

Otsuka Information Technology Corp.

2022 Annual Shareholders' Meeting

Meeting Agenda

(In case of any discrepancy between the Chinese and English versions,
the Chinese version shall prevail.)

Manner of Meeting: Physical Shareholders' Meeting

Time: June 21 (TUE) of 2022 at 9: 00 a.m.

**Place: 6F, No. 68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei
City**

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Otsuka Information Technology Corp.

2022 Annual Shareholders' Meeting Procedure

I. Commencement of Meeting

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III. Report Items

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V. Matters for Discussion

VI. Matters for Election

VII. Other Matters

VIII. Extempore Motion

IX. Adjournment

Otsuka Information Technology Corp.

2022 Annual Shareholders' Meeting Agenda

Manner: Physical Shareholder Meeting

Time: June 21 (TUE) of 2022 at 9: 00 a.m.

Place: 6F, No. 68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City

Attendees: All shareholders and representatives of the shares

Chairman: Chairman Hironobu Tsurumi

I. Commencement of Meeting

II. Chairman's Statement

III. Report Items:

- (I) 2021 Business Report.
- (II) 2021 Audit Committee's Review Report.
- (III) 2021 Employee Bonus Stock and Directors' Bonus Stock Allocation Plans.
- (IV) 2021 Report of Retained Earnings Allocation through Cash Dividend.

IV. Matters for Ratification:

- (I) 2021 Business Report and Consolidated Financial Statements
- (II) 2021 Earning Distribution Table.

V. Matters for Discussion:

- (I) Amendment of the Corporation's Articles of Incorporation.
- (II) Amendment of the Corporation's Procedures for Acquisition and Disposal of Assets.
- (III) Amendment of the Corporation's Rules of Procedure for Shareholders' Meetings.

VI. Matters for Election:

- (I) By-election of Directors.

VII. Other Matters:

- (I) Contents of Proposal on removing Non-Competing Limitations for the candidates of the Corporation's new directors.

VIII. Extempore Motion:

IX. Adjournment

Report Items:

Proposal 1: 2021 Business Report. For your review.

Explanation: 2021 Business Report, attached in the Meeting Agenda pages 7~11,【Attachment 1】.

Proposal 2: 2021 Audit Committee's Review Report. For your review.

Explanation: 2021 Audit Committee's Review Report, attached in the Meeting Agenda page 12, 【Attachment 2】 .

Proposal 3: 2021 Employee Compensation and Directors' Compensation Allocation Plans. For your review.

Explanation: I. In accordance with Article 25 of the Corporation's Article of Incorporation, if there is a profit in the final accounts of the Corporation, a proportion no lower than 5 percent shall be reserved as employee's bonus stock, distributed in stock or cash as resolved by the Board; the Corporation shall, based on the aforementioned values of profit, reserve a proportion no lower than 3 percent as the directors' bonus stock as resolved by the Board.

II. Taking into consideration the Corporation's current operation scale and profitability status, the Corporation's Remuneration Committee and the Board have resolved the total amount of distributable for employee's compensation in 2021 will be NTD 9,586,374, distributed in form of cash. The total amount of distributable for directors is NTD 2,875,912.

Proposal 4: 2021 Report of Retained Earnings Allocation through Cash Dividend. For your review.

Explanation: I. In accordance with Article 25 of the Corporation's Article of Incorporation and pursuant to Article 240, paragraph 5 of the Company Act, the Corporation authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

II. Board of the Directors of the Corporation has resolved the distribution of shareholders' dividend at NTD 102,582,000 through cash dividend, with NTD 6.0 distributed for per share held. The cash dividends will be distributed to each shareholder based on shareholding percentages, and be rounded down to the nearest dollar. The total number of odd shares for less than NTD 1 is transferred to other revenue of the Corporation.

Matters for Ratification:

Proposal 1: 2021 business report and financial statement. For your adoption. (Proposed by the board)

- Explanation: I. The Corporation's 2021 parent-only financial statement and consolidated financial statement are audited by independent certified public accountants Ms. Wu, Mei Ping and Mr. Fu, Hong Wen of KPMG, with unqualified opinion audit report offered. The aforementioned financial statements along with the business report shall be submitted to the audit committee for audit and resolved by the Corporation's Board of Directors.
- II. 2021 business report, attached in the Meeting Agenda pages 7~11, **【 Attachment 1 】** KPMG audit report and financial statement, attached in the Meeting Agenda pages 13~28, **【 Attachment 3 】** .
- III. For your adoption.

Resolution:

Proposal 2: 2021 Earning Distribution Table, for your adoption. (Proposed by the Board)

- Explanation: I. The Corporation's appropriation of the 2021 earnings is resolved by the Corporation's Board. Earnings Distribution Table, attached in the Meeting Agenda, page 29, **【 Attachment 4 】** .
- II. For your adoption.

Resolution:

Matters for Discussion:

Proposal 1: Amendment of the Corporation's "Articles of Incorporation". For your discussion (Proposed by the Board)

- Explanation: I. It is proposed that partial amendments be made to the articles according to prescriptions per Presidential Decree Letter No. Hua-Zong-I-Jing-11000115851 and actual operation requirements.
- II. The amended "Procedures for Election of Directors" and comparison table for the "Articles of Incorporation" before and after amendment are attached in the Meeting Agenda, page 30, **【 Attachment 5 】** .
- III. For your voting.

Resolution:

Proposal 2: Amendment of the Corporation’s “Procedures for Acquisition and Disposal of Assets”. For your discussion (Proposed by the Board)

Explanation: I. It is proposed that partial amendments be made to the articles according to per 28 January 2022 Letter No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission and actual operation requirements.

II. The comparison table for the “Procedures for Acquisition and Disposal of Assets” are attached in the Meeting Agenda, pages 31~34, 【Attachment 6】.

III. For your voting.

Resolution:

Proposal 3: Amendment of the Corporation’s “Rules of Procedure for Shareholders’ Meetings”. For your discussion (Proposed by the Board)

Explanation: I. It is proposed that partial amendments be made to the articles according to per 7 March 2022 Letter No. Financial-Supervisory-Securities-Trading-1110133385 of the Financial Supervisory Commission and actual operation requirements.

II. The comparison table for the “Rules of Procedure for Shareholders’ Meetings” are attached in the Meeting Agenda, pages 35~37, 【Attachment 7】.

III. For your voting.

Resolution:

Matters for Election:

Proposal 1: By-election of Directors. For your election (Proposed by the Board)

Explanation: I. Following the expiration of terms for current directors on June 23, 2022, it is proposed to perform by-election of directors in this regular shareholders’ meeting.

II. The Corporation therefore shall, according to the Corporation’s Articles of Incorporation, conduct a by-election for its 10 directors (incl. 3 independent directors). The new directors will take office immediately after they have been elected for a term of three years from June 21, 2022 to June 20, 2025. The directors are entitled to re-election.

III. In accordance with Article 17 of the Corporation’s Articles of Incorporation,

the election adopts a nomination system. The list of candidates is approved in the Board of Directors meeting on the March 22 2022. The list of candidates is attached in the Meeting Agenda, page 38~39, 【Attachment 8】.

IV. This election is held pursuant to the Corporation's "Procedures for Election of Directors", attached in the Meeting Agenda, page 51, 【Appendix 3】.

V. For your election.

Election Result:

Other Matters:

Proposal 1: Contents of proposal on removing Non-Competing Limitations for the Corporation's new directors. For your discussion. (Proposed by the Board)

Explanation: I. Handled in accordance with Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the Corporation's business, shall explain during the shareholders' meeting the essential contents of such an act and secure its approval."

II. Where a Corporation's director has investments or operations or serves as a director in a company within the same or similar scope of business to the Corporation, under the premise of causing no damage to the Corporation's interest, the director shall submit a proposal for removing the non-competing limitations to the new directors and representatives appointed by the corporate directors for approval during the shareholders' meeting as regulated in Article 209 of the Company Act.

III. Contents of removing Non-Competing Limitations on the Corporation's new directors and representatives appointed by the corporate directors, attached in the Meeting Agenda, page 40, 【Attachment 9】.

IV. For your voting.

Resolution:

Extempore Motions:

Adjournment

【Attachment 1】 2021 Business Report

I. 2021 Business Report

(I) Implementation Results of Business Plans

The Corporation has been dedicated to assisting clients in integration of all 3D computer graphics software systems, providing middle-to-high level CAX/CAM software application solutions and technical consultation to our clients, meanwhile performing optimization process for design of link information to enhance client R&D efficiency. We expand new high-level application opportunities continuously and develop agency opportunities for new products, meanwhile assisting clients in incorporating all production node information management, integrating data system and introducing mixed reality and mobile data processes to drive digital transformation of clients, so as to lay foundations for Digital Twin installations. As a result, despite the outbreak of the pandemic in 2021, operating income and profit in 2021 could still maintain a satisfactory performance.

1. The Corporation's Operation results and sales condition of primary products are shown in the table below:

(1) Operation result comparison:

The Corporation's 2021 operating revenue is NTD 1,300,526 Thousand, which increased by NTD 170,854 Thousand, 15.12% from last year; operating margin is NTD 480,722 Thousand, which increased by 42,745 Thousand, 9.76% from last year, and net income is NTD 145,119 Thousand, which increased by 8,840 Thousand, 6.49% from last year.

Otsuka Consolidated Financial Statement

Unit: NTD thousands

Year	2020		2021		Gain/Loss	
	Amount	%	Amount	%	Amount	%
Operating Revenue	1,129,672	100.00	1,300,526	100.00	170,854	15.12
Gross Profit	437,977	38.77	480,722	36.96	42,745	9.76
Operating Expenses	275,422	24.38	303,468	23.33	28,046	10.18
Operating Income	162,555	14.39	177,254	13.63	14,699	9.04
Income before Tax	164,591	14.57	179,248	13.78	14,657	8.91
Net Income	136,279	12.06	145,119	11.16	8,840	6.49

(2) Financial Receipts and Expenditure (Structure) and Profitability Analysis

Financial Results and Expenditure (Structure) and Profitability Analysis					
Item			2020	2021	Difference
Financial Structure	Debt to Assets Ratio		23.70	25.00	1.30
	Long-term Funds to Fixed Assets Ratio		2,759.46	2,758.81	-0.65
Debt Paying Ability	Current Ratio		423.27	384.87	-38.40
	Quick Ratio		375.96	331.28	-44.68
Profitability	Return on Assets (%)		14.85	15.06	0.21
	Shareholders' Return on Equity (%)		19.96	19.85	-0.11
	Profit before Tax to Capital Stock (%)	Operating Profit	95.08	103.67	8.59
		Net Profit Before Tax	96.27	104.84	8.57
	Net Profit Ratio (%)		12.06	11.16	-0.90
	Earnings per Share(NTD)		8.00	8.5	0.50

(3) Conditions of Research and Development

The Corporation's R&D expense and proportion to each year's operating net operating revenue in the recent three years are shown in the following table:

Unit: NTD thousands ; %

Item and Year	2019	2020	2021
R&D Expense(A)	6,232	7,715	8,161
Net Operating Revenue(B)	1,205,375	1,129,672	1,300,526
(A)/(B)	0.52%	0.68%	0.63%

In 2021, the R&D Department of the Corporation conducted custom digitization introduction plans for clients with intelligent layout design and process, in which percentages of errors and reworks for clients can be reduced among the flow from the design and sketches to the comprehensive digitization models through the utilization of digitized assets. Besides, machine tool application customization program developed by the Corporation served as leads to clients in the digital transformation and furthermore boosted the clients' 3D design performance. On the other hand, the Corporation has been dedicated to internal system integration with a view to facilitate overall business management effectiveness.

