



**Fiscal year ending December 2021**  
**Nine months** (January – September)  
**Business Results**

**October 29, 2021**

**OTSUKA CORPORATION**

# Summary of Business Results, January – September, 2021

(Millions of yen)

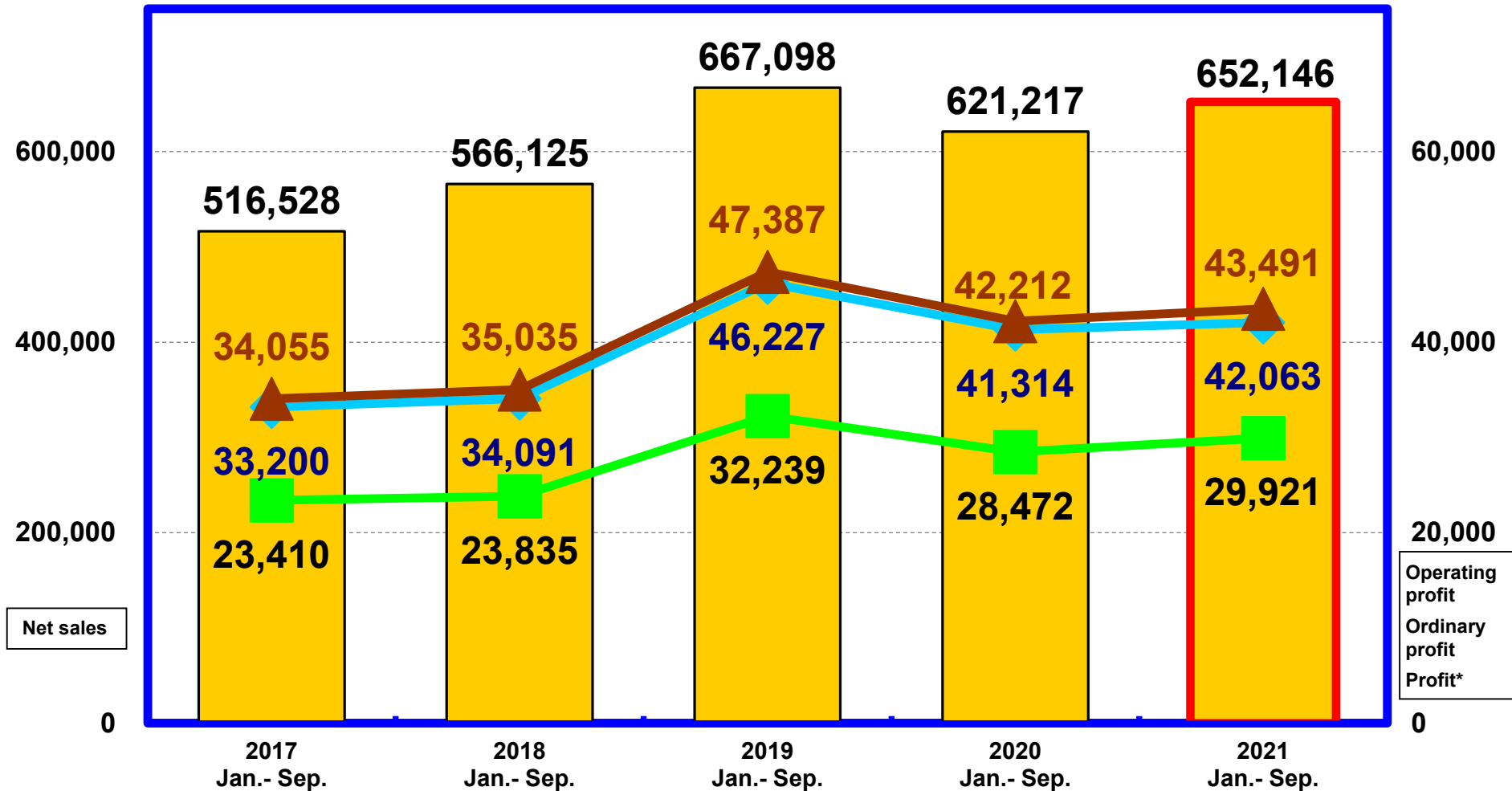
	Consolidated		Non-Consolidated	
	Amount	Change to Last year	Amount	Change to Last year
Net sales	652,146	+5.0%	587,885	+6.0%
Operating profit	42,063	+1.8%	36,524	+0.4%
Ordinary profit	43,491	+3.0%	38,576	+0.5%
Profit*	29,921	+5.1%	27,169	+2.1%

\*Profit attributable to owners of parent

Consolidated

# Net sales and Profits

Net sales    Operating profit    Ordinary profit    Profit\*  
\*Profit attributable to owners of parent    (Millions of yen)

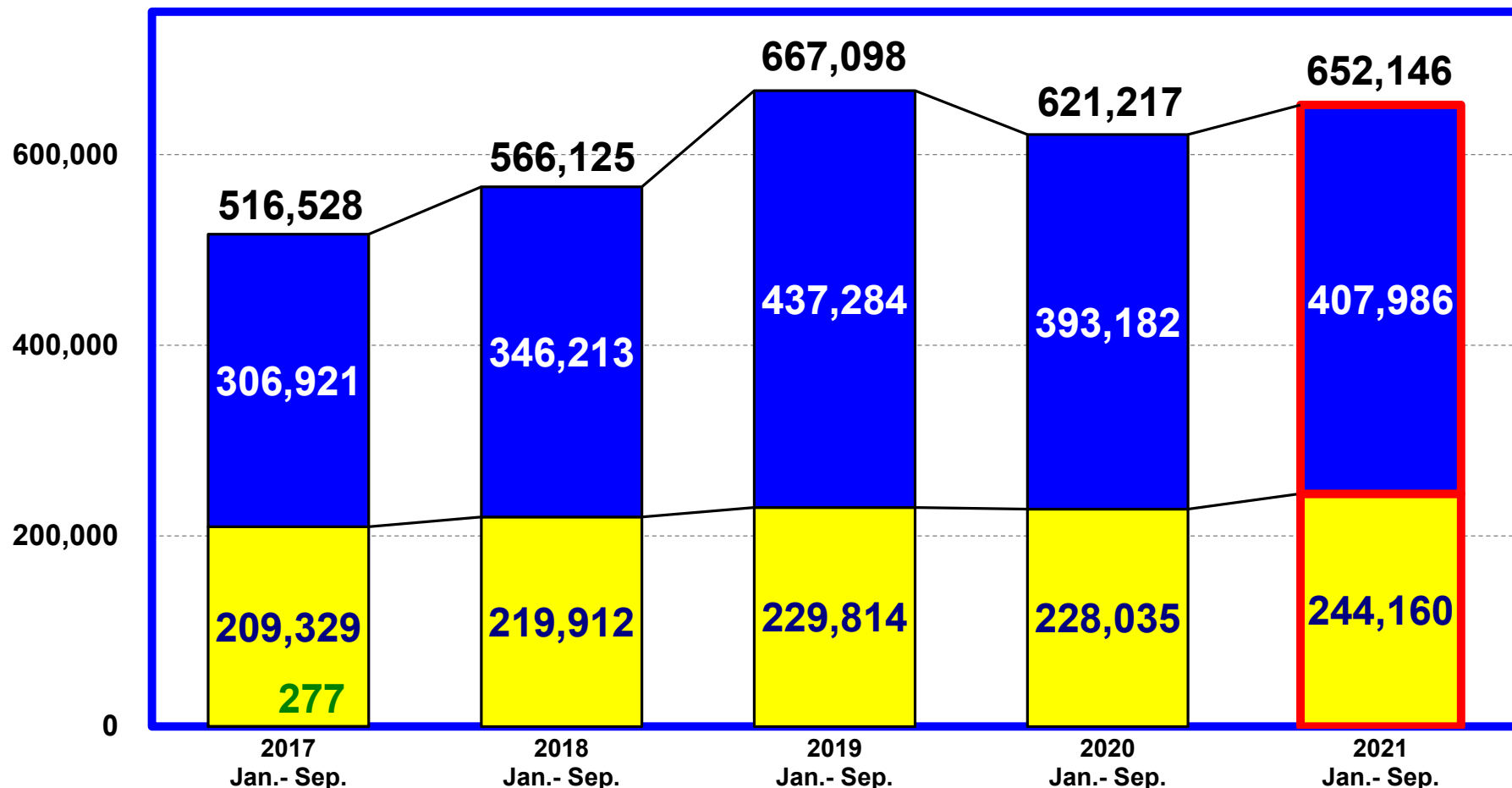


Consolidated

# Net sales by segments



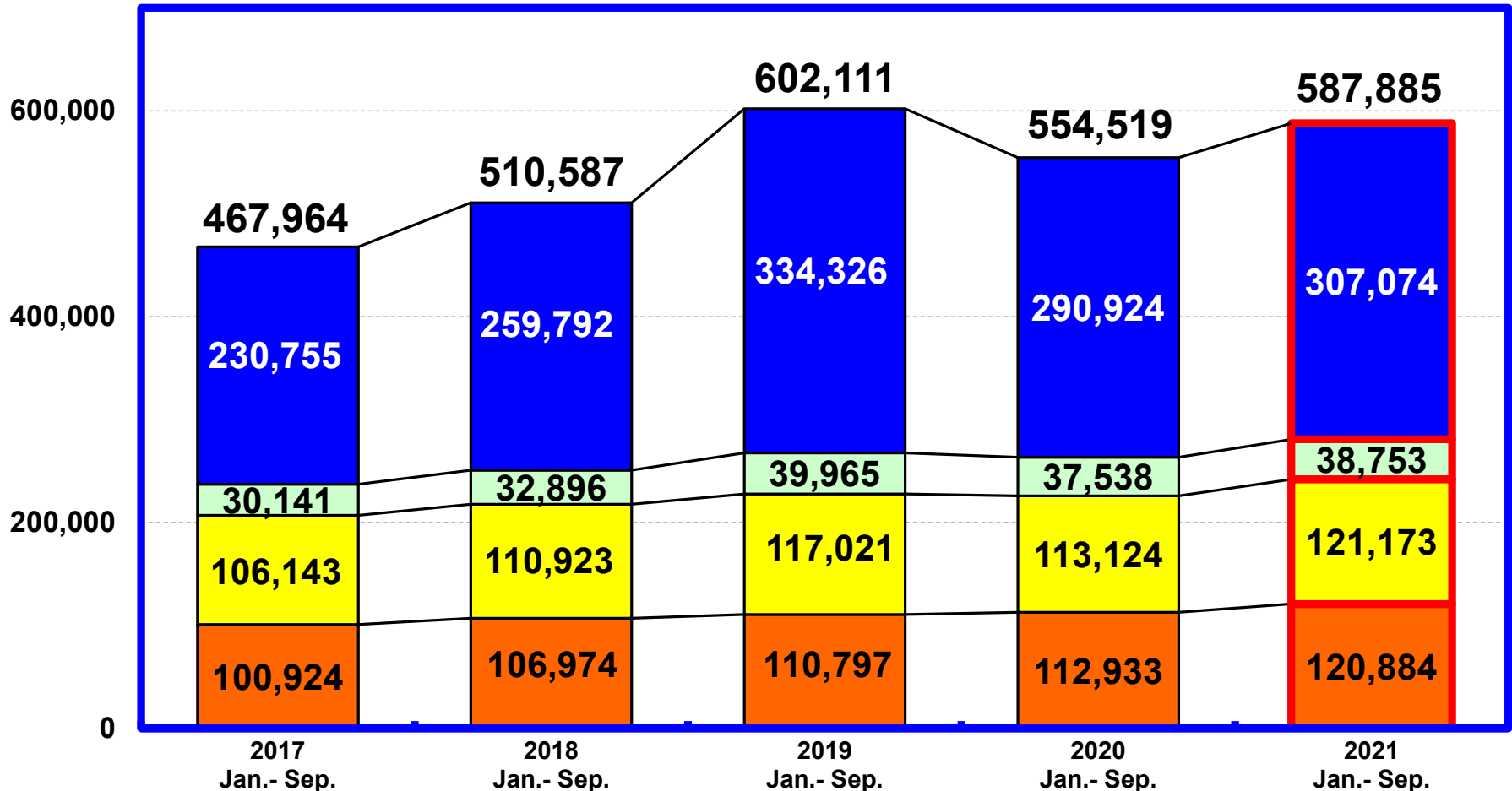
(Millions of yen)



