

Otsuka Information Technology Corp.

2024 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 (FRI) of 2024 at 9: 00 a.m.

Place: 26F, No. 68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City

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Otsuka Information Technology Corp.

2024 Annual Shareholders' Meeting Procedure

I. Commencement of Meeting

II. Chairman's Statement

III. Report Items

IV. Matters for Ratification

V. Extempore Motion

VI. Adjournment

Otsuka Information Technology Corp.

2024 Annual Shareholders' Meeting Agenda

Manner: Physical Shareholder Meeting

Time: June 21 (FRI) of 2024 at 9: 00 a.m.

Place: 26F, 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) 2023 Business Report.
- (II) 2023 Audit Committee's Review Report.
- (III) 2023 Employee Bonus Stock and Directors' Bonus Stock Allocation Plans.
- (IV) 2023 Report of Retained Earnings Allocation through Cash Dividend.

IV. Matters for Ratification:

- (I) 2023 Business Report and Consolidated Financial Statements
- (II) 2023 Earning Distribution Table.

V. Extempore Motion:

VI. Adjournment

Report Items:

Proposal 1: 2023 Business Report. For your review.

Explanation: 2023 Business Report, attached in the Meeting Agenda pages 5~9, 【Attachment 1】.

Proposal 2: 2023 Audit Committee's Review Report. For your review.

Explanation: 2023 Audit Committee's Review Report, attached in the Meeting Agenda page 10, 【Attachment 2】.

Proposal 3: 2023 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 2023 will be NTD 12,968,209, distributed in form of cash. The total amount of distributable for directors is NTD 3,890,463.

Proposal 4: 2023 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 136,776,000 through cash dividend, with NTD 8 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: 2023 business report and financial statement. For your adoption. (Proposed by the board)

- Explanation: I. The Corporation's 2023 parent-only financial statement and consolidated financial statement are audited by independent certified public accountants Mr. Fu, Hung Wen and Mr. Horng, Shyh Gang 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. 2023 business report, attached in the Meeting Agenda pages 5~9, **【Attachment 1】** KPMG audit report and financial statement, attached in the Meeting Agenda pages 11~26, **【Attachment 3】** .
- III. For your adoption.

Resolution:

Proposal 2: 2023 Earning Distribution Table, for your adoption. (Proposed by the Board)

- Explanation: I. The Corporation's appropriation of the 2023 earnings is resolved by the Corporation's Board. Earnings Distribution Table, attached in the Meeting Agenda, page 27, **【Attachment 4】** .
- II. For your adoption.

Resolution:

Extempore Motions:

Adjournment

【Attachment 1】 2023 Business Report

I. 2023 Business Report

(I) Implementation Results of Business Plans

As a leading professional manufacturer in computer graphics software systems, 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 client. For recent years, we never stop expanding new high-level application opportunities and developing agency opportunities for diversified products, meanwhile assisting clients in incorporating all production node information management, integrating data system and introducing mixed reality and mobile data. rapidly increasing client's design and integration competitiveness, providing services related to protection of important information of design, research and development, etc., as well as integration application of information security systems, and becoming the best business partner for client's digital transformation. As a result, with the injection of revenue brought by groups of high-quality clients, operating income and profit in 2023 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 2023 operating revenue is NTD 1,691,168 Thousand, which increased by NTD 135,139 Thousand, 8.68% from last year; operating margin is NTD 558,317 Thousand, which increased by 36,613 Thousand, 7.02% from last year, and net income is NTD 198,721 Thousand, which increased by 17,015 Thousand, 9.36% from last year.

Otsuka Consolidated Financial Statement

Unit: NTD thousands

Year	2022		2023		Gain/Loss	
	Amount	%	Amount	%	Amount	%
Operating Revenue	1,556,029	100.00	1,691,168	100.00	135,139	8.68
Gross Profit	521,704	33.53	558,317	33.01	36,613	7.02
Operating Expenses	300,652	19.32	321,150	18.99	20,498	6.82
Operating Income	221,052	14.21	237,167	14.02	16,115	7.29
Income before Tax	219,089	14.08	242,647	14.35	23,558	10.75
Net Income	181,706	11.68	198,721	11.75	17,015	9.36

