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August 3, 2026

Consolidated Financial Report for the Six Months Ended June 30, 2026 <Under Japanese GAAP>

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

Listing: Tokyo Stock Exchange, Code 4768
Representative: Yuji Otsuka, President & Chief Executive Officer
Contact: Hironobu Saito, Director & Executive Corporate Officer; General Manager of Business Administration Headquarters (Tel: +81-3-3264-7111)

Scheduled date to file semi-annual securities report:	August 10, 2026
Scheduled date to commence dividend payments:	September 2, 2026
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (for analysts)

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2026 (From January 1, 2026 to June 30, 2026)

(1) Consolidated results of operations (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	757,498	9.0	53,088	8.0	54,824	9.4	36,982	8.4
June 30, 2025	695,132	22.0	49,173	26.6	50,099	25.7	34,127	26.7

Note) Comprehensive Income: For the six months ended June 30, 2026: 37,074 million yen [0.2%]
For the six months ended June 30, 2025: 36,992 million yen [36.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	yen	yen
June 30, 2026	97.53	97.36
June 30, 2025	90.00	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	823,297	419,329	50.3
December 31, 2025	729,200	399,588	54.1

Reference) Equity: As of June 30, 2026: 413,806 million yen
As of December 31, 2025: 394,324 million yen

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal Year ended December 31,2025	—	45.00	—	45.00	90.00
Fiscal Year ending December 31,2026	—	55.00			
Fiscal Year ending December 31, 2026 (forecast)			—	50.00	105.00

Note) Revision of the recently announced dividends forecasts: Yes

3. Consolidated Financial Forecasts for the Fiscal Year 2026 (From January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full-Year	1,379,000	4.2	94,300	4.8	96,100	5.0	64,900	0.9	171.15

Notes) Revision of the recently announced financial forecasts: Yes

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: No

(2) Application of specific accounting for preparing the semi-annual consolidated financial statements: Yes

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

1) Changes in accounting policies due to revisions to accounting standards, etc.: No

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

3) Changes in accounting estimates: No

4) Restatements: No

(4) Number of shares issued (common shares)

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

As of June 30, 2026:	380,004,240 shares
As of December 31, 2025:	380,004,240 shares

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

As of June 30, 2026:	803,061 shares
As of December 31, 2025:	803,041 shares

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

Six months ended June 30, 2026:	379,201,187 shares
Six months ended June 30, 2025:	379,201,199 shares

*** Semi-annual financial reports are not subject to review to be conducted by certified public accountants or an audit firm.**

Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	252,058	257,024
Notes and accounts receivable - trade, and contract assets	219,579	271,185
Merchandise	53,670	69,138
Work in process	1,462	1,163
Raw materials and supplies	864	766
Other	78,041	90,029
Allowance for doubtful accounts	(163)	(215)
Total current assets	605,514	689,092
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,100	13,785
Other, net	21,700	21,693
Total property, plant and equipment	35,800	35,479
Intangible assets	30,610	34,576
Investments and other assets		
Investment securities	25,124	23,686
Other	32,632	40,947
Allowance for doubtful accounts	(482)	(485)
Total investments and other assets	57,274	64,148
Total non-current assets	123,685	134,204
Total assets	729,200	823,297

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	159,850	215,411
Electronically recorded obligations - operating	26,739	33,513
Short-term borrowings	4,300	4,300
Current portion of long-term borrowings	1,700	1,700
Income taxes payable	16,807	17,301
Provision for bonuses	5,697	6,497
Other	107,715	118,345
Total current liabilities	322,810	397,069
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	662	680
Retirement benefit liability	3,811	3,942
Other	2,326	2,276
Total non-current liabilities	6,801	6,898
Total liabilities	329,611	403,968
Net assets		
Shareholders’ equity		
Share capital	10,374	10,374
Capital surplus	16,254	16,254
Retained earnings	356,326	376,244
Treasury shares	(143)	(143)
Total shareholders’ equity	382,812	402,730
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,673	7,170
Deferred gains or losses on hedges	551	913
Revaluation reserve for land	(5,201)	(5,201)
Foreign currency translation adjustment	445	507
Remeasurements of defined benefit plans	8,042	7,685
Total accumulated other comprehensive income	11,511	11,075
Non-controlling interests	5,264	5,522
Total net assets	399,588	419,329
Total liabilities and net assets	729,200	823,297

