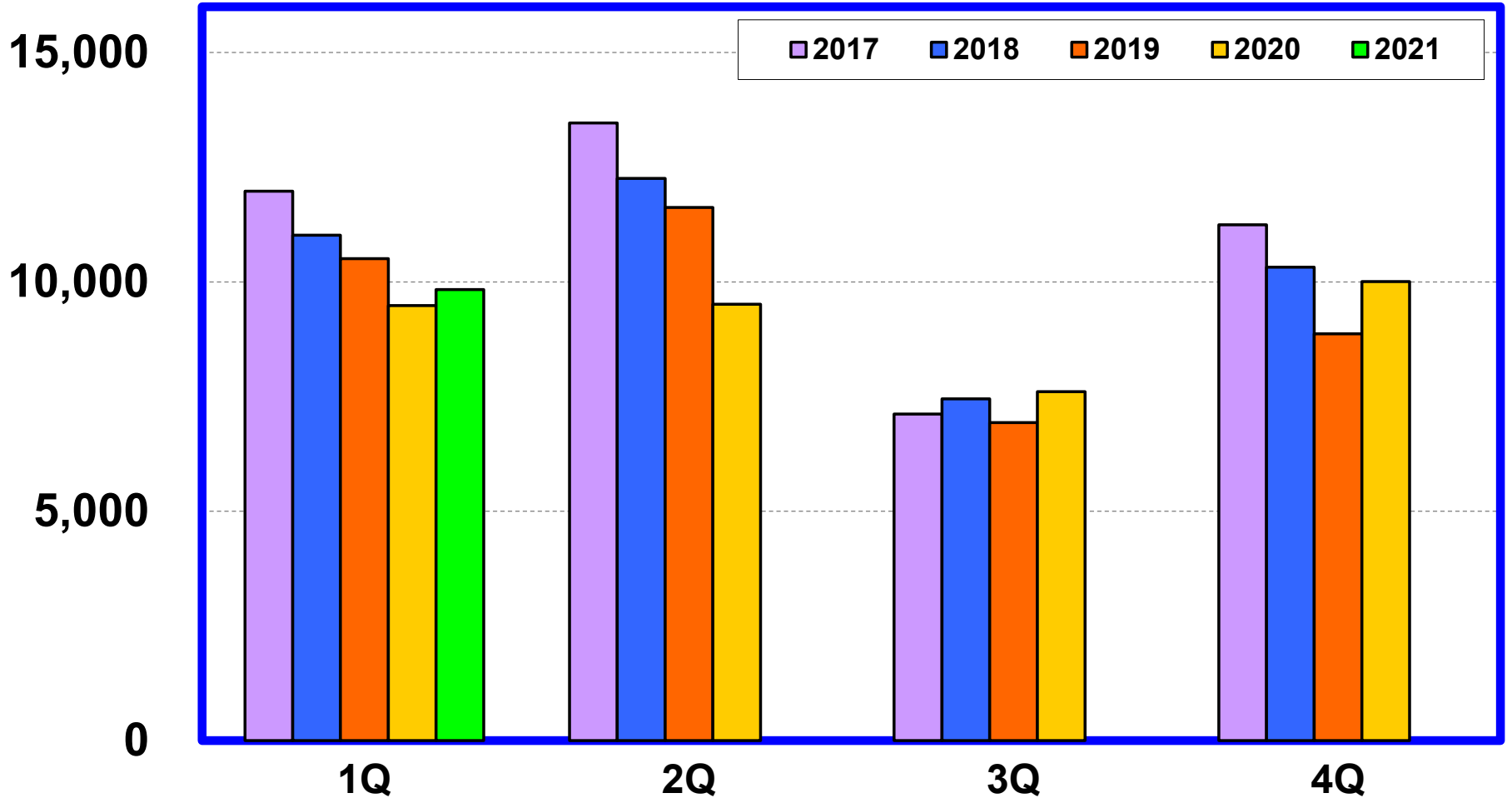
Quarterly Number of PCs Sold

(Units)



