

April 28, 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)

	1Q 2020	1Q 2021				1Q 2022				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	224,329	239,350	100.0%	+15,021	+6.7%	210,069	100.0%	-29,281	-12.2%	1.11
Reference rate of change									-9.1%	
Gross profit	46,143	47,157	19.7%	+1,013	+2.2%	45,272	21.6%	-1,884	-4.0%	1.09
Operating profit	16,147	16,699	7.0%	+552	+3.4%	13,785	6.6%	-2,913	-17.4%	1.13
Ordinary profit	16,484	17,238	7.2%	+753	+4.6%	14,338	6.8%	-2,899	-16.8%	1.04
Profit*	10,882	11,486	4.8%	+604	+5.6%	10,519	5.0%	-967	-8.4%	1.00

*Profit attributable to owners of parent

Non-consolidated Net sales and Profits

(Millions of yen)

	1Q 2020	1Q 2021				1Q 2022			
	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	202,009	218,389	100.0%	+16,379	+8.1%	189,680	100.0%	-28,708	-13.1%
Reference rate of change									-9.8%
Gross profit	42,193	43,068	19.7%	+875	+2.1%	41,667	22.0%	-1,400	-3.3%
Operating profit	14,123	14,559	6.7%	+435	+3.1%	12,222	6.4%	-2,336	-16.1%
Ordinary profit	15,606	15,977	7.3%	+370	+2.4%	13,749	7.2%	-2,227	-13.9%
Profit	10,825	11,055	5.1%	+229	+2.1%	10,540	5.6%	-514	-4.7%

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%	-	-	-	-
3Q (Jul. - Sep.)	188,274	185,521	-2,753	-1.5%	-	-	-	-
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%	-	-	-
3Q (Jul. - Sep.)	11,249	9,245	-2,003	-17.8%	-	-	-
4Q (Oct. - Dec.)	15,338	14,075	-1,262	-8.2%	-	-	-

Consolidated Net sales by segments

(Millions of yen)

	1Q 2020	1Q 2021				1Q 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		144,594	156,454	65.4%	+11,859	+8.2%	130,382	62.1%	-26,072	-16.7%	-16.0%
Service and Support business		79,734	82,896	34.6%	+3,161	+4.0%	79,687	37.9%	-3,209	-3.9%	+4.9%

Non-consolidated Net sales and Gross profit by segments

(Millions of yen)

		1Q 2020	1Q 2021				1Q 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	122,915	136,232	62.4%	+13,316	+10.8%	110,810	58.4%	-25,422	-18.7%	-17.9%
	Service and Support	79,093	82,156	37.6%	+3,062	+3.9%	78,870	41.6%	-3,285	-4.0%	+4.8%
Gross profit	System Integration	23,161	23,897	55.5%	+736	+3.2%	21,885	52.5%	-2,012	-8.4%	-
	Service and Support	19,031	19,171	44.5%	+139	+0.7%	19,782	47.5%	+611	+3.2%	-

Non-consolidated Net sales by 4 segments

(Millions of yen)

		1Q 2020		1Q 2021			1Q 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	107,323	120,662	55.3%	+13,339	+12.4%	97,113	51.2%	-23,549	-19.5%	-18.7%
	Custom-made software etc.	15,592	15,569	7.1%	-22	-0.1%	13,696	7.2%	-1,873	-12.0%	-12.0%
Service and Support business	Supplies	40,832	42,297	19.4%	+1,464	+3.6%	43,425	22.9%	+1,127	+2.7%	+3.3%
	Maintenance, etc.	38,260	39,858	18.3%	+1,597	+4.2%	35,445	18.7%	-4,413	-11.1%	+6.8%

Consolidated Cash flows

(Millions of yen)

	1Q 2020	1Q 2021	1Q 2022
C/F from operating	15,714	24,498	18,198
C/F from investing	-2,234	-2,246	-640
C/F from financing	-20,996	-21,968	-22,908
Cash and cash equivalents at end of period	168,681	179,274	200,399

Consolidated Equity and Interest-bearing debt

(Millions of yen)

	2020 Mar. 31	2021 Mar. 31	2022 Mar. 31
Equity	246,308	268,362	285,149
Interest-bearing debt	9,244	9,198	9,383
Total assets	452,969	487,209	498,007
Equity ratio	54.4%	55.1%	57.3%
Interest-bearing debt ratio	2.0%	1.9%	1.9%

Non-consolidated Key strategic business

(Millions of yen)

	1Q 2020		1Q 2021		1Q 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"	42,947	45,129	+2,182	+5.1%	46,240	+1,110	+2.5%	+3.0%
SMILE	2,894	2,457	-437	-15.1%	2,514	+57	+2.3%	+2.3%
ODS	13,670	13,466	-203	-1.5%	13,002	-463	-3.4%	+2.3%
OSM	20,500	24,245	+3,744	+18.3%	22,257	-1,987	-8.2%	-7.8%
<As reference: Number of Sales>								(Units)
Copier	9,486	9,836	+350	+3.7%	9,185	-651	-6.6%	-
(of which color copier)	9,259	9,572	+313	+3.4%	9,016	-556	-5.8%	-
Server	7,155	6,503	-652	-9.1%	5,376	-1,127	-17.3%	-
PC	374,780	692,078	+317,298	+84.7%	334,276	-357,802	-51.7%	-
Client Total	385,596	813,193	+427,597	+110.9%	357,127	-456,066	-56.1%	-

Future Plans
Plans of consolidated Net sales and profits

(Millions of yen)

	1Q 2022 (Result)	1H 2022 (Plan)	FY 2022 (Plan)
Net sales	210,069	435,800	828,000
Change to Last year	-12.2%	-6.6%	-2.8%
Reference rate of change	-9.1%	-3.1%	+1.2%
Operating profit	13,785	30,900	53,600
Ordinary profit	14,338	31,400	54,500
Profit*	10,519	21,590	36,650

*Profit attributable to owners of parent

Plans of consolidated Net sales by segments

(Millions of yen)

	FY 2020 (Result)		FY 2021 (Result)		FY 2022 (Plan)		Reference rate of change
	Amount	Amount	Change to Last year	Amount	Change to Last year		
System Integration	526,613	523,609	-0.6%	514,000	-1.8%	-0.9%	
Service and Support	309,710	328,284	+6.0%	314,000	-4.4%	+4.8%	