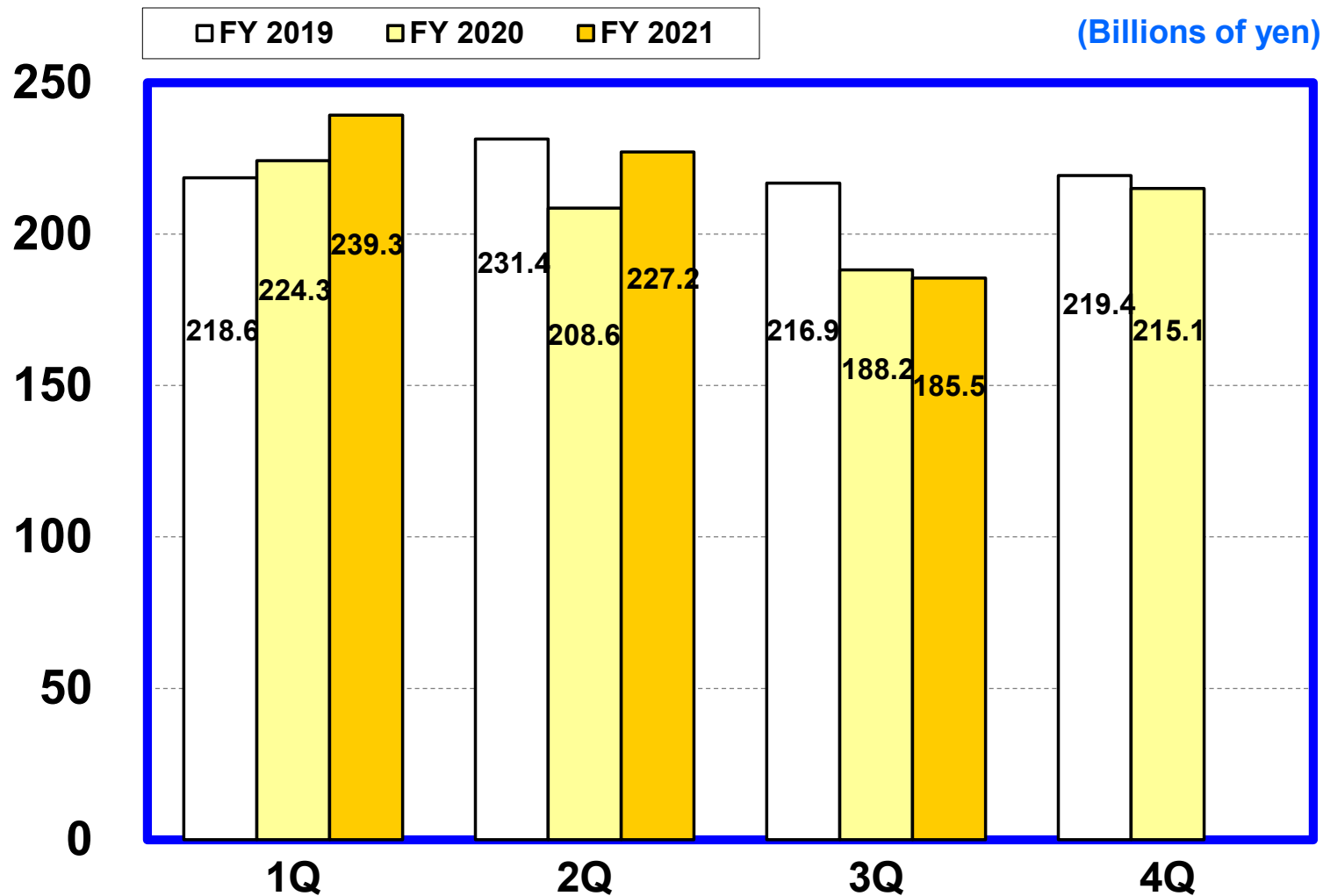
# Net sales by 4 segments



(Millions of yen)

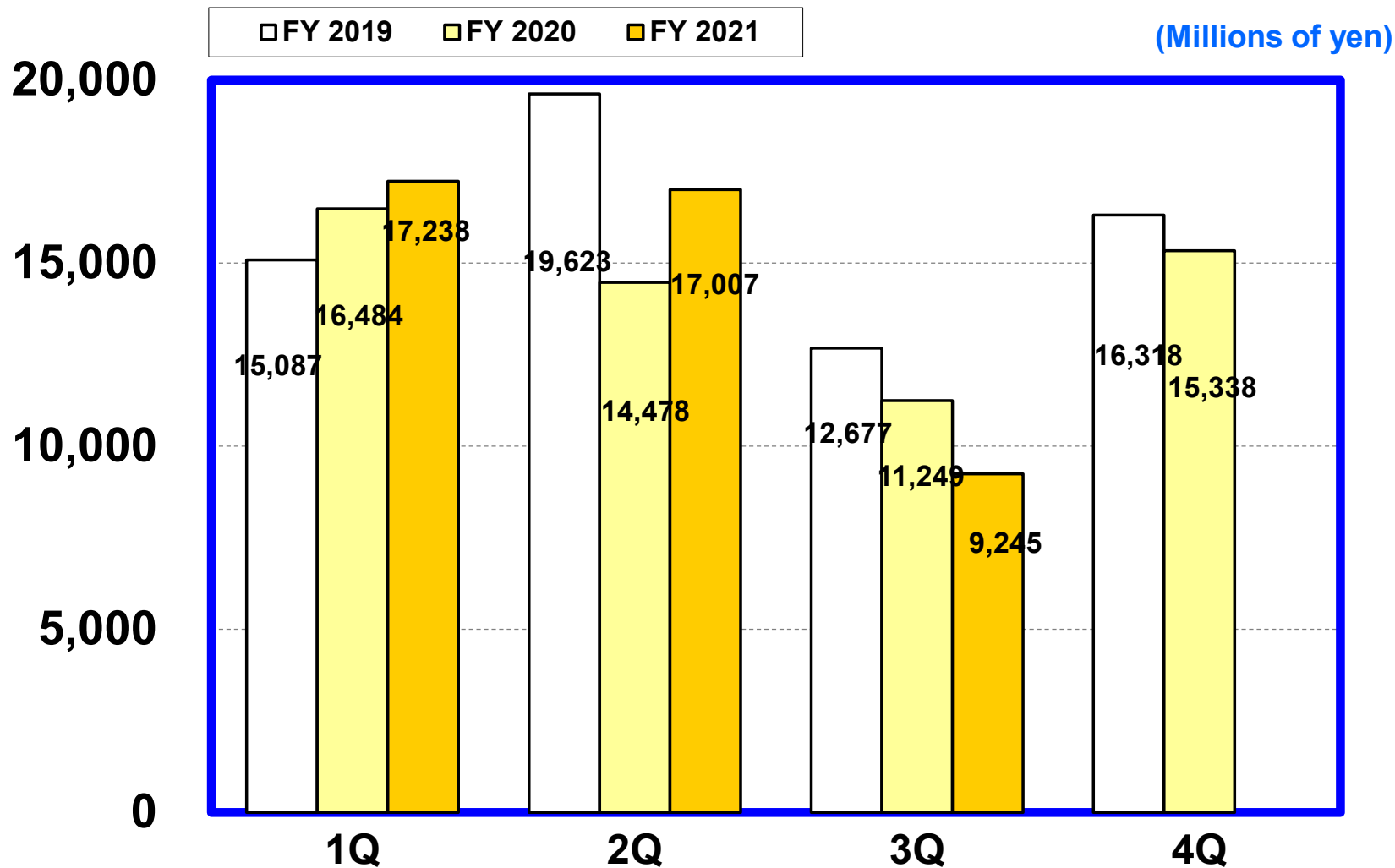


# Quarterly change of Net sales



# Quarterly change of Ordinary profit

Consolidated



# Summary of Business Results, July – September, 2021

(Millions of yen)

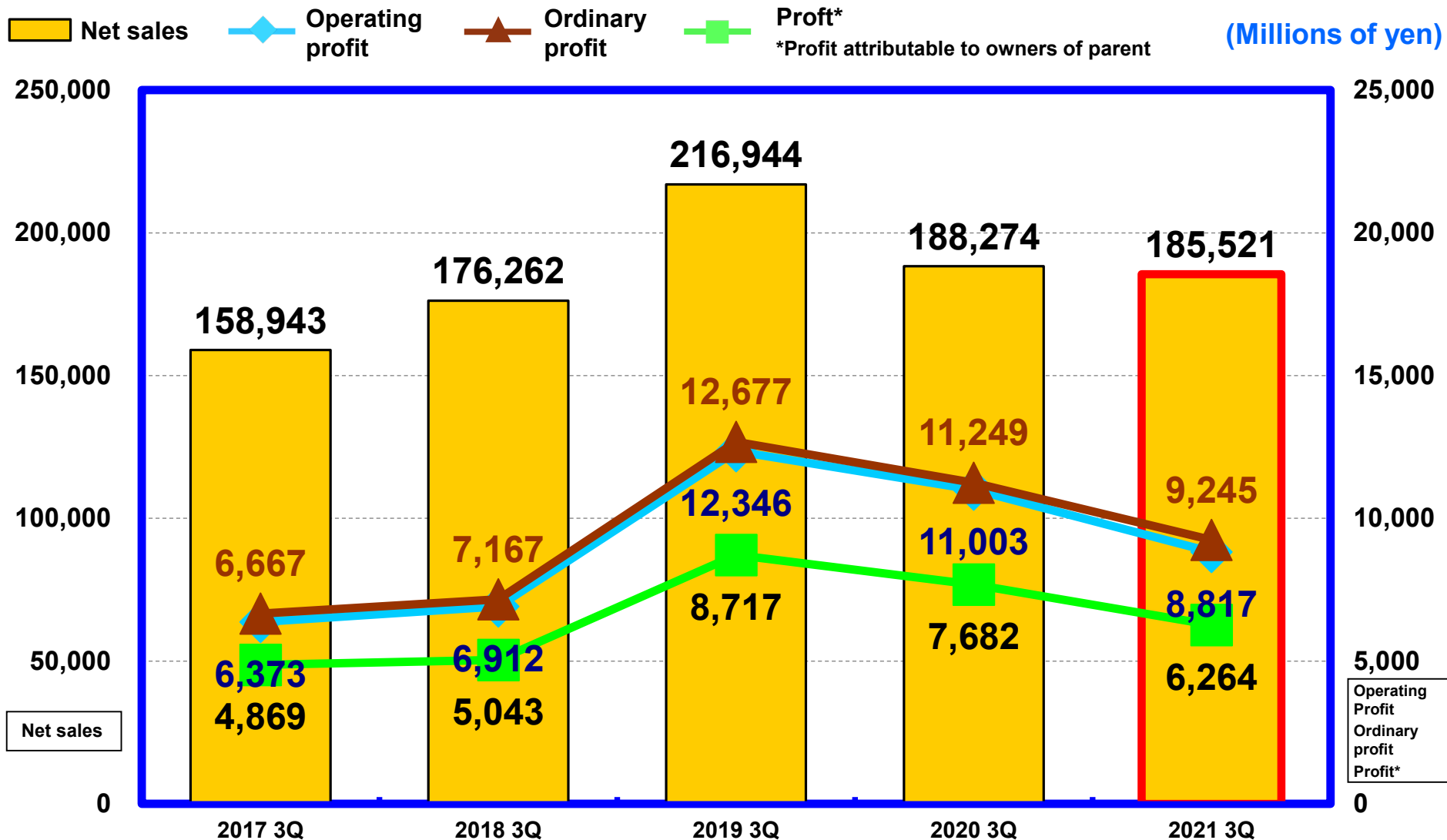
	Consolidated		Non-Consolidated	
	Amount	Change to Last year	Amount	Change to Last year
Net sales	185,521	-1.5%	164,115	-2.8%
Operating profit	8,817	-19.9%	6,979	-27.2%
Ordinary profit	9,245	-17.8%	7,340	-25.4%
Profit*	6,264	-18.5%	5,078	-25.7%