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

Financial Receipts and Expenditure (Structure) and Profitability Analysis					
Item			2022	2023	Difference
Financial Structure	Debt to Assets Ratio		25.07%	27.18%	2.11%
	Long-term Funds to Fixed Assets Ratio		3,048.58%	3,186.63%	138.05%
Debt Paying Ability	Current Ratio		387.66%	368.89%	-18.77%
	Quick Ratio		324.97%	304.78%	-20.19%
Profitability	Return on Assets (%)		17.05%	16.78%	-0.27%
	Shareholders' Return on Equity (%)		22.71%	22.65%	-0.06%
	Profit before Tax to Capital Stock (%)	Operating Profit	129.29%	138.72%	9.43%
		Net Profit Before Tax	128.14%	141.92%	13.78%
	Net Profit Ratio (%)		11.68%	11.75%	0.07%
	Earnings per Share(NTD)		10.65	11.62	0.97

(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	2021	2022	2023
R&D Expense(A)	8,161	7,478	15,649
Net Operating Revenue(B)	1,300,526	1,556,029	1,691,168
(A)/(B)	0.63%	0.48%	0.93%

In 2023, the Corporation's research and development focused on 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 through the utilization of digitized assets. Besides, the high-end CAD system value-added software, developed by the Corporation, and introduction of agency of digital productivity tool 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 ERP system updating and upgrading and internal system integration with a view to facilitate overall business management effectiveness, and providing customers with more complete service system.

II. 2024 Business Plan Abstract:

(I) Guideline for management

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

The Corporation is entering its 28th year on the management of Taiwanese computer-aided design software market, being a long-term and reliable cooperation partner of clients. 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, we will make use of business opportunities to incessantly develop new clients this year; besides, since establishment of the EFD team, we have added the simulation analysis and thermal properties measurement products to serve clients. Our technical team not only offers professional service items to our original clients, but also expands new client's business opportunities with an objective to segment our brands from our competitors. We believe that based on an old-client-rooted and new-client-peaked philosophy, we can experience overall competitive edge facilitation.

2. Providing complete product line technical integration

(1) The Corporation has the dealership for the middle and high level CAX/CAM 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 advanced level 3D graphic software, for which the Corporation serves as agent, is the system with extraordinarily extensive use among Taiwanese computer manufacturers, and the industries related to mechanical equipment and vehicles, etc., containing powerful features of strong advanced surface design, structural static analysis, and intuitional modeling, etc. Moreover, it is equipped with the kit of application programs with excellent integration, built-in computer-assisted design, engineering and manufacturing toolkits, which provide clients with such supreme features of more flexible software configuration, etc. In addition, in 2023, our

subsidiary also established the thermal properties measurement laboratory, which can measure the electronic components including LED, Logic IC, etc. We expanded our service level in heat dissipation and heat flow analysis of original software on agency. Our clients included those covering industries such as chip and IC design, thermal modules, power suppliers, industrial computers, LED, batteries, etc.

(3)The Institute for Information Industry suggests that decentralization and OMO (online merge offline) application development will be more diversified, such as application related to metaverse, mixed reality, digital transformation and internal productivity tools, etc. The Corporation will develop a diversity of brands to maintain the service capability. 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 2023, the Corporation imported ISO 27001, undertook ERP system upgrading in China, and proceeded with integration of CRM 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., In 2024, after each system across the Strait is connected in series, better services can be provided to clients, so that the company's operation information process can be smoother with more 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 2024 is expected.

(III) Important selling and promotion strategies

1. Completely build the client's contract information, deliver business opportunities, and actively enhance organizational response and service network efficiency, make use of business opportunities and contract management to grasp new and old clients' demand timing for prompt statements.
2. The Market Intelligence & Consulting Institute of the Institute for Information Industry pointed that in 2023, the IT investment structure of businesses, the manufacturing industry and the construction industry in Taiwan represented software and hardware in the same level, and even software surpassing hardware. It suggested that a structural twist had happened to domestic businesses' thinking about investment in traditional hardware-focused IT, especially rise of investment in ESG, cloud, and AI. Therefore, we actively cultivate professional technical support consultants to provide a complete and integrated sales model and client service, to cultivate management trainees, to pass on the Corporation's technical ability, and furthermore enhance the Corporation's competitiveness in sustainable development.
3. Import ISO 27001 with verification completed, establish confidentiality of information security management systems, and increase the protection mechanism of the company and clients in order to reduce losses from actual information divulgement in the future.
4. In the future, the software industry's challenge is how to use software tools to drive the enterprises to carry out digital transformation. Therefore, 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 for implementation of digital transformation

Furthermore, we will maintain a concrete introduction of our product lines with value-adding synergy and increase width and depth of product lines.

