

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

April 30, 2025

## Consolidated Financial Report for the Three Months Ended March 31, 2025 <Under Japanese GAAP>

**OTSUKA CORPORATION** (URL: <https://www.otsuka-shokai.co.jp/>)

Listing: Tokyo Stock Exchange, Code 4768

Representative: Yuji Otsuka, President & Chief Executive Officer

Contact: Hironobu Saito, Managing Director & Executive Operating Officer; General Manager of Business Administration Headquarters (Tel: +81-3-3264-7111)

Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Three Months Ended March 31, 2025 (From January 1, 2025 to March 31, 2025)

#### (1) Consolidated results of operations (Cumulative)

(Percentages indicate changes from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	315,541	18.3	21,175	22.8	21,852	23.9	14,491	24.1
March 31, 2024	266,664	9.9	17,242	2.2	17,641	1.2	11,679	0.8

Note) Comprehensive Income: For the three months ended March 31, 2025: 16,009 million yen [32.7%]  
For the three months ended March 31, 2024: 12,065 million yen [3.8%]

	Basic earnings per share	Diluted earnings per share
Three months ended	yen	yen
March 31, 2025	38.22	—
March 31, 2024	30.80	—

\*The Company implemented a two-for-one stock split of its common stock with an effective date of April 1, 2024. Accordingly, basic earnings per share stated above are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year (Fiscal Year 2024).

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	685,990	360,697	51.9
December 31, 2024	673,903	375,247	55.0

Reference) Equity: As of March 31, 2025: 356,337 million yen  
As of December 31, 2024: 370,799 million yen

## 2. Dividends

	Annual dividends				
	First quarter - end	Second quarter - end	Third quarter - end	Year-end	Total
Fiscal year ended December 31, 2024	yen —	yen 0.00	yen —	yen 80.00	yen 80.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (forecast)		45.00	—	40.00	85.00

Notes) 1. Revision of the recently announced dividends forecasts: No

2. The year-end dividend of ¥80 for the fiscal year ended December 31, 2024 includes the consolidated net sales of ¥1 trillion breakthrough commemorative dividend of ¥5.

## 3. Consolidated Financial Forecasts for the Fiscal Year 2025 (From January 1, 2025 to December 31, 2025)

(Percentages indicate changes from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Six months ending June 30, 2025	647,100	13.6	45,300	16.6	45,730	14.7	30,420	13.0	yen 80.22
Full-Year	1,213,000	9.5	82,300	10.7	82,200	8.3	55,000	2.8	145.04

Notes) 1. Revision of the recently announced financial forecasts: No

2. The above forecasts are based on the information available as of the date of publication of this document. Actual results are subject to change due to various future events and may differ from these figures.

**\* Notes**

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements: Yes

- (3) Changes in accounting policies, changes in accounting estimates, and restatements

1) Changes in accounting policies due to revisions to accounting standards, etc.: Yes

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatements: No

- (4) Number of shares issued (common shares)

- 1) Number of shares issued at the end of the period (including treasury shares)

As of March 31, 2025: 380,004,240 shares

As of December 31, 2024: 380,004,240 shares

- 2) Number of treasury shares at the end of the period

As of March 31, 2025: 803,041 shares

As of December 31, 2024: 803,041 shares

- 3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025: 379,201,199 shares

Three months ended March 31, 2024: 379,201,773 shares

\* The number of shares stated above is calculated on the assumption that the stock split described in "1. Consolidated Financial Results" was implemented at the beginning of the previous fiscal year (Fiscal Year 2024).

**\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No**

## **Quarterly Consolidated Balance Sheets**

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	228,136	199,537
Notes and accounts receivable - trade, and contract assets	200,952	234,743
Merchandise	71,935	70,846
Work in process	1,668	1,438
Raw materials and supplies	815	830
Other	65,482	70,908
Allowance for doubtful accounts	(147)	(212)
Total current assets	568,843	578,092
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,950	13,793
Other, net	20,963	21,837
Total property, plant and equipment	34,913	35,631
Intangible assets	20,283	22,065
Investments and other assets		
Investment securities	22,815	23,467
Other	27,428	27,148
Allowance for doubtful accounts	(380)	(416)
Total investments and other assets	49,863	50,199
Total non-current assets	105,060	107,897
Total assets	673,903	685,990

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	162,266	180,824
Electronically recorded obligations - operating	17,528	23,797
Short-term borrowings	4,300	4,300
Income taxes payable	13,790	7,641
Provision for bonuses	5,261	13,938
Other	86,545	86,377
Total current liabilities	289,692	316,879
Non-current liabilities		
Long-term borrowings	1,700	1,700
Provision for retirement benefits for directors (and other officers)	613	623
Retirement benefit liability	4,695	4,060
Other	1,955	2,027
Total non-current liabilities	8,964	8,412
Total liabilities	298,656	325,292
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,374	10,374
Capital surplus	16,254	16,254
Retained earnings	339,422	323,578
Treasury shares	(143)	(143)
Total shareholders' equity	365,909	350,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,891	6,135
Deferred gains or losses on hedges	133	(304)
Revaluation reserve for land	(5,269)	(5,201)
Foreign currency translation adjustment	363	247
Remeasurements of defined benefit plans	3,771	5,395
Total accumulated other comprehensive income	4,889	6,272
Non-controlling interests	4,447	4,360
Total net assets	375,247	360,697
Total liabilities and net assets	673,903	685,990

