

**OTSUKA INFORMATION TECHNOLOGY CORP.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~9
(4) Summary of material accounting policies	9~11
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	11
(6) Explanation of significant accounts	11~28
(7) Related-party transactions	28
(8) Pledged assets	29
(9) Commitments and contingencies	29
(10) Losses Due to Major Disasters	29
(11) Subsequent Events	29
(12) Other	29
(13) Other disclosures	
(a) Information on significant transactions	30~31
(b) Information on investees	31
(c) Information on investment in mainland China	31
(14) Segment information	32~33

Independent Auditors' Review Report

To the Board of Directors of OTSUKA INFORMATION TECHNOLOGY CORP.:

Introduction

We have reviewed the accompanying consolidated statements of financial position of OTSUKA INFORMATION TECHNOLOGY CORP. and its subsidiaries (“the Group”) as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, and changes in equity and cash flows for the six months ended June 30, 2026 and 2025 and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4 (b), the consolidated financial statements included the financial statements of certain subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to TWD399,730 thousand and TWD252,309 thousand, constituting 23% and 17% of consolidated total assets as of June 30, 2026 and 2025, respectively, total liabilities amounting to TWD51,437 thousand and TWD21,434 thousand, constituting 8% and 4% of consolidated total liabilities as of June 30, 2026 and 2025, respectively, and the absolute value of total comprehensive income (loss) amounting to TWD11,303 thousand, TWD(10,927) thousand, TWD22,430 thousand and TWD(246) thousand, constituting 16%, 24%, 16% and 0% of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2026 and 2025, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, and its consolidated cash flows for the six months ended June 30, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audit resulting in this independent auditors’ report are Horng, Shyh-Gang and Chuang, Chun Wei.