II. 2022 Business Plan Abstract:

(I) Guideline for management

1. Maintaining long-term relationships with clients, and trailblazing new business opportunities:

The Corporation is entering its 26th year on the management of Taiwanese computer-aided design software market, and service is the core of maintaining the relationships between our clients and us. This year, through big data analysis and systematic management over solutions to targeted customers, etc. we wish to review and discover our key clients' changing needs and continuously heighten the coverage rate of repurchases by our existing clients. In addition, technical support team, member center and Otsuka e-Consultant on the official website of the Corporation this year, including online technical counseling, professional introduction courses and value-added toolkits, etc., with an objective to segment our brands from our competitors. We believe that through a stable, long-term and systematic management, we can experience overall competitive edge facilitation.

2. Providing complete product line technical integration

(1) The Corporation has the dealership for the entire Autodesk product line, including manufacturing, construction and Autodesk Media & Entertainment (M&E), and has established a complete technical incubation and service team under the design and manufacturing of complete solutions for tools and applications used in full process. Also, the Corporation has experiences in introductions of all types of projects and has accumulated rich technical consultation and system planning experiences; therefore, with the support from complete product line planning, we will provide more effective solutions to clients for their satisfaction.

(2) The Corporation's innovative business department is involved in the sale of PTC's advanced level 3D CAD software CREO. This product is the system with extraordinarily extensive use among Taiwanese computer manufacturers, containing powerful features of strong advanced surface design, structural static analysis, etc. Moreover, the parametric Onshape is the original and the only 3D CAD fully operated on cloud for members in a design team to collaborate using web browser, phone, and tablet. Also, as the Corporation is equipped with solid industry guidance experiences and serves as an agent providing Windchill product life cycle management system, we are able to facilitate the internal collaboration efficiency

between the departments of our clients. Under the development orientation for intelligence industry nowadays, in addition, the brand-new IoT technology allows businesses to capture and utilize relevant information on effectiveness during the operation of their products, and significantly raise the quality of existing and future products. We believe that through the technical edge gained by our ownership of PDM technology, the raising of our product line's profitability is certain and we can seal our position in the market.

(3)The Corporation's product distributed on behalf of Siemens is a development solution guiding clients from across the Strait from concept design to engineering and manufacturing, which contains highly integrated application kits. Its built-in computer-assisted design, engineering and manufacturing (CAD/CAM/CAE) furthermore integrates various tools for data management, process automation, decision-making support, etc., and the wide range of products of such also enables a tool product combination with more flexible software configuration for clients.

(4)We provide consultative Total Solutions package and enhanced ability for multi-brand maintenance services. We continue to provide domestic clients CAD software integration with diverse application, information security protection, virtual reality and augmented reality market expansion, and by integrating the development technology of computer graphics, computer simulation, artificial intelligence, sensing, display and network parallel processing, we provide clients with computer technology-assisted high-tech simulation systems and internal management paperless process consultant introduction, making our way forward versatile.

3. Integration of the internal management process:

With the trend of digitization, the Corporation's management process shall be more effective and equipped with data analysis capabilities. In addition to our effort in 2021 the introduction of an automation module for the enterprise internal expense process to effectively improve accounting system posting efficiency, in 2022, the Corporation is oriented toward integration and facilitation of employee human resources system, education training system and ERP system to combine the client contract management, online consultation service and sales provided to clients, furthermore assisting business units, technical units, and central supervisors accountable to have instant grasp on condition of clients case by case, service progress, business performance, etc., meanwhile allowing management over projects to allow a smoother process of operation information and generate operation benefits.

(II) Expected sales amount and its accordance

On basis of the changes to domestic and overseas circumstances and industry development trend, a 5% growth in sales of the Corporation in 2022 is expected.

(III) Important selling and promotion strategies

1.Enhance internal information system to integrate client needs, deliver business opportunities, and actively enhance organizational response and service network efficiency, while developing core technologies to meet industry development requirements on the technical side.

2.In response to the rapid changes in the business environment of the industry, rapid growth was driven in emerging application markets such as mobile apps, cloud computing, and artificial intelligence, plus, companies are moving towards smart development or actively carrying out digital transformations, which allows manufacturers to build an automated equipment of high flexibility, fast sample change and introduction of intelligent robot system technology, and furthermore attain flexible manufacturing needs with quick line change. We will actively engage in client proposals with high potential on automation introduction and provide complete system solutions.

3.In addition, our business department continues to promote development based on the needs of large target clients, and actively keeps abreast of the pulse and development of products from the original manufacturers, performing a more active and effective

business drive through more comprehensive product services. Furthermore, we will maintain a concrete introduction of our product lines with value-adding synergy and increase width and depth of product lines.

4. Innovation is the motility to an enterprise's development. As VR/MR(Mixed Reality) and 3D sensing elements are surging in production, and the pandemic era has changed consumption habits and led to the digital transformation of remote zero-contact interfaces, many applications including hardware, service and contents are benefitting from such; therefore, we actively cultivate professional marketing staff and new-generation technical support consultants to provide a complete and integrated sales model and client service, to facilitate consultative selling ability and cultivate management trainees, to pass on the Corporation's technical ability, and furthermore enhance the Corporation's competitive edge and overall coherence.

(IV) Future development strategies

1. Provide integrated business systems via professional service

CAD and video call software technology is widely applied to personal computers, smart handheld devices, digital TVs, AR and VR. 3D image display smoothness and control precision and user-friendliness determine the competitiveness of a single CAD software. The Corporation, by cooperating with complete and diverse solutions platforms and actively cultivating certified engineers, performs Total Solution services to drive sales as the significant management strategy and establishes a close and reciprocal partnership to make a win-win situation among the Corporation, manufacturers and sales force.

2. As the manufacturing industry has, in recent years, faced rapid changes in the international market and a strong challenge from the Chinese supply chain, enhancement in finishing efficiency operation model shall be made to maintain competitiveness and raise the added value, therefore, the Corporation started off from hastening the pace of client product development, offering versatile manufacturing industry solutions and technical support, assisting clients in the new product's research and development and acceleration of product launch efficiency, and with all efforts expanding business domains to operations and development of different franchised product lines to navigate Taiwan toward the goal of intelligent manufacturing.

3. Future R&D orientation:

- (1) Strengthening and optimization of toolkits. In terms of main CAD product systems, we will continue to incorporate requirements from client feedbacks and advanced application features, meanwhile, we will develop online auto update feature to provide contract clients access to download kits of latest version and to allow them to experience the new productivity tools immediately.
- (2) NX value-added software development. NX is the advanced CAD system used in mold design. In response to needs derived from molds processing and based on our experiences accumulated through custom project developments, we will launch brand-new value-added software bundles to take a comprehensive facilitation of mold processing precision and effects.
- (3) Integrated application development for cloud service. Using the internet development API powered by cloud service, cloud applications and system integration are empowered capability of innovation with enhanced efficiency of information transformation, and unique cloud solutions may therefore be created.

(V) Effects of the external competitive environment, laws & regulations and overall operating environment

1. Effects of the external competitive environment

Since the outbreak of pandemic, vendors in manufacturing industry have been influenced by the status quo of production under broken chains resulting from the pandemic. Therefore, in terms of data collection, collection through sensors for data collection installed on machines and equipment has become commonplace. Meanwhile, in the trend of growth in the demand

on the pre-processing of data as well as its application on the local end of AI, the combination of AI and IoT called AIoT (Artificial Intelligence of Things) application becomes gradually spread in the manufacturing industry. The Corporation, in addition to providing solutions in various aspects of professional computer graphics software, introduces ConMas i-Reporter mobile data collection plans featuring highly automated data processing service which the important but repetitive data collection and compilation are processed by automated AI software services, and clients only needs to operate the modular operating interface and skip to the stage of data analysis application with regards to gaining profits for the enterprise. With such, we enhance client dependence on our technical services and segment our positioning and competitive edges against our peers.

2. Effects of laws and regulations

Significant domestic or overseas laws and regulation changes include revision of the IFRS, which didn't cause major impacts to the Corporation's finance, and as the government's laws on the operation of a company became stricter, the Corporation will pay constant attention and propose a revision on relevant internal procedures and measurements, promptly convening discussion meetings with accountants and attorneys at law when necessary in order to minimize the potential impacts.

3. Effects of the overall operating environment

According to IMF prediction made in January 2022, the global gross domestic product (GDP) in 2022 will reduce to 4.4%. When faced with domestic and overseas economic environment changes, the Corporation will strive to facilitate technical integration, quality and R&D of technology to raise client satisfaction and profitability.

(VI) Prospects

The outlook of the world economy in 2022 is considered in recess compared to that of 2021. According to the latest prediction as announced by Chung-Hua Institution Economic Research in December 2021, the domestic economy growth rate in 2022 is 3.67%. The Corporation, as the CAD/CAM leader in the Taiwanese market, holds the must-have in-depth service to facilitate product value and spirits, striding towards the goal of expanding technical edge, continuous market share expansion. This year, in response to the market competitions and the ever-innovating digital services, the Corporation will face challenges with a more cautious attitude to ensure the sustainable growth and development of Otsuka Information.

We would like to show our appreciation to the endeavors by our employees in the previous year and the support and trust for a long period of time, which contributed the stable growth in the Corporation's profit in 2021. Since founded, we have persisted in the idea that only through consistent and pragmatic management style and financial structure will we be dauntless in facing challenges, expecting to continuously create higher values for all shareholders with the support of every shareholder and director as well as the efforts by our staff. As for the distribution of the 2021 retained earnings, all are pursuant to the Corporation's long-term and stable dividend policies, and we anticipate creating a rosier business prospect for our clients and all shareholders.

Chairman: Hironobu Tsurumi

General Manager: GUO, Yi Long

Manager of Accounting: FU, Kai Li

【Attachment 2】 Audit Committee's Review Report

Otsuka Information Technology Corp. Audit Committee's Review Report

Approved

The Board of Directors hereby submits tabulations of the Corporation's 2021 separate financial statement and consolidated financial statement and business report and earnings distribution audited and attested by independent certified public accountants Ms. Wu, Mei Ping and Mr. Fu, Hung Wen of KPMG. All tabulations have been reviewed by the Audit Committee and all are produced in compliance with the relevant laws, therefore this report is prescribed in accordance with Article 219 of the Company Act. For your approval.