(IV) Future development strategies

1. Provide integrated business systems via professional service.

The manufacturing industry puts emphasis on quick response, flexible and highly-automation. Under the influence of that trend, we must improve manufacturing process efficiency and operation modes, and enhance added value of products for maintaining competitiveness. The Corporation, by cooperating with complete and diverse solutions platforms, will keep abreast with clients to jointly cope with each challenge in technical development, assist clients with innovating product research, development, and product launch efficiency, 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. Utilize business opportunities for grasp of prompt development, expand new product business, assisted with connection of internal data systems, take a complete hold of old clients' demands, develop business opportunities of new clients, and continuously enlarge the sales market.

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, and increase toolkits of newly-distributed product lines, 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) High-level CAD system value-added software development. We plan to introduce re-developed management tool, which will be used to collectively manage the re-developed authorized verification information in order to grasp information of business opportunities. In the future, we also propose to extend the application of tool to information of members to function as the platform to provide clients with newest service information and technical information.

(3) In response to change trend of the future operation mode, we will research and apply the APS (Autodesk Platform Services) function, and integrate the services APS offers to develop the system service platform of SaaS mode.

(4) Integrated application development for Cloud-Based AI Services. Using cloud service and AI-developed API, cloud applications and system integration are empowered capability of innovation with enhanced efficiency of information transformation, and unique Cloud-Based AI 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

The Market Intelligence & Consulting Institute of the Institute for Information Industry pointed that the key of intelligent manufacturing development in Taiwan lies in restrictions of issues of digital stages before Industry 4.0. Namely, there are difficulties in gaining serial connection of data and systems. Therefore, in respect of data collection, the Corporation also introduces the mobile data collection project to provide highly-automation data management service by having the automated AI software service manage important but cumbersome data collection and summarization process, and with that service, clients can enter the data analysis and application stage for businesses to gain profit only by using the modularized operation interface. On that account, we increase clients' dependence on technical services, and segment market positioning and competition edges from fellow traders.

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 ESG and net-zero carbon emission became stricter, the

Corporation will pay constant attention and propose a revision on relevant internal procedures and measurements, promptly discussing with accountants and counselling agencies, when necessary, in order to minimize the potential impacts.

3. Effects of the overall operating environment

According to International Monetary Fund (IMF), the global economic growth rate in January 2024 will increase to 3.1%. 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

According to the latest prediction as announced by Taiwan Institute of Economic Research in January 2024, the domestic economy growth rate in 2024 is 3.15%. The Corporation, as the CAD/CAM leader in the Taiwanese market, adheres to the business spirit of sustainable service, striding towards the goal of expanding technical edge, continuous market share expansion. This year, with broader application of emerging technology, 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 2023. Since founded, Our management team will continue to cultivate technical capability and operation efficiency for making full efforts in improving professional service, and strengthening long-term competitiveness, 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 2023 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: LIN, Chih Ming

【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 2023 separate financial statement and consolidated financial statement and business report and earnings distribution audited and attested by independent certified public accountants Mr. Fu, Hung Wen and Mr. Horng, Shyh Gang of KPMG. All tabulations have been reviewed by the Audit Committee and all are produced in compliance with the relevant laws, according to the Securities and Exchange Act and the Company Act, we hereby submit this report. For your approval.

Hereby presented to

The Corporation's 2024 Annual Shareholders' Meeting

Audit Committee's Convener : LIN, Hui Fen

March 11th, 2024

【Attachment 3】 Audit Report of Independent Accountants and 2023 Consolidated Financial Statements



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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 sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023 and 2022 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 and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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) for the accounting policy for “Inventories”, Note 5 for “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and Note 6(d) for the details and related expenses for “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.

Other Matter

Otsuka Information Technology Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Fu, Hung-Wen and Horng, Shyh-Gang.