KPMG

Taipei, Taiwan (Republic of China)
August 10, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2026, December 31, 2025, and June 30, 2025
(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2026		December 31, 2025		June 30, 2025			Liabilities and Equity		June 30, 2026		December 31, 2025		June 30, 2025		
		Amount	%	Amount	%	Amount	%				Amount	%	Amount	%	Amount	%	
Current assets:									Current liabilities:								
1100	Cash and cash equivalents (note 6(a))	\$	602,124	34	709,548	46	651,940	44	2170	Accounts payable	\$	236,549	13	228,680	15	147,979	10
1137	Financial assets at amortized cost—current (note 6(b))		67,500	4	20,000	1	20,000	1	2201	Salaries payable		65,965	4	76,534	5	63,864	4
1170	Notes and accounts receivable, net (including related-parties) (notes 6(c), (o) and 7)		553,608	31	388,931	25	468,940	32	2216	Dividends payable (note 6(m))		165,841	9	-	-	153,873	10
										Other payables		90,754	5	70,765	5	82,723	6
1300	Inventories (note 6(d))		289,559	16	258,315	17	165,822	11	2200	Current lease liabilities (note 6(h))		20,501	1	15,930	1	15,194	1
1410	Other current assets (note 6(e))		<u>20,439</u>	<u>1</u>	<u>7,644</u>	<u>1</u>	<u>5,159</u>	<u>-</u>	2280	Current contract liabilities (note 6(o))		26,743	2	18,846	1	14,324	1
Total current assets			<u>1,533,230</u>	<u>86</u>	<u>1,384,438</u>	<u>90</u>	<u>1,311,861</u>	<u>88</u>	2130	Other current liabilities		<u>664</u>	<u>-</u>	<u>520</u>	<u>-</u>	<u>1,091</u>	<u>-</u>
Non-current assets:									2300	Total current liabilities		<u>607,017</u>	<u>34</u>	<u>411,275</u>	<u>27</u>	<u>479,048</u>	<u>32</u>
1535	Financial assets at amortized cost—non-current (note 6(b))		10,000	-	10,000	1	10,000	1		Non-current liabilities:							
									2570	Deferred tax liabilities		14,843	1	14,843	1	13,085	1
1600	Property, plant and equipment (notes 6(f))		45,984	3	33,442	2	33,602	2	2580	Non-current lease liabilities (note 6(j))		94,442	5	16,804	1	24,221	2
1755	Right-of-use assets (note 6(g))		113,149	6	32,455	2	39,102	3	2600	Other non-current liabilities		<u>360</u>	<u>-</u>	<u>800</u>	<u>-</u>	<u>800</u>	<u>-</u>
1780	Intangible assets (notes 6(h))		28,211	2	28,116	2	30,487	2		Total non-current liabilities		<u>1 09,645</u>	<u>6</u>	<u>32,447</u>	<u>2</u>	<u>38,106</u>	<u>3</u>
1930	Long-term notes and accounts receivable(notes 6(c), and (o))		-	-	6,436	-	25,116	2		Total liabilities		<u>716,662</u>	<u>40</u>	<u>443,722</u>	<u>29</u>	<u>517,154</u>	<u>35</u>
1990	Other non-current assets		<u>53,899</u>	<u>3</u>	<u>38,629</u>	<u>3</u>	<u>38,857</u>	<u>2</u>	3100	Equity attributable to owners of parent:							
Total non-current assets			<u>251,243</u>	<u>14</u>	<u>149,078</u>	<u>10</u>	<u>177,164</u>	<u>12</u>	3200	Ordinary shares		170,970	10	170,970	11	170,970	11
										Capital surplus		68,813	4	68,813	5	68,813	5
									3310	Legal reserve		183,611	10	183,611	12	183,611	12
									3320	Special reserve		5,570	-	6,410	-	6,410	-
									3350	Unappropriated retained earnings (note 6(l))		638,206	36	665,560	43	558,073	38
									3410	Exchange differences on translation of foreign financial statements		<u>641</u>	<u>-</u>	<u>(5,570)</u>	<u>-</u>	<u>(16,006)</u>	<u>(1)</u>
										Total equity attributable to owners of parent:		<u>1,067,811</u>	<u>60</u>	<u>1,089,794</u>	<u>71</u>	<u>971,871</u>	<u>65</u>
										Total equity		<u>1,067,811</u>	<u>60</u>	<u>1,089,794</u>	<u>71</u>	<u>971,871</u>	<u>65</u>
Total assets		\$	<u>1,784,473</u>	<u>100</u>	<u>1,533,516</u>	<u>100</u>	<u>1,489,025</u>	<u>100</u>		Total liabilities and equity	\$	<u>1,784,473</u>	<u>100</u>	<u>1,533,516</u>	<u>100</u>	<u>1,489,025</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the Three Months Ended June 30,				For the Six Months Ended June 30,			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(o) and 7)	\$ 749,792	100	611,738	100	1,432,229	100	1,355,174	100
5000	Operating costs (notes 6(d))	<u>556,795</u>	<u>74</u>	<u>439,703</u>	<u>72</u>	<u>1,041,888</u>	<u>73</u>	<u>983,298</u>	<u>73</u>
	Gross profit	<u>192,997</u>	<u>26</u>	<u>172,035</u>	<u>28</u>	<u>390,341</u>	<u>27</u>	<u>371,876</u>	<u>27</u>
	Operating expenses: (notes 6(c), (j), (k), (p) and 12)								
6100	Selling expenses	64,174	9	64,786	10	137,116	10	141,287	10
6200	Administrative expenses	16,143	2	11,807	2	30,114	2	27,934	2
6300	Research and development expenses	24,854	3	16,953	3	48,661	3	30,527	2
6450	Expected credit loss (reversal of expected credit loss)	<u>207</u>	<u>-</u>	<u>1,209</u>	<u>-</u>	<u>(109)</u>	<u>-</u>	<u>1,714</u>	<u>-</u>
	Total operating expenses	<u>105,378</u>	<u>14</u>	<u>94,755</u>	<u>15</u>	<u>215,782</u>	<u>15</u>	<u>201,462</u>	<u>14</u>
	Net operating income	<u>87,619</u>	<u>12</u>	<u>77,280</u>	<u>13</u>	<u>174,559</u>	<u>12</u>	<u>170,414</u>	<u>13</u>
	Non-operating income and expenses:								
7100	Interest income	2,594	-	2,106	-	3,291	-	2,627	-
7020	Other gains and losses (notes 6(q))	(472)	-	(4,146)	(1)	(1,071)	-	(3,371)	(1)
7510	Interest expense (note 6(j))	<u>(373)</u>	<u>-</u>	<u>(215)</u>	<u>-</u>	<u>(614)</u>	<u>-</u>	<u>(450)</u>	<u>-</u>
	Total non-operating income and expenses	<u>1,749</u>	<u>-</u>	<u>(2,255)</u>	<u>(1)</u>	<u>1,606</u>	<u>-</u>	<u>(1,194)</u>	<u>(1)</u>
	Profit before tax	89,368	12	75,025	12	176,165	12	169,220	12
7950	Less: Income tax expenses (note 6(l))	<u>22,241</u>	<u>3</u>	<u>16,710</u>	<u>2</u>	<u>38,518</u>	<u>2</u>	<u>37,525</u>	<u>2</u>
	Profit	<u>67,127</u>	<u>9</u>	<u>58,315</u>	<u>10</u>	<u>137,647</u>	<u>10</u>	<u>131,695</u>	<u>10</u>
8300	Other comprehensive income:								
8360	Items that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	2,437	-	(15,700)	(3)	7,763	-	(11,995)	(1)
8399	Income tax related to items that will be reclassified to profit or loss (note 6(l))	<u>(487)</u>	<u>-</u>	<u>3,140</u>	<u>1</u>	<u>(1,552)</u>	<u>-</u>	<u>2,399</u>	<u>-</u>
	Total Items that will be reclassified to profit or loss	<u>1,950</u>	<u>-</u>	<u>(12,560)</u>	<u>(2)</u>	<u>6,211</u>	<u>-</u>	<u>(9,596)</u>	<u>(1)</u>
8300	Other comprehensive income	<u>1,950</u>	<u>-</u>	<u>(12,560)</u>	<u>(2)</u>	<u>6,211</u>	<u>-</u>	<u>(9,596)</u>	<u>(1)</u>
8500	Total comprehensive income	<u>\$ 69,077</u>	<u>9</u>	<u>45,755</u>	<u>8</u>	<u>143,858</u>	<u>10</u>	<u>122,099</u>	<u>9</u>
	Earnings per share (NT dollars) (note 6(n))								
9750	Basic earnings per share	<u>\$ 3.93</u>		<u>3.41</u>		<u>8.05</u>		<u>7.70</u>	
9850	Diluted earnings per share	<u>\$ 3.91</u>		<u>3.40</u>		<u>8.01</u>		<u>7.67</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six Months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings		Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
	Ordinary shares	Capital surplus	Lega reserve	Special reserve			
Balance on January 1, 2025	<u>\$ 170,970</u>	<u>68,813</u>	<u>161,192</u>	<u>10,781</u>	<u>598,299</u>	<u>(6,410)</u>	<u>1,003,645</u>
Profit	-	-	-	-	131,695	-	131,695
Other comprehensive income	-	-	-	-	-	(9,596)	(9,596)
Total comprehensive income	-	-	-	-	131,695	(9,596)	122,099
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	22,419	-	(22,419)	-	-
Special reserve appropriated	-	-	-	(4,371)	4,371	-	-
Cash dividends of ordinary shares	-	-	-	-	(153,873)	-	(153,873)
Balance on June 30, 2025	<u>\$ 170,970</u>	<u>68,813</u>	<u>183,611</u>	<u>6,410</u>	<u>558,073</u>	<u>(16,006)</u>	<u>971,871</u>
Balance on January 1, 2026	<u>\$ 170,970</u>	<u>68,813</u>	<u>183,611</u>	<u>6,410</u>	<u>665,560</u>	<u>(5,570)</u>	<u>1,089,794</u>
Profit	-	-	-	-	137,647	-	137,647
Other comprehensive income	-	-	-	-	-	6,211	6,211
Total comprehensive income	-	-	-	-	137,647	6,211	143,858
Appropriation and distribution of retained earnings:							
Reversal of special reserve	-	-	-	(840)	840	-	-
Cash dividends of ordinary shares	-	-	-	-	(165,841)	-	(165,841)
Balance on June 30, 2026	<u>\$ 170,970</u>	<u>68,813</u>	<u>183,611</u>	<u>5,570</u>	<u>638,206</u>	<u>641</u>	<u>1,067,811</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six Months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities:		
Profit before tax	\$ 176,165	169,220
Adjustments:		
Adjustments to reconcile profit:		
Depreciation and amortization	17,119	14,113
Losses (gains) related to inventories	37	(57)
Expected credit loss (reversal of expected credit loss)	(109)	1,714
Interest income	(3,291)	(2,627)
Interest expense	614	450
Losses on disposal and retirement of property, plant and equipment	1,137	17
Losses on disposal of right-of-use assets	508	-
Total adjustments to reconcile profit	16,015	13,610
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(158,138)	(87,397)
Inventories	(31,777)	172,749
Other current assets	(12,659)	3,045
Other non-current assets	(1,280)	(1,183)
Contract liabilities	7,897	(2,254)
Accounts payable	7,869	(232,817)
Salaries payable	(10,569)	(5,516)
Other payables	10,102	12,419
Other current liabilities	144	589
Total adjustments	(172,396)	(126,755)
Cash inflow generated from operations	3,769	42,465
Interest received	3,555	2,985
Interest paid	(614)	(450)
Income taxes paid	(29,167)	(33,231)
Net cash (used in) from operating activities	(22,457)	11,769
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(67,500)	-
Proceeds from disposal of financial assets at amortized cost	20,000	-
Acquisition of intangible assets	(2,932)	(1,437)
Acquisition of property, plant and equipment	(16,198)	(1,797)
Proceeds from disposal of property, plant and equipment	209	-
Acquisition of unamortized assets	(99)	(119)
Decrease (increase) in refundable deposits	(16,860)	2,142
Net cash used in investing activities	(83,380)	(1,211)
Cash flows from financing activities:		
Decrease in deposits received	(440)	-
Payment of lease liabilities	(9,393)	(8,259)
Net cash used in financing activities	(9,833)	(8,259)
Effect of exchange rate changes on cash and cash equivalents	8,246	(12,755)
Net decrease in cash and cash equivalents	(107,424)	(10,456)
Cash and cash equivalents at beginning of year	709,548	662,396
Cash and cash equivalents at end of year	\$ 602,124	651,940

See accompanying notes to consolidated financial statements.