\*Profit attributable to owners of parent



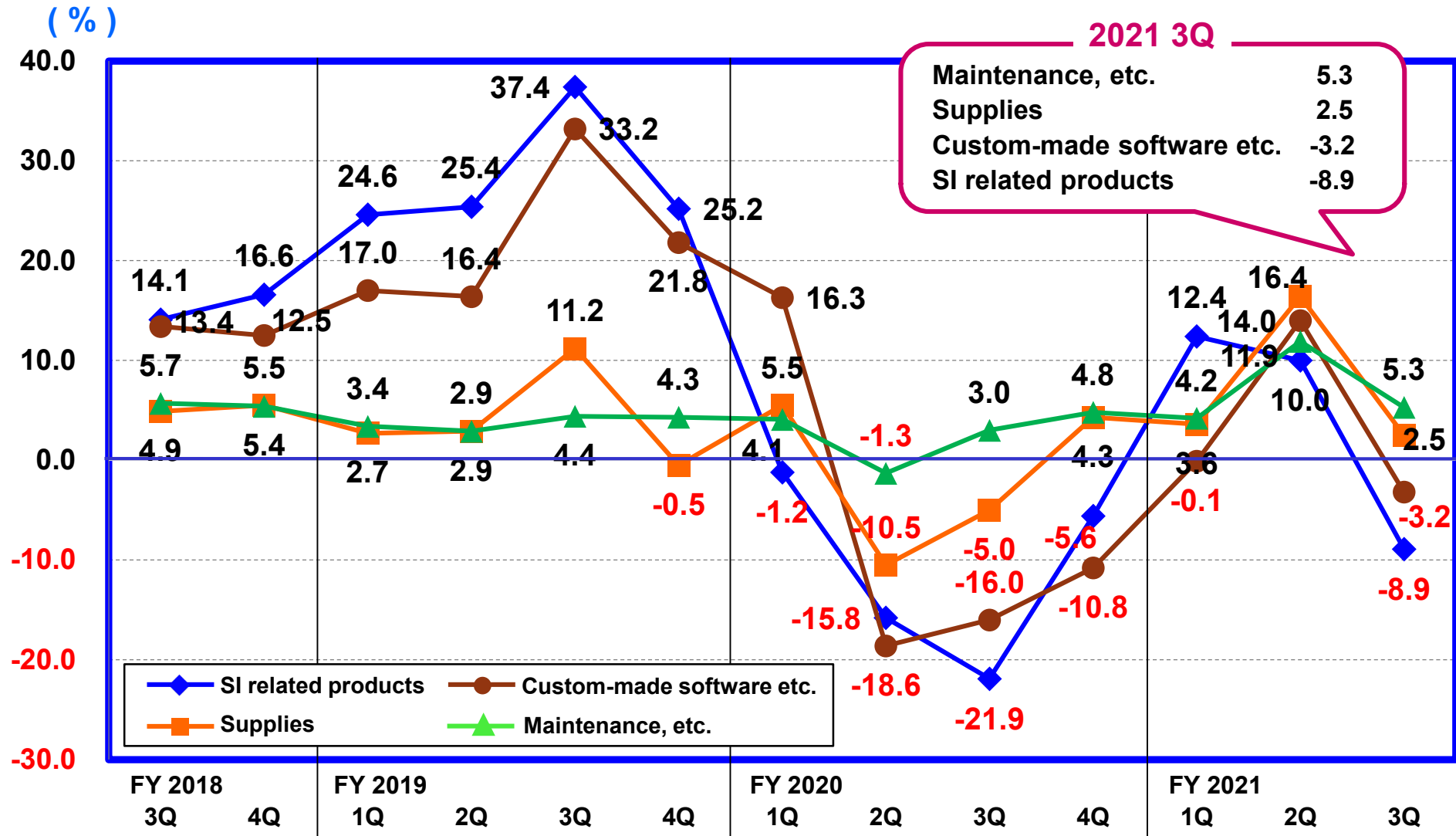
# Net sales and Profits, July – September

Consolidated



Non-Consolidated

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



# Trends in Persons Infected by COVID-19

The 5th wave of COVID-19 led to a rapid increase in the number of infected persons across Japan from mid-July and some offices were closed.

At OTSUKA as well, there was an increase in the number of infected persons, especially in July and August, and business discussions centering on solution proposals for customers were postponed or extended because of the unexpected number of close contacts working remotely from home.

— Number of infected persons at OTSUKA

0  
People

■ Number of infected persons nationwide

Source: Ministry of Health, Labor and Welfare Open Data

First wave

Second wave

Third wave

Fourth wave

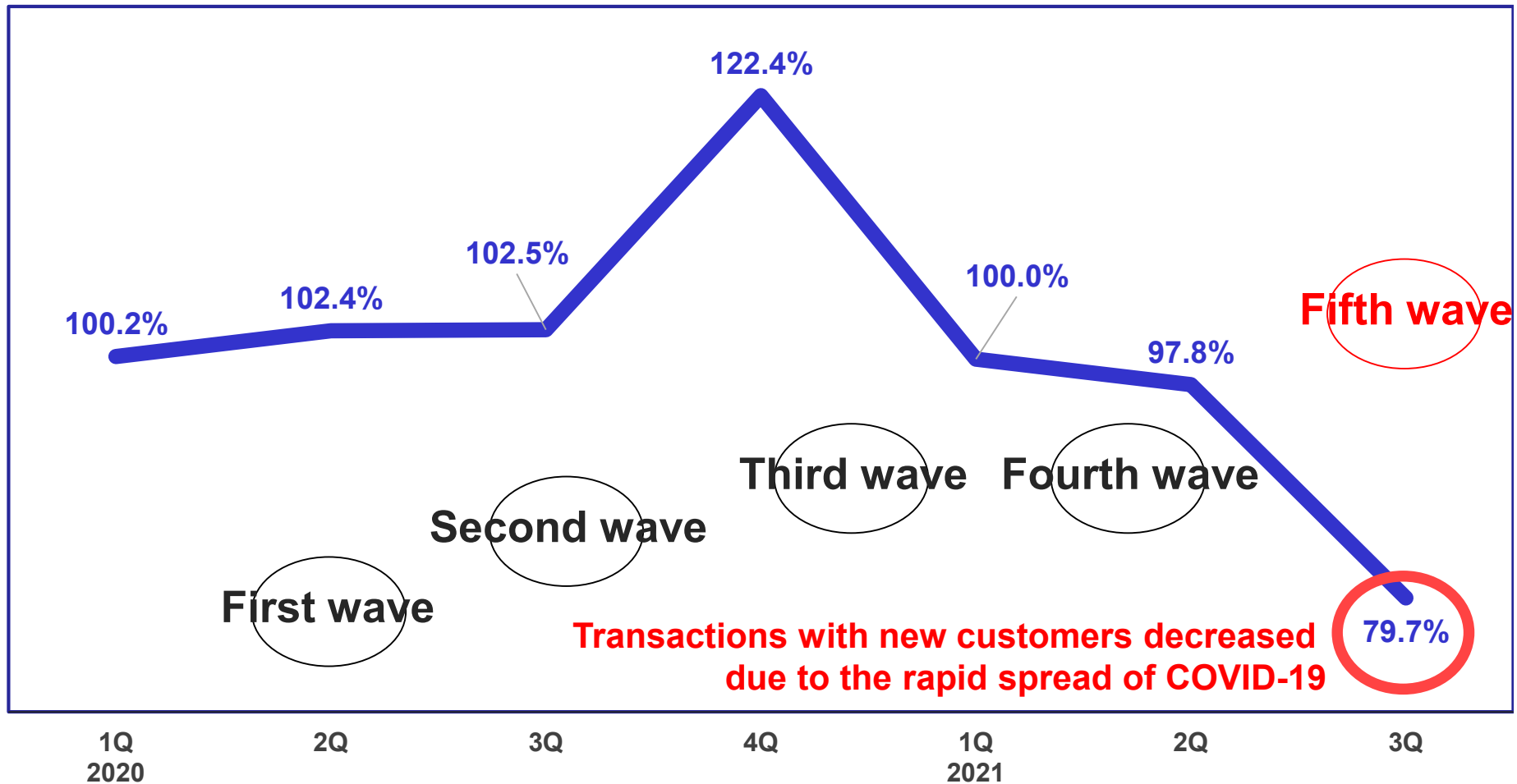
Fifth wave

2021 3Q

(July-September)

Apr. 2020 May. Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. 2021 Feb. Mar. Apr. May. Jun. Jul. Aug. Sep.

# Year-on-Year Percentage Change in the Number of New Corporate Customers



# Trends In the Number of Business Discussions and Project Actualization Rates

## Trends in project actualization rates

(number of actualized projects ÷ the number of business discussions)

OTSUKA secured customer contact points by utilizing online and other methods. However, time periods until the actualization of projects were postponed or extended, especially for projects involving core systems and copier solutions that require adjustments during the negotiation process.

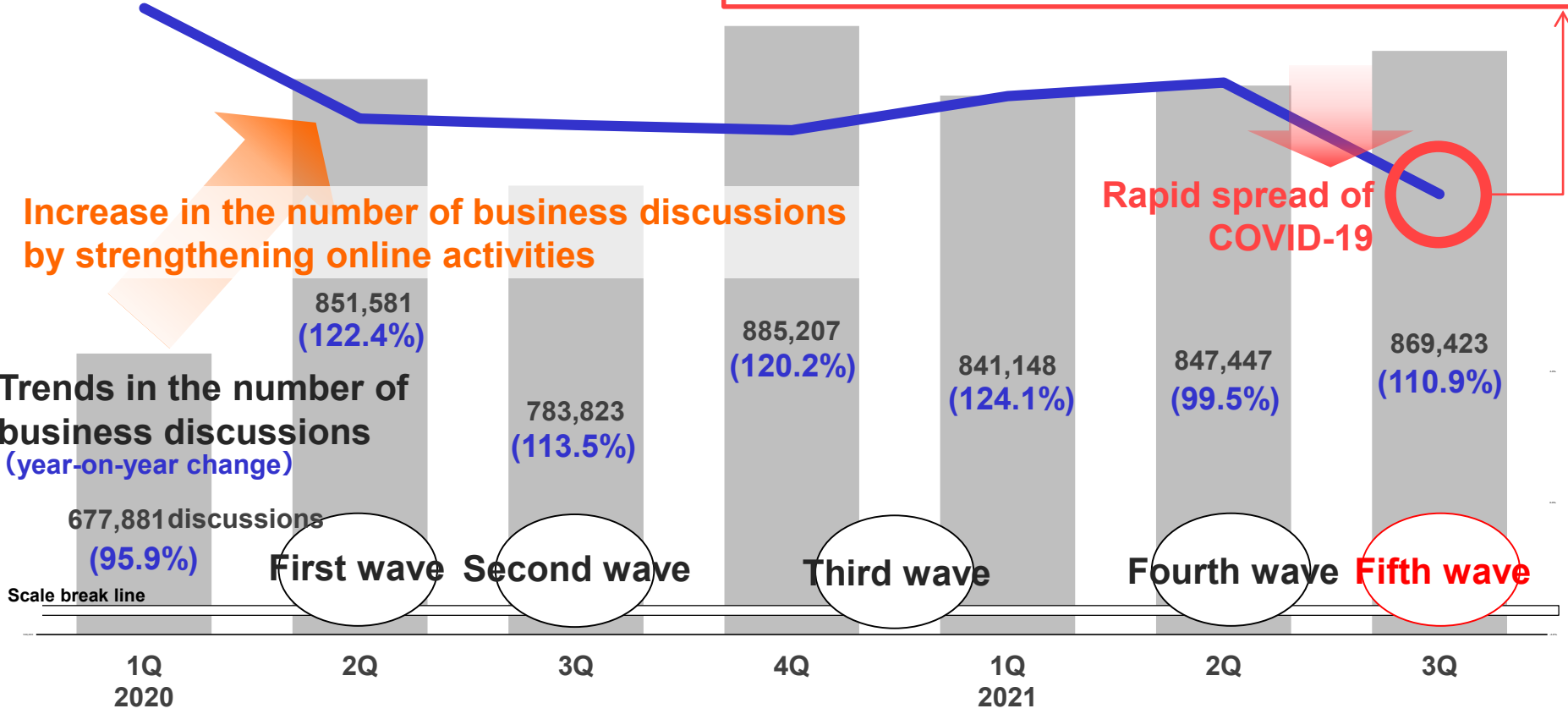
Increase in the number of business discussions by strengthening online activities

Rapid spread of COVID-19

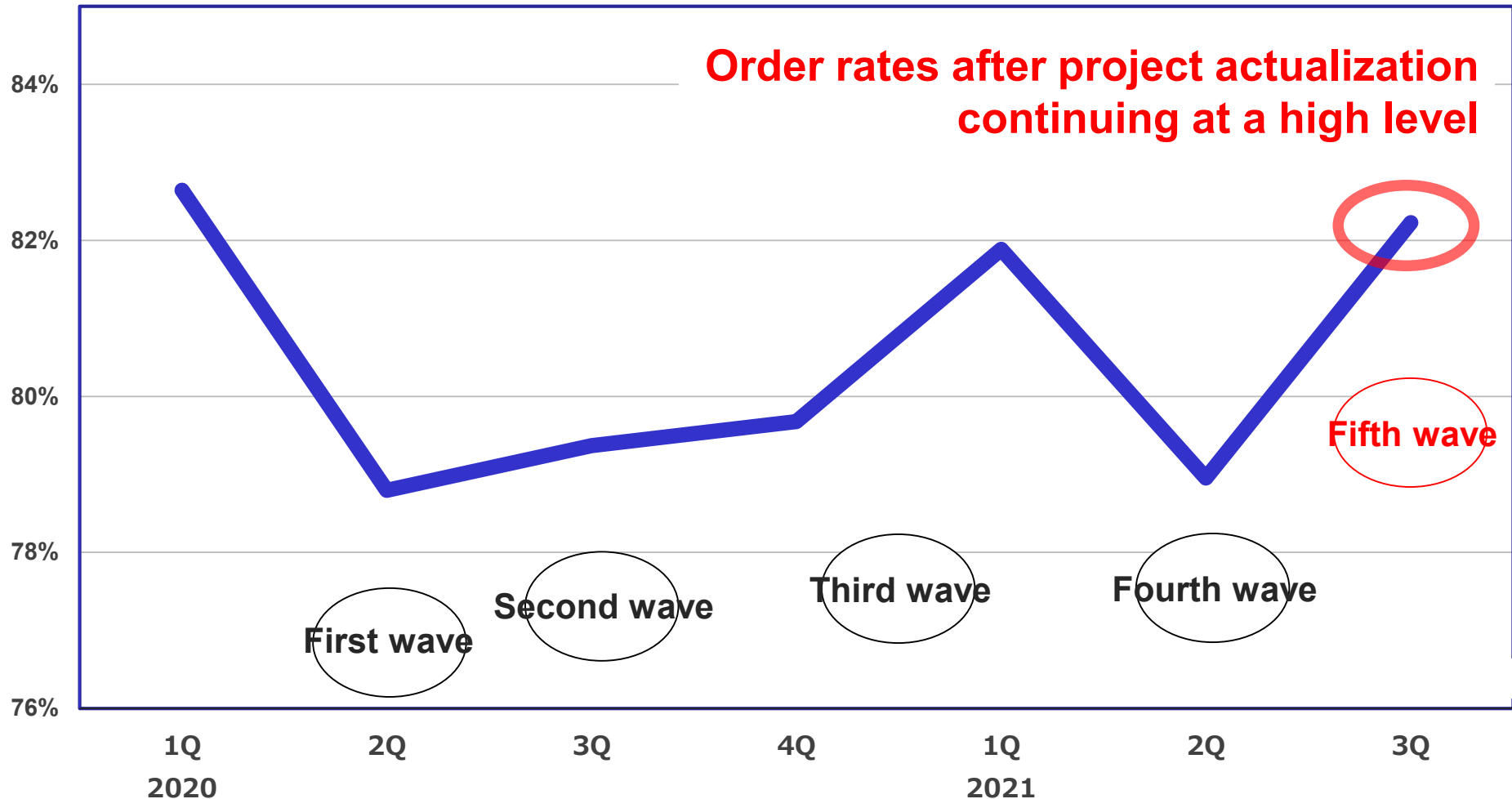
## Trends in the number of business discussions (year-on-year change)