KPMG

Taipei, Taiwan (Republic of China)

March 11, 2024

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 Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(o) and 7)	\$ 1,691,168	100	1,556,029	100
5000	Operating costs (notes 6(d) and 7)	1,132,851	67	1,034,325	66
	Gross profit	558,317	33	521,704	34
	Operating expenses: (notes 6(c), (e), (i), (j), (p) and 12)				
6100	Selling expenses	255,465	15	247,014	16
6200	Administrative expenses	50,836	3	45,811	3
6300	Research and development expenses	15,649	1	7,478	1
6450	Expected credit loss (reversal of expected credit loss)	(800)	-	349	-
	Total operating expenses	321,150	19	300,652	20
	Net operating income	237,167	14	221,052	14
	Non-operating income and expenses:				
7100	Interest income	4,812	-	2,981	-
7020	Other gains and losses (notes 6(h) and (q))	1,550	-	(4,525)	-
7510	Interest expense (note 6(i))	(882)	-	(419)	-
	Total non-operating income and expenses	5,480	-	(1,963)	-
	Profit before tax	242,647	14	219,089	14
7950	Less: Income tax expenses (note 6(k))	43,926	2	37,383	2
	Profit	198,721	12	181,706	12
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (note 6(j))	1,030	-	4,476	-
8349	Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
		1,030	-	4,476	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(2,988)	-	2,340	-
8399	Income tax related to items that will be reclassified to profit or loss (note 6(k))	597	-	(468)	-
		(2,391)	-	1,872	-
8300	Other comprehensive income	(1,361)	-	6,348	-
8500	Total comprehensive income	\$ 197,360	12	188,054	12
	Profit attributable to:				
8610	Owners of parent	\$ 198,721	12	182,145	12
8620	Non-controlling interest	-	-	(439)	-
		\$ 198,721	12	181,706	12
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 197,360	12	188,493	12
8720	Non-controlling interest	-	-	(439)	-
		\$ 197,360	12	188,054	12
	Earnings per share (NT dollars) (note 6(n))				
	Basic earnings per share	\$ 11.62		10.65	
	Diluted earnings per share	\$ 11.55		10.56	

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent							
	Retained earnings			Exchange		Total equity attributable to owners of parent	Total equity
	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	differences on translation of foreign financial statements		
Ordinary shares							
\$	170,970	68,813	108,463	10,956	407,869	(10,262)	756,809
	-	-	-	-	182,145	-	182,145
	-	-	-	-	4,476	1,872	6,348
	-	-	-	-	186,621	1,872	188,493
	-	-	14,540	-	(14,540)	-	-
	-	-	-	(694)	694	-	-
	-	-	-	-	(102,582)	-	(102,582)
	-	-	-	-	-	-	(514)
	170,970	68,813	123,003	10,262	478,062	(8,390)	842,720
	-	-	-	-	198,721	-	198,721
	-	-	-	-	1,030	(2,391)	(1,361)
	-	-	-	-	199,751	(2,391)	197,360
	-	-	18,214	-	(18,214)	-	-
	-	-	-	(1,872)	1,872	-	-
	-	-	-	-	(128,227)	-	(128,227)
\$	170,970	68,813	141,217	8,390	533,244	(10,781)	911,853
							911,853

Balance on January 1, 2022

Profit
Other comprehensive income
Total comprehensive income
Appropriation and distribution of retained earnings:
Legal reserve
Special reserve
Cash dividends of ordinary shares
Changes in non-controlling interests
Balance on December 31, 2022
Profit
Other comprehensive income
Total comprehensive income
Appropriation and distribution of retained earnings:
Legal reserve
Special reserve
Cash dividends of ordinary shares
Balance on December 31, 2023

(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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 242,647	219,089
Adjustments:		
Adjustments to reconcile profit:		
Depreciation and amortization	23,296	23,344
Losses related to inventories	939	1,937
Expected credit loss (reversal of expected credit loss)	(800)	349
Interest income	(4,812)	(2,981)
Interest expense	882	419
Losses on disposal and retirement of property, plant and equipment	53	783
Impairment loss on other non-current assets	-	5,685
Others	42	1,091
Total adjustments to reconcile profit	19,600	30,627
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	17,173	12,730
Inventories	(16,907)	(67,931)
Other current assets	(7,767)	(371)
Accounts payable	7,120	27,142
Salaries payable	2,718	(2,410)
Other payables	3,458	2,647
Other current liabilities	1,195	3,658
Others	(1,989)	(1,794)
Total adjustments	24,601	4,298
Cash inflow generated from operations	267,248	223,387
Interest received	4,629	3,168
Interest paid	(882)	(419)
Income taxes paid	(37,709)	(32,346)
Net cash flows from operating activities	233,286	193,790
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at amortised cost	27,000	-
Acquisition of intangible assets	(8,553)	(7,529)
Acquisition of property, plant and equipment	(3,009)	(5,644)
Proceeds from disposal of property, plant and equipment	2	96
Acquisition of unamortized assets	(2,254)	(1,214)
Decrease (increase) in refundable deposits	(1,320)	1,147
Acquisition of business combination	(24,762)	-
Net cash flows used in investing activities	(12,896)	(13,144)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(14,825)	(15,795)
Cash dividends	(128,227)	(102,582)
Changes in non-controlling interests	-	(514)
Net cash flows used in financing activities	(143,052)	(118,891)
Effect of exchange rate changes on cash and cash equivalents	(3,189)	2,507
Net increase in cash and cash equivalents	74,149	64,262
Cash and cash equivalents at beginning of year	523,870	459,608
Cash and cash equivalents at end of year	\$ 598,019	523,870