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

OTSUKA INFORMATION TECHNOLOGY CORP. (“the Company”) was incorporated on August 4, 1997 in accordance with the Company Act. The Investment Commission, Ministry of Economic Affairs permits the foreign stockholders to invest the Company in accordance with the Statute for Investment by Foreign Nationals. The address of the Company’s registered office is 6F., No. 68, Sec. 2, Sianmin Blvd., Banqiao Dist., New Taipei City. The major business activities of the Company and subsidiaries (together referred to as “the Group”) are designing, trading, maintaining, import and export the hardware, software, computers, network and accessories.

The Company’s ordinary shares were listed on the Taipei Exchange (“TPEX”) on October 23, 2008.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on August 10, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission (“FSC”), R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

- (i) IFRS 18 “Presentation and Disclosure in Financial Statements”

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.
- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

(ii) Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 20 “Regulatory Assets and Regulatory Liabilities”

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated annual financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (“the IFRSs endorsed by the FSC”).

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements.

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Otsuka Information Technology Ltd. (Otsuka)	Holding company	100 %	100 %	100 %	(Note 1)
The Company	EFD Corporation. (EFD)	Software Merchandising	100 %	100 %	100 %	(Note 1)
Otsuka	Otsuka Software Trading (Dongguan) Ltd. (Otsuka Dongguan)	Software Merchandising	100 %	100 %	100 %	(Note 1)
Otsuka	OITC Information Technology (Shanghai) Ltd. (OITC)	Software Merchandising	100 %	100 %	100 %	(Note 1)

Note 1: Non-material subsidiaries whose financial statements have not been reviewed by CPAs.

(c) Employee Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income Taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying pre-tax income for the interim reporting period by the effective annual tax rate best estimated by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

(e) Construction contracts

The Group enters into contracts to undertake the construction of solar power generation systems. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. The Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. A contract liability is recognized when payments received exceed the services rendered.

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, including climate-related risks and opportunities, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, in the preparation of the consolidated financial statements, the major sources of significant accounting judgments and estimation uncertainty are consistent with Note (5) of the consolidated financial statements for the year ended December 31, 2025.

The following assumptions and estimation uncertainties have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is as follows:

(a) Revenue recognition

Contract revenue are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Estimated total contract costs of contracted items are assessed and determined by the management based on the nature of activities, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. However, changes in the industry environment and construction conditions may result in changes in the estimated total contract costs. Changes in these estimates might affect the calculation of the percentage of completion and related profits from construction contracts.

(6) Explanation of significant accounts:

Except as described in the following paragraphs, there were no significant differences with those disclosed in the 2025 annual consolidated financial statements. Please refer to Note (6) of the consolidated financial statements for the year ended December 31, 2025, for other related information.

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash	\$ 463	363	356
Checking and demand deposits	511,931	612,719	545,803
Time deposits	89,730	96,466	105,781
	<u>\$ 602,124</u>	<u>709,548</u>	<u>651,940</u>

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial assets measured at amortized cost

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Time deposits- Current	\$ 67,500	-	-
Financial bond - Current	-	20,000	20,000
Financial bond - Non-current	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	<u><u>\$ 77,500</u></u>	<u><u>30,000</u></u>	<u><u>30,000</u></u>

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

- (i) The Group purchased the seven-year bonds of Bank of Panhsin in June 2019. The face value of the bond was \$20,000 thousand and its effective interest rate was 2.25%.
- (ii) The Group purchased the seven-year bonds of Bank of Panhsin in June 2021. The face value of the bond was \$10,000 thousand and its effective interest rate was 1.5%.
- (iii) The Group held domestic time deposits with a weighted average annual interest rate of 1.7% for the six months ended June 30, 2026, which will mature in April 2027.
- (iv) As of June 30, 2026, December 31, 2024, and June 30, 2025, the Group did not provide any of the aforementioned bond as collateral.

(c) Notes and accounts receivable (including related parties)

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Notes receivable	\$ 17,216	16,768	23,285
Accounts receivable	539,579	381,839	473,130
Accounts receivable-related parties	<u>195</u>	<u>245</u>	<u>481</u>
	556,990	398,852	496,896
Less: allowance for doubtful accounts	(3,382)	(3,485)	(2,840)
Long-term notes and accounts receivable, net	<u>-</u>	<u>(6,436)</u>	<u>(25,116)</u>
	<u><u>\$ 553,608</u></u>	<u><u>388,931</u></u>	<u><u>468,940</u></u>

- (i) The Group did not provide any of the aforementioned notes and accounts receivable as collateral. The aforementioned notes and accounts receivable were not discounted because the due dates were less than a year. The book value is assumed to approximate the fair value.
- (ii) A maturity analysis of notes and accounts receivable from the installment sales was expected to be recovered after the reporting date as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Less than a year	\$ 6,652	25,487	7,906
One to two years	<u>-</u>	<u>6,436</u>	<u>25,116</u>
	<u><u>\$ 6,652</u></u>	<u><u>31,923</u></u>	<u><u>33,022</u></u>

The aforementioned receivables were promptly recovered after the reporting date.

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iii) The Group applies the simplified approach to provide for its ECL, the use of lifetime ECL provision for all notes and accounts receivables (including long-term and related parties). To measure the ECL, notes and accounts receivable have been grouped based on shared credit risk characteristics and customer' s ability to pay all the amounts due based on the terms of the contract as well as incorporated forward looking information, including macroeconomic and relevant industry information. The ECL allowance provision analysis was as follows:

	June 30, 2026		
	Carrying amounts of notes and accounts receivable (including long- term and related parties)	Lifetime weighted- average ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 530,150	0.00%	-
Past due 1 to 60 days	21,836	0.50%	109
Past due 61 to 210 days	1,450	6.97%	101
Past due 211 to 270 days	117	29.91%	35
Past due 271 to 360 days	500	40%	200
More than 361 days past due	2,937	100%	2,937
	<u>\$ 556,990</u>		<u>3,382</u>

	December 31, 2025		
	Carrying amounts of notes and accounts receivable (including long- term and related parties)	Lifetime weighted- average ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 355,703	0.00%	-
Past due 1 to 60 days	33,254	0.73%	242
Past due 61 to 210 days	7,264	8.43%	612
Past due 211 to 270 days	-	0.00%	-
Past due 271 to 360 days	-	0.00%	-
More than 361 days past due	2,631	100%	2,631
	<u>\$ 398,852</u>		<u>3,485</u>

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	June 30, 2025		
	Carrying amounts of notes and accounts receivable (including long- term and related parties)	Lifetime weighted- average ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 475,536	0.00%	-
Past due 1 to 60 days	17,591	0.52%	92
Past due 61 to 210 days	1,058	6.99%	74
Past due 211 to 270 days	52	28.85%	15
Past due 271 to 360 days	-	0.00%	-
More than 361 days past due	<u>2,659</u>	100.00%	<u>2,659</u>
	<u>\$ 496,896</u>		<u>2,840</u>

(iv) The movements in the allowance for notes and accounts receivable were as follows:

	For the Six Months Ended June 30,	
	2026	2025
Balance on January 1	\$ 3,485	1,127
Recognition (Reversal) of expected credit loss	(109)	1,714
Effect of changes in exchange rates	<u>6</u>	<u>(1)</u>
Balance on December 31	<u>\$ 3,382</u>	<u>2,840</u>

(d) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Software	\$ 288,360	251,262	159,409
Hardware	<u>1,199</u>	<u>7,053</u>	<u>6,413</u>
	<u>\$ 289,559</u>	<u>258,315</u>	<u>165,822</u>

(i) Except for the costs of inventories that have been sold, the Group recognized the following items as cost of goods sold:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Losses (Gains) on obsolete inventories and inventory valuation	\$ <u>82</u>	<u>(58)</u>	<u>37</u>	<u>(57)</u>

(ii) As of June 30, 2026 December 31, 2025, and June 30, 2025, the Group did not provide any of the aforementioned inventories as collateral.