677,881 discussions (95.9%)

Scale break line



# Trends in Order Rates After Project Actualization

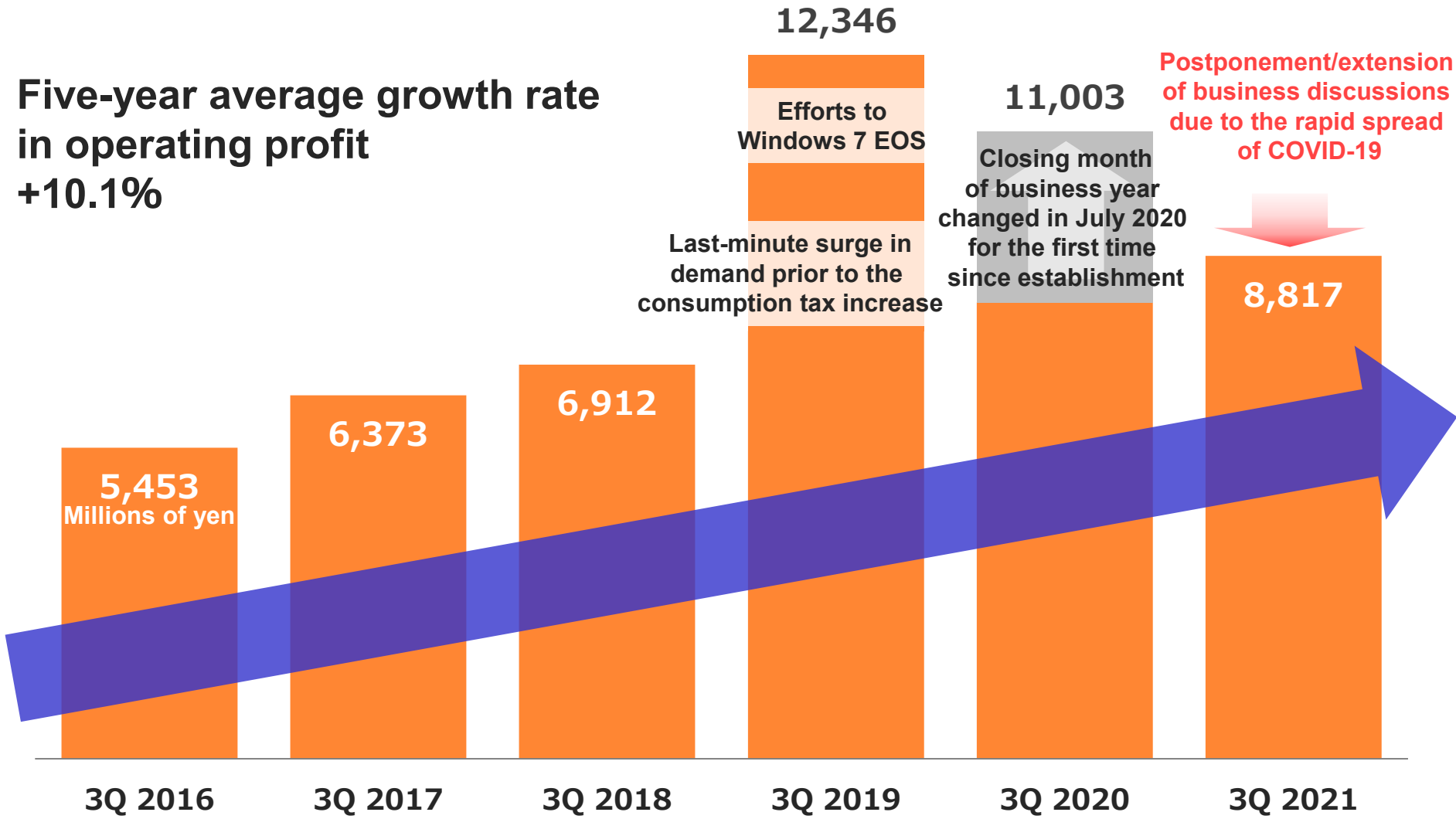


Consolidated

# July – September

## Trends in Operating Profit

Five-year average growth rate  
in operating profit  
**+10.1%**



Consolidated

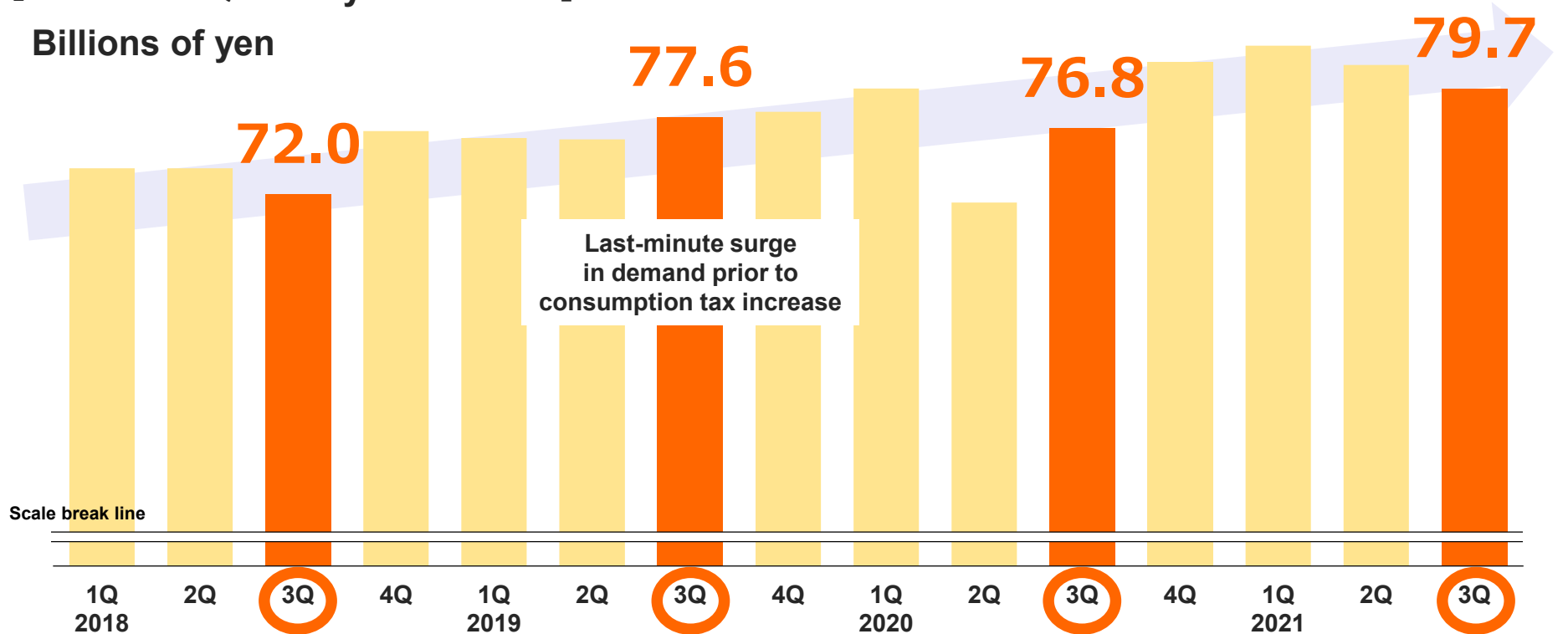
# Trends in Quarterly S&S Sales

Sales in S&S business trending firmly. Sales reached an all-time high for a 3Q, surpassing those of 2019 when there was a last-minute surge in demand prior to the consumption tax increase.