See accompanying notes to consolidated financial statements.



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KPMG

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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 sheet as of December 31, 2023 and 2022, the parent company only statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material 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, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years ended December 31, 2023 and 2022 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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:

Evaluation of inventories

Please refer to Note 4(g) for the accounting policy for "Inventories", Note 5 for "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(d) for the details and related expenses for "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.

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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Fu, Hung-Wen and Horng, Shyh-Gang.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2024

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.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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(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, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(n) and 7)	\$ 1,589,664	100	1,423,360	100
5000	Operating costs (notes 6(d) and 7)	1,060,248	67	931,308	65
	Gross profit	529,416	33	492,052	35
	Operating expenses: (notes 6(c), (e), (i), (j), (o), 7 and 12)				
6100	Selling expenses	230,948	14	227,825	16
6200	Administrative expenses	46,249	3	40,918	3
6300	Research and development expenses	15,603	1	7,478	1
6450	Expected credit loss (reversal of expected credit loss)	(833)	-	406	-
	Total operating expenses	291,967	18	276,627	20
	Net operating income	237,449	15	215,425	15
	Non-operating income and expenses:				
7100	Interest income (note 7)	3,260	-	1,511	-
7020	Other gains and losses (notes 6(p) and 7)	1,281	-	2,697	-
7070	Share of profit (loss) of subsidiaries accounted for using equity method	1,317	-	(17)	-
7510	Interest expense (notes 6(i) and 7)	(801)	-	(355)	-
	Total non-operating income and expenses	5,057	-	3,836	-
	Profit before tax	242,506	15	219,261	15
7950	Less: Income tax expenses (note 6(k))	43,785	2	37,116	2
	Profit	198,721	13	182,145	13
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans (note 6(j))	1,030	-	4,476	-
8349	Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
		1,030	-	4,476	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(2,988)	-	2,340	-
8399	Income tax related to items that will be reclassified to profit or loss (note 6(k))	597	-	(468)	-
		(2,391)	-	1,872	-
8300	Other comprehensive income	(1,361)	-	6,348	-
8500	Total comprehensive income	\$ 197,360	13	188,493	13
	Earnings per share (NT dollars) (note 6(m))				
	Basic earnings per share	\$ 11.62		10.65	
	Diluted earnings per share	\$ 11.55		10.56	

See accompanying notes to parent company only financial statements.

(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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Retained earnings				Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
		Capital surplus	Legal reserve	Special reserve				
Balance on January 1, 2022	170,970	68,813	108,463	10,956		407,869	(10,262)	756,809
Profit	-	-	-	-		182,145	-	182,145
Other comprehensive income	-	-	-	-		4,476	1,872	6,348
Total comprehensive income	-	-	-	-		186,621	1,872	188,493
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	14,540	-		(14,540)	-	-
Special reserve	-	-	-	(694)		694	-	-
Cash dividends of ordinary shares	-	-	-	-		(102,582)	-	(102,582)
Balance on December 31, 2022	170,970	68,813	123,003	10,262		478,062	(8,390)	842,720
Profit	-	-	-	-		198,721	-	198,721
Other comprehensive income	-	-	-	-		1,030	(2,391)	(1,361)
Total comprehensive income	-	-	-	-		199,751	(2,391)	197,360
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	18,214	-		(18,214)	-	-
Special reserve	-	-	-	(1,872)		1,872	-	-
Cash dividends of ordinary shares	-	-	-	-		(128,227)	-	(128,227)
Balance on December 31, 2023	170,970	68,813	141,217	8,390		533,244	(10,781)	911,853

See accompanying notes to parent company only financial statements.