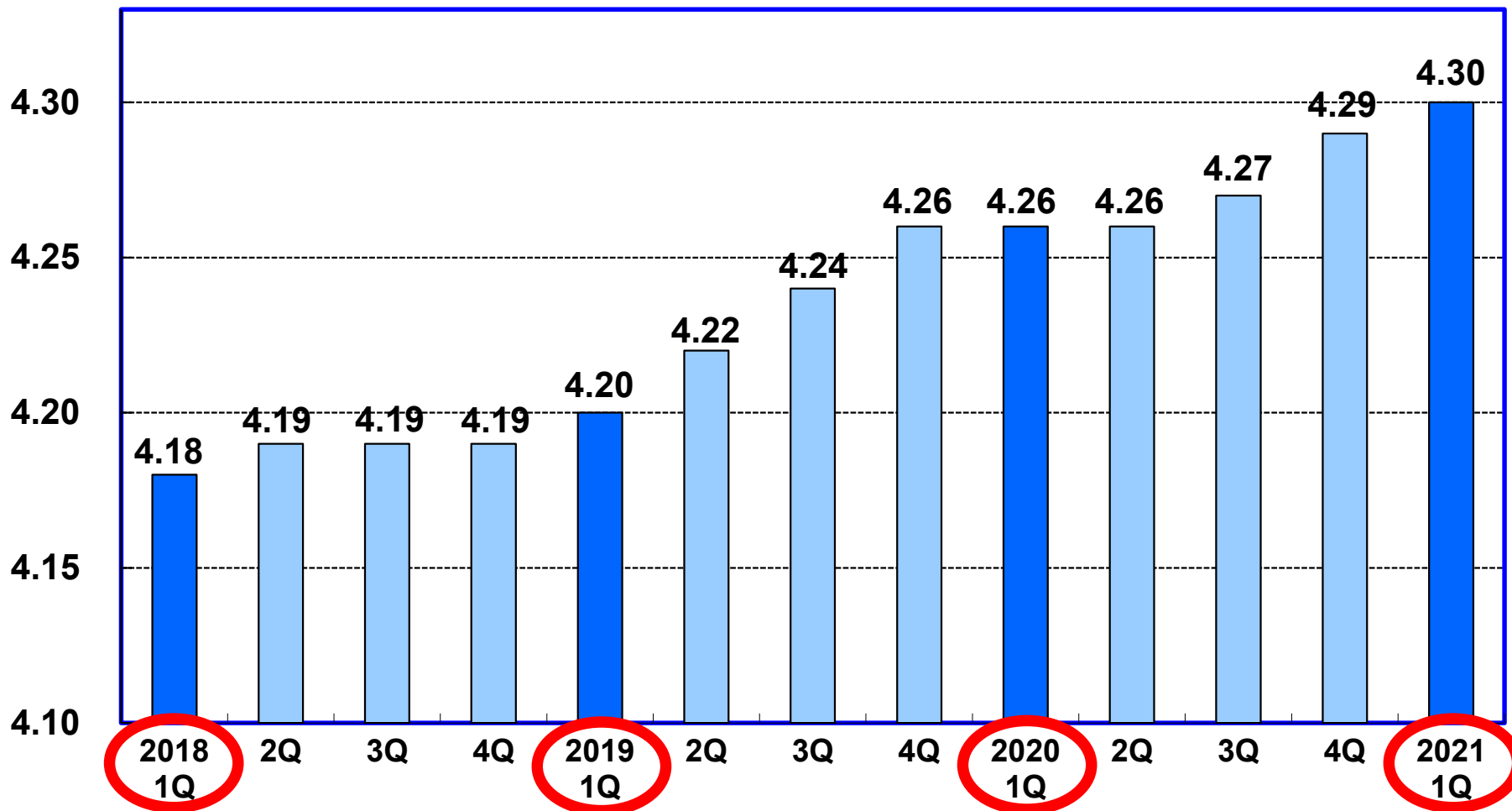
Quarterly Number of Copiers Sold

(Units)