Hereby presented to

The Corporation's 2022 Annual Shareholders' Meeting

Audit Committee's Convener : LIN, Hui Fen

March 22th, 2022

【Attachment 3】 Audit Report of Independent Accountants and 2021 Consolidated Financial Statements



安侯建業聯合會計師事務所

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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of OTSUKA INFORMATION TECHNOLOGY CORP. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgments, key audit matters to be communicated in the independent auditors' report are listed below:

1. Evaluation of inventories

Please refer to note 4(h) "Inventories", note 5(b) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and note 6(d) "Inventories" of the consolidated financial statements.



Description of key audit matter:

The Group's inventories are measured at the lower of cost and net realizable value. Due to the rapid transformation of technology, the products may be out of date in the market, and there is a risk that the cost of the inventory would be higher than its net realizable value. The condition of inventories to be sold will influence the result of evaluation, so consistent attention are required. In addition, the inventories are the significant account in the consolidated financial statement. Therefore, evaluation of inventories is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the policies of evaluating the allowance and obsolescence of the inventories of the Group and inspecting whether existing inventory policies are applied; sampling the individual inventory items and examining the sources of the net realizable value of the samples to access whether the net realizable value are reasonable; examining the accuracy of aging of inventories by sampling and analyzing the changes of the aging of inventories; inspecting the reasonableness for allowance provided on inventory valuation in the past and compare it to the current year to ensure that the measurements and assumptions are appropriate.

2. Impairment of accounts receivable

Please refer to note 4(g) "Financial Instruments", note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and note 6(c) "Notes and accounts receivable" of the consolidated financial statements.

Description of key audit matter:

The Group's accounts receivable are derived from sales of software and rendering of service, the balance constitutes 31% of the consolidated assets as of December 31, 2021. Due to the payment terms of the major customers are long and the receivables are not collected totally up to the date of the auditors' report. The recoverability of accounts receivable requires subjective judgments of the management. Therefore, impairment assessment of receivables is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: testing internal control process of accounts receivable; understanding the policies of evaluating the allowance of accounts receivable of the Group, and inspecting whether existing receivables policies are applied; asking the management whether there are any debtors with financial difficulties, and examining the accuracy of aging of receivables by sampling; inspecting the reasonableness of impairment loss of receivables recognized by the management in the past, and compare it to the current year to ensure that the measurements and assumptions are appropriate; inspecting collection of receivables in the subsequent period to assess the reasonability of impairment loss measurement.

Other Matter

Otsuka Information Technology Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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 with the IFRSs, IASs, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Mei-Pin Wu and Hung-Wen Fu.

KPMG

Taipei, Taiwan (Republic of China)

March 22, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit 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' audit 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
December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020			December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 459,608	45	508,979	55	2170 Accounts payable (note 7)	\$ 101,446	10	77,892	9
1170 Notes and accounts receivable, net (notes 6(c), (m) and 7)	312,927	31	203,900	22	2201 Salaries payable	63,056	6	49,664	5
1300 Inventories (note 6(d))	94,626	10	86,986	10	2200 Accrued expenses and other payable	44,389	5	37,553	4
1410 Prepaid expense and other current assets (notes 6(a), (c) and (e))	30,339	3	2,719	-	Current lease liabilities (note 6(i))	12,698	1	16,218	2
	897,500	89	802,584	87	Other current liabilities	11,607	1	8,287	1
Non-current assets:						233,196	23	189,614	21
1535 Financial assets at amortized cost – non-current (note 6(b))	30,000	3	20,000	2	Non-Current liabilities:				
1600 Property, plant and equipment (note 6(f))	27,468	2	25,527	3	Deferred tax liabilities (note 6(j))	8,607	1	6,143	1
1755 Right-of-use assets (note 6(g))	18,264	2	35,977	4	Non-current lease liabilities (note 6(h))	5,934	1	20,002	2
1990 Other non-current assets (notes 6(a), (c), (i), (m) and 8)	37,058	4	39,083	4	Net defined benefit liability (note 6(i))	4,791	-	3,005	-
	112,790	11	120,587	13		19,332	2	29,150	3
						252,528	25	218,764	24
					Total liabilities				
					Equity attributable to owners of parent:				
					Ordinary shares (note 6(k))	170,970	17	170,970	19
					Capital surplus (note 6(k))	68,813	7	68,813	7
					Legal reserve (note 6(k))	108,463	11	94,783	10
					Special reserve (note 6(k))	10,956	1	10,930	1
					Unappropriated retained earnings (note 6(k))	407,869	40	369,011	40
					Exchange differences on translation of foreign financial statements	(10,263)	(1)	(10,956)	(1)
					Total equity attributable to owners of parent:	756,809	75	703,551	76
					Non-controlling interests	953	-	856	-
					Total equity	757,762	75	704,407	76
Total assets	\$ 1,010,290	100	923,171	100	Total liabilities and equity	\$ 1,010,290	100	923,171	100

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(m) and 7)	\$ 1,300,526	100	1,129,672	100
5000	Operating costs (notes 6(d) and 7)	<u>819,804</u>	<u>63</u>	<u>691,695</u>	<u>61</u>
	Gross profit	<u>480,722</u>	<u>37</u>	<u>437,977</u>	<u>39</u>
	Operating expenses: (notes 6(c), (h), (i), (n) and 12)				
6100	Selling expenses	251,122	19	227,065	20
6200	Administrative expenses	44,529	3	41,417	3
6300	Research and development expenses	8,161	1	7,715	1
6450	Reversal of expected credit loss	<u>(344)</u>	<u>-</u>	<u>(775)</u>	<u>-</u>
	Total operating expenses	<u>303,468</u>	<u>23</u>	<u>275,422</u>	<u>24</u>
	Net operating income	<u>177,254</u>	<u>14</u>	<u>162,555</u>	<u>15</u>
	Non-operating income and expenses:				
7100	Interest income	1,628	-	1,569	-
7020	Other gains and losses (note 6 (o))	970	-	1,253	-
7510	Interest expense (note 6(h))	<u>(604)</u>	<u>-</u>	<u>(786)</u>	<u>-</u>
	Total non-operating income and expenses	<u>1,994</u>	<u>-</u>	<u>2,036</u>	<u>-</u>
	Profit before tax	<u>179,248</u>	<u>14</u>	<u>164,591</u>	<u>15</u>
7950	Less: Income tax expenses (note 6(j))	<u>34,129</u>	<u>3</u>	<u>28,312</u>	<u>3</u>
	Profit	<u>145,119</u>	<u>11</u>	<u>136,279</u>	<u>12</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (note 6(i))	(3,554)	-	746	-
8349	Income tax related to items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(3,554)</u>	<u>-</u>	<u>746</u>	<u>-</u>
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign operation's financial statements	867	-	(32)	-
8399	Income tax related to items that will be reclassified to profit or loss (note 6(j))	<u>(173)</u>	<u>-</u>	<u>6</u>	<u>-</u>
		<u>694</u>	<u>-</u>	<u>(26)</u>	<u>-</u>
8300	Other comprehensive income	<u>(2,860)</u>	<u>-</u>	<u>720</u>	<u>-</u>
		<u>\$ 145,119</u>	<u>11</u>	<u>136,279</u>	<u>12</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 142,535	11	137,519	12
8720	Non-controlling interest	<u>(276)</u>	<u>-</u>	<u>(520)</u>	<u>-</u>
		<u>\$ 142,259</u>	<u>11</u>	<u>136,999</u>	<u>12</u>
	Earnings per share (NT dollars) (note 6(l))				
	Basic earnings per share	<u>\$ 8.50</u>		<u>8.00</u>	
	Diluted earnings per share	<u>\$ 8.43</u>		<u>7.94</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

OTSUKA INFORMATION TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Retained earnings			Exchange differences on translation of foreign financial statements				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total equity attributable to owners of parent		
Balance at January 1, 2020	\$ 170,970	68,813	80,470	7,162	343,581	(10,930)	1,376	661,442
Profit	-	-	-	-	136,799	-	(520)	136,279
Other comprehensive income	-	-	-	-	746	(26)	-	720
Total comprehensive income	-	-	-	-	137,545	(26)	(520)	136,999
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	14,313	-	(14,313)	-	-	-
Special reserve	-	-	-	3,768	(3,768)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(94,034)	-	-	(94,034)
Balance at December 31, 2020	170,970	68,813	94,783	10,930	369,011	(10,956)	856	704,407
Profit	-	-	-	-	145,395	-	(276)	145,119
Other comprehensive income	-	-	-	-	(3,554)	694	-	(2,860)
Total comprehensive income	-	-	-	-	141,841	694	(276)	142,259
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	13,680	-	(13,680)	-	-	-
Special reserve appropriated	-	-	-	26	(26)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(88,904)	-	-	(88,904)
Changes in ownership interests in subsidiaries	-	-	-	-	(373)	-	373	-
Balance at December 31, 2021	\$ 170,970	68,813	108,463	10,956	407,869	(10,262)	953	757,762

Balance at January 1, 2020
Profit
Other comprehensive income
Total comprehensive income
Appropriation and distribution of retained earnings:
Legal reserve
Special reserve
Cash dividends of ordinary share
Balance at December 31, 2020
Profit
Other comprehensive income
Total comprehensive income
Appropriation and distribution of retained earnings:
Legal reserve appropriated
Special reserve appropriated
Cash dividends of ordinary share
Changes in ownership interests in subsidiaries
Balance at December 31, 2021

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

Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 179,248	164,591
Adjustments:		
Adjustments to reconcile profit:		
Depreciation and amortization	26,237	24,882
Gains (Losses) related to inventories	(2,769)	2,901
Reversal of expected credit loss	(344)	(775)
Interest income	(1,628)	(1,569)
Interest expense	604	786
Losses on disposal of property, plant and equipment	101	24
Losses on termination of right-of-use assets	159	-
Gains on lease modification	(185)	-
Total adjustments to reconcile profit	22,175	26,249
Changes in operating assets and liabilities:		
Notes and accounts receivable	(110,190)	77,740
Other receivable	-	100
Inventories	(4,955)	(31)
Prepaid expenses and other current assets	5	(14)
Accounts payable	23,554	(19,297)
Salaries payable	13,392	697
Accrued expenses and other payables	4,059	(2,418)
Other current liabilities	3,320	2,686
Others	(1,175)	(1,687)
Total adjustments	(49,815)	84,025
Cash inflow generated from operations	129,433	248,616
Interest received	1,403	1,752
Interest paid	(604)	(786)
Income taxes paid	(28,428)	(39,071)
Net cash flows from operating activities	101,804	210,511
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(10,000)	-
Repayments at maturity of financial assets at amortized cost	-	10,000
Acquisition of property, plant and equipment	(7,439)	(4,384)
Proceeds from disposal of property, plant and equipment	367	22
Acquisition of unamortized assets	(1,919)	(4,691)
Increase in refundable deposits	(1,221)	(1,956)
Acquisition of right-of-use assets	-	(481)
Increase in other current assets	(27,000)	-
Net cash flows used in investing activities	(47,212)	(1,490)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(16,007)	(15,479)
Cash dividends	(88,904)	(94,034)
Net cash flows used in financing activities	(104,911)	(109,513)
Effect of exchange rate changes on cash and cash equivalents	948	(45)
Net increase (decrease) in cash and cash equivalents	(49,371)	99,463
Cash and cash equivalents at beginning of year	508,979	409,516
Cash and cash equivalents at end of year	\$ 459,608	508,979



安侯建業聯合會計師事務所

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Independent Auditors' Report

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

Opinion

We have audited the parent company only financial statements of OTSUKA INFORMATION TECHNOLOGY CORP. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgments, key audit matters to be communicated in the independent auditors' report are listed below:

1. Evaluation of inventories

Please refer to Note 4(g) "Inventories", Note 5(b) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(d) "Inventories" of the parent company only financial statements.