## **Quarterly Consolidated Statements of Income and Comprehensive Income**

### Quarterly Consolidated Statements of Income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	266,664	315,541
Cost of sales	213,081	255,454
Gross profit	53,583	60,087
Selling, general and administrative expenses	36,340	38,911
Operating profit	17,242	21,175
Non-operating income		
Interest income	19	101
Dividend income	24	10
Share of profit of entities accounted for using equity method	294	304
Other	231	279
Total non-operating income	570	696
Non-operating expenses		
Interest expenses	10	15
Donations	155	1
Other	5	2
Total non-operating expenses	171	19
Ordinary profit	17,641	21,852
Extraordinary losses		
Loss on retirement of non-current assets	14	0
Loss on liquidation of investment securities	—	2
Total extraordinary losses	14	2
Profit before income taxes	17,627	21,849
Income taxes	5,770	7,127
Profit	11,856	14,722
Profit attributable to non-controlling interests	177	230
Profit attributable to owners of parent	11,679	14,491

## Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	11,856	14,722
Other comprehensive income		
Valuation difference on available-for-sale securities	175	246
Deferred gains or losses on hedges	99	(536)
Revaluation reserve for land	—	68
Remeasurements of defined benefit plans, net of tax	(121)	1,624
Share of other comprehensive income of entities accounted for using equity method	55	(115)
Total other comprehensive income	209	1,287
Comprehensive income	12,065	16,009
(Breakdown)		
Comprehensive income attributable to owners of parent	11,868	15,874
Comprehensive income attributable to non-controlling interests	197	135

## **Quarterly Consolidated Statements of Cash Flows**

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	17,627	21,849
Depreciation	2,098	2,125
Increase (decrease) in allowance for doubtful accounts	66	99
Interest and dividend income	(44)	(112)
Interest expenses	10	15
Share of loss (profit) of entities accounted for using equity method	(294)	(304)
Loss on retirement of non-current assets	14	0
Decrease (increase) in trade receivables	(32,263)	(33,825)
Decrease (increase) in inventories	4,399	1,304
Increase (decrease) in trade payables	40,235	24,826
Other, net	3,009	3,169
Subtotal	34,857	19,149
Interest and dividends received	33	98
Interest paid	(2)	(3)
Income taxes paid	(8,609)	(12,681)
Net cash provided by (used in) operating activities	26,279	6,561
Cash flows from investing activities		
Purchase of property, plant and equipment	(730)	(1,413)
Purchase of software	(1,643)	(3,159)
Purchase of investment securities	(5)	(2)
Other, net	(20)	(31)
Net cash provided by (used in) investing activities	(2,400)	(4,607)
Cash flows from financing activities		
Dividends paid	(25,599)	(30,335)
Other, net	(193)	(222)
Net cash provided by (used in) financing activities	(25,793)	(30,558)
Effect of exchange rate change on cash and cash equivalents	0	(2)
Net increase (decrease) in cash and cash equivalents	(1,913)	(28,606)
Cash and cash equivalents at beginning of period	229,615	229,488
Cash and cash equivalents at end of period	227,701	200,881



## **Segment Information**

### **I Three months ended March 31, 2024**

Information concerning net sales and segment profit/loss by reportable segments

(Millions of yen)

	Reportable segments		Total	Adjustment	Amount recorded in quarterly consolidated statements of income
	System Integration business	Service and Support business			
Net sales					
Outside customers sales	174,474	92,189	266,664	—	266,664
Inter-segment sales/transfers	284	326	610	(610)	—
Total	174,759	92,515	267,274	(610)	266,664
Segment profit	14,586	5,531	20,118	(2,875)	17,242

### **II Three months ended March 31, 2025**

1 Information concerning net sales and segment profit/loss by reportable segments

(Millions of yen)

	Reportable segments		Total	Adjustment	Amount recorded in quarterly consolidated statements of income
	System Integration business	Service and Support business			
Net sales					
Outside customers sales	214,001	101,540	315,541	—	315,541
Inter-segment sales/transfers	248	429	678	(678)	—
Total	214,250	101,969	316,220	(678)	315,541
Segment profit	17,174	7,258	24,433	(3,257)	21,175

2 Matters related to changes in the reportable segments, etc.

From the first quarter of the consolidated fiscal year ending December 31, 2025, the company has changed the classification method between “System Integration business” and “Service and Support business” pursuant to partially revision of performance management categories for consolidated subsidiaries.

Segment information for the first quarter of the consolidated fiscal year ended December 31, 2024 has been prepared based on the new classification method of reportable segments.