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Prepaid and other current assets

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments for construction	\$ 11,132	-	-
Prepaid salaries	800	800	800
Other receivables	474	500	298
Prepaid expenses and others	<u>8,033</u>	<u>6,344</u>	<u>4,061</u>
	<u>\$ 20,439</u>	<u>7,644</u>	<u>5,159</u>

(f) Property, plant and equipment

The movements of cost and depreciation of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Computers	Office equipment	Transportation equipment	Machinery equipment	Construction in progress and equipment pending acceptance	Total
Cost :								
Balance on January 1, 2026	\$ 10,260	6,175	33,142	5,570	5,083	9,749	-	69,979
Additions	-	-	796	-	-	180	15,744	16,720
Disposals	-	-	(1,748)	(35)	(1,535)	-	-	(3,318)
Effect of changes in exchange rates	-	-	104	25	-	-	-	129
Balance on June 30, 2026	<u>\$ 10,260</u>	<u>6,175</u>	<u>32,294</u>	<u>5,560</u>	<u>3,548</u>	<u>9,929</u>	<u>15,744</u>	<u>83,510</u>
Balance on January 1, 2025	\$ 10,260	6,175	31,052	4,922	4,453	9,420	-	66,282
Additions	-	-	1,288	413	569	90	-	2,360
Disposals	-	-	(166)	-	-	-	-	(166)
Effect of changes in exchange rates	-	-	(167)	(40)	-	-	-	(207)
Balance on June 30, 2025	<u>\$ 10,260</u>	<u>6,175</u>	<u>32,007</u>	<u>5,295</u>	<u>5,022</u>	<u>9,510</u>	<u>-</u>	<u>68,269</u>
Depreciation:								
Balance on January 1, 2026	\$ -	2,589	24,493	4,627	1,826	3,002	-	36,537
Depreciation	-	52	1,619	179	192	817	-	2,859
Disposals	-	-	(1,482)	(35)	(455)	-	-	(1,972)
Effect of changes in exchange rates	-	-	79	23	-	-	-	102
Balance on June 30, 2026	<u>\$ -</u>	<u>2,641</u>	<u>24,709</u>	<u>4,794</u>	<u>1,563</u>	<u>3,819</u>	<u>-</u>	<u>37,526</u>
Balance on January 1, 2025	\$ -	2,486	22,720	4,356	1,322	1,406	-	32,290
Depreciation	-	52	1,467	138	238	787	-	2,682
Disposals	-	-	(149)	-	-	-	-	(149)

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Effect of changes in exchange rates	-	-	(120)	(36)	-	-	-	(156)
Balance on June 30, 2025	\$ -	<u>2,538</u>	<u>23,918</u>	<u>4,458</u>	<u>1,560</u>	<u>2,193</u>	-	<u>34,667</u>

Carrying amounts:

Balance on January 1, 2026	\$ <u>10,260</u>	<u>3,586</u>	<u>8,649</u>	<u>943</u>	<u>3,257</u>	<u>6,747</u>	-	<u>33,442</u>
Balance on June 30, 2026	\$ <u>10,260</u>	<u>3,534</u>	<u>7,585</u>	<u>766</u>	<u>1,985</u>	<u>6,110</u>	<u>15,744</u>	<u>45,984</u>
Balance on January 1, 2025	\$ <u>10,260</u>	<u>3,689</u>	<u>8,332</u>	<u>566</u>	<u>3,131</u>	<u>8,014</u>	-	<u>33,992</u>
Balance on June 30, 2025	\$ <u>10,260</u>	<u>3,637</u>	<u>8,089</u>	<u>837</u>	<u>3,462</u>	<u>7,317</u>	-	<u>33,602</u>

As of June 30, 2026, December 31, 2025, and June 30, 2025, the Group did not provide any of the aforementioned property, plant and equipment as collateral.

(g) Right-of-use assets

The Group leases assets including buildings and transportation equipment. Movements of the cost and accumulated depreciation of right-of-use assets were as follows:

	<u>Buildings</u>
Cost :	
Balance on January 1, 2026	\$ 73,194
Additions	94,829
Disposals	(12,300)
Lease modification	(40)
Effect of changes in exchange rates	<u>192</u>
Balance on June 30, 2026	<u>\$ 155,875</u>
Balance on January 1, 2025	\$ 73,173
Effect of changes in exchange rates	<u>(308)</u>
Balance on June 30, 2025	<u>\$ 72,865</u>
Depreciation:	
Balance on January 1, 2026	\$ 40,739
Depreciation	11,003
Effect of changes in exchange rates	(9,141)
Balance on June 30, 2026	<u>125</u>
Balance on January 1, 2025	<u>\$ 42,726</u>
Depreciation	\$ 25,633
Disposals	8,340
Effect of changes in exchange rates	<u>(210)</u>

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Balance on June 30, 2025 \$ 33,763

Carrying amounts:

Balance on January 1, 2026 \$ 32,455

Balance on June 30, 2026 \$ 113,149

Balance on January 1, 2025 \$ 47,540

Balance on June 30, 2025 \$ 39,102

(h) Intangible assets

The movements of the cost and accumulated depreciation of intangible assets were as follow:

	<u>Computer software</u>	<u>Company Name</u>	<u>Customer relationships</u>	<u>Goodwill</u>	<u>Total</u>
Cost:					
Balance on January 1, 2026	\$ 19,880	7,725	14,590	95	42,290
Additions	2,932	-	-	-	2,932
Effect of changes in exchange rates	41	-	-	-	41
Balance on June 30, 2026	<u><u>\$ 22,853</u></u>	<u><u>7,725</u></u>	<u><u>14,590</u></u>	<u><u>95</u></u>	<u><u>45,263</u></u>
Balance on January 1, 2025	\$ 19,677	7,725	14,590	95	42,087
Additions	1,437	-	-	-	1,437
Effect of changes in exchange rates	(67)	-	-	-	(67)
Balance on June 30, 2025	<u><u>\$ 21,047</u></u>	<u><u>7,725</u></u>	<u><u>14,590</u></u>	<u><u>95</u></u>	<u><u>43,457</u></u>
Accumulated depreciation:					
Balance on January 1, 2026	\$ 9,152	1,739	3,283	-	14,174
Amortization	1,722	386	729	-	2,837
Effect of changes in exchange rates	41	-	-	-	41
Balance on June 30, 2026	<u><u>\$ 10,915</u></u>	<u><u>2,125</u></u>	<u><u>4,012</u></u>	<u><u>-</u></u>	<u><u>17,052</u></u>
Balance on January 1, 2025	\$ 7,665	966	1,824	-	10,455
Amortization	1,467	386	729	-	2,582
Effect of changes in exchange rates	(67)	-	-	-	(67)
Balance on June 30, 2025	<u><u>\$ 9,065</u></u>	<u><u>1,352</u></u>	<u><u>2,553</u></u>	<u><u>-</u></u>	<u><u>12,970</u></u>
Carrying amount:					
Balance on January 1, 2026	<u><u>\$ 10,728</u></u>	<u><u>5,986</u></u>	<u><u>11,307</u></u>	<u><u>95</u></u>	<u><u>28,116</u></u>
Balance on June 30, 2026	<u><u>\$ 11,938</u></u>	<u><u>5,600</u></u>	<u><u>10,578</u></u>	<u><u>95</u></u>	<u><u>28,211</u></u>
Balance on January 1, 2025	<u><u>\$ 12,012</u></u>	<u><u>6,759</u></u>	<u><u>12,766</u></u>	<u><u>95</u></u>	<u><u>31,632</u></u>
Balance on June 30, 2025	<u><u>\$ 11,982</u></u>	<u><u>6,373</u></u>	<u><u>12,037</u></u>	<u><u>95</u></u>	<u><u>30,487</u></u>

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of June 30, 2026, December 31, 2025, and June 30, 2025, the Group did not provide any of the aforementioned assets as collateral.