Description of key audit matter:

The Company's inventories are measured at the lower of cost and net realizable value. Due to the rapid transformation of technology, the products may be out of date in the market and there is a risk that the cost of the inventory would be higher than its net realizable value. The condition of inventories to be sold will influence the result of evaluation so consistent attention are required. In addition, the inventories are the significant account in the parent company only financial statement. Therefore, evaluation of inventories is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the policies of evaluating the allowance and obsolescence of the inventories of the Company and inspecting whether existing inventory policies are applied; sampling the individual inventory items and examining the sources of the net realizable value of the samples to access whether the net realizable value are reasonable; examining the accuracy of aging of inventories by sampling and analyzing the changes of the aging of inventories; inspecting the reasonableness for allowance provided on inventory valuation in the past and compare it to the current year to ensure that the measurements and assumptions are appropriate.

2. Impairment of accounts receivable

Please refer to Note 4(f) "Financial Instruments", Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(c) "Notes and accounts receivable" of the parent company only financial statements.

Description of key audit matter:

The Company's accounts receivable are derived from sales of software and rendering of service, the balance constitutes 30% of the assets as of December 31, 2021. Due to the payment terms of the major customers are long and the receivables are not collected totally up to the date of the auditors' report. The recoverability of accounts receivable requires subjective judgments of the management. Therefore, impairment assessment of receivables is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: testing internal control process of accounts receivable; understanding the policies of evaluating the allowance of accounts receivable of the Company and inspecting whether existing receivables policies are applied; asking the management whether there are any debtors with financial difficulties and examining the accuracy of aging of receivables by sampling; inspecting the reasonableness of impairment loss of receivables recognized by the management in the past and compare it to the current year to ensure that the measurements and assumptions are appropriate; inspecting collection of receivables in the subsequent period to assess the reasonability of impairment loss measurement.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investments in other entities accounted for using the equity method to express an opinion on this parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Mei-Pin Wu and Hung-Wen Fu.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2022

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only statement 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only 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' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
OISUKA INFORMATION TECHNOLOGY CORP.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020			December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 314,468	32	337,032	40	2170 Accounts payable	\$ 91,204	9	66,649	8
1170 Notes and accounts receivable, net (notes 6(c), (o) and 7)	290,086	30	186,584	21	2201 Salaries payable	60,675	6	46,633	5
1300 Inventories (note 6(d))	91,237	9	77,636	9	2200 Accrued expenses and other payables	42,432	5	35,337	4
1410 Prepaid expense and other current assets (notes 6(c), (e) and 7)	2,467	-	5,335	-	Current lease liabilities (note 6(i))	10,311	1	12,949	1
	698,238	71	626,587	70	Other current liabilities	10,061	1	7,694	1
Non-current assets:						214,683	22	169,262	19
1535 Financial assets at amortized cost – non-current (note 6(b))	30,000	3	20,000	2	Non-Current liabilities:				
1550 Investments accounted for using equity method, net (note 6(f))	196,504	20	176,121	20	2570 Deferred tax liabilities (note 6(i))	8,607	1	6,143	1
1600 Property, plant and equipment (notes 6(g) and 7)	26,013	3	22,830	2	Non-current lease liabilities (note 6(i))	4,120	-	17,389	2
1755 Right-of-use assets (notes 6(h) and 7)	13,911	1	29,643	3	Net defined benefit liability (note 6(k))	4,791	-	3,005	-
1900 Other non-current assets (notes 6(a), (c), (l), (o) and 8)	24,324	2	24,169	3		17,518	1	26,537	3
	290,752	29	272,763	30	Total liabilities	232,201	23	195,799	22
					Equity attributable to owners of parent:				
Total assets	\$ 989,010	100	899,350	100	3100 Ordinary shares (note 6(m))	170,970	18	170,970	19
					3200 Capital surplus (note 6(m))	68,813	7	68,813	8
					3310 Legal reserve (note 6(m))	108,463	11	94,783	10
					3320 Special reserve (note 6(m))	10,956	1	10,930	1
					3350 Unappropriated retained earnings (note 6(m))	407,869	41	369,011	41
					3410 Exchange differences on translation of foreign financial statements	(10,262)	(1)	(10,956)	(1)
					Total equity	756,809	77	703,551	78
					Total liabilities and equity	\$ 989,010	100	899,350	100

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

OTSUKA INFORMATION TECHNOLOGY CORP.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(o) and 7)	\$ 1,182,602	100	1,031,001	100
5000	Operating costs (notes 6(d) and 7)	<u>737,369</u>	<u>62</u>	<u>620,696</u>	<u>60</u>
	Gross profit	<u>445,233</u>	<u>38</u>	<u>410,305</u>	<u>40</u>
	Operating expenses: (notes 6(c), (i), (k), (p), 7 and 12)				
6100	Selling expenses	224,546	19	202,654	20
6200	Administrative expenses	39,922	3	37,263	3
6300	Research and development expenses	8,161	1	7,715	1
6450	Reversal of expected credit loss	<u>(368)</u>	<u>-</u>	<u>(868)</u>	<u>-</u>
	Total operating expenses	<u>272,261</u>	<u>23</u>	<u>246,764</u>	<u>24</u>
	Net operating income	<u>172,972</u>	<u>15</u>	<u>163,541</u>	<u>16</u>
	Non-operating income and expenses:				
7100	Interest income (note 7)	1,182	-	1,368	-
7020	Other gains and losses (notes 6 (i), (j), (q) and 7)	689	-	486	-
7070	Share of profit of subsidiaries accounted for using equity method	4,889	-	6	-
7510	Interest expense (note 6(i))	<u>(467)</u>	<u>-</u>	<u>(650)</u>	<u>-</u>
	Total non-operating income and expenses	<u>6,293</u>	<u>-</u>	<u>1,210</u>	<u>-</u>
	Profit before tax	179,265	15	164,751	16
7950	Less: Income tax expenses (note 6(l))	<u>33,870</u>	<u>3</u>	<u>27,952</u>	<u>3</u>
	Profit	<u>145,395</u>	<u>12</u>	<u>136,799</u>	<u>13</u>
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans (note 6(k))	(3,554)	-	746	-
8349	Income tax related to items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(3,554)</u>	<u>-</u>	<u>746</u>	<u>-</u>
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign operations's financial statements	867	-	(32)	-
8399	Income tax related to items that may be reclassified to profit or loss (note 6(l))	<u>(173)</u>	<u>-</u>	<u>6</u>	<u>-</u>
		<u>694</u>	<u>-</u>	<u>(26)</u>	<u>-</u>
8300	Other comprehensive income	<u>(2,860)</u>	<u>-</u>	<u>720</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 142,535</u>	<u>12</u>	<u>137,519</u>	<u>13</u>
	Earnings per share (NT dollars) (note 6(n))				
	Basic earnings per share	<u>\$ 8.50</u>		<u>8.00</u>	
	Diluted earnings per share	<u>\$ 8.43</u>		<u>7.94</u>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
OTSUKA INFORMATION TECHNOLOGY CORP.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Exchange differences on translation of foreign financial statements	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total equity
Balance at January 1, 2020	\$ 170,970	68,813	80,470	7,162	343,581	660,066
Profit	-	-	-	-	136,799	136,799
Other comprehensive income	-	-	-	-	746	720
Comprehensive income	-	-	-	-	137,545	137,519
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	14,313	-	(14,313)	-
Special reserve	-	-	-	3,768	(3,768)	-
Cash dividends of ordinary share	-	-	-	-	(94,034)	(94,034)
Balance at December 31, 2020	170,970	68,813	94,783	10,930	369,011	703,551
Profit	-	-	-	-	145,395	145,395
Other comprehensive income	-	-	-	-	(3,554)	(2,860)
Comprehensive income	-	-	-	-	141,841	142,535
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	13,680	-	(13,680)	-
Special reserve	-	-	-	26	(26)	-
Cash dividends of ordinary share	-	-	-	-	(88,904)	(88,904)
Changes in equity of subsidiaries accounted for using the equity method	-	-	-	-	(373)	(373)
Balance at December 31, 2021	\$ 170,970	68,813	108,463	10,956	407,869	756,809

OTSUKA INFORMATION TECHNOLOGY CORP.**Statements of Cash Flows****For the years ended December 31, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 179,265	164,751
Adjustments:		
Adjustments to reconcile profit:		
Depreciation and amortization	19,028	18,330
Losses on inventory valuation and obsolete inventories	2,016	2,455
Reversal of expected credit loss	(368)	(868)
Interest expense	467	650
Interest income	(1,182)	(1,368)
Share of profit of subsidiaries accounted for using the equity method	(4,889)	(6)
Loss on disposal of property, plant and equipment	85	3
Gains on disposal of right-of-use assets	(142)	-
Losses on termination of right-of-use assets	174	-
Gain on disposal of unamortised assets	-	(37)
Total adjustments to reconcile profit	<u>15,189</u>	<u>19,159</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable, including related parties	(104,640)	64,180
Other receivables, including related parties	4,027	(4,022)
Inventories	(15,617)	4,166
Prepaid expenses and other current assets	(687)	125
Accounts payable	24,555	(16,089)
Salaries payable	14,042	(396)
Accrued expenses and other payables	4,195	(2,632)
Other current liabilities	2,367	2,408
Others	<u>(1,768)</u>	<u>(1,687)</u>
Total adjustments	<u>(58,337)</u>	<u>65,212</u>
Cash inflow generated from operations	120,928	229,963
Interest received	1,110	1,551
Interest paid	(467)	(650)
Income taxes paid	<u>(28,010)</u>	<u>(38,360)</u>
Net cash flows from operating activities	<u>93,561</u>	<u>192,504</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(10,000)	-
Repayments at maturity of financial assets at amortized cost	-	10,000
Acquisition of investments accounted for using the equity method	(15,000)	(30,000)
Acquisition of property, plant and equipment	(7,263)	(3,565)
Proceeds from disposal of property, plant and equipment	3	526
Increase in refundable deposits	(1,469)	(1,904)
Acquisition of unamortized assets	(1,919)	(4,654)
Proceeds from disposal of unamortized assets	-	795
Cash received from sub-leasing of right-of-use assets	<u>701</u>	<u>-</u>
Net cash flows used in investing activities	<u>(34,947)</u>	<u>(28,802)</u>
Cash flows from (used in) financing activities:		
Cash dividends	(88,904)	(94,034)
Payment of lease liabilities	<u>(12,274)</u>	<u>(11,282)</u>
Net cash flows used in financing activities	<u>(101,178)</u>	<u>(105,316)</u>
Net increase (decrease) in cash and cash equivalents	(42,564)	58,386
Cash and cash equivalents at beginning of year	<u>357,032</u>	<u>298,646</u>
Cash and cash equivalents at end of year	<u>\$ 314,468</u>	<u>357,032</u>