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

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 242,506	219,261
Adjustments:		
Adjustments to reconcile profit:		
Depreciation and amortization	19,469	20,059
Losses on inventory valuation and obsolete inventories	939	1,872
Expected credit loss (reversal of expected credit loss)	(833)	406
Interest expense	801	355
Interest income	(3,260)	(1,511)
Share of loss (profit) of subsidiaries accounted for using the equity method	(1,317)	17
Losses on disposal and retirement of property, plant and equipment	40	144
Others	53	-
Total adjustments to reconcile profit	<u>15,892</u>	<u>21,342</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	5,569	23,014
Other receivables (including related parties)	482	813
Inventories	(12,533)	(61,739)
Other current assets	774	(1,125)
Accounts payable	3,461	30,171
Salaries payable	1,905	(2,302)
Other payables	1,901	3,154
Other current liabilities	415	4,898
Others	(1,989)	(1,794)
Total adjustments	<u>15,877</u>	<u>16,432</u>
Cash inflow generated from operations	258,383	235,693
Interest received	3,091	1,484
Interest paid	(801)	(355)
Income taxes paid	(37,492)	(32,054)
Net cash flows from operating activities	<u>223,181</u>	<u>204,768</u>
Cash flows from (used in) investing activities:		
Proceeds from liquidation of investments accounted for using the equity method	-	9,740
Acquisition of property, plant and equipment	(1,146)	(5,386)
Proceeds from disposal of property, plant and equipment	2	30
Decrease (increase) in refundable deposits	(1,409)	715
Increase in other receivables—related parties	(15,000)	-
Acquisition of unamortized assets	(8,920)	(8,743)
Net cash flows used in investing activities	<u>(26,473)</u>	<u>(3,644)</u>
Cash flows from (used in) financing activities:		
Cash dividends	(128,227)	(102,582)
Payment of lease liabilities	(12,322)	(13,368)
Net cash flows used in financing activities	<u>(140,549)</u>	<u>(115,950)</u>
Net increase in cash and cash equivalents	56,159	85,174
Cash and cash equivalents at beginning of year	399,642	314,468
Cash and cash equivalents at end of year	<u><u>\$ 455,801</u></u>	<u><u>399,642</u></u>

See accompanying notes to parent company only financial statements.

【Attachment 4】 Earnings Distribution Table

Otsuka Information Technology Corp. 2023 Earnings Distribution Table

Unit: NTD

Items	Amount	
	Subtotal	Total
Beginning Balance	333,494,023	
Add: Changes on Re-measurement of Defined Benefit Plans in Current Period	1,029,244	
Adjusted beginning balance		334,523,267
Add: 2023 Net Profit After Tax	198,720,581	
Current Distributable Earnings		533,243,848
Minus: Legal Reserve	19,974,983	
Minus: Special Reserve	2,390,426	
Distribution Item		
1.Shareholder's Dividend-Shares (NTD 0 per share)	0	
2.Shareholder's Dividend-Cash (NTD 8 per share)	136,776,000	
Undistributed Retained Earnings		374,102,439
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: LIN, Chih Ming

【Appendix 1】 Articles of Incorporation

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.

Shareholders’ meeting of the Corporation can be held by means of visual communication network or other methods promulgated by the central competent authority.

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 three 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.

XIX. Eighteenth amendment was effected on the twenty-first of June 2022.

Otsuka Information Technology Corp.

Chairman: Hironobu Tsurumi

【Appendix 2】 Rules of Procedure for Shareholders' Meetings

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.
The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 3 The attendance and vote for each shareholders' meeting shall be counted based on number of shares held.
- 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.
The restrictions on the place of the meeting shall not apply when the Corporation convenes a virtual-only shareholders' meeting.
- 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 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. 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.
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.

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.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.

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.

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.

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.

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】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 2024 financial forecast is not required.

【Appendix 4】 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: 2024.4.23

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: Hideyuki Aoki	6,465,900	37.82%
Director	Akio Tamehiro	610,050	3.57%
Director	GUO, Yi Long	55,320	0.32%
Director	HSU, Hui Ru	136,000	0.80%
Director	LIU, Cheng Ho	—	—
Director	HUANG, Hsiang Min	—	—
Independent Director	YEN, Jun De	—	—
Independent Director	LIN, Hui Fen	—	—
Independent Director	XIE, Kun-Feng	—	—
Total		7,267,270	42.51%

- 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.