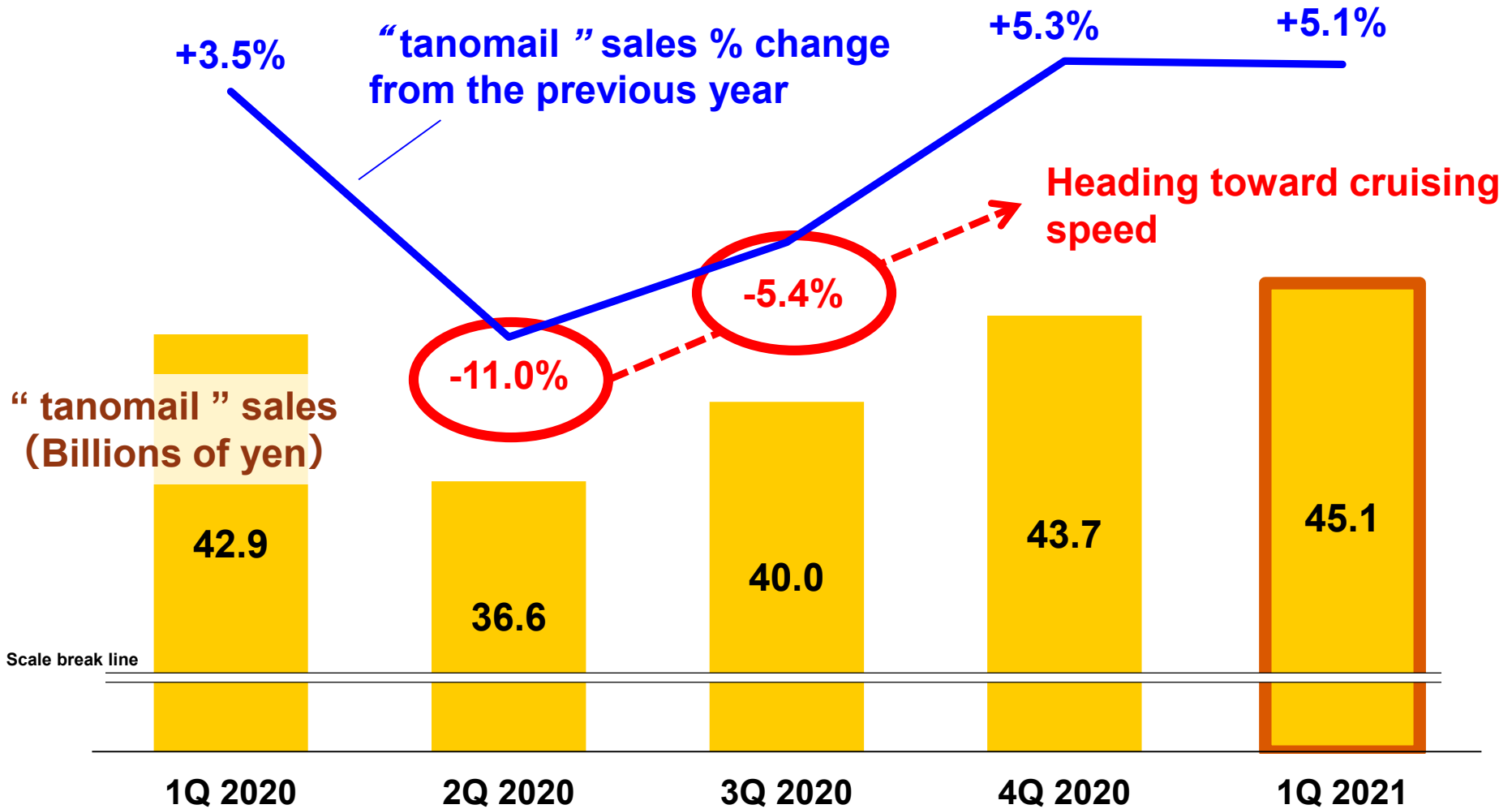


Trends in the number of products per one company

(Products) (Copier customers)