(i) Short-term debt

The consolidated company's short-term borrowings are specified as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Unsecured bank loans	\$ <u>-</u>	<u>-</u>	<u>-</u>
Unused credit line	\$ <u>350,000</u>	<u>350,000</u>	<u>400,000</u>

(j) Lease liabilities

Lease liabilities of the Group were as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Current	\$ <u>20,501</u>	<u>15,930</u>	<u>15,194</u>
Non-current	\$ <u>94,442</u>	<u>16,804</u>	<u>24,221</u>

For the maturities analysis, please refer to note 6(r).

The amounts recognized in profit or loss were as follows:

	<u>For the Three Months Ended June 30,</u>		<u>For the Six Months Ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Interest on lease liabilities	\$ <u>373</u>	<u>215</u>	<u>614</u>	<u>450</u>
Expenses relating to short-term leases and leases of low- value assets	\$ <u>1,569</u>	<u>1,429</u>	<u>3,036</u>	<u>2,904</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	<u>For the Six Months Ended June 30,</u>	
	<u>2026</u>	<u>2025</u>
Rental paid in operating activities	\$ (3,036)	(2,904)
Interest on lease liabilities paid in operating activities	(614)	(450)
Payment made on lease liabilities in financing activities	(9,393)	(8,259)
Total cash outflow for leases	\$ <u>(13,043)</u>	<u>(11,613)</u>

(i) Real estate leases

The Group leases buildings for its office space and warehouse. The leases of office space typically run for a period of 2 to 10 years, and of warehouse for 3 years.

- (ii) The Group leases some equipment with contract terms of one to six years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(k) Employee benefits

(i) Defined benefit plans

In prior fiscal year, there was no material volatility of the market, reimbursement and settlement or other material one-time events. As a result, pension cost in the accompanying interim financial statements is measured and disclosed as of December 31, 2025 and 2024.

The details of the Group's expenses (benefit) were as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Selling expenses	\$ (2)	2	(4)	4
General and administrative expenses	-	-	(1)	1
Research and development expenses	(3)	1	(4)	2
Total	\$ <u>(5)</u>	<u>3</u>	<u>(9)</u>	<u>7</u>

(ii) Defined contribution plans

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Selling expenses	\$ 1,887	2,022	3,811	3,983
General and administrative expenses	368	369	723	739
Research and development expenses	914	599	1,724	1,140
Total	\$ <u>3,169</u>	<u>2,990</u>	<u>6,258</u>	<u>5,862</u>

(l) Income taxes

(i) Income tax expense

The components of income tax expenses were as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Income tax expense	\$ <u>22,241</u>	<u>16,710</u>	<u>38,518</u>	<u>37,525</u>

(ii) The Group had no income taxes recognized directly in equity.

(iii) The amounts of income tax expense (benefit) recognized in other comprehensive income were as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Exchange differences on translation of foreign operations financial statements	\$ <u>487</u>	<u>(3140)</u>	<u>1,552</u>	<u>(2,399)</u>

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iv) The consolidated company's profit-seeking enterprise income tax filing has been approved by the tax collection authority as follows:

	<u>Year of approval</u>
The Company	Approved up to 2024
EFD	Approved up to 2024

- (m) Capital and other equity

Except for the following disclosure, there is no significant difference in capital and other equity for the six months ended June 30, 2026 and 2025. Please refer to Note (6)(m) of the consolidated financial statements for the year ended December 31, 2025, for other related information.

The Board of Directors resolved the distribution of earnings for 2025 on February 24, 2026 and the distribution of earnings for 2024 on February 26, 2025, respectively. As well as the stockholders' meeting resolved the distribution of earnings for 2025 on May 22, 2026 and the distribution of earnings for 2024 on May 23, 2025, respectively. The distribution was \$9.7 (dollars) and \$9.0 (dollars) per share, which amounted to \$165,841 thousand and \$153,873 thousand, respectively.

The unpaid cash dividends amounted to NTD 165,841 thousand and NTD 153,873 thousand as of June 30, 2026 and 2025, respectively, and were recorded under dividends payable. For more information on dividend distribution, please refer to the Market Observation Post System.

- (n) Earnings per share

- (i) Basic earnings per share

The calculation of basic earnings per share based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding was as follows:

	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>67,127</u>	<u>58,315</u>	<u>137,647</u>	<u>131,695</u>
Weighted average number of ordinary shares (thousand shares)	<u>17,097</u>	<u>17,097</u>	<u>17,097</u>	<u>17,097</u>
Basic earnings per share	\$ <u>3.93</u>	<u>3.41</u>	<u>8.05</u>	<u>7.70</u>

- (ii) Diluted earnings per share

The calculation of diluted earnings per share based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares was as follows:

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Profit attributable to ordinary shareholders of the Company	\$ <u>67,127</u>	<u>58,315</u>	<u>137,647</u>	<u>131,695</u>
Weighted average number of ordinary shares (thousand shares)	<u>17,150</u>	<u>17,141</u>	<u>17,179</u>	<u>17,166</u>
Basic earnings per share	\$ <u>3.91</u>	<u>3.40</u>	<u>8.01</u>	<u>7.67</u>
Weighted-average number of ordinary shares (diluted) Unit:thousand shares				
	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Weighted-average number of ordinary shares (basic)	17,097	17,097	17,097	17,097
Effect of employee remuneration	<u>53</u>	<u>44</u>	<u>82</u>	<u>69</u>
Weighted-average number of ordinary shares (diluted)	<u>17,150</u>	<u>17,141</u>	<u>17,179</u>	<u>17,166</u>

(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Three Months Ended June 30, 2026			
	Business unit 1	Business unit 2	Business unit 3	Total
Primary geographical markets:				
Taiwan	\$ 717,233	-	-	717,233
China	<u>-</u>	<u>24,327</u>	<u>8,232</u>	<u>32,559</u>
	<u>\$ 717,233</u>	<u>24,327</u>	<u>8,232</u>	<u>749,792</u>
Major products:				
Software	\$ 667,262	24,199	7,721	699,182
Service	27,987	128	511	28,626
Others	<u>21,984</u>	<u>-</u>	<u>-</u>	<u>21,984</u>
	<u>\$ 717,233</u>	<u>24,327</u>	<u>8,232</u>	<u>749,792</u>