【Attachment 4】 Earnings Distribution Table

Otsuka Information Technology Corp. 2021 Earnings Distribution Table

Unit: NTD

Items	Amount	
	Subtotal	Total
Beginning Balance	266,401,599	
Add: Changes on Re-measurement of Defined Benefit Plans in Current Period	(3,553,921)	
Change in Ownership of a Subsidiary	(373,154)	
Adjusted beginning balance		262, 474,524
Add: 2021 Net Profit After Tax	145,395,860	
Current Distributable Earnings		407,870,384
Minus: Legal Reserve	14,539,586	
Minus: Special Reserve	(693,536)	
Distribution Item		
1.Shareholder's Dividend-Shares (NTD 0 per share)	0	
2.Shareholder's Dividend-Cash (NTD 6.0 per share)	102,582,000	
Undistributed Retained Earnings		291,442,334
Note: The cash dividends will be distributed to each shareholder based on shareholding percentages and be rounded down to the nearest dollar. The total number of odd shares for less than NTD 1 is transferred to other revenue of the Corporation.		

Chairman: Hironobu Tsurumi Manager: GUO, Yi Long Manager of Accounting: FU, Kai Li

【Attachment 5】 Comparison Table for Articles of Incorporation before and after amendment

Article	Article after Amendment	Article before Amendment	Reason for Amendment
Article 11	There are two types of shareholders' meeting: Regular meeting: convened within six months after the close of each fiscal year. Special meeting: convened in accordance with the relevant laws and regulations when necessary. <u>Shareholders' meeting of the Corporation can be held by means of visual communication network or other methods promulgated by the central competent authority.</u>	There are two types of shareholders' meeting: Regular meeting: convened within six months after the close of each fiscal year. Special meeting: convened in accordance with the relevant laws and regulations when necessary. <u>(This Paragraph is Newly Added)</u>	Paragraph with respect to convening of shareholders' meeting by means of visual communication network added in response to government amendment to Articles 172-2 and 356-8 of the Company Act in accordance with per 29 December 2021 Presidential Decree.
Article 19	(Preceding Items Omitted) Meetings of the board of directors shall be convened by the Chairman of the Board of Directors. In case the Chairman of the Board of Directors cannot convene the meeting for any cause, the order of proxy is handled as the preceding paragraph. The reason for convening of the Board of Directors shall be stated and the directors are notified of such seven days in advance, but may be convened at any time when there is an emergency. The above notice in respect of convening the meeting shall be done in writing, by electronic email, or by facsimile.	(Preceding Items Omitted) Meetings of the board of directors shall be convened by the Chairman of the Board of Directors. In case the Chairman of the Board of Directors cannot convene the meeting for any cause, the order of proxy is handled as the preceding paragraph. The reason for convening of the Board of Directors shall be stated and the directors and supervisors are notified of such seven days in advance, but may be convened at any time when there is an emergency. The above notice in respect of convening the meeting shall be done in writing, by electronic email, or by facsimile.	The text "supervisors" is deleted in response to the Corporation's establishment of its audit committee.
Article 28	(Preceding Items Omitted) <u>IXX. Eighteenth amendment was effected on the twenty-first of June 2022.</u>	(Preceding Items Omitted) <u>(This Paragraph is Newly Added)</u>	Added item of new edit and its date.

【Attachment 6】 Comparison Table for Procedures for Acquisition and Disposal of Assets before and after amendment

Article	Article after Amendment	Article before Amendment	Reason for Amendment
Article 9	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>VI. Where there is an asset transaction (other than any such transactions referred to in the preceding five subparagraphs), a disposal of receivables to a financial institution, or an investment in mainland China area that reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, <u>or subscription of foreign government bonds</u>, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, <u>or subscription or redemption of exchange-traded note</u>, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p>	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>VI. Where there is an asset transaction (other than any such transactions referred to in the preceding five subparagraphs), a disposal of receivables to a financial institution, or an investment in mainland China area that reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p>	Items of foreign government bonds and investment securities are added in accordance with relevant laws and regulations.
Article 11	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>III. Where any one of the following circumstances applies with respect to the expert appraiser's appraisal results, unless that the appraisal price is higher than the transaction amount in acquisition of asset(s), or the appraisal price is lower than the</p>	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>III. Where any one of the following circumstances applies with respect to the expert appraiser's appraisal results, unless that the appraisal price is higher than the transaction amount in acquisition of asset(s),</p>	Procedure for execution of opinions presentation by the accountant has been provided in Article 16 herein, and paragraph with respect to such is

Article	Article after Amendment	Article before Amendment	Reason for Amendment
	<p>transaction amount in disposal of asset(s), a certified public accountant shall render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1.) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2.) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	<p>or the appraisal price is lower than the transaction amount in disposal of asset(s), a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Republic of China Accounting Research and Development Foundation (hereinafter "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1.) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2.) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	therefore deleted.
Article 12	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>In addition, where the dollar amount of the transaction is 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC):</p>	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>In addition, where the dollar amount of the transaction is 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC):</p>	See descriptions for amendment to Article 11 herein.
Article 16	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the industry code of the respective affiliated trade associations and</u> the following:</p>	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p>	Provisions concerning external professionals associations amended in accordance with

Article	Article after Amendment	Article before Amendment	Reason for Amendment
	<p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable and that they have complied with applicable laws and regulations.</p>	<p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>laws and regulations as well as needs in actual operations.</p>
Article 18	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 9, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items having submitted to <u>the shareholders' meeting and</u> the Audit Committee for review and having forwarded to the board of directors for adoption need not be counted toward the transaction amount.</p> <p>Where independent directors have been assigned, hen a matter is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any</p>	<p>(No amendments are made to preceding paragraphs. Paragraphs omitted.)</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 9, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items having submitted to the Audit Committee for review and having forwarded to the board of directors for adoption need not be counted toward the transaction amount.</p> <p>Where independent directors have been assigned <u>in accordance with the Act</u>, when a matter is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations</p>	<p>In accordance with laws and regulation and to strengthen the management over transactions with related parties, paragraphs with respect to relevant laws and regulations have been amended.</p>

Article	Article after Amendment	Article before Amendment	Reason for Amendment
	<p>matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>Where the Company or its non-domestically public subsidiary engages in the transactions referred to in Paragraph 1 hereof, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall present the information as stated in sections under Paragraph 1 hereof to the Company's shareholders' meeting for approval prior to signings of transaction agreement and payments; however, this shall not apply to the transactions between the Company and its parent company, subsidiary, or the transactions between its subsidiaries. The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be done in accordance with Article 9-1, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items having submitted to the shareholders' meeting and the board of directors for adoption and to the Audit Committee for approval need not be counted toward the transaction amount.</u></p>	<p>about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>(This Paragraph is Newly Added)</u></p>	

【Attachment 7】 Comparison Table for Rules of Procedure for Shareholders' Meetings before and after amendment

Article	Article Before Amendment	Article After Amendment	Reason for Amendment
Article 2	(No amendments are made to preceding paragraphs. Paragraphs omitted.) The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u> , plus the number of shares whose voting rights are exercised by correspondence or electronically.	(No amendments are made to preceding paragraphs. Paragraphs omitted.) The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.	In response to amendments to laws and regulations, paragraph with respect to calculation of number of shares in attendance including check-ins on the virtual meeting platform has been added.
Article 4	The venue for a shareholders' meeting shall be the premises of the Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>The restrictions on the place of the meeting shall not apply when the Corporation convenes a virtual-only shareholders' meeting.</u>	The venue for a shareholders' meeting shall be the premises of the Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. (This Paragraph is Newly Added)	In response to amendments to laws and regulations, paragraph with respect to non-restriction of the place of the meeting in events of virtual-only shareholders' meeting.
Article 6-1	(This Article has been deleted)	The Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. In addition, 15 days before the date of the shareholders meeting, the Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by	Following with updates to relevant laws and regulations and shareholding ratio of foreign capital exceeding 30%, this Article is deleted due to its non-applicability.

Article	Article Before Amendment	Article After Amendment	Reason for Amendment
		shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Corporation and the professional shareholder services agent designated thereby as well as being distributed on site at the meeting place.	
Article 7	The Corporation shall make an uninterrupted audio and video recording of all meeting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. <u>If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</u> <u>Where a shareholders meeting is held online, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u>	The Corporation shall make an uninterrupted audio and video recording of all meeting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. (This Paragraph is Newly Added)	In response to availability of convening a shareholders' meeting in virtual-only manner, paragraph on data keeping procedure and sections as provided in the Company Act have been added.
Article 10	Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from</u>	Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. (This Paragraph is Newly Added)	In response to availability of convening a shareholders' meeting in virtual-only manner, manners and restrictions for speaking by shareholders has been added.