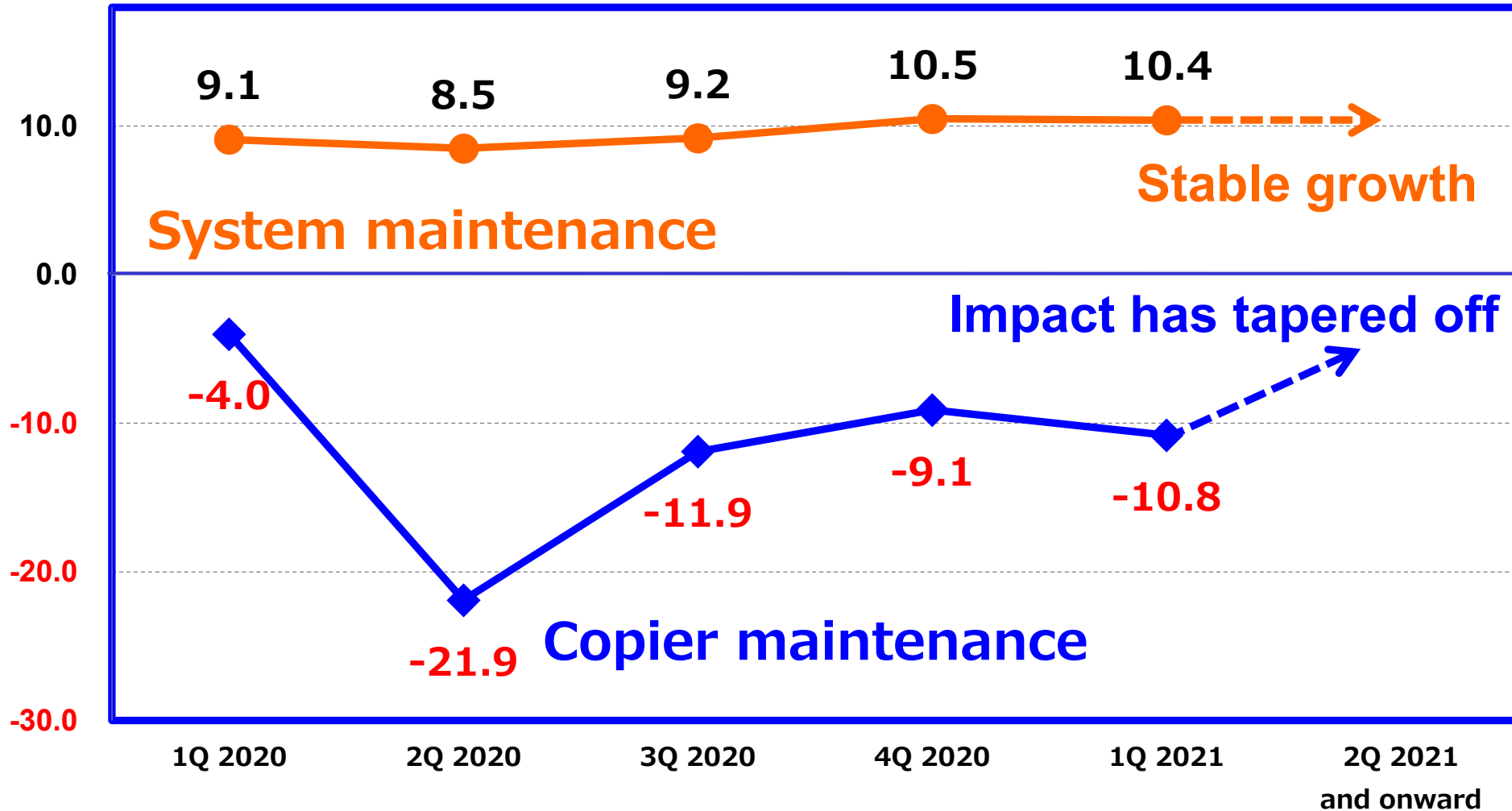
Quarterly sales transition of “tanomail”



Non-Consolidated

Trends in % changes in sales of copier maintenance and system maintenance

(%)



Obtained “DX certification”

■ April 1, 2021 Obtained certification as a “DX-certified business operator*”

※ A business operator that is certified by the government as a company that complies with the basic matters of the Digital Governance Code based on the Act on Partial Revision of the Act on Facilitation of Information Processing that came into force on May 15, 2020.