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the Three Months Ended June 30, 2025				
	Business unit 1	Business unit 2	Business unit 3	Total
Primary geographical markets:				
Taiwan	\$ 587,953	-	-	587,953
China	-	12,675	11,110	23,785
	\$ 587,953	12,675	11,110	611,738
Major products:				
Software	\$ 550,052	12,387	9,953	572,392
Service	30,843	288	1,157	32,288
Others	7,058	-	-	7,058
	\$ 587,953	12,675	11,110	611,738
For the Six Months Ended June 30, 2026				
	Business unit 1	Business unit 2	Business unit 3	Total
Primary geographical markets:				
Taiwan	\$ 1,357,816	-	-	1,357,816
China	-	52,847	21,566	74,413
	\$ 1,357,816	52,847	21,566	1,432,229
Major products:				
Software	\$ 1,259,043	52,562	20,459	1,332,064
Service	54,981	285	1,107	56,373
Others	43,792	-	-	43,792
	\$ 1,357,816	52,847	21,566	1,432,229
For the Six Months Ended June 30, 2025				
	Business unit 1	Business unit 2	Business unit 3	Total
Primary geographical markets:				
Taiwan	\$ 1,273,489	-	-	1,273,489
China	-	43,931	37,754	81,685
	\$ 1,273,489	43,931	37,754	1,355,174
Major products:				
Software	\$ 1,198,924	41,565	35,951	1,276,440
Service	61,574	2,366	1,803	65,743
Others	12,991	-	-	12,991
	\$ 1,273,489	43,931	37,754	1,355,174

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025
Notes and accounts receivable (including long-term and related parties)	\$ 556,990	398,852	496,896
Less: allowance for impairment	<u>(3,382)</u>	<u>(3,485)</u>	<u>(2,840)</u>
Total	<u>\$ 553,608</u>	<u>395,367</u>	<u>494,056</u>
Contract liabilities	<u>\$ 26,743</u>	<u>18,846</u>	<u>14,324</u>

- 1) For details on notes and accounts receivable (including long-term and related parties) and allowance for impairment, please refer to note 6(c).
- 2) Contract liabilities mainly arise from advance payments received under contracts for the sale of goods and construction contracts. The Group recognizes the related amounts as revenue when the goods are delivered to customers or over the course of the construction period. The opening balance of contract liabilities for the years 2026 and 2025 that was recognized as revenue from January 1 to June 30, 2026, and 2025 amounted to \$13,467 thousand and \$11,303 thousand, respectively.

(iii) Transaction price allocated to the remaining performance obligations

As of June 30, 2026, the aggregate transaction price allocated to the performance obligations that were unsatisfied or partially unsatisfied in relation to the Group's construction contracts with non-related parties amounted to NT\$41,549 thousand. The Group expects to recognize the related revenue over time based on the progress toward completion of the construction projects, which are expected to be completed within one year. There was no such transaction as of June 30, 2025.

(p) Employee compensation and directors' remuneration

According to the amended Articles, more than 5% of annual profit should be appropriated as employee remuneration (including a minimum of 1% to those base-level employees). The board of directors will adopt a resolution on whether the distribution is paid in cash or stock. Qualified employees, including the employees of subsidiaries of the Company meeting certain specific requirements, are entitled to receive their remuneration specified by the board of directors. The annual profit aforementioned may also be appropriated as directors' remuneration through the board's resolution, wherein the amount should not exceed 3% of annual profit. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficits.

The estimated amounts of employees' remuneration for the periods from April 1 to June 30, 2026, and 2025, and January 1 to June 30, 2026, and 2025, were \$4,668 thousand, \$3,966 thousand, \$9,261 thousand and \$8,951 thousand, respectively. The estimated amounts of directors' remuneration for the same periods were \$1,400 thousand and \$1,189 thousand and \$2,778 thousand and \$2,685 thousand, respectively. These estimates were based on the amount of the Company's net profit before tax for each period before deducting the remuneration of employees and directors and multiplied by the appropriation of remuneration to employees and directors as stipulated in the Articles of Incorporation of the Company and were reported as operating expenses for each period.

The estimated amounts of employees' remuneration for the years 2025 and 2024 were \$15,912 thousand and \$14,784 thousand, respectively. The estimated amounts of directors' remuneration for the same years were \$4,774 thousand and \$4,435 thousand, respectively. There were no differences from the amounts resolved by the Board of Directors. Relevant information can be found on the Market Observation Post System (MOPS).

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Other gains and losses

The details of other gains and losses were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Losses on disposal and retirement of property, plant and equipment	\$ (9)	-	(1,137)	-
Losses on disposal of right-of-use assets	(508)	-	(508)	-
Foreign exchange gains (loss)	27	(4,182)	273	(3,329)
Others	18	36	301	(42)
	<u>\$ (427)</u>	<u>(4,146)</u>	<u>(1,071)</u>	<u>(3,371)</u>

(r) Financial instruments

Except for those described below, there were no significant changes on fair value, credit risk, liquidity risk and market risk of financial instruments. Please refer to note (6)(r) of the consolidated financial statements for the year ended December 31, 2025 for related information.

(i) Liquidity risk

The following table shows the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
June 30, 2026						
Accounts payable	\$ 236,549	236,549	236,549	-	-	-
Salaries payable	65,965	65,965	65,965	-	-	-
Dividends payable	165,841	165,841	165,841	-	-	-
Other payables	47,667	47,667	47,667	-	-	-
Lease liabilities	114,943	125,476	21,667	17,570	33,102	53,137
Deposits received	360	360	-	-	-	360
	<u>\$ 631,325</u>	<u>641,858</u>	<u>537,689</u>	<u>17,570</u>	<u>33,102</u>	<u>53,497</u>
December 31, 2025						
Accounts payable	\$ 228,680	228,680	228,680	-	-	-
Salaries payable	76,534	76,534	76,534	-	-	-
Other payables	37,043	37,043	37,043	-	-	-
Lease liabilities	32,734	33,534	16,441	12,187	4,906	-
Deposits received	800	800	-	-	-	800
	<u>\$ 375,791</u>	<u>376,591</u>	<u>358,698</u>	<u>12,187</u>	<u>4,906</u>	<u>800</u>
June 30, 2025						
Accounts payable	\$ 147,979	147,979	147,979	-	-	-
Salaries payable	63,864	63,864	63,864	-	-	-
Dividends payable	153,873	153,873	153,873	-	-	-

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Other payables	45,926	45,926	45,926	-	-	-
Lease liabilities	39,415	40,560	15,847	14,423	10,290	-
Deposits received	<u>800</u>	<u>800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>
	<u>\$ 451,857</u>	<u>453,002</u>	<u>427,489</u>	<u>14,423</u>	<u>10,290</u>	<u>800</u>

(ii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	June 30, 2026			December 31, 2025			June 30, 2025			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
<u>Financial assets</u>										
Monetary items-USD	\$	82	31.85	2,604	95	31.43	2,979	1,067	29.85	31,851
Monetary items-JP		5,198	0.20	1,020	2,978	0.20	598	1,434	0.21	297
<u>Financial liabilities</u>										
Monetary items-USD		631	31.85	20,107	127	31.43	3,982	212	29.85	6,334
Monetary items-JP		711	0.20	140	10,139	0.20	2,036	1,929	0.21	400

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents and accounts payable that are denominated in foreign currency. A weakening (strengthening) of 5% of the TWD against the foreign currency as of June 30, 2026 and 2025, would have decreased or increased the profit before tax by \$831 thousand and increased or decreased \$1,271 thousand for the six months ended June 30, 2026 and 2025, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain or loss on monetary items