Article	Article Before Amendment	Article After Amendment	Reason for Amendment
	<u>the chair declaring the meeting open until the chair declaring the meeting adjourned.</u> <u>No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.</u>		
Article 14	<p>When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.</p> <p><u>When the Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p>	<p>When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.</p> <p>(This Paragraph is Newly Added)</p>	<p>In response to availability of convening a shareholders' meeting in virtual-only manner, paragraph with respect to votes and its counting is added.</p>

【Attachment 8】 Lists of Candidates for Directors

Role	Account No. or National ID	Name	Education Background	Experiences	Shares Held	Reasons for Continuing to Nominate Independent Directors for Three Consecutive Terms
Director	1	Otsuka Corporation Representative: Hironobu Tsurumi	Department of Economics, Kokugakuin University (Japan)	1. Director, Otsuka Corporation 2. Executive Director 3. Chairman, Otsuka Information and Commerce (Shanghai) Limited	6,465,900	Not Applicable
Director	1	Otsuka Corporation Representative: AOKI, Hideyuki	Faculty of Education, Waseda University (Japan)	Special Assistant to President's Office, Otsuka Corporation	6,465,900	Not Applicable
Director	20	GUO, Yi Long	Department of Industrial Engineering and Management, National Kaohsiung University of Applied Sciences	1. General Manager of the Company 2. Director and General Manager, Otsuka Software Trade (Dongguan) Ltd. 3. Director and General Manager, OITC Information Technology (Shanghai) Ltd.	20,000	Not Applicable
Director	5	HSU, Hui-Ru	Master of Education, Shiga University (National University) (Japan)	Vice General Manager and Spokesperson of the Corporation	137,000	Not Applicable
Director	2	Tamehiro Akio	Department of Law, Dokkyo University (Japan)	Chairman and General Manager, Noah International Taiwan Corp.	610,050	Not Applicable
Director	H1219xxxxx	HUANG, Hsiang Min	MA Architecture and Urban Design, Columbia University (US)	1. CEO, Fortune Construction Co., Ltd. 2. Chairman and General Manager, Rong-Shuh Construction Co., Ltd.	0	Not Applicable
Director	B1204xxxxx	LIU, Cheng Ho	Department of Computer Science, Tamkang University	Director and Vice President, Koei Tecmo Taiwan Co., Ltd.	0	Not Applicable

Role	Account No. or National ID	Name	Education Background	Experiences	Shares Held	Reasons for Continuing to Nominate Independent Directors for Three Consecutive Terms
Independent Director	F1228xxxxx	YEN, Jun De	Department of Accounting, Tunghai University	CFO, Winking Corporation	0	Due to his working experience in the professional fields of financial accounting, as well as his familiarity with relevant laws and regulations and corporate governance specification and experiences.
Independent Director	A2218xxxxx	LIN, Hui-Fen	Accounting PhD, National Cheng Kung University	Accountant, WEYONG International CPAs & Co.	0	Due to his working experience in the professional fields of financial accounting and identity as a certified public accountant, as well as his familiarity with relevant laws and regulations and corporate governance specification and experiences.
Independent Director	A1232xxxxx	XIE, Kun-Feng	Master of Laws, University of Wisconsin (US)	1. Head, CrownPro Attorneys-at-Law 2. Responsible Person, Guan-Jie Consulting Limited 3. Responsible Person, Shihung Limited	0	Not Applicable

【Attachment 9】 Contents of Proposal on Removing New Director Candidates' Non-Competing Limitations

Role	Name of Director	Name of Competing Companies with Interlocking Directorate to the Corporation and Role
Independent Director	YEN, Jun De	1. CFO, Winking Corporation 2. Independent Director/Compensation Committee Member/Audit Committee Member, Patec Precision Industry Co., Ltd.
Independent Director	LIN, Hui-Fen	1. Independent Director/Compensation Committee Member/Audit Committee Member, Lin Horn Technology Co., Ltd. 2. Independent Director/Compensation Committee Member/Audit Committee Member, Joy Industrial Co., Ltd. (Joytech)
Independent Director	XIE, Kun-Feng	1. Head, CrownPro Attorneys-at-Law 2. Responsible Person, Shihung Limited 3. Supervisor, Red Investment Management Co., Ltd. 4. Supervisor, Red Capital 1 Investment Co., Ltd. 5. Supervisor, Red Capital 2 Investment Co., Ltd.
Director	Otsuka Corporation Representative: Hironobu Tsurumi	1. Director, Otsuka Corporation 2. Executive Director, Otsuka Corporation 3. Chairman, Otsuka Information and Commerce (Shanghai) Limited
Director	Otsuka Corporation Representative: AOKI, Hideyuki	Special Assistant to President's Office, Otsuka Corporation
Director	GUO, Yi Long	Chairman and General Manager, To Gather Corporation
Director	HSU, Hui-Ru	Director, To Gather Corporation
Director	Tamehiro Akio	Chairman and General Manager, Noah International Taiwan Corp.
Director	HUANG, Hsiang Min	1. CEO, Fortune Construction Co., Ltd. 2. Chairman and General Manager, Rong-Shih Construction Co., Ltd. 3. Representative of Corporate Director, Excelsior Biopharma Inc.
Director	LIU, Cheng Ho	Director and Vice President, Koei Tecmo Taiwan Co., Ltd.

【Appendix 1】 Articles of Incorporation (Before Amendment)

Otsuka Information Technology Corp. Articles of Incorporation

Chapter 1 General Provisions

- Article 1: The Corporation is incorporated in accordance with the regulations for Companies Limited by Shares in the Company Act and registered under the business name of Otsuka Information Technology Corp. °
- Article 2: The Corporation's scope of service is set out hereunder
- CC01080 Electronic Parts and Components Manufacturing.
 - CC01110 Computers and Computing Peripheral Equipment Manufacturing
 - F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
 - F118010 Wholesale of Computer Software
 - F119010 Wholesale of Electronic Materials
 - F199990 Other Wholesale Trade
 - F113050 Wholesale of Computing and Business Machinery Equipment
 - F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
 - F213030 Retail sale of computing and Business Machinery Equipment
 - F218010 Retail Sale of Computer Software
 - F219010 Retail Sale of Electronic Materials
 - I199990 Other Consultancy Services
 - I301010 Software Design Services
 - I301020 Data Processing Services
 - I301030 Digital Information Supply Services
 - J304010 Book Publishers
 - JE01010 Rental and Leasing Business
 - E605010 Computing Equipment Installation Construction
 - I501010 Product Designing
 - F401010 International Trade
 - ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Corporation may provide guarantees after resolution from the Board.
- Article 4: The Corporation may make investments (re-investments) to other companies whose amount is not limited to 40 percent of the Corporation's paid-in capital as regulated in Article 13 of the Company Act after the resolution from the Board.
- Article 5: The Corporation has its head office in New Taipei City, and the Corporation may

establish branches, representative offices or factories in and out of this country after the resolution from the Board.

Article 6: Public announcements of the Corporation shall be made in accordance with the Company Act and other relevant laws and regulations.

Article 6-1: Where the Corporation intends to revoke public offering of the stock, a resolution from the Shareholders' meeting shall be gained, and this article remains unchanged during the emerging listing period.

Chapter 2 Shares

Article 7: The total amount of the Corporation's capital is NTD 300 million, which is further divided into 30 million shares, with the value per share at NTD 10, and the Board is authorized to issue shares in installments. A total of 2 million shares with a value of NTD 10 each and NTD 20 million in aggregate is preserved, which will be used for issuing stock option certificates, preferred shares with warrants or bond with warrants, and the Board is further authorized to issue them in installments thereof based on business needs.

Article 7-1: Where the shares of the Corporation are to be transferred to the employees at the price lower than the average upon actual buyback, a resolution shall be made at the most recent shareholder's meeting before transfer.

Article 7-2: Where the Corporation intends to issue employee stock option certificates at a price lower than the market price (Net Asset Value of Each Share), a resolution during the Shareholders' Meeting shall be made before issuance.

Article 7-3: Qualification requirements of employees, including the employees of parents or subsidiaries of the Corporation meeting certain specific requirements, entitled to receive treasury stock bought back by the Corporation.

Qualification requirements of employees, including the employees of parents or subsidiaries of the Corporation meeting certain specific requirements, entitled to receive share subscription warrant of the Corporation.

Qualification requirements of employees, including the employees of parents or subsidiaries of the Corporation meeting certain specific requirements, entitled to receive reserved new shares issued by the Corporation.

Qualification requirements of employees, including the employees of parents or subsidiaries of the Corporation meeting certain specific requirements, entitled to receive restricted stock for employees from the Corporation.

Article 8: The Corporation's shares are all nominal and shall be numbered and should be signed/stamped with seal by a director representing the Corporation as well as being attested to by a bank responsible for stock issuance certification before issuance.

For the shares to be issued by the Corporation, the Corporation may be exempted from printing any share certificate for the shares issued. However, the Corporation not

printing its share certificate shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.

Article 9: Where a shareholder requests assistance with share affairs from the Corporation, unless as otherwise stipulated in the regulations and securities articles, all shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies”

Article 10: Shares shall not be transferred within 60 days prior to the convening of a regular shareholders’ meeting, or within 30 days prior to the convening date of a special shareholders’ meeting, or within 5 days prior to the target fixed by the issuing corporation for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders’ Meeting

Article 11: There are two types of shareholders’ meeting:

Regular meeting: convened within six months after the close of each fiscal year.

Special meeting: convened in accordance with the relevant laws and regulations when necessary.

Article 12: When a shareholder is unable to attend the shareholders’ meeting for whatever reason, that shareholder shall appoint a proxy to attend by offering company issued written proxies. The written proxies shall be delivered to the Corporation 5 days prior to the date of the shareholders’ meeting.

A shareholder may only execute one power of attorney and appoint one proxy. In case two or more written proxies are received from one shareholder, the first one received by the Corporation shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later. The attendance of a shareholder’s proxy shall be handled in accordance with Article 177 of the Company Act and rules by competent authorities.

Article 13: When a shareholders’ meeting is held, the Chairman of the Board shall act as the Chairman of the meeting. In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the Chairman shall designate one of the directors as proxy; in case the proxy is not designated, the directors shall elect from themselves an Acting Chairman of the Board; where the shareholders’ meeting is convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 14: A shareholder, unless otherwise stipulated in Article 179 of the Company Act relating to the circumstances of certain shares as having no voting right, shall have one voting right in respect of each share in his/her/its possession.

Article 15: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, and shall be handled in accordance with Article 183 of the Company Act.

Article 16: Resolutions of a shareholders' meeting, unless stipulated otherwise in relevant regulations, shall require an affirmative vote of the majority represented by the attending shareholders for the passage of a proposal.

Chapter 4 Directors and Audit Committee

Article 17: The Corporation shall appoint 7 to 10 people using the cumulative voting system with voting by shareholders' meeting attendees with legal capacity, and the term of the director is three years and may be re-elected after the term. Should the revision for cumulative voting system be necessary, besides handling in accordance with Article 172 of the Company Act, matters shall be itemized in the causes or subjects to be described and the essential contents shall be explained.

The Corporation's director election adopts the candidate nomination system, and the shareholders shall elect the directors from among the nominees.

The aggregate shareholding by all directors of the Corporation shall be handled following the rules of the securities competent authorities.

In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the Corporation has established an audit committee and the audit committee is responsible for the supervision of the Company Act, the Securities and Exchange Act and other laws and regulations. The audit committee is composed of all independent directors, with no less than three persons, one of whom is the convener, and the exercise of its powers and related matters shall be handled in accordance with relevant laws and regulations.