Digital Transformation Certification

Certified business operators as of April 1: 69 companies

■ Share and provide our practical know-how about DX with customers more widely than ever before

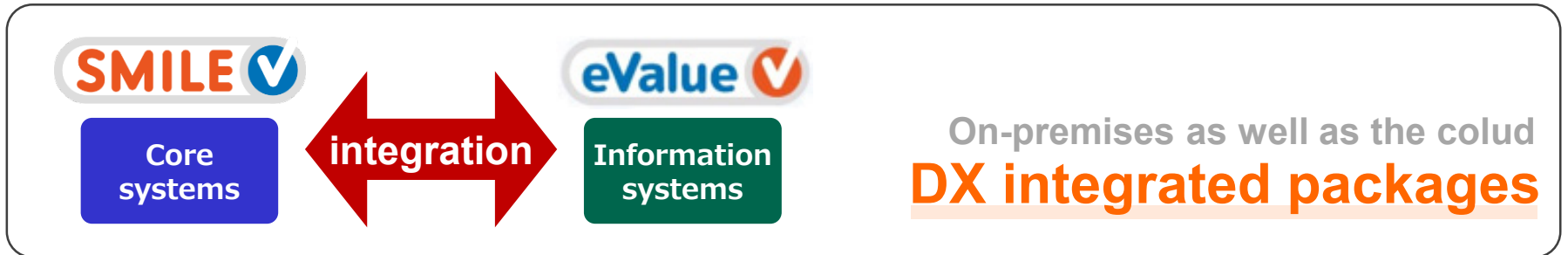
Support that starts from “Building a DX foundation”

Realizing DX is essential for enabling customers to respond to changes in the business environment and establish a competitive advantage. But from where should they start ...?



↳ **First start support from “Introduction of IT tools”**
Propose an optimal route that starts from “in-house practical implementation” and “abundant case studies”

DX integrated packages



“Increase office productivity! Five pillars for practical implementation of DX 5”



* From April 2021, Start catalog distribution



■ Paperless

(Compliance with Electronic Books Maintenance Act, electronic contracts, workflow, etc.)

■ Telework

(Remote access, data sharing, visualization of business etc.)

■ Communication

(Web conferences, smartphone internal extensions, Wi-Fi6, etc.)

■ Security

(UTM, antivirus measures, backup, log management, authentication, etc.)

■ AI/IoT/RPA

(Thermal cameras, chatbots, smart glass, RPA, etc.)

Jissen (Practical) Solution Fair

- Results in attracting customers to online venues
Approximately 3,700 companies
(approximately 4,300 persons)



**Jissen (Practical) Solution Fair 2021
Held Online this year**



[Reference]

Results in attracting customers to real venues
Approximately 230 companies
(approximately 320 persons)

* A private showing for sales personnel is held on the last day of each venue

Exhibition corner (excerpt)

Telework	Digitization of documents	Security
Line/ Networks	Practical implementation DX office	Automation of business work (AI / IoT / RPA)



[2021 Order Rate]

(Online + Real)