New all-time high  
for 3Q

## 【 Trends in Quarterly S&S Sales 】

Billions of yen

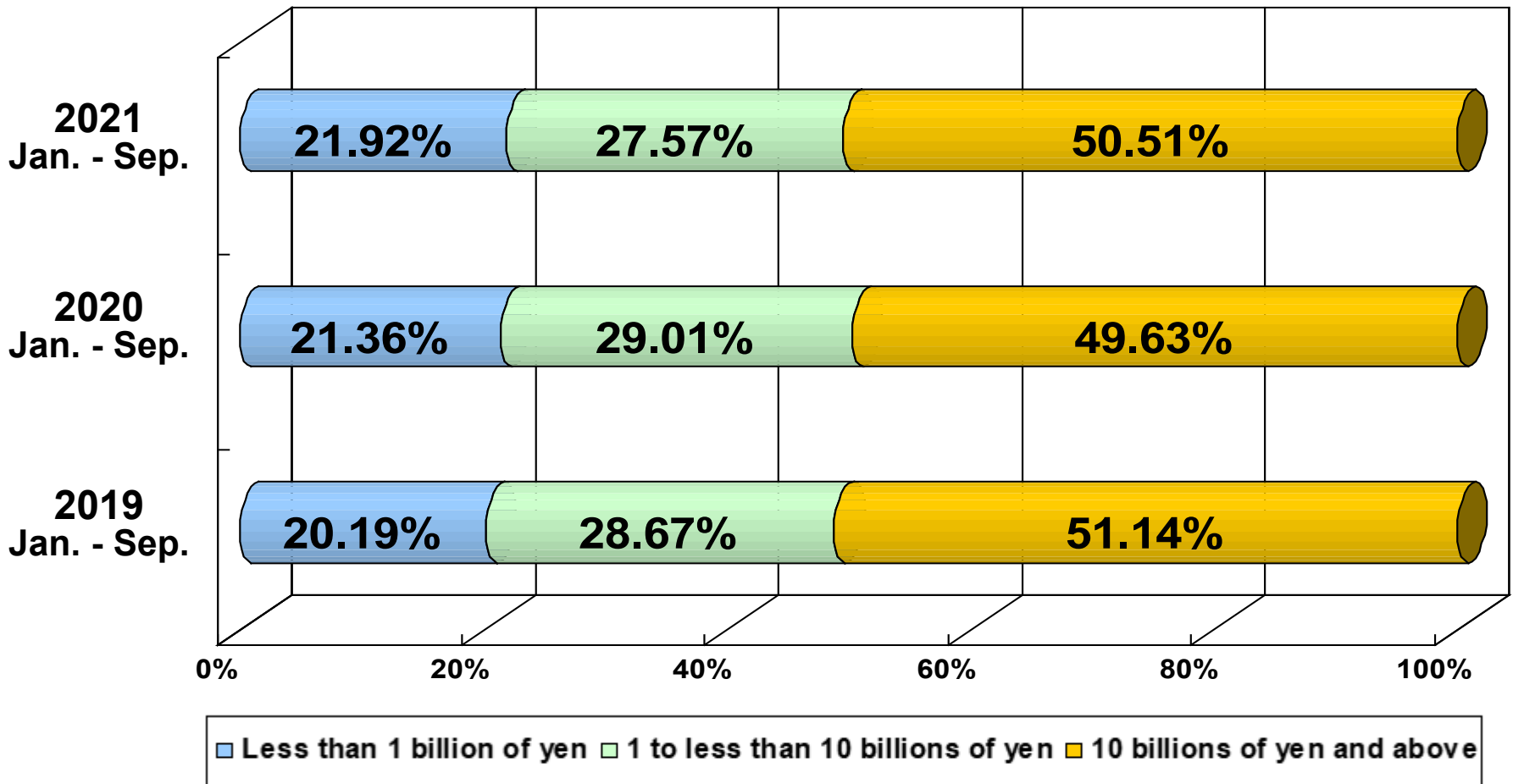




# Summary of the Third Quarter of 2021 (July - September)

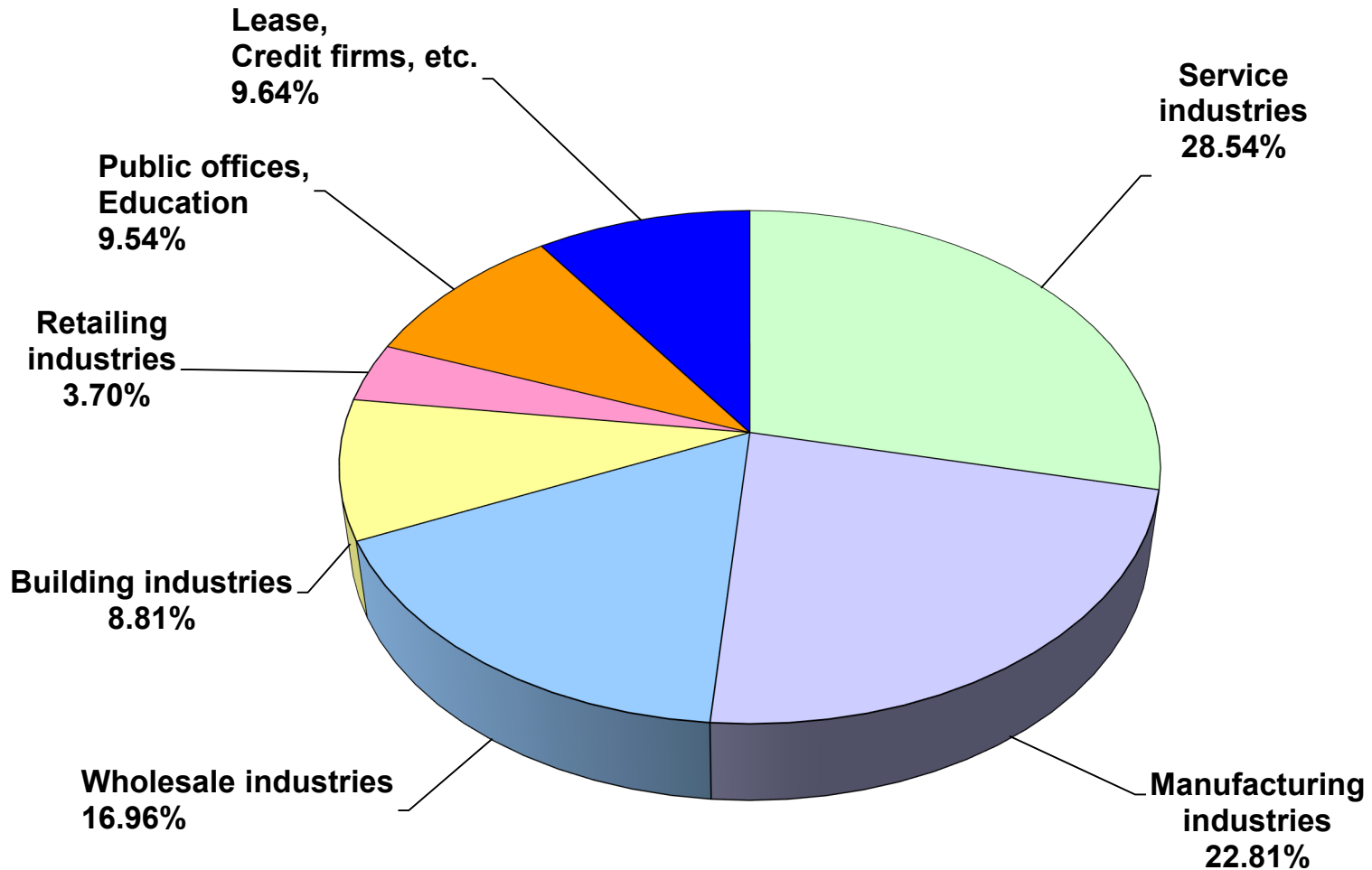
- **Business discussions centering on solution proposals were postponed or extended** due to the unexpectedly rapid spread of COVID-19 infections across Japan.  
**Activities targeting new customers were also difficult.**
- Sales and profits for July to September also decreased year on year due in part to the above-mentioned downward pressures. However, **growth was smooth when excluding special factors** in the previous fiscal year and two fiscal years before.
- **S&S business trending firmly. Set a new record high** for July-September.

# Net sales structure on customers' total annual business scale

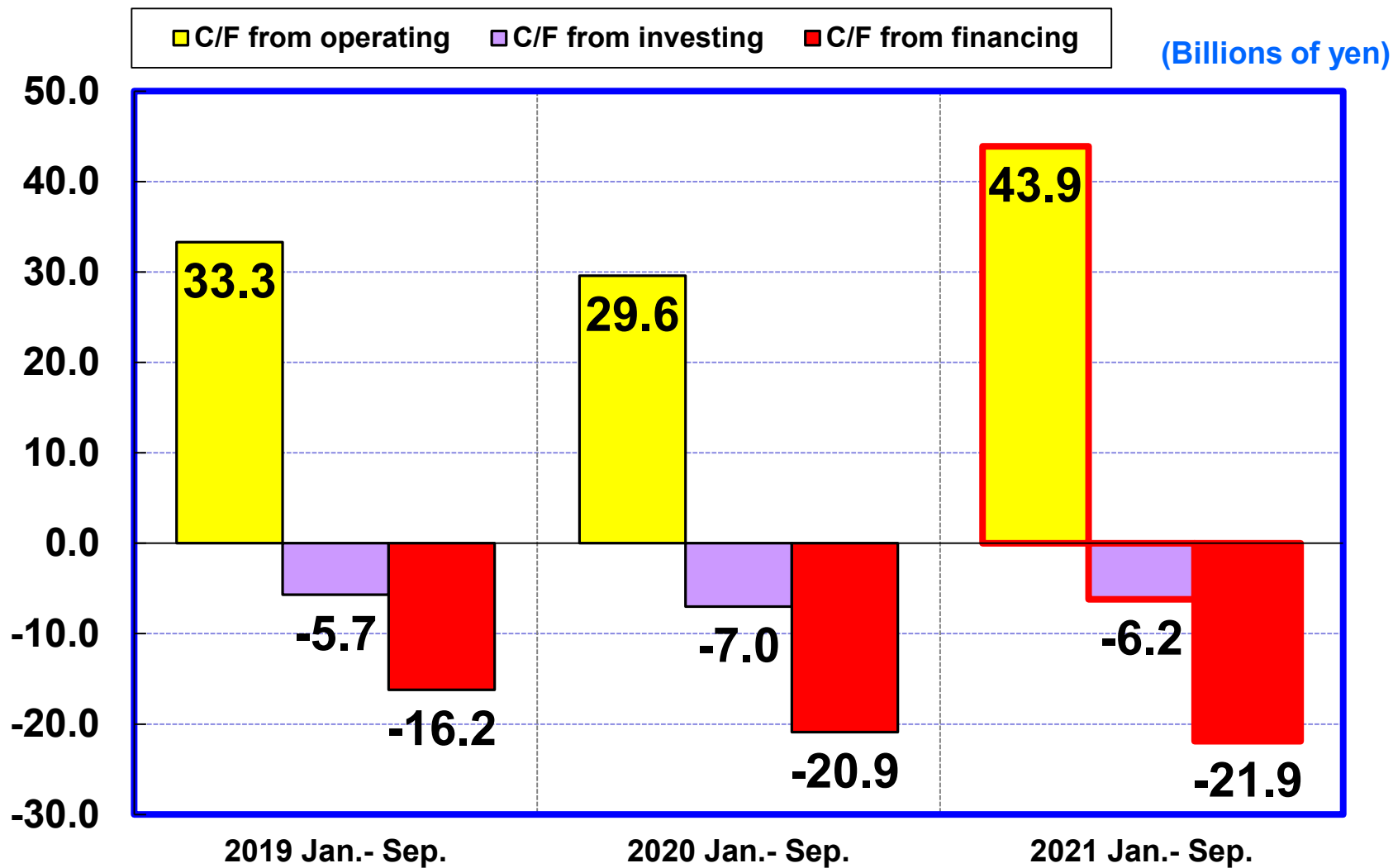


# Sales breakdown by customers' type of industry

2021 Jan. – Sep.



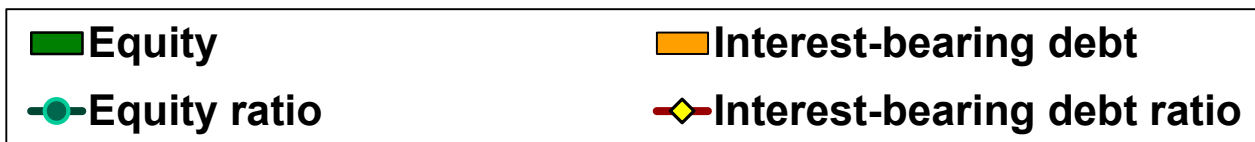
# Cash flows



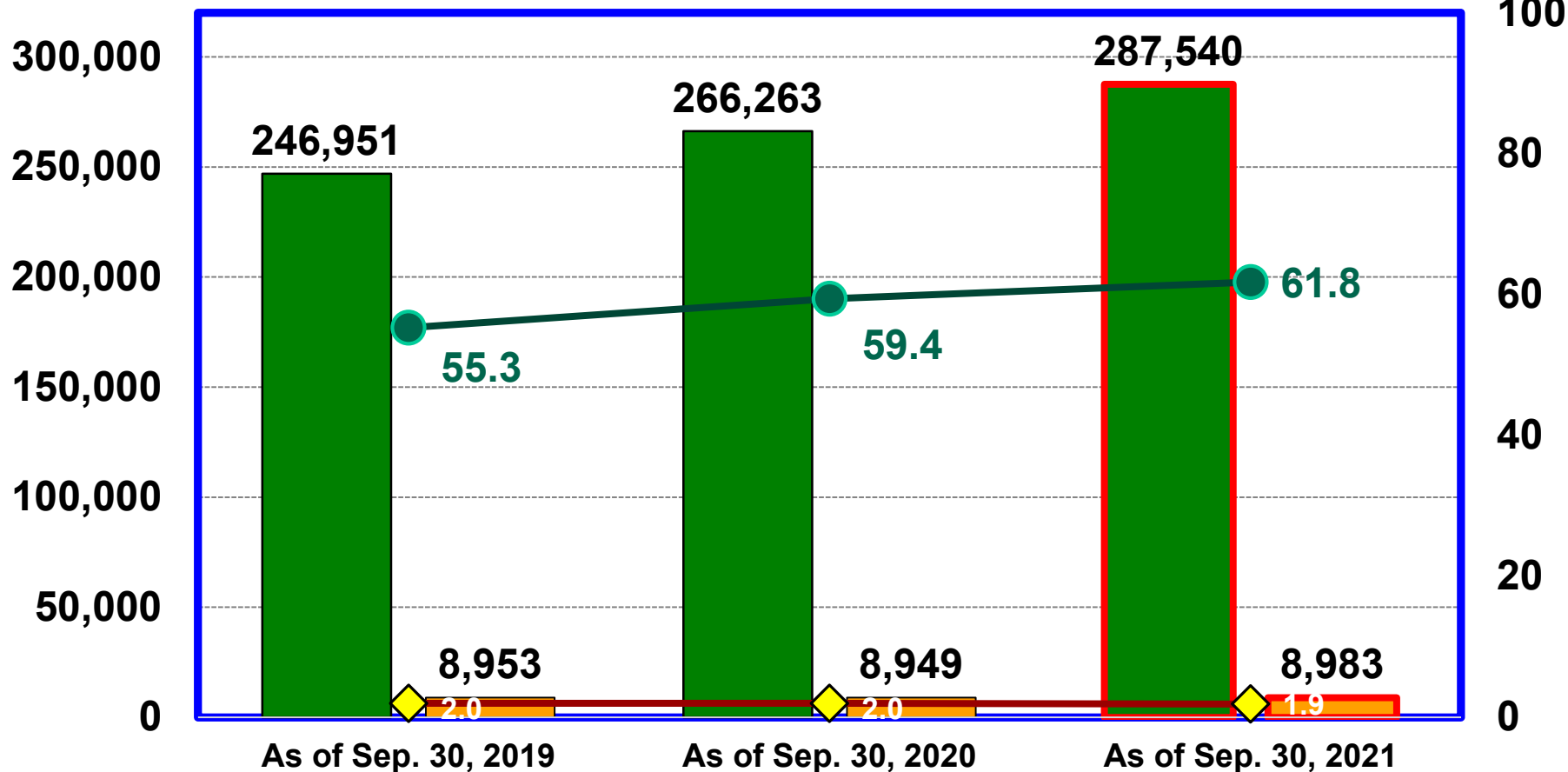
Consolidated

# Equity and Interest-bearing debt

(Millions of yen)



(%)



# Key strategic business

<Amount of Sales>

(Millions of yen)