Article 17-1: In the aforementioned number of directors of the Corporation, the number of independent directors shall not be less than two persons but not more than one-fifth of the total number of directors. The professional knowledge, shareholding, part-time job restrictions, nominations, means of election as well as other relevant issues of independent directors should all be in accordance with the regulations of the competent authority on securities.

Article 18: When the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call a special meeting of shareholders to elect succeeding directors to fill the vacancies, and their term of office shall be extended until the time new directors have been elected and assumed their office.

Article 19: The board of directors is composed of all directors. The Chairman is elected by two-thirds of the directors present at the meeting and representing one-half or more of the number of directors present at the meeting. The board exercises the authority as chairperson of the shareholders' meeting and board of directors according to the laws and regulations, Articles of Incorporation and Resolutions made in the shareholders'

meetings and the board of director meetings. Vice chairperson is elected using the same method. When the Chairman of the Board is on leave or for any reason and unable to exercise the powers of the Chairman, the Vice-Chairman shall act as Chairman. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the board of directors.

Meetings of the board of directors shall be convened by the Chairman of the Board of Directors. In case the Chairman of the Board of Directors cannot convene the meeting for any cause, the order of proxy is handled as the preceding paragraph. The reason for convening of the Board of Directors shall be stated and the directors are notified of such seven days in advance, but may be convened at any time when there is an emergency. The above notice in respect of convening the meeting shall be done in writing, by electronic email, or by facsimile.

Article 20: Each director shall attend the meeting of the board of directors in person. However, in case a director cannot attend the meeting, except for the director who resides in a foreign country, the director may appoint another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only. In case a meeting of the board of directors is held via visual communication network, then the directors taking part in such shall be deemed to have attended the meeting in person.

Article 21: A director shall have one voting power. The resolution of the board of directors, unless as otherwise set forth in the Company Act or this Articles of Incorporation, shall be attended by a majority of all the directors and be approved by a majority of the attending directors.

Article 22: The Board of Directors is authorized to determine the amount of compensation to be given to the directors of the Corporation based on the standard terms in the industry; In case the chairman, director or shareholder be concurrently an employee, the chairman is authorized by the shareholder's meeting to conduct in accordance with the Corporation's internal management measures. The board of directors may also determine the amount of transportation allowance based on the standard terms in the industry and liability insurance for the scope of the business involved for directors.

Chapter 5 Manager

Article 23: The Corporation may have more than one manager, whose appointment, discharge and

compensation shall be handled in accordance with the Company Act.

Chapter 6 Accounting

Article 24: The fiscal year of the Corporation starts on the first day of January every year and ends on the thirty-first of December of the same year. The Corporation shall compile the following statements at the end of each fiscal year and submit to its shareholders for their ratification no later than 30 days from the date of the shareholders' meeting.

(I) The annual business report

(ii) The financial statements; and

(iii) The appropriation of profit and remedy in the event of loss proposal

Article 25: If there is a profit in the final accounts of the Corporation, a proportion no lower than 5 percent shall be reserved as employees' compensation, distributed as cash as resolved by the board. Qualification requirements of employees, including the employees of parent or subsidiaries of the Corporation who meet certain specific requirements, entitled to receive shares or cash in accordance with the provisions stipulated by the board; the Corporation may, based on the aforementioned profits, reserve a proportion no higher than 3 percent as compensation to the directors. However, if there's still losses, the amount to make up for the losses shall be made first before distributing the compensation in the ratio hereof.

The Corporation may, by a resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation and compensation to the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The surplus of each company's final accounts, except for the completion of all taxes and compensation for past years' losses, should first allocate 10% of its balance to the statutory surplus reserve, but the statutory surplus reserve has reached the total amount of capital. And according to the provisions of Article 41 of the Securities Exchange Act, the special surplus reserve is proposed or revolved. If there is surplus and the accumulated undistributed surplus in the previous year, the board of directors prepares the surplus distribution case and submits it to the shareholders' meeting for resolution.

The Corporation, following the provisions in Article 240, paragraph 5 of the Company Act, authorizes the distributable dividends and bonuses in whole or in part to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 25-1: Allocation of dividends shall also take the Corporation's needs for future operation expansion into account, considering the Corporation's status on cash flow and operation surplus to enable a more flexible business operation and to strengthen competitiveness. Shareholders' bonus in the retained earnings allocation proposed by the Board of Directors shall not be lower than 20 percent of the value of the current net

income deducting the legal reserve. In this dividend allocation, cash dividend shall not be lower than 10 percent of the distributable dividend

Article 25-2: The Corporation, in accordance with Article 241 of the Company Act, distributes its legal reserve and the following capital reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. The distribution may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Chapter 7 Supplementary Provisions

Article 26: Organization regulations and operational rules of the Corporation shall be set otherwise by the Board.

Article 27: Any unspecified matters in this Articles of Incorporation shall be dealt in accordance with the Company Act and relevant regulations.

Article 28: I. This Articles of Incorporation was drawn up on the twenty-fourth of July 1997.

II. First amendment was effected on the fifth of August 1998.

III. Second amendment was effected on the twenty-eighth of June 2000.

IV. Third amendment was effected on the fifteenth of November 2000.

V. Fourth amendment was effected on the tenth of December 2002.

VI. Fifth amendment was effected on the twenty-sixth of December 2006.

VII. Sixth amendment was effected on the thirtieth of March 2007.

VIII. Seventh amendment was effected on the twenty-ninth of May 2007

IX. Eighth amendment was effected on the twenty-ninth of October 2007.

X. Ninth amendment was effected on the twenty-seventh of June 2008.

XI. Tenth amendment was effected on the twenty-sixth of June 2009.

XII. Eleventh amendment was effected on the fourteenth of June 2010.

XIII. Twelfth amendment was effected on the twenty-fifth of June 2012.

XIV. Thirteenth amendment was effected on the twenty-third of June 2014.

XV. Fourteenth amendment was effected on the twenty-ninth of June 2016.

XVI. Fifteenth amendment was effected on the twenty-sixth of June 2017.

XVII. Sixteenth amendment was effected on the twenty-fourth of June 2019.

XVIII. Seventeenth amendment was effected on the twenty-second of June 2020.

Otsuka Information Technology Corp.

Chairman: Hironobu Tsurumi

【Appendix 2】 Rules of Procedure for Shareholders' Meetings (Before Amendment)

Otsuka Information Technology Corp. Rules of Procedure for Shareholders' Meetings

- Article 1 The rules of procedure for the Corporation's shareholders' meeting, unless as otherwise provided by relevant laws or regulations, shall be as provided in these Rules.
- Article 2 The Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
Total shares represented by shareholders is counted based on signatures on the attendance book or submitted sign-in cards, plus the shares performing voting rights in written and electronic form.
- Article 3 The attendance and vote for each shareholders' meeting shall be counted based on number of shares held.
- Article 4 The venue for the shareholders' meeting shall be within the premises of the Corporation or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. Where the chairman of the board is on leave or for any reason and unable to exercise the powers of the chairman, the vice chairman shall act as chair. Where the Corporation has no managing director or the vice chairman of the board is on leave or for any reason and unable to exercise the powers of the chairman, the chairman shall appoint one managing director to act as chair; Where the Corporation does not have a managing director, the chairman shall appoint one managing director to act as chair. Where the chairman does not make a delegation, the managing directors or directors shall elect from among themselves to serve as chair. If the shareholders' meeting is convened by any other person having the convening right, he/she shall act as chairman.
- Article 6 The Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting.
The staff handling administrative affairs of a shareholders' meeting shall wear identification cards badge or arm bands.
- Article 6-1 The Corporation shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. The Corporation shall prepare electronic versions of the

shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

Article 7 The Corporation shall make an uninterrupted audio and video recording of all meeting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year.

Article 8 The chair shall call the meeting to commence at the appointed meeting time. However, when the attending shareholders does not represent the majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of more than 1 hour, may be made. If the quorum is not met after two postponements but the attending shareholders represent more than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote during the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9 If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors. The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.

Shareholders may not select a new chair and resume the meeting at the original or another venue.

Article 10 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or

interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 11 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 12 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13 After an attending shareholder has spoken, the chair may respond in person or ask a direct relevant personnel to respond.

Article 14 When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 15 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Corporation.

The result of the vote shall be made known immediately and recorded in writing.

Article 16 When a meeting is in progress, the chair may announce a break based on time considerations.

Article 17 Except as otherwise provided in the Company Act and in the Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

Article 18 When there is an amendment or an alternative to a proposal, the chair shall decide the order in which they will be put to a vote.

When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 19 The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 20 Any unspecified matters in these Rules shall be dealt in accordance with the Company Act and relevant regulations.

Article 21 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

【Appendix 3】 Procedures for Election of Directors

Otsuka Information Technology Corp. Procedures for Election of Directors

- Article1 Election of directors of the Corporation is handled in accordance with the provisions in these procedures.
- Article2 The cumulative voting method shall be used for election of the directors at the Corporation's shareholders' meeting. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article3 Elections of both directors at the Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- The elections for the Corporation's independent and non-independent directors shall also be held in accordance with the relevant provisions in these procedures, with votes calculated separately in groups of directors and non-directors. The candidates with more votes are elected.
- The number of directors will be as specified in the Corporation's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective number of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- A shareholder elected as director under the preceding paragraph shall decide which position to serve by him/herself, and the vacancies shall be substituted by the candidates with the second most number of votes in the original election.
- Article4 The election ballots is prepared by the Corporation and shall be numbered with shareholder account number or attendance card number along with number of voting rights
- Article5 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article6 The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article7 A ballot is invalid under any of the following circumstances :
- 1 、 The ballot was not prepared by the Corporation.
 - 2 、 A blank ballot is placed in the ballot box.
 - 3 、 A ballot that is not placed in the ballot box.
 - 4 、 The writing is unclear and indecipherable or has been altered.
 - 5 、 The candidate whose name entered in the ballot is verified to be inconsistent.

6、Other words or marks are entered in addition to the number of voting rights allotted.

Article8 The voting rights shall be calculated on the site after the end of the poll under the surveillance of the voting monitor, and the results of the calculation shall be announced by the chair on the site.

Article9 After public offering, if the candidates fail to meet the requirements set forth in Article 26-3, then his/her election as a director shall become invalid

Article10 The Corporation shall issue notifications to the persons elected as directors after the election in the shareholders' meeting.

Article11 Any unspecified matters in these procedures shall be dealt in accordance with the Company Act and relevant regulations.

Article12 These procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

【Appendix 4】 Procedures for Acquisition and Disposal of Assets (Before Amendment)

Otsuka Information Technology Corp. Procedures for Acquisition and Disposal of Assets

Article 1 Purpose

To secure investments and implement publication of information, the Corporation's acquisition or disposal of assets shall be handled in accordance with these procedures.