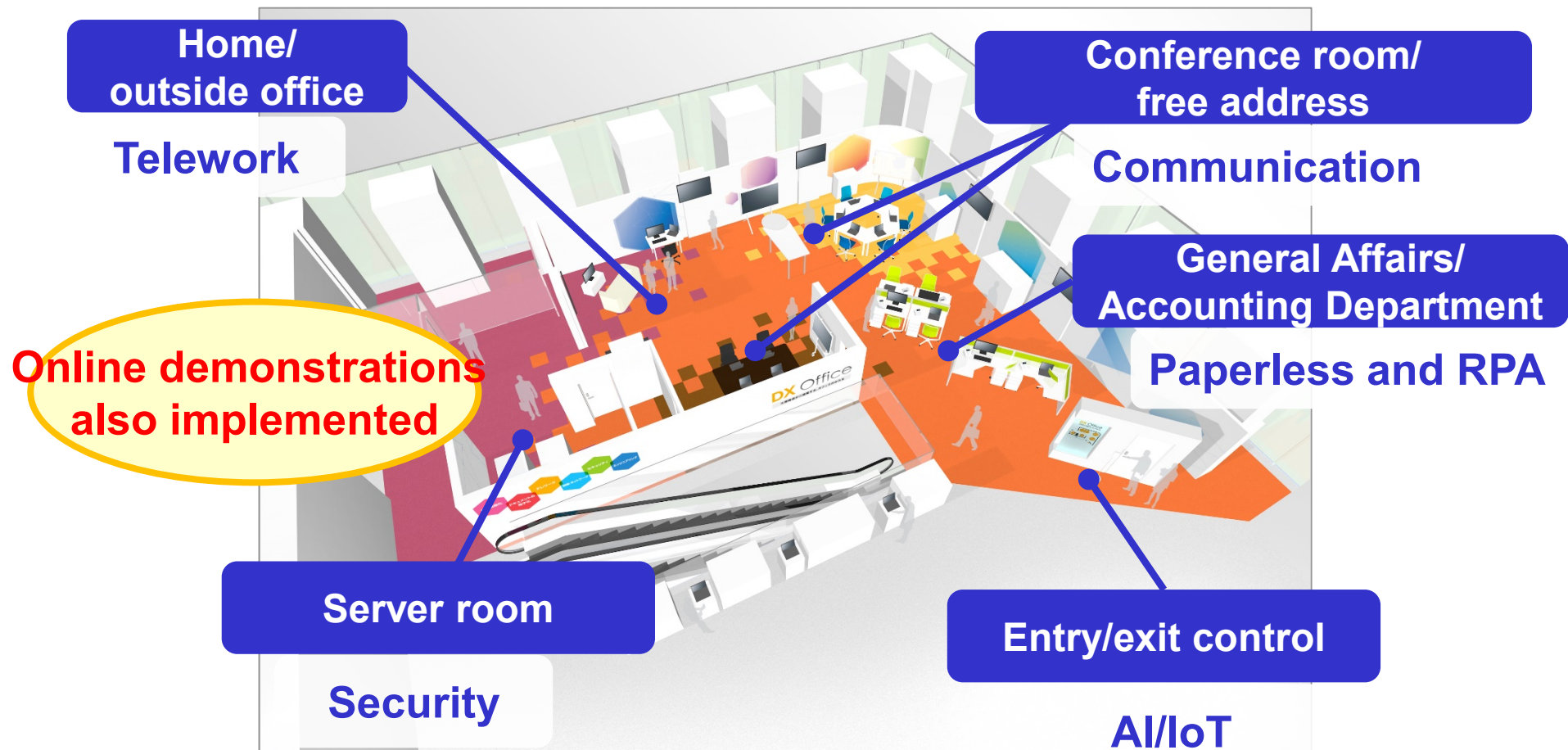
* Number of companies ordering ÷ Number of venue visitors

24.6% (8.2% in the previous year)

DX office

Recreate the “ Jissen (Practical) Solution Fair ” exhibit at the head office

Realize a location that enables the “actual business work” to be envisioned and connect this to an “awareness” of issues and needs



Document solutions

A variety of solutions that are unique to OTSUKA,
which is a multi-vendor

Document solutions



Telework/confirming
materials when
outside the office

Forwarding



Receive fax



Pop-up notifications



Rename/
automated sorting

Improve business
productivity

Digitization of paper documents



Prepare an abundance of document solutions

- Workflow (Electronic approval)
- Digitization of contracts
- Strengthen security
- Streamlining billing work and account settlement work
- Business card management
- Connection with various cloud services
- Warehouse custody/
dissolution processing services
- Time stamp
- Log analysis
- OCR (AI-OCR)

Advanced actual cases that incorporate new technology

Continue to take on challenges based on free-ranging thinking

 dotData

Cutting-edge AI also for SMEs
(provide at affordable prices)



Management Support Services

(Problem-solving platform for customers)



Ensure the happiness of working people

Happiness Planet

Happiness level sensor using IT

Drone school
(Certification system support)

Support for
BCP measures

Battery recharging/
electricity storage
AI-based water circulation system
(Contribute to solving
the world's water problems)

Power generators that use LP gas
(Utilize environmentally friendly energy)

Utilize drones
(Disaster
countermeasures, etc.)