The information on the amount of the Group's foreign exchange gain or loss on monetary items (including realized and unrealized) translated to the functional currency, and on the exchange rate translated to the functional currency of the parent company (the presentation currency), TWD, was as follows:

Functional Currencies	For the Three Months Ended					For the Six Months Ended			
	June 30,					June 30,			
	2026		2025			2026		2025	
	Foreign exchange gain or loss	Average exchange	Foreign exchange gain or loss	Average exchange		Foreign exchange gain or loss	Average exchange	Foreign exchange gain or loss	Average exchange
TWD	\$ 19	1	(4,176)	1	272	1	(3,320)	1	
CNY	<u>8</u>	4.644	<u>(6)</u>	4.263	<u>1</u>	4.607	<u>(9)</u>	4.391	
	<u>\$ 27</u>		<u>(4,182)</u>		<u>273</u>		<u>(3,329)</u>		

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Interest rate analysis

The Group's financial assets with floating-rate were bank deposits and there were no financial liabilities with floating-rates. The Group believes that the cash flow risk arising from the fluctuation in interest rates was not significant and the sensitivity analysis of interest rate was not required.

(iv) Fair value — Kinds of financial instruments and fair value

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

		June 30, 2026				
		Fair Value				
	Carrying amounts	Level 1	Level 2	Level 3	Total	
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$ 602,124					
Financial assets measured at amortized cost	77,500					
Notes and accounts receivable (including long-term and related parties)	553,608					
Other receivables	474					
Refundable deposits	38,319					
Total	<u>\$ 1,272,025</u>					
Financial liabilities measured at amortized cost:						
Accounts payable	\$ 236,549					
Salaries payable	65,965					
Dividends payable	165,841					
Other payables	47,667					
Lease liabilities	114,943					
Deposits received	360					
Total	<u>\$ 631,325</u>					
		December 31, 2024				
		Fair Value				
	Carrying amounts	Level 1	Level 2	Level 3	Total	
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$ 709,548					
Financial assets measured at amortized cost	30,000					
Notes and accounts receivable (including long-term and related parties)	395,367					
Other receivables	500					
Refundable deposits	22,062					
Total	<u>\$ 1,157,477</u>					

(Continued)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

		December 31, 2025				
			Fair Value			
		Carrying amounts	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost:						
Accounts payable	\$	228,680				
Salaries payable		76,534				
Other payables		37,043				
Lease liabilities		32,734				
Deposits received		800				
Total		<u>\$ 375,791</u>				
		June 30, 2024				
			Fair Value			
		Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$	651,940				
Financial assets measured at amortized cost		30,000				
Notes and accounts receivable (including long-term and related parties)		494,056				
Other receivables		298				
Refundable deposits		20,849				
Total		<u>\$ 1,197,143</u>				
Financial liabilities measured at amortized cost:						
Accounts payable	\$	147,979				
Salaries payable		63,864				
Dividends payable		153,873				
Other payables		45,926				
Lease liabilities		39,415				
Deposits received		800				
Total		<u>\$ 451,857</u>				

(s) Financial risk management

There were no significant differences of the Group's financial risk management and policies with those disclosed in Note (6)(s) of the consolidated financial statements for the year ended December 31, 2025.

(t) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in Note (6)(t) of the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025.

(u) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the six months ended June 30, 2026 and 2025, were as follows:

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) For acquisition of right-of-use asset from lease, please refer to notes 6(g) and (j).

(ii) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2026	Acquisition	Cash flows	Non-cash changes	June 30, 2026
Lease liabilities	\$ 32,734	94,829	(9,393)	(3,227)	114,943
Deposits received	800	-	(440)	-	360
Total liabilities from financing activities	<u>\$ 33,534</u>	<u>94,829</u>	<u>(9,833)</u>	<u>(3,227)</u>	<u>115,303</u>
	January 1, 2025	Acquisition	Cash flows	Non-cash changes	June 30, 2025
Lease liabilities	\$ 47,774	-	(8,259)	(100)	39,415
Deposits received	800	-	-	-	800
Total liabilities from financing activities	<u>\$ 48,574</u>	<u>-</u>	<u>(8,259)</u>	<u>(100)</u>	<u>40,215</u>

(7) Related-party transactions:

(a) Names and relationship of the related parties

The followings is related party that has had transactions with the Group during the periods covered in the consolidated financial statements.

Name	Relationship
Otsuka Information System Trading (Shanghai) Limited (Otsuka Shanghai)	The same chairman as the Company
Fortune Construction Co., Ltd. (Fortune Construction)	Substantial related party

(b) Significant transactions with related parties

(i) Sales

The amounts of sales by the Group to related parties and the outstanding balances were as follows:

	Sales				Accounts receivable		
	For the Three Months Ended June 30,		For the Six Months Ended June 30,		June 30, 2026	December 31, 2025	June 30, 2025
	2026	2025	2026	2025			
Other related parties	<u>\$ 1,413</u>	<u>1,223</u>	<u>2,965</u>	<u>1,849</u>	<u>195</u>	<u>245</u>	<u>481</u>

The selling price for aforementioned related parties was based on cost-plus. The credit terms with related parties were 30 to 60 days, whereas the terms with other customers were 60 to 120 days, for the six months ended June 30, 2026 and 2025.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Short term employee benefits	\$ 6,811	5,193	14,176	11,938
Termination benefits	65	64	129	127
Post employment benefits	-	-	-	-
Other long term benefits	-	-	-	-
Share based payments	-	-	-	-
	<u>\$ 6,876</u>	<u>5,257</u>	<u>14,305</u>	<u>12,065</u>

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets:None

(9) Commitments and contingencies:

(a) Construction and equipment contracts entered into but not yet commenced:

	June 30, 2026	December 31, 2025	June 30, 2025
Construction contracts	<u>\$ 33,415</u>	<u>-</u>	<u>-</u>

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function By item	For the Three Months Ended June 30, 2026			For the Three Months Ended June 30, 2026		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	70,613	70,613	-	64,925	64,925
Labor and health insurance	-	4,621	4,621	-	4,406	4,406
Pension	-	3,164	3,164	-	2,993	2,993
Others	-	3,477	3,477	-	3,140	3,140
Depreciation	-	7,471	7,471	-	5,489	5,489
Amortization	-	1,729	1,729	-	1,629	1,629

By function By item	For the Three Months Ended June 30, 2026			For the Three Months Ended June 30, 2025		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	149,689	149,689	-	141,641	141,641
Labor and health insurance	-	9,999	9,999	-	9,351	9,351
Pension	-	6,249	6,249	-	5,869	5,869
Others	-	6,783	6,783	-	6,106	6,106
Depreciation	-	13,862	13,862	-	11,022	11,022
Amortization	-	3,257	3,257	-	3,091	3,091

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The information about material transactions to be disclosed by the consolidated company from January 1 to June 30, 2026, in accordance with the requirements of the preparation regulations is as follows:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (note 1)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	EFD	Other receivables	Y	80,000	80,000	-	-	Necessary to short-term loans to other parties	-	Operating capital	-	N	-	106,781	213,562

Note1: The ending balance is the amount of loans to other parties were authorized by the Board of Directors.

Note2: The total amount of loans due to necessary to short-term loans to a company shall not exceed 10% of its net worth; and the total amount of loans to all companies shall not exceed 20% of their net worth.