	2019 Jan. – Sep.	2020 Jan. – Sep.		2021 Jan. – Sep.			2021 <b>Jul. – Sep.</b>		
	Amount	Amount	Change to Last year	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
<b>“tanomail”</b>	125,044	119,649	-4.3%	<b>129,336</b>	<b>+9,687</b>	<b>+8.1%</b>	<b>41,144</b>	<b>+1,113</b>	<b>+2.8%</b>
<b>SMILE</b>	9,893	8,395	-15.1%	<b>8,399</b>	<b>+3</b>	<b>+0.0%</b>	<b>2,237</b>	<b>-308</b>	<b>-12.1%</b>
<b>ODS</b>	42,260	38,870	-8.0%	<b>40,588</b>	<b>+1,718</b>	<b>+4.4%</b>	<b>11,240</b>	<b>-170</b>	<b>-1.5%</b>
<b>OSM</b>	58,390	60,761	+4.1%	<b>67,157</b>	<b>+6,396</b>	<b>+10.5%</b>	<b>18,045</b>	<b>-2,333</b>	<b>-11.4%</b>

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

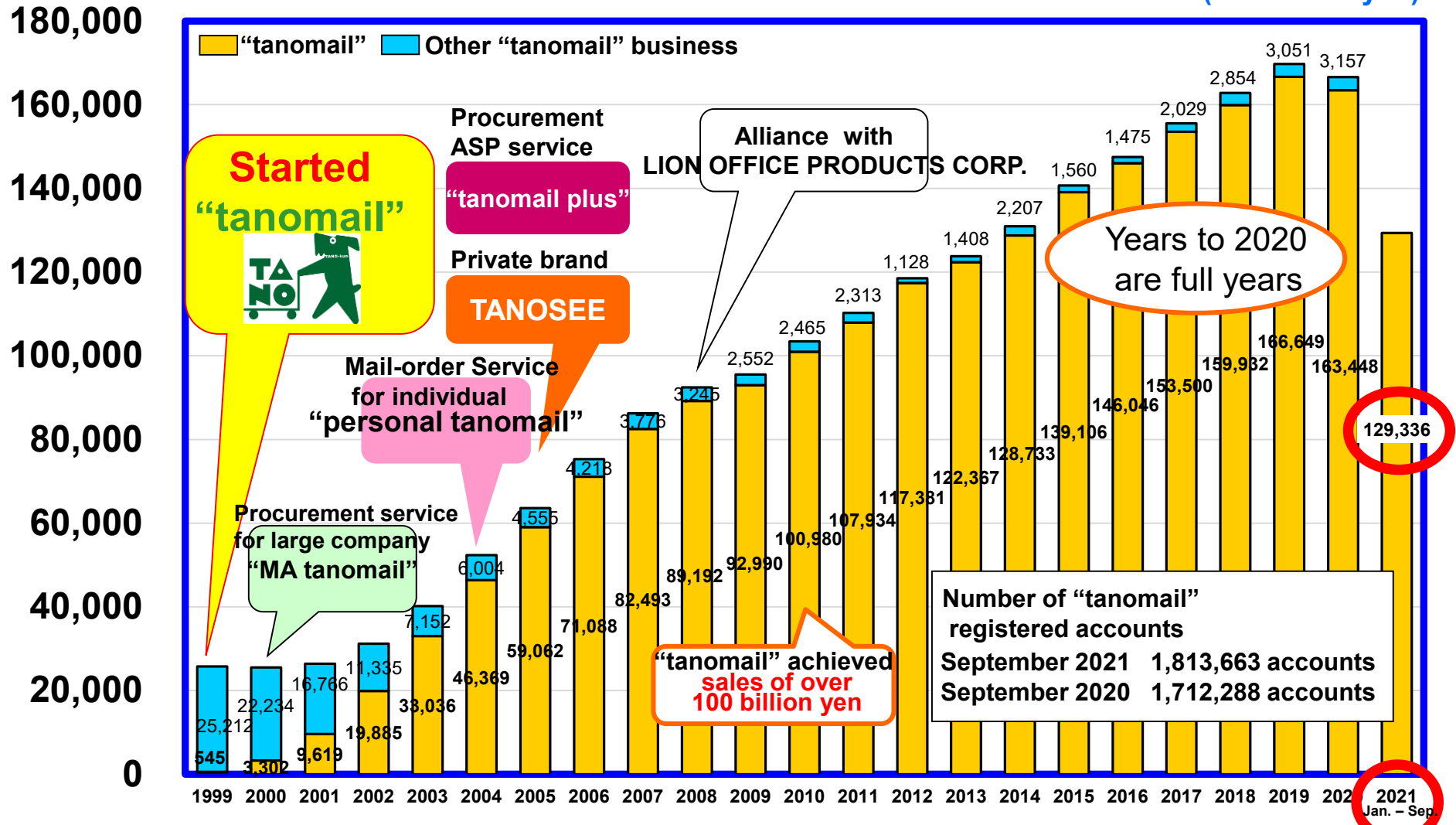
<As reference: Number of Sales>

(Units)

<b>Copier</b>	29,063	26,610	-8.4%	<b>27,551</b>	<b>+941</b>	<b>+3.5%</b>	<b>6,018</b>	<b>-1,592</b>	<b>-20.9%</b>
(of which Color copier)	28,119	25,913	-7.8%	<b>26,941</b>	<b>+1,028</b>	<b>+4.0%</b>	<b>5,863</b>	<b>-1,575</b>	<b>-21.2%</b>
<b>Server</b>	24,351	19,475	-20.0%	<b>18,650</b>	<b>-825</b>	<b>-4.2%</b>	<b>5,567</b>	<b>-377</b>	<b>-6.3%</b>
<b>PC</b>	1,321,613	910,972	-31.1%	<b>1,209,499</b>	<b>+298,527</b>	<b>+32.8%</b>	<b>301,524</b>	<b>+35,423</b>	<b>+13.3%</b>
<b>Client Total</b>	1,352,496	943,381	-30.2%	<b>1,362,910</b>	<b>+419,529</b>	<b>+44.5%</b>	<b>316,882</b>	<b>+42,162</b>	<b>+15.3%</b>

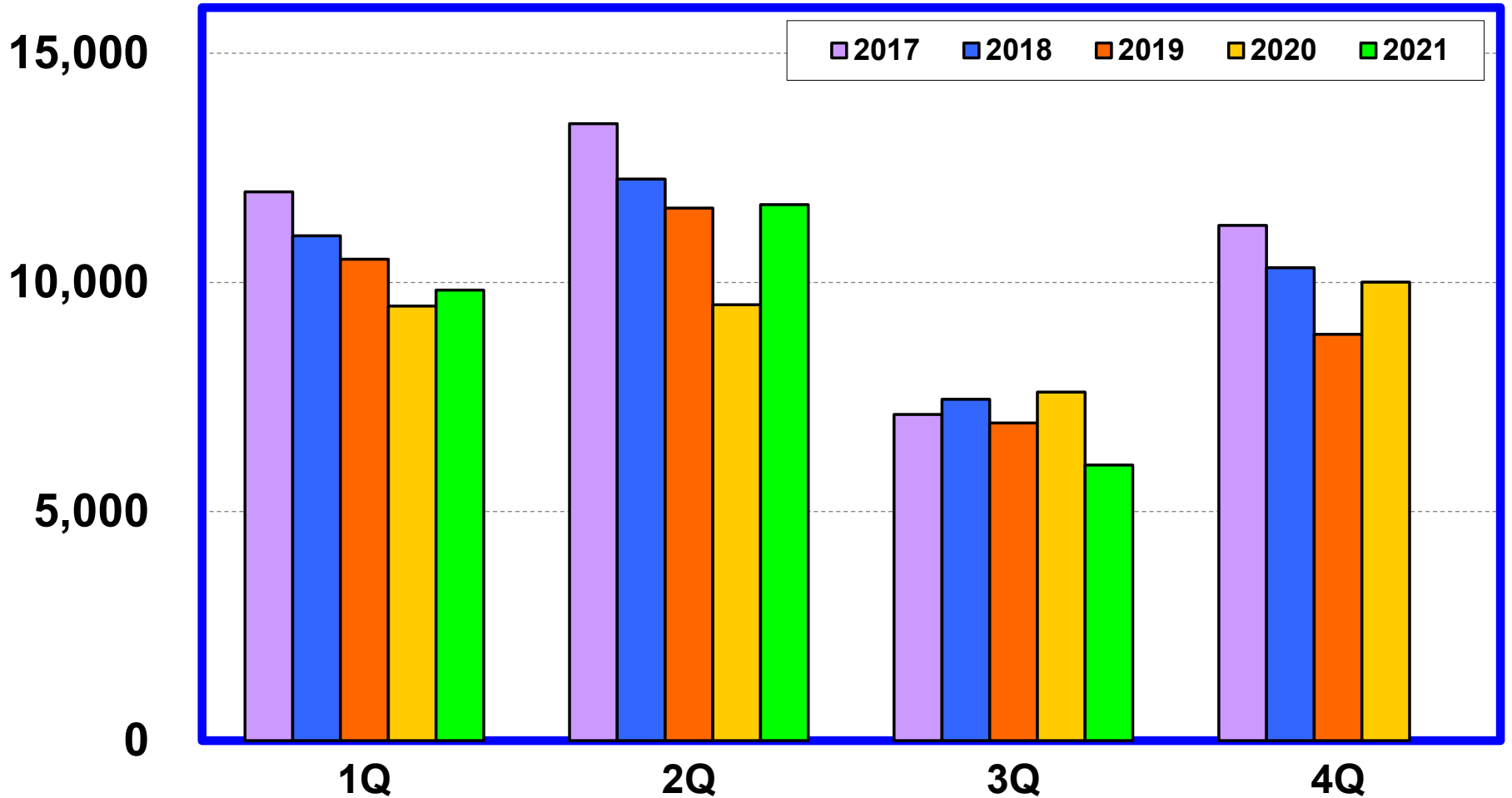
# Annual sales transition of "tanomail"

(Millions of yen)



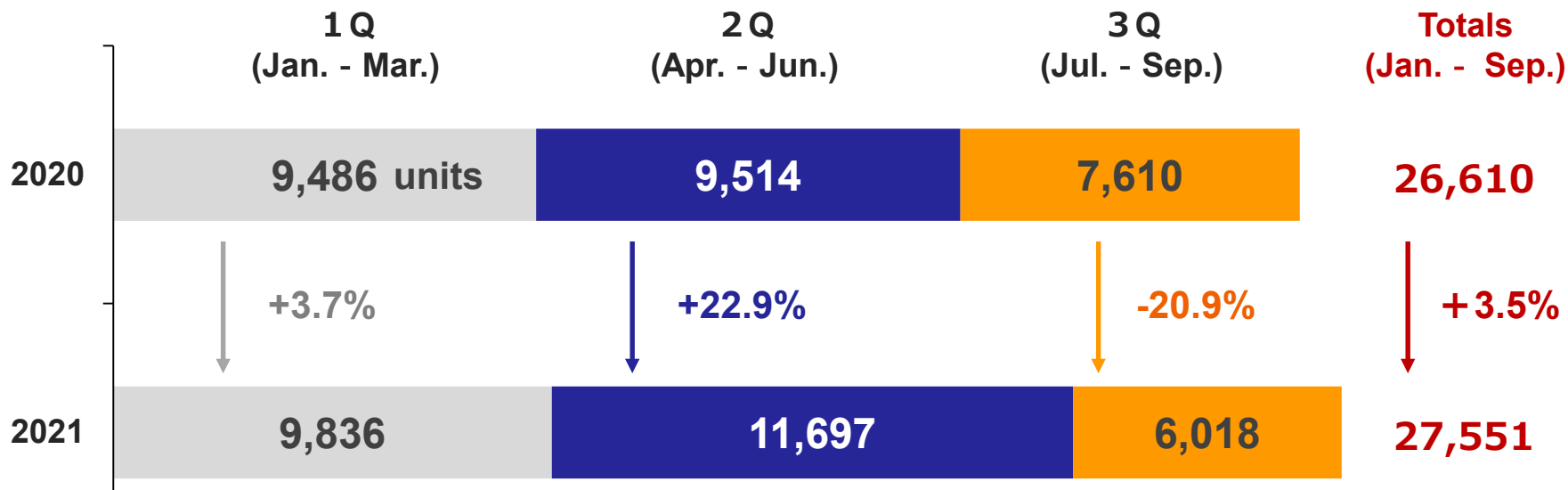
# Quarterly Number of Copiers Sold

(Units)