Support for
COVID-19
measures

[Support for
local governments]

Covid-19 vaccine
Integrated management
system

Reception/reservation system
Reports using RPA/
guidance robots

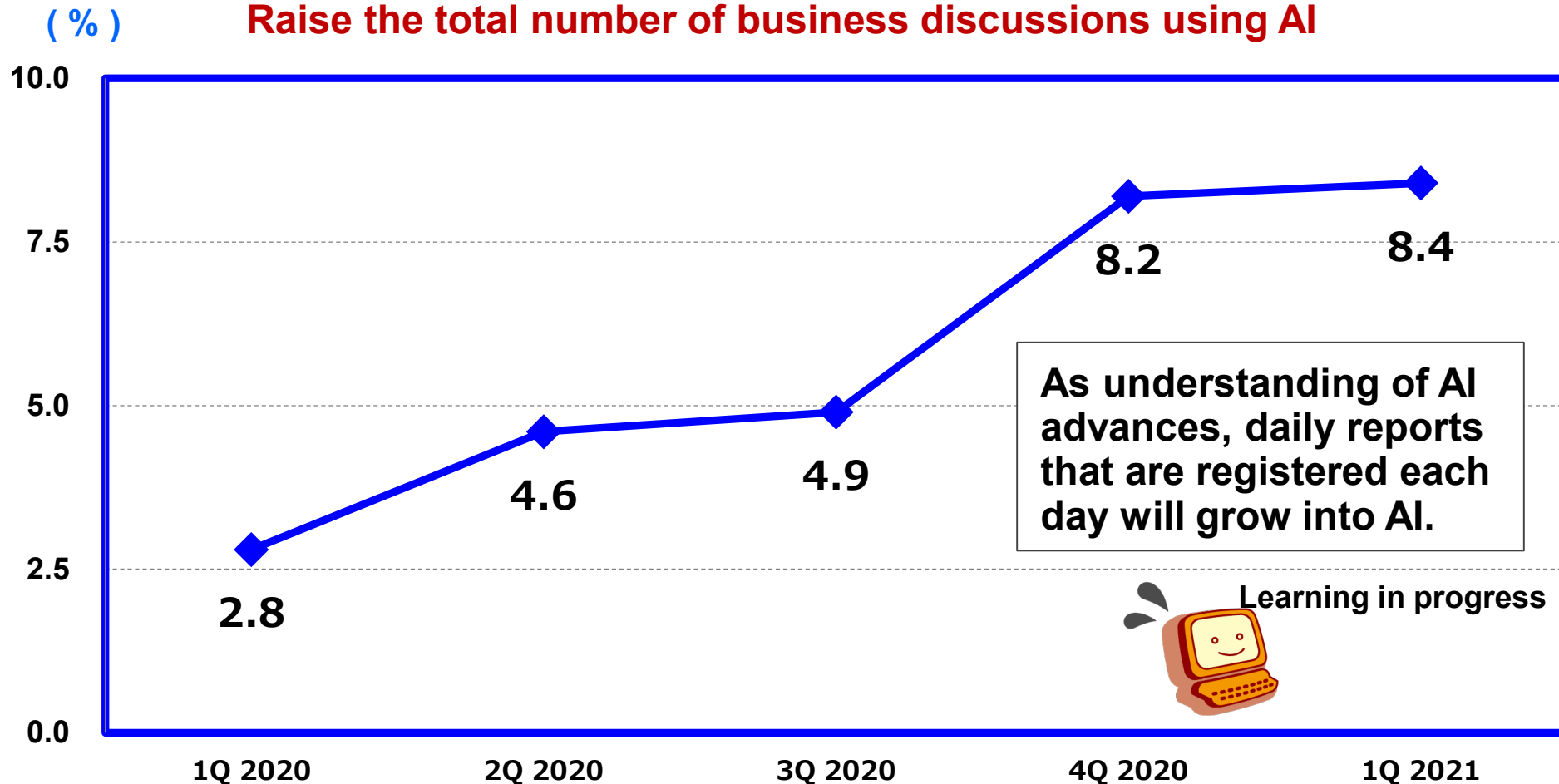


AI that grows

“Otsuka Strategy II”