Note3: Related transactions have been eliminated during the preparation of the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:None

(iii) Securities held as of June 30, 2026 (excluding investment in subsidiaries, associates and joint ventures):

Company holding securities	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units (thousand)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Financial Bond: FY2021 1st subordinated bond of Bank of Panhsin	None	Financial assets measured at amortized cost- non-current	-	10,000	- %	10,000	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

(vi) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	EFD Corporation	Parent to subsidiary	Sales	6,695	Cost-plus	0.47%
"	"	"	"	Service revenue	1,126	Cost-plus	0.08%
"	"	"	"	Accounts receivables	7,230	Net 30 days	0.42%
1	EFD Corporation	The Company	Subsidiary to parent	Sales	2,012	Cost-plus	0.14%
1	"	"	"	Service revenue	8,947	Cost-plus	0.62%
1	"	"	"	Accounts receivables	8,024	Net 30 days	0.46%
2	Otsuka OITC Information Technology (Shanghai) Ltd.	Otsuka Software Trading (Dongguan) Ltd.	Subsidiary to subsidiary	Sales	12,684	Cost-plus	0.89%

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	"	"	"	Accounts receivables	6,291	Net 30 days	0.36%
3	Otsuka Software Trading (Dongguan) Ltd.	Otsuka OITC Information Technology (Shanghai) Ltd.	Subsidiary to subsidiary	Sales	5,605	Cost-plus	0.39%
	"	"	"	"	2,917	Net 30 days	0.17%

Note1: 1."0" represents the parent company.

2.Subsidiaries are numbered sequentially from "1".

Note2: Disclose transactions amounts exceeding the lower of NT\$1 million.

Note3: Related transactions have been eliminated during the preparation of the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2026 (excluding information on investees in China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee (Note 2)	Note
				June 30, 2025	June 30, 2024	Shares (thousand)	Ratio of shares	Carrying value			
The Company	Otsuka Information Technology Ltd.	Hong Kong	Holding company	129,517	129,517	32,760	100.00%	192,782	5,436	5,436	Note 1
"	EFD Corporation	Taiwan	Software merchandising	130,000	130,000	13,000	100.00%	142,872	10,608	10,783	"

Note 1: Related transactions have been eliminated during the preparation of the consolidated financial statements.

Note 2: Calculated based on the financial statements of the investee for the same period that has not been reviewed by CPAs.

(c) Information on investment in mainland China:

(i) The names of investees in China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income of the investee	Percentage of ownership	Investment income	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Otsuka Software Trading (Dongguan) Ltd.	Software merchandising	50,960 (US\$1,600 thousand)	Note 3	50,960 (US\$1,600 thousand)	-	-	50,960 (US\$1,600 thousand)	(290)	100.00%	(290)	92,642	-
Otsuka Information Technology (Shanghai) Ltd.	Software merchandising	82,810 (US\$2,600 thousand)	"	82,810 (US\$2,600 thousand)	-	-	82,810 (US\$2,600 thousand)	5,726	100.00%	5,726	100,132	-

Note 1: The limited companies did not issue shares.

Note 2: The above investments have been eliminated during the preparation of the consolidated financial statements.

Note 3: Investee was invested in China through the company incorporated in the third country (Otsuka Information Technology Ltd).

Note 4: The investment income of the aforementioned investee in Mainland China is calculated based on the financial statements of the investee for the same period that has not been reviewed by CPAs.

(ii) Limitation on investment in China:

Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
133,770 (USD4,200 thousand)	133,770 (USD4,200 thousand)	640,687

Note: The TWD amount was measured on June 30, 2026, with the spot exchange rate of 31.85.

(iii) Significant transactions:

For the six months ended June 30, 2026, the significant inter-company transactions with the subsidiary in China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" and "Business relationships and significant intercompany transactions".

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(14) Segment information:

(a) General information

For the purpose of resource allocation and performance measurement, the Group separates the operating segments according to the customers' geographical locations and conditions. The Group regularly monitors and manages every segment's operating results through operating decision makers. The operating segments of Business Unit 1, Business Unit 2, and Business Unit 3 are the reportable segments, whose revenues mainly come from CAD, designing, valuable and multiple CAD integration, consulting services and catering service.

Since the operating segments supply different kinds of products and services, and the sales units will differ in their product categories and marketing strategies, the operating segments are managed separately.

(b) Reportable segments' profit or loss, segment assets and their measurement and reconciliation

Income tax and extraordinary profits and losses are not allocated to the Group's reportable segments, and the amounts for the reported segments are identical with those in the report used by the chief operating decision maker.

The accounting policies adopted by the operating departments are the same as those summarized in Note 4 of the consolidated financial report. The Group assessed the performance of the segments based on the segments' income before income taxes (excluding extraordinary profit or loss and exchange gains or losses). Sales and transfers between segments are deemed to be transactions with third parties and are measured by using the market price.

The Group's segment financial information was as follows:

For the Three Months Ended June 30, 2026					
	Business Unit 1	Business Unit 2	Business Unit 3	Reconciliation and write-off	Total
External revenues	\$ 717,233	24,327	8,232	-	749,792
Intra-group revenue	16,970	9,697	2,763	(29,430)	-
Total segment revenue	\$ 734,203	34,024	10,995	(29,430)	749,792
Reportable segment profit and loss	\$ 84,540	3,260	(181)	-	87,619
Non-operating income and expenses					1,749
Profit before tax					\$ 89,368
For the Three Months Ended June 30, 2025					
	Business Unit 1	Business Unit 2	Business Unit 3	Reconciliation and write-off	Total
External revenues	\$ 587,953	12,675	11,110	-	611,738
Intra-group revenue	9,841	(303)	4,693	(14,231)	-
Total segment revenue	\$ 597,794	12,372	15,803	(14,231)	611,738
Reportable segment profit and loss	\$ 74,350	1,909	1,021	-	77,280
Non-operating income and expenses					(2,255)
Profit before tax					\$ 75,025

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the Six Months Ended June 30, 2026					
	Business Unit 1	Business Unit 2	Business Unit 3	Reconciliation and write-off	Total
External revenues	\$ 1,357,816	52,847	21,566	-	1,432,229
Intra-group revenue	20,577	11,881	6,408	(38,866)	-
Total segment revenue	<u>\$ 1,378,393</u>	<u>64,728</u>	<u>27,974</u>	<u>(38,866)</u>	<u>1,432,229</u>
Reportable segment profit and loss	<u>\$ 166,330</u>	<u>7,388</u>	<u>841</u>	<u>-</u>	174,559
Non-operating income and expenses					1,606
Profit before tax					<u>\$ 176,165</u>
For the Six Months Ended June 30, 2025					
	Business Unit 1	Business Unit 2	Business Unit 3	Reconciliation and write-off	Total
External revenues	\$ 1,273,489	43,931	37,754	-	1,355,174
Intra-group revenue	12,709	15,870	8,419	(36,998)	-
Total segment revenue	<u>\$ 1,286,198</u>	<u>59,801</u>	<u>46,173</u>	<u>(36,998)</u>	<u>1,355,174</u>
Reportable segment profit and loss	<u>\$ 163,156</u>	<u>3,330</u>	<u>3,928</u>	<u>-</u>	170,414
Non-operating income and expenses					(1,194)
Profit before tax					<u>\$ 169,220</u>