Article 2 Applicable Laws and Regulations

These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and Regulations Governing the Acquisition and Disposal of Assets by Public Companies

Article 3 The term "assets" as used in these Procedures includes the following:

- I. Investments including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities, etc.
- II. Real estate (including land, houses and buildings, investment property, land user, inventory of Constructions) and equipment.
- III. Membership.
- IV. Intangible assets (including patent, copyright, trademark and charter right).
- V. Right-of-use Assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivative products.
- VIII. Assets that are acquired or disposed through merger, spin-off, acquisition or share transfer.
- IX. Other major assets.

Article 4 Terms used in these Procedures are defined as follows:

- I. Derivatives : Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or

long-term purchase (sales) contracts.

- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law : Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary : As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser : Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property and other fixed assets.
- V. Date of occurrence : Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other dates that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment : Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 5 Procedures for Appraisal

- I. The acquisition or disposal of securities not traded in stock exchange markets or over-the-counter markets shall be determined using the net asset value of each share, profitability, potential market interest rate, coupon rate, credibility of the debtor and price at trade, etc.
- II. The acquisition or disposal of securities traded in stock exchange markets or over-the-counter markets shall be determined the price of equity or bond at trade.
- III. The acquisition or disposal of other assets as referred to in the preceding two subparagraphs shall be handled with either inquiry, price parity, negotiation or bidding, and shall be determined using the assessed present value, assessed value and actual transaction price of neighboring real estates as reference. Where the amount of

acquisition or disposal is over the threshold of public announcement or filing, the appraisal report by professional appraisers shall be taken as reference.

Article 6 Procedures for Acquisition or Disposal of Assets

- I. For acquisition or disposal of assets, the handling department shall perform appraisals on items of reasons, subject property, transaction counterparty, price of transfer, collection and payment terms and price reference of the subject intended for acquisition or disposal, followed by decisions of authorities and execution by administrative departments. The relevant matters are handled in accordance with the Corporation's internal control system and these Procedures.
- II. The finance department of the Corporation is responsible for execution of long and short term securities investments. The execution of real property, other fixed assets or its right-of-use-assets thereof are handled by the user department and authorities. Other assets which are not securities, real property, other fixed assets or its right-of-use-assets thereof shall be acquired or disposed after the appraisal by the relevant executing department.
- III. Relevant operations of acquisition or disposal of assets are handled in accordance with the Corporation's internal control system. If any material violation is discovered, the handling personnel shall be penalized based on the violation.
- IV. The Corporation's assets acquired through investments shall be registered in the name of the Corporation and relevant documents shall be kept in safe places including safety deposit boxes. Handling concerning purchases and sales, deposit and accounting shall be performed by different personnel.

Article 7 Delegation of Authorization

The Corporation's acquisition or disposal of assets shall be approved by the chairman, and an individual transaction whose amount is more than NTD 30 million shall be otherwise submitted to the board of directors for approval.

Article 8 Investment Amount

The Corporation may acquire real property or securities for non-business use, and the total amount of acquisition shall not exceed 30 percent of the total assets. Total amount of acquisition of securities shall not exceed 20 percent of total assets, and total amount of acquisition of individual securities shall not exceed 10 percent of the total assets.

Article 9 Standards of Public Announcement and Filing

Under any of the following circumstances, the Corporation's acquisition or disposal of assets shall publicly announce and report the relevant information on the FSC's

designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

- I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Corporation's total assets, or NTD 300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- IV. Where equipment for business use or right-of-use assets thereof are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria :
 - (I) For a company whose paid-in capital is less than NTD 10 billion, the transaction amount reaches NTD 500 million or more.
 - (II) For a company whose paid-in capital is NTD 10 billion or more, the transaction amount reaches NTD 1 billion or more.
- V. Where land is acquired under an arrangement on engaging others to build on the Corporation's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NTD 500 million.
- VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NTD 300 million; provided, this shall not apply to the following circumstances :
 - (I) Trading of domestic government bonds.
 - (II) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued in the

domestic primary market.(not including sub-order bonds), or purchase or buy back securities investment trusts or futures trust funds, or securities dealers for the underwriting business needs, as the recommendation of the securities company recommended by the company, according to the regulations of the Republic of China Securities Counter Trading Center Securities.

(III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows :

1. The amount of any individual transaction
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or its right-of-use within the same development project within the preceding year. °
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.

The Corporation shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Corporation at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Corporation acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

Article 10 Deadline for Public Announcement and Filing

Where any of the following circumstances occurs with respect to a transaction that the Corporation has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

- I. Change, termination, or rescission of a contract signed in regard to the original transaction.
- II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- III. Change to the originally publicly announced and reported information.

Article 11 In acquiring or disposing of real property, equipment or its right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NTD 300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment held for business use or its right-of-use assets thereof, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions :

- I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- II. Where the transaction amount is NTD 1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter referred to as "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price :

(I)The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

(II)The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

Article 12 The Corporation's acquisition or disposal of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price,

If the dollar amount of the transaction is 20 percent of the company's paid-in capital or NTD 300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

Article 13 Where the Corporation acquires or disposes of intangible assets or its right-of-use assets or membership, the transaction amount reaches 20 percent or more of paid-in capital or NTD 300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF.

Article 14 The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 9, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 15 Where the Corporation acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 16 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Corporation with appraisal reports, certified

public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements :

- I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following :

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 17 When the Corporation engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the Articles 11 to 15 herein.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 14 herein

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 18 When the Corporation intends to acquire or dispose of real property or its right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or its right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises the Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been reviewed by the audit committee and approved by the board of directors: :

- I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- II. The reason for choosing the related party as a transaction counterparty.
- III. With respect to the acquisition of real property or its right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 19 and Article 20 hereof.
- IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Corporation and the related party.
- V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- VII. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 9, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and the board of directors need not be counted toward the transaction amount.

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Article 19 Where the Corporation acquires real property or its right-of-use assets thereof from a related party, the reasonableness of the transaction costs shall be evaluated by the following means :

- I. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- II. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

Where the Corporation acquires real property or its right-of-use assets hereof from a related party and appraises the cost of the real property in accordance with the preceding two paragraphs, a CPA shall also be engaged to check the appraisal and render a specific opinion.

Where the Corporation acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article, and the preceding three paragraphs do not apply :

- I. The related party acquired the real property or right-of-use assets thereof through

inheritance or as a gift.

- II. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
- III. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Corporation's own land or on rented land.
- IV. The real property right-of-use assets for business use are acquired by the Corporation with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 20 Where the Corporation acquires real property from a related party and the results of appraisals conducted in accordance with the Articles 17 and 18 are uniformly lower than the transaction price, the following steps shall be taken:

- I. A special reserve shall be set aside against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Corporation uses the equity method to account for its investment in another public company, then the special reserve called for shall be set aside pro rata in a proportion consistent with the share of the Corporation's equity stake in the other company.
- II. Where the audit committee perform duties of supervising the business and finance of the Corporation, the committee shall comply with Article 218 of the Company Act and Article 14-4, Paragraph 3 of the Securities and Exchange Act.
- III. Actions taken pursuant to subparagraphs 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Corporation has set aside a special reserve under the preceding paragraph and may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Corporation obtains real property thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 21 The Corporation engagement in derivatives trading are pursuant to the Corporate's "Procedures for Engagement in Derivatives Trading" and shall pay attention to affairs of risk management and audit to implement internal control.

Article 22 Where the Corporation conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, a CPA, attorney, or securities underwriter shall be engaged to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Corporation directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Merger, demerger, acquisition, or transfer of shares shall be prepared into a public report for shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference :

I. Basic identification data for personnel : Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all

persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

- II. Dates of material events : Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- III. Important documents and minutes : Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recording.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

Article 23 The Corporation shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

Article 24 Where the Corporation participates in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price, unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.

- II. An action, such as a disposal of major assets, that affects the company's financial operations.
- III. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- VI. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

The agreements of merger, demerger, acquisition, or transfer of shares by the Corporation shall state relevant affairs in accordance with the rules to maintain the rights of participating companies.

Article 25 Rules of Acquisition or Disposal of Assets for Subsidiaries

- I. Acquisition or disposal of assets for subsidiaries shall be handled in accordance with the provisions as regulated by the parent company.
- II. Information required to be publicly announced and reported in accordance with the provisions of the Article 9 and 10 hereof on acquisitions and disposals of assets by the Corporation's subsidiary that is not itself a public company in the Republic of China shall be reported by the parent company.
- III. The parent company's paid-in capital or total capital shall be the standard applicable to the threshold of the subsidiary's public announcement and filing.

Article 26 Disclosed Items in the Financial Statement

Where the Corporation acquires or disposes of assets at or more than the amount required to be publicly announced and reported in accordance with Article 9 hereof and is making transactions with the de facto related party, the publicly announced contents shall be disclosed in financial statements and reported in a shareholders' meeting

Article 27 Effective Date:

- I. After these Procedures have been approved by the Board of Directors, they shall be submitted to the audit committee for review and then to a shareholders' meeting for approval before implementation. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee and report to the shareholders' meeting for discussion; the same applies to the amendments hereof.

- II. Where the position of independent director has been created in accordance with the preceding paragraph, and when the procedures for the acquisition and disposal of assets are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.
- III. When the procedures for the acquisition and disposal of assets are adopted or amended, they shall be approved by more than half of all audit committee members and submitted to the Board of Directors for a resolution.
- IV. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
- V. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

【Appendix 5】Effects on Operation Performance, Earnings per Share and Shareholders' Return on Equity by the Issuance of Bonus Shares: Not applicable as the publication of the Corporation's 2022 financial forecast is not required.

【Appendix 6】Shareholding by Directors

**Otsuka Information Technology Corp.
Shareholding by Directors**

- I. The Corporation's paid-in capital is NTD 170,970,000 in 17,097,000 issued shares.
 The minimum required combined shareholding of all directors by law (percentage) 12%
 The minimum required combined shareholding of all directors by law (shares) 2,051,640 shares
- II. Shares held by all directors as stated on the shareholders list as of the book closure date are as follows:

Book Closure Date: 2022.4.23

Role	Name	Shares held on Book Closure Date	
		Shares	Ratio
Chairman	Otsuka Corporation Representative: Hironobu TSURUMI	6,465,900	37.82%
Director	Otsuka Corporation Representative: AOKI, Hideyuki	6,465,900	37.82%
Director	GUO, Yi Long	20,000	0.12%
Director	HSU, Hui Ru	137,000	0.80%
Director	Tamehiro Akio	610,050	3.57%
Director	LIU, Cheng Ho	—	—
Director	HUANG, Hsiang Min	—	—
Independent Director	YEN, Jun De	—	—
Independent Director	LIN, Hui Fen	—	—
Independent Director	XIE, Kun-Feng	—	—
Total		7,232,950	42.31%

- III. The Corporation has established an audit committee, so the rule that the number of shares held by the supervisor shall not be less than a certain ratio does not apply.