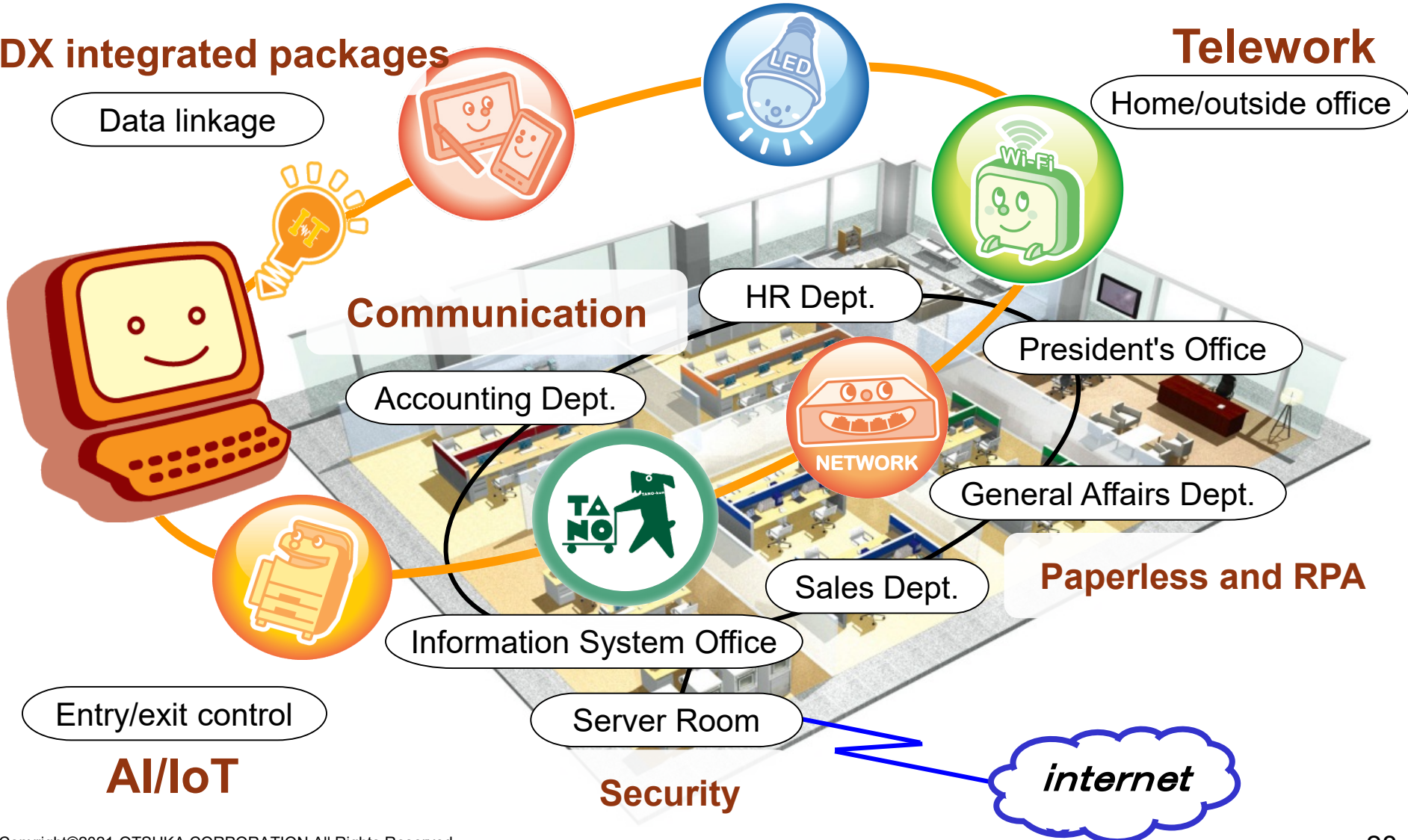
[% increase of business discussions]

Raise the total number of business discussions using AI



OTSUKA CORPORATION for the Entire Office

DX integrated packages



Plans for FY 2021

(Millions of yen)

	Consolidated		
	1Q 2021 (Result)	1H 2021 (Plan)	FY 2021 (Plan)
Net sales	239,350	449,950	865,000
Operating profit	16,699	32,000	58,100
Ordinary profit	17,238	32,500	59,000
Profit* (*Profit attributable to owners of parent)	11,486	21,680	39,550

Community

Customers

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

**Shareholders
Business Partners**

Employees

Cautionary statement

1. This material is intended to provide information about the business performance of the 1st quarter of fiscal year 2021 and strategy of the OTSUKA CORPORATION and Group companies. It is not intended and should not be construed as an inducement to purchase or sell stocks of OTSUKA CORPORATION.
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