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	695,132	757,498
Cost of sales	566,364	618,955
Gross profit	128,768	138,542
Selling, general and administrative expenses	79,594	85,454
Operating profit	49,173	53,088
Non-operating income		
Interest income	127	283
Dividend income	221	278
Share of profit of entities accounted for using equity method	388	540
Foreign exchange gains	151	790
Other	360	397
Total non-operating income	1,249	2,290
Non-operating expenses		
Interest expenses	31	41
Donations	289	512
Other	2	0
Total non-operating expenses	323	554
Ordinary profit	50,099	54,824
Extraordinary income		
Gain on sale of investment securities	5	6
Total extraordinary income	5	6
Extraordinary losses		
Loss on retirement of non-current assets	13	112
Loss on valuation of investment securities	—	1,065
Loss on change in equity	—	92
Loss on liquidation of investment securities	2	—
Total extraordinary losses	15	1,270
Profit before income taxes	50,089	53,560
Income taxes	15,495	16,116
Profit	34,593	37,443
Profit attributable to non-controlling interests	466	461
Profit attributable to owners of parent	34,127	36,982

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit	34,593	37,443
Other comprehensive income		
Valuation difference on available-for-sale securities	1,552	(535)
Deferred gains or losses on hedges	(763)	444
Revaluation reserve for land	68	—
Remeasurements of defined benefit plans, net of tax	1,506	(369)
Share of other comprehensive income of entities accounted for using equity method	35	90
Total other comprehensive income	2,399	(369)
Comprehensive income	36,992	37,074
(Breakdown)		
Comprehensive income attributable to owners of parent	36,641	36,546
Comprehensive income attributable to non-controlling interests	350	527

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	50,089	53,560
Depreciation	4,436	5,524
Increase (decrease) in allowance for doubtful accounts	92	54
Interest and dividend income	(348)	(562)
Interest expenses	31	41
Share of loss (profit) of entities accounted for using equity method	(388)	(540)
Loss on retirement of non-current assets	13	112
Loss (gain) on sale of investment securities	(5)	(6)
Loss (gain) on valuation of investment securities	―	1,065
Loss (gain) on change in equity	―	92
Decrease (increase) in trade receivables	(43,464)	(51,607)
Decrease (increase) in inventories	9,507	(15,071)
Increase (decrease) in trade payables	21,506	62,335
Increase (decrease) in accrued expenses	15,446	16,601
Other, net	651	(13,905)
Subtotal	57,567	57,695
Interest and dividends received	371	649
Interest paid	(30)	(42)
Income taxes paid	(12,717)	(15,724)
Net cash provided by (used in) operating activities	45,190	42,577
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,548)	(1,206)
Purchase of software	(6,430)	(8,449)
Purchase of investment securities	(5)	(8)
Proceeds from sale of investment securities	8	7
Payments into time deposits	(100)	(10,000)
Other, net	(50)	(252)
Net cash provided by (used in) investing activities	(9,126)	(19,909)
Cash flows from financing activities		
Dividends paid	(30,323)	(17,062)
Other, net	(222)	(269)
Net cash provided by (used in) financing activities	(30,546)	(17,331)
Effect of exchange rate change on cash and cash equivalents	(2)	(1)
Net increase (decrease) in cash and cash equivalents	5,515	5,334
Cash and cash equivalents at beginning of period	229,488	253,620
Cash and cash equivalents at end of period	235,003	258,955

Segment Information

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

Six months ended June 30, 2025 (Millions of yen)

	Reportable segments		Total	Adjustment	Amount recorded in semi-annual consolidated statements of income
	System Integration business	Service and Support business			
Net sales					
Outside customers sales	490,101	205,030	695,132	—	695,132
Inter-segment sales/transfers	577	879	1,457	(1,457)	—
Total	490,679	205,910	696,590	(1,457)	695,132
Segment profit	39,667	16,129	55,796	(6,622)	49,173

Six months ended June 30, 2026 (Millions of yen)

	Reportable segments		Total	Adjustment	Amount recorded in semi-annual consolidated statements of income
	System Integration business	Service and Support business			
Net sales					
Outside customers sales	536,735	220,763	757,498	—	757,498
Inter-segment sales/transfers	550	952	1,502	(1,502)	—
Total	537,285	221,715	759,001	(1,502)	757,498
Segment profit	43,531	16,541	60,073	(6,984)	53,088