# Reasons for Changes In the Number of Copiers Sold



Legend: ↗ Positive factors  
↘ Negative factors

↗ Closing month of business year change in July 2020

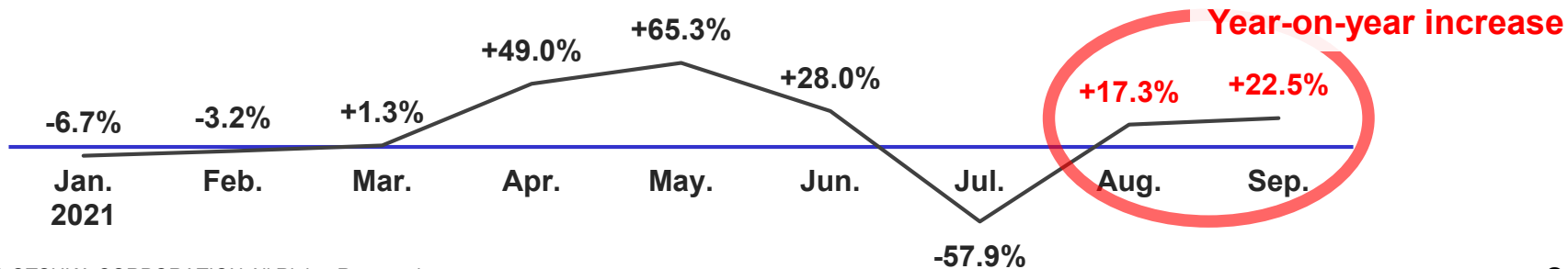
\* Increased in July in the previous year, increased in June this year

↘ Reactionary decrease

↘ Rapid spread of COVID-19

↘ Semiconductor shortage affects some models

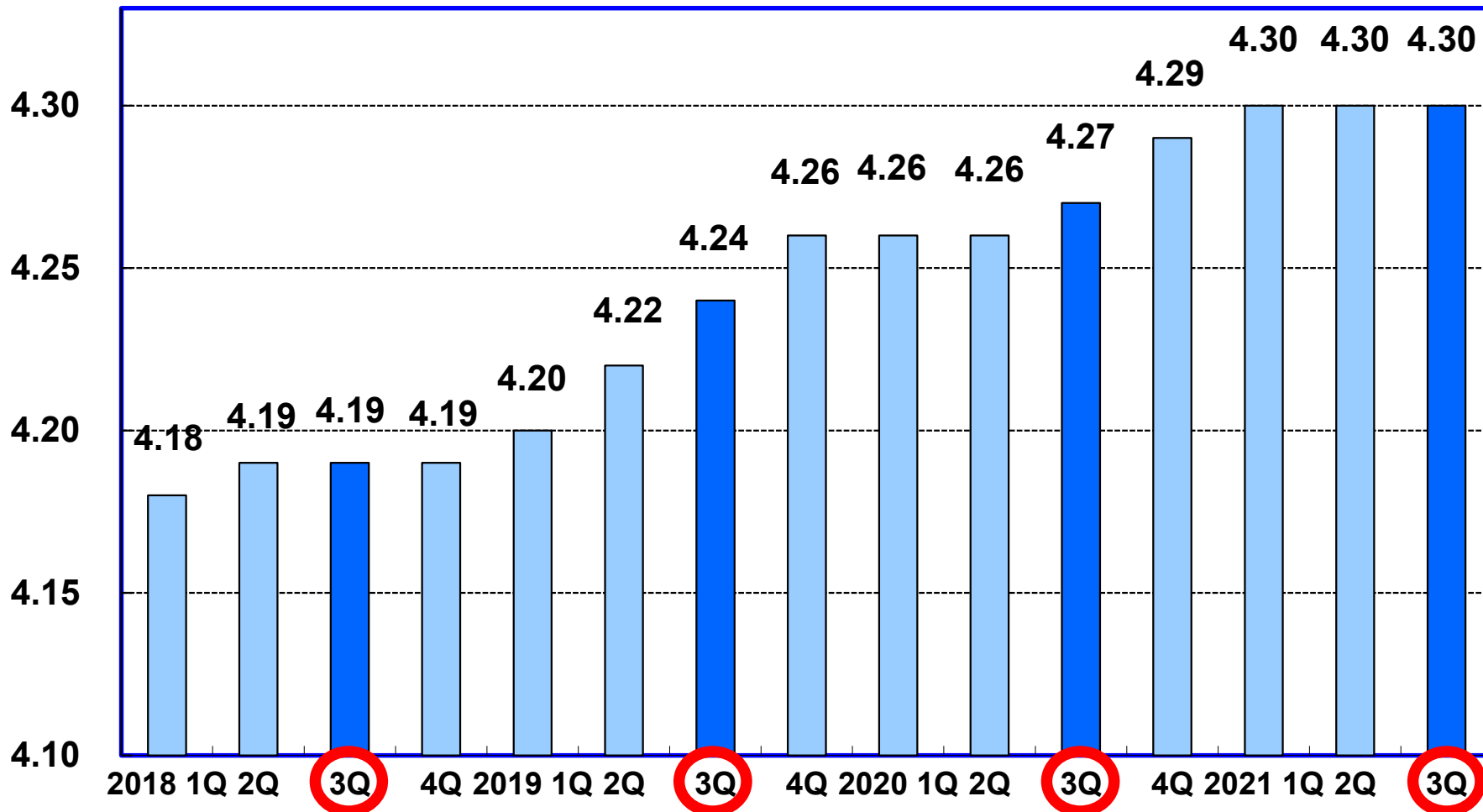
## 【Year-on-year rate of change in unit sales for replacement of other companies' machines】



# Trends in the number of products per one company

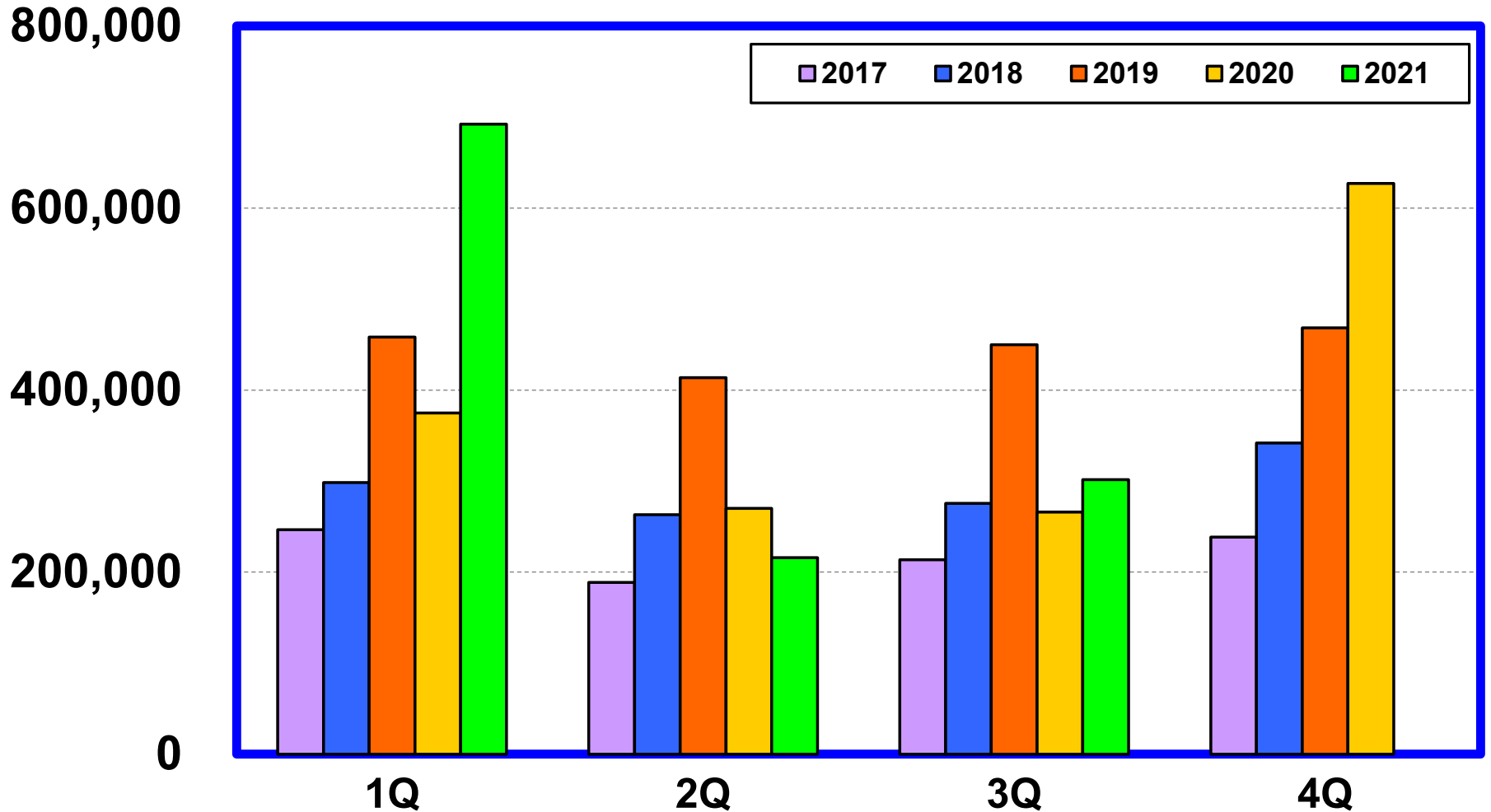
(Products)

(Copier customers)



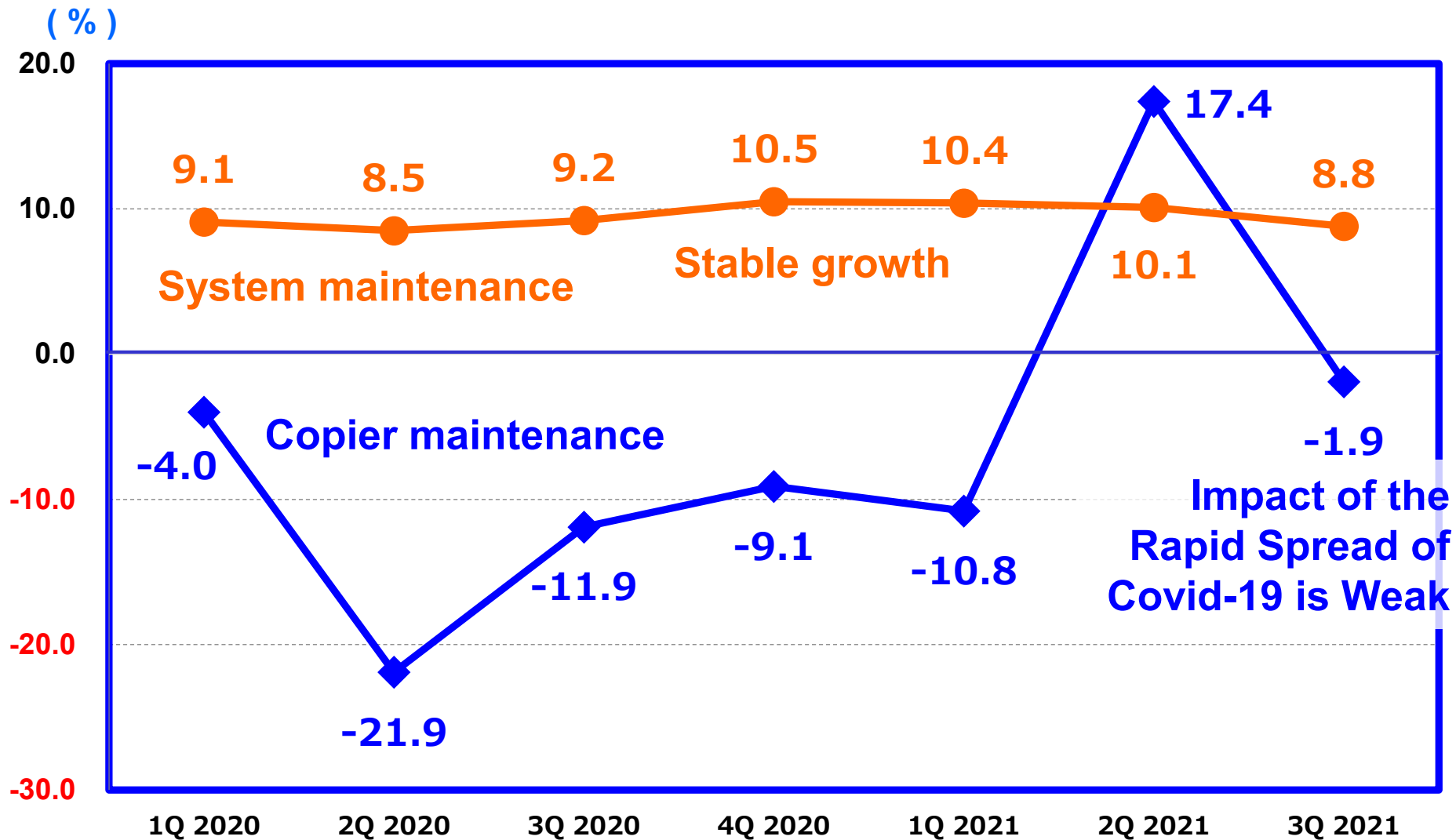
# Quarterly Number of PCs Sold

(Units)



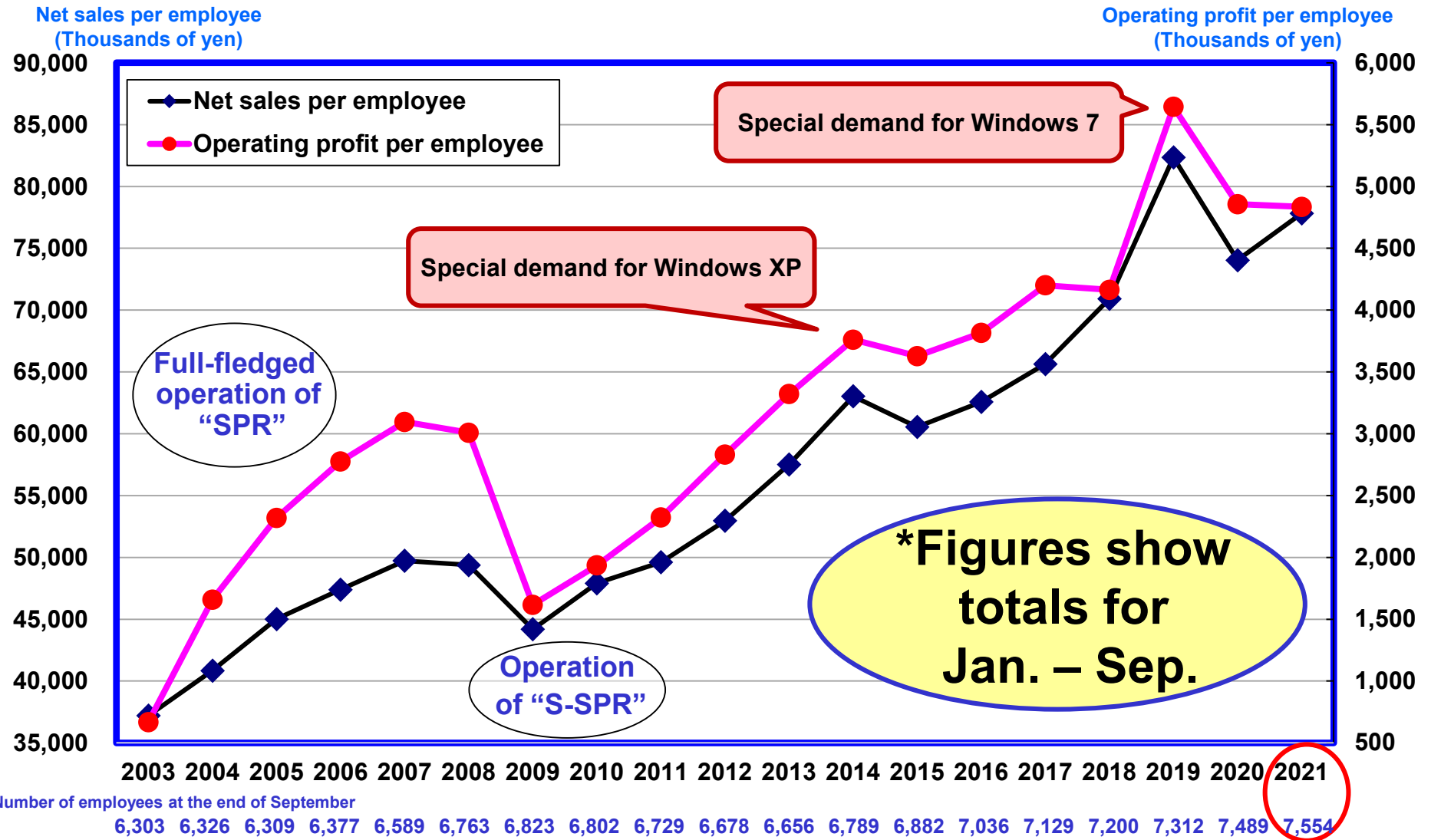
Non-Consolidated

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

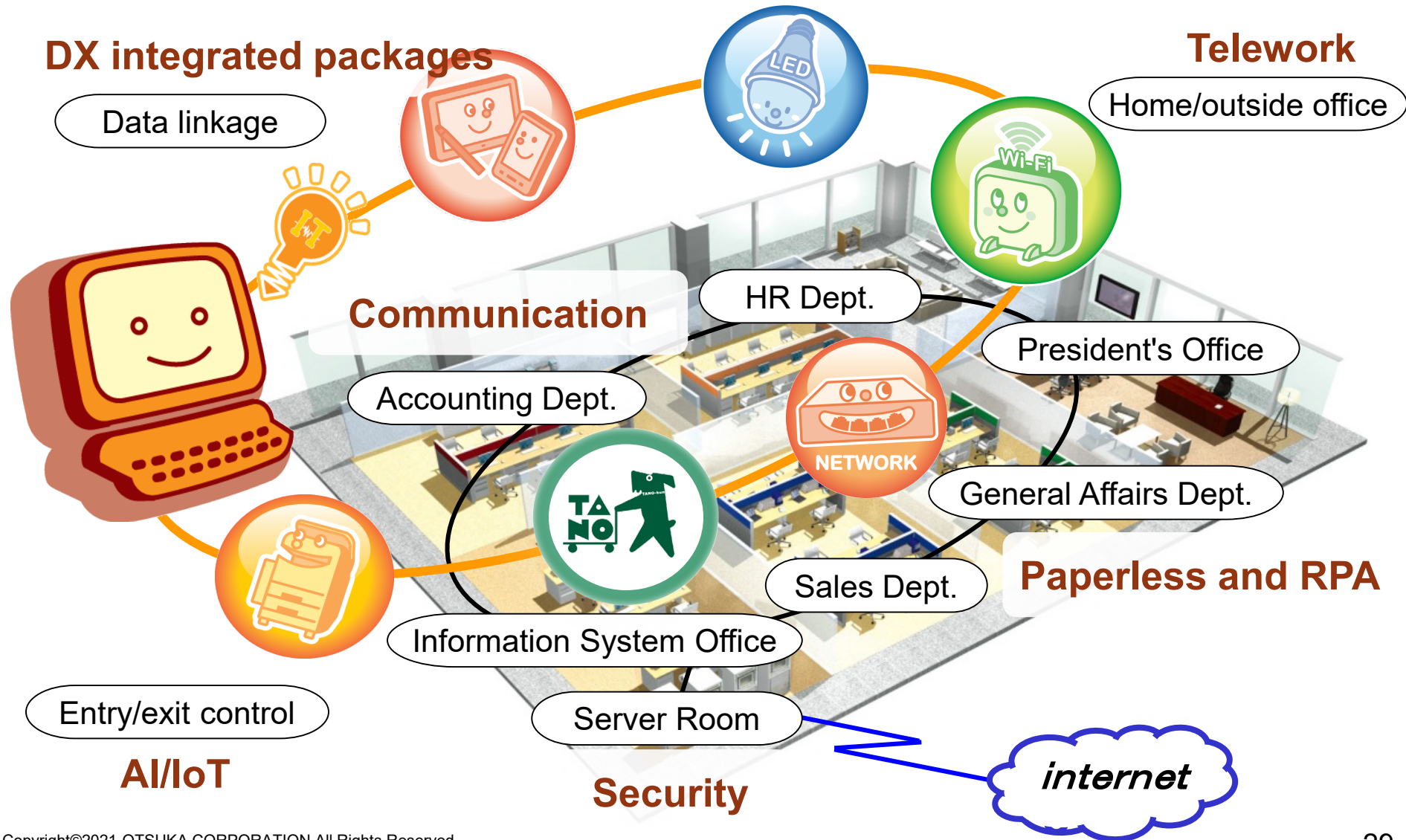


Non-Consolidated

# Change of Net sales per employee and Operating profit per employee



# OTSUKA CORPORATION for the Entire Office



# When It Comes to DX, It's OTSUKA

OTSUKA commences corporate advertising with the tagline “We wish to serve as DX for you.” OTSUKA will strive to undertake activities as a partner that is close to its customers.



# Contribute to the Advance of Education through IT Support

(Planned for the beginning of 2022)

Opened EDUSeed online store for educational institutions

Support the maintenance of one terminal per student in high schools

- Opened a dedicated site for each educational institution
- Kitting with content specified by schools and provide as a package
- Multilingual compatibility, variety of payment methods
- Reduces the work of persons in charge at educational institutions

\*Login screen image





# Regarding the Future

- **Economic activity is expected to head toward normalization** in the future along with the subsiding of COVID-19. OTSUKA too has completed its responses for PCR testing, antigen testing, and vaccinations.
- **We expect an increase in activities for new customers and assume that stalled business discussions will now progress toward project actualization.** Furthermore, we will support customers with their current problems with help from **sales activities that utilize AI.**
- Aim to achieve the plan by getting close to customers **for their entire office.**

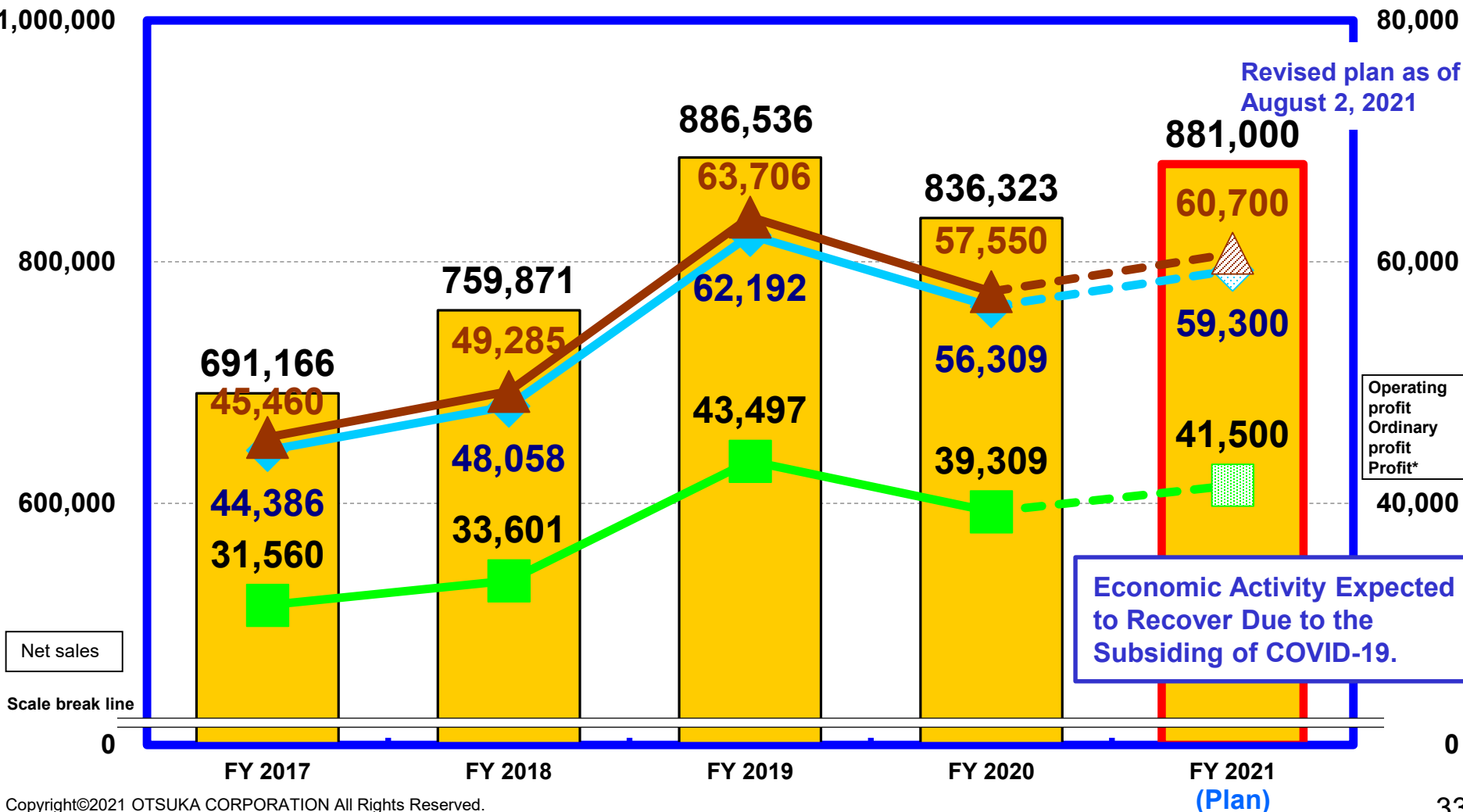
Consolidated

# Plans of Net sales and profit

■ Net sales   
 ◆ Operating profit   
 ▲ Ordinary profit   
 ■ Profit\*  
 \*Profit attributable to owners of parent

(Millions of yen)

Revised plan as of August 2, 2021



**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 3rd 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.
2. Forward-looking statements in this material with respect to OTSUKA CORPORATION's strategies, plans, beliefs, and other statements related to future trends and performance are not historical facts, and as such involve risks and uncertainties. Such statements are not guarantees of future performance. Actual results may differ considerably from projections due to unpredictable changes to the economic situation, and a number of factors. Key factors that could affect actual results are general economic conditions, social trends, change of relative competitiveness in demand action for products and services provided by OTSUKA CORPORATION. Key factors that may affect business performance are not limited to these items described here.
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